

# Study: Education and earnings of Canadian-born Black populations

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The Black population in Canada is diverse and growing. In 2021, 1.5 million people in Canada reported being Black, up from 1.2 million five years earlier, and more than 300 different ethnic or cultural origins were reported in the Census of Population. While the education and labour market experiences of Black people in Canada are just as diverse as the Black population, the socioeconomic conditions of this population, including rates of employment and earnings, are generally lower than the non-Indigenous, non-racialized population (hereinafter referred to as the non-racialized population). This is true even after accounting for differences in age and education.

A new study released today examines the diversity of the Black population to better understand their education and labour market outcomes. The focus is on three Canadian-born Black populations: those with at least one parent born in Africa (African-origin), those with at least one parent born in the Caribbean (Caribbean-origin) and those whose parents were both born in Canada (Canadian-origin).

The study found that, while the overall share of Canadian-born Black people aged 25 to 54 years with a bachelor's degree or higher (29%) was nearly on par with their non-racialized counterparts (28%), there were significant differences across the three Canadian-born Black populations. The Canadian-origin Black population aged 25 to 54 years (16%) was much less likely to hold a bachelor's degree or higher than their Caribbean-origin Black (27%) and African-origin Black (46%) counterparts.

In addition, Black women were typically more highly educated than Black men. The share of the Canadian-born Black population with a bachelor's degree or higher was highest among African-origin Black women (57%) and lowest among Canadian-origin Black men (12%).

These differences in education were associated with comparatively higher earnings for the African-origin Black population and lower earnings for the Canadian-origin Black population. Variations in educational attainment accounted for a difference of approximately \$8,000 in annual wages between the highest-educated (African-origin) and lowest-educated (Canadian-origin) Black populations, for both women and men. While variations in educational attainment were the largest source of wage gaps between different Black populations, there were other major factors associated with wage disparities that were common to multiple Black populations.

## Underemployment more common among Black populations

Underemployment was another key factor in wage differences. Overall, all Canadian-born Black populations were more likely to be in lower-skilled jobs relative to their education and/or work part time or part year, compared with their non-racialized counterparts whose parents were both born in Canada (i.e., third-generation-or-more).

While underemployment played a role in earnings differences among all Canadian-born Black populations, the size of the effect varied considerably among Black populations. Compared with the non-racialized third-generation-or-more population, the smallest difference in earnings was seen among Caribbean-origin Black women, where underemployment was associated with earnings that were \$1,400 lower. The greatest earnings gaps were found among African- and Caribbean-origin Black men, who each earned approximately \$4,000 less due to underemployment.

## Wage gaps go beyond educational attainment, occupation or hours worked

All three Black populations faced additional wage gaps that could not be attributed to differences in occupational group, weeks worked, part-time or full-time work, education, language, region of Canada or family structure. These wage gaps could relate to unobserved factors, which may include differences in pay within the same occupation, job tenure, specific occupation and access to promotions.



For Black men, these unexplained differences were the largest factor in earnings differences compared with the non-racialized third-generation-or-more population. The gaps ranged from \$6,500 among African-origin Black men to more than \$8,000 among Caribbean- and Canadian-origin Black men. Among Black women, they ranged from \$2,900 among African-origin Black women to \$4,100 among Caribbean-origin Black women.

The finding of unexplained differences in earnings between Black and non-racialized populations, even when other differences are taken into account, is consistent with the findings of previous studies. The finding that these differences occur across three different Black populations, and that they are consistently larger for men than women, indicate that they could be due to possible disparities that affect Black people as a whole.

Black populations were not the only ones who faced large unexplained wage gaps. Gaps of similar magnitude were seen among Latin American and Filipino second-generation women and men. Additional analyses of these populations in order to identify the sources of these effects are a valuable area for future research.

### **Note to readers**

*The target population for this article is the non-immigrant population born in Canada aged 25 to 54 years who did not attend school from September 2020 to May 11, 2021. Those who speak an Indigenous language as their main language at home and those living in the territories were not included, as these populations were too small to be included in the regression analysis. Analysis of earnings examined wages and was restricted to the population who did not have self-employment income.*

*The three Black populations analyzed account for 94.5% of Black people within the target population. The remainder were not included in the regression analysis.*

*The article uses both descriptive analysis and regression decomposition analysis.*

### **Definitions, data sources and methods: survey number [3901](#).**

The article entitled "[Education and earnings of Canadian-born Black populations](#)" is now available in Insights on Canadian Society ([75-006-X](#)).

The infographic "[Canadian-born Black populations: Educational attainment and earnings](#)" is now available in the series *Statistics Canada - Infographics* ([11-627-M](#))

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).