

Intelligence MEMOS



From: Tingting Zhang
To: Canadians Concerned Labour Shortages
Date: November 9, 2022
Re: **HOW TO KEEP CANADA'S INTERNATIONAL STUDENT ENGINE HUMMING**

Each year, thousands of international students come to Canada, with its reputation of high-quality education, multiculturalism, and safety, to study and potentially stay. Beyond the billions they bring, talented international students are also a big part of addressing the country's pressing labour shortages.

Is Canada doing enough to keep them?

Last year saw [444,575](#) study permits issued for international students, more than double the 2015 level, bringing the total number to 621,565, most of whom are pursuing postsecondary education. This year, Immigration, Refugees and Citizenship Canada is issuing more study permits.

International students contribute significantly to the Canadian economy, spending [\\$22.3 billion](#) in 2018 on tuition, accommodation, food, and other living expenses. They also enrich local communities with their cultural diversity.

In addition, international students are a potential pool of candidates for permanent immigration and the Canadian labour force. Roughly [72.5 percent](#) of international students planned to apply for a post-graduate work permits (PGWP), according to the Canadian Bureau for International Education, and 60 percent said they wanted to pursue permanent residency.

About 30 percent of international students in the 2000s became landed immigrants within 10 years of arrival, according to a Statistics Canada [study](#) last year. And 75 percent of graduates who received a work permit, became permanent residents within five years of receiving their PGWP.

But in a recent wide-ranging [survey](#), 30 percent of immigrants between the ages of 18 and 34 said they are considering leaving Canada in the next two years.

Meanwhile the labour market outcomes of international students after graduation remain less successful than for [Canadian graduates](#). Just as with other immigrants – albeit to a lesser degree – former international students lagged Canadian-born counterparts in utilization rates, employment outcomes and [earnings](#).

Between 2001 and 2016, university-educated immigrants, including former international students, were increasingly in jobs requiring less than a university degree. They accounted for 70 percent of the growth in low-skilled jobs, but only 38 percent of high-skill positions, according to the 15-year StatsCan [study](#), which can have lasting career effects.

Better integration of this talent is important to improve skills utilization and the productivity of the Canadian workforce leading to a higher GDP for Canada.

Disadvantages faced by international students often include language proficiency, lack of knowledge about the local labour market, limited networks, employer reluctance to recruit and train temporary residents, potential discrimination from employers due to [foreign-sounding names](#), and cultural differences.

International students also tend to [earn less](#) than domestic students after graduation due to their lack of Canadian work experience. On average, international students had only 1.2 years of pre-graduation work experience, compared to 6.2 years for domestic students, and it [takes time](#) for them to fully leverage their Canadian credentials and earn more.

To remain successful in the global race for talent, Canada needs to better integrate former international students into the labour market and help them reach their career potential. Promoting the visibility and reach of existing employment services among former international students would help. Data [show](#) that post-graduate permanent residents access federally funded job search programs and community connection supports far less than other immigrant groups.

Educational institutions can provide more effective career counselling tailored to local labour markets and career aspirations. Institutions can also increase outreach to employers and community groups about how to hire international students in ways outlined in a detailed Australian [paper](#) based in part on interviews with graduates and employers across 18 months.

Meanwhile, local employers need to build [more inclusive workplaces](#) and tailor tasks to help international graduates to work to their skill levels.

Retaining high-talent international students can address Canada's labour shortage, improves our competitiveness, and fosters economic growth in the long run. The country can only benefit if it removes labour market barriers for international students and better leverage their knowledge and skills, and help them become Canadians.

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