

ECONOMICS

Immigrants taking a financial hit in Canada

Highly-educated would fare better in the U.S. as statistics show slide in comparison to native-born workers

JOE FRIESEN
DEMOGRAPHICS REPORTER

New research shows university-educated immigrants earn significantly less in Canada than they do in the United States, a troubling sign for a country determined to attract the best and brightest in the global hunt for talent.

The research shows that from 1980 to 2005, highly educated recent immigrants to Canada saw their earnings slide dramatically in comparison to Canadian-born university graduates. Today, new Canadian male immigrants with university degrees earn about 50 per cent less than their Canadian-born counterparts, while the gap in the U.S. is a much smaller 30 per cent.

That's a significant change from 1980, when newly arrived university-educated immigrants (those with five years or fewer in their new countries) fared about the same on both sides of the border.

The study's lead author, Aneta Bonikowska of Statistics Canada, said immigrant fortunes in the two countries began to diverge in the 1990s. But why that's the case isn't entirely clear. Ms. Bonikowska said the difference is not due to recruitment strategies, because in-demand engineers and IT specialists flooded the labour markets of both countries about equally. Nor is it due to more employer-linked immigration in the U.S., according to her research.

The answer remains a bit elusive, but there are a few possible explanations that need more research, Ms. Bonikowska said.

"One is that there's been a much more rapid increase in the supply of university-educated new immigrants in Canada than the U.S., so supply may be an issue. The second is language ability," she said.

From 1980 to 2005, Canada began accepting a much higher proportion of university graduates than in the past. In 1980, a little more than 20 per cent of new arrivals had university degrees. By 2005 it was roughly 55 per cent. In the United States, meanwhile, the proportion of university graduates rose much more slowly,



Wei Chen, a former international trading professor from China, now works at Toronto's Progress Career Planning Institute. FERNANDO MORALES/THE GLOBE AND MAIL

reaching about 35 per cent in 2005.

Canada's source countries also changed dramatically over that period, as immigrants from Europe were replaced by immigrants from Asia. As a result, the proportion of new immigrants to Canada who speak neither English nor French at home increased from 50 per cent in the late 1970s to just over 80 per cent since 2001, which could have had an effect in the labour market. U.S. immigration source countries didn't change much over that period but their rates of foreign languages spoken at home are not much different from Canada's.

Perhaps more troubling for those considering immigration to Canada, the immigrant wage gap

persists even 11 to 15 years after arrival, according to the study. University-educated immigrants who arrived in Canada in the late 1960s made about 10 per cent less than their domestic-born counterparts after they'd spent a decade establishing themselves. For those who arrived in the early 1990s, the gap was about 30 per cent after 10 years in Canada. In the U.S., by comparison, the 1960s arrivals earned slightly more than the U.S.-born a decade after arrival, and the 1990s group just 12 per cent less.

At a networking conference for internationally educated professionals in Toronto Friday, more than 1,000 job seekers were told about another new study that concluded "becoming more Cana-

dian" held the key to finding work in Canada. The study, commissioned by the Progress Career Planning Institute, surveyed employers and successful job seekers, and found that investing in language skills, seeking out mentorship and networking with others in their profession were the most reliable strategies for new immigrant job seekers.

Wei Chen, a conference attendee, came to Canada in 2005 expecting to find work in international trade, having taught at a Chinese university.

He was sorely disappointed. When a man knocked on his door selling natural gas, Mr. Chen decided to follow his example. For a year and a half, he went door to door selling gas contracts. He said

it was miserable work, so he decided he had to make a change. He eventually invested in a one-year college program in career counselling. That led to an internship, which led to a full-time job as a career coach.

"As internationally educated professionals, we have to remember we have our own advantages," he said. "We can speak languages others can't. We represent other cultures and that can help organizations reach a common goal."

Mr. Chen said 10 per cent of his clients are Mandarin speaking, and they ask how to find work.

"I tell them that it will not be easy to find a job, but you can start out in a basic job, getting some experience, or you can volunteer," he said.