

## **Fertility Decisions of Canadian Immigrant Households**

### **Extended Abstract**

Canada has received continuous flows of immigrants throughout its history, although the intensity of migration and the source countries have fluctuated over time. For instance, the immigrant population, as a percentage of total Canadian population, has almost doubled between 1980 and 2006. Estimates from the 2006 Canadian census indicate that 20% of the population is foreign born and that yet another 13% are the children of foreign born parents or second generation Canadians. Recent estimates also report substantial changes in the composition of immigration. The majority of immigrants arriving before 1980 were from the US or Europe (41%), whereas only 19% of recent arrivals come from these places. The increase in immigration and the change in its composition have originated an extended literature documenting the economic performance of recent immigrants and how well they seem to assimilate in Canadian culture. In this paper, we study fertility behavior of both the first and the second generation Canadian women as compared to the childbearing patterns of women born in Canada from Canadian parents. Analyzing immigrant fertility differentials is important from a diverse array of reasons that include, among others, understanding the household choices of immigrant families and their well being, the changing shape of family structure in the country as well as the socioeconomic integration of the immigrant women. In addition it is key to projecting the future demographic structure of the country and in the assessment of the sustainability of generous welfare policies burdened by increasing age-dependency ratios and pressures in the demands of social services as the baby-boom generation retires.

Fertility behavior likely plays an important role in many dimensions of immigrant well-being, as fertility rates shape the socioeconomic assimilation and mobility of immigrant women. For instance, individual's investments in human capital usually require postponement of fertility and employment opportunities and career advancement tend to become too costly for women with a large number of children. Therefore, high (and early) fertility may hinder the socioeconomic integration of the immigrant women, perpetuating more traditional gender roles within immigrant households. Improved

economic opportunities in Canada compared to that prevalent in their country of origin and interaction with native-born may affect fertility preferences of immigrants. Alternatively, even if childbearing preferences remain the same, the new environment they face in Canada, both in terms of opportunities and of costs, may alter their ultimate fertility decision. Immigrant women may find more labour market opportunities than in their countries of origin and decide to reduce/postpone fertility in order to work. Alternatively, in the absence of informal child care provided by relatives, they may find formal day care to be expensive. As a result, they may decide to either maintain the (generally higher) home country levels of fertility while staying at home or trade-off children for work. Further, given the trade-offs faced in terms of time and resources within the households, the ultimate choice of more quantity of children over potentially more resources devoted to the rearing of each child may have repercussions on the well-being of the second generation of immigrants.

Different models of fertility adjustment try to explain the fertility experiences of immigrants. The *assimilation model* of fertility adjustment, suggests that couples migrating from a country with higher fertility rates will initially follow their own country's fertility patterns and will only gradually adjust to the fertility rates of the host country. This assimilation process may take more than one generation to accomplish. Adaptation takes place as immigrants' expectations and cultural values change or as they gain knowledge of opportunity costs in the host country. In the short run, however, fertility may follow the *disruption model*, which postulates an initial drop in the couples' fertility around the time of migration and a fertility rebound later on. The two models can be combined, and it may be possible to observe an initial drop in fertility at the time of immigration, followed by a subsequent rise in fertility that gradually declines to converge to the host country levels. Economic theory builds on these ideas to incorporate the role of prices, opportunity costs and fertility regulation on fertility decisions. Changes from the source to the host country in female wages, household income and fertility regulation will, therefore, affect couples' fertility.

In this regard, results from the empirical investigation of immigrant fertility are mixed, with some studies supporting the disruption model and others focusing on long run fertility adjustments. In Canada, fertility studies show that, up to 1980, Canadian

immigrants had lower fertility rates than the Canadian-born, but the trend reversed since then. The Canadian evidence has found short-lived fertility disruption upon immigration and quick convergence to native born fertility levels with socioeconomic assimilation.

We explore these issues using the 20% sample of the Canadian Census of Population for the years 1991 to 2006 among women 16 to 45 years of age. We introduce measures of family composition and age at migration, which we find to have a distinctive influence on fertility. In, particular, we find a nonlinear relationship between age of migration and the difference between native and immigrant fertility, with those migrating in their late teens being the farthest from the native-born. This finding points to some critical periods of immigration for smoother assimilation. We also look into the intergenerational assimilation of immigrants. The 2001 and 2006 census provides information on parental place of birth which allows distinguishing immigrants by first, second, and second and a half generation. We use this information to study differences in fertility between the Canadian born children of immigrants and their immigrant parents. We find that although second generation Canadians have, on average, similar fertility rates to those of the native born, there are large differences in fertility by place of origin of parents, with those of Asian descent having substantially lower fertility rates than those from Mexican, European and Middle East parentage.

In 2006, about two thirds of total population growth in Canada was due to international immigration. According to Statistics Canada's projections, natural population growth will become negative between now and 2056, and international net migration will be the only source of population growth. This is the result of sustained low fertility rates - below the replacement level - for more than three decades (Belanger et Al. (2005)). Slow population growth together with the aging of the baby boom generation implies a rising demographic dependency ratio: the number of children (0 to 14) plus elderly persons (65 or more) per 100 persons of working age (15 to 64), currently around 44. Hence, the evolution of Canadian demographics questions the ability of the current working age population to support the retirement of the baby-boom and to provide social services and maintain economic growth in the near future. Further, immigration appears to be only source of population growth that can mitigate this trend in the short run. Already,

immigration is the main contributor to the Canadian labour force, with 70% of labour force growth attributed to immigrants.

In this context, the interplay of fertility and immigration rates has a central role in determining the future demographic trajectory of Canada. If the fertility of immigrants is sufficiently higher than that of the native-born population, even constant immigration rates may help boost overall fertility rates, particularly if fertility is transmitted inter-generationally. Our study shows that immigrant fertility is higher than that of Canadian-born women, but not by much. This result, however, uncovers substantial heterogeneity in fertility rates among immigrants, particularly regarding place of birth. Immigrants from Asia, China in particular, have the lowest fertility rates among the immigrant population, whereas South Americans and most immigrants from African regions have the highest. Most importantly, these trends seem to be transmitted to the second generation of Canadians, those born to foreign parents. Although the second generation of Canadians have, on average, similar fertility rates than the native born, fertility rates vary by place of origin of parents, with those of Asian descent having substantially lower fertility rates and those from Mexican, European and Middle East parentage having substantially higher fertility rates.

These results have important implications for social policy. First, in the years to come, the composition of the immigrant population will likely affect the future population growth of Canada, and will shape the need for the support of social services. Second, ethnic and cultural diversity in Canada will increase by even more than is already predicted by current immigration levels, since the groups that portray higher fertility rates and higher transmission to the second generation are mostly visible minorities. Finally, these results suggest that more research is needed in order to understand the interaction between fertility and labor market choices of immigrant women. High fertility rates resulting from poor labor market opportunities for immigrant women, or from costly child care alternatives that constrain individual choices, may affect the economic well-being of immigrant families and perpetuate traditional gender roles that impede the economic integration of foreign-born women.