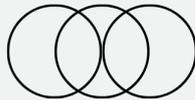
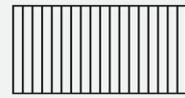


WOMEN
WORK &
ECONOMY



POLICY BRIEF

Labour Market Barriers Faced by Highly Educated Racialized Newcomer Women in Canada

By Ana Ferrer and Sumeet Singh Dhatt

Executive Summary

Immigrants play a pivotal role in sustaining the Canadian economy however, they typically see worse labour market outcomes than their Canadian counterparts. These gaps are most prevalent among newcomer racialized women, who seem to face unique challenges that impede their career advancement. A survey conducted by the *Women, Work, and the Economy* research group shows that many highly educated immigrant women often feel underemployed and underpaid. They identify their biggest challenge as lack of recognition of international credentials or experience and lack of Canadian networks, and report facing significant costs in time and money when accessing career development opportunities. Existing programs trying to provide these women with Canadian job market “career readiness” should consider providing resources that facilitate access to training or networking opportunities. For instance, a loan program to subsidize connectivity equipment to attend online events, or childcare costs to attend key in-person events. These initiatives will provide immigrant women with greater flexibility to access reskilling programs and increase success rates in integrating in the labour market.

Problem Statement

According to the 2021 Census of Population, 23% of people in Canada are immigrants, a fraction that is expected to increase to 31% by 2041, with an increasing proportion of these immigrants coming from diverse ethnic backgrounds. In recent years the immigration literature



has called attention over the labour market integration of immigrant and racialized women, who hold disproportionately more precarious jobs and are at higher risk of social exclusion (Lightman and Gingrich, (2013). Moreover, wage gaps are significantly wider for racialized immigrant women, relative to the Canadian born. (Hudson 2016; Schirle, and Moyosoreoluwa, 2020).

Gaps in labour market outcomes for immigrant women have been documented since the 1990s (Beach and Worswick, 1993), although more recent studies show some of these gaps, particularly in employment, narrowing in recent years (LCMI report, 2022). However, the reported improvements do not reach all job dimensions or all immigrant groups. Most notably, an endemic wage gap between immigrant and Canadian-born women persists - a much larger gap than between immigrant and Canadian-born men (Yssaad and Feilds, 2018; Momani et al., 2021; Picott and Hou, 2022; Ferrer et al., 2023). This is particularly the case in specific sectors, such as health or caregiving (Sethi and Williams, 2015). A similar observation describes the earnings of visible minority workers and non-visible workers, with significant earning gaps of varying magnitudes between these two groups. Further, the gaps exist even for highly educated immigrant women (Adsera and Ferrer 2014).

Immigration is often seen as one way to counter an aging population (McArthur-Gupta et al., 2019). However, this is only possible if *all* immigrants are able to fully integrate in the labour market and contribute to Canada's growth and wellbeing. In particular, furthering the careers of highly educated women, irrespective of their ethnicity status is a necessary step to reach this goal

Barriers faced by Educated Racialized Recent Immigrant Women

In a 2013 study surveying a group of recently immigrated Chinese Canadians, many reported that despite their high levels of international education and experience, these immigrants settled for lower-skilled jobs, specifically citing a lack of Canadian work experience or qualifications and lack of recognition of international education (Guo, 2013). In 2021, the University of Waterloo's *Women, Work, and the Economy* (WWE) research group published a comprehensive report detailing the current position of racialized women in the Canadian labour market and outlined the unique challenges these women face. These include a combination of individual factors (e.g., marital status, immigration pathway to Canada, and number of children), institutional barriers (e.g., credential recognition, childcare access, and discrimination), and cultural differences (e.g., varying gender role expectations) (Momani et al., 2021).

To follow up the report, the WWE conducted a survey in 2023 collecting the labour market experiences of 694 newly arrived, racialized women across Canada. The results of this survey indicate that most women identified foreign experience recognition or lack of Canadian experience (81%), followed by credential recognition (45%), as the biggest challenge they encountered when trying to find a job in Canada was. Most respondents were highly educated women, with 92% obtaining at least a bachelor's degree (56% obtained an M.A., a specialized degree, or a Ph.D.) and 73% completing their degree at an English-speaking institution. It is particularly troublesome that 23% of these women reported never had found a job in Canada that was appropriate for their skill level, and that 67% of those employed felt they were underpaid. These women often settled for lower-level jobs due to financial need, to build



Canadian experience, or because they lost hope of finding a position commensurate with their education or experience.

Despite their high levels of education at arrival, 75% of the respondents took some form of training or education upon arrival, and most agreed that Canadian education and training had contributed to their career development. Those who took formal postsecondary training (college or university) report the highest impact of Canadian education in their job prospects. Among those who did not undertake training, the most common reason not to engage in Canadian education is lack of time and/or money (41%), followed – not surprisingly – by the belief that they had no need for additional education (24%). For these highly educated women, domestic experience may be more valuable than further education.

Although Canadian education, training, and experience seem to lead to improved labour market outcomes, pre-existing barriers may prevent women from pursuing such opportunities, including being the primary caregiver in the household. Among the racialized newcomer women surveyed by WWE, most indicated that they were the primary caretakers of children in their household and that they do not have immediate family or friends they can rely on for childcare and social support. Not surprisingly, 25% (out of 262) respondents suggested childcare was a barrier impeding further their job search.

Policy Alternatives

Fortunately, programs that consider the specific needs of racialized newcomer women are already in the works. In 2018, Immigration, Refugees, and Citizenship Canada (IRCC) launched a pilot program, *Career Pathways for Racialized Newcomer Women* (CPRNW), a multi-year program designed to support newly immigrated visible minority women in successfully integrating into the Canadian labour market. Aimed at women with diverse backgrounds, it offers four types of programs according to employment readiness of women. Programs A and B are the most relevant to the highly educated women in the WWE survey. They offered skill assessments and skills enhancements if needed. Most importantly, they offered job matching connections, which answers to one of the main identified barriers to employment (SRDC, 2024). These programs specifically address the needs identified in the WWE survey, and support for the pilot program should be continued.

Within the experience of these pilot programs, building a stronger basis for accessibility should feature more strongly. Offering flexibility to engage in the program (through virtual access or one-on-one meetings) and support in offsetting the financial costs associated with said flexibility (childcare for in-person sessions; subsidizing connectivity equipment) can be part of a more comprehensive approach to accessibility.

One way to implement this would be to couple the existing programs with a micro-loan plan that can be used discretionarily for the purpose of accessing the program. This idea builds on the existing *Immigrant Access Fund*, intended to support immigrant workers integration by assisting them in obtaining Canadian credentials needed to work in jobs aligned with their experience/skill level and educational attainment. The fund provides micro-loans that can be used to cover a broad range of expenses related to the cost of completing domestic credentials, including childcare (Fehr, 2017). What makes the IAF unique is the comprehensive use of funds and the fact that it relies on non-banking partners to fund the loans. This allows the IAF



to support a broader range of clientele, assisting immigrants interested in various types of occupations, as well as providing advantageous loan terms and simpler approvals (Emery and Ferrer, 2014). A similar program associated to the current pilot programs could enhance their uptake and value.

Implicating future employers in the support of the Fund may help employers to learn about racialized immigrant women as potential employees and to foster longer term relationships between employers and existing visible minority/immigrant women organizations.

Recommendation and Conclusion

Lessons learned revealed that a one-size fits all approach is not suitable to support newcomer and visible minority women integrate into the Canadian economy. For highly educated women, who have the highest level of preparation to enter the job market, the main barriers remain around lack of recognition of foreign experience or education. A comprehensive approach to overcome these barriers has been implemented by programs A and B of the CPRNW pilot program, which should be further supported. Ensuring the prompt and full integration in the Canadian labour market of these highly educated women is essential for immigration policy to accomplish its goals.

Steps that remain in facilitating such integration involve increasing accessibility to these programs. Ensuring that recent immigrant women can access these services both virtually and in person, remains an essential part of making these programs success. We propose here that implementing a micro-loan plan, similar to the IAF, to subsidize this access could enhance the value of the pilot programs.



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