
Non-metro trends in low-wage work

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Highlights

- Among employees in non-metro census divisions in 2016, 30% held a low wage job – slightly higher than the 27% for all employees in Ontario.
- Females were more likely to have a low-wage job in each type of census division. In non-metro census divisions, the percent was 35% for females and 24% for males.
- Younger employees (15 to 24 years of age) were more likely to have a low-wage job (68%) in non-metro census divisions compared to 23% for employees 25 to 54 years of age.
- In non-metro census divisions, one-half of 65+ yr. employees held a low-wage position.
- The percent with a low-wage job was higher among employees with lower levels of educational attainment in each type of census division.

Why look at low wage work?

Precarious employment is becoming an area of public interest in Ontario¹. Low wage employment is a contributor to a precarious livelihood.

The objective of this Fact Sheet is to document the level of low-wage work in non-metro census divisions² (CDs) in Ontario. Note that this analysis focusses solely on non-student employees and excludes self-employed workers.

As proposed by Noack and Vosko³, we define “low wage” as a wage less than 1.5 times the minimum wage. In Ontario, the minimum wage was \$6.85 per hour from 1997 to 2003 (Table 1) which implied a low wage was \$10.28 per hour. In 2016, the minimum wage was \$11.25 per hour and a low wage would thus be \$16.88 per hour.

Findings

In all CDs in Ontario in 2016, 1,456 thousand employees had a “low wage” job (Table 2, Row 4). This represented 27% of all employees in Ontario. This share was slightly higher (30%) among employees in non-metro CDs.

In non-metro CDs, females had a higher incidence of low-wage jobs (35%) compared to males (24%) (Table 2, Rows 10 & 11).

In each type of CD, the share of younger employees (15 to 24 yr., excluding students) with a low wage is about three times the rate for employees in the core-age workforce (25 to 54 yr.) (Table 2, Row 18). For example, in non-metro CDs, 68% of younger employees reported a low wage compared to 23% of the employees in the core-age workforce. Note that 50% of employees who are 65+ years of age reported a low wage in non-metro CDs.

In each type of CD, employees with a higher level of educational attainment were less likely to report a low wage (between 9% and 19% for those with a university diploma or degree). Among employees with less than a post-secondary diploma or certificate, over 40% reported a low wage.

In this Fact Sheet, we have not presented the trends over time because these trends are driven by the changes in the level of the minimum wage⁴.

¹ For example, see Noack, Andrea M. and Leah F. Vosko. (2011) **Precarious Jobs in Ontario: Mapping Dimensions of Labour Market Insecurity by Workers' Social Location and Context** (Toronto: Law Commission of Ontario) (<http://www.lco-cdo.org/vulnerable-workers-call-for-papers-noack-vosko.pdf>).

² Non-metro CDs have none of their component census subdivisions being delineated as part of a Census Metropolitan Area. See “[Overview of Ontario's rural geography](#)” (June, 2013).

³ Noack, Andrea M. and Leah F. Vosko. (2011) **Precarious Jobs in Ontario: Mapping Dimensions of Labour Market Insecurity by Workers' Social Location and Context** (Toronto: Law Commission of Ontario) (<http://www.lco-cdo.org/vulnerable-workers-call-for-papers-noack-vosko.pdf>).

⁴ We note there are alternative ways to define “low wage.” For example, Eurostat (2016) **Earnings Statistics** (http://ec.europa.eu/eurostat/statistics-explained/index.php/Earnings_statistics) defines low wage as 2/3 of the median wage. When using our low wage definition for Ontario, we note our low wage was over 2/3 of the median wage (69%) at the end of the 1990s but as wages increased in the early 2000s with no increase in the minimum wage, our low wage declined to 60% of the median wage (Table 1). In the last 10 years, the minimum wage has increased 8 times and in 2016 was 74% of the median wage.

However, these trends are shown in the accompanying charts⁵. We note:

- over time, the percent of low-wage employees in non-metro CDs has been 3 to 4 percentage points higher than in other types of CDs;
- the large male<->female difference in the share with a low wage has persisted over time – but has narrowed somewhat since 1997;
- the percentage point gap for younger (non-student) employees (15 to 24 yr.) compared to core-age employees (25-54 yr.) has remained at about 40 percentage points since 1997; and
- the percentage point gap in the incidence of low wage between those with some university and those with no post-secondary has been wide since 1997 but has appeared wider since the 2008-2009 recession.

Summary

In 2016, 30% of employees in non-metro census divisions had a low-wage job – slightly higher than the 27% for all employees in Ontario.

In non-metro census divisions, females were more likely to have a low wage (35%) compared to 24% for males – about the same differential as for all employees in Ontario.

Younger employees (15 to 24 yr.) were more likely to have a low wage job (68%) similar to the level for all young employees in Ontario (70%).

In non-metro census divisions, over 40% of employees had a low-wage job if their highest level of educational attainment was less than a post-secondary diploma or certificate.

The Rural Ontario Institute gratefully acknowledges the work of Ray Bollman in preparing this edition of *Focus on Rural Ontario*. The data analysis for this fact sheet was originally prepared for Dr. Al Lauzon at the University of Guelph with financial support from the provincial government through OMAFRA. Inquiries about that research can be directed to Dr. Lauzon at allauzon@uoguelph.ca. Questions on data sources can be directed to RayD.Bollman@sasktel.net. Any comments or discussions can be directed to NRagetlie@RuralOntarioInstitute.ca.

Table 1: Minimum wage in Ontario, 1997 to 2016

Year	Ontario Minimum Wage ¹ (current dollars)	Low Wage Cut-off (1.5 times minimum wage)	Ontario Median Wage ² on Jan 1st	"Low" wage as a percent of Median Wage on Jan 1st
1997	\$6.85	\$10.28	\$15.00	69
1998	\$6.85	\$10.28	\$15.00	69
1999	\$6.85	\$10.28	\$15.00	69
2000	\$6.85	\$10.28	\$15.70	65
2001	\$6.85	\$10.28	\$16.00	64
2002	\$6.85	\$10.28	\$16.83	61
2003	\$6.85	\$10.28	\$16.83	61
2004 Jan	\$6.85	\$10.28	\$17.25	60
2004 Feb-Dec	\$7.15	\$10.73		
2005 Jan	\$7.15	\$10.73	\$18.00	60
2005 Feb-Dec	\$7.45	\$11.18		
2006 Jan	\$7.45	\$11.18	\$18.00	62
2006 Feb-Dec	\$7.75	\$11.63		
2007 Jan	\$7.75	\$11.63	\$18.03	64
2007 Feb-Dec	\$8.00	\$12.00		
2008 Jan-Mar	\$8.00	\$12.00	\$19.23	62
2008 Apr-Dec	\$8.75	\$13.13		
2009 Jan-Mar	\$8.75	\$13.13	\$20.00	66
2009 Apr-Dec	\$9.50	\$14.25		
2010 Jan-Mar	\$9.50	\$14.25	\$20.00	71
2010 Apr-Dec	\$10.25	\$15.38		
2011	\$10.25	\$15.38	\$20.36	76
2012	\$10.25	\$15.38	\$20.50	75
2013	\$10.25	\$15.38	\$21.00	73
2014 Jan-May	\$10.25	\$15.38	\$21.23	72
2014 June-Dec	\$11.00	\$16.50		
2015 Jan-Sept	\$11.00	\$16.50	\$21.63	76
2015 Oct-Dec	\$11.25	\$16.88		
2016 Jan-Sept	\$11.25	\$16.88	\$22.70	74
2016 Oct-Dec	\$11.40	\$17.10		

1. See "Hourly Minimum Wages in CANADA for Adult Workers" (<http://srv116.services.gc.ca/dimt-w/id/sm-mw/rpt2.aspx>).

2. Ontario Median Wage from Statistics Canada, Labour Force Survey, CANSIM Table 282-0071.

Table 2. Number of non-student employees with a low wage¹ job in Ontario, September, 2016

Row	Selected items (Students are not included in these tabulations.) (Data refer to the average for the 12 months up to and including September, 2016.)	All census divisions	Metro census divisions	Partially-non-metro census divisions	Non-metro census divisions
1	Population of non-students, 15+ years of age (,000)	10,090	5,727	2,862	1,501
2	Number of paid employees, 15+ years of age (,000)	5,316	3,101	1,548	668
3	Paid employees as a percent of population (15+ yr.)	53	54	54	44
4	NUMBER of employees with a low wage ¹ job (,000)	1,456	830	429	197
5	... as percent of number of employees	27	27	28	30
6	NUMBER of employees with a low wage ¹ job: by sex (,000)				
7	... Males	619	361	177	80
8	... Females	838	469	252	117
9	If employed, PERCENT with a low wage ¹ job: by sex				
10	... Males	23	23	23	24
11	... Females	32	31	33	35
12	NUMBER of employees with a low wage ¹ job: by age (,000)				
13	... 15 to 24 years of age	323	168	109	46
14	... 25 to 54 years of age	831	497	232	103
15	... 55 to 64 years of age	226	127	64	35
16	... 65 years of age and over	76	39	24	14
17	If employed, PERCENT with a low wage ¹ job: by age				
18	... 15 to 24 years of age	70	68	73	68
19	... 25 to 54 years of age	22	22	21	23
20	... 55 to 64 years of age	25	25	25	28
21	... 65 years of age and over	42	37	46	50
22	NUMBER of employees with a low wage ¹ job: by highest level of educational attainment (,000)				
23	... Less than Grade 9	31	21	6	4
24	... Grade 9 - 10	54	27	17	10
25	... Grade 11 - 13, no diploma	72	33	26	13
26	... Grade 11 - 13, with high school diploma	433	222	139	71
27	... Some post-secondary, no certificate	109	55	41	13
28	... Trade certificate or diploma	61	28	24	9
29	... Community college diploma	392	213	117	61
30	... University certificate or diploma, below bachelor's degree	22	13	6	3
31	... Bachelor's degree	214	162	40	11
32	... University degree above bachelor	69	55	11	3
33	If employed, PERCENT with a low wage ¹ job: by highest level of educational attainment				
34	... Less than Grade 9	51	52	44	59
35	... Grade 9 - 10	45	44	46	44
36	... Grade 11 - 13, no diploma	51	50	51	51
37	... Grade 11 - 13, with high school diploma	43	46	41	42
38	... Some post-secondary, no certificate	42	42	44	41
39	... Trade certificate or diploma	22	25	23	17
40	... Community college diploma	26	28	24	25
41	... University certificate or diploma, below bachelor's degree	18	17	19	18
42	... Bachelor's degree	17	18	15	15
43	... University degree above bachelor	11	12	9	12

1. A low wage is a wage less than 1.5 times the minimum wage.

Source: Statistics Canada, Labour Force Survey, special tabulation.

⁵ See "[Charts: Non-metro trends in involuntary part-time work.](#)"