

# METROPOLIS BRITISH COLUMBIA

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# **The Economic Integration of Immigrants in Metro Vancouver**

## **Daniel Hiebert**

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Krishna Pendakur, SFU and Daniel Hiebert, UBC, Co-directors

# **Metropolis British Columbia**

## ***Centre of Excellence for Research on Immigration and Diversity***

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Views expressed in this manuscript are those of the author(s) alone. For more information, contact the Co-directors of the Centre, Krishna Pendakur, Department of Economics, SFU ([pendakur@sfu.ca](mailto:pendakur@sfu.ca)) and Daniel Hiebert, Department of Geography, UBC ([daniel.hiebert@ubc.ca](mailto:daniel.hiebert@ubc.ca)).

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### **THE ECONOMIC INTEGRATION OF IMMIGRANTS IN METROPOLITAN VANCOUVER**

**Daniel Hiebert**

Department of Geography, UBC

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## INTRODUCTION

**I**n the past half century Vancouver has undergone two major transformations that have been sufficiently far-reaching to touch almost every aspect of city life: the shift from a resource-driven to a service-driven economy, and a rapid rate of population growth that has increasingly been fed by immigration. The first transformation has resulted in a dramatically different economy that is still affected by resource markets but is no longer dominated by jobs in industries associated with resources, construction and related activities. The second has resulted in a much larger urban population that is drawn from nearly all corners of the earth — though especially from Asia — with the attendant challenges in socioeconomic and cultural inclusion. These trends have intersected, so that recent immigrants to Vancouver have had to find ways to navigate an information-driven economy that has privileged certain types of skills and ignored others.

The arrival of newcomers to Vancouver in large numbers over a sustained period is strongly registered in the economy, since immigrants account for more than half of the growth in the metropolitan labour market.<sup>1</sup> Moreover, thousands of immigrants have established businesses, across a wide spectrum of industries that include prosaic services such as taxi driving and house cleaning, through businesses that capitalize on cultural distinctiveness such as restaurants, to complex and lucrative services such as financial management. Some of these enterprises have been remarkably successful while others have had to struggle. It is clear, though, that with fewer immigrants Vancouver's economy would be less integrated into global circuits of investment and trade. And it is likely that with fewer immigrants Vancouver's economy would have taken a different evolutionary path.

The purpose of this report is to provide basic knowledge about the economic outcomes of immigrants to metropolitan Vancouver based on characteristics such as language ability, educational attainment, year of arrival, gender, age, country of origin and admission class.<sup>2</sup> I will begin with a brief summary of Canadian immigration processes and then provide a statistical overview of metropolitan immigration trends, drawing on the census and administrative data collected by Citizenship and Immigration Canada. Differences between Vancouver and the other major immigrant settlement centres — Toronto and Montreal — will be highlighted.

I will then discuss, in general terms, the system of immigrant integration in Vancouver, which is largely under provincial jurisdiction and assigns an important role to not-for-profit organizations. The services offered to immigrants differ according to their class of admission; this is an important point to remember when analyzing economic outcomes.

The programs that have been designed to help immigrants enter Canadian society are a vital element in the welcome accorded to newcomers. Typically these programs are funded by government but delivered by non-governmental organizations (NGOs). They cover a remarkable range of support types, including language training, basic orientation, host programs (which match newcomers with established residents) and employment counselling. Impressive as this system is, one must consider whether it concentrates on the most pressing needs of newcomers and whether it is sufficient to address their complex and variegated requirements. This latter point is worth emphasizing: There is no “typical immigrant.” Newcomers are highly heterogeneous; they come from different countries, speak different languages, follow different religious and cultural practices, have different education and skill levels, and of course have entered Canada under different admission programs (e.g., business class

immigrants versus refugees).

The economic outcomes of immigration will be explored through a unique data source, the Longitudinal Immigration Database (IMDB). The IMDB matches the information provided by each individual at the time of landing with tax returns filed in subsequent years. Although not a perfect data source (its limitations are identified below), the IMDB enables one to document the participation of immigrants in the labour force as well as their entrepreneurial activities. Most importantly, unlike the census and other available sources, it records the class of admission for each individual in the data set.

This report is meant to provide a basic, descriptive analysis of the economic outcomes of immigration to the Vancouver area. It is not based on sophisticated econometric methods and will not attempt to ascertain the determinants of immigrant income, for example, except in a very general sense. Further, although the data explored are pertinent to the subject at hand, they inevitably paint an incomplete picture; in particular, they do not enable a precise comparison of immigrant incomes and incomes among the Canadian-born (e.g., comparing employment earnings while holding gender, age, education and type of employment constant). Instead, this report is based on a fairly detailed analysis of the income and earnings dynamics of immigrants, with a focus on differences between subgroups based upon their source region and class of admission to Canada. This enables a discussion of the relationship between immigration policy and the economic outcomes of immigration that is not feasible with other types of data. However, the IMDB does not include equivalent income figures for the non-immigrant population.

The report will conclude by summarizing the broad picture of immigrants in the Vancouver economy. It will corroborate the findings of the many studies of

Canadian immigration that paint a bleak picture of integration in the economic sphere. However, I believe that the IMDB, together with census data that are rarely emphasized by researchers, also provides a counterpoint to this prevailing view, and suggests that the economic situation of immigrants may not be as dismal as it is generally portrayed.

## CANADIAN IMMIGRATION POLICY AND PROGRAMS

Canada's modern immigrant selection system was designed in the 1960s and has always been dominated by three categories. Two of the three categories are generally seen as humanitarian in nature. These are immigrants who come to join family members already residing in Canada, and immigrants who arrive as refugees. In the former case, a resident of Canada sponsors a family member (generally this class is confined to nuclear families) and promises to assist him or her for a period of 10 years. The latter class is complex because it comprises a number of subcategories: refugees selected by government (government assisted refugees, or GARs), typically in overseas camps and with the assistance of international aid organizations; privately sponsored refugees (PSRs), who are selected overseas in much the same way; asylum claimants, who are deemed legitimate refugees by a determination board upon their arrival in Canada (landed-in-Canada refugees, or LCRs); and special "humanitarian and compassionate" cases (H&Cs), immigrants who do not go through the determination system but are granted the right to remain in Canada due to mitigating circumstances. The refugee class therefore includes individuals who are selected and individuals who, in a sense, select themselves (claimants). While family immigrants and refugees are admitted mainly to satisfy humanitarian objectives, the categories through which they enter the country are embedded with some economic criteria. As noted, newcomers entering



through the family class system are to be provided for by their sponsors and are not expected to require social assistance. Until recently (2002), GARs with the greatest potential for becoming established in Canada (and participating in the economy) were to be given priority, meaning that many refugees arrived with advanced education and skills. This criterion has largely been superseded in the last five years or so, and now priority is accorded to refugees who are highly vulnerable in camps (such as persons with disabilities or single mothers and their children).<sup>3</sup>

In the period 1997 to 2006, a total of 91,190 individuals who landed in Canada through the family class program stated their intention to settle in metropolitan Vancouver, representing 26.6 percent of the total number bound for Vancouver. Refugees represented 5.8 percent of the total, based on 19,658 persons.<sup>4</sup>

The third and largest entry category is the independent, or economic, class (229,608, or 66.3 percent, in the period 1997 to 2006). Prospective immigrants from any country, regardless of their family connections in Canada or their political status, are entitled to apply under this class. As the Canadian points system is widely known, I will not go into detail here, except to note that the criteria are intended to select individuals with the greatest potential for succeeding in Canada's labour market (with a couple of exceptions; see below). In contrast with earlier practices, Canada has adopted the "human capital" model, which is based on the applicant's perceived general capabilities rather than on his or her experience in any particular field. To use a blunt example, a master's degree in literature and a master's degree in engineering would carry the same number of points. Work experience or a job offer in Canada could be worth a small number of points but is not a condition for passing the threshold required for admission.

Another subset of the independent class has become increasingly important. In the late 1960s, the government introduced a program to facilitate the entry of self-employed immigrants. Individuals applying under this class still face the points test, but the threshold is reduced significantly if they can demonstrate an ability to establish a business in Canada soon after arriving. The basis for this new class was that past success may be the best predictor of future entrepreneurial success, so the documentation of previous business activities is an important ingredient in the application process for this class.

The entrepreneur category, added in 1978, was more ambitious. Initially the government expected these immigrants to purchase an existing Canadian business or set up a business that would employ at least four individuals (beyond the entrepreneur himself or herself). This requirement was later reduced to one worker, as it was believed that the previous level was seen as too high by prospective applicants. Currently, immigrants entering through the entrepreneur category must submit a credible business plan and show that they have the experience needed to run a business. Their landed status in Canada is conditional, however; to receive permanent landing rights, they must prove that they have established a business within three years of arrival.

Finally, the investor category was established in 1986 in an effort to attract immigrants willing to invest in the Canadian economy or, more specifically, in venture capital funds that would support Canadian businesses, for a minimum of three years.<sup>5</sup>

As noted, the skilled worker program has at its core the idea that immigrants with certain characteristics are likely to succeed in the Canadian labour market. Similarly, the business classes are based on the idea of admitting people with business expertise and/or capital, again to ensure that they will

quickly become economically active. These expectations need to be kept in mind when evaluating the economic outcomes of immigration in Vancouver.

#### ANALYTICAL CONTEXT: THE ECONOMIC FORTUNES OF IMMIGRANTS IN CANADA

There is a large literature on the economic fortunes of immigrants in Canada. Much of this research documents and analyzes the fact that immigrants are experiencing more difficulty finding well-paid work now than they did in the 1970s. The first studies to identify this issue emerged out of figures reported in the 1981 and 1986 censuses, especially after researchers were able to access the public use microdata and conduct econometric analyses. Much of this work has been done by economists, who compare the returns to human capital for immigrants versus the Canadian-born. They report that, when a variety of relevant factors are taken into account, the returns to human capital for immigrants have fallen relative to the Canadian-born population (e.g., DeVoretz 1995; Li 1988; Reitz 1990; Boyd 1990). These concerns deepened after the release of the 1991 and 1996 census results (Grant and Oertel 1998; Kazemipur and Halli 1999; Smith and Jackson 2002; Reitz 2003) but were tempered by the fact that both surveys coincided with weak economic conditions. The 2001 census was highly anticipated, since it was conducted at a more favourable moment from an economic viewpoint. However, the broad picture that emerged from the 2001 census was that the circumstances of immigrants did not deteriorate much but neither did they appreciably improve (Frenette and Morissette 2003; Chui and Zietsma 2003). An important study by Green and Worswick (2004) used the IMDB and essentially corroborated the findings of studies based on the census.

A report published by the Fraser Institute (Collacott 2002) and two non-academic books (Francis 2002; Stoffman 2002) brought these concerns fully

into the public eye. Since that time, the media have shown greater interest in the economic fortunes of immigrants, especially upon the release of any new census information.

The most widely publicized statistic so far is the marked increase, between the 1981 and 2001 censuses, in the degree of poverty among recent immigrants. Immigrants who arrived in the five years preceding the 1981 census had a poverty rate<sup>6</sup> of 24.6 percent, which was 1.44 times that of the Canadian-born population. The equivalent figure for the 1991 census (1986-91 arrivals) was 31.3 percent and for the 2001 census 35.8 percent, or 2.29 times the rate of the Canadian-born (Picot and Hou 2003).<sup>7</sup> It is still too soon to expect a rich analysis of 2006 census data, but the first substantial study shows that the trend toward declining incomes for newcomers has continued into the present decade (Statistics Canada 2008).

Meanwhile, researchers have directed a great deal of their energy into understanding the causes of the decline in newcomer fortunes (e.g., Grant and Oertel 1998; Reitz 2003; Ruddick 2003; Green and Worswick 2004; Aydemir and Skuterud 2005; Picot and Sweetman 2005; Reitz 2007). It is beyond the scope of this report to analyze this large and sophisticated body of work in any detail, but several of its key findings provide context for the present work:

- There has been a secular shift in the economy away from the kinds of jobs that attracted large numbers of immigrants, and paid them relatively well, in the 1970s (e.g., factory work, construction) and toward jobs that call for advanced language skills. Essentially, the *knowledge economy* demands high-level communication. This means that language facility is a critical ingredient in the relative economic success of immigrants.

- The primary source region of immigrants to Canada has shifted from Europe to other parts of the world and an increasingly large share of the immigrant population is non-white. Therefore a larger proportion of immigrants face discriminatory barriers in the workplace.
- The changing nature of immigration over this period has been associated with larger relative numbers of immigrants from parts of the world where neither English nor French is the first language of communication.
- Education, credentials and job experience acquired prior to migrating to Canada are not well received in the Canadian labour market. Thus there is a disjuncture between immigration policy, which privileges applicants with these characteristics, and employers, who generally do not.
- While immigrants were, on average, far more educated than the Canadian-born population in the 1970s, their relative advantage in this respect has diminished, as the level of education among the Canadian-born has increased over the past generation. In essence, the large public investment in tertiary education in Canada in the 1960s and 1970s has produced a much more competitive domestic labour supply.
- Nevertheless, all entrants to the labour market in the 1990s and 2000s (whether newcomers or Canadian-born young people) are experiencing difficulty securing jobs commensurate with their skills.
- The challenges facing immigrants tend to be most intense when they first arrive. Once in the labour market, they experience a rapid rise in earnings. In other words, while pre-migration work experience is

discounted, Canadian work experience is rewarded.

All of these findings have been generated on a national scale. Approximately 10 to 15 percent of the immigrants arriving in Canada over the last generation have settled in Vancouver, and it is possible that outcomes have differed substantially from these broader trends. I will now consider the dynamics of immigration in Vancouver, before addressing this issue in the main body of the report.

#### THE LOCAL CONTEXT: IMMIGRATION AND THE CHANGING CULTURAL COMPOSITION OF METROPOLITAN VANCOUVER

The area that would eventually become Vancouver was originally occupied by indigenous peoples. These inhabitants were displaced by immigrants. The vast majority of early colonial settlers were from Britain and Europe, but the Gold Rush of the mid-nineteenth century and the construction of the continental railways in the 1860s and 1870s attracted individuals from other parts of the world, including those of Indian and, most notably, Chinese origin. The 1901 census reported that approximately 10 percent of Vancouver's residents were from Asia. Opportunities for immigration to Canada from Asian countries were severely curtailed in the closing years of the nineteenth century and the first half of the twentieth century. In the 1880s, a head tax was imposed on immigrants from China, and the fee was progressively increased to reduce immigration. This first attempt to regulate the ethnicity of settlers was followed by laws that made it impossible to emigrate from India to Canada and restricted the number of immigrants from Japan. In the 1920s, the Chinese head tax was removed in favour of a complete ban on this type of immigration.

The impact of these policies in Vancouver was significant. Incipient Chinese, Indian and Japanese communities began to develop in the years leading up to

and following the turn of the century. But this tendency was restrained by new policies. Just as the laws curtailing or prohibiting Asian immigration were taking effect, the federal government introduced measures to attract immigrants from Europe. As a result, the ratio of Asian minorities to the Vancouver population plummeted, dropping from around 10 percent in 1901 to less than 3 percent in 1941 (Hiebert 1999a). Small Chinese and Japanese enclaves continued to exist near the downtown, but they stopped growing, especially in relation to the rapidly expanding European populations.

TABLE 1  
IMMIGRANTS' AND NONPERMANENT RESIDENTS'<sup>1</sup> REGION OF ORIGIN AND PERIOD OF ARRIVAL IN CANADA, METROPOLITAN VANCOUVER,<sup>2</sup> 2001 (PERCENT)

	TOTAL- IMMIGRANTS AND NONPERMANENT RESIDENTS	IMMIGRANT POPULATION	BEFORE 1961	1961- 70	1971- 80	1981- 90	1991- 2001	NON- PERMANENT RESIDENTS
Total (N)	767,715	738,550 <sup>3</sup>	73,550	73,200	124,400	142,580	324,815	29,165
United States	3.3	3.1	3.1	6.1	4.9	2.8	1.9	8.6
Latin America	3.8	3.6	1.1	3.4	4.5	5.2	3.2	7.7
Europe	24.8	25.3	83.4	56.5	23.8	15.0	10.2	12.1
Africa	3.3	3.3	0.6	2.1	6.7	3.2	3.0	2.3
Asia <sup>4</sup>	61.8	61.6	10.5	27.8	54.8	70.3	79.6	65.7
West Central Asia/Middle East	3.8	3.8	0.3	0.8	1.5	4.8	5.6	4.9
Eastern Asia	36.0	35.6	8.2	15.9	25.0	34.0	51.0	46.2
Southeast Asia	11.9	12.0	0.5	3.7	15.5	19.2	12.0	8.8
Southern Asia	10.1	10.3	1.6	7.3	12.8	12.3	11.1	5.8
Oceania	3.0	3.0	1.1	4.0	5.3	3.4	2.1	3.6
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0

Source: Census of Canada, 2001.

1 Nonpermanent residents are those who are in Canada under a temporary residence permit (visa).

2 This corresponds with Census Canada's census metropolitan area (CMA).

3 Totals may differ from the sum of sub-categories due to statistical rounding performed by Statistics Canada.

4 The figures in the Asia composite category may not equal the total of the subcategories due to rounding. The figures for the composite row are the most accurate.

Throughout most of the twentieth century, Vancouver's fortunes were closely connected with the resource economy of British Columbia. The city's cultural composition was decidedly European, dominated by a British sensibility. At mid-century (1951 census figures), 71 percent of the metropolitan population — which was just over 530,000 — declared their ethnic origin as British. The census listed nearly everyone else in the city as European (24 percent). Of the remaining 5 percent, half were classified as "Asiatic" — this was a much smaller percentage than reported in the 1880s or in the 1901 census. In the 1961 census, on the eve of momentous changes in Canadian immigration policy, "Asiatic" residents still accounted for only 3 percent of the Metropolitan Vancouver population, though the absolute number had increased considerably during the 1950s, from 12,500 to 25,500. Unfortunately, census information on non-Asian visible minorities is virtually non-existent for the early postwar period.

Table 1 provides basic information on the sources of immigration to Vancouver over time, based on the immigrants recorded in the 2001 census. The predominance of immigration from Europe in the immediate postwar years is readily apparent, with over 80 percent of all immigrants arriving from Europe before 1961. The spectacular *decline* in the significance of Europe as a source of Vancouver's immigrants can also be seen, from over 80 percent of those admitted to Canada before 1961 to only 10 percent in the 1990s. Conversely, immigration from Asia has grown rapidly — almost exactly matching the decline in immigration from Europe — rising from 10 percent of arrivals prior to 1961 to 80 percent of those arriving in the 1990s. Within this general category, source countries in East Asia have been prominent, followed by countries in South Asia. The relative significance of the other regions of the world, particularly Africa and Latin America, as sources for immigrants to



Vancouver has been comparatively low and constant over time.

These patterns have continued into the new century. Census figures show that the population of metropolitan Vancouver increased from 1,986,965 to 2,116,581, or by about 130,000 people, between 2001 and 2006. Clearly, immigration is significant in this change. In fact, the rate of growth of the foreign-born population in metropolitan Vancouver is over 12 percent, more than five times the 2.3-percent increase in the Canadian-born population. In absolute terms, the net increase in the foreign-born population is 92,700,<sup>8</sup> compared with just under 37,000 for the Canadian-born. In 2006, immigrants accounted for just under 40 percent of the entire metropolitan population. Significantly, of all cities in Australia, Canada and the United States — the quintessential immigrant countries — Vancouver's ratio of immigrants in the general population is surpassed only by that of Toronto, at 45.7 percent (the figure for Montreal is 20.6 percent). Hence Vancouver has a larger share of immigrants in its population than New York, Los Angeles and Sydney — and for that matter London and Paris as well. The 831,265 immigrants living in Vancouver in 2006 would in themselves constitute Canada's seventh-largest city. As we will see, it is difficult to generalize about a population this size.

Who are these immigrants? In 1971, well over half of the immigrant population of Vancouver were born in the British Isles and more than 85 percent declared European places of birth (Hiebert 1999a). In 2006, in contrast, the top five source countries of immigrants to Vancouver were China (29.2 percent), India (12.7), Philippines (9.5), South Korea (5.8), and Taiwan (5.0). Moreover, four of the next top five countries of birth were Asian. These figures reveal an extraordinary degree of change over a relatively short period. The five main sources of immigrants arriving between 2001 and 2006 — China, India, the Philippines, Korea and Taiwan — indicate a continuing shift of balance toward

Asia as the primary source of Vancouver's newcomers.

Recent census statistics are collated in tables 2 to 10, which provide a sketch of the sociodemographic structure of Vancouver's population in 2006. The approximately 2.1 million residents of metropolitan Vancouver reside in about 820,000 dwellings, of which nearly two thirds are owned and the remainder rented (table 2). Just under 40 percent of the metropolitan population was born outside Canada. Of these, a large majority were born in Asia, particularly East Asia — which includes China and its special administrative zones of Hong Kong and Macau — Taiwan, North and South Korea, and Japan (table 3). China (along with Hong Kong), Taiwan and South Korea have been the chief national sources. Just over 5 percent of Vancouver's foreign-born come from South Asia, India being the greatest source by far (Toronto, in contrast, has attracted large numbers from Pakistan and Sri Lanka as well as India). Nearly the same proportion have come from Southeast Asia, the leading sources being the Philippines and Vietnam. The other important Asian source country is Iran (classified in the Middle East/West Asia category). While Asia has been the dominant source of immigrants to Vancouver for the past generation, it should be kept in mind that newcomers from almost every corner of the world settle in Vancouver. The non-Asian immigrant population is made up of relatively small numbers from a vast array of countries.

This high concentration of immigrants from one region of the world, mixed with dispersed numbers from everywhere else, generates a degree of tension in the provision of settlement services. Should these services be tailored to the majority of immigrants (from a small number of Asian countries), reaching the greatest number as efficiently as possible? What is the appropriate balance between efficiency and equality?

TABLE 2  
BASIC DEMOGRAPHY OF METROPOLITAN VANCOUVER, 2006

	N	%
Population	2,116,581	
Total number of persons in private households	2,092,640	
Average number of persons private household	2.6	
Total number of occupied private dwellings <sup>1</sup>	817,225	
Owned	531,720	65.1
Rented	285,045	34.9

Source: Census of Canada, 2006.

1 Total includes a small number of dwellings for which tenure cannot be determined.

TABLE 3  
IMMIGRANTS IN METROPOLITAN VANCOUVER, BY REGION OF ORIGIN, 2001-2006

	ALL IMMIGRANTS, 2006		IMMIGRANTS WHO ARRIVED BETWEEN 2001-06	
	N	%	N	%
All immigrants	831,265	39.6	151,690	
United States	24,775	1.2	4,610	3.0
Latin America and Caribbean	29,730	1.4	5,760	3.8
Europe	182,150	8.7	14,985	9.9
Africa	27,260	1.3	4,795	3.2
Asia and the Middle East	543,255 <sup>1</sup>	25.9	118,550	78.2
West Central Asia and the Middle East	36,895	1.8	11,815	7.8
Eastern Asia	296,100	14.1	63,600	41.9
Southeast Asia	107,930	5.1	20,700	13.6
Southern Asia	102,320	4.9	22,435	14.8
Oceania and other	24,095	1.1	2,990	2.0
Nonpermanent residents	39,205	1.9		
Nonimmigrants	1,227,495	58.5		
Total population	2,097,965			

Source: Census of Canada 2006.

1 Totals may differ from the sum of sub-categories due to statistical rounding performed by Statistics Canada.

TABLE 4

DISTRIBUTION OF IMMIGRANT POPULATION<sup>1</sup> IN METROPOLITAN VANCOUVER,  
BY GENERATION AND PERIOD OF ARRIVAL OF FIRST GENERATION, 2006

	<i>N</i>	PROPORTION OF TOTAL POPULATION
Total population	1,752,385 <sup>2</sup>	
Total immigrant population, all ages (first generation) <sup>3</sup>	831,265	
Total 1st generation	826,940	47.2
Period of arrival, 1st generation		
Before 1961	63,660	7.7
1961 to 1970	69,385	8.3
1971 to 1980	119,670	14.4
1981 to 1990	136,025	16.4
1991 to 2000	290,830	35.0
2001 to 2006	151,690	18.2
Total 2nd generation	372,870	21.3
Total 3rd generation or more	552,580	31.5

Source: Census of Canada 2006

1 Aged 15 years and over.

2 Totals may differ from the sum of sub-categories due to statistical rounding performed by Statistics Canada.

3 First-generation immigrants are foreign born; second-generation immigrants are born in Canada and have at least one foreign-born parent; third-generation immigrants are born in Canada and both parents are born in Canada.

Another aspect of the demographic transformation under way is apparent in table 4, which shows that nearly half (47 percent) of the Vancouver population aged 15 or over is foreign-born (first-generation immigrant). This statistic appears to defy common sense; one might think that the recent acceleration of immigration would be associated with Canadian-born adults, especially the elderly, and foreign-born children. But the opposite is true. The ratio of foreign-born in the adult population is actually greater than that for children (40 percent), many of whom were born in Canada to immigrant parents. In fact, over one fifth of the metropolitan population identify themselves as second-generation immigrants. In other words, nearly 70 percent of Vancouver's residents are either immigrants themselves or the children of immigrants.

TABLE 5  
KNOWLEDGE OF OFFICIAL LANGUAGES IN THE POPULATION AS A WHOLE,  
METROPOLITAN VANCOUVER, 2006

	N	%
Total population	2,097,960	
English only	1,825,595	87.0
French only	1,140	0.1
English and French	162,785	7.8
Neither English nor French	108,440	5.2

Source: Census of Canada 2006.

TABLE 6  
LANGUAGE MOST OFTEN SPOKEN AT HOME, POPULATION AS A WHOLE,  
METROPOLITAN VANCOUVER, 2006

	N	%
Total population	2,097,960	
Single responses	2,033,840	
English	1,478,110	72.7
French	8,070	0.4
Nonofficial languages	547,660	26.9

Source: Census of Canada 2006.

TABLE 7  
CITIZENSHIP IN METROPOLITAN VANCOUVER, 2006

	N	%
Total population	2,097,960	
Canadian citizens		
All ages	1,859,820	88.6
Under 18	390,485	18.6
18 and over	1,469,335	70.0
Not Canadian citizens	238,145	11.4

Source: Census of Canada 2006.

Remarkably, well over half of first-generation immigrants arrived in the 15-year period 1991 to 2006. The extent of linguistic adaptation is also noteworthy. Despite the fact that so many immigrants have arrived from so many places so recently, the vast majority of the population is able to communicate in English (87 percent) or both English and French (8 percent) (table 5). Only 1 in 20 residents of Vancouver cannot communicate in English or French; although the statistics to corroborate this point are not analyzed here, nearly all of the people in this category are either elderly or recent immigrants or both. As might be expected, although members of minority groups are able to communicate in English, many choose to speak their heritage language in the private sphere (table 6). A small fraction of the population speak primarily French at home, and a much larger fraction, approximately 27 percent, speak a non-official language, the most significant of which — ranked by importance — are Chinese, Punjabi, Tagalog, Korean and Farsi (census figures, not shown in the table).

Most of the immigrants living in Vancouver have become Canadian citizens (table 7). Recall that nearly 152,000 people arrived between 2001 and 2006, and most of these would not yet be eligible for naturalization. Yet only 238,000 residents of the metropolitan area were not citizens in 2006, meaning that a large majority of all those eligible for citizenship had exercised this option. In the 2006 census, nearly 42 percent of Vancouver's population identified themselves as non-white. This is a highly variegated group, which includes the descendants of early immigrants to British Columbia from China, India and Japan (who could be third- or fourth-generation Canadians), immigrants who have arrived in recent years from many countries, and the children of these recent arrivals. As might be expected, the majority of Vancouver's visible minority population are of Chinese or Indian ancestry, with Filipinos and Koreans the next-largest groups (table 8).

**TABLE 8**  
**POPULATION OF METROPOLITAN VANCOUVER, BY VISIBLE MINORITY GROUP, 2006**

	<i>N</i>	%
Total population	2,097,960	
Total visible minority population	875,295	41.7
Visible minority group		
Chinese	381,535	18.2
South Asian	207,165	9.9
Black	20,670	1.0
Filipino	78,890	3.8
Latin American	22,695	1.1
Southeast Asian	33,475	1.6
Arab	7,430	0.4
West Asian	28,155	1.3
Korean	44,825	2.1
Japanese	25,425	1.2
Visible minority, group not specified	2,915	0.1
Member of multiple groups	22,115	1.1
Not a visible minority (White)	1,222,665	58.3

Source: Census of Canada 2006.

Tables 9 and 10 provide context for the economic analysis that forms the basis of this report. The potential labour market of metropolitan Vancouver (those aged 15 and over) comprises some 1.75 million people. A more realistic number, however, is the approximately 1.5 million men and women aged 25 or older. Of these, 67.8 percent actually participate in the labour force (with

TABLE 9  
LABOUR MARKET ACTIVITY IN METROPOLITAN VANCOUVER, BY AGE GROUP, 2006

	15 YEARS AND OVER	25 YEARS AND OVER
Total population	1,752,385 <sup>1</sup>	1,467,315
In the labour force	1,169,725	995,330
Employed	1,104,755	949,520
Unemployed	64,965	45,810
Not in the labour force	582,665	471,985
Participation rate	66.8	67.8
Employment rate	63.0	64.7
Unemployment rate	5.6	4.6

Source: Census of Canada 2006.

1 Totals may differ from the sum of sub-categories due to statistical rounding performed by Statistics Canada.

TABLE 10  
EMPLOYMENT CHARACTERISTICS OF THE METROPOLITAN VANCOUVER POPULATION,<sup>1</sup> 2006

	N	%
Total labour force	1,150,490 <sup>2</sup>	
Paid workers	1,051,495	91.4
Employees	992,870	86.3
Self-employed (incorporated)	58,625	5.1
Self-employed (unincorporated)	95,790	8.3
Unpaid family workers	3,210	0.3

Source: Census of Canada 2006.

1 Aged 15 years and over.

2 Totals may differ from the sum of sub-categories due to statistical rounding performed by Statistics Canada.

TABLE 11  
IMMIGRANTS TO METROPOLITAN VANCOUVER, BY LEVEL OF EDUCATION, 2002-05

	N	%
Total immigrants	132,985	
0-9 years of schooling	43,060	32.4
10-12 years of schooling	16,503	12.4
13+ years of schooling	9,001	6.8
Trade certificate	4,044	3.0
Nonuniversity diploma	11,376	8.6
Bachelor's degree	35,785	26.9
Master's degree	11,252	8.5
Doctorate	1,964	1.5

Source: Citizenship and Immigration Canada, Landed Immigrant Database System, 2005.



4.6 percent of this group unemployed at the time the census was taken) (table 9). Returning to the total labour force (aged 15 and over), just over 86 percent are paid employees and 13.4 percent are self-employed (table 10). A small fraction of the labour force work for family members in an unpaid capacity. Data on immigrants landing in Vancouver reveal another important aspect of immigrants to Canada: In general they are better educated than the Canadian-born population. For example, the proportion (landing between 2002 and 2005) intending to settle permanently in Vancouver who hold a bachelor's degree or higher is 37 percent, nearly double the figure for the Canadian-born population (table 11).<sup>9</sup>

Vancouver's economy and society are also affected by temporary migration, especially as these visitors to Canada have been increasing in number in recent years. Temporary migration is usually measured in two ways: the number arriving in a country in a given year (flow), and the number resident in a country at a particular point in time (stock). Normally, if temporary visas are for less than one year, the flow figure will be larger than the stock; if a large proportion of visas are for more than one year, the stock figure is usually larger — which is the case for Canada. The stock of temporary immigrants represents a potential labour supply as well as a consumer base. Temporary immigrants can be particularly important for the survival of ethno-specific businesses, such as travel agencies, restaurants and other services catering to the cultural preferences of an ethnic community.

Statistics on the population of temporary immigrants in metropolitan Vancouver are provided in table 12.<sup>10</sup> A notable characteristic of these data is the small number of humanitarian migrants, a category that comprises mainly individuals granted the right to remain in Canada while their claim for asylum is being processed. In 2006, nearly 22,000 were added to this group in Canada

as a whole, but only 281 in Vancouver; further, the stock of approximately 2,600 individuals holding a humanitarian visa in Vancouver was only 3 percent of the total in Canada. Vancouver is therefore not a centre of asylum claims or processing, especially when compared with Toronto and Montreal. The top five groups seeking asylum and residing in Vancouver are from China, Mexico, Iran, Honduras and India (stock, as of December 1, 2006).

TABLE 12

FLOWS AND STOCK<sup>1</sup> OF TEMPORARY RESIDENTS, BY ADMISSION CLASS, METROPOLITAN VANCOUVER, 2002-06

	2002	2003	2004	2005	2006
a) Annual flows					
Foreign workers	12,701	12,794	14,177	14,370	15,151
Foreign students	16,416	14,292	13,456	13,719	14,473
Humanitarian category <sup>2</sup>	991	706	448	435	281
Other	8,828	9,135	9,233	9,090	10,095
Total	38,936	36,927	37,314	37,614	40,000
b) Stock <sup>3</sup>					
Foreign workers	17,130	18,758	20,954	22,068	22,705
Foreign students	28,863	30,005	31,266	31,975	32,784
Humanitarian category <sup>2</sup>	5,196	5,122	4,328	3,327	2,551
Other	5,187	5,337	5,778	6,272	7,267
Total	56,376	59,222	62,326	63,642	65,307

Source: Citizenship and Immigration Canada, Landed Immigrant Database System, custom tabulation.

1 The flow of temporary migrants is the number arriving in a country in a given year, and the stock is the number resident in a country at a particular point in time.

2 The humanitarian category consists mainly of refugee claimants.

3 On December 1.

The number of foreign workers is considerably higher, with nearly 23,000 arriving in 2006. The top five source countries for foreign workers in Vancouver in 2006 were Japan, Australia, the United States, the United Kingdom and the Philippines. Although I do not have access to data to verify this point, anecdotal evidence suggests that the first four of these groups would be dominated by youths, typically on "working holidays." The flow from the Philippines,

conversely, would include a large number of individuals — mainly women — admitted through the live-in caregiver program (nannies). This group is entitled to apply for permanent residence after working in Canada for two years, and is an important source of permanent immigrants to Vancouver (note that the Philippines was the third-largest source country for permanent immigrants to Vancouver in 2004, 2005 and 2006).

Finally, the main source countries for students arriving in Vancouver in 2006 were Korea, China, Japan, Taiwan and the United States. Until recently, international student visas were quite restrictive, but the last decade has seen much change in this area. International students are now eligible to apply for on- and off-campus work permits and post-program work permits, while the Canadian experience category, introduced in 2008, provides a pathway from student visa status to permanent residency. International students are therefore an important source of temporary labour as well as future immigration. They also represent a sizeable consumer market. A local analysis suggests that revenues associated with the growing number of English-language training schools in metropolitan Vancouver total more than \$750 million per year. (This is only one element in the economic impact of the export education sector; Vancouver Economic Development Commission 2003; also see Hiebert and Kwak 2004.)

## IMMIGRATION AND THE VANCOUVER ECONOMY: THE GENERAL STORY

Despite the growing importance of temporary migration, nearly all of the data available in Canada concern permanent residents. The remainder of my analysis will therefore concentrate on this population.

A broad picture of the economic characteristics of immigrants living in Vancouver is provided in table 13, which indicates the total income of immigrant

men and women who arrived in different cohorts and compares their income with that of the total population.<sup>11</sup> As the table shows, men and women who were born in Canada have higher incomes, on average, than immigrants (35 and 33 percent, respectively). However, there are profound differences across immigrant cohorts, with much higher incomes among those who have been in Canada longer. The incomes of immigrants who arrived in the period before 1981 are generally higher than those of the Canadian-born, while the most recent arrivals have approximately half the income of the Canadian-born.

TABLE 13

INCOME IN 2005 OF IMMIGRANTS WHO ARRIVED IN METROPOLITAN VANCOUVER BEFORE 1961 AND BETWEEN 1961 AND 2004, BY GENDER

	NUMBER WITH INCOME			AVERAGE INCOME (\$)		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE
Total population	1,629,535 <sup>1</sup>	807,360	852,180	36,123	44,246	28,427
Nonimmigrants	884,070	438,325	445,745	41,358	50,461	32,408
Immigrants	745,795	355,245	390,550	30,533	37,242	24,431
Immigrants' period of arrival						
Before 1961	63,060	31,425	31,635	42,381	54,724	30,119
1961 to 1970	68,485	33,695	34,795	43,433	54,779	32,445
1971 to 1980	118,065	56,815	61,245	41,006	50,005	32,658
1981 to 1990	133,090	63,410	69,680	30,917	36,143	26,161
1991 to 1995	132,465	61,915	70,550	24,159	27,857	20,914
1996 to 2000	125,505	58,915	66,595	23,118	27,672	19,089
2001 to 2004	85,975	40,145	45,825	20,464	24,906	16,572

Source: Statistics Canada, Catalogue no. 97-563-X2006006, Census of Canada.

1 Total - Immigrant status and period of immigration includes non-permanent residents. Non-permanent residents are not included elsewhere in this table. Non-permanent residents are persons from another country who, at the time of the census, held a Work or Study Permit, or who were refugee claimants, as well as family members living with them in Canada.

The general message of table 13 is consistent with the research discussed in the review portion of this report. Whatever qualifications and pre-migration experience immigrants may bring is heavily discounted in the Canadian labour market, and the Vancouver situation fits this pattern. Education and labour-market experience in Canada are rewarded, but the process whereby immigrants “catch up” to the income levels of the domestically born population is a long one. Of course there are many nuances omitted by these coarse data, particularly the significance of age differences across the cohorts (immigrants who have been in Canada longer are also older than newcomers).

The most important statistics in table 13 to keep in mind for the remainder of this report are the general income levels of men and women, \$44,246 and \$28,427, which set a reference point for the analysis of data from the IMDB presented below.

#### SETTLEMENT AND INTEGRATION PROGRAMS FOR NEWCOMERS IN VANCOUVER

The Canada-British Columbia Co-operation on Immigration (CBCCI) agreement, signed in 1998 and renewed in 2004, defines the division of jurisdiction over immigration between the two orders of government. Among its other functions, the CBCCI enables British Columbia to intervene in the immigrant selection process through the Provincial Nominee Program, initiated in 2001. The provincial government can fast-track immigrants whom it considers particularly desirable (i.e., important to the economic development of the province) by nominating them for immediate processing by the federal government, under admission rules defined by British Columbia.<sup>12</sup>

The CBCCI also devolves responsibility for most settlement and integration services to the provincial government, based on a transfer of funding from Ottawa to Victoria.<sup>13</sup> This represents a significant departure from previous

practice and gives the province a much more active role in the settlement process. The provincial government, guided by its responsibilities as outlined in the CBCCI, defines the package of services that will be provided to newcomers to British Columbia. These are coordinated by WelcomeBC, an umbrella initiative that includes oversight for multiculturalism, anti-racism programming, the Welcoming Communities and Inclusive Workplace Program, and the provision of settlement services. While there are a few settlement and integration programs specifically dedicated to refugees, for the most part these services are offered to all immigrants regardless of their admission class.

Before outlining these services, I must make one qualification. The federal government is still responsible for facilitating the settlement and integration of GARs. Thus it continues to administer the Resettlement Assistance Program (RAP), which helps these refugees in several ways, most notably in the provision of a basic income for the first year of their life in Canada. This income is approximately the amount that an individual receives through the provincial social assistance system. Beyond RAP, refugees are expected to use the services offered to all immigrants, such as language training or general orientation services. Also, once the period of RAP funding has been completed, responsibility for the well-being of refugees shifts to the province.

Returning to the more general topic of services, the provincial government arranges for NGOs and educational institutions to provide direct services to newcomers during their first three years in Canada. These arrangements are made through the British Columbia Settlement and Adaptation Program (BCSAP). The full range of services provided by NGOs (Immigrant Serving Agencies, or ISAs) with BCSAP funding is extensive. Rather than describe them in detail, I will outline the general nature of these services. BCSAP supports four streams of services:

- ISAs and school boards provide information and support services, either in the offices of ISAs or in schools. These services include orientation, referral to mainstream services when appropriate and a variety of other types of support. In essence, ISAs or school boards provide assistance to individual immigrants, mainly through counsellors.
- ISAs coordinate community bridging services. These mainly revolve around host programs, which match newcomers with people living in Canada (either Canadian-born or long-time residents). The aim of these services is to assist newcomers indirectly with help from people who “know the ropes.” From a sociological perspective, and using Granovetter’s (1973) terminology, they are a means of widening a newcomer’s network of “weak ties.”
- Language training is offered through the English Language Services for Adults (ELSA) program. It is provided by a variety of educational institutions, some of which are ISA founded and managed. (It is expected that children will receive language training through the school system, either in regular or special English-as-a-second-language classes.) ELSA programs combine language education with a broad introduction to Canada that includes information on how the labour market functions.
- BCSAP allocates some of its funds to the Sectoral Support and Delivery Assistance program. This last category includes support for special initiatives that could enhance service delivery in one or more of the other streams, plus financial aid for coordination among ISAs.

In 2005, at a time when British Columbia received just over 40,000 immigrants, \$22 million was dedicated to BCSAP. This suggests a percapita funding base at that time of about \$550 per person. So, while the list of programs is impressive and their intent certainly laudable, the actual resource base of BCSAP has been modest considering the scale of issues faced by immigrants, who have come from all around the world with their many languages, educational backgrounds and cultural sensibilities. However, the level of BCSAP funding has increased sharply in the last few years, to \$70 million in 2008-09, at a time when the number of immigrants landing in the province has declined slightly. Hence percapita funding has trebled.<sup>14</sup> A number of new programs are being introduced in light of this added funding, including enhanced language training for all newcomers and special programs for refugee arrivals facing multiple barriers. For example, settlement workers have been placed in schools throughout metropolitan Vancouver to assist newcomers in searching for housing and work (starting in 2007), and the government is considering a similar program for public libraries. English-language programs are being augmented. Also, targeted programs are being piloted for refugee children, for francophone immigrants and for immigrant seniors requiring special services. It is too soon to evaluate the impact of these enhancements and new initiatives.

BCSAP funds are allocated through a competitive process whereby the province issues requests for proposals and ranks the applications that are submitted by ISAs in terms of quality and economic efficiency. Three government branches are involved in immigration directly and almost every branch is involved indirectly (e.g., health, education, justice). The CBCCI is negotiated by the Ministry of Advanced Education and Labour Market Development, which also administers BCSAP funds and the Provincial Nominee Program. The



Ministry of Attorney General is responsible for multiculturalism and plays a leading role in anti-racism initiatives.

It should be pointed out that immigrants are not *required* to use the services available to them. All of the programs described here are optional rather than mandatory.<sup>15</sup> It is difficult to obtain accurate data on the proportions of immigrants who do and do not use the services. Even the best source for examining the activities of newcomers, the Longitudinal Survey of Immigrants to Canada, does not provide a clear answer on this issue; respondents were asked a series of questions about where they obtained help, but none of these can be used to classify immigrants according to their use/non-use of services. More importantly, the main data set used in this report, the IMDB, does not include information on service use. Therefore, this report is not intended to evaluate the scope or outcomes of WelcomeBC or its components, such as BCSAP. The data explored here cannot be used for such a purpose, and there are no systematic, widely available data to investigate this question. Information on the nature of settlement support is included here to give readers a sense of the institutional context of immigrant settlement in British Columbia. To complete the picture, I will mention the other major actors (or potential actors) in the settlement process: ISAs and municipal governments.

Of the dozens of not-for-profit ISAs in metropolitan Vancouver, four are particularly comprehensive: DIVERCity, ISS-BC (Immigrant Services Society of BC), MOSAIC and SUCCESS.<sup>16</sup> Each provides a wide range of programs that are based on BCSAP as well as funds from other sources. Each has a cadre of settlement counsellors who, collectively, are capable of interacting with clients in many languages. And each is able to draw on an extensive network of volunteers to provide services beyond those funded by BCSAP. All four agencies have multiple service sites in the Vancouver region and in other parts of British

Columbia.<sup>17</sup> All are members of the province's umbrella organization Affiliation of Multicultural Societies and Service Agencies (AMSSA). Beyond these large ISAs, there are many smaller ones that tend to focus on particular groups, such as refugee claimants or immigrants from Africa. In other words, there is a rich field of ISAs in metropolitan Vancouver dedicated to assisting immigrants in a variety of ways, covering the first two service streams mentioned earlier (information and support services and community bridging services) as well as some aspects of the third stream (language training). AMSSA is dedicated to the fourth service stream.

Municipal governments play a more indirect role. They offer services that are used by all residents, including immigrants, such as parks, libraries, public transportation and education. All of the municipalities that make up metropolitan Vancouver, especially the larger ones, have dedicated *social planners*, who attempt to ensure good communication between diverse communities and the municipal government. Some have been more proactive than others. The City of Vancouver, for example, has established special task forces on diversity and immigration. Its Mayor's Task Force on Immigration recently released a report recommending improved connections between immigrants and the civic government. Accordingly, in late 2008 the city hosted a Summit on Immigration and Employment in an effort to encourage local employers to better value the skills and pre-migration work experience of immigrants.

This report makes no effort to evaluate these various initiatives. The important point for readers to bear in mind is the scale of services offered and the attention paid to the issue of immigrant integration across the region.

## THE LONGITUDINAL IMMIGRATION DATABASE

With few exceptions, studies on the economic integration of immigrants in Canada have been conducted using census data as the empirical base. The Canadian census is taken on a five-year cycle and includes an extensive set of variables for a 20-percent sample of the population. Place of birth and year of official landing are included, so immigrants are clearly identifiable in the census. Of course a wide range of other variables are also included, such as language competence, education, employment, age, gender, family structure and income from various sources, so that researchers can study many facets of the immigrant experience. While the census is the most comprehensive source of information, in terms of research on integration a vital ingredient is missing: Respondents are not asked their class of admission to Canada. Therefore the census is an excellent resource for understanding the macro impact of immigration in Canada but is not well tuned for tracking the impact of selection policies or for understanding the relationship between admission criteria and economic outcomes.

There are other information resources available in Canada, notably administrative databases generated by government departments. The Landed Immigrant Data System (LIDS) is a compilation of landing records from 1980 to the present (with a time lag of approximately three years before the data are available to researchers in the form of a compiled file of records). LIDS provides detailed information on the background of immigrants at the moment when they officially arrive, including class of entry. However, it includes no information on individuals after they arrive.

Citizenship and Immigration, together with Statistics Canada, manages a database derived from LIDS. The IMDB is the most relevant resource for the

study of economic integration. It links the landing information stored in LIDS with subsequent tax records filed by immigrants. While narrower in scope than the census, the IMDB does include detailed information on class of entry, demographics, income (from various sources) and geographical location, and is therefore highly applicable to the evaluation of policy decisions, especially those that are class-specific. A limitation of the IMDB is that all of its information on immigrants' human capital (education, language facility, work experience) is derived from their landing form; there is no way of knowing whether immigrants have added to their human capital after arriving. Moreover, a recent decision by Statistics Canada has limited to 16 years the length of time that data can be collected on an individual in the IMDB.

The structure of the IMDB is described in Langlois and Dougherty (1997) and Abbott (2003). The IMDB has fostered two types of analysis. First, there are a number of time series studies that survey the labour-market experience of immigrants at fixed intervals after their arrival. In this way, recent arrivals and earlier cohorts can be compared to reveal any changes in the dynamics of settlement. Second, there are cross-sectional studies that examine the situation of immigrants included in the database in a given taxation year.

IMDB-based research corroborates a number of the worrying findings associated with the census-based studies discussed earlier. In particular, there is no question that initial earnings (defined as earnings in the first complete year after landing) for immigrants of all classes have decreased considerably since the early 1980s (CIC 1998; Li 2003). This decline has been most pronounced for immigrants arriving with higher levels of education (CIC 1999). As Worswick and Green (2002) note: "Returns to foreign experience in all education groups have gone from being significant and positive for the 1980-82 entry cohort to insignificant and even, at times, negative for the

1990s entry cohorts" ("Conclusions") (see also Waslander 2003). Certain groups of immigrants have been particularly affected by this trend. Wang and Lo (2004) use the IMDB to show that, while the level of human capital of Chinese immigrants has been rising significantly, their levels of employment and earnings have been deteriorating (see also Li 2003). This phenomenon has coincided with a shift from Hong Kong to Taiwan and mainland China as the primary sources of Chinese immigrants to Canada. Wang and Lo estimate that it will take at least 20 years for Chinese immigrants to reach income parity with the general population.

Green and Worswick (2004) use the IMDB to more fully investigate the shift in the origin of immigrants to Canada: "Zero returns to foreign experience in terms of entry earnings for immigrants from non-English speaking, non-European immigrants play an important role in this, as shifts in composition toward these countries leads to returns to foreign experience falling from substantial positive values in the early 1980s to essentially zero in the 1990s" (p. 38). In other words, much of the decline in immigrant fortunes between the 1970s and the 1990s can be attributed to the fact that in the latter part of the period a much higher ratio of immigrants came from countries where English and French are not prevalent. Green and Worswick (2004) also compared the situation of new immigrants with that of Canadians entering the labour market at the same time (mostly young people). They found that the two groups experienced similar difficulties: The initial earnings of immigrants deteriorated between the 1970s and the 1990s, but so too did the earnings of other new entrants to the labour market.

Li uses the IMDB to document another trend. The ratio of immigrants reporting self-employment earnings is higher for those who have been in Canada for some time than for newcomers, particularly among well-educated

men (Li 2001a, 2001b). He attributes this pattern to the twin problems of difficulty finding appropriate work and blocked mobility. His conclusion that self-employment among immigrants is motivated by blocked mobility in the regular labour market is bolstered by the fact that economic returns associated with small-scale entrepreneurship are modest — among immigrants, in fact, earnings from self-employment are lower than those from regular employment, especially when controls for human capital are added to the analysis. In other words, Li sees self-employment as resulting from desperation rather than from entrepreneurship.

Finally, Ley (2003) uses the IMDB to assess the economic contributions of business class immigrants, and concludes that either the data under-represent their incomes or their incomes are much lower than would be expected given their pre-migration success. He also notes that the number of business class immigrants included in the IMDB is surprisingly small given the number admitted in the 1980-to-1995 period he surveys. This could mean that many have returned to their country of origin, Ley suggests.

### VANCOUVER IMDB DATA, 1989-2005

The vast majority of the major studies of immigrant economic participation in Canada have been conducted on a national scale (and, as noted, have been based on census data). For this report, I obtained from the British Columbia government a special tabulation of the IMDB specific to the Vancouver metropolitan area. The file includes all immigrants who arrived in Canada between 1989 and 2004 and who filed a non-zero tax return based on their income for 2005 (i.e., their return would have been filed in 2006) and gave Vancouver as their primary place of residence during that taxation year. Immigrants arriving in 2005 were excluded on the grounds that the income

they reported for 2005 would not be for the full year. Just under 320,000 individuals were included in the data set.

For each individual, the following information was extracted for analysis:<sup>18</sup>

- sex
- age (10-year bands starting at age 15)
- year landed in Canada (four categories over the period 1989 to 2004)
- source region (nine categories)
- admission class (total and nine selected categories)
- level of education at the point of landing (five categories)
- language capability at the point of landing (yes/no for official language facility)
- sources and amount of income (total, employment, self-employment, social assistance)

It is possible to compare, roughly at least, IMDB figures with those reported in the census. Taking the last three rows of table 13, according to the census 160,975 adult male immigrants who had arrived between 1991 and 2004 lived in metropolitan Vancouver and received an income in 2005. On average, their income was \$27,053 (weighted average). The corresponding figures for women were 182,970 individuals with an average (weighted) income of \$19,162. The numbers for the IMDB are lower on all counts. In that data set, there were 139,735 men and 151,700 women (about 13 percent fewer men and 17 percent fewer women). This discrepancy could be due to several factors, such as mis-registration between landing forms and tax records (i.e., omission of some individuals from the IMDB); a slight difference in the enumeration day for the two databases (December 31, 2005, for tax purposes versus May 16, 2006, for the census); or a major difference in the principle of inclusion in the database (all individuals receiving a non-zero income for the census and only those individuals who received a taxable income for the IMDB).

TABLE 14

AVERAGE EMPLOYMENT EARNINGS OF IMMIGRANTS TO METROPOLITAN VANCOUVER IN 2005, BY PERIOD OF ARRIVAL AND GENDER,<sup>1</sup> AS MEASURED BY THE CENSUS AND THE IDMB

	NUMBER WITH EMPLOYMENT			AVERAGE EMPLOYMENT		
	EARNINGS			EARNINGS (\$)		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE
Census						
1991 to 1995	91,660	45,150	46,510	28,120	32,524	23,845
1996 to 2000	94,115	46,295	47,825	25,954	31,410	20,672
2001 to 2004	64,300	32,295	32,005	22,102	26,703	17,459
Logitudinal Immigrant Database (IMDB)						
1991 to 1995	64,425	31,885	32,535	27,872	31,813	24,011
1996 to 2000	67,485	33,575	33,905	25,164	29,873	20,501
2001 to 2004	51,310	26,325	24,985	20,445	24,547	16,122

Sources: Statistics Canada, catalogue no. 97-563-X2006059, and Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

<sup>1</sup> Aged 15 years or older.

Average income figures are also much lower in the IMDB, at \$22,405 for men and \$14,766 for women. In this case the discrepancy is likely due to a different definition of income. For the IMDB, the definition includes employment earnings, self-employment earnings/(un)employment insurance, social assistance benefits and investment income. The census includes all of these sources plus all forms of pensions and annuities, child benefits, rental income and any other form of monetary income.

Thus there are important differences between the IMDB and the census in the way income is defined, and we should expect figures for total income to differ. A more appropriate comparison is provided in table 14, which compares employment earnings for the two databases; in this case, the definition of employment earnings is consistent. Once again, we see that there is a large discrepancy in the number included in these databases, in favour of the census. I have no explanation for this difference. I assume that the vast majority of



salary or wage recipients would earn an amount sufficient to require a tax return. The enumeration date for the two databases differs by a few months, but this could not produce such a great difference in the number of individuals declaring an income in the census versus their tax return. My best guess is that the imperfections in the algorithm linking the landing records and tax returns of immigrants are responsible for the apparent under-representation seen in the IMDB.

While the number given in the IMDB is cause for concern, figures for average earnings suggest a more positive perspective on the IMDB. The correspondence between census and IMDB statistics on earnings is off by less than 1 percent for the 1991-95 cohort, 3 percent for the 1996-2000 cohort and about 7 percent for the 2000-04 cohort. Overall, the match between the census and the IMDB on this measure is, on average, over 96 percent for the six pairs of statistics in the last two columns of the table. This suggests that although the IMDB does not capture the full immigrant population, it approximates an unbiased sample. If there is a bias, it is that the earnings figures in the IMDB are slightly lower than those in the census (with the exception of women in the 1991-95 cohort). Moreover, the IMDB appears to be *internally consistent* — that is, with respect to comparisons between subgroups within the IMDB, such as recent versus non-recent arrivals or men versus women. This internal consistency is also true of the data on total income, despite differences in definition between the census and the IMDB. For example, according to the census, men who landed between 1996 and 2000 received 11 percent more income than those who landed between 2001 and 2004 (in 2005), and men who landed between 1991 and 1995 received 12 percent more. These figures and the corresponding IMDB figures are very similar: 13 and 11 percent, respectively. For women the fit is less exact but nevertheless reasonable (for women, the increase in

income across these landing cohorts is about 10 percent higher in the IMDB than in the census). While I will not provide details here, there is a comforting degree of symmetry between the IMDB and the census on the other measures of internal coherence (such as the ratio of female/male income and income across age cohorts).

So the IMDB must be used with caution, and for specific purposes. In the remainder of this report, I will concentrate on internal comparisons in the IMDB, in order to compare the relative well-being of different subgroups of Vancouver's immigrant population. Beyond helping to reveal which groups face the greatest challenges, this analysis should provide some insights on the relationship between immigration selection and settlement policies, as well as on the economic outcomes of immigration in Vancouver specifically.

#### *Inside the IMDB: income across admission classes and source regions*

As might be expected given the earlier discussion of 2006 census results, a high ratio of the individuals included in the IMDB are from countries in East Asia, with South and Southeast Asia and Europe also strongly represented (table 15). The relatively large number in the Other category includes mainly immigrants from the Pacific Islands (notably Fiji) and Australia. Table 16 provides context for the Vancouver immigrant population by comparing it with the profile of all immigrants in Canada arriving in the same years. Immigrants from East Asia are more than twice as likely to settle in Vancouver than in the country as a whole. Vancouver also attracts a disproportionate number of immigrants from the Other category and Southeast Asia. While the number originating in South Asia is large, it is actually lower than might be expected given the scale of immigration from that part of the world to Canada as a whole. The proportion of immigrants from other source regions ranges from low (the

United States and Europe) to very low; few immigrants from the Middle East/West Asia and Latin America make Vancouver their home, as compared to Canada as a whole.

Scanning across the columns reveals another important characteristic of the Vancouver immigrant population: the very high number admitted through the business class system and the correspondingly low number arriving as refugees. The cell values in table 15 provide more detail, especially the high level of interaction between the business immigration class and the large number originating in East Asia.

Tables 17 and 18 compare the row and column totals presented in table 15 with the corresponding figures for Toronto and Montreal. Note the scale of immigration for Vancouver relative to these two metropolitan areas: in the period 1989 to 2004, Vancouver is far behind Toronto but significantly ahead of Montreal. Vancouver receives its share of family class immigrants and those admitted through the skilled worker program (plus their dependants; these index values are close to 100 in table 17). Also as noted, it receives few refugees and a large number of business class immigrants. The contrast between Vancouver and Montreal is striking. Montreal receives a much larger proportion of skilled workers and refugees and a very small number of business class immigrants. Toronto has a more "average" profile than Canada as a whole, although, like Montreal, it attracts only a small share of business class immigrants.

The cultural profile of immigrants to the three metropolitan areas (as revealed by their region of origin) is perhaps even more varied (table 18). Again, Vancouver and Montreal are at opposite ends of the spectrum, with countries in East, South and Southeast Asia being the primary source for the

TABLE 15

## IMMIGRANTS ARRIVING IN METROPOLITAN VANCOUVER IN 1989 TO 2004, BY REGION OF ORIGIN AND ADMISSION CLASS (N)

REGION OF ORIGIN	ALL ADMISSION CLASSES			PRINCIPAL APPLICANT			SPOUSE AND DEPENDANTS			REFUGEES (ALL CATEGORIES) <sup>1</sup>
	CLASSES	FAMILY	SKILLED WORKER	BUSINESS CLASS	SKILLED WORKER	BUSINESS CLASS	SKILLED WORKER	BUSINESS CLASS		
All immigrants	319,915	104,435	57,435	17,215	57,725	34,095	24,810			
United States	4,410	2,615	815	90	580	100	40			
Latin America and Caribbean	8,745	2,425	1,445	190	1,160	415	1,980			
Europe	35,190	8,475	8,660	430	8,010	720	7,420			
Africa	8,995	1,895	2,045	150	2,480	355	1,775			
Middle East/ West Asia	6,590	935	1,695	135	2,085	365	1,165			
East Asia	141,015	30,890	29,010	14,880	28,380	28,780	1,105			
South Asia	46,790	36,025	3,565	170	3,570	370	2,270			
Southeast Asia	45,005	14,740	6,810	560	7,540	1,585	3,800			
Other	23,175	6,445	3,395	620	3,920	1,395	5,270			

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

<sup>1</sup> There are three main categories of refugees: government assisted refugees, privately sponsored refugees, and landed in Canada refugees.

TABLE 16

IMMIGRANTS ARRIVING IN METROPOLITAN VANCOUVER IN 1989 TO 2004, BY REGION OF ORIGIN AND ADMISSION CLASS, INDEXED TO CANADIAN AVERAGE<sup>1</sup>

REGION OF ORIGIN	ALL IMMIGRANTS	PRINCIPAL APPLICANT				SPOUSE AND DEPENDANTS				REFUGEES (ALL CATEGORIES) <sup>2</sup>
		FAMILY	SKILLED WORKER		BUSINESS CLASS		WORKER	BUSINESS CLASS		
			WORKER	WORKER	CLASS	CLASS		WORKER	CLASS	
Total	100	97	91	254	98	241	56			
United States	75	69	92	106	86	100	63			
Latin America and Caribbean	27	15	41	146	40	131	52			
Europe	57	57	56	52	58	55	58			
Africa	35	32	37	71	56	69	23			
Middle East/West Asia	31	25	33	27	33	26	39			
East Asia	217	195	177	342	188	323	91			
South Asia	82	125	41	64	44	60	30			
Southeast Asia	133	105	148	402	153	397	128			
Other	137	168	132	237	151	233	98			

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

<sup>1</sup> Canada = 100.

<sup>2</sup> See table 15.

former, as opposed to Europe, the Middle East, Latin America and Africa for the latter. Again, Toronto more closely approximates the Canadian average in terms of its immigrant intake.

**TABLE 17**  
IMMIGRANTS ARRIVING IN VANCOUVER, TORONTO AND MONTREAL IN 1989 TO 2004,  
BY ADMISSION CLASS, INDEXED TO CANADIAN AVERAGE<sup>1</sup>

	VANCOUVER	TORONTO	MONTREAL
Total (N)	319,915	825,925	253,040
Family	97	103	85
Principal applicant			
Skilled worker	91	98	130
Business class	254	70	57
Spouse and dependants			
Skilled worker	98	105	93
Business class	241	74	66
Refugee	56	93	118

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

1 Canada = 100.

**TABLE 18**  
IMMIGRANTS ARRIVING IN VANCOUVER, TORONTO AND MONTREAL IN 1989 TO 2004,  
BY REGION OF ORIGIN, INDEXED TO CANADIAN AVERAGE<sup>1</sup>

	VANCOUVER	TORONTO	MONTREAL
Total (N)	319,915	825,925	253,040
United States	75	52	69
Latin America and Caribbean	27	117	181
Africa	57	86	108
Middle East/West Asia	35	77	236
Europe	31	94	178
East Asia	217	96	42
South Asia	82	132	50
Southeast Asia	133	92	61
Other	137	102	89

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

1 Canada = 100.

To summarize this section, the profile of immigrants (permanent as well as temporary) arriving in Vancouver is unique for two reasons: the Pacific focus of the source countries supplying immigrants to the metropolitan area (especially East and Southern Asia), and the high ratio of economic immigrants. These two characteristics are linked, of course, in that most of Canada's business class immigrants are drawn from East Asia. The high level of educational attainment among immigrants to Vancouver is also related to the general profile of newcomers who settle there (table 19). For those landing between 2002 and 2005 in Canada as a whole, 27 percent were admitted through the family class, 18 percent as refugees or on other humanitarian grounds, and the remaining 56 percent through the economic class (50 percent as skilled workers, nearly 5 percent as business class immigrants and a small number in other categories). The corresponding figures for Vancouver in the same period were: 27 percent family, 9 percent refugees and humanitarian, and 64 percent economic (50 percent skilled workers and 12 percent business class). Vancouver receives far fewer refugees in relative terms and more than double its expected share of business class immigrants. This helps to explain the high level of educational attainment among Vancouver's immigrants (since refugees typically arrive with less formal education than other groups). We might also expect a high level of economic achievement among Vancouver's immigrants given the preponderance of the economic class within the profile of newcomers and, especially, the large cohort of individuals who are affluent and/or successful enough to qualify as business class immigrants.

These general settlement patterns lead us to expect favourable economic outcomes associated with immigration to Vancouver, since immigrants are admitted into the skilled worker and business classes when they show evidence of economic adaptability. We might also expect to see immigration propel

TABLE 19

## AVERAGE INCOME OF IMMIGRANTS ARRIVING IN METROPOLITAN VANCOUVER IN 1989 TO 2005, BY LEVEL OF EDUCATION AND GENDER

LANDING PERIOD	AVERAGE INCOME, ALL IMMIGRANTS	LESS THAN HIGH SCHOOL	HIGH SCHOOL	SOME POST-SECONDARY	TRADE		
					CERTIFICATE/ DIPLOMA	UNIVERSITY DEGREE	UNIVERSITY DEGREE
All immigrants	Total	18,880	10,894	16,716	20,963	21,412	26,784
	1989-90	23,499	15,655	22,423	28,332	29,470	37,728
	1991-95	19,561	11,330	18,139	23,933	24,152	34,076
	1996-2000	18,987	9,202	15,501	20,600	20,526	28,026
	2001-04	16,049	8,856	12,687	14,871	15,852	20,425
Male	2005	22,866	13,186	20,151	24,719	25,994	31,077
	1989-90	27,264	18,386	25,724	30,458	33,813	41,055
	1991-95	22,864	13,413	21,087	26,578	26,816	38,001
	1996-2000	23,243	11,166	19,270	24,587	25,552	32,258
	2001-04	20,575	11,627	16,515	19,606	21,170	24,663
Female	2005	15,163	8,943	13,906	17,514	17,553	21,602
	1989-90	19,519	13,076	19,437	25,700	24,158	32,895
	1991-95	16,460	9,499	15,723	21,329	21,568	28,953
	1996-2000	15,076	7,574	12,465	17,033	16,737	22,899
	2001-04	11,983	6,794	9,645	11,177	12,098	15,639

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.



**TABLE 20**  
**AVERAGE INCOME OF IMMIGRANTS ARRIVING IN METROPOLITAN VANCOUVER IN 1989 TO 2004, BY AGE IN 2005**

	IMMIGRANTS ARRIVING IN														
	1989-2004			1989-90			1991-95			1996-2000			2001-04		
	N	AVERAGE INCOME		N	AVERAGE INCOME		N	AVERAGE INCOME		N	AVERAGE INCOME		N	AVERAGE INCOME	
Total (N)	320,025	18,905		28,655	23,717		109,210	19,571		105,295	18,996		76,865	16,040	
Age															
18-24	36,240	10,362		2,795	13,073		11,380	10,711		12,880	9,336		9,185	10,541	
25-34	22,268	64,535		27,330	4,055		22,800	17,340		23,364	20,595		19,948	22,545	
35-44	91,610	25,004		7,135	30,851		28,335	28,765		31,940	25,512		24,200	18,207	
45-54	65,725	22,065		7,150	31,817		24,065	24,489		23,370	19,320		11,140	16,328	
55-64	29,625	13,127		3,695	19,043		12,600	13,420		8,435	12,054		4,895	9,761	
65 and over	32,290	3,336		3,825	3,733		15,490	3,008		8,075	3,808		4,900	3,289	

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

economic growth in Vancouver, especially given the injection of entrepreneurial energy and capital that is meant to be generated by business immigrants.

### *General economic characteristics of immigrants in Vancouver*

Table 20 provides a coarse overview of the economic situation of recent immigrants in Vancouver. Recall that the average male in Vancouver reported a total income of \$44,246 in the census, and the average female \$28,427. As noted earlier, these figures are well above those declared by immigrants in this report. Nevertheless, it is clear that immigrants who have been in Canada longer are able to generate more income. There is a strong correlation between income and the age of individual tax filers. A typical *inverse U* relationship between income and age is evident. Immigrants between the ages of 35 and 44 report the highest incomes, and those who are elderly the lowest, followed by the youngest category. It is worth noting that the age profile of immigrants varies across all of the categories explored in this report. For example, there are few elderly people among immigrants from Latin America and the Caribbean (6 percent), compared with immigrants from South Asia (12 percent) (these statistics are not shown in table 20). Just over 20 percent of family class immigrants are 65 or older, compared with only 1 percent of principal applicants (PAs) accepted in the skilled worker program. Age is also correlated with education (the proportion of those with higher education is larger among younger immigrants), language (younger immigrants are more likely to speak an official language) and period of arrival (more recent cohorts are younger than those who have been in Canada longer). In an effort to reduce the impact of these differential demographic profiles, in key parts of the remainder of this analysis I will report data for immigrants between 25 and 64 years of age.

*Selection effects: income differences across admission classes*

IMDB statistics reveal a clear relationship between admission class, human capital and income (table 21). PAs to the skilled worker program are assessed according to the points system and have, by a substantial margin, the highest levels of education and facility in an official language (with one important exception that will be discussed later) (table 22). Skilled worker immigrants also have particularly high levels of employment and self-employment. Just over 73 percent of men who filed a tax return in 2005 reported that they received employment earnings and 18.6 percent reported that they received self-employment earnings; the corresponding figures for women PAs were 70.8 and 13.3 percent (table 22). These are high figures relative to the population average (tables 9 and 10). Despite the challenges faced by these immigrants in the labour market, their considerable human capital — as measured by education and language facility — translated into much higher income levels than was the case for any other group (50 percent above the average for men and more than 65 percent above the average for women) (table 22). Since such a large proportion of skilled worker PAs are adults of working age, the difference between the characteristics of this group in general and the characteristics of those aged 25 and 64 is minimal (table 21).

This is not the case for family class immigrants, a group that includes a high ratio of younger and older individuals. As seen in table 21, the statistics for this group are markedly affected when we isolate those between 25 and 64 years of age. We see that a small majority are women, few arrive in Canada with a university degree and the majority are not able to communicate in an official language. Significantly, the “income penalty” for this group is not particularly large, especially when human capital characteristics are considered, with an

TABLE 21

## VARIOUS CHARACTERISTICS OF IMMIGRANTS ARRIVING IN METROPOLITAN VANCOUVER IN 1989 TO 2004, BY ADMISSION CLASS

	TOTAL (N)	UNIVERSITY EDUCATION (%)	KNOWLEDGE OF AN OFFICIAL LANGUAGE (%)	FEMALE (%)	REPORTED EMPLOYMENT EARNINGS (%)	REPORTED SELF- EMPLOYMENT EARNINGS (%)	AVERAGE TOTAL INCOME, ALL INDIVIDUALS (\$)
All ages							
Total (N)	320,025	27.2	50.0	51.8	61.0	12.4	18,905
Family class	104,580	16.2	38.3	56.3	60.1	11.7	16,944
Principal applicant							
Skilled worker	57,350	68.3	81.3	32.1	72.4	16.9	31,262
Business class	17,245	25.6	32.7	15.5	35.4	13.9	13,093
Spouse and dependants							
Skilled worker	57,730	30.0	54.7	64.6	66.4	10.6	16,293
Business class	34,085	8.3	23.1	64.3	46.1	7.6	10,896
Refugee (GAR/PSR) <sup>1</sup>	16,545	9.3	22.4	44.5	63.7	16.9	19,111
Refugee (LCR) <sup>2</sup>	6,750	13.4	88.9	40.1	58.1	18.9	18,014
Age 25-64							
Total (N)	251,495	33.1	55.6	52.2	64.8	14.7	22,135
Family class	75,470	19.4	43.7	56.4	70.7	14.8	21,225
Principal applicant							
Skilled worker	56,650	68.8	81.4	31.9	73.1	17.0	31,551
Business class	15,725	25.3	32.1	16.4	37.9	14.6	13,656
Spouse and dependants							
Skilled worker	41,760	41.1	60.2	71.1	63.0	13.1	19,261
Business class	23,255	11.5	27.2	72.4	42.5	9.4	12,990
Refugee (GAR/PSR) <sup>1</sup>	13,380	11.2	25.0	43.6	62.1	19.4	21,210
Refugee (LCR) <sup>2</sup>	5,705	14.8	89.5	38.4	59.0	21.6	19,759

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

<sup>1</sup> GAR = government assisted refugee; PSR = privately sponsored refugee.<sup>2</sup> LCR = landed in Canada refugee.

**TABLE 22**  
**VARIOUS CHARACTERISTICS OF IMMIGRANTS ARRIVING IN METROPOLITAN VANCOUVER IN 1989 TO 2004, BY**  
**ADMISSION CLASS AND GENDER**

	TOTAL (N)	UNIVERSITY EDUCATION (%)	KNOWLEDGE OF AN OFFICIAL LANGUAGE (%)	REPORTED EMPLOYMENT EARNINGS (%)	REPORTED SELF- EMPLOYMENT EARNINGS (%)	AVERAGE TOTAL INCOME, ALL INDIVIDUALS (\$)
<b>Males</b>						
Total	154,385	30.8	52.4	63.5	15.7	22,884
Family class	45,690	16.9	41.4	65.2	17.1	22,273
Principal applicants						
Skilled worker	38,955	70.9	80.3	73.1	18.6	33,839
Business class	14,565	26.8	33.1	36.3	14.3	13,513
Spouse and dependants						
Skilled worker	20,415	23.9	54.4	70.7	10.8	18,488
Business class	12,170	5.3	23.9	54.4	7.2	12,071
Refugee (GAR/PSR) <sup>1</sup>	9,180	10.5	25.1	64.8	21.1	22,297
Refugee (LCR) <sup>2</sup>	4,040	14.7	90.0	60.5	24.6	20,849
<b>Females</b>						
Total	165,640	23.9	47.7	58.7	9.3	15,197
Family class	58,890	15.7	35.9	56.2	7.4	12,809
Principal applicants						
Skilled worker	18,395	63.0	83.3	70.8	13.3	25,803
Business class	2,680	19.2	30.4	30.8	11.6	10,808
Spouse and dependants						
Skilled worker	37,315	33.3	54.9	64.1	10.5	15,092
Business class	21,915	10.0	22.7	41.4	7.8	10,243
Refugee (GAR and PSR) <sup>1</sup>	7,365	7.8	19.1	62.3	11.6	15,140
Refugee (LCR) <sup>2</sup>	2,710	11.4	87.3	54.4	10.3	13,787

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

<sup>1</sup> GAR = government assisted refugee; PSR = privately sponsored refugee.

<sup>2</sup> LCR = landed in Canada refugee.

average declared income of approximately \$900 (about 4 percent) below that of all immigrants (\$21,225 versus \$22,135). As table 22 demonstrates, this gap is larger for women than men (though table 22 includes all age groups). Why is this group apparently better off than might be expected? One clue is provided in the statistic for labour-market participation: A large proportion of family class immigrants in the 25-to-64 age category receive employment income; in this regard, they are second only to skilled worker PAs (table 21). This outcome may well reflect the social capital of individuals who are admitted to Canada through family reunification. By definition, they are joining members of their family who are already here and who, presumably, can help them find work quickly. This work may not be especially well paying, but with such a high level of labour-market participation, income levels are above what could be expected given the human capital of the group.

It is interesting to compare family class immigrants and the spouses and dependent children who accompany skilled worker PAs in terms of income dynamics. We might expect the characteristics of these two groups to be very similar. After all, many of the family class immigrants would have been sponsored by individuals who entered Canada as skilled workers. Moreover, the two groups have broadly similar demographic profiles; those between 25 and 64 years of age make up roughly three quarters of the total population of each group (table 21). Although educational attainment and facility in an official language are much higher for the spouses and dependants of skilled workers compared with family class immigrants, their level of income is lower, especially when we isolate the 25-to-64 age group.<sup>19</sup> This discrepancy may be related to the question of social capital discussed earlier. While family class immigrants are able to rely on close relatives to help them enter the labour market, this may not be true for the spouses and dependants who accompany

skilled workers.

The economic characteristics of business class immigrants may surprise many readers. Few of the PAs who enter Canada in this class, it seems, would pass the full-points assessment required of skilled workers, since only roughly one quarter hold a university degree and only one third can communicate in an official language (table 21). The income level of business class immigrants is the lowest of all groups, with the exception of the spouses and dependants who arrive with them. These statistics are consistent with the findings of Hiebert (2002) and Ley (2003) using earlier data on a national scale. It suggests that business class immigrants are not achieving economic success, despite their entrepreneurial background and/or considerable wealth. As table 22 shows, this pattern of low income is consistent for men and women. For this group, the low level of income is no doubt tied to their low level of labour-market participation, whether as paid employees or as self-employed workers. The figure for total income reported in these tables covers income generated by employment, self-employment and investment, including dividends and interest payments, but not income from property, such as rent paid to a landlord.

In tables 21 and 22, the refugee class is subdivided into two distinct groups: those who are selected abroad and sponsored either by the Canadian government (GARs) or by private groups (PSRs), and those who travel to Canada on their own and claim asylum here (LCRs). The former group is provided with enhanced settlement services, compared with all other immigrants. This includes financial assistance for their first year in Canada, during which time they are expected to take language training and avail themselves of other orientation services.<sup>20</sup> In a sense, GARs and PSRs are given the possibility of delaying entry into the labour market while adjusting to life in Canada. The situation of LCRs is quite different. These individuals officially land in Canada

(and are entered into the IMBD) only after they have been either granted refugee status or granted leave to remain in Canada on compassionate or humanitarian grounds. In other words, before being entered into the database, they will have lived in Canada at least a year and in many cases much longer. During this time, they may well have acquired language facility and other forms of human capital — an expectation that appears to be validated by the exceptionally high percentage, among both men and women, who are able to communicate in an official language.

Few GARs/PSRs arrive in Canada with a university degree or facility in an official language. Given these constraints, the level of income for this group is remarkably high compared with that for other immigrants. In the 25-to-64 age group, the income of GARs/PSRs is less than \$1,000 below the average for all immigrants (table 21). However, there are a number of factors to consider when assessing the economic situation of this group. First, the proportion of women is low, and when GARs/PSRs are disaggregated by gender (table 22) the picture becomes slightly less positive. Second, the ratio of social support in the income of GARs/PSRs is higher than that for other immigrants (see below). Finally, although this issue cannot be explored using the IMDB, anecdotal evidence indicates that many GARs/PSRs are members of large family units; thus for this immigrant class more than for the others, the income figures reported here would be shared among several people. Yet, despite these caveats, the fact remains that GARs/PSRs receive more income than might be expected given the circumstances of their arrival and their educational and linguistic preparation for Canada.

As noted earlier, the number of refugees is disproportionately low in Vancouver compared to the rest of Canada. This is especially true of the LCR class, which comprises fewer than 7,000 immigrants according to the IMDB



file on which this report is based — and only about 5,700 of prime working age (table 21). LCRs share with GARs/PSRs a relatively low level of university education, but far more have language proficiency. A large majority of LCRs are men.<sup>21</sup> The aggregate income level of LCRs is a little lower than that of GARs/PSRs, but the gap widens when we isolate the 25-to-64 age group and widens again when we consider men and women separately (table 22). For reasons that are not obvious (a point that calls for further research), the potential advantages of LCRs (their longer time in Canada and their language facility) do not translate into robust income levels. Low income for these immigrants is a serious matter since they are unlikely to have assets to fall back on, in contrast to business class immigrants, who also have low incomes but arrive in Canada with a substantial asset base.

The same indicators of human capital and income are used in tables 23 and 24, but here the attention shifts from admission class to source region (based on country of last permanent residence). There is a great deal of variation, among immigrants from different regions of the world, in the average level of education and familiarity with one of Canada's official languages. On one level, there is an interaction effect at work here since, as we have seen, the profile of immigrants differs across regions. The proportion of refugees is low, for example, among immigrants from the United States and East Asia compared with those from the Middle East/West Asia or Europe (table 16). Conversely, few immigrants from the United States are admitted through the business class, as opposed to a high ratio from East Asia. The relative number of family class immigrants is by far the highest for South Asia (36,025), which has a disproportionately small contingent of skilled worker PAs.<sup>22</sup> Moreover, we know that there are sharp variations in access to education and language training in different parts of the world, not to mention the fact that English is

TABLE 23

VARIOUS CHARACTERISTICS OF IMMIGRANTS ARRIVING IN METROPOLITAN VANCOUVER IN 1989 TO 2004, BY AGE AND REGION OF ORIGIN

	ALL IMMIGRANTS (N)	UNIVERSITY EDUCATION (%)	KNOWLEDGE OF ONE OFFICIAL LANGUAGE (%)		REPORTED EMPLOYMENT EARNINGS (%)	REPORTED SELF-EMPLOYMENT EARNINGS (%)	AVERAGE TOTAL INCOME, ALL INDIVIDUALS (\$)
			MALE (%)	FEMALE (%)			
All ages							
Total	320,025	27.2	50.0	51.8	61.0	12.4	18,905
United States	4,440	43.8	95.7	50.7	59.2	20.3	34,301
Latin America and Caribbean	8,635	23.5	61.7	51.1	64.2	12.9	23,250
Europe	35,160	32.5	63.1	49.9	71.8	20.9	30,484
Africa	9,155	24.6	87.7	47.4	67.2	12.6	30,836
Middle East/West Asia	6,590	36.0	71.5	45.5	57.4	14.3	21,468
East Asia	141,145	26.8	37.7	51.7	51.0	10.2	13,583
South Asia	46,775	22.6	31.0	50.3	67.6	14.4	18,432
Southeast Asia	44,955	28.8	71.5	57.8	76.2	8.5	22,059
Other	23,170	24.6	67.5	49.9	60.6	13.8	18,578
Age 25-64							
Total	251,495	33.1	55.6	52.2	64.8	14.7	22,135
United States	3,575	50.5	98.3	50.2	64.8	24.1	40,386
Latin America and Caribbean	7,015	28.4	66.9	50.2	65.5	15.0	26,377
Europe	28,700	38.4	69.1	49.3	73.8	23.7	35,133
Africa	7,190	30.5	89.9	46.2	68.8	15.1	36,410
Middle East/ West Asia	5,210	43.8	76.5	45.1	57.2	17.0	25,021
East Asia	109,625	33.0	44.0	52.7	55.6	12.3	16,086
South Asia	36,310	27.4	33.3	50.0	72.1	17.3	21,248
Southeast Asia	35,840	34.9	77.6	59.5	79.9	10.0	25,412
Other	18,030	30.1	74.0	49.6	61.8	16.6	21,700

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

**TABLE 24**  
**VARIOUS CHARACTERISTICS OF IMMIGRANTS ARRIVING IN METROPOLITAN VANCOUVER IN 1989 TO 2004, BY REGION**  
**OF ORIGIN AND GENDER**

	ALL IMMIGRANTS (N)	UNIVERSITY EDUCATION (%)	KNOWLEDGE OF AN		REPORTED EMPLOYMENT EARNINGS (%)	REPORTED SELF- EMPLOYMENT EARNINGS (%)	AVERAGE TOTAL INCOME, ALL INDIVIDUALS (\$)
			OFFICIAL LANGUAGE (%)	REPORTED EMPLOYMENT EARNINGS (%)			
<b>Males</b>							
Total	154,385	30.8	52.4	63.5	15.7	22,884	
United States	2,190	44.7	95.9	64.8	21.0	41,934	
Latin America and Caribbean	4,225	26.0	64.3	68.2	15.5	29,642	
Europe	17,600	35.3	66.2	73.8	24.8	38,142	
Africa	4,815	29.4	89.6	70.5	14.0	38,697	
Middle East/West Asia	3,590	37.5	74.1	61.4	17.8	26,052	
East Asia	68,160	32.2	40.8	53.7	11.9	15,629	
South Asia	23,245	24.1	36.4	70.8	23.6	24,180	
Southeast Asia	18,955	29.5	67.5	77.9	9.6	24,871	
Other	11,605	28.9	72.3	63.6	18.1	22,915	
<b>Females</b>							
Total	165,640	23.9	47.7	58.7	9.3	15,197	
United States	2,250	42.9	95.6	53.8	19.6	26,872	
Latin America and Caribbean	4,410	21.1	59.3	60.4	10.3	17,126	
Europe	17,560	29.7	60.0	69.7	17.0	22,809	
Africa	4,340	19.4	85.6	63.6	10.9	22,113	
Middle East/West Asia	3,000	34.2	68.3	52.7	10.0	15,982	
East Asia	72,985	21.8	34.8	48.6	8.7	11,672	
South Asia	23,530	21.1	25.6	64.5	5.4	12,754	
Southeast Asia	26,000	28.3	74.5	74.9	7.6	20,009	
Other	11,565	20.3	62.6	57.6	9.4	14,226	

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

the main language in some countries. Simply put, in some regions the labour market is similar to that in Canada while in others it is not. Research has repeatedly shown that an immigrant from a Western country with a university degree and fluency in English will not be viewed the same, by potential employers, as an immigrant from, say, Latin America, even if they have equivalent educational attainment and job experience (e.g., Green and Worswick 2004), whether or not this assessment is fair.

The contours of these interaction effects and developmental differences are best seen when we isolate the 25-to-64 age group. Summarizing that part of table 23, and concentrating on the measures of human capital used here, we see that:

- Immigrants from the United States have considerable educational and linguistic advantages.
- Immigrants from Latin America are less educated than average but a large proportion arrive with proficiency in one of Canada's official languages.
- Immigrants from Europe are well educated and most speak an official language.
- Perhaps surprisingly, among immigrants from Africa the level of education is just below the average for all immigrants but proficiency in an official language is extremely high. While it is beyond the scope of the present report to develop this point, personal discussions with representatives of immigrant service agencies indicate that the flow of immigrants from Africa to Vancouver includes a large number of highly educated whites from South Africa (the IMDB cannot be used to verify this point as it does not include information on ethnocultural

identity).

- The small contingent of immigrants from the Middle East/West Asia, which is dominated by people from Iran, is well educated and relatively proficient in an official language upon arrival.
- In contrast to most groups, and in sharp contrast to stereotypes about this group, immigrants from East Asia are not especially well educated (about average) and face linguistic challenges; few arrive with facility in an official language.
- Immigrants from South Asia are, on average, the least educated group, with the least facility in an official language (note the preponderance of family class admissions for this group in tables 15 and 16).
- Immigrants arriving in Vancouver from Southeast Asia most closely approximate, in terms of their human capital, those from Europe, with slightly above-average university education and a high level of linguistic preparedness for Canada.
- Finally, immigrants from Oceania and other countries (the Other group) are similar to Southeast Asians, though with marginally less educational attainment.

Table 24 shows the effects of these differences on the economic participation and income levels of immigrants across source regions. While there is considerable variation in employment rates, self-employment rates and total income, immigrants (both men and women) from highly developed countries (e.g., the United States and Europe) tend to have the highest income levels. But there are exceptions to this pattern, most notably men and women from Africa; as noted above, this may be a product of the particular form of immigration from Africa to Vancouver, which is thought to include a large number of white South Africans who are well educated and English-speaking.

For male immigrants, the income levels of most other groups are slightly above average (Other, South Asia, Southeast Asia) and moderately above average (Middle East/West Asia, Latin America and the Caribbean). Interestingly, there are wide variations in the human capital characteristics across these groups, but all groups include individuals who are above average in terms of either education or facility in an official language, with one exception. Men from South Asia are least likely to have a university degree and to speak an official language, yet are well above average in terms of labour-market participation and income. Again, this may be related to the social capital of this group, with extensive systems of chain migration illustrated by the high degree of reliance among South Asians on the family class immigration program. The remaining group is singular: Male immigrants from East Asia — by far the largest source group — are reasonably well educated but have a pronounced lack of proficiency in an official language. Also, a large proportion of this group were admitted through the business class, the class that has the least likelihood to be employed and a low likelihood to report positive self-employment income. East Asian men receive the lowest income of all, by a large margin. In fact, for male immigrants, the statistic for average income for the whole immigrant population is strongly affected by the situation of those from East Asia, given the size of this group.

The Females section of table 24 reveals two surprising facts (apart from the aforementioned high income level for women from Africa). First, women from Southeast Asia are the most likely group to report employment earnings, indicating a particularly high level of labour-market participation. Their total income is also well above the average for immigrant women, and is not much lower than that of women arriving from Europe or Other countries. This is likely related to the high level of human capital associated with Filipinas

immigrating to Canada, many as health care workers or through the live-in caregiver program.<sup>23</sup> These patterns reflect the complex intersection of immigration class and region of origin. The opposite is true of women from East and South Asia; in both cases, low rates of university education and official language proficiency translate to low levels of total income. East Asian women have the lowest rate of labour-market participation, likely a reflection of the large number who arrive either as PAs or as the spouses of business class immigrants. South Asian women, on the other hand, are likely to be employed but to receive low incomes. In this case, the social capital associated with family-based migration appears not to be helpful.

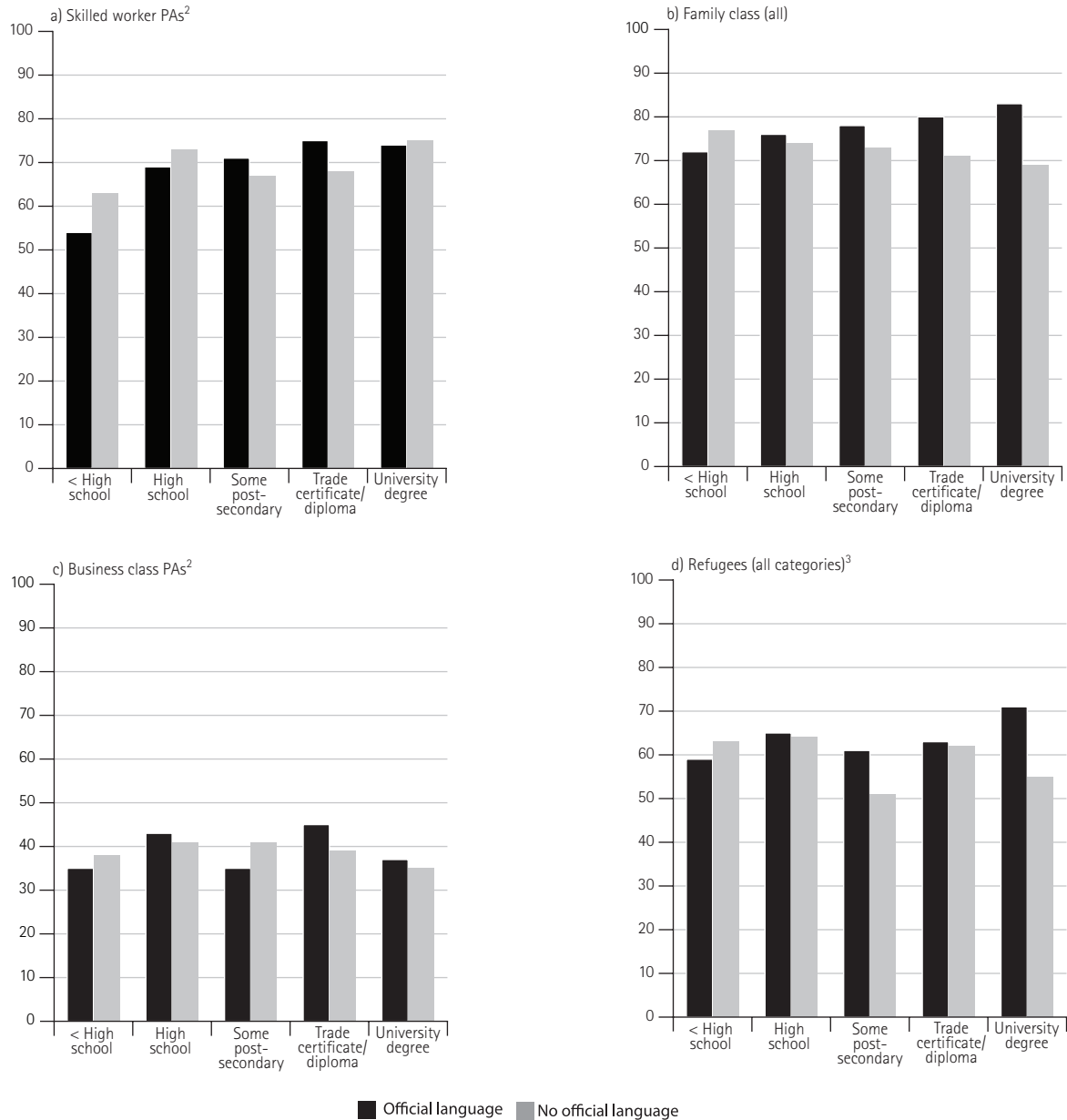
#### *Human capital and employment earnings*

The relationship between human capital and economic participation is examined in more detail in figures 1 and 2, which show the percentage of men and women who declared some form of employment earnings on their 2005 tax return. In this case, the effects of education and language facility are indicated separately, allowing us to compare the relative impact of each factor. Also note that figures 1 and 2 concern only the 25-to-64 age group, since this age range is typically the peak period of labour-market participation.

For men, both measures of human capital have a marginal effect on the labour-market participation of those who arrived as skilled worker PAs. Employment rates differed at the extreme ends of the educational spectrum, with men who had a university degree at the time of landing more likely to be employed than those who had not completed high school. But there is little differentiation across the other categories and, moreover, little differentiation between those who did or did not have facility in an official language upon arrival. In essence, skilled worker PAs come to Canada to find work, and

FIGURE 1

EMPLOYMENT EARNINGS 2005 (%), BY ADMISSION CLASS, EDUCATION, AND LANGUAGE, METROPOLITAN VANCOUVER (MALES)<sup>1</sup>



Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

1 Aged 25 to 64.

2 PA = principal applicant.

3 There are three main categories of refugee: government assisted refugees, privately sponsored refugees, and landed in Canada refugees.



most do. This generalization applies equally to men admitted as family class immigrants. In this case, education has almost no impact on labour-market participation across all five educational categories. Language facility is more important, though only in the categories associated with tertiary education.

Male business class immigrants are much less likely to obtain employment, with only roughly one third declaring employment earnings on their 2005 tax return. The impacts of human capital on this outcome are essentially negligible.

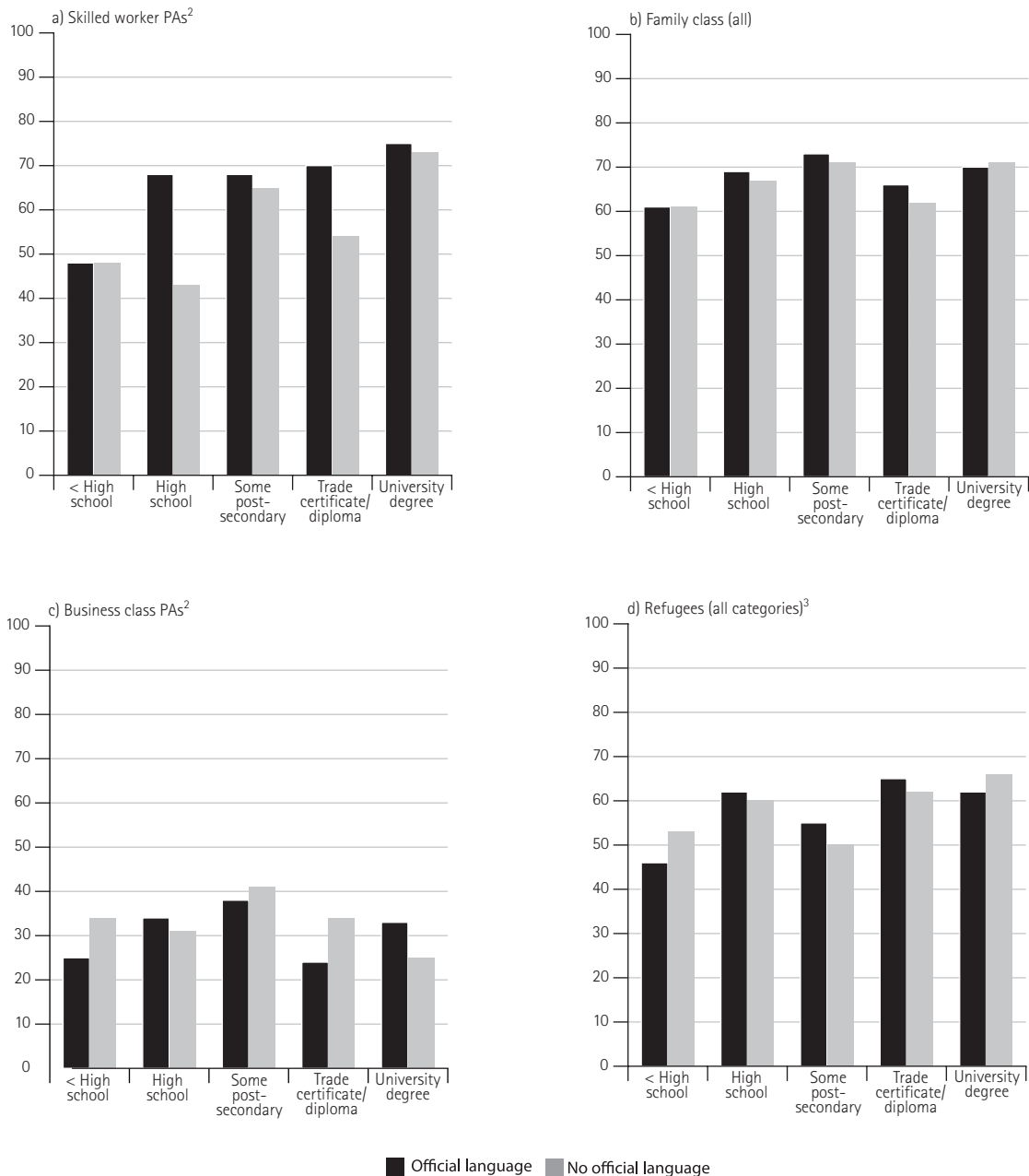
Figure 1 (d) depicts the situation of refugees (including GARs, PSRs and LCRs together). Roughly 6 in 10 of the men who have settled in Vancouver through one of Canada's refugee programs declared employment earnings on their 2005 tax return. This ratio is consistent across education categories. Language facility appears to have had little to do with the degree of labour-market participation of this group. However, for those who arrived with tertiary education (for two of the three categories), those who are proficient in an official language are more likely to find work than those who are not.

Fewer women than men were admitted to Canada as skilled worker PAs. In contrast to the case for men, women show a clear positive relationship between education and labour-market participation. Those who arrived with tertiary education are much more likely to report employment earnings than those who did not. Further, female skilled workers who are proficient in an official language are more likely to be employed.

These relationships are more muted for women who arrived through the family class. Note, however, that these women are more likely to be employed than those who passed the stringent requirements of the skilled worker program. I have no ready explanation for this surprising result. I can

FIGURE 2

EMPLOYMENT EARNINGS 2005 (%), BY ADMISSION CLASS, EDUCATION, AND LANGUAGE, METROPOLITAN VANCOUVER (FEMALES)<sup>1</sup>



Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

1 Aged 25 to 64.

2 PA = principal applicant.

3 There are three main categories of refugee: government assisted refugees, privately sponsored refugees, and landed in Canada refugees.

only speculate once again that family class immigrants enjoy certain benefits associated with their social networks (social capital).

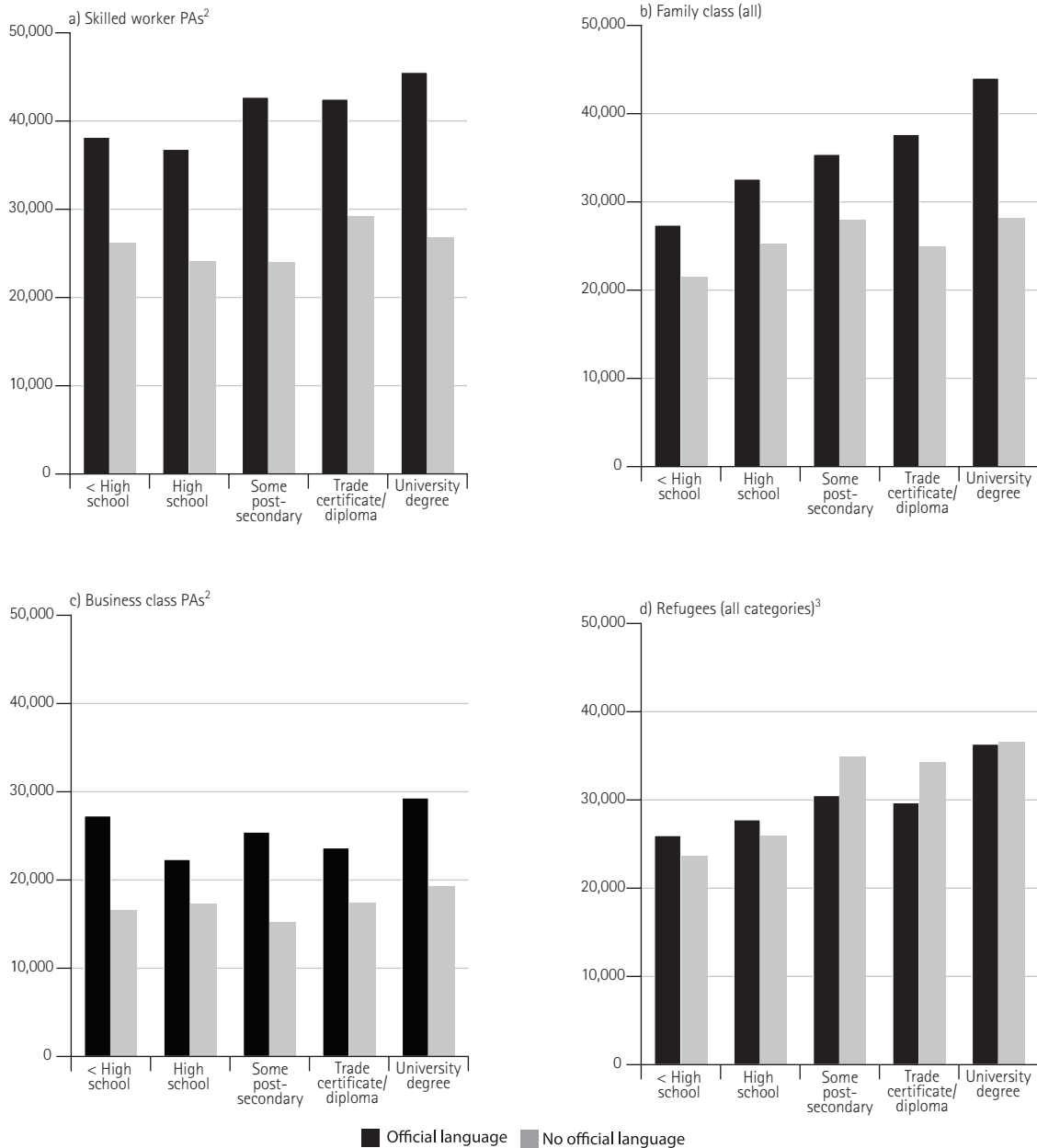
Women who were admitted as refugees are not far behind in terms of labour-market participation, a pattern that most closely resembles that of skilled worker PAs. In general, those with more education are more likely to be employed. The effects of language proficiency are more complex, and are near zero when considered across all five education categories together.

Finally, fewer than one third of the women who settled in Vancouver as PAs for the business class program declared employment earnings in 2005. As in the case of men in this class, neither education nor language proficiency appears to make much difference in this outcome. Business class immigrants, whether male or female, apparently do not migrate to Vancouver to find work. This is of course not a surprise, since the business class system was designed to attract the entrepreneurially inclined rather than those intending to be employed. However, as seen in tables 21 and 22, the ratio of business class immigrants reporting self-employment income is also low.

To summarize, the labour-market participation of immigrants varies greatly across admission classes. This stands to reason, in that admission classes are established to reflect the different purposes of immigration for Canada: family reunification, humanitarian and economic (though the skilled worker and business class categories of the economic program are highly differentiated in labour-market participation). Gender also plays a large role, with immigrant women considerably less likely to receive employment earnings than men — which is also the case among the Canadian-born. But human capital characteristics appear to be of secondary importance in determining whether immigrants become employed; neither educational attainment nor

FIGURE 3

AVERAGE 2005 EMPLOYMENT EARNINGS (DOLLARS) BY ADMISSION CLASS, EDUCATION, AND LANGUAGE, METROPOLITAN VANCOUVER (MALES)<sup>1</sup>



Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

1 Aged 25 to 64.

2 PA = principal applicant.

3 There are three main categories of refugee: government assisted refugees, privately sponsored refugees, and landed in Canada refugees.

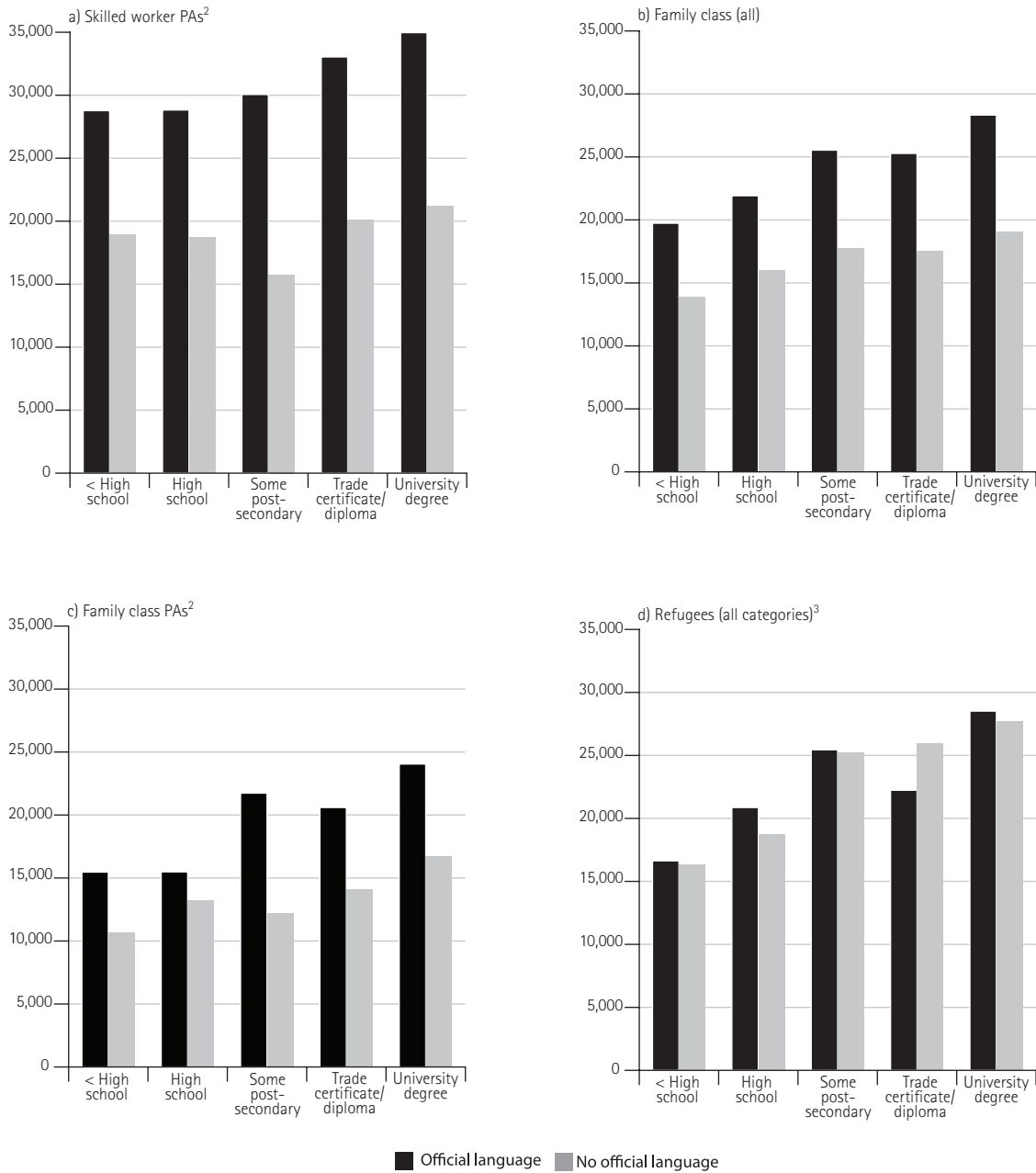
language proficiency have much of an effect on labour-market participation, once gender and class of entry are taken into account. As we will see, though, human capital is a critical ingredient in the kinds of jobs filled by immigrants and the levels of earnings they receive.

To contextualize the statistics in figures 3 and 4, in the 2006 census the average adult male in metropolitan Vancouver reported employment earnings of \$45,664 and the average female \$29,200.<sup>24</sup> These figures accord closely with those provided by the Canada Revenue Agency, which are based on actual tax returns (as is the IMDB). According to this source, the average male in Vancouver reported an income of \$47,234, derived from both employment earnings and employment insurance, and the average female \$29,637.<sup>25</sup> The census statistics are likely reliable (at least they are in synchronicity with tax data). The corresponding figures for immigrants who landed between 1989 and 2004 (from the IMDB) are \$33,144 for men (27.4 percent lower than the population average) and \$23,140 for women (20.8 percent lower).

While immigrants on the whole earn substantially less than their Canadian-born counterparts, this is not the case for all subgroups. Among men, PAs who are admitted as skilled workers and have some form of tertiary education receive earnings close to the population average (approximately \$44,800, taking together those with some postsecondary education, a trade certificate or a university degree). Note, though, that this is true only for those who arrive able to communicate in an official language. There is a kind of two-step relationship between language, education and earnings. For those who do not speak an official language when they land, earnings vary little between educational categories (for male skilled worker PAs, the earnings differential between those with a university degree and those with less than high-school completion is just \$600). For those who arrive with proficiency in an official

FIGURE 4

AVERAGE 2005 EMPLOYMENT EARNINGS (DOLLARS), BY ADMISSION CLASS, EDUCATION, AND LANGUAGE, METROPOLITAN VANCOUVER (FEMALES)<sup>1</sup>



Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation, 2005.

1 Aged 25 to 64.

2 PA = principal applicant.

3 There are three main categories of refugee: government assisted refugees, privately sponsored refugees, and landed in Canada refugees.

language, however, the story is different; for them, earnings rise significantly in relation to educational attainment.

The same is generally true for men entering Canada through the family class. In this case, earnings rise slightly across educational categories for those without proficiency in an official language at the time of landing and rise considerably for those with proficiency. In fact, the earnings of men with a university degree who are admitted in the family class are the same as those of men who arrive as skilled worker PAs. This finding is as important as it is fascinating, and suggests that human capital trumps admission class for those who possess a high level of human capital, especially facility in an official language.

We have seen that few of the men admitted to Canada as business class immigrants become employed. There may be a good reason for this: Those who do secure a job are poorly paid, regardless of their educational background or language proficiency. Language facility helps to a degree — those who speak an official language upon landing earn more than those who do not — but there is no upward momentum in earnings relative to education regardless of language facility.

The case of refugee men is particularly interesting. As we saw for those admitted as skilled workers or through the family class, educational attainment plays a role in shaping labour-market earnings. But in this singular case, proficiency in an official language at the moment of landing appears not to be a factor, at least not at the scale examined here (where all refugees, regardless of entry class, are considered together, and without controlling for age beyond the fact that only those aged 25 to 64 are included in these data). Perhaps most remarkable of all, university-educated refugees who come to Canada

without official language proficiency earn more than those who are admitted in any other class, *including* skilled worker PAs, with this combination of human capital characteristics. This is true of men who have some tertiary education at the time of landing, be it a trade certificate/diploma or a university degree. How can one explain this surprising result? As noted, it is possible that important differences (such as age) are confounding the results. But I believe there is a logical explanation: Immigrants who enter Canada through the skilled worker or family class program need to find work as quickly as possible in order to generate earnings. Refugees, on the other hand, are entitled to a full year (in rare cases two years) of social assistance and can use this time to upgrade their language skills. Those who have a tertiary education are likely to also have the ability to use this time effectively. Following the year of settlement orientation, they enter the labour market with a greater degree of language proficiency and — I expect — confidence.

The composition of employment earnings according to admission group and human capital is similar for women, with a few subtle differences. In the first place, in comparison with male immigrants, a higher ratio of female immigrants reach earnings parity with all women in Vancouver. For example, women admitted as skilled workers, with official language facility and some form of tertiary education, earn more than \$29,200 — and those with a university degree earn a lot more. Second, in most cases the earnings gap between those with and without official language facility is larger for women than for men (in aggregate terms, taking all ages, admission classes and so on into account, it is approximately 3 percent larger). In other words, female immigrants arriving without official language proficiency are more penalized in the labour market than their male counterparts.<sup>26</sup>

In general, though, the patterns discussed earlier are replicated for women



— that is, among women entering Canada as skilled worker PAs, earnings are hardly affected at all by educational attainment for those without official language proficiency and are strongly affected for those with proficiency. The same is true for family class immigrant women. The earnings of the very small contingent of business class immigrant women tend to be low but, unlike the case of men, are higher for those with some tertiary education. Finally, as in the case of men, the earnings of women who enter Canada as refugees are greatly influenced by education but not by official language proficiency.

#### *Utilization of social assistance*

We have seen that immigrants, at least those who arrived between 1989 and 2004, earn lower wages and salaries than the Canadian-born. Similarly, their total incomes are lower. Does this mean that immigrants also need to rely more on social assistance than the Canadian-born? The simple answer is no.

Table 25 shows that very few immigrants in Vancouver receive social assistance (only 1.5 percent). This ratio is actually *lower* than that for the general population.<sup>27</sup> The comparison between Vancouver and the other two major immigrant settlement centres in Canada is instructive. A much larger proportion of immigrants to Toronto and Montreal receive social assistance (nearly five and eight times larger, respectively). And yet the labour-market earnings and total income level of immigrants in Toronto are actually higher than those in Vancouver, and house prices are marginally lower (though rent costs are slightly higher).

How do we explain the apparent paradox of lower incomes, higher housing costs and much lower social assistance rates in Vancouver than in Toronto?<sup>28</sup> There are two possible explanations. First, immigrants in Vancouver may have

a much higher asset base, meaning that they would not qualify for social assistance despite their low income levels. There exist no comprehensive statistics on assets, appropriately disaggregated by immigrant status, to test this conjecture. The only data on this issue were collected in the first wave of the Longitudinal Survey of Immigrants to Canada, when respondents were asked to indicate the amount of savings they had six months after arriving in Canada. In a study based on these data, Hiebert et al. (2006) found that business class immigrants transfer considerable wealth to Canada and are therefore somewhat insulated from the problems that accompany low income. Given that Vancouver receives a higher ratio of business class immigrants than Toronto or Montreal, the need for social assistance would be lesser there. But this factor cannot explain most of the variation between the three cities, since the ratio receiving social assistance is much higher in Toronto and Montreal even when admission class is held constant.

TABLE 25

SOCIAL ASSISTANCE UTILIZATION AMONG IMMIGRANTS ARRIVING IN 1989 TO 2004, BY ADMISSION CLASS, CANADA, VANCOUVER, TORONTO AND MONTREAL, 2005 (PERCENT)

	CANADA	VANCOUVER	TORONTO	MONTREAL
Total population	6.7	1.5	7.1	11.7
Principal applicants				
Skilled worker	3.8	0.8	2.4	11.2
Business class	1.3	0.2	2.1	1.3
Spouse and dependants				
Skilled worker	2.1	0.6	1.4	6.8
Business class	1.0	0.3	1.0	2.3
Family class	7.9	1.4	10.5	8.8
Refugee	16.9	8.7	15.7	24.1
Refugee (GAR & PSR)	14.9	9.5	14.2	18.8
Refugee (LCR)	20.7	8.3	18.5	27.2

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation.

Second, the gap in social assistance use may be associated with differences in access to this service. It is clear that social assistance is simply more difficult to secure in British Columbia than in other provinces. This is a point repeatedly made by those who advocate on behalf of the poor (e.g., Klien and Pulkingham 2008). Key changes to British Columbia's social assistance system in the mid-1990s initiated a reduction in the number of recipients, a trend that was accelerated by a redefinition of criteria in 2002. The number of social assistance recipients in the province declined from just under 370,000 in 1995 to 149,300 in 2005. Certainly economic conditions improved over this period but, arguably, not for the very poor. According to Statistics Canada, 23.3 percent of the metropolitan Vancouver population were classified as low income in 1996, a figure that dropped to 20.8 percent in 2001 and again in 2006.<sup>29</sup> The 2001 and 2006 calculations were made on the basis of income received in 2000 and 2005. During that period, the number of social assistance recipients in the province decreased from 262,400 to 149,300 — that is, the need for social assistance remained approximately the same but the number receiving it fell dramatically.

The pattern of social assistance utilization across admission classes is largely predictable. The proportion of family class immigrants receiving social assistance was approximately the same as the average for all immigrants. Those admitted as economic immigrants rarely received social assistance, while the rate was much higher for refugees, whether sponsored or LCRs.

The pattern across source groups is more surprising (table 26). We have seen that immigrants from East Asia (the largest category of all) have the lowest income levels, by a wide margin. Yet the proportion of this group receiving social assistance is the smallest of all. On the one hand, this is almost certainly a reflection of the large number of asset-rich business class immigrants from

that part of the world. On the other hand, it could be the result of strong mutual assistance within extended families as well as a reluctance by this group to accept social assistance (these are speculations and their verification is beyond the scope of this report). Along the same lines, the utilization rate of South Asians is also very low, only marginally higher than that for immigrants from the United States. This could be related to the high ratio of family class immigrants in this group and also to systems of reciprocity similar to those discussed in relation to immigrants from East Asia. In other words, in certain instances the social capital associated with family class immigrants may be as effective as the human capital of skilled workers.

The above-average rate of income assistance among European immigrants (2.4 percent) likely reflects the large proportion of refugees in this group. The high rates for immigrants from the Middle East/West Asia and Latin America are probably attributable to the income levels within these populations. Finally, we saw that the average income of immigrants from Africa is much

TABLE 26

SOCIAL ASSISTANCE UTILIZATION AMONG IMMIGRANTS ARRIVING IN 1989 TO 2004, BY REGION OF ORIGIN, CANADA, VANCOUVER, TORONTO, MONTREAL, 2005 (PERCENT)

	CANADA	VANCOUVER	TORONTO	MONTREAL
Total population	6.7	1.5	7.1	11.7
United States	2.4	0.8	2.5	3.6
Latin America and Caribbean	10.5	4.4	10.4	13.3
Europe	5.1	2.4	5.9	7.5
Africa	16.0	4.5	15.1	19.1
Middle East/West Asia	8.5	3.4	5.8	9.4
East Asia	2.6	0.4	3.9	0.8
South Asia	6.5	1.0	6.9	18.2
Southeast Asia	4.9	1.8	5.8	5.9
Other	11.2	5.0	11.6	17.6

Source: Statistics Canada, Longitudinal Immigrant Database (IMDB), special tabulation.

higher than might be expected. Yet members of this group have the greatest propensity (apart from those classified as Other) to receive social assistance. This discrepancy suggests a high degree of polarization in the economic well-being of the African group, which must include a contingent of individuals who are well off (e.g., highly educated white South Africans) and another who are impoverished. The poverty experienced by many in this group is exacerbated by sociocultural fragmentation; since Africans in Vancouver come from dozens of countries, there is no critical mass of community members that is the case for immigrants from China, the Philippines, India and Iran.

## DISCUSSION AND CONCLUSION

The statistical analysis at the core of this report provides a reasonably detailed portrait of the labour-market participation, earnings and total income levels of immigrants in metropolitan Vancouver. While these are key ingredients in the larger economic picture, several important elements are left out. Elsewhere, I have examined the participation of immigrants in Vancouver's extensive housing market (Hiebert, Mendez, and Wylly 2008). The issue of consumption, and its impact on the retail and service sectors, is also missing from this report. The position of immigrants in Vancouver's division of labour is not investigated, which would provide a sense of the contribution of immigrants to the vitality of the economy (for an analysis of these issues using 1991 data, see Hiebert 1999b). The entrepreneurial impact of immigration, which is pronounced in certain sectors of the economy, notably restaurants, retailing, transportation and construction, is not examined. Finally, it would be helpful to look at the economic characteristics of immigrants at the household scale in addition to the method used in this report, which treats each adult as an individual. Immigrant households are, on average, larger than those of

the Canadian-born population, and their financial situation looks somewhat better than that of individuals (as household incomes are often assembled from those of several working adults). Since certain consumption patterns — especially with respect to larger items like houses and cars — are based on family economies, an important piece of the puzzle is missing.

That said, a statistic derived from table 13 is telling: A simple multiplication of the number of immigrants in Vancouver by their average total income indicates that they were associated with at least \$22.8 billion worth of economic activity in 2005.<sup>30</sup> This gives a sense of the scale of their impact on consumption, the housing market and so on. Again, though, this figure underestimates the full economic picture since it does not include any measure of assets, and these are highly significant. Also, it does not speak to the economic activities associated with temporary immigrants, since few of these immigrants are recorded in the census. Temporary foreign workers, international students and asylum seekers on a temporary visa all have an impact on Vancouver's economy. A large proportion of these groups obtain jobs (asylum seekers have long been eligible to apply for a work permit, and this right has recently been extended to international students) and therefore fulfill labour-market needs. All of these groups purchase some form of housing and a variety of services, stimulating the economy through consumption. Temporary residents often bolster the economies of minority cultural groups, since housing and other services are frequently purchased through in-group networks.

But the main purpose of this report is to examine the economic participation and income of permanent immigrants in Vancouver, using the IMDB, in a way that reflects studies conducted on a national scale. Since 2006, approximately 13 percent of all immigrants in Canada have resided in the Vancouver area. Studies conducted at the national level have documented a steep decline in

the initial earnings of immigrants over the period 1980 to 2005 and have reported that a large proportion of immigrants fall into the low-income category, as defined by Statistics Canada. Do these disappointing findings apply to Vancouver? To some degree, yes, but the story is more complex than it might first appear.

Three fundamental points shape the settlement and integration of newcomers in Vancouver. The first, and most obvious, is Canadian immigrant selection policy. Despite the jurisdictional complexity of immigration policy — which increasingly is developed in partnerships between different orders of government and various sectors of civil society — immigration continues to reflect a nation-building ideology that incorporates multiple economic, social and humanitarian objectives. These objectives are crystallized in an array of admission systems and categories, such as the skilled worker program and the various refugee classes. The global networks that have emerged around these admission classes are quite specific. Most business class immigrants, for example, come from countries in East Asia. Conversely, India is by far the main source for Canada's family class program.

These networks are equally specific in terms of immigrant destinations. On the whole, Punjabis gravitate to Vancouver and to a lesser extent Toronto, Haitians to Montreal and so on. This means that the profile of immigrants in any given part of Canada is unique. Certainly the compositions of the immigrant population in the three main destinations of Toronto, Montreal and Vancouver differ markedly. For Vancouver, a large majority of newcomers are from different parts of Asia, primarily China and India. Also, business class immigrants from Asia are disproportionately drawn to Vancouver. Meanwhile, Vancouver barely registers as a destination for asylum seekers and has a relatively small refugee population. In order to understand the economic outcomes of immigration, we

have to acknowledge the distinct profile of newcomers associated with a given place.

Second, Canadian society invests considerable resources in immigrant settlement programs, the scope of which has grown significantly in Vancouver during the past decade. The nature of support varies according to admission class. Immigrants who arrive through the economic system are expected to gain financial independence — whether by establishing a business or finding employment — as quickly as possible, while family class immigrants are expected to receive assistance from their sponsors. Refugees selected abroad (GARs and PSRs) receive financial assistance, while those who arrive in Canada spontaneously do not. Despite these distinctions, all newcomers are entitled to a package of settlement services that includes language training and basic orientation to Canadian life. While this report has not examined the impact of these services, it is possible that the situation of refugees demonstrates the utility of the enhanced support provided to them.

Finally, a number of studies of the economic outcomes of immigration on a national scale point in the same direction: Recent immigrants face more difficult labour-market conditions than their predecessors a generation ago. So, while the level of settlement support has grown considerably, the economic situation of newcomers is actually worse now than it was in the 1970s and early 1980s. This lends a degree of immediacy to studies like this one, which seek to understand the economic circumstances of immigrants in a particular location and ascertain whether outcomes at the local level mirror those at the national level.

As noted at the beginning of this report, there is reason to believe that newcomers in Vancouver will be better off than those in the nation as a whole



given the large number of wealthy individuals associated with the business class and the small number of refugees arriving in Vancouver. But the census figures explored here indicate that the broad national trend is also registered in Vancouver. As in the rest of the country, in Vancouver the income of newcomers is well below that of the Canadian-born. On the other hand, earlier cohorts of immigrants — those who have been in Canada since the 1970s — have higher average incomes than the Canadian-born. In other words, census figures suggest that the income of immigrants rises progressively the longer they are in Canada. Borjas (1989) cautions against this simple interpretation when examining similar figures in the United States, noting that the pattern of higher incomes for earlier cohorts could be interpreted in two ways. While the pattern could indicate rising incomes over time, it could also reflect some fundamental change between the past and the present. For example, the immigrants who arrived in the 1960s may have been more prepared for the economy than their counterparts of today, or perhaps economic circumstances have so deteriorated that today's newcomers face greater hurdles than their predecessors. The data explored here are insufficient to determine whether the more positive outcomes for earlier immigrants are the result of these kinds of changes or, in fact, reflect improvement over time.

Attention then turned to an analysis of a cross-section of IMDB data, based on the economic situation of immigrants who landed in Canada between 1989 and 2005, resided in metropolitan Vancouver and filed a tax return for income received in 2004. As would be expected, the proportion of immigrants in the data set from Asia is particularly large and the numbers are small for immigrants from Africa, Latin America and the Middle East — groups that are much more prominent in Toronto and Montreal. The profile for admission classes is equally distinct, with Vancouver having Canada's largest share of

immigrants arriving through business class programs and its smallest share of refugees.

Several of the core variables included in the IMDB are strongly associated with employment earnings and income more generally, notably educational attainment, arrival cohort and age. All appear to contribute to income in expected ways, and in this sense the IMDB results conform closely to those of the census. However, the IMDB contributes a new ingredient to the analysis of the economic consequences of immigration by allowing us to investigate the relationship between human capital and economic outcomes across different admission classes. The impact of social capital can also be detected.

In general, family class immigrants and those admitted as skilled workers show the greatest propensity to have employment earnings. In the former case, the key factor is likely social capital (i.e., jobs are secured through networks centred in the family), while in the latter case it is likely human capital (i.e., skilled workers are more likely than any other group to be both well educated and able to speak an official language). The overall rate of labour-market participation is somewhat lower among refugees, which is understandable, and very low among business class immigrants, which is perplexing, especially when self-employment is included in the picture. It appears that the goals of this program — to inject capital and entrepreneurial energy into the Canadian economy — are not being met, for reasons that are explored by Hiebert (2002) and Ley (2003).<sup>31</sup>

The impacts of human capital are also evident when we compare immigrants from different source regions. The human capital profile of immigrants from Asia, Latin America, Africa and Europe/United States varies greatly. As might be expected, individuals from regions where immigrants tend to be well educated

and able to speak an official language find work and are reasonably well paid. But there are some surprises, most notably the much higher earnings, on average, associated with immigrants from Africa compared with those from East Asia.

This outcome is puzzling until we shift our focus to the composition of human capital. Detailed analysis of the relationship between language proficiency, education and economic outcomes reveals the decisive importance of language. For skilled workers and family class immigrants particularly, the ability to speak an official language upon landing determines whether an individual's education matters in the labour market. Without an official language, immigrants with a university education earn little more than those who only attended high school. The business class and refugee groups are outliers to this general relationship. Human capital is less relevant for business class immigrants, whether men or women. In this class, few enter the labour market and incomes earned in Canada — whether through employment or self-employment — are low. For refugees, remarkably, education at the time of arrival is the key ingredient in economic outcome, and appears to trump language facility. As noted earlier, this likely reflects the fact that refugees are supported for a year in Canada and have the time to upgrade their language skills before looking for work.

The surprise in the IMDB data is that all of these patterns reflect official language proficiency *at the moment of landing*. We would expect that individuals who arrive without an official language will acquire language proficiency and build higher earnings over time. This does happen (and can be seen in comparisons of five-year landing cohorts), but only partially. Landing without official language proficiency is associated with *significant* long-term penalties in the labour market. There are two possible solutions to this problem, from a

policy standpoint: Increase language requirements in the selection process, or find ways to deliver better language training in the early phase of settlement. The situation of refugees suggests that the latter strategy may be effective, but of course it would be costly to provide social assistance to all immigrants for one year while they hone their language skills.

Finally, the analysis of IMDB data shows strikingly low utilization of social assistance among immigrants in Vancouver, despite obvious financial need (i.e., low earnings and low overall income levels). Some immigrant categories, such as refugees, show a greater propensity to receive social assistance, but even the utilization numbers for these groups are not high. The finding that immigrants earn less than the Canadian-born yet report less use of social assistance seems a perverse one. How do we account for this result? Research into the British Columbia social assistance program might serve to reveal whether information about the program is presented in ways that are appropriate for newcomers (e.g., in multiple languages) and provide valuable information about the treatment of immigrants in the application process.

The key findings of this report can be summarized from two perspectives: according to immigrant landing class, and according to immigrant region of origin.

#### Landing class

- Immigrants who qualify for admission to Canada as skilled workers are, in general, well educated and proficient in an official language. In Vancouver, as elsewhere in Canada, skilled workers struggle economically, especially when they first arrive. Those who cannot speak an official language upon arrival appear not to overcome this barrier over the full 16-year period included in the IMDB tabulation.

Those who are proficient in an official language fare better, and are rewarded for their educational achievements in the labour market, though their earnings remain below those of the Canadian-born population for some time (the average employment earnings for skilled workers proficient in an official language, regardless of educational background, is \$44,320).

- Business class immigrants arrive with much lower levels of educational attainment and official language proficiency. They have the lowest labour-market participation rate of all immigrant groups and the lowest employment earnings and total income levels (despite the fact that self-employment and investment earnings are included in the total). However, this group has a resource that the other groups do not: financial capital.
- Family class immigrants appear to benefit significantly from their social capital. Their rates of labour-market participation and their earnings levels are not far behind those of skilled workers, despite the wide gap between the two groups in educational attainment and linguistic preparation for Canada.
- The results for those entering Canada as refugees are perhaps the most interesting of all. The settlement services available to refugees appear to have a positive impact, and the level of labour-market participation for this group is more favourable than might be expected, as are earnings (given the level of human capital upon arrival). Nevertheless, refugees lack the financial capital associated with business-based immigrants and, for the most part, the social capital associated with family class immigrants. Further, refugee households

tend to be large; thus the income of the individuals examined in this report would likely have to be shared among more people than might be the case for other admission classes.

#### Region of origin

- As might be expected, immigrants from countries that share many of Canada's socioeconomic characteristics (European countries and the United States) face lower barriers in the labour market. This translates to more favourable economic outcomes. It seems that Vancouver attracts well-educated immigrants from these areas of the world, an important ingredient in this outcome.
- The economic situation of Vancouver's small group of immigrants from Africa is complex and no doubt reflects the specific composition of the group. This is the most socioeconomically polarized immigrant group, with relatively high average earnings yet the highest rate of social assistance utilization, indicating widespread poverty among African newcomers.
- Social capital may play a key role in shaping the economic participation and outcomes of the large number of newcomers from South Asia, who, in the case of Vancouver, are drawn principally from India and especially the Punjab state. These immigrants, who arrive mainly through family reunification, are not particularly well educated and usually arrive without official language facility. Yet the incomes of newcomers from South Asia are roughly equivalent to those of immigrants as a whole (higher than the average for men; lower for women; table 13).

- Immigrants from Latin America and the Middle East (including West Asia) constitute two of the smallest immigrant groups in Vancouver. Most of the newcomers from these regions arrive in Vancouver able to speak an official language, and a large proportion of those from the Middle East arrive with a university degree. Earnings and total income levels for both groups are above average, considerably so for the Latin American group; note that this is not the case for these groups in other parts of Canada, which illustrates the importance of local context.
- A large majority of newcomers from Southeast Asia are women (the highest female gender ratio of any group), which may reflect the legacy of the live-in caregiver program and the large number of Filipinas admitted in this class. Southeast Asian women are well educated relative to other groups, and most speak English. Their employment rate is the highest of any group and their income level is above average. Immigrants admitted as LCRs have lived in Canada at least two years before acquiring a permanent visa and officially landing in the country. Most men from Southeast Asia also arrive with official language proficiency but are not as well educated as their female counterparts. Their labour-market participation rate is also very high, and their income level is above average.
- Finally, the circumstances of the immigrant population from East Asia, by far the largest in Vancouver, appears to be structured by the low level of official language proficiency within this group. The fact that such a large number are admitted through the business class program is no doubt also significant, and the fortunes of East Asians (particularly men) most closely approximate those of business class

immigrants in general. While this group may be income-poor, it is asset-rich, so the living conditions of East Asian newcomers may be considerably better than their income level suggests. One piece of evidence that points in this direction is the exceptionally low rate of social assistance utilization by this group. But this is not the whole story. The average employment earnings of East Asian immigrants admitted specifically as PAs to the skilled worker program (who represent nearly half of the total of this group in Vancouver) are also the lowest of any group and well below the average. Of the skilled workers reporting employment earnings in 2005, the average is \$40,800 for men and \$31,580 for women. The corresponding figures for immigrants from East Asia are \$30,260 and \$25,830. Language proficiency is a key factor in this extraordinary outcome. On average, 19.7 percent of male skilled worker PAs could not speak an official language (the inverse of the figure reported in table 22). Every source group is below this average except for immigrants from East Asia (35.3 percent). The same is true for female skilled worker PAs (28.8 versus 15.8 percent). In other words, the economic outcome of immigrants from East Asia underscores the importance of language facility. Nevertheless, it is not clear why the largest group of highly skilled immigrants in metropolitan Vancouver is faring so badly; further research is needed.

A similar examination undertaken in Toronto or Montreal would show that newcomers in those cities also face daunting economic challenges. However, the specifics would be quite different. No doubt the large proportion of refugees in Montreal would have an impact on the larger picture of economic integration, as would the different source region profiles of the two cities relative to



Vancouver. For example, the employment earnings of Africans in Montreal are below the average for immigrants in general (Lenoir-Achdjian et al.2009), which contrasts with the situation in Vancouver. Also, East Asian newcomers in Montreal and Toronto have higher incomes than those in Vancouver (data not shown in this report).

The general outlines of the Vancouver case presented in this report could contribute to the development of policies that are more fully informed and that lead to better economic outcomes. The single most important issue highlighted by the IMDB is the key role of language in shaping the economic opportunities available to newcomers. If selection policies do not change, and there is no indication that they will in the near future, more attention must be devoted to the provision of high-quality English-language education to immigrants as soon as they arrive. The principal finding of this report — that the lack of official language proficiency at the time of landing is associated with a long-term labour-market penalty — suggests that this service is not being optimally provided at present. The significant increase in funding for settlement programs in British Columbia is surely a step in the right direction, but much more will have to be done.

## ENDNOTES

I thank the Government of British Columbia Ministry of Advanced Education and Labour Market Development for providing me with the special tabulation of IMDB data upon which this report is based. However, I am responsible for the analysis and interpretation of the data.

1. In this report I use two types of data, which define immigrants slightly differently. For the census analysis, I rely upon the definition used by Statistics Canada: "A landed immigrant is a person who has been granted the right to live in Canada permanently by immigration authorities. Some immigrants have resided in Canada for a number of years, while others have arrived recently. Most immigrants are born outside Canada, but a small number were born in Canada." The IMDB analysis is based upon the individuals included in the administrative database of Citizenship and Immigration Canada.
2. In this report, the term "metropolitan Vancouver" refers to the large urbanized area that includes the City of Vancouver. Most statistics used in the report are drawn from Statistics Canada and its defined census metropolitan area (CMA). (What is now referred to as Metro Vancouver was until recently called the Greater Vancouver Regional District, a grouping of 21 municipalities and one Electoral Area that is currently the same area as the CMA.)
3. In the older system, the selection of refugees who could establish themselves in Canada was frequently relaxed, especially in times of crisis, such as the movement of Kosovars to Canada at the end of the 1990s. Also, those who arrive as claimants are not "selected" as such but are granted permanent settlement status based on international refugee conventions.
4. These figures are from CIC Facts and Figures, 2006.
5. At present, an investment of \$400,000 is required for admission under the investor immigrant program.
6. Actually, the statistic in question is not a direct measure of poverty. Statistics Canada has defined a "low income cut-off" that roughly approximates a measure of relative poverty. The point is that the definition of this statistic was constant over the period in question.
7. The poverty rate of the Canadian-born declined in this 20-year period. While the economic situation of new immigrants deteriorated, it appears that immigration did not have a negative impact on the economic situation of the Canadian-born. As these were years of high immigration, it is conceivable that immigration was partly responsible for the improved fortunes of non-immigrants (Hiebert et al. 2006).
8. The discrepancy between the landing figure of 130,000 for the period 2001 to 2006 and the 92,700 recorded in the census is the result of the slightly different time frames used (the landings include all of 2006 while the census does not) and out-migration (either to other parts of Canada or abroad) of some of the landed immigrants.
9. The figure of 37 percent for Vancouver is a little higher than that for immigrants admitted to Canada as a whole, which is 34 percent (LIDS data).
10. For comparative purposes, according to CIC Facts and Figures 2006, in 2006 Montreal received 2,188 humanitarian temporary residents (a category that includes refugee claimants), while Toronto received 4,309 and Vancouver just 281. In the same year, Montreal received 10,636 foreign workers, Toronto 14,843 and Vancouver 15,151; Montreal received 7,323 foreign students, Toronto 11,732 and Vancouver 14,473.
11. These data were collected in a question on the long form of the 2006 census (meaning that they are based on a 20-percent sample of the population) that asked about the income received by each individual in 2005. The census date was in mid-May in 2006, conveniently scheduled to take place shortly after the deadline for filing tax returns for 2005, so figures on income should have been relatively fresh in people's minds.
12. Between 2001 and 2006, 6,901 immigrants were admitted through the Provincial Nominee Program ([http://www.gov.bc.ca/fortherecord/nominee/no\\_labour.html?src=/labour/no\\_labour.html](http://www.gov.bc.ca/fortherecord/nominee/no_labour.html?src=/labour/no_labour.html)).
13. There is controversy over the allocation of these funds. The government of British Columbia allocates some of these funds to its general revenue, under the assumption that newcomers use general services such as health and education. It dedicates approximately half of the funds transferred from Ottawa to the British Columbia Settlement and Adaptation Program (BCSAP). Advocates argue that this ratio should be higher. A good introduction to this debate can be found in statements made to the Standing Committee on Citizenship and Immigration,

- Evidence Number 46, Vancouver, February 19, 2003.
14. This figure was provided by Bill Walters, Executive Director, Immigrant Integration Branch, BC Ministry of Advanced Education and Labour Market Development; personal communication, November 17, 2008.
  15. In a number of European countries, in contrast, participation in settlement programs is mandatory for immigrants who wish to renew their visas.
  16. DIVERCity focuses on the southeastern suburbs of metropolitan Vancouver, especially Delta and Surrey. The first "C" in SUCCESS stands for "Chinese," and historically the organization has specialized in that population. In recent years, however, SUCCESS has made a number of efforts to expand its ethnocultural base, particularly concentrating on the growing South Korean immigrant population. MOSAIC and ISS-BC are "all-purpose" settlement organizations that serve various groups in offices throughout the metropolitan area. ISS-BC is distinct, though, in that it operates Welcome House, which is located in downtown Vancouver and is the temporary home for all government assisted refugees who arrive in BC
  17. In fact SUCCESS has recently established branch offices in Taipei and Seoul to provide pre-migration orientation for those bound for Canada.
  18. The data were provided in the form of tables in Beyond 20/20 format and were subsequently converted for use in SPSS. The variables sex, age, landing year, source region, education and language were cross-tabulated, and, for each cell in the table, figures were provided for the number reporting income and the average (mean) income for the group, the number reporting employment earnings, the average amount of earnings and so forth – that is, while the tabulation was based on individuals, I was granted access only to aggregated cross-tabulations (according to strict privacy regulations related to tax data). Note that the matching process between landing records and tax returns is not perfect.
  19. This pattern holds when we look specifically at men (all age groups) but not women (all age groups); see table 22.
  20. During their first year, however, GARs and PSRs are presented with a bill for the cost of their transportation to Canada, which for families can be as much as \$10,000. Normally this obligation is taken as a loan, which is interest-free if paid within a three-year period. As might be expected, this loan places a considerable financial burden on refugees, and it is worth remembering that payments on the loan would be deducted from the income figures reported here.
  21. The preponderance of men in this category reflects a global trend: Even though the majority of the world's refugee population is female, asylum movements are dominated by men because men are generally able to travel longer distances than women due to women's family responsibilities.
  22. The number of family immigrants from East Asia is still quite high, at 30,390.
  23. A live-in caregiver is admitted to Canada on a temporary visa and has the right to apply for permanent residence after two years in Canada. The individual would be recorded in the IMDB at the time of landing (i.e., when he or she takes up permanent residence), which would in most cases be at least three years after arriving in Canada.
  24. Statistics Canada, "Employment and Earnings, 2006 Census," catalogue no. 97-563-XCB2006063.
  25. BC Stats (April 2007) 2005 "Neighbourhood Income and Demographics for BC Development Regions, Regional Districts, Municipalities and Sub-areas." See <http://www.bcstats.gov.bc.ca/data/dd/income.asp>.
  26. Or, to turn this logic around, female immigrants who arrive with official language proficiency are more rewarded in the labour market than their male counterparts.
  27. In British Columbia in 2005, 149,300 people, or roughly 3.7 percent of the population, received social assistance ("employment and assistance" is the official term) (Human Resources and Skills Development Canada 2005).
  28. The earnings and incomes of immigrants are higher in Vancouver than in Montreal, but housing costs are much lower in Montreal.
  29. Statistics Canada, "Community Profiles" See <http://www12.statcan.ca/census-recensement/2006/dp-pd/prof/92-591/index.cfm?Lang=E>
  30. IMBD data are not precisely comparable with tax data in general, but the overall population figure of average income multiplied by the number of tax filers in metropolitan Vancouver in 2005 was \$61.9 billion (BC Stats [April 2007] 2005 "Neighbourhood Income and Demographics for BC Development Regions, Regional Districts, Municipalities and Sub-areas." See <http://>

[www.bcstats.gov.bc.ca/data/dd/income.asp](http://www.bcstats.gov.bc.ca/data/dd/income.asp).)

31. The relatively poor economic performance of business class immigrants has never been fully explained, but I believe there are several causes: The business context in Canada is very different from that of Asia, where most business class immigrants originate. There are differences in sources of supply, consumer expectations, regulatory regimes and, above all, tax rates; the IMDB does not include measures of real-estate income and, despite the Canadian government's insistence that the business class program is intended to provide stimulus to other areas of the economy, many business class immigrants gravitate to real-estate investment; many continue to operate firms in their source country and shuttle back and forth between countries, with Canada as their family base, minimizing the amount of cash transferred to Canada (and income reported in their tax forms); the measure of self-employment income in the IMDB is based on net, rather than gross, earnings. In other words, I believe that a part of the apparent failure of business class immigrants is an artifact of the structure of the IMBD, and another part is due to the difficulty of starting a business in an unknown context. There is no way to disentangle these quite different explanations with the data currently available.

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