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English Proficiency and Labour Supply of Immigrants in Australia

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Abstract

This article explores the impact of English proficiency on labour supply of recent immigrants in Australia. Previous research has shown that English ability is important for participation and employment, however little research has been done with respect to hours worked. This study uses the second cohort of the Longitudinal Survey of Immigrants to Australia (LSIA) data to estimate a random effects Tobit model—the correct approach when the dependent variable is bounded by zero. To obtain consistent estimates of censored regression models with random effects, we employ the Chamberlain style Tobit random effects estimator. The second cohort arrived in 1999-2000 and includes two waves of LSIA data, with the waves being interviewed six and 18 months after arrival. The results suggest that English ability is positively related to the hours worked by immigrants. Therefore, if immigrants are proficient in English, they are more likely to be successful in the destination labour market.

Keywords: Panel data, random effects, truncated and censored regression, migration, labour supply.

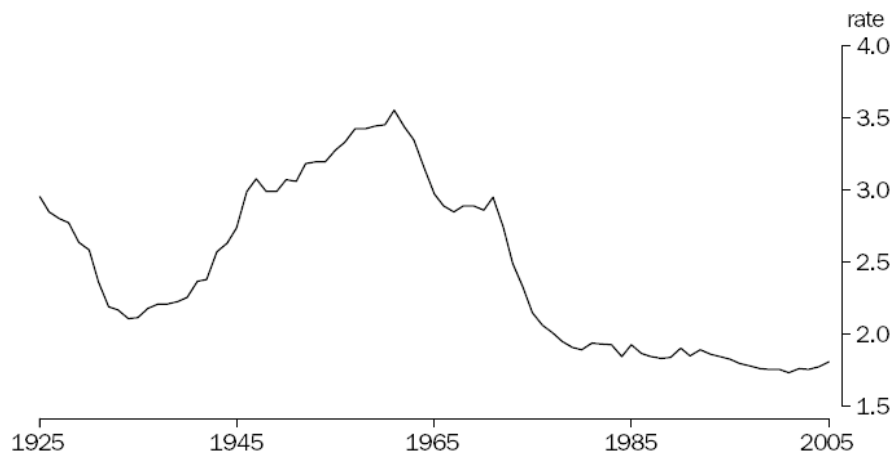
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1 Introduction

The late nineteenth and early twentieth century is an era marked by massive migration throughout the world. Europeans settled in the USA, Canada, Australia, Argentina and Brazil. At the turn of the twenty-first century, about 140 million people—or two per cent of the world's population—were residing outside their country of birth (Martin and Widgren, 1996).

Australia has experienced a gradual decline in total fertility rate (TFR) over the past twenty years. Only recently has there been a small increase in TFR. The TFR reached a low of 1.73 babies per woman in 2001 and has slowly increased to 1.81 babies per woman in 2005 (ABS 2006) [See Figure 1]. However, this fertility rate is lower than the replacement rate 2.1 (ABS 2007). Therefore migration has become an important source of labour supply. In Australia, one in four Australians were born outside Australia and another fifth have at least one parent who was born overseas (Richardson et al. 2004). Thus, immigration policy has been receiving increasing attention from policy makers and researchers.

Figure 1 Total Fertility Rate ^a, Australia 1925-2005



(a) Births per woman.

Sources: ABS, Births, Australia, cat. no. 3301.0, 2006

The decline in fertility worldwide among developed countries increases competition for skilled migrants to resolve domestic labour scarcity. After attracting immigrants to Australia, policymakers are obliged to develop systematic settlement policies to retain the current migrants in the country. The key indicator of successful settlement of immigrants is successful labour market outcomes. Proficiency in the destination language is often a crucial ingredient for a successful labour market outcome.

In response to this language consideration, the Australian immigration acceptance process has adopted a stricter English proficiency requirement to emphasize the productivity-related characteristics in the immigrant selection process in July 1999. Until recently, all skilled category applicants were required to take the International English Language Testing System (IELTS) test. The Evaluation of General Skills Migration (GSM) Categories recommends the threshold English language level be raised to a minimum of 6 on all components of IELTS for GSM visas. For instance, when an overseas

student applies for migration, he or she who obtains an overall score of 7 with a minimum of 6 in all subtests will gain a maximum of 25 points. Previously, applicants could demonstrate their English proficiency through other less standardized means². Furthermore, the Federal Government recently proposed that in addition to having to wait four years before obtaining citizenship, migrants would also have to take an English language test. Failure on this test would prevent them from becoming citizens. This shows the Australian government's increased emphasis on English proficiency for economic purposes.

During the migration process, only Primary Applicants³ (PAs) were subject to English ability test, and all other applicants were not required to undergo an English test. Hence, some non-PAs' skills may not be sold well in the Australian labour market due to the lower English ability.

² For example, this previously could be demonstrated by earning a degree from an English instructed institute.

³ The PA is the person upon whom the approval to immigrate was based. The groups of persons who migrate as part of the PA visa application are known as the migrating unit (MU). The term *Primary Applicant* (PA), replaced the term *Principal Applicant* in 1996. Documentation for LSIA2 uses the term *Primary Applicant*, whereas documentation for LSIA1 uses *Principal Applicant*. This reflects the term in use at time of sample selection and initial interview."

Table 1 Total Number of Hours Worked per week by English Proficiency⁴ – LSIA2.

English Ability	6 months after arrival		18 months after arrival	
	Mean	Std. Dev.	Mean	Std. Dev.
English Only	27.5	20.78	25.5	21.10
English Well	19.3	19.86	15.2	19.34
English Poorly	6.5	15.63	6.9	15.50
Total	18.5	20.91	16.5	20.42

Source: LSIA2

The second cohort (LSIA2) arrived between September 1999 and August 2000, and was interviewed twice. Table 1 matches the hours worked by migrants at six and 18 months after arrival with the assessment of their English speaking ability immediately after arrival. Six months after arrival, immigrants with English as the first language worked an average of 27.5 hours per week, whereas immigrants who spoke English “well” worked an average of 18.5 hours per week. Immigrants who spoke English “poorly”, even six months after arrival worked an average of only 6.5 hours per week. This shows that the more proficient the immigrants were at speaking English, the more hours they tended to work. One and half years after arrival, this pattern persisted. Therefore, the goal of this research is to seek econometric evidence to understand the direction and magnitude in which English proficiency affects the hours worked by immigrants.

⁴ Five levels of English-speaking skills are identified. They are: 1) English only; 2) speaks English very well; 3) speaks English well; 4) speaks English not well; 5) and speaks English not at all. In this study, the second and third categories are integrated into one category--- English well, and the last two categories are combined into one category--- English bad.

The study is organised as follows: Section 2 outlines some economic theories of language. Section 3 reviews the existing literature on migrants and English proficiency, while an overview of the LSIA data is presented in section 4. Section 5 presents the econometric evidence on labour supply of immigrants. Then Section 6 identifies the possible problems associated with econometric analysis. Finally, the empirical results are discussed and conclusions derived.

2 Economic Theories of Language

Spoken language has two main functions. One is that language is acted as a communication tool among agents. Lack of common language can be viewed as a barrier to trade. To overcome this barrier will incur transaction costs. Consequently, a competitive market will force all other languages to die out and select one most economically important business language in the long run. In the short run, however, those transaction costs which cannot be eliminated will be borne by the minority group (Lang 1986). The other one is that language helps identify cultural affinity and reflects trust (Doney, Cannon and Mullen 1998) because of the common expectations and customs of potential traders and thus achieves higher economic returns in a society. This directly links to the theory of discrimination.

Becker's (1957) seminal "The Economics of Discrimination" began the modern economic analysis of discrimination, which was then extended by Arrow (1972a, 1972b, 1974). Becker and Arrow suggest that a particular group may experience discrimination from their employers, co-workers or customers. Employers or co-workers have to be compensated to work with someone they

do not like. Therefore, in the short run, the Becker-Arrow model predicts that racial prejudice causes employers to think people from minority groups more expensive than they truly are. However, their model has two drawbacks. First, it is inadequate to explain discrimination by tastes, since all economic activities can be explained by the appropriate utility function. Second, in a competitive setting the prejudiced employers are ultimately driven out of the market in the long run because they sacrifice profit by only remaining and hiring more expensive workers from the majority group.

Admitting these difficulties, Arrow (1974) and Phelps (1972) proposed an alternative model in which the employer discriminates against a minority group if he or she believes them to be less productive. The equilibrium, however, is regarded as not stable by most economists. There exists equilibrium only if the minorities are truly less productive (Lang 1986). Arrow's model of statistical discrimination was extended by Aigner and Cain (1977) who assume both groups have the same average productivity, but employers observe the minorities' productivity with greater error. However, none of the models provides a sufficient explanation of the persistence of discrimination. Lang (1986) presented a language model of discrimination that assumes the cost of integrating the workforce is the cost of allowing employees from different speech communities to speak the same language. From the human capital theory, we know that, it is often costly to learn a second language, such as out-of-pocket or direct expenses, forgone earnings that arise during the language learning period and psychic losses that occur since learning is often difficult and dreary. However, proficiency in the majority group's language can signal his or

her employability during the job interview. Hence investment in learning the majority's language will be made by the minority, if interaction between the two groups is required.

3 Literature Review

Many studies have found that proficiency in the destination language played a vital role for migrants in their labour market experience. For example, language proficiency in the destination country has been shown to be an important determinant of earning among immigrants in Australia, Canada, Germany, Israel, and the United States (Chiswick and Miller 1995). However, rarely has anyone paid attention to the role of English proficiency in the labour supply of Australian immigrants.

Brooks and Volker (1985) used the 1981 Census data to estimate a reduced-form multinomial Logit model of migrant's labour outcomes. They found that the unemployment rate was positively related with the lack of proficiency in English. However, they found that language difficulties had a less pronounced effect on female unemployment than on male unemployment. The authors also estimated a gender-specific ordered Probit model of labour supply. The results suggest that the immigrant women's participation rate in the labour market was positively associated with the length of residence in Australia and negatively associated with the spouse's income and the presence of young children.

Inglis and Stromback (1986) examined the labour supply of immigrants using a sample from the 1981 Census. Interestingly, they found English proficiency

only had effects on the employability of male immigrants but not on that of female immigrants. The latter can be partially explained by the fact that women with language difficulties compete for low-skilled jobs which do not require high English proficiency.

Miller (1986) estimated a Logit model of unemployment across birthplace using the 1983 Manpower Programs Survey. He found that male immigrants from Greece, Vietnam and Yugoslavia experienced significantly higher unemployment rates than comparable immigrants from English-speaking countries.

Wooden and Robertson (1989) attempted a similar model to that of Brooks and Volker (1985) but used different data sets: the 1987 ABS Characteristics of Migration Survey and the 1986 Census. Their results show that immigrants from a Non-English Speaking Background (NESB), except for Vietnamese, were less likely to participate in the labour force than immigrants from an ESB. However, Stromback et al. (1992) found that immigrants from Vietnam and Lebanon were more likely to be unemployed than other NESB immigrant groups even after controlling for education, English ability, duration of residence and age at migration.

Empirical work has shown that English proficiency and demographic structure also contributed to the lower participation rate of foreign-born women compared to their native counterparts. For example, Shamsuddin (1998) found that female immigrants from the NESB have a lower probability of being employed, but among the sub-sample of employed women, they work more hours per year than

those with an ESB. Shamsuddin, however, did not examine the impact of different levels of English proficiency on hours worked by immigrants. The only study that has done this is one by Cobb-Clark and Connolly (2001) — although, these authors only looked at hours worked by immigrant spouses.

These findings set an important context in which this study enquiry is located. Few Australian studies have examined the hours worked by immigrants. An empirical analysis of this issue is important to understand immigrants' early labour market experience. The number of hours immigrants work is a strong indicator of economic well-being.

4 Longitudinal Survey of Immigrants to Australia

The LSIA documents recently arrived immigrants via offshore applications managed by the Research Section of the Commonwealth Department of Immigration and Multicultural and Indigenous Affairs (DIMIA). The purpose of carrying out this survey is to provide Commonwealth and other agencies with data to examine and evaluate immigration and settlement policies, programs and services. The same individuals must be studied at different stages of these processes to fully understand immigration and settlement.

The LSIA consists of two entry cohorts⁵. The first cohort of the LSIA (LSIA1) was selected from offshore visa immigrants to Australia, who arrived in the two

⁵ New Zealand citizens, immigrants granted a visa while resident in Australia, immigrants who had special eligibility visas (e.g. former Australian citizens) and immigrants who did not have an identifiable country of birth are not included in the survey population

year period September 1993 to August 1995. 5, 192 PAs aged 15 years and over were included in the LSIA1 sample. This represents around 7 per cent of the total in-scope PAs that arrived in the two year survey period.

In LSIA1, immigrants were interviewed three times. The first wave of interviews commenced in March 1994 (approximately five to six months after arrival). The second wave of interviews commenced in March 1995 (one year later). The third wave of interviews commenced in March 1997. Each wave of interviews was spread over a two year period.

In 1997, the Australian government introduced a radical reform to immigration policies: all immigrants (except humanitarian migrants) had previously been denied access to welfare payments and Austudy⁶ during the first six months after their arrival in Australia, but in 1997 this period was extended to two years (and access to the Special Benefit was almost removed). Following the policy changes, LSIA1 results no longer reflect the experiences of more recent migrants. Thus a second cohort of the LSIA (LSIA2) was surveyed to evaluate the effects of the policy change. A specific goal is to evaluate the effects of extending from six months to two years the time after arrival before migrants become entitled to most social security benefits. According to labour supply theory, this change would cause a higher proportion of recent immigrants to more actively search for employment. It is more interesting to use cohort 2 to analyse the immigrants' labour supply since immigrants in cohort 1 were more

⁶ Austudy provides financial support for tertiary education students.

dependent on welfare. Moreover, this study is only interested in immigrants aged between 15 to 65 years old.

3, 124 primary applicants were included in the LSIA2 sample. This represents around 10 per cent of the total in-scope PAs that arrived in the one year survey period. In LSIA2, immigrants were interviewed twice. The first interview was conducted in March 2000, and the second interview commenced in March 2001. Each wave of interviews occurred over a one year period.

Non-humanitarian immigrants can be classified into two groups: Preferential Family/Family Stream, strictly based on family relationships; and all other categories based on potential labour market outcomes, including Independents⁷, Employer Nomination Scheme⁸ (ENS), and Business Skills⁹. The Preferential Family category assesses individuals on the basis of both their family connections and their skills.

Previously used data, The Census of Population and Housing, The Movements Database, The Migration Program Management System File, was insufficient in providing researchers with a satisfactory picture of immigrant settlement process. Therefore, the availability of LSIA data has given researchers a unique opportunity to investigate immigration to Australia on an individual level.

⁷ For those who pass the point test and do not have a family relationships

⁸ For those who have pre-arranged employment with an Australian employer

⁹ For those who meet certain capital requirements and wish to settle in Australia and develop new or existing businesses

5 Econometric Evidence

Empirical Framework¹⁰

The average number of labour hours per week is the dependent variable, which is left censored at 0. The censoring causes problems: an OLS regression¹¹ using only the uncensored observations produces inconsistent estimators. While a random effect Tobit model can solve this problem, this creates another one. This model does not allow unobserved heterogeneity to be correlated with independent variables, but they could well be (e.g. ability). We do not use the Tobit fixed effects model proposed by Honoré (1992) for two reasons. First, there is no variation in the English Best or Only category. Second, because the dependent variable is over 50 per cent censored, this could cause problems for the median regression like model without enough observations. Therefore, we employ a Chamberlain style random effect Tobit model that solves the unobserved heterogeneity problem — including all the demographic and structural variables. The wage variable, however, is excluded from the model for two reasons. One is that it creates endogeneity due to presence of the human capital variables (e.g. education) and biases the estimates. The other one is that the aim of this paper is to estimate the impact of English proficiency on labour supply rather than the income elasticity of immigrants.

¹⁰ This section is based on Greene (2003).

¹¹ OLS and Random Effects Tobit regressions have been done for comparison purposes in the appendix.

$$\begin{aligned}
y_{it} &= \max(0, \psi + x_{it}\beta_i + x_{i1}\xi_1 + x_{i2}\xi_2 + a_i + u_{it}) \\
u_{it} | x_i, a_i &\sim Normal(0, \sigma_u^2), t = 1, 2 \\
a_i | x_i &\sim Normal(0, \sigma_u^2)
\end{aligned} \tag{1}$$

Where: y_i = Total weekly working hours of individual 'i'

x_{it} = Control variables for individual 'i' at wave t

x_{i1} = Control variables for individual 'i' at wave 1

x_{i2} = Control variables for individual 'i' at wave 2

a_i = Unobserved effect

u_{it} = Disturbance term

Equation (1) is used as the econometric model for the panel analysis.

Conditional on (x_i, a_i) , the $\{u_{it}\}$ are serially independent. The variables

represented by x_{it} include: English proficiency, gender, age, age², education,

marital status, number of kids less than six years old, location, unemployed

prior to migration, visa status and country of origin. Next, x_{i1} and x_{i2} include all

the independent variables except for being unemployed prior to migration, visa

status and country of origin for each time period.

It is tempting to interpret the Tobit coefficient as OLS, however, it is not this

simple. The Tobit coefficients can be decomposed into two effects: the total

effect – the change in dependent variable of those above the limit, weighted by

the probability of being above the limit; and the conditional effect – the change

in the probability of being above the limit.

$$\begin{aligned}
E(y | x) &= F(z)\beta \\
E(y | y > 0, x) &= (1 - zf(z)/F(z) - f(z)^2/F(z)^2)\beta
\end{aligned} \tag{3}$$

Where $F(\cdot)$ is the standard normal cumulative distribution function (CDF) and $f(\cdot)$ is the standard normal probability density function (PDF). Each of the terms in equation (3) is evaluated at the mean of the x 's, \bar{x} . $F(z)$ is the fraction of the sample above limit¹² whereas $(1 - zf(z)/F(z) - f(z)^2/F(z)^2)$ is the fraction of the mean total response due to responses above limit.

Both total effects and conditional total effects from each Tobit model are reported in the tables 2 to 5. All standard errors are robust to heteroscedasticity.

Empirical Results

[Table 2 and 3 here]

We first estimate a model for all immigrants and report unconditional and conditional marginal effects. As males and females have different labour supply behaviours, we also estimate two models for males and females respectively. The directions of the estimated coefficients on all the variables are mostly consistent with those reported in Cobb-Clark and Connolly (2001), although the magnitudes are different since they analysed immigrants' spouses.

Conditional on hours being positive, immigrants who speak English "well" were employed on average 3.7 hours less than native English speakers, while speaking English "poorly" decreased work by more than 6.8 hours per week in 2000. For men, the effect of English proficiency was somewhat more

¹² The limit is zero in this case.

pronounced, decreasing hours worked by 3.4 to 7.5 hours per week. As for women, this effect was smaller, decreasing hours worked by 3.4 to 5.8 hours per week. The magnitude was larger for unconditional effects, but the same pattern was still preserved. This result suggests that the more proficient at English an immigrant is, the more hours he or she works.

Age is positively related to hours worked by migrants, although the effect is stronger for men than women. Age also shows a diminishing marginal effect on hours of work although it is not significant in magnitude.

In line with many previous studies, the presence of young children has a strong negative effect on the labour supply of women (MacPherson and Stewart 1989; Schoeni 1989). For example, an extra child younger than six years old decreased an average of 6.4 hours of work for employed women. This can be explained because a child needs parental guidance, especially during early stages of life. However, this effect is not significant for men. This also shows that immigrant women are usually responsible for child-rearing at home.

Unlike natives, years of education are not statistically significant for predicting hours of work by immigrants. However, this is consistent with earlier findings that immigrants' education is not easily transferable to the destination country (Beach and Worswick 1993; Worswick 1996; Cobb-Clark and Connolly 2001). One interesting finding is that women with technical qualifications work most hours, although education dummies are not jointly significant.

The UK is the benchmark for country-of-origin coefficients. Both Australian male and female immigrants from Asia worked significantly fewer hours than those from other regions. The effects are more evident for men than women. MacPherson and Stewart (1989) found that women from developing countries and/or countries with different cultures work less hours. After controlling for other human capital characteristics, these differences may reflect cultural attitudes towards work or indicate a presence of discrimination in the Australian labour market (Cobb-Clark and Connolly 2001).

As opposed to the Business Skills category, immigrants from all other visa categories work fewer hours, especially humanitarian immigrants. This result is contrary to Cobb-Clark and Connolly (2001) findings for immigrants' spouses.

When comparing immigrants who were employed prior to migration with those who were unemployed, male immigrants work an average of between 1.4 and 2 hours less per week after migration, female immigrants between 1.4 and 3.9 hours. These findings are parallel those of Duleep and Sanders (1993), who found that full time workers prior to migration had a 28 per cent point increase in the probability of working in the United States.

Thus, the empirical results suggest that English language ability is closely related to hours worked by immigrants. In line with most labour supply studies, age is positively related to hours worked and the presence of young children negatively affects the labour supply of women. Country of origin, visa category

and whether or not they were employed prior to migration also play important role in immigrant's labour supply.

6 Sensitivity Analysis

There are five English proficiency categories: English only, English very well, English well, English not well and English not at all. They are ranked and mutually exclusive. These rankings are self reported. English very well and English well are combined into English well, and English not well and English not all are integrated into English poorly.

Table 7 English Proficiency of Immigrants by Waves, LSIA2

18 Months after Arrival				
6 Months after Arrival	English Only	English Well	English Poorly	Total
English Only	952	1	0	953
English Well	108	968	35	1,111
English Poorly	6	337	915	1,258
Total	1,066	1,306	950	3,322

Source: LSIA2

As expected, almost no one has switched from English Only to other English proficiency categories within 12 months. This is because a native English speaker's English skills would not worsen in an English speaking country. Of the 1,111 immigrants who initially spoke English well, 108 immigrants improved their English, while 35 immigrants' English worsened, and 968 immigrants remain unchanged. Of the 1,258 immigrants who initially spoke English poorly, 343 immigrants improved, six having improved substantially, but 915 could not speak English well even 18 months after arrival.

Table 8 Changes in Total Number of Hours Worked per week by Waves and English Proficiency – LSIA2.

6 months after arrival	18 months after arrival		
	English Only	English Well	English Poorly
English Only	7.1 [21.17]	- -	- -
English Well	10.9 [21.67]	7.7 [20.57]	7.0 [13.28]
English Poorly	10.0 [16.73]	5.4 [17.72]	3.3 [13.60]

Native English speakers increased their labour supply by an average of 7.1 hours per week. Of the immigrants who originally spoke English well, those whose English improved worked an average of 10.9 more hours, while those whose English worsened worked 7 hours less, and those whose English remain unchanged worked 7.7 hours more per week. Of the immigrants who initially spoke English poorly, those who improved their English substantially increased their work hours by 10 on average, while those whose English improved to well worked 5.4 more hours, and those who still could not speak English well 18 months after arrival only increased work by 3.3 hours. The data suggest that immigrants who are able to improve their English skills will increase hours worked more than those whose English skills remain unchanged. The latter are still able to increase hours worked more than those whose English skills worsen.

A random effects test is necessary to know the propriety of the fixed effects estimation. There are two ways of doing this test. First, a joint significant test is undertaken on all estimated coefficients on x_{i1} and x_{i2} . The tests are significant at a level of one per cent for all three models. Second, two regressions were conducted with and without time constant variables, because if the individual

random effects have been controlled for, then whether or not the fixed effects are included in the model should not matter. The difference of the estimates between two specifications is small. Therefore, both tests suggest that the fixed effect estimation (Chamberlain style random effects Tobit estimation) is appropriate for the model.

7 Conclusions

In conclusion, many studies have found that English proficiency was crucial for immigrants' labour market outcomes (e.g. participation or employment). However, few studies have examined the impact of English proficiency on hours worked by immigrants. This paper fills this gap in the migration literature. The results show that English proficiency is correlated with a migrant's decision to work. The better English they have, the more hours they work in the labour market. There are two possible explanations for the phenomena: if interaction is required between two speech communities in the workplace, language is served as a communication tool among agents. Proficiency in common language can reduce the barrier to trade; language is also the way to identify cultural affinity and reflect trust since the same expectations and customs of potential traders can reduce the transaction costs. Both indicate that language serves as a signal of workers' employability to their employers.

These findings into the impact of English proficiency on hours worked by immigrants have implications for public policy. If foreign-born immigrants are proficient in the destination language, it is more likely they will be successful in

the destination labour market. Immigration policy in Western countries already reflects this reality. For example, the Australian and Canadian Immigration Departments select skilled immigrants based on a point system. English requirements are a major component of the system. Hence, there may be benefits to modifying immigration policy to put more weight on the English proficiency of potential migrants. For instance, this change might increase labour supply of new immigrants under the new policy. Alternatively, if the government subsidises linguistic training to incumbent immigrants with insufficient English skills, the immigrants would be expected to increase their labour supply as a result of better English.

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Appendix

Table 2 Chamberlain Style Random Effects Tobit Regression Results – Weekly Total Hours Worked by Immigrants Age 15-65, LSIA2^{abc}

	Coefficient	Unconditional ^d	Conditional ^e
English Ability (English Only)			
English well	-10.26 [4.43]	-5.09 [2.12]	-3.72 [1.57]
English poorly	-19.45 [5.28]	-9.14 [2.26]	-6.80 [1.75]
Demographic (Never Married)			
Female	-16.67 [1.05]	-8.51 [0.52]	-6.19 [0.39]
Age	3.05 [0.39]	1.56 [0.19]	1.13 [0.14]
Age ²	-0.05 [0.005]	-0.02 [.002]	-0.018 [.002]
Married	0.48 [3.94]	0.24 [2.01]	0.18 [1.45]
Widowed	-8.97 [5.59]	-4.09 [2.23]	-3.05 [1.74]
No. of Children under 6	-10.82 [3.12]	-5.07 [1.32]	-3.76 [1.01]
Education (Tech Qual)			
Higher degree	-2.52 [4.82]	-1.25 [2.33]	-0.91 [1.71]
Postgraduate diploma	-0.84 [4.66]	-0.42 [2.34]	-0.31 [1.70]
Bachelor degree or equivalent	2.37 [3.90]	1.24 [2.08]	0.89 [1.49]
Trade	-5.49 [4.11]	-2.62 [1.81]	-1.93 [1.37]
12 or more years of schooling	-6.58 [3.27]	-3.18 [1.47]	-2.33 [1.11]
10 or 11 years of schooling	-10.46 [4.57]	-4.68 [1.75]	-3.52 [1.39]
7 to 9 years of schooling	-2.41 [5.94]	-1.20 [2.86]	-0.87 [2.10]
6 years of schooling or less	4.70 [8.06]	2.57 [4.67]	1.83 [3.30]
State of Residence (QLD)			
NSW	-1.87 [15.12]	-0.96 [7.68]	-0.69 [5.56]
VIC	6.41 [17.32]	3.46 [9.77]	2.47 [6.94]
SA	20.70 [18.58]	13.38 [14.22]	9.48 [10.28]
WA	-0.82 [20.13]	-0.42 [10.17]	-0.30 [7.37]
Others	2.63	1.39	1.00

	[18.39]	[10.06]	[7.17]
Country of Origin (UK)			
Asia	-10.00 [1.77]	-4.98 [0.85]	-3.63 [0.63]
North and Western European	-2.17 [2.62]	-1.08 [1.26]	-0.79 [0.93]
South and Eastern European	-3.03 [2.16]	-1.51 [1.04]	-1.10 [0.77]
Others	-11.67 [1.91]	-5.47 [0.81]	-4.06 [0.62]
Visa Category (Business Skills)			
Preferential Family	-11.70 [1.82]	-6.00 [.93]	-4.35 [0.68]
Concessional Family	-5.56 [2.07]	-2.66 [.92]	-1.96 [0.69]
Independent	-3.96 [2.04]	-1.94 [0.95]	-1.42 [0.70]
Humanitarian	-38.25 [2.41]	-13.81 [0.57]	-11.35 [0.56]
Unemployed prior to Migration	-8.57 [1.28]	-4.22 [0.60]	-3.08 [0.45]

Note:

^a Sample size is 4331 for all immigrants.

^b Omitted variables are in the bracket.

^c All the estimates on x_{i1} and x_{i2} are omitted from the table.

^d This includes immigrants who initially do not work.

^e This includes immigrants who originally work.

Table 3 Chamberlain Style Random Effects Tobit Regression Results – Weekly Total Hours Worked by Immigrants by Sex, Age 15-65, LSIA2^{abc}

	Male			Female		
	Coef.	Uncond. ^d	Cond. ^e	Coef.	Uncond. ^d	Cond. ^e
English Ability (English Only)						
English well	-7.36 [5.57]	-4.80 [3.56]	-3.37 [2.51]	-12.49 [7.53]	-3.99 [2.29]	-3.42 [2.01]
English poorly	-17.23 [6.73]	-10.62 [3.80]	-7.51 [2.75]	-21.41 [8.79]	-6.61 [2.52]	-5.76 [2.28]
Demographic (Never Married)						
Age	3.59 [0.52]	2.39 [0.34]	1.67 [0.24]	2.93 [0.67]	0.99 [0.22]	0.83 [0.19]
Age ²	-0.05 [0.002]	-0.04 [0.004]	-0.02 [0.003]	-0.05 [0.01]	-0.02 [0.003]	-0.01 [0.003]
Married	-1.14 [5.49]	-0.76 [3.69]	-0.53 [2.59]	3.94 [5.77]	1.29 [1.83]	1.09 [1.57]
Widowed	-12.61 [5.49]	-7.27 [-3.78]	-5.16 [2.77]	-2.64 [8.36]	-0.85 [2.59]	-0.73 [2.25]
No. of Children	0.08	0.05	0.04	-26.80	-6.54	-6.40

under 6	[4.36]	[2.90]	[2.04]	[5.30]	[0.90]	[1.06]
Education (Tech Qual)						
Higher degree	1.83 [6.82]	1.24 [4.67]	0.87 [3.28]	-8.48 [7.07]	-2.47 [1.76]	-2.21 [1.70]
Postgraduate diploma	3.91 [6.55]	2.70 [4.67]	1.90 [3.30]	-6.98 [6.92]	-2.06 [1.77]	-1.83 [1.69]
Bachelor degree or equivalent	5.05 [5.85]	3.46 [4.13]	2.43 [2.91]	-1.86 [5.39]	-0.61 [1.74]	-0.52 [1.48]
Trade	-1.58 [4.81]	-1.04 [3.11]	-0.73 [2.18]	-13.86 [8.55]	-3.54 [1.56]	-3.38 [1.80]
12 or more years of schooling	-6.24 [4.42]	-3.96 [2.68]	-2.78 [1.89]	-5.58 [5.01]	-1.76 [1.47]	-1.51 [1.31]
10 or 11 years of schooling	-7.95 [6.35]	-4.88 [3.57]	-3.43 [2.53]	-14.97 [6.85]	-3.93 [1.35]	-3.70 [1.48]
7 to 9 years of schooling	6.19 [7.89]	4.36 [5.84]	3.07 [4.15]	-16.34 [9.65]	-4.11 [1.71]	-3.96 [2.00]
6 years of schooling or less	7.76 [12.18]	5.55 [9.28]	3.92 [6.64]	-2.52 [11.81]	-0.81 [3.63]	-0.69 [3.16]
State of Residence (QLD)						
NSW	-8.49 [16.88]	-5.49 [10.60]	-3.86 [7.48]	22.52 [36.17]	8.15 [14.12]	6.64 [11.26]
VIC	1.55 [19.19]	1.04 [12.97]	0.73 [9.10]	33.94 [43.01]	15.98 [25.90]	12.02 [18.93]
SA	15.93 [21.52]	12.01 [17.90]	8.64 [13.38]	39.68 [42.03]	23.24 [33.90]	16.96 [25.34]
WA	12.11 [24.22]	8.74 [18.75]	6.21 [13.58]	6.47 [44.35]	2.41 [18.11]	1.93 [14.02]
Others	3.90 [21.64]	2.68 [15.37]	1.88 [10.84]	11.76 [41.00]	4.75 [19.39]	3.70 [14.33]
Country of Origin (UK)						
Asia	-10.75 [2.32]	-6.88 [1.43]	-4.84 [1.01]	-10.80 [2.87]	-3.57 [0.94]	-3.01 [0.79]
North and Western European	-2.02 [3.47]	-1.32 [2.21]	-0.92 [1.55]	-3.88 [4.20]	-1.22 [1.22]	-1.05 [1.09]
South and Eastern European	-3.02 [2.87]	-1.96 [1.83]	-1.38 [1.28]	-3.44 [3.47]	-1.10 [1.06]	-0.94 [0.93]
Others	-10.86 [2.41]	-6.80 [1.42]	-4.79 [1.01]	-15.34 [3.28]	-4.39 [0.80]	-3.96 [0.78]
Visa Category (Business Skills)						
Preferential Family	-10.13 [2.20]	-6.52 [1.36]	-4.58 [0.97]	-15.46 [3.58]	-5.68 [1.43]	-4.59 [1.12]
Concessional Family	-5.80 [2.50]	-3.67 [1.50]	-2.58 [1.05]	-5.34 [4.07]	-1.64 [1.13]	-1.43 [1.03]
Independent	-7.16 [2.41]	-4.49 [1.41]	-3.15 [1.00]	-1.00 [4.06]	-0.33 [1.32]	-0.28 [1.12]
Humanitarian	-41.37 [2.94]	-21.01 [1.04]	-15.72 [0.90]	-40.12 [4.87]	-8.07 [0.58]	-8.71 [0.79]

Unemployed prior to Migration	-3.08 [1.71]	-2.02 [1.10]	-1.42 [0.77]	-14.38 [2.14]	-4.52 [0.62]	-3.90 [0.55]
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Note:

^a Sample size is 2219 for men and 2112 for women.

^b Omitted variables are in the bracket.

^c All the estimates on x_{i1} and x_{i2} are omitted from the table.

^d This includes immigrants who initially do not work.

^e This includes immigrants who originally work.

Table 4 Random Effects Tobit Regression Results – Weekly Total Hours Worked by Immigrants Age 15-65, LSIA2^{ab}

	Coefficient	Uncond. ^c	Cond. ^d
English Ability (English Only)			
English well	-7.62 [1.42]	-3.82 [0.70]	-2.78 [0.51]
English poorly	-18.34 [1.76]	-8.67 [0.76]	-6.43 [0.58]
Demographic (Never Married)			
Female	-16.60 [1.04]	-8.48 [0.52]	-6.16 [0.38]
Age	3.12 [0.38]	1.61 [0.19]	1.16 [0.14]
Age ²	-0.05 [0.005]	-0.02 [0.003]	-0.02 [0.002]
Married	-2.84 [1.29]	-1.48 [0.69]	-1.07 [0.49]
Widowed	-0.27 [2.45]	-0.14 [1.25]	-0.10 [0.91]
No. of Children under 6	-9.32 [1.26]	-4.43 [0.55]	-3.27 [0.41]
Education (Tech Qual)			
Higher degree	-0.91 [1.73]	-0.46 [0.87]	-0.33 [0.63]
Postgraduate diploma	-2.23 [2.22]	-1.11 [1.08]	-0.81 [0.79]
Bachelor degree or equivalent	-1.30 [1.45]	-0.66 [0.73]	-0.48 [0.53]
Trade	1.50 [2.12]	0.79 [1.13]	0.57 [0.81]
12 or more years of schooling	-5.38 [1.58]	-2.63 [0.73]	-1.92 [0.54]
10 or 11 years of schooling	-10.77 [2.27]	-4.81 [0.87]	-3.62 [0.69]

7 to 9 years of schooling	-2.08 [2.59]	-1.04 [1.26]	-0.76 [0.92]
6 years of schooling or less	-5.85 [3.604]	-2.77 [1.56]	-2.05 [1.18]
State of Residence (QLD)			
NSW	6.53 [1.74]	3.43 [0.93]	2.47 [0.67]
VIC	3.36 [1.84]	1.77 [0.99]	1.27 [0.71]
SA	2.09 [2.53]	1.10 [1.37]	0.79 [0.98]
WA	0.91 [2.01]	0.47 [1.05]	0.34 [0.76]
Others	0.26 [2.20]	0.14 [1.14]	0.10 [0.82]
Country of Origin (UK)			
Asia	-10.36 [1.72]	-5.16 [0.83]	-3.76 [0.61]
North and Western European	-1.34 [2.58]	-0.67 [1.28]	-0.49 [0.93]
South and Eastern European	-3.02 [2.13]	-1.51 [1.03]	1.10 [0.76]
Others	-11.94 [1.87]	-5.60 [0.80]	-4.15 [0.61]
Visa Category (Business Skills)			
Preferential Family	-12.03 [1.81]	-6.17 [0.93]	-4.47 [0.67]
Concessional Family	-5.19 [2.07]	-2.50 [0.93]	-1.84 [0.70]
Independent	-3.76 [2.04]	-1.85 [0.96]	-1.35 [0.71]
Humanitarian	-38.60 [2.40]	-13.93 [0.57]	-11.46 [0.56]
Unemployed prior to Migration	-8.71 [1.28]	-4.29 [0.60]	-3.13 [0.45]
Constant	1.59 [7.47]	-	-

Note:

^a Sample size is 4331 for all immigrants.

^b Omitted variables are in the bracket.

^c This includes immigrants who initially do not work.

^d This includes immigrants who originally work.

Table 5 Random Effects Tobit Regression Results – Weekly Total Hours Worked by Immigrants by Sex, Age 15-65, LSIA2^{ab}

	Male			Female		
	Coef.	Uncond. ^c	Cond. ^d	Coef.	Uncond. ^c	Cond. ^d
English Ability (English Only)						
English well	-5.85 [1.86]	-3.82 [1.19]	-2.67 [0.83]	-8.86 [2.29]	-2.94 [0.74]	-2.48 [0.63]
English poorly	-16.07 [2.36]	-9.93 [1.34]	-7.01 [0.96]	-19.74 [2.76]	-6.28 [0.82]	-5.4 [0.72]
Demographic (Never Married)						
Age	3.46 [0.51]	2.29 [0.34]	1.61 [0.23]	2.94 [0.65]	1.02 [0.22]	0.85 [0.18]
Age ²	-0.05 [0.006]	-0.03 [0.004]	-0.02 [0.003]	-0.05 [0.009]	-0.01 [0.003]	-0.004 [0.003]
Married	-1.22 [1.77]	-0.81 [1.19]	-0.57 [0.83]	-4.65 [2.00]	-1.66 [0.75]	-1.35 [0.6]
Widowed	-1.72 [4.02]	-1.12 [2.57]	-0.78 [1.80]	-0.01 [3.34]	-0.005 [1.16]	-0.004 [0.96]
No. of Children under 6	-2.37 [1.58]	-1.55 [1.02]	-1.08 [0.71]	-22.29 [2.29]	-5.93 [0.48]	1.74 [0.83]
Education (Tech Qual)						
Higher degree	-1.04 [2.20]	-0.68 [1.43]	-0.47 [1.00]	-2.49 [2.90]	-0.83 [0.92]	-0.7 [0.79]
Postgraduate diploma	-2.15 [2.91]	-1.4 [1.85]	-0.97 [1.29]	-3.63 [3.55]	-1.18 [1.08]	-1 [0.95]
Bachelor degree or equivalent	-1.84 [1.93]	-1.2 [1.25]	-0.84 [0.87]	-1.23 [2.26]	-0.42 [0.76]	-0.35 [0.64]
Trade	2.56 [2.41]	1.74 [1.67]	1.22 [1.17]	-2.25 [5.14]	-0.74 [1.63]	-0.63 [1.40]
12 or more years of schooling	-6.85 [2.09]	-4.32 [1.25]	-3.03 [0.88]	-2.47 [2.52]	-0.83 [0.82]	-0.69 [0.70]
10 or 11 years of schooling	-10.71 [3.15]	-6.37 [1.65]	-4.49 [1.18]	-10.46 [3.47]	-3.06 [0.85]	-2.74 [0.83]
7 to 9 years of schooling	-0.67 [3.59]	-0.44 [2.35]	-0.31 [1.64]	-3.25 [3.98]	-1.06 [1.23]	-0.9 [1.07]
6 years of schooling or less	-4.79 [5.23]	-3.02 [3.12]	-2.11 [2.19]	-6.97 [5.33]	-2.14 [1.42]	-1.86 [1.33]
State of Residence (QLD)						

NSW	7.32 [2.23]	4.95 [1.54]	3.48 [1.08]	6.02 [2.86]	2.12 [1.02]	1.74 [0.83]
VIC	3.91 [2.33]	2.65 [1.60]	1.86 [1.12]	3.1 [3.09]	1.11 [1.14]	0.9 [0.92]
SA	4.88 [3.21]	3.38 [2.31]	2.38 [1.63]	-1.56 [4.24]	-0.52 [1.39]	-0.44 [1.18]
WA	-0.9 [2.53]	-0.59 [1.65]	-0.41 [1.15]	3.16 [3.42]	1.14 [1.3]	0.93 [1.03]
Others	1.39 [2.90]	0.93 [1.97]	0.65 [1.38]	0.13 [3.55]	0.04 [1.23]	0.04 [1.02]
Country of Origin (UK)						
Asia	-11.38 [2.25]	-7.25 [1.38]	-5.09 [0.97]	-11.89 [2.80]	-4.02 [0.94]	-3.36 [0.79]
North and Western European	-1.74 [3.42]	-1.13 [2.19]	-0.79 [1.53]	-4.24 [4.18]	-1.35 [1.24]	-1.16 [1.10]
South and Eastern European	-3.76 [2.81]	-2.42 [1.76]	-1.69 [1.23]	-3.77 [3.42]	-1.24 [1.07]	-1.05 [0.93]
Others	-11.14 [2.35]	-6.95 [1.37]	-4.89 [0.97]	-16.16 [3.24]	-4.73 [0.8]	-4.22 [0.77]
Visa Category (Business Skills)						
Preferential Family	-9.2 [2.18]	-5.92 [1.36]	-4.15 [0.95]	-16.64 [3.58]	-6.3 [1.47]	-5.03 [1.14]
Concessional Family	-4.76 [2.48]	-3.03 [1.51]	-2.12 [1.06]	-6.18 [4.07]	-1.9 [1.14]	-1.65 [1.04]
Independent	-6.2 [2.40]	-3.9 [1.43]	-2.74 [1.00]	-1.37 [4.06]	-0.46 [1.35]	-0.39 [1.13]
Humanitarian	-41.79 [2.90]	-21.14 [1.02]	-15.8 [0.87]	-39.2 [4.84]	-8.28 [0.60]	-8.71 [0.81]
Unemployed prior to Migration	-3.44 [1.70]	-2.25 [1.09]	-1.57 [0.76]	-14.61 [2.11]	-4.71 [0.64]	-4.02 [0.56]
Constant	-11.03 [10.09]	-	-	2.02 [12.55]	-	-

Note:

^a Sample size is 2219 for men and 2112 for women.

^b Omitted variables are in the bracket.

^c This includes immigrants who initially do not work.

^d This includes immigrants who originally work.

Table 6 OLS Regression Results – Weekly Total Hours Worked by Immigrants by Sex, Age 15-65, LSIA2^a

	Fixed Effects			Random Effects		
	All	Male	Female	All	Male	Female
English Ability (English Only)						
English well	-6.87 [2.32]	-4.24 [3.40]	-9.7 [3.15]	-5.36 [0.89]	-4.66 [1.27]	-5.68 [1.23]
English poorly	-8.19 [2.64]	-5.14 [3.93]	-11.2 [3.53]	-9.53 [1.02]	-9.42 [1.52]	-9.03 [1.35]
Female	-	-	-	-8.73 [0.62]	-	-
Age	-	-	-	1.18 [0.19]	1.58 [0.30]	0.63 [0.25]
Age ²	0.07 [0.006]	0.09 [0.009]	0.04 [0.008]	-0.02 [0.002]	-0.02 [0.004]	-0.01 [0.003]
Married	0.46 [2.07]	-1.58 [3.47]	2.37 [2.41]	-1.38 [0.78]	-0.67 [1.18]	-2.06 [1.02]
Widowed	-1.24 [2.79]	-3.43 [4.63]	0.8 [3.30]	-0.04 [1.30]	-1.61 [2.42]	-0.98 [1.53]
State of Residence (QLD)						
NSW	-0.59 [8.68]	-6.01 [10.98]	20.85 [16.66]	4.12 [1.05]	4.45 [1.44]	3.59 [1.49]
Victoria	4.8 [9.50]	0.38 [12.13]	26.9 [18.14]	2.37 [1.10]	2.6 [1.50]	1.89 [1.60]
SA	15.55 [10.65]	13.59 [14.43]	32.96 [18.51]	0.56 [1.50]	1.77 [2.06]	-0.93 [2.14]
WA	0.77 [11.03]	-0.86 [14.44]	17.79 [20.07]	-0.38 [1.22]	-1.44 [1.64]	0.47 [1.80]
Others	2.84 [10.34]	4.14 [13.75]	16.59 [18.33]	0.39 [1.35]	0.46 [1.93]	0.12 [1.86]
No. of Kids under 6	-4.51 [1.40]	0.53 [2.63]	-6.52 [1.53]	-4.14 [0.70]	-0.91 [1.02]	-7.99 [0.92]
Education (Tech Qual)						
Higher degree	1.94 [2.47]	4.12 [4.16]	0.31 [2.94]	0.78 [1.05]	0.4 [1.46]	0.76 [1.48]
Postgraduate diploma	0.46 [2.40]	2.14 [4.00]	-0.43 [2.85]	-0.3 [1.32]	-0.76 [1.94]	-0.07 [1.74]
Bachelor degree or equivalent	2.19 [1.93]	3.55 [3.51]	1.01 [2.14]	0.18 [0.86]	-0.37 [1.27]	0.73 [1.12]
Trade	-2.95	-2.56	-3.49	0.5	1.11	-2.4

12 or more years of schooling	[1.96]	[2.71]	[3.08]	[1.20]	[1.52]	[2.19]
	-3.55	-4.74	-2.43	-2.77	-4.09	-1.69
	[1.49]	[2.40]	[1.80]	[0.86]	[1.29]	[1.12]
10 or 11 years of schooling						
	-6.29	-7.59	-5.64	-5.09	-5.66	-5.35
	[1.97]	[3.32]	[2.30]	[1.14]	[1.82]	[1.40]
7 to 9 years of schooling						
	-3.95	-1.56	-5.88	-0.38	1.14	-2.79
	[2.39]	[4.02]	[2.80]	[1.28]	[2.04]	[1.58]
6 years of schooling or less						
	-0.91	-1.58	-0.51	-0.03	-1.25	-0.38
	[3.00]	[5.71]	[3.27]	[1.54]	[2.73]	[1.79]
Country of Origin (UK)						
Asia	-	-	-	-8.33	-9.69	-7.26
				[1.11]	[1.56]	[1.59]
North and Western European	-	-	-	-0.69	-0.6	-2.02
				[1.68]	[2.37]	[2.36]
South and Eastern European	-	-	-	-4.11	-4.51	-4.04
				[1.33]	[1.87]	[1.87]
Others	-	-	-	-7.89	-8.74	-7.65
				[1.20]	[1.62]	[1.76]
Visa Category (Business Skills)						
Preferential Family	-	-	-	-8.53	-6.77	-9.88
				[1.14]	[1.48]	[1.99]
Concessional Family	-	-	-	-3.49	-2.52	-4.92
				[1.35]	[1.73]	[2.33]
Independent	-	-	-	-1.76	-3.09	-0.49
				[1.32]	[1.65]	[2.32]
Humanitarian	-	-	-	-18.63	-21.25	-14.7
				[1.32]	[1.76]	[2.24]
Unemployed prior to Migration	-	-	-	-3.1	-1.67	-4.47
				[0.69]	[1.01]	[0.94]
Constant	-66.55	-98.77	-53.5	26.18	17.73	29.29
	[11.67]	[17.24]	[18.30]	[4.09]	[6.17]	[5.53]
Observations	4789	2475	2314	4331	2219	2112
Number of id	2951	1584	1367	2493	1328	1165
R ²	0.09	0.13	0.08	-	-	-

Note:

^a Omitted variables are in the bracket.