

IMMIGRANT WAGE GAP IN URBAN SASKATCHEWAN

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ABSTRACT

The aim of this paper is to measure and analyze the immigrant wage gap and gender wage gap in Metropolitan area (Saskatoon and Regina only) of Saskatchewan. This study looks into the descriptive and analytical statistics from the National Household Survey (2011) to collect the wage differentials between immigrants and Canadian born citizens. The model I implemented to investigate the wage gap is Mincer earning's function, and OLS regressions are performed further. The Oaxaca-Blinder Decomposition technique is implemented in the study to analyze specific reasons, which caused immigrant wage gaps and gender wage gaps. The wage differentials between immigrants and Canadian born citizens due to differences in observed mean characteristics are known as explained gap. The wage differentials between immigrants and Canadian born citizens due to different returns to human capitals (e.g. education and experience) or unobserved characteristics are known as unexplained gap. Finally, the decomposition results conclude that immigrants earn less than Canadian born citizens in Saskatchewan is mainly due to unobserved characteristics or discrimination against immigrants regardless of gender or race. Women earn less than men in Saskatchewan is owing to unobserved characteristics or discrimination against women instead of lower quality of human capital regardless of immigration status.

Keywords: immigrant wage gap, Saskatchewan, human capital, mean characteristics and discrimination.