

Employment Rate of Immigrants – An Update Since the Recession

Ray D. Bollman (RayD.Bollman@sasktel.net)

Highlights

- ◆ Overall, Canada's employment rate has not increased from the dip that occurred during the 2008-2009 recession
- ◆ During the recession (2008-2009), the employment rate of immigrants declined faster and subsequently increased faster than the Canadian-born rate
- ◆ This was, essentially, due to the pattern for males (both for immigrants and for the Canadian-born)
- ◆ The employment rate gap for immigrants is now back to its level at the end of 2007
- ◆ The size of the employment rate gap is largely a female phenomenon. Among male immigrants, there is an employment rate gap only for those who have lived in Canada for less than 5 years
- ◆ The employment rate gap is persistent in some major labour markets – especially in Quebec
- ◆ There are relatively more immigrants than Canadian-born with a university degree. Individuals with a university degree (both immigrants and the Canadian-born) have relatively higher employment rates; however, even after 10 years in Canada, immigrants (both males and females) with a university degree still have a lower employment rate than their Canadian-born counterparts
- ◆ Recent male immigrants with less than a high school diploma have employment rates that rise over time to exceed those of their Canadian-born counterparts, while immigrant females exhibit significant early gaps and only draw even after 10 years in Canada

Why look at the employment rate?

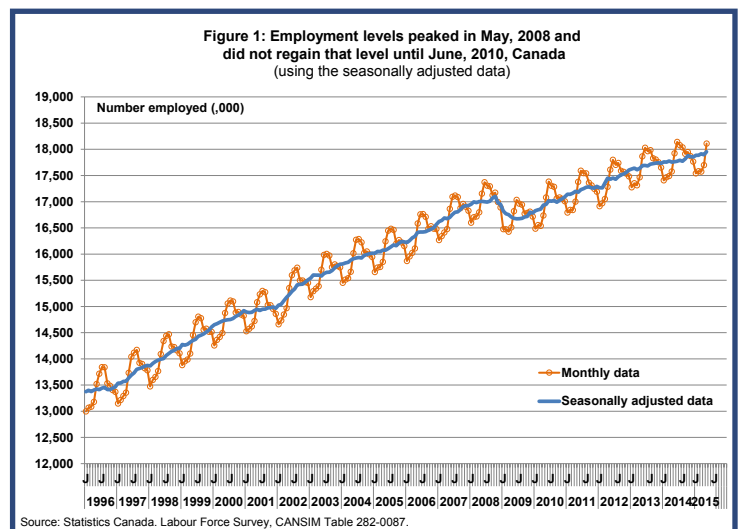
The employment rate - the percent of a population group that is employed - is a core indicator of integration into the Canadian economy for all groups.

This FactSheet updates the findings reported in earlier FactSheets on the topic of the employment rate of immigrants.

Employment is growing but at the same rate as the population

The level of employment regained its pre-recession level by June, 2010 (Figure 1).

However, the share of the population with a job has still not recovered from the recession. Between mid-2008 and mid-2009, the percent of the population 15 years of age and over who were employed fell by 2.5 percentage points (Figure 2). Since then, the employment rate has shown virtually no change,



meaning that population levels¹ are growing at the same rate as employment levels, resulting in a flat employment rate since mid-2009.

What has been the recent experience of immigrants in the workforce?

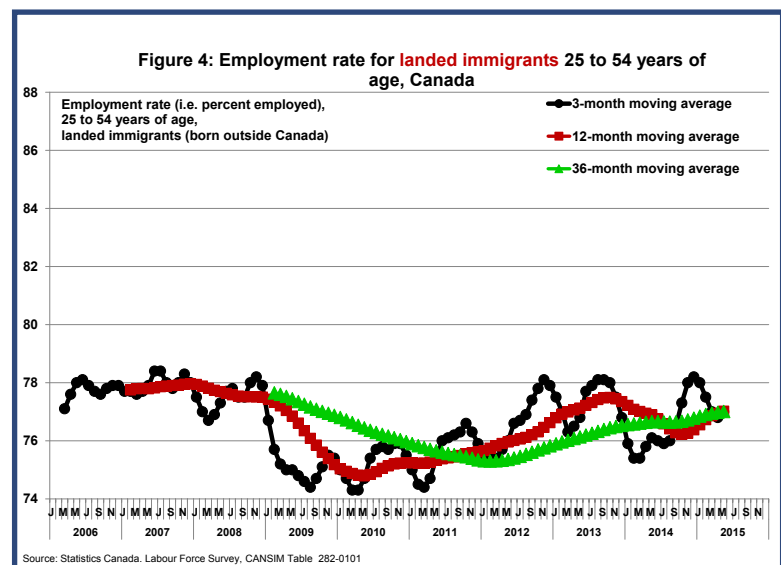
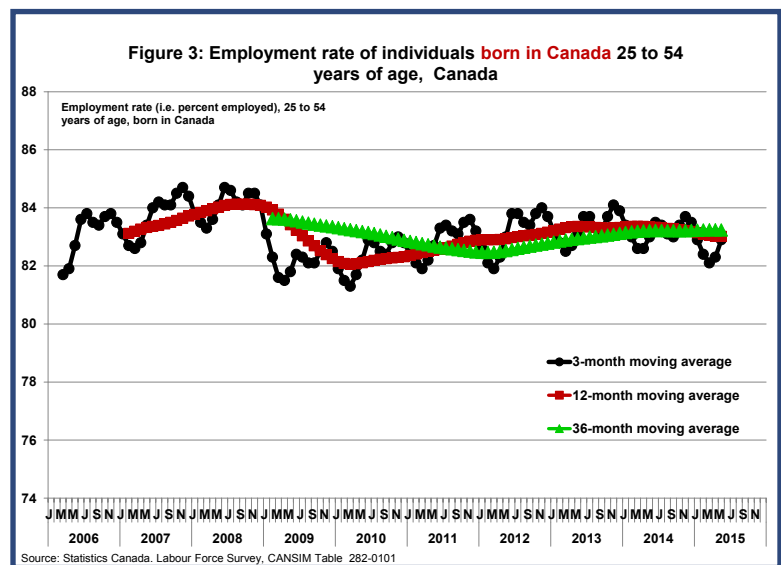
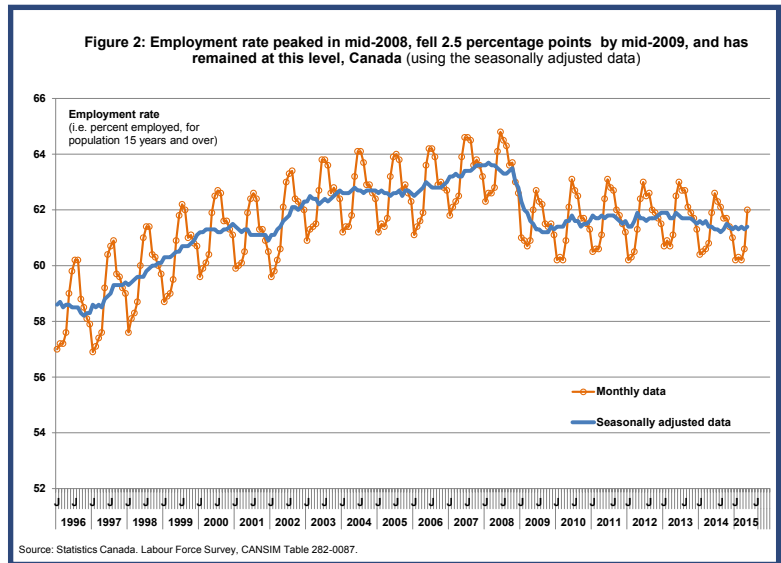
The earlier charts look at the entire population, 15 years of age and over. However, different age groups have a different degree of attachment to the workforce. Individuals under 25 may be attending schools, colleges and universities. Older individuals may be semi-retired or retired. Thus, to get a better focus on the job performance of the labour market, we examine the core-age workforce – specifically, the population 25 to 54 years of age.

For the Canadian-born core-age workforce, the employment rate fell during 2008-2009 (Figure 3). It then increased up to 2013 but fell marginally over 2014 and 2015 (based on the 12-month moving average shown in Figure 3).

For immigrants in the core-age workforce, the decline during the recession was somewhat steeper but the increase since the recession has been stronger (Figure 4, again following the trend of the 12-month moving average). Note, however, a noticeable dip in the employment rate for immigrants during 2014.

The result of a steeper decline going into the recession and then a stronger recovery shows that the employment

1. From 2013 to 2014, 33% of population growth was due to natural balance (births minus deaths) and 66% was due to international arrivals (58% due to net immigration — immigrants minus emigrants — and 8% due to the increase in non-permanent residents).



rate gap for immigrants (calculated as the difference between Canadian-born and immigrant rates) rose during the recession and then declined after the recession to the pre-recession level of about a 6 percentage difference in the employment rate of immigrants (Figure 5)².

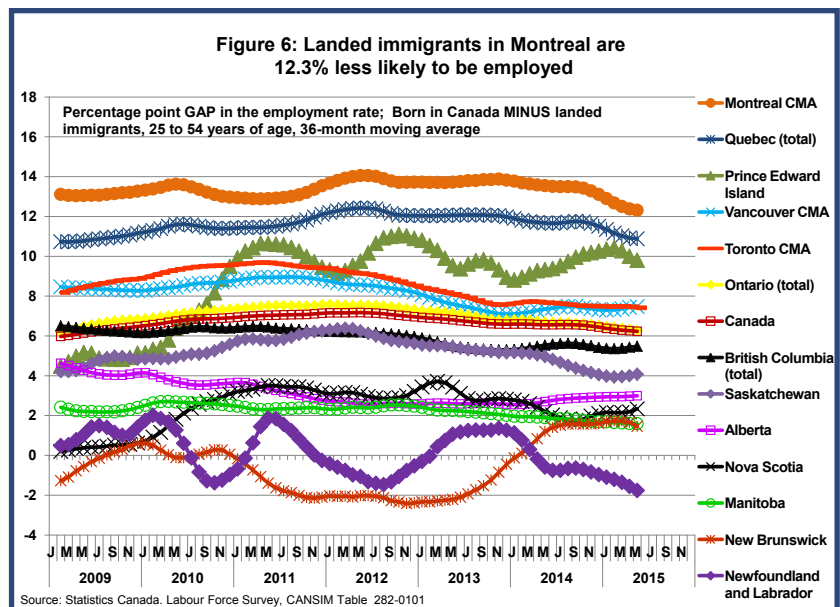
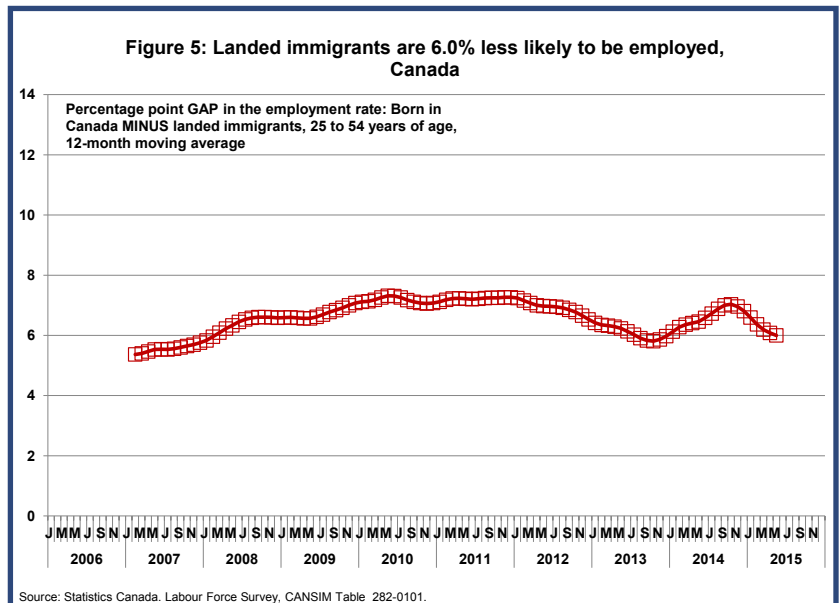
In other words, the employment rate gap for immigrants is now back to its 2007 level.

Employment rate gap by province³

The decline in the employment rate gap for immigrants has been slight but persistent in Quebec (in part due to the decline in Montreal), Ontario (due in part to the decline in Toronto) and Saskatchewan (Figure 6⁴).

Note, however, the persistence of the immigrant employment rate gap in some jurisdictions. The gap remains highest in Quebec; however, Montreal, Vancouver and Toronto are all above the Canadian average.

These centres may be compared to jurisdictions with a lower immigrant employment rate gap — specifically, provinces to which immigrants are unlikely to move unless jobs are available. The immigrant employment rate gap is negative (i.e., the employment rate of immigrants is higher than the employment rate of the Canadian-born) in Newfoundland and Labrador and in New Brunswick.



2. This is an update of the results reported in Bollman, Ray D. (2013a).

3. This is an update of Bollman, Ray D. (2014b).

4. Figure 6 shows the 36-month moving average, which shows the long-run tendency. A chart showing the 12-month moving average is available from the author upon request. Due to the volatility of the data due to the small(er) sample sizes for each province and each major city, the chart with the data for 12-month moving average appears to be a Picasso-like neo-cubist representation of the trend in the employment rate gap for immigrants.

The employment rate gap for females is higher

The immigrant employment rate gap for females is much higher (about 10 or 11 percentage points) than the gap for males (about 1 or 2 percentage points) (Figure 7).

However, the pattern over time has been the same for both sexes. The gap vis-à-vis the Canadian born, for each sex, increased during the recession and then closed afterwards — except both immigrant females and males reported a new increase in the gap during 2014.

The employment rate gap for males has closed since the recession. The employment rate for males born in Canada has been flat since 2011 (Figure 8). The employment rate of immigrant males since the recession (Figure 9) has increased, however, and is the reason for the (slight) closing of the gap shown for males in Figure 7.

Canadian-born females had a very slight dip in their employment rate during the recession and have experienced a very slight increase since 2011 (Figure 10).

However, among immigrant females, their employment rate declined from 2007 to 2011 and then rose back to 2007 levels by 2015 (Figure 11). This fluctuation generated the rise and then the fall in the employment rate gap for females shown in Figure 7.

The number of years spent in Canada matters

Immigrant males living in Canada less than 5 years have experienced employment rates between 7 to 12 percentage points lower than Canadian-born males (Figure 12). However, there is virtually

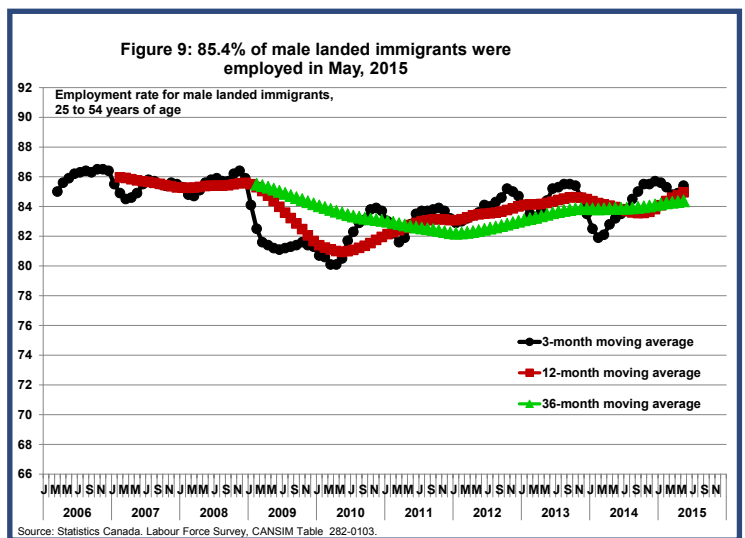
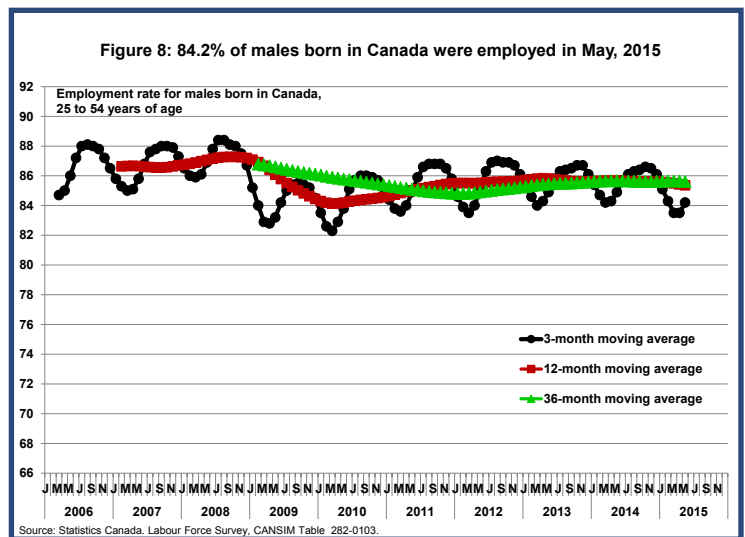
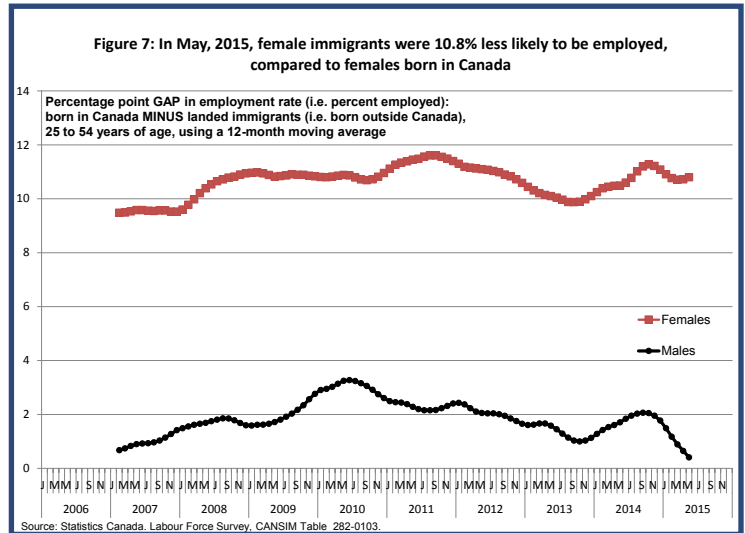


Figure 10: 81.6% of females born in Canada were employed in May, 2015

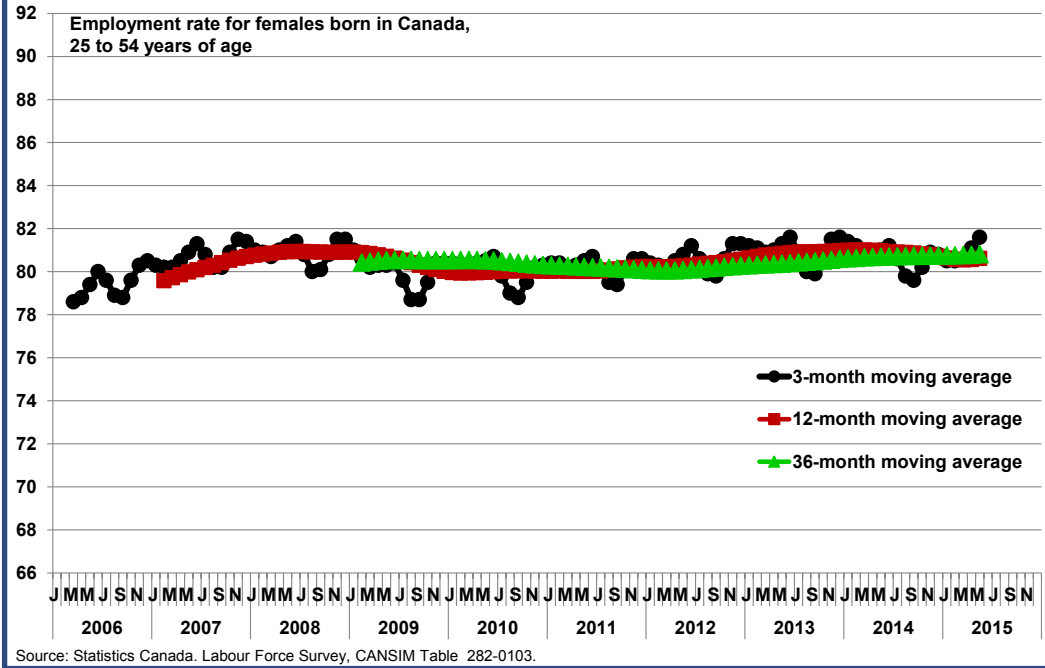
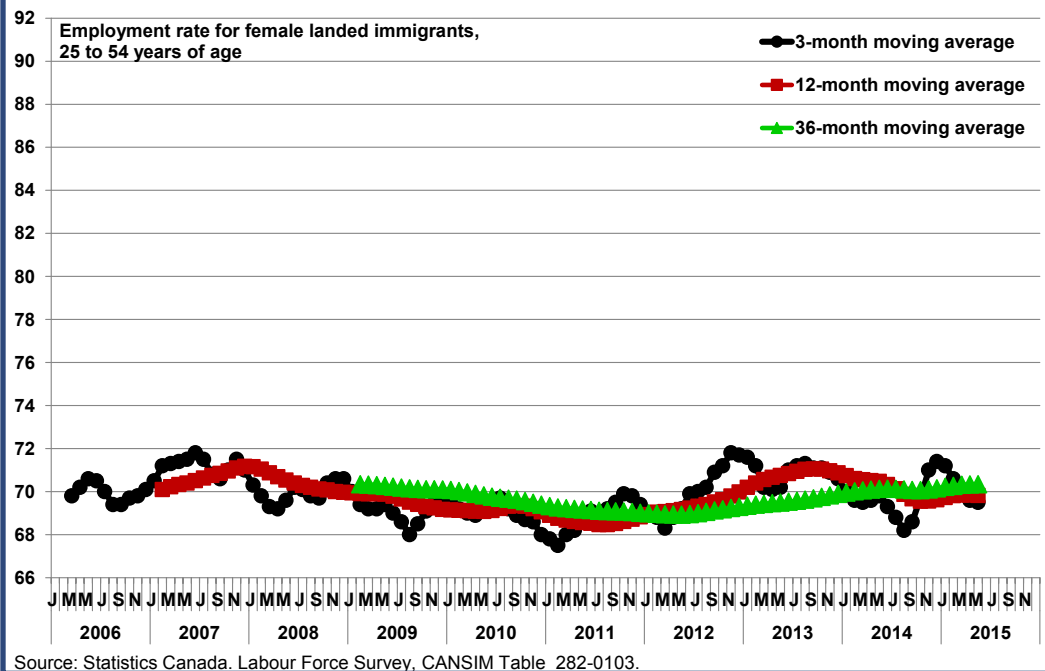


Figure 11: 69.5% of female landed immigrants were employed in May, 2015



no gap for male immigrants who have lived in Canada for 5 or more years – their employment rates are essentially the same as for Canadian-born males.

The number of years spent in Canada is more significant for immigrant women. For women who have lived in Canada for less than 5 years, the employment rate gap is about 25 percentage points, relative to Canadian-born females (Figure 13). After living in Canada for 5 years, this gap falls to about 15 percentage points, and then drops again to about 5 percentage points for female immigrants who have been in Canada for more than 10 years.

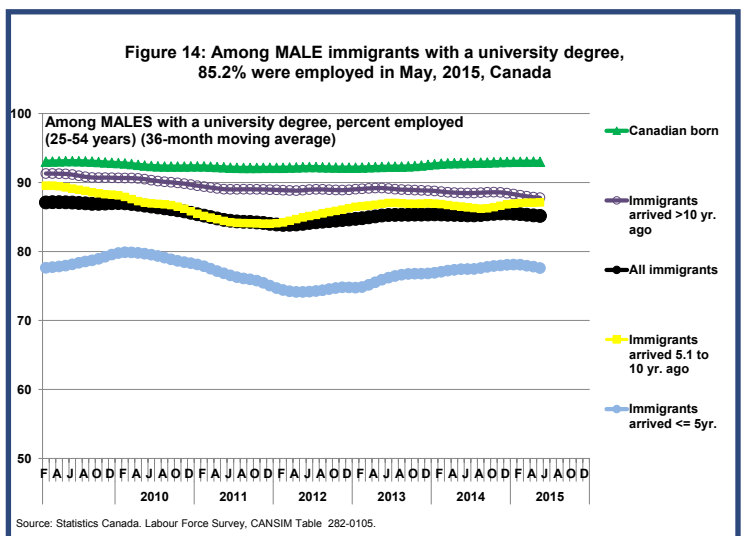
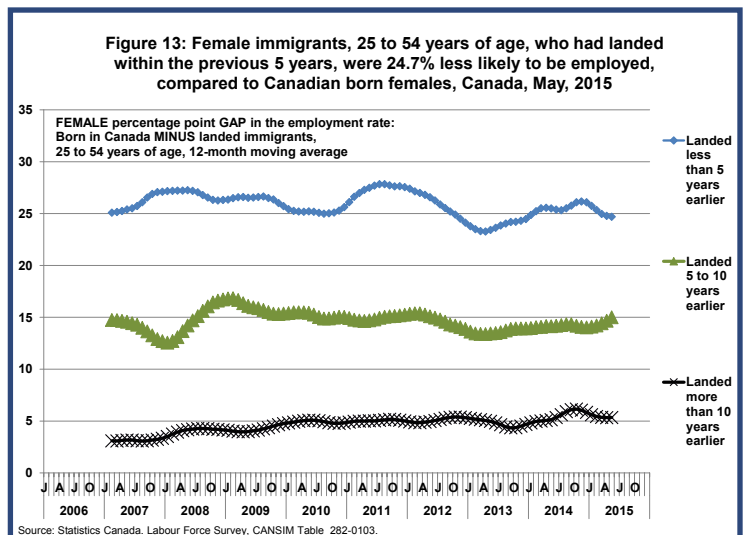
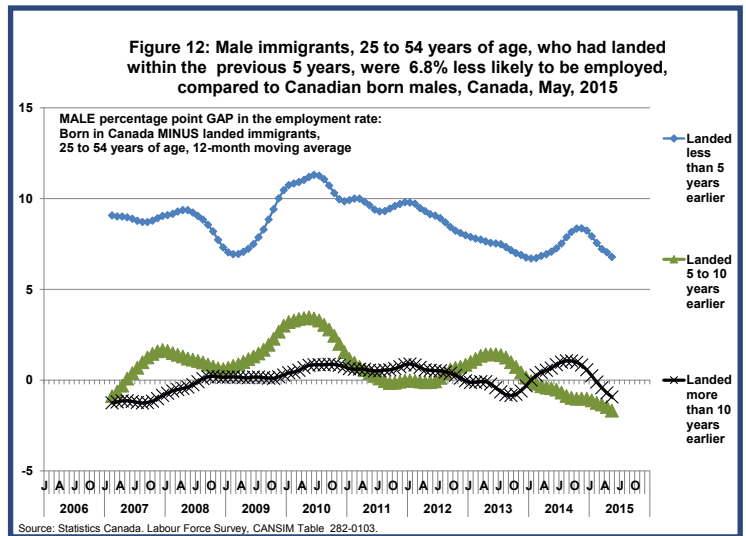
Thus, the employment rate gap is negligible for immigrant males who have been in Canada for 5 years or more but it persists for females, even though the gap declines significantly over time.

The level of education matters⁵:

- ◆ **Highly educated immigrants have higher employment rates but fall below the employment rates of similarly educated Canadian-born individuals**

Immigrants are much more likely to have a university education than the Canadian-born. Interestingly, although university-educated immigrants have higher employment rates 85% in May, 2015 for males (Figure 14) and 75% for females (Figure 15), these fall well below those of the Canadian-born. This gap persists over time, though individuals who have lived in Canada longer, both males (Figure 14) and females (Figure 15), have rates that are much closer to Canadian-born rates.

5. This is an update of Bollman (2014b).



At the other end of the spectrum, within the group of individuals with less than a high school diploma, immigrants have a lower employment rate, 76% for males (Figure 16) and 48% for females (Figure 17) but:

- ◆ for males, the employment rate for recent immigrants is equivalent to the Canadian-born, and male immigrants who have been in Canada for a longer period of time are more likely to be employed than the Canadian born; and
- ◆ for females, those who have lived in Canada for 10 or more years have an employment rate similar to the Canada-born, though the employment rate gap is relatively larger for immigrant females who have lived in Canada for less than 10 years.

References

Bollman, Ray D. (2013a) "Factsheet: Employment Rate of Immigrants by Sex, Canada, 2006-2012." Pathways to Prosperity Bulletin (March).

Bollman, Ray D. (2013b) "Factsheet: Immigrants -- Employment Rates by Level of Education." Pathways to Prosperity Bulletin (December).

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