

Aboriginal Employment and Wages in Canada: A Decade of Positives and Negatives

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ABSTRACT

The employment and participation rates for Aboriginals improved in 2016 over 2015, while the unemployment rate remained the same. However, Aboriginals, as well as non-Aboriginals, have not reached the 2007 levels they were prior to the recession of 2008–2009. Wages have improved annually and in most years at a rate greater than the consumer price index. This applies for Aboriginals and non-Aboriginals, except in 2016, when wages were basically unchanged for Aboriginals. In general, the rates of employment, unemployment, participation and wages are more favourable for non-Aboriginals than for Aboriginals. However, when examined by the level of education completed, employment rates are similar.

Employment and wages are examined for the previous ten years, focusing on changes in 2007, which was prior to the recession, in 2010, immediately after the recession and in 2015 and 2016. Gender, age and educational differences are discussed.

INTRODUCTION AND OVERVIEW

There are multiple ways to assess the state of an economy. A common method is the use of the gross domestic product or GDP; however, this is not a readily accessible measure for Aboriginals in Canada. An alternative and perhaps more meaningful approach is to examine wage rates and the employment rate, unemployment rate (those who are actively seeking employment) and participation rate (those employed and unemployed, divided by the population). In this article these are examined for non-Aboriginals and for Aboriginals living off-reserve and who are 15 years and older. All references are to these populations.¹

¹ To enable clearer comparisons between the rates prior to the recession (2007), immediately afterwards (2010), and for the previous two years (2015 and 2016), the data for each of the years from 2007–2015 are not presented in this article but they may be referred to in the article by Oppenheimer (2015).

TABLE 1
Labour Force Characteristics for Aboriginals Living Off-reserves and for
Non-Aboriginals, 15 Years and Over, Canada, Annual Averages

		2007	2010	2015	2016
Aboriginal population	Population ('000)	638.3	740.5	876.2	911.7
	Labour force ('000)	415.1	460.8	552.1	587.5
	Employment ('000)	370.7	395.9	483.7	514.8
	Unemployment ('000)	44.4	64.8	68.4	72.7
	Not in labour force ('000)	223.2	279.7	324.1	324.3
	Unemployment rate (%)	10.7	14.1	12.4	12.4
	Participation rate (%)	65.0	62.2	63.0	64.4
	Employment rate (%)	58.1	53.5	55.2	56.5
	Non-Aboriginal population	Population ('000)	25,823.2	26,833.6	28,403.7
Labour force ('000)		17,424.7	17,980.1	18,716.8	18,843.9
Employment ('000)		16,390.5	16,555.1	17,451.8	17,553.7
Unemployment ('000)		1,034.3	1,425.0	1,265.0	1,290.2
Not in labour force ('000)		8,398.5	8,853.5	9,686.9	9,831.5
Unemployment rate (%)		5.9	7.9	6.8	6.8
Participation rate (%)		67.5	67.0	65.9	65.7
Employment rate (%)		63.5	61.7	61.4	61.2

Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0226

Unemployment Rates

Unemployment rates for Aboriginals are considerably higher than they are for non-Aboriginals. The unemployment rate for Aboriginals was 12.4 in 2015 and 2016. This was better than the 14.1 rate immediately after the recession in 2010, but not as good as it was prior to the recession in 2007, when it was 10.7. Non-Aboriginals unemployment rates were 6.8 in 2016 and 2015, an improvement from 7.9 in 2010, but not as good as 5.9 in 2007. (See Table 1.)

Employment Rates

Employment rates for Aboriginals are lower than they are for non-Aboriginals. The employment rates for Aboriginals were 56.5 in 2016, an increase from 55.2 in 2015, and an improvement from 53.5 in 2010, but lower than 58.1 in 2007. The non-Aboriginals employment rates declined in each of the four time periods presented in this article. They were 61.2 in 2016, a decrease from 61.4 in 2015 and from 61.7 in 2010 and from 63.5 in 2007. (See Table 1.)

Participation Rates

The participation rate is the percent of those employed and seeking employment in the population. An increasing participation rate is generally considered positive. The participation rate for Aboriginals was 64.4 in 2016, an increase from 63.0 in 2015. In 2010, it was at its lowest level of 62.2 for the ten years and was at 65.0 in 2007. The participation rate for

non-Aboriginals has declined to 65.7 in 2016, from 65.9 in 2015. It was 67.0 in 2010 and 67.5 in 2007. (See Table 1.)

The steady decline in both the employment rate and the participation rate for non-Aboriginals may have significant implications, but it is beyond the scope of this article to examine these issues.

EMPLOYMENT RATES BY GENDER AND AGE

Employment rates were higher from 2007 to 2016, for non-Aboriginal men and women in all three age groups, with four exceptions. The employment rate in 2007 for Aboriginal men was higher than for non-Aboriginal men 55 years and older, and the employment rates for Aboriginal women were higher in 2010, 2015 and 2016 than for non-Aboriginal women 55 years and older.

The employment rate for Aboriginal men increased marginally in 2016 to 58.5 from 58.3 in 2015. This was a further improvement from the 55.4 rate in 2010, but lower than the pre-recession rate of 62.9 in 2007. The employment rates are higher for non-Aboriginal men, but decreased in 2016 to 65.0 from 65.5 in 2015, which was where it was in 2010, but down from 68.0 in 2007.

For Aboriginal women the employment rate also increased in 2016 to 54.5 from 52.3 in 2015 and from 51.7 in 2010, but unlike the men, it was higher in 2016 than in 2007, when it was 53.7. In 2016 and 2015 the employment rate for non-Aboriginal women was 57.5. In 2010 it was higher at 58.0 as well as in 2007 when it was 59.1.

The employment rates for Aboriginal men decreased in 2016 from 2015 for those 15–24 years old and for those 25–54 years old, but increased for those 55 years and older. The employment rates decreased for non-Aboriginal men in 2016 from 2015 for all three age groups.

The employment rates were higher in 2016 than in 2010 (after the recession) for everyone (Aboriginal and non-Aboriginal men and women for each of the age groups) except for non-Aboriginal women in the 15–24 age group, for whom the employment rate was the same.

Employment rates were lower in 2016 than in 2007 (before the recession) for Aboriginal men and for non-Aboriginal men and women 15–24 and 25–54. Employment rates were higher in 2016 than in 2007 for Aboriginal women in all three age categories as well as for Aboriginal and non-Aboriginal men, 55 years and older.

UNEMPLOYMENT RATES BY GENDER AND AGE

Unemployment rates have been higher in each of the last ten years for Aboriginals than for non-Aboriginals in every category. That is, for males and females in each age category, 15–25, 25–54 and 55 and over, Aboriginal unemployment has been higher than for non-Aboriginals.

Unemployment rates were higher for Aboriginal men in 2016 than in 2015 (13.9 from 13.1) as well as for non-Aboriginal men (7.5 in 2016 from 7.3 in 2015). These 2016 unemployment rates are better than they were in 2010 (15.7 for Aboriginals and 8.7 for non-

TABLE 2
Employment Rate (%) for Aboriginals Living Off-reserves and for Non-Aboriginals,
by Gender and Age Groups, Canada, Annual Averages

			2007	2010	2015	2016
Aboriginal	Both sexes	15 years and over	58.1	53.5	55.2	56.5
		15-24 years	49.8	45.2	49.8	49.2
		25-54 years	69.9	65.8	67.5	69.1
		55 years and over	32.5	29.8	34.4	35.4
	Men	15 years and over	62.9	55.4	58.3	58.5
		15-24 years	50.9	44.6	51.5	48.4
		25-54 years	75.5	69.5	72.1	71.8
		55 years and over	38.7	29.7	35.3	39.7
	Women	15 years and over	53.7	51.7	52.3	54.5
		15-24 years	48.7	45.8	48.2	50.0
		25-54 years	64.6	62.4	63.2	66.7
		55 years and over	27.3	29.9	33.7	31.3
Non-Aboriginal	Both sexes	15 years and over	63.5	61.7	61.4	61.2
		15-24 years	59.8	55.2	56.0	55.6
		25-54 years	82.5	80.9	81.8	81.7
		55 years and over	31.7	33.6	35.1	35.4
	Men	15 years and over	68.0	65.5	65.5	65.0
		15-24 years	59.4	53.4	54.5	54.3
		25-54 years	86.5	84.2	85.6	85.4
		55 years and over	38.1	39.4	40.8	40.6
	Women	15 years and over	59.1	58.0	57.5	57.5
		15-24 years	60.2	57.1	57.6	57.1
		25-54 years	78.5	77.5	78.0	78.1
		55 years and over	26.0	28.4	29.9	30.7

Source: Statistics Canada, Labour Force Survey, custom tabulation 4ctl_abo_main_AN.ivt

Aboriginals men) but worse than they were in 2007 (11.2 for Aboriginals and 6.3 for non-Aboriginal men).

For Aboriginal women, unemployment rates decreased in 2016 from 2015 (10.8 from 11.7). The unemployment rate for non-Aboriginal women remained the same at 6.1 in 2016 and 2015. This was a decrease (an improvement) from their 2010 unemployment rate of 7.1, but worse than the 2007 rate of 5.6. Similarly, the unemployment rate for Aboriginal women was better in 2016 (10.8) than it was in 2010 (12.4), but worse than it was in 2007 (10.1).

In 2016 unemployment rates for Aboriginal men increased for those 15–24 and 25–54 from 2015, but improved for those 55 and over. For non-Aboriginal men 15–24, the unemployment rate decreased, but increased for those 25–54 and for those 55 and over, in 2016 from 2015.

The unemployment rates were higher in 2010 and lower in 2007 than they were in 2016 for everyone (Aboriginal and non-Aboriginal men and women in each of the three age groups). See Table 3.

TABLE 3
Unemployment Rate (%) for Aboriginals Living Off-reserves and for Non-Aboriginals,
by Gender and Age Groups, Canada, Annual Averages

			2007	2010	2015	2016
Aboriginal	Both sexes	15 years and over	10.7	14.1	12.4	12.4
		15-24 years	16.9	21.1	18.8	19.0
		25-54 years	8.9	12.1	11.0	10.8
		55 years and over	8.4	11.7	8.6	9.6
	Men	15 years and over	11.2	15.7	13.1	13.9
		15-24 years	18.5	24.5	19.5	21.5
		25-54 years	9.1	13.0	11.2	12.2
		55 years and over	9.6	14.5	11.5	10.7
	Women	15 years and over	10.1	12.4	11.7	10.8
		15-24 years	15.3	17.8	18.0	16.6
		25-54 years	8.7	11.1	10.9	9.3
		55 years and over	0.0	9.2	5.6	8.3
Non-Aboriginal	Both sexes	15 years and over	5.9	7.9	6.8	6.8
		15-24 years	11.0	14.7	13.0	12.9
		25-54 years	5.0	6.8	5.7	5.8
		55 years and over	4.8	6.2	5.7	6.0
	Men	15 years and over	6.3	8.7	7.3	7.5
		15-24 years	12.1	17.1	14.9	14.6
		25-54 years	5.3	7.3	6.1	6.3
		55 years and over	4.9	6.9	6.1	6.6
	Women	15 years and over	5.6	7.1	6.1	6.1
		15-24 years	9.9	12.4	11.0	11.1
		25-54 years	4.7	6.3	5.3	5.3
		55 years and over	4.7	5.4	5.2	5.2

NOTE: Table cells showing 0.0 refer to estimates that are suppressed (cannot be published) because they are below **the confidentiality threshold**. The LFS estimates are based on a sample and are therefore subject to sampling variability. As a result, monthly estimates will show more variability than trends observed over longer time periods. Estimates for smaller geographic areas or industries also have more variability. For an explanation of sampling variability of estimates and how to use standard errors to assess this variability, consult the 'Estimates quality' section of the publication Labour Force Information (Catalogue number 71-001-X).

Source: Statistics Canada, Labour Force Survey, custom tabulation 4ctl_abo_main_AN.ivt

EMPLOYMENT BY EDUCATIONAL LEVEL

Aboriginals and non-Aboriginals employment levels are similar when examined by the level of education completed. This is a significantly different result than looking at the overall employment rates, which shows that non-Aboriginals have higher employment rates than Aboriginals. Further, when examining the education level completed, the employment rates for Aboriginals in 2016 were slightly higher than for non-Aboriginals, with the exception of those who completed post-secondary education.

For non-Aboriginals, their employment rates have declined for all of the four educational levels and for each of the four years (2007, 2010, 2015 and 2016) examined. This

negative trend also applies for the Aboriginals who were high school graduates. Their employment rate in 2016 was 58.1. Aboriginals with less than high school had higher employment rates in 2016 (33.6) versus 2015 (32.3) and 2010 (31.8). This was also the case for Aboriginals who completed post-secondary in 2016 (71.0) versus 2015 (69.2) and 2010 (68.4). Aboriginals with a university degree had an employment rate of 78.1 in 2016. This compares to rates of 75.2 in 2015 and 77.6 in 2010. For all four education levels the employment rates were higher in 2007 than they were in 2016.

It is quite clear that the higher the education level completed, the higher the employment level. See Table 4.

UNEMPLOYMENT BY EDUCATIONAL LEVEL

The unemployment rates for Aboriginals are significantly higher than for non-Aboriginals, even when comparing the same level of education completed. This is contrary to the results for the rates of employment. Aboriginals with less than high school have the highest rate of unemployment, but was the only level of the four educational levels that had a lower rate of employment in 2016 (22.4) than in 2015 (22.8). Unemployment rates were higher for Aboriginal high school graduates in 2016 (13.1) than in 2015 (12.4) and were higher for those who completed post-secondary in 2016 (8.3) than in 2015 (8.2) as well as being higher for university graduates in 2016 (5.8) and in 2015 (5.7). The Aboriginal and non-Aboriginal unemployment rates were highest in 2010, immediately after the recession, and the lowest prior to the recession in 2007, for each of the four level of educations in the four years presented (2016, 2015, 2010 and 2007). See Table 4.

	Employment Rates							
	Aboriginals				Non-Aboriginal			
	2007	2010	2015	2016	2007	2010	2015	2016
Less than high school	37.5	31.8	32.3	33.6	36.9	33.7	32.3	32.0
High school graduate	69.1	59.9	58.5	58.1	65.3	61.7	58.3	58.0
Completed post-secondary education	73.7	68.4	69.2	71.0	74.3	72.6	71.8	71.2
University degree	79.6	77.6	75.2	78.1	76.7	75.2	74.3	73.8
	Unemployment Rates							
	Aboriginals				Non-Aboriginal			
	2007	2010	2015	2016	2007	2010	2015	2016
Less than high school	17.0	24.0	22.8	22.4	11.9	15.6	13.4	13.4
High school graduate	9.0	14.1	12.4	13.1	6.0	8.6	7.8	7.7
Completed post-secondary education	7.8	9.4	8.2	8.3	4.3	5.9	5.2	5.4
University degree	5.0	5.3	5.7	5.8	3.7	5.3	4.7	4.9

WAGE RATES

There are positives and there are negatives.

The positives

Wages have consistently increased for non-Aboriginals and Aboriginals for each year since 2007, except in 2016, when the average hourly wage rate declined for Aboriginals by one cent, to 23.30 in 2016 from 23.31 in 2015.

On average, Aboriginals have received slightly higher percentage hourly wage increases than non-Aboriginals.

Aboriginals have worked slightly more time per week than non-Aboriginals; however on the negative side, this has not meaningfully affected the average weekly pay rates.

The average hourly wage increases for Aboriginals were higher than for non-Aboriginals for five of the years, less in three of the years and were the same in one year. But on the negative side, this has done very little to close the wage gap.

Average hourly wage rates have increased more than the consumer price index (CPI) for Aboriginals in six of the nine years, less than the CPI in two years and equal to the CPI in one year. The Average hourly wage rates for non-Aboriginals increased more than the CPI in six of the years and were less in three of the years.

The Negatives

The average hourly wages and average weekly wages are lower for Aboriginals than for non-Aboriginals.

This has been the case in each of the ten years reported here.

The overall wage gap has not narrowed in a meaningful way. In 2007 non-Aboriginals earned on average 20.46 per hour, while Aboriginals earned on average 17.84 per hour.

This was a difference of 2.60 per hour in 2007. In 2016 the difference was 2.49. In 2016 non-Aboriginals earned an average of 25.79, while Aboriginals earned an average of 23.30 per hour.

But the negatives are not all that negative. When we examine wage rates by the educational level achieved, the data paints a different picture.

HOURLY WAGE RATES BY EDUCATIONAL LEVEL

The higher the education completed the higher are the average hourly wage rates. This applies for Aboriginal and non-Aboriginals for each of the ten years in this article.

The average hourly wage rates have increased over each of the four time periods for Aboriginals, except in 2016, when those who completed post-secondary education and for University graduates, had lower average hourly wage rates than in 2015.

The average hourly wage rates have been lower for Aboriginals than for non-Aboriginals, with the exceptions of those who have less than high school and for high school graduates in 2016.

Aboriginals who have completed post-secondary education and those who have graduated University have lower average hourly wage rates for each of the four time periods reported. This might have one conclude that there is systemic discrimination regarding pay. However, to determine whether this is the case it would be necessary to examine the wage

TABLE 5
Average Hourly and Weekly Earnings for Aboriginals Living Off-reserves and for Non-Aboriginals, Canada, Annual Averages

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Aboriginal										
Average weekly wage rate (\$)	665	715	726	743	760	796	816	832	861	855
Average hours worked per week	37.3	37.4	36.8	37.1	37.1	37.1	37.2	37.0	36.9	36.7
Average hourly wage rate (\$)	17.84	19.12	19.70	20.06	20.47	21.46	21.96	22.46	23.31	23.30
Percent hourly rate increase		7.2	3.0	1.8	2.0	4.8	2.3	2.3	3.8	0.0
Non-Aboriginal										
Average weekly wage rate (\$)	753	783	804	819	838	865	883	899	924	943
Average hours worked per week	36.8	36.7	36.5	36.4	36.5	36.6	36.6	36.6	36.6	36.5
Average hourly wage rate (\$)	20.46	21.33	22.04	22.49	22.94	23.61	24.13	24.56	25.24	25.79
Percent hourly rate increase		4.3	3.3	2.0	2.0	2.9	2.2	1.8	2.8	2.2
CPI — Percent change from previous year		2.3	0.3	1.8	2.9	1.5	0.9	2.0	1.1	1.4

Source:

Wage Rates: Statistics Canada, Labour Force Survey, custom tabulation 4ctl_abo_wage_AN.ivt
 Consumer Price Index (CPI): Statistics Canada, <http://www.statcan.gc.ca/tables-tableaux/sum-som/101/cst01/econ46a-eng.htm>

TABLE 6
Hourly Wage Rates by Educational Level

	Aboriginals				Non-Aboriginal			
	2007	2010	2015	2016	2007	2010	2015	2016
Less than high school	14.30	15.98	17.85	17.86	14.00	15.56	17.39	17.57
High school graduate	16.47	18.00	20.60	20.91	17.38	18.94	20.78	20.86
Completed post-secondary education	21.04	23.38	27.19	26.64	23.54	25.55	28.29	28.97
University degree	25.44	29.15	32.16	32.07	29.75	32.75	34.52	36.16

data for those in similar positions, industries, seniority and experience levels. Such an analysis is beyond the scope of this paper. However, the increasing number of Aboriginals recently completing post-secondary education and graduating University would indicate that non-Aboriginals, on average, have greater seniority and experience, which may explain the difference in average hourly wage rates.

SUMMARY AND CONCLUSION

Employment, participation and unemployment rates vary considerably as the overall economy changes. These rates are all better in 2016 than they were after the recession in 2010, but are worse than they were in 2007, before the recession. This is the case for both Aboriginals and non-Aboriginals. Employment rates improved for Aboriginals in 2016 and

their unemployment rate stayed the same. For non-Aboriginals their unemployment rate stayed the same and their employment rate declined.

Unemployment rates increased for Aboriginal men and non-Aboriginal men in 2016. They decreased for Aboriginal women and remained the same for non-Aboriginal women in 2016.

Employment rates increased for Aboriginal men and women in 2016. They decreased for non-Aboriginal men and remained the same for non-Aboriginal women in 2016.

Average wages have increased each year since 2007 for Aboriginals and non-Aboriginals, except for 2016, when they were lower for Aboriginals.

One of the clearest and most consistent findings is that the higher the level of education completed the lower the unemployment rate, the higher the average hourly wage rate, and the higher the employment rate. These findings hold for Aboriginals and non-Aboriginals for each of the ten years reported in this article.

Those serious about improving the economic well-being of Aboriginals and/or non-Aboriginals should initiate actions that would increase the likelihood that our youth obtain the highest level of education they are capable of achieving.

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