

Study: The role of social capital and ethnocultural characteristics in the employment income of immigrants over time

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Social capital is a concept that describes networks of relationships, and refers to individuals' social ties, such as friends, associations or communities. Having strong community or family ties in a new country can assist immigrants in adapting to a new culture.

A new study, titled "The role of social capital and ethnocultural characteristics in the employment income of immigrants over time" and released today in *Insights on Canadian Society*, suggests that having social capital is associated with higher earnings among immigrants, including in the long term.

The study follows a cohort of immigrants aged 25 to 54 who came to Canada in 2001, and examines their employment income over the next 15 years (from 2002 to 2016). It is based on a new data set combining the Longitudinal Survey of Immigrants to Canada with the Longitudinal Immigration Database.

This study is also available through Statistics Canada's Centre for Gender, Diversity and Inclusion Statistics. Additional information about the Centre and other diversity-related studies and statistics can be found through the Centre's [hub](#).

Having friends is associated with higher employment incomes

Social capital and networks can be difficult to establish for some newcomers to Canada, as they often have to adapt to a new environment and new circumstances, with few, or no, friends or family members nearby.

That said, many immigrants to Canada benefit from some form of social capital. For example, among immigrants admitted in 2001, 63% had friends in the country prior to their admission, and 44% had relatives in the country.

In the six months following their admission, the vast majority (89%) said they had made new friends, and 20% reported that nearly all of their new friends were outside their ethnic group.

Having friends is positively correlated with employment income, including in the long term. For example, 15 years after their admission in 2001, immigrant women who had friends living in Canada prior to their admission earned about \$7,000 more than those who did not have such friends.

However, the presence of relatives in Canada had little effect on the employment income of immigrants. This is largely because many of these immigrants are admitted under the family reunification category, which tends to be associated with lower incomes than other categories of immigrants.

Immigrants in visible minority groups have lower employment incomes

The relationship between ethnocultural characteristics and employment income is also examined in this study—particularly, visible minority status (as defined under the *Employment Equity Act*). Immigrants who identified as being one of the designated visible minority groups had lower employment incomes compared with the rest of the immigrant population.

For example, male immigrants not designated as visible minorities earned \$42,900 in employment income in 2002, compared with under \$30,000 for Latin American (\$29,000), Black (\$27,100), West Asian (\$26,400), Chinese (\$25,800), Arab (\$25,300), or Korean or Japanese (\$22,300) immigrants.



Although the incomes of all these groups grew from 2002 to 2016, the differences persisted over this period. Male immigrants not part of a designated visible minority group earned \$76,500 on average in 2016, more than any visible minority group. Among visible minority groups, Korean or Japanese men earned the least at \$43,000, while Latin American men earned the most at \$72,000.

These results suggest that the income disadvantage associated with some ethnocultural characteristics persists over time for some groups.

Note to readers

This study traced the income trajectory of a particular group of immigrants to Canada who were admitted in 2001 and surveyed through the Longitudinal Survey of Immigrants to Canada (LSIC). LSIC data were linked with data from the Longitudinal Immigration Database (IMDB), which allowed for the examination of changes in immigrants' employment income during the first 15 years of their lives in Canada.

To the extent that data allowed, contributing factors to the observed income trends and changes in the nature of their contribution over time were examined. The focus was on two variable categories: those related to social capital and those related to the ethnocultural characteristics of the admitted immigrants.

Social capital variables examined include the presence of friends or family members prior to admission; the type of friends made in the six months after admission; and whether a work-related organization or other types of organizations were contacted prior to admission. Ethnocultural variables include visible minority status as defined by the Employment Equity Act, and religious affiliation.

The IMDB and LSIC are the product of ongoing collaboration between Statistics Canada, Immigration, Refugees and Citizenship Canada, and provincial partners.

Definitions, data sources and methods: survey numbers [4422](#) and [5057](#).

The study "[The role of social capital and ethnocultural characteristics in the employment income of immigrants over time](#)" is now available in *Insights on Canadian Society* ([75-006-X](#)).

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