

Study: Wages up to the Age of 40, 1978 to 2015

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There are ongoing discussions about the opportunities and challenges of today's youth. One dimension that is often talked about is employment prospects of today's young people compared with previous generations. Indeed, there is growing evidence that the youth labour market has changed significantly since the late 1970s.

For example, both the percentage of youth employed in full-time jobs and the percentage of full-time jobs that can be considered permanent have declined. This has led to questions about the overall employment earnings of recent cohorts of young workers compared with earlier cohorts.

A new Statistics Canada study addresses this important information gap by examining the cumulative earnings of successive cohorts of Canadians over the 12-year period from age 28 or 29 through to age 39 or 40, beginning in 1978. Data are drawn from Statistics Canada's Longitudinal Worker File—a rich administrative dataset comprised of a 10% random sample of Canadian workers.

The study shows that the results for young men varied depending on where they were situated in the earnings distribution, but were overwhelmingly positive for each successive cohort of young women across the earnings distribution.

For example, young men who were aged 28 or 29 in 2004 had median cumulative earnings of \$601,000 from 2004 to 2015, down 8.7% compared with \$658,000 for their counterparts who were aged 28 or 29 in 1978 (that is, who worked from 1978 to 1989). For young men who were at the bottom 10th percentile of the earnings distribution, cumulative earnings were \$148,000 from 2004 to 2015 and \$168,000 from 1978 to 1989—a decline of 8.8%. However, young men who were aged 28 or 29 in 2004 and who were at the top 90th percentile of the earnings distribution had cumulative earnings of \$1.24 million—14.9% higher than what their counterparts earned from 1978 to 1989.

Young women who were aged 28 or 29 in 2004 had median cumulative earnings of \$418,000 from 2004 to 2015, up 17.7% compared with \$355,000 for their counterparts who were aged 28 or 29 in 1978.

The research paper "[Wages for Young Workers up to the Age of 40](#)," part of the *Analytical Studies Branch Research Paper Series (11F0019M)*, is now available.

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