

CAREER SUCCESS PLANS FOR IMMIGRANTS

For the next several months, the Social Policy team will investigate the role played by social agencies in the economic inclusion of newcomers to Canada. This month, we identify the benefits of value-added programs aimed at helping immigrants navigate the Canadian job market.

In previous issues of the Social Policy Trends series, we have covered the topic of immigrant and refugee integration into the economic and social life of Canada. We have described the barriers [many face](#) to practice their professions in Canada and how programs such as [microfinance](#) positively impact their career prospects and incomes. We have shown how the generosity of [private citizens](#) helps newcomers settle in their new homes, and that local governments stand to gain from listening to [social agencies](#) as key players in city building.

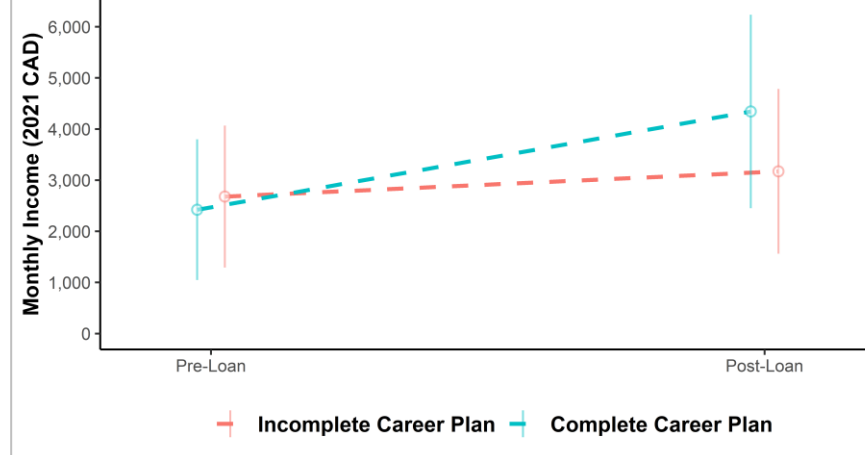
As described in prior issues of Social Policy Trends, immigrants [consume much of their savings](#) when moving to Canada. Providing them microcredit, or low-interest loans, can help them achieve professional re-certification and earn higher incomes more quickly.

Immigrants who completed plans that included career coaching, financial literacy, and mentorship programs as part of a microloan program received an additional \$1,425 in income per month over those who did not.

In addition to having to pay for degree evaluations and licensing, immigrants must also learn how re-certification happens and about the [regulatory bodies](#) relevant to their profession. They must familiarize themselves with [hiring practices](#) and [workplace culture](#), in addition to how banking systems and credit operate in Canada. In this report, we show how personalized career-coaching, mentorship, and financial literacy plans complement microloans and help immigrants acclimatize to the Canadian labour market. Using data describing the experiences of over 1,600 people provided to us by [Windmill Microlending](#), a registered charity that provides microloans to immigrants, we measure the additional income newcomers earn for having completed such plans.

The Effect of Career Plans on Immigrant Incomes

Source: Windmill Microlending 2020; Impact calculated by author using DiD approach with OLS regression with dummy treatment (Effect = 1415.56 ± 137.93).



The figure shows how the incomes of immigrants change after receiving a microloan. Income is shown prior to receiving a microloan (“pre-loan”) and after the loan account is closed (“post-loan”). The red dashed line shows the growth in the average monthly income of loan recipients who complete “Career Success Plans” intended to improve labour market integration. The blue dashed line shows the growth in average monthly income of loan recipients who have not completed such a career plan. Those who completed career programs realized faster income growth and by the end of their loan periods averaged incomes that were 58% higher, equal to \$1,415 per month when measured in 2021 dollars.

[Empirical research](#) shows mentorship, financial literacy, and career coaching provide important vocational supports to [vulnerable populations](#). Our findings show this is also true for immigrant populations. Agencies that provide newcomers with the knowledge and social capital to better understand their new homes and career paths provide a valuable service to immigrants and to native Canadians alike.