Income and mobility of immigrants, 2015

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The median entry wages of immigrant tax filers who landed in 2014 were $24,000 in 2015, the highest on record for immigrants who have landed since 1981. Median entry wages are measured as the median wages one year after landing (e.g., their admission to Canada as permanent residents). The median entry wages of the 2013 cohort were $22,000, while they were $18,400 for those who landed in 2000.

This data comes from the Longitudinal Immigration Database (IMDB), an administrative database that enables the analysis of immigrant cohorts through time and across different admission categories, such as the Canadian Experience Class, Family Class or Refugees.

Immigrants face different challenges when they land in Canada, such as recognition of foreign credentials or the ability to speak at least one of the official languages. Although increasing over the last few years, the median wages of recent immigrants remain lower than those of the Canadian population. For the Canadian-born population, the 2016 Census estimated the 2015 median wages at $36,000, compared to $35,000 for the immigrant population.

Principal applicants in the Canadian Experience Class category have the highest wages

Not all immigrants face the same challenges after landing. The Canadian Experience Class is one program for immigrants to gain permanent residency, intended for people with skilled work experience in Canada. In 2015, immigrant tax filers who landed in 2014 as principal applicants under the Canadian Experience Class admission category had the highest median wages of all groups who landed that year, at $53,000. This is comparable with that of other immigrant cohorts since 2009, when immigrants were first admitted in the Canadian Experience Class. In 2014, the number and proportion of Canadian Experience Class immigrants increased greatly. For example, from the 2013 cohort, 3.1% of tax filers (3,660 immigrants) with wages one year after landing came from that admission category, while for the 2014 cohort, this proportion was 9.4% (12,150 immigrants).

By comparison, among other economic immigrant categories in the 2014 cohort, provincial and territorial nominees and skilled workers had median wages of $37,000 and $26,000, respectively.

Wages increase with the number of years since admission to Canada

Although for most immigration categories, the wages a few years after admission are lower than for the Canadian-born population, they increase with the number of years spent in Canada. The median wages of immigrant tax filers admitted to Canada in 2005 were estimated at $17,600 in 2006, one year after landing. For the same cohort, they increased to $25,000 five years after landing, and $32,000 a decade after.

The number of years in Canada leads to increased wages for immigrants in all admission categories. For example, the median wages of the 2005 cohort of government-assisted refugees were $7,800 one year after landing, $16,000 five years after landing, and $21,000 in 2015, a decade after landing. By contrast, the median wages of privately-sponsored refugees were $19,900 one year after landing, $23,000 five years after landing, and $27,000 in 2015.

Wages of immigrants born in Europe and the United States are higher than those from other regions
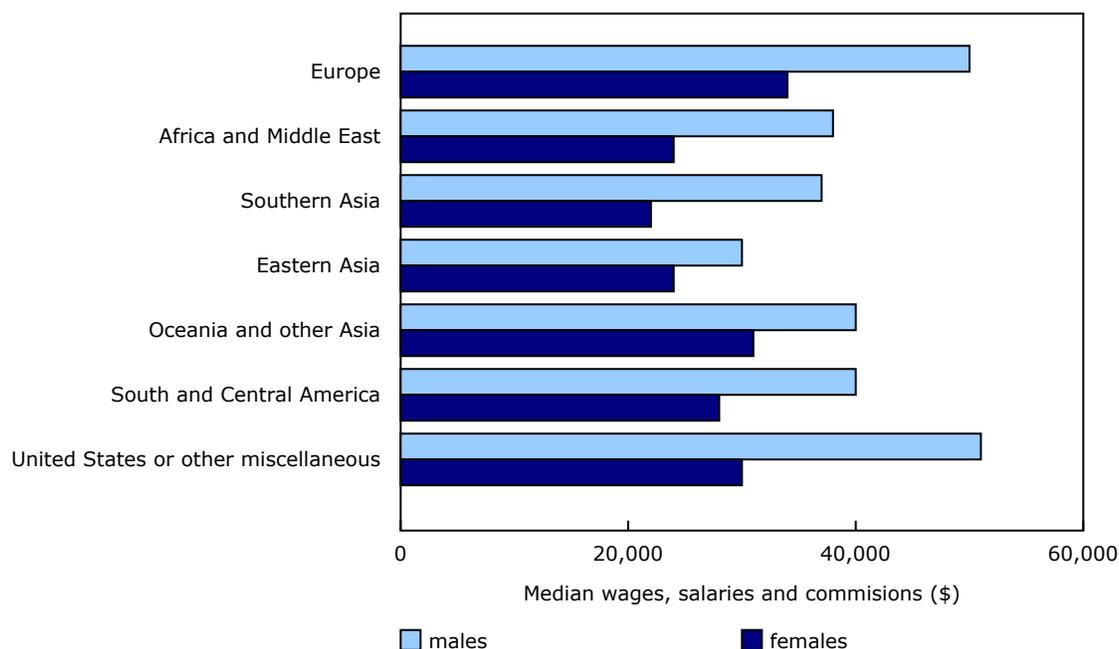
Although wages increase with the number of years in the country, there are differences in the economic outcomes of immigrants of the same cohort. The wages of immigrants vary by a number of characteristics, such as age, sex and region of birth.

For the 2005 cohort, the median wages in 2015 were $50,000 for male immigrant tax filers born in Europe and $51,000 for those born in the United States, compared to $30,000 for those born in East Asia.

These differences by region of birth were less pronounced for immigrant women, but their wages were generally lower than their male immigrant counterparts. For example, the median wages for female immigrants born in Europe who landed in 2005 were $34,000 in 2015, compared with $30,000 for those born in the United States and $24,000 for those born in East Asia. These differences are likely related to several factors, including ability to speak at least one of the official languages, educational background, and whether foreign credentials are recognized in the labour market.

Chart 1
Median wages by area of birth and sex for immigrant filers admitted in 2005, tax year 2015

Median wages, salaries and commisions ($)

☐ males   ■ females

Source(s): Longitudinal Immigration Database, 2015.

Wages of immigrant children admitted between 1980 and 1991 are similar to those of Canadian-born

Many people migrate to another country to improve the living conditions of their children. Immigrants who come to Canada as children achieve similar labour market outcomes as their Canadian-born counterparts. This could be because their education (in part or in whole) is obtained in Canada, and fluency in one of the official languages is less likely to be a barrier.

Immigrants who landed before the age of 20 between 1980 and 1991 had median wages of $49,000 in 2015, according to the Longitudinal Immigration Database (note that these immigrants were between the ages of 24 and 54 in 2015). According to 2016 Census data, the median wages of the Canadian-born population aged 25 to 54 years were $48,000 in 2015.

When controlling for admission category, immigrant children have comparable employment outcomes to their Canadian-born counterparts. Among these immigrants who came to the country before the age of 20 more than 25 years ago, the median wages in 2015 were $45,000 for government-sponsored refugees, and $46,000 for those who were sponsored privately.
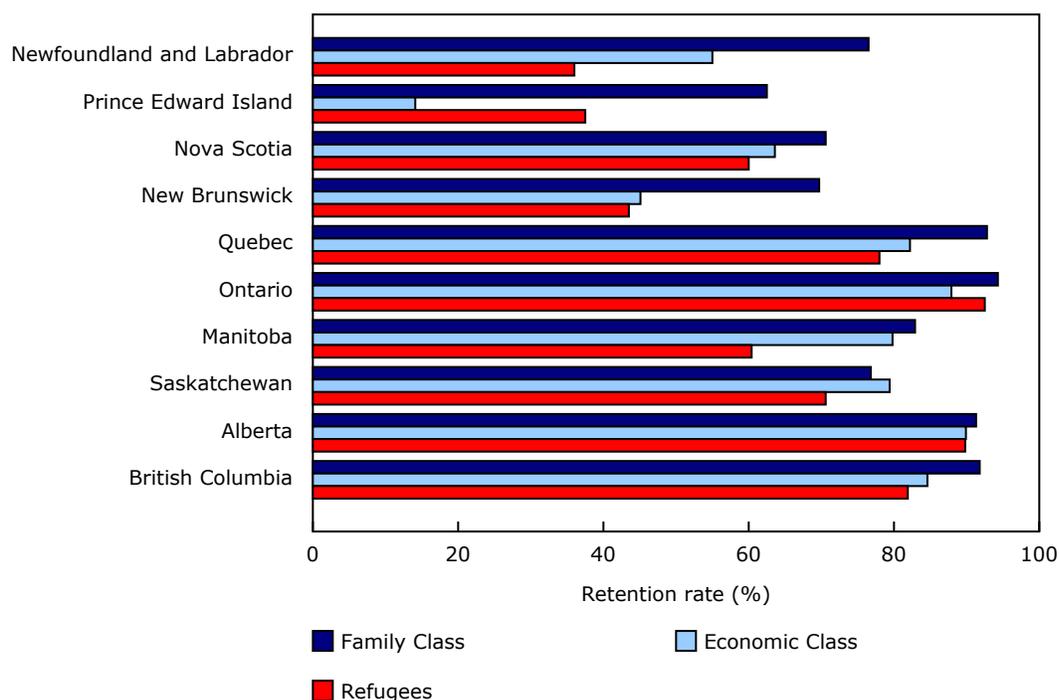
Immigrants from the family class are most likely to remain in the province of destination

Admission categories reflect different immigration objectives. Family class immigrants come to be closer to their family, while economic immigrants are selected for their ability to contribute to the labour force. The reasons for immigrating to Canada can influence which immigrants remain in their province of landing over time.

Overall, in 2015, 86% of immigrant tax filers who landed in 2010 filed tax returns in their province of landing. Proportions were highest in Alberta (90%) and Ontario (91%).

Immigrants admitted under the family class are more likely to reside in their destination province five years after landing. For instance, 93% of immigrants whose province of destination was Quebec and who were admitted under a family class category were residing in Quebec five years after landing, compared with 78% for refugees and 82% for economic immigrants.

Chart 2
Retention rate five years after admission of the 2010 cohort of immigrant tax filers by admission category and destination province

Source(s): Longitudinal Immigration Database, 2015.

> **Note to readers**
>
> *The Longitudinal Immigration Database combines linked administrative immigration and tax data files. It provides detailed and reliable information on socioeconomic outcomes of immigrants after landing, such as employment income and mobility. It connects short- and long-term outcomes with characteristics at admission, such as immigrant admission category, source country and knowledge of official languages. The database also provides information on pre-admission experience in Canada.*

The database combines an administrative Landing File with the T1 Family File through exact matching record linkage techniques. The overall linkage rate is approximately 97%. The population includes immigrants who landed between 1980 and 2015 and who filed taxes at least once between 1982 and 2015.

This release analyzes income on the basis of medians of wages, salaries and commissions (for the population with wages, salaries or commissions income). The median is the level of income at which half of the immigrant tax filers have higher income and half have lower. Mean income and other income types (self-employment income, investment income, Employment Insurance benefits and social welfare benefits) are provided in CANSIM. All income estimates are expressed in 2015 constant dollars to factor in inflation and enable comparisons across time in real terms.

Retention rate *in this analysis refers to the proportion of tax filers that remained in their province of destination five year after their admission.*

*The source of the 2016 Census of Population wages, salaries and commissions incomes is product number **98-400-X2016205** on Statistics Canada's catalogue.*

All proportions included in this analysis are based on rounded counts available from CANSIM tables.

CANSIM tables at the provincial level will be released in January 2018.

Immigrant tax filers *are immigrants who filed taxes in a given year.*

Province of landing *is the province of intended destination.*

Refugee categories *include immigrants who were granted permanent resident status on the basis of a well-founded fear of returning to their home country. These include government-assisted refugees, privately-sponsored refugees, refugees landed in Canada, and their dependents.*

Economic immigrant admission categories *include immigrants who have been selected for their ability to contribute to Canada's economy through their ability to meet labour market needs, to own and manage or to build a business, to make a substantial investment, to create their own employment or to meet specific provincial or territorial labour market needs.*

*The **Canadian Experience Class category** includes immigrants who have been selected by the federal government and were granted permanent resident status on the basis of their Canadian work experience.*

*The **provincial and territorial nominees category** includes immigrants who have been nominated by a province or territory for their ability to contribute to the local economy and meet specific labour market and economic development needs.*

Family Class *is an immigration category that includes any family members sponsored to come to Canada by a Canadian citizen or permanent resident.*

For a more detailed description of immigrant admission categories, consult the Help centre page of the Immigration, Refugees and Citizenship Canada website.

Birth regions *are derived from the Standard Classification of Countries and Areas of Interest 2016 is based on the International Standard for country codes ISO 3166-1:2013.*

East Asia *includes China, Hong Kong, South Korea, Taiwan, Japan, Macao, Mongolia and North Korea.*

For a complete list of countries and areas of interest included in the different birth regions, please refer to the Longitudinal Immigration Database dictionary, available on request.

Canadian-born *refers, in this article, to persons who are Canadian citizens by birth.*

Available in CANSIM: tables 054-0001 to 054-0003 and 054-0018.

Definitions, data sources and methods: survey number 5057.

The Longitudinal Immigration Database 2015 is now available upon request.

For more information, contact us (toll-free **1-800-263-1136**; **514-283-8300**; **STATCAN.infostats-infostats.STATCAN@canada.ca**).

To enquire about the concepts, methods or data quality of this release, contact the Social and Aboriginal Statistics Division Client Services (**statcan.sasdclientservices-dsseaserviceaclientele.statcan@canada.ca**).