

THE PROSPERITY GAP – IDEA STARTERS

FUTURE-PROOFING THE TALENT PIPELINE

ADDRESSING THE GTHA'S LABOUR MARKET GAPS

THE CONTEXT

A healthy labour market is core to building prosperous communities. However, in the wake of a global pandemic that transformed our workplaces and exacerbated gaps in our workforces, the region is also grappling with an unprecedented shortage of skilled trade workers in mission-critical sectors like manufacturing and construction. With a focus on skilled trades, **how can we better develop, attract, and retain the talent needed to address immediate and anticipated labour gaps in the region?**

WHY IT MATTERS

A thriving labour market is important to the region's overall productivity and competitiveness – in fact, many employers identify labour shortages as the main factor limiting their ability to increase sales or production, ahead of “insufficient demand.”ⁱ The Canadian Manufacturers and Exporters (CME) reported that last year alone, labour shortages have resulted in economic losses totaling nearly \$13 billion.ⁱⁱ Additionally, the labour market is missing out on untapped pools of talent that could help stabilize and strengthen the market for the long term.

WHAT WE KNOW

We have an unprecedented skills shortage.ⁱⁱⁱ

- Ontario reported 372,000 job vacancies during the third quarter of 2022, nearly double the average number of vacancies (195,000) reported during the three years leading up to 2020.^{iv}
- The unemployment to job vacancy ratio in Canada was at a record low during the third quarter of 2022. For each job vacancy, there were 1.1 unemployed people – a ratio that has been on a steady decline since 2016, indicating that employers are having difficulty filling positions.

The construction sector has been particularly hit hard by skills shortages.

- The construction industry is short tens of thousands of workers, and experts say a coming wave of retirements could make the problem worse – even as Canada is millions of homes behind what's needed to reach housing affordability this decade.^v
- In 2022, 86% of construction sector businesses reported labor shortages in Canada.^{vi}
- In March 2023, the Canadian construction industry reported a total of 72,600 vacancies; manufacturing closely followed with 63,100 vacancies.^{vii}

“Boomers” are retiring and leaving the workforce at a rapid rate.

- The proportion of the population aged 65 and older who are reaching retirement is increasing at an accelerated pace over the next decade, with the youngest baby-boomers turning 65 in 2030.^{viii} More Canadians retired from their jobs in 2022 than in the previous two years.^{ix}

Immigrant credentials are not being recognized.^x

- Skills, experience, and interests of newcomers are not always effectively harnessed, despite accounting for over half of Toronto's population, 80% of Canada's population growth and 33% of Ontario's labour force. Effectively, tapping into this talent pipeline is essential for the region's businesses.
- Only 25% of internationally educated immigrants are employed in the professions for which they are educated and trained – for example, just 36.5% of immigrants trained abroad in registered nursing were working in that field & only 41% who had internationally earned medical degrees were working as physicians.
- Immigration policy has not shifted fast enough to fill the skilled trades gap. In August 2023, the federal government announced the move towards a focus on immigration candidates with trades expertise.^{xi}

The pipeline between school and work needs to be super-charged.

- Despite significant advances in educational attainment in recent generations, the school-to-work transition remains a notoriously difficult time – only 34% of employers agreed that youth are prepared for the workplace.^{xii}
- Since education is a key predictor of labour market outcomes, young people with lower levels of education are more likely to struggle with school-to-work transitions. In 2019, 88.9% of young bachelor's degree holders not in school full-time were employed, much higher than those with no high school diploma (52.2%).^{xiii}

SPOTLIGHTING ACTIONS & SUCCESSES

Leveraging Micro-Credentials

New micro-credential programs are helping to strengthen the talent pipeline for Canada's biomanufacturing industry. U of T Engineering has partnered with CCRM, BioZone and the School of Continuing Studies on a new set of micro-credentials that will help workers across Canada's biomanufacturing industry to upgrade or strengthen their skills.

Recognizing International Training

Internationally trained engineers will now be able to get their license in Ontario without Canadian work experience. Professional Engineers Ontario (PEO) became the first association to remove lack of Canadian experience as an applicant requirement after the province passed legislation two years ago to reduce employment barriers for immigrants and foreign workers.

New Community- and Sector-Centred Partnerships

TD and the Black Professionals in Tech Network (the largest Black community of tech and business professionals in North America) launched the Obsidi Academy, a full-stack engineer bootcamp for Black-identified individuals to help launch their careers in technology with some of the top employers in Canada. This collaboration creates new pathways for Black professionals in technology, a space where they continue to be vastly underrepresented. Further, the Central Ontario Building Trades (COBT) established the Hammer Heads Program to assist under-resourced and Aboriginal youth by linking them to registered apprenticeship opportunities in the skilled construction trades which might not otherwise be accessible.

KEY TERMS

Work integrated learning (WIL):

A model and process of curricular experiential education which formally and intentionally integrates a student's academic studies within a workplace or practice setting. Coop placements fall under this broader category.

Skilled Labour:

Highly trained, educated, or experienced segments of the workforce that can complete more complex mental or physical tasks on the job.

Unskilled Labour:

A workforce segment associated with a limited skill set or minimal economic value for the work performed. Unskilled labour is generally characterized by lower educational attainment, such as a high school diploma or lack thereof, typically resulting in smaller wages.

Micro-credentials:

Rapid training programs offered by postsecondary education institutions that can help individuals get the skills that employers need. Micro-credentials help people retrain and upgrade their skills to find new employment.

NOTE: This document is intended to provide general background and spotlight actions and innovations in the space. It is not intended to be a complete or definitive set of facts about the topic. Wherever possible, sources have been cited. We apologize for any errors or omissions.

REFERENCES

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