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# Foreign workers in the labour force: Provincial retention after transition to permanent residency among work permit holders for work purposes



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# ***Foreign workers in the labour force: Provincial retention after transition to permanent residency among work permit holders for work purposes***

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As the number of temporary foreign workers increases and more of these workers transition to permanent residency in Canada, provinces and territories—especially those with smaller populations—have been actively targeting foreign workers through immigration programs such as the Provincial Nominee Program as a strategy to attract and retain new immigrants (Picot, Hou & Crossman, 2024). However, there is limited knowledge regarding the retention rate of former temporary foreign workers in the province or territory where they were employed before immigrating, and how this retention rate varies among different types of temporary foreign workers and by province or territory. Such information is directly relevant to policy considerations related to the regionalization of immigration and the role of the transition from temporary to permanent residency.

This article examines the geographic retention of permanent residents who previously worked in Canada on work permits for work purposes and became landed immigrants (hereafter referred to as former work permit holders) from 2011 to 2020. The analysis begins by assessing the proportion of these former work permit holders who remained in the province or territory where they last worked before obtaining permanent residency status. It then compares their retention in the intended destination with that of economic class immigrants who had no previous experience in Canada (refer to the Data and definitions section for more details).

## **Most temporary foreign workers intended to settle in their previous province or territory of employment after immigration**

When former work permit holders obtained their permanent residency, the majority (97%) intended to settle in the province or territory where they last worked (Table 1). This rate remained consistent across the 2011-to-2015 and 2016-to-2020 landing cohorts. It varied slightly among the major work permit programs, ranging from 93% for agriculture programs to 99% for other international agreements or arrangements in the 2016-to-2020 landing cohort.

One year after becoming permanent residents, 92% of the 2011-to-2015 landing cohort of former work permit holders resided in the same province or territory as they worked in before immigration. The retention rate presented in this article should be considered as the lower bound of the actual retention rate. This is because some individuals are unobserved in the T1 and T4 files (e.g., 3% one year after immigration for the 2011-to-2015 cohort), so their residential location is unknown.<sup>1</sup>

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1. When their data were not found in tax files after obtaining permanent residency status, former work permit holders either did not have tax records in a given year while they remained in Canada or were absent from Canada.

Between the two broad work permit programs, Temporary Foreign Worker Program (TFWP) participants were 4 percentage points more likely to stay in the same province or territory of work (94%) than International Mobility Program (IMP) participants (90%).

The gap in retention rates between TFWP and IMP participants in the 2011-to-2015 cohort widened five years after immigration. Some IMP participants, such as those from the international agreements and arrangements category (except free trade agreements [FTAs]), spouses of international students, and participants in the Post-Graduation Employment Program, had above-average rates of relocation to other provinces or territories. By contrast, significantly higher shares of FTA workers (17%), intra-company transferees (13%) and International Experience Canada participants (15%) were not observed in tax files five years after they immigrated to Canada.

The overall retention rate one year after immigration in the 2016-to-2020 landing cohort was only slightly lower than that in the 2011-to-2015 cohort. However, the retention rate among participants in agriculture programs and in the other lower-skill TFWP category declined by 5 to 7 percentage points between the two landing cohorts. By comparison, the changes in the retention rate among IMP sub-streams were relatively small.

The rate of retention in the province or territory of work differed across provinces and territories. One year after immigration, the retention rates for the 2011-to-2015 landing cohort were significantly lower in the Atlantic provinces and three territories (81% or lower) than in other provinces (86% or higher). Five years after immigration, about half or less of the 2011-to-2015 landing cohort who worked in Newfoundland and Labrador (46%) and Prince Edward Island (50%) had stayed in the same province, compared with 80% or more for those who worked in the four largest provinces.

From the 2011-to-2015 cohort to the 2016-to-2020 cohort, the first-year retention rate decreased by 6 to 13 percentage points in Newfoundland and Labrador, Prince Edward Island, Manitoba, Saskatchewan, and the territories. Only in Ontario did the retention rate increase, by 2 percentage points.

Table 1

Retention in the province or territory of employment<sup>1</sup> before transition to permanent residency, among former work permit holders for work purposes with T4 earnings

	2011-to-2015 landing cohort								2016-to-2020 landing cohort				
	Person count <sup>3</sup>	Same intended province or territory	One year after landing			Five years after landing			Person count	Same intended province or territory	One year after landing		
			Stay <sup>2</sup>	Move	Not in tax files	Stay	Move	Not in tax files			Stay	Move	Not in tax files
	number	percent	percent			percent			number	percent	percent		
<b>Overall</b>	190,450	96.9	91.9	4.9	3.2	81.7	10.8	7.5	283,480	97.1	90.8	6.2	3.0
<b>Work permit program</b>													
Temporary Foreign Worker Program (TFWP)	80,060	97.2	93.9	4.2	1.9	85.8	9.3	4.9	59,120	97.4	92.5	5.7	1.7
Agriculture programs	2,800	96.5	95.1	4.0	0.9	89.6	7.8	2.6	2,690	93.8	87.6	10.9	1.4
Live-in caregiver programs	21,280	98.1	96.3	2.9	0.8	92.7	5.4	1.9	18,870	98.6	96.9	2.7	0.4
Other higher-skill TFWP	42,440	97.4	93.1	4.2	2.8	83.3	9.5	7.2	29,150	97.8	91.7	5.5	2.7
Other lower-skill TFWP	13,540	95.6	92.5	6.6	0.9	82.1	15.2	2.7	8,410	94.5	87.2	11.6	1.2
International Mobility Program	110,390	96.6	90.4	5.4	4.2	78.8	11.8	9.4	224,370	97.0	90.3	6.3	3.3
Free trade agreements	2,730	97.3	91.7	2.9	5.4	75.5	7.2	17.3	3,860	97.5	93.1	3.1	3.8
Other international agreements or arrangements	15,350	98.6	90.1	7.0	2.8	73.3	18.3	8.5	23,780	99.1	86.6	11.0	2.5
Intra-company transferees	6,770	95.1	88.8	4.6	6.6	78.6	8.3	13.1	11,910	94.1	90.5	4.5	5.0
International Experience Canada	13,650	95.3	88.8	5.1	6.1	77.0	7.7	15.3	24,480	96.7	90.1	4.4	5.5
Spouses or common-law partners of skilled workers	16,530	97.1	92.5	4.5	3.1	81.9	9.5	8.6	28,230	97.0	91.6	5.9	2.5
Spouses or common-law partners of students	2,630	94.1	89.0	7.2	3.8	76.0	15.6	8.5	6,160	95.3	90.9	7.3	1.8
Post-Graduation Employment Program	40,490	96.4	89.2	6.2	4.6	77.7	14.1	8.2	114,620	97.1	90.7	6.3	3.1
Other programs for Canadian interests	12,240	97.0	94.3	3.2	2.5	88.4	6.0	5.6	11,330	95.9	90.4	4.8	4.7
<b>Province or territory of previous employment</b>													
Newfoundland and Labrador	1,330	94.1	80.7	16.1	3.1	46.0	46.0	8.1	2,170	94.3	73.0	25.4	1.6
Prince Edward Island	600	91.8	74.2	22.7	3.2	49.8	42.7	7.5	1,810	97.7	61.5	36.8	1.7
Nova Scotia	3,060	94.4	79.5	16.6	3.9	58.2	33.2	8.6	6,000	96.9	79.5	17.0	3.5
New Brunswick	1,890	90.9	80.0	18.0	2.0	58.7	35.2	6.1	3,360	96.1	79.4	18.8	1.7
Quebec	21,730	96.7	90.7	4.3	5.0	80.2	8.0	11.8	28,330	92.4	90.0	6.1	3.9
Ontario	56,650	97.2	92.5	3.5	4.0	86.2	5.8	8.1	104,370	97.9	94.3	2.6	3.2
Manitoba	6,360	97.5	86.0	11.1	2.9	63.2	30.0	6.7	11,910	98.3	80.1	16.7	3.2
Saskatchewan	12,570	97.5	86.5	12.1	1.4	62.8	32.7	4.6	12,470	97.8	79.2	18.9	1.8
Alberta	49,050	96.6	94.5	3.7	1.9	86.8	8.3	4.9	49,790	96.5	89.9	7.5	2.5
British Columbia	36,360	97.4	91.9	4.6	3.5	82.3	9.0	8.7	62,210	98.2	91.9	5.0	3.1
Territories	850	93.0	81.3	16.0	2.7	62.5	32.8	4.7	1,060	94.4	74.9	23.2	2.0

1. If former work permit holders had paid employment records in more than one province or territory, the one where they stayed is kept (if applicable).

2. Stay refers to either working or residing in the same province or territory, move refers to not reporting the same province or territory of employment or residence (including missing values), and not in tax files refers to not having a T1 or T4 record in the year.

3. Person counts are rounded to the nearest 10. The total may not add up because of rounding.

Sources: Statistics Canada, Non-permanent Resident File and Longitudinal Worker File.

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## Former work permit holders more likely to stay in their intended destination than economic immigrants without prior Canadian experience

While Table 1 shows the retention of former work permit holders in the province or territory where they worked before gaining permanent residency, Table 2 compares their rate of retention in the intended province or territory with that of economic immigrants without prior Canadian experience. Overall, former work permit holders were much more likely to stay in their intended province than economic immigrants without prior Canadian experience in the first and fifth years after immigration. These results suggest that former work permit holders may have been better informed in choosing their intended destination at the time of immigration, and this may have increased their subsequent retention.<sup>2</sup>

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2. The “intended destination” is where immigrants reported they would settle at the time of landing. Immigrants with no prior Canadian experience may have limited information when they apply. If retention is measured as staying in the province or territory where immigrants filed a tax return in the year of landing (if applicable), the difference in the retention rate between the two groups becomes small.

**Table 2**  
Retention in intended province or territory of residence among former work permit holders for work purposes with T4 earnings and economic class immigrants without prior Canadian experience

	2011-to-2015 landing cohort							2016-to-2020 landing cohort			
	Person count <sup>1</sup>	One year after landing			Five years after landing			Person count	One year after landing		
		Stay	Move	Not in tax files	Stay	Move	Not in tax files		Stay	Move	Not in tax files
	number	percent			percent			number	percent		
<b>Former work permit holders</b>											
Newfoundland and Labrador	1,290	83.8	13.7	2.5	47.2	44.9	7.8	2,120	75.5	23.1	1.4
Prince Edward Island	610	75.7	21.5	2.8	51.4	41.5	7.1	1,970	59.6	38.6	1.8
Nova Scotia	3,030	81.8	14.3	3.9	59.7	32.0	8.3	6,070	80.2	16.4	3.4
New Brunswick	1,780	83.4	14.6	2.0	61.3	32.8	5.9	3,400	80.6	17.9	1.5
Quebec	21,890	90.4	4.7	4.8	80.1	8.3	11.6	26,890	92.3	4.1	3.6
Ontario	56,830	92.7	3.4	3.9	86.3	5.7	8.0	105,660	94.0	2.9	3.1
Manitoba	6,450	86.1	11.2	2.7	63.3	30.1	6.6	11,930	80.5	16.3	3.1
Saskatchewan	12,900	86.6	12.0	1.3	62.8	32.8	4.3	12,820	79.2	19.0	1.8
Alberta	48,370	95.6	2.7	1.7	87.7	7.5	4.8	49,210	91.0	6.6	2.4
British Columbia	36,480	92.5	4.1	3.4	82.7	8.7	8.6	62,350	92.4	4.6	3.0
Territories	830	84.3	13.1	2.6	64.9	30.9	4.2	1,050	76.2	21.9	1.9
<b>Total</b>	<b>190,450</b>	<b>91.4</b>	<b>5.5</b>	<b>3.1</b>	<b>77.9</b>	<b>11.7</b>	<b>10.4</b>	<b>283,480</b>	<b>90.1</b>	<b>6.9</b>	<b>2.9</b>
<b>Economic class immigrants without prior Canadian experience</b>											
Newfoundland and Labrador	470	62.0	22.7	15.3	42.5	46.1	11.5	540	56.3	33.3	10.5
Prince Edward Island	2,700	41.9	41.6	16.5	15.3	67.7	17.0	3,240	60.0	23.8	16.2
Nova Scotia	2,600	51.1	29.0	19.9	40.3	45.0	14.7	6,680	61.3	23.5	15.2
New Brunswick	3,440	54.5	28.9	16.6	30.2	56.9	12.9	6,330	59.8	25.3	15.0
Quebec	90,190	68.5	15.9	15.5	64.8	21.9	13.3	51,030	63.2	21.7	15.2
Ontario	101,750	68.5	8.1	23.4	72.5	11.4	16.1	112,610	67.6	10.2	22.3
Manitoba	27,340	84.7	8.2	7.1	75.1	18.5	6.4	19,760	77.1	13.9	9.0
Saskatchewan	14,450	82.2	11.1	6.7	68.3	25.1	6.6	19,140	59.4	24.4	16.2
Alberta	34,640	75.7	9.4	15.0	73.4	15.4	11.2	20,840	66.2	20.4	13.4
British Columbia	32,950	64.8	11.5	23.6	65.2	16.8	17.9	23,170	51.9	23.0	25.1
Territories	260	81.4	x	x	65.5	x	x	160	61.9	x	x
<b>Total</b>	<b>310,800</b>	<b>70.5</b>	<b>11.7</b>	<b>17.8</b>	<b>68.3</b>	<b>18.1</b>	<b>13.6</b>	<b>263,490</b>	<b>64.9</b>	<b>16.6</b>	<b>18.6</b>

1. Person counts are rounded to the nearest 10. The total may not add up because of rounding.

x's suppressed to meet the confidentiality requirements of the *Statistics Act*

Sources: Statistics Canada, Non-permanent Resident File and Longitudinal Worker File.

Immigrants who intended to settle in the Atlantic provinces generally had a lower retention rate than their counterparts in other provinces, regardless of whether they were former work permit holders. But the regional difference became smaller for the 2016-to-2020 cohort of immigrants.

The retention rate of former work permit holders was highest in the four largest provinces (Ontario, Quebec, British Columbia and Alberta). By comparison, the retention rate was highest in Manitoba for economic immigrants without prior Canadian experience.

While the retention rate was generally higher for former work permit holders, it also declined to a greater extent over the years following immigration. For the 2011-to-2015 cohort, the overall retention rate of former work permit holders decreased from 91% in the first year to 78% in the fifth year after immigration. This 13 percentage point drop was attributable in part to an increase in the proportion of individuals moving to a different province or territory (6 percentage points) and an increase in the proportion not appearing in tax files (7 percentage points). By contrast, the retention rate for economic immigrants without prior Canadian experience decreased by 2 percentage points, from 70% to 68%. For this group, the increase in the proportion moving to a different province or territory was largely balanced by a decrease in the share of individuals not appearing in tax files.

In summary, at the time of transition to permanent residency, the vast majority of former work permit holders intended to settle in the province or territory of their previous employment. Their previous work experience also enhanced their subsequent retention. Among those who received permanent residency from 2011 to 2015, 97% of former work permit holders planned to settle in the province or territory where they last worked, and 82% remained in the same province or territory five years after immigration. Furthermore, former work permit holders had a significantly higher rate of staying in their intended province or territory than economic immigrants without prior Canadian experience, although the difference became smaller with more years after immigration.

Among former work permit holders, the retention rates were generally higher among TFWP participants than among IMP participants. These differences may originate from variations across work permit programs in the degree of attachment to specific employers or regional labour markets. Further quantitative analysis is needed to examine these differences.

## Data and definitions

The data on work permit holders for work purposes are obtained from the Non-permanent Resident File (NPRF), which contains information on all temporary residents who have received a temporary permit (excluding visitor permits) to enter Canada from 1980 to 2022. The NPRF is linked with the Longitudinal Worker File, which currently has individual records from the T1 and T4 administrative files up to 2021. Having employment is defined as having positive T4 earnings before the year of transition to permanent residency.

This analysis focuses on work permit holders for work purposes who previously had employment in Canada, made the transition to permanent residency from 2011 to 2020 and were aged 25 to 54 at immigration. IMP work permit holders for study purposes, for permanent residence application in Canada or for humanitarian reasons are excluded from the study. For holders with multiple records, the analysis uses the information on the last employment observed before the transition. Additionally, work experience acquired more than five years before the transition was not considered, and about 4,000 (0.9%) such individuals are excluded from the analysis.

The comparison group includes economic immigrants who arrived from 2011 to 2020, were aged 25 to 54 at immigration and had never received any temporary resident status (work permit, study permit or asylum claim) before immigration.

## Authors

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