

## Immigrant Employment Rate Gap by Province

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### Highlights

- ◆ At the national level, immigrants in the core working-age group of 25 to 54 years of age are 6.6% less likely to be employed than the Canadian born in this age group.
- ◆ This employment rate gap for immigrants varies widely across provinces (comparing provincial immigrants to provincial native-born residents) – from a high of 11.8 percentage points in Quebec to less than 2 percentage points in New Brunswick and in Newfoundland and Labrador.
- ◆ The gap within Montreal is 13.6 percentage points, more than double the gap at the Canada-level.
- ◆ The employment rate gap is higher for the metro areas of Montreal, Toronto and Vancouver than it is for their corresponding provincial averages.

### Why: Immigrant employment rate gap by province?

Most immigrants to Canada expect to be able to find a job when and where they settle in Canada.

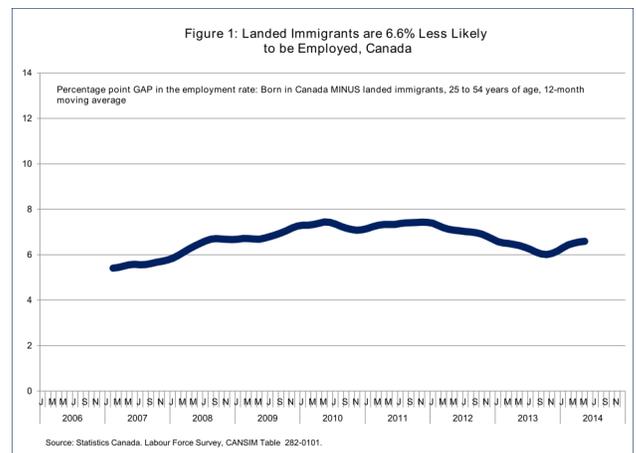
An earlier FactSheet<sup>1</sup> noted that the employment rate of immigrants (i.e. the percent of immigrants who are employed) in December, 2012 was 6.8 percentage points lower than for the Canadian born (for individuals in the core working-age population: 25 to 54 years of age). Thus, there was a gap in the percent of immigrants with jobs, compared to the Canadian-born population.

The objectives of the current FactSheet are:

- ◆ to update the report on the employment experience of core working-age immigrants
- ◆ to show how this differs across the provinces; and
- ◆ to show how the employment experience differs for immigrants residing in Montreal, Toronto and Vancouver from the experience of immigrants in these provinces living outside these centres.

### Findings

First, let us update the earlier findings. Based on a 12-month moving average, the percentage point difference in the employment rate<sup>2</sup> in May, 2014 between immigrants and the Canadian-born stood at 6.6 percentage points (Figure 1). After December, 2012, the gap closed somewhat to 6.0 percentage points in September / October, 2013 and then widened again to 6.6 percentage points. Thus, an immigrant, 25 to 54 years of age is presently 6.6% less likely to have a job than a Canadian-born person in this age group.

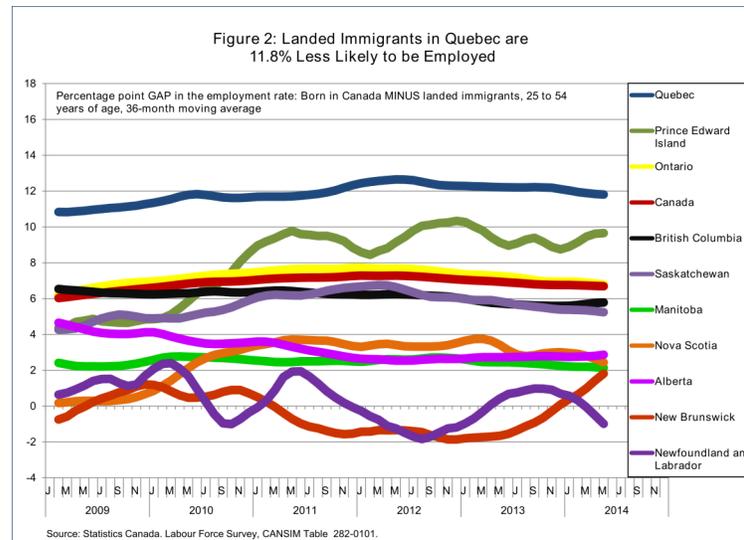


1. See "Employment Rate of Immigrants by Sex, Canada, 2006-2012" in the March, 2013 issue of the P2P eBulletin.

2. The employment rate is the percent of the population in a given age group that is employed.

The 12-month moving average calculation for each province shows wide year-to-year fluctuations. More importantly, for purposes of this analysis, a 36-month moving average shows systematic differences among the provinces.

In May, 2014, the employment rate gap was highest in the province of Quebec – immigrants in Quebec, 25 to 54 years of age, were 11.8% less likely to be employed than Canadian-born Quebec residents in the same age group (Figure 2). Compared to the Canadian average, the 'gap' in Quebec has been consistently 4 to 5 percentage points higher than the gap for Canada as a whole since 2009.



The province with the 2nd largest gap in May, 2014 was Prince Edward Island – immigrants in PEI were 9.7% less likely to be employed. Note that the PEI gap surpassed the Canada-level gap in late 2010.

The Ontario gap and the Canada gap have followed a similar pattern since 2009. Ontario's gap was 6.8 percentage points in May, 2014.

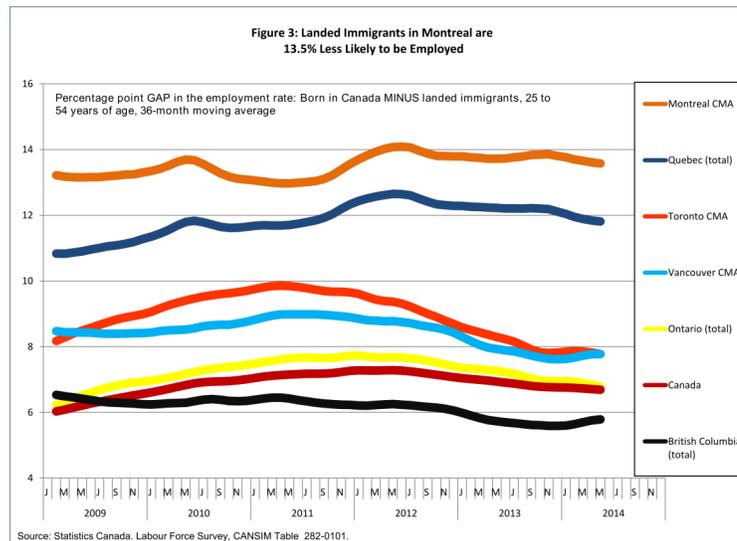
In all other provinces the gap has been at or below the Canada-level gap since 2009.

The gap in Newfoundland and Labrador and in New Brunswick<sup>3</sup> has varied between -2 and +2 percentage points from 2009 to May, 2014. The gap of -1 percentage point in Newfoundland and Labrador in May, 2014 meant that immigrants were more likely to be employed than the Canadian-born.

When we turn our attention to the situation in the metro centres of Montreal, Toronto and Vancouver, we see that the employment gap for immigrants is highest in Montreal – a gap of

<sup>3</sup> In a note entitled "The Economic Outcomes of Immigrants in New Brunswick" published in the May 2014 Pathways to Prosperity eBulletin, Professor Michael Haan notes the earnings of immigrants to New Brunswick appear to converge to the earnings of the average taxfiler in New Brunswick. Our calculation here indicates that the immigrants' employment rate gap for New Brunswick fluctuates around zero (i.e. immigrants are as likely as the Canadian-born in New Brunswick to have attained employment). Thus, the economic outcomes of immigrants to New Brunswick (in terms of attaining employment) compare well with the outcomes of the Canadian-born residing in New Brunswick. An alternative or supporting explanation might be that immigrants will only move to New Brunswick if they have a job offer.

13.6 percentage points in May, 2014 (Figure 3). This may be compared to Quebec as a whole with a gap of 11.8 percentage points in May, 2014, indicating that the Montreal gap is 1.8 percentage points higher than the gap for the province as a whole.



In May, 2014, the immigrant employment rate gap in each of Toronto and Vancouver was 7.8 percentage points, indicating that 25 to 54 year old immigrants in those cities were 7.8% less likely to be employed than their Canadian-born counterparts in these metro areas.

In May, 2014, the Toronto gap was 1 percentage point higher than the Ontario average gap and the Vancouver gap was 2 percentage points higher than the British Columbia average gap.

One plausible explanation for the observation that the MTV (Montreal, Toronto and Vancouver) gap exceeds the corresponding provincial gap is that immigrants living outside MTV are more mobile than native-born Canadians. When they lose their jobs, they are more likely to move to the larger cities, thus decreasing the observed non-MTV employment gap while, simultaneously, increasing the gap in the three largest metro areas. Another plausible explanation is that new arrivals without jobs disproportionately (that is, different from the existing distribution within the province) choose to live in MTV as opposed to other destinations. Another way to think of this is that immigrants with jobs and without jobs exhibit different propensities for where they want to live.

### Summary

Immigrants in the core working-age group (25 to 54 years of age) were 6.6% less likely to be employed than the Canadian-born in this age group in May, 2014.

This employment rate gap for immigrants varies widely across the provinces – from a high of 11.8 percentage points in Quebec to less than 2 percentage points in New Brunswick and in Newfoundland and Labrador. Thus, in Quebec, immigrants are 11.8% less likely to be employed than the Canadian-born residents of Quebec.

The employment rate gap is higher in each of the metro areas of Montreal, Toronto and Vancouver compared to the average for each of the provinces where these metro areas are situated.