Women as main wage-earners

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One of the most radical changes in Canadian society in the past 30 years has been the growth of dual-earner husband-wife families. Between 1967 and 1993, the proportion of such families almost doubled from 33% to 60%. In less than a generation, the traditional family with a breadwinning husband and a stay-at-home wife has been transformed into a new norm in which both spouses work outside the home. At the same time, the gap between the employment income of working spouses narrowed. In 1993, working wives earned, on average, 57% as much as their husbands, up from 42% in 1967. (See *Data source and definitions*.)

One effect of these two phenomena has been the growing proportion of working couples in which the wife earns more than her husband. This proportion has risen from 11% to 25% over the last two-and-a-half decades, but the growth has been uneven. Between 1967 and 1982, the incidence rose from 11% to 18% of dual-earner families, or about half a percentage point a year. Throughout most of the 1980s, the rate hovered at about 19%. Then, in the space of five years, the proportion of wives with higher earnings than their husbands' jumped by 6 percentage points, from 19% in 1989 to 25% in 1993, representing a total of 931,000 families (Chart A).

Just as the characteristics of dual-earner families have changed, so have those of single-earner families. In 1967, the wife was the

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Data source and definitions

This article examines selected characteristics of husband-wife families with income from employment (83% of all husband-wife families in 1993). It focuses on couples in which the wife earns either the *majority* of the couple's employment income or *all* of it. Since the emphasis here is on "husband-wife families with earnings," one-parent families and unattached individuals are not covered in this article.

The data are derived from the Survey of Consumer Finances, which is conducted annually as a supplement to the Labour Force Survey. All dollar figures are presented in 1993 dollars rounded to the nearest $250.

Earnings: wages and salaries and/or net income from self-employment. Earnings are also referred to as *employment income.*

Non-employment income: includes investment income, government transfer payments, private pensions, annuities, as well as other money income such as scholarships and alimony.

Earner: a person who receives wages or a salary (as an employee) and/or net income from self-employment during the reference year.

Husband-wife family: married couples and common-law couples with or without children or other relatives living in the same household.

Dual-earner family: a husband-wife family in which both spouses report employment income in the reference year.

Single-earner family: a husband-wife family in which only one spouse reports employment income in the reference year.

Primary/Sole earner: This classification is based strictly on the relative earnings of husbands and wives. The primary earner is the spouse receiving the higher employment income during the reference year (dual-earner families only); the sole earner is the only spouse reporting employment income (single-earner families only). The earnings status of other family members, who may have the highest earnings in the family in a small number of cases, is ignored.

Government transfer payments: all social welfare payments from federal, provincial and municipal governments such as Old Age Security, Guaranteed Income Supplement, Spouse's Allowance, Canada and Quebec Pension Plan benefits, Unemployment Insurance benefits, Workers' Compensation, Child Tax Benefit, training allowances, veterans' pensions, social assistance, and disability pensions. Refundable tax credits, both provincial and federal, are included as income.

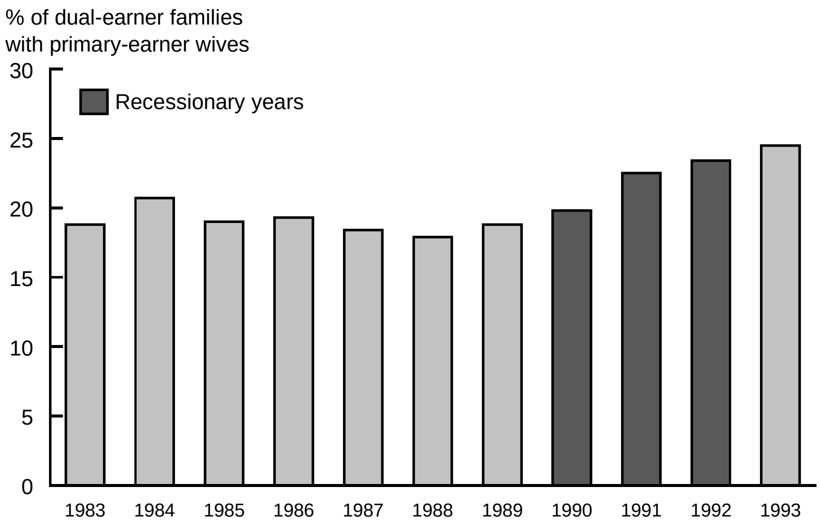
Family income: the sum of incomes reported by all family members aged 15 years and over. Income consists of the sum of employment and non-employment income. All income in kind, gambling gains and losses, capital gains and losses, and so on, are excluded.

Job tenure: the continuous number of years a person has worked for the same employer. Job tenure is not synonymous with the number of years a person has been employed.

Low income cut-offs (LICOs): Families with incomes below defined cut-offs based on their family size and place of residence (according to its urbanization classification) are defined as having "low income." The 1993 LICOs (1992 base) were used to determine low income status.

Chart A

The prevalence of wives as primary earners rose rapidly during the recent recession.



Source: Survey of Consumer Finances

earning spouse in just 2% of single-earner couples; by 1993, the proportion had risen to 20%, accounting for 298,000 families.

Using the most recent data on families with employment income, this article examines couples in which wives earn more than their husbands, to see how they differ from the majority of working husband-wife families (those in which the husband is the main breadwinner). Since families in which the wife is the sole earner differ from those in which she is the primary earner, each is discussed separately.

Wives as primary earners in dual-earner families

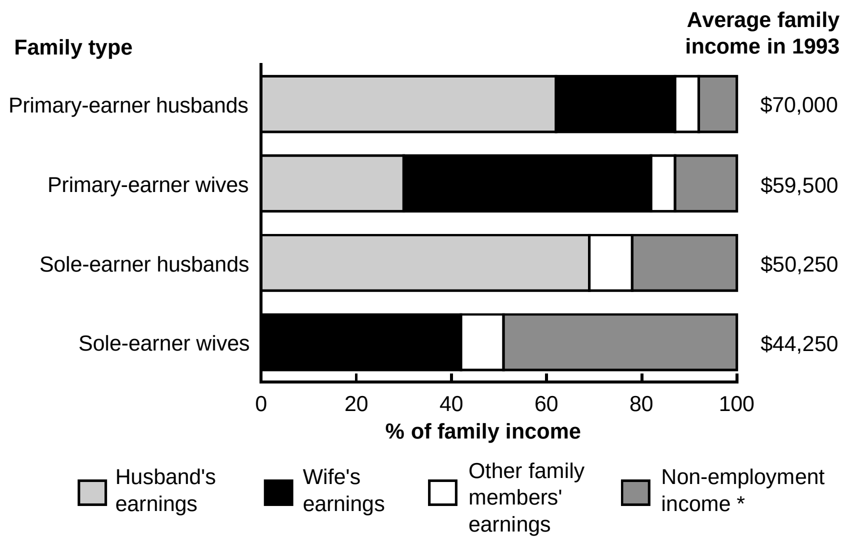
The growing percentage of wives who earn more than their husbands reflects in part women's long-term movement into higher paying managerial and professional occupations and their accumulated job experience (Hughes, 1995; Belkhodja, 1992). It also mirrors the much slower rise in men's average earnings over the same period.[1] However, the rapid increase in wives as primary earners during the 1990-92 recession suggests that many became the family's main breadwinner by default. Between 1989 and 1993, most of the full-year, full-time earners who lost their jobs were men (84%). High-wage managerial and manufacturing jobs, held mostly by men, were particularly hard hit. Of course, many men still received earnings, albeit at a reduced level, from part-year or part-time employment. However, the combination of the recession and women's rising earnings left many wives in dual-earner families positioned to become primary earners in the early 1990s.

Although women may have replaced men as the main earner in many families during the recession, in general, they could not match men's earning power. In 1993, the average employment income of primary-earner wives ($31,000) was about 30% less than that of husbands who were primary earners ($43,250). This disparity played itself out in all the major occupation groups. Primary-earner wives were more likely to be employed in managerial or professional occupations – 48% compared with 35% of primary-earner husbands – but they made almost one-third less than their male counterparts.[2] Furthermore, of those primary-earner wives who were neither managers nor professionals, almost 80% worked in clerical, sales or service jobs, and had average earnings ranging from $24,000 to $30,000. In contrast, 60% of non-managerial, non-professional primary-earner husbands worked in blue-collar occupations and reported average earnings of $37,000 to $40,000.[3]

A number of reasons may account for the difference in the earnings of male and female breadwinners. One factor is work pattern: although primary-earner wives were slightly more likely than primary-earner husbands to have been employed throughout 1993, they were considerably less likely to have worked full time (86% versus 96%). A second factor is age: primary-earner wives tended to be slightly younger than their male counterparts – having a median age of 38 compared with 40 – and therefore lacked the work experience of some of the men. Both these factors can influence a woman's job tenure and, thus, her salary level.

Since the great bulk of family income comes from employment, the lower earnings of primary-earner wives affect the financial well-being of the families that rely on them. In 1993, in both types of primary-earner family, earnings from the other spouse accounted for about $17,500 and earnings from other family members for a

Chart B
When the wife is the sole earner, non-employment income is significant.



Source: Survey of Consumer Finances
* *Includes government transfer payments, private pensions, annuities, investment income, and other money income such as scholarships and alimony.*

further $3,000 to $3,750. Since families of primary-earner wives reported an average income of $59,500, 15% less than families of primary-earner husbands ($70,000), the difference in the average income of the two family types was due principally to the main bread-winner's earnings (Chart B).

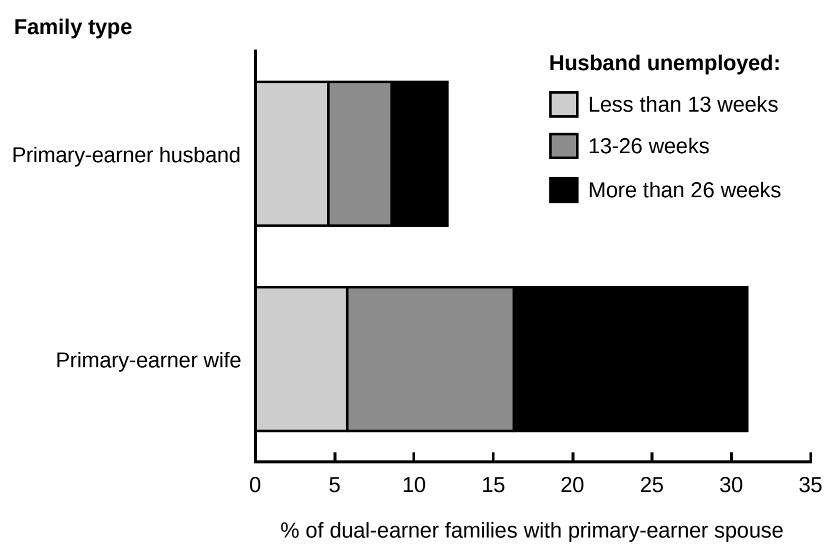
The husband's unemployment, reflected in his much smaller contribution to family income, points to the main reason for the sharp rise in primary-earner wives in recent years. In almost one-third of families in which the wife was the higher earner, the husband had been unemployed at some point in 1993; in fact, almost half had been jobless for more than 26 weeks (Chart C). In contrast, 88% of primary-earner husbands had been employed full year; of this great majority, almost all had worked full time.

Wives as sole earners in husband-wife families

Families in which the wife is the only spouse earning employment income have become more common. In 1993, they accounted for 20% of husband-wife couples with a single earner, up from 2% in 1967. But unlike dual-earner couples with primary-earner wives, their rate of increase has been steady over the last 26 years and reflects somewhat different circumstances.

The increase can be traced principally to the general aging of the population. Sole-earner wives and their husbands are generally older: 60% of the husbands are 55 or over, as are 43% of the wives. In families where the sole earner is the husband, about half (47%) these men are between 25 and 44. This "generation gap" suggests the proportion of families with sole-earner wives may be growing mainly

Chart C
In one-third of dual-earner families with primary-earner wives, the husband was unemployed at some time in 1993.



Source: Survey of Consumer Finances

because the husbands retire and the wives, usually younger, continue to work. Indeed, the labour force participation rates of older women have continued to rise during the 1990s while those of women under 45 have not (Butlin, 1995).

Sole-earner wives were moderately less likely than sole-earner husbands to experience unemployment during the year (17% versus 20%). But of those sole earners who were employed full year, less than two-thirds (64%) of wives worked full time, compared with 88% of husbands. Also, sole-earner wives reported average employment income of $18,250, while sole-earner husbands made almost twice as much, at $34,750.

Despite this dramatic gap in the breadwinners' earnings, families in which wives were the only employed spouse recorded average income of $44,250 in 1993, only about 12% less than that reported by families with sole-earner husbands ($50,250). The reason is simple: where the wife was the sole earner, almost half the family income came from sources other than employment, such as government transfer payments, private pensions and investments. In contrast, only about one-fifth of the income in families where the husband was the sole earner came from non-employment sources.

Wives' earnings keep families above the low income cut-offs

The contribution of wives' earnings to dual-earner families' ability to stay above the low income cut-offs (LICOs) was overwhelming where the wife was the primary earner: 7% of such families fell below the LICOs in 1993, whereas almost half (45%) would have done so without her earnings. In other words, 38% of these families were riding sufficiently close to the line that the wife's employment income, although much lower than a primary-earner husband's, was crucial to keeping the family above the LICO.[4]

On the other hand, in families where the husband was the primary and the wife the secondary earner, her effect on the family's LICO status was quite small: in 1993, 9% of such families would have fallen below the LICO without the wife's (secondary) earnings, as opposed to the 4% that actually did.

Conclusion

The importance of women as wage-earners in the family has been growing since 1967. In fact, by 1993, wives were the primary wage-earners in one-quarter of dual-earner families and the sole earner in one-fifth of single-earner couples. Even when they were the family's financial mainstay, however, women's earnings still lagged significantly behind those of men in a similar situation.

The trend toward wives as primary earners accelerated during the 1990-92 recession mainly because men were losing their jobs. This phenomenon shows some evidence of being temporary, since men benefited considerably from the substantial employment gains of 1994. On the other hand, the growing incidence of wives as sole earners appears to be related to the aging of the workforce rather than to the business cycle. □

Notes

1 Average earnings of all working women rose 60% from 1967 to 1989, and increased another 2% from 1989 to 1993. The corresponding figures for men were an increase of 25% followed by a decline of 6%. Over the whole period, growth in average earnings from employment was 63% for women and less than 18% for men.

2 One reason for the higher proportion of primary-earner wives in such occupations is their higher education: 22% had a university degree, compared with only 15% of primary-earner husbands. The wives' lower earnings may be due to their being in the lower levels of managerial and professional jobs.

3 Blue-collar occupations consist of the processing and machining, product fabricating, construction, and transportation occupations. The only occupation in which the average earnings of primary-earner husbands were less than $36,500 was farming, at $29,000.

4 The sample size of LICO families in which the wife is the sole earner is too small to support further analysis.

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