Aboriginal Earnings and Employment in Canadian Cities, 2001

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Goals

- How do Aboriginal (Indian) registration, Aboriginal identity and Aboriginal ancestry play into patterns of employment and earning disparity?

- How does Aboriginal employment and earnings vary across Canada's largest cities?
Previous work

- Previous research has focused mostly on the relevance of “aboriginal origin” to labour market success.
  - Papers establish that the earnings of Aboriginal-origin people in Canada are extremely low relative to the non-Aboriginal-origin population (George et al. (1994), Drost (1994), Pendakur and Pendakur (1998), Kuhn and Sweetman (1998, 2002), DeSilva (1999)).
- A few papers have used the “aboriginal identity” definition (Clatworthy 1995, Mendelson 2004).
- Results are often hampered by small sample size.
Model of labour market outcomes

**Selection**
- Canadian-born
- Males or Females
- 25-64
- With some schooling

**Aboriginal groups:**
- Status
  - on reserve
  - Off reserve
- Identity
  - NAI
  - Métis
  - Inuit
  - multiple
- Ancestry

**Majority origins**

**Job characteristics:**
- Occupation
- Industry
- Weeks, full time

**Odds of employment**
- 90%
- 80%
- 50%
- 20%

**Earnings**
- 90%
- 80%
- 50%
- 20%
Relative Odds of Employment, Aboriginal groups vs British origin, Canada
Relative Odds of Employment, Aboriginal groups vs British origin, Winnipeg

Females
- Reg. on reserve
- Reg. off reserve
- N. Amer Indian
- Metis
- Aboriginal Heritage

Males
- Reg. on reserve
- Reg. off reserve
- N. Amer Indian
- Metis
- Aboriginal Heritage

Bar chart showing the relative odds of employment for different groups.
Relative Odds of Employment, Aboriginal groups vs British origin, Vancouver

![Bar chart showing relative odds of employment for Aboriginal groups vs British origin in Vancouver.](chart.png)
Mean earnings differentials (%) controlling for personal and work characteristics, Aboriginal groups vs British only ancestry, Canada, Males

- Reg. on reserve
- Reg. off reserve
- N. Amer. Indian
- Métis
- Aborig. Heritage

[Bar chart showing mean earnings differentials for different groups.]
Mean earnings differentials (%) controlling for personal & work characteristics, Aboriginal groups vs British only ancestry, Canada, Females
Mean earnings differentials (%) controlling for personal & work characteristics, Aboriginal groups vs British only ancestry, Winnipeg, Males
Mean earnings differentials (%) controlling for personal & work characteristics, Aboriginal groups vs British only ancestry, Winnipeg, Females
Mean earnings differentials (%) controlling for personal & work characteristics, Aboriginal groups vs British only ancestry, Vancouver, Males
Mean earnings differentials (%) controlling for personal & work characteristics, Aboriginal groups vs British only ancestry, Vancouver, Females

- Reg. on reserve
- Reg. off reserve
- N. Amer. Indian
- Métis
- Aborig. Heritage
Earnings differentials Aboriginal groups vs British Origin, at the 20th, 50th, 80th and 90th percentile, controlling for personal characteristics, Canada, Males
Earnings differentials Aboriginal groups vs British Origin, at the 20th, 50th, 80th and 90th percentile, controlling for personal characteristics, Canada, Females
Earnings differentials Aboriginal groups vs British Origin, at the 20th, 50th, 80th and 90th percentile, controlling for personal characteristics, Vancouver, Males
Earnings differentials Aboriginal groups vs British Origin, at the 20th, 50th, 80th and 90th percentile, controlling for personal characteristics, Vancouver, Females
Conclusions 2

1. Men and women fare differently. The disparity, both in employment prospects and earnings amongst men is always greater than is the case for women.

2. Results vary by city. Cities are labour markets and in some, Aboriginals do better, while in others they do worse. Vancouver stands out as particularly bad.

3. The link between employment and earnings is strong. Where employment probabilities are low, earnings are also low, suggesting that the two reinforce each other.
Conclusions 2

1. There is no strength in numbers. Employment and earnings are low in Prairie cities despite large aboriginal populations.

2. We are looking at a sticky floor rather than a glass ceiling. Those people at the upper end face far less discrimination than those at the bottom end.

3. There is a fairly consistent hierarchy of labour market outcomes amongst Aboriginal men and women. Registered Indians (particularly men on reserves) fare the worst.

4. In contrast to Drost and Richards, we find that among registered Aboriginals, Men do better off reserve and women do better on reserve.