

Intelligence MEMOS



From: Mikal Skuterud and Zong Jia Chen
To: Post-Secondary administrators and provincial ministers of education
Date: September 7, 2018
Re: **TRACKING THE PROGRESS OF FORMER INTERNATIONAL STUDENTS**

Canada is increasingly looking to international students as a source of post-secondary tuition revenues and new immigrants. We compared the labour-market performance of former international students who studied at Canadian institutions through the first decade of the 2000s to their Canadian born-and-educated, as well as to their foreign born-and-educated counterparts.

Canadian-trained former international students outperform immigrants trained elsewhere by a substantial margin, but underperform Canadian-born graduates from similar post-secondary programs. We also found evidence of a deterioration in the labour-market performance of former international students relative to both comparison groups.

Our findings are based on an analysis of Canadian National Graduates Survey data, a nationally representative survey of post-secondary graduates from Canadian public institutions. These data allowed us to compare the labour-market performance of three graduating cohorts (2000, 2005 and 2009/2010) of foreign students who have become permanent residents with their Canadian-born counterparts graduating at the same time with similar credentials in similar fields of study.

In addition, using data from the Labour Force Survey, we extracted a sample of foreign-educated immigrants with a post-secondary education whose landing years in Canada correspond to the graduating years of the foreign students in our Graduates Survey sample. We then compared labour-market outcomes among similarly educated students who trained in Canada with immigrants from comparable regions who trained abroad.

The contribution of our analysis is threefold. First, in comparing Canadian-trained and foreign-trained immigrants, we obtain evidence that giving preference to Canadian-educated applicants in the federal Express Entry immigration system is optimal.

Second, in comparing international students with Canadian-born individuals graduating from similar academic programs, we obtained evidence that is consistent with international students experiencing job search frictions, discrimination, and/or language difficulties, suggesting a need for improved immigrant settlement policies.

Finally, with three cohorts of former international students spanning the first decade of the 2000s, we find that there has been a deterioration in the labour-market performance of former international students. The fact that this deterioration is evident relative to both the Canadian-born and foreign-educated comparison groups suggests that it reflects something about foreign students themselves as opposed to changing labour-market conditions or immigration policies, which should also affect the outcomes of the comparison groups.

Specifically, our results appear most consistent with a tradeoff in the average labour-market quality of foreign students as post-secondary institutions and governments reached deeper into the pools of international students through the 2000s to meet their need for more tuition revenue and new immigrants. In other words, the quality and supply of international students has not kept pace with the growth in demand.

As Canada moves to increase its reliance on international students, monitoring their relative labour-market performance is critical.

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