

Colour of Money Redux:

Immigrant/Ethnic Group Earnings Differential in Canada from 1991 – 2006

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Goal



This paper investigates how minority disparity in Canada has evolved over the period 1991 to 2006.

- We estimate earnings differentials
 - between white and visible minority workers for Canada as a whole as well as Montreal, Toronto and Vancouver.
 - between British-origin workers and 34 ethnic groups (both white and nonwhite).

Summary of Findings



- Using data from the 1991, 1996, 2001 and 2006 censuses we find that overall, visible minority- and immigrant-based earnings disparity has increased substantially from 1990-2005.
 - This pattern is observed broadly for both men and women, in Canada as a whole and in each of its three largest CMAs, for most Canadian-born visible minority ethnic groups, and for most white and visible minority immigrant groups.
- The decline in relative earnings is large:
 - on the order of 10 percentage points for Canadian-born visible minorities, and
 - on the order of 20 percentage points for both white and visible minority immigrants.



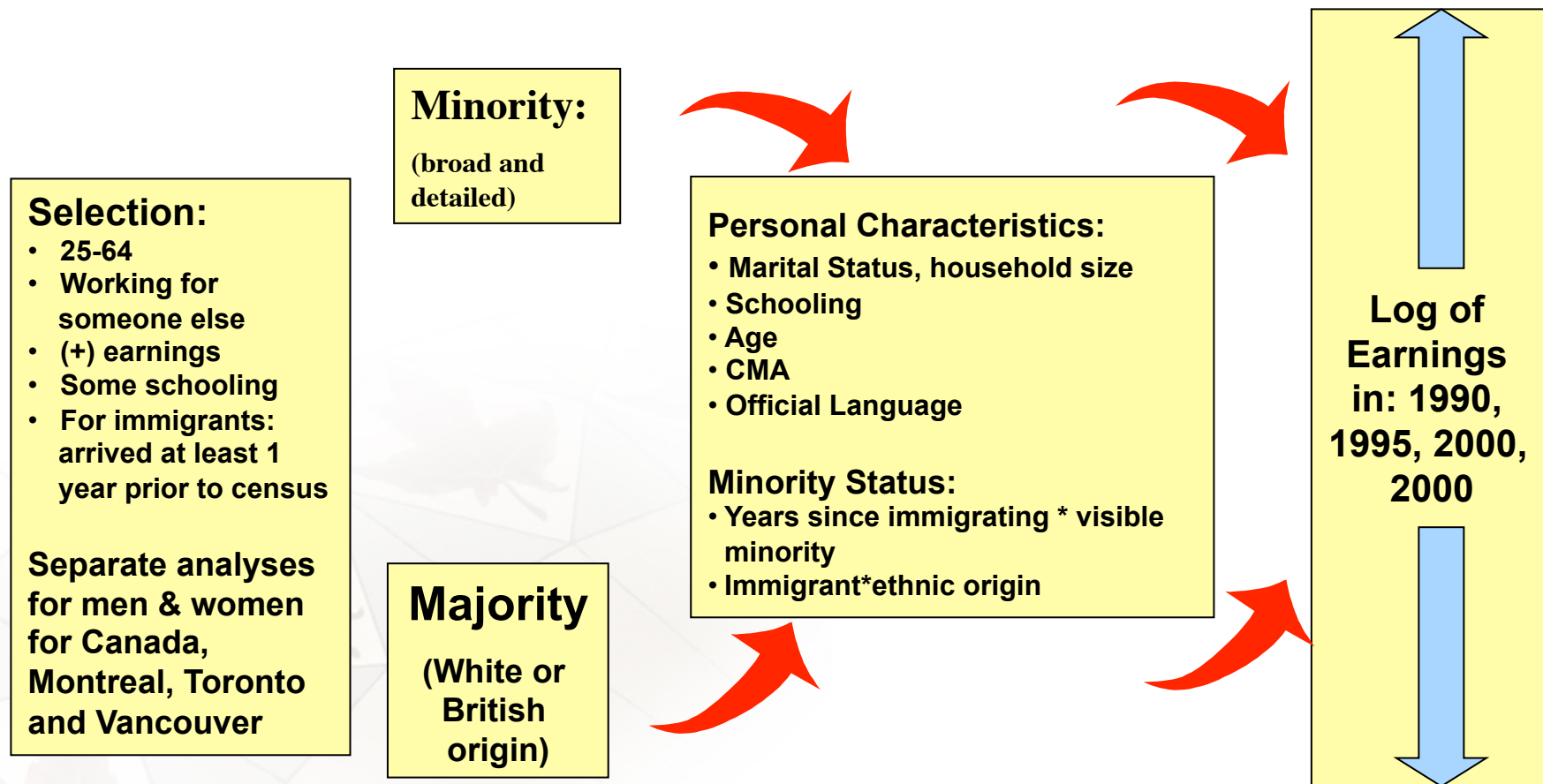
Past research



- A large body of Canadian research shows that visible minority immigrants can face substantial labour market disparity, which may be worsening since 1990. (see for example: Baker and Benjamin, 1995; Hum and Simpson, 1999; Pendakur and Pendakur, 1998; Lian and Matthews, 1998).
- A smaller literature has established that Canadian-born visible minorities also face labour market disparity. (see Stelcner, 2000; Pendakur and Pendakur 2002, 2011).
 - These papers show that both male and female visible minorities face disadvantage, and that certain visible minority ethnic groups drive this disparity, especially those of South-Asian and Black/Caribbean/African origins.
 - Skuterud (2010) finds that earnings gaps can remain even after three generations
- Our findings reiterate these findings and bring state of knowledge up to the present by assessing the gap from 1991 through to 2006 using a consistent method.



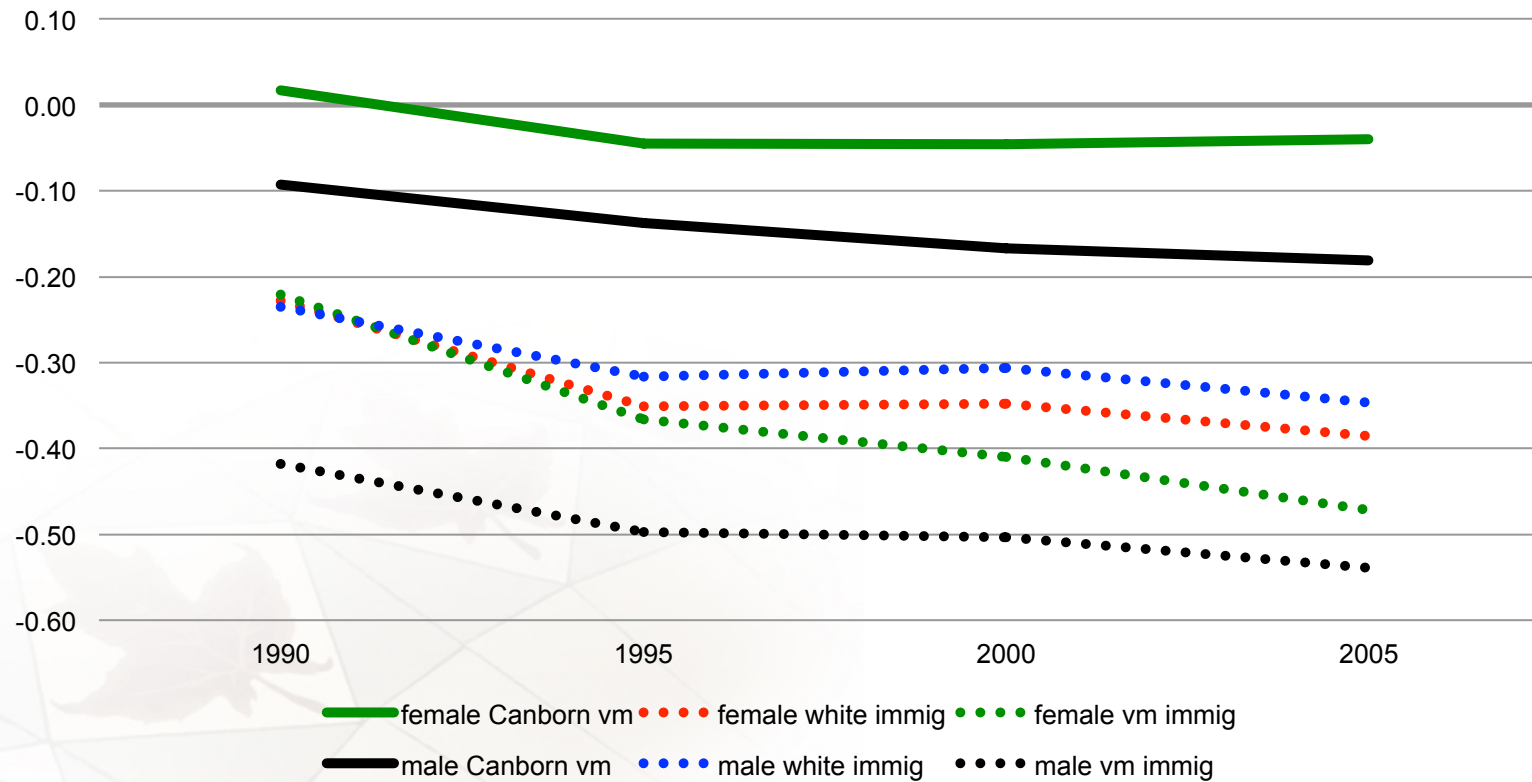
Determinants of labour market outcomes



% Earnings differentials, broad groups, vs white men and women 1990 – 2005



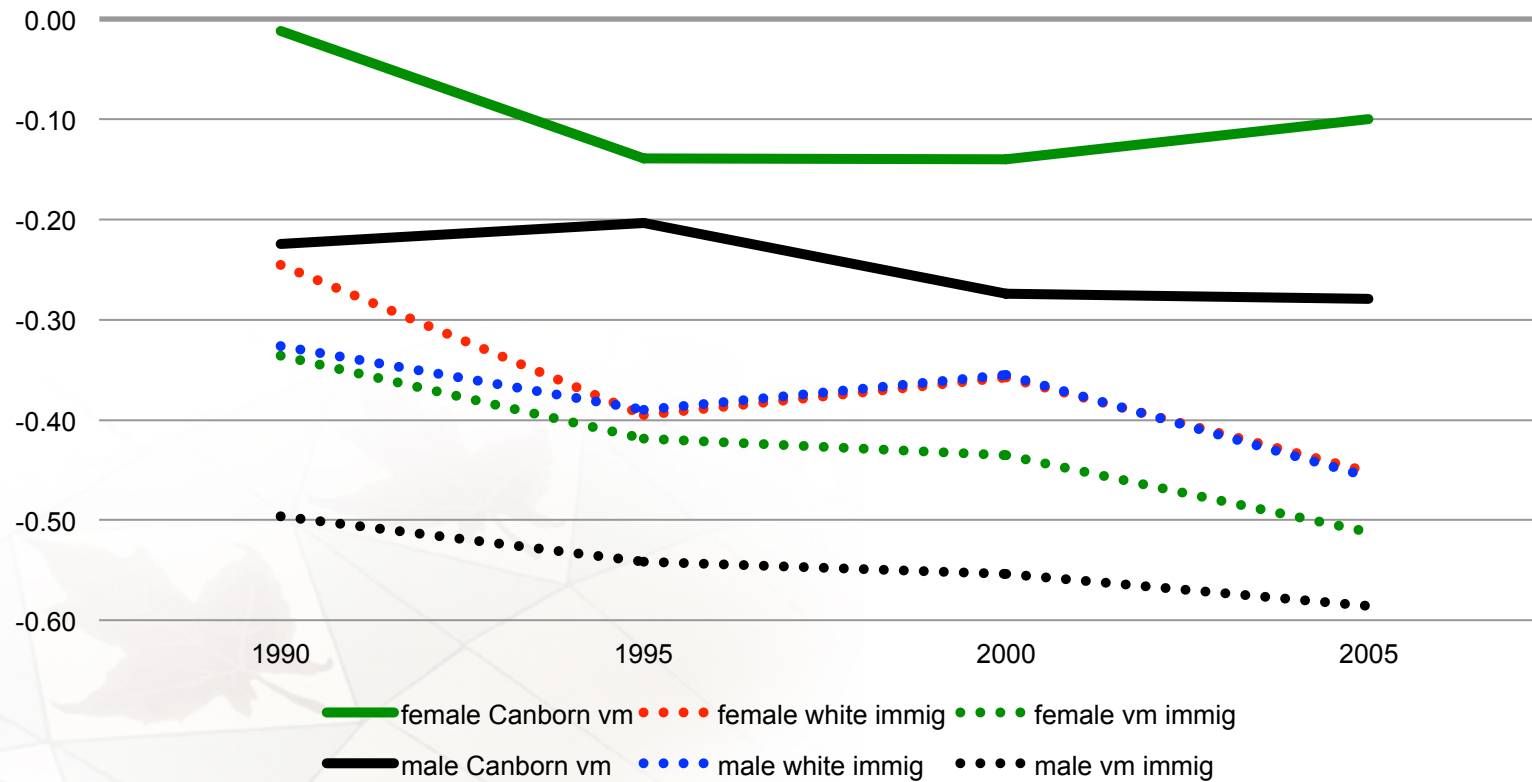
Canada



% Earnings differentials, broad groups, vs white men and women, 1990 - 2005



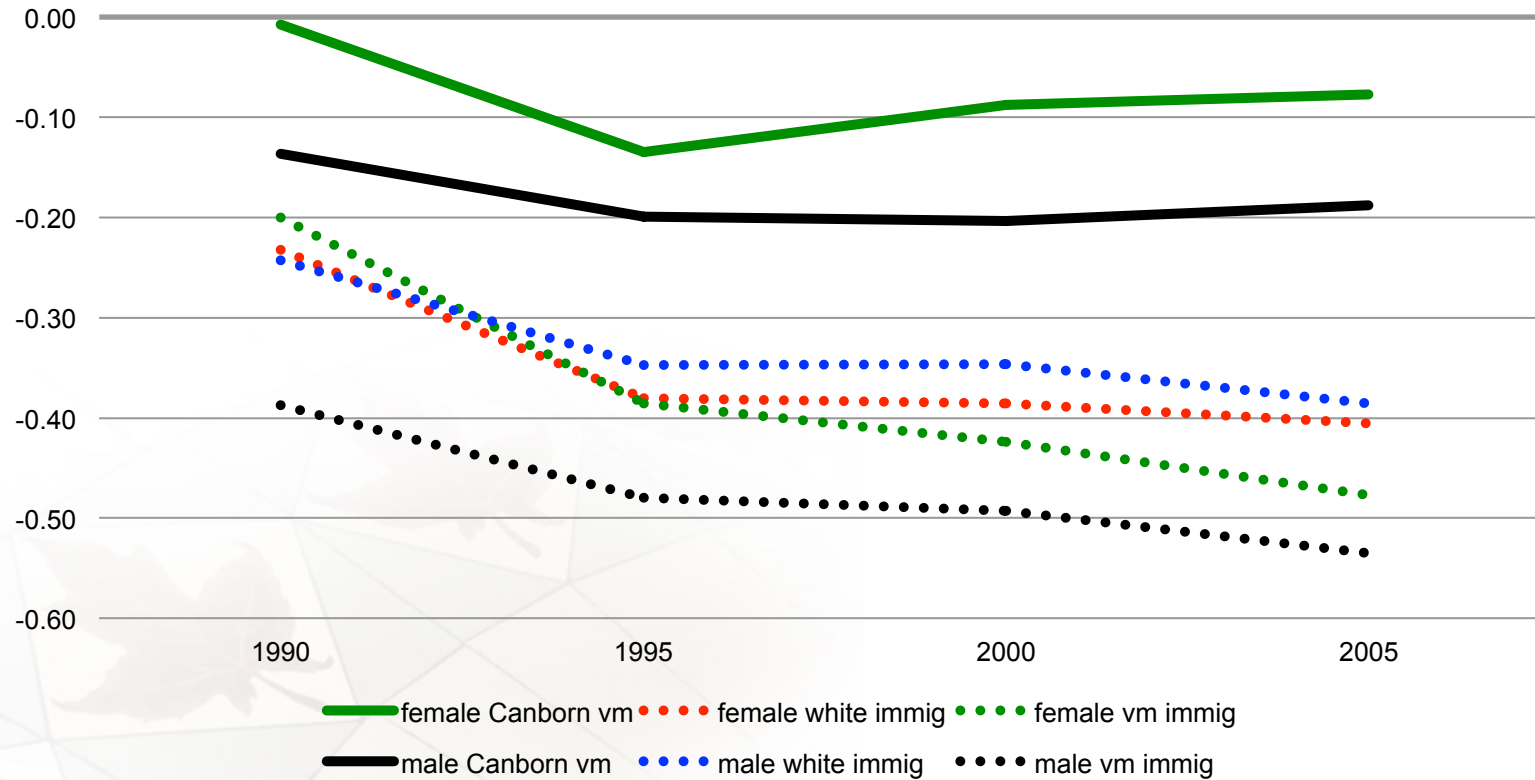
Montreal



% Earnings differentials, broad groups, vs white men and women, 1990 - 2005



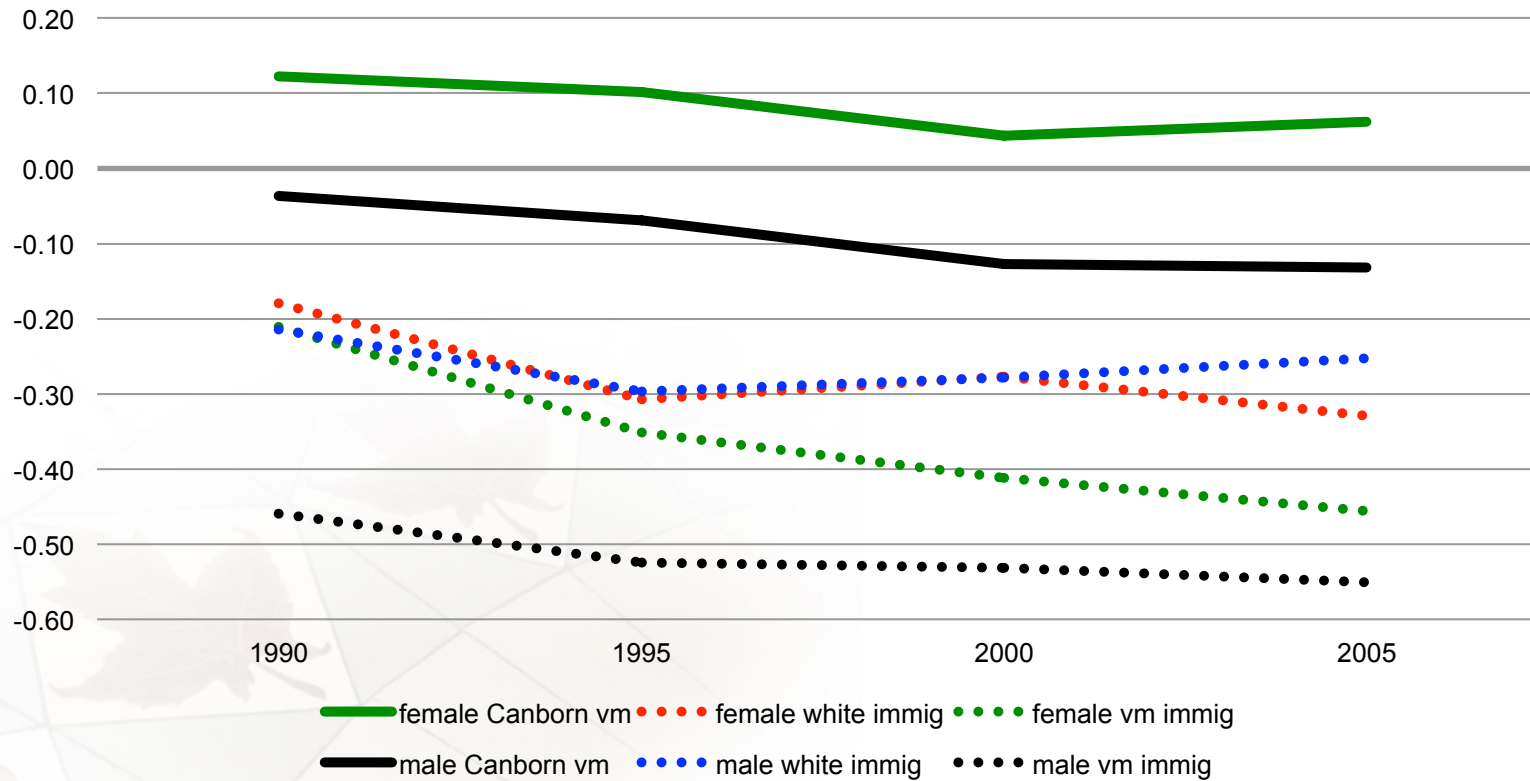
Toronto



% Earnings differentials, broad groups, vs white men and women, 1990 - 2005



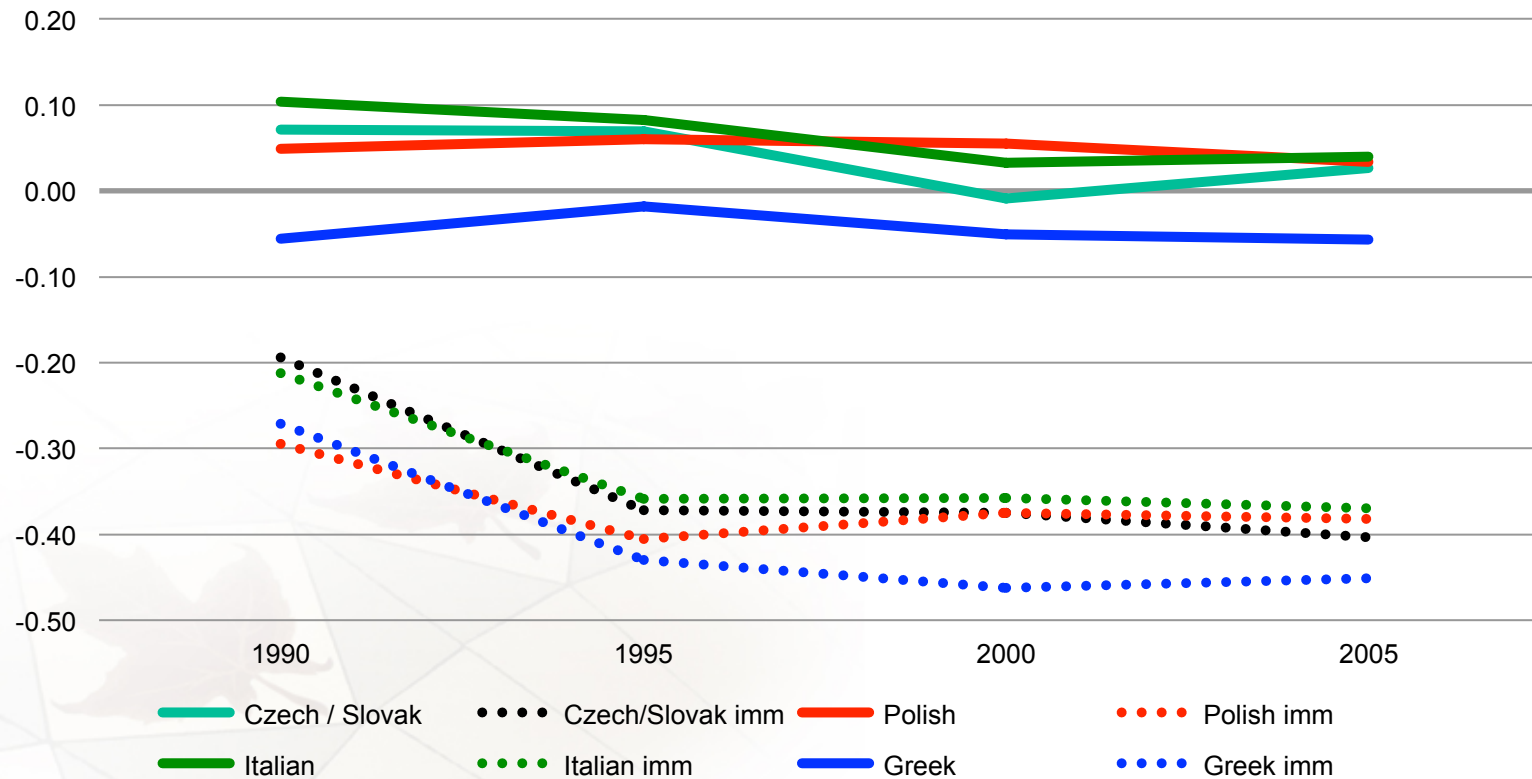
Vancouver



% Earnings differentials, detailed ethnic origins, vs British origin men and women, Canada 1990- 2005



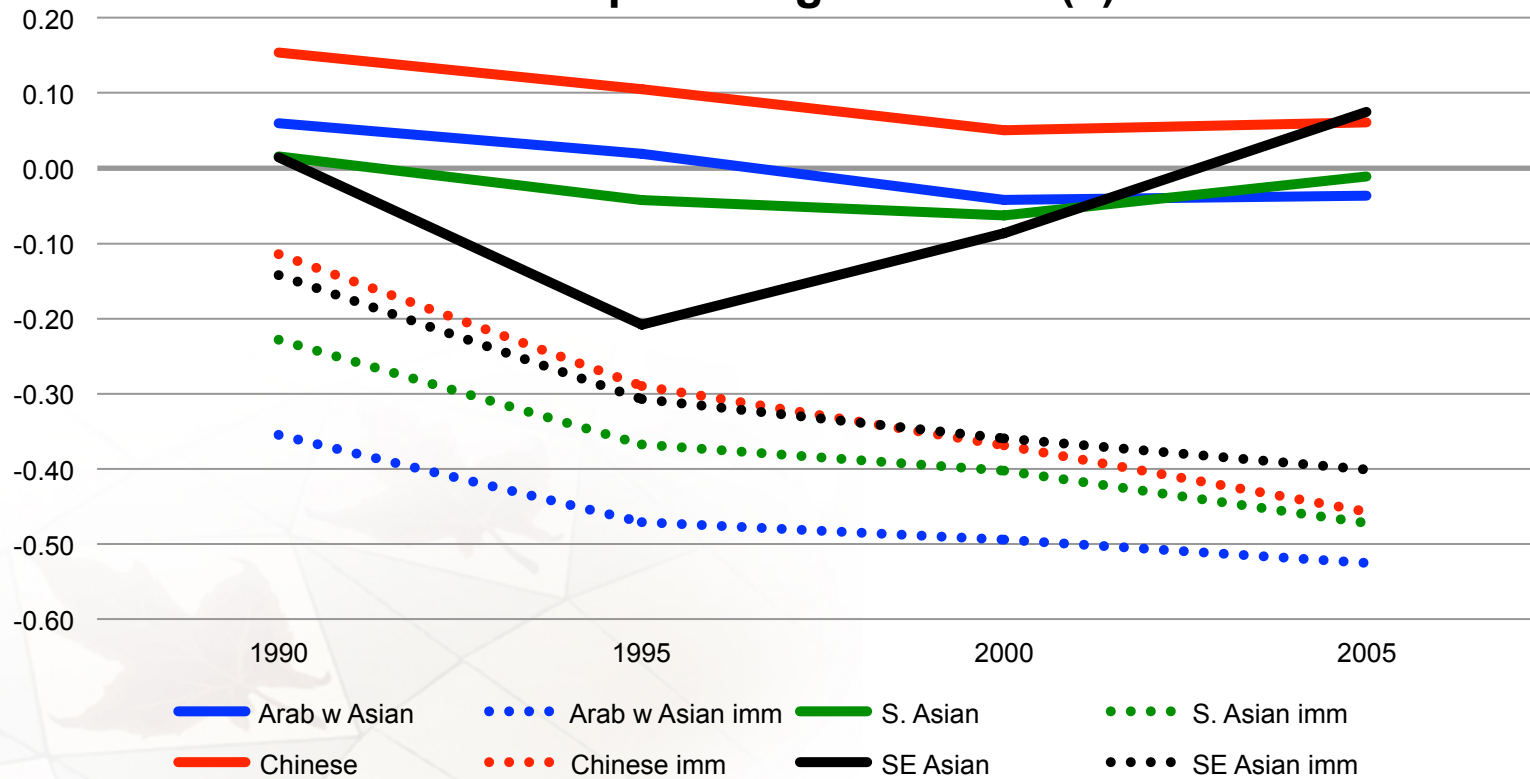
Selected European origin women



% Earnings differentials, detailed ethnic origins, vs British origin men and women, Canada 1990- 2005



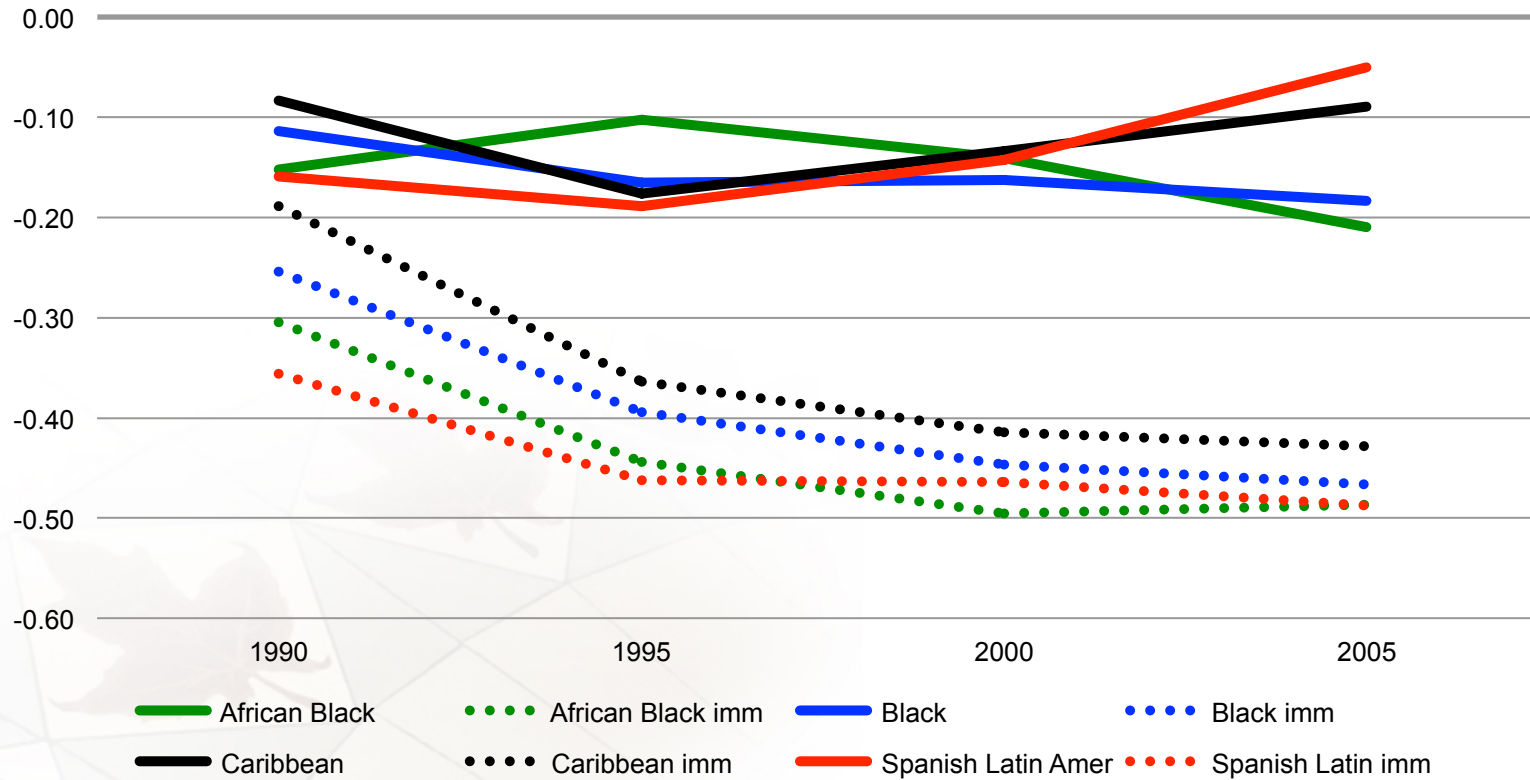
Selected non-European origin women (1)



% Earnings differentials, detailed ethnic origins, vs British origin men and women, Canada 1990- 2005



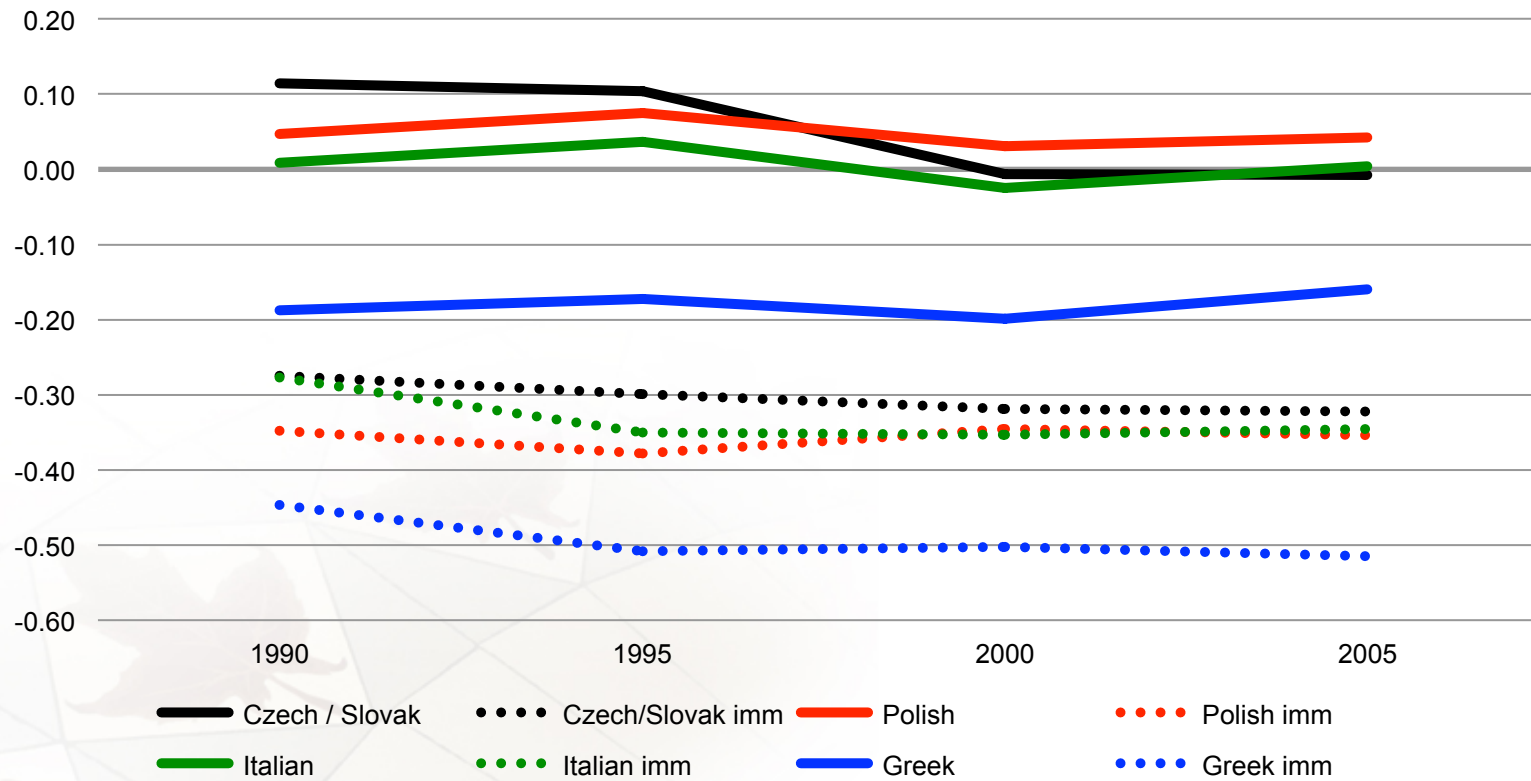
Selected non-European origin women (2)



% Earnings differentials, detailed ethnic origins, vs British origin men and women, Canada 1990- 2005



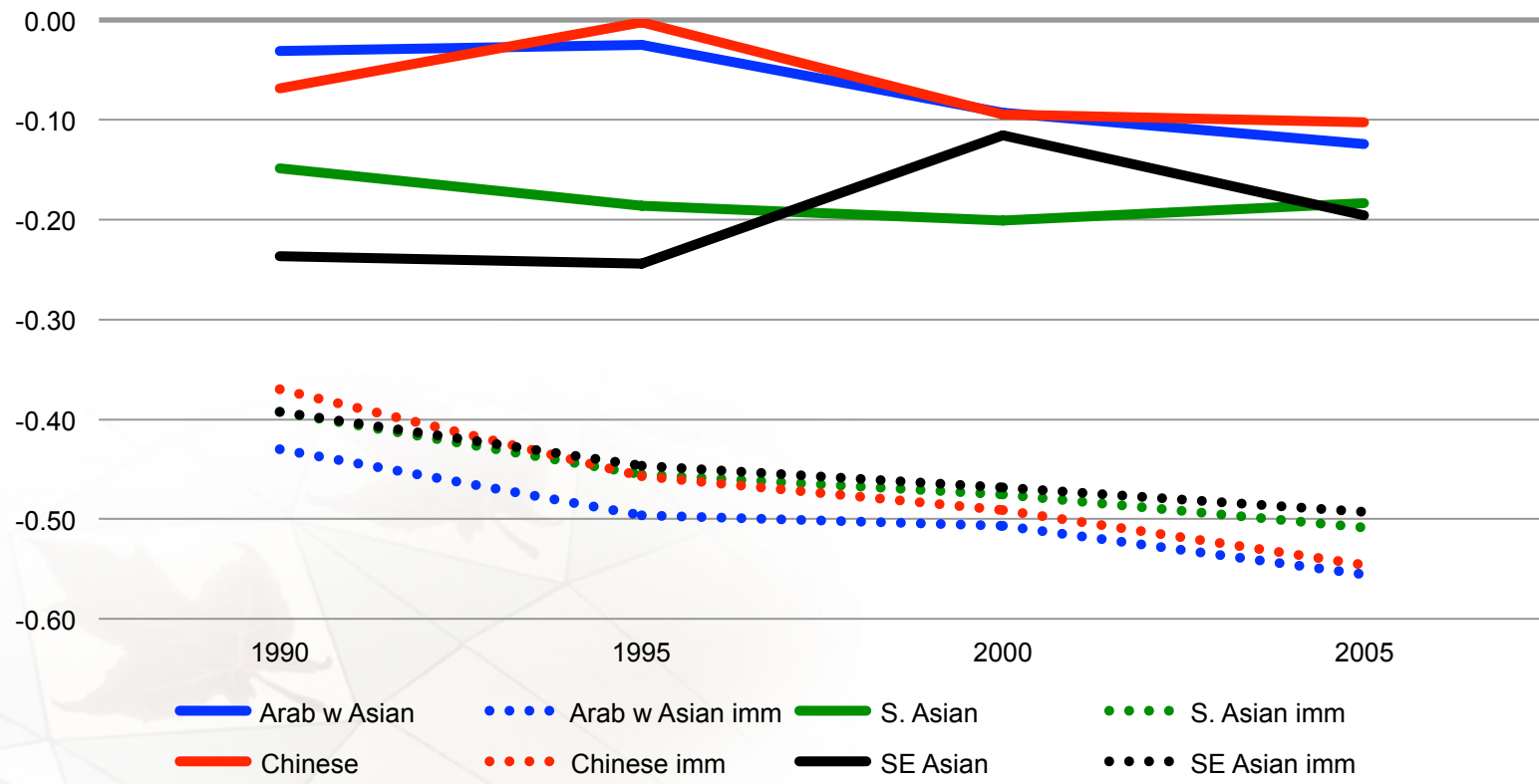
Selected European origin men



% Earnings differentials, detailed ethnic origins, vs British origin men and women, Canada 1990- 2005



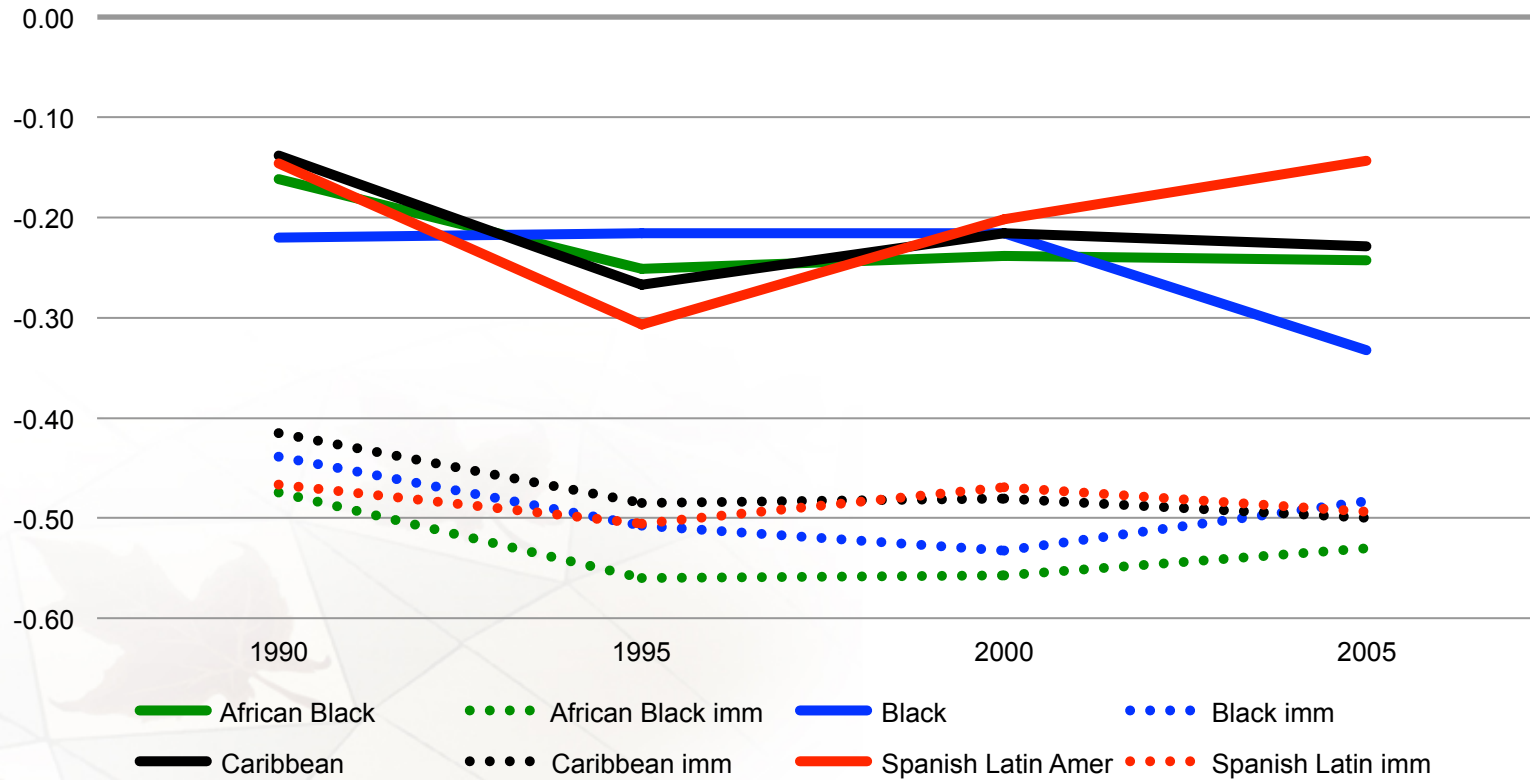
Selected non-European origin men (1)



% Earnings differentials, detailed ethnic origins, vs British origin men and women, Canada 1990- 2005



Selected non-European origin men (2)



Conclusions



- That immigrant disparity has increased over time is troubling in the context of Canada's steadily large intake of immigrants and steady increase in ethnic diversity.
- Canada's cities are crucibles of superdiversity, and are seen worldwide as roadmaps to a future of cohesive diversity.
- Growing immigrant and visible minority labour market disparity threatens this.
- Increasing disparity faced by minorities born in Canada is troubling because these individuals are educated and socialized in Canada.
 - In comparison with immigrants, these individuals do not face the same barriers related to language knowledge, recognition of credentials, accent penalties or lack of networks.

