Juggling Act: Women, Work and Closing the Gaps with Men

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- The COVID-19 pandemic has had a profound impact on the working lives of Canadians, with women affected differently than men. Indicators of labour force participation and employment are crucial in assessing women’s position in the labour market. This E-Brief explores how women have fared in these areas before the pandemic, how the pandemic has impacted their work lives, how they are performing post-pandemic and how to improve their labour market outcomes.

- Although women’s outcomes have improved significantly according to these indicators, they still lag behind men. Policy changes in three areas would help reduce the remaining gender disparities: enhancing accessibility to affordable childcare, improving women’s workforce development, and providing better opportunities for flexible work arrangements.

- This paper highlights gender disparities that exist in the labour market and provides recommendations to promote gender equality. By addressing the unique challenges faced by women in the workforce, we can create a more inclusive and equitable labour market for all Canadians.

Greater labour force participation and better employment outcomes among women can help address some of the challenges posed by an aging population and have a positive impact on economic growth, productivity, gender equality and poverty reduction. McKinsey and Company (2017) estimated that by 2026, Canada could add $150 billion to its annual GDP by boosting women’s overall workforce participation ($63.3 billion), encouraging their employment in high-productivity sectors such as oil, mining and technology ($63.3 billion) and increasing their hours of work ($24.1 billion).  

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1 This estimate is based on the assumption that women in all provinces achieved the highest observed rate of change over the past decade.
Unlike previous recessions, the COVID-19 induced recession in 2020 hit women in the labour market harder than men (Alon et al. 2020, LMIC 2021). The pandemic disproportionately affected women in two ways: a larger drop in their employment along with a reduction in their labour force participation and hours worked, mainly due to their over-representation in sectors vulnerable to lockdowns and public health measures (e.g., the service sectors) and their increased caregiving responsibilities. Now that the Canadian labour market has mostly recovered, it is time to assess how the recovery has impacted women and how to improve their labour market outcomes post-pandemic.

According to Statistics Canada, although employment recovery was initially slower for women, women’s employment (ages 15 and older) increased by 5 percent between February 2020 and February 2023, higher than men’s employment (+3.2 percent). More women joined the labour force, and their labour force participation rate surpassed the pre-pandemic level, reaching 62 percent in February 2023. There has also been an employment shift from low-paying sectors to higher-paying sectors.

However, the gender gap in participation and employment remains. The gender participation gap is the largest among the senior population (ages 55 and older). Among non-participant women (ages 25-54), those who wanted to work was 9.5 percent in February 2023, up from 8.8 percent in February 2020. Personal and family responsibilities were the main reasons cited for not participating. Furthermore, for those working part-time, caring for children is the main reason why this age group did not seek full-time employment.

Our analysis also shows that there are gender differences in job characteristics depending on employment type, occupation and industry. For example, women are overrepresented in part-time employment and underrepresented in some in-demand jobs, such as skilled trades, and in high-paying occupations like science, technology, engineering and mathematics (STEM), as well as in management occupations. Encouraging greater labour force participation, addressing barriers to employment for women, especially those with children and those who are older women, ensuring access to quality employment opportunities and advancing women’s representation in non-traditional occupations are effective ways to reduce labour market disparities. They would also help tackle labour shortages, thereby boosting economic growth.

Women in the Labour Market

A historical perspective is illuminating. There was a large gender labour force participation gap in 1976. The labour force participation rate (LFPR) of women – the proportion of the working-age population aged 15 and older that is either employed or unemployed – was 45.7 percent, while the LFPR of men was 77.7 percent. As gender roles and social norms evolved and more women obtained higher education, their participation rate increased to 62 percent in the early 2000s and has mostly plateaued since then. After a drop of almost two percentage points in 2020, women’s labour force participation rate rebounded to 61.5 percent in 2022. Meanwhile, men’s LFPR has trended downward over the past five decades (69.5 percent in 2022). Consequently, the gender gap in the participation rates over that period markedly shrank to eight percentage points in 2022 (Figure 1). If women’s participation rate had equalled that of men in 2022, it would have added an extra 1.3 million female workers to the labour force.

2 Unless it is stated for a specific age group.
3 Unemployed are jobless people who are actively seeking work.
The participation rates of both women and men differ significantly by age. In general, it is higher among those in their prime working lives (ages 25-54) while older people (ages 55 and older) participate far less than other age groups (Figure 2). Regardless of age, the gender gap in participation has significantly declined over time. There are two observations worth noting: the substantial improvement among prime-age women and the reverse gender gap in youth participation rates in the last couple of years (a gap of 1.6 percentage points in favour of women).

Women’s ability to find employment and their type of employment can show how women fare in the labour market. In line with their LFPR, the employment rate among women (15 years and older) has also increased from 41.9 percent in 1976 to 58.3 percent in 2022, reducing the gender employment rate gap from 30.8 to 7.4 percentage points in 2022. Similarly, the prime-age (25-54) employment rate among women in 2022 was higher than in 1976. However, this overall rate varied across provinces, being highest in Quebec and lowest in Alberta (see Figure 3). These results highlight differences in factors that affect women’s employment rates such as childcare policy.

Although employment of both men and women is sensitive to economic conditions, women’s unemployment rate has often been below that of men over the past 40 years, especially during economic downturns, except during the recession associated with the pandemic (see online appendix Figure A1). However, a lower unemployment rate for women does not necessarily mean they are more able to find employment during economic downturns. In fact, women are more likely to enrol in school during a recession, compared to men (Alessandrini 2014, Johnson 2013). This can help them increase their employability after a recession. As well, a lower unemployment rate for women during past economic downturns before COVID-19 can be explained by the fact that male-dominated industries were hit harder, leading to larger employment losses for men.

Although the majority of women aged 25-54 who are out of labour force do not want to work, those who want to work cite personal and family responsibilities as the major reasons for preventing them from looking for a job.
Figure 2: Labour Force Participation Rate by Age Group and Gender

Source: Statistics Canada Table 14-10-0327-01.

Figure 3: Employment Rate (Ages 25-54) by Gender and Province (2022)

Source: Statistics Canada Table 14-10-0327-01.
Women’s Employment During the Pandemic

The COVID-19 recession in Canada was the deepest, but also the shortest downturn on record, lasting only two months from March 2020 to the end of April (C.D. Howe Institute Business Cycle Council 2021), followed by a quick recovery in employment (Hou and Picot 2022). Due to the nature of the pandemic and its workplace restrictions, however, men and women were affected in different ways. Compared to the 2008–2009 financial crisis, when women witnessed a relatively small drop in their employment (less than one percent) and men’s employment decreased by 3.2 percent, the pandemic hit women harder (Figure 4). Between February and April 2020, women’s employment fell by more than 1.6 million (17.6 percent). The job loss was larger for women than men by about 66,000, or by 2.4 percentage points, since women were overrepresented in service sectors such as accommodation and food services, tourism, education and childcare, which were hit the hardest during the pandemic (Gladu 2021, Albanesi and Kim 2021a). Women are also more likely than men to take up care responsibilities for children, the elderly or dependent family members and were thus far more likely to reduce their working hours or withdraw from the labour force altogether during the pandemic (Alon et al. 2020, Albanesi and Kim 2021b). In the first two months of COVID-19, the significant decline in the labour force participation of prime-age women was largest among those with primarily school-aged children (6-12 years) (LMIC 2022).

The adverse effects of the pandemic were larger at the pandemic’s earliest waves and for women who were immigrants, racialized, Indigenous, low-income and low skilled, partly due to their overrepresentation in precarious employment (Dessanti 2020, Robson et al. 2022). Moreover, the disruption of childcare services and school closures had an uneven impact on women with young children, and the gender employment gap between parents was the largest for those with school-aged children prior to the summer of 2020 (Qian and Fuller 2020, Leclerc 2020, Scott 2021, Fabrizio et al. 2021).
Women’s employment fully recovered by September 2021 and exceeded the pre-pandemic – February 2020 – level by 5 percent in February 2023. The long-lasting effects of the pandemic on women and particularly mothers in the workplace, however, remain unclear. For instance, employed women self-reported a lower mental health status during the pandemic (Beland et al. 2022). Due to the double burden of caring responsibilities and paid work, the pandemic disproportionally affected the emotional, psychological and social well-being of working mothers (Gottardello and Mazrekaj 2021).

Employment of Women with Young Children

Despite a remarkable increase in women’s employment rates over time, there is still a large gap between men and women (age 25-54) with children. This gap depends largely on the age of the youngest child (Figure 5). The gender employment rate gap was only 2.1 percentage points in 2022 among those without children less than 18 years old. In contrast, the gap is the largest among those with young children (0-5 years old) –18.4 percentage points in 2022 – even though the employment rate of women with young children (0-5 years old) has had the greatest surge over time, increasing from 32.1 percent in 1976 to 75.5 percent in 2022.

The good news is that while much of the employment rate increase among mothers occurred prior to 2005, in line with employment figures for all women, there was also a noticeable improvement in 2022. The Bank of Canada (2023) suggests that this rise in women’s labour market participation could be associated, in part, with lower childcare costs under the new Canada-wide early learning and childcare system, introduced by the federal government in 2021. Under this system, which started with an average fee reduction of 50 percent in 2022, Ottawa is investing more than $27 billion over five years to work with provincial and territorial governments to reduce average fees for regulated childcare to $10-a-day by 2025/26. Other factors that might play a role in increasing women’s employment rates include a tight labour market, the availability of better job opportunities, a shift toward flexible work arrangements that allow both mothers and fathers with young children to share more equal parenting responsibilities and recent high inflation.5

Still, more can, and should, be done to support women with young kids who wish to enter or re-enter the labour market. In general, factors that discourage the working-age population from joining the labour market include lack of employment opportunities, absence of adequate skills and personal reasons, such as illness, attending school and caring for children or other family members. Moms face more obstacles than dads to returning to work and need support that includes access to training and affordable childcare (Schirle et al. 2022). For example, the employment rate of mothers with young children in Quebec, where childcare has been subsidized since 1997, has been higher than the rest of country (see online appendix Figure A2).

Employment Gender Disparities

There are gender disparities in job characteristics depending on employment type, occupation and industry.6 In the following sections, we show that women are more likely than men to work part-time and present gender variations in employment by occupation and industry.

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5 Past research shows that inflation (Koyuncu and Okşak 2022, Niemi and Lloyd 1980) and flexible working arrangements (Subramaniam et al. 2015) can have a positive impact on women’s labour supply.

6 For example, these disparities contribute to gender gaps in earnings. See Schirle and Sogaolu (2020) for an analysis of gender wage gaps and contributing factors.
Part-time Employment:

In 1976, some one-quarter of employed women worked part-time, compared to 6 percent of men, representing more than 71 percent of all part-timers. Although women are still much more likely to work part-time than men, part-time employment has grown substantially faster among men than women since 1976 (Figure 6), resulting in a reduction in women’s share in part-time employment to about 64.4 percent in 2022. Women’s share of part-time employment depends greatly on age, with women aged 25-54 having the highest share in part-time employment (see online appendix Figure A3). Regardless of gender, youth (15-24 years old) are more likely to seek a part-time job due to schooling, while personal preference is the main reason among all workers aged 55 and older.

Among part-timers aged 25 to 54 in 2022, men cited economic conditions as the main reason (32 percent), while parental responsibility was the main reason for women’s part-time employment (about 28 percent). Narrowing the focus on part-timers to those aged 25-44, the share citing childcare increases only among women, to 33 percent. The childcare factor is lowest in Quebec, compared to the rest of Canada, highlighting the role of accessing affordable childcare in women’s employment decisions (Figure 7).

Differences in childcare support among jurisdictions provide insights into the impact of childcare for mothers who wish to participate in the labour market and opt for part-time work. For example, the median childcare fee has been lowest in Quebec and highest in Ontario (Friendly et al. 2020). Quebec’s reduced-fee universal childcare program has supported the higher participation of women in the labour market (Baker, Gruber and Milligan 2008; Lefebvre and Merrigan 2008; Lefebvre, Merrigan and Verstraete 2009; Laurin and Milligan 2017). Friendly et al. (2020) also show that the level of regulated childcare space availability, relative to the number of children, was highest in Quebec while Saskatchewan, Ontario and Alberta had the lowest availability in 2019. In part due to its universal childcare policy, lower childcare costs and higher level of space availability, Quebec has a higher...
employment rate for women with young children and the lowest share of women working part time due to caring for children.

All provinces and territories recently reached an agreement with the federal government to reduce fees in regulated childcare to an average of $10-a-day by 2025/26. However, they may not be able to keep up with demand and address accessibility issues and barriers. For example, the Financial Accountability Office of Ontario (2022) estimated that by 2026 Ontario will continue to be short more than 200,000 childcare spaces for children under age six, despite its commitment to expand the number of licensed childcare spaces.

Furthermore, childcare centres across Canada are struggling to attract and retain early childhood educators (ECE), which may affect the accessibility and quality of childcare. It is estimated that at least 32,000 ECEs will be needed to meet the demand for $10-a-day childcare (Atkinson Centre 2022). With the ECE shortage, some childcare centres are running at reduced capacity or have closed down. As a result, waiting lists for childcare have increased, and many families still struggle to find childcare, especially in rural and remote areas. According to Statistics Canada (2022), 90 percent of childcare centres in Canada indicated difficulties in filling vacant staff positions in 2022. About one in three were looking for qualified ECEs.

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8 https://www.cbc.ca/player/play/2182554179988#:--text=Child%2Dcare%20centres%20across%20Canada%20closed%20after%20staff%2Dshortage.
9 ECEs provide a critical service to support mothers who re-enter the labour force. However, ECEs have recently left childcare centres in droves due to low pay. In 2022, the median wage for ECEs was $20.20 per hour while educational assistants could make $23 per hour.
Employment by Industry and Occupation

Meanwhile, Figures 8 and 9 show gender imbalances across industries and occupations. Women are overrepresented in healthcare and education services, followed by the accommodation and food services industry (the lowest-paying industry) and are underrepresented in some in-demand jobs such as skilled trades and in high-paying occupations such as STEM as well as in management occupations.

Some gender differences in occupations and industries are related to educational and occupational choices and workplace culture, as well as societal norms. Although women in Canada have become more educated, they continue to have fewer trades' certificates and STEM university degrees than men (Mahboubi 2022, Ferguson 2016). In 2021, women made up just 12 percent of the 72,714 new apprenticeship registrations in Canada, down from 13.5 percent in 2019. According to Statistics Canada, men represented more than half (60.5 percent) of postsecondary STEM enrolments in 2020/21, while women represented 38.9 percent of the total. Chan et al. (2021) find that only about one-third of the STEM enrollment gender gap (17 percentage points) among bachelor's degree students can be explained by gender differences in academic performance or by student and school characteristics. Other contributing factors could be related to gender differences in STEM role models (teachers or parents), interest, confidence and societal norms.

Industrial differences between men and women explain why, unlike in the 2008-2009 financial crisis, the pandemic hit women harder. During the 2008-2009 financial crisis, the goods-producing industries had the highest employment drop, but only about 11 percent of women worked in these industries, compared to 35 percent of men. In contrast, a higher proportion of women (29.3 percent compared to 24.6 percent of men) worked in the

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10 https://doi.org/10.25318/3710016301-eng

11 The goods-producing sector consists of agriculture; forestry; fishing and hunting; mining; construction; and manufacturing.
pandemic's hardest-hit industries: accommodation and food services, wholesale and retail trade, and information, culture and recreation.

Although many women returned to work post-pandemic, it appears that they, similar to men, shifted to different industries (see online appendix Figure A4). Compared to 2019, there were notably fewer women working in accommodation and food services in 2022 (a decline of 15 percent), while their employment increased in utilities (by 23 percent) and in professional and technical services (by 21 percent). Some shifts could be due to preferences for jobs that are more likely to offer remote and flexible work arrangements (Brookfield Institute 2021) or the availability of a higher-paying job. However, these shifts did not make a significant improvement in industrial and occupational gender imbalances, compared to 2019.

Conclusion and Policy Recommendations

While most of the Canadian labour market has recovered from the pandemic, there still remain significant differences between men and women. Reducing disparities in gender participation and employment rates and encouraging women to work in in-demand and high-paying jobs (e.g., STEM occupations and skilled trades) would help mitigate aging’s impact on labour force growth, address labour and skills shortages, and strengthen the economy. These measures require encouraging greater labour force participation and removing employment barriers for women who wish to work, especially older women and those with children. In this concluding section, we discuss our recommendations to get us there: better childcare policies for increasing accessibility to affordable childcare, improvements to women’s workforce development and flexible work arrangements.

To boost the labour supply of women and increase their full-time employment, policymakers should consider measures that enable them to better balance family and employment responsibilities. For many mothers, it means improving access to affordable and good-quality childcare services (Monika 2021, Dessanti 2020). Childcare
policies play an important role in employment and career decisions, particularly among women with young children. Through the recent Canada-wide Early Learning and Childcare Agreements, the Government of Canada is working with the provinces and territories to implement a shared vision where all families have access to affordable, high-quality, flexible and inclusive childcare. While all provinces and territories are moving toward universal childcare (ESDC 2023), access remains a major concern. Such an initiative requires collaboration between childcare centres and the government to increase not-for-profit and public childcare facilities (Cleveland 2022) and the number of childcare providers. To address ECE shortages, there needs to be adequate funding to raise their wages, help with the recruitment and retention of qualified workers and encourage career pathways to ECEs. Employers can also adopt creative and innovative strategies, such as workplace-based childcare to retain and attract more women workers.

In addition, we need policies that focus on women’s workforce development and address underrepresentation of women in STEM and skilled trades. For example, offering skills training and improving career development services can allow women to fully engage in the workforce, particularly older workers (Mahboubi 2017). Older individuals are less likely to be offered and participate in work-related training programs (Mahboubi and Mokaya...
The transition to paid employment is also more challenging for mothers with young children relative to fathers since they often need to re-enter the labour force after time away caring for children and managing their households. These mothers may require more support, including skills training, to address barriers. Furthermore, training and employment support allows women to make sectoral shifts, find better employment opportunities and move to higher-paying jobs. Relevant initiatives should define critical skills that are responsive to women’s needs, accelerate women’s reskilling and ensure these skills are utilized (Dessanti 2020). Retraining is important especially for sectors where there is a huge demand for skilled workers. Conducting strategic workforce planning and creating a strong learning environment are also overall best practices.

Reducing the STEM gender gap requires policies that aim at closing achievement gaps in mathematics between girls and boys and better helping students make an informed choice of field of study and career. It is also important to assess and address potential structural factors that could be driving women and girls out of STEM disciplines or skilled trades. Examples of such factors include teaching methods, lack of mentorship, inhospitable learning or work environments, and bias and discriminatory practices (Mahboubi 2022, Kricorian et al. 2020).

Lastly, employers should consider flexible work arrangements (i.e., telework and flexible hours) to improve the retention and attraction of women. Providing family-friendly working time not only helps women better balance their family responsibilities and employment but is also beneficial to employers in terms of productivity gains and widening talent pools. Women may shift from part-time work to full-time, thus increasing the number of total hours worked. Sufficient availability of flexible work arrangements combined with opportunities for training can also be very helpful for parents with caregiving responsibilities to thrive in their positions. Furthermore, offering flexible scheduling options to older women, such as reduced hours, to increase work engagement gives businesses more time to cope with demographic transition and meet their human capital needs.

In conclusion, it is important to continue applying a gender lens to designing social programs and labour market policy, post-pandemic. A higher labour-force participation rate and better employment outcomes for women would not only increase the national GDP but also enhance gender equality. Strategies that reduce gender inequalities in childcare and unpaid care work, that improve women’s workforce development and offer flexible work arrangements can all be effective in empowering women and encouraging them to join the paid workforce. Clearly, investments in the labour market outcomes of women are essential to Canada’s continuous prosperity and inclusive growth.
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