

A Study of Poverty and Working Poverty among Recent Immigrants to Canada

Final Report

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Abstract

Researchers have shown that new immigrants face more significant barriers to labour market integration than do other working-age Canadians, and that they are at greater risk of experiencing poverty. Some researchers have also demonstrated that the economic difficulties encountered by recent immigrants became more important in the nineties than in previous decades. However, many questions remain with respect to the labour market attachment as well as to the living conditions of immigrants who settle in Canada.

Using the data from the *Survey on Labour and Income Dynamics (SLID)*, this study attempts to gain a better understanding of the phenomenon of poverty and working poverty among the group of immigrants who arrived in Canada since the early nineties (also called in this study “recent immigrants”). More specifically, this study gives some answers to the following questions:

- 1) Are the determinants of low family income among recent immigrants the same as those that have been identified for the rest of the population?
- 2) Do low-income recent immigrants have characteristics that distinguish them from other low-income Canadians? Are they more likely to be working poor, unemployed poor, or inactive poor persons?
- 3) Are they more or less dependent on government transfers?
- 4) Are their housing conditions particularly disadvantageous?
- 5) Do recent immigrants leave low income more or less quickly than other Canadians?

Among other things, this study demonstrates that the profile of low-income recent immigrants differs in many aspects from that of other low-income Canadians. Notably, recent working-age immigrants living in poverty are less likely to depend on government transfers and are more likely to rely on family support to fulfill their needs. Thus, they are particularly likely to be part of a working poor family as compared with other poor Canadians.

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1. Introduction

The economic and social integration of immigrants is an important objective of Canadian government. A number of studies have endeavoured to determine the extent to which immigrants integrate successfully and to identify the barriers to integration that they face.

Most of these studies focused on immigrants' labour market outcomes in comparison with those of other Canadians with similar characteristics. Results show that recent immigrants encounter more difficulty finding employment than other Canadians do, and experience systematically lower employment rates. They also indicate that recent immigrants who are working tend to earn less than other Canadians. Nonetheless, the findings from these studies show that immigrants generally manage to catch up to and even surpass the performance of native-born Canadians in the labour market after 10 or 15 years of residence (Thompson & Worswick, forthcoming).

More recent studies have pointed to a decline in the labour market outcomes of recent immigrants in the initial years following their arrival in Canada. They have shown that immigrants who arrived in Canada after 1990 tended to perform more poorly in the labour force upon their arrival than their predecessors. Compared with those who arrived in the 70s (Picot & Sweetman, 2005), they also had more difficulty catching up with the performance of non-immigrants.

Various explanations have been offered to explain why recent immigrants who arrived in the 90s have done less well than those who came during the 70s and 80s. These range from changes in the composition of the immigrant population (country of origin, language, and skill level) to decreasing foreign credential recognition and a general decline in the return on post-secondary education in Canada.

The greater difficulties experienced by recent immigrants in labour market integration translate into higher risks of experiencing poverty than other Canadians. The incidence of low income among recent immigrants is much higher than that of native-born Canadians. According to Picot and Hou (2003), this gap became even more pronounced between 1980 and 2000. They demonstrated that "At business cycle peaks, successive entering immigrant cohorts had successively higher low-income rates, even though the educational level of each successive cohort was rising rapidly." (Picot, Hou & Coulombe, 2007).

In recent years, new immigrants have been identified as one the five groups most likely to experience persistent poverty in Canada; the other four groups being lone parents, persons with work-limiting disabilities, Aboriginal persons, and unattached individuals aged 45-64 (Hatfield, 2004).

The poorer labour market outcomes of recent immigrants as well as their greater vulnerability to poverty indicate that the issue of working poverty in Canada has a very legitimate immigration dimension. However, a recent study on Canada's working poor (Fleury and Fortin, 2006) has shown that, while recent immigrants are over-represented among the working poor, in absolute numbers, they make up only a small proportion of

that group. This suggests that only part of the phenomenon of poverty among workers in Canada can be explained by difficulties encountered by recent immigrants.

The fact remains that each year recent immigrants are particularly at risk of poverty, regardless of whether or not they work, and that many questions are unanswered with respect to the labour market participation and living conditions of recent immigrants.

In this study, data from the Survey of Labour and Income Dynamics (SLID) are used to get a better sense of the characteristics of the population of immigrants who landed in Canada since the early nineties (also called in this study the “recent immigrants”) and who are living in poverty. Particular attention will also be paid to their labour market participation.

This study will specifically seek to answer a number of questions, including:

- 1) Are the determinants of low family income among recent immigrants the same as those identified for the rest of the population?
- 2) Do low-income recent immigrants have characteristics that distinguish them from other low-income Canadians? Are they more likely to be working poor, unemployed poor, or inactive poor persons?
- 3) Are they more or less dependent on government transfers?
- 4) Are their housing conditions particularly disadvantageous?
- 5) Do recent immigrants leave low income more or less quickly than other Canadians?

In sections 2 and 3, the data used (i.e. SLID), the target population (i.e. individuals aged 18 to 64), and the years of observation (i.e. 2004 for cross-sectional analysis and 2002 to 2004 for longitudinal analysis) are presented. Section 3 also discusses the way recent immigrants are defined in this study. Section 4 provides information on the sociodemographic, labour market and income characteristics of recent immigrants, and compares those characteristics with those of earlier immigrants and native-born Canadians. Prevalence of low income among these three groups is then compared in section 5. Section 6 identifies the factors that increase the probability of living in a low income situation for recent immigrants and verifies if these factors differ from those identified for the rest of the population. In section 7, a profile of the population of recent immigrants who actually lives in low income is given. In the next two sections (8 and 9), working and housing conditions of low income recent immigrants are examined. Next, section 10 studies the recent immigrants’ population who do not live in a low income situation but who are considered vulnerable to it. Finally, section 11 offers information with respect to the dynamic and persistence of low income for recent immigrants over three consecutive years.

2. Data

In Canada, a number of datasets can be used to analyse information about immigrants.¹ Each has its advantages and limitations. Among the main limitations are that they are not designed to permit comparisons with other populations, their sample size is not large enough to allow detailed analysis and they lack precise information on personal and family characteristics of immigrants.

The data chosen for analysis in this study came from the Survey of Labour and Income Dynamics (SLID)'s master files. In addition to being the primary and official source of statistics on income in Canada, the SLID is the most complete dataset on income, employment, individual and family characteristics. It also has the advantage of permitting both cross-sectional and longitudinal analysis as well as the comparison of immigrants with other groups in the Canadian population.

However, it is important to note that the SLID was not designed specifically for analysis of immigration. In fact, respondents include a fairly limited number of recent immigrants, limiting the amount of analysis that can be performed concerning them, especially when the main interest is for immigrants who are the most vulnerable to low income (i.e. the recent immigrants). Furthermore, recent immigrants are to some extent under-represented in the SLID. Indeed, because cross-sectional samples of the SLID are composed of people selected at the beginning of a six-year panel and of people who joined members of these panels afterward, recent immigrants can only be added later on if they join the family of a panel member.

Another major disadvantage of this survey is that it does not contain any information with respect to immigration class. In other words, it does not identify immigrants who came to Canada as refugees, principal applicants in the economic class, spouses or dependants of a principal applicant in the economic class, or family members of a person already established in Canada. This is unfortunate because recent research has shown that immigration class has an impact on the economic performance of new immigrants.

That said, the samples from the SLID that were used for this study are those from 2004 for the cross-sectional analyses, since that was the most recent year for which data were available when the study began, and from 2002 to 2004 for the longitudinal analyses.²

¹ According to Thompson and Worswick (2005), the following datasets contain information on immigrants in Canada: Permanent Residents Data System (PRDS), Longitudinal Immigration Database (IMDB), Census, Survey of Labour and Income Dynamics (SLID), Longitudinal Survey of Immigrants to Canada (LSIC), and Ethnic Diversity Survey (EDS).

² The six consecutive years of the most recent SLID panel could not be used because of the excessively small number of recent immigrants that were part of its longitudinal sample. We chose instead to use the data from the three consecutive years 2002 to 2004 so that we could compile observations from two overlapping panels, i.e. the last three years of the third panel and the first three years of the fourth panel.

Technical notes

- In Canada, there is no official definition of “poverty”. Instead, measures of low levels of family income are used by researchers and policy-makers as indicators of poverty. In this article, Statistics Canada’s Low Income Cut-offs (LICOs) are used to identify low-income populations. LICOs are income thresholds below which families are likely to spend a much higher percentage of their income on food, clothing and shelter than does the average Canadian family. LICOs are adjusted for family size and size of area of residence. However, LICOs do not take into consideration take into account differences in living costs between the same-sized communities in different provinces.
- For the sake of simplicity, the terms “low income” and “poverty” are used interchangeably in this article.
- The “Xs” that appear in the tables indicate areas where there were not enough observations to produce a reliable estimate.
- Bootstrap weights were used (in accordance with the methodology of Piérard, Emmanuelle et al., Oct. 17, 2003) to calculate the standard deviations associated with all estimates appearing in this article and thereby ensuring the reliability of all of the **findings discussed**.

3. Target population and groups of interest

In 2004, more than 2.1 million Canadians were either unattached recent immigrants of working age or part of a family including at least one adult who immigrated to Canada in the nineties or in the years 2000.

This study focuses on working-age Canadians, i.e. those aged 18-64. In particular, we are interested in immigrants the most vulnerable to poverty, namely “recent” immigrants, or in other words, to those who immigrated to Canada not a long time ago.³ To gain a better understanding of their working and living conditions, we will be comparing them to those of previous immigrant cohorts as well as native-born Canadians.

It is important to note that in each year’s SLID a significant number of individuals do not report their immigration status or the year in which they immigrated. It is thus impossible to classify certain respondents in any of the three comparison groups referred to earlier (i.e. recent immigrants, earlier immigrants, native-born Canadians). As a result, in addition to age, a second sampling criterion was imposed. All of the observations for which there were missing values for the variables relating to immigration status and year of immigration were omitted.⁴

	Weighted ⁵	Unweighted
Total ⁶	31,174,800	67,500
Persons aged 18-64	20,504,000	42,700
Persons aged 18-64 whose immigrant status and year of immigration are known	18,820,000	39,600

Among respondents who declared themselves as immigrants in 2004, the author had to determine which of them could be considered as recent immigrants. In the literature, the term “recent immigrant” is often used to refer to immigrants who have come to Canada within the previous five years. However, in studies that have a particular focus on low

³ Further in this section, the group of immigrants considered as recent immigrants in this study will be specified.
⁴ Since the omission of observations could have an impact on the representativeness of the selected sample, an analysis was conducted to verify whether this was the case in this study. The results of this analysis can be found in Annex A.
⁵ Since one of the purposes of this study is to provide further information about the labour market status of recent immigrants according to their economic situation, a weight adjusted for non-response to the interview on work was used. It should be noted, however, that, despite the use of weights adjusted for non-response, missing values remain for certain work-related variables from the SLID. The reason that missing values remain is that adjusted weights were produced for all individuals who were part of a family in which at least one member responded to the interview on work, even when some of them could not be reached. All individuals who did not respond to the interview on work but who were part of a family in which at least one member responded were thus assigned a positive weight for “work” but were placed in the missing value category. Since recent immigrants are especially likely to be part of a family with several members, there are more missing values for the variables relating to work among this group.
⁶ The target population for the SLID excludes residents of the Territories, institutional residents, and persons living on Indian reserves. All together, these exclusions account for less than 3% of the population, according to Statistics Canada. For further details, see: http://www.statcan.ca/cgi-bin/imdb/p2SV_f.pl?Function=getSurvey&SDDS=3889&lang=fr&db=IMDB&dbg=f&adm=8&dis=2

income among immigrants, this same term often refers to immigrants who have come to Canada within the previous ten years. Indeed, in these studies, it has been demonstrated that when compared to the rest of the Canadian population (including immigrants of previous cohorts), this group of immigrants is at particular risk of experiencing poverty over the short and the long term.

Because of a limited number of immigrants included in the SLID, the author chose to extend the number of years in which an immigrant can be considered as “recent” to 15 years in this study. After performing some tests⁷, it became obvious that even with this less restrictive criterion, vulnerability to low income was significantly higher for recent immigrants than for previous cohorts of immigrants and native-born Canadians. The author thus considered that a comparative analysis between immigrants who arrived in Canada within the past 15 years, earlier immigrants and native-born Canadians was appropriate to the study of poverty and working poverty in Canada.

Furthermore, other studies have shown that, compared with the rest of the population, immigrants are much more vulnerable to poverty, for at least ten years following their arrival, and that increasing economic difficulties of recent immigrants have been observed since the early 1990s. In extending the period of immigration to 15 years, the target population in 2004 includes all immigrants who have come to Canada since the beginning of the previous decade (i.e. since 1990). This makes the 15 year threshold even more relevant to the study of low income among immigrants in 2004.

In this study,

- A **recent immigrant** is defined as a person between the ages of 18 and 64 who has reported having immigrated to Canada between 1990 and the observation year, i.e. 2004.
- An **earlier immigrant** is a person aged 18-64 who has reported having immigrated to Canada before the 1990s.
- A **native-born** Canadian is a person aged 18-64 who is born in Canada.

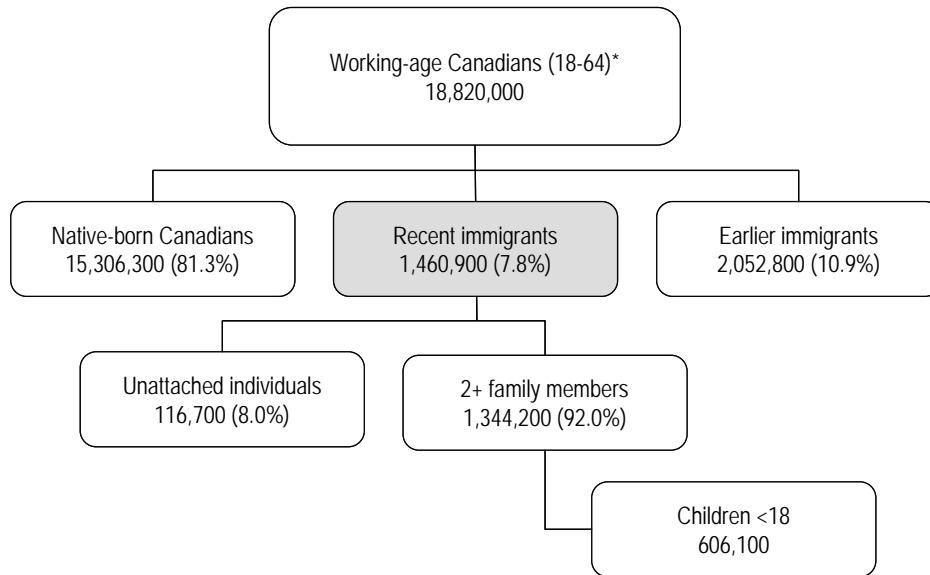
According to the data from the SLID, there were nearly 19 million working-age individuals whose immigration status was known in 2004. Of those, 19% were in fact immigrants (see Chart 1). More than 40% of these immigrants could be identified as recent immigrants, since they came to Canada in the 90s and within the first decade of this millennium.

In 2004, the vast majority (92%) of working-age recent immigrants were part of a family of two members or more. In that year, a total of 544,000 Canadian families included at least one working-age recent immigrant and 58.4% of those families had children under the age of 18. In all, more than 2.1 million Canadians (or 7.9% of the targeted population)⁸ were either recent immigrants who did not live with relatives or were part of a recent immigrant family. Around 30% of that group consisted of children under the age of 18.

⁷ See annex B to obtain more details on the results of these tests.

⁸ In this study, the population of interest includes all Canadians living in a family that includes at least one person aged 18-64 whose immigration status was known (in 2004, 26,908,600 individuals met these criteria).

Chart 1
Breakdown of Canadian working-age population by immigrant status, 2004



* Only respondents whose recent immigration status was known were retained.

4. Profile of recent immigrants of working age

4.1 Socio-demographic characteristics

Recent immigrants of working age had certain characteristics that made their prospects for labour market integration in 2004 favourable. On average they were better educated and were less likely to have work-limiting disabilities than native-born Canadians.

Recent immigrants differ from native-born Canadians in a number of ways. As seen in Table 2, working-age recent immigrants tended to be slightly younger than native-born Canadians. As well, they were more likely to be members of a two-parent family. Close to half (47%) of working-age recent immigrants had spouses and dependent children under the age of 18 in 2004, while this was the case for one-third (33%) of native-born Canadians in the same age group. Moreover, recent immigrants were much less likely to be unattached (8% vs. 17%). Therefore, their families were in general larger than those of native-born Canadians. In 2004, new immigrant families were comprised (on average) of 3.7 individuals, while those of native-born Canadians were made up of 2.9 members.

As well, recent immigrants were much more likely to live in a major urban centre and to be members of a visible minority. In fact, close to 60% of all recent immigrants were living in either Toronto or Vancouver in 2004, compared to only 14% of native-born Canadians. Furthermore, no less than three out of four recent immigrants were members of a visible minority, while this percentage was only three of every hundred among adults born in Canada.

On average, recent immigrants were also better educated and in better health than native-born Canadians. A higher percentage of them held a university degree in 2004 (35% vs. 20%), and a smaller percentage reported work-limiting disabilities (7% vs. 12%).

However, their average number of years of full-time experience in the labour market was particularly low. In 2004, recent immigrants reported on average half as many years of experience in the labour market as native-born Canadians of the same age group (7.7 years vs. 15.3 years).⁹

⁹ In the SLID, the questions pertaining to work experience did not specify where this experience had been acquired. For instance, respondents are asked whether they have previously worked full time, not counting summer employment as a student. Full time is indicated as referring to 30 hours or more a week, including all sources of employment. Source: Survey of Labour and Income Dynamics (SLID): interview questionnaire for reference year 2004. It should be noted that the SLID includes a significant number of observations for which there is a missing value for the derived variable pertaining to the number of years of experience in the labour force, and that averages were calculated without the missing values.

Table 2
Profile of working-age Canadians, by immigrant status, 2004

	Native-born Canadians (15,306,300)	Recent Immigrants (1,460,900)	Earlier Immigrants (2,052,800)
Average age	39.7 years	37.1 years	47.8 years
Average no. of years in Canada	N/A	7.9 years	30.0 years
% males	50.4%	46.1%	47.4%
% unattached individuals	16.8%	8.0%	11.0%
% couples without children <18	35.2%	28.1%	36.3%
% two-parent families	33.2%	47.0%	32.6%
% lone-parent families	4.5%	3.8%	3.3%
% other types of families	10.4%	13.1%	16.9%
Average no. of pers. in the family	2.9	3.7	3.2
Average no. of children in the family	0.6	0.8	0.6
Average no. of breadwinners in the family	1.9	2.1	2.0
% without a high school diploma	15.0%	11.1%	16.2%
% with a high school diploma	26.3%	22.4%	23.6%
% with more than a high school diploma	38.8%	31.3%	37.1%
% with a university degree*	19.9%	35.3%	23.0%
Average no. of years of full-time experience*	15.3 years	7.7 years	19.1 years
% with work limitations	11.9%	6.9%	12.4%
% black	0.7%	6.7%	6.4%
% Arab	0.3%	11.2%	3.4%
% Asian (Chinese, Korean and Japanese)	1.8%	38.5%	22.2%
% other visible minorities	0.6%	18.8%	9.6%
% live in Montreal	11.2%	12.0%	10.2
% live in Toronto	9.2%	38.9%	34.3
% live in Vancouver	4.9%	18.2%	12.3
* The information on level of education and experience is derived from variables for which there were some missing values. Estimates were obtained only from observations for which information was available.			

Table 2 also shows that in 2004 the characteristics of immigrants who arrived in Canada since the early nineties were different from those of earlier immigrants, which tended to be more like those of native-born Canadians, at least in terms of education level, number of years of experience in the labour market, and the prevalence of work limitations among them. This finding is also partially true for the type of family to which they belong, since non-recent immigrants were as likely to be in a couple, with or without children, as native-born Canadians. Those who were not part of a couple were nonetheless more likely to live with relatives than to live alone, while the opposite was more often the case for native-born Canadians.

Earlier immigrants of working age were on average considerably older than recent immigrants as well as native-born Canadians. Although less so than recent immigrants, non-recent immigrants were more likely to be part of a visible minority and to live in Toronto or Vancouver than native-born Canadians. It should also be noted that the percentage of persons of Arab origin was smaller among immigrants of cohorts prior 1990 than among more recent immigrants.

4.2 Status on the labour market

Labour market status of immigrant males (recent or not) was similar to that of native-born Canadians in 2004. However, immigrant females were less likely to participate in the labour market than native-born women.

Despite certain characteristics favourable to labour market integration among recent immigrants (more likely to have a university degree, few work limitations, etc.), they reported much less experience in the labour market (8 years on average, as compared with 15 years for native-born Canadians). Table 3 shows that there were no significant differences between their labour market status and that of native-born Canadians. On the whole, working-age recent immigrants were only slightly more likely to be full-time students and somewhat less likely to have worked at least 910 hours in 2004 compared to native-born Canadians.

Table 3			
Labour market status of working-age adults in Canada, by immigrant status, 2004			
	Native-born Canadians	Recent Immigrants	Earlier Immigrants
% Full-time students (FTSs)	10.6%	14.2%	4.7%
% Non-FTSs, 0 hours of work	14.8%	17.1%	22.5%
% Non-FTSs, self-employed	13.2%	12.3%	17.1%
% Non-FTSs, 1-909 hrs. of salaried work	6.5%	6.4%	5.3%
% Non-FTSs, 910-1499 hrs. of salaried work	6.7%	5.6%	4.7%
% Non-FTSs, 1500+ hrs. of salaried work	44.1%	37.3%	40.2%
% Missing values	4.1%	7.1%	5.5%

However, when a gender-based analysis is performed (see Table 4), a number of differences between the labour market status of recent immigrants and that of other Canadians are observed. The percentage of men who accumulated hours of work in 2004 was very similar among all groups studied (approximately 80%). However, female recent immigrants are a little bit less likely to have demonstrated labour market attachment. In 2004, slightly more than half (54%) of female working-age recent immigrants reported a positive number of hours of work, while over two-thirds (68%) of native-born Canadian women did so. Compared to other women of the same age group, female recent immigrants were substantially more likely to be full-time students.

Table 4
Labour market status of working-age adults in Canada, by immigrant status and gender
(Male vs. Female), 2004

	Native-born Canadians		Recent Immigrants		Earlier Immigrants	
	M	F	M	F	M	F
% Full-time students (FTSs)	10.1%	11.1%	10.0%	17.9%	4.9%	4.4%
% Non-FTSs, 0 hours of work	10.1%	19.5%	8.0%	24.7%	15.9%	28.4%
% Non-FTSs, self-employed	16.4%	10.0%	17.7%	7.4%	21.7%	13.7%
% Non-FTSs, 1-909 hrs. of salaried work	4.5%	8.6%	5.2%	7.4%	3.4%	7.1%
% Non-FTSs, 910+ hrs. of salaried work	54.6%	47.1%	51.7%	35.4%	48.6%	41.1%
% Missing values	4.3%	3.9%	7.3%	6.9%	5.6%	5.4%

4.3 Family income characteristics

Despite labour market status similar to that of other Canadians, recent immigrants had a lower standard of living.

Disposable family income (i.e. income after transfers and taxes) of recent immigrants of working-age (Table 5), was on average significantly lower than that of other Canadians (including earlier immigrants and native-born Canadians). In 2004, it represented only 86% of the disposable family income of native-born Canadians in the same age group. When family size is taken into consideration (Table 6), the difference between the disposable family income of recent immigrants and that of native-born Canadians is even larger. Given that recent immigrant families had more family members on average in 2004, their family income adjusted for family size represented 76% of that of native-born Canadians. In short, despite a labour market status similar to that of other working-age Canadians (especially for men), the standard of living for recent immigrants was considerably lower. It is worth noting that the family income characteristics of earlier immigrants are very close to that of native-born Canadians.

Table 5
Characteristics of average family income (\$) of working-age adults in Canada,
by immigrant status, 2004

	Native-born Canadians	Recent Immigrants	Earlier Immigrants
Disposable income*	64,200	55,400	66,300
Earned income	67,200	55,300	65,700
Income from government transfers	5,100	5,900	6,400
Income from social assistance ¹⁰	600	900	600
Employment insurance income	1,400	1,800	1,000

* Negative family incomes were brought back to zero and some extreme values were omitted for the "Native-born Canadians" category (two observations for which the disposable family income was more than 5 million.)

Table 6
Characteristics of average family income (\$) of working-age adults in Canada,
by immigrant status, 2004 - adjusted to take family size into account*

	Native-born Canadians	Recent Immigrants	Earlier Immigrants
Disposable income	37,100	28,300	36,100
Earned income	38,600	28,700	35,400
Income from government transfers	3,000	2,800	3,500
Income from social assistance	400	500	400
Employment insurance income	800	900	600

* Adjustment was made using the Low Income Measure's equivalence scale. This adjustment takes into consideration that family needs increase with family size.

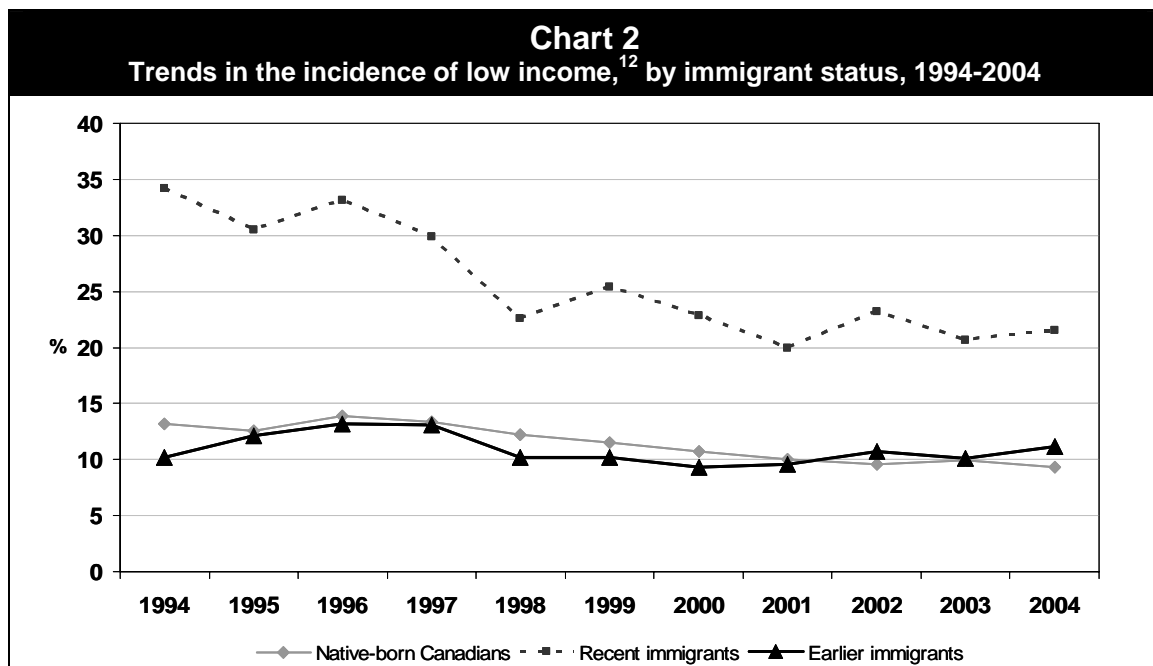
¹⁰ Kapsalis (2001) demonstrated some under-reporting of Social assistance (SA) and Employment insurance (EI) in SLID. However, according to Kapsalis, incidence of SA and EI are more accurate than the actual amount reported. Furthermore, there is no evidence that points for a more important under-reporting of these transfers for recent immigrants than for other groups.

5. Incidence of low income and working poverty among recent immigrants

In 2004, more than one in five recent immigrants of working-age were living in poverty, compared to fewer than one in ten other Canadians (11.2% among earlier immigrants and 9.3% among native-born Canadians).

Recent immigrants are more vulnerable to poverty, regardless of their labour market attachment.

When looking at the incidence of low income among recent immigrants since the mid-1990s, a significant downward trend is observed. The incidence of low income, as measured by Statistics Canada's post-tax low income Cut-offs, decreased from 34.2% in 1994 to 21.5% in 2004. In general, therefore, recent immigrants seem to have benefited from the economic growth of recent years.¹¹



¹¹ Note that Picot, Hou and Coulombe (2007) demonstrate a different trend. They do not find any significant decrease in the incidence of low income from 1994 to 2004 among immigrants who landed in the last 10 years. Rather, they find that the economic well-being of new immigrant families has been deteriorating since 2000. However, they note that the increase in low-income rates after 2000 is seen almost exclusively among immigrants who had been in Canada for two years or less (p. 41) which can explain the difference observed with the trend obtain using SLID. A number of other methodological factors may help explain the differences in the trends observed, such as the data used (they used data from the Longitudinal Administrative Databank [LAD] and Longitudinal Immigration Database [IMDB]), the Low-Income Measure selected and the target population (they looked at people aged 25-54).

¹² Incidence refers to the percentage of individuals living in low income during the reference year among the entire target population.

While this downward trend in the incidence of low income has also been observed among adults who were not recent immigrants, it was less dramatic. Thus, the difference between the overall incidence of low income among recent immigrants and those who were not has tended to narrow over the past decade.

Nevertheless, recent immigrants remain far more likely to experience low income than earlier immigrants and native-born Canadians, irrespective of their labour market attachment.

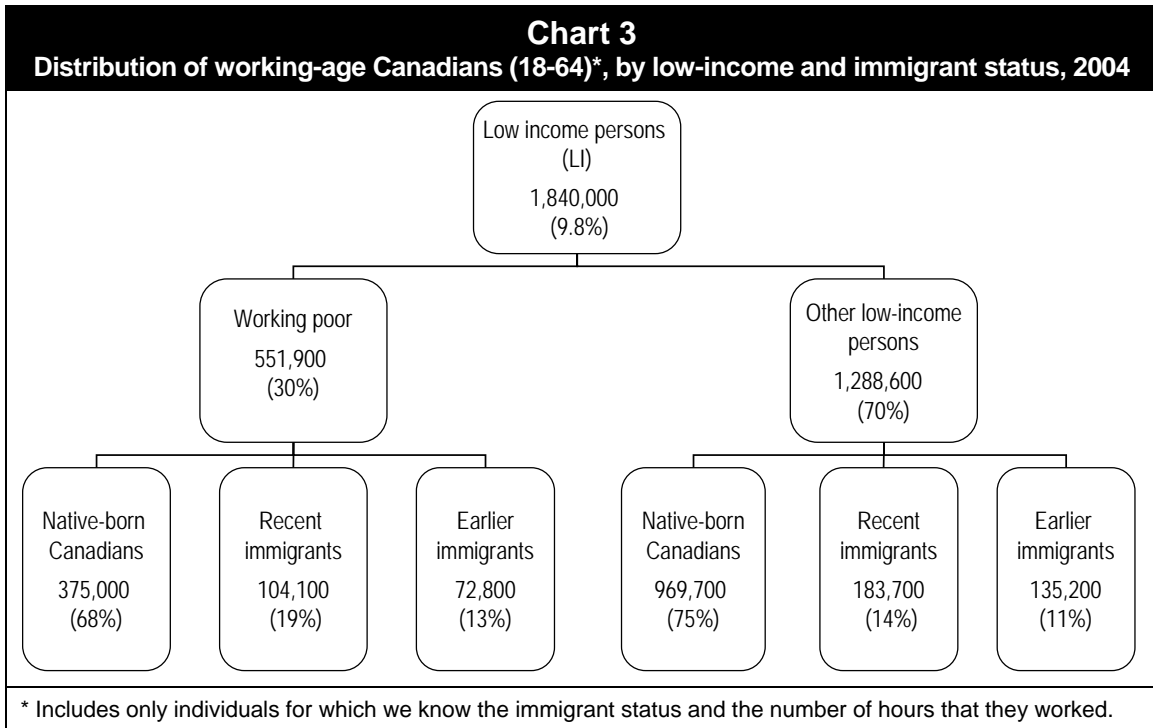
The overall incidence of low income among new immigrants was 21.5% in 2004, or more than 2 times higher than among non-immigrants (including earlier immigrants and native-born Canadians). While it is true that the incidence of low income was considerably lower among recent immigrants who had worked at least 910 hours (13.4% in 2004), it was much higher than among non-recent immigrants with similar attachment to the labour market (4.2%).

Table 7		
Incidence of low income among working-age individuals, by labour market status and immigrant status, 2004		
	Recent Immigrants	Other Canadians
All individuals 18-64	21.5%	9.5%
% Full-time students (FTSs)	24.1%	16.4%
% Non-FTSs, 0 hours of work	40.1%	22.5%
% Non-FTSs, 1-909 hours of work	29.5%	15.2%
% Non-FTSs, 910+ hours of work	13.4%	4.2%
% Missing values	23.2%	10.8%

Recent immigrants were over-represented among working poor Canadians but also among all groups of poor people regardless of their labour market attachment.

In 2004, 7.7% of all recent immigrants to Canada were working poor, i.e. had accumulated at least 910 hours of work while living in poverty, whereas the corresponding percentage was only 2.7% for other working-age Canadians. Clearly, then, recent immigrants were more likely to be part of the working poor population in Canada. But did they represent a high percentage of the working poor in 2004?

On the basis of the definition used to identify a worker in *When Working Is not enough to Escape Poverty : An Analysis of Canada's Working Poor* (2006) and in accordance with Statistics Canada's Low Income Cut-offs, 551,900 Canadians were identified as working poor in 2004. Of this number, 19%, or just under one in five, were recent immigrants.



As recent immigrants accounted for 7.8% of Canada's total working-age population in 2004, they could be considered over-represented among working poor Canadians. However, the same was true for all groups of poor persons regardless of their labour market attachment. In fact, recent immigrants represented:

- 14.0% of all poor people who had a weaker labour market attachment (i.e. worked fewer than 910 hours in 2004);
- 15.0% of all poor full-time students; and
- 21.4% of all poor persons whose labour market status was unidentified in the SLID.

6. Factors associated with low income among recent immigrants

All characteristics being equal, recent immigrants are at greater risk of poverty than are other Canadians (including earlier immigrants and native-born Canadians).

However, having paid employment, accumulating a reasonable number of hours of work and being part of a family with more than one potential breadwinner are characteristics that help recent immigrants avoid poverty, as they do for other Canadians.

Nonetheless, recent immigrants do not benefit as much from personal characteristics favourable to labour market participation such as having a higher level of education; having more labour market experience, and not having work-limiting disabilities.

It is not surprising to see that, in 2004, the incidence of low income was greater among immigrants who had arrived in the 1990s and 2000s than among other Canadians, since studies have already shown that recent immigrants are especially vulnerable to short- and longer-term low income.¹³ However, as with other Canadians, not all new immigrants live in poverty. Even within this group, certain characteristics can be associated with greater or lower risk of ending up in a low income situation.

In this section, the characteristics that make recent immigrants more vulnerable to low income are examined. We also verify if those characteristics are the same or not as those observed for the rest of the Canadian population. In order to answer these questions, two specifications of logistic regressions were estimated for each of the groups. The first (Model A) includes explanatory variables relative to labour market status, while the second (Model B) does not. Conducting logistic regressions to identify the determinants of poverty among recent immigrants has the advantage of controlling for possible interactions between explanatory variables and allows for the identification of the characteristics that have the greatest influence on the probability under study.¹⁴ However, because some demographic and socioeconomic characteristics (such as age, sex and level of education) have an incidence on the labour market status of individuals, it was decided that this category of variables be excluded in Model B in order to capture the direct impact of these variables on the probability of low income.

According to Model A, it is clear that family circumstances as well as labour market status are the most important determinants of poverty among working-age recent immigrants. The findings that appear in Table 8a indicate that recent immigrants who are heads of lone-parent families, or who are not living with relatives, are particularly at risk of experiencing poverty. For recent immigrants, being a full-time student or, for those who are not in school, not working a sufficient number of hours or being self-employed, are also characteristics that significantly increase the likelihood of experiencing poverty. Recent immigrants of Asian and Arab origin are more vulnerable to poverty than others in Canada.

¹³ Hatfield, M. (2004).

¹⁴ For further details on the methodology used, see Annex C.

Another interesting question that regression results allow us to answer is whether the determinants of poverty among recent immigrants are the same as those identified for the rest of the population.

Tables 8a and 8b clearly indicates that, regardless of their characteristics, recent immigrants are always at greater risk of poverty than other Canadians with similar characteristics. These Tables nonetheless shows that many of the characteristics that significantly increase the risk of poverty among recent immigrants also affect the rest of the population.

In particular, regardless of whether or not adults are recent immigrants, Table 8a demonstrates that being part of a lone-parent family, being unattached, not having accumulated at least 910 hours of paid work, and being self-employed during the year are characteristics that greatly increase the risk of living in poverty.

However, in comparison with the rest of the working-age population, few socioeconomic characteristics enable us to predict whether or not recent immigrants will experience poverty, when labour market status is controlled for. While education level, number of years of experience, and having work limitations have a significant impact on the likelihood that an adult who is not a recent immigrant will end up in poverty, among recent immigrants, these same characteristics are not significantly linked to the risk of experiencing poverty. All other things being equal, recent immigrants with a high level of education are not significantly less likely to live in poverty than those who are less educated. The same holds true for recent immigrants with more experience in the labour market and a better physical or mental condition.

Those results confirm an observation made in other studies which is that human capital factors are not as rewarding for immigrants as they are for non-immigrants. As Picot, You and Coulombe (2007, p.34) underlined “The movement to having more highly educated immigrants and the shift to accepting more skilled class immigrants had only a small effect.” since “the differences in the probability of the outcomes between the less and more highly educated is not as great as one might expect.”

Nonetheless, it is important to underline that when the labour market status category of variables is not included in the regression (Model B), the influence of sex, education level and presence of work-limiting disability on the risk of low income for working-age individuals is more important. This indicates that these characteristics indeed have an influence on labour market status of individuals which is partially captured through the effect of labour market status in Model A. It should be noted however, that among recent immigrants, only the impact of experience in the labour market becomes statistically significant when labour market status is omitted. The influence of sex, education level and work-limitation remains non-significant.

Table 8a				
Results of model A which estimates the impact of some explanatory variables – including labour market status- on the risk of low income (LI), by immigrant status, 2004				
	Recent immigrants		Other Canadians	
	Estimated coefficient*	Predicted prob of LI¹⁵	Estimated coefficient	Predicted prob of LI
All working-age adults		21.5%		9.5%
1. Demographic Characteristics				
Time since immigration				
5 years of less (omitted)	-	18.7%	-	-
Between 5 and 10 years	0.3362	22.9%	-	-
Between 10 and 15 years	0.2743	22.1%	-	-
Is an earlier immigrant				
Yes (omitted)	-	-	-	11.7%
No	-	-	-0.3680*	9.2%
Sex				
Female (omitted)	-	21.6%	-	9.5%
Male	-0.0176	21.4%	-0.0069	9.5%
Age				
18-29 (omitted)	-	16.8%	-	10.8%
30-44	0.7628*	26.3%	0.1116	11.5%
45-64	0.2243	19.3%	-0.6612*	7.5%
Area of residence¹⁶				
Montréal	0.4330	23.5%	0.2577	10.9%
Toronto	0.3005	21.3%	0.0816	9.8%
Vancouver	0.6308	25.8%	0.0280	9.4%
Other area (omitted)	-	17.7%	-	9.2%
Visible Minority				
Black	0.5602	19.9%	0.2707	10.9%
Asian	1.2164*	29.4%	1.2961*	20.0%
Arab	1.4837*	34.0%	0.1225	9.9%
Other minority	0.2234	16.0%	0.3294	11.3%
Not a member of a visible minority (omitted)	-	13.8%	-	9.1%
* These are estimated coefficients for which P<0.5 is below 0.05. Thus, they are statistically significant (i.e. different from 0 at the 95% confidence level).				

¹⁵ See Annex C for further details concerning the methodology used and the manner in which the predicted probabilities were derived and interpreted.

¹⁶ It should be noted that the low income measure used in this model specification does not take into consideration the differences existing in the cost of living across different Canadian regions. This may explain why the area of residence does not appear as a factor explaining low income among immigrants and other Canadians.

Table 8a (cont'd)				
Results of model A which estimates the impact of some explanatory variables – including labour market status- on the risk of low income (LI), by immigrant status, 2004				
	Recent immigrants		Other Canadians	
	Estimated coefficient*	Predicted prob of LI	Estimated coefficient	Predicted prob of LI
2. Socioeconomic Characteristics				
Highest level of education				
Less than a high school diploma	0.4581	26.9%	1.2946*	13.4%
High school diploma	-0.1297	19.1%	0.8852*	10.3%
Post-secondary studies	0.1790	23.0%	0.6906*	9.1%
University degree (omitted)	-	20.7%	-	5.6%
Labour market experience				
Less than 3 years	0.3958	23.6%	0.3957*	10.9%
3 or more years (omitted)	-	18.6%	-	8.4%
Work limitations				
Yes	0.3317	25.7%	0.5485*	12.7%
No (omitted)	-	21.2%	-	8.9%
Labour market status				
Full-time students (FTSs)	0.7637*	23.5%	1.5964*	12.5%
Non-FTSs, 0 hours of work	1.4649*	35.0%	2.4324*	21.1%
Non-FTSs, self-employed	0.7275*	23.0%	1.5713*	12.3%
Non-FTSs, salaried, 1-909 hrs.	0.7047*	22.6%	1.5174*	11.9%
Non-FTSs, salaried, 910+ hrs. (omitted)	-	14.2%	-	3.6%
3. Family Characteristics				
Family type				
Unattached, no relatives (omitted)	2.3549*	56.2%	2.9789*	31.5%
Childless couple	-	15.8%	-	3.7%
Two-parent family	0.0482	16.3%	0.4372*	5.4%
Lone-parent family	2.7728*	64.5%	2.2830*	21.1%
Other family	0.3445	19.3%	0.2429	4.5%
Pseudo R ²	22.2		30.6	
* These are estimated coefficients for which P<0.5 is below 0.05. Thus, they are statistically significant (i.e. different from 0 at the 95% confidence level).				

Table 8b				
Results of model B which estimates the impact of some explanatory variables –excluding labour market status- on the risk of low income (LI), by immigrant status, 2004				
	Recent immigrants		Other Canadians	
	Estimated coefficient*	Predicted prob of LI	Estimated coefficient	Predicted prob of LI
All working-age adults		21.5%		9.5%
1. Demographic Characteristics				
Time since immigration				
5 years of less (omitted)	-	18.0%	-	-
Between 5 and 10 years	0.4212	23.5%	-	-
Between 10 and 15 years	0.3255	22.1%	-	-
Is an earlier immigrant				
Yes (omitted)	-	-	-	12.2%
No	-	-	-0.3954*	9.2%
Sex				
Female (omitted)	-	22.7%	-	10.2%
Male	-0.1975	20.1%	-0.1994*	8.8%
Age				
18-29 (omitted)	-	15.7%	-	10.1%
30-44	0.8156*	26.0%	-0.0485	9.7%
45-64	0.4595	21.1%	-0.1632*	8.9%
Area of residence¹⁷				
Montréal	0.4816	23.6%	0.1818	10.7%
Toronto	0.2568	20.5%	-0.0031	9.3%
Vancouver	0.7638	27.9%	0.0282	9.5%
Other area (omitted)	-	17.4%	-	9.3%
Visible Minority				
Black	0.6513	20.9%	0.1704	10.3%
Asian	1.2982*	31.1%	1.3051*	21.7%
Arab	1.6159*	37.0%	0.3700	11.9%
Other minority	0.0969	14.4%	0.2331	10.8%
Not a member of a visible minority (omitted)	-	13.4%	-	9.1%
* These are estimated coefficients for which P<0.5 is below 0.05. Thus, they are statistically significant (i.e. different from 0 at the 95% confidence level).				

¹⁷ It should be noted that the low income measure used in this model specification does not take into consideration the differences existing in the cost of living across different Canadian regions. This may explain why the area of residence does not appear as a factor explaining low income among immigrants and other Canadians.

Table 8b (cont'd)				
Results of model B which estimates the impact of some explanatory variables – excluding labour market status- on the risk of low income (LI), by immigrant status, 2004				
	Recent immigrants		Other Canadians	
	Estimated coefficient*	Predicted prob of LI	Estimated coefficient	Predicted prob of LI
2. Socioeconomic Characteristics				
Highest level of education				
Less than a high school diploma	0.5702	28.0%	1.3949*	14.9%
High school diploma	0.0192	20.1%	0.8972*	10.5%
Post-secondary studies	0.1999	22.5%	0.6509*	8.8%
University degree (omitted)	-	19.9%	-	5.2%
Labour market experience				
Less than 3 years	0.7500*	27.2%	0.9685*	15.3%
3 or more years (omitted)	-	17.0%	-	7.6%
Work limitations				
Yes	0.4743	27.9%	0.9563*	16.6%
No (omitted)	-	21.0%	-	8.3%
3. Family Characteristics				
Family type				
Unattached, no relatives (omitted)	2.3462*	57.6%	2.7079*	31.1%
Childless couple	-	15.5%	-	3.5%
Two-parent family	0.0922	16.6%	0.4543*	5.3%
Lone-parent family	2.6857*	64.5%	2.0940*	20.6%
Other family	0.3003	19.3%	0.3811*	5.0%
Pseudo R ²	19.0		21.8	
* These are estimated coefficients for which P<0.5 is below 0.05. Thus, they are statistically significant (i.e. different from 0 at the 95% confidence level).				

7. Profile of recent immigrants in low income

7.1 Personal characteristics of recent immigrants in low income

Compared to other Canadians living in poverty, low-income recent immigrants were more likely to:

- be in the core working-age population (to be aged between 30 and 44);
- live in the large urban areas of Toronto or Vancouver;
- be a member of a visible minority group;
- have a university degree; and
- do not have any work-limiting disabilities.

The characteristics associated with a greater risk of poverty for recent immigrants were identified in the previous section. These characteristics were also compared to those that make other Canadians more vulnerable to poverty. In this section, a profile of recent immigrants who were in fact living in low income in 2004 is presented. On a general level, this analysis is useful to determine whether the profile of low-income immigrants was different from that of other low-income adults in Canada that year. More particularly, it is useful to identify whether they were more or less likely to be members of the working poor population compared to other low-income Canadians.

Table 9 shows that, among low-income persons aged 18-64 in 2004, recent immigrants were more likely to be in the core working-age group of 30-44 years old. More than half of adult recent immigrants with low incomes were in this age group in 2004, while less than a third of other adults in low income were members of this age group. The latter were more likely to be part of the over 45 and under 30 age groups.

Furthermore, the vast majority of low-income recent immigrants were members of a visible minority (86%) and lived in either Toronto or Vancouver. There were very few members of visible minorities among other working-age Canadians in low income, and the area of residence of the latter was much more consistent with that of the rest of the population.

The population of recent immigrants in low income was also distributed quite uniformly according to education level. While most other low-income adults had not graduated from high school and only 12% had completed university, more than a third of recent immigrants experiencing low income had a university degree. Also, the percentage of low-income adults who had work-limiting disabilities was significantly lower among recent immigrants than among other low-income Canadians (11% vs. 26%).

Among all persons living in poverty in 2004, recent immigrants were not particularly more likely to be working poor.

However, recent immigrants living in poverty were more likely to have at least one worker in their family, and thus be members of a working poor family.

- Recent immigrants living in poverty are less dependent on social assistance and more on family support compared to other poor Canadians.

The labour market status of all recent immigrants in low income was not substantially different from that of other low-income persons aged 18-64 in 2004. One-third of low-income working-age recent immigrants (33%) reported enough hours of work to be considered working poor;¹⁸ this percentage was only slightly higher than that observed among low-income persons who were not recent immigrants (27%). Therefore, it cannot be concluded that recent immigrants in low income were significantly more likely to be working poor than other low-income adults in 2004.

However, a somewhat different conclusion can be drawn when the profiles of low-income persons are examined according to gender (Table 9). While it is true that among poor women, a similar percentage of immigrants and non-immigrants participated in paid work, recent immigrant males living in poverty were more likely to be working poor than their male counterparts who were not recent immigrants (43% vs. 33%).

¹⁸ According to the definition used in *When Working Is not enough to Escape Poverty: An Analysis of Canada's Working Poor* (August 2006) and in accordance with Statistics Canada's low income cut-offs, a person is considered "working poor" when he/she is a working-age person who is not a full-time student, who has worked for pay for at least 910 hours during the year, and whose disposable family income is below the post-tax LICO threshold.

Table 9
Distribution (in %) of all low-income (LI) persons (18-64) in Canada, by personal characteristics and recent immigrant status, 2004

	Recent Immigrants with LI (314,400)	Other Canadians with LI (1,650,600)
Personal Characteristics		
Demographic		
Sex		
Male	39.0	45.9
Female	61.0	54.1
Age		
Under 30	24.7	32.1
30-44	50.3	29.7
45 and over	25.0	38.3
Visible Minority		
Yes	86.4	11.6
No	13.6	88.4
Area of residence		
Toronto	32.3	12.0
Vancouver	27.5	6.6
Other area	40.2	81.4
Socioeconomic		
Education level		
Highest level is high school diploma	35.1	50.6
More than a high school diploma	29.6	33.9
University degree	29.4	10.7
Missing values	5.9	4.8
Experience in the labour market		
Less than 3 years	24.5	17.4
3 years or more	45.2	52.7
Missing values	30.3	29.9
Work limitations		
Yes	11.2	25.9
No	88.8	74.1
Personal labour market attachment		
Full-time students (FTSs)	16.0	17.1
Non-FTSs, 0 hours of work	31.7	37.1
Non-FTSs, 1-909 hours of work	10.7	12.7
Non-FTSs, 910+ hours of work	33.1	27.1
Missing values	8.5	5.9

	Recent Immigrants with LI		Other Canadians with LI	
	M	F	M	F
Personal labour market attachment				
Full-time students (FTSs)	12.6	18.2	15.5	18.5
Non-FTSs, 0 hours of work	25.0	36.0	34.2	39.5
Non-FTSs, 1-909 hours of work	X	13.8	11.9	13.5
Non-FTSs, 910+ hours of work	42.7	26.9	32.5	22.6
Missing values	13.7	X	X	X

7.2 Family characteristics of recent immigrants in low income

It is possible to observe in Table 11 that fewer recent immigrants in low income lived alone compared to other low-income Canadians in 2004. This means that they had more potential earners in their family.¹⁹ While more than two-thirds (69%) of low-income recent immigrants were part of a family with at least two working-age persons, the corresponding percentage for other low-income Canadians was one-third (36%). Table 11 also indicates that, although recent immigrants of working age living in low income were not necessarily likely to be working poor persons themselves, they were far more likely to live in a family in which at least one member reported a significant number of hours of work, and thus to be part of a working poor family in 2004 (53% vs. 36%).

	Recent Immigrants with LI	Other Canadians with LI
	Type of family	
Unattached individual	19.0	52.2
Childless couple	19.2	12.9
Two-parent family	36.3	16.7
Lone-parent family	12.3	10.6
Other family type	13.1	7.7
No. of potential earners in the family		
1	31.4	63.8
2	38.2	30.1
3+	30.4	6.1
Family labour market attachment		
Inactive family ²⁰	23.2	46.5
Unemployed family ²¹	14.1	12.5
Working family ²²	53.2	35.5
Missing values	9.6	5.5

¹⁹ A potential earner refers to any family member of working age (18-64).

²⁰ The family consists only of full-time students or working-age persons who did not work any hours during the year.

²¹ The family consists of at least one person who is not a full-time student and who worked between 1 and 909 hours during the year.

²² The family consists of at least one person who is not a full-time student and who worked at least 910 hours during the year.

Consequently, it is not surprising that, as Chart 4 indicates, market income tended to represent a larger percentage of the family income of recent immigrants in low income than other low-income Canadians in 2004. The latter were more dependent on social assistance. In fact, in 2004, only 16% of recent immigrants in poverty lived in a family that received social assistance benefits compared to 33% of other low-income Canadians that year (Table 12). Low-income recent immigrants may use social assistance less often simply because they are not eligible for it (for example, immigrants who come to Canada under the Private Sponsorship of Refugees Program are not eligible for social assistance for a period of 10 years following their arrival²³ or because they are unaware of their entitlement to participate in this program. However, this does not seem to be the case with respect to the employment insurance program, since 20% of recent immigrants in low income were part of a family that used it as compared to 10% of other low-income Canadians in 2004.

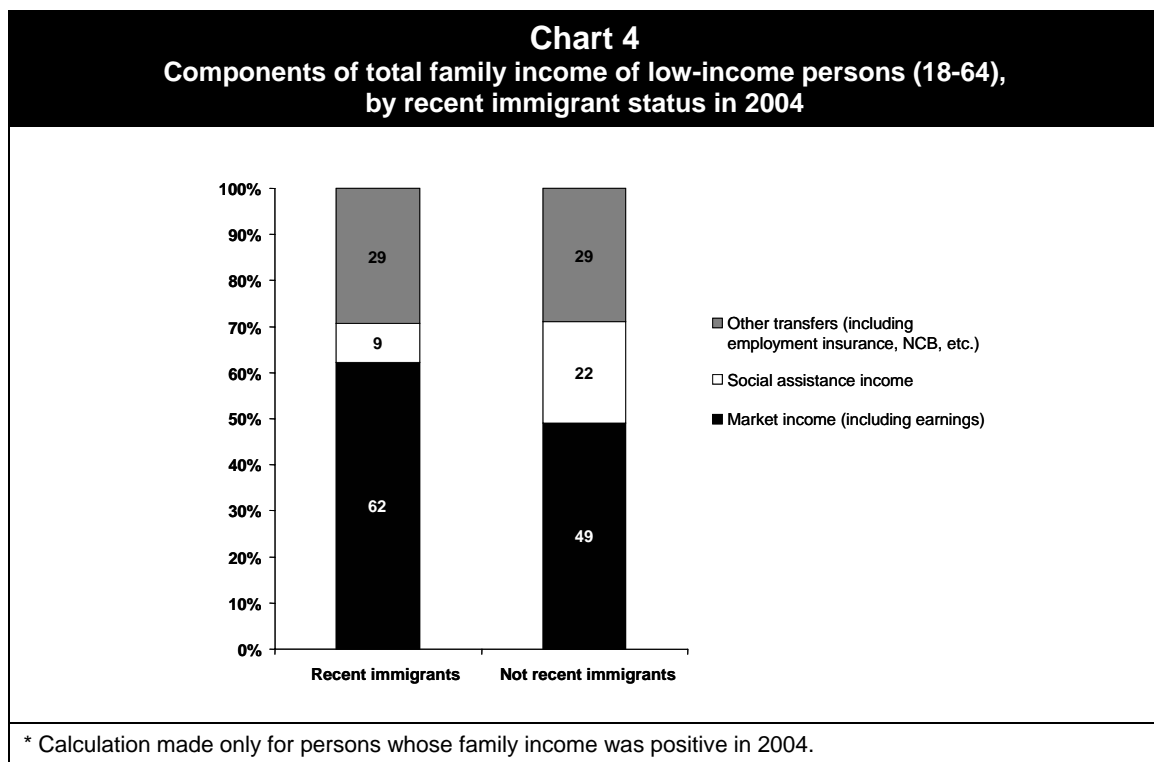


Table 12
**Percentage of all low-income (LI) persons (18-64) in Canada living in families that
did not receive any income from various sources, by recent immigrant status, 2004**

	Recent Immigrants with LI	Other Canadians with LI
Did not receive any social assistance income	83.9%	66.8%
Did not receive any employment insurance income	80.4%	89.7%
Did not receive any earned income	19.9%	36.6%

²³ Source: www.cic.gc.ca/english/sponsor/index.html

7.3 Severity of low income for recent immigrants

In 2004, low-income recent immigrants were slightly better off than other low-income Canadians. An average increase of 32.5% in family income would have been needed for recent immigrants to escape poverty in 2004, compared to 36.7% among low income Canadians who were not recent immigrants.

8. Working conditions of recent immigrants in low income

On the basis of the SLID data, it is not possible to conclude that the working conditions of recent immigrants in poverty were more precarious than those of other working poor Canadians in 2004.

For working recent immigrants in low income, it is interesting to study working conditions compared to those of their counterparts, since they may have an influence on their living conditions and those of their family members. In Tables 13 and 14 we observe that recent immigrants in low income who reported hours of work in 2004 accumulated approximately the same number of hours as other low-income workers. A slightly smaller percentage of this group reported a period of self-employment during the year. Those who reported only salaried employment were proportionally less likely to have reported an atypical work schedule. They were also as likely to have reported low wages (i.e. less than \$10/h) as other working poor persons. Therefore, it is impossible to conclude from these results that recent immigrants who were working poor had more precarious working conditions than other working poor persons in Canada in 2004.²⁴

Table 13		
Working conditions of all low-income (LI) Canadians (18-64) with a positive number of hours of work, by recent immigrant status, 2004		
	Recent Immigrants with LI (140,500)	Other Canadians with LI (682,700)
Number of hours of work		
Average	1,590 h	1,520 h
Self-employed during the year		
Yes	31.7	38.4

Table 14		
Working conditions of all low-income (LI) Canadians (18-64) whose number of hours of salaried employment is positive, by recent immigrant status, 2004		
	Recent Immigrants with LI (95,300)	Other Canadians with LI (409,500)
Atypical work schedule		
Yes	20.2	43.5
Low wages (< \$10/hour)		
Yes	47.9	50.2

²⁴ Note that little information concerning the working conditions of low-income adults who reported a positive number of hours of work was obtained from the SLID due to the insufficient number of observations available for the recent immigrant group.

9. Housing conditions of recent immigrants in low income

Aside from family income and working conditions there are other factors that influence the living conditions of working-age individuals, such as access to quality services and insurance. Housing also plays a key role. Good housing conditions can reduce the adverse effects associated with low income for families, while poor housing conditions can exacerbate them.

Because the SLID contains data concerning housing conditions, it was possible to verify from the respondents the extent to which recent immigrants living in poverty had access to affordable and/or subsidized housing, good quality and appropriate size of housing or whether they owned their own homes in 2004.

In 2004, recent immigrants with low incomes were particularly likely to live in overcrowded housing. However, their other housing conditions were not markedly more unfavourable than those of other low-income Canadians.

The results that appear in Table 15 show that low-income immigrants (recent or not) were more likely to be part of an owner-occupied household than were other low-income Canadians in 2004. However, the proportion of recent immigrants who were homeowners with mortgages was higher than that for other low-income Canadians who also owned their own homes. Among persons living in poverty, recent immigrants were more likely to live in housing of unsuitable size, i.e. considered too small for the number of people living there (20% vs. 8%). Finally, the vast majority (67%) of low-income recent immigrants lived in unaffordable housing, in other words their housing costs²⁵ represented more than 30% of their gross household income. While this percentage is high, it is comparable to that observed among other low-income Canadians in 2004.

In 2004, 20% of low-income recent immigrants were renters in subsidized housing. This proportion was not significantly lower than that observed among native-born Canadians with low incomes. It is nonetheless interesting to observe that poor immigrants who are more established and who were renters were more likely to live in subsidized housing.

In short, except for the housing size, the housing conditions of recent immigrants in low income did not seem to have been significantly more unfavourable than those of other low-income Canadians.

²⁵ According to the definition developed by Statistics Canada for the Canada Mortgage and Housing Corporation, housing is considered unaffordable when the cost of rent, mortgage payments, condo fees, property taxes, and water, heat and electricity represents 30% of before-tax household income or more.

Table 15
Housing conditions of low-income persons (18-64) in Canada,
by recent immigrant status, 2004

Low-Income Adults	Native-born Canadians	Recent Immigrants	Earlier Immigrants
ALL			
Housing unaffordable ²⁶	67.2%	67.2%	70.0%
Housing owned by a household member	36.4%	48.3%	46.7%
Housing size unsuitable ²⁷	7.7%	20.4%	7.1%
Moved during past year	25.9%	22.0%	14.6%
OWNERS			
Mortgage on owned housing	57.8%	76.7%	51.4%
RENTERS			
Housing requires major repairs	7.3%	X	X
Government or other subsidy for rent	22.5%	20.4%	38.4%

An additional point of inquiry in this study was whether recent immigrants who were not living in poverty in 2004 experienced housing conditions that were more precarious than those of other “financially comfortable” Canadians.

Recent immigrants who did not have low family income nonetheless experienced more unfavourable housing conditions than those of other Canadians not living in poverty.

Among adults who had a family income above the Low-Income Cut-offs, those who were recent immigrants were three times more likely than native-born Canadians to maintain unaffordable housing (32% vs. 10%), likely due in part to many recent immigrants having settled in Toronto or Vancouver (these cities have notoriously high housing costs). They were three to four times more likely to live in overcrowded housing (16% vs. 5%). As well, recent immigrants moved houses more frequently during the year.

Furthermore, among those not living in poverty, recent immigrants were less likely to be part of an owner-occupied household. However, the proportion of owners was higher among non-recent immigrants than among native-born Canadians, which suggests that immigrants are more inclined to become owners. Furthermore, earlier immigrants were the least likely to have an outstanding mortgage on their property and to have moved in 2004.

²⁶ This statistic is calculated for those whose total household income is positive only.

²⁷ According to CMHC, housing that is crowded is considered to be not suitable. To not be considered as not suitable, a dwelling must include one bedroom for each:

- cohabiting adult couple;
- unattached household member 18 years of age and over;
- same-sex pair of children under age 18;
- additional boy and/or girl in the family, unless there are two opposite sex siblings under 5 years of age.

A household of one individual can occupied a bachelor unit (i.e., no bedroom).

Table 16
Housing conditions of persons (18-64) not living in low income in Canada,
by recent immigrant status, 2004

Adults NOT in low income	Native-born Canadians	Recent Immigrants	Earlier Immigrants
ALL			
Unaffordable housing	10.1%	31.9%	16.5%
Housing owned by a household member	80.4%	67.6%	86.1%
Housing size unsuitable	4.6%	16.2%	8.7%
Moved during past year	12.0%	17.1%	9.9%
OWNERS			
Mortgage on owned housing	64.7%	79.1%	58.1%
RENTERS			
Housing requires major repairs	7.4%	6.7%	4.5%
Government or other subsidy for rent	8.3%	9.4%	12.4%

10. Recent immigrants “vulnerable” to poverty

In 2004, of all working-age recent immigrants not living in poverty, three out of five were considered vulnerable to poverty.

As noted previously, the average disposable family income of all recent immigrants of working-age was lower than that of other adults, and a significantly higher percentage of them are living in poverty each year. However, most recent immigrants manage to avoid financial poverty.²⁸ In 2004, 78.5% of them were not considered low income. While 78.5% of recent immigrants managed to avoid experiencing low income that year, it does not mean that they were successfully integrated into the labour market and accessed positions in which they could meet their full potential.

A variety of factors have an influence on whether or not a person ends up in low family income:

- 1) Employed or unemployed status; number of hours of work accumulated as well as salary conditions;
- 2) Access to personal market income from other sources (such as investments income);
- 3) Access to financial support from other family members;
- 4) Eligibility for and access to government transfers.²⁹

In light of these factors, it is interesting to investigate how most recent immigrants maintained a family income level above the low income threshold in 2004 and how many of those that avoided poverty were vulnerable to it, i.e. they would have lived in poverty if they had not been able to count on the support of their family or the government.

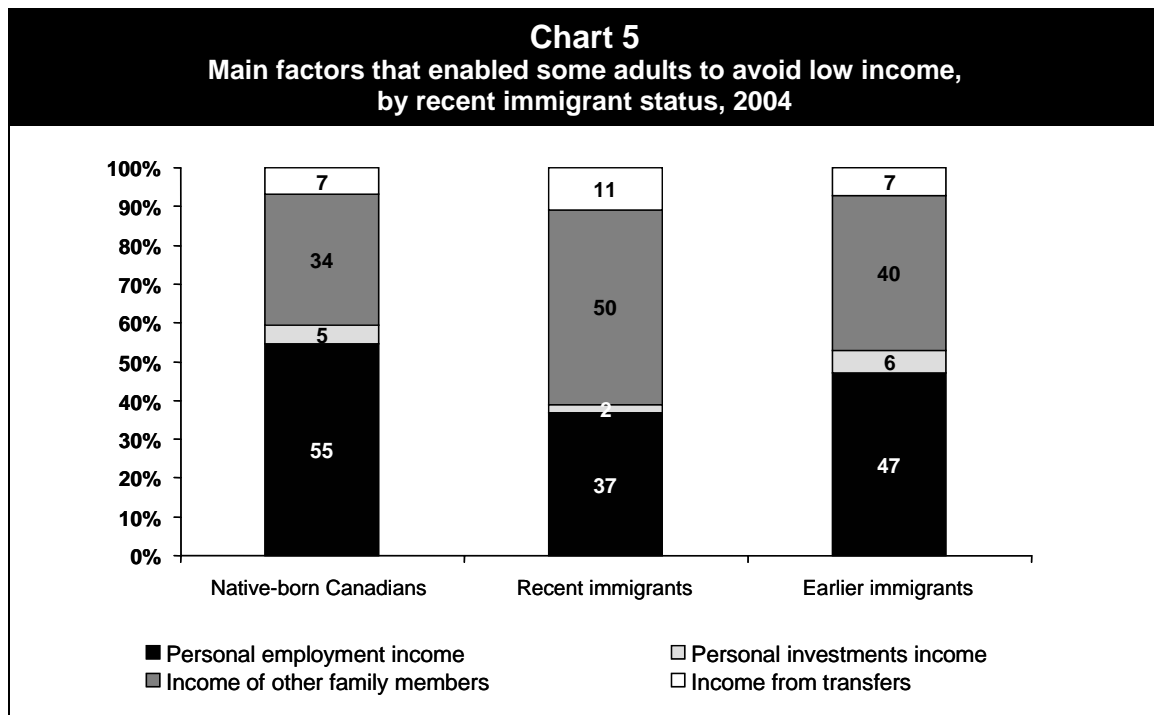
These questions can be answered by looking at the sources of family income for recent immigrants.

A significant proportion of recent immigrants of working age avoid poverty, not because of their labour market income, but because of support they receive from family members and government. This finding is particularly true for working-age female immigrants.

²⁸ As measured by Statistics Canada’s post-tax low income Cut-offs, which are not an official measure of poverty but which are frequently used by researchers and policymakers as an indicator of low family income au Canada.

²⁹ The greater the number of individuals in the person’s family and the higher the cost of living where the person lives, the higher the person’s family income will need to be in order to have a decent standard of living and to avoid poverty. These factors are at least partly taken into consideration through the use of the low income cut-offs, which vary according to family size and the size of the area in which the person lives.

As illustrated in Chart 5, among all adults who were not living in poverty in 2004, 60% of native-born Canadians had a personal market income high enough to enable their families to avoid low income; however, this was the case for only 40% of recent immigrants of working age. In other words, of all recent immigrants not living in poverty in 2004, 60% were not self-sufficient (45% for male and 75% for female) since their families would have lived in poverty had they only had their market incomes to depend on. The comparable proportions were around 30% and 50% among native-born Canadians not living in poverty. Family and government support thus plays a much more significant role among recent immigrants as a way of avoiding low income. This is particularly the case for women.



11. Low-income situation of recent immigrants over three consecutive years

In the previous sections we focused on gaining a better understanding of the phenomenon of poverty among recent immigrants in a given year, i.e. in 2004. Since recent immigrants in low income have observable characteristics that are especially favourable to employability, their economic difficulties may be more temporary than those of other low-income Canadians. In this section, poverty among recent immigrants over a longer period of time is examined.

The Survey of Labour and Income Dynamics is a longitudinal survey that follows respondents over six consecutive years. However, to maximize the number of observations in the longitudinal sample, a combination of data from the two most recent overlapping panels had to be used, thus limiting the number of years during which the groups of interest could be observed to three (2002-2004).

	Weighted	Unweighted
Target population ³⁰	16,658,400	33,900
Native-born Canadians	13,462,900	30,000
Recent immigrants ³¹	1,235,600	1,100
Earlier immigrants	1,959,900	2,700

Compared to other Canadians, recent immigrants are more vulnerable to poverty in both the short and the long term. Recent immigrants not living in poverty are more likely to fall into poverty in subsequent years than other Canadians. However, as for other Canadians, poverty among recent immigrants is a very dynamic phenomenon, and the time spent in poverty when they experience it is similar.

The analysis of the low-income status of recent immigrants over three years shows that the proportion of recent immigrants affected by poverty over a three-year period was higher than that observed over a single year. However, the same holds true for adults who are not recent immigrants (14% vs. 9%), suggesting that the risk of a recent immigrant experiencing poverty is more than double that of other Canadians, in both the short and longer terms. Observation of the phenomenon of poverty over a longer period also reveals that, for adults in poverty, the length of time they spend in this situation and the risk of remaining there for an extended period is very similar, regardless of whether or not they are recent immigrants.³²

³⁰ In this longitudinal analysis, the target population includes all persons aged 18-62 in 2002 (which means that none of them was older than 64 during the period studied) who responded to the survey every year until 2004.

³¹ In this longitudinal analysis, recent immigrants include all persons who reported in 2002 having immigrated to Canada between 1990 and 2002.

³² As it is the case for the incidence of low income in a given year, the incidence of persistent poverty among earlier immigrants is closer to that observed among native-born Canadians than among recent immigrants. Between 2002 and 2004, the proportion of recent immigrants who experienced persistent poverty was 19% while this proportion was 7% among native-born Canadians and 8% among earlier immigrants.

Table 18
Experience of low income (LI) among working-age adults,
by immigrant status, between 2002-2004

	Recent Immigrants (1,235,600)	Other Canadians (15,422,800)
LI in 2002	21.9%	8.9%
LI for at least 1 year	32.0%	14.2%
LI for 3 years	8.1%	4.3%
Persistent LI	18.9%	7.2%
Working poor in 2002	5.0%	2.6%
Working poor for at least 1 year	12.0%	5.5%

11.1 Dynamic of poverty among recent immigrants

Many recent immigrants living in poverty do not remain there permanently; on the other hand, those who are not currently living in poverty are not necessarily exempt from it. Between 2002 and 2004, between 7% and 9% of recent immigrants who were not living in poverty in a given year became poor the following year. These entry rates were two to three times higher than those observed for individuals who were not recent immigrants (Table 19). However, during the same period, over 40% of recent immigrants who were living in poverty in a particular year left it the following year; this proportion was not statistically different to that observed for other low-income Canadians (Table 20).

Table 19
Annual rate of entry in low income for working-age adults in Canada,
by immigrant status, 2002-2004

	Recent Immigrants	Other Canadians
2002	-	-
2003	7.2%	3.4%
2004	9.2%	2.9%

Table 20
Annual rate of exit from low income for working-age adults in Canada,
by immigrant status, 2002-2004

	Recent Immigrants	Other Canadians
2002	-	-
2003	41.6%	35.1%
2004	43.0%	35.5%

The main reasons why people were able to leave low income between 2002 and 2004 were also very similar for both recent immigrants and those who were not (Table 21). In both groups, some 40% did so primarily because of a change in their family status or environment (reforming a union, child departure, etc.). Others left poverty primarily due to an increase in income of the members of their family (approximately 28% owing to an increase in the own employment income and approximately 31% owing to an increase in family income from other sources (such as transfers, income of other earners, etc.).

Table 21
Main reasons that explain the exit from low income for working-age adults,
by immigrant status, 2002 and 2004

Change in	All poor persons	
	Recent Immigrants	Other Canadians
Family structure	42.0%	40.2%
Personal income	27.4%	28.6%
Other income	30.6%	31.2%

11.2 Persistence of poverty among recent immigrants

Among all recent immigrants living in poverty during at least one year between 2002 and 2004, the average period of time spent in this situation was 1.8 years, or more than half of the period under consideration. However, the percentage that remained there for three consecutive years was only 25%, a percentage that was not statistically different from that observed (30%) among other Canadians who experienced poverty during this period.

The percentage of recent immigrants in low income who experienced persistent poverty was also fairly similar to that observed among other low-income adults and this, regardless of whether or not they accumulated any hours of work in 2002.

Table 22
Persistence of low income (LI) for working-age adults *who were poor*,*
by immigrant status, between 2002-2004

	Recent Immigrants (395,300)	Other Canadians (2,817,500)
LI for 1-2 years	75.5%	69.8%
LI for 3 years	24.5%	30.2%
Av. no. years with LI	1.82 years	1.85 years
Persistent LI ³³	59.1%	50.6%

* Those who experienced at least one year of low income between 2002 and 2004

Table 23
Percentage of low-income (LI) adults in 2002 who remained poor until 2004,
by hours worked and recent immigrant status

	Recent Immigrants with LI in 2002 (269,900)	Other Canadians with LI in 2002 (1,372,200)
Full-time students in 2002	X	36.2%
Non-FTSs, 0 hours of work	53.5%	60.8%
Non-FTSs, 1+ hours of work	38.6%	41.6%

³³ Individuals are said to have experienced persistent poverty if their cumulative after-tax family income was lower than the sum of the associated low-income Cut-offs during the period.

In fact, as the following table shows, the living conditions of recent immigrants experiencing poverty are not substantially different from those of other low-income Canadians. It is true that family support enabled them to obtain a higher average family income between 2002 and 2004, but given that they are part of larger families, this phenomenon did not increase their standard of living in relation to other low-income Canadians.³⁴

Table 24		
Longitudinal statistics (2002-2004) pertaining to low-income (LI) adults in 2002, by immigrant status		
	Recent Immigrants with LI in 2002 (269,900)	Other Canadians with LI in 2002 (1,372,200)
Av. no. of hours of work*	2,050	2,290
Av. value of employment earnings	\$20,400	\$18,300
Av. value of family income	\$75,700	\$61,400
Av. value of adjusted family income	\$35,700	\$37,000
* Statistics calculated for those for whom information regarding the number of hours worked was available each year between 2002 and 2004.		

³⁴ Note that the number of longitudinal analyses possible using SLID data is fairly limited given the small number of observations for recent immigrants in the longitudinal sample.

12. Conclusion

In a country such as Canada, the economic and social integration of immigrants is an important objective of government policy.

However, recent immigrants to Canada face more employment barriers than other working-age Canadians do and they are a lot more likely to experience poverty. It even seems that the difficulties that new immigrants encounter have worsened in recent years.

Using data from the *Survey of Labour and Income Dynamics*, this study sought to clarify the phenomenon of poverty and working poverty among recent immigrants. The key findings provide some answers to the various questions raised in the introduction. They include:

Question 1: *Are the determinants of low family income among recent immigrants the same as those identified for the rest of the population?*

- All characteristics being equal, recent immigrants are always at greater risk of poverty than are other Canadians.
- As it is the case among other Canadians, having a paid job, accumulating many hours of work, and being part of a family with many potential earners are all characteristics that help recent immigrants avoid poverty.
- However, recent immigrants do not benefit as much from personal characteristics favourable to labour market participation, such as high education, experience in the labour market and the absence of a work-limiting disability.

Questions 2 & 3: *Are recent immigrants in low income particularly likely to be working poor, unemployed poor, or inactive poor persons? Are they more or dependent on government transfers?*

- Among all working-age Canadians living in poverty, recent immigrants are not significantly more likely to be working poor.
- However, because a greater number of them were part of families including other working-age adults, they were a lot more likely to be part of a working poor family in comparison with other poor Canadians.
- Compared to other Canadians, recent immigrants of working age are more likely to rely on family support to fulfill their needs.
 - When living in poverty, recent immigrants are less dependent on social assistance and more on the earnings of other family members.
 - For recent immigrants not living in poverty, it is also much more likely that they avoid poverty because of family support rather than because of their labour market income.

Question 4: *Are their housing conditions particularly disadvantageous?*

- Low-income recent immigrants are more likely to live in overcrowded housing than are other low-income Canadians. Their other housing conditions are similar.
- However, among non-poor Canadians, immigrants had less favourable housing conditions.

Question 5: *Do recent immigrants leave low income more or less quickly than do other Canadians?*

- Recent immigrants are more vulnerable to poverty in both the short and the long term.
- However, as for other Canadians, poverty among recent immigrants is a very dynamic phenomenon. The time spent in poverty for working-age adults is very similar whether they are recent immigrants or not.

Answering the questions raised in the introduction helped us learn a bit more about the working and living conditions of recent immigrants to Canada. However, because of data limitations, some questions could not be clearly elucidated in this study and warrant further investigation. For example, it would be interesting to do further research on the working conditions of low-income immigrants.

According to a study conducted by St Christopher House for Human Resources and Social Development Canada³⁵, an “All or Nothing Approach to Work” is observed among recent immigrants. This means that some of them chose not to work instead of accepting inappropriate jobs and being part of the working poor. The study also found that recent immigrants often rely on numerous jobs, some in the formal labour market, some in the cash economy (they refer to this as the “Big Income Mix”). According to the same study, many immigrants either choose, or are forced, to work in jobs in the cash economy. If this reality implies that some recent immigrants are faring better economically than statistics on income indicate, this also means that they are often not eligible to government programs such as Employment Insurance and Canada Pension Plan. Since these observations come from a series of Focus Groups held in the Toronto area, it would be interesting to expand this research in order to verify the impact of these phenomena at the national level.

As well, there should be further exploration of their family strategies in terms of labour market participation. It was noted in this study that working-age recent immigrants living in poverty have more potential earners in their families without having a particularly high level of family participation in the labour market. It would be worthwhile to determine whether this is because of greater family responsibilities, stronger barriers to employment for certain members of their families, participation in the cash economy, cultural differences, or other factors.

³⁵ *Poor Immigrants in Canada : Are they Working? A Community Perspective, November 2006.*

Annex A – Missing values

In this study, the target population includes all individuals aged 18-64, and the group of interest is that of recent immigrants. In selecting this population, the author had to exclude all individuals with missing information pertaining to immigration status (in other words, all observations for which the values of variables *immst15* or *immyr15* were missing).

After imposing the sampling criteria for age, there remained approximately 8% of observations for which immigration status was unknown in 2004. Table A.1 presents a profile of persons who did not report their immigration status (missing values) as compared with the rest of the population aged 18-64 (no missing values).

Table A.1 shows that persons who did not report their immigration status displayed characteristics different from those of the rest of the population aged 18-64 in 2004. In fact, they were more likely to be male, single and to live in Ontario. Furthermore, they tended to be slightly younger and had a lower average personal income.

It should also be noted that, of all persons who were part of the “missing values” group, 92% had not reported the highest level of education they had attained. This suggests that persons who had not reported their immigration status probably did not respond to a number of other survey questions. This finding reinforces the decision to omit these observations from the analysis.

Nonetheless, the fact remains that the characteristics of the omitted population were slightly different from those of the rest of the population which means that the sample used is not perfectly representative of all working-age Canadians in 2004.

Table A.1		
Characteristics of the target population (aged 18-64), according to whether or not they had a missing values for the variables describing their immigration status in 2004		
	Missing Values	No Missing Values
Gender		
Female	47.1%	50.3%
Male	52.9%	49.7%
Level of Education		
Less than a high school diploma	X	14.4%
High school diploma	X	25.0%
More than a high school diploma	X	36.9%
University	X	20.7%
Missing	92.2%	2.9%
Province of Residence		
Atlantic provinces	5.4%	7.7%
Quebec	17.5%	24.6%
Ontario	49.7%	38.0%
Manitoba or Saskatchewan	4.7%	6.3%
Alberta	9.2%	10.4%
British Columbia	13.6%	13.2%
Marital Status		
Single	36.4%	28.9%
Married / in a common-law union	50.3%	60.2%
Separated, divorced or widowed	12.9%	10.9%
Average Age	38.8 years	40.4 years
Average Personal Disposable Income	\$25,600	\$28,200
Average Family Disposable Income	\$61,700	\$63,700
The findings that appear in bold are those for which there was a statistically significant difference between the "missing values" and "no missing values" group.		

Annex B – Sensitivity tests

The results of the two logistic regressions presented in Table B.1 (Model A and B) show that, when using the Survey of Labour and Income Dynamics (SLID) to explain low income among immigrants in 2004, those immigrants who landed in Canada 5 to 15 years prior to 2004 are significantly more at risk of having a low income than those who landed over 20 years prior to 2004.³⁶ This confirms that the 15-year threshold is reasonable to achieve this study's objective.

Table B.1		
Results of a logistic regression estimating the impact of explanatory factors on the risk of low income among all immigrants, 2004		
	All Immigrants	
	Model A	Model B
1. Demographic Characteristics		
Time since immigration		
5 years of less	0.6039	0.4858
Between 5 and 10 years	0.8524*	0.8511*
Between 10 and 15 years	0.7481*	0.7527*
Between 15 and 20 years	0.3228	0.3758
More than 20 years (Omitted)	-	-
Sex		
Female (Omitted)	-	-
Male	0.0869	-0.0806
Age		
18-29 (Omitted)	-	-
30-44	0.6598*	0.6383*
45-64	0.1457	0.3432
Area of residence		
Montréal	0.3873	0.3164
Toronto	0.1990	0.1507
Vancouver	0.3332	0.4084
Other area (Omitted)	-	-
Visible Minority		
Black	0.4440	0.4347
Asian	1.3137*	1.3003*
Arab	1.1868*	1.3047*
Other minority	0.3525	0.1264
Not a visible minority (Omitted)	-	-
* These are estimated coefficients for which P<0.5 is below 0.05. Thus, they are statistically significant (i.e. different from 0 at the 95% confidence level).		

³⁶ Usually, the incidence of low income among immigrants who landed less than 5 years ago is greater than that among immigrants who landed from 5 to 10 years ago (see Picot, Hou and Coulombe, 2007). There are reasons that could explain why this is not the case here. First, the number of recent immigrants who landed less than 5 years ago is not large enough in the SLID to produce reliable estimates on this group. Second, it is likely because the SLID samples only include immigrants selected at the start of the panel, as well as those who were reunited with the families of members of the panels which underestimates the number of very recent immigrants in years following the beginning of a panel.

Table B.1 (cont'd)
Results of a logistic regression estimating the impact of explanatory factors
on the risk of low income among all immigrants, 2004

	All Immigrants	
	Model A	Model B
2. Socioeconomic Characteristics		
Highest level of education		
Less than a high school diploma	0.7444*	0.7833*
High school diploma	0.2994	0.3725
Post-secondary studies	0.3628	0.3324
University degree (Omitted)	-	-
Labour market experience		
Less than 3 years	0.3261	0.7570*
3 or more years (Omitted)	-	-
Work limitations		
Yes	0.4479*	0.6994*
No (Omitted)	-	-
Labour market status		
Full-time students (FTSs)	1.2200*	-
Non-FTSs, 0 hours of work	1.7125*	-
Non-FTSs, self-employed	1.1546*	-
Non-FTSs, salaried, 1-909 hrs.	1.0097*	-
Non-FTSs, salaried, 910+ hrs. (Omitted)	-	-
3. Family Characteristics		
Family type		
Unattached, no relatives (Omitted)	2.5260*	2.4085*
Childless couple	-	-
Two-parent family	0.2231	0.2249
Lone-parent family	2.6371*	2.3353*
Other family	0.3280	0.3653
Pseudo R ²	24.0	18.8
* These are estimated coefficients for which P<0.5 is below 0.05. Thus, they are statistically significant (i.e. different from 0 at the 95% confidence level).		

Annex C – Methodology

C.1 Logistic regression

To determine the characteristics that increase the probability of working-age recent immigrants having low family income, a logistical regression model was constructed. For the members of the selected sample, the risk of having low family income taking into account specific personal, demographic, socioeconomic and family characteristics was modelled.

The dependent variable takes the form of a dichotomous variable equal to

1 if the recent immigrant had a low family income in 2004

0 otherwise

To identify which characteristics have a statistically significant impact on the probability that $Y = 1$, hypotheses concerning the probability function $P(Y = 1)$ to ensure that it meets the laws of probability have to be made. One function frequently used when the dependent variable is binary is called Logit:

$$P(Y = 1) = \frac{e^{Xb}}{1 + e^{Xb}},$$

where

Y represents the vector of the dependent variable,

X represents the matrix of the explanatory variables, and

b represents the vector of the coefficients associated with X

When this function is maximized by maximum likelihood, it is possible to find B , that is, the vector of the **estimated** coefficients. To obtain these estimates b , it is essential to exclude a variable for each of the groups of characteristics when the latter are expressed in multiple dichotomous explanatory variables; otherwise, the equation system cannot be solved. The omitted variables thus become reference variables, meaning that they are to serve as a basis for comparison when the findings are being interpreted.

C.2 Interpretation of coefficients, predicted probabilities and marginal effects

The coefficients estimated using Logit are not easy to interpret, since the Logit-type function is non-linear. In fact, the only information that each of the estimated coefficients provides pertains to the direction and magnitude of the correlation between each of the explanatory variables and the dependent variable. If a coefficient is greater than 0, it is because the explanatory variable associated with it is positively related to the probability

that $Y = 1$ and vice versa. The proximity of 0 indicates the magnitude of the impact. The farther the estimated coefficient is from 0, the greater the association between the explanatory variable and this probability, and vice versa. For the purposes of verifying whether the estimated coefficients are significant, the level of confidence chosen was 95%. This means that the effect of each of the explanatory variables is deemed significant when the likelihood of the estimated coefficient associated with it equalling 0 is less than 5% or, in other words, when $(\text{Prob} > |T|) < 0.05$.

To obtain a better idea of the quantitative impact of each of the characteristics on the probability of being poor for a recent immigrant, it is preferable to calculate predicted probabilities. Setting the value of each of the dichotomous explanatory variables at 1 and then at 0, it is possible, first, to calculate the predicted probability of low income of immigrants with this characteristic and, second, to obtain the marginal effects, that is, to determine the impact on the predicted probability of having a particular characteristic as compared with not having it. For example, to determine the impact of the recent immigrant's gender on the probability of having low family income, we compare

$$\bar{P}(Y = 1) = \frac{1}{N} \times \sum_{i=1}^N \frac{e^{1 \cdot B_1 + \sum_{k=2}^K X_{ik} B_k}}{1 + e^{1 \cdot B_1 + \sum_{k=2}^K X_{ik} B_k}} \quad \text{and} \quad \bar{P}(Y = 0) = \frac{1}{N} \times \sum_{i=1}^N \frac{e^{0 \cdot B_1 + \sum_{k=2}^K X_{ik} B_k}}{1 + e^{0 \cdot B_1 + \sum_{k=2}^K X_{ik} B_k}}$$

where

\bar{P} is the average of the predicted probabilities for each individual i when Female=1 and then Female =0

B_1 is the estimated coefficient associated with the Female variable

B is the vector of estimated coefficients associated with variables other than Female

X_i is the vector of the values of the explanatory variable for all individuals

K is the total number of explanatory variables other than Female

A second logistic regression has been performed to answer the question « What are the characteristics that increase the probability of being poor for working-age Canadians who are not recent immigrants? », and to compare the most important determinant of low income among those two groups.

Annex D – Factors associated with low income among earlier immigrants and native-born Canadians

The factors associated with low income among earlier immigrants are very similar to those among working-age native-born Canadians.

Table D.1				
Results of a logistic regression estimating the impact of explanatory factors on the risk of low income among earlier immigrants and native-born Canadians, 2004				
	Earlier immigrants		Native-born Canadians	
	Model A	Model B	Model A	Model B
1. Demographic Characteristics				
Sex				
Female (Omitted)	-	-	-	-
Male	0.1660	0.0245	-0.0317	-0.2330*
Age				
18-29 (Omitted)	-	-	-	-
30-44	0.2081	0.0259	-0.1551	-0.0681
45-64	-0.2549	-0.2047	-0.7218*	-0.1617
Area of residence				
Montréal	0.2953	0.1008	0.2326	0.1797
Toronto	0.2390	0.2063	0.0338	-0.0700
Vancouver	-0.0174	-0.0745	0.0845	0.1080
Other area (Omitted)	-	-	-	-
Visible Minority				
Black	0.5790	0.4274	-	-
Asian	1.5880*	1.5211*	-	-
Arab	0.4215	0.6857	-	-
Other minority	0.5586	0.3265	-	-
Not a visible minority (Omitted)	-	-	-0.3544	-0.4658*
* These are estimated coefficients for which P<0.5 is below 0.05. Thus, they are statistically significant (i.e. different from 0 at the 95% confidence level).				

Table D.1 (cont'd)				
Results of a logistic regression estimating the impact of explanatory factors on the risk of low income among earlier immigrants and native-born Canadians, 2004				
	Earlier immigrants		Native-born Canadians	
	Model A	Model B	Model A	Model B
2. Socioeconomic Characteristics				
Highest level of education				
Less than a high school diploma	1.2560*	1.1030*	1.2895*	1.4443*
High school diploma	0.9127*	0.8840*	0.8867*	0.9056*
Post-secondary studies	0.6778*	0.6196*	0.6970*	0.6662*
University degree (Omitted)	-	-	-	-
Labour market experience				
Less than 3 years	0.2341	0.7473*	0.4183*	1.0043*
3 or more years (Omitted)	-	-	-	-
Work limitations				
Yes	0.5862*	0.8946*	0.5338*	0.9648*
No (Omitted)	-	-	-	-
Labour market status				
Full-time students (FTSs)	1.9467*	-	1.5844*	-
Non-FTSs, 0 hours of work	2.0115*	-	2.5374*	-
Non-FTSs, self-employed	1.6310*	-	1.5584*	-
Non-FTSs, salaried, 1-909 hrs.	1.3258*	-	1.5724*	-
Non-FTSs, salaried, 910+ hrs. (Omitted)	-	-	-	-
3. Family Characteristics				
Family type				
Unattached, no relatives (Omitted)	2.8203*	2.5616*	2.9928*	2.7217*
Childless couple	-	-	-	-
Two-parent family	0.5708	0.5178	0.3831*	0.4257*
Lone-parent family	2.8189*	2.2748*	2.1920*	2.0474*
Other family	0.3618	0.5485	0.1953	0.3169
Pseudo R ²	25.3	18.0	31.6	22.5
* These are estimated coefficients for which P<0.5 is below 0.05. Thus, they are statistically significant (i.e. different from 0 at the 95% confidence level).				

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