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Quality of Employment in Canada

Employees with low pay, 2024

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Employees with low pay, 2024

In 2024, 18.5% of employees in Canada earned less than the low pay threshold of \$20.00 per hour. In general, women, recent immigrants, and those working in jobs that usually do not have formal educational requirements were more susceptible to earning low pay.

The United Nations Economic Commission for Europe's (UNECE) Expert Group on Quality of Employment defines the low pay threshold as hourly earnings that are less than two-thirds of the median (before taxes and other deductions). The proportion of employees with low pay is an indicator of wage equity and provides information on those who may be at risk of economic hardship.

All data for the employees with low pay indicator reflect annual averages from the Labour Force Survey (LFS). The analysis is restricted to employees aged 15 and older, and hourly wage data are adjusted on the basis of the Consumer Price Index (CPI) and expressed in 2024 constant dollars.

Historical trends, 2006 to 2024

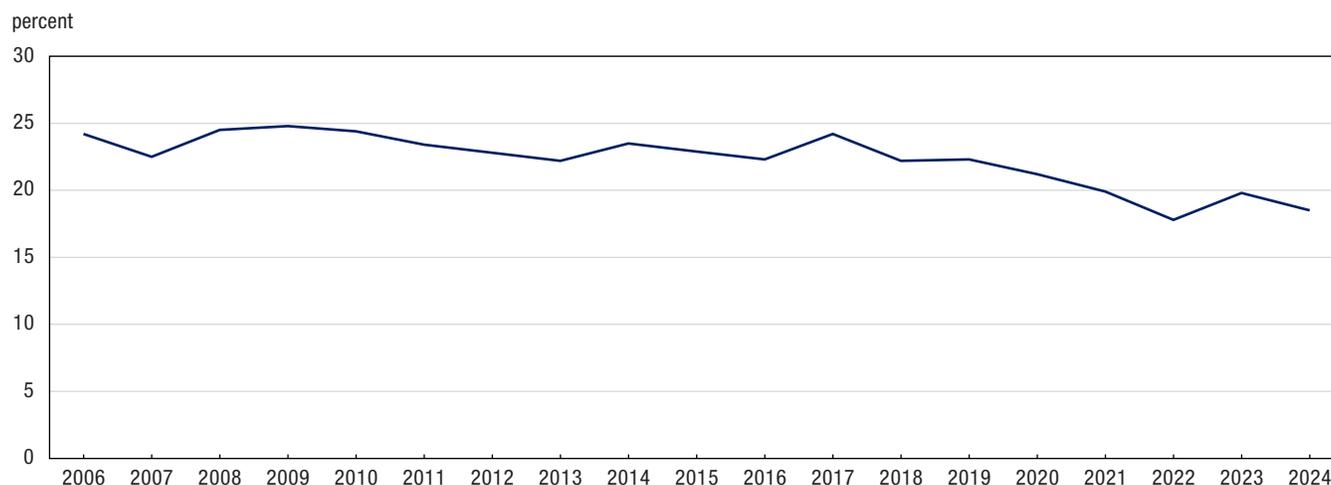
In 2006, just under one quarter of employees (24.2%) earned less than the low pay threshold. Since then, the proportion of employees with low pay has declined, largely as a result of downward trends recorded from 2009 to 2013 and from 2019 to 2022.

During the COVID-19 pandemic, in 2020, the share of employees with low pay decreased to 21.2%. The concentration of pandemic-related job losses in lower-paying occupations resulted in a reduction in the overall proportion of employees in the low pay group.

The proportion of employees earning low pay continued to fall over the following two years and reached a low of 17.8% in 2022. In 2024, 18.5% of employees earned low pay, still one of the lowest levels recorded since 2006, the earliest year of available comparable data.¹

Chart 1

Percentage of employees aged 15 years and older earning less per hour than the low pay threshold, Canada, 2006 to 2024



Notes: The low pay threshold is two thirds the median usual hourly wage.

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.

1. Due to changes in the treatment of outliers applied as part of the 2023 LFS revisions, wage data from 1997 to 2005 are no longer directly comparable with later years.

Women remain more likely than men to earn low pay

In 2006, women (29.7%) were more likely to have had an hourly wage below the low pay threshold in comparison to men (18.8%). Men also had a higher median wage compared to women during that year (\$28.22 vs. \$22.08).

Although women (21.8%) continued to be more likely to earn below the low pay threshold than men (15.4%) in 2024, the gap between the two groups had narrowed by 4.4 percentage points, with the median wage having grown to a greater extent among women (+18.6% to \$28.00) than among men (+12.8% to \$32.00) since 2006.

A recent snapshot

Employees in occupations requiring advanced education or training are less likely to fall below the low pay threshold

The level of training, education, experience and responsibilities (TEER) typically required to work in a particular occupation is an important driver of wage rates. In 2024, TEER 5 occupations, which usually have no formal educational requirements, had the highest share of employees earning low pay (56.5%). Moreover, 1 in 3 employees (33.4%) working in occupations that typically require the completion of high school and/or a few weeks of on-the-job training (TEER 4) were earning low pay.

In contrast, few employees in professional occupations that usually require at least a university degree (2.6%) and in management occupations (1.7%) had hourly earnings below the low pay threshold.

Because they are more often able to obtain positions with higher educational or experience requirements, fewer than 1 in 10 employees (9.2%) with a bachelor's degree or higher were earning below the low wage threshold in 2024, compared with 1 in 3 employees (36.0%) with a high school diploma or a lower level of education.

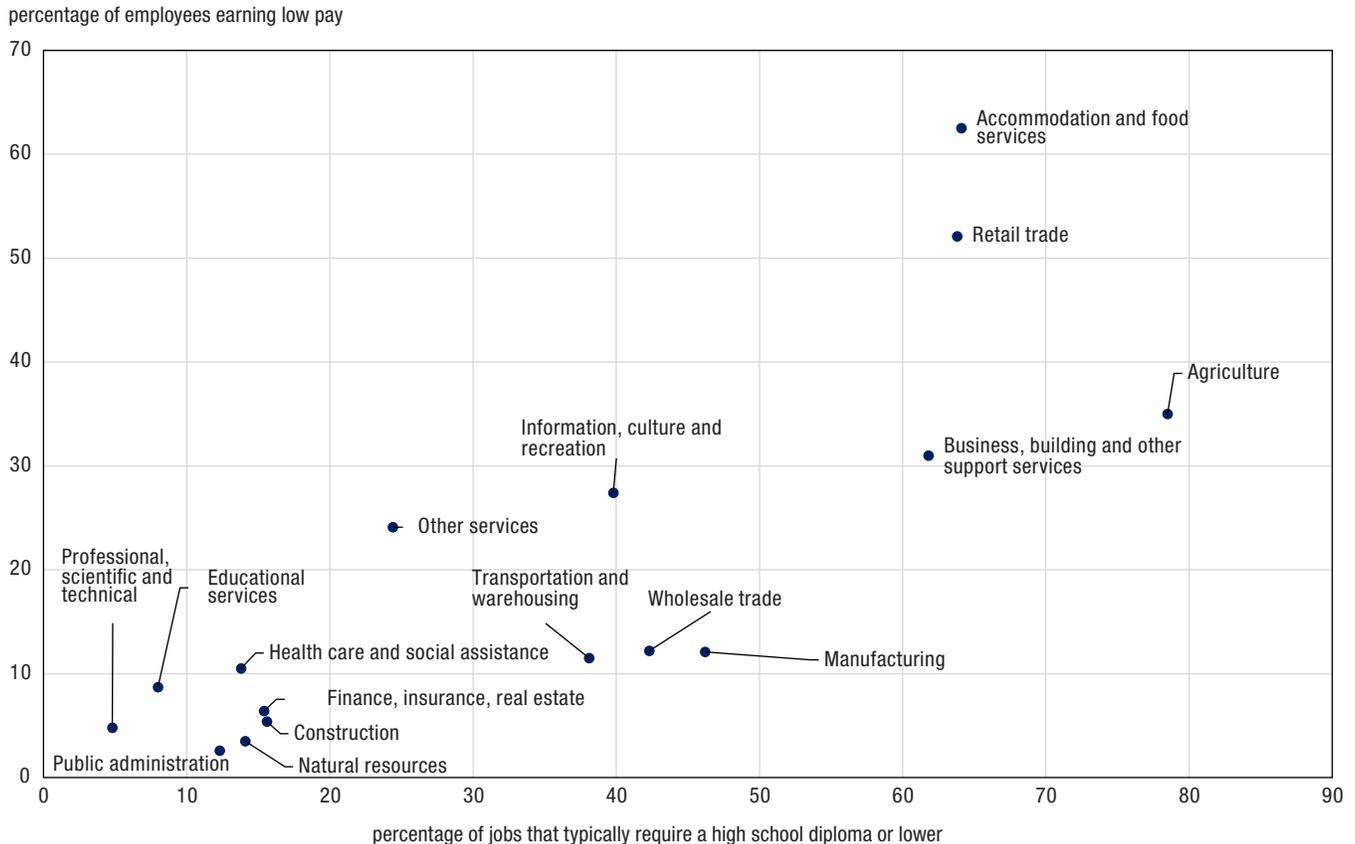
More than 6 in 10 employees in accommodation and food services earned low pay

In 2024, the share of employees with low pay was highest in the accommodation and food services industry (62.5%), followed by retail trade (52.1%). In comparison, it was lowest in utilities (0.7%), public administration (2.6%), natural resources (3.5%) and professional, scientific and technical services (4.8%).

Industries with higher proportions of employees earning low pay tended to be those with lower educational requirements. There were notable exceptions, however; the proportion of employees earning low pay was relatively low in transportation and warehousing (11.5%), manufacturing (12.1%) and wholesale trade (12.2%) despite lower educational requirements, on average, compared with other industries.

This suggests that other factors, such as industry-specific specializations and requirements, the share of part-time employment, and union coverage, play a role in determining low pay rates across industries.

Chart 2
Percentage of employees with low pay and percentage of jobs that typically require a high school diploma or lower by industry, 2024



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.

Nearly 3 in 10 recent immigrants were earning below the low pay threshold

The rate of low pay among landed immigrants varied according to the time since they were admitted to Canada. Nearly 3 in 10 (28.3%) recent immigrant employees who had landed less than 5 years earlier earned less than the low pay threshold. In comparison, 21.0% of immigrants who had landed between 5 and 10 years earlier and 16.1% of established immigrants who had landed more than 10 years earlier were earning low pay. The rate of low pay among established immigrants was similar to that of Canadian-born employees (16.9%).

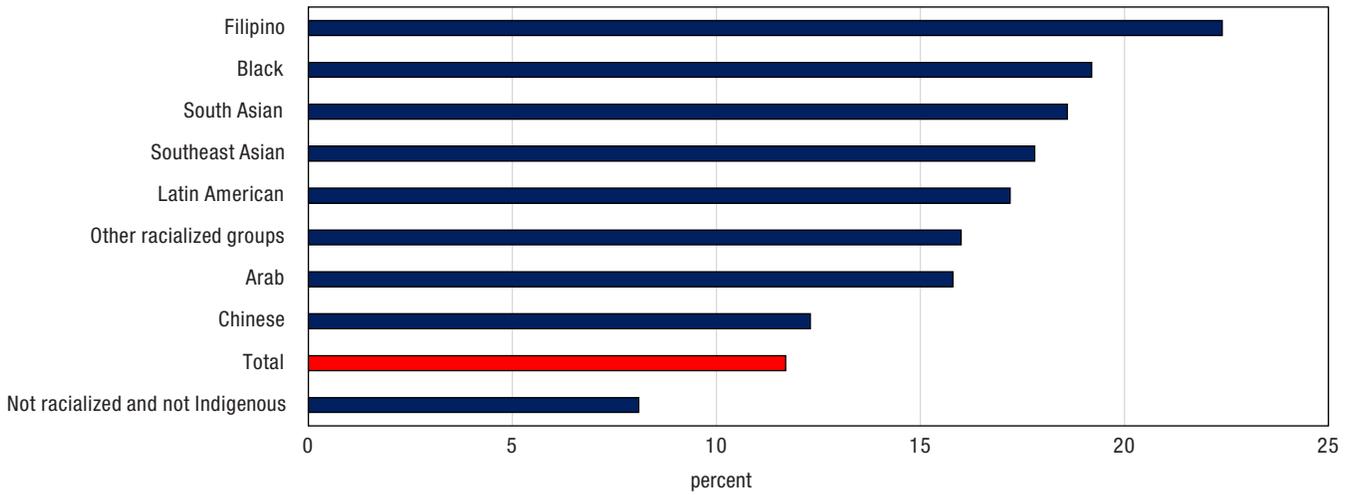
Low pay is more common among Filipino and Black employees

In 2024, about 2 in 10 Filipino (22.4%) and Black (19.2%) core-aged employees (aged 25 to 54) were earning hourly wages that were below the low pay threshold. In comparison, 8.1% of employees in this age group who were non-racialized and non-Indigenous earned low pay.

Among core-aged employees, rates of low pay were higher than the national average (11.7%) in most racialized populations in 2024. Among South Asian employees, the proportion was 18.6%, while for Chinese employees, it was 12.3%.

Chart 3

Percentage of employees earning below the low pay threshold, 25-to 54-year-olds, by racialized group, Canada, 2024



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

The **employees with low pay** indicator measures the proportion of employees earning less than two-thirds of the median hourly earnings (before tax and other deductions) at their main job, which is considered by the UNECE Expert Group framework to be the low pay threshold.

The analysis presented in this article is based on low pay thresholds that are calculated in relation to the median hourly wage of employees in their main job in each year. As a result, the low pay rate is not only influenced by the increase and decrease in the number of employees at the bottom of the wage distribution, but also by changes in the median hourly wage.

Source

Statistics Canada, Labour Force Survey, 2006 to 2024.

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, 2025](#).

The LFS estimates are based on a sample and are therefore subject to sampling variability. The analysis focuses on differences between estimates that are statistically significant at the 95% confidence level. Due to rounding, estimates and percentages may differ slightly between different Statistics Canada products, such as analytical documents and data tables.

Occupations are coded according to the National Occupational Classification (NOC) 2021.

Beginning in January 1997, the LFS collects information on the usual wages or salaries 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 are calculated on the basis of 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. In the present article, the analysis is restricted to the 18-year period of 2006 to 2024. Due to changes in the treatment of outliers applied as part of the [2023 Revisions of the Labour Force Survey \(LFS\)](#), wage data prior to 2006 are no longer directly comparable with later years.

LFS data are based on sex of person up to December 2021 and gender of person from January 2022 onward. Although gender and sex at birth are two different concepts, this change does not cause a significant break in the trend because the two concepts produce very similar distributions. All data products from the LFS now adopt the term “gender” for all years and periods.

Hourly wages adjusted for inflation were calculated from nominal hourly wages, by dividing them by the Consumer Price Index (CPI) for the year, then multiplying the result by 100. For this study, CPI=100 in 2024, meaning that results are presented in 2024 constant dollars.

CPI values are from Statistics Canada [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](#)