

DISABILITY INFORMATION



SHEET

No. 4
2002

In this **fourth Disability Information Sheet**, we provide more labour market statistics for persons with disabilities, as requested by many of our readers. In particular, we have had numerous requests for data that go beyond simple questions of labour force participation patterns. People want to know something about the kind of work that persons with disabilities do when they get a job in the paid labour market, and we have received many demands for more information about wages. So in this Information Sheet, we concentrate primarily on wage data using Statistics Canada's Survey of Labour and Income Dynamics.

Hourly Wages

In general, persons with disabilities receive lower wages than persons without disabilities. If we examine the median composite hourly wage rate¹ for persons with and without disabilities (see Table 1), it is quite evident that persons with disabilities receive less money per hour on the job than persons without disabilities receive.

Who gets the lowest and the highest rates of pay?

The lowest rate of pay is earned by young women (aged 16 to 34) with disabilities. The highest pay rate is found among men without disabilities aged 35 and older. Younger workers and women have the lowest wage rates among all those with and

¹ The "composite hourly wage" is the average hourly wage rate (weighted by number of hours worked in each job) of all the jobs held during the year for each individual.

The "median composite hourly wage" is a single wage rate that is considered to be representative of multiple individuals belonging to a specific group (defined by age, gender, presence of disability, education level, and so on). By taking the composite hourly wage rate for all individuals in each group, we calculate the "median" or middle value. That means that half the individuals in the group had a composite hourly wage rate that was lower and half had a higher wage rate.

All wage rates reported here are in "constant 1998" dollars, and they have been adjusted for inflation. This allows us to compare wages in the three years more accurately and without worrying about the effects of inflation.

Table 1

Hourly Wage Rates* for workers with and without disabilities by Age Group and Gender, 1993, 1995 & 1998

| | 16 - 34 yrs | | 35 - 49 yrs | | 50 - 64 yrs | |
|------------------------------|-------------|----------|-------------|----------|-------------|----------|
| | Men | Women | Men | Women | Men | Women |
| Persons with disabilities | | | | | | |
| 1993 | \$ 12.89 | \$ 9.73 | \$ 17.71 | \$ 13.08 | \$ 17.78 | \$ 12.80 |
| 1995 | \$ 10.89 | \$ 9.38 | \$ 15.63 | \$ 11.98 | \$ 18.40 | \$ 10.86 |
| 1998 | \$ 12.38 | \$ 11.43 | \$ 16.07 | \$ 12.36 | \$ 18.92 | \$ 12.00 |
| Persons without disabilities | | | | | | |
| 1993 | \$ 14.28 | \$ 12.62 | \$ 20.30 | \$ 14.48 | \$ 19.69 | \$ 13.57 |
| 1995 | \$ 14.38 | \$ 12.01 | \$ 20.48 | \$ 15.07 | \$ 20.01 | \$ 14.54 |
| 1998 | \$ 14.00 | \$ 12.00 | \$ 19.62 | \$ 15.05 | \$ 20.00 | \$ 14.11 |

* Note: These are median composite hourly wage rates, in constant 1998 dollars. See footnote 1 in this information Sheet for a detailed definition.
Source: Prepared by the Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics (masterfile).

without disabilities. In 1998, for example, the lowest median composite hourly wage rate was \$11.43 for women with disabilities aged 16 to 34, while the highest median composite hourly wage rate was \$20.00 for men without disabilities aged 50 to 64. (see Table 1)

What were the wage patterns in the 1990s?

The greatest change in wage rates occurred among persons with

disabilities. While the overall wage rate (in constant 1998 dollars) remained fairly stable, with only some variation between 1993 and 1998 for persons without disabilities, there were several noteworthy changes in wage patterns among persons with disabilities. For this group, in general, the data show a drop in hourly wages in 1995 and an incomplete recovery by 1998, to just below their 1993 levels.² Other research has indicated that 1995 represented the worst year for persons with disabilities in terms of most labour market indicators, and these data are no exception.³ While the overall economy in 1995 was well into a recovery from the recession of the early 1990s, all evidence indicates that the beneficial effects were delayed for persons with disabilities. (see Table 1)



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² There were some exceptions to this trend which are noted in the next section.

³ For simplicity, only data for 1993, 1995 and 1998 are presented here, but they represent the most exemplary years over the 1993-1998 interval.

Charting the data:

These wage patterns can be seen more clearly by reorganizing the data in Table 1 into bar charts for three age groups. Among younger workers (aged 16 to 34), persons with disabilities experienced a “dip” in their hourly wage rates in 1995 (see Chart 1A). For young men with disabilities, the median composite hourly wage rate in 1993 was \$12.89 per hour; this dropped to \$10.89 per hour in 1995, and recovered to \$12.38 in 1998. Among young women with disabilities, the median composite hourly wage rate dropped very slightly from \$9.73 in 1993 to \$9.38 in 1995, then rebounded strongly in 1998 to \$11.43 – a higher level than they had reached in 1993. Among all women with disabilities, however, this was the only age group to have rebounded so strongly and it is one of the exceptions to the general pattern.

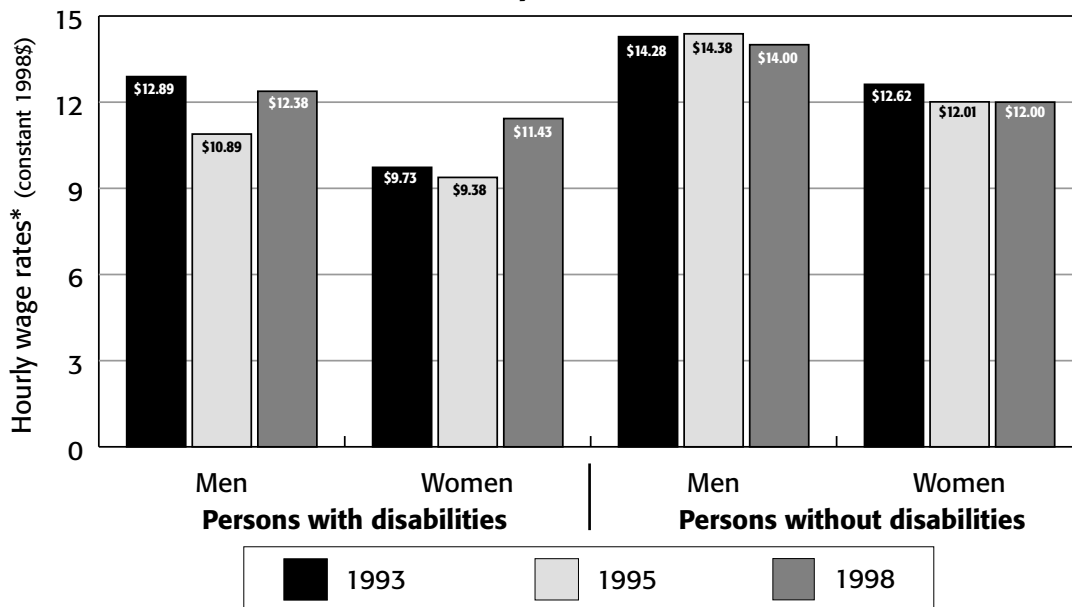
This phenomenon requires more detailed analysis in the future. For example, could increasing levels of educational attainment

among young women with disabilities be one potential factor? A longitudinal analysis examining who in this group dropped out of the labour force completely between 1995 and 1998 might provide some insights. It is possible, for example, that some of the younger women with disabilities who had low wages were more likely to suffer a job loss in 1995 and be unable to re-enter the labour market by 1998. In that scenario, wage gains made by the other women with disabilities who remained in the labour force might have been offset by the loss of work among the younger group. We hope to pursue some of these issues in the future.

The other exception to the overall pattern is found among older men with disabilities. They experienced an increase in wages between 1993 and 1995 – from \$17.78 to \$18.40 – and remained relatively stable through 1998, at \$18.92 (see chart 1C). Again, future analysis will be needed to understand this phenomenon more fully.

Chart 1A

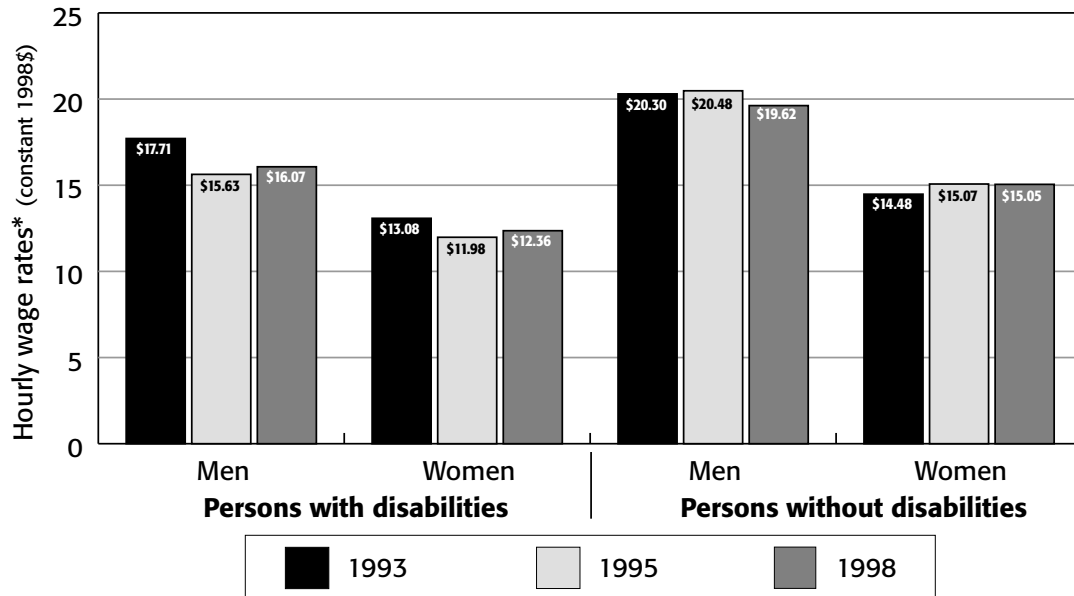
Hourly Wage Rates* for workers Aged 16-34, With and without disabilities, by Gender, 1993, 1995 & 1998



* Note: These are median composite hourly wage rates, in constant 1998 dollars. See footnote 1 in this Information Sheet for a detailed definition. Source: Prepared by the Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics (masterfile).

Chart 1B

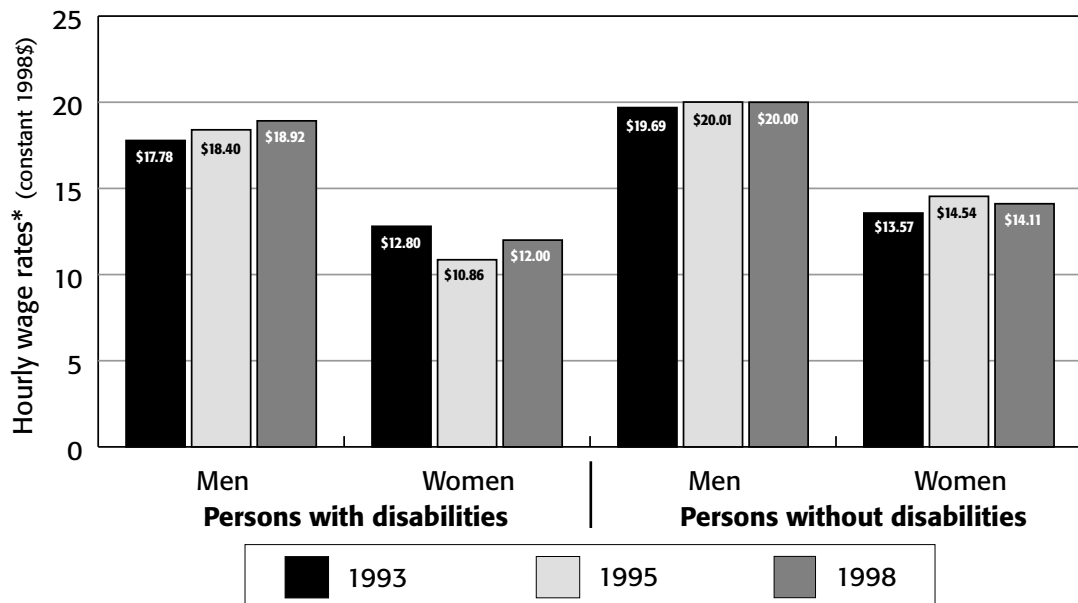
Hourly Wage Rates* for workers Aged 35-49, With and without disabilities, by Gender, 1993, 1995 & 1998



* Note: These are median composite hourly wage rates, in constant 1998 dollars. See footnote 1 in this Information Sheet for a detailed definition. Source: Prepared by the Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics (masterfile).

Chart 1C

Hourly Wage Rates* for workers Aged 50-64, With and without disabilities, by Gender, 1993, 1995 & 1998



* Note: These are median composite hourly wage rates, in constant 1998 dollars. See footnote 1 in this Information Sheet for a detailed definition. Source: Prepared by the Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics (masterfile).

How does level of education affect wages?

As one might expect, persons with higher levels of education generally have higher wages than those with lower levels of education – regardless of whether or not they have a disability. However, at almost any level of education, the wages of persons without disabilities tend to be higher than those of persons with disabilities. (see Table 2)

When we examine trends over the 1990s, we notice that for persons with disabilities, wage rates for those with less than a high school education were lower in 1998 than they were in 1993. Unlike their better-educated counterparts, the wage rates for this group did not rebound after 1995. (see Table 2 and Charts 2A, B & C)

The wage advantage enjoyed by older workers is obvious among both those with and without disabilities. However, the combination of age and post-secondary education is particularly important for workers with disabilities. In 1993, for example, younger (aged 16-34) post-secondary graduates with disabilities had a median composite hourly wage of \$12.34, compared with \$15.39 for their non-disabled counterparts. The wage gap in 1993 between those with and those without disabilities was considerably less among older (aged 50-64) post-secondary graduates – \$19.20 and \$20.50, respectively. While the gap between these two groups widened a bit in 1995, it had all but disappeared by 1998 (\$20.12 compared to \$20.16; see Table 2 and Chart 2C).

Table 2

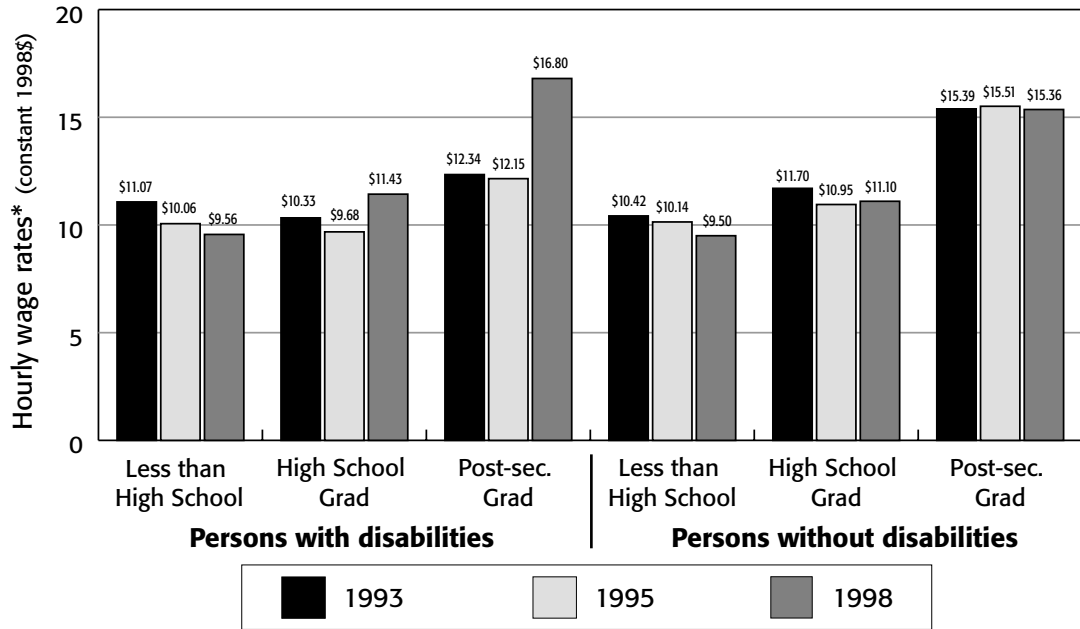
Hourly Wage Rates* for workers with and without disabilities by Age Group and Level of Education, 1993, 1995 & 1998

| Age Group | Highest Level of Education | Persons with disabilities | | | Persons without disabilities | | |
|-------------|----------------------------|---------------------------|----------|----------|------------------------------|----------|----------|
| | | 1993 | 1995 | 1998 | 1993 | 1995 | 1998 |
| 16 - 34 yrs | Less than High School | \$ 11.07 | \$ 10.06 | \$ 9.56 | \$ 10.42 | \$ 10.14 | \$ 9.50 |
| | High School Graduate | \$ 10.33 | \$ 9.68 | \$ 11.43 | \$ 11.70 | \$ 10.95 | \$ 11.10 |
| | Post-secondary Graduate | \$ 12.34 | \$ 12.15 | \$ 16.80 | \$ 15.39 | \$ 15.51 | \$ 15.36 |
| 35 - 49 yrs | Less than High School | \$ 12.00 | \$ 11.46 | \$ 11.25 | \$ 13.83 | \$ 13.42 | \$ 13.50 |
| | High School Graduate | \$ 16.51 | \$ 12.34 | \$ 13.22 | \$ 15.87 | \$ 15.98 | \$ 15.53 |
| | Post-secondary Graduate | \$ 17.07 | \$ 16.58 | \$ 16.36 | \$ 19.97 | \$ 20.01 | \$ 19.76 |
| 50 - 64 yrs | Less than High School | \$ 13.86 | \$ 14.84 | \$ 12.32 | \$ 13.66 | \$ 14.18 | \$ 13.14 |
| | High School Graduate | \$ 15.79 | \$ 12.51 | \$ 12.50 | \$ 15.36 | \$ 15.57 | \$ 16.08 |
| | Post-secondary Graduate | \$ 19.20 | \$ 18.89 | \$ 20.12 | \$ 20.50 | \$ 20.60 | \$ 20.16 |

* Note: These are median composite hourly wage rates, in constant 1998 dollars. See footnote 1 in this information Sheet for a detailed definition.
Source: Prepared by the Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics (masterfile).

Chart 2A

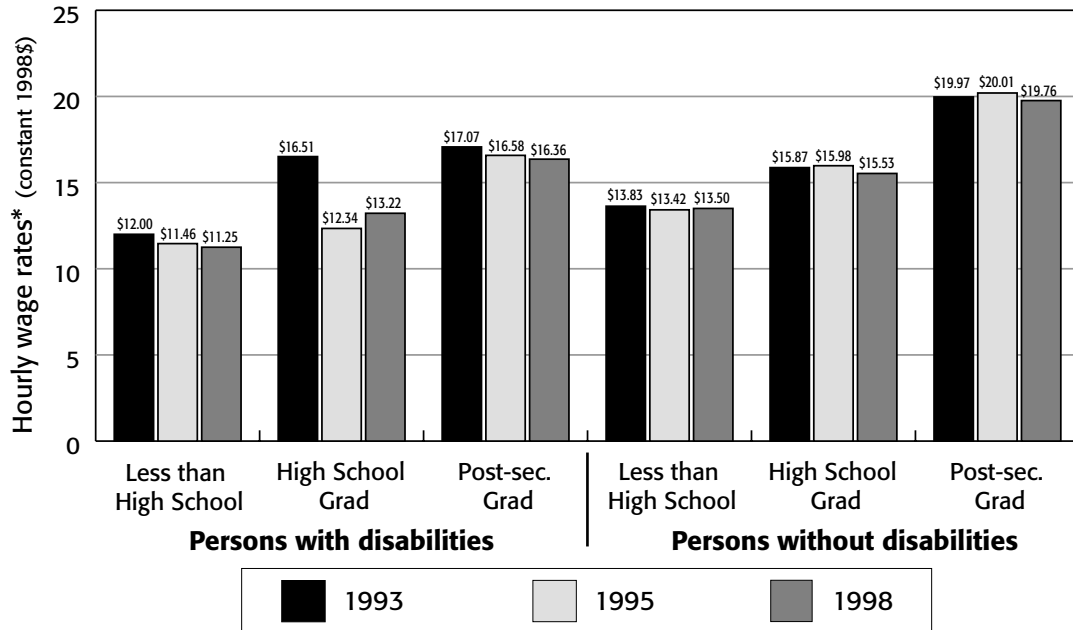
Hourly Wage Rates* for workers Aged 16-34, With and without disabilities, by Highest Level of Education 1993, 1995 & 1998



* Note: These are median composite hourly wage rates, in constant 1998 dollars. See footnote 1 in this Information Sheet for a detailed definition. Source: Prepared by the Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics (masterfile).

Chart 2B

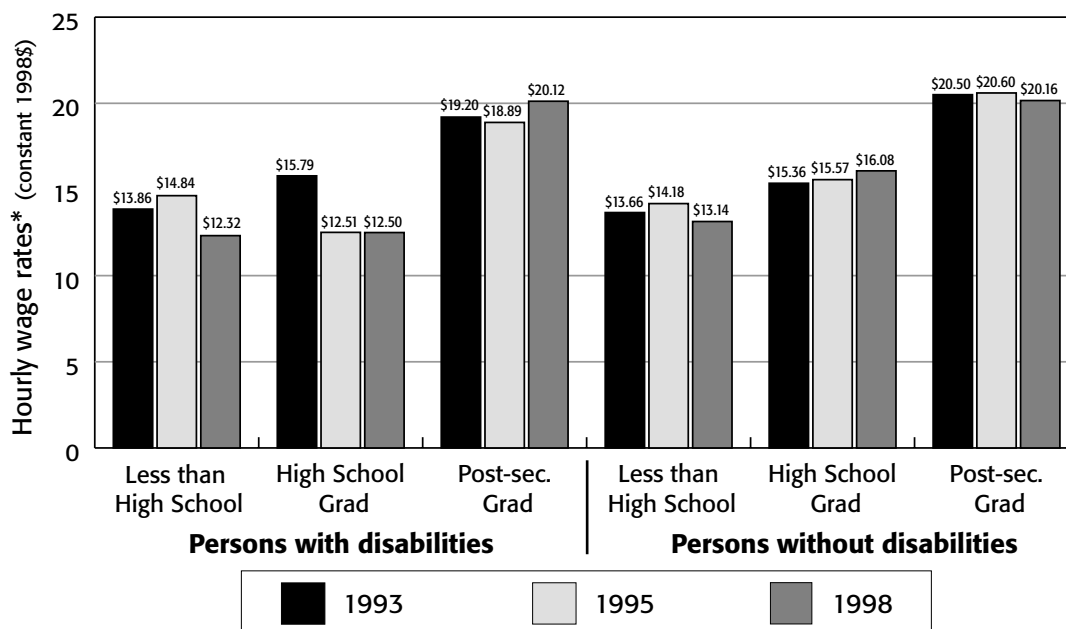
Hourly Wage Rates* for workers Aged 35-49, With and without disabilities, by Highest Level of Education 1993, 1995 & 1998



* Note: These are median composite hourly wage rates, in constant 1998 dollars. See footnote 1 in this Information Sheet for a detailed definition. Source: Prepared by the Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics (masterfile).

Chart 2C

Hourly Wage Rates* for workers Aged 50-64, With and without disabilities, by Highest Level of Education 1993, 1995 & 1998



* Note: These are median composite hourly wage rates, in constant 1998 dollars. See footnote 1 in this Information Sheet for a detailed definition. Source: Prepared by the Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics (masterfile).

Lack of work stability and wages

The wage advantages associated with stable full-year employment are obvious (see Table 3). Among persons with and without disabilities, those who were employed all year long earned higher wages than those who spent some time out of the labour force during the year. This gap became even more pronounced over time among persons with disabilities and

stayed fairly consistent over time for persons without disabilities. Just as we saw with education, where those with lower levels of education seemed to lose wages throughout the decade – and enjoyed no post-1995 recovery – so too, have those with less-stable labour force participation patterns. This suggests that certain groups of persons with disabilities are becoming increasingly marginalized.

Table 3

Hourly Wage Rates*
for workers with and without disabilities
by Age Group and Labour Force Participation Rate, 1993, 1995 & 1998

| Age Group | Labour Force Participation | Persons with disabilities | | | Persons without disabilities | | |
|-------------|----------------------------|---------------------------|----------|----------|------------------------------|----------|----------|
| | | 1993 | 1995 | 1998 | 1993 | 1995 | 1998 |
| 16 - 34 yrs | Employed all year | \$ 12.55 | \$ 11.46 | \$ 14.50 | \$ 14.63 | \$ 14.38 | \$ 14.26 |
| | NILF** part of year | \$ 9.60 | \$ 9.16 | \$ 9.01 | \$ 10.67 | \$ 10.27 | \$ 10.00 |
| 35 - 49 yrs | Employed all year | \$ 17.20 | \$ 15.36 | \$ 16.07 | \$ 18.57 | \$ 18.96 | \$ 18.09 |
| | NILF** part of year | \$ 11.73 | \$ 11.34 | \$ 10.00 | \$ 12.80 | \$ 12.18 | \$ 12.63 |
| 50 - 64 yrs | Employed all year | \$ 16.81 | \$ 16.68 | \$ 17.69 | \$ 17.05 | \$ 17.86 | \$ 17.76 |
| | NILF** part of year | \$ 14.62 | \$ 14.80 | \$ 12.33 | \$ 13.51 | \$ 14.07 | \$ 13.50 |

* Note: These are median composite hourly wage rates, in constant 1998 dollars. See footnote 1 in this information Sheet for a detailed definition.

** Individual was not in the labour force for part of the year.

Source: Prepared by the Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics (masterfile).

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Next Issue: In *Disability Information Sheet No. 5*, we will continue to examine wage information using longitudinal data from the SLID, including wage mobility during the 1993 to 1998 period.