



May 14, 2014

SOCIAL POLICY

## Don't Forget the Kids: How Immigration Policy Can Help Immigrants' children

by

Colin Busby and Miles Corak

- The risks of not completing high school are distinctly higher for immigrant children who arrive in the country after about the age of 10, rising sharply for those who come to Canada as teenagers. High-school incompleteness, in the main, limits access to higher education and reduces future job and earnings prospects.
- Immigration policy should recognize the risks and challenges faced by immigrant youth. Policy can better balance the trade-offs between immigration programs that aim to address immediate workforce needs with the long-term prospects of children and their families.
- Specific examples include the Temporary Foreign Worker program's use as a gateway to permanent residency. Structured as it is, the program needlessly separates children from their parents for long periods, and delays their arrival to the country, raising the risks that they will not reach their full potential in Canada.

Canada's immigration policy needs to define success not just in terms of the immediate job prospects of newcomers, but also according to the longer-term social prospects of immigrants, and particularly the capacity of their children to become successful and self-sufficient adults. If immigration policy recognizes and supports families, then it can more effectively contribute to the success of the next generation, which ultimately effects the future well-being of all Canadians.

---

The authors would like to thank the research team at the C.D. Howe Institute as well as many anonymous external reviewers who provided thoughtful feedback during the development of this paper.



There are many ways to gauge an immigrant child's achievements, including fluency in one of the official languages, post-secondary graduation, steady employment, a rootedness and respect for the community of origin, and active involvement in, and identity with, the broader community. In this E-Brief we focus on one marker, high-school completion. While this is only one aspect of success, it is a strong indicator of many others, particularly future labour-market success and community engagement.

The risks of not completing high school are distinctly higher for children who arrive in the country after about the age of 10, rising sharply for those who come to Canada as teenagers. Public policy should recognize this shifting risk profile, and better balance the trade-offs between immediate workforce needs and the long-term prospects of children and their families.

## Immigration Policy for the Short- and the Long Term

The economic prospects of recent immigrants – their ability to find a reasonable job, and to develop the skills and contacts that will lead to higher wages with years in the labour force – is an obvious barometer of success. Prosperous immigrants contribute to our tax base, and the community at large.

However, the labour-market prospects of recent immigrants have been in decline. Successive cohorts of newcomers have had a more difficult time finding jobs, start with a lower wage rate once they have a job, and experience slower wage growth with years in the country (Beach, Green and Worswick 2011). These trends have quite rightly been an important focus of attention.

Recent policy changes have resulted in a larger share of immigrants entering the country through the economic class, as opposed to through the family class or as refugees, and there have also been changes in the associated screening factors determining entry into the country. Employers also play a greater role in determining who enters the country, most notably through a significant rise in the number of immigrants entering the country through the Temporary Foreign Worker and the Provincial Nominee programs. Further, employers are set to play a greater role beginning in 2015 when reforms will allow them to access potential immigrants for faster processing; the so-called “expression of interest” system.

All of this has been done in the hope of more closely matching individual skills and abilities to the structure of the Canadian labour market. But policymakers need a wider lens; one that fully recognizes that immigrants have, or will have, family members and children. The fact that immigrants often bring a spouse, children, and sometimes parents, reduces the perceived distinction between economic-class and family-class migrants. Indeed, many people migrate “for the children”: for potential migrants, the heavy individual costs associated with coming to a new country are often weighed against the benefits moving offers for the next generation.<sup>1</sup>

Many second-generation Canadians – those born in the country to parents who were born elsewhere – obtain more education than their parents, and move up the income ladder.<sup>2</sup> The challenges are greater, however, for

- 
- 1 Worswick and Green (2012) note that the net present value of future earnings benefits from immigrants – in this context the children of immigrants – is sensitive to the discount rate used. While we agree that there is some tradeoff between immediate and future benefits from focusing not only to the primary applicant but also his or her children, the positive spillover benefits to the rest of society that result from the better labour market performance of immigrant children is difficult to measure empirically and incorporate into a net present value analysis.
  - 2 See Corak (2008), who points out that some groups of second-generation Canadians are among the most highly educated of the country, the proportion of young Asian women with a university degree being the highest. This is not necessarily predictable by the parents' English or French language skills.

children who are born abroad and come to the country with their parents. Their education and language skills, and consequently their ultimate job prospects and social integration, may be more significantly influenced by factors beyond their, and their family's, control. For example, the age at which they land in Canada is important in determining life prospects, as is the capacity of Canadian schools and social policy to respond to their needs.

What is the nature of the risks child migrants face in reaching their full potential? And can immigration policy, broadly conceived, reduce these risks?

### **Immigrant Children's Age at Arrival Influences Schooling**

The importance of giving children a good start in life is a well-established fact that informs social and family policy (Knudsen et al. 2006). It is common for many children to struggle when their families face significant changes, whether they are associated with a residential move, a change in school, or with the divorce of their parents. All families deal with these struggles, small or large, with the long-term consequences depending upon the child's age, and the skills and resources available to parents.

Immigrant parents are no different, but the magnitude of the challenges is in some cases much greater, particularly when they are associated with the need to learn a new language. This realization has arguably not yet affected immigration policy, and there is no obvious formal recognition of the children of primary applicants in the screening process.

Immigration may impact children differently depending upon their age. For example, the capacity to fluently learn a new language declines with the age of first exposure, and it is believed this happens discretely with the onset of puberty.<sup>3</sup> Children in their early teens face a host of challenges associated with developing their identities, and adjusting to the social challenges of coming adulthood. These challenges are compounded for immigrant children who come to Canada as teenagers.

One starting point to address these questions is to look at high-school graduation rates since a high-school diploma is an important gateway in life, offering a direct path to higher education, and certainly opening up job opportunities that would not be otherwise available.<sup>4</sup>

### **High-School Non-Completion Rates among Immigrant Children**

The chances an immigrant child will not finish high school are associated with age at arrival. Figure 1 illustrates this for a group of grown men and women who reported coming to Canada before the age of 18 from countries in which English is not the dominant language.

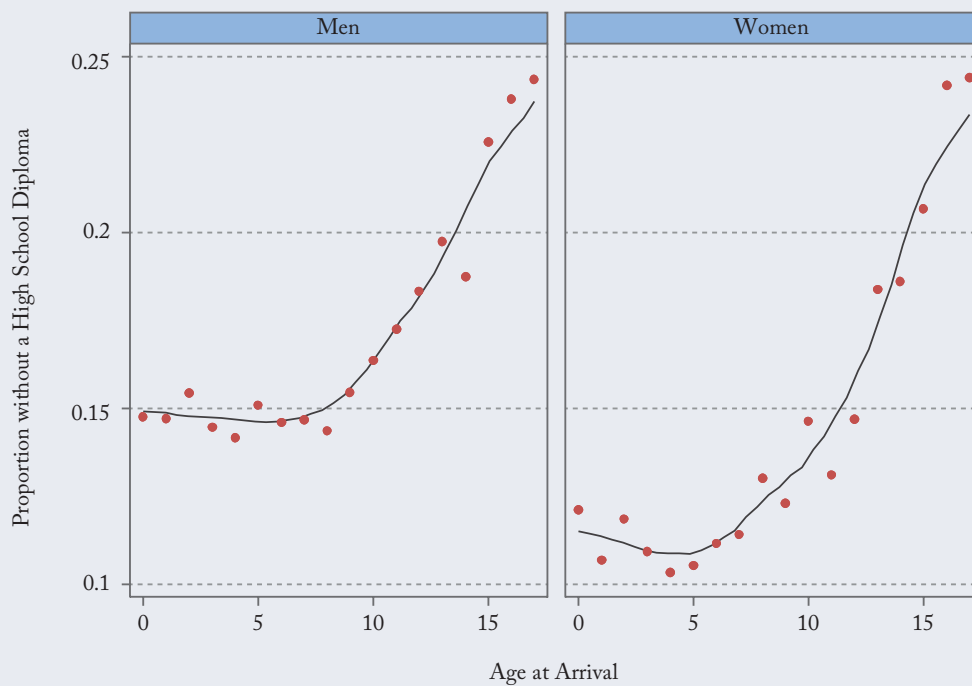
The proportion without a diploma remains more or less constant regardless of the age of arrival for those children who immigrated before reaching about 10 years of age. About 15 percent of boys in this cohort did not graduate from high school, whether they came as newborns or as nine-year-olds. This rate is no different from

---

3 Knudsen et al. (2006) offer an overview of these issues in a way that stresses the possible impact on economic success in adulthood, and Corak (2012) offers references to the literature on language development.

4 Many provinces have recognized this by reforming their education systems so that all children graduate with at least a high-school diploma. But for past generations, dropping out upon reaching the age of 16 was an option, and the drop-out patterns of child immigrants, when this was an option, offers a signal of the broader challenges children face in adapting to and making a future in Canada.

**Figure 1: The Chances of Not Completing High School Increase Sharply for Children Who Come to Canada after About Nine Years of Age**



Note: The information presented is calculated using data from the 2006 Canadian Census for a group of adults who reported in the Long Form of the Census questionnaire that they were not born in the country, for whom an age at arrival could be calculated, and who came to Canada from a country in which English was not the dominant language.

Source: Corak (2012).

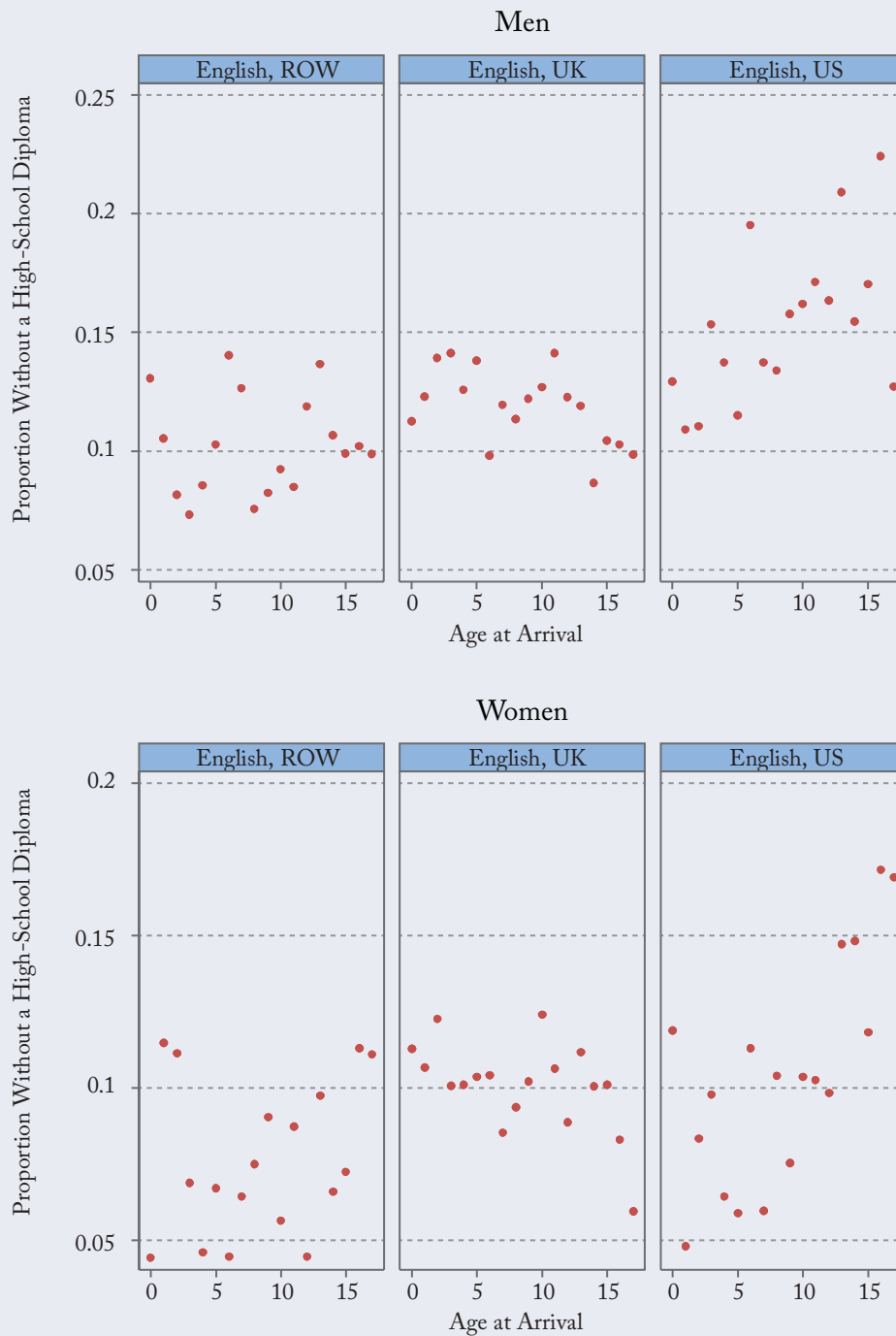
the overall national average for all boys. But for boys who were older than 9 years old when they immigrated, the drop-out rate steadily rises, reaching close to one-in-five for those too old to have attended primary or middle school in Canada. The broad patterns are similar for girls except for lower dropout rates at younger immigration ages.

Language acquisition is part of the underlying story. The “hockey stick” shapes in Figure 1 show the risk of dropping out of high school is most notable for children coming from countries in which English or French are not spoken, even if the dominant language spoken in the country of origin has some strong similarities to English.

Figure 2 shows that the patterns are very different when English is the dominant language in the country of origin. The patterns in this figure show little observable patterns for high-school non-completion rates of children whose parents moved from the United Kingdom or other countries where English was the mother tongue. That said, high-school non-completion rates do increase steadily with age at arrival for those coming from the United States. The risk of not completing high school for American children coming to Canada – for whom language skills should not be a major concern – is, roughly speaking, similar to those coming from non-English speaking countries.

Clearly, factors other than language acquisition are also at play. The strength and values of families must also matter in explaining these outcomes, but also the capacity of our schools to effectively address diversity

**Figure 2: Proportion of Men and Women from English-Speaking Countries Without Completing High School, By Age of Arrival**



Notes: ROW refers to “Rest of World.”

The information presented is calculated using data from the 2006 Canadian Census for a group of adults who reported in the Long Form of the census questionnaire that they were not born in the country, for whom an age at arrival could be calculated, and who came to Canada from a country in which English was not the dominant language.

Source: Corak (2012).

and individual challenges. Coming to Canada during the teen years, particularly during high school, must be a challenge for all children, but it is surely one compounded by the need to learn a new language and adapt to a new culture.

In our view immigration policies also, either inadvertently or advertently, influence this process.

### **Can Immigration Policy Promote Family Success?**

Immigration policy should be designed to balance the likelihood of labour market success for primary applicants alongside the potential for the long-term success of children. This is a challenging task.

Our overarching point is that adopting a family lens in assessing immigration policy, rather than simply using an individual or a short-term labour market lens, may help clarify these challenges, and highlight both unintended long-term consequences, and missed opportunities. Most importantly, families with children should not face unnecessary delays in their move to Canada so that children arrive at the youngest possible age. That aside, in seeking out ways to introduce a family lens into immigration policy, the solutions aren't always clear-cut.

Consider, as just one example, the points applicants to the skilled-worker program may receive for language fluency. This has recently increased, and the government has introduced changes to strengthen the way in which language skills are evaluated prior to arrival.<sup>5</sup>

In one sense, these changes are likely to improve the odds of children successfully adapting to Canadian realities. If the changes increase the fraction of immigrants having English or French as a mother tongue, then it is more likely that children will be first exposed to these languages at an earlier age, and therefore more likely to be, or become, fluent. In this sense, the design of the fluency test and point weights for new applicants may translate well into the long-term success of their children, striking a nice balance between short- and long-term needs.

But in another sense this may not be the case. Past experience also shows that parents who lacked English or French proficiency have raised some of the most successful children by setting particularly high standards in the lives of their families that emphasize the value of education. Greater emphasis on English and French language skills in the selection rules could also skew the immigrant inflow away from these groups, and have negative effects on the overall long-term success of children.

### **Implications for Canadian Immigration Policies**

We highlight, in an illustrative way, two dimensions of Canada's major immigration policies – the Temporary Foreign Worker program, and the soon to be implemented “expression of interest” system – that could be modified to account for immigrant children's long-term success factors.

#### *The Temporary Worker Program*

The Temporary Foreign Worker Program provides work permits to low- and high-skilled foreign workers, with roughly 210,000 new entrants in 2012, a significant expansion beyond its original mandate to fill specific

---

5 See <http://www.cic.gc.ca/english/immigrate/skilled/apply-factors.asp> for updated points system weights and requirements.

high-skill gaps for a small number of employers. And although it is generally intended to fill short-term labour shortages in Canada, there are now also paths to permanent residency: temporary foreign workers must come to Canada for at least a one-year period, and, if a parent, leave their spouses and children behind for this time.<sup>6</sup> This disruption of the family environment implies that the child experiences a period of separation from at least one parent for some period of time.<sup>7</sup>

The children of temporary workers who are ultimately successfully nominated for permanent residency are likely to face a more difficult adjustment to Canadian life, particularly if English or French is not the mother tongue. The child's eventual arrival to the country would likely be later than it otherwise would have been if migration were through the permanent skilled worker system. Depending upon a child's age this can only pose greater challenges than otherwise.

Our analysis suggests there are possible negative effects associated with using the temporary foreign worker program as a gateway to permanent entry, which naturally results in family disruption and later arrival – aspects that arguably have not been part of this policy's assessment.<sup>8</sup> These represent potentially significant, negative, and unintended long-term costs. When looked at with children's outcomes in mind, we see little of benefit from the utilization of this program as a route towards permanent residency.

### *Movement to an Expression of Interest System*

The Federal government has announced plans to move to a new screening program in 2015, an “expression of interest” system. This model would give domestic employers a greater say in choosing from a pool of potential applicants, and should an employer wish to extend a job offer to an applicant in the pool, he or she would be streamlined through the immigration process. No backlog would develop under this program as the government would not be obligated to process all applications in the system. Importantly, faster processing of cases should help limit delays for arrival to Canada.

Despite the perceived benefits – such as rapid processing times and preventing backlogs that can dramatically delay arrivals – the screening process should not ignore the indicators for long-term immigration performance, in particular an immigrating child's success. The expression of interest program should therefore be rolled out with this wider lens in mind. Once applicants have been selected for fast tracking, they would then also need to pass a point system screen that emphasizes long-term success factors.

## Conclusion

Immigrants are an important part of Canadian society. Their capacity to find a job and become economically self-sufficient is a key marker of success, but equally so is the capacity of their children to grow up to become self-sufficient and contributing members of society.

The long-run development and success of children reflects a whole host of influences and public policies, from parenting strategies, to social and housing policies, and certainly the efficacy of schools in developing the

---

6 Permanent entry is generally available via provincial nominee programs and the Canadian experience class.

7 It may be that there are possible positive effects for children while they remain in their origin country if the repatriation of income raises household living standards in the period before immigration to Canada.

8 Spouses and dependents of some classes of temporary foreign workers – those in occupational categories of NOC O, A, and B – could apply for LMO-exempt open work permits.

aptitudes and skills of all children regardless of their family and social background. But immigration policy is also an aspect of this process, whether or not it is explicitly recognized as such by policymakers. Canadian public policy is more likely to help tip the odds in the favour of children if this is recognized explicitly. While the benefits from better integration of immigrant children should occur gradually, and over a long time horizon, these benefits can be expected to extend to all future Canadians and society at large.

In this vein, we suggest that the government, in general give more prominence to the family as the migrating unit. This way of thinking casts a negative light on the Temporary Foreign Worker program's use as a gateway to permanent residency. Structured as it is, the program needlessly separates children from their parents, and delays their arrival to the country, raising the risks that they will not reach their full potential in the country.



## References

- Beach, Charles M., Alan G. Green, and Christopher Worswick. 2011. *Toward Improving Canada's Skilled Immigration Policy: An Evaluation Approach*. Toronto: CD Howe Institute.
- . 2009. "Improving Canada's Immigration Policy." E-Brief. Toronto: CD Howe Institute.
- Canada Gazette. 2013. "Regulations Amending the Immigration and Refugee Protection Regulations." Vol. 147, No. 20. May. (Date of Access: April 3, 2014) <http://www.gazette.gc.ca/rp-pr/p1/2013/2013-05-18/html/reg1-eng.html#REFa5>.
- Corak, Miles. 2012. "Age at Immigration and the Education Outcomes of Children." In Ann Masten, Karmela Liebkind and Donald J. Hernandez (editors). *Realizing the Potential of Immigrant Youth*. Cambridge: Cambridge University Press. Unabridged version available as IZA Discussion Paper no. 6072.
- . 2008. "Immigration in the Long Run: The Education and Earnings Mobility of Second-Generation Canadians." *IRPP Choices*. 14 (13). October.
- Knudsen, Eric I., James J. Heckman, Judy L. Cameron, and Jack P. Shonkoff. 2006. "Economic, Neurobiological, and Behavioural Perspectives on Building America's Future Workforce." *Proceedings of the National Academy of Sciences*. 103 (27):10155-10162.
- Schaafsma, Joseph, and Arthur Sweetman. 2001. "Immigrant Earnings: Age at Immigration Matters," *Canadian Journal of Economics*. 34 (4):1066-99. November.
- Worswick, Christopher, and David A. Green. 2012. "Immigrant Earnings Profiles in the Presence of Human Capital Investment: Measuring Cohort and Macro Effects." *Labour Economics*, 19:241-259. April.

This E-Brief is a publication of the C.D. Howe Institute.

Colin Busby is Senior Policy Analyst at the C.D. Howe Institute.

Miles Corak is Professor of Economics, Graduate School of Public and International Affairs, University of Ottawa.

This E-Brief is available at [www.cdhowe.org](http://www.cdhowe.org).

Permission is granted to reprint this text if the content is not altered and proper attribution is provided.