

Study: Immigrants' initial firm allocation and earnings growth, 1999 to 2012

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After arriving in Canada, immigrants whose first paid employment was in high-paying firms fared better in both the short and long term than their counterparts whose first paid employment was in lower paying firms.

A new study uses Statistics Canada's new Canadian Employer–Employee Dynamics Database to examine the differences in the earnings trajectories of immigrants, according to their initial allocation to low-, medium-low-, or high-paying firms.

The benefit of initial employment in high-paying firms remained even after accounting for individual demographic and human capital factors.

For example, immigrant men first employed in low-paying firms earned almost \$11,000 less in the first year after landing than their counterparts in high-paying firms. After 14 years in Canada, the earnings gap between these groups was \$8,600 despite employment transitions during the intervening years. Similarly, the earnings difference between immigrant women initially employed in low-paying firms and those initially employed in high-paying firms was approximately \$6,000 in the first year after landing and \$5,500 in the 14th year after landing.

Furthermore, the returns of earnings to educational attainment and knowledge of English or French were larger in both the short and long term among immigrants initially employed in high-paying firms than among those first employed in low-paying firms.

The research study "[Immigrants' Initial Firm Allocation and Earnings Growth](#)," which is part of the *Analytical Studies Branch Research Paper Series* ([11F0019M](#)), is now available from the *Browse by key resource* module of our website under *Publications*.

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