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## Feature Article: Does moving to another province increase your income?

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### Summary

*Migration between regions is motivated by both economic factors, such as the opportunity of a higher paying job, and non-economic factors, such as climate and being closer to family or friends. If the expected benefits of moving outweigh the costs associated with moving to another region, then the move will take place. This article uses new information to look at the economic benefits (i.e. changes in income) of interprovincial migration to and from British Columbia.*

The relationship between interprovincial mobility and changes in income was recently studied using the new Longitudinal Administrative Database (LAD).<sup>1</sup> This database covered the period 1982 to 1995 and the data used in the analysis was generally representative of the non-student adult population aged 20 to 54 in 1982 (aged 33 to 67 in 1995). Individuals were grouped according to four types of mobility:

- those who did not move to another province (no moves),
- those who had a single move to another province,
- those who had multiples moves and were in a different province in 1995 than in 1982,
- those who had multiples moves but were living in their original province in 1995 (move and return).

The following table shows that 91.8% of the adult population of British Columbia<sup>2</sup> had not moved from the province between 1982 and 1995, while another 2.8% had left and returned. The remainder (5.4%)

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<sup>1</sup> Finnie, Ross [1998], "Interprovincial Mobility in Canada: A Longitudinal Analysis", Human Resources Development Canada (Applied Research Branch) Working Paper W-98-5E.a

<sup>2</sup> Includes Yukon.

*The Statistics Canada Longitudinal Administrative Database (LAD) is a ten percent representative sample of Canadian taxfilers followed as individuals over time and matched into family units on an annual basis. It provides information on incomes, taxes, basic demographic characteristics and province of residence from 1982 through 1995.*

had moved from B.C. to another province during the thirteen year period. For Canada as a whole the same percentage (5.5%) of people were residing in a different province, but a smaller share (1.9%) had moved and returned to the province where they resided at the beginning of the period.

**Mobility Profile for BC province of origin**

Gender/Age	No Moves	Single Move	Multiple Moves	Move and Return
Both Sexes	91.8	4.3	1.1	2.8
Males	92.2	4.0	1.1	2.7
Entry (20-24)	87.0	5.4	2.3	5.6
Younger (25-34)	90.0	5.3	1.3	3.4
Prime Younger(35-44)	93.8	3.4	0.8	2.0
Prime Older (45-54)	96.3	2.2	0.4	1.1
Females	91.3	4.6	1.1	2.9
Entry (20-24)	85.1	6.9	2.3	5.7
Younger (25-34)	89.6	5.7	1.3	3.4
Prime Younger(35-44)	93.6	3.6	0.8	2.0
Prime Older (45-54)	95.7	2.5	0.3	1.4

Looking at the mobility profiles for four age groups (entry: 20-24, younger: 25-34, prime-younger: 35-44 and prime-older: 45-64) by gender, shows some interesting patterns. People in the younger age groups are more likely to have made moves of all three types (single, multiple and return move) but females, especially in the youngest age group, were more likely to have made a single move out of B.C. than their male counterparts. Young females also showed a slightly higher rate of moving and returning to the province.

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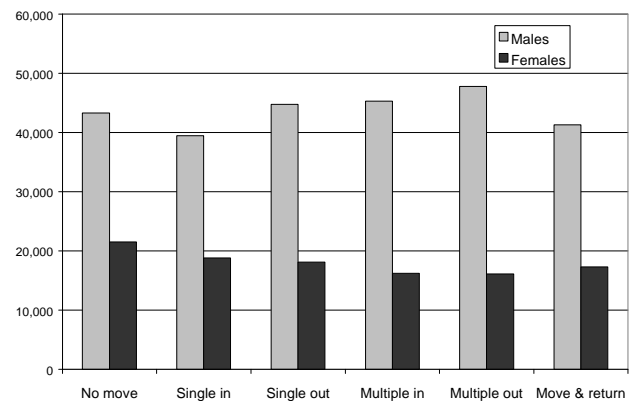
The LAD database allows for the tracking of incomes of individuals over time and for the analysis of the income profiles of movers and non-movers. The study referred to above compared mean incomes in 1982 and 1995 (in constant 1995 dollars), where income was defined as total market income, i.e. all non-government sources of income. The effects of interprovincial migration on incomes vary considerably depending on the economic conditions of both the province of origin and the province of destination, as well as the age and gender of the migrants. The period from 1982 to 1995 is also subject to some strong cyclical influences with 1982 being a period of recession.

The table on the next page presents the income profiles for both people residing in B.C. in 1982 (B.C. province of origin) and in 1995 (B.C. province of destination). Overall those who were resident in the province between 1982 and 1995 had higher incomes than those who moved either in or out of the province during the period. However, those who moved out of the province had greater increases in their incomes than those who stayed. Also, those who either came to B.C. through a number of moves and those who left and subsequently returned had greater increases than those who stayed.

The income profiles show different patterns for men and women in the four age groupings. Young men in the entry group saw their incomes grow by more than 60% but those who moved away from the province, moved into the province or moved and returned, all had stronger income growth than those who stayed. However, those who stayed had the highest incomes at both the beginning and end of the period and therefore probably had less reason to look for better opportunities. In the next

youngest age group those who left the province and those that came to B.C. via several moves fared better than those who had not moved from the province. Among the prime younger age group, those who stayed in the province saw almost no change in their incomes, while those who moved to other provinces had increases greater than 10%. Those that came or returned to B.C. either had decreases in income or only small increases. The oldest age group showed large decreases in income but this group would be 58-67 years old by the end of the period and would be moving into retirement and therefore receiving less market income.

B.C. Income Profiles 1995



The income levels of women were well below those of their male counterparts. Women who remained in B.C. between 1982 and 1995 had higher incomes than those who moved into or out of the province. It is likely that the interprovincial mobility of some women was related more to the careers of their spouses than to their own careers and may have hindered their income growth.

Women in the two youngest age groups, who made a single move to another province, saw their incomes more than double over the 13 year period. In the 35 to 44 age group women who moved but returned to B.C. had the largest increase (up by one

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third) in their incomes, while those who moved into B.C. from another province had only very small increases in their earnings. As with the data on males, the changes in the incomes of the oldest age group were difficult to interpret, as a result of many women in this group moving into retirement.

The LAD data sheds more light on the economic benefits of interprovincial migration but supports the general conclusion of an earlier study<sup>3</sup> (based on 1991 Census data for Canada) that, relative to men, women tend to benefit less from migration.

<sup>3</sup> Bali, Ram [1994], Y. E. Shin, M. Pouliot, "Canadians on the Move", Statistics Canada Cat. 96-309E.

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### Income Profiles (1995\$) for BC province of origin

Gender/Age	Mean Income 1982				Mean Income 1995				Percentage Change			
	No Moves	Single Move	Multiple Moves	Move and Return	No Moves	Single Move	Multiple Moves	Move and Return	No Moves	Single Move	Multiple Moves	Move and Return
Both Sexes	29,900	24,700	24,800	24,600	32,000	30,100	30,800	28,200	7.0	21.9	24.2	14.6
Males	42,900	38,300	37,600	37,600	43,300	44,800	47,800	41,300	0.9	17.0	27.1	9.8
Entry (20-24)	25,700	23,100	24,100	21,600	41,300	38,800	40,500	36,400	60.7	68.0	68.0	68.5
Younger (25-34)	38,500	36,800	38,600	38,100	47,300	48,500	50,800	46,000	22.9	31.8	31.6	20.7
Prime Younger(35-44)	48,200	47,900	48,700	46,900	48,900	53,300	56,700	41,100	1.5	11.3	16.4	-12.4
Prime Older (45-54)	49,700	43,000	42,600	49,400	31,900	23,100	31,300	29,400	-35.8	-46.3	-26.5	-40.5
Females	17,900	13,600	13,700	13,800	21,500	18,100	16,100	17,300	20.1	33.1	17.5	25.4
Entry (20-24)	14,600	11,700	13,200	12,000	18,400	18,200	16,100	15,900	26.0	55.6	22.0	32.5
Younger (25-34)	16,700	13,100	13,300	14,200	24,400	19,900	17,000	19,000	46.1	51.9	27.8	33.8
Prime Younger(35-44)	19,000	14,700	16,500	14,900	24,100	18,500	17,000	19,800	26.8	25.9	3.0	32.9
Prime Older (45-54)	20,300	17,300	13,800	16,600	15,300	10,000	12,500	11,200	-24.6	-42.2	-9.4	-32.5

### Income Profiles (1995\$) for BC province of destination

Gender/Age	Mean Income 1982				Mean Income 1995				Percentage Change			
	No Moves	Single Move	Multiple Moves	Move and Return	No Moves	Single Move	Multiple Moves	Move and Return	No Moves	Single Move	Multiple Moves	Move and Return
Both Sexes	29,900	29,100	26,900	24,600	32,000	28,300	30,800	28,200	7.0	-2.7	14.5	14.6
Males	42,900	42,800	39,300	37,600	43,300	39,500	45,300	41,300	0.9	-7.7	15.3	9.8
Entry (20-24)	25,700	22,900	21,900	21,600	41,300	38,000	37,500	36,400	60.7	65.9	71.2	68.5
Younger (25-34)	38,500	38,100	37,300	38,100	47,300	42,900	47,400	46,000	22.9	12.6	27.1	20.7
Prime Younger(35-44)	48,200	50,300	49,700	46,900	48,900	43,300	52,900	41,100	1.5	-13.9	6.4	-12.4
Prime Older (45-54)	49,700	58,400	61,000	49,400	31,900	30,400	38,000	29,400	-35.8	-47.9	-37.7	-40.5
Females	17,900	17,400	14,400	13,800	21,500	18,800	16,200	17,300	20.1	8.0	12.5	25.4
Entry (20-24)	14,600	13,900	11,700	12,000	18,400	18,000	14,700	15,900	26.0	29.5	25.6	32.5
Younger (25-34)	16,700	16,900	14,800	14,200	24,400	22,100	18,000	19,000	46.1	30.8	21.6	33.8
Prime Younger(35-44)	19,000	18,700	16,900	14,900	24,100	19,200	17,100	19,800	26.8	2.7	1.2	32.9
Prime Older (45-54)	20,300	21,000	16,600	16,600	15,300	12,800	8,700	11,200	-24.6	-39.0	-47.6	-32.5

Source: Finnie, Ross [1998], "Interprovincial Mobility in Canada: A Longitudinal Analysis", Human Resources Development Canada (Applied Research Branch) Working Paper W-98-5E.a