

Exploring the Results of the Ontario Home Care Minimum Wage Change

Aperçu des résultats liés au changement du salaire minimum concernant les soins à domicile en Ontario

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Appendix 1

Data and Sample Selection

DATA DESCRIPTION

This article uses the 1997–2018 cycles of the Labour Force Survey (LFS) from the Statistics Canada Research Data Centre at McMaster University. The LFS is a mandatory monthly survey that measures labour force activity in the survey week and samples approximately 56,000 households (100,000 individuals). The response rate is typically around 90% (Statistics Canada 2017). Sampled households are followed for six consecutive months in a rotating panel design. Though each household is followed for six months, their hourly wage and tenure are only recorded in the first month. Barring any change in employment, tenure is incremented monthly. Therefore, the analysis of wages and tenure only uses the first month of data for each individual. The question about actual hours of work is repeated every month. However, to avoid issues with correlated standard errors, we similarly only use the first month of data for hours. We use the Statistics Canada provided survey weights that adjust for both survey design and nonresponse. Their use makes the sample representative of the population. Table A1 summarizes our sample selection strategy.

TABLE A1. Data and sample selection

Group	Sample selection criteria	Weighted population average (from LFS 2007–2018)
1. Home care PSWs in Ontario	<ul style="list-style-type: none"> Individuals who live and work in Ontario Aged 19–69 (inclusive) Home support workers, housekeepers and related occupations (occupation code 4412) or nurse aides, orderlies and patient service associates (occupation code 3413) in main job Working in home care (industry code 6216) or in individual and family services (industry code 6241) in main job Who have an employer (are not self-employed) in main job 	25,700 individuals
2. Non-home care PSWs in Ontario	Same as 1, except: <ul style="list-style-type: none"> Working in nursing and residential care facilities, hospitals, offices of non-physician health practitioners, outpatients' care centres, vocational rehabilitation services, offices of physicians, or other ambulatory healthcare services (industry codes 6230, 6220, 8141, 6214, 6213, 6211, 6243, 6219) in main job 	73,700 individuals
3. Home care workers in the rest of Canada	Same as 1, except: <ul style="list-style-type: none"> Live and work outside of Ontario 	41,500 individuals
4. Non-home care PSWs in the rest of Canada	Same as 2, except: <ul style="list-style-type: none"> Live and work outside of Ontario 	144,700 individuals

There is no occupation code for PSWs in the LFS and many PSWs undertake a variety of tasks. Nevertheless, we believe our Ontario home care sample represents a good approximation of the affected home care workers. For example, from 2005 to 2007, our sample represents a weighted monthly average of 21,100 Ontario home care PSWs. This is close to a 2006 estimate of 24,000 Ontario home care workers from the Health Professions Regulatory Advisory Council (HPRAC 2006), which should have a somewhat higher count because the LFS count is at a point in time and we exclude self-employed PSWs. We did not find any major changes to the relevant occupational codes for those groups over our sample period, so we present time-series graphs from 1997 to 2018 to display long patterns. However, as a result of Ontario's PSW-specific minimum wage starting in 2006, we commence our non-graphical analysis in 2007.

To address outliers, we winsorize (*cap*) the top and bottom 1% of wages by year. Even after winsorizing, the wage distribution for these groups has a very long right tail – longer than a log-normal distribution.¹ Our focus on the 25th, 50th and 75th percentiles of the wage distribution in the time-series graphs, and at the 20th and 50th percentiles in the UQRs, avoids this skew.

1. Box–Cox tests strongly reject both a standard linear specification and a logarithmic transformation of the wage rate for these narrowly defined and quite homogeneous occupations. The coefficients from UQR at the median are similar to the marginal effects using generalized linear models with an inverse transformation of the dependent variable. If we cap earnings at \$30.00 per hour to eliminate the long right tail of the earnings distribution, UQR results at the median are also similar to OLS results.