

# Growing Impact: Post-secondary International Students in Toronto

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## **Executive Summary**

### **Why this Report**

The internationalization of education fuels the ties crucial to long-term success in an increasingly interconnected global economy. With its low rates of study abroad, internationalization in Canada largely consists of international students coming to our shores. Encouraged by federal and provincial governments as well as leadership within the post-secondary education sector, the number of international students in Canada is surpassing targets set even just a few years ago.

Approximately one-fourth of Canada's international students study in Toronto, and their presence adds to existing diversity on campuses and in communities. To document international student trends and to better understand their impact on Toronto's economic, social and post-secondary educational infrastructure, this report was commissioned by the Intergovernmental Committee for Economic and Labour Force Development in Toronto (ICE Committee).

### **Dramatic Growth and Significant Economic Impact**

International student enrolment in Toronto's public post-secondary institutions has risen dramatically; the number of international undergraduate and Master's level students more than doubled in the City of Toronto's four universities between 2006 and 2015. It also more than doubled in Toronto's four public colleges between 2009 and 2015, growing from 10% of the college student population to 21% for this period.

These growing numbers translate into increased revenues for post-secondary institutions, particularly as international tuition is not capped and can be as much as four times higher than domestic tuition. In a context of stagnating operating grants from the province over the past decade, universities increasingly rely on tuition revenue, including that from international students. This revenue contributes to capital projects, hiring and supporting staff, and even funding study abroad opportunities for domestic students.

Conservatively, we estimate that international students contribute at least \$3.1 billion in economic activities within the City of Toronto each year – roughly 1.5 times the economic impact of the city's entire life sciences sector. This includes direct expenditures on tuition, accommodation and the like, as well as indirect expenditures, such as hiring of staff to provide international student services and supports.

### **The Enrichment of Canadian Education Experiences**

In addition to economic impacts, the presence of international students contributes to the quality of the educational experiences of all students in Canada. The presence of international students in a classroom and on campuses contributes to expanding worldviews and diversifying

academic discourse. When instructors leverage their presence, such as fostering cross-cultural groupings in class, students can share their different experiences, and this can lead to more globally designed curriculum. Internationalized learning outcomes are viewed as critical for success in a global context. International students have strong participation rates in extracurricular activities, both on and off campus. International students often come from entrepreneurial families and take advantage of start-up space and programs linked to post-secondary education. They can also help post-secondary institutions and students connect to international markets and entrepreneurs.

Our research did not find any evidence that international students displaced domestic students or made it more difficult for domestic students to access post-secondary education. For the most part, international students fill seats left vacant by domestic students. Following demographic trends, domestic student enrolment is growing, but the demand is not as robust as that coming from international applicants.

### **International Students as Immigrants**

Although international students primarily come to Canada to receive a high quality education, about 25% will eventually decide to make Canada their home. Transitioning from being an international student to a permanent resident of Canada continues to be a challenging process since students must navigate complicated immigration and employment landscapes as well as the challenges associated with establishing themselves and their families in a new community.

With the continued growth in international students, the impacts documented in this report are likely to increase. This is a good news story of attraction and support for internationalization and of increasing demand by international students to study in Toronto. At the same time, challenges were identified in this research that are holding these students back precisely at the time when many are making decisions about their futures and looking to contribute to the societies in which they live. The federal government recognizes the value of international students as future permanent residents, but the policies and supports to enable this transition have been slow to emerge. There is no single ministry or agency responsible for international students, and as such the presence of intergovernmental, cross-sectoral collaboration and partnerships is key to meeting the needs of this group.

### **Helping International Students reach their Potential**

This research identifies a number of actions that could be taken by a range of key stakeholders to increase the chances of successful transition among international students. During their time of study, international students must be adequately supported by appropriate services and supports and given opportunities to create community, career, and business connections. In addition, their backgrounds should be leveraged to promote internationalization on campuses. After graduation, they need access to settlement and other types of supports, including entrepreneurship, and their value should be promoted to employers. For those who wish to

remain in Canada as permanent residents and ultimately citizens, increasing the number of qualified immigration consultants within universities and colleges would help, as would further amending immigration policies to give credit for a wider range of labour market experience, including student work experience. Finally, better data are needed to follow the trajectories of international students and to examine linkages between student selection and labour market outcomes, including source country, program of study, and reliance on the Post-Graduation Work Permit (PGWP).

## 1. Introduction

International education is viewed as a key driver of Canada's future prosperity, particularly in the areas of innovation, trade, human capital development and the labour market.<sup>1</sup> To this end, in 2014 the Canadian government under Prime Minister Stephen Harper released its International Education Strategy which set a goal of doubling the number of international students studying in Canada to 450,000 by 2022.<sup>2</sup> In fact, this goal was surpassed within a few short years.<sup>3</sup>

As described in the document,

International education is critical to Canada's success. In a highly competitive, knowledge-based global economy, ideas and innovation go hand in hand with job creation and economic growth. In short, international education is at the very heart of our current and future prosperity. International collaboration in higher education contributes to success on many levels—both domestically and globally. Inviting international students and researchers into Canada's classrooms and laboratories helps create new jobs and opportunities for Canadians while addressing looming skills and labour shortages. Perhaps most importantly, international education fuels the people-to-people ties crucial to long-term success in an increasingly interconnected global economy.<sup>4</sup>

The federal government under Justin Trudeau continues to support this strategy and has gone a step further by amending some aspects of the immigration application process so that international students can more easily become permanent residents.

Countries seek to attract international students for a variety of reasons. The economic contributions of international students are well documented, with empirical data clearly establishing the positive economic contributions international students are making to the Canadian post-secondary institutions and the wider economy.

In addition to economic impacts, as described in the Council of Ministers of Education report, "International students strengthen Canada's schools, universities, and colleges, as well as the

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<sup>1</sup> Government of Canada, *International Education: A Key Driver of Canada's Future Prosperity*, Advisory Panel on Canada's International Education Strategy, Final Report, 2012, [http://www.international.gc.ca/education/assets/pdfs/ies\\_report\\_rapport\\_sei-eng.pdf](http://www.international.gc.ca/education/assets/pdfs/ies_report_rapport_sei-eng.pdf).

<sup>2</sup> Government of Canada, *Canada's International Education Strategy*, 2014, <http://international.gc.ca/global-markets-marches-mondiaux/assets/pdfs/overview-apercu-eng.pdf>.

<sup>3</sup> Canadian Bureau of International Education, *Canada's Performance and Potential in International Education*, 2018, <https://cbie.ca/media/facts-and-figures/>.

<sup>4</sup> Government of Canada, *Canada's International Education Strategy*, 2014.



Canadian communities in which they study and live, and they contribute to the quality of the educational experiences of all students in Canada.”<sup>5</sup> As such, ministries of higher education seek to attract international students for the diversity that international students bring to postsecondary campuses as well as for the revenue they generate.

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Although international students primarily come to Canada to receive a high quality education, some will eventually decide to make Canada their home. However, transitioning from being an international student to a permanent resident of Canada continues to be a challenging process since students must navigate complicated immigration and employment landscapes as well as the challenges associated with securing work and housing and establishing themselves and their families in a new community. This is despite the fact that both the federal and provincial governments have shown significant interest in attracting and retaining international students.

Even less attention has been placed on the impact of international students on municipalities and the role that local governments and institutions can play in attraction, retention and supporting the successful social and economic integration of this group.

This report was commissioned by the Intergovernmental Committee for Economic and Labour Force Development in Toronto (ICE Committee) to document international student trends in Toronto and the impact of international students on Toronto’s economic, social and post-secondary educational infrastructure.

Impacts and challenges are identified for international students at three critical points of time: during their studies; after graduation, for students who wish to remain and work in Canada; and

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<sup>5</sup> Council of the Ministers of Education, Canada, *Bringing Education in Canada to the World, Bringing the World to Canada: An International Education Marketing Action Plan for Provinces and Territories*, 2011, [https://www.cmec.ca/Publications/Lists/Publications/Attachments/264/COF\\_Bringing\\_Ed\\_to\\_Canada\\_Eng\\_final.pdf](https://www.cmec.ca/Publications/Lists/Publications/Attachments/264/COF_Bringing_Ed_to_Canada_Eng_final.pdf).

<sup>6</sup> See for example: Roslyn Kunin and Associates (RKA), *Economic impact of international education in Canada: An Update*, 2016, <http://www.international.gc.ca/education/report-rapport/impact-2016/index.aspx?lang=eng> ; Roslyn Kunin and Associates (RKA), *Economic impact of international education in Canada*, 2012, <http://www.international.gc.ca/education/report-rapport/economic-impact-economique/index.aspx?lang=eng>; PriceWaterhouse Coopers, *Fiscal Sustainability of Ontario Colleges*, 2017, <http://collegesontario.org/policypositions/positionpapers/Fiscal%20Sustainability%20of%20Ontario%20Colleges%20Final%2004.01.16.pdf>.

transitioning to permanent resident status in Canada. This identification of the key challenges experienced during these critical points of time can help inform the development of policies and programs and the types of multi-sector, multi-level collaborations needed to better support this group to stay, work and flourish as permanent residents in this city.

## 2. Scope and Methods

The scope of this report is limited to the experiences of international students in public post-secondary institutions within the City of Toronto. This comprises four universities – University of Toronto, York University, Ryerson University and OCAD University – and four public colleges – Centennial, Seneca, George Brown, and Humber. Whenever possible we relied on information that was specific to this population; however, when information was unavailable we relied on information for the Province of Ontario as a whole.

### Key Sources of Information

- Student Enrolment Databases – The Common University Data Ontario (CUDO) database (2006-2015) was used to examine international student enrolment in City of Toronto universities. Data on international student enrolment in City of Toronto colleges were drawn from the OCAS-OntarioColleges.ca.<sup>7</sup>
- Statistics Canada – Data from Statistics Canada were used to produce international student tuition trends in the province of Ontario; however, much of these data were not publicly available at the municipal level. By special request, Statistics Canada provided trend data on the number of student permit holders who transitioned to permanent resident status in the City of Toronto.
- Policy Research Reports – Several policy reports were used to examine the economic impacts of international students. For example, since there is no central registry of tuition rates for Ontario colleges and tuition rates vary widely by program of study, we relied on an independent assessment of the fiscal sustainability of Ontario’s 24 public colleges (Price Waterhouse Cooper (PwC)) for data on the economic contributions of international college students. Roslyn Kunin and Associates (RKA) have prepared estimates of international student spending and the associated economic impacts in five years – 2008, 2010, 2014, 2015 and 2016 – in four separate studies, dated 2009, 2012, 2016 and 2017.<sup>8</sup>

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<sup>7</sup> H. Decock, U. McCloy, M. Steffler, and J. Dicaire, *International students at Ontario Colleges: A Profile*, CBIE Research in Brief #6, 2016.

<sup>8</sup> See for example: Roslyn Kunin and Associates (RKA), *Economic impact of international education in Canada: An Update*, 2016, <http://www.international.gc.ca/education/report-rapport/impact-2016/index.aspx?lang=eng> ; Roslyn Kunin and Associates (RKA), *Economic impact of international education in Canada*, 2012, <http://www.international.gc.ca/education/report-rapport/economic-impact-economique/index.aspx?lang=eng>; PriceWaterhouse Coopers, *Fiscal Sustainability of Ontario Colleges*, 2017,

- Scholarly studies – These included peer-reviewed articles and conference presentations addressing international students’ trajectories and economic outcomes. The researchers commonly relied on data from Statistics Canada data and other survey data, notably from World Education Services (WES) and Canadian Bureau of International Education (CBIE), to examine factors associated with attraction and retention.
- Key informant interviews – We identified key informants from all eight Toronto postsecondary institutions through existing contacts and referrals, holding a variety of roles, including international student administration, direct provision of international student services, and campus-linked innovation programs. We also interviewed individuals from organizations with knowledge of broader international student trends and issues. The key informant interviews were conducted either in-person or by phone with 20 persons and ranged in length from 30 to 75 minutes (please refer to Appendix A for a list of key informants interviewed).

### 3. Overview of Government Policy related to International Students

Studying, working and immigrating to Canada is a complicated process for many international students involving three orders of government in Canada with sometimes competing roles and interests.<sup>9</sup> Appendix B to this report contains an annotated list of policies and regulations pertaining to international students.

The **federal government** is primarily responsible for managing temporary and permanent immigration programs by issuing temporary study permits, Post-Graduate Work Permits (PGWP) and approving applications for permanent residence in Canada.

Provincial governments also engage in immigrant selection to meet provincial demands through provincial nominee programs. For example, the Ontario Immigrant Nominee Program (OINP) contains an International Student Stream. This program is aimed at students who have completed their studies and have a full-time job offer from an eligible Ontario employer in a skilled occupation and who meet the low wage level in Ontario for that occupation and region. Applicants who are graduates with Master’s and PhDs obtained through an Ontario post-secondary program are not required to have a job offer. The provinces and territories are also responsible for education policy.

The **Province of Ontario** released its International Post-Secondary Education Strategy in May 2018 with the following vision: “Building on the solid foundation of Ontario’s postsecondary institutions, Ontario will be a world-class destination for international students, supporting a

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<http://collegesontario.org/policypositions/positionpapers/Fiscal%20Sustainability%20of%20Ontario%20Colleges%20Final%2004.01.16.pdf>.

<sup>9</sup> Cindy Le, *International Student Mobility to Canada: A surge? Or something else?* (World Education Services, 2017). Retrieved from: <https://wenr.wes.org/2017/09/international-student-mobility-to-canada-a-surge-or-something-else>.

strong economy and the enrichment of education for all students, communities and the province.”<sup>10</sup> Of the five goals described in the provincial strategy, one is to improve the international student experience and another is to support the retention of international talent. To that end, the strategy is supported by several initiatives in the province’s 2018 budget, including funds to help postsecondary institutions develop programming to enhance international curricula and collaborative online international learning; an International Student Support Services Fund to enhance experiences for international students on campuses; and expansion of the International Student Connect Pilot Program that provides social services and settlement assistance to international students.<sup>11</sup>

Municipalities also have a major role to play in the area of international education by ensuring that students have positive experiences during their studies and in supporting students who choose to stay and contribute to their new place of residence after the successful completion of their studies.

The **City of Toronto** is currently developing a Promote Toronto project which will highlight the positive aspects of studying in Toronto to attract more international students and institutional collaborations. The City has also launched several initiatives over the years to provide positive experiences for international students. For example, the City of Toronto produced an International Student Handbook and ran the International Airport Welcome Program (2011 – 2016) and International Students Festival and At-Home-In-Toronto programs (2011 – 2015) in partnership with over 30 public post-secondary academic institutions in Ontario. The City worked with Toronto-based universities and colleges to support international student programs and to create awareness about the contribution of international students in research, innovation and entrepreneurship. The City is also working with Private Career Colleges and Language Training Schools to create awareness about their programs.

#### **4. International Students in Toronto**

According to data reported by CBIE, there were 494,525 international students in Canada in 2017, representing a 119% increase since 2010, and an increase of 20% over the previous year.<sup>12</sup> Three-quarters of these international students were at the post-secondary level, and

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<sup>10</sup>Government of Ontario, *Ontario’s International Postsecondary Education Strategy 2018: Educating Global Citizens Realizing the Benefits of International Postsecondary Education* (Toronto: Ministry of Advanced Education and Skills Development, 2018),

<http://www.tcu.gov.on.ca/pepg/consultations/international-education-strategy-2018-en.html>

<sup>11</sup> Government of Ontario, *A Plan for Care and Opportunity: 2018 Ontario Budget* (Queen’s Printer for Ontario, 2018), 83, <http://budget.ontario.ca/2018/budget2018-en.pdf> .

<sup>12</sup> CBIE, *Canada’s Performance and Potential in International Education*, 2018.

they comprised approximately 18% of total student enrolment in Canada. Canada ranked fourth as a destination country for international students worldwide.<sup>13</sup>

Concurrently, international student enrolment in Toronto’s post-secondary institutions has also risen dramatically. As shown in Table 1, the number of international undergraduate and Master’s level students more than doubled in the City of Toronto’s four universities between 2006 and 2015. This represents an increase of 124% among international undergraduates between 2006 and 2015, compared to an increase of only 10% for Canadian undergraduate students over the same time period.

The number of international students attending colleges in Ontario has increased even more rapidly than the number of students attending universities.<sup>14</sup> Data show that the number of international students attending City of Toronto colleges has been rapidly increasing, more than doubling from 6,303 international students attending public colleges in 2009 to 16,303 in 2015. Their proportion doubled as well, from 10.4% of the college student population in 2009 to 20.7% in 2015.<sup>15</sup>

**Table 1: Number and Proportion of International Students enrolled in Toronto Universities by Level of Study, 2006 and 2015**

Level of Study/Year	2006 N/%	2015 N/%
Undergraduate	6,810 (6.8%)	16,225 (14.7%)
Master’s	968 (13.6%)	2,244 (19.6%)
Doctoral	1,088 (21.0%)	1,426 (21.5%)

Source: *Common University Data Ontario (CUDO)* (The percentage indicates the proportion of students who are international students in the total student population at the same level of study).

## 5. Impacts of International Students in Toronto

International students have profound economic and social impacts on post-secondary institutions and the cities/provinces in which they dwell while they are studying.

<sup>13</sup> IIE Project Atlas, 2017, <https://www.iie.org/en/Research-and-Insights/Project-Atlas/Explore-Data/Canada>.

<sup>14</sup> K. Williams, G. Williams, A. Arbuckle, M. Walton-Roberts, and J. Hennebry, *International Students in Ontario's Postsecondary Education System, 2000-2012: An Evaluation of Changing Policies, Populations and Labour Market Entry Processes*, Higher Education Quality Council of Ontario, 2016.

<sup>15</sup> Decock, McCloy, Steffler, and Dicaire, *International students at Ontario Colleges: A Profile*, 2016.

## 5.1 Economic Impacts on Post-Secondary Institutions

*In these times when there are funding challenges, this revenue is quite significant to our operations. -- John Porter, Director, International Admissions and Student Services, George Brown College*

The main economic impact of international students on post-secondary institutions is tuition-related. Since institutions in Ontario receive provincial operating grants for domestic students, but not for international students, international students' tuition can offset the lack of subsidy. Furthermore, in contrast to domestic tuition fees, international student tuition is not capped and increases in response to factors such as global demand and rising international tuition fees in comparable countries such as the United States, United Kingdom, and Australia.

### Public Universities

According to the Council of Ontario Universities, in 2016-2017, grants and contracts from the Ministry of Advanced Education and Skills Development (MAESD) contributed 39% to operating revenue, down from 44% in 2012-2013.<sup>16</sup> For the same period, the proportion of tuition revenue grew from 51% to 57%. In a context of stagnating operating grants from the province over the past decade, universities are increasingly relying on tuition revenue.

In 2017-18 tuition rates for international undergraduate students in Ontario were almost four times as high as for their Canadian counterparts and tuition rates for international graduate students were more than twice as high (Table 2). Tuition rates among both Canadian and international university students have increased over the past 5 years; however, the rate of increase was substantially higher for international students e.g. 36.6% vs. 16.5% among undergraduate students and 24.7% vs. 17% among graduate students (Table 2).

**Table 2: Tuition Rates for International and Canadian University Students in Ontario, by Level of Study, 2013-14 and 2017-18**

Level of Study/Tuition Rate	2013-14	2017-18
Canadian undergraduate	\$7,257	\$8,454
International undergraduate	\$23,688	\$32,370
Canadian graduate	\$8,470	\$9,918
International graduate	\$17,818	\$22,217

Source: Statistics Canada. Table 477-0023 - Weighted average tuition fees for full-time international undergraduate students, by field of study, annual (dollars), CANSIM (database).

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<sup>16</sup> Council of Ontario Universities (COU), Financial Report of Ontario Universities 2016-17 Highlights, Council of Ontario Finance Officers (COFO), March 2018, 5.

The total revenue from international student tuition fees grew from \$620 million in 2011-12 to \$1.28 billion in 2015-16, more than doubling in a four-year period.<sup>17</sup> In fact, the tuition received from international undergraduates surpasses what universities received in tuition and grants from domestic student enrolment.<sup>18</sup> It was estimated that at the University of Toronto, international students contributed just under half of the university's \$1.3 billion in tuition revenue.<sup>19</sup>

The other factor contributing to increased revenue from international student revenues is that compared to domestic students, the number of international students is increasing. As we saw earlier, the number of international undergraduate and Master's level students more than doubled between 2006 and 2015, compared to an increase of only 10% for Canadian undergraduate students over the same time period. According to figures from the Ministry of Advanced Education and Skills Development, international student enrolment in Ontario universities increased 88.5% from 2010 to 2016, compared to a domestic student growth of only 7%.

#### Public Colleges

Between 2008-9 and 2014-15, tuition revenue from Canadian college students increased 53% (from \$580 million to \$889 million) and international student tuition revenue increased 313% (from \$109 million to \$451 million). The proportion of the tuition fees contributed by international students increased from 16% in 2008-9 to 34% in 2014-15.

Ontario's public colleges face similar trends in terms of operating grants and enrolment pressures. Price Waterhouse Cooper reached rather alarming conclusions about the future prospects of the public college system in the absence of an injection of funding: "Our analysis suggests that in the absence of creative actions on the part of colleges and policymakers to address the future fiscal sustainability of the Ontario college sector, the core mandate of colleges appears to be in jeopardy."<sup>20</sup>

The report identified three categories of fiscal pressures on Ontario's colleges:

- Demographics: Declining birth rates has meant slowing and even negative domestic enrolment rates;

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<sup>17</sup> CBC, Universities growing more reliant on foreign student fees, July 12, 2017, <http://www.cbc.ca/news/canada/toronto/international-students-universities-ontario-tuition-1.4199489>; original data source: COU, COFO Financial Report of Ontario Universities, Static Reports, Guidelines and Highlights <http://couprod.tgtsolutions.com:94/customized-reports.aspx>.

<sup>18</sup> Council of Ontario Universities, Financial Report of Ontario Universities 2016-17 Highlights, 2018.

<sup>19</sup> COU, COFO Financial Report of Ontario Universities, Static Reports, Guidelines and Highlights, <http://couprod.tgtsolutions.com:94/customized-reports.aspx>.

<sup>20</sup> PriceWaterhouse Coopers, *Fiscal Sustainability of Ontario Colleges*, 2017.

- Revenues: Government funding per student has remained below the rate of inflation. Regulations have limited colleges' ability to increase tuition or raise revenues from other sources; and
- Expenses: Colleges face growing backlogs of deferred maintenance as well as new provincial program and reporting requirements that have not been accompanied by increases in revenues.

Increasing international student enrolment was recommended as a method of improving fiscal sustainability, and Toronto's public colleges are taking this route. Between 2008-09 and 2014-15, the proportion of total tuition revenues from international tuition among Toronto's public colleges has grown from around 20% to 40%.<sup>21</sup>

What is done with this revenue? Sometimes it helps to keep certain programs of study open, and it also contributes to capital projects such as new buildings. Some institutions channel revenues into marketing to attract more students at home and abroad, and overseas consultancy projects. For example, Seneca College reinvests a portion of revenues into international consulting and development projects with Global Affairs Canada. Jos Nolle, Dean of Seneca International, views this as a way of "giving back" and generating goodwill towards Canada overseas.

Some institutions reinvest revenues into internationalization programs that benefit all students. For example, Centennial College offers free, international and out-of-province short-term programs to all domestic students.

## 5.2 Local Economic Impacts

International students also have a profound impact on the local economy, contributing more than three billion dollars to Toronto's economy every year.

For the country as a whole, it has been estimated that international students contributed \$15.5 billion to economic activities in Canada, supported 143,100 full-time equivalent jobs in 2016, and generated \$2.8 billion in tax revenue.<sup>22</sup> These figures include direct value-added expenses associated with tuition, food, and accommodation, and indirect expenses related to firms supplying goods and services to the education services and other sectors. The rate of growth in overall student spending between 2014 and 2016 (16.9% per year on average) is significantly higher than the growth in previous years.<sup>23</sup> The economic impact of international students is

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<sup>21</sup> Ibid, 15-16.

<sup>22</sup> Roslyn Kunin and Associates (RKA), *Economic impact of international education in Canada – 2017 Update*, iii.

<sup>23</sup> Ibid., 35.



greater than that of the automotive or aerospace industries in Canada and almost as great as the tourism sector.<sup>24</sup>

In our own research, local key informants highlighted many of these economic benefits, including:

- Food, living expenses, clothing and transportation expenses. Sales tax is paid on all items purchased.
- Housing income. One key informant remarked that property is increasingly more affordable in Canada compared to China so that even middle class Chinese students are now able to purchase property, whereas they could not in the past. This is a source of revenue to the City through property tax.
- Student rent helps local homeowners to pay their mortgage. Rising housing costs in Toronto mean that more people are living at risk of losing their housing, and rental income can help to mitigate that risk.
- Employment income. International students are allowed to work off-campus 20 hours per week during regular school sessions and full-time during breaks.
- Staff employment. Institutions hire additional staff to provide support to international students. For example, 40-50 staff work at Humber College solely to provide services to international students.

Ontario, with the largest number of students, showed the largest contribution of international students to the GDP at \$6.3 billion. Just over half of Canada's international students study in Ontario, but, due to higher tuition fees in Ontario universities, Ontario has even higher student expenditures than its student share.<sup>25</sup>

Given that approximately half of Ontario's international students study in Toronto, we estimate that international students contribute at least \$3.1 billion in economic activities within the City of Toronto each year.

This is a conservative estimate. According to a key informant interviewed in our research, "the data most certainly understates that impact on Toronto" for the following reasons:

- The estimated tuition numbers were low for Toronto. Institutions such as the University of Toronto increased fees for international students with no reduction in enrollment because

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<sup>24</sup> Immigration, Refugees and Citizenship Canada (IRCC), *Profile of Canada's International Student Movement: From Temporary to Permanent Residents*, Presentation to Pathways to Prosperity Workshop, Victoria, B.C., 20 April 2018, Session 1, <http://p2pcanada.ca/library/international-students-as-future-permanent-residents/>

<sup>25</sup> Roslyn Kunin and Associates (RKA), *Economic impact of international education in Canada – 2017 Update*, 13-14.

of their prestige status. University of Toronto now charges \$45,000 tuition to international undergraduate arts students, tuition that may be comparable to world-class universities around the world, but uncommon in Canada.

- The estimates did not include the small cohort of international students who are very wealthy and able to purchase luxury goods such as condos and expensive cars. This group is described as “not insignificant, probably in the hundreds of students; so their economic impact is larger than the average student.”

### 5.3 Social and Educational Impacts

*International students bring important perspectives, outside the bubble...We ask [our design students] to be in dialog with one another a lot, to give feedback on each other's work. These connections and social capital will only help our students in the world, to be prepared for the global marketplace. It's a pretty big advantage. -- Deanne Fisher, Vice Provost, Students and International, OCADU*

“Internationalization” in education has various dimensions, including a globally-oriented curriculum, study abroad, and the reception of international students. In Canada, the growing emphasis on internationalization has focused largely on the presence of international students. This is especially important given the low rates of Canadian students studying abroad. Each year, only 2-3% of undergraduate and graduate university students in Canada undertake an international mobility experience (including exchanges, internships, co-op placements and volunteer opportunities), with lower rates estimated among college students for the same period.<sup>26</sup>

As such, attracting international students is the primary way that post-secondary institutions create opportunities for students to experience internationalization. Literature on this topic suggests that the presence of international students in a classroom and on campuses contributes to expanding worldviews and diversifying academic discourse. When instructors leverage their presence, such as fostering cross-cultural groupings in class, students can share their different experiences, and this can lead to more globally designed curriculum. Internationalized learning outcomes are viewed as critical for success in a global context.<sup>27</sup> In terms of student life, International Student Services on most campuses host events such as Chinese New Year celebrations or viewing of World Cup Soccer games that contribute to the international experiences of all students.

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<sup>26</sup> Canadian Bureau of International Education (CBIE), *A World of Learning*, 2016, 36-37, <http://net.cbie.ca/download/World-of-Learning-2016-EN.pdf>; Association of Universities and Colleges of Canada, *Canada's Universities in the World: AUCC Internationalization Survey*, 2014, 5, <https://www.univcan.ca/media-room/publications/canadas-universities-in-the-world-survey/> .

<sup>27</sup> CBIE, *A World of Learning*, 2016, 7.

In Toronto, the presence of international students adds to the existing diversity in the City. Local key informants state that the presence of international students encourages teachers to think outside the box in terms of teaching and curriculum development, and it also raises awareness of migration patterns and global issues among Canadian students. For example questions raised and addressed in classrooms include: Why do so many students come from China and India? What are their prospects? What expectations do they face from family members? Graduate students often have strong academic backgrounds upon arrival and may bring new research methods to a department.

In addition to their contributions to learning and teaching experiences, key informants note that international students are more likely than domestic students to participate in extracurricular activities, both on and off campus. For example, a local college key informant notes that international students are very involved in student government and that the engagement of international students can motivate involvement of domestic students. International students often serve as campus volunteers, mentors, and may be active in faith and cultural communities.

Finally, our research indicates that international students help post-secondary institutions and students connect to international markets and entrepreneurs. International students often come from entrepreneurial families and take advantage of start-up space and programs linked to post-secondary education. At Seneca College, for example, the campus-linked accelerator HELIX works closely with Seneca International and hosts many international students who can offer new perspectives:

*In our entrepreneurial workshops, students engage one another about where they're from, and how they approach things. These interactions have really lasting impact on the students. Both domestic and international students' minds are opened to new thoughts from people their own age, not only from the older faculty and mentors. --  
Chris Dudley, Seneca HELIX*

HELIX has also leveraged Seneca International in creating its own international partnerships. As a result, entrepreneurs from abroad have set up temporarily at HELIX as they explore expanding their international businesses into the Canadian market. Their presence provides “tremendous benefit” to the student start-ups operating within HELIX, domestic and international alike. As a quid pro quo for being able to temporarily locate within HELIX, Seneca students have been able to set up in incubators in other parts of the world. This kind of global exchange opens up doors for students and entrepreneurs alike and has been very fruitful during its three short years of operation.

Seneca College is not alone in creating incubators that can be accessed by international students. Through the provincially-funded Ontario Centres of Excellence Network, all eight

Toronto public post-secondary institutions offer some type of entrepreneurship supports to students.

#### 5.4 Impact on Access to Post-Secondary Programs

The core mandate of Ontario's public post-secondary institutions is to provide education to domestic students. Public institutions therefore receive funding from the province exclusively for domestic students. International students pay their own way and are encouraged only insofar as they do not displace domestic students.

Our research did not find any evidence that international students displaced domestic students or made it more difficult for domestic students to access post-secondary education. For the most part, international students fill seats left vacant by domestic students. In other words, domestic and international undergraduate applications are considered independently, and they do not compete for the same spaces; domestic applicants compete for the government-funded spaces, while international students compete for spaces that are not government funded.<sup>28</sup> The only exception identified in our research was at OCADU, where all students compete against each other on the merits of their portfolios.

Universities have a policy of ensuring a space for any willing and qualified student who wants to attend university, and as a result they have been increasing spaces for both domestic and international students. Since 2000, the number of domestic students enrolled at Ontario universities has increased by 51%.<sup>29</sup> This increase has occurred even in recent years, when the number of 18-20 year olds in Ontario has been on the decline.<sup>30</sup> This focus on access is part of what has led to Ontario having the highest postsecondary participation rate in the country. According to a recent report from Statistics Canada, nearly 70% of Ontarians go on to attend either university or college after high school.<sup>31</sup>

In the college sector, interest from international students may also be used to expand a course offering. As explained by a local key informant, if a program can admit 60 students and 52 domestic students are admitted into two class sections, then eight international students can be admitted. However, if 30 international students would like to take the course, then the

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<sup>28</sup> University of British Columbia, Ten things to know about international student enrolment, August 28, 2017, <https://news.ubc.ca/2017/08/28/ten-things-to-know-about-international-student-enrolment/>

<sup>29</sup> Data is from Ontario Ministry of Advanced Education and Skills Development data and obtained from Council of Ontario Universities.

<sup>30</sup> Data drawn from Ontario Ministry of Finance population projections and obtained from Council of Ontario Universities. See, for example, 2016 Census Highlights: Factsheet 3 -- Population Counts: Age and Gender. <https://www.fin.gov.on.ca/en/economy/demographics/census/cenhi16-3.html>

<sup>31</sup> Marc Frenette, *Postsecondary Enrolment by Parental Income: Recent National and Provincial Trends*, Statistics Canada, Economic Insights, Catalogue no. 11-626-X, 2017, Chart 3, <http://www.statcan.gc.ca/pub/11-626-x/11-626-x2017070-eng.htm>

school might create an additional section. All students would then have the option of choosing from three course sections rather than only two. In extreme cases, international students can make a department sustainable by maintaining a critical mass.

Colleges also have a mandate to serve local regional and vocational needs. With the cooperation of local employers, the college looks at what the job market can absorb in a given field; if there is capacity then a new section of a specific course might be added. As many international students now remain in Canada to work immediately after graduation, there are concerns about sending too many international students into occupations where they might compete with recent Canadian graduates.

The ultimate limit to the number of students enrolled is the physical infrastructure of the school, that is, how much classroom space exists. Some Toronto schools at maximum capacity are starting to look at offering more late afternoon and weekend courses to maximize classroom use.

Following demographic trends, domestic student enrolment is growing, but the demand is not as robust as that coming from international applicants. In most Toronto schools, therefore, the international student quotas fill quite quickly. Domestic seats are protected by prioritizing Canadian students over international students, particularly in popular programs such as nursing. Registrars often hold seats for domestic students until the last minute, in case of late applications, before releasing them to the international side.

In sum, the system is still built for domestic students, but it is recognized that international students have an economic benefit to the institution's bottom line as well as to the local economy.

## **6. Post-Graduation – International Student Graduates in Toronto**

International students increasingly seek opportunities to work in Canada during their studies and after graduation, sometimes as part of their pathway to permanent residence, and sometimes to earn money and gain work experience before returning home.

The Post-Graduation Work Permit (PGWP) allows students who have graduated from a participating Canadian post-secondary institution to gain valuable Canadian work experience over a finite period of time. The length of the permit is based on length of study in Canada; for example, a graduate who spent four years in school will normally receive a three-year work permit compared to a graduate from a shorter program whose permit may be as short as eight months. According to IRCC, more than 75% of PGWP holders are issued three-year work permits.<sup>32</sup>

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<sup>32</sup> IRCC, *Moving Forward on Canada's International Student Program*. Presentation to Canadian Bureau for International Education, November 2017.

The number of PGWPs issued to international students more than doubled between 2008 and 2014.<sup>33</sup> According to IRCC data, over 27,000 PGWPs were issued to university graduates in 2016 -- up 25% from 2015 -- and over 24,000 PGWPs were issued to college graduates in 2016 -- up 158% from 2015. It was estimated that 70% of PGWP participants became permanent residents within a period of five years after obtaining their work permit.<sup>34</sup>

Key informants in the college sector speculated that 80% of international students intend to seek Canadian permanent residence. A local college key informant stated that 95-98% of their international students apply for a PGWP, and that students choose colleges over universities specifically because the time to get a credential is shorter, thus enabling quicker access to the PGWP. However, this limits the duration of time that the student can work post-graduation. These students are older, often with a postsecondary credential prior to arrival, and they are career focused, so they are more likely to work afterwards. Younger, less experienced students find it very difficult to find skilled work immediately after graduation.

Between 2002 and 2011, 66,426 international students who studied in Ontario transitioned to become temporary foreign workers, most through the PGWP Program, an increase of 264% between 2002 and 2011.<sup>35</sup>

Figures from 2011 indicate that 10,025 international students (53% of international students who came to study in Ontario) transitioned to another class which allowed them to stay. The locations of study from which international students transitioned matched the locations of their entry. Between 2000-2012, at least 88% of the international students who studied in Ontario stayed in Ontario, and the top location in Ontario was Toronto which retained 64% of the total number of international students.<sup>36</sup>

According to pan-Canadian data, approximately half of the international students surveyed in 2015 *planned* to apply for permanent residence.<sup>37</sup> Some research suggests that 15% of international students will transition to permanent residence within five years of graduation and 25% will within 10 years.<sup>38</sup> Most sources cite 25% which is comparable to rates of retention

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<sup>33</sup> Lisa Deacon, *From Permits to Permanency: Supporting the International Student in Status Transition*, CBIE, 2016.

<sup>34</sup> IRCC, *Profile of Canada's International Student Movement: From Temporary to Permanent Residents*, 2018, <http://p2pcanada.ca/library/international-students-as-future-permanent-residents/>.

<sup>35</sup> Williams, Williams, Arbuckle, Walton-Roberts, and Hennebry, *International Students in Ontario's Postsecondary Education System, 2000-2012*, 2016.

<sup>36</sup> Ibid.

<sup>37</sup> CBIE, *A World of Learning*, 2016.

<sup>38</sup> Feng Hou and Yuqian Lu, *International students who become permanent residents in Canada*, Statistics Canada, 2015, <https://www.statcan.gc.ca/daily-quotidien/151210/dq151210c-eng.htm>

in OECD countries. The vast majority (75%) of former international students will transition as economic class immigrants, although this transition may not be direct.<sup>39</sup>

International students may also immigrate to Canada under several programs, including Canadian Experience Class, Federal Skilled Worker Program, Federal Skilled Trades Program, or various provincial nominee programs. Since January 2015, applications to these three programs have been managed under the Express Entry system. Express Entry was initially problematic for international students because their scores were not always sufficiently high even though this group represented other advantages in terms of their age, postsecondary credentials received in Canada, linguistic skills and familiarity with work, life and culture in Canada.<sup>40</sup> The points granted under Express Entry have been revised several times, each time making it easier for recent international graduates to improve their rankings, including additional points given for Canadian education credentials.

Several informants cite examples of students accepting undesired jobs because these were deemed to be “high skilled” occupations under Express Entry (e.g., supervisory and managerial in restaurants and retail) which secure more points compared to “low skilled” occupations. One informant recalls meeting a student from Toronto who had an engineering degree but was working as a manager at a retail clothing chain because it was considered to be better for the permanent residence application. Some students are getting a second post-secondary credential to boost their qualifications under Express Entry.

Another key informant explains that although a 22-year old international student with a Canadian degree has much to contribute to Canada over the course of their lifespan, it is hard for them to get as many points as skilled workers from around the world in the Express Entry pool.<sup>41</sup>

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<sup>39</sup> Michael Haan, Victoria Esses, F. Eichelmann-Lombardo, and J. Amoyaw, *International Student Pathways to Permanent Residence in Canada: Successful Factors for Transition and Retention*, Presentation to World Education Services, March 2018.

<sup>40</sup> Chedly Belkhodja, and Victoria Esses, *Knowledge Synthesis: Improving the assessment of international students' contribution to Canadian society*, Pathways to Prosperity Partnership in collaboration with WES, 2013.

<sup>41</sup> Under Express Entry, candidates with a valid job offer in a National Occupational Classification (NOC) 0, A or B occupation receive 50 points to candidates with a valid job offer in a NOC 00 occupation (that is, senior executives) receive 200 points. Government of Canada, *Express Entry: Early Observations on November 2016 Improvements*, <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/express-entry-early-observations-november-2016.html>.

## **7. Post-Graduation Challenges faced by International Students in Toronto**

### **7.1 Finding Employment**

Many local key informants believe that international students are not prepared to enter the Toronto job market. Many students focus exclusively on obtaining high grades rather than building networks and connections to the communities in which they live, and they are unprepared to find work in a competitive labour market.

Like immigrants, international students can assist local firms as they expand into other countries, export, or import. But since international students have temporary work permits, employers may be less interested in hiring them or even understanding that they are legally entitled to work. In an already competitive environment, the temporary work permit puts them at a disadvantage. Employers may not wish to invest in their training only to see them leave the country within a year or two.

Post-graduation employment is something of a gray area that falls outside the purview of international student offices and postsecondary institutions. Many schools provide employers with information on the hiring of international students, but few universities or municipalities target employers for the purpose of making them aware of or educating them on the benefits of hiring international students.

Moreover, international students are not eligible to access provincial employment services (Employment Ontario offices) for assistance; only the campus career centres can assist. Employment Ontario offices may allow them to attend workshops, but they will not be assigned a job developer or receive one-on-one supports.

Also, although the provincial government is promoting increased experiential learning across all postsecondary institutions, international students need a separate work permit to participate in co-op programs. The time required to get the second permit can remove them from competing for some positions. Moreover, government internships and co-ops are often closed to international students.

Key informants also cited racism as a factor inhibiting international students from finding skilled work after graduation.

Table 4 illustrates the main fields of study pursued by international students in Toronto colleges. Business is the largest field of study, followed by Engineering/Technology and Hospitality.



**Table 4 - Breakdown of International College Students Enrolled in City of Toronto Colleges (1) by Program of Study (2011-2014)**

Program of Study	Proportion
Business	43.9%
Engineering/Technology	17.3%
Hospitality	14.8%
Creative and Applied Arts	10.5%
Community service	6.5%
Health	3.5%
Preparatory/Upgrading	3.5%

Source: OCAS. Retrieved from Decock et al., 2016.

(1) Centennial, George Brown, Humber and Seneca

Anecdotally, according to key informants, students working in fields that require specific skill sets, for example, tech industries, pharmacy, design, or hospitality fare better; students with a business focus are commonly less marketable and come to the end of their PGWP never having held the type of job that will help them qualify for permanent residence through Express Entry.

## 7.2 Starting a Business

International students often come from entrepreneurial backgrounds and pursue fields of study that lend themselves to business formation, including information technology, engineering, science, and design. One key informant who worked for several years with budding entrepreneurs notes a high level of motivation among international students in general, and a very well developed entrepreneurial mindset and spirit. This is not surprising as these students have already taken huge risks, forged new lives, and taken challenges to be in Toronto in the first place, all qualities possessed by entrepreneurs. Among the potential entrepreneurs this informant advised, international students were the most qualified, and had the biggest potential contribution. Despite these positives, local key informants identify two key barriers that hold back international students from starting their own businesses.

First, business ownership and self-employment in Canada does not offer an immigration pathway. Under Express Entry, points are earned for employment but not for business ownership. Anyone seeking permanent residence thus steers away from entrepreneurship. Canada also has limitations on business ownership by non-residents; a majority of any business must be owned by a permanent resident or citizen.<sup>42</sup> As one informant working in the business start-up field notes, "I see a lot of ideas, but unfortunately they cannot start their own

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<sup>42</sup> A person who is not a Canadian citizen or permanent resident can own a business by setting up a partnership or a corporation with one or more Canadian citizens or landed immigrants. For corporations, as specified in the Canada Business Corporations Act, "At least 25 per cent of the directors must be resident Canadians (if 25% of the directors is not a whole number round up to the nearest whole number). Where a corporation has less than four directors, at least one must be a resident Canadian (S. 118(3))".

business.” As a result, students must work in skilled positions first and then transition to business ownership after obtaining permanent residency. Sometimes international students take on unneeded business partners in order to comply with regulations, and sometimes one partner pursues Canadian opportunities while the international partner seeks to grow the business overseas.

Second, government funding programs available for start-up, including on the campuses to which international students pay tuition, are generally not open to temporary residents. Through the Ontario Centres of Excellence (OCE), the province has programs and supports for young entrepreneurs under age of 29, but only for permanent residents and citizens. International students who pay top tuition to attend postsecondary can get a rude awakening when they try to access these resources. Futurpreneur is closed to them, as is BDC which does most of the funding for small businesses overall. George Brown College did set aside funds for micro-seed funding accessible to international students, totaling about \$10,000 annually, but this stands out as an exception.

A related point is that OCE requires a lot of reporting and metrics from the postsecondary educational institutions, but nothing related to demographics on gender or other diversity metrics. Also, the campus-linked accelerators are supposed to work with ages 18-29, but college students are often older, especially international students and those pursuing entrepreneurship.

People who work in this field state that it is worthwhile to invest in international students because they are working in the innovation space and innovation helps us all. For students who remain in Canada, they will be more prepared to contribute to our economy. If the students move overseas, they will be helping their own local economies and thus Ontario post-secondary institutions will have contributed to a global good.

### **7.3 Lack of Transitional Services and Supports**

According to local key informants, it is precisely at the time of post-graduation transition that international students most need help, and are falling through the cracks. The federal government has stated that these students make ideal immigrants, yet they do not have access to the services and supports designed for newcomers to Canada. At the provincial level, Ministry of Citizenship and Immigration funds International Student Connect on a pilot basis. This program offers settlement services to international students at select public colleges and universities in the province as well as fact sheets, occasional webinars, and other resources on the program website. The fact that none of our key informants mentioned this program illustrates the need for better promotion and more buy-in from Ontario postsecondary institutions.

International students often rely on campus-based services, even after graduation, yet there does not appear to be much in the way of employment programming or supports aimed specifically at international students. International students are seen as ideal candidates for permanent residence, but like domestic students they need supports but even more so, for example, networking opportunities and interview skills, that may or may not be provided.

For example, international graduates are not eligible to access federally-funded settlement services. Even if they were, existing services may not be suitable for this demographic as students have already been in Canada for some time and have strong language skills. However, they may be in need of counseling, orientation, and other services provided in this sector. Finding suitable housing can also be a big challenge for students, especially in the Toronto area where housing costs are high. Most educational institutions do not offer very in-depth supports or services to begin with, and as students transition away from campus, housing is even more difficult to navigate. Several key informants state their desire to see the City of Toronto create a trusted database to help international as well as Canadian students and recent graduates access housing.

Regarding health and mental health, international students pay for health insurance as part of their student fees. Universities offer the mandatory University Health Insurance Plan (UHIP) and public colleges work with private providers to offer a healthcare package to students. Once they graduate, students must purchase their own health insurance as they are not eligible for Ontario health insurance until 90 days after becoming permanent residents. During this transition period, young people who are far from home supports and under pressure to find employment and secure permanent residence may face mental health challenges. They are often alone, sometimes with language barriers, being away from family. The university doesn't have the resources or expertise to address all these issues, and access to services after graduation may be worse. Growing concerns about access to healthcare, especially around mental health, was identified by key informants in this research.

#### **7.4 Inflexibility of Post-Graduation Work Permits**

Many issues were identified regarding the federal government's post-graduation work permit (PGWP) program. The online forum for persons working with international students operated by the Canadian Bureau for International Education (CBIE) identified issues related to miscommunication and lack of clarity of government bodies responsible for administering the PGWP program. As cited in a CBIE report on this topic:

- Policy and administrative bodies across governments should better coordinate, communicate and assess the implications of policy change before implementation, and be open to making adjustments when incongruences and potential problems are raised by those providing direct services to international students.

- Regulated International Student Immigration Advisers (RISIAs) and Regulated Canadian Immigration Consultants (RCICs) at institutions are key allies to both students and policy analysts and administrators through complex status transition periods. Access and circulation of seamless communication between these professionals and policy administrators would enhance the effectiveness of the overall system and improve outcomes for all stakeholders.<sup>43</sup>

Not all students are eligible to receive a permit, and key informants express concerns that approvals can seem arbitrary and the system is inflexible. To illustrate, international students must have been continuously enrolled in a program with an average above a certain level every semester. This system does not allow students facing a family emergency to take time off school. There is no appeals process or flexibility in how the government is issuing PGWPs. In the words of one key informant, “If an international student adheres to principles of their study permit and still does not qualify for a PGWP, which is problematic.”

## 8. Transitions Post-Graduation

Examining the trajectories of international students following graduation is extremely challenging. Among students who remain in Canada, some transition to temporary worker status, some apply for further studies, some apply for permanent resident status, and others pursue multiple transition pathways. Haan and his co-authors used IMDB data on transition and provincial tax filing data from 2005-2014 to determine the proportion of international students who remained in their province of study. They found that approximately 68% of international students who studied in Ontario during this time left Canada; 4.4% moved out of Ontario and 26.8% filed a tax return in Ontario in years zero or one after their studies. Of this 26.8%, 84.8% filed again after five years, i.e., five year retention rate.<sup>44</sup>

While retention rates appear to be high for Ontario as a whole, there is less data on retention rates in the City of Toronto. Internal migration trends indicate that Canadian immigrants are increasingly moving away from large labour markets into smaller economies. For example, in 2014-2015, Toronto and Montreal experienced the lowest net internal migration of immigrants among all Canadian municipalities with net flows of -27,700 and -14,000 migrants, respectively.<sup>45</sup> International students may also be increasingly considering living outside of Canada’s major cities where labour markets are more promising and the cost of living may be more affordable.

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<sup>43</sup> Lisa Deacon, *From Permits to Permanency: Supporting the International Student in Status Transition*, 2016.

<sup>44</sup> Haan, Esses, Eichelmann-Lombardo, and Amoyaw, *International Student Pathways to Permanent Residence in Canada*, 2018.

<sup>45</sup> Sonia P. Nguyen, *The retention of international students to their place of study upon permanent resident status*, M.A. thesis, University of Western Ontario Department of Sociology, 2017.

Table 3 presents data on the number of permanent residents living in the City of Toronto who were prior study permit holders, anywhere in Canada. As expected, the majority of permanent residents were admitted under the economic class. The number of former study permit holders in Toronto who transitioned to permanent residence has remained relatively stable between 2008 (N=1,985) and 2017 (1,890). This number is also much smaller than the number of study permit holders issued for post-secondary institutions (college, university and other) suggesting that most international students being admitted as permanent residents are choosing to live in Toronto.

**Table 3: Admissions of Permanent Residents with Prior Study Permit Holder Status by Immigration Category, City of Toronto, 2008-2017**

Immigration Category/Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Economic	1,115	920	815	620	610	475	785	755	630	1,250
Sponsored family	615	540	385	330	370	380	305	330	410	310
Refugee	190	195	250	285	280	320	295	220	195	295
Other	65	60	50	50	55	25	30	30	15	35
Total	1,985	1,715	1,495	1,285	1,315	1,200	1,415	1,335	1,250	1,890

Source of Data: IRCC Temporary residents December 2017 Data.

Some research examines social, educational and economic factors associated with the retention of international students in municipalities. For example, researchers found that having Canadian friends and perceptions of safety were significant social factors associated with international students' decisions to apply for permanent residency in Canada, as was the number of years living in a given community.<sup>46</sup>

On the educational front, research found that programs of study and type of institution were strongly associated with labour market outcomes for international students who stayed in Canada. For example, researchers found that the type of skills-based education obtained through colleges was more beneficial for retaining students in their communities than university degrees.<sup>47</sup> These authors also suggest that local governments may find it to be more

<sup>46</sup> Ibid; Tom Carter, Margot Morrish, and Benjamin Amoyaw, Attracting Immigrants to Smaller Urban and Rural Communities: Lessons Learned from the Manitoba Provincial Nominee Program. *Journal of International Migration and Integration / Revue de l'integration et de l'immigration internationale*, 9, 2, (2008): 161–183; Monica van Huystee and Benoit St Jean, *Interprovincial Mobility of Immigrants in Canada, 2006-2011*, Citizenship and Immigration Canada, IMDB Research Series, July 2014, <http://www.cic.gc.ca/english/resources/research/documents/pdf/mobility2006-2011.pdf>;

<sup>47</sup> Nguyen, *The retention of international students to their place of study upon permanent resident status*, 2017.

effective to invest in college enrollment, where international students can develop the skills that are in demand and specific to local economies, in order to retain international students in their communities.

Economic factors were among the strongest in international students' decision making on whether to stay in a community. Familiarity and ease with the Canadian labour market, knowledge of employment opportunities, and workplace culture were identified as key resources for international students in their pursuit of employment and settlement upon permanent residence. Research suggested that pre-landed Canadian work experience was more important than pre-landed Canadian education in the retention of international students at landing, which underscores the importance of labour market experiences in international students' decisions to stay. It is also important to note that, like their immigrant counterparts, international students may be increasingly turning to communities to live and work where they will have more opportunity to find work and housing and live more affordably.<sup>48</sup>

There was strong evidence of retention among the Ontario nominee program for international student graduates (OINP).<sup>49</sup> A study by the Government of Ontario found that 96% of nominees were currently living in Ontario and among this group, 53% were living in Toronto. The vast majority of participants (90%) were employed; 60% as professional or specialists and 16% as midlevel managers. The average self-reported income was \$61,234. The major barriers to employment reported were lack of networks (56%) and lack of Canadian experience (52%). Compared to other immigrants in Ontario with similar qualifications, OINP Graduate Nominees were more likely to be employed and earned a higher income than those who arrived through other economic immigration categories, with the exception of the Canadian Experience Class. Findings further suggested that OINP Graduate Nominees who participated in this study were able to achieve positive economic outcomes without the requirement of a job offer under the OINP.

Note that after transitioning to permanent residents, international students continue to have a positive impact on the economy. Using IRCC data on international student transitions and the Longitudinal Immigration Database on immigrant income, Statistics Canada researchers estimated the annual income of international students who transitioned to permanent residents.<sup>50</sup> They found that international students earned the same income as the average

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<sup>48</sup> Ather H. Akbari, Labor Market Performance of Immigrants in Smaller Regions of Western Countries: Some Evidence from Atlantic Canada. *Journal of International Migration and Integration / Revue de l'integration et de la migration internationale*, 12, 2 (2011): 133-154.

<sup>49</sup> Government of Ontario, *Ontario's Immigrant Nominee Program – How are International Student Nominees Faring?* Presentation to 18th Metropolis Conference, March 4, 2016 by Lilit Bakhshiyani and Meaghan Symington.

<sup>50</sup> Feng Hou and Yuqian Lu, *International Students, Immigration and Earnings Growth: The Effect of a Pre-immigration Canadian University Education*, Statistics Canada, Catalogue no. 11F0019M

permanent resident immediately after their transition; over time, however, they earned more than the average permanent resident. By 10 years after transitioning, a former international student earned \$5,300 more than the average immigrant, a statistically significant finding. Immigrants in this comparison were foreign-educated persons who arrived in Canada at age 25 or over and had a university degree before immigration.

## **9. Conclusions and Next Steps**

The educational, economic and social contributions of international students to Toronto's postsecondary institutions and to Toronto itself have been well documented in this report. Since the number of international students is projected to rise, these impacts will only grow. This is a good news story of attraction and support for internationalization, of increasing demand by international students to study in Toronto, and of more than three billion dollars in economic benefits to Toronto's economy every year.

At the same time, several challenges were identified in this research that are holding these students back precisely at the time when many are making decisions about their futures and looking to contribute to the societies in which they live. The federal government has referred to international students as ideal immigrants, and, as such, steps must be taken to make their pathways to permanent residency simpler and easier. Yet Canada follows a "dual intent" approach when it comes to international students and other temporary residents. On the one hand, there is no doubt that the possibility of permanent residence is an attractive factor among many would-be students in deciding where to study abroad. In fact, this possibility is a prominent feature in recruitment materials from post-secondary institutions as well as on government websites. On the other hand, students are considered to be temporary residents even as they are permitted to work after graduation, rendering them ineligible for many of the supports that would assist in their transition to permanent residence.

Based on our interviews, the federal government recognizes the value of international students as future permanent residents, but the policies and supports to enable this transition have been slow to emerge. The Express Entry system is evolving, and changes that have been implemented since it was first introduced are making it somewhat easier for international students to acquire permanent residency status, even though some problems remain.

The employment and immigration policies faced by graduating international students are among the most complicated of any group of immigrants to Canada, with frequent changes and limited resources available to students and recent graduates.

The responsibility for international students falls under different jurisdictions at different points in their journeys. As individuals who seek to study, work and stay in Canada, they must navigate immigration policies overseen by Immigration Refugees and Citizenship Canada and the Ontario

Ministry of Citizenship and Immigration. As learners, they turn to their post-secondary education institutions governed by policies of the Ministry of Advanced Education and Skills Development (MAESD) for support. As workers and innovators, relevant policies are found within MAESD, the Ministry of Research, Innovation and Science, the Ministry of Economic Development and Growth, and more. As municipal service users and renters, they are governed by municipal by-laws. In sum, there is no single ministry or agency responsible for international students, and as such the presence of intergovernmental, cross-sectoral collaboration and partnerships is key to meeting the needs of this group.

In this final section, we suggest a number of responses to the trends and challenges outlined in this report and identify actions that could be taken by a range of key stakeholders, either alone or in partnership, to increase the chances of successful transition among international students.

### **During Study**

1. Welcome and support. International students must be adequately supported during their studies by appropriate welcome and inclusion programs (airport welcome, mentoring/buddy systems), a safe living and study environment, and student services, including the provision of accurate and timely information about immigration and employment. Appropriate and accessible mental health supports are essential for international students who are far from home, may experience strong family pressures to do well, and may struggle with language barriers.
2. Leveraging their value on campus. International students bring multiple benefits to post-secondary institutions, but these require the internationalization of curricula and creative partnering of international and domestic students in which both may learn and benefit. The benefits to postsecondary institutions and communities are present, but they must be utilized and leveraged, not only on campuses but in wider communities and to employers.
3. Creating community connections. Institutions and communities should be encouraged to establish programs to facilitate the community integration of international students. Many graduates have never been inside a Canadian home nor have any Canadian friends. Holiday meal hosting programs, organized tours of local points of interest, and connections to local young professional groups are a few examples of programs that could foster community connections.
4. Improving employment prospects. International students often have excellent hard skills but may lack the less concrete soft skills which are essential to job market success. There is some evidence that practical, skills-based programs of study, such as those found in the college system, lead to better employment results for international students. Partnerships between universities, colleges, governments, and community



agencies should be established to help international students develop appropriate skillsets and to access meaningful employment during and after their studies. Enhancing students' local and professional networks should be a priority.

5. Fostering entrepreneurship. International students often come from entrepreneurial families and work in innovation fields. Efforts should be made to support and to retain students who are working in campus-linked accelerators to create innovative businesses that have the potential to generate significant employment and tax revenues.

### **Post Graduation**

6. Provision of transitional supports. As students graduate, they seek to enter the labour market, find housing, build networks, start businesses, and maintain their physical and mental health. During this transitional time, international student graduates need to have access to settlement and other types of supports. Partnerships between educational institutions and the settlement sector would bring together expertise and resources. Eligibility requirements for programs such as Futurpreneur and lending programs for business start-up and settlement services for newcomers should be made more equitable.
7. Marketing their value. The potential of international students as qualified employees should be actively promoted by federal, provincial and municipal governments in order to increase employer confidence in international students.<sup>51</sup>

### **Transition to Permanent Residence**

8. Encourage early immigration planning. Many students come to Canada with the intention of eventually immigrating but often lack accurate information about the process and how to improve their prospects. Increasing the number of qualified immigration consultants within universities and colleges would help, especially if they are allowed to provide advice on a variety of topics.
9. Ease immigration requirements. Given the widespread nature of labour market challenges, it is unrealistic to give points in the Express Entry system only to persons performing "high-skilled" work, especially when that definition is not straightforward. Points should be granted for all work, with high-skilled work earning greater points. Moreover, applicants to the Canadian Experience Class should be allowed to count their

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<sup>51</sup> This recommendation was also made in Erica Gates-Gasse, *International students as immigrants*, in *Immigration and Settlement: Challenges, Experiences and Opportunities*, ed. Harald Bauder (Toronto: Canadian Scholars Press, 2012), 271-295.

student work experience.<sup>52</sup>

10. Collect more comprehensive data. Better data is needed in order to follow the trajectories of international students. With multiple pathways to permanent residence and the high mobility rates of former international students, it is not clear how many students do ultimately stay in Canada, not to mention where they stay, where they work, and how they fare. Data are also lacking that can help shape the narratives of former international students, including what jobs and businesses they have created. Finally, the linkages between student selection and labour market outcomes should be examined, including source country, program of study, and reliance on PGWP.

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<sup>52</sup> For more details on these and other recommendations, see Huyen Dam, Joyce Chan, and Sarah Wayland, Missed Opportunity: International Students in Canada Face Barriers to Permanent Residence, *Journal of International Migration and Integration*, 2018, 1-13, <https://doi.org/10.1007/s12134-018-0576-y>.

## **Appendix A: List of Key Informant Interviews**

Arif Abu, Coordinator and DLI-R, International Student Support, Student Affairs, Ryerson University

Marc Arnold, Coordinator of Transition and Advising, Centre for International Experience, University of Toronto

Linda Chao, Associate Director, International Recruitment & Market Developments – Asia, Humber College

Lisa Deacon, Manager, Knowledge Mobilization, Canadian Bureau of International Education

Nadia D'Lima, Manager, International Student Services, Services and Global Experience (SaGE), International Education Centre, Centennial College

Chris Dudley, Director Entrepreneurship, Seneca College

Deanne Fisher, Vice-Provost, Students & International, OCAD University

Casey Hinton, International Recruitment and Special Projects Officer, OCAD University

Sunil Macwan, Senior Associate, Global Talent, MaRS Discovery District

Amy Matchen, Economic Development Officer, Innovation Community Initiatives, City of Toronto

Alexandra McAllister, Program Officer, Canadian Bureau of International Education

Matthew McDonald, International Student Advisor, Humber College

Diana Ning, Associate Director International Student and Scholar Services, York University

Jos Nolle, Dean, Seneca International, Seneca College

Leah Nord, Director, Board Member and Stakeholder Relations, Canadian Bureau of International Education

Joseph Orozco, Executive Director, The Entrepreneurship Hatchery, University of Toronto

Tim Owen, Deputy Executive Director, Director, Canada office, World Education Services

John Porter, Director, International Admissions & Student Services, George Brown College

Dahlia Younan, Liaison Officer Undergraduate Admissions and Recruitment, Ryerson University

Anonymous, MAESD, Government of Ontario

## **Appendix B: Annotated List of Policies and Regulations pertaining to International Students**

The main steps associated with becoming an international student, living as an international student and transitioning to permanent residence in Canada are briefly reviewed here. Most of the information in this section was retrieved from government websites.

**Study permits** – All international students are required to apply for temporary resident status and hold a study permit. Study permit applications must include a letter of acceptance issued by a designated learning institute that has received government approval. The study permit approval rate for international students in Canada has remained relatively stable in recent years with 71% of all applications approved in 2015. Delays in study permit processing are a concern to students and institutions alike, as these may affect a student’s ability to study in Canada.

Many international students need to be able to work while studying to assist with the costs of studies and to gain important work experience in Canada. Recent policy changes now allow international students who hold study permits to work on and off campus with certain conditions.

- **On campus employment** – Full-time post-secondary students may work without a work permit on the campus of the university or college at which they are a full-time student. This authorization is valid for the period for which they hold a study permit at the institution and during which they are enrolled in full-time studies.
- **Off-campus employment** – As of 2014, certain international students are allowed to work off campus without a work permit for up to 20 hours a week during a regular academic session and full time during regularly scheduled breaks.

**Post-Graduation Work Permits** - The Post-Graduation Work Permit Program (PGWP) allows students who have graduated from a participating Canadian post-secondary institution to gain valuable Canadian work experience. A work permit under the PGWP may be issued for the length of the study program, for a maximum of 3 years. A post-graduation work permit cannot be valid for longer than the student’s study program, which must be a minimum of 8 months in duration.

The number of PGWPs issued to international students has grown steadily since 2010, increasing by approximately 110% between 2008 and 2014, from 17,815 to 37,456 (Deacon, p4, based on IRCC data).

**Pathways to Permanent Residence (PR)** – More than half of international students surveyed by CBIE in 2015 indicated that they intended to apply for permanent residency in Canada after completing their studies in Canada (CBIE, 2016). Prior to 2015, most IS applied under the

growing Canadian Experience Class and waited their turn to be accepted as long as they met designated criteria.

The vast majority of international students who transitioned directly to permanent residency in 2015 did so under the economic category in which permanent residents are selected for their skills and ability to contribute to Canada's economy. The economic category includes: Provincial nominees, Skilled Workers and Canadian Experience groups.

**Provincial Nominee Program (PNP)** - The PNP is designed to allow provinces to select immigrants with the skills, education and work experience to contribute to the economy of the province or territory where they must choose to live. For example, the Ontario Immigrant Nominee Program (OINP) allows Ontario to nominate individuals who can contribute to Ontario's economy and assists employers in recruiting and retaining international workers. In the International Student Stream, students must have completed their studies and have a job offer from an eligible Ontario employer that is a full-time job offer of an indeterminate duration in a skilled occupation and meets the low wage level in Ontario for that occupation and region. Graduates with Masters and PhDs obtained through an Ontario post-secondary applicants are not required to have a job offer.

As it never traditionally had concerns about immigrant attraction, Ontario PNP numbers have been proportionally smaller compared to other provinces. The demand for the PNP spaces is so high that in recent years the system has been known to shut down due to volume of applicants. In 2018, the federal government increased Ontario's PNP allocation by 600 nominees. At 6,600 nominations, Ontario has the highest allocation in Canada.

**Express Entry (EE)** - Express Entry is a system that was launched in January 2015 to manage permanent residency applications for specific economic immigration programs (e.g., Federal Skilled Worker, Canadian Experience Class, Federal Skilled Trades and some PNP). Under Express Entry, international students are placed into a pool where they are ranked against other applicants for permanent residency. They are issued an "invitation to apply" for PR if their points surpass the cut-off within a designated period. Express Entry has made it more challenging for international students to get PR, and the biggest barrier faced by applicants is finding skilled employment.

Their scores are not always sufficiently high despite the fact that this group represents other advantages in terms of their age, postsecondary credentials received in Canada, linguistic skills and familiarity with work, life and culture in Canada (Belk and Esses, 2017). Since 2015 the Express Entry program has undergone some amendments to ensure that international students are more competitive in this process.

**Canadian Experience Class** – This program requires at least 12 months of Canadian work experience shortly prior to applying for permanent resident status. It has been noted that this program can accelerate the access of international students to permanent residency; however, it provides “a shift towards immigrants who are self-funded in terms of education, skills development, and integration” (Government of Canada).

Prior to the introduction of the Express Entry system in 2015, candidates submitted an application under the CEC and those who met the criteria were accepted. Since the advent of Express Entry, applicants who rank above a changing cut-off point are invited to apply for permanent residency.