RESPONDING TO HOUSING INSTABILITY AMONG NEWCOMERS

ABSTRACT

The growing body of evidence about the economic insecurity faced by recent immigrants to Canada coincides with reports of immigrants and refugees becoming one of the two fastest growing sub-populations among the homeless in Canada. Difficulties with labour market attachment, gaps in the system of integration and discrimination are important risk factors that may contribute to the increased risk of housing instability among newcomers. The article concludes by identifying some key areas for further research and by suggesting some basic principles, derived from current knowledge, which can improve policy and programming responses.

Newcomers to Canada represent an important contribution to the diversity in the social, economic and cultural life of the country, but there is a growing body of evidence that indicates that newcomers to Canada are also at increasing risk of housing instability and homelessness. Homelessness, like most social justice issues, requires a response from many different sectors (private, public, non-profit) and levels (national, provincial, regional, community) of government and society. The response must be multi-faceted because people who are homeless, or at risk of homelessness, are individuals with diverse backgrounds and characteristics, whose pathways into and out of homelessness reflect the uniqueness of their efforts to manage transitions in their lives and to overcome systemic inequities. New research is beginning to provide information about what contributes to the risk and some of the potential pathways that lead to homelessness, as well as what principles should underlie policy reform.

Results from the 2001 Census indicate that the percentage of foreign-born people in Canada is higher now than it has been in 70 years. In recent years, however, there are indications that newcomers are experiencing greater difficulty in successfully integrating into Canadian society. Published reports have provided evidence of the erosion of economic well-being and increasing risks of homelessness for recent immigrants to Canada:

- between 1980 and 2000, the low income rate for recent immigrants rose from 24.6% to 35.8% while the low income rate for Canadian-born decreased from 17.2% to 14.3%. Less than half of the rise in low income rates can be attributed to the changing characteristics of immigrants;[1]
- between 1980 and 2000, the earnings gap between recent male immigrants and Canadian-born men more than doubled, and the earnings gap between recent female immigrants and Canadian-born females rose substantially;[2]
- between 1984 and 1999, recent immigrants have become more vulnerable to income losses and unexpected expenditures;[3]
- between 1981 and 2001, homeownership rates of immigrants have steadily declined while homeownership rates of Canadian-born have steadily increased;
- in Census Metropolitan Areas, where over 90% of recent immigrants settle, recent immigrant renters were almost 40% more likely to be in "core housing need"[4] than non-immigrant renter households in 2001.[5] The main obstacle for households in need is finding affordable housing; and
- while there is no national data available on the number of newcomers who are homeless, studies from Toronto and Ottawa suggest that immigrants and refugees represent between 13% and 14% of the homeless population that use shelters in these cities.

In general, homelessness is more likely to occur when certain risk factors (such as unemployment, economic migration, marital breakdown, death of a family member, development of a disabling physical or mental condition, dealing with domestic abuse, etc.) are present in such a way that overwhelm the capacity of individuals or families to maintain their socio-economic status. In general terms, these risk factors impact on the capacity of individuals or families to generate sufficient income for adequate housing. When these risk factors are combined with shortages in the supply of appropriate housing and/or inadequate support services, the chances of becoming homeless increase.

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For newcomers, the challenges of adapting to a different political, economic, social and cultural milieu can introduce additional risk factors. Furthermore, certain groups of newcomers, who may not be represented in large numbers, have additional vulnerabilities due to threats to their security. These groups include:

- refugee claimants, particularly those without work permits;
- women, sometimes with children, who are faced with domestic abuse; and
- sponsored immigrants, sometimes parents of children who have immigrated, who face abuse.

The specific pathways that lead from arrival in Canada to being homeless will vary by individual circumstances (including official immigrant/refugee category or label), but research has demonstrated that problems associated with equity of labour market participation, shortcomings of the settlement process, and overcoming discrimination contribute to increasing the risk of housing instability for newcomers to Canada.

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Labour Market

Employment is an important factor in helping newcomers to settle and integrate into their host country. A number of studies that examine the employment outcomes of newcomers have indicated that current newcomers are experiencing greater difficulty than Canadian-born or previous newcomers in entering the labour market and in finding employment that is appropriate to the level of skill, education and experience. Refugee claimants may be at greatest risk due to documented delays in acquiring work permits.

In general, access to employment is determined by a number of micro- and macroeconomic factors that have both structural and cyclical components. Studies have shown that despite the presence of favourable economic cycles, newcomers tend to benefit less from periods of rapid economic growth. This phenomenon can be attributed to a number of specific barriers that can make labour market integration more problematic for newcomers. These include:

- lack of well-established network of contacts;

limited Canadian work experience and less value attributed by Canadian employers to foreign work experience;

- some have limited mastery of Canada's official languages;
- educational certificates and professional accreditation which may not be afforded adequate legitimacy;
- while discrimination and its impact can be difficult to quantify and assess, research suggests that it is a factor in access to, and success in, the labour market.

As a result of difficulties of labour market integration, newcomers are experiencing both declining earnings and deteriorating conditions of work as they more likely to accept 'non-standard' or contingent employment that offers less economic security and poorer protection by employment standards legislation. Recent immigrants, men and women, working full-time have earnings that are considerably lower than Canadian-born. This earnings gap actually increases with higher levels of education.

In the past, the initial earnings gap between newcomers and Canadian-born decreased as newcomers became acclimatized to Canadian social and cultural norms, but the depth of the earnings gap for recent immigrants and refugees, raises serious questions about the capacity of current newcomers to catch up in a reasonable length of time.

The average total income of new immigrants has been steadily losing ground relative to Canadian-born for the last 20 years. Fewer opportunities for higher earnings have led to a trend of rising low-income rates for newcomers; their poverty rate is twice that of families of native-born Canadians. Among some immigrant groups, such as Latin Americans, Africans, Caribbeans, Arabs and West Asians, the low-income rate is approximately three times higher.

The increasing poverty of newcomers is having a significant impact at the municipal level, particularly in larger cities, as over 70% of newcomers settle in Vancouver, Toronto and Montréal. The rise in the low-income rates in Canada's three largest cities is largely the result of the increasing poverty of newcomers.

As a consequence of lack of employment and low-income rates, newcomers are more reliant on income support programs to meet their needs. The percentage of households headed by recent immigrants of labour force age, receiving government transfer payments and the amount of transfer per client household, are higher than for comparable households headed by Canadian-born.

The lack of labour market success, and associated lower incomes, puts newcomers at greater risk of housing instability. The settlement services system includes a number of programs and services designed to facilitate newcomer integration and reduce this risk, but there is evidence that the system may not be meeting its objectives.

Settlement

A study conducted by Mwarigha[6] has suggested that the settlement process for newcomers typically involves three stages, which can be characterized by the evolution in the needs of newcomers:

1. in the first stage, newcomers are focused on meeting immediate needs for food, clothing and shelter as well as assistance with orientation to their local area and basic language services.

2. in the second stage, newcomers need to access Canadian systems and institutions including access to the labour market, community services related to housing, health and legal assistance, and more advanced language training.
3. finally, in the third stage, newcomers are focused on becoming full participants in Canadian life and their needs concern dealing with systemic barriers to equal participation in Canadian society.

According to data from the Longitudinal Survey of Immigrants to Canada,[7] approximately 70% of recent immigrants experienced some difficulty in entering the labour market; this supports results of other studies indicating problems with labour market integration. In addition, 76% of recent immigrants needed to look for appropriate housing after arrival (the remainder were satisfied with their housing upon arrival) and of these, 38% experienced difficulty in obtaining appropriate housing. High costs or financial difficulty were most often cited as the reason, followed by the lack of credit history, guarantor or co-signer. In fact, 42% of recent immigrant households are in core housing need compared to 17% for Canadian-born.[8] The observed difficulties with labour market integration and acquisition of appropriate housing has led to a number of calls for changes to the Canadian settlement system within the second stage of the framework above.

Recent immigrants and refugees are experiencing greater difficulties in settling than in the past and the settlement system may lack the capacity to provide the longer-term assistance that is needed. As a result, newcomers are increasingly relying on mainstream support services that are not designed to provide them with services that are appropriate to their needs. Mainstream housing support services, and health and social services that face resource constraints in meeting the needs of Canadian-born, do not have the capacity to provide the multilingual, multicultural, newcomer-specific services that are required. Increasingly, immigrants and refugees turn to other resources to cope with the shortfall in support. In the case of housing, they rely on temporary solutions such as short-term rentals in illegal or unsafe rooming houses, or other types of insecure tenure or living arrangements that make them part of the "hidden" homeless. Some newcomers alternate between these informal arrangements and the homeless shelter system.

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Responsibility for integrating and receiving the immigrants is shared between different levels of government, specialized community organizations and the informal networks of family, friends and immigrant communities. Improving the adequacy of support will require improving the coordination and integration of the efforts of these stakeholders. Beyond the extent and quality of services, however, there still remain systemic issues that create barriers that inhibit newcomers from fully integrating into Canadian society; one of the main barriers is discrimination.

Discrimination

Although the homeless population in Canada demonstrates significant diversity, one of the common elements of people who become homeless is the existence of characteristics that put them at a higher risk of housing instability. Understanding the relationship between homelessness and diversity in Canada requires analyzing how the various dimensions of marginalization and diversity in the population affect the magnitude, characteristics and causes of homelessness. These dimensions include, but are not restricted to, citizenship status, race, national or ethnic origin, religion, age, gender, family and marital status, mother tongue and language competency, education, presence or absence of a criminal record, socio-economic status, health status (e.g., persons with HIV/AIDS or mental illness), disability, and sexual orientation.

Discrimination on the basis of any of these grounds create formal and informal systemic barriers that restrict access to programs and services, which in turn leads to increased risk of homelessness for members of these groups. These barriers may be found in institutions such as hospitals and clinics, training and education facilities, financial institutions, the justice system, and potential employers' human resources departments. These barriers may also be manifested in specific practices, such as job applications procedures, applications or appeals for rental accommodation or income support, the attitudes of gatekeepers to support services, and how complaints of discrimination are adjudicated.

Discrimination impacts on Canadian-born as well as newcomers, but newcomers face additional vulnerability to housing instability due to the accumulation of risk factors. Newcomers who arrived in the 1990s are more likely to have been visibly different than the predominantly White population in Canada than those who arrived in previous decades, and newcomers tend to report significant levels of perceived discrimination. Although the validity of perceived discrimination as an objective measure of marginalization is sometimes questioned, it clearly indicates a lack of effectiveness in Canada's efforts to create an environment wherein newcomers can feel secure. In terms of housing outcomes, at least one study[9] indicates that discrimination can lead to:

- lengthier searches for housing;
- more expensive accommodation;
- living in inadequate housing in a less desirable part of the community;
- substandard educational opportunities;
- fewer and less desirable employment prospects; and
- poorer access to a wide variety of services including health care and transportation.

Of course discrimination, just like labour market difficulties and shortcomings of health and social services, are issues faced by Canadian-born as well as newcomers, and these issues cannot be addressed solely by the settlement services system or the housing support system. They require a concerted and coordinated effort by all sectors and all levels of government.

Coordination, Research Gaps and Policy Implications

There is a growing awareness that newcomers are facing an increased risk of housing instability, but stakeholders, from the national down to the community level, are frequently constrained in responding by focusing on their limited areas of responsibility. Responding to a task where there is a complex web of interrelated factors is challenging, but not impossible. An analogy to building a house may be appropriate; if each trade (plumber, roofer, bricklayer, electrician, etc.) does their job without coordinating their work with the others, the end result will be a collection of plumbing, roofing, bricks and wires, and not a house. Similarly, addressing Canada's social justice issues, whether they relate to settlement and integration of newcomers or reduce homelessness, cannot be adequately accomplished by the different stakeholders simply making improvements in their own area of responsibility. The nature of complex social issues requires all stakeholders to plan and coordinate their activities to create a solid social infrastructure that provides security for all people living in Canada in the short term and for a long time to come.

In terms of research gaps, our knowledge base about the extent, characteristics and causes of homelessness among the different categories of newcomers to Canada (i.e., immigrants, refugee claimants, privately sponsored refugees, government sponsored refugees) is still limited (see box). Studies have indicated that the effectiveness of the intake and integration process, and the associated support services, can be critical in facilitating social inclusion and therefore in reducing the risk of homelessness. However, there are still gaps in our knowledge about how government policies and programs, and the delivery of settlement services, affect the risk of new immigrants and refugees of becoming homeless and how best to remedy these problems.

Existing research has also provided evidence that abuse in domestic and sponsor relationships exists and can lead to instability in the housing situation of new immigrants and refugees, but the most effective approaches to deal with these problems are not yet well-developed. Research has also indicated that patterns of settlement for new immigrants and refugees can be complex and dynamic, sometimes leading to settlement outside of large urban centres or settlement after a number of inter- and intra-provincial moves. There is little known about the impact of these dynamics on risk factors for homelessness and on access to services.

In terms of policy, we do know enough to establish some basic principles in terms of the approach that must be taken:

- ensure that policy-making, program development and service delivery be comprehensive and coordinated between all stakeholders;
- envision that newcomers have the opportunity and power to influence policy-making, program development and service delivery;
- prioritize and integrate anti-discrimination and equity promotion initiatives throughout policy making, program development and service delivery; and
- recognize that although some theories of market behaviour suggest that labour markets are more efficient with less regulatory intervention, in reality labour market equilibriums frequently do not produce optimal economic and social outcomes; more intervention may be required.

These 'principles' may not be the concrete proposals for action that many are looking for, but these themes are constantly repeated by participants in research projects and in public consultations; better coordination, opportunities for meaningful participation, reduction of barriers to access, and a good job that pays a living wage. These basic principles can be the foundation for success in responding to the needs of newcomers and lower their risk of homelessness.

Notes

1 Picot, Garnett & Feng Hou. *The Rise in Low-Income Among Immigrants in Canada*. Statistics Canada, Analytical Studies Research Paper Series No. 198, Catalogue No. 11F0019, Ottawa, 2003.

2 Frenette, Marc & René Morissette. *Will they ever converge? Earnings of Immigrant and Canadian-Born Workers over the Last Two Decades*, Statistics Canada, Analytical Studies Research Paper Series No. 215, Catalogue No. 11F0019MIE, Ottawa, 2003.

3 Morissette, René. "Families on the Financial Edge," *Perspectives on Labour and Income*, Statistics Canada, Catalogue No. 75-001-XIE, 3(7) (July 2002).

4 According to the Canada Mortgage and Housing Corporation, "A household is said to be (…) in core housing need if its housing falls below at least one of the adequacy, suitability or affordability standards and it would have to spend 30 percent or more of its before-tax income to pay the median rent of alternative local market housing that meets all three standards."

5 Engeland, John, Roger Lewis, Steven Ehrlich (Canada Mortgage and Housing Corporation) & Janet CHE (Statistics Canada). *Evolving Housing Conditions in Canada's Census Metropolitan Areas*, 1991-2001, Component of Statistics Canada, Trends and Conditions in Metropolitan Areas, Catalogue No. 89-613-MWE2004005, 2005.

6 Mwarigha, M.S. *Towards a Framework for Local Responsibility: Taking action to end the current limbo in immigrant settlement-Toronto*, commissioned by the Maytree Foundation, January 2002.

7 Chui, Tina. *Longitudinal Survey of Immigrants to Canada: Process, Progress and Prospects*. Statistics Canada, Catalogue No. 89-611-XIE, 2003.

8 Canada Mortgage and Housing Corporation. *Special Studies on 1996 Census Data: Housing Conditions of Immigrants in the Toronto Census Metropolitan Area*, Socio-Economic Series 55-12, October 2003.

9 Dion, Kenneth L. "Immigrants' Perceptions of Housing Discrimination in Toronto: The Housing New Canadians Project," *Journal of Social Issues* 57(3) (2001): 523-539.