Previous studies have suggested that the wage gap between immigrants and the native-born can be accounted for by human capital factors including education and work experience and more importantly where they are acquired. However, current Canadian economic immigration policies do not consider either a potential immigrant’s location of birth or their location of study. In this paper, we study the effects of the interaction between a worker’s location of birth and location of study on their wage with data from the 2011 National Household Survey. Using both OLS and median regression LAD, performed in STATA, we show that:

1. Location of birth is generally not indicative of worker’s earning without the interactions, all foreign degrees lead to a lower wage compared to Canadians, with a U.S. degree being the least punitive (3)
2. U.S. degree offers best outcome in certain cases. Worker from a non-traditional foreign student source country goes to a culturally and geographically distinct country to study, they would expect to experience a large wage premium.

When interactions are included:
- Most statistically insignificant
- Wage premium:U.K./lowered if incl. interaction
- Negative impact: origin of Africa, East Asia, and South Asia. With interaction, impact lessened except for Africa which worsens

The inclusion of the interaction variables does not alter relationship significantly per previous studies except knowledge of official language.

A worker’s location of birth largely does not play a significant role in their wage with a few notable exceptions. (U.K. born experiences wage premium).

Overall, a worker with a foreign degree (regardless where) receives lower wage. Punitive effect of foreign education comes from the interactions between birth location and study location.

We find that there is no overwhelming evidence to suggest any universally best location of study for a worker in terms of earning potential. A U.S. degree offers best outcome in certain cases. Worker from a non-traditional foreign student source country goes to a culturally and geographically distinct country to study, they would expect to experience a large wage premium.

The opposite is true for those from traditional foreign student source country.

No preference for country origin since it largely doesn’t matter to potential wage in Canada. In general, immigrants with foreign degrees are expected to receive lower wages. U.S. degree is the least punitive.

U.S. degrees should be given preference as U.S. degree has most earning potential for immigrants with diverse backgrounds.

Immigrants with diverse background should be prioritized (from non-traditional source but with a degree from culturally and geographically distinct location)

**POLICY IMPLICATIONS**

1. No preference for country origin since it largely doesn’t matter to potential wage in Canada. In general, immigrants with foreign degrees are expected to receive lower wages. U.S. degree is the least punitive.
2. U.S. degrees should be given preference as U.S. degree has most earning potential for immigrants with diverse backgrounds.
3. Immigrants with diverse background should be prioritized (from non-traditional source but with a degree from culturally and geographically distinct location)

**REFERENCES**