

A rising tide does not lift all boats

Ontario's colour-coded labour market recovery

Sheila Block and Grace Edward Galabuzi





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Summary

ONTARIO'S LABOUR MARKET went through a period of rapid changes between 2019 and 2022. The global pandemic that shut down much of the province's economy drove the unemployment rate to 14 per cent by May 2020. Not long after, in 2021 and 2022, a rapid recovery pushed the unemployment rate back down to 5.3 per cent in December 2022. Rising wages and increased job vacancy rates were clear signs of tight labour markets as 2022 came to a close.

The tide rose, but it didn't lift up everyone: There was a shift in the industrial structure of employment in the province. Between 2019 and 2022, 10 out of 17 major industries saw employment gains; seven saw employment losses. Much of the shift in employment was from low-wage industries into high-wage industries. However, this report shows that a rising tide did not lift all boats: While the employment and wage gap between racialized and white workers has narrowed during the pandemic recovery, Black workers, in particular, are still encountering barriers in Ontario's labour market.

Employment gap widened for Black workers: As the recovery took hold, the total racialized population narrowed the employment gap with white workers, but the gap widened for Black workers. In 2022, the unemployment rate fell by 2.9 percentage points for all racialized workers and by 2.1 percentage points for white workers but unemployment fell by only 1.6 percentage points for Black workers. Positive signs for the total racialized workforce are not in evidence for Black workers: the gap between Black and white workers has widened. Black men's employment continues to be concentrated in lower-wage industries and in industries that have experienced employment

losses since 2019. Black women have the smallest share of their employment in occupations with the fastest wage growth.

Racialized men, as a whole, got jobs in fast-growing industries:

For racialized men, much of their employment growth was in fast-growing industries. Thirty-one per cent of racialized men worked in the three fastest-growing industries, compared to 23 per cent of Black men and 25 per cent of white men. The large share of South Asian and Chinese workers in professional, scientific and technical industries, along with finance, insurance and real estate, account for much of the high share of racialized workers in these high-growth industries. Racialized men not only worked disproportionately in high-employment growth occupations, they also worked in high-wage growth occupations. Thirty-nine per cent of racialized men worked in the three occupations with the fastest wage growth, compared to 27 per cent of Black men and 34 per cent of white men. Those occupations account for 21 per cent of racialized women's employment, 13 per cent of Black women's employment and 16 per cent of white women's employment. The concentration of South Asian and Chinese men in natural and applied sciences accounted for racialized men's larger share of employment in these higher-wage growth occupations. In contrast, there is a lower concentration of women in high-wage growth occupations and a lower concentration of both Black men and women in these occupations.

Two different labour markets for racialized workers: Overall, South Asian and Chinese workers are more likely to be employed in industries and occupations with faster employment growth and higher wages than other workers. However, there are signs of a bifurcated labour market for racialized workers. When it comes to wages, they are over-represented both in high-wage occupations *and* low-wage occupations: 52 per cent of racialized workers are in the bottom 50 per cent of occupations, as are 60 per cent of Black workers and 48 per cent of white workers.

The racialized and gendered gap continues: Racialized and Black workers continue to have higher unemployment rates and lower employment rates than white workers. Earnings of racialized and Black workers continue to lag those of white workers. In 2022, on a weekly basis, racialized men earned 90 cents for every dollar that white men earned while Black men earned 77 cents for every dollar that white men earned. Racialized women earned 71 cents for every dollar that white men earned, Black women earned 68 cents for every dollar that white men earned, and white women earned 80 cents for every dollar that white men earned.

The provincial government's wage restraint legislation, Bill 124, is having a disproportionate impact on racialized women, who are over-represented in health care and social assistance occupations. The bill resulted in lower than average wage increases across the provincial public sector. Further policy interventions are needed to address the continued gaps in labour market outcomes for much of the racialized labour force, and for Black workers, in particular. The first, and most obvious step, would be for the Ontario government to repeal Bill 124 and to raise the minimum wage for the lowest-paid workers in the province.

Introduction

ONTARIO'S LABOUR MARKET went through a period of rapid shifts between 2019 and 2022. Pandemic shutdowns in 2020 saw the unemployment rate peak at 14 per cent in May 2020. A rapid recovery in the job market in late 2021 and 2022 drove the unemployment rate down to 5.3 per cent by December 2022. The evidence of tighter labour markets included both rising wages and elevated vacancy rates. While job vacancy rates in the fourth quarter of 2022 had retreated from their peak in the second quarter of 2022, when the economy was still re-opening, they remained 60 per cent higher than they had been in the fourth quarter of 2019.

The period from 2019 to 2022 also saw a shift in the industrial structure employment. Ten out of 17 major industrial groups experienced employment gains over this period; the remaining seven saw employment levels in 2022 fall below their 2019 levels. Much of this shift in employment occurred in lower-wage industries, like accommodation and food services, into higher-wage industries, like professional, scientific and technical services.

This paper starts with an overview of the changes in Ontario's labour market since 2019. It uses recently available data from Statistics Canada's Labour Force Survey (LFS) on racialized workers to understand the impact of these labour market changes on the racialized workforce. Did improved labour market conditions benefit all workers equally? In this paper, we analyze the impact of tighter labour market conditions on racialized workers in Ontario, with a focus on Black workers, in particular. Working within the constraints of the data, we compare labour market outcomes, by gender,

for all racialized workers, including Black workers, and outcomes for Black workers compared to white workers. We then compare the 2022 distribution of racialized and Black workers in high-growth industries, in high-wage occupations, and in occupations that have had high wage growth. Finally, we compare average weekly earnings by gender for these population groups.

A pandemic shutdown and recovery

Ontario's labour market from 2019 to 2022

THE PERIOD SINCE 2019 has seen rapid changes in labour markets in Ontario and in Canada. In 2020 and well into 2021, public health measures shut down large parts of the economy; the second half of 2021 and the first half of 2022 saw a rapid recovery as pandemic measures were lifted.

Layoffs resulting from the public health closures in 2020 and 2021 fell hardest upon low-income workers. Nationally, in the first months of the pandemic, 52 per cent of workers earning \$14 an hour or less were laid off or lost all of their hours of employment compared to only one per cent of those in the top earning bracket, who made \$48 an hour or more. Young and marginalized workers bore the brunt of these layoffs. In April 2020, 43 per cent of youth had lost their job or most of their working hours.¹ Rates of employment loss were also high among recent immigrants, a large majority of whom are racialized:² 38 per cent of recent immigrants who were employed in February 2020 had lost their job or the majority of their working hours by the end of April 2020—eight percentage points above the losses experienced by Canadian-born workers.³ While there is limited data available about the labour market experience of racialized workers during the pandemic, for the period that racialized labour force data was available,

TABLE 1 Labour force characteristics: Ontario

	2019	2020	2021	2022
Unemployment rate	5.6%	9.8%	8.1%	5.6%
Employment rate	61.6%	57.5%	59.9%	61.8%
Participation rate	65.3%	63.7%	65.2%	65.4%

Source Statistics Canada, Table 14-10-0393-01: Labour force characteristics, annual.

racialized women and youth saw a sharp increase in unemployment rates compared to their white counterparts.⁴

The shift in the labour market in the second half of 2021 and 2022 was almost as dramatic. The Ontario average annual unemployment rate was 5.6 per cent in 2019; it rose to 9.8 per cent in 2020, fell back to 8.1 per cent in 2021, and then returned to the 5.6 per cent level in 2022. From a peak of 14 per cent in May 2020, the unemployment rate trended down until it reached 5.3 per cent in December 2022.

The labour force participation rate dropped by 1.6 percentage points, from 65.3 per cent in 2019 to 63.7 per cent in 2020, but by 2022, it was slightly above the 2019 level, at 65.4 per cent. Similarly, the employment/population ratio dropped by 4.1 percentage points between 2019 and 2020, from 61.6 per cent to 57.5 per cent, and recovered to 61.8 per cent in 2022, above its 2019 level.

An uneven employment recovery

The 2022 return to 2019 unemployment and employment rates masks two large changes in the labour market. First, there was a shift in the industrial and occupational structure of employment; second, there was a markedly tighter labour market, characterized by a surge in vacancy rates.

Table 2 shows the shifts in the industrial structure of employment between 2019 and 2022. Ten out of the 17 major industries have employment levels that are higher than they were in 2019 while seven have employment levels that are lower. Professional, scientific and technical services had the largest increase in employment, at 18 per cent, with an increase of 78,000 jobs. At the other end of the spectrum, accommodation and food services employment levels in 2022 remained 45,000 jobs below the 2019 level, just 91 per cent of pre-pandemic levels. This shift in employment was largely out

TABLE 2 Change in employment by industry: Ontario, 2019-22

Industry	Jobs	2019=100
Professional, scientific and technical	78,007	118
Health and social assistance	48,541	107
Construction	32,840	109
Finance and insurance	27,945	108
Public administration	19,120	104
Education	17,569	103
Information and culture	9,938	106
Transportation and warehousing	9,286	103
Management	8,572	122
Wholesale trade	971	100
Real estate	-1,479	99
Admin support and waste management	-4,196	99
Retail trade	-6,014	99
Other services	-8,823	96
Arts, entertainment and recreation	-10,703	91
Manufacturing	-16,823	98
Accommodation and food	-45,431	91

Source: Statistics Canada, Table 14-10-0202-01: Employment by industry, annual.

of lower-wage industries like accommodation and food services and into higher wage industries; this was likely a net benefit to workers.

Vacancy rates remained high at the end of 2022

While job vacancy rates in the fourth quarter of 2022 had retreated from their peak in the second quarter of 2022, when the economy was still re-opening, they remained 60 per cent higher than they had been in the fourth quarter of 2019. Looking at vacancy rates by industry in the fourth quarter of 2022, the highest rates were concentrated in a mix of lower-wage industries, like accommodation and food services, as well as higher-wage industries, like health care and construction.

The mass layoffs in the private sector during the pandemic saw a widespread severing of workers' ties to their employer. CCPA research suggests that CERB payments provided an opportunity to workers to access retrain-

TABLE 3 Vacancy rates by industry: Ontario

	Q4 2019	Q4 2021	Q2 2022	Q4 2022
Total, all industries	2.9%	5.2%	5.7%	4.7%
Construction	2.6%	5%	7%	5.1%
Manufacturing	2.2%	4.4%	4.7%	3.6%
Wholesale trade	2.5%	3.7%	4.4%	3.1%
Retail trade	3.4%	5.3%	4.8%	5.6%
Transportation and warehousing	2.6%	4.7%	5.4%	4.8%
Information and culture	4.5%	4.9%	5.1%	3.4%
Finance and insurance	2.6%	4%	5.5%	4.6%
Real estate, rental and leasing	2.3%	3.3%	4.3%	2.9%
Professional, scientific and technical	3.3%	5.7%	6%	4.5%
Management of companies	2%	3.8%	4.3%	3.6%
Admin, support, waste management	4.4%	7.6%	7.4%	4.9%
Educational services	1%	1.6%	1.8%	1.8%
Health care and social assistance	3.2%	6%	6.3%	6.5%
Arts, entertainment and recreation	3.5%	5.2%	8.4%	5.7%
Accommodation and food services	3.5%	11.1%	11.2%	7%
Other services (not public admin)	3.6%	6.7%	7.6%	5.2%
Public administration	1.8%	2.3%	2.7%	2.5%

Source Statistics Canada, Table 14-10-0326-01: Job vacancies, payroll employees, job vacancy rate, and average offered hourly wage by industry sector, quarterly, unadjusted for seasonality.

ing and extend their job search.⁵ This would have supported transitions into higher-paid and higher-skilled occupations and industries and might contribute to continued elevated vacancy rates in accommodation and food services and other low-wage industries.

Wages rose, but not uniformly— and not in every occupation

The combination of shifts in the structure of employment, higher vacancy rates, and elevated inflation resulted in higher wage increases in 2022. The average hourly wage rate increased by 4.2 per cent in 2022, which was almost twice the 2.2 per cent average annual increase from 2011 to 2019 (the period since the Great Recession). Table 4 shows average wage increases varied widely by occupation. These ranged from a high of 6.2 per cent for natural

TABLE 4 Wage increases by occupation: Ontario 2021-22

Total employees	4.1%
Natural and applied sciences	6.2%
Manufacturing and utilities	6.1%
Management occupations	4.5%
Health occupations	4.1%
Natural resources and agriculture	4.1%
Trades, transportation and equipment operators	4.0%
Business, finance and administration	3.0%
Education, law, social community and government	2.2%
Sales and service	1.7%
Arts, culture, recreation and sport	-5.1%

Source Statistics Canada, Table 14-10-0417-01: Employee wages by occupation, annual.

and applied science occupations down to 1.7 per cent for sales and service occupations. However, these wage increases did not keep up with increases in the consumer price index, which was 6.8 per cent for Ontario in 2022.

Bill 124 had a disproportionate impact on low-wage racialized women

Table 3 shows high vacancy rates in health care and social assistance extended into 2022. The data on vacancies by occupation provide a more detailed and nuanced picture of where these vacancies exist. Table 5 shows the occupations with the largest increases in vacancy rates between the fourth quarter of 2019 and the fourth quarter of 2022. These occupations have two things in common: Bill 124 is repressing wage increases in these occupations⁶ and racialized women are over-represented in them. Workers in all of these occupations had sharply lower than average wage increases over the period 2019 to 2022.

The 2021 census data is available for employment by detailed occupation by racialized group and gender. Table 5 shows that the five occupations with the highest vacancy rates are ones in which racialized women are over-represented. For example, Black women make up 15 per cent of nurse aide, orderlies and patient services associates while they make up only three per cent of total employment. All racialized women make up 36 per cent of

TABLE 5 Occupations with largest increase in vacancies Q4 2019 to Q4 2022

	Increase in vacancies	Average annual wage increase 2019-22	All racialized women's share of employment	Black women's share of employment
Total	69.1%	4.6%	17.2%	2.7%
Early childhood educators and assistants	184.7%	3.1%	35.8%	8.1%
Other assisting occupations in support of health services	169.4%	2.2%	25.2%	5.3%
Technical occupations in health	165.0%	2.2%	29.8%	2.2%
Registered nurses	156.5%	1.7%	30.2%	8.1%
Social and community service workers	156.7%	3.1%	35.8%	8.1%
Nurse aides, orderlies and patient service associates	138.9%	2.2%	41.5%	15.2%

Source Statistics Canada. Table 98-10-0330-01 Table 98-10-0330-01, visible minority by occupation, highest level of education and generation status, Table 14-10-0417-01; Employee wages by occupation, annual, Table 14-10-0356-01, job vacancies and average offered hourly wage by occupation.

social and community service workers but account for only 17 per cent of total employment. The data suggests that Bill 124 had a disproportionate impact on low-wage racialized women and that high vacancy rates in these occupations are a combination of the impact of Bill 124 on remuneration and the well-documented impact of the pandemic on the health care and social services workforce.

The recovery for racialized workers

Growing pains: new LFS data on racialized workers is useful but limited

In the spring of 2020, Statistics Canada began, for the first time, to collect Labour Force Survey (LFS) data for racialized workers. For the first 18 months, from July 2020 to December 2021, this data was collected for the population from 15 to 69 years of age through a supplement to the main survey.⁷ Starting in January 2022, these estimates were moved to the main survey.

As a result, estimates for racialized groups for the earlier period are not directly comparable to those for 2022 and beyond. This is because the LFS supplement covered only five-sixths of the LFS sample, the LFS supplement only included workers aged 15 to 69, and improvements were made to data collection methodology with the move to the main survey.

While the move to collect data on racialized workers' labour market experience and the shift from the supplement to the main survey are very positive, there remain serious limitations on our ability to describe and better understand the historical labour market experience of racialized workers and to sustain meaningful comparisons over time because the data collection began in July 2020 and the shift in data collection methods occurred between 2021 and 2022. As a result of these limitations, we do not have 2019 data for racialized workers that would establish a pre-pandemic baseline.

More importantly, we cannot compare levels of employment, unemployment or wage growth between 2021 and 2022 in this paper. Instead, we examine changes in employment, unemployment and participation rates over those two years. We focus on the data from 2022, which represents a key limitation on the analysis in this paper.

Despite these limitations, we feel these data are still useful to help us understand the evolution of the racialized labour market under these shifting conditions. It also helps us outline some key emerging developments in the experience of particular racialized groups.

Unemployment gap widens for Black workers, shrinks for all racialized workers

The impacts of racialization in the labour market are neither static nor generic. They shift with changes in policy, with changes in labour market conditions, and with changes in the make up of the racialized population. In an earlier paper, we found that racialized workers, especially Black women, benefited from the increase in the Ontario minimum wage in 2018, as a result of the gendered and racialized nature of low-wage work.⁸ An intersectional analysis is also warranted here.

Table 5 shows labour force data for all racialized workers (which includes Black workers), Black workers, and white workers in 2021 and 2022. It shows that racialized workers continue to have higher unemployment rates and lower employment rates than white workers. But it also shows that Black workers have higher unemployment rates than the racialized population as a whole. There is also a gendered difference in the data: while white women have slightly lower unemployment rates than white men, racialized and Black women have higher unemployment rates than men. Men continue to have higher employment and participation rates across all racialized groups.

As the recovery took hold, the strengthening labour market had an uneven impact. While the total racialized population narrowed the gap with the white population, the gap for Black workers widened. The unemployment rate fell for all groups of workers in 2022: by 2.9 percentage points for all racialized workers, by 1.6 percentage points for Black workers, and by 2.1 percentage points for white workers. Similarly, the largest increase in the employment rate was for racialized workers, at 3.1 percentage points, followed by white workers, up 2.3 percentage points, and Black workers, up 1.2 percentage points.

TABLE 6 Labour force statistics, Ontario, 15-64 years of age

Total	Unemployment rate			Employment/population ratio			Participation rate		
	2021	2022	%pt change	2021	2022	%pt change	2021	2022	%pt change
Racialized	10.1%	7.2%	-2.9	68.8%	71.9%	3.1	76.5%	77.5%	1.0
Black	12.1%	10.6%	-1.6	68.3%	69.5%	1.2	77.7%	77.7%	0.0
White	6.9%	4.8%	-2.1	73.9%	76.3%	2.3	79.4%	80.1%	0.7
Men									
Racialized	9.5%	6.7%	-2.7	73.4%	76.1%	2.7	81.1%	81.6%	0.5
Black	12.1%	9.8%	-2.2	69.3%	71.3%	2.0	78.8%	79.1%	0.3
White	7.0%	4.8%	-2.2	76.7%	79.0%	2.3	82.5%	83.0%	0.5
Women									
Racialized	10.7%	9.8%	-0.9	64.4%	67.9%	3.5	72.1%	73.6%	1.5
Black	12.2%	11.2%	-1.0	67.5%	68.0%	0.5	76.8%	76.5%	-0.3
White	6.7%	4.8%	-1.9	71.1%	73.4%	2.3	76.2%	77.1%	0.9

Source: Statistics Canada, Labour Force Survey Supplement, custom tabulation.

Looking at the data by gender shows that the labour market experience of women drove the improvement for all racialized workers as well as the widening gap for Black workers. Racialized women had a sharper recovery in their employment rate than any other population, while Black women's recovery was the slowest. It is worth noting that Black women's participation rates were the only ones that decreased over this period.

Black men had lowest share of employment in high-growth industries

The remainder of this analysis focuses on the population between 25-64 years of age. A development worth noting relates to the fact that there was a noticeable divergence in the performance of racialized men and Black men during this period. Table 7 shows the 2022 share of total employment ranked by industry growth rate for all racialized, Black and white men and women. The three industries with the fastest employment growth between 2019 and 2022 were: public administration, professional, scientific and technical services, and finance, insurance, real estate, rental and leasing. Table 7 shows that 31 per cent of racialized men worked in these industries, compared to

TABLE 7 Employment growth by industry vs. shares of employment, Ontario

	Employment growth	Share of employment, men			Share of employment, women		
		Racialized	Black	White	Racialized	Black	White
Public administration	18.2%	4.1%	5.8%	7.0%	4.6%	6.9%	7.5%
Professional, scientific & technical	18.0%	14.4%	8.3%	10.4%	11.5%	8.2%	9.3%
Finance, insurance, real estate, rental	11.8%	12.3%	9.1%	7.2%	12.2%	11.5%	8.9%
Agriculture and natural resources	10.3%	0.6%	0.0%	2.4%	0.2%	0.0%	1.2%
Construction	8.0%	7.8%	10.6%	16.2%	1.3%	0.0%	2.3%
Wholesale trade	5.3%	4.3%	3.2%	5.4%	2.4%	1.4%	2.9%
Educational services	4.9%	3.3%	3.8%	5.1%	7.4%	8.8%	13.8%
Health care and social assistance	4.8%	5.8%	8.3%	4.0%	21.3%	32.0%	22.0%
Information, culture and recreation	3.8%	3.8%	6.1%	4.2%	3.0%	2.0%	3.6%
Manufacturing	2.2%	14.4%	13.8%	14.4%	8.4%	6.0%	5.8%
Retail trade	1.7%	7.8%	6.5%	7.7%	11.4%	7.9%	9.4%
Transportation and warehousing	-3.5%	10.4%	13.2%	5.6%	3.5%	4.4%	2.5%
Business, building and other support	-7.8%	3.7%	4.6%	3.7%	3.9%	3.6%	3.4%
Other services (not public administration)	-12.9%	2.9%	3.4%	4.6%	4.0%	2.8%	4.3%
Accommodation and food services	-13.3%	4.3%	2.5%	2.3%	4.8%	3.5%	3.1%
Three fastest growing industries		30.9%	23.2%	24.5%	28.4%	26.6%	25.7%
Industries with job losses		21.2%	23.8%	16.1%	16.2%	14.3%	13.3%

Source Statistics Canada, Table 14-10-0023-01: Labour force characteristics by industry, annual and Labour Force Survey, custom tabulations.

23 per cent of Black men and 25 per cent of white men. Those industries account for 28 per cent of racialized women’s employment, 27 per cent of Black women’s employment, and 26 per cent of white women’s employment. The large share of South Asian and Chinese workers in professional, scientific and technical industries, along with finance, insurance and real estate, account for much of the high share of racialized workers in these high growth industries. However, there is also a gendered difference in that Black women’s work is more concentrated in finance, insurance and real estate than Black men’s.

Black men had largest share of employment in industries that lost jobs

The four industries with reductions in employment over that period were: transportation and warehousing, business building and other support

services, accommodation and food services, and other services. They account for 16 per cent of white men’s employment, 24 per cent of Black men’s employment, and 21 per cent of racialized men’s employment. These industries account for 16 per cent of racialized women’s employment, 14 per cent of Black women’s employment and 13 per cent of white women’s employment. The greater concentration of men in industries that have lost jobs is likely due to their concentration in transportation and warehousing, which is a more male-dominated industry. The lower share of women in the industries with job losses is due, in part, to the focus on prime-age workers in this analysis and the age distribution of workers in accommodation and food services. While 56 per cent of the accommodation and food services workforce in Ontario is female, 42 per cent are youth, aged 15-24, and are excluded from this analysis.⁹

Racialized men had largest share of employment in high-wage growth occupations

Table 8 shows the 2022 share of employment by major occupational category ranked by hourly wage growth between 2021 and 2022. It shows that the oc-

TABLE 8 Wage growth by occupation vs. share of employment, Ontario, 2022

	Wage growth	Share of employment, men			Share of employment, women		
		Racialized	Black	White	Racialized	Black	White
Natural and applied sciences	6.2%	19.7%	9.5%	12.6%	8.7%	3.3%	4.1%
Manufacturing and utilities	6.1%	7.2%	8.4%	6.8%	4.7%	3.8%	2.4%
Management	4.5%	12.1%	8.9%	14.6%	7.3%	6.0%	9.4%
Health	4.1%	4.2%	4.5%	2.5%	14.1%	19.6%	13.0%
Nat resources, agriculture and related	4.1%	0.7%	0.0%	2.0%	0.0%	0.0%	0.6%
Trades, transport and equipment op	4.0%	19.4%	26.0%	26.4%	2.5%	3.1%	2.8%
Business, finance and admin	3.0%	13.0%	12.0%	10.3%	24.8%	25.9%	25.7%
Education, law, social, community and government	2.2%	5.5%	8.7%	8.2%	13.9%	18.3%	20.1%
Sales and service	1.7%	16.4%	16.7%	13.8%	21.9%	18.9%	19.1%
Art, culture, recreation and sport	-5.1%	1.8%	4.2%	2.8%	1.9%	1.0%	2.7%
Three fastest wage growth occupations		39.0%	26.7%	34.0%	20.7%	13.1%	15.9%
Three slowest wage growth occupations		23.8%	29.6%	24.8%	37.7%	38.3%	41.9%

Source: Statistics Canada. Table 14-10-0416-01, Labour force characteristics by occupation, annual and Labour Force Survey Supplement, special tabulations.

cupational category with the highest wage growth was natural and applied sciences, followed by occupations in manufacturing and utilities, and then by management occupations. Table 8 shows that 39 per cent of racialized men worked in these occupations, compared to 27 per cent of Black men and 34 per cent of white men. Those occupations account for 21 per cent of racialized women's employment, 13 per cent of Black women's employment, and 16 per cent of white women's employment. The concentration of South Asian and Chinese men in natural and applied sciences accounted for their larger share of employment in these higher-wage growth occupations. In contrast, there is a lower concentration of women in high-wage growth occupations and a lower concentration of both Black men and women in these occupations.

Women's employment concentrated in occupations with lowest wage growth

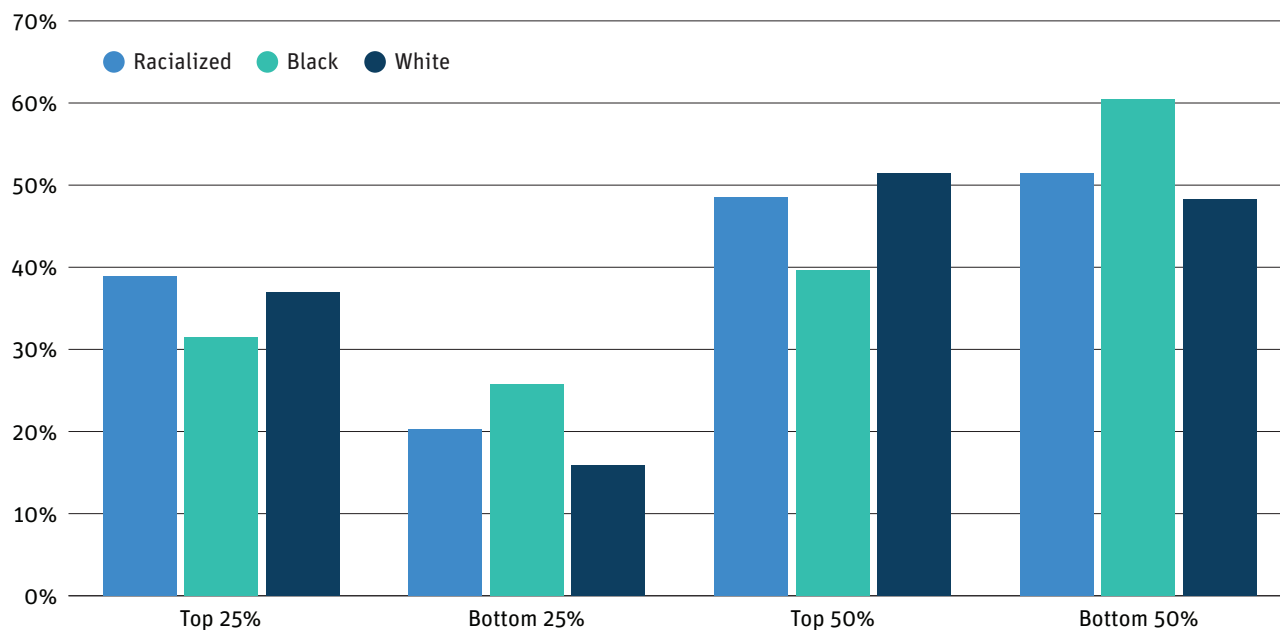
There was another observable distinction relating to a gendered wage gap within this time period. The occupations with the lowest wage growth were in education, law, social and government services, sales and service and art, culture, recreation and sport. Table 8 shows that 24 per cent of racialized men worked in these occupations, as did 30 per cent of Black men, and 25 per cent of white men. Those low-wage growth occupations accounted for 38 per cent of racialized women's employment, 38 per cent of Black women's employment, and 41 per cent of white women's employment.

These broad occupational categories mask some of the differences in occupational distribution along racial and gender lines. Data limitations prevent us from obtaining 2022 data on employment by detailed occupation by both racialized group and gender, but it is available by racialization.

Racialized and Black workers over-represented in low-wage occupations

The racialized contours of occupational distribution in the Ontario economy still held firm. Appendix Table 1 shows the detailed occupational distribution of racialized, Black and white workers in 2022 ranked by hourly wage rates. Looking at the highest-paid occupations (those in the top 25 per cent of the distribution), 39 per cent of racialized workers worked in these occupations compared to 32 per cent of Black workers and 37 per cent of white workers.

FIGURE 1 Distribution of employment by occupation, ranked waged, 2022



Source: Statistics Canada. Table 14-10-0417-01 Employee wages by occupation, annual and Labour Force Survey Supplement, Custom tabulation.

Looking at the lowest-paid occupations (those in the bottom 25 per cent of the distribution), 20 per cent of racialized workers worked in these occupations compared to 26 per cent of Black workers and 16 per cent of white workers. This suggests that there is a bifurcated labour market for racialized workers, with a larger share of these workers in both the top 25 per cent and the bottom 25 per cent of the occupational hierarchy compared to those of white workers.

Dividing the wage distribution in half (top vs. bottom), we find that racialized and Black workers, at 52 per cent and 60 per cent respectively, are over-represented in low-wage industries compared to white workers who, at 48 per cent, are under-represented in these industries.

Comparison of average weekly earnings

The best measure of racial and gender discrimination in the labour market is a comparison of average annual income. In addition to capturing occupational and industrial segregation, average annual income also captures access to hours of work and employment over the course of the year.

TABLE 9 Average weekly wages: Ontario population aged 25-64, 2022

	Men	Share of earnings of white men	Women	Share of earnings of white women
Racialized	\$1,403	89.9%	\$1,106	89.2%
Black	\$1,205	77.2%	\$1,064	85.8%
White	\$1,560	100.0%	\$1,241	100.0%

Source: Statistics Canada Labour Force Survey Supplement, Custom tables.

However, data on average annual earnings by racialized group is only publicly available from the census, not the Labour Force Survey. The 2021 census income data was for 2020. Three-quarters of that year marked the start of the pandemic, when economic shut downs had a disproportionate impact on racialized workers. In 2021 census data, the racialized wage gap shrank by 10 percentage points compared to the 2016 census. We cannot know how much of that might have been because of longer-term trends and how much was due to the impact of the pandemic on the labour market. Similarly, the available Canadian Income Survey is for 2021, when the impact of the pandemic shut downs was still being felt, and racialized data is more limited.

Despite the limitations, it's still important to use and track data on the gendered and racialized wage gap. Table 9 compares average weekly earnings by racialized group and gender.

These data show that in 2022, on a weekly basis, racialized men earned 90 cents for every dollar that white men earned while Black men earned 77 cents for every dollar that white men earned. Racialized women earned 71 cents for every dollar white men earned, Black women earned 68 cents for every dollar white men earned, while white women earned 80 cents for every dollar white men earned.

Conclusion

BY THE END of 2022, labour market conditions in Ontario had markedly improved: unemployment was down, employment had shifted to higher-wage occupations and industries, and wage increases had accelerated. The data shows that the benefits of these improved labour market conditions varied by racialization and gender. As well, there were observable variations even within these categories.

There were positive signs in the data about the impact of changes in the labour market in outcomes for racialized workers. Looking at the racialized population as whole, in 2022, the gap in labour market outcomes between racialized and white workers improved: the unemployment and employment rate gap between racialized and white workers is smaller. The concentration of South Asian and Chinese workers in industries and occupations that have seen both above-average increases in employment and earnings has contributed to the narrowing of that gap.

However, in looking at disaggregated data, the gap between Black and white workers has widened. Black men's employment continues to be concentrated in lower-wage industries and those that have seen employment losses since 2019. Also, Black women have the smallest share of their employment in occupations with the fastest wage growth.

Inequalities, of course, remain entrenched in Ontario's labour market. At the same time as racialized workers are over-represented in higher-wage industries, they are also over-represented in the bottom 25 per cent of occupations. This suggests that there is a bifurcated labour market for racialized

workers, with a larger share of these workers in both the top 25 per cent and the bottom 25 per cent of the occupational hierarchy compared to those of white workers.

These rapid shifts in labour market outcomes did not change two fundamental aspects of racialized workers' labour market experience in Ontario: First, racialized and Black workers continue to have higher unemployment rates and lower employment rates than white workers, and second, earnings of racialized and Black workers continue to lag those of white workers. These data show that in 2022, on a weekly basis, racialized men earned 90 cents for every dollar that white men earned while Black men earned 77 cents. Racialized women earned 71 cents for every dollar that white men earned, Black women earned 68 cents for every dollar that white men earned, and white women earned 80 cents for every dollar that white men earned.

These data, once again, confirm that a rising tide does not lift all boats. Clearly, further policy interventions are needed to address the continued gaps in labour market outcomes for much of the racialized labour force, and for Black workers, in particular.

Appendix table

TABLE 10 Shares of employment by detailed occupation, ranked by averages hourly wage, Ontario, 2022

Wage rates	Wages	Racialized	Black	White
Legislative and senior management occupations	\$87.49	0.2%	0.0%	0.5%
Specialized middle management occupations	\$59.82	4.5%	3.3%	5.0%
Middle management occupations in trades, transportation, production and utilities	\$49.65	1.8%	1.3%	3.7%
Professional occupations in natural and applied sciences	\$47.75	11.2%	4.4%	5.8%
Middle management occupations in retail and wholesale trade and customer services	\$45.43	3.3%	2.0%	3.0%
Professional occupations in law, education, social, community and government services	\$44.06	6.0%	7.9%	9.5%
Professional occupations in health	\$42.29	4.1%	4.7%	4.0%
Professional occupations in finance and business	\$41.74	8.0%	7.9%	5.5%
Supervisors, central control and process operators in processing, manufacturing and utilities and aircraft assemblers and inspectors	\$36.83	0.8%	0.6%	1.3%
Supervisors and occupations in natural resources, agriculture and related production	\$35.63	0.0%	0.0%	0.3%
Professional occupations in art and culture	\$34.81	0.7%	0.9%	1.0%
Technical trades and transportation officers and controllers	\$34.37	4.1%	4.1%	8.3%
Technical occupations related to natural and applied sciences	\$33.54	3.2%	2.0%	2.8%
Technical occupations in art, culture and sport	\$33.22	0.7%	0.6%	0.9%
Administrative and financial supervisors and specialized administrative occupations	\$33.14	3.5%	4.2%	4.0%
Technical occupations in health	\$32.38	1.9%	1.2%	1.9%
Front-line public protection services and paraprofessional occupations in legal, social, community, education services	\$30.79	2.1%	4.4%	3.1%
Administrative occupations and transportation logistics occupations	\$28.71	3.5%	4.0%	3.9%

Wage rates	Wages	Racialized	Black	White
Assisting occupations in education and in legal and public protection	\$27.53	0.8%	0.9%	0.9%
Retail sales and service supervisors and specialized occupations in sales and services	\$27.20	3.5%	3.1%	3.7%
General trades	\$26.79	3.4%	4.5%	4.2%
Mail and message distribution, other transport equipment operators and related maintenance workers	\$26.26	0.5%	0.9%	0.7%
Occupations in sales and services	\$24.75	3.7%	2.7%	2.7%
Occupations in art, culture and sport	\$24.52	0.4%	0.6%	0.5%
Administrative and financial support and supply chain logistics occupations	\$24.11	3.7%	3.6%	4.2%
Machine operators, assemblers and inspectors in processing, manufacturing and printing	\$23.30	4.2%	4.4%	2.7%
Assisting occupations in support of health services	\$23.15	3.0%	6.8%	1.6%
Helpers and labourers and other transport drivers, operators and labourers	\$22.78	3.3%	4.7%	2.1%
Sales and service representatives and other customer and personal services occupations	\$22.42	6.3%	7.0%	5.5%
Workers and labourers in natural resources, agriculture and related production	\$21.39	0.3%	0.0%	0.9%
Care providers and public protection support occupations and student monitors, crossing guards and related occupations	\$20.87	0.7%	0.7%	0.3%
Labourers in processing, manufacturing and utilities	\$20.74	0.9%	1.1%	0.6%
Support occupations in art, culture and sport	\$20.00	0.1%	0.0%	0.4%
Sales and service support occupations	\$17.55	5.6%	5.5%	4.4%

Sources Statistics Canada. Table 14-10-0417-01 Employee wages by occupation, annual and Labour Force Survey Supplement, Custom tabulation

Notes

- 1** David Macdonald, 2020, [The unequal burden of COVID-19 joblessness](#), Canadian Centre for Policy Alternatives.
- 2** According to crowdsourced data, over 40 per cent of West Asians, Filipinos, Southeast Asians and Koreans reported job loss or reduced hours in the spring of 2020. See Feng Hou, et.al., 2020a.
- 3** Katherine Scott, et.al., 2020, [Resetting normal: Women, decent work and Canada's fractured care economy](#), Canadian Centre for Policy Alternatives.
- 4** Angele Alook, Sheila Block and Grace Edward Galabuzi, 2021, *A Disproportionate Burden: COVID-19 labour market impacts on Indigenous and racialized workers in Canada.*, Canadian Centre for Policy Alternatives.
- 5** Katherine Scott and Trish Hennessy, 2023, *Canada Emergency Response Benefit: More than just an income program*, Canadian Centre for Policy Alternatives and the Future Skills Centre.
- 6** *The Protecting a Sustainable Public Sector for Future Generations Act, 2019*, better known as Bill 124, was Ontario provincial legislation that capped wages increases in certain provincial public sector jobs at one per cent a year for a three-year period.
- 7** The main Labour Force Survey includes the population that is 15 years of age and older.
- 8** Sheila Block, Grace Edward Galabuzi, 2022, *One Step Forward: Assessing the labour market impacts of Ontario's 2018 minimum wage increase*, Canadian Centre for Policy Alternatives.
- 9** Job Bank, February 9, 2023, *Sectoral Profile: Accommodation and Food Services*, https://jobbank-guichetemplois.service.canada.ca/SectoralProfiles/ON/2022/2022-2024AFS_FinalE.pdf, Government of Canada.



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