

Quality of Employment in Canada

Average earnings, 1998 to 2021

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Average earnings, 1998 to 2021

Overview

Since 1998, a broad trend in the Canadian labour market has been a gradual increase in average hourly wages among employees. Yet, despite this overall growth, some categories of employees continued to have lower hourly earnings than others in 2021. Being a younger employee (aged 15 to 24), having a high school diploma or less, and working part-time were all factors associated with lower hourly wages. As noted by the gender pay gap indicator, among employees men also continue to earn more per hour than women on average.

A number of other factors affect hourly wages such as skill level, industry, and occupation. From the perspective of quality of employment, a higher average hourly wage may be indicative of more highly rewarded characteristics in the labour market and offers insights on the income and benefits obtained from employment.

The average earnings indicator is based on data for employees from the Labour Force Survey (LFS). Unless otherwise stated, hourly wages are adjusted on the basis of the Consumer Price Index (CPI) and expressed in 2021 constant dollars.

Historical trends, 1998 to 2021

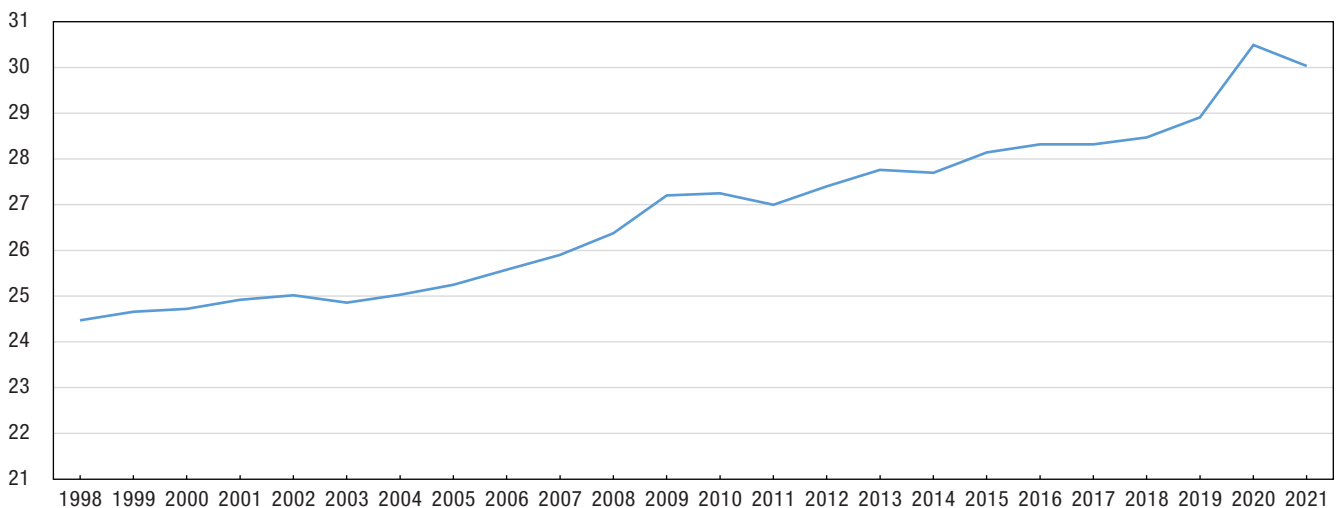
From 1998 to 2021, the average hourly wages of employees in Canada grew from \$24.47 to \$30.03. There was a sustained period of gains from 2004 to 2008, little growth in the aftermath of the 2008/2009 economic downturn, and a second upward trend from 2012 to 2020.

The largest increases in average hourly wages typically occur during economic downturns. For example, average hourly earnings rose by \$0.82 to \$27.20 in 2009 in the context of the 2008/2009 economic downturn and by \$1.58 to \$30.49 during the COVID-19 pandemic in 2020. In both cases, proportionally greater employment losses among lower-paid employees pushed up average earnings.

Chart 1

Average usual hourly wage, employees 15 years and over, Canada, 1998 to 2021

2021 constant dollars



Notes: Hourly wages are adjusted to reflect changes in the Consumer Price Index (CPI) and expressed in 2021 constant dollars. 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.

Average earnings, 1998 to 2021

As the number of lower-paid employees recovered in 2021, average hourly earnings fell \$0.46 to \$30.03, one of the largest annual declines since 1998. While average hourly earnings were higher overall in 2021 compared with 2019, average earnings were up in only six industries, led by information, culture and recreation (+\$3.78 to \$30.61), and finance, insurance, real estate, rental and leasing (+\$1.90 to \$35.40).

Among employees aged 25 to 54, the average hourly wage of men remained higher than the hourly wage of women throughout the 1998 to 2021 period. While women recorded faster wage growth (28.6% compared with 17.4%), closing the wage gap from 18.8% to 11.1% of men's wages, in 2021 male employees (\$34.26) continued to earn more per hour than female employees (\$30.47). More information on the hourly earnings of men and women is available in the pay gap indicator.

Younger employees (aged 15 to 24) also tend to earn less per hour. In 1998, younger employees had an average hourly wage of \$14.11 per hour compared with \$26.52 among those aged 25 to 54 and \$26.73 among those aged 55 years and over. By 2021, the hourly wage of younger employees remained the lowest at \$18.23, but average hourly earnings were higher for employees aged 25 to 54 (\$32.39) than for employees aged 55 and over (\$31.03).

A recent snapshot

Regardless of the age group, being a full-time employee and having a bachelor's degree or higher were also associated with having higher hourly wages in 2022.

Full-time employees (30 hours or more per week) earned \$31.87 per hour on average, compared with \$21.12 per hour among part-time employees (less than 30 hours per week)¹.

In terms of educational attainment, employees with at least a bachelor's degree earned \$37.21 per hour on average. At the same time, employees with postsecondary education below a bachelor's earned \$28.21 per hour, while those with a high school diploma or less made \$22.93 per hour².

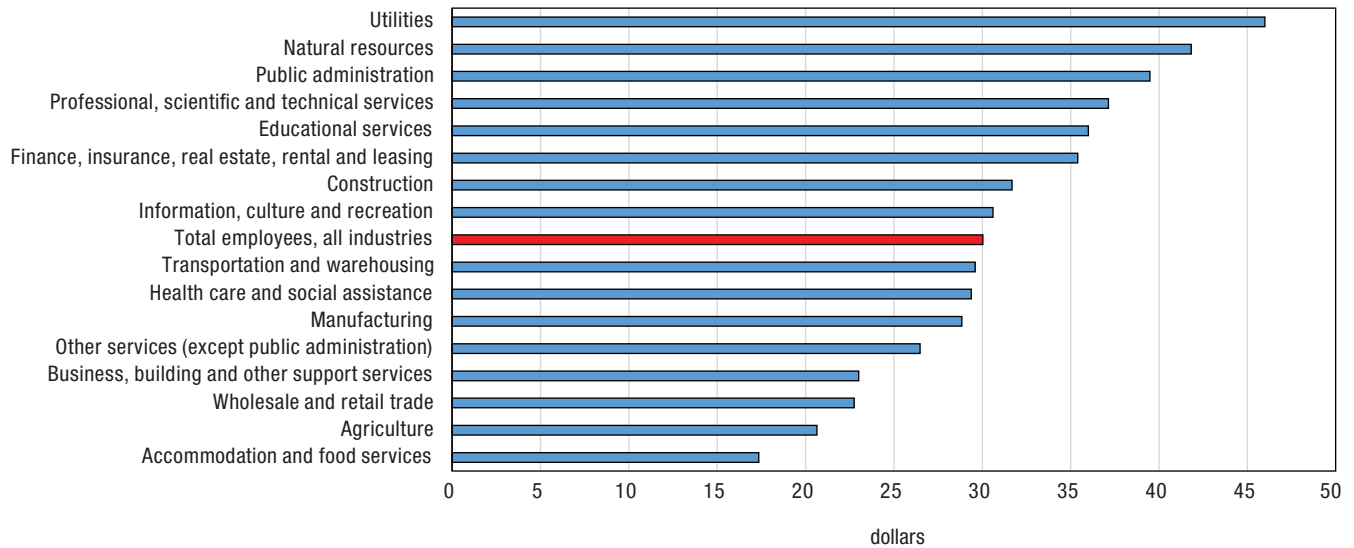
While higher average wages are often found in industries such as professional, scientific and technical services where more employees have higher educational attainment, this is not always the case. Employees in utilities (\$45.99) and natural resources (\$41.83) had the highest average hourly wages among all industries in 2021, despite being surpassed by several industries in terms of the proportion of employees with a bachelor's degree or higher.

At the same time, employees in accommodation and food services had the lowest average hourly wage, at \$17.35. This industry had one of the smallest proportions of employees with a bachelor's degree or higher and the lowest average age in 2021.

1. Among 25-to-54 year-olds, the average hourly earnings of full-time employees were \$33.22 while part-time employees earned \$24.85 per hour.

2. For 25-to-54 year-olds, average hourly earnings were \$25.73 for employees with a high school diploma or less, \$29.87 for those with postsecondary education below the bachelor's, and \$37.59 for employees with a bachelor's degree or higher.

Chart 2
Average usual hourly wage, employees 15 years and over by industry, Canada, 2021



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.

At the occupational level, in 2021 the highest average hourly earnings were found among employees in management occupations (\$49.00). Employees in this broad occupational category had the highest average age. In contrast, employees in sales and service were among the youngest on average and had the lowest average hourly wage, at \$19.55.

Information on the indicator

Description or definition

The **average earnings** indicator measures the usual average hourly wages of employees at their main job in 2021 constant dollars.

Source

Statistics Canada, Labour Force Survey, 1998 to 2021.

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](#).

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) 2016, while industry coding is based on the North American Industry Classification System (NAICS) 2017.

Beginning in January 1997, information is collected 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/salaries 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 23-year period of 1998 to 2021.

Real hourly wages 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 2021, meaning that results are presented in 2021 constant dollars.

CPI values are from Statistics Canada Table [18-10-0005-01](#): Consumer Price Index, annual average, not seasonally adjusted.

Other related information

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