

# Earnings of lawyers

*Abdul Rashid*

Average income from employment in 1995 was \$26,500. It varied widely among different occupations, from \$4,300 for sports officials and referees to \$120,600 for judges (Statistics Canada, 1999). Some occupations have maintained a consistently high ranking on the income ladder.<sup>1</sup> This article examines the demographic and earnings profile of one such group: lawyers (see also Rashid, 1999).

## Demographic characteristics

### Women lawyers are younger

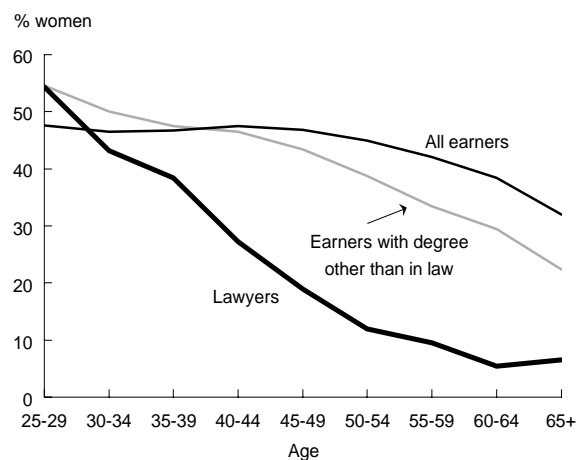
In 1995, some 12,147,500 persons aged 25 and over<sup>2</sup> worked and received employment income. Almost half (46%) were women. In contrast, only 30% of Canada's 57,700 lawyers were women (Table 1).

Overall, the age profiles of working men and women were similar. The median age of men (41.2) differed by less than a year from the median age of women (40.5). In contrast, women in the legal profession were considerably younger than men. Their median age (36.1) was over 7 years less than that of male lawyers (43.4). They accounted for more than half of all lawyers in the youngest group aged 25 to 29, and only 10% of those 50 years or over (Chart A).

Two major factors account for these sex-age differences. Participation of women in the labour force began to increase sharply in the 1960s, eventually reaching close to parity with men in the younger age groups. This was accompanied by fast growth in the number of women with higher levels of education, which allowed them to make strong inroads into higher paying occupations. Men continued to dominate the older age groups, however. By 1996, the proportion of female lawyers under age 35 (45%) was twice that of male lawyers (22%). In contrast, only 6% of female lawyers were at least 50, compared with 24% of male lawyers.

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**Chart A: In 1995, more than half of the youngest lawyers were women.**



Source: Census of Canada, 1996

### Work patterns of lawyers more intensive

Compared with 78% of all earners 25 years and over, 90% of lawyers worked at least 40 weeks in 1995 (Table 1). Furthermore, irrespective of the number of weeks worked, 95% of lawyers worked mostly full time, compared with 83% of all earners.

Work patterns of men and women differed significantly. Among all earners, 76% of women worked 40 weeks or more, compared with 80% of men. The respective proportions in the case of lawyers were 84% and 93%. The overall proportion of women working mostly part time in 1995 was over three times that of men (27% versus 8%). A similar pattern prevailed among lawyers (8% versus 4%). On the whole, 77% of all male earners and 60% of all female earners worked at least 40 weeks, mostly full time. The respective proportions among lawyers were 91% and 79%.

**Table 1: Lawyers and other earners, by selected characteristics, 1995**

	All earners			Lawyers			Other university graduates			All others		
	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women
	'000						'000			'000		
<b>Total</b>	<b>12,148</b>	<b>6,588</b>	<b>5,560</b>	<b>57,680</b>	<b>40,175</b>	<b>17,505</b>	<b>2,285</b>	<b>1,237</b>	<b>1,048</b>	<b>9,805</b>	<b>5,311</b>	<b>4,494</b>
<b>Age</b>												
25 to 29	1,650	865	785	6,550	2,990	3,555	383	174	209	1,260	688	572
30 to 34	2,005	1,072	933	10,020	5,690	4,330	397	198	198	1,599	868	731
35 to 39	2,080	1,109	971	9,975	6,150	3,830	370	194	176	1,700	908	791
40 to 44	1,914	1,005	909	10,920	7,950	2,965	360	192	167	1,544	805	739
45 to 49	1,709	909	800	9,535	7,730	1,805	342	194	148	1,358	708	650
50 to 54	1,231	678	553	4,900	4,310	590	219	134	85	1,007	540	467
55 to 59	813	472	341	2,400	2,170	230	115	77	39	695	393	302
60 to 64	471	290	181	1,645	1,550	90	57	40	17	412	248	164
65 and over	275	187	88	1,730	1,615	115	42	33	9	231	152	78
	years			years			years			years		
<b>Median age</b>	<b>40.9</b>	<b>41.2</b>	<b>40.5</b>	<b>41.0</b>	<b>43.4</b>	<b>36.1</b>	<b>39.9</b>	<b>41.3</b>	<b>38.3</b>	<b>41.1</b>	<b>41.1</b>	<b>41.0</b>
<b>Average years of education</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>Class of worker</b>	'000						'000			'000		
Employee	10,454	5,457	4,997	26,340	15,075	11,270	1,966	1,023	943	8,462	4,419	4,043
Self-employed	1,650	1,122	528	31,330	25,095	6,230	315	214	102	1,303	884	420
<b>Weeks worked</b>												
1 to 13	635	287	349	810	430	385	93	42	51	542	245	297
14 to 26	1,082	537	544	2,465	1,160	1,305	164	71	93	915	465	450
27 to 39	898	472	426	2,225	1,115	1,110	150	62	87	746	408	337
40 to 52	9,533	5,293	4,241	52,175	37,470	14,705	1,878	1,062	816	7,603	4,193	3,410
<b>Work intensity</b>												
Mostly full-time	10,091	6,040	4,052	54,815	38,695	16,120	1,936	1,131	805	8,100	4,869	3,231
Mostly part-time	2,056	548	1,508	2,860	1,475	1,385	348	106	243	1,705	441	1,264
	hours			hours			hours			hours		
<b>Average annual hours</b>	<b>1,609</b>	<b>1,805</b>	<b>1,377</b>	<b>2,198</b>	<b>2,308</b>	<b>1,945</b>	<b>1,736</b>	<b>1,934</b>	<b>1,502</b>	<b>1,576</b>	<b>1,771</b>	<b>1,346</b>

Source: Census of Canada, 1996

On average, men worked 1,805 hours in 1995, about 31% more hours than women (1,377).<sup>3</sup> Average annual hours of lawyers were significantly higher. Male lawyers worked 2,308 hours, about 28% more than the average for all male earners. Similarly, female lawyers worked over 1,945 hours, 41% more than the average for all female earners. Thus, the male-female gap in annual hours was lower among lawyers than among earners in general. Work patterns of university graduates with a degree in a discipline other than law were less intensive than lawyers' but more so than the overall average.

#### Most lawyers self-employed

On the whole, 14% of all earners 25 years and over were self-employed,<sup>4</sup> while 86% were employees (Table 1). The incidence of self-employment was higher among men (17%) than women (9%). In contrast, more than half (54%) of lawyers were self-employed: nearly two-thirds of men and a little over one-third of women.

**Table 2: Average earnings of lawyers and other earners, by selected characteristics, 1995**

	All earners			Lawyers			Other university graduates			All others		
	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women
	\$			\$			\$			\$		
<b>Total</b>	<b>30,600</b>	<b>36,800</b>	<b>23,200</b>	<b>75,200</b>	<b>85,100</b>	<b>52,600</b>	<b>44,000</b>	<b>52,700</b>	<b>33,900</b>	<b>27,200</b>	<b>32,700</b>	<b>20,600</b>
<b>Age</b>												
25 to 29	21,700	24,400	18,700	29,700	31,300	28,400	24,800	27,000	23,000	20,700	23,700	17,100
30 to 34	27,500	32,200	22,100	50,400	54,400	45,200	36,900	42,600	31,200	25,000	29,700	19,500
35 to 39	31,200	37,700	23,900	75,200	83,200	62,400	45,100	54,000	35,300	27,900	33,900	21,100
40 to 44	33,700	41,100	25,500	86,600	94,400	65,400	49,900	59,900	38,400	29,500	36,100	22,400
45 to 49	35,500	43,600	26,400	98,900	104,800	73,800	53,200	62,300	41,200	30,600	37,800	22,900
50 to 54	35,800	44,400	25,200	102,800	109,200	55,600	57,200	67,100	41,600	30,800	38,200	22,300
55 to 59	32,500	39,800	22,400	92,700	96,200	59,600	56,100	64,800	38,700	28,400	34,600	20,300
60 to 64	29,100	35,000	19,600	85,100	87,800	37,600	52,300	60,300	33,100	25,700	30,600	18,300
65 and over	22,400	26,100	14,500	76,600	77,100	69,600	40,600	45,800	22,600	18,600	21,300	13,400
<b>Class of worker</b>												
Employee	30,700	37,200	23,700	61,500	70,500	49,400	43,200	51,500	34,200	27,800	33,800	21,100
Self-employed	30,000	34,800	19,900	86,800	93,800	58,200	49,600	58,200	31,500	23,900	27,400	16,600
<b>Weeks worked</b>												
1 to 13	7,000	9,000	5,300	14,100	15,400	12,600	8,100	10,000	6,700	6,800	8,900	5,000
14 to 26	13,200	15,900	10,600	22,700	23,700	21,800	16,000	18,000	14,400	12,700	15,500	9,800
27 to 39	19,100	22,700	15,200	32,000	37,700	26,200	23,300	26,100	21,200	18,300	22,100	13,600
40 to 52	35,200	41,700	27,100	80,500	89,200	58,300	49,900	58,200	39,200	31,300	37,000	24,100
<b>Work intensity</b>												
Mostly full-time	34,300	38,900	27,300	77,600	87,100	54,900	49,100	56,100	39,300	30,400	34,600	24,200
Mostly part-time	12,500	13,000	12,300	28,600	31,600	25,500	15,800	15,400	16,000	11,800	12,400	11,600
<b>Hourly earnings</b>	<b>19.00</b>	<b>20.38</b>	<b>16.87</b>	<b>34.22</b>	<b>36.86</b>	<b>27.02</b>	<b>25.38</b>	<b>27.24</b>	<b>22.56</b>	<b>17.24</b>	<b>18.47</b>	<b>15.34</b>

Source: Census of Canada, 1996

## Earnings

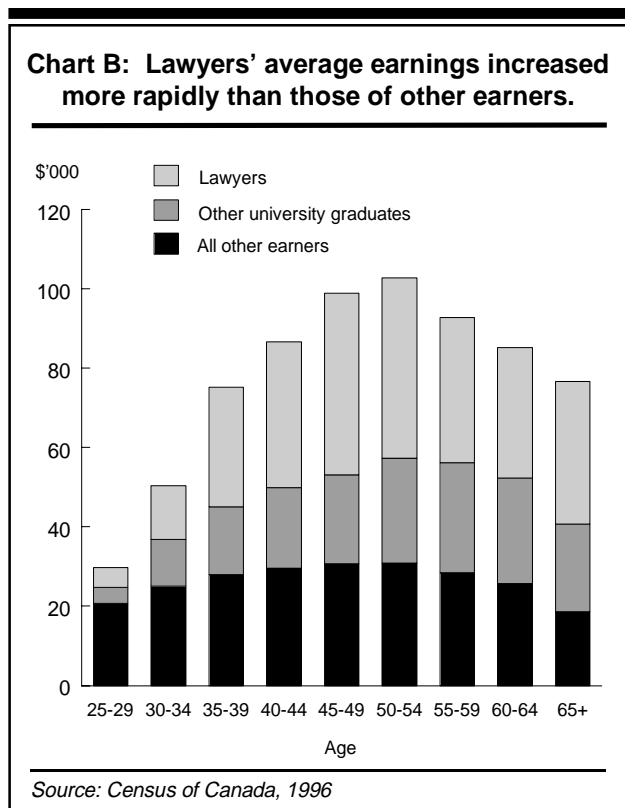
Average employment income (earnings) of all workers 25 years and over amounted to \$30,600 in 1995 (Table 2). At \$75,200, the average earnings of lawyers were nearly 146% greater than the overall average and 71% greater than those of other university graduates<sup>5</sup> (\$44,000).

### Earnings peak between 50 and 54 years

In general, young workers begin at low levels of earnings. As experience and job training increase, earnings rise and reach a peak. In 1995, workers aged 25 to 29 earned, on average, \$21,700, some 71% of the overall average; those aged 30 to 34 earned \$27,500 (90%). Average employment income peaked at \$35,800 in the 50-to-54 year group.

Earnings of lawyers followed this overall pattern, but with a more pronounced peak (Chart B). Young lawyers aged 25 to 29 earned \$29,700, substantially less than the average for their profession. The relatively low earnings of these young lawyers (and those of other university graduates) may reflect their late entry into the labour force. On average, workers 25 years and over spent 13 years in formal education. In comparison, lawyers spent 19 years, and other university graduates, 18 years.

While the overall change in average earnings from the youngest (25 to 29) to the next age group (30 to 34 years) was 27%, it was 49% for university graduates with degrees in a discipline other than law and 69% for lawyers. In the next age group (35 to 39), workers overall gained 13%, other graduates, 22%, and



lawyers, 49%. This pattern of change resulted in a much greater variation by age in the earnings of lawyers and other university graduates.<sup>6</sup>

#### Earnings and work activity closely related

In 1995, persons 25 years and over who worked less than 14 weeks earned, on average, \$7,000—only 20% of that earned by those who worked at least 40 weeks (\$35,200). Similar differences existed in the case of lawyers (17%) and others with a university degree (16%). The pattern held for men and women. Irrespective of the number of weeks worked, those who worked mostly part time earned \$12,500, or only 37% of the earnings of those who worked mostly full time (\$34,300). Differences were similar for lawyers (37%) and other university graduates (32%).

The distribution of full-time working men and women by number of weeks worked was almost identical. In the case of part-time workers, however, women worked significantly more weeks than men: 59% worked at least 40 weeks, compared with 45% of men. As a result, while the average earnings of full-time working men were 43% higher than those of their female counterparts, average earnings of part-time

workers differed by less than 6%. Similarly, the average employment income of full-time male lawyers (\$87,100) was 59% greater than that of their female counterparts (\$54,900), but that of part-time lawyers was just 24% higher.

While average *annual* earnings of lawyers exceeded the overall average by 146% in 1995, their average *hourly* earnings were higher by 80% (see *Notes and definitions*). Similarly, compared with other university graduates, lawyers earned, on average, 71% more per annum but 35% more per hour. Their longer work hours accounted for an estimated 25% of the difference between their average annual earnings and those of workers overall.

#### Women earn less

On the whole, average annual earnings of women in 1995 amounted to 63% of the average earnings of men.<sup>7</sup> This holds true for different groups. Female lawyers earned, on average, 62% of male lawyers' earnings; other female university graduates earned 64% of their male counterparts' earnings. Age and work patterns accounted for a significant part of the disparity in earnings of lawyers and other university graduates by sex.

Although women made up 46% of all earners, they accounted for a relatively small proportion of workers in the lower-earning pre-retirement age groups. This had a somewhat positive effect on their overall average earnings. (Table 3). Other things being equal, had women's age distribution been the same as men's, their average employment income would have been slightly lower (0.6%).

Except for two age groups—50 to 54 and 60 to 64 years—lawyers showed higher-than-average earnings ratios in all age groups. In fact, female lawyers in the youngest age group (25 to 29) earned around 91% of their male counterparts' earnings. However, because women's significant presence among university-educated workers is relatively recent, they are still concentrated in the younger, lower-earning groups. Consequently, men account for greater proportions in the higher-earning age groups. This has a negative effect on the overall average earnings of women. Other things being equal, had female lawyers and other university graduates had the same age distribution as their male counterparts, their average earnings in 1995 would have been higher by 12% and 3%, respectively.

**Table 3: Women's earnings standardized for various factors, 1995**

		All earners	Lawyers	Other graduates	All others
		\$			
<b>Actual earnings of women</b>		<b>23,200</b>	<b>52,600</b>	<b>33,900</b>	<b>20,600</b>
<b>Actual earnings of men</b>		<b>36,800</b>	<b>85,100</b>	<b>52,700</b>	<b>32,700</b>
<b>Average earnings of women standardized by</b>					
Age	$\Sigma (PAm_i \cdot YAf_j)$	23,100	58,700	34,800	20,500
Weeks worked	$\Sigma (PWm_i \cdot YWf_j)$	24,000	55,900	35,700	21,200
Worked full/part time	$\Sigma (PFm_i \cdot YFf_j)$	26,000	53,800	37,300	23,100
Weeks and time	$\Sigma (PWFm_i \cdot YWFF_j)$	26,100	56,900	38,200	23,100
<b>Age, weeks and time</b>	<b><math>\Sigma (PAWFm_i \cdot YAWFF_j)</math></b>	<b>26,400</b>	<b>62,100</b>	<b>39,300</b>	<b>23,000</b>
<b>Ratio of women's to men's earnings</b>		%			
Actual		63.0	61.8	64.3	63.0
Standardized		71.7	73.0	74.6	70.3

Source: Census of Canada, 1996

$P$  = Proportion of men in category  $i$   
 $Y$  = Average earnings of women in category  $j$   
 $A$  = Age group

$W$  = Weeks worked in 1995  
 $F$  = Full- and part-time earners  
 $m_i$  = Men in an age/weeks/work category  
 $f_j$  = Women in an age/weeks/work category

Differences in earnings by sex were due in part to work patterns. Overall, women put in slightly fewer weeks, but a significantly greater proportion of them worked mostly part time. If they had had the same work patterns as their male counterparts, their average earnings would have been 13% greater than their actual earnings. The effect in the case of lawyers was smaller (8%), reflecting the similarity in men's and women's work patterns.

On the whole, if both age and work patterns of female earners 25 years and over had been identical to those of men in 1995, their average earnings would have been over 13% higher than their actual

earnings. Average earnings of female lawyers would have been 18% higher and those of other female graduates, 16%. The overall female-to-male earnings ratio would have been 72%, while that for lawyers would have been 73%, and that for other university graduates, 75%.

Overall, compared with an *annual* earnings ratio of 63%, women's *hourly* earnings were 83% of men's (Table 4). The corresponding figures for lawyers were 62% and 73%, and for other university graduates, 64% to 83%. Furthermore, while the average hourly earnings of female lawyers under 35 were close to parity with their male counterparts', the ratios were significantly lower in the 50-to-64 year groups. Similarly, the average hourly earnings of other women under 35 with a university degree were at par with their male counterparts'. Overall, women's fewer annual hours accounted for approximately half of the difference between their average

**Table 4: Ratio of women's to men's average annual and hourly earnings, 1995**

	All earners		Lawyers		Other graduates		All others	
	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly
	%							
<b>All ages</b>	<b>63.2</b>	<b>82.8</b>	<b>61.8</b>	<b>73.3</b>	<b>64.3</b>	<b>82.8</b>	<b>63.1</b>	<b>83.1</b>
25 to 29	76.6	97.6	90.7	94.7	85.0	99.9	72.1	94.9
30 to 34	68.6	95.0	83.0	103.0	73.3	100.3	65.6	91.5
35 to 39	63.4	86.1	75.0	95.0	65.4	91.2	62.4	84.4
40 to 44	62.0	80.5	69.2	83.8	64.1	83.9	62.1	80.3
45 to 49	60.6	77.4	70.4	81.1	66.1	81.5	60.7	77.7
50 to 54	56.9	73.9	50.9	58.7	61.9	77.3	58.3	75.7
55 to 59	56.3	74.6	61.9	61.7	59.6	74.9	58.7	77.9
60 to 64	56.1	77.2	42.8	52.8	54.8	76.4	59.7	81.5
65 and over	55.5	82.1	90.3	105.0	49.3	67.5	63.0	94.0

Source: Census of Canada, 1996

**Table 5: Distribution of earners by earnings and class of worker, 1995**

	All earners			Lawyers			Other university graduates		
	Total	Em- ployees	Self- employed	Total	Em- ployees	Self- employed	Total	Em- ployees	Self- employed
	%			%			%		
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Less than \$10,000	19.1	17.2	29.5	6.5	5.7	7.2	13.0	11.5	22.0
\$10,000 to 19,999	18.0	17.5	21.1	8.1	7.9	8.2	11.4	10.8	14.9
\$20,000 to 29,999	19.0	19.5	16.2	8.9	8.8	9.0	12.4	12.4	12.1
\$30,000 to 39,999	16.4	17.3	11.0	9.2	9.7	8.8	14.0	14.7	10.0
\$40,000 to 49,999	11.0	11.7	6.3	9.6	11.5	7.9	14.1	15.2	7.4
\$50,000 to 59,999	7.2	7.8	4.1	8.6	11.1	6.5	12.7	13.8	6.0
\$60,000 to 69,999	4.0	4.2	2.8	9.1	11.3	7.2	8.7	9.3	4.9
\$70,000 to 79,999	1.9	1.9	1.9	7.7	10.5	5.3	4.3	4.4	3.8
\$80,000 to 99,999	1.6	1.5	2.1	9.7	11.4	8.3	4.0	3.9	4.9
\$100,000 to 119,999	0.7	0.6	1.4	6.7	5.5	7.8	1.9	1.6	3.7
\$120,000 to 149,999	0.4	0.3	1.1	4.7	2.8	6.2	1.3	1.0	3.2
\$150,000 to 249,999	0.5	0.3	1.7	7.5	2.7	11.6	1.6	1.0	5.1
\$250,000 or more	0.1	0.1	0.6	3.6	1.0	5.8	0.6	0.6	1.8
<b>Average earnings (\$)</b>	<b>30,600</b>	<b>30,700</b>	<b>30,000</b>	<b>75,200</b>	<b>61,500</b>	<b>86,800</b>	<b>44,000</b>	<b>43,200</b>	<b>49,600</b>
<b>Median earnings (\$)</b>	<b>26,800</b>	<b>27,800</b>	<b>19,700</b>	<b>58,900</b>	<b>55,700</b>	<b>63,200</b>	<b>39,400</b>	<b>40,400</b>	<b>30,900</b>
<b>Gini coefficient</b>	<b>0.4158</b>	<b>0.3879</b>	<b>0.5661</b>	<b>0.4540</b>	<b>0.3708</b>	<b>0.4871</b>	<b>0.4080</b>	<b>0.3729</b>	<b>0.5688</b>

Source: Census of Canada, 1996

earnings and those of men.<sup>8</sup> In the case of lawyers, annual hours accounted for about 30% of the difference.

### Distribution of earnings

About 37% of all persons 25 and over who worked in 1995 reported total earnings of less than \$20,000 (Table 5). Only one in 10 earned \$60,000 or more. Workers with a university degree other than in law were less concentrated at the lower end of the earnings scale. One-quarter (24%) of them had earnings of less than \$20,000 in 1995, and 2 in 10 earned at least \$60,000. Only 5% reported earnings of \$100,000 or more.

In contrast, less than 15% of lawyers reported earnings under \$20,000. Nearly half (49%) earned at least \$60,000. About 23% of all lawyers earned at least \$100,000 in 1995, with close to 4% reporting earnings of \$250,000 or more.

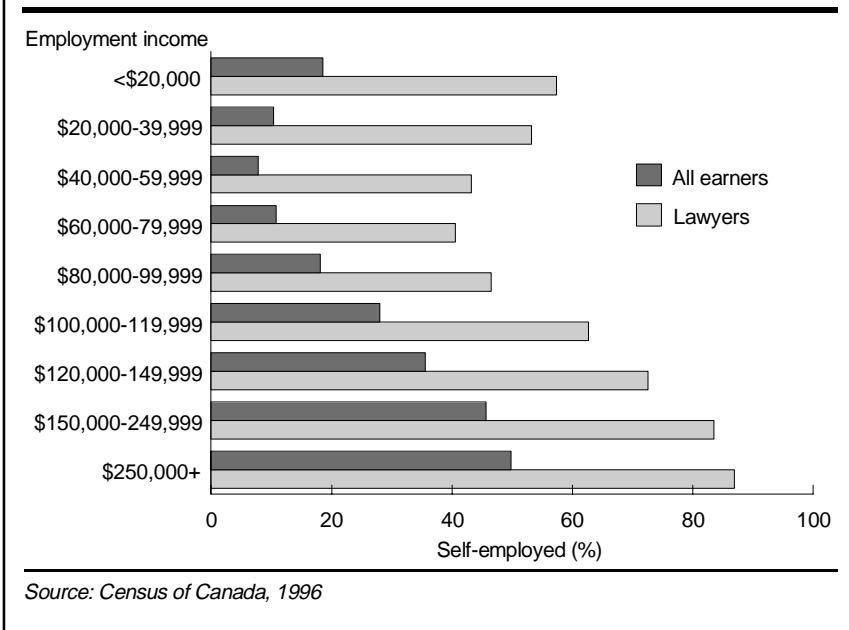
Overall, average earnings of the self-employed (\$30,000) were 2% lower than those of employees (\$30,700). In contrast, average earnings of self-employed lawyers (\$86,800) were 41% greater than

those of their employee counterparts (\$61,500). The situation of earners with a degree other than in law was similar though less pronounced. In their case, average earnings of the self-employed (\$49,600) were about 15% higher than those of employees (\$43,200).

On the whole, average earnings of self-employed men were 7% less than those of male employees; self-employed women earned 16% less than female employees. In the case of lawyers, earnings of the self-employed were significantly higher for both men (33%) and women (18%).

The proportion of the self-employed was above average in the two lowest earnings groups.<sup>9</sup> It declined as earnings reached \$60,000, and then began to increase sharply (Chart C). Nearly one-half of all workers earning \$150,000 or more were self-employed. The pattern was similar among lawyers except that the proportions of the self-employed were much higher at all earnings levels. Over half of lawyers earning less than \$40,000 in 1995 were self-employed, while four of every five earning \$150,000 or more worked for themselves.

**Chart C: Regardless of earnings level, lawyers were more likely than most other earners to be self-employed.**



The effect of these differences is reflected in the earnings distributions of the two groups (Table 5). Relatively more self-employed were in both the lower and upper ends of the earnings distribution. On the one hand, compared with about one-third of employees, one-half of the self-employed had earnings of less than \$20,000 in 1995. On the other hand, the proportions of self-employed earners exceeded those of employees in earnings groups beginning at \$80,000. Compared with about 1% of all employees, nearly 5% of the self-employed earned \$100,000 or more.

In the case of lawyers, self-employment generated substantially higher earnings than paid work. Compared with 12% of lawyers working as employees, 31% of self-employed lawyers earned at least \$100,000 in 1995. Furthermore, while only 1% of lawyers working

as employees earned at least \$250,000, some 6% of those self-employed did so. The position of earners with a degree other than in law was similar: the self-employed had higher concentrations at both the upper and lower ends of the distribution.

Consequently, while average earnings of the self-employed were 2% lower than those of employees, median earnings were 29% lower (\$19,700 versus \$27,800). In contrast, compared with a difference of 41% in average earnings, the median earnings of self-employed lawyers (\$63,200) were 13% greater than those of employees (\$55,700). Self-employed workers with a university degree other than in law had average earnings 15% higher than those of their employee counterparts, but median earnings 23% lower (\$30,900 versus \$40,400).

These data clearly indicate a greater inequality of earnings among the self-employed. A convenient measure to estimate the degree of inequality is the Gini coefficient. The value of this coefficient lies between zero and one, denoting, respectively, total equality (all earners receive an equal amount) and total inequality (one earner receives the entire amount).

The Gini coefficient for overall earnings in 1995 was 0.4158. The coefficient for the self-employed (0.5661) exceeded that for employees (0.3879) by nearly 18 percentage points. While the Gini was higher among lawyers (0.4540), the difference between the self-employed (0.4871) and employees (0.3708) was 12 percentage points. Self-employed earners with a degree other than in law exhibited the highest earnings inequality with a coefficient of 0.5688, about 20 points higher than their employee counterparts.

### Changes over time

Changes in overall economic activity, as well as in the characteristics of workers, affect income from employment.

#### Workforce composition, 1970 to 1995

One of the most important changes in recent decades is in the sex composition of the workforce (Rashid, 1993). As pointed out earlier, these changes are a function of both women's growing participation in the labour force and their increasing level of education. In 1970, women accounted for 32% of all earners 25 years and over (Table 6). By 1995, their proportion had increased to 46%.

## Notes and definitions

**Earnings (employment income)** are the sum of wages and salaries and net self-employment income from the operation of a farm, business or professional practice owned and operated by the respondent. Self-employment income is reported after business expenses but, as with wages and salaries, before income tax.

All income figures are expressed in constant **1995 dollars**, meaning that actual figures for earlier years have been adjusted for changes in the Consumer Price Index.

The 1991 Standard Occupational Classification, used in the 1996 Census, classified **lawyers and Quebec notaries** as occupations concerned with advising clients on legal matters, pleading cases or conducting prosecutions in courts of law, representing clients before tribunals and administrative boards and drawing up legal documents. Articling law students are included and notaries public in provinces other than Quebec are excluded. The data from earlier censuses (1971 and 1981) are based, respectively, on the Occupational Classification Manual and the 1980 Standard Occupational Classification. The three classifications are consistent except for a minor difference: in 1980, notaries public in Quebec were excluded and those in British Columbia were included.

**Employees** work for others, while the **self-employed** work for themselves in an *unincorporated* farm, business or professional practice. Respondents who describe themselves as self-employed in an *incorporated* enterprise, though

technically employees of the corporation, are more like the self-employed in their economic behaviour. Furthermore, they tend to own most of the capital invested in the enterprise. Their income is, therefore, a mixture of returns to labour and capital. Accordingly, these persons are classified here with the unincorporated self-employed. Finally, a small group designated as unpaid workers in a business owned and operated by a family member is included in the totals but not discussed separately.

Census respondents reported the number of weeks worked in the preceding calendar year and weekly hours worked in their job at the time of the census. **Annual hours** are the product of these two variables.

Persons selected for this analysis were at least 25 at the time of the 1996 Census, had worked in 1995 and had also reported employment income for that year. Of the 15 million persons who worked and reported earnings in 1995, about 2.4 million or 17% were 15 to 24. Over 93% of these young earners were without a university degree. A negligible proportion of lawyers belonged to this age group. The 1995 earnings reported by these young lawyers were often low, perhaps because they were casual earnings. Although this small proportion would not affect the overall earnings of lawyers, the inclusion of young earners would depress overall average earnings. This would distort comparisons. Accordingly, this age group was excluded from the analysis.

**Table 6: Number of earners by sex and education**

	All earners	Lawyers	Other graduates	All others
	'000		'000	'000
1970 Both sexes	6,870	16,130	495	6,360
Men	4,682	15,370	381	4,285
Women	2,189	760	113	2,074
1980 Both sexes	9,105	33,245	1,140	7,932
Men	5,516	28,415	748	4,740
Women	3,589	4,825	392	3,192
1995 Both sexes	12,148	57,680	2,285	9,805
Men	6,588	40,175	1,237	5,311
Women	5,560	17,505	1,048	4,494

Source: Census of Canada, 1971, 1981, 1996

The number of persons 25 years and over who worked and reported employment income increased by 33% between 1970 and 1980, and by another 33% between 1980 and 1995. Compared with these overall increases, the number of male earners increased by 18% and 19%, but that of female earners did so by 64% and 55%. Thus, over the 25 years, compared with an overall increase of 77%, the number of male earners increased by 41% and that of female earners by 154%.

The changes among lawyers were much greater. The total number of lawyers increased by 106% between 1970 and 1980 and by another 73% between 1980 and 1995. Comparable changes in the number of men in the profession were 85% and 41%. Increases in the number of female lawyers were especially noteworthy: 535% between 1970 and 1980 and 263% between 1980 and 1995. Thus, while women accounted for less than 5% of lawyers in 1970, their proportion increased to 15% in 1980 and to 30% in 1995.



Similar changes took place among earners with a degree other than in law. The proportion of women doubled from 23% in 1970 to 46% in 1995.

The age profile of earners also changed during the period under review. Between 1970 and 1980, the number of both male and female earners under age 40 grew at an above-average rate. By 1995, the workforce had matured, with

above-average increases in the 35-to-54 year groups. In the legal profession, the pattern of change was similar, but the large growth in the number of lawyers resulted in major concentrations in the younger groups, especially in the case of women. For example, the proportion of lawyers under 35 increased significantly between 1970 and 1980—from 36% to 46% for men, and from 47% to

71% for women. By 1995, the proportion of men under 35 had dropped to 22%, compared with women's 45%. In fact, women were the majority (54%) in the youngest group (25 to 29). This is not surprising, given that the overall number of female lawyers had increased 23 times over the 25 years, compared with 2.6 times for men.

**Table 7: Lawyers and other earners by selected characteristics, 1980**

	All earners			Lawyers			Other university graduates			All others		
	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women
	'000			'000			'000			'000		
<b>Total</b>	<b>9,105</b>	<b>5,516</b>	<b>3,589</b>	<b>33,245</b>	<b>28,415</b>	<b>4,825</b>	<b>1,140</b>	<b>748</b>	<b>392</b>	<b>7,932</b>	<b>4,740</b>	<b>3,192</b>
<b>Age</b>												
25 to 29	1,791	1,012	780	7,180	5,245	1,940	276	153	123	1,509	854	655
30 to 34	1,626	963	663	9,245	7,775	1,470	281	177	104	1,335	778	557
35 to 39	1,300	776	524	5,900	5,280	620	196	135	61	1,099	636	463
40 to 44	1,060	630	430	3,010	2,755	255	122	87	35	935	541	394
45 to 49	962	588	374	2,475	2,250	225	85	61	24	874	525	349
50 to 54	883	555	328	2,130	1,995	130	69	50	20	812	504	308
55 to 59	741	477	264	1,420	1,345	75	56	42	13	684	433	250
60 to 64	481	325	156	870	795	70	32	25	8	448	300	148
65 and over	260	189	71	1,015	975	35	22	18	4	237	170	67
<b>Median age</b>	<b>39.3</b>	<b>40.1</b>	<b>38.3</b>	<b>35.2</b>	<b>36.0</b>	<b>31.1</b>	<b>35.3</b>	<b>36.5</b>	<b>33.3</b>	<b>40.1</b>	<b>40.9</b>	<b>39.1</b>
<b>Class of worker</b>												
Employee	8,068	4,682	3,386	14,260	10,785	3,470	1,021	650	371	7,033	4,022	3,012
Self-employed	1,023	830	193	18,985	17,625	1,355	118	98	20	886	715	171
<b>Weeks worked</b>												
1 to 13	529	184	345	445	255	190	43	16	26	486	168	319
14 to 26	786	371	415	1,610	1,075	540	78	35	43	706	335	371
27 to 39	686	369	317	1,680	1,160	520	78	37	41	607	331	276
40 to 52	7,103	4,592	2,511	29,505	25,925	3,580	941	659	282	6,133	3,907	2,226
<b>Work intensity</b>												
Mostly full-time	7,756	5,204	2,553	32,025	27,575	4,450	1,019	712	307	6,706	4,464	2,241
Mostly part-time	1,348	312	1,036	1,215	845	375	121	36	85	1,226	276	951
<b>Average annual hours</b>	<b>2,222</b>	<b>2,375</b>	<b>1,988</b>	<b>2,346</b>	<b>2,372</b>	<b>2,192</b>	<b>2,169</b>	<b>2,265</b>	<b>1,985</b>	<b>2,230</b>	<b>2,393</b>	<b>1,988</b>

Source: Census of Canada, 1981

Note: For comparable 1995 figures, see Table 1.

**Table 8: Average earnings of lawyers and other earners, by selected characteristics, 1980**

	All earners			Lawyers			Other university graduates			All others		
	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women
	1995 \$			1995 \$			1995 \$			1995 \$		
<b>Total</b>	<b>31,800</b>	<b>39,400</b>	<b>20,200</b>	<b>71,100</b>	<b>76,800</b>	<b>37,300</b>	<b>48,700</b>	<b>57,200</b>	<b>32,400</b>	<b>29,300</b>	<b>36,400</b>	<b>18,700</b>
<b>Age</b>												
25 to 29	26,400	31,500	19,900	32,100	33,800	27,600	31,000	34,500	26,700	25,500	30,900	18,600
30 to 34	31,700	39,100	20,800	60,400	64,200	40,400	43,300	50,000	31,800	29,000	36,400	18,700
35 to 39	34,700	44,000	20,900	83,300	87,900	44,400	53,900	62,300	35,000	31,000	39,700	19,000
40 to 44	35,000	44,700	20,600	104,600	110,000	47,200	60,500	69,700	37,900	31,400	40,400	19,100
45 to 49	35,200	44,400	20,600	108,600	114,100	52,300	65,600	75,900	39,500	32,000	40,500	19,200
50 to 54	34,700	43,200	20,300	105,600	108,400	64,100	67,300	77,800	40,800	31,700	39,600	19,000
55 to 59	33,000	40,400	19,600	93,000	95,800	42,500	67,600	76,100	40,200	30,000	36,700	18,500
60 to 64	30,300	35,700	19,100	83,900	88,300	36,600	60,600	67,700	37,500	28,000	32,900	18,100
65 and over	21,000	23,600	13,900	69,100	70,200	38,900	37,800	41,700	21,000	19,200	21,500	13,500
<b>Class of worker</b>												
Employee	31,400	39,400	20,300	51,700	57,400	33,800	46,600	54,600	32,600	29,100	36,900	18,800
Self-employed	35,700	39,600	19,100	85,700	88,700	46,400	67,000	74,500	30,100	30,500	33,600	17,600
<b>Weeks worked</b>												
1 to 13	6,400	10,200	4,300	14,200	18,200	8,900	7,800	10,700	6,000	6,200	10,200	4,200
14 to 26	13,900	18,700	9,500	18,000	20,900	12,300	17,100	20,300	14,500	13,500	18,500	8,900
27 to 39	21,200	26,800	14,700	22,600	25,000	17,200	27,500	31,900	23,500	20,400	26,300	13,400
40 to 52	36,800	43,200	24,900	77,600	82,100	45,500	54,900	61,700	38,900	33,800	39,900	23,100
<b>Work intensity</b>												
Mostly full-time	35,200	40,700	24,200	72,500	78,000	38,500	52,500	59,000	37,400	32,400	37,500	22,300
Mostly part-time	12,400	18,400	10,500	33,200	37,600	23,400	16,800	22,200	14,400	11,900	17,800	10,200
<b>Average hourly earnings</b>	<b>14.33</b>	<b>16.59</b>	<b>10.18</b>	<b>30.30</b>	<b>32.39</b>	<b>17.01</b>	<b>22.44</b>	<b>25.25</b>	<b>16.34</b>	<b>13.12</b>	<b>15.19</b>	<b>9.41</b>

Source: Census of Canada, 1981

Note: For comparable 1995 figures, see Table 2.

### Work patterns, 1980 to 1995

Besides the demographic changes discussed above, significant changes also occurred in the work patterns of earners between 1980 and 1995 (Tables 7 and 1). The proportion of male earners working at least 40 weeks declined by 3 percentage points; that of women working that number of weeks increased by 6 points. Male lawyers showed an increase of 2 percentage points and other male university graduates, a decline of 2 points. In contrast, the proportion of female lawyers and other female university graduates working at least 40 weeks increased by 10 and

6 percentage points, respectively. Furthermore, regardless of the number of weeks worked, the overall proportion of men working mostly full time declined during the period, while that of women doing so increased. Although women in the legal profession and other female university graduates did not follow this overall trend, their work intensity was well above average in both 1980 and 1995.

Self-employment increased among all earners from 11% in 1980 to 14% in 1995. In the case of lawyers, the overall position

declined from 57% to 54%. However, this is due to the change in the sex distribution in the profession. While the proportion of self-employed male lawyers increased only marginally, the proportion of female self-employed lawyers increased by 8 percentage points, from 28% to 36%.

### Earnings, 1980 to 1995

As a consequence of the recession of the early 1980s, workers 25 years and over lost 3.9% in earnings between 1980 and 1985 (after compensating for changes in the Consumer Price Index [see *Notes and definitions*]). They recovered

2.9% between 1985 and 1990, only to lose it again following the recession of the early 1990s. Thus, overall average earnings fell 4.0% between 1980 and 1995. Earnings of men and women moved in opposite directions (Statistics Canada, 1998). Over the 15 years, men lost 7% while women gained 15%.

Changes in the earnings of lawyers followed a significantly different pattern. Between 1980 and 1995, their overall average earnings increased by 6%—from \$71,100 to \$75,200 (Tables 8 and 2). Real average earnings of men in the profession increased by 11%, from \$76,800 to \$85,100, and those of women increased by 41%, from

\$37,300 to \$52,600. One of the reasons for this difference in rates of change in earnings is the difference in rates of growth of the two groups. As noted earlier, the increase in the number of male lawyers was less than that of female lawyers. The change in the number of men was closer to the overall increase in the population 25 years and over, indicating a more or less normal rate of entry and exit for men in the profession. In contrast, new female lawyers did not just replace those leaving, but were an addition to the profession. As they gained experience, their earnings increased. As a result, average earnings of female lawyers rose during the period under review.

However, because they earned less than their male counterparts (in part, because of fewer hours of work), their growing proportion (from 15% in 1980 to 30% in 1995) depressed the overall average earnings of lawyers, resulting in a smaller relative change than in the earnings of either men or women.

The increasing proportion of female earners exerted a downward pressure on overall average employment income, especially in the case of workers with higher levels of education (Table 9). Other things being equal, if the sex composition of workers had not changed between 1980 and 1995, overall average earnings would have been higher by 3%. For both lawyers and other university graduates, the effect would have been significantly greater (7% and 5%).

These changes were more than compensated by the effect of a maturing workforce. Other things being equal, if the age distribution had not changed between 1980 and 1995, overall average earnings would have been 3% lower. Again, the effect would have been much greater for lawyers (-15%) and other university graduates (-8%).

Changes in work patterns had a positive effect on women's earnings and a negative effect on men's. The net overall effect of such changes was relatively small except for university graduates in disciplines other than law (3%).

Taken together, changes in sex, age and work profiles between 1980 and 1995 had an overall positive effect on the earnings of lawyers. Without these changes, their average earnings in 1995 would have been over 10% lower. The net effect on other earners was small.

**Table 9: Effect on earnings of changes in earners' characteristics, 1980 to 1995**

	All earners	Lawyers	Other graduates	All others
	\$			
<b>Actual 1995 earnings</b>	<b>30,600</b>	<b>75,200</b>	<b>44,000</b>	<b>27,200</b>
<b>Standardized by</b>				
Sex $\Sigma (PS_i \cdot YS_j)$	31,400	80,300	46,200	27,900
Age $\Sigma (PA_i \cdot YA_j)$	29,600	64,100	40,700	26,500
Sex and age $\Sigma (PSA_i \cdot YSA_j)$	30,500	66,900	42,700	27,200
Weeks worked $\Sigma (PW_i \cdot YW_j)$	30,500	74,300	44,200	27,200
Worked full/part time $\Sigma (PF_i \cdot YF_j)$	31,000	75,800	45,600	27,500
Weeks and time $\Sigma (PWF_i \cdot YWF_j)$	30,800	74,700	45,400	27,400
<b>Sex, age, weeks and time <math>\Sigma (PSAWF_i \cdot YSAWF_j)</math></b>	<b>30,900</b>	<b>67,500</b>	<b>44,000</b>	<b>27,600</b>

Source: Census of Canada, 1981 and 1996

*P* = Proportion of earners in 1980 in category *i*  
*Y* = Average earnings in 1995 in category *j*  
*S* = Male and female earners  
*A* = Earners in age category *i*  
*SA* = Male and female earners in age category *i*  
*W* = Earners in "weeks worked" category *i*  
*F* = Full-and part-time earners  
*WF* = Full-and part-time earners in "weeks worked" category *i*  
*SAWF* = Earners in category *i* of sex-age-weeks-full/part-time

## Summary

Compared with 46% of all workers 25 years and over in 1995, women accounted for 30% of lawyers. Female lawyers were concentrated in the younger age groups. While the median ages of men and women overall differed by less than a year, those of male and female lawyers did so by over seven years.

In general, women worked fewer weeks than men, and a larger proportion worked part time. This pattern prevailed among lawyers, although both men and women in this profession worked more weeks and longer hours than other workers. Overall, men worked 1,805 hours and women, 1,377; lawyers worked 2,308 and 1,945, respectively. Compared with 14% of all earners, 54% of lawyers were self-employed.

At \$75,200, lawyers earned 146% more than the overall average of \$30,600 in 1995, and 71% more than workers with a university degree in a discipline other than law. Longer work hours accounted for about 25% of the difference between lawyers' and overall average earnings.

While 56% of all workers earned less than \$30,000 in 1995, less than 2% earned \$100,000 or more. Comparable proportions for lawyers were 24% and 23%, with 4% reporting earnings of at least \$250,000.

On the whole, self-employed workers earned 2% less than employees; in contrast, lawyers with their own practice earned 41% more than those working for others. While about one-third of employees earned less than \$20,000 in 1995, one-half of the self-employed did so. In addition, only 1% of employees, as opposed to nearly 5% of the self-employed, earned \$100,000 or more. In the case of lawyers, 12% of employees earned at least \$100,000 in 1995, compared with 31% of the self-employed.

Overall, average earnings of women amounted to 63% of men's; female lawyers earned 62% of their male counterparts' earnings. If women had had the same age and work patterns as men, the ratios would have been 72% and 73%, respectively. The ratio of average hourly earnings overall was 83%. In the case of lawyers, it was 73%. Little difference existed in average earnings per hour for those under age 35.

Over time, major changes have taken place in the composition of the workforce. The number of earners 25 years and over increased by 33% between 1970

and 1980, and by another 33% between 1980 and 1995. Over the 25 years, compared with an overall increase of 77%, the number of male earners increased 41% and that of women, 154%. Growth among lawyers was much greater. The total number of lawyers increased by 106% between 1970 and 1980 and another 73% between 1980 and 1995. Comparable increases for men were 85% and 41% and for women, 535% and 263%. While women accounted for less than 5% of lawyers in 1970, their proportion increased to 15% in 1980 and to 30% in 1995.

As a result of the recessions of the early eighties and nineties, real average earnings fell 4% between 1980 and 1995. Male earners lost 7% but female earners gained 15%. In the case of lawyers, men and women gained 11% and 41%, respectively. However, overall average earnings of lawyers showed an increase of 6%. This was because of the extraordinary growth in the number of young women in the profession. Their lower earnings restrained the increase in the overall average. At the same time, a maturing workforce had a positive effect on earnings, especially in the case of lawyers. On the whole, the positive effects of changes in earners' age profiles were neutralized by the negative effects of changes in their sex and work profiles. In the case of lawyers, however, if their sex composition and age and work profiles had not changed between 1980 and 1995, their average earnings would have been lower by about 10% in 1995.

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## Perspectives

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### ■ Notes

- 1 This analysis is restricted to earnings and does not take into account other sources of income such as investment income or non-monetary fringe benefits. Furthermore, earnings are reported before income tax paid on personal income.
- 2 The census provides income data for individuals 15 years and over. With the exception of the introductory paragraph, the article excludes those under 25 years of age. (See *Notes and definitions*.)
- 3 Someone who worked 35 hours over 52 weeks would have worked 1,820 hours during the year.
- 4 See *Notes and definitions*.
- 5 Lawyers belong to a relatively homogeneous occupation, but other university graduates fall into a wide spectrum of occupations and display a greater dispersion in their earnings. (See Table 5 and the related discussion.)

6 This is estimated by using the following formula:

$$\text{coefficient of variation (CV)} = \sqrt{\sum P_i (Y_i - \bar{Y})^2 / \bar{Y}}$$

where  $P_i$  is the proportion of earners in the  $i$ th age group in a category,  $Y_i$  equals their average earnings and  $\bar{Y}$  is the overall average earnings of the category. The CV of average earnings by age for lawyers (30.9%) and other university graduates (24.3%) was twice that for other earners (12.7%).

7 Most published statistics relating to female/male earnings ratios are restricted to those who work 49 to 52 weeks, mostly full time. However, this section covers all earners 25 years and over and the effect of differences in work activity is estimated separately.

8 The proportion,  $P$ , of earnings difference ascribed to difference in hours was calculated as follows:

$$P = Y_f \cdot \frac{\frac{H_m}{H_f} - 1}{\bar{Y}_m - \bar{Y}_f}$$

where  $Y_f$  and  $Y_m$  are the average earnings of women and men, and  $H_f$  and  $H_m$  their annual work hours.

9 The open-ended lowest earning group includes all persons who had negative earnings. Since only the self-employed can suffer losses in earnings, their proportions in the lower groups tend to be relatively high.

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