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THE UPWARD MOBILITY OF LOW PAID CANADIANS :
1993-1995

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Marie Drolet, Business and Labour Market Analysis Division

René Morissette, Business and Labour Market Analysis Division

EXECUTIVE SUMMARY

This study examines the upward mobility of low-paid Canadians between 1993 and 1995. We follow workers with low weekly earnings in their main job in December 1993 and examine their upward mobility in December 1995. In this article, we first establish a profile of workers with low weekly earnings. Next, we investigate the determinants of upward mobility such as workers' education, age, gender, occupation and industry of employment as well as changes in employers and the impact of these changes on the upward mobility of Canadian workers.

According to SLID data about 21% of Canadian workers who had a low-paying job in 1993 had managed to climb out of it by 1995. They were able to do so by changing jobs, working longer hours or receiving a pay increase from their employers. Men were more likely to escape a low-paying job than women, and female lone parents had an especially hard time moving up to jobs that paid more.

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I. Introduction

In recent years, there has been a growing concern that structural changes in the Canadian labour market may have altered the quality of new jobs produced by the economy. Some observers are speculating that many of the new jobs recently created offer relatively low wages and few fringe benefits.[1] A related issue is whether Canadians who are in low-paid jobs receive low earnings for a long period of time.[2] This study examines the upward mobility of low-paid Canadians between 1993 and 1995.

Using longitudinal data from the Survey of Labour and Income Dynamics, we follow workers with low weekly earnings in their main job in December 1993 and examine their upward mobility in December 1995. The article is organized as follows: first, we establish a profile of workers with low weekly earnings. Next, we investigate the determinants of upward mobility such as workers' education, age, gender, occupation and industry of employment as well as changes in employers and the impact of these changes on the upward mobility of Canadian workers.

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[1] The growth of Canadian earnings inequality, observed during the 1980s among all male earners as well as among individuals - both men and women – working full year full-time (Morissette, Myles and Picot, 1994), may have fueled this concern.

[2] Morissette and Bérubé (1996) examine whether the upward mobility of male workers has changed between 1976-1984 and 1985-1992. They find some evidence of a slight decline in upward mobility among men under 35 between these two periods.

II. Who received low earnings at the end of 1993?[3]

Of all Canadian workers employed in both December 1993 and December 1995, roughly one quarter had low weekly earnings in December 1993. As shown in Table 1A and Table 1B, the incidence of low weekly earnings varies across demographic characteristics and job attributes. Several interesting observations are noted.

First, virtually all part-time workers (82%) have low weekly earnings. This is probably due in large part, to the fact that most part-time workers work relatively few hours. The short workweek may also partly explain the high incidence of low weekly earnings in the consumer services industry.

Second, the incidence of low weekly earnings among the age groups is U shaped: that is, young workers report a high incidence of low weekly earnings and the incidence declines until age 55 at which point the incidence of low weekly earnings starts increasing for older workers. The high incidence of low weekly earnings among young workers may be attributable to the fact that these workers have little job seniority, often work part-time in the consumer services industry or in low paying occupations. It may also be explained by the notion that young workers have low weekly earnings at the beginning of their work careers relative to their future earnings.[4] For older workers, the higher incidence of low weekly earnings may partly reflect self-selection into early retirement: older workers with high potential weekly earnings are more able to afford early retirement so the remaining

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[3] In this section, the sample selected consists of paid workers: 1) aged 15 – 60 in 1993, 2) who were not enrolled in school full-time in 1993 or 1995, 3) who were employed in December 1993 and December 1995. The resulting sample is 7305 observations.

[4] This may also suggest that some young workers who have completed their school to work transitions may have difficulties gaining entry to well-paid, full-time and permanent jobs.

workers in the cohort may be the low weekly earners. Older workers may also have low weekly earnings simply due to a reduction in their weekly work hours before retirement. As well, the lower levels of education among older workers may contribute to their relatively high incidence of low weekly earnings.

Third, the incidence of low weekly earnings is low for professional occupations and for workers with a university degree. Workers with a high school education or less (in white collar occupations such as clerical, sales and services) are three times more likely to have low weekly earnings than those with a university degree (in professional occupations). Because there is little difference in the rate of part-time work by education level, the incidence of low weekly earnings among workers with little education may be explained by wage differentials rather than by work hours. This, in turn, is consistent with the fact that workers with higher levels of education are better paid than workers with lower levels of educational attainment.

Fourth, female workers are more likely to have low weekly earnings than male workers. About two in five women compared to one in six men have low weekly earnings. This may be attributable to the higher rate of part-time employment among female workers as well as to the over-representation of female workers in low paying occupations.[5]

Fifth, workers in British Columbia and Ontario boast the smallest incidence of low weekly earnings in Canada: roughly 1 in 4 workers in these provinces had low weekly earnings compared to 1 in 3 workers in the Atlantic provinces. At first glance, the regional differences observed in the incidence of low weekly earnings may be partly

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[5] Discrimination against women may also explain part of the observed difference. We do not examine this issue here.

due to the fact that Ontario and British Columbia entertain the highest minimum wage rates.[6] However, this is not a complete story since workers earning a minimum wage fall well below the low weekly earnings threshold. So, the regional differences observed in the incidence of low weekly earnings could be the result of either spillover effects induced by high regional minimum wages increasing the wages of low paid jobs relative to those in other regions or by regional differences in the cost of living.

The incidence of low weekly earnings also varies across employer characteristics such as union status, firm size and industry. First, unionized workers are less likely to have low weekly earnings than non-unionized workers.[7] This may be partially attributable to the union's bargaining power in negotiating wages and hours. Second, workers in firms employing less than 20 workers are more likely to have low weekly earnings than workers in firms with more than 500 workers. This finding is consistent with the fact that all else equal, workers in large firms enjoy higher wages than workers in small firms (Morissette, 1993). Third, workers employed in the consumer services industry are more likely to have low weekly earnings than workers are in other industries. This observation may be ascribed to a combination of low hourly wage rates and a relatively short work week which are predominant features of the consumer service industry.

Many of the aforementioned factors jointly contribute to the probability of being a low weekly earner in 1993. In order to measure the significance of these factors, we turn to a multivariate analysis of the probability of being a low weekly earner in 1993.[8]We

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[6] In December 1993, the minimum wage rate was $6.35 and $6.00 in Ontario and British Columbia respectively. The minimum wage rate varied from $4.75 - $5.35 in the Atlantic provinces, Alberta, Manitoba and Saskatchewan. Quebec's minimum was about $5.85.

[7] Unionized workers refer to workers who are covered by a collective agreement regardless of whether they are a union member or not.

[8] Three logit models were estimated for the probability of having low weekly earnings in 1993 for all workers, for men and for women. Controls for age, education, family composition and gender, occupation,

find that our previous conclusions prevail: age, education, gender, region, part-time work, union status, firm size, industry and occupation remain significant factors contributing to low weekly earnings.[9]

It has been shown that both job characteristics and worker qualifications have an impact on the likelihood of workers receiving low weekly earnings. But what factors influence the likelihood of 'moving up' in 1995? That is, moving from a position below the low weekly earnings threshold in 1993 to above the low weekly earnings threshold in 1995.

III. Who 'moved up' by the end of 1995?[10]

Of all Canadian workers who had low weekly earnings in 1993 and who were employed in December 1995, about 1 in 5 'moved up'. As presented in Table 2, the frequency at which workers 'move up' varies across demographic and job characteristics as well as across various transition variables. Workers who experience the most success at escaping low weekly earnings in 1993 were highly educated, were employed in a professional occupations, who changed jobs voluntarily or who moved from non-unionized to unionized jobs.

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region, industry, part-time status, firm size and union status were used. The dependent variable is dichotomous, taking on a value of one if the person had low weekly earnings in 1993 and zero otherwise. We calculate the probability of 'low weekly earnings' conditional on the mean values of the other explanatory variables and the coefficients of regressors that are not statistically significant at the 10% level are set to zero.

[9] The careful reader will have noted that there is no difference in the probability of having low weekly earnings between female lone parents and women who are married or living common law. This observation reflects the sample chosen in our analysis (recall that the sample chosen for this article is persons employed in both December 1993 and December 1995) and is not representative of employed lone parent women.

[10] This section is based on the sample of workers who were: 1) aged 15 – 60 in 1993, 2) not enrolled in school full-time in 1993 or 1995, 3) employed in December 1993 and December 1995 and 4) who had low weekly earnings in 1993. The resulting sample is 2,188 observations.

In order to capture the contributions of the factors considered previously, we now turn to a multivariate analysis of the probability of 'moving up'.[11] (Table 2) Several key determinants of upward mobility are highlighted.

Male workers, other things being equal, are more likely to 'move up' (29%) than female workers (8-17%). This gender difference in the likelihood of 'moving up' has occurred despite a reduction in the gender wage gap which is attributable to an increase in women's educational attainment, in women's representation in traditionally male dominated occupations, and through women's stronger commitment to the labour force. The greater likelihood of men escaping low weekly earnings suggests that their earnings growth is faster, at least for part of their careers, than that of comparable women.

The reasons for the lower upward mobility of women are not well known. Low-paid women could experience slower earnings growth if they received less training or had more frequent work interruptions than low-paid men. They could also be

[11] Three logit models were estimated for the probability of 'moving up'. Controls for age, education, family composition and gender, occupation, region, industry, part-time status, firm size and union status were included. The 1993 weekly earnings were also included since this controls for the distance of the individual from the low weekly earnings threshold. Transition controls such as job changes and moving from non-unionized job to a unionized job were also used.

For each of the three logit models, we use separate measures of job change. In the first model, we distinguish between low weekly earners in 1993 who change jobs and those who do not change jobs. In the second model, we separate job changes into three categories: 1) those who were laid off or dismissed with cause, 2) those who quit, 3) those who quit for other reasons (i.e. health reasons). We also separate workers who do not change jobs into two categories: 1) those whose duties changed, 2) those whose duties did not change. In the third model, we classify individuals who did not change jobs in two categories: 1) those who increased their work week by 5 or more hours between 1993 and 1995 2) others. The dependent variable is dichotomous, taking on a value of one if the person moved from low earnings in 1993 to above the 1995 low earnings threshold and zero otherwise. We calculate the probability of 'moving up' conditional on the mean values of the other explanatory variables and the coefficients of regressors that are not statistically significant at the 10% level are set to zero. The three models produced similar results. The probabilities calculated from the first, second and third model are presented in Table 2, Table 3 and Table 4 respectively.

overrepresented in occupations which offer little reward for experience. Discrimination against women could be another explanation.

The fact that low-paid women work more often than low-paid men in part-time jobs, which generally provide fewer opportunities for advancement, must be ruled out as an explanation. The reason is that, the gender differences in upward mobility remain virtually unchanged, whether or not one includes part-time work as a regressor in a logit model.

Family composition plays a pivotal role in the possibility of women workers moving out of low weekly earnings. Of all working women, lone mothers are the least likely to escape low weekly earnings in 1995: only 8% of working lone mothers are able to move out of low weekly earnings compared to 10% of women who are married/common law and 17% of unmarried women with no dependent children. This suggests that working lone mothers may face more constraints in their decisions to work more hours or to change employers than other women. Since they are solely responsible for childcare, working lone mothers may choose jobs that allows a balance between family obligations and work duties. Working lone mothers may choose jobs that are close to home/school, part-time jobs with work hours that coincide with children's school hours and occupations where it is easier to exit/enter. Consequently, there may be a trade-off in terms of lower wages associated with these jobs. As well, the availability and financial burden of childcare may also hinder the labour market activity of working lone parent mothers. If additional workhours (i.e. overtime) require additional daycare costs or difficulty in arranging for childcare, many working lone parent mothers may be unable to work extra hours. This severely restricts their ability to escape low weekly earnings.

Workers under the age of 55 in 1993 are more likely to 'move up' than workers over the age of 55 (16% versus 6% respectively). The fact that older workers are less likely to 'move up' may reflect their relatively weak potential earnings growth: the majority of promotions received by older workers were probably acquired earlier in their careers. As well, some older workers may have reduced their weekly work hours prior to retirement.

The probability of university educated workers 'moving up' (21%) exceeds that of workers whose highest level of educational attainment is high school or less (15%). The probability of 'moving up' is higher among professionals (24%) than sales or service workers (11%). These factors suggest that the earnings growth is faster and that the chances of 'moving up' are better for highly educated or workers in high skilled occupations.

Workers in different regions of Canada face distinct upward mobility patterns. Almost 1 in 5 low paid workers in Ontario and British Columbia moved out of low weekly earnings in 1995 compared to 1 in 10 workers in the Atlantic and Prairie provinces. In the 1993 to 1995 period, Ontario and BC experienced relatively strong growth rates in average weekly earnings, in employment and in provincial gross domestic product.[12] These favourable economic conditions may have contributed to the upward mobility of Ontario and British Columbian workers. However, it is unlikely that macroeconomic conditions can explain all the regional differences

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[12] The rate of growth in average weekly earnings between 1993 – 1995 was roughly 4 - 5% in Ontario and BC respectively compared to about –1.5% - 2% in the Atlantic provinces. The employment growth rate was 6% - 7% in Ontario and BC respectively compared to 2% - 4% in the Atlantic provinces. The growth rate in real gross domestic product was about 7% in Ontario and BC compared to approximately 1% – 7% in the Atlantic provinces. The earnings and employment data is taken from the Survey of Employment, Payroll and Hours (Cat. No. 72-002-XPB Tables 1 & 2) and the provincial gross domestic product was taken from Cat. No. 15-203-XPB Table 1.

observed in the upward mobility of Canadian workers in 1995. Workers in Quebec escaped low weekly earnings more frequently than those in the Prairie provinces even though the growth of employment and of average weekly earnings was as strong in the Prairies as it was in Quebec. [13] [14] The regional differences observed could reflect the fact that upward mobility is more limited in thin labour markets. Large provinces generally have a more diversified industrial structure than smaller provinces and thus may offer low-paid workers more opportunities to find new jobs in better-paying sectors of the economy.

The upward mobility of Canadian workers may be influenced by job characteristics (Table 2B). All else equal, workers in the consumer services industry are less likely to move from low weekly earnings in 1993 to above the low weekly earnings threshold in 1995. The upward mobility of workers in the consumer services industry may be thwarted by the fact that these workers are relatively low skilled and/or the skills that they do possess are not transferable or marketable to other better-paying sectors in the economy. In contrast, unionized workers are more likely to move out of low weekly earnings than non-unionized employees. This finding is consistent with the fact that some unions require job vacancies to be filled from within the organization. This may help some low-paid workers move up the job ladder in certain unionized firms.

Workers who change jobs are more likely to move out of low earnings than workers who remain in the same job (19% and 13% respectively) (Table 2C). In particular,

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[13] The rate of growth in average weekly earnings between 1993 and 1995 was 2.2% in Quebec and 3.5%-4% in the Prairies; the employment growth rate was 3.2% in Quebec compared to 3.4% in Saskatchewan and 8.5% in Manitoba; the growth rate in real gross domestic product was 5.2% in Quebec and roughly 5.6% in the Prairies. The earnings and employment data is taken from the Survey of Employment, Payroll and Hours (Cat. No. 72-002-XPB Tables 1 & 2), and the provincial gross domestic product was taken from Cat. No. 15-203-XPB Table 1.

[14] These calculations do not account for differences in the cost of living across provinces.

workers who move from a non-unionized job to a unionized job have a much higher probability of escaping low weekly earnings (27%) than other workers (15%). Part of this difference certainly reflects the fact that comparable workers are paid higher wages in the unionized sector.

Presumably, workers who change jobs move to 'better' jobs. This is not necessarily the case. Although the transition to a new job significantly contributes to an increase in the likelihood of upward mobility, equally important is the reason for the job separation. Workers who quit are 1.5 times more likely to 'move up' than workers who are laid-off or dismissed with cause (Table 3). This indicates that workers who are laid-off face less favourable wage changes and are more vulnerable to earnings losses than workers who quit and move to another job.

However, remaining in the same job does not necessarily preclude upward mobility. Workers who remain in the same job and who report a change in duties[15] are more likely to move out of low weekly earnings (23%) than workers who do not report a change in duties (14%). Unsurprisingly, workers who significantly increase their hours (i.e. at least 5 hours per week) are 3.3 times more likely to 'move up' than other workers (Table 4).

IV. Summary

It is a well-documented fact that young workers, workers with low levels of educational attainment, employed part-time work, and employed in the consumer services industry or non-professional occupations are more likely to have low weekly earnings. We attempt to answer the following question: what factors contribute to the

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[15] The variable 'change in duties' may be interpreted as a proxy for promotion or increase in work responsibility.

successful escape from low weekly earnings? Workers who experience the most success at escaping low weekly earnings in 1993 were professionals less than 55 years of age, those who quit their job, who have a university education, and who reside in Ontario or British Columbia. Men are more likely to escape low weekly earnings than women. Yet among all working women, lone parent mothers experienced the most difficulties in escaping low weekly earnings.

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APPENDIX 1

Definition of target population

This article uses two different samples to examine two separate questions. First, to establish a profile of low earners, we select paid workers : 1) aged 15 – 60 in 1993, 2) who were not enrolled in school full-time in 1993 or 1995 and, 3) who were employed in December 1993 and December 1995. We exclude individuals who are not employed in both December 1993 and December 1995, the self-employed, those employed in agriculture, fishing or trapping industries, and those that did not report their wages or work hours. The resulting sample is 7,305 respondents.

Second, to examine the upward mobility of low-paid Canadians, we select paid workers who were: 1) aged 15 – 60 in 1993, 2) not enrolled in school full-time in 1993 or 1995, 3) employed in December 1993 and December 1995 and, 4) who had low weekly earnings in 1993. The resulting sample consists of 2,188 observations.

In both cases, the earnings concept consists of weekly earnings in the main job. The main job refers to the job with the most weekly hours. Weekly earnings is the product of paid weekly hours and the hourly wage rate. This article defines low weekly earnings in 1993 as being less than $404.16. This approximates Canada's low income cutoff for a family of two people living in an urban area of at least half a million people in 1993. To determine the low weekly earnings threshold in 1995, we use the 1993 measure of low weekly earnings converted to 1995 dollars ($413.86). A low weekly earner in 1993 is said to have 'moved up' in 1995 if his/her 1995 real weekly earnings are at least 10% greater than the 1995 low weekly earnings threshold (i.e. are at least $455.25).

APPENDIX 2

Table 1A: Worker characteristics and low weekly earnings, 1993

Worker Characteristics	Incidence of low weekly earnings			Probability of low weekly earnings *		
	All	Men	Women	All	Men	Women
Overall	26.6	15.2	39.8	16.2	6.7	36.3
Age, 1993						
15 - 24	66.2	62.0	71.3	54.7	37.8	71.4
25 - 34	27.8	17.5	40.6	19.4	9.4	40.6
35 - 44	20.6	8.1	34.1	12.5	4.5	32.2
45 - 54	20.8	6.6	35.5	10.5	3.9	27.1
55 - 60	30.2	15.6	54.4	19.4	5.6	40.6
Highest level of education, 1993						
High School or less	35.8	20.0	56.1	23.1	10.5	46.1
Some or post secondary degree	26.6	15.4	38.0	16.1	6.9	37
University degree	10.7	6.5	16.4	8.2	2.8	19.6
Family composition and gender, 1993						
Men	15.2	15.2	na	9.4	na	na
Female - lone parents	33.2	na	33.2	27.4	na	38.1
Female - married**	42.2	na	42.2	30.6	na	38.1
Female - not married, no children	34.2	na	34.2	21.6	na	29.7
Occupation, 1993						
Professional, managers, science	15.0	6.5	22.3	9.1	4.5	21.4
Clerical	38.0	19.4	42.6	18.5	10.1	41.0
Sales	48.0	27.7	67.6	24.2	10.1	54.0
Services	55.4	38.7	72.5	41.2	22.0	64.6
Blue collar	19.0	13.9	53.9	18.5	6.1	59.6
Region, 1993						
Atlantic provinces	34.0	17.9	52.5	30.6	10.9	61.5
Quebec	26.7	15.8	40.2	19.6	8.9	38.9
Ontario	23.7	14.2	34.6	13.0	5.1	29.7
Prairie provinces	38.1	21.6	54.6	30.6	11.9	57.4
Alberta	28.3	14.6	43.9	13.0	5.1	38.6
British Columbia	22.2	11.9	33.8	9.9	5.1	24.0
Sample size	7305	3800	3505	7305	3800	3505

Source: Survey of Labour and Income Dynamics

Note: * A logit model was used to estimate the probability of having low weekly earnings in 1993. Controls for personal characteristics

(age, education, occupation, interaction term for family composition and gender, region), and job attributes (industry, firm size, part-time

 status, union status) were included.

The probability of having low weekly earnings in 1993 was calculated conditional on the mean values of the other explanatory variables

and the coefficients that are not statistically significant at the 10% level are set to zero.

Note: na refers to Not applicable

Note: ** Married includes common-law unions.

Table 1B: Job characteristics and low earnings, 1993

Job Characteristics	Incidence of low weekly earnings			Probability of low weekly earnings*		
	All	Men	Women	All	Men	Women
Overall	26.6	15.2	39.8	16.2	6.7	36.3
Industry, 1993						
Goods producing sector	14.4	8.6	36.5	14.6	5.1	29.7
Distributive and business services	22.0	14.2	32.9	14.6	7.6	29.7
Consumer services	60.7	42.5	75.9	35.4	15.9	64.6
Public services	21.2	8.8	28.1	11.8	5.1	29.7
Firm size, 1993						
Less than 20 workers	47.5	33.6	60.7	24.0	12.0	47.8
20 - 99 workers	31.6	19.7	46.7	24.0	12.0	47.8
100 - 499 workers	22.1	10.6	35.8	16.5	5.7	39.0
500 + workers	18.4	9.1	29.6	12.1	4.8	28.4
Status, 1993						
Full-time job	18.1	11.9	27.0	10.2	5.5	19.1
Part-time job	82.4	81.7	82.6	86.0	85.9	91.4
Union status, 1993						
Unionized	15.0	6.8	25.5	9.2	3.1	24.7
Non-unionized	35.5	22.1	49.8	23.8	12.3	45.5
Sample size	7305	3800	3505	7305	3800	3505

Source: Survey of Labour and Income Dynamics

Note: * A logit model was used to estimate the probability of having low weekly earnings in 1993. Controls for personal characteristics (age, education, occupation, interaction term for family composition and gender, region), and job attributes (firm size, industry, part-time status, union status and weekly earnings) were included.

The probability of having low weekly earnings in 1993 was calculated conditional on the mean values of the other explanatory variables and the coefficients that are not statistically significant at the 10% level are set to zero.

Table 2A: Worker characteristics and moving out of low earnings, 1995

Personal Characteristics	Incidence of moving up	Probability of moving up*
	All workers	All workers
Overall	21.1	15.2
Age, 1993		
15 - 24	21.6	16.2
25 - 34	23.6	16.2
35 - 44	22.4	16.2
45 - 54	19.0	16.2
55 - 60	6.9	5.5
Highest level of education, 1993		
High School or less	15.8	14.8
Some or post secondary degree	23.7	14.8
University degree	34.2	20.5
Family composition and gender, 1993		
Men	31.3	28.5
Female - lone parents	11.8	7.9
Female - married**	15.9	10.4
Female - not married, no children	21.4	16.8
Occupation, 1993		
Professional, managers, natural & social science	32.6	24.1
Clerical	20.3	16.5
Sales	10.9	11.3
Services	12.3	10.9
Blue collar	25.9	13.8
Region, 1993		
Atlantic provinces	11.9	8.4
Quebec	21.8	14.7
Ontario	24.7	20.4
Prairie provinces	12.8	8.3
Alberta	19.4	15.0
British Columbia	27.3	20.4
Sample size	2188	2188

Source: Survey of Labour and Income Dynamics

Note: * A logit model was used to estimate the probability of moving out of low weekly earnings between 1993 and 1995. Controls for personal characteristics (age, education, occupation, interaction term for family composition and gender, region), job attributes (industry, firm size, part-time status, union status), transition variables (job change, move from a small firm (<20 workers) to large firm (500+), move from a non-unionized to a unionized job) and weekly earnings in 1993.

The probability of moving out of low weekly earnings was calculated conditional on the mean values of the other explanatory variables and the coefficients that are not statistically significant at the 10% level are set to zero.

Note:** Married includes common-law unions.

Table 2B: Job characteristics and moving out of low earnings, 1995

Job Characteristics	Incidence of moving up	Probability of moving up*
	All workers	All workers
Overall	21.1	15.2
Industry, 1993		
Goods producing sector	29.3	18.9
Distributive and business services	27.9	18.9
Consumer services	11.4	10.7
Public services	26.5	18.9
Firm size, 1993		
Less than 20 workers	18.5	16.1
20 - 99 workers	17.5	11.9
100 - 499 workers	26.7	16.1
500 + workers	24.1	16.1
Union status, 1993		
Unionized	30.8	22.8
Non-unionized	18.0	13.2
Sample size	2188	2188

Source: Survey of Labour and Income Dynamics

Note: * A logit model was used to estimate the probability of moving out of low weekly earnings between 1993 - 1995. Controls for personal characteristics (age, education, occupation, interaction term for family composition and gender, region), job attributes (industry, firm size, part--time status, union status), transition variables (respondent changed jobs, moved from a small firm (<20 workers) to a large firm (500+), moved from a non-unionized job to a unionized job) and weekly earnings in 1993.

The probability of moving out of low weekly earnings was calculated conditional on the mean values of the other explanatory variables
 and the coefficients that are not statistically significant at the 10% level are set to zero.

Table 2C: Job changes and moving out of low earnings, 1995

Transition variables	Incidence of moving up	Probability of moving up*	Distribution of workers who moved up
Overall	21.1	15.2	100.0
Change jobs?			
Yes	24.7	19.4	38.9
No	19.4	13.4	61.2
Non-unionized in 1993 and unionized in 1995	32.1	26.7	10.4
Other	20.3	14.5	89.6
Moved from a small firm (1993) to a large firm (95)	25.9	15.2	3.3
Other	21.0	15.2	96.7
Sample size	2188	2188	364

Source: Survey of Labour and Income Dynamics

Note: * A logit model was used to estimate the probability of moving out of low weekly earnings between 1993 - 1995. Controls for personal characteristics (age, education, occupation, interaction term for family composition and gender, region), job attributes (industry, firm size, part-time status, union status) and transition variables (change jobs, move from a small firm (<20 workers) to large firm (500+), move from a non-unionized to a unionized job) and weekly earnings in 1993. The probability of moving out of low weekly earnings was calculated conditional on the mean values of the explanatory variables and the coefficients that are not statistically significant are set to zero.

Table 3: Job separations / change in duties and moving out of low earnings, 1995

Transition variables	Incidence of moving up	Probability of moving up*	Distribution of workers who moved up
Overall	21.1	15.2	100.0
Type of job separation			
Changed jobs - lay-off / dismissal with cause	19.2	15.0	8.0
Changed job - quit	24.1	22.6	11.4
Changed job - other reasons	28.5	22.6	19.7
Remained in same job - change in duties	24.0	22.6	10.9
Remained in same job - no change in duties	18.6	14.2	50.3
Sample size	2188	2188	364

Source: Survey of Labour and Income Dynamics

Note: * A logit model was used to estimate the probability of moving out of low weekly earnings between 1993 and 1995. Controls for personal characteristics (age, education, occupation, interaction term for family composition and gender, region), job attributes (industry, firm size, part--time status, union status) and transition variables (change jobs, move from a small firm (<20 workers) to large firm (500+), move from a non-unionized to a unionized job) and weekly earnings in 1993.

We separate the 'job change' variable into 1) quits, 2) layoffs, dismissals and 3) other reasons, (i.e. health reasons). We separate the 'no job change' variable into 1) duties changed, 2) no change in duties.

The probability of moving out was calculated conditional on the mean values of the explanatory variables and the coefficients that are not statistically significant are set to zero.

Table 4: Job changes and moving out of low earnings, 1995

Transition variables	Incidence of moving up	Probability of moving up*	Distribution of workers who moved up
Overall	21.1	15.2	100.0
Change number of work hours?			
Changed employers	24.7	18.9	38.9
Same employer - increase hours (+5 hrs)	31.6	30.0	24.7
Same employer - other	15.3	8.9	36.5
Sample size	2188	2188	364

Source: Survey of Labour and Income Dynamics

Note: * A logit model was used to estimate the probability of moving out of low weekly earnings between 1993 and 1995. Controls for personal characteristics (age, education, occupation, interaction term for family composition and gender, region), job attributes (industry, firm size part-time status, union status) and transition variables (move from a small firm (<20 workers) to a large firm (500+), move from a non-unionized

to a unionized job) and weekly earnings in 1993.

Workers with low weekly earnings in 1993 and who do not change jobs were classified as 1) increase of at least 5 work hours per week, 2) no change in hours. The probability of moving out of low weekly earnings was calculated conditional on the mean values of the explanatory variables and the coefficients that are not statistically significant are set to zero.