Disconcerting as it may be, it is no secret that immigrants tend to fare worse than their Canadian-born peers (Badets & Howatson-Leo 1999; Bloom, Grenier, & Gunderson 1995; Frenette & Morisette 2005; Maxim 1992; Picot 2004; Reitz 2001). Despite building a national identity around multiculturalism and inclusiveness, economic equity – while perhaps implied – is actually not a prominent part of that collective narrative. In fact, if anything, pervasive income disparities, lower rates of labour market participation, and higher rates of unemployment have been part of the Canadian immigrant experience. A deep understanding of the factors that motivate this contemporary phenomenon is necessary to counter-act them with various policy tools.

While it is well known that the immigrant population in Canada often faces economic challenges related to the lack of recognition of their foreign credentials and professional experience, comparative analysis of their economic well-being relative to the Canadian-born is largely limited to the national level. With this in mind, the Martin Prosperity Institute has completed research that explores the labour market outcomes of immigrants in terms of participation rates, unemployment rates, and median incomes across varying geographic scales in 2006.

Our analysis reveals regional divergence in terms of labour market outcomes for immigrants. This divergence suggests variance in labour market conditions and receptiveness to the immigrant labour force across Canada. As labour markets vary in size depending on location and population size, immigrants are faced with ‘unequal opportunities’ and different labour market outcomes (Li 2000). The research takes into account the ten census metropolitan areas (CMAs) with the largest immigrant population: Toronto, Vancouver, Montreal, Calgary, Ottawa-Gatineau, Edmonton, Hamilton, Winnipeg, Kitchener, and London.

The figure below compares the three immigrant gateway CMAs of Toronto, Vancouver, and Montreal against the seven non-gateway CMAs. For immigrants, the labour force participation rates were higher, the unemployment rates were lower and median income gaps were smaller, with immigrant earnings of at least $24,000, in the non-gateway CMAs than in the gateway CMAs. Montreal has the highest unemployment rate of these CMAs (11.1%) while Calgary and Edmonton have the lowest (4.2%), though both Calgary (70.8%) and Edmonton (66.7%) have the two highest participation rates of the CMAs. On the three measures in general, the Canadian-born out-perform Canadian immigrants.
Our research has also revealed some curious provincial differences. Perhaps most surprising is that in Newfoundland and Labrador, the Canadian-born residents have a significantly higher unemployment rate (18.8%) and much lower median income ($19,487) than immigrants (who had a 9.5% unemployment rate and a median income of $28,402). However, few immigrants reside in Newfoundland and Labrador. Although not as significant of a gap, a similar pattern is found in other Atlantic provinces.

While immigrants tended to earn less and endure higher unemployment despite skilful interventions at different levels of governance, there are considerable regional disparities in terms of labour market success for immigrants in Canada. These research findings suggest that further research to better investigate the nuances of these disparities will be necessary in order to more authoritatively discern why these differences might exist. Such research will help policy makers to better appreciate the nuances that enhance certain places to make them more or less hospitable to the immigrant population. We also need to identify how to aid immigrants in their economic integration and better equip them to design and implement productive solutions to these labour market disparities.
For more a more in-depth discussion of these issues, see “A Comparison of Labour Market Outcomes of Immigrants and the Canadian-born in 2006” by Iris Migyung Lee, Martin Prosperity Institute.

**Sources**


*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.*