

Getting Left Behind

Who gained
and who didn't
in an improving
labour market



POVERTY AND
EMPLOYMENT PRECARIETY
IN SOUTHERN ONTARIO



United Way
Greater Toronto

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EXECUTIVE SUMMARY

In times of economic growth, it is fair to expect that wages and job quality will improve with positive benefits being experienced throughout society. But between 2011 and 2017—a period when Ontario’s economy experienced significant gains—our research found that these expectations did not come true: the adage that a rising tide will lift all boats proved to be false in Ontario.

Overall, the Greater Toronto and Hamilton Area (GTHA) labour market did improve between 2011 and 2017. More workers found secure employment, though not necessarily better paid employment. But not all categories of workers gained more access to secure employment. Workers with a university degree generally did better than those without a degree. White workers generally did better than racialized workers. Men generally did better than women. And all of these characteristics had a compounding effect. *Getting Left Behind* tells the story of workers typical of those discussed below and explores who gained, and who did not, as the labour market in the GTHA improved.

As is suggested by the following portraits of eight workers who could be typical of workers who differ by sex, race, and education, even in an improving labour market, some people are getting left behind. Not all boats are rising as employment increases and the economy grows.

Portraits of workers in 2017

Jane is a white worker with a university degree. She is typical of a worker who benefited as the labour market in the GTHA improved. In 2017, she found her first permanent, full-time job that pays benefits. Next week she starts a four-week course paid for by her employer that she expects will open up new job opportunities. She hasn’t had a wage increase in six years other than inflation, but she did get some new benefits including improved dental care last year. She is concerned that she seems to earn less than some of the men she works with.

Not everyone with Jane’s education benefited from the growth in employment in the way Jane did. Ayesha also has a university degree but, as a racialized worker, she continues to face barriers to moving ahead, including discrimination, even as the world around her seems to be improving. She had a reasonably good job in 2011, but was hoping to find something more



secure, perhaps even a job that paid benefits and offered a pension. Ayesha is on a one-year contract and is still looking for something more permanent. She is concerned about her ability to make ends meet to pay for things like food and rent.

Anthony is a white worker with a university degree and is very optimistic about his future. In 2011 he was working on short-term contracts. The pay was okay, but he was concerned about his lack of employment security and was hesitating to start a family. However, he has found a secure job with benefits. It doesn't pay a lot more than the jobs he had in 2011, but it is more secure. Maybe it is time to start that family!

Vihaan is a racialized worker who also has a university degree. In fact, he was working at some of the same firms as Anthony in 2011. He has also found more secure employment and is finding it easier to make friends at work now that he knows he will be around at the same job for a while. He is still earning less than Anthony. His stress levels have fallen and he now sleeps better at night. He is worried that many of his friends without a university degree don't seem to be getting ahead.

Carl is typical of Vihaan's friends. He is a white worker without a university degree. He is working in manufacturing. This sector has seen a lot of disruption in the last six years, but conditions are starting to improve. He got his first wage increase in quite a while as his employer does not want to lose him to another firm. However, there is still a lot of uncertainty about his job and he is still working on one-year contracts. There are some health and safety issues at his workplace, but for now he doesn't want to demand changes for fear his employer might not renew his contract.

Bo is a racialized worker and has completed an apprenticeship but does not have a university degree. There seems to be more work around for Bo, and some of it even pays better than it did in 2011. He still experiences a lot of weeks with no work. He continues to work through a temporary employment agency and is concerned that even a slight downturn in the economy could result in fewer contracts.

Linda is a white worker without a degree and has not seen any benefits as the labour market in the GTHA improved. She is working in retail and is still finding work through a temporary employment agency. She is frustrated that pay rates seem to have barely changed since 2011, though she is hopeful that the minimum wage increases will benefit her. She rarely knows her work schedule more than a few days in advance and this is creating real problems for her in planning her life.

Angelina is a racialized worker without a degree working part-time at a small firm. Her future employment prospects are very uncertain. She works fewer hours than she would like and there are a lot of weeks when she cannot get any work. This is creating concerns she might not be able to sustain her current standard of living.



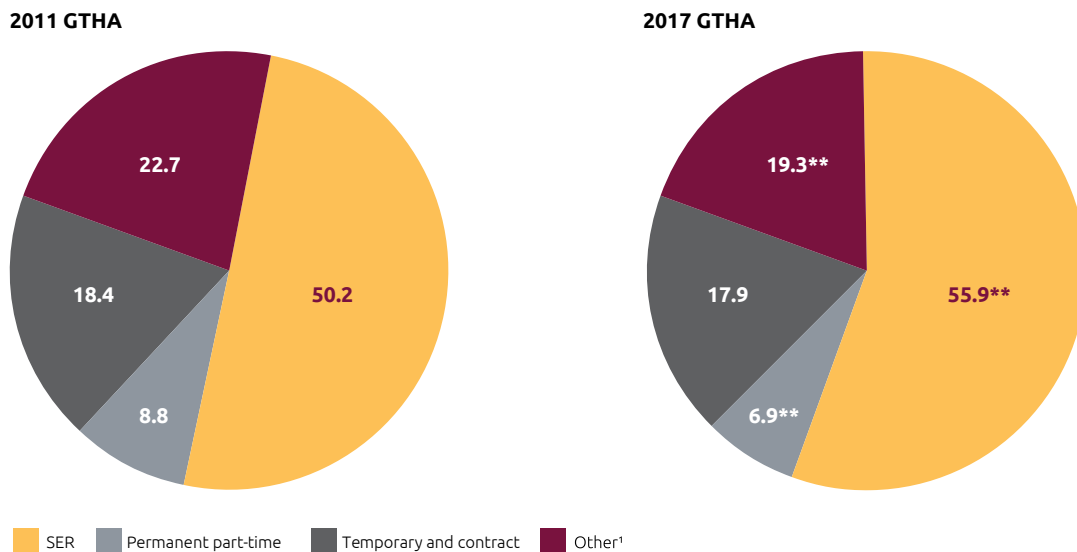
These composite portraits of workers in the GTHA reflect the experiences of eight categories of workers during a time of economic growth and an improving labour market. While some workers gained ground, many did not—these workers are getting left behind. Sex, race, and education are increasingly determining who does and does not get ahead.

In 2011, in the aftermath of the financial crisis, many workers in the GTHA found themselves working in insecure employment. In fact, just over 40 percent of the GTHA workforce between the ages of 25 and 65 were working in some degree of precarious employment. Precarious employment includes part-time, contract, and on-call positions; jobs without benefits; and, jobs with uncertain futures. These are jobs marked by uncertainty, insecurity, and instability.

Since that time, the labour market has improved, with the GTHA enjoying substantial growth in employment and a falling unemployment rate. The GTHA accounted for almost all of the employment growth in Ontario from 2011 to 2017 and the unemployment rate fell from 8.2 percent to 6.3 percent during that time period. This was reflected, to a certain extent, in the picture of employment security. In 2017, 55.9 percent of workers were working in full-time, permanent jobs with benefits—also called Standard Employment Relationships—an increase from the 50.5 percent of workers who were in this type of work in 2011.

However, we are not seeing the changes we would expect in an improving labour market. For example, the wage growth that has accompanied economic growth in the past has not

Figure 4*: Forms of the employment relationship: 2011 and 2017 GTHA



¹ The Other category includes workers in full-time employment who either receive no benefits beyond a wage or are unable to confirm they would be with their current employers for at least 12 months, workers who are self-employed with employees, and those in full-time employment but their hours varied from week to week and in some cases could be less than 30 hours.

Source: PEPSO surveys 2011 and 2017.

Significance levels: *** p<=.001, ** p<=.05, * p<=.10. Measures significance of change in category between 2011 and 2017.

*The figure numbers in this executive summary follow those in the main report so they are not sequential.

occurred. In fact, after accounting for the increase in the cost of living, the real average weekly wage in the GTHA was only about 1 percent higher between 2011 and 2017.

Insecure employment has also not significantly fallen. Instead, precarious employment has imprinted itself on the GTHA labour market. According to our latest research, just over 37 percent of workers are still working in some degree of precarious employment (Figure 4: temporary and contract and 'other' workers). This echoes Statistics Canada's findings that temporary jobs continued to grow faster in the region compared to permanent jobs between 2011 and 2017. In the Toronto-Hamilton-Oshawa labour market, permanent employment grew 10.4 percent while temporary employment grew 18.8 percent, self-employment grew 17.2 percent, and self-employment without paid help grew 18.3 percent.

As a result, people can't get ahead and can't plan for their future. Those in precarious employment in 2017 were:

- Three times as likely to pay for their own training compared to secure workers.
- Ninety percent still did not have access to employer benefits.
- Eighty percent did not have access to an employer-provided pension plan.
- Nearly 85 percent of workers in precarious employment still report their income varied at least some of the time from week to week.

People's wellbeing also hasn't improved with the growing economy. One third of all workers still reported poorer mental health in 2017 (**Figure 21**) and rates of anxiety related to employment remained largely unchanged with almost 40 percent of workers reporting that anxiety about employment interferes with their personal and family lives (**Figure 22**). There were no significant changes in delays in starting a relationship or a family: one in five workers between the ages of 25-35 still reported that they were delaying having children due to their employment situations, which was similar to the findings in 2011.

It's clear that those in precarious employment are getting left behind. But what our research also reveals is that a combination of gender, race, and having a university degree determine whether or not you'll get left behind. And that it's not a matter of race, gender or having a university degree that matter alone—it's the compounding effect of these things that impacts people:

- White men and white women with a university degree, as well as racialized men with a university degree, gained more access to secure jobs between 2011 and 2017.
- For racialized women, having a university degree wasn't enough to keep them from being left behind: they were the only group with a degree to not increase their share of secure jobs.
- All workers without university degrees didn't gain any job security between 2011 and 2017.

There are two ways in which we assessed who of the eight categories of workers gained access to employment security. The first measure is depicted in **Figure 3** and indicates who gained access to full-time, permanent employment with benefits, also known as the Standard Employment Relationship by sex, race, and education. Only three of the eight categories of workers reported a

Figure 21: Mental health less than very good (%)

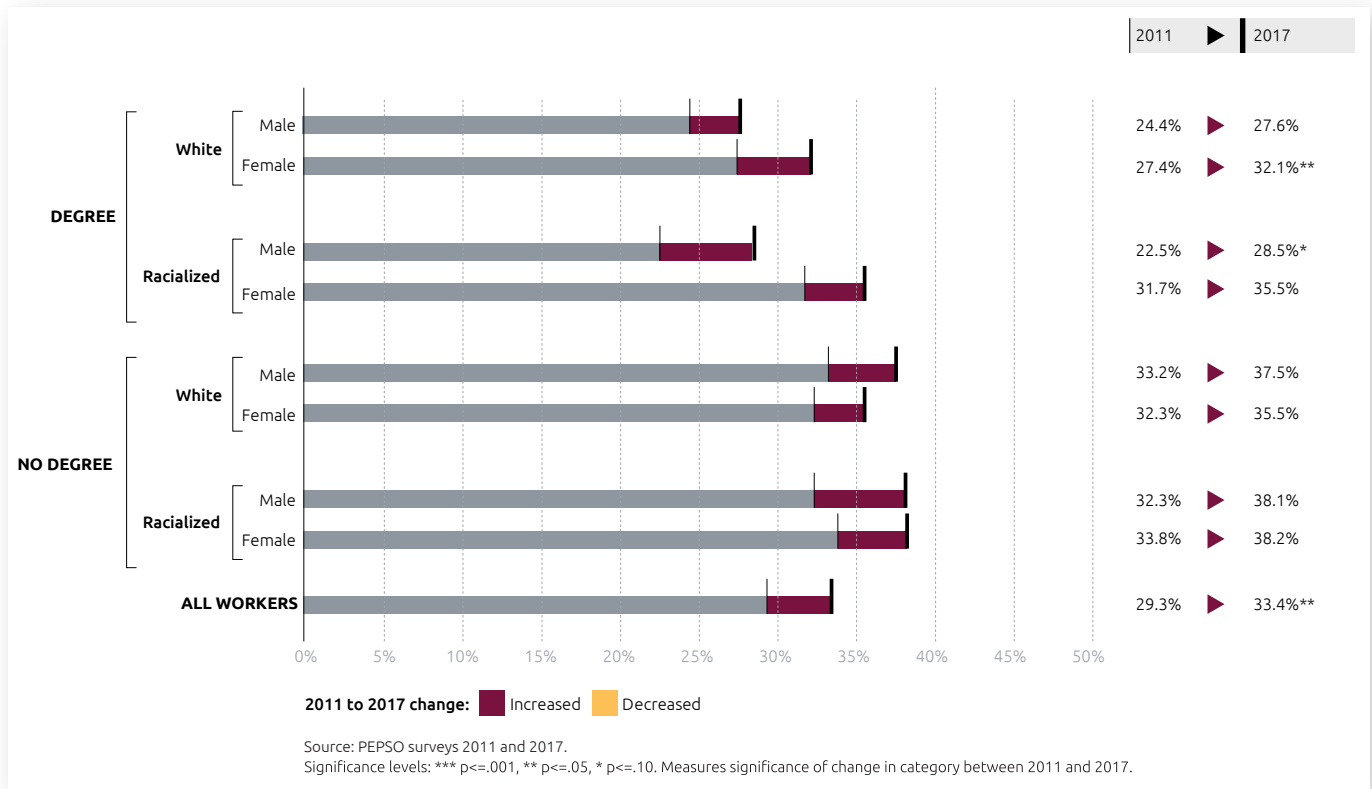


Figure 22: Anxiety about employment interferes with personal and family life (%)

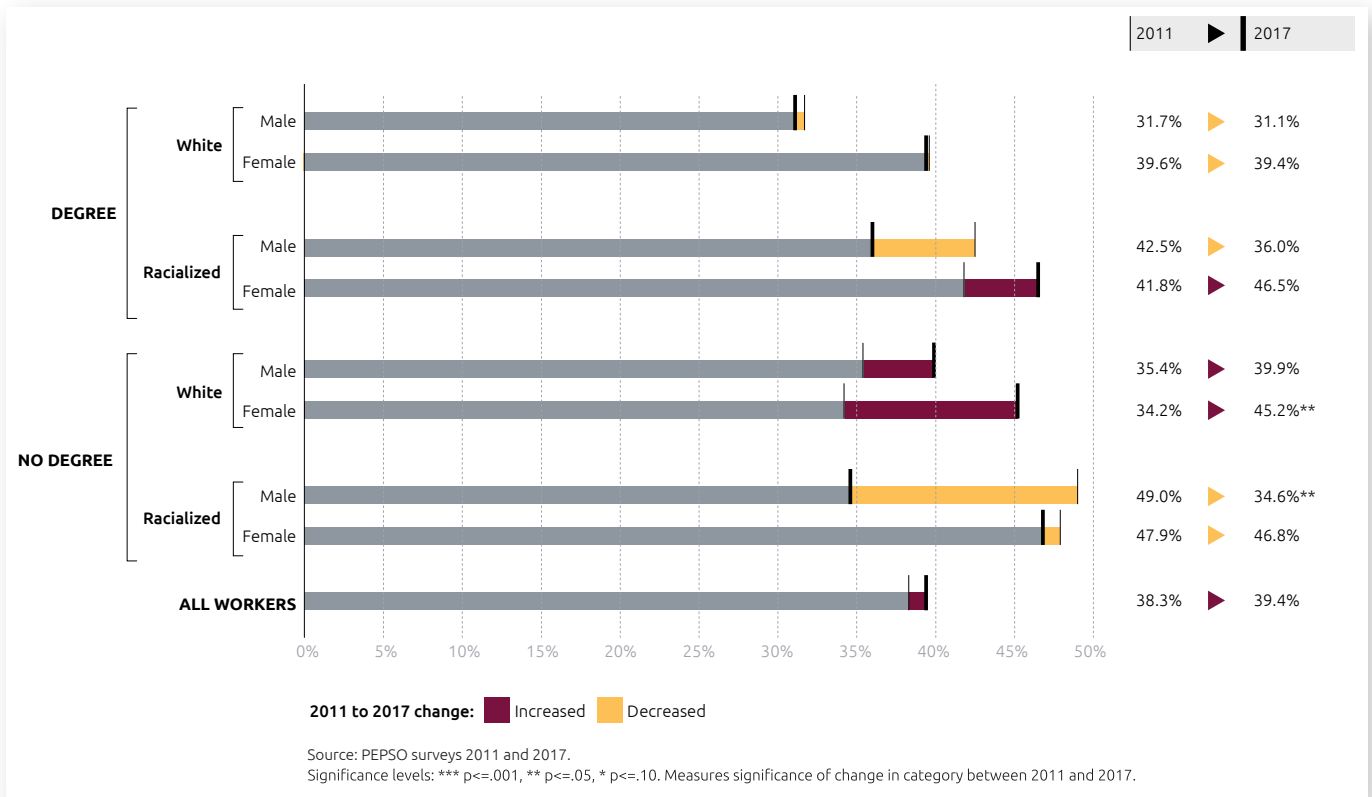
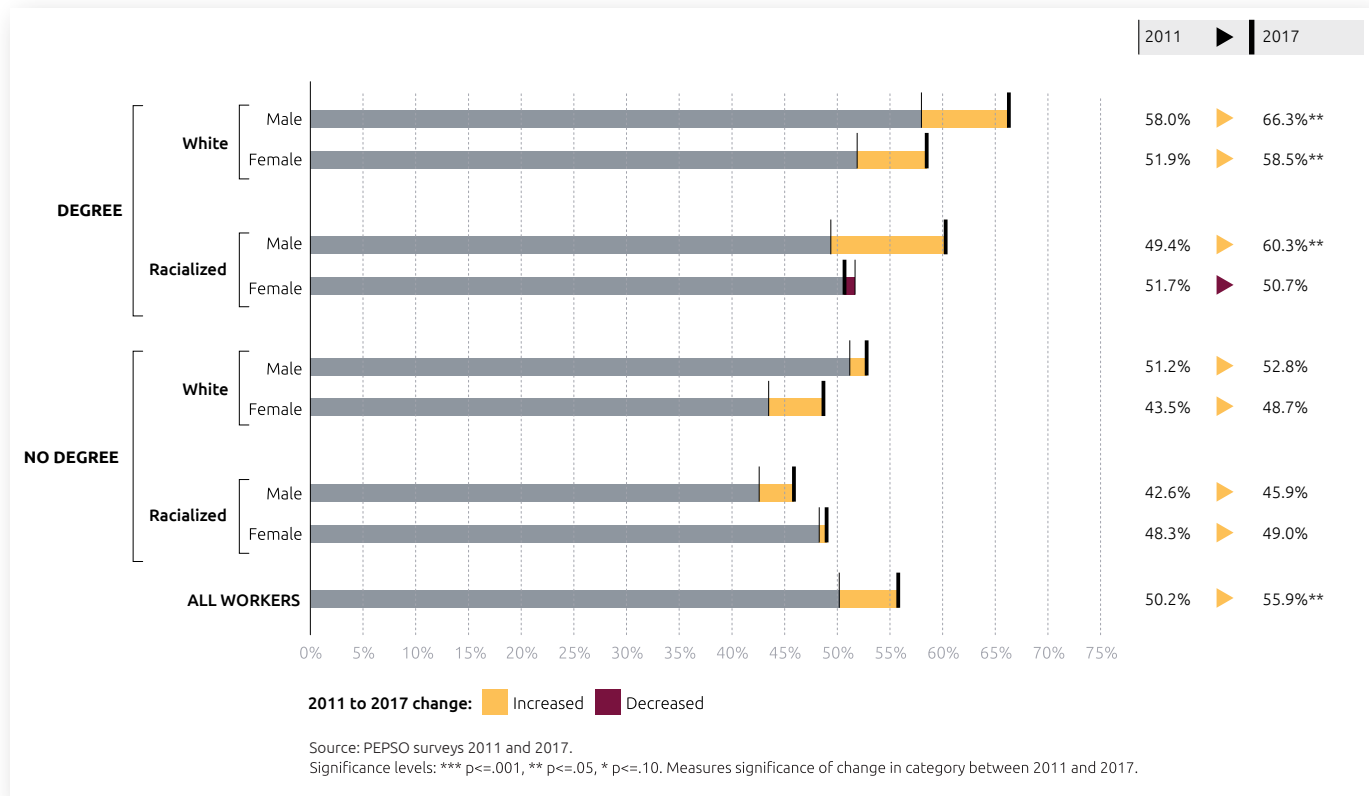


Figure 3: Prevalence of Standard Employment Relationship by worker category (%)



statistically significant increase in the prevalence of a Standard Employment Relationship: white men and women with university degrees and racialized men with university degrees.

The second way we measured employment security was through the use of an *Employment Precarity Index*, which includes ten indicators measuring different components of a working conditions. For example, access to benefits, getting paid if you miss a day's work, prevalence of working on-call, and other similar job quality indicators. **Figure 7** indicates whose working conditions became more secure (yellow), stayed the same (grey) or became less secure (red) between 2011 and 2017. For example, white men with university degrees gained more security on five elements of the *Employment Precarity Index* and did not experience changes in five areas of the *Employment Precarity Index*. White women without a degree only gained more security in one area of working conditions, did not experience changes in seven areas, and lost job security in two areas.

Figure 7 highlights that the advantage white men and women with a degree and racialized men with a degree had accessing more secure employment in 2017. The data shows that improvements were not the result of just one or two dimensions of the *Employment Precarity Index*. They were the result of multiple changes in the characteristics of their employment. These include better access to employment benefits, increased likelihood of being paid if they missed work, reduced prevalence of working on-call, and fewer concerns about raising health and safety concerns at work, amongst other conditions. And in the converse, it highlights that those without a degree and racialized women with a degree all stagnated and did not gain more access to most of the different elements of job security than they had in the past.

Figure 7: Distribution of changes in Employment Precarity Index components by their impact on employment security between 2011 and 2017 by worker category (out of 10)



Source: PEPSO surveys 2011 and 2017.

The economic recovery following the recession also tended to primarily help those who were already doing better. Those who had access to stable, secure jobs in 2011 gained even more access to secure jobs in 2017, while those at the bottom were left behind. The overall pattern shows that there is more labour market polarization happening in 2017, not less.

- White men and women with a university degree were the least likely to report long periods of unemployment exceeding eight weeks.
- Racialized men without a degree were the most likely to report any weeks of unemployment and of short periods of unemployment.
- Racialized workers without a degree were the most likely to report weeks when they found fewer hours of work than they wanted.
- White men and women with a university degree were the only groups to report an improvement in the prevalence of their work schedules changing unexpectedly.

The pattern of wage increases differed from the pattern of who found more secure employment as a result of an improving labour market.

- White and racialized men without a university degree reported significant increases in individual income. No other category reported a statistically significant change in individual income.
- White men with a university degree continued to be paid more than any other category of worker but their income advantage relative to the average worker narrowed marginally.
- Racialized women without a degree continued to be the lowest paid. Their income disadvantage increased marginally.

- A racialized woman without a degree, was six times more likely to be low-income than a white man with a degree in 2017. In 2011, a racialized woman without a degree was about four times more likely to be low-income than a white man with a degree.

Since our first report was released in 2013, showing the dramatic prevalence of precarious employment, momentum has grown around the idea that Ontario needs to take action to ensure that stability and security for workers continue to be primary goals for our economy. And much has happened to modernize our policies, programs, and institutions to adapt to this new labour market reality. During this time, many stakeholders have taken concrete steps to enable more workers to access security and stability. The Ontario government undertook the Changing Workplaces Review to assess all employment and labour standards in relation to the changing world of work, and passed Bill 148, *The Fair Workplaces, Better Jobs Act, 2017*. Local governments have also taken leadership through social procurement policies that enabled more access to better jobs for those experiencing multiple barriers in the labour market. The private sector advocated for improved working conditions through the Better Way to Build the Economy Alliance and by participating in the case studies and roundtables convened for the *Better Business Outcomes Through Workforce Security* report published by KPMG and United Way. The community sector has continued to participate in efforts to encourage decent work through initiatives such as the Ontario Nonprofit Network’s decent work program and Atkinson Foundation’s decent work fund. The labour movement has continued to play an important role in retaining secure jobs and advocating for improved working conditions.

Yet, more needs to be done. We need to build on the momentum of this progress to make transformative change that will future-proof our labour market so that everyone can share in Ontario’s prosperity. And every sector and level of government holds a crucial part of the solution.

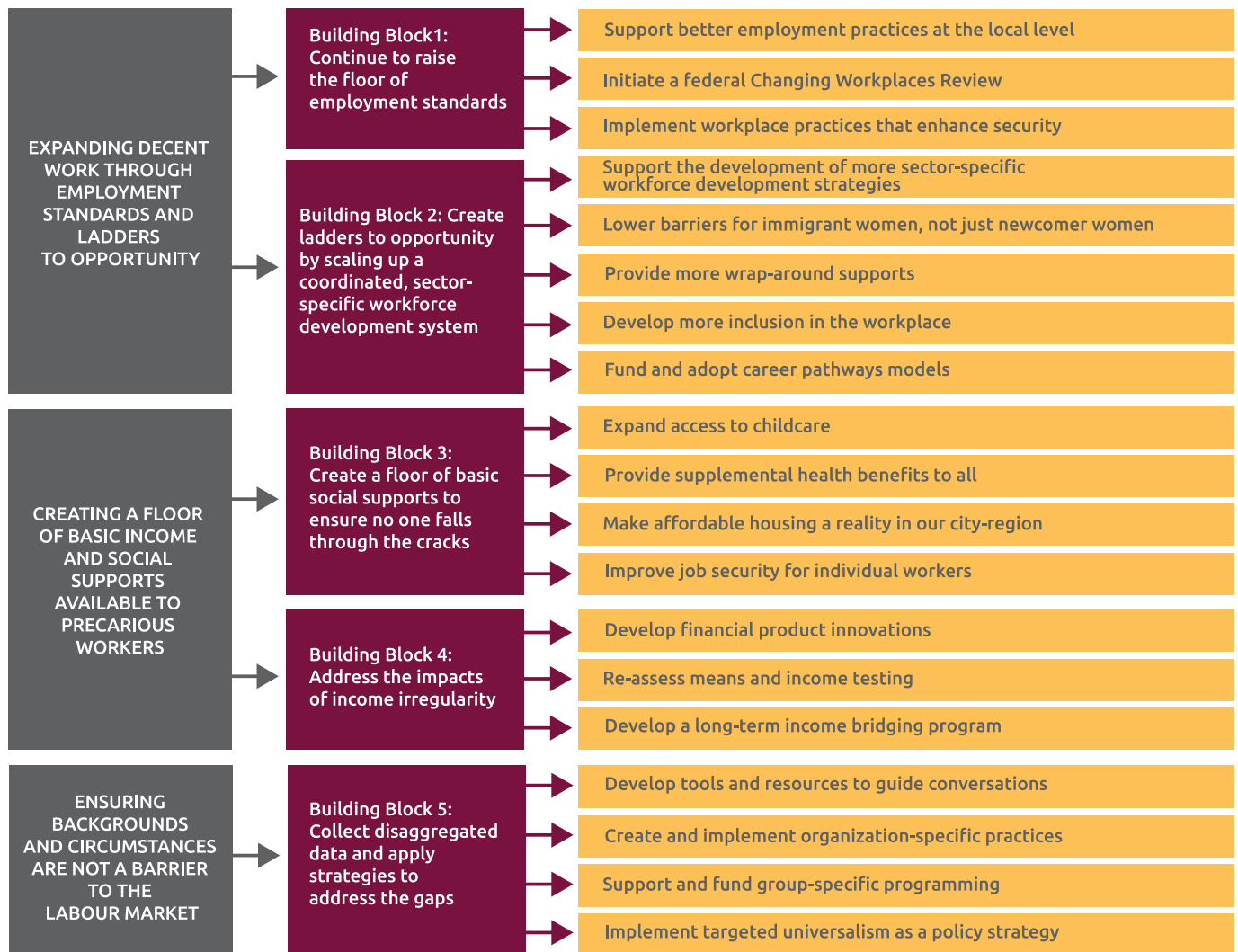
We are recommending action in three key areas that would establish essential building blocks for a more inclusive economy (**Figure 31**):

- **Expanding decent work through employment standards and ladders to opportunity.** Low-income workers are often the most impacted by the harmful effects of precarious employment. Even in an improving economy, there were strong indications that those at the ‘low end’ of the labour market are continuing to struggle with poor working conditions. To improve the labour market outcomes of this group, it is imperative that we continue to expand on the positive steps taken to build up the floor of working conditions through employment standards and ensure that there are pathways to other opportunities.
- **Creating a floor of basic income and social supports available to precarious workers.** Those in precarious work are impacted by dual forces of income and employment insecurity. PEPSO research has shown that low-income and precarious employment both have distinct effects that layer on top of one another. *Getting Left Behind* notes that those groups who are disproportionately impacted by employment precarity—women, racialized groups, and those without a university education—experience heightened income and employment insecurity. For this reason, it is important to take steps to level the playing field for those who are being left behind by creating a floor of basic income and social supports.



- **Ensuring backgrounds and circumstances are not a barrier to the labour market.** It has become increasingly clear that recommendations are needed to specifically address the systemic discrimination that is being experienced by women—racialized and white—and by racialized people—both men and women. As Canadians, we value fairness and equity, as well as multiculturalism. Valuing has to include responding to threats to these values when they arise. If we believe that background and circumstances, such as your race, gender, and Indigeneity, should not be a barrier to employment, we must take steps to alleviate the conditions that are making these characteristics a barrier for people in the labour market.

Figure 31: Summary of recommendations



Our proposed building blocks point to how better working conditions can be a shared social and economic objective for all of us. A range of complementary actions for all sectors to undertake are also outlined in each section. These actions serve to support and enhance the proposed essential building blocks. It is important to note that all of these recommendations are interconnected and require all of us to play new roles and take on new or different responsibilities in supporting those in precarious employment to access security and stability in their work, family, and community lives.

The Poverty and Employment Precarity in Southern Ontario (PEPSO) initiative is drawing to a close with this final report on precarious employment and the impacts that this type of work is having on individuals, families, and communities in the GTHA. The PEPSO partnership—which includes over 30 community, academic, and labour organizations—has made great strides in amplifying this issue on the public stage and drawing all sectors and levels of government into the conversation on what steps we need to take to reduce the damage this kind of employment is having on our social fabric. It is clear with this most recent report that our work is not done. All of us have a role to play—municipal and regional governments, the provincial government, the federal government, the private sector, community services sector, labour, and academia—in increasing security and stability for workers who are most impacted by this trend of precarious employment.

The five essential building blocks and sets of complementary actions outlined above can serve as a launch pad to catalyze the changes we need to see in our labour market. We need transformative change to future-proof our labour market and we need it urgently. We believe these are the essential building blocks that will put us on the right track toward making that transformative change. With these building blocks in place, we will be on our way to a labour market where short-term contracts don't sentence workers to poverty or a lower quality of life for themselves or their children. In this new future, we envision a labour market that continues to flourish, but with all groups gaining security regardless of their gender, race, or whether or not they have a university degree. And we envision an Ontario where shared prosperity is a reality for all.



INTRODUCTION

The initial objectives of the Poverty and Employment Precarity in Southern Ontario (PEPSO) project were to gather data to assess trends in the prevalence of precarious employment. The intent was to document the impact of insecure employment on household well-being and community participation. Our third report, *Getting Left Behind*, compares findings from PEPSO surveys done in 2011 and 2017. *Getting Left Behind* provides an opportunity to assess trends over this six-year period. This is still a relatively short period to assess major structural changes in the labour market. However, the 2011 to 2017 period does offer a unique opportunity to assess how an improving economy affects the prevalence of precarious employment. *Getting Left Behind* focuses on both the state of the labour market in the Greater Toronto and Hamilton Area (GTHA) and the experiences of eight different groups of workers defined by their gender, race, and education characteristics.

a) What we found in our earlier reports

PEPSO published its first report, *It's More than Poverty: Employment Precarity and Household Well-being*, in 2013 based on data collected in late 2011.¹ *It's More than Poverty* quantified the trend from full-time permanent work to less secure forms of employment. Just half of the workers aged 25-65 in the GTHA labour market surveyed in 2011 were in jobs that were full-time, permanent, and paid benefits other than a wage. While this finding was viewed as surprising at the time, the trend has recently been confirmed by the 2016 census which reported that the prevalence of work that is full-time and full-year has declined for both men and women aged 25-54 since 2005. For the first time since comparable data was collected, less than half of this age cohort is in full-time and full-year employment.²

1 The report can be accessed at www.pepso.ca/research-projects.
2 Statistics Canada 2017b; Grant & Cryderman 2017.



It's More than Poverty reported that while precarious employment was most prevalent among immigrants and racialized workers, it had spread to groups of workers who in the past would have expected to be in secure employment. Whereas certain groups have always been more vulnerable to precarious employment—women, racialized groups, immigrants— this employment has spread to other groups as well, including white workers, men, and middle-income workers. It has also spread to more sectors including knowledge workers.

It's More than Poverty documented what it meant to be in precarious employment beyond the uncertainty associated with temporary employment. Workers in precarious employment earned barely half of what those in secure employment were earning. They rarely received supplemental health benefits or pensions. Only a few were represented by unions. Many were reluctant to speak out about health and safety issues or labour standards violations for fear of losing their jobs. They rarely received training from their employer and often paid for their own training. As a result, they faced real barriers in trying to get ahead or finding more secure employment. They viewed their career prospects as limited and were often dissatisfied with their job.

One of the main objectives of *It's More than Poverty* was to understand the social implications of precarious employment. The report revealed a link between the stability of employment and household well-being. Workers in precarious employment found it more difficult to form relationships and delayed starting a family. They were more likely to find it difficult to make ends meet and found their employment insecurity prevented them from doing things with their families. Precarious employment created barriers to making friends and fully participating in the community. *It's More than Poverty* identified the high levels of anxiety in households characterized by insecure employment and showed how insecure employment affected the ability of households to support the full development of their children. The children of those who were precariously employed were less likely to attend activities outside of school and some parents who were in precarious employment found it a challenge to buy school supplies or pay for school trips.

It's More than Poverty explored the interaction between poverty and employment precarity and showed how precarious employment magnifies the challenges of supporting a household on a low income. It also revealed that many middle-income workers in insecure employment exhibited the same characteristics and household stressors as those in low-income, insecure employment. In addition, middle-income workers in insecure employment also experienced poorer outcomes than low-income secure workers on many indicators, a new finding that began to show that it is insecurity, and not just income, that affects outcomes for individuals, families, and communities.

Overall, the findings of *It's More than Poverty* raised serious concerns regarding the potential breakdown of social structures as precarious employment becomes more of a norm in Canadian society. It illuminated what many people had been experiencing in the labour market and framed this experience for the public and decision-makers as an important social challenge that deserves our collective attention.



PEPSO published its second report, *The Precarity Penalty: The impact of employment precarity on individuals, households and communities – and what to do about it*, in 2015 based on data collected in 2014.³ *The Precarity Penalty* confirmed many of the findings first reported in *It's More than Poverty*. It revealed that workers in precarious jobs are often caught in a cycle of lower wages, limited benefits, and high levels of uncertainty that cause significant stress and make it difficult to get ahead.

The Precarity Penalty reported that workers in precarious employment were more likely to be socially isolated than workers in secure employment and had fewer friends at work they could call on for support. They were more likely to volunteer to network as a strategy to advance their job opportunities and less likely to volunteer to simply improve society. They were less likely to exercise their democratic rights and vote.

The Precarity Penalty also documented the discrimination racialized workers faced finding, keeping, and advancing in employment. It provided data to illustrate that discrimination is not just a challenge for foreign-born people, but for racialized Canadian-born people as well. *The Precarity Penalty* showed how both low-income and middle-income households with members in precarious employment were more likely to report that their employment situation affected large spending decisions, increased concerns about maintaining current standards of living, and led to challenges meeting debt obligations compared to workers with similar incomes in secure employment.

The first two PEPSO reports portrayed the lives of the precariously employed as dominated by insecurity at work, lower pay, and the absence of many workplace rights that Canadians take for granted. Their conditions of employment had real social costs, raising anxiety within households and limiting community engagement. The children living in these households were also disadvantaged. Planning for the future was more of a challenge and concerns over what the future might bring were common. For most of those in precarious employment, the life they were leading was not one they had chosen for themselves, but rather was the product of forces over which they had little control. Even for individuals who opted for less secure employment, the irregular earnings, lack of benefits, and lack of control over work schedules negatively affected their quality of life and household well-being.

The Precarity Penalty illustrated the misalignment between the current world of work and the income security and labour market policies designed to support workers. It laid out a comprehensive set of initiatives that might be taken to both slow the rate of increase in less secure employment and to mitigate the negative impacts of precarious employment. It called on governments, employers in all sectors, labour, and the community sector to work together to further improve supports for workers with precarious jobs. This call turned into action on many fronts.

With the goal of making workers more aware of the issues related to precarious employment and how employment could be made more secure, PEPSO made the *Employment Precarity Index* available as an online application called the *Job Precarity Score*. The application allows individuals to assess the degree of insecurity associated with their employment situation and

³ The full report can be accessed at www.pepso.ca/research-projects.



The state of employment precarity in 2017

The findings from this third round of PEPSO survey data confirm many of the observations reported in previous PEPSO reports. Precarious employment continues to be widespread and it has negative social and economic costs. Precarious employment makes it harder for people to build stable secure lives.

Figure 4 compares the distribution of secure and less secure employment in 2017 and 2011. While the prevalence of secure employment has increased, 37.2 percent of the 2017 sample is still in employment with some degree of precarity.

The third round of survey data continues to show that precarious employment has a major impact on the health and well-being of individuals and their families. Workers in precarious employment are still more likely to report that their general health and their mental health is less than very good compared to those in secure employment. Individuals in secure employment earned nearly twice as much as workers in precarious employment and lived in households that earned 53 percent more. Women earned 20 percent less than men, and racialized workers 16 percent less than white workers.

Precarious employment can still be a trap – many people have a hard time moving into better opportunities or improving household well-being. Nearly 85 percent of workers in precarious employment still report their income varied at least some of the time from week to week, less than 20 percent have an employer-funded pension plan, and only 10 percent receive benefits such as an employer-funded drug, vision or dental benefits. Less than 10 percent get paid if they miss work and they are 50 percent less likely to belong to unions than workers in secure employment. They are three times more likely to pay for training out of their own pockets and less than one-third as likely to have access to employer training compared to workers in secure employment.

This brief snapshot confirms what was reported in detail in previous PEPSO reports. The negative economic and social effects of being in employment precarity are the same in 2017 as in 2011. The quality of life of those in secure employment relative to those in precarious employment has not fundamentally changed. What has changed is the overall prevalence of precarious employment. Rather than go over the same ground that was extensively covered in previous PEPSO reports regarding the nature of precarious employment and its social effects, *Getting Left Behind* focuses on a new set of questions: who obtained more secure employment between 2011 and 2017 as the labour market improved and who got left behind.

the steps they might take to improve conditions.⁴ United Way Greater Toronto, in partnership with KPMG, designed an employer toolkit titled *Better Business Outcomes Through Workforce Security*.⁵ This business case framework gives employers the tools to assess their current practices, adjust these practices, and to thereby improve the well-being of their non-standard workforce while improving their business results in the process.

It's More than Poverty and *The Precarity Penalty* informed the provincial government's decision to make changes in employment standards through Bill 18, *The Stronger Workplaces for a Stronger Economy Act* and to undertake a thorough review of all employment and labour standards in the province in relation to the new world of work, called the *Changing Workplaces Review*. Further, several of our suggestions were incorporated into the *Changing Workplaces Review* final report and into Ontario's *Bill 148, Fair Workplaces, Better Jobs Act, 2017*.⁶ These reports, along with the hard work and organizing of workers themselves, catalyzed major changes in policies and programs.⁷ However, as *Getting Left Behind* will show, there is still much work to be done.

b) What we report on in *Getting Left Behind*

PEPSO's third report, *Getting Left Behind*, reports findings from a new database of over 2,000 individual phone surveys conducted in 2017 in the GTHA. Using both the 2011 and 2017 PEPSO data, *Getting Left Behind* focuses on how different groups of workers experienced labour market improvements between 2011 and 2017. This was a period of substantial growth in employment in the GTHA region. This report is particularly interested in exploring the different experiences of men and women, white and racialized workers, and workers with and without a university degree.⁸ It asks, does an improving labour market reduce the prevalence of precarious employment and does everyone benefit?

There are two main ways that we measure the prevalence of precarious employment. The first focuses on the **forms of the employment relationship**. We report the prevalence of workers in (1) a Standard Employment Relationship, that is, a job that is full-time, permanent, and offers some benefits beyond a basic wage, (2) those in permanent, part-time employment, (3) workers in a category that includes temporary workers, own-account self-employed workers, and those in fixed-term contract positions, and (4) a final category labelled as "other". The "other" category includes workers in full-time employment who either receive no benefits beyond a wage or are unable to confirm they would be with their current employer for at least 12 months, self-employed people with employees, and those who are in full-time employment but their hours varied from week to week and in some cases could be less than 30 hours.

A second measure to assess the prevalence of precarious employment is the **Employment Precarity Index** developed by the PEPSO research group in its first report.⁹ The *Employment Precarity Index* combines ten different indicators or characteristics of an employment relationship

⁴ The application can be accessed at www.pepsocanada.ca/jobprecaritiescore.

⁵ The report can be found at www.unitedwaytyr.com/file/website-miscellaneous-document-part/Workforce-Security-Business-Case-Framework-.pdf.

⁶ The Changing Workplaces Review Final Report can be found at www.ontario.ca/document/changing-workplaces-review-final-report?_ga=2.211441173.1491544165.1524494065-957866744.1521055066. The Bill can be found at www.ontla.on.ca/web/bills/bills_detail.do?locale=en&BillID=4963.

⁷ Kumar 2017.

⁸ We opted to use race in defining the eight categories of workers we explore. Our race variable is highly correlated with being born in Canada and recent immigration. Over 80 percent of our sample not born in Canada or who had immigrated in the last 10 years were racialized.

⁹ Details of how the Index was constructed can be found in Appendix A and at www.pepsocanada.ca/tools.



to provide a single measure that reflects the different aspects of employment insecurity. Its advantage over measures that rely on the form of the employment relationship is that not all full-time employment is secure and not all part-time or even fixed-term contract employment is insecure. The *Index* makes it possible to measure insecurity more precisely. *Getting Left Behind* also examines changes in each of the individual components that make up the *Index*.

We also use other measures to assess labour market improvements including changes in average weekly hours of employment, the prevalence of workers finding it difficult to find employment in general, and the prevalence of workers who report it was challenging to find enough hours of employment each week. The report also looks at who is getting training and how much notice workers receive of shift schedules.

In the first part of *Getting Left Behind*, these measures of precarity are used to provide a detailed picture of who is working insecurely, what this looks like, and the changing distribution of employment insecurity across the eight categories of workers examined in this report.

The second part of *Getting Left Behind* examines changes in individual and household income. It examines both changes in the sample as a whole and the experience of each of the eight categories of workers. It identifies the income ranking of the eight categories of workers we examine and how these rankings have changed between 2011 and 2017.

The third part of the report examines changes in social indicators including the prevalence of less than very good general health, less than very good mental health, anxiety at home, and community engagement. It looks at whether the impacts of precarious employment have changed over time.

Getting Left Behind introduces several new observations about how labour markets are functioning and how workers experience precarious employment. It shows that as an economy improves, more workers were able to obtain more secure employment. This is consistent with what we would expect to see as job opportunities increased. However, wages on average barely kept pace with inflation and not all groups participated in obtaining more secure employment. Many groups of workers are getting left behind despite the improvement in the labour market between 2011 and 2017. Being white, being male, or having a university degree helped. The results suggest that workers who were better off in 2011 were even better off in 2017. Good times appear to only lift some boats.

The findings also suggest that barriers have a compounding effect. Being a woman generally meant having less access to secure jobs, as did being racialized. Having a university degree generally meant having better access to secure employment. However, when adding sex, race, and university education together, some benefited more than others. For racialized women with a degree, the advantages of having a degree could not overcome the barriers this group experienced due to race and gender. For racialized women without a degree, the improvement in the labour market as a whole barely registered in terms of more secure employment or more income.



c) Labour market changes: 2011-2017

Between 2011 and 2017, the GTHA enjoyed substantial growth in employment and a falling unemployment rate. The GTHA accounted for almost all of the employment growth in Ontario over that period. In Ontario, total employment grew 6.9 percent between 2011 and 2017.¹⁰ GTHA employment increased almost twice as fast at 12.4 percent, the unemployment rate fell from 8.2 percent to 6.3 percent, and the participation rate fell less than one percent.¹¹ GTHA full-time employment grew 11.9 percent and part-time employment grew 10.2 percent.¹²

Despite the growth of employment, there is evidence that insecure forms of employment continued to grow faster in the region than secure employment. In the Toronto-Hamilton-Oshawa labour market, permanent employment grew 10.4 percent while temporary employment grew 18.8 percent, self-employment grew 17.2 percent, and self-employment without paid help grew 18.3 percent.¹³ The latter is a sign of the growth of individuals working as freelancers or doing what has become known as gig work.

While employment grew and unemployment fell between 2011 and 2017, earnings barely kept pace with the cost of living. This was despite a significant increase in labour productivity. Canadian real GDP per hour worked increased 7.2 percent between the start of 2011 and the first quarter of 2017.¹⁴ This continues a pattern that became evident in the mid-1970s when wage rates stopped tracking labour productivity. The average weekly wage for all workers in the GTHA increased 11.7 percent before adjusting for inflation.¹⁵ Between November of 2011 and April of 2017, when our two surveys were conducted, the consumer price index in the Toronto CMA increased 10.5 percent.¹⁶ After accounting for the increase in the cost of living, the real average weekly wage in the GTHA was only about one percent higher in 2017.

Some sectors did better than others. Sectors where precarious employment was more prevalent, including health, education and community services, arts and culture, sales and service, trades and transport, and manufacturing and utilities, all reported increases in average earnings that were less than the Ontario provincial average of 11.4 percent before adjusting for inflation.¹⁷ Management, business, and finance reported average wage increases greater than the provincial average.¹⁸

d) Dividing the data into categories of workers

Previous PEPSO reports focused on the broad economic and social impacts of precarious employment. We were interested in comparing the outcomes of workers in secure employment versus those in insecure employment. This led us to divide our data in previous reports into four employment categories: Secure, Stable, Vulnerable, and Precarious employment.

10 Statistics Canada Table 282-0080.

11 City of Toronto special Labour Force Survey run. Participation rates are another important facet of employment. Those who aren't participating include unemployed people who are not actively looking for work. If the participation rate had declined significantly while unemployment is low, this could indicate that more working age adults are simply dropping out of the labour market.

12 City of Toronto special Labour Force Survey run.

13 City of Toronto special Labour Force Survey run.

14 Statistics Canada Table 383-0008.

15 City of Toronto special Labour Force Survey run.

16 Statistics Canada Table 326-0020.

17 Between November of 2011 and April of 2017 Ontario provincial inflation was 9.1 percent.

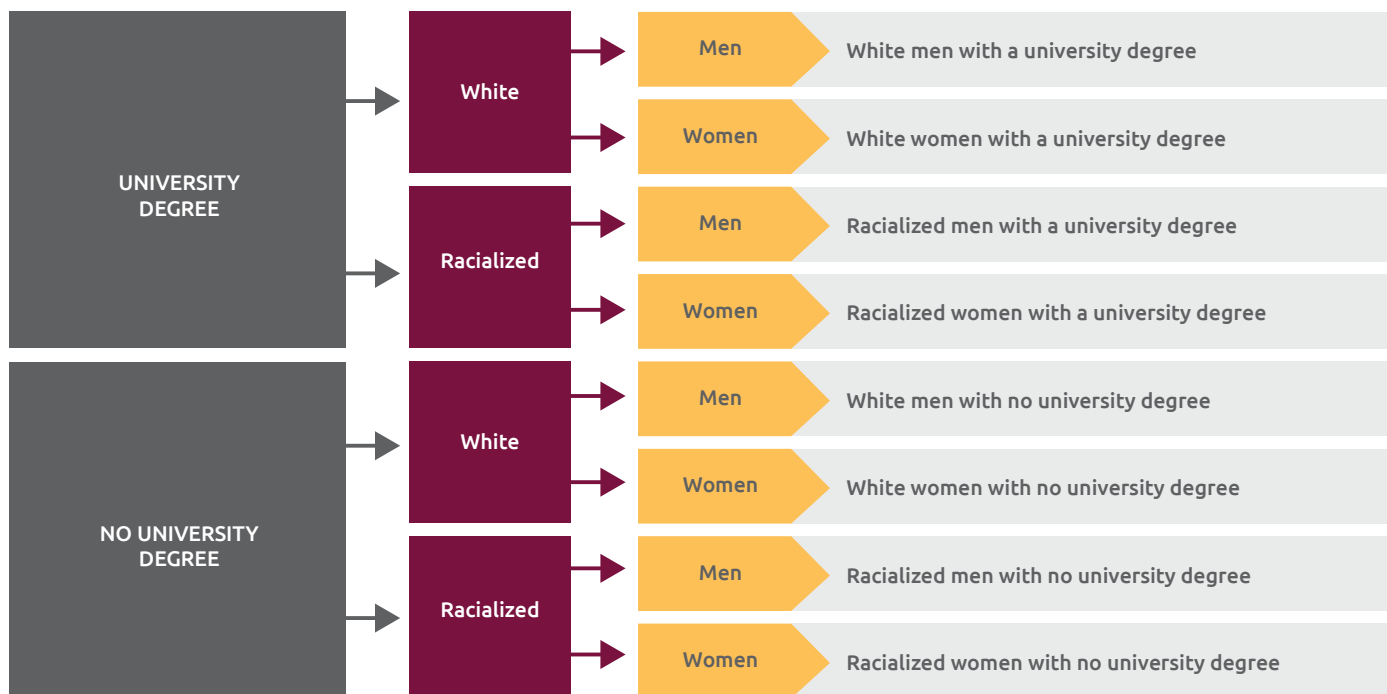
18 Statistics Canada Table 282-0151.



The main goal of this report is different. **In this report, we are seeking to assess how the improvement in the economy between 2011 and 2017 affected different categories of workers.** Because we do not have data on the same individuals in 2011 and 2017, we are limited to exploring how different *categories* of workers experienced the improvement in the economy. For this report, the data was divided into eight categories of workers using sex, race, and education.¹⁹ This allows us to understand better how the interaction of these characteristics, not just the characteristics alone, impact people’s experiences in the labour market.²⁰ The findings suggest that in an improving labour market, it is the interaction of these characteristics that shape who will access more secure employment. Neither sex, race nor education on their own determines who gains and who does not.

Figure 1 illustrates the eight categories of workers used for our analysis. Readers should note that due to data limitations, this report grouped all racialized workers together with Indigenous workers. However, this does not mean that the experience of different groups of racialized and Indigenous workers will be the same. Our data suggests there is a continued need for robust disaggregated data to enable researchers to unpack and report on these experiences to a greater extent.

Figure 1: Worker categories



19 Indigenous workers were included in the racialized categories as the number of these workers in the sample was too small to conduct a separate analysis.
 20 The characteristics of the two samples and the differences between the eight categories and within the categories over time are reported in Appendices A and B.

PART 1

Changes In Employment Security 2011-2017

Key findings

a) Prevalence of the Standard Employment Relationship

- Between 2011 and 2017, there was an 11 percent increase in the prevalence of the Standard Employment Relationship.
- More white men and women and racialized men were in a Standard Employment Relationship in 2017 than in 2011.
- Racialized women did not report an increase in being in a Standard Employment Relationship.
- Only white men and women with a university degree and racialized men with a university degree reported an increase in the prevalence of being in a Standard Employment Relationship.
- All other groups, including all categories of workers without a university degree, and racialized women with a degree, were as likely to be in a Standard Employment Relationship in 2017 as in 2011.

b) Changes in the form of the employment relationship

- The proportion of workers in precarious forms of the employment relationship was unchanged.
- There was a reduction in workers who reported they were in less secure forms of full-time employment.

c) Changes in the *Employment Precarity Index*

- The average *Employment Precarity Index* score for the sample as a whole improved by 13.2 percent between 2011 and 2017. This is indicative of an improvement in employment security.



- Only white men and women with a university degree and racialized men with a university degree reported statistically significantly lower *Employment Precarity Index* scores.
- Racialized women with a university degree were the exception to this pattern, as were all categories of workers without a degree, reporting similar *Employment Precarity Index* scores in 2011 and in 2017.
- Those that experienced improvements did because of the result of multiple changes in the characteristics of their employment. Those without a degree and racialized women with a degree did not gain more access to most of the different elements of job security.

d) Hours worked and lack of work

- Average hours worked in 2017 increased over three percent.
- White men and women with a university degree reported a significant increase in the prevalence of working 30-40 hours a week. No other category reported a similar increase.
- White men and women with a university degree were the least likely to report long periods of unemployment exceeding eight weeks.
- White women with a degree were the least likely to report short periods of unemployment.
- Racialized men without a degree were the most likely to report any weeks of unemployment and of short periods of unemployment.
- Racialized workers without a degree were the most likely to report weeks when they found fewer hours of work than they wanted.

e) Scheduling uncertainty

- There was a small reduction in the prevalence of workers reporting their work schedules changed unexpectedly.
- White men and women with a university degree were the only groups to report an improvement in the prevalence of their work schedules changing unexpectedly.
- Over 20 percent of workers have to contend with not always knowing their work schedules at least one day in advance.

f) Training

- There was an increase in the prevalence of workers reporting they benefitted from employer paid training.
- There was also an increased in the prevalence of workers reporting they paid for their own training.



a) Prevalence of the Standard Employment Relationship

Much of the academic and public discussion related to increased levels of employment security has focused on the changing prevalence of workers in what is known as a Standard Employment Relationship. These jobs are defined as full-time, full-year positions with a single employer that provide workers with some benefits beyond a wage. Academic research has generally argued that the Standard Employment Relationship was widespread in North American labour markets in the decades following World War II but has been in decline since. The first PEPSO report indicated that barely half of our sample was in a Standard Employment Relationship.

In the previous two PEPSO reports, having a Standard Employment Relationship was associated with better employment security, better pay, access to benefits, reduced anxiety at home, and better health outcomes. An increased prevalence of Standard Employment Relationships is likely to lead to improved social outcomes making it important to understand which categories of workers enjoyed improved access to a Standard Employment Relationship.

Figure 2 report changes in the prevalence of the Standard Employment Relationship based on race and sex. The prevalence of the Standard Employment Relationship increased from 50.2 percent in 2011 to 55.9 percent in 2017. When race and gender are considered, white men, white women, and racialized men reported a statistically significant increase in Standard Employment Relationships. The exception was racialized women. White men continue to be the most likely to report being in a Standard Employment Relationship. Racialized men reported the largest increase (18 percent) while racialized women reported a small decrease.

Figure 2: Standard Employment Relationship by sex and race: GTA-Hamilton (%)

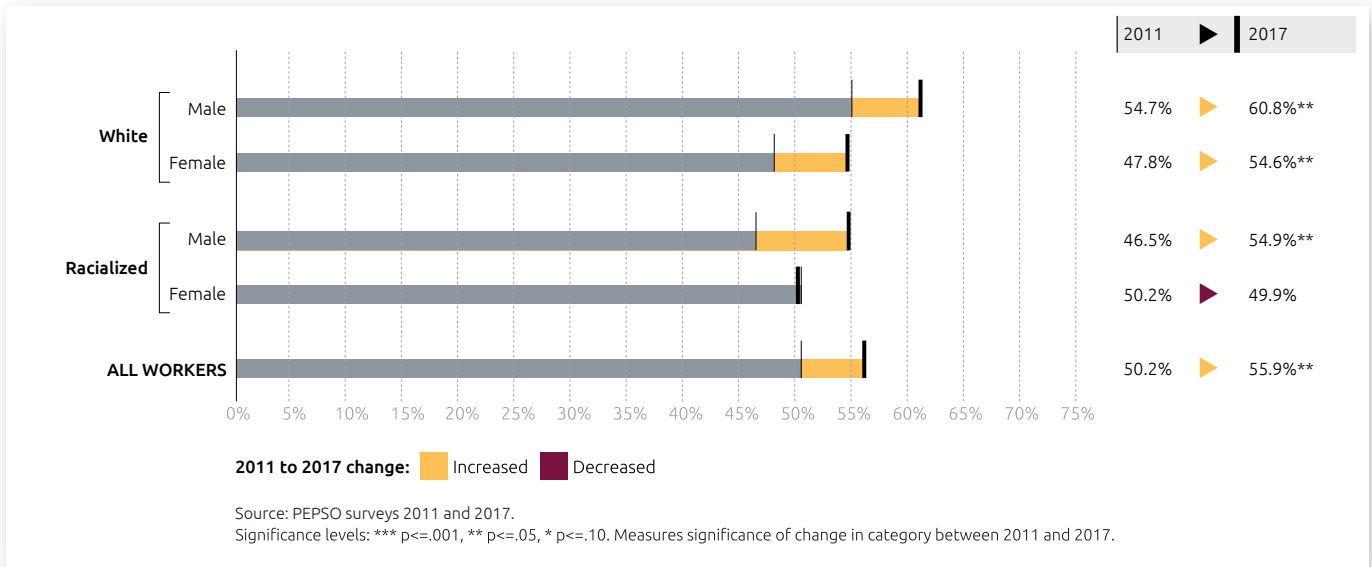
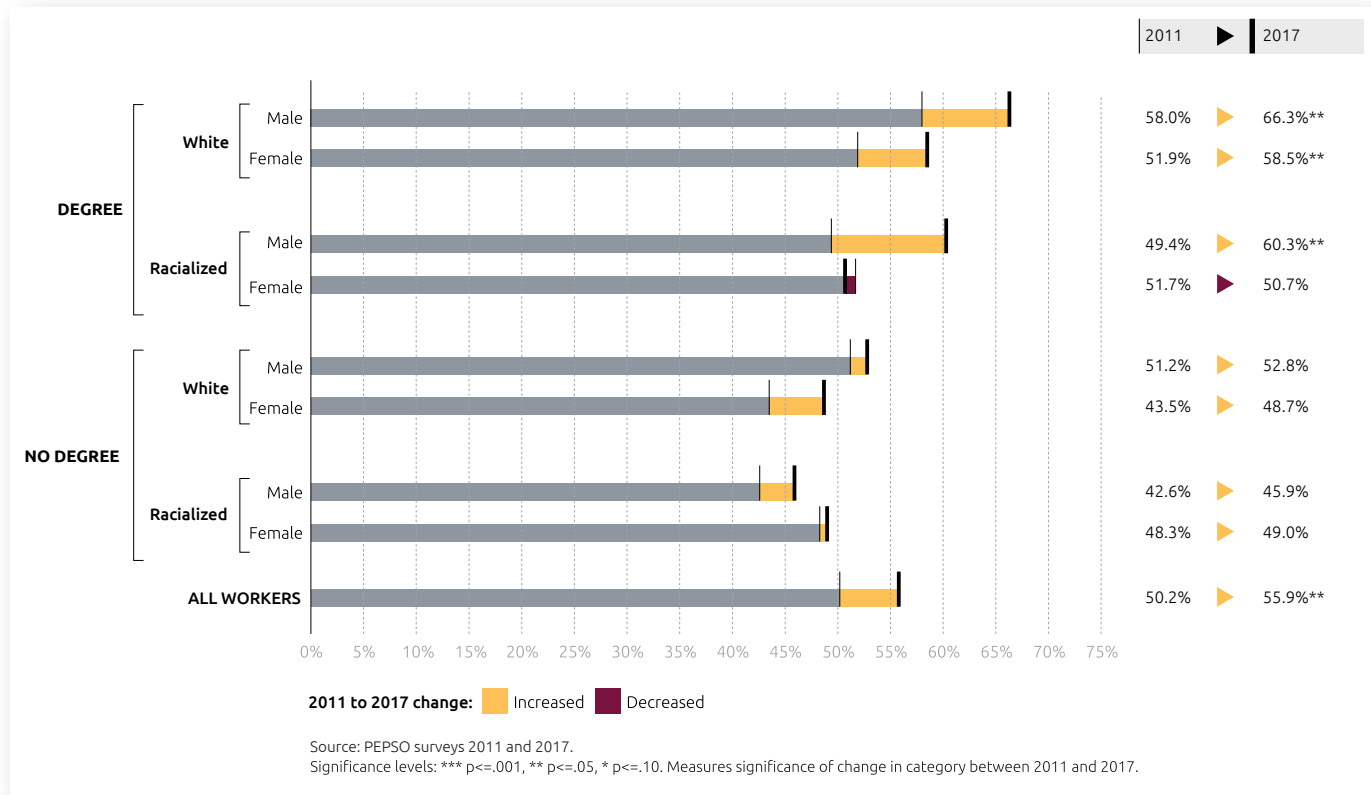


Figure 3 provides an analysis of the changing prevalence of the Standard Employment Relationship by sex, race, and education. All but one category reported an increase. However, only three of the eight categories of workers reported a *statistically significant* increase in the prevalence of a Standard Employment Relationship. These categories were white men and women with a university degree and racialized men with a university degree. Racialized women with a university degree reported a small, statistically insignificant decrease. All four of the non-university degree categories reported small, but statistically insignificant increases.

Figure 3: Prevalence of Standard Employment Relationship by worker category (%)



... it is the interaction of
[sex, race, and education] that shapes
 who will access
more secure employment.

A note on statistical significance

The reader will notice that some increases in employment security and income are reported to be statistically insignificant. One way to think why this might be the case would be to think about the people who live in your building or near to you. Suppose someone who earned five million dollars a year moved into the area. This would increase the average income of your neighbourhood. Is everyone in your neighbourhood richer? Of course they are not all richer. Alternatively, suppose everyone in the neighbourhood shares a winning lottery ticket worth five million dollars. Is everyone in your neighbourhood richer? Of course they are richer. Statistical tests allow researchers to determine if the increase in average neighbourhood income is the result of everyone in the neighbourhood having more income, or if it is the result of one or two rich people moving in.

In more technical terms, the report uses several different statistical tests including means tests and Kolmogorov-Smirnov equality of distribution tests to assess if the change in a measure of insecurity or income between 2011 and 2017 is statistically significant. All of these tests measure the size of the change in a variable relative to the variation in the scores of individuals in the sample. In general, the smaller the change in the variable and the larger the variation in scores of individuals in a category, the less likely a change will be determined to be statistically significant.

A **statistically significant** change indicates the participants in 2011 and 2017 had different scores and that the change is unlikely to be the result of random chance. A **statistically not significant** change indicates the change is likely the result of random chance in who participated in 2011 and 2017 rather than the participants in 2011 and 2017 having different scores.

Test scores, or p-values, are used to assess if a given change is statistically significant. A test score of less than .001 is very strong evidence that there has been a significant change. A score between .001 and .05 is strong evidence of a change. A score between .05 and .10 is weak or no evidence of a change. Scores greater than .10 are evidence that there has not been a statistically significant change and that any difference in the values of the indicators being measured is likely the result of chance.

In interpreting significance levels, it is important to understand that with smaller sample sizes it is more difficult to detect statistically significant changes when the change is small and the variance in scores in the category is large. The 2017 sample size for the 8 categories ranges from 135 for racialized males without a degree, 145 for racialized females without a degree to 398 for white females with a degree. As a result this may limit our ability to detect smaller statistically significant changes for those categories with fewer observations.



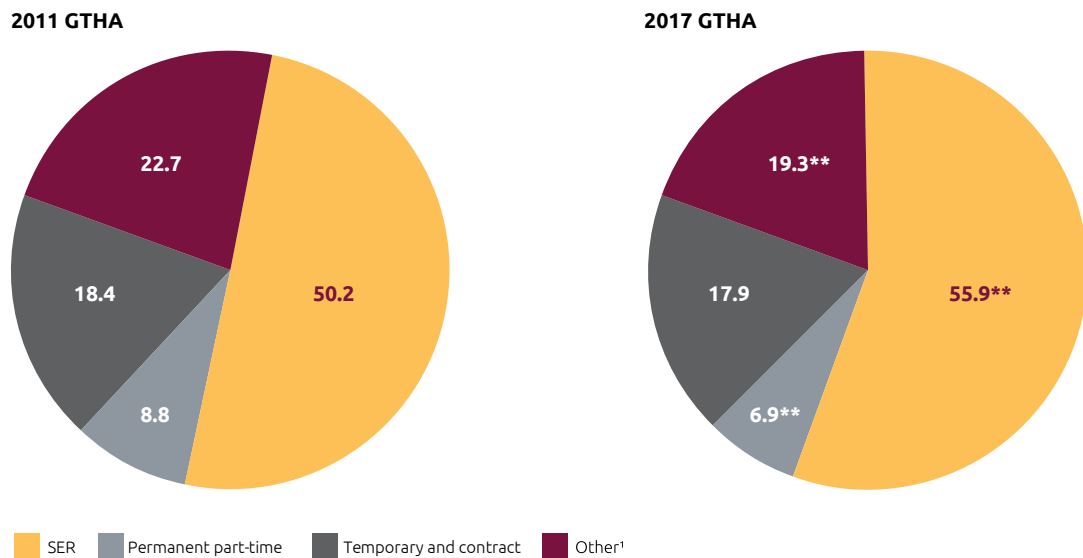
b) Changes in the form of the employment relationship

Another way of measuring the changing distribution of secure employment is to look at the forms of employment of workers not in a Standard Employment Relationship, including the prevalence of part-time employment, short-term contract work, temp agency work, fixed-term employment, and own account self-employment.

Figure 4 reports the changes in the forms of employment for the sample as a whole and shows that more workers were employed in a Standard Employment Relationship. There were decreases in permanent, part-time employment and in the “other” category. The “other” category included employment with some degree of precarity such as full-time jobs that individuals weren’t sure were permanent and employment that received only a wage and no benefits. There was no change in the prevalence of employment that was firmly precarious, which represents workers in short-term contract work, temp agency work, fixed-term employment, and own account self-employment.

One interpretation of these changes is that, as the economy improved, employers converted some permanent, part-time positions and some of the less secure, full-time jobs in the “other” category into permanent full-time jobs with benefits.

Figure 4: Forms of the employment relationship: 2011 and 2017 GTHA



¹ The Other category includes workers in full-time employment who either receive no benefits beyond a wage or are unable to confirm they would be with their current employers for at least 12 months, workers who are self-employed with employees, and those in full-time employment but their hours varied from week to week and in some cases could be less than 30 hours.

Source: PEPSO surveys 2011 and 2017.

Significance levels: *** p<=.001, ** p<=.05, * p<=.10. Measures significance of change in category between 2011 and 2017.

Figure 5 reports the changes in the forms of employment for the sample as a whole and for the eight categories of workers.²¹ Within the eight categories of workers, white and racialized men with a university degree reported the most significant changes. They were more likely to report being in a Standard Employment Relationship in 2017 than in 2011, and

²¹ The bottom row of Figure 5 represents the data used to build the pie charts in Figure 4 above.

Figure 5a: Changes in the form of employment by worker category -- Permanent part-time (%)

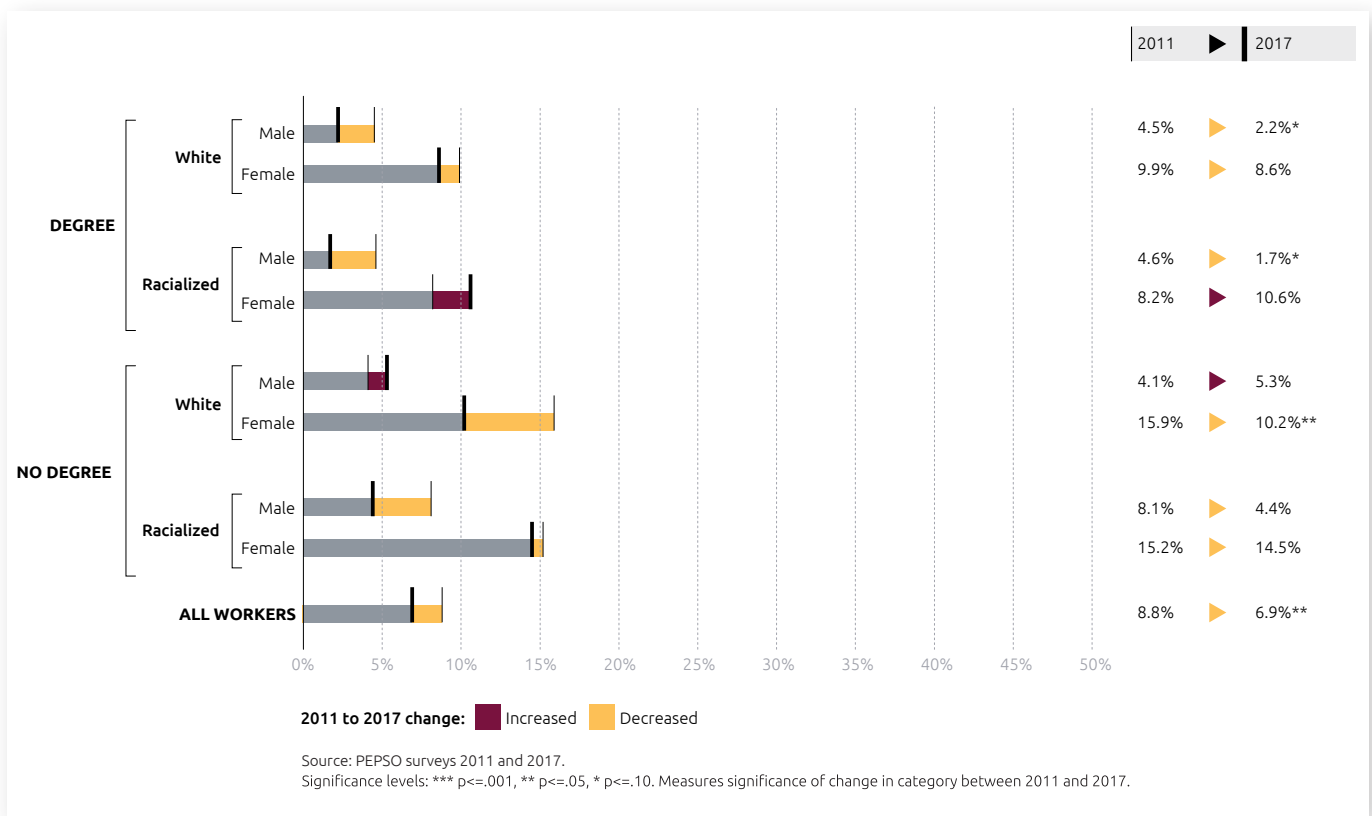


Figure 5b: Changes in the form of employment by worker category – Temporary and contract (%)

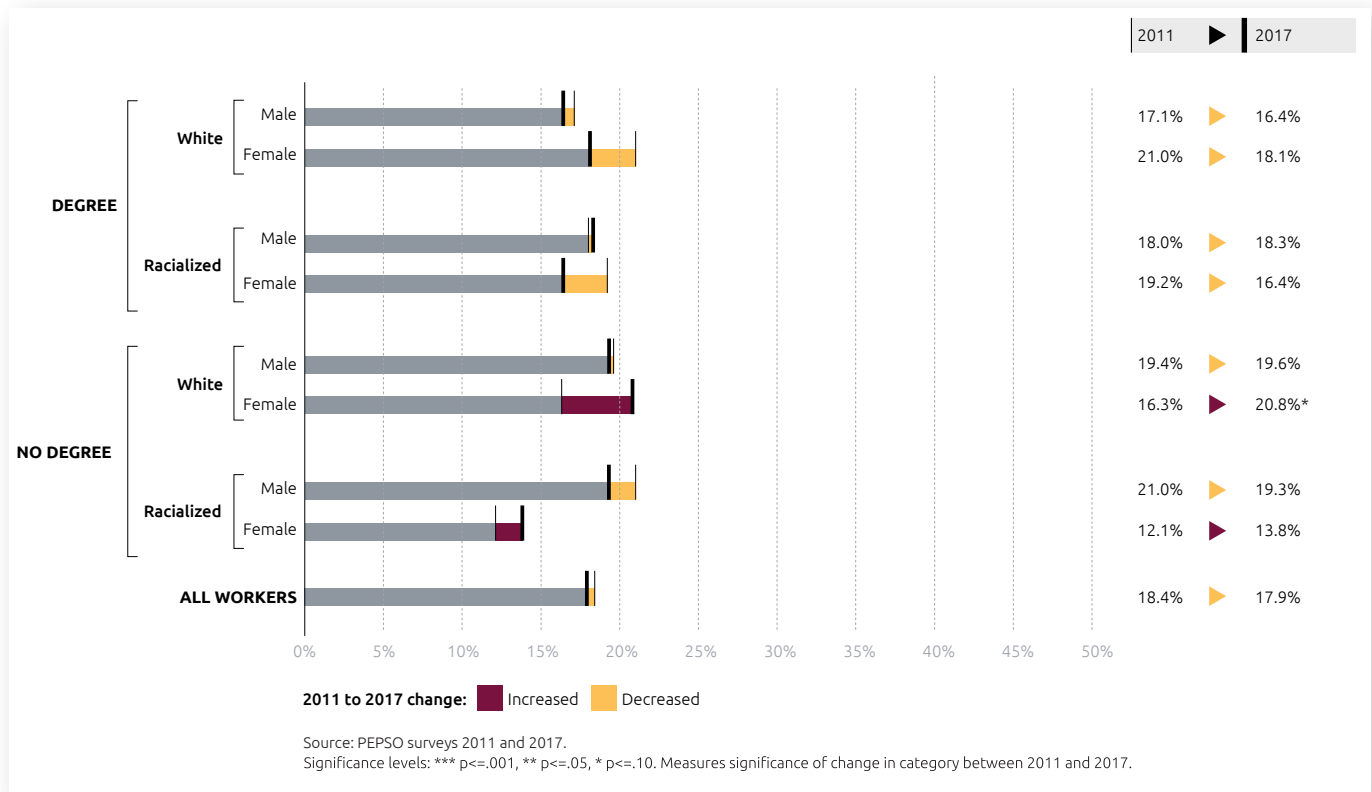
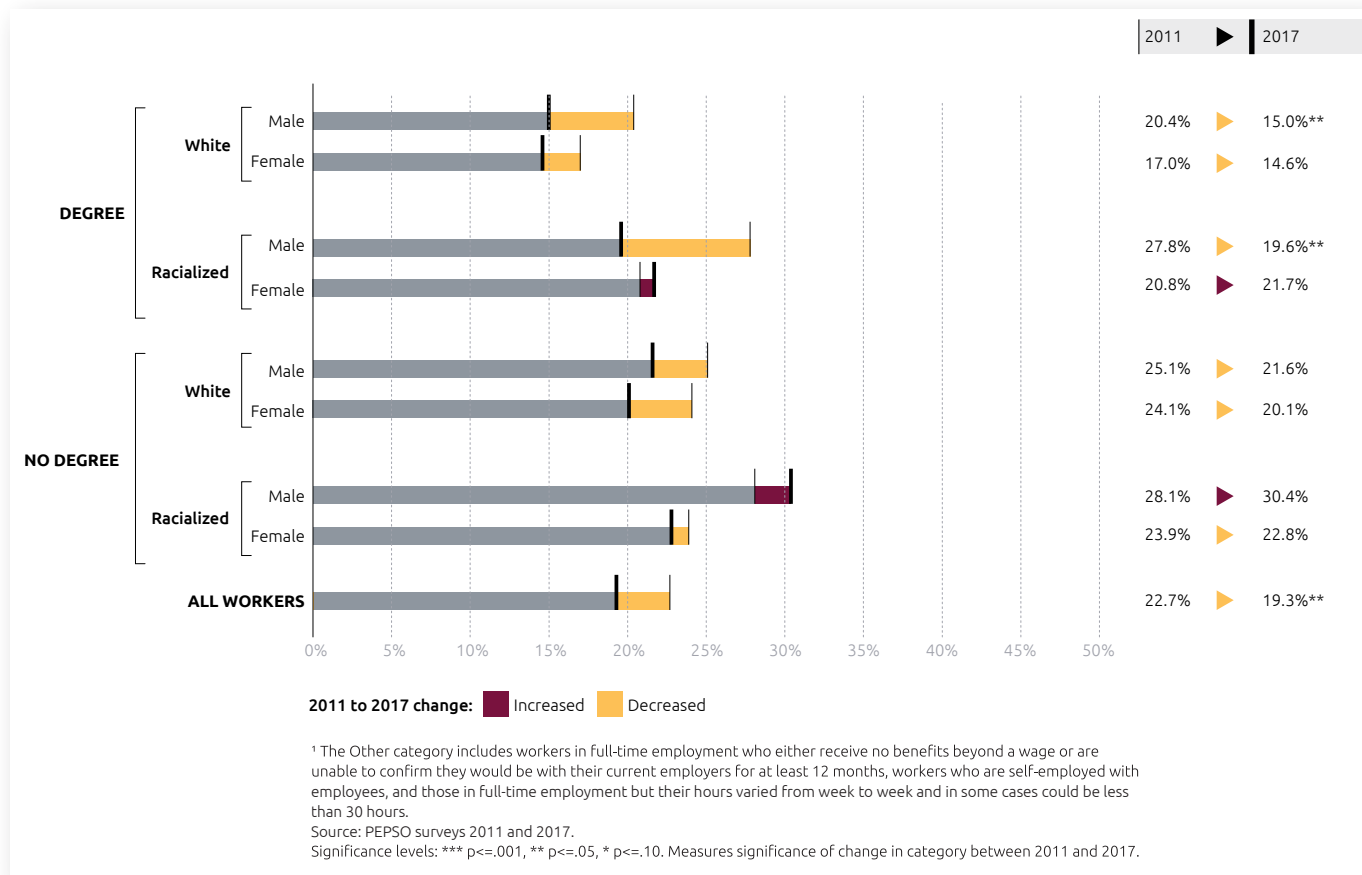


Figure 5c: Changes in the form of employment by categories of workers – Other¹ (%)



less likely to be in either part-time employment or the “other” category. White women with a university degree were more likely to be in a Standard Employment Relationship but reported no statistically significant changes in any of the other three categories of employment. White women without a university degree were less likely to be in part-time employment but more likely to be in precarious employment. None of the other three categories of workers without a degree reported statistically significant changes in their forms of employment. This finding suggests that most of the improvement in employment security of racialized men reported earlier in **Figure 2** was a result of the improved conditions reported by racialized men with a university degree.

c) Changes in the *Employment Precarity Index*

Figure 6 reports changes in average *Employment Precarity Index* (EPI) scores for the sample as a whole and for the eight categories of workers. High scores represent higher employment insecurity.²²

In the sample as a whole there was a reduction in the average *Employment Precarity Index* score which means that, on average, employment was more secure in 2017 than in 2011. This is

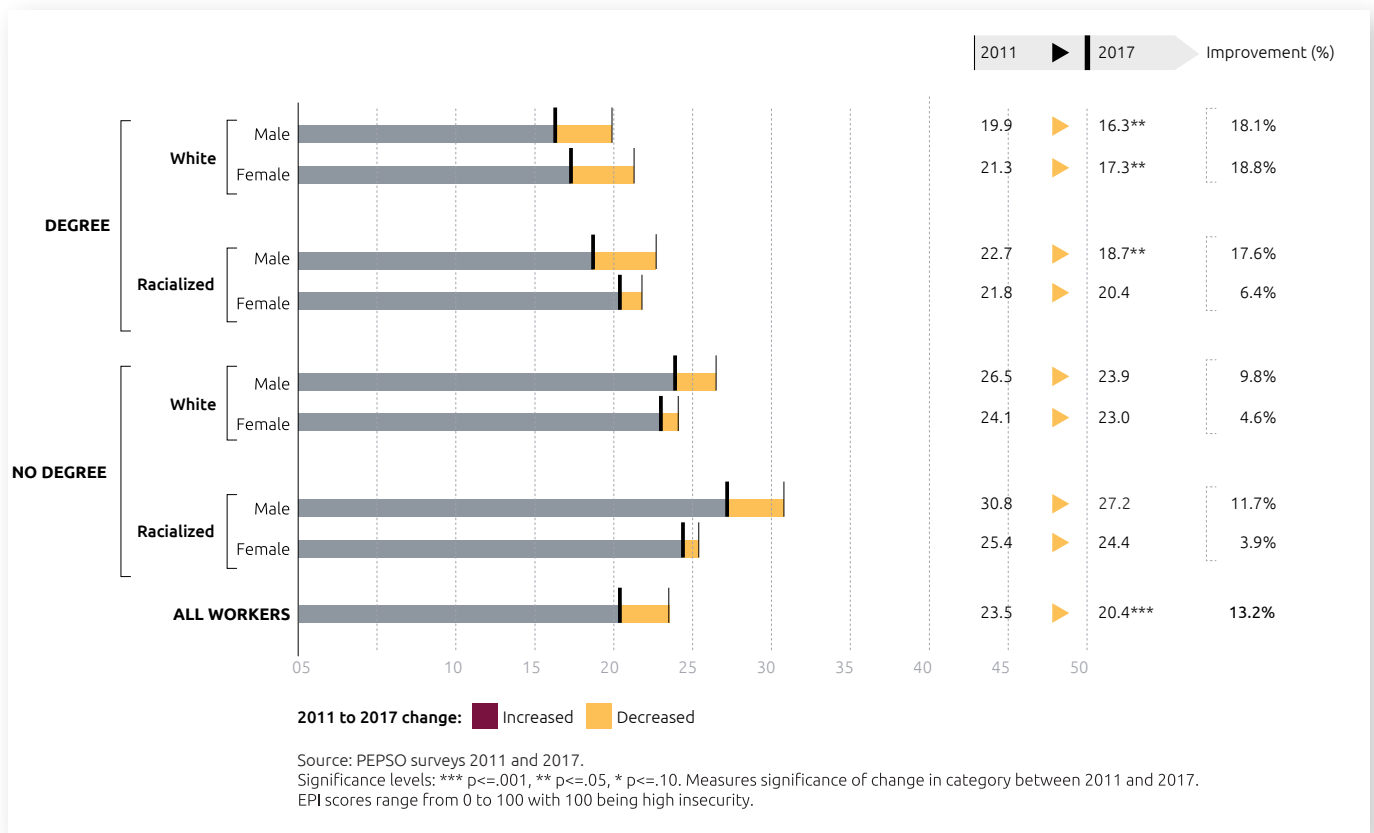
22 A simple difference of means test was conducted to determine if the mean scores of the samples changed between 2011 and 2017. A Kolmogorov-Smirnov (KS) equality of distribution test was conducted to determine if the distribution of scores across the entire range of scores changed. The KS test is a more robust measure of change as it is less affected by individual outliers that can distort changes in average values.²² A very rich person moving onto your street could significantly increase the average income of everyone living on your street, but basically leave everyone on the street in the same income bracket as before. A simple difference of means test would conclude that everyone on your street was richer as a result of the rich person moving in. The KS test would conclude that everyone on the street still had the same income and that the average was being distorted by the one new rich person moving in.



consistent with the finding above that more people were in a Standard Employment Relationship in 2017 than in 2011. However, not all categories of workers shared equally in this improvement. White men and women with a university degree and racialized men with a university degree reported the most improvement in *Employment Precarity Index* scores and they were the only categories of workers to report statistically significant improvements.

Racialized men without a university degree reported statistically significant reductions in average *Employment Precarity Index* scores (11.7 percent improvement), but not on the KS test measuring changes in the distribution of scores. This implies that a small number of outliers affected the average score for this group. Closer inspection of the distribution of individuals across the full range of *Employment Precarity Index* scores indicates there was a small increase in the number of very low *Employment Precarity Index* scores and a small decrease in the number of very high scores, but that the overall group did not enjoy a significant reduction in insecurity.

Figure 6: Average Employment Precarity Index scores by worker category (#)



Ten indicators measuring different components of an employment relationship make up the *Employment Precarity Index*. Two of those components, the prevalence of Standard Employment Relationships and the form of the employment relationship were examined above. Both components provided evidence that white men and women with a university degree and racialized men with a university degree reported the greatest improvements in employment security between 2011 and 2017.

Changes in relative rankings between categories of workers in 2011 and in 2017: Prevalence of secure employment and *Employment Precarity Index* scores

Most of this report assesses changes between 2011 and 2017 **within** the eight categories of workers defined by sex, race, and education. The results indicate that workers with a degree were the most likely to benefit from accessing more secure employment.

The data also tells a story of how relative rankings **between** the eight sectors changed over the six-year period. Previous PEPSO reports showed that certain categories of workers faced more barriers finding secure employment and better paying jobs. The findings from *Getting Left Behind* suggest that the different experience of different categories of workers may have widened since 2011. Those facing the fewest barriers benefited the most from the improved labour market conditions while those facing more barriers gained little if any.

White men with a university degree were the most likely to report being in a Standard Employment Relationship and racialized women without a degree were the least likely. In 2011, white men with a university degree were over 20 percent more likely to be in a Standard Employment Relationship than racialized women without a degree. By 2017, this gap had increased to over 35 percent. As white men with a degree found more secure employment, the barriers facing racialized women without a degree prevented them from taking the same advantage of the improved labour market.

White men with a university degree were also more likely to be in a Standard Employment Relationship than racialized men without a degree. In 2011, white men with a university degree were over 36 percent more likely to be in a standard employment relationship than racialized men without a degree. By 2017, white men with a degree were over 44 percent more likely to be in a Standard Employment Relationship relative to racialized men without a degree.

A similar pattern emerges when looking at changes in *Employment Precarity Index* scores. In 2011, white men with a university degree had average *Employment Precarity Index* scores that were over 20 percent lower than racialized women without a degree, meaning they were working in employment that was more secure. By 2017, white men with a degree had *Employment Precarity Index* scores that were more than 33 percent lower than racialized women without a degree.

White men with a degree also reported lower *Employment Precarity Index* scores than racialized men without a degree. In 2011, white men with a degree had scores that were 35 percent lower than racialized men with a degree. By 2017, white men with a degree reported *Employment Precarity Index* scores that were over 40 percent lower than racialized men without a degree.

Figure 7 is a summary of statistically significant changes in the ten individual components of the *Employment Precarity Index* and whether they represent changes that would make employment more or less secure. Details of which indicators changed and for which category of worker can be found in **Appendix D**. White men and women with a university degree reported improvements on five of the components that would increase employment security. Racialized men with a university degree reported improvements on four of the components. Racialized women with a degree and racialized men without a degree reported improvements on one component. White women without a degree reported improvements on one component and a deterioration on two. Racialized women without a degree did not report an improvement on any component.

Figure 7 highlights that the advantage white men and women with a degree and racialized men with a degree had accessing more secure employment in 2017 was not the result of improvements in one or two dimensions of the *Employment Precarity Index*. They were the result of multiple changes in the characteristics of their employment including better access to employment benefits, increased likelihood of being paid if they missed work, reduced prevalence of working on-call, and fewer concerns about raising health and safety concerns at work. And in the converse, it highlights that those without a degree and racialized women with a degree all stagnated and did not gain more access to most of the different elements of job security than they had in the past.

Figure 7: Distribution of changes in Employment Precarity Index components by their impact on employment security between 2011 and 2017 by worker category (out of 10)



Source: PEPSO surveys 2011 and 2017.



d) Hours worked and lack of work

The figures in this section report on indicators of labour market conditions reflected in changes in hours worked per week and changes in challenges in finding work for the sample as a whole and for the eight categories of workers. For many workers, insecurity is reflected in not having a full-time job, having weeks of unemployment, or weeks working fewer hours than wanted.

Figure 8 reports average hours of work per week. There was a small increase in average weekly hours worked for the sample as a whole between 2011 and 2017. The change was relatively small for most categories of workers although no category reported a reduction in weekly hours worked. On average, men worked more hours per week than women did although the gap narrowed from 4.8 hours in 2011 to 3.7 hours in 2017.

White women with a university degree and racialized men with a university degree reported the largest increases in average hours worked. Racialized women without a degree reported smaller increases in average hours worked and there is weak evidence that white women without a degree reported working more hours. Having a university degree still mattered for white women and racialized men, but women with and without a degree generally did better than men in finding more hours of work. There is at least some evidence that three of the four categories of women worked more hours in 2017 than in 2011 while only one of the four categories of men worked more hours. White men with a university degree actually reported working fewer hours, however this reduction was not statistically significant.

Our surveys suggest that in an improving labour market, average hours worked per week increases, as one would expect, but some categories of workers either find it easier to access more hours of work than others or choose to work fewer hours. For women without a degree there is evidence of access to more hours of work, but not greater employment security.

Figure 9 reports the distribution of working hours for the sample as a whole and for the eight categories of workers. In the sample as a whole, there was a reduction in the prevalence of working less than thirty hours and more than forty hours a week. There was also an increase in the prevalence of individuals working thirty to forty hours a week, which is typical of a Standard Employment Relationship.

This pattern of change was statistically significant only for white men and women with university degrees, indicative of the significant increases in Standard Employment Relationships reported above by these two categories of workers. For all other categories, there was no statistically significant change in the distribution of working hours.



Figure 8: Hours worked per week in the last three months (#)

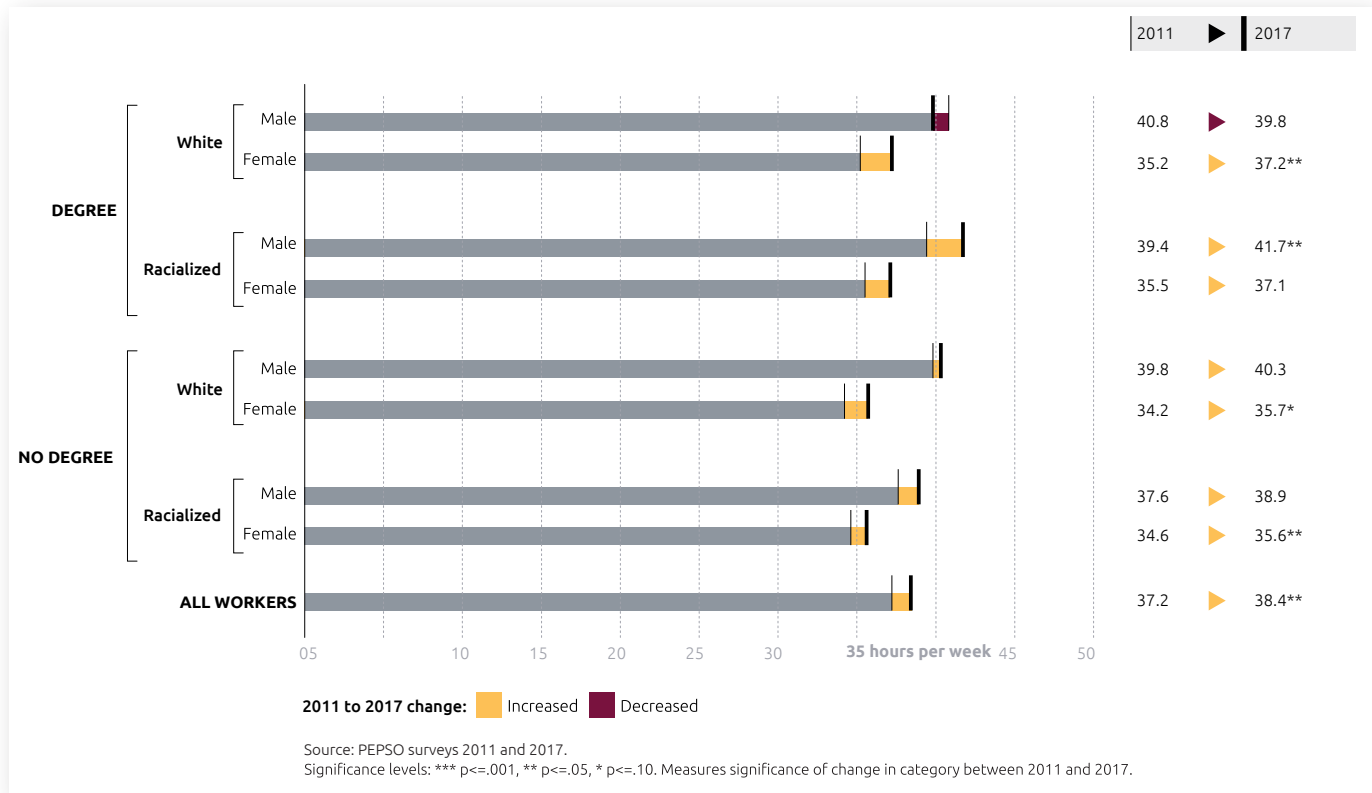


Figure 9a: Distribution of hours worked per week in the last three months – <30 hours (%)

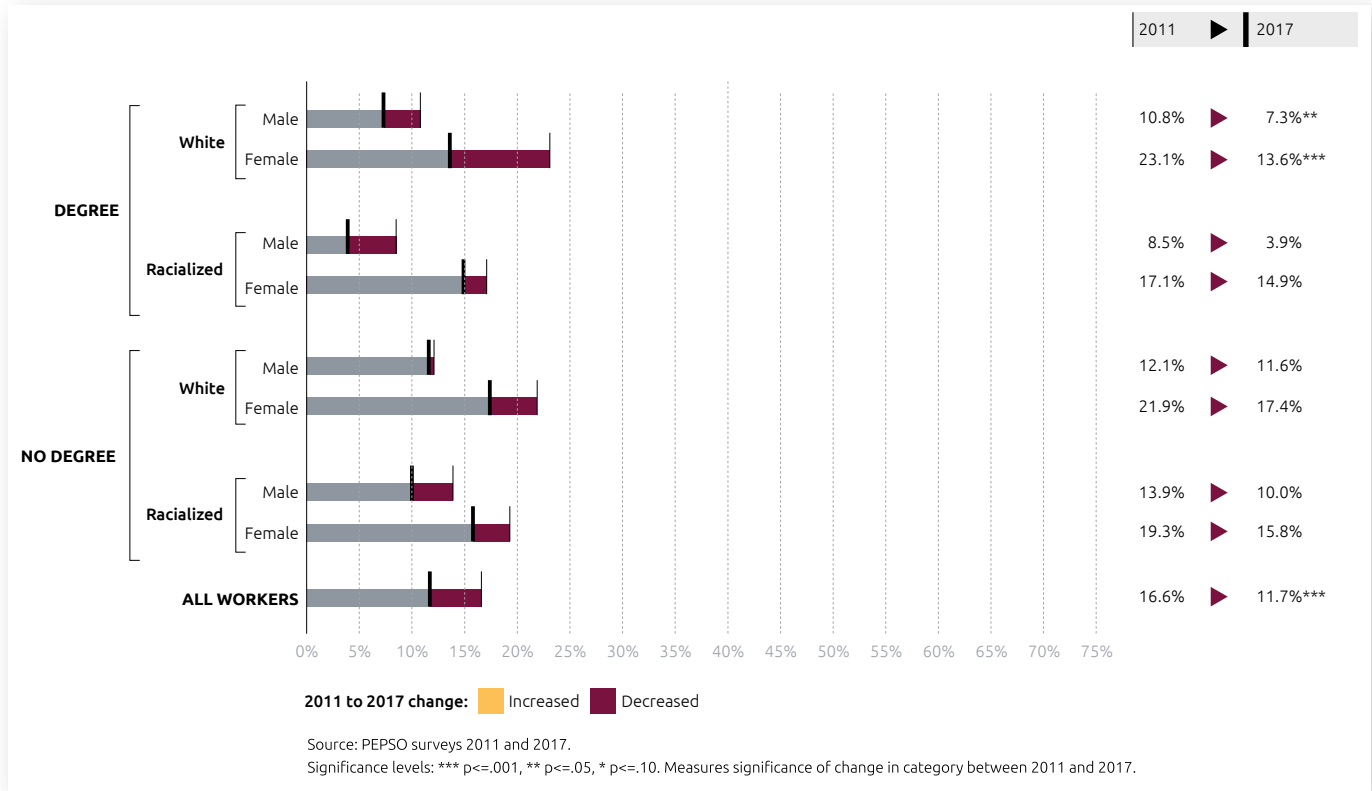


Figure 9b: Distribution of hours worked per week in the last three months – 30-40 hours (%)

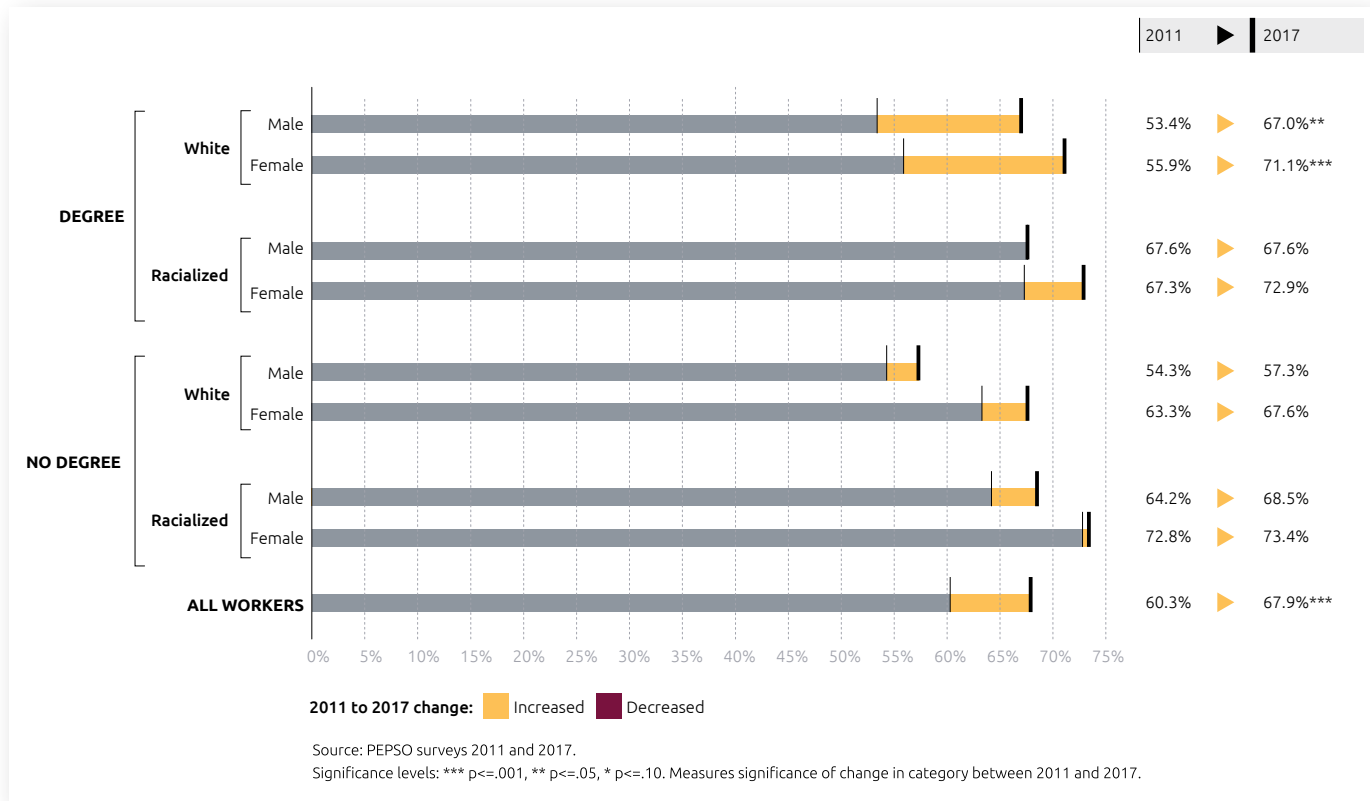
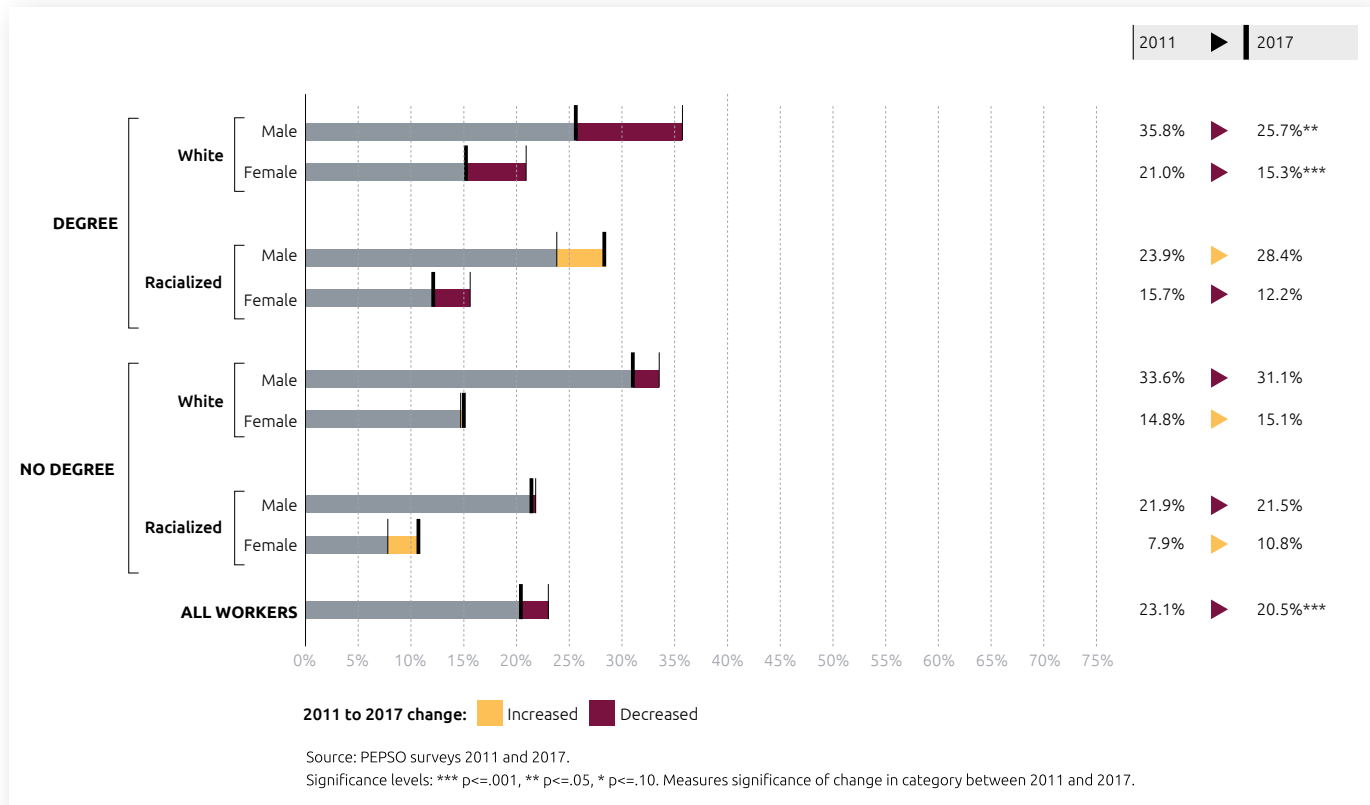
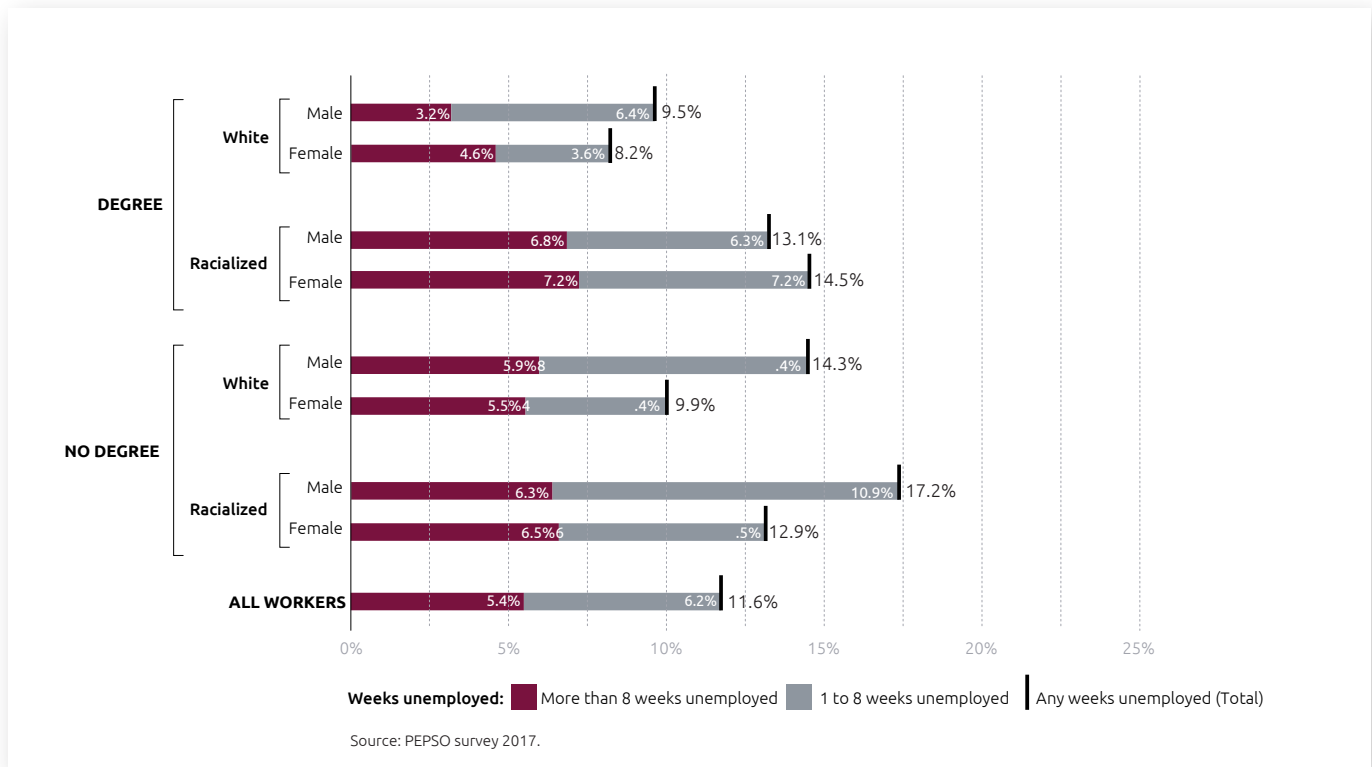


Figure 9c: Distribution of hours worked per week in the last three months – 40+ hours (%)



Figures 10 and 11 provide further evidence that race, gender, and university education mattered and impacted how people experienced the 2017 labour market. This data was collected only in 2017 so we are not able to provide a comparison to 2011. Figure 10 indicates that white men and women with a university degree were the least likely to report long periods of unemployment exceeding eight weeks while white women with a degree were the least likely to report short periods of unemployment. Racialized men without a degree were the most likely to report any weeks of unemployment and of short periods of unemployment.

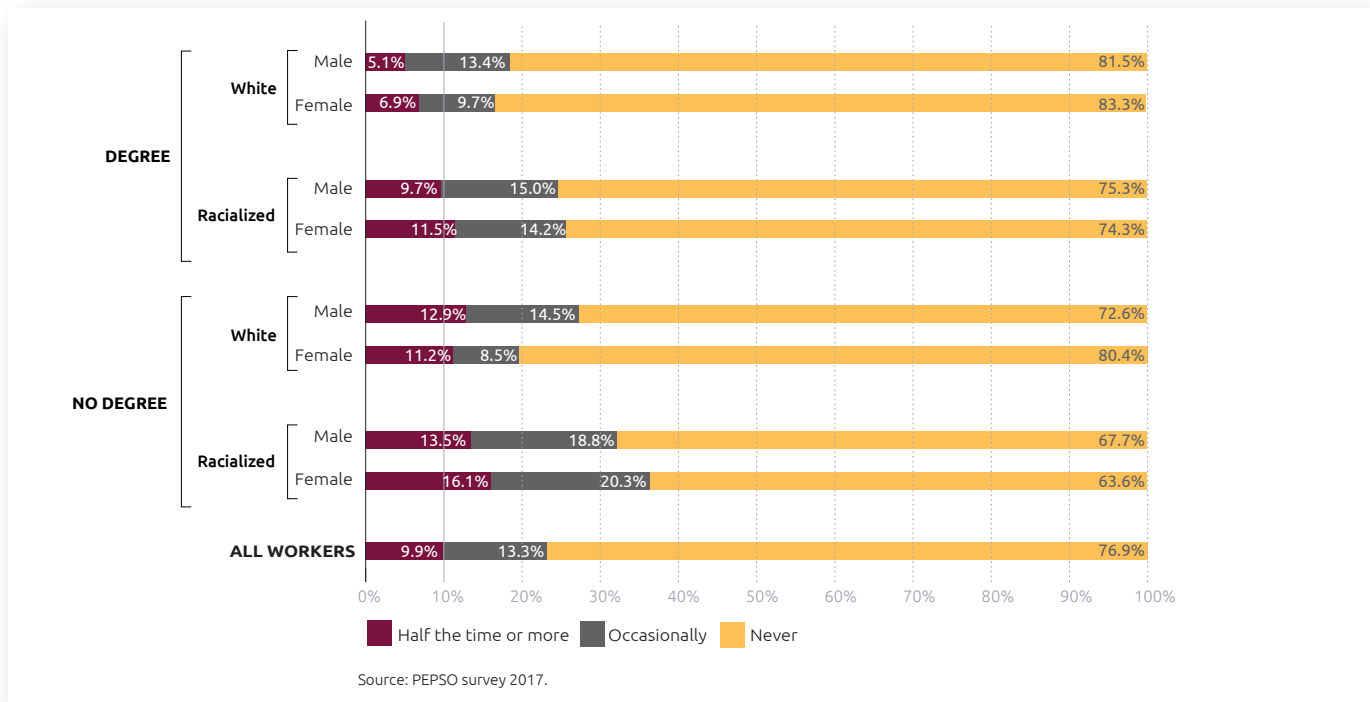
Figure 10: Weeks I wanted to work but was unable to find work last year: 2017 (%)



For many workers, **insecurity** is reflected in not having a **full-time job**, having **weeks of unemployment**, or weeks **working fewer hours than wanted**.

Figure 11 reports the frequency of working fewer hours than workers wanted. White men and women with a university degree were the least likely to report being unable to find as many hours of employment as they wanted. Racialized men and women without a degree were the most likely to report not being able to find as many hours of work as they wanted. Racialized women with no degree were three times more likely to report often being unable to find as many hours of employment as they wanted compared to white men with a degree. Approximately one in three racialized workers without a university degree reported they were unable to find as much work as they wanted at some point in the last three months. Low earnings for this category of workers has more to do with lack of work than lack of desire to work.

Figure 11: Weeks I worked fewer hours than I wanted to in the last three months: 2017 (%)



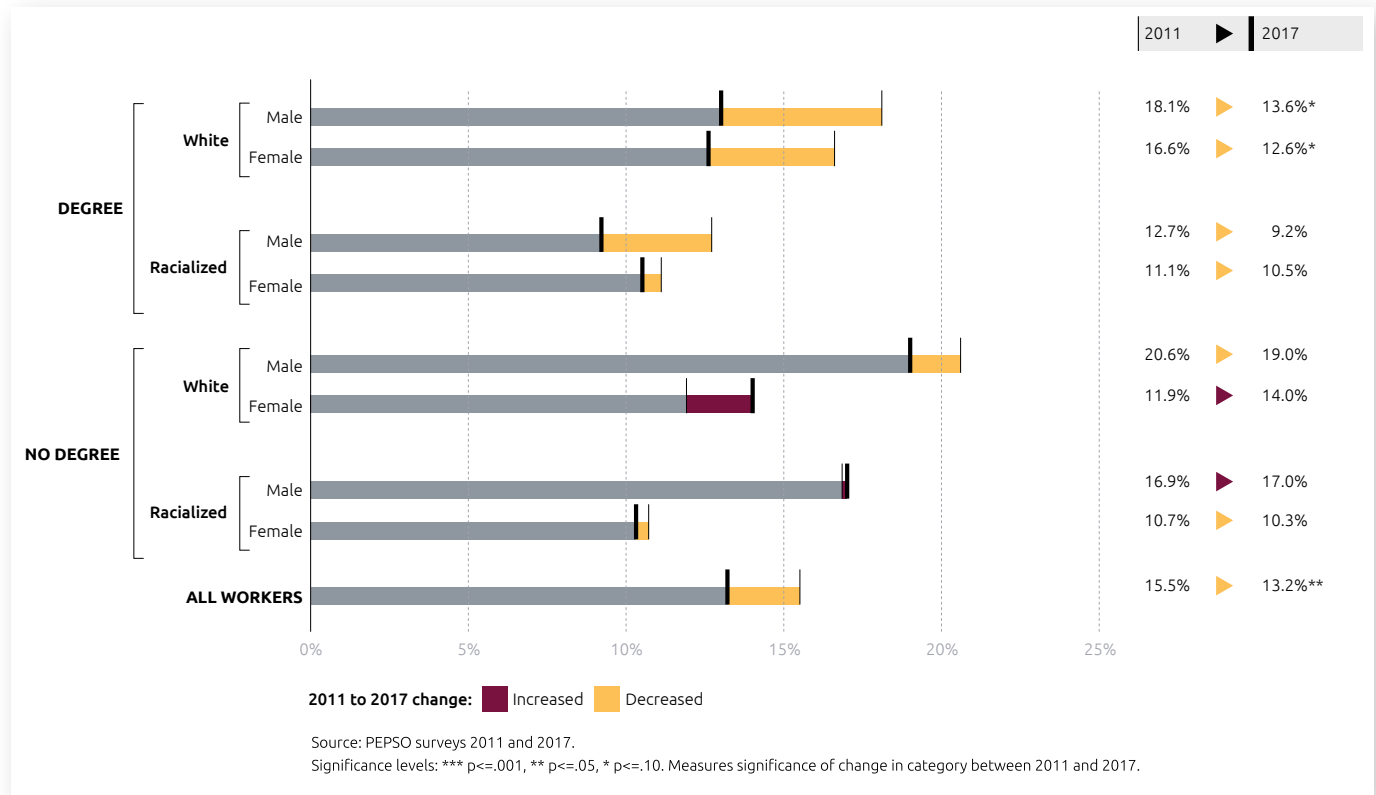
e) Scheduling uncertainty

Scheduling uncertainty is important because it makes it difficult for people to plan their work and personal lives and to budget and plan their finances. *The Precarity Penalty* indicated that uncertainty over work schedules negatively affects family life and increases the likelihood of being unable to do things with family and friends that are fun.

Knowing work schedules at least one week in advance was one component of the *Employment Precarity Index* (see **Appendix D** for a detailed description of the *Employment Precarity Index*). Survey respondents were also asked how often their schedule changes unexpectedly. The findings are reported in **Figure 12**. In the sample as a whole, there was a small reduction in the percentage reporting their schedule often changes unexpectedly. There is weak evidence

that white men and women with a degree reported significant reductions between 2011 and 2017. This suggests that for these two categories of workers, the increase in Standard Employment Relationships reported above may have made a difference in reducing the scheduling uncertainty they face.

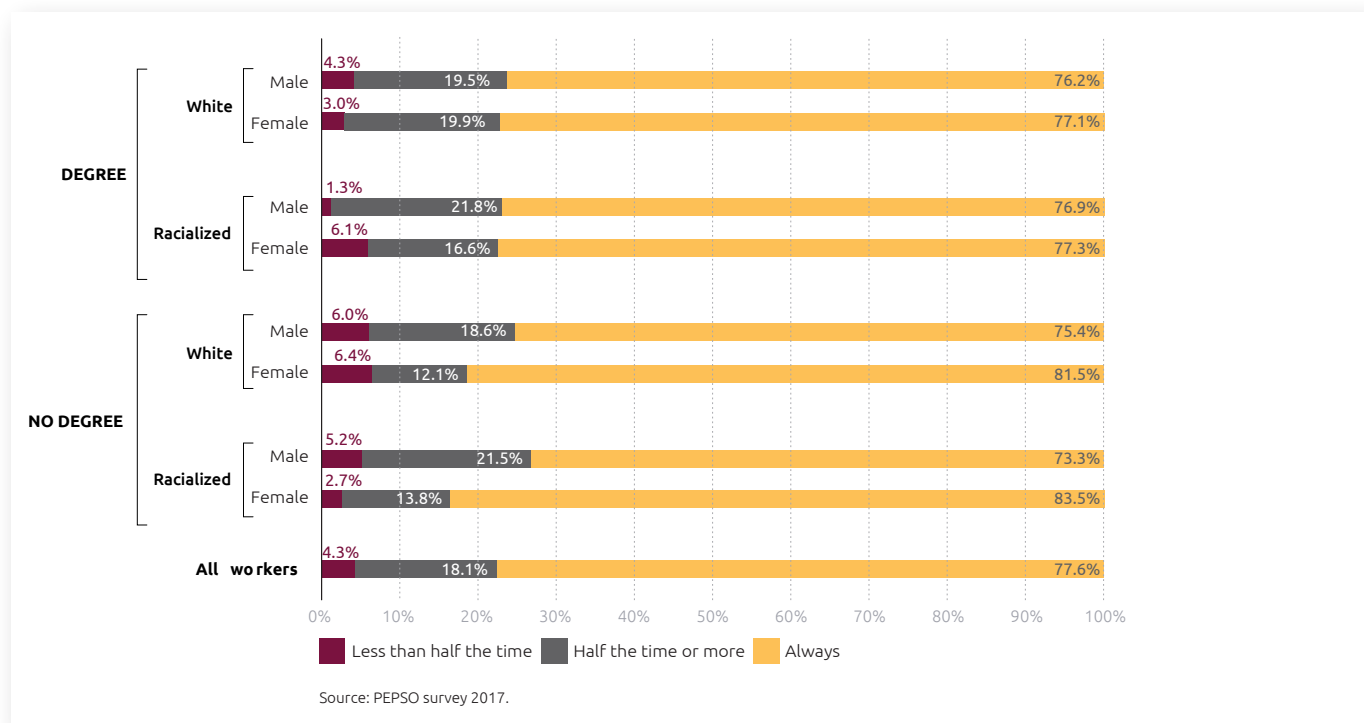
Figure 12: Schedule often changes unexpectedly (%)



In 2017, respondents were also asked if they knew their schedule at least one day in advance. **Figure 13** shows that fewer than 80 percent always knew their schedule at least one day in advance. Over five percent reported this was often not the case. The differences between the different categories of workers were relatively small. Women without a degree were the most likely to always know their schedules one day in advance. However, it is troubling that over 20 percent of workers have to contend with not always knowing their work schedules at least one day in advance as this makes planning very challenging.

... uncertainty over work schedules
negatively affects family life ...

Figure 13: Knows schedule one day in advance: 2017 (%)



f) Training

Training is important because it allows workers to move along a job ladder as they acquire new skills. PEPSO reports indicated that workers in precarious employment were less likely to receive training paid for by their employer and were more likely to be paying for their own training. **Figure 14** reports a small increase in training paid for by employers between 2011 and 2017. There is weak evidence that white women with a degree benefited from more employer-paid training in 2017 than in 2011. No other category of worker reported a statistically significant increase. The increase in training in the sample as a whole is consistent with the increased prevalence of workers employed in a Standard Employment Relationship in 2017.

Figure 15 reports a small increase in training paid for by workers. There is weak evidence that racialized women with a degree and white men without a university degree increased the amount of training they paid for. Together, **Figures 14** and **15** suggest that while more workers were receiving employer-paid training in 2011 compared to 2017, more workers were also having to pay for their own training, which reflects continuing employment precarity.



Figure 14: Training paid for by employer (%)

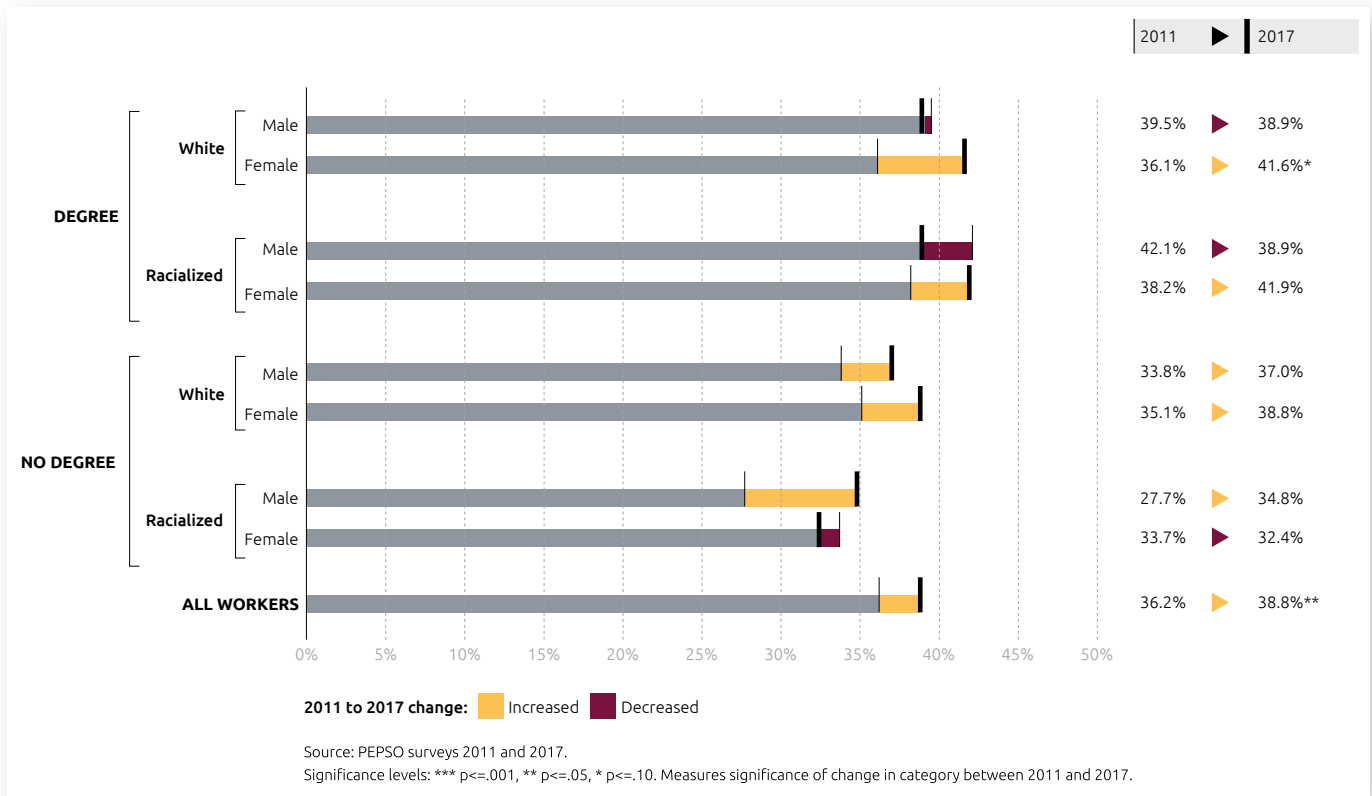
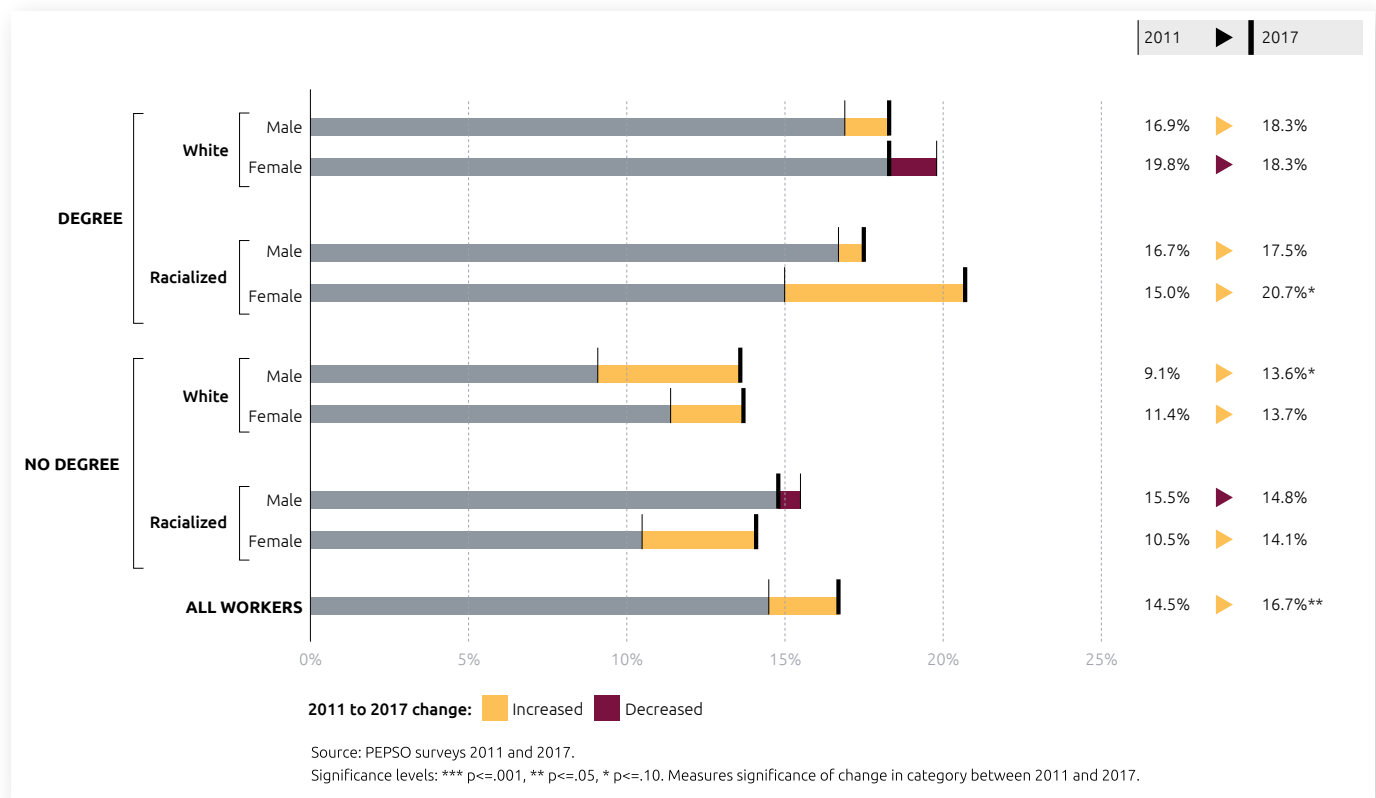


Figure 15: Training paid for by worker (%)



Summary of Part 1: Changes in Employment Security

There is evidence that for the survey participants as a whole, it was easier to obtain secure employment in 2017 than it was in 2011. More workers were in Standard Employment Relationships, average *Employment Precarity Index* scores were lower, hours of work per week increased, and more workers were working thirty to forty hours a week. A small portion of this improvement in the sample as a whole is likely a result of differences in the characteristics of the 2011 and 2017 survey participants that we were unable to control for, and in particular, the greater prevalence of university educated participants in 2017. By dividing the sample into eight categories based on sex, race, and education, we minimize the impact of any such changes as the characteristics of the categories are similar in 2011 and in 2017.

The findings associated with how different categories of workers experienced this improvement suggest that the gains were concentrated in a few categories. Those with a university degree generally did better than those without a degree. The exception to this finding was racialized women with a degree who reported only minor improvements in employment security.

It's More than Poverty reported that white workers enjoyed more employment security than racialized workers in 2011. The findings in *Getting Left Behind* suggest that, at least for white workers with a university degree, this advantage increased and the distribution of employment security was even more polarized in 2017 than it was in 2011.

The findings also suggest that barriers have a compounding effect. Being a woman generally meant having less access to secure jobs, as did being racialized. Having a university degree generally meant having better access to secure employment. However, when adding sex, race, and university education together, some benefited more than others. For racialized women with a degree, the advantages of having a degree could not overcome the barriers this group experienced due to race and gender.

Gaining one of the more secure new jobs that was created between 2011 and 2017 appears to have been dependent on having a university degree. Those without a degree continued to experience similar levels of employment precarity in 2017 as they did in 2011 despite the significant improvement in the economy.

PART 2

Changes in Income (2017 Dollars)

Key findings

a) Individual income

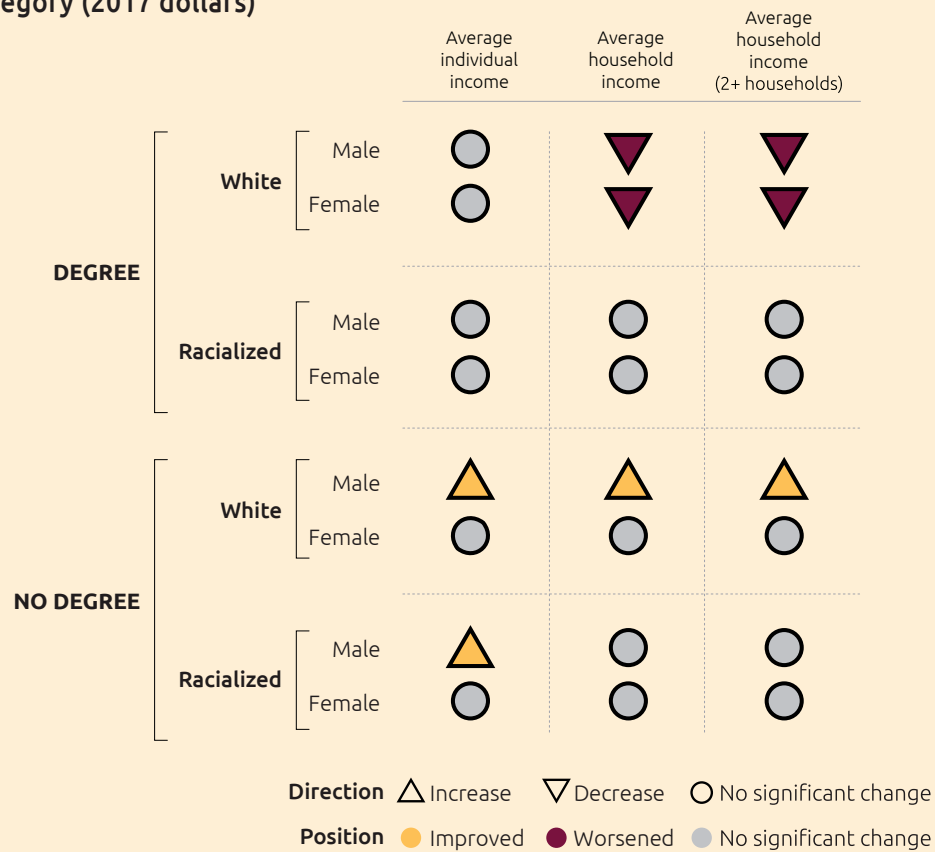
- The pattern of wage increases differs from the pattern of who found more secure employment as a result of an improving labour market.
- For the sample as a whole, average annual individual income, adjusted for inflation, increased by just over 3 percent between 2011 and 2017. Average hours worked also increased about 3 percent leaving hourly wages relatively unchanged.
- Not all groups shared in this prosperity.
- White and racialized men without a university degree reported significant increases in individual income. No other category reported a statistically significant change in individual income.
- White men with a university degree continued to be paid more than any other category of worker but their income advantage relative to the average worker narrowed marginally.
- Racialized women without a degree continued to be the lowest paid. Their income disadvantage increased marginally.

b) Household income

- Average household income, adjusted for inflation, did not increase between 2011 and 2017.
- Racialized men without a university degree were the only group to report a significant increase in household income.
- White women with a university degree reported a reduction in household income.



SUMMARY CHART: 2011-2017 changes in income measures by worker category (2017 dollars)



Source: PEPSO surveys 2011 and 2017.

a) Individual income

Increased earnings are the other major change one would expect in an improving labour market. We know that some workers usually do better than others in terms of income. Men generally earn more than women, white workers earn more than racialized workers, and university educated workers earn more than those without a degree.²³ This is true in our sample as well. This section explores if the income gains associated with an improving labour market were allocated evenly across the eight categories of workers or if some groups gained more than others.

Figure 16 reports changes in average income between 2011 and 2017 adjusted for inflation²⁴ for the sample as a whole and for the eight categories of workers.²⁵ There was a small, statistically significant increase in average income of 3.3 percent over the six-year period. This is almost identical to the 3.2 percent increase in average hours worked between 2011 and 2017 reported in **Figure 8** earlier. This suggests that the real hourly wage probably changed little, if at all, as a result of the improved labour market. This finding is in line with the minimal real hourly wage changes reported by Statistics Canada for the period.²⁶ It also reflects that the major increase in the minimum wage took place after our survey was completed.

23 Block et.al. 2014; Statistics Canada 2017.

24 Inflation between November of 2011 and April of 2017 in the Toronto CMA was 10.5%.

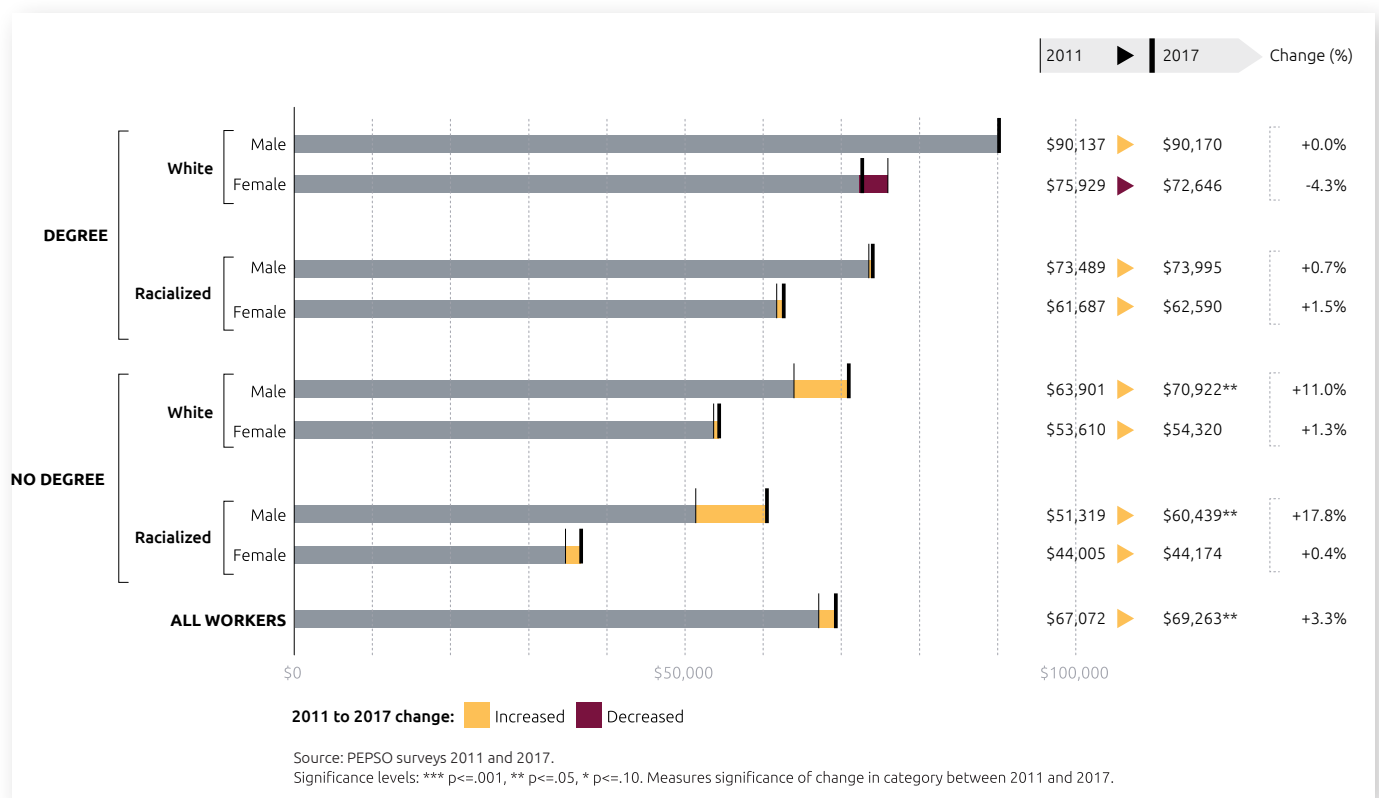
25 In interpreting average income levels, it is important to keep in mind that our sample was not meant to be representative of all individuals in the GTHA.

Individuals had to be between 25 and 65 and have worked in the last three months. As a result, the income levels reported in the study will tend to be higher than those reported by Statistics Canada for the entire region. We report averages rather than median income as we are able to estimate group averages more accurately than group medians as income data was reported in categories from <\$20,000 to +\$150,000. For comparison purposes, median total family income in the GTA in 2015 was \$78,280 and the median family income of couples in the GTA was \$86,260 (Statistics Canada Table 111-0009).

26 Statistics Canada Table 282-0151.

The pattern of wage increases differs from the pattern of who found more secure employment as a result of an improving labour market. Income gains were concentrated amongst men without a university degree. This suggests that the opportunities for more access to employment may have improved for men with less than a university degree over the period but not opportunities for more access to secure employment. Releases from the 2016 Census reported that recent wage growth was relatively strong for workers who had completed an apprenticeship.²⁷ This may have played a role.

Figure 16: Average individual income (2017 dollars)



The incomes reported in **Figure 16** may appear high, but readers should keep in mind that the PEPSO samples are limited to individuals aged 25-65 who must have earned income in the last three months. This will result in incomes substantially higher than for the population as a whole. It is also important to be aware that as a result of the spread of precarious employment, high income in any one year is not a guarantee of the same income in future years. This is what makes precarious employment different from the Standard Employment Relationship where income is less variable from year to year.

The average income levels also mask the number of workers earning less than a living wage in each category. For example, using the equivalent of 40,000 2017 dollars, the percentage of white males with a degree in our sample earning less than this amount fell from 12.2 percent in 2011 to 8.8 percent in 2017. The percentage of racialized women without a degree earning less than \$40,000 increased from 51.5 percent in 2011 to 53.7 percent in 2017. Averages

also mask the experience of workers in precarious employment. The percentage of workers in precarious employment earning less than 40,000 2017 dollars in 2011 was 56.7 percent falling marginally to 55.5 percent in 2017. For many individuals in our sample, employment is insecure and income is low. Previous PEPSO reports have shown how this can negatively affect household well-being and limit community participation. This also reinforces the earlier data that shows that certain groups are being left behind with both employment and income insecurity.

Figure 17 provides further evidence that even at the average income levels reported above, many people continue to struggle with providing basic needs such as housing and food and are concerned they may not be able to maintain their current standard of living. White men and women with a degree were the least likely to report concerns about paying rent or paying for food and about maintaining their current standard of living. Almost 20 percent of racialized women with and without a degree reported concerns about paying rent or paying for food. They were also the most likely to report they were concerned about maintaining their current standard of living.²⁸

The increase in the minimum wage to \$14.00 an hour occurred after our survey was conducted. Recent investigation of the potential benefits of this increase suggests that the benefits will be widespread, but that some socio-economic groups will gain more than others.²⁹ Despite popular views that the increase in minimum wage will benefit mainly young workers, 58 percent of the workers who were expected to get a wage increase would be twenty-five or older. Recent immigrants, many of whom are racialized, and recent female immigrants in particular, are more likely to get a wage increase than non-recent immigrants and non-immigrants. Workers in non-permanent employment and workers in casual jobs especially, many of whom are women, are more likely to get a wage increase than those in permanent employment. Over one-fifth of workers in permanent employment can expect a wage increase. Part-time workers, the majority of whom are women, are more likely to get a wage increase than full-time workers.³⁰ The planned increases in the minimum wage in 2018 and 2019 should narrow some of the wage gaps documented in **Figures 16** and **17**, though attention still needs to be paid to other forms of pay equity solutions.

b) Household income

Figure 18 reports changes in average household income between 2011 and 2017 adjusted for inflation for the sample as a whole and for the eight categories of workers. Changes in household income reflect both changes in the individual incomes of household members and the number of household members who are working. Our data is limited to changes in the incomes of individuals and we can only speculate on how an improving labour market affected the number of individuals in a household who decided to work. An improving labour market may have created opportunities for more family members to work. Alternatively, an increase in more secure employment may have created opportunities for some family members to work less so they could acquire more education, start a family, or to simply enjoy more leisure time.

28 The high percentage of our entire sample reporting concern about maintaining their current standard of living likely reflects the prevalence of insecure employment in our sample. It likely also reflects the increase in housing costs and rent in the region since 2011 that is likely putting pressure on the family budgets of both secure and insecure workers.

29 Macdonald 2017. The minimum wage was increased to \$14 an hour in Ontario on January 1, 2018 and is supposed to increase to \$15 an hour on January 1, 2019.

30 Macdonald 2017.



Figure 17: Income stress: 2017 (%)

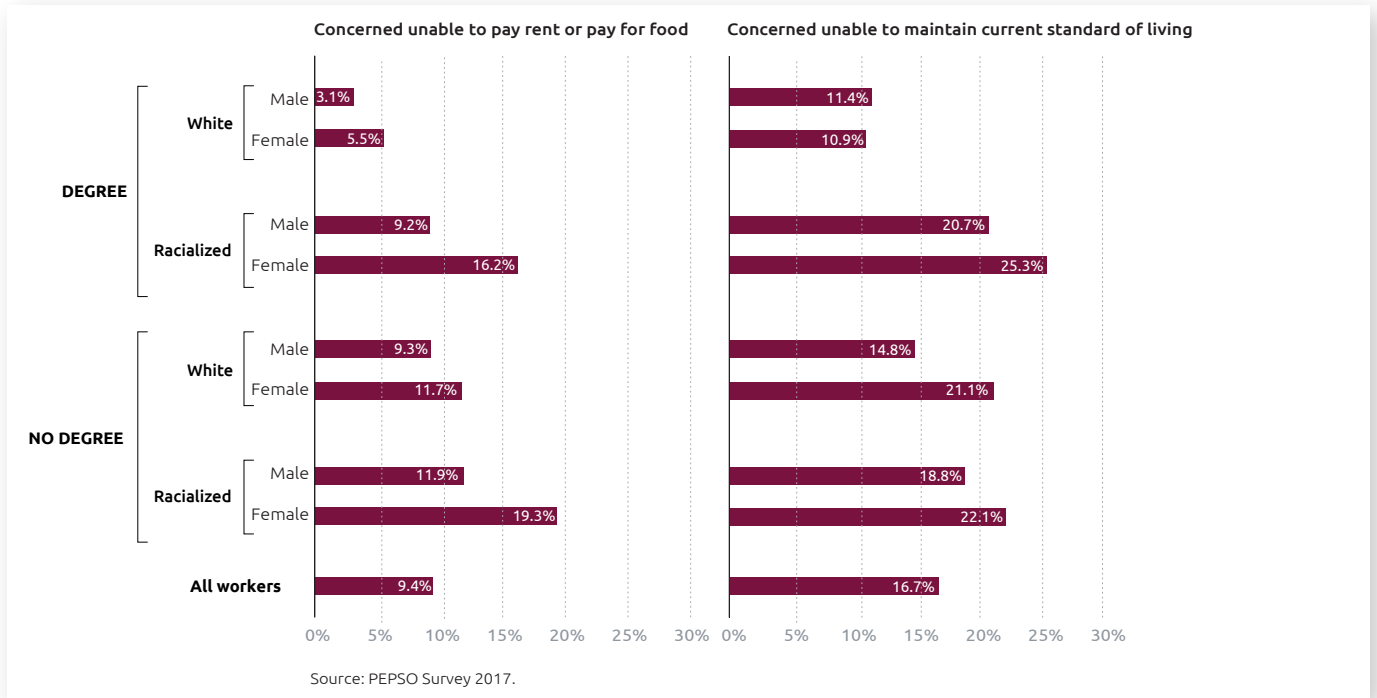
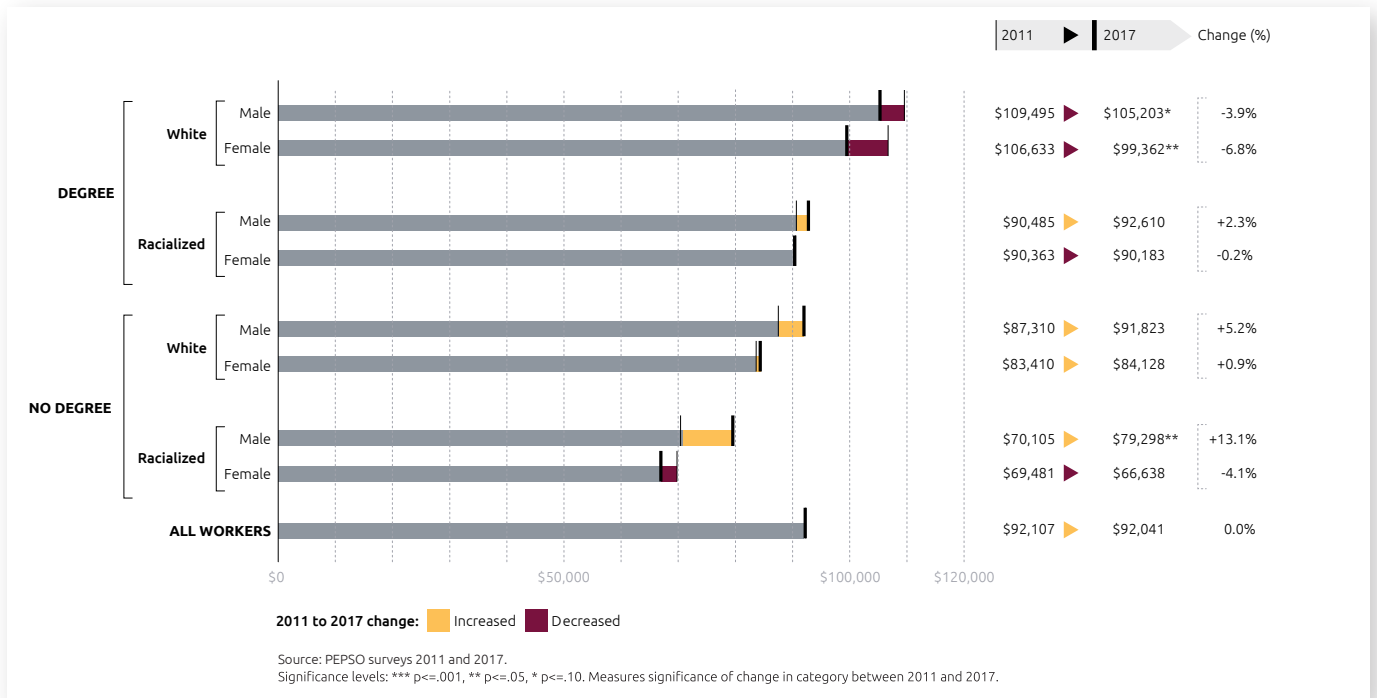


Figure 18: Average household income (2017 dollars)

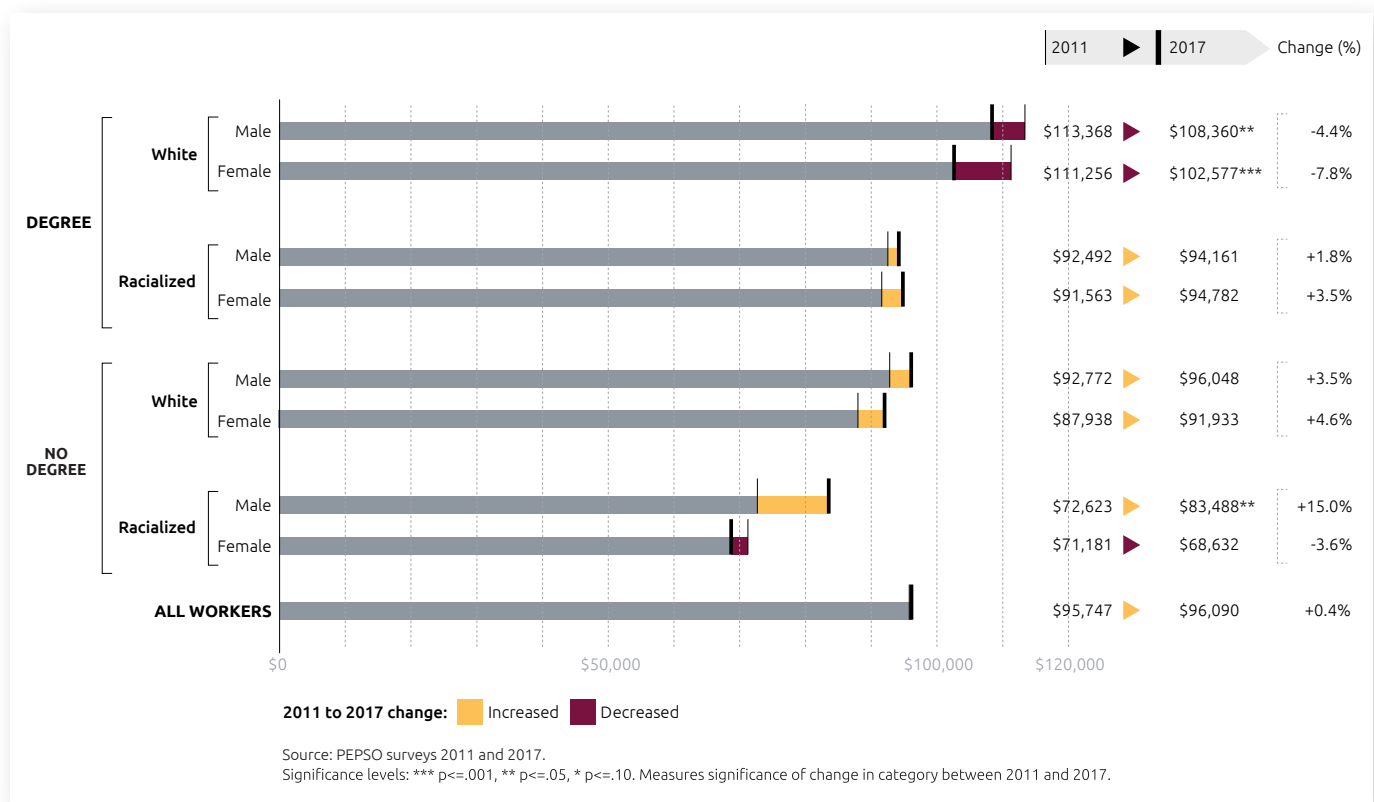


For the entire sample, household income was the same in both years. White women with a university degree reported a statistically significant drop in household income. Racialized men without a university degree were the only group to report a statistically significant increase in household income reflecting the strong individual income gains reported by this group of workers.

Figure 19 reports changes in average household income between 2011 and 2017 adjusted for inflation for households with more than one person. White men and women with a university degree reported living in households with lower income in 2017 than in 2011. Racialized men without a university degree were the only group to report a statistically significant increase in household income.

We can only speculate why white men and women with a university degree reported lower household income in 2017 in **Figures 18** and **19**. Appendix B includes indicators of family structures in 2011 and 2017. In the sample as a whole, there was a small decline in the prevalence of participants being married or living common law, an increase in the number living alone, and an increase in the number with children under age eighteen living at home. White men with university degrees, and, to a lesser amount, white women with a degree, were more likely to report having a child under 18 years old living in the household in 2017. One possibility is that lower household incomes for these two categories reflect reduced total household hours in paid employment as a response to increased childcare needs. Racialized women without a degree were less likely to be married or in common law relationships which could reduce household income, but also less likely to have children in the house which could increase household income. Racialized men without a degree reported an increased prevalence of living alone which would reduce household income suggesting the increase in income for this category is an underestimate of the gains this category of workers made.

Figure 19: Average household income (2+ households) (2017 dollars)



Changes in relative rankings between categories of workers in 2011 and in 2017: Earnings

Most of this report assesses changes between 2011 and 2017 **within** the eight categories of workers defined by sex, race, and education. The results indicate that white and racialized men without a degree were the most likely to enjoy increased income.

The data also tells a story of how relative rankings **between** the eight categories changed over the six-year period. Previous PEPSO reports showed that certain categories of workers faced more barriers finding secure employment and better paying jobs. The findings from *Getting Left Behind* suggest that the different experience of different categories of workers may have widened since 2011. Those facing the fewest barriers benefited the most from the improved labour market conditions while those facing more barriers gained little if any.

White men with a university degree were the highest paid class of worker in 2011 and in 2017. However, unlike trends in employment security, the gap between the earnings of white men and most other categories of workers narrowed between 2011 and 2017. In 2011 white men with a university degree earned 134 percent of the sample average. In 2017, this fell to 130 percent. Racialized women without a degree continued to be the lowest paid class of worker. In 2011, they earned 66 percent of the sample average. In 2017, they only earned 64 percent of the sample average.

In general, men tended to be in better paying employment than women in 2017. Between 2011 and 2017, the average income reported by all men increased from \$72,483 to \$77,165, an increase of 6.5 percent. The average income reported by all women increased from \$61,952 to \$61,965, an increase of less than one percent. The gap between the individual incomes of women relative to men increased from 15 percent to 20 percent. This means that for every dollar a man earned, women earned \$0.85 in 2011 and \$0.80 in 2017, according to our data.³¹

Between 2011 and 2017, the average income reported by white workers increased from \$70,791 to \$73,621, an increase of four percent. The income of racialized workers increased from \$59,224 to \$61,850 an increase of 4.4 percent.

The increase in male earnings between 2011 and 2017 reflect the strong gains made by white and racialized men without a degree in 2017. In 2011, white men without a university degree earned five percent less than the average income of all workers. In 2017, they earned two percent more than the average worker. In 2011, racialized men without a degree earned almost 24 percent less than the average worker. By 2017, that gap had narrowed and they earned 13 percent less than the average worker.

Overall, workers who were the most likely to find secure and better-paying employment in 2011 still were the most likely in 2017 to find secure, better-paying employment. Likewise, those workers who faced the most barriers in 2011 finding secure, better-paying employment faced those same barriers in 2017. The findings reported in *Getting Left Behind* suggest that, if anything, those who faced the fewest barriers made the greatest gains as a result of the improved labour market and those who face the most barriers made the smallest gains. The one exception was the ability of white and racialized men without a degree to find better-paying employment in 2017.

31 The most recent report from Statistics Canada on women's earnings reported that women employed full-time and full year in 2015 earned 74 percent of what men earned annually and that women's hourly wage rate was 87 percent of men's wage (Moyser 2017).



Summary of Part 2: Changes in Income

There is evidence that, for the survey participants as a whole, there was a small increase in real earnings between 2011 and 2017. However, this did not translate into an increase in household earnings. Income gains were not widespread. The only categories of workers to report an increase in real individual income were white and racialized men without a university degree. Everyone else reported only a statistically insignificant change in individual income.

The barriers to earning higher incomes largely remained in place in 2017. Men generally earned more than women, white workers earned more than racialized workers, and workers with a university degree earned more than those without. The findings related to employment security suggest that the employment security gaps between workers with different characteristics generally widened. This was less the case with incomes. White men with a university degree continued to earn the most and racialized women without a degree the least, but income gains by white and racialized men without a university degree improved the relative earnings of these two categories of workers relative to the others.

The stagnation in incomes is problematic, as costs have risen during this time in the GTHA, especially in relation to housing. This means that it is likely just as difficult, if not more so, for workers to get by now compared to just after the recession, despite the improved labour market.



PART 3

Social Outcomes

Key findings

a) Changes in health outcomes

- The prevalence of less than very good general health did not change between 2011 and 2017. This was true for each of the eight categories of workers.
- The prevalence of less than very good mental health increased between 2011 and 2017. However, white women with a university degree were the only group that reported a statistically significant increase in the prevalence of less than very good mental health.

b) Household well-being and community engagement

- Despite the growth in secure employment, there was no reduction in anxiety related to employment interfering with personal and family life.
- White women without a degree reported more anxiety. Racialized men without a degree reported less anxiety.
- There were no significant changes in delays in starting a relationship or a family.
- There was an increase in the prevalence of workers reporting they had a close friend they could talk to. This change was strongest amongst white workers without a degree.

c) Not getting paid and knowledge of labour standards

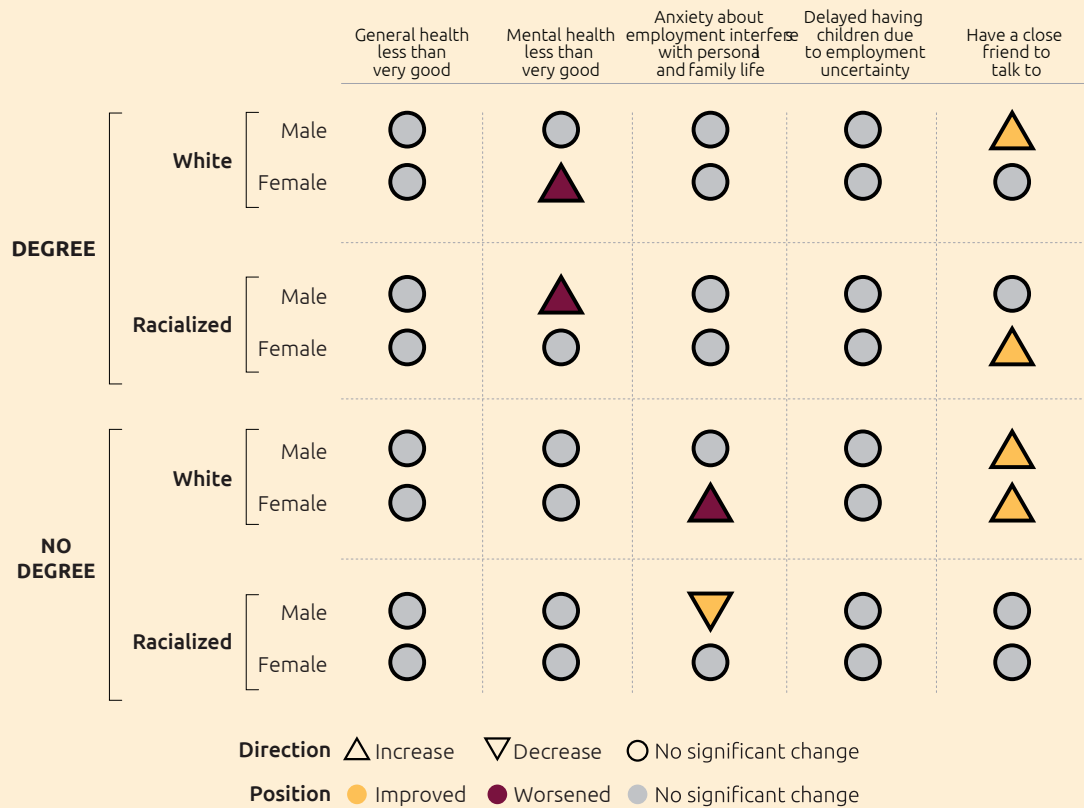
- Almost seven percent of workers were not paid properly in 2017.
- Not always being paid in full for work done was the most common reason for not being paid properly.
- Just under two percent of all workers were paid less than the minimum wage in 2017.
- There were relatively small differences between the eight categories, although racialized women without a degree were the most likely to not be paid properly in 2017.
- Workers who only required on the job training were the most likely to report not being paid properly.

- Over two-thirds of workers did not understand their entitlements to overtime pay.
- Twelve percent thought it was up to the employer to decide overtime premiums and just over eight percent thought they were not entitled to any premium for extra hours.

d) The role of education

- As workers acquired more education, the likelihood of their being employed in a Standard Employment Relationship increased.
- In 2017, education was even more of a factor in finding secure employment than it was in 2011.

SUMMARY CHART: 2011-2017 changes in household well-being and social outcomes by worker category



Source: PEPSO surveys 2011 and 2017.

Previous PEPSO reports studied the impact of precarious employment on social outcomes. In general, the findings strongly suggested that precarious employment had a negative effect on household well-being, created barriers to participation in community life, and led to more frequent negative health outcomes. Analysis of the 2017 data confirmed that the impact of precarity on individual and household social outcomes was the same as in our previous PEPSO reports. Our interest in what follows is whether the **distribution of some of these social effects** changed across the eight categories of workers. *Getting Left Behind* explores whether household well-being, community participation, and health improved more for some categories of workers than for others as a result of an improving labour market.

a) Changes in health outcomes

The Precarity Penalty examined the relationship between employment security, income, and race in some detail. Precarious employment was associated with poorer general health and poorer mental health. Increased income was associated with better health generally, and immigrants and racialized workers (both foreign- and Canadian-born) generally reported poorer health. This section explores whether precarious employment continues to impact the health and well-being of individuals and how different categories of workers responded to the improved labour market conditions.

Figure 20 reports changes in the prevalence of less than very good general health between 2011 and 2017. Despite the improving economy and the decrease in insecure employment, there were no statistically significant changes. Racialized workers and workers without a university degree were generally more likely to report less than very good health than white men and women with a degree.

Figure 21 reports findings related to mental health. There was a statistically significant increase in the percentage of respondents who reported their mental health was less than very good in the sample as a whole. White women with a university degree also reported an increase in less than very good mental health. This finding is disappointing given the improved labour market conditions and the overall improvement in employment security. It is unclear why white women with a degree may be experiencing an increase in mental health being less than very good.

Figure 20: General health less than very good (%)

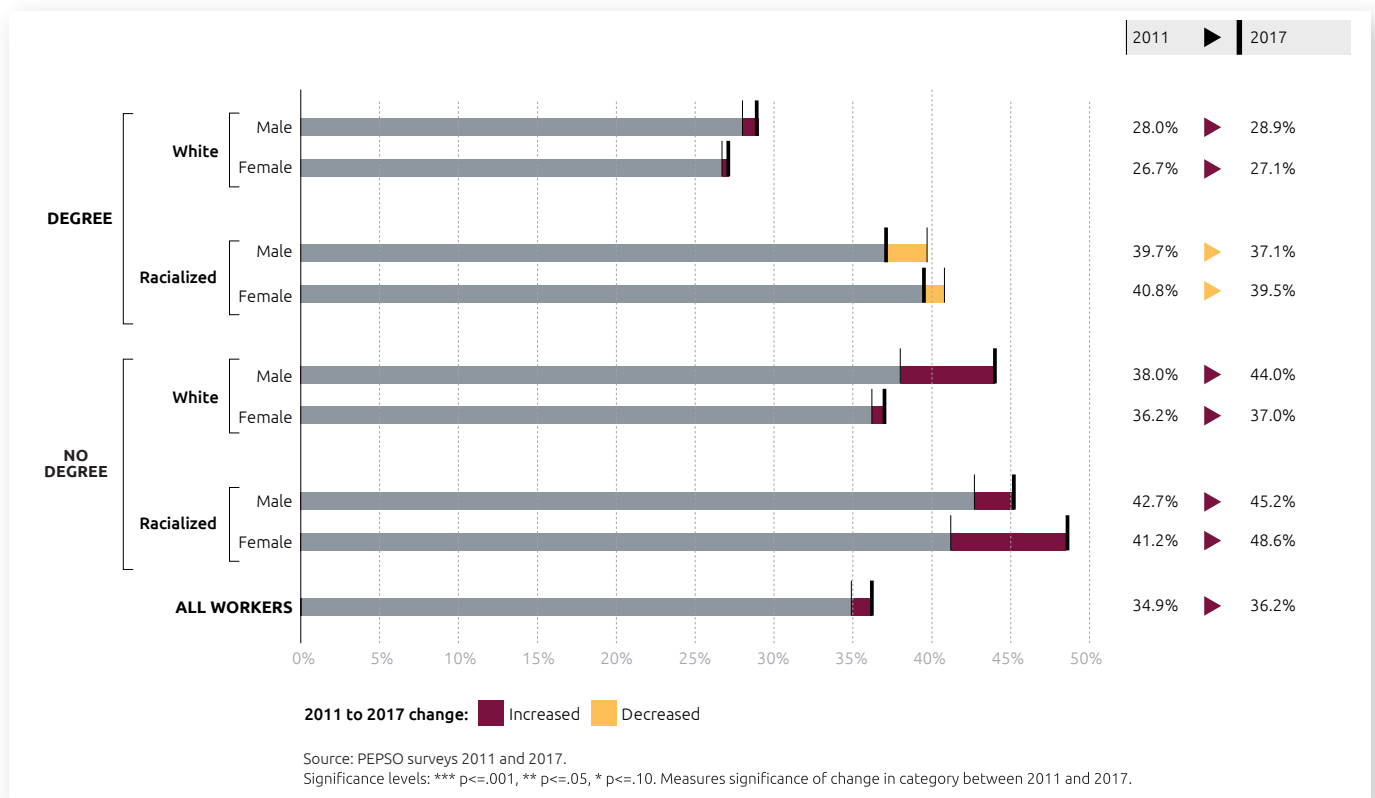
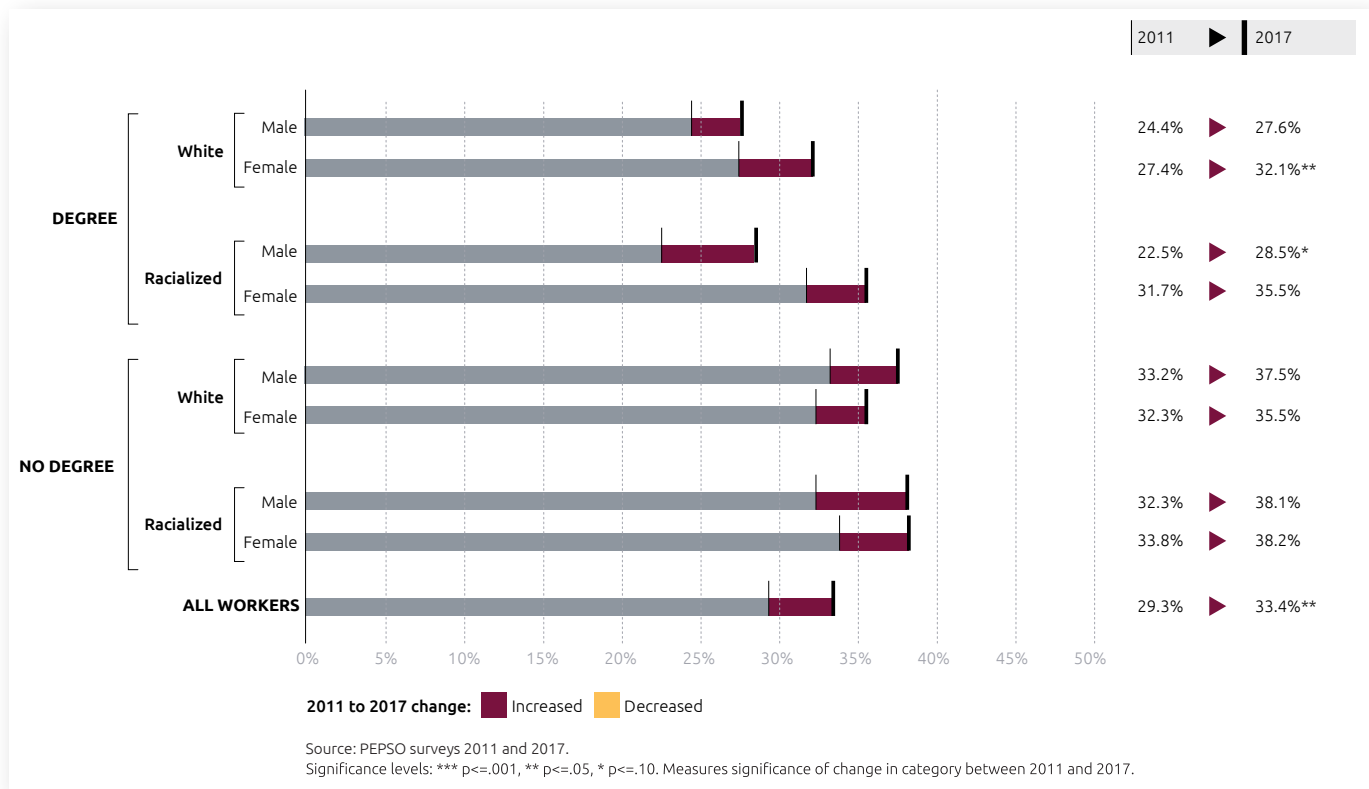


Figure 21: Mental health less than very good (%)



b) Household well-being and community engagement

The Precarity Penalty explored the association between precarious employment and household well-being. Workers in precarious employment delayed forming relationships and starting families, reported more stress and anxiety at home, were more likely to be falling behind with payments, and more likely to be concerned about maintaining their current standard of living. The figures that follow examine how the different categories of workers benefited from the improving labour market.

Figure 22 reports there was no statistically significant change in the prevalence of anxiety about employment interfering with personal and family life in the sample as a whole. White women without a degree reported an increase in the prevalence of anxiety while racialized men without a degree reported a decrease. The latter is consistent with earlier observations that this category of workers reported significant increases in both individual and family income over the period, but also an increase in living alone.

There were no significant changes in young workers age 25 to 35 delaying having children as a result of employment uncertainty. However, it's notable that comparable numbers of individuals are still delaying having children due to employment uncertainty, despite an improving labour market (**Figure 23**).

Figure 22: Anxiety about employment interferes with personal and family life (%)

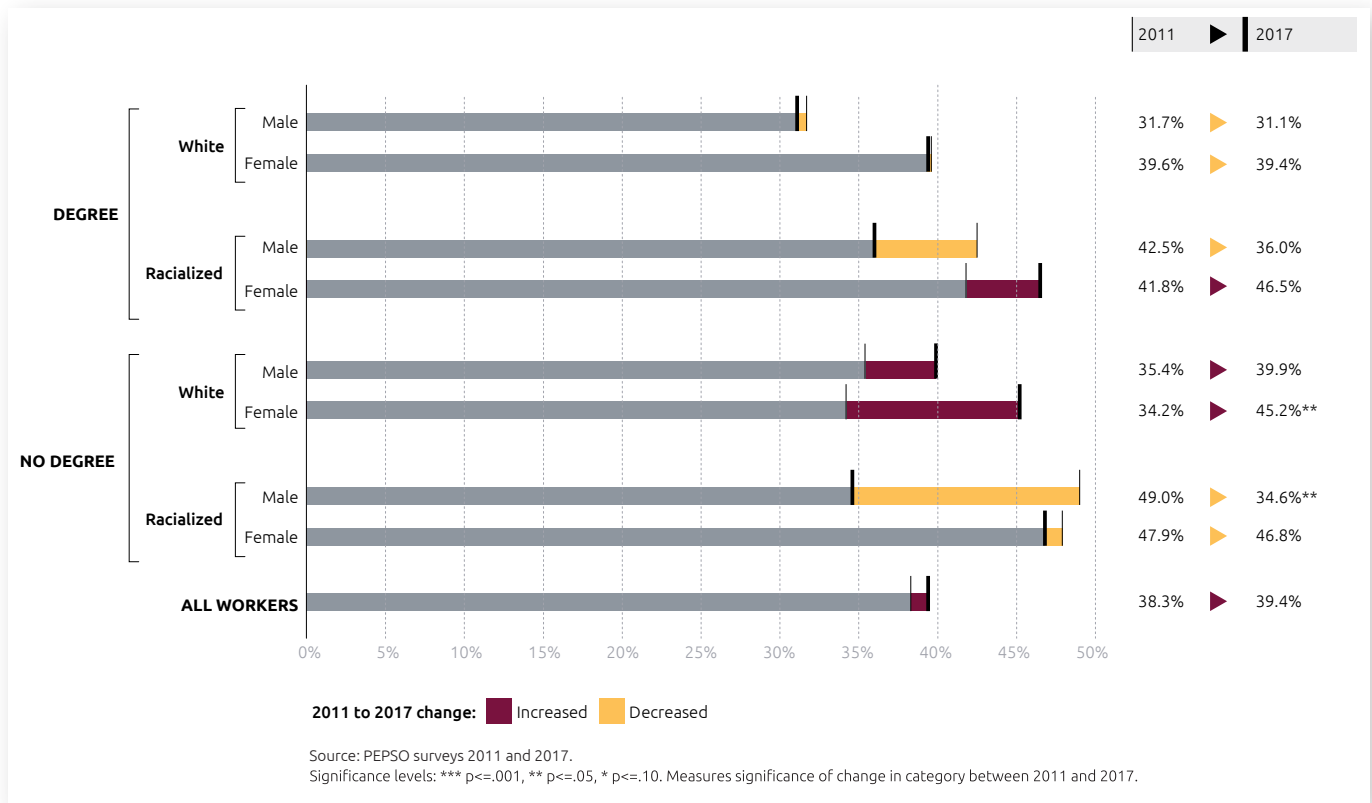
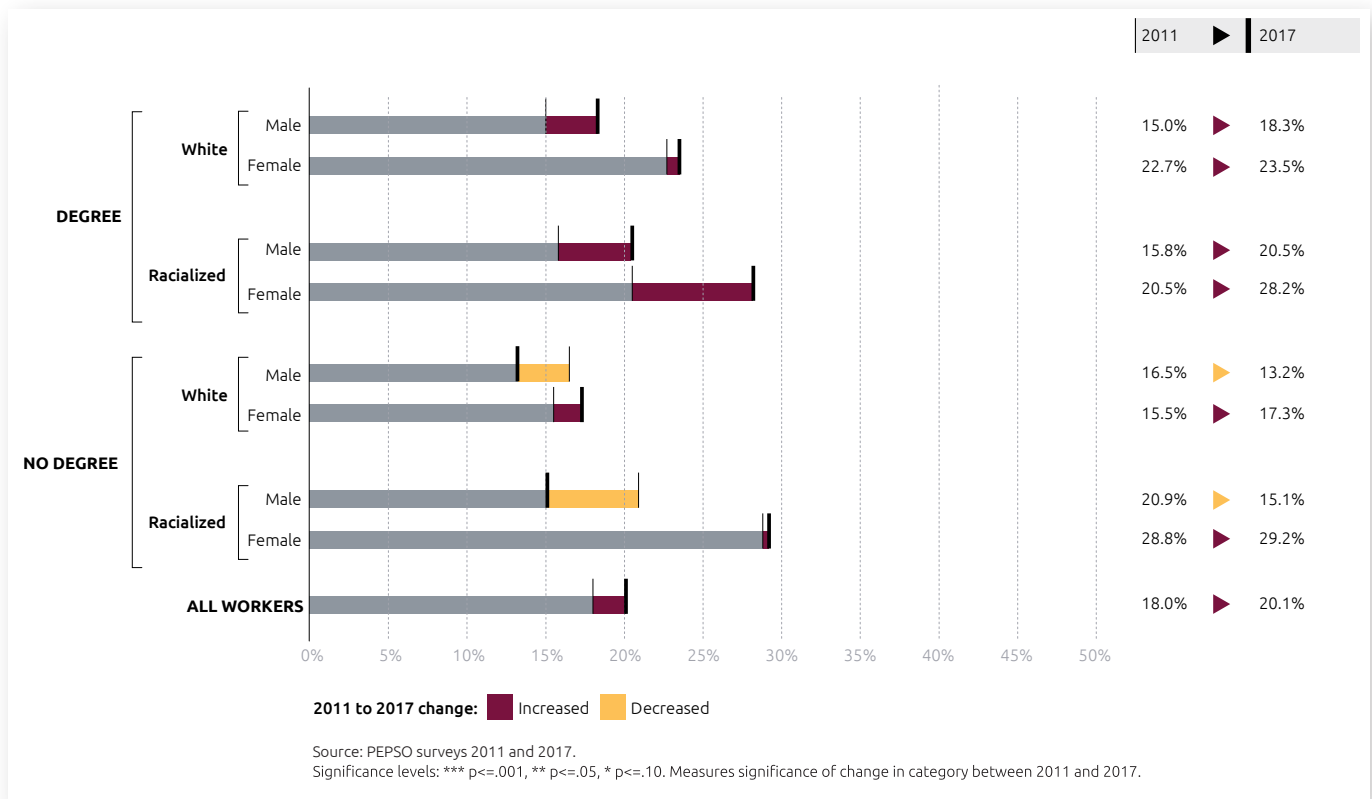
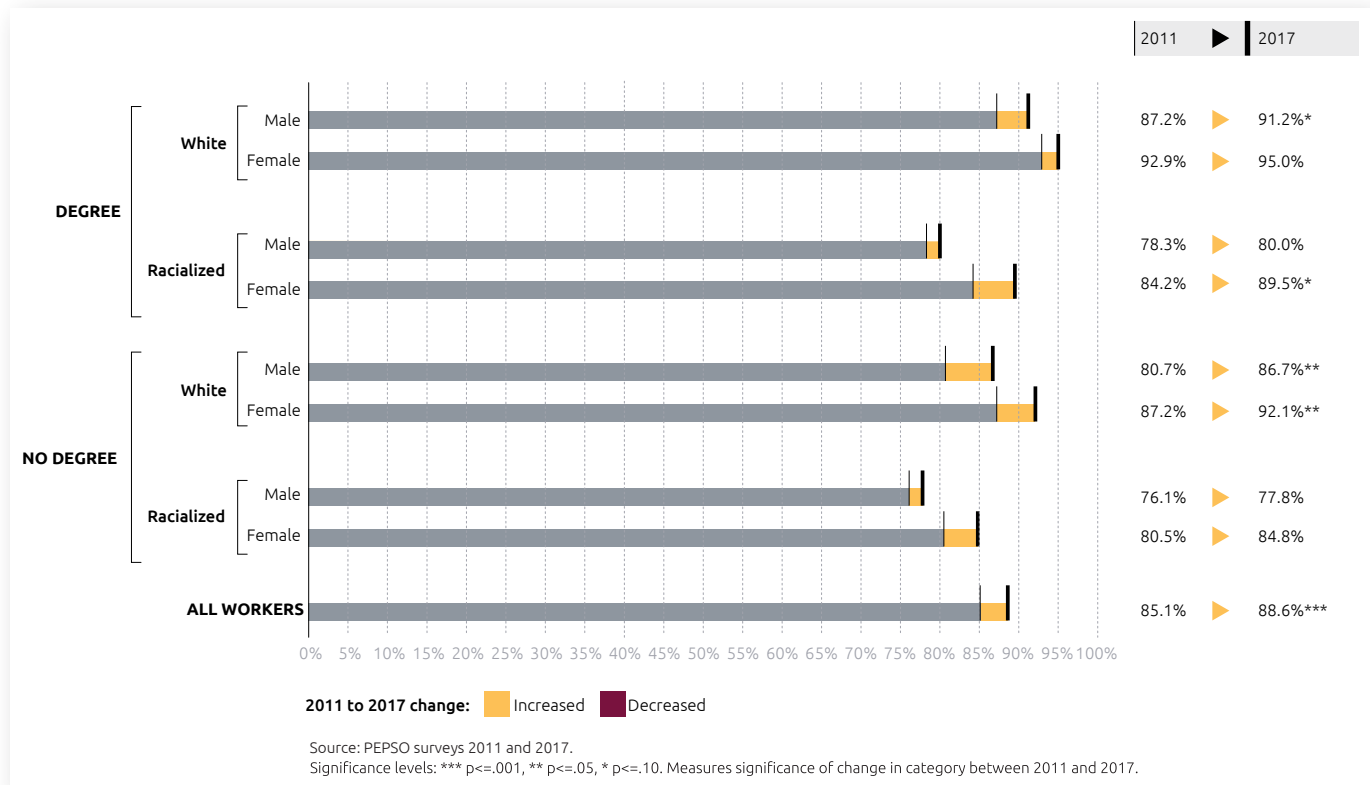


Figure 23: Delayed having children due to employment uncertainty (age 25-35) (%)



The ability of individuals to participate in their community was an important question explored in previous PEPSO reports. In general, workers in precarious employment were less likely to have friends to engage with or who could provide support. This is important because these types of personal networks at work help people attain new and better jobs. In **Figure 24** there was a small, statistically significant increase in the prevalence of workers who have a close friend to talk to in the sample as a whole. White men and women without a university degree reported the largest changes.

Figure 24: Has a close friend to talk to (%)



c) Not getting paid and knowledge of labour standards

The 2017 survey asked individuals how often they were not paid and if they were ever paid less than the minimum wage. Just under seven percent of the sample as a whole reported yes to at least one of these questions. Racialized women without a university degree were the most likely to answer yes to at least one of the questions (**Figure 25**).

Figure 26 combines the three questions in **Figure 25** related to not getting paid properly into a single measure and compares it across the level of education needed to do your job. Not getting paid properly was most prevalent amongst workers whose job only required on the job training. This points to a serious labour standards enforcement issue for this class of worker.

The 2017 survey asked participants about their knowledge of existing labour standards as they relate to overtime entitlements and findings are reported in **Figure 27**. Less than two-thirds of

participants knew the correct answer of 1.5 times regular pay. Nearly one in eight thought it was up to the employer to decide.

Women were marginally less well informed than men with nearly ten percent believing employees were only entitled to regular pay for hours worked over forty and less than 60 percent knowing they were entitled to 1.5 times regular pay. Racialized workers were marginally better informed than white workers.

Figure 25: Not being properly paid: 2017 (%)

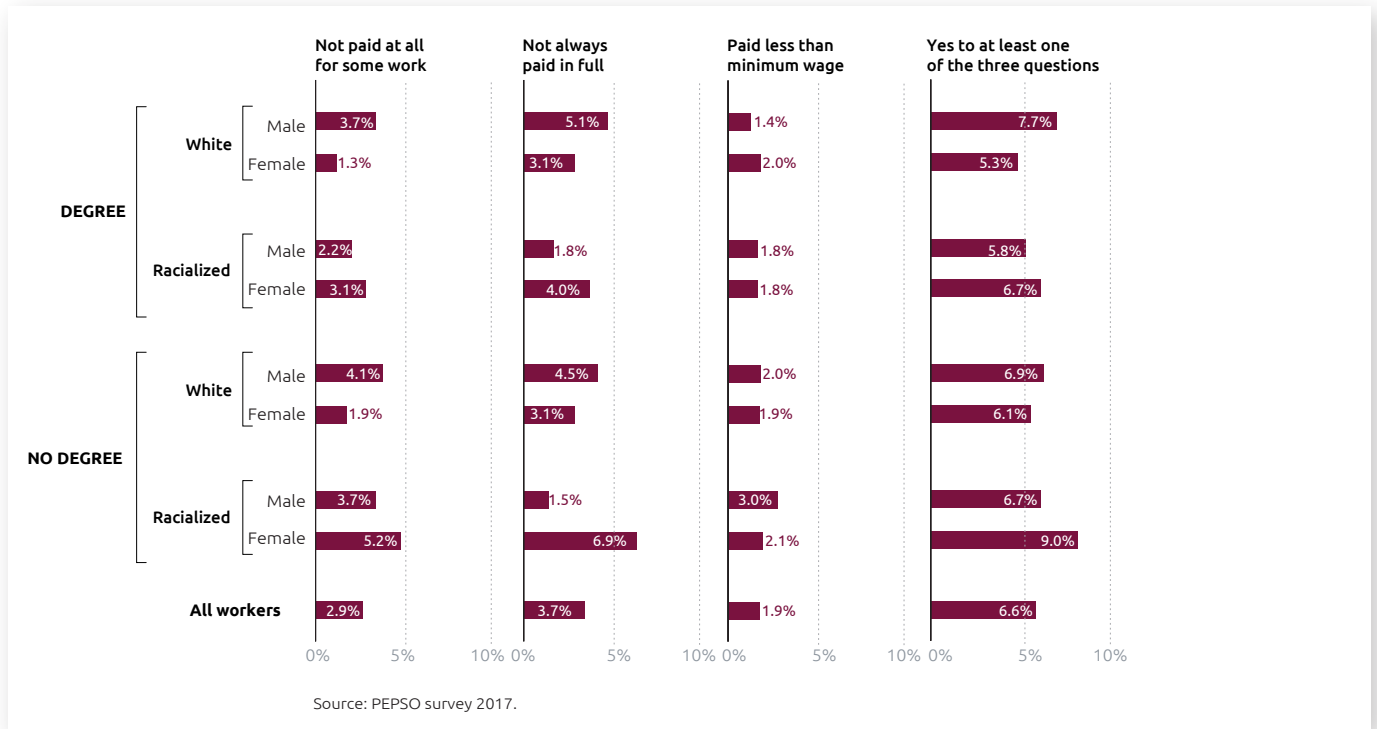
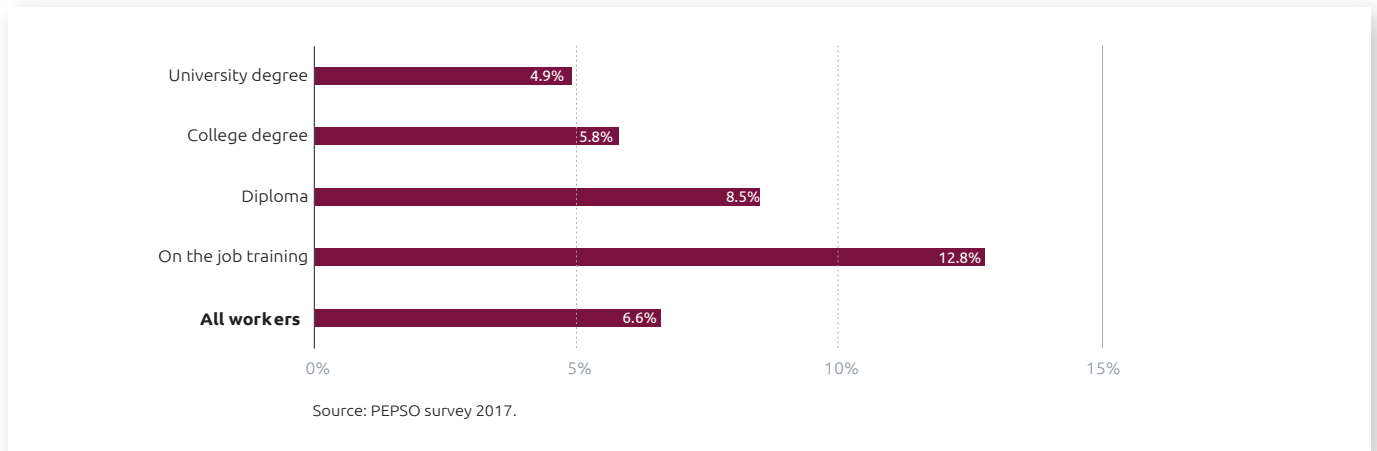


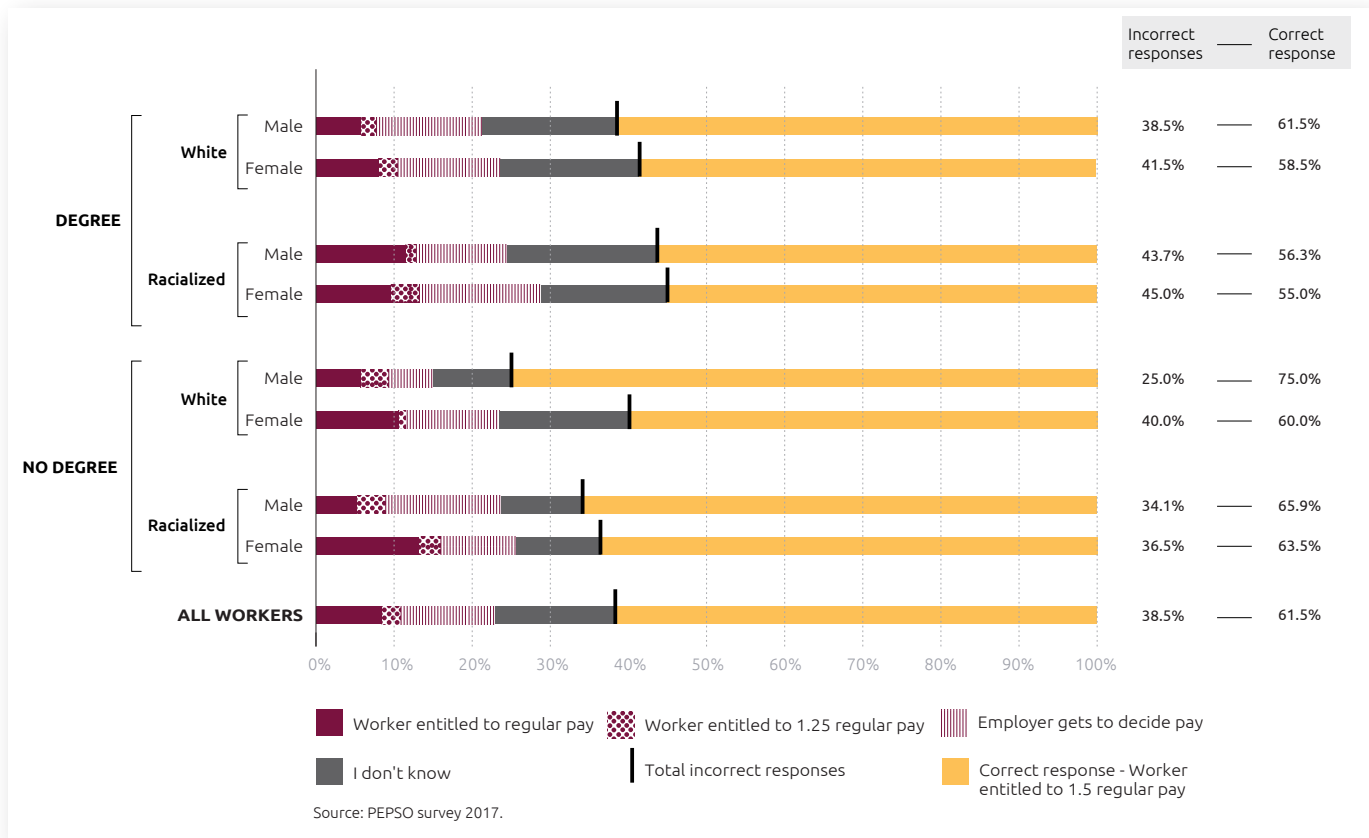
Figure 26: Not being properly paid by education needed to do a job: 2017 (%)



Workers without a degree were generally better informed than those with a degree. Racialized women without a degree were the most likely to report they were only entitled to regular pay for overtime. Racialized women with a degree were the most likely to report employers get to decide overtime rates.

Most of the differences between categories of workers were not statistically significant.

Figure 27: Knowledge of labour standards: Entitlement for hours worked beyond forty-four: 2017 (%)



d) The role of education

Getting Left Behind has stressed the divide in economic outcomes between those with a university degree and those without. Despite an improving labour market, workers without a university degree were unable to translate this into significantly improved employment security. The improvements workers without a degree did report were relatively small and for the most part statistically insignificant, meaning we could not rule out that these small changes were a result of sampling error. The standing on a number of indicators of workers without a degree relative to those with a degree deteriorated over the six-year period this study covers. This reflects that those with a degree enjoyed improvements while those without a degree largely stood still.

The findings point to the importance of investing in people if they are going to secure a sustainable form of employment, one that allows their households to thrive and allows individuals to participate

fully in our community. This section provides a more detailed evaluation of outcomes on a select number of indicators by a more detailed measure of education.

The figures below divide the sample into three educational components: workers with a university bachelor degree or better, workers with some college or university or a trade certificate, and workers with a secondary school certificate or less.

Figures 28 and 29 report changes in employment security by levels of education. They make clear that as workers acquired more education, the likelihood of their being employed in a Standard Employment Relationship increased. They also suggest that, in 2017, education was even more of a factor in finding secure employment than it was in 2011. In 2011, workers with a university degree were almost 26 percent more likely to be in a Standard Employment Relationship than

Figure 28: Standard Employment Relationship by level of education (%)

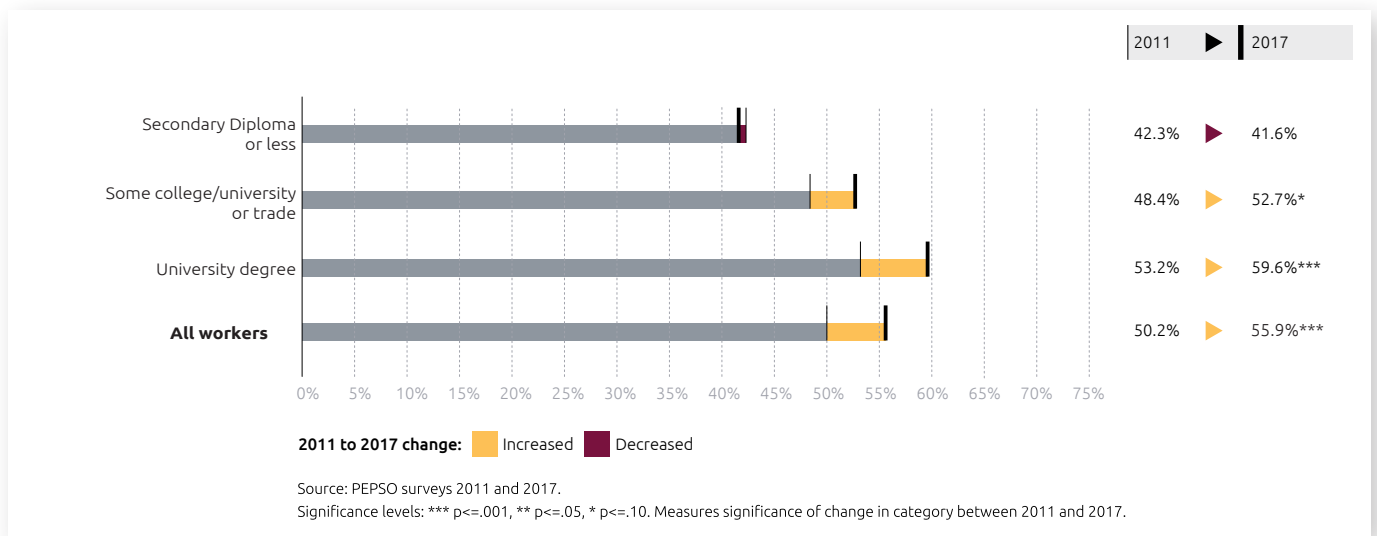
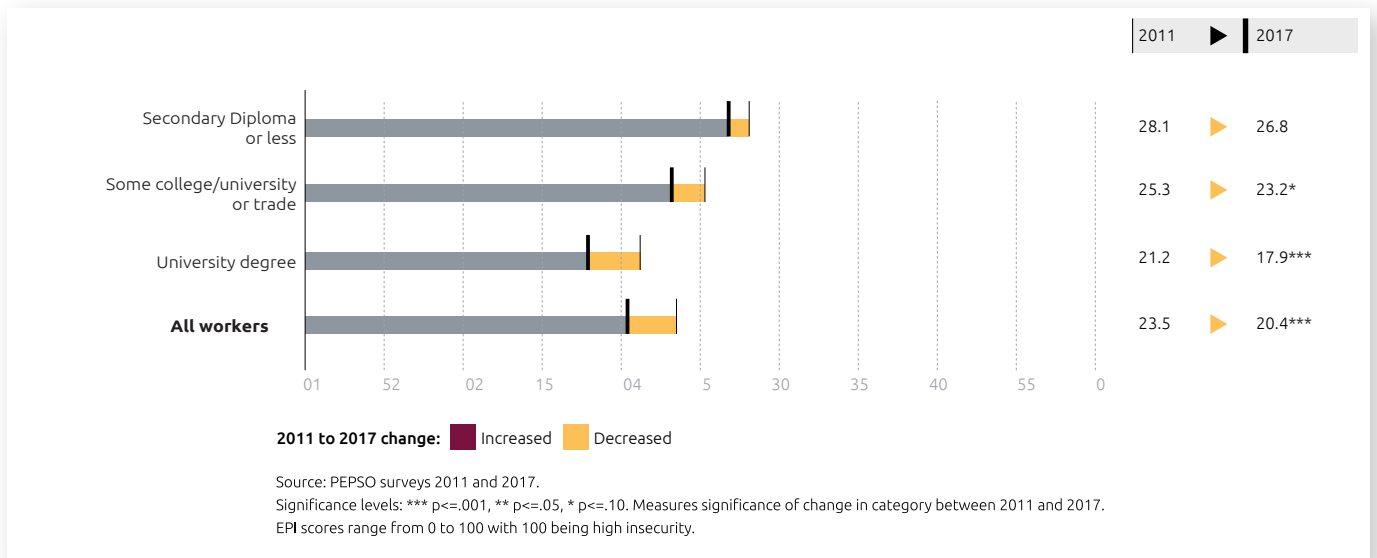


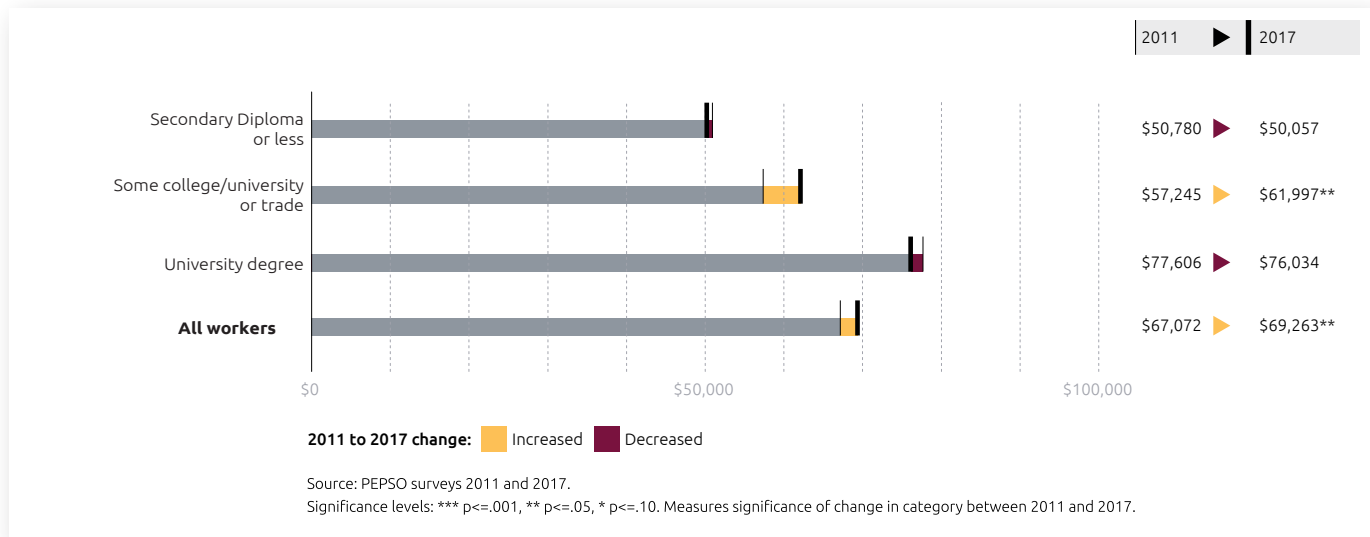
Figure 29: Average Employment Precarity Index score by level of education (#)



workers with only a secondary diploma. In 2017, they were over 43 percent more likely. In 2011, workers with a university degree reported *Employment Precarity Index* scores that were almost 25 percent lower than workers with only a secondary diploma. By 2017, they were closer to one-third lower. Lower *Employment Precarity Index* scores represent increased employment security.

Figure 30 reports income data for the three categories of education. Unlike employment security, workers with a university degree did not report higher incomes in 2017. The one category of worker that did report higher incomes in 2017 was the middle category of workers with some college or university or a trade. They reported over an eight percent increase in real income, more than double the increase reported for the sample as a whole. Incomes for workers with a university degree or those with only a secondary diploma or less were stagnant. This is consistent with what we reported earlier regarding increases in individual incomes of men without a university degree.

Figure 30: Average income by level of education (\$)



The findings point to the **importance of investing in people** if they are going to secure a **sustainable form of employment.**

Summary of Part 3: Social Outcomes

As was the case in previous PEPSO reports, *Getting Left Behind* revealed that precarious employment continues to have a negative effect on individual health outcomes, household well-being, and ability to participate fully in community life.

The prevalence of less than very good general health remained the same despite the improving labour market. Workers without a degree and racialized workers were generally more likely to report less than very good general health. The prevalence of less than very good mental health increased between 2011 and 2017. Over one-third of workers reported their mental health was less than very good in 2017. White women with a university degree reported the largest increases. Workers without a degree and racialized workers were generally more likely to report less than very good mental health.

The prevalence of anxiety about employment interfering with personal and family life remained the same despite the improving labour market. Between 2011 and 2017, white women without a degree were more likely to report anxiety while racialized men without a degree were less likely, perhaps reflecting the improved earnings reported by the latter category of workers in 2017.

There was no change between 2011 and 2017 in the prevalence of workers delaying starting a family due to employment uncertainty. Racialized women without a degree were the most likely to delay starting a family. There was a small increase in the sample as a whole reporting they had a close friend to talk to. The improvement was most significant for white men and women without a degree.

In *Getting Left Behind*, workers were asked if they were paid properly and their knowledge of labour standards. Over six percent of workers reported either they were not paid at all for some work, not always paid in full, or paid less than the minimum wage. These issues were the most prevalent amongst workers who only needed on the job training to do their jobs. Workers were not well informed about their labour rights associated with payment for overtime. Less than two-thirds of the sample knew that workers were entitled to time and one-half for hours beyond 44. Over one in 10 thought it was up to the employer to decide overtime premiums.

The findings point to the importance of investing in people if they are going to secure a sustainable form of employment. They make clear that as workers acquired more education, the likelihood of their being employed in a Standard Employment Relationship increased. They also suggest that in 2017, education was even more of a factor in finding secure employment than it was in 2011.



CONCLUSION AND RECOMMENDATIONS

Getting Left Behind explores the changing nature of precarious employment as the GTHA economy and labour market saw improvements between 2011 and 2017. The report confirms that overall job security improved alongside the economy. But it also reveals that there are deep inequalities in our labour market outcomes related to background and circumstances of workers. Specifically, only a few categories of workers benefited from labour market improvements: white men and women with university degrees, as well as racialized men with a university degree, reported significant improvements in several measures of employment security. All other groups of workers, including racialized women with a university degree and all categories of workers without a university degree, experienced limited benefits from an improving labour market. White men continued to be the most likely to be in secure employment between 2011 and 2017 as improvements in this group's job quality outpaced everyone else's. Overall, the labour market of 2017 was even more polarized than it was in 2011 in terms of employment security.

There were other trends that contributed to this labour market polarization, in particular an overall stagnation of wages. In a growing labour market, we would expect to see significantly improving wages. Yet, this is not what occurred between 2011 and 2017. According to Statistics Canada, the real average weekly wage in the GTHA increased by only one percent in this time period, after accounting for inflation. *Getting Left Behind* found that while average annual individual incomes increased just over three percent in real terms over the six-year period, household income did not increase at all. Men reported increases of just over six percent, while women reported increases of only one percent. The pattern of wage increases differs somewhat from the pattern of who found more secure employment as a result of an improving labour market. The only two categories of workers to report significant increases in individual income were white and racialized men without a university degree. That women, as a whole, did not see improvements in earnings or employment security, despite the strength of the economy, speaks to the importance of certain policy levers, like raising the minimum wage—as the advantages will go mainly to low-income earners, many of whom are women and also racialized—and reducing the reliance on employment to provide pensions, supplemental health benefits, and drug plans.



Despite the growth in secure employment between 2011 and 2017, precarious employment has imprinted itself on to the GTHA labour market. Just over 37 percent of workers are still working in some degree of precarious employment. Because of this, people continue to have challenges getting ahead and planning for the future. Those in precarious employment still had very limited access to health benefits, pensions, and employer-provided training, and about 20 percent did not always know their schedules one day in advance.

People's wellbeing overall also didn't improve with the growing economy: significant signs of social stress remain at play. There was a statistically insignificant increase in those reporting less than very good general health and a statistically significant increase in the prevalence of those reporting less than very good mental health. Anxiety related to employment continues to be a significant concern for almost 40 percent of workers and actually increased for white women without a degree. The one area where there appears to be positive social outcomes is in community engagement. More workers reported having a close friend they could talk to. The improvements were particularly prevalent amongst workers without a degree, and especially for white men and women without a degree.

Improved economic conditions can lead to improved economic outcomes for some. However, this report suggests that relying on market forces alone will still leave many groups of workers behind and may lead to an increasingly polarized society. What stands out is that when it comes to landing a secure job in a growing economy, gender, race, and having a university degree determine whether or not you get left behind. The findings also confirm that the effects are compounding. Workers who were female and racialized and who didn't have a university degree reported the least gains of any category of worker. It is clear that simply relying on a growing economy is not resulting in benefits for many categories of workers.

Moving forward together: Building blocks for employment security

Since first publishing *It's More than Poverty* in 2013, the PEPSO initiative has convened conversations, undertaken research, and advocated for policies that would either reduce employment precarity or mitigate its impacts. This included convening experts from across many sectors, analyzing over 2500 potential policies from across the globe that could address employment precarity, and proposing a comprehensive set of strategies to modernize policies and programs for today's labour market, which were laid out in *The Precarity Penalty* in 2015.³²

During this time, many stakeholders have also taken concrete steps to enable more workers to access security and stability. The Ontario government undertook the Changing Workplaces Review to assess all employment and labour standards in relation to the changing world of work, and passed Bill 148, *The Fair Workplaces, Better Jobs Act, 2017*.³³ Local governments have also taken leadership through social procurement policies that enabled more access to better jobs for those experiencing multiple barriers in the labour market. The private sector advocated for improved working conditions through the Better Way to Build the Economy Alliance and by participating in the case studies and roundtables convened for the *Better Business Outcomes Through Workforce Security* report published by KPMG and United Way.³⁴ The community sector has continued to participate in efforts to encourage decent work through initiatives such

32 For more information on the 2500 policies that were analyzed and written up into policy briefs, see: www.pepsocanada.ca/research-projects/policy-forum.

For more information on the set of policy recommendations in *The Precarity Penalty*, see PEPSO 2015, pp. 138-162.

33 Mitchell and Murray 2017.

34 Better Way to Build the Economy Alliance 2018. KPMG and United Way Toronto & York Region 2017.



as the Ontario Nonprofit Network's decent work program and Atkinson Foundation's decent work fund.³⁵ The labour movement has continued to play an important role in retaining secure jobs and advocating for improved working conditions.³⁶

We have also seen growing attention paid to the need for extended health and dental benefits and other important social supports, such as early learning and childcare. The announcement of a new National Housing Strategy comes with a commitment to new tools that target households in core housing need, a large portion of which include working-poor households that see a growing gap between household income and rent. A new portable housing benefit, in particular, is a measure that holds significant promise to provide relief for those who are in precarious employment.

It's evident that the process of modernizing our policies, programs, and institutions to adapt to this new labour market reality has begun. There is increasing agreement that non-standard employment is likely to be a permanent fixture in our labour market and that we need to join other jurisdictions in collectively taking action to ensure that stability and security for workers continue to be our primary goals. As this occurs, the pace of technological change and an increasing reliance on Artificial Intelligence will likely catalyze other workforce changes that will demand policy study and ongoing modernization and intervention.³⁷ However, it has become increasingly important for us to act now to shape our labour market for the future to ensure that everyone can gain from these changes, regardless of their gender, race, or whether or not they have a university degree. We need to build on the momentum of this progress to make transformative change that will future-proof our labour market so that everyone can share in Ontario's prosperity.

A growing consensus has emerged that in the face of continuing fundamental changes in our economy we need an intentional discussion that involves all sectors and looks at what the future roles and responsibilities of each sector and group will be in building and sustaining a fair and inclusive labour market that ensures both the economy and people thrive—governments, the private sector, the community sector, labour, and workers themselves. Some call this a new social contract or modernized social architecture, while others talk about this as inclusive capitalism.³⁸ But the underlying principles are shared—we need to redefine the roles we play today to prepare for the future. Without this, we will end up with worsening social outcomes: more inequity and precarious employment, greater labour market polarization, increasing poverty, and the wasting of the talents and contributions of so many people in our society. And if we allow these trends to continue, the burden of risk will continue to be held increasingly by individual workers and will not be shared by all of us collectively. In an environment like that, our society is at risk of fracturing, the economy is at risk of faltering, and we are all at risk of being worse off.

We are recommending five essential building blocks in three key areas for a more inclusive economy. We believe that these building blocks will catalyze movement toward transformative change. A range of complementary actions for all sectors to undertake are also outlined in each area. These actions serve to support and enhance the five essential building blocks.



35 Ontario Nonprofit Network 2018a; Atkinson Foundation 2018.

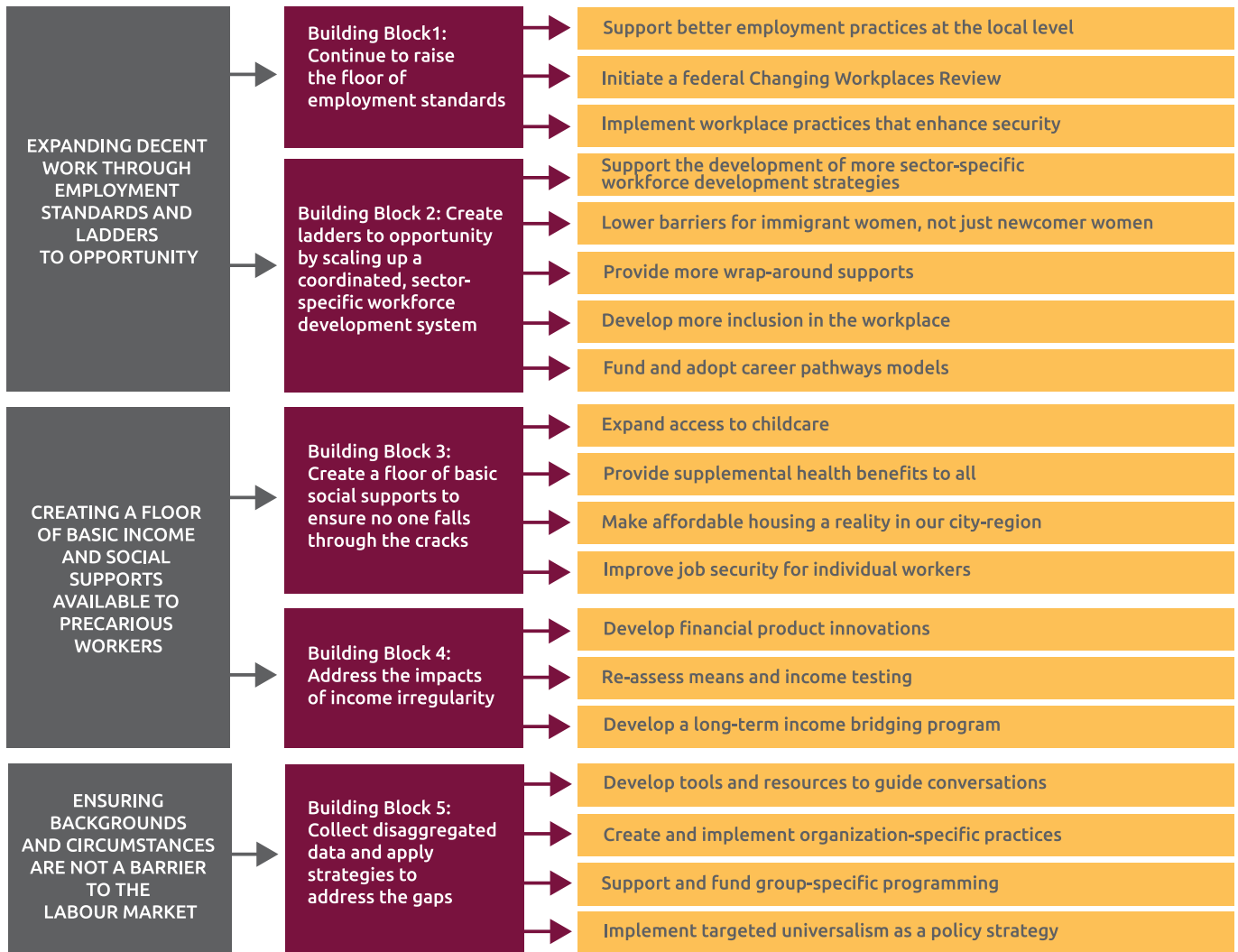
36 Patterson et. al. 2017; Ontario Federation of Labour 2018; Araf et. al. 2017.

37 Frey and Osborne 2017.

38 Wiseman 2017; Maytree 2018; Mowat Centre 2018.

These are summarized in **Figure 31**. It is important to note that all of these recommendations are interconnected and require all of us to play new roles and take on new or different responsibilities in supporting those in precarious employment to access security and stability in their work, family, and community lives.

Figure 31: Summary of recommendations



We need to **build on the momentum** of this progress to make **transformative change** that will **future-proof our labour market...**

Expanding decent work through employment standards and ladders to opportunity

One of the challenges that has been identified in each of the three PEPSO reports is that low-income workers are often the most impacted by the harmful effects of precarious employment. *Getting Left Behind* shows that even in an improving economy, there were strong indications that those at the 'low end' of the labour market are continuing to struggle with poor working conditions. To improve the labour market outcomes of this group, it is imperative that we continue to expand on the positive steps taken to build up the floor of working conditions through employment standards and ensure that there are pathways to other opportunities.

Building Block 1: Continue to raise the floor of employment standards

Many workers still fall outside of the realm of employment standards, which is intended as a minimum floor of standards for working conditions. For example, prior to the changes in Bill 148, almost 70 percent of the labour force in Ontario was found to be exempt from at least one provision of the *Employment Standards Act*.³⁹ Many of these workers are in precarious employment. It is important that the province continue to build on the learnings of the Changing Workplaces Review to ensure that all Ontarians can have access to a minimum set of working conditions that are enforced.

The legislation that was developed in response to the Changing Workplaces Review, Bill 148, contained many positive steps forward. While much of the focus on Bill 148 has been on the increases to the minimum wage, there were additional improvements that have received much less attention and have already begun to help those in precarious employment. For example, the equal pay for equal work provisions address the large pay gap between those in precarious employment and those in secure employment to ensure that workers doing the same job get the same wages. The addition of two paid personal emergency leave days for all workers and the expansion of job protected personal emergency leave to those working in small firms helps the one-third of workers in our sample that responded that they did not get paid for missing a day's work. It is important that we build on this momentum and positive progress and not take steps backwards.

These measures are critical because, as we have found in our research, economic growth alone has not helped address the challenges faced by precarious workers. Economic growth without accompanying updates to our labour market and income security policies means that the rising tide will continue to float only some boats. This means that we will not, as a region, be fully taking advantage of the human capital resources available and that workers who should be able to thrive in an improving labour market could still be held back because of the colour of their skin and their gender.

Areas of the *Employment Standards Act* that continue to need updating include more proactive enforcement of standards and better scheduling notice to minimize the irregularity of schedules. In addition, it is important that we continue to find strengthened mechanisms for workers in precarious employment to have a strong voice at work, which unions have provided and continue to provide for many workers in permanent employment.

Complementary actions include:

- **Support better employment practices at the local level.** The *Employment Standards Act* is not the only means governments have to make impactful changes. Cities such as San Francisco and Toronto have taken steps to promote decent work through the San Francisco Workers' Bill of Rights and the City of Toronto's identification and celebration of quality employers who offer decent work.⁴⁰ Municipal and regional governments should consider their role in developing tools that could better support those in precarious employment in their cities, modeled after these types of examples.
- **Initiate a federal Changing Workplaces Review.** Some workers are covered by federal labour laws instead of provincial labour laws. In addition, the federal government plays a unique role for provinces in leading by example. The federal government has the opportunity to support this role by initiating a review similar to the Ontario Changing Workplaces Review at the federal level that builds on and updates the work of the 2006 Arthur's report "Fairness at Work: Federal Labour Standards for the 21st Century". An important step this time will be for the federal government to actually implement recommendations from a new review. This would create a leading example for other provinces to take action in their own jurisdiction.
- **Implement workplace practices that enhance security.** Employment standards create a floor for working conditions, but there is much more that employers can do to improve working conditions in their own workforces to enable more job security. Several efforts have been developed to provide employers with toolkits including the KPMG and United Way employer toolkit *Better Business Outcomes Through Workforce Security*, Ontario Nonprofit Network's *Decent Work Checklist* for the Nonprofit Sector, and the tools and resources developed by the Good Jobs Institute—an initiative co-founded by MIT professor Zeynep Ton and Canadian business leader Roger Martin.⁴¹ Employers in all sectors, not just the private sector, are urged to utilize the tools that are being developed to improve working conditions for their workforces. Research shows that doing so can also improve business outcomes at the same time.

Building Block 2: Create ladders to opportunity by scaling up a coordinated, sector-specific workforce development system

The PEPSO research reports have documented that there is a major gap in our workforce development and training systems. Those in precarious employment are three times more likely to have to pay for training out of their own pockets and less than one-third as likely to have access to employer-provided training compared to workers in secure employment. In addition, precarious employment can act as a trap for workers who find it difficult to access career pathways out.

Currently, there are workforce development systems that are being designed and tested, with regional workforce development groups operating throughout the GTHA,⁴² strategies being implemented in the City of Toronto and Peel Region, and a focus on progressive employment opportunities in York Region through the Human Services Planning Board. In addition, there are

⁴⁰ City of Toronto 2017c.

⁴¹ KPMG and United Way Toronto & York Region 2017; Ontario Nonprofit Network 2018b; Good Jobs Institute 2017.

⁴² These include the Peel Halton Workforce Development Group, The Toronto Workforce Innovation Group, the Workforce Planning Board of York Region and Workforce Planning Hamilton.

other sources of training that can be accessed through social assistance, Employment Insurance, post-secondary institutions, and the labour and community services sectors. However, many of these efforts tend to operate as a patchwork and are not adequately integrated with one another to have full effect.

There is, however, an example that is currently underway of what an integrated, coordinated, effective workforce development system could look like: this is the Community Benefits Agreement-driven construction pathway on the Eglinton LRT. Community Benefits Agreements (CBA) are initiatives that leverage public infrastructure funding to improve community outcomes.⁴³ In this case, the jobs that are being created through this CBA are unionized jobs with decent wages and career pathways and a commitment to including people experiencing multiple barriers to good employment, such as racialized workers, women, and those who are low-income.⁴⁴ Those who participate in this CBA receive training and additional access to wrap-around supports—supports that help ensure they are successful in their labour market participation, like mental health counselling, housing services, and childcare. The unique and critical element of this CBA-driven pathway model is the stakeholders who have come together to develop and implement it: the City of Toronto, the province of Ontario, labour, community, foundations, and United Way through its Career Navigator™ program, which supports young people facing multiple barriers with wrap-around supports.⁴⁵ There are currently similar employment-focused CBAs modeled on the Eglinton LRT example that will be implemented in Peel and York Regions.

This example shows that a workforce development system that is coordinated, integrated, focused, and demand-responsive, that leverages public infrastructure dollars and provides decent employment, can work. This way of working needs to be scaled up and replicated in a sector-specific manner across more sectors. In order to work, continued cross-sectoral collaboration and sufficient, dedicated resources going forward are required. In addition, all workforce development efforts should also actively seek to lower the unique barriers experienced by women—especially racialized, immigrant, and Indigenous women—to ensure that they can access better paying and higher quality jobs that have traditionally been held by men.

Complementary actions include:

- **Support the development of more sector-specific workforce development strategies.** One challenge in our current workforce development system is that the skillset of the workers is not always aligned with the needs of employers. Thus, sector-specific strategies, which expressly unite the supply and demand side of the labour market, are being advocated for and supported through initiatives such as the Metcalf Foundation's Sector Skills Academy.⁴⁶ The community sector, labour, and different levels of government need to continue supporting and scaling up sector-specific approaches, as evidence shows that these approaches can improve earnings and job quality for those at the low end of the labour market.⁴⁷

43 Thirgood, Alwani & Hartmann 2018.

44 The Ministry of Children and Youth Services (MCYS) considers youth facing multiple barriers to success as youth who experience obstacles to full participation in their communities and may benefit from targeted support and opportunities. Populations that tend to experience these obstacles more significantly include: racialized youth, newcomer youth, Indigenous youth, youth with disabilities or special needs, Francophones, youth in or leaving care, LGBT2SQ youth, youth in conflict with the law, and youth from low-income families.

45 Blueprint ADE 2018.

46 Metcalf Foundation 2018.

47 Ziegler 2015.

- **Lower barriers for immigrant women, not just newcomer women.** Many immigrant women experience unique barriers to the labour market related to their immigration process and the additional caretaking and support roles they often have.⁴⁸ For example, many immigrant women miss the window for accessing settlement programs as their careers take backseats to the needs of their partners and families. The federal and provincial government should develop better mechanisms to recognize the skills and training that immigrant women bring to Canada. One way would be to better fund and support programs for immigrant women, not just newcomers, that allow them to fill any gaps that are preventing them from using their skills to secure better paying, secure employment. Another path would be to extend the time limits for settlement and employment programs.
- **Provide more wrap-around supports.** Often those experiencing multiple barriers to employment require additional supports to be able to participate in the labour market. These additional support services are called wrap-around supports and can include things like childcare, health or mental health services, housing benefits, and soft skills training. The community sector and labour need to continue to develop their role in providing wrap-around supports in employment programs, such as those offered in United Way's Career Navigator™ model, to enable people experiencing barriers in the labour market to participate in training and workforce development programs while getting the help they need with housing, social assistance, health, and childcare. To do so, sustainable resources are needed to support this work from government and other funders, as well as effective partnerships with employers.
- **Develop more inclusion in the workplace.** Those in precarious employment are more isolated from professional development, training, and performance review opportunities, as well as the social networks needed to gain access to better opportunities.⁴⁹ All employers should take a more inclusive approach to managing their insecure workforce to find ways to include their non-standard workers in professional development, training, and performance review opportunities, and enable them to move out of insecure work where possible.⁵⁰
- **Fund and adopt career pathways models.** College programs do not widely include career pathways models both because many colleges have not adopted this model and the province does not fund this model.⁵¹ This model promotes the post-secondary education aspirations of lower-skilled adults by developing pathways from basic skills to secure employment within a specific industry or sector and enables advancement over time to higher levels of education and employment. The career pathways model is a promising approach because it is short-term, flexible, industry-led, meets labour market demand, and includes wrap-around supports, all of which better enable people facing multiple barriers to entering the labour market to participate in the programs.⁵² In addition to the colleges that have already adopted elements of the career pathways models, more

48 See Access Alliance 2014 for a more complete discussion of the gendered barriers for women in the immigration process.

49 KPMG and United Way Toronto & York Region 2017.

50 KPMG and United Way Toronto & York Region 2017.

51 The province is specifically funding a career pathways model demonstration project through the Ontario Centre for Workforce Innovation.

See Ontario Centre For Workforce Innovation nd.

52 Government of Ontario 2017.



colleges should explore how to adopt this model fully. The provincial government should also take the necessary steps to amend the funding framework for colleges to allow for career pathways programming. This would go a long way to support the success of individuals with varying levels of abilities and needs and would meet the needs of employers in a specific industry or occupational sector.

Creating a floor of basic income and social supports available to precarious workers

As has been previously noted, those in precarious work are impacted by dual forces of income and employment insecurity. PEPSO research has shown that low-income and precarious employment both have distinct effects that layer on top of one another. For example, in *The Precarity Penalty*, we found that 30 percent of those in low-income, secure jobs experienced anxiety associated with their employment situation that interfered with their personal and family lives, but this number jumped to 48 percent for low-income people who were in insecure employment.⁵³ *Getting Left Behind* notes that those groups who are disproportionately impacted by employment precarity—women, racialized groups, and those without a university education—experience heightened income and employment insecurity. For this reason, it is important to take steps to level the playing field for those who are being left behind by creating a floor of basic income and social supports.

Building Block 3: Create a floor of basic social supports to ensure no one falls through the cracks

Those in precarious employment tend to not have access to the supports that those in secure employment are often able to access through their employment relationship. For example, only 10 percent of those in precarious employment had access to health benefits, only 20 percent had access to pensions, and we know from previous PEPSO research that it was particularly difficult for these workers to gain access to quality, affordable, flexible childcare.⁵⁴ In addition, workers in precarious employment are often left out of many key social programs because these programs are paired with more regular and/or longer-term employment, such as the income and training supports provided through Employment Insurance. This means that precarious workers either pay out of pocket for these sorts of expenses or go without fulfilling these needs. We know from previous reports that this has an impact on children of those in precarious employment, with these parents reporting more challenges purchasing school supplies, clothing for children, and paying for activities outside of school.⁵⁵

As we re-evaluate the roles and responsibilities of each sector in creating a labour market that provides for both income and employment security for workers and continued competitiveness and profitability for business, we need to ensure as a first step that those in precarious employment can access the supports they need now. We have seen that income is not the only issue here, so it isn't just about ensuring access to income supports. It is about a floor of basic social supports that include the kinds of things that secure workers more commonly have access to due to their employment relationships, higher incomes, and access to government programs. Our recommendation echoes the call of the Income Security Advisory Group, in



which United Way participated, to encourage governments to develop a floor of basic income and social supports below which no one can fall.⁵⁶ This would include income, pensions, health benefits, housing benefits, and quality childcare. This will require coordination between levels of government and sufficient funding to ensure adequacy.⁵⁷ And the community services sector will have to play a key role in continuing to provide the kinds of basic social supports necessary for those who need them most. United Way's Community Services Sector Strategy, for example, helps fund essential supports where and when people need them. Establishing a floor of basic social supports would even the playing field for those who currently have inequitable outcomes and help eliminate some of the barriers they are experiencing to more fully participate in the labour market.

Complementary actions include:

- **Expand access to childcare.** Those in precarious employment tend to experience difficulty finding appropriate childcare, with over half of those in precarious employment reporting uncertainty with their work schedule and location limits their childcare choices.⁵⁸ The Greater Toronto Area also has very high costs related to child care for everyone. The provincial government needs to move forward on expanding access to affordable, accessible, high quality, and flexible childcare so that lack of childcare is no longer an impediment to participation in the labour market.
- **Provide supplemental health benefits to all.** Those in precarious employment rarely have access to drug, dental, and vision benefits, as these benefits are often tied to employment. Provincial, regional, and municipal governments need to work together to expand access to pharmacare, vision, and dental care for all, but especially for those who will not receive care if they cannot afford to pay out of pocket.
- **Make affordable housing a reality in our city-region.** Almost half of renters in Ontario pay unaffordable rents and a growing gap has emerged between average housing costs and the average incomes of renter households.⁵⁹ The provincial, federal, municipal, and regional governments need to seize the opportunity afforded by the National Housing Strategy to move forward with a bold plan to repair existing rental housing and close the gap between rent and incomes.
- **Improve job security for individual workers.** Employers in all sectors have been reducing the benefits, training, and professional development opportunities available to their workforces to save costs and remain flexible.⁶⁰ However, this trend has also reduced engagement and productivity for the parts of the workforce impacted by these reduced investments in workers. Evidence shows that engaged and supported workers improve business productivity.⁶¹ Employers in all sectors should take steps to invest more in their workers, for example by expanding health benefits, offering training, or providing access to childcare to more of their workforce, which will allow them to take advantage of improved productivity and retention that comes with those investments.⁶²

⁵⁶ Government of Ontario 2017.

⁵⁷ Government of Ontario 2017.

⁵⁸ PEPSO 2015.

⁵⁹ Advocacy Centre for Tenants Ontario 2018.

⁶⁰ KPMG and United Way Toronto & York Region 2017.

⁶¹ KPMG and United Way Toronto & York Region 2017.

⁶² KPMG and United Way Toronto & York Region 2017.



Building Block 4: Address the impacts of income irregularity

A persistent and harmful element of precarious employment that has received little attention on the policy agenda is the challenge of irregular income. Around 10 percent of all workers in our sample responded affirmatively to questions indicating income variability, such as “income varied a lot in the past 12 months”, “hours were likely to be reduced in the next 6 months”, “worked on call most of the time”, and “never know schedule more than one week in advance”. We also know from our previous research that income variability significantly and disproportionately impacted those in precarious employment. Over 60 percent of those in precarious employment reported that their income sometimes varied from week to week, while about a third reported that it varied a lot from week to week. Not having a regular or predictable income makes it difficult to plan ahead and to budget. Those in precarious employment are also unlikely to have access to income supports such as Employment Insurance. In fact, only about 20 percent of those unemployed in the GTA had access to Employment Insurance.⁶³ As a last resort, social assistance is available, but that would require these workers to drain almost all of their assets to become eligible.

In Canada, this issue of income irregularity has been starting to gain traction. For example, Prosper Canada and TD Economics collaborated on a report that assessed the high level of income volatility that is being experienced by Canadians and found that about half of those experiencing high or very high income volatility also felt that they were financially falling behind.⁶⁴ In addition, recent research from the U.S. has shown that income variability is often a challenge for low- and middle-income families because it is misaligned with the peaks and valleys of their expenses.⁶⁵ However, there has been very limited policy discourse paid to the idea of smoothing incomes in Canada.

One proposed pathway to address this has been instituting a basic income. While the Ontario Basic Income Pilot, operating in three sites, is now well underway, costing and evaluation of the effectiveness of the Basic Income Pilot is still years away. In the meantime, it is imperative that the federal government take steps to reform Employment Insurance to ensure it is a fulsome income security program that, at minimum, extends to all who pay into the program. The federal government should examine both Employment Insurance Part I (income support) and Employment Insurance Part II (training benefits) and take steps to reform them to expand access for those in precarious employment. One way to reform Employment Insurance would be to lower the threshold of hours needed to access benefits and training, in recognition of the growth in precarious employment.

Complementary actions include:

- **Develop financial product innovations.** Think tanks and corporate social responsibility institutes in the United States have been generating ideas and products to address income instability in recent years. For example, proposed strategies include allowing for pre-payment of bills or allowing employers to deposit wages into either transactional accounts or savings accounts.⁶⁶ The private sector in Canada could develop similar Canadian-based financial innovations and income smoothing products and services.⁶⁷

63 MacEwen 2015.

64 TD Bank Group 2017.

65 Morduch and Schneider 2013.

66 Morduch and Schneider 2013.

67 Morduch and Schneider 2013.

- **Re-assess means and income testing.** Means and income tests are often calculated over short periods of time such as month to month. For example, the rent-geared-to-income housing subsidy is calculated each month, taking into account all household income earned that month. For households with someone working with irregular income, the household will owe a higher rent in the month after the person earned a higher income, even if that person earns no income during that following month. This can leave a household scrambling to make up the difference. Governments and the community services sector should rigorously assess how they calculate means and assets tests for those with low-incomes to account for income variability. This could include averaging income over the course of a year instead of month-to-month or setting rents annually for rent-geared-to-income housing. The third building block of creating a floor of basic social supports would also be a key way of addressing income irregularity by reducing the application of intrusive and complex rules such as proving rent payments every month.⁶⁸ These recommendations would help address the income ups and downs that make this group particularly vulnerable to being penalized for their income variability while trying to gain access to these important programs.
- **Develop a long-term income bridging program.** People working from contract to contract often need a source of short-term income support that could bridge them in between jobs that would not be as difficult to access as the Employment Insurance system but would not require them to drain their assets as is the case for the social assistance system. In the longer-term, the provincial and federal governments should develop a comprehensive, accessible income bridge program that would reside between Employment Insurance and social assistance. This could be modeled after aspects of the flexicurity system that is used in several European countries to bridge workers' income between jobs.

Ensuring backgrounds and circumstances are not a barrier to the labour market

The recommendations made above will help those who are being left behind despite the growing economy, including racialized people, women, and those without a university degree. However, over the course of three PEPSO reports, it has become increasingly clear that recommendations are needed to specifically address the systemic discrimination that is being experienced by women—racialized and white—and by racialized people—both men and women. As Canadians, we value fairness and equity, as well as multiculturalism. Valuing has to include responding to threats to these values when they arise. As a society, we are starting to head in the right direction, with the City of Toronto, province of Ontario, and government of Canada all developing strategies that explicitly acknowledge and target systemic racism, the multiplicity of funding and support being directed toward Truth and Reconciliation actions, and the increasing support toward pay equity legislation for women at the provincial level.⁶⁹ These conversations help shift the onus of informing and advocating against discrimination from those who are disproportionately impacted by discrimination to all of us. If we believe that background and circumstances, such as your race, gender, and Indigeneity,⁷⁰ should not be a barrier to employment, we must take steps to alleviate the conditions that are making these characteristics a barrier for people in the labour market.

⁶⁸ Government of Ontario 2017.

⁶⁹ City of Toronto 2017a; Leblanc 2018; Government of Ontario 2018a; Government of Ontario 2018b; Truth and Reconciliation Commission of Canada 2018.

⁷⁰ The experience of discrimination in the labour market extends past these categories into immigration, disability status, LGBTQ status and other backgrounds, as well as the intersection of multiple identities. These are important experiences to address and advocate on, which many of our partners are undertaking. Based on our data, we are focusing on gender, race and Indigeneity here.



There are different terms that are used to describe these barriers, including systemic racism and/or sexism, structural discrimination, and institutional discrimination, and even simply disproportionate outcomes.⁷¹ What these terms have in common is that they acknowledge that people may not be operating under discriminatory intent, however, discrimination is embedded in our current systems and structures in such a way that if no explicit actions are taken to name it, and then address it, racialized people, women, and Indigenous people will continue to be disproportionately excluded from or negatively impacted by these structures.⁷² The important point is that these elements can often be invisible because they are ingrained in our programs, policies, and institutions, and they can manifest differently in different sectors and structures.

In the GTHA, the need to recognize and address discrimination is critical. Much of our region is becoming majority racialized, and women are participating in the labour market in increasing numbers. Although the number of Indigenous people is relatively low in the GTA, Indigenous people represent a growing portion of Canada's urban and suburban communities.⁷³ In Peel Region, 62 percent of people are racialized, in Toronto 52 percent, in York Region 49 percent, and in Hamilton the racialized population is about 18 percent but it has doubled in the last twenty years.⁷⁴ If we continue on our current path, the cost of discrimination against racialized groups, women, and Indigenous people will be high—wasted talent, lost GDP, and decreased social cohesion.⁷⁵ A common understanding of the breadth, depth, and nature of discrimination, including how it compounds or operates intersectionally, is essential to ensuring that background and circumstances do not dictate one's experience in the labour market.

Building Block 5: Collect disaggregated data and apply strategies to address the gaps

One major challenge that serves as a barrier to having a larger discussion about discrimination and exclusion is the lack of appropriate, available, high quality, disaggregated, gender-based and race-based data that allows for intersectional analysis. In fact, in 2017, the United Nations Committee on the Elimination of Racial Discrimination pointed out that Canada's lack of comprehensive disaggregated statistical data limited its ability to understand whether African-Canadians, ethnic groups, Indigenous people, and non-citizens enjoyed civil, political, economic, social, and cultural rights, and it called on Canada to “systemically collect disaggregated data in all relevant ministries and departments to improve monitoring and evaluation of the implementation and impact of policies to eliminate racial discrimination and inequality.”⁷⁶ The same can be said for gender-based data.

Statistics Canada gathers disaggregated data, as do some public and private institutions. For example, the provincial government's Anti-Racism Directorate has begun a project for data collection within the OPS, many workplaces—public and private—collect equity-based data, as do some public institutions, like the Toronto District School Board. These are positive starts in the right direction. However, these efforts are not consistently applied and are not usually publicly available.

71 McKenzie 2017; City of Toronto 2017a; Government of Ontario 2018a.

72 McKenzie 2017.

73 City of Toronto 2017b; Statistics Canada 2017c; Statistics Canada 2017d; Well Living House 2016.

74 City of Toronto 2017a; CBC News 2017.

75 The provincial government's Anti-Racism Directorate is currently undertaking a study of the economic cost of systemic racism.

76 Mandhane 2017.



We need data to unpack and understand what is truly happening and how these impacts manifest differently within different kinds of institutions and in different sectors. For example, what are the unique barriers being experienced by Black men, or Indigenous women, or members of the Chinese community? All levels of government should mandate the collection and publication of workforce data based on gender and race that would cover pay differentials and the makeup of an organization's workforce, in a similar fashion to the new gender pay gap reporting policy that has recently been implemented in the UK.⁷⁷ An important outcome of the policy has been that companies have understood that this data, while not providing the whole picture, points to an issue in their pay outcomes. As a result, many employers are taking voluntary steps to dig deeper and make positive changes to address the gender pay gap through a variety of means.⁷⁸

However, research is only one part of a broader strategy that is needed to create more equity and inclusion. Measuring and recognizing gaps are part of the solution, but building people's capacity to understand the challenges, convening constructive conversations, and connecting with those who have lived experience are all part of the solution, too.⁷⁹ To be effective, disaggregated data collection has to be accompanied by strategies, programs, and actions to dismantle discrimination and increase inclusion.

Complementary actions include:

- **Develop tools and resources to guide conversations.** To advance any action on equity, it is important for people from all sectors to build the capacity to engage in these conversations. Recent efforts such as Colour of Poverty – Colour of Change's meetings and conferences, the Ontario Nonprofit Network's Decent Work for Women project, the Ontario Federation of Labour and Ontario Equal Pay Coalition's conversation on pay equity, and the Regional Diversity Roundtable of Peel demonstrate what this can look like.⁸⁰ The Regional Diversity Roundtable of Peel, in which United Way played a role, has developed a training module for leaders in the nonprofit, social services, and public sectors to build diversity, equity, and inclusion capacity, and has been holding conferences and 'tough questions cafes' to enable discussion about how to address the issue of racism in employment.⁸¹ More of this needs to be done across all sectors.
- **Create and implement organization-specific practices.** As previously indicated, discrimination within different sectors, organizations, and institutions can manifest in unique ways, which may require unique solutions to address these challenges. Private sector employers responding to the legislated gender pay gap reporting in the UK have been responding with creative practices, such as flexible work schedules and the application of a gender-lens to improve recruitment and advancement of women within their companies.⁸² Employers in all sectors, including the private sector, can voluntarily take steps to address the employment and security gaps in their own workforces by creating and implementing practices that are right for their organizations.

77 As this report goes to press, Ontario was to bring in a pay transparency bill to address pay equity issues. See Rushowy 2018.

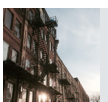
78 Tsang and Alderman 2018.

79 KPMG Australia 2018; PolicyLink 2017.

80 Ontario Federation of Labour and Ontario Equal Pay Coalition 2018; Regional Diversity Roundtable 2017; Ontario Nonprofit Network 2018c.

81 Regional Diversity Roundtable 2017.

82 KPMG and United Way Toronto & York Region 2017; Tsang and Alderman 2018.



- **Support and fund group-specific programming.** Groups experiencing multiple barriers to labour market participation, such as women and racialized and Indigenous groups, at times benefit from programming that is designed to meet the specific needs and challenges that they face as a group. For example, women’s only programs have the benefit of improving self-esteem and confidence in participants, are often accompanied by wrap-around supports tailored to the needs of women, and are a helpful space in which women can understand that the barriers they are experiencing are often systemic and not personal.⁸³ The YWCA Toronto, for example, delivers women’s only employment programs.⁸⁴ The community sector can continue to develop employment-focused programming that is focused on distinct groups. The provincial government, in turn, should re-commit funding for these kinds of programs.
- **Implement targeted universalism as a policy strategy.** Policies that are universal tend to have broad appeal because they benefit everyone in society. However, these policies are often insufficient to meet the needs of specific groups experiencing multiple barriers. A targeted universal approach sets a universal outcome for all but uses targeted strategies for groups who face more barriers to help them achieve that outcome.⁸⁵ As the developers of this approach note, “This is an approach that supports the needs of the particular while reminding us that we are all part of the same social fabric.” All levels of government and all sectors should explore the application of ‘targeted universalism’ as a policy principle.⁸⁶

Conclusion

The Poverty and Employment Precarity in Southern Ontario (PEPSO) initiative is drawing to a close with this final report on precarious employment and the impacts that this type of work is having on individuals, families, and communities in the GTHA. In *It’s More Than Poverty*, we learned the extent to which individuals were struggling to make ends meet, to pay for their children’s needs, and to participate in the daily life of their communities because of their employment situation. In *The Precarity Penalty*, we learned how those in precarious employment become trapped in these jobs, with limited opportunities to access better opportunities. We also began to see the extent to which discrimination played a role in access to secure jobs for racialized groups and women. Now, with *Getting Left Behind*, we have seen that the assumption that a growing economy floats all boats is false. Precarious employment has imprinted itself on the GTHA labour market and when it comes to landing a secure job in a growing economy, a combination of gender, race, and having a university degree determine whether or not someone will get left behind.

The PEPSO partnership—which includes over 30 community, academic, and labour organizations—has made great strides in amplifying this issue on the public stage and drawing all sectors and levels of government into the conversation on what steps we need to take to reduce the damage this kind of employment is having on our social fabric. It is clear with this

most recent report that our work is not done. All of us have a role to play—municipal and regional governments, the provincial government, the federal government, the private sector, the community services sector, labour, and academia—in increasing security and stability for workers who are most impacted by this trend of precarious employment.

The five essential building blocks and sets of complementary actions outlined above can serve as a launch pad to catalyze the changes we need to see in our labour market. We need transformative change to future-proof our labour market and we need it urgently. We believe these are the essential building blocks that will put us on the right track toward making that transformative change. With these building blocks in place, we will be on our way to a labour market where short-term contracts don't sentence workers to poverty or a lower quality of life for themselves or their children. In this new future, we envision a labour market that continues to flourish, but with all groups gaining security regardless of their gender, race, or whether or not they have a university degree. And we envision an Ontario where shared prosperity is a reality for all.



APPENDIX A:

How we Collected the Data

The data used in this report was gathered through a phone survey administered by Leger Marketing in November and December of 2011 and in March and April of 2017. The 2011 survey reached 4,073 individuals and the 2017 survey reached 2,002 individuals.

The samples consisted of residents of:

- Toronto
- Surrounding GTA municipalities (Ajax, Brampton, Markham, Milton, Mississauga, Oakville, Pickering, Richmond Hill, Vaughan)
- Hamilton
- Burlington

Respondents were between the ages of 25 and 65 and had to have worked for pay in the previous three months. The participants were randomly selected using random digital dialling.

Comparison of the 2011 and 2017 samples

Both the 2011 and the 2017 PEPSO surveys are representative by age, sex, and geographic region based on the 2006 census. Other characteristics were not controlled for including race and education and hence varied between surveys.⁸⁷

Table A1 compares the characteristics of the two samples. For the sample as a whole, there were no statistically significant changes between 2011 and 2017 in core characteristics such as average age, economic sector, the education workers needed to perform their jobs, the percentage born in Canada, the length of residency in Canada, or union density.

There were three significant differences between the two samples that might affect reported levels of employment security in the sample as a whole. The 2017 sample has more individuals with a university degree, more workers who were single and living alone, and more racialized workers. Individuals with a university degree are more likely to be in secure employment while

racialized workers are less likely to be in secure employment. There is no relationship between living alone and employment security. Had the 2017 sample had the same characteristics as the 2011 sample on these three characteristics, we estimate that the prevalence of the Standard Employment Relationship in the sample as a whole would have been 53.6 rather than 55.9 and the *Employment Precarity Index* score would have been 20.1 rather than 20.4.

Table A1: Socio-demographic characteristics of the samples (%)

	2011	2017
Female	51.5	51.7
Average age (#)	43.5	43.4
Born in Canada	61.2	61.7
University degree	53.1	60.4***
Racialized	31.2	36.9***
Single	20.1	23.5*
Married	70.5	66.4*
Live alone	12.0	16.3***
Knowledge sector	40.0	41.1
Service sector	43.8	42.5
Goods producing sector	16.2	16.4
Job requires a degree	47.2	50.0

Source: PEPSO surveys 2011 and 2017.
Significance levels: *** $p < .001$, ** $p < .05$, * $p < .10$.

The object of this report is to assess both the changes in employment security between 2011 and 2017 and the experiences of different categories of workers. Eight categories of workers were defined based on sex, race, and education. **Table A2** reports the number of workers in each of the eight categories.

Table A2: Sample size by worker category (#)

	2011	2017	TOTAL
Male/white/degree	663	353	1,016
Female/white/degree	779	398	1,177
Male/racialized/degree	390	229	619
Female/racialized/degree	319	229	548
Male/white/no degree	616	248	864
Female/white/no degree	743	265	1,008
Male/racialized/no degree	296	135	431
Female/racialized/no degree	267	145	412
All workers	4,073	2,002	6,075

Source: PEPSO surveys 2011 and 2017.

APPENDIX B:

Characteristics of the Eight Categories of Workers

Tables B1 to B3 report the characteristics of the eight categories of workers other than sex, race, and education, as well as the differences between the categories in 2011 and in 2017.

Differences between the categories of workers

The average ages in 2017 ranged from 40.4 years for white women with a degree to 46.3 years for white women without a degree. White workers were more likely to have been born in Canada. In all categories, the majority of workers not born in Canada had lived in Canada for more than ten years.

Where workers found employment differed across the eight categories of workers this report examines. Workers with a degree were more likely to be in jobs that required a university degree. The four categories of workers with a degree were more likely to be employed in the knowledge sector. Men without a degree were equally likely to be in the goods-producing or the service sector. Women without a university degree were the most likely to be employed in the service sector. Racialized women without a degree were the most likely to be unionized while white men with a degree were the least likely.

Changes within categories of workers between 2011 and 2017

There were a few minor statistically significant changes within the eight categories of workers between 2011 and 2017 that might affect the prevalence of insecure employment independent of the growth in employment. They include:

- White men with a degree were a bit older in 2017 than 2011, while white women with a degree were a bit younger.
- Women with a degree were more likely to have been born in Canada in 2017 as were racialized men and women without a degree.
- White men with a degree not born in Canada were more likely to have lived in Canada more than ten years. This is a very small category of individuals representing less than seventy respondents in total.



- White women without a degree were less likely to be unionized in 2017.
- White women without a degree were more likely to be in the goods producing sector in 2017 while racialized women without a degree were less likely to be in this sector.

It is unlikely that any of these changes within categories between 2011 and 2017 had a major impact on the levels of employment security. For workers between the ages of 25 to 65, the relationship between employment security and age is statistically insignificant.

Table B1 reports changes in age, sector of employment, and education needed to perform a job. Age was not associated with measures of employment security. An increase in employment in the goods-producing sector would increase employment insecurity, but mostly if the shift to this sector was from the knowledge sector. Table B1 indicates that for white women without a degree, the increased employment in the goods sector came equally from reductions in the knowledge sector and the service sector limiting its overall impact on employment security. For racialized women without a degree, the decrease in employment in the goods sector was accompanied by an almost equal increase in employment in the service sector which would again limit its impact on employment security scores. There is no way of knowing if this shift between sectors was the result of changing employment opportunities or a product of who responded to the survey.

Table B1: Age, sector, occupation by worker category (%)

	Average Age (#)		Knowledge Sector		Goods		Service		Job requires a degree	
	2011	2017	2011	2017	2011	2017	2011	2017	2011	2017
Male/white/degree	42.4	45.1***	55.7	58.0	12.0	13.4	32.4	28.6	75.9	75.6
Female/white/degree	46.0	43.9***	52.9	53.5	4.8	4.2	42.4	42.3	76.0	75.3
Male/racialized/degree	39.6	40.9	43.0	41.2	20.6	19.9	36.4	38.9	65.4	64.4
Female/racialized/degree	41.5	40.4	43.7	49.3	3.9	4.5	52.4	46.2	67.9	65.2
Male/white/no degree	43.1	44.5	25.5	24.5	37.5	39.8	37.0	35.7	15.3	18.0
Female/white/no degree	47.1	46.3	30.2	27.0	9.6	15.1**	60.2	57.9	20.0	19.6
Male/racialized/no degree	39.0	41.1*	23.1	19.1	36.4	38.9	40.6	42.0	14.9	14.2
Female/racialized/no degree	42.1	42.9	28.5	27.6	15.8	9.7*	55.7	62.7	14.8	13.6
All workers	43.5	43.4	40.0	41.1	16.2	16.4	43.8	42.5	47.2	50.0

Source: PEPSO surveys 2011 and 2017.

Significance levels: *** $p < .001$, ** $p < .05$, * $p < .10$. Measures significance of change in category between 2011 and 2017.

Table B2 reports changes in the racial characteristics of the eight categories of works and the prevalence of having a union job. The within-category increase in the prevalence of being born in Canada of white and racialized women with a degree and of racialized men and women without a degree has the potential to improve *Employment Precarity Index* scores of these four categories of workers. A one percentage point increase in the prevalence of being born in Canada has the potential to decrease scores on the *Employment Precarity Index* by one-quarter of a point. This could represent a one-point decrease in the *Employment Precarity Index* score for white women with a degree, a two-point decrease for racialized women with a degree, a three-point decrease



for racialized men without a degree and a four-point decrease for racialized women without a degree unrelated to the improved labour market conditions. This suggests that for the latter four categories of workers, their *Employment Precarity Index* scores would have been even higher had these changes not occurred. Their performance on indicators of precarity relative to the other eight categories of workers might have been **even worse** than reported in the body of this report had this change in the sample not occurred. Being unionized did not have a significant effect on employment insecurity.

Table B2: Born in Canada, immigration, union job by worker category (%)

	Born in Canada		Recent Immigrant 1 to 10 years n=170		Older Immigrant 11+ n=585		Union job	
	2011	2017	2011	2017	2011	2017	2011	2017
Male/white/degree	82.4	77.9*	25.8		74.2	88.5**	20.7	17.2
Female/white/degree	74.4	80.7**	17.4		82.6	89.6	29.0	31.0
Male/racialized/degree	23.5	21.9	38.9	35.8	61.1	64.2	18.4	20.7
Female/racialized/degree	21.3	30.6**	34.1	27.2	65.9	72.8	28.8	25.0
Male/white/no degree	79.8	83.5	12.7		87.3	85.0	26.8	27.1
Female/white/no degree	78.2	81.5	8.0		92.0	93.8	25.7	20.3*
Male/racialized/no degree	26.6	39.3**	27.5	21.0	72.5	79.0	26.6	30.5
Female/racialized/no degree	14.5	29.7***	19.3	22.0	80.7	78.0	32.6	33.6
All workers	61.2	61.3	24.8	22.6	75.2	77.4	25.7	25.1

Source: PEPSO surveys 2011 and 2017.

Significance levels: *** p<=.001, ** p<=.05, * p<=.10. Measures significance of change in category between 2011 and 2017.

Blank cells <.10 individuals in a cell.

Table B3 reports differences in household characteristics between 2011 and 2017. There was a decline in the prevalence of married individuals in the survey and an increase in the number living alone. More households reported having at least one child living at home. For the sample as a whole, the overall impact of these changes on *Employment Precarity Index* scores is estimated to be less than one as married individuals and those with children report lower Employment Precarity Index scores but those living alone report higher scores.

A number of categories of workers reported changes in household structures between 2011 and 2017. The net effect on employment insecurity scores of changes in the prevalence of being married and the prevalence of living alone is small as they have opposite effects on employment insecurity. An increase in the prevalence of a child in the house will marginally decrease employment insecurity scores. The largest changes in **Table B3** were in households of racialized women without a university degree who reported a significant decline in the prevalence of marriage, increases in living alone, and decreases in the prevalence of a child living in the house. The net effect on employment insecurity scores of these three changes for racialized women without a degree would marginally lower their scores. So, again, our insecurity scores for these women would have been high even had these changes not taken place.

Table B3: Household characteristics (%)

	Married or living common law		Live alone		Child less than 18 living in house	
	2011	2017	2011	2017	2011	2017
Male/white/degree	75.8	74.1	13.0	15.9	32.4	45.0***
Female/white/degree	71.3	69.0	12.8	12.1	38.1	43.0
Male/racialized/degree	74.5	73.5	8.2	14.6**	37.4	47.6**
Female/racialized/degree	73.0	66.8	7.5	15.3**	38.9	45.0
Male/white/no degree	65.6	63.7	15.1	18.1	28.5	36.7**
Female/white/no degree	68.6	63.4	13.1	19.7**	37.4	38.5
Male/racialized/no degree	64.5	55.2	12.5	23.0**	36.3	32.6
Female/racialized/no degree	67.3	49.7**	7.5	17.2**	49.3	38.6**
All workers	70.5	66.4**	12.0	16.3***	35.9	41.7***

Source: PEPSO surveys 2011 and 2017.

Significance levels: *** p<=.001, ** p<=.05, * p<=.10. Measures significance of change in category between 2011 and 2017.



APPENDIX C:

Defining Individuals in Precarious Employment

Ten questions indicative of employment security were used to build the *Employment Precarity Index*. The respondents' answers to each question were scored out of ten. The exact value depended on the answer choices for each question. Yes/no questions were scored as either zero or 10. Questions with more than two choices could have several values between zero and 10. The *Index* took a value between zero (low precarity) and 100 (high precarity).

These are the questions used:

- Do you usually get paid if you miss a day's work?
- I have one employer, whom I expect to be working for a year from now, who provides at least 30 hours of work a week, and who provides benefits.
- In the last 12 months, how much did your income vary from week to week?
- How likely will your total hours of paid employment be reduced in the next six months?
- In the last three months, how often did you work on an on-call basis?
- Do you know your work schedule at least one week in advance?
- In the last three months, what portion of your employment income was received in cash?
- What is the form of your employment relationship (short-term, casual, fixed-term contract, self-employed, permanent part-time, permanent full-time)?
- Do you receive any other employment benefits from your current employer(s), such as a drug plan, vision, dental, life insurance, pension, etc.?
- Would your current employment be negatively affected if you raised a health and safety concern or raised an employment-rights concern with your employer(s)?

Researchers across Canada and internationally have been replicating the *Employment Precarity Index* for their own research. For those interested, the methods manual and an online *Job Precarity Score* tool can be found at: <https://pepso.ca/tools>



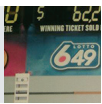
APPENDIX D:

Changes in the Components of the *Employment Precarity Index*

Figures 2, 3, 4 and 5 in the main report above looked at the prevalence of Standard Employment Relationships and the distribution of our sample across four different forms of the employment relationship. They represent two of the 10 components of the *Employment Precarity Index*.

Table D1 reports changes in the prevalence of the 10 characteristics. They confirm the findings above: not everyone enjoyed improved employment security as a result of the improvements in the GTHA economy between 2011 and 2017. White men and women with a degree and racialized men with a degree were the most likely to report changes in individual components of the Employment Precarity Index. For the sample as a whole, there were statistically significant improvements in all but one of the ten components of the Index, however the majority of the improvement was reported by only a few of the eight categories of workers we examine.




Table D1: Changes in Employment Precarity Index components: 2011-2017 (%)

	Not paid if missed work		Income varied a lot in the last 12 months		Likely hours reduced in next 6 months		Work on-call most of the time		Paid in cash half the time or more		Received some benefits		Raising rights likely will affect employment		Never know schedule one week in advance		Standard Employment Relationship		Temporary and contract employment	
	2011	2017	2011	2017	2011	2017	2011	2017	2011	2017	2011	2017	2011	2017	2011	2017	2011	2017	2011	2017
Male/white/degree	25.4	23.8	13.4	10.8	7.6	4.8*	11.8	9.1	3.6	4.8	70.5	78.8**	7.8	2.8**	7.7	4.8*	58.0	66.3**	17.1	16.4
Female/white/degree	30.8	24.6**	14.7	8.0**	7.1	6.0	12.3	5.3***	3.5	3.8	68.5	76.7**	9.8	7.5	5.9	5.3	51.9	58.5**	21.0	18.1
Male/racialized/degree	33.2	25.3**	8.8	8.7	9.0	9.2	11.0	10.1	6.7	3.1*	67.8	78.1**	12.9	13.1	5.2	4.8	49.4	60.3**	18.0	18.3
Female/racialized/degree	32.0	31.9	7.5	10.9	11.9	9.2	10.7	8.4	3.5	5.7	72.1	73.4	16.6	8.3**	6.6	6.1	51.7	50.7	19.2	16.4
Male/white/no degree	47.1	45.6	15.1	10.9	11.4	6.9**	17.0	18.0	4.9	3.2	63.7	70.2*	11.3	9.3	12.2	7.3**	51.2	52.8	19.4	19.6
Female/white/no degree	42.1	38.4	10.9	10.6	11.3	8.8	11.3	7.2*	3.4	5.3	64.0	69.1	10.7	11.3	5.5	9.4**	43.5	48.7	16.3	20.8*
Male/racialized/no degree	53.4	48.9	17.6	15.6	15.9	13.3	16.6	17.2	6.4	8.1	63.3	64.4	25.5	16.3**	11.6	8.9	42.6	45.9	21.0	19.3
Female/racialized/no degree	43.4	43.4	11.5	10.3	15.5	13.8	11.6	11.7	5.6	3.4	67.3	69.9	17.7	17.2	10.9	6.2	48.3	49.0	12.1	13.8
All workers	37.2	32.9***	12.7	10.3**	10.3	8.0**	12.7	9.9**	4.3	4.5	67.0	73.7***	12.4	9.4***	7.9	6.4**	50.2	55.9***	18.4	17.9

Source: PEPSO surveys 2011 and 2017.

Significance levels: *** $p < .001$, ** $p < .05$, * $p < .10$. Measures significance of change in category between 2011 and 2017.

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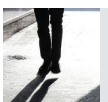
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