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Quality of Employment in Canada

Wages by deciles, 1997 to 2022

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Wages by deciles, 1997 to 2022

In 2022, employees with wages in the top 10% had an hourly wage at least 3.4 times higher than those in the bottom 10%. At the same time, employees earning the median wage had hourly wages at least 1.7 times greater than those in the bottom 10%. Wage inequality was higher among older employees, with the ratio between the highest and lowest decile reaching 3.5 among employees aged 55 and older, compared with 3.1 among core-aged employees and 1.9 among youth.

While variations in wages can reflect differences in skills requirements and in the supply and demand for workers in specific occupations, wider disparities can impact social cohesion. This indicator examines the median usual hourly wages of paid employees, aged 15 years and older, as well as the ratio between hourly wage deciles. Deciles correspond to 10 equally large groups of earners, ranked from the group with the lowest wages to the group with the highest wages. The ratio between deciles provides an indication of the degree of wage inequality within the labour market. The larger the ratio between deciles, the wider the inequality. The indicators included in the UNECE Quality of employment framework are the ratios of the 9th to the 1st decile, of the median (5th decile) to the 1st decile, and of the 9th decile to the median.

All data are from the Labour Force Survey (LFS) and reflect the wages of all employees in their main job, including those paid on an hourly, daily, weekly, or monthly basis. Unless otherwise stated, wages are adjusted for changes in the Consumer Price Index (CPI) and expressed in 2022 constant dollars.

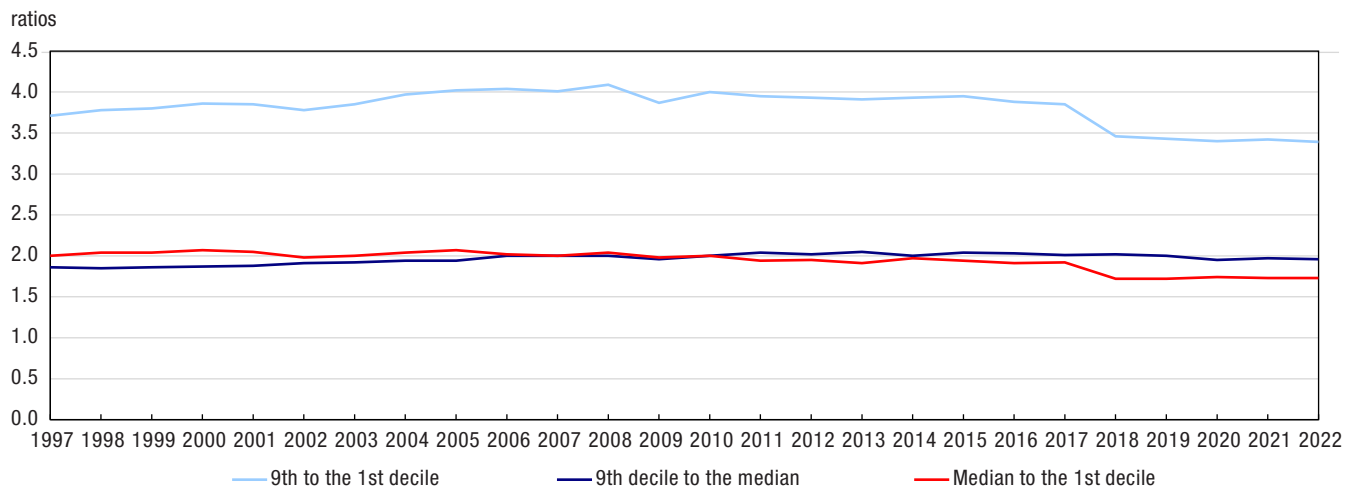
Historical trends, 1997 to 2022

In 1997, the median hourly wage for all employees was \$23.41 per hour. That year, 10% of employees had hourly wages above \$43.48 per hour (the 9th decile) and 10% had wages of \$11.71 or lower (the 1st decile). By 2022, the median hourly wage was \$27.00, the 9th decile was \$52.88 per hour and the 1st decile was \$15.60 per hour. From 1997 to 2022, the ratio of the 9th to the 1st decile fell from 3.7 to 3.4, indicating that the difference in wages between the highest and lowest earners fell over this period. The decline was mostly due to a faster increase in the 1st decile from 2016 to 2018, with the hourly wages of the lowest-paid employees increasing more rapidly during this period. There was also greater equality between the median and the 1st decile in 2022 compared with 1997, with the ratio falling from 2.0 to 1.7.

During the same period, the ratio between the 9th decile and the median increased slightly, rising from 1.9 to 2.0. The higher ratio in 2022 indicates that wages grew relatively more quickly among the highest earners compared with employees earning close to the median wage.

In general, there is more inequality in weekly wages, reflecting differences in both usual hours of work and hourly wage rates. Decile ratios have followed a similar trend for weekly wages over the period, with the ratio of the 9th to the 1st decile falling from 6.3 to 5.7 from 1997 to 2022 and the ratio of median to the 1st decile declining from 3.2 to 2.8.

Chart 1
Hourly wage decile ratios, employees 15 years and older, Canada, 1997 to 2022



Note: Due to rounding, estimates and percentages may differ slightly between different Statistics Canada products, such as analytical documents and data tables.
Source: Statistics Canada, Labour Force Survey, custom tabulation.

A recent snapshot

In 2022, the median hourly wage was \$29.87 for men and \$25.00 for women. There was a wider wage gap between men and women among top earners, with the top 10% of male employees earning at least \$57.69 compared with \$49.45 among women. More information on the wage gap between men and women is available in the article: [Pay gap, 1998 to 2021](#).

Wage inequality was somewhat greater among men, who posted a ratio of 3.6 between the 9th and the 1st decile and of 1.9 between the 5th and the 1st decile. Among women, the ratio of the 9th to the 1st decile was 3.3, and the ratio of the 5th to the 1st decile was 1.7.

Among the three main age groups, employees in the core working age of 25 to 54 had the highest median hourly wage at \$30.13. This was followed by older employees aged 55 and older (\$27.25 per hour), and youth aged 15 to 24 (\$17.00 per hour). Youth had the smallest disparity in their wages, with the ratio of the 9th to the 1st decile (1.9) being just under half that of older employees (3.5), and about a third lower than the ratio for core-aged employees (3.1). Wage disparities tend to increase as workers become older, reflecting the diversity of skills and experience workers acquire over time. In addition, youth are more likely to work in low-paying industries such as accommodation and food services, which had a low median hourly wage (\$16.00) and one of the lowest ratios between the 9th and the 1st decile (1.7) in 2022.

The ratio of the 1st to the 9th decile was highest in professional, scientific, and technical services (3.5) and finance, insurance, real estate, rental and leasing (3.5), where the top 10% of earners have notably high wages.

While employees with a bachelor's degree or higher had the highest median wage in 2022, they also had greater inequality in their hourly wages. The median hourly wage of core-aged employees with a bachelor's degree or higher was \$38.00, compared with \$28.21 for those with post-secondary education below the bachelor's and \$24.00 for employees with a high school diploma or less. Yet, among core-aged employees, both the ratios of the 9th to the 1st decile (3.2) and of the median to the 1st decile (1.9) were highest among those with a bachelor's degree or higher. The ratio of the 9th to the 1st decile was 2.7 for those with post-secondary education below the bachelor's degree, as well as for those with a high school diploma or less.

Wages by deciles, 1997 to 2022

The wages of unionized employees differ in several ways from those of employees not covered by a collective agreement. In 2022, unionized employees had a higher median wage (\$32.00) than their non-unionized counterparts (\$25.00). In addition, all three decile ratios were lower among employees covered by a collective bargaining agreement, indicating that unionized employees experience less wage inequality than those who are not covered. This pattern has been consistent throughout the 1997 to 2022 period. In 2022, the ratio between the 9th and the 1st decile was 2.6 among unionized employees and 3.6 among their non-unionized counterparts. Unionization may play a role in boosting the wages of employees with the lowest earnings. The 1st decile was \$19.50 among unionized employees, compared with \$15.00 among those not covered by a union contract.

Table 1
Hourly wage decile ratios by selected demographic and employee characteristics, Canada, 2022

	9th to the 1st decile	9th decile to the median	Median to the 1st decile
	ratios		
Employees 15 and over			
Men	3.6	1.9	1.9
Women	3.3	2.0	1.7
15 to 24	1.9	1.6	1.2
25 to 54	3.1	1.8	1.7
55 and over	3.5	2.1	1.7
Unionized	2.6	1.6	1.6
Not unionized	3.6	2.2	1.7
Employees 25 to 54			
High school or less	2.7	1.7	1.5
Post-secondary, below bachelor's degree	2.7	1.7	1.6
Bachelor's degree or higher	3.2	1.7	1.9

Note: Due to rounding, estimates and percentages may differ slightly between different Statistics Canada products, such as analytical documents and data tables.

Source: Statistics Canada, Labour Force Survey, custom tabulation.

Information on the indicator

Description or definition

In the publication *Quality of Employment in Canada*, the **wages by deciles** indicator examines the median usual hourly wages as well as the ratios between hourly wage deciles for employees in their main job. Three decile ratios are used to measure wage inequality: the 9th decile divided by the 1st decile; the 9th decile divided by the 5th decile (median); and the 5th decile (median) divided by the 1st decile.

Source

Statistics Canada, Labour Force Survey, 1997 to 2022.

Information for interpretation

For more information on the Labour Force Survey (LFS) methodology and population coverage, please consult the [Guide to the Labour Force Survey, 2020](#).

Industry coding is based on the North American Industry Classification System (NAICS) 2017.

Beginning January 1997, information is collected on the usual wages or salary of employees at their main job. Respondents are asked to report their wage/salary before taxes and other deductions, and include tips and commissions. Weekly and hourly wages/salary are calculated in conjunction with usual paid work hours per week. Average hourly wages, average weekly wages and wage distributions can then be cross tabulated by other characteristics such as age, sex, education, occupation, and union status.

Wages were adjusted to 2022 constant dollars using the annual all-item Consumer Price Index (CPI): [Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted](#).

Other related information

Additional Statistics Canada data are available on the following subject:

[Earnings, wages and non-wage benefits](#)