

Women in a COVID-19 recession: Employment, job loss and wage inequality in Canada

Over a year into the COVID-19 pandemic, it is evident that the pandemic is not only a global health crisis but is also causing a global economic recession that is exacerbating pre-existing gender inequalities.

This brief analyzes how the pandemic's economic effects impact women workers and the repercussions for gender equality in the Canadian economy. Canadian women workers suffered significant job losses over the first year of the COVID-19 pandemic, raising important questions about the long-term implications of the recession on women's employment and earnings.



Key findings:

- Almost 350,000 Canadian women who lost their jobs during the pandemic had not returned to work as of February 2021; consequently, women's employment has fallen to a level not seen in the last two decades.
- Women lost a disproportionate number of jobs in those sectors particularly hard hit by the pandemic.
- Most job loss is concentrated in low wage occupations where women make up more than half those employed, suggesting a disproportionate economic impact on already low-wage earners.
- Low wages and a persistent gender wage gap contributed to women leaving the workforce. COVID-19's economic impacts have stalled progress on closing the gender wage gap as it remains unchanged since February 2020.
- As women continue to be forced out of the workforce, the long-term implications for an equitable economic recovery are dire unless immediate and targeted policy actions are taken.

Our approach

Our analysis is based on data and statistics from Statistics Canada's [Labour Force Survey](#). This report compares data from February 2020 to February 2021. All the data in this report is for women and men aged 15 years and over. Our focus on women and men, as opposed to diverse gender identities, reflects the limited availability of data and that what is available is segregated by binary gender identities. Employment numbers include both full-time and part-time workers. To further illustrate findings and include the voices of women most effected by these trends, we have included quotes from those economically affected by COVID-19,

who were interviewed as part of the broader [Gender and COVID-19](#) project in May and June 2020.

The Effect of COVID-19 on women's employment

In previous recessions, more men than women lost employment. Figure 1 shows gendered employment losses during COVID-19 in contrast to these previous recessions. While men's employment was mainly affected by the 2008-2009 recession, women's employment has dropped significantly more since the start of the COVID-19 pandemic. Canadian women lost approximately 1.52 million jobs, compared to

1.46 million jobs for men, during the first two months (March and April 2020) of pandemic-related lockdowns. Women comprised 48% of the workforce prior to March 2020, yet they sustained 58% of the job losses during the lockdown. These effects have been sustained. A year into the pandemic, and as of February 2021, the job loss burden continues to fall increasingly on women, whose employment was down by 346,200, representing 58% of the net job losses since February 2020. Consequently, during the past year, women's employment has fallen to a level not seen in the last two decades.

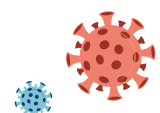
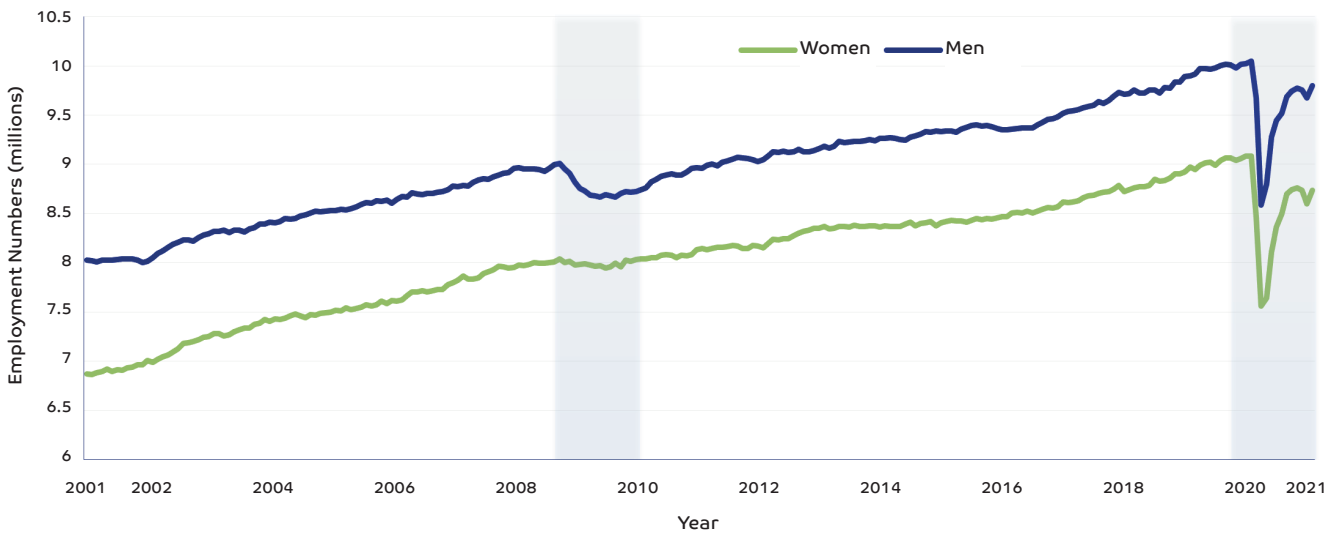


Figure 1: COVID-19 and Employment Loss for Men and Women- January 2001 to February 2021

Employment Men and Women, January 2001 to February 2021



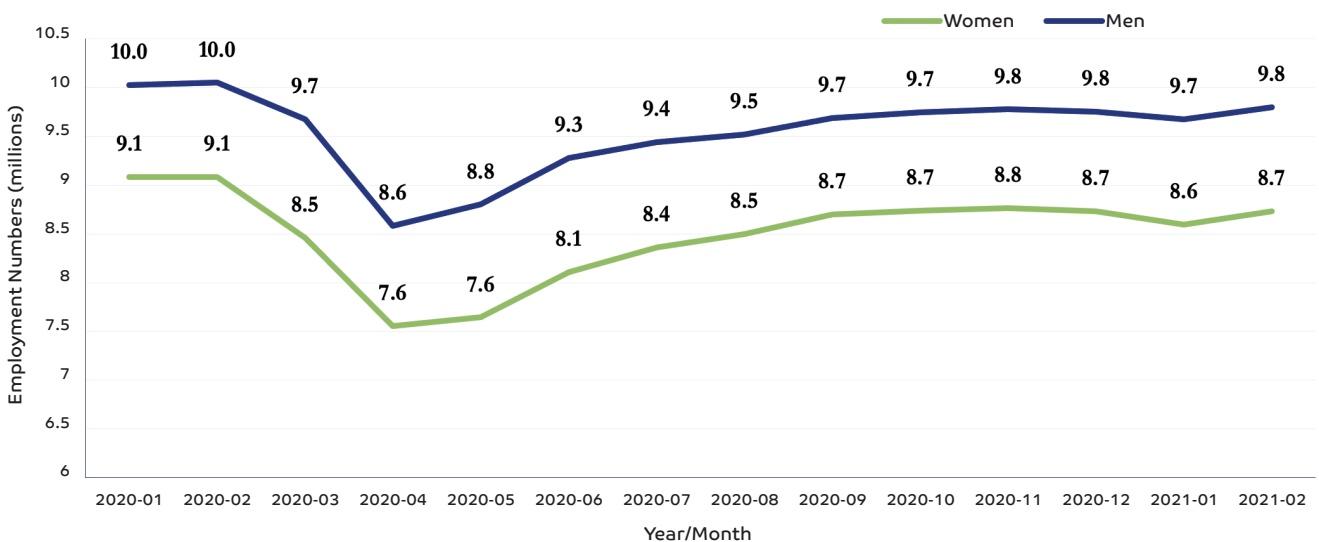
Notes: Data refers to total employment of men and women in the age group (15 and above).

Author's calculations

Source: Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted.

Figure 1.1: COVID-19 and Employment Loss for Men and Women- January 2001- February 2021

Employment Men and Women, January 2001 to February 2021



Notes: Data refers to total employment of men and women in the age group (15 and above).

Author's calculations

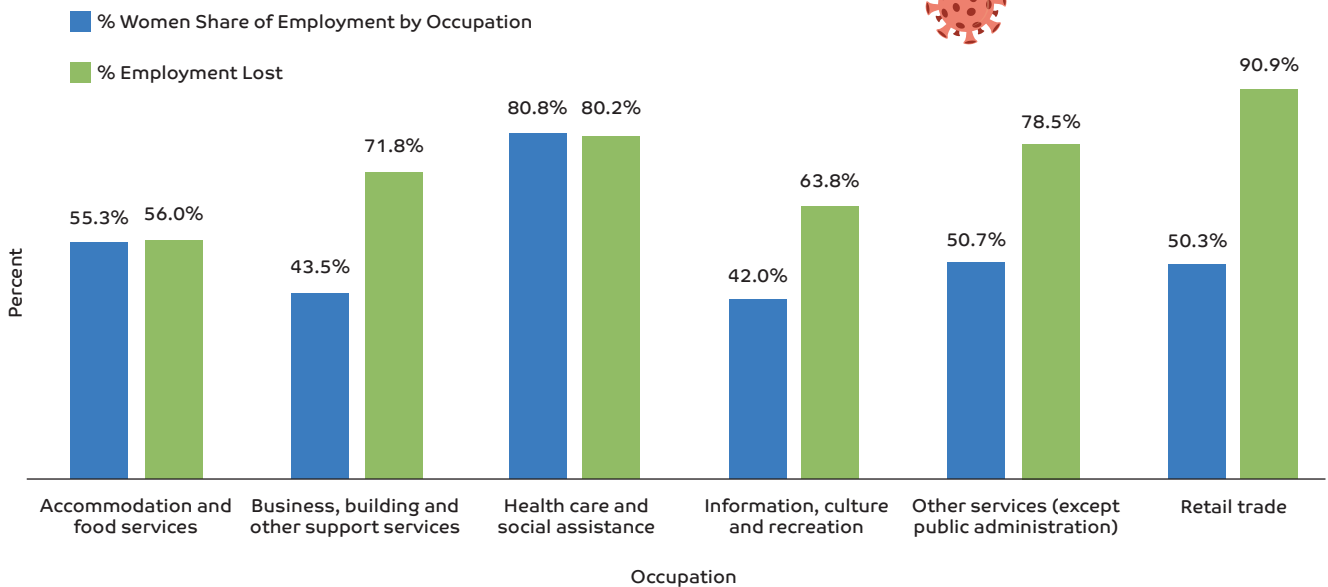
Source: Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted.

Women’s occupations, job loss and wage inequality

A critical factor in our analysis is the gendered composition of the Canadian labour market. In earlier recessions, sectors such as manufacturing and construction were more severely affected than accommodation and services, retail trade and health care. In the context of non-pharmacological measures to combat COVID-19, the sectors most affected include

accommodation and food services, retail trade, health care and social assistance. Women make up more than half of the employees in the sectors (including Accommodation and Food Services, Retail and Other Services [except public administration], Health Care and Social Assistance) that were hardest hit by the pandemic.

Figure 2: Women’s share of employment by occupation and job loss



Notes: Data refers to total employment of men and women in the age group (15 and above).

Author’s calculations

Source: Statistics Canada. Table 14-10-0022-01 Labour force characteristics by industry, monthly, unadjusted for seasonality.

While the gendered composition of hard-hit sectors partly explains women’s high rate of job loss, women also lost a disproportionate number of jobs in these sectors. Figure 2 shows the proportion of women’s employment across six sectors hard hit by the pandemic and their proportion of jobs loss between February 2020 and February 2021. In summary:

- Women make up 53% of Retail Trade employees but lost 91% of jobs.
- Women make up 51% of Other Services (except public administration) employees but lost 79% of jobs.

- Women make up 42% of Information, Culture, and Recreation employees but lost 64% of jobs.
- Women make up 43% of Business, Building, and Other Support Services Occupations but lost 72% of jobs.
- Women make up 55% of Accommodation and Food Services employees but lost 56% of jobs.

Women out of the labour force

Previous research has demonstrated one cause of women exiting the workforce is the increased unpaid care

work that has resulted from childcare, school and other service interruptions during the COVID-19 pandemic. [For example](#), in April 2020, mothers between the ages of 24 and 55 lost 26% of their work hours for family and health reasons compared to 14% of fathers.

“In addition to the little one, we have two adult children who lost work, so all of a sudden we needed one salary to support four adults – it had to be my husband’s.”
(Mother/service industry)

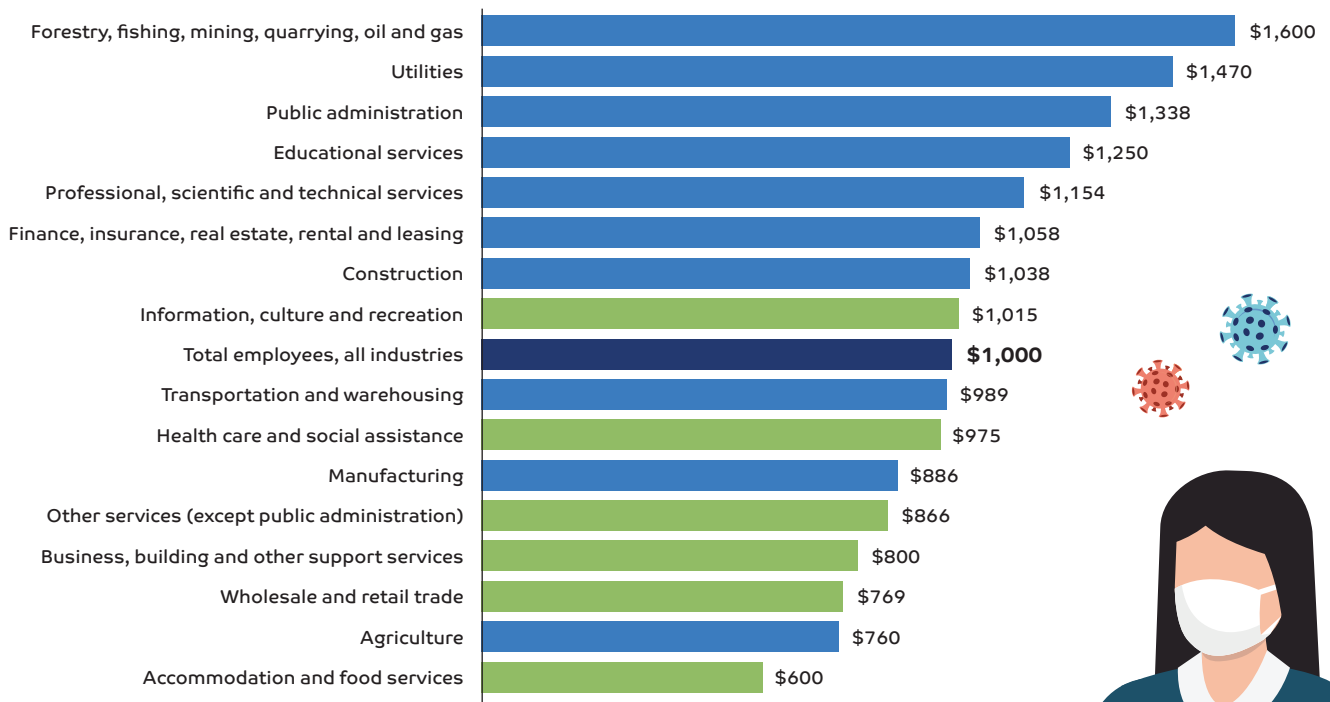
“I became, you know, the person responsible for the kids 24/7, and it sort of became obvious that I’m the person responsible for the kids. I mean, we both need childcare to work, right, my husband also needs childcare, he wants to go to work, but I don’t think he really gets that. So it’s obvious somebody’s going to take care of the kids.””

(Mother/administration)

Low wages in sectors most affected and the national gender wage gap, as well as gender norms, have contributed to this trend. For example, when one adult in a family must give up work to provide unpaid care, its often the lowest-earning member (most likely to be a woman) who exits the workforce. This may particularly be the case as women in sectors most affected by COVID-19 employment loss, make less than women in other sectors, suggesting a disproportionate impact on women earning lower wages than average.

Figure 3: Median weekly wage in occupations highly effected by COVID-19

Women Median Weekly Wage by Occupation, February 2021



Notes: Data refers to women (15 and above) median weekly wage.

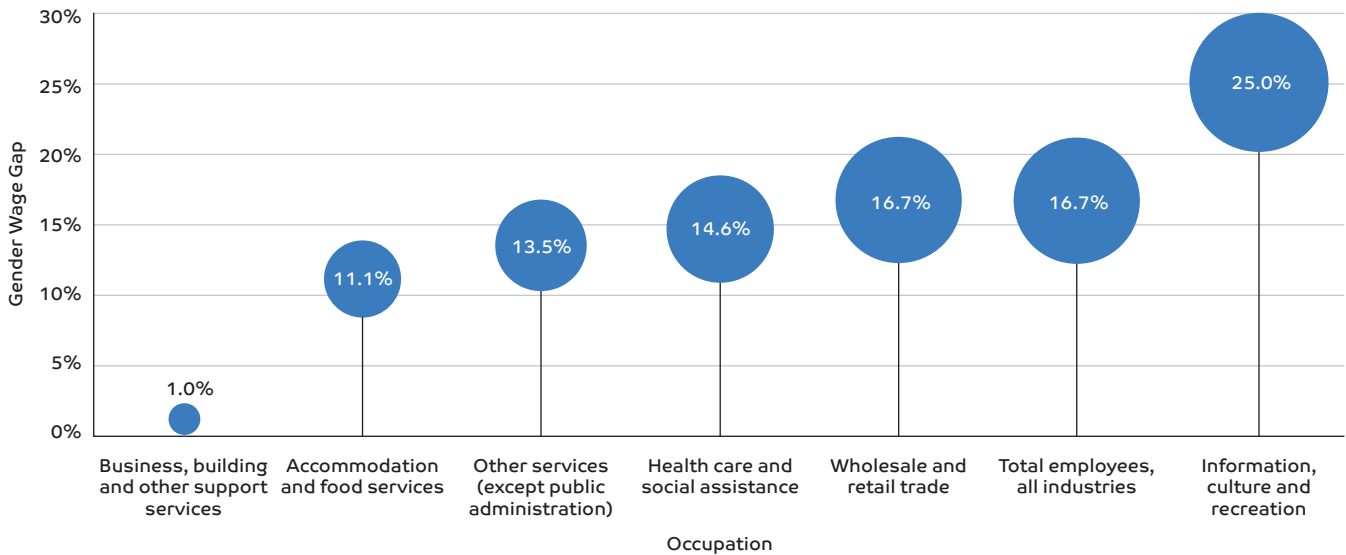
Author’s calculations

Source: Statistics Canada. Table 14-10-0063-01 Employee wages by industry, monthly, unadjusted for seasonality.

Sectors most effected by COVID-19 also have notable gender wage gaps. The gender wage gap refers to the difference in pay between men and women working full-time. In 2020, women in Canada who worked full-time earned just 83 cents for every dollar earned by men. Figure 5 shows the existing gender wage gap in the occupations where women lost most jobs during the first year of COVID-19. Despite women’s substantial presence in these occupations, the disparity between median weekly wages for women and men is notable.



Figure 4: Gender wage gap in occupations impacted by Covid-19 – February 2021
Median Weekly Wage Gap, February 2021



Notes: Data refers to women (15 and above) median weekly wage.

Author's calculations

Source: Statistics Canada. Table 14-10-0063-01 Employee wages by industry, monthly, unadjusted for seasonality.

Not only did the gender wage gap force women out of the workforce, the overall economic effects of COVID-19 stalled progress towards closing the gender wage gap. For the first time in three years, the gender pay gap in Canada has not decreased. This stalling reflects impacts on those sectors

most affected by COVID-19. The wage gap has increased in both accommodation and food services and information, culture and recreation. Decreases in healthcare and social assistance may reflect pandemic pay and wage increase policies for frontline workers.

	% Median Weekly Wage Gap-February 2020	% Median Weekly Wage Gap-February 2021
Business, building, and other support services	1.3%	1.0%
Accommodation and food services	9.9%	11.1%
Other services (except public administration)	18.4%	13.5%
Health care and social assistance	15.4%	14.6%
Total employees, all industries	16.7%	16.7%
Information, culture, and recreation	19.4%	25.0%

Notes: Data refers to women (15 and above) median weekly wage.

Author's calculations

Source: Statistics Canada. Table 14-10-0063-01 Employee wages by industry, monthly, unadjusted for seasonality.

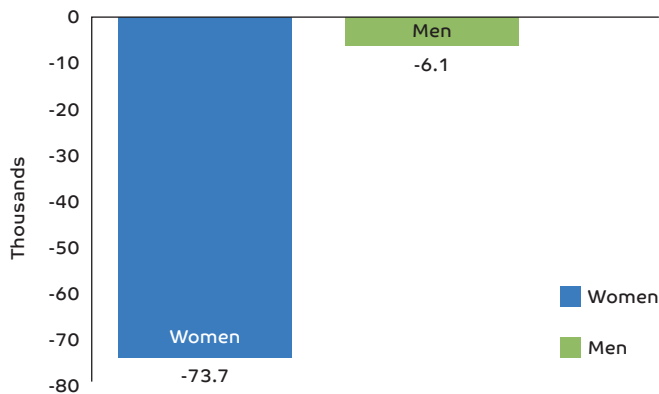
Canadian women continue to exit the labour force

As noted above, women are more likely to engage in industries that have been slow to economic recovery and are more exposed to continued lockdowns. Consequently, the economic effects of COVID-19 continue to limit women's employment and wage earning. As per Statistics Canada labour force data, as of February 2021, women's employment was still below by 348,900 from its level in February 2020. Men's employment level was below 250,200 from its level in February 2020.

As of February 2021, employment among women remains 348,900 (-3.8 percent) below pre-pandemic levels. For men, employment is down 250,200 (-2.5 percent).

From February 2020 to February 2021, more than 73.7 thousand women were forced out of the labour force, compared to 6.1 thousand men exiting the labour force during the same period.

Figure 5: Changes in labour force from February 2020 to February 2021



Notes: Data refers to total men and women in Labour Force in the age group (15 and above).

Author's calculations

Source: Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted.

Explanations for women's continued exclusion from employment range from lack of opportunities within those sectors they have experience working, continued childcare and schooling interruptions, mental and physical health impacts of COVID-19, and gender-based discrimination.



“Now they say the daycare is opening but I can't pay without a job. I had a phone interview, but the kids were home making noise. She asked how I would manage the kids. She didn't call me back.”
(Mother/marketing professional)

“When something like this happens and we were asked to work from home, and also care for our kids at the same time it's kind of like we understand that's two jobs, but the system doesn't recognize it's two jobs.”
(Mother/accountant)

Policy implications and recommendations

Women's continued expulsion from the labour force will continue to exacerbate the gender wage gap and prevent an equitable recovery from the economic effects of COVID-19 unless policy action is taken. Recommendations for action include:

- Provide [training to women](#) employed in hard hit sectors, particularly low-wage earners, to diversify employment opportunities.
- Introduce a mixed system of parental leave policies that encourage men to take on more childcare responsibilities, including individual non-transferable paternity leave.
- Act with urgency to implement [Canada-wide Early Learning and Child Care Plan](#).

- Promote provincial pay equity and transparency measures to complement and strengthen the federal [Pay Equity Act](#).

- Maintain pandemic pay wage increases for frontline workers as a strategy to reduce gender wage gap and recognize the essential role of the health care and social assistance sector in economy.

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For more information on this project, please contact Lokpriy Shurma, PhD, Postdoctoral Fellow, Johnson Shoyama Graduate School of Public Policy, University of Saskatchewan: Lokpriy.sharma@usask.ca or Dr Julia Smith, Faculty of Health Sciences, Simon Fraser University: jhs6@sfu.ca

This project forms part of a wider comparative study of the gendered impact of COVID-19 in Canada, Hong Kong, China and UK.

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