

Study: Employment rates and wages of core-aged workers in Canada and the United States, 2000 to 2017

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A new Statistics Canada study shows that Canadian core-aged workers fared better than their American counterparts in both employment rates and wages from 2000 to 2017.

The Canadian and US labour markets have experienced several structural and cyclical changes since the early 2000s. Both countries saw a decline in manufacturing employment and unionization, an expansion of their oil and gas industries during the oil boom of the 2000s, and an adjustment in construction activities during the last recession.

While some of these changes have been of similar magnitudes in both countries, the magnitude of other shocks has differed, often substantially. As a result, employment rates and wages of core-aged workers—a group that accounted for about two-thirds of total employment in Canada in 2017—might have evolved differently in the two countries since 2000. Using data from Statistics Canada's Labour Force Survey and the US Bureau of Labor Statistics' Current Population Survey, the study sheds light on this important issue.

The study finds that the percentage of individuals aged 25 to 54 who were employed rose from 80% in 2000 to 82% in 2017 in Canada, but fell from 81% to 79% in the United States.

Furthermore, median real hourly wages of employees aged 25 to 54 increased by 9% in Canada, compared with 3% in the United States over that same time period.

Differences in wage growth were especially pronounced among employees with a postsecondary education below a bachelor's degree. For example, median real hourly wages of men with a postsecondary qualification below a bachelor's degree increased by about 6% in Canada, but fell by about 9% in the United States.

But while Canadian workers have fared better on a national basis, there were significant variations in the outcomes at the regional and provincial levels. For example, men without a bachelor's degree living in Ontario experienced declines in employment rates that were similar to those of their counterparts in many US regions.

Likewise, employment rates of Canadian women with no bachelor's degree increased by about 12 percentage points in Quebec and Newfoundland and Labrador, but showed no growth in Ontario, Manitoba, Saskatchewan and Alberta.

The specific factors accounting for these cross-country differences are not identified in the study. However, the relative magnitude of economic shocks, such as the scale of the downturn in the housing market and construction industry in the United States relative to Canada in the late 2000s, and the greater relative importance of oil and gas industries in Canada, are likely to have influenced the results.



Definitions, data sources and methods: survey number [3701](#).

The research article "[Employment Rates and Wages of Core-aged Workers in Canada and the United States, 2000 to 2017](#)," part of *Economic Insights* ([11-626-X](#)), is now available.

The infographic "[A Canada-U.S. Comparison of Employment and Wages](#)," which is part of the publication *Statistics Canada – Infographics* ([11-627-M](#)), is now available from our website.

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

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