TIEDI Toronto Immigrant Employment DATA INITIATIVE

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WHAT ARE THE LABOUR MARKET OUTCOMES FOR UNIVERSITY-EDUCATED IMMIGRANTS?

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KEY POINTS:

- Having a university degree does not guarantee better labour market outcomes for immigrants. Immigrants with at least one university degree have lower annual earnings than Canadian-born with the same education.
- The average unemployment rate for all university-educated immigrants is double the unemployment rate for their Canadian-born counterparts even though both groups have similar labour force participation rates.
- The gap in annual earnings between Canadian-born and immigrant university graduates is larger for immigrants who arrived recently.
- Female immigrants with at least one university degree have the poorest labour market outcomes. They have lower annual earnings and higher unemployment rates than equally well-educated Canadian-born women, immigrant men and Canadian-born men.
- University graduates born in Pakistan and Iran report the lowest annual earnings and highest unemployment rates of all immigrants with university degrees. More research is needed to understand the effects of country of birth on the integration of university-educated immigrants in the Toronto labour market.
- Labour market outcomes are generally better for well-educated immigrants who are 35 to 44 years old: they have higher annual earnings and lower unemployment rates than immigrants in other age groups.

INTRODUCTION TO TIEDI

The Toronto Immigrant Employment Data Initiative (TIEDI) seeks to assist organizations whose mandate includes the better integration of immigrants into Toronto's labour force. Such partner organizations include immigrant service agencies and advocacy groups, labour organizations, regulatory bodies, professional associations, training organizations, and credential assessment agencies.

The purpose of the project is to provide organizations with free access to statistical data and analysis on various aspects of immigrant labour market integration. The goal is to help organizations access the quantitative data they need in order to: identify priorities, develop programs and services, compose proposals and reports, and carrying out advocacy and public education endeavours.

TIEDI provides a unique service in which community organizations' data needs are met by a team of academic researchers and student analysts. Our partners define the data that they need - the project is thus driven by their agendas and not by academic research priorities.

TIEDI is based at York University, with a team of academic researchers drawn from York, the University of Toronto, and Ryerson University. Core members of the project team also include representatives of the Ontario Council of Agencies Serving Immigrants (OCASI), the Toronto Region Immigrant Employment Council (TRIEC) and World Education Services. The project is funded by the Social Sciences and Humanities Research Council of Canada under its Knowledge Impact in Society program, and by York University.

The datasets used by the project include a range of large-scale surveys such as the Census, the Longitudinal Survey of Immigrants to Canada, the Ethnic Diversity Survey, the Workplace and Employee Survey, the Survey of Labour and Income Dynamics, the Labour Force Survey and the Permanent Residents Data System.

TIEDI Analytical Reports provide tabulations of data, some brief analysis and contextualization, and some necessary caveats about the limitations of the data and analysis. Since the data presented have not been treated to detailed statistical analysis, any conclusions must be seen as preliminary and as starting points for further, more detailed, research.

For further information, contact the TIEDI Principal Investigator, Dr Philip Kelly (pfkelly@yorku.ca), or the TIEDI Project Coordinator, Maryse Lemoine (mlemoine@yorku.ca).

While the research and analysis are based on data from Statistics Canada, the opinions expressed do not represent the views of Statistics Canada.

RESEARCH QUESTION

What are the labour market outcomes in terms of income, participation and unemployment rate, for skilled immigrants with a university degree or higher?

BACKGROUND

In Canada and elsewhere, the current debate about immigrant integration in the labour market focuses almost entirely on skilled workers (Lofstrom, 2000). In the early 1990s, Canadian immigration targets were modified to increase the number of immigrants selected on the basis of educational attainment, professional experience, and occupation. By 2000, there were major improvements in the educational attainments of immigrants coming to Canada (Picot, Hou and Coulombe, 2007). The question remains whether increasing the share of the "skilled" immigrant class has improved immigrants' labour market outcomes.

A Statistics Canada report pointed out that even though recent immigrants are twice as likely as the Canadian-born to have a university degree, "several indicators reflect difficulties that recent immigrants entering the Canadian labour market encounter". Immigrants' "employment and unemployment rates and their earnings are, in general, substantially different from those of [Canadian-born]" (Galarneau and Morissette, 2008: 5).

Recent immigrants with a high level of educational attainment were actually "more likely to enter [into] low income" than earlier arrivals (Picot, Hou and Coulombe, 2007: 26). As such, "the small advantage that the university educated entering immigrants had over the high school educated in the early 1990s had largely disappeared by 2000, as the number of highly educated rose" (Picot, Hou and Coulombe, 2007: 4).

The same study also found that 52% of immigrants with low incomes were skilled economic immigrants, and 41% had university degrees. A higher number of immigrants in the skilled economic class than in other entry classes were considered to be chronically poor (Picot, Hou and Coulombe, 2007).

The most rapid increase in low income rates since 2000 has occurred among recent immigrants with a university education:

> "Low-income rates between 2001 and 2003 rose 20% for this group, compared to 16% for immigrants with trades, or college or some university education, and 7% for those with grade 12 or less." (Picot, Hou and Coulombe, 2007: 15)

Although the prevalence of low income has risen for recent immigrants from all age groups and at all educational levels, "the gap in the low-income rate between recent immigrants and the Canadian-born was highest among university graduates" – this means that a higher education may not protect immigrants from rising low-income rates within the immigrant community (Picot, Hou and

Coulombe, 2007: 10). The findings suggest there may be little advantage to being a university educated immigrant when settling in Canada.

The countries that accounted for the largest increases in the share of the immigrant population – namely countries in Africa, and South, East, and West Asia – "also experienced the most rapid increase in low-income rates". Characteristics of immigrants such as language, education, age, or source region, "accounted for less than half of the overall rise in the low-income rate" (Picot, Hou and Coulombe, 2007: 10).

In a study from the 1990s of Canadian immigrant women, immigrant women who were high-skilled knowledge workers experienced unemployment or pressure to work in un-skilled positions. Of the 86 female immigrants interviewed, 40.6% had a postsecondary education, and 62.8% of those with a postsecondary education were unemployed. The interviewees told "stories of exclusion, racism, sexism, alienation, or isolation" (Mojab, 1999: 124). This is of particular importance as "skilled female migration [becomes] more crucial as households rely more and more on two incomes, and as women have entered higher education [at increasing rates]" (Kofman, 2000: 46).

Australian research that compared the wage outcomes of postsecondary education for native-born and foreign-born men and women indicates that "considerably greater rewards are given to [native-born] formal qualifications compared to those accruing to overseas qualifications". In fact, Australian postsecondary degrees are considered 15-20% "more valuable than degrees obtained overseas" so that immigrants have lower income benefits from education (Chapman and Iredale, 1993: 380). Similar work from the United States reveals similar trends; "immigrants have been found to earn lower returns to schooling than natives" (Lofstrom, 2000: 20).

Canadian research has also examined whether the earning gap was the result of lower immigrant skill qualifications, the underutilization of immigrant skills, or pay inequities. Using data from the 1996 Census, Reitz (2001) found that the underutilization of immigrant skills was the most significant factor, so that:

> "If highly educated professionals selected by the immigration program often end up working in jobs normally held by less skilled persons from the native-born population, then in effect these immigrant skills are wasted" (Reitz, 2001: 348).

The same study also found that well-educated "immigrant men from origin groups outside Europe "earn anywhere between 15 and 25% less" than those of European origin. The earnings gap is smaller for women because female immigrants "exist in the context of the lower overall earnings of women and [the differences] are much less than the group differences for men" (Reitz, 2001: 367).

THE DATA: 2006 CENSUS

The census is one of the primary sources of information on the demographic, social and economic characteristics of Canada and Canadians on one specific day (Statistics Canada, 2007). The census collects information on the total number of persons who once were, or are now, landed immigrants or permanent residents. This population is also referred to as "persons born outside Canada", or

"foreign-born population". The 2006 Census enumerated 6,186,950 individuals who were born outside Canada. They represented one in five (19.8%) of the total population. This is the highest proportion of foreign-born population in 75 years. A majority of the 1.1 million recent immigrants lived in Toronto, Montréal and Vancouver. In the 2006 Census, 80% of households received a short questionnaire containing eight questions, while 20% were given a 61-question long form. The majority of the questions used to gather the data presented in this report were asked in the long census questionnaire.

The 2006 Census was conducted from May – July of that year. The time period leading up to the Census was marked by economic growth, strong employment gains, and earnings growth in Canada (Lin, 2008: 5). Existing economic conditions (see table 1 for basic economic data) and government policies affect the trajectories of respondents. The outcomes of the respondents presented in this report may not therefore be comparable to the experiences of immigrants who landed at different time periods. Note that the data presented in this report do not differentiate between university diplomas obtained abroad and in Canada.

Table 1: Economic Performance Indicators, Canada, 2001-2005

	2001	2002	2003	2004	2005	Overall average
Growth in Real GNP	1.8 %	2.9 %	1.9 %	3.1 %	3.1 %	2.6 %
Unemployment Rate	7.2 %	7.6 %	7.6 %	7.2 %	6.8 %	7.3 %

Source: Maslove, 2008: 228

Because of the sufficiently large sample from the Census, the data used in this report are for the Toronto CMA. Table 2 shows the distribution of respondents by gender and period of immigration.

Table 2: Distribution of respondents by gender and period of arrival, Toronto CMA

	FEMALE					MALE				
	CANADIAN-BORN	IMMIGRANT				CANADIAN-BORN	IMMIGRANT			
		ALL IMMIGRANTS	1981-1990	1991-2000	2001-2006		ALL IMMIGRANTS	1981-1990	1991-2000	2001-2006
N	259, 175	283, 655	47, 330	94, 095	77, 875	234, 125	302 ,530	48, 445	100, 625	78, 000

Table 3 presents the distribution of respondents by age groups and period of arrival. When looking at age groups separately, only those 25 to 64 years old were retained, as they tend to be the most active in the labour force. The experiences of those 15-25 years old and 65 years old and over differ markedly from other groups and were therefore excluded from this report. Their data are available on request.

The largest group of immigrants with a university degree are those who are 45 to 64 years old. For recent immigrants who arrived between 1991 and 2006, immigrants who are 35-44 years old account for the largest numbers holding a university degree.

Table 3: Distribution of respondents with a university degree by age and period of arrival, Toronto CMA

AGE GROUP (IN 2006)	CANADIAN-BORN	IMMIGRANT			
		ALL IMMIGRANTS	1981-1990	1991-2000	2001-2006
25-34	151, 605	130, 300	22, 450	40, 470	57, 520
35-44	123, 835	182, 235	20, 505	75, 760	60, 280
45-64	148, 595	206, 665	42, 080	60, 555	27, 855

Table 4 shows the distribution of university-educated respondents by country of birth and highest educational attainment. These countries are among the top 10 countries of birth for immigrants in Toronto. Seven were in the top 10 countries in 2006 and three, Hong Kong, Poland and Guyana, are included for historical reasons.

Period of arrival has a major impact on labour market outcomes, as immigrants start at a disadvantage compared to Canadian-born, but tend to catch up the longer they live in Canada (Alboim, Finnie and Meng, 2005). It is important to keep period of arrival in mind when looking at the labour market outcomes for university-educated immigrants from different places of birth.

Pakistan had the highest proportion of university-educated recent immigrants, with 88.3% of Pakistan-born immigrants having arrived in 1991 or after. China (82.9%), Iran (81.0%) and India (75.1%) follow with the highest proportions of university-educated immigrants who arrived after 1991. In the case of immigrants from Sri Lanka, even though there is a large proportion of recent immigrants, a quarter of them arrived in the 1980s. The Philippines has a long history of migration to Canada, but almost two-thirds of the population in 2006 had arrived since 1991. As we will see later, this places immigrants from Sri Lanka and the Philippines at a slight advantage compared to immigrants who arrived in later periods. Finally, more than a third of university-educated immigrants from Jamaica and Guyana arrived in the 1970s, while immigrants from Poland and Hong Kong started arriving in the 1980s.

Table 4: Distribution of respondents 15 years and over with a university degree by country of birth and period of arrival, Toronto CMA

	ALL IMMIGRANTS	BEFORE 1960	1961-1970	1971-1980	1981-1990	1991-2000	2001-2006
1. India	79, 815	220	3, 410	8, 565	7, 630	26, 750	**33, 225**
2. PR China	62, 340	405	1, 475	3, 200	5, 550	**26, 025**	25, 670
3. Philippines	45, 195	n/a	1, 650	6, 525	8, 230	**15, 590**	13, 190
4. Hong Kong	36, 320	105	2, 100	6, 565	**13, 690**	13, 070	775
5. Pakistan	30, 890	n/a	375	1, 815	1, 395	13, 505	**13, 780**
6. Iran	16, 825	n/a	60	545	3, 460	**7, 480**	6, 140
7. Poland	14, 530	940	620	860	**7, 585**	3, 695	820
8. Sri Lanka	10, 275	n/a	90	425	2, 710	**5, 235**	1, 780
9. Jamaica	10, 165	185	1, 420	**3, 525**	2, 125	1, 930	985
10. Guyana	6, 440	55	850	**2, 245**	1, 795	960	535

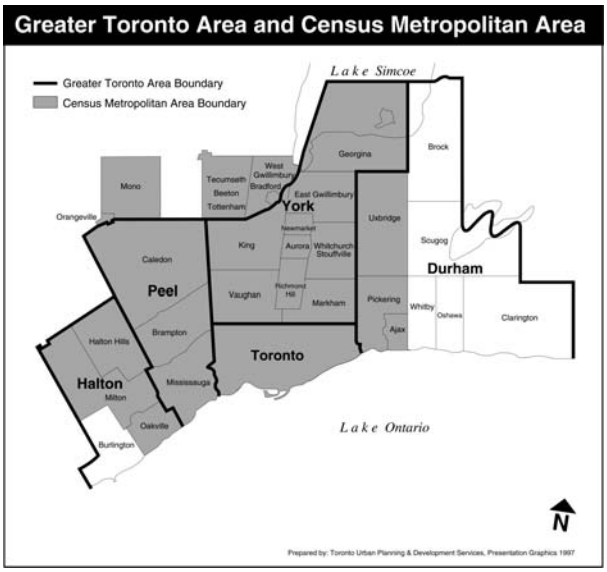
Numbers in bold indicate the peak in immigration of each group

Immigrants: Refers to people who are, or have been, landed immigrants in Canada. A landed immigrant is a person who has been granted the right to live in Canada permanently by immigration authorities. Some immigrants have resided in Canada for a number of years, while others have arrived recently. Most immigrants are born outside Canada, but a small number were born in Canada. Non-permanent residents (i.e. visa holders, refugee claimants and their family) were excluded from this category.

Toronto CMA: CMA stands for Census Metropolitan Area of Toronto. The Toronto CMA is the grey-shaded area in Figure 1. It includes the City of Toronto, York Region, Peel Region and parts of Halton and Durham Regions. Other municipalities, such as New Tecumseth in southern Simcoe County and Mono Township in Dufferin County are also included in the Toronto CMA.

CMAs are geographical areas mainly used by Statistics Canada. For more information, see: http://www12.statcan.ca/english/census06/reference/ dictionary/geo009.cfm.

Figure 1: The Toronto CMA



Map prepared by the City of Toronto

University degree: Included immigrants and Canadian-born with a completed bachelor's degree or higher.

RESULTS

a) Average annual earnings

Table 5 shows the average annual earnings (including gross wages and salaries before deductions for such items as income tax, pensions, employment insurance, etc; military pay and allowances, tips, commissions and cash bonuses, benefits from wage-loss replacement plans, taxable benefits, research grants and royalties, as well as all types of casual earnings in the 2005 calendar year) of Canadian-born and immigrant adults who had a university degree in 2006.

Table 5: Average annual earnings (gross; 2005 dollars) for Canadian-born and immigrants with a university degree, Toronto CMA

CANADIAN-BORN	IMMIGRANT			
	ALL IMMIGRANTS**	1981-1990	1991-2000	2001-2006
$ 61, 904.40	$ 36, 893.60	$ 42, 774.10	$ 34, 956.10	$ 20, 143.70

** Includes immigrants who arrived before and after 1981

Whereas Canadian-born workers with a university degree earned an average of $61,904.40 in 2005, immigrants with a university degree earned $36,893.60, on average. The earnings gap for immigrants with a university degree is $25,010.80.

For immigrants who arrived recently, the gap in annual earnings increases. Immigrants with a university degree who came to Canada in the 1980s earn $19,130.30 less on average than their Canadian-born counterparts. For immigrants who arrived in the 1990s, the earnings gap increases to $26,948.30. Recent immigrants who are university graduates and who came to Canada between 2001 and 2006, earn $41,760.70 less than equally well-educated Canadian-born workers.

b) Average annual earnings by gender

Table 6 shows the average annual earnings of Canadian-born and immigrant men and women.

Table 6: Average annual earnings (gross; 2005 dollars) for Canadian-born and immigrants with a university degree by period of immigration and gender, Toronto CMA

	CANADIAN-BORN	IMMIGRANT			
		ALL IMMIGRANTS**	1981-1990	1991-2000	2001-2006
Women	$ 44, 278.30	$ 28, 346.00	$ 35, 777.40	$ 27, 656.30	$ 14, 861.60
Men	$ 81, 416.10	$ 44, 908.00	$ 49, 609.70	$ 41, 782.00	$ 25, 417.30

** Includes immigrants who arrived before and after 1981

Immigrant men and women with a university degree earn less than Canadian-born adults with university degrees. Canadian-born women with a university degree earned $44,278.30, on average in

2005, while immigrant women with a university degree earned $28,346. Although female immigrants have much lower annual earnings than their Canadian counterparts, the earnings gap is wider between Canadian-born and immigrant men with university degrees than it is for equally well-educated Canadian-born and immigrant women ($36,508.10 and $15,932.30, respectively).

Canadian-born men with a university degree earn $81,416.10, on average, while immigrant men with a university degree earn $44,908. Immigrant men with a university degree who came to Canada in the 1990s earn $39,634.10 less than their Canadian-born counterparts. Recent immigrant men who landed after 2000 earn $55,998.80 less than Canadian-born men who are university graduates.

Average earnings increase the longer immigrants live in Canada. Immigrant women with a university degree who came to Canada in the 1990s earn $16,622.00 less than their Canadian-born counterparts. Immigrant women with a university degree who came to Canada after 2000 earn $29,416.70 less than Canadian-born women who are university graduates. The declining disparity in earnings for immigrant women who are university graduates may indicate that immigrants "start at a significant disadvantage relative to [Canadian-born] when they enter the country, but then catch up over time" (Alboim, Finnie and Meng, 2005: 3), holds for immigrants in Toronto.

c) Average annual earnings by age

Table 7 presents the average annual earnings for Canadian-born and immigrants by age at the time of the census and period of immigration.

Table 7: Average annual income (gross; 2005 dollars) for Canadian-born and immigrants with a university degree by period of immigration and age, Toronto CMA

	CANADIAN-BORN	IMMIGRANT			
		ALL IMMIGRANTS**	1981-1990	1991-2000	2001-2006
25-34	$ 45, 067.30	$ 29, 208.40	$ 38, 711.80	$ 32, 709.00	$ 19, 595.50
35-44	$ 78, 917.10	$ 41, 091.20	$ 51, 236.80	$ 42, 726.70	$ 23, 305.80
45-64	$ 86, 070.90	$ 46, 238.50	$ 49, 218.30	$ 34, 735.30	$ 19, 707.20

** Includes immigrants who arrived before and after 1981

Even after taking age into consideration, immigrants with university degrees still have lower annual earnings than equally educated Canadian-born adults. The income gap ranges from $15,858.90 (for 25-34 year olds) to $39,832.40 (for 45-64 year olds). The highest earners among Canadian-born and immigrant workers with a university degree are those who are between 45 and 65 years of age. On the other hand, the lowest earners – for both Canadian-born and immigrant university graduates – are new entrants to the labour market, those 25-34 years of age. The largest earnings gap for university educated recent immigrants is for 45-64 year olds ($66,363.70), while the smallest earnings gap for highly educated recent immigrants is $25,471.80 for 25-34 year olds.

When looking at period of immigration, the earnings gap is widest for recent immigrants with a university degree, who earn approximately between $25,000.00 and $67,000.00 less than Canadian-

born adults of the same age with the same educational attainments. The earnings gap decreases for earlier cohorts of well-educated immigrants who hold university degrees. The lowest income gap is for the 25-34 age group who arrived in 1981-1990, likely reflecting the fact that most will have received their university education in Canada.

d) Average annual income by country of birth

Table 8 presents the average annual income (including gross wages and salaries before deductions for such items as income tax, pensions, employment insurance, etc; military pay and allowances, tips, commissions and cash bonuses, benefits from wage-loss replacement plans, taxable benefits, research grants and royalties, as well as all types of casual earnings in the 2005 calendar year) of immigrants by country of birth.

Table 8: Average annual income (gross; 2005 dollars) for immigrants with a university degree by period of immigration and top 10 countries of birth, Toronto CMA

	ALL IMMIGRANTS**	1981-1990	1991-2000	2001-2006
1. India	$ 29, 218.70	$ 41, 574.70	$ 33, 798.20	$ 19, 615.40
2. PR China	$ 28, 476.50	$ 35, 600.00	$ 33, 542.10	$ 18, 303.70
3. Philippines	$ 32, 580.80	$ 39, 379.80	$ 36, 551.00	$ 22, 753.40
4. Hong Kong	$ 42, 613.00	$ 43, 960.40	$ 35, 211.40	$ 20, 289.50
5. Pakistan	$ 23, 140.90	$ 34, 362.30	$ 27, 687.90	$ 13, 844.30
6. Iran	$ 26, 384.10	$ 39, 535.30	$ 28, 252.70	$ 15, 310.20
7. Poland	$ 39, 287.10	$ 40, 915.50	$ 33, 656.20	$ 19, 704.00
8. Sri Lanka	$ 30, 534.00	$ 35, 194.30	$ 30, 354.10	$ 19, 056.20
9. Jamaica	$ 42, 743.50	$ 37, 832.40	$ 41, 020.60	$ 28, 139.20
10. Guyana	$ 50, 419.30	$ 48, 012.70	$ 38, 506.00	$ 23, 473.30

** Includes immigrants who arrived before and after 1981

Regardless of country of origin, immigrants with a university degree earn less on average than equally educated Canadian-born, whose average earnings are approximately $61,900.

The annual earnings of well-educated immigrants vary according to country of origin. Immigrants with university degrees who are born in Guyana ($50,419.30), Jamaica ($42,743.50) and Hong Kong ($42,613.00) have the highest average annual earnings of all well-educated immigrants in the Toronto labour market. Immigrants from Pakistan ($23,140.90) and Iran ($26,384.10) who are university graduates have the lowest wages. Some of the variations across countries of birth may be due to the different periods of arrival of immigrants from each country of birth. The largest number of immigrants born in Jamaica and Guyana arrived in the 1970s, while the majority of immigrants born in Hong Kong arrived in the 1980s and early 1990s. On the other hand, the majority of immigrants born in Pakistan and Iran immigrated since the late 1990s.

If immigrant earnings improve over time, we expect that immigrant groups that arrived earlier will earn more on average than equally educated immigrants from groups that are recent arrivals. In the case of immigrants born in Guyana and Jamaica, the large number of immigrants who arrived more than 20 years ago increases the average wages. In the case of immigrants born in Pakistan and Iran, the large number of recent immigrants drags down the average earnings. Even a university degree does not mitigate the effects of a shorter period of residency in Canada.

The rank order of the average earnings of immigrants with university degrees does not vary much between those who arrived in the 1990s and those who arrived after 2000. Immigrants born in the Philippines, Jamaica, and Guyana have the highest average earnings while immigrants born in Pakistan and Iran earn the lowest average wages.

e) Unemployment and participation rates

Table 9 shows the labour force participation rates (i.e. those working or looking for work) and unemployment rates (i.e. the percentage of those participating in the labour force who are unable to find work) among Canadian-born and immigrant workers with at least one university degree

Table 9: Unemployment and participation rates for Canadian-born and immigrants with a university degree, Toronto CMA

	CANADIAN-BORN	IMMIGRANT			
		ALL IMMIGRANTS**	1981-1990	1991-2000	2001-2006
Unemployment rate	3.8 %	6.5 %	4.7 %	6.0 %	11.1 %
Participation rate	84.2 %	80.1 %	84.5 %	83.8 %	78.9 %

** Includes immigrants who arrived before and after 1981

The average unemployment rate for immigrant degree-holders (6.5%) is almost twice the unemployment rate for Canadian-born degree-holders (3.8%), even though the two groups have similar participation rates (80.1% and 84.2% respectively).

The unemployment rate is highest for recent immigrants. For immigrants who arrived in the 1980s, the unemployment rate is 4.7% compared with 11.1% for immigrants who arrived after 2000. Among university graduates, the unemployment rate for recent immigrants is nearly three times the rate for the Canadian-born.

The high unemployment rates for well-educated immigrants occur even though immigrants and Canadian-born degree holders have similar labour force participation rates. Almost 85 percent of the Canadian-born degree holders are active in the labour market, while the participation rate for immigrants who have at least one university degree ranges from a low of 78.9% for recent immigrants and a high of 84.5% for those who came to Canada in the 1980s.

f) Unemployment and participation rates by gender

Table 10 shows the labour force participation rates (i.e. those working or looking for work) and unemployment rates (i.e. the percentage of those participating in the labour force who are unable to find work) for Canadian-born and immigrant men and women who have at least one university degree, by period of arrival for the immigrants.

Table 10: Unemployment and participation rates for Canadian-born and immigrants with a university degree by period of immigration and gender, Toronto CMA

	FEMALE					MALE				
	CANADIAN-BORN	IMMIGRANT				CANADIAN-BORN	IMMIGRANT			
		ALL IMMIGRANTS**	1981-1990	1991-2000	2001-2006		ALL IMMIGRANTS**	1981-1990	1991-2000	2001-2006
Unemployment rate	4.1 %	7.8 %	5.0 %	7.2 %	14.2 %	3.4 %	5.4 %	4.5 %	4.9 %	8.6 %
Participation rate	82.0 %	75.9 %	82.8 %	79.5 %	70.9 %	86.6 %	84.0 %	86.2 %	87.8 %	86.9 %

** Includes immigrants who arrived before and after 1981

The unemployment rates for well-educated immigrant men and women are higher than those of their Canadian-born counterparts. Canadian-born and immigrant women with university degrees have higher unemployment rates than their male counterparts. Canadian-born women with at least one university degree have an unemployment rate of 4.1%, whereas equally qualified immigrant women have an unemployment rate of 7.8%. The unemployment rate for equivalent Canadian-born men is 3.4%, whereas immigrant men have an unemployment rate of 5.4%.

The highest unemployment rates are consistently found among recent immigrants. Recent immigrant women who have university degrees have the highest unemployment rate at 14.2% followed by recent immigrant men with equivalent qualifications whose unemployment rate is 8.6%. The unemployment rate for recent immigrant women with a university degree is 10.1 percentage points higher than that for well-educated Canadian-born women. The gap is slightly less pronounced for recent male immigrants who are university graduates; there is a difference of 5.2 percentage points between the unemployment rates for recent immigrant men and Canadian-born men.

As for labour force participation rates, recent female immigrants with university degrees have a lower participation rate than their Canadian-born counterparts while recent immigrant men actually have a higher participation rate than their Canadian-born counterparts. The labour force participation rates for immigrant women who have university degrees vary with period of arrival. Only 70.9 % of well-educated immigrant women who arrived after 2000 are in the paid labour force, a much lower percentage than the 82.8% of equally educated immigrant women who arrived in the 1980s. Labour force participation rates for well educated immigrant men with at least one university degree do not vary much by period of arrival. They are always similar to those for equally well educated Canadian-born men. Migration affects well-educated immigrant women's participation in the labour market much more than that of equally educated immigrant men.

g) Unemployment and participation rates by age

Table 11 presents the labour force participation rates and unemployment rates for Canadian-born and immigrant workers by age at the time of the census.

Table 11: Unemployment and participation rates for Canadian-born and immigrants with a university degree by period of immigration and age, Toronto CMA

		CANADIAN-BORN	IMMIGRANTS			
			ALL IMMIGRANTS**	1981-1990	1991-2000	2001-2006
UNEMPLOYMENT RATE	25-34	3.8 %	7.9 %	5.5 %	6.1 %	11.1 %
	35-44	2.7 %	5.9 %	3.4 %	4.8 %	9.7 %
	45-64	2.6 %	5.4 %	3.8 %	5.9 %	13.0 %
PARTICIPATION RATE	25-34	79.5 %	83.8 %	89.5 %	85.3 %	79.1 %
	35-44	90.4 %	88.2 %	90.6 %	89.8 %	84.2 %
	45-64	85.7 %	83.5 %	87.9 %	85.6 %	78.9 %

** Includes immigrants who arrived before and after 1981

Immigrants in every age category have higher unemployment rates than the Canadian-born. The highest unemployment rates occur for university degree-holders between the ages of 25-34 years. Immigrants in this age group have more than double the unemployment rate of equally educated Canadian-born (7.9% vs. 3.8%, respectively). For both groups, the high unemployment rate indicates the difficulties that young adults encounter as they enter the labour market after completing post secondary education, even during an economic boom.

When looking at participation rates, only immigrants who are 25 to 34 years of age have a higher participation rate than their Canadian-born counterparts. The lowest participation rates occur for university-educated immigrants and Canadian-born who are 45-64 years old.

The unemployment rate increases and the participation rate decreases with more recent periods of immigration for every other age bracket. Even with a university degree, recent immigrants have high unemployment and low labour force participation.

h) Unemployment and participation rates by country of birth

Table 12 shows the participation and unemployment rates for university graduates from selected countries of birth.

Table 12: Employment and participation rate for Canadian-born and immigrants with a university degree by period of immigration and top 10 countries of birth, Toronto CMA

	UNEMPLOYMENT RATE				PARTICIPATION RATE			
	ALL IMMIGRANTS**	1981-1990	1991-2000	2001-2006	ALL IMMIGRANTS**	1981-1990	1991-2000	2001-2006
1. India	7.9 %	4.6 %	6.2 %	11.2 %	82.7 %	86.3 %	86.1 %	83.8 %
2. PR China	8.2 %	3.4 %	6.6 %	11.7 %	76.8 %	72.3 %	82.8 %	74.8 %
3. Philippines	4.8 %	3.5 %	3.7 %	6.7 %	82.6 %	85.5 %	86.8 %	86.5 %
4. Hong Kong	4.8 %	5.2 %	5.8 %	6.5 %	83.5 %	86.2 %	82.8 %	69.7 %
5. Pakistan	9.0 %	4.5 %	7.2 %	12.2 %	74.8 %	79.6 %	80.9 %	68.5 %
6. Iran	9.3 %	5.4 %	8.2 %	13.6 %	76.3 %	77.2 %	78.6 %	73.0 %
7. Poland	4.3 %	3.9 %	4.4 %	12.3 %	81.8 %	87.8 %	85.7 %	74.4 %
8. Sri Lanka	8.6 %	6.1 %	7.6 %	15.7 %	80.3 %	78.0 %	81.8 %	78.7 %
9. Jamaica	4.6 %	4.6 %	4.7 %	9.4 %	85.1 %	87.5 %	88.1 %	91.4 %
10. Guyana	5.3 %	4.1 %	4.6 %	13.0 %	85.8 %	88.0 %	91.1 %	93.5 %

** Includes immigrants who arrived before and after 1981

The unemployment rates for immigrants with university degrees are highest for immigrants born in Iran (9.3%) and Pakistan (9.0%). The unemployment rates are closest to those of Canadian-born university graduates (3.8%) for immigrants born in Poland (4.3%), Jamaica (4.6%), Hong Kong (4.8%) and the Philippines (4.8%).

Unemployment rates decline consistently across period of arrival cohorts; immigrants with university degrees who arrived after 2000 are much more likely to be unemployed than those who arrived in the 1990s and 1980s. Among immigrants with university degrees who arrived after 2000, those born in Sri Lanka, Iran, and Guyana have the highest unemployment rates of 15.7%, 13.6% and 13.0%, respectively. The lowest unemployment rates among recent immigrants with university degrees – the unemployment rates that are closest to the Canadian-born unemployment rate – occur for immigrants born in the Philippines (6.7%) and Jamaica (9.4%).

The rate at which unemployment falls varies from one country of birth to another. For Guyanese with a university degree, the unemployment rate falls from 13.0% to 4.6%, while for immigrants born in Hong Kong who have a university degree, there is only a miniscule drop of 0.7%, from 6.5% for those who arrived after 2000 to 5.8% for those who arrived in the 1990s.

The labour force participation rates for immigrants who are university graduates also generally fall below that of Canadian-born university graduates (84.2%). Immigrants born in Jamaica and Guyana are the exceptions with participation rates that exceed those of their Canadian-born counterparts with university degrees.

There is variation in the participation rates by source country and by period of arrival. Though the labour force participation rate tends to be lower for immigrants who are university graduates than for Canadian-born university graduates, the differences are minor and in some cases immigrants have higher participation rates than the Canadian-born. For example, immigrants with university degrees

who were born in the Philippines, Jamaica and Guyana are more likely than Canadian-born university graduates to be in the labour force.

CONCLUSIONS

Clearly only tentative conclusions can be derived from the data compiled in this report. In part this is because education, gender and country of birth are only some of many factors that might contribute to labour market outcomes. In addition, the data presented here do not differentiate where university degrees where obtained, and there is likely to be a significant different between Canadian-educated and foreign-educated populations.

In terms of the specific labour market outcomes that we examined, the following conclusions emerge:

- Having a university degree does not guarantee labour market outcomes for immigrants that are comparable to the Canadian-born. Immigrants with at least one university degree have lower annual earnings than Canadian-born with the same education. The average unemployment rate for all university educated immigrants is double the unemployment rate for their Canadian-born counterparts even though both groups have similar labour force participation rates.
- Gaps in earning and unemployment rates between Canadian-born and immigrant university graduates increase for immigrants who arrived recently.
- Female immigrants with at least one university degree have the poorest labour market outcomes of all groups of university graduates. They have lower annual earnings and higher unemployment rates than equally well-educated Canadian-born women, immigrant men and Canadian-born men.
- University graduates born in Pakistan and Iran experience the lowest annual earnings of all immigrants who are university graduates, as well as among the highest unemployment rates. More research is needed to understand the effects of country of birth on immigrants' labour market outcomes.
- Labour market outcomes are generally better for well-educated immigrants who are between the ages of 35 and 44 years old: they have higher annual earnings and lower unemployment rates than immigrants in other age groups who are also university graduates.

APPENDIX

RELEVANT QUESTIONS FROM CENSUS SURVEY QUESTIONNAIRE:

1. 2 – Sex
2. 3 – Date of birth
3. 9 – Where was this person born?
4. 12 – In what year did this person first become a landed immigrant?
5. 29 – Has this person completed a university degree, certificate or diploma?
6. 34 – Last week, how many hours did this person spend working for pay or in self-employment?
7. 35 – Last week, was this person on temporary lay-off or absent from his/her job or business?
8. 36 – Last week, did this person have definite arrangements to start a new job within the next four weeks?
9. 37 – Did this person look for paid work during the past four weeks?
10. 38 – Could this person have started a job last week had one been available?
11. 52 (a) – During the year ending December 31, 2005, did this person receive any income from the sources listed below… Total wages and salaries, including commissions, bonuses, tips, taxable benefits, research grants royalties, etc., before any deductions

***Questionnaire**:* http://www12.statcan.ca/census-recensement/2006/ref/question-guide-eng.cfm

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