

Settling Down: Recent Immigrants and Labour Market Information

Key Findings:

- More than half (60%) of recent immigrants use labour market information (LMI) and 90% say it is impactful.
- Their most sought-after types of labour market information are wages and the cost of living.
- Their top challenges in finding labour market information are lack of insight about the future (30%) and lack of relevant information (27%).
- The top barriers to employment reported by unemployed recent immigrants are a lack of Canadian work experience (39%), lack of professional contacts (21%) and lack of Canadian education (21%).

Introduction

The Canadian labour force is aging. Close to **four million** workers are expected to retire within the next decade, and, **current fertility rates, at 1.5**, are well below replacement levels. As a result, Canada's labour force growth is expected to slow. To mitigate the economic, social and labour market implications associated with demographic change, efforts are needed on a number of fronts. This includes effective immigration policies, as well as improving labour market outcomes of under-represented groups including women, persons with disabilities, Indigenous people and recent immigrants.¹

In this context, the aim of this *LMI Insight Report* is to focus on recent immigrants, whose **employment outcomes** lag those of Canadian-born individuals. For example, in **2018, 9.4% of recent immigrants were unemployed compared to 5.7% of Canadian-born individuals**. To gain

better insights into their challenges, expectations and needs, we asked recent immigrants across Canada about their labour market information experiences (see **Box 1**).

LMI: Challenging to Find and Understand but Life-Changing

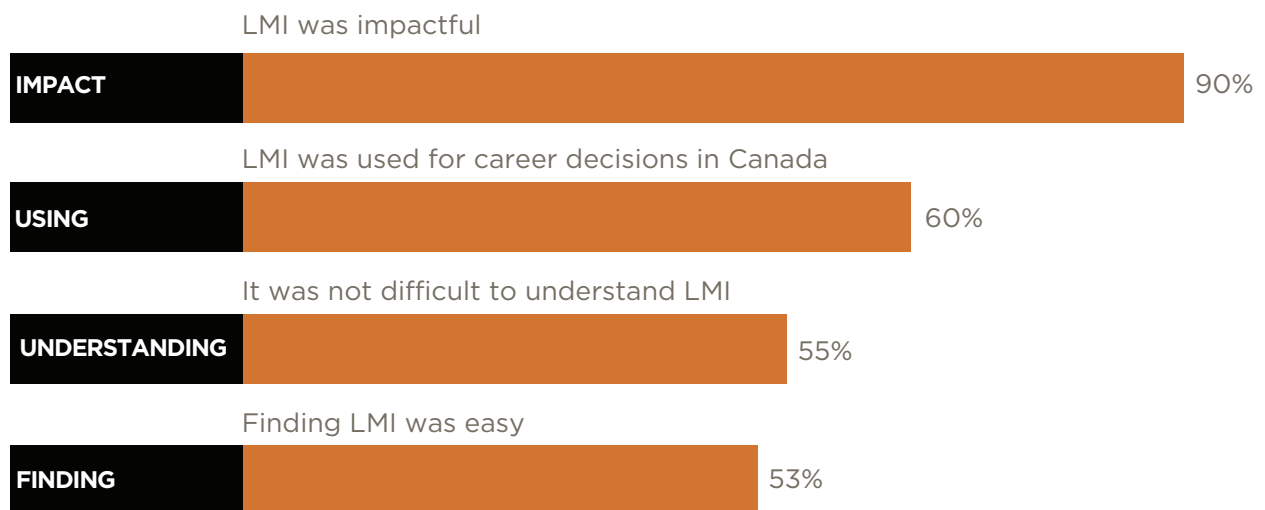
Close to two-thirds (60%) of recent immigrants surveyed said that they used labour market information before making a major career decision (see **Figure 1**). This result indicates that a significant share of recent immigrants are not consulting labour market information before immigrating to Canada. Even more surprising is that the reported use of labour market information among people immigrating under work-related immigration streams is only 65%, a mere five per cent higher than the LMI use reported by non-economic immigrants (60%).

On the positive side, an overwhelming proportion of recent immigrants (90%) reported that labour market information has an impact on their career path, a result not unique to this group. In fact, **all user groups** said that LMI was impactful, with results ranging from 78–98%. These findings highlight the importance of providing Canadians with timely, reliable and accessible labour market information. In line with other surveyed groups, roughly half of recent immigrants reported that labour market information is easy to find. Nonetheless, recent immigrants are less likely than other groups (except for unemployed respondents) to understand the labour market information found. Only 55% of recent immigrants report that LMI is easy to understand, significantly less than the average of other groups surveyed (62%).

Box 1: Surveying Recent Immigrants across Canada

To better understand how diverse groups of Canadians use labour market information and the types of information they need, the Labour Market Information Council (LMIC) **surveyed nine distinct user groups**, including recent immigrants. Each group was surveyed independently. The surveys were designed to be representative of the population in each of the jurisdictions in Canada. This issue of *LMI Insights* reports on the survey results for recent immigrants, defined as individuals who migrated to Canada within the past five years.

Figure 1. Percentage of recent immigrants responses on the impact, using, understanding and finding of LMI



Note: Responses related to either finding or understanding job market information were aggregated for the finding, understanding and using sections, the graph presents the % of respondents who selected 'not at all difficult' and 'not very difficult'. For the impact section, the graph presents the % of respondents who selected 'not a big impact', 'some impact' or a 'big impact'.

Finding a New Home

When asked about their most pressing LMI needs, the most commonly cited was wages (60%), consistent with the most commonly identified **LMI need** among all groups surveyed. The second most common type of labour market information sought, however, is unique to recent immigrants: 48% pointed to the cost of living. One reason for its relative importance is likely due to the fact that prior to moving to Canada, immigrants often need to choose the province and city in which they will reside. Being new to Canada, they are likely to have less insight on how the cost of living differs across the country. In fact, after arriving in Canada, **studies show** that about 10% of recent immigrants will move to another province within the first five years, a decision closely related to the cost of living.

Recent immigrants were also asked to identify the main challenges they face when finding information about the labour market. They highlighted the lack of insight into the future (30%) and relevance for their personal situation (27%).

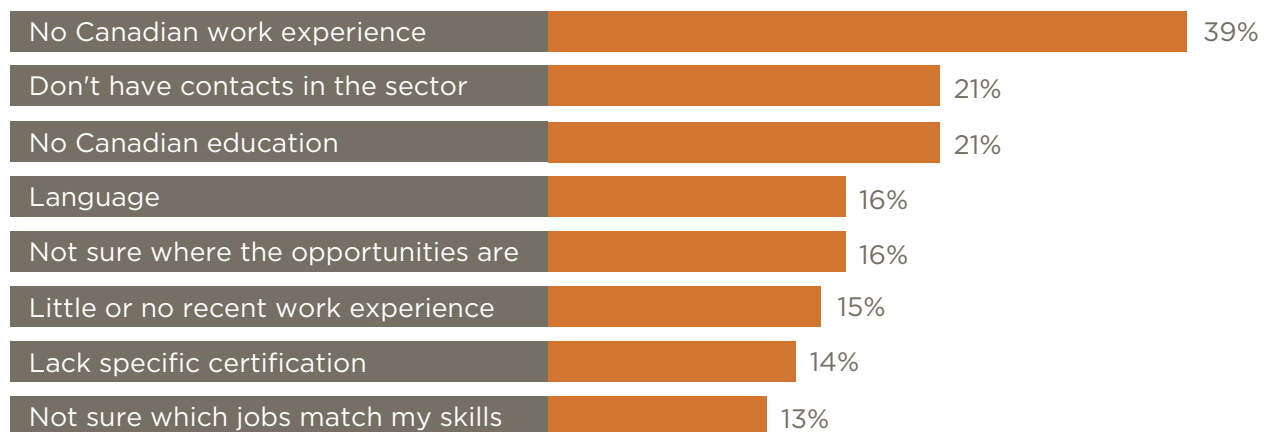
Wanted: Canadian Experience and Education

Given the unique circumstances that immigrants face in finding work in a new economy and new culture, we asked them to identify the greatest barriers to finding employment. Close to 40% of unemployed recent immigrants reported that a lack of Canadian work experience was a barrier, followed by a lack of a professional network and a lack of Canadian education, both which were identified by 21% of respondents (see **Figure 2**).

Other frequently noted barriers to employment reported by recent immigrants include challenges related to labour market information. For example, 16% of respondents identified not knowing where opportunities are as a barrier and 13% noted they are unsure about which jobs match their skills. Similarly, 16% of respondents noted language and 14% a lack of certifications as barriers to employment, suggesting that specific training needs of recent immigrants could be better met. Improving the labour market information on available training programs could be one way to help address such barriers to employment.

Figure 2. A lack of Canadian work experience and education are barriers to employment for unemployed recent immigrants

Percentage of respondents who report the following categories as barriers to gaining employment in Canada



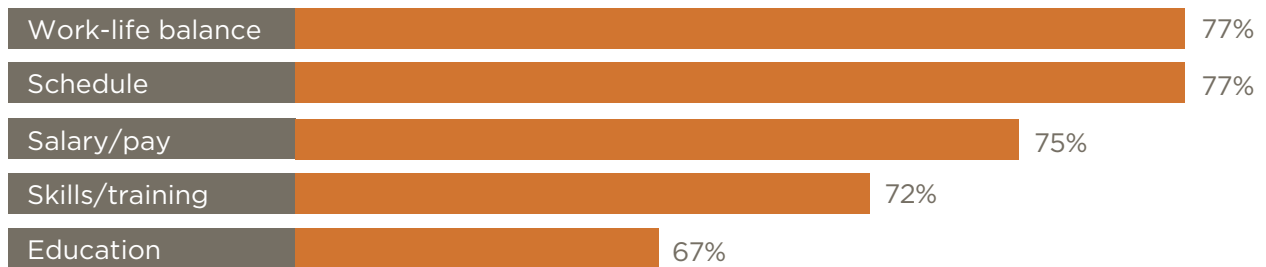
Diverse Labour Market Outcome Among Recent Immigrants

Most employed recent immigrants said they are satisfied with their current employment (56%). When we dig deeper, however, we see that this satisfaction depends on various dimensions. Respondents thought their current job was a good fit in terms of work-life balance, schedule, pay and skills, with 72 to 77% of respondents identifying their job as either “somewhat of a good fit” or a “very good fit” (see **Figure 3**). Survey respondents were however less convinced that their job was a good fit for their education. Given

that, as noted above, a lack of Canadian education is a prominent barrier to employment, it is not surprising that education ranks lower in terms of its “fit” with the current job of recent immigrants. These findings are in line with Statistics Canada research which finds that immigrants have a higher **overqualification rate** than Canadian-born workers. For example, **immigrants** who obtain university degrees outside of Canada (excluding the US), are more likely to work in jobs that require only a high school diploma (43% and 35% of foreign-educated women and men, respectively) than immigrants who study in Canada or the United States (20% of women and 16% of men).

Figure 3. Two-thirds of recent immigrants say their education is a “good fit” for their job

Percentage of respondents reporting their current employment is a “good fit” in the following categories



Note: Responses related to good fit in current employment were aggregated for each dimension. The graph represents the percent of respondents who selected “very” or “somewhat” when asked if the work dimension is a ‘good fit’ for them. “Not very” and “not at all” were the two other possible responses.

Favourable Channels for Receiving LMI

When asked about the most effective channels to communicate updates on the job market, recent immigrants preferred websites dedicated to providing labour market information, followed by news media websites and publications. These results are consistent across all user groups, suggesting that most Canadians prefer to receive updates on labour market information through a dedicated website. Presently, several online resources are available to future and recent immigrants, such as **Welcome BC** and

Manitoba Start, to help them discover and navigate the Canadian labour market. However, users also **need guidance** on how to navigate such resources, especially in today’s complex and rapidly changing labour market. Critically, LMI resources can often be outdated or the information may be irrelevant for the user’s situation. Providing more up-to-date and detailed information will continue to be an important goal in making Canadian labour markets more efficient.

The Way Forward

As the population in Canada ages, there will be a number of social and economic implications associated with the demographic shift. Such long-run changes will need to be addressed on a number of fronts, one of which is improving the labour market outcomes of under-represented groups. This *Insight Report* has focused on one such group, recent immigrants to Canada. In line with other groups surveyed, we found that although recent immigrants say that labour market information is impactful (90%), only 55% think that it is easy to find or understand.

The survey did however reveal some unique characteristics of this group. Recent immigrants placed higher priority on the cost of living, with nearly half of the respondents identifying it as an LMI need (second only to wages). Further, a lack of

Canadian education and work experience were the two most frequently cited barriers to employment, challenges not cited by other survey respondents. The survey also found that employment barriers include informational challenges related to knowing where job opportunities are, and which skills match which jobs.

The results presented in this issue of *LMI Insights* are LMIC's first step toward understanding how newcomers use labour market information, and the types of information and insights they need. We look forward to continuing to work with all stakeholders to understand how to best serve the labour market information needs of recent immigrants to help them navigate the changing world of work.

Acknowledgements

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For more information about this *LMI Insight Report* or other LMIC activities, please check our publications page. You may also contact Bolanle Alake-Apata at bolanle.alake-apata@lmic-cimt.ca or Tony Bonen (Director, Research, Data and Analytics) at tony.bonen@lmic-cimt.ca.

Check out the Survey Results by Population Groups [dashboard](#) and previous editions of [LMI Insight Reports](#) discussing the needs, challenges and difficulties of finding labour market information. Additional results will be made available as analyses are completed.

Endnotes

- 1 A [recent report from the Conference Board of Canada](#) argues that immigration is key to ensuring the Canadian labour force continues to grow at a pace consistent with long-run growth expectations.