



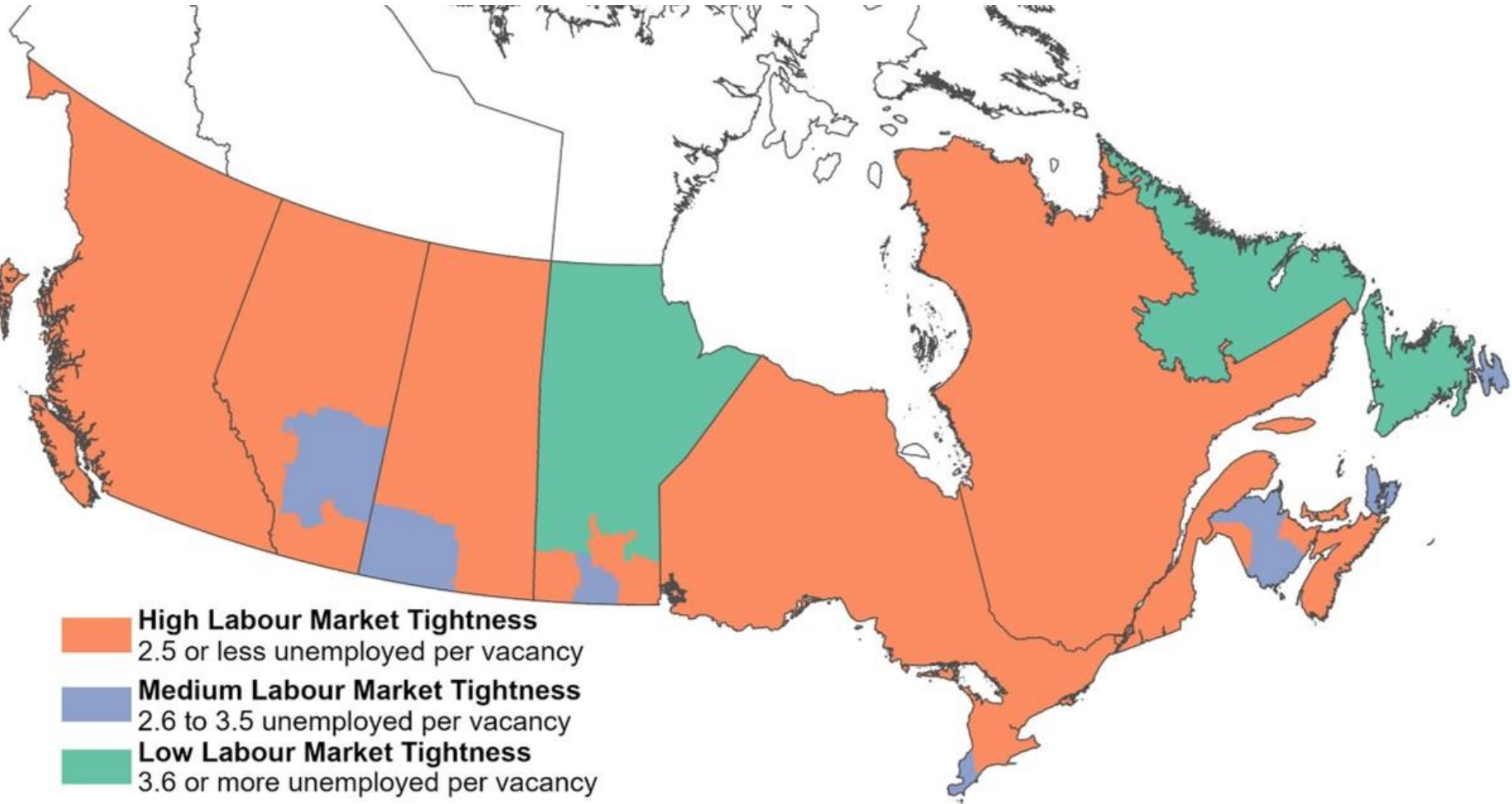
# Mind the Gap – Canada's Labour Force Shortage, Immigration Targets, and the Role of International Language Education

**Languages Canada 15<sup>th</sup> Annual Conference**

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# Unemployment is low and job vacancies are at record highs with shortages across many regions



## Recent trends

**5.5%**  
February 2022 unemployment rate, just above the record low of 5.4% observed in May 2019

**896,000**  
Job vacancies in December 2021 almost double pre-pandemic levels

**65.4%**  
Labour force participation rate in February 2022

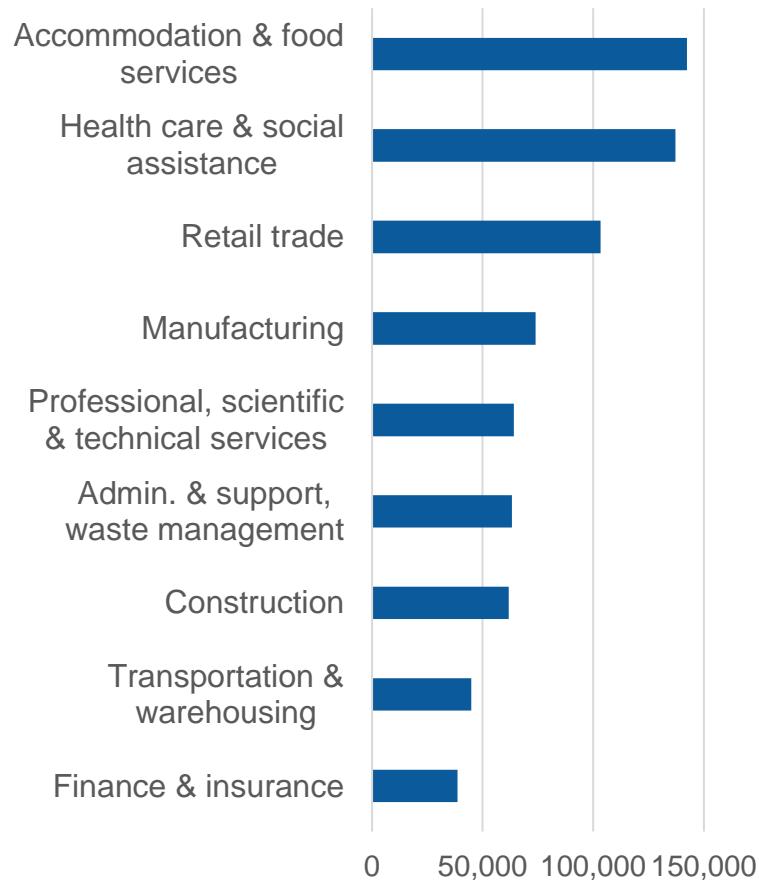
**3.1%**  
Year-over-year hourly wage growth. However, the Consumer Price Index has increased by 5.1% over the same time period.



Sources: Labour Force Survey, and Job Vacancy and Wage Survey

# Some industries have higher levels of demand than others

Industries with highest job vacancies, December 2021

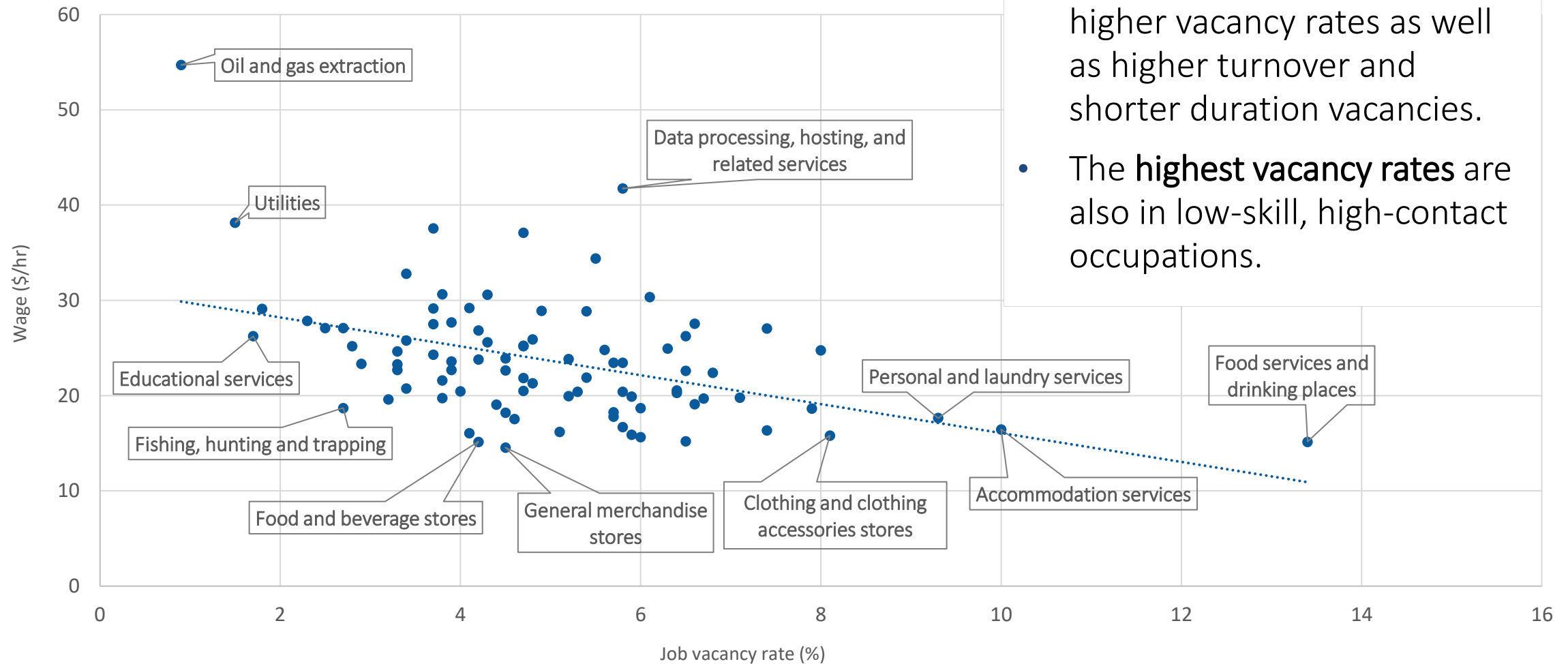


A number of industries and occupations are seeing the re-emergence of **labour shortages**, which basically fall into two categories:

- 1) The first is the return of **long-term structural shortages** that existed before the pandemic such as those observed in **health care and professional, scientific and technical services**. They tend to be concentrated in industries and occupations typically characterized by low unemployment rates, above or around average vacancy rates, and relatively high vacancy durations.
- 2) The second is the emergence of **cyclical shortages** arising from the reopening of hard-to-distance sectors such as those observed in **accommodation and food services**. They tend to be concentrated in industries and occupations currently showing high vacancy rates, but also relatively high unemployment rates.
  - Most of the cyclical shortages are expected to be resolved in the **short-term** as they are concentrated in vacant positions that require low education and that can usually be filled quickly (low vacancy durations). However, **these shortages are likely to persist as long as the uncertainty** surrounding the pandemic continues to influence workers' preferences and behaviour.

# Job vacancy rates are higher in lower wage jobs

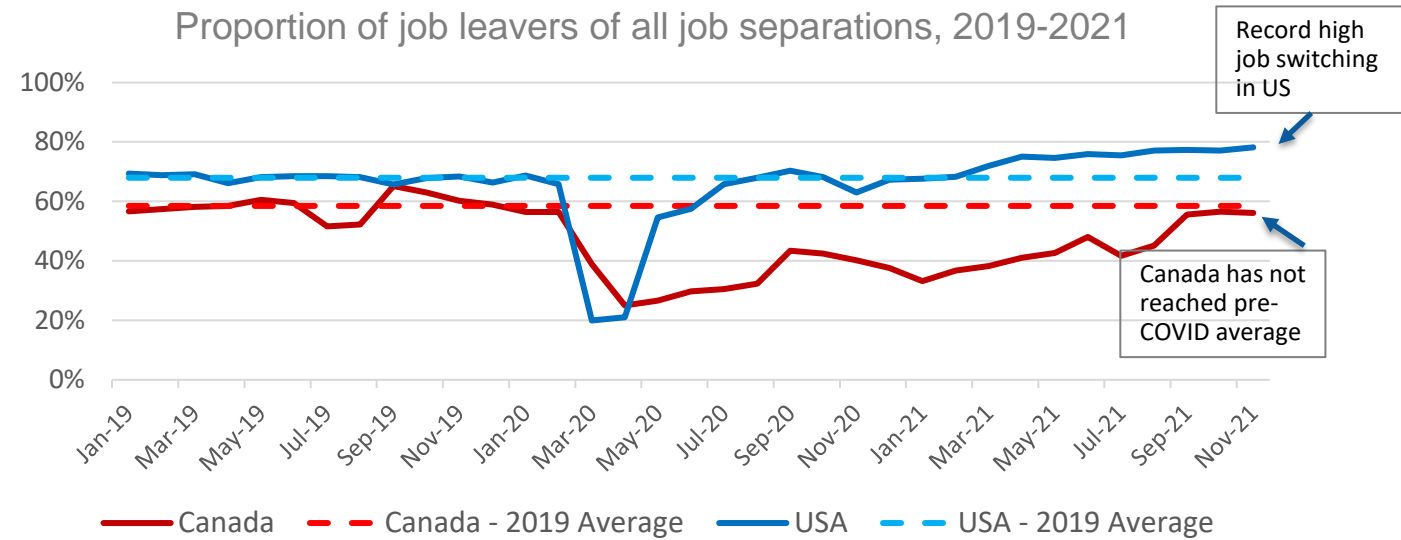
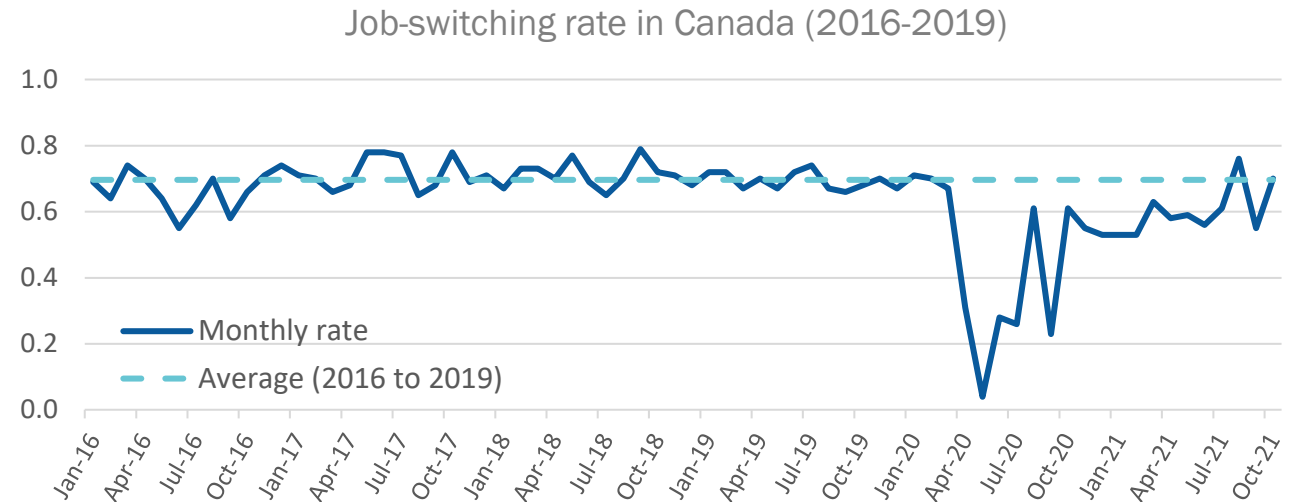
Job vacancy rate vs average offered wage by industry, Q3 2021



- **Low wage jobs** tend to have higher vacancy rates as well as higher turnover and shorter duration vacancies.
- The **highest vacancy rates** are also in low-skill, high-contact occupations.

# Is the 'great resignation' happening in Canada? It doesn't appear so

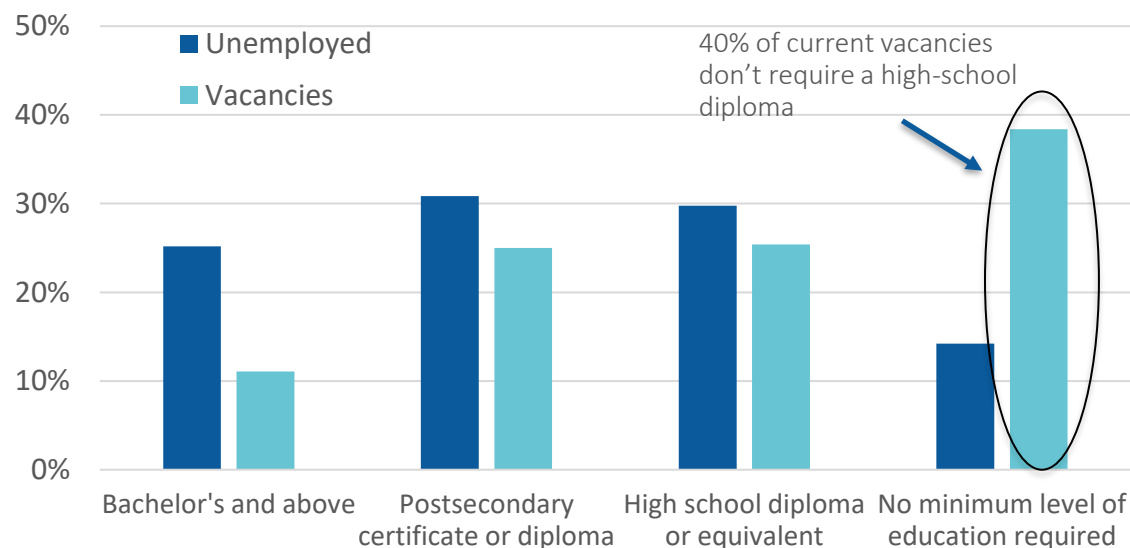
- COVID-19 has produced many stories of people quitting jobs or switching careers but there is little evidence to suggest that Canadians are resigning en masse.
- The **job-switching rate** measures the proportion of workers who remain employed from one month to the next but who change jobs between months.
  - This rate was 0.7% in October 2021, near the 2016-2019 average.
- In Canada, the proportion of job leavers has remained below the 2019 average (58%).
- In contrast, this rate in the US has reached record levels (78%).



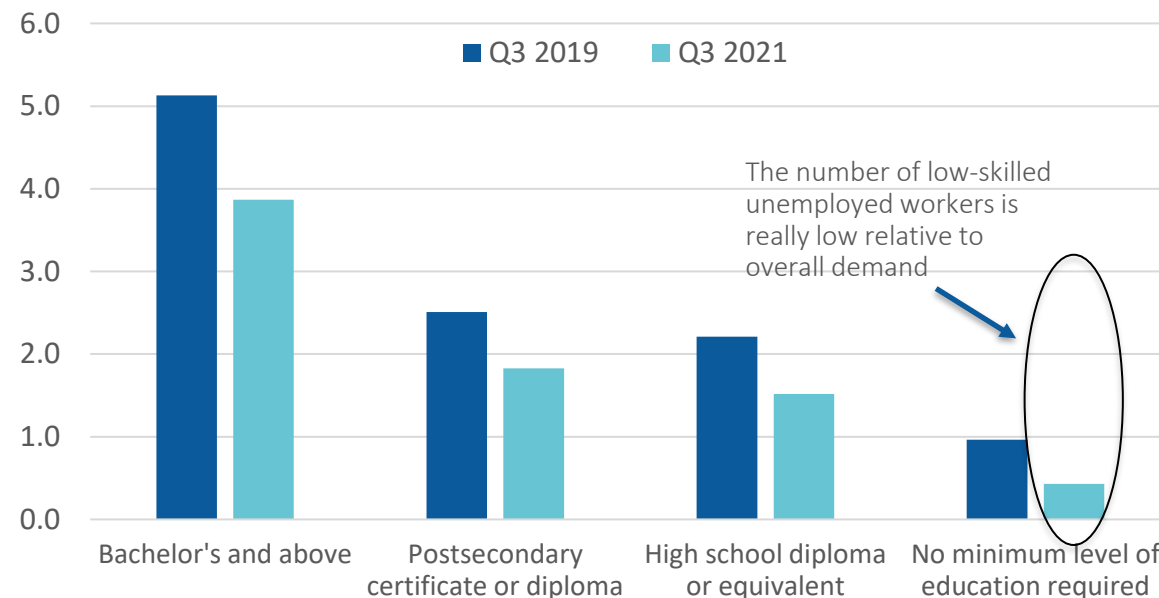
# There are possible mismatches between the skills of the unemployed and jobs available

- There is a high level of vacancies in jobs that have **no educational requirements**, with record-levels recorded in Q2 and Q3 2021. They represent around 40% of all job vacancies.
- The ratio of recently unemployed to vacancies by skill level **has fallen**, particularly in low-skill occupations.
- The unemployed tend to have **higher educational attainment** than current vacancies require, but this gap has narrowed since the start of the pandemic.

Educational attainment of unemployed vs. educational requirements of job vacancies, Q3 2021



Core age (25-54) unemployed-to-vacancy ratio

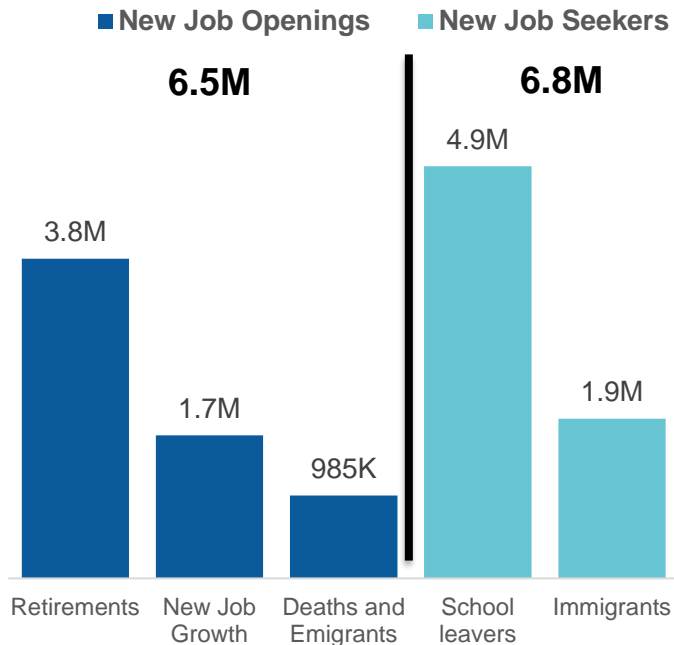


# Three main sources of supply to address labour shortages

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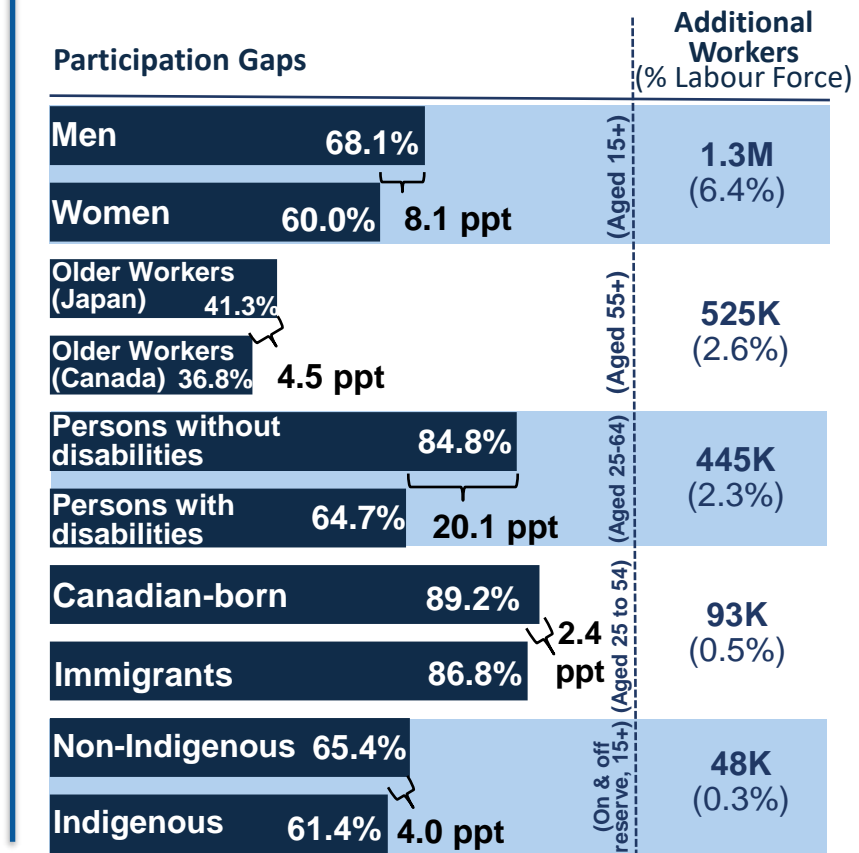
## New entrants to the labour market, which are youth and immigrants

Projected job openings and job seekers, 2019-2028



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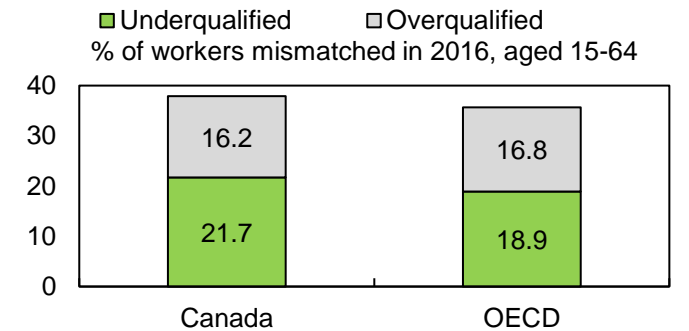
## Groups under-represented in the labour market



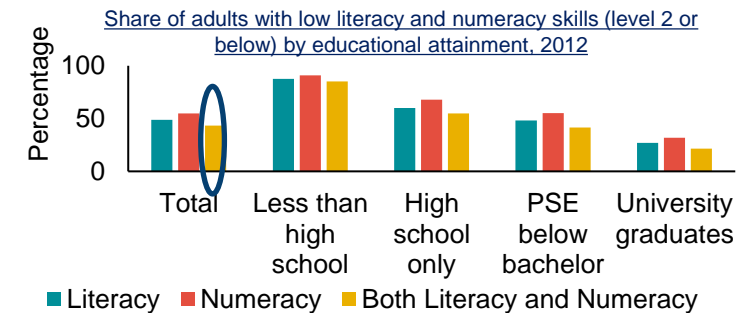
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## Those already working who need upskilling and reskilling

38% of workers are mismatched in their jobs, above the OECD average



45% of adults are not equipped with strong foundational skills



# The Government of Canada has a range of programs and measures to help reduce shortages

## Investing in the Next Generation



Youth Employment and Skills Strategy

Student Work Placement Program

First Nations, Inuit, and Post-Secondary Student Support Program for Métis

Business Higher Education Roundtable

## Welcoming Talent from Around the World



International Mobility Program

Immigration programs and settlement services

Temporary Foreign Worker Program

Foreign Credential Recognition Program

## Maximizing Workforce Participation



Employment Strategy for Canadians with Disabilities

Opportunities Fund for Persons with Disabilities

Indigenous Skills and Employment Training Program

Skills and Partnership Fund

Women's Employment Readiness Pilot Program

## Helping Workers Upskill/Reskill



## Addressing the Needs of Evolving Sectors



### Future Skills

Labour Market and Workforce Development Agreements with Provinces and Territories

Sectoral Workforce Solutions Program

Skilled trades and Apprenticeships programs

Skills for Success program

