



**SUBMISSION**

**BY**

**CUPE ONTARIO**

**TO THE**

**ONTARIO GENDER WAGE GAP CONSULTATION**

**CUPE RESEARCH**

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### Introduction

The Canadian Union of Public Employees (CUPE) Ontario is the largest union in the province with more than 250,000 members in virtually every community in Ontario. CUPE members provide services that help make Ontario a great place to live. CUPE members are employed in five basic sectors of our economy to deliver public services: health care, including hospitals, long-term care and home care; municipalities; school boards in all four systems; social services; and post-secondary education.

CUPE Ontario is concerned about the gender wage gap because it affects our members and it is a human rights issue. Sixty-eight per cent of CUPE members across the country are women, many of whom work in precarious jobs. Our members do many different kinds of work including in sectors that are female dominated including providing home care, early learning and child care; supporting people with developmental disabilities; delivering social assistance; protecting and supporting children, youth and families and providing support to newcomers.

The average annual earnings of female workers in Ontario are 31.5% less than the average annual earnings of male workers. The gender wage gap has actually increased in the province from 28% in 2010 to 31.5% in 2011. The numbers are even worse for racialized women, immigrant women, women with disabilities and Aboriginal women. The consequences of this inequality on women, children, our communities and our economy are severe.

Our union is committed to the principle of equal pay as a human right. Discriminatory compensation structures based on sex, gender, race, sexual orientation, disability or any other grounds need to be eliminated. This is a significant task given that this discrimination is often the result of systemic discrimination—where policies, practices or social norms affect the way employers' value jobs where women and other equity-seeking groups are concentrated. Tackling this systemic discrimination will require a comprehensive plan, genuine commitment and long-term engagement.

It is critical to approach the gender wage gap with an intersectional framework that acknowledges that multiple social locations— including class, gender, ethnicity, citizenship, race, sexual orientation and ability—can result in related and often reinforcing systems of discrimination or oppression.

Through collective bargaining and advocacy, CUPE has worked to increase wage fairness and to eliminate income inequalities. We challenge discrimination in all its forms. CUPE works to minimize the gender wage gap in many ways:

**Better and more equal wages and fairness in hiring and promotions:** We standardize processes for wage levels, job posting criteria and hiring/promotions. This lessens the opportunity for discriminatory practices.

**Anti-discrimination and anti-harassment provisions in our contracts:** Workers have an opportunity to fight back when discrimination and harassment occur. Unions have also fought to expand the rights and freedoms of marginalized workers through legislation, the courts, and public policy.

**Balance:** CUPE also bargains clauses in contracts that help workers combine work and family life including parental, family and sick leaves.

**Job evaluation and pay equity:** CUPE supports locals in job evaluation processes to systematically evaluate whether job classifications are being compensated fairly. We also help develop and enforce pay equity plans in accordance with the *Pay Equity Act*.

**Policy equalizers:** CUPE advocates for policies that support greater equality including affordable and accessible child care, a higher minimum wage, health care and other public services.

As a union with a significant membership in female-dominated occupations, CUPE is particularly well placed to advise and provide leadership in tackling the gender wage gap. CUPE represents many workers in jobs where significant wage gaps exist. Some of these jobs are found in the following table.

**Table 1.1: Wages and salaries for female-dominated job classifications in Ontario**

Occupation - National Occupational Classification (NOC) 2011 (693)	Percentage women	Median wages and salaries	Average wages and salaries
3413 Nurse aides, orderlies and patient service associates	88%	30,729	30,010
4156 Employment counsellors	76%	40,995	39,510
4212 Social and community service workers	78%	37,101	36,084
4214 Early childhood educators and assistants	97%	20,458	22,339
4412 Home support workers, housekeepers and related occupations	92%	21,062	22,725

Source: Statistics Canada, 2011 National Household Survey, Table 99-014-X2011042 and 99-012-X2011060

We are encouraged to hear of Premier Wynne's commitment to develop and implement a wage gap strategy.

At the same time, CUPE Ontario is concerned that the Gender Wage Gap Strategy Steering Committee has been advised to include a cost/benefit analysis of the recommendations taking into account factors such as "Ontario's fiscal situation" if they consider it appropriate. A narrow cost/benefit approach that assesses the valuation based on a market mechanism that accepts only a narrow class of values is extremely limited and should never be applied to a human right.

The women of Ontario should have their human rights respected without such a narrow frame limiting recommendations. Furthermore, comprehensive recommendations should be brought forward that address a serious human rights issue regardless of “Ontario’s fiscal situation”. At a micro level, proxy employers’ inability to pay required pay equity adjustments does not exempt them from their obligations under the *Pay Equity Act*.<sup>1</sup> This should not be the case for the province either. CUPE Ontario urges the committee to avoid a narrow cost/benefit analysis and make substantive recommendations to close the gender wage gap.

There are many steps that can and need to be taken to eliminate the gender wage gap. At a broad level, the government will need to incorporate a gender wage gap lens to all legislation, regulations, policies, programs and practices. We are pleased to make the following contribution to the Ontario consultations on the gender wage gap.

### RECOMMENDATIONS

#### **Recommendation no. 1: The Ontario government should provide dedicated government funding for the broader public sector to meet pay equity obligations.**

More than 100,000 women work in broader public sector jobs like child care, developmental services, women’s shelters and other community service agencies. These services are delivered through transfer payment agencies throughout the province with predominantly female staff. An analysis of 2006 census data revealed that in Toronto 84.4% of non-profit workers were female.<sup>2</sup> These sectors have some of the largest pay gaps in Ontario and had to use the proxy pay equity comparison method to identify their wage gaps.

Years of government funding freezes have limited the ability of many agencies to make required pay equity adjustments. A study of proxy pay equity compliance done for 2009-2010 showed only 35 per cent of respondent organizations in the broader public sector had closed all wage gaps under the *Pay Equity Act*.<sup>3</sup> The number was even lower for particular sectors such as child care (19%) and women’s shelters (20%). It is difficult to know whether these have increased significantly until additional research is completed. CUPE Ontario encourages the Pay Equity Commission to regularly research and publish proxy pay equity compliance rates by sub-sector.

Pay equity is a serious issue for CUPE members who work in many sub-sectors including developmental services. A report from the Ontario Agencies Supporting Individuals with Special Needs (OASIS), the employer’s organization in the developmental services sector, stated that almost 60% of organizations with pay equity obligations reported that they did not meet their legal requirements.<sup>4</sup> One-third of organizations reported that they are not current with their pay equity obligations. OASIS estimates that more than \$6.2 M is required to meet this current pay equity obligation.

Provincial funding to developmental services agencies has not increased in five years, apart from wage enhancement monies. The cost of electricity, heating, food and transportation are all increasing with inflation. Proxy pay equity legislation requires employers to put one per cent of payroll into pay equity every year. In the context of flat lined budgets, this is unrealistic without significant cuts to services.

When agencies are pay equity compliant in this austerity context, there are often serious impacts on workers and those supported in the sector. Community Living Elgin announced plans to cut two day programs and handed out 64 layoff notices to employees in part due to \$300,000 owed for two-years of unpaid pay equity obligations.<sup>5</sup> To meet Community Living Guelph Wellington's Pay Equity Order and make the 2015-2016 adjustments, the annualized cost is approximately \$810,000. To address the pressure, the agency is undergoing a financial feasibility study that will likely result in cuts and closures. It is outrageous that enforcing the right to pay equity can result in job losses and service cuts to the public because of government underfunding.

In another case, provincial wage grants that had been put in place in part to help child care centres meet their pay equity obligations were collapsed into core funding municipalities could use for any purpose in 2013. One of the grants, the Wage Enhancement Grant was introduced in 1991 to assist child care centres unable to commence pay equity adjustments to increase compensation for employees, as required under the original *Pay Equity Act*.<sup>6</sup> The 2006 Ontario Child Care Service Management Guidelines for Wage Subsidies specified that service providers provide each employee with a reasonable portion of the wage subsidy and that distribution was to be consistent with the achievement of their pay equity plan.<sup>7</sup> Under the December 2013 provincial funding guidelines, municipalities can now reallocate this money.<sup>8</sup>

The City of Ottawa has already made the decision to redistribute this money. In one case, Dalhousie Parents' Daycare will lose \$42,264.94 in annual wage grant funding. This puts child care workers' wages and even the entire child care centre at risk. In this case, the Ontario government has taken a step backward in supporting child care workers' right to equal pay for work of equal value.

Years of government austerity and lack of dedicated pay equity funding has resulted in a situation where there is broad non-compliance in the broader public sector due to inadequate funding. In fact, the Ontario government has walked away from previous commitments to provide funding for pay equity in the broader public sector.

In 2003, the Ontario government committed to fund pay equity obligations in the broader public sector as part of a settlement to a *Charter* application brought by five trade unions and four individual workers. The government provided \$414 million in pay equity funding to public sector workplaces including nursing homes, child care centres, developmental services agencies, shelters, home care and other community agencies. The Applicants claimed that the Ontario

government was knowingly perpetrating sex discrimination covered in the *Charter's* Section 15 by not providing necessary pay equity funding to the sector. In a previous *Charter* challenge, Ontario Superior Court Justice O'Leary found that the affected women's public sector employers would go bankrupt without the necessary pay equity funding:

"It should be emphasized that without government funding pay equity in the broader public sector could not be achieved or maintained, whether the women working in that sector were covered by job-to-job, proportional value or proxy method pay equity plans. To continue the proxy method without government funding would send large numbers of the employers of these women into bankruptcy. These employers depend on government funding for their very existence. Any increase in pay for the employees must be paid for by government.<sup>9</sup>

The Ontario government needs to ensure agencies in the broader public sector receive dedicated funding to meet their pay equity obligations.

**Recommendation no. 2: A specific care sector strategy should be developed as part of the gender wage gap strategy. This strategy should recognize the additional 'care penalty' encountered by workers providing front-line human services and propose targeted approaches to eliminate it.**

There are pockets of workers who face additional barriers in accessing equal pay. The predominantly women workers in the 'care sector' who support and care for the young, those who are marginalized, the elderly and those who are disabled, face additional wage discrimination because of the nature of the work they do.

"Care work" refers to occupations where workers provide a face-to-face service that develops or maintains the physical health and safety or the physical, cognitive or emotional skills of the recipient.<sup>10</sup> One research study found that care workers made up almost 20% of total employment,<sup>11</sup> making it critical to address in the gender wage gap strategy.

There are several explanations for lower pay rates in the care sector. Firstly those who need care often do not have much money to pay for care. People generally need the most care when they have the least money to pay for it: infants and children cannot pay for their own care, many people who are seriously ill or who have serious disabilities cannot engage in paid employment, seniors needing care are no longer engaging in paid work. In these cases, families or the government often covers the cost of care.

Secondly, care work is associated with women and mothering. Paid care work involves functions such as caring for children or the sick and elderly that have historically and traditionally been done by women as unpaid work. Because of this association, 'care work' is devalued when compared with work that was traditionally completed by men. This association

may also reinforce that care work should be provided out of love or the goodness of workers' hearts, rather than money.

Thirdly, it's difficult to achieve productivity gains in the care sector without compromising quality. Care work is labour intensive with the majority of budgets going into staffing in most cases. Whereas in some sectors, wage increases can come from productivity gains, in the care sector, wage increases would have to come through increased fees charged to clients or increased government funding for services. In many cases, clients do not have money to cover increased fees and in the age of austerity, government funding has not been increasing.

This devaluation of care work can be seen when looking at particular sectors of care work such as long term care:

“These problems can be traced to the devaluation of residential LTC in Canada, which has historically been accorded less social value, political status and resources than hospitals and is often viewed as “less deserving” than home and community care. The main reasons, I would argue, are gender discrimination<sup>12</sup>, poorhouse origins<sup>13</sup> and persistent poverty stigma, ageism<sup>14</sup> and the characterization of residential care as failure: failure of medicine to cure, of the family to care and of the individual to be independent<sup>15</sup>. Clients, providers and advocates of residential LTC have less social, economic and political clout than do stakeholders in the hospital sector.”<sup>16</sup>

In a research study in the United States, working in a caring occupation resulted in a 5-6% wage penalty for both men and women after controlling for differences in education and job experience.<sup>17</sup> One notable finding was that when they broke out particular occupations, child care work was found to have by far the largest wage penalty at 41% for women and 12% for men. The researchers found that when individuals entered a care profession, their wages declined and when they left a care profession, their wages increased. While this data is from the United States, it is assumed we would find similar trends in Canada.

It is critical to address care work in the overall gender wage gap strategy given its unique dynamics. Addressing the care penalty will require particular attention and focus within the larger gender wage gap strategy.

### **Recommendation no. 3: The government of Ontario needs to bring up the floor of employment protections for precarious workers.**

Work, particularly in the community social services and home health care sectors, has become more precarious with low pay, no or poor benefits and pensions, a lack of consistent work hours and a shift from full-time to part-time work. This is an important component of the gender wage gap given that women are more likely to be found in precarious employment.

The labour landscape in Ontario has become more reliant on precarious low wage unemployment. According to the Canadian Centre for Policy Alternatives Ontario Office there are many faces to this precarity: (1) minimum wage jobs have grown from 2.4 % of all employees in 1997 to 11.9% in 2014; (2) low-paying jobs have grown from 19.8% in 1997 to 29.4% in 2014; and (3) employees working less than 40 hour work weeks have grown from 42.5% in 1997 to 50.5% in 2014.<sup>18</sup> A growing number of Ontarians are consigned to work that has unpredictable hours, decreased paid leave, no workplace benefits or pensions, and restricted access to union membership. These attributes of precarity are all magnified in marginalized communities of women, new immigrants, and racialized workers.

CUPE National conducted a comprehensive survey of its membership in 2014 to give a better understanding of the union's demographics and diversity, as well as the degree to which its members face precarious work.<sup>19</sup> Nearly 3,000 members representing all regions and sectors were polled. The survey data shows that CUPE's membership has more women (68 per cent) than the Canadian labour force in general (48 per cent). The average CUPE member earns \$40,000 to \$45,000.

The survey also used the Poverty and Employment Precarity in Southern Ontario (PEPSO) classification to divide members into four employment precarity classifications, where precarious work describes states of employment that do not have the security or benefits enjoyed in more traditional employment relationships. CUPE members are: 18% secure; 27% stable; 30% vulnerable; and 25% precarious employment.

CUPE members in precarious employment were concentrated in permanent part-time, casual, on-call, or contract employment. Many equality-seeking groups are over-represented in precarious or vulnerable classifications, including women, young workers, racialized members, non-citizens and those speaking a language other than English or French at home, as well as those reporting physical or mental conditions.

In this survey, women were twice as likely as men to hold part-time permanent or casual jobs, more likely to work less than 30 hours a week with no benefits and had a higher likelihood of having their hours of work reduced. Furthermore, CUPE members who are racialized were less likely to hold full-time work (54 per cent) compared to 64 per cent for CUPE members overall, twice as likely to have casual work, had a higher likelihood of having their hours of work reduced or saying that they do not have one employer with whom they expect to work in a year and were more likely to work on-call or part-time.<sup>20</sup> Though CUPE members have greater protections than non-union members through their collective agreements, these results show that precarious work even has a foothold in unionized environments.

A new report from the Canadian Research Institute for the Advancement of Women documents the growing precarity of public sector workers and the impacts on diverse women.<sup>21</sup> It shows that precarious employment is on the rise in the public sector, in large part due to government



funding cuts, privatization and adoption of new public management. Women suffer the negative consequences both as providers and users of public services, in terms of lost income, higher rates of harassment and violence and poor quality of working and caring conditions.

The Ontario government has been working on targeted strategies in particular sectors to reduce precarity such as more permanent employment for Personal Support Workers.<sup>22</sup> This is a positive development in a particularly precarious sector where hours of work are extremely unstable. At the same time, it is important that this approach addresses the gender gap in working conditions. Episodic work in male-dominated fields such as fire-fighting and paramedics is paid according to defined schedules, not just for hours when an emergency takes place. A similar approach should be used with Personal Support Workers. The government should introduce requirements similar to those found for Registered Nurses and Registered Practical Nurses in hospitals that 70% of Personal Support Work hours are staffed by full-time workers. This would shift casual and part-time work into full-time jobs and create much greater stability for the predominantly-female workforce.

The Ontario government should commit to revamping protections for precarious workers through greater employment and labour legislation. CUPE Ontario has made more detailed recommendations in its brief to the Ministry of Labour's Changing Workforce Review. Bringing up the floor of legislative protections for workers will help close the gender wage gap due to women's prevalence in precarious work.

**Recommendation no. 4: The government of Ontario needs to make unionization practically accessible to the thousands of women in small workplaces and precarious employment where there are systemic barriers to organizing a union.**

In Ontario, there was a union wage premium of almost \$8/hour per hour for women workers in 2014.<sup>23</sup> Unionization is a central factor, which has been shown to minimize wage discrimination faced by women, Aboriginal workers, and visible minority workers.<sup>24</sup>

CUPE Ontario is concerned that the Terms of Reference for the Gender Wage Gap Consultation Committee specifies that recommendations do not infringe on other government programs, initiatives or processes such as the Changing Workplaces Review. It will be impossible to make significant strides in addressing the gender wage gap without a holistic evaluation of the issue that incorporates employment and labour law reform. Specific changes will need to be evaluated in terms of their impact on the gap; others will be required to comprehensively address the wage gap. Particular approaches may not have been considered as part of the Changing Workplaces Review if a specific gender wage gap lens was not applied.

The research showing reduced pay discrimination in highly unionized public sector jobs is clear. In a 2011 study by CUPE Economist, Toby Sanger, the 0.5% pay premium for public sector workers was found to be almost entirely because of a smaller pay gap for women.<sup>25</sup> Women

employed in public sector jobs are paid 4.5 per cent more on average than women in comparable occupations in the private sector. Table 1.2 shows that all age ranges women in the public sector earn more on average than in the private sector.

*“Public sector pay scales make a significant contribution to correcting the gender wage gap – not by paying everyone more, but rather by paying women more and men less.”<sup>26</sup>*

**Table 1.2 – Average annual pay by sex and age in the public and private sectors**

<b>Average annual pay by sex and age Public and private sectors</b>			
	<b>Public sector</b>	<b>Private sector</b>	<b>Difference</b>
	\$	\$	
Women	45,821	43,841	4.5%
15 to 24 yrs	26,207	25,146	4.2%
25 to 39 yrs	42,028	40,092	4.8%
40 to 54 yrs	48,669	47,036	3.5%
55 yrs +	47,529	44,100	7.8%
Men	57,318	60,531	-5.3%
15 to 24 yrs	28,315	26,236	7.9%
25 to 39 yrs	49,988	50,750	-1.5%
40 to 54 yrs	59,726	64,277	-7.1%
55 yrs +	63,080	66,402	-5.0%
<b>Total</b>	<b>49,655</b>	<b>49,407</b>	<b>0.5%</b>
<i>Source: LivingWork analysis of 2006 Census data.</i>			

Source: Battle of the Wages, 2011

Women in the public sector still face a wage gap, however, it’s significantly smaller than in the private sector. This smaller wage gap is attributed to high unionization rates, better pay equity legislation and policies in public sector workplaces.

Another study, *Narrowing the Gap*, points to the same reduction in wage discrimination in the public sector, not just for women but for Aboriginal workers and visible minority workers as well. This study attributes the difference between public and private sector pay rates to “pay equity legislation, higher union density and policies that help workers balance family needs with work”. The fact that “the public sector does not leave salaries to the magic of the marketplace” is because of collective bargaining.

Unfortunately, it is difficult for many groups of workers to access unionization. Racialized workers had a 30 per cent lower unionization rate than non-racialized workers and unionization rates for workers in small private sector workplaces with less than 20 employees are only 6.7 per cent versus 23.7 per cent for workplaces of over 500 employees. We need to identify and eliminate the barriers that exist for various communities to join unions.

Increased unionization is a critical factor in reducing wage discrimination and should be identified as a central factor in the recommendations of the Gender Wage Gap Strategy Steering Committee. This would involve changes to our legislative regimes. The current labour framework within Ontario has diminished a worker's ability to unionize.

A number of changes are necessary to make unionization accessible to many low-waged precarious types of work. Card check certification, which allows workplaces to be unionized if the majority of members sign a union card, is a key component. Just this one change has been shown to affect unionization rates by 9-20 per cent.<sup>27</sup>

In addition, successor rights in the female dominated contract sector would strengthen unionization in female-dominated job ghettos. It is particularly egregious that contract services, which the government has decided to exclude from successor rights are those which often employ the most marginalized, and low paid workers who are most likely to be women, racialized, and/or immigrant workers.<sup>28</sup> This would cover home care, personal support work, food services, security and cleaning.

### **Recommendation no. 5: The Ontario government should safeguard public sector jobs through a moratorium on all contracting out and privatization.**

As mentioned in the previous recommendation, public sector employment is a safeguard for women's wages and creates greater equality. Privatization and outsourcing inevitably leads to more precarious work and greater wage discrimination. In situations where female-dominated public sector work has been contracted out to the private sector, such as home care, food or housekeeping, it is clear that working conditions and wages have eroded.<sup>29</sup>

Public sector work has been privatized at an alarming rate in the past thirty years. In the home care sector, 82 per cent of nursing was delivered by non-profit organizations in 1995. By 2011, after competitive bidding had been introduced, only 42 per cent of home care nursing was delivered by non-profit agencies, a drop of 40 per cent.

This makes a difference in wages and working conditions for front-line staff. Low pay and work with few or no benefits is even more likely in *for-profit* institutions such as much of Ontario's long-term care and home care sector. For-profit facilities have been found to pay their staff less.<sup>30</sup>

*“The growing homecare sector is the new job ghetto for women workers, in particular racialized and immigrant women.”<sup>31</sup>*

Over 90 per cent of Personal Support Workers (PSWs) are women, many are newcomers who speak English as a second language.<sup>32</sup> Ontario should formally end the compulsory contracting out in home care that has created waiting lists of over 10,000 people and high staff turnover.

Privatization in the health care sector in British Columbia resulted in a huge drop in wages and working conditions. The provincial government opened the door to regional authorities contracting out support services in hospitals and long term care by gutting the Hospital Employees Union’s negotiated protections against contracting out. These hospital workers had high wages in part due to a significant pay equity settlement bringing their wages in line with workers employed directly by the British Columbia government.

*“The move to sub-contract cleaning, laundry and food services in certain health regions caused the wages to drop drastically from the highest in Canada to the bottom for comparable unionized jobs. This affects mainly women workers. Many of which are immigrant women of colour.”<sup>33</sup>*

The multinational companies that won the cleaning contracts cut wages from \$18 to \$9 per hour, health care benefits and the pension plan was lost and many jobs were cut from full-time to part-time. Privatization has a huge impact on women workers.

*“Privatization is an attack on the high rate of unionization in the public sector and the wages and working conditions that have been won there through trade union struggles and pay equity legislation.”<sup>34</sup>*

As was mentioned previously, discriminatory pay gaps for women workers, Aboriginal workers and workers of colour are cut in half for most in the public sector.<sup>35</sup> The government should maintain and invest in public services as part of its gender wage gap strategy.

**Recommendation no. 6: The pay equity system should be reformed in the following ways:**

- **Proxy organizations be required to close all pay equity gaps immediately**
- **Proxy organizations be funded to meet the financial obligations resulting from closing pay equity gaps**
- **Proxy organizations should obtain information regarding economic and other increases for the female jobs used from comparator organizations. Any time the job class economic increases from the comparator organization are greater than the proxy organization increases, the proxy organization jobs should be adjusted accordingly.**

Employees in organizations that use the proxy comparison method to identify pay equity gaps often do the kind of work that gets most undervalued because it's "women's work" that requires caring for others. Child care workers, shelter workers and workers in developmental services jobs would fit into this category.

The original concept of proxy was a good one because it allowed organizations with no internal male comparators to identify pay equity gaps for female job classes.

However, over time employees in proxy organizations, where the need is perhaps greatest to address the gender wage gap, find themselves at an extreme disadvantage compared to female job classes in organizations with male comparators.

There are several reasons why this is the case. First, while "non-proxy organizations" were required to achieve pay equity in the 1990s and new "non-proxy organizations" are required to achieve pay equity immediately, proxy organizations are allowed to close the gap by distributing only 1% of their previous year's payroll to incumbents of female job classes with outstanding gaps. There are many instances in which the gap is so large that it would take many years to close at this minimum prescribed rate.

Secondly, the legislation does not allow proxy organizations to keep pace with economic increases achieved by their comparator job classes if, as is often the case, those increases are greater than those received by the proxy organization. This is another way in which workers in job classes in proxy organizations are losing ground compared to female jobs classes that have male comparators within their Establishment.

In the work we do with CUPE bargaining units in proxy organizations, many employers have not even been paying out the 1% of previous year's payroll they owe in the past several years. Previously, provincial funding included an allocation for pay equity payments; however, this is no longer the case. Currently, provincially-funded non-profit organizations that have a financial obligation under the *Pay Equity Act* receive no financial assistance from the province. In the past year we have filed several complaints related to employers not being able to pay the one per cent. Inevitably, the result of the complaint is an Order stating that the employer must meet its pay equity financial obligations. Employers are then scrambling to meet the conditions of the Order and often must take money from operational budgets to do so with an impact on service quality and working conditions.

It seems that employees working in organizations that have historically been underpaid because they do stereotypically female work are, within the context of existing pay equity legislation, suffering from the discrimination which the legislation was supposed to have addressed.

**Recommendation no. 7: The Ontario government should raise the minimum wage to at least \$15/hour to reflect the high proportion of women in low-waged jobs.**

Women are disproportionately found in low paid and minimum wage jobs. In Ontario, 14.9 per cent of women employees were working for minimum wage, compared to 8.8 per cent of men in 2014. Women make up 58.3% of minimum wage earners.<sup>36</sup> Increasing the minimum wage to \$15/hour would do much to reduce the gender wage gap.

As mentioned earlier, minimum wage jobs have grown from 2.4 % of all employees in 1997 to 11.9% in 2014.<sup>37</sup> That's a five-fold increase in 17 years, which is of great concern. What's even more concerning is that the share of women working for minimum wage rose at about double the pace of men.

Another issue is that the number of workers making within \$4 of the minimum wage has also increased substantially from 19.8% in 1997 to 29.4% in 2014. Again, the numbers show a much more stark picture for women: "The share of women making within \$4 of the minimum wage increased from 24 to 34.3 per cent over the same period."

Racialized workers and recent immigrants are also more likely to be working for minimum wage. Recent immigrants are almost twice as likely as the total population to work for minimum wage and racialized workers are 47 per cent more likely to be working for minimum wage.<sup>38</sup>

The government has already taken some important steps on this issue with the minimum wage moving from \$10.25 to \$11.15 per hour in 2015. However, the current minimum wage keeps employees below the poverty line: "the current minimum wage would have to increase by 25% to meet the standard set in 1976, when a minimum wage job actually meant a low-wage worker earned an income 1.3% above the poverty line."<sup>39</sup> Much more needs to be done including substantially increasing the minimum wage and tying it to inflation.

Given women's prevalence in minimum wage and low-paid work, a strong step to address the gender wage gap would be for the Ontario government to increase the minimum wage in Ontario.

**Recommendation no. 8: Implement yearly funding increases to front-line transfer payment agencies to reflect increases to the cost of living.**

Many community social service and health care front-line agencies that rely on government funding have faced frozen budgets for years. This has resulted in downward pressure on wages and working conditions on an already underpaid, female-dominated workforce. In order to address the wider wage gap, general wage increases need to be provided in addition to pay equity adjustments.

Years of austerity budgets have put extreme pressure on budgets for health care and social service organizations. The Ontario Association of Interval and Transition Houses in their pre-budget submission state they are looking for a 3.5-5 per cent funding increase. Provincial funding has been frozen since 2009 with the exception of some targeted funding as part of the Action plan to stop sexual violence and harassment launched in March 2015.

*“The shelter funding freeze for the past three years has widened the gap between shelter workers and their comparators and the shelters’ ability to fund equitable wages. Staff wages in shelters across the province vary from \$13 to \$21 per hour; for the same professional designation in comparable sectors (such as counselling agencies, school boards, and mental health agencies) the rate is \$28-40 per hour.”<sup>40</sup>*

Survey results from OASIS, the organization representing developmental services agencies in the province, show that 75% of responding agencies have implemented steps to reduce costs. “Often mentioned this year was the low morale in the workplace. Minimal wage increases, less 1 on 1 care, fewer job opportunities, and increased workloads all contributed.”<sup>41</sup> Reducing the gender wage gap in the broader public sector requires annual funding so general wage increases can be applied. Transfer payment agencies need to be provided with regular funding increases that reflect changes in the cost of living.

**Recommendation no. 9: The Ontario government should continue to target particular female-dominated occupations for wage enhancements that get rolled into base salaries.**

Targeted wage enhancement funding in the 2014 Ontario budget for Personal Support Workers, Developmental Services Workers and some Early Childhood Educators, who are all ‘care’ workers, was a positive initiative despite some difficulties in the implementations. These approaches should be continued and broadened to other groups of predominantly female, low-waged workers, particularly in the child care, community social services, education and health care sectors.

Some research has highlighted the differences in wage rates between the community sector and public services, which have more direct government oversight. A study conducted by KPMG in 2000 showed that front-line support workers in the community sector faced a 20-38% wage gap when compared with workers who do similar jobs at Children’s Aid Societies, hospitals, education institutions or facilities directly operated by the government.<sup>42</sup> If these wage gaps are going to be addressed, there needs to be a substantive government investment in wages for workers providing public services through community agencies.

At the same time, the government should ensure wage enhancements are allocated in a way that helps address systemic inequality and respect collective bargaining rights. Wage enhancements should be allocated to all workers in targeted industries so that inequalities between different classifications are not exacerbated. Furthermore, advance work is required

with unions to ensure the implementation of wage enhancements respect the collective bargaining rights of workers.

Chronic low wages affects the retirement security of workers in female-dominated sectors. Targeted wage enhancements need to be incorporated into base salaries and be included in insurable and pensionable earnings. Enhancements should also be reflected in wage rates during vacations, sick leaves and maternity and parental leaves. These steps will help ensure wage enhancements bolster women's economic security.

**Recommendation no. 10: The government should ensure its own legislation, policies and practices are consistent and holistically work to reduce the gender wage gap.**

In many cases, government legislation, policies and practices serve to undermine its efforts to minimize the gender wage gap and fail to operate in a consistent manner. As was previously mentioned, while the government has introduced a wage enhancement for some Early Childhood Educators, it has rolled wage grant funding committed by previous governments to address pay equity into the broader Core Services category. This money, which can now be cut, can form up to \$9,533 per year of a child care worker's annual pay. In this instance, a lack of consistency in government policy will aggravate the gender wage gap for low-paid child care workers.

In another recent example, a gender wage gap lens was explicitly ruled out for the Changing Workplaces Review. While the rationale is that the government is conducting a separate review, this separation of efforts highlights the very extent of the problem itself. Gender equity should be a lens which touches all efforts of a government, particularly with regards to the issues being dealt with in the Changing Workplaces Review as they are greatly experienced by women, racialized, and immigrant workers. It was problematic to have explicitly ruled a gender analysis outside of the mandate of the review of our employment and labour standards regime. Furthermore, the Gender Wage Gap strategy needs to include a labour and employment lens that ensures steps are put in place to close the gender wage gap.

**Recommendation no. 11: The Ontario government should develop an affordable and accessible quality child care system to ensure all parents can balance paid work with child care responsibilities.**

CUPE represents child care workers, who experience the gender wage gap, and many workers who are struggling to find and afford quality child care. The current market-based child care system will never resolve the issues of poorly-paid child care jobs and high child care fees experienced by families. The solution is a public system which ensures quality programming, coverage across the province, affordable fees and good working conditions.



In a newly released study about child care fees in major Canadian cities, a number of Ontario cities had some of the highest child care fees in the country. Toronto had the highest infant, toddler and pre-school child care costs. Infant child care fees were \$1,736 per month in 2015 and \$1033 per month for full-day pre-school care. A number of other Ontario cities also had extremely high fees including Markham, Vaughan, Hamilton, London and Ottawa

*“For example, in Toronto, Canada’s most expensive city for child care, the average cost for one preschool spot and one toddler spot was \$28,300 a year in 2015. The median income for Toronto families with young children is \$58,500; child care fees would eat up 48% of that.”<sup>43</sup>*

Almost seventy per cent of mothers with children aged 0-2 participate in the labour force.<sup>44</sup> Many women cannot access better paying jobs or full-time jobs because of a lack of affordable and accessible child care. Even if a parent can afford the fees, there are only regulated spaces for 20.8% of children aged 0-5 years in Ontario.<sup>45</sup>

Affordable, accessible and quality child care is a critical step to closing the gender wage gap. Yet a market model will never provide affordable and accessible services and good wages for staff. Some of the problems with the market model of child care include: service development and management is based on financial viability rather than community needs; the federal and provincial government fund consumers through the child care benefit and parent fee subsidies rather than spaces; limited public planning with no overarching policy framework; minimal staffing and inequitable access.<sup>46</sup>

*“We need to consider “How is a system most likely to occur?” and all the evidence — from international policy comparisons — suggests that a stable child care system will not sprout from the ground if left to the market. It needs political will, a commitment to public planning, and growing the system in public and non-profit settings to make it work. The province should invest in an affordable and accessible public and non-profit integrated and comprehensive early learning and child care system for all children 0 – 12 years.”<sup>47</sup>*

Canada was tied for last with regards to early childhood education and care in a 2008 UNICEF 25-country study.<sup>48</sup> Furthermore, OECD data ranked Canada second last in public early childhood education and care spending as a proportion of GDP. Many countries around the world have public and/or not-for-profit child care systems that allow for greater labour force participation and greater possibilities for women in the paid labour force. CUPE Ontario recommends that Ontario develop an early learning and child care system to help close the gender wage gap.

**Recommendation no. 12: The Ontario government should implement employment equity legislation and policies**

Equal access to work, promotions, pay rates and working conditions is far from a reality in Ontario. Significant differences in pay exist for many equity-seeking groups.

In a 2011 study, the Wellesley Institute found that pre-recession (2006), racialized Canadians were more willing to work but experienced higher levels of unemployment and lower wages than non-racialized Canadians. Furthermore, significant pay gaps existed: visible minority women made 56.5 cents for every dollar white men earn, while minority men made 75.6 cents.<sup>49</sup>

Employment equity legislation and policies help rectify workplace discrimination in recruitment, employment conditions and retention for women, Aboriginal peoples, racialized workers and persons with disabilities.

**Recommendation no. 13: The government of Ontario should develop a comprehensive violence against women strategy that includes employment protections for workers experiencing domestic violence.**

Recent research shows that 37.6% of women reported that they had experienced domestic violence from an intimate partner at some point in their lives. Of those who reported experience of domestic violence, 38% indicated it impacted their ability to get to work (including being late, missing work, or both). In total, 8.5% of survivors indicated they had lost their job due to issues related to domestic violence.<sup>50</sup> The government needs to address the impact of domestic violence at work by providing paid domestic violence leave and the right to flexible working arrangements and other accommodations; strengthening occupational health and safety legislation around safety audits, safety plans, inspections and other interventions; and prohibiting discrimination against those who experience domestic violence, including negative repercussions from disclosure, performance or attendance related to domestic violence.

**Recommendation no. 14: Any gender wage gap strategy needs to involve genuine consultation and collaboration with key stakeholders such as the Equal Pay Coalition, which has been a leading voice in research and advocacy on this issue.**

The government should involve unions, employers, and advocacy organizations in the strategy development and implementation in order for it to be successful.

**Recommendation no. 15: Call an immediate end to the now nearly six old zero/net-zero wage policy for public sector workers in Ontario.**

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Jan 6, 2016

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