

Immigrant Employment Experience by Year of Arrival in Canada

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Highlights

- ◆ Immigrants who arrived in the 1980s have higher employment rates; the employment rates of subsequent arrival cohorts are lower for each year of arrival since the 1980s.
- ◆ Similarly, median earnings (for those who are employed) are lower for each year of arrival from the 1980s to the present.
- ◆ Thus, immigrants in each arrival cohort maintain their position relative to other arrival cohorts, regardless of changes in the economy.

Why: Employment experience by year of landing?

Canadian public policy seeks to promote immigrant employment. Most immigrants want to find a job to support themselves. The question is 'Does the year of arrival impact immigrants' employment experience and earnings trajectories?'

The objective of this FactSheet is to document the trajectory of two employment variables:

- the percent of immigrants reporting some employment income (i.e., the percent employed); and
- if employed, the median employment earnings of immigrants.

Our statistics are obtained from Statistics Canada's Longitudinal Immigration Database which, over time, follows the information reported by immigrants on their income tax forms¹.

Findings

Among the immigrants who arrived in the 1980 to 2011 period, 4.2 million filed an income tax form in 2011 (Table 1). By year of arrival in Canada, this count ranged from 51 thousand who arrived in 1983 to 181 thousand who arrived in 2010.

Among the immigrants who arrived in the

Year of arrival in Canada	Number of immigrants filing an income tax form in 2011	Highest number of immigrants filing an income tax form for the given year of arrival in Canada	
		Number	In year:
1980	83,790	93,460	1997
1981	71,170	79,435	1999
1982	68,495	75,885	2000
1983	50,835	56,755	2000
1984	52,160	57,665	2000
1985	51,220	56,050	2001
1986	61,870	66,910	2001
1987	97,235	103,620	2001
1988	103,385	108,510	2004
1989	123,785	128,835	2004
1990	139,505	144,680	2006
1991	153,040	157,630	2006
1992	169,430	173,370	2007
1993	174,475	177,005	2007
1994	150,315	151,770	2008
1995	146,240	146,400	2009
1996	154,270	154,270	2011
1997	148,305	148,305	2011
1998	123,835	123,835	2011
1999	134,440	134,440	2011
2000	161,750	161,750	2011
2001	176,430	176,430	2011
2002	159,910	159,910	2011
2003	154,815	154,815	2011
2004	163,100	163,100	2011
2005	181,030	181,030	2011
2006	175,545	175,545	2011
2007	165,265	165,265	2011
2008	169,455	169,455	2011
2009	171,725	171,725	2011
2010	181,350	181,350	2011
2011*	92,980	92,980	2011
Total**	4,211,155

* The count of taxfilers for 2011 is lower because some individuals arrived too late in the year to find employment.
 ** Total immigrants who filed an income tax form in 2011, among those who arrived in Canada from 1980 to 2011.
 Source: Statistics Canada. Longitudinal Immigration Database, CANSIM Table 054-0001.

1. Dryburgh, Heather. (2004) The Longitudinal Administrative Databank and the Longitudinal Immigration Database (IMDB): Building LAD-IMDB - A technical paper (Ottawa: Statistics Canada, Cat. no. 89-612-XIE) <http://publications.gc.ca/Collection/Statcan/89-612-X/89-612-XIE2003001.pdf>.

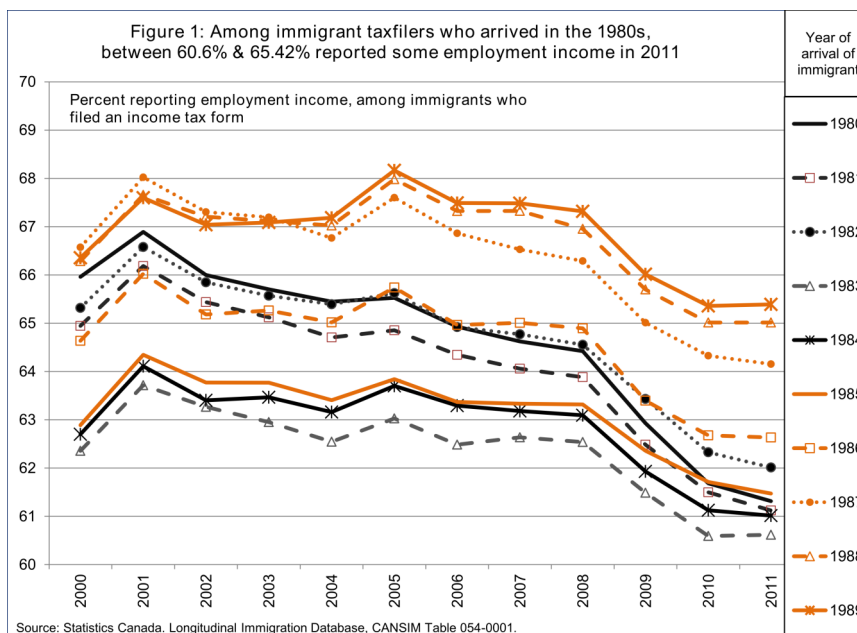
period from 1980 to 1996, the maximum number filing an income tax return occurred 14 to 18 years after their arrival (see right-hand column of Table 1). Possible reasons for not filing an income tax form during the first few years after arrival are:

- some were children and not yet working;
- some were stay-at-home parents who were looking after the children;
- some may have had difficulty finding employment; and
- some may have earned too little to be taxable.

Among the immigrants who filed an income tax return, the general pattern of their employment rate (calculated as the percent of taxfilers reporting some employment income) revealed:

- an increase in the years up to 2001;
- a decline during the downturn of the early 2000s;
- an increase again in 2005;
- a marginal decline to 2008, followed by a more significant decline in 2009 and 2010 during the most recent economic downturn; and
- a slight rebound in 2011 (Figures² 1, 2 and 3).

There are some exceptions to this general pattern.

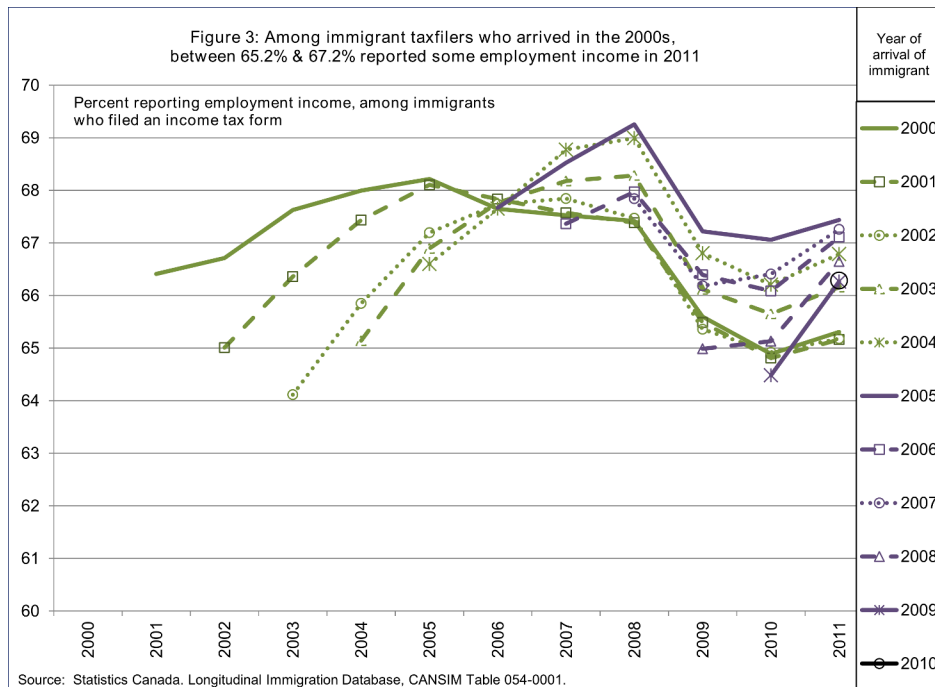
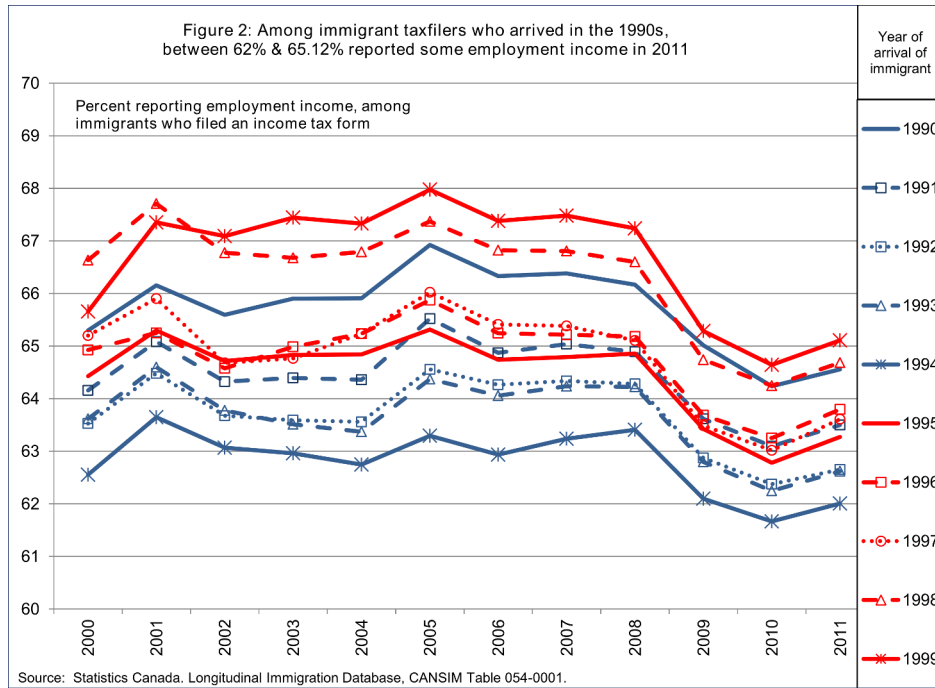


Interestingly, the employment rate trajectory for immigrants from any arrival year tends to keep the same relative pattern as that manifested by immigrants from other arrival years. In other words, the lines in Figures 1, 2 and 3 tend **not** to cross over one another and to keep their relative pattern compared to other lines. Thus, year of arrival, which determines year of entry into the labour force, seems to determine the employment rate trajectory for immigrant cohorts and maintains a separation from the employment rate trajectories of immigrants who arrived at different times. In this regard, not only is there scant evidence of cross-over in immigrant employment rate trajectories, there is little evidence of convergence – i.e., the lines

2. There is one chart for each decade of period of arrival of the immigrants. Showing 30 lines on one chart is the Pablo Picasso version of modern chart art!

do not seem to become closer together over time³. Whereas immigrants from different arrival years have employment rate trajectories that vary according to the business cycle, one cohort does not appear to gain or to lose relative to another cohort.

FACTSHEET

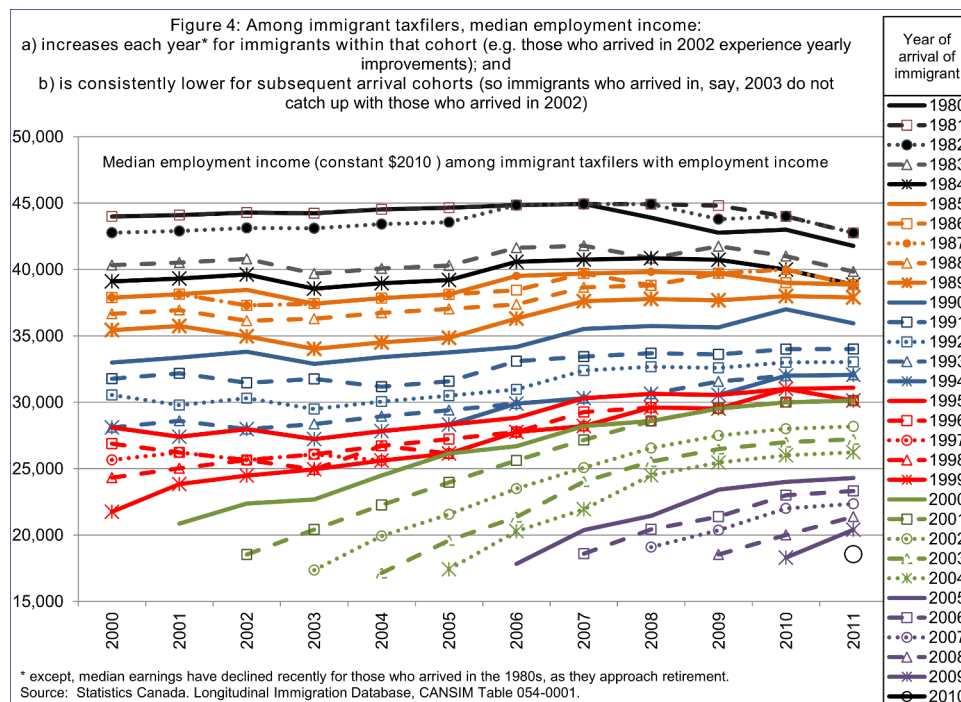


Our second set of observations is the level of employment income, given that some employment income is reported. Figures 1, 2 and 3 have shown the level and the change in the percent reporting employment income over time. Now, we look at the level of earnings, if an immigrant is employed.

3. A calculation of the standard deviation across the lines in Figures 1 and 2 (i.e. across the cohorts of year of arrival of immigrants) shows that the across-cohort variation in employment rates changes very little during the 2000s. In other words, there is little evidence of convergence (or divergence) of the trajectory of employment rates when comparing immigrants by their year of arrival in Canada.

The general pattern is that median employment income, adjusted for inflation, increased each year during the 2000s⁴ for most immigrant cohorts. Immigrants who arrived in the early 1980s, however, reported a decline in median earnings in the late 2000s, as many approached retirement (and may have had earnings for only part of their last year of work) (Figure 4).

Perhaps a more striking observation is that the trajectory of median earnings is generally lower for immigrants in each year of arrival starting from the 1980s to the most recent years. This can be seen in Figure 4 where each 5-year period has been given a separate colour⁵. Each colour group maintains its relative position in the chart and there is virtually no inter-mingling of colours. Immigrants who arrived in more recent years report earnings that are lower than immigrants who arrived before them. The trajectories over time are very similar; however, immigrants from any given year of arrival tend not to gain or lose their relative ranking in terms of median earnings as compared to immigrants from different arrival years⁶.



Summary

The year of arrival of an immigrant continues to exert influence over the employment experience of that immigrant:

- ◆ employment rates are generally lower for immigrants who arrived in more recent years;
- ◆ earnings (for those with jobs) are lower for immigrants who arrived more recently; and
- ◆ immigrants in each arrival cohort maintain their position relative to other arrival cohorts, regardless of changes in the economy.

4. In fact, median income in constant dollars increased in (almost) every year since 1990 (data prior to 2000 is not shown).

5. The colour coding in Figure 4 is black for the early 1980s, orange for the late 1980s, blue for the early 1990s, red for the late 1990s, green for the early 2000s and purple for the late 2000s.

6. A standard deviation of the variation of median earnings across the cohorts of immigrant arrivals, for those who arrived from 1980 to 1990, does show a declining dispersion (i.e. convergence) of median earnings in the period from 2000 to 2011 (data not shown).