



Citizenship and
Immigration Canada

Citoyenneté et
Immigration Canada

Recent immigrant outcomes - 2005 employment earnings

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Canada

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Executive summary

- The 2005 results from the **Longitudinal Immigrant Database (IMDB)**¹ are now available from Statistics Canada.
- During the 2005 tax year, average employment earnings one year after landing (i.e. entry earnings) for immigrants increased. The increase in entry earnings is evident for all major immigrant categories – including family, refugees and economic.
 - Immigrants who landed in 2004 noted an increase of \$1,250 in average employment earnings one year after landing – this corresponds to an increase of 6.9 percent.
 - During the same timeframe, average employment earnings for all Canadians increased by \$750 or an increase of 2.1 percent and, as a result, the gap between immigrant entry earnings and the Canadian average narrowed.
- Skilled principal applicants (SPAs) reported average entry employment earnings approximately \$2,500 or 10.6 percent higher than the entry employment earnings reported by SPAs who landed in the previous cohort. This gain in employment earnings represents a departure from the recent trend of declining entry earnings for SPAs who were hit hard by the downturn of the IT sector at the start of this decade.
- The still large concentration of SPAs intending to work in NOC21 (mainly engineering and computer and information systems professionals) coupled with the recovery of the IT sector are key factors for the recovery in entry earnings of SPAs.
 - Despite a recent decline in the share of SPAs intending to work in NOC21, roughly 45 percent of the 2004 landing cohort of SPAs intended to work in this occupational field.
 - SPAs intending to work in NOC21 have shown a strong recovery in employment earnings one year after landing. For those who landed in 2004 and intended to work in NOC21 the average employment earnings one year after landing was \$3,629 higher than the previous cohort, a 16 percent increase.
 - If we exclude those intending to work in NOC21, entry earnings of SPAs only increased modestly by \$1,354, a 5.5 percent increase.
- Another gauge of the labour market conditions for SPAs intending to work in NOC21 is the incidence of employment earnings and employment insurance (EI).
 - In 2005, the share reporting employment earnings increased 2.3 percent to 78.4 percent and the incidence of employment insurance declined slightly by 0.3 percent to 7.8 percent.
- The recovery in average employment earnings one year after landing for all immigrants seen at the national level is also evident in all regions across the country, albeit in varying degrees.
 - The strongest growth in average entry earnings was recorded for those who resided in Alberta (all immigrants at 12.8% and SPAs at 15.6%) and British Columbia (all immigrants at 11.9% and SPAs at 16.1%).
 - Figures for Ontario reflected the trend observed at the national level with average entry earnings for all immigrants increasing by 5.5 per cent and SPAs noting an increase of 11.6 percent.

¹ The IMDB combines administrative records on immigration with taxation information to form a comprehensive source of data on the labour market experiences of the landed immigrant population. The IMDB is managed by Statistics Canada on behalf of a Federal-Provincial Funding Consortium led by Citizenship and Immigration Canada.

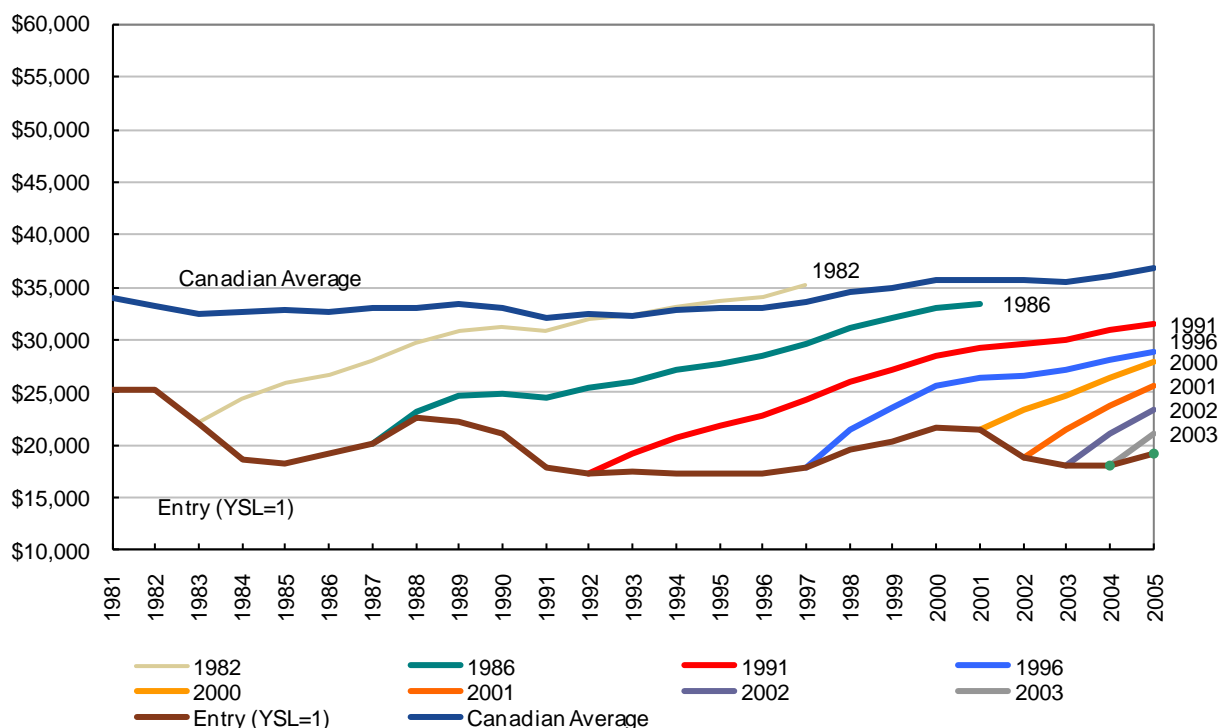
- Average entry earnings for immigrants residing in Quebec lagged behind the growth observed in Canada and other regions of the country.
- Figures from the IMDB show that entry earnings for provincial nominee (PN) principal applicants are close to the Canadian average during the 2002-2005 tax years.
 - In 2005, the average entry employment earnings for PN principal applicants increased to \$36,500 – this was slightly below the Canadian average of \$36,831.
- Data from the 2006 Census suggest that gains in employment and earnings for very recent immigrants, who landed in Canada 5 years or less, was relatively small and the gap in earnings widened between recent immigrants and Canadian-born workers in 2005 compared to the situation in 2000. Annual data through 2005 from the IMDB provides somewhat of a different story that shows above-average gains in average entry earnings for new immigrants and a narrowing of the gap between the average entry earnings of immigrants and average earnings for Canadians.

Recent immigrant outcomes – 2005 – employment earnings

Immigrant category

- Average entry earnings (YSL=1) declined for four consecutive years during the early part of this decade, specifically during the 2001-2004 tax years (see Figure 1). However during the 2005 tax year, average entry earnings for immigrants increased².
 - Immigrants who landed in 2004 noted an increase of \$1,250 (2005\$) in average employment earnings one year after landing – this corresponds to an increase of 6.9 percent.
 - During the same timeframe, average employment earnings for all Canadians increased by \$750 (2005\$) or an increase of 2.1 percent and, as a result, the gap between immigrant entry earnings and the Canadian average narrowed.
- Despite the poor record of entry earnings (YSL=1) for immigrants who landed during early part of this decade, the progression of average employment earnings for this group immigrants in subsequent years after landing are showing healthy gains.
 - Immigrants who landed during 2001-03 are averaging employment earnings growth in the 15 percent range in the second year after landing and 10 percent in the third year after landing.

Figure 1: Average employment earnings (2005\$) for immigrants in all categories by landing year and tax year, 1981-2005



Source: IMDB and CRA

² In the literature, entry earnings (YSL=1) refer to immigrant real annual earnings deflated using the CPI, during the first full year after landing in Canada (e.g. Green and Worswick 2004, Aydemir & Skuterud 2004, Frenette and Morissette 2003, and Grant 1999).

- The increase in 2005 entry earnings is evident for all major immigrant categories – including family, refugees and economic.
 - Entry earnings for family class immigrants noted an increase of \$1051 (6.7%), refugees recorded an increase of \$398 (2.6%) and the growth was even stronger for economic immigrants at \$1722 (8.7%).
 - However, the most notable gain was for skilled worker principal applicants (SPAs) – detailed analysis of SPAs follows.

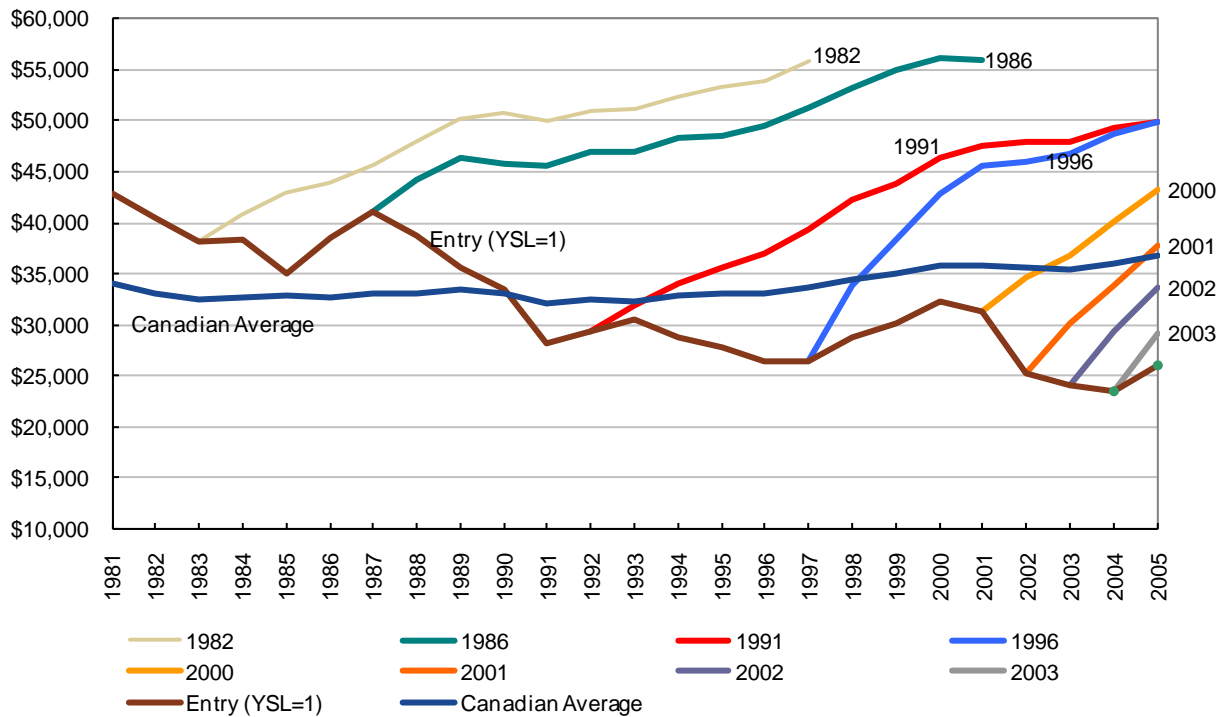
Table 1: Number and share of immigrants reporting employment earnings one year after landing by landing year and immigrant category, 2001-2004

Category	2001		2002		2003		2004	
	Number	Share	Number	Share	Number	Share	Number	Share
Family class	27,020	27.6%	25,005	28.6%	27,755	31.7%	27,130	28.8%
Economic class	61,825	63.1%	52,500	60.1%	46,290	52.9%	51,630	54.9%
<i>Skilled Worker PAs</i>	35,805	36.6%	30,625	35.1%	25,845	29.5%	27,540	29.3%
<i>Other Economic PAs</i>	4,125	4.2%	3,430	3.9%	4,115	4.7%	5,250	5.6%
<i>Economic SP&D</i>	21,895	22.4%	18,445	21.1%	16,330	18.7%	18,840	20.0%
Refugees	9,010	9.2%	8,140	9.3%	9,485	10.8%	12,300	13.1%
Other	90	0.1%	1,720	2.0%	3,965	4.5%	2,980	3.2%
Total	97,945	100.0%	87,365	100.0%	87,495	100.0%	94,040	100.0%

Source: IMDB

- SPAs who landed in 2004 reported average entry employment earnings equal to approximately \$26,100 (2005\$), \$2,500 higher than the entry employment earnings reported by SPAs who landed in the previous cohort (2003). This represents a 10.6 percent increase in entry employment earnings (see Figure 2).
 - As a share of all immigrants, SPAs who reported employment earnings remained relatively stable for the second consecutive year at 29 percent for the 2004 cohort (Table 1). It is important to note that landings of skilled worker principal applicants dropped from 23.3 percent of total immigration in 2001 to 20.3 percent in 2004. This decline in the overall immigration share for SPAs has had an impact on the share of SPAs reporting employment earnings within the IMDB.
 - However as a share of all SPAs, the incidence of employment earnings one year after landing for SPAs rose to 57.5 percent for the 2004 cohort – higher than the 57.0 percent figure reported for the 2003 cohort, but still well below the 60.8 percent figure recorded for the 2001 cohort.
 - The gain in employment earnings of skilled principal applicants represents a departure from the recent trend of declining entry earnings for SPAs. Employment prospects for SPAs, who landed in Canada from 2001-2003, were hit hard by the downturn of the IT sector at the start of this decade.
 - The gap between entry employment earnings for SPAs and the Canadian average widened considerably during the early part of this decade. However, the 2005 results indicate a significant narrowing of the gap between SPAs and Canadian average earnings.

Figure 2: Average employment earnings (2005\$) for skilled principal applicants by landing year and tax year, 1981-2005



Source: IMDB and CRA

- Provincial nominee (PN) is another category which is separately identified within this analysis. Similar to skilled worker principal applicants, PNs are chosen based on their ability to become economically established in Canada³. While this category is still very small in terms of overall landings in Canada, recent trends indicate that this category is becoming an important part of overall immigration trends in a number of regions across the country (see Table 2).
- Figure 3 illustrates that entry earnings for provincial nominee principal applicants are close to the Canadian average during the 2002-2005 tax years⁴.
 - In 2005, the average entry employment earnings for provincial nominee principal applicants increased to \$36,500 – this was slightly below the Canadian average of \$36,831.
 - However, it is important to note that the earnings progression (employment earnings in subsequent years after landing) of provincial nominee principal applicants is not as robust as other immigration categories.

³ Foreign nationals accepted in this category are chosen on their ability to become economically established in Canada and they are named in a nomination certificate issued by the government of a province under a provincial nomination agreement.

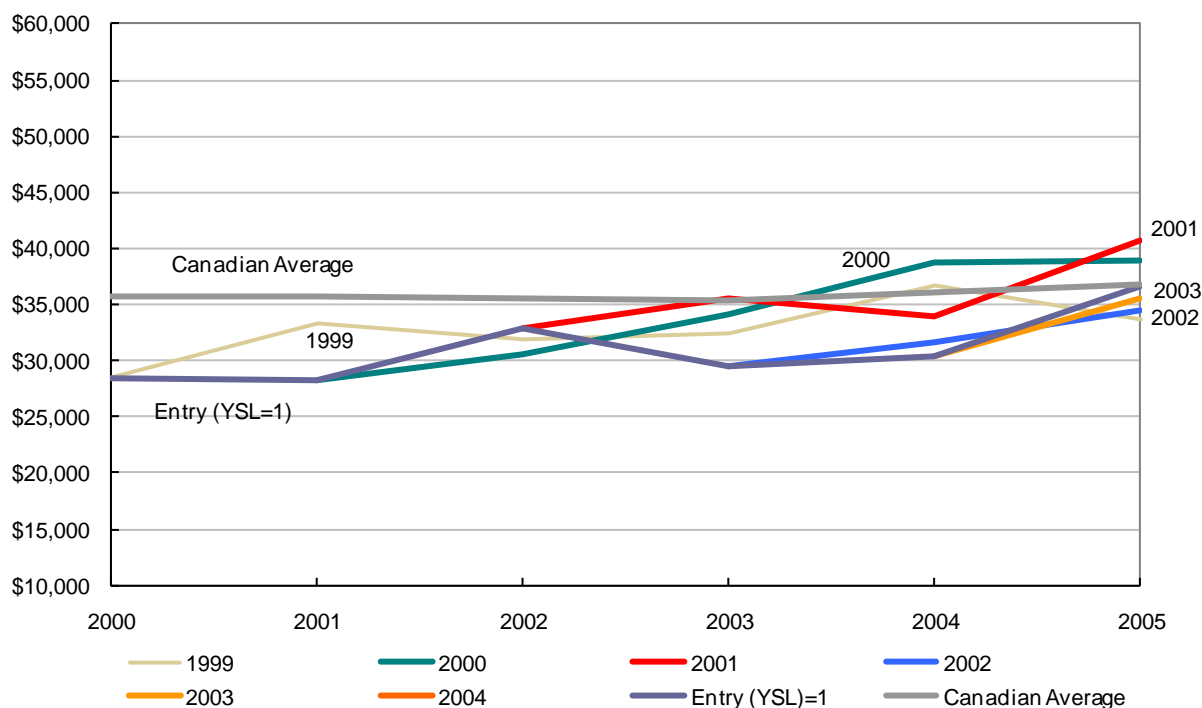
⁴ The analysis of the Provincial Nominee Program is limited to tax years 2000-2005 coinciding with the first landings of PNs in 1999.

Table 2: Landings of provincial nominee principal applicants by region, 1999-2005

Region	1999	2000	2001	2002	2003	2004	2005
Atlantic Canada	0	10	46	56	92	184	346
Manitoba	138	316	307	468	959	1,313	1,469
Saskatchewan	6	12	12	21	53	109	162
Alberta	0	7	6	8	61	147	229
British Columbia	4	5	11	84	171	249	309
Other regions	3	18	28	43	81	84	128
Total	151	368	410	680	1,417	2,086	2,643

Source: Permanent resident data system

Figure 3: Average employment earnings (2005\$) for provincial nominee principal applicants



Source: IMDB and CRA

- Comparing earnings of SPAs and PNs is a difficult endeavor given differences in the selection criteria for each of these categories. SPAs have higher shares intending to work in occupations that are classified as skill level O, A (that is occupations that usually require a university degree).
 - Provincial nominees' intended occupations, in contrast, are distributed across all skill levels. On average, occupations in skill level O, A have higher average earnings and this plays a role in the average earnings of both these immigration classes over time⁵.

⁵ While occupations in skill level A generally have higher average earnings, problems with certification and recognition of credentials, among other labour-market integration challenges, have an impact on entry earnings of the skilled worker class.

Comparability to the Canadian average

- An issue that often is discussed when looking at immigrant economic outcomes is the suitability of the Canadian-born comparison. There are a number of issues to consider in this context.
 - The Canadian average used in the analysis corresponds to all Canadians over the age of 15, who had employment earnings in the tax year of record. This average was chosen in order to have a Canadian benchmark for comparison purposes⁶.
- Entry (YSL=1) earnings are often used as an indication of immigrant economic performance. However there are some important caveats to note when comparing entry earnings to the Canadian average in the analysis⁷.
 - The average age of recent immigrants (those who landed less than 5 years ago) is significantly lower than the Canadian population (31 years for recent immigrants compared to 36 years for the Canadian-born population)⁸.
 - Job tenure and Canadian labour market experience are important factors related to age and time spent in Canada and these factors play a role in employment earnings. Given that recent immigrants are new to the Canadian labour market, one would expect less job tenure and Canadian labour market experience as compared to the entire Canadian tax filing population. This plays a role in the differences in employment earnings between recent immigrants and all Canadians.
 - Given the demographic picture in Canada, an increasing share of the population is nearing the peak earning years of their careers and this is placing upward pressure on the Canadian average. As a result, the gap between immigrant entry earnings and the Canadian average is increasing in many instances.
 - While recent immigrants are younger, have less job tenure and domestic labour market experience, it also should be noted that on average, recent immigrants have higher levels of education as compared to the Canadian-born population.

⁶ Canadian employment earnings data in this analysis are derived from special tabulations from the Canada Revenue Agency.

⁷ Issues surrounding the most appropriate comparison figure for the immigrant population are a concern. Labour-market integration varies among different admission categories and immigrant landing characteristics. Using average employment earnings at different points in time after landing (for instance, 3 or 5 years after landing) may be a more appropriate measure for some comparison purposes.

⁸ Portrait of the Canadian Population in 2006, by Age and Sex, 2006 Census, Statistics Canada – Catalogue no. 97-551.

Gender

- Although males continue to dominate the skilled worker principal applicant population, the share of females continues to increase each year.
 - For the 2003 cohort, 74.8 percent of SPAs reporting employment earnings one year after landing were male and 25.2 percent were female. For the 2004 cohort the female's share further increased to 28 percent and the male's share dropped almost 3 percentage points to 72 percent (see Table 4).

Table 3: Average employment earnings one year after landing (2005\$) for skilled principal applicants, by landing cohort and gender

Landing cohort	Males		Females		Total	
	2005\$	▲	2005\$	▲	2005\$	▲
2001	26,428	-19.8%	21,143	-18.7%	25,237	-19.6%
2002	25,423	-3.8%	19,722	-6.7%	24,088	-4.6%
2003	24,756	-2.6%	20,022	1.5%	23,564	-2.2%
2004	28,084	13.4%	20,886	4.3%	26,072	10.6%

Source: IMDB

Table 4: Share of skilled principal applicants reporting employment earnings one year after landing, by landing cohort and gender

Landing Cohort	Males	Females	Total
2001	77.5%	22.5%	100.0%
2002	76.6%	23.4%	100.0%
2003	74.8%	25.2%	100.0%
2004	72.0%	28.0%	100.0%

Source: IMDB

- The recovery in average entry employment earnings for new SPAs seen in Figure 2 is observed for both males and females, albeit at different times and to different degrees (Table 3).
 - Male SPAs have started to show recovery in entry earnings after several declines in entry earnings of previous cohorts – male SPAs in the 2004 cohort saw their entry earnings grow by \$3,328 or 13.4 percent.
 - For female SPAs, the recovery in entry earnings was noted 1 year sooner than males, but the growth recorded for the 2004 cohort has not been as robust. Entry earnings for female SPAs were \$864 or 4.3 percent higher than for the previous cohort – substantially lower than the growth recorded for males.

Age

Table 5: Average employment earnings one year after landing (2005\$) for skilled principal applicants, by landing cohort and age at landing

Landing Cohort	15-20		21-29		30-49		50 +		Total	
	2005\$	▲	2005\$	▲	2005\$	▲	2005\$	▲	2005\$	▲
2001	18,120	35.4%	25,310	-22.3%	25,113	-18.6%	32,762	-12.9%	25,237	-19.6%
2002	7,245	-60.0%	23,514	-7.1%	24,234	-3.5%	30,429	-7.1%	24,088	-4.6%
2003	3,696	-49.0%	22,045	-6.2%	23,913	-1.3%	37,145	22.1%	23,564	-2.2%
2004	8,449	128.6%	24,627	11.7%	26,308	10.0%	36,569	-1.6%	26,072	10.6%

Source: IMDB

- Signs of recovery in average employment earnings one year after landing for new SPAs are observed for all age groups, albeit to different degrees (see Table 5).

Table 6: Share of skilled principal applicants reporting employment earnings one year after landing, by landing cohort and age at landing

Landing Cohort	15-20	21-29	30-49	50 +	Total
2001	0.1%	28.5%	70.4%	1.0%	100.0%
2002	0.0%	27.8%	71.0%	1.2%	100.0%
2003	0.1%	27.2%	71.6%	1.2%	100.0%
2004	0.0%	25.1%	73.2%	1.6%	100.0%

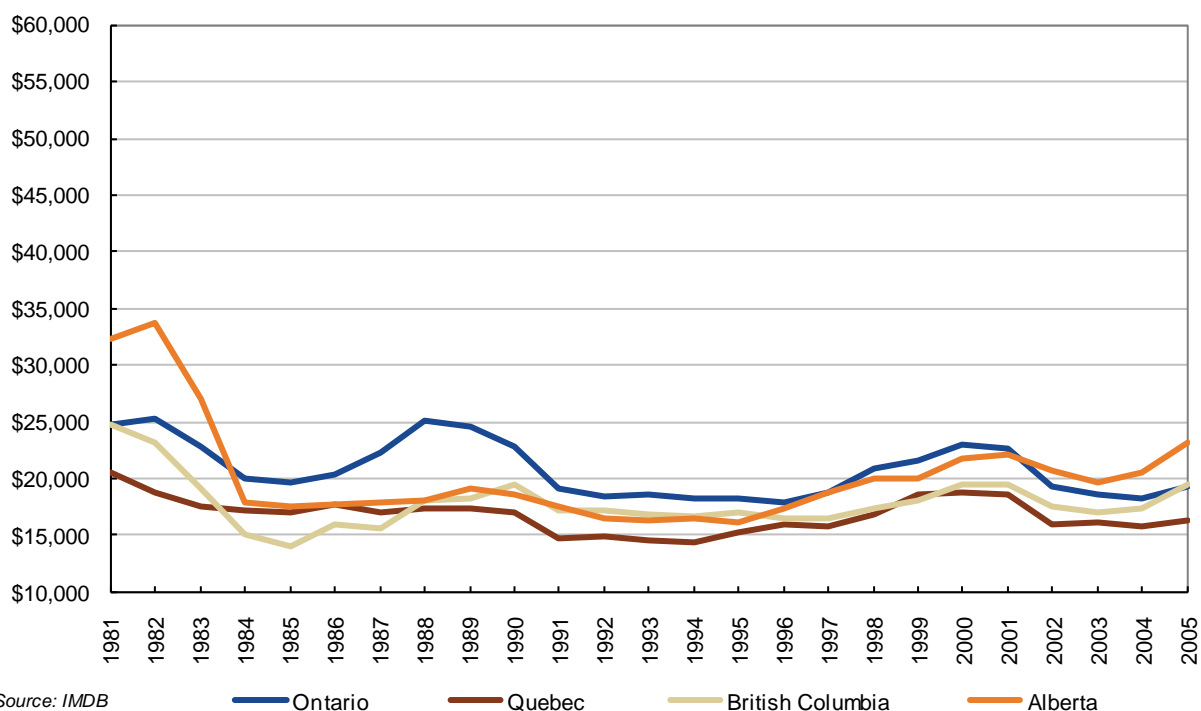
Source: IMDB

- As the selection grid of skilled worker principal applicants awards the maximum points for those aged 21 to 49, the vast majority (approximately 98%) of SPAs landing in 2004 were aged in this range (see Table 6).
 - For the 2004 cohort, immigrants aged 21 to 29 represented 25.1 percent of all SPAs reporting employment earnings one year after landing. Those aged 30 to 49 represented approximately 73 percent.
 - The age distribution of SPAs reporting employment earnings in the IMDB one year after landing generally reflects the age distribution of SPAs at landing – with a slightly higher share reporting employment earnings in the 21-29 age group and slightly lower shares for the 30-49 and 50+ age groups.
- For the 2004 cohort, SPAs in both major age groups had large gains in entry employment earnings. Those aged 21 to 29 and 30 to 49 reported earnings of \$24,627 and \$26,308, 11.7 percent and 10 percent higher than the previous cohort, respectively.

Province of residence

- The recovery in average employment earnings one year after landing for all immigrants seen at the national level is also evident at the provincial level for Ontario, Quebec, British Columbia and Alberta, albeit in varying degrees (see Figure 4).
- The analysis by province of residence will focus on the four provinces mentioned above. Combined, these provinces of residence account for vast majority of immigrants within the IMDB. In fact if we look at SPAs, Ontario, Quebec, British Columbia and Alberta account for 98 percent of all SPAs residing in Canada.
- Earnings estimates for other provinces are available but can fluctuate significantly from year to year given the relatively small numbers of immigrants residing in those regions. However, it is important to mention that the recovery seen in Canada was also evident in all regions across the country.

Figure 4: Average employment earnings one year after landing (2005\$) for all immigrants by province of residence, 1981-2005



Source: IMDB

- Similar to the pattern seen for all immigrants, skilled worker principal applicants also showed a recovery in entry earnings (see Figure 5). However, the magnitude of the recovery for SPAs was quite a bit stronger in most cases, except Quebec⁹.

⁹ Note that the Canada-Quebec Accord lays out the general principles governing immigration to Quebec. Skilled workers destined to Quebec are assessed against the Quebec selection grid, which differs from the federal selection grid. Quebec's point system gives more weight to labour market factors such as education, language ability and employability and occupation mobility (EMP). Points under the EMP factor take account of an applicant's education, work experience, age, language ability, and knowledge of Quebec.

Figure 5: Average employment earnings (2005\$) for skilled principal applicants one year after landing by province of residence, 1981-2005

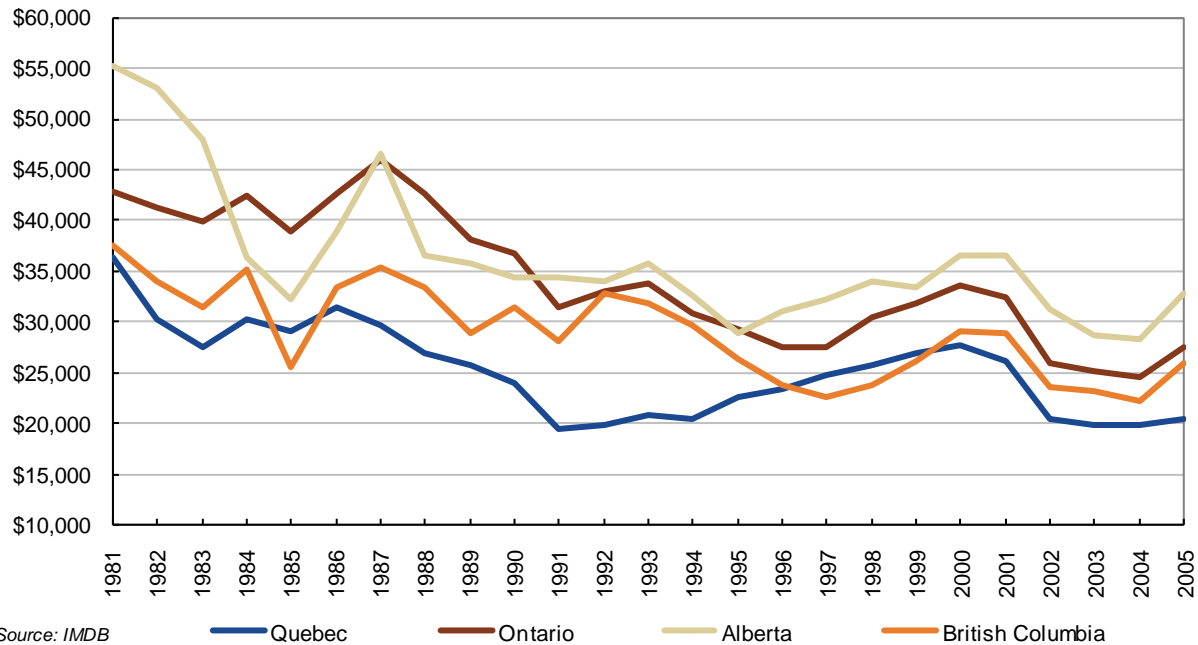
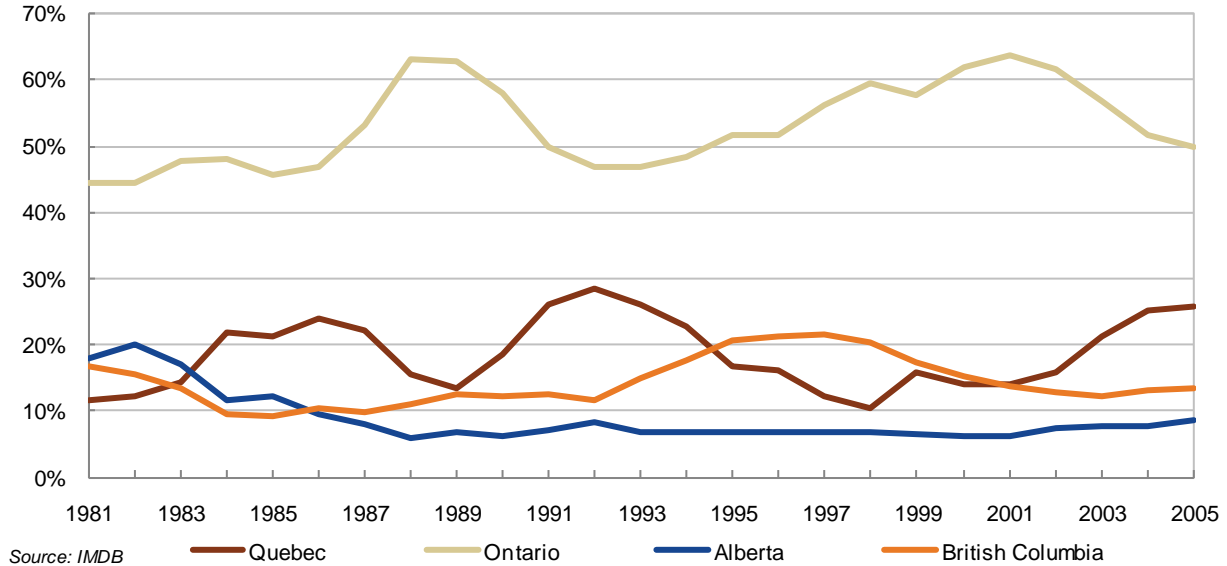


Figure 6: Skilled principal applicants reporting employment earnings one year after landing, distribution by province of residence, 1981-2005



- The shift in the province of residence for SPAs, observed since 2000, continued with the 2004 landing cohort (see Figure 6).
 - The trend is showing a lower share of recently landed SPAs residing in Ontario and a larger share residing in Quebec. As a result, the share of SPAs residing in Ontario and reporting employment earnings one year after landing decreased further from 52 percent for the 2003 cohort to 50 percent for the 2004 cohort. The share of SPAs residing in Quebec and reporting employment

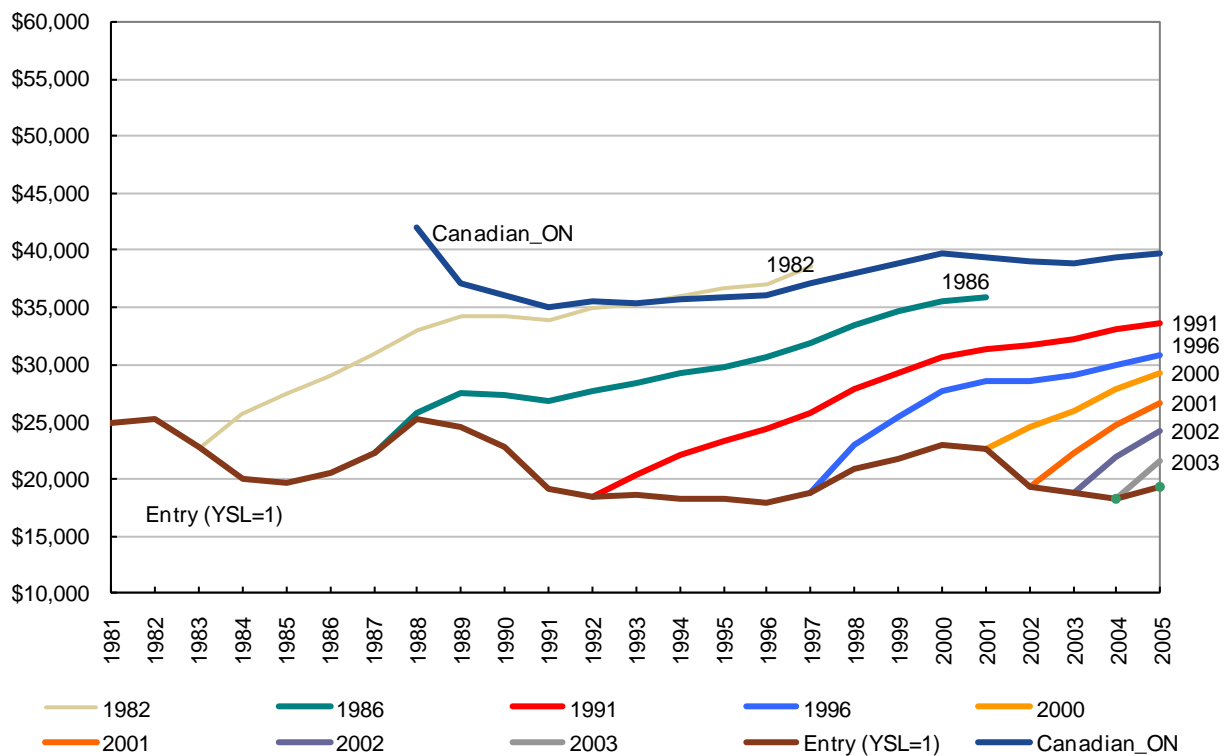
earnings one year after landing continued to increase from 25 percent for the 2003 cohort to 26 percent for the 2004 cohort.

- The share of SPAs residing in British Columbia and Alberta and reporting employment earnings one year after landing remained stable at around 13 percent and 8 percent, respectively.
- Given that a larger share of SPAs were residing in Quebec (where average earnings are lower than the national average), it is logical to assume that downward pressure is being placed on the overall employment earnings average for SPAs due to increased numbers of SPAs residing in that province.

Ontario

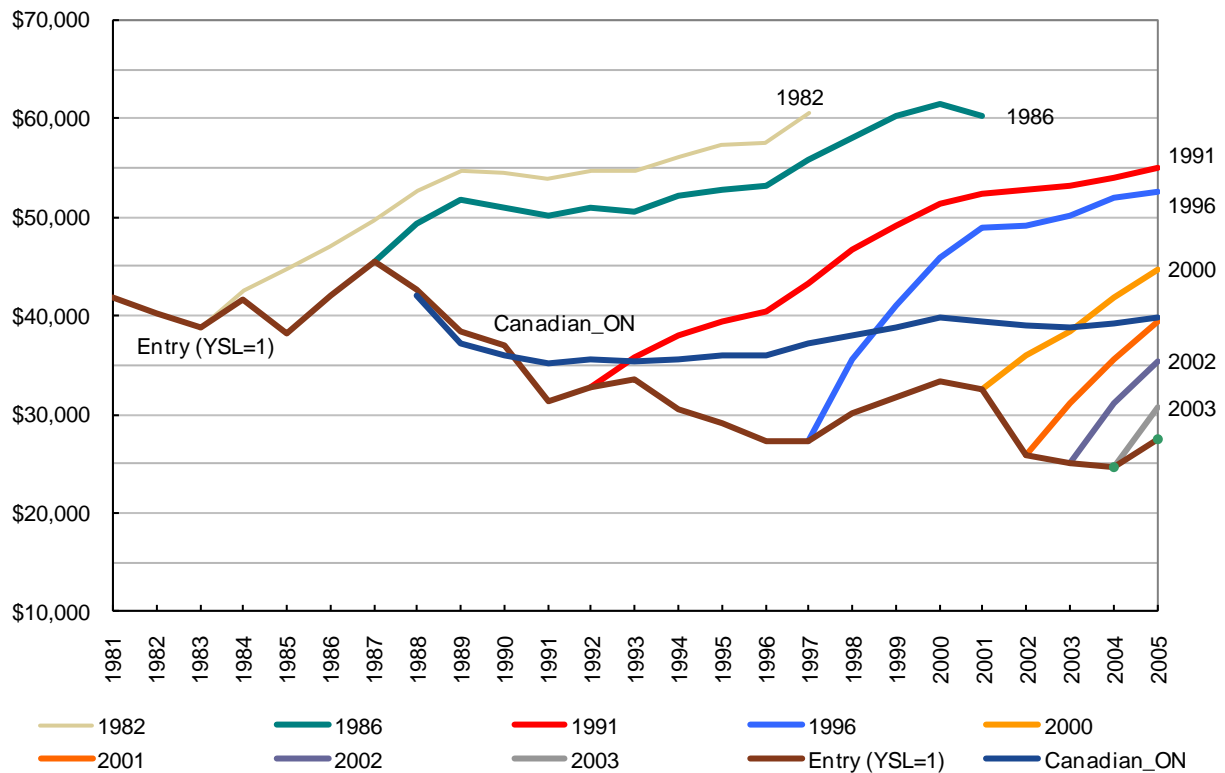
- Immigrants who resided in Ontario illustrated moderate gains in entry earnings during 2005 (see Figure 7).
 - Immigrants who landed in 2004 and resided in Ontario during 2005 reported an increase of \$1,007 (5.5%) in average entry earnings (YSL=1) as compared to the previous cohort. While the growth in earnings for immigrants residing in Ontario (5.5%) are less than the national average for immigrants (6.9%).
 - It is important to note that the gap in employment earnings between immigrants and all tax filers residing in Ontario narrowed during 2005. Growth in average earnings for all tax filers residing in that province was 1.2 percent.

Figure 7: Ontario – Average employment earnings (2005\$) for all immigrants by landing cohort and tax year



Source: IMDB and CRA

Figure 8: Ontario – Average employment earnings (2005\$) for skilled principal applicants by landing cohort and tax year



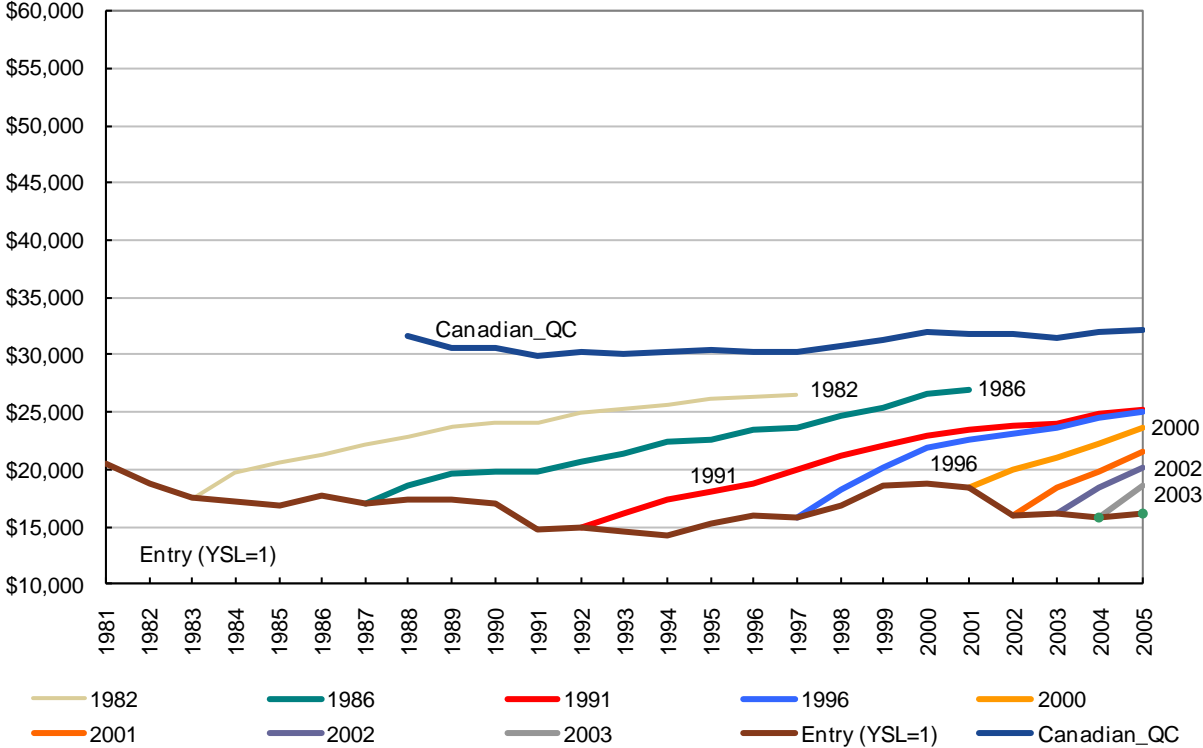
Source: IMDB and CRA

- Immigrants who landed in 2004 and resided in Ontario during 2005 reported an increase of \$1,007 (5.5%) in average entry earnings (YSL=1) as compared to the previous cohort. While the growth in earnings for immigrants residing in Ontario (5.5%) is less than the national average for immigrants (6.9%), it is important to note that the gap in employment earnings between immigrants and all tax filers residing in Ontario narrowed during 2005. Growth in average earnings for all tax filers residing in that province was 1.2 percent.
- Skilled principal applicants who landed in 2004 and resided in Ontario during 2005 reported an increase of \$2,856 (11.6%) in average entry earnings (YSL=1) as compared to the previous cohort (Figure 8). SPAs residing in Ontario accounted for roughly 50 percent of all SPAs who reported employment earnings one year after landing in the IMDB (Figure 6). As a result, the gains noted for SPAs in the province had a significant impact on the 10.6 percent increase noted for all SPAs in Canada.
- Much of the recovery in Ontario can be attributed to an improved labour market for many IT-related occupations – over half of SPAs residing in Ontario had an intended occupation related to the IT sector during the 2000-2005 period. After being hit hard by the downturn in the early part of this decade, immigrants intending to work in this sector have seen improved earnings and a lower incidence of employment insurance. Employment earnings by intended occupation are discussed in greater detail in the occupational analysis that follows.

Quebec

- The recovery in average entry earnings for new immigrants who resided in Quebec was minimal, compared to the other main immigrant receiving provinces.
 - Immigrants who landed in 2004 and resided in Quebec during 2005 reported an increase of \$368 (2.3%) in average entry earnings (YSL=1) as compared to the previous cohort. This is the weakest growth among the provinces (Ontario, Quebec, British Columbia and Alberta) analysed in this report and is among the lowest growth recorded for all regions in Canada.

Figure 9: Quebec – Average employment earnings (2005\$) for all immigrants by landing cohort and tax year

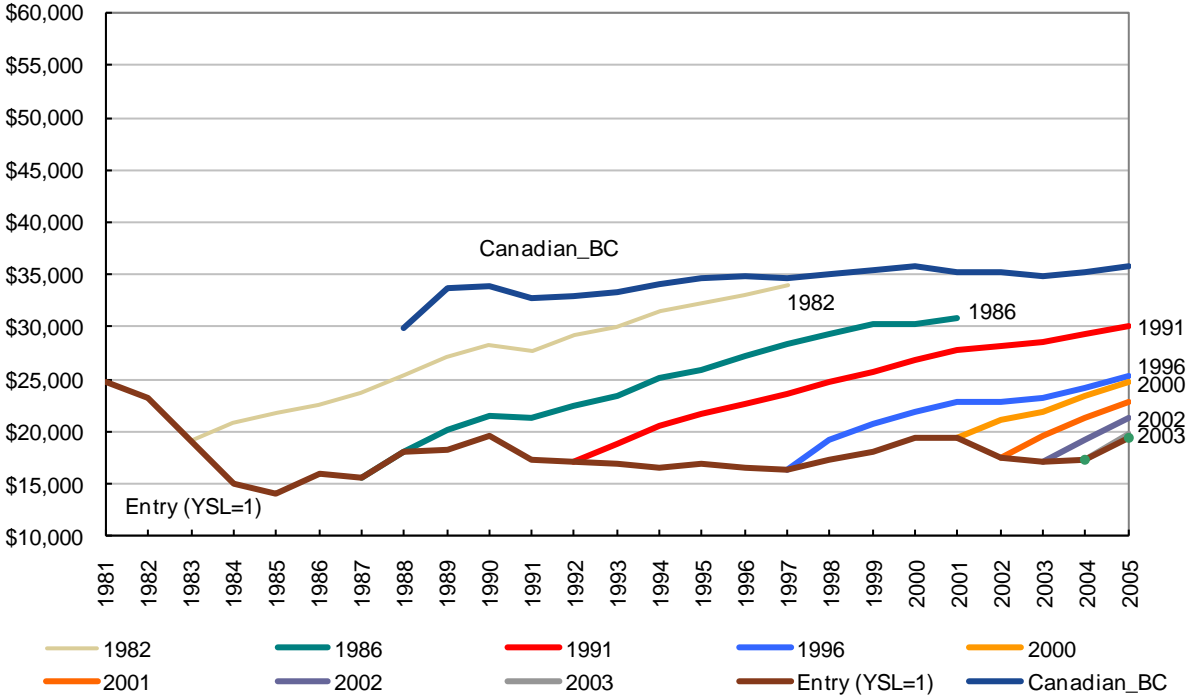


Source: IMDB and CRA

- The scenario for SPAs residing in Quebec during 2005 was slightly better as they recorded an increase of \$701 (3.5%) in average entry earnings (YSL=1) as compared to the previous cohort (see Figure 5).
- Despite an increased share of SPAs residing in Quebec, earnings data suggest that the economic performance of immigrants in Quebec has not improved considerably. While this may be true, one must also realize that immigrants residing in this region were not as hard hit by declines in entry earnings during the early part of this decade.
- One possible reason for this may be due to the fact that the share of SPAs intending to work as professionals in natural and applied science during the 2000-2005 period was substantially lower in Quebec than in the rest of Canada (30% versus 50% for all of Canada) and, as a result, the earnings profile of immigrants residing in Quebec is reflecting differences in occupational choices. Of note, the second most common intended occupational grouping in Quebec was professional occupations in social science, education, government services and religion – this was similar for the other regions in Canada.

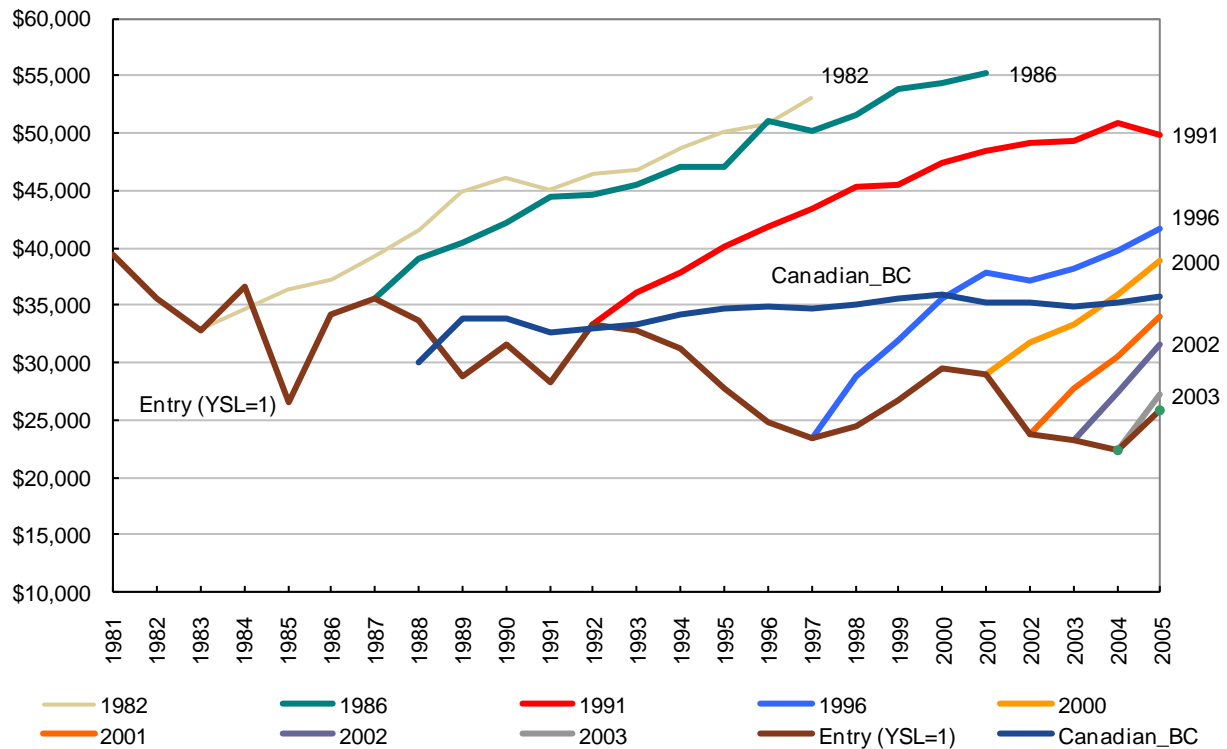
British Columbia

Figure 10: British Columbia – Average employment earnings (2005\$) for all immigrants by landing cohort and tax year



Source: IMDB and CRA

Figure 11: British Columbia – Average employment earnings (2005\$) for skilled principal applicants by landing cohort and tax year



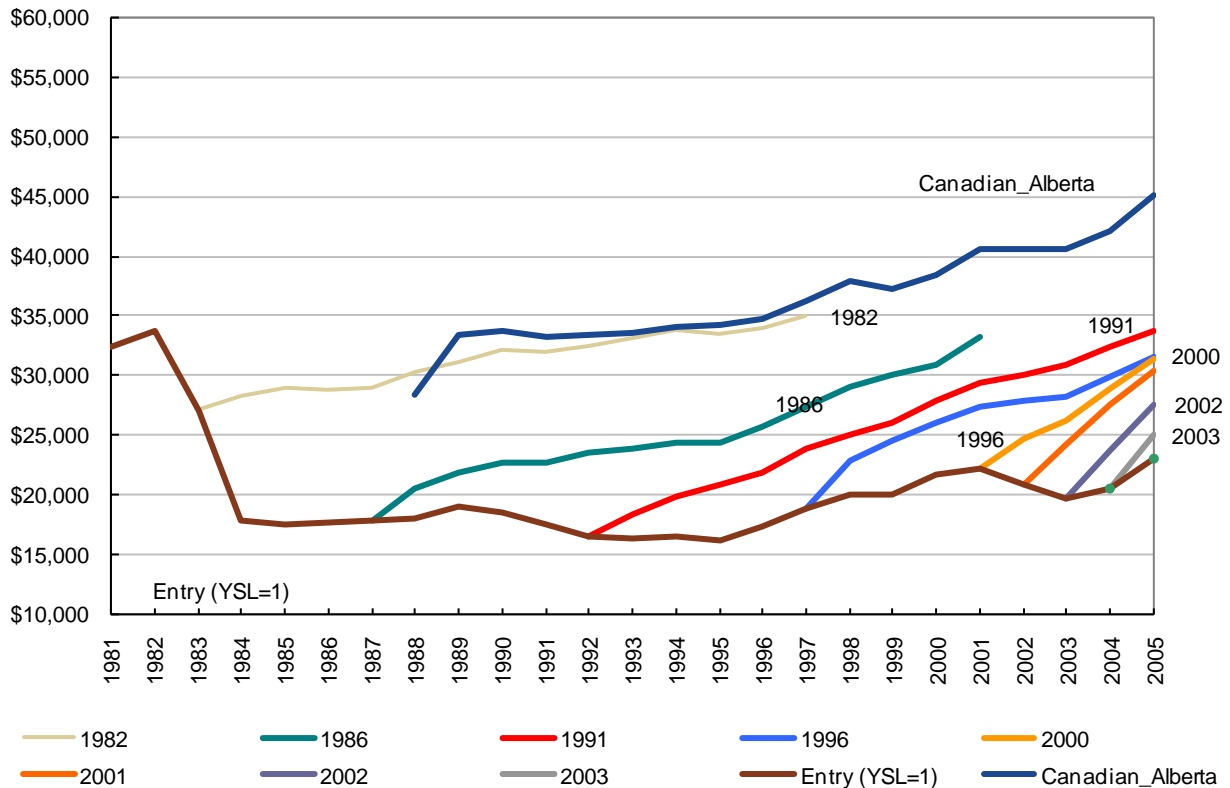
Source: IMDB and CRA

- The situation for immigrants residing in British Columbia was encouraging during 2005 as average employment earnings showed a strong recovery. Immigrants who landed in 2004 and resided in British Columbia during 2005 reported an increase of \$2,076 (11.9%) in entry earnings as compared to the previous cohort. This is much higher than the national average entry earnings growth for immigrants at 6.9 percent (Figure 10).
- Consistent with the situation for all immigrants in the province, SPAs residing in British Columbia also noted large gains (Figure 11). SPAs who landed in 2004 and resided in British Columbia during 2005 reported an increase of \$3,599 (16.1%) in entry earnings as compared to the previous cohort. This increase was well above the national average of \$2,507 (10.6%).
- Economic conditions in British Columbia were very strong during the middle part of this decade coinciding with strong consumer spending and healthy levels of residential and non-residential investment. This stimulated strong labour market conditions in the province – which is evident in the recovery in the earnings profile for immigrants, especially during 2005.
- The healthy labour market situation has also stimulated increased demand for temporary foreign workers headed to the province. British Columbia recorded the entry of almost 28,000 foreign workers in 2005 – roughly 8,000 more than just 2 years earlier.

Alberta

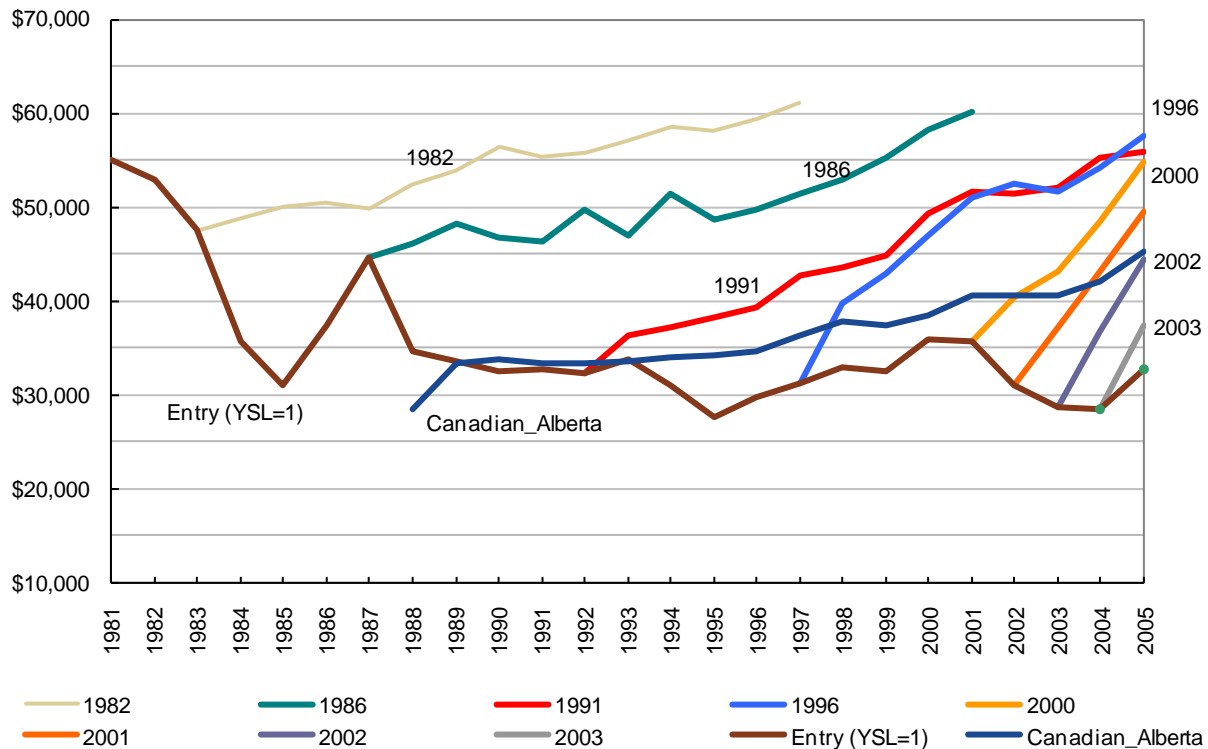
- New immigrants who resided in Alberta showed a recovery in average entry earnings for a second consecutive year in 2005.
 - While entry earnings for immigrants in all other provinces continued to decline slightly in 2004, those who resided in Alberta started to show recovery in 2004 – with a gain of \$874 (4.5%).
 - The positive trend continued in 2005 for new immigrants that resided in Alberta with an increase of \$2,622 (12.8%) in entry earnings as compared to the previous cohort. The growth recorded in Alberta almost doubled the growth rate at the national level (6.9%).

Figure 12: Alberta – Average employment earnings (2005\$) for all immigrants by landing cohort and tax year



Source: IMDB and CRA

Figure 13: Alberta – Average employment earnings (2005\$) for skilled principal applicants by landing cohort and tax year



Source: IMDB and CRA

- SPAs who landed in 2004 and resided in Alberta during 2005 reported average entry employment earnings of \$32,781, representing a 15.6 percent increase over the previous cohort.
- Strong economic conditions in Alberta are having an impact on the economic performance of both immigrants and the Canadian-born residing in that province. Tight labour market conditions are not only placing upward pressure on employment earnings but also reinforcing the need for more labour supply in the province. SPAs destined to Alberta have higher than average shares intending to work in some high paying occupations including petroleum and chemical engineers, geologists, geochemists and geophysicists.
- Higher flows of temporary foreign workers going to Alberta also support the need for increased labour supply in the province. Overall, Alberta recorded the entry of some 12,700 foreign workers in 2005 – the highest on record and this trend continued in 2006 and 2007¹⁰.
- While one might expect that many of the jobs would be directly related to activity in the oil patch, analysis of the top 10 occupations of foreign workers to Alberta shows that a significant number of these jobs are not directly related to this sector of the economy. The data seems to suggest that overall tight labour market conditions are impacting many sectors of the economy and this is having an impact on the wide range of occupations in demand.

¹⁰ Data for temporary workers obtained from Facts and Figures 2007.

Occupation

- Based on intended National Occupation Classifications (NOC) at time of landing, the occupational composition of SPAs landing in Canada had some noticeable changes since the 2003 cohort (see Tables 7, 8)¹¹.
 - The share of SPAs intending to work in NOC21 (professionals in natural and applied science) fell by roughly 13.4 percentage points. In contrast, the share intending to work in NOC41 (professionals in social science, education, government service and religion) rose by 4.6 percentage points.
 - The shares of SPAs intending to work in NOC31 (professional occupations in health) and NOC06 (middle and other management occupations in sales and services) also showed modest increases.

Table 7: Top ten intended 2-digit NOCs for skilled principal applicants, by landing year, 2000-2005 (Level)

Major Occupational Group	2-Digit NOC	2000	2001	2002	2003	2004	2005
Professional Occupations in Natural and Applied Sciences	21	28,257	30,962	26,590	24,220	21,449	20,883
Professional Occupations in Social Science, Education, Government Services and Religion	41	2,208	2,784	2,701	2,595	4,414	5,370
Professional Occupations in Business and Finance	11	3,805	4,392	4,163	3,546	3,662	3,693
Technical Occupations Related to Natural and Applied Sciences	22	3,348	4,251	4,032	2,876	2,894	3,464
Skilled Administrative and Business Occupations	12	2,117	2,182	1,995	1,756	2,144	2,560
Professional Occupations in Health	31	905	1,042	1,272	1,163	1,889	2,237
Skilled Sales and Service Occupations	62	1,987	2,149	2,070	1,632	1,734	1,767
Middle and Other Management Occupations - Business and Finance	01	930	1,282	1,174	1,086	1,238	1,652
Middle and Other Management Occupations - Sales and Service	06	314	370	386	378	926	1,520
Professional Occupations in Art and Culture	51	1,257	1,369	1,330	1,169	1,339	1,290
Top Ten 2-Digit NOC		45,128	50,783	45,713	40,421	41,689	44,436
Other 2-Digit NOC		6,997	8,127	7,262	4,956	6,204	7,833
Total Skilled Principal Applicants		52,125	58,910	52,975	45,377	47,893	52,269

Source: PRDS

¹¹ According to the third wave results from the Longitudinal Survey of Immigrants to Canada (LSIC), 38 percent of skilled principal applicants who were employed at four years after landing had found a job in their intended occupation.

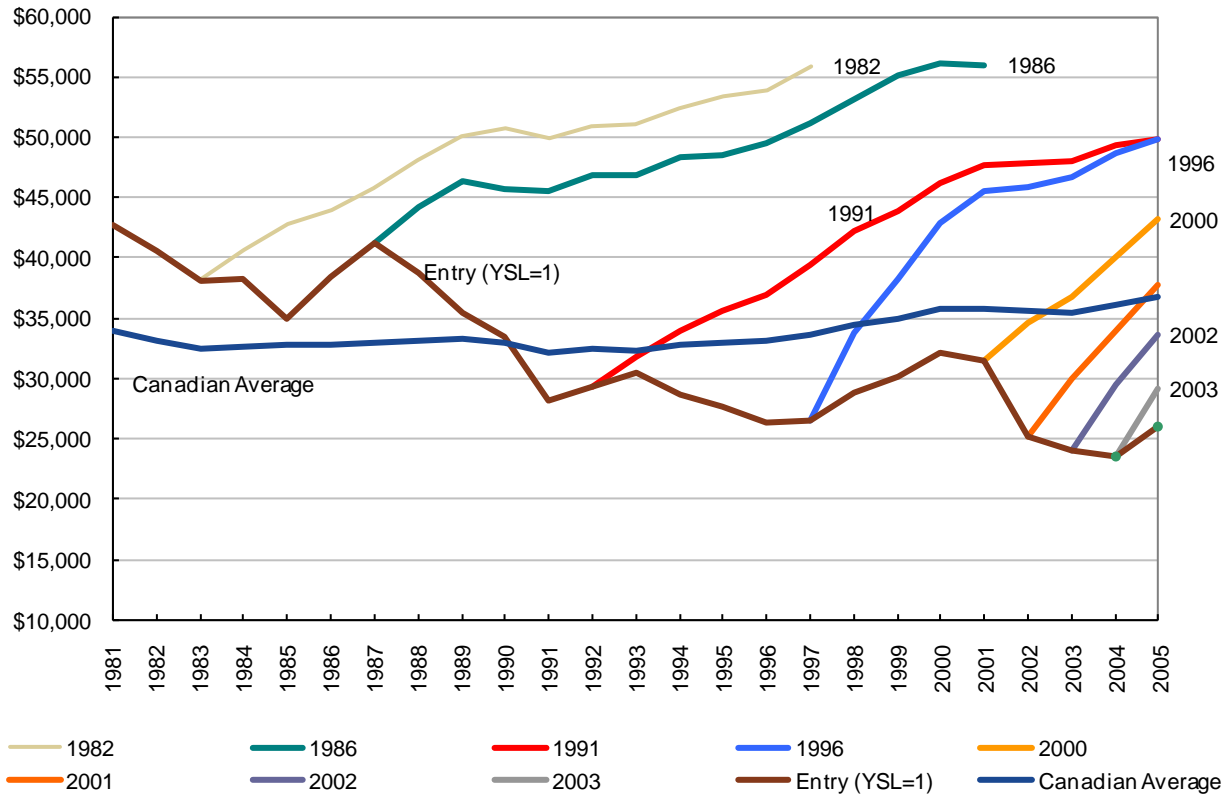
Table 8: Top ten intended 2-digit NOCs for skilled principal applicants, by landing year, 2000-2005 (Shares)

Major Occupational Group	2-Digit NOC	2000	2001	2002	2003	2004	2005
Professional Occupations in Natural and Applied Sciences	21	54.2	52.6	50.2	53.4	44.8	40.0
Professional Occupations in Social Science, Education, Government Services and Religion	41	4.2	4.7	5.1	5.7	9.2	10.3
Professional Occupations in Business and Finance	11	7.3	7.5	7.9	7.8	7.6	7.1
Technical Occupations Related to Natural and Applied Sciences	22	6.4	7.2	7.6	6.3	6.0	6.6
Skilled Administrative and Business Occupations	12	4.1	3.7	3.8	3.9	4.5	4.9
Professional Occupations in Health	31	1.7	1.8	2.4	2.6	3.9	4.3
Skilled Sales and Service Occupations	62	3.8	3.6	3.9	3.6	3.6	3.4
Middle and Other Management Occupations - Business and Finance	01	1.8	2.2	2.2	2.4	2.6	3.2
Middle and Other Management Occupations - Sales and Service	06	0.6	0.6	0.7	0.8	1.9	2.9
Professional Occupations in Art and Culture	51	2.4	2.3	2.5	2.6	2.8	2.5
Top Ten 2-Digit NOC		86.6	86.2	86.3	89.1	87.0	85.0
Other 2-Digit NOC		13.4	13.8	13.7	10.9	13.0	15.0
Total Skilled Principal Applicants		100.0	100.0	100.0	100.0	100.0	100.0

Source: PRDS

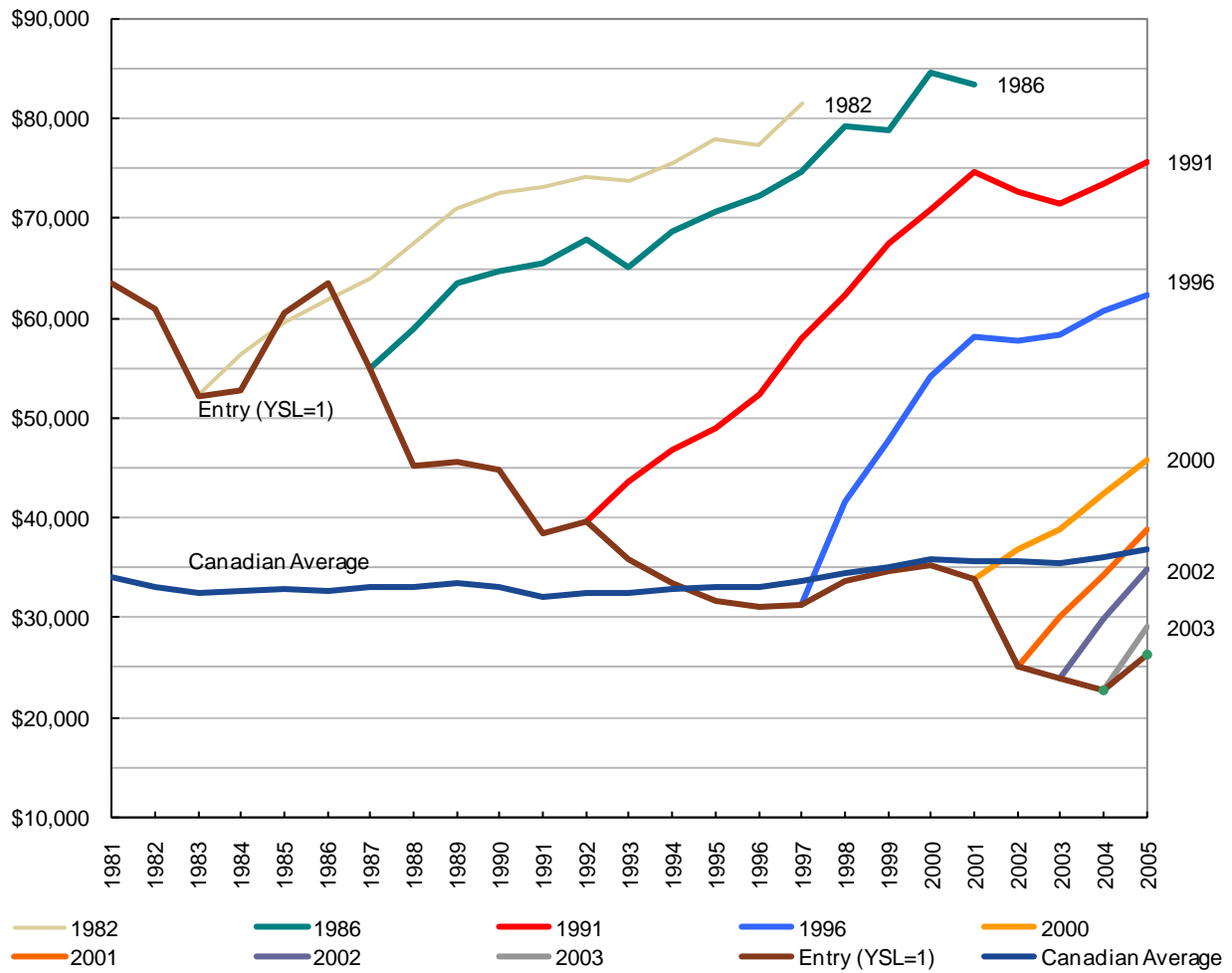
- Even with the declines in 2004-05, the lion's share of SPAs (40%) stated intentions to work in NOC21 (mainly engineering and computer and information systems professionals), and an additional 6.6 percent intended to work in NOC22 (mainly technical occupations to support engineering and computer and information systems occupations).
- Figure 14 illustrates the average employment earnings of SPAs for all intended occupations. Figure 15 illustrates average employment earnings for SPAs intending to work in NOC21 only and Figure 16 illustrates the average employment earnings of SPAs excluding NOC21 (professionals in natural and applied science).

Figure 14: Average employment earnings (2005\$) for skilled principal applicants, by landing year and tax year



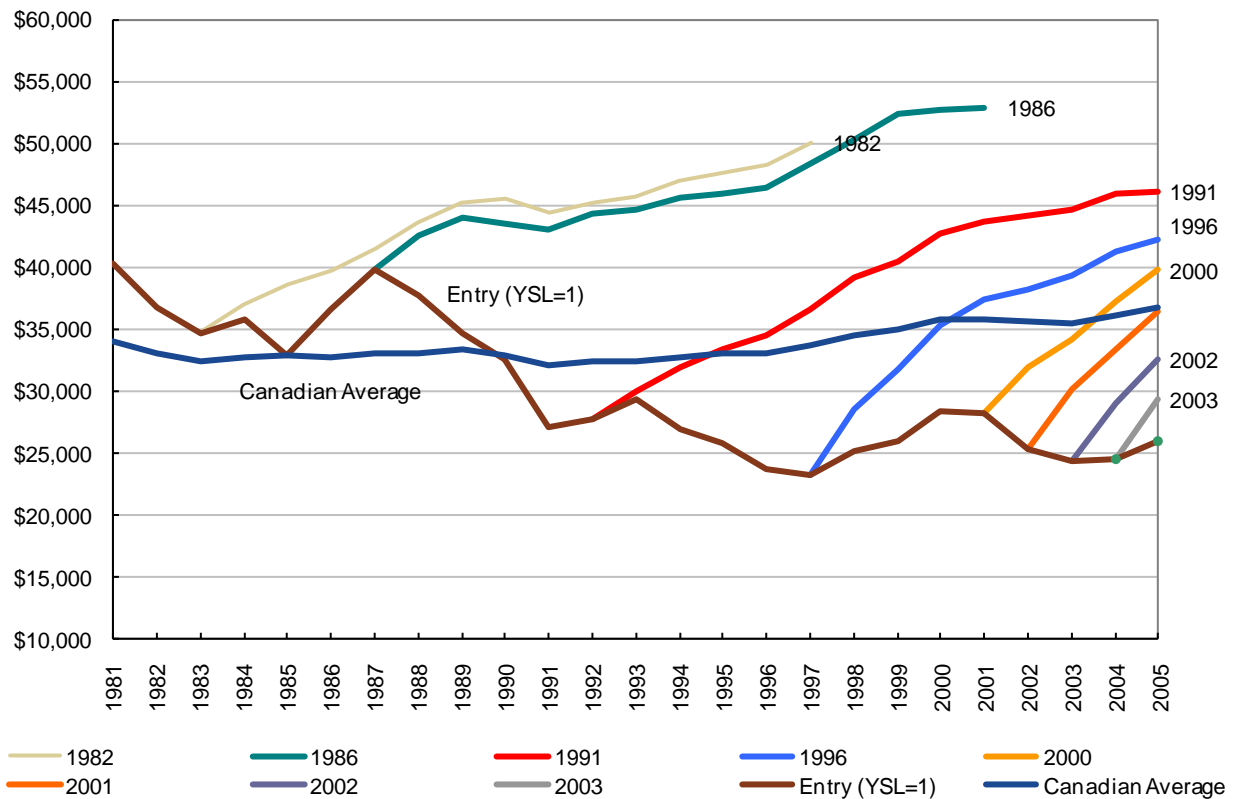
Source: IMDB and CRA

Figure 15: Average employment earnings (2005\$) for skilled principal applicants, intending to work in professional occupations in natural & applied science (NOC=21), by landing year cohort



Source: IMDB and CRA

Figure 16: Average employment earnings (2005\$) for skilled principal applicants excluding professional occupations in natural & applied science (NOC=21), by landing year cohort



Source: IMDB and CRA

- For those SPAs who intend to work in NOC21 (Figure 15) the results show significantly higher entry and overall earnings as compared to the average (Figure 14). However for the 2002 and 2003 cohorts, those intending to enter NOC21 have noted substantial declines in entry earnings.
- The 2004 cohort of SPAs who intended to work in NOC21 started to show an upturn in the average employment earnings one year after landing.
 - Similar to what was observed for all SPAs (Figure 14), those intending to work in NOC21 have shown a strong recovery in employment earnings one year after landing. For those who landed in 2004 and intended to work in NOC21 the average employment earnings one year after landing were \$3,629 (2005\$) higher than the 2003 cohort intending to work in NOC21, a 16 percent increase.
 - If we exclude those intending to work in NOC21 (Figure 16), entry level earnings of SPAs only increased modestly by \$1,354 (2005\$) for the 2004 cohort, a 5.5 percent increase.
 - The still large concentration of SPAs intending to work in NOC21 coupled with the turn-around of the IT sector are important drives for the recovery in entry earnings of SPAs.

Real wage rates of key immigrant occupations

- Although the share of immigrants intending to work in professional occupations in natural and applied science has fallen during 2004-05, it nevertheless remains the dominant intended occupational field of skilled worker principal applicants. Almost 50 percent of these immigrants intended to find employment in this occupational classification during the 2000 to 2005 period.

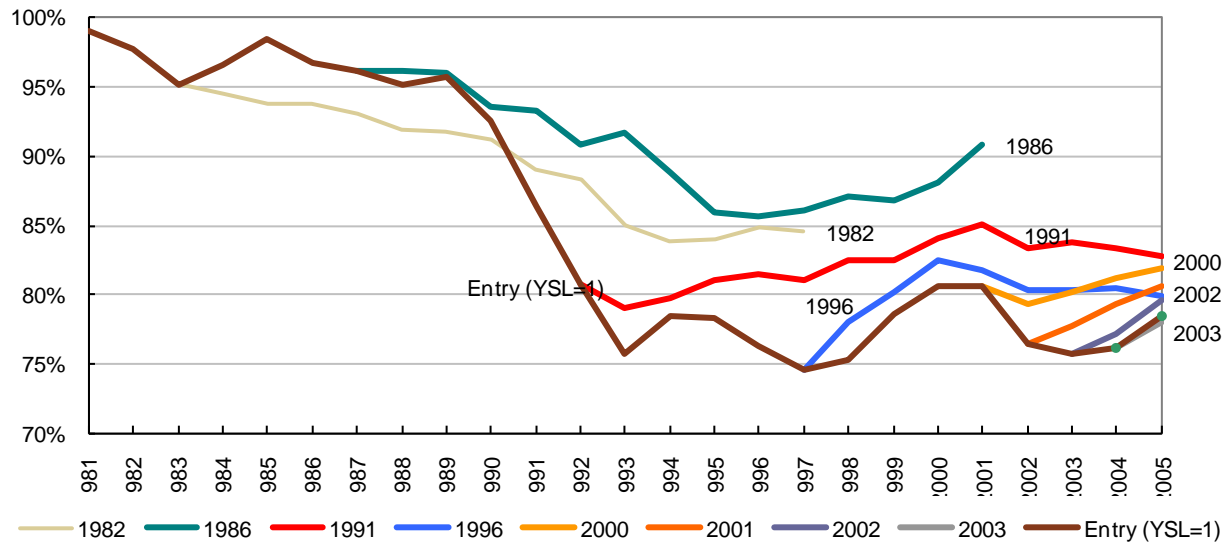
Table 9: Ranking of real hourly wage rates (2005\$) by key immigrant occupations, 2000-2005

Occupational Titles	2000	2001	2002	2003	2004	2005
Civil, Mechanical, Electrical and Chemical Engineers	31.21	33.10	32.81	32.41	32.14	32.93
Other Engineers	32.25	32.20	33.91	34.15	33.26	32.22
Computer and Information Systems Professionals	27.82	28.77	29.07	29.53	29.55	29.11
Human Resources and Business Service Professionals	28.34	27.80	28.27	28.61	28.62	28.10
Secondary and Elementary School Teachers and Counsellors	27.64	27.24	27.51	27.48	27.83	27.79
Nurse Supervisors and Registered Nurses	25.55	25.59	26.88	27.18	27.38	27.17
Auditors, Accountants and Investment Professionals	25.53	25.71	26.26	25.89	26.14	27.03
University Professors and Assistants	25.77	25.07	25.65	24.70	26.02	25.56
Technical Occupations in Civil, Mechanical and Industrial Engineering	23.63	24.79	23.86	23.86	24.07	24.64
Technical Occupations in Computer and Information Systems	23.67	24.72	25.37	23.89	25.64	23.03
Technical Sales Specialists, Wholesale Trade	21.55	21.49	21.88	22.00	21.77	22.11
Technical Occupations In Electronics and Electrical Engineering	22.03	22.50	22.31	21.61	21.93	21.52
Mechanical, Electrical and Electronics Assemblers	18.17	18.93	19.37	19.07	19.74	19.98
Total, All occupations	18.69	18.83	18.89	18.77	18.91	19.09
Secretaries, Recorders and Transcriptionists	16.25	16.42	16.21	16.43	16.63	16.43
Machine Operators and Related Workers in Food, Beverage and	15.55	14.58	14.64	14.87	14.68	14.74
Clerical Occupations, General Office Skills	14.32	14.49	14.24	14.04	14.08	14.32
Other Assembly and Related Occupations	14.05	14.69	14.00	13.96	14.34	14.24
Labourers In Processing, Manufacturing and Utilities	14.09	13.99	13.72	13.90	13.81	13.92
Childcare and Home Support Workers	12.95	13.38	13.43	13.50	13.44	13.46
Machine Operators and Related Workers in Textile Processing	13.08	13.01	13.32	13.21	13.34	12.87
Machine Operators and Related Workers in Fabric, Fur and Leather	10.58	10.65	11.10	11.26	10.80	11.08
Retail Salespersons and Sales Clerks	11.40	11.25	11.11	11.13	10.90	11.00

Source: Labour Force Survey, Statistics Canada

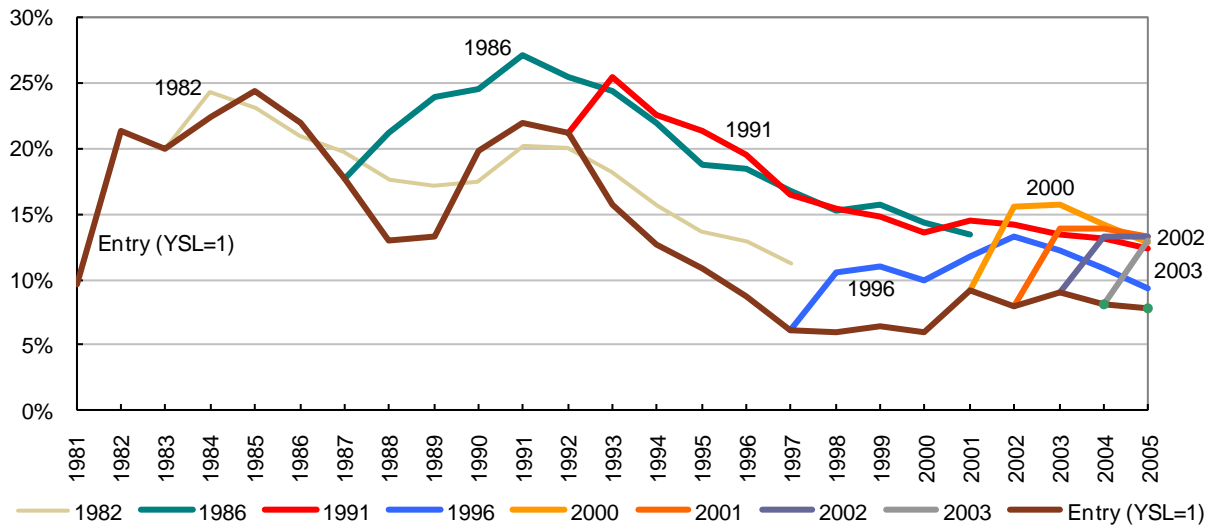
- Table 9 provides information on real wage rates of key immigrant occupational fields. An important point to take from Table 9 is that computer professionals and engineers (including software and electrical engineers) are found in the natural and applied science category and continue to be among the best paying occupations in the economy. These occupations had to endure the high-tech “boom” and subsequent “bust” which has had an impact on immigrant earnings. Entry earnings of immigrants intending to work in the natural and applied science field finally showed an increase of \$3,629 (16%) in 2005, after several years of declines at the start of this decade.
- Flows of temporary foreign workers tracked very closely to the labour market conditions observed in the IT sector. A total of 12,116 foreign nationals were issued work permits in 2000 to work as professionals in natural and applied science and this number fell to 8,207 by 2004, a 32 percent decline. However during 2005, 9,062 foreign nationals were issued work permits as professionals in natural and applied science, indicating a turnaround in the demand for workers in this sector. Under the rules of the foreign worker program job offers must be “confirmed” by HRSDC and this requirement provides some validity to the labour market requirements presented above.

Figure 17: Incidence of employment earnings for skilled principal applicants, intending to work in professional occupations in natural & applied science (NOC =21), by landing year cohort



Source: IMDB and CRA

Figure 18: Incidence of employment insurance for skilled principal applicants, intending to work in professional occupations in natural & applied science (NOC=21), by landing year cohort



Source: IMDB and CRA

- In addition to the flows of temporary workers, the incidence of employment earnings and employment insurance (EI) for immigrants who had intended to work in the natural and applied science sector is a gauge of the labour market conditions for these occupations.
- Looking at data from the IMDB, the percentage of SPAs reporting employment earnings (Figure 17) had stabilized at 76 percent during the 2002 to 2004 period after declining by 5 percentage points in 2001. In 2005, the share reporting employment earnings increased 2.3 percent to 78.4 percent, indicating a recovery in the IT sector.
- Further, what may also be indicative of a recovery in the high-tech sector was the decrease in EI (employment insurance) claims in 2004 and 2005 for those already in the labour market during the time of the "bust" (Figure 18).

Average actual hours worked in key natural and applied science occupations

- Table 10 shows the average actual hours worked according to the Labour Force Survey (LFS) for key natural and applied science occupations. Note that this table is for the total Canadian labour market and that specific estimates for the immigrant-born population are not possible at this time.

Table 10: Average actual hours worked (per week) for key occupations in natural and applied science, 2000-2005

Occupations in Natural and Applied Science	2000	2001	2002	2003	2004	2005
Civil, Mechanical, Electrical and Chemical Engineers	39.5	38.5	38.4	37.7	38.1	38.1
Other Engineers	40.3	39.6	39.0	37.5	38.4	39.5
Computer and Information Systems Professionals	37.3	36.4	37.0	35.8	36.0	36.2
Technical Occupations in Civil, Mechanical and Industrial Engineering	39.3	36.9	37.0	36.8	37.7	37.2
Technical Occupations In Electronics and Electrical Engineering	37.1	36.8	36.0	35.2	35.4	36.6
Technical Occupations in Computer and Information Systems	36.6	35.6	35.1	35.2	34.9	35.3

Source: Labour Force Survey, Statistics Canada

- From 2000 to 2003, the average actual hours worked by workers in key occupations within the natural and applied science sector declined. However during 2004 and 2005, the average actual hours increased for almost all occupations in the natural and applied science sector. The increased number of hours worked signalled the recovery in this set of occupations and also stimulated increased earnings during the 2005 tax year.

Real wage rates in key natural and applied science occupations

- The earnings profile in the IMDB is related to the wages immigrants earn in their specific occupations. From the Labour Force Survey (LFS) wage rates by occupations can be produced for the Canadian labour market. While the immigrant-born population cannot be identified in the survey in 2005, the data does provide an indication of compensation rates provided for all Canadians. Table 11 provides real wages rates for the identical occupations provided in Table 10¹².

Table 11: Average real hourly wages (2005\$) for key occupations in natural and applied science, 2000-2005

Occupations in Natural and Applied Science	2000	2001	2002	2003	2004	2005
Civil, Mechanical, Electrical and Chemical Engineers	31.21	33.10	32.81	32.41	32.14	32.93
Other Engineers	32.25	32.20	33.91	34.15	33.26	32.22
Computer and Information Systems Professionals	27.82	28.77	29.07	29.53	29.55	29.11
Technical Occupations in Civil, Mechanical and Industrial Engineering	23.63	24.79	23.86	23.86	24.07	24.64
Technical Occupations in Electronics and Electrical Engineering	22.03	22.50	22.31	21.61	21.93	21.52
Technical Occupations in Computer and Information Systems	23.67	24.72	25.37	23.89	25.64	23.03

Source: Labour Force Survey, Statistics Canada

- The real wage rates shown in Table 11 are quite variable. For instance, civil, mechanical, electrical and chemical engineers continued to note real declines in pay during 2004. While, computer and information systems professionals, average real hourly wages remained relatively stable.
- With the information provided in Table 10 and 11, the essential pieces are in place to determine an earnings profile for key immigrant occupations. Table 12 is an estimate of average real weekly earnings for the key occupations in natural and applied science (multiplication of real average hourly wage rates by actual average hours worked per week). Although the weekly earnings provided are for the total Canadian

¹² Starting with the 2006 calendar year, the Labour Force Survey identified immigrants within the survey and therefore wage rates specific to immigrants will be reported.

labour market, this does give an idea of the occupational earnings profile during the 2000-2005 timeframe.

Table 12: Average real weekly earnings (2005\$) for key occupations in natural and applied science, 2000-2005

Occupations in Natural and Applied Science	2000	2001	2002	2003	2004	2005
Civil, Mechanical, Electrical and Chemical Engineers	1,232.94	1,274.53	1,260.02	1,221.81	1,224.62	1,254.63
Other Engineers	1,299.50	1,274.99	1,322.67	1,280.50	1,277.04	1,272.69
Computer and Information Systems Professionals	1,037.51	1,047.36	1,075.58	1,057.02	1,063.67	1,053.78
Technical Occupations in Civil, Mechanical and Industrial Engineering	928.73	914.86	882.86	878.20	907.38	916.61
Technical Occupations in Electronics and Electrical Engineering	817.24	827.86	803.17	760.52	776.41	787.63
Technical Occupations in Computer and Information Systems	866.16	879.90	890.46	840.75	894.91	812.96

Source: Labour Force Survey, Statistics Canada

- Table 12 shows declines in weekly earnings for all occupations at some point during 2002 or 2003. For instance, civil, mechanical, electrical and chemical engineering noted real weekly earnings declines of 1 percent and 3.3 percent during 2002 and 2003, respectively. Reasons for this general decline in earnings is not fully known, but most certainly the IT “bust” has played a role in limiting wage gains and hours worked for many employed in these occupations.
- For 2004 and 2005, however, some recovery is observed. The prevailing trends emerging suggest that an average employee (regardless of whether they were an immigrant or not) would have seen an increase in weekly earnings (and consequently annual earnings), for most of the occupations in natural and applied science (it is important to note that 45 percent of skilled workers principal applicants who landed in 2004 intended to work in this field). Results from the Longitudinal Survey of Immigrants to Canada (LSIC) show that 4 out of 10 employed skilled worker principal applicants who intended to work in the professional occupations in natural and applied sciences worked in this field. This share remained constant throughout all three waves of LSIC (interviews at 6 months, 2 years and 4 years after landing).

Other factors

- In addition to the factors outlined above, recent research from Statistics Canada points to evidence that shows earnings of new employees have fallen during the 2002-03 period. The research done suggests that median hourly wages of male and female employees with two years of seniority or less fell during 2002-2003. This, of course, is an important point to note given recent immigrants are included in this group and the decline in earnings is an economy-wide phenomenon for new entrants into the labour market¹³. It is not known whether this trend has stabilized or reversed itself in more recent years.
- The data from the 2006 Census suggest that gains in employment and earnings for very recent immigrants, who landed in Canada 5 years or less, were relatively small. The gap in earnings widened between recent immigrants and Canadian-born workers in 2005 compared to the situation during the peak of the IT boom in 2000. The year-over-year comparison from the IMDB provides further information and indicates a narrowing of the gap in 2005 compared to the previous years during the time of the IT “bust”.
- Alternative data (the Census, LSIC and LFS) show that those with a university degree faced greater challenges than the less educated immigrants, and Canadian education contributes to higher earnings for new immigrants.

¹³ Morissette and Johnson, “Are Good Jobs Disappearing in Canada”, Catalogue no. 11F0019MIE — No. 239, January 2005.

Looking ahead

- The inclusion of an immigrant identifier within the Labour Force Survey (LFS) starting in the year 2006 will allow for enhanced analysis of the labour market performance of immigrants. The immigrant population can be split by landing cohort¹⁴ and key labour market estimates are calculated including industry and occupation of employment, wage rates and hours worked and other performance indicators.

¹⁴ Labour market estimates from the LFS are now calculated for very recent immigrants (or those that had become landed immigrants within the last five years), recent immigrants (or those that had landed to Canada between 5 to 10 years ago) and established immigrants (or those that become landed immigrants more than 10 years ago) along with the Canadian born.