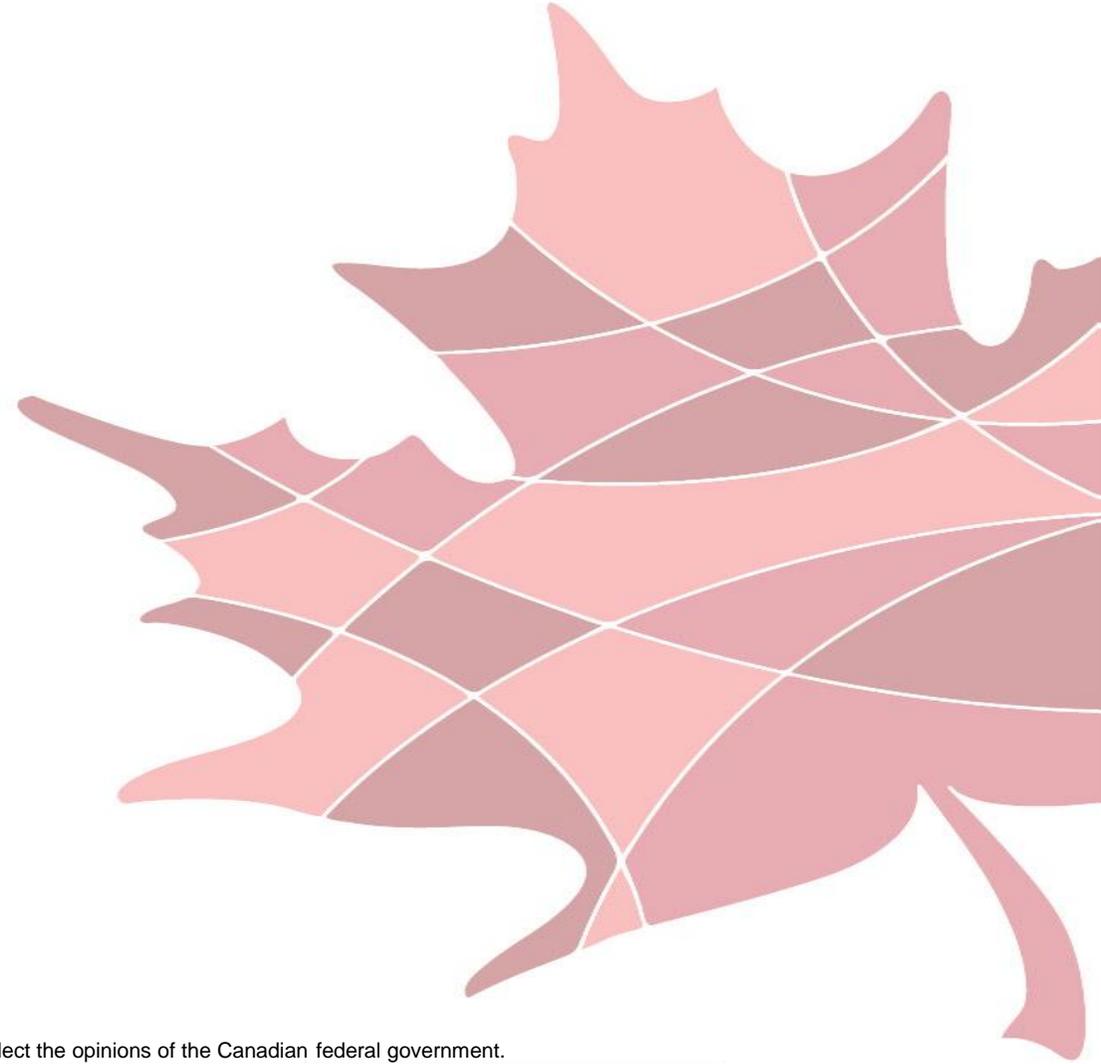


International students as a source of labour supply: Trends and transitions

Eden Crossman, Immigration, Refugees and Citizenship Canada
Youjin Choi and Feng Hou, Statistics Canada

Presentation for the Pathways to Prosperity 2021 National Conference

November 8, 2021



The views expressed in this presentation are those of the authors and do not necessarily reflect the opinions of the Canadian federal government.



Immigration, Refugees
and Citizenship Canada

Immigration, Réfugiés
et Citoyenneté Canada

Canada

Purpose of presentation

- To examine and document the growth in the number of international students and their changing socio-demographic characteristics.
- To present rates of international student transition to permanent residence and consider the factors that contribute to transition.

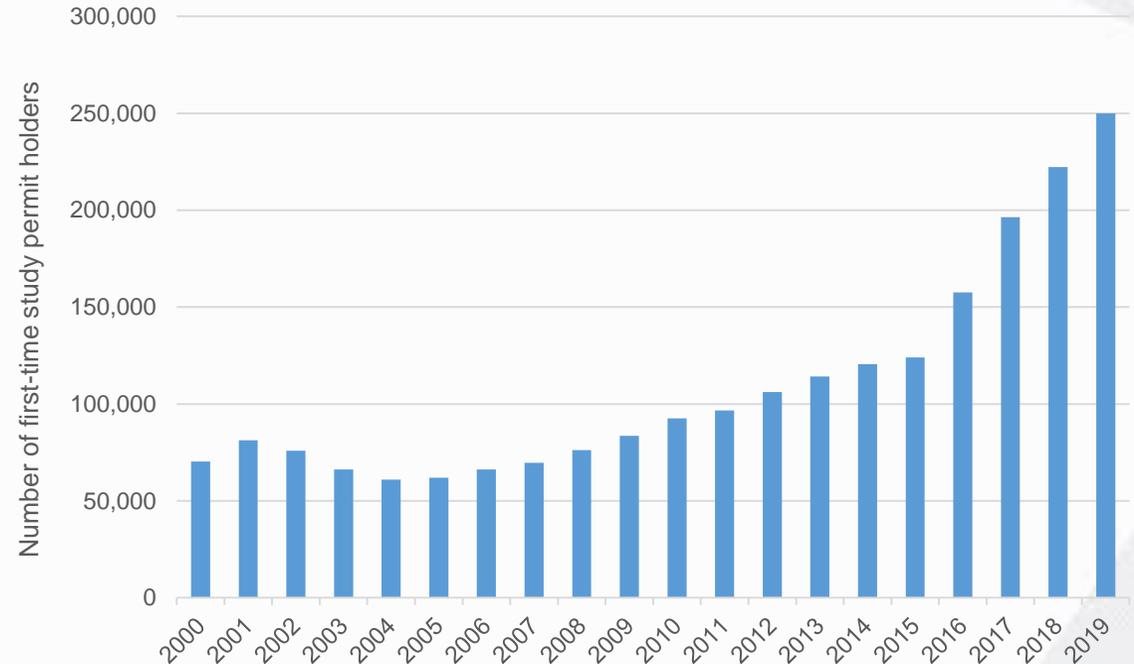
Note: This presentation uses the terms “international students” and “study permit holders” interchangeably, and the numbers reported refer specifically to the latter.

The number of first-time study permit holders has increased fairly steadily since the mid-2000s

Drivers of international student inflows:

- The number of international students has grown considerably worldwide.
- In recent years, Canada has led other major Western countries in the growth of international students.
 - Likely related to both the changing reception environment in other major receiving countries and concrete measures adopted by the Canadian government and educational sector to attract international students.
- Two key policy factors came into play after 2014 which may have influenced the recent international student trajectory in Canada in terms of number and characteristics:
 - **International Student Program regulatory changes** that took effect on June 1, 2014.
 - Government of Canada's ***International Education Strategy 2014-2019***, and subsequent ***International Education Strategy 2019-2024***.
- Changes in a source country's economic conditions and political environment could also affect the inflow of international students from a particular country.

Trends in number of first-time study permit holders



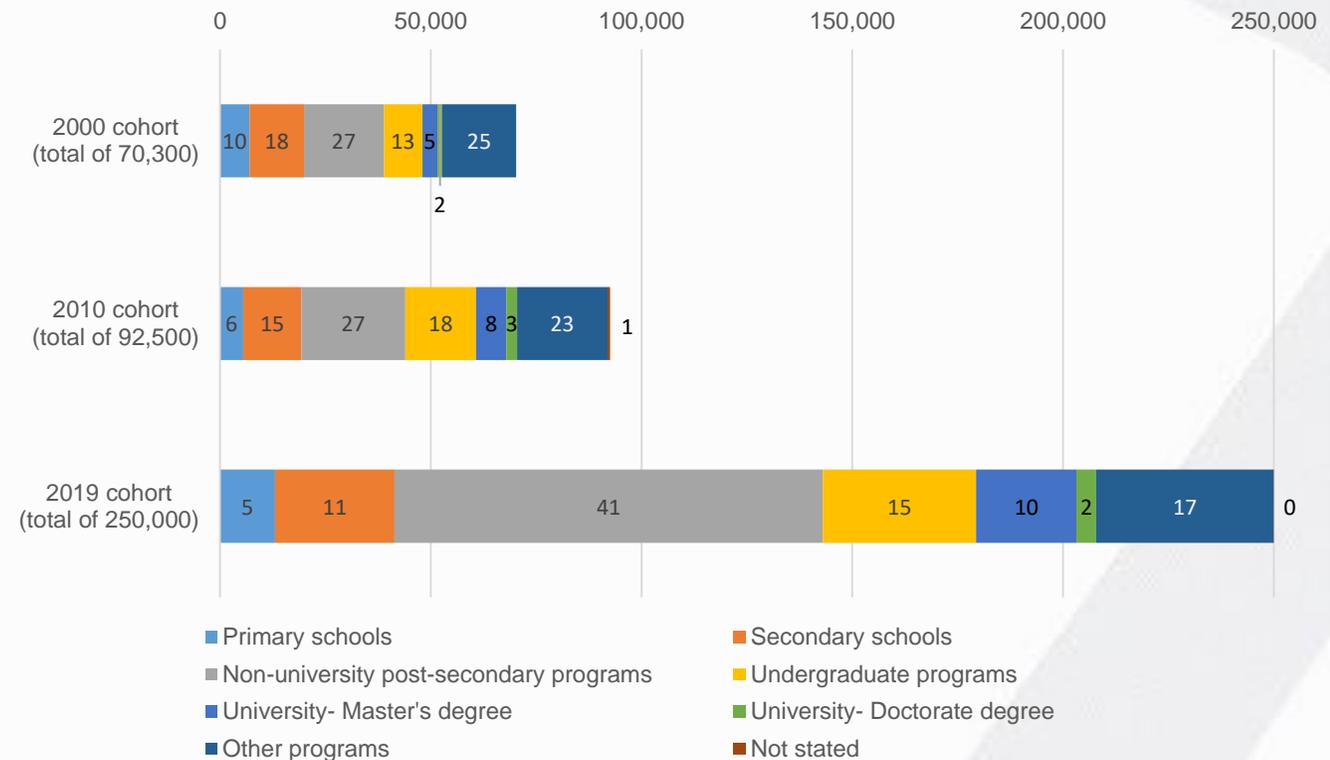
Notes: First-time study permit holders are defined as those who had no study permit within the prior 10 years. They might have received other types of temporary permits. Counts are rounded to the nearest 10.
Source: Longitudinal Immigration Database. Crossman, E., Y. Choi, and F. Hou. 2021. "International students as a source of labour supply: The growing number of international students and their changing sociodemographic characteristics." *Economic and Social Reports* 1(7): 1-11. Statistics Canada, Catalogue no. 36-28-0001.

The increase in the number of international students was faster in some programs than in others - shares studying at the college and master's degree levels increased

The program composition associated with first-time study permit holders evolved since the year 2000:

- In 2019, the share of first-time study permit holders who intended to study at the primary level was 5%—a drop from 10% in 2000. The corresponding share also declined at the secondary level from 18% in 2000 to 11% in 2019.
- In contrast, the share of first-time study permit holders for college programs (non-university post-secondary programs) grew from 27% in 2000 to 41% in 2019. The share intending to study at the master's degree level doubled, from 5% in 2000 to 10% in 2019.
- The share of first-time study permit holders at the bachelor's degree level peaked in the late 2000s (accounting for about one in five study permits), and by the late 2010s had fallen back to the levels of the early 2000s (e.g., 13% in 2000 and 15% in 2019). The share intending to study at the doctorate degree level remained fairly stable, at roughly 2% over the period.

Educational level composition of first-time study permit holders, 2000, 2010, and 2019



Notes: First-time study permit holders are defined as those who had no study permit within the prior 10 years. They might have received other types of temporary permits. Counts are rounded to the nearest 10. Graph bars depict share (%) by educational level.
Source: Longitudinal Immigration Database. Crossman, E., Y. Choi, and F. Hou. 2021. "International students as a source of labour supply: The growing number of international students and their changing sociodemographic characteristics." *Economic and Social Reports* 1(7): 1-11. Statistics Canada, Catalogue no. 36-28-0001.

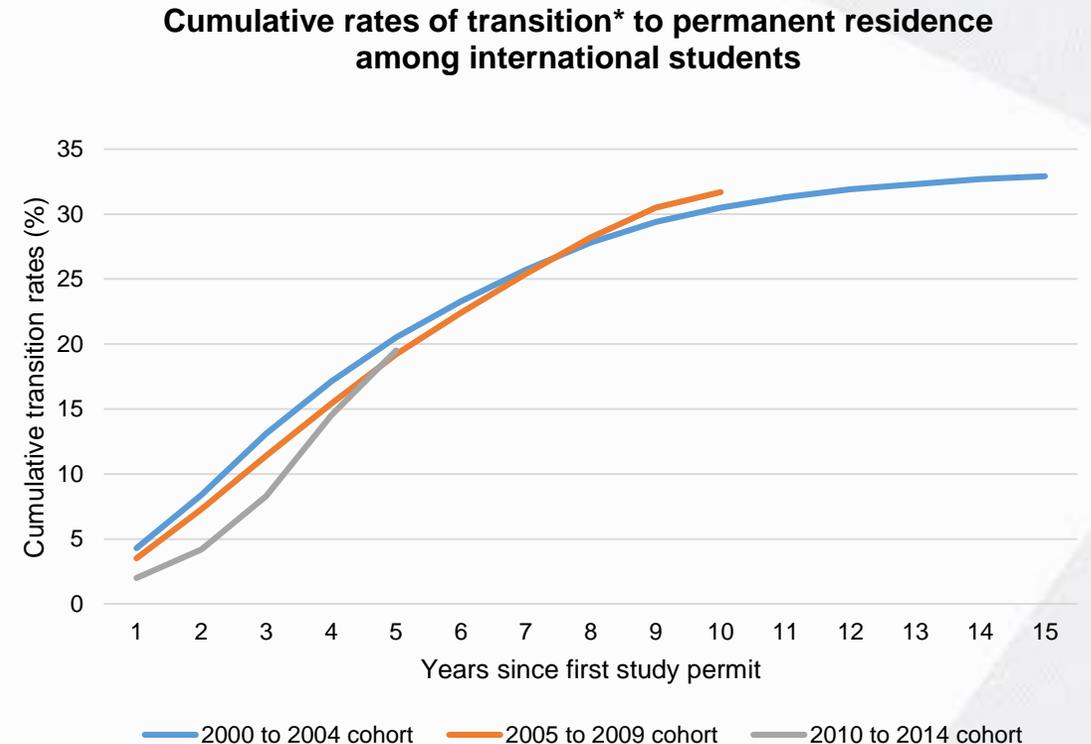
There was increased concentration in terms of age, source countries, provinces of study, and fields of study of international students

International student socio-demographic trends over 2000 to 2019:

- Related to the trends in level of study, there was a notable uptake in the share of international students aged 18 to 24. The share of this age group rose from 52% in the 2000-to-2004 cohort to 59% in the 2015-to-2019 cohort.
- An increasing concentration in source countries of international students occurred – not only did the same seven countries remain among the top ten source countries (South Korea, China, Japan, the United States, France, Mexico, and India), but there was growth in the total share of international student arrivals from these countries when taken as a group (from 59% in the 2000-to-2004 cohort to 67% in the 2015-to-2019 cohort).
- Ontario attracted the largest share of international students in the early 2000s, and this attraction grew over time (from 37.4% in the 2000-to-2004 cohort to 48.9% in the 2015-to-2019 cohort), while the share of those headed to British Columbia declined (from 31.1% to 22.7%, respectively).
- The field of business, management and public administration attracted a large and growing share of international students studying at the college level.
- Overall, the **post-2015** increase in annual international student numbers was characterized by growing shares of international students from India, those studying at the college level, those studying in Ontario, and those studying in the field of business, management and public administration.

About 3 in 10 international students who entered Canada in 2000 or later became a landed immigrant within ten years

- By **program of study**, more than half of international students who came to study for a master's or doctoral degree became a landed immigrant within ten years. This compares with 1 in 3 bachelor's degree students.
 - Across arrival cohorts, there was a notable increase in the transition rate among those international students enrolled in college-level courses.
- Transition to permanent residency differed by the **destination province** of the first study permit – it was generally highest in Ontario and Alberta and lowest in British Columbia.
- The rate of transition varied by **source country**. International students from Nigeria, India, Vietnam and China had rates of transition 2 to 3 times higher than those from other major source countries within 10 years after the first study permit had been obtained.



Note: Cumulative rates of transition to permanent residence (by cohort) are defined as the share of international students who became landed immigrants a number of years after obtaining their first study permit.

Source: Longitudinal Immigration Database. Choi, Y., E. Crossman, and F. Hou. 2021. "International students as a source of labour supply: Transition to permanent residency." *Economic and Social Reports* 1(6): 1-12. Statistics Canada, Catalogue no. 36-28-0001.

Six in 10 first-time study permit holders who worked during their period of study or after graduation became permanent residents

- International students who obtained an **additional temporary resident permit** had a transition rate 2 times as high as of the 5th year after their arrival in Canada and 3 times as high as of the 10th year, compared with those who obtained only a study permit.
- International students who obtained a **work permit** had a much higher rate of transition to permanent residency than those who did not obtain a work permit.
 - For those who obtained a **Post Graduation Work Permit (PGWP)**, 62% became landed immigrants within 10 years of having obtained their first study permit—a slightly higher share than that of international students who obtained another type of **International Mobility Program (IMP)** work permit and more than double the share of those who obtained a study permit only.
- Six in 10 international students who had **paid earnings** in Canada became landed immigrants within 10 years after having obtained their first study permit.

International students' cumulative rates of transition to permanent residency 5 years and 10 years after the first study permit by select post-arrival characteristics

First study permit obtained in	Cumulative transition rates				
	5 years after the first study permit			10 years after the first study permit	
	2000 - 2004	2005 - 2009	2010 - 2014	2000 - 2004	2005 - 2009
	Percent				
Overall	21	19	20	31	32
Had another temporary residency permit in Canada					
No	12	12	10	13	13
Yes	27	24	23	43	43
Received PGWP work permit	16	21	33	62	62
Received other IMP work permit (never received PGWP permit)	43	34	21	59	46
TFWP work permit (never received an IMP work permit)	29	36	37	56	53
Refugee claims/Temporary resident permit (never received a work permit)	29	17	25	40	24
Received other study permits (never received other types of temporary permits)	23	19	11	28	23
Had paid earnings in Canada					
No	13	11	9	16	13
Yes	37	32	32	63	62
Highest annual earnings in Canada (in 2017 dollars)					
Below \$20,000	41	33	19	57	46
\$20,000 to \$49,999	34	32	44	73	76
\$50,000 or more	24	31	59	73	87

Note: The Year 10 cumulative rate of transition for the 2005 to 2009 cohort includes those who received their first study permit in 2005 to 2008 given data availability at the time of study. For the same reason, the Year 5 cumulative rate of transition for the 2010 to 2014 cohort includes those who received their first study permit in 2010 to 2013.

Source: Longitudinal Immigration Database and T4 linkage. Choi, Y., E. Crossman, and F. Hou. 2021. "International students as a source of labour supply: Transition to permanent residency." *Economic and Social Reports* 1(6): 1-12. Statistics Canada, Catalogue no. 36-28-0001. <https://www150.statcan.gc.ca/n1/pub/36-28-0001/2021006/article/00002-eng.htm>

Summary

- While the number of first-time study permit holders increased fairly steadily since the mid-2000s, there was a marked jump in this annual number in the years after 2014 (a period in which two key policy factors also came into play - *International Student Program* regulatory changes and the Government of Canada's *International Education Strategy*).
- Despite growing in size, in many ways the international student population became less diverse over the past two decades, with increased concentration of international students by level of education, age, source country, province of study, and field of study.
- About 3 in 10 international students who entered Canada in 2000 or later became landed immigrants within 10 years of having obtained their first study permit. This share rose to more than half among international students who came to study for a master's or doctorate degree.
- Six in 10 international students who were employed during their period of study or after graduation became landed immigrants within 10 years of having obtained their first study permit (compared with less than 2 in 10 among those who did not work). Higher levels of earnings from employment while studying or after graduation were associated with an increased likelihood of transition to permanent residency.

International students as a source of labour supply:

Complete

- The growing number of international students and their changing sociodemographic characteristics.
<https://www150.statcan.gc.ca/n1/pub/36-28-0001/2021007/article/00005-eng.htm>
- Transition to permanent residency.
<https://www150.statcan.gc.ca/n1/pub/36-28-0001/2021006/article/00002-eng.htm>
- Retention in their province of study.
<https://www150.statcan.gc.ca/n1/pub/36-28-0001/2021006/article/00003-eng.htm>

Forthcoming

- Engagement of international students in the labour market during the period of study.
- Engagement of international students in the labour market post-graduation (yet before immigration).
- Economic outcomes of international students after becoming landed immigrants.