

research snapshot

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Well-educated immigrants fare poorly in the Canadian labour force



What is this research about?

In the early 1990s, Canada began a policy to increase the number of skilled immigrants with higher education. But recent research suggests that being a well-educated immigrant in Canada does not pay. Although immigrants are twice as likely as the Canadian-born to hold a university degree, they often fare much worse on the job market. In fact, it has been shown that the gap in wages between immigrants and the Canadian-born appears to be highest among university graduates. In other words, a higher education does not seem to protect immigrants from earning less than other educated Canadians. It has also been found that recent immigrants with higher educations earn less than immigrants who arrived in Canada earlier.

Research shows that those who are facing the fastest increase in low earnings tend to come from countries in Africa, and South, East, and West Asia. Immigrant women, in particular, appear to do poorly on the job market, and skilled immigrants often wind up in jobs that are usually held by less skilled, Canadian-born workers. In short, the existing evidence suggests that skilled immigrants are being underutilized. However, there is a need for more research on the impact of higher education on an immigrant's ability to find a

What you need to know:

A higher education does not protect an immigrant to Canada from having a low wage or experiencing unemployment. Well-educated immigrants are underutilized in the Canadian labour market. Immigrant women with university educations fare the worst when it comes to finding good work.

high-paying job in the field of his or her choice.

What did the researchers do?

The Toronto Immigrant Employment Data Initiative (TIEDI) set out to determine how immigrants to Canada, with a university degree or higher, perform in the job market. Researchers with TIEDI looked at data from the 2006 Census. The census is one of the main sources of information about landed immigrants and permanent residents. The 2006 Census was carried out from May to July of that year.

What did the researchers find?

Immigrants who have at least one university degree take part in the labour force as much as Canadian-born workers who have the same education. However, they earn less

annually than their Canadian counterparts. Further, the unemployment rate for all university educated immigrants is double that of the Canadian-born. The gap increases for skilled immigrants who are recent arrivals.

Female immigrants with at least one university degree fare the worst on the job market. They earn less and experience higher unemployment than equally well-educated candidates such as Canadian-born women and men, and immigrant men.

For immigrants from the most important countries of birth for Toronto, those born in Pakistan and Iran earn less than immigrants from other countries who are university graduates. They also experience the most unemployment. Well-educated immigrants between the ages of 35 and 44 tend to do better than well-educated immigrants in other age-groups. They earn more and endure lower levels of unemployment.

How can you use this research?

Since one in five Canadians is born outside of Canada, immigrants make up a large part of the population. As a result, their success in the job market has a significant impact on the economic health of Canada. Decision-makers need to understand the role that education plays in helping immigrants find work, especially since so much emphasis is placed on skilled immigrants. They also need to be aware of the extent to which well-educated immigrants are underutilized.

More research is needed on the role that an immigrant's country of origin plays in helping him or her become a part of the Canadian labour force.

About the Researchers

The Toronto Immigrant Employment Data Initiative (TIEDI) seeks to assist organizations whose mandate includes the better integration of immigrants into Toronto's labour force. TIEDI is based at York University, with a team of academic researchers drawn from York, the University of Toronto, and Ryerson University. The TIEDI Principal Investigator is Philip Kelly, Associate Professor in the Department of Geography at York University. This ResearchSnapshot is from the TIEDI study, "What Are the Labour Market Outcomes for University-Educated Immigrants?" by Valerie Preston, Nina Damsbaek, Philip Kelly, Maryse Lemoine, Lucia Lo, John Shields, and Steven Tufts.

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