

Economic and Social Reports

The Provincial Nominee Program: Retention in province of landing



by Garnett Picot, Eden Crossman and Feng Hou

Release date: November 22, 2023



Statistics
Canada

Statistique
Canada

Canada

How to obtain more information

For information about this product or the wide range of services and data available from Statistics Canada, visit our website, www.statcan.gc.ca.

You can also contact us by

Email at infostats@statcan.gc.ca

Telephone, from Monday to Friday, 8:30 a.m. to 4:30 p.m., at the following numbers:

- Statistical Information Service 1-800-263-1136
- National telecommunications device for the hearing impaired 1-800-363-7629
- Fax line 1-514-283-9350

Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed standards of service that its employees observe. To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on www.statcan.gc.ca under “Contact us” > “[Standards of service to the public](#).”

Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.

Published by authority of the Minister responsible for Statistics Canada

© His Majesty the King in Right of Canada, as represented by the Minister of Industry, 2023

All rights reserved. Use of this publication is governed by the Statistics Canada [Open Licence Agreement](#).

An [HTML version](#) is also available.

Cette publication est aussi disponible en français.

The Provincial Nominee Program: Retention in province of landing

by Garnett Picot, Eden Crossman and Feng Hou

DOI: <https://doi.org/10.25318/36280001202301100002-eng>

Abstract

The Provincial Nominee Program (PNP) is designed to contribute to the more equitable distribution of new immigrants across Canada. A related objective is the retention and integration of provincial nominees in the nominating province or territory. This article examines the retention of PNP immigrants at both the national and provincial or territorial levels. The analysis uses data from the Immigrant Landing File and tax records, along with three indicators of retention, to measure the propensity of a province or territory to retain immigrants. Results showed that the retention of PNP immigrants in the province or territory of landing was generally high. Overall, 89% of the provincial nominees who landed in 2019 had stayed in their intended province or territory at the end of the landing year. However, there was large variation by province or territory, ranging from 69% to 97%. Of those nominees located in a province at the end of the landing year, a large proportion (in the mid-80% range) remained in that province five years later. Again, there was significant variation by province, ranging from 39% to 94%. At the national level, both short- and longer-term provincial and territorial retention rates were lower among provincial nominees than among other economic immigrants. However, after adjusting for differences in the province of residence, sociodemographic characteristics and economic conditions, the provincial nominee retention rate was marginally higher than that among federal skilled workers during the first three years in Canada, and there was little difference after five years. Ontario, Alberta and British Columbia had the highest PNP retention rates, and Newfoundland and Labrador, Prince Edward Island, and New Brunswick, the lowest. This gap among provinces tended to increase significantly with years since immigration. Accounting for the provincial unemployment rate explained some of the differences in retention rates between the Atlantic provinces and Ontario, Alberta and British Columbia. However, even after adjusting for a rich set of control variables, a significant retention rate difference among provinces persisted. Provinces and territories can benefit from the PNP not only through the nominees retained in the province or territory, but also from those migrating from other provinces or territories. Ontario was a magnet for the secondary migration of provincial nominees. After accounting for both outflows and inflows of provincial nominees, Ontario was the only province or territory that had a large net gain from this process, with significant inflows of provincial nominees from other provinces. Overall, long-term retention of provincial nominees tended to be quite high in Ontario, Alberta and British Columbia, particularly when considering inflows, as well as outflows. Manitoba, Saskatchewan and Nova Scotia tended to have an intermediate level, but still relatively high longer-term retention rates. Prince Edward Island, New Brunswick, and Newfoundland and Labrador had the lowest retention.

Keywords: Provincial Nominee Program, immigrants, internal migration, regional retention

Authors

Eden Crossman and Garnett Picot are with the Research and Evaluation Branch at Immigration, Refugees and Citizenship Canada. Feng Hou is with the Social Analysis and Modelling Division, Analytical Studies and Modelling Branch, at Statistics Canada.

Acknowledgments

This study was conducted in collaboration with Immigration, Refugees and Citizenship Canada. The authors would like to thank Christopher Hamilton and Ted McDonald for their advice and comments on an earlier version of this paper.

Introduction

From 1996 to 2005, the federal and provincial governments initiated Provincial Nominee Program (PNP) agreements in all Canadian provinces.¹ The program was designed primarily to locate more immigrants outside the three major Canadian cities and to help meet perceived labour force needs of employers in the provinces (IRCC, 2017). Immigrants landing via the PNP are expected to be integrated and retained in the nominating province or territory. A significant regional redistribution of new immigrants coincided with the expansion of the PNP (Picot, Hou & Crossman, 2023). From 1999/2000 to 2009/2010, Toronto's share of new immigrants declined by 12 percentage points, while the shares increased by 2 to 3 percentage points in places such as Winnipeg, Calgary, Edmonton and Saskatchewan (Bonikowska, Hou & Picot, 2017).

Using data from immigrant landing records, Bonikowska, Hou, and Picot (2017) found that different factors accounted for changes in the share of immigrants settling in different destinations. The rise of the PNP played the primary role in the increasing numbers of immigrants going to Saskatchewan and Manitoba. Shifts in immigrant source regions were also an important factor in the decrease in the share of immigrants to Toronto. Economic conditions likely played a significant role in the changes in the shares of new immigrants going to Toronto, Montréal, Calgary and Edmonton. While not the sole determinant of the redistribution of immigrants during the early 2000s, the rise of the PNP played a major role.

This article focuses on the retention of immigrants landing via the PNP at both the national and provincial and territorial levels. The analysis had three objectives. The first was to determine how many PNP immigrants settle initially in their intended province or territory. Intended province or territory closely reflects province or territory of nomination, and thus generally represents the target number of provincial nominees the province or territory would like to admit.² The second objective was to look at how many provincial nominees remained in the initial province or territory³ in the short and longer term. One objective of the PNP is to have the nominees stay and establish themselves economically and contribute to the local economy, particularly in the longer run. Analysis thus investigated whether retention has improved or deteriorated over time, whether there is significant difference in retention between provincial nominees and other economic immigrants (and if so, what explains the differences), and how retention varies by province. Multivariate analysis was used to assess the effects of immigrants' sociodemographic characteristics and the provincial economic situation on retention rates. The third objective was to examine to what degree a province acquires economic immigrants not only through its own PNP, but through other provinces' programs via inflows. A net retention rate (net of inflows and outflows) was used to capture the effect of both inflows and outflows of provincial nominees on a province. The paper concludes with a summary and discussion of the findings. The analyses in this study are based on the Longitudinal Immigration Database (IMDB, Statistics Canada, 2022).

-
1. From 1996 to 2005, all provinces—excluding Quebec, which had its own economic immigration system—and Yukon signed PNP agreements with the federal government. The Northwest Territories signed an agreement in 2009. Nunavut does not have a PNP.
 2. The information on the province of nomination for PNP immigrants is available in the Immigrant Landing File from 1999 to 2012, although it was mostly incomplete in 2012. In 2011, among PNPs with information on both intended and nomination province, 96% had matched intended and nomination provinces. The match rate ranged from 97% to 99% for Newfoundland and Labrador, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia; was 83% for Prince Edward Island; and was 93% for Nova Scotia and New Brunswick.
 3. The province of residence at the end of the landing year.

Literature review

One of the early studies by Pandey and Townsend (2013) focused on PNP principal applicants who landed in Canada from 2000 to 2005. The study found that retention rates were lowest in the Atlantic provinces (Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick), second lowest in Manitoba and highest in the rest of Canada (one group). Based on the actual data, they concluded that provincial nominees were more likely than other economic immigrants to stay in the province to which they were initially destined. However, after adjusting for background characteristics and other factors, they found that there was little difference in the retention rates between provincial nominees and other economic immigrants. In particular, except for Manitoba, the higher provincial settlement of provincial nominees compared with other economic immigrants was in part attributable to the fact that provincial nominees had lower educational attainment, which is associated with less mobility.

A later study by van Huystee (2016) focused on immigrants landing from 2008 to 2013, assessing how many remained in the province of nomination as of 2013. Provincial nominees' retention rates were generally lower in the Atlantic provinces than in other provinces. The study also found that provincial retention rates were generally higher among provincial nominees than among federal skilled workers (the exception being in Prince Edward Island). This study did not attempt to determine whether these differences could be explained by differences in background characteristics such as age, education or other factors.

An Immigration, Refugees and Citizenship Canada (2017) evaluation examined how many provincial nominees entering Canada from 2002 to 2014 were still in the province of nomination in 2014. The results were similar to those of the study described above. Prince Edward Island had the lowest retention rate, the other Atlantic provinces the second lowest, and Ontario and Alberta had the highest retention rates. The evaluation included a survey of provincial nominees, and results indicated the majority (69%) of provincial nominees who relocated to a different province did so primarily for economic reasons, usually related to the nominee or their spouse finding a job. Overall, the provincial retention rates for provincial nominees were similar to those of federal skilled workers. Immigrants in the Canadian Experience Class (CEC) had a slightly higher retention rate.

A very thorough study of immigrant retention in New Brunswick (McDonald & Miah, 2021) estimated one-year, three-year and five-year retention rates for the 2005-to-2018 immigrant landing cohorts. Among all immigrants, the provincial retention rates were found to decline significantly with years in Canada, falling from 80% after one year to 65% after three years and to 53% after five years. Provincial nominees tended to have a slightly higher retention rate than federal skilled workers. No analysis was conducted to determine whether background characteristics explained this difference. In 2018, one-year retention rates increased significantly for all new immigrant groups. The analysis could not account for this increase, and the authors speculated that policy changes may have contributed to this result.

Immigrants' sociodemographic characteristics can affect their likelihood of remaining in a province. McDonald and Miah (2021) found that five-year retention rates declined with educational attainment. More highly skilled and highly educated people were less likely to intend to stay, and these results are observed in most mobility studies. Kaida, et al. (2020) found that city size also had a significant effect on retention rates, with rates much higher in larger cities than in smaller cities, and higher in smaller cities than rural areas, controlling for other background variables. The better economic opportunities and larger ethnic groups in bigger cities likely contributed significantly to this observation (e.g., Hyndman, Schuurman & Fiedler, 2006). To this point, a recent study by Gure and Hou (2022) showed that the retention of government-assisted refugees (GARs) was strongly associated with the number of GARs resettled in the same community in the same year (e.g., cluster resettlement) and the presence of co-ethnic communities.

Initial settlement rate

The PNP is considered a key component of provincial economic and demographic strategies and accounts for the majority of economic immigrants in many provinces (Picot, Hou & Crossman, 2023). To apply under the PNP, applicants must be nominated by a Canadian province or territory. Since the criteria for provincial nomination are determined by the individual provinces, these criteria can differ from province to province. From this point on, the term province will include provinces and territories. It is expected that people who immigrate to Canada under the PNP have the skills, education and work experience needed to establish themselves economically and make an immediate contribution to the labour market in the province of nomination. Since a province's goal is to retain as many immigrants as possible, they develop the selection criteria to increase the probability of achieving that objective.⁴ Provincially nominated immigrants must demonstrate a genuine intention to live in the nominating province to be granted permanent resident status in Canada. However, once landed, the nominee is not restricted from leaving the province.⁵ As a result, the province of residence may vary from the intended destination province in a given year.

The **initial settlement rate** compares the intended province of destination indicated by the immigrant at landing with the initial province of residence, defined as the province of residence at the end of the landing year. This rate measures the share of those who intended to migrate to a province who reside there at the end of the landing year. Since taxation data are used to determine the "initial" province of residence, only immigrants who filed income tax in the landing year or the year after the landing year are included in the calculation of the initial settlement rate.⁶ From 82% to 92% of economic immigrants who were aged 20 to 54 at landing filed taxes during the landing year or the first full year in Canada, depending on the landing year.⁷

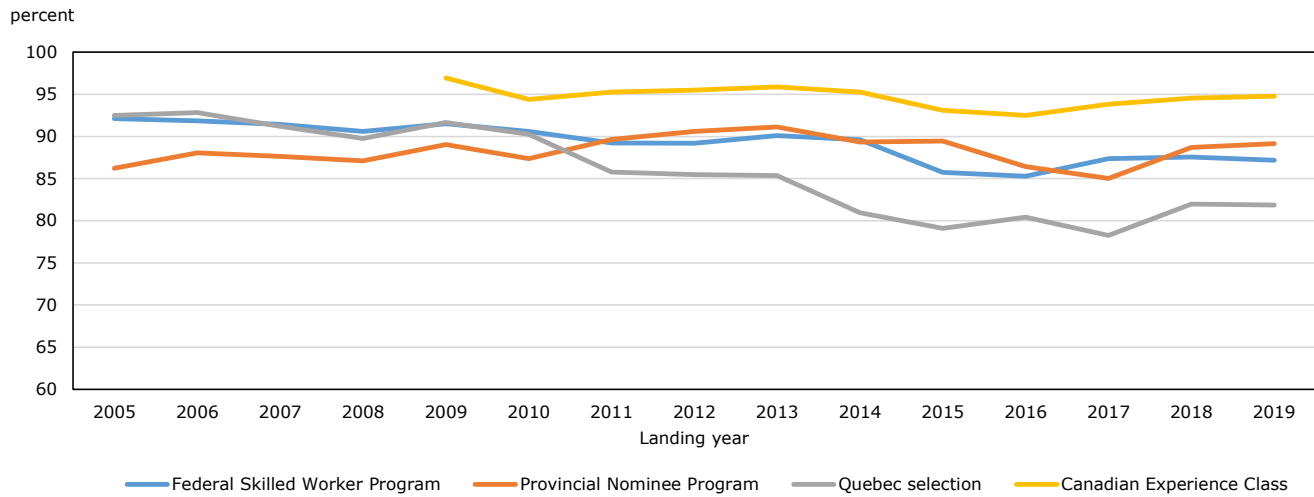
Immigrants who did not reside in their intended province at the end of the initial year consist of two groups: (1) those who intended to go to the province but did not do so, and (2) those who were in a province immediately following landing but were not there at the end of the landing year. Unfortunately, the tax data used in this study cannot identify and measure these two groups.⁸

For Canada, 89% of immigrants landing in 2019 via the PNP resided in their intended province at the end of the landing year (Chart 1). This initial settlement rate varied from 69% for Prince Edward Island to 97% for Ontario (Chart 2). The corresponding rate was 95% in British Columbia, 92% in Alberta, 88% in

-
4. Each provincial program has its own "streams" (immigration programs that target certain groups) and requirements. See article by Picot, Crossman & Hou (forthcoming).
 5. Under the Canadian Charter of Rights and Freedoms, every citizen of Canada and every person who has the status of a permanent resident of Canada has the right to move to and take up residence in any province and to pursue the gaining of a livelihood in any province (Government of Canada, n.d.).
 6. Immigrant tax filers refer to those whose landing records can be matched to their income tax return included in the IMDB. Non-tax filers include a small number of immigrants who filed income tax in the calendar year but their tax records were not matched to their landing records. Such cases are likely rare since the linkage rate was 97% for the IMDB (Statistics Canada, 2022).
 7. For a small portion of economic immigrants (about 7%) who did not file tax in the landing year but did so in the year after the landing year, the province of residence at the end of the first full year in Canada, rather than at the end of the landing year, is used to define "initial" province. A small number of immigrants who did not file income tax in the landing year or the year after the landing year may file tax in subsequent years. For instance, among adult economic immigrants aged 20 to 54 at landing who arrived from 2005 to 2009 and who ever filed income tax within 10 years of immigration, about 94% filed in the landing year or the year after landing. The majority of immigrants who did not file taxes in the landing year or the year after the landing year likely left Canada (Qui, Hou & Crossman, 2021).
 8. Using provincial Medicare public health insurance data, McDonald and Miah (2021) were able to track whether an immigrant was in the province of New Brunswick long enough to register for Medicare.

Manitoba and 78% in Saskatchewan.⁹ The national-level PNP initial settlement rate changed little from 2005 to 2017, fluctuating from 86% to 91% (Chart 1). However, there was significant provincial variation. The PNP initial settlement rate declined significantly between the 2010 and 2019 landing cohorts in Saskatchewan and Alberta, while increasing significantly in Prince Edward Island, New Brunswick and Ontario (Chart 2).

Chart 1
Initial settlement rate by admission program among economic immigrants aged 20 to 54 at landing, 2005 to 2019 landing years

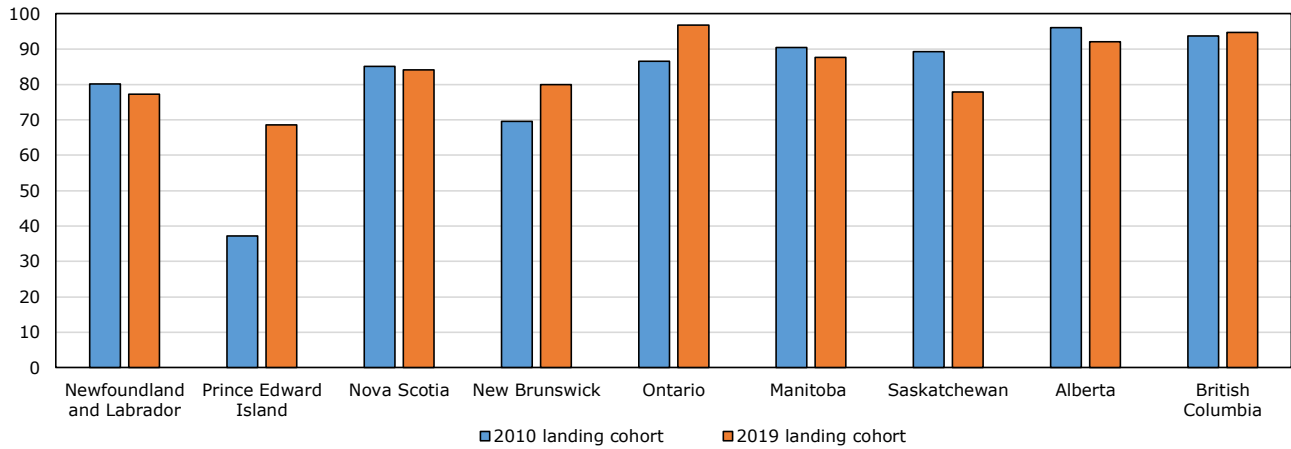


Source: Statistics Canada, Longitudinal Immigration Database.

9. Among PNP immigrants, the tax filing rate the year after landing ranged from 88% in Nova Scotia to 97% in Newfoundland and Labrador for the 2019 landing cohort. There was no correlation between tax filing rates and the initial settlement rates by intended province. For instance, Ontario had a relatively low tax filing rate (90%) but the highest initial settlement rate (97%), while Manitoba had a higher tax filing rate (93%) but a moderate initial settlement rate (88%) in the 2019 cohort.

Chart 2
Initial settlement rate among provincial nominees aged 20 to 54 at landing, by intended province, 2010 and 2019 landing cohorts

percent



Source: Statistics Canada, Longitudinal Immigration Database.

Retention rates by immigration program

From this point on in the analysis, the retention rate will be used. The one-year provincial **retention rate** is the share of economic immigrants who, one year after the landing year, remained in the province they inhabited at the end of the landing year. This information can be determined from the tax files for people who file taxes in both years. Five-year and 10-year retention rates are also presented. Provincial nominees, both principal applicants and their spouses and dependants aged 20 to 54 at time of landing, are included in the calculations.

Measured at the national level, the retention rates were lower among provincial nominees than among federal skilled workers, CEC immigrants or Quebec selections (Table 1). This pattern was observed among new immigrants landing from 2005 to 2019. The 10-year retention rate was also lower among provincial nominees (Table 1).

Table 1
Retention rate among economic immigrants aged 20 to 54 at landing, by years since landing

Landing year	Federal Skilled Worker Program			Provincial Nominee Program			Quebec selection			Canadian Experience Class		
	1 year	5 years	10 years	1 year	5 years	10 years	1 year	5 years	10 years	1 year	5 years	10 years
	percent											
2005	97.2	91.2	89.1	95.9	86.2	81.5	98.0	92.6	90.3	..	..	..
2006	96.8	91.2	89.2	95.0	85.6	80.5	97.4	92.6	90.7	..	..	..
2007	97.1	91.5	90.1	95.7	88.0	83.7	97.5	92.8	90.5	..	..	..
2008	97.4	91.6	90.5	95.7	87.4	82.8	97.8	92.9	91.0	..	..	..
2009	97.5	91.2	89.8	95.9	88.6	84.9	97.7	92.3	90.8	96.6	92.8	92.1
2010	96.6	90.6	89.4	95.8	88.7	84.8	97.9	92.2	91.1	96.4	91.8	90.9
2011	96.9	91.3	..	96.5	88.5	..	97.8	92.3	..	96.7	92.2	..
2012	97.0	91.5	..	95.5	86.3	..	97.3	91.7	..	96.9	92.2	..
2013	97.1	92.8	..	94.7	85.5	..	96.8	91.7	..	97.5	93.7	..
2014	96.9	91.8	..	94.7	83.8	..	96.8	91.5	..	96.9	92.9	..
2015	96.9	92.1	..	94.5	85.0	..	97.1	93.2	..	96.5	92.6	..
2016	97.1	..	..	93.8	..	..	97.3	..	..	97.0	..	..
2017	98.8	..	..	96.9	..	..	98.6	..	..	98.2	..	..
2018	96.9	..	..	93.0	..	..	96.3	..	..	96.1	..	..
2019	97.2	..	..	93.3	..	..	97.3	..	..	96.9	..	..

.. not available for a specific reference period

Source: Statistics Canada, Longitudinal Immigration Database.

However, when the rates were measured at the provincial level, the results were different (Table 2). There is little evidence that either one-year or longer-term retention rates among provincial nominees were lower than those of other programs. Except for Newfoundland and Labrador and Prince Edward Island, both with small PNPs, in all other provinces, the five-year provincial nominee retention rate was similar to or higher than those of immigrants who landed via the CEC or Federal Skilled Worker Program (FSWP). The national-level results were driven to some extent by differences in the tendency of immigrants landing through the various programs (PNP, CEC and FSWP) to be located in provinces with relatively higher or lower retention rates.

Table 2

Retention rate among economic immigrants aged 20 to 54 at landing, by years since landing, 2010 to 2019 cohorts combined

	Federal Skilled Worker Program		Provincial Nominee Program		Quebec selection		Canadian Experience Class	
	1 year	5 years	1 year	5 years	1 year	5 years	1 year	5 years
	percent							
Initial province								
Newfoundland and Labrador	86.6	56.8	84.4	61.2	x	x	83.9	52.2
Prince Edward Island	84.4	61.9	75.8	38.5	x	x	84.9	x
Nova Scotia	88.6	62.5	90.4	76.1	90.2	52.9	86.6	64.5
New Brunswick	84.9	56.3	89.2	60.6	84.1	61.5	85.2	66.5
Quebec	92.8	74.9	93.6	75.2	97.3	92.1	86.9	73.8
Ontario	98.0	94.4	97.8	94.2	98.1	94.1	98.2	95.3
Manitoba	90.6	73.3	94.4	84.7	94.2	64.2	85.5	66.1
Saskatchewan	88.7	71.4	90.7	77.7	89.5	63.1	85.9	65.0
Alberta	96.5	90.5	97.0	93.5	95.5	83.5	96.5	92.2
British Columbia	96.4	90.9	96.7	92.0	97.9	94.8	96.8	91.9
Yukon and Northwest Territories	88.4	59.7	89.8	81.4	x	x	83.6	55.7

x: suppressed to meet the confidentiality requirements of the *Statistics Act*

Source: Statistics Canada, Longitudinal Immigration Database.

The longer immigrants stay in Canada, the less likely they are to remain in their initial province of residence. For the 2010 landing cohort in Canada, the latest year for which a 10-year retention rate could be calculated, the 1-year provincial retention rate was 95.8% among provincial nominees, the 5-year retention rate was 88.7% and the 10-year retention rate was 84.8% (Table 1). Thus, a high percentage of provincial nominees were found in their initial province (i.e., province of residence at the end of the landing year) even 10 years after immigration. However, as will be seen, this finding did not apply to all provinces since three of them had five-year retention rates at 65% or lower.

Differences in retention rates among immigration programs: A multivariate analysis

Method

A multivariate regression analysis was used to determine whether variables such as intended province, educational attainment, age at landing and economic conditions can account for differences in retention rates at the national level among economic immigration programs.¹⁰ The outcome variable is the likelihood of being in the initial¹¹ province of residence during a given year following landing. The data included observations for up to five years following the landing year. The landing year was considered to be year 0, so estimates of the likelihood of remaining in the province were produced for years 1 to 5 following landing. The analysis pools the 2010-to-2019 landing cohorts. Three models were run. Model 1 includes only years since landing (a quadratic function), economic immigrant program, and the interaction

10. Includes both principal applicants and spouses and dependants.

11. Province of residence at the end of the landing year.

between years since landing and immigrant program to allow for different trend lines in the different programs. In addition to the variables in Model 1, Model 2 controls for province of residence, landing year, numerous sociodemographic characteristics, pre-landing Canadian work and study experience, and the individual's employment status during the first year after landing. Model 3 adds annual unemployment rates in the initial province of residence to determine whether economic conditions are an important driver of retention rates. The variables¹² and model results are listed in Appendix Table 1. Based on the model results, retention rates were estimated for years 1 to 5 for each immigration program.

Results of the multivariate analysis

The multivariate analysis revealed several findings.

First, the predicted retention rates based on the unadjusted actual data (Model 1) indicated that immigrants entering via the PNP had a retention rate 2.4 to 5.5 percentage points lower than those entering via the FSWP during the first five years following landing (Table 3). This is consistent with results reported above at the Canada level.

Second, much of the observed difference among programs was associated with the effect of the control variables. The adjusted results (Model 2) suggested that, in the year following the landing year (e.g., Table 3, year 1), the PNP retention rate was 3.0 percentage points higher than that for the FSWP, and slightly higher than those of the Quebec system and the CEC program (Table 3). Four years after landing, the provincial retention rate was virtually the same for the PNP and FSWP, and somewhat lower than that observed for the Quebec system or the CEC program. Adding the provincial unemployment rate (Model 3) produced little change in the results (compared with those from Model 2). While the provincial unemployment rate did affect retention, there was likely little difference in the provincial unemployment rates for immigrants in each program.

Lastly, after accounting for the effect of numerous control variables, retention was marginally higher among provincial nominees than among federal skilled workers during the first three years following the landing year, but beyond that early period, there were few differences (Table 3). Also, immigrants landing via the Quebec system and the CEC program had marginally higher retention rates (1 to 2 percentage points) than those landing via the PNP or the FSWP, particularly after three years in Canada. Given that retention rates for all the economic programs were in the mid-80% range and above, these were relatively small differences.

12. Included among the control variables are landing year, sex, age at landing, official language knowledge at landing, education level at landing, source region, marital status, number of children, pre-landing Canadian work experience, pre-landing Canadian study experience, employment at some point during the landing year and the provincial unemployment rate during the individual's initial year following landing.

Table 3

Predicted difference¹ in retention rates between the Federal Skilled Worker Program and other economic immigrant programs among immigrants aged 20 to 54 at landing, 2010 to 2019 landing cohorts

	Years since landing				
	1	2	3	4	5
	percentage points				
Model 1					
Provincial Nominee Program	-2.4	-3.5	-4.4	-5.1	-5.5
Quebec selection	0.3	0.4	0.5	0.5	0.5
Canadian Experience Class	0.0	0.3	0.7	0.9	1.1
Model 2					
Provincial Nominee Program	3.0	1.9	1.0	0.4	0.0
Quebec selection	1.8	2.0	2.1	2.2	2.2
Canadian Experience Class	1.3	1.5	1.7	2.0	2.3
Model 3					
Provincial Nominee Program	2.8	1.8	1.0	0.5	0.2
Quebec selection	1.9	2.1	2.2	2.2	2.1
Canadian Experience Class	1.2	1.5	1.8	2.1	2.2

1. Based on results of linear probability models predicting retention among economic immigrants.

Source: Statistics Canada, Longitudinal Immigration Database.

Provincial differences in Provincial Nominee Program retention rates

There are many reasons why the retention rates of provincial nominees varied among provinces. Differences in provincial economic conditions and opportunities can affect retention rates (Kaida, Hou & Stick, 2020). Also, differences in the provincial labour supply and demand balance in the intended occupations of new nominees will affect retention rates. City size can also matter. Retention rates among economic immigrants tend to be the highest in large cities such as Toronto and Vancouver. Similarly, medium-sized cities tend to have higher retention rates than small cities or rural areas (Kaida, Hou & Stick, 2020). Provinces with large or medium-sized cities tend to have higher retention rates. The size of a province may also affect the retention rate. A larger province provides more locational choices for immigrants to move for economic opportunities within the province and thus reduces the need to move out of the province. Provinces (and their cities) with larger ethnic communities will tend to better retain provincial nominees from those ethnic groups than other provinces with relatively smaller ethnic communities. Also, differences among provinces in the immigrants' sociodemographic characteristics such as educational attainment and age at landing will influence retention rates. These, and likely other factors, may result in significant variation in retention rates of provincial nominees by province.

Among the 2010-to-2019 landing cohorts, the one-year retention rate for PNP immigrants¹³ was highest in Ontario, Alberta and British Columbia, and lowest in Prince Edward Island, Newfoundland and Labrador, and New Brunswick (Table 2). Across these cohorts, the one-year retention rate declined marginally at the national level, from the 95% to 96% range early in the period, to about 93% during the last two years (Table 1). The trends varied by province. The rate improved in Prince Edward Island by about 10 percentage points and declined in Manitoba (about 6 percentage points) and Saskatchewan (about 12 percentage points).

13. The share of nominees in the province at the end of the landing year who were still there at the end of the first full year following landing.

Longer-term retention rates are also informative. In Ontario, Alberta and British Columbia, relatively few nominees left the province five years after the landing year. Among provincial nominees who arrived from 2010 to 2015, the cohorts for which the five-year rate could be produced, 92% to 96% were in the province five years after the landing year. In these provinces, the five-year retention rate was only 2 to 6 percentage points lower than the one-year retention rate.¹⁴ Other provinces, such as Prince Edward Island and New Brunswick, experienced a much larger decline; the five-year retention rates were 22 to 44 percentage points lower than the one-year rate, falling by 26% to 64%. Not only did these two provinces have lower initial retention rates, but a larger share of nominees also left for other parts of Canada over time.

A multivariate analysis

Some of the variation in retention rates across provinces may be due to differences in the sociodemographic characteristics of the new nominees, their work and study history, and the economic conditions in the province at time of landing. To account for these differences, a multivariate analysis was used. The models and independent variables are identical to those described in the “Method” section above, with two differences. First, the population was restricted to provincial nominees, excluding those entering via other programs, such as the FSWP, CEC and Quebec selection. Second, the model included the interaction between years since immigration and the province variable, allowing the trend line on years since immigration to vary across provinces.

There are several salient observations based on the results, shown in Table 4. As noted above, the unadjusted results (Model 1) indicated that Ontario, Alberta and British Columbia had the highest one-year retention rates;¹⁵ all other provinces had lower retention rates. The largest negative gaps with the Ontario retention rate (the reference group in these results) were observed in Prince Edward Island (22.4 percentage points) and in Newfoundland and Labrador (13.7 percentage points). Furthermore, the observed difference in the retention rates between provinces increased with years since immigration (Model 1). For example, the negative gap with Ontario registered by New Brunswick rose from 8.6 percentage points in year 1 to 33.8 percentage points in year 5. For Saskatchewan, the comparable difference increased from 7.2 percentage points to 16.3 percentage points. Similar results were observed for other provinces, other than Alberta and British Columbia.

Accounting for differences in sociodemographic characteristics, pre-landing Canadian work and study experience, and employment in the first year after landing (Model 2) tended to increase the negative gap with Ontario, not reduce it. For example, if background characteristics among provincial nominees had been similar in Ontario and Manitoba, Manitoba would have had a 4.9 percentage point larger negative gap in the first-year retention rate than was observed (e.g., the difference between Model 1 and Model 2 results, Table 4). The comparable values were 4.0 and 1.2 percentage points for Alberta and British Columbia.

Further adjusting for the unemployment rate in the province of landing (Model 3) accounted for some of the negative gap between Ontario and the Atlantic provinces (which had higher unemployment rates). The unemployment rate explained 3 to 6 percentage points of the negative gap in first-year retention rates with Ontario for these provinces (e.g., the difference between Model 2 and Model 3 results,

14. The one-year and five-year retention rates include immigrants who initially settled in the province and were still there one and five years after landing. Immigrants included in the two calculations (the one- and five-year rates) are not necessarily the same individuals, since some immigrants leave the province between the first and fifth year.

15. Alberta and British Columbia had only marginally lower retention rates (by about 1.0 percentage point, respectively) than Ontario.

Table 4). For the western provinces, which tended to have lower unemployment rates, controlling for unemployment tended to increase slightly the negative gap with Ontario, not reduce it.

However, even after differences in the control variables were taken into consideration (Model 3), most of the negative gap with Ontario remained for the Atlantic provinces. The adjusted negative gap with Ontario remained at 7 to 20 percentage points for one-year retention rates and 18 to 52 percentage points five years after landing (Table 4). Other unknown factors, not considered here, may account for this remaining difference.

The story for Manitoba, Saskatchewan, Alberta and British Columbia was somewhat different. For these provinces, differences in the control variables (Model 3) did not explain the gap, rather they increased it by 2 to 6 percentage points (e.g., the difference between Model 1 and Model 3 results, Table 4). If nominees in these provinces had the characteristics and experienced the economic conditions of Ontario nominees, their gap with those in Ontario would have been greater than the gaps in the unadjusted data (Model 1). Overall, the relatively rich set of control variables accounted for none to a small share of the differences among provinces in PNP retention rates.

Table 4

Predicted difference¹ from Ontario in retention rates among provincial nominees aged 20 to 54 at landing, 2010 to 2019 landing cohorts

	Years since landing				
	1	2	3	4	5
	percentage points				
Model 1					
Newfoundland and Labrador	-13.7	-21.3	-26.9	-30.7	-32.6
Prince Edward Island	-22.4	-37.2	-47.5	-53.5	-55.1
Nova Scotia	-7.6	-11.6	-14.7	-16.7	-17.8
New Brunswick	-8.6	-16.2	-23.0	-28.8	-33.8
Quebec	-4.4	-9.5	-13.6	-16.4	-18.2
Manitoba	-3.3	-5.4	-7.1	-8.5	-9.6
Saskatchewan	-7.2	-10.8	-13.6	-15.4	-16.3
Alberta	-0.8	-0.7	-0.6	-0.6	-0.6
British Columbia	-1.1	-1.6	-1.9	-2.1	-2.1
Yukon and Northwest Territories	-8.3	-11.3	-13.0	-13.2	-12.2
Model 2					
Newfoundland and Labrador	-17.9	-25.4	-31.0	-34.7	-36.4
Prince Edward Island	-24.1	-38.6	-48.7	-54.5	-56.0
Nova Scotia	-9.9	-14.1	-17.2	-19.3	-20.5
New Brunswick	-12.1	-19.5	-26.0	-31.5	-36.2
Quebec	-6.2	-11.1	-14.9	-17.6	-19.2
Manitoba	-8.2	-10.4	-12.2	-13.7	-14.9
Saskatchewan	-11.4	-15.1	-17.8	-19.7	-20.5
Alberta	-4.8	-4.9	-4.9	-5.0	-5.1
British Columbia	-2.3	-2.9	-3.3	-3.6	-3.7
Yukon and Northwest Territories	-13.5	-17.0	-19.0	-19.5	-18.5
Model 3					
Newfoundland and Labrador	-11.5	-18.8	-24.2	-27.5	-28.8
Prince Edward Island	-20.0	-34.7	-44.9	-50.7	-52.1
Nova Scotia	-7.1	-11.3	-14.4	-16.5	-17.6
New Brunswick	-9.1	-16.4	-22.8	-28.4	-33.1
Quebec	-5.6	-10.6	-14.3	-16.8	-18.2
Manitoba	-9.1	-11.2	-13.0	-14.4	-15.4
Saskatchewan	-12.2	-15.8	-18.4	-20.0	-20.5
Alberta	-5.4	-5.3	-5.2	-5.0	-4.7
British Columbia	-2.8	-3.4	-3.9	-4.2	-4.4
Yukon and Northwest Territories	-13.1	-16.5	-18.5	-19.0	-18.0

1. Based on results of linear probability models predicting retention among economic immigrants.

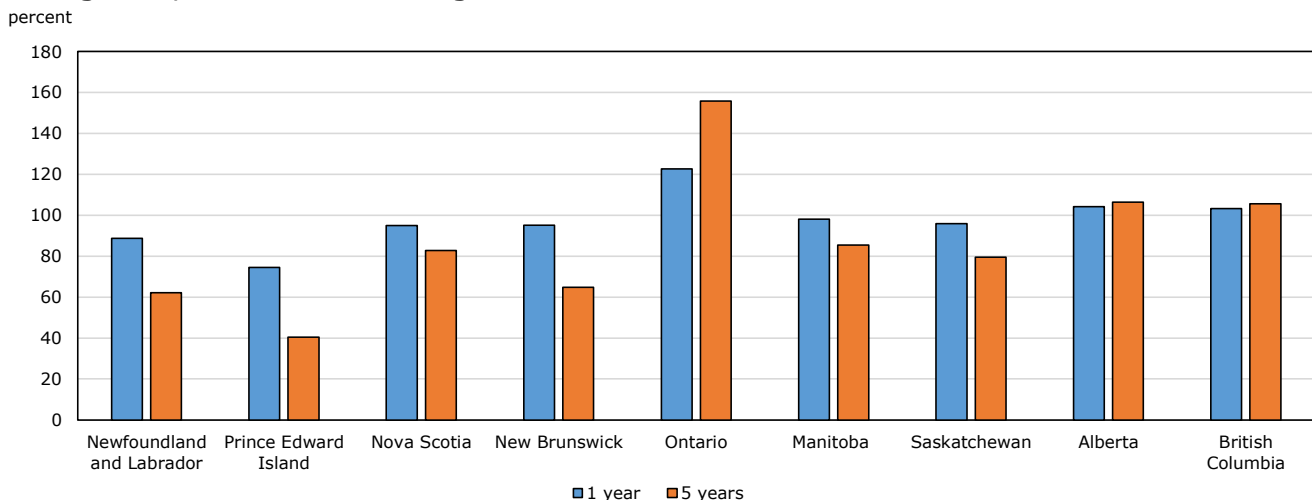
Source: Statistics Canada, Longitudinal Immigration Database.

Accounting for inflows to the province: The net retention rate

The provincial retention rate employed above reflects outflows of provincial nominees, but not inflows from other provinces. Provinces can benefit from the PNP not only through nominees who landed in their province initially and remained there subsequently, but also from those who, after landing, moved to the province from elsewhere in the country. To account for both outflows and inflows of provincial nominees, a **net retention rate** is used. Without counting the inflows, the traditional retention rate may underestimate the impact of the Canada-wide PNPs on any one province. The measure used in this section estimates the retention rate **net** of both outflows and inflows.¹⁶ For instance, the one-year net retention rate for the 2015 landing cohort is the number of provincial nominees from the 2015 Canada-wide cohort (i.e., all provinces) who were in the province of interest (e.g., British Columbia) at the end of 2016, expressed as a percentage of the number of provincial nominees who entered that province in 2015. If the value is over 100%, then after accounting for inflows and outflows, the province acquired more provincial nominees over time from the 2015 Canada-wide landing cohort than it originally had, despite some provincial nominees leaving the province. If the value is under 100%, then the province has a net loss of provincial nominees even after adjusting for inflows. The net retention rate estimates the ability of a province to retain PNP immigrants from the Canada-wide landing cohort rather than only from the provincial landing cohort.

By the end of the first full year following the landing year, Ontario had 23% more provincial nominees than were in the province during the landing year—a net retention rate of 123% (Chart 3). By the end of the fifth year following the landing year, Ontario had 56% more nominees—a net retention rate of 156%. The gains were due to inflows of nominees from other provinces, combined with relatively low outflows. The results in Chart 3 are based on nominees landing from 2010 to 2015 to allow longer-term retention rates to be calculated. However, these one-year rates were virtually the same if the 2010-to-2019 cohorts were used, suggesting cross-cohort stability.

Chart 3
Net retention rate of provincial nominees aged 20 to 54 at landing, by years since immigration, 2010 to 2015 landing cohorts



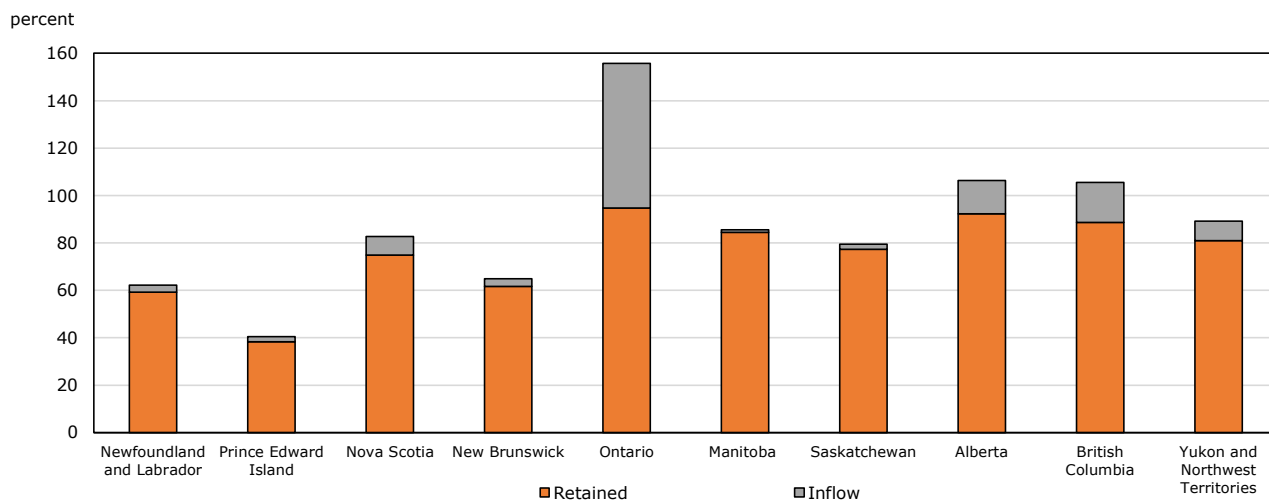
Source: Statistics Canada, Longitudinal Immigration Database.

16. The net retention rate is also affected by provincial nominees who filed taxes in their initial year in Canada but not after, say, five years. This was the case for about 3.4% of provincial nominees.

After accounting for inflows and outflows of provincial nominees, Ontario was the only province that demonstrated a large net gain. Alberta and British Columbia displayed net retention rates of around 106% by the fifth year (i.e., inflows were slightly larger than outflows). Nova Scotia, New Brunswick, Manitoba and Saskatchewan displayed one-year net retention rates in the mid-90% range, falling to the 65% to 85% range after five years. Newfoundland and Labrador had a one-year net retention rate of 89%, falling to 62% after five years. Prince Edward Island had a one-year rate of 74%, falling to 40% after five years. Differences among provinces observed during the first year following landing were accentuated through time. Provinces that had a net loss of PNP immigrants during the first year had larger net losses by the fifth year. Ontario, the only province with a large net gain, had larger net gains by the fifth year.

The importance of the inflows varied significantly among provinces. Of the 156% five-year net retention rate for Ontario, 61 percentage points were attributable to inflows from other provinces during the five years following the landing year. The remaining 95 percentage points were attributable to the retention in the province of nominees since the landing year (Chart 4). Ontario was a magnet for the secondary migration of nominees, followed by British Columbia and Alberta, where inflows added 17 and 14 percentage points to their net retention rates, respectively. The inflows added only 1 to 8 percentage points to the net retention rate for other provinces. Differences in the possible factors affecting retention rates (outlined above) are most likely also applicable to net retention rates (e.g., with respect to economic conditions, the size of ethnic groups, the number of large and medium-sized cities in the province, and the overall size of the province).

Chart 4
Share in the net retention rate of retained and inflow provincial nominees aged 20 to 54 at landing, five years after landing, 2010 to 2015 landing cohorts



Source: Statistics Canada, Longitudinal Immigration Database.

Summary and conclusion

This paper focused on the retention of provincial nominees in the province or territory where they intended to go and initially settled. Three different indicators of retention were employed.

The **initial settlement rate**—the share of provincial nominees who reside in their intended province or territory of destination at the end of the landing year—was 89% for the 2019 landing cohort aged 20 to

54 at landing. This rate varied considerably by province or territory, from 69% for Prince Edward Island to 97% for Ontario. At the national level, this rate changed little between the 2005 and 2019 cohorts. At the provincial level, the initial settlement rate of provincial nominees declined significantly between the 2010 and 2019 landing cohorts in Saskatchewan and Alberta, while it increased in Prince Edward Island, New Brunswick and Ontario.

The second measure, the provincial retention rate, is the share of immigrants who remained in the province they resided in at the end of the landing year. At the national level, the retention rate of provincial nominees was generally high. For example, among the 2010 cohort of provincial nominees, the 5-year retention rate was 89%, and the 10-year rate was 85%. However, there was large variation by province or territory. Among provincial nominees landing from 2010 to 2015, the five-year retention rate varied from 39% in Prince Edward Island to 61% in New Brunswick and to around 94% in Ontario and Alberta. The greater the number of years since landing, the greater the difference in retention between the relatively higher- and lower-retention provinces.

Accounting for differences in sociodemographic characteristics did not explain variation in immigrant retention among provinces or territories. Differences in provincial unemployment rates accounted for some of the negative retention rate gap between the Atlantic provinces and other provinces. However, even after accounting for sociodemographic characteristics and economic conditions, notable gaps in retention rates remained among provinces. Some other factors that may further explain differences in retention include employment opportunities, the size of provincial cities (larger cities have higher retention rates), and the presence of family or friends and ethnic groups (which can provide support networks in the early stages of settlement) (Sherrell, Hyndman & Preniqi, 2004). As per Hyndman, Schuurman and Fiedler (2006, p. 19), “The logic is tautological: making a place attractive to immigrants requires an existing immigrant population.”

A premise of the PNP is that it better facilitates the allocation and retention of immigrants in specific provinces or territories than other economic programs, making it pertinent to compare retention rates among major economic immigrant programs. When measured at the Canada level, the unadjusted results (raw data) suggested the 1-, 5- and 10-year retention rates were lower among provincial nominees than either federal skilled workers or immigrants entering via the CEC or Quebec system. However, this difference was largely attributable to province or territory of residence, sociodemographic background and economic conditions. After accounting for such differences, the PNP had 1 to 3 percentage points higher retention rates than the other three economic immigrant programs one year after landing. By five years, there was little difference in retention between the PNP and the FSWP; the CEC had a roughly 2 percentage point higher retention rate. Given that the five-year retention rate was mostly over the 85% range, these are relatively small differences.

Provincial nominees leaving one province may have an impact elsewhere in Canada. Provinces or territories may benefit from the PNP not only through nominees who enter their province or territory initially, but also from those who move to the province or territory from elsewhere in the country. To estimate this effect, a **net retention rate** was employed. Among nominees landing from 2010 to 2015, Ontario had a one-year **net** retention rate of 123%, indicating that by the end of the first full year following landing, the province had 23% more nominees than had originally entered Ontario in the landing year. In other words, inflows outpaced outflows. The five-year net retention rate for Ontario increased to 156%. Ontario was the only province that had a large net gain from this process. Alberta and British Columbia had five-year net retention rates of around 106%. Prince Edward Island had the lowest net retention rates, at 74% after one year, falling to 40% after five years. Differences in the net retention rates among provinces observed during the first year were accentuated by the fifth year. Relative to provincial retention rates, the net retention rate provides a broader perspective of the role of the PNP on the supply of economic immigrants in any province.

The Atlantic provinces had some of the lowest retention rates. But these low rates should be put into perspective. These retention rates were similar to those observed among federally administered economic immigrants who initially settled in the Atlantic provinces, but very few non-PNP economic immigrants went there.¹⁷ The PNP played a main role in **bringing** economic immigrants to the Atlantic provinces, and those who were retained could establish immigrant communities, which could in turn serve to attract and retain new immigrants. Going forward, it will be valuable to examine and understand the impacts of the Atlantic Immigration Program (AIP) on retention rates in those provinces and to compare them with those of the PNP. Since the AIP links immigrant candidates directly with employers, differences in retention rates may shed light on the role of employers in retention. Continued monitoring of both the short- and longer-term retention of PNP immigrants is warranted, particularly given current requests from provincial and territorial governments to expand the program.

17. PNP immigrants accounted for 48% of all new economic immigrants intending to settle in Newfoundland and Labrador in 1999, 77% in Prince Edward Island, 60% in Nova Scotia, and 56% in New Brunswick. The corresponding share was even higher in Manitoba (92%) and Saskatchewan (90%). In comparison, 15% of new economic immigrants intending to settle in Ontario were admitted through the PNP in 1999 (Picot, Crossman & Hou, forthcoming).

Appendix

Appendix Table 1
Linear probability models predicting retention in the initial province among economic immigrants aged 20 to 54 at landing, 2010 to 2019 landing cohorts

	Model 1	Model 2	Model 3
	coefficient		
Intercept	0.994 ***	0.984 ***	1.038 ***
Admission programs (reference: Federal Skilled Worker Program)			
Provincial Nominee Program	-0.010 ***	0.044 ***	0.041 ***
Quebec selection	0.001	0.016 ***	0.016 ***
Canadian Experience Class	-0.005 *	0.011 ***	0.008 ***
Years since immigration	-0.026 ***	-0.029 ***	-0.032 ***
Squared years since immigration	0.002 ***	0.002 ***	0.003 ***
Years since immigration x Provincial Nominee Program	-0.015 ***	-0.015 ***	-0.014 ***
Years since immigration x Quebec selection	0.002	0.003 *	0.003 *
Years since immigration x Canadian Experience Class	0.004 **	0.002	0.004 **
Squared years since immigration x Provincial Nominee Program	0.001 ***	0.001 ***	0.001 ***
Squared years since immigration x Quebec selection	0.000	0.000	0.000
Squared years since immigration x Canadian Experience Class	0.000	0.000	0.000
Female	§	0.005 ***	0.005 ***
Age at landing (reference: 20 to 29)			
30 to 39	§	0.004 ***	0.004 ***
40 to 49	§	0.008 ***	0.008 ***
50 to 54	§	0.014 ***	0.014 ***
Language (reference: mother tongue English or French)			
Not speaking English or French	§	0.003 ***	0.003 ***
Other mother tongue, speak English or French	§	0.005 ***	0.005 ***
Education (reference: graduate degree)			
Less than high school	§	0.007 ***	0.007 ***
High school graduation	§	0.013 ***	0.013 ***
Some postsecondary	§	0.016 ***	0.016 ***
Bachelor's degree	§	0.007 ***	0.007 ***
Source region (reference: United States)			
Central America	§	0.015 ***	0.015 ***
Caribbean	§	0.026 ***	0.027 ***
South America	§	0.007 ***	0.007 ***
Western Europe	§	0.025 ***	0.025 ***
Northern Europe	§	0.016 ***	0.016 ***
Southern Europe	§	-0.004 **	-0.004 *
Eastern Europe	§	0.006 ***	0.006 ***
Africa	§	0.012 ***	0.013 ***
Southern Asia	§	-0.012 ***	-0.012 ***
Southeast Asia	§	0.055 ***	0.054 ***
Eastern Asia	§	-0.010 ***	-0.009 ***
Western Asia	§	-0.022 ***	-0.022 ***
Other regions	§	-0.002	-0.003
Marital status (reference: married)			
Single	§	-0.005 ***	-0.005 ***
Divorced, separated or widowed	§	-0.003 *	-0.002 *
Number of children	§	0.007 ***	0.007 ***
Pre-landing Canadian work experience	§	-0.010 ***	-0.010 ***
Pre-landing Canadian study experience	§	-0.010 ***	-0.010 ***
Employed by the end of the first full year	§	0.014 ***	0.014 ***
Annual unemployment rates in the initial province	§	§	-0.010 ***

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

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

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

§ not included in the model

Note: Model 2 and Model 3 also include fixed effects of initial provinces and landing years.

Source: Statistics Canada, Longitudinal Immigration Database.

References

Bonikowska, A., Hou, F. & Picot, G. (2017). New immigrants seeking new places: The role of policy changes in the regional distribution of new immigrants to Canada. *Growth and Change* 48 (1): 174–190.

Government of Canada. (n.d.) Charterpedia - Section 6 – Mobility rights (justice.gc.ca) Accessed January 20, 2023. [https://www.justice.gc.ca/eng/csjsjc/rfc-dlc/ccrf-ccdl/check/art6.html#:~:text=\(1\)%20Every%20citizen%20of%20Canada,a%20livelihood%20in%20any%20province.](https://www.justice.gc.ca/eng/csjsjc/rfc-dlc/ccrf-ccdl/check/art6.html#:~:text=(1)%20Every%20citizen%20of%20Canada,a%20livelihood%20in%20any%20province.)

Gure, Y., & Hou, F. (2022). Retention of government-assisted refugees in designated destinations: Recent trends and the role of destination characteristics (statcan.gc.ca). Statistics Canada, *Economic and Social Reports*, 2(7). <https://www150.statcan.gc.ca/n1/pub/36-28-0001/2022007/article/00002-eng.htm>

Hyndman, J., Schuurman, N. & Fiedler, R. (2006). Size matters: Attracting new immigrants to Canadian cities. *Journal of International Migration and Integration*, 7(1): 1-25.

IRCC (Immigration, Refugees and Citizenship Canada). (2017). Evaluation of the Provincial Nominee Program. Research and Evaluation Branch, Evaluation Division.

Kaida, L., Hou, F., & Stick, M. (2020). Are refugees more likely to leave initial destinations than economic immigrants? Recent evidence from Canadian longitudinal administrative data. *Population Space and Place*, 26(5):1-14.

McDonald, T., & Miah, P. (2021). Immigrant retention in New Brunswick: An analysis using linked federal-provincial administrative data. Fredericton, New Brunswick: New Brunswick Institute for Research, Data and Training.

Pandey, M., & Townsend, J. (2013). Provincial nominee programs: An evaluation of the earnings and settlement rates of nominees. *Canadian Public Policy*, 39(4):603–618.

Picot, G., Hou, F., & Crossman, E. (2023). The Provincial Nominee Program: An analysis of its expansion in Canada.

Picot, G., Crossman, E., & Hou, F. (Forthcoming). The Provincial Nominee Program: provincial differences.

Qiu, H., Hou, F., & Crossman, C. (2021). Estimating immigrants' presence in Canada within the context of increasingly fluid international migration patterns. Statistics Canada, *Analytical Studies Methods and References Catalogue no.11-633-X*, No 032.

Sherrell, K., Hyndman, J., & Preniqi, F. (2004). Sharing the wealth, spreading the “burden”? The settlement of Kosovar refugees in smaller BC cities. RIIM working paper #04-06.

Statistics Canada. (2022). *Longitudinal Immigration Database (IMDB) Technical Report, 2018*. Diversity and Sociocultural Statistics, No. 24.

van Huystee, M. (2016). Interprovincial mobility: Retention rates and net inflow rates 2008-2013 landings. Policy Research Division, Immigration, Refugees and Citizenship Canada.