

Study: Self-employment among immigrants and their children, 1981 to 2006

Released at 8:30 a.m. Eastern time in *The Daily*, Monday, April 16, 2012

In 2006, Canadian-born sons of immigrants aged 25 to 44 had lower self-employment rates than immigrant fathers had at the same age 25 years earlier.

The decline in the self-employment rate was also observed from Canadian-born fathers to their sons' generation.

About 12% of Canadian-born men with immigrant parents were self-employed in 2006, compared with 14% of immigrant fathers in 1981. About 10% of Canadian-born men with Canadian-born parents were self-employed, compared with 12% of their Canadian-born fathers.

For both groups, the decline was related to changes in life-course events. Compared with immigrant fathers at the same age, second-generation men had fewer years of work experience, a lower marriage rate and fewer children. These three demographic factors accounted for most of the generational decline in the self-employment rate.

In contrast, among women, the self-employment rate increased from immigrant mothers to the daughters of immigrants, as well as from Canadian-born mothers to their daughters' generation.

The self-employment rate increased from 6% among immigrant mothers to 7% among Canadian-born women with immigrant parents. It also increased from 5% among Canadian-born mothers to 7% among women with Canadian-born parents.

A companion study to be released soon suggests that difficulties in the labour market had a stronger "push" effect into self-employment among immigrant fathers than among Canadian-born fathers.

Among sons, however, entry into self-employment was associated with expected earnings gains rather than difficulties in the labour market. This was the case for the Canadian-born sons of immigrants as well as for the Canadian-born sons of Canadian-born parents.

Note to readers

This release is based on two research papers that examine intergenerational changes in self-employment rates among immigrant parents and their children at the same age range, but 25 years apart, in 1981 and 2006. Data for both came from the 1981 and 2006 censuses of population.

The study "Bosses of their own: Are children of immigrants more likely than their parents to be self-employed?" compares self-employment rates of immigrant parents and the children of immigrant parents when both were aged 25 to 44.

The second study, "Choice or necessity: Do immigrants and their children choose self-employment for the same reasons?," examines three determinants of self-employment between these groups: expected differentials in earnings, difficulties in the labour market and ethnic enclaves.



The research paper "Bosses of their own: Are children of immigrants more likely than their parents to be self-employed?," part of *Analytical Studies Branch Research Paper Series* (11F0019M2012341, free), is now available from the *Key resource* module of our website under *Publications*.

Similar studies from the Social Analysis Division are available online (www.statcan.gc.ca/socialanalysis).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Feng Hou (613-951-4337), Social Analysis Division.