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by Marc Frenette and Tahsin Mehdi

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Socioeconomic characteristics of workers in industries dependent on United States demand for Canadian exports

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Abstract

Recent trade tensions between the United States (U.S.) and Canada have raised questions around the impact of potential job losses related to tariffs. A recent article revealed that, in general, jobs in industries dependent on U.S. demand for Canadian exports (IDUSCEXs) are well-paying and have many favourable non-wage job characteristics, but not all industries within the broader IDUSCEX grouping ranked relatively high in these measures. The current article follows up this work by investigating the socioeconomic characteristics of workers employed in IDUSCEXs. Following potential trade-related job losses, the labour market outcomes of affected employees may depend, in part, on these socioeconomic characteristics. The article relies on data from the Labour Force Survey for the years 2023 and 2024. The findings suggest that men were considerably more likely than women to be employed in IDUSCEXs, as were older workers compared with younger ones. Based on family status, individuals in single-earner couples where the man was employed were the most likely to be employed in IDUSCEXs. Conversely, individuals with a bachelor's degree or higher were the least likely to be employed in IDUSCEXs. Among those who were married or in common-law relationships, individuals whose spouse held a bachelor's degree or higher were also the least likely to be employed in IDUSCEXs. Immigrants born in Southern and Southeast Asia, Southern and Eastern Europe, and South and Central America were considerably more likely to be employed in IDUSCEXs than Canadian-born workers. Finally, individuals living in the following economic regions were the most likely to be employed in IDUSCEXs: Wood Buffalo–Cold Lake, Alberta; Centre-du-Québec, Quebec; and Banff–Jasper–Rocky Mountain House and Athabasca–Grande Prairie–Peace River, Alberta. Those living in Outaouais, Quebec, and Ottawa, Ontario, were the least likely.

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Introduction

Tariffs on Canadian exports by the U.S. could reduce American demand for Canadian products and, consequently, potentially lead to job losses in industries dependent on U.S. demand for Canadian exports (IDUSCEXs).¹ This reduced demand could have several implications.

First, a key question concerns how many jobs will be lost because of increased tariffs. The full answer, of course, will only be revealed with time. Second, many of the potentially affected jobs are generally of high quality, based on several measures (Frenette et al., 2025). Specifically, jobs in IDUSCEXs are generally well-paying and are more likely to be either full-time, permanent or both (i.e., full-time permanent), and high-tenured (10 years or more with the same employer), compared with industries not dependent on U.S. demand for Canadian exports (INDUSCEXs). In addition, jobs in IDUSCEXs are more likely to be unionized or have an employer-sponsored pension plan associated with them, compared with INDUSCEXs—once educational services, health care and social assistance, and public administration are excluded. However, not all industries within the broader IDUSCEX grouping ranked relatively high in these measures. Third, workers in affected industries may go through an adjustment period following job loss, as is often the case (Bonikowska and Morissette, 2013). Again, only time will tell how well these workers adapt to job losses if their industry is affected.

Although it is too early to know how affected workers will adapt to potential job losses, the characteristics of these workers may play a key role in their post-displacement labour market transitions. For example, workers with higher levels of education may be able to better adapt as they may be qualified for a wider range of jobs in the economy. Younger workers may also be better prepared to deal with job loss as they may have fewer family commitments and, consequently, may be more amenable to moving to explore opportunities outside their communities, thereby broadening their job search.²

This article describes the socioeconomic characteristics of workers most associated with employment in IDUSCEXs. Seven characteristics are examined in total: gender, age, highest level of education, family composition, highest level of education of the spouse (among individuals in couples), country of birth and economic region. The analysis draws on data from the two most recent full years of the Labour Force Survey (2023 and 2024). The focus is on paid employees aged 15 years or older.

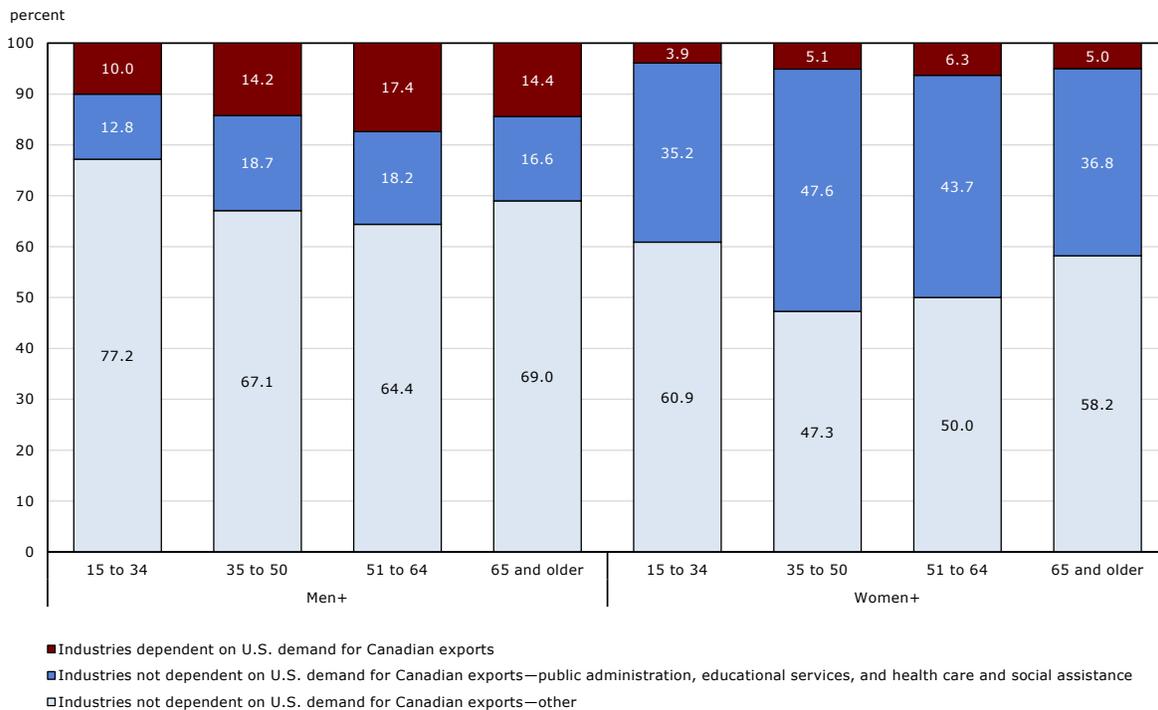
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1. These are industries where 35% of jobs or more depended on U.S. demand for Canadian exports. See Statistics Canada (2024) for more details.
 2. Pursuing a postsecondary education and moving residence are strategies that have been used by 4% to 6% of recently laid-off workers (Morissette and Qiu, 2021). The propensity to adopt these strategies was almost twice as large among displaced workers who did not find a job soon after displacement, compared with their counterparts who found a job soon after displacement.

Men, older workers and workers with a lower level of education were more likely than their counterparts to be employed in industries dependent on U.S. demand for Canadian exports

In the 2023-to-2024 period, 13.3% of men were employed in IDUSCEXs, compared with 4.9% of women.³ This is unsurprising, given that many IDUSCEXs are in primary, manufacturing and transportation industries—all traditionally male-dominated (Frenette et al., 2025).

For men and women, older workers were more likely to be employed in IDUSCEXs (Chart 1). For men, 14.2% of those aged 35 to 50 years, 17.4% of those aged 51 to 64, and 14.4% of those aged 65 and older were employed in these industries, compared with 10.0% of workers aged 15 to 34 years. Although the shares are much smaller for women in general, the trends by age group are similar: 5.1% of women aged 35 to 50 years, 6.3% of those aged 51 to 64, and 5.0% of those aged 65 and older were employed in these industries, compared with 3.9% of workers aged 15 to 34 years. These findings are important as older workers may be less amenable to moving to facilitate their job search in the event of job loss.

Chart 1
Distribution of employees across industries by age group

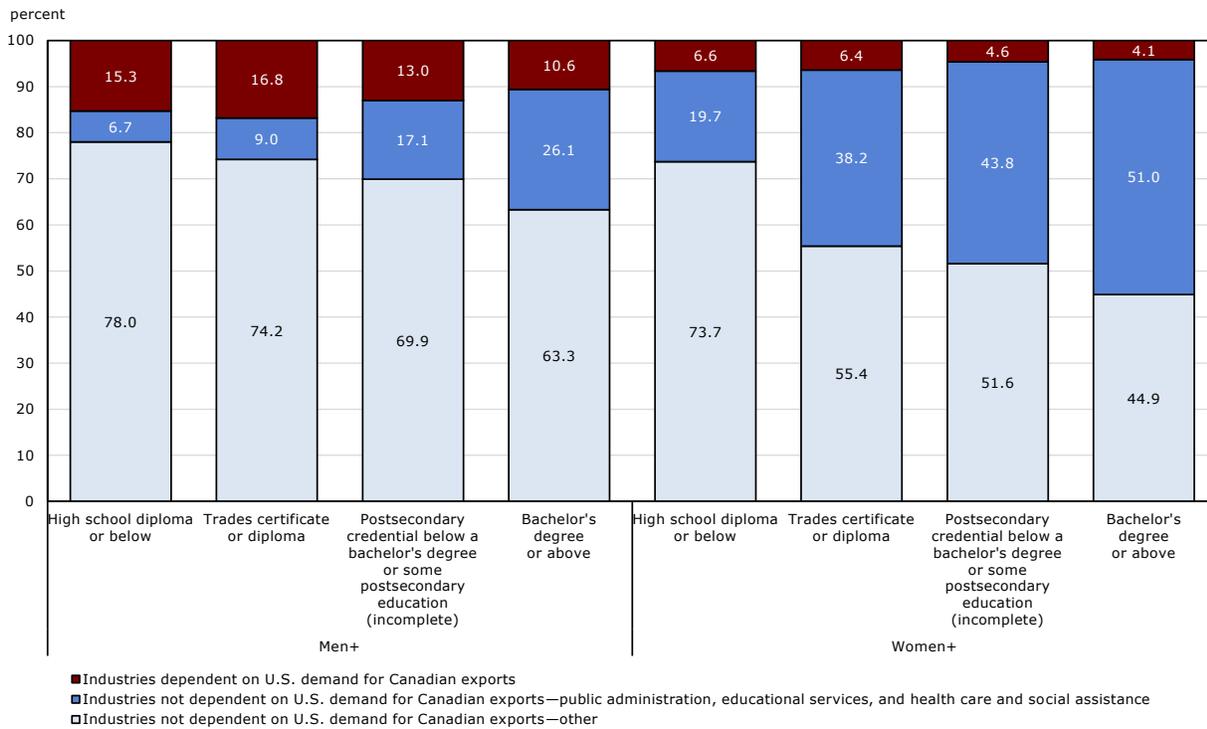


Notes: The sample consists of employees aged 15 years and older living in the 10 provinces. The methodology for identifying industries dependent on U.S. demand for Canadian exports was based on Statistics Canada (2024). The category “men+” includes men, boys and some non-binary people, while the category “women+” includes women, girls and some non-binary people.
Sources: Statistics Canada, Labour Force Survey, 2023 and 2024.

3. Given that the non-binary population is small, data aggregation to a two-category gender variable is necessary to protect the confidentiality of responses. Individuals in the category “non-binary persons” are distributed into the other two gender categories and are denoted by the “+” symbol in published tables and microdata. The category “men+” includes men, boys and some non-binary people, while the category “women+” includes women, girls and some non-binary people. For ease of communicability, the text simply refers to men and women.

Chart 2 shows the results by highest level of educational attainment for men and women. In both cases, individuals with a postsecondary education were less concentrated in IDUSCEXs. In the case of men, 10.6% of those with a bachelor’s degree or above and 13.0% of those with a postsecondary credential below a bachelor’s degree or some postsecondary education (incomplete) worked in IDUSCEXs, compared with 15.3% of those with a high school diploma or below and 16.8% of those with a trades certificate or diploma. While the shares are lower for women, the trends are similar: 4.1% of those with a bachelor’s degree or above and 4.6% of those with a postsecondary credential below a bachelor’s degree or some postsecondary education (incomplete) worked in IDUSCEXs, compared with 6.6% of those with a high school diploma or below and 6.4% of those with a trades certificate or diploma. Again, these results are significant, as individuals with higher levels of educational attainment may be better prepared in the event of job loss as they may have more employment options available to them.

Chart 2
Distribution of employees across industries by highest level of educational attainment

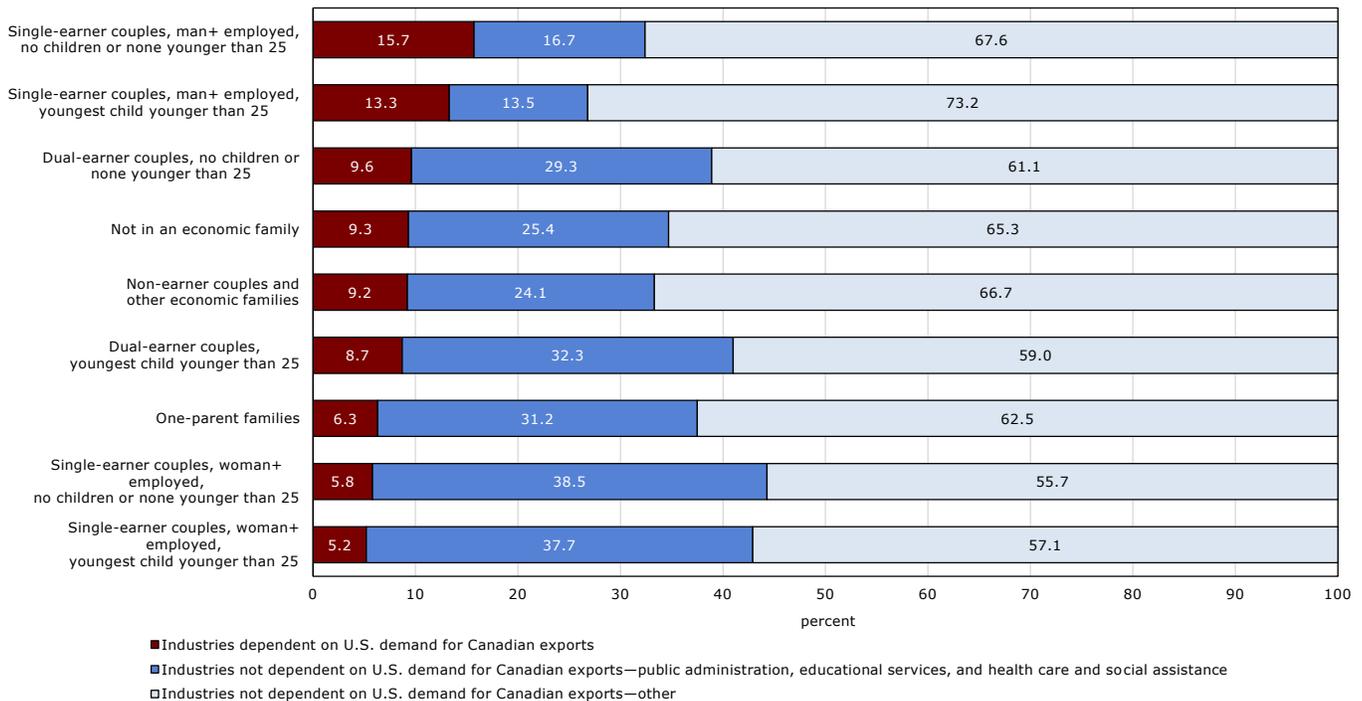


Notes: The sample consists of employees aged 15 years and older living in the 10 provinces. The methodology for identifying industries dependent on U.S. demand for Canadian exports was based on Statistics Canada (2024). The category "men+" includes men, boys and some non-binary people, while the category "women+" includes women, girls and some non-binary people.
Sources: Statistics Canada, Labour Force Survey, 2023 and 2024.

Single-earner couples with the man employed were most concentrated in industries dependent on U.S. demand for Canadian exports

Chart 3 shows the percentage of workers employed across the industry groupings by economic family type during the 2023-to-2024 period. By far, the family types associated with the highest odds of employment in IDUSCEXs were single-earner couples where the man is employed (15.7% among employees with no children or none younger than 25 years; 13.3% among employees whose youngest child was younger than 25 years). In contrast, single-earner couples where the woman is employed were the least likely to be employed in IDUSCEXs (5.2% among employees whose youngest child was younger than 25 years; 5.8% among employees with no children or none younger than 25 years). The percentage of those employed in IDUSCEXs ranges from 6.3% to 9.6% for the other family types.

Chart 3
Distribution of employees across industries by economic family type

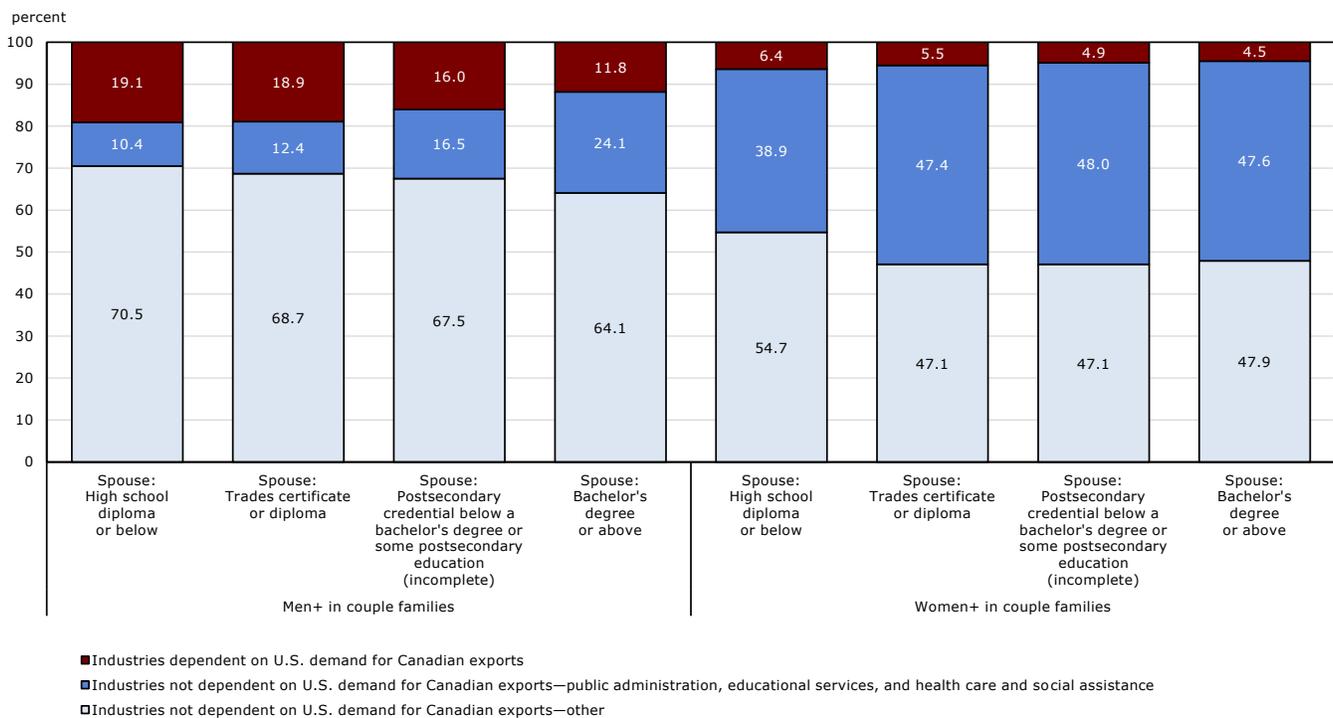


Notes: The sample consists of employees aged 15 years and older living in the 10 provinces. The methodology for identifying industries dependent on U.S. demand for Canadian exports was based on Statistics Canada (2024). The category "men+" includes men, boys and some non-binary people, while the category "women+" includes women, girls and some non-binary people.
Sources: Statistics Canada, Labour Force Survey, 2023 and 2024.

Among employees in couples, those whose spouse held a bachelor’s degree or above were less likely than others to be employed in IDUSCEXs (Chart 4). Among men in a couple, 11.8% of those with a spouse with a bachelor’s degree or above worked in IDUSCEXs, compared with 19.1% of those with a high school diploma or below. For their women counterparts, 4.5% of those with a spouse who held a bachelor’s degree or above worked in IDUSCEXs, compared with 6.4% of those with a high school diploma or below. Regardless of gender or their spouse’s education, employees with a bachelor’s degree or above were the least likely to work in IDUSCEXs.

Therefore, single-earner couples are either the most or least likely to be employed in IDUSCEXs, depending on whether the man or the woman is the one employed, respectively. This distinction is important, as relying on a single income can be challenging in the event of trade-related layoffs in IDUSCEXs. The results suggest that this may be especially relevant for single-earner couples where the man is employed. Education also matters, as it may help in the adjustment process following a layoff. As was shown in Chart 2, individuals with lower levels of schooling tended to be more concentrated in IDUSCEXs. The results in Chart 4 suggest that for men and women in couples, those whose spouse has a lower level of schooling also tended to be more concentrated in IDUSCEXs.

Chart 4
Distribution of employees across industries by spouse’s highest level of educational attainment



Notes: The sample consists of employees aged 15 years and older living in the 10 provinces. The methodology for identifying industries dependent on U.S. demand for Canadian exports was based on Statistics Canada (2024). The category “men+” includes men, boys and some non-binary people, while the category “women+” includes women, girls and some non-binary people.

Sources: Statistics Canada, Labour Force Survey, 2023 and 2024.

Access to greater wealth can sometimes insulate individuals and their families from economic shocks in the short term. While it is difficult to say how financially resilient workers in IDUSCEXs may be in the event of layoffs, partial indicators of wealth, such as home ownership status, can offer some insights. Among employees who lived in a home owned by either themselves or a member of their household, 9.4% worked in IDUSCEXs. The share was slightly lower (8.7%) among employees who were renters.

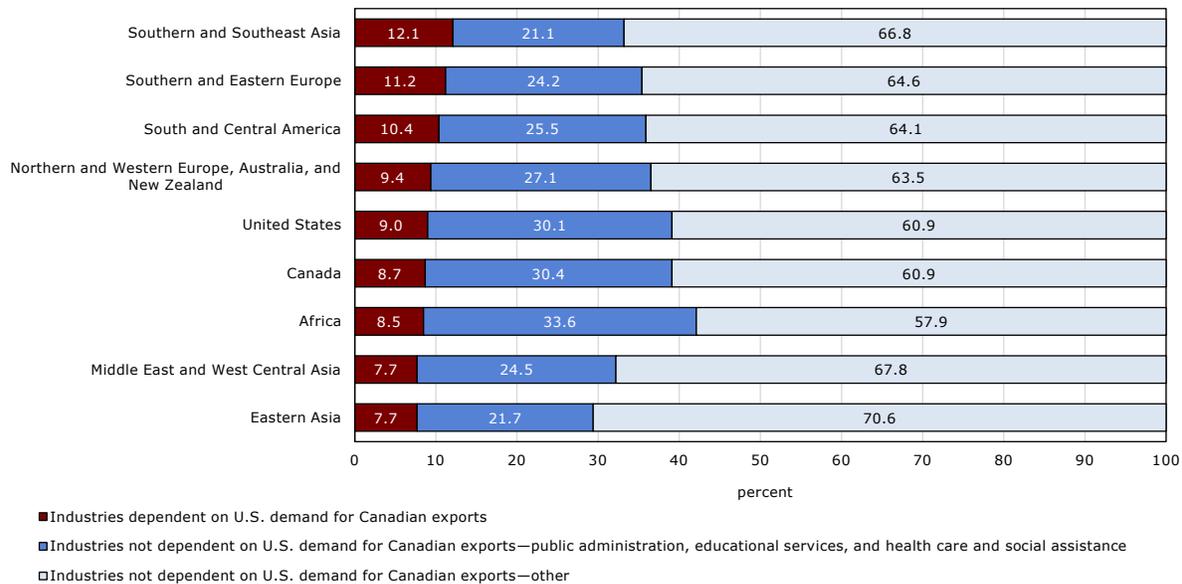
Immigrants more likely to work in industries dependent on U.S. demand for Canadian exports, with large variations by country of birth

Overall, immigrant workers were more likely than Canadian-born workers to be employed in IDUSCEXs. Indeed, 10.8% of immigrants who landed before 2019 and 9.7% of immigrants who landed from 2019 to 2024 held a job in an IDUSCEX, compared with 8.7% of Canadian-born workers.

These results are important, as immigrants may face more challenges than Canadian-born individuals when searching for a new job for a variety of reasons, such as less Canadian job experience, foreign credentials that may not be recognized on an equal footing with Canadian credentials, language barriers and a lack of job connections. The extent to which these factors matter may depend in part on where immigrants were born, which could in turn affect labour market outcomes.⁴

Chart 5 shows the percentage of workers employed in IDUSCEXs by country of birth (often grouped into regions for reporting purposes). The results suggest considerable variation in these shares by country of birth. For example, immigrants from Southern and Southeast Asia (12.1%) and Southern and Eastern Europe (11.2%) were far more likely to be employed in IDUSCEXs than their counterparts from Eastern Asia and from the Middle East and West Central Asia (7.7% each). Immigrants from mostly English-speaking regions, such as Northern and Western Europe, Australia, and New Zealand (9.4%) and the U. S. (9.0%), were only slightly more likely to be employed in IDUSCEXs than Canadian-born workers (8.7%).

Chart 5
Distribution of employees across industries by country of birth



Notes: The sample consists of employees aged 15 years and older living in the 10 provinces. The methodology for identifying industries dependent on U.S. demand for Canadian exports was based on Statistics Canada (2024).
Sources: Statistics Canada, Labour Force Survey, 2023 and 2024.

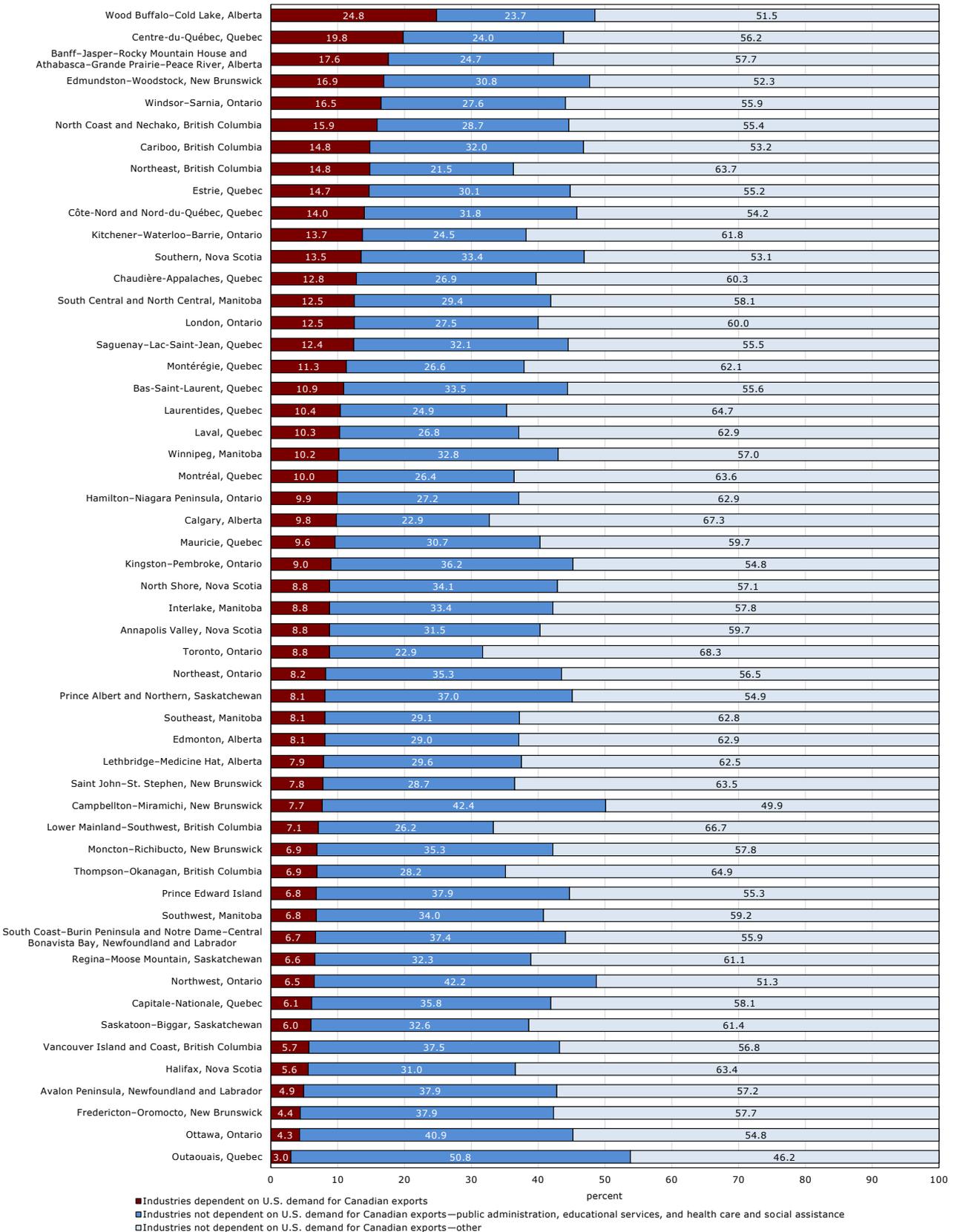
4. See Statistics Canada Table 14-10-0471-02 for recent evidence of labour market characteristics of immigrants by country of birth.

Concentration of workers in industries dependent on U.S. demand for Canadian exports highest in Wood Buffalo–Cold Lake, Alberta, and lowest in the National Capital Region

The economic region of residence is another important factor when considering potential layoffs. A high geographic concentration of workers in IDUSCEXs has implications for the local labour market in the event of layoffs in these industries. Layoffs signal a reduction in the local demand for labour. Depending on how affected workers react, this may or may not affect the local labour supply. If they choose to stay in the region, excess labour supply may ensue, rendering local labour market searches more challenging.

Chart 6 shows the percentage of workers employed in IDUSCEXs by economic region. The results imply substantial variation in these percentages and reflect the geographic distribution of industries across the country. At the top end of the spectrum, about one-quarter (24.8%) of workers in Wood Buffalo–Cold Lake, Alberta, were employed in IDUSCEXs. This region was followed by Centre-du-Québec, Quebec (19.8%); Banff–Jasper–Rocky Mountain House and Athabasca–Grande Prairie–Peace River, Alberta (17.6%); and Edmundston–Woodstock, New Brunswick (16.9%). The economic region with the smallest share of workers employed in IDUSCEXs was Outaouais, Quebec (3.0%), followed by Ottawa, Ontario (4.3%). Together, these two economic regions encompass the National Capital Region. They were followed by Fredericton–Oromocto, New Brunswick (4.4%), and Avalon Peninsula, Newfoundland and Labrador (4.9%).

Chart 6
Distribution of employees across industries by economic region



Notes: The sample consists of employees aged 15 years and older living in the 10 provinces. The methodology for identifying industries dependent on U.S. demand for Canadian exports was based on Statistics Canada (2024). The data for the following economic regions were suppressed to meet the confidentiality requirements of the *Statistics Act*: Parklands and North, Cape Breton, Gaspésie–Îles-de-la-Madeleine, West Coast–Northern Peninsula–Labrador, Swift Current–Moose Jaw, Yorkton–Melville, Abitibi–Témiscamingue, Muskoka–Kawartha, Red Deer, Lanaudière, Kootenay, Camrose–Drumheller, and Stratford–Bruce Peninsula.
Sources: Statistics Canada, Labour Force Survey, 2023 and 2024.

Conclusion

Recent trade tensions between Canada and the U.S. have raised concerns about the possibility of layoffs, particularly in IDUSCEXs. While it is too early to know the extent of job losses in these sectors, it is possible to ascertain key indicators that may inform future strategies for dealing with potential large-scale job displacements. A first article looked at job quality indicators in IDUSCEXs. The present article looked at the socioeconomic characteristics of employees in these sectors, which could relate to their potential adaptability in the event of job loss.

The results indicate that men were more likely than women to be employed in IDUSCEXs. Older workers (35 years and older) were also more likely than younger workers to be employed in these sectors. Among all family types, individuals in single-earner couples where the man was employed were the most likely to be employed in IDUSCEXs. The level of educational attainment was negatively associated with the likelihood of IDUSCEX employment, with graduates from a bachelor's degree program or higher being the least likely to hold a job in these industries. Spousal education also mattered: individuals who were married or in common-law relationships were the least likely to be employed in IDUSCEXs when their spouse held a bachelor's degree or higher. Immigrants were generally more likely to be employed in IDUSCEXs than Canadian-born individuals, but this varied considerably by country or region of birth. For example, immigrants born in Southern and Southeast Asia, Southern and Eastern Europe, and South and Central America were considerably more likely to be employed in IDUSCEXs than Canadian-born workers. In contrast, immigrants from Eastern Asia and from the Middle East and West Central Asia were somewhat less likely to be so, compared with Canadian-born individuals. Finally, results varied considerably by economic region. Individuals living in the following economic regions were the most likely to be employed in IDUSCEXs: Wood Buffalo–Cold Lake, Alberta; Centre-du-Québec, Quebec; and Banff–Jasper–Rocky Mountain House and Athabasca–Grande Prairie–Peace River, Alberta. Those living in Outaouais, Quebec, and Ottawa, Ontario, were the least likely.⁵

Future research could investigate historical patterns of labour market adjustment following job loss in IDUSCEXs. While trade tensions between Canada and the U. S. are unique to the present day, layoffs in any industry are not. Investigating how workers in IDUSCEXs have previously fared following job loss could shed further light on the adaptability of workers in these industries.

5. The differences in the likelihood of being employed in IDUSCEXs across the various socioeconomic groups remained significant in multivariate analyses. Two separate logit regression models were considered with a binary outcome variable set equal to 1 if the worker was employed in an IDUSCEX and 0 otherwise. The first specification used the full sample of workers and accounted for gender, age, highest level of education, family composition, country of birth, economic region of residence and home ownership status. The second specification additionally accounted for the spouse's highest level of education, so the sample was restricted to the subset of workers who were married or in common-law relationships.

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