An Analysis of Socioeconomic Situation by Ethnocultural Groups, Periods of Immigration and Gender for Canada and Toronto CMA, 1986, 1991 and 1996 Compared

Final Report by Professor Edward B. Harvey
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Abstract

This analysis of immigrants reveals a direct relationship among ethnocultural group affiliation, recency of immigration and the socioeconomic status of immigrants. Our analysis covers a period of 35 years of immigrant experiences in three geographic regions. It demonstrates the persistence of high unemployment, low employment incomes and serious poverty for a core of ethnocultural groups, mainly of visible minority backgrounds.

The results of a comparison of immigrant experiences in Canada, Ontario and the Toronto CMA further reinforce this picture of the deteriorating status of visible minority immigrants in the 5 year period between the 1991 Census and 1996 Census (in all three geographies). In 1991, visible minority immigrants experienced a higher unemployment rate, lower average employment income and higher poverty level than their non-visible minority counterparts. Five years later, their socioeconomic status was worse.

In the 1999 funding year, CERIS supported the above referenced project. Edward B. Harvey was lead investigator and was assisted by Kathleen D.V. Reil. COSTI was the community partner.

CERIS support enabled us to obtain from Statistics Canada a special tabulation of 1996 Census Canada data that showed the socioeconomic situation for 58 ethnocultural groups at the Canada, Ontario, Toronto CMA and Vancouver CMA levels of geography. The socioeconomic situation dimensions included employment income, unemployment and incidence of low income as measured by Statistics Canada’s Low Income Cut-Off (LICO). The data in the special tabulation also enabled us to control for gender, and in the case of immigrants to Canada, control for period of immigration.

In addition to the special tabulation of 1996 Census data, we also examined data from a wide range of Canadian studies of ethnocultural groups and immigrants.
The study also made use of special tabulation data from the 1991 Census of Canada which have been obtained with earlier support from CERIS.
In comparing the 1991 and 1996 Census of Canada special tabulation data, a number of notable patterns were discovered for the five year period.

Our analysis used three socioeconomic indicators: (a) average unemployment rate; (b) average employment income; and (c) average percent below the low income cut-off (LICO) or poverty level. The analysis compares 1991 and 1996 Census data for the geographies of Canada, Ontario and Toronto CMA. The results show that visible minority immigrants are disadvantaged in comparison with immigrants who are not visible minorities.

### Unemployment Rates
Between 1991 and 1996, overall, the unemployment rates for both visible and not visible minority immigrants have decreased, with a larger decrease for not visible minority immigrants in the geographies of Canada, Ontario and Toronto CMA. For immigrants who are not visible minorities, the unemployment rate decreased by 3 or 4 full percentage points: from 10.8% to 7.8% at the Canada level; from 11.5% to 7.4% at the Ontario level; and from 11.7% to 7.6% at the Toronto CMA level. In comparison, unemployment rates for visible minority immigrants decreased only slightly by 0.2% to 0.7% percentage points at the Canada and Ontario levels from 14.4% to 13.7% and 13.7% to 13.5% respectively. At the Toronto CMA level, the unemployment rate for visible minority immigrants actually increased slightly from 13.1% to 13.4%. This suggests that, for visible minority immigrants, during a period of improved economic growth (1991-1996), the recovery from unemployment is not as fast as that for their counterparts who are not visible minorities.

### Average Employment Incomes
Across Canada, Ontario and Toronto CMA, average employment incomes have decreased between 1991 and 1996 for visible minority immigrants, yet they have increased for immigrants who are not visible minorities. Visible minority immigrants experienced a real decrease in earnings when 1991 data are compared with 1996 data.

In Canada, the average employment income for visible minority immigrants decreased by $1,082, yet increased by $909 for immigrants who are not visible minorities. In Ontario, the average employment incomes for visible minority immigrants in Ontario decreased by $783, yet increased by $1992 for immigrants who are not visible minorities. The pattern is repeated in the Toronto CMA, where average employment incomes of visible minority immigrants decreased by $1313, yet increased by $3013 for immigrants who are not visible minorities. The Toronto CMA data show the largest differences of the three geographic areas examined in this study (Table 2.3).

Visible minority immigrants experienced a real decrease in average employment incomes when 1991 and 1996 data are compared: A decrease of $1,313 from $25,919 in 1991 to $24,606 in 1996 in Toronto CMA. Similar patterns of decrease for visible minority immigrants are found in Ontario and Canada as a whole.
These findings suggest that, even during a period of improved economic growth, the employment income level of visible minority immigrants has deteriorated in this 5-year period and the gap in employment incomes between visible minority immigrants and immigrants who are not visible minorities has in fact widened further.

**Poverty Level**
The poverty levels (as measured by the LICO) for all immigrants have increased between 1991 and 1996. However, it is higher for visible minority immigrants than it is for immigrants who are not visible minorities. Visible minority immigrants in Toronto CMA experienced the largest increase in poverty levels (from 20.9% in 1991 to 32.5% in 1996) when compared with their counterparts in Ontario and Canada.

In addition, the levels of poverty actually increased more in the Toronto CMA for both visible minority immigrants and immigrants who are not visible minorities, when compared with the average for Ontario and Canada.

For visible minority immigrants, in Canada, there was an increase of 9.2 percentage points in the poverty level between 1991 and 1996. In Ontario, the increase was 10.9 percentage points for the same time period. In the Toronto CMA, the increase was 11.6 percentage points for the same time period. The poverty level for immigrants who are not visible minorities also increased between 1991 and 1996. However, these increases are much smaller: In Canada, the increase was 3.4 percentage points. In Ontario, the increase was 3.6 percentage points. In the Toronto CMA, the increase was 4.6 percentage points.

These findings show that, in a period of improved economic growth, the poverty situation of immigrants has actually worsened. This is contrary to conventional thinking, which inclines to the view that everyone benefits from economic growth. In fact, poverty is more widespread for visible minority immigrants than for immigrants who are not visible minorities. In particular, visible minority immigrants in the Toronto CMA are persistently more disadvantaged than their counterparts in Ontario and Canada.

**Contribution to Policy Development**
Our research confirms that the initial years after immigration are the most difficult for all immigrants, however, these years are particularly difficult for visible minority immigrants. Recent immigrants experience difficulties obtaining employment in their fields of expertise, obtain part-time employment, or obtain employment in areas unrelated to their fields of expertise. The results are underemployment, unemployment and lower annual incomes and higher levels of poverty. Dr. Harvey and Kathleen Reil have been working with settlement organizations, federal and provincial agencies to highlight the implications of the difficulties experienced by recent immigrants. The research suggests that programs and policies be targeted to the initial five years after immigration. The data further suggest that more policies be directed at identifying and minimizing situations that foster workplace discrimination. In addition, though national patterns exist, there are variations in the three geographic regions investigated. For example, the Toronto CMA, once regarded as the best place for assimilation of new immigrants, may be experiencing
a plateau in its ability to assimilate new visible minority immigrants. Further research is warranted, however, to discern the ability of settlement agencies and government agencies to continue to receive and serve immigrants in the Toronto CMA. Our research suggests that existing programs and policies targeted to visible minority immigrants should be evaluated and refined as necessary. In addition, our data pertaining to persistent patterns of socioeconomic disadvantage suggest the need to develop new policies and programs targeted towards visible minority immigrants. The need for policy and program refinement and development is particularly pronounced due to continued financial restraints and pressures on provincial and local settlement organizations.

**Conclusions:**
Based on 1991 and 1996 Census data, this analysis of immigrants reveals a direct relationship between race and recency of immigration and the socioeconomic status of immigrants on a national level. Our analysis covers a period of 35 years of immigrant experiences and it demonstrates the persistence of high unemployment, low employment incomes and serious poverty for a core of ethnocultural groups, mainly of visible minority backgrounds.

The results of a comparison of immigrant experiences in Canada, Ontario and the Toronto CMA further reinforces this picture of the deteriorating status of visible minority immigrants during the 5 year period between 1991 and 1996 (in all three geographies). In 1991, visible minority immigrants experienced a higher unemployment rate, lower average employment income and higher poverty level than their non-visible minority counterparts. Five years later, their socioeconomic status was worse. Between 1991 and 1996, visible minority immigrants clearly experienced a lower rate of recovery from unemployment, a further lowering of their employment incomes, and an increase in their rate of poverty.

Our results demonstrate the persistence of socioeconomic disadvantage for visible minority immigrants in the last 35 years and a further deterioration in socioeconomic situation during the final five years examined in our study (which coincided with a period of economic recovery). Our analysis strongly suggests that reducing or eliminating the socioeconomic disadvantage of visible minority immigrants requires more than economic prosperity. It requires proactive re-thinking and action in the fields of immigration policy, immigrant settlement and integration programs, and the roles that the private sector and community organizations can play in reversing the trends and the directions our results demonstrate.

**Dissemination**
(1) A presentation entitled "Socioeconomic Differences by Ethnocultural Groupings and Period of Immigration" was made at the Fourth National Metropolis Conference, March 23, 2000, Toronto, Ontario
(2) Invited participant in CERIS discussions with Danish Parliamentarians on the immigrant ethnocultural experience in Toronto, June 23, 2000, Toronto, Ontario.
(3) A paper entitled "Aboriginal Peoples Continue to Earn 2/3 of non-Aboriginals, Have Higher levels of Poverty and Have Rates of Unemployment 250% Higher than Average – But There Are Some Improvements" was published in *Windspeaker*, December 2000.

(4) A paper entitled "Socioeconomic Situation of Immigrants: Variation by Immigrant Attributes and Implications for the Canadian Economy" has been submitted to the *Caledon Institute* for publication.


**Community Partnership and Student Training**

The partnership with COSTI was, and continues to be, excellent. Mario Calla, Executive Director of COSTI assisted us throughout the project. For our part, we have provided him with all research outputs and have ongoing discussions about the program/policy implications of our results.

Kathleen Reil received training in the management and analysis of large scale public data sets, has developed a strong background in the research literature relating to immigration and ethnocultural studies and is a participant in all dissemination activity.

**Project Financial Report**

This has been sent by the University’s Office of Research.