

Summary

Immigration to Canada is primarily an urban phenomenon. More than 65 percent of newcomers to the country settle in three cities: Toronto, Montreal and Vancouver. In this study, the third in IRPP's series of urban case studies on immigration in Canada, Daniel Hiebert provides a detailed portrait of the economic outcomes of immigrants in Vancouver, based on key characteristics such as language ability, educational attainment, year of arrival, gender, age, country of origin and category of admission.

While most studies of the economic outcomes for immigrants are conducted at the national level and are based on census figures, Hiebert also uses the Longitudinal Immigrant Database (IMDB), which allows him to examine results by admission class. The prevailing consensus is that, nationally, immigrants – especially newcomers – are experiencing difficulty integrating into the Canadian labour market. A generation ago immigrants achieved income parity with Canadian-born individuals relatively quickly. Today this process is taking much longer, and indeed may not happen at all for the majority of immigrants. The study offers some explanations for this turn of events.

The national findings are replicated in Vancouver, but there are several important differences. For the period 1989 to 2004, Vancouver received 319,915 newcomers, which is fewer than Toronto (825,925) but more than Montreal (253,040). Relative to the other immigrant host cities, Vancouver gets a similar share of immigrants in the family class and skilled worker class, but it welcomes far fewer refugees and it receives the highest number of business class immigrants (2.5 times more than the rest of Canada).

Looking at economic outcomes by admission class, the study yields both expected and unexpected results:

- Immigrants who qualify to enter Vancouver as skilled workers are, in general, well educated and proficient in English or French. Nevertheless, they struggle economically when they first arrive, especially if they do not speak an official language. Relative to the native-born, skilled worker immigrants receive lower earnings, and this earnings gap is much wider for those who do not speak an official language.
- Business class immigrants arrive with a much lower level of education and less proficiency in English or French. Of all immigrant groups, they have the lowest rate of labour-market participation, the lowest employment earnings and the lowest total-income levels.
- Family class immigrants appear to benefit significantly from their social networks, and they have relatively high rates of labour-market participation and earnings levels.

- Refugees have a lower level of education and a lower degree of proficiency in English or French. Nevertheless, their labour-market participation is remarkably high compared with that of other immigrants.

Most newcomers in Vancouver come from East Asia; this region accounted for 42 percent of Vancouver's newcomers between 2001 and 2005. Another 29 percent come from South Asia and Southeast Asia. This is quite different from the situation in Montreal where the primary sources of immigrants are Europe, the Middle East, Latin America and Africa. Toronto, being the chief destination for newcomers to Canada, most closely approximates the Canadian average in terms of source countries.

The author finds important differences in economic characteristics and outcomes for newcomers depending on their region of origin:

- The largest group of immigrants from East Asia have low levels of labour-market participation and income. This finding appears to be related to their low level of proficiency in an official language. A large number of these immigrants are admitted through the business class program.
- The role of social capital appears to be a significant factor for the large number of newcomers from South Asia. Members of this group, who arrive mainly through family reunification, are not particularly well educated and for the most part arrive without official language capability. And yet they earn incomes that are approximately equivalent to those of immigrants as a whole.
- A significant majority of newcomers from Southeast Asia are women who, on average, are well educated relative to other groups and speak an official language. Their employment rate is the highest of any group and their level of income is above average. The same applies to their male counterparts.

The author presents two more general findings. First, despite the challenges faced by recent immigrants in Vancouver, few receive social assistance. In fact, in metropolitan Vancouver immigrants are actually less likely to receive social assistance than the general population, even though their income level is considerably lower. Second, the analysis suggests that for immigrants admitted through all classes except the refugee class, proficiency in an official language is the key determinant of economic success, regardless of level of education. For those who arrive with knowledge of an official language, their level of education enhances their economic success. The author recommends that governments give high priority to the provision of high-quality English-language education.