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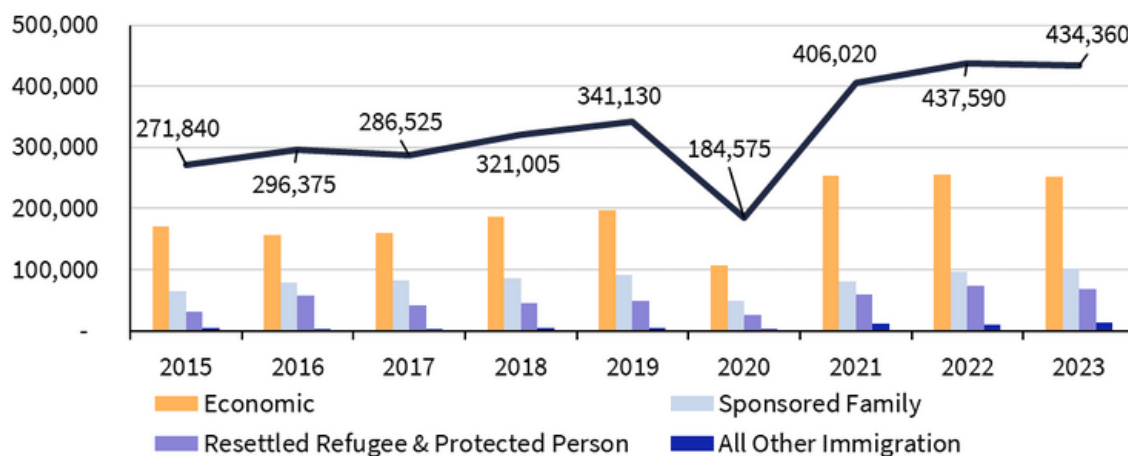


AN OVERVIEW OF RECENT IMMIGRANT EMPLOYMENT TRENDS

Immigration has always played a vital role in Canada's labour supply. With increasing labour shortages across key sectors, more people retiring[i] and lower fertility rates[ii], immigration will be increasingly important[iii]. Today, labour force growth in Canada is almost completely due to immigration and immigration is expected to contribute to all population growth by 2032[iv].

In 2023, 434,360 new permanent residents (PRs) moved to Canada[v]. Approximately 57.8% entered through the economic immigration class, which is consistent with historical trends (see Figure 1). The Government of Canada's Immigration Levels Plan prioritizes economic immigration, with a goal of over 60% of PR admissions being economic class by 2025[vi].

Figure 1. Admissions of Permanent Residents by Immigration Category, Canada, 2015-2023[vii]



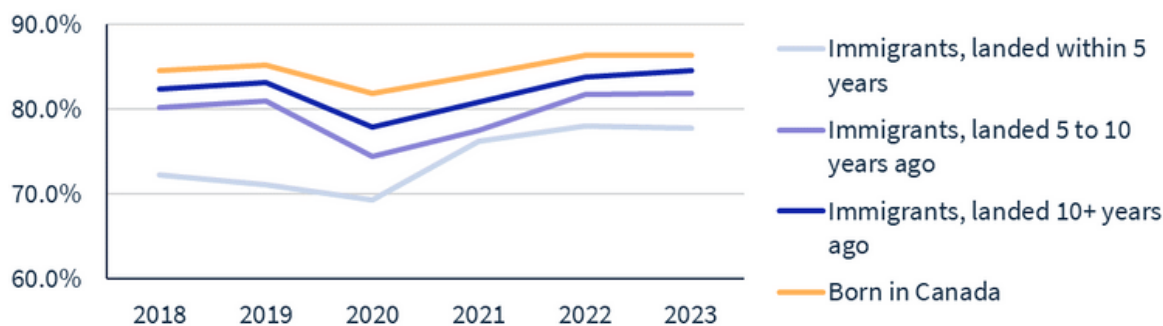
Labour Market Outcomes for Immigrants - Canada

Figure 2 shows that the employment rate for the core working-age immigrants (25 to 54 years old) has increased over time but is also higher for immigrants that have been in Canada for more time. For 2023 we see the following

- 77.8% for individuals who arrived in Canada within 5 years (i.e., newcomers)
- 81.9% for individuals who arrived in Canada 5-10 years ago
- 84.5% for individuals who arrived in Canada 10 or more years ago

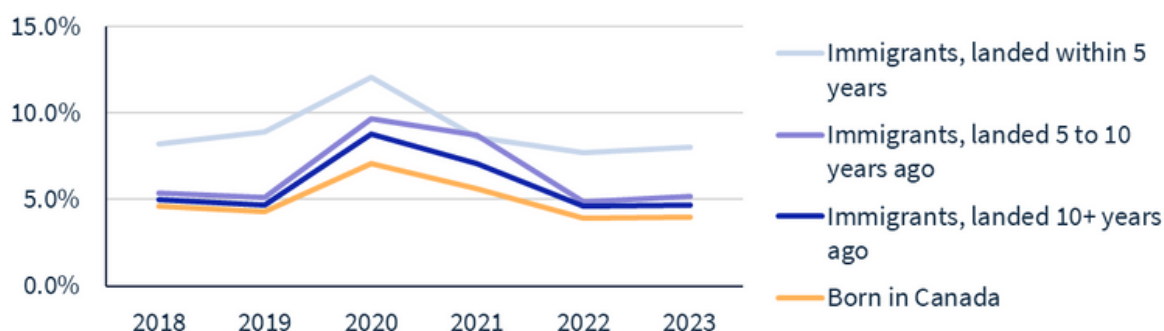
However, the overall 2023 employment rate for all immigrants was almost 4% lower than their Canadian-born counterparts. We also see that employment rates in 2023 were the highest since 2018 for all the immigrant groups except for newcomers.

Figure 2. Employment rate, immigrants & individuals born in Canada, Age 25-54, Canada, 2018-23[viii]



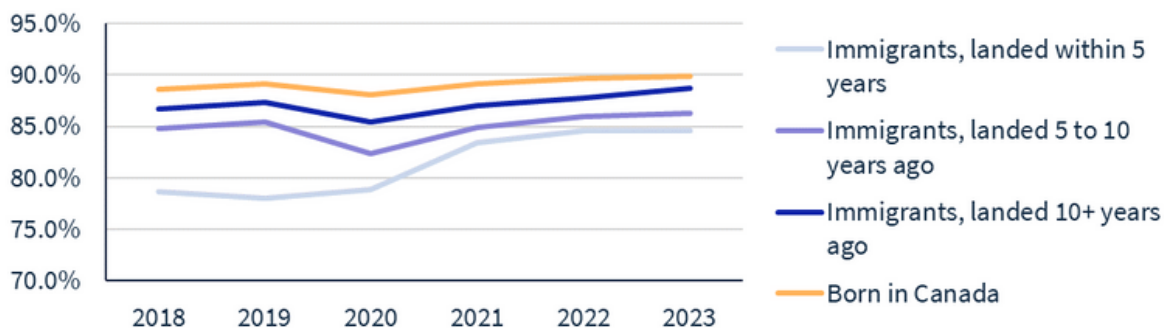
Unemployment rates for core working-age immigrants in 2023 followed a similar trend. Individuals who have lived in Canada longer tend to have lower unemployment rates than newcomers. Compared to the Canadian-born population, the overall immigrant unemployment rate was 1.4 % higher in 2023.

Figure 3. Unemployment rate, immigrants & individuals born in Canada, Age 25-54, Canada, 2018-23[viii]



The participation rate in 2023 was higher among immigrants with longer residency in Canada (Figure 4). The overall participation rate for landed immigrants in 2023 was 2.5% lower than the employment rate of the Canadian-born core working population (87.4%).

Figure 4. Participation rate, immigrants & individuals born in Canada, Age 25-54, Canada, 2018-23[viii]



Immigrant wages have been trending up in recent years[ix]. For example, the 2019 median wage for immigrants who moved to Canada in 2018 was \$31,900. This is the highest median wage (one year after arrival) for immigrants since 1981, though it is important to note this wage is still lower than the 2019 median wage across Canada (\$38,800). However, for individuals who immigrated through the economic class in 2018, their 2019 median wage was higher than the overall median wage across Canada[ix].

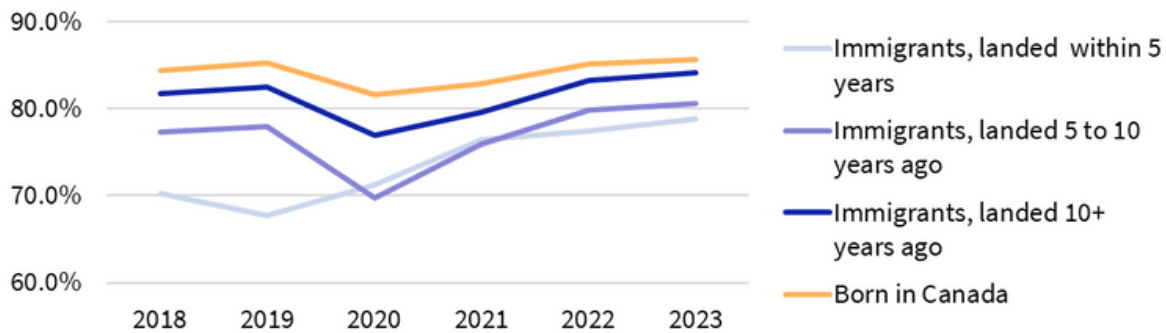
Labour Market Outcomes for Immigrants – Toronto

As local labour market insights for immigrants are not available for Niagara outside of the census, we look to immigrant employment trends for the Toronto Metropolitan Area – the closest geography to us with up-to-date insights.

Like Canada, the employment rate for core working-age immigrants in Toronto has increased over time. Employment rates also tend to be higher for individuals that have lived longer in Canada. An exception to this trend was seen in 2020 and 2021 when newcomers (arrived within the past 5 years) had higher

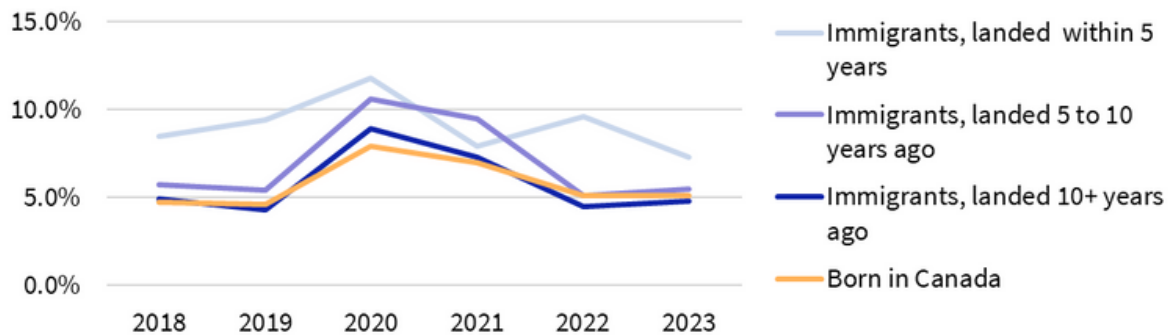
employment than immigrants living in Canada for 5-10 years. In 2023, the employment rate for immigrants (regardless of length of time in Canada) in Toronto was almost 3.1% lower than individuals born in Canada.

Figure 5. Employment rate, immigrants & individuals born in Canada, Age 25-54, Toronto, 2018-23[viii]



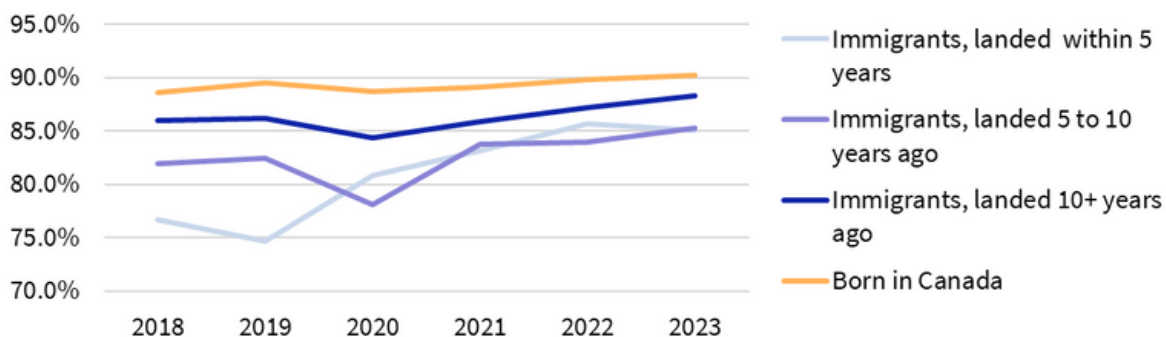
In Toronto, unemployment rates for core working-age immigrants tend to decrease for residents who have lived longer in Canada. In Toronto, trends for 2022 and 2023 contrast what we see across Canada: in Toronto, unemployment rates for immigrants who arrived more than 10 years ago was lower than those born in Canada. Further, the overall unemployment rate for landed immigrants in 2023 was 0.2% lower than the unemployment rate of the Canadian-born core working population.

Figure 6. Unemployment rate, immigrants & individuals born in Canada, Age 25-54, Toronto, 2018-23[viii]



When we look at participation, newcomers surpassed individuals who had arrived 5-10 years ago in 2020 and 2022. In 2023, the overall participation rate for immigrants was 3% lower than those born in Canada.

Figure 7. Participation rate, immigrants & individuals born in Canada, Age 25-54, Toronto, 2018-23[viii]



National and Provincial Immigration Policies

The Government of Canada plans to welcome 485,000 new permanent residents in 2024, and 500,000 in both 2025 and 2026.[x] One of the main goals of updated 2024-2025 Immigration Targets Plan is to, “support economic growth while balancing with the pressures in areas like housing, healthcare and infrastructure”[x].

While the economic outcomes of recent immigrants have improved, many immigrants face barriers to labour market integration, including under-recognition of foreign work experience and credentials. Locally, we’ve engaged employers and newcomers to learn about challenges experienced in the hiring process. Newcomers noted that some of the most common barriers were the need to have Canadian experience, and getting foreign credentials assessed – especially for regulated occupations. Employers indicated that some of the actions that would help them engage better in newcomer hiring and retention were simplified information on regulations around immigrant workers and the acknowledgement of bias in the recruitment process – along with strategies to address these systemic issues[xi].

At a national level, we see outcomes like immigrants being more likely to be overqualified for jobs than individuals born in or with degrees from Canada[xii],[xiii]. About 25.8% of immigrants who studied outside of Canada are overqualified while only 10.6% of individuals born in Canada and 11.8% of immigrants who studied in Canada are overqualified[xiii]. The labour market insights above also highlight that immigrants – particularly newcomers – tend to have lower participation and employment rates, and higher unemployment rates than individuals born in Canada.

Below we highlight some national and provincial policies around immigrant employment.

Express Entry Process. Recent changes included the launch of category-based selection. The goal of this change is to invite permanent residents based on high demand occupations and skills[xiv]. In 2023, the selected categories were French-language ability, and occupations in healthcare, STEM, trades, transportation, agriculture, and agri-food[xv].

Temporary Residents. In 2023, IRCC launched a three-year pilot project aimed at addressing labour shortages for employers who hire migrant workers[xvi]. This project streamlines hiring for employers who have followed the requirements of the Temporary Foreign Worker (TFW) Program by providing a simplified LMIA application. By reducing administrative burdens, employers can better plan for their staffing needs[xvi].

International Students. In 2023 a temporary policy from the Government of Canada allowed international students with post-graduation work permits that were set to expire between September 20, 2021, and December 31, 2023, to keep their legal status and get an open work permit[xvii]. The goal was to help address labour shortages while also providing of international graduates an opportunity to gain more Canadian work experience that could support permanent resident applications.

Most recently the government announced that, in 2024, Canada will reduce the number of new international student permits to 360,000 - a decrease of 35% compared to 2023[xviii]. The caps will also be weighted based on population sizes of provinces and territories. This is part of a temporary two-year cap on international student enrollment. There have also been changes to Post-Graduation Work Permit Program eligibility and cost-of-living requirements.

Refugees. In 2023, the Government of Canada started two new immigration streams under the Economic Mobility Pathways Pilot (EMPP). The goal is to help connections between Canadian employers and talent pools of skilled refugees and other displaced people[xix]. One stream is for applicants who have a Canadian job offer and the second is for highly skilled refugees with no job offer; both streams do not require Canadian work experience[xix].

Ontario Immigrant Nominee Program. In this program, Ontario nominates economic immigrants based on skills and experience to fill labour shortages in sectors like technology, skilled trades, and health care[xx]. In 2025, the number of admissions will be 18,000 (in 2021 there were 9,000 spots). Historically, Ontario sees the highest number of immigrants of all provinces; research suggests that ensuring immigrants have work opportunities that match their expertise could increase Ontario's GDP by up to \$100 billion over five years[xxi].

As Canada aims to welcome many newcomers over the near future, minimizing barriers to labour market integration is paramount. “Canada must continuously assess and refine its existing approach based on the latest data and research to meet immigrants’ needs”[xxii].

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