Less than 30 percent of non-western immigrants earn a monthly wage that exceeds 2,000 euro after nine years in Sweden

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It is often stated that it takes about 8-9 years before 50% of a cohort of immigrants in Sweden are employed. This statement is typically based on a definition that considers individuals as employed if they work one hour or more during a survey reference week, and also includes participants in subsidized labor market programs. When immigrants with a loose connection to the labor market are defined as employed, we underestimate the time it takes for immigrants to establish themselves on the labor market.

The aim of this research note is to investigate the share of non-western immigrants (born in Asia or Africa) that have an annual gross wage income that equals at least four times the national income base amount. This corresponds to a monthly salary of 2,000 EUR in 2019, which is roughly equal to the minimum wages of the lowest paid professions in Sweden. Our sample include all individuals from Asia or Africa that immigrated to Sweden from 1998 to 2010 and were 21 - 50 years at the time of immigration. We then follow these immigrants for 5-15 years. The analysis is based on LISA, which is a register-based database from Statistic Sweden that covers all legal residents in Sweden that are at least sixteen years old.

Our results (Figure 1) show that less than 30% of the non-western immigrants had a monthly wage income that exceeded 2,000 EUR after 9 years in Sweden. After 15 years, 54% had a wage income and were classified as employed, but only 37% had a monthly wage income that exceeded 2,000 EUR. Almost half of the population were thus either unemployed, in a labor market program or outside of the labor force.
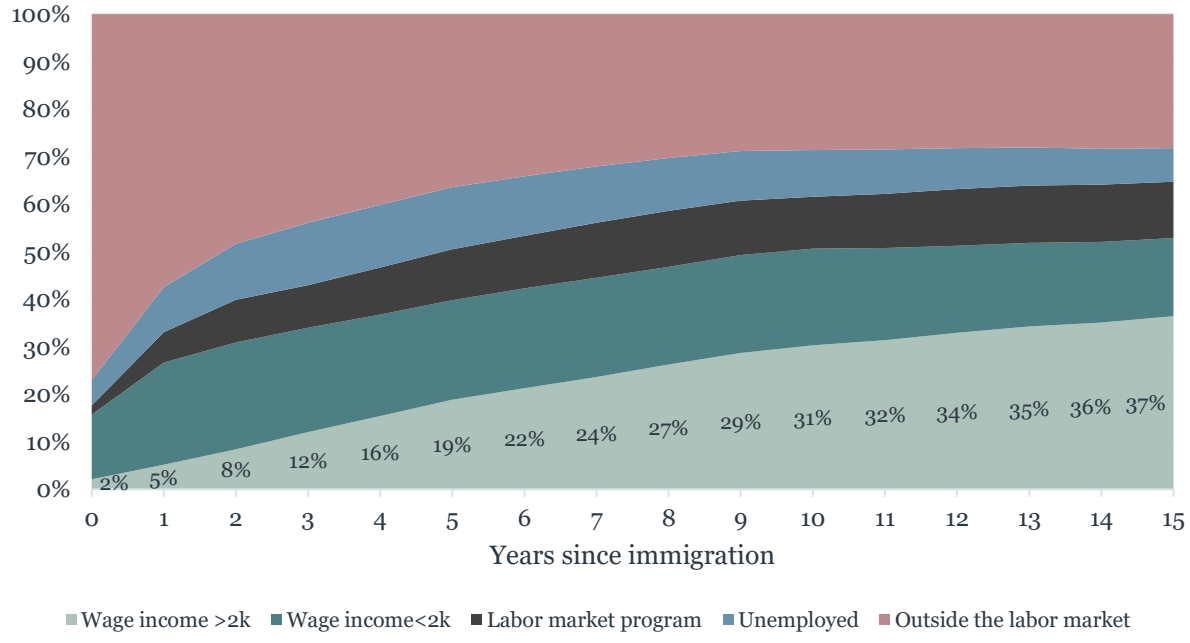
Figure 1. Labor market status of immigrants from Asia and Africa, years since immigration.