

Impact of information technology on workers' prosperity

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Recent research results published in "The Economic Effect of Education in an Information Technology-Penetrating Economy: Evidence From Hong Kong" reflect the impact of education on economic well being in a technological society. The study, conducted by Chi Wai Chan, Open University of Hong Kong, appears in the June/July issue of *Educational Researcher*, a peer-reviewed journal of the American Educational Research Association.

When combined with [education](#), technological penetration of the workplace can result in increased productivity and improved income. Technological advances, Chan notes, "not only create changes in the types of [workers](#) employed but also require higher and broader varieties of skills." As workers adapt to the new demands associated with the increased usage of information technology (IT), those who can develop appropriate skills can expect to earn increased wages. But, among unskilled laborers who do not learn new technological skills, employment opportunities decline and wage rates are reduced.

The research suggests that these differences in earnings reflect differences in workers' human capital endowments related to education and [work experience](#). This study reveals that IT's diffusion benefits highly-educated workers, particularly men, who continue to benefit from an earnings gap between male and female employees.

"IT, on one hand, facilitates production and economic growth but, on the other hand, suppresses the earnings of the educationally and information-

technologically disadvantaged. It widens the [earnings](#) gap between the IT haves and have-nots and between the more educated and less educated workers," concludes Chan, whose research is based on 2006 by-census information and survey data.

Provided by American Educational Research Association

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