

Immigrant Earnings Growth: Selection Bias or Real Progress?

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Abstract

We use longitudinal tax data linked to immigrant landing records to estimate the earnings growth of immigrants from three entering cohorts since the early 1980s. Selective attrition by low-earning immigrants might result in lower earnings growth with years since migration in longitudinal data compared to repeated cross-sections. Existing studies on U.S. data have found exactly this result (Lubotsky 2007, JPE). We ask whether a similar bias is observed in the Canadian data and find that it is not. We show that while low-earnings immigrants are more likely to leave the cross-sectional samples over time, the same is true for the Canadian born population. We conclude that there is no evidence of selective labour force participation patterns among immigrants in Canada compared to the native born population.

JEL Classifications: J31; J61

Keywords: Immigration, assimilation, longitudinal data, selection bias.