

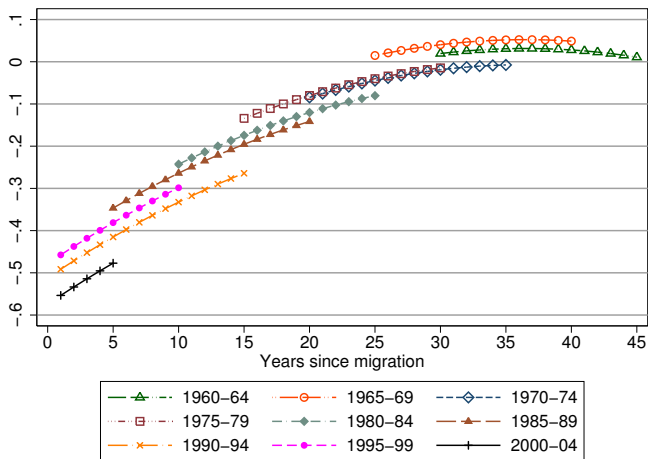
Economic outcomes: Temporary Foreign Workers and International Students

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Quick overview of Economic Outcomes of Immigrants

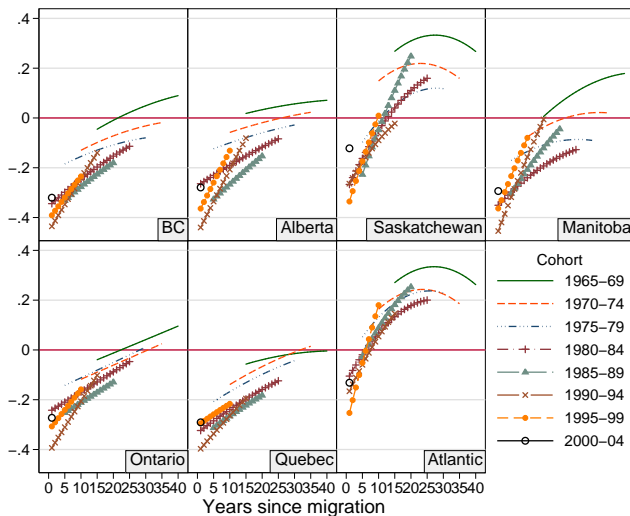
- ▶ Immigrants have tended to do worse in terms of economic outcomes for more recent cohorts
- ▶ Falling entry earnings and generally the earnings assimilation has not been fast enough to catch up to the average earnings of the Canadian born
- ▶ ... wide range of estimates of the Fiscal Burden
- ▶ ... Policy changes for better selection.



Warman, C. and Worswick, C. *Canadian Journal of Economics* (2015);
Data: 1991-2006 Census

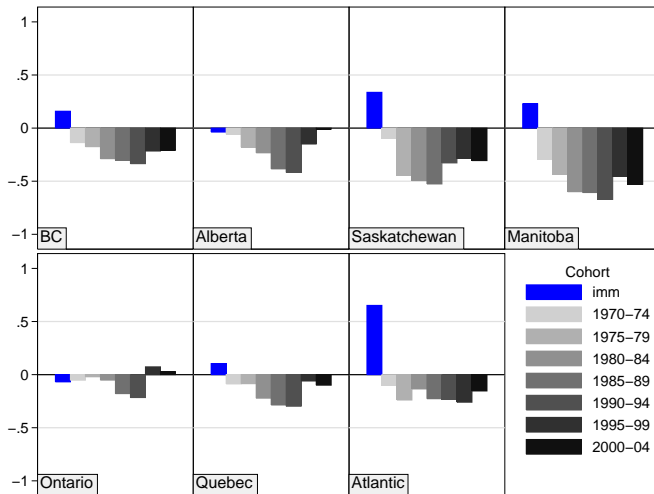
- ▶ Important differences depending on Province/Region

Weekly Earnings ($e^\beta - 1$) by Cohort and Prov., Males. (▶ Females)



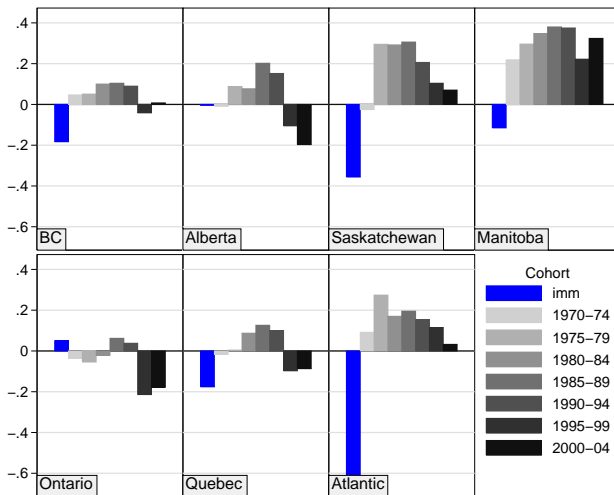
Source: Warman, 2014; Data 1991-2006 Census

Occupational Analytical Requirements by Cohort and Prov., Males.



Source: Warman, 2014; Data 1991-2006 Census

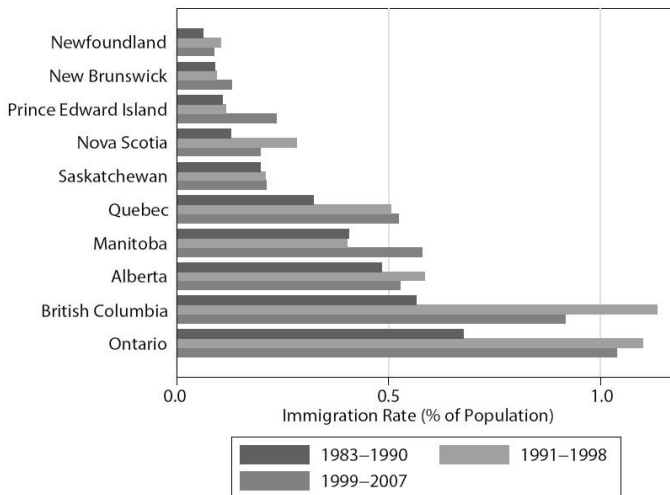
Occupational Physical Strength Requirements by Cohort and Prov., Males.



Source: Warman, 2014; Data 1991-2006 Census

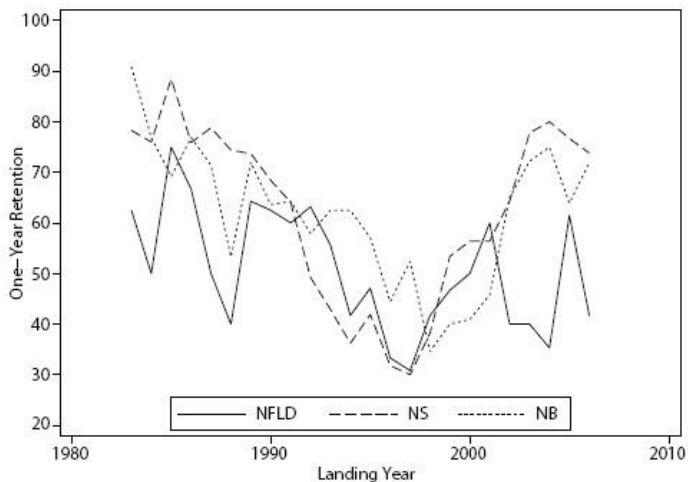
- ▶ Traditionally: Likely only to come and stay in Atlantic Provinces if going to be successful economically.

Immigration rate



Pandey and Townsend, 2011

Retention rates: Atlantic Provinces



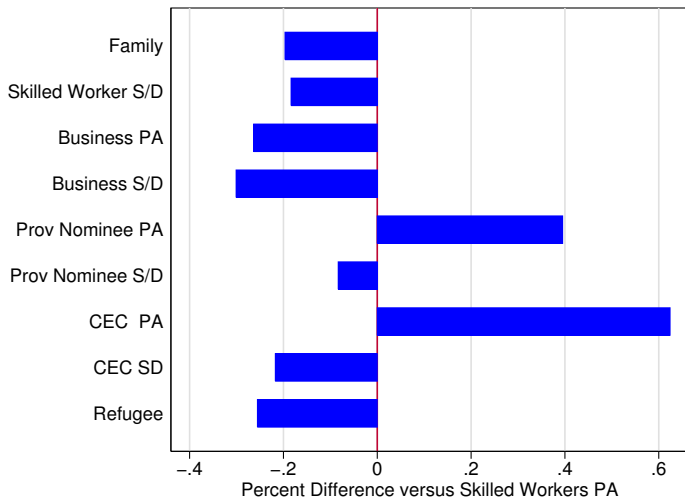
Pandey and Townsend, 2011

How to choose immigrants who will integrate economically?

Canadian Experience Class type programme
successful →

- ▶ applicant has Canadian work experience / education
- ▶ double selection process

Earnings by Admission Category, Males (▶ Females)



Warman, C. and Worswick, C. (2016); Data: IMDB 1990-2012

TFWs

- ▶ not experience the same difficulty with the portability of their human capital
→ skills have already been recognized by at least one Canadian employer

International students

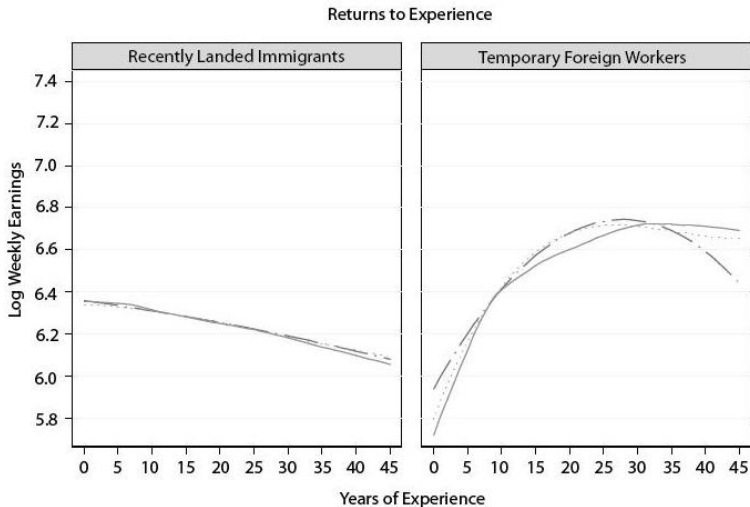
- ▶ obtained their education in Canada
should receive a “normal” return to their education
- ▶ presumably their language skills and Canada-specific knowledge should be appropriate to the Canadian labour market

- ▶ TFW better outcomes than recent immigrants (Warman 2010)
- ▶ Former TFWs better early outcomes than other Economic Immigrants (Sweetman and Warman (2014) and Hou and Bonikowska (2015))
- ▶ Mixed outcomes for Former International Students, but still early . . .

Returns to Experience, Full Sample

▶ VM

▶ NVM



Warman (2010) "The Portability of Human Capital of Male Temporary Foreign Workers" in Canadian Immigration: Economic Evidence for a Dynamic Policy Environment, Chapter 8

Large number of international students (good pool of potential immigrants...)

Potential considerations:

- ▶ Language skills acquired by immigrants in schools where large proportion of students do not speak English(/French) ... little emphasis placed on writing skills
- ▶ Impacts how education is delivered and how students are assessed.
 - ▶ Also have an impact on quality of education of domestic students

Other considerations/future needed research: What is the required Age at arrival and Economic Success?

Net contributor . . .

- ▶ Need to earn a certain income to be a net contributor (cover own social services)
- ▶ Lifecycle → cover retirement (may look good in a cross-section . . .)
- ▶ Immigration has only a negligible impact on “average” age of population (→ although impact likely larger in Atlantic/Rural areas.)

Sending immigrants to places with out migration ... Locals can't find jobs ...

- ▶ Sending immigrants there always make sense? ...
 - ▶ language ability issues, credential issues, lack of knowledge of local job market ...
 - ▶ immigrants having problems integrating economically, why expect them to be successful in places the domestic born are not?

Cost of servicing small and rural areas is very expensive

- ▶ Cost of water, schooling, roads, hospitals etc. ...

ECONOMY

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Why Canadians are being offered cash to abandon their homes

B JOSH WINGROVE, **BLI** [BLOOMBERG NEWS](#) | September 22, 2016 | Last Updated: Sep 22 3:08 PM ET
[More from Bloomberg News](#)



A world away from Canada's glamorous, global cities, a bitter feud divides Little Bay Islands, Newfoundland, a tiny, dying island that has come to represent the grim underbelly of Canada's economic outlook. Josh Wingrove/Bloomberg

On the far eastern edge of Canada sits Little Bay Islands, a beautiful, dying village divided by crisis. The fish plant was shuttered half a decade ago, and most supporting businesses – as well as the school – have closed with it. Perry Locke is among the tiny population that's left. He served as the mayor, the fire chief and now runs the power-generating station. His son was the last student enrolled in town.

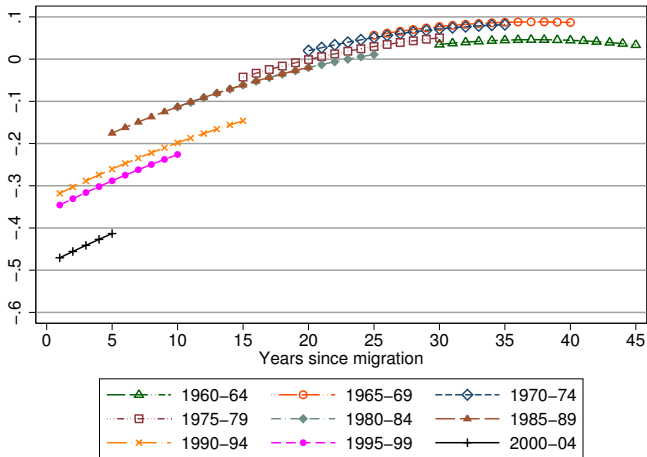
Fishing villages like this one built Newfoundland and Labrador, a coastal province sent into a tailspin by a fishery collapse, oil-price slump and mounting debt that left it with Canada's most severe fiscal and demographic crisis. The provincial government now is pushing to close places like Little Bay Islands altogether rather than service them, offering Locke and his neighbors at least \$250,000 (US\$189,000) each to leave – and spurring a bitter, three-year fight over whether to cash out or endure.

Conclusions?

- ▶ TFW & International Students can be a good pool to draw immigrants from
- ▶ Challenges making sure they are successful and are net economic contributors

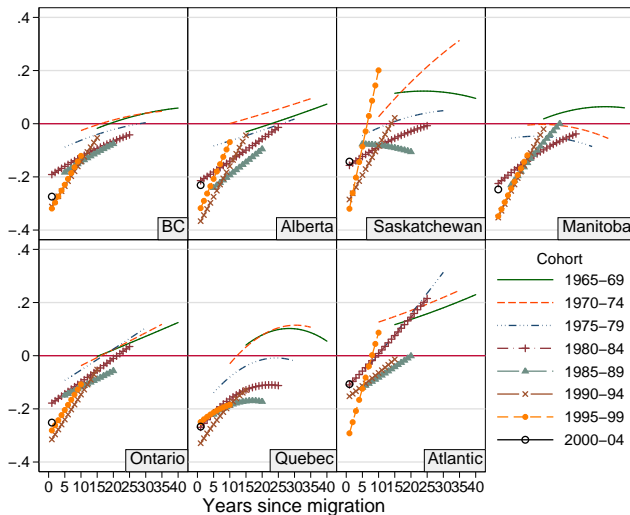
Earnings by Immigrant Cohort conditioning on Education, Females

◀ Males



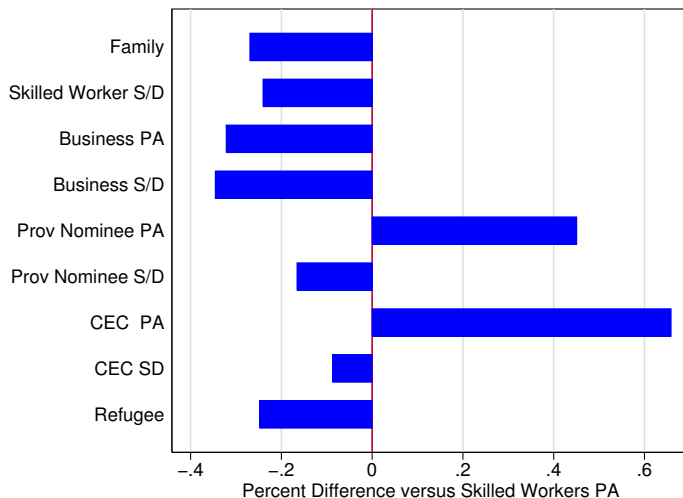
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Weekly Earnings ($e^{\beta} - 1$) by Cohort and Prov., Females. (◀ Males)



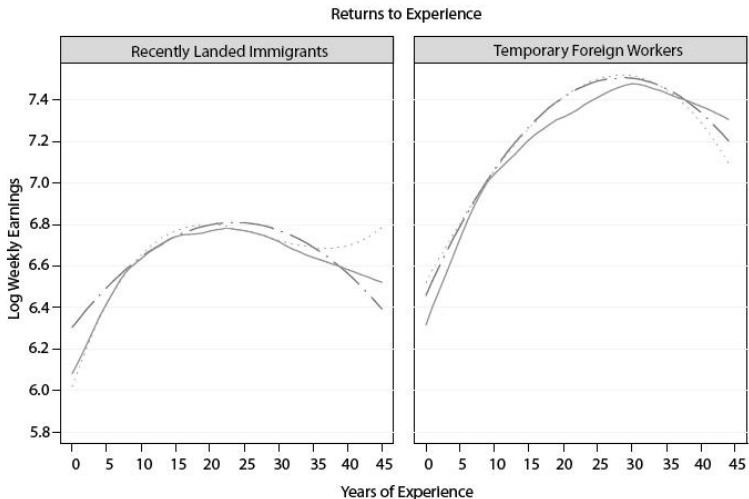
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Earnings by Admission Category, Females (◀ Males)



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Non-Visible Minorities with Either English/French as Their Mother Tongue from Western Countries([FullSamp](#))



Warman (2010) "The Portability of Human Capital of Male Temporary Foreign Workers" in Canadian Immigration: Economic Evidence for a Dynamic Policy Environment, Chapter 8