

Intelligence MEMOS



From: Parisa Mahboubi and Abby Sullivan
To: The Hon. Bill Morneau, Minister of Finance
Date: October 5, 2018
Re: **THE BRAIN DRAIN CONTINUES; LET'S STOP IT**

While Canada has actively looked into innovative ways to attract more global talent, it has faced a continuing brain drain to the United States, requiring policies that influence retention of highly skilled Canadians.

Migration of Canadian-born working-age individuals to the United States has trended upward over the past 30 years, according to American Community Survey (ACS), which gathers detailed data on *social, economic*, housing, and demographic *characteristics of US residents*. The number of Canadians leaving – both in absolute terms and as a share of the Canadian working age population – poses concern even as our country sees high inflows of immigration.

[United Nations' estimates](#) emphasize the imbalance in labour mobility between the two North American neighbours, with 893,491 Canadians living in the United States in 2017 and only 306,334 US-born citizens residing in Canada.

Looking closely at the various spikes and falls in migration since the early 2000s, the overall trend is less dramatic – a result that one can assume is closely tied to the economic changes across Canada and the United States – but still reflects a brain drain. Following the peak of emigration to the US in the late 1990s, the number of Canadians moving south fell dramatically for a few years thanks in part to a major [Canadian tax reform](#) that relieved some of the burden imposed on its citizens.

Since then, the share of the Canadian working population moving to the US for better access to higher paying jobs has remained a concern. The trend, fluctuating only slightly throughout the financial crisis, surged in 2015 following the collapse in oil prices, though it eased sharply the following year. During this time, Canada was experiencing little to no growth in the creation of full-time, full-year jobs. This spike reflects one of the largest recorded shares of Canadian migration to the US in the past 60 years.

The number of people migrating to the US is not the main concern, more importantly it is who is leaving. The survey data shows that Canada has a long history with the brain drain. Among the Canadian-born working-age population who arrived in the US, more than 58 percent hold a university degree. In particular, those holding degrees in biology, engineering, computer science, business and nursing are consistently the highest share of the Canadian-born population to seek employment in the US. Jobs in these five industries happen to be some of the [many professional](#) occupations covered under the terms of NAFTA, making it easier for Canadian citizens to work in their neighbouring country.

States with large metropolitan areas such as California, New York, Arizona, Washington, Texas, and Florida continue to be the most popular destinations of choice by the highly skilled and educated Canadians moving south.

To compete with the United States, Canada must focus on making itself more attractive to skilled workers – not only in terms of attracting immigration, but for keeping our own Canadian-born as well. Policymakers should emphasize policies that foster commercialization of innovative ideas from a Canadian base, that generate higher productivity and economic dynamism, and hence more opportunities for Canadians as well as for foreign talent to enjoy a high standard of living here.

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