

## Immigrant Median Earnings by Year of Landing

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### Highlights

- ◆ *The year-of-landing appears to predict the level and trajectory of median wage and salary (W&S) earnings of immigrants to Canada:*
  - *For immigrants who arrived in the 1990 to 2010 period, W&S earnings are similar in the first year of participation in the Canadian labour market (ranging between \$18,000 and \$24,000 in constant \$2012);*
  - *For each year-of-landing cohort, the median W&S earnings increase in real terms due, at least in part, to productivity growth attributable to labour market experience in Canada; and*
  - *Median W&S earnings of a given year-of-landing cohort seldom catch up to the median W&S earnings of an earlier cohort.*

### Why: Earnings of immigrants by year of landing?

Obtaining a job and earning a livable wage are key components of immigrant integration into Canadian society.

This FactSheet reviews the level and trend in immigrant earnings according to the year of landing in Canada<sup>1</sup>.

Our statistics are obtained from Statistics Canada's Longitudinal Immigration Database which, over time, follows the information reported by immigrants on their income tax forms<sup>2</sup>. We focus on immigrants with a W&S job and we display their median W&S earnings over time. We acknowledge that, in this FactSheet, we are not considering the employment experience of immigrants who are self-employed.

### Findings

An earlier FactSheet<sup>1</sup> first showed the percent of immigrants reporting W&S earnings for each year of arrival in Canada. Regardless of year of arrival, there was a common pattern of increases and decreases in the employment rate, following the business cycle. Also, the employment rate for immigrants from any arrival year tends to keep the same pattern relative to the employment rate of immigrants from any other arrival year. 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.

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1. This FactSheet has benefited from conversations with colleagues during a poster session at the 2015 Pathways to Prosperity conference in Toronto. This is an update, with an improved discussion, of an earlier FactSheet: Bollman, Ray D. (2014) "[Factsheet: Immigrant Employment Experience by Year of Arrival in Canada](#)." Pathways to Prosperity Bulletin (London, Ontario: University of Western Ontario, Pan-Canadian Project on "Pathways to Prosperity: Promoting Welcoming Communities in Canada", September, pp. 18-21).

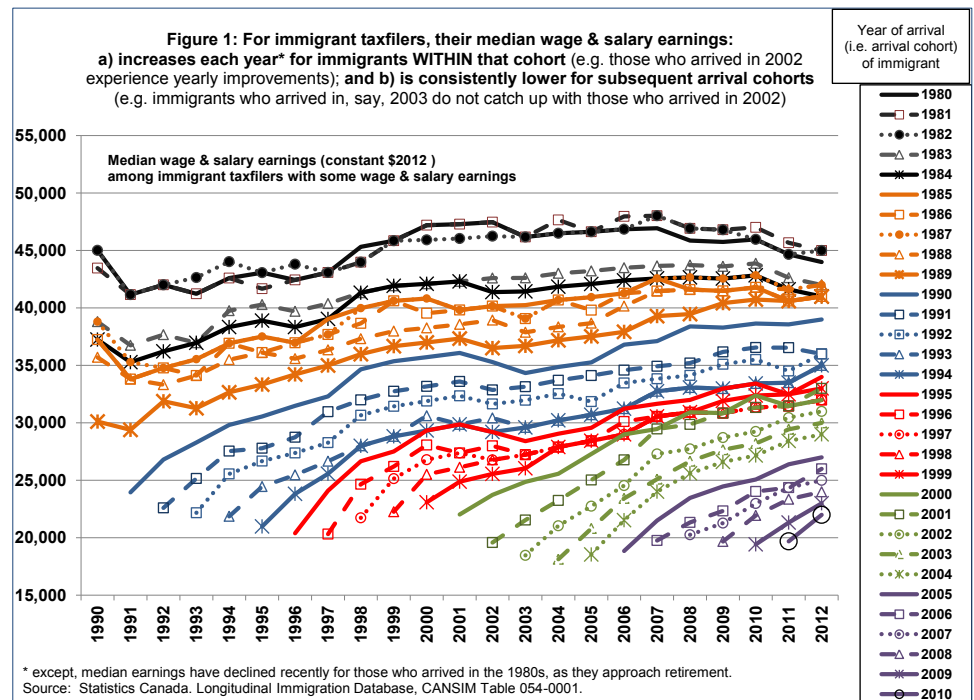
2. Dryburgh, Heather. (2004) [The Longitudinal Administrative Databank and the Longitudinal Immigration Database \(IMDB\): Building LAD-IMDB - A technical paper](#) (Ottawa: Statistics Canada, Cat. no. 89-612-XIE).

The present FactSheet updates our observations regarding the level of W&S earnings (given that some W&S earnings are reported).

Given that the immigrant generates some W&S earnings in a given year, we follow the level and trend of the median W&S earnings for immigrants in each year-of-landing cohort over time. There is one line for each year-of-landing cohort<sup>3</sup>. Figure 1 displays the results

according to calendar year. The beginning of each line (for those who arrived in 1990 or thereafter) shows that median W&S earnings were between \$18,000 and \$24,000 in the first year. Each line shows a positive slope<sup>4</sup> which means W&S earnings increased each year in real terms<sup>5</sup>. However, generally, the lines do not cross – it is seldom the case that the median W&S earnings for a given year-of-landing cohort catch up to the median W&S earnings of an earlier year-of-landing cohort. One interpretation is that each year-of-landing cohort is benefiting from productivity increases for each year of participation in the Canadian labour market.

An alternative way of making the same point is to display the same data in terms of the number of years of experience in the Canadian labour market (Figure 2). Again, we see in Year 1, the range of median W&S earnings is \$18,000 to \$24,000 for those who arrived in the 1990s or the 2000s (because it is the same data as Figure 1). Figure 2 shows the full 20-year trajectory for the 1990, 1991 and 1992 year-of-landing cohorts (because our data end in 2012). Importantly, for each year-of-landing cohort<sup>6</sup> from 1991 to 2010, the median W&S earnings are following the same trajectory. For any given year since landing, the median W&S earnings are within a \$4,000 to \$5,000 range with respect to each of the other year-of-landing cohorts (since 1991). For example, after 5 years of participation in the Canadian labour market, the median W&S earnings vary between \$24,400 for the 2006 year-of-arrival cohort and \$29,300 for the 1995 year of arrival cohort (Figure 2).



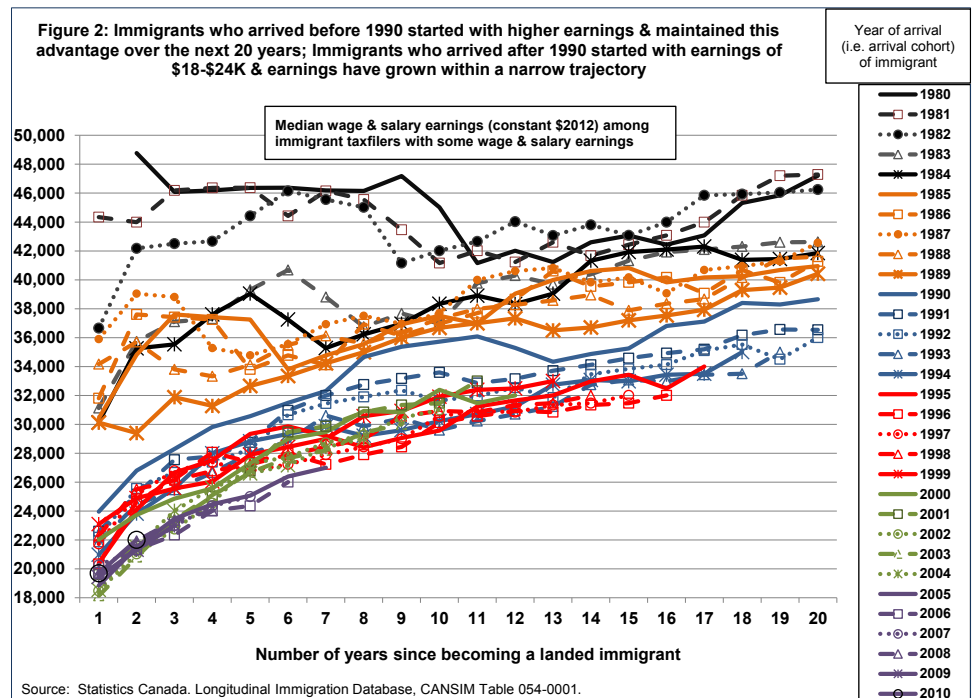
3. The colour coding in Figures 1 and 2 is black for the early 1980s, orange for the late 1980s, blue for the early 1990s, red for the late 1990s, green for the early 2000s and purple for the late 2000s.

4. 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).

5. i.e., in constant \$2012.

6. The median W&S earnings for the 1990 year-of-landing cohort is an exception because the W&S earnings started higher and remained higher throughout the 1991 to 2012 period.

Note, however, for individuals who arrived before 1990, Figure 2 shows the results for their first 20 years in Canada. For those who arrived between 1985 and 1989, the W&S earnings in the first year were in the range of \$30,000 to \$36,000 (\$2012) and after 20 years, their wage and salary earnings varied between \$40,000 and \$43,000 (\$2012). For those who arrived in the 1985 to 1989 period, median W&S earnings were always above the median earnings of those who arrived in 1990 or thereafter, for each year of experience in Canada.



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For those who arrived in the 1980 to 1984 period, their earnings were generally above the earnings of those who arrived in the 1985 to 1989 period, for each year of experience in Canada. For example, for those who arrived in 1982, the median W&S earnings were \$37,000 (\$2012) in the first year (i.e. in 1983) and were \$46,000 in year 20 (i.e. in 2003) (Figure 2).

Figure 2 shows only the data for (up to) the first 20 years of permanent residence in Canada. Thus, one needs to revert to Figure 1 to see the trajectory for, say, the 1982 year-of-arrival cohort for their 21<sup>st</sup> to 30<sup>th</sup> year of residence in Canada. For example, Figure 1 shows the median W&S earnings for the 1982 year-of-arrival cohort is \$45,000 in 2012 (i.e. 30 years after their arrival in Canada).

### Summary

The year of arrival of an immigrant exerts an on-going influence on the level and the trend of W&S earnings of immigrants:

- ◆ For immigrants who arrived in the 1990 to 2010 period, W&S earnings are similar in the first year of participation in the Canadian labour market (ranging between \$18,000 and \$24,000 in constant \$2012);
- ◆ For each year-of-landing cohort, median W&S earnings increase in real terms over time due, at least in part, to productivity growth due to labour market experience in Canada; and
- ◆ Median W&S earnings of a given year-of-landing cohort seldom catch up to the median W&S earnings of an earlier cohort.
- ◆ The year-of-landing of the immigrant appears to predict the level and the trajectory of median W&S earnings of immigrants to Canada.