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Intergenerational Education Mobility and Labour Market Outcomes: Variation Among the Second Generation of Immigrants in Canada

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Abstract

Using 2016 Canadian Census data, this article examines the socioeconomic status of the second generation of immigrants, whose population has become increasingly diverse. The analysis focuses on group differences by visible minority status in two aspects relating to socioeconomic mobility: (1) intergenerational progress in educational attainment, which indicates the ability to achieve higher education regardless of parents' education, and (2) the relationship between education and labour market outcomes, which reveals the ability to convert educational qualifications into economic well-being. The results in general paint a very positive picture for the children of immigrants regarding the first aspect, while mixed results are evident for the second aspect. In particular, some visible minority groups are characterized by high educational attainment and average earnings, while some other groups experience low education mobility and low labour market returns to education. These results suggest that there are divergent paths of socioeconomic integration among the second generation.

Keywords: Second generation of immigrants, social mobility, visible minority

Executive summary

Previous Canadian literature has showed a bright socioeconomic outlook for the children of Canadian immigrants—the second generation—as they generally outperform the third-plus generation in education and in the labour market. Despite optimistic overall results, large variation exists among different groups of the second generation. As immigrants to Canada have shifted significantly from Europe to Asia, Africa and Latin America over the past decades, the ethnic composition of the second generation has become more diverse. This raises questions about the long-term outcomes of immigrant families from diverse cultural backgrounds. Any marked differences in socioeconomic outcomes across visible minority groups therefore could pose a challenge to social inclusion in Canada.

Using 2016 Canadian Census data, the study examines group differences in socioeconomic status among the second generation of immigrants in two aspects: (1) intergenerational progress in educational attainment, and (2) the relationship between educational attainment and labour market outcomes. The analysis differentiates 10 second generation groups: White, South Asian, Chinese, Black, Filipino, West Asian or Arab, Latin American, Southeast Asian, Korean, and Japanese.

Regarding intergenerational education progress, the results show significant improvement for the children of immigrants in all visible minority groups. Nearly all second generation groups had higher university completion rates than the third-plus generation Whites. The effects are especially salient among Chinese and South Asian Canadians, but rather moderate among the Blacks and Filipinos.

As for the relationship between educational attainment and labour market outcomes, mixed results are found. Overall, the study reveals that not all the children of immigrants are able to convert their high educational achievement into labour market success. Four distinct groups are identified. The first group, which includes second generation Chinese, South Asian and Japanese Canadians, is characterized by higher educational mobility and decent labor market outcomes. The second group experienced good educational mobility but low employment and below-average earnings. This pattern best describes the experience of second generation West Asians or Arabs, Koreans and, to a lesser extent, Southeast Asians. The third group includes second generation Blacks and Latin Americans who showed moderate educational mobility and attainment together with low-skill occupations and low earnings. The last group—second generation Filipinos—exhibited little educational mobility, low occupational attainment and low earnings.

These results suggest that there are divergent paths of socioeconomic integration among the second generation. In particular, it highlights the need to understand why some visible minority groups of the second generation struggled in achieving decent annual earnings despite having higher rates of university completion and higher shares of high-skill jobs. More group-specific studies are needed to examine the unique challenges facing each major group.

1 Introduction

The second generation of immigrants—individuals who were born in Canada to at least one immigrant parent—constitutes a large component of the Canadian population. According to the 2016 Census, about 5.5 million Canadians are second generation. In 2016, the second generation made up 24% of the nation's population younger than 25 and 16% of the population aged 25 to 44. Since the members of the second generation were raised and educated in Canada, common labour market barriers that adult immigrants often face, such as language or foreign credential recognition, do not apply to them. Therefore, the socioeconomic outcomes of the second generation, particularly in comparison with those of individuals with two Canadian-born parents, can shed light on the long-term integration of immigrant families from diverse socioeconomic and cultural backgrounds.

It is well documented that the second generation outperforms the third-plus generation (individuals who were born in Canada to two Canadian-born parents) in education, and does similarly well in the labour market (Aydemir and Sweetman 2007; Boyd 2002; Boyd and Grieco 1998; Picot and Hou 2010, 2011). Despite optimistic overall results, large variation exists among different groups of the second generation (Boyd 2008). For instance, second generation Chinese and South Asians have much higher university completion rates than second generation Blacks and Filipinos (Abada, Hou and Ram 2009). Similarly, not all second generation groups outperform the third-plus generation. Among those with similar educational levels and job characteristics, second generation visible minorities, Blacks in particular, have lower earnings than third-plus generation Whites (Hou and Coulombe 2010; Picot and Hou 2010; Skuterud 2010). Previous studies have suggested that the diverse socioeconomic outcomes within the second generation result primarily from the interplay between what immigrant groups brought with them into the receiving country (e.g., their socio-cultural background and human capital), and the different socioeconomic contexts they encounter in the receiving society (e.g., macroeconomic conditions, government resettlement policies, public attitudes towards immigration in general as well as towards a particular immigrant or refugee group) (Alba and Nee 2003; Hou and Bonikowska 2017; Portes and Zhou 1993).

These studies imply that the usual optimistic socioeconomic outlook for the children of immigrants may no longer be certain today, as the second generation of non-European immigrants has come of age. Since the 1970s, the source regions of immigrants have shifted significantly from Europe to Asia, Africa and Latin America. The change in the source regions has contributed to the rapidly rising diversity among the second generation. In 2016, 67% of the second generation aged 15 to 24 and 42% of those aged 25 to 44 were members of a visible minority group, up from 33% aged 15 to 24 and 12% aged 25 to 44 in 2001.[1] Furthermore, the ethnic or cultural composition of the visible minority second generation became more diverse as members of smaller minority groups gained visibility through their increase in population share. Among second generation adults aged 25 to 44, for instance, the share of some small groups—in particular Filipinos, Southeast Asians, Latin Americans and West Asians or Arabs—has increased threefold to fivefold over the 2001-to-2016 period.

The growing diversity in the second generation raises questions about their integration and inclusion in Canadian society. This is particularly the case for some second generation groups that only recently became numerous. While some previous studies have looked at group differences in socioeconomic outcomes among the second generation, they often focused on educational attainment and earnings per se, without paying sufficient attention to group differences in intergenerational progress as well as the relationship between education and labour market outcomes. For the children of immigrants, the ability to achieve higher education regardless of parental education, as well as the ability to convert educational qualifications into

1. According to the Canadian *Employment Equity Act* (1995), members of visible minorities are defined as "persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour."

labour market outcomes, would imply a high degree of opportunity. Any marked differences in these outcomes across visible minority groups therefore would imply a lack of integration and present an obstacle to social inclusion in Canada.

The present study fills the gap in the literature by examining group differences in two aspects: (1) intergenerational progress in educational attainment, and (2) the relationship between education and labour market outcomes including employment rates, occupational attainment, and earnings. Using data from Canadian Censuses, this study divides the second generation into 10 groups as identified in the *Employment Equity Act*. These groups are White, South Asian, Chinese, Black, Filipino, West Asian or Arab, Latin American, Southeast Asian, Korean, and Japanese.[2] Third-plus generation Whites are included as a reference group. The analysis is restricted to individuals aged 25 to 44 in 2016.

2. The 10 second generation groups examined originated from various source countries. Specifically, parents of second generation South Asians in 2016 came mostly from two source countries, India (66%) and Pakistan (8%). Chinese immigrant parents were mostly from mainland China (61%), Hong Kong (20%), and other Southeast Asian countries. Black immigrant parents arrived from a wide range of countries, including Jamaica (30%), Haiti (19%), other Caribbean countries, the United States, and Africa. Immigrant parents of West Asians or Arabs were from Lebanon (26%), Iran (15%), Egypt (10%), Saudi Arabia (9%), and other Middle East and North African countries. Latin American parents originated mainly from Mexico (15%), El Salvador (15%), Chile (11%), Colombia (9%), and other South American countries. Parents of Southeast Asians came from Viet Nam (57%), Cambodia (13%), and Laos (10%), and other Southeast Asian countries. For second generation Whites, their parents came mostly from the United Kingdom (18%), Italy (18%), Portugal (8%), the United States (7%), the Netherlands (6%), Germany (6%), Greece (5%), and other European countries.

2 Group differences in intergenerational education mobility

2.1 Educational attainment of immigrant parents and of second generation groups

Table 1 presents the university completion rates (i.e., the percentage with at least a bachelor's degree) of the parents of the second generation. Since the 2016 Census did not collect information on parents' education, a generational linkage in education is made by matching a synthetic cohort of parents, identified from the 1991 Census. Specifically, the sample in Table 1 was constructed based on immigrants who had Canadian born children under age 20 in the 1991 Census since their children would have been aged 25 to 44 in 2016.[3]

The rates varied considerably across the second generation groups. Among the fathers, those of second generation Korean and Japanese Canadians had the highest rates, followed by the fathers of West Asians or Arabs, Chinese, Filipinos and South Asians. The university completion rates of immigrant fathers in these six groups were over twice as high as those of the fathers of third-plus generation Whites. Meanwhile, the fathers of second generation Whites, Blacks, Southeast Asians and Latin Americans had university completion rates similar to those of the fathers of third-plus generation Whites. The group variation in university completion rates was similarly large among mothers. In particular, over one-third of the mothers of second generation Filipinos had a university degree, compared with less than 1 in 10 among the mothers of Blacks and Southeast Asians.

Table 1
University completion rates among immigrant parents of second generation groups

	With a university degree		Sample size	
	Fathers	Mothers	Fathers	Mothers
	percent		number	
Second generation groups				
South Asian	30.8	21.9	11,849	11,778
Chinese	33.6	19.7	9,919	10,197
Black	16.8	7.9	7,416	10,063
Filipino	33.2	35.9	2,917	3,923
West Asian/Arab	33.7	21.7	4,662	3,839
Latin American	13.6	9.6	1,896	2,644
Southeast Asian	18.5	8.7	2,254	2,589
Korean	42.5	27.4	830	935
Japanese	38.1	22.6	351	483
White	17.8	13.3	74,404	72,148
All second generation	**21.7**	**15.3**	**117,203**	**119,464**
Third-plus generation Whites	14.9	10.4	514,888	593,444

Note: Parents' education levels are based on immigrants with Canadian-born children aged younger than 20 in 1991. "All second generation" also includes smaller second generation groups not listed in this table.
Source: Statistics Canada, 1991 Census of Population.

3. One limitation of using a synthetic approach to identifying possible parents from the earlier census is that the approach overlooks the possibility of out-migration. Some of these parents may have subsequently left Canada with their children. Previous studies using administrative data have suggested that the emigration rate was from 15% to 30% (depending on the assumptions about data linkage rates and non-filing rates) for immigrants who arrived in Canada in the 1980s and 1990s. The rate tended to be higher among the mid-age group of 35 to 44, among the better educated, and among those from developed countries and Hong Kong (Aydemir and Robinson 2008; Dryburgh and Kelly 2003). However, no previous estimates of the emigration rate by visible minority group exist. For some visible minority groups, the synthetic parents may not be representative of the parents of the children who appeared in the 2016 Census. Therefore, group differences in intergenerational education mobility could partially reflect distinct patterns of emigration across visible minority groups. Future research on this topic is needed.

Table 2 presents the university completion rates among the second generation aged 25 to 44 in the 2016 Census. By construction, they are likely to be the children of the immigrant parents in Table 1. Overall, there was a clear intergenerational progress in educational attainment across visible minority groups, especially for women: university completion rates were higher among second generation groups than among their respective parents' groups. Second generation women had higher university completion rates than men in all groups. This pattern was very different from that of their immigrant parents shown previously. This suggests a marked gender difference in intergenerational education improvement.

Table 2
University completion rates among second generation groups aged 25 to 44

	Observed university completion rate		Adjusted university completion rate		Sample size	
	Men	Women	Men	Women	Men	Women
	percent				number	
Second generation groups						
South Asian	55.3 ***	64.1 ***	48.4 ***	56.6 ***	18,952	15,976
Chinese	61.6 ***	70.5 ***	54.5 ***	63.2 ***	15,428	15,022
Black	25.5 ***	37.2 ***	19.1 ***	29.6 ***	13,188	13,715
Filipino	30.8 ***	45.7 ***	26.5 ***	41.2 ***	5,481	7,622
West Asian/Arab	51.6 ***	58.0 ***	46.3 ***	52.3 ***	5,183	4,220
Latin American	30.6 ***	39.9 ***	24.9 **	33.6 *	4,344	4,101
Southeast Asian	37.4 ***	46.7 ***	32.3 ***	40.6 ***	3,028	3,228
Korean	55.8 ***	60.3 ***	48.6 ***	54.6 ***	2,074	2,518
Japanese	50.3 ***	51.7 ***	45.3 ***	46.6 ***	751	1,086
White	32.7 ***	44.8 ***	29.0 ***	41.4 ***	100,264	97,576
All second generation	**38.2 *****	**49.0 *****	**32.2 *****	**43.3 *****	**173,024**	**169,688**
Third-plus generation Whites	21.7	33.7	23.1	35.2	585,750	586,026

* significantly different from reference category ($p < 0.05$)
** significantly different from reference category ($p < 0.01$)
*** significantly different from reference category ($p < 0.001$)
Note: The adjusted university completion rates are estimated from regression models controlling for province or territory of residence, major census metropolitan area, age and home language. "All second generation" also includes smaller second generation groups not listed in this table.
Source: Statistics Canada, 2016 Census of Population (20% sample microdata file).

2.2 Intergenerational progress in educational attainment

Intergenerational progress in educational attainment is examined by comparing the average university completion rates of immigrant parent groups with those of second generation groups (Chart 1). For women, the largest increase in university completion rates compared with their immigrant mothers was seen by second generation Chinese (51 percentage points) and South Asian (42 percentage points) Canadians. Marked intergenerational improvement in education was also observed for women who were second generation Southeast Asians (38 percentage points), West Asians or Arabs (36 percentage points), Koreans (33 percentage points) and Whites (32 percentage points). For comparison, the university completion rate for third-plus generation White women increased by 23 percentage points relative to their mothers.

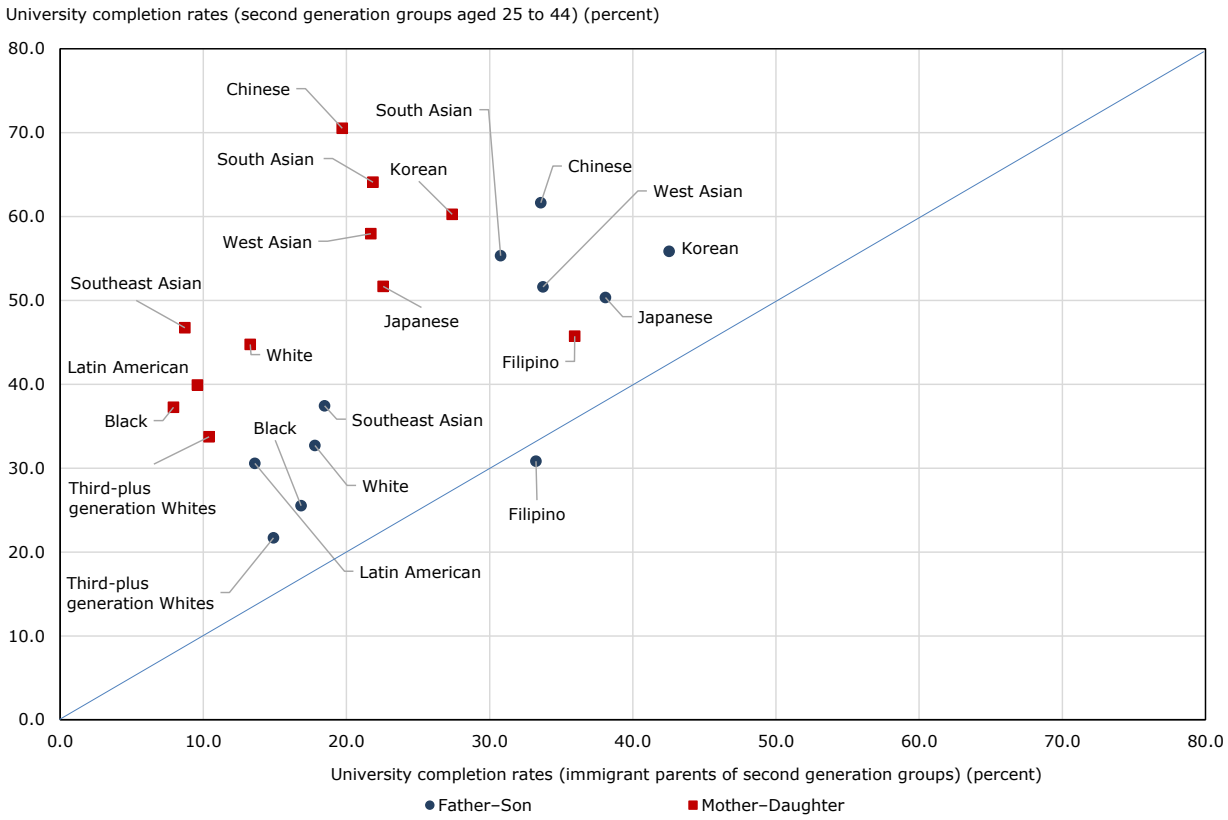
For second generation men, their gains in intergenerational education attainment were smaller. Again, the largest improvement in university completion rates between the two generations was found among Chinese (28 percentage points) and South Asian (25 percentage points) Canadians. By contrast, little or moderate change was found for Blacks (9 percentage points), third-plus generation Whites (7 percentage points) and Filipinos (-2.4 percentage points). For all other groups of second generation men, the growth of university completion rates ranged from 12 to 19 percentage points across generations.

Second generation Filipinos were the only group that experienced little intergenerational improvement in educational attainment. Second generation Filipino men were less likely than their immigrant fathers to complete a university education, and second generation Filipina women

achieved a university completion rate that was only 10 percentage points higher than that of their mothers. Low intergenerational education mobility among Filipinos was also found in the United States (Zhou and Xiong 2005).

These results show that the shares of visible minority groups finishing university education become more unequal across immigrant generations, as a result of the different growth in intergenerational education mobility between the groups. For instance, the gaps in the university completion rates between Blacks and Chinese were only 17 percentage points among immigrant fathers and 12 percentage points among immigrant mothers, but they widened to 36 percentage points among second generation sons and 33 percentage points among second generation daughters.

Chart 1
Intergenerational education mobility by population groups



Note: A 45-degree straight line divides the chart in two.
Sources: Statistics Canada, 1991 and 2016 Censuses of Population.

Despite significant differences among visible minority groups, Table 2 reveals that all second generation groups, both men and women, had higher university completion rates than third-plus generation Whites.[4] Part of the advantage of the second generation in educational attainment was related to their concentration in large urban areas where more universities are located and the demand for educational credentials is stronger. When differences in geographic distribution,

4. By focusing on university completion rate, we acknowledge that the current study may somewhat overestimate the educational attainment of second generation groups relative to that of third-plus generation Whites since the children of immigrants are much more likely to go to university, while the children of the Canadian-born often choose to go to college. When the educational attainment is measured by the share of post-secondary education (university or college), the differences in educational attainment between second generation visible minority groups and third-plus generation Whites were indeed smaller. Nevertheless, the overall group patterns remain similar, regardless of which measure was used. For instance, even though about 45.2% of third-plus generation White men completed a post-secondary education, the comparable figures are still much higher for second generation groups (e.g., 57.5% of Whites, 79.9% of Chinese, and 75.4% of South Asians).

age and home language were taken into consideration, second generation Black men and women and Latin American women had lower university completion rates than third-plus generation Whites (see the adjusted rates in Table 2).

In addition to being an important end in itself, educational attainment is a crucial contributor to success in the labour market. But does the second generation convert its high educational achievement into labour market success? And to what extent does this differ across visible minority groups? Section 3 examines three different labour market outcomes—employment, occupation and earnings.

3 Group differences in labour market returns to education

3.1 Employment rates

Table 3 presents the employment rates for individuals aged 25 to 44 in 2016. In general, most second generation visible minority groups experienced lower employment rates than third-plus generation Whites despite of having a higher overall educational attainment. Only Filipinos achieved similar or higher employment rates than third-plus generation Whites. Employment rates were particularly low among West Asians or Arabs and Koreans, as well as among Latin American and Japanese women. For instance, only 68% to 70% of second generation men of West Asian or Arab and Korean origin were employed, compared with 86% of third-plus generation Whites. Women among these groups fared even worse: only 55% of second generation West Asian or Arab and 56% of second generation Korean women were employed, compared with 82% of White women in the third-plus generation.

It is uncertain why the employment rates differ markedly across second generation visible minority groups. In part, it may be related to group differences in socio-demographic characteristics such as age, geographic location, education, home language and work availability. When these factors were taken into consideration, the gap in employment rates for West Asians or Arabs, Latin Americans and Koreans—relative to those of third-plus generation Whites—decreased by about 4 to 6 percentage points (right panel), but the gap remained substantial.[5]

In combination with information from Table 2, Table 3 shows that higher university completion rates do not closely correspond to higher employment rates for many second generation groups (e.g., Korean and West Asian or Arab women). This is confirmed by an auxiliary decomposition analysis (not shown) that group differences in educational attainment play no role in explaining the differential employment rates both among second generation visible minority groups and between second generation groups and third-plus generation Whites.[6] Other observable characteristics also contributed modestly to group differences. Some of these group disparities may be related to unobserved family or gender roles related to cultural or religious factors. The large unexplained part points out the need for further investigation to understand why some groups with very high university completion rates did not have high employment rates.

5. The narrowing gaps were explained mostly by including a dummy indicating school attendance during the 9 months prior to the census date in the regression. This is because members of these groups in general have a higher tendency to still be in school (and thus may not be available for work).
6. This is because, among second and third-plus generation prime age individuals, the education gradients in the employment rate existed mostly between those without a high school diploma and those with a high school or higher degree. Group differences in employment rate among people with at least high school education were generally small. In fact, the employment rate was very similar among high school graduates, holders of a college diploma and those with a university degree. This explains why some second generation groups with a very high university completion rate did not necessarily achieve a high employment rate.

Table 3
Employment rates among the second generation groups aged 25 to 44

	Observed employment rate		Adjusted employment rate	
	Men	Women	Men	Women
	percent			
Second generation groups				
South Asian	83.2 ***	75.6 ***	84.1 ***	75.5 ***
Chinese	77.6 ***	73.7 ***	79.6 ***	75.8 ***
Black	74.3 ***	74.4 ***	77.3 ***	74.5 ***
Filipino	87.2 *	86.6 ***	86.9 *	87.7 ***
West Asian/Arab	67.5 ***	55.3 ***	72.1 ***	60.5 ***
Latin American	78.1 ***	67.5 ***	83.3 ***	74.4 ***
Southeast Asian	80.1 ***	78.8 ***	84.2 **	81.9
Korean	70.4 ***	55.6 ***	73.5 ***	61.5 ***
Japanese	81.3	63.9 ***	81.3 ***	67.1 ***
White	86.9 ***	80.6 ***	85.7	79.7 ***
All second generation	**83.4 *****	**77.8 *****	**83.9 *****	**78.3 *****
Third-plus generation Whites	85.9	81.7	85.8	81.6

* significantly different from reference category ($p < 0.05$)
** significantly different from reference category ($p < 0.01$)
*** significantly different from reference category ($p < 0.001$)
Note: The adjusted employment rates are estimated from regression models controlling for province or territory of residence, major census metropolitan area, age, home language, educational level, marital status and school attendance during the nine-month period prior to the survey.
Source: Statistics Canada, 2016 Census of Population (20% sample microdata file).

3.2 Occupational attainment

While holding a job is important to economic well-being, the quality of the job also matters. One metric is the extent to which high educational attainment among second generation groups leads to high-skill occupations. Table 4 presents group differences in the share of workers in high-skill occupations. High-skill occupations refer to senior management occupations, specialized middle management occupations and occupations usually requiring university education, including professional occupations in business and finance; natural and applied sciences; health; education, law and social, community and government services; and art and culture.

There were large differences across visible minority groups in the percentage of workers in high-skill occupations (left panel). About 40% or more of second generation Chinese, South Asians, and West Asian or Arabs worked in high-skill occupations, compared with 20% (men) to 31% (women) among third-plus generation Whites. Southeast Asian men, Korean men, Japanese men and Second generation Whites were also more likely to work in high-skill occupations, albeit to a lesser extent, than third-plus generation Whites. By contrast, the shares of second generation Filipinos, Latin Americans and Blacks working in high-skill occupations were similar to or smaller than those of third-plus generation Whites.

Unlike the case of employment rates examined above, education contributed substantially to group differences in occupational attainment. This can be seen by comparing Table 4 with Table 2, as the share of workers in high-skill jobs increases with university completion rates. This explains why high-skill jobs are more prevalent among second generation Chinese, South Asians and West Asians or Arabs. When factoring out education and other demographic characteristics (Table 4 right panel), these groups had similar rates of working in high-skill occupations as third-plus generation Whites.

There are, however, a few exceptions including Filipino, Latin American and Black women. These groups had higher university completion rates than their White counterparts in higher generations, but were less likely to work in high-skill occupations, suggesting a certain degree of over-education. When controlling for observable characteristics, second generation Filipinos, Latin Americans, Blacks and Koreans had lower adjusted shares in high-skill occupations than third-plus generation Whites. Other

unobserved factors, such as discrimination or cultural attitudes towards occupational choices, may play a role.

Table 4
Percentage of workers aged 25 to 44 in high-skill occupations among second generation groups

	Observed share working in high-skill occupations		Adjusted share working in high-skill occupations	
	Men	Women	Men	Women
	percent			
Second generation groups				
South Asian	39.2 ***	45.2 ***	22.2	32.0 **
Chinese	45.7 ***	46.6 ***	26.3 ***	30.9 ***
Black	19.8	28.5 ***	17.6 ***	28.5 ***
Filipino	19.1	18.4 ***	16.8 ***	17.6 ***
West Asian/Arab	39.5 ***	43.1 ***	23.7 *	32.2
Latin American	21.5	24.8 ***	20.6 ***	27.5 ***
Southeast Asian	28.8 ***	31.9	23.8 *	30.4 ***
Korean	35.2 ***	33.0	18.6 ***	23.3 ***
Japanese	39.1 ***	31.8	25.5 *	26.7 ***
White	27.9 ***	36.9 ***	22.2 *	31.8 ***
All second generation	**30.1 *** **	**36.6 *** **	**22.0 *** **	**30.6 *** **
Third-plus generation Whites	20.2	31.2	22.5	32.9

* significantly different from reference category ($p < 0.05$)

** significantly different from reference category ($p < 0.01$)

*** significantly different from reference category ($p < 0.001$)

Note: The adjusted shares of individuals working in high-skill occupations are estimated from regression models controlling for province or territory of residence, major census metropolitan area, age, home language, educational level, marital status and school attendance during the nine-month period prior to the survey.

Source: Statistics Canada, 2016 Census of Population (20% sample microdata file).

3.3 Annual earnings

Finally, Table 5 presents average annual earnings, which are the product of hourly wage and annual hours worked. In spite of significant educational advantages, second generation visible minorities in general earned less than third-plus generation Whites. This is consistent with previous Canadian studies (e.g., Hou and Coulombe 2010; Picot and Hou 2010). However, our findings reveal marked variation across groups.

Among men, Chinese, South Asians and Koreans earned about 3% to 8% less than third-plus generation White men, while for other visible minority groups, the gap was 24% to 33%. Second generation Black and Latin American men had the lowest earnings: about $20,000 below third-plus generation Whites. Only second generation Japanese men earned more than Whites.

Similar patterns were also observed for women. Chinese and South Asian women earned only slightly more than White women of the third-plus generation, despite having much higher shares of university graduates. Other visible minority groups earned 9% to 25% less than third-plus generation Whites. Filipina and Latin American women had the lowest earnings.

Group differences in earnings were partly related to differences in education, geographic distribution, age and other demographic factors. If these factors were held constant, second generation Chinese, South Asian, Filipino, Japanese, and Korean men would earn much less than their observed earnings. This is mainly because these groups had higher educational attainment and were more concentrated in major metropolitan areas than third-plus generation

Whites. Conversely, the adjusted earnings for second generation Latin American and Southeast Asian men became higher compared with the unadjusted earnings, mostly because of their younger average age and higher share of not speaking an official language at home. The adjustment had similar effects among women.

Table 5

Average annual earnings of employees aged 25 to 44 among second generation groups

	Observed average annual earnings		Adjusted average annual earnings	
	Men	Women	Men	Women
	2010 dollars			
Second generation groups				
South Asian	59,600 ***	47,300 ***	57,000 ***	43,000 ***
Chinese	61,200 *	50,400 ***	57,200 ***	45,800 ***
Black	43,200 ***	38,600 ***	47,900 ***	38,200 ***
Filipino	47,300 ***	34,600 ***	41,900 ***	31,500 ***
West Asian/Arab	47,000 ***	37,800 ***	50,500 ***	37,900 ***
Latin American	42,000 ***	32,800 ***	51,600 ***	38,400 ***
Southeast Asian	48,000 ***	39,300 ***	57,700 ***	43,600
Korean	57,800 *	39,800 ***	51,900 ***	36,300 ***
Japanese	70,700 *	37,300 ***	64,200	35,200 ***
White	67,900 ***	47,900 ***	61,900 ***	43,100 ***
All second generation	**62,100 *** **	**45,700 *** **	**58,800 *** **	**42,100 *** **
Third-plus generation Whites	62,900	43,600	63,900	44,600

* significantly different from reference category ($p < 0.05$)

*** significantly different from reference category ($p < 0.001$)

Note: The adjusted earnings are estimated from regression models controlling for province or territory of residence, major census metropolitan area, age, marital status, home language, educational level and school attendance during the nine-month period prior to the survey.

Source: Statistics Canada, 2016 Census of Population (20% sample microdata file).

Conclusion

This article examines group differences in socioeconomic status among the second generation of immigrants, focusing on two important life course transitions: intergenerational progress in educational attainment and the relationship between educational attainment and labour market outcomes. The results show large variations across visible minority groups. The following four different patterns are identified.

(1) High educational mobility and attainment, and decent labor market outcomes: This pattern can be seen in second generation Chinese, South Asian and Japanese Canadians. All these three groups experienced a substantial intergenerational improvement in education and achieved a very high rate of university education. With their high university completion rates, these three Asian groups in general performed well in the labour market. Second generation Chinese and South Asians, in particular, were overrepresented in high-skill occupations relative to third-plus generation Whites. However, their superior educational advantages, as well as their higher concentration in high-skill occupations, did not seem to result in higher earnings than third-plus generation Whites.

(2) Good educational mobility and attainment, low employment and below-average earnings: Second generation West Asians or Arabs, Koreans and, to a lesser extent, Southeast Asians are in this category. In general, they also enjoyed significant upward intergenerational education mobility (particularly among women), and achieved high university completion rates. In spite of their high university completion rates, West Asians or Arabs and Koreans had very low employment rates. Among those who were employed, they were more likely than third-plus generation Whites to work in high-skill jobs. However, they had below-average earnings.

(3) Moderate educational mobility and attainment, low-skill occupations and low earnings: This pattern best describes the experience of second generation Blacks and Latin Americans. They had the lowest university completion rates among the second generation groups, mostly because their parents had very low levels of education and intergenerational improvement was moderate. They were also less likely to work in high-skill jobs, and their average earnings were among the lowest among second generation groups.

(4) Little educational mobility, low occupational attainment and low earnings: Second generation Filipinos were the only group in the study that experienced little improvement in education across generations. Although they had higher university completion rates than third-plus generation Whites and the highest employment rates among major second generation groups, they were less likely to work in high-skill occupations. They also had low earnings, particularly among women.

As for second generation Whites, their pattern can be characterized by moderate educational mobility and attainment, and superior labour market outcomes. While their rates of working in high-skill jobs were not particularly high compared with other visible minority groups, they were among groups with the highest annual earnings.

In sum, this study suggests that there are different pathways to the integration of immigrant children, as the ability to achieve higher education regardless of their parental education as well as the ability to convert educational qualifications into labour market outcomes tended to differ significantly across different second generation groups in Canada. While many visible minority groups have experienced a large degree of intergenerational progress in education and were able to achieve high levels of educational attainment, they still fared differently in terms of labour market outcomes. Particularly, most second generation visible minority groups lagged behind third-plus generation Whites in annual earnings despite having higher rates of university completion and higher shares of high-skill jobs. The large variations in socioeconomic outcomes across second generation groups remain even when factoring out the usual socio-demographic influences.

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