



Title: Why Do Skilled Immigrants Struggle in the Labor Market? A Field Experiment with Six Thousand Résumés

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Research Question: Why do recent immigrants to Canada struggle in the labour market, especially among those that arrive under the “Point System”?

Importance: Policy makers are concerned about the lack of immigrant assimilation because it suggests that recent immigrants are not integrating well into the high-skilled labor market, despite effort to attract immigrants who will. This raises questions about the role immigration plays in providing Canada with a source of highly skilled individuals to boost economic growth. It also has important implications for the use of government transfer programs, such as social assistance and child tax benefits, as well as for income tax revenues.

Research Findings: Thousands of simulated resumes were sent in response to online job postings across multiple occupations in Toronto. Resumes were constructed to plausibly represent recent immigrants under the point system from the three largest countries of origin (China, India, and Pakistan), and Britain, as well as non-immigrants with and without ethnic-sounding names. Resumes varied randomly based on name, education (foreign or local), experience (foreign or local), language fluency, and extra curricular activities. The study produced three main findings: 1) Interview request rates for English-named applicants with Canadian education and experience were more than three times higher compared to resumes with Chinese, Indian, or Pakistani names with foreign education and experience (5 percent versus 16 percent), but were no different compared to foreign applicants from Britain. 2) Employers valued experience acquired in Canada much more than if acquired in a foreign country. Changing foreign resumes to include only experience from Canada raised callback rates to 11 percent. 3) Among resumes listing 4 to 6 years of Canadian experience, whether an applicant’s degree was from Canada or not, or whether the applicant obtained additional Canadian education or not had no impact on the chances for an interview request. 4) Canadian applicants that differed only by name had substantially different callback rates: Those with English-sounding names received interview requests 40 percent more often than applicants with Chinese, Indian, or Pakistani names (16 percent versus 11 percent).

Implications: Policies that target more immigrants already with Canadian experience, or that help recent arrivals find initial work related to their previous experience may increase labour market assimilation. If employers discriminate based on name intentionally, more enforcement of the Human Rights Act may be required to minimize this activity. If name-based discrimination is unintentional, avoiding accidental tendencies of favoring native Caucasian candidates may lead to better hires, while ethnic applicants also gain. Further research is needed to investigate why employers are less interested in interviewing candidates with foreign-sounding names.