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Annual income of Immigrants Relative to the Canadian National Average, 1981-2011

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Summary:

For the purpose of this analysis “**Annual Income**” for immigrants is taken from the Longitudinal Immigrant Database (IMDB) and is defined as the summation of income from **Employment Earnings, Self-Employment Income, Employment Insurance benefits, and Investment Income** (Capital Gains/Losses, Dividends, Interest and Investment Income). Note that income from **Social Assistance** is not included in this calculation of total income.

The Canadian average annual income is not available in the IMDB; however, for 2005–2011, a comparable Canadian average income measure for 2005–2011 has been produced using data from the Canada Revenue Agency. Prior to 2005 for the Canadian series (1981–2004), average annual income has been extrapolated using average growth in employment earnings for all individuals who filed an income tax return in a specific year.

Below you will find the average annual income for selected categories for the tax years 1982–2011, for immigrants landing in 1981–2011:

- Figure 1: Federal Skilled Worker (SW) principal applicants
- Figure 2: SW spouses and dependents
- Figure 3: Provincial Nominee (PN) principal applicants
- Figure 4: PN spouses and dependents
- Figure 5: Live-in Caregiver (LCP) principal applicants
- Figure 6: LCP spouses and dependents
- Figure 7: Privately Sponsored Refugees (PSR)
- Figure 8: Government Assisted Refugees (GAR)
- Figure 9: Parents and Grandparents (PGP)
- Figure 10: Family class Spouses and Partners (SP)

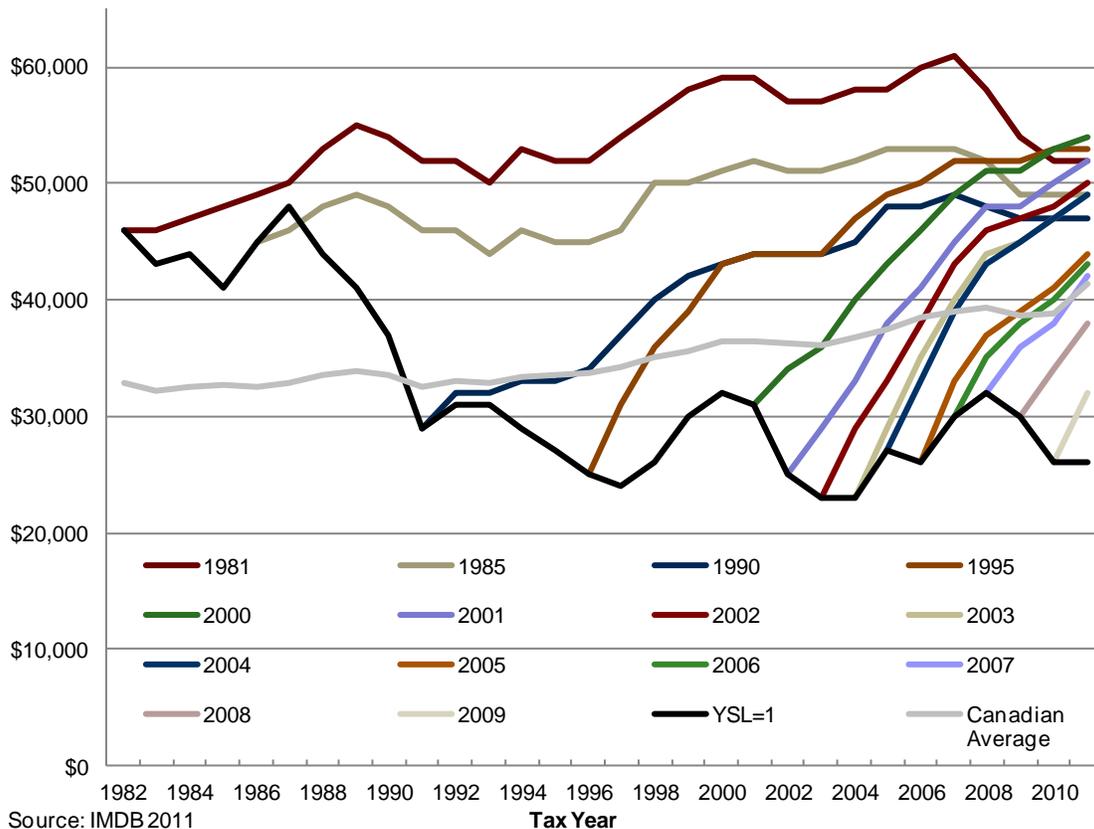
The black line along the bottom of each figure is the average annual income of immigrants at time of entry, defined as one year following landing (YSL=1). The coloured lines that increase from the black line represent each cohort listed in the legend.

Note: This information is not available for Canadian Experience Class (CEC) as there is currently only two years of tax data available. Available data are reported in the comparison tables at the end of this report.

At the end of the report, there are three comparison tables of the average annual income of selected immigrant categories.

- Table 1 displays the average annual income of economic immigrant principal applicants in tax year 2011, at specific years following landing: SW principal applicants, PN principal applicants, CEC principal applicants, and LCP principal applicants.
- Table 2 displays the average annual income of economic immigrant spouses and dependants in tax year 2011, at specific years following landing: SW spouses and dependants, PN spouses and dependants, CEC spouses and dependants, and LCP spouses and dependants.
- Table 3 displays the average annual income of PSR, GAR, PGP, and family class SP, in tax year 2011, at specific years following landing.

Figure 1: Average annual income of Skilled Worker (SW) principal applicants, by tax year and landing cohort, 1982-2011 (2011 \$)

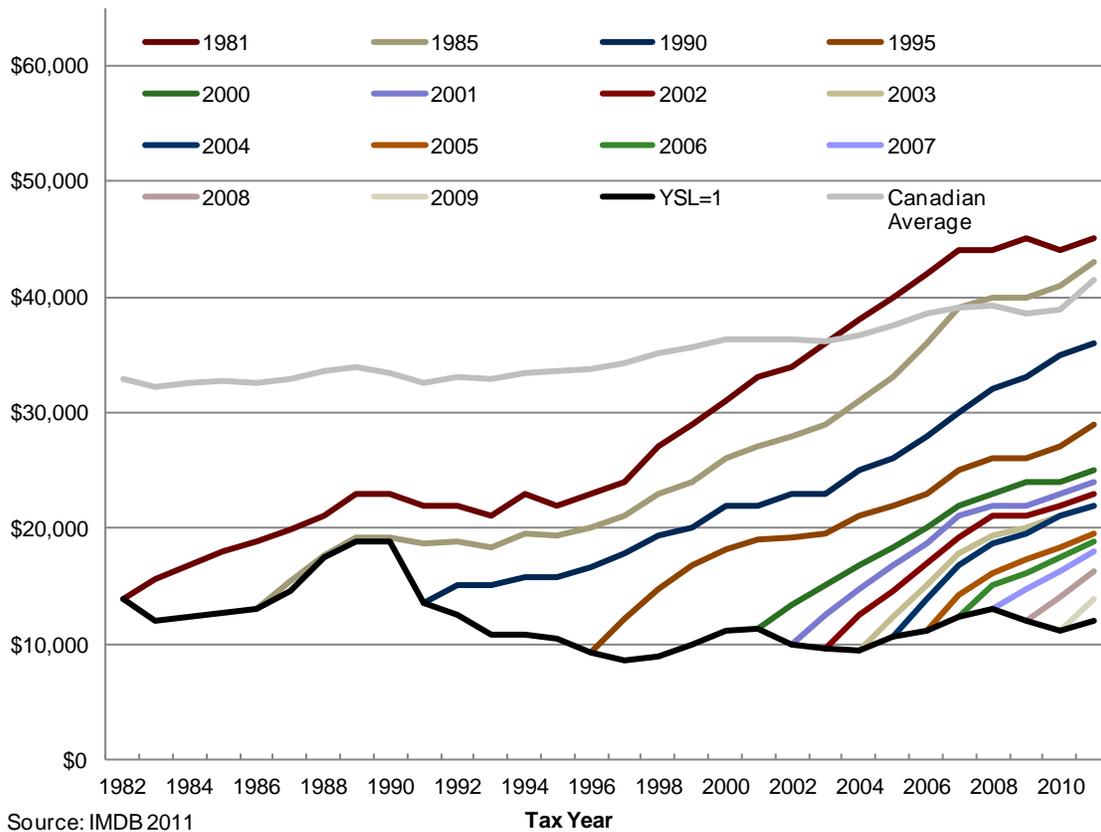


The average annual income of SW principal applicants at entry has been declining since the earlier cohorts who landed in the 1980s. Since that time, the average annual income at entry (one year following landing, YSL=1) has been between \$20,000 and \$30,000 and has demonstrated a relationship with the business cycle. The annual income at entry for this group in 2011 was \$26,000.

For all cohorts, and more notably for cohorts landing in the 1990s and later, there is a clear positive relationship between average annual income and years since landing. For example, SW principal applicants who landed in 2000, reported an average annual income of \$30,300 in 2001 (YSL=1). Ten years after landing, they reported average annual income of roughly \$51,400.

For SW principal applicants landing in the 1990s and later, the average annual income at entry is lower than Canadian average, however, with strong growth in income, most cohorts of SW principal applicants catch-up to the Canadian average income by the third year following landing and continue to demonstrate growth in earnings beyond that.

Figure 2: Average annual income of Skilled Worker (SW) spouses and dependents, by tax year and landing cohort, 1982-2011 (2011 \$)

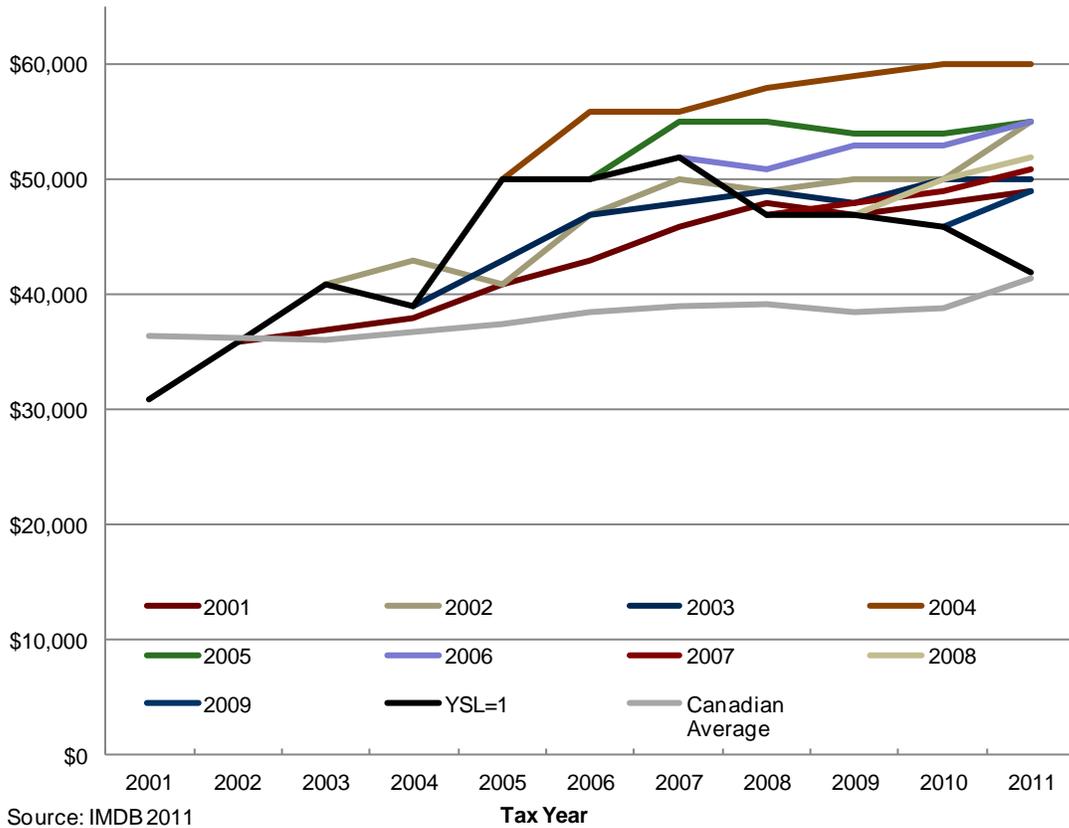


The average annual income of SW spouses and dependents at entry has not seen the same notable decline as their principal applicant counterparts, although a decline is visible. Average annual income at entry (YSL=1) has fluctuated around \$10,000 for cohorts landing in the 1990s or later. The annual income at entry for this group in 2011 was \$11,900.

Similar to SW principal applicants, for all cohorts there is a clear positive relationship between average annual income and years since landing.

The average annual income of SW spouses and dependents is lower than the Canadian average at entry and, despite some growth in income, remains below the national average income level for several years following landing for most cohorts.

Figure 3: Average annual income of Provincial Nominee (PN) principal applicants, by tax year and landing cohort, 2000-2011 (2011 \$)

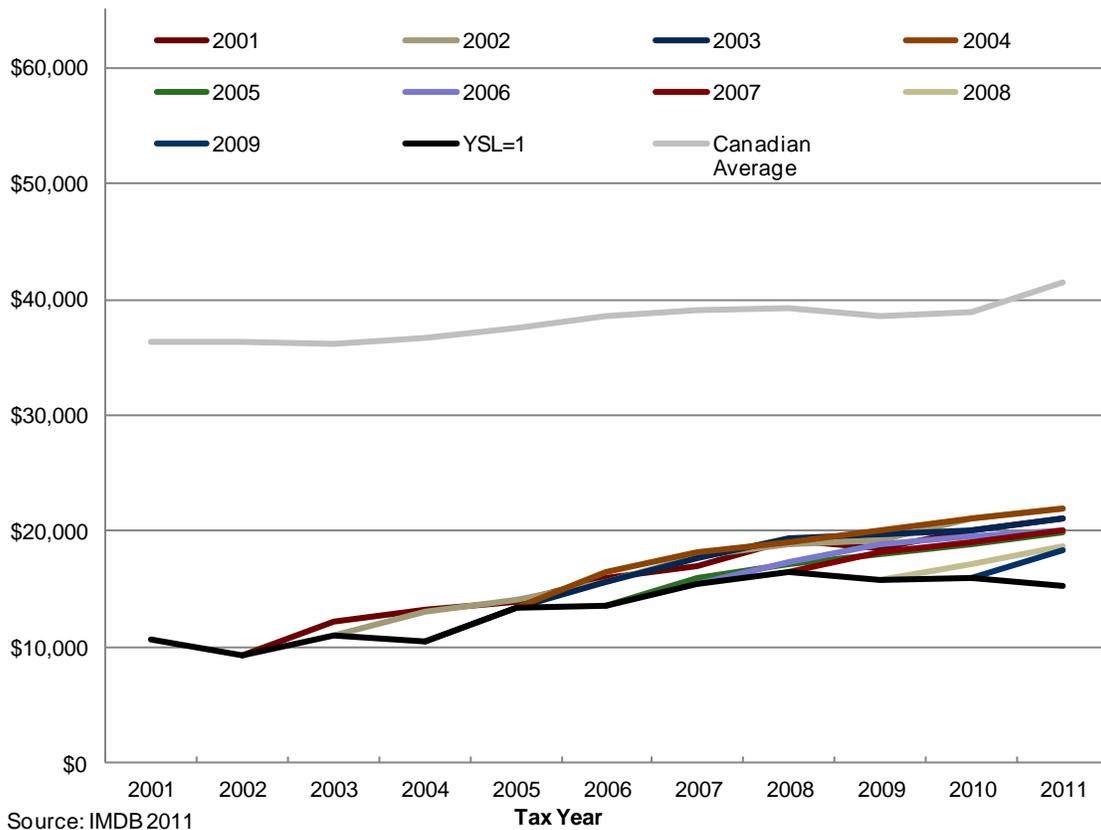


The average annual income of PN principal applicants at entry has increased since 2000, with the average fluctuating between \$40,000 and \$50,000 in the first year following landing. The annual income at entry for this group in 2011 was \$42,000.

While some growth in average annual income is visible for PN principal applicants, it is not to the same degree experienced by SW principal applicants.

Generally speaking, the average annual income level for PN principal applicants is above the Canadian average from time of entry (YSL=1) and after.

Figure 4: Average annual income of Provincial Nominee (PN) spouses and dependents, by tax year and landing cohort, 2000-2011 (2011 \$)

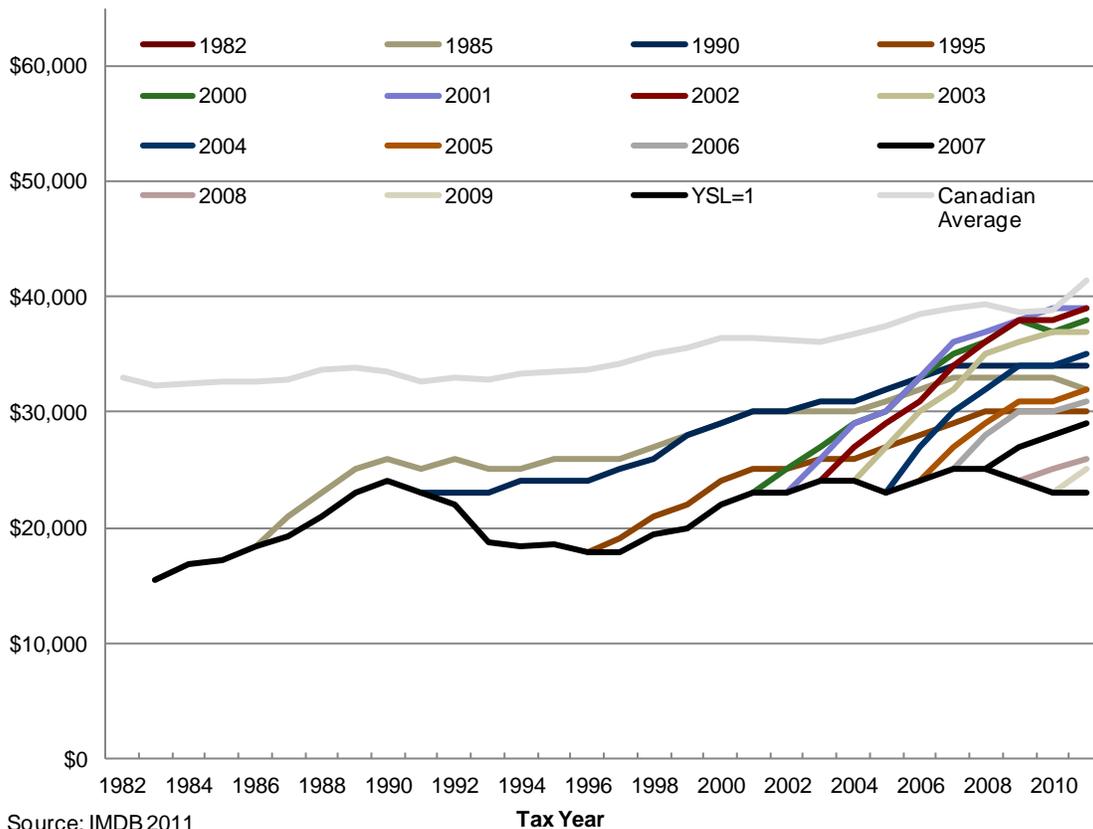


Similar to their principal applicant counterparts, the average annual income of PN spouses and dependents at entry has increased since 2000, from roughly \$10,000 for the 2000 cohort to \$15,500 for the 2009 cohort in the first year following landing. The annual income at entry for this group in 2011 was \$15,300.

While some growth in average annual income is visible for PN spouses and dependents, it is not to the same degree experienced by PN principal applicants or SWs (principal applicants or spouses and dependents).

The average annual income of PN spouses and dependents is lower than the Canadian average for the entire ten year period observed here.

Figure 5: Average annual income of Live-in Caregiver (LCP) principal applicants, by tax year and landing cohort, 1982-2011 (2011 \$)

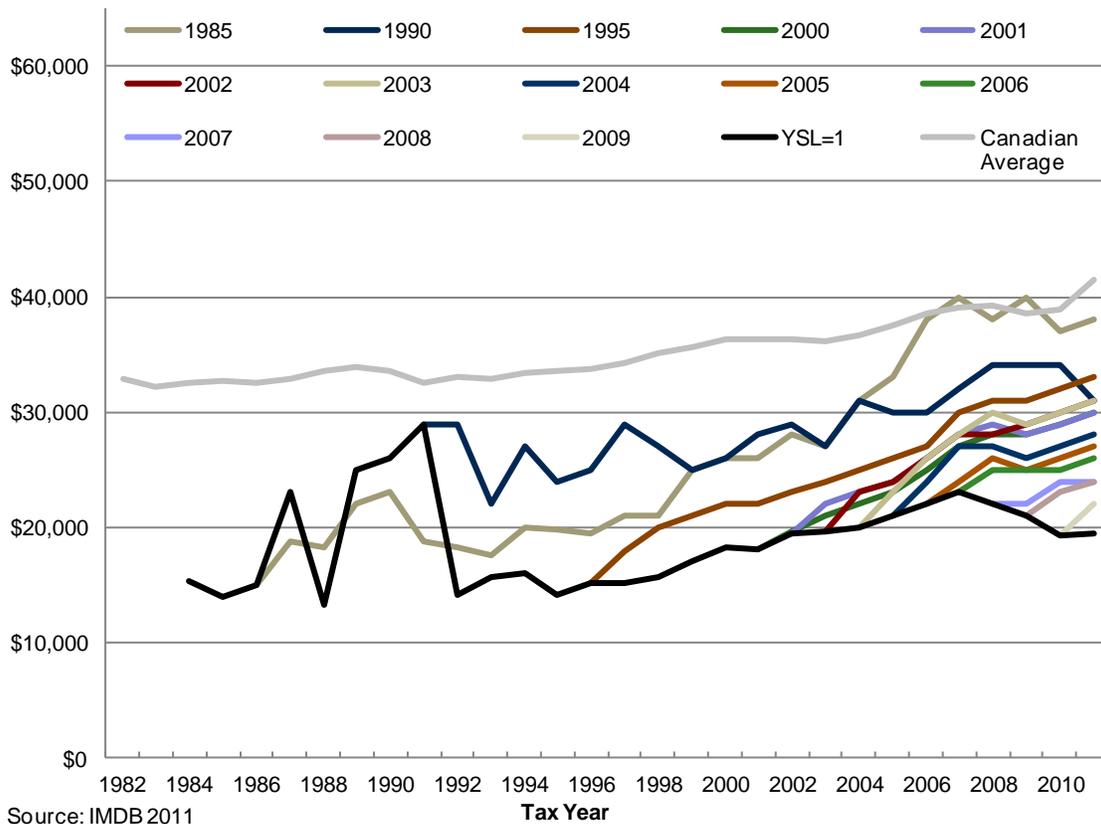


Source: IMDB 2011

The average annual income of LCP principal applicants at entry has been on an upward trend since the earlier cohorts who landed in the 1980s. Since that time, the average annual income at entry (one year following landing, YSL=1) has increased from \$16,400 and \$23,700. The annual income at entry for this group in 2011 was \$23,000.

For all cohorts, and more notably for cohorts landing in 2000 and later, there is a clear positive relationship between average annual income and years since landing. For example, LCP principal applicants who landed in 2000, reported an average annual income of \$22,000 in 2001 (YSL=1). Ten years after landing, they reported average annual income of roughly \$36,000. Even with this growth in income over time, the average remains below the Canadian average.

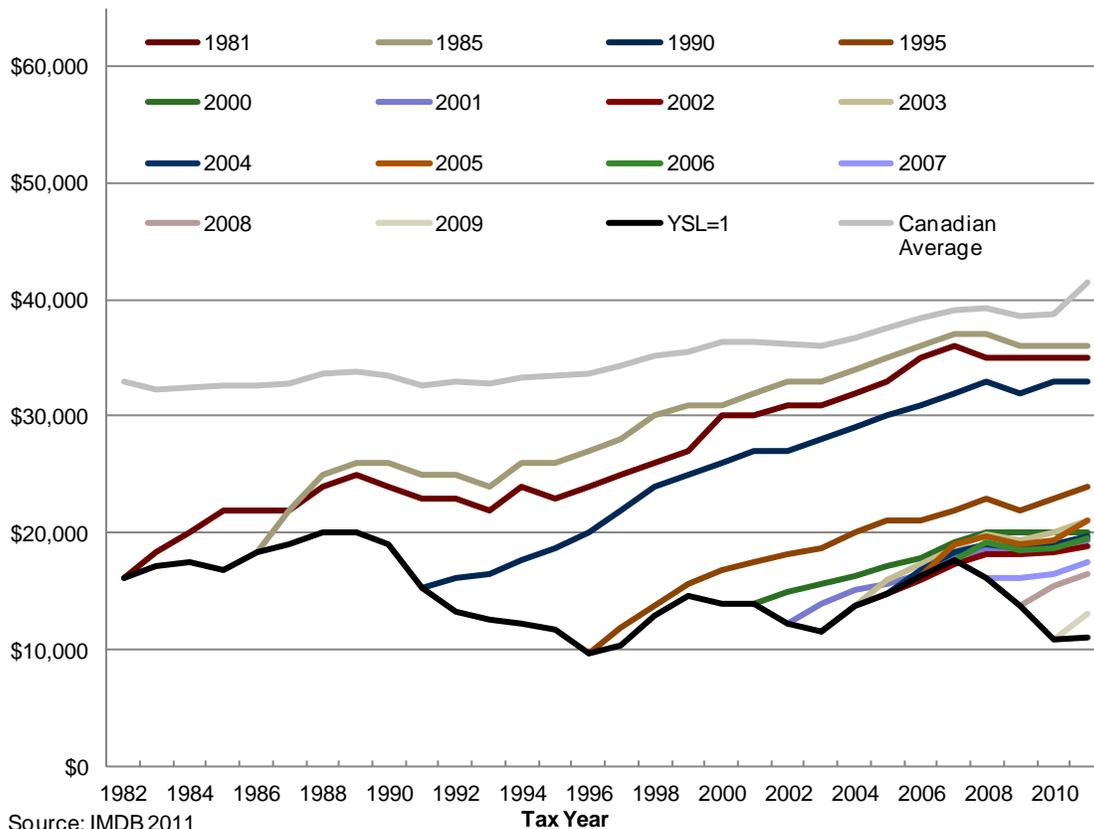
Figure 6: Average annual income of Live-in Caregiver (LCP) spouses and dependants, by tax year and landing cohort, 1985-2011 (2011 \$)



The average annual income of LCP spouses and dependants at entry has increased similar to their principal applicant counterparts. Average annual income at entry has increased from roughly \$14,000 for the cohorts in the early 1990s to \$20,000 for the most recent cohorts. The annual income at entry for this group in 2011 was \$19,400.

Similar to LCP principal applicants, for all cohorts there is a clear positive relationship between average annual income and years since landing; however, even with the growth in income, the average annual income of LCP spouses and dependants remains below the national average.

Figure 7: Average annual income of Privately Sponsored Refugees (PSRs), by tax year and landing cohort, 1982-2011 (2011 \$)

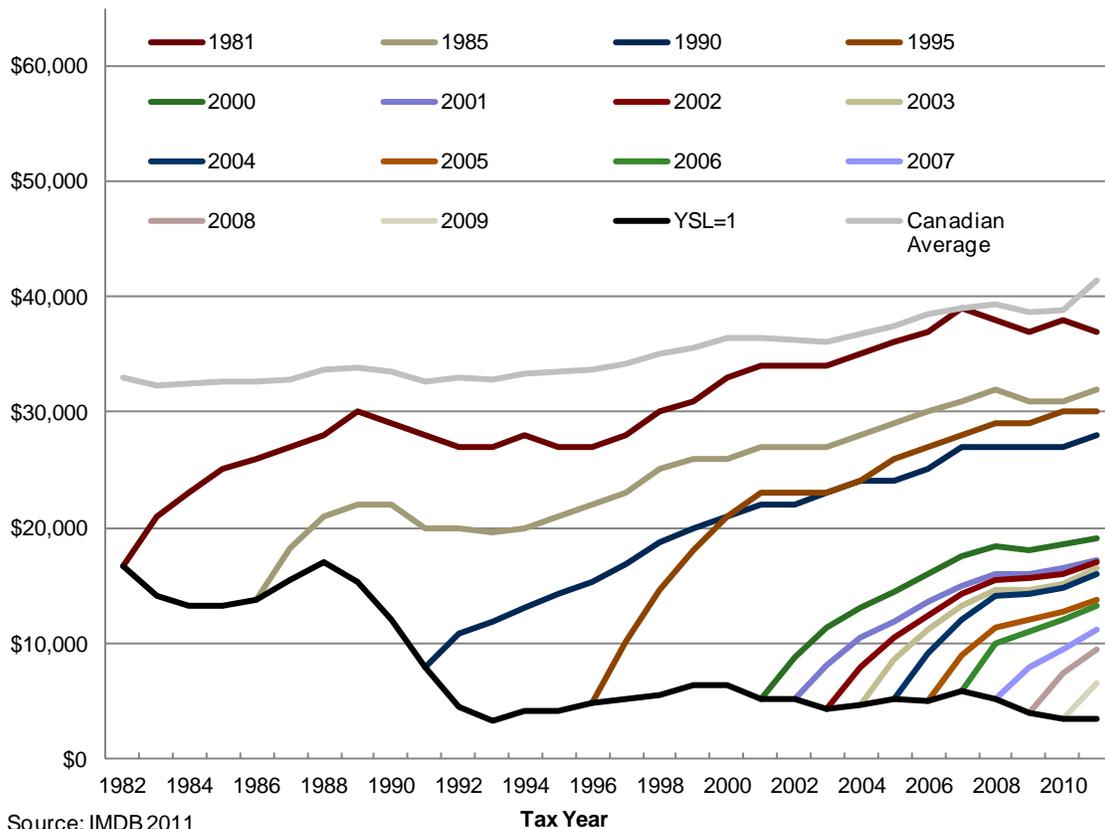


The average annual income of PSRs at entry has fluctuated between \$10,000 and \$20,000 since the 1980s, well below the national average. The annual income at entry for this group in 2011 was \$11,100.

For all cohorts, and more notably for cohorts landing in the 1980s and early 1990s, there is a clear positive relationship between average annual income and years since landing. For example, PSRs who landed in 1995 reported an average annual income of \$10,000 at entry and by 2010 (YSL=15), they reported average annual income of roughly \$22,300. Even with this growth in income over time, the average remains below the Canadian average.

Note that this measure of “annual income” does not include any form of social assistance provided federally or provincially.

Figure 8: Average annual income of Government Assisted Refugees (GARs), by tax year and landing cohort, 1982-2011 (2011 \$)



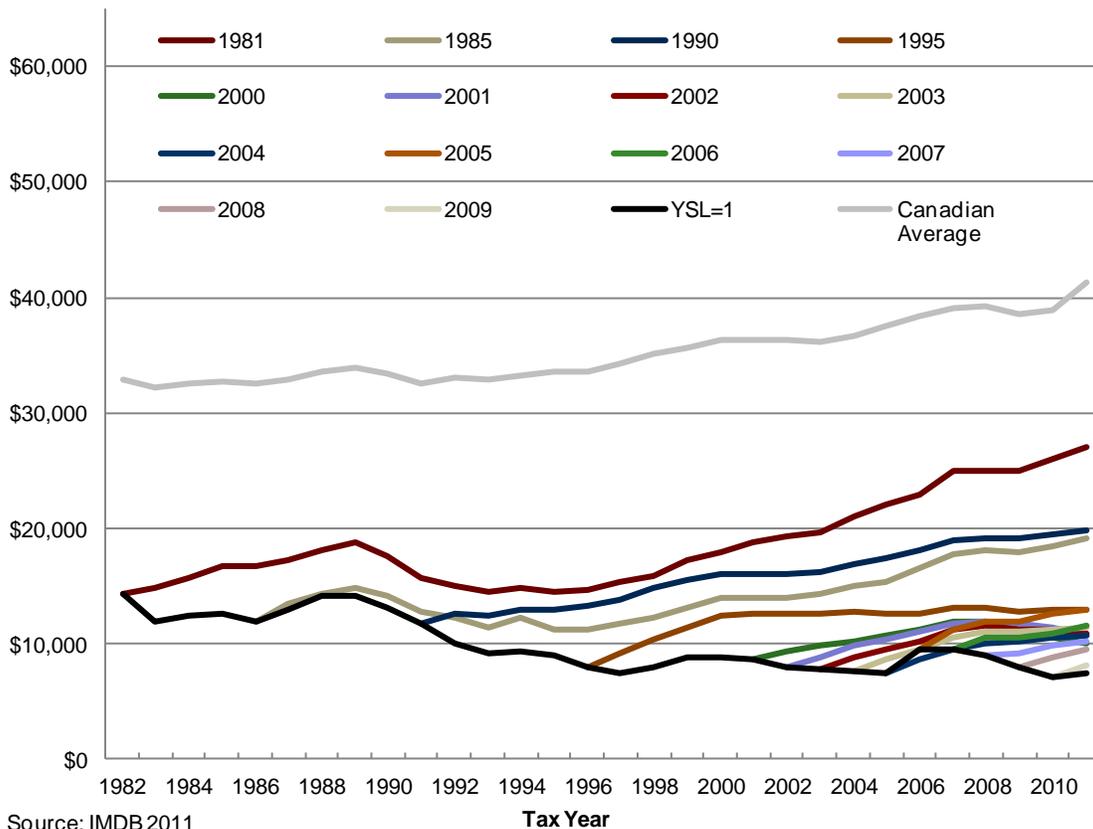
Source: IMDB 2011

The average annual income of GARs at entry has declined since the 1980s but has remained fairly consistent from 1992 and on, with annual income fluctuating between \$3,000-\$6,000, well below the national average. The annual income at entry for this group in 2011 was \$3,400.

For all cohorts, there is a clear positive relationship between average annual income and years since landing. For example, GARs who landed in 1995 reported an average annual income of \$4,500 at entry and by 2010 (YSL=15), they reported average annual income of roughly \$28,600. Even with this growth in income over time, the average remains below the Canadian average.

Note that this measure of “annual income” does not include any form of social assistance provided federally or provincially (e.g. Resettlement Assistance Program).

Figure 9: Average annual income of Parents and Grandparents (PGPs), by tax year and landing cohort, 1982-2011 (2011 \$)



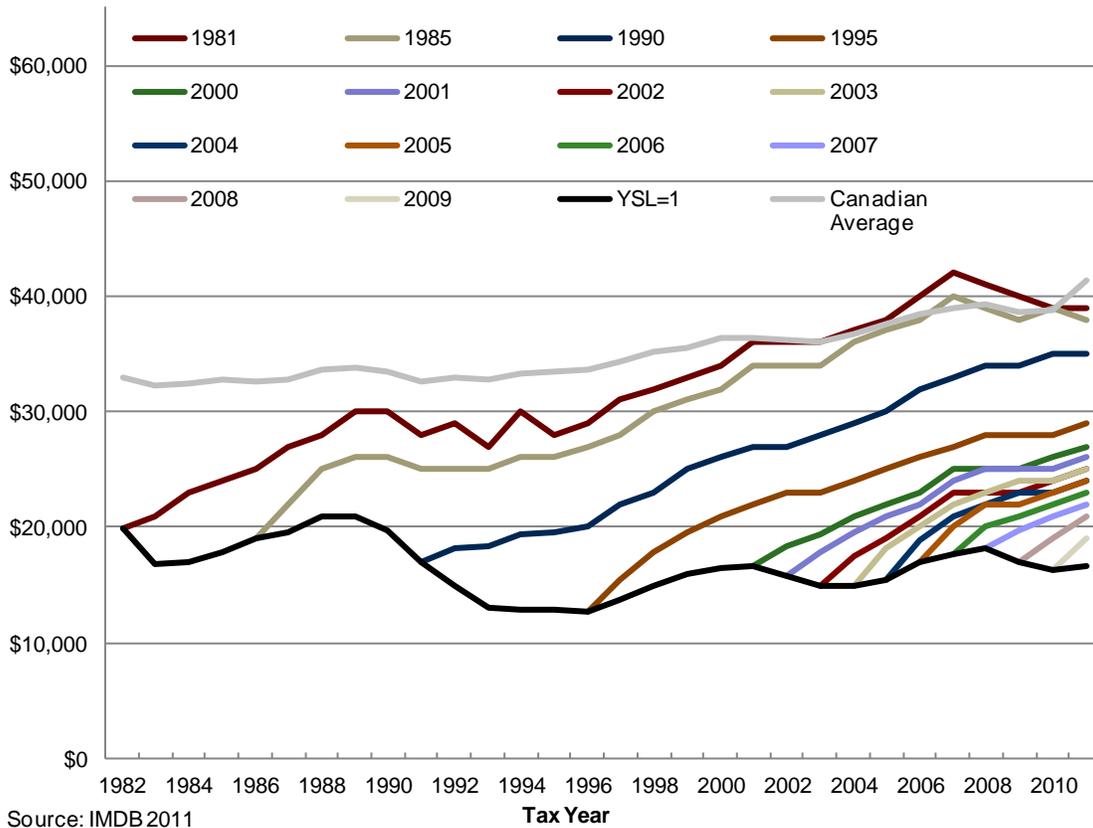
Source: IMDB 2011

The average annual income of PGP at entry has declined from roughly \$12,500 for the cohorts landing in the early 1980s to below \$8,000 for the most recent cohorts. The annual income at entry for this group in 2011 was \$7,400.

Similar to other categories, albeit to a lesser extent, there is a positive relationship between average annual income and years since landing for all cohorts; however, the average annual income of PGP remains well below the national average through the tenth and twentieth year following landing.

Note that this measure of “annual income” does not include any form of social assistance provided federally or provincially (e.g. OAS, GIS, Allowance). It also does not include retirement income that may be relevant for older immigrants. (e.g. CPP, RRSPs, private pensions).

Figure 10: Average annual income of family class Spouses and Partners (SP), by tax year and landing cohort, 1982-2011 (2011 \$)



The average annual income of Family Class SPs at entry has fluctuated below the national average, between \$12,000 and \$20,000 since the 1980s. The annual income at entry for this group in 2011 was \$16,600.

For all cohorts, there is a clear positive relationship between average annual income and years since landing. For example, Family Class SPs who landed in 1995 reported an average annual income of \$12,300 at entry. By 2010 (YSL=15), they reported average annual income of roughly \$27,500. Even with this growth in income over time, the average remains below the Canadian average.

Table 1: Average annual income in tax year 2011 at 1, 3, 5, 10, 15, and 20 years since landing (YSL), selected economic immigrant principal applicants (2011 \$)¹

	YSL = 1	YSL = 3	YSL = 5	YSL =10	YSL = 15	YSL = 20	Canadian Average
SW PA	26,000	38,000	43,000	52,000	51,000	50,000	41,396
PN PA	42,000	52,000	55,000	49,000	29,000		41,396
CEC PA	67,000						41,396
LCP PA	23,000	26,000	31,000	39,000	30,000	33,000	41,396

Source: IMDB 2011

In the initial years following landing, the average annual income of SW principal applicants (PA) is lower than their PN and CEC counterparts and below the Canadian average.

SW principal applicants experience strong income growth through the fifteenth year following landing, reporting average annual income nearly on par with the Canadian average three years after landing and surpassing the average annual income reported by their PN counterparts by the tenth year following landing. While the PN principal applicants do demonstrate growth in income, it is not to the same extent and in the tenth year following landing earnings are only slightly higher than those at entry.

LCP principal applicants report the lowest average annual income at entry among the economic immigrant principal applicants. LCP principal applicants demonstrate modest growth in income with time spent in Canada; however, their average annual income remains the lowest among their economic counterparts and remains below the Canadian average through the tenth and twentieth years following landing.

Table 2: Average annual income in tax year 2011 at 1, 3, 5, 10, 15, and 20 years since landing (YSL), selected economic immigrant spouses and dependants (2011\$)²

	YSL = 1	YSL = 3	YSL = 5	YSL =10	YSL = 15	YSL = 20	Canadian Average
SW SD	11,900	16,200	18,900	24,000	27,000	35,000	41,396
PN SD	15,300	18,700	20,000	21,000	26,000		41,396
CEC SD	22,000						41,396
LCP SD	19,400	24,000	26,000	30,000	32,000	37,000	41,396

Source: IMDB 2011

In the initial years following landing, SW spouses and dependants (SD) report the lowest average annual income among the economic immigrant spouses and dependants. While CEC and LCP spouses and dependants report the highest average annual entry income. All economic spouses and dependants report average annual entry income below the Canadian average.

¹ Only two years of tax data are available for CEC, therefore it is not possible to report on annual income beyond YSL=2. The annual income for CEC PAs at YSL=2 is \$59,000.

² Only two years of tax data are available for CEC, therefore it is not possible to report on annual income beyond YSL=2. The annual income for CEC SDs at YSL=2 is \$23,000.

With time spent in Canada, SW, PN, and LCP spouses and dependants demonstrate growth in average annual income, with SW and LCP spouses and dependants reporting the highest average annual income at the ten year mark following landing and onward. All categories remain below the Canadian average through twentieth year following landing.

Table 3: Average annual income in tax year 2011 at 1, 3, 5, 10, 15, and 20 years since landing (YSL), selected non-economic immigrant categories (2011 \$)

	YSL = 1	YSL = 3	YSL = 5	YSL =10	YSL = 15	YSL = 20	Canadian Average
PSR	11,100	16,400	19,500	19,400	23,000	32,000	41,396
GAR	3,400	9,500	13,300	17,200	29,000	25,000	41,396
FC - PGP	7,400	9,500	11,600	10,700	11,700	19,000	41,396
FC - SP	16,600	21,000	23,000	26,000	29,000	33,000	41,396

Source: IMDB 2011

GARs and PSRs report average annual income well below the Canadian average in the initial years following landing; however, with growth in income over time the gap is notably reduced by the fifteenth year following landing. Note once again that this measure of “annual income” does not include any form of social assistance provided federally or provincially.

With respect to Family Class immigrants, PGPs report average annual income below SPs and well below the Canadian average at entry and over time. PGPs demonstrate some growth in earnings with time spent in Canada; however, it is not strong enough to catch-up to family class SPs or the Canadian average.

At entry, Family Class SPs report average annual income similar to PN spouses and dependants and LCP spouses and dependants (see Table 2) and also demonstrate growth in income consistent with the economic immigrant spouses and dependants. Although, the average annual income remains below the Canadian average, it is on par with that seen for the other economic immigrant spouses and dependants.