

Is the Canadian dream broken?




Recent trends in equality of opportunity for the racialized second-generation*

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Key Findings

Summary: The progress of second-generation young adults from five racialized groups – South Asian, Chinese, Black, Filipino, and Latin American – are compared with those who are third-and-higher generation White Canadians (the mainstream). We examine educational and earnings disparities in three successive 10-year birth-cohorts from the mid-1960s to the mid-1990s, focusing on those aged 26-35 in the Canadian Censuses and the National Household Survey for 2001, 2011, and 2021. Educational attainment and employment earnings are not equal across racialized groups for either men or women, and for the most recent cohorts, some groups cases begun to diverge further below the mainstream average. Chinese and South Asians maintaining high educational levels, while Black people, and to some extent Filipino and Latin American people, showing declines across cohorts. Earnings declined for most second-generation groups compared to the mainstream, despite a higher proportion holding university degrees, with declines especially pronounced among Black second-generation men and women. Changing characteristics of immigrant parents do not explain these trends. Our comprehensive examination of education and economic well-being brings into question longer-term processes of integration among different ethno-racial minorities in Canada.

Groups compared: The study focuses on the children of immigrants from diverse backgrounds

2ND GENERATION BIRTH COHORT	PARENTS OF 2ND GENERATION AGED 6-15 (Census year)	2ND GENERATION ADULTS AGED 26-35 (Census year)
		
1966-1975	1981	2001
1976-1985	1991	2011
1986-1995	2001	2021

who were born in Canada in one of three 10-year birth cohorts 1966-1975, 1976-1985, and 1986 – 1995 (see figure at left). Their progress in education and earnings is measured in the censuses for 2001, 2011, and 2021, respectively, when they had reached the ages of 26-35. The comparison group is the mainstream population consisting of third-plus generation Whites of the same ages. As context, we also examine the characteristics of immigrant parents as represented for each group and cohort by

* This is a summary of key findings from a report, co-authored by Rupa Banerjee, Jeffrey G. Reitz, Feng Hou, and Wendell Nii Laryea Adjetej, which was prepared for release by the CERC in Migration & Integration, Toronto Metropolitan University, Suite 204, 220 Yonge Street, Toronto, ON M5B 2H1. The full report is available on request. Contact the corresponding author: Rupa Banerjee, banerjee@torontomu.ca.

immigrants who had young children at the times the second generation was growing up, in the censuses of 1981, 1991, and 2001.

Salient Trends:

Education

1. The relatively **high educational levels of the second generation**, as indicated by university degree attainment, **rose substantially across the three cohorts**, in many cases exceeding increases for mainstream (third-or-higher generation White Canadians) populations of the same age, particularly for women.
2. There was considerable variation in university degree attainment across population groups. Second-generation Whites, Chinese, and South Asians increased or maintained a relatively high level of education. Blacks and Latin Americans, already at a relatively lower level, did not keep pace with the mainstream, and the percentage point difference became more negative. Filipino men lost ground, although their level of education remained higher than the mainstream.
3. The faster overall increase in education for the second generation compared to the mainstream reflects their changing family circumstances, including the increased level of education of their immigrant parents (resulting from increased emphasis on education in the selection of immigrants).

Employment Earnings

4. The **median annual earnings of the second generation declined across cohorts**, for both men and women, despite the more positive trends in university completion rates.
5. There were negative earnings trends for virtually all groups, but the dispersion among groups widened considerably over time. **Chinese and South Asian men and women were relatively unaffected by the decline.** The widening earnings disparities across groups were mainly manifested in the more negative trends for Blacks, Latin Americans, and Filipinos.
6. **Most striking were the negative trends in relative earnings for Blacks, both men and women.** In the 1966-1975 cohort, second-generation earnings of Black men were 15.2% lower than mainstream counterparts of the same age. In the 1986-1995 cohort, the earnings gap was 33.4%, a drop of 18.2 percentage points. Black second-generation women had a 17.6% earnings advantage in the first cohort, but by the last cohort, they earned close to 10% less than the mainstream, a drop of 27.6 percentage points.
7. **For second-generation Latin Americans, earnings declined for both men and women,** with a greater decline for women, over 25.6 percentage points. Filipino men had a small earnings advantage relative to the mainstream in the first cohort (3%), but by the third cohort, their earnings were 15.8% below that of mainstream men. Filipino women started with a sizable earnings advantage of 30.6% but by the third cohort, this dropped to 12.3%, a decline of 18.3 percentage points.
8. Some earnings decline for the more recent second-generation cohorts reflected the deteriorating income levels of successive cohorts of immigrant parents, but to a considerable degree, they occurred independently of the parents' experiences. They were distinctive to the

second generation itself and also to certain groups, particularly Black and Latin American people.

Earnings Analysis (considering demographic, education and family characteristics; see figures from report on next two pages)

9. **The growing earnings disparity of some minority groups across second-generation cohorts was partially explained** by the various demographic, education, and family characteristics in the regression analyses. **However, the significantly greater decline in the earnings of Black men across cohorts was not explained by the control variables.**
10. **Among men, the differences among most groups diminished when control variables were considered.** Net earnings were generally more positive for second-generation Whites and Chinese, and lowest for Latin Americans. Second-generation Chinese did not appear to experience a significant decline in earnings net of controls.
11. Against this inter-group pattern, after controls, the decline for Black men was particularly striking. **For Black men, the earnings disadvantage of 25% in the first cohort jumped to 50% in the third cohort.** This substantial deterioration was distinct from that of other groups and not well explained by trends in education or by trends in father's education or family income. Net of these controls, the earnings of Black men fell from 25% below the mainstream to 45% below.
12. **For women most visible-minority groups in the earliest second-generation cohort had a small earnings premium.** Chinese women showed a decline followed by recovery. By the last cohort, Chinese women earned 10% more than the mainstream after controlling for all demographics, the highest performance of any group.

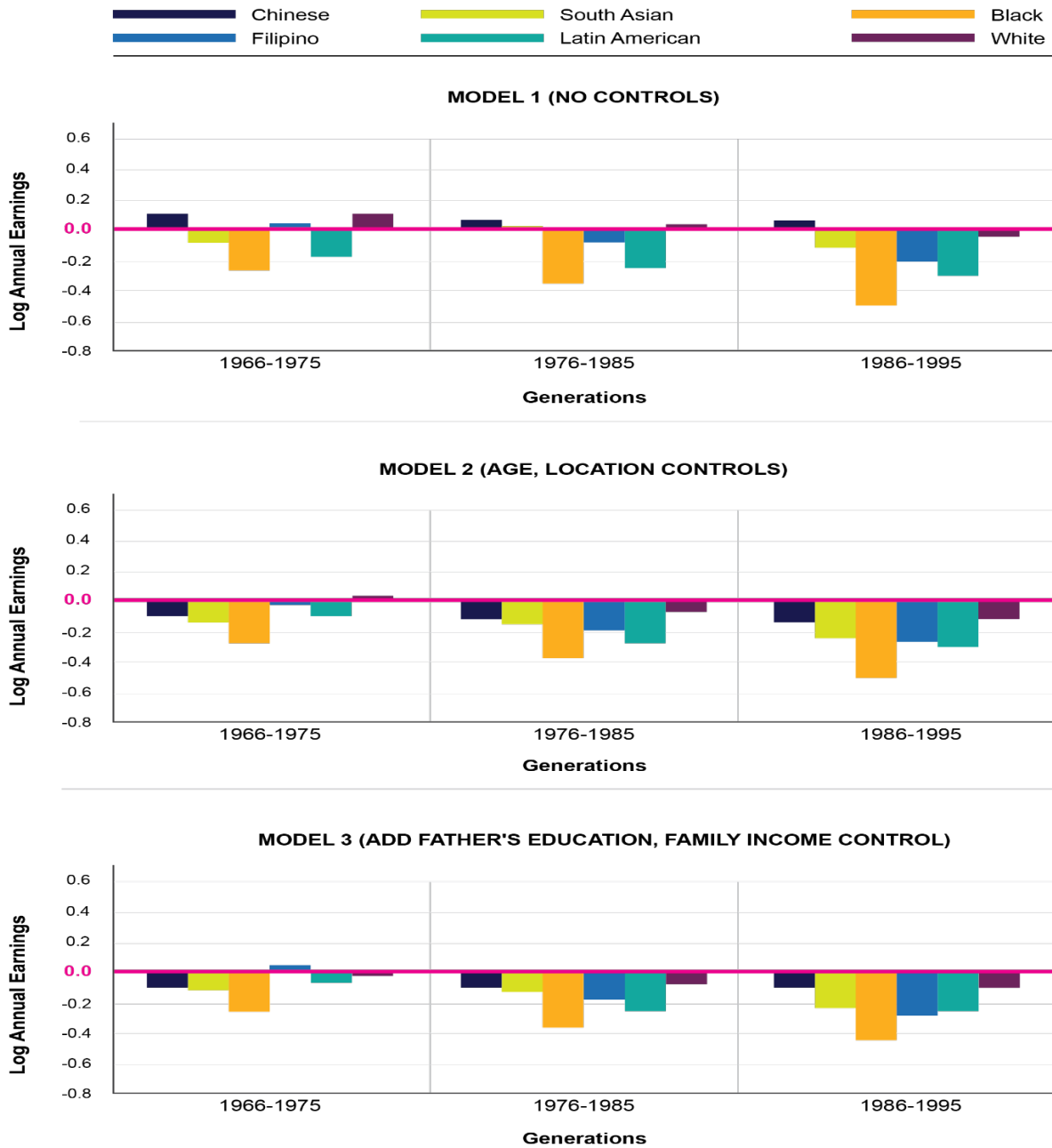
Explanations

Despite increasing levels of education, we found three successive second-generation cohorts had progressively lower levels of annual earnings relative to the mainstream Canadian population. Findings applied to both men and women and most origin groups and were not explained by family income levels in the parental generation. These trends are concerning and require explanation.

The pervasiveness of the downward trend across cohorts in second-generation earnings, and the fact that it occurred for Whites and visible minorities, both before and after controls, suggests broader labor market trends may be part of the story.

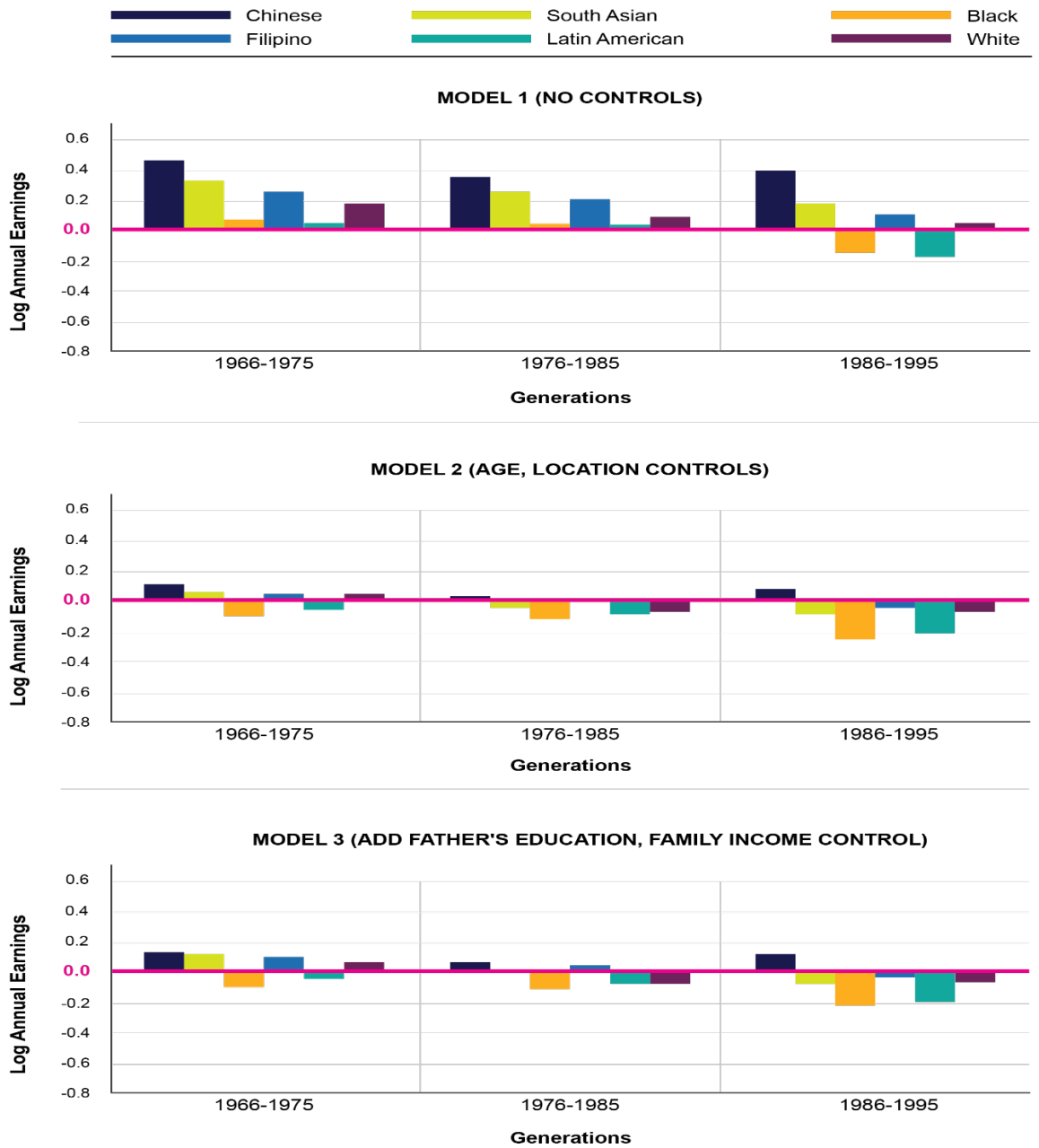
However, the greater deterioration in the earnings of second-generation Blacks and to some extent, Latin Americans compared to other groups requires additional explanation. While it is difficult to say whether anti-Black discrimination has worsened in recent decades, the implication may grow over time. The weakness of Black community resources has been noted by research and may also contribute to poorer outcomes for Black youth over time.

Log earnings of second-generation men aged 26-35 relative to third or higher generation Whites for select groups across birth cohort (Figures 3A-C in report).



Note: Results are from three OLS regression models predicting log earnings among second-generation men aged 26-35 by birth cohort and visible minority group. Reference category in all models: third or higher generation White Canadian men.

Log earnings of second-generation women aged 26-35 relative to third or higher generation Whites for select groups across birth cohorts (Figures 3-F in report)



Note: Results are from three OLS regression models predicting log earnings among second-generation women aged 26-35 by birth cohort and visible minority group. Reference category in all models: third or higher generation White Canadian women.