

Persistent Inequality

Ontario's Colour-coded Labour Market

Sheila Block and Grace-Edward Galabuzi





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Persistent Inequality

Ontario's Colour-coded Labour Market

Executive Summary

Ontario's labour market is increasingly racialized and persistently unequal.

In this paper, we present a portrait of Ontario's colour-coded labour market as of 2016 (the latest data available) and compare it to how things looked in 2006. Overall, there were 3.9 million racialized individuals living in Ontario in 2016, representing 29% of Ontario's population—a notable increase from 23% of the population in 2006.

Racialized workers in Ontario had a slightly higher labour force participation rate than non-racialized workers (65.3% versus 64.5%) in 2016. However, racialized Ontarians continued to experience higher unemployment rates. Racialized women had the highest unemployment rate at 10%, followed by racialized men at 8.7%, non-racialized men at 7%, and non-racialized women at 6.3%.

An occupational breakdown of the workforce sheds light on the gendered and racialized gap in the labour market. Racialized women were most likely to be in the lowest-paying occupations. The share of racialized women (25.1%) working in occupations that fall in the bottom 10% of average earnings was 66% higher than the share of non-racialized men (15%). Non-racialized women were slightly less likely to work in these low-wage occupations than racialized women (23.6%). The share of racialized men in these lowest-paying occupations (17.8%) was higher than the share of non-racialized men (15.1%).

These patterns are reversed for occupations that pay in the highest 10% of average earnings: 11% of non-racialized men worked in these highest-paying occupations, followed by 8.8% of racialized men, 5.7% of non-racialized women, and 5.5% of racialized women. In short, the racialized gap can be found at both the bottom and the top of the occupational distribution.

These labour market experiences contribute to the persistent wage gap:

- In 2015, racialized men earned 76 cents for every dollar non-racialized men earned.
- Racialized women earned 85 cents for every dollar non-racialized women earned.
- These earnings gaps have remained virtually unchanged since 2006.
- Labour market discrimination remains gendered and racialized: racialized women earned 58 cents for every dollar non-racialized men earned.
- There has been little progress in closing the earnings gap between men and women. Non-racialized women earned 69 cents for every dollar non-racialized men earned. Racialized women earned 77 cents for every dollar racialized men earned.

We also explore the notion that racialized workers fare worse in the job market because many of them are immigrants, and all immigrants struggle before landing a good job. Our findings demonstrate that not all immigrants have the same experience.

Among prime-age (25–54 years old) workers, racialized male immigrants earned 70 cents for every dollar non-racialized male immigrants earned. Racialized female immigrants earned 78 cents for every dollar that non-racialized female immigrants earned. These gaps continue into the second generation and beyond. Second-generation racialized men earned 78 cents for every dollar second-generation non-racialized men earned. Second-generation racialized women earned 64 cents for every dollar second-generation non-racialized men earned.

These findings point to the need for Ontario to deal with the uncomfortable truth that its labour market is not equally welcoming to all immigrants. They also indicate that differences in immigrants' outcomes are not based only on education levels and language skills, but also on racialization.

The data also illustrate the importance of understanding the distinct barriers in the labour market faced by different racialized groups. There are

many examples that illustrate these differences. Both men and women who identified as Black had higher labour force participation rates than their non-racialized counterparts. However, they also had higher unemployment rates and bigger wage gaps than the average for all racialized workers. Men who identified as Filipino had much lower unemployment rates than non-racialized workers and yet had a larger earnings gap; while women who identified as Filipino had lower unemployment rates and a smaller earnings gap than the racialized average. Men and women who identified as Latin American had lower unemployment rates and larger earnings gaps than the average for all racialized workers.

Addressing the labour market discrimination faced by racialized workers will require a deeper understanding of racism and the different ways it is manifested in the labour market for different racialized groups. That understanding needs to be used to shape policy to address these different barriers and forms of discrimination.

The bottom line: we are still waiting for bold new policies to close the persistent gap between racialized and non-racialized men and women in Ontario. Until we tackle the barriers to employment equity and to decent work, Ontario's racialized income gap is unlikely to go away.

Introduction

In previous reports we examined the labour market experiences of racialized* workers in Canada and Ontario, drawing upon 2006 census data. Our analyses revealed a disturbingly colour-coded labour market.¹ We detailed how racialized workers experienced higher unemployment rates, lower earnings, and employment segregation in the labour market. We also showed that there was a gendered dimension to the racialized labour market

* The term racialized is used to acknowledge “race” as a social construct and as a way of describing a group of people. Racialization is the process through which groups come to be designated as different and, on that basis, subjected to differential and unequal treatment. In the present context, racialized groups include those who may experience differential treatment on the basis of race, ethnicity, language, economics, and religion (Canadian Race Relations Foundation, 2008). This paper uses data on visible minority status from the 2006 and 2016 censuses. Visible minority status is self-reported and refers to the visible minority group to which the respondent belongs. The Employment Equity Act defines visible minorities as “persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.” Census respondents were asked: “Is this person...white, Chinese, South Asian, Black, Filipino, Latin American, Southeast Asian, Arab, West Asian, Japanese, Korean, other (specify).” The data on visible minority status do not include Indigenous peoples, CCPA research on their labour market experience will be forthcoming.

experience: the barriers that racialized women faced in the labour market were greater than those faced by racialized men, non-racialized women, and non-racialized men.

This report focuses on the Ontario labour market experience of racialized workers, drawing upon 2016 census data. Much has changed since 2006. Changes in the structure of Ontario's economy began in the 1990s, but the foundations of Ontario's labour market were shaken during the financial crisis of 2008–09. These changes were accelerated, in large part, by the decline of manufacturing in the province and rapid technological developments spawning new forms of economic activity. For instance, Ontario lost more than 260,000 manufacturing jobs between 2001 and 2016.²

We have also seen other shifts in the labour market as precarious employment has become more prevalent. This has contributed to increased income insecurity and a reduction in non-wage remuneration. Women and racialized workers are over-represented in the sectors of the economy where low-wage, precarious work has become most prevalent. However, the rise in precarious work has not only affected low-income workers—it has had an impact on workers across the earnings spectrum.³

The changes in the industrial structure of the economy, along with the rise in precarious work, have resulted in a hollowing out of middle-income jobs and a rise in both high-wage and low-wage jobs. Ontario is becoming more polarized, as middle- and working-class families see their share of the income pie shrinking while upper middle-class and wealthy families take home a growing share.⁴

In this report, we use Statistics Canada data from the 2016 census to describe the labour market experiences of racialized and non-racialized Ontario workers. We compare this data to the 2006 census data.

The 2016 census data provides the first opportunity in 10 years for us to do this kind of analysis. Before its release, we did not have reliable data to measure the gap in labour market outcomes between racialized and non-racialized workers. The limitations of the 2011 National Household Survey made an analysis by racialization impossible.⁵ The census is the only source of Statistics Canada labour market data on racialization.

Racialized population in Ontario

Canada is one of the world's more racially diverse nations and the makeup of its population continues to evolve. In 2016, 51% of Canada's racialized

TABLE 1 Ontario racialized population, composition 2016

| | | |
|-----------------------------|------------------|---------------|
| South Asian | 1,150,415 | 29.6% |
| Chinese | 754,550 | 19.4% |
| Black | 627,715 | 16.2% |
| Filipino | 311,675 | 8.0% |
| Arab | 210,440 | 5.4% |
| Latin American | 195,955 | 5.0% |
| West Asian | 154,670 | 4.0% |
| Southeast Asian | 133,855 | 3.4% |
| Multiple visible minorities | 128,590 | 3.3% |
| Visible minority, n.i.e. | 97,970 | 2.5% |
| Korean | 88,940 | 2.3% |
| Japanese | 30,835 | 0.8% |
| Total Racialized | 3,885,610 | 100.0% |

Source Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016211

population resided in Ontario. That amounts to 3.9 million racialized individuals living in Ontario, accounting for 29% of Ontario's population, up from 2.7 million in 2006 (23% of the population).

The largest racialized group in Ontario consists of those who identified as South Asian, followed by those who identified as Chinese, and then those who identified as Black. These three groups account for two-thirds of the racialized population in the province (see *Table 1*).

Labour market status

Table 2 shows the participation, employment, and unemployment rates for racialized and non-racialized Ontarians in 2016. It shows that racialized Ontarians had slightly higher labour force participation rates (65.3%) than non-racialized Ontarians (64.5%). While racialized women had only a very slightly higher participation rate than non-racialized women (at 60.7% compared to 60.6%), racialized men (at 70.3%) had a participation rate that is 1.7 percentage points higher than non-racialized men (at 68.6%).

Racialized men and women also had higher unemployment rates than their non-racialized peers: racialized women had the highest unemployment

TABLE 2 Employment, unemployment and participation rates: Ontario, 2016

| | <i>Racialized</i> | | | <i>Non-racialized</i> | | |
|--------------------|-------------------|-------|-------|-----------------------|-------|-------|
| | Men | Women | Total | Men | Women | Total |
| Participation rate | 70.3 | 60.7 | 65.3 | 68.6 | 60.6 | 64.5 |
| Employment rate | 64.2 | 54.6 | 59.2 | 63.8 | 56.8 | 60.2 |
| Unemployment rate | 8.7 | 10.0 | 9.3 | 7.0 | 6.3 | 6.7 |

Source: Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016286.

rate at 10%, followed by racialized men at 8.7%, compared to non-racialized men at 7% and non-racialized women at 6.3%.

Racialized men had a slightly higher employment rate than non-racialized men (64.2% compared to 63.8%). However, when the employment rate is disaggregated by age, non-racialized men had higher employment rates for all age groups except 55- to 64-year-olds. Racialized men in that age group had an employment rate that is more than five percentage points higher than non-racialized men. Racialized women had a lower employment rate (54.6%) than non-racialized women (56.8%).

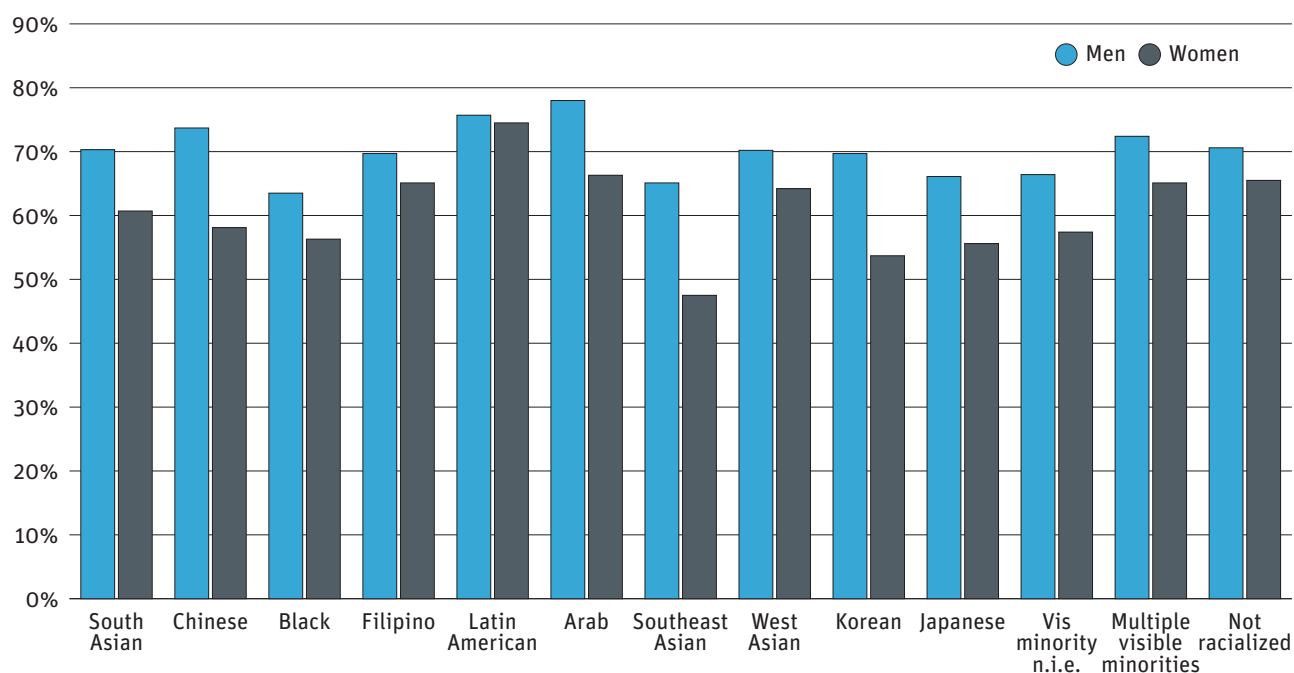
Changes since 2006

When compared to the data from the 2006 census, 2016 census data show an overall deterioration in labour market conditions for both racialized and non-racialized workers. The unemployment rate for racialized workers was 0.6 percentage points higher in 2016 than it was in 2006 and 0.9 percentage points higher for non-racialized workers. The employment rate for racialized workers was 2.7 percentage points lower than it was in 2006 and 2.8 percentage points lower for non-racialized workers.

There was a sharper deterioration in labour market conditions for men than for women. The employment rate dropped by 3.7 percentage points for racialized men and by 4.3 percentage points for non-racialized men. There was a 1.4 percentage point increase in non-racialized men's unemployment rates and a 0.9 percentage point increase in racialized men's unemployment rate. Racialized women's employment rate dropped by 0.3 percentage points and non-racialized women's employment rate dropped by 1.4 percentage points.

There has also been a drop in labour market participation rates since 2006: non-racialized men's participation dropped by 3.6 percentage points

FIGURE 1 Labour force participation rates by racialized group and gender: Ontario, 2016



Source: Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016286.

and racialized men's by 3.3 percentage points. This compares to a 1.8 percentage point drop for racialized women and a 1.3 percentage point drop for non-racialized women.

While non-racialized men had the lowest unemployment rate in 2006 at 5.8%, in 2016 it was non-racialized women who registered the lowest unemployment rate, at 6.3%.

Differences in labour market experience by racialized group

There are sharp differences in labour market experiences by racialized group. While this is not a new phenomenon, it is an important one to note. As *Figure 1* shows, men who identified as Filipino, Latin American, or South Asian had labour force participation rates between five and nine percentage points higher than those who identified as non-racialized. Men who identified as Chinese had labour force participation rates five percentage points lower than non-racialized men. Women who identified as Filipino had a labour

force participation rate almost 14 percentage points higher than that of non-racialized women, while women who identified as Arab had a labour force participation rate 13 percentage points lower.

Only men who identified as Filipino had lower unemployment rates than those who identified as non-racialized. All other men who identified as racialized had higher unemployment rates—in particular, those who identified as Black or Arab had unemployment rates above 12%.

Women from all racialized groups, except those who identified as Filipino, had higher unemployment rates than women who identified as non-racialized. Women who identified as Arab had the highest unemployment rate, at 15.8%, which is two-and-a-half times higher than the unemployment rate of non-racialized women. Women who identified as West Asian, Black, or South Asian also had unemployment rates at or above 12% (see *Table 10* in Appendix).

Differences in employment by occupation

Detailed data is publicly available on employment by occupation in the 2016 census. In this report we examine employment by gender and by racialized group for four-digit national occupational classifications (NOCs), which provides us with insights into the earnings gap between racialized and non-racialized workers. Just like broader labour market trends, these patterns are both racialized and gendered.

We sorted the NOC codes from lowest to highest average incomes for the total population and divided them into 10 equal groups. We then looked at the distribution of employment by these occupational groupings for racialized women and men as well as for non-racialized women and men.

These data demonstrate clear differences in employment by occupational groupings: 25.1% of racialized women worked in occupations in the bottom 10% of average earnings, while 23.6% of non-racialized women worked in these occupations. In comparison, 17.8% of racialized men and 15.1% of non-racialized men worked in occupations in the bottom 10% of the earnings scale. The share of racialized women working in occupations that fall in the bottom 10% of average earnings was 66% higher than the share of non-racialized men.

The data also show that 5.5% of racialized women and 5.7% of non-racialized women worked in the occupations paying in the top 10% of average

TABLE 3 Distribution of employment by occupation: Ontario, 2016

| | <i>Racialized</i> | | <i>Non-racialized</i> | |
|--------------|-------------------|------------|-----------------------|------------|
| | Women | Men | Women | Men |
| 1st | 25.1 | 17.8 | 23.6 | 15.1 |
| 2nd | 11.7 | 8.4 | 9.1 | 6.8 |
| 3rd | 16.7 | 15.0 | 15.8 | 14.9 |
| 4th | 7.9 | 8.7 | 8.3 | 7.8 |
| 5th | 5.1 | 7.3 | 6.6 | 8.5 |
| 6th | 4.7 | 6.2 | 5.2 | 8.3 |
| 7th | 7.2 | 7.3 | 10.9 | 8.9 |
| 8th | 9.7 | 10.7 | 9.9 | 10.6 |
| 9th | 6.5 | 9.7 | 5.0 | 8.0 |
| 10th | 5.5 | 8.8 | 5.7 | 11.0 |
| Total | 100 | 100 | 100 | 100 |

Source Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016356.

earnings. That compares to 8.8% of racialized men and 11% of non-racialized men working in these occupations.

The gendered and racialized dimensions of Ontario's 2016 labour market go beyond the two extremes of the highest- and lowest-paying jobs. Overall, 66.5% of racialized women worked in occupations in the bottom half of the earnings distribution compared to 63.4% of non-racialized women. Meanwhile, 57.2% of racialized men and 53.2% of non-racialized men worked in occupations in the bottom half of the earnings distribution.

This means that racialized women were 25% more likely to be working in occupations in the bottom half of the income distribution than non-racialized men. While racialized men were less likely to be in low-wage occupations than women, they were more likely to be in low-wage occupations than non-racialized men.

Differences in employment income

Table 4 shows the persistent gap in average employment income between racialized and non-racialized workers.⁶ It also shows the clear gendered dimension to Ontario's racialized income gap. According to the 2016 census, racialized women earned 58 cents for every dollar that a non-racialized man

TABLE 4 Employment income by racialized group and gender: Ontario, 2015

| | <i>Average Employment Income (\$s)</i> | | <i>Earnings gap: same gender</i> | | <i>Earnings gap: non-racialized men</i> |
|-----------------------------|--|---------------|----------------------------------|-------------|---|
| | Men | Women | Men | Women | Women |
| Total racialized | 44,799 | 34,530 | 0.76 | 0.85 | 0.58 |
| South Asian | 46,793 | 33,054 | 0.79 | 0.81 | 0.56 |
| Chinese | 51,228 | 40,217 | 0.87 | 0.99 | 0.68 |
| Black | 37,478 | 33,726 | 0.63 | 0.83 | 0.57 |
| Filipino | 40,322 | 34,359 | 0.68 | 0.84 | 0.58 |
| Latin American | 42,539 | 30,717 | 0.72 | 0.75 | 0.52 |
| Arab | 43,638 | 30,279 | 0.74 | 0.74 | 0.51 |
| Southeast Asian | 41,688 | 31,417 | 0.71 | 0.77 | 0.53 |
| West Asian | 39,349 | 29,576 | 0.67 | 0.72 | 0.50 |
| Korean | 43,845 | 32,211 | 0.74 | 0.79 | 0.54 |
| Japanese | 66,367 | 42,804 | 1.12 | 1.05 | 0.72 |
| Visible minority, n.i.e. | 43,511 | 35,921 | 0.74 | 0.88 | 0.61 |
| Multiple visible minorities | 44,911 | 34,856 | 0.76 | 0.85 | 0.59 |
| Non-racialized | 59,103 | 40,811 | 1.00 | 1.00 | 0.69 |

Source Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016213.

made. There is a narrower gap between racialized and non-racialized men: racialized men earned 76 cents for every dollar that a non-racialized man earned. The gap narrows further when comparing the incomes of racialized and non-racialized women, with racialized women earning 85 cents for every dollar that non-racialized women earned. Non-racialized women earned 69 cents for every dollar a non-racialized man earned.

We have not limited this analysis of employment income to full-time, full-year workers because labour market discrimination includes barriers to full-time employment as well as the frequency and duration of unemployment. Comparing the income gap for all workers is one way of capturing these differences in access to employment as well as the differences in employment incomes for those who are employed.

Comparisons of full-time, full-year workers show a similar pattern, albeit with a smaller gap in earnings. Racialized women working full-time and full-year earned 66 cents for every dollar that non-racialized men working full-time and full-year earned. The gap narrowed between men, with racialized men working full-time and full-year earning 80 cents for every dollar

TABLE 5 Employment income by racialized group and gender: full-time, full year, Ontario, 2015

| | <i>Average Employment Income</i> | | <i>Earnings gap: same gender</i> | | <i>Earnings gap: Non-racialized men</i> |
|-----------------------------|----------------------------------|---------------|----------------------------------|-------------|---|
| | Men | Women | Men | Women | Women |
| Total racialized | 64,071 | 52,981 | 0.80 | 0.87 | 0.66 |
| South Asian | 66,538 | 52,907 | 0.83 | 0.87 | 0.66 |
| Chinese | 72,650 | 61,124 | 0.90 | 1.01 | 0.76 |
| Black | 55,773 | 52,568 | 0.69 | 0.87 | 0.65 |
| Filipino | 54,437 | 45,861 | 0.68 | 0.76 | 0.57 |
| Latin American | 57,208 | 45,700 | 0.71 | 0.75 | 0.57 |
| Arab | 66,609 | 53,340 | 0.83 | 0.88 | 0.66 |
| Southeast Asian | 55,789 | 44,537 | 0.69 | 0.74 | 0.55 |
| West Asian | 59,341 | 50,585 | 0.74 | 0.83 | 0.63 |
| Korean | 61,888 | 50,038 | 0.77 | 0.83 | 0.62 |
| Japanese | 95,415 | 66,489 | 1.18 | 1.10 | 0.83 |
| Visible minority, n.i.e. | 58,693 | 51,503 | 0.73 | 0.85 | 0.64 |
| Multiple visible minorities | 65,682 | 54,525 | 0.82 | 0.90 | 0.68 |
| Non-racialized | 80,555 | 60,584 | 1.00 | 1.00 | 0.75 |

Source: Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016356.

that non-racialized men working full-time and full-year earned. And the gap narrowed even further when comparing the incomes of women, with racialized women working full-time and full-year earning 87 cents for every dollar that non-racialized women working full-time and full-year earned.

Comparisons of earnings trends from 2005 to 2015

The census data gives us a snapshot of the dimensions of inequality in Ontario's labour market. It also tells us whether we're making any progress on closing the income gap. The answer is yes and no: While the overall earnings gap between racialized and non-racialized men and racialized and non-racialized women remains virtually unchanged since 2006, the earnings gap between men and women, both racialized and non-racialized, has shrunk. Even so, this gap remains in the double digits: racialized women earned 58 cents for every dollar non-racialized men earned in 2015, compared to 53 cents in 2005. Non-racialized women earned 69 cents for every dollar non-racialized men earned in 2015, compared to 63 cents in 2005.

TABLE 6 Average Employment Earnings, constant 2015 dollars

| | 2005 | | 2015 | | <i>Earnings Gap: same gender</i> | | <i>Earnings Gap: non-racialized men</i> | |
|----------------|--------|--------|--------|--------|--------------------------------------|------|---|------|
| | Men | Women | Men | Women | 2005 | 2015 | 2005 | 2015 |
| Racialized | 43,789 | 31,756 | 44,799 | 34,530 | 0.74 | 0.76 | 0.53 | 0.58 |
| Non-Racialized | 59,461 | 37,485 | 59,103 | 40,811 | 0.85 | 0.85 | 0.63 | 0.69 |

There are differences by racialized group. While the earnings gap remained in the double digits for men in all racialized groups except those who identified as Japanese, it has narrowed for those who identified as South Asian, Chinese, West Asian, Latin American, and Korean. The earnings gap has widened, however, for those who identified as Black, Filipino, Southeast Asian, and multiple visible minorities. While it remained in the double digits, the earnings gap between non-racialized men and racialized women has shrunk across all racialized groups (see *Table 11* in Appendix).

Is the racialized income gap a result of immigration?

A common Canadian narrative is that the discrimination that racialized workers face in the labour market is part of the immigrant experience and that it is common to all immigrants. The story is that everyone who comes to this country struggles, especially at first, but the sacrifice is worth it because succeeding generations reap the benefits of that sacrifice. However, the data show that labour market experiences are different for racialized and non-racialized immigrants. The data also show that income inequality between racialized and non-racialized Ontarians extends beyond the immigrant experience, affecting second and third generations, and beyond.

Table 7 shows employment income for prime-age (25–54) racialized and non-racialized workers by generational status. Racialized male immigrants earned 70 cents for every dollar that non-racialized male immigrants earned. Racialized female immigrants earned 78 cents for every dollar that non-racialized female immigrants earned.

Although it is smaller, that gap in employment income also holds true for Canadian-born racialized workers compared to non-racialized workers. Second-generation racialized men earned 78 cents for every dollar second-generation non-racialized men earned. Second-generation racialized women earned 64 cents for every dollar second-generation non-racialized men

TABLE 7 Average employment income by generation and racialization: prime-age workers, Ontario, 2015

| | <i>Racialized</i> | | <i>Non-Racialized</i> | | <i>Earnings gap: same gender</i> | | <i>Earnings gap non-racialized men</i> | |
|--------------------------|-------------------|--------|-----------------------|--------|----------------------------------|-------|--|----------------------|
| | Men | Women | Men | Women | Men | Women | Racialized women | Non-racialized women |
| First generation | 51,006 | 37,787 | 73,317 | 48,593 | 0.70 | 0.78 | 0.52 | 0.66 |
| Second generation | 60,162 | 49,527 | 77,388 | 52,944 | 0.78 | 0.94 | 0.64 | 0.68 |
| Third generation or more | 58,354 | 43,790 | 68,117 | 47,454 | 0.86 | 0.92 | 0.64 | 0.70 |

Source Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016210.

earned. And the gap continued for those who Statistics Canada categorizes as third-generation or beyond. However, the numbers of second- and third-generation racialized Ontarians drop off sharply, so this data should be interpreted with caution.

For first-generation Ontarians, the earnings gap varied substantially. The largest earnings gap is observed for immigrants who identified as West Asian (they earned 64 cents for every dollar that non-racialized immigrants earned), while the smallest gap is for those who identified as Japanese (they earned 83 cents for every dollar non-racialized immigrants earned).

The earnings gap for second-generation racialized Ontarians was much more dispersed. The wage gap worsened for Ontarians who identified as Black, Latin American, Southeast Asian or multiple visible minorities. On the other hand, second-generation Ontarians who identified as Chinese or Japanese earned \$1.04 and \$1.05 respectively for every dollar that second-generation non-racialized Ontarians earned.

There is a lot of variability in income levels between first generations and third-and-beyond generations. Average employment incomes were lower for about half of the groups (including non-racialized Ontarians) while they increased for about half the groups. Two groups, those who identified as Korean or Japanese, had earnings that were 18% and 28% higher, respectively, than non-racialized Ontarians. What stands out is that those who identified as Black, Latin American or Filipino consistently had a large earnings gap despite the length of time that their families had been in Ontario.

The differences in experiences by racialized group shows the importance of a disaggregated analysis. The variations in labour market outcomes by racialized group suggest that there are differences in the barriers faced by different groups in the labour market. These barriers need to be explored

TABLE 8 Average employment income ratios by generation and racialized groups: prime-age workers, Ontario, 2015

| | First generation | Second generation | Third generation or more |
|-----------------------------|------------------|-------------------|--------------------------|
| Total racialized | 0.72 | 0.84 | 0.89 |
| South Asian | 0.73 | 0.94 | 0.96 |
| Chinese | 0.81 | 1.04 | 0.93 |
| Black | 0.69 | 0.67 | 0.71 |
| Filipino | 0.65 | 0.80 | 0.71 |
| Latin American | 0.68 | 0.62 | 0.62 |
| Arab | 0.72 | 0.81 | 0.94 |
| Southeast Asian | 0.68 | 0.64 | 0.83 |
| West Asian | 0.64 | 0.70 | - |
| Korean | 0.70 | 0.96 | 1.18 |
| Japanese | 0.83 | 1.05 | 1.28 |
| Visible minority, n.i.e. | 0.72 | 0.76 | 0.68 |
| Multiple visible minorities | 0.81 | 0.75 | 0.86 |
| Non-racialized | 1.00 | 1.00 | 1.00 |

Source: Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016210 and authors' calculations.

and better understood, and policy responses need to be tailored to them if they are to be effective.

Racialized poverty

The stark reality of racialized poverty in Ontario has also not changed much since 2006. The data show persistent racialized poverty even as the proportion of the Ontario population that is racialized grows.

Table 9 shows a much higher prevalence of poverty among racialized communities in Ontario. While 21.3% of racialized Ontarians had incomes below the LIM-AT (Statistics Canada's low-income measure, after-tax), only 11.5% of non-racialized Ontarians' incomes were below this measure. All racialized groups except those who identified as Filipino had higher poverty rates than non-racialized Ontarians. Those who identified as Arab, West Asian, and Korean had poverty rates above 30%, or nearly three times higher than those of their non-racialized neighbours.

TABLE 9 Racialized poverty: share of population below LIM-AT, Ontario 2015

| | Women | Men | Total |
|-----------------------------|-------------|-------------|-------------|
| Total Racialized | 21.4 | 21 | 21.3 |
| South Asian | 18 | 18.1 | 18 |
| Chinese | 22.4 | 22.1 | 22.2 |
| Black | 25.1 | 22.9 | 24.1 |
| Filipino | 7.8 | 7.2 | 7.5 |
| Latin American | 21 | 18.6 | 19.9 |
| Arab | 41.5 | 39.7 | 40.6 |
| Southeast Asian | 18.5 | 18.2 | 18.4 |
| West Asian | 36.3 | 35.9 | 36.1 |
| Korean | 31.8 | 30.9 | 31.4 |
| Japanese | 12.2 | 11.9 | 12.1 |
| Visible minority, n.i.e. | 18.9 | 17.2 | 18.1 |
| Multiple visible minorities | 17.5 | 16.7 | 17.1 |
| Non-racialized | 12.3 | 10.7 | 11.5 |

Source Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016211

Conclusion

Our analysis demonstrates the persistence of patterns of employment and income inequality along racial and gender lines in the Ontario labour market. The employment and income gap between racialized and non-racialized workers remains firmly in place.

Racialized workers in Ontario are more likely to be working in low-wage occupations than non-racialized workers. Labour market policies that support all low-wage workers continue to be desperately needed. The provisions of Bill 148, including the increase in the minimum wage, are important ways to reduce racial inequality in Ontario. Pay equity provisions in that legislation which decrease the gap between full-time, part-time, and temporary workers would also contribute to decreasing the racialized income gap. The repeal of Bill 148 will further contribute to the persistence of racialized labour market inequality. Legislated employment equity policies are needed to improve access to opportunities across the income spectrum.

The data also illustrate the importance of understanding the distinct barriers in the labour market faced by different racialized groups. There are many examples in the data that illustrate these differences. Both men and

women who identified as Black had higher labour force participation rates than non-racialized workers. Their unemployment rates and wage gaps were also larger than the average for all racialized workers. Men who identified as Filipino had much lower unemployment rates than non-racialized workers and yet had a larger earnings gap; while women who identified as Filipino had a lower unemployment rate and earnings gap than the racialized average. Men and women who identified as Latin American had lower unemployment rates and higher earnings gaps than the average for all racialized workers.

Addressing the labour market discrimination faced by racialized workers will require a deeper understanding of racism and the different ways it is manifested in the labour market for different racialized groups. That understanding needs to be used to shape policy to address the different barriers and forms of discrimination faced by racialized workers.

The data also shows that during this 10-year time period, both racialized and non-racialized women made larger average income gains than men, while non-racialized men's average incomes have stagnated. We know that these averages mask differences across the earnings spectrum. Men in Ontario have experienced both losses in middle-income jobs and rising incomes for high-income earners. We know the decline in manufacturing jobs combined with the rise in precarious work are contributing to this trend, but further research is needed.

Among prime-age (25–54) workers, racialized male immigrants earned 70 cents for every dollar that non-racialized male immigrants earned. Racialized female immigrants earned 78 cents for every dollar that non-racialized female immigrants earned. These gaps continue into the second generation and beyond. Second-generation racialized men earned 78 cents for every dollar second-generation non-racialized men earned. Second-generation racialized women earned 64 cents for every dollar second-generation non-racialized men earned.

These findings point to the need for Ontario to deal with the uncomfortable truth that its labour market is not equally welcoming to all immigrants, and that differences in immigrants' outcomes are not based only on education levels and language skills, but also on racialization.

The bottom line: we are still waiting for bold new policies to close the persistent gap between racialized and non-racialized men and women in Ontario. Until we tackle the barriers to employment equity and to decent work, Ontario's racialized income gap is likely to remain.

Appendix

TABLE 10 Labour force statistics by racialized group and gender, Ontario, 2016

| | <i>Men</i> | | | <i>Women</i> | | | <i>Total</i> | | |
|-----------------------------|--------------------|-------------|---------------|--------------------|-------------|---------------|--------------------|-------------|---------------|
| | Participation rate | Employ rate | Unemploy rate | Participation rate | Employ rate | Unemploy rate | Participation rate | Employ rate | Unemploy rate |
| Total racialized | 70.3 | 64.2 | 8.7 | 60.7 | 54.6 | 10.0 | 65.3 | 59.2 | 9.3 |
| South Asian | 73.7 | 67.9 | 7.9 | 58.1 | 51.3 | 11.7 | 66.0 | 59.7 | 9.6 |
| Chinese | 63.5 | 58.6 | 7.7 | 56.3 | 51.5 | 8.5 | 59.7 | 54.9 | 8.1 |
| Black | 69.7 | 61.1 | 12.3 | 65.1 | 57.2 | 12.0 | 67.2 | 59.0 | 12.2 |
| Filipino | 75.7 | 71.3 | 5.9 | 74.5 | 70.8 | 5.0 | 75.0 | 71.0 | 5.3 |
| Latin American | 78.0 | 72.0 | 7.7 | 66.3 | 60.0 | 9.6 | 71.8 | 65.6 | 8.6 |
| Arab | 65.1 | 57.3 | 12.0 | 47.5 | 40.0 | 15.8 | 56.7 | 49.0 | 13.5 |
| Southeast Asian | 70.2 | 64.0 | 8.9 | 64.2 | 58.8 | 8.3 | 67.0 | 61.2 | 8.6 |
| West Asian | 69.7 | 63.1 | 9.5 | 53.7 | 47.2 | 12.2 | 61.7 | 55.1 | 10.7 |
| Korean | 66.1 | 60.5 | 8.4 | 55.6 | 50.7 | 8.8 | 60.5 | 55.3 | 8.6 |
| Japanese | 66.4 | 61.0 | 8.0 | 57.4 | 53.2 | 7.3 | 61.2 | 56.5 | 7.6 |
| Vis minority n.i.e. | 72.4 | 66.9 | 7.7 | 65.1 | 59.4 | 8.8 | 68.5 | 62.8 | 8.2 |
| Multiple visible minorities | 70.6 | 63.6 | 9.9 | 65.5 | 59.0 | 9.9 | 67.9 | 61.2 | 9.9 |
| Not racialized | 68.6 | 63.8 | 7.0 | 60.6 | 56.8 | 6.3 | 64.5 | 60.2 | 6.7 |

Source: Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016286.

TABLE 11 Average employment earnings, constant 2015 dollars

| | 2005 | | 2015 | | <i>Earnings Gap: Same Gender</i> | | | | <i>Earnings Gap: Women to non-racialized men</i> | |
|---------------------------|---------------|---------------|---------------|---------------|----------------------------------|-------------|-------------|-------------|--|-------------|
| | Women | Men | Women | Men | 2005 | | 2015 | | 2005 | 2015 |
| | | | | | Women | Men | Women | Men | | |
| Total racialized | 31,756 | 43,789 | 34,530 | 44,799 | 0.85 | 0.74 | 0.85 | 0.76 | 0.53 | 0.58 |
| South Asian | 29,508 | 44,043 | 33,054 | 46,793 | 0.79 | 0.74 | 0.81 | 0.79 | 0.50 | 0.56 |
| Chinese | 35,569 | 48,826 | 40,217 | 51,228 | 0.95 | 0.82 | 0.99 | 0.87 | 0.60 | 0.68 |
| Black | 32,277 | 39,421 | 33,726 | 37,478 | 0.86 | 0.66 | 0.83 | 0.63 | 0.54 | 0.57 |
| Filipino | 33,989 | 41,622 | 34,359 | 40,322 | 0.91 | 0.70 | 0.84 | 0.68 | 0.57 | 0.58 |
| Latin American | 26,643 | 39,303 | 30,717 | 42,539 | 0.71 | 0.66 | 0.75 | 0.72 | 0.45 | 0.52 |
| Arab | 28,702 | 43,652 | 30,279 | 43,638 | 0.77 | 0.73 | 0.74 | 0.74 | 0.48 | 0.51 |
| Southeast Asian | 29,075 | 43,164 | 31,417 | 41,688 | 0.78 | 0.73 | 0.77 | 0.71 | 0.49 | 0.53 |
| West Asian | 25,628 | 35,746 | 29,576 | 39,349 | 0.68 | 0.60 | 0.72 | 0.67 | 0.43 | 0.50 |
| Korean | 26,359 | 38,806 | 32,211 | 43,845 | 0.70 | 0.65 | 0.79 | 0.74 | 0.44 | 0.54 |
| Japanese | 44,916 | 77,176 | 42,804 | 66,367 | 1.20 | 1.30 | 1.05 | 1.12 | 0.76 | 0.72 |
| Visible minority, n.i.e. | 31,452 | 42,527 | 35,921 | 43,511 | 0.84 | 0.72 | 0.88 | 0.74 | 0.53 | 0.61 |
| Multiple visible minority | 34,828 | 47,178 | 34,856 | 44,911 | 0.93 | 0.79 | 0.85 | 0.76 | 0.59 | 0.59 |
| Non-racialized | 37,485 | 59,461 | 40,811 | 59,103 | 1.00 | 1.00 | 1.00 | 1.00 | 0.63 | 0.69 |

Sources 2016 census Catalogue number 98-400-X2016213 and 2006 Census Catalogue Number 97-563-X2006060, and authors' calculations

Notes

1 See Block S. and Galabuzi G.E. (2011). *Canada's Colour-Coded Labour Market*. Wellesley Institute and Canadian Centre for Policy Alternatives. And Block S. (2010). *Ontario's Growing Gap: The Role of Race and Gender in Ontario's Racialized Income Gap*. Canadian Centre for Policy Alternatives.

2 Statistics Canada. Table 14-10-0202-01, Employment by Industry, Annual.

3 See the Poverty and Employment Precarity in Southern Ontario series of studies, as well as Hennessy T. and Tranjan, R. (2018). *No Safe Harbour: Precarious Work and Economic Insecurity Among Skilled Professionals in Canada*. Canadian Centre for Policy Alternatives.

4 Block, S., (2017). *Losing Ground: Income Inequality in Ontario, 2000–15*. Canadian Centre for Policy Alternatives.

5 Block, S., Galabuzi, G.E., and Weiss, A. (2014). *Colour-Coded Labour Market by the Numbers*. Wellesley Institute.

6 The census collects data on labour market experience in 2016 and on income for 2015. The definition of employment income is “all income received as wages, salaries and commissions from paid employment and net self-employment income from farm or non-farm unincorporated business and/or professional practice during the reference period.”

