



Canada's Use of Temporary Foreign Workers: Myth vs. Reality

In 2024, the Canadian government imposed new restrictions on the **Temporary Foreign Workers Program (TFWP)**. These include refusing to process low-wage applications in cities with **unemployment over 6%**, reducing the hiring cap on low-wage TFWs from **20% to 10%**, and limiting work permits to one year. Recently, there have been calls to get rid of the **TFWP** altogether, however it remains a lifeline for some SMEs who face persisting labour shortages.

Myth: Canadian businesses are “addicted” to hiring temporary foreign workers (TFWs)

Reality: Small business owners hire temporary foreign workers out of necessity, not convenience.

- ✓ Foreign workers admitted under the Temporary Foreign Worker Program (TFWP) represent **less than 1%** of Canada's labour force.ⁱ
- ✓ Employers want to hire locally and would happily do so if enough qualified workers were available. **Lack of skilled labour is the second highest constraint** on business sales and growth (42%).ⁱⁱ

Myth: Temporary foreign workers are stealing Canadian jobs

Reality: Temporary foreign workers complement Canadian labour, filling critical labour gaps.

- ✓ To receive a positive Labour Market Impact Assessment (LMIA), an employer must demonstrate that **no qualified Canadian is available to do the job.**ⁱⁱⁱ
- ✓ With new TFWP restrictions, about **1 in 5 businesses** using the TFWP said they **would very likely close**, while 24% would reduce hours of operation, and **52% would be unable to fill orders or deliver services.**^{iv} This reduction in service and production levels could result in job losses for Canadians.

Myth: Foreign workers are cheap labour. They are not paid sufficient wages or keep wages low

Reality: Hiring a TFW is costly. Wages offered to TFWs are comparable to Canadians' wages.

- ✓ Employers can pay thousands of dollars in processing and recruiting fees, health insurance, housing, and travel.
- ✓ ESDC's evaluation of the TFWP found no evidence of wage suppression at the national level as **85%** of TFWs are paid the same wage as Canadians and only **3.5% are paid less.**^v

Myth: Temporary foreign workers draw on key services

Reality: TFWs help ensure Canadians have access to key goods and services.

- ✓ TFWs allowed **76% of SMEs** that use the program to meet demand for products and services,^{vi} which helps keep Canada competitive in a tight economy.
- ✓ TFWs help build homes and put food on the table. They provide care for our children and elderly. They are contributors to the Canadian economy and community well-being.

Myth: The Temporary Foreign Worker Program facilitates the abuse of workers

Reality: The vast majority of employers treat their employees well and the TFWP has strong mechanisms to deter and penalize non-compliance.

- ✓ Canada's labour codes and the TFWP's Employer Compliance Regime protects the health, safety, and rights of TFWs, with strong backing from employers.
- ✓ ESDC has found that **90% of employers were compliant** with TFWP requirements.^{vii}

ⁱ Statistics Canada, "Labour Force Characteristics by Province, Monthly, Seasonally Adjusted," Table 14-10-0287-03, June 2025; <https://www150.statcan.gc.ca/t1/tbl1/en/tv/action?pid=1410028703>; Government of Canada, "Temporary Foreign Worker Program Work Permit Holders by Province/Territory of Intended Destination, Program and Year in Which Permit(s) Became Effective," <https://open.canada.ca/data/en/dataset/360024f2-17e9-4558-bfc1-3616485d65b9/resource/9b20b866-de27-436c-bc1b-c5d470a25507>; own calculations.

ⁱⁱ CFIB, Monthly Business Barometer, September 2025. n=752

ⁱⁱⁱ Immigration, Refugees and Citizenship Canada. "Find out If You Need a Labour Market Impact Assessment (LMIA), and How to Hire a Temporary Foreign Worker." March 31, 2007. <https://www.canada.ca/en/immigration-refugees-citizenship/services/work-canada/hire-temporary-foreign/find-need-labour-market-impact-assessment.html>.

^{iv} CFIB, Survey on Recent Changes to Temporary Foreign Workers (TFW) Program, November 7, 2024-January 23, 2025. n=735

^v Employment and Social Development Canada, Evaluation of the Temporary Foreign Worker Program, 2023.

^{vi} CFIB, Survey on Recent Changes to Temporary Foreign Workers (TFW) Program, November 7, 2024-January 23, 2025. n=748

^{vii} ESDC. The Government of Canada highlights reduced usage of Temporary Foreign Worker Program and increased penalties. News Release. October 6, 2025. [The Government of Canada highlights reduced usage of Temporary Foreign Worker Program and increased penalties](#)



Have questions?
Contact your advisor today!

1-833-568-2342 or CFIB@CFIB.ca