



WORLD EDUCATION SERVICES

# Impact of COVID-19 on the Economic Well-Being of Recent Migrants to Canada

A Report on Survey Results from Permanent Residents,  
Temporary Workers, and International Students in Canada

World Education Services | December 2020

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# Executive Summary

COVID-19 has had devastating effects on the financial well-being of many recent immigrants, temporary foreign workers (TFWs), and international students in Canada. Migrants—regardless of their immigration status—are overrepresented in essential roles and industries that have been hardest hit. As a result, they have been disproportionately affected by job loss and by the virus itself.

To better understand the impact of the pandemic on these groups, WES conducted surveys of applicants who received credential assessments between January 2018 and July 2020 for the purpose of immigrating to Canada. The surveys were distributed in April, June, and August 2020. The overall response rate was 6.4%; 4,932 valid responses were included in this analysis.

The report highlights the effect on permanent residents, temporary foreign workers, and international students residing in Canada at the time of the surveys. We examine the impact in the aggregate and on these three groups. Our results are consistent with trends identified in other recent research and provide additional insight into the economic impacts.

## **A significant portion of newcomers have lost jobs and income and cannot meet their basic needs.**

- **14%** have lost their job due to COVID-19, and a further 13% are working reduced hours or receiving reduced pay because of COVID-19.
- **17%** have temporarily lost their primary source of income; 6% have permanently lost their primary source of income.
- **One in five** is having trouble affording housing expenses; one in three international students is having trouble affording housing expenses.
- **One in 10** is having difficulty affording essentials like groceries and medications.

## **Many who lost jobs or income did not benefit from CERB or EI.**

- **Only 48%** of respondents who lost a job or experienced reduced hours or pay reported receiving the Canada Emergency Response Benefit (CERB) or Employment Insurance (EI). Many were unaware of benefits or believed they did not qualify.

## **Many are not accessing employment or settlement help from social service agencies.**

- **19%** of permanent residents (PRs) had contacted a social service agency for help; 12% wanted to but did not know how; 27% did not think they were eligible for services.
- **Close to half** of international students (49%) and TFWs (43%) believed they were not eligible for services—likely correctly, as eligibility requirements restrict their access.

The economic vulnerability of the respondents is likely due to their employment in precarious, low-wage, and often essential work, reflecting the impact of gender, racialization, and the devaluing of international education and experience in the labour market. Policy interventions aimed at addressing these systemic issues across the Canadian economy—in the context of the pandemic, the recovery, and beyond—will contribute towards mitigating disproportionate negative impacts on immigrants, temporary workers, and international students.

## Context:

# The Evolving Impact of COVID-19 on Immigrants

The WES research survey findings add to the growing body of evidence that shows the disproportionate economic impact of the pandemic on immigrants, migrant workers, and international students.



### Employment

Migrants—regardless of immigration status—are overrepresented in essential roles and industries that have been hardest hit, including agriculture, food processing, retail, and caregiving work.

Statistics Canada reports that recent immigrants were more likely than the Canadian-born to lose their jobs in March and April. The rate of transition to unemployment (that is, employed one month and unemployed the next) for recent immigrants was 17.3%, compared with 13.5% for the Canadian-born and long-term immigrants ([Statistics Canada](#)). Similarly, nearly 20% of recent immigrant women employed in March did not have a job in April, compared with 13% of Canadian-born women ([Statistics Canada](#)). According to the Labour Market Information Council ([LMIC](#)), employment declined at a greater rate (16%) for landed immigrants than for the Canadian-born (11%) from February to April; for immigrants, the recovery has also been slower.



### Financial Supports

To mitigate the financial impact of COVID-19, the Government of Canada implemented the Canada Emergency Response Benefit (CERB), which has since transitioned into the Employment Insurance system. This aid was made available to immigrants, temporary foreign workers, and international students; however, in order to be eligible, applicants had to have earned \$5,000 in the previous 12 months. As a result, the long-term unemployed, many international students, and many recent immigrants were not eligible ([CCPA](#)).



### Health

Newcomers face an increased risk of physical and mental health impacts. Immigrants, refugees, and other newcomers accounted for nearly 44% of Ontario's COVID-19 cases in the first half of the year, despite making up just 25% of the overall population ([ICES](#)). The highest rates of transmission were found in racialized immigrant and refugee communities, especially among those living in low-income neighbourhoods. Temporary foreign workers in agriculture and food processing were especially vulnerable to major outbreaks.

Getting acclimated to a new country with physical distancing measures in place is likely to make migrants, particularly recent newcomers, feel isolated from their networks and community supports. [Statistics Canada](#) found that immigrants (44%) were more likely to be worried about maintaining social ties and experiencing family stress during the pandemic than the Canadian-born (30%).





# Profile of Respondents



# Immigration Status and Year of Arrival

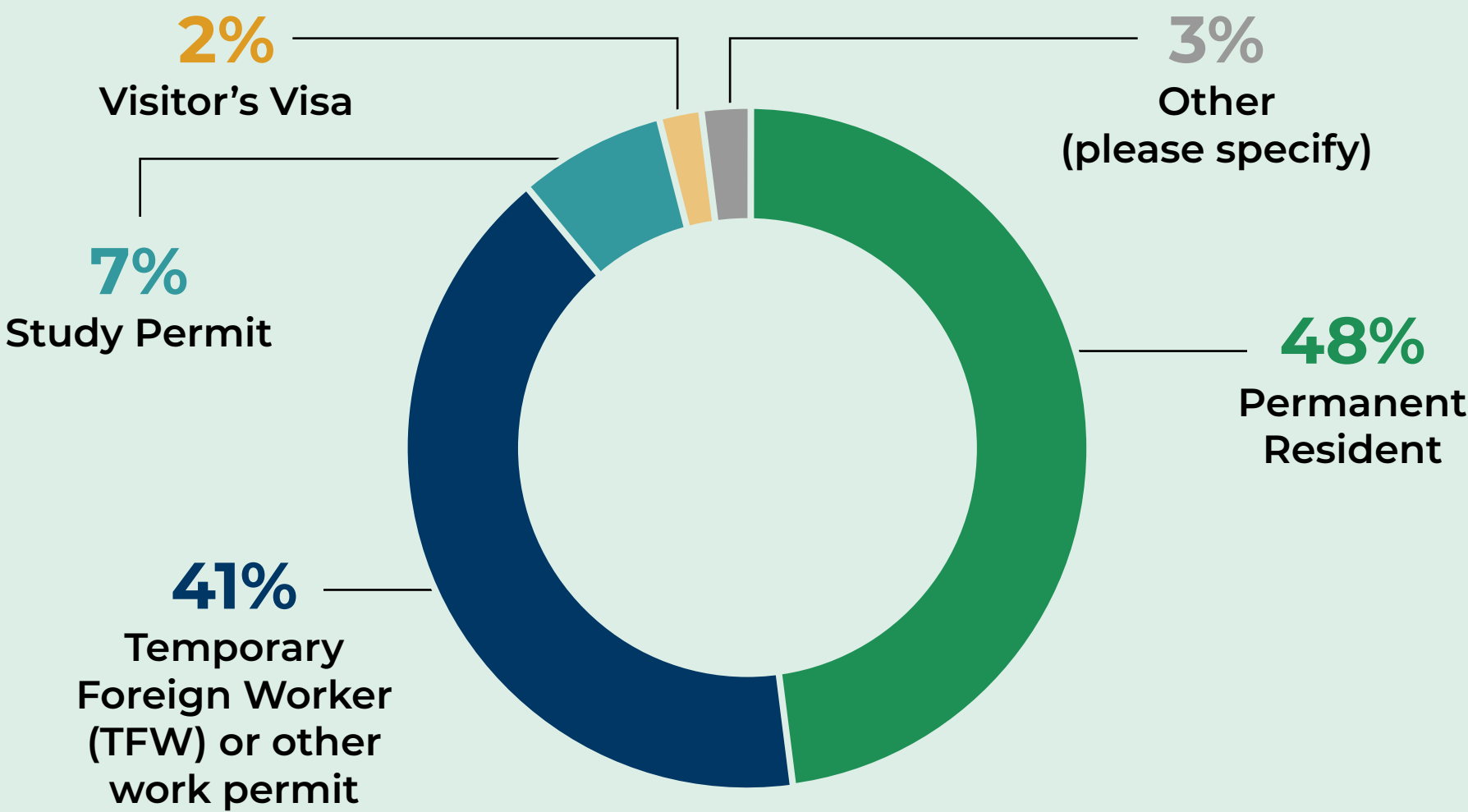
Respondents were WES applicants living in Canada at the time of survey completion. Across all distributions, the largest group (48%), of respondents were permanent residents (PRs) followed by temporary foreign workers (TFWs) (41%), and study permit holders (7%). While this report focuses on PR, TFW, and international student respondents, approximately 5% of respondents were visitors or selected “other” immigration status. Visitors and “other” are included in any aggregate percentages reported, unless otherwise indicated.

In April, most respondents were TFWs (68%), while in June and August the majority were PRs. This is due to changes in distribution protocol: The April survey was sent to 2019 and 2020 WES applicants, while June and August surveys included 2018 applicants as well. However, the large number of TFWs overall is consistent with IRCC data which show an increasing trend of migrants arriving first as TFWs or international students and then applying for permanent residence.

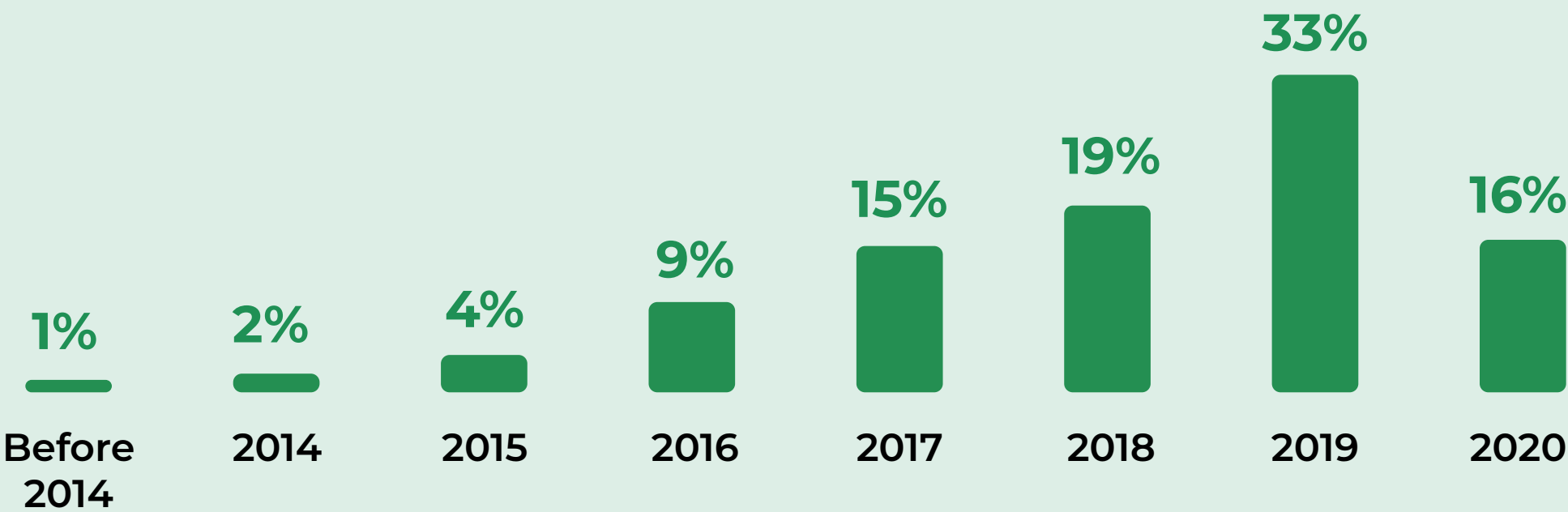
Most respondents arrived within the last five years, with nearly half arriving in 2019 (33%) or 2020 (16%).

Of those who were not yet permanent residents, 20% had already received an Invitation to Apply (ITA), and a further 22% had created a profile on the Express Entry platform.\* Among the remainder, 30% planned to start the application process, the majority intending to begin within a year.\*\*

## Immigration Status (All Survey Distributions)



## What year did you arrive in Canada?



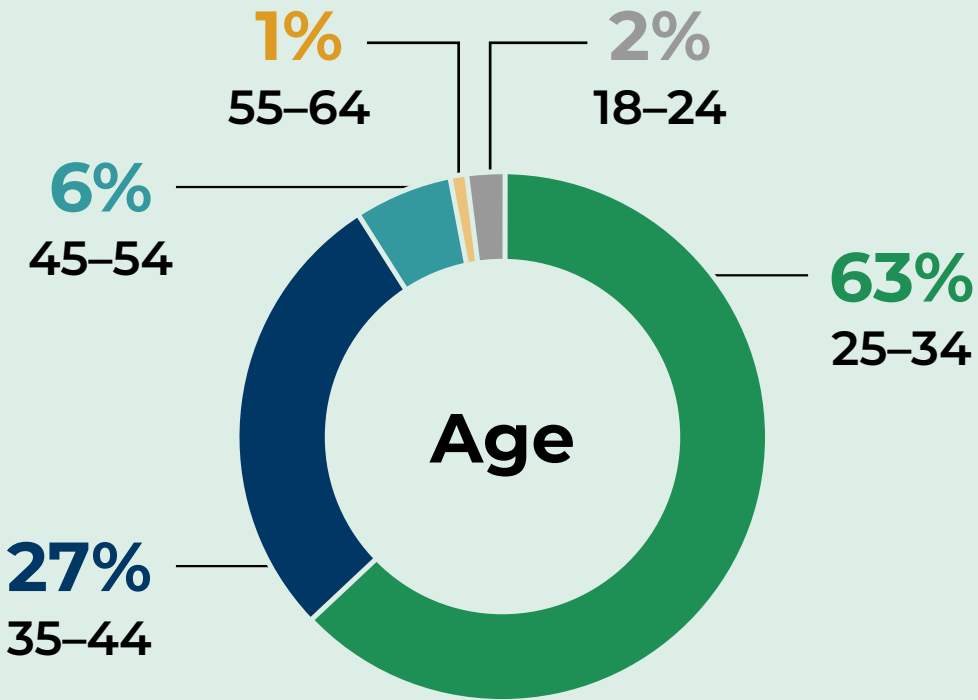
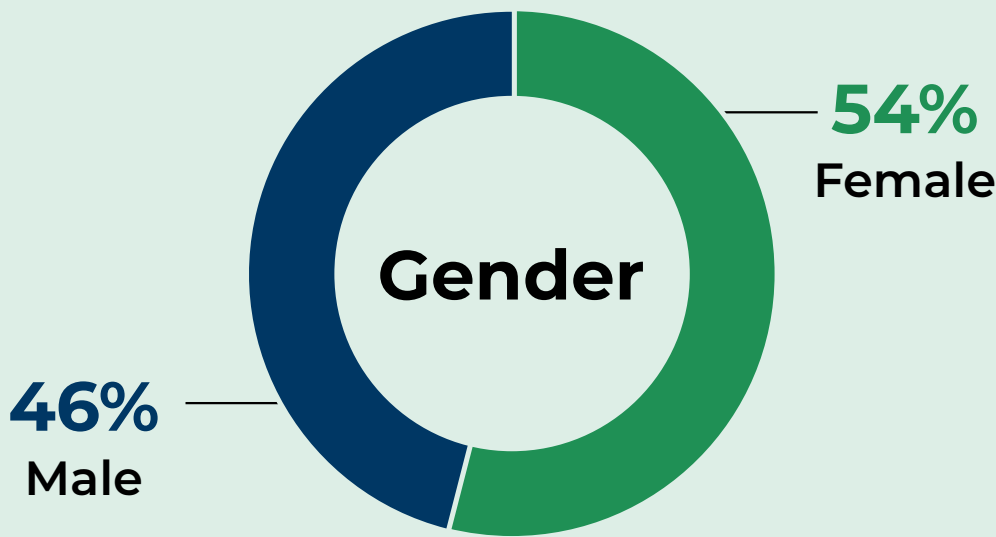
n=4,932  
\*Express Entry is Canada’s main application management system for economic migrants. \*\*Only respondents in June and August were asked when they planned to begin the application process.  
Note: Unless otherwise indicated, all graphs in this report represent aggregate data from the April, June, and August survey distributions.

# Gender, Age, Place of Residence in Canada, Country of Citizenship

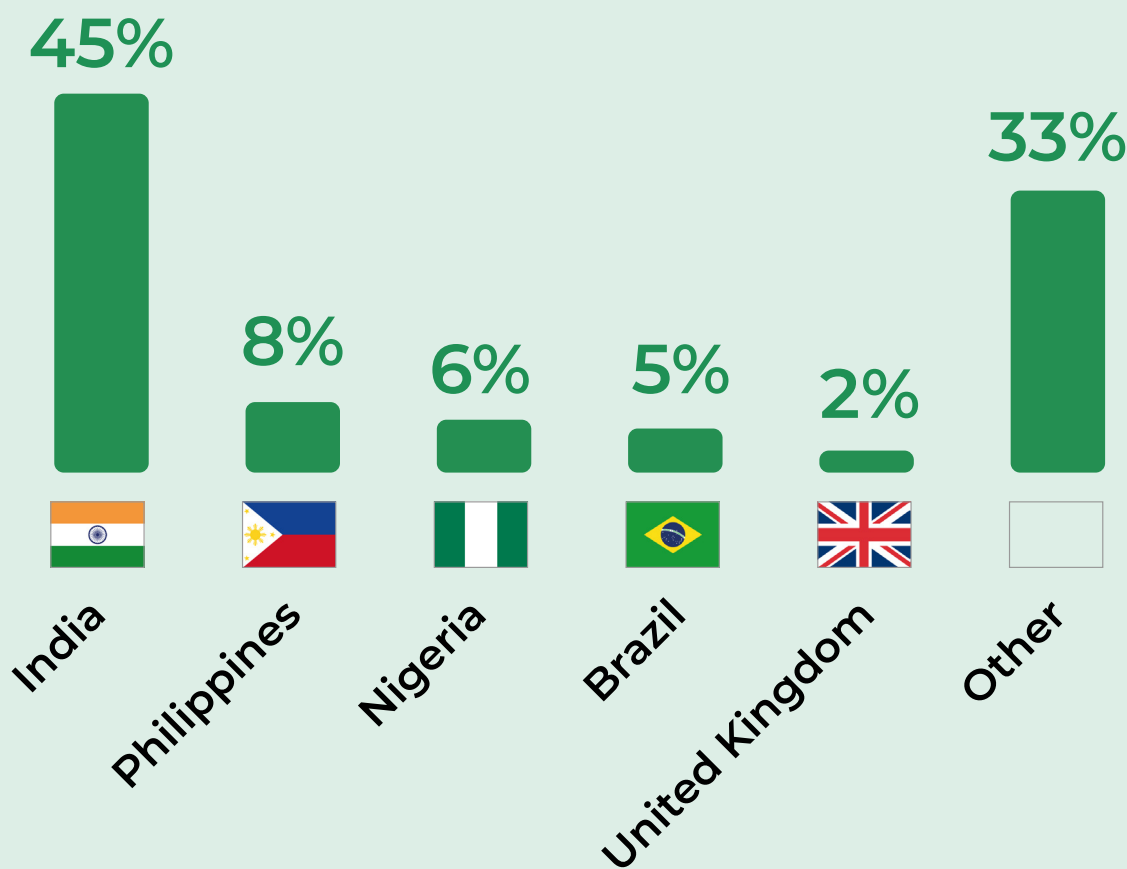
Survey respondents were disproportionately female (54%) compared with WES applicants overall, and compared with those who received an ITA through Express Entry. In 2019, the majority (53%) of applicants to WES for evaluations for immigration purposes, and the majority (58%) of ITA recipients, were men.

Most respondents (63%) were between 25 and 34 years old, which is a similar age profile to those who received an ITA in 2019.

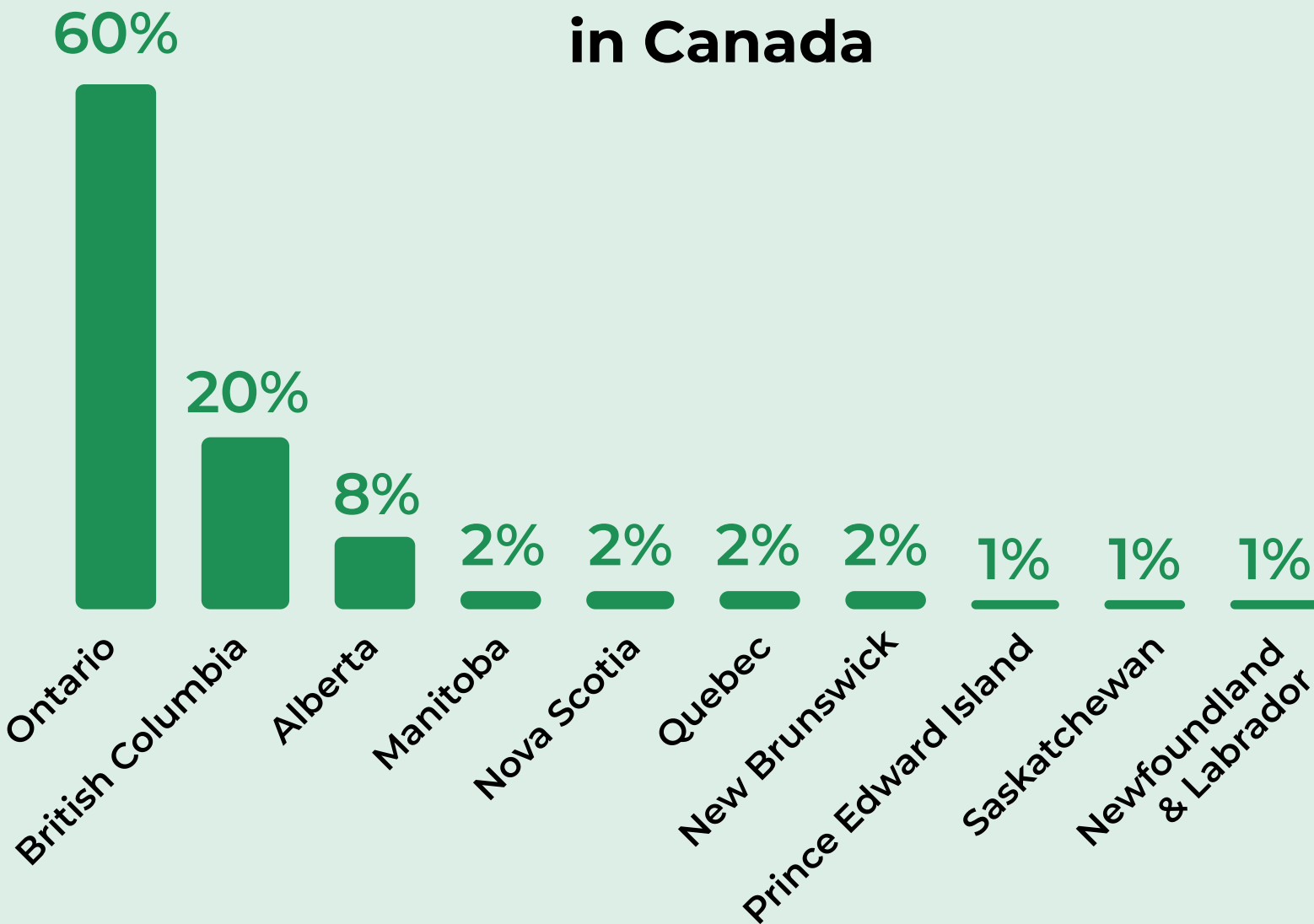
The largest proportion of WES respondents were citizens of India. This citizenship profile is similar to that of Express Entry applicants and ITA recipients in 2019. However, there are differences between the WES sample and the ITA recipients. Following India, the top countries of citizenship for ITA recipients were Nigeria, China, Pakistan, and the United Kingdom, whereas the top countries of citizenship in the WES survey sample include the Philippines and Brazil.



Country of Citizenship



Place of Residence in Canada







# Results



# Survey respondents reported higher rates of job loss than Canadians overall

According to [Statistics Canada](#), recent immigrants were more likely to be impacted by job loss because of their overrepresentation in low-wage jobs in hard-hit sectors. Between February and April, landed immigrants experienced a 16% decline in employment compared with an 11% decline for Canadian-born workers ([LMIC](#)).

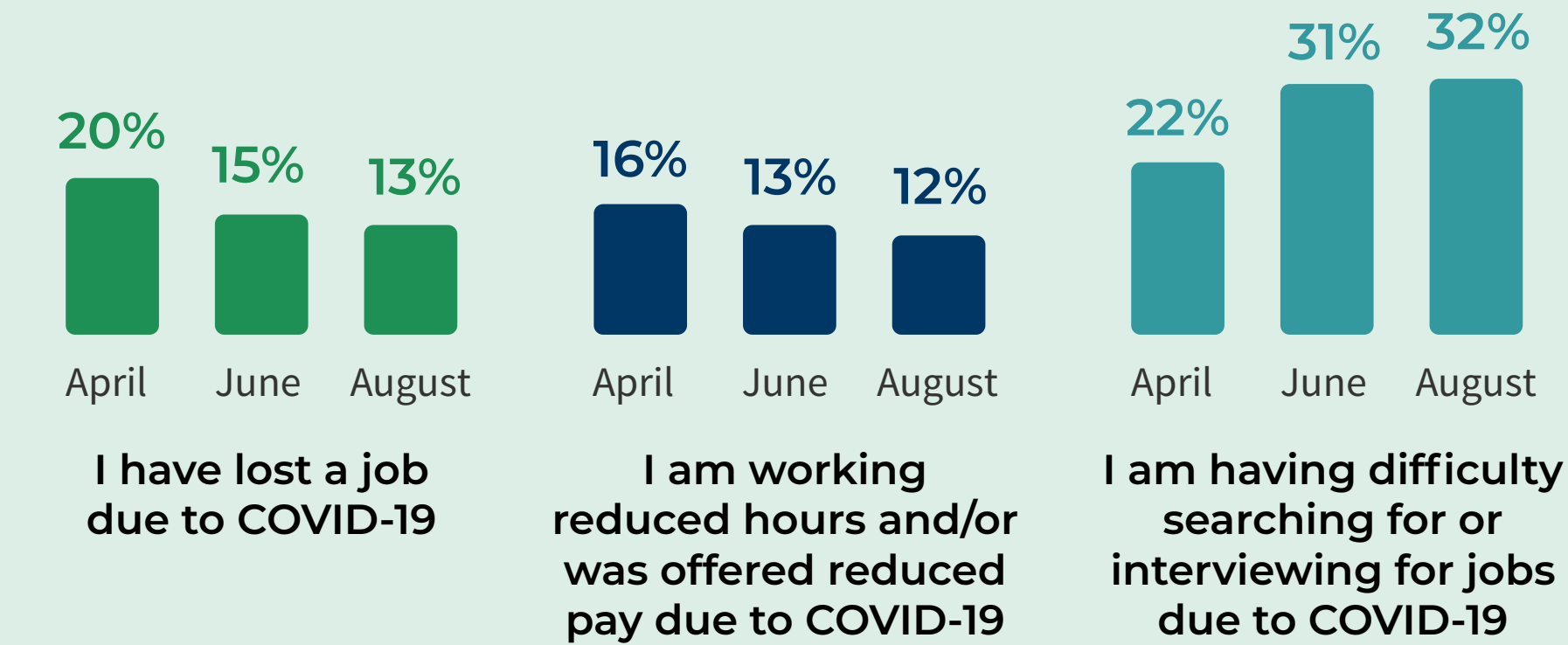
While unemployment in Canada peaked in May 2020 at 13.7% (up from 5.6% pre-pandemic), 20% of April WES survey respondents reported having lost their job due to COVID-19. This decreased to 15% in June and 13% in August, as compared with Canada’s August unemployment rate of 10.2%. By October, the national unemployment rate had decreased to 9% ([Statistics Canada](#)).

In addition to those who had lost jobs, 16% of April respondents reported working reduced hours and/or for reduced pay, decreasing to 12% in August.

In total, 14% of survey respondents reported having lost a job due to COVID-19. For those who remained employed, 13% saw a reduction in hours and/or pay. Job loss among respondents did, however, vary considerably by status. Almost one-quarter (23%) of international students had lost a job, compared with 14% of both PRs and TFWs.

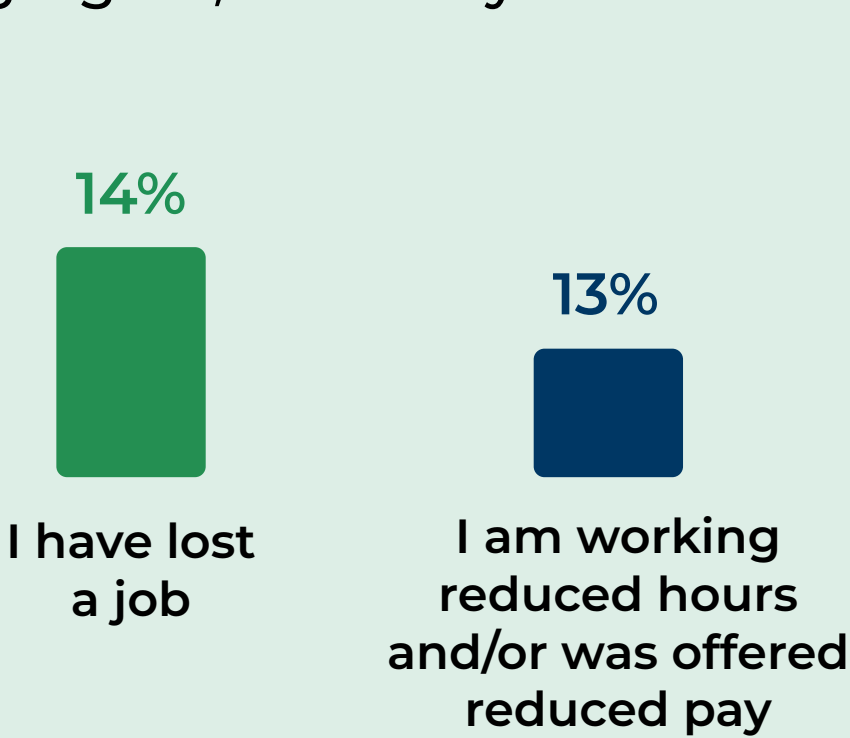
As the pandemic continued, an increasing number of respondents reported difficulties searching for employment, with 22% reporting job search challenges in April, increasing to 32% in August.

## Have you experienced the following as a result of COVID-19? (Please select all that apply.)



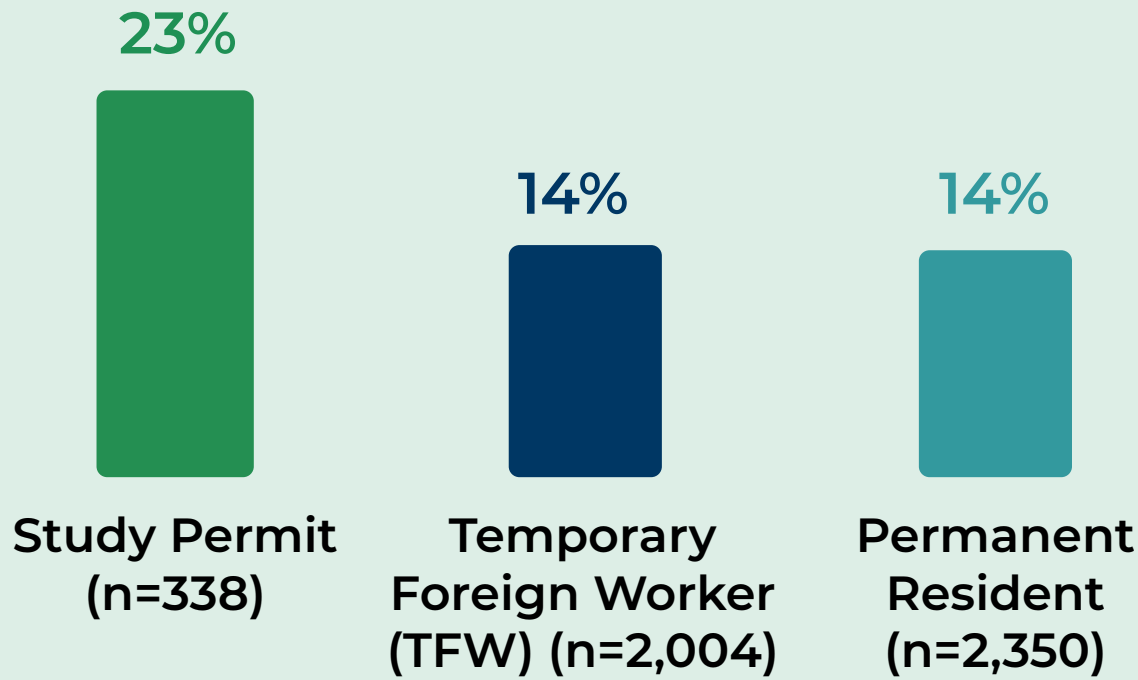
### Lost a job or working reduced hours and/or for reduced pay due to COVID-19

Aggregate, all survey distributions



### Lost a job due to COVID-19

By immigration status, all survey distributions.



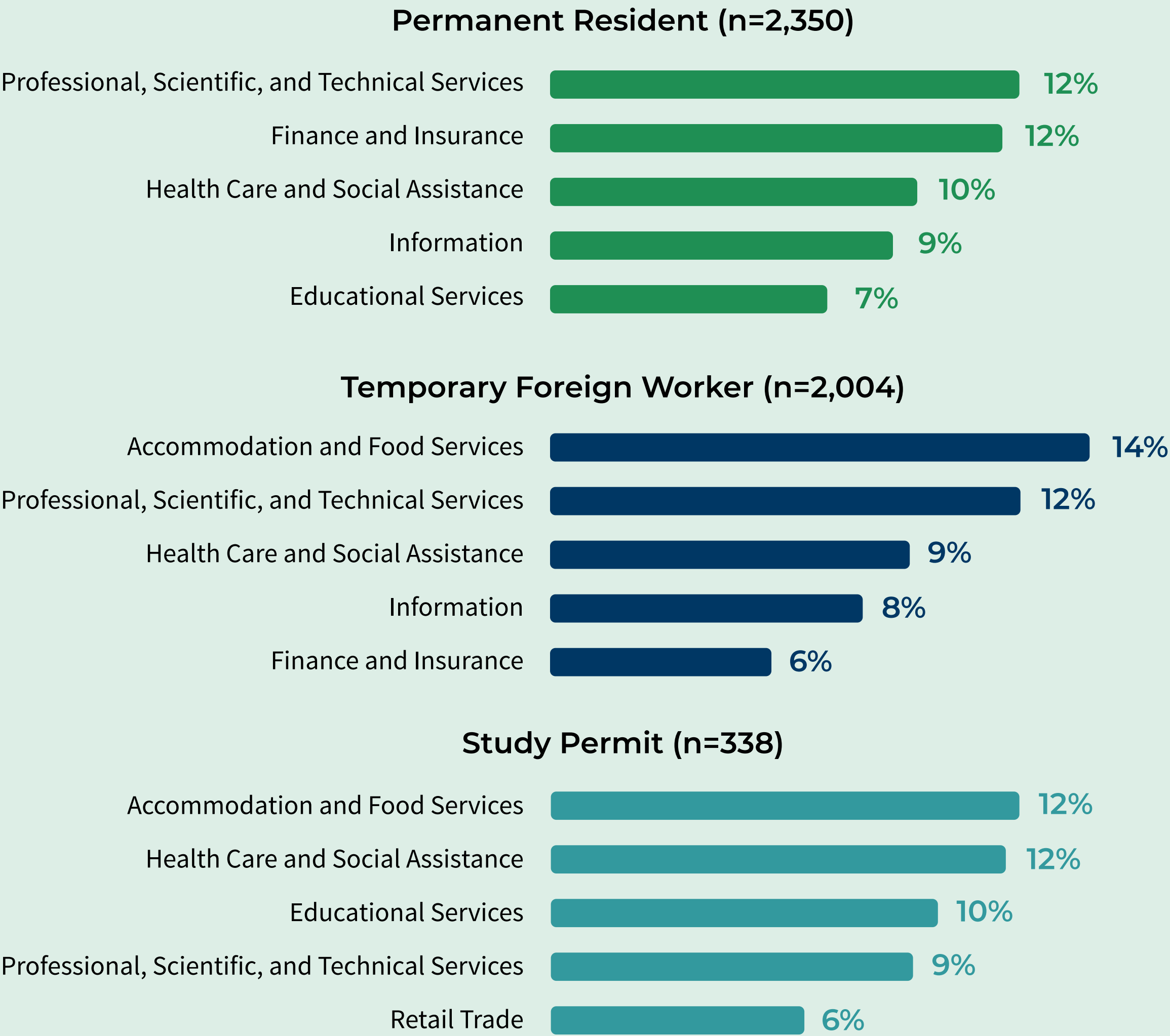
# International students and TFWs are employed in hardest hit sectors

Accommodation and food services was the top sector of employment for both TFW (14%) and international student (12%) respondents. This sector experienced a greater drop in employment from February to April than any other industry ([Statistics Canada](#)). In Ontario, where the majority of respondents resided, job losses from February to May were concentrated in wholesale and retail trade, accommodation and food services, manufacturing, health care, and social assistance ([Ontario Government](#)).

Twenty percent of WES survey respondents reported being essential workers. Migrants to Canada are overrepresented in essential roles in sectors such as agriculture, food processing, retail, and care work, where the risk of contracting the virus is higher than average ([Canadian Occupational Safety, University of Toronto](#)).

Student advocates reported that many international students were particularly hard-hit because they work on campus and lost their jobs when campuses closed ([Global News](#)).

## Top employment sectors by immigration status





# One out of five respondents is experiencing difficulty paying for basic needs

In total across all three surveys, 17% of respondents reported that they had temporarily lost their primary source of income, while a further 6% had permanently lost their primary source of income.

There was, however, change over time. In April, nearly a quarter (23%) of respondents reported that they had temporarily lost their primary source of income. This decreased steadily to 18% in June and 14% in August, as many businesses began to reopen and rehire employees.

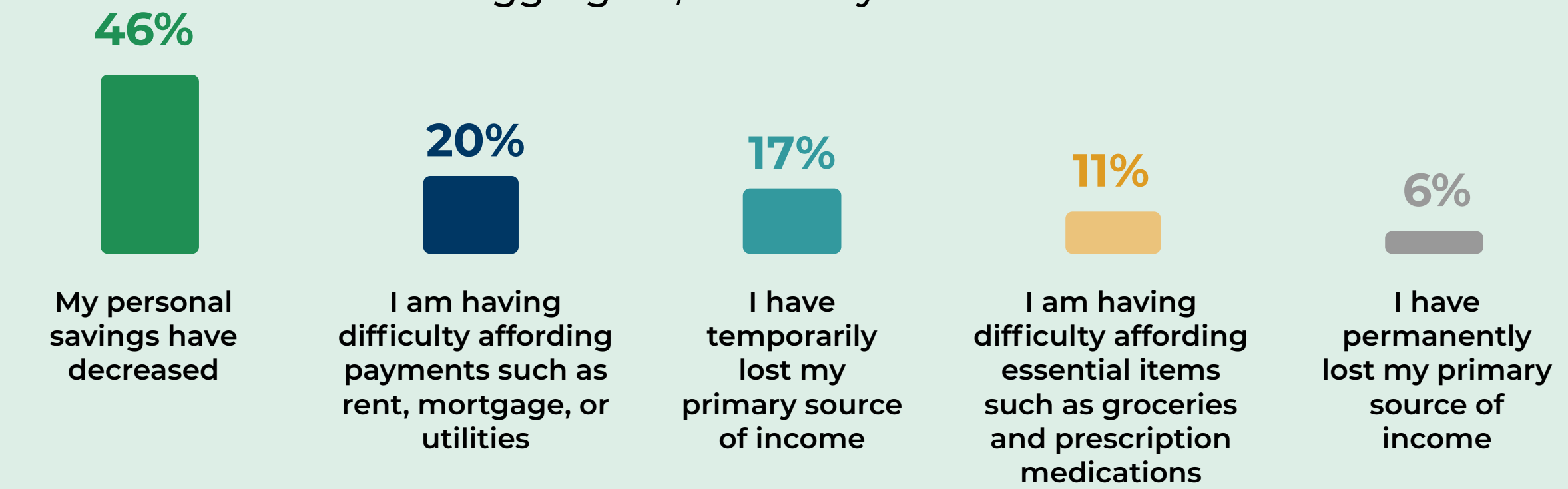
Nearly half of respondents (45%-47%) reported a reduction in their savings.

Twenty percent of all respondents reported having difficulty affording payments such as mortgage, rent, or utilities, and 11% reported difficulty affording essential items such as groceries and prescription medication. These difficulties are a likely result of losses in income and savings mentioned above. This situation showed some improvement over time. While in April almost a quarter (24%) reported difficulty affording rent, mortgage, or utility payments, this decreased to 21% in June and 19% in August.

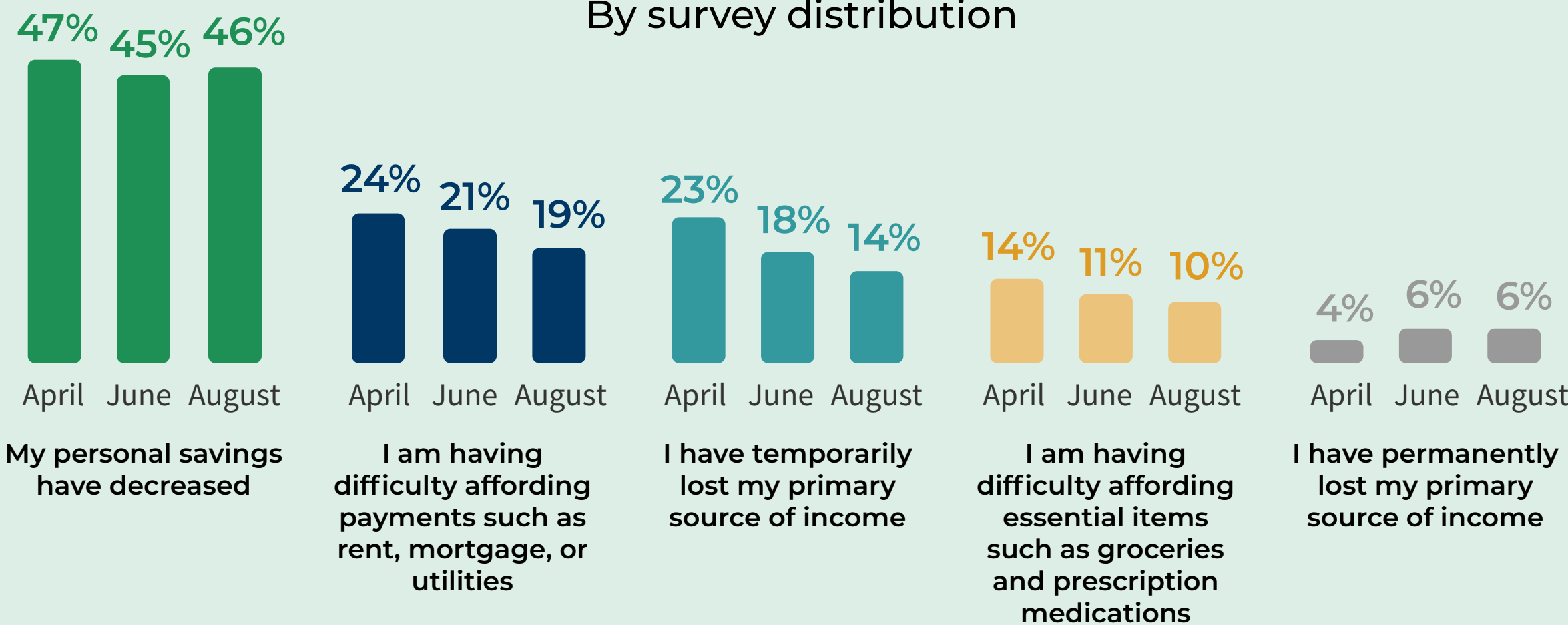
Similarly, there was a reduction over time in the percentage reporting difficulty paying for essentials, from 14% in April to 10% in August.

## In what ways has COVID-19 impacted your personal financial situation?

(Please select all that apply.)  
Aggregate, all survey distributions



By survey distribution



# International students are struggling

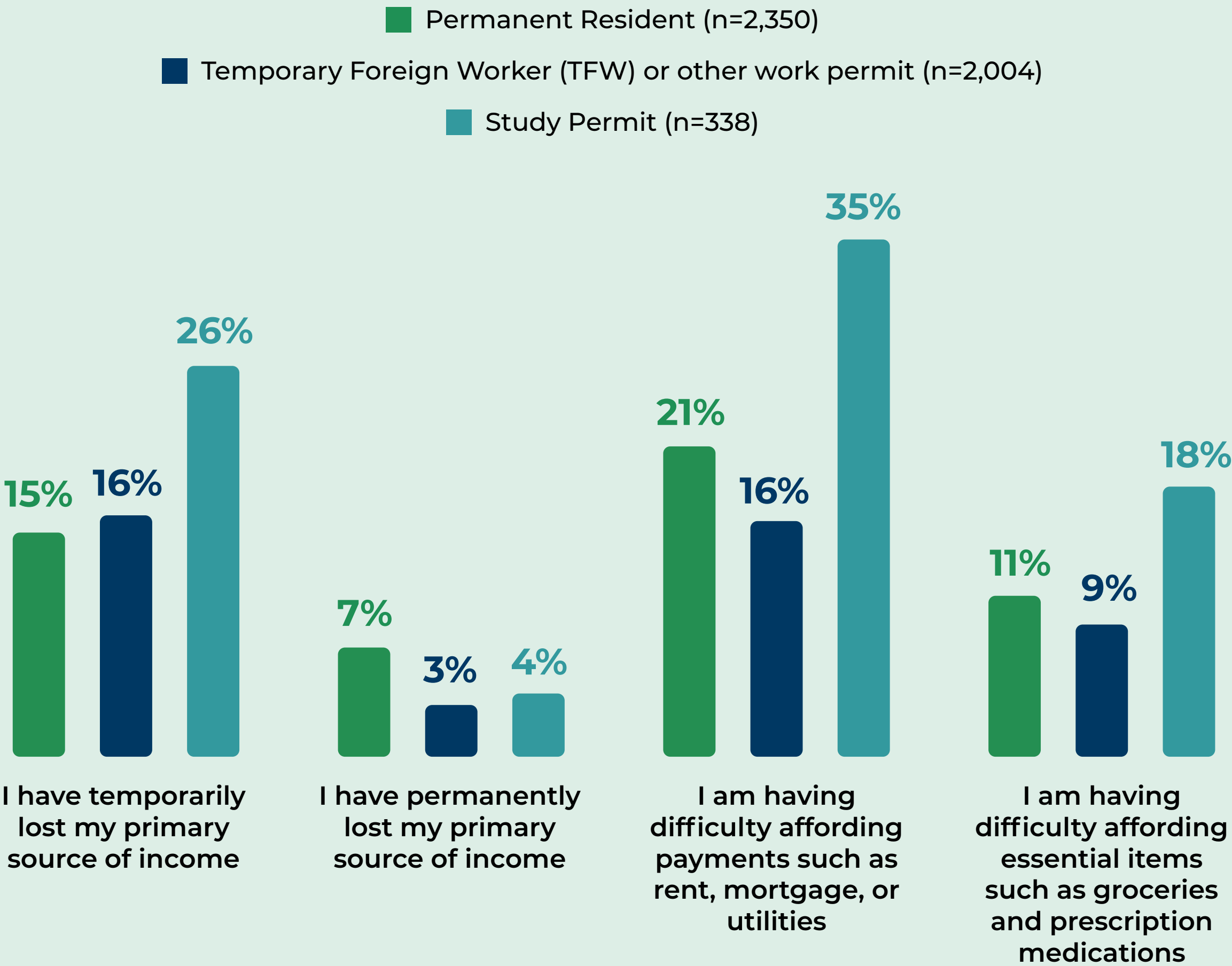
Diving deeper into the personal financial impact by immigration status, it is clear that international students in particular are struggling in the face of the pandemic. More than a quarter (26%) reported the temporary loss of their primary income. Over a third (35%) indicated difficulty paying rent or utilities, and 18% had difficulty affording other essentials.

Of the three groups, permanent residents reported the highest percentage (7%) who permanently lost their primary source of income. More than twice that percentage (15%) had temporarily lost their primary source of income. As well, 21% of PR respondents reported having difficulty affording housing-related payments.

While a lower percentage (3%) of TFWs indicated that they had permanently lost their primary source of income, 16% had temporarily lost their primary source of income. TFWs also reported difficulty with housing-related payments (16%), though in smaller proportion than PR or international students.

The higher percentages reporting temporary versus permanent income loss in all three groups likely reflect the fact that much of the job loss during the pandemic has been temporary thus far, and a significant portion (76%) of the three million jobs lost nationally have since been recovered ([Statistics Canada](#)).

## In what ways has COVID-19 impacted your personal financial situation?





# Many who lost jobs or income did not benefit from CERB or EI

The Canada Emergency Response Benefit (CERB) was created to address the urgent economic needs of those impacted by the pandemic. However, the majority (52%) of all respondents who had lost a job or had their hours and/or pay reduced did not benefit from either CERB or Employment Insurance (EI). Many reported being unaware of benefits or believed they did not qualify.

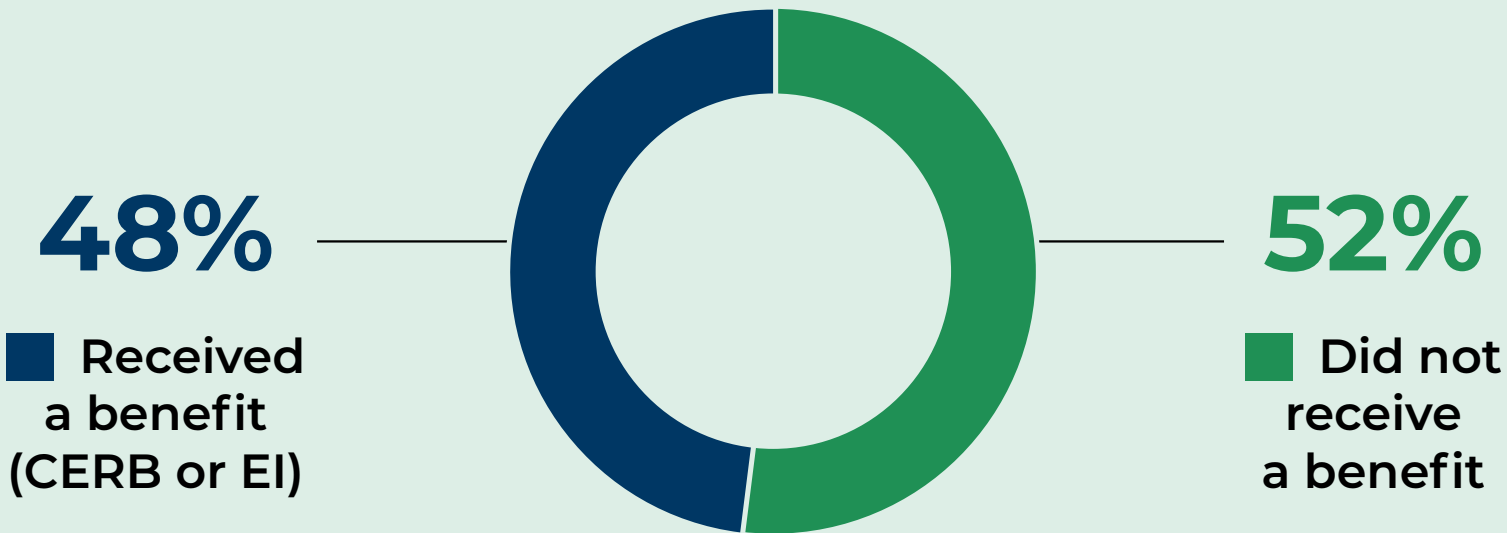
Results differed by immigration status. Among permanent residents who had lost a job or had reduced hours/pay, a slight majority (53%) received a benefit, while 47% did not. The proportions were reversed among TFWs and students: 56% of those in need did not receive a benefit, compared with 44% who received either CERB or EI.

The CERB had looser eligibility requirements than EI in order to capture more workers. Approximately 4 million people had received CERB by late September when it was terminated, and eligible recipients were transitioned to a revamped EI system. According to the [Canadian Centre for Policy Alternatives](#), 2.1 million people are expected to continue to receive financial aid through the new integrated EI system, with the potential for significant numbers of people who previously received CERB being left without support.

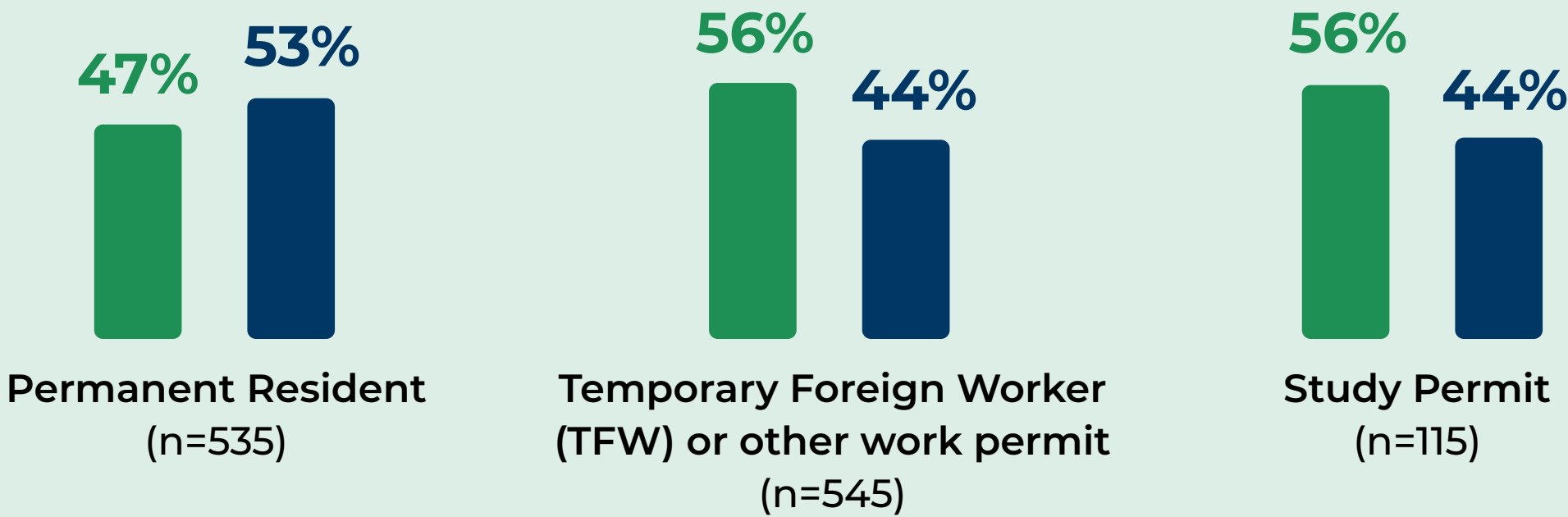
## Lost job/reduced hours or pay and received CERB or EI

(n=1,195)

Aggregate, all survey distributions



By immigration status, all survey distributions.



Note: Aggregate includes only permanent resident, temporary foreign worker, and study permit respondents. Graphs are based on responses to the following question: “Have you applied for, or are you interested in applying for, the following financial benefits?” Response options: “I have received this benefit; I have already applied; I am planning to apply; I am unsure/not aware of this benefit; I am not interested in applying; I am not eligible for this benefit.”

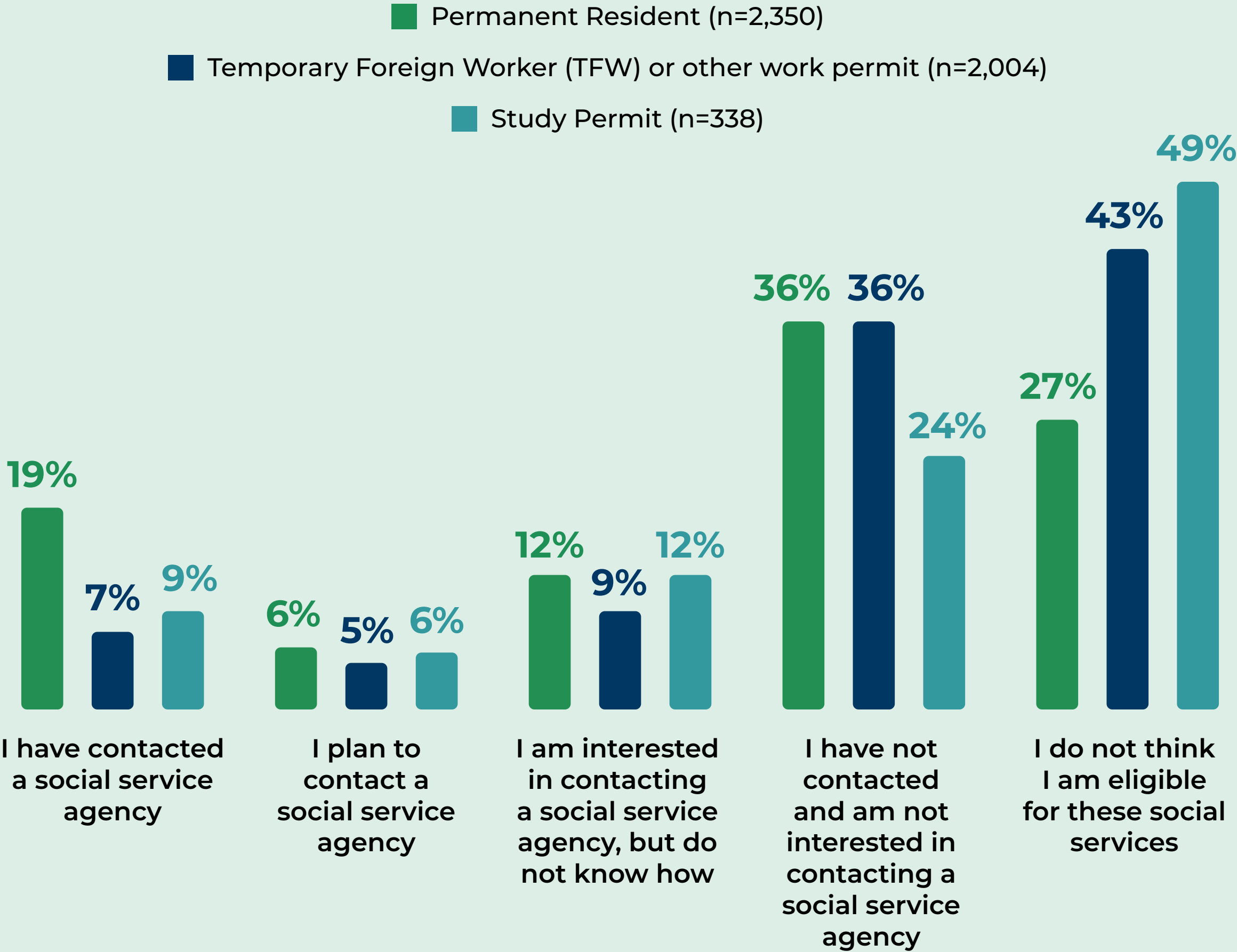
# Majority are not accessing social services

Respondents were asked whether they had sought help from social service agencies during the pandemic. Aggregate results from all surveys indicate that 19% of all permanent residents contacted a social service agency. Only 7% of TFWs and 9% of study permit holders had done so.

Eligibility restrictions most likely kept TFWs and international students from contacting social service agencies. In the case of international students, some are provided with services and supports through their educational institutions. However, TFWs are ineligible for many federally funded social services; 43% of TFW respondents indicated that they did not think they were eligible for employment or settlement services. Lack of access to services may exacerbate the negative impacts many TFWs have suffered during this time.

While permanent residents face fewer eligibility restrictions, it is important to note that 12% reported that they were interested in contacting a social service but didn't know how, and more than a quarter (27%) reported that they did not think they were eligible for services.

Which of the following statements best describes your contact with a social service agency (such as a settlement or employment agency) to get information or help since the COVID-19 crisis began?





## Conclusion:

# Pandemic, Recovery, and Beyond

The findings of this research add to the growing body of evidence that reveals the disproportionate impact of the pandemic on immigrants, temporary workers, and international students. The findings also point to several specific actions that could mitigate negative outcomes and improve recovery prospects for migrants.

Some migrants may be at greater risk, in part because their status does not provide them with full legal protections or makes them ineligible for economic supports or services. To mitigate these risks, temporary workers need more direct and expedited pathways to permanent residency, particularly those working in high demand sectors and those doing essential work.

The pandemic has also brought renewed attention to the long-standing call to broaden eligibility and create targeted settlement and employment service interventions for temporary workers and international students. Such interventions are increasingly important as so many, particularly during the pandemic, are likely to transition to permanent residency. IRCC officials indicate that broadening eligibility and other targeted measures are under consideration. Survey results also indicate that more action is needed to ensure that permanent residents, students, and temporary workers know what supports they are currently eligible for and how to access them.

The disproportionate economic impact of the pandemic on immigrants, temporary workers, and international students has deepened the existing inequities in Canadian society. Viewed holistically, the economic vulnerability of the respondents in this study is linked to their employment in precarious, low-wage, and often essential work, reflecting the impact of gender, racialization, and the devaluing of international education and experience in the labour market. Policy interventions aimed at addressing these systemic issues across the Canadian economy—in the context of the pandemic, the recovery, and beyond—will contribute towards mitigating disproportionate negative impacts on immigrants, temporary workers, and international students.





# Appendix



# Survey Metrics and Methodology

	April	June	August	Total
Total Invitations	11,443	50,994	54,534	116,971
Total Responses	1,049	2,703	3,744	7,496
Response Rate	9.2%	5.3%	6.9%	6.4%
Valid Responses	541	1,829	2,562	4,932
Completion Rate	51.6%	67.7%	68.4%	65.8%

- **Panel:** WES applicants for credential evaluation for immigration purposes who received a completed evaluation between January 2018 and July 2020
- **Sampling method:** Stratified random sampling
- **Data collection period:**
  - April 15 – 21, 2020
  - June 15 – 23, 2020
  - August 17 – 26, 2020
- **No incentive offered**
- **Reporting:**
  - Surveys comprised 12–14 questions.
  - Percentages may not add up to 100% due to rounding.
  - Some incomplete responses were included as valid.
  - “Not applicable” responses were excluded from the analysis. Percentages have been recalculated to reflect this change for all graphs included in this report.
  - While this report focuses on PR, TFW, and international student respondents, visitors and “other” are included in the aggregate analysis unless otherwise indicated.

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