



An Exploration Of Skills And Labour Shortages

In Atlantic Canada

Executive Summary



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada 



Executive Summary

Atlantic Canada's labour force is shrinking. Between 2012 and 2018, the region saw a decline of 2.4% (31,000 people), while the rest of Canada enjoyed steady increases. Over the next 10 years, another 229,000 Atlantic Canadians are expected to retire from the labour force.

This is resulting in a critical shortage of labour and skills for Atlantic Canadian firms, which prevents them from both growing their businesses and meeting the demands of their clients.

Currently, the region is producing goods at the maximum possible level given the capacity of existing plants and available workers. To grow its economy, the region will require investments in plant infrastructure and skills development, along with an expanded workforce.

To better understand this current shortage, ACOA examined supply and demand issues in the labour market through existing research, by working with Statistics Canada, Employment and Social Development Canada, and the Bank of Canada, and by talking with agency clients and partners.

But there's still more to do in order to understand the impact this shortage is having on Atlantic Canada, given marked differences within the region. This can help in the development of broad policy options, as well as targeted responses to some of the underlying issues.

Highlights



The unemployment rate in Atlantic Canada remains higher than the national average, despite falling to its **lowest level since 1976**.



Between urban and rural communities, the unemployment rate shows considerable differences. In urban areas, the rate in **2018 was 7.5%** (only **1.7 percentage points higher than the national average**) with cities like Halifax and Moncton showing similar rates as Montreal and Toronto. When it comes to rural areas, the unemployment rate was **well over 10%** largely because of a handful of areas where the labour force is older and the jobs more likely to be temporary.



This is driven mainly by four of the top five regions in Canada with the **highest rate of temporary jobs** as a share of total jobs being in Atlantic Canada, suggesting employment seasonality influences the region's overall rural unemployment rate.



Over half of vacancies in Atlantic Canada are in lower-skilled occupations requiring less than two years' experience. However, **two-thirds of job openings in the next few years will require some post-secondary education**.



Atlantic Canada has a **higher unemployment rate** for both workers 55 years and older, and workers between the **ages of 15 and 25** compared to the national average. For workers between the ages of 25 and 55, the unemployment rate has been getting closer to the national average.



An important part of the solution to labour needs is removing barriers for under-represented groups. For example, only **58% of women participate** in the workforce, compared to **61% nationally**, and the unemployment rate for **indigenous peoples** (18.4%) is higher than the national average (15.2%).

Highlights



Although **private sector wages grew by 2.5%** between 2007 and 2017 (compared to 2.1% nationally), the average weekly wage in Atlantic Canada **remains 10% below the national average**.



The increasingly **digital economy** will lead to **disruptions in the labour market**, especially in Atlantic Canada. Jobs occupied by vulnerable, remote, and less-educated workers are at the greatest risk of being automated. Atlantic Canada's ability to adapt to these changes is particularly low in New Brunswick and Newfoundland and Labrador given low proficiency in core skills of workers while Prince Edward Island faces the greatest risk of technological unemployment due to a high percentage of jobs that are likely automatable.



Many businesses and sector associations have voiced their concerns regarding lack of access to labour and skills in the region. The nature of the shortage is dependent on **both the sector and the location of the companies**.



The seafood processing industry saw wages grow by **3.3% in Newfoundland and Labrador**, but only **0.1% in Nova Scotia and New Brunswick**. Foreign workers only comprise **9% of the workforce in Atlantic Canada's** seafood industry, compared to **63% in the United States**.



Half of all businesses surveyed by the Business Development Bank of Canada in Atlantic Canada have reported **difficulties recruiting employees**—the highest rate in Canada. Similarly, according to the Canadian Manufacturers and Exporters, **48% of Atlantic manufacturing firms are facing an immediate shortage of labour** and skills, and **62% expect to face a shortage over the next five years**.



Further research is needed to better identify **specific shortages** and needs within **Atlantic firms and industries**, in order to provide targeted support.

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