

10th Annual Pay Gap Survey

**Pay Gap between  
CEOs and Workers in  
Canadian Industry,  
2019**

By Pushpa Kumari

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***EPD***  
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## Economic Policy Dialogue

The Economic Policy Dialogue (EPD) is a Toronto-based independent research organization that brings forth the economic policy issues which affect the people, society, business, and environment at national and international level; and also seeks to put forward the policy alternatives through constructive dialogue.

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## Executive Summary of Annual Pay Gap Survey 2019

Working on too wide pay gaps is not a pleasant thing to do; it might make a researcher as well as a reader cynical. Yet the wider pay gap gets, the more essential it becomes to conduct such an exercise. Because it entails not just a pay gap, but it also unveils inherent divisions in society, tilted structure of an economy, biased distribution of wealth of a nation, and unfair power influence on the political economy. It exposes the gaps in the policy also, and highlights, therefore, the urgency to fill those gaps to keep the stability of the system itself. The Economic Policy Dialogue (EPD) is pursuing the pay gap exercise with the same aim for the Canadian economy for quite some time now. The current one has been 10th such exercise since 2010.

The annual pay gap survey of 2019 reports Canada's pay gap between CEOs and workers in the entire industry, and in its various sectors during the 2018 fiscal year. The summary here states some key findings of the survey.

A list of CEOs of the top 100 public companies is used to represent the CEOs of the Canadian Industry. There were 101 CEOs in the list of 2018. Out of which, John Chen of BlackBerry Limited was the highest compensation earning CEO (\$143,341,533) and Mark Leonard of Constellation Software Inc. with zero compensation.

These all 101 CEOs received a total compensation pool of \$930,357,144 in 2018, recording an annual increase of 23% from the last year. CEOs of the largest three sectors – Communications & Media, Finance, and Manufacturing – took away a 48% share of the total pool, and the CEOs of all other 12 sectors took the rest about 52% of it.

A representative Canadian CEO bagged an annual average compensation of about \$9.2 million. In contrast, a typical Canadian industry employee (hourly-&-salaried) earned an average yearly pay of about \$52 thousand and an hourly-paid employee about \$39 thousand in 2018. Hence a representative CEO made 177 times more than a typical employee and 234 times than an hourly-paid employee in 2018.

The current survey considers 29 industrial sectors for the sectoral pay gap analysis. Out of all these sectors, an employee (salaried-&-hourly) and an hourly employee received the lowest annual average pays at \$19,327 and \$16,713, respectively, in the Food Services sector. So far, the highest pay is concerned, an employee (salaried-&-hourly) received annual average pay of \$141,812 in the Oil and Gas sector and an hourly employee \$91,405 in the Utilities sector.

CEO-employee (salaried-&-hourly) pay ratios are calculated for all the 29 industrial sectors, and CEO-hourly employee pay ratios for 21 industrial sectors only because earning-data were unavailable for the other eight sectors in case of hourly employees.

About the CEO-employee (salaried-&-hourly) pay ratio: three sectors with the highest pay ratios were Food Services (1,260), Telecommunications (509), Manufacturing-Transportation Equipment (324); and among the lowest pay ratio sectors were Oil & Gas-

Support services (42), Manufacturing- Cannabis product (45), Other Financial Investment and Related Activities (50), and Utilities (50). Regarding the CEO-hourly employee pay ratio, top three sectors with their highest pay ratios were Food Services (1457), Media (691), and Amusement, gambling and recreation (416); however, three sectors at the bottom with the lowest pay ratio were Oil & Gas- Support services (48), Utilities (54), and Precious Metals (87).

Where 41% of all these given 29 sectors had pay ratio higher than the national average CEO-employee pay (salaried-&-hourly) ratio of 177, and 43% sectors of the given 21 sectors had higher than the national average CEO-hourly employee pay ratio of 234. On the other hand, 34% of all these sectors had less than half the national average (<89) CEO-employee (salaried-&-hourly) pay ratio, and 43% sectors less than half of the national average CEO-hourly employee pay ratio (<117).

In 2018, high CEO pay gap and low coefficient of variation (CV) for Manufacturing-Transportation Equipment, Manufacturing- Chemical, Banking, and Transportation- Rail made these sectors truly fit for the sector-wide high pay gap case despite relatively high employee's earnings. The worst case of the pay gap were the sectors where the high pay gap existed alongside very low employees' earnings; such sectors during the year were – Food Services, Retail- Food & Beverage Stores, Retail- General Stores, Retail- Non-stores, and Amusement, gambling & recreation.

# Pay Gap between CEOs and Workers in Canadian Industry, 2019

## Introduction

Canada is proud to be one of the wealthiest G7 capitalist nations. However, like other peer nations, it has been going through hard economic, social, and ecological times. It has its industrial prowess declining, economy stagnating, and middle class disappearing in its post-industrial phase of economic development. Economic inequality is dividing society into 1% versus 99%. The majority of ordinary people are struggling to afford the bare minimum human needs like home, three meals a day, monthly bills, child care, education cost, and prescription medication. On top of all that, they are sitting on the mounts of household debt. Just like the economic and social aspects, ecological microcosm is also challenging. Glaciers are melting at an unprecedented speed, several wildlife species are on the verge of extinction, and climate is even behaving more harshly and erratically causing havoc in human life.

Unfortunately, this economic, social, and ecological chaos is largely caused by human actions, globally. How could that have happened? Where are the national governments and international institutions?

Sadly, this is what the government and international institutions have been dictating to do under the aegis of capitalism! Basically, the '3M' mantra of capitalism – more, maximization, and minimization – has led humanity to reach this stage. The 'more' mantra says – produce more, extract more, grow more, consume more, and throw more; and if local sphere limits, then 'go global'. The 'maximization' mantra dictates – maximization of profit, capital, scale, and gross domestic product (GDP). And the third 'minimization' mantra relates to – labor, wages, taxes, regulations, barriers, and government. Not to forget, this '3M' mantra has a link with the unsustainability, irresponsibility, and social harm as well. The unsustainable 'more', irresponsible 'maximization', and socially harmful 'minimization' mantras have led the economic system to trap humanity in the present-day ecological, economic, and social mess.

Theoretical landscape comprising rationality, self-interest, laissez-faire, free market, free trade, private property, limited liability, etc., was built on the justification that these would generate more innovations, higher productivity, and better economic performance under the capitalism. However, years of its practice have undoubtedly led to enormous global economic prosperity never seen before. But besides prosperity, it has also created unprecedented economic inequality/miseries, social isolation/polarization, and climate crisis/ecological disasters. And above all, it has created islands of concentrated wealth, power, dominance, and influence. Silicon Six (GAMFAN – Google, Amazon, Microsoft,

Facebook, Apple, and Netflix) is just an example of the same island. Voices about designing ‘new economics’ are also emerging to make economies work for the people and the planet. Lest those voices become pervasive and powerful enough, CEOs party will perhaps go on uninterrupted.

The Economic Policy Dialogue (EPD) has been undertaking the task of measuring the gap between the compensation of the chief executive officers (CEOs) and the earnings of the workers in the Canadian industry for the last nine years since 2010. The pay gap survey of 2019 is 10th in the row. It surveys the pay gap in the Canadian industry as a whole and also in its various sectors for the year 2018. The sector level pay gap analysis differentiates our work from the other Canadian pay gap surveys.

The first part of the survey analyzes the annual compensation pool of the CEOs of the top 100 corporations and also finds which sectors get the most from this total pool. The total compensation amount and its distribution into different sectors present a kind of cross-section reflection on the structure and direction of the economy. To examine the distribution aspect of the economy, pay gaps are investigated in the second and third parts. Absolute and relative pay gaps between annual average compensation of a representative CEO of the top 100 corporations and annual average earning of a typical worker are observed in the overall Canadian industry in the second part. Pay gaps for various sectors of the Canadian industry are presented in the third part. The closing part will be on the methodology and sources of data.

In the current survey, annual compensations of the top 100 corporations’ CEOs represent general pays of the Canadian industry’s chief executives, and the average yearly earnings of the employees used here represent the pays of the industrial workers in the economy. Two categories of employees ‘all-employees’ and ‘hourly-paid employees’ are used in the survey; the first category covers all the salaried and hourly employees, and the second, a sub-category of ‘all employees’, includes only hourly employees.

## **Part 1: Some Observations on CEO Compensation in 2018**

The EPD pay gap survey takes the CEOs’ list and their compensation from the annual Globe and Mail list of the highest-paid CEOs of the top 100 public corporations. The year 2018 list included 101 CEOs as Power Corporation of Canada had two CEOs on the list.

John Chen of BlackBerry Limited was on the top of the list with \$143,341,533, who was hired in 2013 to turn around the company; he had his compensation increased 3593% from the last year (80th rank in 2017). Donald Walker of Magna International Inc. with \$26,021,694 ranked second in 2018, as he did three consecutive years previously during 2014-16; however, he topped the list last year. And Daniel Schwartz of Restaurant Brands International Inc. ranked third with third-highest compensation of \$24,349,238.

In 2018, the total CEO compensation pool of \$930 million was shared by 15 major sectors (Table 1). Communications & Media sector captured the highest share. The other next two sectors were – Finance and Manufacturing; these two have been consistently there

in the top three for a couple of years now. These top three sectors took away a 48% share of the total CEO compensation pool, and the rest 12 sectors shared the remaining 52% of it (Graph 1).

Another feature of the year was the Cannabis sector that had one more entrant (Aurora Cannabis Inc.) this year to join the last year's only company (Canopy Growth Corporation) in the top 100 companies' list. So, it marks the Canadian 'Green Rush' story after the legalization of recreational marijuana during 2018. The gaming sector also crossed a threshold as The Stars Group Inc., a global leader in the online and mobile gaming and interactive entertainment, entered the elite list of top 100 companies this year.

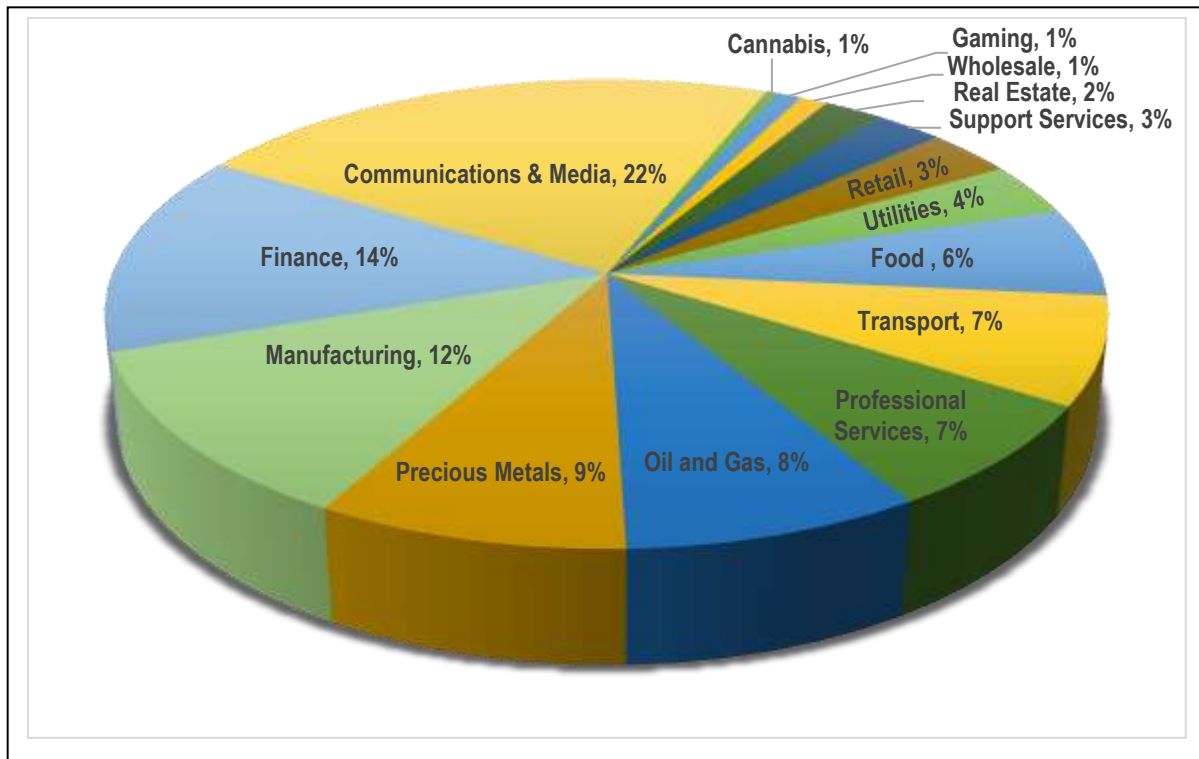
The year 2018 had seen quite a jump in the total CEO compensation pool of the top 100 companies with a 23% rise from the last year (Graph 2). This jump was more visible because of the previous two years' declining total compensation pool. The CEOs of these top 100 companies increased their pool in 2018 by 58% from the 2008 level, despite the events like great recession and energy price shock during the 2008-2018 decade.

**Table 1: Distribution of (Top 100 Companies') Total CEO Compensation into Major Industrial Sectors, 2018**

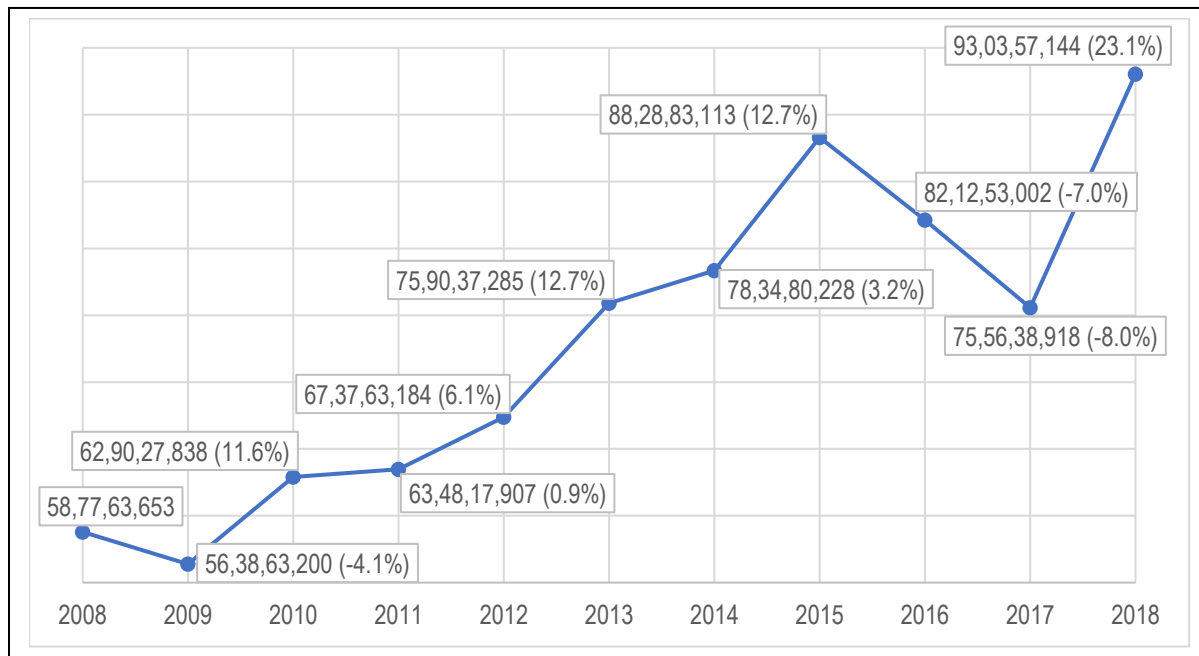
<b>Major Industrial Sectors</b>	<b>Sectoral Distribution of CEO Compensation</b>
Cannabis	4,111,186
Gaming	8,561,115
Wholesale	9,805,462
Real Estate	20,842,959
Support Services	24,285,581
Retail	30,779,514
Utilities	34,315,504
Food	57,132,875
Transport	68,446,534
Professional Services	68,713,698
Oil and Gas	76,594,597
Precious Metals	79,611,733
Manufacturing	108,719,090
Finance	130,047,594
Communications & Media	208,389,702
<b>Total</b>	<b>930,357,144</b>



**Graph 1: Percentage Distribution of (Top 100 Companies') Total CEO Compensation into Major Industrial Sectors, 2018**



**Graph 2: Cumulative CEO Compensation (and annual growth) of Top 100 Companies, 2008-2018**



Source: Same as Table 2.

## Part 2: Pay Gap between CEOs and other Employees in the entire Canadian Industry, 2018

A representative CEO of the top 100 corporations bagged an annual average compensation of about \$9.2 million in contrast to a typical Canadian industry employee (hourly-&-salaried) who earned an average yearly pay of about \$52 thousand and an hourly-paid employee about \$39 thousand in 2018 (Table 2 and Graph 3). Thus, a representative CEO earned 177 times more than a typical employee, and 234 times more than what an hourly-paid employee made in 2018 (Table 2 and Graph 4).

**Table 2: Pay Averages and Ratios in Canadian Industry, 2007-2018**

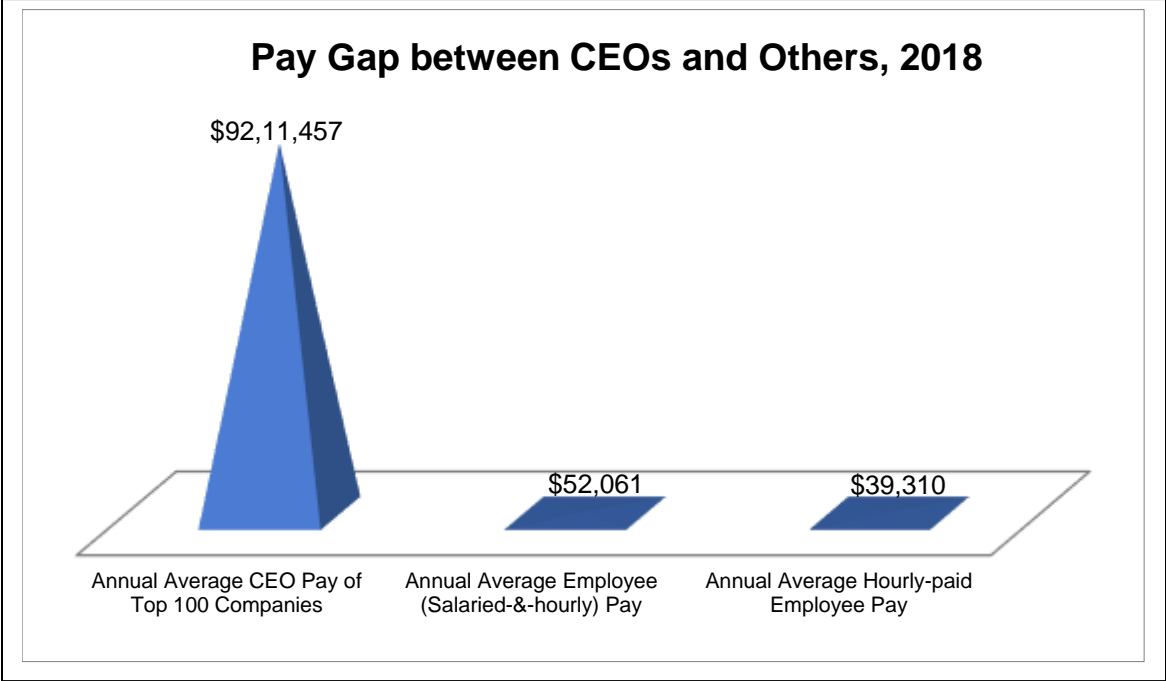
Year	CEO Annual Average Compensation	Number of CEOs	Cumulative Compensation	Average yearly Pay of an Employee (Salaried-&-hourly)	Average yearly Pay of an Hourly Employee	Pay Ratio between CEO & Employee (Salaried-&-hourly)	Pay Ratio between CEO & Hourly-paid Employee
<b>Amount in Canadian \$</b>							
2018	9,211,457	101	930,357,144	52,061	39,310	177	234
2017	7,481,573	101	755,638,918	50,744	38,007	147	197
2016	8,131,218	101	821,253,002	49,738	37,454	163	217
2015	8,655,717	102	882,883,113	49,510	37,382	175	232
2014	7,681,179	102	783,480,228	48,636	36,890	158	208
2013	7,441,542	102	759,037,285	47,358	36,105	157	206
2012	6,875,135	98	673,763,184	46,634	35,568	147	193
2011	6,163,281	103	634,817,907	45,488	34,496	135	179
2010	6,048,345	104	629,027,838	44,366	33,009	136	183
2009	5,474,400	103	563,863,200	42,824	31,993	128	171
2008	5,706,443	103	587,763,653	42,169	31,885	135	179
2007	-	-	-	40,988	30,895	-	-
<b>Percent Change from Previous Year</b>							
2018	23.1		23.1	2.6	3.4	20.0	19.0
2017	-8.0		-8.0	2.0	1.5	-9.8	-9.3
2016	-6.1		-7.0	0.5	0.2	-6.5	-6.2
2015	12.7		12.7	1.8	1.3	10.7	11.2
2014	3.2		3.2	2.7	2.2	0.5	1.0
2013	8.2		12.7	1.6	1.5	6.6	6.6
2012	11.5		6.1	2.5	3.1	8.8	8.2
2011	1.9		0.9	2.5	4.5	-0.6	-2.5
2010	10.5		11.6	3.6	3.2	6.6	7.1
2009	-4.1		-4.1	1.6	0.3	-5.5	-4.4
2008	-		-	2.9	3.2	-	-

Source: Author's calculations. See previous EPD Surveys for the past years' data.

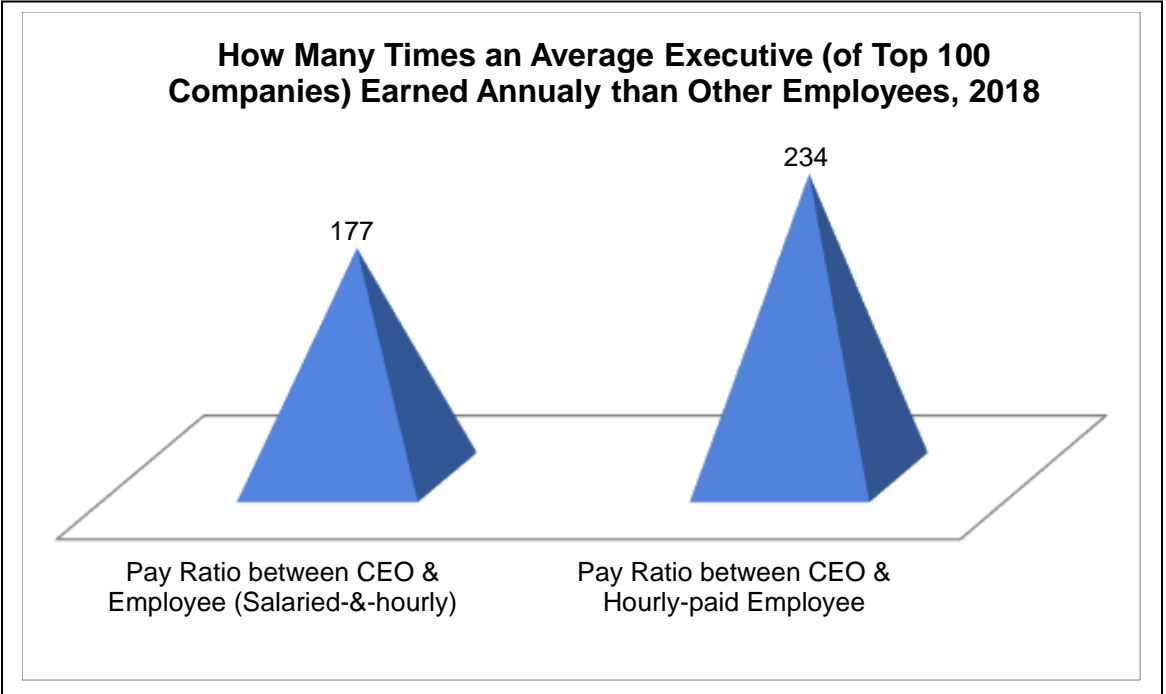
Note: - Cannot be mentioned/calculated as Globe and Mail CEO List prior to 2008 not available.

In 2018, the average CEO compensation and CEO-worker pay ratios not only recovered from the last two years declines but reached an all-time high since 2008, thanks to a record jump of 23% in the average CEO compensation (Table 2 and Graph 5).

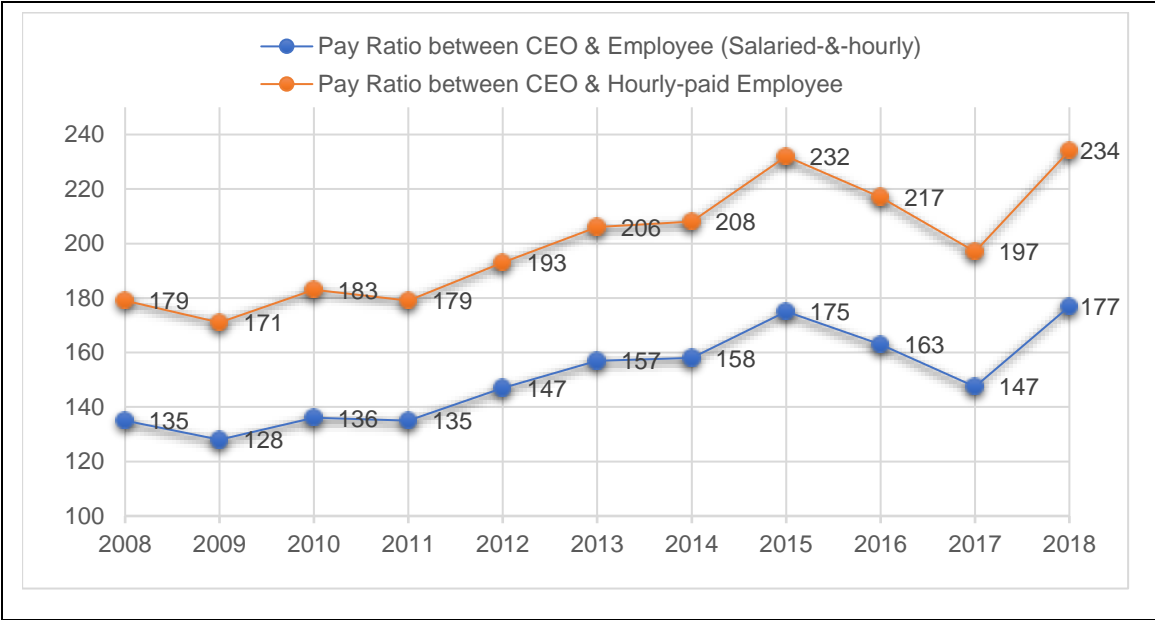
**Graph 3: Comparison between Annual Average Pays of a CEO (of Top 100 Companies) and other Employees, 2018**



**Graph 4: Ratio between Annual Average Pays of a CEO (of Top 100 Companies) and other Employees, 2018**



**Graph 5: Ratio between Annual Average Pays of a CEO (of Top 100 Companies) and other Employees, 2008-2018**



Source: Same as Table 2.

### Part 3: Pay Gap between CEOs and Other Employees in various Sectors of Canadian Industry, 2018

This part of the survey analyzes the pay-gap in various sectors of the Canadian industry. This year’s top 100 companies were reorganized into 32 specific industrial sectors. More general 15 sectors displayed earlier in Part 1 were being rearranged into specific 32 sectors here. For instance: Communications & Media broad sector there would have two sectors here – Telecommunications and Media. This rearrangement was done in order to find out workers’ pay at three or more NAICS (North American Industry Classification System) digit level corresponding to the sectors for which the CEOs’ compensation was available. The CEO-worker pay ratios were calculated for 29 out of these all 32 sectors as three sectors, Equity Funds, Manufacturing- Clothing, and Transportation- Pipeline did not have any data on employees’ earnings. By the way, 12 out of these 29 sectors considered for the analysis were single-company sectors<sup>1</sup>. After the rearrangement exercise, sectoral averages of the CEO compensation were calculated, which were then matched with the corresponding sectoral (all as well as hourly) employees’ annual average earnings to calculate CEO-employee sectoral pay ratios. These pay ratios exhibit

<sup>1</sup> Amusement gambling and recreation, Food Services, Manufacturing- Labels, Manufacturing- Food, Manufacturing- Wood product, Media, Oil & Gas- Support services, Retail- Gas Stations, Retail- Non-stores, Support Services- Auctioneering, Support Services- Waste Management & Remediation, and Transportation- Air.

the sectoral pay gaps. The sectoral pay ratios and their ranks are presented in Tables 3, 4, and Graph 6.

CEO-employee (salaried-&-hourly) pay ratios are calculated for 29 industrial sectors, whereas CEO-hourly employee pay ratios only for 21 industrial sectors because data on hourly employees' earnings were not available for the other 8 sectors<sup>2</sup>.

Following are the key findings observed from the sectoral analysis:

1. John Chen, CEO of BlackBerry Limited, earned the highest compensation of \$143 million, and David Ehrlich (Ranked 100th) of Canadian Apartment Properties Real Estate Investment Trust the lowest \$719,460 in the list of 101 CEOs. Mark Leonard of Constellation Software Inc. reported zero compensation this year.
2. The Food Services sector, the same as the last couple of years, had the lowest annual average pay for salaried-&-hourly employees at \$19,327 and hourly employees at \$16,713 in the given list of sectors. Retail sector followed next in the case of the all-employees (salaried-&-hourly) pay as Retail- Food & Beverage Stores had the second-lowest and Retail- Gas Stations the third-lowest pay at \$24,887 and \$25,814, respectively. Whereas, in the case of hourly employees, Amusement, gambling & recreation sector had the second-lowest pay at \$20,562, and Retail- Food & Beverage Stores, the third-lowest at \$21,989.
3. All-employees (salaried-&-hourly) had the highest annual average pay in the Oil and Gas sector (\$141,812) in the given list of sectors, followed by Utilities (\$97,805), Precious Metals (\$95,326), and Other Financial Investment and Related Activities (\$93,078). Among the highest-earning sectors (along with amounts) for the hourly employees were as: Utilities (\$91,405), Precious Metals (\$83,040), Oil & Gas- Support services (\$80,124), and Manufacturing- Chemical (\$57,427). By the way, earning figure was not available for the hourly employees for the Oil and Gas sector.
4. About the highest and lowest pay ratios for both salaried-&-hourly employees and only hourly employees, Food Services had the highest pay ratios at astronomical high levels of 1260 and 1457, and Oil & Gas- Support services had the lowest at 42 and 48, respectively.
5. Out of all 29 sectors, 12 (i.e., 41%) had higher than the national average CEO-employee (salaried-&-hourly) pay ratio of 177. These were: Food Services (1,260), Telecommunications (509), Manufacturing- Transportation Equipment (324), Media (317), Amusement, gambling and recreation (315), Support Services-Waste Management & Remediation (304), Retail- General Stores (291), Retail- Non-stores (235), Retail- Food & Beverage Stores (232), Transportation- Air (209), Manufacturing- Chemical (201), and Banking (195). For the CEO-hourly employee pay ratio, 9 sectors out of the given total 21 sectors (i.e., 43%) had higher than the

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<sup>2</sup> These were: Banking, Management and Diversified, Manufacturing- Cannabis product, Oil and Gas, Other Financial Investment and Related Activities, Support Services- Waste Management & Remediation, Telecommunications, and Transportation- Rail.

national average ratio of 234: Food Services (1457), Media (691), Amusement, gambling and recreation (416), Manufacturing- Transportation Equipment (371), Retail- General Stores (336), Transportation- Air (309), Retail- Non-stores (286), Retail- Food & Beverage Stores (262), and Manufacturing- Chemical (259). Last year such sectors, with higher than the national average CEO-employee (salaried-&-hourly) and CEO-hourly employee pay ratio, were 36% and 32% as compared to this year's 41% and 43%, respectively. That means more sectors than last year had higher pay gaps in 2018.

6. Sectors with lower than half the national average pay ratio are also observed to determine which sectors have lower pay ratio and, therefore, relatively better placed regarding pay inequality. As regards to the CEO-employee (salaried-&-hourly) pay ratio, 10 sectors (i.e., 34%) had lower than half the national average (<89): Oil & Gas- Support services (42), Manufacturing- Cannabis product (45), Other Financial Investment and Related Activities (50), Utilities (50), Oil and Gas (57), Real Estate (66), Precious Metals (76), Wholesale- Heavy Equipment (82), Professional, scientific and technical services (85), and Manufacturing- Wood product (86). Regarding CEO-hourly employee pay ratio, 9 sectors (i.e., 43%) had lower than half of the national average ratio (<117): Oil & Gas- Support services (48), Utilities (54), Precious Metals (87), Manufacturing- Wood product (92), Wholesale- Heavy Equipment (104), Manufacturing- Food (104), Real Estate (107), Professional, scientific and technical services (115), and Manufacturing- Labels (116). This year, the number has increased as these are 34% and 43% as compared to 25% and 26% in 2017.
7. Regarding the sectoral pay ratio, Food Services, Telecommunications, and Manufacturing- Transportation Equipment were among the highest pay-ratio sectors for all-employees (salaried-&-hourly), whereas Food Services, Media, and Amusement, gambling and recreation for hourly-employees. However, there are some qualifications attached to some of these highest pay gap cases, which one should also consider while passing any final judgments. For example, although the Food Services sector had the highest pay ratios for both an all-employee and hourly employee, and also the lowest employees' (absolute) earnings for these both type of employees, this sector may or may not conclusively be a genuine representative case of sector-wide high pay gap as there is no CV (Coefficient of Variation) value for the CEO compensation because of being one-company sector. A more representative case should better have sector-wide (or at least for more than one company) high CEO compensation. Next, the Telecommunications sector had a very high CV; this is because of an exceptional compensation of top-ranked CEO (John Chen's of BlackBerry Limited). Because of that extraordinary single case, average compensation for the sector becomes very high; that is how despite all-employee earnings being in the mid-range, the pay gap is the second highest. High CEO pay gap and low CV for Manufacturing- Transportation Equipment, Manufacturing- Chemical, Banking, and Transportation- Rail make these sectors better representations for sector-wide high pay gap cases despite

relatively high employees' earnings. The Retail sector (Retail- General Stores, Retail- Food & Beverage Stores, and Retail- Food & Beverage Stores), typically as always, has high pay ratios this year, too primarily because of relatively low employees' earnings. Other four sectors – Media; Amusement, gambling and recreation; Transportation- Air; and Retail- Non-stores – have a high pay gap because of relatively high CEO compensation; but these are one-company sectors (no CV value for the CEO compensation), therefore, same as above Food Services sector, these may or may not represent the overall sector.

8. Sectoral high pay gap ratios are definitely bad, but these become even worse when also mix with too low absolute employees' pays. This year such sectors are Food Services, Retail- Food & Beverage Stores, Retail- General Stores, Retail- Non-stores, and Amusement, gambling & recreation. The Food Services sector is the worst such case as it had the highest CEO-employee pay ratio and the lowest pay for both all employees (salaried-&-hourly) and hourly employees.

**Table 3: Sectoral Ranks, 2018 (Rank 1 indicates the Highest)**

Sectors	CEO- Employee Pay Ratios	CEO-Hourly Paid Employee Pay Ratios (For 21 Sectors)	Employee Pay	Hourly Employee Pay (For 21 Sectors)	Average CEO Pay (Sectoral)
Food Services	1	1	29	21	2
Telecommunications	2	N.A.	11	N.A.	1
Manufacturing- Transportation Equipment	3	4	13	5	3
Media	4	2	15	16	4
Amusement, gambling and recreation	5	3	26	20	11
Support Services- Waste Management & Remediation	6	N.A.	16	N.A.	5
Retail- General Stores	7	5	25	18	14
Retail- Non-stores	8	7	21	11	9
Retail- Food & Beverage Stores	9	8	28	19	19
Transportation- Air	10	6	17	13	8
Manufacturing- Chemical	11	9	7	4	6
Banking	12	N.A.	12	N.A.	7
Support Services- Auctioneering	13	10	24	14	17
Transportation- Rail	14	N.A.	9	N.A.	10
Retail- Gas Stations	15	11	27	17	27
Insurance and Related Activities	16	12	10	6	16
Manufacturing - Labels	17	13	20	10	20
Management and Diversified	18	N.A.	6	N.A.	13
Manufacturing- Food	19	16	23	12	25
Manufacturing- Wood product	20	18	18	8	24
Professional, scientific and technical services	21	14	8	7	18
Wholesale- Heavy Equipment	22	17	14	9	21
Precious Metals	23	19	3	2	15
Real Estate	24	15	19	15	28
Oil and Gas	25	N.A.	1	N.A.	12
Other Financial Investment and Related Activities	26	N.A.	4	N.A.	23
Utilities	26	20	2	1	22
Manufacturing- Cannabis product	28	N.A.	22	N.A.	29
Oil & Gas- Support services	29	21	5	3	26

**Table 4: Sectoral Pay Averages and Ratios, 2018**

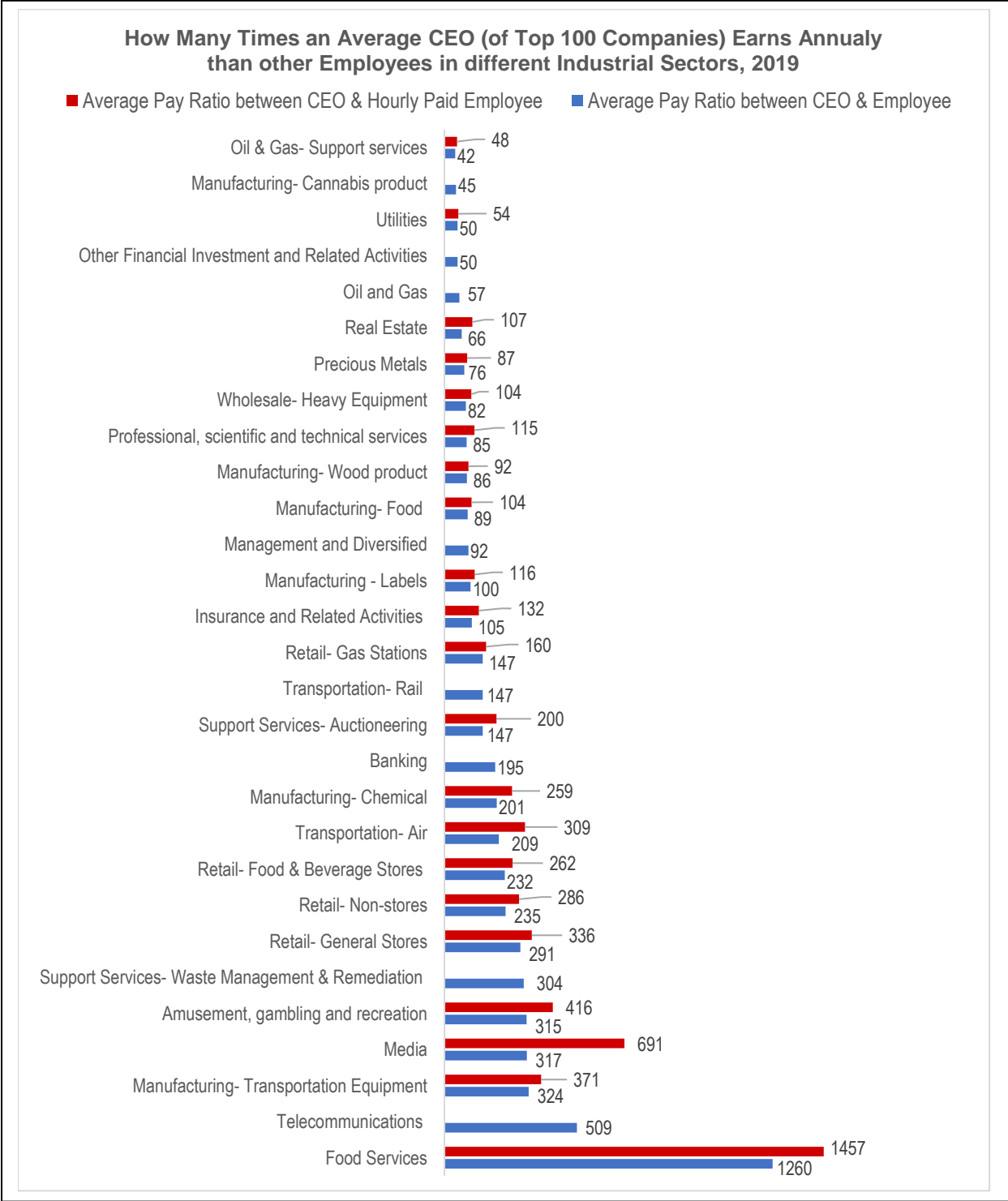
Sectors	CEO Pay - Sectoral Average (\$)	CEO Pay - Coefficient of Variation (CV)	Employee Pay - Sectoral Average (\$)	Hourly Employee Pay - Sectoral Average (\$)	Average Pay Ratio between CEO & Employee	Average Pay Ratio between CEO & Hourly Paid Employee
Food Services	24,349,238	-	19,327	16,713	1260	1457
Telecommunications	31,601,981	1.74	62,134	N.A.	509	N.A.
Manufacturing- Transportation Equipment	19,901,547	0.43	61,496	53,667	324	371
Media	18,777,815	-	59,307	27,176	317	691
Amusement, gambling and recreation	8,561,115	-	27,168	20,562	315	416
Support Services- Waste Management & Remediation	17,750,032	-	58,376	N.A.	304	N.A.
Retail- General Stores	7,932,546	0.71	27,249	23,633	291	336
Retail- Non-stores	11,131,760	-	47,370	38,899	235	286
Retail- Food & Beverage Stores	5,762,791	0.35	24,887	21,989	232	262
Transportation- Air	11,551,850	-	55,311	37,325	209	309
Manufacturing- Chemical	14,890,603	0.36	74,229	57,427	201	259
Banking	12,016,650	0.22	61,618	N.A.	195	N.A.
Support Services- Auctioneering	6,535,549	-	44,542	32,756	147	200
Transportation- Rail	10,486,011	0.27	71,485	N.A.	147	N.A.
Retail- Gas Stations	3,782,662	-	25,814	23,706	147	160
Insurance and Related Activities	7,043,342	0.63	67,214	53,331	105	132
Manufacturing - Labels	4,940,044	-	49,285	42,472	100	116
Management and Diversified	7,992,141	0.41	87,071	N.A.	92	N.A.
Manufacturing- Food	3,969,680	-	44,620	38,246	89	104
Manufacturing- Wood product	4,652,960	-	53,886	50,700	86	92
Professional, scientific and technical services	6,124,189	0.54	72,049	53,090	85	115
Wholesale- Heavy Equipment	4,902,731	0.29	59,676	47,322	82	104
Precious Metals	7,237,430	0.62	95,326	83,040	76	87
Real Estate	3,473,827	0.61	52,300	32,440	66	107
Oil and Gas	8,080,995	0.54	141,812	N.A.	57	N.A.
Other Financial Investment and Related Activities	4,667,460	0.52	93,078	N.A.	50	N.A.
Utilities	4,902,215	0.48	97,805	91,405	50	54
Manufacturing- Cannabis product	2,055,593	0.32	46,016	N.A.	45	N.A.
Oil & Gas- Support services	3,865,644	-	92,537	80,124	42	48
Equity Funds	1,685,259	-	N.A.	N.A.	N.A.	N.A.
Manufacturing- Clothing	7,325,592	0.58	N.A.	N.A.	N.A.	N.A.
Transportation- Pipeline	8,980,666	0.47	N.A.	N.A.	N.A.	N.A.

Notes: N.A. Not Available

– Cannot be calculated as these are single-company sectors. For the list, see note number 2 of the Graph 6.



**Graph 6: Ratio between Annual Average Pays of a CEO (of Top 100 Companies) and other Employees in various Industrial Sectors, 2018**



**Notes:** 1. When there is no red bar, it means data for hourly-paid employees are not available.  
 2. Twelve sectors had single company each – Amusement gambling and recreation, Food Services, Manufacturing-Labels, Manufacturing- Food, Manufacturing- Wood product, Media, Oil & Gas- Support Services, Retail- Gas Stations, Retail-Non-stores, Support Services- Auctioneering, Support Services- Waste Management & Remediation, and Transportation- Air.

## Data Sources and Methodology

**Data Sources:** As always, the 2018 pay gap survey relies on two data sources: the Globe and Mail list on the executive compensation and the Statistics Canada tables. The former “How much are Canada’s top CEOs paid?”<sup>3</sup> had a table on the ranking of the CEOs as per the compensation for the fiscal year 2018 drawn from the 100 largest public companies (by market capitalization) in Canada’s benchmark S&P/TSX composite index as of Dec. 31, 2018. A CEO’s total compensation figure includes salary, bonus, stock awards, option awards, pension value, and all other compensation. Two tables of Statistics Canada were used: ‘Average weekly earnings by industry, including overtime’ (to get the pays of workers) and ‘North American Industry Classification System (NAICS) Canada 2017 Version 3.0’ (to determine the industry classification).<sup>4</sup>

**Process:** For the computation of the sectoral CEO/employee pay ratios, the top 100 companies were arranged into specific sectors based on their type of (major) business activity. This arrangement was made in order to obtain the employees’ wages (at three or more NAICS digit level) corresponding to the sectors for which CEOs’ compensation was available. This year there were 32 sectors. However, as three sectors Equity Funds, Manufacturing- Clothing, and Transportation- Pipeline didn’t have data on the employees’ earnings, sectoral analysis was conducted for the 29 sectors. After rearranging the industrial sectors, data on employees’ weekly wages were collected so as to get annual (sectoral) pays of the employees. Two types of workers were considered in the survey: ‘all employees’ who comprised salaried and hourly employees, and a sub-category of it, i.e., ‘hourly employees’. Weekly earnings were multiplied by 52 weeks to calculate employees’ annual earnings. These annual earnings were then used to calculate the pay ratios.

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<sup>3</sup> Global Governance Advisors. “How much are Canada’s top CEOs paid? Here’s the full breakdown”. Globe and Mail. 25 October 2019. Accessed on 4 Nov. 2019. <<https://www.theglobeandmail.com/business/rob-magazine/article-how-much-are-canadas-top-ceos-paid-heres-the-full-breakdown/>>

<sup>4</sup> Following are these two tables:

Statistics Canada. Table: 14-10-0204-01 (formerly CANSIM 281-0027) Average weekly earnings by industry, including overtime, annual. Accessed in 2019.

<<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410020401>>

Statistics Canada. North American Industry Classification System (NAICS) Canada 2017 Version 3.0. Accessed in 2019. <<http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1181553>>