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New Evidence on Improved Labour Market Performance of Immigrants

Press Release - Ottawa, June 24, 2020

The Centre for the Study of Living Standards (CSLS) today released a report entitled “*The Improved Labour Market Performance of New Immigrants to Canada, 2006-2019*”.

The study by CSLS economist Kimberly Wong examines trends in the participation rate, employment rate, unemployment rate, and hourly wages for very recent immigrants (less than five years since arrival), recent immigrants (5-10 years) and Canadian-born citizens across education levels for the 2006-2019 period based on data from the Labour Force Study.

The key finding is that new immigrants have generally enjoyed improvements in their labour market performance in absolute terms and relative to the Canadian-born. Very recent immigrants experienced the largest improvements.

Developments over the 2006-2019 period include the following:

- The participation rate of very recent immigrants increased 5.4 percentage points, while that of recent immigrants was up 4.7 percentage points. By 2019, the participation rate of both groups exceeded that of the Canadian-born by 4.5 and 10.0 percentage points, respectively.
- The employment rate of very recent immigrants increased 6.8 percentage points while the rate of recent immigrants rose 6.0 percentage points. By 2019, the employment rate of

both groups exceeded that of the Canadian-born by 1.5 and 8.7 percentage points, respectively.

- The unemployment rate of very recent immigrants decreased by 3.0 percentage points, while that of recent immigrants fell 2.3 points. However, in 2019 the unemployment rate of both groups still exceeded that of the Canadian-born by 4.0 and 1.0 points, respectively.
- Real wages for very recent immigrants grew 1.2 per cent per year while that for recent immigrants advanced 0.8 per cent per year. In 2019, very recent immigrants still earned \$4.32 per hour less than the Canadian-born wage, and recent immigrants \$2.87 less.
- Given their lower average age and higher education relative to the Canadian working-age population, new immigrants represent an important strength for the Canadian economy, from the perspective of their contribution to the labour force and to tax revenues. This contribution could be even greater if the gaps in unemployment rates and relative wages were reduced further.

The report is posted at <http://www.csls.ca/reports/csls2020-03.pdf>.

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The Centre for the Study of Living Standards (CSLS) is a national, independent, Ottawa-based not-for-profit research organization. Its primary objective is to contribute to a better understanding of trends and determinants of productivity, living standards, and economic wellbeing in Canada through research.