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Immigrant Post-migration Human Capital Investment and Income Profile

--- A family perspective

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Background

- Difference in the source vs. destination education returns in the destination labour market
 - Borjas (1985), Chiswick (1994), Friedberg (2000)
- Many studies tend to focus on immigrants' investment in education at the individual level
 - Banerjee and Verma (2009), Ferrer and Riddle (2008), Friedberg (2000), Zhou (2011)
- The majority of Canadian immigrants are married at landing (an estimate of 70%)
 - Zhou (2011)
- Need recent Canadian studies on immigrants' investment in education at the family level
 - Basilio, Bauer and Sinning (2009), Cobb-Clark and Crossley (2004)



Literature Review

- Family Investment Hypothesis (FIH):
 - A strategy for credit-constrained immigrant families
 - One invests in education and the other supports the family financially
 - Assumption: male to be the primary worker
- Some studies support FIH, others not
 - Adsera and Ferrer (2016), Basilio, Bauer and Sinning (2009), Cobb-Clark and Crossley (2004), Cohen-Goldner, Gotlibovski and Kahana (2009)



Literature Review

- Limitation of earlier studies:
 - Cross-sectional data or synthetic cohort analysis
 - Hours of work as key determinant for primary workers
 - Indirect results for immigrants' educational investment pattern



Research Question

- Decisions on post-secondary education (PSE) investment among married immigrant couples in Canada
 - 3 groups of married immigrant couples:
 - Both spouses invest in PSE
 - One spouse invests in PSE
 - None invests in PSE
- What are their patterns of investment in education?
 - Whom to invest in education? Husband or wife?
 - When do they invest?



Surveys and Administrative data

- Datasets explored in this project
 - LAD (Longitudinal Administrative Databank), IMDB (Longitudinal Immigrant Database), LSIC (Longitudinal Survey of Immigrant to Canada)

- Data Issues
 - LSIC
 - Small sample size; information indirect or unavailable
 - IMDB
 - Spouse's information unavailable

- Focused on LAD



LAD Sample and Key Variable

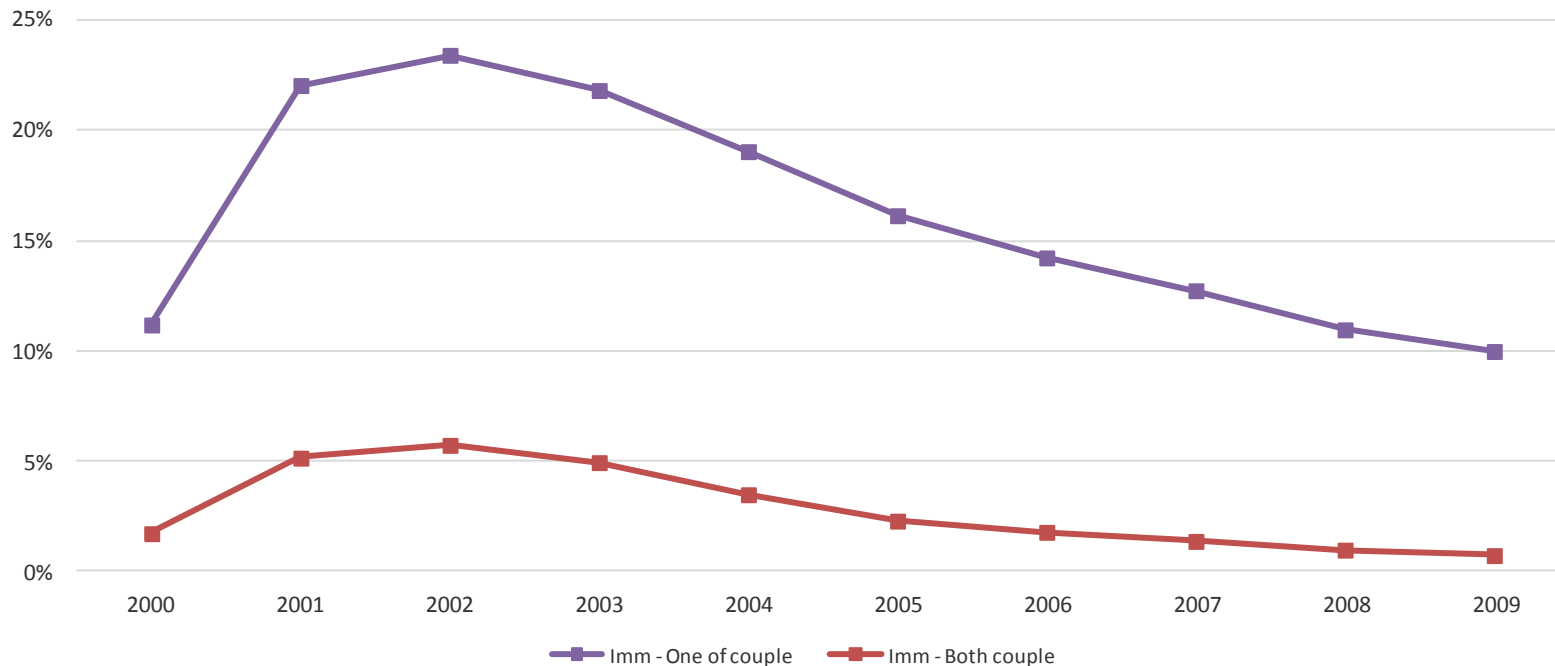
- LAD Sample:
 - Immigrants
 - Landed in 2000
 - Married at landing
 - Age between 20 – 49

- Key Variable
 - Couple education investment strategy (CEIS)
 - Both spouses invest
 - One of the spouses invests
 - None invests



Main Findings: LAD

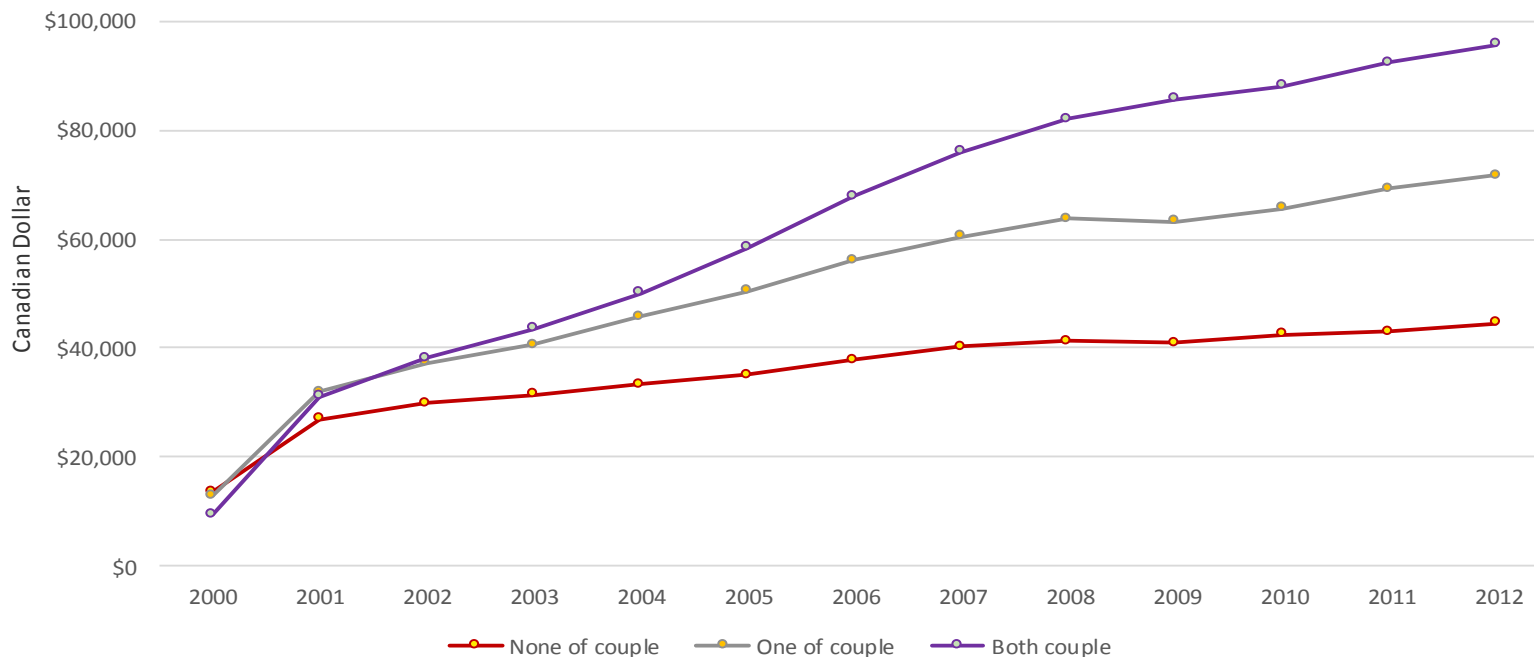
- Immigrants' post-secondary education investment by year





Main Findings: LAD

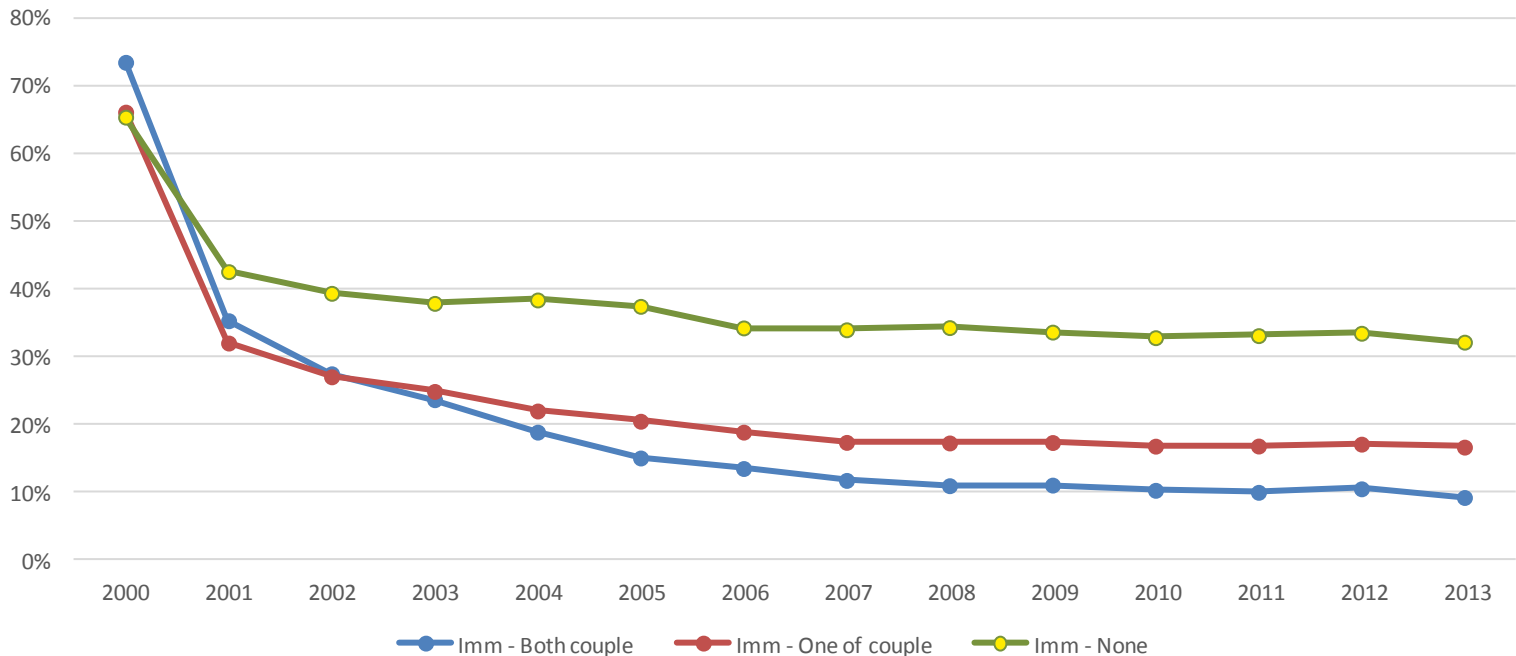
- Immigrants' median income profile by year





Main Findings: LAD

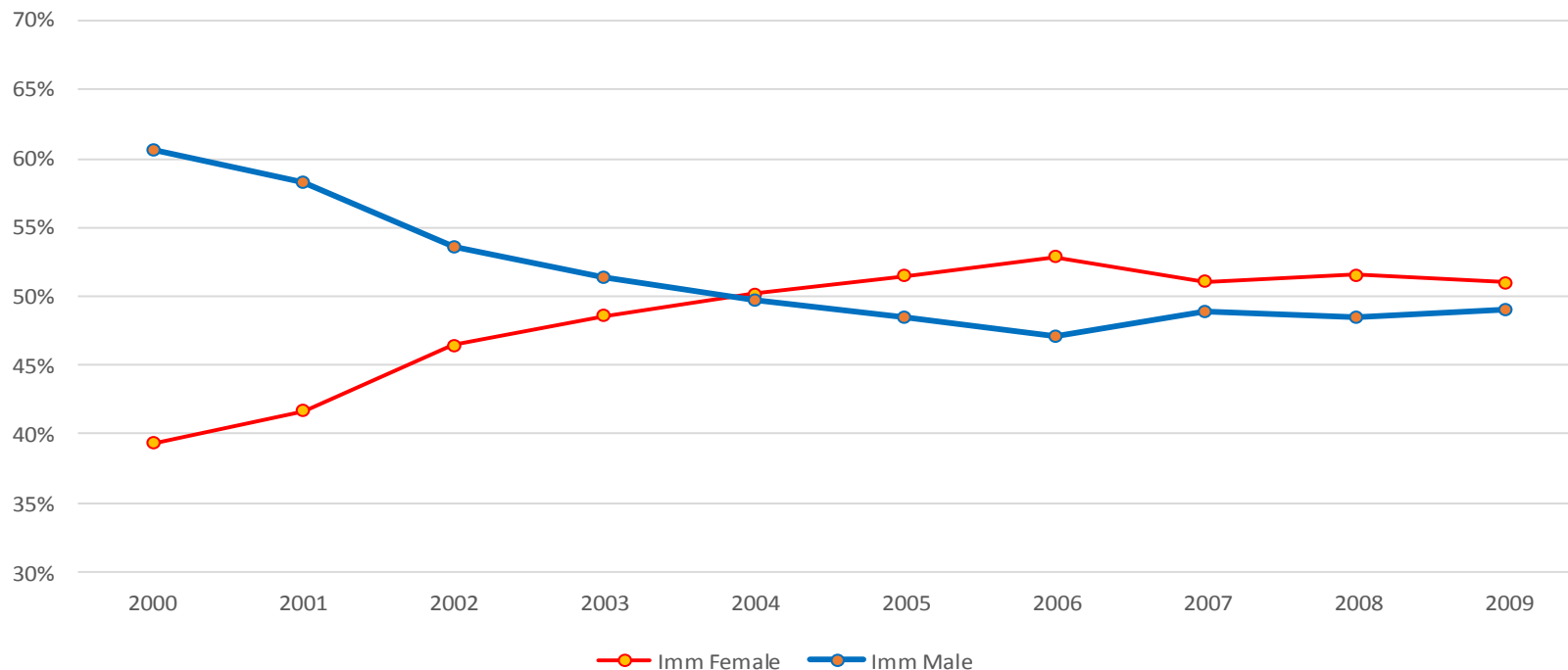
- Low income status: Immigrants' post-secondary education investment by year





Main Findings: LAD

- Gender difference of post-secondary education investment by year-Immigrant couples



Main Findings: LAD

- All types of immigrants (family, business* and others) are more likely than skilled immigrants to invest in female's PSE.
- Characteristics of those less likely to invest in female's PSE:
 - ✓ families with children under 6 years old;
 - ✓ those between ages 40 and 49 (ref group: 20-29);
 - ✓ families residing in the Prairie and Atlantic region (ref group: ON)
- Immigrants with the highest income are more likely to invest in females compare to the bottom 25%



Future Development

- Cultural difference?
 - Cobb-Clark and Crossley (2002); Duleep and Sanders (1993)
 - limited information in LAD

- LAD & IMDB
 - More information on immigrant landing records will expand the potential on immigrant related research

- LSIC
 - The linkage of LSIC to the T1FF
 - Additional information on the post-migration education investment of immigrants landed in 2000;
 - Good resource for analysing patterns of integration



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THANK YOU!