

Changes in Wage Inequality in Canada: An Interprovincial Perspective

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Abstract:

This paper uses the Canadian Labour Force Survey to understand why the level and dispersion of wages have evolved differently across provinces from 1997 to 2013. The starker interprovincial differences are the much faster increase in the level of wages and decline in wage dispersion in Newfoundland, Saskatchewan, and Alberta. This is accounted for by the growth in the extractive resources sectors, which benefited less educated and younger workers the most. We also find that increases in minimum wages since 2005 are the main reason why wages at the very bottom grew more than in the middle of the distribution.

JEL codes: J31, I24

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