

Immigrant Earnings Distributions and Earnings Mobility in Canada: Evidence for the 1982 Landing Cohort from IMDB Micro Data*

Michael Abbott
Queen's University

Charles M. Beach
Queen's University

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Abstract

This paper provides preliminary results from the IMDB panel database on the earnings distribution and earnings mobility of Canadian immigrants over their first post-landing decade in Canada. In this study we examine only the 1982 landing cohort of immigrants and follow them through to 1992. We examine earnings outcomes by four immigrant admission categories (independent economic immigrants, family class immigrants, and refugees) and separately for men and women.

We find that there was indeed a substantial increase in the real earnings of 1982 immigrants over their first ten post-landing years in Canada. Annual earnings were initially highest for independent economic immigrants (all of whom are principal applicants) and lowest for refugees. But the growth rate of earnings was highest among refugees, so that by the tenth post-landing year refugees had the second-highest annual earnings levels after independent economic immigrants. Earnings inequality among immigrants in the 1982 landing cohort changed over the ensuing decade in a manner consistent with onward migration beyond Canada from the top end of the immigrant earnings distribution. In fact, sample attrition in the IMDB database was greatest among independent economic immigrants, followed by refugees. Earnings mobility was substantially greater for immigrants than for earners as a whole in the Canadian labour market, and declined with years since landing for both male and female immigrants. Earnings mobility was also greater among immigrant women than among immigrant men. The results indicate that the point system is effective in admitting higher-earning immigrants who succeed in moving ahead in the Canadian labour market, but suggest that onward (or through) migration among the most skilled immigrant workers may be a policy concern.

JEL Codes: J610, J680, J180

Keywords: Immigrant Earnings, Earnings Mobility of Immigrants, Canadian Immigrant Earnings

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