TWENTY-FIVE YEARS OF IMMIGRATION IN NEWFOUNDLAND & LABRADOR

ARGEAID
Saint Mary's University

By

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ACKNOWLEDGEMENTS

We acknowledge support from the following partners:

1. Atlantic Canada Opportunities Agency

2. Province of New Brunswick

3. Province of Nova Scotia

4. Province of Newfoundland and Labrador

5. Province of Prince Edward Island

6. Sobey School of Business, Saint Mary's University

7. Department of Economics, Faculty of Humanities and Social Sciences, Memorial University of Newfoundland

We also benefited from the comments received from:

1. Professor Morley Gunderson, University of Toronto

2. Professor Constantine Passaris, University of New Brunswick

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DESCRIPTIONS OF TERMS USED IN THE REPORT

1. Immigrants
   All foreign-born individuals who are permanent residents of Canada except for those born to Canadian citizens who are resident abroad. Those who arrived within five-years of a population census or Labour Force Survey (LFS) are viewed "recent immigrants".
2. Non-Permanent Residents
   Canadian residents who have temporary resident status such as international students and temporary foreign workers.
3. Economic immigrants
   Immigrants who are admitted to a country primarily because of their potential to contribute to the economy through their skills, education, work experience, or investment capacity. Sub-categories include:
   a. Federal Skilled Worker Program (FSWP)
   b. Canadian Experience Class (CEC)
   c. Federal Skilled Trades Program (FSTP)
   d. Provincial Nominee Program (PNP): Provinces select immigrants based on local labour market needs.
   e. Business/Investor Programs: Entrepreneurs and investors who start or invest in businesses.
   f. Atlantic Immigration Program (AIP): Employer-driven program for Atlantic provinces.
4. Family Class immigrants: Sponsored by relatives in Canada.
5. Refugees and protected persons: Admitted for humanitarian reasons.
6. TEER: Training, Education, Experience and Responsibilities: Skill classification system used in Canada's National Occupational Classification (NOC) 2021 to categorize occupations based on the level of preparation and responsibility required for the job.

EXECUTIVE SUMMARY

SOME DEMOGRAPHIC TRENDS

- The number of births in the population of Newfoundland and Labrador (NL) has been below the number of deaths since the middle of past decade.
- Net interprovincial migration has followed economic booms and busts in the province, heavily dependent on oil and energy development projects.
- The earlier population losses converted to large population gains because of immigration, as well as curbing the outmigration to other provinces.
- Immigration contributed two-thirds of population growth in 2024. The 2021 census revealed immigrants' share in resident population was about 2.8 percent.
- The province receives a tiny fraction of annual immigrant inflows to Canada which makes population growth highly vulnerable to changes in federal immigration policy. **Policy implication:** It is necessary for the province to stay actively engaged in future immigration target planning of the federal government to maintain healthy population growth, economies of scale, and national and international presence of the province.

IMMIGRATION TRENDS

- In the post-COVID period, NL's position as an immigrant destination in Atlantic Canda moved from being 4th to 3rd.
- Most immigrants enter NL as economic class immigrants. They have been rising steadily since 2007, falling during the pandemic, then rising sharply.
- Refugees and protected persons also rose after the pandemic but fell during 2023.
- Since 2016, none of the top five source countries of immigrants have included Western European countries, which had been their traditional source countries historically. Philippines has been the top source country since 2011, lately followed by India.
- Top five source countries' immigrants accounted for 60 percent of all immigrants.
- Most immigrants tend to settle in the larger population centres of Avalon Peninsula, followed by Labrador, Humber District and central NL. They are also thinly divided among other small population areas. Their distribution in smaller areas is largely employer driven.
- While immigrants have been arriving in larger numbers to the province, their retention rates remain low (45.6 percent in five years and 37.5 percent in ten

years). Economic and refugee class immigrants are more likely to leave the province than the family class immigrants who are more tied to the place as movement is based on joint decisions in the family. **Policy implication and research questions:** Greater emphasis should be placed on attraction of immigrants who have families, are young and can become productive members of the labour force quickly upon arrival. To retain immigrants in all admission classes, the factors that can increase the competitive advantage of the province over other provinces should be carefully studied. Some of these factors could include providing employment opportunities, career counseling, faster credential recognition, better housing affordability, health care, community belonging and inclusion.

IMMIGRANTS IN THE LABOUR FORCE

- Immigration either contributed to the increase in the labour force or buffered any decline. The buffering of the decline was especially pronounced in the 2017-2021 period, offsetting 13.1 percent of the decline and then in the recent 2022-2024 period, contributing 34.2 percent to the increase of labour force.
- Labour force participation of recent immigrants has been consistently higher than that of non-immigrants. This may be due to them being younger, their employer driven entry and motivation. Women tend to have lower participation than men in all three groups (recent immigrants, all immigrants and non-immigrants).
- Unemployment rate is lower among immigrants than non-immigrants.
- The changes in economic conditions in rural and population centres are generally mirrored in the separate settlement patterns of immigrants and non-immigrants. Immigrant labour force appears more responsive to the economic changes.
- Recent immigrants, in each of the selected years, are more likely to have acquired a university degree than non-immigrants.
- Immigrants are more likely to be over-represented in industries that are not major employers of non-immigrants.
- The largest share of immigrants is in accommodation and food services, where one in five workers are immigrants, followed by professional, scientific and technical services where their share is about 12 percent. These findings pose two important **research questions of policy relevance:** 1) Do immigrants displace non-immigrants in industries? 2) Do immigrants work in industries where non-immigrants do not want to work? A finer industrial breakdown of immigrant employment over time will allow addressing these questions meaningfully.
- Immigrant workers tend to cluster in high-skill/high-wage occupations and low-skill/low-wage occupations, while being under-represented in mid-skill jobs. **Policy implication**: immigration programs and settlement services must be skill

focused. For their successful integration in labour markets, higher skilled immigrants require faster credential recognition, professional licensing and employer engagement in regulated professions. Low-skilled immigrants need skills upgrading and language training linked to work that can help them advance to higher skill levels.

- Labour market earning of all immigrants has been below non-immigrants since 2021, while earning has been lower for recent immigrants than that for non-immigrants since 2016. **Research questions of policy relevance:** Are immigrants earning lower because of labour market discrimination based on their ethnicity? Is it because of employers' lack of information about the quality of their foreign credentials? Is it because a large percentage of immigrants work in low-skilled jobs? Do those working in professional industries work in low-skill, low-paid jobs? A finer industrial and occupational breakdown of data will be needed to answer these questions.

INTERNATIONAL STUDENTS

- After a drop in the entry of international students in 2020, the province experienced a steep rise. In fact, there has been an upward trend in their enrolments even before the pandemic.
- International students have been providing a buffer to the province's post-secondary institutions against the drop of domestic students, resulting from the drop in university-aged population. This has enabled the institutions to maintain some of the economies of scale they enjoy due to the large amount of fixed costs. The current IRCC cap on the inflows of international students has raised concerns that this advantage will be lost.
- A report published by the Association of Atlantic Universities (2024) estimates the shortfall in international students' enrolments resulting from the recent IRCC caps will result in an estimated loss to the province of $28.7 million in spending (direct output), $20.5 million in provincial GDP, $11.31 million in provincial income, 241 jobs (direct and indirect), $2.5 million in provincial taxes and $2.0 million in federal taxes collected in the province.
- **Policy implications:** Provincial government and educational institutions must remain active in promoting the province's post-secondary institutions and the benefits of declaring the province home. Providing co-op or internship access for international students during their studies and faster process to obtain post-graduation work permits could help avoid some of the scarring effects of job precariousness during study.

I. INTRODUCTION

With the number of births falling below the number of deaths, and uncertain patterns of net interprovincial migration, the province of Newfoundland and Labrador is at risk for continued population decline. Population growth is necessary for economic growth as human capital is the main driver of innovation, investments and labour force growth. Population growth is also necessary to maintain the province's representation in the Canadian House of Commons, relative to other provinces. The Canadian Constitution mandates that the number of seats each province holds in the House of Commons is recalculated after each decennial census to reflect shifts in population. Provinces which gain population gain more seats while those with stagnant or declining populations see no change in their seat allocation. This means they incur a fall in their proportionate representation in the House of Commons. It is not surprising, therefore, that at the turn of the present century, the provincial government of NL began to recognize the need to boost immigration which has now become the main driver of population growth in the province. Immigration remains under federal jurisdiction, but the province now actively participates in the planning process of the federal immigration levels and programs, provides advice and advocates for NL's immigration needs. The current federal limits on immigration will have disproportionately large impacts on the province because it relies much more on immigration— including international students and temporary foreign workers (TFWs)—to offset demographic decline. It is therefore important to examine Newfoundland and Labrador's experience with immigration over the past 25 years considering the province's vulnerability to federal immigration cuts and their implications for labour supply and population sustainability.

Our primary focus in this research is on the role of immigration in promoting economic growth and development in the region.

Objectives of the study

To understand the role of immigration in shaping the demographics and economy of Newfoundland and Labrador, we:

- Collect and tabulate data on immigration to Newfoundland and Labrador for the period 2001 - 2024, with a focus on the economic objectives of immigration.
- Provide a descriptive analysis of the data to better understand the demographic and geographic dimensions of immigration to Newfoundland and Labrador as they relate to the economic objectives of immigration.
- Identify some gaps in research that can provide necessary information for an informed public policy discussion on immigration and to develop and implement promising immigrant attraction, integration and retention strategies in the province.

Methodology

The term “immigrant” used in this study refers to all foreign-born individuals who are permanent residents of Canada. Those who arrived within five-years of a population census or Labour Force Survey (LFS) are viewed recent immigrants. The primary data sources for this study were

- Immigration, Refugee and Citizenship Canada (IRCC)
- Statistics Canada

Some data used in this study were obtained from the web sites of the above government sources. However, much of the required data was not available in the public domain and had to be acquired through different channels. Some data was made available to the authors under the specific data sharing agreements of the Atlantic Research Group on Economics of Immigration, Aging and Diversity (ARGEIAD) with IRCC. Some Statistics Canada data were accessed through their online resources, and some were purchased as customized requests.

The analysis we conducted is based primarily on descriptive tools of analysis. A distinction was made between immigrants destined for the province and those who stayed in the province. Among those who stayed, separate data were also analyzed for recent immigrants, i.e., those who arrived within five years before a population census or LFS, when possible. Some parts of the analysis also used data on the non-immigrant population for comparison.

Some of our data tables have cells with no value. This is due to data suppression by Statistics Canada because of insufficient observations.

The period of analysis of this study is 2001-2024. The IRCC data are based on the landing documents of immigrants and are for immigrant inflows. These are available for the entire period of analysis. Statistics Canada data are for the resident population. Some of these are drawn from the population census conducted every five years and are from 2001 until 2021. The data pertaining to resident labour forces of immigrants and non-immigrants are based on Labour Force Surveys (LFS) that are conducted monthly by Statistics Canada. The LFS introduced questions on immigrant status of population starting in 2006. At the time of writing this report, these data were available on an annual basis until 2024. Finally, some data are also based on the Longitudinal Immigration Database (IMDB) of Statistics Canada.

At the time of writing this report, the latest available data was for the year 2024.

II. SOME DEMOGRAPHIC TRENDS

Summary points

- *Over the past twenty-five years, NL went from large net outmigration to other provinces leading to large population losses, to large population gains fostered by substantial net immigration and non-permanent migration.*
- *The large outmigration in 2021 became negligible by 2024.*
- *In essence, the earlier population losses were reversed into large population gains because of immigration and non-permanent migration, as well as curbing the outmigration to other provinces.*
- *The demographic fluctuations have followed economic booms and busts in the province heavily dependent on oil and energy development projects.*

Demographic trends determine economic growth, fiscal health, and social sustainability of population. Understanding them enables realistic, targeted solutions. This is especially important for a small province like Newfoundland and Labrador whose share in the Canadian population has kept falling, from 2.6 percent in 1951 to 1.4 percent in 2021 – the last year when the population census was conducted. Based on the intercensal estimates provided by Statistics Canada, detailed components of population growth in the province are provided in Table 1 for the year 2024.

Table 1: Detailed components of population growth in Newfoundland & Labrador, 2024.

Component	Number
Births (1)	3,315
Deaths (2)	6,222
Immigration (3)	5,333
Emigration (4)	259
Net temporary emigration (5)	…*
Returning emigrants (6)	121
Net non-permanent residents (7)	4,701
Net interprovincial migration (8)	1,091
Population Growth (9) = (1) - (2) + (3) - (4) - (5) + (6) + (7) + (8)	8,080
Population Growth net of Non-Permanent Residents (10) = (9) –(7)	3,379
Immigrants in population growth = (3) of (9)	66.0%
Immigrants in population growth without Non-Permanent Residents = (3) of (10)	157.8%

Source: - Statistics Canada, Table 17-10-0008-01 Estimates of the components of demographic growth, annual. *Data not available for a specific reference period because too small to meet confidentiality reporting requirements.

As shown in the Table above, the natural population growth component of population growth in Newfoundland and Labrador was negative in 2024 since the number of births was just slightly over half of the number of deaths. This deficit of 2,907 was more than offset by immigration (5,333). When the inflow of net non-permanent residents of 4,701 is also considered, along with regular immigration, the negative population growth was substantially more than offset.[1] In essence, NL population growth relies solely on immigration, both permanent and non- permanent. As indicated by the former Premier Andrew Furey "as we work towards social and economic recovery, immigration will be a key pillar in our success".[2] Policies of the federal government that help smaller provinces attract immigrants have been instrumental in boosting immigration in the province of NL. Major examples of such policy initiatives are the Provincial Nominee Program (PNP), whereby provinces and territories nominate individuals who meet the particular labour market needs of the province, and the Atlantic Immigration Program (AIP).

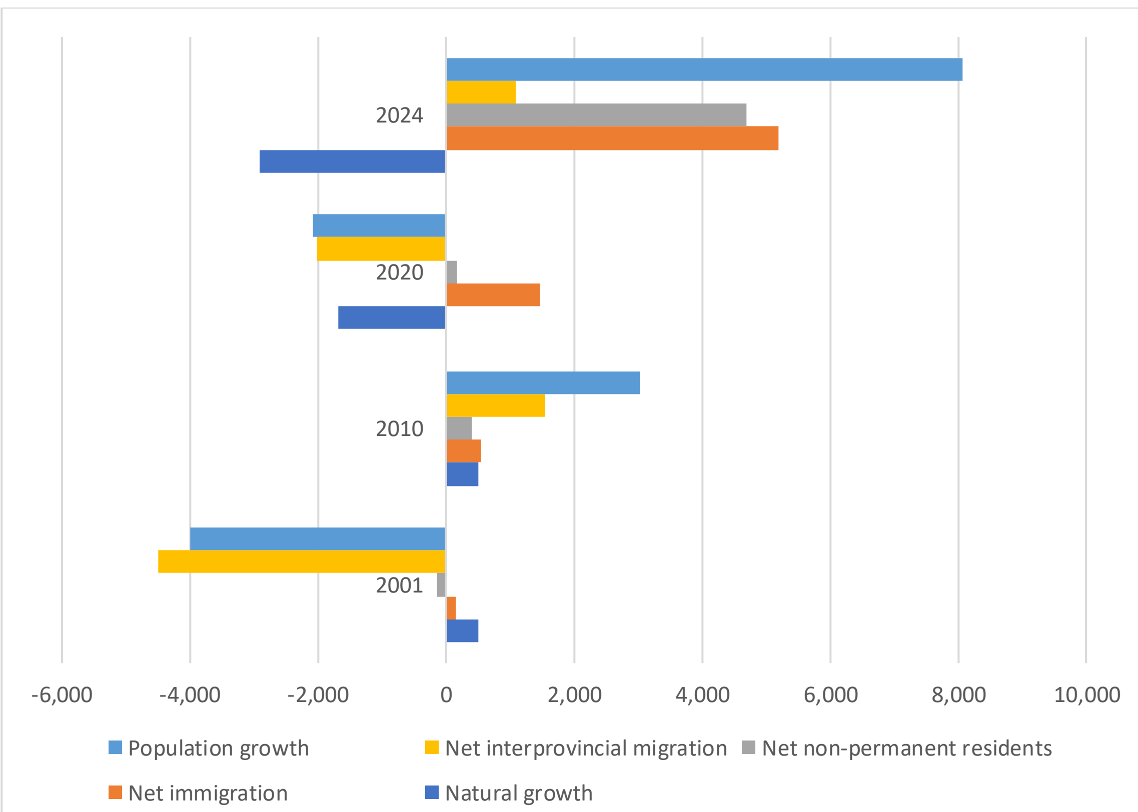
The other population growth components, as reported in Table 1 are much smaller. However, the positive net interprovincial migration component, about 1,100, is worth noting as it shows a reverse in the negative trend that has long been observed in

[1] Non-permanent residents are persons from another country with a usual place of residence in Canada and who have a work or study permit or who have claimed refugee status. Family members living with work or study permit holders are also included unless these family members are already Canadian citizens, landed immigrants (permanent residents), or non-permanent residents themselves.
[2] https://www.cbc.ca/news/canada/newfoundland-labrador/nl-immigration-investments-1.6077138

the province. This can reflect a variety of factors including lower housing costs compared to larger provinces, oil and gas developments, and to less extent, new developments in offshore wind and critical minerals, and the drying up of opportunities in the resource sectors in the Western provinces that used to attract people from NL. Furthermore, since the outbreak of the Covid pandemic in 2020, remote work has become more common which draws Canadians from other provinces to Atlantic Canada, looking for lower COVID cases, lower cost of living, and better work-life balance, prompting interprovincial migration away from larger population centres to NL and other Atlantic provinces.

The last row of Table 1 indicates that immigrants (permanent residents) caused about two-third of population growth in 2024 when non-permanent residents are included in population growth. If non-permanent residents were excluded from population growth, immigration of 5,333 would be 157 percent of the population growth net of non-permanent residents. In whatever manner it is measured, immigration is the key to NL's population growth.

Chart 1: Components of population growth in Newfoundland & Labrador, 2000-2024 ('000).



Source: Statistics Canada. Table 17-10-0008-01 Estimates of the components of demographic growth, annual

Chart 1 data show how the contribution of each population growth component has changed over the current century. Population growth was negative in 2001 (NL population fell by about 4,000), largely attributed to net outmigration of population. Natural growth of population remained positive in the first decade but was a tiny contributor towards population growth. Immigration also contributed a trickle towards population growth. In 2010, the overall population growth turned positive, driven by the positive net interprovincial migration. This can be explained by a resource-driven economic boom in the province that had temporarily reversed out-migration. Around 2007–2012, NL experienced one of the strongest economic expansions in Canada, driven by offshore oil and gas (Hibernia, Hebron development, White Rose expansions), mining and processing projects and high global oil prices that surpassed USD 100 per barrel and peaked at approximately $113 by 2012 after briefly touched $140 per barrel in 2008.. These created tight labour markets, higher wages, and job opportunities that reversed long-standing out-migration. (https://www.cnloer.ca/news/nr20120530/).

Both the natural increase and net interprovincial migration turned negative in the second decade. The natural increase was already weakening as the baby-boom echo (children of baby boomers) surpassed their prime child-bearing ages. Hence mortality started to overtake births province-wide. The oil price collapse of 2014-15 and the completion of some major capital infrastructure projects slowed down the economic opportunities, in turn causing the net interprovincial migration to become negative again. As Chart 1 data show, the negative natural increase of population and negative interprovincial migration together pulled the overall population growth negative after 2010. The positive population growth of 2024 was solely due to immigration (as also reported in Table 1 above).

Table 2 uses the Canadian population census data from 2001 to 2021 to illustrate how the composition of immigrants in provincial population has changed over the two and a half decades. Immigrants as a proportion of the total population grew steadily from 1.6 percent in 2001 to 2.8 percent in 2021. In essence, immigration has become important to offset the decline of non-immigrant population to sustain the provincial population.

Table 2: Immigrant Status of Population in Newfoundland & Labrador, 2001-2021.

Year	Total Population	Non-Immigrants	Immigrants	Immigrants in total population
2001	508,075	499,090	8,025	1.6%
2006	500,610	490,855	8,380	1.7%
2011	507,265	496,405	9,165	1.8%
2016	512,250	496,410	12,080	2.4%

2021	502,100	482,615	14,255	2.8%

Source: Statistics Canada, Census 2001,2006, 2011,2016 and 2021 Data tables

Mitigating population decline is important because many public expenditures have a substantial fixed cost component, largely independent of the number of users. Examples include national defence, healthcare and public pension systems, and public infrastructures like highways and bridges, research and development, foreign aid, and national parks and historic sites. Population decline would mean that the expenditures *per person* would increase as population declined. Immigration can help amortize those expenditures over a larger population, thereby keeping expenditures per person from rising.

Costs of capital-intensive projects do not fall as population falls. Hence, their per capita costs rise.

III. IMMIGRANT TRENDS IN NEWFOUNDLAND & LABRADOR

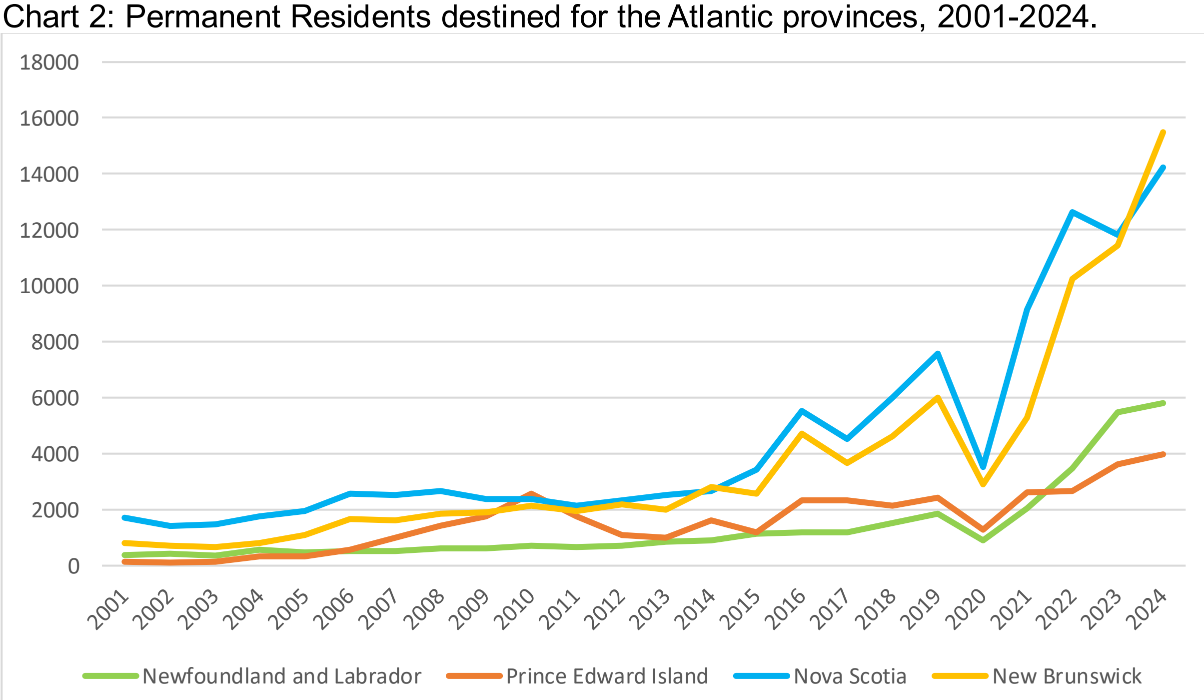
Summary points

- *In the post-COVID period, NL's position as an immigrant destination in Atlantic Canda moved from being 4th to 3rd.*
- *Most immigrants enter as economic class immigrants. They have been rising steadily since 2007, falling during the pandemic, then rising sharply.*
- *Refugees and protected persons also rose after the pandemic but fell during 2023.*
- *Since 2016, none of the top five source countries of immigrants have included non-western European countries which have been their traditional source countries historically. Philippines has been the top source country since 2011, lately followed by India.*
- *Top five source countries' immigrants accounted for 60 percent of all immigrants.*
- *Most immigrants tend to settle in the larger population area of Avalon Peninsula, followed by Labrador, Humber District and central NL. They are also thinly divided among other small population areas. Their distribution in smaller areas is largely employer driven.*

The rising component of immigrants in the population of NL reflects attraction and retention initiatives of the federal and provincial governments, especially over the past decade, to reverse the impact of natural growth decline of the province's population. While the absolute number of immigrants to the province is still lower than larger provinces, immigration per 1,000 population is now close to or above the national average. In 2024, there were 8-10 immigrants per 1,000 population declaring the province as their intended destination while 10-12 per 1,000 population entered Canada. This is a major shift from the 1990s–early 2000s, when NL's intake was near zero.

Chart 2 presents the annual inflows of immigrants in NL and compares the same with other Atlantic provinces. Permanent residents coming to Atlantic Canada tend to settle in the larger provinces of Nova Scotia and New Brunswick, with NL generally receiving the fewest. In all the Atlantic provinces, immigration dipped substantially in the Covid year of 2020, reflecting lockdowns and travel restrictions. In essence, NL has been the least popular destination for immigrants to the Atlantic provinces, although it has outstripped Prince Edward Island in the post-Covid years.

Chart 2: Permanent Residents destined for the Atlantic provinces, 2001-2024.

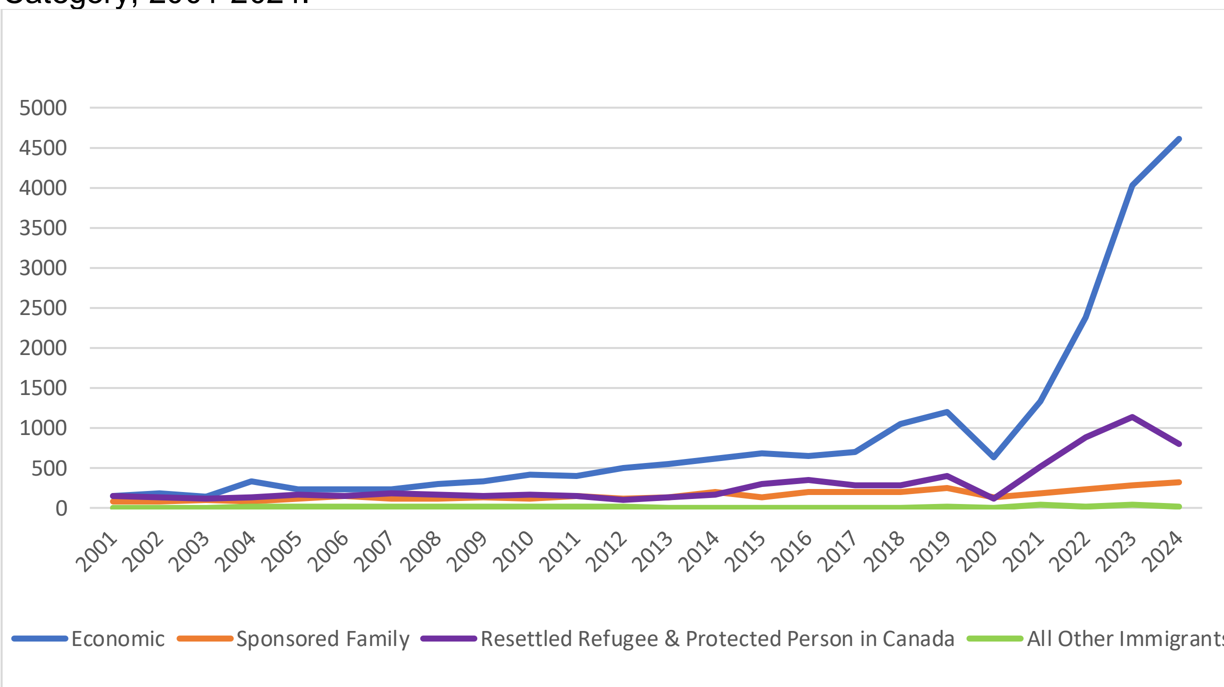


Source: Immigration, Refugees and Citizenship Canada (IRCC)-Custom Data-Canada – Admissions of Permanent Residents by Province/Territory of Intended Destination, Country of Citizenship, Immigration Category, and Gender, 2000 - December 2024.

Immigrants into Canada are selected based on the policies that fall under different programs. As illustrated in Chart 3, most permanent residents into NL arrive as Economic

Class immigrants. They enter under the system where points are given for skills related to language, work experience, age, and education – all of which are predictors of future economic performance. This group has been rising steadily since about 2007, falling during the pandemic of 2020, then rising sharply in the recent years after the pandemic. Refugees and protected class immigrants, who are selected purely on humanitarian grounds, also rose after the pandemic but fell after 2023.

Chart 3: Permanent Residents destined for Newfoundland & Labrador by Immigration Category, 2001-2024.

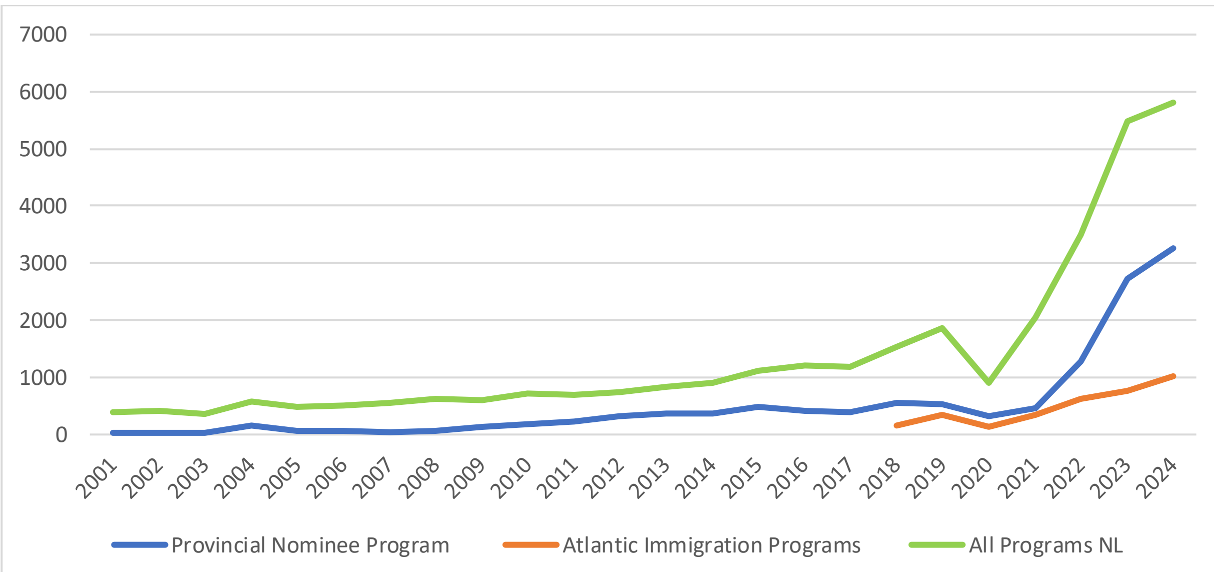


Source: Immigration, Refugees and Citizenship Canada (IRCC)- Canada - Admissions of Permanent Residents by Province/Territory of Intended Destination and Immigration Category.
Note: The definition of Immigration category is according to Statistics Canada Classification of admission category.

The Provincial Nominee Program (PNP) allows Canadian provinces and territories to nominate individuals for permanent residence based on local economic and labor market needs. In NL those needs include skill shortages, entrepreneurs and international students. If nominated by a province or territory, additional points are given for the point system that determines eligibility for permanent residency. The Atlantic Immigration Program (AIP), introduced in 2018, has similar objectives but is geared to the Atlantic provinces. It requires a job offer from an employer that is approved by the program, with direct approval for permanent residency that bypasses the point system, hence providing a faster pathway towards permanent residency. AIP can be viewed as a more specific-job targeted program because of its strong employer-driven recruitment.

Chart 4 highlights that the Atlantic Immigration Program and especially the Provincial Nominee Program have risen slowly but steadily as a component of Permanent Residents admitted into NL, increasing substantially in the post-Covid period, now accounting for almost all permanent residents admitted.

Chart 4: Permanent Residents admitted under the Provincial Nominee Program and Atlantic Immigration Program destined for Newfoundland & Labrador, 2000-2024.



Source and Notes: Immigration, Refugees and Citizenship Canada (IRCC)-Custom Data-Canada – Admissions of Permanent Residents by Province/Territory of Intended Destination, Country of Citizenship, Immigration Category, and Gender, 2000 - December 2024.

Where do immigrants come from?

Table 3 data show that the top five source countries of immigrants coming to NL have changed substantially over the period 2001 to 2024. None of the top five source countries of the 2001-2005 period are in the top five in the recent 2020-2024 period. While China ranked first during the 2001 – 2005 period, it did not appear in the list during 2020-2024. The UK and the USA dropped off the list after 2011-2015. Arrivals from India and Philippines have risen sharply and they now occupy the top two positions.

Table 3: Top 5 source countries of Permanent Residents (Principal Applicants) destined to Newfoundland & Labrador, 2001-2024.

Rank	Period of arrival									
	2001-2005		2006-2010		2011-2015		2016-2019		2020-2024	
1	China	365	China	335	Philippines	865	Philippines	1,260	Philippines	3,785
2	Sudan	190	UK	240	China	310	Syria	625	India	3,680
3	UK	175	USA	230	India	250	India	590	Afghanistan	1,470
4	USA	150	Iraq	135	UK	210	China	315	Nigeria	1,035
5	Colombia	130	India	115	USA	205	Nigeria	255	Ukraine	680
Total (Top 5)		1,010		1,055		1,840		3,045		10,650
Province Total		2,230		2,995		4,275		5,765		17,735

Source and Notes: Immigration, Refugees and Citizenship Canada (IRCC)-Custom Data-Canada – Admissions of Permanent Residents by Province/Territory of Intended Destination, Country of Citizenship, Immigration Category, and Gender, 2000 - December 2024.

Also, notable in Table 3 is the greater concentration from the top five countries. While they comprised 45 percent of total inflows in 2001-2005, their composition was 60 percent in 2020-2024.

With the 1967 abolishing of its “Preferred Country Clause” of 1910 Immigration Act, Canada started experiencing a shift in its source country mix of immigrants away from western European countries, and the US, towards countries of Asia, Africa and South and Central America. Other reasons for this shift occurred in later years with better economic opportunities within Europe as a result of the creation of European Union and the fall of the Berlin wall. The shift in source countries of immigrants to NL became more prominent after the province became actively involved in attracting immigrants since the early 2000s. The shift since 2016, which has seen a disappearance of UK and the US from the top five list, is mainly the result of changing labour-market needs, and global migration dynamics, rather than cultural or historical ties. Growth of international students at Memorial University, College of North Atlantic, and private colleges in the province could also be a factor. Their retention is also one part of the province’s immigration strategy. They are disproportionately fro

m India, Nigeria, Bangladesh and Nepal, reshaping the source country mix of immigrants to the province.

Where do immigrants in Newfoundland and Labrador go?

One of the goals of each Atlantic Province's immigration strategy is to promote immigrant settlement across the province and facilitate the choice of immigrants' destination outside of major urban centres. This goal is to support regional labour markets, stabilize rural and remote communities and to fill jobs in health care, mining, fisheries and seafood processing, aquaculture, technology, energy, hospitality, trades, and services outside the main urban cities. This goal is also written into the program design of their Provincial Nominee Programs (PNP) and employer requirements under the Atlantic Immigration Program (AIP). Table 5 shows the geographical distribution of immigrant population in the province of NL, based on Census 2021 data.

Table 4: Geographic distribution of immigrants in Newfoundland & Labrador, 2021.

Census Division	Region Name	Largest City/Town	Total Population	Non-immigrants	Immigrants	Immigrants who arrived 2016 - 21
Div No. 1	Avalon Peninsula	St. John's	267,550	252,885	10,225	3,135
Div No.2	Burin Peninsula	Marystown	19,120	18,915	205	10
Div No.3	South Coast	Channel-Port aux Basques	13,840	13,740	90	0
Div No.4	St. George's	Stephenville	18,850	18,555	275	70
Div No.5	Humber District	Corner Brook	39,525	38,580	775	190
Div No.6	Central NL	Grand Falls-Windsor	36,585	35,760	645	170
Div No.7	Bonavista	Clarenville	32,515	31,950	440	95
Div No.8	Notre Dame Bay	Lewisporte	33,405	33,185	220	35
Div No.9	Northern Peninsula	St. Anthony	14,510	14,230	245	40
Div No.10	Labrador	Happy Valley - Goose Bay	23,885	22,520	1,130	520
Div No.11	Nunatsiavut	Nain	2,320	2,300	10	0

Source: -Statistics Canada. Census Table 98-10-0348-02 Immigrant status and period of immigration by gender and age: Census divisions by province or territory.

Table 4 data reveal that recent Immigrants (who arrived in the 2016 – 2021 period) resided mostly in the Avalon Peninsula which includes the capital city of St. John's. This area has the largest existing population of immigrants, highlighting the well-known pattern of immigrants going to cities with an existing network of immigrants and diverse employment opportunities. On the Avalon Peninsula, jobs, services, institutions, and settlement supports are most concentrated, thereby reducing the newcomers' transaction costs of employment, settlement, and social risks in a small province.

The second largest influx of recent immigrants is in Labrador which includes the town of Happy Valley - Goose Bay. While a small population by itself, it has a substantial population of existing immigrants relative to that small population. The single most important factor of immigrant settlement in this smaller location (compared with the Avolon Peninsula) is employer-driven recruitment, especially in mining, energy, health care (NL Health Services), hospitality, trades, and education and public services including municipal services.

Immigrant settlements in Humber District (west coast) and central NL are also worth noting. These and other smaller area settlements also appear employer led settlements, as under the AIP. Humber District and Central NL mostly attract immigrants in health care, manufacturing and food processing sectors.

IV. IMMIGRANTS IN THE LABOUR FORCE OF NEWFOUNDLAND & LABRADOR

Summary points

- *Immigration either contributed to the increase in the labour force or buffered any decline. The buffering of the decline was especially pronounced in the 2017-2021 period, offsetting 13.1 percent of the decline, and then the recent 2022-2024 period, contributing 34.2 percent to the increase of labour force.*
- *Labour force participation of recent immigrants has been consistently higher than that of non-immigrants. This may be due to them being younger, employer driven entry and motivation. Women tend to have lower participation than men in all three groups.*
- *Unemployment rate is lower among immigrants than non-immigrants*
- *The changes in economic conditions in rural and urban centres are generally mirrored in the separate settlement patterns of immigrants and non-immigrants. Immigrant labour force appears more responsive to the economic changes*
- *Recent immigrants, in each of the selected years, are more likely to have acquired a university degree than non-immigrants.*
- *Immigrants are more likely to be present in industries that are not major employers of non-immigrants.*
- *The largest share of immigrants is in accommodation and food services, where one in five workers are immigrants, followed by professional, scientific and technical services where their share is about 12 percent.*
- *Immigrant workers tend to cluster in high-skill/high-wage occupations and low-skill/low-wage occupations, while being under-represented in mid-skill jobs.*
- *Labour market earnings of all immigrants has been below non-immigrants since 2021, while earning has been lower for recent immigrants than that for non-immigrants since 2016.*

Each Atlantic province seeks to prevent the shrinkage of its labour force, following the decline in natural growth of population, through immigration. A fall in the labour force will be especially harmful for the province because it can trigger a chain reaction that will affect economic growth, public finances, services, and long-term sustainability. Table 5 data show that the province is achieving its goal of preventing labour force decline through immigration.

Table 5: Contribution of recent immigrants to the growth of provincial labour force, Newfoundland & Labrador, 2001-2024

Period	Total growth of labour force[1] (‘000)	Growth due to recent immigrants[2] (‘000)	Growth without recent immigrants (‘000)	Immigrants' contribution to labour force growth (%)
	{1}={2}+{3}	{2}	{3}	{4} = {2}/ {1} x100
2001-2006*	9	0.675	8.325	7.5
2007-2011	15.1	1.3	13.8	8.6
2012-2016	-2.7	-0.2	-2.5	7.4
2017-2021	-8.4[3]	1.1	-9.5	13.1[3]
2022-2024	7.9	2.7	5.2	34.2

*First row (2001-2006) based on data from census 2001,2006.

[1]Attributed to natural growth, net interprovincial migration and net immigration?

[2]Measures percentage of labour force growth due to recent immigrants who arrived during the listed period.

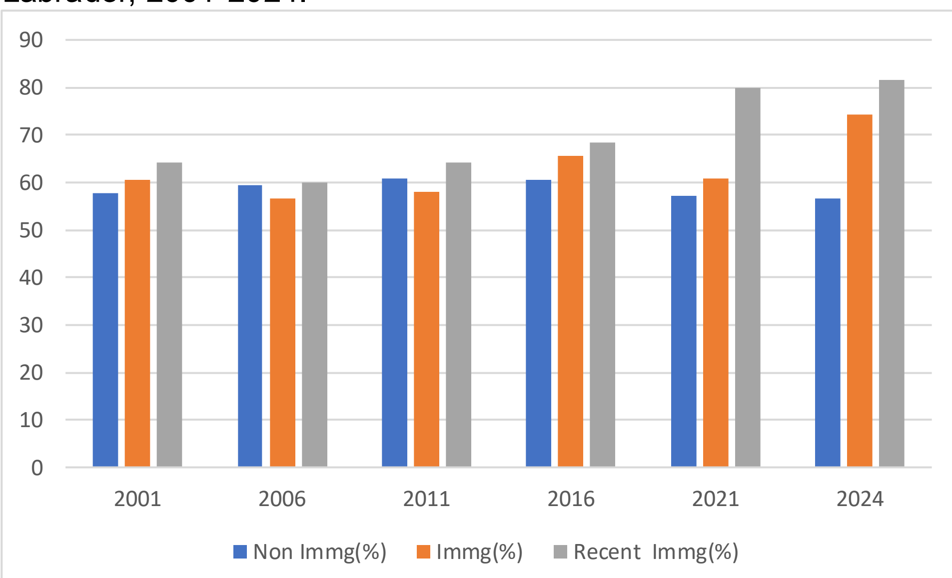
[3] The negative 8.4 (‘000) means a decline of 8.4 (‘000 in the labour force in that period (column 1). This would have been a decline of 9.5 (‘000) (column 3) were it not for the increase in immigration of 1.1 (‘000) (column 2). Therefore, immigration offset 13.1 percent of the decline (i.e, 1.1/8.4 x100) (column 4).

Source: Statistics Canada, Census 2001,2006 data tables & Custom data on Labour force characteristics-Table on Selected characteristics by immigrant status, gender, and population centre and rural areas.

Table 5 (above), column 1, shows that the labour force of NL grew over the first decade of the current century, fell in the second decade and then started to grow again in the current decade. The fall in the first half of the second decade reflects declines in construction and mining, oil and gas (Labour Market Bulletin, Newfoundland and Labrador 2016). Even larger negative growth occurred in 2017-2021 that encompassed the pandemic. However, as the rest of the Table 5 data suggests, recent immigrants helped offset the decline, more so in the post-Covid period when they contributed over one-third of labour force growth in the province.

Chart 5 indicates that in the earlier years of 2001, 2006 and 2011, labour force participation rates of immigrants, and especially new immigrants, tended to be fairly similar to those of non-immigrants. Beginning in 2016, however, the participation rates of immigrants, and especially new immigrants, began to outpace that of the non-immigrants. In 2021, the labour force participation rate of new immigrants was at 80 percent, compared to that of slightly under 60 percent for non-immigrants, and about 65 percent for all of Canada. By 2024, the participation rate for all immigrants in NL was about 73 percent, substantially higher than that of non-immigrants, which was at slightly under 60 percent. Since 2016 the labour force participation rate of non-immigrants to NL has fallen slightly, so the increase in new immigrants has helped offset that decline in the labour force.

Chart 5: Labour force participation rates by immigrant status, Newfoundland and Labrador, 2001-2024.



Source and notes: 2001: Statistics Canada: Census Catalogue – 97F0009XCB2001041
2006-2024: Custom Labour Force data.

A major factor in differences in participation rates between immigrants and non-immigrants is the difference in their age distribution. In its selection criteria, immigration policy emphasizes selection of younger individuals who are likely to contribute to the labour force over a long time. They are also likely to have young children who become contributing members of the labour force in future. As well, recent immigration policy tends to be more employer-driven so that immigration has become an important buffer to mitigate the decline in the participation rate of non-immigrants that is largely attributed to the aging population.

Further insights into the above trends of labour force participation rates can be obtained by considering the gender breakdown of the immigrant and non-immigrant labour force as men and women experience the labour market very differently. Understanding this is essential for policies to integrate and retain immigrants. Table 6 shows the gender breakdown of the labour force participation rate in the year 2024.

Table 6: Labour force participation rates by gender and immigrant status, Newfoundland and Labrador, 2024*.

	Male	Female	Ratio Female/Male
Non-immigrants	58.9	54.6	0.926
All immigrants	77.6	69.5	0.896
Recent Immigrants	85.2	74.5	0.874

Source and notes: Statistics Canada: Custom Labour Force data.

*Reported for population aged 15 and above.

Immigrant men and women have higher participation rates than non-immigrants, this being especially the case for recent immigrants. The labour force participation rate for men is higher than for women across all groups, although only slightly higher for non-immigrants. The lower participation of immigrant women than immigrant men can be due to many factors including family responsibilities, spousal employment constraints, etc. Most immigrants now come from non-western countries where immigration of women is generally tied to the immigration of the male family member which could prevent them, in their initial years after arrival, from fully utilising their labour market skills.

Table 7 shows that overall, the unemployment rate of immigrants in NL has been substantially below the unemployment rate of non-immigrants. LFS-based data on recent immigrants were not provided by Statistics Canada due to insufficient observations.

The lower unemployment rate of immigrants (which include recent and established immigrants) may be due to the employment-specific admittance of recent immigrants under PNP and AIP. However, it is worth noting that the unemployment rate gap between the two populations narrowed since 2021 (Column 4, Table 7).

Table 7 : Unemployment rates, immigrants and non-immigrants, 2001-2024.

Year	Non- Immigrants (%)	Immigrants (%)	Ratio immigrants/ non-immigrants
2001	22	9	.409

2006	15.1	7.7	.510
2011	13.3	7.4	.556
2016	13.9	6.3	.453
2021	13.2	8.2	.621
2024	10.2	6	.588

Source: 2001: Census Catalogue – 97F0009XCB2001041 ; 2006-2024: Custom Labour Force data.

As discussed earlier, one of the goals of the province's immigration strategy is to achieve greater geographical distribution of newcomers so that the economic benefits are not limited to larger population centres. Programs like PNP and AIP aim to encourage settlement outside the largest urban centre of St. John's. Starting 2011, Statistics Canada replaced "urban" centres with "population centres." A population centre has a population of at least 1,000 and a population density of 400 persons or more per square kilometre, based on population counts from the current Census of Population. Population centres include the cores, secondary cores and fringes of census metropolitan areas (CMAs) and census agglomerations (CAs), as well as those population centres outside CMAs and CAs. All areas outside population centres are classified as rural areas.

Distribution of labour force by rural and population centres is provided in Table 8.

Table 8: Labour force growth, Immigrant and non-Immigrant, in rural and population centres.

	2006		2011		2016		2021		2024	
	Rural areas	Population centres	Rural areas	Population centres	Rural areas	Population centres	Rural areas	Population centres	Rural areas	Population centres
Total ('000)	90.7	161.5	84.4	183.4	93.9	178.4	82.7	176.1	72.8	199.2
% growth			*-6.9*	*13.6*	*11.3*	*-2.7*	*-11.9*	*-1.3*	*-12.0*	*13.1*
Immigrants ('000)	0.9	2.9	0.6	4.8	0.9	5.4	0.6	7.8	1.2	13.8
% growth			*-33.3*	*65.5*	*50*	*12.5*	*-33.3*	*44.4*	*100*	*76.9*
Non-Immigrants ('000)	89.5	156.8	83.6	176.6	92.5	170.7	81.9	164.3	71.4	173.8
% growth			*-6.6*	*12.6*	*10.6*	*-3.3*	*-11.5*	*-3.7*	*-12.8*	*5.8*

Source: -Statistics Canada, Custom data on Labour force characteristics-Table on Selected characteristics by immigrant status, gender, and population centre and rural areas.

The first row of Table 8 above shows that the labour force in larger population centres grew more rapidly than in the rural communities, going from 1.8 times the size of the rural labour force in 2011 to 2.7 times the size by 2024. But the growth was uneven over the different subperiods, highlighting the sensitivity of the NL economy to economic conditions. As indicated in the second row, the labour force in rural communities experienced negative growth over each subperiod, except between 2011 and 2016, when both the non-immigrant and immigrant labour forces grew. This likely reflects the labour-intensive mega-construction projects active during that period, most notably the Muskrat Falls hydroelectric project in Labrador (approximately 1,600 km northwest of St. John's) and the Hebron offshore oil project in the Jeanne d'Arc Basin (340 kilometres southeast of St. John's). Conversely, the labour force in the larger population centres experienced growth over each subperiod, except for the period between 2011 and 2016 where it declined by 2.7 percent, followed by a small decline between 2016-2021. This decline likely reflects a decline in the offshore oil industry following the collapse of oil prices in the later part of that period. This effect was especially pronounced in larger population centres like St. John’s, affecting not only those directly involved in the oil industry but also the services that supported that industry.

The gender breakdown of labour force, and unemployment rates, in rural and population centres are provided for the year 2024 in Table 9. Unfortunately, data on unemployment rates of immigrant women are not available.

In both rural and population centres and for both immigrants and non-immigrants, more men were in the labour force than women and immigrant men faced lower unemployment rates than non-immigrants.

Table 9: Labour force and unemployment rates, immigrants and non-immigrants by rural and urban regions and gender, Newfoundland & Labrador, 2024.

	Rural areas			Population centres			Provincial		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Labour Force (‘000)									
Immigrants	0.7	0.5	1.2	7.7	6.1	13.8	8.3	6.6	15
Non-Immigrants	36.9	34.5	71.4	87.5	86.2	173.8	124.4	120.8	245.2
Unemployment rate (%)									
Immigrants	X	X	X	7.8	X	5.8	8.4	X	6
Non-Immigrants	17.9	10.7	14.4	10.4	6.4	8.4	12.6	7.7	10.2

Source: Statistics Canada, Custom data on Labour force characteristics-Table on Selected characteristics by immigrant status, gender, and population centre and rural areas.
. ‘X’: Data not available.

Immigrants’ human capital

Educational attainment is one of the key factors in immigrant selection. This is because the immigration policy emphasizes expanding the skilled labour force which is essential for Canadian economic growth. LFS-based data, as obtained from Statistics Canada, can be used to obtain cross tabulations of the university educated labour force.

For those with high school or less education, there are insufficient observations to provide meaningful conclusions and are not reported.

Table 10: Recent Immigrants and non-immigrants with University Degree, Newfoundland and Labrador 2001-2024

Year	2001	2006	2011	2016	2021	2024
Non-Immigrants in labour force (%)	9.00	13.72	16.14	17.25	20.02	23.37
Recent Immigrants in labour force (%)	56.86	66.67	66.67	56.52	54.76	52.13

Source: Statistics Canada, Custom data on Labour force characteristics-Table on Selected characteristics by immigrant status, gender, and population centre and rural areas. Recent Immigrants- Immigrants, landed 10 years or less earlier.

Table 10 (above) shows that the percentage of non-immigrants labour force in NL which had a university degree rose steadily over the period, from 9 percent in 2001 to about 25 percent in 2024. For recent immigrants in each of the years reported, this percentage has been more than 50 per cent. In 2024, their proportion was over twice as high as of non-immigrants.

There has been a general overall increase in demand for university educated workers in Canada largely due to adoption of skill-biased technology by firms in production. This has been a motivator for the population to acquire university education. In the case of non-immigrants, tuition financing, student loans, and scholarships have made university education accessible to them - a phenomenon that can be called domestic educational upgrading. In the case of immigrants, the higher proportion of university education is a result of the selective nature of immigration policy.

Industrial shares in labour force

It is important to review the shares of immigrant labour force across industries as it shows whether immigration is aligned with NL's economic structure and labour needs. Table 11 provides this distribution for non-immigrants and all immigrants. Due to insufficient observations, separate data for recent immigrants are not available. Data on some industries are also not reported for the same reason.

Employment in NL's economy is highly concentrated in a few industries (health care and social assistance, retail, construction, education, public administration, resource extraction, which includes mining quarrying and oil and gas extraction, accommodation and food services). The overall share of immigrants in the province's industries is nearly 6 percent. Immigrants are overrepresented (their share exceeds 6 percent) in six out of the 11 industries on whom data are available. The largest share is in accommodation and food services, where one in five workers are immigrants, followed by professional, scientific and technical services where their share is about 12 percent. In other 4 sectors where they are overrepresented their shares vary between 6 to 7 percent.

Immigrant share of labour force is the least in construction and resource extraction industries.

In summary, immigrants tend to be over-represented (their share exceeds their provincial share of 6 percent in labour force) work in industries that are relatively less popular among non-immigrants.

Table 11: Industrial share of labour force by immigrant status, 2024

Industry	Non-immigrants	All immigrants	Total	Immigrants' share in total
	000	000	000	%
Total, all industries	245.2	15	260.2	5.76
Agriculture, forestry, fishing and hunting	5.3	X	X	X
Mining, quarrying, and oil and gas extraction	14.3	0.5	14.8	3.38
Utilities	2.1	X	X	X
Construction	23.1	0.7	23.8	2.94
Manufacturing	11.5	X	X	X
Wholesale trade	5.4	X	X	X
Retail trade	31.1	1.4	32.5	4.31
Transportation and warehousing	12.5	0.8	13.3	6.02
Information and cultural industries	2.2	X	X	X
Finance and insurance	5.1	X	X	X
Real estate and rental and leasing	2.7	X	X	X
Professional, scientific and technical services	10.7	1.5	12.2	12.30
Management of companies and enterprises	X	x	X	X
Administrative & support, waste management & remediation	6	0.5	6.5	7.69
Educational services	19.5	1.5	21	7.14
Health care and social assistance	43.7	2.8	46.5	6.02
Arts, entertainment and recreation	4.3	x	X	X
Accommodation and food services	10.8	2.6	13.4	19.40
Other services (except public administration)	8.5	x	X	X
Public administration	20.4	0.8	21.2	3.77
Unclassified industries	6.2	x	X	X

Source: Statistics Canada, Custom data on Labour force characteristics-Table on Selected characteristics by immigrant status, gender, and population centre and rural areas. "X" = Data not available.

Occupational distribution in labour force

Industry distribution of immigrants showed us where immigrants work. It is also important to review what immigrants do. Table 12 presents their distribution according to the occupational classification of their skills as grouped by Statistics Canada. Definition of each skill level is provided at the bottom of the table.

Table 12: Percentage distribution of non-immigrant and immigrant labour force by occupational classification, 2024.

TEER classification	Non-immigrant (% of total)	All immigrants (% of total)	Recent immigrants (%of total)
TEER 0	7.45	4.68	5.49
TEER 1	18.20	27.01	21.07
TEER 2	26.53	20.97	22.34
TEER 3	16.95	15.58	18.73
TEER 4	16.86	12.78	11.98
TEER 5	14.02	18.09	23.24
Unclassified	2.59	X	X

Source: Statistics Canada, Custom data on Labour force characteristics-Table on Selected characteristics by immigrant status, gender, and population centre and rural areas.
'X': Data not available.
Note: In the TEER (Training, Education, Experience and Responsibility) classification system, 0 represents the highest occupation level and 5 the lowest. Specifically,: TEER 0, Management; TEER 1, Usually require a university degree; TEER 2, College diploma, apprenticeship of 2+ years or supervisory roll; TEER 3, College diploma, apprenticeship of < 2 years or 6+ months of on-the-job training; TEER 4, High school diploma, or several weeks of on-the-job training; TEER 5, Short-term work demonstration and no formal education.

Table 12 data show that immigrants (both all and recent) are disproportionately distributed in the TEER 1 occupations that require a university degree and in the TEER 5 occupations that require only short-term work demonstration and no formal education. This distribution highlights the feature of the Canadian immigration system that emphasizes university education as part of the skills-based point system of the Comprehensive Ranking System on the website of Immigration, Refugees and Citizenship Canada (IRCC**).** It also highlights that immigrants are disproportionately involved in lower-end (TEER 5) jobs that include workers in agriculture and food production. As indicated in Jennifer Wright (2024).

Data on industrial shares and occupational distribution of the immigrant labour force show that while immigrants tend to work in industries that are less popular among non-immigrants, they fill jobs at both high and low skill levels, again showing a clear dichotomy in the labour market (jobs that employers cannot find workers in the local labour market or jobs that workers are unwilling to do).

Labour market income

Income is an indicator of labour market performance. Census and LFS data allow us to compare earnings of immigrants and non-immigrants. In Table 13, average weekly wage rates of all and recent immigrants are presented relative to non-immigrants. Earnings differ across the two groups due to many factors including differences in age, education, lack of immigrants' credential recognition, labour market discrimination, etc. Hence, Table 13 data are only broad comparisons. A greater in-depth analysis should control for the differences in their determining factors.

Table 13: Ratio of Average Weekly wage rate of immigrants relative to non immigrants, Newfoundland and Labrador, 2001-2024.

Year	2001	2006	2011	2016	2021	2024
All Immigrants	1.7	1.6	1.2	1.1	0.9	0.9
Recent Immigrants	1.6	x	1.1	0.8	0.8	0.7

Source: For 2001: Statistics Canada, Census Catalogue – 97F0009XCB2001041. For 2006-2024: Custom Labour Force data. A ratio higher than 1 means an average immigrant's earning was higher than that of an average non-immigrant. A lower than 1 ratio means the opposite is true. 'x' indicates data suppressed by Statistics Canada to meet confidentiality requirement.

All immigrants earned about 70 percent more than non-immigrants in 2001, but this wage advantage continued to decline since then. Since 2021, they earned below non-immigrants by about 10 percent. New immigrants have also been earning below non-immigrants since 2016.

The fall in the wage advantage of all and recent immigrants could be due to many reasons. As Table 4 showed, there has been a change in the composition of immigrant source countries from western to non western countries. Immigrants from the former tend to possess skills that are more transferrable to Canada than those from the latter. As a result, the Canadian labour market is likely to undervalue the skills of new immigrants. However, as was noted earlier in this report, job education matching of recent immigrants has been improving. This may be narrowing the earnings gap over time.

Table 14 uses data from Longitudinal Immigration Database (IMDB) to analyse immigrants' median income earnings by their entry class in 2022, the latest year for which data were available at the time of writing, by their years of admission. These data are analyzed for economic class immigrants and their sub-groups. Analysing data by their year of admission allows one to understand how earnings change with the length of stay.

Table 14: Median annual income earned by economic immigrants by their types, principal applicants, Newfoundland and Labrador, 2022.

Admission Year	2017	2018	2019	2020	2021
	Median income in 2022 $				
Economic Immigrant, principal applicant	$57,900	$62,400	$56,100	$52,800	$47,200
Skilled worker and skilled trades, principal applicant	$101,600	$66,800	$56,900	$60,700	$46,700
Canadian experience class, principal applicant	$93,600	$83,400	$76,900	$79,200	$72,900
Provincial/territorial nominee, principal applicant	$52,600	$61,300	$50,500	$47,800	$38,600
Business programs, principal applicant	X	X	X	X.	X
Caregiver, principal applicant	$40,800	$44,900	X	X	X.

Statistics Canada. Table 43-10-0026-01(tax filers data) Income of Immigrant tax-filers, by immigrant admission category and tax year, for Canada and provinces, 2022 constant dollars. NA refers to data not available, or observations suppressed due to insufficient data. Note: At the time of writing this report, the latest available IMDB data were for the taxation year 2022. Income includes wages, salaries and commissions. “ X” denotes data not available.

Economic immigrants are those selected by the Government of Canada to become permanent residents based on their ability to contribute to the Canadian economy, often based on points given for factors such as their skills, education, work experience, and ability to fill specific labor market needs. They are grouped into five different categories. One would expect that with their length of stay, immigrants’ earning will rise as they gain more Canadian experience. However, while it was true for each cohort of economic class that entered NL during 2018-2021, the 2017 entry cohort had lower earning in 2022 than the 2018 cohort which had arrived a year later. This was found to be true only in the case of Provincial Nominees and Caregiver categories which can be described as more general categories than others which are more targeted to fill specific jobs (such as in health care, education and construction sectors). These other categories became more prominent in immigrant selection for smaller areas after 2017, thereby easing the job-skill match.

V. IMMIGRANT RETENTION IN NEWFOUNDLAND & LABRADOR

Summary points

- *Province's immigrant retention rates are low -45.6 percent for five years and 37.5 percent for ten years.*
- *Family class immigrants are the least mobile, while economic and refugee classes are most likely to leave the province in search of better economic opportunities in other provinces.*

Analyzing immigrant retention rates in Newfoundland and Labrador (NL) is important because immigration only contributes to the province's long-term prosperity if newcomers stay. For a small, aging, and geographically dispersed province like NL, retention is often more important than attraction.

The top row of the top panel of Table 15 shows that from all immigrants to NL who arrived in 2012, 77 percent were retained in their first year, with the numbers dropping steadily in each subsequent year, until only 37 percent remained by 2022, i.e., ten years after arrival.

This pattern was similar for the various subgroups although with some notable deviations. From the 2012 arrivals, those in the skilled worker and skilled trades class, only a little over half (57.1 percent) remained after the first year, and only 26.7 percent remained by their tenth year. Presumably many of these workers were brought in to fill skill shortages on specific projects that may not have continued. The Canadian experience class also had only 66.7 percent remaining after their first year, and only 33.3 percent by their fifth year (2017). The provincial nominee class had the high percentage of 81.5 percent after the first year but was down to a low of 38.3 percent by the tenth year (2022). Similarly, the refugee class had only 69.2 percent after the first year and was down to the lowest of 12.5 percent by the tenth. Immigrants sponsored by their family had the highest retention rates, 93.8 percent in their first year, down to the highest rate of 61.1 percent by their tenth year of arrival.

Except for provincial nominees who were admitted in 2012, the retention rates are found to fluctuate in all categories of economic immigrants. This indicates the in-and-out migration of economic class immigrants based on the fluctuations in the provincial economy that have been discussed earlier in the report. Economic class immigrants are less tied to place than family or refugee classes, so their retention is inherently more cyclical.

The patterns observed for the 2012 arrivals are different among the 2017 arrivals whose rates continued to fall over the years, in all categories, except for the family immigrants

Table 15: Retention rates 2012-2022 by admission type of immigrants, 2012 and 2017 arrivals, Newfoundland and Labrador.

Admission category	Admission year 2012										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total All Immigrants	77	67.3	61.5	57.3	53.6	49.5	45	42.6	40.4	38.2	37.5
Economic Immigrant	76.1	64.9	56.6	53.3	48.7	45.5	41.6	40	40	38.2	36.4
Skilled worker and skilled trades	57.1	42.9	43.8	46.7	46.7	37.5	40	33.3	35.7	33.3	26.7
Canadian experience class	66.7	75	66.7	33.3	66.7	33.3	X	X	X	X	X
Provincial/territorial nominee	81.5	69.6	59.6	54.4	50.9	46.6	43.1	42.1	41.4	39	38.3
Immigrant sponsored by family	93.8	88.2	84.2	78.9	73.7	73.7	72.2	66.7	64.7	55.6	61.1
Refugee	69.2	53.8	57.1	46.7	46.7	40	37.5	33.3	18.8	18.8	12.5
Admission category	Admission year 2017										
	2017		2018		2019		2020		2021		2022
Total All Immigrants	66.9		61		55.2		52.3		48.6		45.6
Economic Immigrant	64.4		57		50.5		48.1		44.5		42.3
Skilled worker and skilled trades	41.7		41.7		38.5		30.8		23.1		23.1
Canadian experience class	52.4		50		42.9		35		30		25
Provincial/territorial nominee	69.4		61.5		53		53		50		47.2
Caregiver	71.4		71.4		71.4		71.4		71.4		71.4
Immigrant sponsored by family	78.1		72.7		70.6		72.7		66.7		66.7
Refugee	61.3		57.6		52.9		45.7		40.5		35.9

Source: Statistics Canada. Table 43-10-0018-01 Interprovincial migration of immigrant tax filers, by pre-admission experience and tax year, for Canada and provinces. Retention shows the percentage of immigrant tax filers continuing their residence in the province of destination, in the specified year. This does not take into account immigrants migrating in from another province of destination. “X” represents data too few to be reported by Statistics Canada due to confidentiality reasons. Data on Business programs and Other immigrants are not reported for both cohorts because they are reported either as zeros or not provided in the original data source. Same applies to Caregiver data for 2012 admissions.

in 2020. Caregivers had the highest rate which remained constant throughout the period. They are usually domestic workers tied to their private employers. Family immigrants had the second highest rate.

VI. INTERNATIONAL STUDENTS IN NEWFOUNDLAND & LABRADOR

Summary points

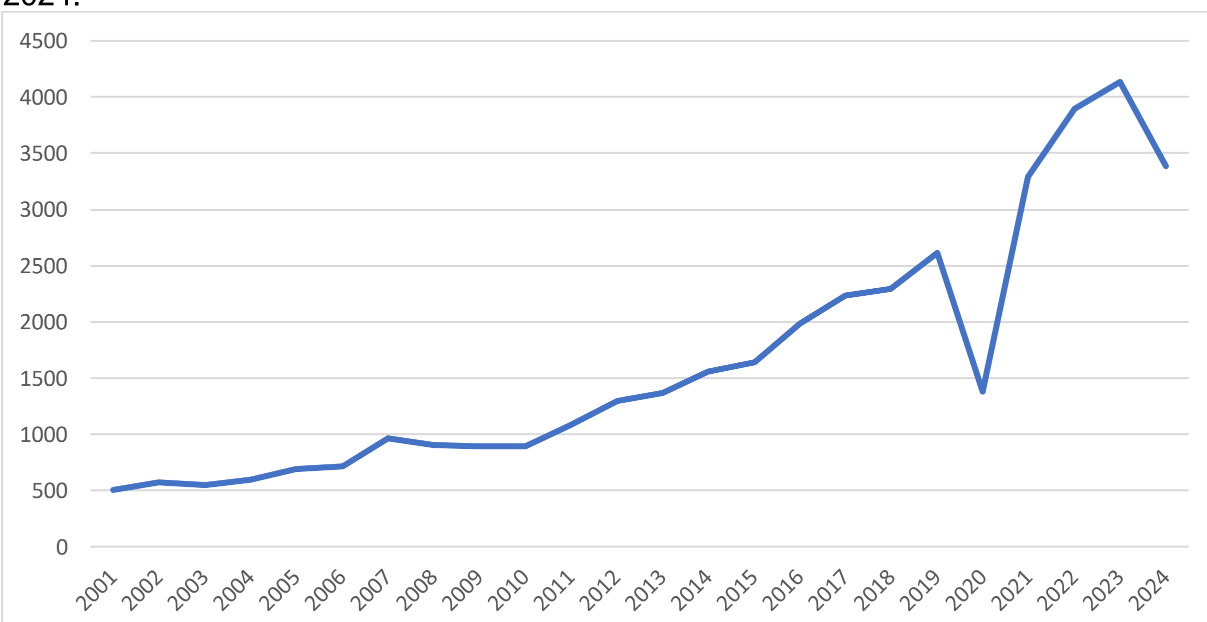
- *The inflow of international students has been rising steadily over the current century. After the drop in 2020 due to Covid lockdowns, there was a surge in their inflow rising more than 3 times.*
- *Most international students study at the post-secondary level.*
- *China was the top source country from 2001 to 2016, dropping to second in 2021, and out of the top five thereafter. India was first in 2024, up from its fourth position in 2001 and third positions in 2011, 2026 and 2021.*
- *India, Nigeria, Bangladesh and Ghana made the top five list in 2024.*

International students are an important component of immigration strategy of the province as they can help boost the economy of NL. Universities and colleges that educate international students operate in a "clean" industry—generating export revenue through tuition and living expenses. This spending sustains well-paying jobs within institutions and in housing, retail, and professional services, offering a stable, environmentally sustainable economic driver compared to resource extraction. Education fosters knowledge spillovers to other sectors through various means such as links between education institutions and industry as well as research and development activities. Upon graduation, international students are often on pathways into permanent residency given their language skills, experience with the Canadian economy and their credentials, thus avoiding the difficult task for their potential employers evaluating foreign credentials. When international students enter an institution in Canada, their earlier pre-arrival education has been paid for in their home country. When they enter a post-secondary institution, their high international tuition cross-subsidizes Canadian students. They also help finance the fixed infrastructure costs at post-secondary institutions. If they enter the labour market after graduating, they are in the years of their life-cycle when they tend to pay taxes and not draw on social benefits and can mitigate the labour shortages associated with Canada's aging workforce. Whether they remain in Canada or return to their home country, they can facilitate trade and interactions with their home country.

Chart 6 shows that the annual number of international students studying in NL has increased steadily over time, declining during the Covid pandemic, but increasing substantially post-Covid until the drop in 2024. This recent drop reflects the restrictions the federal government has put on new immigrants and international students in light of challenges posed in health care and housing sectors by the substantial rise in their inflows. The deliberate policy increase announced soon after the pandemic and then a policy reversal is discussed in IRCC (2024). *Canada To Stabilize Growth and Decrease Number of New International Student Permits Issued To Approximately 360,000 For 2024.* Ottawa: Government of Canada. Immigration, Refugees and Citizenship Canda. (January 22, 2024).

(https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/01/canada-to-stabilize-growth-and-decrease-number-of-new-international-student-permits-issued-to-approximately-360000-for-2024.html)

Chart 6: Annual entries of international students, Newfoundland and Labrador, 2001-2024.



IRCC Custom Data-Canada – Study Permit Holders by Province/Territory of Destination, Country of Citizenship, Study Level, and Year in which Permit(s) became effective, 2000 - December 2024.

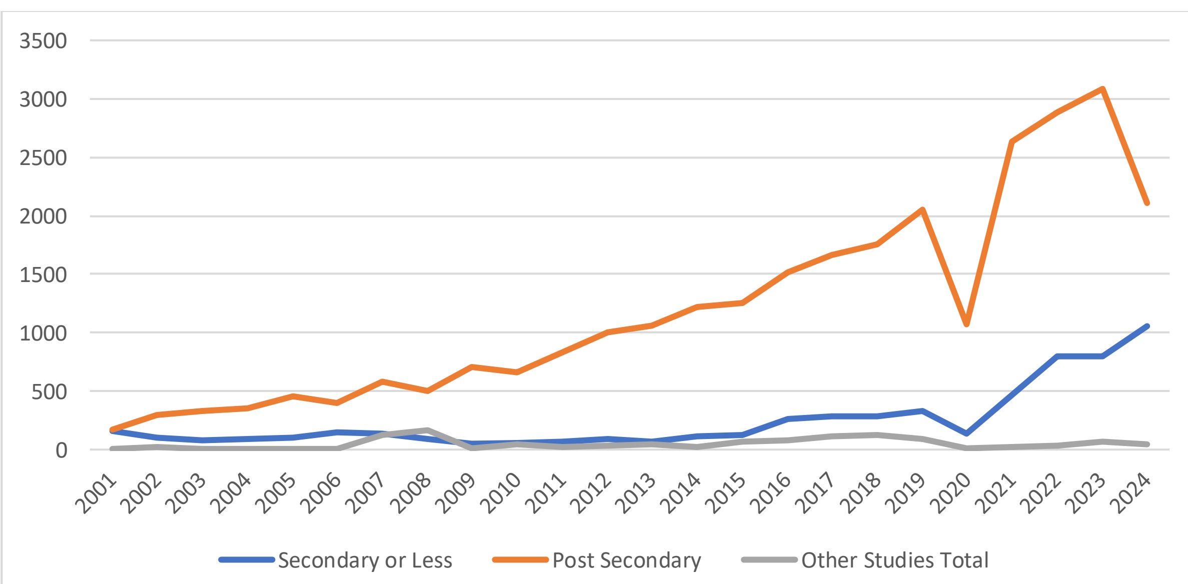
The steady increase in international students and the rapid increase after Covid but before the 2024 restrictions, were a desirable trend for NL as they helped finance the fixed costs at post-secondary institutions. They also provided a boost to the local economy by increasing demand for goods and services. In 2022, they contributed $270.1 million to the province's output, $155.4 million to its GDP (at basic prices), $81.5 million to labour income and supported 1,633 jobs.

(https://www.international.gc.ca/education/report-rapport/impact-2022/index.aspx?lang=eng)

Chart 7 shows that much of the growth of international students into NL was at the post-secondary level of education. This is important since that is the level associated with most of the positive benefits from international students discussed previously. Knowledge spillovers are the most prominent at this level as STEM can foster innovation and growth. IRCC and Statistics Canada conducted a joint study in 2025, which uses data from the 2021 Census of Population and examines the fields of study and occupations of immigrants with a postsecondary education who held study permits before becoming permanent residents from 2011 to 2021. The study found for those with an undergraduate degree who transitioned to permanent residents, engineering and technology programs command the highest share of international students, at 36.1%, higher than business and management fields at 32.0%. However, for those with graduate degrees, the number is significantly higher for the STEM vs. business degree holders (49.9% vs. 26.4%). Also, STEM degree holders are more likely than those studying other fields at pre-secondary level to obtain permanent residency quickly with their credentials and mitigate the skill shortages associated with Canada's aging workforce.

(https://www150.statcan.gc.ca/n1/pub/36-28-0001/2025007/article/00001-eng.htm?utm_source=mstatcan&utm_medium=eml&utm_campaign=statcan-statcan-mstatcan)

Chart 7: International Students studying in Newfoundland and Labrador, by level of study, 2001 – 2024.



IRCC Custom Data-Canada – Study Permit Holders by Province/Territory of Destination, Country of Citizenship, Study Level, and Year in which Permit(s) became effective, 2000 - December 2024.

Table 16 shows China to be the top source country of students studying in NL from 2001 to 2016, dropping to second in 2021, and out of the top five thereafter. India was first in 2024, up from its fourth position in 2001 and third positions in 2011, 2026 and 2021. Overall, there has been considerable diversity in the pattern, with India, Nigeria, Bangladesh, Ghana and Iran being the top five, in that order, in 2024. The bottom row of the Table shows that the top five accounted for 82 percent of international students at the start of the period when the total population of international students was only 505. As the student population increased, their composition of total population declined, comprising only 60 percent in 2024. This means a greater ethnic, cultural and religious diversity of international students in the province which is also expected to further add to the diversity of the provincial labour force if they stayed in the province after completing their study.

Table 16: Top five source countries of international students studying (Year in which Permit became effective) in Newfoundland and Labrador, selected years.

	2001		2006		2011		2016		2021		2024
China	65	China	210	China	410	China	410	Bangladesh	500	India	645
UK	65	Korea	75	Bangladesh	50	Nigeria	165	China	175	Nigeria	550
USA	65	Mexico	65	India	50	India	135	India	520	Bangladesh	360
India	25	India	40	Iran	45	Bangladesh	115	Iran	210	Ghana	290
Pakistan	15	Bangladesh	30	Saudi Arabi	45	Iran	85	Nigeria	310	Iran	195
Total - Top 5	415		450		760		910		1715		2040
Total - province	505		710		1085		1990		3295		3385
Share of top 5 in province total	0.82		0.63		0.70		0.46		0.52		0.60

Source: Immigration, Refugees and Citizenship Canada (IRCC), Custom Data; Canada – Study Permit Holders by Province/Territory of Destination, Country of Citizenship, Study Level, and Year in which Permit(s) became effective, 2000 - December 2024.

VII. CONCLUSIONS, POLICY IMPLICATIONS AND DIRECTIONS FOR FUTURE RESEARCH

The research presented in this report reviewed some immigration trends in the province of Newfoundland and Labrador over the past 25-year period. Data were analyzed on the changing demographic composition of the province's population and how immigration is shaping the population growth, the trends in immigrant arrivals, their human capital, role in labour markets and the increasing importance of international students for the province.

With birth rates falling below death rates and instability of net interprovincial migration, the province relies solely on immigration to grow its population. Without population growth, the province risks shrinking of the labour force, decline in markets for goods and services, increase in the per capita cost of public goods (major among them being roads, public parks, research and development), and fall in its proportionate representation in Canadian House of Commons. The province receives a tiny fraction of annual immigrant inflows to Canada which makes population growth highly vulnerable to changes in federal immigration policy. Hence, there is a strong need for the province to remain actively engaged in future immigration target planning of the federal government.

While immigrants have been arriving in larger numbers to the province, their retention rates remain low. Economic and refugee class immigrants are more likely to leave the province than the family class immigrants. Mobility decisions among family class immigrants are made based on benefits to the family and not to an individual member of the family. Hence, family class immigrants are more tied to the place where they currently stay. In its immigration strategy, the province should place greater emphasis on attraction of immigrants who have families, are young and can become productive members of the labour force quickly upon arrival. However, this benefit comes at some short-term fiscal costs (health care, education, family benefits, etc.) which should be weighed against long-term benefits. In the economic class, attracting those who have families can be a solution. To retain immigrants in all admission classes, the factors that can increase the competitive advantage of the province over other provinces should be carefully studied. Some of these factors could include providing employment opportunities, career counseling, faster credential recognition, better housing affordability, health care, community belonging and inclusion.

Our analysis indicates that immigrants have helped stabilize population and labour force growth in rural and population centres of the province, throughout the current century. In 2024, they contributed 32.4 percent of labour force growth. However, they comprised only 6 percent of the provincial labour force, much smaller than the national average of 28 percent. They are found largely working in hospitality, professional, scientific and technical service industries which are not among major employers of non-immigrants. This finding poses two important questions future research can address: Do immigrants displace non-immigrants in industry? Do immigrants work in industries where non-immigrants do not want to work? A finer industrial breakdown of immigrant employment will allow addressing these questions meaningfully.

Immigrants are represented disproportionately at the high skill and at low skill level jobs but very thinly at the middle skill level jobs (supervisors, technicians, trades, etc.). This reflects the selective nature of immigration. Points-based system of immigration selection (education, language, experience) selects university-educated professionals.

The newly introduced employer-driven streams fill mostly lower-skill jobs that are also in demand. This suggests that immigration programs and settlement services must be skill focused. For their successful integration in labour markets, higher skilled immigrants require faster credential recognition, professional licensing and employer engagement in regulated professions. Low-skilled immigrants need skills upgrading and language training linked to work that can help them advance to higher skill levels.

The bimodal skill distribution among immigrants (many in highly educated, many in low-skill jobs) and their concentration in hospitality and professional, scientific and technical industries poses two important questions for future study: i) do immigrants who work in these industries work in jobs that match their qualifications or ii) are they working in survival jobs (especially in hospitality industries) that provide immediate income while they seek work in their professional fields. Such study will guide targeted bridging programs and employer incentives. Finer data breakdown will also help aligning AIP/PNP nominations with real job ladders. This leads to significant affordability pressures on immigrant families. Minimum wage in Atlantic Canada is known to be below what is required for a minimum living standard, according to the report by the Canadian Centre for Policy Alternatives: 2025 Living Wages for Newfoundland and Labrador, Nova Scotia and Prince Edward Island. The provincial governments in Atlantic Canada should consider more targeted policies to reduce the cost of living for low wage earners including recent immigrants, such as wage subsidies, housing subsidies etc., in addition to higher minimum wages.

After a drop in the entry of international students in 2020, the province experienced a steep rise. In fact, there has been an upward trend in their enrolments even before the pandemic. International students have been providing a buffer to the province's post-secondary institution against the drop of domestic students, resulting from the drop in university-aged population. This has helped the institutions maintain some of the economies of scale they enjoy due to the large amount of fixed costs. The current IRCC cap on the inflows of international students have raised concerns that this advantage may be lost. In addition, international students also contribute to the local economy. In October 2024, the Atlantic Association of Atlantic Universities (AAU) published a report entitled *The Economic Impacts of Canada's International Student Cap in Atlantic Canada for 2024/25* 024 (https://www.atlanticuniversities.ca/wp-content/uploads/2024/10/GP-Report_AAU-IRCC-Impacts-2024.pdf). The report examined the economic contribution of international students in Atlantic provinces based on the 2023/24 and the 2024/25 international students' enrolments that were subject to the IRCC policy caps. The report estimated the shortfall in international student enrolments to result in an estimated loss of 28.7 million in spending (direct output), $20.5 million in provincial GDP, $11.31 million in provincial income, 241 jobs (direct and indirect), $2.5 million in provincial taxes and $2.0 million in federal taxes collected in the province. For a small province like Newfoundland and Labrador, these are huge losses. At the same time, the enrolment caps and difficulties in obtaining visas are discouraging new international applicants who now look for other western destinations. Provincial government and educational institutions must remain active in promoting the province's post-secondary institutions and the benefits of declaring the province home. A recent survey of international students in Atlantic Canada found that, prior to their admission, they learn about their institutions through their personal connections. Hence, it is important for the international students to develop an international alumni network. It is also important to provide a satisfying experience to students during their studies. (Akbari, A.H. *Academic and socioeconomics experiences of international students in Atlantic Canada,* 2024 https://www.smu.ca/webfiles/ReportoninternationalstudentprojectAug19.pdf)

Another Canada-wide study published recently has shown that international students tend to be working in precarious employment more than domestic students do during their studies. (Spring, C.J. and L. Vosko. 2025. *The Effects of Activation: International Students' Employment and Transitions to Permanent Residency in Canada* Canadian Public Policy 51 (4) https://doi.org/10.3138/cpp.2023-0). This could be due to their lack of information about local labour markets coupled with the need to support the higher tuition fees they face and also the urgency to remit money to their families in their home country. Their time spent in precarious jobs could have a long-term scarring effect on their future labour market outcomes (slower career progression, higher probability of continued precarious employment and occupational downgrading or mismatch) because employers often interpret early job histories as signals of future productivity. Providing co-op or internship access for international students during their studies and faster process to obtain post-graduation work permit could help avoid some of the scarring effects of job precariousness during study.