

# IMMIGRANT ECONOMIC EXPERIENCES

## A CANADA-US COMPARISON

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# Immigrant Geographies of North American Cities

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Chapter 6  
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# Outline

- A. Economic debate on immigration**
- B. Theoretical contexts**
- C. Empirical contexts**
- D. Economic experiences**
- E. Conclusions**

# Economic Debate

## Immigration as an economic instrument

- Filling gaps in the labour market
- Increasing economic growth
- Generating fiscal benefit
- Meeting regional needs
- Increasing trade flows

# Economic Debate

## Mixed public views

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- ❖ Taking jobs away from locals
- ❖ Depressing wages
- ❖ Draining public coffers

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- Do dirty jobs loathed by locals
- Expanding consumer base
- Expanding human capital base
- Promoting international trade

# Economic Debate

## Concerns on economic integration

- Can they practice what they studied or worked in their home countries?
- Do they earn as much as the native-born?
- If less, how long does it take to catch up with the native-born?
- Why immigrants experience disadvantage in the labour market?
- How are Canadians' experiences compared to their US counterparts?
- How are women's experiences compared to men's?

# Theoretical Contexts

## Theories on economic experience

- Assimilation: initial entry gap, eventual catch-up
- Immigrant self-selection: better than native-born
- Structural differences between origins and destinations: skill demand and transferability?
- Reception context: immigration policy, citizenship law, social climate → mode of incorporation

# Theoretical Contexts

## Conceptualization

### □ intergroup variations

- history of immigration (institutional completeness, group size)
- origin conditions
- socioeconomic characteristics before emigration
- reception at destination
- market opportunities

### ❖ international variation

- ❖ admission/integration policy → immigrant type/class
- ❖ size of economy, business environment → opportunities
- ❖ prevailing social climate, racial structure before mass migration



# Empirical Contexts (1)

## Canada & US immigration policies

1. Initial period – labour migration
2. Exclusion era (late 1800s – WW II)
3. Transition period (WW II – mid 1960s)
4. Open-door period (mid 1960s – late 1990s)
5. Selective period (late 1990s → )

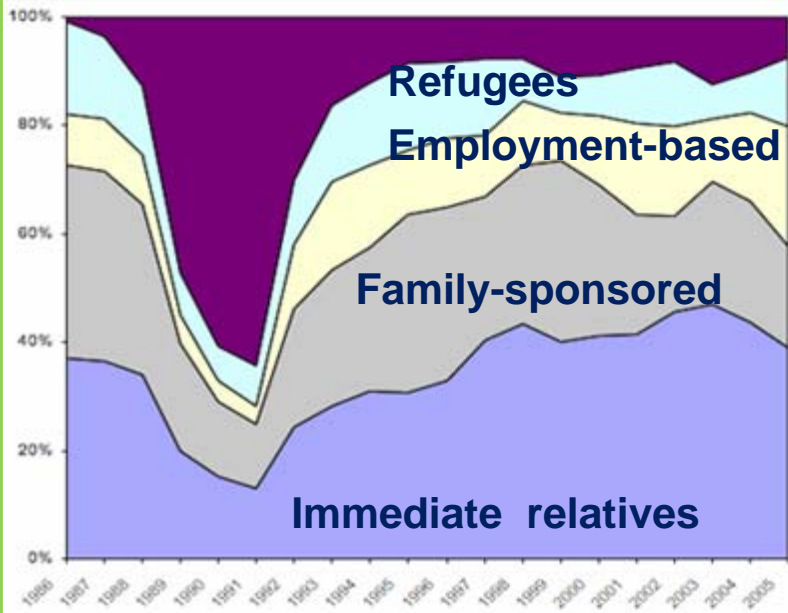
# Empirical Contexts (1)

## Contemporary immigration policies

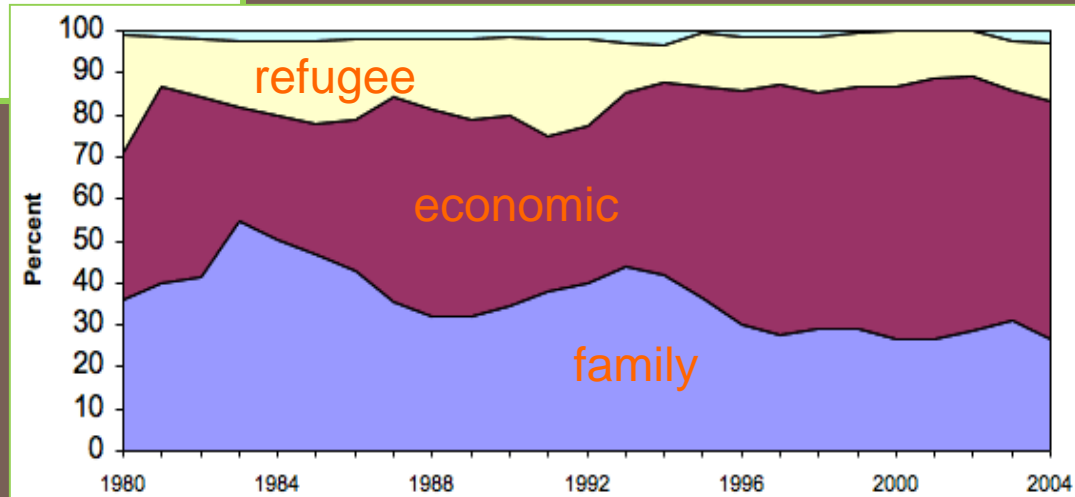
US	Canada
<p><b>1965 Immigration &amp; Nationality Act</b></p> <ul style="list-style-type: none"><li>- abolish discriminatory quota system</li><li>- family reunion (80% of admission quota)</li><li>- <u>employment-based &amp; humanitarian (20%)</u></li><li>- citizenship after 5 years</li></ul> <p><b>1980 Refugee Act</b></p> <ul style="list-style-type: none"><li>- separated refugees from immigrant quotas</li></ul>	<p><b>“Modern” Immigration Act</b></p> <ul style="list-style-type: none"><li>- 1962: eliminate all discriminations</li><li>- 1967: Points system valuing human capital</li><li>- 1976: citizenship after 3 years 4 immigrant classes</li></ul>
<p><b>1990 Immigration Act</b></p> <ul style="list-style-type: none"><li>- tripled employment-based quotas</li><li>- created the H-1B visa category</li></ul> <p><b>1998 American Competitiveness and Workforce Improvement Act</b></p> <ul style="list-style-type: none"><li>- double the volume of H-1B visa</li></ul>	<p><b>2002 Immigration &amp; Refugee Protection Act</b></p> <ul style="list-style-type: none"><li>- raising points for entry</li><li>- emphasis on official language proficiency, formal education, and prior <u>labour market experience</u></li></ul> <p><b>2008 Canadian Experience Class</b></p> <ul style="list-style-type: none"><li>- temporary foreign workers</li><li>- foreign students graduated from Canada</li></ul>

# Empirical Contexts (1)

## Immigration class



**US**



**Canada**

<http://www.migrationinformation.org>

# Empirical Contexts (1)

## Human capital

	Canada			US			
	immigrants	immigrated before 1991	immigrated 2001-2006	foreign-born	immigrated Before 1990	immigrated since 2000	
No certificate, diploma or degree	21.3%	23.7%	16.4%	32.9%	30.0%	35.8%	No high school diploma
High school certificate or equivalent	22.7%	22.5%	19.3%	23.9%	23.4%	24.1%	High school graduate, or GED
Apprenticeship or trades certificate or diploma	9.1%	11.5%	4.5%				
College, non-university certificate/diploma, & university certificate or diploma below bachelor level	21.5%	22.7%	17.9%	13.5%	15.2%	11.3%	Some college
				5.4%	6.3%	4.0%	Associate degree
Bachelor's degree	14.6%	11.3%	23.3%	14.8%	15.2%	15.0%	Bachelor's degree
University certificate or diploma above bachelor level, master's degree & earned doctorate	9.9%	7.6%	17.1%	7.7%	7.7%	8.1%	Master's and doctorate degree
Degree in medicine, dentistry, veterinary medicine or optometry	1.0%	0.9%	1.4%	2.0%	2.2%	1.7%	Professional degree

# Empirical Contexts (2)

## Integration ideals & practices

### Canada

- Collectivist
- Official multiculturalism since 1971 – pluralism as core value of Canadian identity
- Government-funded settlement and integration programs

### US

- Individualistic
- Assimilation to white protestant core
- Personal responsibilities

# Empirical Contexts (2)

## Economic environment

### Canada

- 1/10 of US
- Stronger primary resource sector
- Stringent regulations → non-recognition of credentials

### US

- GDP = 14.3 trillion
- More prominent quaternary sector, a bifurcated economy → more opportunities for both highly skilled and less educated immigrants
- Less regulated → more business development

# Economic Experiences (1)

## Labour force participation

- Higher immigrant LFPR in the US
  - male (79% vs. 69%)    female (56% vs. 55%)
- Twice as many recent immigrants, M or F, in the US are working full time (75% vs. 39%)
- Unemployment rates higher in Canada, esp. for women
- Self-employment rate higher among men than women in both countries
  - most entrepreneurial
    - US: West Asia/Middle East, Europe
    - Canada: West Europe, West Asia/Middle East, other Europe, East Asia

# Economic Experiences (2)

## Industry of employment

- More likely for immigrants in Canada to work in low- to mid-prestige sectors and US foreign-born in high-prestige jobs
- Compared to the American/Canadian-born,
  - immigrant men in both countries are overrepresented in both the low-prestige and high-prestige sectors, and underrepresented in public administration jobs;
  - Canadian women immigrants more likely in pink-collar jobs, and US foreign-born in the hospitality industry.
- More bifurcated in Canada
- Ethnic niching common
  - Canada: Italians in construction; S & SE Asians, C & S Americans in manufacturing
  - US: C Americans in manufacturing; S & W Asians in retail trade



# Economic Experiences (3)

## Occupational concentration

US: more varied structure

US: higher % in 'bad' jobs

Can: higher % in 'good' jobs

immigrant men in Canada doing better than those in the US

Difference between established and recent immigrants

Occupational Groups (*** = male-dominated)	Canada		The US	
	Men	Women	Men	Women
Management ***	1.1	0.6	0.7	0.9
Business, finance and administrative	1.1	2.7	0.7	3.4
Natural and applied sciences ***	1.5	0.2	1.2	0.3
Health	1.5	3.4	1.2	3.7
Social science, education, government service & religion	1.0	2.6	0.7	3.5
Art, culture, recreation and sport	0.9	1.6	0.7	1.6
Sales and service	1.0	1.5	1.0	1.2
Trades, transport and equipment operation ***	0.8	0.1	1.1	0.1
Primary industry ***	0.4	0.8	2.8	0.1
Processing, manufacturing and utilities ***	1.4	0.3	1.3	0.4

# Economic Experiences (4)

## Labour market outcomes

Income	All				Male				Female			
	Canada		US		Canada		US		Canada		US	
	NB	IM	NB	IM	NB	IM	NB	IM	NB	IM	NB	IM
Average employment income (CAD 2006)	36457	35876	43047	40244	44076	43213	52363	45689	28204	27817	33153	32586
Median employment income (CAD 2006)	27168	26031	32264	27655	33476	31356	30261	29960	21739	21300	26272	23046
% population in economic families below low-income cut-off	9.8	19.3	12.5	15.2	9.1	18.6	11.1	13.7	10.5	19.9	13.8	16.8

- ❖ More women in poverty
- ❖ Recent immigrants, despite highly-educated, in worse shape

# Economic Experiences (5)

## Urban variations

- Higher urban concentration in Canada (46% in Toronto vs. 35% in Los Angeles)
- SE higher in medium-size Canadian cities and large US cities
- Different occupational niches along urban hierarchy
- Doing better in medium-size Canadian cities

Canada (rank in size)	Toronto (1)	Montreal (2)	Vancouver (3)	Calgary (5)	Winnipeg (8)	Halifax (13)	Sudbury (24)	Fredericton (42)
Total population in millions	5.1	3.5	2.1	1.1	0.69	0.37	0.16	0.09
% immigrants	45.7	20.6	39.6	23.6	17.7	7.4	6.7	7
% recent immigrants	8.8	4.6	7.2	5.4	3.5	1.4	.4	1.5
% immigrants not speaking English	7.6	5.3	11.1	6.5	4.3	1.7	2.5	2.0
Immigrant unemployment rate	7.1	11.1	6.3	4.2	4.9	6.5	6.6	7.4
Immigrant self-employment rate	12.9	13.7	15.5	13.1	9	17.8	17.2	12.3
Industries in which immigrants are over-represented	MAN ACC	MAN ACC ADM	AFF MAN ACC	MAN ACC	MAN HEA	MGT EDU EDU PRO	EDU MAN REA PRO	AER EDU ACC PRO
Occupations in which immigrants are over-represented	PMU SCI TTE	PMU SCI	PMU SCI	PMU SCI	PMU HEA	SCI SEG HEA ACR	SCI SEG HEA	SEG ACR HEA
Immigrant average employment income as a percentage of non-immigrant income	77	82	81	83	95	112	131	103

US (rank in size)	New York (1)	Los Angeles (2)	Miami (7)	Seattle (15)	Charlotte (37)	Grand Rapids (66)	Reno (123)	Waco (220)
Total population in millions	18.8	12.9	5.4	3.3	1.6	0.77	0.40	0.19
% immigrants	30.8	35.4	39.7	17.1	9.9	7.5	16.3	7.5
% recent immigrants	6.2	6.5	9.5	4.8	3.6	2.1	4.4	1.2
% immigrants not speaking English	8.9	14.6	17.2	5.4	10.2	10.5	8.3	17.5
Immigrant unemployment rate	6.8	5.5	5.3	5.2	6.3	7.4	2.8	6.5
Immigrant self-employment rate	11.3	14.2	16.8	9.4	8.5	6.2	6.4	7.1
Industries in which immigrants are over-represented	ACC CON MAN OTH	AFF MAN CON ACC OTH	OTH CON MAN WHO	ACC MAN	CON ACC	AFF MAN PRO	AFF CON ACC AER MAN	CON AFF MAN ACC OTH
Occupations in which immigrants are over-represented	PMU TTE HEA	PRI PMU TTE	PMU TTE PRI	PMU PRI SCI	PRI TTE PMU SCI	PRI PMU	PRI PMU TTE	PRI TTE PMU
Immigrant average employment income as a percentage of non-immigrant income	71	73	82	87	79	76	81	81

# Conclusions

- **Differences in immigration admission & integration policies, coupled with different economic structures, business environments, and regulatory regimes, have contributed to distinctive immigrant experiences in the two countries.**

# Conclusions

## Gender, race and recency

### Complex story of well-being

- Men and women in different industries
- More women in precarious employment
- Same origin, different outcomes because of varying opportunities and challenges
- Non-white over-represented in least desirable jobs, hence more vulnerable to economic downturn
- Recent immigrants perform worse