



Economic Outcomes of Recent Immigrants in Canada

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Canada's Immigration Program

- **Permanent Residents**

- Family Reunification
- Refugees (resettled - government assisted and privately sponsored - and successful refugee claimants)
- Economic (skilled workers, business)

- **Temporary Residents**

- Foreign Workers
- Foreign Students
- Refugee Claimants





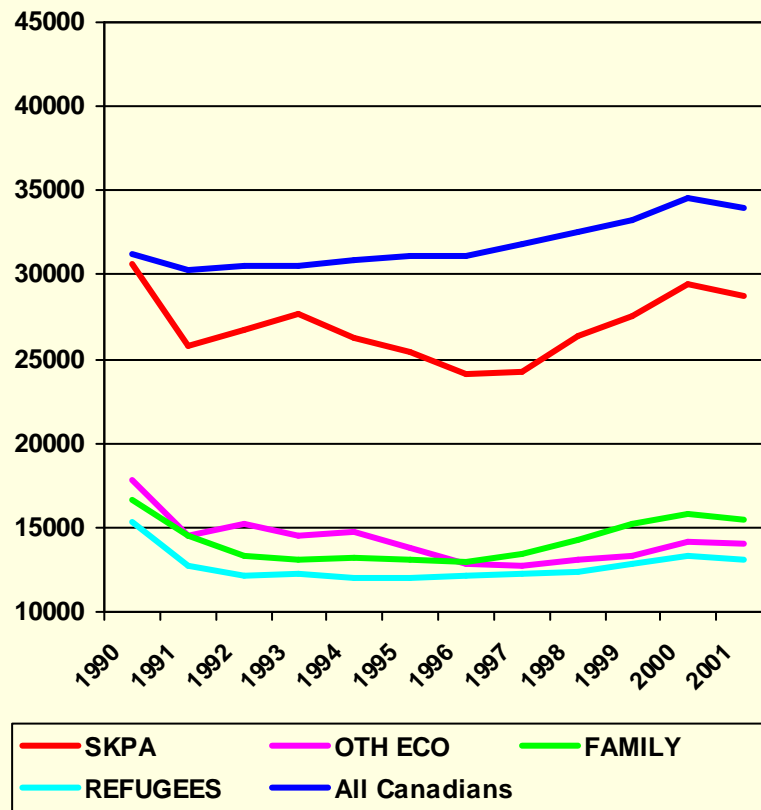
Outline

- Overview of employment earnings by category
 - Shortly after arrival and over time
- Look at immigrants in low-income
 - By immigrant category
 - By family type (and relative to non-immigrants)
- Examine the senior immigrant population
 - Average income and major income sources

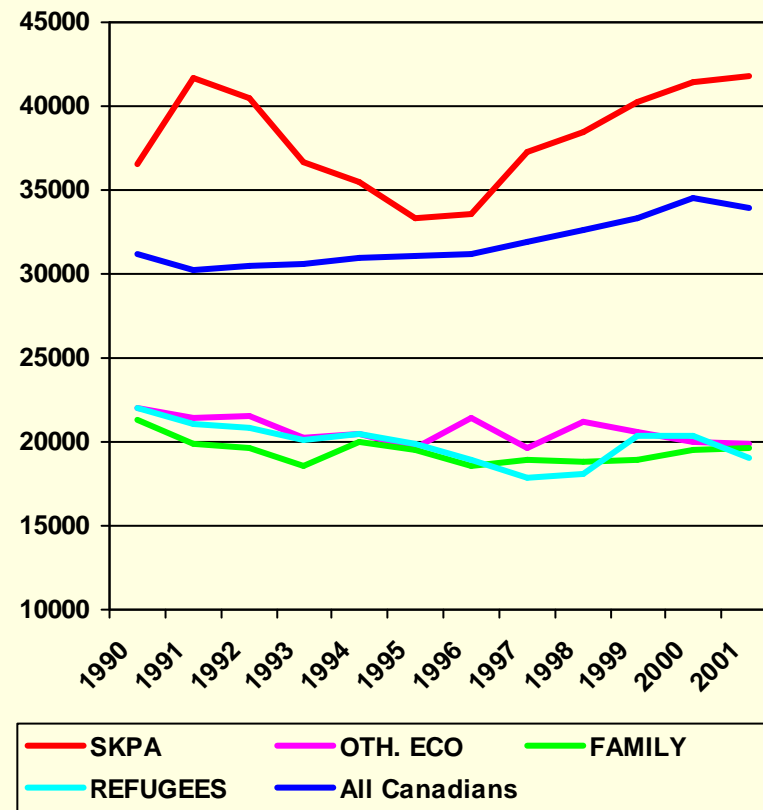


Employment Earnings after Arrival

One year after arrival (2001 \$)

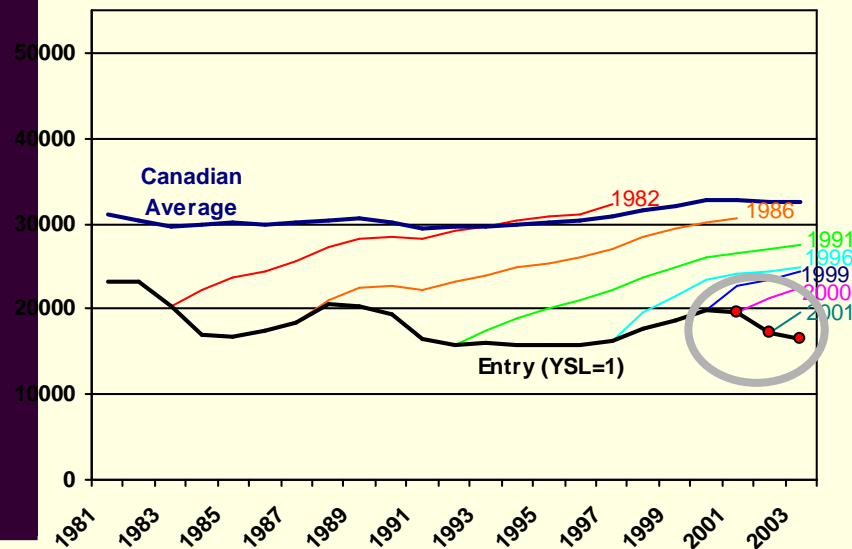


Five years after arrival (2001 \$)

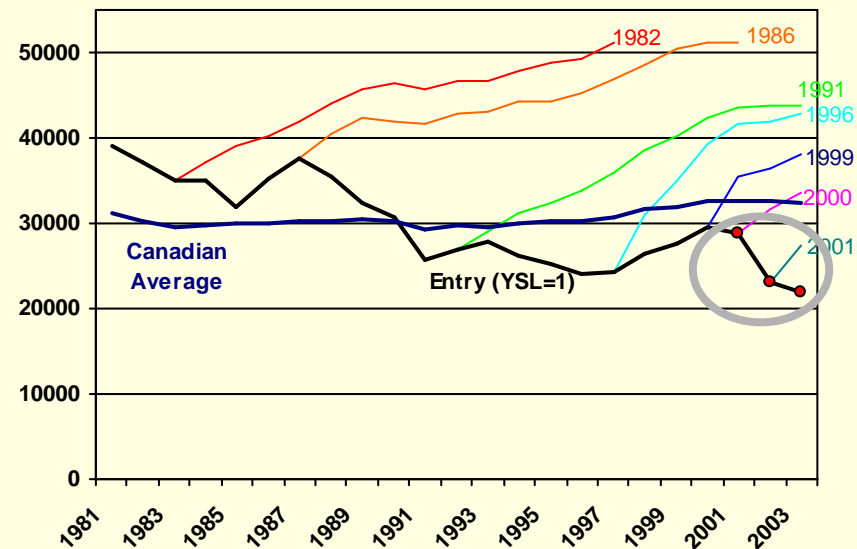


Average Employment Earnings (2001\$) for Immigrants by Landing Year and Tax Year

All Categories




Skilled Principal Applicants



- Immigrants landing in 2001 and 2002, experienced dramatic decline in employment earnings one year after landing





What explains the declining earnings of more recent immigrants?

- Domestic macroeconomic and labour market conditions
 - IT bust led to lay-offs and stagnant wages throughout the industry, affecting both immigrants and Canadian-born
- Foreign experience for more recent immigrants not rewarded by employers
- Low return to foreign education
- Changing source countries
- Language and communication skills





Conclusions

- Those selected as skilled workers have better economic outcomes from the start.
 - They are better educated and more labour market ready than other immigrants.
- Refugees have a high reliance on income support on arrival, but over time receive a growing proportion of their income from employment earnings.
- Those who come to Canada as refugee claimants benefit from the ability to work while their claim is processed. Their reliance on social assistance falls over time and employment earnings increase.





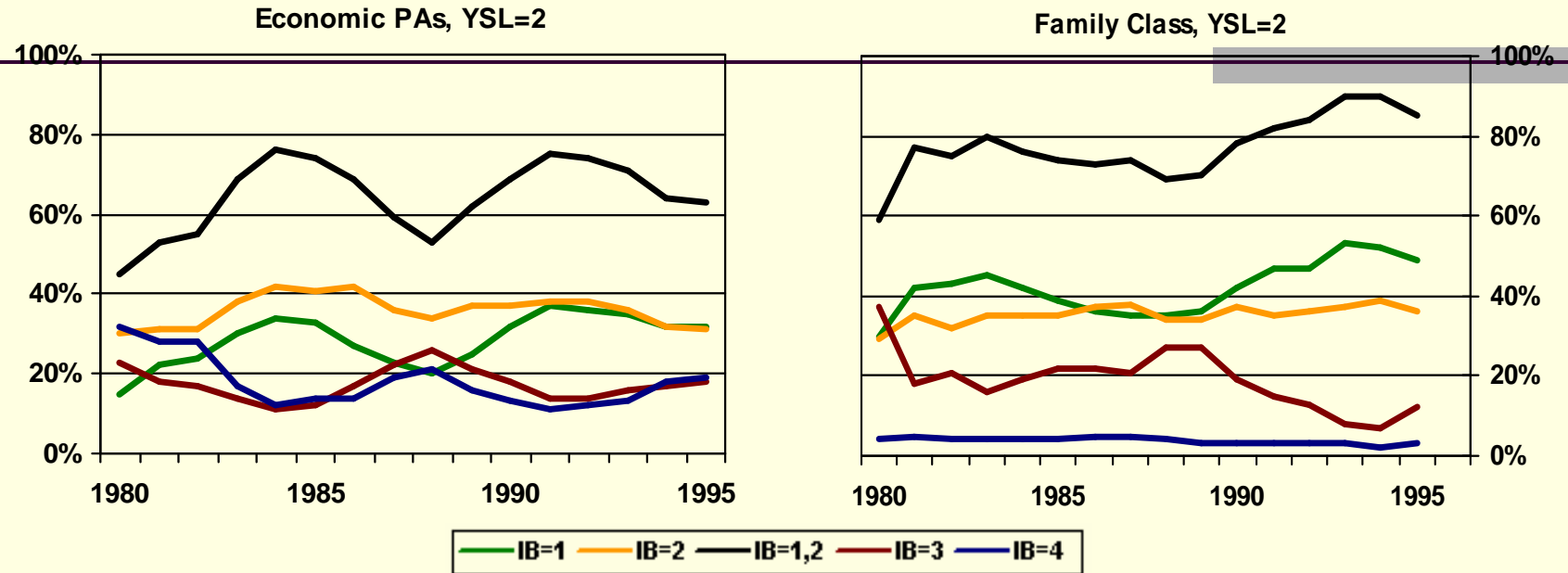
The reasons for rising poverty rates are less well understood ...

- Immigrants in more precarious jobs?
- Working poor?
- Changing source countries?
- Changing nature of the domestic labour market?

Which immigrants are in poverty and why?



Share of Immigrants in Low-Income (by category)



- A greater proportion of Family Class immigrants experienced low-income relative to Economic PAs in their second year after landing and this differential increased in the 1990s
- And for many immigrants there is significant inertia in earnings





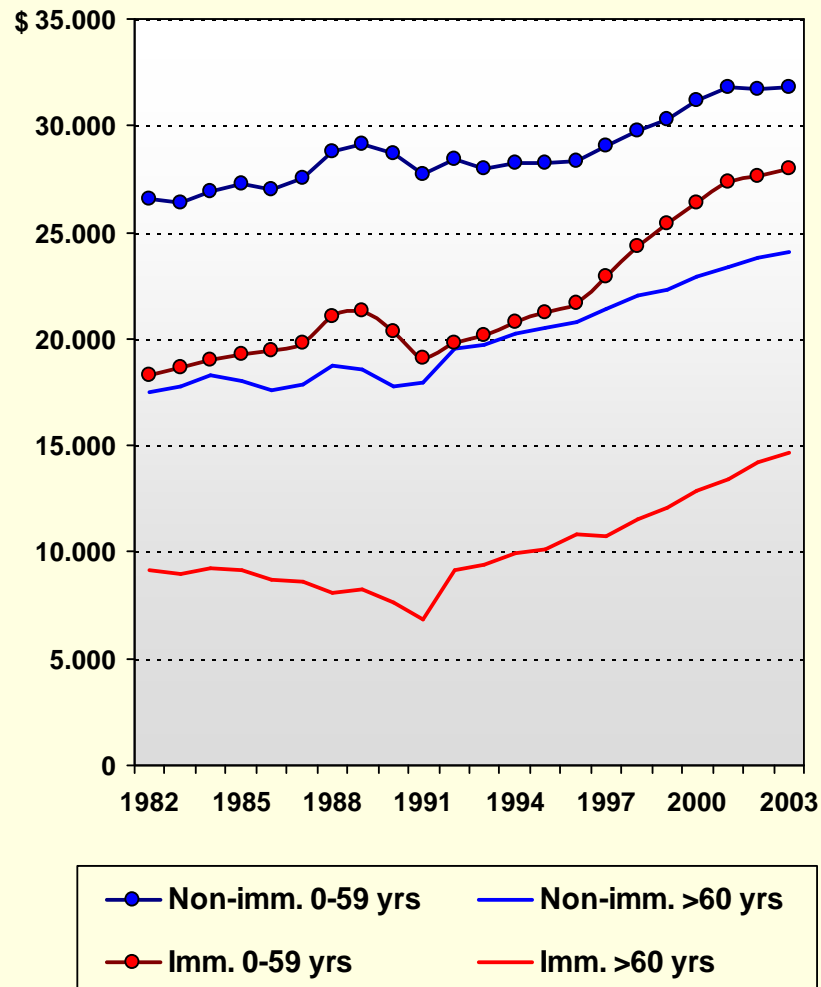
Lone-parents and unattached individuals have the least favourable income situations

- Lone-parents and unattached individuals less than 60 years of age have the lowest family EE, with immigrant lone-parents and unattached immigrants reporting the lowest of all groups
- Lone-parents and unattached individuals over 60 years of age also have the least favourable income situations for their age group (and again it is even less favourable for immigrants relative to non-immigrants)



Average Annual Total Income by Age

Average Income for Immigrants and Non-Immigrants (2003\$), 1982-2003



- Non-immigrants have higher income than immigrants.
- There is evidence of a negative relationship between age and average annual income for both immigrants and non-immigrants.
- Senior immigrants have income in the range of \$10,000 to \$15,000 and a large share are unattached and thus, are their own sole-provider.





Senior immigrants are less self-sufficient than non-immigrants

- Senior non-immigrants rely more on contributory retirement income (C/QPP, RRSP and private pensions) while senior immigrants rely more on non-contributory retirement income (OAS and GIS/Allowance)
- Senior family class immigrants (66%) and refugees (8%) receive more than half of their income from provincial supplements, OAS, and GIS/Allowance
- Senior economic immigrants (18%) show stronger labour market attachment and receive 60% of income from labour market (esp. EE)





Conclusions

- Historically, economic principal applicants (esp. SKPAs) have outperformed family class immigrants and refugees in the labour market.
- Recently, economic principal applicants (specifically, SKPAs) have experienced noticeable declines in employment earnings. Making them more vulnerable than before to low-income (individual analysis).
- Family class immigrants and refugees remain more likely than economic principal applicants to fall into low-income situations (individual analysis).





Conclusions – continued

- Like the non-immigrant population, unattached immigrants and lone-parent immigrants are also found to be more vulnerable to low-income (family analysis).
- Senior immigrants (esp. family class) also have lower average incomes and a greater reliance on non-contributory retirement income sources (individual and family analysis).
- Senior economic PAs perform better and more like non-immigrant seniors BUT what will we see when recently landed economic PAs (who have not fared as well) become seniors?

