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Immigration Matters

January 17, 2014



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Immigration Matters

It is no secret that Canada is facing a looming labour shortage, with an estimated one million jobs possibly going unfilled across the country by 2021, largely due to a lack of qualified candidates. Critical skilled labour shortages are expected in sectors such as mining, oil and health care in particular.

Alberta is especially vulnerable to this problem given our rapid economic growth associated with the natural resource sector. In 2011 alone, almost \$40 billion was invested in Alberta's oil and gas sector. Such investment does not seem to be slowing down. According to the Canadian Energy Research Institute, the oil sands will increase GDP by \$2,106 billion over the period from 2010 to 2035 and will increase employment by 830,000 jobs by 2035. For every job created in the oil and gas sector, more than four indirect and induced jobs are created in the provincial economy. The construction, finance, real estate, and business and commercial services sectors have also increased their share of GDP.

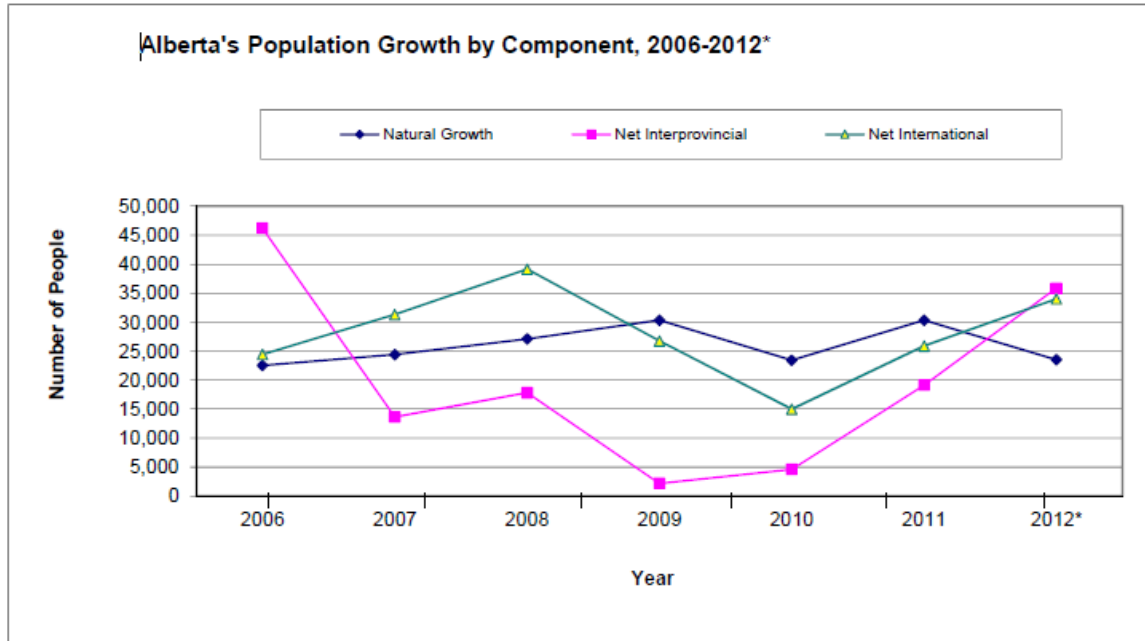
There are over \$100 billion worth of capital projects planned or underway in this province. This means that if Alberta does not attract enough people with the knowledge and skills to fill our labour shortages, many of these projects will have to be delayed or abandoned. Not only would this damage Alberta's international reputation, but it would also hurt future efforts to promote investment.

Alberta's labour supply is threatened by declining birth rates and the retirement of baby boomers. The province therefore anticipates a shortage of 114,000 workers by 2021. While some of this demand can be met through training programs and efforts to engage underrepresented populations in the workforce, much of the demand will need to be met by immigration.



Immigration in Alberta

Alberta's growth rate in 2011/2012 was at 2.5 per cent – more than **twice as high as the national average** of 1.1 per cent. During this period, the natural population increase of 29,500 was exceeded by **net international migration** of 38,000 as the main factor driving population growth in the province. **Interprovincial migration** during this period also increased to a total of 28,200 primarily from exchanges with Ontario and British Columbia.



*Figures for 2012 are for the first three quarters only.
Note: Net International includes Net Non-Permanent Residents.

The pattern of where newcomers are coming from is changing. Currently, newcomers hail from over **160 countries**. The U.K., China, India and the Philippines are consistently the top source countries of immigrants.

Calgary receives the largest number of immigrants followed by Edmonton.

About half of Alberta's immigrants are between the ages of 25 and 44 (data from 2006-2010).

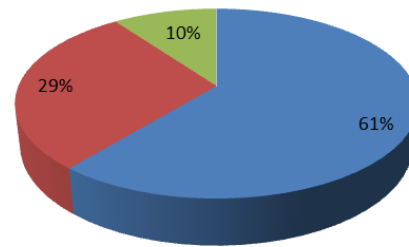
Country	2010
Phillipines	7,781
India	4,241
China	1,917
UK and Colonies	1,878
USA	1,071
Nigeria	733
Pakistan	647
Germany	560
Mexico	560
South Korea	538
Top 10	19,926
% of Total	61.0%
Other Countries	12,714
% of Total	39.0%
Grand Total	32,640
Source Countries	173

Alberta has the highest labour force participation and employment rates of immigrants and, as of 2011, Alberta's immigrants account for nearly 21 per cent of our working age population (the third highest among the provinces/territories).

If immigration levels continue at current levels, the proportion of foreign-born people in the Canadian labour force is projected to reach almost 33 per cent in 2031, which means that the labour force will become increasingly **ethno-culturally diverse**.

Immigrants are approved to come to Alberta for different reasons...

■ Economic Immigrants ■ Family Reunification ■ Refugee



Nearly 61 per cent are economic migrants, 29 per cent fall under family reunification, while the balance largely consists of those holding refugee status.

Canadian immigrants tend to have very high levels of education – typically higher than that of Canadian-born individuals and higher than that of immigrants to the United States and most European nations. Over one third of new immigrants come to Alberta with university degrees. This promotes the growth of a **'knowledge-based' society**.

Canadian schools are some of the best at targeting the needs of foreign students. Schools in major immigration provinces, such as Alberta, are some of the **best prepared** to help students live and learn in a diverse society.

Second-generation Canadians (children of immigrants) make up approximately 15 per cent of the adult population. Children of immigrants do very well in Canada and achieve high levels of education.

Immigrants contribute to the fabric of Canadian society in other ways as well, bringing with them **creativity**, opening doors to **investment opportunities** overseas and helping attract **foreign investment**. For example, 35 per cent of Canada Research Chairs are foreign-born; immigrants to Canada win proportionally more prestigious literary and performing arts awards; immigration rates positively impact trade levels between Canada and immigrants' countries of origin; and countries that are well represented in Canada's immigration landscape provide more foreign direct investment into Canada.

Opportunity to Improve Outcomes for Immigrants

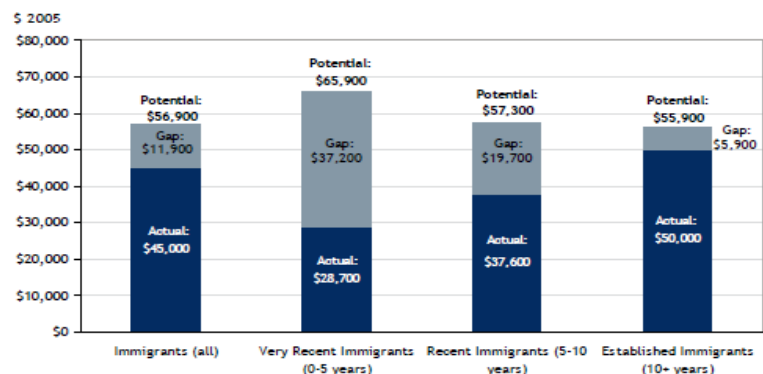
Given Alberta's heavy dependence on immigrants for our labour force, we need to ensure that every newcomer has the opportunity to fully engage in our workplaces to their highest potential.

Newcomers identified a **lack of Canadian work experience, language barriers, credential recognition** and a **lack of social networks** as the top challenges they face when looking for a job.

Immigrants and employment in Alberta		
Non-Immigrants	Immigrants	Recent Immigrants
Unemployment		
4.3%	4.0%	6.7%
Median Income		
\$29,979	\$25,672	\$17,324
Postsecondary Education		
49%	57%	63%
Knowledge of official languages		
100%	94%	92%
ENGLISH	ENGLISH	ENGLISH
7%	5%	5%
FRENCH	FRENCH	FRENCH

Very recent immigrants in particular are prone to **higher unemployment rates** than the rest of the population. Very recent immigrants (0-5 years) experience a higher unemployment rate than other immigrants. Overall, however, Alberta has the **highest labour force participation and employment rates** of immigrants in Canada (70.2 per cent versus the Canadian rate for immigrants of 61.8 per cent).

Immigrant Full-Time Wages, 2005



If observable skills are rewarded similarly to Canadian-born workers, the **potential increase in immigrant incomes** is \$30.7 billion or 2.1 per cent of GDP (using latest census data from 2006). Very recent immigrants (0-5 years) earn an average annual income of \$28,700, while recent immigrants (5-10 years) earn \$37,600 and established immigrants (10+ years) earn \$50,000, on average. Language learning, credential recognition and relevant work experience play an important role in ensuring that immigrants climb the salary ladder.

An increase in the income of immigrants means that they are able to contribute more taxes. Conversely, if immigrant incomes remain low, they will be more dependent on social assistance. Immigrants may be more intensive users of social services in the first few years of settlement, but this trend levels out as they become contributing and functioning members of Canadian society.

What Can Municipalities Do to Support Newcomers?

Alberta and Canada are in constant **competition** with countries like the United States and Australia for highly skilled and educated immigrants. In order to attract and retain more immigrants to Alberta, the province has identified **four key strategic directions**:

1. To support communities as they work towards achieving their goals for welcoming and being inclusive of immigrants and their families.
2. Increase the number of immigrants accepted to Canada who choose to live in Alberta.
3. Expand the programs and services that integrate immigrants and their families into daily life so they can successfully live, work and learn in Alberta.
4. Help immigrants access labour market opportunities.

Municipalities have an important role to play in ensuring our communities are welcoming and inclusive, and can attract and retain newcomers in this highly competitive environment.

As well, municipalities play a key role in providing supports to assist newcomers in settling and living in our communities.

Here are some examples of what municipalities can do:

- **Facilitate collaboration** between service providers to help meet the needs of newcomers regarding employment, housing options, school enrollment, transportation, credential recognition, English language training, etc. Immigrants are valued for more than their economic contributions. A holistic approach is required, which addresses the needs of the entire family and recognizes the contributions immigrants make to Alberta's social and cultural life.
- **Provide information** on life in their communities (e.g. employment opportunities, service organizations, housing, transportation, schools, faith organizations, etc.).
- **Market** your community as being welcoming and inclusive.
- Create a **Welcome Kit** with community information for newcomers or start your very own **newcomer committee** to address some of the challenges immigrants may face when first arriving in your community.
- Host inclusive **community events** and encourage newcomers to attend and participate in the planning process.

Visit <http://wic.auma.ca/Newcomers/> for newcomer specific resources and information and contact the AUMA's Welcoming and Inclusive Communities (WIC) team at wic@auma.ca or **780.643.5635** for information on how we can help your community become more welcoming and inclusive of newcomers.

Sources: Government of Alberta, Statistics Canada,
The Conference Board of Canada,
RBC Economics Research, The Globe and Mail
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