

WOMEN WORKERS AND THE RECESSION:

A REPORT
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SASKATOON, SASKATCHEWAN

INTRODUCTION

Women participate in the Canadian labour market as unequals, and women and their families are thus particularly vulnerable to recessions. This report documents some of the key impacts of the current recession upon women workers.

Among the key findings:

- The "official unemployment rate among women has risen by less than that for men, but this is not the case for a "real rate of unemployment" which takes into account both hidden unemployment and underemployment.
- The recession has reversed the long trend towards increased participation in the labour force on the part of women. This is strikingly the case for young women, who have "dropped out" of the labour force - or been pushed out - in large numbers.
- The recession has pushed more women into part-time jobs. Today, almost one in three women part-time workers would like to work full-time but cannot find suitable jobs, compared to one in five before the recession.
- One in five Canadian women are today either unemployed or underemployed.
- The recession has eroded women's jobs in clerical, sales and service occupations, and sharply reduced the already very low level of women's employment in "blue collar" jobs. The continued growth of women's jobs in managerial and professional occupations is largely a product of public sector hiring.
- The 49% of women who work on less than a full time, full year basis suffered an 8.2% fall in real earnings between 1989 and 1991.
- The impact of the recession on women workers has resulted in a sharp increase in the poverty rate of families, and this is particularly the case for households in which there is no secondary income.

TRENDS IN EMPLOYMENT AND UNEMPLOYMENT

The national unemployment rate among Canadian women fell to a "low" of 7.9% in 1989 (compared to 7.3% for men) and climbed to 10.4% in 1992 (compared to 12.0% for men). The 2.5 percentage point increase in the unemployment rate among women meant that the number of unemployed women workers rose from 470,000 in 1989 to 647,000 in 1992.

TABLE 1					
	1988	1989	1990	1991	1992
UNEMPLOYMENT RATE					
All women, 15 years & over	8.3	7.9	8.1	9.7	10.4
Age 15 - 24	11.0	10.1	11.4	13.4	15.2
Age 25 and over	7.5	7.3	7.3	8.8	9.3
Head of family	10.2	9.2	9.7	11.4	12.0
PARTICIPATION RATE					
All women, 15 years & over	57.4	57.9	58.4	58.2	57.6
Age 15 - 24	66.9	67.4	66.6	65.1	63.1
Age 25 and over	55.2	55.8	56.7	56.8	56.5
Head of family	61.7	63.1	63.1	62.6	62.2
EMPLOYMENT/POPULATION RATIO					
All women, 15 years & over	52.6	53.3	53.7	52.6	51.6
Age 15 - 24	59.6	60.6	59.0	56.4	53.5
Age 25 & over	51.0	51.7	52.6	51.8	51.2
Head of family	55.4	57.2	57.0	55.5	54.7

Source: Statistics Canada Cat. 71-201
Historical Labour Force Statistics

The increase in the unemployment rate for women has been smaller than that for men mainly because job losses in the recession have been particularly great in industries where men predominate (ie manufacturing - 72.4% male workers; construction - 86.4% male workers). Young women have been very severely affected. Their unemployment rate has risen from a "low" of 10.1% in 1989 to more than 15%.

The change in the unemployment rate is only one dimension of the worsening labour market conditions facing women. To be counted as "unemployed" a worker must be without work - so someone is counted as "employed" even if they want a full time job, but can only find a few hours of work per week. Also, to be "unemployed" a person without a job must be "actively" seeking work. This conceals the "hidden unemployed" - those who have temporarily given up actively looking for a job because they know no jobs of the kind they need are available.

As shown in Table 1, the recession has seen a decline in the overall "participation rate" of women in the labour force. The "participation rate" is the proportion of women who either worked, or were actively seeking work. The fall in the participation rate is one measure of "hidden unemployment".

✎ The participation rate for all women fell in 1991 and again in 1992 - for the first time in more than 25 years. In other words, the steady entry of women into the labour force has gone into reverse.

✎ What is particularly striking is the fall in the participation rate of young women. The proportion of women aged 15 - 24 who are part of the labour force fell from 67.4% in 1989 to 63.1% in 1992.

✎ Table 1 also shows that the proportion of young women with a job - any job - has fallen from 60.6% in 1989 to 53.5% in 1992 as a result of increased unemployment and the fall in the participation rate.

✎ The impact of the recession has been disproportionately experienced by young women. As shown in the Table, women who are heads of families - many of whom are young women with children - have also suffered more than all women as a group. The unemployment rate for women heads of families has climbed from 9.2% to 12.0% since 1989, and the proportion with jobs has fallen from 57.2% to 54.7%.

FROM FULL TIME TO PART-TIME JOBS

As shown in Table 2, the number of full time jobs held by women fell between 1990 and 1992, while the number of part-time jobs grew modestly. As a result, the proportion of all jobs held by women which were part-time increased slightly to 25.9%.

A lot of part-time employment among women represents hidden unemployment. In March, 1993 476,000 of the 1,495,000 women working part-time reported to Statistics Canada that they were working part-time only because they could not find the full-time jobs they wanted. This represents almost one in three (31.8%) of all women part time workers. This is up very sharply from 20.8% in March, 1989. Another 169,000 reported in March, 1993 that they were working part-time because of personal or family responsibilities. Lack of affordable child care and the burden of domestic labour imposed upon women are important factors in pushing women into part-time jobs.

To summarize, about one third of the one in four women working part-time would like full-time jobs, but cannot find them. Further, the recession has pushed many women - particularly young women - out of the labour force completely.

TABLE 2					
STATUS OF JOBS HELD BY WOMEN [000s]					
	1988	1989	1990	1991	1992
FULL-TIME	4,013	4,156	4,253	4,163	4,128
PART-TIME	1,355	1,352	1,371	1,425	1,440
PART-TIME AS % OF ALL JOBS	25.2%	24.5%	24.4%	25.5%	25.9%

Source: Statistics Canada Cat. 71-201
Historical Labour Force Statistics

THE "REAL" UNEMPLOYMENT RATE

The "real" unemployment rate for women - that is the combined rate of unemployment and underemployment - was 20.8% in March, 1993, representing more than one in five women (See Table-3). The "real" unemployment rate for men - calculated on the same basis - was 20.9%. When account is taken of the specific ways in which women participate in the labour market, it can be seen that the higher "official" unemployment rate among men (11.6% vs.10.4% in March, 1993) gives only part of the picture.

TABLE 3	
"REAL" UNEMPLOYMENT RATE FOR WOMEN MARCH, 1993	
UNEMPLOYED	652,000
WORKING PART-TIME BUT WANTED FULL-TIME WORK	476,000
WORKING SHORT-TIME/LAID OFF PART OF WEEK	56,000
LABOUR FORCE DROPOUTS	150,000*
TOTAL	1,334,000
LABOUR FORCE	6,406,000**
"REAL" UNEMPLOYMENT RATE	20.8%

Source: Calculated from Statistics Canada Cat. 71-001
The Labour Force Survey

* *Based on the 2.4 percentage point fall in the participation rate from the pre-recession high*

** *Adjusted to include Labour Force dropouts*

WOMEN AND ECONOMIC RESTRUCTURING IN THE RECESSION

Table 4 shows changes in employment of women between March, 1989 and March, 1993 by three very broad occupational categories.

The steady advance of women into managerial/professional positions continued despite the recession. This was the result of advances within the public sector. Approximately two-thirds of the new jobs created for women in this category were in the education and health sectors of the economy. There was also an increase in the number of women managers, but some of this reflects occupational re-definitions rather than true progress. (For example, many sales and clerical positions have been given "management" status, on paper only.)

Meanwhile, the pool of clerical/sales/service occupations in which women are concentrated shrank in the recession. About six in ten women are employed in these occupations. The modest decline in employment conceals the fact that these jobs have become even more disproportionately part-time.

TABLE 4			
THE RECESSION AND WOMEN - IMPACTS BY OCCUPATION			
EMPLOYMENT (000s)	MARCH, 1989	MARCH, 1993	CHANGE
MANAGERIAL/ PROFESSIONAL	1,741	2,054	+313
CLERICAL/ SALES/SERVICE	3,100	3,000	-100
PRIMARY/PROCESSING, MACHINING, FABRICATING/ CONSTRUCTION TRADES/ TRANSPORT EQUIPMENT OPERATING/ MATERIAL HANDLING AND OTHER CRAFTS	571	483	-88

Source: Statistics Canada Cat. 71-001
The Labour Force

Finally, the recession has seen the loss of almost one in six of the mainly "blue collar" jobs held by women. 109,000 women lost jobs in the manufacturing sector between March, 1989 and March, 1993. Most of these jobs were better paid, more secure and much more likely to be full-time than clerical, sales and service positions. Thus the recession has blocked one road of advancement for women, and indeed has reversed the very modest progress that had been made. For example, only 5% of machinists are women, yet the number of women machinists has fallen by 10% since March, 1989.

THE RECESSION AND WOMEN'S WAGES

Only a slight majority of women (51.0%) now work on a full-time, full year basis, while the remaining 49.0% work either part-time, or for only part of the year. By contrast, 65% of men work full-time for the whole year. This fundamental difference is often forgotten in comparisons of the earnings of women and men.

TABLE 5			
EARNINGS OF WOMEN WORKERS (IN CONSTANT 1991 DOLLARS)			
	1989	1990	1991
WOMEN FULL YEAR/ FULL TIME WORKERS	\$25,553	\$26,325	\$26,842
OTHER WOMEN WORKERS	\$9,684	\$9,459	\$8,890

Source: **Statistics Canada Cat. 13-217**
Earnings of Men and Women

As shown in Table 5, the average earnings of women full-time, full year workers rose from 1989 to 1991 - which meant that, in 1991, such women earned 69.6% as much as comparable men. However, over this period the number of women working full-time, full year fell by 103,000. (Commentators made much of the fact that the wage gap between full-time, full year women and men workers narrowed slightly between 1989 and 1991, but this mainly reflects the fact that well paid men's jobs in manufacturing and construction were sharply reduced.)

As again shown in Table 5, the period 1989 to 1991 saw a significant erosion in the real (inflation adjusted) earnings of the 49% of women working part-time or only part of the year. Real earnings fell 8.2% over this period. By contrast, the average earnings of comparable men fell by just half as much (4.3%). As a result, the wage gap between women and men expanded. In 1991, women working less than full-year, full-time earned just 70.9% as much as similar men workers, down from 73.9% in 1989 (and 76.8% in 1987). Unfortunately, no data is yet available for 1992, but this trend is likely to have continued.

As shown in Table 6, women remain very distant from men in terms of earnings. Less than one in twenty-five women earn more than \$50,000 per year compared to almost one in six men.

TABLE 6		
DISTRIBUTION OF WOMEN AND MEN WORKERS BY EARNING GROUP, 1991		
EARNING GROUP	WOMEN	MEN
less than \$10,000	37.0%	23.9%
\$10 - \$20,000	23.7%	16.2%
\$20 - \$30,000	20.3%	16.5%
\$30 - \$50,000	15.4%	27.6%
\$50,000	3.7%	15.7%

Source: Statistics Canada Cat. 13-217
Earnings of Men and Women

THE RECESSION AND FAMILIES

The recession has had a negative impact upon most families, but families headed by women and single women have been affected in a particularly negative way.

As shown in Table 7, the average income of two parent families with children fell by \$2,630 (4.3%) between 1989 and 1991, and will have fallen even further in 1992. (No data yet available). The average income of lone parent families headed by women fell by a much greater 11.3% over this same period, while the average income of non elderly single women fell by 4.6%. The absence of a male income clearly worsens the impact of recession on households.

As shown in the Table, the poverty rate (Low Income as defined by statistics Canada's) rose to a staggering 61.9% in 1991 for lone parent families headed by women, and to 37.6% for single non-elderly women. The very high poverty rate among elderly single women (dependent on inadequate income assistance programs) remained almost constant. The poverty rate for two parent families with children rose from 8.5% to 10.7% between 1989 and 1991.

This reflects in part the erosion of earnings for women working less than full time, full year, and increased unemployment among women workers.

TABLE 7			
CHANGING FAMILY INCOMES (INCIDENCE OF POVERTY)			
	1989	1990	1991
TWO PARENT FAMILIES WITH CHILDREN	\$61,644 (8.5%)	\$60,420 (9.6%)	\$59,014 (10.7%)
LONE PARENT FAMILIES HEADED BY WOMEN	\$25,020 (52.9%)	\$23,196 (60.6%)	\$22,186 (61.9%)
SINGLE WOMEN			
ELDERLY	\$16,929 (50.0%)	\$17,472 (47.1%)	\$17,304 (47.4%)
NON-ELDERLY	\$23,105 (34.5%)	\$23,290 (34.1%)	\$22,040 (37.6%)

Source: Statistics Canada Cat. 13-207
Income Distributions by Size, 1991

Incomes are in constant 1991 dollars.

IMPLICATIONS

The sharp downturn of the Canadian economy since 1989 has clearly had very negative consequences for women workers. What are the implications for the future?

One very disturbing development is the sharp decline in the labour force participation rate of young women. This would appear to be closely linked to the erosion of earnings for non full-time workers. It seems very probable that - given the lack of availability of affordable child care and the lack of full-time jobs - many young women with children are being effectively forced out of the labour force. If earnings from a part-time job cannot cover work expenses, including child care expenses, many women with children will "choose" not to work. And most single women on social assistance will be forced to remain on social assistance if they cannot find a full-time job. The result will be that many now young women will - like many of their mothers before them - lack experience and skills if and when they return to the labour force in the future. (Some labour force "drop outs" will be students, but increased enrolments do not explain the decline in labour force participation since post secondary students generally work on at least a part-time or part year basis.)

It is also disturbing to note that the key road to advancement in the labour market for women - the public sector - is under stronger attack than ever before. The expansion of the number of women in professional jobs has continued to date, but future prospects are not bright given recent federal and provincial budgets. The other route to better jobs - expansion of the small numbers of women in "non traditional" jobs in industry - has been cut off by industrial restructuring. These two developments will leave women more dependent than ever before on jobs in the private services sector. Unfortunately, while some women are finding positions as managers and administrators in this sector, there is a major trend towards eliminating jobs and to the conversion of full-time to part-time jobs.