

INCOME INEQUALITY IN CANADA: ETHNIC AND GENERATIONAL ASPECTS

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Résumé — Utilisant des tabulations spéciales inédites fournies par Statistiques Canada, l'étude présente examine la répartition des salaires masculins par ceux du monde de main-d'oeuvre spécialisée en 1970 tenant compte, en particulier, du lieu de naissance des parents et du groupe ethnique du natif canadien et de la période d'immigration aussi bien que le groupe ethnique du natif étranger. On a considéré trois modèles explicatifs: 1. Un modèle d'assimilation dans lequel la période d'immigration et la génération sont les déterminants les plus importants des salaires. 2. Un modèle de stratification ethnique dans lequel le groupe ethnique est le principal déterminant. 3. Un modèle d'éducation dans lequel la moyenne d'années d'éducation pour chaque groupe est utilisée comme prédicteur. On a ainsi trouvé un appui sans condition pour le modèle de stratification ethnique.

Abstract — Using special unpublished tabulations provided by Statistics Canada, this paper examines the distribution of male earnings by those in the experienced labour force in 1970 with particular reference to the birthplace of parents and the ethnic group of the Canadian born and the period of immigration and ethnic group of the foreign born. Three explanatory models are considered. 1. An assimilation model in which period of immigration and generation are the most important determinants of earnings. 2. An ethnic stratification model in which ethnic group is the major determinant. 3. An education model in which the mean years of education for each group is used as a predictor. Qualified support for the ethnic stratification model was found.

Key words — income, ethnicity, generation, period of immigration

Introduction

The classical model of immigrant assimilation, first put forward by Robert Park and his colleagues at the University of Chicago more than 50 years ago, assumed that the majority of immigrants would enter the economic system at its lowest levels. Immigration was seen as part of the process of urbanization and industrialization then taking place. Immigrants were poorly educated and lacked the skills and training required for the better remunerated types of employment. They were handicapped by a lack of knowledge of language and by other cultural factors. The prototype was the Polish peasant moving from a rural environment in Europe to an urban, industrial America (Park, 1926; Thomas and Znaniecki, 1918). It was assumed that immigrants and their children would gradually move up the social scale as they competed for educational opportunities and economic advancement in a relatively open society. While residual elements of ethnic occupational differentiation might survive, it was assumed that there would be a gradual shift from the ethnic characteristics of the immigrants and their children toward the characteristics of the majority group, the native born of native parentage who were largely of British or Western European origin. The key factor in the assimilation process was time. Whether understood as "anglo-conformity" or as a "melting pot," it was assumed that ethnic differences would eventually disappear or, at least, be reduced to comparative insignificance.

Later sociologists recognized that the classical assimilation model did not correspond

well to reality either in the United States or in other countries. The persistence of ethnicity as a basis of social differentiation has been recognized by various writers (Shibutani, 1967; Gordon, 1968; Glazer and Moynihan, 1963). A system of ethnic stratification arises when ascribed characteristics such as race, language, or religion become the basis on which access to educational opportunity is allocated and resources distributed. In extreme cases, ethnicity may be the basis on which legal status as well as economic rewards and social prestige are determined. Porter has argued that ethnicity may be a more important determinant of economic status in the Canadian context than in the United States (Porter, 1965:70). He considers that Canada's bilingual origins and commitment to multiculturalism contributed to a "vertical mosaic" that was likely to be more rigid than in a nomistic society with a more egalitarian philosophy. He argued that the "entry status" of certain ethnic groups in Canada, such as those from eastern, central, and southern Europe, would be perpetuated beyond the first generation of immigrants and give rise to a differential distribution of occupational status and income by ethnic origin.

It is increasingly recognized that education is a major determinant of occupational status, social mobility and income (Blau and Duncan, 1967; Turritin, 1974). Although other factors, including age, explain part of the variance in occupational status and income, race and ethnicity appear to be less important than education. Nevertheless, the proportion of variance explained by education alone, or in combination with other factors, remains comparatively small. (Crowder, 1971; Turritin, 1974:181-2). Since the Second World War, Canada has deliberately selected immigrants on the basis of educational and occupational qualifications. Even those coming to Canada as refugees or exiles or in the sponsored and nominated categories have been subject to some degree of selection in terms of qualifications, although this has been a more critical criterion for those in the independent stream (C.I.P.S. 2:1974). Since the introduction of the "points system" of selection in 1968, the weight given to education has been further increased. It follows that immigrants to Canada in the last 25 years have differed substantially from those studied by Park and his associates a generation ago. In general, post-war immigrants to Canada have been more urbanized and better educated than the Canadian-born population. Far from entering the economic system at the lowest level, many immigrants have been able to obtain employment in skilled trades and white-collar employment, including clerical, sales, professional, and technical employment. (Richmond, 1967 and 1974; Parai, 1974).

Given the nature of Canada's immigration policy and the emphasis on educational qualifications it was originally hypothesized that neither the "assimilation" nor the "ethnic stratification" model would provide a satisfactory basis for predicting the distribution of income, but that the education model might provide a better fit. This proved not to be the case. Qualified support was provided for the ethnic stratification model although the Canadian-born British with two Canadian-born parents ranked lower than would be predicted.

Earnings of Males in the Current Experienced Labour Force, 1970

Special unpublished tabulations provided by Statistics Canada enabled the earnings of males in the current experienced labour force² to be analyzed by birthplace of parents and ethnic group for the Canadian born and by period of immigration and ethnic group for the foreign born. Since age is an important determinant of earnings, with the youngest and oldest age groups tending to earn less than those in the middle years, the earnings distributions for each category were standardized against the age distribution of

the total male Canadian population. This eliminated differences that might be attributable to the considerable variation in age profiles for the various periods of immigration and generations. Median incomes were then calculated and placed in rank order from 1-56, following the breakdown by eight ethnic groups and seven periods of immigration and generation groups (Table 4).

A hypothetical rank order based upon an assimilation model is shown in Table 1. This model assumes that the period of immigration and generation factors the major ones determining income and that ethnicity has a secondary influence. The rank order of ethnic groups is based upon the preferential categories implicit in the selection procedures used by the Department of Immigration prior to the abolition of formal discrimination in 1962 and evident also in various public opinion surveys concerning attitudes toward immigration and various ethnic groups.³

TABLE 1. HYPOTHETICAL RANK ORDERING OF MALE EARNINGS:
ASSIMILATION MODEL

Generation/ Period of Immigration	British	French	Other Northern & Western European	Jewish	Southern European	Central & Eastern European	Asian	All Other
Canadian Born with Two Canadian Born Parents	1	2	3	4	5	6	7	8
Canadian Born with One Canadian Born Parent	9	10	11	12	13	14	15	16
Canadian Born with Two Foreign Born Parents	17	18	19	20	21	22	23	24
Before 1946	25	26	27	28	29	30	31	32
1946-1960	33	34	35	36	37	38	39	40
1961-1965	41	42	43	44	45	46	47	48
1966-1971	49	50	51	52	53	54	55	56

An assimilationist model would lead one to expect that the influence of ethnicity would be attenuated over time and would be minimal in the third-plus generation, that is, among the Canadian born of Canadian parentage.

A hypothetical rank ordering of earnings based upon the ethnic stratification model is shown in Table 2. This is based upon the assumption that ethnicity is the major determining influence on earnings, but that period of residence and generation have a secondary influence. It assumed that as the numerically dominant charter groups, the British and French would maintain a superior earning capacity so that recently arrived

TABLE 2. HYPOTHETICAL RANK ORDERING OF MALE EARNINGS:
ETHNIC STRATIFICATION MODEL

Generation/ Period of Immigration	British	French	Other Northern & Western European	Jewish	Southern European	Central & Eastern European	Asian	All Other
Canadian Born with Two Canadian Born Parents	1	8	15	22	29	36	43	50
Canadian Born with One Canadian Born Parent	2	9	16	23	30	37	44	51
Canadian Born with Two Foreign Born Parents	3	10	17	24	31	38	45	52
Before 1946	4	11	18	25	32	39	46	53
1946-1960	5	12	19	26	33	40	47	54
1961-1965	6	13	20	27	34	41	48	55
1966-1971	7	14	21	28	35	42	49	56

TABLE 3. HYPOTHETICAL RANK ORDERING OF MALE EARNINGS:
EDUCATION MODEL: AGE ADJUSTED

Generation/ Period of Immigration	British	French	Other Northern & Western European	Jewish	Southern, European ¹	Central & Eastern European	Asian	All Other ²
Canadian Born with Two Canadian Born Parents	25	39	31	3	20	26	22	49
Canadian Born with One Canadian Born Parent	15	27	19	18	35	28	43	46
Canadian Born with Two Foreign Born Parents	17	33	32	12	30	29	24	52
Before 1946	42	50	48	41	53	51	54	55
1946-1960	10	7	13	9	40	14	38	56
1961-1965	8	21	37	44	47	23	11	16
1966-1971	4	1	34	5	45	2	6	36

¹Includes Italians only.

²Includes Negroes, Native Indians and West Indians only.

Source: Table 5.

TABLE 4. AGE ADJUSTED MEAN EDUCATION LEVELS FOR MALES, BY ETHNIC
GROUPS, BY BIRTHPLACE OF PARENTS OF THE CANADIAN BORN AND PERIOD OF
IMMIGRATION OF THE FOREIGN BORN, CANADA, 1971

Generation/ Period of Immigration	British	French	Other Northern & Western European ¹	Jewish	Southern, European ²	Central & Eastern European ³	Asian ⁴	All Other ⁵
Canadian Born with Two Canadian Born Parents	10.01	8.54	9.69	12.98	10.21	10.01	10.13	6.17
Canadian Born with One Canadian Born Parent	10.65	9.92	10.27	10.32	9.33	9.92	7.53	6.82
Canadian Born with Two Foreign Born Parents	10.34	9.38	9.42	11.43	9.71	9.84	10.04	5.23
Before 1946	7.69	6.14	6.71	7.79	5.19	5.77	4.43	0.0
1946-1960	12.10	12.39	10.91	12.14	7.89	10.77	8.91	0.0
1961-1965	12.18	10.20	8.91	7.42	6.72	10.07	11.63	10.36
1966-1971	12.77	14.14	9.33	12.64	7.30	13.40	12.56	9.13

¹Excludes Belgian.

²Includes Italians only.

³Includes Hungarian, Polish, Russian, Ukrainian, Czech and Slovak only.

⁴Includes Chinese and Japanese only.

⁵Includes Negroes, Native Indians and West Indians only.

Source: One in 500 sample from the 1% Public Use Sample Tapes (excludes Prince Edward Island, the Yukon and Northwest Territories), Statistics Canada, 1971.

immigrants who were members of one of these groups would have higher median earnings than the Canadian-born members of less privileged ethnic minorities. Both the assimilationist and the ethnic stratification models assume the highest median earnings will be achieved by the Canadian born of Canadian parentage who are of British ethnic origin.

A hypothetical rank order of earnings based upon the education model is shown in Table 3. The predictions for this model are based upon the average educational level exhibited by each category at the time of the 1971 census, adjusted for age distribution.⁴ The age adjusted mean educational levels are shown in Table 4.

Actual median incomes for the Canadian born by birthplace of parents and ethnic group and for the foreign born by period of immigration and ethnic group shown in

TABLE 5. CANADA: MEDIAN EARNINGS, 1970: MALES IN CURRENT EXPERIENCED LABOUR FORCE, 1971, BY BIRTHPLACE OF PARENTS AND ETHNIC GROUP OF THE CANADIAN BORN AND PERIOD OF IMMIGRATION AND ETHNIC GROUP OF THE FOREIGN BORN: AGE ADJUSTED

Birthplace of Parents/ Period of Immigration	British	French	Other Northern & Western European	Jewish	Southern European	Central & Eastern European	Asian	All Other	Total Ethnic Groups	Mean Deviation	Coefficient of Variation
<i>Standardized Median Earnings*(\$)</i> with Age Composition of Canadian Population											
All Canadian Born	7045	6067	6884	8818	7107	6954	7023	5065	6708	733.32	0.10932
Canadian Born with Two Canadian Born Parents	6763	6036	6766	7535	6526	6697	6545	4737	6421	546.71	0.08514
Canadian Born with One Canadian Born Parent	7506	6645	7157	9785	7227	7044	6786	6882	7358	622.58	0.08462
Canadian Born with Two Foreign Born Parents	7667	6569	6904	9143	7246	7006	7236	6732	7396	587.62	0.07945
All Foreign Born	7767	6652	7252	7237	5840	5727	5406	6046	6899	672.72	0.09751
Immigrated Before 1946	7440	6740	7074	8698	6544	7035	5446	6789	7211	669.27	0.09281
Immigrated 1946-1960	7978	6949	7315	7401	6249	6965	5566	7226	7114	523.99	0.07365
Immigrated 1961-1965	7978	7150	7308	6871	5522	6325	6660	6897	6449	625.98	0.09706
Immigrated 1966-1971 (1)	7306	6368	7031	5726	4948	5565	4923	5333	5764	717.36	0.12446
Total	7152	6081	7021	8084	6031	6865	5835	5304	6745	733.80	0.10879
Mean Deviation	449.14	568.73	164.67	1168.43	747.15	371.34	779.59	1228.50	528.58		
Coefficient of Variation	0.06280	0.09352	0.02345	0.14453	0.12389	0.05409	0.13360	0.23160	0.07836		

*Excluding negative and zero earnings.

(1) Includes the first five months only of 1971.

Source: Statistics Canada, Special Tabulations, 1971.

TABLE 6. ACTUAL RANK ORDERING OF MEDIAN MALE EARNINGS: AGE ADJUSTED

Generation/ Period of Immigration	British	French	Other Northern & Western European	Jewish	Southern European	Central & Eastern European	Asian	All Other
Canadian Born with Two Canadian Born Parents	34	47	33	7	43	37	41	56
Canadian Born with One Canadian Born Parent	8	39	18	1	16	21	32	29
Canadian Born with Two Foreign Born Parents	6	40	27	2	14	23	15	36
Before 1946	9	35	20	3	42	22	52	31
1946-1960	4	26	11	10	46	25	49	17
1961-1965	5	19	12	30	51	45	38	28
1966-1971	13	44	23	48	54	50	55	53

Source: Table 5.

Table 5. These are also standardized against the age distribution of the Canadian population as a whole. The actual rank order of median incomes based upon the distribution in Table 5 is shown in Table 6. In order to test the closeness of fit of each of the three hypothetical models to the actual distribution, rank order correlations were calculated. The Spearman rank order correlations were 0.22 for the assimilation model, 0.46 for the ethnic stratification model, and 0.26 for the education model. It is evident that neither the assimilation model nor the education model corresponds very closely with the actual rank order. The ethnic stratification model achieves the highest rank order correlation, which is significant at the one per cent level, but is still not an excellent fit.

A closer examination of the actual median incomes and the rank order throws light upon the combined effects of education, period of immigration, generation, and ethnicity. Immigrants who entered Canada between 1966 and 1971 ranked substantially lower than would have been expected on the basis of average educational level. This is particularly true of the Jewish, Asian, and "all other" ethnic categories. The latter includes a substantial proportion of black immigrants and others from third-world countries.⁵

Exceptions are the most recently arrived immigrants of British origin (which include some from the United Kingdom, the United States, and other countries) and the southern Europeans who rank closer to the predicted levels on education.

It is not altogether surprising that the most recently arrived immigrants failed to achieve incomes commensurate with their high educational qualifications. Various studies have shown that an experience of initial status dislocation is not unusual (Richmond, 1967; C.I.P.S. 4, 1974). Non-recognition of qualifications obtained abroad, lack of fluency in English or French, an absence of Canadian experience, and unfamiliarity with the job market all contribute to the frequent discrepancy between intended occupation and actual employment in Canada in the first two or three years after arrival. Nevertheless, many immigrants subsequently recover to improve upon former occupational status and this will probably be reflected in improved earning. As the assimilation model would predict, post-war immigrant groups exhibit some increase in median incomes with length of residence. (This is true of all cases, except the Asian.) However, the situation of pre-1946 immigrants is anomalous. In all cases except the Jewish, pre-war immigrants have lower age-adjusted median incomes than post-war immigrants. Either post-war immigration was more selective of those likely to succeed economically or the residential and occupational distribution of pre-war immigrants was less favourable to economic advancement. In fact, many remained in the farm sector where reported earnings were low.

Most remarkable are the high median incomes of the Canadian born with one or two foreign-born parents. This second generation category has the highest median incomes, in all cases achieving a rank order higher than the equivalent third generation group. Particularly notable are the high rankings of the Jewish, southern European, and Asian groups among the Canadian born with two foreign-born parents. All three groups were among those with comparatively low "entrance status" and, historically speaking, have experienced considerable prejudice and discrimination in Canada. Nevertheless, the Canadian-born children of such immigrants appear to have overcome the handicaps experienced a generation ago by their parents by improving their educational status and then further "over-achieving" in terms of income.

When adjusted for age, highest median earnings were those of the Jewish group with one Canadian and one foreign-born parent. The lowest status was achieved by the Canadian born of Canadian parentage who were of "other" ethnic origin. The latter group consists largely, but not exclusively, of the native peoples and other Canadians of black or mixed racial origins. Their low status would have been predicted on the basis of both the ethnic stratification and education models. The combined effects of low education and the experience of prejudice and discrimination explain the low median earnings of this group. Less predictable was the comparatively low status of the French charter group although, again, the combined effects of low education and ethnic minority status have undoubtedly contributed to the low level of earnings. The high status of British immigrants and their Canadian-born children was predictable on the basis of the ethnic stratification and education models, but the situation of the British charter group defined as those born in Canada with two Canadian-born parents is anomalous. It is presumably explained by the large proportion of old British stock to be found in the rural areas, especially in the Maritime Provinces where educational and occupational opportunities are fewer than in the metropolitan areas, which is where post-war immigrants have settled.

The Low Income Line

Further light is thrown on the question of income inequality by generation and ethnicity by an examination of the incidence of low income in Canada in 1970. A low-income line, based upon the proportion of family expenditure for essentials such as food, clothing, and housing, was first derived by Statistics Canada on the basis of the 1961 census (Podoluk, 1968). Strictly speaking, this is not a "poverty line." Rather, it is a measure of relative deprivation which takes into account the comparatively high standard of living of the Canadian population as a whole and improvements that have been made over the decade. When the 1961 cut-off points are adjusted for the rise in the Consumer Price Index, the proportion of low-income families dropped from 25.3 per cent in 1961 to 15.9 per cent in 1971 and among unattached individuals from 43.5 per cent in 1961 to 37.6 per cent in 1971. Meanwhile, however, Statistics Canada revised the low income cut-offs to allow for some additional variables. These included differences between rural and urban areas in the cost of living together with a decline between 1961 and 1968 in the proportion of average family incomes devoted to essentials (from 50 per cent to 46 per cent). In preparing special tabulations of low income by period of immigration, generation, and ethnic group, Statistics Canada utilized the revised income cut-offs shown in Table 7. On this basis, 19.2 per cent of all families in Canada and 44.4 per cent of unattached individuals were living below this revised low-income line in 1970. Altogether, 977,000 families and an additional 740,000 unattached individuals reported incomes falling below the cut-off points. Given the average size of families in each category, approximately four million people were defined as living below the low-income line.

TABLE 7. LOW INCOME CUT-OFFS, 1970, BY NUMBER OF PERSONS IN FAMILY AND SIZE OF PLACE OF RESIDENCE, 1971: CANADA: EXCLUDING NORTH WEST TERRITORIES AND YUKON

Family Size	500,000	100,000 - 499,999	30,000 - 99,999	Small Urban	Rural (Farm & Non-farm)
	- dollars -				
1	2,686	2,515	2,442	2,247	1,953
2	3,895	3,647	3,541	3,257	2,833
3	4,970	4,654	4,518	4,157	3,615
4	5,910	5,534	5,373	4,943	4,298
5	6,607	6,186	6,007	5,526	4,806
6	7,253	6,791	6,594	6,066	5,275
7 or more	7,953	7,446	7,229	6,650	5,783

Source: Statistics Canada, 1971.

The distribution of economic families living below the low-income line in 1970 by birthplace of parents and ethnic group for the Canadian-born family heads and period of immigration and ethnic group of foreign-born family heads is shown in Table 8. A similar distribution for the population not members of economic families is shown in Table 9. Unlike the median earnings, these data have not been adjusted for age. In terms of absolute numbers, low-income families and individuals are most likely to be Canadian born of Canadian parentage and members of either British or French charter groups. However, this simply reflects the preponderance of these two groups in the population as a whole. Among the third-plus generation, low income incidence is exceptionally high among the "other" ethnic group. In this generation, those of French and Asian origin have rates slightly above average and all other groups have rates that are average or below

TABLE 8. CANADA:* PERCENTAGE OF ECONOMIC FAMILIES BELOW LOW INCOME LINE, 1970, BY BIRTHPLACE OF PARENTS AND ETHNIC GROUP OF CANADIAN BORN FAMILY HEADS AND PERIOD OF IMMIGRATION AND ETHNIC GROUPS OF FOREIGN BORN FAMILY HEADS

Birthplace of Parents/ Period of Immigration	British	French	Other Northern & Western European	Jewish	Southern European	Central & Eastern European	Asian	All Other	Total Ethnic Groups	Below Low Income Line No.	%
All Canadian Born	16.6	22.9	19.4	8.8	14.5	19.5	13.9	44.4	19.6	770,430	78.8
Canadian Born with Two Canadian Born Parents	18.5	23.0	18.2	12.9	19.9	18.9	22.8	47.7	21.1	608,340	62.2
Canadian Born with One Canadian Born Parent	13.2	20.2	18.4	9.7	14.5	17.8	12.2	23.7	15.0	73,025	7.5
Canadian Born with Two Foreign Born Parents	11.7	23.7	21.8	7.5	11.2	20.3	11.5	18.9	15.5	89,060	9.1
All Foreign Born	14.8	21.0	18.1	15.7	18.9	21.0	25.2	22.6	17.9	206,250	21.1
Immigrated Before 1946	19.5	26.6	29.5	14.9	22.5	32.7	30.3	31.1	23.9	91,930	9.4
Immigrated 1946-1960	8.2	14.6	12.9	13.0	15.7	12.4	26.7	14.1	12.7	64,665	6.6
Immigrated 1961-1965	8.6	14.0	13.3	16.6	18.6	15.0	12.8	13.9	14.4	13,590	1.4
Immigrated 1966-1971(1)	15.9	21.9	19.8	27.2	27.8	23.1	27.0	26.6	22.3	36,065	3.7
Total	16.3	22.9	18.9	12.4	18.1	20.2	22.4	40.1	19.2	976,680	100.0
Below Low Income Line No.	372,975	313,535	111,235	9,985	44,405	73,560	14,435	36,565	976,680		
Percentage	39.8	33.5	11.9	1.1	4.7	7.9	1.5	3.9	100.0		

*Excluding the Northwest Territories and Yukon.

(1) Includes the first five months only of 1971.

Source: Statistics Canada, Special Tabulations, 1971.

TABLE 9. CANADA:* PERCENTAGE OF POPULATION NOT MEMBERS OF ECONOMIC FAMILIES BELOW LOW INCOME LINE, 1970, BY BIRTHPLACE OF PARENT AND ETHNIC GROUP OF CANADIAN BORN AND PERIOD OF IMMIGRATION AND ETHNIC GROUP OF FOREIGN BORN

Birthplace of Parents/ Period of Immigration	British	French	Other Northern & Western European	Jewish	Southern European	Central & Eastern European	Asian	All Other	Total Ethnic Groups	Below Low Income Line No.	%
All Canadian Born	40.5	48.9	40.2	34.8	37.9	39.2	32.5	60.1	43.4	546,425	73.9
Canadian Born with Two Canadian Born Parents	41.9	48.8	40.7	41.4	40.7	39.4	35.9	61.8	45.0	461,245	59.6
Canadian Born with One Canadian Born Parent	36.3	42.7	35.8	32.5	35.6	32.7	27.0	51.1	36.8	52,240	7.1
Canadian Born with Two Foreign Born Parents	36.5	47.2	41.6	29.4	34.7	41.3	30.9	45.7	38.5	52,940	7.2
All Foreign Born	48.3	48.2	46.2	45.8	40.9	50.8	47.5	46.8	47.7	193,300	26.1
Immigrated Before 1946	58.6	62.4	64.2	50.2	60.0	68.6	75.8	59.1	61.2	125,035	16.9
Immigrated 1946-1960	28.8	33.0	31.0	39.8	32.5	32.2	40.8	34.6	31.3	30,515	4.1
Immigrated 1961-1965	21.4	26.6	20.1	38.3	29.2	37.3	23.9	24.2	25.2	5,505	0.7
Immigrated 1966-1971(1)	34.0	38.9	34.4	42.1	42.6	35.3	45.0	51.0	39.4	32,245	4.4
Total	42.2	48.6	42.7	40.6	39.9	45.2	44.4	56.0	44.4	739,725	100.0
Below Low Income Line No.	339,470	210,315	73,595	10,110	15,240	57,060	12,795	21,135	739,725		
Percentage	45.9	28.4	9.9	1.4	2.1	7.7	1.7	2.9	100.0		

*Excluding the Northwest Territories and Yukon.

(1) Includes the first five months only of 1971.

Source: Statistics Canada, Special Tabulations, 1971.

average. Overall, the incidence of low income is below average for the foreign born and the Canadian born of foreign parentage. However, pre-war immigrants are more likely to experience low incomes, probably reflecting the high average age of this group and the association between low income and retirement. Also above average is the most recently arrived immigrant category (the 1966-71 cohort). This supports the view that immigrants experience initial adjustment problems and is supported by the evidence from the government's longitudinal study "Three Years in Canada" (C.I.P.S. 4, 1974:58). Altogether, the incidence of low income is highest among pre-war immigrants of Asian origin who are not in families. Table 9 shows that almost 76 per cent of this group were living below the low-income line, reflecting the problems of elderly male Chinese

immigrants living in Toronto and Vancouver without the support of relatives. The smallest incidence of low income was reported by those of Jewish origin who were Canadian born with two foreign parents and by British immigrants who entered the country between 1946 and 1965.

Affluent Households

Special tabulations provided by Statistics Canada showed that one per cent of all households in Canada in 1971 reported total incomes of \$36,000 or over in 1970. Although, in many cases, these high household incomes reflected the contributions of more than one income earner, it is clear that this one per cent constituted an affluent elite whose material standards placed them in a class of their own. It is interesting to compare the distribution of this affluent elite by the birthplace of parents and ethnic group for the Canadian born and by period of immigration and ethnic group for the foreign born. This should throw light on the capacity of immigrants and their children who achieve unusual economic success even if they do not necessarily penetrate the power elites of our society (cf. Porter, 1965; Clement; 1975). Indexes of relative concentration for each of the birthplace, generation and ethnic groups in the affluent household category were calculated and are shown in Table 10. The index of relative concentration measures the degree of under- or over-representation of the category in question compared with an expected number relative to the size of this group in the population as a whole. On this basis it is clear that the Jewish ethnic group is substantially over-represented in all birthplace, period of immigration, and generation categories, even among the most recent immigrants. The economic affluence of Jewish households whose head is Canadian born of foreign parentage is remarkable. Also notable is the over-representation of immigrant households of Asian origin and the Canadian born of foreign parentage of Asian origin. The households whose head is Canadian born with two foreign parents and of southern European origin are also over-represented in the affluent category. In contrast, the most significantly under-represented group are the

TABLE 10. INDEX OF RELATIVE CONCENTRATION* OF AFFLUENT HOUSEHOLDERS HAVING INCOMES MORE THAN \$36,000 BY ETHNIC GROUPS, BY BIRTHPLACE OF PARENTS OF THE CANADIAN BORN AND PERIOD OF IMMIGRATION OF THE FOREIGN BORN OF HOUSEHOLD HEADS; CANADA, 1971

Ethnic Group	Canadian Born with				Total Canadian Born	Total Foreign Born	Period of Immigration				Total Canada
	Two Canadian Born Parents	One Canadian Born Parent	Two Foreign Born Parents	Before 1946			1946-1960	1961-1965	1966-1971		
British	104	118	115	108	107	87	151	144	88	108	
French	67	82	70	66	92	88	113	129	55	68	
Other Northern and Western European	78	80	79	79	88	81	96	87	70	83	
Jewish	361	839	1083	896	500	644	465	259	164	689	
Southern European	75	78	222	147	67	144	73	53	26	83	
Central and Eastern European	48	59	76	66	80	62	99	104	44	72	
Asian	102	102	263	192	127	144	178	203	70	143	
All Other	34	64	45	37	88	85	226	69	52	47	
Total No.	28,535	6,445	10,020	45,005	15,085	5,880	6,835	1,120	1,255	60,090	
Total Percentage	47.5	10.7	16.7	74.9	25.1	9.8	11.4	1.9	2.1	100.0	
Average Index	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Total Labour Force No.	3,382,925	573,910	671,200	4,628,030	1,402,775	541,465	566,570	105,550	189,190	6,030,810	
Percentage	56.1	9.5	11.1	76.7	23.3	9.0	9.4	1.8	3.1	100.0	
Relative Concentration**	85	113	150	98	108	109	121	106	68		

*Obtained by dividing the percentage of the affluent householders for the specific ethnic group to that of the total affluent householders multiplied by 100.

**Obtained by dividing the percentage of the total affluent householders to that of the total labour force multiplied by 100.

Source: Statistics Canada, Special Tabulations, 1971.

third-plus generation of "other" origins. The under-representation of the Canadian born with two Canadian-born parents among affluent householders is marked, although the British, Jewish, and Asian groups are exceptions. However, among the British, it is the foreign born among the 1946-65 cohort who exhibit the greater degree of over-representation.

Conclusion

The above analysis provides an opportunity to evaluate the thesis put forward by John Porter and others to the effect that the Canadian mosaic is a vertical one, exhibiting significant degrees of rigidity in its system of ethnic stratification (Porter, 1965; Forcese, 1975). The evidence does not support the view that low "entry status" is necessarily a handicap to subsequent economic achievement. On the contrary, high median earnings combined with under-representation among those with low incomes and over-representation among the most affluent householders by the Canadian born of foreign parentages (including those of Jewish, Asian, and southern European origin) suggests that Canadian society has provided significant opportunities for upward mobility for children of immigrants, irrespective of ethnic origin. Although British immigrants and their children are economically very successful, the British charter group itself achieves only slightly higher than the expected level of income relative to its size and average education. Particularly notable is the economic deprivation of the French charter group and the third-plus generation of "other" origins, which consists mainly of native peoples and those of black and mixed racial origins. Once the initial adjustment period is over (and this may last three years or more) immigrants do as well or better than expected on the basis of average years of education.

The evidence from this study of income inequality in Canada suggests that there is a substantial degree of ethnic stratification, but that this does not favour the "charter groups" as classical theories of immigrant assimilation would suggest. At the top of the income hierarchy are British and Jewish immigrants and their Canadian-born children. Also to be found among the more affluent are second-generation Asians and southern Europeans. Those most likely to fall in the low income category are native peoples, French Canadians, pre-war Asian immigrants and the most recently arrived foreign born of other than British origin.

The outstanding achievement of the second generation, including those belonging to ethnic groups that had low "entrance status" in Canada and who experience considerable prejudice and discrimination, requires further explanation. It may be hypothesized that, when a non-preferred ethnic group experiences prejudice or perceives discrimination against its members, the reaction will depend upon level of education. Those with low education will respond apathetically and exhibit poor achievement (cf. McClelland, 1953; Rosen, 1959). In contrast, those members of minority groups who have average or above-average levels of education will react against prejudice. They will be spurred to greater efforts, tending to over-achieve compared to others. This would appear to fit the case of the Jewish, Asian, and southern European Canadians of immigrant parents who do well. French Canadians and native peoples, who combined low education with minority status, generally have low incomes. This hypothesis clearly goes beyond the evidence of the present paper and would require further testing using techniques that explored attitudinal dimensions as well as the socio-economic and demographic variables considered here.

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Footnotes

- 1. The definition of "current experienced labour force" excludes members of the labour force in 1971 who were not employed in 1970. "Earnings" in 1971 census refers to income received in 1970 as wages and salaries, net income from business or professional practice and/or net farm income. Median earnings were calculated after the exclusion of those reporting earnings loss or zero earnings in 1970. It should be noted that immigrants arriving in 1970 or 1971 were required only to report earnings in Canada. Therefore, there may be a slight underestimation of earnings for the 1966-1971 cohort.
- 2. Immigration regulations in force until 1962 gave first preference to British subjects who were born or naturalized in the United Kingdom, Australia, New Zealand, or the Union of South Africa, together with a citizen of Ireland, France, or the United States of America. The second level of preference was for those born or naturalized in Austria, Belgium, Denmark, The Federal Republic of Germany, Finland, Greece, Iceland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, or Switzerland, together with refugees from countries in Europe. Immigrants from other countries could only be admitted if they were sponsored by a Canadian citizen or landed immigrant in Canada (Richmond, 1967:12). Tienhaara (1974) reports that "consistently, Canadians as a whole seem to have preferred immigrants first from the British Isles and secondly from Northern Europe. Opposition to those of certain ethnic origins seems to be time specific and related to political circumstances in the world at the time." In 1946, Gallup Polls showed that the least preferred were the Japanese, Jewish, German, Russian, and Negro immigrants (Tienhaara, 1974:59). A more recent Gallup Poll (number 377, June 1975) showed that the least preferred categories were those from Asia and the Caribbean.

An earlier version of this paper presented at the meetings of the Canadian Association of Sociology and Anthropology held in Fredericton in June, 1977, placed the Jewish ethnic group in a lower status position, between southern European and Asian. However, the subsequent publication of Pineo's article (1977:147-158), led to a revision of the hypothetical rank ordering. The evidence from Pineo's national survey conducted in the mid-sixties suggests that Canadians rank the Jewish ethnic group below the British and other western and northern Europeans but above the majority of other European groups, giving them a ranking of 46.1, compared with 43.1 for Italians and 42.0 for Poles. Therefore, in revising this paper, the hypothetical rank order of the Jewish group was changed accordingly.

- 3. Mean levels of education were calculated using the one per cent public use sample of the 1971 census. The education categories were recoded as follows:

0	<5	5-8	9-10	11	12	13	Univ. 1-2	Univ. 3-4 no degree
0	2.5	6.5	9.5	11	12	13	14.5	15.5
Univ. 3-4 with degree				Over 5 no degree			Over 5 with degree	
16				17			18	

The ethnic categories used in the one per cent public use sample did not correspond precisely with those used for the special tabulations provided by Statistics Canada. In the former Native Peoples, Negro and West Indian were treated as a separate category, whereas in the special tabulations of earnings they were included in the residual "other" category. In rank ordering education, the mean educational level of the "Native Peoples, Negro and West Indian" category was used in place of the residual "other" category.

- 4. In the special tabulations of earnings, family income, and household income the European, Asiatic, and residual "other" categories consisted of the following ethnic groups:

Other Western and Northern European: German, Netherlands, Scandinavian, Austrian, Belgian, Finnish.
Central and Eastern European: Hungarian, Polish, Russian, Ukrainian, Yugoslavian, Bulgarian, Byelorussian, Croatian, Czech, Estonian, Latvian, Lithuanian, Romanian, Serbian, Slovak, Slovenian, Other Yugoslavian.
Southern European: Greek, Italian, Portuguese, Spanish, Other European.
Asiatic: Chinese, Japanese, Indo-Pakistani, Other East Indian, Syrian-Lebanese, Other Asiatic.
All Other: Native Indian and Eskimo, Negro, West Indian, All Other Origins, Unknown, American and Canadian.

Those describing themselves as "Canadian" were 71,000 persons, or less than half of one per cent of the total population.

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