Alberta Centre for Labour Market Research: Session I / Alberta Centre for Labour Market Research I

2:00 - 3:30pm Friday, 30th May, 2025 Room Number R-M510 Track Labour and Demographic Economics Session Type In-person Paper Session Chair or Discussant Joseph Marchand

547 Women on the Margins? Effects of Large Minimum Wage Changes in Canada

<u>Sebastian Fossati</u>, Joseph Marchand University of Alberta, Canada

Abstract

Among minimum wage workers, women make up the majority, with gender as a top three determinant. Whereas most minimum wage changes had been relatively small, a recent set of minimum wage changes are instead large, targeting \$15 and beyond. These large changes offer new opportunities to answer questions about minimum wages: Do these effects differ for males and females? Do they differ in employment and hours? Seven minimum increases of one dollar or more are used as the treatments across three Canadian provinces of Alberta, British Columbia, and Ontario. The average treatment effects (among the treated) were positive for wages and negative for work hours, with larger effects for women than men, and statistically insignificant for employment. Retail trade results were similar, but hospitality had larger effects for males than females in both wages and hours. Most often, whomever received the positive wage effect, also received the negative hour adjustment.

Secondary Subject Area

Economics of Gender

545 Policy-Induced Technical Change and the Role of Public R&D on Inequality

Apoorva Babbar¹, Shawn Kantor², Alexander Whalley¹, Jingyuan Zeng³

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Abstract

This paper examines the long-term effects of public research and development (R&D) on automation and inequality in the U.S. during the technological push to win the Cold War. While recent research has quantified the impact of public R&D on innovation rates and economic growth, less is known about how it affects the direction of innovation and its resulting distributional macroeconomic outcomes. To fill this gap, we utilize the differential impact of NASA's Space Race investments across multiple locations and industries to estimate the causal impact of public R&D on the direction of innovation and inequality in American manufacturing from 1947 to 1992. Our study integrates new data on the nature of specific innovations from full-text patent data and evidence on government involvement in patenting. We first show that NASA patents were more automation-intensive than private-sector patents in the same technological class. We then estimate the effects of NASA R&D on labor share and inequality. Our findings suggest that NASA-driven public R&D led to a persistent decline in labor share, indicating that public R&D investments accelerated automation and shifted income away from labor in affected industries. By revisiting the historical Space Race era, we aim to explore the link between public R&D and the policy-induced economic changes it can propagate through the economy.

Secondary Subject Area

Labour and Demographic Economics

115 Household Financial Decisions, the Role of Child Gender and Background Risk

Xingfei Liu¹, Chuhong Wang², Liang Wang³, Jiatong Zhong¹

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Abstract

We investigate the role of child gender in financial responses to shocks among households in China, where having a son has deep historical cultural roots, especially in rural areas. Specifically, we compare investment and savings decisions between families with daughters and those with sons in both rural and urban settings by leveraging two quasi-natural experiments: land expropriation and housing demoli-tion in China. Land expropriation primarily affects rural households, while housing demolition predominantly impacts urban households, offering a comparative lens to understand how households adjust financial porfolios under different contexts. We find that expropriation with hukou changes increases stock investments and reduces savings rates for rural households with a daughter relative to those with a son. In urban areas, households with a daughter are also more likely to invest in the stock market following housing demolition, but their savings rates remain unchanged. Our findings reveal the differential impact of child gender on household financial decisions following background risk shocks (expropriation) and wealth shocks net of background risk changes (demolition).

Secondary Subject Area

Behavioural Economics

Alberta Centre for Labour Market Research: Session II / Alberta Centre for Labour Market Research II

4:00 - 5:30pm Friday, 30th May, 2025 Room Number R-M510 Track Labour and Demographic Economics Session Type In-person Paper Session Chair or Discussant Joseph Marchand

808 Evaluating the Dynamic Representativeness of Earnings in the PSID

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Abstract

The Panel Study of Income Dynamics (PSID) is a widely used dataset in social sciences. The key issue for drawing population-wide inferences in any analysis using panel data such as the PSID is whether the data are *dynamically* representative. Yet, little is known about the dynamic representativeness of earnings in the PSID. The lack of research on this largely unexplored issue is explained by the absence of a readily available "gold standard" panel dataset with historical earnings data, similar to the CPS commonly used for establishing PSID's cross-sectional representativeness. In this paper, I use the Health and Retirement Study (HRS), a survey representative of the older U.S. population, linked to the Social Security Administration's administrative historical earnings records (HRS-SSA) to evaluate the dynamic representativeness of earnings for the first and second generations of the PSID (members of the original families and their children, respectively). I compare the earnings dynamics for the same cohorts in the two datasets parametrically, by estimating the persistence of long-lasting shocks by GMM, and nonparametrically, by calculating the trends in the volatility of short and long growth rates in earnings. I find that male and couples' earnings of the first generation of the PSID (for 1978--1992) are not dynamically representative, whereas the second generation's male and couples' earnings (for 1998--2016) are dynamically representative. This calls for further research on the first generation of the PSID and reassures that the recent research utilizing earnings dynamics of the second generation in the PSID reflects the population patterns of the corresponding cohort in the U.S.

Secondary Subject Area

Econometrics

250 Canada's "COVID-19 Referendum": Voting in the Early Federal Election of 2021

<u>Joseph Marchand</u>, Yuhan Wang University of Alberta, Canada

Abstract

Canada's 2021 federal election was called early, two years after its previous 2019 election, rather than four years. The Liberal government's perceived opportunity was to turn minority rule into a majority, based on their ongoing COVID-19 pandemic response and perfect incumbent success rate of recent provincial elections. Harmonizing official voting data of electoral districts to COVID data of more aggregate health regions, this is the first study to examine COVID-19 and voting in Canada, currently on the precipice of another election. Overall, COVID severity was associated with reduced voter turnout in the 2021 election, compared with 2019, as well as an increase in the Liberal vote share and a decrease in the Conservative vote share. Although these findings may have been anticipated, voters in Conservative dominant areas turned out more than voters in Liberal dominant areas, which may not have been anticipated, leading to Liberal gains well below a majority.

Secondary Subject Area

Political Economy

919 The Earnings of Immigrants in Canada, the Role of Gender and the Form of Employment, an Updated Picture with the Most Recent Cohort

Husame Doganay, <u>Saba Ranjbar</u>, Xingfei Liu University of Alberta, Canada

Abstract

The economic assimilation of immigrants, particularly in terms of wage convergence with native-born workers, has been the subject of extensive research. However, the dynamics of this process continue to evolve due to changes in immigration policies, labour market conditions, and demographic trends. This study provides a comprehensive and up-todate analysis of immigrant wage assimilation in Canada using data from the Canadian Census of Population (1971–2021). We focus on individuals aged 20 to 64 who are active in the labour force and examine their weekly earnings from both employment and self-employment. Our analysis compares the earnings of different immigrant cohorts with those of their native-born counterparts by gender, assessing how wage differentials have evolved over time and across various age groups. The results indicate that, although immigrants generally earn less than native-born workers, the wage gap has narrowed over time for most cohorts. However, the rate and extent of wage convergence vary between genders, across different immigrant cohorts, and age groups, suggesting that factors such as labour market integration, human capital accumulation, and changing immigration policies play a crucial role. Notably, while some cohorts have exhibited significant improvement in wage assimilation, others have experienced slower progress or persistent gaps. These patterns may be linked to differences in skill transferability, education credential recognition, and employment sector distribution. Furthermore, the evolution of wage disparities within each cohort and across age groups highlights the complex interplay between cohort effects, aging, and institutional factors in shaping immigrant earnings. These differences also vary by gender. The findings underscore the importance changing immigrating policies and country of origin shifts, as well as broader economic conditions while assessing immigrant labour market outcomes.

Secondary Subject Area

Welfare Economics