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Foreign workers in Canada: Differences in the transition to permanent residency across work permit programs

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Obtaining a work permit enables foreign nationals to work in Canada temporarily, and for many individuals, this serves as a stepping stone toward obtaining permanent residency (PR). Previous studies have highlighted significant variations in the likelihood of transitioning to PR across different work permit programs (Haan & Li, 2023; Lu & Hou, 2017, 2019; Prokopenko & Hou, 2018). However, this understanding of the PR transition rate was primarily based on snapshot analyses of temporary foreign workers (TFWs) who arrived in Canada before the mid-2010s. In recent years, the total number of TFWs has seen a substantial increase, and the composition of work permit types has also undergone significant changes (Lu & Hou, 2023). Having updated information on the disparities in the PR transition rate by work permit type can help assess the fairness and effectiveness of work permit programs in attracting TFWs and addressing labour shortages in specific industrial sectors.

This article examines the recent changes in the transition to PR across work permit programs and immigration pathways for individuals who have made the transition. The analysis focuses on work permit holders who are in Canada for work purposes under either the Temporary Foreign Worker Program (TFWP) or the International Mobility Program (IMP).¹

This article is the fifth in a series that presents statistics and insights on TFWs in Canada. Previous articles in the series explored commonly used data sources for TFW statistics, the evolving composition of TFWs and their employment levels, degree of employment engagement and industrial distribution (Lu & Hou, 2023a, 2023b, 2023c; Lu & Picot, 2024).

Transition to permanent residency increased across arrival cohorts of work permit holders

To simplify the presentation, permit holders are grouped into five-year arrival cohorts based on the year they received their first work permit for work purposes. Table 1 shows the transition rates at the 2nd, 5th and 10th years after the issuance of the first work permit, wherever years of observation are available.

1. Some work permit programs under the IMP are for other purposes, such as study purposes, humanitarian and compassionate reasons, or PR application, all of which are excluded from the analysis.

Table 1

Transition to permanent residency among holders of work permits for work purposes, by first permit issue year and program type

	2006 to 2010				2011 to 2015			2016 to 2020	
	Number	Transition rate			Number	Transition rate		Number	Transition rate
		2nd year	5th year	10th year		2nd year	5th year		2nd year
	count	percent			count	percent		count	percent
All work permit holders for work purposes									
Total work permit holders for work purposes	632,000	9.4	26.7	34.5	763,100	11.7	34.3	1,048,600	23.2
Temporary Foreign Worker Program (TFWP)									
Agricultural programs	30,400	2.6	10.3	15.6	28,400	1.7	9.1	50,300	1.3
Live-in caregiver programs	49,800	0.9	55.6	92.2	26,900	7.5	84.0	14,500	15.1
Other higher-skilled TFWP	105,600	9.6	25.8	31.3	71,100	13.2	32.2	51,200	23.9
Other lower-skilled TFWP	48,400	9.3	36.7	55.1	40,900	7.4	46.4	16,000	8.7
Other TFWP without a skill level	1,100	14.2	31.9	36.5	1,300	13.1	34.2	1,100	39.0
Subtotal	235,300	6.8	32.4	47.1	168,500	8.9	40.0	133,100	12.7
International Mobility Program for work purposes									
International free trade agreements	46,600	2.1	5.5	7.0	57,300	1.4	5.0	40,000	3.3
Other international agreements or arrangements	8,300	34.2	42.8	45.3	14,400	32.9	48.7	15,400	58.2
Intra-company transferees	22,900	4.9	19.2	23.8	36,600	6.6	25.2	40,900	21.9
International Experience Canada	175,400	3.7	10.8	14.3	220,400	3.9	14.7	235,000	6.4
Spouses or common-law partners of skilled workers	34,200	28.8	53.0	58.5	47,700	31.2	56.8	72,100	39.9
Spouses or common-law partners of students	7,700	24.6	56.5	66.5	14,000	12.4	54.0	52,200	14.6
Post-grad employment	51,500	34.9	69.1	73.6	138,700	28.0	72.9	378,100	40.1
Other programs for Canadian interests	50,100	4.0	10.4	13.3	65,500	3.4	10.5	81,800	5.1
Subtotal	396,700	10.9	23.4	27.0	594,600	12.5	32.7	915,500	24.7

Note: Person counts are rounded to the nearest 100. Because of rounding, the sum of subcategories may not equal to the total.

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

Across successive arrival cohorts, the transition rate has increased. For example, five years after obtaining the first work permit, 27% of TFWs in the 2006-to-2010 cohort made the transition, and this rate increased to 34% for the 2011-to-2015 cohort. Similarly, two years after obtaining the first work permit, the transition rate rose from 12% for the 2011-to-2015 cohort to 23% for the 2016-to-2020 cohort.

The overall increases in transition rates across cohorts could be attributed to two factors: an increase in the rate for some work permit programs and changes in the composition of work programs, specifically if programs with high transition rates expanded their shares. From the 2006-to-2010 cohort to the 2011-to-2015 cohort, most (77%) of the overall increase in the five-year transition rate was driven by the higher transition rates in certain work programs, particularly the live-in caregiver programs (with a 28 percentage point increase), other international agreements or arrangements² (with a 6 percentage point increase), and other lower-skilled TFWP.³ Three groups experienced a decrease in their transition rates, and two of them had the lowest transition rates in both arrival cohorts. The remaining increase (23%) in the overall transition rate was related to changes in the composition of work programs. During this period, the share of the Post-Graduation Work Permit (PGWP) Program among work permit holders rose from 8% to 18%, and this program had one of the highest transition rates in both arrival cohorts.

Similarly, the increase in transition rates among certain work permit programs accounted for the majority (55%) of the overall increase in the two-year transition rate from the 2011-to-2015 cohort to the 2016-to-2020 cohort. Notably, the transition rate increased considerably (ranging from 9 to 26 percentage points) in six major programs, while it decreased slightly for agriculture programs. Additionally, changes in the composition of work permit programs, particularly the substantial increase in the share of PGWPs from

2. Such as Canada-international non-trade agreements.

3. Most work permits under the TFWP specify the intended occupation based on the National Occupational Classification. "Higher skilled" refers to occupational skill levels 0 (managerial), A (professionals) and B (skilled and technical). "Lower skilled" refers to levels C (intermediate and clerical) and D (elemental and labourers).

18% in the 2011-to-2015 cohort to 36% in the 2016-to-2020 cohort, contributed to 45% of the overall increase in the transition rates between these two arrival cohorts.

The disparity in the transition rate across work permit programs has increased. Compared with the PGWP Program, agriculture programs saw the gap in the five-year transition rate widen from 59 percentage points in the 2006-to-2010 cohort to 64 percentage points in the 2011-to-2015 cohort. Additionally, the gap in the two-year transition rate expanded from 26 percentage points in the 2011-to-2015 cohort to 39 percentage points in the 2016-to-2020 cohort. Similar expansions in gaps were also observed for international free trade agreements and the International Experience Canada (IEC) program.

Within a cohort, the disparity in transition rates between groups with low and high rates tended to grow with more years after the first work permit. For example, in the 2006-to-2010 cohort, the difference in the transition rate between the IEC (the largest work permit program in the 2006-to-2010 and 2011-to-2015 cohorts) and the PGWP Program (the largest program in the 2016-to-2020 cohort) widened from 31 percentage points 2 years after obtaining the first work permit to 58 percentage points in the 5th year, and further increased to 59 percentage points in the 10th year.

The Provincial Nominee Program and Canadian Experience Class have become the main immigration pathways for work permit holders

By the end of 2022, over 955,000 individuals holding work permits for work purposes who obtained their first work permits from 2006 to 2020 had transitioned to PR in Canada. Most of these individuals, increasing from 86% in the 2006-to-2010 cohort to 93% in the 2016-to-2020 cohort, achieved PR through the economic class (Table 2). However, it is important to note that because more recent cohorts were still in the early stages of transition, the distribution of immigration classes may not be entirely comparable across cohorts. Furthermore, the immigration pathways of the 2016-to-2020 cohort were likely influenced by special measures adopted during the COVID-19 pandemic, when economic immigration was primarily processed through the Canadian Experience Class (CEC).

Table 2
Composition of immigration category among work permit holders for work purposes who landed by 2022

	Persons count	Economic class				Family	Other classes
		FSWP	PNP	CEC	Other		
		percent					
2006-to-2010 arrivals							
Total work permit holders for work purposes	223,100	13.7	28.5	14.7	29.4	12.5	1.1
Temporary Foreign Worker Program (TFWP)							
Agricultural programs	5,200	2.1	53.6	4.1	3.7	32.5	4.2
Live-in caregiver programs	46,500	0.3	0.6	0.1	94.7	3.6	0.6
Other higher-skilled TFWP	33,800	21.8	42.4	16.5	7.8	10.1	1.4
Other lower-skilled TFWP	27,500	6.4	62.9	10.1	3.0	15.2	2.5
Other TFWP without a skill level	400	19.8	33.5	10.5	19.8	10.8	5.6
Subtotal	113,500	8.3	30.7	7.6	42.1	9.7	1.5
International Mobility Program for work purposes							
International free trade agreements	3,400	17.6	20.0	24.8	6.7	30.3	0.6
Other international agreements or arrangements	3,800	3.7	82.3	4.2	6.2	3.1	0.6
Intra-company transferees	5,600	27.4	13.1	37.6	13.6	8.1	0.3
International Experience Canada	26,200	6.3	18.3	11.7	27.6	35.8	0.3
Spouses or common-law partners of skilled workers	20,300	28.6	42.1	17.6	9.4	1.1	1.2
Spouses or common-law partners of students	5,200	44.8	20.5	17.0	14.8	1.5	1.6
Post-grad employment	38,300	19.4	22.6	32.0	13.4	12.0	0.6
Other programs for Canadian interests	7,000	23.6	16.6	19.9	21.3	15.9	2.8
Subtotal	109,700	19.2	26.2	22.1	16.2	15.5	0.8
2011-to-2015 arrivals							
Total work permit holders for work purposes	295,200	5.7	34.3	25.6	21.7	11.8	1.0
TFWP							
Agricultural programs	3,900	0.7	42.3	7.3	7.2	37.1	5.4
Live-in caregiver programs	25,200	0.1	0.7	0.2	95.8	2.8	0.5
Other higher-skilled TFWP	25,400	7.7	37.6	27.2	19.6	6.7	1.1
Other lower-skilled TFWP	24,000	1.8	67.1	8.3	4.9	15.7	2.3
Other TFWP without a skill level	500	8.6	36.1	23.7	14.5	13.6	3.4
Subtotal	79,000	3.1	35.0	11.8	38.8	9.8	1.5
International Mobility Program for work purposes							
International free trade agreements	3,500	x	18.6	41.4	5.4	26.7	x
Other international agreements or arrangements	7,400	x	79.4	8.4	4.8	4.1	x
Intra-company transferees	10,700	11.4	14.9	57.8	11.2	4.6	0.2
International Experience Canada	40,200	4.4	18.6	23.2	23.2	30.3	0.3
Spouses or common-law partners of skilled workers	29,300	9.1	39.0	35.3	14.3	1.1	1.2
Spouses or common-law partners of students	9,800	13.9	37.9	25.9	17.2	1.6	3.5
Post-grad employment	106,400	5.6	38.8	30.7	13.7	10.6	0.6
Other programs for Canadian interests	9,000	8.4	19.4	34.3	20.6	15.1	2.2
Subtotal	216,200	6.6	34.1	30.6	15.4	12.5	0.8

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

Notes: Person counts are rounded to the nearest 100. Because of rounding, the sum of subcategories may not equal to the total. FSWP: Federal Skilled Worker Program; PNP: Provincial Nominee Program; CEC: Canadian Experience Class.

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

Table 2
Composition of immigration category among work permit holders for work purposes who landed by 2022 (continued)

	Persons	Economic class				Family	Other classes
		FSWP	PNP	CEC	Other		
	count	percent					
2016-to-2020 arrivals							
Total work permit holders for work purposes	437,000	2.5	24.1	42.8	23.7	6.5	0.4
TFWP							
Agricultural programs	3,000	x	23.4	7.2	32.6	34.1	x
Live-in caregiver programs	7,500	x	0.5	x	93.0	5.8	0.6
Other higher-skilled TFWP	23,100	4.8	34.1	35.1	22.1	3.5	0.4
Other lower-skilled TFWP	4,300	x	59.3	x	30.8	7.1	0.8
Other TFWP without a skill level	600	x	38.8	45.9	8.6	3.3	x
Subtotal	38,500	2.9	29.7	22.6	37.5	6.7	0.6
International Mobility Program for work purposes							
International free trade agreements	2,900	x	15.0	57.9	7.6	16.1	x
Other international agreements or arrangements	10,300	x	83.6	2.6	12.9	0.7	x
Intra-company transferees	15,500	x	9.2	80.2	4.9	2.1	x
International Experience Canada	39,900	2.5	12.6	34.7	26.0	23.9	0.2
Spouses or common-law partners of skilled workers	42,900	2.7	33.3	44.9	17.0	1.6	0.5
Spouses or common-law partners of students	25,700	4.4	26.7	34.7	31.6	1.2	1.4
Post-grad employment	252,300	2.1	22.0	46.5	23.7	5.4	0.4
Other programs for Canadian interests	9,100	4.8	18.1	51.0	15.0	9.7	1.4
Subtotal	398,600	2.4	23.5	44.8	22.4	6.5	0.4

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

Notes: Person counts are rounded to the nearest 100. Because of rounding, the sum of subcategories may not equal to the total. FSWP: Federal Skilled Worker Program; PNP: Provincial Nominee Program; CEC: Canadian Experience Class.

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

Within the economic class, the Provincial Nominee Program (PNP) and the CEC have emerged as the primary immigration pathways for work permit holders, while the Federal Skilled Worker Program (FSWP) and “other economic programs” (e.g., caregivers and Quebec selection) have diminished in importance. Notably, 43% of work permit holders in the 2006-to-2010 cohort transitioned to PR through the PNP and CEC, compared with 60% in the 2011-to-2015 cohort and 67% in the 2016-to-2020 cohort.

The overall trend mentioned above was primarily influenced by the PGWP Program, spouses or common-law partners of skilled workers, and spouses or common-law partners of students, all of whom followed a similar trend. Their shares among work permit holders transitioning to PR increased significantly, from 29% in the 2006-to-2010 cohort to 73% in the 2016-to-2020 cohort. However, different trends were observed for other programs. In the case of live-in caregiver programs, nearly all participants made the transition through their designated pathway. For agricultural programs, the majority of the 2006-to-2010 cohort transitioned through the PNP (54%), while in the 2016-to-2020 cohort, the share through the PNP decreased (23%). For other higher-skilled TFWP holders, the shares of transition through the FSWP and PNP decreased, while the share through the CEC increased. By contrast, the majority of other lower-skilled TFWP holders relied on the PNP and “other economic classes” to obtain PR.

In summary, since the mid-2000s, proportionately more individuals holding work permits for work purposes have transitioned to PR in Canada. While the transition rates have increased or remained high for most work permit programs, they have stayed low or decreased among certain others. Consequently, the disparity between programs with high and low transition rates has widened over time. The transition to PR was achieved predominantly through the economic class, and this trend has become more pronounced across arrival cohorts. Within the economic class, the PNP and the CEC have emerged as the primary transition pathways, driven primarily by the substantial expansion of the PGWP Program, spouses or common-law partners of skilled workers, and spouses or common-law partners of students.

These factors have contributed significantly to the changing landscape of PR transitions among work permit holders in Canada.

Data and definitions

This article used a data linkage between the Non-permanent Resident File and the Longitudinal Immigration Database. The analysis focused on work permit holders whose initial work permit was for work purposes. Individuals who obtained PR in the same year their work permit was issued were excluded from the analysis. Each work permit holder was counted only once. In situations where individuals had multiple work permits in a single year, priority was given to the TFWP over the IMP for the analysis.

Authors

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