

# Intelligence MEMOS



From: Parisa Mahboubi and William B.P. Robson  
To: Canadian Human Capital Watchers  
Date: February 23, 2024  
Re: **PLEASE DON'T LEAVE: RETAINING IMMIGRANT (AND ALL) TALENT**

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Surging immigration numbers are top-of-mind for Canadians. But as we reconsider targets for newcomers and address pain points such as housing, we also need to pay attention to talent retention.

Tens of thousands of people leave Canada every year, many of them talented and entrepreneurial people we will miss. Importantly, a significant fraction are themselves immigrants, which may mean we are missing an opportunity to boost Canada's long-term growth and prosperity.

A recent [study](#) by [Statistics Canada](#), using a data set that combines detailed immigration department data with a [Canada Revenue Agency](#) database, highlights the significant phenomenon of emigration among immigrants in Canada. The overall numbers are remarkable: More than 5 percent of immigrants admitted between 1982 and 2017 emigrated within five years of landing, and a striking 17.5 percent emigrated within two decades. The likelihood of departure peaks between three to seven years after admission. The study also provides intriguing insights about the contrasts between people who come to Canada and tend to stay versus those who come and tend to leave.

Several characteristics are closely associated with emigration, including admission category, country of birth, age at landing, and having no children. Investors and entrepreneurs emerge at the forefront; they are more likely to seek opportunities elsewhere. Emigration likelihood is also, unfortunately, correlated with education. Highly educated immigrants, particularly those in economic categories and including former international students, are likelier to leave again.

The emigration of immigrants has far-reaching consequences, affecting the country's economic and social development. The departure of investors, entrepreneurs, and highly skilled immigrants will hardly help Canada's productivity and economic growth.

What to do? Adjusting our admission criteria to de-emphasize the characteristics of those most likely leave would be foolish since we want well educated, entrepreneurial people to come. Instead, we should focus on what we might do to increase the likelihood that well educated, entrepreneurial people stay in Canada.

The Statistics Canada study makes clear that economic factors are important influences on decisions not to stay in Canada. The pursuit of better economic opportunities drives immigrants' decisions to move on. [Language proficiency](#) is also crucial for economic and social integration, and the challenges faced by those with limited official language ability may also be a contributor.

Therefore, Canada needs to develop policies that promote [successful integration](#) into Canadian society and the labour market. This should include policies that help immigrants find employment that matches their skills and qualifications by addressing a lack of [recognition of foreign credentials](#) and [experience](#) in the labour market and language barriers.

The Statistics Canada paper also draws attention to the challenges immigrants encounter, extending beyond economic integration to encompass factors such as family dynamics and considerations, cultural adaptation, and the political, economic, or cultural conditions of their country of origin. It also highlights the phenomenon of transnationalism, where immigrants maintain ties in multiple countries. Some immigrants may plan to emigrate from Canada as part of a strategic migration approach. Not all these circumstances have easy policy fixes.

Other circumstances, however, are well within Canadian policymakers' scope. Canadian living standards are stagnating. [Weak capital investment](#) is hurting productivity and incomes. Canadian businesses tend to stay small. Canadian governments rely relatively heavily on personal income taxes, with high rates that apply at relatively low income levels – not an approach that signals to talented people that Canada is the place for them. Tax reform and other changes that mitigated these problems would make Canada more attractive to everyone – immigrants and [Canadian-born](#) alike.

Paying attention to which immigrants are likeliest to leave, and why, can help Canada improve its ability to attract and retain talent. We may be able to refine our selection criteria to raise the proportion of talented, entrepreneurial immigrants who stay in Canada. We can make it easier for immigrants with specialized skills, in healthcare for example, to work in their professions. Moreover, addressing factors such as high taxes and regulations that stifle entrepreneurship can help Canada retain more immigrants and retain more Canadian-born talent – a win for everyone.

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