



Canada receives approximately 250,000 immigrants annually, with the majority choosing to settle in the Greater Toronto region, where almost half of the population is foreign born. With a highly educated and diverse population, region's labour pool is an important asset and a crucial contributor to our prosperity. As our population ages, we will continue to rely on immigration as a key source of talent to maintain our workforce and ensure economic growth.

Challenges

Despite our need for immigration and for newcomers to be productively engaged in the economy, evidence continues to show that we underutilize the human capital of immigrants. The point system means that prospective immigrants are selected based on criteria such as education and language skills, yet many recent immigrants are unable to obtain jobs that match their foreign experience and education.

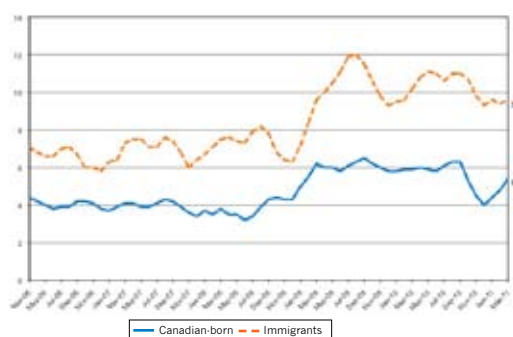
Although 53.1% of immigrants living in the Greater Toronto region who arrived since 2001 had a university certificate, diploma, or degree (compared to 33.6% of region residents born in Canada),²⁹ immigrants face much higher unemployment rates – a gap that widened during the recession – and earn less. In March 2011, the unemployment rate of Canadian-born people in the Greater Toronto region was 5.4%, compared to 9.6% for immigrants, and even worse for recent immigrants arriving in the last five years: 14.2%³⁰ (Figure 1). Between 2001 and 2006, university educated Canadian-born workers earned \$61,904.40 on average while immigrants with similar educational attainment earned only \$20,143.70.³¹ These troubling trends are worsening, with more recent cohorts

of immigrants falling further behind³² (Figure 2).

Immigrant entrepreneurs can play an important role in economic development. In the United States, 40% of publicly traded venture-backed companies operating in high-tech manufacturing today were started by immigrants.³³ Many immigrants in the Greater Toronto region and the rest of Canada are turning to entrepreneurship or self-employment and earning higher incomes than their employed counterparts³⁴ but lack supports to bring their ventures to scale.

The gap between the labour market outcomes of immigrants and those of Canadian-born people generates significant economic and social costs and threatens our social cohesion. As we compete with other city regions across Canada and internationally for talent, we must reduce barriers to employment, support entrepreneurs and facilitate the full social and economic integration of newcomers.

Figure 1: Unemployment rate of 25-54 year olds by immigrant status, Toronto CMA, 2006-2011



Source: Toronto Immigrant Data Employment Initiative (TIEDI), March 2011 Labour Force Update, <http://www.yorku.ca/tiedi/doc/lfs201103.pdf>

Strengths

With more of the world's economic growth shifting to emerging markets, immigrants from those markets settling and working in Toronto will be an increasingly important asset. The diverse language skills, international experience, access to and understanding of international markets that newcomers bring enrich our region's human capital and differentiate us from our global competitors. While Toronto surpasses most city regions in integrating large numbers of newcomers, there remain

OPPORTUNITY KNOCKS

1. Our governments must work much better together to attract and settle immigrants and to provide adequate and predictable funding for essential settlement services.

Reflecting our current constitutional arrangement, the federal government must take more leadership in order to foster a truly national and well coordinated immigration strategy. Its goals should be to help eliminate siloed policies and programs, improve international collaboration, and establish clarity for the nation's economic goals and the role and value of immigration in achieving them.

But a call for more shared authority and decision-making was also evident in our Summit discussions. Empowering provincial and municipal governments to play a bigger role, not just in settlement policies and programs but also in defining and setting the priorities for immigration attraction and selection to help meet the region's specific economic needs, will be critical in the new global economy. As a starting point, the federal and provincial governments should create an appropriate instrument to ensure adequate and predictable funding of essential settlement services and to enable effective input on selection policy.

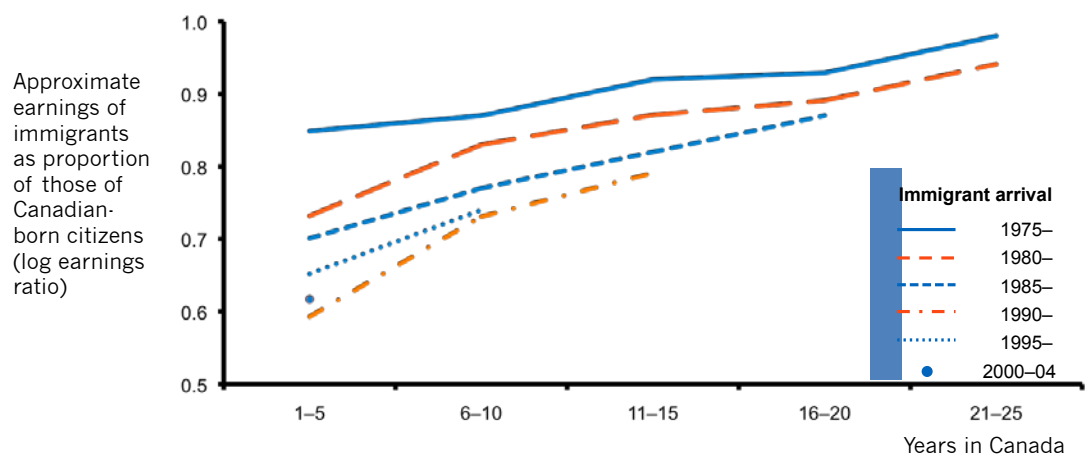
"The big challenge that Canada faces and communities around Canada face is around talent: how to get it, how to retain it and how to make use of it in a fuller sense."

- Fred Morley, The Greater Halifax Partnership

significant opportunities to help newcomers realize their full potential.

The Greater Toronto region is still the top destination for newcomers in Canada. However, we are losing out to other city regions in Canada: there has been a 17% decrease in the number of immigrants choosing to settle here over the last decade.³⁵ We need to take action to reverse this trend now.

Figure 2: Earnings of Male Immigrants by Number of Years in Canada Relative to Canadian-Born Citizens



Note: Full-time, full-year workers aged 16-64

Source: The Boston Consulting Group, based on data from the 2006 Census, Statistics Canada.

2. Create a multi-sector mechanism to lift public dialogue and forge better public and private policy and programs on immigration, economics and citizenship in the city-region context.

Summit discussions called for non-political leadership to convene multiple stakeholders to craft and execute a holistic regional immigration vision and strategy. The vision would articulate the value proposition for immigration – economic, social and cultural – and how selection policies, funding levels, program delivery and evaluation need to be shaped to ensure that immigration works for immigrants and for the Greater Toronto region. Any strategy will need to recognize and work to resolve the differences and tensions between economic and social goals for immigration, foster an approach to newcomer integration that balances economic growth with social inclusion and well-being, and promote mutual responsibilities – and benefits – for newcomer and Canadian-born residents alike.

There are currently some processes underway to improve the quality of, and fill gaps in, immigrant services, including the new Local Immigration Partnerships. These need to continue but must take a much more deliberate and strategic approach that identifies barriers to be addressed, including time limited access and eligibility for services, and is effectively evaluated. The development of a common vision and coordinated strategy for immigration in the region would bring significant benefits to this work.

3. Create a model for one-stop business development support centres for self-employed and entrepreneurial newcomers that can be delivered regionally.

At a more practical level, a new frontier for newcomer economic integration involves devising and delivering business development and support services for self-employed and entrepreneurial newcomers. Many initiatives to help immigrants find their way into employment are already running successful programs, like TRIEC and DiversityWorks. These need to be continued across the Greater Toronto region and expanded, because, at present, the needs of self-employed or

entrepreneurial newcomers are not being adequately addressed, to the detriment of our economy. The time is right to establish a range of services, including: business development and incubation; legal supports; mentoring, connecting and network building; and, facilitating access to capital. Ideally, these services should be delivered regionally, potentially through a one-stop-shop model.

Access to capital is particularly challenging for many newcomers wishing to establish start-ups. In addition to a regional one-stop business support service, innovative funding options need to be developed. A tax credit for private or non-profit investors to fund newcomer start-ups could help encourage investment, while a more complex but higher impact solution would be to establish an administered venture capital fund targeting immigrant business start-ups.

4. Create an independent annual summary of immigration related economic and social policy indicators.

Our universities abound with excellent researchers and specialist research centres focused on immigration related issues and community organizations serving immigrants also produce useful data and materials. But access to these stores of knowledge is limited for the average person, business and community organization, and, where available, the research is not presented for non-specialist audiences. More needs to be done to aggregate and make information easily and readily accessible for a wide variety of audiences and through engaging interfaces. An annual summary could foster more public accountability on how our immigration dollars are spent and the outcomes the investments yield. It could also highlight key data to help communicate the value of immigration, such as the number of patents filed by newcomers and small business success, and bring together an accessible set of key indicators on social integration and mobility that can be easily tracked and measured over time.

See the related background, *Our Greatest Strength, Our Biggest Challenge: Immigration and Economic Growth*, prepared for the Greater Toronto Summit 2011 at: www.civicaction.ca/publications