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# IMDB 2008 Immigration Category Profiles

## Business Immigrants - Investors

Findings from the Longitudinal Immigration Database (IMDB)

March 2012

## IMDB 2008 Research Series

### IMDB Core Report

The *IMDB Core Report* is an annual update of previous research that focuses on incidence of employment earnings, average entry employment earnings, and growth in average employment earnings during immigrants' first five years in Canada. The *IMDB 2008 Core Report* provides outcomes for those landed in the period 2001 to 2008.

The *IMDB Core Report* consists of two volumes:

- 1) *National Portrait*, provides:
  - A detailed look at skilled worker principal applicant employment outcomes by age and gender; and
  - Immigration category highlights for provincial nominee principal applicants, family class immigrants, refugees, and economic spouses/dependants.
- 2) *Provincial Portrait*, provides:
  - Information about the mix of immigrant classes at landing by province and immigration category and highlights for skilled worker principal applicants and provincial nominee principal applicants by province.

Each volume is accompanied by an appendix containing a full set of supporting tables and the *IMDB Research Series – Technical Notes* providing information about data sources, a glossary of terms and concepts as well as additional notes.

The *IMDB 2009 Core Report* will be available in fall, 2012.

### IMDB Immigration Category Profiles

The *IMDB 2008 Immigration Category Profiles* consist of the following twelve reports:

- Economic class: Skilled Workers (SW), Provincial Nominees (PN), Live-in Caregivers (LC), and Business immigrants – Entrepreneurs (ENT), Investors (INV) and Self-employed (SEI)
- Family class: Parents and Grandparents (P&G) and Spouses and Partners (S&P)
- Refugees: Government-assisted Refugees (GAR), Privately Sponsored Refugees (PSR) and Refugees Landed in Canada (RLC)
- Other immigrants: Humanitarian and Compassionate/Public Policy Considerations (HC)

Each *IMDB Immigration Category Profile* consists of two main sections:

- 1) Background characteristics: Provides demographic landings information for the target category by province, country of last permanent residence, family status, age, and gender; and
- 2) Economic outcomes: Provides information on the economic performance of the target category compared to other selected immigrant categories and all Canadians including, average employment earnings, income distributions as well as incidence of employment earnings, social assistance and employment insurance.

The profiles are graphical presentations of the demographic and economic trends observed over time with corresponding text focusing on category specific highlights. Each profile is accompanied by an appendix containing a full set of supporting tables and the *IMDB Research Series – Technical Notes* providing information about data sources, a glossary of terms and concepts as well as additional notes.

The *IMDB 2009 Immigration Category Profiles* will be available in fall, 2012.

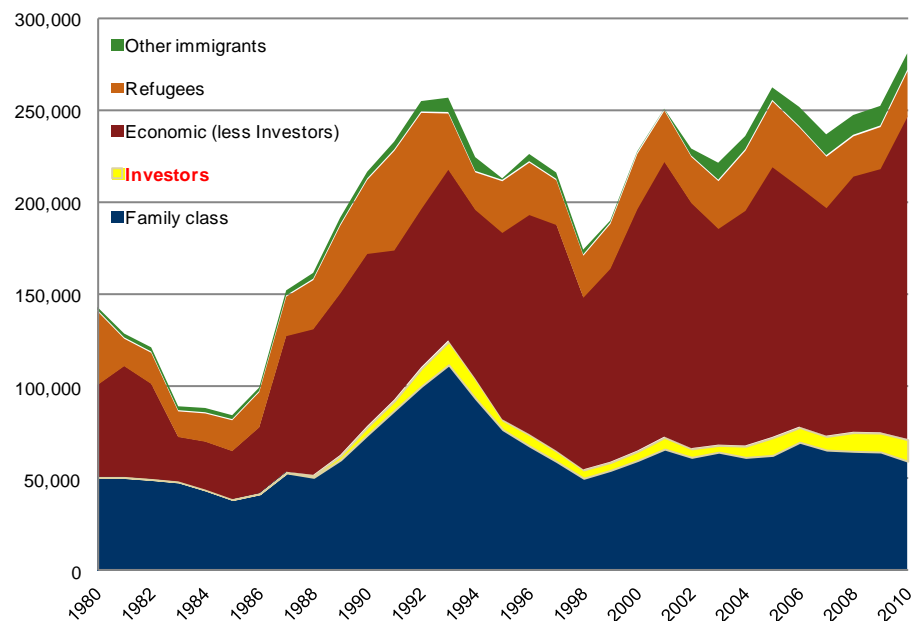
### IMDB Research Series - Technical Notes

The *IMDB 2008 Research Series – Technical Notes* provide information about data sources, a glossary of terms and concepts as well as additional notes. The notes will be updated as required with the release of the *IMDB 2009 Core Report* and the *IMDB 2009 Immigration Category Profiles*.

## Background characteristics

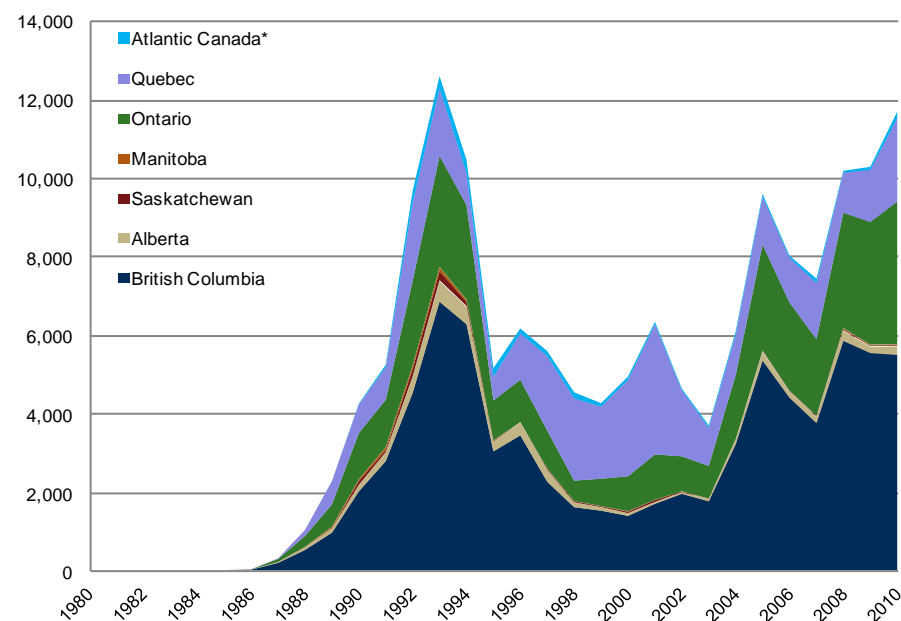
Figure 1: Immigrants, by landing year, 1980-2010

### Immigration category



Source: CIC, Facts and Figures, RDM, 2010

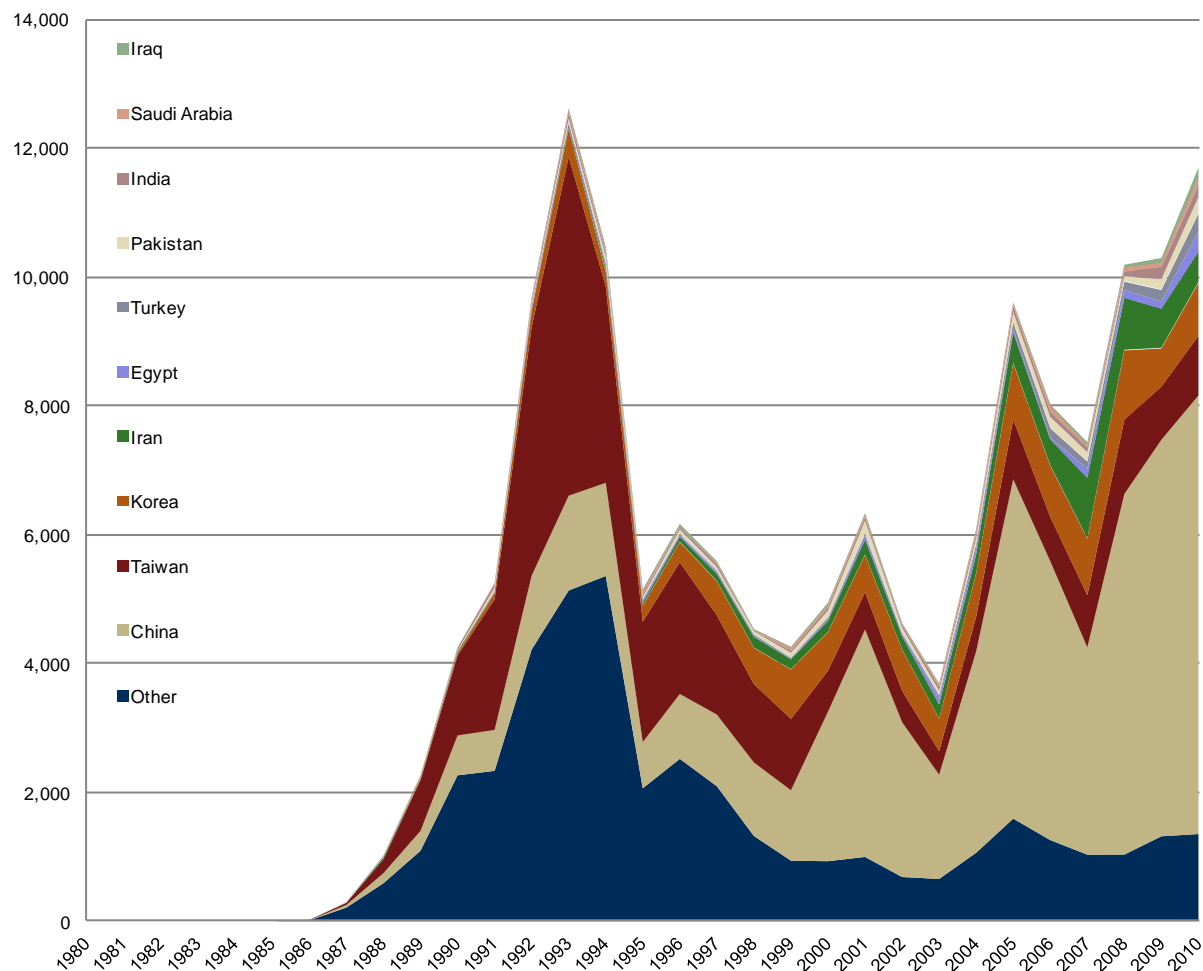
### Investors by province of destination



\*Prince Edward Island, Newfoundland and Labrador, Nova Scotia, and New Brunswick  
Source: CIC, Facts and Figures, RDM, 2010

- From 1980 to 2010, 431,471 business immigrants (including self-employed, investors, and entrepreneurs) landed in Canada, accounting for approximately 7.0% of Canada's total immigration over the period.
- From when it began in 1986 to 2010, the investor program accounted for 35.9% of immigrants to the business immigration program. Investor immigration rose dramatically from when it began until the mid 1990s, increasing from 2,271 in 1989 to 12,624 in 1993. Since 2001 the investor program has contributed the largest share to business immigration and accounted for 88% of all business immigration in 2010.
- Since the program began in 1986, the main intended destination of investor immigrants has been British Columbia, followed by Ontario and Quebec.
- An overall increase in levels of investor immigration has meant higher levels for all provinces, particularly British Columbia. British Columbia was the destination of choice for 186 individuals (62%) in 1987, a peak of 6,866 (54%) in 1993, and over 5,000 investor immigrants annually (over half of all investors) toward the end of the 2000s.
- Among Atlantic Provinces, Nova Scotia is the main destination of investor immigrants. Investor immigrants intended for Nova Scotia peaked in the 1990s, reaching 3% of all investor immigration to Canada.

Figure 2: Number of investors, by country of last permanent residence, by landing year, 1980-2010

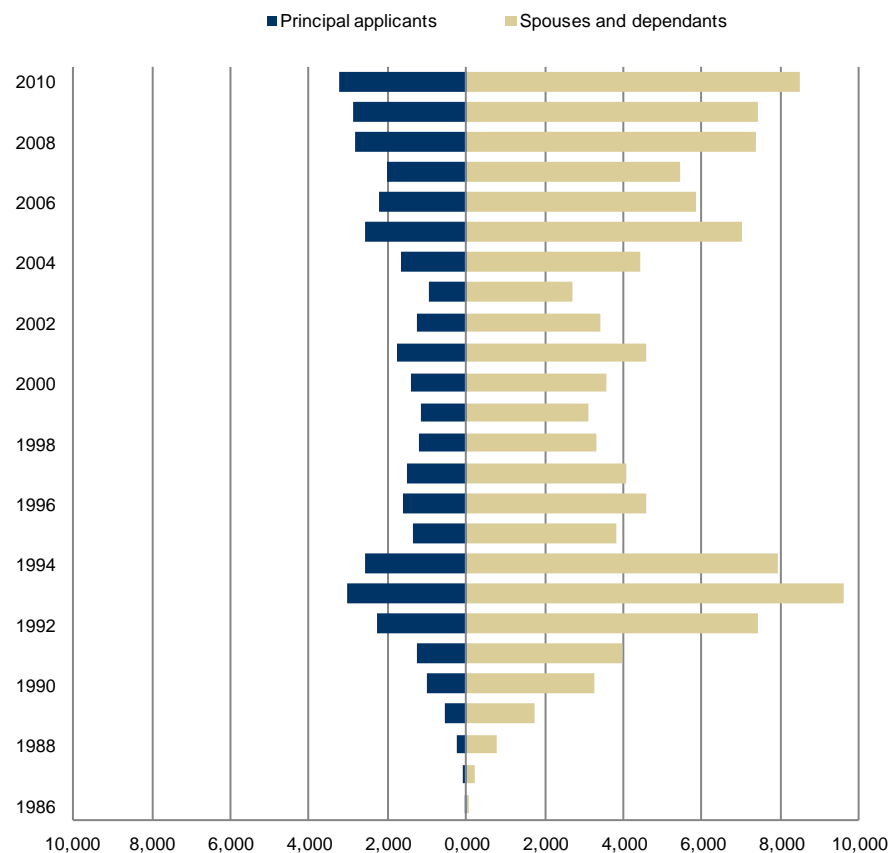


Source: CIC, Facts and Figures, RDM, 2010

- The People's Republic of China has been the leading source country for investors during the 2000s, at over half of annual investor immigration. In 2010, 6,817 investors, or 58.2%, were from the People's Republic of China, followed a distant second by those from Taiwan, at 925 individuals, or 7.9%.
- From when the program began, in 1986, until 1997, Hong Kong and Taiwan were consistently the leading source countries of investor immigration to Canada, followed by the People's Republic of China.
- Overall, the top ten source countries shown in Figure 2 have accounted for roughly 70% of all investor immigrants from 1980-2010. In 2010, these top ten source countries accounted for 88% of investor landings.

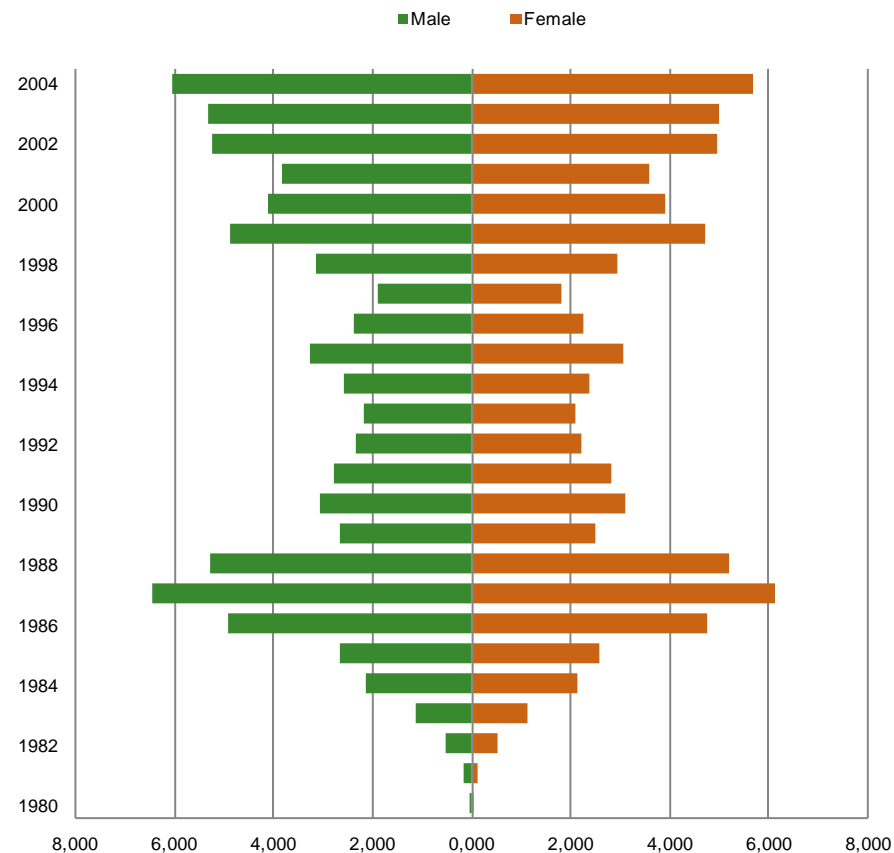
Figure 3: Number of investors, by landing year, 1980-2010

## Family status



Source: CIC, Facts and Figures, RDM, 2010

## Gender

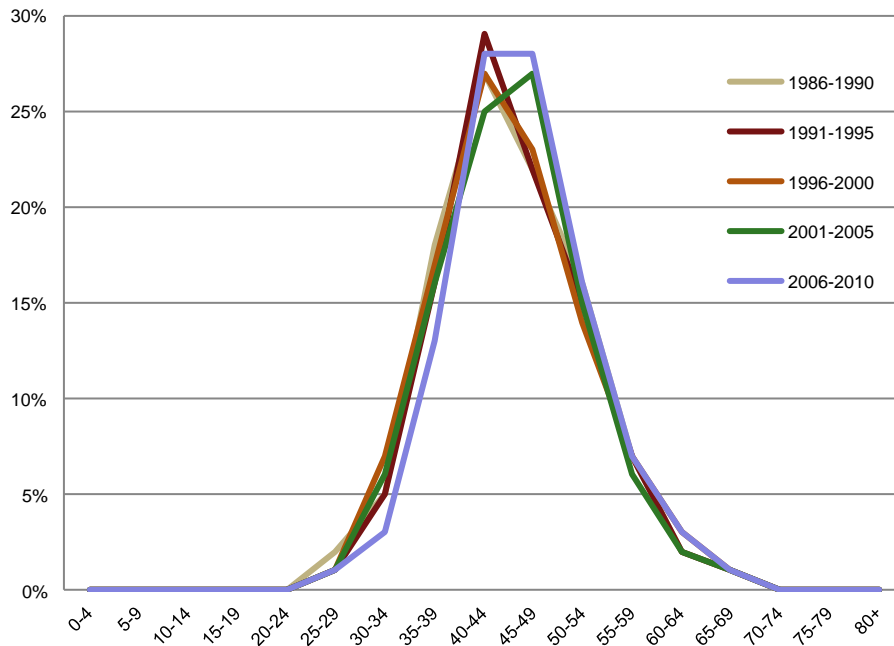


Source: Facts and Figures, RDM, 2010

- From 1980 to 2010, the majority (74%) of investors were spouses and dependants. Among investor spouses and dependants, the gender split was roughly 40% male and 60% female. Among investor principal applicants, the majority (85%) were male.
- The investor program has an even split between males and females, with roughly 50% of each gender since the inception of the program.

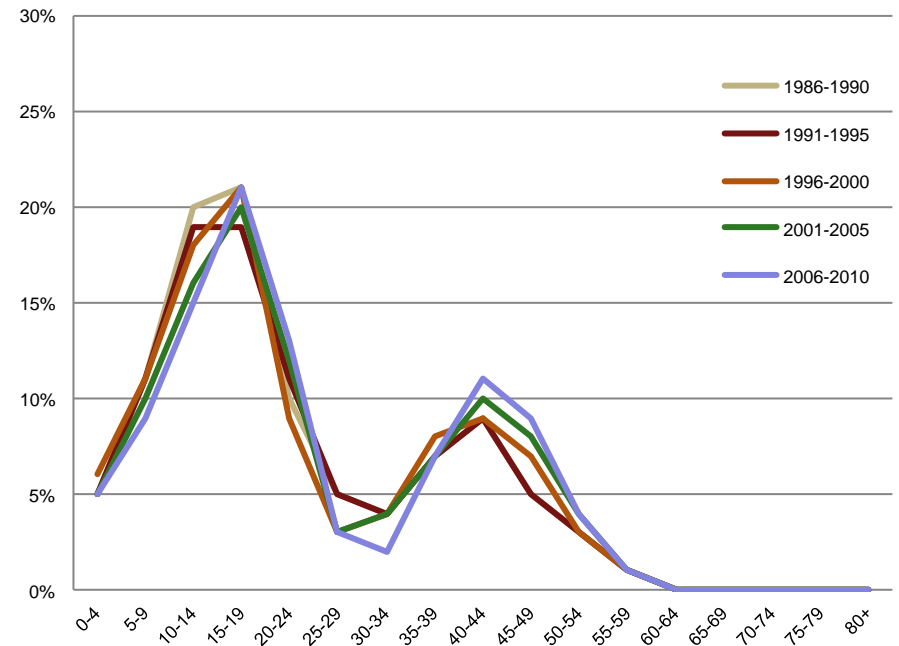
Figure 4: Age distribution of investors, by landing year, 1981-2010

## Principal applicants



Source: CIC, Facts and Figures, RDM, 2010

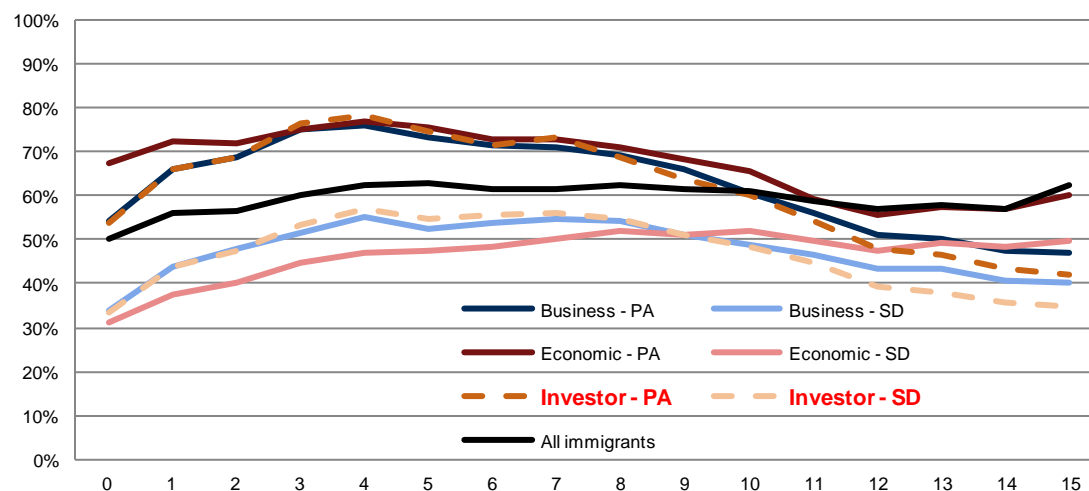
## Spouses and dependants



Source: CIC, Facts and Figures, RDM, 2010

- The age distribution at time of landing of investor principal applicants is heavily concentrated in the core working ages (25-54 years of age). The age distribution has skewed slightly to the right over time; however, to a lesser extent than the business class as a whole.
- The age distribution of investor spouses and dependants is bimodal, reflecting the two unique populations in this group - the spouses and the dependants. The distribution of investor spouses and dependants has also shifted slightly to the right over time, corresponding to the increase in age at landing of principal applicants.

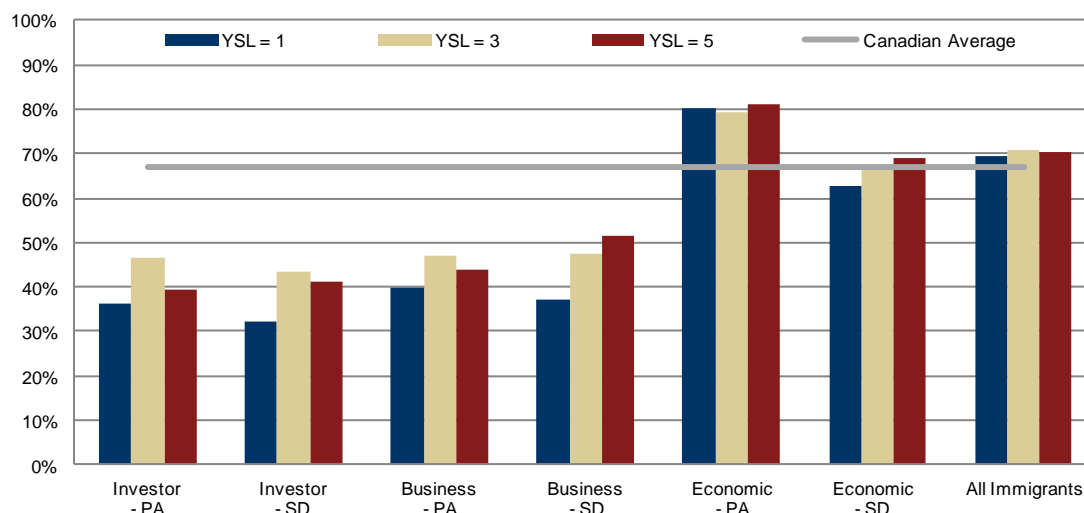
**Figure 5: IMDB capture rate for selected immigrant categories, by years since landing (YSL), in tax year 2008**



Source: CIC, Facts and Figures, RDM, 2010 and IMDB, 2008

- The IMDB capture rates for investors (principal applicants and spouses and dependants) are nearly identical to that seen for the respective business immigrants for the first 10 years following landing. Following the tenth year, the capture rates for investors decrease more quickly than for business immigrants as a whole.
- For the fifteen years following landing, the capture rate for investor principal applicants was higher than the immigrant average and roughly on par with that average for all economic immigrant principal applicants.
- Beyond the tenth year after landing the capture rate decreases for investor principal applicants and falls below the rate seen for all economic principal applicants. A similar pattern is observed for investor spouses and dependants.

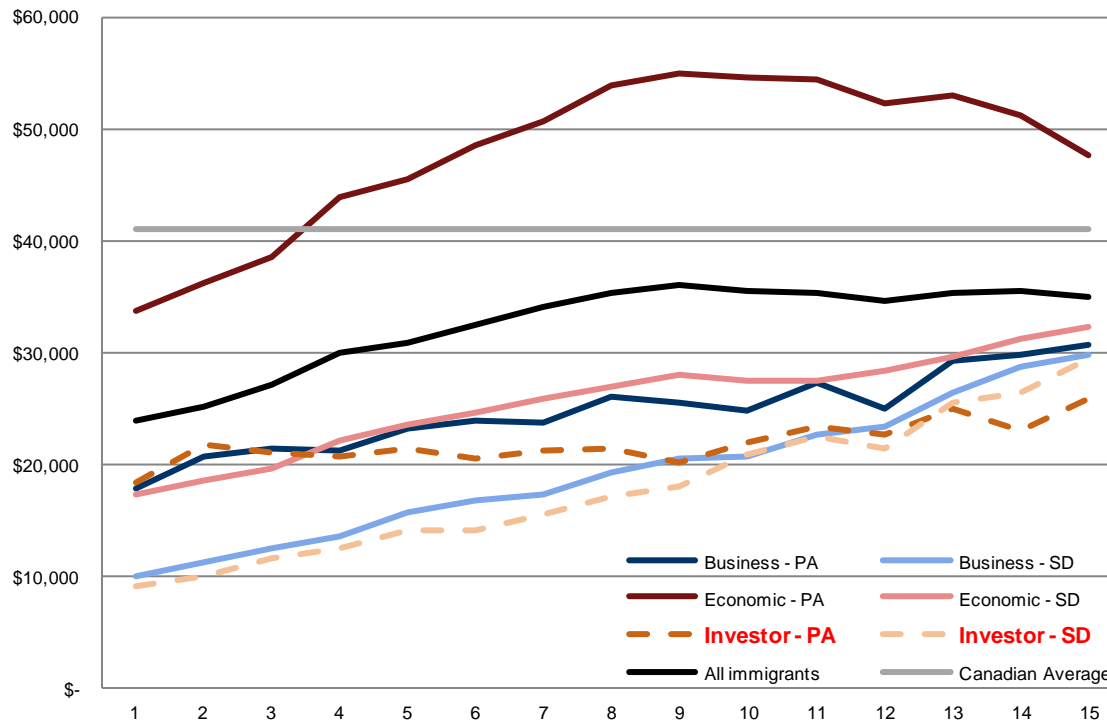
**Figure 6: Incidence of employment earnings for selected immigrant categories, by years since landing (YSL), in tax year 2008**



Source: IMDB, 2008 and CRA, 2008

- Overall, the share of business immigrants who reported employment earnings in 2008 was consistently lower than the average for all economic immigrants and the Canadian average, regardless of years spent in Canada.
- For investors the same holds true, with an incidence of employment earnings (roughly 35-45% for principal applicants and 30-40% for spouses and dependants).
- Within the first five years following landing the incidence of employment earnings increases for investors (principal applicants and spouses and dependants) from the first to third year following landing, dropping off slightly in the fifth year.

Figure 7: Average employment earnings for selected immigrant categories, by years since landing, in tax year 2008



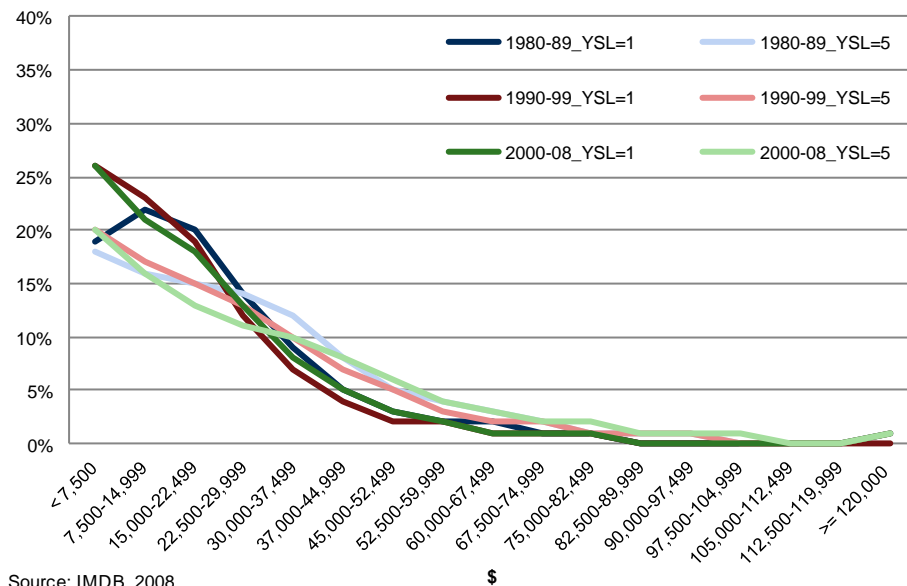
Source: IMDB, 2008 and CRA, 2008

- Business immigrants (principal applicants and spouses and dependants) reported substantially lower levels of employment earnings than the average for all economic immigrants, regardless of years since landing. Once again, entrepreneurs exhibit nearly identical patterns as seen for the total business class.
- It is important to note that average employment earnings include earnings from salary, wages, and tips. It does not include earnings from self-employment or investments. Business immigrants are more likely to report income from self-employment and investment than all immigrants on average.
- Investor principal applicants report average entry employment earnings of roughly \$20,000 and demonstrate minimal growth with time spent in Canada, reaching average employment earnings of roughly \$25,000 after 15 years.
- Investor spouses and dependants report average entry employment earnings of roughly \$10,000; however, they demonstrate strong growth over time, reaching employment earnings greater than their principal applicant counterparts (roughly \$30,000) after 15 years in Canada.



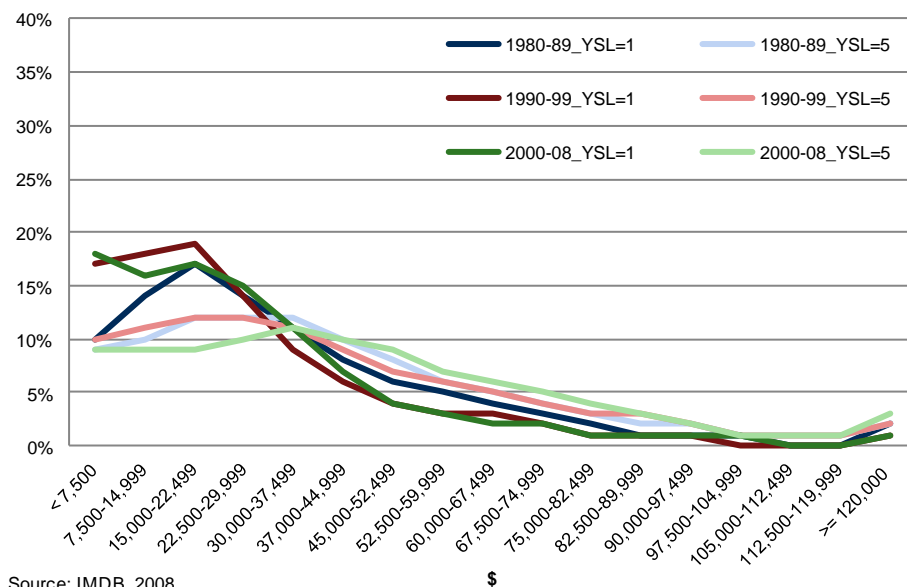
Figure 8: Distribution of employment earnings (\$2008), by cohort for selected immigrant categories, by years since landing (YSL), in tax year 2008

### All Immigrants



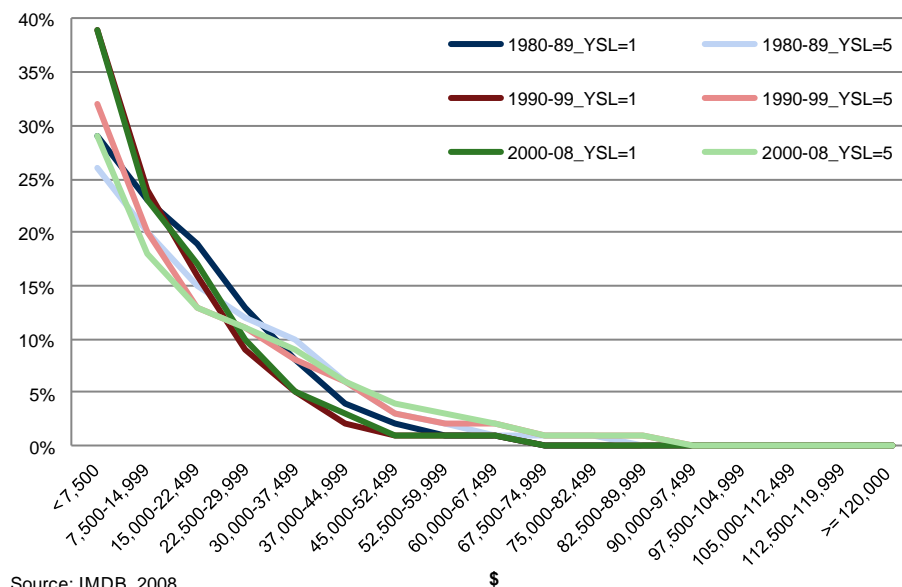
Source: IMDB, 2008

### Economic principal applicants



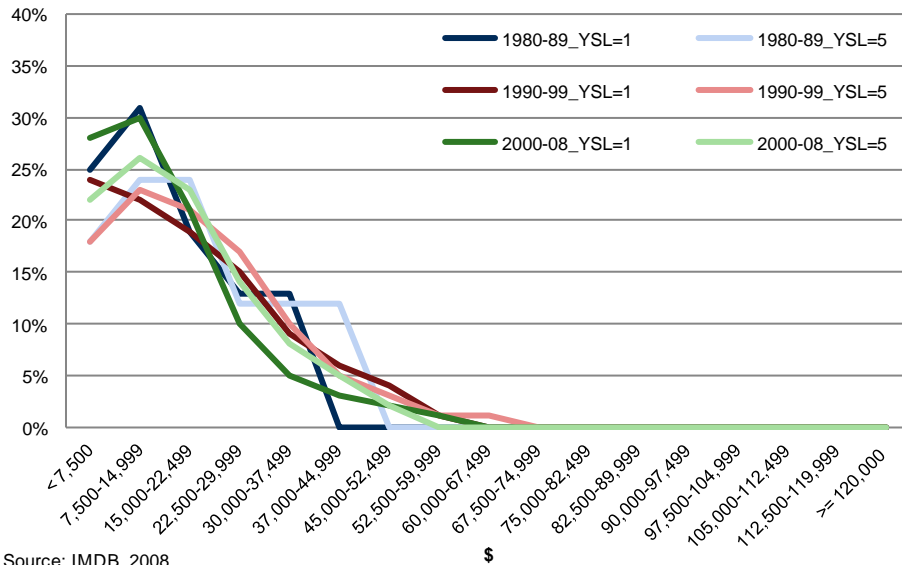
Source: IMDB, 2008

### Economic spouses and dependants



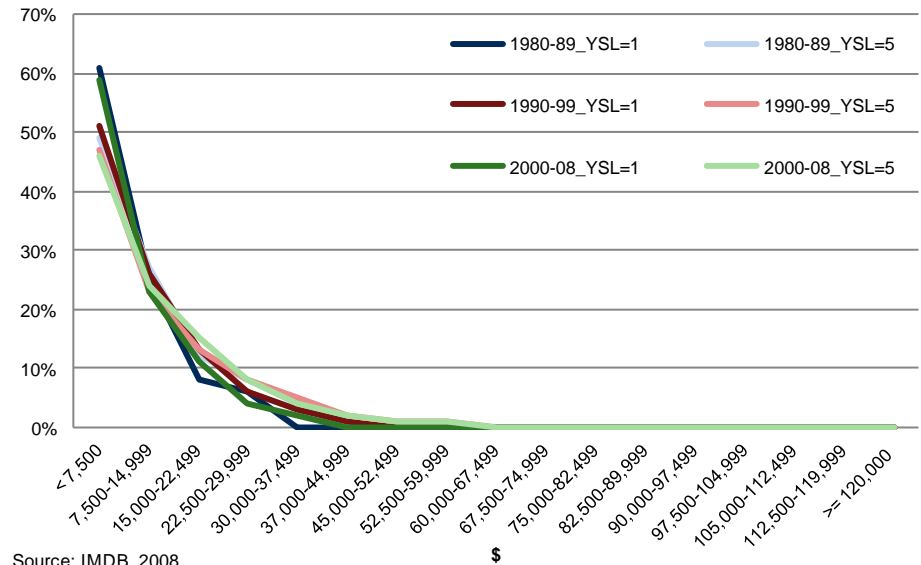
Source: IMDB, 2008

## Investor principal applicants



Source: IMDB, 2008

## Investor spouses and dependants

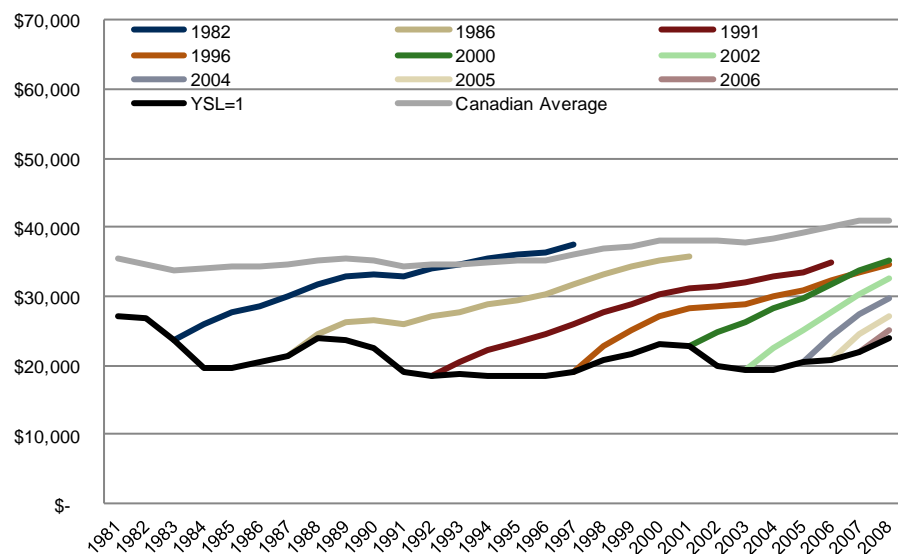


Source: IMDB, 2008

- Figure 8 displays the distribution of employment earnings for grouped cohorts in the first and fifth year after landing. For all categories displayed there is a notable concentration in the left (lower) end of the distribution, reflecting a larger share of immigrants falling into the lower employment earnings bracket. However, with an increase in years since landing the distributions begin to shift right, reflecting growth in employment earnings over time.
- There are differences in the relative earning distributions by immigration category.
  - For all immigrants landing in 2000 and onward, 65% had earnings less than \$22,500 in the first year following landing. This share decreased to 55% and 48% in the third and fifth year following landing.
  - For all economic principal applicants the respective shares are much lower at 51%, 37%, and 28%.
  - For investor principal applicants the respective shares are slightly lower than economic principal applicants and lower than the shares seen for all immigrants with 48%, 45%, and 45% earning less than \$22,500 in the first, third and fifth year following landing. Investor principal applicants demonstrate the lowest concentration in the low end of all the business categories.
- There are also differences in the relative earnings distributions by cohort groups.
  - For all immigrants landing in the 1990s the share reporting earnings lower than \$22,500 in the first year (69%) was higher than that seen for those landing in the 1980s (61%) and 2000s (65%). The comparable shares for the 1990s cohort of immigrants remained higher at the third and fifth years following landing as well.
  - For all economic principal applicants, while the shares in the low end were lower than that seen for all immigrants, the pattern across cohorts was the same.
  - For investor principal applicants; however, the concentration in the lower end of the distribution has remained fairly across cohort groups, with only a slight increase in concentration in the lower end of the distribution across cohorts.

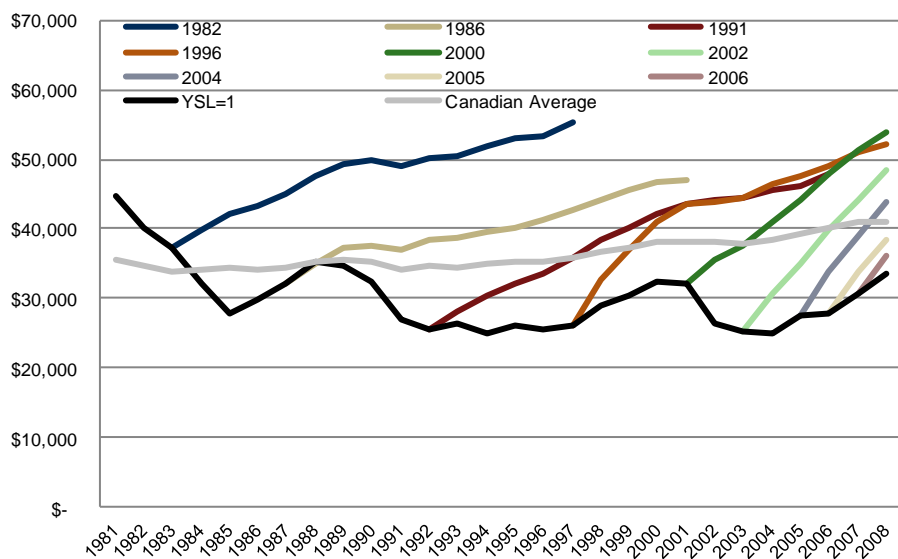
Figure 9: Average employment earnings (\$2008), by landing year and tax year, 1980-2008

## All Immigrants



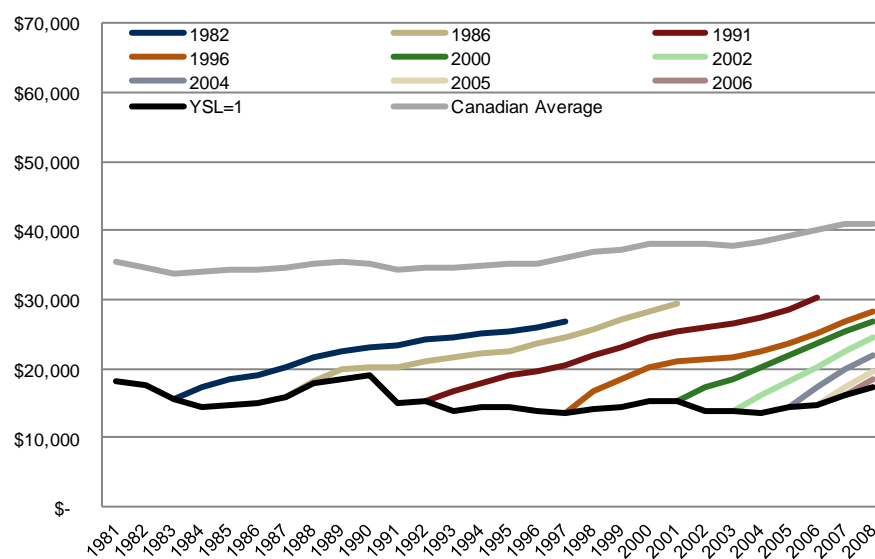
Source: IMDB, 2008 and CRA, 2008

## Economic principal applicants



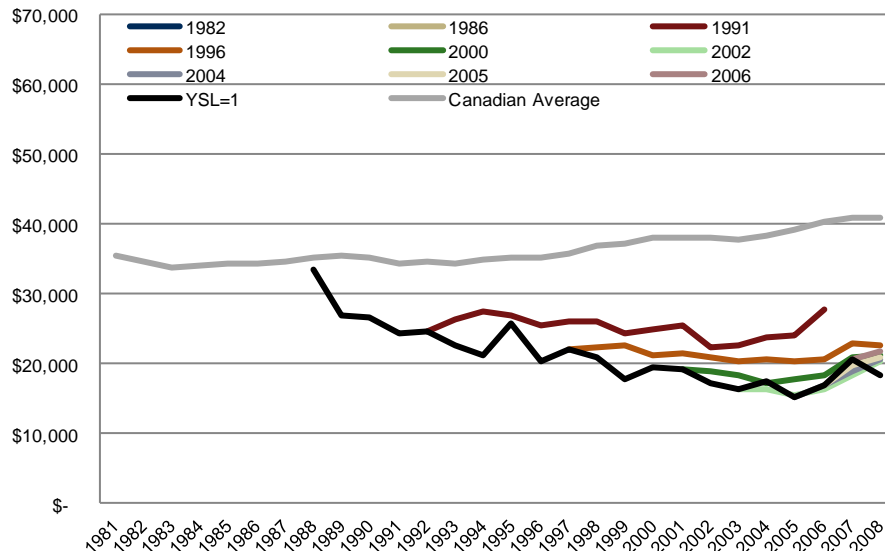
Source: IMDB, 2008 and CRA, 2008

## Economic spouses and dependants



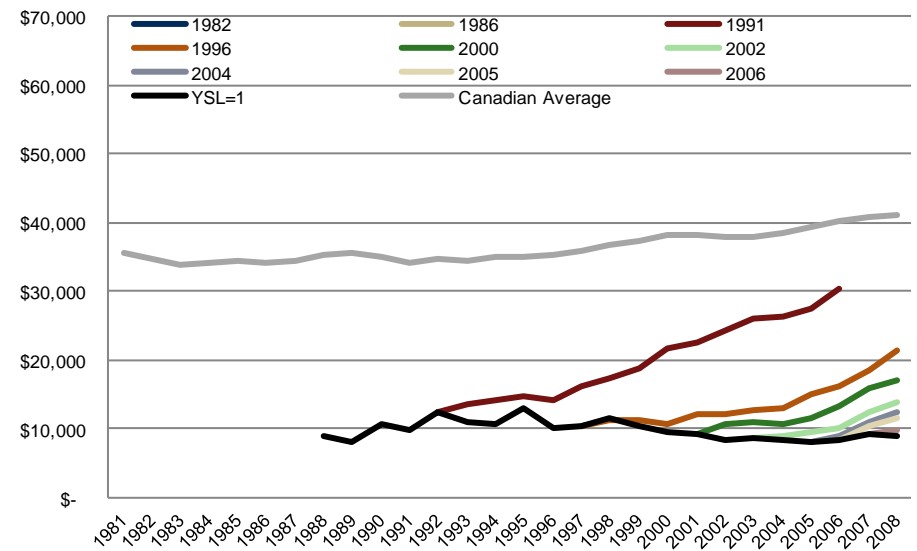
Source: IMDB, 2008 and CRA, 2008

## Investor principal applicants



Source: IMDB, 2008 and CRA, 2008

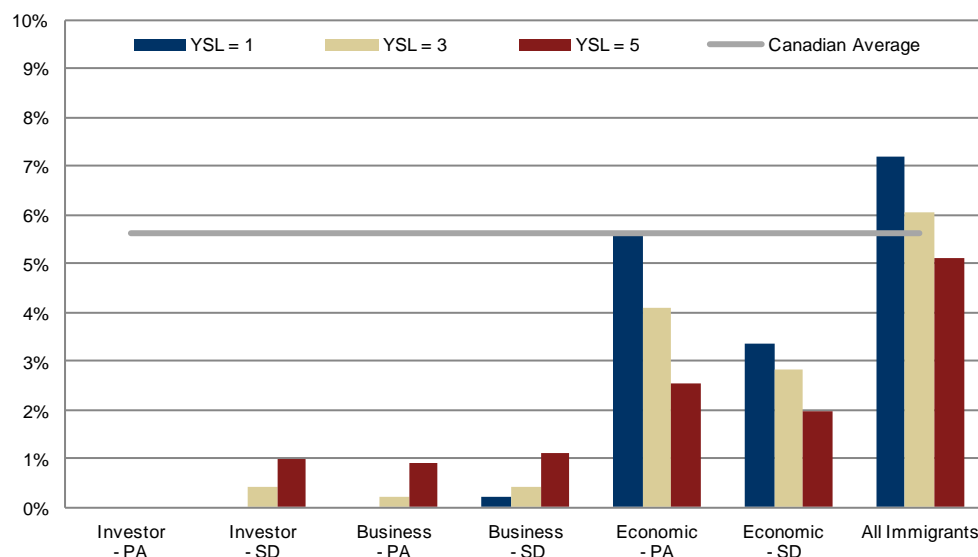
## Investor spouses and dependants



Source: IMDB, 2008 and CRA, 2008

- Figure 9 illustrates average employment earnings one year after landing for selected immigrant categories including investors (1986 to 2007) landing cohorts, and shows earnings progression (employment earnings in subsequent years after landing) for select landing cohorts.
- Since the Investor Program began in 1986, entry employment earnings of investor principal applicants have trended downward; in 1993, average employment earnings one year after landing of this business category were roughly \$21,000, or 61% of the Canadian average; by 2003, entry earnings for investor principal applicants had fallen to \$17,500, or 46% of the Canadian average. Entry earnings for investor principal applicants began to recover after 2003, however, entry employment earnings remained roughly \$10,000 lower than they were in the late 1980s and early 1990s.
- The growth in average employment earnings for investor principal applicants is minimal, with very little change in average employment earnings over time. The exception is the most recent cohorts landing in 2005 or later who experienced significant growth in earnings in their initial years following landing.

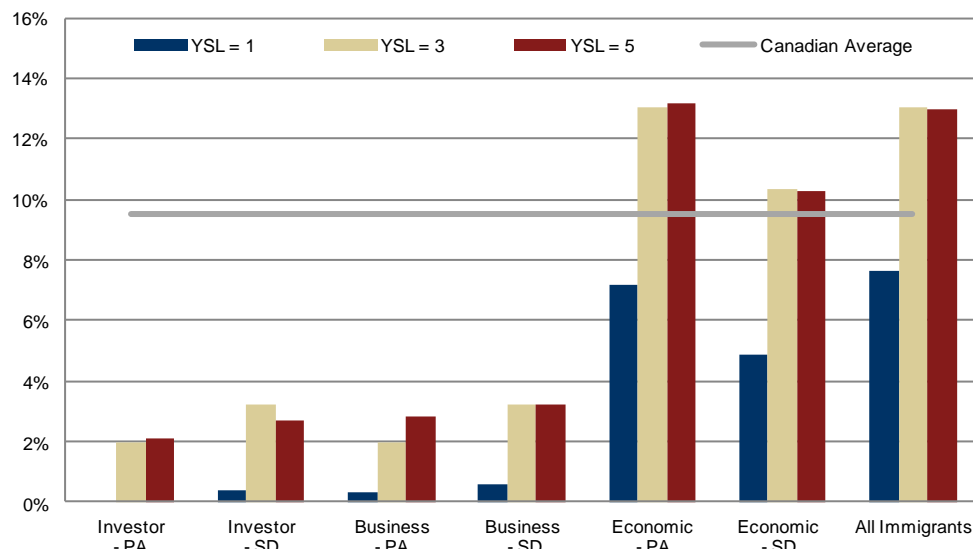
**Figure 10: Incidence of social assistance for selected immigrant categories, by years since landing (YSL), in tax year 2008**



Source: IMDB, 2008 and CRA, 2008

- In 2008, the incidence of social assistance for business immigrants was negligible among those who had been in Canada for one and three years. Business immigrants who had been in Canada for three and five years show some reporting of social assistance receipt in 2008 but remains less than 1%.
- Investor principal applicants did not report use of social assistance within their first five years in Canada and spouses and dependants reported minimal use, with an incidence less than 1% after five years in Canada.
- In comparison, other economic principal applicants who had been in Canada for one year reported social assistance receipt in 2008 on par with that of the Canadian average (5.9% and 5.6%, respectively), although shares were lower for those who had been in Canada for three and five years, at 4.3% and 2.6%, respectively.

**Figure 11: Incidence of employment insurance for selected immigrant categories, by years since landing (YSL), in tax year 2008**



Source: IMDB, 2008 and CRA, 2008

- Economic immigrants typically have an incidence of employment insurance below the Canadian average in their first year following landing. With time spent in Canada and in the labour market, the incidence increases.
- For business immigrants the typical pattern exists but to a lesser extent. In 2008, the incidence of employment insurance among business immigrant principal applicants at one year since landing was – perhaps not unexpectedly – practically nil, and although slightly higher among those who had been in Canada for three years (2.0%) and those in Canada five years (2.8%), remained considerably lower than all economic principal applicants (7.5%, 13.8%, and 13.6%, respectively) and the Canadian average (9.5%).
- Similar to all business immigrants, investors have low incidence of employment insurance during the first five years following landing. There is an increase in the incidence over time; however, the rate never exceeds 4%, remaining much lower than both the average for all economic immigrants and the Canadian average.