

Economic outcomes of refugees in Canada

Economic outcomes, such as **employment rate** and **median employment income**, are crucial metrics for understanding the settlement experiences of refugees in Canada. For working age immigrants, finding a job and earning a decent wage are necessary—not only for financial stability but also for social integration, happiness, and well-being.

Using data from the 2016 Longitudinal Immigrant Database (IMDB), which combines information from immigrants' landing records with their tax files, it is possible to study the employment outcomes of refugees over time. In this report, we look at the employment rates and median employment incomes¹ of refugees in Nova Scotia, Manitoba, Alberta, and British Columbia for three landing cohorts: 2007-2009, 2010-2012, and 2013-2015. Figures are generated from IMDB data that has been made publicly available by Statistics Canada (STC). This report provides an example of what can be learned through the creation of customized tables using the tools and interactive applications provided on Statistics Canada's website, found at the following link:

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=4310001601>

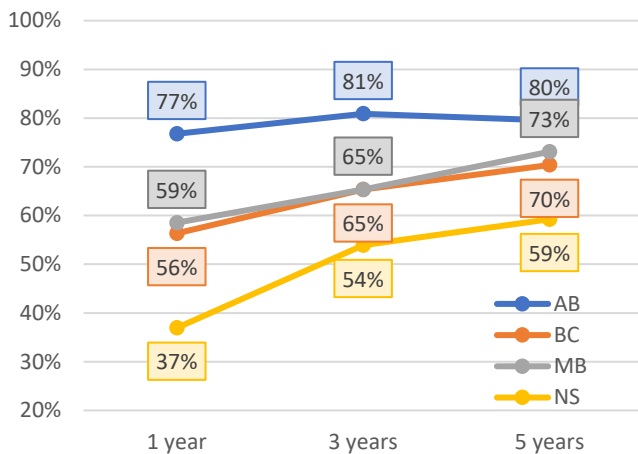


Figure 1: Employment rates of refugees in Alberta, British Columbia, Manitoba, and Nova Scotia, 2010-2012 cohorts

Economic outcomes vary over time

It is expected that refugees struggle in the initial settlement period, but improve over time, which is a good sign that their settlement process is going well. At the same time, a slow rate of improvement signals the need to improve services and resources to facilitate their economic adaptation. This report includes the 5-year and 3-year outcomes for refugees who landed in 2007-2009 and 2010-2012, as well as the 1-year outcomes for those who landed in 2013-2015.

Economic outcomes vary for refugees compared to other immigrants

Refugees arrive with lower levels of education and/or language skills compared to other immigrants². As a result, they tend to face additional hurdles that affect their employment opportunities. This report compares refugees to both family and economic class immigrants.

Economic outcomes vary by province

Economic outcomes vary a great deal by province, as refugees' access to employment depends on local economic conditions and job markets, as well as on the match between refugees' skills and the kinds of work available. Figures 1 and 2 show differences in employment rates and incomes observed in Alberta, British Columbia, Manitoba, and Nova Scotia for the 2010-2012 landing cohorts. These differences will be explored in greater detail below.

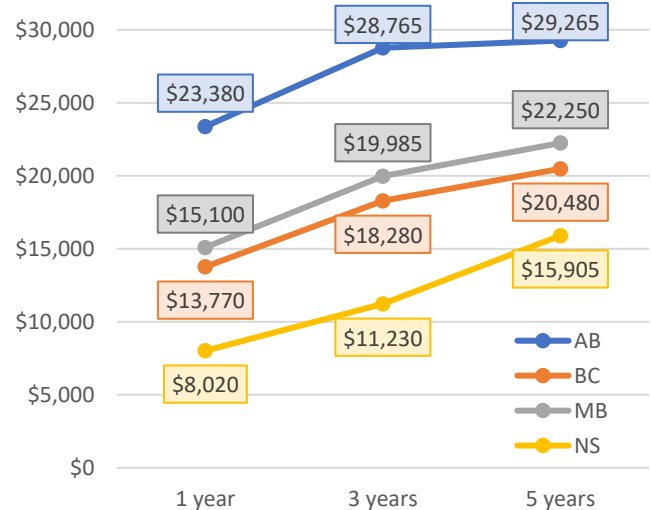


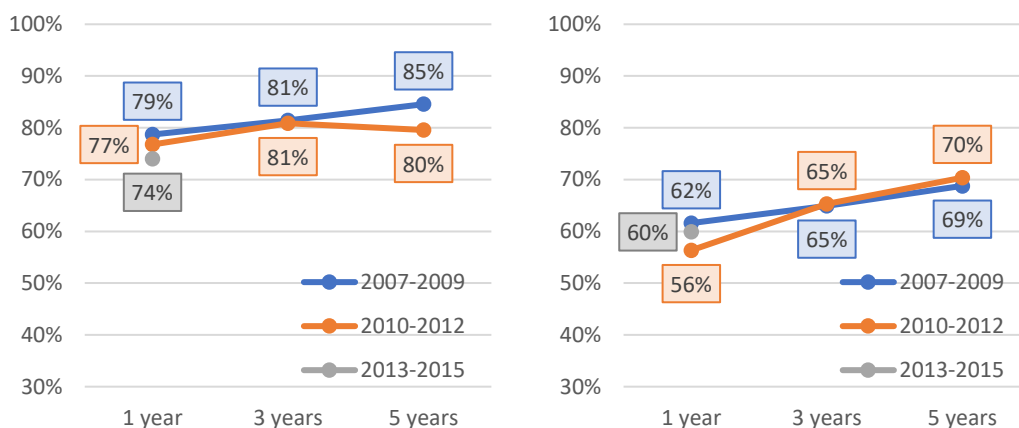
Figure 2: Median employment incomes of refugees in Alberta, British Columbia, Manitoba, and Nova Scotia, 2010-2012 cohorts

¹ Median income is only available for each landing year; hence, the income values for the landing cohorts represent an average of the median income values for the landing years that have been combined.

² See Picot, Zhang, and Hou. 2019. Labour Market Outcomes Among Refugees to Canada. Analytical Studies Brunch Research Paper Series. 11F0019M No. 419. Ottawa: Statistics Canada

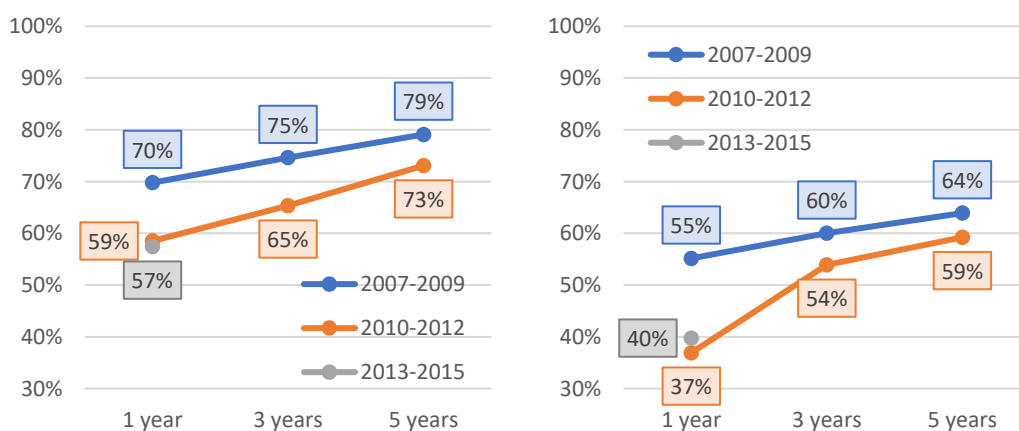
Is the employment rate of refugees changing over time?

Figures 3 and 4: Refugees' employment rates in **Alberta** and **British Columbia** by landing cohort



The employment rate of refugees varies by province and by landing cohort. Alberta consistently shows the highest employment rates for all cohorts. After just 1 year, 77% of those who arrived in the 2010-2012 cohort were earning employment income; this figure decreased slightly, to 74%, for the 2013-2015 cohort. In British Columbia, meanwhile, the employment rate after 1 year was 56% for the 2010-2012 cohort. After 5 years, this figure was up to 70%. These rates are fairly similar across cohorts.

Figures 5 and 6: Refugees' employment rates in **Manitoba** and **Nova Scotia** by landing cohort

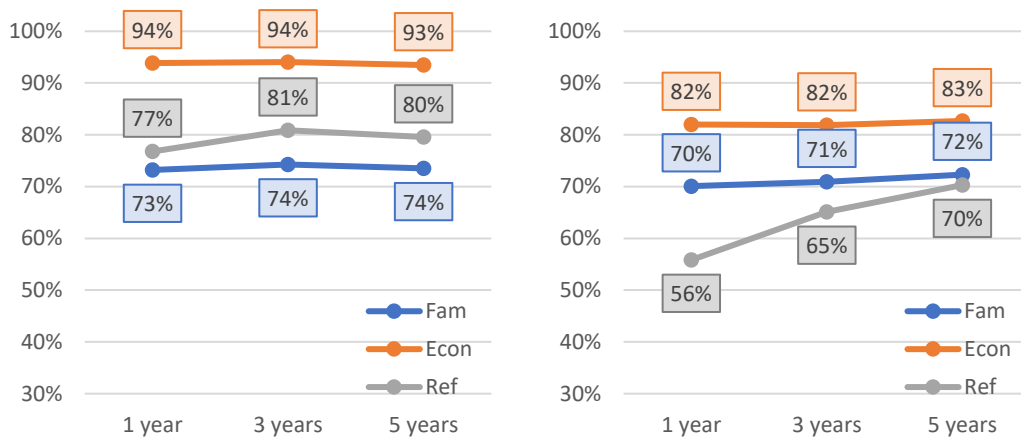


Manitoba and Nova Scotia, on the other hand, show more substantial decreases in employment rates for refugees in later cohorts compared to those who arrived in 2007-2009. In Manitoba, 57% of those who arrived in 2013-2015 were working after 1 year, down from 70% after 1 year for the 2007-2009 cohort. Employment rates for refugees are lowest in Nova Scotia, where only 37% of those who landed in 2010-2012 had earned employment income after 1 year. After 5 years in the province, this figure increased to 59%.

These results underscore the need for future analysis to explore what accounts for the gaps across provinces. Do these gaps exist because the number of refugees has increased over time in some provinces relative to their funding levels? Or have the types and levels of need for resettlement changed over time in some of the smaller provinces? Data from the IMDB are useful for identifying places that have greater needs for improving the economic well-being of refugees by situating their resettlement outcomes into broader historical contexts. We did this at the provincial level, but the STC website offers CMA or economic region-level information, which allows nuanced community-specific analysis.

How does the employment rate of refugees compare with other immigrants?

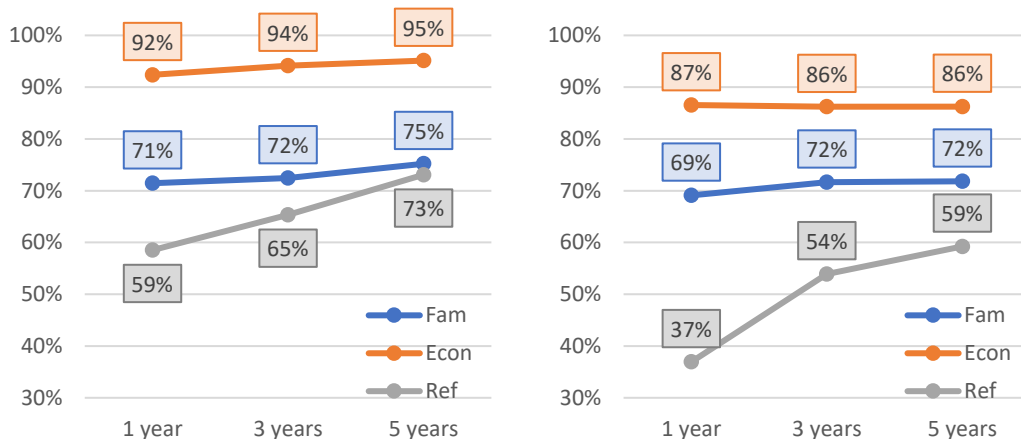
Figures 7 and 8: Employment rates in **Alberta** and **British Columbia** by landing category for 2010-2012 cohort



Across all provinces, economic immigrants had the highest employment rates. In Alberta, for the 2010-2012 cohort, refugees found employment at higher rates than family class immigrants, with 80% earning an income after 5 years, compared to 74% of those who arrived in the family class.

In British Columbia, the employment rate after 1 year is much lower for refugees than for other immigrants, but it increased over time, nearly catching up with the family class: after 5 years, 70% of refugees earned employment income, compared to 72% of family class immigrants. Manitoba shows a similar trend, increasing from 59% at 1 year to 73% at 5 years, almost reaching the 75% rate achieved by family class immigrants in the same landing cohort.

Figures 9 and 10: Employment rates in **Manitoba** and **Nova Scotia** by landing category for 2010-2012 cohort

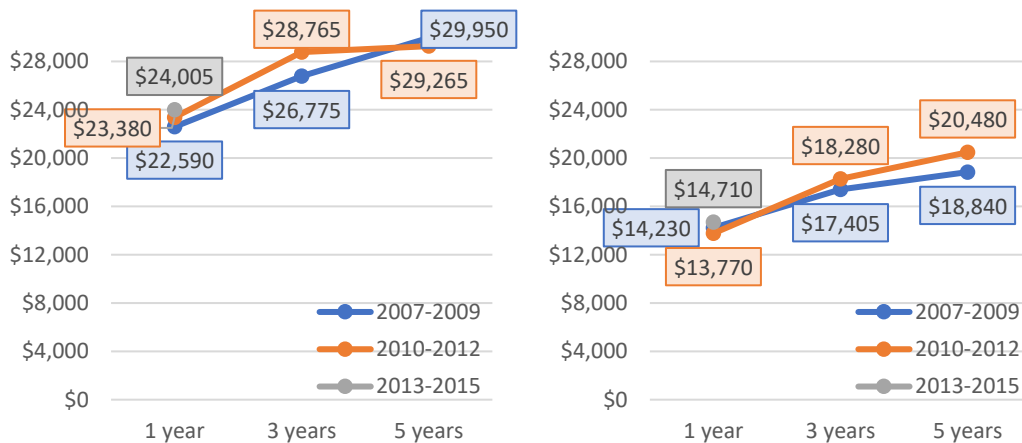


The employment rate of refugees in Nova Scotia is by far the lowest at 1 year after landing, while other immigrant categories have rates that are more stable over time. This may reflect or contribute to a longer period of adjustment and settlement for refugees in these provinces. But, while the proportion of refugees in Nova Scotia finding employment does increase over time for the 2010-2012 cohort, this rate remains relatively low after 5 years: only 59% compared to 72% of family class immigrants.

These findings indicate that refugees, despite their initial struggle, close the employment gap over time. Yet, the rate of improvement varies across the provinces. In provinces where the rates of improvement are slow, improving services and resources necessary to accelerate the economic adaptation of refugees may be warranted.

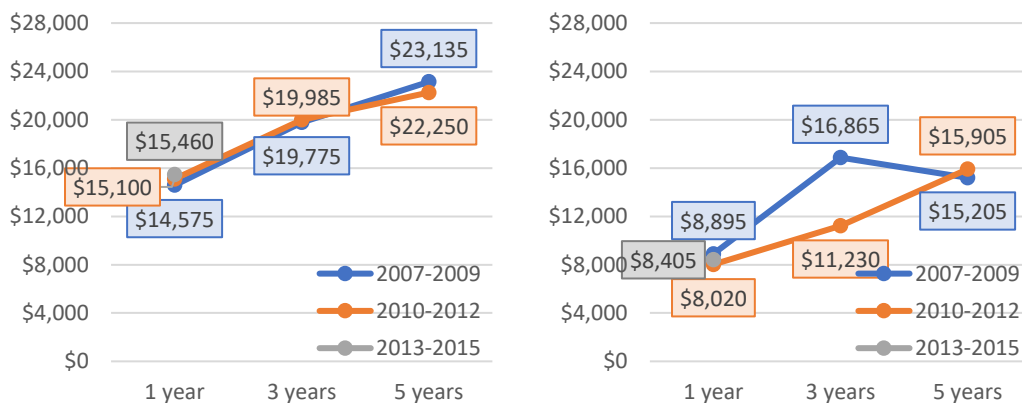
Is the median employment income of refugees changing over time?

Figures 11 and 12: Refugees' median employment income in **Alberta** and **British Columbia** by landing cohort



As with employment rates, median employment incomes are also highest for refugees in Alberta compared to the other provinces, and they increase over time from about \$23,000 after 1 year to nearly \$30,000 after 5 years. In British Columbia, this median figure increases from about \$14,000 after 1 year to about \$20,000 after 5 years. Both provinces show stability across cohorts.

Figures 13 and 14: Refugees' median employment income in **Manitoba** and **Nova Scotia** by landing cohort

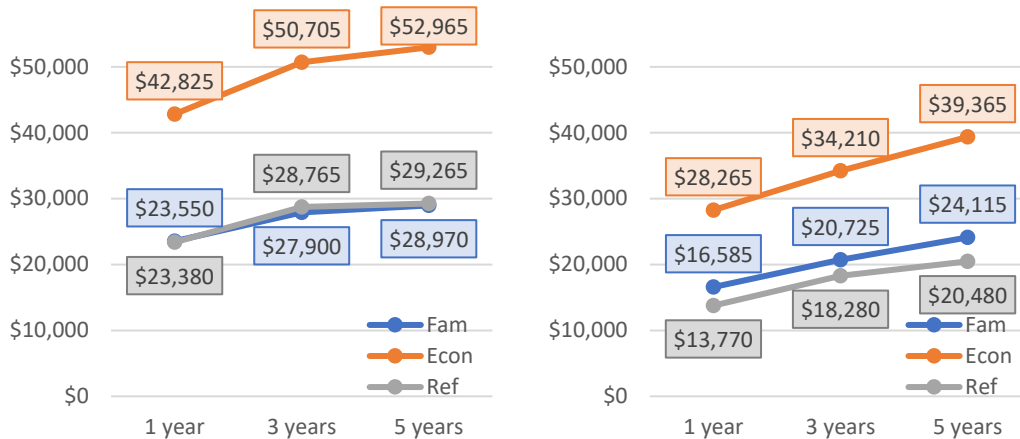


Manitoba also shows stability across cohorts, as well as greater increases in income over time than the Western provinces. For example, the median income of workers in the 2007-2009 cohort increased by 59%, from \$14,575 to \$23,135; in Alberta and British Columbia, for the same cohort, incomes increased by 33% and 32%, respectively. Nova Scotia is less consistent over time. This is at least partly due to its smaller population of refugees, which causes median figures to be more sensitive to changes. The median income for refugees in Nova Scotia is also much lower than for those in other provinces, especially after 1 year. However, for the 2010-2012 cohort, this figure nearly doubled from 1 year to 5 years after landing, from \$8,020 to \$15,905.

These findings offer insights that counter the stereotypical images of refugees. Similar to the trends in employment rate, the earnings of refugees generally improve over time, although differences exist across provinces. Further investigation is, however, needed to examine whether the earning differentials reflect wage differences across provinces or differences in the types of jobs refugees take at the initial resettlement period.

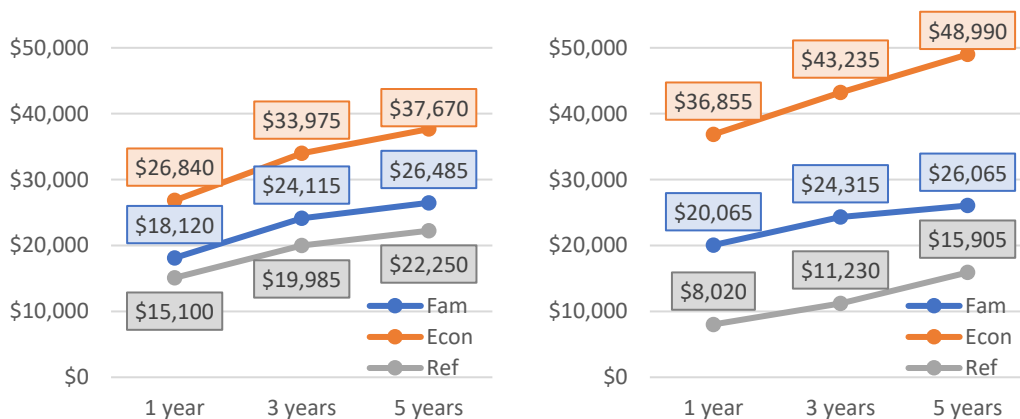
How does the median employment income of refugees compare with other immigrants?

Figures 15 and 16: Median employment income in **Alberta** and **British Columbia** by landing category for 2010-2012 cohort



As with employment rates, economic immigrants also have higher median employment incomes than refugees and family class immigrants. In Alberta, refugees in the 2010-2012 cohort earned about the same as family class immigrants, reaching about \$29,000 after 5 years. In British Columbia, refugees earned a median employment income of \$20,480 after 5 years—about \$3,600 fewer than family class immigrants in the province and little more than half what economic immigrants earned. In Manitoba, trends are similar to those from British Columbia, but median income figures are higher for both refugees and family class immigrants.

Figures 17 and 18: Median employment income in **Manitoba** and **Nova Scotia** by landing category for 2010-2012 cohort



Nova Scotia shows the largest earning gap between economic immigrants and refugees. While, for the 2010-2012 cohort, economic immigrants in the province earned nearly as much as those in Alberta—about \$49,000, compared to about \$53,000—and family class immigrants also fared well, refugees in the province struggled to earn employment income. Economic outcomes for refugees in the province are evidently lagging behind those of other immigrants in the province, as well as those of refugees in the other provinces.

The differences in earnings across landing categories suggest that groups of newcomers arrive with different human capital characteristics. Refugees tend to arrive with lower levels of education and less knowledge of official languages; hence, the need for targeted service provision for refugees is warranted.