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DETERMINANTS AND EFFECTS OF POST-MIGRATION EDUCATION AMONG NEW IMMIGRANTS IN CANADA¹

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Abstract

This study investigates post-migration educational investment among newly arrived immigrants and examines the effect of post-migration education on new immigrants' labour market integration, as measured by earnings and occupational status. The results indicate that younger immigrants who are already well educated, fluent in English or French and worked in a professional or managerial occupation prior to migration are most likely to enroll in Canadian education. But, acceptance of previous work experience by Canadian employers lowers the likelihood of enrolling in further education. Financial capital was not found to affect participation in post-migration education. Those immigrants who did enroll in post-migration education enjoyed an earnings advantage and were more likely to work in a professional or managerial job. The effect of post-migration education was greater for immigrants whose previous work experience was not accepted in Canada.

Executive Summary

This study examines post-migration educational investment by new immigrants in Canada from two perspectives. First, what are the factors that influence whether a new immigrant invests in post-migration education, and second does investment in post-migration education improve the labour market integration of new immigrants? The study utilizes a rich new source of data on immigrants' integration: the Longitudinal Survey of Immigrants to Canada (LSIC). This national survey contains detailed information on the post-migration activities of new immigrants during their first few years in Canada and has a longitudinal panel design. Since the LSIC dataset surveyed recently arrived immigrants only, the present study is a within-immigrant examination of post-migration education.

New immigrants to Canada are among the most educated immigrants to date. Despite their high levels of education, many newly arrived immigrants are unable to find work in fields related to their education and previous experience. Even when they find jobs within their fields, new immigrants earn considerably less than their native-born counterparts. One important way for new immigrants to overcome the barriers they face is to further invest in their skills after arriving in Canada. However, not every new immigrant enrolls in educational courses or programs. We know from previous studies that human capital, financial capital and other characteristics may affect new immigrants' decision to pursue further education. In this study human capital is measured by age, pre-migration education, acceptance of foreign work experience, official language ability, pre-migration occupational status and change of occupation. Financial capital is measured by the amount of savings, in Canadian dollars, brought in when entering Canada. Other immigrant characteristics such as ethnic origin, gender and immigration category are also examined.

Given that the discounting of foreign human capital is known to be a major barrier for new immigrants, post-migration education is expected to have a positive effect on labour market integration, as measured by earnings and occupational status. However, Canadian education may benefit some immigrants more than others. So, this study examines the differential effects of post-migration education by ethnicity, pre-migration education, change of occupation and acceptance of foreign work experience.

The results indicate that previous human capital is indeed a determinant of post-migration educational investment. Specifically, age at migration is negatively related, pre-migration education is positively related, and acceptance of foreign work experience is negatively related to post-migration education. Official language knowledge and pre-migration occupational status are both found to be positively related to post-migration education. Changing occupations upon arrival in Canada, however, does not appear to affect the decision to engage in post-migration education.

Although many new immigrants indicate cost as a barrier to furthering their education, the amount of savings brought in to Canada at the time of

immigration does not seem to have an impact on educational participation. Among other immigrant characteristics, gender is not found to affect new immigrants' post-migration educational decisions, but ethnicity is found to have an unexpected relationship with post-migration education. Black immigrants are found to be more likely to invest in Canadian education than other ethnic groups. This is not surprising since Blacks are known to face the greatest labour market disadvantage in Canada and therefore may feel that they must invest in further education to improve their position. What is somewhat surprising is that South Asians and 'other' visible minorities are significantly less likely to invest in post-migration education than their White (European) counterparts. Lastly, immigrants entering through the skilled worker category are found to be more likely to invest in Canadian education than those entering through other immigration categories.

In the second section of the study, the results indicate that participation in post-migration education does indeed improve labour market integration as measured by both earnings and occupational status. However, those immigrants whose foreign work experience is accepted in Canada benefit far less (at least in the short term) from post-migration education than those whose work experience has not been accepted. So, immigrants whose previous experience has been accepted in Canada may be better off entering the labour market and gaining Canadian human capital through employment than investing in formal educational courses. Other factors, such as ethnicity, pre-migration education and change of occupation do not seem to affect the labor market impact of post-migration education.

The overall implication of the present study is that while post-migration education may improve the position of many immigrants, it may also contribute to cumulative economic disadvantage for some immigrants. Younger new arrivals with already high levels of education and language ability are most likely engage in further education and improve their economic prospects while those who face the greatest disadvantage in the Canadian labour market (older, less educated, unable to speak English or French) fall further behind. Efforts to improve the accessibility of Canadian education for all immigrants, but particularly the most disadvantaged immigrants, may increase their participation and better their chances of integrating into the Canadian labour market.