

The Distributional Impacts of an Energy Boom in Western Canada

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Abstract

In the energy-rich region of Western Canada, inequality rose over the past two decades, while poverty declined, begging the question of whether the recent energy boom was a contributing factor. This study uses measures of inequality and poverty across local labor markets that vary in energy extraction intensity to identify these distributional impacts. The evidence shows that, overall, the boom increased inequality and decreased poverty. There are, however, a few notable cases where these relationships are reversed. The significance and relative magnitude of growth across and between distributional segments were consistent with these findings.

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