

# The Better Measure of Inequality?

## An examination of differences in income and net-worth outcomes of immigrant families

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PRESENTED BY CAVITA MEETUN

MA SOCIOLOGY, FACULTY OF SOCIAL SCIENCES, WESTERN UNIVERSITY

# Outline

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1. Inequality
2. Immigration at a glance...
3. Economic Outcomes
4. Comparing Income & Net-worth
5. Research Questions
6. Methods
7. Results
8. Discussion
9. The Better Measure
10. Appendix

# Inequality

**Income inequality before and after transfers and taxes, Canada, 1976-2011**



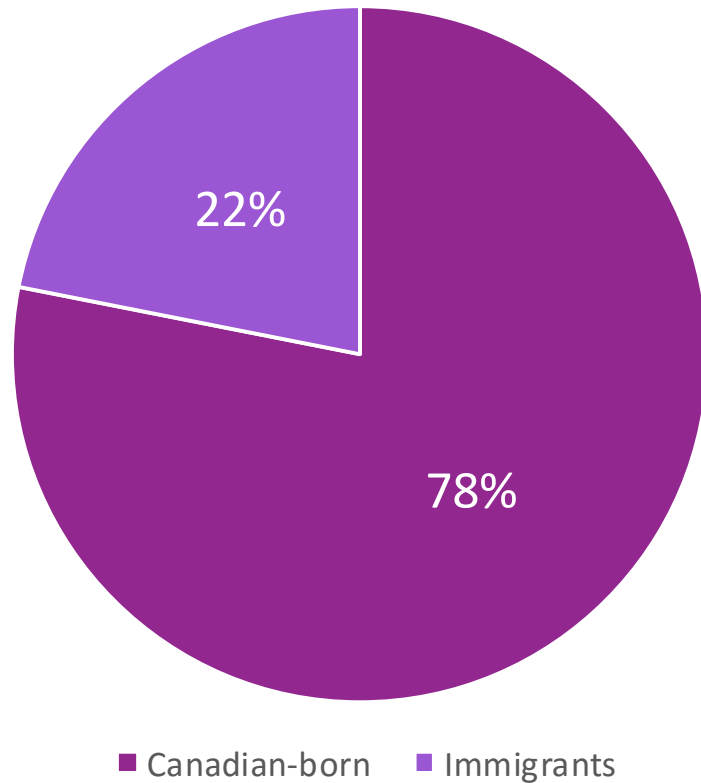
Source: Statistics Canada, CANSIM table 202-0709.

Note: This is figure 3 in Heisz and Murphy (in this volume).

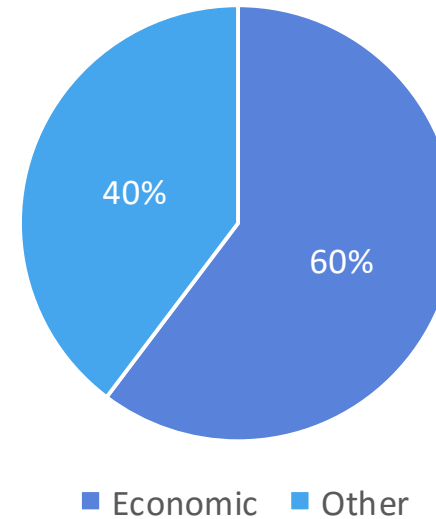
# Immigration at a glance...

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2016 Census

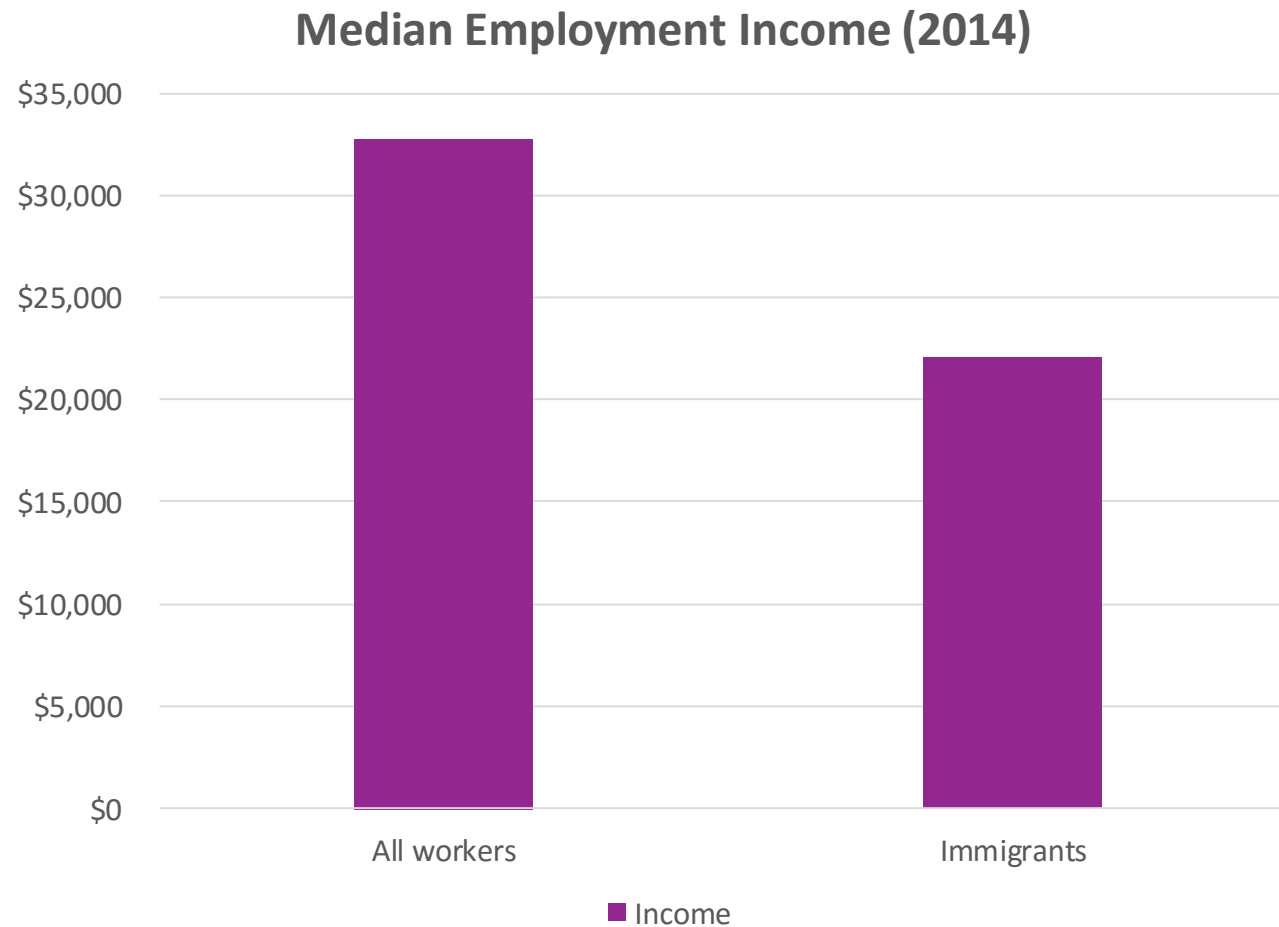


Entrance category (2011-2016)



# Economic Outcomes

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# Income

**PAYCHECK** *AnyBusiness,*  
*Anytown,*  
*USA* 2004

PAY TO THE ORDER OF Valued Employee \$ 445.55

Four Hundred Fortyfive and 55 cents Dollars

Weekly Hours:	40
Total Overtime:	12
Total Hours:	52

*AnyBusiness*

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Income →

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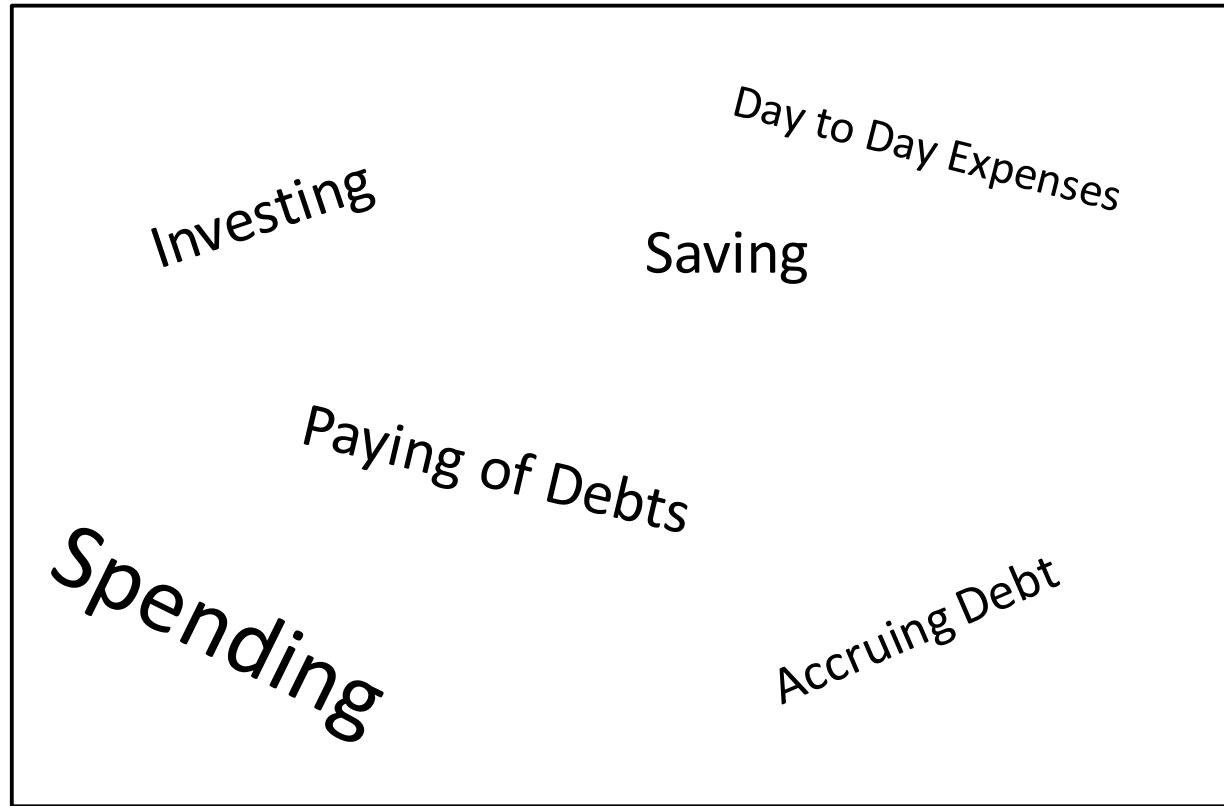
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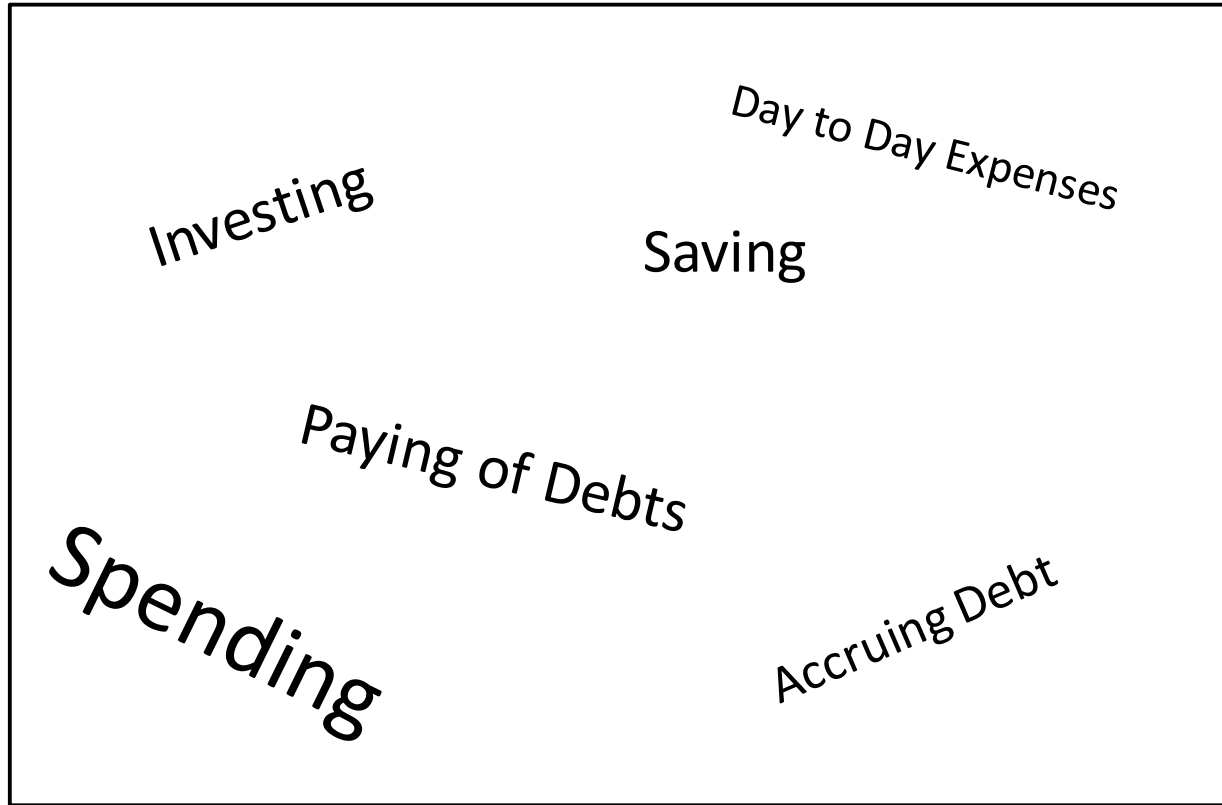
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= Net-worth





# Research Questions

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1. Do all immigrants, regardless of country of origin, have **lower economic resources** in the form of 1a) household **income** and 1b) household **net-worth** than native-born Canadians?
2. Do these differences in household income and household net-worth decline with the **length of residence** in Canada?
3. To what extent do **structural characteristics** like work experience (current employment status) and sending remittances to home country explain differences in household income and household net-worth between immigrants and native-born Canadian individuals?
4. Does **entry class**, as a proxy for immigrants' resources upon entry to Canada, help explain differences in household income and household net-worth between immigrants and native-born Canadian individuals?
5. Are household net-worth disparities between immigrants and native-born Canadians **greater** than household income disparities?

# Research Questions

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1. Do all immigrants, regardless of country of origin, have **lower economic resources** in the form of 1a) household **income** and 1b) household **net-worth** than native-born Canadians?
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# Methods

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**Data:** 2012 Survey of Financial Security & Longitudinal Immigration Database

**Analytical Strategy:** OLS Linear Regression

**Analytical Sample:** Economic family

**Dependent (outcome) variables:** Logged household **income**, Logged household **net-worth**

**Independent variables:** Immigrant region of origin, Immigrant entry class, Years since migration, Years since migration<sup>2</sup>, Remittances

**Controls:** Logged household income, Marital status, Number of earners, Employment status of the household head, Education level, Age, Age<sup>2</sup>, Sex, Region of Residence

*All results presented are weighted using analytical survey weights.*

# Results for Income

	Model 3
<b>Immigrant Region of Origin (vs. Canadian-born)</b>	
Central/South American	-0.685*** (0.059)
European	-0.613*** (0.056)
African	-0.461*** (0.065)
Central Asian	-0.751*** (0.059)
East Asian	-0.636*** (0.046)
Note: * $p < 0.05$ ** $p < 0.01$ *** $p < 0.00$	

# Results for Net-worth

	Model 3
<b>Immigrant Region of Origin (vs. Canadian-born)</b>	
Central/South American	-1.160*** (0.280)
European	-0.157 (0.266)
African	-1.054** (0.308)
Central Asian	-0.853** (0.283)
East Asian	-0.090 (0.221)
Note: * $p < 0.05$ ** $p < 0.01$ *** $p < 0.00$	

# Results for Income & Net-worth

	Model 3 (Income)	Model 3 (Net-worth)
<b>Immigrant Region of Origin (vs. Canadian-born)</b>		
Central/South American	-0.685*** (0.059)	-1.160*** (0.280)
European	-0.613*** (0.056)	-0.157 (0.266)
African	-0.461*** (0.065)	-1.054** (0.308)
Central Asian	-0.751*** (0.059)	-0.853** (0.283)
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# Discussion

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1. Do all immigrants, regardless of country of origin, have **lower economic resources** in the form of 1a) household **income** and 1b) household **net-worth** than native-born Canadians?
2. Are household net-worth disparities between immigrants and native-born Canadians **greater** than household income disparities?



The Better Measure?