



FACING THE ECONOMIC IMPERATIVE NEW BRUNSWICK'S FIVE YEAR WAGE GAP ACTION PLAN

2005-2010





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TABLE OF CONTENTS

Facing the Economic Imperative	1
The wage gap and prosperity	2
What causes the wage gap?	3
The strategic foundation	4
Strategies that work	5
Attaining success	5
The Wage Gap Action Plan 2005-2010	6
The strategic framework	6
Goal 1: Change Societal Attitudes	8
Goal 1 indicators	9
Goal 2: Increase Sharing of Family Responsibilities ...	11
Goal 2 indicators	13
Goal 3: Reduce the Job Clustering of Women	14
Goal 3 indicators	16
Goal 4: Increase The Use of Pay Equity Practices	17
Goal 4 indicators	18
The Key Indicator	19



FACING THE ECONOMIC IMPERATIVE

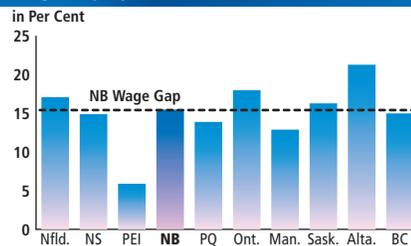
Facing the Economic Imperative is New Brunswick's newest strategy towards achieving greater economic prosperity for all. It is also the most innovative wage gap solution in Canada today.

This action plan unveils the government's commitments for reducing the wage gap while suggesting voluntary actions that employers can undertake to achieve that same end.

The economic imperative for reducing our wage gap is to gain immediate and long-term economic improvements, at a time of pressing need. Not only do New Brunswick's demographics point to a shrinking labour market, but rising skills demands are already creating important skills shortages.

How can reducing the wage gap contribute to New Brunswick's prosperity?

Wage Gap by Province, 2004



Source: Statistics Canada, CANSIM tables 282-0072, 282-0074, 2005



THE WAGE GAP AND PROSPERITY

A wage gap is the difference between the average wages that men earn and the average wages that women earn. When a wage gap exists in a particular region, economic inequality exists between the men and women who work there.

Such inequality now exists in New Brunswick. In this province, men now earn an average of \$16.46 an hour. Women earn much less; their average wage is \$13.91 an hour. This discrepancy translates into an hourly wage gap of 15.5 per cent.

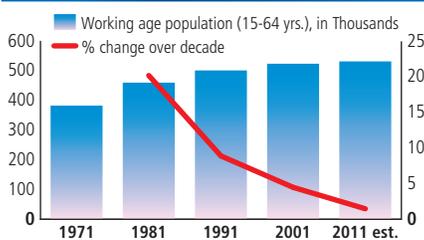
In 2003, the New Brunswick Wage Gap Roundtable identified the cause of, and contributors to, this economic inequality and recommended solutions. It pointed out the economic imperative for closing the wage gap.

The New Brunswick Wage Gap Roundtable stressed that the province is facing serious skills and labour shortages and its population and labour force will start to shrink. Already many New Brunswick employers and their organizations have raised their concern over these shortages, some of which are apparent now.

New Brunswick urgently needs more people working to sustain its economy and these people must be skilled.

How does closing the wage gap help solve New Brunswick's skills and labour shortages? Women, said the Roundtable, are a key element of the solution. Many New Brunswick women are not yet in the labour force. Of those women who are, too many have become stuck in work that under-taps their potential. These factors lead to an under-employment of New Brunswick women.

New Brunswick's Working Age Population



Source: Statistics Canada, 2002

The wage gap shows the actual degree to which New Brunswick women are underemployed. That's why some researchers call the wage gap the "productivity gap."

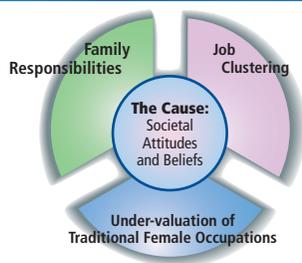
Regardless of the label given, this is an issue that the province chooses to deal with now. We know that New Brunswick's economy can no longer afford to allow this situation to continue.

Instead we can all seek to understand how the wage gap came to be and how its solutions can address New Brunswick's skills and labour shortages.



WHAT CAUSES THE WAGE GAP?

Cause and Contributors to the Wage Gap



Source: Report of the New Brunswick Wage Gap Roundtable, 2003

The New Brunswick Wage Gap Roundtable was asked this very question. It came back with the answer that New Brunswick's wage gap has one cause and three contributors.

They found that the wage gap is caused by societal attitudes and the behavior they support. Specifically, the cause is New Brunswickers' outdated beliefs about the place and value of women in the labour market.

The Roundtable said that as a society, New Brunswickers' attitudes and behaviors have not made things better for women who wish to work outside the home. On the contrary, these have made things worse for women by contributing to the wage gap in three ways. All three of these contributors are workplace hurdles that women face every day.

The first contributor is the family responsibilities that working women carry. In New Brunswick, women are expected to nurture the family and meet its needs, whether or not they work outside the home. The commonly held belief is:

The family is the woman's job, and if she wants to work outside the home too, then she had better learn to manage. When job and family conflict, family is priority.

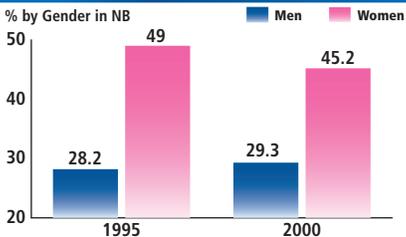
Working mothers in New Brunswick know only too well the daily struggle of balancing work and family responsibilities. Out-dated thinking does little to alleviate the weight of this double duty.

These attitudes might have strengthened New Brunswick's social structures following the instability of the Second World War. They specifically support a society of nuclear families with single breadwinners. That model made sense decades ago, when that breadwinner was the man and the woman's role was to manage things at home.

Sixty years later, though, New Brunswick's society has evolved while its attitudes have not. At a time in which 70 per cent of women with young children are in the workforce, these attitudes are in fact harmful. These beliefs are restricting the career potential and productivity of New Brunswick women. The results are lower lifetime earnings and pensions for women and lower economic productivity for this province.

The second wage gap contributor concerns the surprisingly limited range of occupations made available for women. Today in New Brunswick, women work in a narrow range of jobs; for example, about half work in only 10 different occupations.

Employment in Top 10 Occupations by Gender



Source: Statistics Canada, 1996 and 2001 Census - Special Runs



These jobs employ the same skills that women have used in nurturing their families and managing their homes for centuries. Furthermore, most of these jobs offer women limited career opportunities.

The third wage-gap contributor is the undervaluation of work traditionally done by women. New Brunswick employers typically offer lower wages for “women’s work,” which encompasses most of the occupations that women are encouraged to enter. These pay practices are inherited from a time when only a man’s contribution was fully valued in the workplace. Such practices have changed little since then.

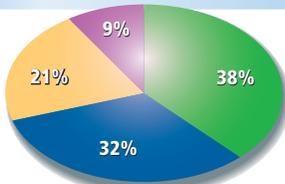
These three contributors and our out-dated attitudes interact with one another to create the wage gap. They illustrate how the wage gap is a simple index of the measure to which the full productivity of women is being lost.

Given the social attitudes behind New Brunswick’s wage gap, many people would think its solution would be a matter for social policy. Since, however, the wage gap has such a direct impact upon our economic productivity, this is instead an economic matter. While our province faces labour and skills shortages, half of our adult population remains under-employed. By collectively facing this economic imperative we can eliminate the wage gap while improving New Brunswick’s economic prosperity.

THE STRATEGIC FOUNDATION

Employed New Brunswickers
by Establishment Size

<20 20-99 100-500 550+ # of employees



Source: Statistics Canada, 2001, LFS Annual Averages

The four factors behind the wage gap are the four goals of *Facing the Economic Imperative*. This innovative plan will reach towards its four goals simultaneously, using strategies that are relevant to New Brunswick’s culture and economy.

The plan is built on a research foundation and features well-defined measures of outcome. Its success will be easy to assess.

The plan will be evaluated after the fifth year of its implementation using the fourteen indicators of success. These same indicators will be used for ongoing monitoring, thereby informing strategic adjustments along the way.

Facing the Economic Imperative details how each of us can contribute to its success and explains why we should.



STRATEGIES THAT WORK

Employers using these strategies reported:

- Increased employee productivity
- Increased retention; reduced employee turnover
- Lowered absenteeism rates
- Decreased workplace stress
- Improved workplace morale
- Secured a stable workforce
- Solved workplace skills needs/shortages
- Improved bottom line (private sector)
- Lower wage gaps

What gives us confidence in the efficacy of the strategies?

First, they have a sound basis in the findings of the New Brunswick Wage Gap Roundtable. Second, they are supported by evidence.

Several employers in New Brunswick have already implemented many of the activities set out in this plan. Some of them appeared before the Roundtable and reported a range of benefits.

This plan didn't motivate these employers to make those changes, for it had not yet been published. Furthermore, these employers didn't set out to reduce the wage gaps in their workplaces, even if they knew what they were. Instead and without exception, these employers needed to solve some pressing human resources issues. They found these solutions on their own.

These strategies solved their human resource problems and reduced their wage gaps. They did so because wage gap solutions are, in fact, human resources solutions.

Indeed, *Facing the Economic Imperative* is a human resources strategy for all employers in the Province of New Brunswick. All affected employees will benefit from the workplace shift that it brings. Those employers who accept the plan and implement its suggested changes in their places of business should expect pay-offs.

The bottom line is that the plan will increase productivity and benefit the economy of New Brunswick

ATTAINING SUCCESS

Success requires two things. The first is New Brunswickers' motivation. Just how much do we all want to succeed? This may be stating the obvious, but everyone must remember that the plan is voluntary and it targets some of New Brunswickers' most deeply ingrained attitudes and traditional behaviours.

The second success factor is New Brunswickers' focus. New Brunswick is the first to develop a comprehensive strategic plan that will bring its workplace attitudes and practices in line with a third-millennium economy. Such innovation means forging into new territory and sometimes through difficult terrain. New Brunswickers' ability to stay focused on the long-term goal will be critical to success.



THE WAGE GAP ACTION PLAN 2005-2010

This plan intends to address New Brunswick's looming labour and skills shortages by better tapping the working potential of women. As a result, New Brunswick will move toward the long-term goal of ensuring that men and women are economic equals.

THE STRATEGIC FRAMEWORK

The following strategic framework sets out the strategies by which the wage gap will be reduced in New Brunswick. It also gives specifics on how progress will be measured.

The plan flows from the goals through strategies to critical outcomes and indicators of success. Activities are described and measurements defined. Overall, the strategic framework maps the path to success.

Although there is no legislated requirement for any employer to participate in this action plan, there is significant evidence to suggest that doing so would prove profitable. This plan sets out a win-win-win scenario: employers win, women win and the New Brunswick economy wins.



Vision

Goals

Change Societal Attitudes

Increase Sharing of Family Responsibilities

Reduce Job Clustering of Women

Increase Use of Pay Equity Practices

Stakeholder Strategies

Define new Vision;
Publicize new Vision;
Promote new Vision

Adopt policies to assist families with work-home balancing;
Expand flex-time/ part-time work options and ensure they receive the same pay and benefits as full-time work;
Increase access to quality day care services

Ensure girls explore a wider variety of career options from an early age;
Re-orient/Upskill working women to move into a wider range of jobs;
Create gender-inclusive workplaces.

Encourage the use of pay equity tools;
Celebrate leaders and winners;
Share lessons learned and best practices

Critical Outcomes

More positive attitudes about place and value of women in the economy

More sharing and supporting of family responsibilities by family, workplace and government

More women in a wider diversity of occupations

More use of gender-neutral pay practices

Indicators of Success

- 1 attitudes on women's right to work outside home
- 2 attitudes on sharing of domestic responsibilities
- 3 % women in decision-making structures and bodies

- 4 # licensed day care spaces and centers
- 5 # employer-supported day care services
- 6 # hours spent on family duties
- 7 # employers with family-friendly practices

- 8 % employed in gender-clustered jobs
- 9 # female journey-persons
- 10 wage gap for community college grads

- 11 % women in workplace decision-making positions
- 12 # employees paid under gender-neutral pay systems
- 13 wage gap between gender-clustered jobs

14 wage gap based on hourly wages



GOAL 1: CHANGE SOCIETAL ATTITUDES

Government will lead its partners in identifying a more constructive set of cultural attitudes to support a society in which men and women are economic equals. Together, business, municipalities and government as employers will outline what they need to bring their workplace cultures in line with this vision. Government will develop and distribute the needed tools and information.

Critical outcome:

More positive attitudes about New Brunswick women in the workplace.

STRATEGY 1: DEFINE NEW SET OF ATTITUDES

What government will do:

- Convene a Minister's Wage Gap Employer Advisory Group for a five-year mandate;
- Engage the advisory group in defining the cultural attitudes needed to support a culture of economic equality between men and women;
- Promote an internal assessment by government departments and agencies in Parts I, II and III of their workplace practices and attitudes.

What all employers can do:

- Familiarize yourself with the new set of attitudes;
- Assess your workplace culture for consistency with new attitudes.

STRATEGY 2: PUBLICIZE NEW SET OF ATTITUDES

What government will do:

- Hold a full-day conference with the stakeholders of *Facing the Economic Imperative 2005-2010*;
- Undertake a public education campaign;
- Make public education messages and tools available in printed materials;
- Establish and maintain a wage gap toll-free phone line;
- Establish a comprehensive wage gap interactive website, targeted at employers;
- Publicize new attitudes where appropriate, such as Prosperity Plan venues, Enterprise Agencies, etc.



What all employers can do:

- Familiarize your staff and management with the new set of attitudes;
- Participate in public education campaigns and bring the materials into your workplace;
- Initiate discussions to identify where change is most needed in your workplace;
- Develop a plan to make these changes.

STRATEGY 3: ADOPT NEW SET OF ATTITUDES

What government will do:

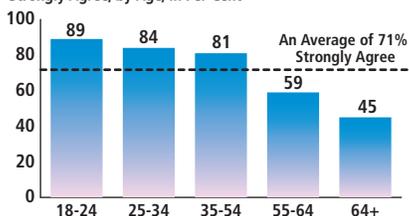
- Review and monitor gender balance on public decision-making bodies;
- Implement recognition programs for private and public sector employers (promote success stories, create champions);
- Monitor public service gender balance within the senior executive group of Part I;
- Promote gender-based analysis in government policies and programs;
- Explore possible special consideration to suppliers with proven wage gap action plans in place;
- Identify and support champions.

What all employers can do:

- Implement plans to assimilate the new attitudes into your workplace;
- Assess your workplace culture for the degree of attitudinal shifts; adapt or strengthen plans, as needed;
- Recognize best practices in your workplace and within your peer community.

Adults who agree with the Statement:
"It is alright for women to work outside the home even if the family does not need the money"

Strongly Agree, by Age, in Per Cent



Source: Decima Research, Attitudinal Survey on Violence Against Women, 2002

GOAL 1 INDICATORS

- 1. Attitudes on women's right to work outside the home in New Brunswick** – The government will monitor the level of agreement with women's right to work, despite no financial need. The **desired trend** is that by 2010, more New Brunswickers surveyed by telephone will strongly agree with the statement, "It is all right for a woman to work outside the home, even if her family does not need the money."



- 2. Attitudes on sharing of domestic responsibilities in New Brunswick** – The government will monitor the level of agreement with sharing of household chores when both partners work. The **desired trend** is that by 2010, more New Brunswickers surveyed by telephone will strongly agree with the statement, “Couples should share equally in household chores if they are both working outside the home.”
- 3. Percentage of women in provincial decision-making bodies in New Brunswick** – The government will monitor the level of representation of women in provincial decision-making bodies. The **desired trend** is that by 2010, there will be higher percentages of women serving as provincially appointed judges; members of government appointed agencies, boards and commissions; members of cabinet and MLAs.



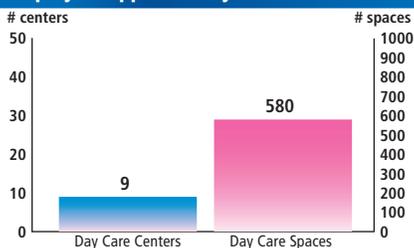
GOAL 2: INCREASE SHARING OF FAMILY RESPONSIBILITIES

Government will lead partners in identifying the tools and other information needed for all employers to create better supports for the family responsibilities of their employees. Government will develop these and make them available to all employers. Government will develop and implement a New Brunswick Child Care Strategy.

Critical outcome:

More sharing and supporting of family responsibilities by family, workplace and government in New Brunswick.

Employer-supported Day Care Services



Source: NB Advisory Council on the Status of Women, September 2004

STRATEGY 1: MORE POLICIES FOR BALANCING WORK WITH HOME AND FAMILY NEEDS

What government will do:

- Create and distribute tools for employers to increase their use of family-friendly policies and practices;
- Work with employers to assist them to make shifts towards family-friendly policies and practices;
- Promote the business case with partners and Enterprise Agencies;
- Integrate family-friendly human resource policies and practices into government programs.

What all employers can do:

- Assess current range of family-friendly human resources practices within your workplace;
- Develop and implement plans to integrate more family-friendly policies and practices into your workplace;
- Promote equal access to benefits for all employees.

STRATEGY 2: EXPAND USE OF, AND PROVIDE EQUAL VALUE TO, FLEX-TIME/PART-TIME WORK OPTIONS

What government will do:

- Promote the business case for the use of flex-time/part-time work options;
- Monitor the use of family-friendly policies and practices in Parts I, II and III of the public service.



What all employers *can* do:

- Assess current and potential use of flex-time/part-time work options in your workplace;
- Develop and implement plans to expand flex-time/part-time work options;
- Promote equal access to benefits for all your employees.

STRATEGY 3: INCREASE ACCESS TO QUALITY AND AFFORDABLE DAY CARE SERVICES

What government *will* do:

- Promote the business case for employer involvement in day care services for employees, for instance, subsidies for employees, free rent and/or donation of goods for day cares, etc;
- Develop a vision and five-year action plan for a Child Care Strategy in New Brunswick;
- Collaborate with the federal government to develop an appropriate child care plan that meets the needs of New Brunswickers.

What all employers *can* do:

- Assess current and potential need for child care among your employees;
- Develop and implement a plan to assist your employees with child care needs;
- Promote equal access to benefits for all your employees.



GOAL 2 INDICATORS

- 1. Licensed day care centres and day care spaces in New Brunswick** – The government will monitor the trends of availability of licensed child care in the province. The **desired trend** is that by 2010, there will be more licensed child care spaces in New Brunswick.
- 2. Employer-supported day care services in New Brunswick** – The government will monitor employer support of day care services in the province. The **desired trend** is that by 2010, more employers will be assisting their employees with access to child care, either through direct child care subsidies or through actual support of child care facilities.
- 3. Percentage of adults of both genders doing many hours of unpaid family tasks in New Brunswick** – The government will monitor the movement towards equal sharing of family responsibilities in New Brunswick households. The **desired trend** is that by 2010, there will be greater gender equality in the number of adult New Brunswickers performing family responsibilities each week.
- 4. More employers offering family-friendly workplace options** – The government will monitor the number of employers with family-friendly workplace practices in New Brunswick. This indicator will be developed in partnership with the employer community and monitored.



GOAL 3: REDUCE THE JOB CLUSTERING OF WOMEN

Government will lead partners in identifying the tools and information they need to assess and then correct in-house hiring and human resources practices on the range of jobs open to women. Government will develop these tools and information and ensure they are available to everyone. Government will shift its programs and policies so that the economic potential of women is developed equally with that of men.

Critical outcome:

More women in a wider diversity of occupations.

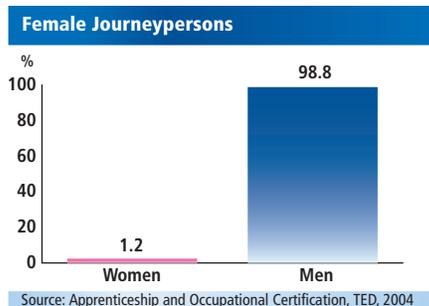
STRATEGY 1: ENSURE GIRLS EXPLORE WIDER A VARIETY OF CAREER OPTIONS

What government will do:

- Create the business case for employers to hire women in a wider range of jobs, including non-traditional situations;
- Develop and disseminate tools to assist employers integrate female students, learners and/or employees into workplace job exposure situations and apprenticeship programs;
- Implement and expand programs and services related to career exploration of all students (from kindergarten to Grade 12);
- Increase incentives for students to enter non-traditional training programs;
- Provide mentorship for students entering non-traditional training programs in NBCC/CCNB.
- Develop and make accessible age appropriate information about career choices and the labour market to junior high and high school students.

What all employers can do:

- Increase the number of job exploration opportunities made available to students, and fill these irrespective of the students' gender;
- Participate in public educational activities to sensitize the public, parents, teachers and students on skills needs and opportunities to all students, irrespective of gender;
- Encourage young women to enter the apprenticeable trades.





STRATEGY 2: RE-ORIENT, UP-SKILL AND/OR RETRAIN WORKING WOMEN

What government *will* do:

- Increase the numbers of women in trades training;
- Review guidelines for employment programs and services to determine barriers to women's entry into non-traditional occupations and determine feasible program enhancements.

What all employers *can* do:

- Perform self-audits to monitor job clustering in-house and develop and implement plans to diversify women within your workplace;
- Hire women in non-traditional jobs and trades.

STRATEGY 3: CREATE GENDER-INCLUSIVE WORKPLACES

What government *will* do:

- Develop and disburse tools for employers, employer associations and Enterprise Agencies to increase the occupational diversification of women in workplaces, in sectors and in industries;
- Within specific industries in which job clustering of women is highest, ensure greater gender equity by assisting employers to assess current practices and to develop strategies to effect improvements

What all employers *can* do:

- Assess current job clustering of women and men in workplaces, set goals and take action to ensure equal job diversification among the genders.



GOAL 3 INDICATORS

- 1. Percentage of gender employed in 10 most common occupations in New Brunswick** – The government will monitor shifts in occupational clustering by gender in the province. The **desired trend** is that by 2010, there will be fewer women and more men working in the 10 most common jobs held by women.
- 2. Number and percentage of female journeypersons in New Brunswick** – The government will monitor the growth in number and proportion of women in skilled trades in the province. The **desired trend** is that by 2010, there will be more female journeypersons registered in New Brunswick, and women will represent more of all registered journeypersons.
- 3. Weekly wage gap for New Brunswick Community College graduates** – The government will monitor the wage gap for community college graduates who are employed full-time. The **desired trend** is that by 2010, there will be a reduction in wage gaps between male and female graduates.
- 4. More women decision-makers in the workplace** – The government will monitor the percentage of New Brunswick women in key decision-making positions in the workforce. This indicator will be developed in partnership with the employer community.



GOAL 4: INCREASE THE USE OF PAY EQUITY PRACTICES

Government will work with partners to develop information and tools regarding pay equity practices that are practical in New Brunswick workplaces. Government will implement pay equity in all Parts of the public service. Government will develop internal recognition programs for leaders in pay equity implementation and participate in those of the private sector.

Critical outcome:

More use of gender-neutral pay practices in New Brunswick.

STRATEGY 1: ENCOURAGE THE USE OF PAY EQUITY TOOLS

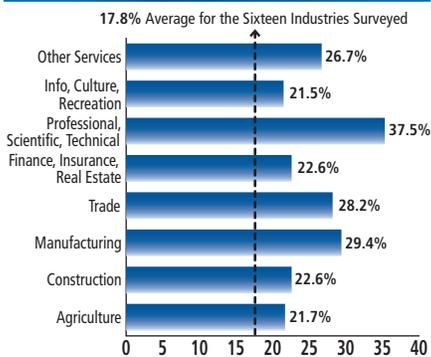
What government *will do*:

- Make pay equity tools available to employers, for instance, a business case for sound pay equity practices, fact sheets, model gender-neutral job evaluation tools, calculator models, etc.;
- Assist employers to use these tools;
- Determine the extent of the wage gap in Part IV of the public service and the presence of policies and practices to address inequities;
- Bring advice to government on the basis of this assessment, if required;
- Achieve pay equity in the public service.

What all employers *can do*:

- Self-assess current pay practices for their degree of objectivity;
- Investigate the advantages of implementing objective gender-neutral job evaluation tools (pay systems);
- Introduce pay equity in your workplace at an appropriate pace.

Industries With the Highest Hourly Wage Gaps, 2003



Source: Statistics Canada, Labour Force Survey, Annual Averages, 2004

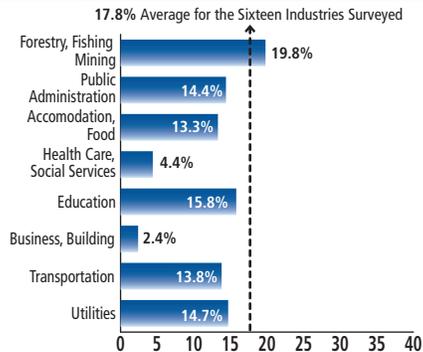
STRATEGY 2: CELEBRATE LEADERS AND WINNERS

What government *will do*:

- Identify and recognize leaders and winners among government departments and agencies;
- Participate in programs to identify and recognize leaders in the private sector.



Industries With the Lowest Hourly Wage Gaps, 2003



Source: Statistics Canada, Labour Force Survey, Annual Averages, 2004

What all employers can do:

- Identify leaders and winners in the implementation of gender-neutral pay systems;
- Develop ways to reward exemplary practices, in co-operation with employees and other interested groups.

STRATEGY 3: SHARE BEST PRACTICES

What government will do:

- Make best practice tools available to employers.

What all employers can do:

- Encourage leaders and winners to share their stories and lessons learned among the employer community;
- Spread the word on best practices and their workplace outcomes, through trades meetings, trades publications and annual meetings or conferences, etc.

GOAL 4 INDICATORS

1. Increased use of gender-neutral job classification tools

– The government will monitor the number of employees paid according to equitable pay systems in New Brunswick. This indicator will be developed in partnership with the employer community.

2. Average wage gap between 10 most common jobs per gender in New Brunswick

– The government will monitor the gap in wages for the most common jobs held by women and men in New Brunswick. The **desired trend** is that by 2010, the wage gap between male and female traditional (defined as the “most common”) jobs, based on the weighted average annual earnings, is reduced.



THE KEY INDICATOR

Hourly Wages for Men and Women



Source: Statistics Canada, 2005

The 14th and final indicator is the **hourly wage gap** in New Brunswick. The hourly wage gap indicator shows the difference between what women and men are paid for one hour of work. It is found by taking the average hourly earnings for all New Brunswick women (\$13.91 in 2004) as a percentage of the average hourly earnings for all New Brunswick men (\$16.46 in 2004). The gap is the difference between that and 100 per cent, or equality. In 2004, New Brunswick women earned 84.5 per cent of what men earned, making an hourly wage gap of 15.5 per cent.

The **desired trend** is that by 2010, the hourly wage gap in New Brunswick will be reduced.