



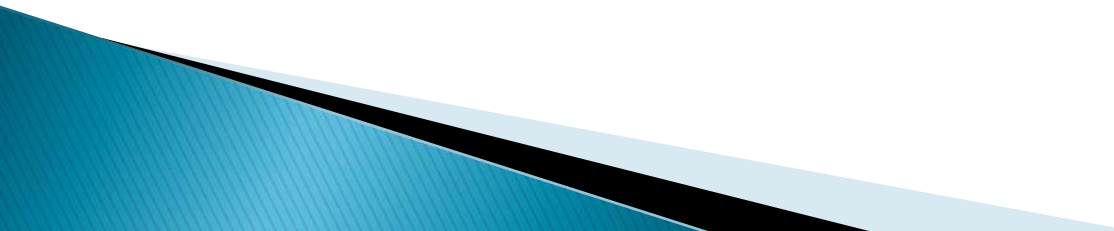
# Has the minority earnings gap changed over time? 1971 –2006

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# Goal:

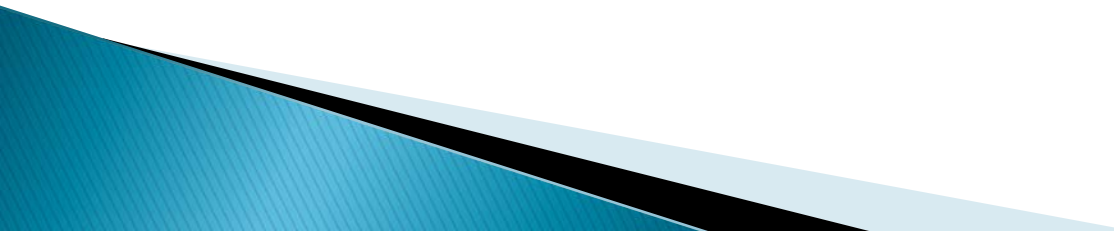
- ▶ We want to compare the earnings of white, visible minority and Aboriginal workers.
- ▶ But, they have different characteristics: e.g., visible minority workers are more educated, Aboriginal workers are younger.
- ▶ So, we use *regression analysis* to compare apples to apples, and measure earnings differentials between workers with similar age, education, place-of-residence, etc.
- ▶ We examine only Canadian-born workers.

# Research Question

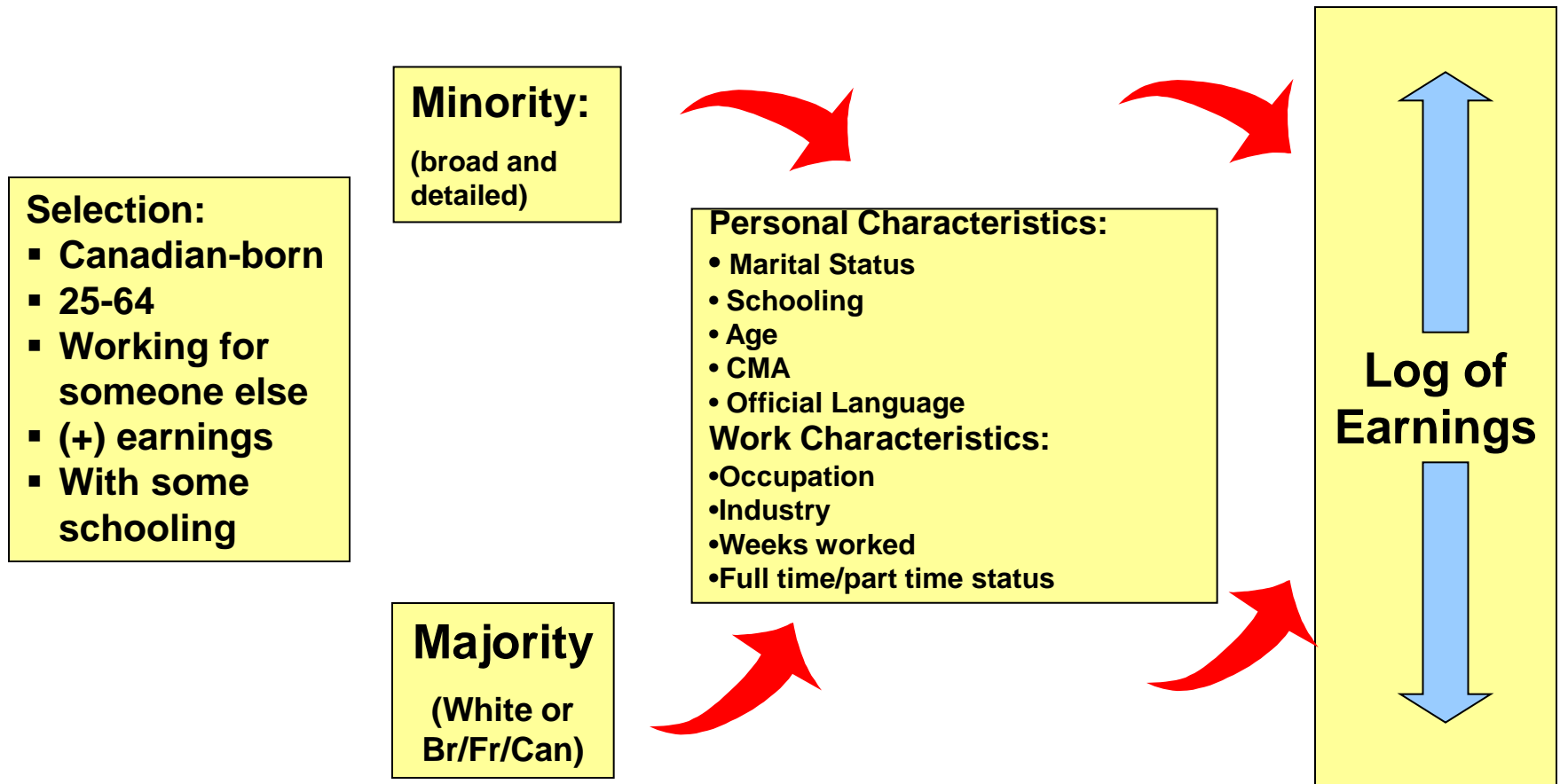
- Has the earnings differentials between Canadian born minorities and majority Canadians changed between 1971 and 2006?
  - Are there differences across cities?
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# Past research

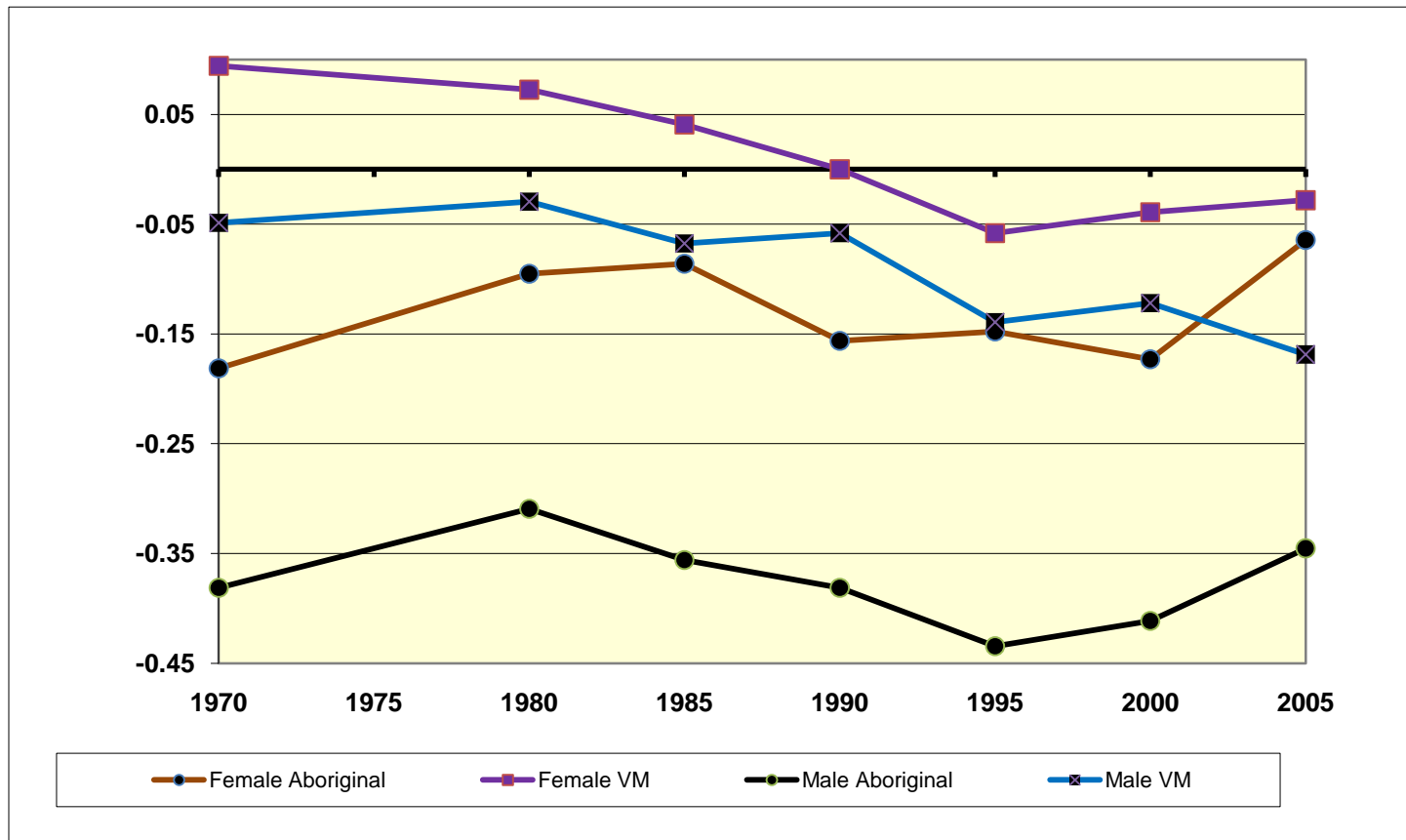
- Past work:
- The economists:
  - Akbari 1992; Howland & Sakellariou 1993; Stelcner & Kyriazis 1995; Christofides & Swidinsky, 1994; Baker & Benjamin 1997; Hum & Simpson, 1998; Pendakur and Pendakur.
- The sociologists:
  - Pendakur & Pendakur 2011, 2007, 2002, 1998; Lian & Matthews 1998; Galabuzi 2006
- Conclusions:
  - immigrant groups often face significant and substantial labour market disadvantage,
  - There is debate over the degree to which minorities born in Canada are subject to similar disadvantage.

- Debate is confused by the use of a variety of empirical approaches, data sets and time periods
  - We evaluate the scope of labour market disadvantage faced by minorities using 7 census datasets (1971, 1981, 1986, 1991, 1996, 2001 & 2006).
    - These datasets are very large and allow fairly consistent definitions of variables over the period.
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# Determinants of labour market outcomes

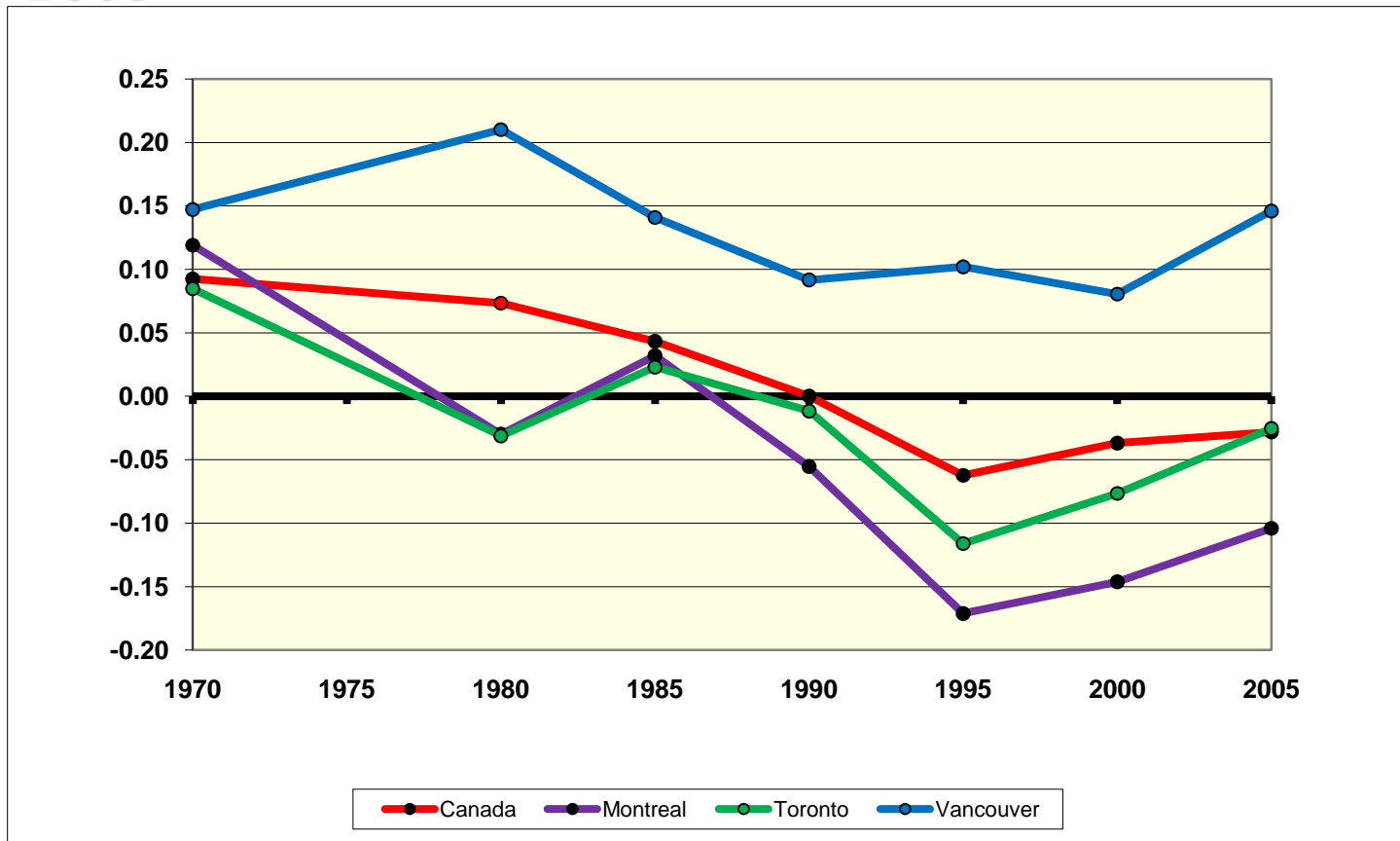


# % difference in earnings between Aboriginal and visible minority vs white men and women, Canada, 1970 - 2005



Controls include: age, education, marital status, official language knowledge, household size and CMA of residence

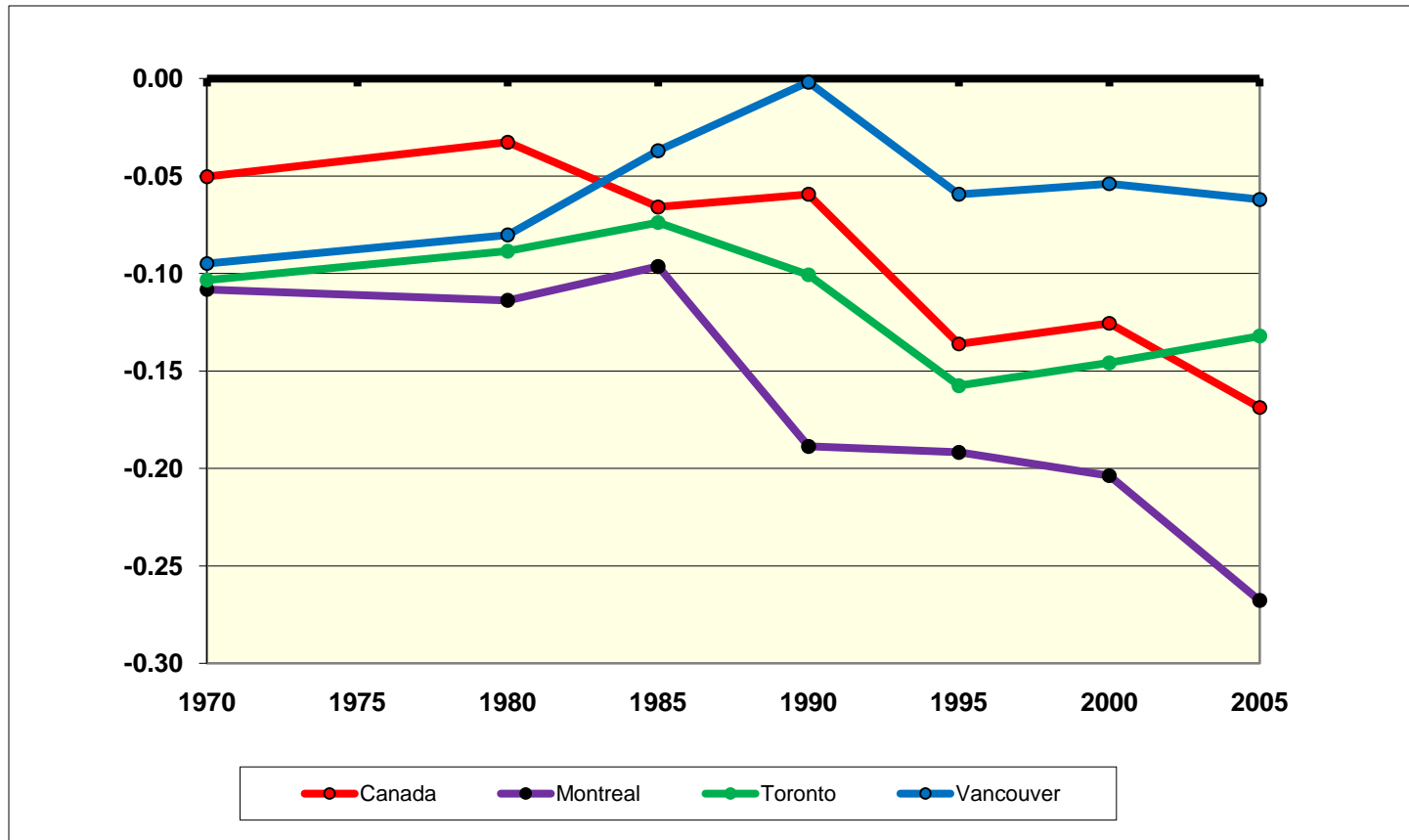
# % difference in earnings between visible minority vs white women, Canada, Montreal, Toronto and Vancouver 1970 – 2005



Controls include: age, education, marital status, official language knowledge, household size and CMA of residence

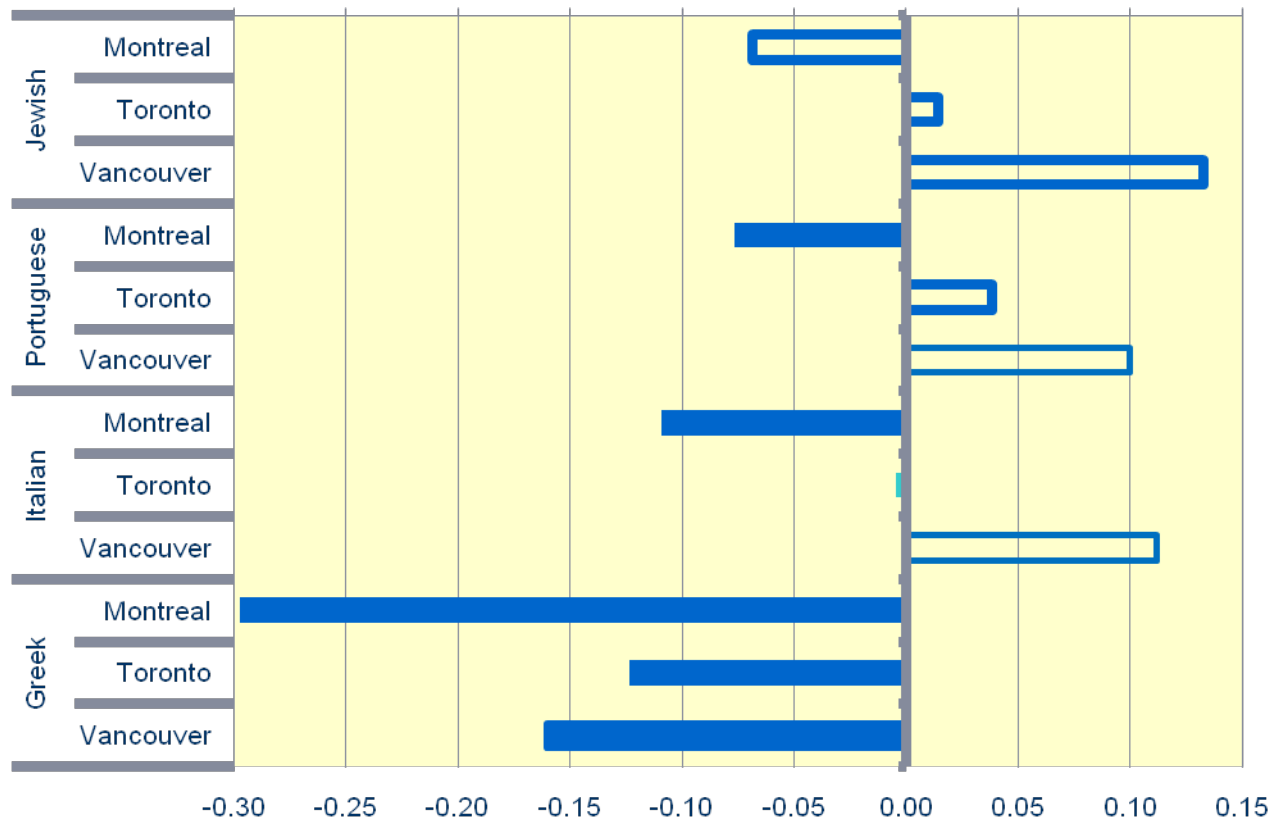


# % difference in earnings between visible minority vs white men, Canada, Montreal, Toronto and Vancouver 1970 – 2005



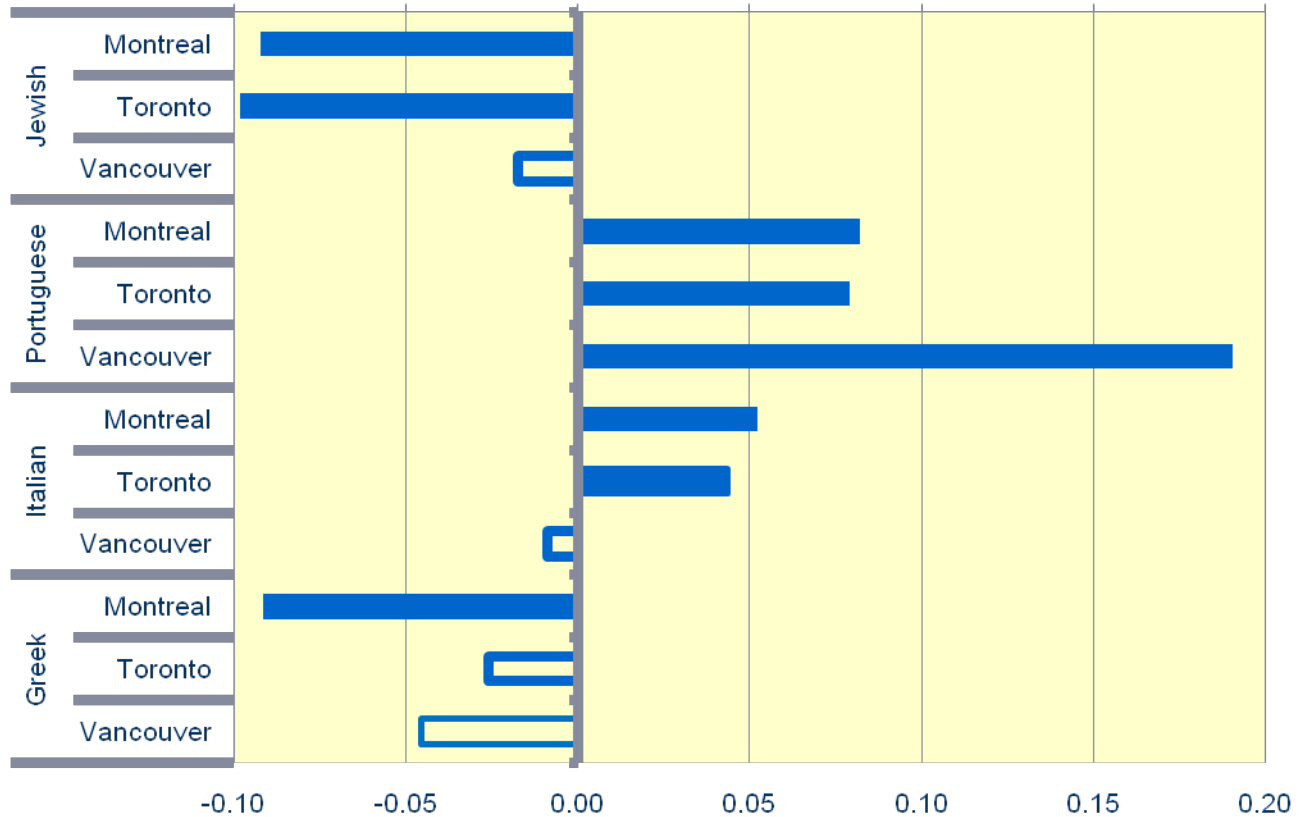
Controls include: age, education, marital status, official language knowledge, household size and CMA of residence

# % difference in earnings, selected groups vs British origin, males 2005



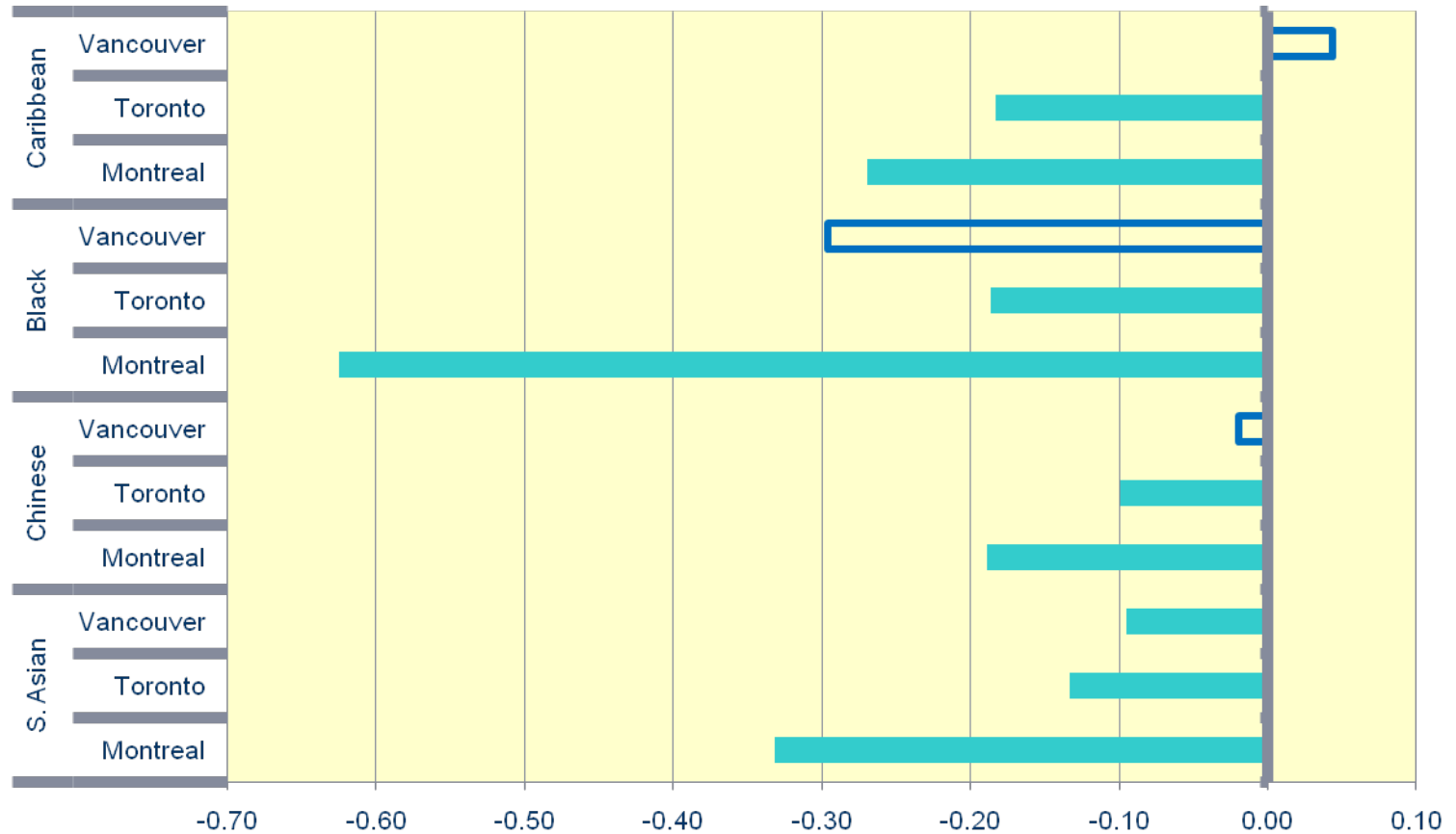
Note: filled in bars represent significance of 0.05 or better

# % difference in earnings, selected groups vs British origin, females 2005



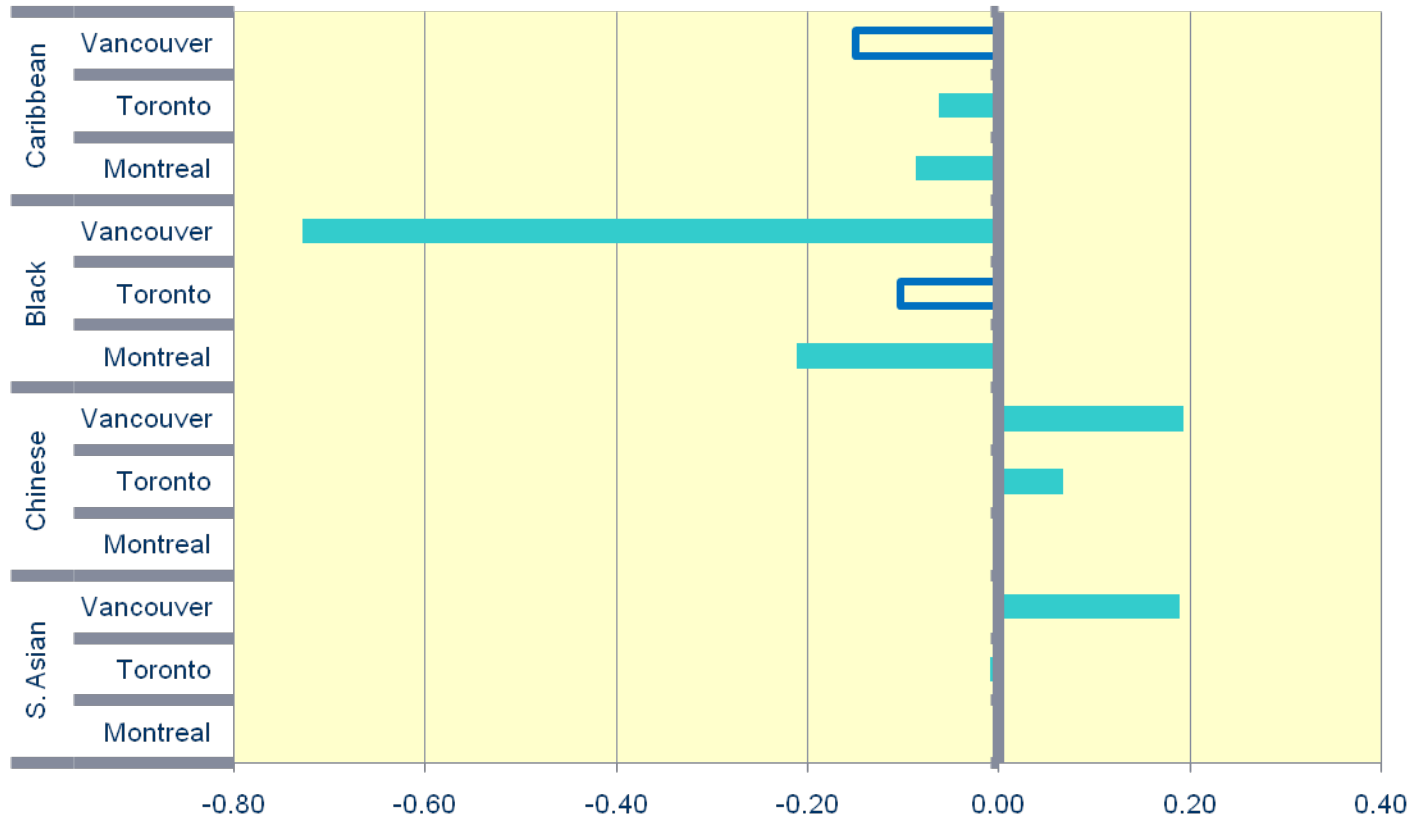
Note: filled in bars represent significance of 0.05 or better

# % difference in earnings, selected groups vs British origin, males 2005



Note: filled in bars represent significance of 0.05 or better

# % difference in earnings, selected groups vs British origin females, 2005



Note: filled in bars represent significance of 0.05 or better

# Conclusions

- ▶ The last 10 years has seen some improvement in disparity for Aboriginal men and women, but stasis for visible minorities born in Canada.
  - Aboriginal men continue to face daunting earnings penalties (-35%) while visible minority men face penalties of about -16% after controlling for personal characteristics.
  - Differentials for women are smaller (around -5%).

- ▶ There are some important differences by city:
    - Generally, for visible minority men and women, west is best.
    - For aboriginal men and women, west is worse.
  - ▶ These findings are in line with the sociologists (i.e.: Mathews & Lien 1998) but not the economists (i.e.: Baker & Benjamin 1997; Hum & Simpson, 1998).
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