The Changing Nature of Pay

three policy proposals

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Isn’t it ironic that an era of better predictions, ... is leading to greater social policy uncertainty
1. Enhance financial capital

by growing the Canada Learning Bond and making it more flexible to permit investment in financial assets

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**HUMAN CAPITAL**

the rate of return for each additional year of schooling falls with more and more schooling, and differs for different people

**FINANCIAL CAPITAL**

the rate of return is constant

**OPTIMAL YEARS OF SCHOOLING**

differs for different people
2. Enhance in-work income support

by growing the Canada Workers Benefit and integrating it with
Working While on Claim provisions of Employment Insurance

Benefit amount for unattached workers
(in 2018 or 2019 dollars)

- Phase I:
  - Benefits rise by 25 cents for every dollar earned above $3,000

- Phase II:
  - Benefits fall by 14 cents for every dollar earned above $7,768

- Phase III:
  - Benefits fall by 12 cents for every dollar earned above $12,220

Earned income/Net income (2018 or 2019 dollars)
3. Offer wage insurance
by enhancing the Targeted Earnings Supplement and moving it from Part II to Part I of Employment Insurance to become a phase of regular benefits

Earnings declines surrounding layoffs in 2000 to 2003 — Men aged 46 to 55 in 1999

Earnings (2009 dollars)

High-seniority workers
Low-seniority workers
Previously laid-off workers
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