

Study: Labour market outcomes of graduates from universities in the Maritime provinces, 2006 to 2011

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Bachelor's degree holders who graduated after the 2008/2009 recession had lower earnings than their counterparts who graduated before the recession, according to a new study on graduates of Maritime universities.

The study *Labour market outcomes of graduates from universities in the Maritime provinces* uses a new dataset derived using the new Education Longitudinal Linkage Platform (ELLP) to examine the economic outlook of graduates when they enter the labour market and in subsequent years.

For this study, the results were analyzed for six cohorts of graduates who earned a bachelor's degree, master's degree or doctorate at a university in the Maritimes (Prince Edward Island, Nova Scotia or New Brunswick) in the years 2006 to 2011.

The platform will eventually be used to expand analysis to graduates of all Canadian colleges and universities.

Lower employment earnings for graduates in the 2009 to 2011 cohorts

The study compares employment earnings, in the first year after graduation, for people under the age of 35 who graduated from a university in the Maritime provinces in the years 2006 to 2011.

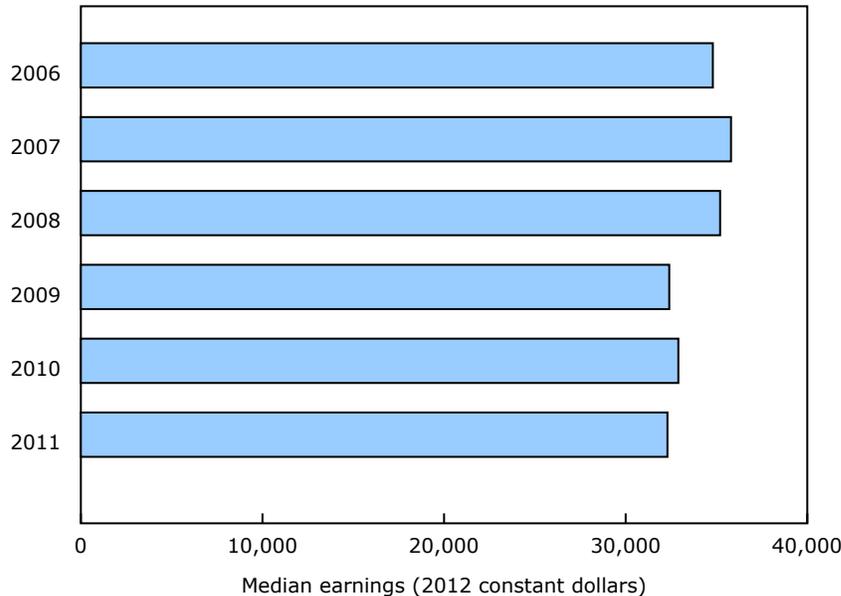
The period covered by the study is important because the Canadian economy experienced a recession in 2008/2009 that may have placed downward pressure on wages.

Among graduates with a bachelor's degree, median first-year earnings remained relatively constant for cohorts from 2006 to 2008, but declined for cohorts that graduated in 2009 or later. For example, 2009 graduates typically earned 8% less than their 2008 counterparts, or roughly \$3,000 less.



Chart 1

Median first-year earnings of graduates with a bachelor's degree from universities in the Maritime provinces, 2006 to 2011 cohorts



Source(s): Statistics Canada, Postsecondary Student Information System (PSIS), 2005/2006 to 2011/2012; T1 Family File (T1FF), 2006 to 2012.

The situation did not improve for subsequent cohorts. One year after earning their degree, 2011 cohort graduates were also earning 8% less than graduates from the 2008 cohort.

Among graduate degree holders (master's degree and doctorate), median earnings were higher than for bachelor's degree holders. For this population, the decline in employment earnings from 2008 to 2011 was not significant.

Lower employment earnings regardless of the field of study

Among graduates with a bachelor's degree, earnings decreased after 2008 for men and women; for those who left the Maritimes; for those who stayed; and for most fields of study.

An analysis of the median first-year earnings by field of study between the 2008 and 2011 cohorts shows that the most significant decreases among male bachelor's degree holders occurred for those in health and related fields (-25%) and in education (-21%).

Among female graduates with a bachelor's degree, the biggest declines were observed for those in mathematics, computer science and information sciences, as well as in education (-24% each).

Note that graduates did not necessarily have an occupation related to their field of study.

Long-term losses for graduates of the 2009 cohort

Among bachelor's degree holders in the 2009 cohort, lower employment earnings were observed in the first year after graduating and also in subsequent years.

The earnings gap between bachelor's degree holders from the 2008 and 2009 cohorts had not narrowed three years after graduation.

This finding is in line with other studies showing that entering the labour market during an economic downturn can have a negative impact on earnings in the long term.

Once more years are added to the new dataset, it will be possible to examine whether the same scenario has occurred with subsequent cohorts of graduates.

Having a master's degree or doctorate makes a difference in job characteristics

The study also provides information on the share of graduates who are members of a union or who contribute to an employer pension plan, two indicators that may provide an indication of job quality.

In general, bachelor's degree holders were less likely than graduates with a master's or doctoral degree to have reported union dues or pension plan contributions.

For all graduates from 2006 to 2011, about half of master's or doctoral degree holders contributed to a pension plan, compared with about one-third of bachelor's degree holders. Similar proportions reported paying union dues.

Graduates originally from the Maritimes were more likely to stay

Lastly, the study provides information on the retention of graduates in the Maritime provinces.

Of all individuals who graduated in the years 2006 to 2011, more than two-thirds were still living in the Maritimes one year after graduating. However, this rate varied depending on a number of factors, such as the region of origin and the field of study.

Among graduates living in the Maritimes at the time of admission, more than three-quarters were still living in the region one year after graduating.

In contrast, among those who came from other regions of Canada, fewer than 20% were still living in the Maritimes one year after graduating.

Individuals who earned a degree in education were most likely to stay in the Maritimes, while those with a degree in architecture, engineering and related technologies were the least likely to stay.

Note to readers

The Postsecondary Student Information System (PSIS) is an administrative dataset with information on programs of study and various degrees earned. However, the PSIS does not contain data on graduate outcomes in the labour force, such as participation in the labour force after graduation or employment earnings. That information can be taken from other administrative data sources, such as tax data files.

A new Education Longitudinal Linkage Platform (ELLP) was developed to better understand the labour market outcomes of graduates along with the pathways of students during their studies. The ELLP is a unique key registry used to link a specific person to several databases. The ELLP extends linkage to data from the Registered Apprenticeship Information System.

Using the ELLP, Statistics Canada initiated a pilot project on behalf of the members of the Labour Market Information working group, the Forum of Labour Market Ministers representing the Maritime provinces (Nova Scotia, New Brunswick and Prince Edward Island), Employment and Social Development Canada, and the Maritime Provinces Higher Education Commission. The pilot led to the development of this study, which examines the outcomes of graduates under the age of 35 who graduated from a university in the Maritime provinces in the years 2006 to 2011. The information on earnings, employment and retention is taken from tax data and corresponds to the year after graduation (2007 to 2012).

Definitions, data sources and methods: survey numbers 4105 and 5017.

The article "[Labour market outcomes of graduates from universities in the Maritime provinces](#)" is now available in *Insights on Canadian Society* ([75-006-X](#)).

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