

Study: Wages and full-time employment rates of young high school graduates and bachelor's degree holders, 1997 to 2012

Released at 8:30 a.m. Eastern time in *The Daily*, Monday, April 28, 2014

The oil boom of the 2000s, increases in real minimum wages and strong growth in the relative number of those earning bachelor's degrees contributed to a narrowing of wage differences between young high school graduates and bachelor's degree holders over the last decade.

The findings, contained in a new study, focused on graduates between the 2000-to-2002 and the 2010-to-2012 period. Over that time, average real hourly wages of male high school graduates aged 20 to 34 employed full-time increased by 9%, while women in the same demographic had an 11% rise.

In contrast, the average real hourly wages of young male bachelor's degree holders was unchanged, while those of young female bachelor's degree holders increased by 5%. As a result, wage differentials between young high school graduates and bachelor's degree holders narrowed.

For every dollar earned by young male bachelor's degree holders from 2010-to-2012, young male high school graduates received 75 cents, up from 68 cents in 2000-to-2002. Female high school graduates, in turn, saw their share rise from 64 cents (2000-to-2002) to 68 cents (2010-to-2012).

Increases in economic activity fuelled by the oil boom of the 2000s—which raised demand for less-educated workers to a greater extent than it did for more-educated ones—accounted for roughly one-fifth of the narrowing wage differentials among young men and young women.

Gains in real minimum wages accounted for about one-third of the narrowing of the wage differential among young women, but had no discernible impact on the wage differential among young men. This was because young female high school graduates were more likely than their male counterparts to have hourly wages at or near the minimum wage rate.

During the period, the number of young female bachelor's degree holders increased by 42%, while the number of young women with a high school diploma rose by 5%. The corresponding numbers for young men were 30% more degree holders and a 16% increase in the high school graduate numbers.

The sharp gain in the number of young female bachelor's degree holders accounted for about 40% of the narrowing wage differential among young women. In contrast, the increase in the number of male bachelor's degree holders had no discernible impact on hourly wage differentials among young men.

While wage differences between young high school graduates and bachelor's degree holders narrowed over the study period, differences in full-time employment rates widened.

For instance, while the full-time employment rate of young women with a bachelor's degree remained around 63%, the rate for young women with a high school diploma declined from 49% to 44%. Likewise, the full-time employment rate of young men with a high school diploma fell from 68% to 61% over the decade, while their counterparts with a bachelor's degree saw their employment rate drop from 72% to 68%.



Note to readers

This release is based on the research paper "Wages and Full-time Employment Rates of Young High School Graduates and Bachelor's Degree Holders, 1997 to 2012", available today.

The study uses data from the Labour Force Survey and examines how wages in full-time jobs and full-time employment rates of young men and women aged 20 to 34 evolved from 1997 to 2012 across two education levels: high school diploma and bachelor's degree.

Definitions, data sources and methods: survey number 3701.

The research paper "Wages and Full-time Employment Rates of Young High School Graduates and Bachelor's Degree Holders, 1997 to 2012" part of the *Analytical Studies Branch Research Paper Series* (11F0019M), is now available from our website.

Similar studies are available in the [Update on Social Analysis Research](#) module of our website.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact René Morissette (613-951-3608; rene.morissette@statcan.gc.ca) or Marc Frenette (613-951-3852; marc.frenette@statcan.gc.ca), Social Analysis Division.