

# The Precarity Penalty

The impact of  
employment precarity  
on individuals, households  
and communities  
—and what to do about it



POVERTY AND  
EMPLOYMENT PRECARITY  
IN SOUTHERN ONTARIO

McMaster  
University  
SOCIAL SCIENCES



United Way  
Toronto

# Acknowledgements

*The Precarity Penalty* was prepared by the Poverty and Employment Precarity in Southern Ontario (PEPSO) research group, a university-community joint initiative. This report is one component of a larger PEPSO research program.

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The authors would like to thank all those who took the time to complete a survey or take part in an interview.

A number of people helped to shape this project's outcome. Ayeza Ashfaque, Craig Banerd, Kim Bosmans, Dale Brown, Laura Farr, Mary Gellatly, Grace Kadirgamar, Jasmin Kay, Deena Ladd and Kelly O'Sullivan made important contributions.

Leger Marketing was responsible for collecting survey data.

This report was made possible through funding from United Way Toronto, McMaster University, and the Social Sciences and Humanities Research Council/Community-University Research Alliances project on Poverty and Employment Precarity in Southern Ontario.

The photos used as page folios in this report were taken from another PEPSO project, which explores the impact of precarious employment on neighbourhoods. Those working on this project include: Grace-Edward Galabuzi, Navjeet Sidhu, Alan Meisner, Deirdre Pike, Anita Stellinga, Doreen Fumia, Nasim Haque, Louay Eskander, Geoff McIlroy, Shannon Keats, Ann De Shalit, Hannah Atom, Olha Lahotska, Ghanwa Afach, Ed Kothiringer, Samiera Zafar and Nimira Lalani.

Design: Pat Dumas-Hudecki

ISBN: 978-0-921669-37-1

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May 2015



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# SUMMARY

## *The Precarity Penalty*

In 2013, the Poverty and Employment Precarity in Southern Ontario (PEPSO) research group released the report *It's More than Poverty: Employment Precarity and Household Well-being*. Based on 4,165 surveys collected in late 2011 and early 2012, and 83 interviews conducted in 2011 with workers in different forms of precarious employment, *It's More than Poverty* examined the characteristics of employment in the Greater Toronto-Hamilton Area (GTHA). It documented the range of employment experiences and it revealed the extent of insecurity associated with insecure employment relationships. Equally important, it showed the impact of insecure employment relationships on individual and household well-being and community participation.

Not all employment relationships have the same characteristics. Some employment is better than other employment and this difference represents more than simple rates of pay. Some employment is more secure. Some employment provides supplemental benefits, such as a prescription-drug plan that insures workers' health needs and unexpected expenses. Some employment provides a secure pension for workers when they retire. Some employment provides a career path and helps workers acquire new skills. Employment that is secure, that provides a full range of benefits and that has a possible career path is generally viewed as better employment, and it is often referred to as a Standard Employment Relationship.

Having secure employment, with benefits and a possible career path, is a key to escaping poverty. Over half of PEPSO survey participants not in a Standard Employment Relationship in 2014 reported an annual income of less than \$40,000, while less than 15% of those in a Standard Employment Relationship earned less than \$40,000. Even when one uses household income, there is still a significant difference between those in a Standard Employment Relationship and those not in such a relationship. Nearly 45% of individuals not in a Standard Employment Relationship reported a household income of less than \$60,000, compared to only 16% of those in a Standard Employment Relationship.

There is a growing concern that the prevalence of the Standard Employment Relationship is in decline. Secure jobs, with benefits and a possible career path, are becoming harder to

find for many types of workers. This is true for low-wage workers who are working through temporary employment agencies (where many jobs are minimum-wage jobs), for higher-wage knowledge workers (where work is often short-term, project-based work), and for university and college professors (where more than half of all teaching is now done by contract faculty). *It's More than Poverty* offered evidence of this decline in secure jobs.

## The *It's More than Poverty* report

Many social-service agencies have expressed concerns that these trends are having negative effects on the people they serve and their communities. A groundbreaking study by United Way Toronto, *Losing Ground*<sup>1</sup> linked the increased prevalence of insecure employment with deteriorating social outcomes. It also led to the formation of the Poverty and Employment Precarity in Southern Ontario research group in 2009—and the release of our first report, *It's More than Poverty*, in 2013.

*It's More than Poverty* concluded that:

- Today, only 60% of workers in the Greater Toronto-Hamilton Area have stable, secure jobs. About 80% of these jobs are full-time and 20% are part-time.
- Everyone else is working in situations with some measure of precarity. This includes jobs without benefits and jobs with uncertain futures.
- Precarity has always been most prevalent among immigrants, racialized groups and women. While this remains a concern, evidence indicates that it is becoming even more widespread: it is now found at all income levels and in all demographic groups.
- Being precariously employed impacts those in low-income households the worst. However, it hurts everyone who experiences it, regardless of income levels.
- Without changes, the growing prevalence of precarious employment is likely to have a harmful effect on individuals, children and families, and it may damage the social fabric that ties our communities together.

*It's More than Poverty* pointed out that there are solutions that will help to mitigate the effects of precarious employment and reduce its growth—making people less vulnerable and communities more resilient.

**Not all employment relationships** have the same characteristics. **Some employment** is better than other employment and this difference represents **more than simple rates of pay.**



## ***The Precarity Penalty: The impact of employment precarity on individuals, households and communities—and what to do about it***

*The Precarity Penalty* is a follow-up report to *It's More than Poverty*. Based on 4,193 surveys collected during 2014, 28 interviews conducted during early 2015, and a review of policy initiatives related to precarious employment, *The Precarity Penalty* has three objectives:

- To confirm the findings reported in *It's More than Poverty* and assess labour-market trends since 2011;
- To examine issues related to the social impact of precarious employment, first raised in *It's More than Poverty*, including household and community well-being, discrimination and health—with a special emphasis on how these effects are experienced at different income levels; and
- To offer recommendations on building sustainable employment relationships that will reduce the depth and prevalence of precarious employment, and minimize its negative effects on households and communities.

### **Key findings of *The Precarity Penalty***

- Less than half of survey participants reported being employed in a job that is full-time, permanent and with some benefits beyond a wage.
- Workers in less secure, low-income employment are the least likely to have access to any sort of training. This may trap some workers in poverty-wage jobs that do not pay a living wage.
- Racialized workers and foreign-born workers face significant discrimination in finding secure, high-paying employment. Even when they find secure employment, they still face discrimination in accessing training, sustaining healthy households and in socializing.
- Access to childcare is a major barrier, limiting access to good employment and limiting the ability of both parents to work for pay.
- *Precarious* employment affects community participation in a number of ways. While individuals in *Precarious* employment are more likely to volunteer than those in *Secure* employment, they are more likely than workers in *Secure* employment to volunteer as a way to network or to advance their job opportunities.
- Workers in *Precarious* employment are more likely to be socially isolated than those in *Secure* employment.
- Workers in *Precarious* employment are the least likely to exercise their democratic rights by voting.





## Policy proposals emerging from *The Precarity Penalty*

As with our first report, we have highlighted our recommendations in three key focus areas:

1. Building a dynamic labour market that supports workers in precarious employment
2. Ensuring that jobs are a pathway to income and employment security
3. Enhancing social and community supports for a new labour market

Within these three key focus areas, we make 28 different recommendations under 13 priorities in the final chapter of the report:

Building a dynamic labour market that supports workers in precarious employment

- Building a workforce-development plan for a changing labour market
- Providing training opportunities for those in insecure employment
- Enabling more secure employment
- Addressing discrimination in hiring, job retention and advancement

Ensuring that jobs are a pathway to income and employment security

- Modernizing employment standards
- Reducing the impacts of irregular work schedules for workers
- Improving income security for workers in precarious jobs
- Enhancing access to benefits for workers in insecure jobs
- Supporting voice at work

Enhancing social and community supports for a new labour market

- Improving access to community services
- Enabling flexible, quality childcare
- Creating accessible opportunities for children and youth
- Ensuring meaningful volunteer opportunities



# PART 1

## Background: A labour market in transition

There is overwhelming evidence that labour-market conditions in Canada, and in much of the developed world, are in transition. For workers in their 20s and 30s, today's labour market is fundamentally different from the one their parents knew. Today, there are nearly one million workers in Canada holding two or more jobs, while there are over two million workers in temporary employment—the highest ever recorded. During the past decade, over 550,000 manufacturing workers have been laid off.<sup>2</sup> These jobs typically paid living wages and provided workplace benefits. Today, retail—an industry that typically pays below-average wages, lacks security and offers few benefits—is the leading employment sector in the economy. We are moving from an economy based on manipulating things to an economy based on manipulating information.<sup>3</sup>

Precarious employment—employment with uncertainty, insecurity, and a lack of control—has been growing more rapidly than all other employment since the 1980s.<sup>4</sup> A recent study by the Institute for Competitiveness and Prosperity and the Martin Prosperity Institute reported that low-income precarious employment has been growing twice as fast as non-precarious employment since 2001.<sup>5</sup> The Toronto Region Board of Trade and United Way Toronto predict that low-wage, less secure employment will continue to grow over the next five years.<sup>6</sup> Growth in the population-serving service sector is expected to be at the forefront of labour demand; at the occupational level, the greatest demand will be for retail salespeople, followed by accountants and financial auditors. Thus, growth in high-income and low-income employment, and a reduction in middle-income jobs, is expected to continue.<sup>7</sup>

A worrying trend is the decline in labour-market participation rates. Workers with fewer educational credentials are simply dropping out of the labour force, a trend most pronounced for young men with limited formal education.<sup>8</sup> Youth are having trouble finding any sort of work and almost one in five are unemployed. Many recent immigrants toil in low-wage jobs that do not reflect either their formal education or experience.<sup>9</sup>

While education is a pathway to better-paying and more secure work, this has not been the case for a growing number of Canadians. Canada and Ontario have one of the highest-educated workforces in the world. Within Ontario, 70% of residents 25 to 34 years of age have a post-secondary degree, but



many are working in low-wage, insecure jobs. Of 34 OECD economies, the proportion of university graduates in Canada earning the median income or less is surpassed only by Japan.<sup>10</sup>

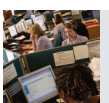
## Income inequality

Much of the discussion on social issues in Canada (and in cities like Toronto in recent years) has focused on increasing income inequality.<sup>11</sup> In the last 30 years, those at the top of the income profile have made substantial gains. Those in the middle have not shared in the growth of the economy. Many at the bottom of the income ladder are worse off. By 2010, the share of income going to the top 1% of earners nearly doubled.<sup>12</sup> In *The Opportunity Equation*, a report released in February 2015, United Way Toronto draws attention to the extent of income inequality between individuals and between neighbourhoods in Toronto. It also shows how this affects everyone's quality of life, regardless of how much they earn.<sup>13</sup> Between 1980 and 2005, income inequality grew by 31% in Toronto, faster than it did in either Ontario or Canada.<sup>14</sup>

The standard of living for workers in the very middle of the income distribution has gone virtually unchanged over the past 30 years. For men in the bottom third of the wage distribution, it may have actually fallen. Young workers are starting at a lower wage and there is evidence that they are not catching up as they move through their careers.<sup>15</sup> The current Canadian economy has an income profile comparable to what it was in the 1920s.<sup>16</sup> The unequal distribution of income contributes to the unequal distribution of wealth in Canada. The top 10% of Canadians accounted for almost half of all wealth in 2012. The bottom half of all Canadians accounted for less than 6% of wealth.<sup>17</sup>

In Toronto, this growth in income inequality has manifested itself in both an increased prevalence of poverty and a changing geography of neighbourhood poverty. *The Three Cities Report*, a report released in 2010, examined income polarization in Toronto between 1970 and 2005. In 1970, the average income in most of the city's neighbourhoods was within 20% of the average income in Toronto as a whole. Toronto was a city of middle-class neighbourhoods. By 2005, however, neighbourhood income levels were much more polarized. There was an increase in areas of the city where average individual income was 40% or more above the average for Toronto. There was also an increase in areas where average individual income was 40% or more below the Toronto average. The net result was a dramatic reduction in the area of the city that could be classified as middle-income.<sup>18</sup>

We are becoming increasingly aware of how these changes are linked to social problems. In *Losing Ground: The Persistent Growth of Family Poverty in Canada's Largest City*, United Way Toronto documented how the changing income profile is affecting household well-being. Evictions are on the rise, more families find themselves seriously in debt, and more are making use of payday-loan facilities. Providing even the basic necessities has become more of a challenge for many households. *The Opportunity Equation* further documents how income inequality is creating barriers to success as well as an uneven playing field for opportunity. This has negative implications for individuals who have been denied a fair chance at building a good life. It also brings broader, society-wide implications if it leads to reduced productivity, higher costs associated with health care, and less-sustainable communities.



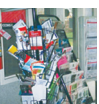
In Hamilton, the *Code Red* project documented how low-income translates into poorer health and a diminished quality of life. Life expectancy in Hamilton's low-income neighbourhoods is 21 years less than that in its high-income neighbourhoods. In fact, the report notes that "[w]here poverty is deeply entrenched, some neighbourhoods live with Third World health outcomes and Third World lifespans."<sup>19</sup>

## Precarious employment

While the spread of poverty has been well documented, less is understood about the effects of precarious employment on household well-being or on communities. Compared to the decades following World War II, fewer people have permanent, full-year, full-time jobs. Average job tenure is falling, and seniority provides less protection from job loss. This means that more workers face income variability. Fewer enjoy benefits, such as prescription-drug plans or employer-provided pension plans.<sup>20</sup> Traditionally, precarious employment was most likely to be found among women, racialized groups and immigrants. While many of these categories of workers continue to face precarious employment, changes since the 1970s have not affected all groups equally: employment has become less secure for young workers, immigrants and many men, while many women have experienced an upward trend in job tenure, as more women enter permanent paid employment.<sup>21</sup> Nor have all changes been in the direction of increased insecurity. A number of studies point to stable, even increasing, levels of year-to-year job retention, particularly for women who are now more likely than men to report one-year job retention rates.<sup>22</sup> Such a finding is not necessarily inconsistent with the argument that employment, overall, has become less secure. Workers facing an uncertain labour market may choose to stay with a current employer, rather than seek out new employment that is less secure. The jobs that workers are holding from year to year may also become less secure if hours become more variable, schedules less certain and benefits less dependable.<sup>23</sup>

Many factors have brought this change about. Large companies, an important source of secure employment in the past, have repeatedly reduced their workforces. This was a result of technological change, increased contracting out, and extended supply lines—often involving suppliers in other countries. Companies reorganize or even disappear at an increasing rate, the result of financial reorganizations, decisions to relocate, the entry of new competitors, or the inability to keep up with the rapid pace of innovation. Companies that provided secure employment just a few years ago now face an uncertain future. This has created employment instability for large numbers of workers and has resulted in labour-market polarization. There has been growth in high-wage employment and in low-wage employment, but a decline in middle-income jobs.<sup>24</sup>

... less is understood about the effects of  
**precarious employment** on  
**household well-being** or on **communities**.



## The origins of the Standard Employment Relationship

The shift to a wage-based, industrial society in the 19<sup>th</sup> century led to a household structure where, in the majority of cases, men earned income and women were responsible for maintaining the home and raising children. This happened first among better-paid, white-collar and professional, middle-class families. As men in manufacturing and other manual trades successfully won a wage sufficient to support a family, towards the end of the century, it became the norm in working-class households as well. During the World War II era, a growing number of Canadians were employed in what has become known as the Standard Employment Relationship. This relationship was based on permanent, full-time employment that paid a family wage, benefits to cover health costs and other unexpected expenses, and a retirement plan to provide for old age. By the early 1950s, most Canadians viewed themselves as middle-class and the dominant family model involved a male breadwinner and a female caregiver.<sup>25</sup>

Standard Employment Relationships provided workers with job security and training that enabled them to advance within a given organization. They benefited from government policies that protected their right to bargain collectively and to form unions. In Ontario, they were able to influence workplace health and safety through the provincially legislated Internal Responsibility System.<sup>26</sup> They could refuse dangerous work with less fear of losing their jobs. They received protection from discrimination and unfair treatment through human-rights legislation and minimum-labour-standards legislation.<sup>27</sup> Unemployment insurance was designed to provide income replacement for workers who had earnings gaps as a result of temporary layoffs from their permanent jobs. The Canada Pension Plan was introduced to provide workers in stable and permanent employment with a base income for their retirement years. None of these policies worked well for workers who were not in a Standard Employment Relationship, because they were excluded from coverage.

The social fabric of post-1945 Canadian cities, such as Toronto and Hamilton, was a reflection of this class of workers.<sup>28</sup> The stability of employment facilitated greater participation in community activities, including political activity, coaching children's sports teams and helping volunteer organizations.

Beginning in the 1970s, the single-earner, male-breadwinner family came under increasing stress. Women were better educated and more able to control the size of their families. They demanded a different role in society. Racialized workers, many of whom immigrated to Canada after 1970, were never offered equal access to the kinds of jobs that were the foundation of the male-breadwinner family. Manufacturing, where many male-breadwinner jobs were located, began a gradual decline as a source of employment, while an increasing share of the workforce was employed in the service sector. The power of unions was weakening. All of these factors made it necessary for most households to have a second wage earner. It became more common for women, through both choice and necessity, to work outside of the home.





## The rise of precarious employment

As women and racialized workers entered the job market in greater numbers after 1970, they did not find work under the Standard Employment Relationship model. Their employment relationships were more likely to be temporary and short-term. Few of these jobs were viewed as careers. Compared to those in standard employment, these jobs were precarious.

Since the mid-1980s, the impact of precarious employment has spread beyond women and racialized workers to reach the wider economy. It has become increasingly prevalent in the knowledge sector, where employment is often project-based. It has become a dominant form of employment in the arts, media and communications sectors. Services that used to be delivered by public-sector workers in secure jobs have been contracted out to not-for-profit agencies, where employment is often based on fixed-term contracts. Universities and colleges rely on temporary workers for the majority of both their teaching and their research activities. As more work has become precarious, gaps in the social wage<sup>29</sup> have increasingly forced many workers to adopt new strategies to maintain a reasonable standard of living. One way of coping with the irregularity of an individual's income is to increase the number of family members in paid employment. Other coping mechanisms are to rely on friends and family to bridge periods of low income, and to make greater use of community social services.<sup>30</sup>

Some refer to precarious employment as the new norm in employment relationships.<sup>31</sup> Fewer workers can expect lifetime employment with a single employer. Even those who describe their employment as permanent are aware that change can come suddenly and unexpectedly.

People in precarious employment face a very different set of working conditions than those in a Standard Employment Relationship. Many are in contract jobs and temporary positions, working irregular hours or on-call. Many piece together year-round, full-time hours by working for multiple employers. They often lack supplemental health benefits to cover unexpected expenses and they have to rely on their own savings to fund retirement.<sup>32</sup> Employers have less incentive to invest in training for this category of workers, preferring to find the skills they need on the open market. The existing employment- and labour-law framework provides less protection for these workers. Most find it difficult to qualify for unemployment-insurance benefits and often qualify for smaller public pensions, as a result of experiencing extended periods of low earnings. They are less likely to belong to unions. It is more difficult to voice concerns about employment standards and health and safety at work.

Some refer to precarious employment  
as **the new norm** in employment relationships.



## Employment relationships and household well-being

How does precarity affect family and community life? In its 2007 report, *Losing Ground*, United Way Toronto voiced the concern that employment precarity was aggravating many of the social problems facing the city of Toronto. This concern led directly to the *It's More than Poverty* report, prepared by the Poverty and Employment Precarity in Southern Ontario (PEPSO) research group.

How widespread is precarious employment? What does it mean for households and the communities we live in? Are the effects similar for low- and middle-income households? What does it mean for civil society and the ability of individuals to volunteer and to participate in community activities? *It's More than Poverty* offered insights into the social effects of precarious employment, and its impact on household well-being and community participation. *The Precarity Penalty* builds on this analysis.

Research has shown that the spread of precarious employment is reshaping how households are organized and the nature of community participation.<sup>33</sup> For men, insecure employment is associated with delayed marriages and postponing the start of families. But, it has potentially the opposite association for women, providing them with opportunities to combine childcare and part-time employment.<sup>34</sup> It has been suggested that, rather than marry, young people are more likely to live together to gain some of the benefits of marriage, including companionship and the sharing of housing costs, without making commitments to an uncertain future.<sup>35</sup> Others have suggested that renting will become a better option than home ownership as a way of dealing with employment risks.<sup>36</sup> If a reduction in home ownership results in workers having weaker attachments to their community, it could have profound social implications. Employment insecurity may increase tension at home, as parents and children cope with varying income flows and periods of unemployment.<sup>37</sup> Among immigrants, early employment precarity may have long-term negative consequences.<sup>38</sup>

## Defining precarious employment

### a) Temporary employment

There is no common definition of precarious employment. Toward the end of 1996, Statistics Canada began collecting data on the number of Canadians reporting that their employment was seasonal, temporary or casual. This is the narrowest definition of precarious employment.<sup>39</sup> Together, these three categories of temporary employment represented just over 11% of all workers in 2014.

### b) Broadening the definition

A second, more comprehensive measure of precarious employment includes people who are self-employed without any employees. Examples of workers in this category are contractors, people providing home-based childcare for others, truck drivers, freelance editors and, until recently, rural mail carriers. This category of employment has almost doubled as a share of all employment since 1976: it now represents one in 10 workers in Canada.

While it is true that some of the self-employed are innovators and wealth creators, many in this category are simply in a disguised form of employment, without the benefits associated with standard employment. They may be dependent on a single client for all of their work or they may receive direction on how to perform that work just as an employee would. Even for those who are not in a



disguised employment relationship, being self-employed without any employees can be a precarious way to earn a living.<sup>40</sup>

### c) Standard Employment Relationships

A third way of measuring precarious employment is to measure the number of workers who are clearly not precarious and in secure employment relationships. A common definition of secure employment is the Standard Employment Relationship, defined as full-time employment that is ongoing and that provides benefits as well as a wage or salary. All workers not in Standard Employment Relationships would be working with some degree of precarity.

### d) The Employment Precarity Index

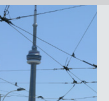
The fourth way of defining precarious employment is to construct an index made up of the different characteristics of an employment relationship and use this to group workers into employment-security categories. The *Employment Precarity Index* was designed with this objective. Using the *Index* scores based on the 2011 sample, we defined four more or less equal-sized employment-security categories (*Precarious*, *Vulnerable*, *Stable*, *Secure*) in our first report. Those in *Precarious* employment scored in the top quarter of scores on this *Index*. We use the same *Index* score cut-points defined in *It's More than Poverty* to allocate workers in this study to one of the four categories. When using terms like *Precarious*, *Vulnerable*, *Stable* and *Secure* as labels for one of the four employment categories, we both capitalize the label and use italics.

The *Index* is a person's average score on 10 survey questions. It includes:

- Measures of the employment relationship, including whether the person is in temporary employment or in a Standard Employment Relationship
- Measures of expected changes in hours of employment
- Variability of earnings
- Ability to voice concerns at work, without fear of job loss
- How often the person works on-call or is paid in cash
- Whether the person is paid if they miss a day's work.

**Appendix B** describes how the *Employment Precarity Index* was constructed.

*The Precarity Penalty* uses all four definitions of precarious employment.



# PART 2

## Precarity and Income: Trends 2011–2014

The focus of this section is confirming the findings from *It's More than Poverty* and assessing labour-market trends since 2011. Has the prevalence of precarious employment changed since 2011? Have different socio-economic groups had different experiences? What are the trends in individual and household income?

### Summary of this section

#### a) Employment security

- The percentage of all workers in temporary employment and own-account self-employment has stabilized at around one in five workers.
- The 2014 data confirms the core findings from *It's More than Poverty*. Barely half of workers aged 25–65 in the GTHA labour market are in permanent, full-time jobs that pay some benefits beyond a basic wage.
- The 2014 data indicates a slight increase in precarious employment since 2011 and some significant shifts in who is precariously employed. Readers should use caution in reading too much into these trends, given the short time period between surveys and other methodological issues.<sup>41</sup> Further research will be necessary to confirm whether or not the trends represent a continuing shift toward less secure employment in Southern Ontario.
- The percentage of respondents in Standard Employment Relationships declined from 50.2% to 48.1%, while those in temporary forms of employment increased from 18.4% to 20.3%.
- Using the *Employment Precarity Index* to allocate survey respondents to *Secure*, *Stable*, *Vulnerable* and *Precarious* employment categories indicated a slight polarization in the distribution of employment security from 2011. The percentage in *Secure* employment is virtually unchanged, while *Precarious* employment increased by almost 10%.
- White women are the only socio-economic group to record a significant increase in *Secure* employment and a decrease in *Precarious* employment. Racialized men and women reported significant increases in *Precarious* employment.





## b) Poverty and income distribution

- Neither overall nominal average individual income nor nominal average household income changed very much between 2011 and 2014. However, there are differences between socioeconomic groups.
- Racialized men and women report small decreases in individual and household income, while white men and women report small increases.
- Individuals and households in *Secure* employment report statistically significant increases in income. Individuals and households in *Precarious* employment report small decreases in income.

## Employment security

### The prevalence of temporary employment and own-account self-employment

**Table 1** reports data collected by Statistics Canada on two categories of precarious employment. Temporary employment includes workers hired into jobs with a fixed end date, including seasonal, temporary, term and casual employment, and those who are self-employed but do not employ any workers. Together, temporary employment and own-account self-employment represent the narrowest definition of precarious employment: one based exclusively on the form of the employment relationship rather than the characteristics of the relationship. This is an important distinction as it excludes many workers who we would consider not in secure employment. Workers in jobs without a fixed end date are unlikely to be classified as precarious under this Statistics Canada definition even though there are many reasons to argue their jobs are insecure and precarious. For example, in Ontario, many workers hired into jobs without a fixed end date are only entitled to a week or two weeks advanced notice of termination.<sup>42</sup> Even in cases where the job is unlikely to last, these workers would still not be classified as temporary employees by Statistics Canada. For example, workers hired into jobs without a fixed end date who are about to lose their jobs as a result of company reorganization or downsizing would not be classified as temporary employees. This definition of precarious employment also does not include workers in jobs that do not provide any benefits beyond a basic wage or who experience varying hours from week to week. Benefits beyond a wage are often a sign of a longer-term commitment by an employer and represent a key component of what is referred to as a Standard Employment Relationship.

Using this narrow definition of precarious employment, **Table 1** reports that temporary employment now accounts for over 11% of all employees in Canada, an increase of 75% since 1989, the first year this data was collected. Own-account self-employment now accounts for over 10% of all workers in Canada, an increase of over 60% since 1976. Together, these two forms of precarious employment now account for more than one in five jobs, an increase of nearly 60% in the last 25 years with most of the increase taking place between 1990 and 2007. Temporary and fixed-term contract employment used to be found mainly in low-wage, less skilled occupations. This is becoming less true, and there is even evidence of a growing trend to use contract labour to fill key management roles.<sup>43</sup>



**Table 1: Percentage of workers in precarious employment (total employed, all classes of workers, age 15+)<sup>44</sup>**

	1976	1989	1997	2007	2011	2014
Temporary employment	–	6.5*	9.4	11.0	11.6	11.3
Self-employed no employees	6.3	7.2	10.7	10.3	10.5	10.5
Total precarious employed	–	13.7	20.1	21.3	22.1	21.8

\* 1989 temporary employment Vosko et.al. 2009 p. 30 (ages 15-64 only).

Source:  
Statistics Canada tables  
282-0080; 282-0012.

The rise in the prevalence of workers in temporary and in own-account self-employment is not the only indicator of increased insecurity in the Canadian labour market. Even workers in more secure forms of employment face increased insecurity. Studies have documented that seniority does not provide the same protection today that it did in the past, making even workers in secure employment more vulnerable to job loss.<sup>45</sup>

**Table 2** tracks trends in employer-funded pension benefits of Canadian workers over the last 25 years, a key indicator of a long-term employer-worker relationship. The percentage of workers in any type of employer pension plan, including defined benefit plans, has declined over 10% since 1990. The percentage of workers in defined benefit plans,<sup>46</sup> the most secure type of employer pension plan, has declined almost 30% since 1990. Most analysts see this trend continuing.

**Table 2: Percentage of Canadian workers with an employer pension plan: all ages**

	1990	1997	2007	2011	2013
All registered plans	39.0	37.3	34.3	35.0	34.9
Defined benefit plans only	35.4	33.1	27.3	25.9	24.9

Source:  
Statistics Canada tables  
282-0012; 280-0016.

## The prevalence of Standard Employment Relationships

An alternative way to measure the prevalence of less secure employment is to measure who is in a Standard Employment Relationship, a form of employment that is secure. We define a worker to be in a Standard Employment Relationship if they have one employer who provides at least 30 hours of employment per week, pays some benefits and with whom they expect to be employed for at least another 12 months. **Figure 1** uses data from the 2011 and 2014 PEPSO surveys to categorize workers into four different employment categories. Much like the Statistics Canada data used in **Table 1**, **Figure 1** is based on the form of an employment relationship and not on the employment relationship's characteristics.

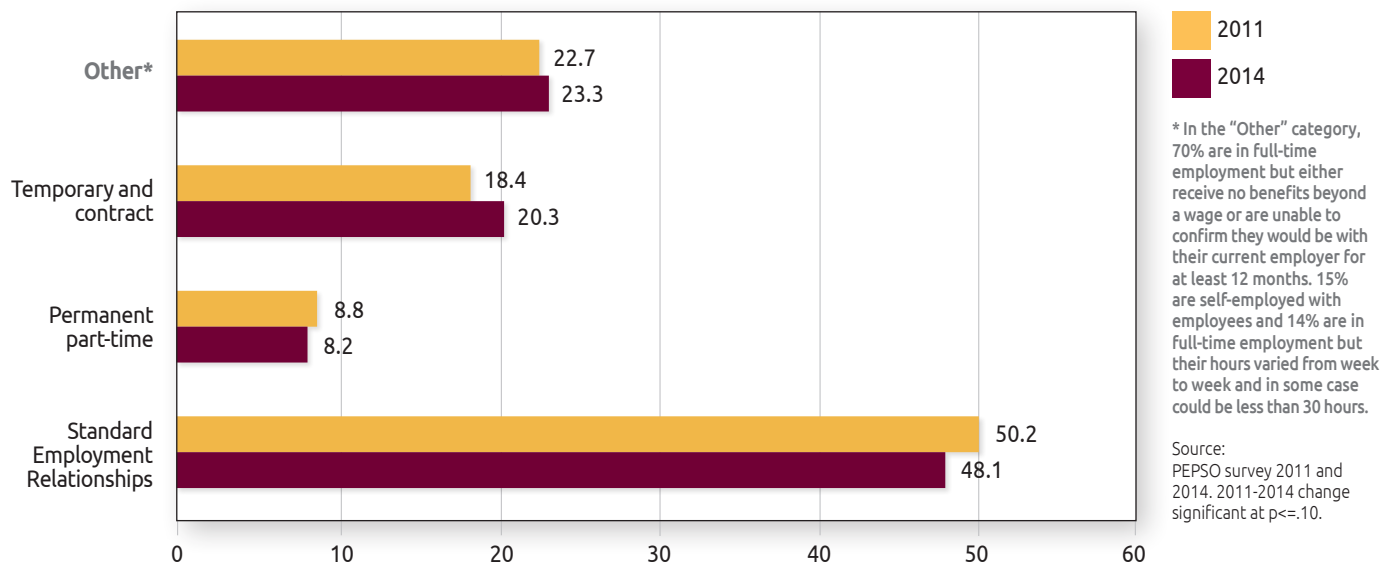
*It's More than Poverty* reported that just over half of the respondents to the 2011 survey aged 25–65 were in a Standard Employment Relationship. The results from the 2014 survey that are reported in



**Figure 1** confirm this finding. The Standard Employment Relationship continues to represent about half of all respondents. Overall, the percentage of respondents in Standard Employment Relationships declined from 50.2% to 48.1%, while those in temporary and contract forms of employment (which includes the own-account self-employed) increased from 18.4% to 20.3%. This category roughly corresponds to the Statistics Canada categories presented in **Table 1**.

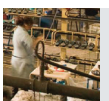
To capture the idea that many workers are employed in relationships that are between a Standard Employment Relationship and an employment relationship with a fixed end date, we created a new category labeled as “Other”. About 15% of the “Other” category is composed of self-employed workers who employ others. Another 15% represents full-time employees whose hours of work vary from week to week and could sometimes be less than 30 hours. The remainder of this category is made up of workers in full-time employment who either are not paid any benefits or who have some concerns that their job will not last another 12 months.

**Figure 1: Forms of the employment relationship: 2011–2014 GTHA (%)**



**Table 3** compares the characteristics of workers in the “Other” category with workers in Standard Employment Relationships. It illustrates the increased insecurity of workers in the “Other” category and the precarity of their employment relationship. Workers in the “Other” category are less likely to receive benefits beyond a wage, less likely to be paid if they miss work, experience more earnings uncertainty and are less likely to receive employer training. **Table 3** suggests that at least some of the “Other” category are precariously employed even if not on fixed end date contracts.

## The Standard Employment Relationship continues to represent **about half** of all respondents.



**Table 3: Comparison of the employment relationship characteristics of the “Other” employment category and the Standard Employment Relationship (%).**

	Standard Employment Relationship	“Other” employment forms*
Company pension plan	80	34
Health benefits	100	24
Income varies from week to week	10	20
Hours of work may be reduced in the next 6 months	8	21
Paid if miss work	85	49
Schedule changes unexpectedly	22	37
Usually know work schedule at least one week in advance	95	79
Employer provided training	51	27

\* In the “Other” category, 70% are in full-time employment but either receive no benefits beyond a wage or are unable to confirm they would be with their current employer for at least 12 months. 15% are self-employed with employees and 14% are in full-time employment but their hours varied from week to week and in some case could be less than 30 hours.

Source:  
PEPSO survey 2014.

## Standard Employment Relationship by region

**Table 4** reviews the different forms of employment in the GTHA labour market. Compared to 2011, the prevalence of workers in Standard Employment Relationships fell everywhere other than Halton and York, where it increased marginally. It declined by 7% in the City of Toronto and by nearly 14% in Hamilton. Compared to 2011, the prevalence of temporary forms of employment increased in the City of Toronto, Hamilton and Peel, and declined in Halton and York. Temporary employment increased by 17% in the City of Toronto and by 30% in Hamilton.

**Table 4: Forms of the employment relationship by region (%)**

% working in	GTHA		City of Toronto		Hamilton		Halton		Peel		York	
	2011	2014	2011	2014	2011	2014	2011	2014	2011	2014	2011	2014
Standard Employment Relationship	50.2	48.1	49.4	45.7	47.1	40.7	57.5	57.9	52.8	50.5	48.0	50.0
Permanent part-time	8.8	8.2	9.0	8.0	12.3	12.7	8.0	6.6	8.0	6.7	7.1	8.7
Temporary and contract	18.4	20.3	19.4	22.7	15.2	19.8	18.0	16.1	17.0	19.8	21.0	17.9
Other employment forms*	22.7	23.3	22.2	23.6	25.4	26.7	16.5	19.4	22.2	22.9	23.9	23.4

\* In the “Other” category, 70% are in full-time employment but either receive no benefits beyond a wage or are unable to confirm they would be with their current employer for at least 12 months. 15% are self-employed with employees and 14% are in full-time employment but their hours varied from week to week and in some case could be less than 30 hours.

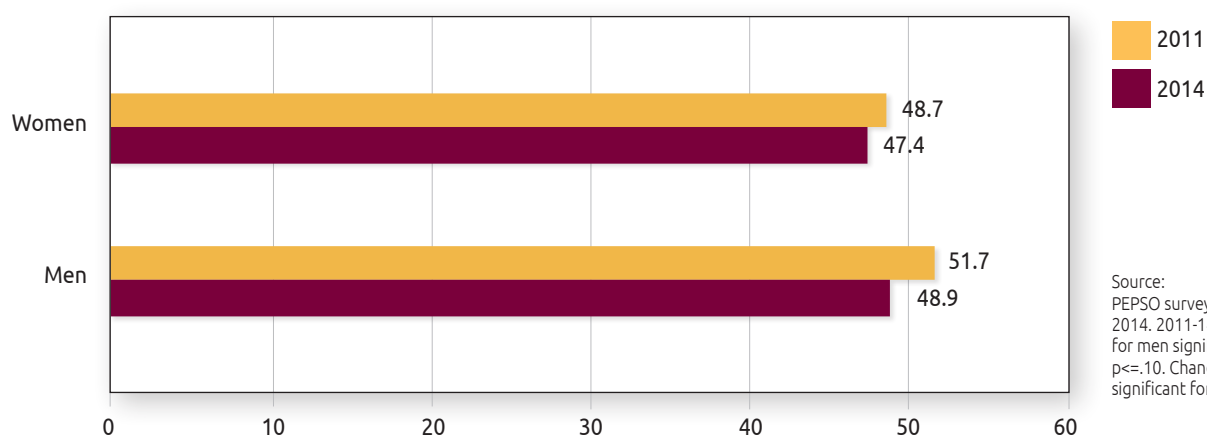
Source:  
PEPSO survey  
2011 and 2014.

## Standard Employment Relationship by sex

**Figure 2** shows that the prevalence of the Standard Employment Relationship declined more for men than it did for women. The percentage of men in Standard Employment Relationships declined by

5.4% versus 2.8% for women. As a result, the gap between the percentage of men and women in Standard Employment Relationships narrowed from 3% to 1.5%.

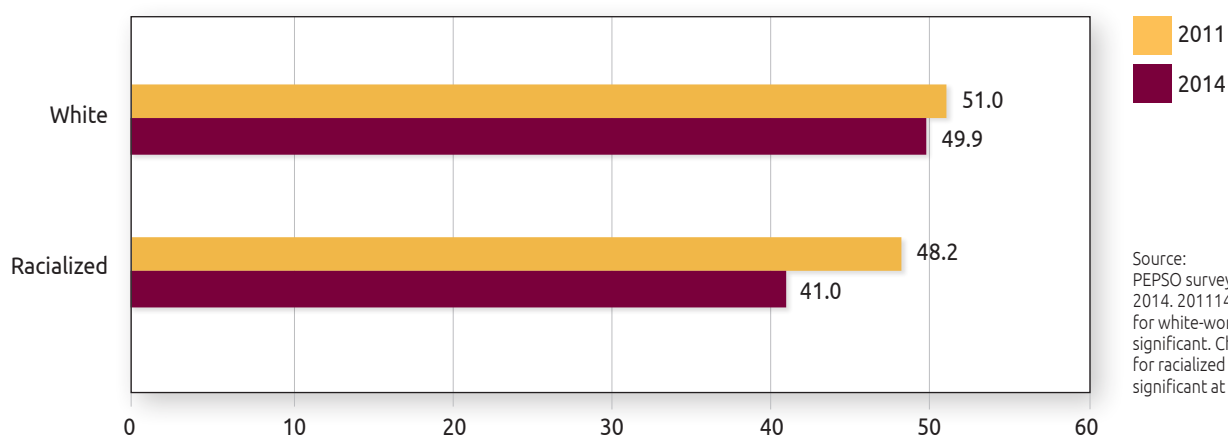
**Figure 2: Standard Employment Relationship by sex: 2011–2014 GTHA (%)**



## Standard Employment Relationship by race

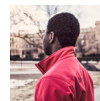
**Figure 3** shows that the prevalence of the Standard Employment Relationship declined more for racialized workers than for white workers. The percentage of racialized workers in Standard Employment Relationships declined by 15% versus 2% for white workers.

**Figure 3: Standard Employment Relationship by race: 2011–2014 GTHA (%)**

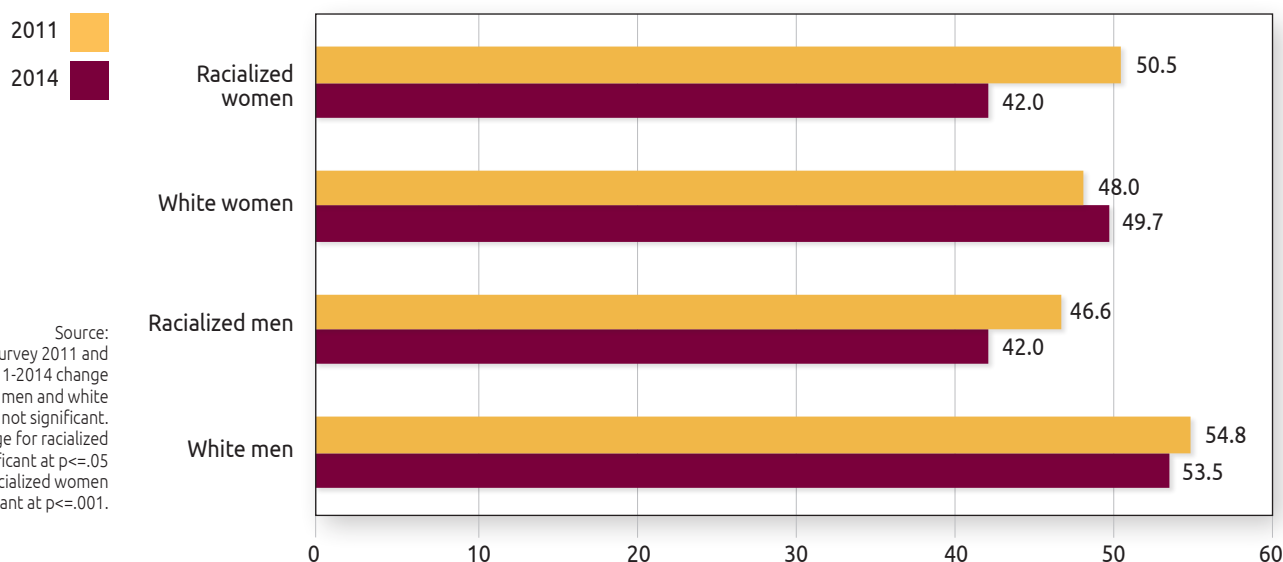


## Standard Employment Relationship by sex and race

**Figure 4** examines changes in the prevalence of the Standard Employment Relationship by sex and race. White women are the only group for whom the prevalence of the Standard Employment Relationship increased marginally. It decreased marginally for white men, but decreased more for racialized men and decreased the most for racialized women. For racialized men, the prevalence of the Standard Employment Relationship fell by 10% and for racialized women almost 17%.



**Figure 4: Standard Employment Relationship by sex and race: 2011–2014 GTHA (%)**



Source:  
PEPSO survey 2011 and  
2014. 2011-2014 change  
for white men and white  
women not significant.  
Change for racialized  
men significant at  $p \leq .05$   
and for racialized women  
significant at  $p \leq .001$ .

## Prevalence of *Precarious* employment

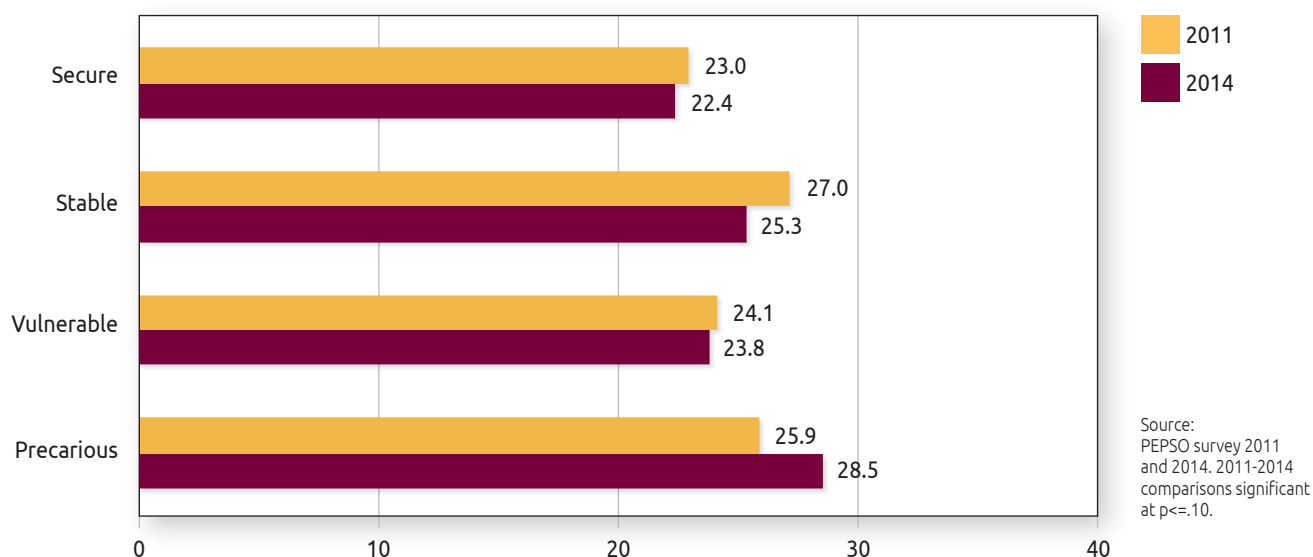
We developed the *Employment Precarity Index* out of concern that relying exclusively on the form of the employment relationship, as distinct from the characteristics of an employment relationship, could give an incomplete picture of who was in precarious employment and how the prevalence of precarious employment was changing. The *Employment Precarity Index* is made up of 10 questions from our survey, including several questions on the form of the employment relationship, but also questions such as do you get advance notice of work schedules, do you expect to have this job in 12 months and do you receive benefits beyond a basic wage. How the *Index* was developed is described in more detail in **Appendix B**. The *Employment Precarity Index* provides a more precise way of identifying who is in secure employment and who is in precarious employment. We use the *Index* as our main way of assessing the security of an employment relationship in the remainder of this report.

*It's More than Poverty* used the *Employment Precarity Index* to categorize respondents into four employment categories (*Secure*, *Stable*, *Vulnerable*, *Precarious*). We labeled the 25% of workers in the least secure employment relationships based on the *Index* as *Precarious*, which is approximately the same percentage that would be classified as precarious using the Statistics Canada data.<sup>47</sup> This allows us to both understand more clearly the differences in employment characteristics of workers at different levels of security but also how different levels of employment security are related to household well-being and community participation.

**Figure 5** reports the distribution of respondents in 2011 and 2014 across these four categories, using the same *Employment Precarity Index* cut-points as in 2011. There was a slight polarization in employment security in 2014. The share of employment that was *Secure* fell by about 3%, while *Precarious* employment increased almost 10%. The percentage of workers in *Stable* employment decreased by over 6%.



**Figure 5: Employment-security categories: 2011–2014 GTHA (%)**

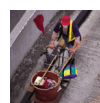


## Employment precarity by sex

**Figure 6** indicates that men and women experienced different trends in the prevalence of *Precarious* employment between 2011 and 2014. More men were employed in *Precarious* employment in 2014 and fewer in *Secure* employment. Women reported a small increase in *Precarious* employment and a small increase in *Secure* employment. For men, the changes represent nearly a 20% increase in *Precarious* employment and a 10% decrease in *Secure* employment. For women, the changes represent a 4% increase in *Secure* employment. The different experiences of men and women, since 2011, suggest that the economic restructuring set off by the 2008 financial crisis is ongoing and that it has been especially disruptive for male employment patterns.

These findings reflect the long-term transition in the experience of men and women in employment. The share of women in the paid workforce has increased since 1976, from about one-third to one-half. Women are still paid less than men, but this gap has narrowed. The median hourly wage of women increased over 23% since 1981, while that of men increased only 5%, resulting in a narrowing of the earnings gap between men and women. Morissette, Picot and Lu argue that the increase in women's median hourly wage reflects "[t]he growing propensity of women to obtain higher education, remain in their jobs longer, and work in high-paying industries and occupations."<sup>48</sup> In 1976, women were about half as likely as men to belong to unions. Today, women are more likely than men to be union members.<sup>49</sup> Since 1980, women have also made significant progress in gaining access to employer pension plans. Nearly as many women as men belong to a registered pension plan today, and women outnumber men in membership of defined-pension plans, one of the key planks of the Standard Employment Relationship. This is a significant reversal of the situation from as late as 1980, when men were more than twice as likely as women to be members of a registered pension plan or a defined benefit pension plan.<sup>50</sup>

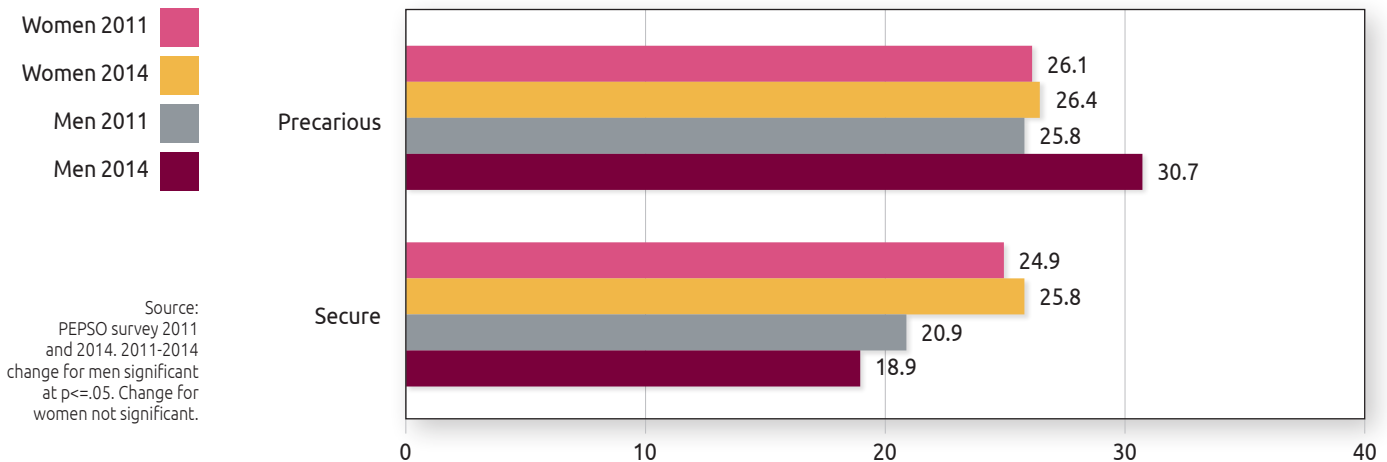
These trends are reflected in the shift of female labour-market participation rates, which have





increased from about 40% in 1976 to almost 60% today; participation rates for men have declined from over 70% in 1976 to 65% today. There is some evidence that female participation rates, particularly for women aged 40–49, may have peaked and have begun to decline in the last few years.<sup>51</sup> This raises unanswered questions surrounding explanations for the recent decline. DePratto suggests that the decline may reflect the lower participation rate of immigrant women, who are making up an increasing percentage of the female workforce, or the trend to delay child-bearing, which may be negatively affecting the return to employment of older women after raising a family.

**Figure 6: Precarious and Secure employment by sex: 2011–2014 GTHA (%)**

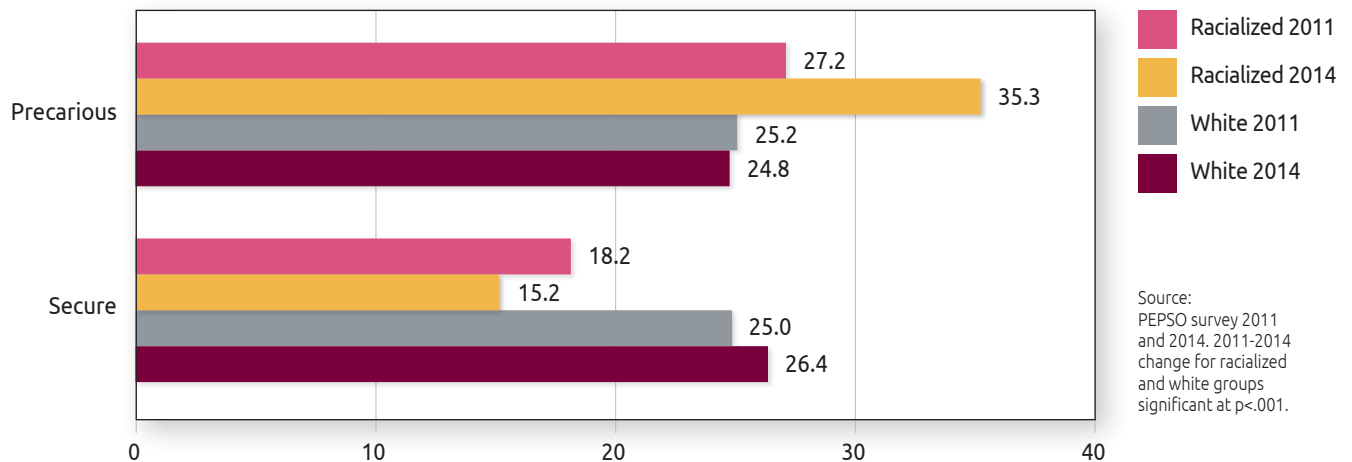


## Employment precarity by race

**Figure 7** indicates that white workers and racialized workers experienced different trends in the prevalence of *Precarious* employment between 2011 and 2014. More racialized workers are employed in *Precarious* employment in 2014 and fewer in *Secure* employment. White workers report a small decrease in *Precarious* employment and a small increase in *Secure* employment. For racialized workers, the changes represent nearly a 30% increase in *Precarious* employment and a 16% decrease in *Secure* employment. For white workers, the changes represent a 2% decrease in *Precarious* employment and a 6% increase in *Secure* employment. The different experiences of racialized and white workers since 2011 suggest that the economic restructuring set off by the 2008 financial crisis is ongoing and that it has been especially disruptive for racialized workers.

...white workers and racialized workers  
experienced different trends in the prevalence of  
*Precarious* employment...

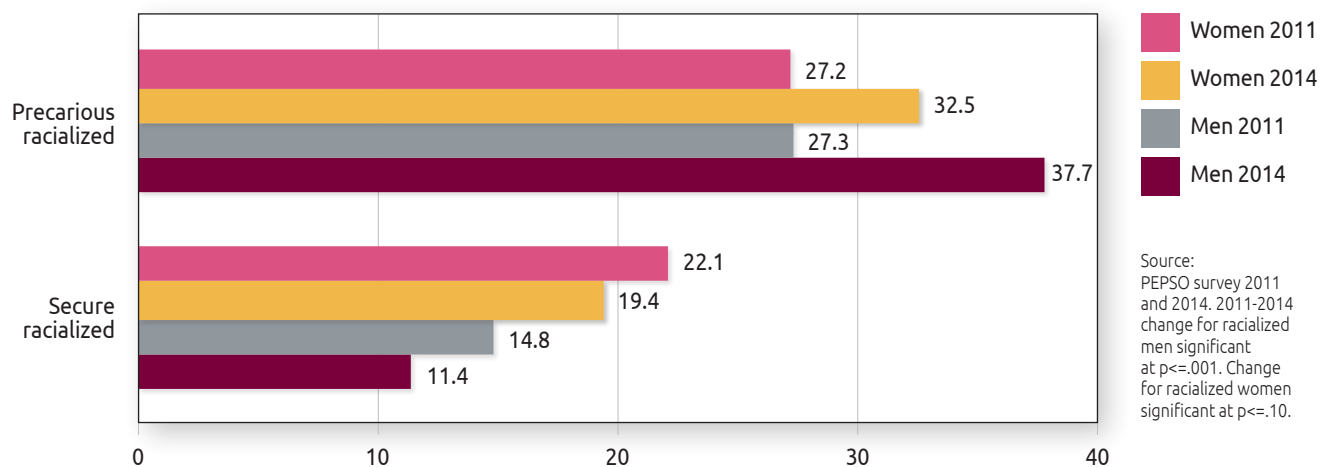
**Figure 7: Precarious and Secure employment by race: 2011–2014 GTHA (%)**



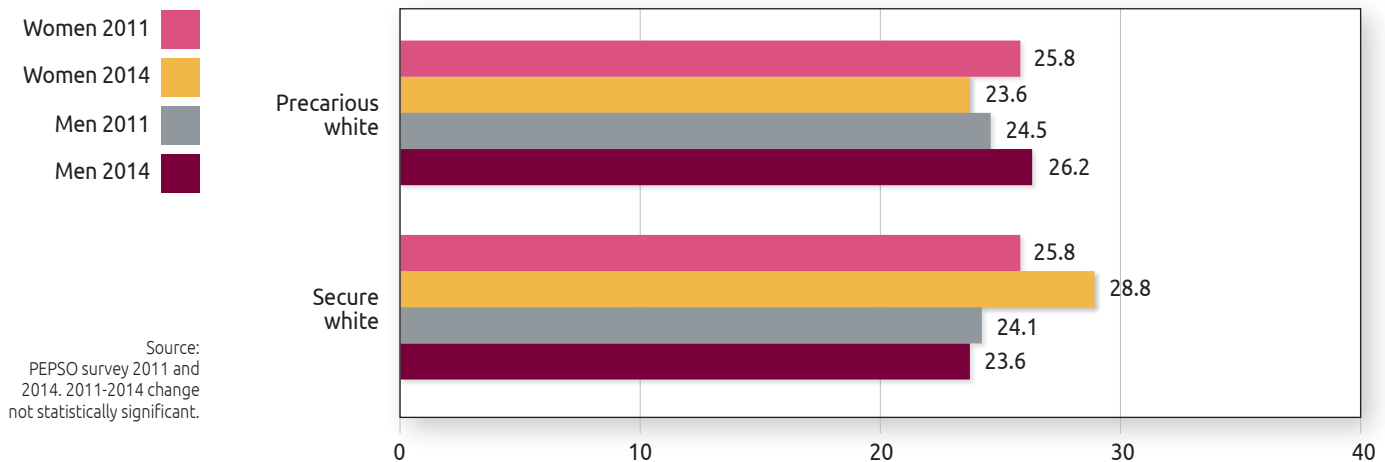
## Employment precarious by sex and race

Figures 8 and 9 report the prevalence of *Precarious* employment by race and sex. White men, and racialized men and women, report increases in *Precarious* employment and decreases in *Secure* employment. White women are the only group to report an increase in *Secure* employment and a decrease in *Precarious* employment. For racialized men, this represents an increase of nearly 40% in *Precarious* employment and a decrease of over 20% in *Secure* employment. For racialized women, this represents an increase of almost 20% in *Precarious* employment and over a 10% decrease in *Secure* employment. The findings suggest that the costs associated with the 2008 financial crisis, and the gains related to the subsequent recovery, have not been equally shared across different groups of men and women.

**Figure 8: Precarious and Secure employment by sex for racialized groups: 2011–2014 GTHA (%)**



**Figure 9: Precarious and Secure employment by sex for white groups: 2011–2014 GTHA (%)**

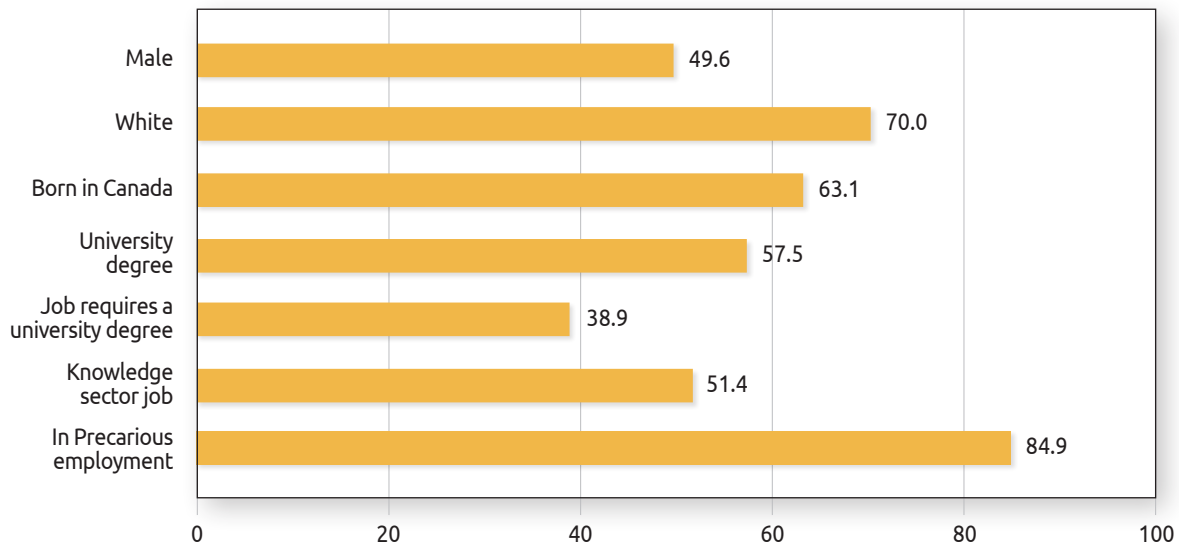


## Own-account self-employment

This section explores the experiences of the one in 10 workers who are classified as own-account self-employed. They work on their own, without any paid help. There is some debate about whether many of these workers are actually misclassified employees who have limited control over how or when they work.<sup>52</sup> Whether they are misclassified or not, our interviews highlight the degree to which the boundary between self-employment and employee is less clear today than it was 30 years ago. Many of the own-account self-employed are really freelancers doing work on a contract basis—work that, in the past, would have been done by employees. The self-employed are no longer mainly professionals, such as doctors and dentists, or small-business people delivering services to clients or consultants—all doing work that was not normally done by employees. Today, what we are seeing is the expansion of self-employment into services, short-term contract work and other temporary work—filling positions on a temporary basis that used to be the responsibility of permanent employees. They deliver newspapers and the mail, edit manuscripts and write news copy, work as translators, sell phone services in the malls, drive trucks and taxis, write computer code, and fix computers.

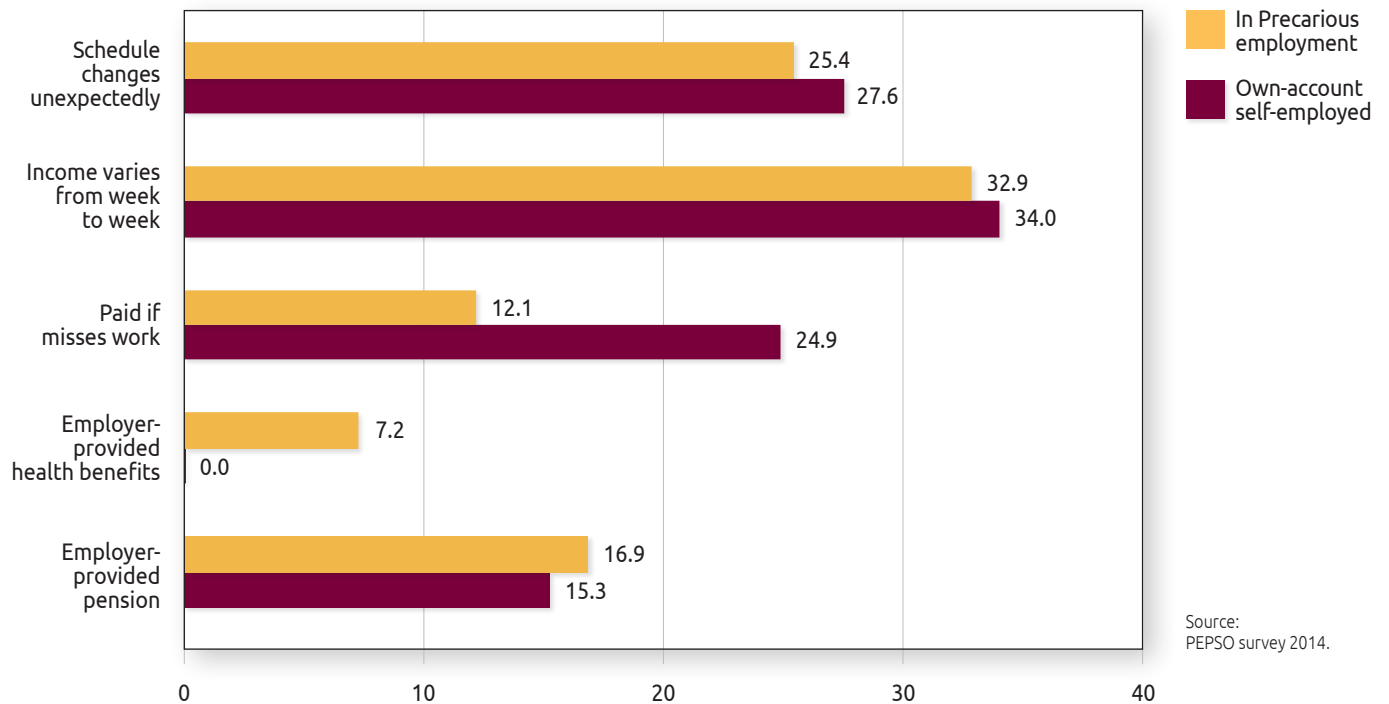
**Figure 10** describes who the own-account self-employed are. They are overwhelmingly white and Canadian-born. They are equally likely to be male or female, and just over half of them work in the knowledge sector. While half have a university degree, only about one-third are doing work that requires a university degree. This is an indicator of the role of own-account self-employment in non-professional occupations. Over 80% are classified as being in *Precarious* employment based on their scores on the *Employment Precarity Index*.

**Figure 10: Who are the own-account self-employed? (%)**



Source:  
PEPSO survey 2014.

**Figure 11: Employment characteristics of the own-account self-employed (%)**



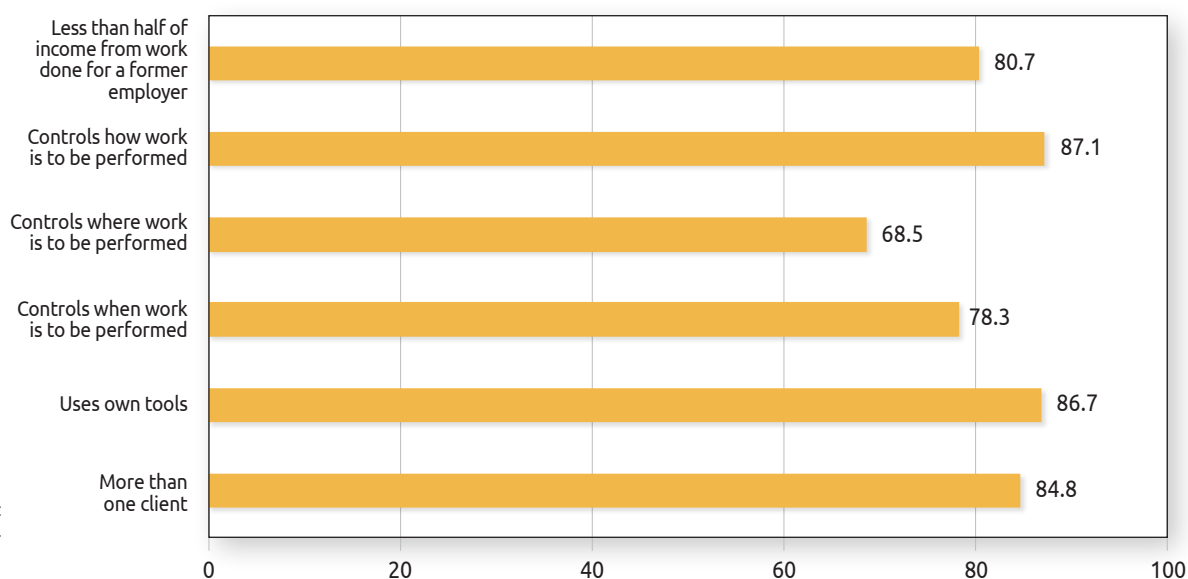
Source:  
PEPSO survey 2014.



Many of the self-employed are relatively poorly paid. Nearly half earned less than \$40,000 last year, compared to only 20% of workers in permanent full-time forms of employment. However, they do relatively well compared to other workers in *Precarious* employment. The own-account self-employed report individual incomes almost 50% greater than other workers in the *Precarious* category, and they live in households where household income is over 40% higher than other workers in *Precarious* employment. However, the characteristics of their employment relationship are similar to the rest of the *Precarious* category. **Figure 11** reports how the own-account self-employed scored on several questions that are included in the *Employment Precarity Index*.

We asked six questions of the self-employed to test if they were truly self-employed, or if they were working in what is sometimes referred to as disguised employment relationships, meaning that they have been misclassified by an employer as being self-employed. Answering yes to all six questions would indicate that the person is an independent worker and unambiguously self-employed. Answering yes to fewer questions would indicate that the individual is not completely independent and has retained some characteristics of the employed. **Figure 12** reports the responses to these questions.

**Figure 12: Characteristics of the own-account self-employed (%)**



Source:  
PEPSO survey 2014.

Less than half of the 368 own-account self-employed in the study could answer yes to all six of these questions, and nearly a third answered yes to four or fewer questions. For this third, their self-employment has at least some of the characteristics of an employer-employee employment relationship. Nearly 90% of those who answered yes to all six questions also report a preference to be self-employed. For those who answered yes to four or fewer questions, about 75% report that they still preferred to be self-employed.

The interviews conducted with self-employed workers provide a rich database to understand the characteristics of this form of employment. Almost half of the individuals interviewed were



engaged in some sort of self-employment or freelance work. Some were following a dream and the desire to be independent. Others pursued self-employment in the face of limited prospects for permanent employment. For others, it is the only option, given the type of work they are interested in doing. Most stated a preference for self-employment, even when that option is proving to be difficult and highly precarious.

Carl, a young, white male, is trying to establish a high-end, temporary-employment service that could deliver high-quality workers to clients. He had a troubled youth. With a criminal record, he did not see much chance of landing a regular job, so self-employment is a strategy of last resort, but one at which he very much wanted to be successful.

Aamir, a racialized young man doing contract work for not-for-profit organizations, is looking to start up his own small bookkeeping business, because of his inability to find a regular job. He indicated:

*I do bookkeeping if a small business owner needs bookkeeping. . . . I started doing advertising on Kijiji. . . . You can put an ad in the employment section under freelance consultant: Accountant looking for job, does anyone have anything? . . . I'd rather be employed, for now, to gain more experience. I look at self-employment as a long range plan.*

Irene is an older white woman, who works as a translator through a number of agencies. While she is considered self-employed by her employers, she has little control over how or when she works. When asked about her employment status, she replied:

*As you've seen, they consider you self-employed; although, like I say, you are twenty-four hours a day. They can call you any time of day or weekend. . . . They can hire you. But they hire you on a freelance basis, so that they don't commit to a minimum number of hours and they don't have to pay for any kind of benefits or anything like that.*

Rafael, an older racialized male who is working on contract for a marketing organization, was defined by the employer as self-employed, but has most of the attributes of an employee. He indicated:

*The marketing company where I work. . . the work is sporadic. You do have a sort of contract there, but on the contract it states that you are a self-employed person and that you are receiving for work done, so there's no unemployment. We're just giving you jobs or work as it comes, but you're a self-employed person. You don't have benefits. So that was actually written down. . . . If you get assigned work, great; if you don't, you don't get any. . . . That was stressful because you could get a month without work and then suddenly work a long weekend, twelve hour shifts. It was like all or nothing all at once and then you get all this money, but you have to make it last because who knows when they're going to call you again.*



## Unpaid interns

*It's More than Poverty* generated many discussions on the precarity of unpaid interns. These discussions were accompanied by the introduction of legislation to enhance protections for unpaid interns.<sup>53</sup> Unpaid interns are not included in the survey as they do not work for pay, which is a condition of qualifying for the survey. However, we did include them in the interviews because they may represent the most extreme face of precarity when their positions are temporary and they are not paid for work done. Young workers and recent immigrants are sufficiently desperate for work experience that might lead to regular jobs; therefore, many are willing to work for free. None of the interns we interviewed were positive about their experience.

Mary, a young media-design student at a local university, was persuaded to take an unpaid internship with a start-up company. The company did not have any paid employees. The following is her description of her experience:

*The point of me taking this internship [was] to learn something new. I did not learn anything new, not virtually a single thing at all. . . . I honestly thought I would at least be taught something. Like, I thought he would show me how to do something, or something new. . . . I didn't get anything out of it at all. It was the biggest waste of my time.*

The vulnerability that unpaid interns face can sometimes extend beyond the workplace. Mary suspected that her employer was interested in her for more than her work. He would text her late at night and often made inappropriate comments, like telling her she had a “sexy” voice or asking her why she was not out partying.

John, a white male college graduate, did an internship as an event planner. The placement was to last six months, but he quit after three months. “The internship did nothing for me. I felt exploited.” One of his real grievances was the inability to establish contacts as part of the placement.

Cora, a young racialized woman, was a student who took an unpaid internship as a researcher with a start-up, which employed about 50 people, all unpaid. She told us “I was super excited because it’s something I’ve never done before.” Her enthusiasm quickly evaporated and she soon felt trapped in the arrangement, but unable to face her employer and resign. Young workers like Cora feel the need to take on unpaid work as the only path to a paid position. She summed up her situation as follows:

*It was just me thinking “I need something on my resume, because right now my resume is terrible.” So, that was my main motivation. . . . So you’re desperately looking for something. At least, I know I was. I was in this position where I was like “I have nothing. I have no experience. I only have a few jobs here and there, but would it really help me directly, and would it, the employer, see that this is going to help me?”*

Tom, a young racialized man, worked as an intern during a gap in his university schooling. Self-





taught as a computer programmer, he took a position in a small start-up as lead programmer. He admits to taking the position because he was “desperate.” The employer was not able to pay a salary, but did promise compensation for reaching specific milestones, and that he would be made a part owner of the new company. Much to Tom’s surprise, when he met with this employer to discuss a more-regular payment arrangement, his employer responded, “Tom, I actually don’t remember . . . promising you anything, any shares, I don’t remember saying you would have any part of this company any more.” Following this exchange, Tom refused to hand over the code he was working on and, without this code, the company folded. His final assessment of the experience was “I think I was taken advantage of.” From his experience, he concluded:

*The reason why people do unpaid internships is because people believe something better will happen from it. And they don't really have another choice. . . . There just isn't really another choice. . . . The mindset of businesses these days, and I suppose it has always been this way, is maximize profits, right? So if you can find a free worker who's willing to work for you, and does a decent quality job with very little need for cleanup, then why not? Who cares about ethics? Who cares about their well-being? Exploit them, right?*

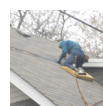
Interns like Mary, Cora and Tom were employed to reduce the risk that entrepreneurs face when engaging in new start-ups. Rather than pay wages up front, these employers made promises of future payment. When things didn’t work out, it was the interns who were left holding empty promises, with little to show for their time spent.

It was not just interns who spoke to us about the treatment of unpaid workers. Several of the paid workers we interviewed were either asked to work with interns or felt that they might lose their paid work to interns willing to work for free. Gary, a middle-aged white male contract worker who did event planning for a not-for-profit organization, was often asked to work with unpaid interns. In his view, the organization made a point of using free labour whenever possible, and this made it unlikely that his temporary paid job would become permanent or even renewed.

*They rely on their students, on their student population to do the work. I'm hired for this thing [a special event] specifically . . . and any other additional work that they do, they're very keen on getting students and anybody that is basically willing to do the work for free.*

The issue of how people can afford to work for free was raised by several of the workers we interviewed. Gloria, a young university-trained white woman, works as a freelance media worker. When she graduated 10 years ago, she was offered a prestigious internship on a major TV show. She was unable to accept the position because it was unpaid.

*I mean, I'm sure some people can afford that. When I was just getting out of school, I got an internship. It's like a news show. And I was so pumped about it, but then they were like, "You have to work for free," and of course I couldn't do it unless I had a family to live with. I didn't have family in Toronto. Only people who are in that privileged position could do those jobs.*

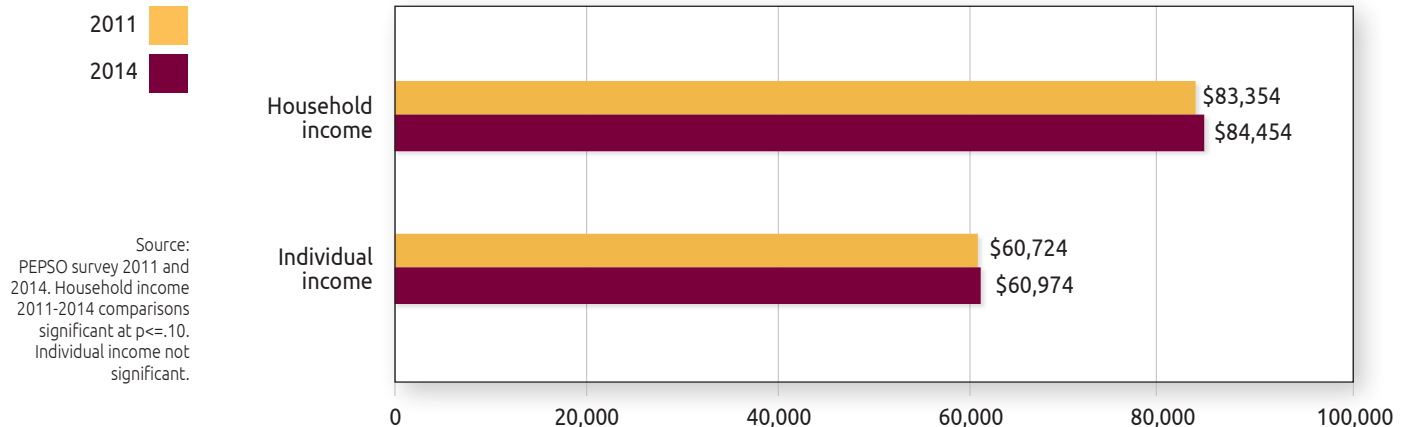


## Income

### Individual and household income

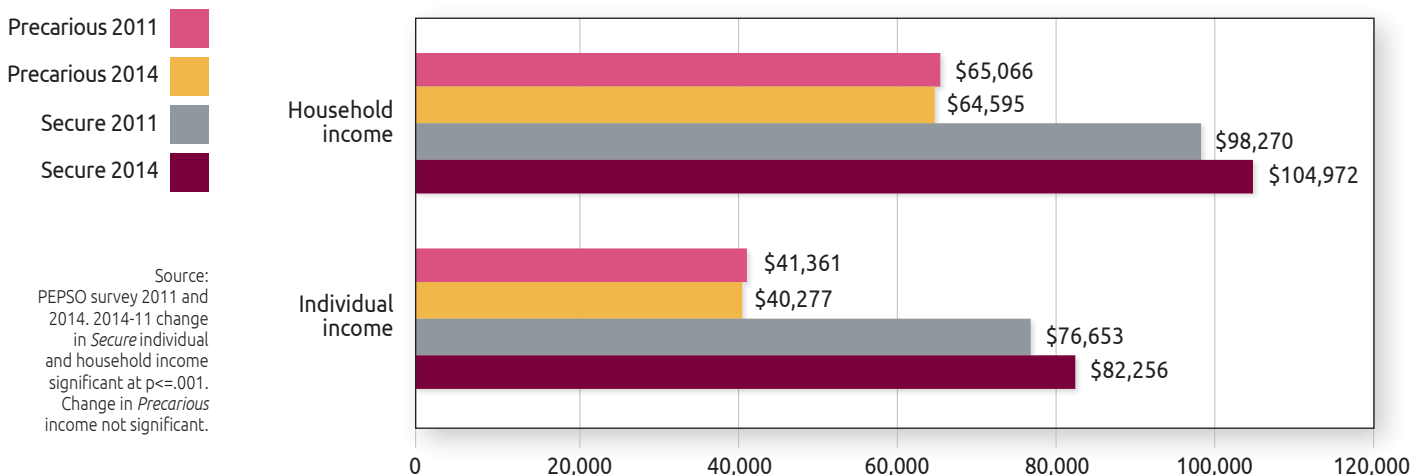
As reported in **Figure 13**, neither overall average individual income nor average household income changed very much between 2011 and 2014.

**Figure 13: Average individual and household income: 2011–2014 GTHA (\$)**



**Figure 14** explores income changes of workers in different employment relationships. Workers in *Secure* employment report significant increases in individual and household income. Individuals in *Precarious* employment report small decreases in individual and household income, pointing to a wider income gap between individuals in different employment categories than what was reported in *It's More than Poverty*. For individuals in *Precarious* employment, the gap relative to individuals in *Secure* employment increased from 46% to 51%; for household income, the gap increased from 34% to 38%.

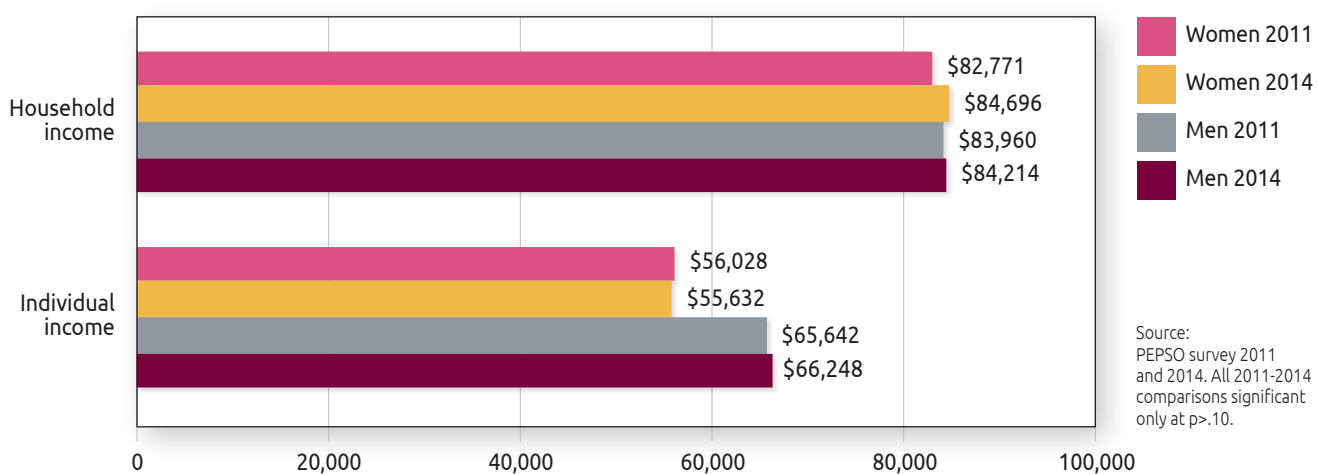
**Figure 14: Average individual and household income by employment security: 2011–2014 GTHA (\$)**



## Individual and household income by sex

There are some minor differences in individual income by sex. **Figure 15** reports that, despite women having a slight advantage over men in finding more secure employment since 2011, men still report marginally higher individual income in 2014, while women report marginally lower individual income. This increases the individual income gap between men and women from 14.6% to 16.0%. Both men and women report marginally higher household income in 2014.

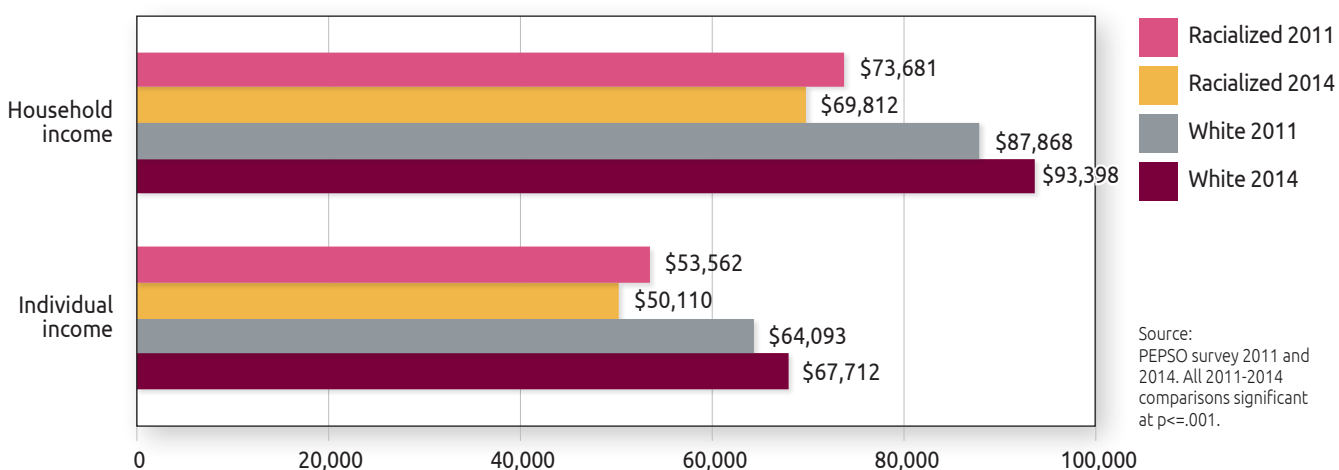
**Figure 15: Average individual and household income by sex: 2011–2014 GTHA (\$)**



## Individual and household income by race

**Figure 16** reports differences in individual and household income by race. Racialized workers report lower household and individual income in 2014 compared to 2011. White workers report increases in both household and individual income. The gap between racialized and white household income increased from 16% in 2011 to 25% in 2014; for individual income, it increased from 16% in 2011 to 26% in 2014. A recent report by Block and Galabuzi<sup>54</sup> found that racialized workers earned less than white workers prior to 2000, and that the gap increased between 2000 and 2005. Our findings suggest that this gap is continuing to widen.

**Figure 16: Average individual and household income by race: 2011–2014 GTHA (\$)**



## Individual and household income by sex and race

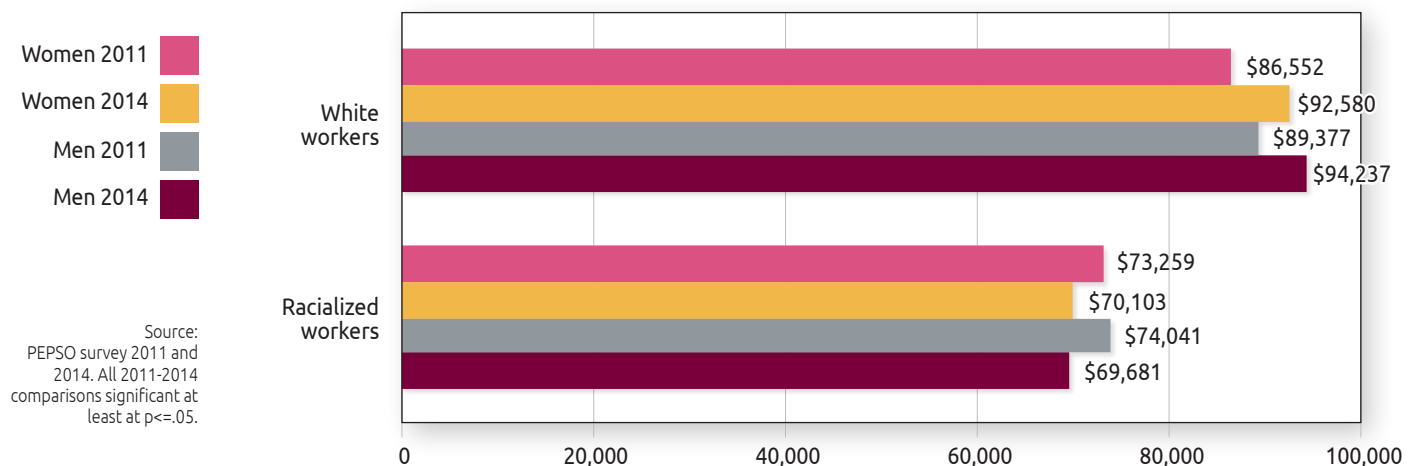
**Figure 17** reports changes in household income by sex and race. White men and women report small increases in household income, while racialized men and women report small decreases since 2011. As a result, the household income gap between white and racialized workers is wider in the 2014 survey.

The same pattern is found in **Figure 18**, which reports changes in individual income. It has white men and women reporting gains, and racialized men and women reporting losses. The individual income gap for racialized men versus white men increased from 17.4% in 2011 to 28.7% in 2014. The individual income gap for racialized women relative to white women increased from 17.8% in 2011 to 24.3% in 2014.

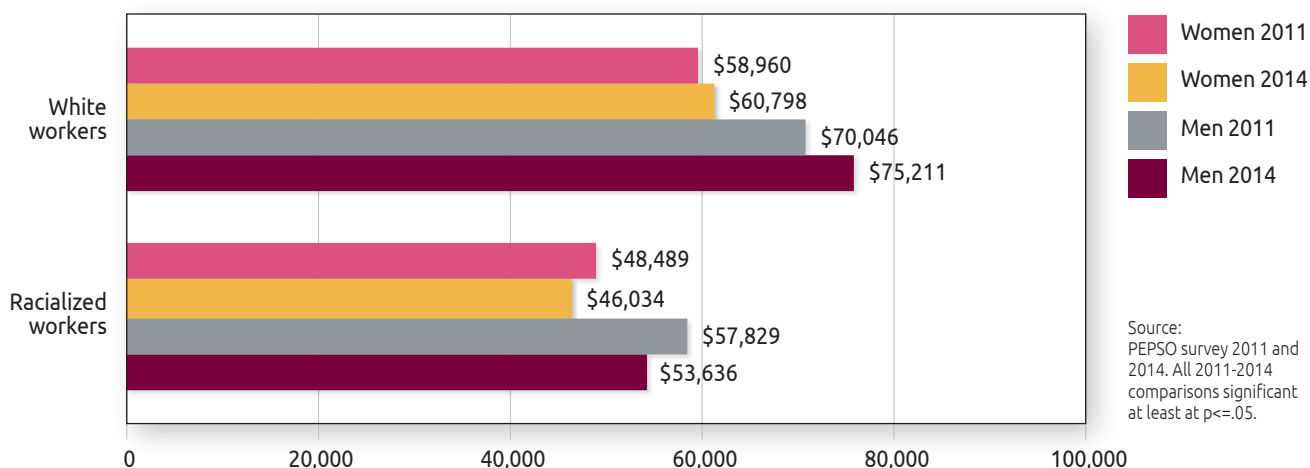
Part of the increase in white male individual income in 2014 may reflect the 2014 sample being older (see **Appendix A** for details of sample differences). Part of the racialized male individual income decrease may reflect the lower percentage of university-educated racialized males in the 2014 sample compared to 2011. However, it is unlikely that the relatively small shifts in these characteristics in the sample fully explain the significant change in the white male and racialized male individual income gap between 2014 and 2011.

The individual income of white women increased in 2014, despite the white female sample being younger than in 2011. The individual income of racialized women decreased in 2014, despite their being more likely to be Canadian-born than in 2011. Both of these shifts would be expected to move income in the opposite direction of how it actually moved and to narrow the gap in the income of white women versus racialized women. Instead, we see a widening.

**Figure 17: Average household income by sex and race: 2011–2014 GTHA (\$)**



**Figure 18: Average individual income by sex and race: 2011–2014 GTHA (\$)**



## Sectoral patterns

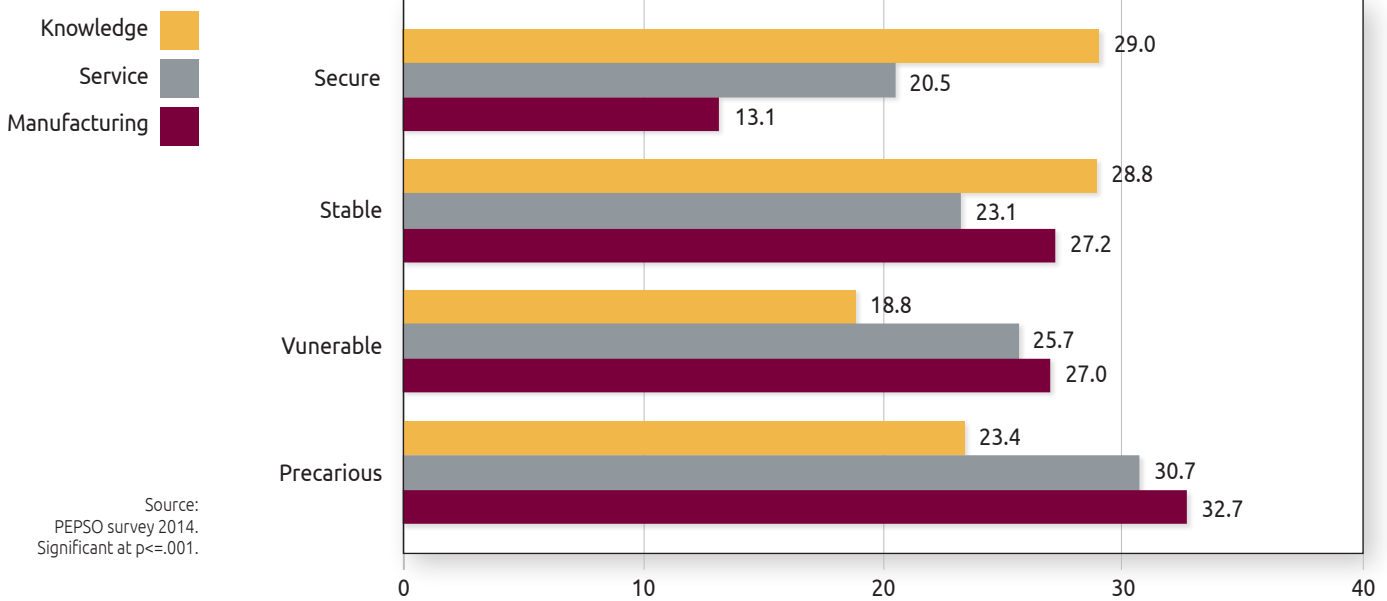
**Figure 19** shows the extent of precarity across the knowledge, service and manufacturing sectors of the economy. It is one indicator of the extent to which *Precarious* employment has spread beyond the service sector, which is often viewed as the sector where employment has tended to be less secure. Workers in manufacturing are the least likely to be in *Secure* employment and the most likely to be in *Precarious* employment. Workers in the knowledge or creative sector are the most likely to be in *Stable* or *Secure* employment. However, over 40% of the workers in this sector are still in *Vulnerable* or *Precarious* employment. Workers in the service sector are the second most likely to be in *Precarious* employment.

The distribution of respondents across the sectors differed by race and sex. Racialized workers are more likely to work in the service sector and less likely to be employed in knowledge and creative work. Women are more likely to find employment in the service sector and less likely to be employed in manufacturing.

... *Precarious* employment  
has spread beyond  
the service sector ...



**Figure 19: Sectoral pattern of precarity (% of each sector)**



## Education and precarity

**Figure 20** presents findings on the level of education needed to perform work in the four employment-security categories. As employment becomes more secure, it is more likely to require a university degree. However, a large number of jobs in both the *Precarious* and the *Vulnerable* categories also require a university degree. About one-quarter of jobs in each category require a college qualification or an apprenticeship. Jobs that only require on-the-job training are weighted toward jobs in the *Precarious* category.

Examining the match between level of education attained and level of education needed to perform work suggests that many workers with a university degree in the *Precarious* category are over-qualified for the work they are doing. Just over 25% of jobs in the *Precarious* category require a university degree, while nearly 45% of workers in that category have a degree.

The data also suggests that this issue is more serious for racialized workers. Just over half of all white workers are doing jobs that require a university degree, while just over one-third of racialized workers are doing work that requires a university degree. This is despite the fact that both groups of workers are almost equally likely to have a university degree. Racialized workers (22%) are almost twice as likely as white workers (13%) to be doing jobs that only require on-the-job training.

Education Level	On-the-job training	Secondary diploma	College/apprenticeship	University degree
High school or less	4.4	8.0	21.1	66.5
Some college	8.9	11.5	22.8	56.7
Bachelor's degree	19.7	16.2	28.0	36.2
Graduate degree	29.0	19.1	24.0	28.0

Source: PEPSO survey 2014.  
Significant at  $p \leq .001$ .



# PART 3

## Precarity and How it Shapes Employment Relationships<sup>55</sup>

*It's More than Poverty* began describing the nature of insecure employment and the extent of insecurity associated with insecure jobs. This section extends the analysis that we began in our first report. The findings reveal the different layers of vulnerability that workers in precarious employment face.

*It's More than Poverty* revealed the extent to which precarious employment has spread to socio-economic groups that were largely immune to this form of employment in the past. It is still true that racialized workers (35%) and non-citizens (42%) are the most likely to be in precarious employment. However, the employment security gap between men and women has narrowed significantly since the 1980s. Many of the jobs created in what is called the knowledge economy are insecure and project-based. Sectors of the economy, such as manufacturing that, in the past, were dominated by men in Standard Employment Relationships, have declined; those that remain are increasingly precarious. Women, who now make up a majority of Canadian union members, have been effective in some sectors in using collective bargaining to defend existing forms of secure employment. In some cases, they have had success in gaining access to secure jobs that, in the past, they were blocked from holding. Thirty years ago, women were the exception working on the assembly lines of unionized major automobile assemblers. Today, these sorts of jobs have opened up to women, although they are still a minority. Women now represent a majority of public-sector workers, a sector that has tended to offer more secure employment. Our findings indicate that this is translating into a growing number of women working in Standard Employment Relationships, while men are moving into less secure jobs. This section offers some observations on the different employment experiences of men and women, of white and racialized workers, and of low- and high-income workers.

### Summary of this section

#### a) Income instability

- Workers in *Precarious* employment experience more weeks without work, are more likely to see their income vary from week to week, and are more likely to anticipate reductions in hours of paid employment.



## b) Scheduling uncertainty

- Workers in *Precarious* employment often experience unexpected changes in their work schedule and often don't know their work schedule a week in advance.

## c) Benefits and pensions

- Most workers in *Stable* and *Secure* employment have an employer-funded pension plan; however, barely one-tenth of those in *Precarious* employment have pension plans.
- Workers in *Precarious* employment are significantly less likely to receive employer-funded drug, vision or dental benefits, and they are less likely to be paid if they miss work.

## d) Training

- Workers in *Secure* employment are more likely to receive some form of training, compared to workers in *Precarious* employment.
- Workers in *Secure* employment are more likely to get employer-provided training, while workers in *Precarious* employment are more likely to pay for their own training.
- The training gap is especially severe for workers in less secure/low-income employment, who are unlikely to receive employer-funded training and are unable to pay for their own training.

## e) Employment standards, and health and safety standards

- Workers in *Precarious* employment are more likely to not always be paid in full for work done, and they are at higher risk of suffering negative consequences from asserting rights related to occupational health and safety or employment standards.

## f) Unionization rates

- Workers in *Secure* employment are more likely to belong to a union than workers in *Precarious* employment.

## Income instability

**Figures 21 to 29** examine the degree of income instability facing workers in different employment-security categories. They include indicators of weeks of unemployment in the last 12 months, how much income varies from week to week, and expectations that hours of paid work will be reduced in the next six months. Together, they paint a picture of significant income instability for workers in *Precarious* employment, regardless of individual income levels.

The findings also point to an important difference between workers in less secure and in more secure low-income employment. The latter are much less likely to report periods of being unable to find work, variations in earnings from week to week, or concern that paid hours of employment will be reduced in the near future. The combination of low wages and income instability facing those in the less secure/low-income category is an important factor in understanding the challenges that this group of workers faces with household well-being and in participating in their communities.



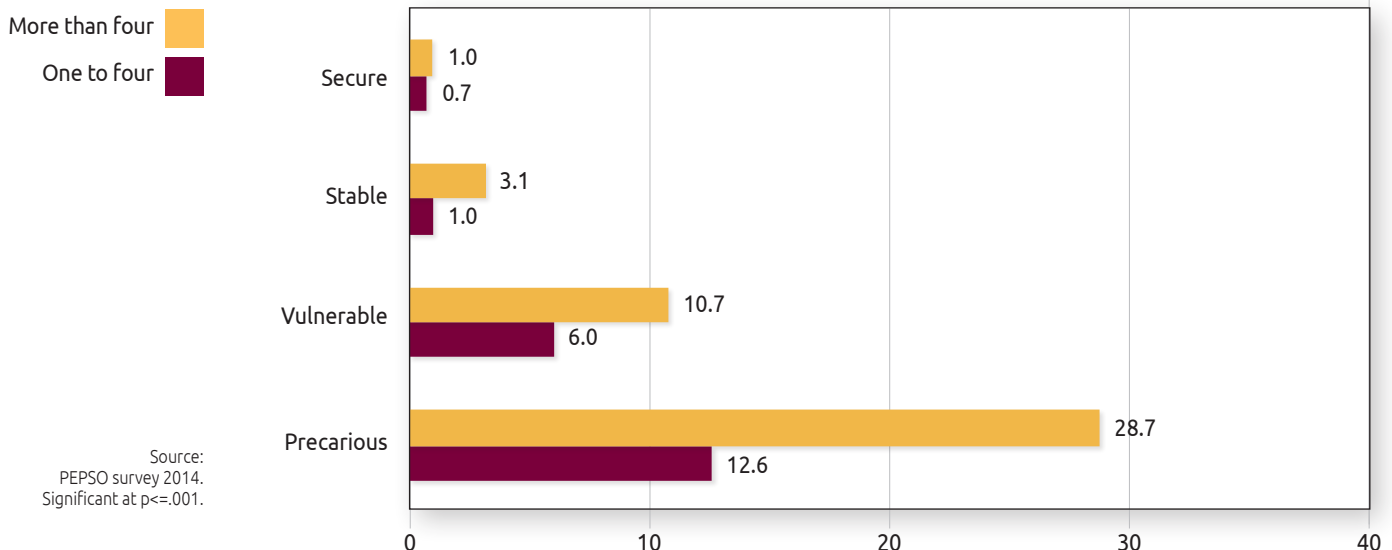
The findings can also help us understand the experience of workers in less secure/middle-income employment relationships. This group reports higher wages than low-income workers do, but they face the same risks of employment instability as workers in less secure/low-income employment.

## Unable to find work in the last 12 months

**Figures 21 and 22** examine the inability of workers to find work by employment-security categories and by individual income levels. Nearly 30% of workers in *Precarious* employment were unable to find work for four or more weeks in the last year, and nearly 15% were unable to find work for 12 or more weeks. Inability to find work is less of a challenge for those in more secure employment at all income levels.

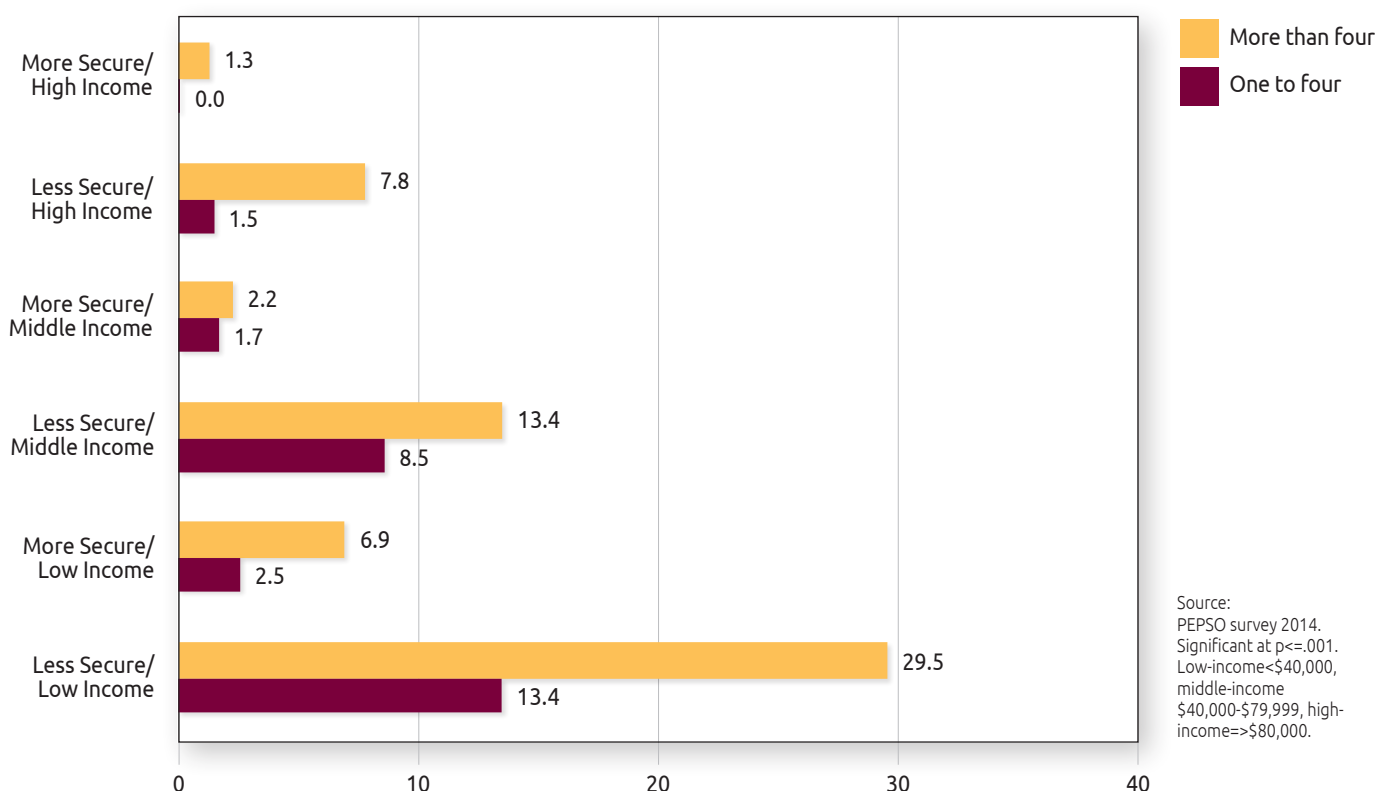
Racialized workers are twice as likely to report being unemployed in the previous 12 months, and 50% more likely to report long periods of unemployment lasting more than eight weeks in the previous 12 months.

**Figure 21: Weeks wanted to work but was unable to find work in the last 12 months by employment security (%)**



...workers we interviewed reported  
that **periods of unemployment**  
were not unusual ...

**Figure 22: Weeks wanted to work but was unable to find work in the last 12 months by employment security and individual income (%)**



Several of the workers we interviewed reported that periods of unemployment were not unusual and could stretch to several months. Donna, a young white university graduate who works in the arts sector, told us:

*It can be seven or eight months. It depends. . . it does happen. That happened last year, but really, it was about four months of lack of work, because I knew I wanted to return to my contract. So it was limiting in the sense that I was only looking for things that were short-term that fit within this window, and then eventually I determined that I was going to expand on my self-employment . . . not knowing if I would get paid, but nonetheless investing my time and resources in that. . . . The fact that I had unemployment insurance at the time definitely helped with that morale. If I had incurred debt, then that would have been different. I think I'm also, while I kind of work in a precarious industry, I'm also, I'm not a big risk taker.*

Tanvi, a young racialized woman working through temporary-employment agencies, also recounted extended periods of no work. She reported:

*Sometimes I'm a few months without work, sometimes I'm six months to eight months, and it's really frustrating. . . . Right now, because I have no income right now, so I'm just depending on my savings, and it's really hard.*

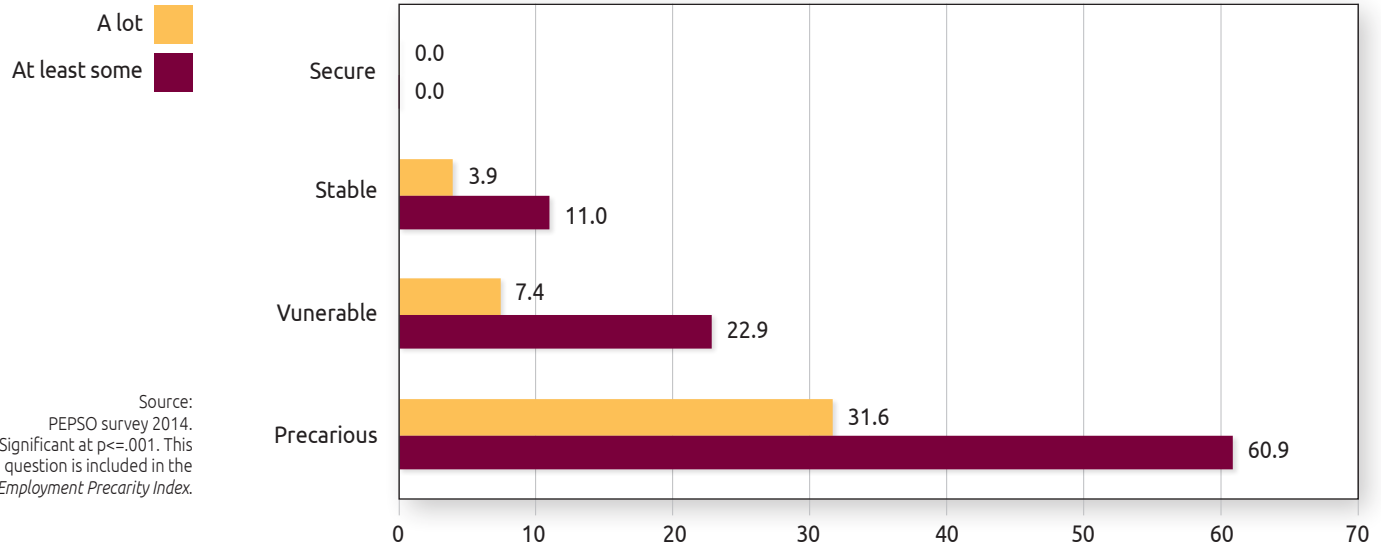


## Variation in income from week to week in the last 12 months

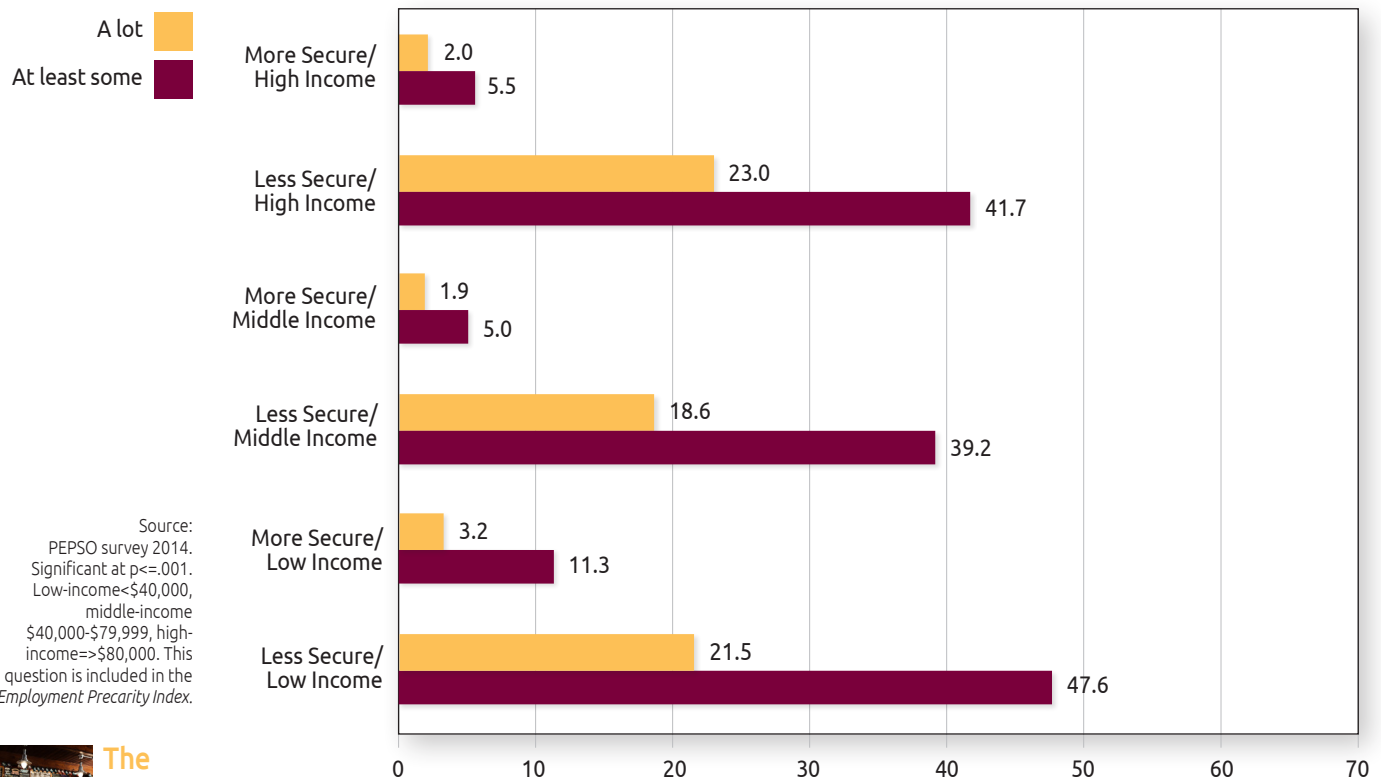
Figures 23 and 24 report the variation in income from week to week. Most workers in *Precarious* employment report that their income varies from week to week. This is true of workers in less secure employment, regardless of their level of income.

White workers and women are more likely to report that their income does not vary at all from week to week.

**Figure 23: How much income varied from week to week in the last 12 months by employment security (%)**



**Figure 24: How much income varied from week to week in the last 12 months by employment security and individual income (%)**



The uncertainty associated with not knowing how much paid work a worker will have in the near future can make organizing one's life a challenge. Eva, an older white worker who does freelance work for several media outlets, reported that:

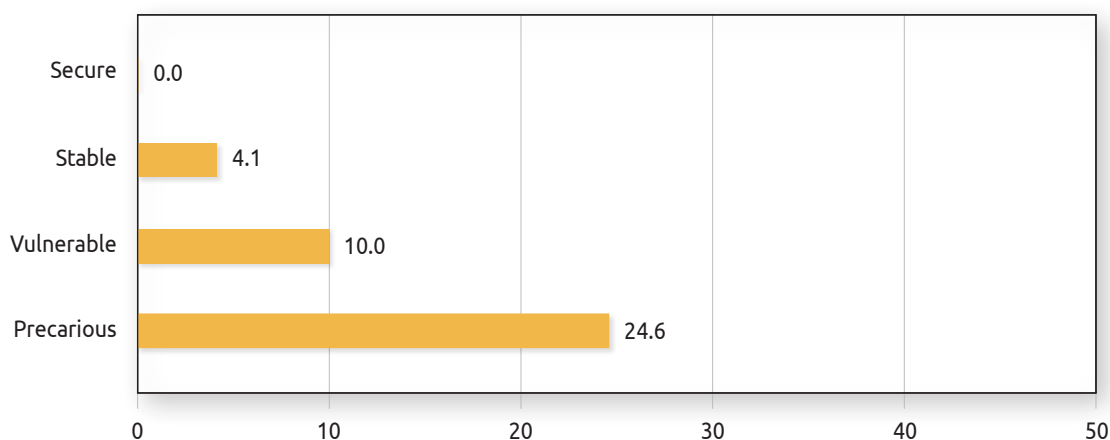
*You're only scheduled in advance for a certain amount of time. So, for example, a month from now. I don't know what I'm going to be doing. I don't know what my income is going to be. . . . Your income changes all the time so it's really hard to make personal plans, it's really hard to make any kind of a financial plan. . . . You're totally a day labourer. . . . It's called smashing. People always wonder why, at the corner of Queen and Parliament, there's all the people standing outside of all those kind of bars and restaurants. Those are called smashers. Those are people who wait there for day labour jobs. It's pretty much the exact same thing for people like me.*

### Expect hours of paid work to be reduced in the next six months

Workers in *Precarious* employment not only experienced income uncertainty in the last 12 months, they also anticipate significant uncertainty in how many hours of paid work they will have in the near future. In **Figure 25**, nearly one in four workers in *Precarious* employment anticipate that their hours of paid work will be reduced in the next six months. Workers in less secure employment at all income levels report concern that their hours of paid work will be cut in the near future (**Figure 26**).

Racialized workers are more likely than white workers to anticipate that their hours of work will be reduced in the next six months.

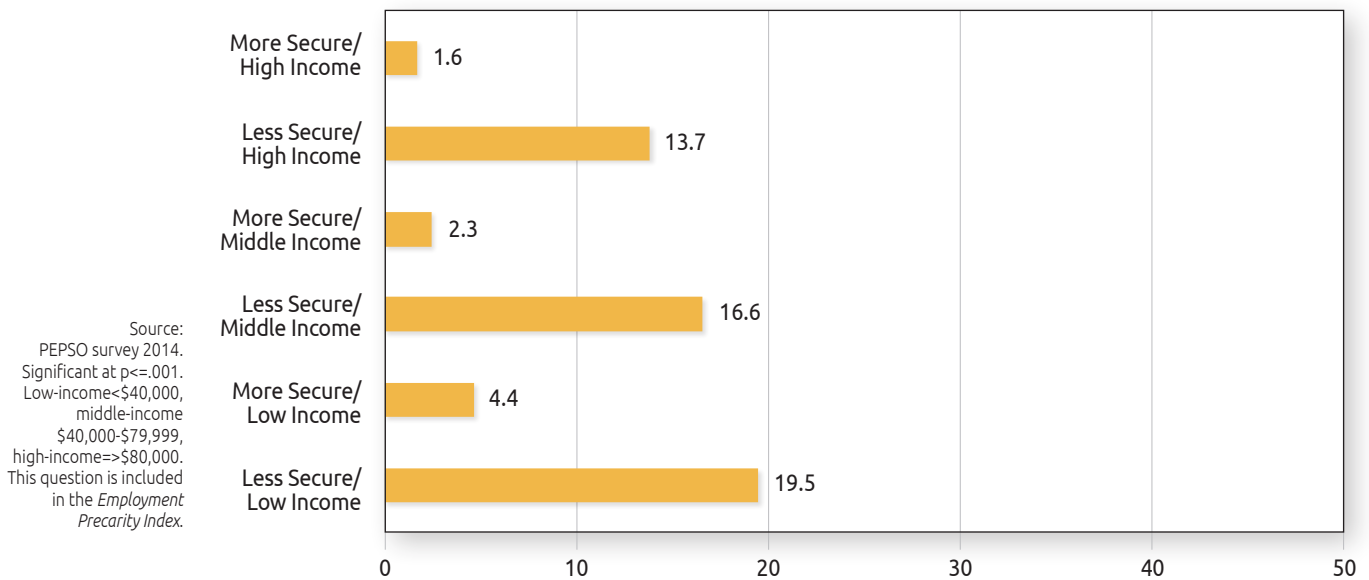
**Figure 25: Likely that hours of paid work will be reduced in the next six months by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ . This  
question is included in the  
*Employment Precarity Index*.



**Figure 26: Likely that hours of paid work will be reduced in the next six months by employment security and individual income (%)**

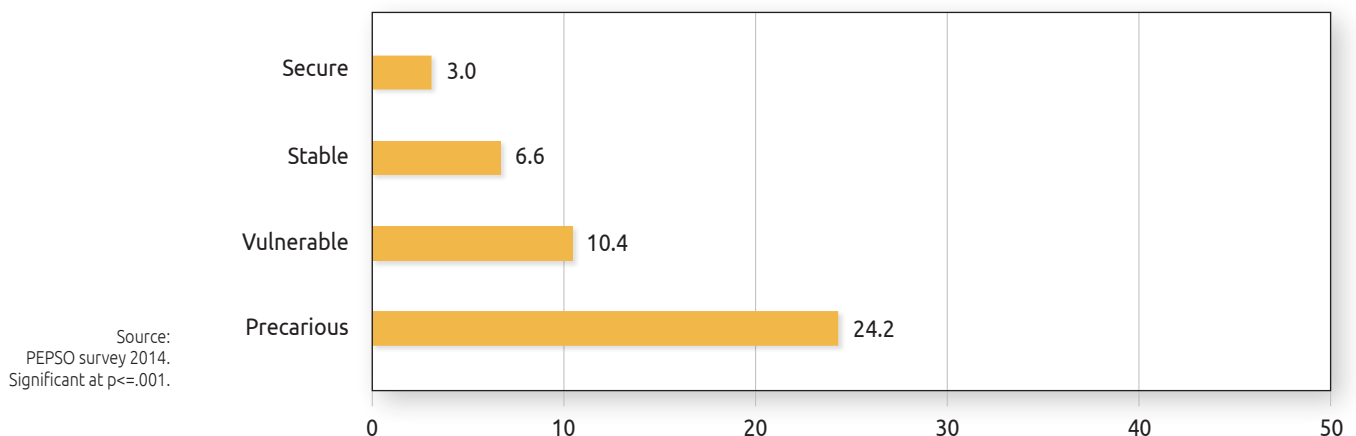


## Scheduling uncertainty

Workers in *Precarious* employment not only face more income uncertainty, they also have to contend with unexpected work-schedule changes and not knowing their work schedule in advance. **Figure 27** reports that one in four workers in *Precarious* employment report that their work schedule often changes unexpectedly. High-income earners in less secure employment are the most exposed to unexpected changes in their work schedule (**Figure 28**).

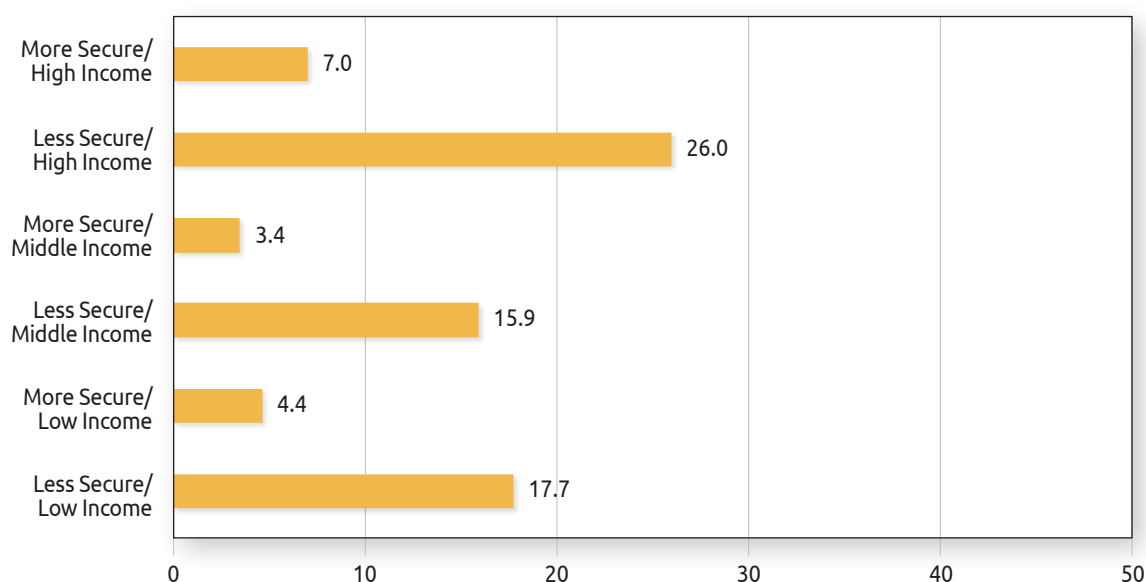
Men are more likely to report that their work schedule changes unexpectedly.

**Figure 27: Work schedule often changes unexpectedly by employment security (%)**





**Figure 28: Work schedule often changes unexpectedly by employment security and individual income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Low-income < \$40,000,  
middle-income  
\$40,000-\$79,999, high-  
income  $\geq$  \$80,000.

Workers we interviewed reported the challenges associated with not knowing their work schedules in advance. Sofia is an older racialized women who works as a contract translator and who often gets very little advance warning of a job. In her experience:

*Sometimes they call me three weeks in advance, but some days it is the same day. They call me, “Can you go to this place to do some translation, some interpretation?” That’s technically how it works.*

Paul, a young white male with some post-graduate training, was working as a caterer, but the short advance notice of his work schedule forced him to change jobs. Now, he gets a week’s or even two weeks’ notice. He explained:

*I was also doing catering. . . . I had to kind of get out of it, it was too hectic. It was like very, I didn’t know that week if I was going to get work, and they’d be calling a few days before so I couldn’t make plans. . . . So now I have lucked out and I have a bartending/catering gig, which gives me kind of a week or two notice beforehand so I can schedule myself accordingly.*

Rafael described the chaotic nature of his life, as a result of his uncertain and shifting schedule. He indicated:

*I very, very recently started working full-time, but it’s cash. . . . Right up until a few weeks ago, I was doing very sporadic part-time work. I had signed up with a whole bunch of temp agencies. I was with a marketing company, doing brand-ambassador work. So, that’s pretty much, whenever they call you up, “Hey, we have this event.” A little prestigious, but very chaotic and hectic with no fixed schedules. You don’t know when you’re going to get another*

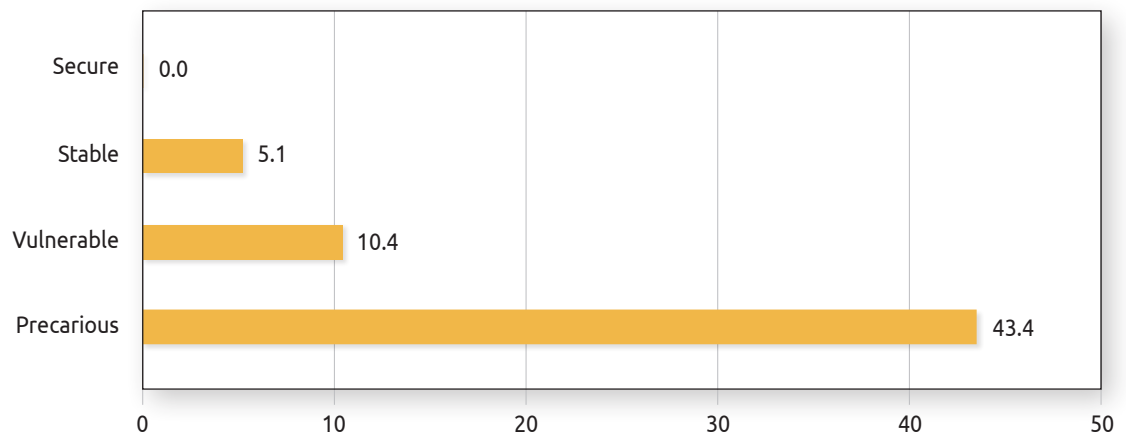


*shift, stuff like that. I worked, before that, part-time for a non-profit. And then done odd jobs. . . So, yeah, just very random, off jobs to just scrape a little more income and stuff like that.*

**Figure 29** provides a different perspective on the scheduling challenges workers in *Precarious* employment face. Nearly half of the workers in *Precarious* employment report that they often do not know their work schedule in advance. This is true for workers in less secure employment, regardless of their income level (**Figure 30**).

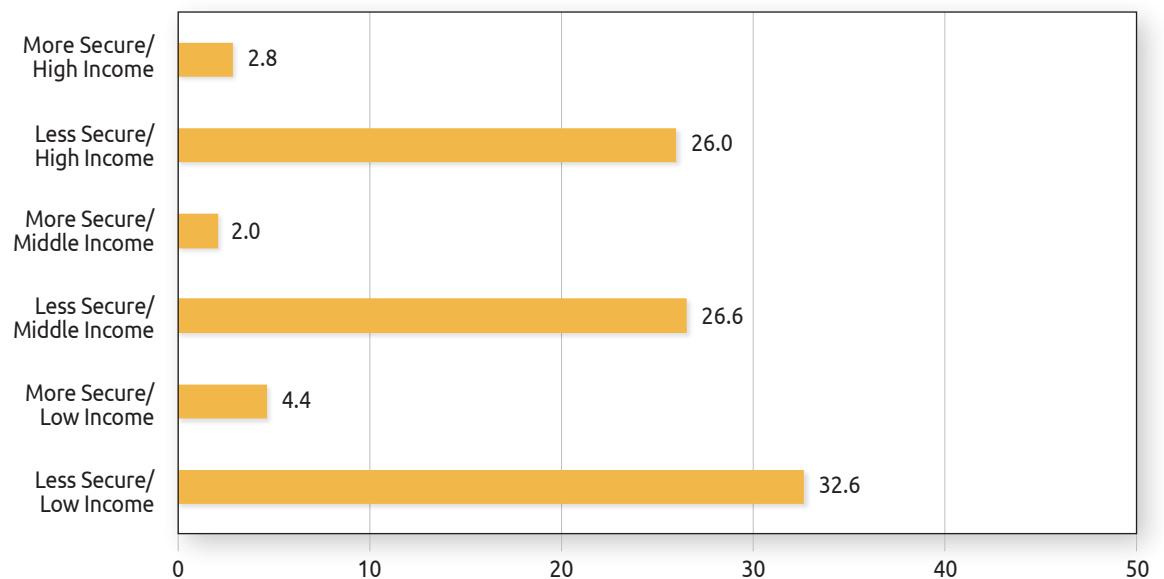
White workers and women are more likely to know their schedules at least one week in advance.

**Figure 29: Knows work schedule at least one week in advance half the time or less by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ . This  
question is included in the  
*Employment Precarity Index*.

**Figure 30: Knows work schedule at least one week in advance half the time or less by employment security and individual income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Low-income < \$40,000,  
middle-income  
\$40,000-\$79,999, high-  
income  $\geq$  \$80,000. This  
question is included in the  
*Employment Precarity Index*.



Lack of control over work schedules can be a major source of stress. Mateo, a young immigrant from Latin America who picks up the odd contract and does some freelance web-design work, told us:

*Everybody wants a full-time job because, like, you have a schedule, you know when you're working. You don't know if you're working today, you don't have to hope you're getting on the schedule, and you're not hoping to get good hours because you know you're going to get your hours. You know you're going to get to work, okay, so it's not like you have that fear. Every single Thursday on the schedule you are not like fearing of not getting hours and trying to think "what am I going to do next weekend or for the next week or two to fulfill my basics?" Your basic needs.*

Sofia finds the irregularity of work difficult. When we asked her how it was going, she indicated:

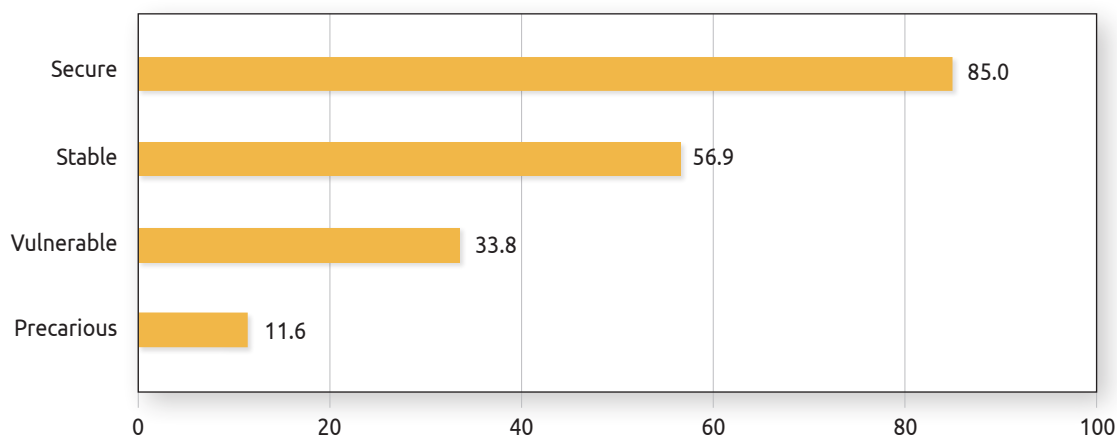
*Well, no, not so good because sometimes I have a lot of assignments to do, and some days I have nothing. So I sit at home waiting for some work. . . . Like some months are very good, and some months it's practically very poor. So, like this week I was kind of busy, but next week I don't have practically nothing. I just have two assignments.*

## Benefits and pensions

It is widely recognized that many Canadians are finding it challenging to set aside sufficient savings to fund their retirements. At the same time, employers in general have become less likely to provide secure pension benefits for their workers. **Figures 31** and **32** report the prevalence of employer pension plans by employment security.<sup>56</sup> Very few workers in *Precarious* employment report having an employer pension plan. This relationship is true regardless of individual income levels. Even those in less secure/high-income jobs are unlikely to belong to an employer pension plan.

Women and white workers are more likely to have a company pension plan.

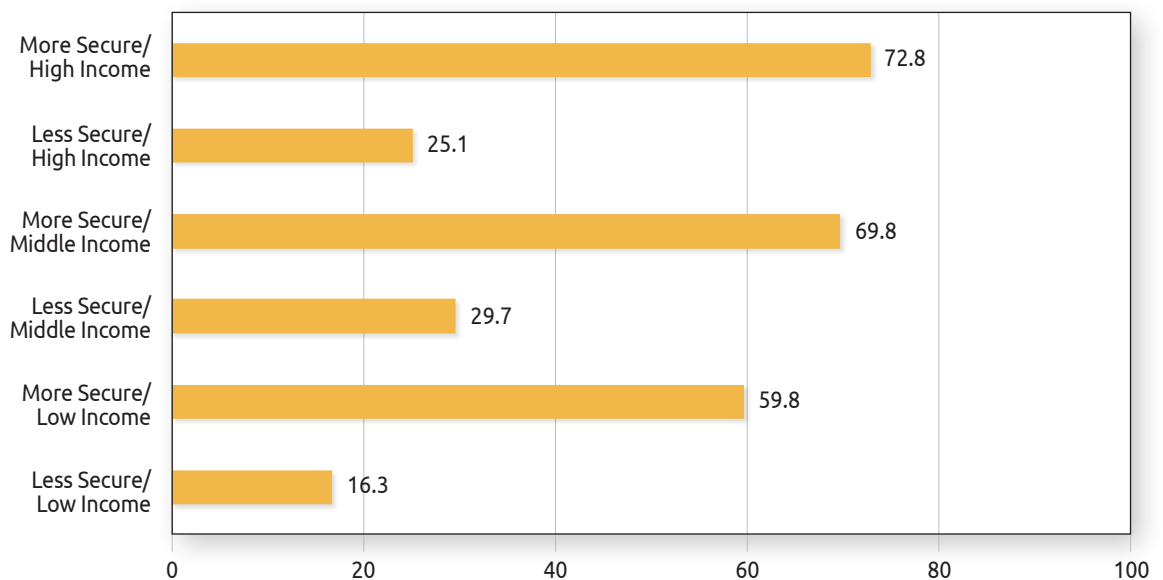
**Figure 31: Employer contributes to a company pension by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
This question is included  
in the *Employment  
Precarity Index*.



**Figure 32: Employer contributes to a company pension by employment security and individual income (%)**



Source: PEPSO survey 2014. Significant at  $p \leq .001$ . Low-income < \$40,000, middle-income \$40,000-\$79,999, high-income  $\geq$  \$80,000. This question is included in the *Employment Precarity Index*.

For workers in *Precarious* employment, the lack of a pension plan can weigh heavily. Francesca, an older white woman who finds work through a temporary-employment agency, felt that her prospects were quite limited, given her lack of a pension.

*I am wasting my time, my life, and not getting paid for it or any credit for it. And it's only going to go down. Retirement is going to be lousy for a person who hasn't had a long history of employment with a good company. I'm going to have a very lousy retirement, if I even reach that far, when you think about it. . . . Yes, it is frustrating because it is ongoing and it has been going on for years, this fight. I'm not credited for my work and I'm not making any money and my future's looking very lousy, as far as retirement.*

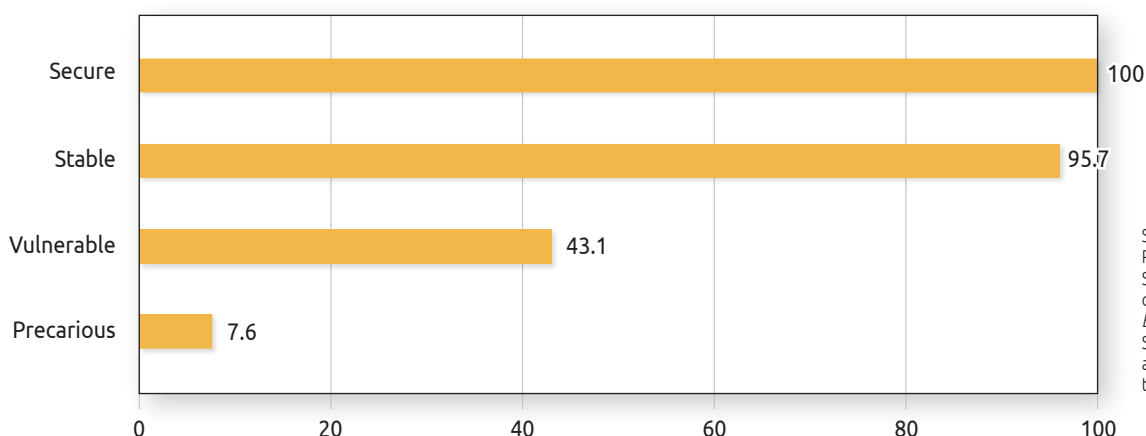
**Figures 33 and 34** report the prevalence of supplemental benefit plans by employment security. As was the case above, workers in *Precarious* employment are much less likely to receive employer-funded drug, vision or dental benefits. This relationship is also true for low- and high-income workers in less secure employment.

White workers are more likely to receive supplemental benefits.

... the lack of a **pension plan** can weigh heavily.

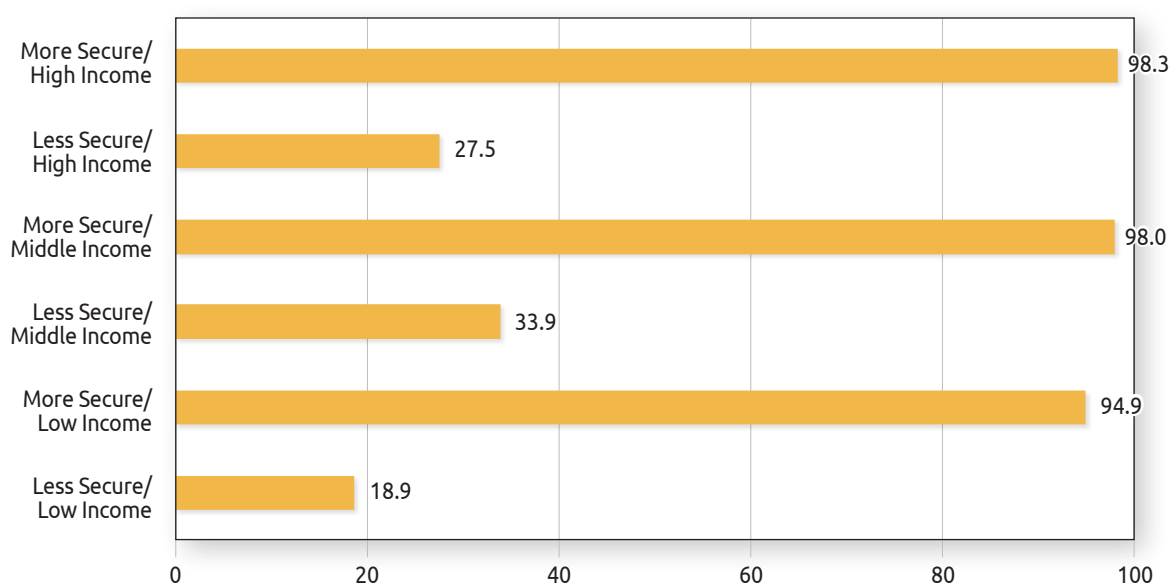


**Figure 33: Employer funds drug, vision and/or dental benefits by employment security (%)**



Source: PEPSO survey 2014. Significant at  $p \leq .001$ . This question is included in the *Employment Precarity Index*. Survey respondents were asked if they have any of these benefits.

**Figure 34: Employer funds drug, vision and/or dental benefits by employment security and individual income (%)**



Source: PEPSO survey 2014. Significant at  $p \leq .001$ . Low-income < \$40,000, middle-income \$40,000-\$79,999, high-income  $\geq$  \$80,000. This question is included in the *Employment Precarity Index*. Survey respondents were asked if they have any of these benefits.

The lack of benefits is also a major concern for the workers we interviewed. Mateo expressed frustration at his employer's reluctance to cover these costs.

*I felt like they did not appreciate what you were doing for them. You know, like, they are not interested in covering you to pay your benefits. . . . They don't hire you full-time because they know if they hire you full-time, they will have to pay for that. So, for me, that's frustrating. That was very frustrating because you know, like, they don't want to do it. They are greedy. That's for me—the whole thing—they are greedy. So yes, that's something that I get very annoyed by.*

For Donna, the lack of benefits meant that if she ever got sick, she would face a crisis in her life. She indicated:

*I do realize that if I became seriously ill that I would have to probably rely on my parents. Not by having them subsidize my life, but would probably have to go and join their life because there's . . . no slush fund to cover that or insurance of any kind to cover that for me. So that is something that crosses my mind every once in a while.*

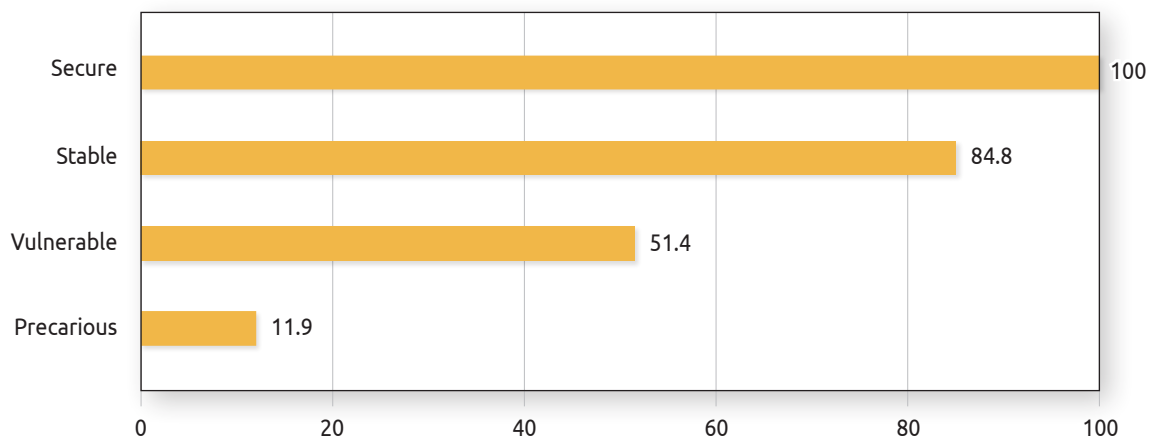
Sofia, who (as included above) is concerned about her lack of a pension, is also concerned about her lack of dental and eye-care benefits—the result of being classified as self-employed. She indicated:

*Right now, I have free health care, but I would like also the freedom to go see an eye doctor, or get dental treatment . . . Because I, I am my own boss, I am self-employed, so I don't I have that, I don't have benefits with them. . . . So I'm trying to maybe do part-time, working part-time.*

**Figure 35** reports the prevalence of workers who are paid if they miss work for any reason, including work missed due to illness. Workers in *Precarious* employment are the least likely to be paid if they miss work. As workers in less secure employment move into higher-paying jobs, they are also more likely to be paid if they miss work. However, workers in less secure/high-income employment are still only half as likely as those in more secure/high-income employment to be paid for missed work (**Figure 36**). For workers in *Precarious* employment, the loss of income associated with unexpected illnesses, or as a result of attending to the needs of a family member, creates added vulnerabilities that are less of an issue for workers in *Secure* employment.

White workers and women are more likely to be paid if they miss work.

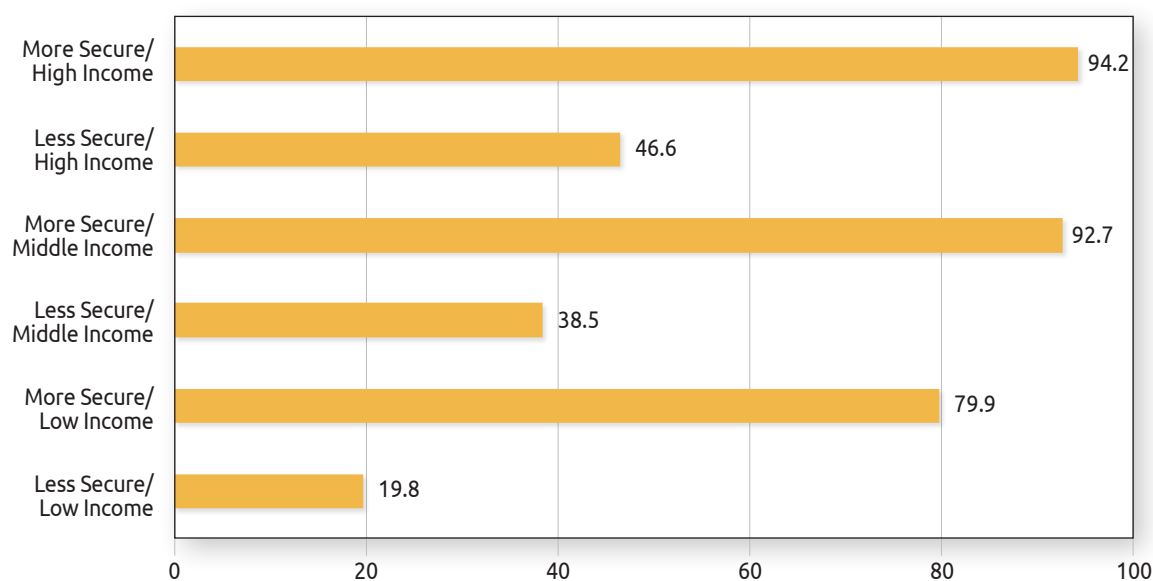
**Figure 35: Paid if misses a day's work by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ . This  
question is included in the  
Employment Precarity Index.



**Figure 36: Paid if misses a day's work by employment security and individual income (%)**



Source: PEPSO survey 2014. Significant at  $p \leq .001$ . Low-income < \$40,000, middle-income \$40,000-\$79,999, high-income  $\geq$  \$80,000. This question is included in the *Employment Precarity Index*.

## Training

**Figures 37 and 38** describe who gets training and its source by employment-security categories. One of the key implications of being precariously employed is reduced access to employer-provided training and a greater reliance on self-funded training. Workers in *Secure* employment are almost 40% more likely to receive employment-related training, compared to workers in *Precarious* employment.

There are also important differences in who provides this training. Workers in *Secure* employment are over three times as likely to get training that is provided by their employer, compared to workers in *Precarious* employment. Workers in *Precarious* employment are three times more likely to pay for their own training. Less than 5% of workers in *Precarious* employment receive government-funded training.

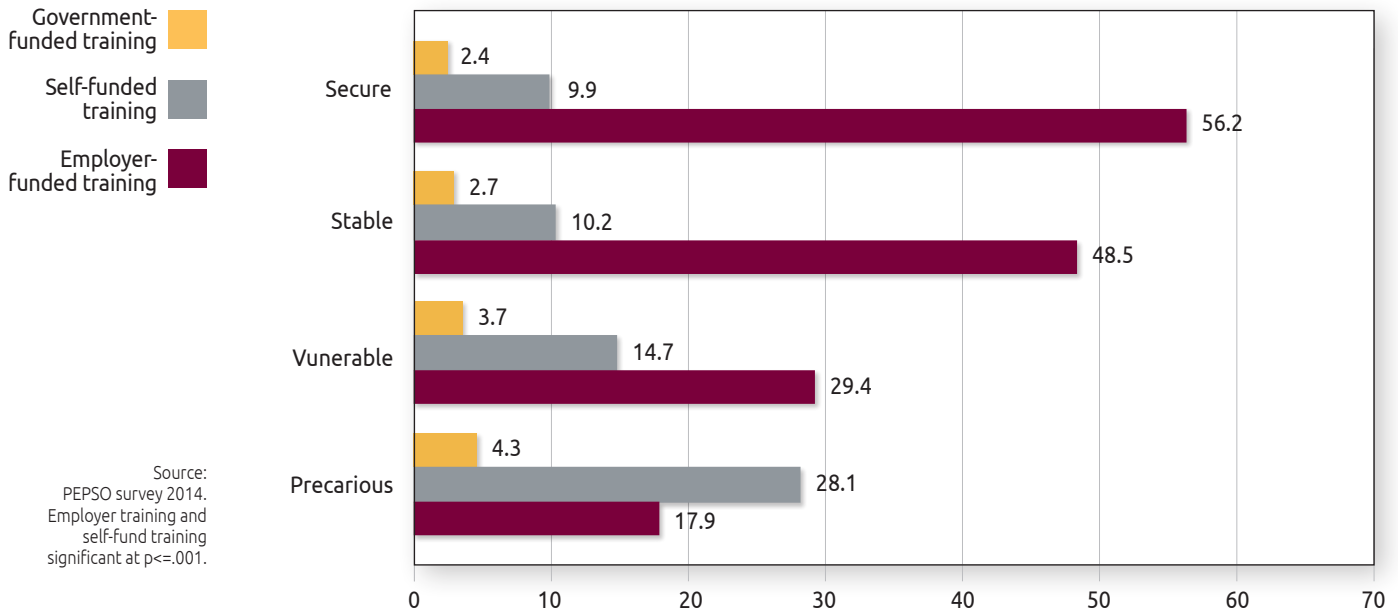
Low-income and precarity interact to further limit access to training. For workers in less secure employment, there is only a minor difference in access to employer-funded training as individual income levels rise. However, there is a significant difference in the prevalence of self-funded training. Those in less secure/high-income employment are over 50% more likely to access self-funded training, compared to those in less secure/low-income employment.

Neither sex, race nor place of birth affected who received training or how training is provided.

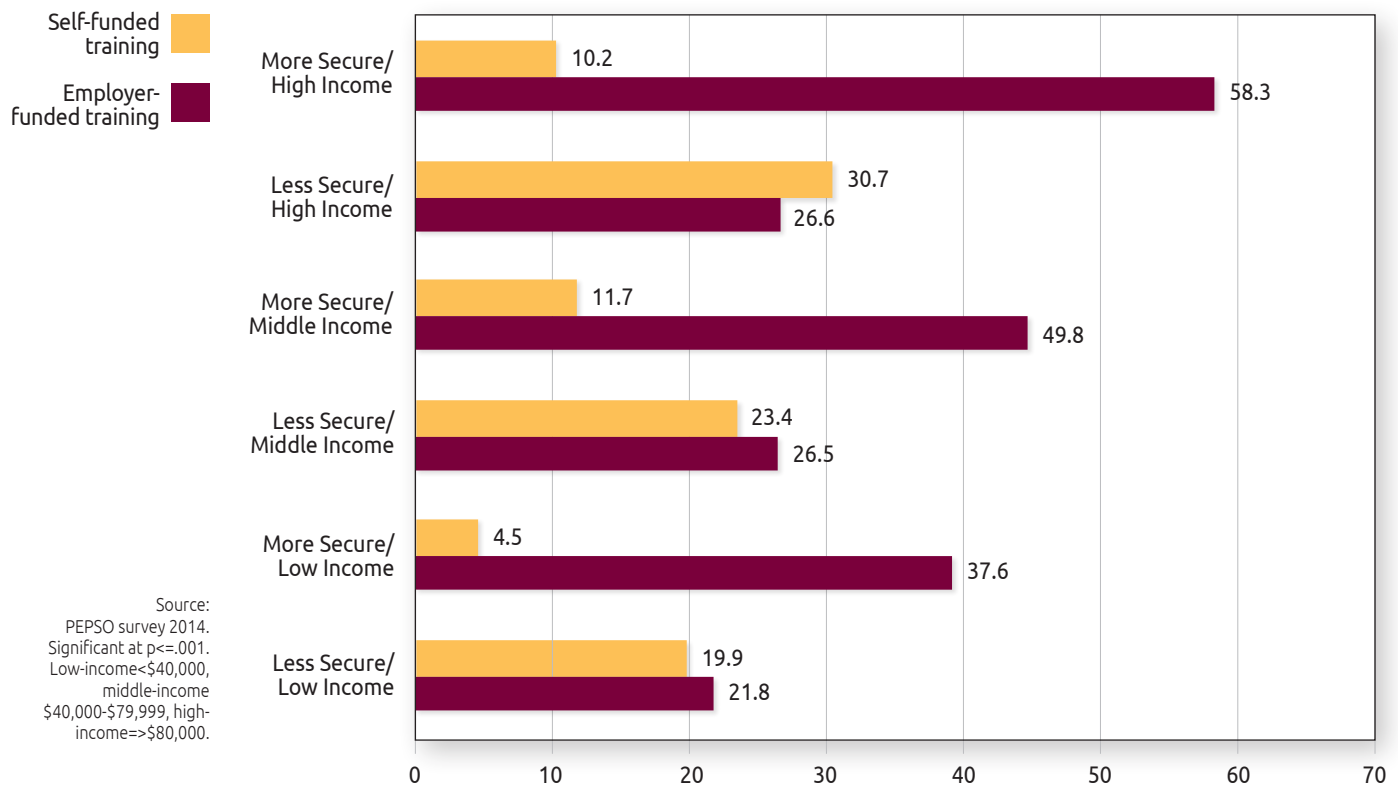
The limited access to training has two important social implications. First, workers receiving less training will have fewer opportunities to move into more secure and higher-paying jobs. This is particularly worrisome as those in the less secure and lowest-paying jobs are also the least likely to receive any training. Second, the low level of training available to workers in *Precarious* employment could lead to future skills shortages.



**Figure 37: Access to training by employment security (%)**



**Figure 38: Self-funded versus employer-funded training by employment security and individual income (%)**





Access to training and an opportunity to find a secure career path are issues for many of the workers interviewed. Some saw working in a series of short contracts as a chance to develop new skills or establish networks, which might assist in finding more work. However, most found that the training they received was unsatisfactory. Most of the training is on-the-job training, which is informal and limited to watching others at work to gain any insights. It is rare that they engage in any kind of formal training; when they do engage in training, it is usually on their own time and at their own expense. Most of the precariously employed felt that the training they receive is not comparable to what workers in permanent positions are getting—a fact that is supported by the survey findings. There is a sense that employers are looking for workers who already have the skills that the job requires and that they are not interested in providing training to workers who lack the skills in demand.

Francesca lamented the lack of training. She explained to us that employers expect workers to already have the needed skills.

*I've never been at a job where they were offering that kind of training. They actually wanted you to know the stuff already. They tell you a list of things, you know, QuickBooks, do you know this, do you know that? . . . And they want you to know it. They're not going to say "Oh, we're going to be willing to train." All they see is a bunch of applicants in front of them and they're not going to take somebody on that doesn't have the training or the experience.*

For Irene, training is on her own time and at her own expense. However, her lack of income forces her to rely either on free or very low-cost training programs. She told us what the agencies typically offer:

*"Okay, you need to do some kind of upgrading," or "You need to do some professional development." And it's on your own to get and do it and to present them with a certificate that you attended this workshop or that workshop. . . . It's going to use up your time. So, if I go to a workshop on a Saturday, I'm missing my Saturday for the workshop. . . . They won't pay for you. . . . I never get any money for doing that. And that's absolutely unfair.*

Hannah, a young white university-educated woman doing contract clerical work, relies on her own initiative and curiosity to improve her skills. While she has been somewhat successful at this, she also feels that she would be further along if she had been employed in a permanent position. She indicated:

*I would say that none of my employers had a vested interest in my future. But I like to learn as much as I can in any position. . . . I would spend my time Googling studies and terms that I would see in dictations just to understand what my bosses were doing, and what was landing on my desk. . . . So I think in that sense, I'm sort of a self-learner. . . . I don't feel like they [employers] have a real vested interest in me, one way or the other. I think if I were full-time that would change.*



Employment precarity can also create barriers that limit the transfer of useful skills and knowledge between workers. Eva, a more-experienced writer, balked at the need for her to share her knowledge with new workers, knowing that, as a freelance writer, these new workers would become her competition. She described her situation as follows:

*Our job is to help train her [new worker] to be a better news writer. So, as a freelance person, you're tasked with training other people who are taking away your jobs. You don't want to be a bad person and you don't want to not help somebody out, but that was a position I was in when I came in there; I was taking jobs away from other people. This person now is taking jobs away, but you have to train; you have to help that person to essentially take away your job. It's a shitty, shitty, shitty position to be in.*

## Employment standards, and health and safety standards

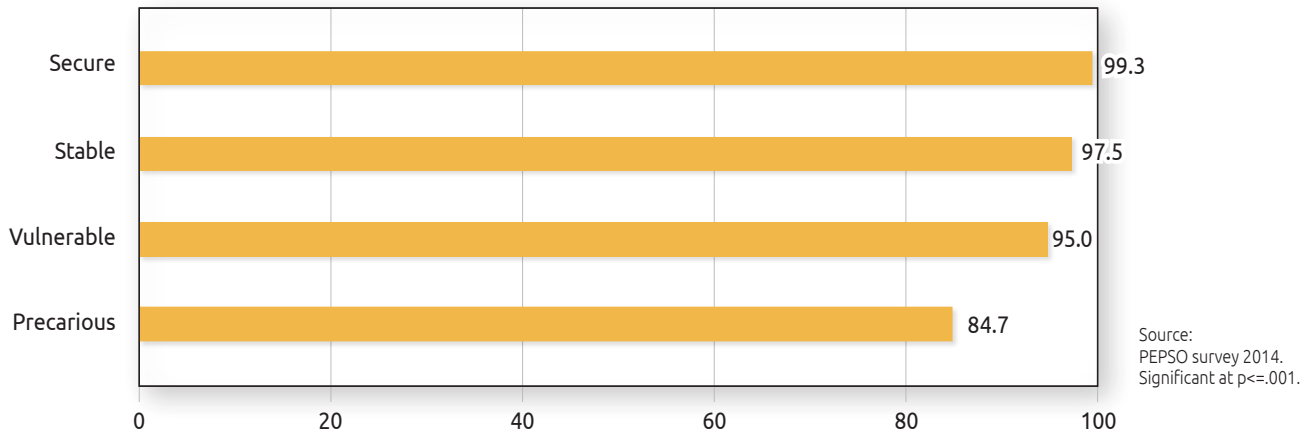
How to enforce employment and labour standards is particularly important to workers in precarious employment, who often work with incomplete contracts, lack union representation or find themselves in vulnerable situations in relation to their employers. Vosko, Grundy and Thomas caution that, unless the power dynamics of the employment relationship are taken into account, attempts to enforce rights through regulations may provide few, if any, benefits to workers most in need of protection.<sup>57</sup>

Responses from survey participants confirm the vulnerable situation in which many workers in *Precarious* employment find themselves. **Figures 39** and **40** report that workers in *Precarious* employment are at higher risk of not being paid in full for work done. **Figures 41** and **42** indicate that workers in *Precarious* employment are more likely to have concerns that trying to assert rights related to occupational health and safety or employment standards could negatively affect future employment. These are less likely to be concerns for those in *Stable* and *Secure* employment. These are issues for workers in less secure employment at all income levels.

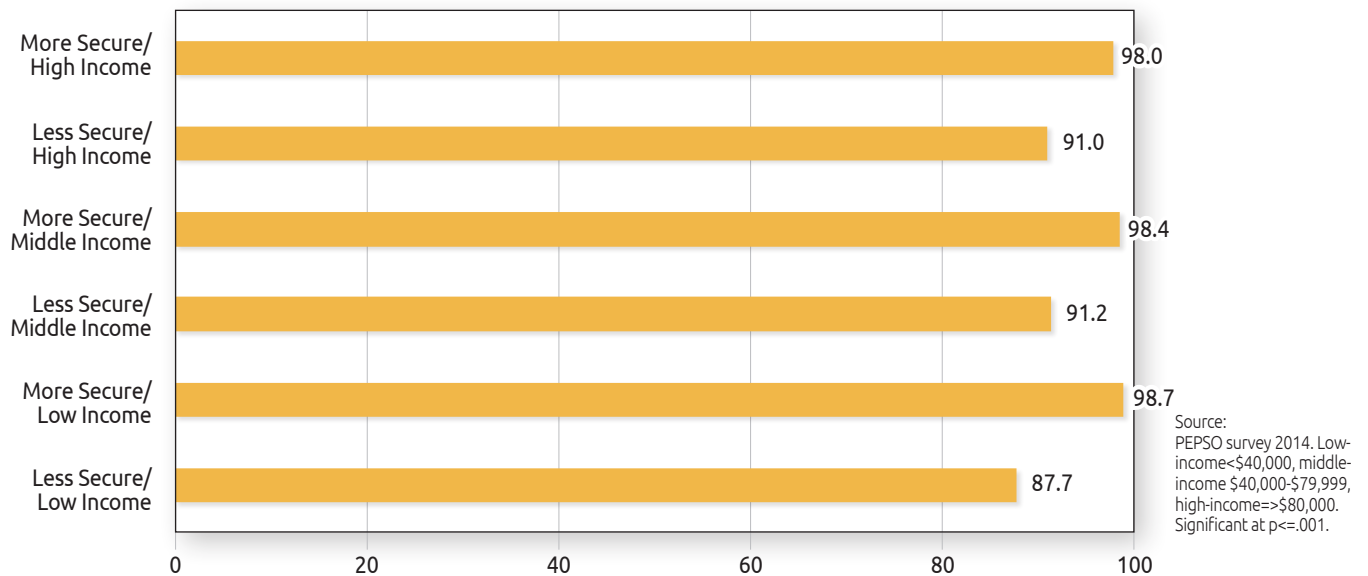
Men and women are equally likely to report not being paid in full for work done, or to report concern about the effects of raising issues around health and safety or employment rights on future employment. Racialized workers and white workers are equally likely to report not being paid in full for work done; however, racialized workers are 50% more likely to report that trying to assert rights related to occupational health and safety or employment standards could negatively affect future employment.

... workers in *Precarious* employment  
are **at higher risk** of  
**not being paid in full** for work done.

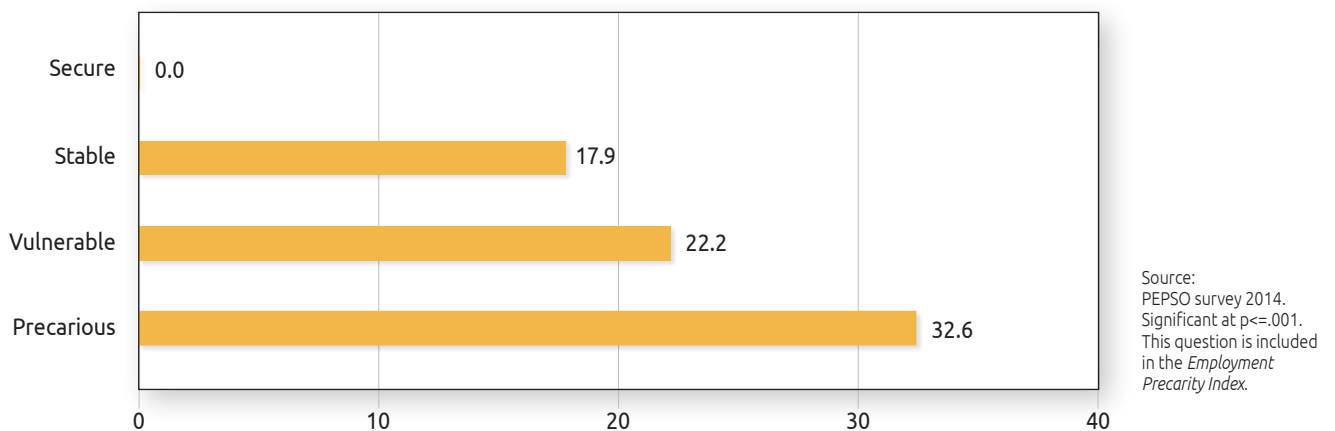
**Figure 39: Always paid for work done by employment security (%)**



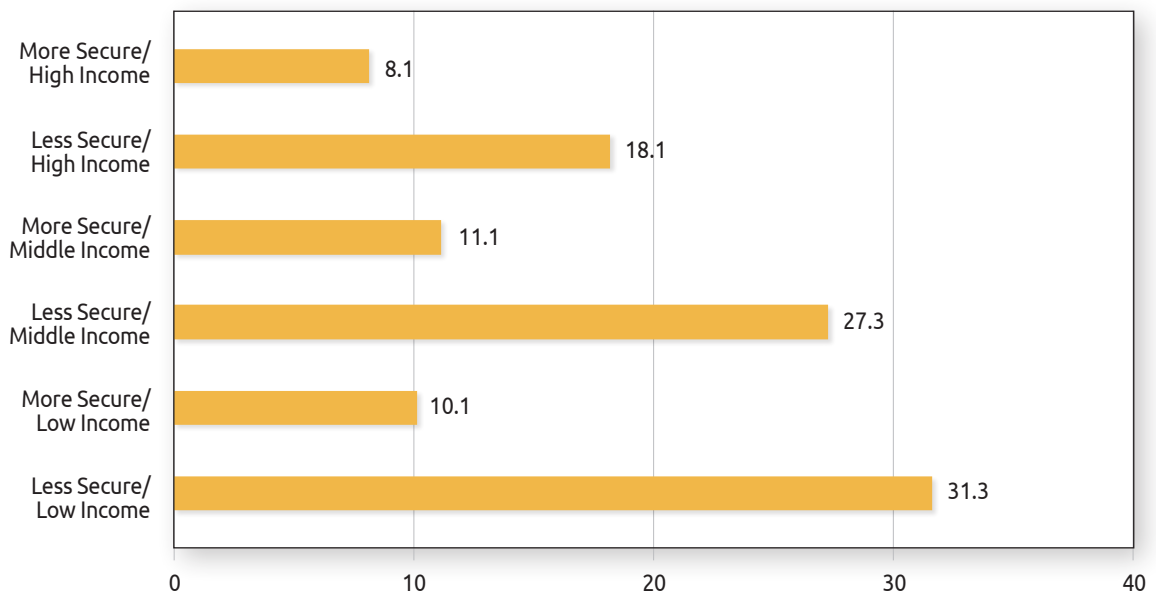
**Figure 40: Always paid for work done by employment security and individual income (%)**



**Figure 41: Raising employment or health and safety rights might negatively affect employment by employment security (%)**



**Figure 42: Raising employment or health and safety rights might negatively affect employment by employment security and individual income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Low-income < \$40,000,  
middle-income  
\$40,000-\$79,999, high-  
income  $\geq$  \$80,000.  
This question is included  
in the *Employment  
Precarity Index*.

Employment insecurity can make workers vulnerable to abuse and reluctant to voice concerns, as they balance resisting unfair demands with the need to be re-hired on a regular basis. Eva recalled one workplace, where:

*I was actively encouraged not to apply for a job there simply based on how the whole culture of that show treated its employees. It had nothing to do with the daily stress of actually having to get a news show together, which is horribly stressful. It really had to do with the culture: 90% of the people who were there were freelance. If you didn't act a certain way, cater to certain things, then you weren't going to have a job. . . . You never knew how to act or what to say because if you said the wrong thing, you weren't going to have a job in two weeks. That's where the anxiety comes from.*

Gloria had a similar experience. She argued:

*When you're a contract worker, how do you bring forward something like that [abuse]? If someone is a creep to you in the workplace, how do you stick your neck out when you know you could be canned next week? . . . It's a really screwed-up power dynamic.*

When asked if she ever felt vulnerable at work, she told us:

*A couple of people in my office at one of my jobs acted inappropriately. . . . I really thought about it for a bit before I came forward and I did come forward in the end and I was totally supported by my boss and it was all fine; they dealt with it appropriately. But the fact that I had to think about it over a weekend and wonder if it was going to cost me my position for sticking my neck out, instead of just going forward, and reporting something inappropriate. I wonder how many people have faced worse stuff and don't say anything.*

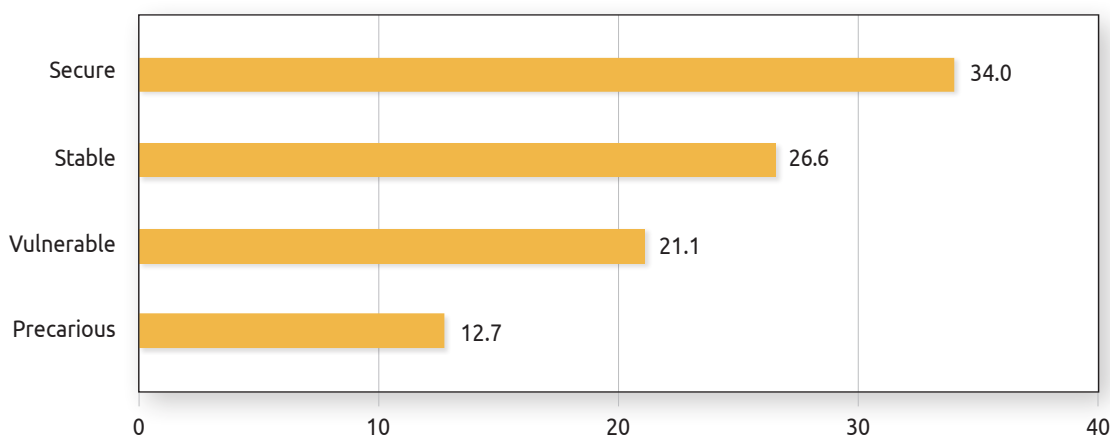


## Unionization rates

**Figures 43 and 44** report unionization rates in 2014. The overall unionization rate fell from 25.8% in 2011 to 23.2% in 2014. It declined for workers in *Precarious* employment, from 18% in 2011 to 13% in 2014, but is unchanged for workers in *Secure* employment. Workers in less secure employment are the least likely to report that they are represented by a union at work, regardless of individual income levels. Workers in more secure employment in middle- and high-income jobs are the most likely to report being union members.

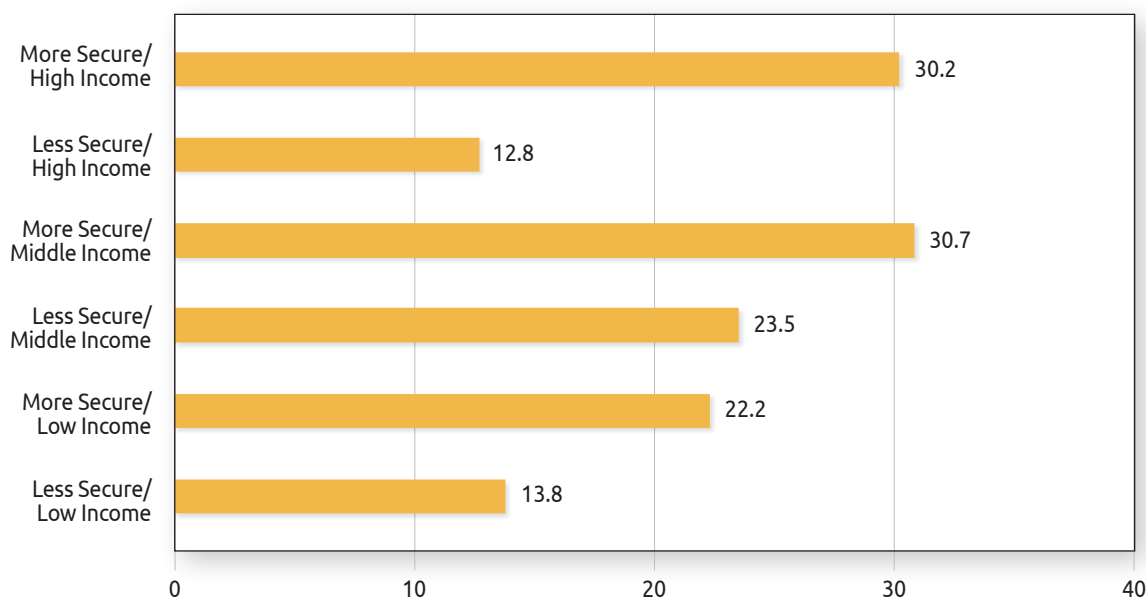
Women and white workers are more likely to be union members.

**Figure 43: Unionized employment by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .

**Figure 44: Unionized employment by employment security and individual income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Low-income < \$40,000,  
middle-income  
\$40,000-\$79,999, high-  
income > \$80,000



Very few of the precarious workers we interviewed worked in a unionized environment, and those that did felt that they received few benefits from their union, given their temporary status. Most felt that they were on their own to protect their interests.

For many, the lack of a union made it difficult to protect their interests. Irene, who often finds work through an agency, expressed her frustration at her sense of powerlessness. She told us:

*There's no union. . . . Oh, you're totally at their mercy. . . . You cannot decide anything. If the company tells you to dress in blue for the appointment, you have to dress in blue. You're not a freelancer. You cannot tell them, "Okay, I cannot be there at nine, but what if you see me at 10?" No, if they want you to be there at nine, you can't negotiate.*

Hannah is of the opinion that, as a temporary worker, you have to look out for your own interests. Recalling a position she had at a prestigious architecture firm, she suggested:

*You have to look out for your own interests, I think. And I think it would behoove people in precarious employment to really know that Employment Standards Act in and out. . . . I hit about nine months, it became really clear that they weren't really interested in bumping anyone up a pay scale. . . . The partner actually terminated me the first time I asked for a raise—something he did not have the authority to do, and it also became clear that the firm had no knowledge of the ESA. No one had a contract or job description. To my thinking on the day, it was an example of looking out for my own interests.*

Eva, who works in a unionized environment, felt that her interests were not fairly recognized and that employers and the union were complicit in denying freelancers the same pay as permanent employees. She felt the union allowed employers to do things that denied freelancers benefits to which they were entitled. She told us:

*You're a part of it [the union], but the unions there are totally complicit. I used to write them a million memos. . . . There's these things called WODOs: work on day off. So they would schedule you for six days in a row or more, but if they broke it on a Monday, they didn't have to pay you that extra [benefits]. . . . The union should not allow [the employer] to literally not work one day and have that [benefit rights] invalid.*

The workers interviewed made several suggestions as to how the situation could be improved for temporary workers. For Gloria, having new organizations emerging to help freelancers is a start, but she is not optimistic that they will make much difference.

*I think that the organizations that are sort of forming around freelancers are a great start. I do think that it's sort of in its infancy just because this whole job market has changed so much that I think that these groups are just getting their legs around the current situation. I think that that is helpful, but it is harder to have a louder voice than companies with a bunch of money, right?*



Fang, an older racialized woman employed as a freelance editor, pointed to organizations like the Professional Writers Association of Canada as a model to provide some services to temporary workers involved in writing.

*It's a professional association, not a union. It's been around for about 35 years. . . . It's a national organization and the Toronto chapter is the largest, with about a third of the national membership. They do things like organize professional-development events, informal networking, pub nights. . . . They would call up the tardy-paying employer, whoever it might be, and advocate on your behalf.*



# PART 4

## Precarity and Discrimination

We have shown earlier in this report that racialized workers are more likely to be employed in less secure employment, and that both racialized workers and women are paid less, on average, than white men. To explore some of the reasons contributing to these outcomes, we asked survey participants about their experiences of discrimination as well as their thoughts on three types of employment discrimination that they might experience: discrimination as a barrier in finding work; discrimination in keeping work; and discrimination in being offered opportunities to advance at work.

### Summary of this section

#### a) Types of discrimination

- Workers in *Precarious* employment are more likely to report experiencing all types of discrimination than workers in *Secure* employment.
- Racial discrimination is the most frequently reported type of discrimination, followed by age discrimination and gender discrimination.

#### b) Employment discrimination

- *Precarious* employment increases the likelihood of a worker reporting employment discrimination, regardless of a worker's race or sex. Workers in *Secure* employment are 80% less likely to report discrimination than workers in *Precarious* employment.
- Compared to white workers, racialized workers are more likely to report that they perceived discrimination as a barrier in their experience of getting work, keeping work and being offered opportunities for advancement.
- A racialized worker, who has the same characteristics as a white worker, other than race, is two to three times more likely to report discrimination in employment.
- For a racialized worker who is also in *Precarious* employment, the situation can be quite dire. They report increased employment discrimination related to being in *Precarious* employment and, in addition, they report further discrimination due to their race.



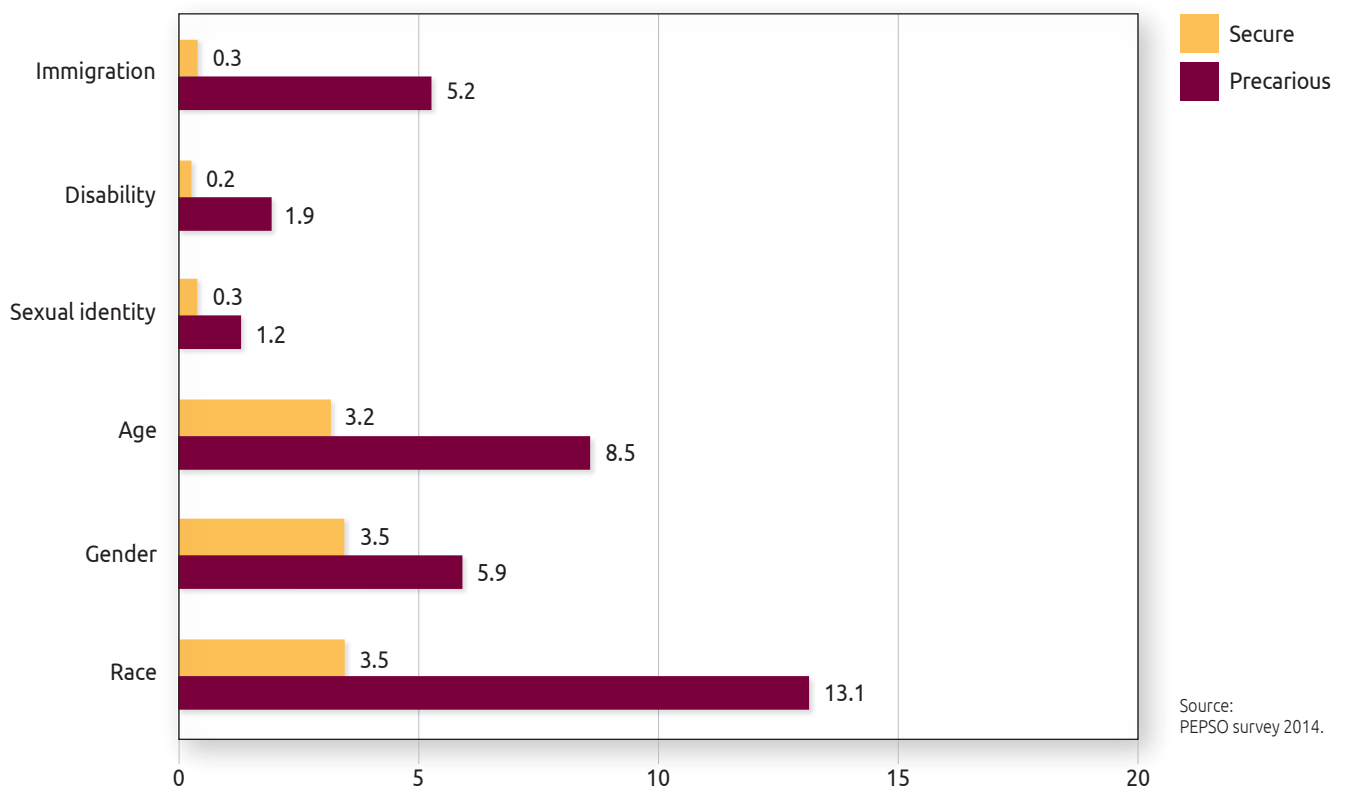


- Women workers are more likely to report discrimination as a barrier in their experience of being offered opportunities for advancement than men.
- The findings suggest that building a career through advancing at work can be particularly challenging for racialized women in *Precarious* employment. Each of these characteristics (race, sex, employment security) contributes to the increased likelihood of reporting discrimination when it comes to being offered opportunities for advancement.

## Types of discrimination

**Figure 45** reports the types of perceived discrimination that workers in *Precarious* and *Secure* employment report. Survey respondents were asked about discrimination in general, and not necessarily discrimination associated with employment. Workers in *Precarious* employment report experiencing more of all types of discrimination than workers in *Secure* employment. The most commonly reported experiences of discrimination for workers in *Precarious* employment are related to their race, age, gender and immigration status, with race being the most common form of discrimination. Workers in *Secure* employment report these same types of discrimination, but about half as frequently. They also report very low levels of discrimination based on sexual orientation, disability or immigration status.

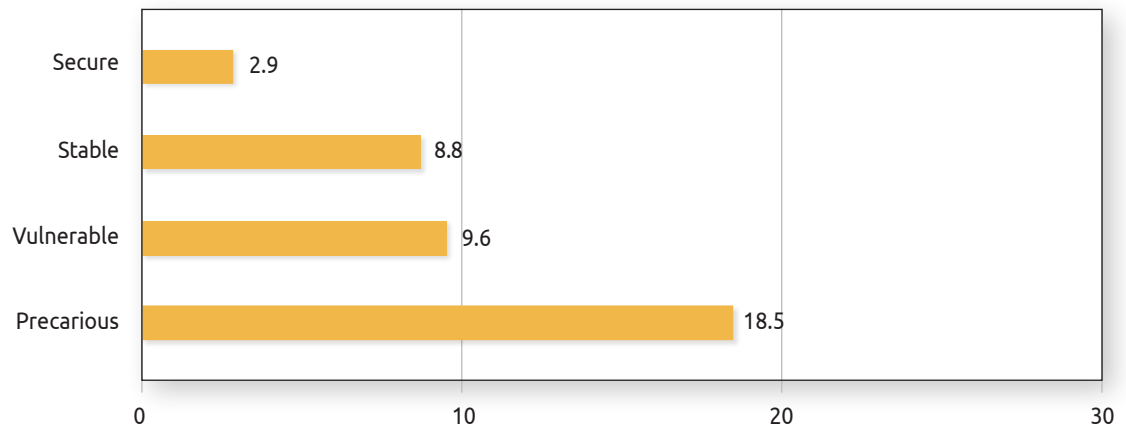
**Figure 45: Type of discrimination by employment security (%)**



## Employment discrimination

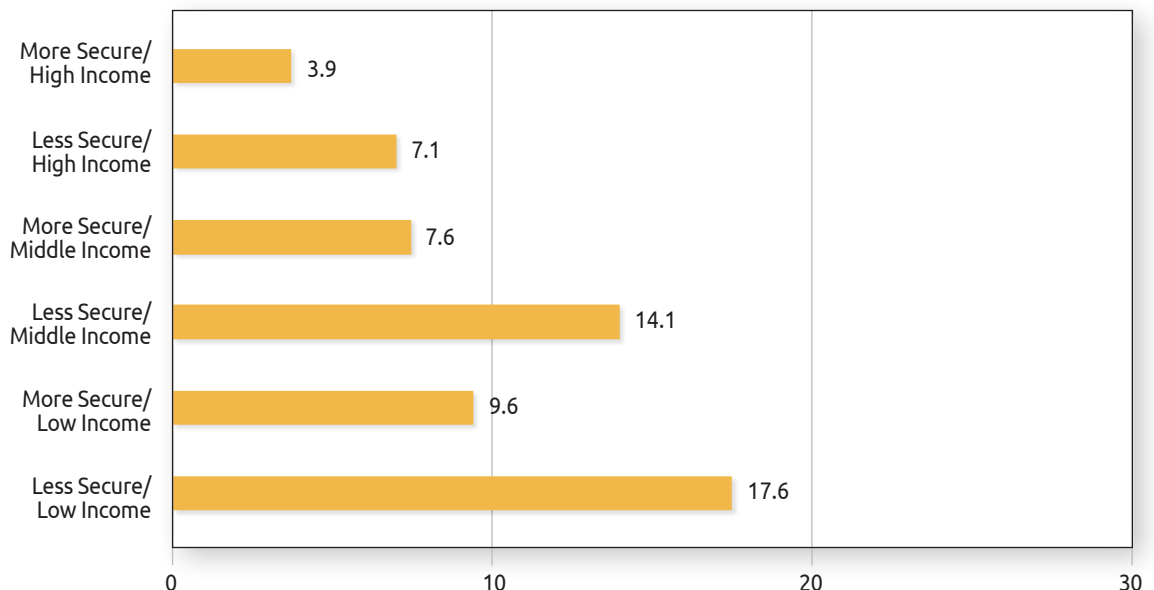
**Figures 46 and 47** examine the prevalence of reporting discrimination as a barrier in workers' experience of getting work. Nearly 20% of workers in *Precarious* employment report discrimination in getting work. This experience of discrimination is less frequently experienced by workers in *Secure* employment; it is more common among workers in less secure, low- and middle-income jobs. It falls significantly for high-income workers.

**Figure 46: Discrimination is a barrier to getting work by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .

**Figure 47: Discrimination is a barrier to getting work by employment security and individual income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Low-income < \$40,000,  
middle-income  
\$40,000-\$79,999, high-  
income > \$80,000.



Several of the workers we interviewed reported perceiving discrimination as a barrier in their experience of finding work. This is especially true for racialized workers and recent immigrants. For some, their lack of success in finding employment forced them to consider leaving Canada. Rafael, an immigrant from Mexico who experienced self-doubt and difficulty finding work, saw this as a common feature of the immigrant experience. He suggested:

*I know a lot of people who get stuck in a rut. I see a lot of grey hairs that work at [a coffee shop] and it doesn't seem to be a managerial position, but it seems to be that it's gotten to their psyche so much that they've kind of given up; that they no longer have the confidence, the drive. They used to be something and now they're not. . . . Because that's a story that's often retold: how many professionals who come on over and have to start over in many ways. They have to start at a lower paycheque and it takes them a while just to get back up.*

Sofia, frustrated by her inability to find work, thought about going back to where she came from. She indicated:

*I was on social assistance, when I came . . . because I couldn't find job. I looked and looked and couldn't find, so I said "you know what? It is not there". . . This is very, it's very degrading, it's very humiliating, if you could call it that way. I don't know, I think the self-esteem was very low, because it makes me feel like "okay, I'm not doing well here, so maybe I had to go back to where I come from, because I'm just getting by in this country."*

**Figure 48** provides estimates of how employment security, income, sex, place of birth and race individually shape the likelihood of reporting discrimination in getting work. The estimates control for all of these factors simultaneously. Therefore, we can be more confident that the reported impact of any one characteristic of an individual is the impact of that characteristic and not the result of workers with that characteristic having different employment security, income, sex, place of birth or race characteristics. The estimates reported in **Figure 48** should be read as how changing a single characteristic of the reference worker changes the likelihood that this new worker will report discrimination. (For more details on how these estimates are calculated, see **Appendix D**.)

**Figure 48** indicates that employment security and high individual income reduce the likelihood that a worker will report discrimination as a barrier, and that racialization, place of birth and citizenship are significant factors that increase reporting discrimination as a barrier to getting work. Sex does not significantly affect the likelihood of reporting discrimination in getting work.

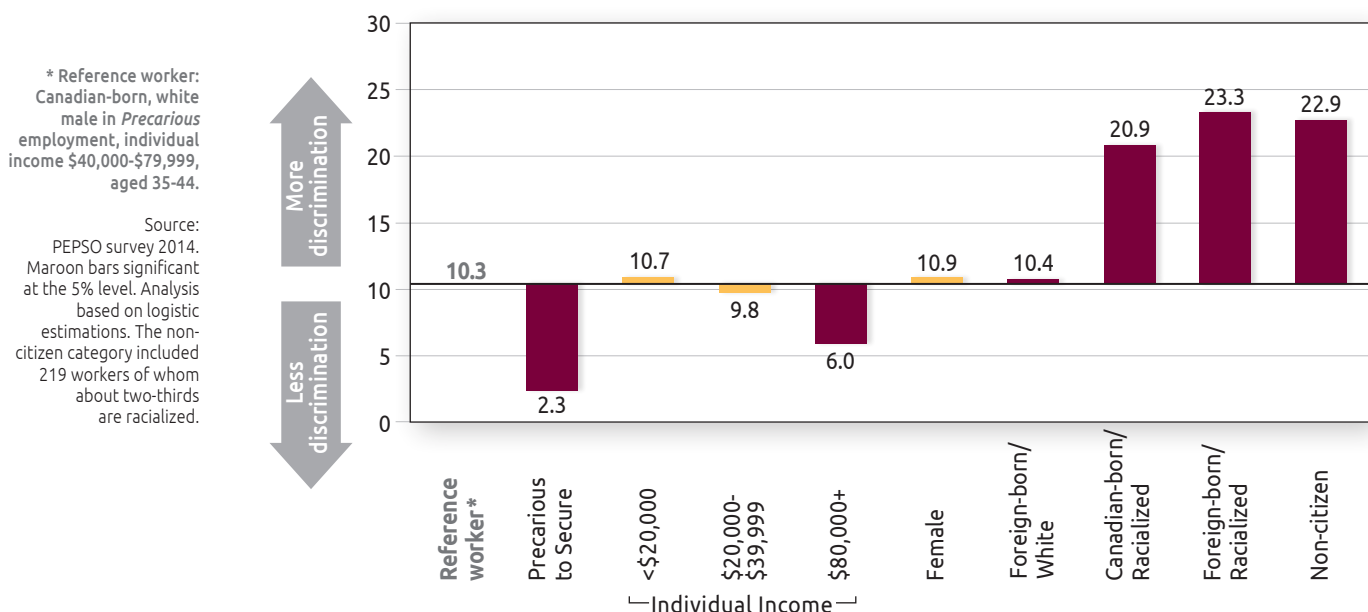
Our analysis predicts that about 10%, or one in 10 Canadian-born, white, middle-aged, males in *Precarious* employment, with an individual income between \$40,000 and \$79,999, would report discrimination as a barrier to getting work. Moving this worker from *Precarious* to *Secure* employment reduces the likelihood of reporting discrimination in getting work by almost 80%—to one in 50 workers.

Individual income has a limited impact on reporting discrimination. There is no significant difference in the likelihood of reporting discrimination for those earning less than \$80,000. For high-income earners, the likelihood of reporting discrimination is almost halved compared to the middle-income worker.

Racialization, place of birth and citizenship are significant factors that are independent of employment security. Racialized workers and non-citizens are twice as likely to report discrimination as a barrier in their experience of getting work as Canadian-born, white workers.

Because racialized workers are more likely to be in *Precarious* employment and because being in *Precarious* employment increases the likelihood of reporting discrimination in getting work, the individual estimates for the effects of race and being foreign-born (in **Figure 48**) underestimate the total discrimination that racialized workers and non-citizens report. Racialized workers are more likely to report discrimination, due to being in *Precarious* employment. Plus, they report added discrimination because of their race.

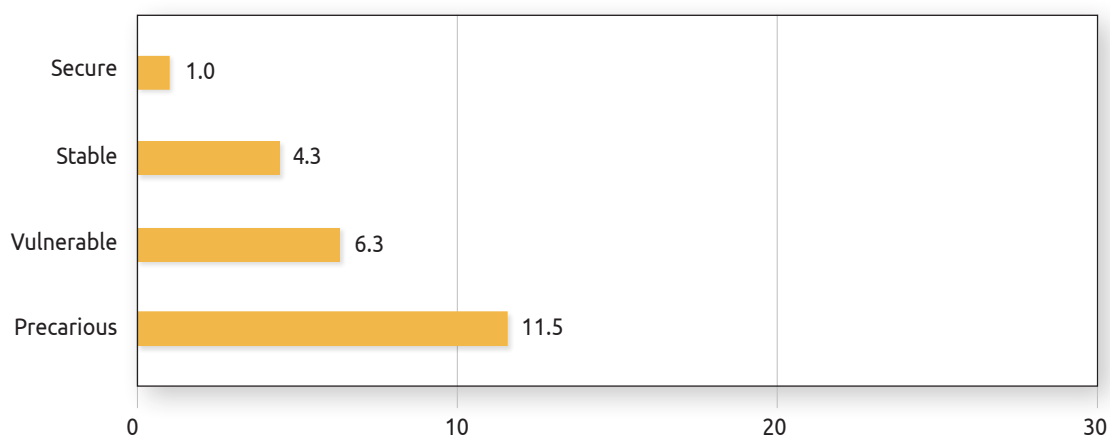
**Figure 48: Percentage for whom discrimination is a barrier to getting work (Reference worker=10.3%\*)**



**Figures 49 and 50** examine the prevalence of perceiving discrimination as a barrier in workers' experience of keeping work. While the overall prevalence of this type of discrimination is less than the previous type of discrimination, over 10% of workers in *Precarious* employment still report discrimination in keeping work. This form of discrimination becomes less prevalent as income increases, but it is still an issue for a significant number of middle-income—and even high-income—workers in less secure employment.

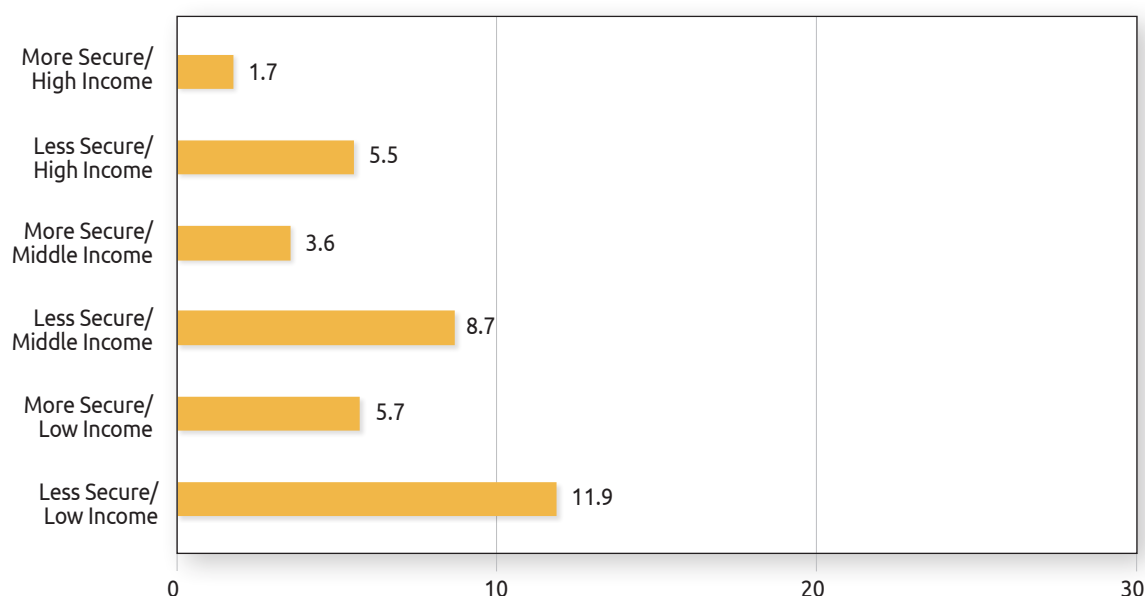


**Figure 49: Discrimination is a barrier to keeping work by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .

**Figure 50: Discrimination is a barrier to keeping work by employment security and individual income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ . Low-income < \$40,000, middle-income \$40,000-\$79,999, high-income  $\geq$  \$80,000.

**Figure 51** provides estimates of how employment security, income, sex, place of birth and race individually shape the likelihood of workers reporting discrimination in keeping work. The estimates control for all of these factors simultaneously. Therefore, we can be more confident that the reported impact of any one characteristic of an individual is the impact of that characteristic and not the result of workers with that characteristic having different employment security, income, sex, place of birth, or race characteristics. The estimates reported in **Figure 51** should be read as how changing a single characteristic of the reference worker changes the likelihood that this new worker will report discrimination. (For more details on how these estimates are calculated, see **Appendix D**.)



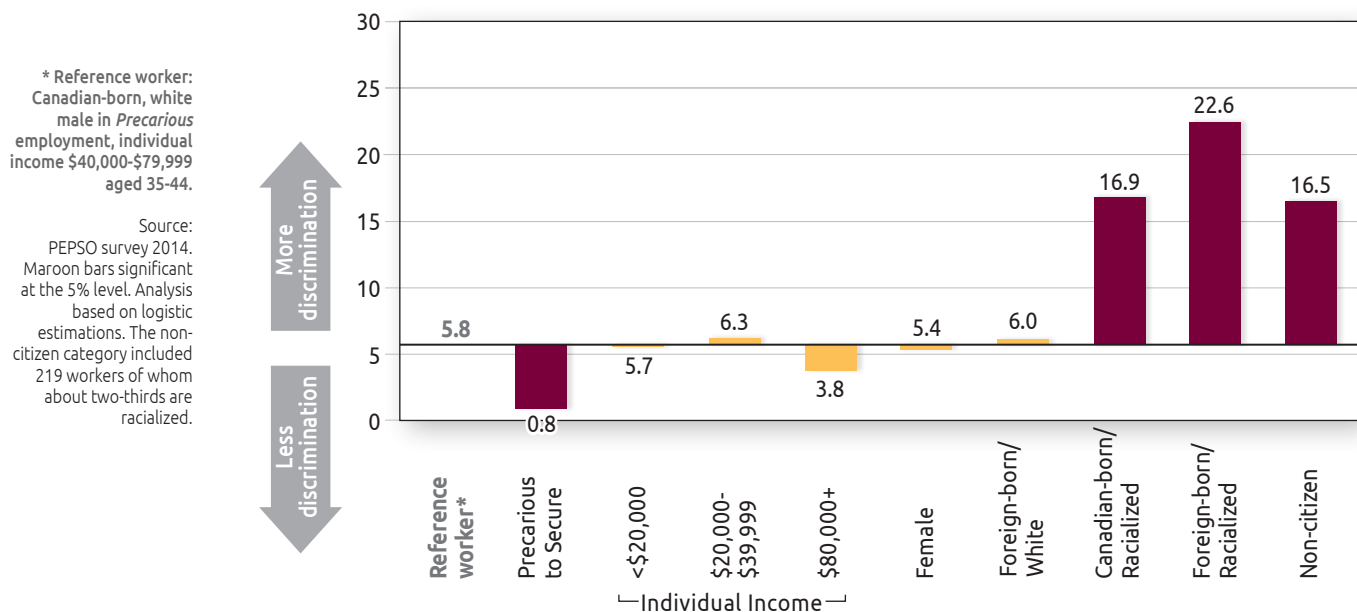
**Figure 51** indicates that employment security reduces experiences of discrimination and that racialization, place of birth and citizenship increase the likelihood of reporting discrimination as a barrier to keeping work. Individual income and sex do not significantly affect the likelihood of reporting discrimination in keeping work.

Our analysis predicts that about 6% of Canadian-born, white, middle-aged, males in *Precarious* employment, with an individual income between \$40,000 and \$79,999, would report discrimination in keeping work. Moving this worker from *Precarious* to *Secure* employment reduces the likelihood of reporting discrimination in keeping work to less than 1% of workers.

Canadian-born racialized workers and non-citizens are nearly three times as likely to report discrimination in keeping work than Canadian-born white workers. Racialized workers born outside of Canada are nearly four times more likely to report discrimination in keeping work than Canadian-born white workers.

Because racialized workers are more likely to be in *Precarious* employment and because being in *Precarious* employment increases the likelihood of reporting discrimination in keeping work, the individual estimates for the effects of race and being foreign-born (in **Figure 51**) underestimate the total discrimination that racialized workers and non-citizens report in keeping work. Racialized workers are more likely to report discrimination, due to being in *Precarious* employment. Plus, they report added discrimination because of their race.

**Figure 51: Percentage for whom discrimination is a barrier to keeping work (Reference worker=5.8%\*)**



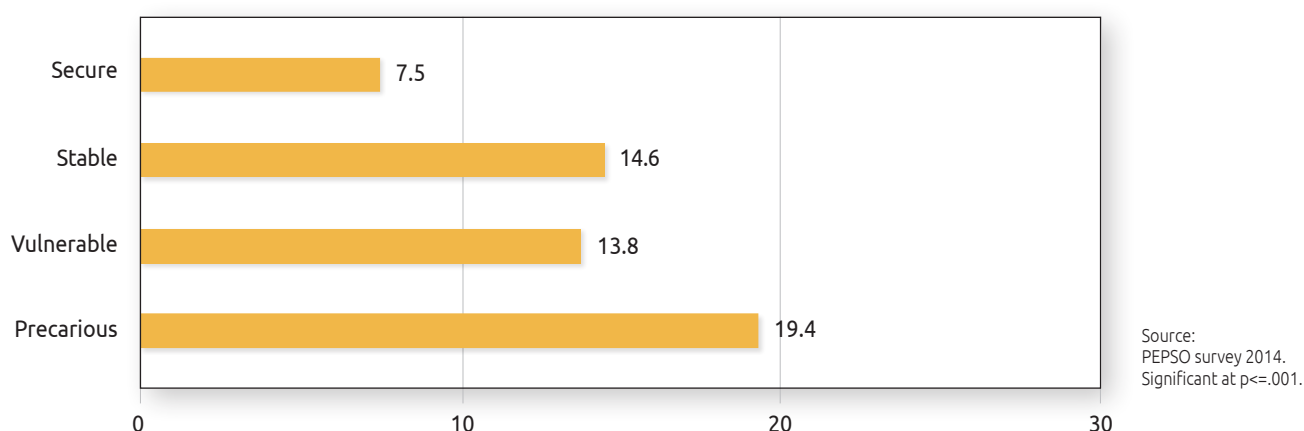
**Figures 52 and 53** examine the prevalence of perceiving discrimination as a barrier in workers' experience of being offered opportunities to advance at work. Nearly 20% of workers in *Precarious* employment report discrimination as a barrier in being offered opportunities to advance. While



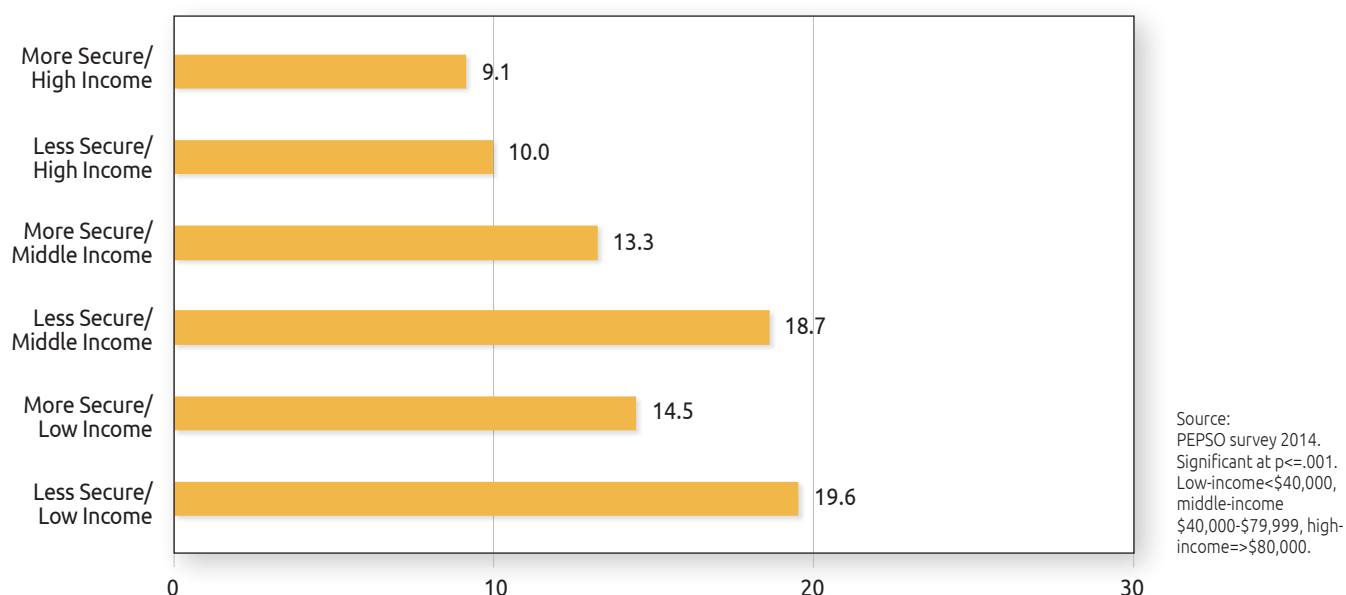
this form of discrimination is less prevalent for workers in *Secure* employment relationships, it is more widespread than either of the other forms of discrimination. Discrimination in being offered opportunities to advance at work is about the same for workers in less secure, low- and middle-income employment, but less for workers in less secure/high-income employment.

The prevalence of perceiving discrimination as a barrier to advancement may limit the ability of workers in less secure employment to move to more secure forms of employment. The difficulty of moving from less secure to more secure employment is likely to be compounded by the fact that workers in less secure employment are less likely to receive employer-funded training, or that they are less able to pay for their own training.<sup>58</sup>

**Figure 52: Discrimination is a barrier to advancement by employment security (%)**



**Figure 53: Discrimination is a barrier to advancement by employment security and individual income (%)**



**Figure 54** provides estimates of how employment security, income, sex, place of birth and race individually shape the likelihood of perceiving discrimination as a barrier in workers' experience of being offered opportunities to advance. The estimates control for all of these factors simultaneously. Therefore, we can be more confident that the reported impact of any one characteristic of an individual is the impact of that characteristic and not the result of workers with that characteristic having different employment security, income, sex, place of birth or race characteristics. The estimates reported in **Figure 54** should be read as how changing a single characteristics of the reference worker changes the likelihood that this new worker will report discrimination. (For more details on how these estimates are calculated, see **Appendix D**.)

**Figure 54** indicates that employment security and high individual income reduce reporting discrimination, and that racialization, place of birth, citizenship and being female increase the likelihood of reporting discrimination as a barrier to being offered opportunities for advancement.

Our analysis predicts that about 10% of Canadian-born, white, middle-aged, males in *Precarious* employment, with an individual income between \$40,000 and \$79,999, would report discrimination in being offered opportunities for advancement. Moving this worker from *Precarious* to *Secure* employment reduces the likelihood of reporting discrimination by more than half—to less than 5% of workers.

There is no significant difference in the likelihood of experiencing such discrimination for workers earning less than \$80,000. High-income earners, earning more than \$80,000, are 24% less likely to report this form of discrimination.

Women are about one-third more likely than men to report discrimination in being offered opportunities for advancement. This is the only type of discrimination that women are more likely to report than men. This may help to explain the persistent earnings gap between men and women, despite women gaining access to more secure employment.

Canadian-born racialized workers and non-citizens are more than twice as likely to report discrimination in being offered opportunities for advancement than Canadian-born white workers. Racialized workers born outside of Canada are nearly three times more likely to report discrimination than Canadian-born white workers.

Because racialized workers are more likely to be in *Precarious* employment and because being in *Precarious* employment increases the likelihood of reporting discrimination as a barrier in being offered opportunities to advance, the individual estimates for the effects of race (in **Figure 54**) underestimate the total reported discrimination that racialized workers experience as a barrier in being offered opportunities to advance. Racialized workers are more likely to report discrimination as a result of being in *Precarious* employment. Plus, they report added discrimination because of their race.





Group	Percentage of workers reporting discrimination
Reference worker*	10.1
Precarious to Secure	4.4
<\$20,000	8.6
\$20,000-\$39,999	8.3
\$80,000+	7.7
Female	13.8
Foreign-born/White	12.6
Canadian-born/Racialized	23.1
Foreign-born/Racialized	27.9
Non-citizen	23.8

\* Reference worker: Canadian-born, white male in *Precarious* employment, individual income \$40,000-\$79,999, aged 35-44.

Source: PEPSO survey 2014. Maroon bars significant at the 5% level. Analysis based on logistic estimations. The non-citizen category included 219 workers of whom about two-thirds are racialized.

# PART 5

## Precarity and Health

The figures in this section examine the relationship between employment security, general health, mental health and depression.

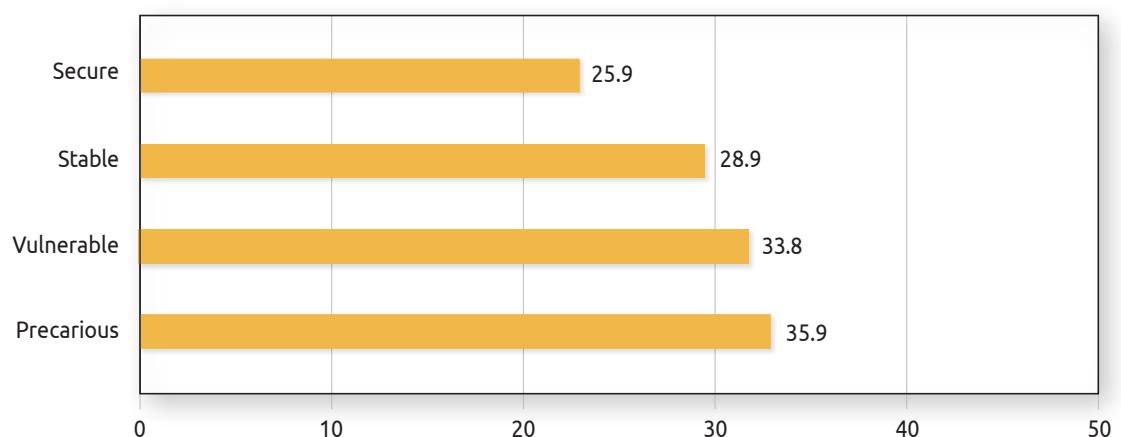
### Summary of this section

- Employment precarity is not strongly associated with general health, but it is associated with poorer mental health.
- Low-income is associated with poorer general health and with poorer mental health.
- Canadian-born and non-Canadian-born racialized workers report poorer general health.

### General health

**Figures 55 and 56** indicate that workers in *Precarious* employment are more likely to report poorer general health. As income increases, general health improves. However, workers in less secure/ middle- and high-income jobs are still more likely to report poorer general health than workers in more secure employment in the same income categories. Workers in more secure/low-income jobs are the most likely to report poorer general health. It is not clear why this is the case.

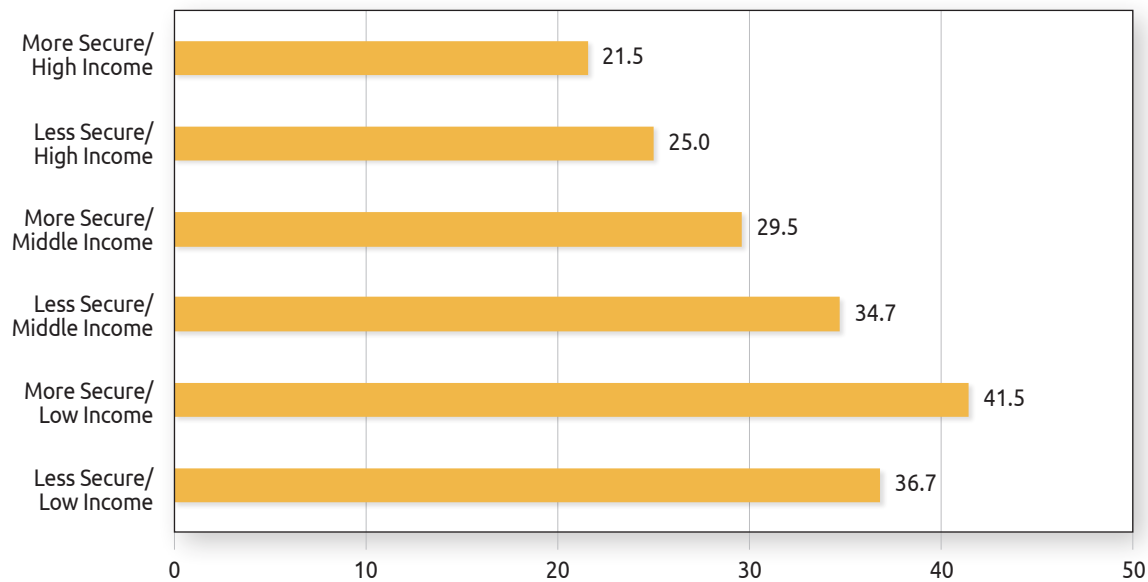
**Figure 55: Health is less than very good by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .



**Figure 56: Health is less than very good by employment security and individual income (%)**



Source:  
PEPSO survey 2014. Low-income < \$40,000, middle-income \$40,000-\$79,999, high-income ≥ \$80,000. Significant at  $p \leq .001$ .

**Figure 57** provides estimates of how employment security, income, sex, place of birth and race individually shape the likelihood of reporting poorer general health. The estimates control for all of these factors simultaneously. Therefore, we can be more confident that the reported impact of any one characteristic of an individual is the impact of that characteristic and not the result of workers with that characteristic having different employment security, income, sex, place of birth or race characteristics. The estimates reported in **Figure 57** should be read as how changing a single characteristic of the reference worker changes the likelihood that this new worker will report poorer general health. (For more details on how these estimates are calculated, see **Appendix D**.)

**Figure 57** indicates that low individual income, racialization, place of birth and citizenship increase the likelihood of reporting poorer general health. Employment security and sex do not significantly affect the likelihood of reporting poorer general health.

Our analysis predicts that about 30% of Canadian-born, white, middle-aged, males in *Precarious* employment, with an individual income between \$40,000 and \$79,999, would report poorer general health.

Workers earning \$20,000–\$40,000 are about 20% more likely to report poorer general health, and those earning more than \$80,000 are about 30% less likely to report poorer general health, than workers earning between \$40,000 and \$79,999.

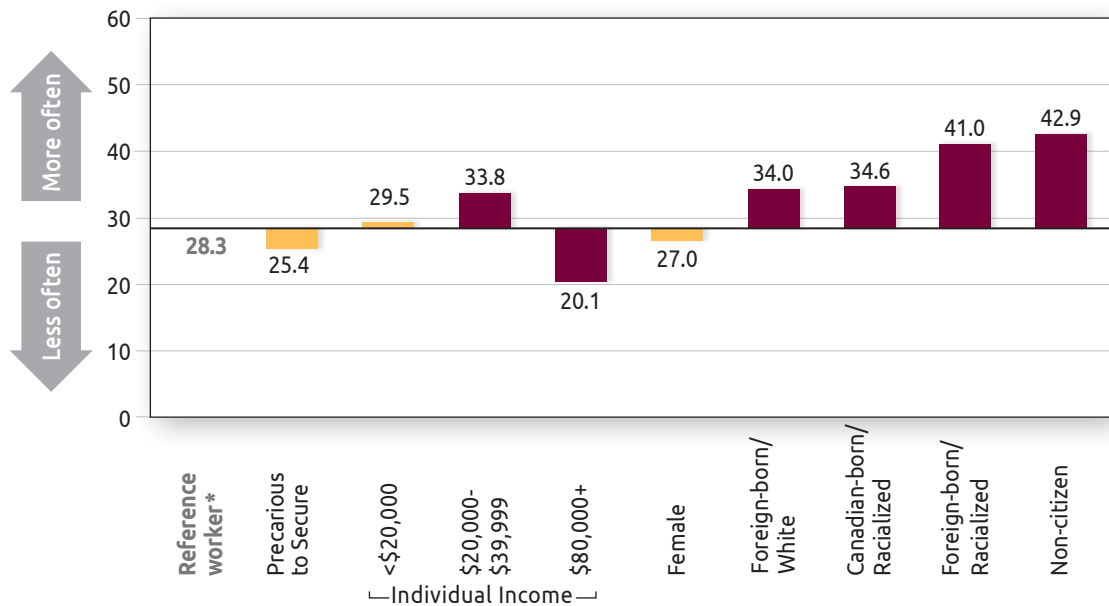
Foreign-born white workers and Canadian-born racialized workers are about 20% more likely to report poorer general health. Racialized workers born outside of Canada are 45% more likely to report poorer general health and non-citizens are over 50% more likely to report poorer general health.



**Figure 57: Percentage for whom health is less than very good  
(Reference worker=28.3%\*)**

\* Reference worker:  
Canadian-born, white  
male in *Precarious*  
employment, individual  
income \$40,000-\$79,999,  
aged 35-44.

Source:  
PEPSO survey 2014.  
Maroon bars significant  
at the 5% level.  
Analysis based on logistic  
estimations.  
The non-citizen category  
included 219 workers of  
whom about two-thirds  
are racialized.



During the interviews, several workers made links between the precarity of their employment relationship and their general health. For some, it is the kind of work they do and the limited training they receive on how to do the work safely. Francesca thought that she was being hired to help with filing. She ended up helping the staff move to new offices.

*Yeah, because they didn't give me enough filing to do in a day. . . . But it turned into a nightmare because the time I was there they were over exhausting me. Like, for my job is not to help permanent staff move up to another floor. You know? That's a lot of heavy lifting. . . . You do strain your back when you're doing all this kind of work. And you know, to be totally taken advantage of from the permanent staff that are going to be there for years.*

It had been a while since Sarah, a young white woman with a university degree, had regular work. While she has learned to cope with the uncertainty, it is still taxing for her health.

*There's a sense of stability that's gone because the routine is gone. You're kind of stuck. . . . You're just suddenly doing nothing and your body is just blah. That's why, like I say, I'm a seasoned pro at this, sadly. Where I know enough to keep myself busy; go out, do stuff, keep active, exercise, go to the park to walk my dog, go biking. Then I'm okay. When I wasn't like that, I can see people who are not like that; it's very bad for the health, bad for the mind, staying stuck at home looking for work every day. Going on and on and on. "I've got to find a job. What am I going to do?" It just completely stresses your body out.*



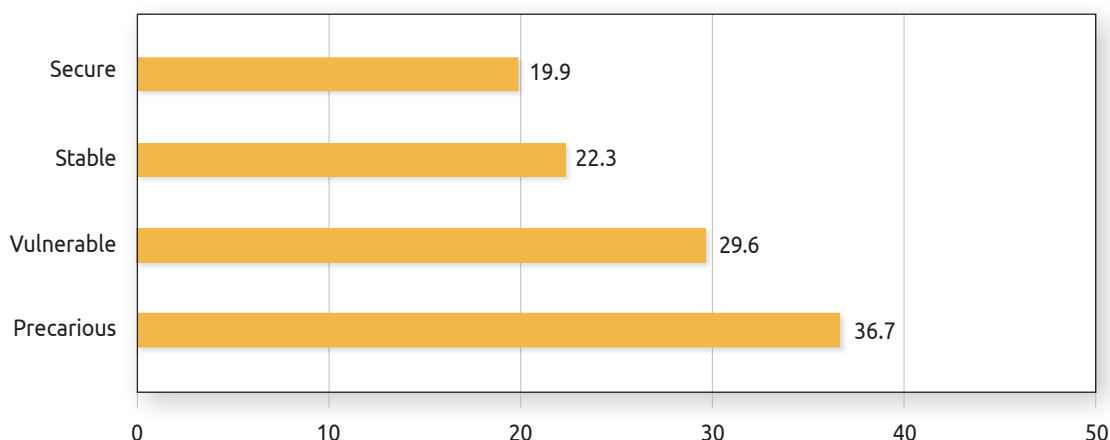
Not everyone saw irregular work as a health negative. Fang saw some positives associated with more flexibility over when she worked.

*I think if anything, it's [healthier and] better. . . . But I would say, overall, just the ability to sleep as long as I want, set my own hours, work the way I like to, go to doctors' appointments when I need to, get blood work done without having to get permission, without an employer to do all that can only be positive for me. My health has been fairly stable, so I don't know if the two are exactly correlated, but I don't see how it could possibly be negative.*

## Mental health

**Figures 58 and 59** examine the relationship between employment security and poorer mental health. *Precarious* employment is associated with a higher prevalence of poorer mental health. Low-income status further increases the likelihood of poorer mental health among workers in less secure employment. Workers in less secure/low-paying employment are more than twice as likely to report poorer mental health than workers in more secure/high-income employment. Among middle- and high-income workers, less secure employment is also associated with poorer mental health.

**Figure 58: Mental health is less than very good by employment security (%)**

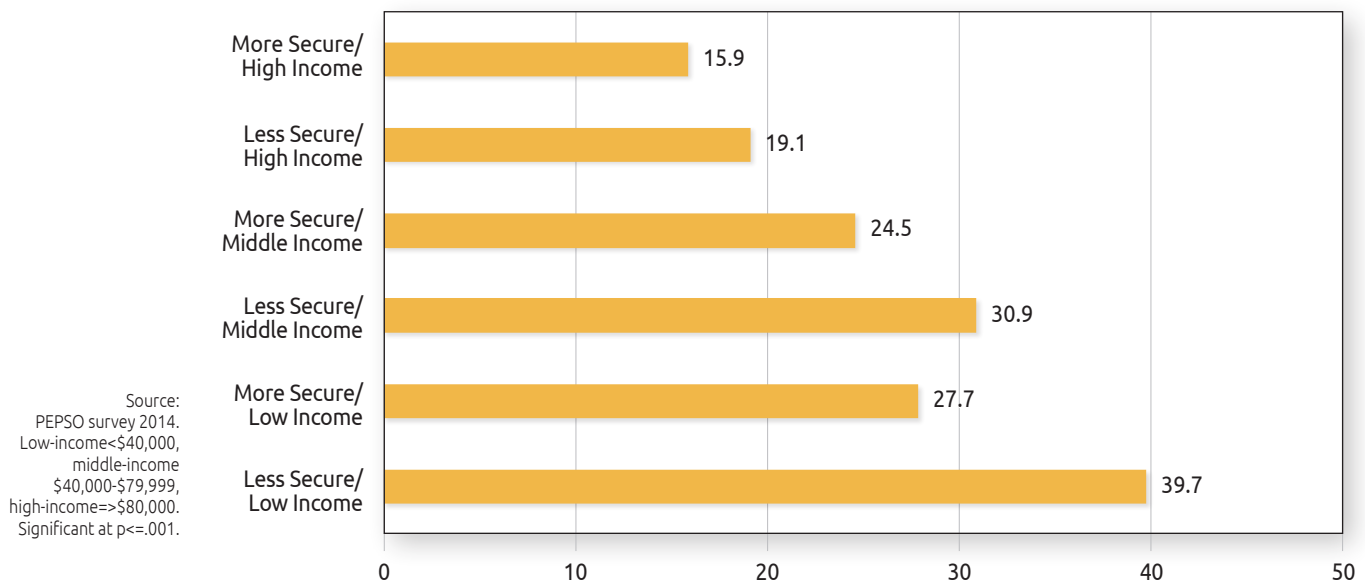


Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .

*Precarious* employment is  
associated with a **higher prevalence**  
of **poorer mental health**.



**Figure 59: Mental health is less than very good by employment security and individual income (%)**



**Figure 60** provides estimates of how employment security, income, sex, place of birth and race individually shape the likelihood of poorer mental health. The estimates control for all of these factors simultaneously. Therefore, we can be more confident that the reported impact of any one characteristic of an individual is the impact of that characteristic and not the result of workers with that characteristic having different employment security, income, sex, place of birth or race characteristics. The estimates reported in **Figure 60** should be read as how changing a single characteristic of the reference worker changes the likelihood that this new worker will report poorer mental health. (For more details on how these estimates are calculated, see **Appendix D**.)

**Figure 60** indicates that employment security and increased individual income reduce the likelihood of reporting poorer mental health. Sex, racialization and citizenship do not significantly affect mental health.

Our analysis predicts that just under 40% of Canadian-born, white, middle-aged, males in *Precarious* employment, with an individual income between \$40,000 and \$79,999, would report poorer mental health.

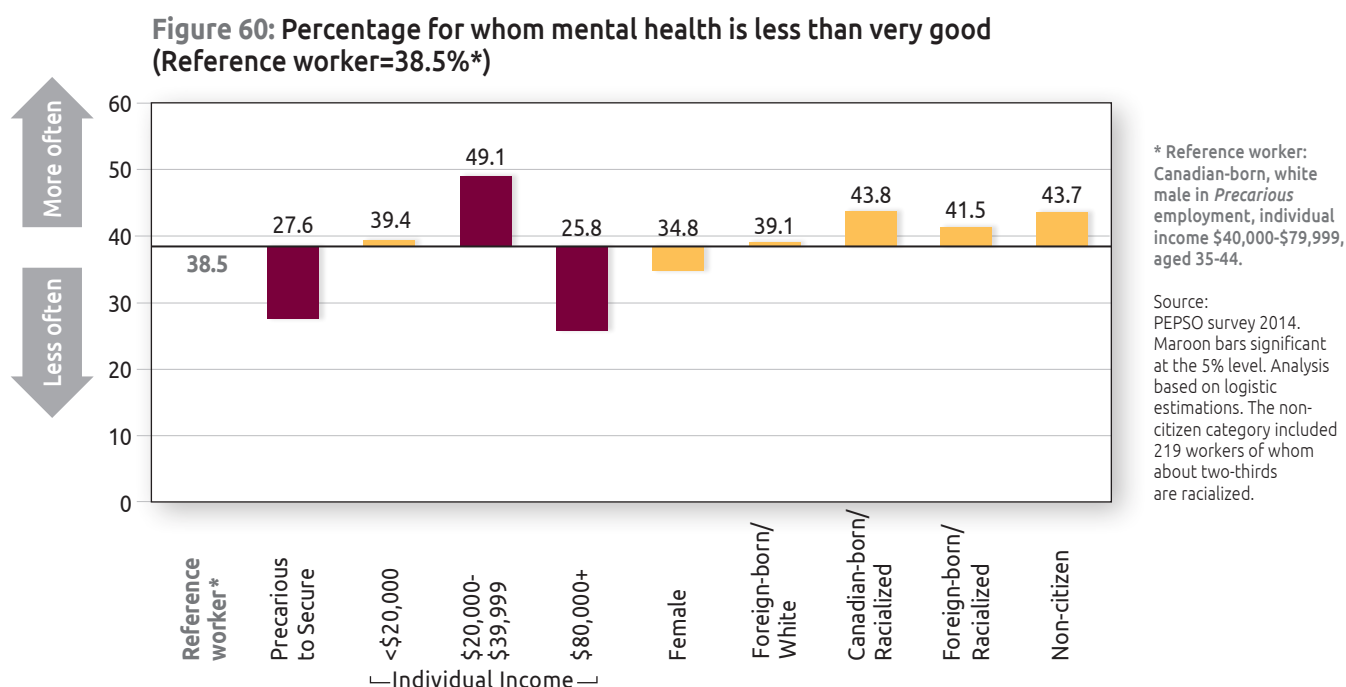
Moving from *Precarious* to *Secure* employment reduces the likelihood of reporting poorer mental health by over 25%.

Workers earning \$20,000–\$40,000 are more than 25% more likely to report poorer mental health, and those earning more than \$80,000 are over 30% less likely to report poorer mental health, than workers earning between \$40,000 and \$79,999.

We can only speculate why increased employment insecurity is associated with more frequent poorer mental health, but not more frequent poorer general health. It has been shown above that



workers in less secure employment experience several types of insecurity, including not getting paid if they miss work, uncertainty related to future employment prospects, more frequent bouts of unemployment and more concerns about exercising voice at work. It is likely that some of these factors could influence stress, anxiety or other potential mental-health issues.



The mental stress associated with insecure employment is a common theme among the workers we interviewed. Workers described being anxious, losing self-esteem and finding it difficult to sleep. Sofia told us:

*Sometimes I cannot sleep, and I am thinking, and thinking and thinking, and I wake very easy. There is nothing that I can do. Even though my husband said “Don’t worry about anything, because you have me,” it’s not the same. You’re not making your own money. . . . But that’s not the question. That’s not the main thing. You need to, you need to have something that is really mine, right?*

For Melinda, the stress of irregular work and lack of income, combined with childcare responsibilities, is pushing her to the brink of a health breakdown.

*And people are getting mentally sick. And I can see, like, I am taking my meditation through my prayers. . . . Oh my God, how many times I got panic attacks. Oh my God. I thought I am physically fit, I knew that I am fit. . . . I’m scared of getting sick because nobody will take care of my kids. . . . I get a lot of the time the panic attacks, that I am going to stroke.*

Eva felt that her employment insecurity is affecting her health.

*But where the anxiety comes is, am I going to have this job in two weeks? Am I going to be able to pay my bills? Why am I being paid the same as this person who can’t put a sentence together? That’s where the anxiety comes*



*from; it's not the actual job. It's everything else that goes along with the job. The anxiety and the depression can come from really feeling like you're being treated like shit. That's where a lot of it comes from.*

Irene told us that not knowing when or how often one will be asked to work makes her anxious:

*The precariousness, affecting me in terms of anxiety, yes. It's not so much now, because, like I said, I sort of move on with it. But, at some point, having this limited amount of money and the appointment that gets cancelled tomorrow, and what am I going to do with my day . . . That kind of thing was eating me up completely. . . . When I've been feeling issues, I've been going to doctors more often. I'm having more problems. . . . So, I think that, in this society, we have to look at those working conditions and we really have to decide that, giving somebody four hours of work a day, three times a week, is not acceptable.*

For Mateo, the inability to land a regular job led him to question his self-worth. He told us:

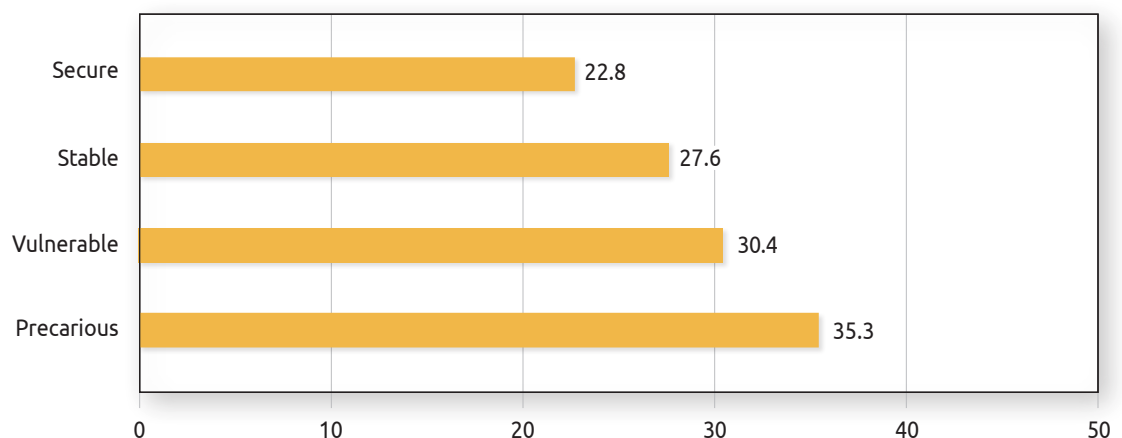
*My self-esteem goes very down too because I'm not like, I'm not anybody. I feel like I'm not worth it. So, that's how I feel sometimes, like I'm not worth it, I'm not worth it for the market, I'm not worth it for this or that. It's like diminished, you know? To the minimum point, like invisible sometimes. . . . Two months ago actually, I was drinking and crying like crazy because I was like not even getting calls for interviews.*

## Depression

**Figure 61** explores the prevalence of depression associated with employment. Nearly 30% of the entire sample is at least sometimes depressed because of their work. This is more prevalent among workers in *Precarious* employment. Racialized workers are more likely to be depressed because of work.

This is a stark and surprising finding. With nearly one-third of workers depressed because of work, there is a clear need to understand the role of work in mental well-being for all workers, and especially those in *Precarious* employment.

**Figure 61: Sometimes or often depressed as a result of work by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .





Many of the workers we interviewed linked their mental health to the uncertainty related to *Precarious* employment. They spoke of depression, frustration and, in a few cases, thoughts of suicide.

Tanvi is finding the endless stream of temporary jobs very frustrating. She describes her concerns as follows:

*I've done so much temporary work, and no one's ever made me permanent or extended the contract. No one's ever made me permanent and it's really frustrating because I'm tired of temping. I just want some stable employment, and it's so frustrating. . . . I was working all these temp jobs and every day I was working them, and it was just so frustrating because I couldn't concentrate, and it felt like that's all I think about. I can't do anything else. I was really frustrated. I was crying myself to sleep.*

She also had thoughts of suicide in the past. She recalled:

*Some friends of mine ask me, "Why aren't you working? Why don't you have any stable employment?" And I tell myself, if I really feel this frustrated, I'll just get out of this place as fast as I can. I have to do something to get me out of it. But I haven't attempted suicide or anything like that. I used to think that. . . . But, it's hard not having stable work because, whenever I lose a job, I just start crying.*

For John, a young white man with some college training, the lack of steady work forced him to live at home and led to major health problems.

*I ended up in psychiatric care, at one point, because it was so taxing. . . . It was really, really difficult to feel that lack of self-worth. You get a lot of self-worth when you're working. It felt like there was nobody. I had helped so many people with so many causes and there was nobody there to help me get a job or get placed somewhere. . . . But yeah, I'd say I had a bit of a breakdown. It was tough. It was violent. I wanted my life to end but I didn't want to kill myself. . . . Really, there was no medical professional that helped me out of that situation. It was employment that helped me out of that situation.*

Hannah is a new mother, raising a child on her own. The lack of a regular job is leading her toward serious health issues.

*I started talking to my doctor, and I just said, listen, "I'm not handling this as well as I'm pretending to be, and I need to talk to someone." Because all of a sudden you're a new parent, and you're dealing with a lot of sleep deprivation, and I was managing that okay, and then there was money, and it just seemed like everything that was small that shouldn't have been affecting me, was affecting me. And I was starting to feel helpless. . . . All of a sudden I was confronted with "I need to have a full-time job," I need to have some form of employment moving forward that was going to be sustainable.*



# PART 6

## Precarity, Income and Household Well-being<sup>59</sup>

The findings from the 2014 PEPSO survey allow a greater understanding of the impact of employment insecurity and income on household well-being. They also expand our understanding of a finding from *It's More than Poverty* suggesting that workers in less secure employment living in middle-income households had similar scores on many household-well-being indicators as workers in less secure employment living in low-income households.

*Precarious* employment can influence household well-being in different ways, depending on one's stage of life. *Precarious* employment can affect decisions to enter relationships or to start a family. When starting a family, *Precarious* employment can negatively affect a family's quality of life and increase stress around financial decisions.

Income also has a role in shaping household well-being, but in different ways than *Precarious* employment. In many cases, higher income only partially compensates for the anxiety created by insecure employment. For example, workers in *Precarious* employment are more likely to report anxiety related to their employment interfering with personal or family life. Increasing income reduces anxiety resulting from employment, particularly for workers who are moving from very low household incomes to household incomes above \$60,000. However, there is a limit to the role of income. Anxiety does not decline further until household income exceeds \$150,000. Even at this very high level of family income, the negative penalty associated with insecure employment is greater than the positive effect of more income on household anxiety.

### Summary of this section

#### a) Starting a family

- Workers in *Precarious* employment are more likely to have delayed starting a relationship and more likely to have delayed having children.

#### b) Stress at home

- Anxiety over employment interferes with personal and family life for workers in less secure employment living in low- and middle-income households.



- Uncertainty over work schedules negatively affects family life and doing things with family for fun for workers in less secure employment at all household income levels.

### c) Income Stress

- Increased employment security and increased household income reduces Income Stress, as measured by decisions about large expenditures, keeping up with bills, concern about debt and concern about maintaining current standards of living.
- The effect of *Precarious* employment on Income Stress is greater than the benefits of increased income for middle-income households. Even for very high-income households (\$150,000+), the effect of more income does not fully compensate for the Income Stress associated with *Precarious* employment.
- Workers in less secure employment who are living in low-income households are the most likely to report that their employment negatively affects large spending decisions, being concerned about keeping up with bills, meeting debt obligations, and maintaining their current standard of living.

### d) Managing financially if falling behind

- Workers in less secure employment, particularly those living in middle- and high-income households, are more likely to report that they would work more if they were falling behind financially, compared to workers in more secure employment.
- Workers in less secure employment who are living in low-income households are the least likely to cut back on expenses if facing financial difficulties. We can only speculate why this is the case, but one possible reason is that workers in these households have less that they can cut back on and still maintain a basic standard of living.
- Workers in *Precarious* and *Secure* employment are equally likely to resort to savings, credit cards and bank loans to cope with financial difficulties.
- Workers in *Precarious* employment are more likely to seek a loan from a friend to cope with financial difficulties.

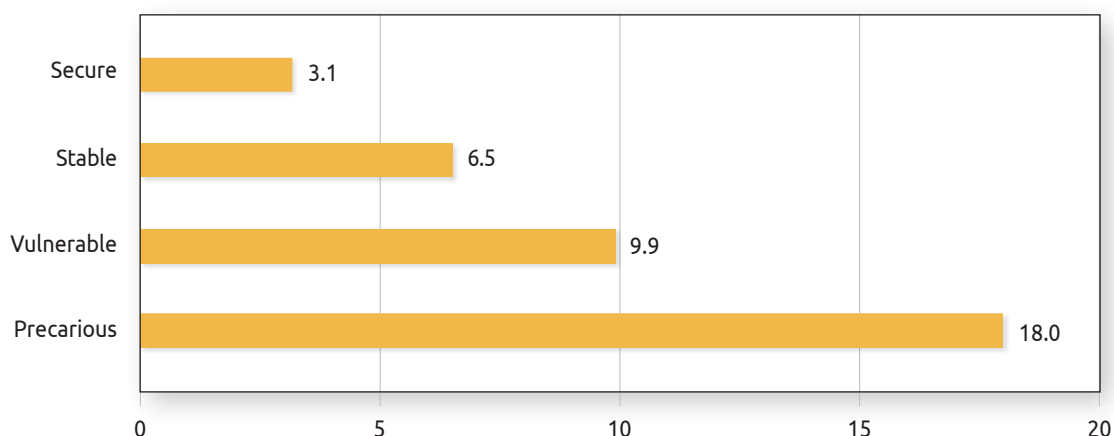
## Starting a family

**Figures 62** and **63** reveal the association between employment security and forming a relationship with someone. Workers in *Precarious* employment are five times more likely to have delayed forming a relationship than someone in *Secure* employment. The impact of *Precarious* employment on delays in forming a relationship is particularly strong for men and for racialized workers. Over 20% of men in *Precarious* employment and 23% of racialized workers report that they had delayed forming a relationship as a result of their employment uncertainty. This compares with 15% of women and 14% of white workers in *Precarious* employment who delayed forming a relationship.

Workers in less secure employment who are living in low- and middle-income households are more likely to have delayed forming a relationship, compared to those in more secure employment who are living in high-income households (**Figure 63**).

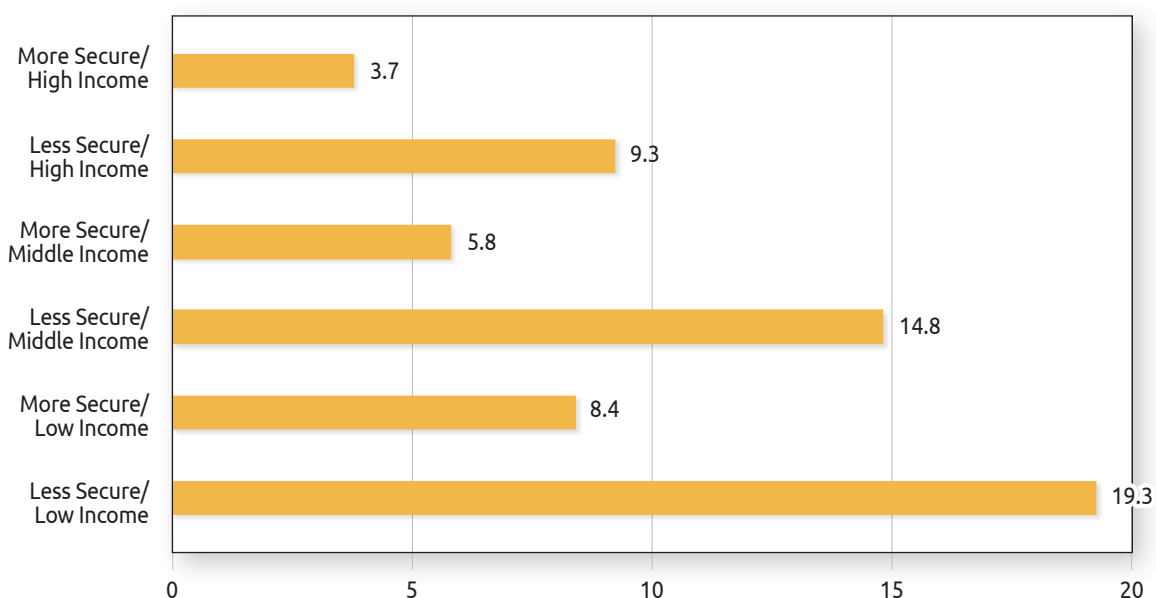


**Figure 62: Delayed forming a relationship because of employment uncertainty by employment security (%)**



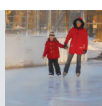
Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .

**Figure 63: Delayed forming a relationship because of employment uncertainty by employment security and household income (%)**



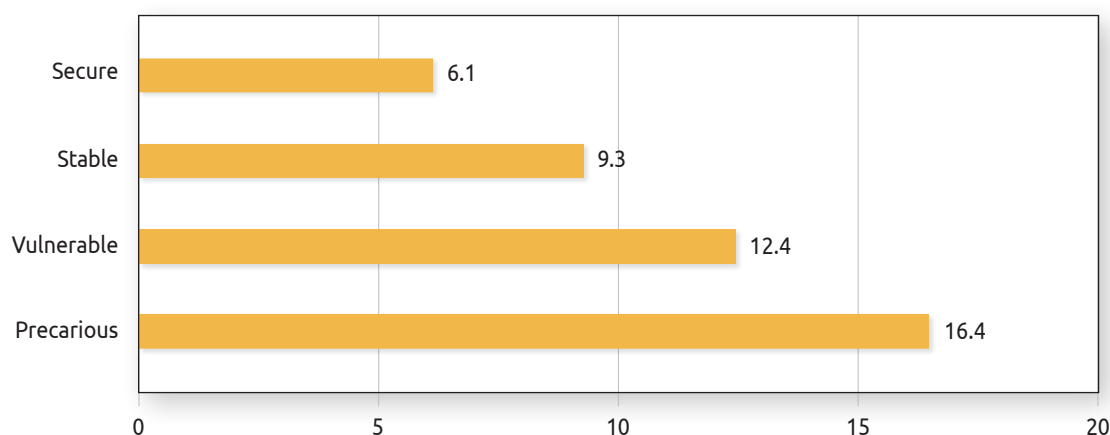
Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

**Figures 64 and 65** report the association between insecure employment and decisions to delay having children. Workers in *Precarious* employment are almost three times more likely to have delayed having children than someone in *Secure* employment. The decision by workers in *Precarious* employment to delay having children is stronger for racialized workers. Over 20% of racialized workers in *Precarious* employment report that they have delayed having children, compared to less than 15% of white workers in *Precarious* employment. Men and women in *Precarious* employment are equally likely to have delayed having children.



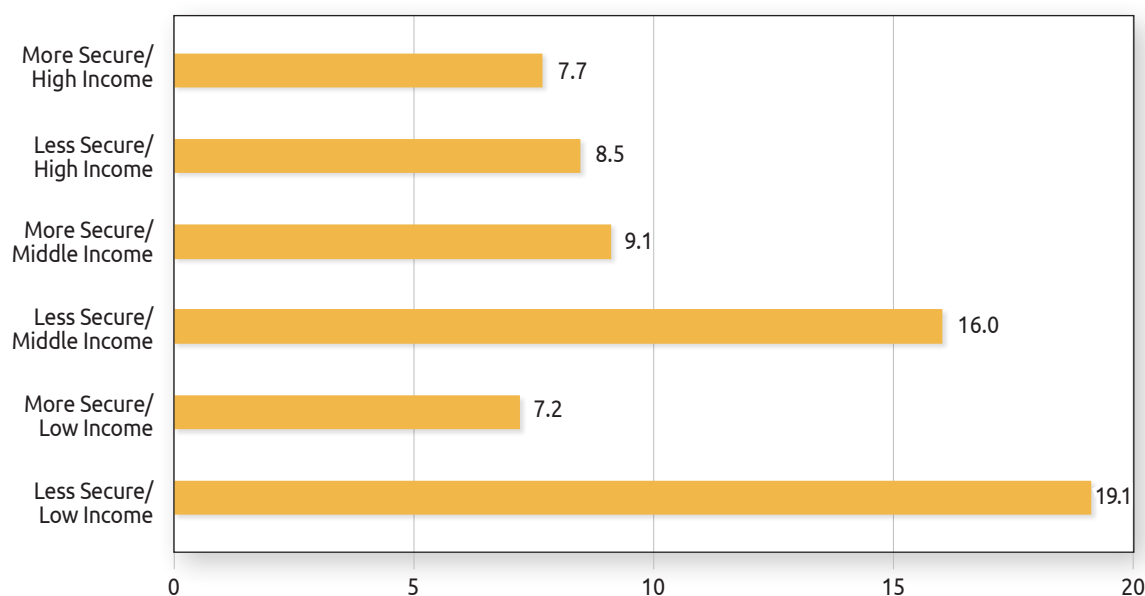
Workers in less secure employment who are living in low- and middle-income households are more than twice as likely to have delayed having children as someone in more secure employment who is living in a high-income household (**Figure 65**).

**Figure 64: Delayed having children because of employment uncertainty by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .

**Figure 65: Delayed having children because of employment uncertainty by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income ≥ \$100,000.

Many of the workers we interviewed drew links between their employment and the possibility of starting a family. Some are delaying having a family by choice to allow them to work in insecure low-paying jobs, with the hope of establishing something more permanent in the future. For others, the lack of a secure income made starting a family unrealistic.



Donna, a young culture worker, has started her own arts event. When the discussion turned to families, she suggested:

*I don't have dependents, I don't have debt, and therefore I can allow myself the luxury of perhaps a less-profitable career, at least at this stage in my life. . . . I do think of family being something that would have to be further down the road. It would have to be when I'm more stable. Like I said, I have the luxury of being able to be a bit risky with my job choices, but that's because I don't have any dependents. So that would be different, if I was seriously considering that at this point in my life.*

Ali, a young white male with some post-graduate training, is working on contract in the not-for-profit sector. He is in a committed relationship, but neither he nor his partner has a stable income. This is holding back decisions around family.

*It's hard to know about a house and kids, because housing is so friggin' (sic) expensive, even if you have stable work. I think she's interested in talking more about long-term decisions like children, and it's difficult for me to even start having those conversations, because I don't know what my life, work situation will be in the next year, and we've talked about that. . . . She's more interested in talking about this than I am. And it's not just because I'm not interested. It's more because I don't feel like I have the regular well-paying job that I believe you need to sustain a family.*

Gloria has delayed starting a family, due to the insecurity of her employment. Now, she is almost to the point of going ahead and hoping that things work out. She told us:

*The instability. It's sort of hard to plan long-term, if you don't have guaranteed income. . . . I put off having a kid for a long time because of that. For a long time, I was sort of hoping I would get a full-time job and then I would have benefits and then whatever; it would be a lot easier to have a mat leave. Now I'm just sort of, "I don't know if I'm ready. I'm just going to do it." . . . For a while, I was hoping I would get full-time somewhere and then I wouldn't have to worry about mat leave. I've sort of given up on that idea. I'm just going to have a kid anyway.*

Curran, a racialized male in his early 30s who has advanced university training in the sciences, felt a conflict between his inability to start a family, due to his lack of stable employment and the cultural expectations of his family.

*In my culture back home, you are expected at a certain age to be married and have kids. My mom got married to my dad when she was 20 and my father was 25. They were both young. Around 30 is around the time someone in my culture is expected to be married. . . . Right now, I'm just trying to make something of myself, first, and that [starting a family] can come second. The only problem is, I should have been something in my 20s, so I can go have a family and kids in my 30s, but that whole process has slowed down.*



## Stress at home

The figures in this section explore how employment precarity and income shape stress at home. They report how anxiety over employment affects family life, and how uncertainty over work schedules affects doing things with family and friends and doing things for fun.

The figures show that being precariously employed increases the frequency that employment anxiety interferes with family life. Workers in *Precarious* employment are more likely to report that uncertainty over work schedules negatively affects family life and prevents doing things for fun with family.

Increasing income can reduce the frequency of employment anxiety interfering with personal or family life, but the positive effect of more income is not as strong as the negative effect of being in *Precarious* employment.

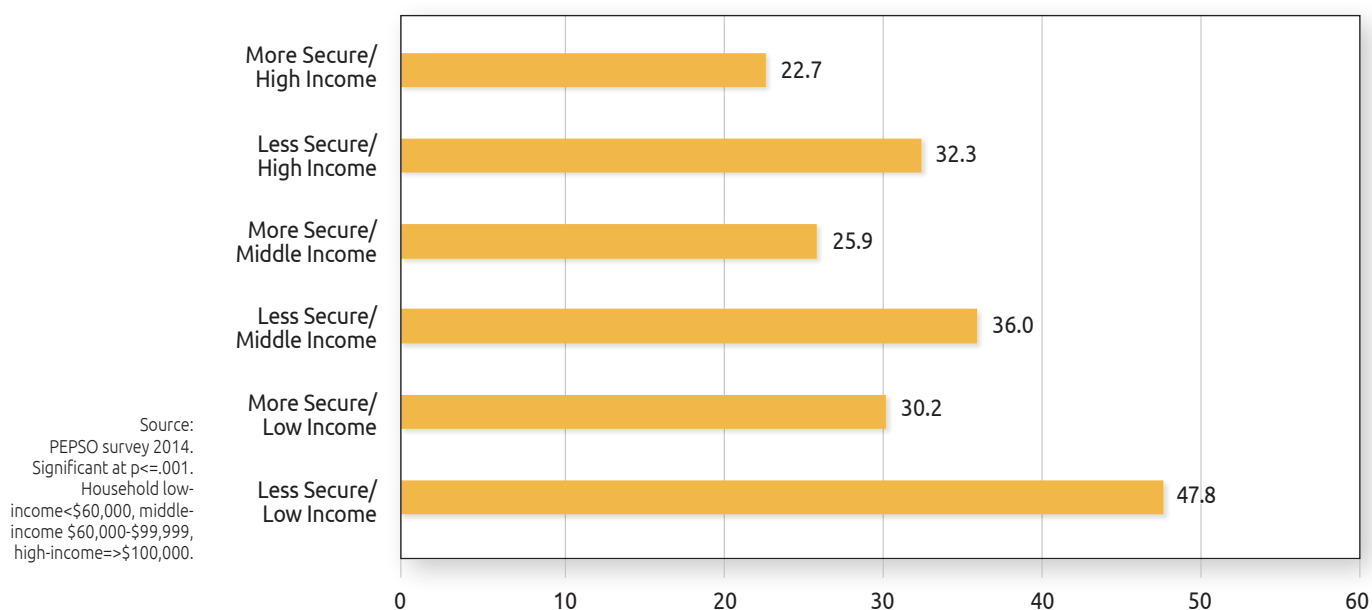
**Figure 66** examines how anxiety about one's employment situation interferes with personal or family life. All workers in less secure employment, regardless of their income level, report more frequent anxiety related to employment, compared to workers in more secure employment in the same income category. This is particularly an issue for workers in less secure employment who are living in low-income households; almost half report that anxiety about employment interferes with personal or family life. For workers in less secure employment who are living in middle-income households, over one-third report that anxiety over employment interferes with personal or family life.

Racialized workers are more likely to report that anxiety about their employment situation interferes with personal or family life. This reflects the higher probability that racialized workers are precariously employed, but perhaps it is also a product of the increased employment discrimination that they experience. Employment discrimination could increase anxiety if it makes finding alternative employment more difficult, or if a worker feels blocked in a low-level position and is not being offered opportunities to advance.

... being precariously employed **increases**  
**the frequency** that employment **anxiety**  
**interferes with family life.**



**Figure 66: Anxiety about employment situation interferes with personal or family life by employment security and household income (%)**



For some, the anxiety associated with insecure work can lead to the ending of a relationship. Rafael reported that his relationship ended due to the stress associated with insecure employment. He indicated:

*We were living together. . . . She was getting stressed out over me. She had enough stress at her work and paying her bills. I know it really upset my self-confidence. It really screwed with that and also added a ton of stress. . . . As the money got tighter and I got deeper into debt, the situation just worsened, until she said "You know, I need to . . . I just need my own space. I can't think of you as a partner. I really care about you, you're a good friend, but . . . I have to get some space between us."*

John viewed his unstable employment situation as a reason for the ending of his relationship. He indicated:

*It [not having regular work] was definitely a very taxing experience. Very stressful on myself, my relationship, I think . . . my last relationship, I think it's probably a big reason why it ended.*

**Figure 67** provides estimates of how employment security, income, sex, place of birth and race individually shape the likelihood of reporting that anxiety about employment interferes with personal or family life. The estimates control for all of these factors simultaneously. Therefore, we can be more confident that the reported impact of any one characteristic of an individual is the impact of that characteristic and not the result of workers with that characteristic having different employment security, income, sex, place of birth or race characteristics. The estimates reported in



**Figure 67** should be read as how changing a single characteristic of the reference worker changes the likelihood that this new worker will report that anxiety about employment interferes with personal or family life. (For more details on how these estimates are calculated, see **Appendix D**.)

**Figure 67** indicates that employment insecurity, low household income and being female increase the likelihood of reporting that anxiety about employment interferes with personal or family life. Race and citizenship are generally not significant factors, with the exception of racialized foreign-born workers.

Our analysis predicts that just under 40% of Canadian-born, white, middle-aged, males in *Precarious* employment, with a household income between \$60,000 and \$79,999, reported that anxiety about employment interferes with personal or family life.

Moving from *Precarious* to *Secure* employment—the most significant factor associated with employment anxiety—reduces the likelihood of reporting that anxiety about employment interferes with personal or family life by almost 60%.

Workers living in households that earn less than \$60,000 are about 20% to 30% more likely to report that anxiety interferes with personal or family life than workers living in households that earn between \$60,000 and \$79,999. Increased household income did not significantly further reduce anxiety related to employment until household income exceeded \$150,000. The benefit from very high household income is still less than the penalty related to being in *Precarious* employment. This is an important finding, as it points to an explanation of why workers in *Precarious* employment who are living in middle-income households have similar scores on many of the measures of household well-being as workers in *Precarious* employment in low-income households. While very low household income significantly adds to anxiety beyond that caused by insecure employment, the negative effect of insecure employment is only partially reduced by added income.

Women are 20% more likely than men to report that anxiety about employment interferes with personal or family life.

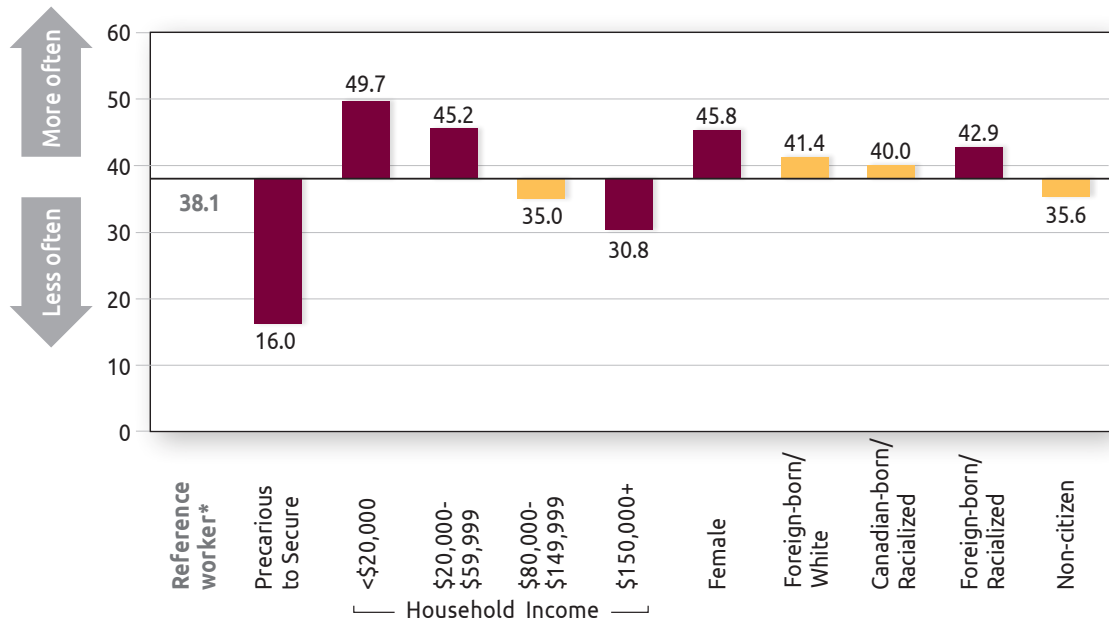
Race, place of birth and citizenship are generally not significant factors, although foreign-born racialized workers are about 13% more likely to report that anxiety about employment interferes with personal or family life.



**Figure 67: Percentage reporting anxiety over employment interferes with personal or family life (Reference worker=38.1%\*)**

\* Reference worker: Canadian-born, white male in *Precarious* employment, household income \$60,000-\$79,999, aged 35-44. The analysis also controls for living alone, children in household.

Source: PEPSO survey 2014. Maroon bars significant at the 5% level. Analysis based on logistic estimations. The non-citizen category included 219 workers of whom about two-thirds are racialized.



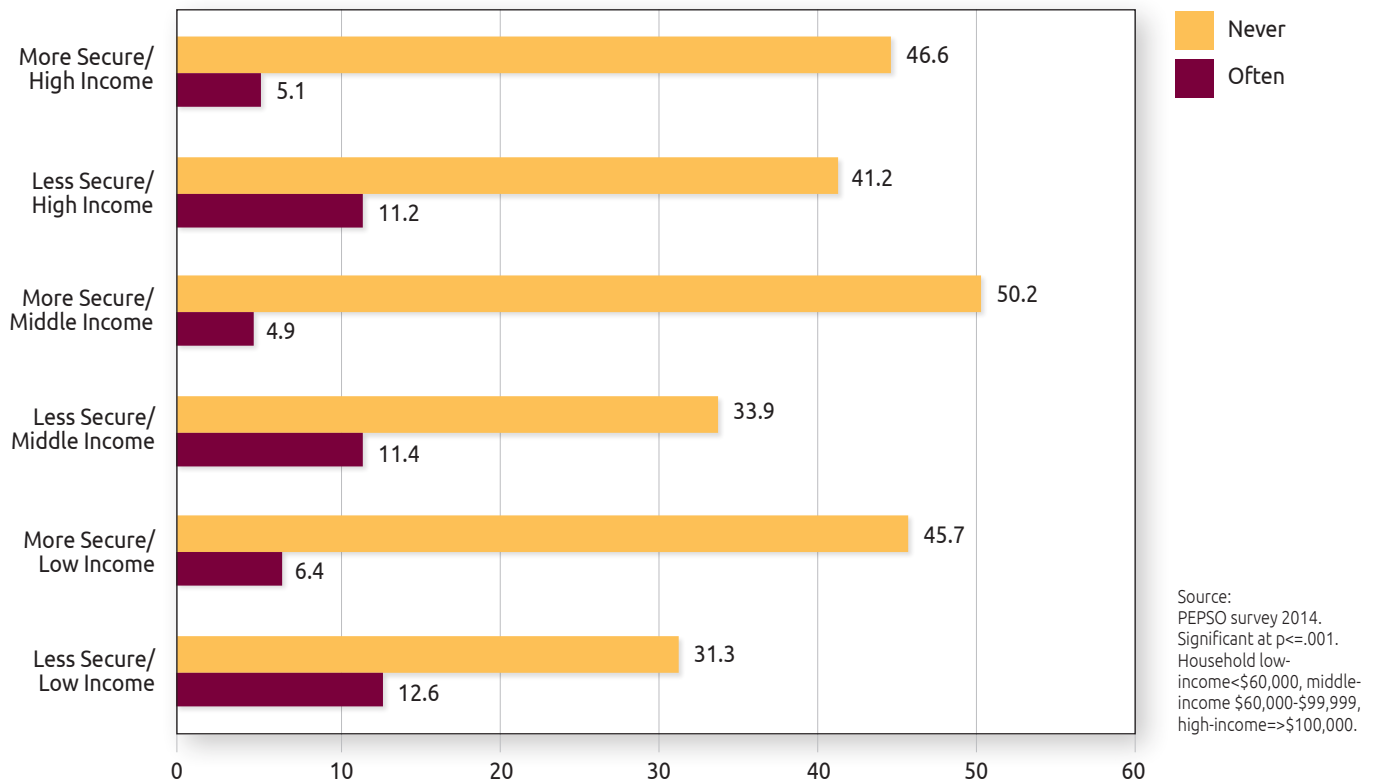
Lack of control over work schedules is a common characteristic of the precariously employed. **Figures 68 and 69** report findings related to how often an uncertain work schedule affects family life or doing fun things with family members. Workers in less secure employment, regardless of their household income, are twice as likely to report that uncertainty over work schedules has a negative effect on family life. Workers in less secure employment are also more likely to report that uncertainty over work schedules prevent them from doing things with family that are fun.

Racialized workers are more likely to report that uncertainty over their work schedules negatively affects family life and prevents them from doing things for fun with family.

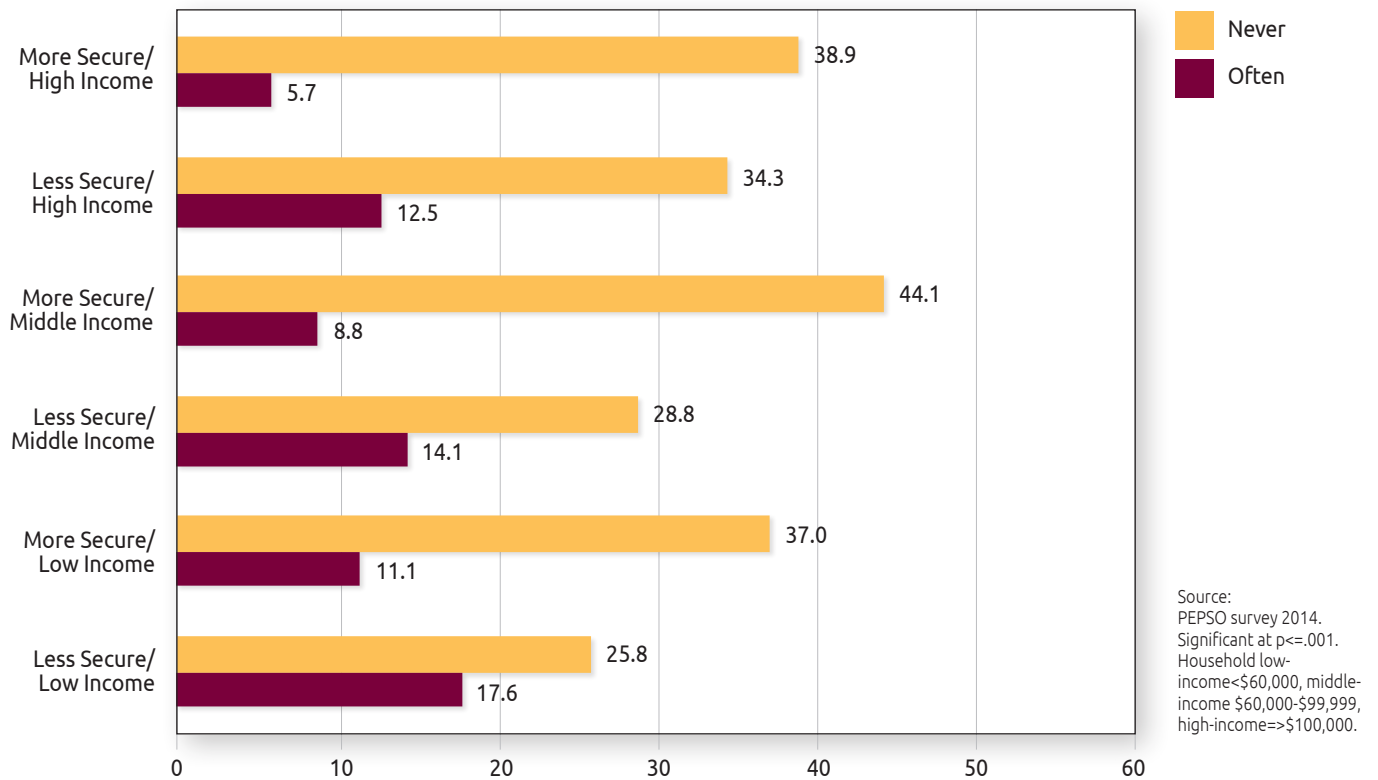
**Lack of control** over work schedules  
is a **common** characteristic of  
the **precariously employed**.



**Figure 68: Uncertainty over work schedule negatively affects family life by employment security and household income (%)**



**Figure 69: Uncertainty over work schedule prevents doing things with family that are fun by employment security and household income (%)**



## Income Stress

Another link between employment precarity, income and household well-being is the extent to which families experience Income Stress. Income Stress is calculated based on scores to five survey questions: how employment insecurity affects large spending decisions; keeping up with bills; ability to keep up with debt; concern about maintaining standards of living; and experiencing recent income reductions. Income Stress will take different forms at different levels of household income. For those in low-income households, it may be more about keeping up with bills, while higher-income households may be more concerned with maintaining current standards of living. Regardless of its cause, if Income Stress exists, it is likely to influence overall household well-being.

**Figure 70** provides estimates of how employment security, income, sex, place of birth and race individually shape Income Stress. The estimates control for all of these factors simultaneously. Therefore, we can be more confident that the reported impact of any one characteristic of an individual is the impact of that characteristic and not the result of workers with that characteristic having different employment security, income, sex, place of birth or race characteristics. The estimates reported in **Figure 70** should be read as how changing a single characteristic of the reference worker changes scores on the Income Stress Index. (For more details on how these estimates are calculated, see **Appendix D**.)

A Canadian-born, white, middle-aged, male in *Precarious* employment, with a household income between \$60,000 and \$79,999, scored almost 46 out of 100 on the Income Stress Index.

Employment insecurity, low income and being female are all associated with more Income Stress. Racialization, place of birth and citizenship do not have a significant effect on Index scores.

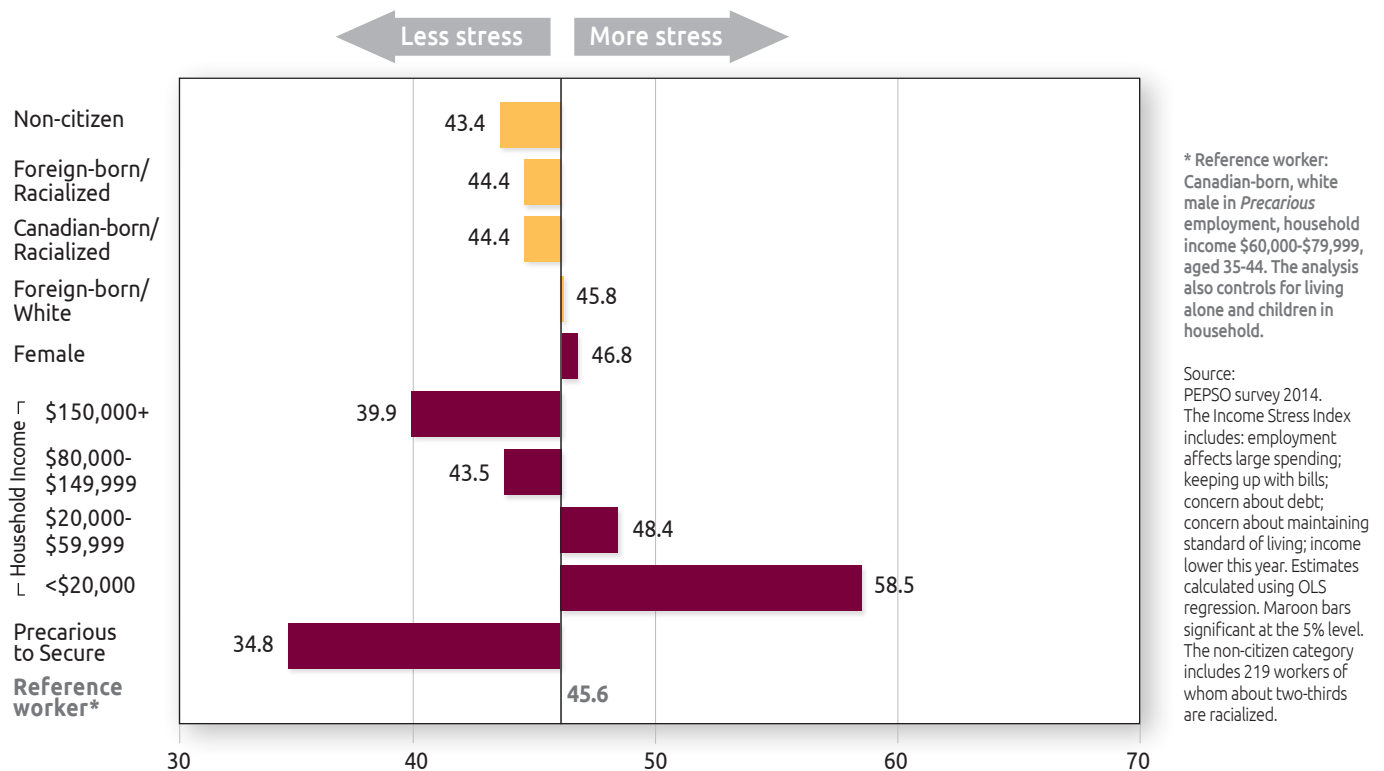
Moving from *Precarious* to *Secure* employment reduces the Index score by almost 25%. The reduced Income Stress associated with employment security is further evidence of how employment security creates the conditions for healthy family life. Only living in a household with very low income has a larger effect on the Index.

Income has a substantial and significant effect on Index scores at very low and very high household-income levels. Workers living in households with very low income (<\$20,000) score 28% higher on the Index than workers living in households earning between \$60,000 and \$79,999. Workers living in households with very high income (>\$150,000) score about 13% lower on the Index. Even at this very high household-income level, the advantage of higher income is less than the penalty associated with insecure income relative to middle-income households. There are only minor differences in the Index for workers living in households earning between \$20,000 and \$149,999.

Women report marginally higher Income Stress levels than men. Racialization, place of birth and citizenship are not significantly associated with Income Stress scores.



**Figure 70: Impact of income and employment security on Income Stress Index (Reference worker score=45.6\*)**



**Figures 71 to 75** examine each of the components of Income Stress individually. One of the more interesting findings from *It's More than Poverty* is that workers in *Precarious* employment who are living in low-income households have similar scores on several questions related to household well-being as workers in *Precarious* employment who are living in middle-income households. Shifting from low- to middle-income on its own did not appear to result in significant improvements in household well-being for workers in *Precarious* employment. We were also surprised that, on a number of indicators of household well-being, workers in *Stable* employment living in low-income households reported better scores on these same questions compared to workers in *Precarious* employment living in middle-income households. These findings indicate that employment security is as important as income in creating the conditions for healthy households. The remaining analysis in this section provides some insights as to why this might have been the case.

Workers in less secure employment, at all household-income levels, generally report more frequent concerns about financial matters, and challenges in keeping up with bills and debt, compared to workers in more secure employment.

Workers in less secure employment living in low-income households report the most frequent concerns regarding all five indicators of financial stress. They are particularly concerned about keeping up with bills, maintaining their current standard of living, meeting debt obligations, and decisions about large expenditures.

However, comparisons of the frequency of financial concerns of workers in more- or less secure employment and living in households with varying income levels reveals a complex relationship between employment security, household income and financial stress. The expected advantages of living in a middle-income household are significantly eroded by being in less secure employment. In the same vein, the disadvantages of low household income are partially buffered by having *Secure* employment.

For low- and middle-income households, being precariously employed leads to similar struggles: meeting debt obligations, concern about maintaining living standards and keeping up with bills. One might argue that, while the likelihood of being concerned about maintaining living standards or meeting debt obligations is similar for both types of households, the concerns of middle-income households are qualitatively different (and have less impact on household well-being) than those of low-income households. Whether or not this is a valid argument needs to be tested and is beyond the scope of this report. The increased likelihood that a worker's employment situation leads to anxiety that interferes with family life of these two different types of households (reported above, in Figure 66 in this section of the report) suggests that, even if their concerns are qualitatively different, the impact on stress at home is similar.

The comparison of workers in less secure employment living in middle-income households with workers in more secure employment living in low-income households is equally interesting. On most of the indicators of Income Stress, the worker in more secure employment living in a low-income household reports less financial stress than the worker in less secure employment living in a middle-income household. This suggests that employment security can be a significant factor in improving household well-being, even for low-income households. In some cases, it can be on par with higher household income.

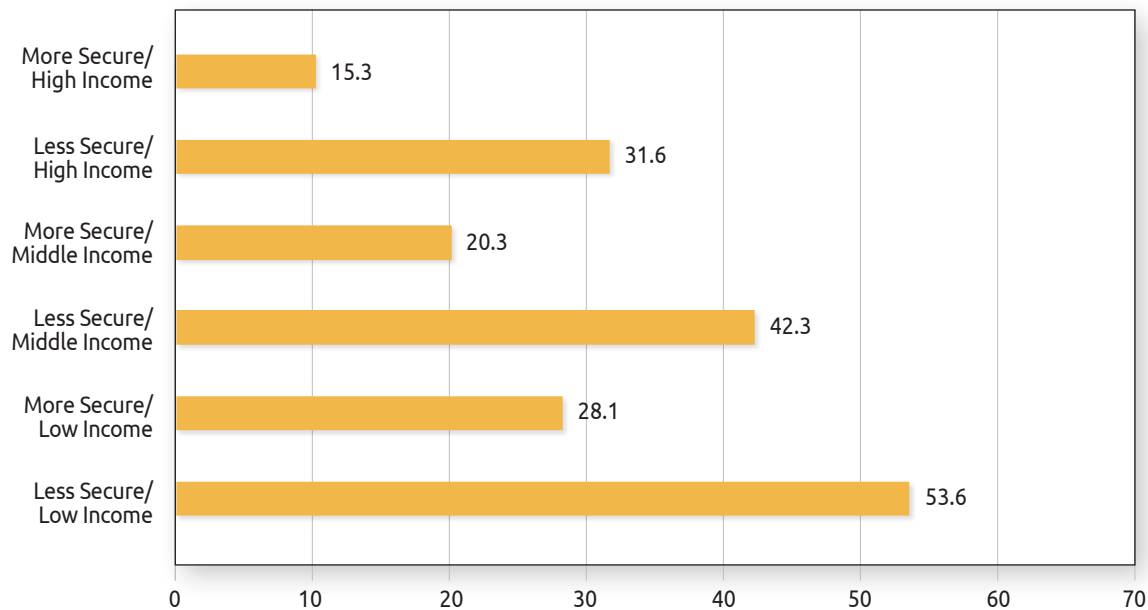
Less secure employment is less likely to lead to financial concerns for workers living in the highest household-income categories. However, even here there is a difference between less- and more secure workers. Nearly one-third of workers in less secure employment living in high-income households report that their employment situation affects large spending decisions.

Racialized workers are more likely to report that their employment situation negatively affects large spending decisions, difficulty meeting financial commitments, meeting debt obligations, and maintaining current living standards. Women are more likely to report difficulty in meeting financial commitments.

Together, the figures in this section indicate that less secure employment creates financial stress on all households, regardless of income levels. The likelihood of financial concerns and the difficulty in meeting financial commitments eases as household incomes rise. However, the increase in income only partially buffers the financial stress created by insecure employment at all household-income levels.

**Figure 71** looks at the impact of less secure employment on large spending decisions. At all income levels, workers in less secure employment approach large spending decisions with some caution.

**Figure 71: Employment situation negatively affects large spending decisions by employment security and household income (%)**



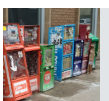
Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

One large decision that is particularly affected by employment insecurity is home ownership. For some of those interviewed, owning a home simply seemed out of reach. Donna has all but ruled out any large purchases. She indicated:

*The most I can give myself in that area is the occasional vacation. And that's quite occasional . . . I can't even visualize what it would be like to perhaps be a homeowner. . . . While I've accrued some savings over the last little while, I don't know when the next paycheck will come. I won't be taking a holiday, and I won't be buying the dining room table that I think I need for the immediate future. That's how I can remain stress-free on all of this, is not making purchases that I can't necessarily foresee being able to afford. So it certainly has an impact on those decisions.*

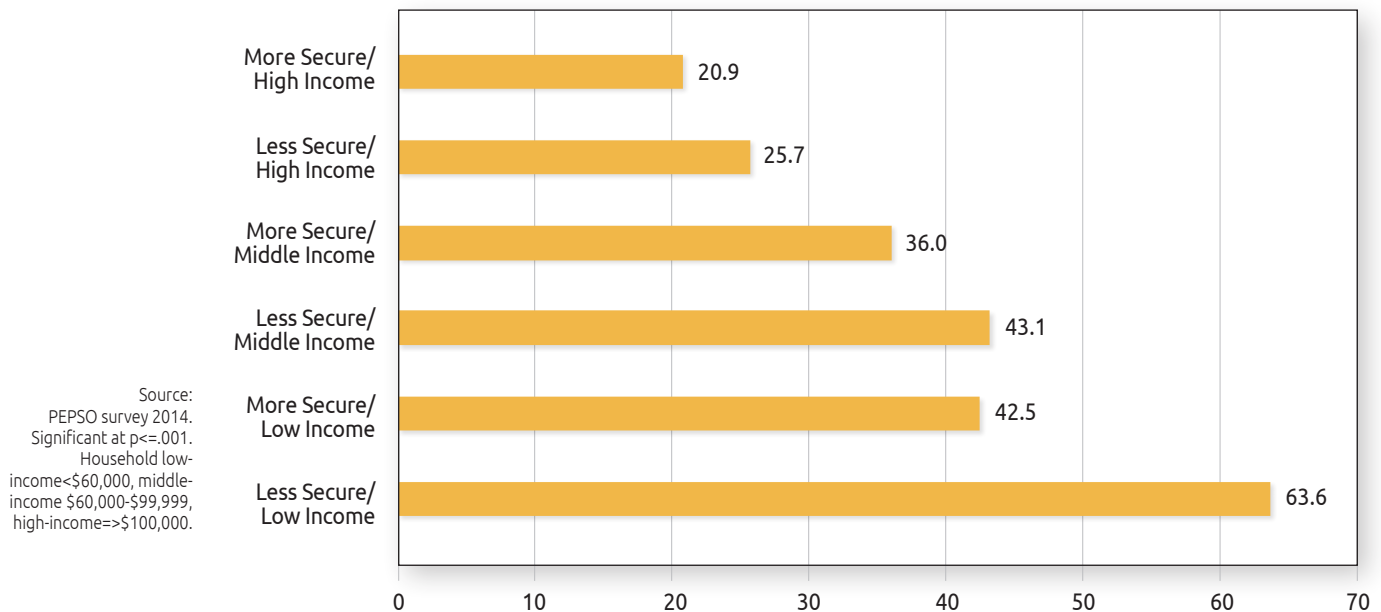
George, a white male freelance author in his 50s, felt relatively secure in his position, as a result of a small inheritance and some savings during his career. But the insecurity of his income still means making compromises and makes buying a house out of reach.

*I don't feel any financial stress. . . . I still own a car, but I don't use it that much and therefore I'm thinking about not having it anymore. It's a monthly cost for parking and things, so if I don't have to have it, it would be helpful to me to not have that steady drain. . . . I can't own a house in Toronto; that's completely beyond me. I have enough money that I could create a down payment, but I couldn't guarantee the income to cover the mortgage so that's a dream I had to abandon.*



**Figure 72** explores the impact of less secure employment on keeping up with bills. Nearly two-thirds of workers in less secure/low-income households report that keeping up with bills is a struggle.

**Figure 72: Keeping up with bills and financial commitments is sometimes a struggle by employment security and household income (%)**



One middle-aged couple moved to make it easier to keep up with financial commitments as homeowners. Gloria described her move from Toronto to Hamilton as one way to manage the financial stress associated with insecure employment. She argued:

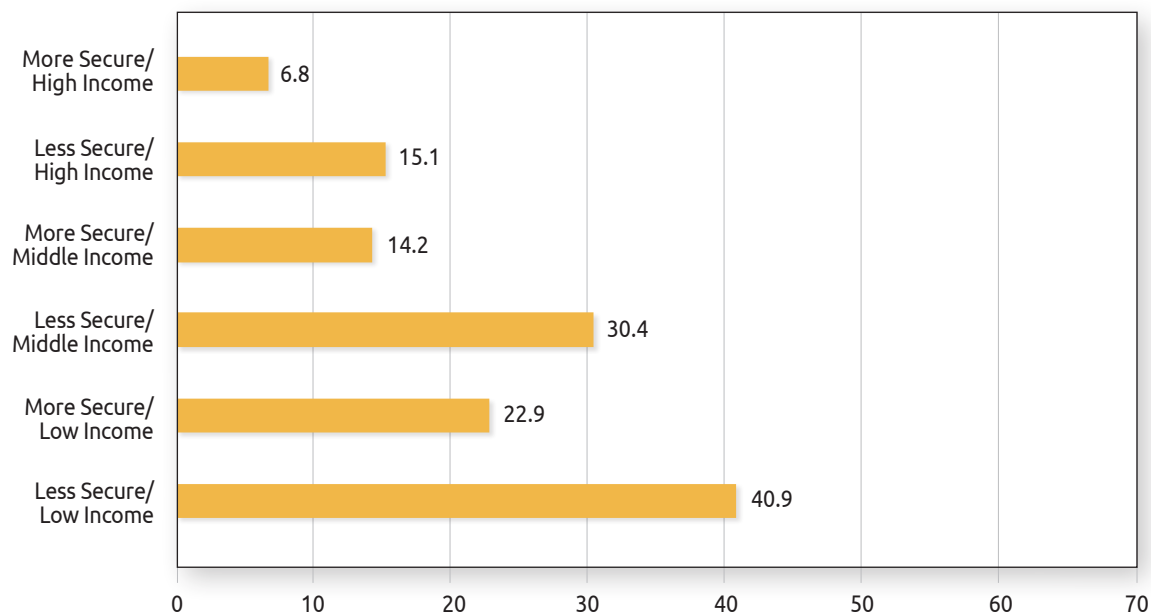
*When I was freelancing in Toronto, we didn't do anything. We didn't have money for a lot of stuff. We stayed in; we stopped buying beer. All these things that were part of our lives when we were working full-time—eating out in restaurants, going out to bars, going to concerts and stuff. Once I became a freelancer, all of that was cut out. We basically had enough money to make the mortgage and maybe a little bit more, but not very much so we had to cut out a lot of that stuff. . . . We made enough money on the sale of our house [in Toronto] to buy our house in Hamilton outright. So now we live here without a mortgage. It makes things a lot easier for us. . . I can live a really nice life and I feel really comfortable. I go to yoga all the time, I play on a sports team. . . I'm not living an isolated existence.*





**Figure 73** reports the impact of less secure employment on meeting debt obligations. Those in less secure employment report more concern over meeting debt obligations. Workers in less secure employment living in low-income households were the most likely to report such concerns.

**Figure 73: Concerned about meeting debt obligations in the next 12 months by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

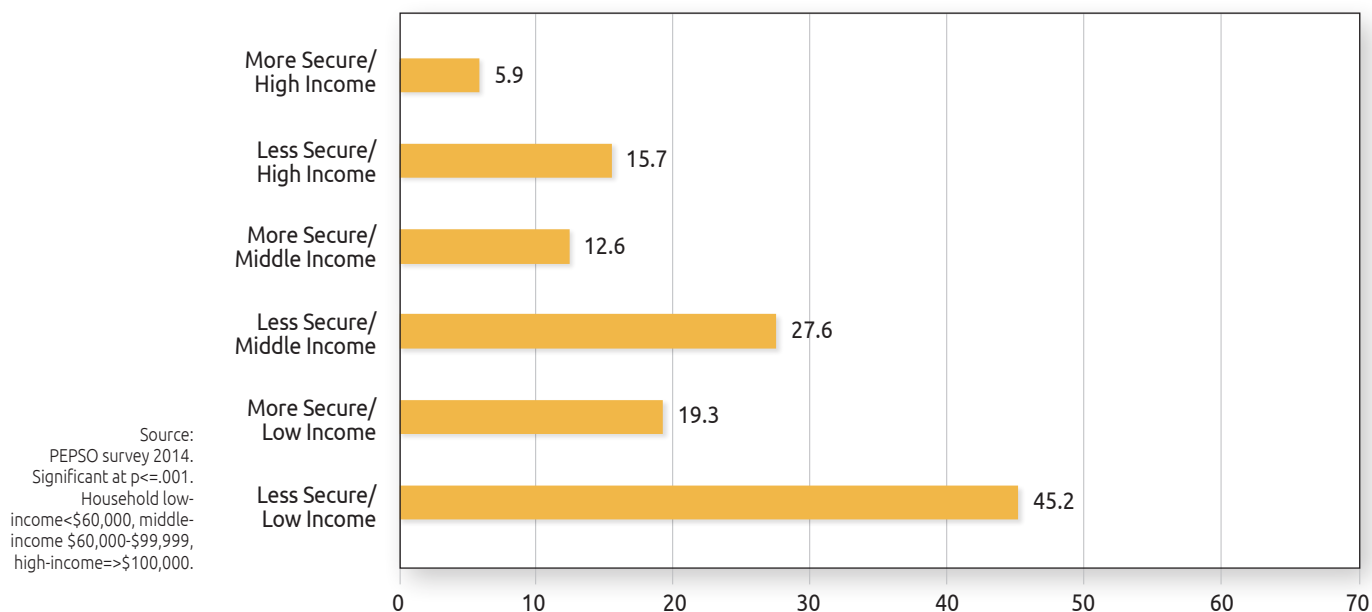
For those with a mortgage, the lack of regular work can be particularly stressful. For a new single mom, the lack of a regular income required spending adjustments, but also led to health concerns. Hannah explained:

*Oh, there's an incredible amount of anxiety. Especially since I had my son, because I am it. I am the sole provider, I have a mortgage—which I worked my butt off to get. I was working four part-time jobs and I just banked away enough money so I could buy a house because I knew if I didn't do it when I did, I wouldn't be able to, and that was important to me. But now that I have my son, I took that year of maternity leave to regroup and think "What else could I be doing, where else should I focus, where do I want to return to work?" . . . I always make sure I'm not overspending, but again, that inner-narrative is "I need to make this money." . . . So, for me, it changed how I was feeling about things, and I actually had to start talking to my family doctor about, is there counselling available? I had a couple of panic attacks, just about, you know, what am I going to do? And for me, it wasn't anything that needed medication. I just needed someone to talk to.*



**Figure 74** looks at the relationship between less secure employment and maintaining living standards. Workers in less secure employment living in low-income households are the most likely to express such concerns. More than one in four individuals in middle-income households in less secure employment also reported concern about maintaining living standards.

**Figure 74: Concerned about maintaining standard of living in the next 12 months by employment security and household income (%)**



For some, maintaining a minimum living standard means cutting back on as many expenses as possible. An older white freelance worker describes how the precarious nature of her existence affects spending patterns:

*I don't have a steady income and it makes my life very difficult. . . . I'm not scared anymore. I'm so accustomed to living on the edge, I'm not frightened, I'm not scared. I just know that I will find something, just that it is crappy work. Yes, it's hard. I just live. . . . I mean, I've been living simplistically for the past 10 years. I don't have TV, I don't go out. I live simply. . . . But on the other hand, I feel a bit deprived. I want a change, I want to go somewhere for a weekend or something. I'm just in this city for the past 10 years; I haven't travelled.*

Eva, a nationally recognized media content provider for a major media organization, is now having to do freelance work, resulting in a dramatic change in her life. She explained:

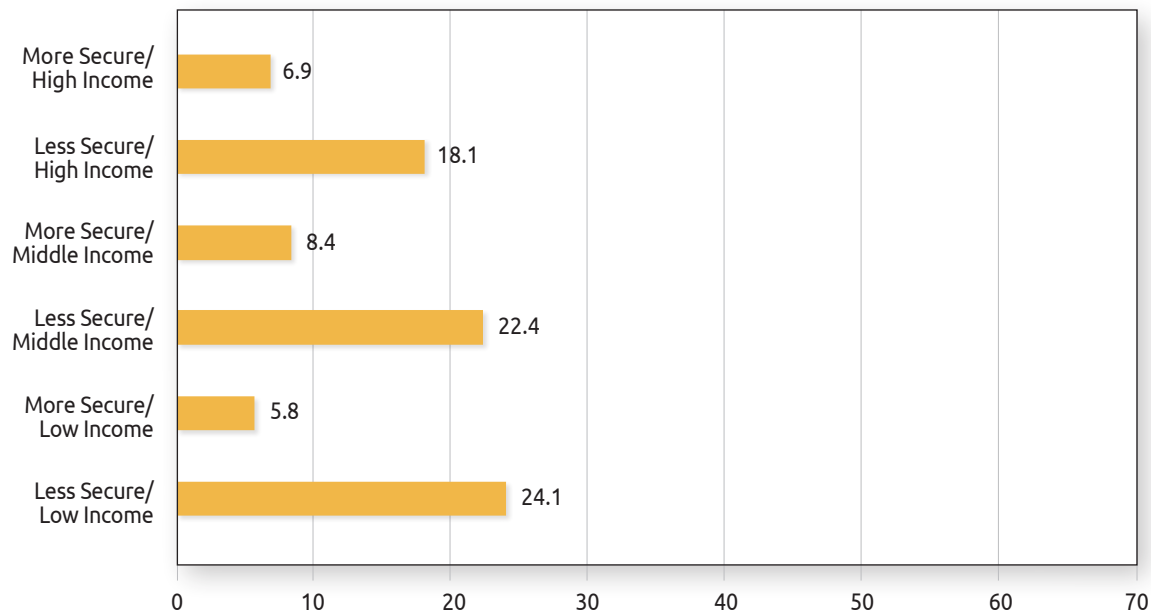
*You're just constantly fighting for work; you're constantly trying to find work. . . . But the way that my brain is going right now is like I just need a steady income because this is just getting ridiculous. Where I'm at right now is, financially, really precarious; it's really precarious. . . . You just stop living the way that you want to live or you start cutting back. I don't*



*live any kind of a lavish lifestyle, but I've got certain expenses like paying off my line of credit, paying off my computer, paying off the exercise bike I have, paying my. . . phone bill and I'm barely able to do those right now.*

**Figure 75** reports the association between employment security, household income and reduced personal income. Workers in less secure employment were more likely to report that their income this year was lower than last year. Nearly one-quarter of workers living in middle- and low-income households and in less secure employment reported that their income this year was lower. Fewer workers in secure employment reported such a change.

**Figure 75: Personal income is lower this year compared to last year by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

For some, maintaining a **minimum living standard** means **cutting back** on as many expenses **as possible**.



## Managing financially if falling behind

Another important link between precarious employment and Income Stress is how households manage financial stress if they start falling behind in their financial commitments. **Figure 76** reports responses to questions exploring the strategies that workers adopt if they are having trouble keeping up with bills and other financial commitments, including resorting to savings, credit cards, bank loans, payday loans, loans from relatives or friends, working more and cutting back. It indicates that workers in less secure employment adopt different strategies than workers in more secure employment.

Cutting back on expenditures is the most likely response of workers in both *Precarious* and *Secure* employment when falling behind financially, but fewer workers in *Precarious* employment are able to employ this approach. Resorting to savings or adding to credit-card debt is the second most likely strategy. Workers in *Precarious* employment are marginally more likely to adopt this strategy. Workers in *Precarious* employment are more likely to try to work more than workers in *Secure* employment.

Getting loans, through a variety of formal and informal means of lending, is the least common strategy, but there are important differences between workers in *Precarious* and *Secure* employment. Workers in *Precarious* employment are much more likely to look to a friend for a loan or, in a small number of cases, take out a payday loan. Workers in *Secure* employment are less likely to use these sources of loans, but do make significant use of bank loans.

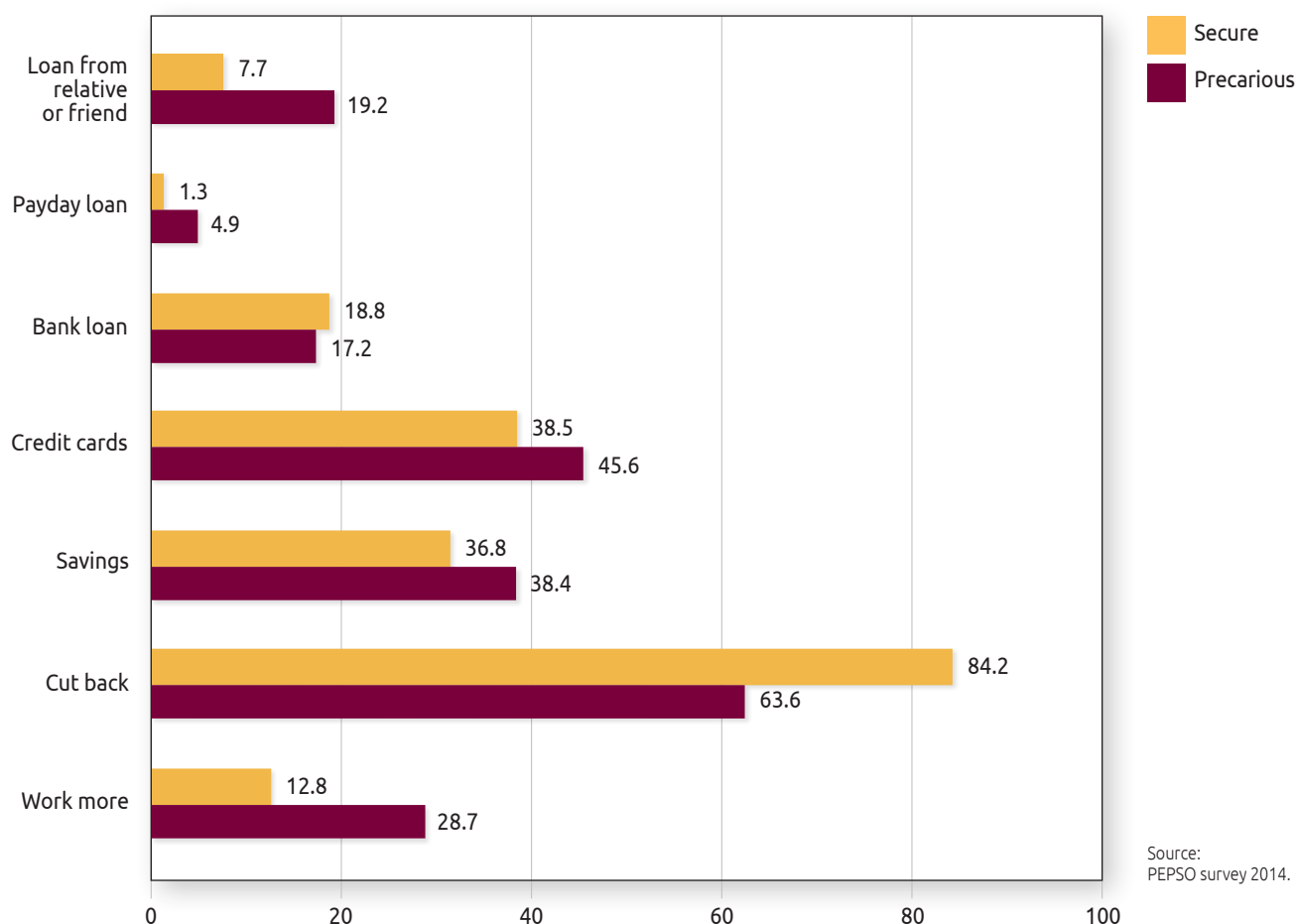
There are only minor differences in how men and women responded to financial difficulties. Racialized workers are more likely to make use of credit cards and savings when facing financial difficulties.

When we analyzed the responses to financial difficulty for workers in less- and more secure employment by household-income levels, a similar pattern to that reported above was found with some important exceptions. Over 20% of workers in less secure employment living in low-income households report that they would seek a loan from a relative or friend to balance household finances, but only 10% would access a bank loan. This compares with workers in more secure employment living in high-income households who would make more use of bank loans and be less likely to call on a relative or friend to balance household finances. This may suggest that workers in less secure employment living in low-income households have less access to formal loan mechanisms when facing financial difficulties and have to rely on less-formal mechanisms, such as friends or relatives.

Interviews with workers in insecure employment shed further light on how this category of workers responds when falling behind financially. It confirms the important role of friends and informal sources of funds to bridge income shortfalls. But it also reveals how this category of workers also relies on social welfare to maintain a minimum quality of life, a decision that some take reluctantly.



**Figure 76: How workers cope if they are falling behind financially by employment security (%)**



Tanvi often relied on friends to lend her small amounts of money when out of work. Sometimes, this was simply going out for a meal.

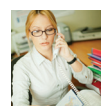
*If I have the work, then I tell them I'll pay them back. "If you can pick up my take, then I'll pay you back." Then I pay them back as soon as I have the money.*

Sarah relies on her mom and a friend for housing.

*Well, in my situation, one, I have my mom who will let me stay there rent-free. And I have a boyfriend who lets me stay there rent-free, so I'm very lucky I don't have to pay for rent. But I do pay for food, and I save enough for that.*

Others like Rafael use credit cards to bridge periods of low income.

*Right now, I'm starting to pay off all the debts I accumulated; for a while I was living off of credit cards. So, I'm paying off all my debt so I'm no longer paying interest.*



However, a large number of those interviewed relied on various forms of social assistance to get by. Mateo reluctantly relies on welfare to make ends meet.

*I'm on Ontario Works. I dislike having Ontario Works. . . . Ontario Works is very annoying, but at least at the same time I know if I need my insulin, I have my green card and will get my insulin. So that's fine for me, right now. Paying for stuff—I'm always getting freelance stuff, so I'm not worried about it. There is always something, and I have a great network. So there is always something coming from somewhere. I know a lot of people, and there's something here, something here, something here.*

Aden, a young racialized male who has completed university, makes use of the local food bank:

*Well, I go to the food bank. I still buy some things because they don't give you everything, but it helps. Let's be honest, it helps. I volunteer at the YMCA, so I get a discount on my membership. So my membership is 23 dollars. What else do I do? I'm on Ontario Works, as well.*

Several of the workers we interviewed were forced to seek out different forms of social assistance, but many also expressed reservations resorting to this strategy for managing financial difficulties. Sarah, who relied on her mom and friends for housing, also used a repayment assistance plan to help with her student loans. But she resisted the idea of applying for social assistance, preferring to depend on her family instead.

*Repayment assistance is when the government helps pay the interest in the times that you don't have a job. Those times where I was unemployed, I would get help with that debt. When I was employed, I'd have to pay it. I never applied for welfare; nothing like that. I think I just kept my savings to survive; and my family. If I didn't have family, though, I think I would have to have just taken something and just kept going with it.*

Cindy survives by tapping into social supports, but tries to draw a line at going on welfare. She told us:

*I go to the soup kitchen. . . . I just have to eat what's there. But, at least. . . I give thanks that it's there, on Mondays, Wednesdays, Thursdays and Fridays. And Saturdays I can go somewhere to get some food. So food is not a problem. The Internet is not too much trouble because Starbucks is across the street from where I live. . . . If things get bad, I'll be going to social services... but I'm doing my best not to do that.*





# PART 7

## Precarity, Income and Children<sup>60</sup>

This section examines the impact of precarious employment and income on the welfare of children. Income plays a significant role in decisions to have a family, and parents' ability to invest time and money into children. Employment security is less of a factor in these decisions. Employment security is a significant factor in influencing whether a partner is able to work for pay, and the type of childcare used.

### Summary of this section

#### a) Households with children

- Workers in *Precarious* employment are the least likely to have children living in their homes.
- When income and employment security are examined together, the differences between households are relatively small in terms of having children living in the household. Workers in less secure employment living in low-income households are the least likely to have children living in their households.
- Women, foreign-born racialized workers, and non-citizens are more likely to have children living in their household.

#### b) Investing in children

- Moving from a *Precarious* to a *Secure* employment relationship has very little effect on the ability of parents to invest in children.
- Income has a strong effect.

#### c) The challenge of childcare

- Workers in *Precarious* employment are more likely to respond that access to childcare limits their partner's ability to work and that it negatively affects their ability to work.
- Scheduling uncertainty is a major barrier, limiting childcare choices for those in *Precarious* employment.





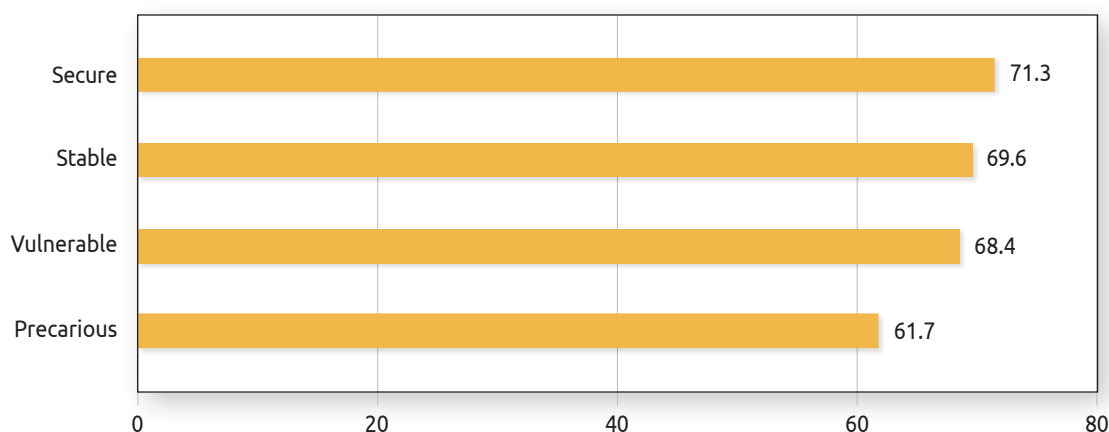
## d) Impact of precarity on childcare arrangements

- Workers in *Precarious* employment are more likely to rely on a stay-at-home partner or unpaid relative to provide childcare, and less likely to use licensed childcare.
- Workers in *Secure* employment are more likely to use a licensed childcare facility and use after-school programs.
- One manifestation of the challenges of finding childcare for workers in *Precarious* employment is a reduced likelihood that the partners of workers in *Precarious* employment work in permanent full-time jobs. There is also an increased likelihood that they are not working for pay.

## Households with children

The decision to have children is shaped by both employment security and household income. It has already been shown that workers in *Precarious* employment are more likely to report having delayed entering a relationship or starting a family. These decisions are reflected in **Figures 77** and **78**, which examine the types of workers that have children living at home. Workers in *Precarious* employment are the least likely to have children living with them. **Figure 78** adds household income to the analysis. It suggests that increasing household income and increasing employment security has a relatively small effect on the likelihood of workers reporting a child living in the house.

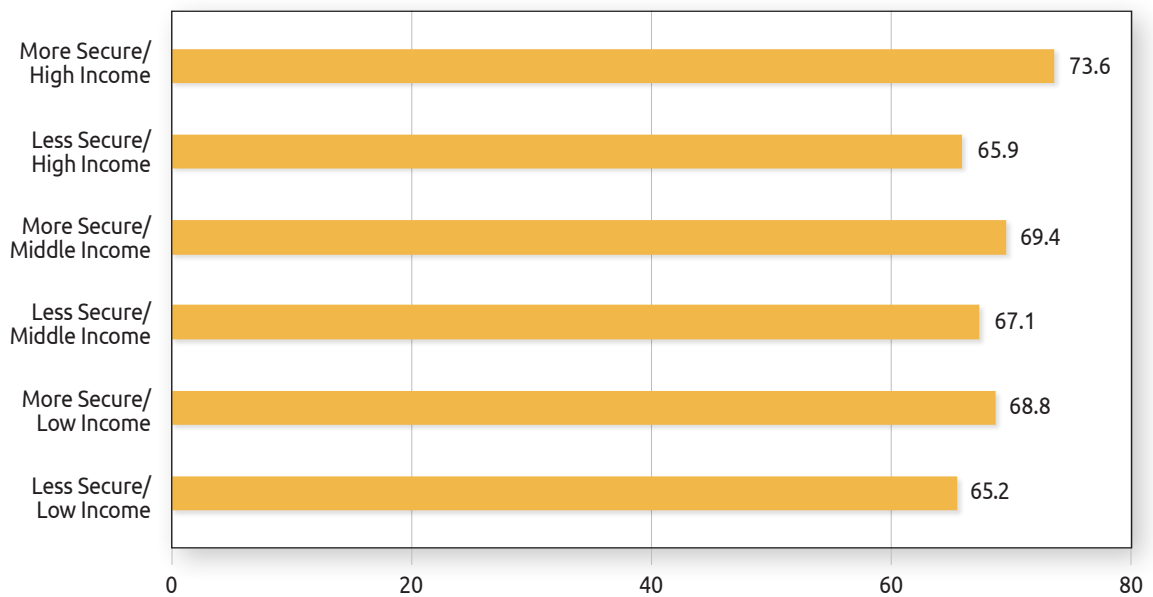
**Figure 77: One or more children in the household by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p < .001$



**Figure 78: One or more children in the household by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p < .05$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

## Investing in children

The Investing in Children Index is made up of questions that include the degree to which parents are able to invest in their children in the form of buying school supplies, paying for school trips, paying for other activities, and the time they invest in volunteering at school meetings or volunteering at other activities for children.

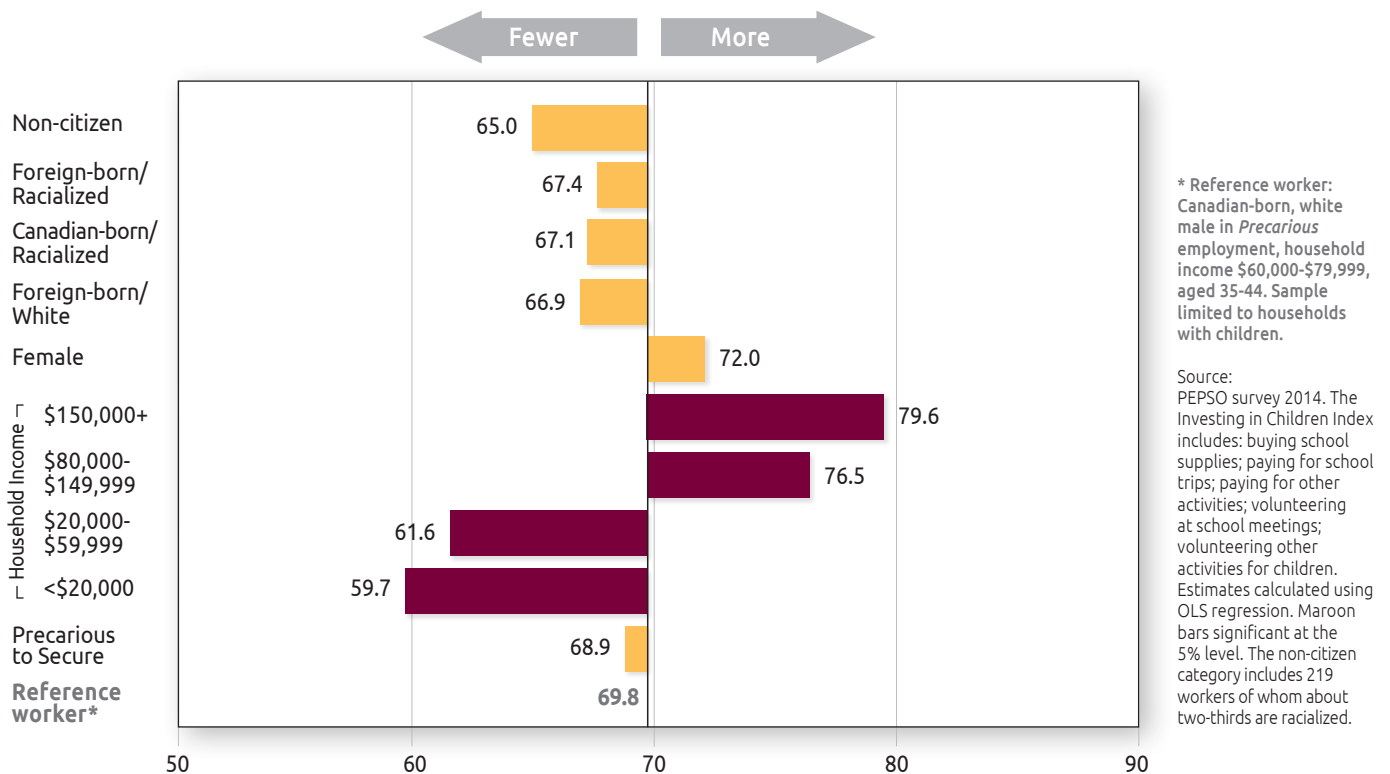
**Figure 79** provides estimates of how employment security, income, sex, place of birth and race individually shape parents' ability to financially and non-financially invest in their children. The estimates control for all of these factors simultaneously. Therefore, we can be more confident that the reported impact of any one characteristic of an individual is the impact of that characteristic and not the result of workers with that characteristic having different employment security, income, sex, place of birth or race characteristics. The estimates reported in **Figure 79** should be read as how changing a single characteristics of the reference worker changes the Investing in Children Index. (For more details on how these estimates are calculated, see **Appendix D**.)

A Canadian-born, white, middle-aged, male in *Precarious* employment, with a household income between \$60,000 and \$79,999, and with a child living in the house, scored almost 70 out of 100 on the Investing in Children Index. This relatively high score reflects the efforts that all parents make to support their children, regardless of income and employment security.

Increased income is the one factor in **Figure 79** that increases parental investment in children. Employment security, sex, racialization, place of birth and citizenship are not significantly associated with investing in children.

Income has a strong effect. Workers living in households earning less than \$20,000 report a reduction of nearly 15% in the ability to invest in their children relative to a worker living in a middle-income household, and a reduction of 25% relative to workers living in a household earning \$150,000 or more. Circumstances of birth—such as the income of parents—can impact a child’s access to opportunity.<sup>61</sup> The differential ability of parents to invest in their children demonstrates how background can influence a child’s life chances.

**Figure 79: Impact of income and employment security on Parents Investing in Children Index (Reference worker score=69.8\*)**



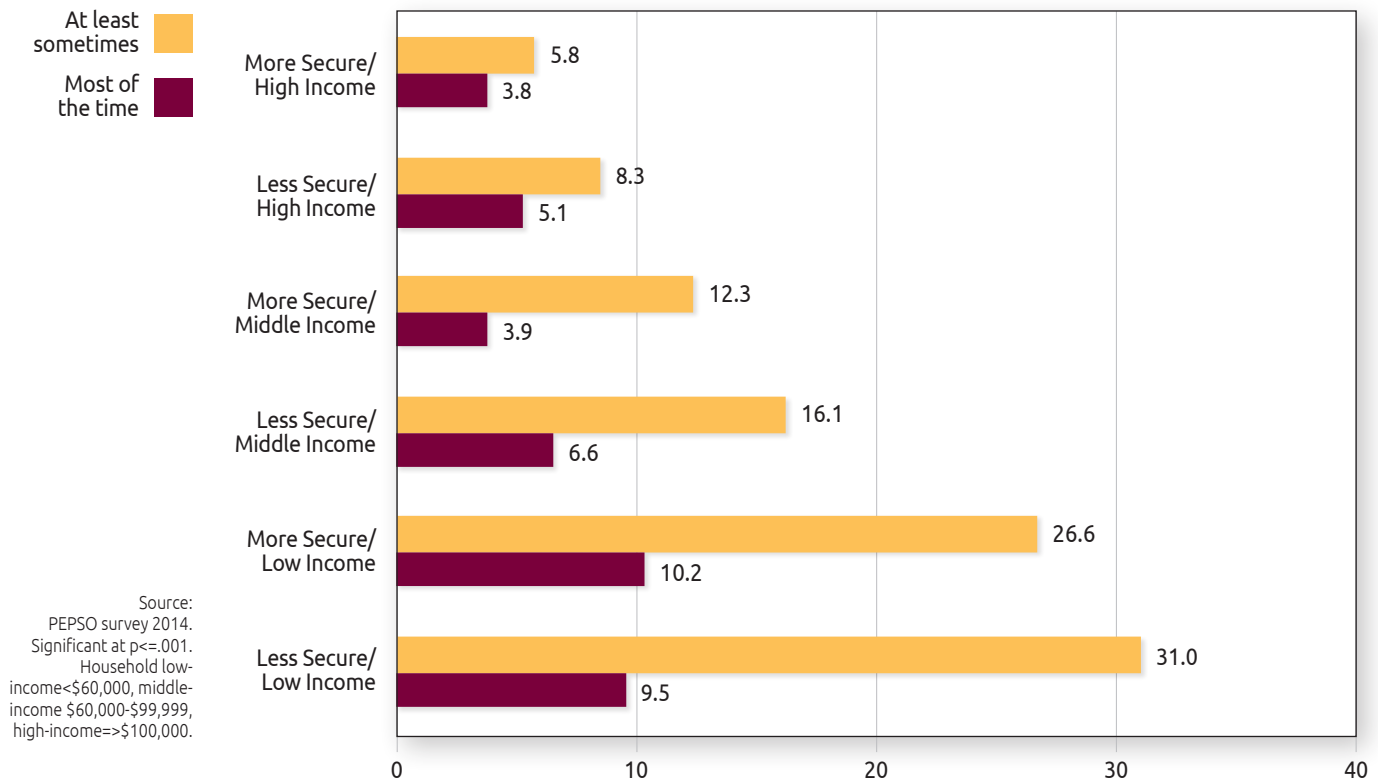
**Circumstances of birth**—such as the income of parents—can **impact** a child’s access to **opportunity**.



**Figures 80 to 84** examine the impact of employment security and household income on the components of the Investing in Children Index examined above.

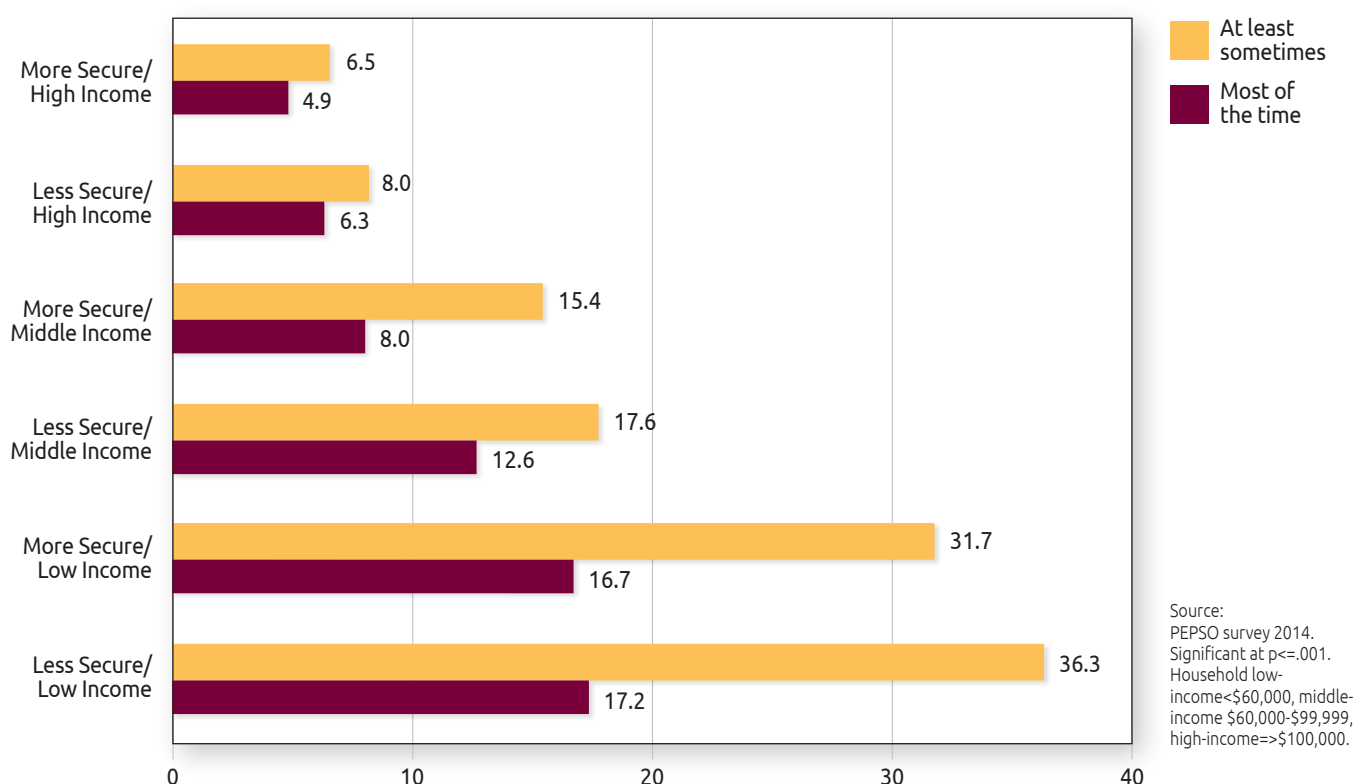
Workers living in low-income households are the most likely to be unable to buy school supplies and clothing for their children. Employment security has a small impact on these decisions, but it does increase the probability that parents are unable to buy school supplies and clothing some of the time (**Figure 80**).

**Figure 80: Unable to buy school supplies and clothing by employment security and household income (%)**



Workers living in low-income households are the most likely to be unable to pay for school trips for their children. Employment security has a small impact on these decisions, but it does increase the probability that parents are unable to pay for school trips some of the time (**Figure 81**).

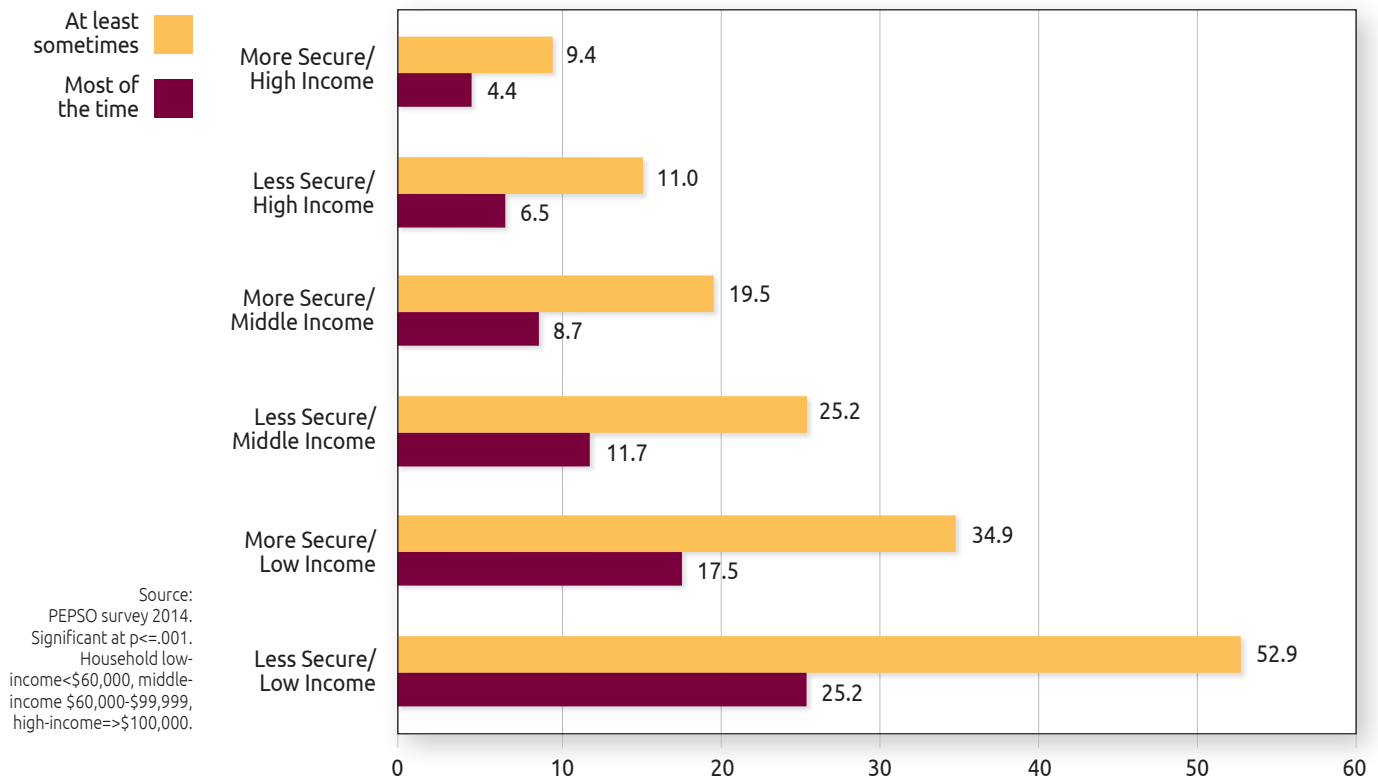
**Figure 81: Unable to pay for school trips by employment security and household income (%)**



Employment security has a larger effect on the ability of parents to pay for activities outside of school. Workers in less secure employment living in low-income households are the least likely to be able to pay for these activities, which can include sports and arts activities outside of the school (**Figure 82**). This suggests that, when faced with employment insecurity and low income, parents find ways to invest in the needs of their children within the school system, including providing school supplies and paying for school trips, but end up making compromises on other activities outside of school. The differences between households can be quite large. Parents in less secure employment living in low-income households are five times as likely to report that they are unable to pay for activities outside of school most of the time, compared to parents in more secure employment living in high-income households. It is likely that the reduced ability to invest in these activities will negatively affect the opportunities for children to excel when living in households that combine less secure employment and low household income.



**Figure 82: Unable to pay for activities outside of school by employment security and household income (%)**

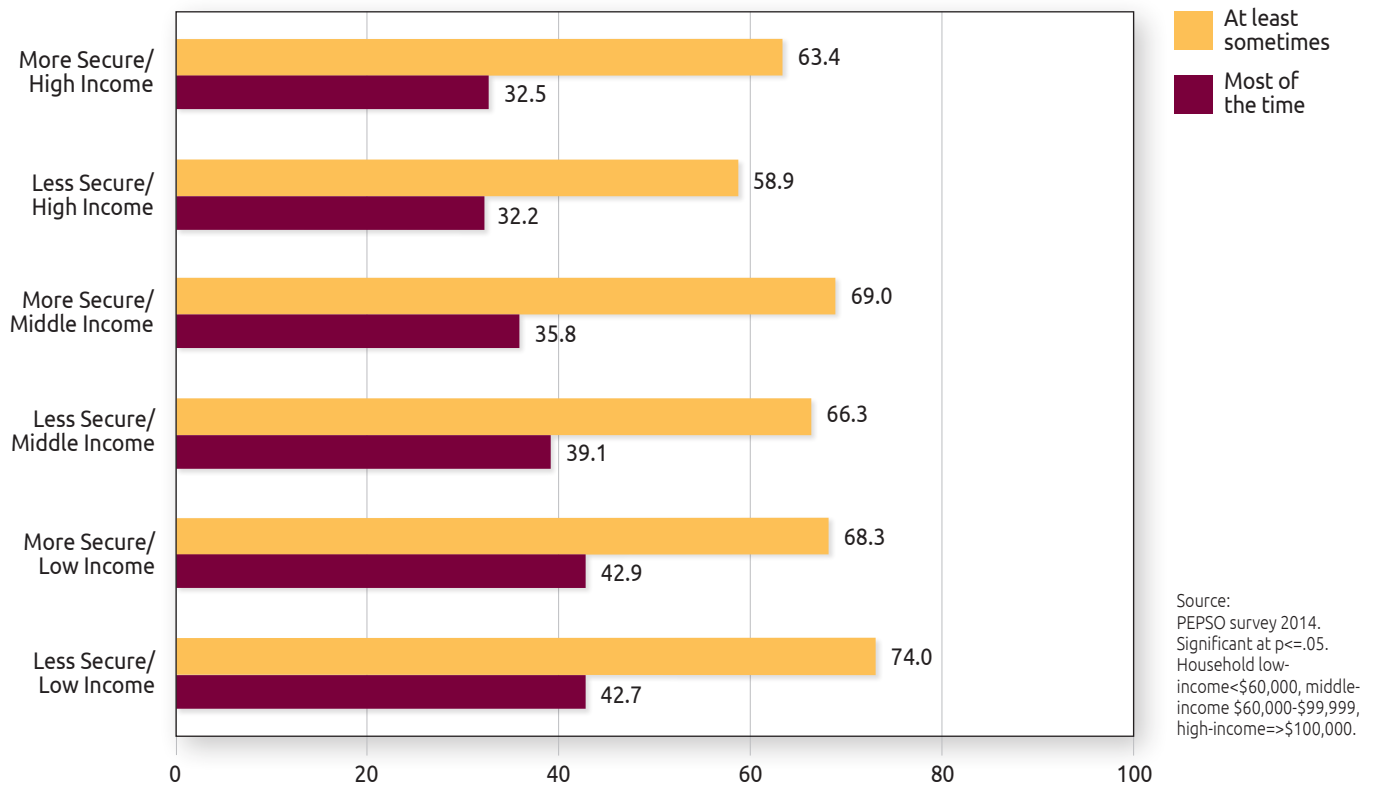


**Figure 83** explores the time that parents invest in school-related activities. There are only minor differences between workers in less secure and more secure employment, although workers in less secure employment living in low-income households are the least likely to be able to make such investments.

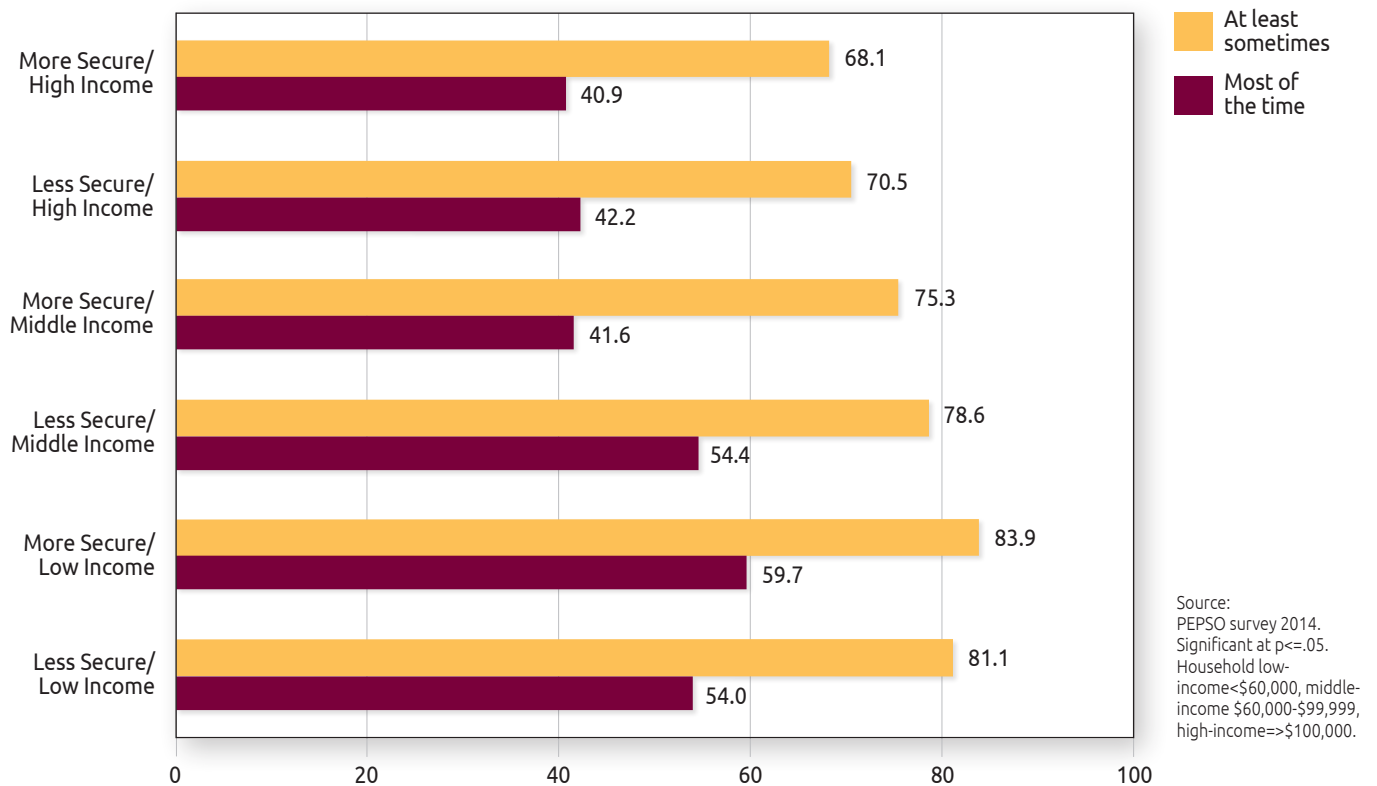
**Figure 84** looks at a second indicator of parental ability to invest time in their children by volunteering at activities outside of the school. Again, there are relatively small differences between workers in less- and more secure employment; however, workers living in low-income households and workers in less secure employment living in middle-income households are the least likely to be able to make such investments.

For some parents, **working irregular shifts** for **relatively low pay** can make it **difficult** to **support their children**.

**Figure 83: Unable to attend or volunteer at school related activities by employment security and household income (%)**



**Figure 84: Unable to volunteer at activities outside of school by employment security and household income (%)**



Interviews with parents of children expose the tensions that insecure work can create. For some parents, working irregular shifts for relatively low pay can make it difficult to support their children. When asked how her work affected her relationship with her child, Melinda, a single immigrant mother who is working on contract in a call centre, reported:

*Oh my God, a lot. A lot. I tried to keep and save my smile and my energy for the end of the day because when I pick up my kids, they're also tired, since they had a big day since morning. But I lost my energy a little bit, and it's very hard when I get this kind of letter. End of the day like submitting the papers and especially the daycare. Like I have a child that has like, special needs, so every time I get a call from the daycare. . . sorry.*

Her fear is that her inability to find secure employment will lead to her son questioning the value of education, leaving him with limited future career options. She indicated:

*Like, I just say "we have to save money, we have to buy a car. . . look, Mommy will buy a good house." Like, I have to put a good example forward in front of him because if I had husband, together we could show the dream for him, because kids want to see parents in a stable situation, not like broken. . . . I'm living day by day right now, yes. I'm surviving and living.*

## The challenge of childcare

A major challenge for workers in less secure employment is managing their childcare needs.

**Figure 85** reports the extent to which access to childcare limits the ability to work.

Workers in Precarious employment are more than twice as likely to report that access to childcare negatively affects their ability to work. They are almost three times as likely to report that it limits their partner's ability to work, relative to those in Secure employment.

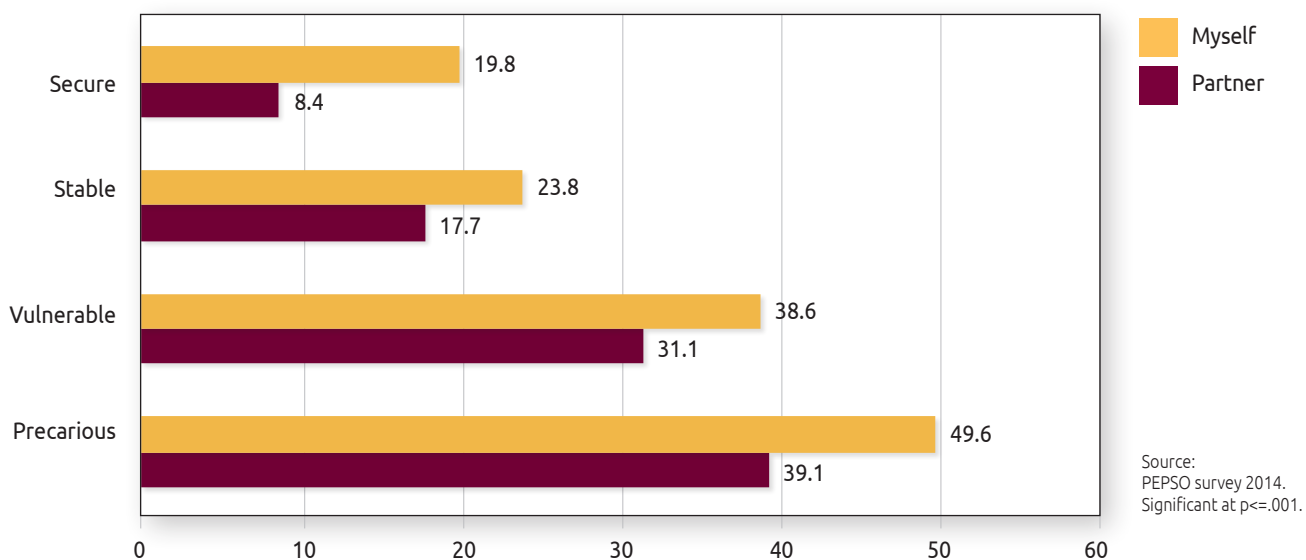
**Figure 86** explores the effect of employment security and household income on accessing childcare. Workers in less secure employment and workers in lower-income employment are equally affected by lack of access to childcare. Improved childcare can lift some low-income households out of poverty by making it easier for parents to find employment.

A major challenge for workers  
in less secure employment is  
managing their childcare needs.

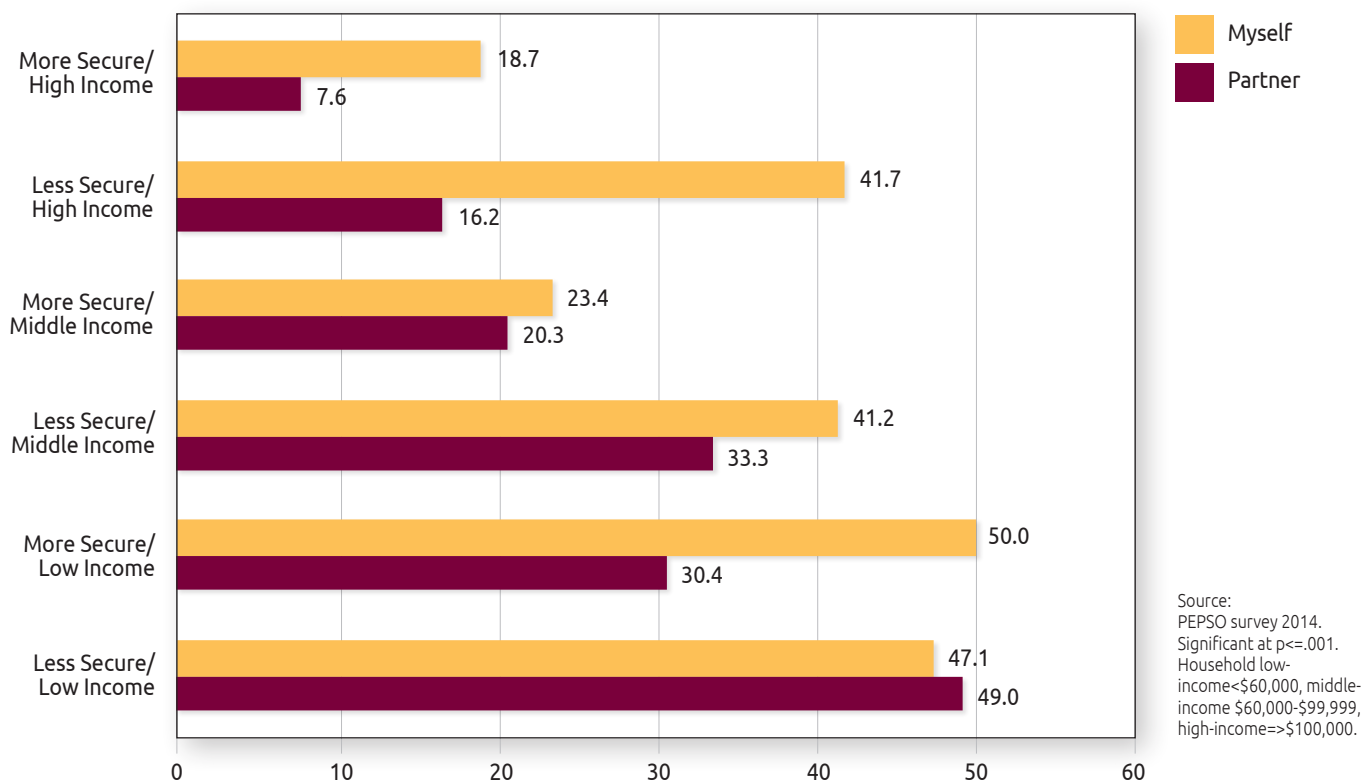




**Figure 85: Lack of access to childcare limits ability to work by employment security (%)**

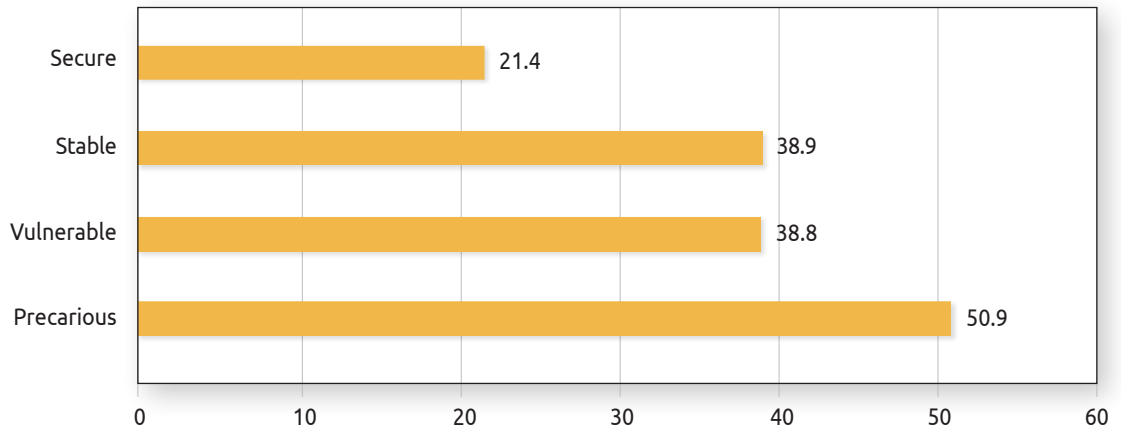


**Figure 86: Lack of access to childcare limits ability to work by employment security and household income (%)**



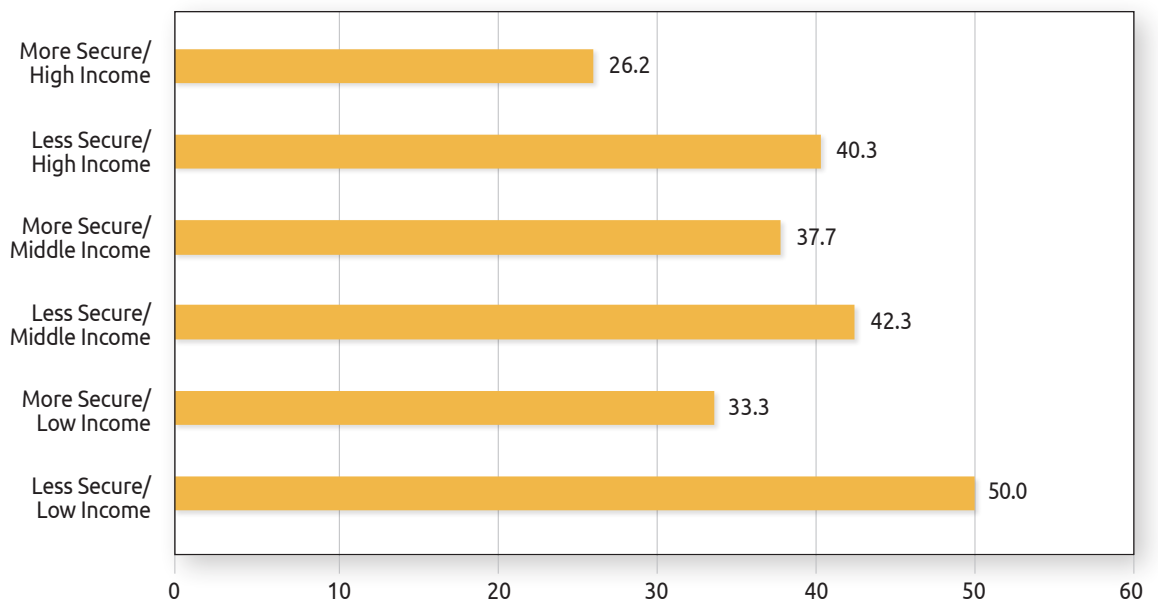
Scheduling Uncertainty is a major barrier limiting childcare choices for those in *Precarious* employment. **Figure 87** reports that over half of workers in *Precarious* employment report that uncertainty regarding work schedules limits childcare choices. This is true for workers in less secure employment regardless of household income (**Figure 88**).

**Figure 87: Uncertainty regarding work schedule and location limits childcare choices by employment security (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ .

**Figure 88: Uncertainty regarding work schedule and location limits childcare choices by employment security and household income (%)**



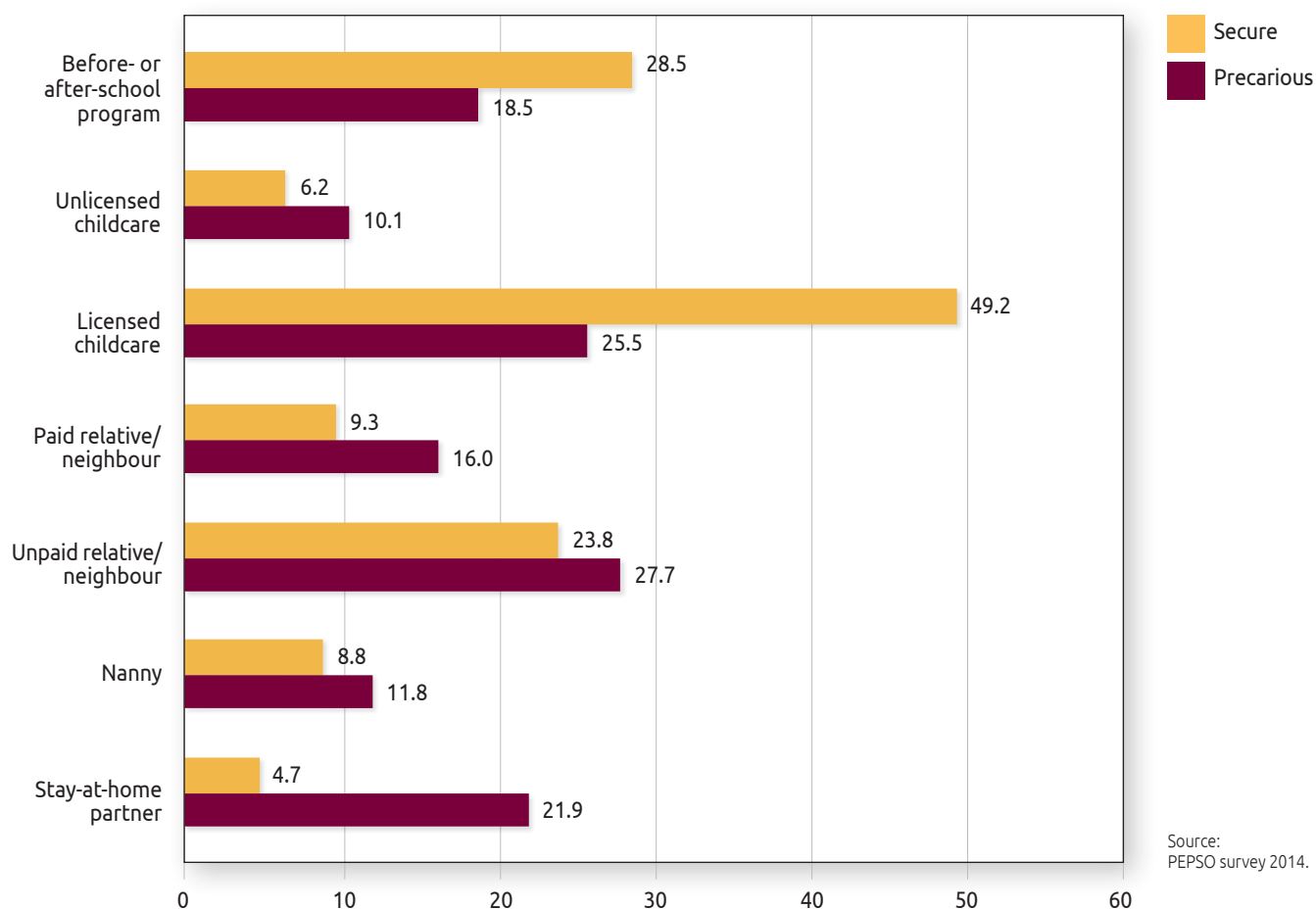
Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income > \$100,000.



## Impact of precarity on childcare arrangements

**Figure 89** looks at the types of childcare arrangements that parents make when in *Precarious* and *Secure* employment. Parents in *Precarious* employment are much more likely to rely on a stay-at-home partner to provide childcare and much less likely to use licensed childcare. The increased reliance on one partner not working and staying at home to mind children puts further financial stress on households where employment is *Precarious*.

**Figure 89: Type of childcare used by employment security (%)**

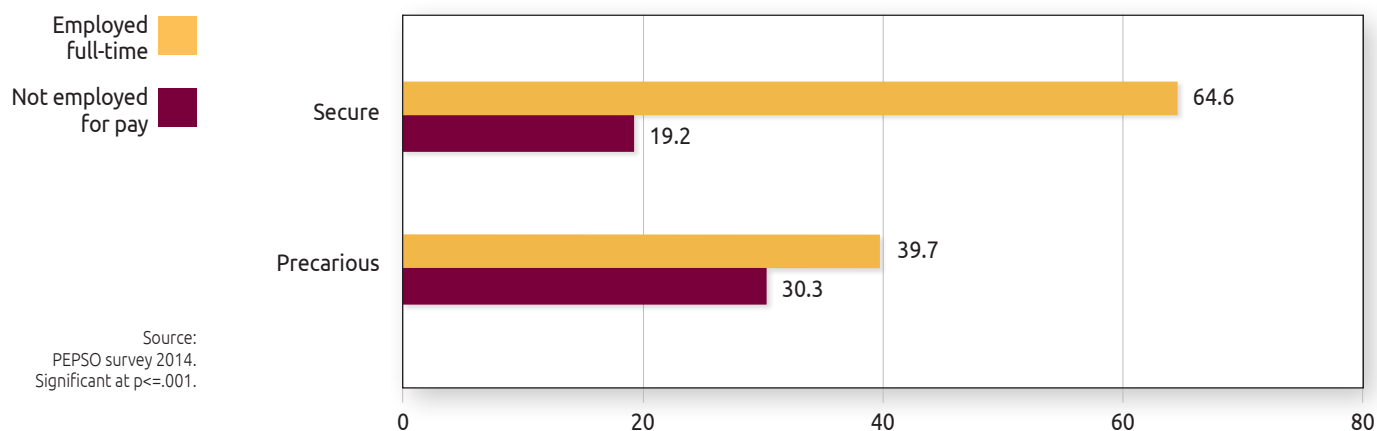


The challenges of finding childcare, and the increased probability that this will be resolved by having a partner stay at home, is reflected in **Figures 90** and **91**, which report the partner employment status of male and female survey respondents. **Figure 90** looks at partners' employment relationship for male survey participants. For men in *Precarious* employment, there is a significantly higher probability that their partner will either not be in paid employment or not be employed full-time. This difference in partners' employment patterns accentuates the household-income disparities that already exist as a result of the lower income of workers in *Precarious* employment relative to workers in *Secure* employment. Women in *Precarious* employment also report that their partner is less likely to be employed full-time and more likely not to be employed for pay, but less significantly than in the case of men and their partners (**Figure 91**).

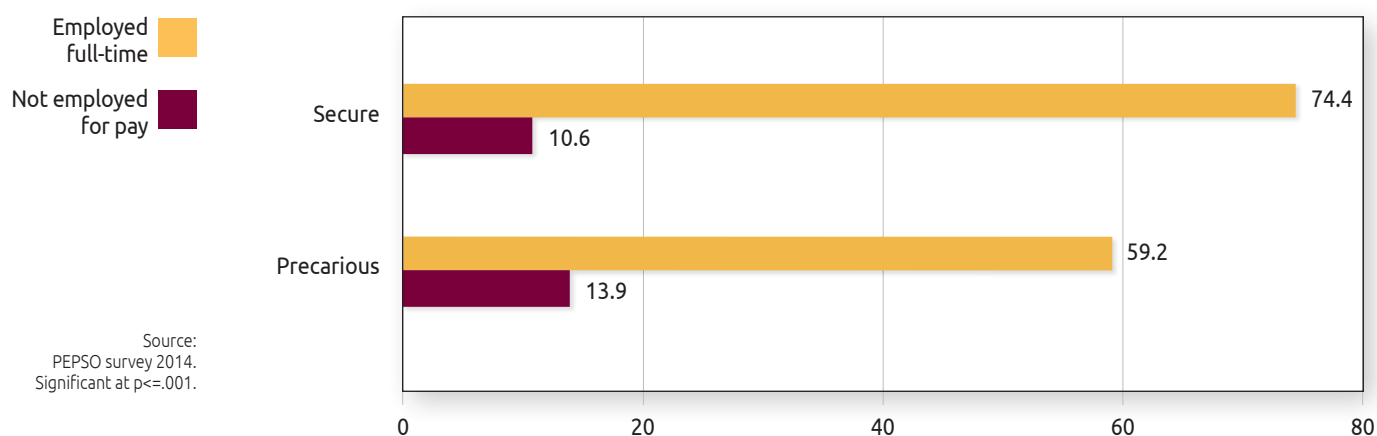


The association between an individual's employment security and their partner's employment relationship, reported in **Figures 90 and 91**, is the exact opposite of what one would expect under the male breadwinner/female caregiver model that was associated with the Standard Employment Relationship. This social model was characterized by a male in secure employment living with a woman who was either not working or working in a part-time or temporary position. Instead, we are seeing more clustering by employment security, where men and women in *Secure* employment are living with someone who is more likely to be employed full-time. Men and women in *Precarious* employment are more likely to be living with someone who is not working at all or not working full-time.

**Figure 90: Employment relationship of male's partner by male's employment security (%)**



**Figure 91: Employment relationship of female's partner by female's employment security (%)**





# PART 8

## Precarity, Income and Community Participation

This section examines the impact of precarious employment and income on community participation. It examines levels of community participation, the prevalence of volunteering, and the motives behind decisions to volunteer, levels of social interaction and the prevalence of voting. Employment insecurity has several impacts on these sorts of activity and decisions.

### Summary of this section

#### a) Participating in community activities

- Moving from *Precarious* to *Secure* employment has a small, negative impact on community participation.
- Increased income increases community participation.
- Women participate more in community activities than men. Citizenship and race are not significant factors.

#### b) Volunteering

- Workers in less secure employment at all levels of income are more likely to volunteer and to volunteer for more than 10 hours a month, compared to workers in more secure employment.

#### c) Reasons for volunteering

- Workers in less secure employment and in low- and middle-income households are more likely to volunteer to network or to improve job opportunities.
- Workers in less secure employment living in low-income households are the least likely to volunteer to contribute to their community and less likely to volunteer to provide benefits for their children, their family or themselves, compared to workers in more secure employment.



## d) Social interaction and support

- Moving from *Precarious* to *Secure* employment increases social interaction.
- Low household income decreases social interaction. Social interaction increases as household income increases, but it reaches a maximum once household income is in the \$60,000–\$79,999 range and does not increase as household income increases further.
- Racialized workers report less social interaction, regardless of citizenship or place of birth.

## e) Voting

- Moving from *Precarious* to *Secure* employment increases the likelihood of voting by over 20%.
- Very low-income workers vote less, and very high-income workers vote more.
- Canadian-born and non-Canadian-born racialized workers vote less.

## Participating in community activities

The Community Participation Index is made up of questions that measure the number of hours people volunteer as well as their participation in six different types of community events over the last 12 months, from attending a political meeting or neighbourhood meeting to belonging to an arts group or being a member of an adult-recreation or sports club. About one-quarter of respondents did none of these activities, and another half did either one or two of these activities. The average person engaged in 1.7 types of community activities.

**Figure 92** provides estimates of how employment security, income, sex, place of birth and race individually shape community engagement. The estimates control for all of these factors simultaneously. Therefore, we can be more confident that the reported impact of any one characteristic of an individual is the impact of that characteristic and not the result of workers with that characteristic having different employment security, income, sex, place of birth or race characteristics. The estimates reported in **Figure 92** should be read as how changing a single characteristic of the reference worker changes the Community Participation Index. (For more details on how these estimates are calculated, see **Appendix D**).

A Canadian-born, white, middle-aged, male in *Precarious* employment, with a household income between \$60,000 and \$79,999, scored almost 24 out of 100 on the Community Participation Index.

Employment security and low household income reduce participation. High income and being female increase participation. Racialization, place of birth and citizenship do not have a significant effect on Index scores.

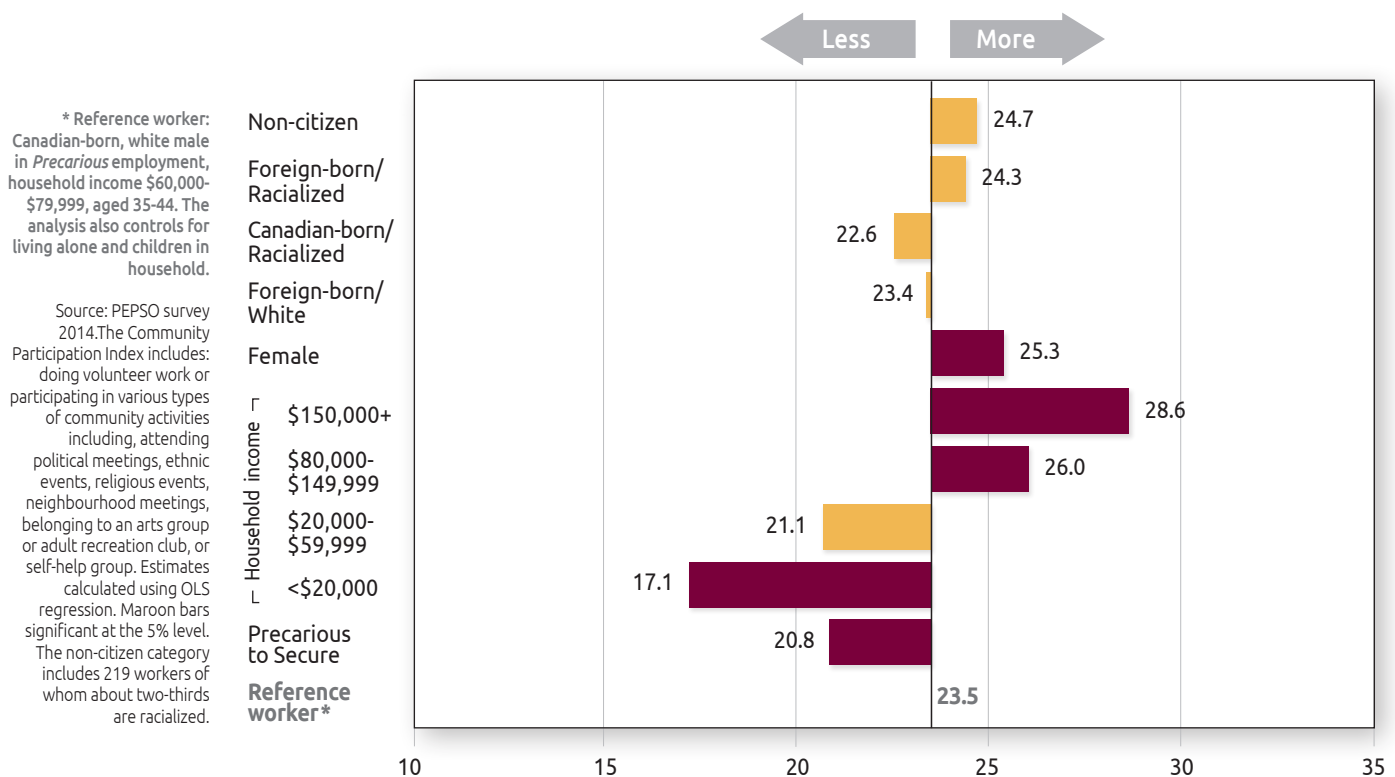
Moving from *Precarious* to *Secure* employment reduces community participation by just over 11%. This reflects choices that some individuals make to take temporary or part-time jobs to allow for more community participation. It may also reflect workers in *Precarious* employment who engage in more frequent community activities as a way of networking to find more employment. This is an issue we explore in more detail below.



Increased income has a strong positive effect on the level of community participation. A worker living in a household with a total income of less than \$20,000 has an Index score that is over 25% lower than a worker living in a middle-income household. Workers living in households with a total income in excess of \$150,000 have an Index score that is over 20% higher than a worker in a middle-income household. The very high-income household has an Index score almost 70% higher than a worker living in a household earning less than \$20,000.

Women scored almost 10% higher on the Index.

**Figure 92: Impact of income and employment security on Community Participation Index (Reference worker score=23.5\*)**



Levels of participation in the seven community event types that make up the Community Participation Index differed significantly, as did the effect of employment security and household income on participation.

About one in 10 survey respondents attended a political meeting in the last 12 months. Participation rates are lower for workers in low-income households and highest for workers in less secure employment living in high-income households.

About one-third of survey respondents belonged to an adult recreation or sports club. Participation increases with income and with employment security. Workers in less secure employment living in low-income households are the least likely to belong to an adult sports or recreation club. Almost





40% of white workers belong to adult sports and recreation clubs, compared to only 26% of racialized workers.

About one-quarter of survey respondents attended a neighbourhood- or community-association meeting in the last 12 months. Participation generally increases with income and with employment security. The exception is workers in less secure employment living in high-income households who are the most likely to participate in these sorts of meetings.

About one in four survey respondents attended an event organized by an ethno-cultural organization last year. Neither employment security nor income had any significant effect on levels of participation.

Just under one in five survey respondents belonged to an arts or culture organization. Respondents in less secure employment are marginally more likely to belong to such organizations.

Just under half of survey respondents attended a religious event. Workers in less secure employment living in low-income households are the least likely to attend religious events.

About one in 10 survey respondents belonged to a self-help organization. Participation rates are highest for workers living in low-income households and for workers in less secure employment living in high-income households.

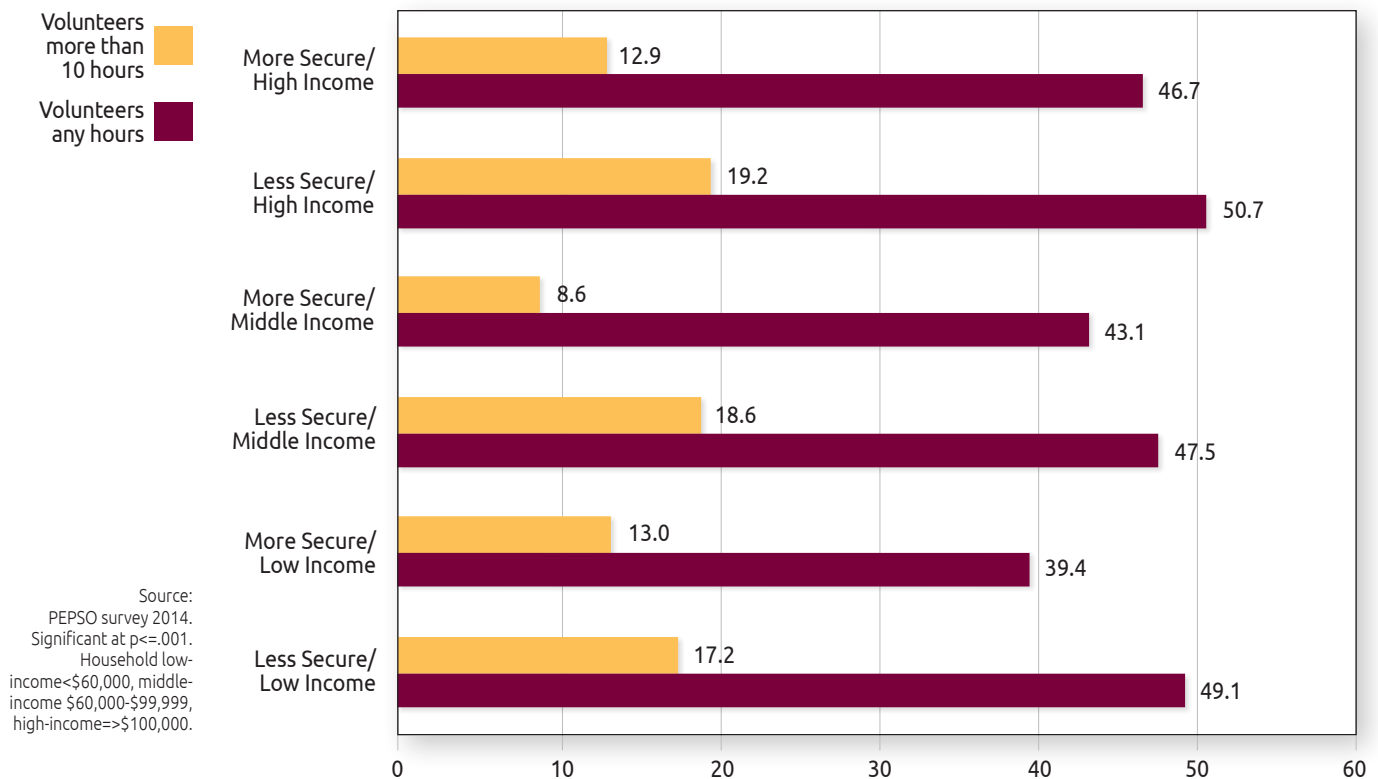
**Increased income** has a  
**strong positive effect** on the  
level of **community participation**.



## Reasons for volunteering

**Figure 93** reports who volunteers, and who volunteers a lot, by employment security and household income. Workers in less secure employment at all levels of household income are more likely to volunteer than workers in more secure employment. Workers in less secure employment are more likely to volunteer more than 10 hours a month, compared to workers in more secure employment. Household income has no clear effect on volunteering or volunteering more than 10 hours a month.

**Figure 93: Hours volunteering per month by employment security and household income (%)**



We also examined the number of hours that workers volunteered per month by employment security and income. The average survey respondent volunteered just over seven hours per month over the last 12 months. Workers in *Secure* employment volunteered less than the average number of hours (5.4), while workers in *Precarious* employment volunteered more than average (8.7). Workers in less secure employment living in low-income households (8.0) and high-income households (9.5) volunteered more than average. Workers in more secure employment living in middle-income households volunteered the fewest hours per month (5.7). Women (7.9) volunteered a bit more than men (6.7), while race, place of birth and citizenship have no significant effect.

**Figures 94 to 97** examine four different reasons for volunteering. Both employment security and income are associated with different motives for volunteering. Workers in insecure, low-income

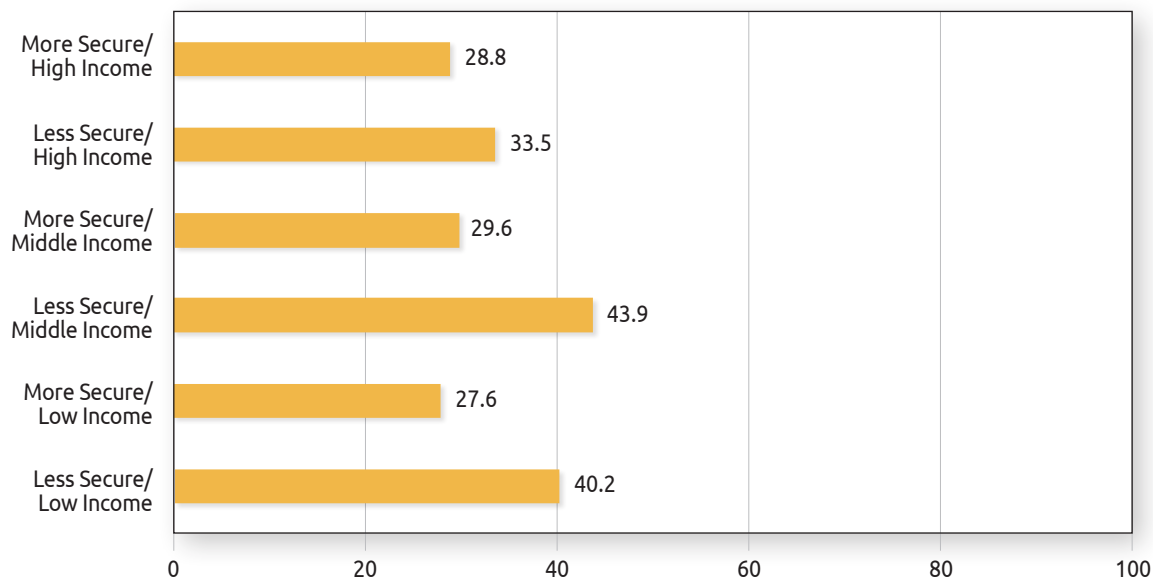
employment are more likely to volunteer to network, with the goal of finding more employment. Of workers who volunteer, volunteering to make a contribution to the community is the most frequent reason given (86%), followed closely by volunteering to benefit their children, family or themselves (50%). Less-frequent reasons for volunteering include to network or meet people (34%), and to improve job opportunities (23%).

Racialized workers are twice as likely as white workers to volunteer to improve job opportunities. They are marginally more likely to volunteer to network or meet people, but marginally less likely to volunteer to contribute to the community or to benefit children and family.

These findings suggest that, as employment becomes less secure and as income levels fall, workers become more focused on volunteering to improve their job prospects and less on volunteering to contribute to their community or to improve the welfare of their households. At higher family-income levels, it appears that some workers may choose less-permanent employment that allows them to volunteer to contribute to the community or to benefit children and family.

**Figures 94 and 95** report who volunteers to network or improve job opportunities. Workers in less secure employment are generally more likely to volunteer to network and to improve job opportunities.

**Figure 94: Volunteers to network by employment security and household income (%)**

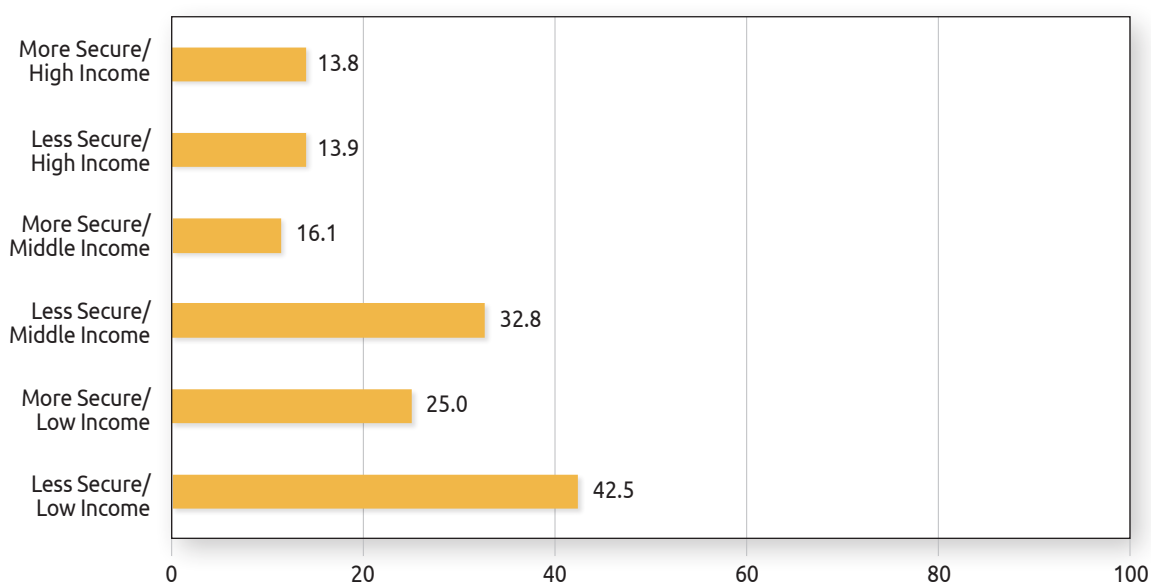


Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ .  
Household low-  
income < \$60,000, middle-  
income \$60,000-\$99,999,  
high-income  $\geq$  \$100,000.



**Figure 95: Volunteers to improve job opportunities by employment security and household income (%)**

Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ .  
Household low-  
income < \$60,000, middle-  
income \$60,000-\$99,999,  
high-income  $\geq$  \$100,000.



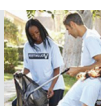
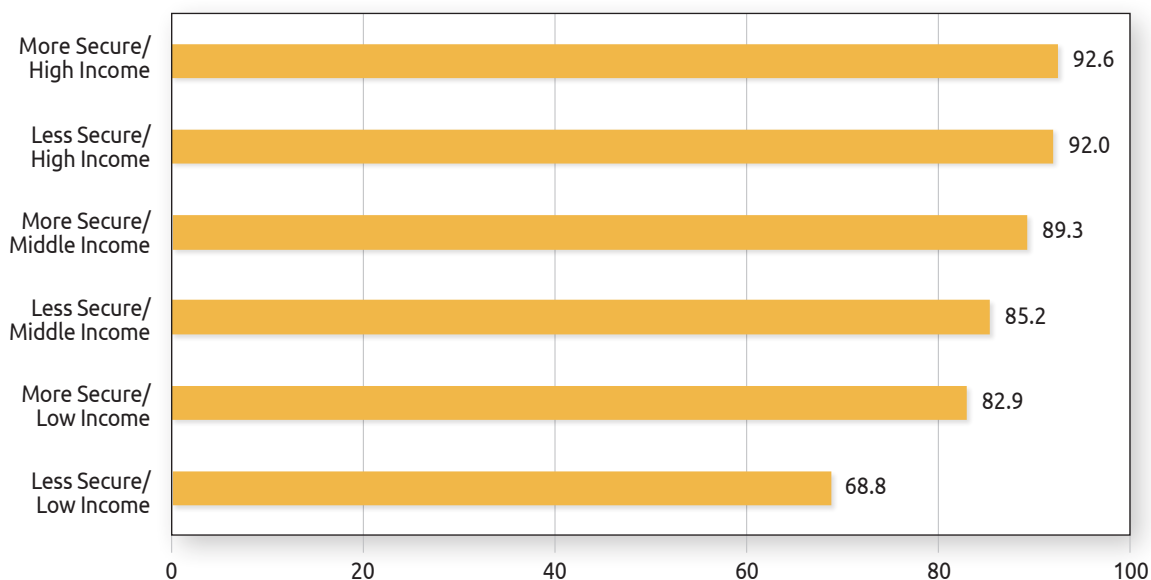
Susan, an older white woman with a college qualification, is typical of how a number of workers in precarious employment make use of volunteer work. She told us how volunteering turned into a job for her:

*Actually, I applied to do some volunteer work, and then I got an answer from them saying that this job was going to be open, if I want to apply for it. I applied and they took me.*

**Figures 96 and 97** report who volunteers to contribute to the community or to benefit their children, family or themselves. Volunteering to contribute to one's community generally increases

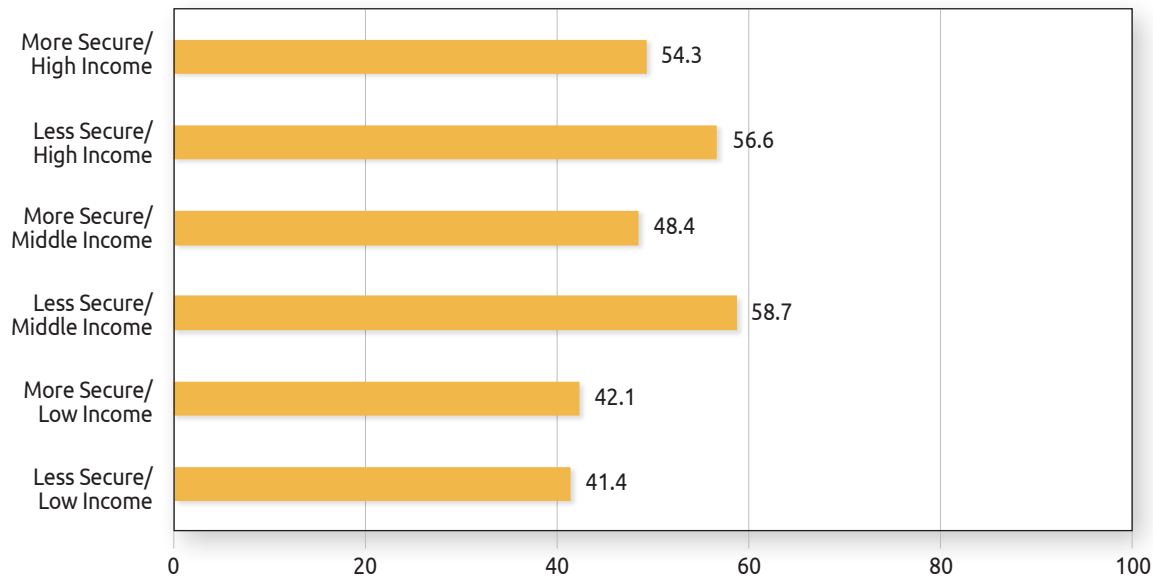
**Figure 96: Volunteers to contribute to community by employment security and household income (%)**

Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ .  
Household low-  
income < \$60,000, middle-  
income \$60,000-\$99,999,  
high-income  $\geq$  \$100,000.



with income. Workers in less secure employment living in low-income households are the least likely to volunteer for this reason. Workers in low-income households are also less likely to volunteer to benefit their children or family. Employment security generally has little effect on volunteering for this reason, other than for workers in less secure employment living in middle-income households who are the most likely to volunteer for this reason.

**Figure 97: Volunteers to benefit their children, family or themselves by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

The preceding figures suggest that, as employment becomes less secure, the reasons for volunteering are likely to change. Workers in less secure employment living in low- and middle-income households are 50% more likely to volunteer to improve job opportunities than workers in more secure employment. Workers in secure employment living in high-income households are 33% more likely to volunteer to contribute to their community and 30% more likely to volunteer to benefit their children or family than workers in less secure employment living in low-income households.

## Social interaction and support

The Social Interaction and Support Index is the sum of six different questions, including having: a friend to talk to, a friend to help with small jobs, someone to have a meal with, a work schedule that prevents doing things with friends or family, someone who would loan you money in an emergency, and friends at work.

**Figure 98** provides estimates of how employment security, income, sex, place of birth and race individually shape social interaction and support. The estimates control for all of these factors simultaneously. Therefore, we can be more confident that the reported impact of any one characteristic of an individual is the impact of that characteristic and not the result of workers with that characteristic having different employment security, income, sex, place of birth or race



characteristics. The estimates reported in **Figure 98** should be read as how changing a single characteristic of the reference worker changes the Social Interaction and Support Index. (For more details on how these estimates are calculated, see **Appendix D**.)

A Canadian-born, white, middle-aged, male in *Precarious* employment, with a household income between \$60,000 and \$79,999, scored 62 out of 100 on the Social Interaction and Support Index.

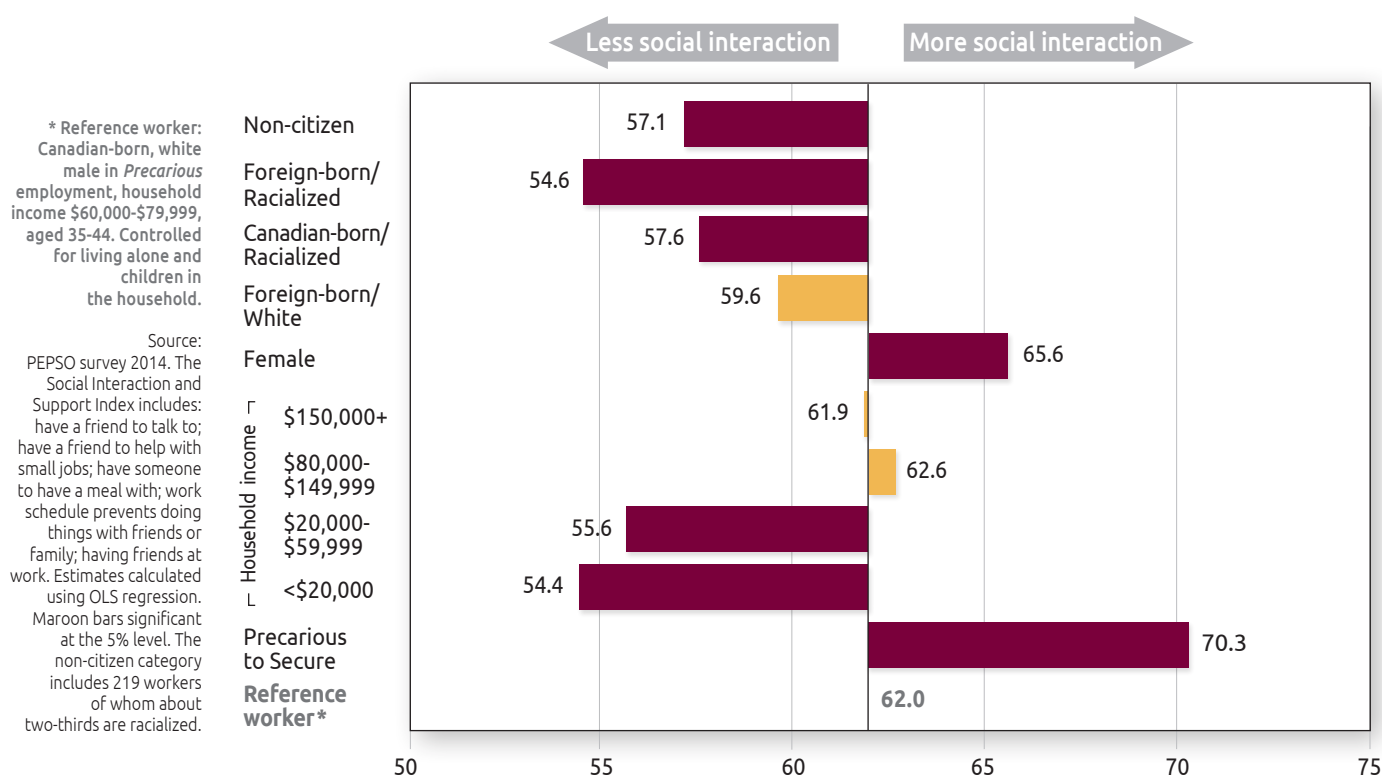
Employment security and being female increase interaction and support. Low household income, racialization, place of birth and citizenship are all associated with decreased interaction and support.

Moving from *Precarious* to *Secure* employment increases social interaction and support by 13%.

Very low household income (below \$20,000) has a significant negative effect on social interaction, reducing it by about 12%. However, once household income increases to the \$60,000–\$79,999 range, there is no significant increase in social interaction and support as income increases further.

Women report 6% more social interaction and support than men, while foreign-born racialized workers report about 12% less social interaction and support and Canadian-born racialized workers report 7% less.

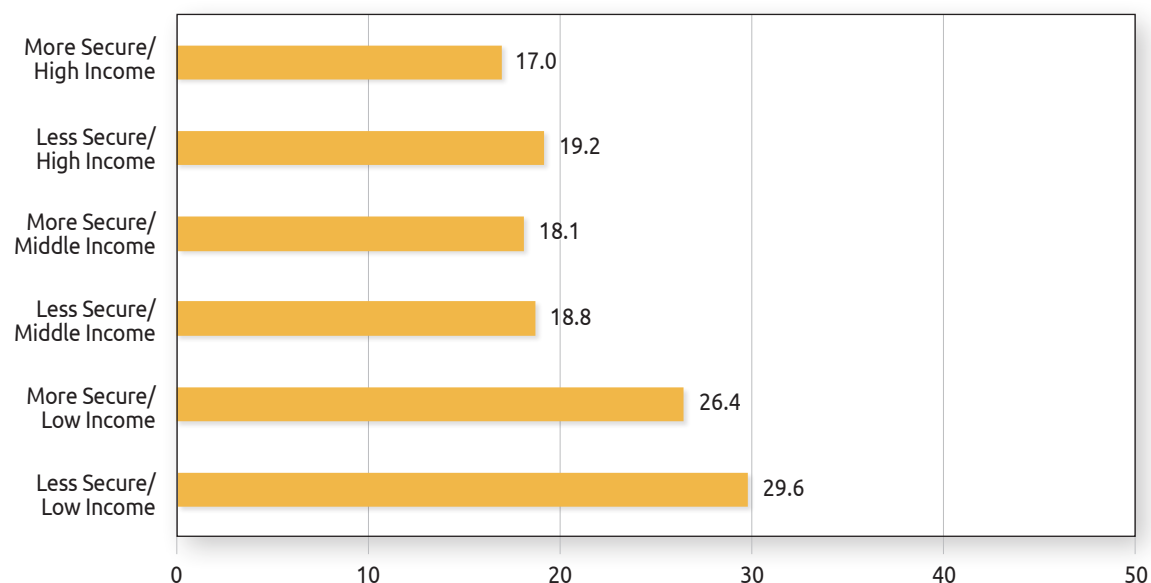
**Figure 98: Impact of income and employment security on Social Interaction and Support Index (Reference worker score=62.0\*)**



**Figures 99 to 105** examine the six components of the Social Interaction and Support Index by employment security and income.

Workers living in low-income households are the least likely to have a friend to talk to. Less secure employment has a minor impact on this form of social interaction (**Figure 99**).

**Figure 99: Does not have a close friend to talk to by employment security and household income (%)**



For several of the workers interviewed, the uncertainty associated with precarious employment made it difficult to form and sustain friendships. The lack of continuity with a group of permanent workers made it more challenging to establish friendships through work acquaintances. Francesca told us: “If you have a permanent job, you’re always seeing the same people and you’re always interacting with the same people. So it’s another reason you are in a social world.”

Carl also found it difficult to establish social links, without the benefit of a permanent job and a group of co-workers he might interact with on a regular basis. He told us:

*Stability I think is a factor. When you have, you know, a nine-to-five job it’s easier to make social connections. You have a schedule, you know where you’re going to be, what you’re doing, and you know how much money you’re going to have, you can budget. I can’t do that. . . . You also meet people at work. That’s the other nice thing about working—you actually get a new peer group, and you can explore different relationships, professional and otherwise, through that.*

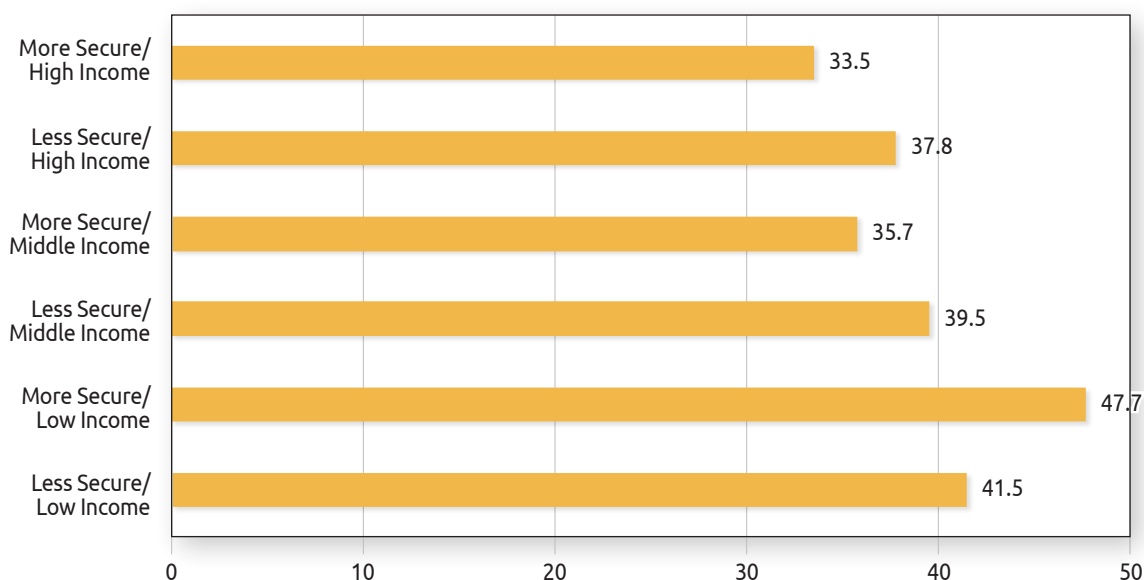


For some of those interviewed, the anxiety associated with not having a regular job made it difficult to interact with others and form lasting relationships. Curran linked his difficulty in communicating and establishing relationships to the stress of not having permanent employment. He suggested:

*Sometimes when I'm nervous, I stutter. I feel when I have job security or when I'm in school, I don't have that feeling. But because of stress and because of being anxious all the time and because of being worried about my job situation, I feel sometimes I cannot pronounce some words and I sort of freeze. That's something that I get from being nervous; how people see me. If I tell someone that I don't have a job, how they will judge me. . . . But I feel, every time I am in a stressful state, I do stutter and that's probably one of the worst things that affects my social life; being not able to communicate as well.*

**Figure 100** examines who has a friend to help with childcare and small jobs around the house. Workers living in low-income households are less likely to have this kind of support. Workers in more secure employment living in low-income households are the least likely to have such a friend.

**Figure 100: Does not have a friend to help with childcare or small jobs by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

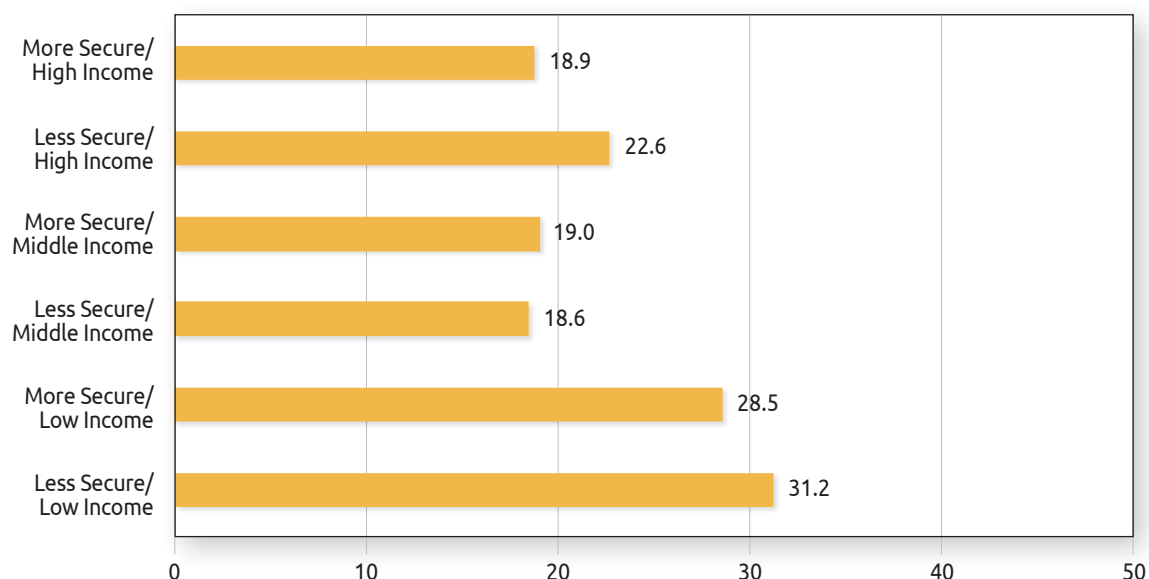
... the **uncertainty** associated with precarious employment made it **difficult** to **form** and **sustain friendships**.





**Figure 101** looks at who has a friend to do things with. Workers living in low-income households are less likely to have a friend to do things with, relative to workers in high-income households. Employment security has only a minor effect on this type of social interaction.

**Figure 101: Does not have a friend to do things with by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

Uncertainty about future earnings can create barriers in building friendships. When asked to join her friends in an outing, Tanvi told us:

*I say, "But I can't afford it." Sometimes, they offer to buy for me, but then I just say, "Can we go somewhere cheaper?" And they understand. . . . I sometimes feel pretty isolated. I try not to think about it, but it's hard because, sometimes, I'm waking up crying in the middle of the night.*

Gary also reported that the instability of his earnings limited interactions with friends. He indicated:

*I don't go out much. I read a lot. . . . I don't know, actually. You know, the days just kind of go by, and I don't really know what I do for fun anymore. . . . It's partly financial; certainly I've had to turn down invitations for things because I can't really afford it. But yeah, I don't know. I've kind of fallen into a furrow or a rut of inactivity, I guess.*

Rafael turns down offers to socialize that are too expensive, and he looks for opportunities to socialize at home. This can limit his opportunities. He indicated:

*I'll have to choose when and where I socialize. Sometimes friends plan to go to an event that has a cover charge or an event ticket. Then it's like "Can't make it" or "too busy" or "not interested." But if we're going to gather at somebody's home and all you have to do is go to the LCBO. . . well that's a lot cheaper than buying drinks at a bar. So, yeah, I'm up for going to*



*somebody's place. . . . So I'd be selective, I'd be choosy; just frugal. I'd opt out of really expensive or pricy options. "Hey, we're going to Buskerfest." Yeah, that's free; it's a walk in town. Yeah, that I can do.*

The failure to find secure employment can lead to frustrations and self-doubt, which can also hamper social interaction. Rafael has been unable to find permanent employment, leading to frustration and a change in personality. He indicated:

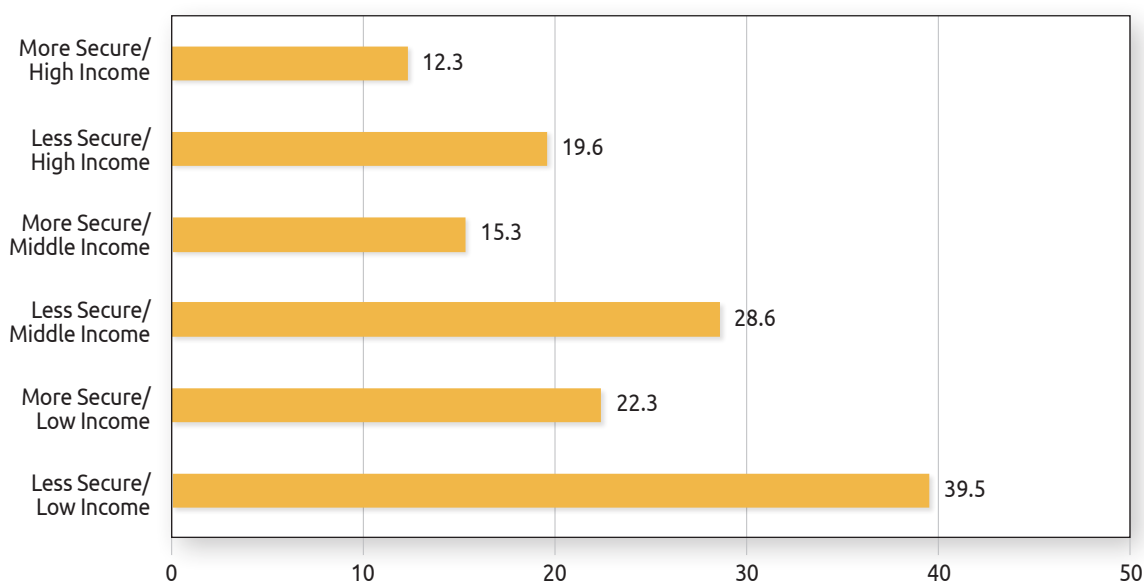
*I also started to realize that my confidence levels had dropped. I was a little more insecure; a little more careful and cautious; a little more uncertain. . . . I know that my confidence level has dropped from where they were. I saw that a lot with my ex-girlfriend, where we both remembered when we first met. . . . I was an entirely different person. . . . Now I always think things twice; and what about the money, how much is it going to cost? Financially, very insecure, but also personally.*

Ali also began to doubt himself. He explained:

*But I guess, my self-confidence more so is just like, what I can do to keep myself stable, I guess, has been shaken, yeah. . . . If I look back 10 years, I would've thought like, by this time I would've had a bigger amount of security. . . . I'm less confident—I start doubting the choices that I make, and made. . . . So, I guess I'm less confident in the decisions that I'm making when I'm, yeah, in a precarious situation.*

**Figure 102** explores who has a friend at work whom they could ask for a favour. Workers in less secure employment are less likely to have friends at work whom they could ask for a favour. Workers in less secure employment and living in low-income households are the least likely to have a friend at work they could ask a favour of.

**Figure 102: Does not have a friend at work to ask a favour of by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Household low-  
income < \$60,000, middle-  
income \$60,000-\$99,999,  
high-income  $\geq$  \$100,000.



In some cases, social interaction at work becomes more difficult because of tensions between temporary and permanent employees. Melinda described such a situation, where relationships between temporary and permanent employees became quite hostile.

*I am no one. I am no one, I am temporarily and also part-time. . . . They [permanent workers] treat different, like anything that happen in the cafeteria and kitchen. Like “who did this, who let that impermanent and temporary people come?” All blame on our shoulders. So we need to be like. . . I feel like I need to be very neat, very careful. The chairs, tidy up, and not everything is too careful, because front of me when they talk about others, temporary people, I understand. I feel like they just talking about me.*

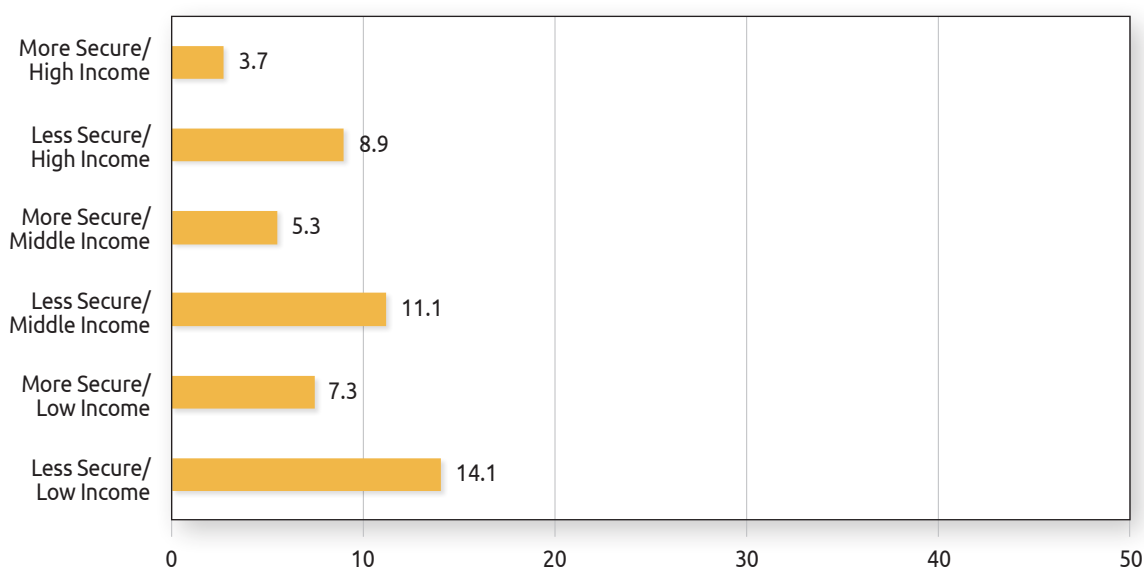
When we asked Sarah, working in an administrative position through a temporary employment agency and currently placed at a non-profit, about relations between workers, she described ongoing tension between the permanent staff and those in temporary positions.

*The people who were temps with me is a whole different relationship than permanent. I remember . . . we kind of had, like this clique, where, like, the temp people would kind of like, hang out. And “Oh, the permanent people think they’re so. . .” and it’s just kind of so funny when I think back on it. But we did do that. And I don’t know if it was consciously, but it was just like “oh, they get certain things...” Like they had meetings that we weren’t allowed to go to, and things like that. I remember that was. . . I felt so like, out of the loop, or something. The times they did include us when it was like, pizza lunches or like donut days. It was like “you guys can have some too.” But yeah, there was kind of separation. . . . I think in the back of their minds they’re like “this girl is temporary, she’ll be gone soon.” So, it wasn’t like a full relationship. And I even tried to like, befriend a lot of them, and it was like “oh, okay, I’ll add you to Facebook” and I never spoke to them again.*

Workers in insecure employment are also more likely to have less control over their work schedules, and this uncertainty can interfere with a worker’s relationship with friends and family. **Figure 103** explores this link. Workers in less secure employment at all household-income levels are more likely to report that uncertainty over their work schedule often prevents them from doing things with friends or family, compared to workers in more secure employment. Workers in less secure employment living in low-income households are the most likely to report that uncertainty over their work schedule often prevents them from doing things with friends or family.

The **failure** to find **secure employment**  
can lead to **frustrations** and **self-doubt** ...

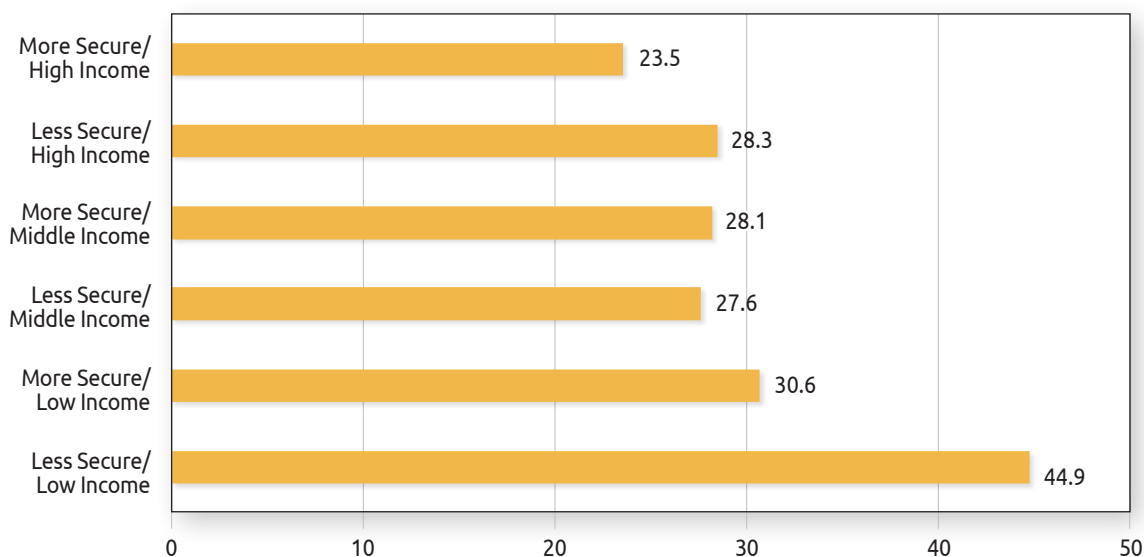
**Figure 103: Uncertainty over work schedule often prevents doing things with friends and/or family by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

Workers in less secure employment living in low-income households are the least likely to know someone who would loan them money in an emergency, relative to workers in more secure employment or living in higher-income households (**Figure 104**). This is despite having shown earlier that these same individuals are more likely to call on a friend for a loan if facing financial difficulties.

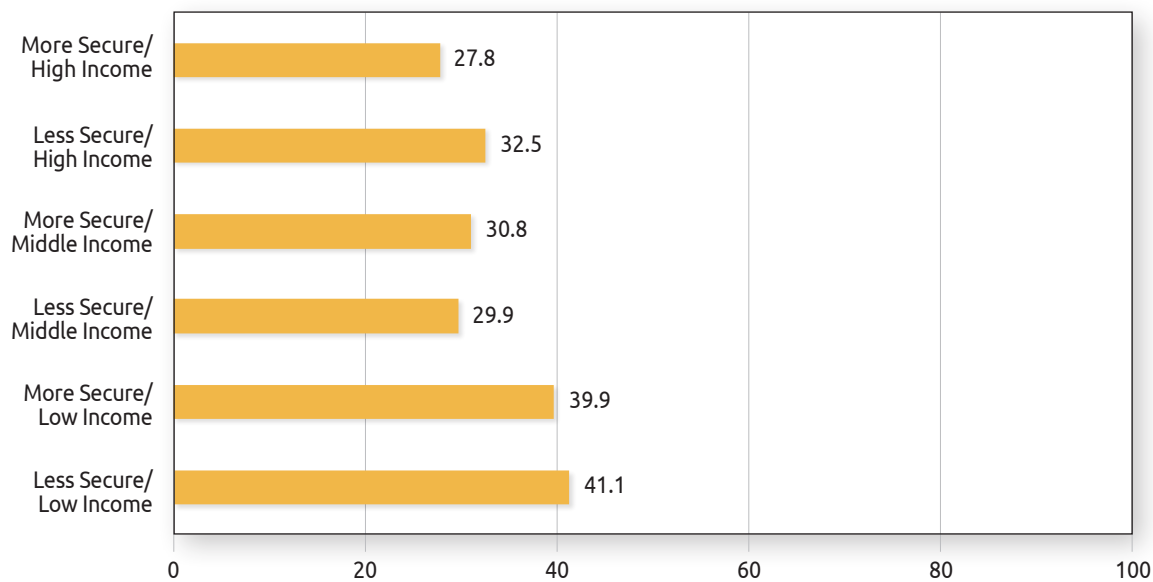
**Figure 104: Does not have a friend who would loan them money in an emergency by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

The above questions and the Social Interaction and Support Index examine whether or not a worker has friends to do things with or help them. **Figure 105** explores which workers have a friend whom they might help with childcare or small jobs around the house. Workers living in low-income households are less likely to offer such support to a friend. Employment security has only a minor effect on this type of support.

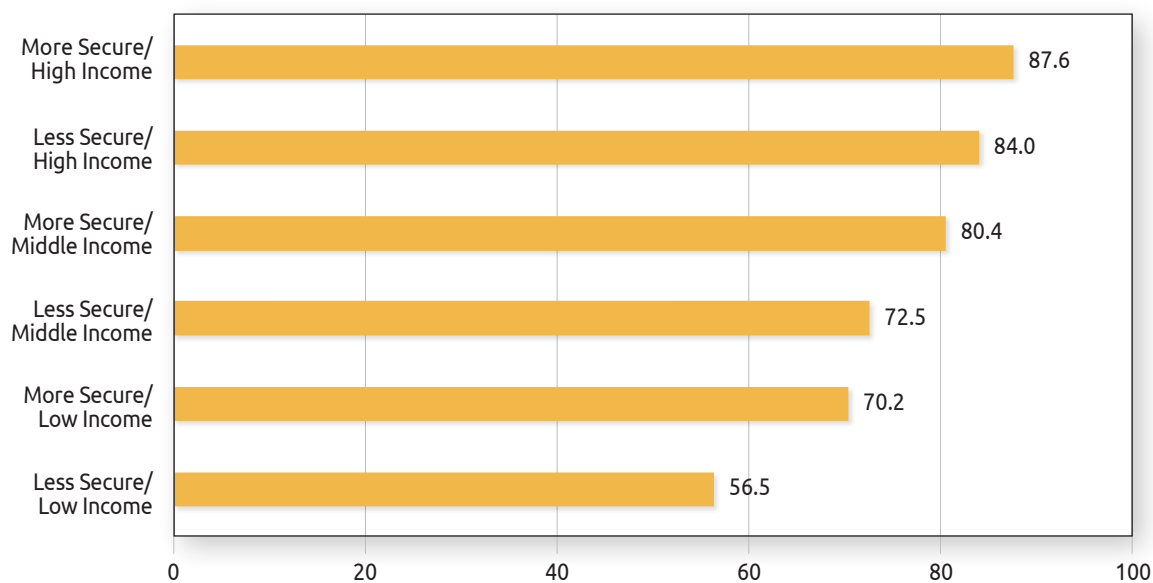
**Figure 105: Does not have a friend who might help with childcare or small jobs by employment security and household income (%)**



## Voting

**Figure 106** provides estimates of the relationship between employment security, income and reported voting patterns. Workers in less secure employment living in low-income households are the least likely to report voting. Workers in less secure employment are less likely to report voting than workers in secure employment in the same household-income category. Workers living in higher-income households generally report always voting more often than those living in low-income households.

**Figure 106: Reports always votes by employment security and household income (%)**



**Figure 107** provides estimates of how employment security, income, sex, place of birth and race individually shape reported voting patterns. The estimates control for all of these factors simultaneously. Therefore, we can be more confident that the reported impact of any one characteristic of an individual is the impact of that characteristic and not the result of workers with that characteristic having different employment security, income, sex, place of birth or race characteristics. The estimates reported in **Figure 107** should be read as how changing a single characteristic of the reference worker changes the likelihood of reporting voting. (For more details on how these estimates are calculated, see **Appendix D**.)

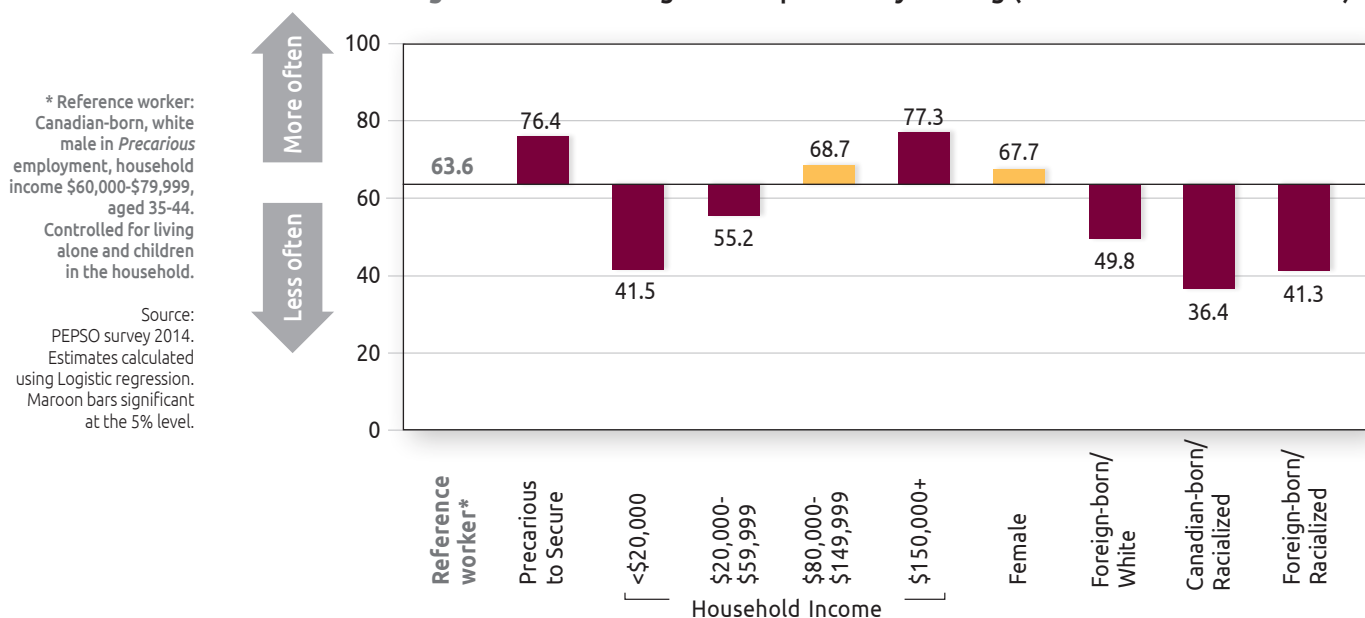
Our analysis predicts that about 64% of Canadian-born, white, middle-aged, males in *Precarious* employment, with a household income between \$60,000 and \$79,999, would report that they always vote.

**Figure 107** indicates that employment security, household income, racialization and citizenship are significant factors influencing the likelihood of reporting always voting. Men and women are equally likely to report that they always vote.

Moving from *Precarious* to *Secure* employment increases the likelihood of reporting voting by over 20%.

Workers living in low-income households are less likely to report always voting. Workers living in households earning less than \$20,000 vote 35% less than the reference worker, and those living in households earning \$20,000–\$59,999 report always voting 13% less than the reference worker. The likelihood of reporting always voting increases for workers living in very high-income households. They are 22% more likely to report always voting than the reference worker, and over 85% more likely to report always voting than the worker living in a household earning less than \$20,000.

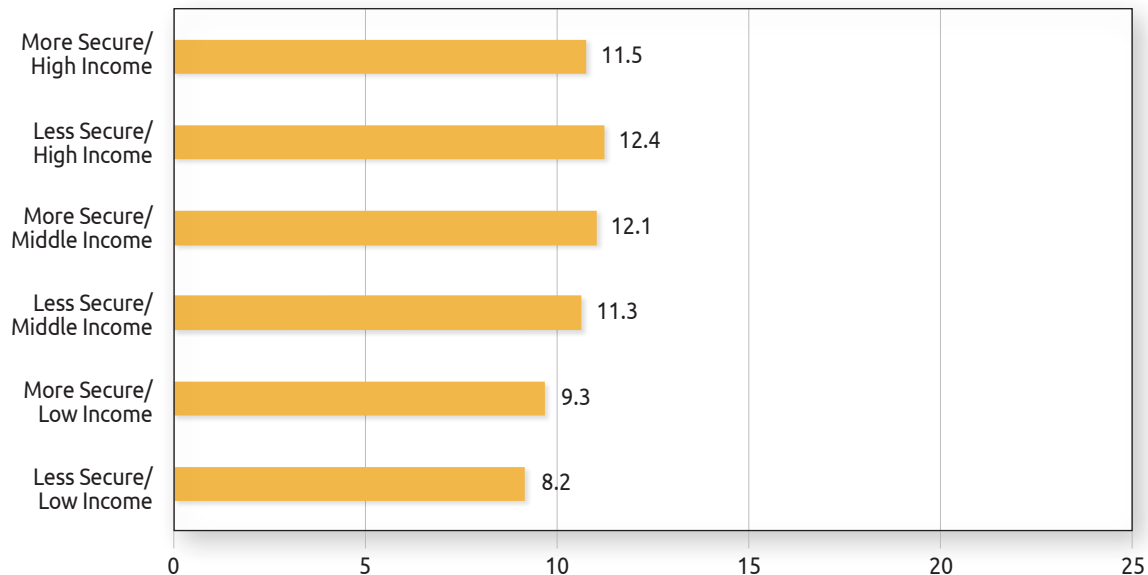
**Figure 107: Percentage who report always voting (Reference worker=63.6%\*)**



Racialized and foreign-born workers are less likely to report always voting than the reference worker. Canadian-born racialized workers are more than 40% less likely to report always voting than the reference worker, and foreign-born white workers are 22% less likely to report always voting.

**Figure 108** examines a second dimension of workers' political engagement: attending political meetings. Barely 10% of the entire sample attended a political meeting in the last 12 months. Workers in less secure employment living in low-income households are the least likely to attend a political meeting. Workers in more secure employment living in high-income households are almost twice as likely to attend political meetings than workers in less secure employment living in low-income households. Employment security has only a small effect on this type of political engagement for workers living in middle and high-income households.

**Figure 108: Attended a political meeting last year by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Significant only at  
p>.10. Household low-  
income<\$60,000, middle-  
income \$60,000-\$99,999,  
high-income=>\$100,000.



# PART 9

## Modernizing Policy and Programs for Today's Labour Market

In 2013, with the publication of *It's More Than Poverty*, we sought to begin a public conversation about the impact of precarious employment on the well-being of individuals, families and communities. We convened residents from GTHA communities, private-sector employers, labour and the community sector, and we met with all levels of government. It became clear that this issue resonated with people from all sectors, income brackets and political leanings. Since this time, discussions of job quality have increasingly included employment security, alongside more traditional indicators of quality, such as wages.

With *The Precarity Penalty*, we have continued this discussion, further highlighting how insecure employment can have a negative impact on our workforce and create barriers for people to realize their full potential—both within employment, and in their family and community lives. When precarious employment intersects with other systemic barriers, such as low-income and racial, gender and immigration-status discrimination, there is a compounding effect that increases the challenges people experience when trying to get ahead.

Both *It's More than Poverty* and *The Precarity Penalty* have called attention to the major changes that have taken place in the labour market, in Ontario and beyond. We have also asked what the appropriate response should be from our various institutions to ensure that a more flexible labour market does not have a more negative impact on communities and households. For example, deep changes to the world of work raise important questions: How do we provide workers with life-long training and skills upgrading? How do we adapt regulations to ensure fairness in changing employment relationships? How do we ensure stability for individuals between jobs in an increasingly flexible workforce? How do we sustain employment benefits, such as health benefits and pensions, when these are less frequently available through employers?

The point of studying the impacts of the transition to new forms of employment (in today's labour market) is not to suggest that it can or should be reversed. Rather, it is to objectively capture its implications and to pose questions about an appropriate response—one that balances our social and economic goals. Many other jurisdictions, such as the UK, the EU, Denmark and Australia, have also experienced a shift to more contract, short-term and temporary employment. They have





responded to this shift by updating their labour-market and income-security policies, convening employers and labour, and ensuring that those workers who are not in standard, full-time, permanent employment can also thrive.

The same could be true for Canada, with the right mix of supports. A nimble Canadian labour market and income-security system can provide workers with security, and it can provide employers with flexibility. Workers in all sectors could benefit in the form of more income and employment stability and security, and employers in all sectors could benefit from more skilled and engaged workers, resulting in increased competitiveness and profitability.

Laying out a vision for change, this chapter proposes a series of long-, medium- and short-term steps that can enable the development of a Canadian labour market in which a person's form of employment does not create unnecessary barriers to a full and rewarding life. Our proposals reflect best practices that are already implemented in other jurisdictions; they build on positive steps that have already been taken in Canada; and they draw heavily on the numerous suggestions and proposals discussed, across the globe, by employers, governments and labour organizations who are seeking to modernize how workers, households and communities are supported.<sup>62</sup>

Addressing the challenges created by the growth and spread of precarious employment will require a dual strategy: exploring how we might reduce precarious employment, while mitigating its effects by making our public and private institutions and systems of support fit with today's labour market. Recent developments present us with an opportunity to build on the momentum of change. These include:

- **Labour-market policy reviews and strategies:** the provincial government is now working on several key policy reviews and strategies that will have implications for how public policy supports workers in precarious employment. These include a review of employment and labour standards, which explicitly cites the growth of non-standard employment as a driver of the review; an employment-and-training review; a plan to address the gap in pensions; and a strategy to close the wage gap between men and women.
- **Poverty-reduction strategies:** poverty-reduction strategies are being enacted (or are in development) for Ontario as well as a number of cities and regions, including Toronto and the Region of Peel. Hamilton has the community sector-based Roundtable for Poverty Reduction.
- **New measurement tools:** new measurement tools to better assess the labour market are being introduced, including (a commitment to) a City of Toronto Quality Jobs Assessment Tool, and a new survey on job vacancies and wages from Statistics Canada.<sup>63</sup>
- **Conversations on the need for change:** private-sector leaders, such as the Toronto Region Board of Trade,<sup>64</sup> KPMG,<sup>65</sup> CIBC<sup>66</sup> and the Ontario Chamber of Commerce,<sup>67</sup> have increasingly been calling attention to challenges in our labour market, including opportunities to better support workers and employers. Labour and community-sector groups have also been convening to generate wide-ranging conversations on ways to improve workers' experiences in the labour market.



As with our first report, we have highlighted our recommendations within three key focus areas:

- Building a dynamic labour market that supports workers in precarious employment
- Ensuring that jobs are a pathway to income and employment security
- Enhancing social and community supports for a new labour market

Throughout this chapter, we call on all sectors to take part in developing and implementing these recommendations: governments, the community sector, labour and the private sector. Employers in the public, private and community sectors all have a role to play. It will take all of us working together to help make this transition happen. We know, from conversations over the past two years and from those actions that have already been taken (noted above), that our region is ready and determined to meet these challenges head-on in order to achieve a balance between our social and economic objectives.

## **Building a dynamic labour market that supports workers in precarious employment**

Keeping our labour markets dynamic and flexible—and, at the same time, supporting workers working outside of standard employment—requires new approaches to policies and institutions. The OECD has pointed out that traditional labour-market policies dealing with workforce development have tended to emphasize the supply side; they match people with jobs and provide basic skills training to the unemployed.<sup>68</sup> Attention to the employer/demand side of workforce development has tended to be treated separately, as an area of concern for economic development.<sup>69</sup> In response to the new world of work, the OECD has suggested that workforce development in the 21st century take a broader view, combining the employer/demand side and worker/supply side, and seeking to improve both competition and social cohesion.<sup>70</sup> On the demand side, this requires the creation of policies that allow our labour market to be responsive to actual labour-market needs, while also tending to the supply side of the labour market by ensuring ongoing access to training opportunities that support those in precarious employment.

### **Building a workforce-development plan for a changing labour market**

One of the key challenges highlighted in this report is that those in precarious employment are having trouble connecting to good-quality, secure jobs. This theme came up in both the individual interviews as well as the community roundtables: people felt that they were able to access “survival jobs,” but experienced challenges either accessing more secure employment or transitioning from less secure to more secure employment. Some reported having trouble connecting to any job at all. We know from other research that a major challenge, for Canada, is the lack of a coordinated workforce-development strategy<sup>71</sup>—one that simultaneously focuses on supporting job creation and providing concrete assistance to job seekers.<sup>72</sup>

In Ontario, some elements of a workforce-development system are in place; however, these efforts are not comprehensive, and they often lack a coordinated approach<sup>73</sup> and adequate spaces for employers, governments and labour to work together on both the supply and demand sides of the issue. There is already a network of 26 non-profit, local workforce-planning boards in Ontario, including the Toronto Workforce Innovation Group, which gather intelligence and information



about both the supply and demand sides of the labour market, and that coordinate community responses to labour-market issues.<sup>74</sup> In addition, the City of Toronto developed a workforce-development strategy, called *WorkOne*, and is in the process of implementing parts of it. The Ontario Ministry of Training, Colleges and Universities has also been mandated to ensure that the “employment and training system connects job seekers with employers and helps Ontarians find the jobs that are right for them.”<sup>75</sup> A major review of workforce development and employment training is now underway across ministries to help deliver on this goal. Finally, there are programs and services, available through the government and community-services sectors, that connect people to jobs. The goal of these services, however, is largely to connect people with any job, not necessarily a good-quality, secure job.<sup>76</sup> The spread of precarious employment is creating the need for new programs that target these workers.

**Recommendation 1: All levels of government need to take further steps to develop and implement comprehensive, coordinated and integrated workforce-development strategies that are sector-specific and that address the unique needs of workers in precarious employment.**

Comprehensive workforce-development strategies can enable workers to connect to better-quality jobs with higher wages, and they can benefit businesses through improved productivity, firm performance and profitability, which can contribute to economic growth.<sup>77</sup> Governments can lead in this area by convening representatives of the private sector, labour, community services and the different levels of government to share knowledge and promising practices, and to negotiate changes. For example, the U.S. will be doing this through the newly implemented *Workforce Innovation and Opportunity Act*.<sup>78</sup> As part of this effort, it will be important to assess and evaluate pilot and demonstration initiatives to determine what works in building a more responsive workforce-development system.

**Recommendation 2: The federal government should take the lead in helping all sectors better understand the trends that are impacting the labour market, especially in regards to precarious employment, by funding Statistics Canada to collect better-quality labour-market information.**

Employers, workers, service providers, governments and all sectors that use labour-market data require access to good-quality, current and comprehensive data in order to respond quickly and proactively to labour-market trends. The loss of the long-form census has affected our understanding of how the general population—not to mention specific groups within it, like immigrants and racialized people—are impacted by labour-market trends over time. The federal government is urged to lead by re-introducing the long-form census. In addition, Statistics Canada could, through the Labour Force Survey, collect statistics using a more nuanced definition of precarious work beyond simply the form of employment. The provincial, municipal and regional governments can also lead in developing new tools to collect and analyze local, real-time labour-market information, similar to the City of Toronto’s proposed Quality Jobs Assessment Tool. This would help to consistently measure, monitor and evaluate local labour markets and job quality. All of these measurement tools could be made accessible to all sectors, allowing key stakeholders to be responsive and proactive to challenges arising from labour-market changes.



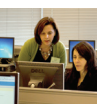
## Providing training opportunities for those in insecure employment

Workers who are employed on short-term contracts, or those hired through temporary-employment agencies, are less likely to have access to training opportunities through employer initiatives or through eligibility for government-assisted supports. As a result, workers in precarious employment are experiencing significant barriers to being able to invest in skills upgrading and training, and to access pathways out of insecure employment. Our findings indicate that the lack of access to training is particularly acute for those in precarious employment, who are much less likely to receive employer-provided training and are more likely to pay for their own training, compared to workers in secure employment. The ability to pay for one's own training is limited by low income. As a result, many workers in precarious employment are simply not getting any training. By not gaining relevant labour-market skills, they may even face significant challenges in moving out of insecure work.

The challenges that workers in precarious employment face in trying to gain relevant labour-market skills are compounded by the general trends in training within Canada.<sup>79</sup> From 1993 to 2013, employer investment in training declined by 40%.<sup>80</sup> In addition, increasingly stringent Employment Insurance—eligibility requirements have had a cascading effect on the training system. Only 20% of unemployed workers in Toronto, and 21% in Hamilton, had access to Employment Insurance benefits (in 2014)<sup>81</sup> and the active training measures associated with Employment Insurance.<sup>82</sup> There are other targeted training programs available to workers, but they have limited reach: in our survey, less than 5% of workers in precarious employment received government-funded training.

In the area of training, there have been some recent developments that offer potential solutions regarding the workforce-development gap for workers in insecure employment. Denmark, under a system known as “Flexicurity,” has created comprehensive government-training programs that are made available to all workers moving between jobs. In Canada, steps are being taken to increase training that is available to workers—and that meets the needs of employers. There are two funding agreements through which the federal government provides funding to Ontario for training. The first is the Canada-Ontario Labour Market Development Agreement, which primarily funds training for those workers who are (or were) eligible for Employment Insurance in the past three years. The second agreement is the Canada-Ontario Job Fund (COJF).<sup>83</sup> The COJF was renegotiated in 2014, and it provides funding to support training and employment services for workers who are marginalized or vulnerable.<sup>84</sup> In order to better address the needs of those in insecure employment, these programs need more funding, from both the provincial and federal governments, as well as more targeted supports for those in precarious employment.

While these initiatives hold some potential, stakeholders in multiple sectors continue to emphasize the need for more access to training. In the private sector, the Ontario Chamber of Commerce<sup>85</sup> has called for the creation of a training system in Ontario that will help workers get their needs met, while also supporting employers in overcoming the barriers to providing training.<sup>86</sup> Researchers, such as Metcalf Foundation Fellow Tom Zizys, the Institute for Competitiveness and Prosperity,<sup>87</sup> and the Mowat Centre, have also emphasized that there is an essential role for employers to play in training their workforces. In addition, there have been innovative efforts made to increase access to quality training opportunities. Four manufacturing organizations that are facing an unmet



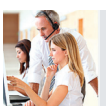
demand for workers have developed the Ontario Manufacturing Learning Consortium (OMLC), which provides paid training opportunities to youth with built-in connections to permanent, full-time jobs in the industry.<sup>88</sup> The provincial government's Youth Skills Connection program, which is also funding OMLC, is in the process of scaling up the regional Hamilton Skilled Trades Apprenticeship Consortium,<sup>89</sup> which connects employers and apprentices, and brings employers, labour and community colleges together to discuss apprenticeship issues.<sup>90</sup> These efforts need to capture the unique needs of those in short-term contract and temporary work.

**Recommendation 3: All sectors need to prioritize training and ensure that training is embedded within a workforce-development strategy that connects with real employment opportunities and that meets the unique needs of workers in precarious employment.**

For training to be effective, it must be matched to job openings. For this to happen, it is essential that employers, as well as labour representatives and other stakeholders, be at the table to develop programs that serve the interests of all. The provincial government should consider improving resources—and support for Employment Ontario employment-service providers—to engage employers as part of the Canada-Ontario Job Grant. In addition, the funding amount per worker for the Canada-Ontario Job Grant could be evaluated and reconsidered to better support employer uptake of this grant. There is a need for more tables, in all sectors, that are comparable to the Hamilton Skilled Trades Apprenticeship Consortium model. These tables need to extend beyond youth and consider workers in insecure jobs as well. There is an opportunity for employers and labour representatives in all sectors to lead this effort, advocate on training issues and to collaborate on more sector-specific training tables.

**Recommendation 4: Governments should explore how to improve access to government-provided training and how to better support access to employer-provided training for those in insecure employment.**

A medium-term step to improving access to training for those in insecure employment is necessary in addressing the large training gap among these workers. This can be done by developing a fund that specifically targets the needs of those in precarious employment, similar to the way that the province targets youth through the Youth Employment Fund.<sup>91</sup> Another path that could be considered is to allow employment-service providers to continue providing wraparound services, such as mentorship, career coaching, childcare and/or transportation assistance<sup>92</sup> to those in precarious employment—who need extra support to retain their work or who are currently employed. For example, the Province of British Columbia recently announced changes to social assistance; these changes will allow single parents to continue accessing income support, tuition and education support, and full childcare costs during training for one year.<sup>93</sup> The federal and provincial governments could also increase the prevalence of employer-provided training, by looking to models that are already successfully implemented in other provinces. For example, in Quebec, training is encouraged through a tax incentive for those employers who provide training, and a 1% payroll tax on employers who have revenues of over



\$1 million and who do not provide training. All three levels of government can also explore ways to provide training-related income support for people who are without access to either Employment Insurance or social assistance, and who have to pay for training out of pocket.

## Enabling more secure employment

Our findings in *The Precarity Penalty* confirm that precarious employment is widespread in our labour market. We found that one in five workers are employed on a short-term contract or self-employed; another one in five work without the security and many of the benefits associated with secure, full-time employment. Many of the jobs created today are temporary, short-term, contract or self-employment jobs. Research, including this study, shows that many jobs with the outward characteristics of full-time, stable employment are, on closer examination, jobs with few benefits, variable hours, changing schedules and uncertain long-term security. As noted earlier, workforce development must include the employer/demand side of the labour market. This means that all employers—in the public, private, labour and community sectors—need to take part in the creation of more secure employment.

Recently, there have been several promising developments in this area, with new partners joining the conversation on how to create more secure employment. The provincial government is leading several important reviews of policy and strategies on employment and labour standards, training, pensions, and the pay gap between men and women. It is imperative that these reviews lead to meaningful changes that also address the needs of the precariously employed. Private-sector partners, such as KPMG and the Toronto Region Board of Trade, have published reports that address ways to mitigate insecure employment.<sup>94</sup> Funders have also joined the conversation, with the Atkinson Foundation developing a Decent Work Fund to support innovative research and interventions that can improve workers' experiences within the labour market. In addition, the community and labour sectors have been participating in efforts, like the Hospitality Workers Training Centre's staffing partnerships; these efforts are designed to reduce the depth of precarity, by providing supplemental casual-employment opportunities connected to training as an alternative to temporary-agency employment. All of these voices add to the efforts—by labour groups, unions, community services, academia and the private sector—that are already examining labour-market issues, such as training, and highlighting how policy and employer practices are impacting the lives of those outside of a Standard Employment Relationship.

**Recommendation 5: All sectors need to give more consideration to career-laddering opportunities for workers in precarious employment, as part of new workforce-development strategies that include attention to skills accreditation.**

Through our findings, we have seen that many people are now working as freelancers, independent contractors, or on temporary or short-term contracts; therefore, they do not have access to traditional career ladders within organizations. This, however, does not mean that these workers do not have the skills or experiences to move up in their careers. The Conference Board of Canada has pointed out that there is a learning-recognition gap in Canada, wherein people's experiences, learning and skills are not formally recognized.<sup>95</sup> The provincial government, in consultation





with the private sector, labour and the community sector, could develop a system of accreditation for skills that are learned on the job. This would allow those in precarious employment to have their employment experiences recognized for the purposes of attaining future employment, and it could potentially be built on the framework of an existing skills-acknowledgement system, such as the Prior Learning Assessment and Recognition (PLAR) process.<sup>96</sup> A skills-accreditation process would support the development of new career-laddering opportunities that create horizontal paths between jobs and multi-employer career ladders.

**Recommendation 6: All sectors are encouraged to develop a Canadian-based business case on how more secure employment can benefit their business objectives. Business cases could showcase promising practices that employers from all sectors can utilize to reduce or mitigate precarious employment.**

Some employers may offer insecure work without a full understanding of how it might affect costs and profitability. We know, from MIT economist Zeynep Ton's research, that employers who offer better-quality jobs can also be more profitable, even in sectors like retail.<sup>97</sup> Showing employers that they can improve their bottom line by providing more secure employment opportunities and training is an important step to reducing the depth and prevalence of precarious employment. Groups, such as the Institute for Competitiveness & Prosperity and the Martin Prosperity Institute, have recommended that employers consider how internal-practice changes could both reduce precarious employment and benefit their bottom line. A business case may help employers envision the advantages of extending benefits to temporary workers.<sup>98</sup> The private sector could take the lead in this area by sharing promising employer practices that can have big impacts on workers in short-term, temporary or contract work. For example, employers could develop a "culture of inclusion" by involving their temporary and contract workers in a broader range of company activities and by providing them with performance-development and mentorship opportunities. This could both enable increased worker engagement and improve general performance.<sup>99</sup>

## **Addressing discrimination in hiring, job retention and advancement**

One of the acute challenges highlighted in this report is the prevalence of discrimination in attaining and retaining employment, and in advancing in good-quality jobs. Many workers in the GTHA are experiencing discrimination based on race, immigration status and/or gender. Our findings highlight that racialized workers born in Canada are as likely to report experiencing discrimination as racialized immigrants. To serve the needs of all workers, labour-market policy reforms need to focus on reducing the prevalence of employment discrimination. Because our report finds that racialized men and women and racialized immigrants are more likely to be in precarious work, there is a need to address employment discrimination in order to effectively address precarity for all.

In addition, there is a wage gap between men and women, which is particularly prevalent for racialized women. Although the wage gap has been closing over time, there is still a stubborn difference in wages. We found that, of those people working 30–40 hours a week, women earned



88% of the average annual income of men, with racialized women earning only 67% of the average annual income of white men.<sup>100</sup> The earnings of women and racialized workers are further reduced by the lower number of hours they work. For the sample as a whole, white women earned 81% of what white men earned, while racialized women earned 61% of what white men earned. Closing the wage gap between men and women is not only important for women and their families, but also for economic prosperity.

Aside from the personal effects of discrimination on individuals, families and communities, developing an inclusive, equitable labour market is also important to our collective prosperity. Unless we engage in conversations on how we can develop a more equitable labour market, discrimination is likely to persist and grow. The ramifications of this would be particularly problematic in a place such as the GTHA, where 50% of residents were born outside of Canada<sup>101</sup> and 43% are racialized.<sup>102</sup> As the baby-boomer generation retires, we cannot afford to have these populations excluded from good-quality, secure jobs and advancement within them.

There are stakeholders who have taken a leadership role, applying innovative solutions to address this issue. The federal and provincial governments have taken many policy steps to address the issue of discrimination, which is evident through Canada's participation in international governance frameworks.<sup>103</sup> Another example is DiverseCity on Board, which has focused on tracking, education and self-monitoring in order to connect more immigrants and visible minorities in leadership positions to boards of Toronto businesses and organizations. Other efforts—including United Way Toronto's Career Navigator model, the Eglinton Crosstown Community Benefit Agreement (involving Metrolinx and the Toronto Community Benefits Network), CivicAction's escalator program, and social enterprises across the region—are explicitly directed at workers experiencing barriers, such as discrimination in the labour market. These efforts aim to connect these workers with training, jobs and career-advancement opportunities.

**Recommendation 7: All sectors should assess how they can contribute in the effort to build awareness of discrimination within the labour market—not only in hiring, but also in retaining and advancing qualified workers who are racialized, women and/or immigrants.**

As noted above, we have successful programs and services at our disposal that have built awareness of discrimination and taken steps to address it. Mentorship programs that help people retain their positions and advance within businesses and organizations have also been shown to help. All sectors can contribute in this area by using existing programs and scaling them up. Municipalities, regional governments, community-service providers and labour groups can also collect more disaggregated data on who they serve and the needs of these populations, in conversation with these communities. These stakeholders could share this data at municipal or regional tables that address labour-market issues in regards to racialized, immigrant and/or women workers. Municipal and regional governments can contribute by exploring how public-procurement policies can support inclusion, while introducing more Community Benefit Agreements that target these key demographic groups.





**Recommendation 8: The provincial government should include the examination of systemic barriers—of race, gender and immigration discrimination—in their employment and labour standards review, employment services and training review, and wage-gap strategy.**

Systemic barriers of discrimination are often complex and require distinct attention. For example, some participants in our community roundtables talked about discrimination that they experienced, when attempting to access childcare, as a barrier to accessing and retaining employment. For this reason, the reviews and strategies currently being undertaken by the provincial government should take barriers, such as discrimination based on race, gender and/or immigration status, and the interaction of these barriers with employment insecurity into consideration.

**Recommendation 9: The federal and provincial governments and employers must continue to improve credential recognition for newcomers and immigrants.**

Credential recognition is an important area of need. Many newcomers and immigrants who have been in Canada for more than five years are not having credentials from their home countries recognized. The federal government already funds organizations to help support the foreign-credential recognition process and has established a Foreign Credential Recognition Loans Pilot, but there is still a need to do more.<sup>104</sup> The federal and provincial governments could fast-track education for those who need their credentials recognized, could better fund settlement services to assist immigrants with credential recognition, and could design systems that enhance recognition of foreign credentials. It should be noted that these efforts cannot be made in isolation of broader workforce-development initiatives.

## **Ensuring that jobs are a pathway to income and employment security**

The first section focused on workforce development, or the process of connecting those in insecure work to jobs, while ensuring that they have the means to retain and advance in their employment. It outlined how a comprehensive workforce-development strategy will improve employment security. This section focuses more directly on options that can ensure that those in precarious employment can access income and employment security through their connection to the labour market. In some cases, this means updating labour-market policies and programs, so they can respond to the reality of precarious employment. In other cases, this means building new paths from insecure to secure employment. Income and employment security go hand in hand. For example, the benefit of increasing a worker's wage may be limited if a worker does not have access to benefits or does not know how many hours they will be assigned in the coming month. There are also non-income supports that can improve both a worker's experience (e.g., employment standards) and voice on the job. Addressing these areas would help us move toward a labour market in which the form of a worker's employment relationship does not define his or her ability to fulfill their potential at work, and in their family and community lives.



## Modernizing employment standards

Ontario's *Employment Standards Act, 2000* (ESA), covers minimum working conditions for all employees under provincial jurisdiction.<sup>105</sup> As designed, the ESA is most effective in providing support to those in full-time, permanent jobs. Many workers in precarious employment are not covered by the ESA. These include most independent contractors, the self-employed and those workers who are misclassified as self-employed. It also provides different levels of coverage for some workers, based on factors such as employment relationship, job tenure, sector and size of workplace. In order to cover the greatest number of workers, the ESA needs to keep pace with changes in the labour market.

In recent years, there have been many positive developments in the area of employment standards. These developments have increased basic protections for those in less secure employment. The Ontario Ministry of Labour is undertaking a much-needed review of employment and labour standards as well as their congruency with today's world of work. In 2014, Bill 18, the *Stronger Workplaces for a Stronger Economy Act*, was introduced. It removed the \$10,000 cap for reimbursement of unpaid wages.

There have also been improvements made to the enforcement of employment standards. Bill 18 introduced joint and several liability for client businesses and temporary agencies, in the areas of enforcement of the recovery of wages, overtime pay, and holiday pay of temporary-agency workers. Bill 18 was accompanied by increased funding for employment standards enforcement, which fulfilled a past pledge of \$10 million. In addition, Ontario has recently implemented strategies to target vulnerable workers, to be proactive about enforcement and to allow for third-party complaints.

However, there is more to be done to enhance the enforcement of these standards. In Ontario, the Ministry of Labour puts most of the responsibility for reporting standards violations on workers. This is particularly problematic for those in precarious employment, who may face barriers initiating complaints. We found that 31% of those in precarious employment reported that raising an employment standards or health and safety concern might negatively affect their employment. Racialized workers were 50% more likely to report that asserting their rights might negatively affect their employment. This was echoed by participants in the community roundtables, who told us that the risk of employer reprisal prevented them from reporting rights violations.

**Recommendation 10: The provincial government's review of employment and labour standards needs to assess how the system of employment standards enforcement can keep pace with the changing labour market.**

While the \$10 million for enforcement was essential, there is still a need for additional resources for investigating, resolving and enforcing current employment standards. The review should explore how to shift the employment standards enforcement system to a more proactive system, which could include targeted blitzes within sectors that have high levels of precarious employment. In addition, the standards review could take workers' concerns over reprisals into account by evaluating the accessibility and effectiveness of the third-party complaint system, assessing how

to strengthen enforcement against reprisals, and evaluating the effectiveness of deterrence measures. This review could also explore the role of legal aid and could consider introducing legal-aid clinics targeted at ESA enforcement.

**Recommendation 11: The provincial government's review of employment and labour standards needs to explore how coverage for employment standards can be expanded to more workers.**

The Employment Standards Act prohibits discrimination on the basis of age, sex and marital status. However, there is no provision for preventing discrimination based on employment relationship or hours of work. This leaves many precariously employed workers outside of the established ESA coverage. The provincial government is encouraged to consider how the definition of discrimination in the ESA might be expanded to include discrimination based on form of employment or hours of work.

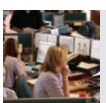
**Reducing the impacts of irregular work schedules for workers**

In our study, many workers in precarious employment reported that they often know their schedule only one week, or less, in advance. This was true for workers in less secure employment, regardless of their income levels. Currently, under Ontario's *Employment Standards Act*, there is no requirement for employers to give notice of shift schedules ahead of time. This inability to plan a month, much less a week, ahead of time can cause instability in individual and family life, and make it difficult to take part in community life.

There has been increasing international attention on the challenges associated with workers not getting enough warning about their work schedules. After a news story on a major US coffee chain revealed the negative effects that just-in-time scheduling software was having on the lives of workers, this coffee chain changed its notice of work policies throughout the US. Another promising development is San Francisco's Retail Workers Rights bill, which mandated that employers post schedules two or more weeks in advance, encourage full-time work by offering part-time workers more hours (before hiring new part-time workers), and pay workers for two to four hours of wages if their shifts are cancelled within 24 hours of the scheduled start time.<sup>106</sup> In Canada, groups, such as the Workers' Action Centre, have been advocating for more notice of shift schedules for many years, but there have been no significant changes or public discussions about this issue in recent years.

**Recommendation 12: The provincial government and employers are urged to consider the amount of notice given to workers regarding their shifts.**

This could be done by amending the *Employment Standards Act* to require advance notice of shifts to minimize the impact of irregular or shift schedules for workers. Employers could also review their internal business planning and enhance their forecasting processes to proactively find ways to improve scheduling. This could both enhance business efficiency and reduce the impact of irregular schedules on the lives of those in temporary or contract positions, or jobs involving short notice or shift work. Employers and the provincial government could also consider means for paying a premium to workers who undertake short-notice work.<sup>107</sup>



Finally, both our employer and community roundtable participants recommended that employers develop more “teaming” arrangements, so that temporary workers could be shared between companies and, therefore, have a better sense of their upcoming schedules.

### **Improving income security for workers in precarious jobs**

We found, in both of our surveys, that those in precarious employment are more likely to earn lower wages and live in households with lower household income. Those in precarious employment who have low and/or irregular income are particularly vulnerable, financially, because they have low total compensation—meaning that they are significantly less likely to have benefits, such as health, pension, vacation and paid sick days. This only exacerbates their low income. Workers in precarious employment are also more likely to experience irregular income, in part, because they experience periods without work. This is particularly true for low-income workers who earn less than \$40,000 a year. This means that those in precarious employment are more likely to experience income stress—that is, they are more likely to have trouble keeping up with bills, have more concerns about debt, and have more concerns about maintaining their standard of living, among other stressors.<sup>108</sup>

Recent steps by the provincial government reflect a growing awareness of income insecurity and its impacts. The provincial government recently raised the minimum wage to \$11.00<sup>109</sup> in Ontario and introduced an annual increase based on inflation through Bill 18, the *Stronger Workplaces for a Stronger Economy Act*. Hamilton City Council also moved to support the principle of a Hamilton living-wage rate of \$14.95 an hour, is advocating for public procurement at living-wage rates, and is examining the status of part-time City workers and contractors to the City in relation to a Hamilton living wage. Groups, such as the Toronto Region Board of Trade, are beginning to look at compensation through the lens of total compensation. When considering how income-bridging programs in Canada can attend to the unique needs of the precariously employed, there has been more limited public conversation, but a range of ideas have been floated that bear further consideration. The Modernizing Income Security for Working-Age Adults (MISWAA) task force advocated for the creation of a working income benefit in 2006, which was successfully taken up by the federal government as the Working Income Tax Benefit (WITB) in 2007. Groups, such as the Mowat Centre, the Caledon Institute for Social Policy, and Maytree Foundation, have proposed temporary unemployment assistance.<sup>110</sup> Many stakeholders, including the Canadian Labour Congress, have advocated for an expansion of eligibility for EI.<sup>111</sup> Wage insurance, which provides payments to workers who move from higher-paying to lower-paying employment, is an alternative to employment insurance programs. The merits of a universal insurance program have been explored in the United States, as a way of supplementing current income-security programs and insuring most families against large and sudden wage or salary declines.<sup>112</sup>



**Recommendation 13: The federal and provincial governments need to continue to improve our existing income-security programs to better serve those who are experiencing both income and employment insecurity.**

For example, the Working Income Tax Benefit (WITB) supplements income, offering up to \$998 for singles and up to \$1,813 for families per year,<sup>113</sup> and accommodates those workers who are earning an irregular income. However, this is not enough to supplement workers with low total compensation. The federal government needs to raise the WITB benefit level and the Government of Ontario should harmonize WITB with provincial income-security programs to maximize the reach of the program. There could also be merit in studying the potential of a precarity-pay premium in Ontario—an increased wage rate for those working at the minimum wage and without benefits. Precarity pay is used successfully in Australia, and the City of New York uses a two-tiered public-procurement wage rate for workers with and without benefits. Federal and provincial governments should continue to build on the success of existing child benefits by increasing the level of payments. Child benefits provide a regular source of financial support for parents in insecure employment, and higher payments could further mitigate the impact of irregular income on children and youth, while helping to maintain household stability.

**Recommendation 14: All stakeholders should consider using a total-compensation lens to address the issue of income insecurity for workers in precarious employment.**

We have seen that the combination of low earnings, with few (if any) benefits, and irregular income is negatively impacting the lives of those in precarious employment. To ameliorate this, employers and governments should consider viewing earnings and income through the lens of total compensation, and they should adjust their compensation practices, services and programs to account for this. Employers, governments, labour and the community sector could use the concept of total compensation, rather than simply wages, to measure and assess job quality. Service providers in the community sector could consider using the lens of total compensation for eligibility purposes in their programming.

**Recommendation 15: The federal government needs to take the lead on developing systems that support workers with variable earnings.**

The federal government could update the architecture of the Employment Insurance (EI) system to expand eligibility to more workers who have experienced unemployment. As a starting point, this might include removing the higher EI entrance requirements for re-entrants into the workforce, and reducing the number of hours that a person must work in order to be eligible for EI. The federal and provincial governments should also consider how a universal insurance program, or other form of insurance to bridge income for people between jobs, could best be implemented in Canada. In addition, all levels of government should consider the merit of building forms of guaranteed annual income programs, such as WITB and Old Age Security for seniors, into other benefits. Some policy groups have argued



that a program such as a guaranteed minimum income could have the potential to ensure that all workers are able to meet their basic needs, helping to mitigate the experience of irregular income.

### **Enhancing access to benefits for workers in insecure jobs**

Employers are less likely to include pension, prescription-drug, vision and dental benefits, and protection and paid leaves, for workers in short-term positions. We found that only 17% of those in precarious employment had company pension plans; 7% had drug, vision and dental benefits; and just under 12% were paid if they missed a day of work. These are benefits that the majority of workers in secure employment enjoy. Benefits form part of the total compensation paid to workers, and they are particularly important for health, well-being, and income security in old age. Most workers in precarious employment have to fund their own pensions, pay out of pocket for uncovered health costs, and do not have access to vacation or sick time. Recent research shows that low-wage workers are the most likely to not fill prescriptions, due to cost, and that this results in larger costs for society: in the form of hospital re-admissions and chronic conditions.<sup>114</sup> For most workers, private savings are insufficient in covering the loss of employer-provided pension benefits.<sup>115</sup> Finally, legislated rights to some types of leave benefits, such as the right to take unpaid sick days,<sup>116</sup> are limited to workers in workplaces of 50 or more people,<sup>117</sup> and there is no provision mandating that employers provide *paid* sick days.

Access to benefits is another area in which the provincial government has taken some steps to address this issue. The Social Assistance Review urged the province to extend health and dental benefits to all low-income Ontarians, whether in or out of the labour market. Subsequently, Ontario's Budget 2014 indicated an intention to expand health and dental coverage to all low-income Ontarians by 2025. The provincial government has also encouraged the federal government to establish a national prescription-drug-coverage program.<sup>118</sup> The Ontario Retirement Pension Plan (ORPP), a portable pension intended to support workers without employer-provided pension plans, is in the process of development.<sup>119</sup> In addition, Bill 21, the *Employment Standards Amendment Act (Leaves to Help Families)*, 2014, introduced three new types of leave that can be taken by employees covered under the *Employment Standards Act*.<sup>120</sup>

### **Recommendation 16: The provincial government should accelerate implementation of its commitment to expand access to prescription drug benefits for low-income Ontarians.**

The 10-year horizon could be shortened to bring the positive effects of access to prescription-drug benefits to many individuals and families—and save on health-care-related costs—sooner. Municipal and regional governments can also play a role by building on their existing subsidy programs in order to expand eligibility to those with low total compensation and to explicitly consider those workers with variable income. All levels of government should consider how to enable health, dental and vision benefits to be portable, ensuring that workers who hold multiple jobs at one time can still be covered by benefits. The model of benefit coverage that is used by unions with sectoral bargaining agreements could be used as a foundation for exploration.<sup>121</sup>



**Recommendation 17: The provincial and federal governments are encouraged to lead on pension reform to ensure that the needs of those in precarious employment are supported.**

The provincial government's leadership with the ORPP is a step in the right direction. It will be important for the government to fully consider how the ORPP will support those who hold a series of short-term jobs<sup>122</sup> and those whose income varies from year to year. As low-income workers will be obligated to participate, it will also be important for the provincial government to counter-balance this income loss through other income-security programs, such as a made-in-Ontario WITB. The federal government is urged to consider reforms to the *Income Tax Act* that would enable the self-employed to be covered under the ORPP. At the same time, because this retirement program is an essential source of income support for retired Canadians, the federal government is urged to address the limitations of the Canada Pension Plan (CPP) to ensure that it is being adapted to our new labour market.

**Recommendation 18: Employers in all sectors and the provincial government should consider taking steps to better support workers' needs relating to unexpected absences.**

The provincial government could do this by expanding the right to take personal-emergency leave under the *Employment Standards Act* to those workplaces with less than 50 workers. Informed by their experiences, employers and the private sector can play a leadership role in this area by contributing ideas on how to provide access to paid sick days (and other types of unexpected absence benefits) for their contract and temporary workers.

## **Supporting voice at work**

Providing workers with a voice at work has become an accepted feature of modern employment relationships, and it is increasingly recognized as a basic human right. Voice at work is provided in various ways: through the *Employment Standards Act*; through employer practices; and through collective organizations. For some workers, this includes the right to influence wages and working conditions with the assistance of a union. We found that those in precarious employment were much less likely to report being union members. Only 13% of those in precarious employment were members of unions, compared to 34% of those in secure employment. We learned from interviews that some of those in precarious employment who were union members felt that they received limited benefits as a result of membership. Ontario's *Labour Relations Act* was introduced in 1950, and, though elements of this Act have changed since then,<sup>123</sup> it was largely designed for the 1950s labour market, which was characterized by permanent, full-time employment. As a result, most union contracts represent workers who are doing similar work and who are employed at a single workplace. There is a misalignment between the regulations that govern unions and the new realities of the labour market, where many workers have only temporary connections with a single workplace.

The labour movement has responded to these challenges with some creative solutions. This has involved, in part, convening stakeholders through events, such as Unifor's Good Jobs Summit,





held in 2014. Some unions have been working with workers outside of Standard Employment Relationships for a long time, and have developed practices that have helped their members mitigate their insecurity. The SEIU's Justice for Janitors campaign is one of the oldest union efforts to collectively organize workers in precarious employment. Most of the building-trades unions have sector-wide bargaining, which enables members to work for multiple employers, while earning standard wages and benefits based on multi-employer contributions to benefit plans and pension plans. Unions that organize workers in the arts sector, such as IATSE and ACTRA, design model agreements for their members, work to get these agreements recognized by different employers, and administer benefits and pension programs for union members.<sup>124</sup> Many unions have established training centres to develop the skills of their members or have been working in partnership with government and the community sector to develop training for workers through such initiatives as the Hospitality Workers' Training Centre. Many unions are experimenting with different models to include precariously employed workers in their organizations, including the Canadian Media Guild's Freelancers' union<sup>125</sup> and Unifor's community-chapter model, which serves workers who are not covered by unions by providing reduced-cost access to group-benefit plans and home and life insurance.<sup>126</sup>

**Recommendation 19: Unions and labour groups need to continue their efforts to best serve workers who are currently being excluded from unions.**

Unions, labour groups and community groups representing precarious workers, such as the Workers' Action Centre, should continue to think creatively in reaching out to those in precarious employment; they can use existing models to provide support through collective benefit plans and training. In addition, unions, labour groups, the community sector and the private sector can consider ways to continue partnering to serve and advocate for workers in precarious employment. This can include anything from continuing to contribute perspectives on voice at work to continuing conversations on employment standards, health and safety, income security and employment security.

**Recommendation 20: The provincial government should use the opportunity provided by the Labour Relations Act review to assess how voice at work is enabled for those in precarious employment.**

As cited above, sector- and occupation-wide collective agreements have given some workers who are not in Standard Employment Relationships the ability to access benefits, training, and other forms of collective representation that are currently limited to those in Standard Employment Relationships. The *Labour Relations Act* review should assess the viability of these forms of representation. In addition, it should consider a range of options that could enable more voice at work, such as card-based certification and protections for workers involved in collective representation, as well as options for the most vulnerable workers who lack access to representation.





## Enhancing social and community supports for a new labour market

Employment insecurity influences more than a worker's experience on the job. Our research demonstrates that precarious employment also takes a toll on personal, family and community life, especially for those in low-income households. Uncertainty about work schedules and finances can contribute to social isolation and poorer mental health for those in precarious employment. Precariously employed workers are also less likely to vote, which may reflect a broader civic disengagement.

The material, social and psychological impacts of precarious employment mean that those who are precariously employed may struggle more with “getting by.” We all rely on a range of resources to build healthy and successful lives, such as income, employer-sponsored benefits, government transfers, and supports from family and communities. But, workers who are in insecure employment have more-limited access to some of these resources, like income and employer-sponsored benefits. This means that they may have to rely on other resources, such as community services, to get by. For example, we have seen in our data that workers in precarious jobs turn to the voluntary sector for professional development, like volunteering in order to network or improve job opportunities.

At the same time, insecure employment can make it harder for workers and their families to access the opportunities and community supports that could help them get ahead. For example, uncertainty about work schedules and location of work makes it more difficult for parents in precarious work to access childcare. Precariously employed parents are also less able to pay for their children to participate in activities outside of school, especially those living in low-income households.

Precarious employment creates uncertainties that make day-to-day life harder for workers and their families. These difficulties—the inability to predict your income, not knowing when you are working and when you have time to spend with family, and a lack of benefits to rely on if your child needs medication—are distinct to precarious employment. Our research continues to demonstrate that workers in precarious jobs experience a shared struggle. One that crosses the income spectrum.

While it is important to recognize the specific needs of all workers in insecure jobs, we also know that there are other essential considerations. Workers in precarious jobs generally make less money and are more likely to be from racialized and newcomer populations. Experiences of precarity, poverty and discrimination often intersect, creating multiple barriers that further influence the need for—and the ability to access—necessary supports.

Our research emphasizes a growing awareness that workers in precarious employment and their families require additional support to meet their unique needs.



## Enabling flexible, quality<sup>127</sup> childcare

Access to childcare is difficult for many parents, but those in less secure employment face extra obstacles. Half (51%) of parents in precarious work reported that uncertainty about work schedules and location limits childcare choices, compared to 21% of parents in secure work. The economic implications are clear, since 50% of precariously employed workers reported that a lack of access to childcare limits their ability to work. Childcare is both a social- and economic-policy issue, because it enables parents to raise children, meet their family's financial needs and contribute to the economy at the same time.

The unique needs of parents in insecure employment start at a child's birth. Parents who are in precarious work are less likely to be eligible for maternity/parental benefits through Employment Insurance.<sup>128</sup> In 2012, 78% of recent mothers had employment that was insurable under Employment Insurance. Of these insured mothers, 88% received maternity or parental benefits.<sup>129</sup> Recent changes have expanded eligibility to self-employed Canadians to register for EI, including special benefits. However, only 17,153 self-employed people opted in between January 2010 and March 2013 (and 4,289 of these individuals subsequently opted out).<sup>130</sup> This represents only about 0.6% of the approximately 2.7 million Canadians who are self-employed.<sup>131</sup>

Accessing childcare when returning to work is difficult for many parents in the GTHA; uncertain, irregular, part-time and shift-work schedules make it much harder. Our research shows that those in precarious employment are more likely to use unlicensed childcare. Unlicensed care (not subject to provincial standards) is not inspected by the Government of Ontario.<sup>132</sup>

The Government of Ontario has recently implemented several childcare-related initiatives, including full-day kindergarten and the *Child Care Modernization Act*. While there is growing awareness of the unique difficulties facing precariously employed parents—stakeholders in recent City of Toronto Children's Services consultations identified them as a vulnerable group<sup>133</sup>—more needs to be done to ensure flexible, accessible, affordable, licensed, safe and high-quality childcare.

**Recommendation 21: The federal government could address the needs of parents in precarious employment by exploring parental-leave options that better align Employment Insurance with today's labour market.**

This could include improving the flexibility of parental benefits, as well as supporting accessibility for all new parents.<sup>134</sup> In Quebec's parental-leave model (the Quebec Parental Insurance Plan), participation for the self-employed is mandatory, and eligibility for all workers is based on having made at least \$2,000 in the past year, irrespective of the number of hours worked. The model also offers greater flexibility: parents can choose a longer leave with smaller payments or a shorter leave with larger payments.<sup>135</sup> These elements could improve parental-leave access and flexibility for workers in insecure jobs.



**Recommendation 22: Governments are encouraged to develop a flexible, accessible, affordable, licensed, safe and high-quality childcare system—set up and funded as to enable precariously employed parents and their partners to work.**

To meet the needs of all families, it is important to have a high-quality childcare system, with sufficient childcare spaces and access to childcare subsidies for those who need them. But, workers in precarious jobs also need childcare flexibility. Public policy could meet the needs of precarious workers by encouraging existing childcare centres to offer part-day programs with flexible attendance options.<sup>136</sup> Flexibility is also important for childcare subsidies. Childcare subsidies generally require that parents work a minimum number of hours, which limits eligibility for workers in precarious jobs. Public policy could address this by linking childcare subsidy eligibility to family income only, rather than to workforce attachment.<sup>137</sup>

### **Improving access to community services**

All sectors are struggling to respond to the needs of workers in today's labour market. This is also true for the community-services sector, which needs to innovate to better support workers in precarious jobs. In previous sections, we talked about the important role of employers in reducing and mitigating precarious employment. That analysis applies to all sectors, including the community-services sector. There is much for all sectors to consider in their roles as employers. However, there are other important considerations for the community-services sector related to its role in providing community supports.

We know that workers in insecure employment are struggling. Nearly half (45%) of those who are in less secure employment, and in low-income households, are concerned about being able to maintain their standard of living. We also know that this group is the most isolated, since workers with less secure employment who are in low-income households are the least likely to have a close friend to talk to, the least likely to have a friend to do things with, and the least likely to have a friend that would loan them money in an emergency. The pressures and uncertainty of precarious employment can take a toll on mental health, with poorer mental health reported among the precariously employed compared to those in secure employment in our survey. While this is true at all income levels, it is most severe for workers in less secure employment and low-income households; these workers are more than twice as likely to report poorer mental health than workers in more secure, high-income employment. Community services—such as family counselling, help to find housing, and recreation or settlement assistance—can be a lifeline for workers in precarious jobs who do not have the income or benefits necessary to pay for all the supports they need.

The work of the community-services sector is influenced by organizational resources and practices. While all levels of government support the community-services sector in delivering vital community services, the nature of this funding has become more short-term and project-based.<sup>138</sup> This makes it more difficult to develop and deliver services that meet individual and community needs. In Ontario, 82% of social-service organizations struggle to obtain adequate financial resources to meet their mandate.<sup>139</sup> Addressing complex social problems also requires innovation, which could enable community organizations to better address the individual, family and community implications of precarious work.



**Recommendation 23: All levels of government can strengthen the community-services sector by providing a mix of funding supports, including core funding, to enable the community-services sector to better serve those in insecure employment.**

It is important that all sectors consider policies and practices to address the material, psychological and social costs of precarious employment. However, it is also essential that workers in insecure jobs have access to the community supports that can help them address urgent needs and build better lives. For community services to be more flexible in serving those in precarious employment, they would require more flexibility in their funding. Sustainable and flexible funding can allow community organizations to identify and nimbly address emerging community needs,<sup>140</sup> and help to ensure that workers in precarious jobs are able to access the resources they need to get ahead.

**Recommendation 24: Community-sector organizations are encouraged to adapt practices to meet the distinct needs of workers in precarious jobs.**

Bolstering the accessibility of community services is vital for workers in precarious jobs, who may have unique needs that influence the accessibility of community services. Ensuring the availability of local services that are accessible outside of traditional business hours can provide flexibility for shift workers and those working unpredictable or irregular hours. Technology has been leveraged by governments, community-service organizations and social ventures to better support groups, such as homeless populations, children and youth, and caregivers.<sup>141</sup> In Ontario, the Lawson Research Institute worked with TELUS Health and Canada Health Infoway on a smart-phone app, designed to empower people living with mental illness during their recovery process.<sup>142</sup> Community-service organizations could use a precarity lens to build on these types of initiatives and innovate to address the needs of workers in precarious jobs.

## **Creating accessible opportunities for children and youth**

Inclusion, social mobility and well-being are bolstered by access to opportunity. Building opportunity involves access to the right tools and resources, at the right time, to build a full and successful life.<sup>143</sup> For children and youth, this includes access to crucial educational, material, health, social and recreational resources.

Our research shows that a parent's precarious employment influences the opportunities available to their children. For example, employment insecurity makes it more difficult for parents to pay for activities outside of school. This is true irrespective of household income, but low-income parents with less secure employment are five times more likely to be unable to pay for activities outside of school most of the time, compared to a parent in a high-income household with more secure employment. One in four parents who are in less secure employment and a low-income household are unable to pay for activities outside of school most of the time. Parents in less secure employment are also more likely to struggle to buy school supplies and clothing or pay for school trips. When high-income families are more able to invest in opportunities for their children than low-income families, it hinders social mobility and makes it more difficult for children in low-income families to get ahead.<sup>144</sup>



Governments provide tax credits to help offset the costs of recreation for children. The Government of Ontario's Children's Activity Tax Credit is a refundable tax credit, for fitness and non-fitness programs of up to \$55.10 (for \$551 in eligible expenses).<sup>145</sup> The Government of Canada's Children's Fitness Tax Credit offers parents a tax credit of up to \$150 (for \$1,000 in eligible expenses), and the government recently proposed that the tax credit become refundable.<sup>146</sup> The Government of Canada's Children's Art Tax Credit also offers a non-refundable tax credit of up to \$75 (for \$500 in eligible expenses).<sup>147</sup> Since low- and modest-income families may not have the resources to pay for programs and be eligible for credits, research suggests that their needs may be better met by public and charitable investment in community programs and amenities.<sup>148</sup>

Governments also offer services to improve access to opportunity for children and youth. The Government of Ontario emphasized the importance of access to opportunities in the 2014/2015 mandate letter for the Ministry of Children and Youth Services, which directed the Ministry to support young people through community programs and services that are built to reflect the strengths and needs of at-risk youth.<sup>149</sup> Across the region, municipalities offer programs to enhance equitable access to recreational opportunities. This generally involves program-fee credits for children in low-income families, with annual caps per child.<sup>150</sup> In Toronto, demand for fee subsidy has frequently exceeded the annual operating budget.<sup>151</sup> Municipalities also offer broader access to recreation; examples include free family passes for low-income families in Hamilton, designated Community Centres with free programming in Toronto, and free summer programs in local parks in Mississauga.<sup>152</sup>

**Recommendation 25: Governments are encouraged to consider how precarious employment creates barriers to program access when developing programming in order to better tailor supports to those in precarious employment.**

The 2014/2015 mandate letter for the Ontario Ministry of Education directed collaborative action with the Ontario Ministry of Tourism, Culture and Sport to create options for high-quality before- and after-school programming for kids aged six to 12.<sup>153</sup> Prioritizing flexibility and opportunity would help this programming meet the needs of precariously employed parents and their children. In the case of initiatives for at-risk youth, it is also important for the Government of Ontario to consider the role that precarious employment plays in limiting the opportunities that families can provide to children and youth. Municipal governments are also encouraged to consider the unique needs of children and youth whose parents are in less secure employment. Since parents who are in precarious work are less likely to have the resources to pay for activities outside of school, municipal governments can build accessible opportunity for all children and youth by ensuring adequate funding for recreation accessibility initiatives.<sup>154</sup>

## **Ensuring meaningful volunteer opportunities**

Precarious employment also influences how workers engage in the community. Our data shows that workers in less secure employment are more likely to volunteer, and more likely to invest more time in volunteering, at all income levels.



The reasons for volunteering are also different. Contributing to the community was the most frequently cited reason provided, for all workers across all income groups. Compared to workers in more secure employment, however, workers in less secure employment living in low-income households are less likely to volunteer to contribute to their community and less likely to volunteer to provide benefits for their children, their family or themselves. Our findings suggest that professional-development purposes are also common reasons to volunteer for workers in precarious employment from low- or middle-income households. Workers who are precariously employed, particularly those in low-income households, were more likely to volunteer to network or to improve job opportunities than those with secure employment.

Workers in precarious employment may rely on volunteering to improve their job situation, given the lack of training available to them and the greater discrimination they experience in getting work, keeping work or being promoted. These experiences may create vulnerability for workers in precarious jobs when volunteering, if they feel they have few other options for networking and professional development.

**Recommendation 26: The voluntary sector should continue to build volunteer experiences that will advance job-related development and/or link to employment.<sup>155</sup>**

Recommendations for improving training and credential recognition are vital for giving workers in precarious jobs the supports they need to get ahead. But, we also need to ensure that workers in precarious jobs who rely on the voluntary sector for professional development are able to access meaningful opportunities. This means building volunteer opportunities that are structured to support volunteer contributions and community engagement, rather than address a labour gap in voluntary-sector organizations. Meeting the needs of workers in precarious jobs could involve creating opportunities for networking or exploring skill development and recognition through skills-based volunteer engagement.<sup>156</sup>

Since our research suggests a link between precarious employment and social isolation, there is an important role for voluntary-sector organizations to play in enhancing the social benefits of volunteering among those in precarious work. To do this, voluntary-sector organizations could build on their existing practices to strengthen volunteer engagement, or explore and adapt employer-practice recommendations (noted above in the subsection “enabling more secure employment”) that are intended to promote the social inclusion of workers in secure jobs (e.g., organizational social events).

Voluntary-sector organizations need the capacity to develop volunteer programs that concurrently meet organizational and volunteer needs.<sup>157</sup> Governments can contribute by providing dedicated resources that voluntary-sector organizations can use to support meaningful volunteer opportunities as well as build and share best practices.



**Recommendation 27: Educational institutions and employers are encouraged to recognize the experience gained through volunteering.**

A number of mechanisms exist that could be assessed for effectiveness in volunteer-experience recognition in the Ontario context. In 2013, the Investors Group and Volunteer Canada piloted the Volunteer Experience Recognition Program (VERP) in volunteer centres across Canada.<sup>158</sup> Based on a model from Quebec, the VERP is a free software program that can be used by voluntary organizations to generate certificates that detail a volunteer's training, skills and achievements. The VERP uses corporate language and Employment and Social Development Canada's National Occupational Classification to support an assessment of employment suitability.<sup>159</sup> As part of the Toronto Pan Am/Parapan Am Games' Ontario Volunteer Legacy Initiatives, the Government of Ontario is supporting a VERP project in Ontario through the Ontario Volunteer Centre Network.<sup>160</sup> The Ontario Skills Passport<sup>161</sup> could also be adapted to better meet the needs of workers in precarious employment. Voluntary organizations could be proactive in helping volunteers track their skills and build their passport, and employers could recognize the passport as part of a job application. Volunteer experience is generally one aspect of the Prior Learning Assessment and Recognition (PLAR) process. Ontario does not have a standard PLAR process, but prior learning is taken into consideration in Ontario colleges.<sup>162</sup> All of these systems could be enhanced to ensure that volunteer experience is valued when assessing suitability for education and employment.<sup>163</sup>

**Recommendation 28: The provincial government is encouraged to consider the unique needs of volunteers who work in precarious jobs within the Ontario Volunteerism Strategy.**

The 2014/2015 mandate letter to the Ontario Ministry of Citizenship, Immigration and International Trade directed the Ministry to develop and implement Ontario's first Volunteerism Strategy.<sup>164</sup> The mandate letter emphasizes the importance of volunteering for youth engagement and training. Building on this emphasis, the strategy provides a platform to recognize and further develop the social and professional benefits of volunteering among workers in precarious jobs.

## Conclusion

*The Precarity Penalty* has confirmed our earlier findings: today's world of work is one in which many jobs are insecure, uncertain and/or unstable. One of the reasons for this insecurity is that our labour-market institutions and programs have not yet caught up to our present-day work reality. In this chapter, we outlined a vision for how we can all join together to ensure that workers and employers are both supported in this new economy and how they can both thrive. We have suggested paths for employers in all sectors, for governments at all levels, for the community sector, for labour and the private sector to follow in order to make employment more secure and to reduce the social costs associated with precarious employment. These wide-ranging recommendations include: improving access to training for those in precarious employment, delivering benefits through new vehicles, enhancing the enforcement of employment and labour standards, and creating new flexible childcare models and enhanced volunteering opportunities.





In some areas, our understanding of what needs to be done is quite clear; often, it is based on practices that are already in place in other jurisdictions. In other areas, finding the right path will require dialogue, more study and careful consideration between affected parties. In all cases, we will have to work together to make the changes necessary to support workers experiencing the negative effects of precarious employment.

If we are to provide individuals with the employment and income security necessary to support households and build stable communities, we must all play a role. For example, employers will need to embrace the business case for a more stable, adaptable workforce, and they will need to appreciate the value of examining, testing and implementing changes to their employment practices. This may have costs in the short term, but also many benefits for employers and the economy in the long term. The relationship between government and workers will also need to undergo a similar change, comparable to the changes following the Great Depression in Canada, which produced the core of the public-policy framework that regulates employment today. Governments will need to update basic protections and existing labour-market regulations, and introduce new supports for workers in light of the declining prevalence of the standard employment. The community sector and labour will need to develop new practices in order to provide for workers in less secure employment.

How we respond to the challenges created by the changing nature of employment will influence our shared prosperity and the economic health of our region, province and country for years to come. The place to start is acknowledging that change is in our midst, and that it's having significant negative impacts on our workforce and our communities. With the right modern policies and practices, we can harness changes in our economy to our advantage, and we can better balance the social and economic needs of all Canadians.







# APPENDIX A

## Methodology

### How we collected the data

PEPSO again commissioned Leger Marketing to conduct the 2014 PEPSO survey. The sample consisted of residents of:

- Toronto
- Surrounding GTA municipalities (Ajax, Brampton, Markham, Milton, Mississauga, Oakville, Pickering, Richmond Hill, Toronto, Vaughan)
- Hamilton
- Burlington.

Respondents were between the ages of 25 and 65. A total of 4,193 qualified respondents completed the phone survey between February 27th and April 13th, 2014. An initial pretest was conducted among 52 respondents between February 27th and March 4th, 2014. The participants were randomly selected using random digital dialling.

The sample is representative by sex, age and the different regions that make up the GTHA study area, based on the 2006 census. These are the same criteria used for the 2011 PEPSO survey.

The average length of the survey was 18 minutes. The data was analyzed using Stata software and included multi-variate analysis.

### Intensive interviews with precariously employed workers

A second source of data was a series of interviews with individuals in precarious employment conducted in early 2015. In total, 28 individuals were interviewed. Just over half of those interviewed were born outside of Canada. Almost half were from racialized groups. Over 55% were female. 60% were 25–35, and the rest were between 35 and 54. Half were living with a partner. Just under 10% have children living at home (see Appendix E for details).

We used several methods to recruit participants, including online postings on Kijiji and Craigslist websites. PEPSO community partners assisted in recruitment by distributing flyers throughout



their organizations and networks. These included United Way agencies in Toronto, York, Peel, Durham, as well as Burlington and Greater Hamilton. They, in turn, distributed flyers to their partner agencies. This broadened recruitment efforts to include a wide variety of community-service providers engaged in the delivery of employment supports across the GTHA. We were also assisted in recruiting participants by the Canadian Media Guild’s Freelance Branch and the Canadian Intern Association.

Each interview was about one hour in length. They were semi-structured and open-ended in nature. Questions explored a range of issues related to employment relationships, employment history, household characteristics, children, family and community engagement. The interviews were transcribed and thematically coded.

### Comparison of the 2011 and 2014 samples

The two samples are identical in terms of sex, age and geographical representation. They are also similar in relation to the percentage of respondents born in Canada, the percentage with a university degree, and the percentage with a working partner.

There is a difference in the percentage of racialized respondents in the two samples. In 2011, racialized groups were under-represented in the sample. The 2014 sample continues to be under-represented of racialized groups, but less so than the 2011 sample. In the 2006 census, 43.9% of workers in our geographic catchment area were from racialized groups. In the 2011 PEPSO sample, racialized groups represented 31.2% of the sample. This increased to 36.4% of the 2014 PEPSO sample. In both cases, much of the under-representation is a result of a serious under-representation of Chinese respondents to our surveys, who would be included in the racialized category.

In comparing 2011 and 2014 findings, it is necessary to keep in mind the different racial characteristics of the samples. Since racialized workers have a somewhat different employment experience than white workers, the shift to a higher proportion of racialized respondents in the 2014 sample may affect comparison between the samples. There is only a small difference in the prevalence of the Standard Employment Relationship between white and racialized groups, but racialized respondents score about one-third higher on the *Employment Precarity Index*, indicating that, on average, their employment is less secure. As a result, they are less likely to be in *Secure* employment and more likely to be in *Precarious* employment.

Table 5: Comparison of samples: 2011–2014

	2011	2014
% Racialized	31.2	36.4
% Male	48.5	48.4
%<45 years old	54.8	54.4
University degree	53.1	52.1
Born in Canada	61.2	60.3

Source:  
PEPSO surveys  
2011 and 2014.



Comparing the 2011 and 2014 findings of the same racial group categories are less likely to be affected by sampling differences between the two surveys. **Table 6** compares the characteristics of the white and racialized categories on a number of characteristics that might shape responses. There are only minor differences within each of the racialized samples between the two surveys. The 2014 white sample is similar to the 2011 white sample on the four characteristics in **Table 6**. The 2014 racialized sample has fewer university grads, but more workers born in Canada, compared to the 2011 racialized sample—factors that would have the opposite effect on the prevalence of *Precarious* employment and on income.

**Table 6: Comparison of white and racialized samples: 2011–2014**

	White		Racialized	
	2011	2014	2011	2014
% Male	45.7	45.9	53.9	52.6
%<45 years old	48.6	46.3	68.8	68.4
University degree	51.5	53.1	55.7	50.0
Born in Canada	78.5	80.2	21.8	24.7

Source:  
PEPSO surveys  
2011 and 2014.

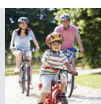
Comparing the 2011 and 2014 findings of the same sex categories are somewhat affected by the increase in the racialized sample in 2014. Males were older in 2014, while females were younger. This may explain part of the increased earnings gap between men and women in 2014, compared to 2011.

**Table 7: Comparison of male and female samples: 2011–2014**

	Male		Female	
	2011	2014	2011	2014
% White	65.1	60.4	72.2	66.6
%<45 years old	61.7	54.3	48.2	54.6
University degree	53.9	52.0	52.3	52.2
Born in Canada	61.9	58.2	60.4	62.3

Source:  
PEPSO surveys  
2011 and 2014.

The 2014 male white sample is older than the 2011 sample. The 2014 male racialized sample is less likely to be university educated. The 2014 female white sample is younger than the 2011 sample. The 2014 female racialized sample is more likely to be born in Canada than the 2011 sample.



**Table 8: Comparison of male and female, white and racialized samples: 2011–2014**

	Male White		Male Racialized	
	2011	2014	2011	2014
% <45 years old	57.2	44.5	65.9	69.2
University degree	51.8	53.1	56.9	49.4
Born in Canada	81.2	80.3	24.9	23.8

Source:  
PEPSO surveys  
2011 and 2014.

	Female White		Female Racialized	
	2011	2014	2011	2014
% <45 years old	41.4	47.9	65.9	67.5
University degree	51.2	53.1	54.4	50.6
Born in Canada	76.2	80.2	18.2	25.8

Source:  
PEPSO surveys  
2011 and 2014.

## Policy analysis and convening

Since the publication of *It's More than Poverty* in February 2013, the PEPSO initiative has undertaken a multi-pronged effort to build the policy recommendations for this chapter. This effort has involved:

### Research

A comprehensive policy map was developed, which included policies and practices that have been proposed or implemented in Canada or in other jurisdictions, which mainly included the United States, Europe, Australia, and New Zealand, due to similarities in government. These policies were chosen either because they reduced or mitigated precarious employment. The objectives of the policy map were to build on existing work, to understand alignment between stakeholders, and to uncover new and innovative solutions.

Research for the policy map came from a review of over 300 sources from academia, think tanks, labour, the community sector, media and the private sector. Every effort was made to ensure that research was included from a diversity of perspectives, sectors, and political beliefs. The map contains 2,750 policy recommendations and practices, which were synthesized and used to develop 16 policy option working papers that can be found by going to our Policy Forum page on our PEPSO website at [www.pepso.ca](http://www.pepso.ca).



## Convening

In addition, we convened key stakeholder groups to discuss policy options in order to uncover creative solutions that could reduce or mitigate precarious employment and to understand emerging challenges and opportunities. This included:

An engagement with KPMG to conduct research on precarious employment by focusing on the perspectives of employers. This engagement involved employer interviews conducted by KPMG and an employer forum convened by KPMG and United Way Toronto to gain further feedback. The outcome is a report entitled *Precarious employment: the employers' perspective*, which can be found by going to our Policy Forum page on our PEPSO website at [www.pepso.ca](http://www.pepso.ca).

A labour roundtable, convened between PEPSO and the Canadian Labour Congress, which brought together key researchers, representatives, and leaders from unions to discuss 1) what strategies unions can use to organize precarious workers 2) how unions can represent the interests of precarious workers when these workers are union members and 3) how unions can advocate for precarious workers when they are not unionized.

A policy roundtable, which brought together about 100 leaders in the GTHA region to discuss and assess the policy options put forth in the policy papers, with the goal of raising awareness of the range of opportunities available for change, developing a better understanding of where alignment could occur, and expanding an understanding of political will to move forward.

A series of four community roundtables held in the inner suburbs and Peel Region and convened with 1) the Malvern, Dorset Park and Steeles- L'Amoreaux Action for Neighbourhood Change groups 2) Scarborough Village and Eglinton East/ Kennedy Park Action for Neighbourhood Change groups 3) the Mennonite New Life Centre on Keele and Wilson in the city of Toronto, and the Peel Halton Workforce Development Group. The purpose of these roundtables was to gain the input and reflection of workers in communities and to seek creative solutions to the challenges of precarious employment from people who have experienced this type of work or are currently experiencing this type of work.





# APPENDIX B

## Defining Individuals in Precarious Employment

Early research on precarious employment compared the conditions of employment of a group of workers who self-defined as being permanently employed with a group that self-identified as not being permanently employed. Recent research has used more sophisticated measures. These involve developing indices based on several different indicators of employment conditions. They focus on a continuum of precarity from low to high. This is the approach adopted in this report.

We used 10 questions as indicators of employment security to build the *Employment Precarity Index*. The respondents' answers to each question were scored out of 10. The exact value depended on the answer choices for each question. Yes/no questions were scored as either zero or 10. Questions with more than two choices could have several values between zero and 10.<sup>165</sup> The *Index* took a value between zero (low precarity) and 100 (high precarity).

These are the questions used:

- Do you usually get paid if you miss a day's work?
- I have one employer, whom I expect to be working for a year from now, who provides at least 30 hours of work a week, and who pays benefits.
- In the last 12 months, how much did your income vary from week to week?
- How likely will your total hours of paid employment be reduced in the next six months?
- In the last three months, how often did you work on an on-call basis?
- Do you know your work schedule at least one week in advance?
- In the last three months, what portion of your employment income was received in cash?
- What is the form of your employment relationship (short-term, casual, fixed-term contract, self-employed, permanent part-time, permanent full-time)?
- Do you receive any other employment benefits from your current employer(s), such as a drug plan, vision, dental, life insurance, pension, etc.?
- Would your current employment be negatively affected if you raised a health and safety concern or raised an employment-rights concern with your employer(s)?





The Cronbach’s Alpha for the *Index* is 7.3, which is an acceptable level of internal consistency between Index items.

The *Employment Precarity Index* is used to divide the sample into four quartiles of approximately equal size.

**Table 9: The *Employment Precarity Index* quartiles**

Precarity level	Index range	Average within cluster	Number in each cluster
Precarious	40-92.5	53.0	1,156
Vulnerable	20-37.5	28.6	965
Stable	5-17.5	10.5	1,025
Secure	<=2.5	0.5	910

Source:  
PEPSO surveys 2014.



# APPENDIX C

## Determining Low, Middle and High Household-Income Brackets

The PEPSO 2014 survey asked respondents to report their pre-tax family income from all sources. The goal was to minimize non-reporting of income. Respondents selected from one of nine income brackets, ranging from less than \$20,000 to more than \$150,000.

To simplify the presentation of findings, these nine income categories were compressed into three household-income ranges:

- Low-income (<\$60,000)
- Middle-income (\$60,000–\$99,999)
- High-income (>\$100,000).

In deciding on these income ranges, we consulted existing common measures of low income. Two of the more popular measures are Low-Income Cut-Off (LICO) and Low-Income Measure (LIM), as calculated by Statistics Canada. The income levels that define low household income are reported in **Table 10**. According to this measure, a household of four would need just under \$50,000 in 2014 to escape a low-income designation.

**Table 10: LICO/LIM/Median wage**

LICO 2013 (500,000+) <sup>1</sup>	
	Before tax income plus transfers
1 Person	\$23,861
2 Persons	\$29,706
4 Persons	\$43,942
LIM 2012 <sup>2</sup>	
4 Persons	\$47,208

1. Based on an income level where average family expenditures on food, shelter, clothing would represent 63% of income.

2. 50% of median household income (calculated values).

Source:  
Statistics Canada 2014.  
Low-income Lines, 2012  
to 2013, Income Research  
Papers, Catalogue no.  
75F0002M — [http://  
www.statcan.gc.ca/  
pub/75f0002m/2014003/  
tbl/tbl02-eng.htm](http://www.statcan.gc.ca/pub/75f0002m/2014003/tbl/tbl02-eng.htm)



Recently, there has been a growing interest in living wage rates as a measure of the minimum a household requires to provide a basic standard of living. A minimum living wage is substantially higher than either the LICO or the LIM measures. Living wages for Toronto and Hamilton were calculated based on a family of four with two income earners, each working full-time (52 weeks at 37.5 hours a week). The adjusted 2014 figures are reported in **Table 11**. In 2014, this household would need just over \$70,000 in Toronto and just over \$60,000 in Hamilton. The Waterloo living wage is the most recent wage calculated and is reported only to provide a more recent calculation.

**Table 11: Living wage rates<sup>1</sup>**

	Before tax income plus transfers (Toronto 2008) (Hamilton 2011)	2014 Living wage before tax adding inflation <sup>2</sup> (9.9% since 2008) (3.6% since 2011)
<b>Toronto Estimate</b>		
Couple with 2 children	\$64,783	\$71,196 <sup>3</sup>
Single parent	\$31,435 \$39,276 if no child care subsidy	\$38,421 \$43,416 if no child care subsidy
<b>Hamilton Estimate</b>		
Couple with 2 children	\$58,305	\$61,309
Single parent	\$29,153 \$37,481 if no child care subsidy	\$30,654 \$38,830 if no child care subsidy
Single person	\$29,153	\$30,202
<b>Waterloo Estimate</b>		
		\$73,652

1. Assumes 37.5 hour week, 52 weeks a year. Two earners for a family of 4 and one earner for a single-parent family.

2. January to January 2012 inflation (<http://www.rateinflation.com/consumer-price-index/canada-historical-cpi.php?form=cancpi>).

3. At the time of going to print, the Canadian Centre for Policy Alternatives released its 2015 living wage rate for Toronto, which was \$72,242 for a family of four. See Tiessen 2015.

Source:  
Toronto: Mackenzie and Stanford 2008; Hamilton: Social Planning and Research Council of Hamilton 2011; Waterloo: Bruijns and Butcher 2014.

Using this information, we define a low-income household as one with less than \$60,000 in before-tax earnings from all sources. A couple with two children at the upper end of this range would be just over a low family income, as defined by LICO and LIM, but well below a living wage for a family of four in the region under study. Most households in the middle-income bracket would enjoy at least a living wage.



# APPENDIX D

## Interpreting the Figures

Key findings of *It's More than Poverty* were that precarious employment is experienced by workers at all income levels and that, while precarious employment negatively affects social outcomes of workers living in low-income households the most, it also has a negative effect on middle-income households. For that reason, *The Precarity Penalty* presents data in ways that shed light on how precarity and income interact to affect household well-being and community participation. *It's More than Poverty* also revealed the disadvantages that racialized communities face in finding secure employment. *The Precarity Penalty* extends the analysis of this question to how race, place of birth and citizenship affect employment and social outcomes.

### Dividing the sample into employment-security categories

*The Precarity Penalty* uses the *Employment Precarity Index* developed in the first report to divide survey respondents into four employment categories (*Precarious*, *Vulnerable*, *Stable*, *Secure*). Where these terms are capitalized and italicized in the text, it is meant to refer to these specific employment categories. This report uses the same *Index* score cut-points that are used in *It's More than Poverty* to allocate survey respondents to one of these four employment categories. Figures using the four employment categories provide a broad overview of how employment relationships shape social outcomes and the experience of workers at work. In some areas, we have highlighted the particularly stark difference between two categories—*Precarious* employment (the most insecure employment relationships) and *Secure* employment (the most secure employment relationships).

### Dividing the sample into employment-security categories and income categories

A second way that *The Precarity Penalty* presents the survey data is by using scores from the *Employment Precarity Index* and from self-reported individual and household income to divide the survey respondents into six employment-security/income categories.

The *Employment Precarity Index* is used to divide the sample into two halves. As defined above, less secure employment includes *Precarious* employment and *Vulnerable* employment, and more secure employment includes *Secure* employment and *Stable* employment.



Income data is used to divide these two employment categories into three income groups (low-income, middle-income, high-income). Where individual income is used to divide the survey respondents, we divide the sample into a low-income category earning less than \$40,000, a middle-income category earning between \$40,000 and \$79,999, and a high-income category earning \$80,000 or more. Where household income is used, we divide the sample into a low-income category earning less than \$60,000, a middle-income category earning \$60,000–\$99,999, and a high-income category earning \$100,000 or more.<sup>166</sup> Figures using the six employment-security/income categories show how employment precarity and income together shape social outcomes and the experience of workers at work. The total sample using income data is smaller than the total sample, as not all survey participants reported their income.

**Table 12: Distribution of 2014 sample across employment/income categories (#)**

	Using Individual Income	Using Household Income
Less Secure/Low-income	961	796
More Secure/Low-income	160	193
Less Secure/Middle-income	483	398
More Secure/Middle-income	641	432
Less Secure/High-income	261	495
More Secure/High-income	705	900
<b>TOTAL</b>	<b>3,211</b>	<b>3,214</b>

Source:  
PEPSO surveys 2014.

## Exploring the individual effects of employment security, income, sex, race, place of birth and citizenship on household well-being and community participation

The third way of presenting the survey data uses a statistical modelling technique that controls simultaneously for the different characteristics of workers and their households.<sup>167</sup> This gives a more precise way of determining the impact of just income or just employment security on social outcomes, without the additional impact of other characteristics, such as age, sex, race and household characteristics. The reported findings from this exercise are relative to a fictional reference worker. This worker is male, in *Precarious* employment, has an individual income of \$40,000–\$79,999 (or a household income between \$60,000 and \$79,999), is white, aged 35–44 and was born in Canada.<sup>168</sup> The figures then compare the scores of this reference worker on the questions being examined, relative to another worker where we change any one of the worker characteristics. For example, how does the reference worker score relative to another worker who has all of the same characteristics when the employment relationship is changed to *Secure* employment from *Precarious* employment? Figures using this advanced modelling technique



show how individual characteristics of workers and their employment shape these workers' social outcomes and their work experience.

For those without a statistical background, think of this as a process where we begin with a pot of soup. The soup has a teaspoon of salt in it, some carrots, tomatoes and some parsley. We taste the soup and, on a scale of one to 100, we rank its taste as a 75 (not bad!). But your daughter thinks we can do better and asks us to replace the carrots with celery. We take the carrots out and replace them with celery. We leave everything else the same. Again, we taste the soup and give it a score of 80 (better!). Your daughter was right: soup made with celery tastes better than soup made with carrots by five points. However, your son now thinks it needs more salt, so you add another teaspoon of salt (everything else stays the same) and taste again. New score: 70 (oops, too much salt!).

In essence, this is what the figures using Ordinary Least Squares and Logistic Regression estimation tell us. But, instead of measuring the taste of soup, we are measuring social outcomes; instead of replacing carrots with celery, or adding more salt, we are replacing a worker in *Precarious* employment with one in *Secure* employment, or increasing the worker's income.

We also start the analysis with what we call a reference worker instead of soup. This is a worker with a specific set of characteristics that allows us to measure the impact of changing one of those characteristics. In all cases, we start with a Canadian-born, white male in *Precarious* employment. He will either live in a household with a household income between \$60,000 and \$79,999, or, in other cases, we use his individual income, which ranges between \$40,000 and \$79,999. In some figures, we add a few other characteristics to the reference worker, but that is a detail we can skip for now. We now have our reference worker and we can ask: What if we change one of the worker's characteristics (but leave everything else the same)? What if we change this worker from being in *Precarious* employment to being in *Secure* employment? The figures allow us to compare a Canadian-born, white male with a household income between \$60,000 and \$79,999 in *Precarious* employment with an identical worker in *Secure* employment.

We also include measures of significance. The maroon bars indicate a higher level of statistical significance. This tells us that we can be more confident that there really is a relationship between what we are measuring and the characteristic in question. The yellow bars indicate that there are a lot of different answers coming from individuals with the characteristic in question and, hence, we are less confident that there is a true relationship between what we are measuring and the characteristic in question. This does not mean there isn't a relationship, just that we are less confident it exists.

When reviewing findings on the influence of any one characteristic, such as race or sex, it is important to understand that each finding only accounts for differences caused by that specific characteristic. However, we know that the experience of workers is influenced by many characteristics simultaneously. This interaction is hard to capture, but important to remember. This is of particular relevance when interpreting the findings related to race. On many of our indicators, race has a negative effect on outcomes. Race also increases the likelihood that a worker will be in *Precarious* employment, which is often associated with an additional penalty. White workers in *Precarious* employment only suffer the penalty associated with this form of employment. While



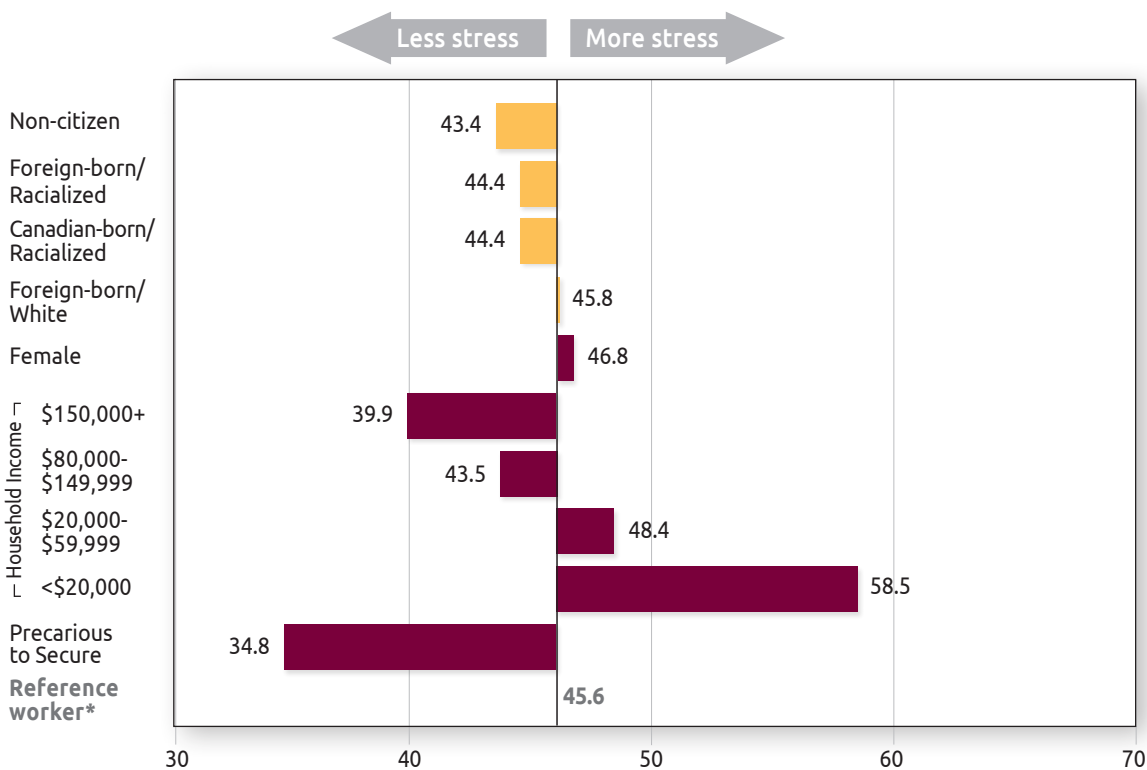
this issue is also relevant for interpreting the impact of sex, it is less of an issue, as the differences in employment security for men and women are less significant than they are for racialized and white workers.

## Interpreting figures based on ordinary least squares

This technique is employed where the variable we are using to measure a social outcome is an index whose value ranges between one and 100. For instance, we construct an index to measure Income Stress by combining the scores from five survey questions. Each question counts for 20% of the index. The lower the individual's score, the less Income Stress they face.

We then measure how the Income Stress Index changes as we change each of the reference worker's characteristics one at a time. The reference worker, a Canadian-born, white male in *Precarious* employment, living in a household with a household income between \$60,000 and \$79,999, scored 45.6 on the Index. If we change this worker to one in *Secure* employment, the Index decreases to 34.8, a decrease of almost 25% relative to the reference worker. Having low income increased the Index score and having high income decreased it relative to the reference worker. Sex, place of birth, race and citizenship have minor effects on this Index score. All figures using this technique are reported using horizontal bars.

**Example using Figure 70: Impact of income and employment security on Income Stress Index (Reference worker score=45.6\*)**



\* Reference worker: Canadian-born, white male in *Precarious* employment, household income \$60,000-\$79,999, aged 35-44. The analysis also controls for living alone and children in household.

Source: PEPSO survey 2014. The Income Stress Index includes: employment affects large spending; keeping up with bills; concern about debt; concern about maintaining standard of living; income lower this year. Estimates calculated using OLS regression. Maroon bars significant at the 5% level. The non-citizen category includes 219 workers of whom about two-thirds are racialized.



## Interpreting figures based on logistic regression

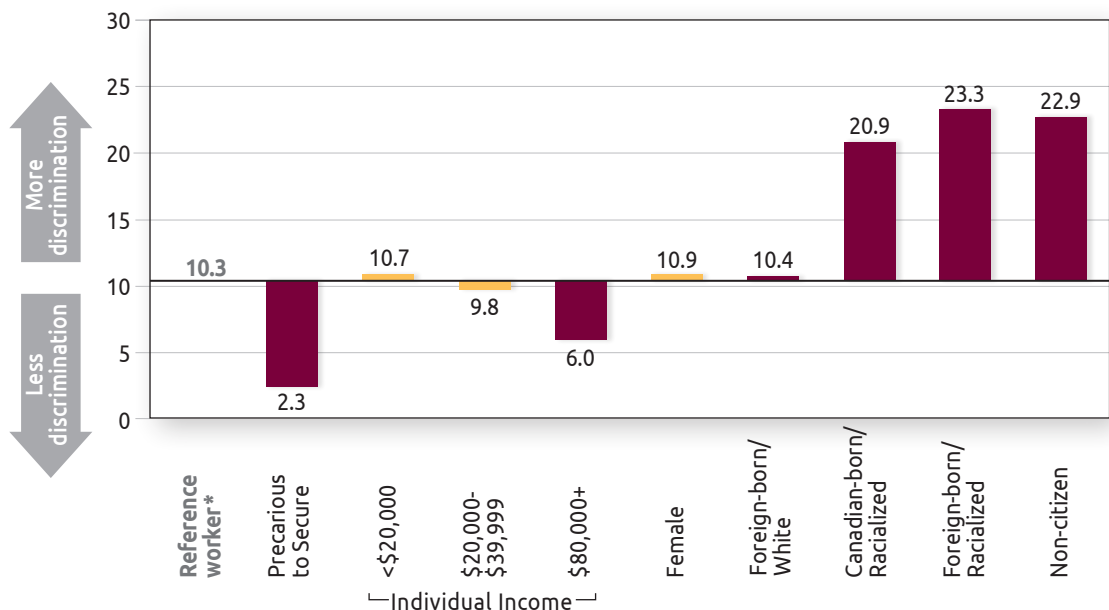
This technique is employed where the variable we are using to measure a social outcome is a variable that takes a value of either zero or one (this is called a binary variable). For instance, below is a figure that estimates who reports facing discrimination in getting work. In this case, the choices are that they do or they don't face discrimination, and the findings reported are measures of the change in probability that they do.

Again, the findings are relative to a reference worker, who is a Canadian-born, white male, in *Precarious* employment, with an individual income between \$40,000 and \$79,999. In the survey sample, 10.2% of the workers with these characteristics faced discrimination as a barrier to getting work. This is shown as the reference worker in **Figure 48**. If we now changed this worker from being employed in *Precarious* employment to *Secure* employment, the probability of this new worker facing discrimination falls to only 2.3%. However, if we change the reference worker from Canadian-born and white to Canadian-born and racialized, the probability that this worker will face discrimination increases to 20.9%. All figures using this technique are reported using vertical bars.

**Example using Figure 48: Percentage for whom discrimination is a barrier to getting work (Reference worker=10.3%\*)**

\* Reference worker:  
Canadian-born, white  
male in *Precarious*  
employment, individual  
income \$40,000-\$79,999,  
aged 35-44.

Source:  
PEPSO survey 2014.  
Maroon bars significant  
at the 5% level. Analysis  
based on logistic  
estimations. The non-  
citizen category included  
219 workers of whom  
about two-thirds  
are racialized.





## A percentage-point change versus a percentage change

The term “percentage point” is used to get around an ambiguity in English when we are comparing two different percentages.

A percentage point is the unit for the arithmetic difference of two percentages.

Consider the following example: 40% of the precariously employed are men and 60% are women. We say that women are 20 percentage points more likely to be precariously employed than men (60-40). However, women were 50% more likely to be precariously employed than men  $((60-40)/40)$ .

“Percentage change” refers to a ratio, while “percentage point” refers to an arithmetic difference.



# APPENDIX E

## Interview Characteristics

**Table 13: Interview characteristics**

	Self-employed	Other form of employment	Highest schooling	Born in Canada	Age	Race	Sex	Sector
Mateo	Yes	Freelance	BA	No	25-34	Racialized	Male	Food
Carl		Temp agency	-	Yes	25-34	White	Male	Labourer
Francesca		Temp agency	High school	No	45-54	White	Female	Manufacturing
Aamir	Yes	Contract	Apprentice	No	25-34	Racialized	Male	Not-for profit
Susan		Temp agency	College	No	45-54	White	Female	Not-for-profit
Donna	Yes	Contract	BA	Yes	25-34	White	Female	Culture
Irene	Yes	Temp agency	Post-Graduate	No	45-54	White	Female	Interpreter
Aden		Temp agency	Post-Graduate	No	25-34	Racialized	Male	Service
Tanvi		Temp agency	College	No	25-34	Racialized	Female	Call-centre
Rafael	Yes	Temp agency	BA	No	35-44	Racialized	Male	Not-for-profit
Curran	Yes	-	Post-Graduate	No	25-34	Racialized	Male	Construction
Gary		Temp agency	College	Yes	45-54	White	Male	Service
Melinda		Contract	-	No	35-44	-	Female	Call-centre
Ali	Yes	Contract	Post-Graduate	No	25-34	White	Male	Not-for-profit
Sofia	Yes	Temp agency	Post-Graduate	No	45-54	Racialized	Female	Interpreter
Cindy	Yes	Freelance	BA	Yes	45-54	White	Female	Service
Eva	Yes	Freelance	BA	Yes	35-44	White	Female	Media
John		Contract	College	Yes	25-34	White	Male	Clerical
Sarah		Temp agency	BA	Yes	25-34	White	Female	Not-for-profit
Paul	Yes	Freelance	Post-Graduate	Yes	25-34	White	Male	Food
Gloria		Freelance	BA	Yes	25-34	White	Female	Journalist
Fang	Yes	Freelance	BA	Yes	35-44	Racialized	Female	Editor
George	Yes	Contract	College	Yes	45-54	White	Male	Writer
Hannah		Contract	BA	Yes	25-34	White	Female	Clerical
Mary		Intern	High school	No	25-34	Racialized	Female	Intern
Cora		Intern	Apprentice	No	25-34	Racialized	Female	Intern
Jain		Intern	Post-Graduate	No	25-34	White	Female	Intern
Tom		Intern	BA	Yes	25-34	Racialized	Male	Intern





# ENDNOTES

- <sup>1</sup> United Way Toronto 2007.
- <sup>2</sup> Good Jobs Summit 2014.
- <sup>3</sup> See Castells 2010 for an exploration of the implications of this transition.
- <sup>4</sup> PEPSO 2013, pp.16-17.
- <sup>5</sup> Institute for Competitiveness and Prosperity 2013, p.19.
- <sup>6</sup> Toronto Region Board of Trade 2014, p. 5.
- <sup>7</sup> Toronto Region Board of Trade 2014, p. 29.
- <sup>8</sup> Zizys 2014, p. 16.
- <sup>9</sup> Toronto Region Board of Trade 2014, p.11. Goldring and Joly 2014, pp. 94-121.
- <sup>10</sup> Zizys 2014, p. 12.
- <sup>11</sup> For an extended discussion of some of the reasons for why income has become more unequally distributed, see Banting and Myles 2013.
- <sup>12</sup> Veall 2012.
- <sup>13</sup> United Way Toronto 2015.
- <sup>14</sup> United Way Toronto 2015.
- <sup>15</sup> Fuller and Stecy-Hildebrandt 2014.
- <sup>16</sup> For a discussion of the changing profile of income distribution in Canada see Veall 2012; Saez and Veall 2006; Fortin et al. 2012; Jacobson 2012; Alexander and Fong 2014.
- <sup>17</sup> Broadbent Institute 2014.
- <sup>18</sup> Hulchanski 2010.
- <sup>19</sup> Buist 2010.
- <sup>20</sup> On the increase in non-standard employment and precarious employment, see Vosko et al. 2003; Vosko et al. 2009; Vosko 2006. On falling job tenure, see Farber 2008a; Farber 2008b. On the increased risk of involuntary job loss see Hallock 2009; Uchitelle 2007. On increased income inequality, income variability and decreased prevalence of long-term employment benefits including pension plans, see Hacker 2006a.
- <sup>21</sup> Farber 2008a; Farber 2008b; Statistics Canada 2011.
- <sup>22</sup> Brochu 2013. Brochu uses Labour Force Survey data to measure the prevalence of workers reporting having been employed with their current employer for one year.
- <sup>23</sup> For an extended discussion of job stability versus employment security see Doogan 2009; Burchell et al. 2002; Heery and Salmon 2000. In particular, see Kalleberg 2011, pp.82-104.
- <sup>24</sup> Kalleberg 2011.
- <sup>25</sup> Seacombe 1993.
- <sup>26</sup> The Internal Responsibility System was introduced by the provincial government in Ontario in the late 1970s. It relies on employers and employees to ensure safe working conditions with limited government intervention. It relies on employees being willing to voice their concerns through Joint Health and Safety Committees and



refusing dangerous work. It has largely supplanted a system of health and safety regulations that relied on government appointed health and safety inspectors.

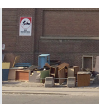
- 27 While this form of employment was a norm in the 1950s and the 1960s, this does not mean that everyone was employed under these conditions. It was especially common amongst white men but less so amongst women and/or workers from racialized groups. See Vosko 2000; Galabuzi 2006.
- 28 Castells 2010; High 2003; Carnoy 2000.
- 29 The social wage includes total compensation provided by employers (wages plus employer-provided benefits) plus government programs and transfers.
- 30 Lewchuk, Vrankulj and Laflèche 2014, p. 106-19.
- 31 Vosko 2000.
- 32 Cappelli 1999.
- 33 Research has also suggested that precarity can lead to negative health outcomes. See Lewchuk, Clarke, de Wolff 2011. There are also reports that it affects the health of those who live with the precariously employed. See Giatti et al. 2008.
- 34 Golsch 2005.
- 35 Mills et al. 2005.
- 36 Quilgars and Abbott 2000.
- 37 Chan 2011; Russell, O'Connell and McGinnity 2009; Bohle et al. 2004.
- 38 Goldring and Landolt 2009; Goldring and Landolt 2011.
- 39 This measure excludes the self-employed, who have many of the same characteristics as temporary workers. It also excludes the growing number of workers who would not describe themselves as temporary workers but still work with a high degree of insecurity.
- 40 The PEPSO sample includes both employees and the self-employed. About 13% of the 2014 sample report they are self-employed. Of these, over 70% report they are self-employed but without any employees.
- 41 There are two main reasons to be cautious in interpreting these trends. The first is that different individuals were surveyed and interviewed in the two studies. While steps were taken to ensure that the characteristics of the 2014 survey sample were similar to the 2011 sample in terms of age, sex and geographical distribution, there are some differences in other characteristics. While for the most part these are relatively minor, (See Appendix A for a discussion of these differences), there is one significant difference between the two samples. The 2011 survey sample over-represented white workers and under-represented racialized workers. This continues to be the case in 2014, but less so. The percentage of racialized workers has increased from 31.2% to 36.4% of the survey sample. To be representative of the geographic area, racialized workers should have made up 43.9% of the survey sample. Because precarious employment is more prevalent amongst racialized workers, this will tend to make the overall 2014 survey sample more precarious than the 2011 survey sample.

Comparisons of trends within racial categories will be less affected by this difference in the two samples. Within the white and racialized categories of workers we see a significant shift between the two periods. The percentage of white workers in Precarious employment remained the same at about 25%, but the percentage of racialized workers in Precarious employment increased from 27% to over 35%.

A second reason to be cautious is that the time gap between the two surveys (30 months) might be too short a time frame to detect meaningful trends.

- 42 In Ontario a worker employed for less than 12 months is entitled to 1 weeks notice of termination and two week if employed between 1 and 3 years,
- 43 Galt 2015.
- 44 Table 2 in *It's More than Poverty* reported similar data for 1989 and 2007 but only for workers aged 15-64. As a result, some of the numbers are different in Table 1 in this report.
- 45 Hallock 2009.
- 46 Defined benefit pension plans provide a pre-determined pension based on years of service and salary. A worker's defined benefit pension plan is largely unaffected by the state of financial markets. With defined contribution plans, employers and employees contribute to an account and the final pension is a product of both the size of the account but also the state of financial markets when a person retires. Hence, it involves more risk for pensioners.
- 47 See Table 1 for more information.

- 48 Morissette, Picot and Lu 2013, p. 18.
- 49 Statistics Canada 2011, p. 125.
- 50 Statistics Canada 2011, p. 160.
- 51 DePratto 2014.
- 52 Cranford, Fudge, Tucker and Vosko 2005.
- 53 Bill 18, the *Stronger Workplaces for a Stronger Economy Act, 2014*, expanded coverage of the *Occupational Health and Safety Act* to co-op students and unpaid interns and as of April 2015, Bill 22, *Employment Standards Amendment Act (Greater Protection for Interns and Vulnerable Workers)*, 2014 is at first reading in Ontario.
- 54 Block and Galabuzi 2011.
- 55 This section reports findings on the entire sample (n=3,916), other than the self-employed with employees, who were dropped, because many of the questions were not meaningful for employers.
- 56 Some employers make contributions to an employee's RRSP. These are not included in these figures.
- 57 Vosko et al. 2014.
- 58 See Fuller and Stecy-Hildebrandt 2014.
- 59 The findings in this section are for the entire sample including the 145 individuals who reported they were self-employed and had employees.
- 60 The analysis in this section is limited to households with at least two individuals and to households with children where questions were related to supporting existing children. The 765 respondents who reported they live alone are not included in questions about children, child welfare or childcare.
- 61 United Way Toronto 2015.
- 62 For a summary of many of the proposals being discussed globally and within Canada, visit our Policy Forum at [www.pepso.ca](http://www.pepso.ca)
- 63 Grant 2015.
- 64 Toronto Region Board of Trade 2014.
- 65 KPMG 2014.
- 66 Tal 2015.
- 67 Ontario Chamber of Commerce 2015.
- 68 Giguère 2008.
- 69 City of Toronto 2012.
- 70 Giguère 2008.
- 71 City of Toronto 2012.
- 72 Workforce development strategies use systems and tools to connect people with jobs, which may include training, income support and post-employment services that helps workers who need extra support retain their jobs (Loewen et al. 2005; Klein-Collins 2006; City of Toronto 2012; Myers and Conte 2013). Workforce development systems focus not only on workers, but on employers and employer practices.
- 73 City of Toronto 2012; Zizys 2014.
- 74 Workforce Planning Ontario 2015.
- 75 Government of Ontario 2014a.
- 76 De Wolff 2006; Zizys 2011; Wellesley Institute 2011.
- 77 Garrett, Campbell and Mason 2010 in Zizys 2014; Smith 2001 in Zizys 2014; Keep et al. 2002 in Zizys 2014; Ton 2014.
- 78 U.S. Department of Labor 2015.
- 79 Training is only one piece of a workforce development strategy and can include the enhancement of basic skills, literacy and numeracy and soft skills such as employment readiness or technical skills (Loewen et al. 2005; Klein-Collins 2006; City of Toronto 2012; Myers and Conte 2013).
- 80 Munro 2014.
- 81 MacEwen 2014.
- 82 For many training programs, one must be in receipt of Employment Insurance or have been in receipt of these benefits in the past three years, or in cases of workers who have accessed maternity or parental leave, in the past five years (Government of Canada 2013).
- 83 Previously the Canada-Ontario Labour Market Agreement.



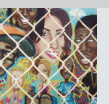
- 84 Government of Ontario 2014f.
- 85 Ontario Chamber of Commerce 2015.
- 86 Holmes and Hjartarson 2014. Barriers that have been cited include cost, the risk that workers will be trained and leave for another company, and a lack of capacity in the area of human resources.
- 87 Ryan and So 2013.
- 88 Canadian Manufacturers & Exporters 2014.
- 89 Canadian Skills Training and Employment Coalition 2012.
- 90 Hamilton Skilled Trades Apprenticeship Consortium 2012a; Hamilton Skilled Trades Apprenticeship Consortium 2012b.
- 91 This suggestion was raised by members of the Community Roundtables.
- 92 See Hamilton 2012 for more information.
- 93 Government of British Columbia 2015.
- 94 KPMG 2014; Toronto Region Board of Trade 2014.
- 95 Conference Board of Canada 2015.
- 96 See the subsection “ensuring meaningful volunteer opportunities” in this report for more detailed information on PLAR.
- 97 Ton 2014.
- 98 KPMG 2014.
- 99 KPMG 2014.
- 100 Of those working 30-40 hours a week, women earned an annual average income of \$60,267 to the annual average income of \$68,533 for men. Racialized women earned \$51,875 compared to \$77,005 of what white men earned. Racialized men earned an average annual income of \$57,632 to the \$64,837 of what white women earned.
- 101 City of Toronto no date-a.
- 102 Statistics Canada 2010. People who are part of Aboriginal communities and who live in the GTHA also face discrimination in the labour market. Our sample size of people from Aboriginal groups is too low to discuss the impacts of precarious employment on their lives.
- 103 For example, Canada recently made a submission to the United Nations’ Economic and Social Council on the International Covenant on Economic and Cultural Rights (United Nations 2013).
- 104 Government of Canada 2014a.
- 105 Part III of the Canada Labour Code (CLC) covers workers under federal jurisdiction. Only 6% of non-public administration jobs in Canada fall into this category, and more than 300,000 of these workers are in Ontario (Government of Canada 2011a).
- 106 Jobs with Justice San Francisco 2014.
- 107 Lewchuk et al 2011.
- 108 Income stress in our survey also included employment affecting large spending decisions and income being lower this year.
- 109 The minimum wage rises to \$11.25 as of October 1, 2015.
- 110 Mowat Centre 2011; Mowat Centre 2012; Mendelson and Battle 2011; Maytree Foundation 2007.
- 111 Canadian Labour Congress no date.
- 112 Hacker 2006b.
- 113 Government of Canada 2015.
- 114 Law et al 2012 in Barnes et al 2015; Zhong 2007 in Barnes et al 2015.
- 115 Block and Mackenzie 2015.
- 116 Sick days are captured under Personal Emergency Leave in the Employment Standards Act of Ontario.
- 117 Gellatly 2015.
- 118 Hoskins 2014 in Barnes 2015.
- 119 Government of Ontario 2014b.
- 120 These three leaves are family caregiver leave, critically ill childcare leave, and crime-related child death or disappearance leave.
- 121 See the subsection “supporting voice at work” in Part 9 of this report for more information.
- 122 In this case, short-term jobs in which a person earns less than \$3,500 per job (Government of Ontario 2014b).



- <sup>123</sup> Government of Ontario 2015a.
- <sup>124</sup> See IATSE 2014 or ACTRA 2015 for more information.
- <sup>125</sup> Unifor has also established a Canadian Freelance Union (CFU).
- <sup>126</sup> Unifor 2015.
- <sup>127</sup> 'Quality' is used to mean accessible, affordable, licensed, and safe childcare.
- <sup>128</sup> Vosko and Clark no date.
- <sup>129</sup> Statistics Canada 2013.
- <sup>130</sup> Government of Canada 2014b.
- <sup>131</sup> Calculated using figures from Government of Canada 2014b and Government of Canada 2012.
- <sup>132</sup> Government of Ontario 2015b.
- <sup>133</sup> City of Toronto no date -b.
- <sup>134</sup> Campaign 2000 2014.
- <sup>135</sup> Government of Quebec 2015.
- <sup>136</sup> Janmohamed and McCuaig 2012.
- <sup>137</sup> Janmohamed and McCuaig 2012.
- <sup>138</sup> Canadian Council on Social Development 2006.
- <sup>139</sup> Government of Ontario 2013.
- <sup>140</sup> GEO 2007.
- <sup>141</sup> Homeless-SCC 2015; Kids Help Phone no date; Tyze 2013.
- <sup>142</sup> London Health Sciences Centre 2012.
- <sup>143</sup> United Way Toronto 2015.
- <sup>144</sup> United Way Toronto 2015.
- <sup>145</sup> Government of Ontario 2015c.
- <sup>146</sup> Government of Canada 2014c.
- <sup>147</sup> Government of Canada 2011b.
- <sup>148</sup> Battle and Torjman 2014.
- <sup>149</sup> Government of Ontario 2014c.
- <sup>150</sup> City of Brampton 2015; City of Hamilton 2013; City of Mississauga 2015a; City of Toronto 2015a.
- <sup>151</sup> City of Toronto 2013.
- <sup>152</sup> City of Hamilton 2013; City of Mississauga 2015b; City of Toronto 2015b.
- <sup>153</sup> Government of Ontario 2014d.
- <sup>154</sup> Wellesley Institute 2012.
- <sup>155</sup> Lalani et al. 2014.
- <sup>156</sup> Maranta and Speevak Sladowski 2010.
- <sup>157</sup> Volunteer Canada no date.
- <sup>158</sup> Volunteer Canada 2012.
- <sup>159</sup> PREB 2015.
- <sup>160</sup> Ontario Volunteer Centre Network 2014.
- <sup>161</sup> Government of Ontario 2014e.
- <sup>162</sup> Ontario Colleges no date.
- <sup>163</sup> Lalani et al. 2014.
- <sup>164</sup> Government of Ontario 2014f.
- <sup>165</sup> Details on how we scored the individual questions are available from the authors.
- <sup>166</sup> The household income cut-points are marginally different from those used in *It's More than Poverty* where the low household income level was \$50,000. The higher figure of \$60,000 is used in this report in part to adjust for inflation between the two surveys, but also to ensure that the more secure employment/low household income category was large enough to provide reliable estimates, and to ensure better alignment with the living wage.
- <sup>167</sup> Where the dependent variable is continuous, Ordinary Least Squares regression is used, and where the dependent variable is categorical, Logistic regression analysis is used.
- <sup>168</sup> The choice of an income characteristic is arbitrary. By selecting a middle income, we were able to explore the impact of both very low and very high individual and family incomes.







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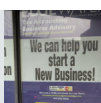
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