



# A Different Ontario

## Immigration

Ontario's Uneven Success

BY ANDREW PARKIN

**Mowat Centre**  
ONTARIO'S VOICE ON PUBLIC POLICY

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This report is part of the series *A Different Ontario: What the Census tells us about how Ontario is changing*. The series examines the most important results of the 2016 census, from an Ontario perspective. All of the data reported here has been obtained from the census data and highlight tables, available from [Statistics Canada](#) and from similar tables for previous censuses. Key charts are included in each report, with supplementary charts to be made available on the Mowat Centre website.

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# Mowat Centre

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# Contents

1

Introduction 1

2

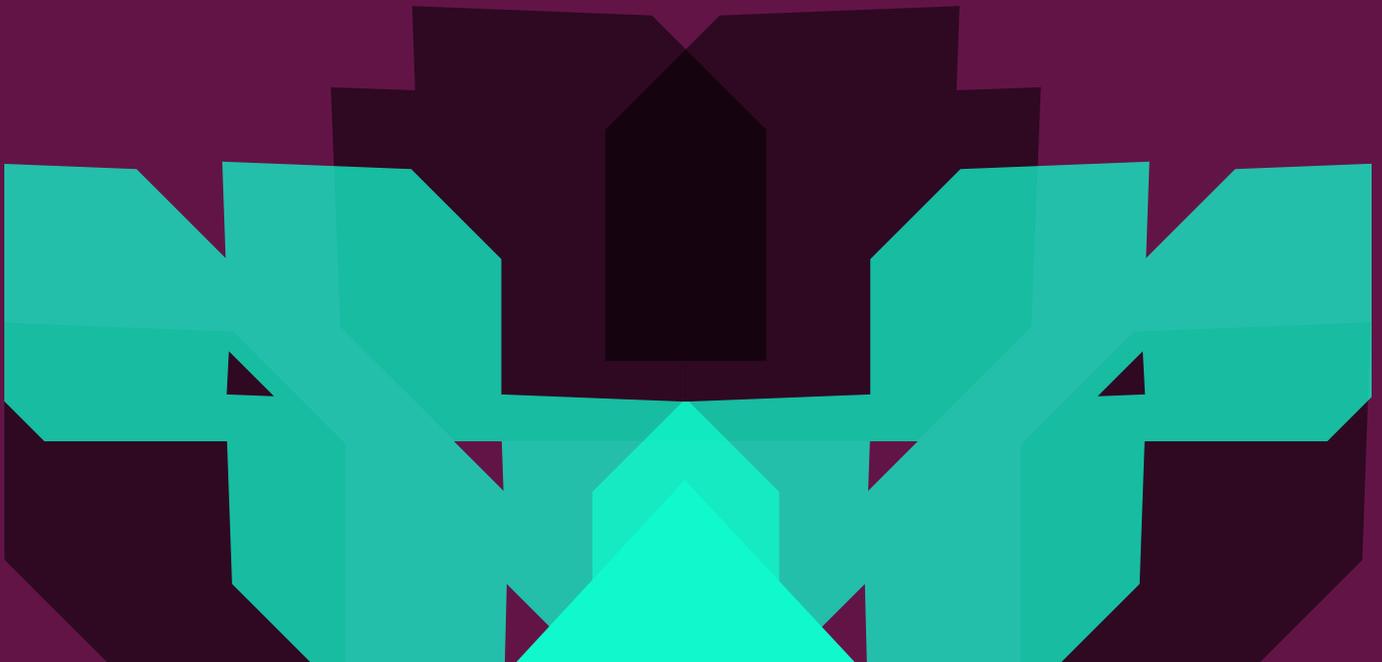
The Case of the  
Missing Immigrants 2

3

Immigrants in the  
Labour Market 10

4

Implications for  
Public Policy 17





# 1 Introduction

Ontario is changing in important ways that matter for public policy. *A Different Ontario: What the Census tells us about how Ontario is changing*, a series of reports from the Mowat Centre, takes a close look at data from the 2016 census to chart the most important trends and to discuss their implications for policymakers.

Census 2016 covers a lot of ground, including population growth, employment and income, education, housing, ethnicity, language and immigration status, and much more. Many of the main findings, such as those related to aging or diversity, have been widely reported.

But a closer look at the data reveals both trends that have been overlooked, and important nuances. For example, much has been made of Toronto's relatively high proportion of immigrants (46 per cent of the population). But as we note in this report, the real story for policymakers is the fact that this percentage is much lower in the rest of Ontario, and is progressively lower the smaller the community. This is significant because the same communities that have lower immigrant proportions are also ones with lower ratios of young adults entering the workforce to older workers nearing retirement – and are therefore ones that more urgently need the replenishment of their prime-age workforce that immigrants could offer.

A look at the labour-market performance of immigrants in Ontario reveals few discernable patterns that apply to the labour-market experiences of all immigrants. Rather, age, sex, level of education, and the age at arrival, all interact to form a mosaic of labour-market outcomes among Ontario's immigrants. Many types of immigrants in Ontario have above-average labour-market outcomes in terms of employment and earnings, notably those who arrive as children, but those who arrive as adults face a much greater challenge. The labour market also appears to be less “forgiving” in the case of female immigrants compared with their male counterparts. Higher levels of education can also make integration into the labour market harder rather than easier for immigrants: while immigrants with a university education are at an advantage compared with immigrants with no postsecondary education, they are actually at a greater disadvantage when compared with non-immigrants with similar levels of education.

These findings have a number of implications for public policy. They suggest that Ontario's immigration strategy should have a more targeted geographic focus, working in tandem with the province's regional economic development strategies and with interested municipal governments to encourage more immigrants to settle in Ontario's medium- and smaller-sized communities. Such strategies should include support for municipal efforts to bring in more immigrants, including refugees, and to provide the services and outreach that can facilitate integration by immigrants and their families. In addition, government should employ a suite of targeted initiatives to help immigrants better integrate into the workforce – and to help employers better identify, evaluate and bring the most out of the skills and abilities that immigrants bring with them.

## 2 The Case of the Missing Immigrants

One of the most notable findings of the 2016 Census was that more than one in five (21.9 per cent) Canadians are immigrants – the highest proportion since the early decades of the 20<sup>th</sup> century. In Ontario, the proportion of the population who are immigrants is even higher, at 29 per cent. In the Toronto census metropolitan area (CMA), the proportion reaches 46 per cent – much higher than other global cities such as London and New York.<sup>1</sup>

In reviewing these numbers, there is a natural tendency to focus on this latter figure: what appears to stand out in the census results is the uniqueness of Toronto, both within Canada and in an international context.

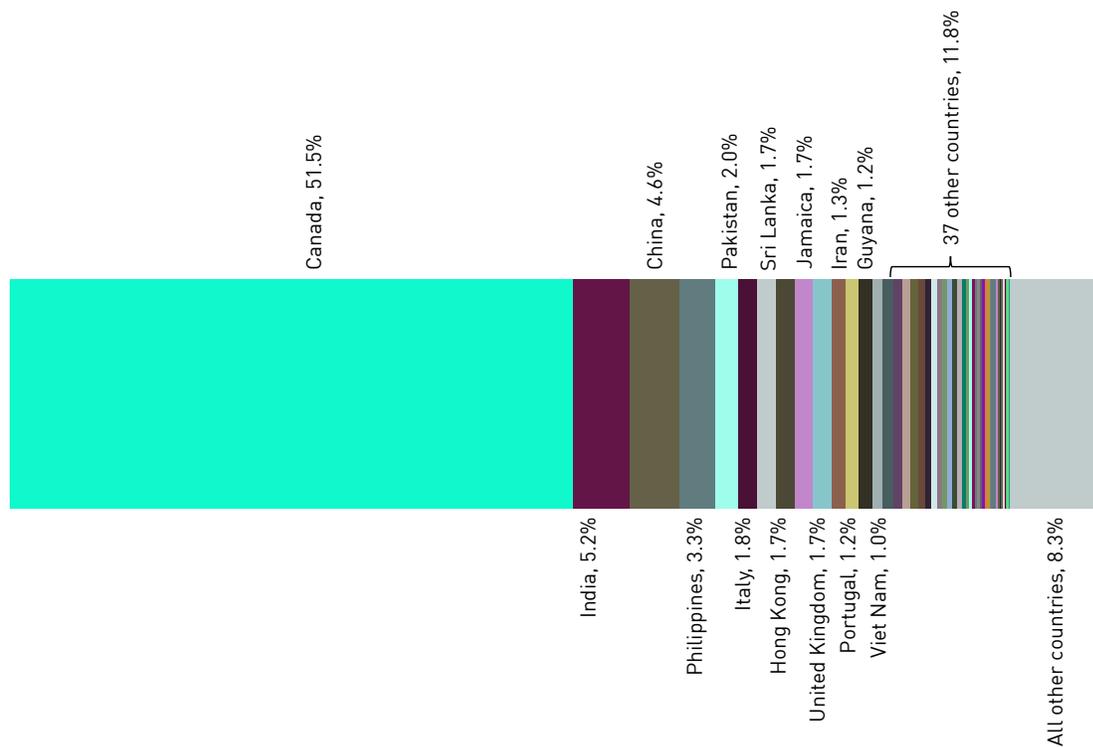
Indeed, Toronto is remarkable, both for the fact that almost one in every two residents is an immigrant, and for the multiplicity of the countries of origin of its immigrant population. The 2016 census lists 50 different source countries (i.e. countries of birth) for Toronto's immigrant population, although the total number is much larger as many smaller countries are grouped together under the catch-all heading of "other." Of these 50, only 13 individual countries are the place of birth of more than one per cent of

<sup>1</sup> See: [https://www1.nyc.gov/assets/immigrants/downloads/pdf/moia\\_annual\\_report\\_2018\\_final.pdf](https://www1.nyc.gov/assets/immigrants/downloads/pdf/moia_annual_report_2018_final.pdf); <https://migrationobservatory.ox.ac.uk/resources/briefings/migrants-in-the-uk-an-overview/>.

Toronto's total population; only one of these is the country of birth of more than five per cent (that country is India, the exact figure being 5.2 per cent).<sup>2</sup> The character of Toronto's diversity, therefore, stems not simply from the number of source countries of its immigrant population, but from the fact that no one source country predominates.

**FIGURE 1**

Country of birth, residents of Toronto (CMA), 2016



Source: Census 2016, Toronto CMA census profile and author's calculations.

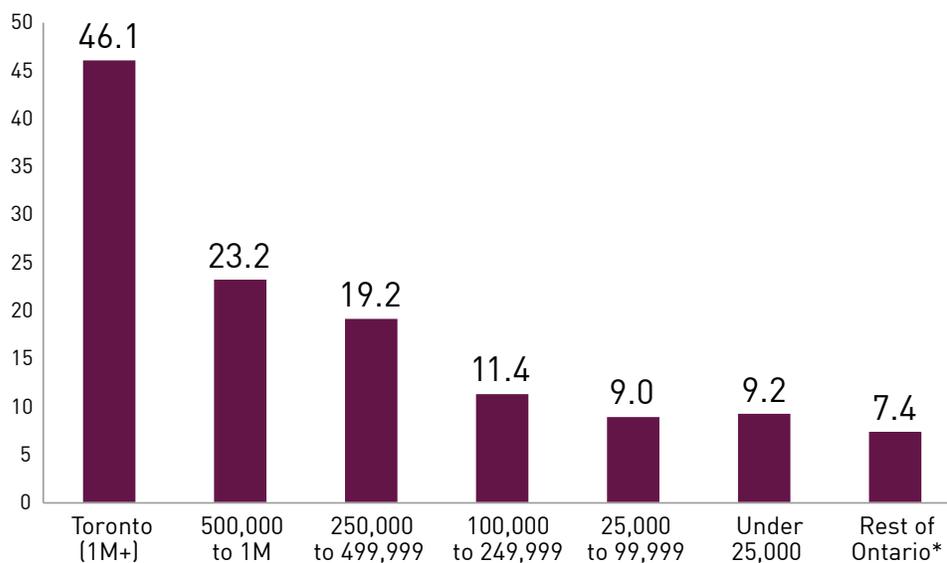
In celebrating this diversity, however, there is a risk of missing what is possibly a more important story, from the point of view of Ontario's economic development. This story is not about the presence of immigrants in Toronto, but the comparative absence of significant numbers of immigrants, especially recent immigrants, in mid-sized cities and smaller towns in Ontario. Ontario's immigration success story is only a partial one, as it does not apply to most communities in the province.

<sup>2</sup> Note that these figures refer to the country of birth of immigrants. Many more Torontonians, both immigrants and non-immigrants, trace their ancestry to countries outside of Canada, but this is classified as ethnicity and not place of birth.

It is well-established that most new arrivals to Canada head for the country's big cities. Yet it is too easy to gloss over how different the situation is in smaller cities and towns: in Ontario, the proportion of the population that is born outside of Canada drops off dramatically as one moves from larger to smaller communities. The proportion in the three next biggest metropolitan areas after Toronto is only half as big as that of Toronto itself (23 per cent, compared with Toronto's 46 per cent). It is only 19 per cent in the four communities with populations between 250,000 and 499,999, and less than 10 per cent in smaller communities.

## FIGURE 2

Immigrants as a proportion of total population, by community size - Ontario (2016)



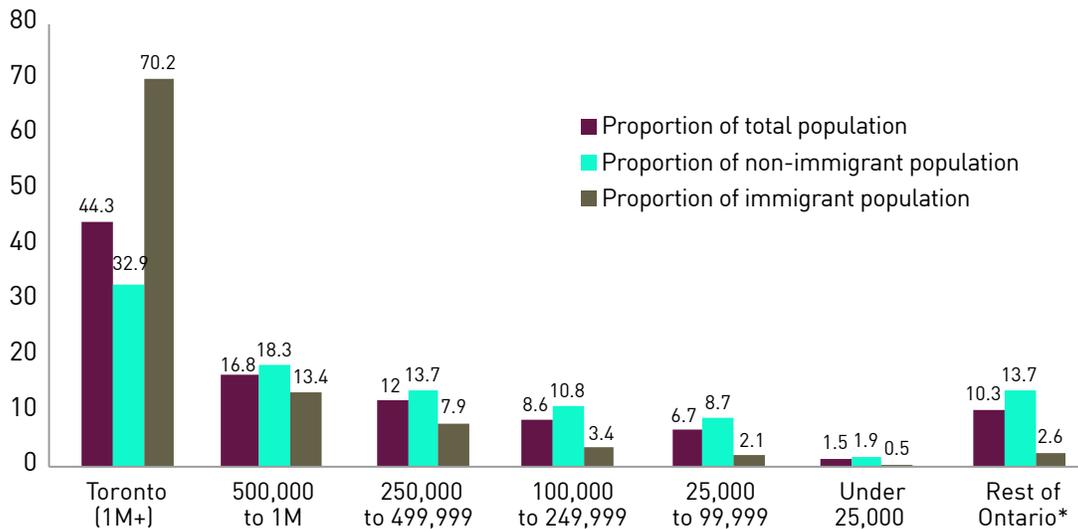
\*Outside of all CMAs and CAs

Source: Census 2016, Highlight Tables (Immigration and Ethnocultural Diversity) and author's calculations. Based on census metropolitan areas and census agglomerations. Averages are weighted.

The disproportionate concentration of Ontario's immigrant population in Toronto can also be illustrated this way: the Toronto CMA comprises 44 per cent of the province's total population, but fully 70 per cent of its immigrant population compared with 33 per cent of its Canadian-born population. Cities and towns with populations of between 25,000 and 499,999 together hold 27 per cent of the Ontario population but are home to only 13 per cent of province's immigrants. For even smaller communities, the respective figures are 12 per cent and three per cent.

**FIGURE 3**

Proportion of total population, non-immigrant population and immigrant population, by community size - Ontario (2016)



\*Outside of all CMAs and CAs

Source: Census 2016, Highlight Tables (Immigration and Ethnocultural Diversity) and author's calculations. Based on census metropolitan areas and census agglomerations. Averages are weighted.

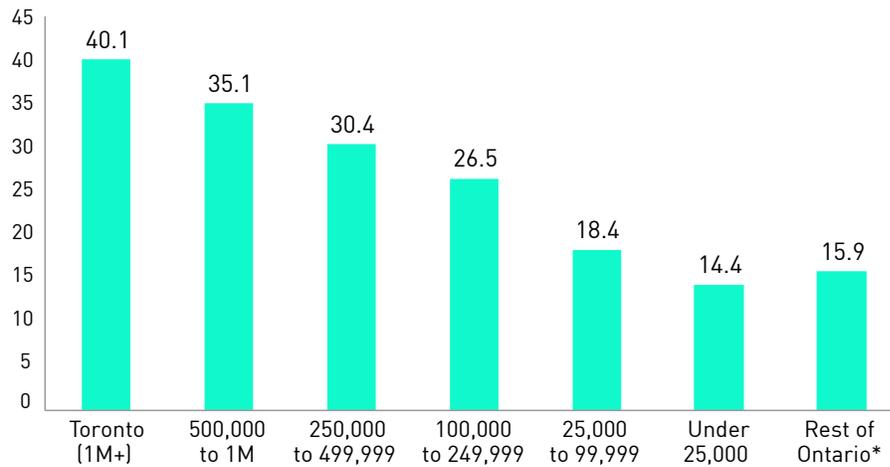
What's more notable is that the concentration of Ontario's immigrants in Toronto is increasing over time, as recent immigrants are even more likely to settle in the province's largest city than are immigrants who arrived longer ago. The Toronto CMA is home to two-thirds of the province's immigrants who arrived prior to 2001, but three-quarters of those who arrived more recently. As a result, not only is a greater share of Toronto's population born outside of Canada, but a greater share of Toronto's immigrant population is formed of immigrants who arrived within the last two decades. Forty per cent of Toronto immigrants arrived in or after 2001.

This matters, of course, because of the role that ongoing immigration plays in the renewal of Ontario's labour force, in the context of a relatively low birth rate.<sup>3</sup> While the total proportion of Toronto's population that was born outside of Canada is just under one in two, the proportion of the prime working age population (age 25 to 54) is higher, at just over one in two. In other words, a majority of Toronto's core labour force is composed of immigrants. In other major cities (CMAs) in the province

<sup>3</sup> The fertility rate in Ontario in 2016 was 1.46 children per woman, down from 1.55 a decade earlier. See Claudine Provencher, Anne Milan, Stacey Hallman and Carol D'Aoust, *Fertility: Overview, 2012 to 2016* (Ottawa: Statistics Canada, 2018); <https://www150.statcan.gc.ca/n1/pub/91-209-x/2018001/article/54956-eng.htm>.

**FIGURE 4**

Proportion of all immigrants who are recent immigrants (arriving in or after 2001), by community size - Ontario (2016)



\*Outside of all CMAs and CAs

Source: Census 2016, Highlight Tables (Immigration and Ethnocultural Diversity) and author's calculations. Based on census metropolitan areas and census agglomerations. Averages are weighted.

(Ottawa, Hamilton, and Kitchener-Cambridge-Waterloo), immigrants also account for a greater share of the 25 to 54 year-old population than they do of the general population – suggesting that in these communities, as in Toronto, immigration is contributing disproportionately to the growth of the labour force. In CMAs with populations between 100,000 and 499,999, immigrants form about the same share of the 25 to 54 year-old population as they do of the general population; for smaller cities and towns, however, immigrants form a lesser share of the 25 to 54 year-old population than they do of the general population.

As illustrated in Figure 5, the difference in the age profile of immigrants inside and outside of Toronto is even more profound. In Toronto, just over one in five immigrants is a senior citizen; in areas of Ontario outside of the province's eight largest metropolitan areas, the proportion of immigrants who are over 65 is twice as high, at 42 per cent.

**FIGURE 5****Characteristics of immigrants, by community size**

	Characteristic	Toronto (CMA)	Next 7 biggest CMAs <sup>4</sup>	Rest of Ontario
Age	0-24	11.3%	11.7%	6.6%
	25-64	67.2%	61.1%	51.6%
	65+	21.5%	27.3%	41.7%
Place of birth	United Kingdom	3.7%	11.2%	22.4%
	Europe	22.8%	40.4%	59.7%
	Africa	5.6%	7.8%	3.1%
	Asia	56.1%	35.6%	18.3%
Ethnicity	British	5.7%	15.2%	29.8%
Identity	Visible Minority	72.4%	25.5%	51.7%
Education AGE 25-54	No HS diploma	9.8%	9.4%	13.3%
	HS diploma	20.1%	20.0%	22.1%
	Trades or college <sup>5</sup>	25.5%	29.6%	32.6%
	University degree	44.5%	41.0%	32.0%
Labour force AGE 25-54	Participation rate	82.9%	81.8%	83.8%
	Unemployment rate	6.9%	6.8%	5.5%

Source: Census 2016 Data Table #2 (Immigration and Ethnocultural Diversity) and author's calculations.

In fact, a majority of immigrants in these areas of Ontario are over the age of 55 – and thus, far from contributing to labour-market growth in the future, having either already left or being about to exit the labour force.

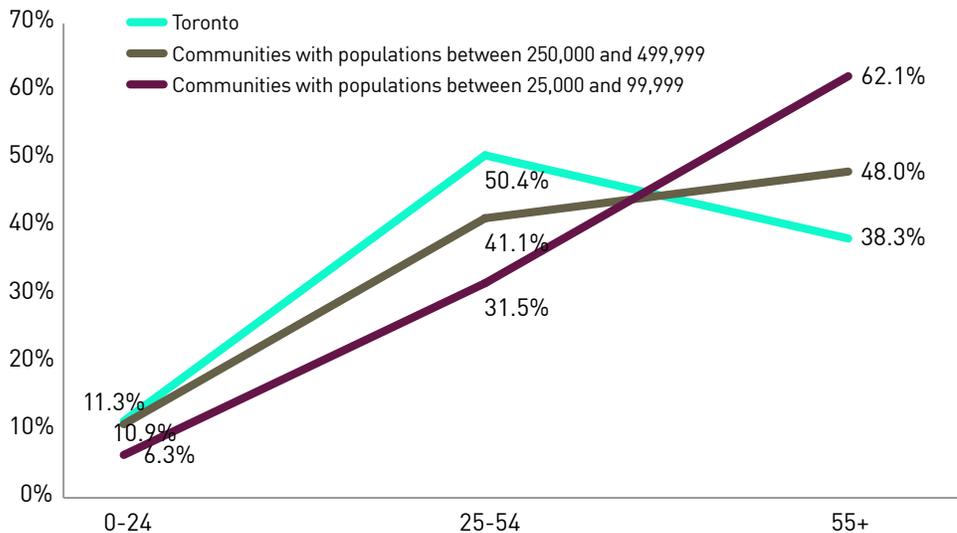
There are two further implications of these differences between the age profiles of the immigrant population of bigger-city and smaller-town Ontario. The first is that, absent a boost to new immigration in smaller-town Ontario, the immigrant share of the population of those communities will decline over time – bucking the overall provincial trend – as older immigrants die without being replaced by new arrivals. The second is that, because of this, the characteristics of bigger-city and smaller-town Ontario will continue to become even more dissimilar over time: the gradual increase in the immigrant share of the province's population as a whole will reflect the combination of increasingly divergent experiences of growing immigration in large metropolitan areas and declining immigration elsewhere.

<sup>4</sup> Ottawa - Gatineau (Ontario part), Hamilton, Kitchener - Cambridge - Waterloo, London, St. Catharines - Niagara, Oshawa, Windsor.

<sup>5</sup> Apprenticeship or trades certificate or diploma; college, CEGEP or other non-university certificate or diploma; university certificate or diploma below bachelor level.

**FIGURE 6**

Age distribution of immigrant population, by community size – Ontario (2016)



Source: Census 2016, Highlight Tables (Immigration and Ethnocultural Diversity) and author's calculations. Based on census metropolitan areas and census agglomerations. Averages are weighted.

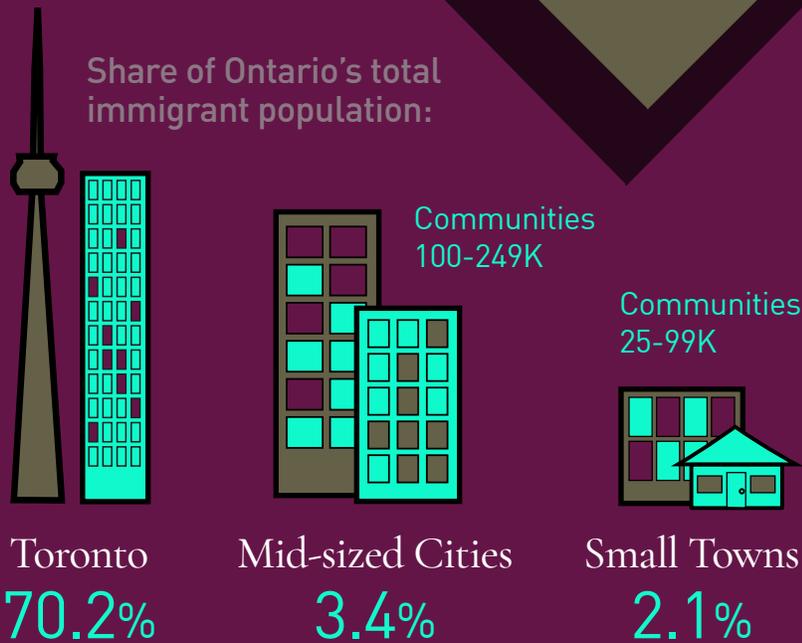
*Immigrants of working age with a university degree represent 10 per cent of the total population of metropolitan Toronto, but only one per cent of Ontario's population outside of the eight largest CMAs.*

But age is only one of the important ways in which Toronto's immigrant population differs from immigrants in smaller cities and towns in the province (see Figure 5). Immigrants in cities and towns with population below 250,000 are more than five times more likely to have been born in the UK, and more than three times less likely to have been born in Asia. They are much more likely to identify as British (in terms of ethnicity) and much less likely to identify as a visible minority. They are also less likely to have a university degree.

One way to put this, which captures the combined effects of the concentration of immigrants, their age and their educational attainment is as follows: immigrants of working age with a university degree represent 10 per cent of the total population of metropolitan Toronto, but only one per cent of Ontario's population outside of the eight largest CMAs.

# Immigration in Ontario

Where are immigrants settling in Ontario?



Which immigrants are doing better in the labour market?\*

	OVERALL	MEN	WOMEN	UNIVERSITY DEGREE
Arrived in Canada before 1981:	129%	127%	129%	128%
Arrived in Canada 2011-2014:	77%	79%	71%	72%

\*Born from 1972-1991, median employment income as a % of that of non-immigrants in the same age group.

# 3 Immigrants in the Labour Market

It is well-known that immigrants face many obstacles in their effort to secure stable and well-paid employment in Canada. These obstacles can range from language barriers, to a lack of previous work experience in Canada, to difficulties in having foreign academic credentials or professional qualifications recognized in Canada, to experiences of outright discrimination.<sup>6</sup>

One of the main stories that the census tells, however, is that of the wide variation in the labour-market experiences of immigrants in Ontario. This can be illustrated first by looking at the likelihood of earning income through employment.

- » Roughly speaking, male immigrants are just as likely to be earning income through employment as male non-immigrants, with the exception of older male immigrants who only recently arrived in Canada.
- » The situation of female immigrants is quite different: most younger female immigrants, as well as older female immigrants who arrived after 2001, are considerably less likely than their female non-immigrant counterparts to be earning employment income. Among those between the ages of 25 and 44, for instance, there is a gap of 11.3 percentage points between the portion of female immigrants and non-immigrants who earn income from employment, compared with a gap of only 2.5 percentage points in the case of men.
- » Interestingly, educational attainment appears to play a somewhat different role in the case of immigrant men compared with immigrant women. In the case of men, higher educational attainment does not necessarily reduce the disadvantages faced by immigrants compared with non-immigrants with similar levels of educational attainment. In fact, the immigrant to non-immigrant gap in the likelihood of earning income through employment is generally a bit bigger for male immigrants with a university degree who arrived in Canada as adults than for male immigrants with only a high school education. This does not mean that male immigrants with a university

<sup>6</sup> See, for example: C. Warman, A. Sweetman, and G. Goldmann, “The Portability of New Immigrants’ Human Capital: Language, Education, and Occupational Skills,” *Canadian Public Policy*, 41 (Supplement 1, 2015); pp. S64-S79; A. Clarke, and M. Skuterud, “A Comparative Analysis of Immigrant Skills and their Utilization in Australia, Canada, and the USA,” *Journal of Population Economics*, Vol. 29, No. 3 (2016), pp. 849-882; A. Ferrer, and W.C. Riddell, “Education, Credentials, and Immigrant Earnings,” *Canadian Journal of Economics*, Vol. 41, No. 1 (2008), pp.186-216.

degree are not better off than male immigrants with only a high school diploma; but it does mean that, compared with non-immigrants with similar levels of educational attainment, male immigrants with university degrees face a greater “penalty” in the labour market (in terms of lower likelihood of earning income through employment) than male immigrants with a high school diploma.<sup>7</sup>

- » In the case of female immigrants, particularly in the older age group (age 45 to 64), the opposite is the case: those with a university degree generally have a likelihood of earning employment income that is closer to that of their non-immigrant counterparts than female immigrants with lower levels of education (with the exception of the most recent immigrants arriving from 2011 onwards). This likely reflects both the different employment opportunities for male and female immigrants without a postsecondary education (with more opportunities being open to males), as well as the fact that older female immigrants without a postsecondary education may be less likely to be seeking work (i.e. they may be coming to Canada primarily to join a family member rather than for economic reasons).

This complexity is repeated when we look at how much immigrants earn relative to non-immigrants. Not surprisingly the initial finding is that immigrants are at a disadvantage: among those working on a full-year, full-time basis, the median employment income of immigrants in Ontario is only 90 per cent that of non-immigrants. Again, however, this overall figure masks a significant degree of variation within the province’s immigrant population. Of particular importance is the interaction between a person’s age at the time they immigrated, and the length of time they have been in Canada.

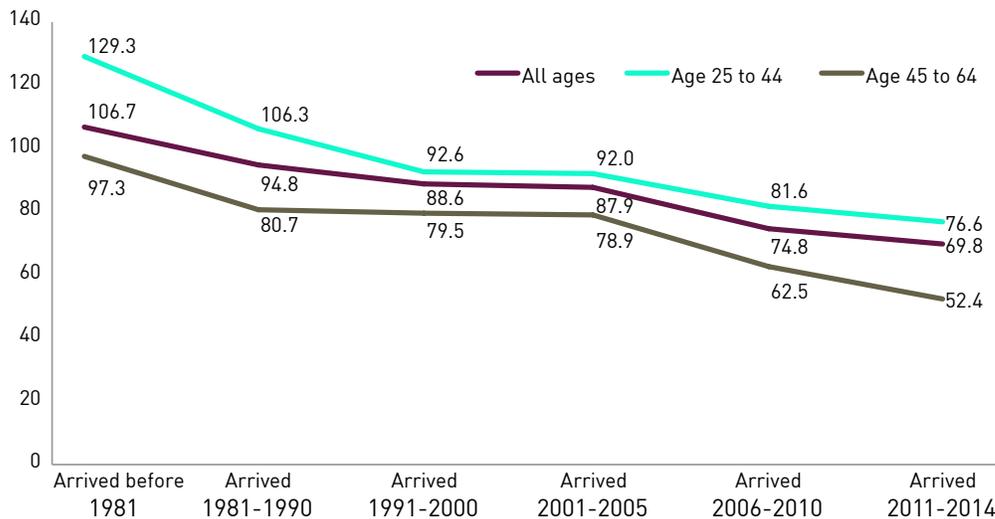
- » The earnings of immigrants are highest for those who arrived longer ago and decline as the period of arrival becomes more recent. Immigrants who arrived prior to 1981 earn considerably more than non-immigrants, while those who arrived in the last few years earn only 70 per cent of what non-immigrants do (looking only at those working on a full-year, full-time basis).<sup>8</sup> But even this only tells part of the story.

<sup>7</sup> For greater clarity, the comparison here is not between immigrants with different levels of education, but between immigrants and non-immigrants with similar levels of education.

<sup>8</sup> This comparison is imperfect. Technically, the comparison refers to both immigrants and non-immigrants of all ages. By definition, however, non-immigrants who arrived several decades ago are at least in their 30s, if not older. The age profiles of immigrants thus necessarily skews older than that of non-immigrants when looking at immigrants who arrived in earlier periods. This is why the discussion proceeds to compare immigrants and non-immigrants in similar, narrower age groups.

**FIGURE 7**

Median employment income of immigrants as a % of that of non-immigrants, by period of arrival (Ontario, 2015), working full-year and full-time



Source: Census 2016 Data Table #43 (Immigration and Ethnocultural Diversity) and author's calculations.

» The fuller picture is revealed when we compare immigrants and non-immigrants of a similar age, starting with those who were between the ages of 25 and 44 at the time of the 2016 census.<sup>9</sup> In this case, the earnings of immigrants who arrived longer ago are particularly strong: those arriving prior to 1981 now earn 129 per cent of what non-immigrants do; the figure for those who arrived between 1981 and 1990 is 106 per cent. The key point, of course, is that these immigrants were children at the time they came to Canada: someone who was 44 years old at the time of the 2016 census was 18 years old if they immigrated in 1990, and younger if they arrived any time before then. What these figures tell us, then, is that immigrants who came to Canada as children, and who therefore likely completed some if not all of their education here, do particularly well in the labour market as adults.<sup>10</sup>

<sup>9</sup> Note that this means that the comparison is between immigrants and non-immigrants in similar age groups, not between immigrants in different age cohorts.

<sup>10</sup> The evidence also suggests that the children of immigrants – second-generation Canadians – also do well in the labour market; however the analysis in this report is restricted to first-generation immigrants (those born outside of Canada).

- » Immigrants currently between the ages of 25 and 44 who arrived in Canada somewhat later, between 1991 and 2005, do somewhat less well, with median employment incomes of just over 90 per cent of those of non-immigrants of the same age. This group contains a mix of immigrants who arrived as children and those that arrived in their 20s or very early 30s. Immigrants currently between the ages of 25 and 44 who arrived in Canada after 2005, however, do much less well (see Figure 7). Almost all of these immigrants arrived in Canada as adults.
- » The scenario is similar in the case of those aged 45 to 64 at the time of the 2016 census, but with even more dramatic results. Immigrants in this age group who arrived in Canada prior to 1981 earn almost as much as their non-immigrant counterparts; some of these immigrants were children when they arrived, while others were young adults. Those arriving between 1981 and 2005 earn about four-fifths as much as their non-immigrant counterparts; these immigrants would mostly have been in their 20s, 30s or early 40s when they arrived. Those now in this age group who immigrated after 2005 do much less well: the most recent arrivals earn only about half of non-immigrants in the same age group. All of these immigrants arrived in Canada after they turned 35.

*The earnings gap between immigrants and non-immigrants widens in the case of more recent arrivals with higher levels of education, especially if these more recent arrivals are also older.*

There are, of course, many other factors at work other than those presented here. The period of arrival in Canada captures not only the age at immigration, but also the amount of time an immigrant would have had to accumulate Canadian work experience.<sup>11</sup> The period of arrival also reflects the ethnic profile of immigrants, as those who arrived in later periods are less likely to have been born in Europe, and more likely to have been born in Asia or Africa. The variation in labour-market outcomes by period of immigration therefore may also be an indication of the greater barriers faced by immigrants with non-European origins.

<sup>11</sup> There may also be interactions between the period of arrival and the economic cycle, with some periods being characterized by greater labour market demand, affecting both short- and long-term immigrant employment rates and earnings.



These results also do not distinguish between different categories of immigrants, namely those admitted as economic immigrants, family-sponsored immigrants or refugees. Nor do these results distinguish between those who do and do not identify as members of a visible minority. These caveats notwithstanding, the principal conclusion remains that age at immigration is a key determinant of success, with those arriving in Canada at younger ages – particularly as children – subsequently doing much better in the labour market than those arriving as adults.

Two other patterns are worth noting. The first of these pertains to gender. Overall, the earnings gaps between immigrants and non-immigrants is the same for both men and women (among those working on a full-year, full-time basis): male immigrants earn about 90 per cent as much as male non-immigrants, as do female immigrants compared with female non-immigrants.<sup>12</sup> However, the pattern noted above – wherein those who arrived in Canada in an earlier period and at a younger age do better in the labour market compared with those who arrived later and older – is more accentuated in the case of women.

Among those aged 25 to 44, for instance, female immigrants who arrived prior to 1981 have median employment incomes that are 129 per cent as large as those of female non-immigrants, while the figure for those arriving after 2011 is 71 per cent. In the case of male immigrants, the figure for those arriving prior to 1981 is slightly lower (127 per cent), while the figure for those arriving after 2011 is slightly higher (79 per cent). This means simply that, among immigrants, period and age at arrival is more important for women than for men.

The second notable pattern pertains to education. In general, the earnings gap between immigrants and non-immigrants in Ontario is the same regardless educational attainment: immigrants with a postsecondary education earn about 90 per cent as much as non-immigrants with a postsecondary education, as do immigrants without a postsecondary education compared with their non-immigrant counterparts.<sup>13</sup> There are, however, a couple of exceptions to this pattern.

<sup>12</sup> Note that the comparison here is between immigrants and non-immigrants within genders, not between men and women.

<sup>13</sup> See note 7.

*In general, the earnings gap between immigrants and non-immigrants in Ontario is the same regardless educational attainment: immigrants with a postsecondary education earn about 90 per cent as much as non-immigrants with a postsecondary education.*

First, the gap between the earnings of immigrants and non-immigrants is much greater than average among those who trained as an apprentice. Among those aged 25 to 44 at the time of the 2016 census, for instance, immigrants with a certificate of apprenticeship earned 73 per cent of non-immigrants with that qualification, compared with a ratio of 89 per cent among those with a university degree. In the case of those in this age group who arrived in Canada as adults (after 2001), the ratio is even lower, at around 60 per cent. This is perhaps suggestive of the greater difficulty in having foreign training recognized by employers at the apprenticeship level, or of the barriers facing new arrivals seeking work as apprentices without having had time to develop personal networks within their trades.

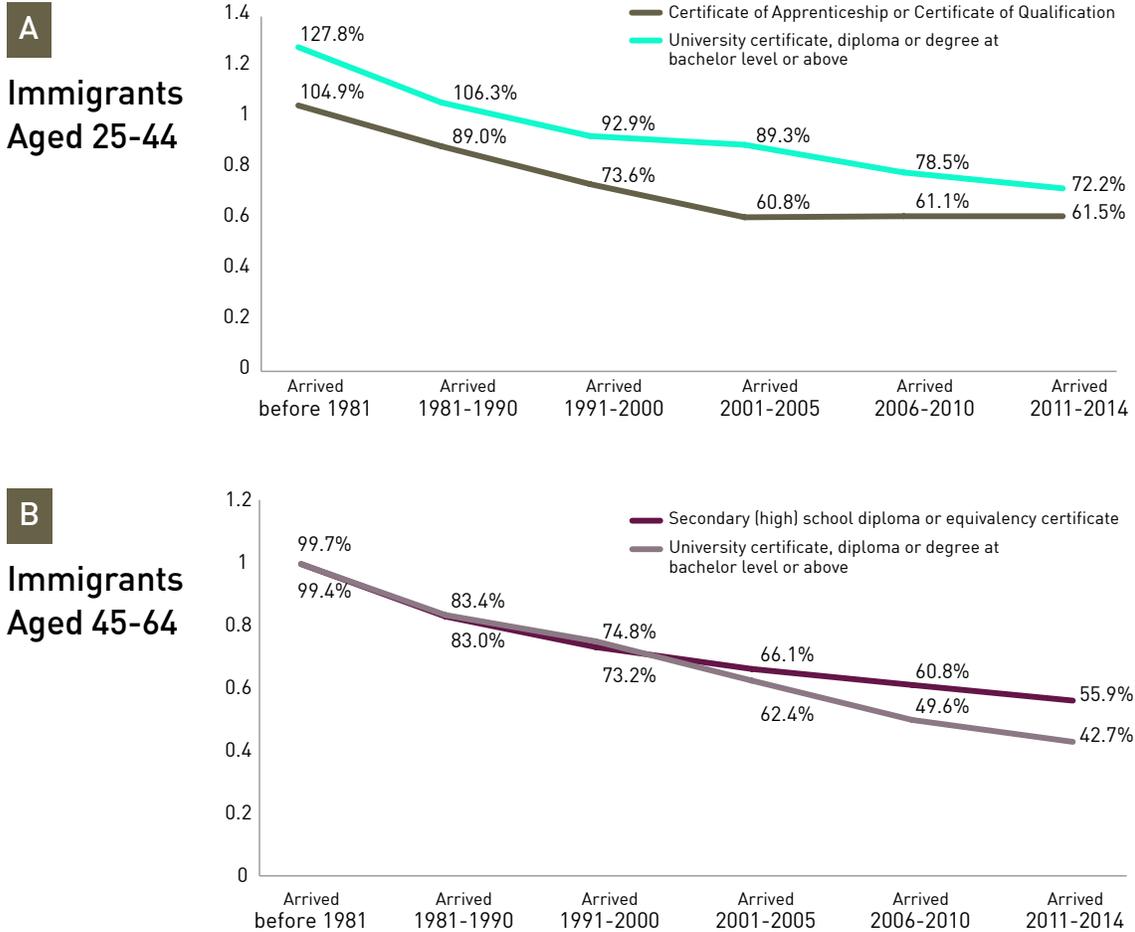
A second exception is that the earnings gap between immigrants and non-immigrants widens

in the case of more recent arrivals with higher levels of education, especially if these more recent arrivals are also older. Overall, immigrants aged 45 to 64 at the time of the 2016 census who have a university degree earn 75 per cent as much as their non-immigrant counterparts, but this ratio falls below 50 per cent for those arriving within the last decade. This suggests that the difficulties that immigrants who arrive in Canada as adults have in integrating into the labour market are more and not less acute for those with higher levels of education.

It is difficult to summarize these findings, but that is precisely the point: there are few discernable patterns that apply to the labour-market experiences of all immigrants in Ontario regardless of age, sex, level of education and period of arrival. Many types of immigrants in Ontario have above-average labour-market outcomes in terms of employment and earnings, notably those who arrive as children, but those who arrive as adults face a much greater challenge. The labour market also appears to be less “forgiving” in the case of female immigrants compared with their male counterparts: it is more important for female immigrants to arrive in Canada at a young age, and it is harder for female immigrants without a postsecondary education to find work.

**FIGURE 8**

Median employment income of immigrants as a % of that of non-immigrants, by period of arrival and selected educational attainment (Ontario, 2015), working full-year and full-time



Source: Census 2016 Data Table #43 (Immigration and Ethnocultural Diversity) and author's calculations.

Higher levels of education can also make integration into the labour market harder rather than easier for immigrants: while immigrants with a university education are at an advantage compared with immigrants with no postsecondary education, they are actually at a greater disadvantage when compared with non-immigrants with similar levels of education. In other words, the relative penalty is greater. This points to the greater selectivity or discretion exercised by employers hiring for positions that require higher levels of education, discretion that opens the door to obstacles, such as doubts about foreign credentials or discriminatory attitudes.

# 4 Implications for Public Policy

The evidence presented above lends itself to two groups of policy recommendations, one related to the geography of immigrant settlement, and another related to integration into the labour market.

Medium- and smaller-sized communities in Ontario face a significant demographic challenge. The first report in this series noted that, while “on average, in Ontario, there are 96 young adults (age 15 to 19) preparing to enter the labour force for every 100 people age 60 to 64 who are about to retire... the ratio falls as population size decreases, reaching only 89 in mid-sized cities, 72 in smaller cities and only 68 in small towns.”<sup>14</sup> Immigration offers a potential solution to this challenge, but as this report has shown, it is a solution that has so far proven elusive. Ontario’s immigration success story is limited to the experience of the Toronto metropolitan area, and to a lesser extent, the seven next biggest cities in the province. Outside those large communities, the real story the census tells is that of the relative lack of immigrants, and especially of recent immigrants.

In order to address the challenge of communities with too few young people, Ontario should create a new immigration strategy that prioritizes immigrant settlement in medium- and smaller-sized cities and towns. This means adopting a more targeted approach than that outlined in Ontario’s most recent immigration strategy, issued in 2012.<sup>15</sup> The objectives and targets enumerated in that strategy made no reference at all to the geography of immigrant settlement or to the distribution of immigrants across different communities in the province.

Newcomers, of course, cannot be compelled to settle in communities that offer few opportunities. The main way to attract more immigrants to Ontario’s smaller cities and towns is to make them desirable places to work and live. In the first instance, then, an immigration strategy focusing on medium- and smaller-sized communities is simply an extension of a regional economic development strategy that seeks to grow local economies and create new jobs in parts of Ontario outside of the Toronto metropolitan

<sup>14</sup> Andrew Parkin, *A Different Ontario – Population: Where and With Whom do Ontarians Live* (Toronto: Mowat Centre, 2018); [https://mowatcentre.ca/wp-content/uploads/publications/172\\_ADO\\_population.pdf](https://mowatcentre.ca/wp-content/uploads/publications/172_ADO_population.pdf).

<sup>15</sup> See <https://www.ontario.ca/page/new-direction-ontarios-immigration-strategy>.

area.<sup>16</sup> For these communities, economic development strategies should also be conceived as immigrant recruitment and settlement strategies, and vice versa. Such an approach could involve more outreach by provincial and local governments to local employers to encourage their sponsorship of immigrants in strategic areas of regional economic activity, as well as more use by the provincial government of its nominee program in tandem with growth plans set by local governments and employers.

To be successful, however, it is also important to consider what factors beyond employment make communities enticing to new arrivals. Job opportunities are likely only one of many factors that entice immigrants to settle in Toronto. Others may relate to the fact that Toronto may already be home to family members or members of their own cultural community, and to the fact that communities with larger proportions of immigrants may naturally appear to be more welcoming. Smaller communities seeking to attract more immigrants have to be deliberate in their efforts to counter various “tipping points” that make the concentration of immigrants in larger centres more and more likely.

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This could start with a focus on the range of employment, health, education and social services to which new immigrants, particularly those arriving with families, often require access, and which by default are more readily available in larger cities. Measures to welcome new children into local schools -- ranging from expertise in language acquisition, to outreach to parents, to the celebration of multiculturalism -- are but one example of a service that can make smaller communities more attractive to immigrant families. Smaller communities should develop innovative ways to provide these services in multiple languages, including through shared mobile services that can cover larger areas, and by using digital technologies that go far beyond passive information-providing websites.

<sup>16</sup> For an example from another province of a recent initiative seeking to tie together regional economic development and immigrant, see <https://www.newconversationsnb.com/>.

Another option is for smaller communities to become much more ambitious in the area of refugee settlement. Currently, 96 per cent of all immigrants in the province who were admitted as refugees live in one of the province's eight largest metropolitan areas. The rest of the province, which contains 27 per cent of Ontario's total population, is home to only four per cent of its refugees.<sup>17</sup> The option of settling more refugees outside of the largest cities is one that a number of smaller-town mayors in Ontario have already opted to pursue, for example by advocating in recent years for greater numbers of refugees from Syria to be settled in their communities. This approach can be expanded and made more systematic, particularly through the mobilization of local community organizations that can promote wider private sponsorship of refugees.

Medium- and smaller-sized communities in Ontario can also adopt a more deliberate approach to international education as a means of recruiting new immigrants. Ontario has a considerable number of universities and colleges located outside of major metropolitan areas, all of whom receive international students. Many of these students plan to remain in Canada after graduation, though not necessarily within the communities in which they are studying. There is scope for local employers and governments to work more closely with universities and colleges to connect the dots between programs of study, local post-graduation job opportunities, and the local availability of social services that can facilitate the integration of immigrants, including spouses and children of international students.<sup>18</sup>

17 Author's calculations using figures from Census 2016 Data Table #5 (Immigration and Ethnocultural Diversity).

18 A pilot project with this objective, called the Atlantic International Graduate Program (AIGP), is currently running in the four Atlantic provinces. See: <https://www.canadastudynews.com/2017/03/23/atlantic-immigration-pilot-program-graduates-apply-without-work-experience/> and <https://www.canada.ca/en/immigration-refugees-citizenship/services/application/application-forms-guides/guide-5497-atlantic-immigration-pilot-program-atlantic-international-graduate-program.html>.

A final means of boosting immigration to Ontario communities outside of Toronto could stem from the current commitment of federal and provincial governments to increase the number of French-speaking immigrants settling in Canada outside Quebec. A focus by Ontario on immigrants from French-speaking countries can become a basis for a more ambitious immigrant recruitment and settlement strategy based around Franco-Ontarian communities, such as those in eastern or northern parts of the province. Investment in French-language educational and cultural institutions can thus serve the twin goals of supporting Ontario's francophones and making their communities more attractive to newcomers who wish to continue to work and live in French.

In terms of facilitating integration into the labour market, the way forward has already been outlined in previous studies, such as that issued in 2017 by the Institute for Competitiveness and Prosperity (ICP).<sup>19</sup> The ICP argued that, in Ontario, “if immigrants were able to obtain employment to the full extent possible and earn wages that better reflected their experience and skills, this would result in up to a \$15.2 billion increase in immigrant incomes – equivalent to 2.0 percent of Ontario's GDP.”<sup>20</sup> The Institute's recommended steps to achieving these improved outcomes include strengthening official language and so-called “soft skills” training programs, targeting culturally sensitive immigrant settlement services to female immigrants, particularly those from source countries with low female labour force participation, and facilitating the recognition and verification of foreign education credentials.<sup>21</sup> Initiatives such as these should be pursued and their impact evaluated so as to ensure a continual improvement of immigrant settlement services over time.

One caveat, however, concerns the recommendation related to soft skills, which are generally understood to refer to interpersonal skills and cultural competencies rather than technical skills or discipline-based knowledge. In a society as diverse as Ontario, it is important that the focus on soft skills does not become a means of legitimizing discrimination by encouraging employers to favour employees who think and act like them. This report has highlighted the greater obstacles that are sometimes faced

19 For an earlier example, see Garnett Picot and Arthur Sweetman, *Making It in Canada: Immigration Outcomes and Policies* (Montreal: IRPP, 2012); <http://irpp.org/wp-content/uploads/assets/research/diversity-immigration-and-integration/making-it-in-canada/IRPP-Study-no29.pdf>.

20 Institute for Competitiveness and Prosperity, *Immigration in Ontario: Achieving Best Outcomes for Newcomers and the Economy* (Toronto: Institute for Competitiveness and Prosperity, 2017), p. 27; <https://www.competeprospert.ca/work/working-papers/immigration-in-ontario-achieving-best-outcomes-for-newcomers-and-economy>.

21 Institute for Competitiveness and Prosperity, *Immigration in Ontario*, p. 31.

by immigrants with higher levels of educational attainment. In a knowledge-based economy that places a premium on skills, this finding is somewhat counter-intuitive. It may reflect, however, the greater subjectivity involved in matching employees' skills to the skills requirements of more knowledge-intensive occupations. Employers may need more training in order to recognize what employees with foreign training are offering. It is important to ensure that the discussion about soft skills does not end up working against these efforts. Going further, the ability to build diverse workplaces and cooperative working relationships across cultures should itself be recognized as a key "soft skill" for both employers and employees alike in contemporary Ontario.

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An additional policy implication of the census results pertaining to immigrant labour-market outcomes is the importance of taking a longer-term perspective on immigration. Considerable attention is inevitably taken up by the short-term need to address immediate skills-shortages. This is understandable, but insufficient. On the one hand, immigrants with potentially the most to offer – in terms of the skills they bring with them – often take the longest time to integrate fully into the labour force (in terms of earning incomes commensurate with their training). On the other hand, and perhaps more importantly, the census reminds us that the most successful immigrants are the ones who arrive in Canada as children. These immigrants will respond to Canada's skills needs many years in the future, not today – yet they are more and not less important to the country's long-term economic success.

For this reason, policymakers, as well as pundits, should be encouraged to think of immigration as a two-step or two-generation process, one that potentially offers shorter-term benefits through the arrival of adult newcomers, but even greater longer-term benefits through the arrival of their children. This could mean prioritizing (for example, through the provincial nominee program) prospective immigrants with young children – a step beyond the current system that favours younger adults over older ones. More generally, such an approach again highlights the importance of family-focused immigrant settlement services and community outreach that ensures that Ontario cities and towns offer not only employment opportunities to immigrants, but are seen as desirable places to locate families and raise children from a wide range of cultural backgrounds.

