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A Work in Progress: Measuring Wage Gaps for Women and Minorities in the Canadian Labour Market

Despite recent progress, wage gaps persist in the labour market based on gender, race and ethnicity. Explaining them is complicated, but a mix of policy options are available to achieve further progress.

Tammy Schirle and
Moyosoreoluwa Sogaolu

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The Study In Brief

A wide range of federal and provincial legislation is intended to ensure every Canadian has an equal opportunity to participate in and benefit from work in the Canadian labour market. Despite this, we invariably see evidence of large labour market disparities between different groups of individuals. In this *Commentary*, we describe the wage gaps that persist among groups working full-time in the private sector: between men and women, between individuals who are white, Indigenous, and members of visible minority groups, and between non-Indigenous individuals who were born in Canada and those who were not.

We first examine the hourly wages of men and women. Women's hourly wages in the private sector were 27 percent less than men's in 2000. By 2019, the hourly wage gap had narrowed to 19 percent. A large part of the gap is attributed to differences in men's and women's job characteristics. For example, men in the private sector are more heavily represented in higher-wage industries like construction or oil and gas, while women are more heavily represented in lower-wage industries such as retail services or accommodation and food services. This segregation of men and women across industries reflects a wide array of supply- and demand-side factors.

We then examine the 2015 annual earnings of Canadian-born men and women who are white, Indigenous, and members of visible minority groups. After adjusting earnings gaps to account for group differences in demographic and job characteristics (including education, industry, and occupation), there remain substantial gaps between Canadian-born white men and all other groups of Canadian-born men and women. The largest gaps are observed between Canadian-born white men and Indigenous women in Canada. We further examine the gaps between Canadian-born white men and immigrants by visible minority status. Overall, the results demonstrate complex interactions between the roles played by gender, racial identity, and immigrant status in affecting labour market outcomes.

For policymakers, addressing these gaps in the labour market is challenging. There are many factors underlying the earnings differences between groups, representing challenges on both the supply and demand sides of the market. Pay equity and employment equity legislation has been limited in application and effectiveness in a private sector context. Policy can be directed toward improving education and training across fields in which women, Indigenous peoples, and members of visible minority groups are underrepresented. Family-friendly policies are also important for shaping labour market opportunities.

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Despite this, we invariably see evidence of large labour market disparities between different groups of individuals. In this *Commentary*, we describe the wage gaps that persist among groups working full-time in the private sector: between men and women, between individuals who are white, Indigenous, and members of visible minority groups, and between non-Indigenous individuals who were born in Canada and those who were not. Our aim is to update our knowledge of the Canadian labour market, examine how various factors underlie observed earnings gaps, and assess the role that gender, racial identity, and immigration status continue to play in labour market outcomes.

The Wage Gap between Women and Men

How large is the wage gap between women and men? That depends on how one defines wages and which men and women are studied. The range of statistics to choose from reminds us that the gaps we see between women and men are complex, with many moving parts that policymakers are concerned with. When broadly assessing opportunities and outcomes in the labour market, analysts often measure gaps in annual earnings among all women and men with positive earnings. This reflects differences in job opportunities, as well as differences in time commitments away from the labour market, resulting in very different work schedules and wage offers. When directly assessing the treatment of women and men by employers, analysts often measure gaps in hourly wages, comparing the financial return to work efforts in a smaller unit of time.

It has been well-documented that the wage gaps between women and men have slowly narrowed over the past several decades. For example, Baker and Drolet (2010) examine gaps in annual earnings and hourly wages since the early 1980s, showing the gap narrowed substantially up to 2006. Schirle (2015) offers similar evidence for hourly wages in the Canadian private sector up to 2014, although some provinces have shown more progress than others. Fortin (2019) documents diminishing wage gaps up to 2017, demonstrating the differences across generations.

In this study, we first consider the gap in hourly wages between women and men aged 25-54, who work full-time as employees in the private sector (see Box 1 for details).[1] We use a regression framework to estimate the hourly wage gap, the results of which provide us with an estimate of the percentage difference in hourly wages between women and men. The unadjusted hourly wage gap over the 2000-2019 period is presented in Figure 1.

The authors thank Parisa Mahboubi, Louis Morel, anonymous reviewers and members of the Human Capital Policy Council of the C.D. Howe Institute for helpful comments on an earlier draft. The authors retain responsibility for any errors and the views expressed.

1 We restrict ourselves to ages 25-54 because long-run trends in wages will also reflect trends in educational attainment before age 25 and retirement after 54, which trend differently for men and women.

Box 1: Using the Labour Force Survey to Estimate the Hourly Wage Gap

From the Labour Force Survey's public use microdata files (LFS PUMF), we take a sample of individuals aged 25-54, working full-time in their main job, in the private sector. We exclude employees who report working in public administration, utilities or educational services. Only the 10 Canadian provinces are represented. For 2019, only the months of January-September are included.

A regression framework is used to estimate the hourly wage gap. That is, we estimate the equation

$$\ln(\text{wage})_i = \alpha + \beta \text{Female}_i + X_i\Gamma + \varepsilon_i$$

Female is an indicator set equal to one for women and zero for men, so that β offers an approximation of how much more (when positive) or less (when negative) women are paid relative to men. When estimating the unadjusted hourly wage gap, no other covariates (X_i) are included in the equation. For the first adjusted hourly wage gap we include demographic indicators for five-year age groups, married (including common-law), for having children under age 6, highest degree attained, and province of residence. For the second adjusted hourly wage gap, we further include indicators for job characteristics, including coverage (or not) by a collective agreement, broad industry and occupation categories and months of job tenure. Note that our second adjusted gap estimate for 2016 is an interpolation of 2015 and 2017 since occupation information is not available in the 2016 LFS PUMF.

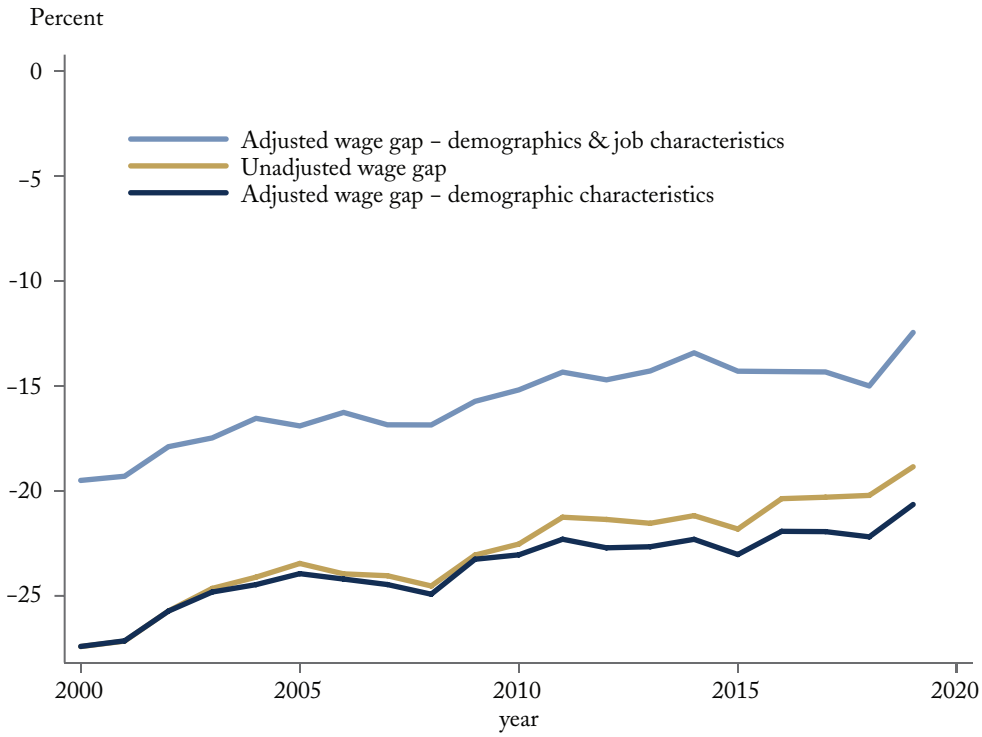
It is clear the hourly wage gap has diminished over time – women's hourly wages in the private sector were 27 percent less than men's in 2000, with the gap narrowing to 19 percent in 2019.[2]

The unadjusted hourly wage gap, however, does not account for various differences between men and women in terms of their job experience or qualifications. For this reason, we also present an adjusted wage gap. In effect, the adjusted hourly wage gap describes the wage gap that remains between men and women after accounting for a set of characteristics that on average may differ between men and women.[3] We first account for basic demographic characteristics commonly accounted for in such studies, including age, marital status, whether one has young children (under 6), education, and province of residence. This adjusted gap is presented as a dark blue line in Figure 1.

2 In the public sector, wage gaps tend to be much smaller. From the Labour Force Survey public use microdata files (LFS PUMFs), we find women's hourly wages in the public sector were 12 percent less than men's in 2000, and 8 percent less than men's in 2019.

3 For this part of the analysis, we are limited to using variables available in the LFS, and have chosen variables common to this literature. It is clearly impossible to control for all possible factors using a single data set. For a broader discussion of the various factors that account for gender gaps in earnings and wages, see Gunderson (2006), Vincent (2013a, 2013b), Fortin (2019), and Schirle (2015). There is also an extensive US literature that is relevant for understanding the Canadian market (see Blau and Kahn 2017), including the importance of job structure and flexibility (Goldin 2014, 2016) and women's role in the family (Waldfogel 1998).

Figure 1: The Gender Hourly Wage Gap in the Private Sector among Full-Time Workers, 2000 – September 2019



Note: The negative values reflect the extent to which women's hourly wages are less than men's. All estimates presented here are significantly different from zero at a 0.1 percent level. See Box 1 for details. Demographic characteristics include age, education, marital status, whether one has young children, and province of residence. Job characteristics include union coverage, tenure (experience in one's job), industry and occupation. The sample includes men and women age 25-54 working full-time in the private sector. The estimates are the annual averages.

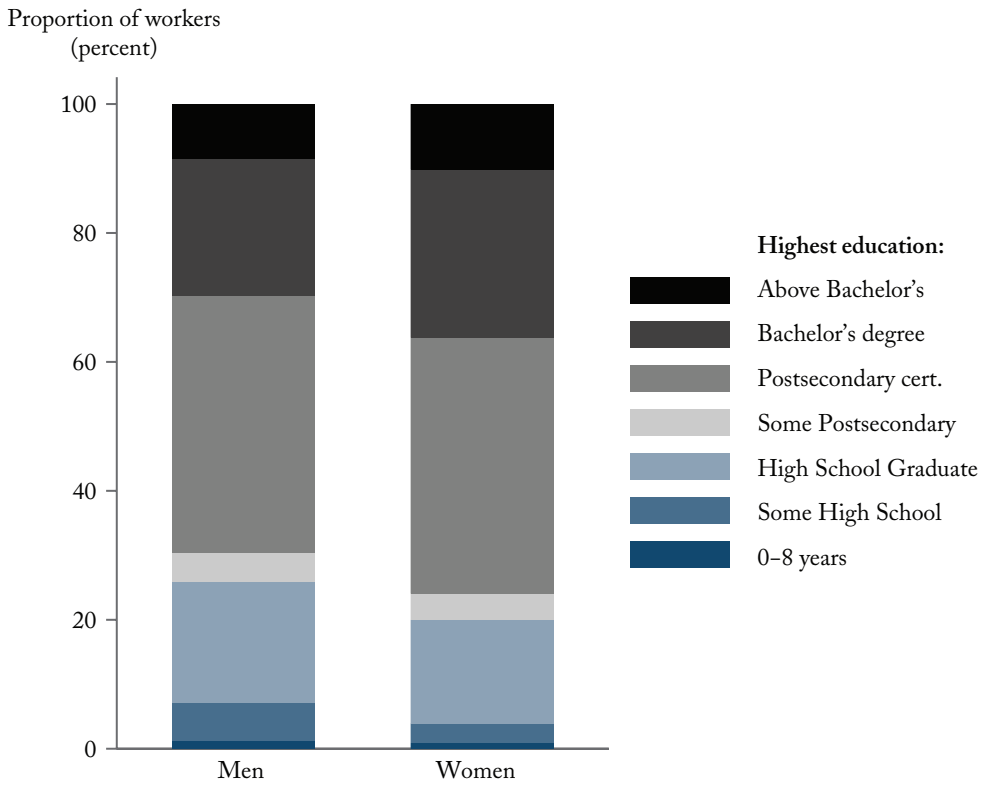
Source: Authors' calculations using the Labour Force Survey, 2000 – September 2019.

Figure 1 shows the gender wage gap, adjusted for these basic characteristics, has not improved as much as the unadjusted wage gap. Most interestingly, the adjusted hourly wage gap is actually larger (as women's adjusted wages are 21 percent less than men's) by 2019 than the unadjusted hourly wage gap (at 19 percent). This is largely due to a long-term trend towards higher education for women relative to men.

Let us explain. In Figure 2, we present the 2019 distribution of men and women across education categories. While women in 2019 are more likely to obtain a Bachelor's degree or above, men were more likely to end their studies with high-school graduation or some high school.[4] As employers offer a substantial financial return to university education on average, one might expect (holding all else constant) that women would earn, on average,

4 In 2019, 36 percent of women and 30 percent of men in this sample held a Bachelor's degree or above. In 2000, 18 percent of women and 17 percent of men held a Bachelor's degree or above.

Figure 2: Education Distribution by Gender, 2019



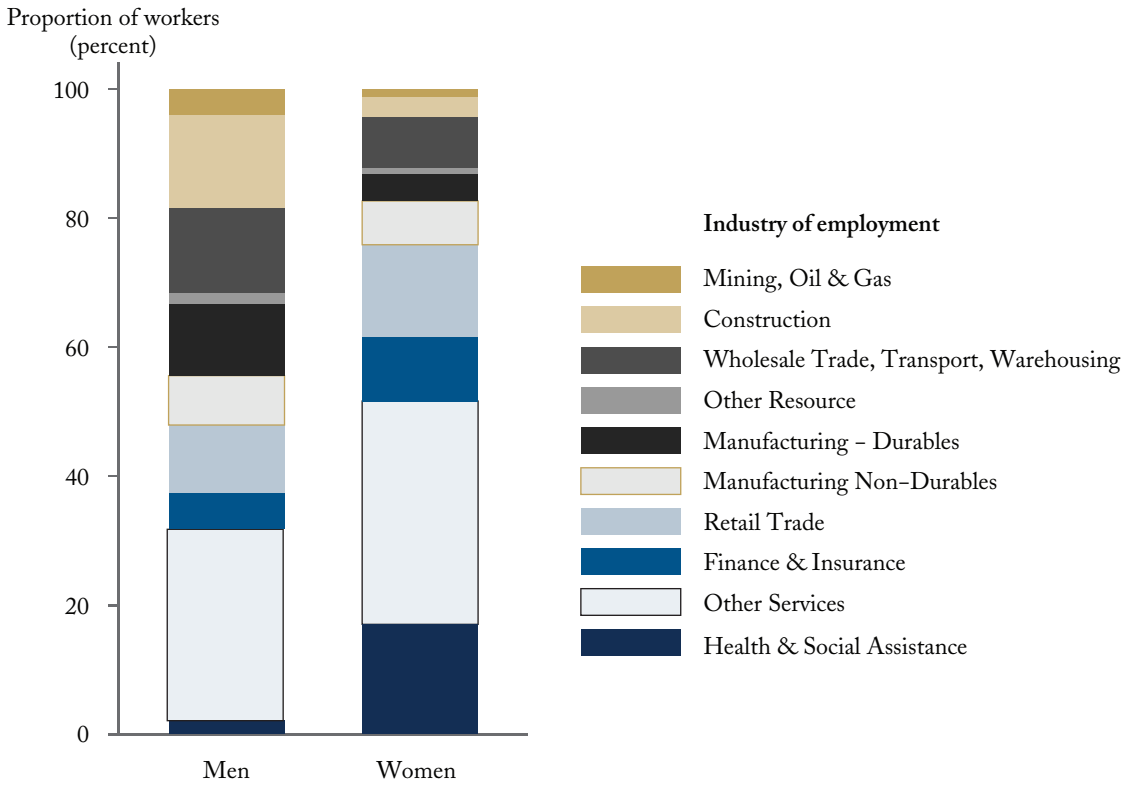
Source: Authors' tabulations using the LFS, January – September 2019.

more than men. As this is not the case, however, the adjusted gender wage gap appears larger than the unadjusted wage gap.

One of the largest factors accounting for wage gaps, however, is the gender difference in the industries and occupations that people work in (see for example Schirle, 2015). In Figure 1, a second adjusted hourly wage gap is presented (light blue line), that accounts for the same demographic characteristics as the first, but also accounts for job characteristics, including tenure (experience in one's job), union coverage, and broad categories of industry and occupation. After adjusting for job characteristics as well as demographic characteristics, the hourly wage gap in 2000 was 20 percent and had narrowed to 12 percent by 2019.

Why would job characteristics matter so much? In Figure 3, we present how men and women are distributed across industries in the private sector in 2019. Men are more heavily represented in industries like construction, the manufacturing of durable goods, or resource industries like mining, oil and gas. While 14 percent of men worked in construction industries in 2019, only 3 percent of women did. Women are more likely to be employed in service industries, holding jobs in retail, health services, or other services like accommodation and food. While 17 percent of women worked in the health and social assistance industries in 2019, only 2 percent of men did. Consider that average hourly wages in construction are $32 per hour, while average wages in healthcare and social assistance

Figure 3: Industrial Distribution by Gender, 2019



Source: Authors' tabulations using the LFS January – September 2019.

are $24 per hour. In this context, it becomes clearer that women are more highly represented in lower-paying types of jobs, resulting in lower average wages than men.

While comparisons of these unadjusted and adjusted gaps help us understand why women on average have wages that are less than men, further interpretation is possible, as we discuss below, but requires caution.

The segregation of men and women across jobs reflects a wide array of supply- and demand-side factors, rather than merely the preferences of women to work in lower-paying jobs.[5] On the supply side, traditional expectations for women's careers, their role in the household, and their responsibilities in caring for family members will shape their career plans including their choices for education and training before they come to the

5 The term segregation refers to fact that groups of individuals are observed in different types of jobs, not an enforced policy separating groups of individuals.

job market. On the demand side, discriminatory actions by employers may prevent entry to some higher-paying careers, and even discourage women from training for careers where they expect to face barriers. There are numerous factors at play, and their full effects are challenging to disentangle.

The Intersection of Gender and Racial Identity

There is a large body of evidence in Canada demonstrating that labour market outcomes are also related to one's racial identity. Feir (2013) offers a recent analysis of the earnings of Indigenous people in Canada, pointing to large gaps in annual earnings between First Nations, Métis, and non-minority Canadians.[6] Her study points to the importance of accounting for weeks and hours worked over the year, the importance of characteristics such as education, and differences in experience for those on and off reserve. Pendakur and Pendakur (2002), in studying earnings gaps across ethnic groups in Canada, found that Indigenous (Aboriginal) people faced the largest earnings gap and that the gap had been increasing over time. Evidence in George and Kuhn (1994) and Mueller (2004) is consistent with their findings.

Several Canadian studies have focused more on the earnings gap between Canadians who are and are not visible minorities. Hou and Coulombe (2010) have found little disparity between groups in the public sector, while significant disparities exist in the private sector. A series of studies by Pendakur and Pendakur (1998, 2002, 2007, 2011) has tracked the earnings of visible minorities and ethnic groups in Canada over time, with evidence demonstrating persistent and large gaps for minorities in the labour market.

An important result to draw from this broad literature is that the effects of gender and race are not simply additive – the impact of racial identity for men is not necessarily the same as for women. To illustrate this, we use the 2016 Canadian Census to estimate annual earnings gaps that explicitly account for the intersection of gender and racial identity (see Box 2). Similar to the estimates presented in the previous section, we estimate unadjusted annual earnings gaps between identified groups. In this case, the comparison group represents white, Canadian-born men. In forming our estimates of adjusted earnings gaps, we account for a similar set of demographic and job characteristics – education, age, marital status, province of residence, industry, and occupation. For greater clarity in the interpretation of our estimates, we chose to first proceed with a sample of Canadian-born individuals. (In the next section we consider the importance of accounting for immigration.)

It is important to note that, as described in Box 2, the information we have in the Census to identify people as Indigenous or members of visible minority groups aligns with definitions in the 1982 *Constitution Act* and the *Employment Equity Act*.[7] The categories we use in our analysis are very broad. Our category of Indigenous peoples includes individuals from a very diverse group of First Nations, Métis and Inuit communities. We expect their experiences in the labour market to vary widely. Unfortunately, our sample sizes for this category prevent us from examining this diversity with any reasonable precision and estimates should be viewed as offering

6 We note that in the literature one will find many terms to describe Indigenous people living in Canada. Which terms are used will often depend on the historical and legal context, or whether more specific groups are identified. Throughout this paper we refer most generally to Indigenous peoples, with reference to other terms when appropriate. See Box 2.

7 See Statistics Canada (2019) for more information.

Box 2: Using 2016 Canadian Census to Estimate Earnings Gaps

From the 2016 Census public use microdata files, we take a sample of men and women aged 25-54 working full-time and full-year (49-52 weeks), residing in the provinces. We exclude the self-employed, temporary residents, and (to improve comparability with our LFS estimates) industries that are primarily public sector (public administration, educational services, and utilities). The Census reports 2015 annual wages and salaries, which we use as our measure of annual earnings.

From survey responses, we categorize individuals' racial identity based on two variables. First, a person is identified as Indigenous if the person reported being an Aboriginal person: First Nations, Métis, or Inuk (Inuit), as well as others who report Registered or Treaty Indian status or membership in a First Nation or Indian band. Second, the Census identifies a person as a member of a visible minority group as per the *Employment Equity Act*: including any "persons, other than Aboriginal peoples, who are non-Caucasian in race or non-White in colour." White individuals are then identified as individuals who are neither Indigenous nor members of a visible minority group. We note that within the group of individuals we identify as white, there are several groups who may be racialized for reasons not captured by the variables we use.* We encourage readers to recognize these groups have been defined given the available data, in the context of needing to have individuals placed in mutually exclusive and exhaustive categories for our analysis, and that a broad grouping such as this masks the diversity of experience within each group.

When accounting for racial and gender identity, our earnings gaps are found by estimating the following equation using a sample of Canadian-born individuals:

$$\ln(\text{earnings})_i = \alpha + \beta_1 \text{Female}_i + \beta_2 \text{Indigenous}_i + \beta_3 \text{VisibleMinority}_i + \beta_4 \text{Female}_i{}^{*}\text{Indigenous}_i + \beta_5 \text{Female}_i{}^{*}\text{VisibleMinority}_i + X_i\Gamma + \varepsilon_i$$

The earnings gaps are then estimated as a summation of relevant coefficients. For example, the earnings gap between Indigenous women and white men is represented by $\beta 1+\beta 2+\beta 4$. We include control variables (X_i) to obtain an adjusted earnings gap that accounts for education, age, marital status, province of residence, industry, and occupation.

A similar framework is used to obtain gaps associated with immigration status, using the same control variables (education, age, marital status, province of residence, industry, and occupation) in addition to controls for the years elapsed since a person immigrated. For this part of the analysis, however, our sample only includes the non-Indigenous population.

* We refer to a group as racialized in recognition of race as a social construct. The Ontario Human Rights Commission has adopted the term as the "process by which societies construct races as real, different and unequal in ways that matter to economic, political and social life." (http://www.ohrc.on.ca/sites/default/files/attachments/Policy_and_guidelines_on_racism_and_racial_discrimination.pdf).

Figure 4: Unadjusted and Adjusted Earnings Gaps, Canadian-born

Note: The negative values reflect the extent to which each group's annual earnings are less than white men's. All gap estimates are significantly different from zero at a 0.1 percent level of significance. See Box 2 for details of methodology.

Source: Authors' calculations using the Canadian Census 2016.

an indication of average experiences worthy of further investigation. Our visible minority category is similarly broad, masking much of the diversity likely experienced within this group.

The unadjusted and adjusted annual earnings gaps between Canadian-born white men and other Canadian-born men and women are presented in Figure 4. The diamonds represent the unadjusted earnings gaps between Canadian-born white men and other Canadian-born men and women. The estimates suggest that white women (working full-time, full-year) earned roughly 30 percent less than white men. Visible minority women earned 17 percent less, and Indigenous women earned 44 percent less than white men. The gap between white men and visible minority men is smaller, at 8 percent, as is the gap between white and Indigenous men (at 18 percent).

When the earnings gap is adjusted for demographic and job characteristics (including industry and occupation), the gap between white men and white women, or Indigenous men and women, is smaller, but remains substantial. Interestingly, the adjusted gap for visible minority men and women is larger than the unadjusted gap. One key factor underlying this is the substantially higher levels of education attained by those with visible minority status. For example, among Canadian-born white men, 20 percent had a Bachelor's degree or more. Among Canadian-born visible minority men, 44 percent had a Bachelor's degree or more. Holding all else constant, then, we would expect visible minority men to earn, on average, more than white men. This is not the case as Figure 4 shows.

Earnings Gaps and the Role of Immigration

The challenges facing immigrants in Canada's labour market have been well-documented. On average, immigrants earn less than individuals who are Canadian-born and the differentials relate to many factors. Important factors affecting earnings include how immigrants' work experience and skills are valued in the Canadian labour market (Ferrer and Riddell 2008), immigrants' literacy skills (Clark and Skuterud 2016, Ferrer, Green and Riddell 2006), and when immigrants entered Canada (Aydemir and Skuterud 2005, Green and Worswick 2012).

To illustrate the importance of immigration for the earnings gaps between white men and visible minority groups of men and women, we extend our analysis with a similar sample of full-time, full-year workers aged 25-54. For the purposes of examining the role of immigration, we now exclude from our sample any individuals who were identified as Indigenous. Our aim here is to avoid confounding the experience of Indigenous Canadians with that of white men and members of visible minority groups in terms of their experience as immigrants.[8] The new sample then includes individuals who are immigrants (including permanent residents, but excluding non-permanent residents). Our procedure for estimating the unadjusted and adjusted annual earnings gaps between white men and visible minority men and women is based on the same regression methods (see Box 2) but now includes an indicator of whether a person is an immigrant to Canada and controls for the number of years since they migrated to Canada. We note that we are unable to control for job tenure (experience with a current employer) using the Census data. This is important for understanding the experience of recent immigrants (who landed 10 or less years earlier), but not necessarily other immigrants.[9]

The resulting unadjusted and adjusted earnings gaps estimates are presented in Figure 5. First, we see that the unadjusted earnings gaps between Canadian-born white men and immigrant white men is positive (though only slightly positive for recent immigrants who landed in the last 10 years or less) reflecting higher earnings among immigrant white men. When adjusted for education and select job characteristics, however, these gaps are negative and quite substantial for recent immigrant white men (19 percent). Among all visible minority men, earnings are lower than those for white men, and adjusted gaps are larger than the unadjusted gaps, most substantially so among recent immigrant visible minority men (40 percent). Turning to the earnings gaps between Canadian-born white men and the various groups of women, we see similar patterns but larger gaps. The gap between Canadian-born white men and recent immigrant white women was 47 percent; for immigrant visible minority women it was 61 percent.

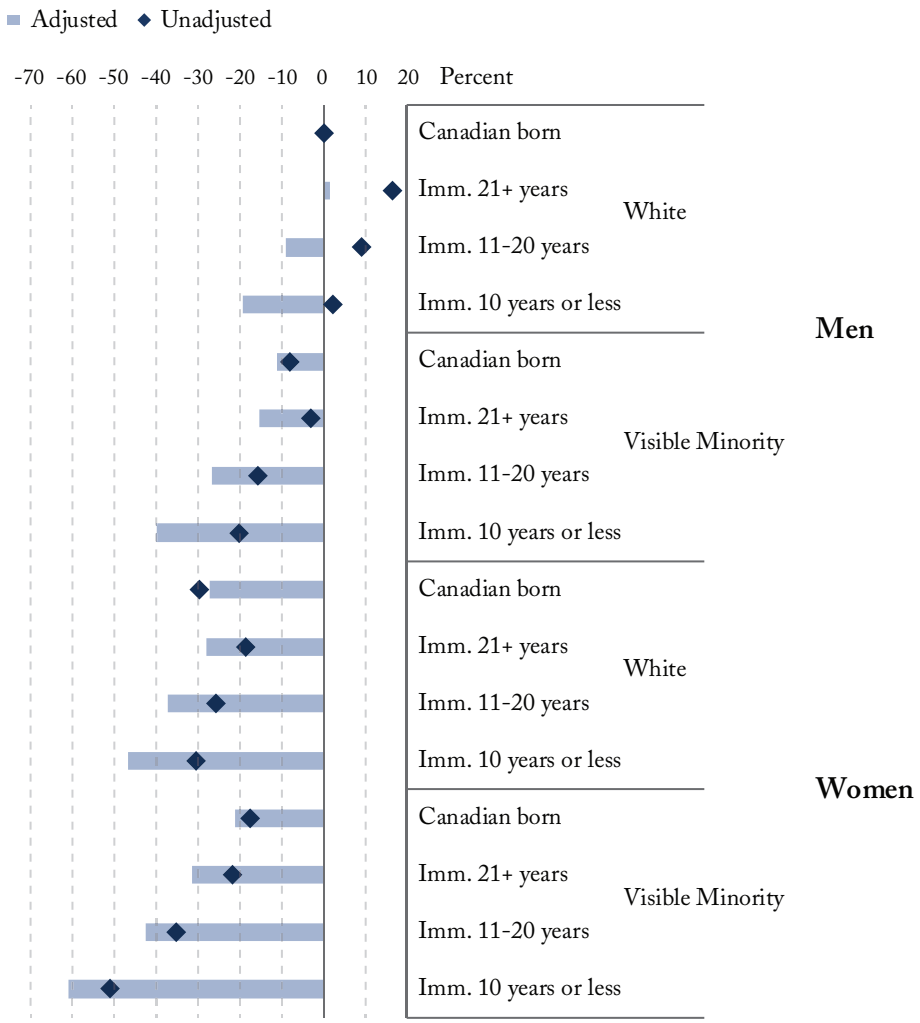
The Earnings Gap that Remains Unexplained

The estimates presented here indicate there are substantial earnings gaps between racialized groups of men and women and white men in Canada. The differences between unadjusted and adjusted gaps reflect the fact that some of the difference

8 Only a handful of individuals who identify as Aboriginal in the Census are flagged as immigrants or permanent residents. We recognize their relationship with Indigenous communities in Canada predates current political boundaries and immigration policies.

9 Using the 2019 LFS sample, the average job tenure of immigrant men who landed 10 or less years ago was 41 months. The average job tenure of immigrant men who landed more than 10 years earlier (at 82 months) was nearly equal to that of non-immigrants (at 81 months).

Figure 5: Unadjusted and Adjusted Earnings Gaps, Canadian-born and Immigrants



Note: The negative value reflects the extent to which each group's annual earnings are less than white Canadian-born men's annual earnings. See Box 2 for details.

Source: Authors' tabulations using the Canadian Census, 2016.

in average earnings between racialized groups of men and women can be explained by inter-group differences in various characteristics that are valued in the labour market. For example, part of the difference in average earnings between white men and Indigenous men relates to differences in educational attainment. However, the adjusted gaps presented here reflect the gap that remains unexplained, and we see that differences in human capital investment (education and training) do not help explain differences between white men and all other visible minority groups of men and women.

While there are some factors (presented here and elsewhere in the literature) that can reasonably account for earnings gaps, the importance of some factors raises key questions for policymakers. For

example, we've seen that group differences in the industries and occupations where men and women typically work help explain a significant portion of the observed earnings gap. Why would such segregation occur? Some economists have a tendency to point toward preferences and compensation for various job amenities as the simplest explanation. However, as discussed earlier, there are numerous supply- and demand-side factors underlying the segregation that occurs across industries and occupations and further research is needed to fully understand its causes and consequences.

There is evidence that the job opportunities open to individuals of different gender or racial identities might be different. An interesting and well-known Canadian example is offered by Oreopoulos (2011), who examined the call-back rates on resumes sent to online job postings in Toronto.[10] In the study's experiment, one of the important differences across resumes sent out to potential employers was the names. Those resumes bearing Indian, Pakistani, Chinese or Greek names had significantly lower call-back rates than resumes with English names. Overall, the study finds substantial discrimination across a variety of occupations.

There is also a growing international literature that explores the bias of evaluators as it relates to gender. Several studies have shown that the credit given to women for work that is comparable in quality and quantity to work done by men tends to be lower (Bagues and Esteve-Volart 2010, Goldin and Rouse 2000, Levy and Sand 2015, and Sarsons 2017).[11] The tendency to offer poorer evaluations to women than men reduces women's likelihood of being hired, getting training with their employer, and being promoted throughout their careers.

Given the international evidence, it is reasonable to suggest this type of bias and discrimination is present in the Canadian labour market, and we expect its presence to have feedback effects. While we lack clear evidence of the extent to which feedback effects matter for labour market outcomes, we can expect that as men and women plan for their careers and decide on education and training investments, they are less likely to train for careers where they suspect barriers to employment exist. The full importance of such barriers in affecting career plans is unfortunately difficult to measure and evaluate, particularly when weighed alongside more general social norms regarding roles in the family and paid work.

Implications for Policy

Trying to pin down all that is required to achieve equity in the labour market is – quite simply – very complicated. The body of evidence speaks to the importance of various factors underlying earnings differences between groups, representing challenges on both the supply and demand sides of the labour market.

One of the main policy levers used to address gender wage gaps in Canada is pay equity legislation. The federal government recently introduced legislation for workers in federally regulated organizations (such as major banks, insurers and Crown corporations) and, likewise, many provinces have legislation covering public-sector workers. Only Ontario and Quebec have pay equity legislation covering some private-sector workers. As Fortin (2019) points out, these laws are designed to address disparities in pay that originate from horizontal segregation (the tendency

10 A broader literature on field experiments to evaluate discrimination is available in Bertrand and Duflo (2017).

11 Also, using data on Canadian students applying for doctoral scholarships, Chandler (2018) provides evidence of some same-gender preferences for male evaluators, as strong male candidates receive higher scores from male evaluators relative to female evaluators.

for men and women to hold different occupations, with similar levels of skills, risk and responsibility) within firms. However, these laws are not designed to address the significant differentials resulting from vertical segregation (across occupations at different levels of the job ladder) within companies, or segregation across industries (with different employers). More generally, pay equity legislation is limited in scope and in a decentralized (private sector) labour market, making comparisons across male- and female-dominated job classes at the same company is more challenging. Generally, the legislation has appeared to be ineffective in the private sector (see Baker and Fortin 2004). Recent "Equal Pay Label" initiatives found in Europe, whereby companies have some incentives to evaluate gaps within the firm, have been found to have modest success, but face many of the same limitations as pay equity policies (see Fortin 2019).

The scope for employment equity legislation in Canada has been limited; the *Employment Equity Act* only applies to workers in federally regulated firms, who represent a small fraction of private-sector workers. Studies from the US and elsewhere have provided some evidence that related policies have a positive effect (see Blau and Kahn 2017).[12] In Canada, however, as most private-sector workers are in firms under provincial jurisdiction it is generally left to employers to voluntarily find ways to eliminate barriers to employment opportunities. This will include implementing policies that reduce the scope for bias in evaluations in the hiring and promotion process. In this regard, requirements for clearly defined evaluation criteria and the use of race- and gender-blind interview techniques appear to improve outcomes for women and visible minorities.

Efforts among employers to achieve better representation of women, Indigenous peoples, and members of visible minority groups in their workforces may be challenging, however, if a pool of qualified employees representative of the broader population is not readily available. On the supply side of the labour market, policy efforts can be directed toward improving the representation of diverse groups in the pool of available workers. For example, policy can support the efforts of individuals in education and training across fields in which they are underrepresented.

With respect to gender, several studies have pointed to the importance of family-friendly policies in shaping labour market opportunities, as the gendered division of labour at home remains an important issue for career planning. As discussed in Fortin (2019) and Blau and Kahn (2017), the availability of subsidized childcare and job protection for parental leaves help "level the playing field" and improve labour market outcomes for women. In Canada, there are several jurisdictions in which access to child care for young children remains limited, and support for elder care is a challenge. Expansion of job-protected maternity and parental leaves, including incentives for both parents to use parental leave (see Paitnik 2019), will also support women's opportunities in the labour market.

12 There is some evidence that organizations subject to the *Employment Equity Act* were slowly closing their wage gaps (Leck, St.Onge, and LaLancette 1995); we are not aware of a study offering an estimate of a causal impact of the *Act*.

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