

ECONOMIC INTEGRATION: A MORE HOLISTIC VIEW TO MEASURING SUCCESS

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OVERVIEW

- ① Overview of current approach to measuring economic integration
- ② How we can be more holistic in our approach
- ③ Why we should be optimistic moving forward





Canadian Immigration Policy

1966

CONTEXT

- **CANADIAN FEDERAL WHITE PAPER ON IMMIGRATION (1966):**

“Some professional associations, trade unions and provincial licensing authorities are not as ready as they might be to recognize qualifications earned in another country. Consequently some immigrants are not able to follow their own occupation on arrival here and must accept alternative employment at least until they are able to meet the applicable Canadian standards...It must be hoped that this problem will be overcome as the leaders of public opinion come to recognize the economic advantage of more mobility, particularly among professional people and skilled workers, both nationally and internationally...”



REASONS WHY ECONOMIC INTEGRATION IS DIFFICULT

- Crux of matter: Employers and regulatory bodies struggle to evaluate foreign credentials and work experience:
 - Are they equivalent to Canadian standards?
- Change in source countries post-1967 made economic integration more challenging
- Previous challenges with economic class selection system
- Discrimination (e.g., Oreopoulos 2011 resume study)
- Most newcomers welcomed for non-economic purposes
- Overall: Up to \$13 billion lost in wages by newcomers each year (Conference Board's Brain Gain 2015 study)

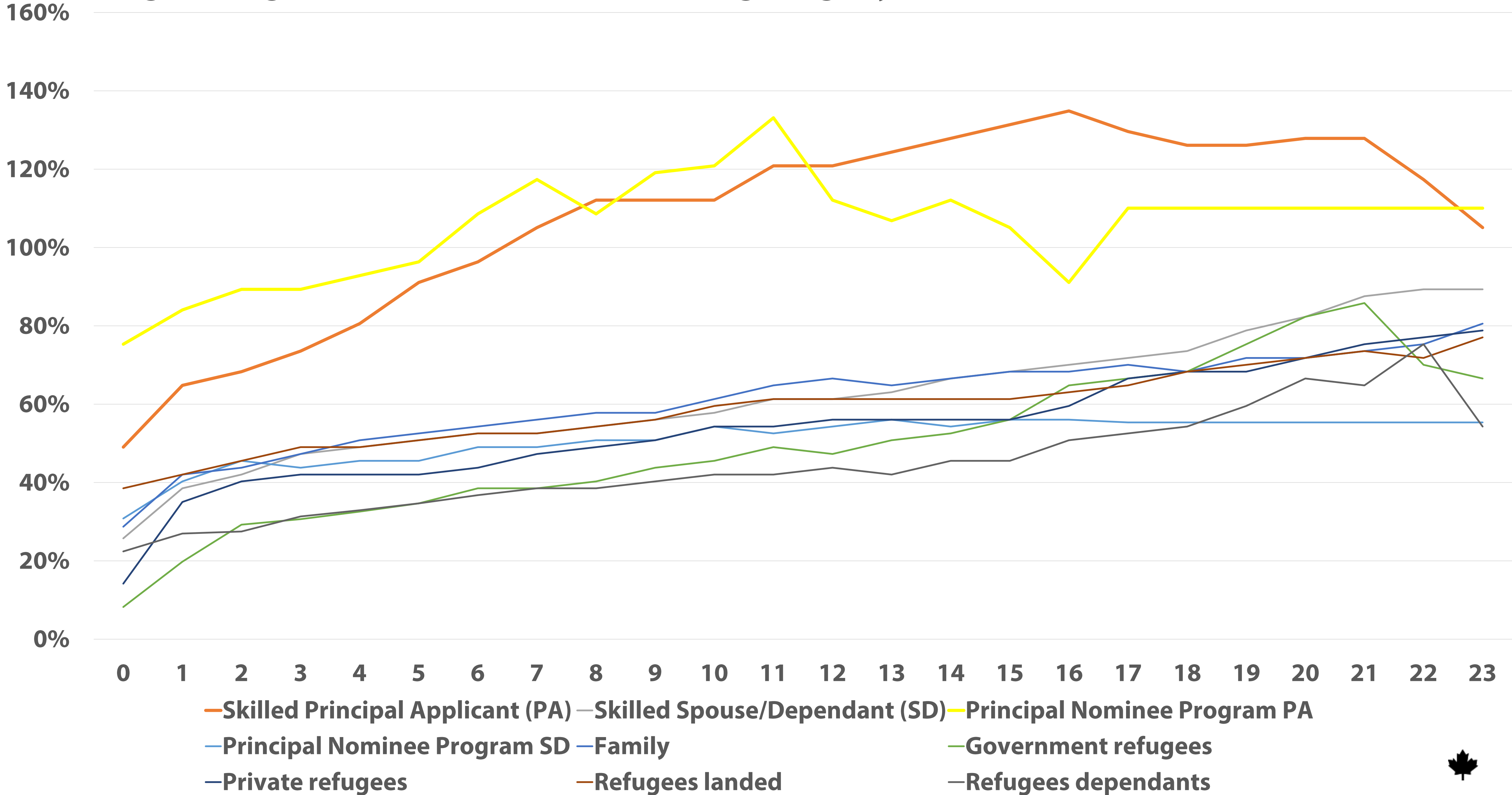


MEASURING ECONOMIC INTEGRATION TODAY

- Mostly focus on annual income based on years since landing (YSL)
- Also assess labour force participation, employment, and unemployment
- Some of the limitations include:
 - Economic outcomes can be depressed by recessions (e.g., 2008-09)
 - 76% admitted for non-economic reasons
 - Many other metrics we can measure to give us a more comprehensive picture



Immigrant Wages as a % Share of Canadian Average Wage by YSL



A MORE HOLISTIC APPROACH TO MEASURING SUCCESS

Only principal applicants should be compared with Canadian-born after 5+ years since landing

Not realistic and not helpful to expect 76% of immigrants to have same outcomes as Canadian-born

When we evaluate participation, employment, unemployment rates, wages, etc. compared with Canadian-born, we must control for factors such as:

- Human capital (age, education, language skills, work experience)
- Gender
- Profession (e.g., NOC Codes)
- YSL
- Regional economic conditions



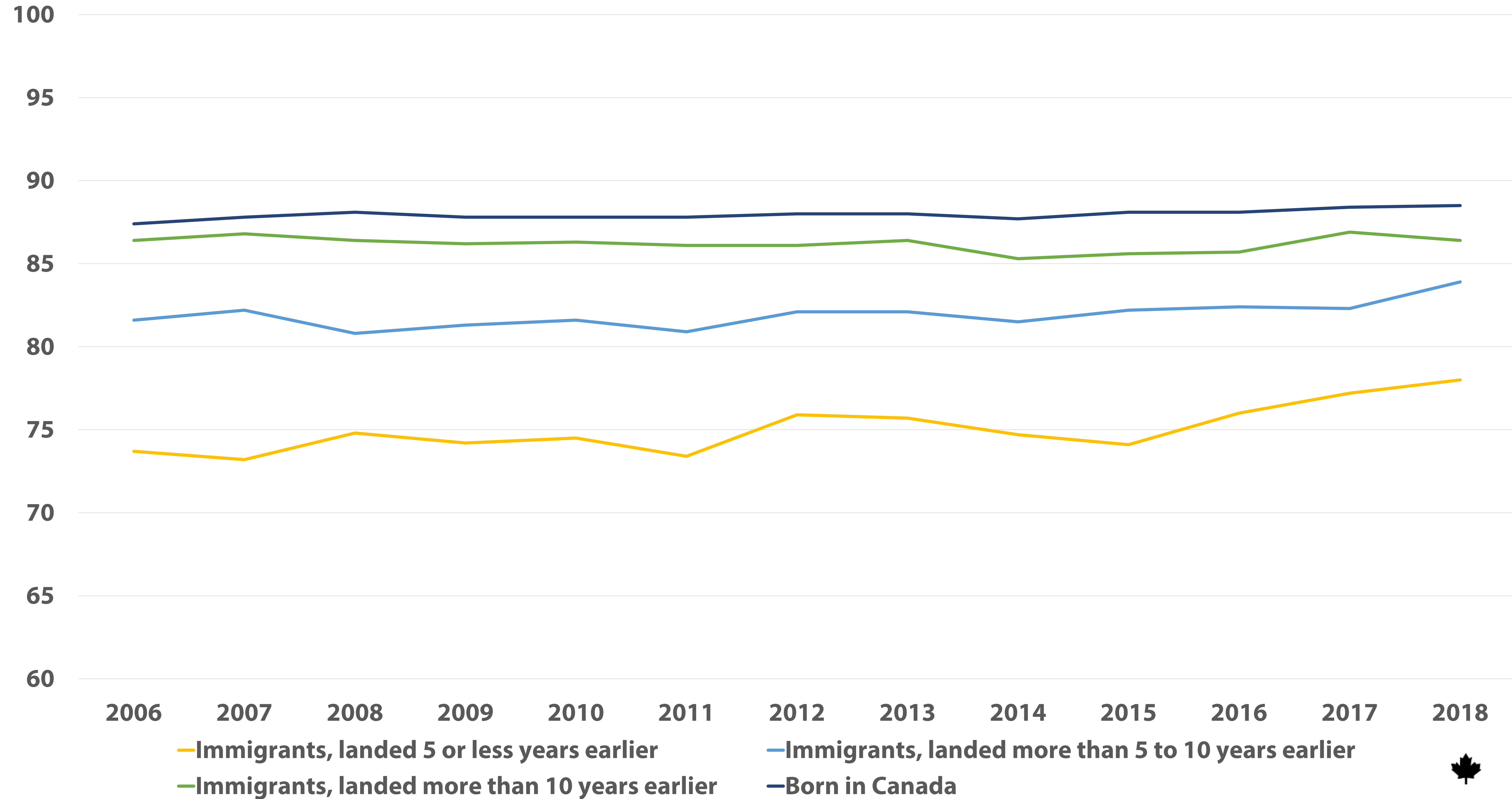
A MORE HOLISTIC APPROACH TO MEASURING SUCCESS

➤ Metrics I will focus on in coming slides:

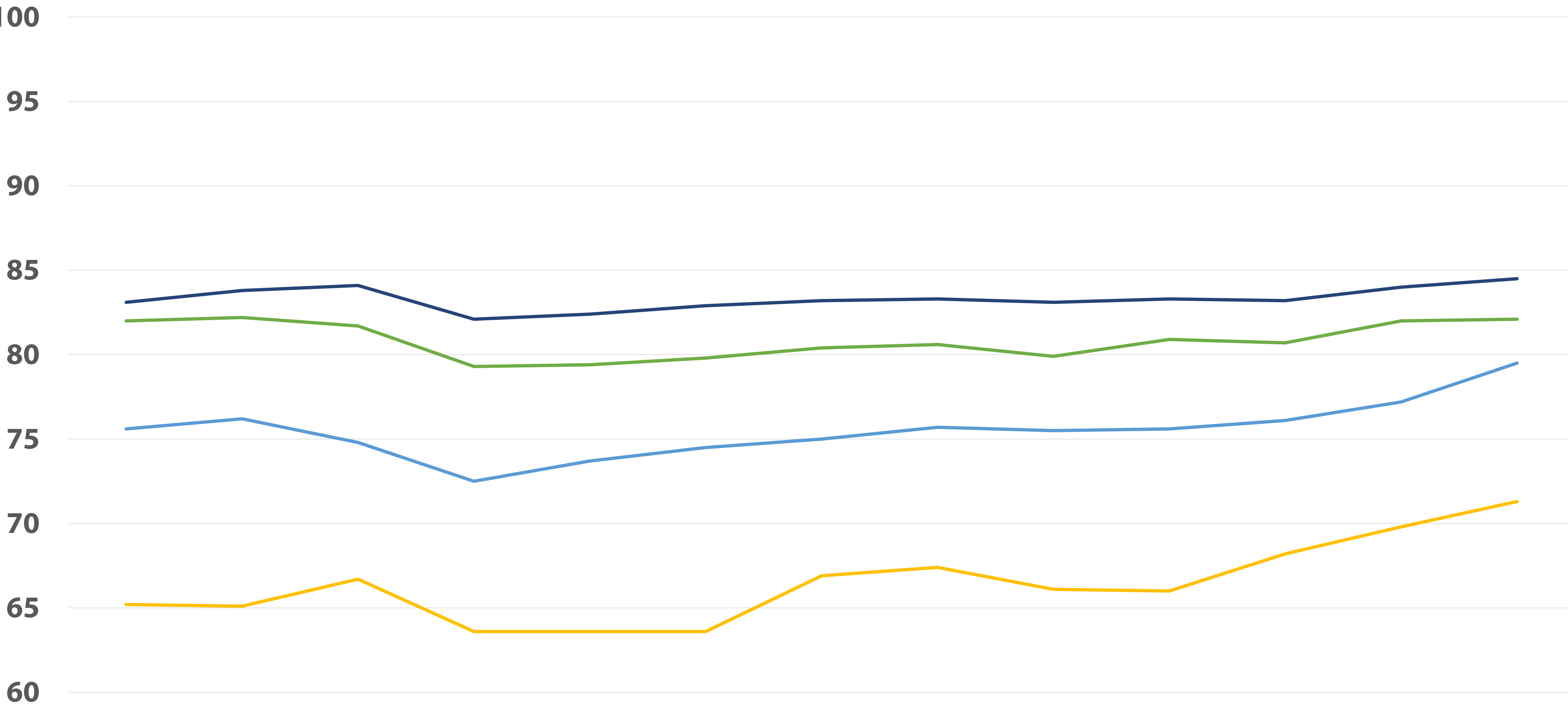
- Immigrant employment outcomes over time
- Job quality
- Family income
- Homeownership
- Second generation



Labour Force Participation Rate (25-54 Population)



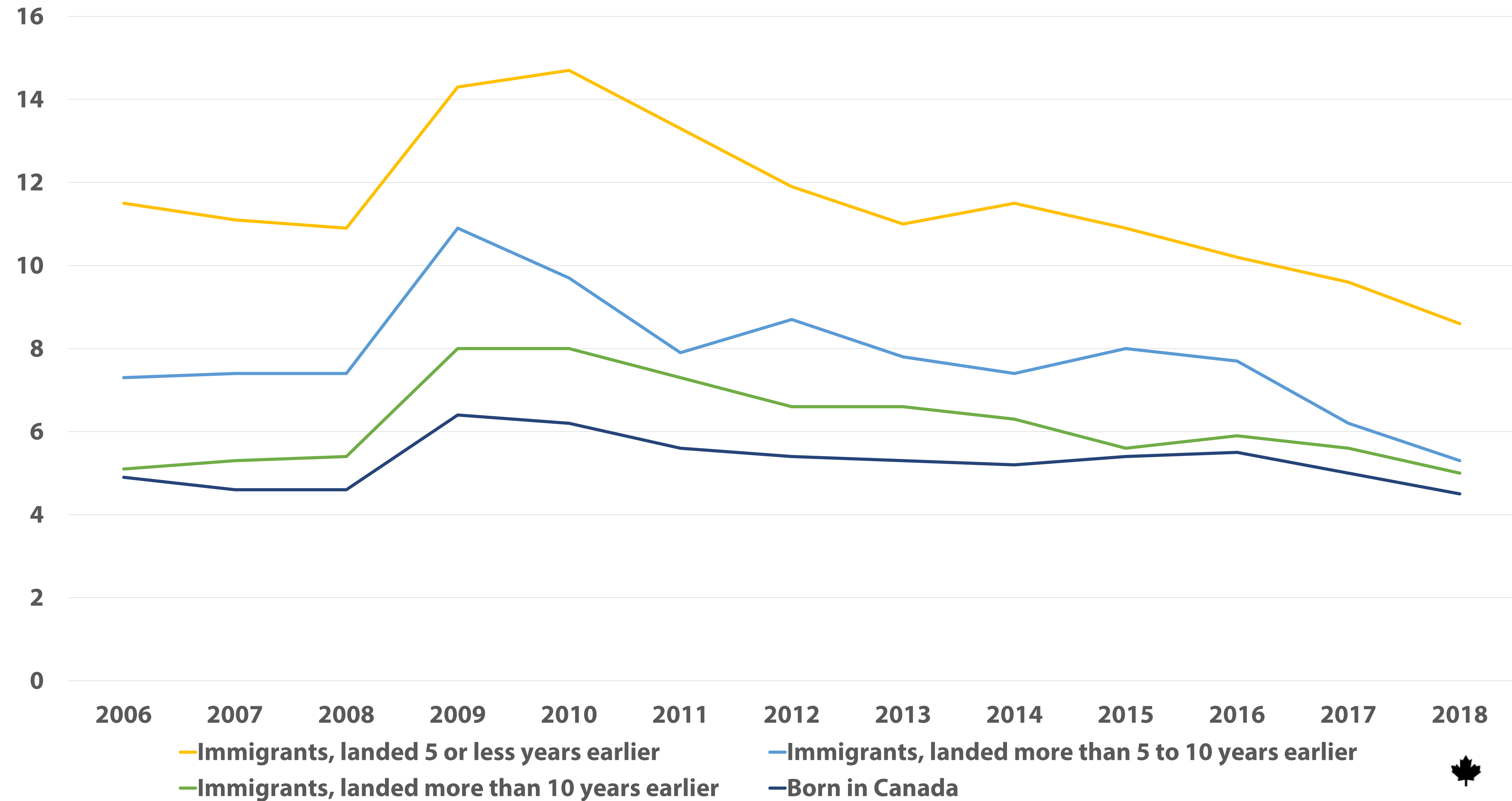
Employment Rate (25-54 Population)



—Immigrants, landed 5 or less years earlier —Immigrants, landed more than 5 to 10 years earlier
—Immigrants, landed more than 10 years earlier —Born in Canada



Unemployment Rate (25-54 Population)



JOB QUALITY

① **OECD evaluates “job quality” of immigrants using metrics such as:**

- Job security (e.g., permanent vs contract jobs)
- Working hours (e.g., part-time workers wanting to work full-time)
- Job skills (e.g., % share of immigrants in high-skilled jobs)
- Match between level of required qualifications and those held by immigrant
- % share of self-employment
- % share of immigrants in public sector



FAMILY INCOMES NEARLY EQUIVALENT TO CANADIAN-BORN

Income of Economic Families, Immigrants and Non-Immigrants

(median total income, \$)

	Immigrant families	Canadian-born families
Total earners	84,612	90,126
No earners	38,392	42,323
1 earner	60,663	62,569
2 earners	94,940	103,370
3 or more earners	127,022	142,728

Note: Statistics Canada defines an economic family as a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law union, adoption, or a foster relationship.

Sources: Statistics Canada, 2016 Census; The Conference Board of Canada.



Income of Private Households by Immigrant Admissions Class

(\$ 000s)

	Median total income	Median total income of household	
TOTAL (CANADA-BORN AND IMMIGRANT HOUSEHOLDS)	34,205	85,950	
Canadian-born household	36,305	88,310	←
Immigrant household	29,768	81,335	
Total (immigrant admissions class and applicant type)	28,151	83,350	
Economic class	32,321	87,578	←
Principal applicants	40,839	85,221	
Secondary applicants	24,939	89,468	
Family class	24,473	84,801	←
Sponsored spouses or partners	29,019	82,786	
Sponsored parents or grandparents	17,425	91,482	
Immigrants sponsored by family*	23,208	79,048	
Refugee class	24,850	69,107	←

*Sponsored intercountry adopted children, public policy, humanitarian, and compassionate cases sponsored by family, and immigrants sponsored by family not included elsewhere.

Note: The private household is defined by Statistics Canada as a person or group of persons who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada or abroad.

Sources: Statistics Canada, 2016 Census; The Conference Board of Canada.



HOMEOWNERSHIP RATES ARE HIGH

Homeownership Rates

(per cent)

Immigration status	Homeownership rate
All households	68.7
Non-immigrants	69.3
All immigrants	68.7
Landed before 2011	72.3
Newcomers (landed 2011–16)	34.6

Note: Totals exclude non-permanent residents.

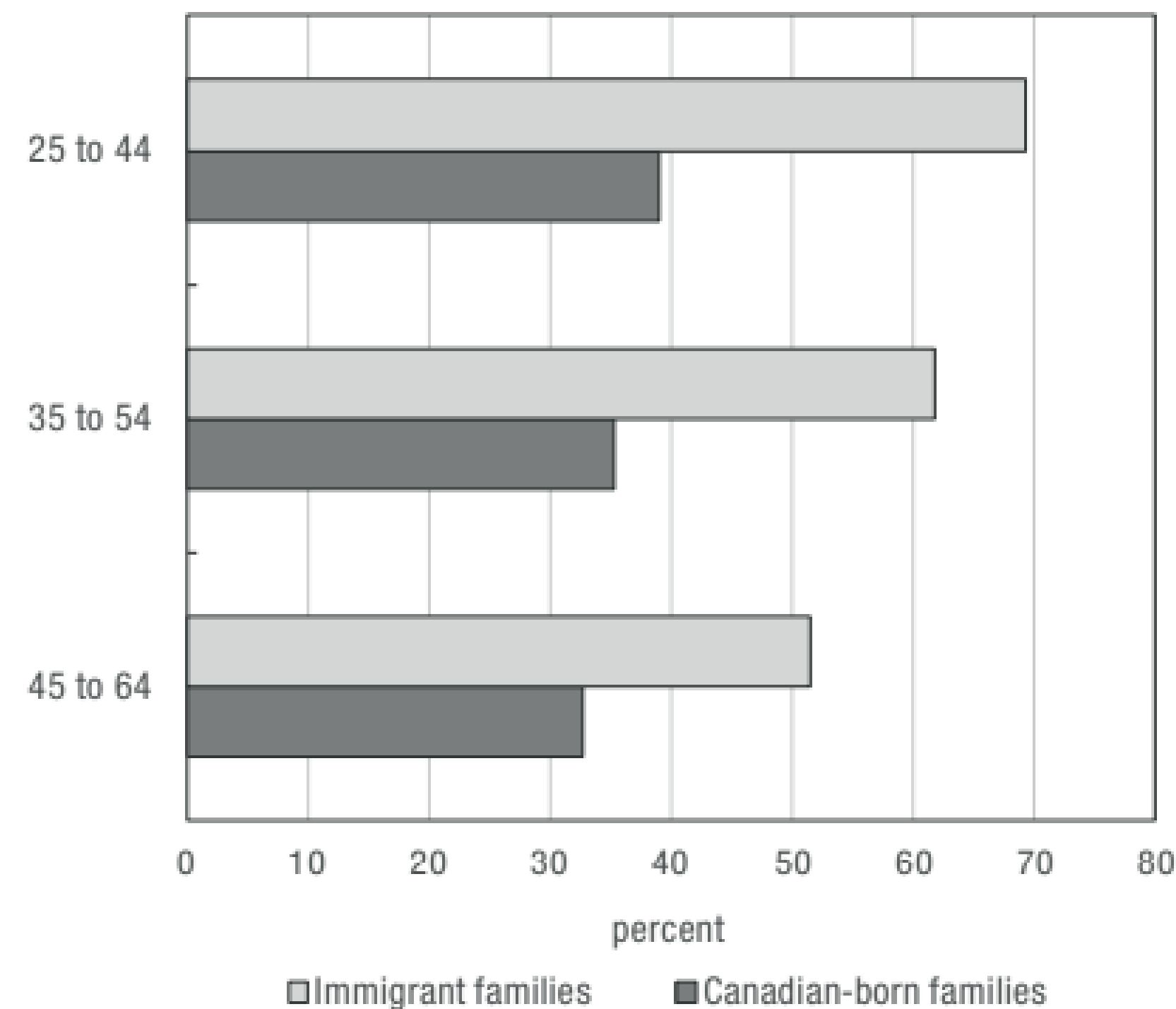
Sources: Canada Housing and Mortgage Corporation; Statistics Canada, 2016 Census; The Conference Board of Canada.



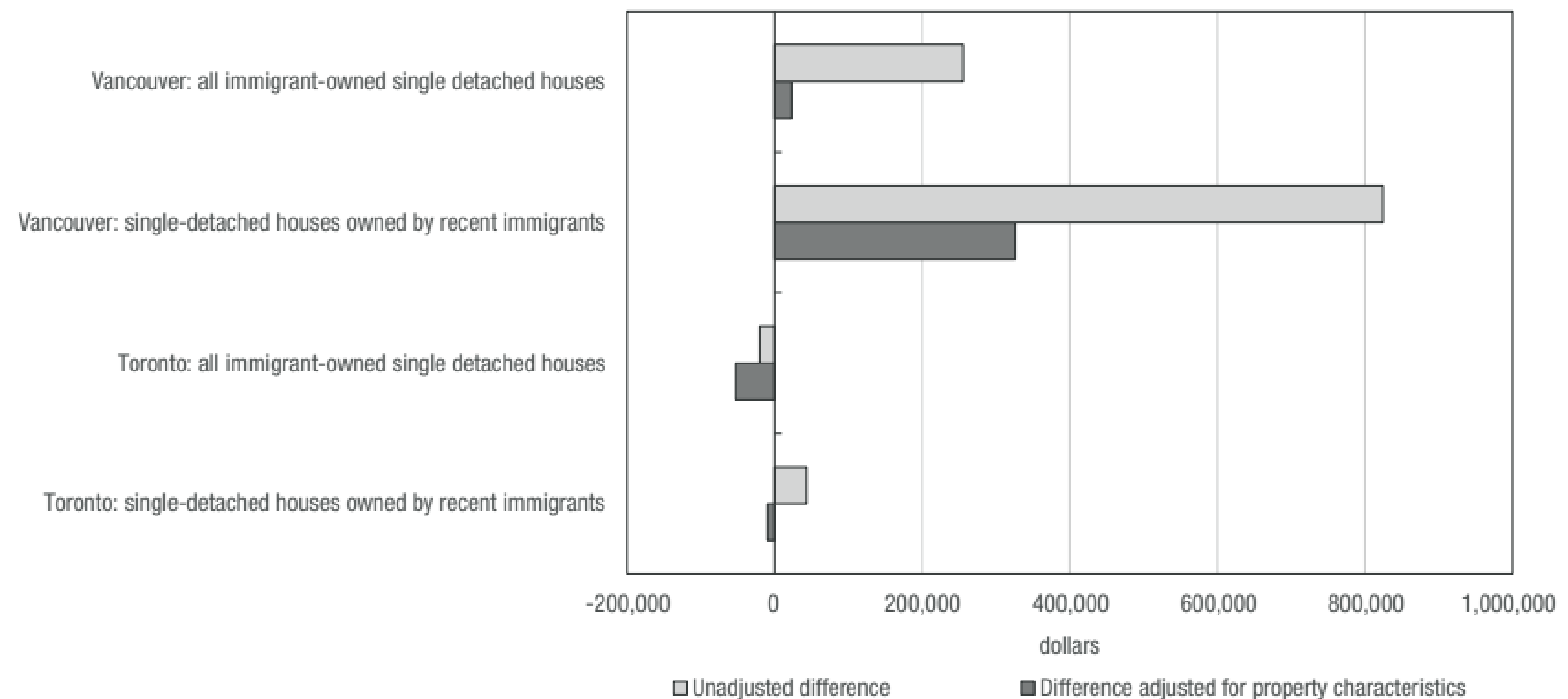
HOME VALUES ARE HIGH

Housing assets as a percentage of average family wealth, by immigration status

Age of primary income earner



Difference in average property value between immigrant-owned single-detached houses and those owned by Canadian-born residents, Vancouver and Toronto CMAs



Source: Statistics Canada, Canadian Housing Statistics Program, 2018.



SECOND GENERATION

- ⑤ We often focus on first generation but sometimes forget about the second
- ⑤ Surveys show first generation happy to sacrifice for their kids
- ⑤ Second generation have higher levels of university-level education and wages than parents
- ⑤ Same wages as Canadian-born population
- ⑤ Absolutely need to incorporate this into our measurement of economic integration



AREA OF IMPROVEMENT: PRIMARY DATA

Collecting more primary data by surveying immigrants regularly (e.g., longitudinal studies) would be helpful in supplementing existing secondary, quantitative data with primary, qualitative data:

- What is your professional background and are you looking to practice in the same field in Canada?
- Are you satisfied with your labour market journey in Canada?
- Are you satisfied with your job?
- What supports/information have been most helpful for you?
- What advice would you have for other immigrants, government, employers, regulators, etc?



CONCLUSIONS

- ① Not always productive to focus on comparisons between immigrants and Canadian born
- ① Way more to the story to evaluating success than just wages. By and large, the economic integration of immigrants is positive
- ① Brain Gain 2015 Study: About 1/6 immigrants in labour market are under-employed
 - Not awful but of course there is room for improvement



CONCLUSIONS: REASONS FOR OPTIMISM

- ① Economic integration poised to improve due to labour market and policy changes
Immigrants likely to continue to benefit from tighter labour market
- ② Economic class:
 - ③ ECAs & Higher language standards
 - ③ More TR to PR Transitions
 - ③ PNP, AIP, RNIP
- ② Family class: Human capital of spouses often mirrors sponsor; Share of PGPs is declining
- Refugees: More PSRs
- ② \$1.5 billion in IRCC settlement funding (compared with \$300M in 2000)
- ②



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