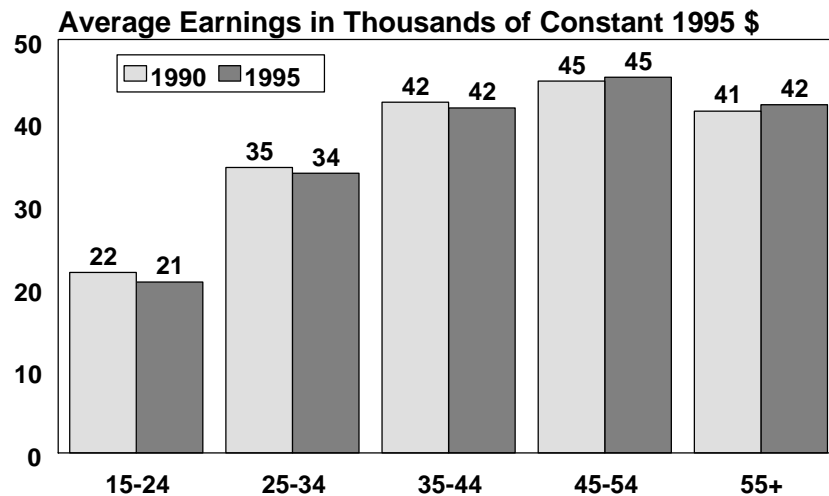


Earnings and Employment Trends ♦ June 1998

BC's Labour Market* Only the Middle Aged Improved their Earning Capacity Between 1990 and 1995

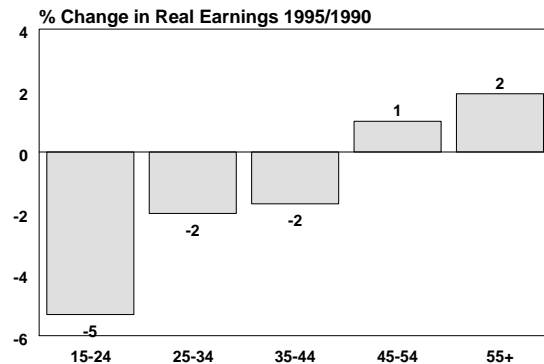


*Includes only those who worked full-time/full-year

The 1996 Census collected earnings data for full-time/full-year workers by age and education. The pattern of earnings as shown in the chart above, is as expected -- earning capacity improves with age and work experience. The fall-off in average earnings for the age 55+ is also the norm as early retirement tends to reduce the group's overall average.

Although the change in earnings between 1990 and 1995 does not appear significant for any particular age group, there are substantial differences between the age groups. The young saw a 5 per cent decline in their earnings while the middle aged improved theirs by 1 per cent.

BC's Labour Market* The Young's Earning Capacity Dropped by 5 Per Cent

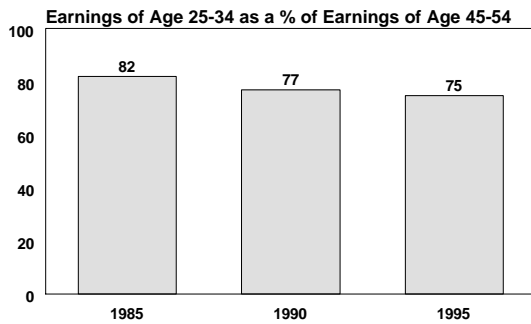


*Includes only those who worked full-time/full-year

This pattern of the earnings of the middle aged worker improving, while that for the younger worker deteriorating, is similar to what occurred between 1985 and 1990. This means there has been a 10 year trend, of young workers losing ground to their older co-workers.

It is interesting to analyze the earnings gap between the 25-34 year olds, and the 45-54 year olds and see how it has changed over time. This provides a comparison between those at the beginning of their careers and those at the peak of their careers.

BC's Labour Market*
The Earnings Gap Between the Young Adult and the Middle Aged Continues to Increase



*Includes only those who worked full-time/full-year

In 1985, young adults earned 82 cents on every dollar earned by the middle aged. Ten years later it had dropped to 75 cents, despite improving relative education levels of the young.

Interestingly, the earnings gap between the young and the middle aged university graduate, is comparatively high. In 1995, the gap was 35 cents per dollar, compared to 20 cents for the high school graduate. This suggests that a university education enables one to climb the ranks more quickly once in the job market. At the beginning of their career, a university graduate earns only 30 per cent more than a high school graduate, but twenty years later, they earn 60 per cent more.

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