

Recent Arrivals by Firm Size in 2012

Highlights

- ◆ In 2012, there were 455,000 "recent" immigrants (who had arrived in the previous 5 years) and 294,000 "temporary residents" who were employed by firms in Canada.
- ◆ These recent arrivals represented 5% of paid employees working in Canada (3% were "recent" immigrants" and 2% were "temporary residents").
- ◆ The shares were higher in the four western provinces and the shares are somewhat higher among smaller firms. Manitoba is an exception.
- ◆ Over the 2006 to 2012 period, these recent arrivals have grown in numbers (a growth of 1% per year for "recent" immigrants and a growth of 5% per year for "temporary residents").
- ◆ The highest combined rates of growth have been in Saskatchewan. Manitoba is relatively higher in the growth of "recent" immigrants and Alberta is relatively higher in the growth of "temporary residents".
- ◆ Rates of growth are generally (but not always) higher among smaller firms.

Why recent immigrants by firm size?

Recent years have seen increases in the number of landed immigrants arriving in Canada as well as increases in the arrival of temporary foreign workers.

The federal government is in the process of changing the requirements for firms who wish to recruit foreign workers (both temporary foreign workers and new immigrants). The new process is expected to be more complex and will likely prove more onerous for smaller firms with limited recruiting capacity.

The following questions are germane: What is the present distribution of new arrivals by firm size? What size of firm is experiencing the largest growth in the number of newly arrived workers? Which provinces will be impacted most?

Findings

In 2012, employment in Canada reached 17.5 million workers where 3.7 million were immigrants (Table 1). Of these, 0.5 million were "recent"¹ immigrants. In addition, in 2012, there were 0.3 million employed individuals who were "temporary residents"².

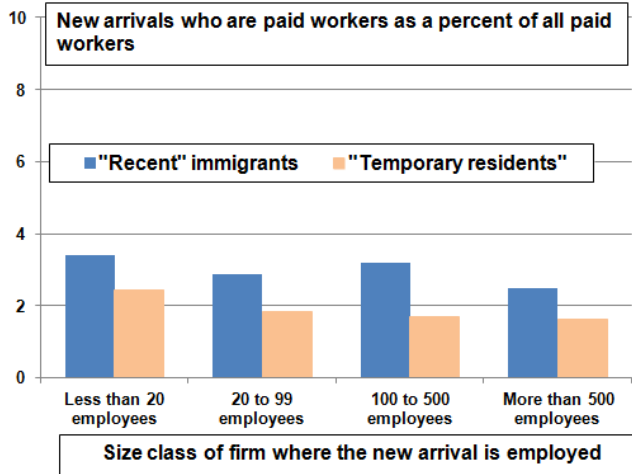
Table 1: Newly arrived employment in Canada, 2012

	Number employed (,000)
Total number employed	17,508
. . . of these, employed immigrants	3,736
. . . . of these, employed "recent" ¹ immigrants	504
plus employed "temporary residents" ¹	329
equals: "newly arrived" employed individuals	833
About 90% are paid employees and 10% are self-employed	
paid employees who are "recent" ¹ immigrants	455
paid employees who are "temporary residents" ¹	294
Paid employees who are "newly arrived" (subtotal)	749
¹ For definitions, see the text.	
Source: Statistics Canada. Labour Force Survey.	

¹ "Recent" immigrants are individuals who became landed immigrants within the previous 5 years.

² "Temporary residents include temporary foreign workers, live-in caregivers and those with student or work visas. The Labour Force Survey is a household survey and it is possible that some foreign workers do not live in private dwellings but instead live in collective dwellings (such as hotels or motels) and thus may not be included in the survey. Temporary foreign workers who reside in a private household must indicate that the household is their usual place of residence. As there is no question on the Labour Force Survey to determine if the respondents are temporary foreign workers, they cannot be differentiated from Canadian citizens by descent who were born elsewhere, from foreign students with a study permit, from refugee claimants or from family members who are not landed immigrants.

Figure 1: Among paid workers in small firms, about 3% are "recent" immigrants and about 2% are "temporary residents", Canada, 2012



Source: Statistics Canada. Labour Force Survey, special tabulation.

- ◆ among smaller firms (less than 20 employees) in Ontario and in British Columbia;
- ◆ among mid-sized firms (20 to 99 employees) in Alberta; and
- ◆ among larger firms (100 or more employees) in Manitoba (data not shown).

Because the share of "recent" immigrants who are paid workers differs across provinces and across sizes of firm within each province, a more onerous recruitment process will disproportionately impact firms in the four western provinces (relative to the Canadian average) as well as smaller firms. (Manitoba presents a mixed case because even though it has more recent immigrants among its paid workers, the newcomers are concentrated in larger firms.)

Manitoba, in particular, has capitalized on recent immigration – "recent" immigrants to Manitoba as a percent of paid workers is higher for each firm size compared to any other province in Canada.

Another way to consider the impact of policy changes on firms is to determine where there has been the most growth in "recent" immigrants who are paid workers. This growth has been 1% per year over the period from 2006 to 2012

To understand the impact of greater complexity in the process to hire foreign workers, we focus on new arrivals working for firms (i.e., paid employees): 455,000 "recent" immigrants; and 294,000 "temporary residents" who may seek to remain in Canada in the future.

"Recent" immigrants

"Recent" immigrants are about 3% of the workforce for each size of firm (Figure 1). However, the pattern differs by province. The four western provinces have 4% of their paid workforce being "recent" immigrants (in fact, in Manitoba, it is 5%) (Table 2).

Compared to the relevant provincial average, "recent" immigrants represent a higher share of the workforce:

Table 2: New arrivals as percent of paid workers and growth from 2006 to 2012, Canada and Provinces

Province	Percent of paid workers in 2012 who were:		Rate of change per year from 2006 to 2012 in the number of paid workers who were:	
	"Recent" immigrants	"Temporary residents"	"Recent" immigrants	"Temporary residents"
Atlantic Provinces	(1)	(1)	(1)	(1)
Quebec	2	1	4	8
Ontario	3	2	-4	-1
Manitoba	5	2	11	5
Saskatchewan	4	2	28	20
Alberta	4	4	6	14
British Columbia	4	3	3	5
Canada	3	2	1	5

¹. The sample size is too small for a truly reliable estimate for the Atlantic Provinces. That said, the calculations suggest that while the share of new arrivals among paid workers is low, their rate of growth lies above the Canadian average.

Source: Statistics Canada. Labour Force Survey, special tabulation.

(Table 2). However, there was a decline of 2% per year among firms with 500 or more employees and a growth of about 2% per year among mid-sized and smaller firms (Figure 2). There is also considerable provincial variation. Growth was 28% per year in Saskatchewan, 11% per year in Manitoba and considerably less elsewhere.

Within Manitoba, the growth in “recent” immigrants was relatively higher among firms with less than 100 employees.

“Temporary residents”

New arrivals classified as “temporary residents” numbered 294 thousand in 2012 (Table 1) and they represent 2% of Canada’s paid workforce. This pattern is consistent across all sizes of firms (Figure 1).

Again, the pattern across provinces is striking. In Alberta in 2012, the share of paid employees who were “temporary residents” was twice as high (4%) as the Canadian average (Table 2). Among Alberta firms with less than 20 employees, the share is still higher (5%). However, within Manitoba, it is the firms in the largest size class (with over 500 employees) that have the highest share of “temporary residents” in their paid workforce (3%) (data not shown).

If we look at the growth of “temporary residents” employed as paid workers, in the 2006 to 2012 period, growth averaged 5% per year at the Canada level (Table 2). Growth was higher (7% per year) within firms with less than 20 employees and lower within firms with more than 500 employees (1% per year) (Figure 2).

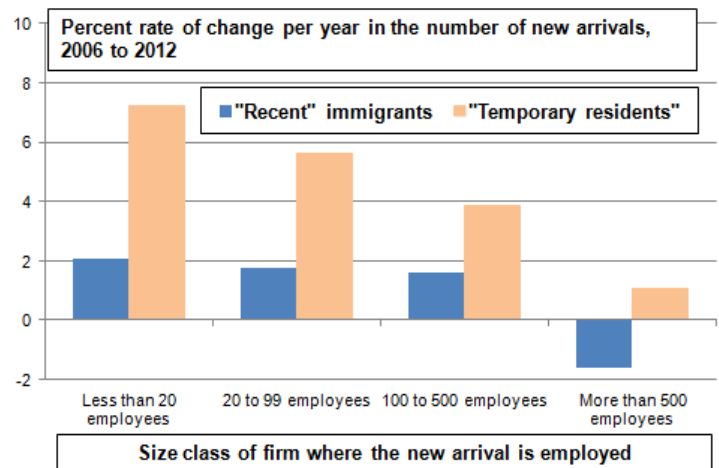
Growth of “temporary residents” has been strongest in Saskatchewan (20% per year) and in Alberta (14% per year).

Discussion

Policy changes will require more work on the part of firms wishing to hire foreign workers. The impact of these measures will be larger where new arrivals constitute a greater share of paid employees. It will also be larger where there is the greatest growth in new arrivals. Specifically:

- ◆ firms in the four western provinces have a higher share of their paid employees being “recent” immigrants and “temporary residents”;
- ◆ new arrivals, as a share of all paid workers, are generally (but not always) more prevalent among smaller firms;
- ◆ the growth of paid employees who were new arrivals has been the highest in Saskatchewan – 28% per year for “recent” immigrants and 20% per year for “temporary residents”; and
- ◆ generally (but not always) the rate of growth is higher among firms with less than 20 employees.

Figure 2: For “temporary residents”, the rate of growth of paid workers is higher among smaller firms, Canada, 2006-2012



Source: Statistics Canada. Labour Force Survey, special tabulation.