

Job-related moves

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Labour markets operate in an environment of constantly changing demand for goods and services. In an economically booming region, the local labour market may not be able to supply either the number of workers or the skills needed for the jobs available. The resulting labour vacuum tends to attract workers from regions where conditions are less favourable. Conversely, in regions dependent on declining industries, the general scarcity of opportunities may prompt workers to look elsewhere for employment.

In theory, geographic mobility permits a redistribution of labour according to the needs of the labour market: workers move from regions with poor job opportunities to areas with better prospects ([Sjaastad](#), 1962; [Courchene](#), 1970; [Vanderkamp](#), 1982).

In reality, however, the situation is not so simple. Labour cannot be packed in a box and shipped where it is most needed. Workers may lack the skills to fill the jobs available elsewhere, or they may lack information about labour markets in other regions. And even if they do have this information, they are not likely to respond immediately.

Nonetheless, in 1987, more than 200,000 Canadians changed their residence because of their labour market situation. Over half had accepted a new job in a different location. Almost one-quarter had moved hoping to find work, while the remainder had been transferred by their employers.

But did workers really improve their economic position by moving? Were they working more hours after the move? Were their wages higher in their new location? This article begins by outlining the characteristics of people making job-related moves and their origins and destinations. It then reviews their pre- and post-move employment status and earnings.

The workforce is defined here as people who held at least one paid job in 1986 or 1987, and job-related movers are those who changed residence in 1987 (see [Data source and study population](#)). The analysis pertains to only one year in the middle of a period of economic expansion; mobility trends at a different point in the business cycle might be different.

Who moves?

In 1987, a total of 204,000 people from the ages of 16 to 69 moved for job-related reasons. In other words, there were 16 movers for every 1,000 workforce participants in this age range. Not all workers, however, were equally likely to make a job-related move ([Table 1](#)).



Table 1 **Job-related moves per 1,000 workforce participants by selected characteristics, 1987***

Source: Labour Market Activity Survey

Men had a greater tendency than women to relocate for labour market reasons, although among both sexes, such moves were more common at younger ages. Workers with at least some postsecondary education were also more likely to move. As well, single people tended to be more mobile than those with family responsibilities.

The prevalence of job-related moves among young adults with relatively few family obligations is not surprising, since these people are less affected by the monetary and non-monetary costs of moving. In a time when dual-earner families are the rule rather than the exception, married couples may not relocate if the mover's spouse cannot find, or expect to find, satisfactory employment in the new area. Couples with children face the added problem of schooling disruptions. And wide regional discrepancies in the cost of living may be a greater deterrent for families than for individuals.

Different reasons ... different movers

The characteristics of people who made job-related moves in 1987 varied depending on whether they were searching for employment, taking a transfer, or accepting a new position ([Table 2](#)).



Table 2 **Distribution and selected characteristics of people making job-related moves by type of move, 1987.**

Source: Labour Market Activity Survey

The youngest group were those who moved hoping to find employment. Half of these job-seekers were younger than age 25, compared with 41% of people who moved to accept a new job, and 22% of those who were transferred by their employers.

The educational attainment of various types of movers also differed sharply. Fully 26% of transferees and 23% of people accepting a new job were university graduates. By contrast, a substantial majority (61%) of job-seekers had not been formally educated beyond high school.

As well, the family type of different kinds of movers varied. In 1987, 54% of job-seekers and 48% of those who moved to accept a new position were unattached individuals. ⁽¹⁾ On the other hand, the majority (58%) of transferees were partners in married-couple families.

Origins and destinations

Most labour market-related moves occurred within the same region. ⁽²⁾ In 1987, only around a quarter of all job-related moves took people from one region to another.

The percentage of moves that were interregional, however, varied with the reason for relocation. Job-seekers were the movers most likely to leave their region of origin, with 39% going to another region. The proportion of transfers that were interregional was close to the 26% average for all job-related moves. In contrast, just 19% of those who accepted a new job went to another region.

Ontario gained residents from job-related moves, while Quebec and British Columbia neither gained nor lost, with almost as many migrants entering these regions as leaving them. On the other hand, both the Prairies and the Atlantic Region suffered net losses, as job-related moves took more people out of these regions than were replaced.

Workers, particularly job-seekers, would generally be expected to move from high unemployment areas to parts of the country where unemployment rates are low. To some extent, this occurred in 1987. Ontario, with the lowest regional unemployment rate (6.1%), had a net influx of about 8,600 job-seekers, while the Atlantic Region, where unemployment was 13.9%, had a net outflow of about 4,800. On the other hand, although the Prairies had a relatively low unemployment rate (8.6%), this region also had a net loss of 6,800 job-seekers. This suggests that factors other than unemployment rates, such as the mix of industries in a particular region, may influence workers' decisions to move.

Employment outcomes

Most people who move for labour market reasons likely want to improve their employment situation and earnings. On the whole, these hopes materialized in 1987: more migrants had jobs after a move than

before it, and they tended to be earning more. However, outcomes differed sharply depending on whether the movers accepted a new job, relocated to look for work, or had been transferred ([Chart A](#)).



Chart A **In 1987, job-seekers were the least likely to have worked after moving.**

Source: *Labour Market Activity Survey*

As might be anticipated, workers who moved to accept employment experienced a definite improvement in their employment status: 95% of them had a job in the eight-week post-move period, compared with 86% in the corresponding pre-move interval.

By contrast, the employment status of job-seekers declined immediately after they moved. Just 59% of them worked in the eight weeks after relocating, down from the pre-move figure of 69%.

As expected, there was little difference between the pre- and post-move employment status of people who had been transferred. In the eight weeks before and eight weeks after moving, more than 90% of these people worked at a job. The slight drop in the immediate post-move period may be attributable to disruptions associated with moving: taking time off to find and settle into a new home, enrolling children in school, and so on.

The bottom line on earnings

For most people, job-related moves brought increased earnings. Post-move earnings, however, varied with the reasons underlying the move ([Chart B](#)). Not unexpectedly, the groups most likely to have a job after moving also had higher earnings, mainly because collectively they worked more hours.



Chart B **Moving to accept a job brought the largest increase in earnings in 1987.**

Source: *Labour Market Activity Survey*

The greatest gains were made by those who moved to accept a new job. In the eight weeks after moving,

the earnings of this group were 38% higher than they had been in the eight weeks prior to the move. However, a relatively large proportion (14%) of people who moved to accept a new job had not worked in the eight-week pre-move period, and therefore had no earnings during this interval. If these people are excluded from the calculations and only those who had worked in the earlier period are included, the earnings gain amounts to 26%. This increment might almost be considered a kind of "reservation wage" for job-related moves; that is, the average wage or salary increase needed to induce workers to relocate.

On the other hand, the earnings of people who moved in search of work dropped sharply. In the eight weeks after moving, job-seekers earned 12% less than they had before. This overall drop reflects the high proportion of job-seekers (41%) who did not work in the eight-week post-move period, and thus had no earnings. However, the earnings of those who worked both before and after relocation increased 10%.

Being transferred had the least effect on earnings, with a post-move improvement of just 3%. As the settling-in period lengthened, the increment rose to about 10%. But rather than being directly attributable to moving, these gains may reflect normal salary raises brought about by contract settlements and regular increases.

Summary

In 1987, a year when the Canadian economy was expanding, more than 200,000 people changed their residence for labour market reasons. They were, on average, younger, better-educated, and less likely to have family responsibilities than the workforce overall. The majority of these people moved within their own region; those moves that were interregional tended to be out of the Atlantic and Prairie provinces and into Central Canada.

Relocation had a positive effect on the employment status and earnings of most movers. However, outcomes varied according to whether the move was made to accept a transfer or a job offer, or to search for work.

Data source and study population

The data for this article were taken from the 1986-87 longitudinal job file of the Labour Market Activity Survey (LMAS), which contains one record for each job held by a respondent during the year.

The Labour Market Activity Survey (LMAS)

The Labour Market Activity Survey (LMAS) was an annual longitudinal survey of 40,000 households. It was conducted in two panels, the first covering 1986 and 1987, and the second, 1988 to 1990. Information was collected on all jobs held by respondents during the reference year, including start and end dates, industry, occupation, absences, promotions, job search, wages, and reasons for absences and job terminations. Additional questions on whether respondents had moved and the reasons for doing so make it possible to analyze moves that were job-related.

The LMAS was discontinued after the 1990 reference year. It will be replaced by the Survey of Labour and Income Dynamics (SLID), a longitudinal survey with a planned observation period of six years. As well as covering the same content as the LMAS, SLID will include an income component and provide additional demographic data.

The study population

Only wage and salary jobs are included in the analysis; self-employed jobs are excluded. Respondents who had worked at a job of any kind during the various pre- and post-move intervals were considered to have been "employed," regardless of whether the job was full- or part-time, permanent or temporary. For example, 59% of people who moved to look for work were "employed" sometime in the eight weeks after the move, down from 69% in the eight weeks before the move.

As the observation period was extended to 16 and 24 weeks, the size of the sample dropped. For instance, information for the 24 weeks after a move had to be compared with the 24-week period before the move. Therefore, respondents who did not have a record of employment for a minimum of 24 weeks before the end of 1987 (and of the reference period) had to be excluded from the analysis.

Notes

Note 1

Unattached individuals are persons living alone or in a household where they are not related to other household members by blood, marriage, or adoption.

Note 2

The Atlantic provinces, Quebec, Ontario, the Prairie provinces, and British Columbia are all regions. Because of high sampling variability for some provinces, estimates of the number of interprovincial moves cannot be shown.

References

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Author

Both Mary Sue Devereaux and Georges Lemaître were with the Labour and Household Surveys Analysis Division of Statistics Canada when this article was written. Georges Lemaître is no longer with the division.

Source

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Table 1

Job-related moves per 1,000 workforce participants by selected characteristics, 1987*

	Total	Men	Women
	(per thousand)		
Total	16	20	12
Age			
16-24 years	25	28	22
25-39 years	18	24	12
40-69 years	6	8	4
Education			
High school or less	12	15	9
Some postsecondary	24	29	19
Postsecondary certificate or diploma	18	27	10
University degree	24	26	21
Family type			
Unattached individuals	36	44	30
Married couples without children	15	20	9
Married couples with children	5	5	--
Others	7	--	--

Source: Labour Market Activity Survey

** Workers who held at least one paid job in 1986 or 1987.*

Table 2

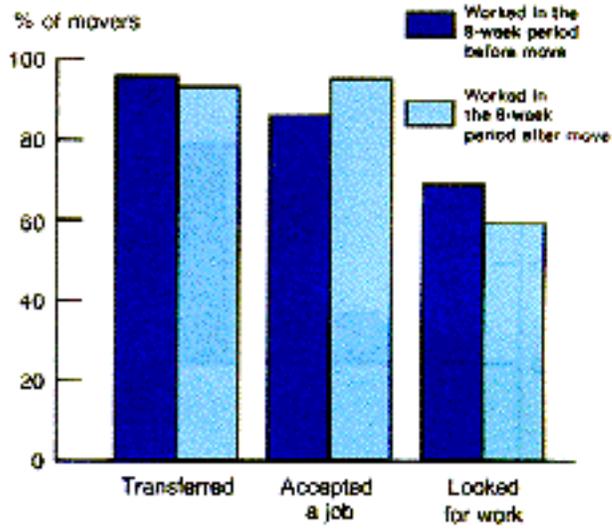
Distribution and selected characteristics of people making job-related moves by type of move, 1987

	Total workforce	Total job-related movers	Moved to accept a job	Moved to look for work	Transferred by employer
Total ('000)	12,611	204	111	50	42
(%)	100	100	100	100	100
Sex					
Men	53	65	63	62	73
Women	47	35	37	38	27
Age					
16-24 years	25	39	41	50	22
25-39 years	42	48	46	36	66
40-69 years	33	13	13	--	--
Education					
High school or less	60	46	42	61	38
Some postsecondary	12	18	18	18	--
Postsecondary certificate or diploma	15	17	17	--	21
University degree	14	20	23	--	26
Family type					
Unattached individuals	21	48	48	54	40
Married couples (with and without children)	71	49	49	40	58
Others	8	--	--	--	--

Source: Labour Market Activity Survey

Chart A

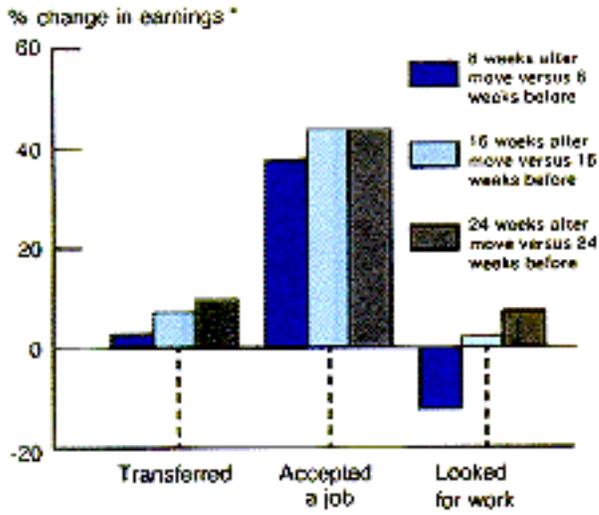
In 1987, job-seekers were the least likely to have worked after moving.



Source: *Labour Market Activity Survey*

Chart B

Moving to accept a job brought the largest increase in earnings in 1987.



Source: Labour Market Activity Survey

* Represents aggregate earnings of movers in each period.