

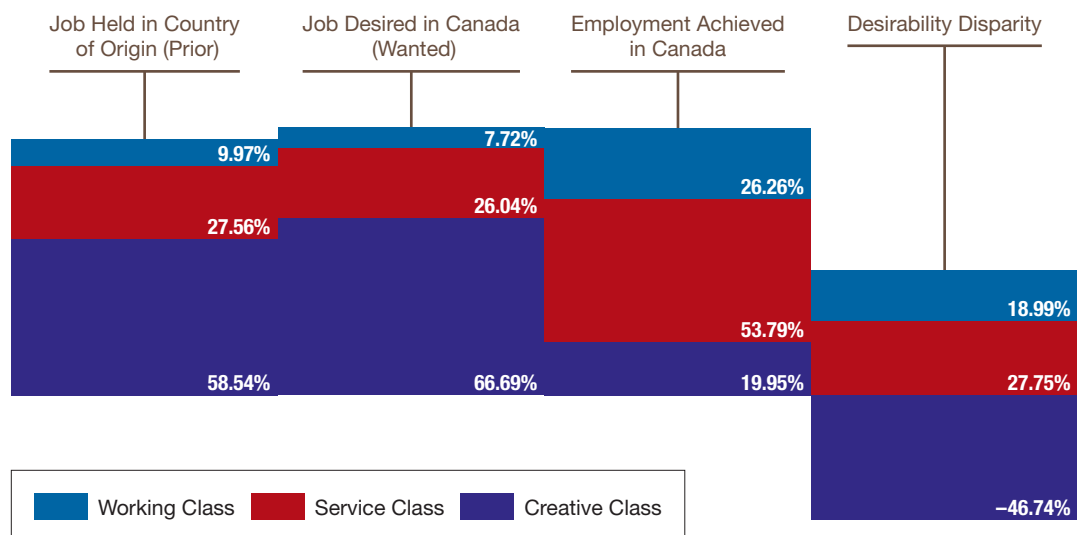
HELP WANTED. But at what cost?

The labour market is not responding to federal government projections: only half of Creative Class immigrants obtain creative employment once in Canada. A new *Working Paper* published at the Martin Prosperity Institute illustrates that the Canada labour market misallocates the talent/human capital of new immigrants to Canada, despite federally-set immigration goals. The study uses Statistic Canada's Longitudinal Study of Immigrants to Canada (LSIC) (the survey collects three waves of data between 2000 and 2004) to describe basic trends in new immigrant integration into the Canadian labour force using the Richard Florida's occupational typology, reorganizing the labour force into creative, service, and working classes. This categorization system is a useful conceptual tool to think about the economy, because it classifies workers based on the type of work that they are paid to do, rather than simply their qualifications or industry placement. In general terms, creative class workers are paid for their thinking and problem solving skills. Service class workers are paid to perform routine work directly for, or on behalf of, clients. Working class workers are paid to manoeuvre heavy machinery and perform skilled trades.

Federal-level immigration projections acknowledge that creative class workers are essential to facilitate the contemporary knowledge economy that is driven by innovation and creativity. Federal immigration policy has developed a list of occupations under the Federal Skilled Worker program; immigrants who fall within an occupational group can apply to come to Canada. While volume caps/actual projections of immigrants under each listing are not divulged, the categories can nonetheless be re-grouped under Florida's Occupational Groups as a metric of the kind of workers Canada is looking for (see chart below). Interestingly, in line with Federal Government aspirations, ~60% of immigrants to Canada held creative class jobs prior to coming to Canada. However, these creative thinkers and workers are not achieving their desired occupational group once in Canada. Despite self-reporting that creative class work is the most desirable of the three

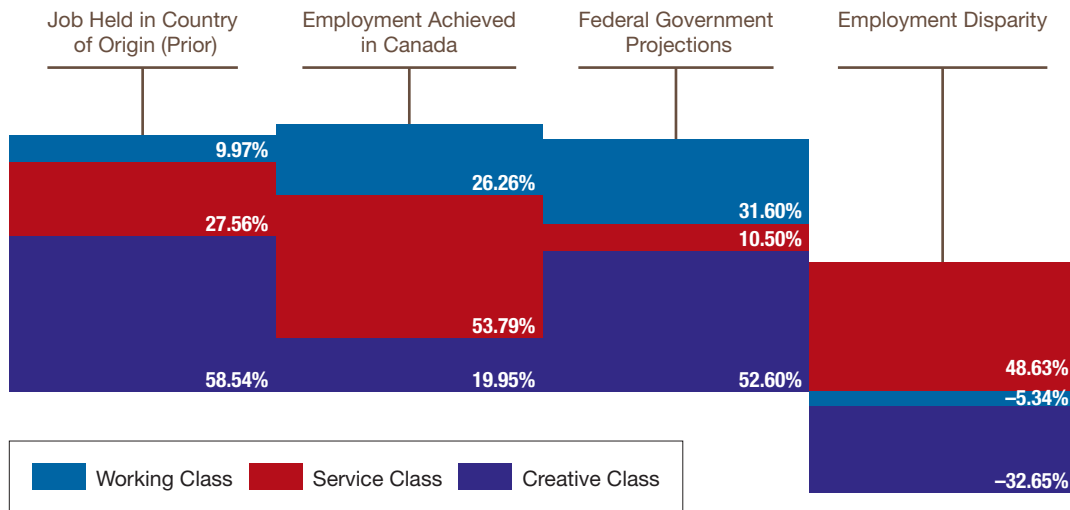
Job mismatch of new immigrants to Canada using Florida's occupational classes: Desirability Disparity

Exhibit 1



Job mismatch of new immigrants to Canada using Florida’s occupational classes: Employment Disparity

Exhibit 2



classes (Wanted), the actual employment obtained in Canada significantly re-distributes new immigrants across the labour force, specifically in the service class. As seen below, while close to 60% of immigrants are from creative class occupations, and over 65% desire such occupations, only 20% find work in the creative class sector. Disproportionately more find work in the service class (~54%) and the working class (~26%).

The “Desirability Disparity” illustrates the difference between the self-reported job desired in Canada, and the actual employment composition once in Canada. In both instances, the percentages are proportions of the aggregate of respondents from the survey. We see that creative class jobs have a high level of desirability that this desire is not translating into employment. The “Employment Disparity” highlights the difference between the Federal Government projections, and the employment achieved by new immigrants to Canada. The employment disparity shows that new immigrants to Canada may be over-represented in the service class, and are noticeably under-represented in the creative class; an area of the labour force where more than 50% of them are recruited for (Federal Government Projection).

The infographic shows that the government has good goals and is roughly achieving these in terms of employment at country of origin. Unfortunately, more needs to be done to achieve these goals once immigrants are settled in Canada.

In addition to comparing immigration goals with outcomes, the report by affiliates of the Martin Prosperity Institute questions whether educational uptake in Canada affects the labour outcomes of new immigrants. The report specifically questions: 1. Are training opportunities (and uptake) equally distributed across the three classes of the labour force? 2. Is there evidence that socioeconomic status, as indicated by median weekly wage and self-reported job satisfaction – improves for those who have received training? 3. Are any wages gains disproportionately concentrated in terms of employment sector? To learn more about the research results, *read the full report here*.

The [Martin Prosperity Institute](#) at the [University of Toronto’s Rotman School of Management](#) is the world’s leading think-tank on the role of sub-national factors—location, place and city-regions—in global economic prosperity. Led by Director [Richard Florida](#), we take an integrated view of prosperity, looking beyond economic measures to include the importance of quality of place and the development of people’s creative potential.