Across the advanced economies of the world, wage growth has stagnated since the 2008 financial crisis. Although Canada has fared better than most, the growth of average and particularly median wages continues to trend below levels observed in the years leading up to the crisis, despite the recent decline in the unemployment rate (Fig. 1).

**Real hourly wages, in 2018$ (left axis) vs. unemployment rate (right axis) (Fig. 1)**

The trend towards faster wage distribution can also be observed when we compare wage growth by categories of industry pay (Fig. 3). Low- and medium-paying industries lagged behind high-paying industries until 2016-17 when a tighter labour market and statutory minimum wage increases led to wage gains for lower paid workers. Wage growth for workers in industries near the median, however, continues to lag behind.

**Medians income vs. labour productivity (1981=100) (Fig. 4)**

A key symptom of the stagnation of wages continues to be the widening gap between labour productivity and median incomes (Fig. 4). Without a systemic increase in the bargaining power of Canadian workers, this trend is unlikely to reverse.

**Labour Market Snapshot - Q3 2019**

**Breaking down the gender wage gap**

Tracking the growth in real wages is essential for determining whether workers’ living standards are increasing and whether wages are keeping up with inflation. However, focusing narrowly on the rate of growth can divert attention from the persistence of structural wage inequalities.

**Wage growth (left axis) vs. gender wage gap (right axis), ages 25-54**

For example, the rate of growth in real hourly wages for core-aged women has outpaced that of core-aged men in recent decades — a trend which quickened after 2008. Nevertheless, a real wage gap of over $4/hr persists in favour of men, despite their falling behind women in average levels of educational attainment since the early 2000s.

**Wage growth (left axis) vs. part-time/full-time wage gap (right axis)**

An important contributing factor is the concentration of women in part-time work. While the pace of part-time wage growth recently caught up to full-time workers, the gap between part-time and full-time workers remains almost $9/hr in real terms.

In 2018, women accounted for 75% of all core-aged part-time workers and a third of these women cited child care or family responsibilities as a reason for their part-time status compared to just 10% of their male counterparts. Closing the gender wage gap will require broad-based policies that increase part-time wages and that ensure women have access to affordable care for their children and family members.

Source: Statistics Canada
Quarterly Indicators

Unemployment Rate

The unemployment rate increased slightly in Q3, coming off historic lows in the second quarter. Year-over-year, unemployment is down 0.3%.

The unemployment rate measures the percentage of the Canadian labour force without employment. Seasonally adjusted.

Employment Rate

The employment rate fell slightly in Q3 but continues to trend above 2018 levels. Year-over-year, employment is up 0.5%.

The employment rate measures the percentage of all Canadians over 15 years of age who are employed. Seasonally adjusted.

Part-time Rate

The proportion of part-time workers in the labour force fell slightly but continues to trend above pre-2009 levels. Year over year, the rate is up 0.2%.

The part-time rate measures the percentage of the Canadian labour force engaged in part-time work. Seasonally adjusted.

Real Median Wage, Q3

The real median hourly wage for Q3 climbed to $22.66 year over year, an increase of 2.5% from 2018.

Median hourly wages are adjusted for inflation (measured in 2016 dollars) and are not seasonally adjusted.

Source: Statistics Canada