

Forum of Labour  
Market Ministers



Forum des ministres  
du marché du travail

# Labour Market Transfers

Concrete Results for Canadians  
and Prospects for the Future

## About the Forum of Labour Market Ministers

The Forum of Labour Market Ministers (FLMM) is composed of federal, provincial and territorial (FPT) ministers responsible for labour market policies and programs. It was created in 1983 to promote discussion and cooperation on common labour market matters.

Through the FLMM, FPT governments work cooperatively to ensure Canada has a skilled, adaptable and inclusive workforce that supports a competitive Canadian economy. Labour Market Ministers are committed to fostering inclusive workforce participation, better aligning skills with evolving labour market needs and supporting efficient labour markets to better serve all Canadians.

The FLMM is co-chaired by the federal government through the department of Employment and Social Development and a lead province or territory, which also hosts the FLMM Secretariat. For 2021-2023, the Government of the Northwest Territories co-chairs the FLMM and hosts its Secretariat.

You can visit the FLMM website for additional information on the Forum:  
**[HTTPS://FLMM-FMMT.CA](https://flmm-fmmt.ca)**

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### To cite this report:

FLMM. (2022). Labour Market Transfers: Concrete Results for Canadians and Prospects for the Future. [Link to be supplied.](#)

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# Executive Summary

The Forum of Labour Market Ministers Excellence in Client Outcomes Working Group (ECOWG) is pleased to present this report, highlighting results achieved since 2017 under the Labour Market Transfers across Canada<sup>1</sup>. The transfers have notably helped provinces and territories face the COVID-19 crisis, which has strained labour markets. The pandemic has led to a surge in the unemployment rate, particularly in high-contact sectors. While markets have recovered faster than in previous recessions, there is still a lot of work to be done as labour and skills shortages represent an acute challenge across the country. The numerous enhancements implemented in 2017, such as increased funding and additional flexibility, have been instrumental in maintaining the resilience of Canadian labour markets during this unprecedented period.

Labour Market Transfers have shown clear results across the country and in each province and territory (PTs). PTs have taken steps to diversify their labour markets, such as investments to help employ and support persons with disabilities. Labour Market Transfers have made possible training and targeted assistance to workers, employers and industries across Canada, resulting in many efficient programs that benefited hundreds of thousands of people. For example, in 2020-2021, nearly \$1.05 billion was invested through the Transfers, targeting help for more than 65,000 employers across Canada. The Transfers also permitted PTs to address labour shortages and the economy's

modernisation over the last years through public employment services. PTs have implemented intensive programs to train people in high-demand sectors and connect them with potential employers, which has proven to be effective. Statistics presented in the report are demonstrating the benefits these programs brought to the labour markets.

Labour markets will continue to face numerous challenges in the years to come. A slow recovery in some economic sectors, the ageing of the Canadian population, continuous labour shortages and long-term unemployment highlight the need for public employment services to develop a proactive approach to



support clients requiring longer and more intensive interventions. To remain effective, employment services will need to adapt to new technologies, focus on upskilling and reskilling and work with local partners as well.

To tackle these challenges, FPT governments will work collaboratively to ensure that the Labour Market Transfers continue to respond to rapidly evolving labour market conditions and needs

and identify ways to improve the labour market outcomes of Canadians. In its 2022 budget, the federal government outlined its commitment to intensify work with PTs to modernize the Labour Market Transfers, a commitment welcomed by PTs that benefit from the Transfers to answer their specific labour market needs. This report not only highlights the results achieved but also stresses the importance of maintaining strong FPT collaboration that benefits Canadian's workers and employers.

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<sup>1</sup> The labour market data presented in this report may differ slightly from one province or territory to another. Due to the length of time it took to complete and finalize the report, in collaboration with federal, provincial and territorial governments, some sections may contain more recent data than others.



# Provincial and Territorial Perspective

Since the mid-90s, PTs have developed extensive local and regional experience in the design and delivery of a robust and comprehensive suite of publicly funded labour markets programs and services. These continue to play a significant role in integrating an ever-growing part of the unemployed population into the labour market and supporting businesses to prepare for and respond to the labour and skills needs to maintain their competitive edge.

Collaboration with the federal government has been invaluable over the past few decades, as PTs' public employment services adjusted and expanded their responses to rapidly changing local and regional labour market needs. The Labour Market Transfers have become the backbone of labour market programming infrastructures across the country.

In 2017, after a joint consultation with labour market stakeholders, FPT governments agreed to modernize the Labour Market Transfers. At the core of this reform was the need to ensure that the Labour Market Transfer Agreements remained relevant, flexible, and responsive to current and emerging labour market needs and priorities. All PTs signed simplified and perpetual bilateral agreements that reaffirmed PTs' primary role in the design and delivery of labour market programming and provided them with the tools and the flexibility needed to

meet complex labour market challenges. The federal government also provided PTs with six-years (2017-2023) of additional funding of \$2.7 billion.

This report will shed light on the scope of services PTs provided to individuals, communities and employers, thanks to the 2017-2023 top-up funding and increased agreement flexibilities developed. Amongst other things, the Labour Market Transfers funding was instrumental in enabling PTs to face the disruption caused by the COVID-19 pandemic.

The economic recovery is underway and the additional funding under the 2017-2023 Labour Market Transfers is ending. With the \$625 million of annual federal funding under the Labour Market Transfer Agreements set to expire as soon as March 31st, 2023, PTs are at a critical juncture. PTs need to address emerging and pressing issues such as the aging



population, the growing labour and skills shortages, the changing nature of work, the emergence of new economic sectors and the importance of reskilling and upskilling the current and future workforce.

Responding to labour market challenges requires important and sustained resources. As all governments across Canada seek to address new challenges and opportunities to maintain long term growth coming out of the pandemic sustained funding of public employment services that supports provinces and territories is needed to help individuals find, prepare for, and maintain good jobs, and to address their changing labour markets needs and labour shortages, impacting employers and industry sectors across the country.

PTs are pleased that the 2022 Federal Budget includes a commitment to modernize the Labour Market Transfer Agreements and we look forward to collaborating with the federal government on this important issue. As part of this collaboration, PTs will stand united and urge the federal government to commit to maintain, among other things, the \$625 million of annual top-up funding, as well as continuing to allow flexibilities such as carry forward provisions. Now more than ever, leadership is needed to ensure everyone has the support they require to thrive in tomorrow's economy. PTs are eager to collaborate with the federal government in the coming months to support the development of an inclusive workforce and economic growth that will benefit all Canadians.

# Introduction

The COVID-19 pandemic caused once-in-a-century social, cultural, and economic disruptions. Health measures designed to ensure the safety of Canadians during the pandemic resulted, at their peak, in the loss of more than three million jobs, a high not seen since the Great Depression. Most of these jobs have been recovered, but the most negatively affected economic sectors, such as tourism, manufacturing, hospitality and culture, are still experiencing difficulties. The pandemic also amplified structural changes in labour markets across Canada that governments will need to continue to address to maintain economic competitiveness.

The coordinated efforts of FPT governments under the Labour Market Transfers have been key in meeting this historic challenge. The modifications and additional funds – \$2.7 billion for the period 2017-2023– announced by the federal government in 2017 are providing additional flexibility and predictability, which is helping PT governments efficiently and effectively plan their labour market initiatives. An additional \$1.5 billion introduced in 2020-2021 in response to the pandemic, helped PTs respond to emerging needs of an increasing number of job seekers, workers and employers. PTs are focusing on tailoring local and regional initiatives to strengthen the resilience of labour markets and support economic recovery. They are also focussing on the needs of underrepresented groups and employers who help provide long-term benefits to clients as well.

While the initiatives supported through the Labour Market Transfers have proven invaluable over the last years, FPT governments will continue to explore ways to strengthen and enhance the Labour Market Transfers to prepare labour markets, workers and employers for, and be responsive to, the transformations ahead. Working collaboratively, FPT governments are committed to ensuring the Labour Market Transfers remain a central component of public employment services and a key tool to support workers, employers and the unemployed across Canada. Furthermore, COVID-19 and the subsequent economic recovery have transformed labour markets, creating needs that are being addressed by new and innovative measures that could go beyond what is currently permitted by the Labour Market Transfers.





This report highlights the results achieved under the Labour Market Transfers and identifies opportunities to strengthen them. The report is divided into four sections. The first section presents the consequences of the COVID-19 pandemic, the steps taken to support economic recovery, and outlines key labour market challenges. The second section provides an overview of the Labour Market Transfers and how they have

evolved over time to meet the workforce development needs in all PTs. The third section details innovative employment and training measures developed by PTs and the central role of federal funding in achieving positive impacts for the labour markets. Finally, the fourth section looks at future challenges of the labour markets and employment and training programs.

## Section 1

# Canadian Labour Markets: Tested and Resilient

An analysis carried out by the Labour Market Information Council (LMIC)



# The COVID-19 Pandemic

**Table 1: Overview of Canada’s Labour Force at a Glance**

	2017	Feb 2020	April 2020	Feb 2022
Number employed	18,281,100	19,143,600	16,145,800	19,600,500
Employment rate (%)	61.4	61.9	52.1	61.9
Number of unemployed	1,249,200	1,157,600	2,422,900	1,085,800
Unemployment rate (%)	6.4	5.7	13.0	5.2
Youth (15-24) employment rate	57.1	58.1	38.2	58.5
Youth (15-24) unemployment rate	11.4	10.6	27.1	10.1
Core-age men (25-54) employment rate	85.8	86.7	76.1	88.0
Core-age women (25-54) employment rate	78.2	79.7	69.2	81.2

Note: Data are adjusted for seasonality.

## Where We Were

Prior to the COVID-19 pandemic, the general state of Canada’s labour market was favourable: unemployment was at all-time lows, labour force participation rates were increasing for all age groups, and wages were steadily rising. In March 2020, the situation dramatically changed. As Figure 1 illustrates, immediate job losses were seven times larger than the peak-to-trough employment contraction (-414,000) during the 2008-09 financial crisis. However, as discussed below, job recovery has far outpaced what occurred following previous recessions.

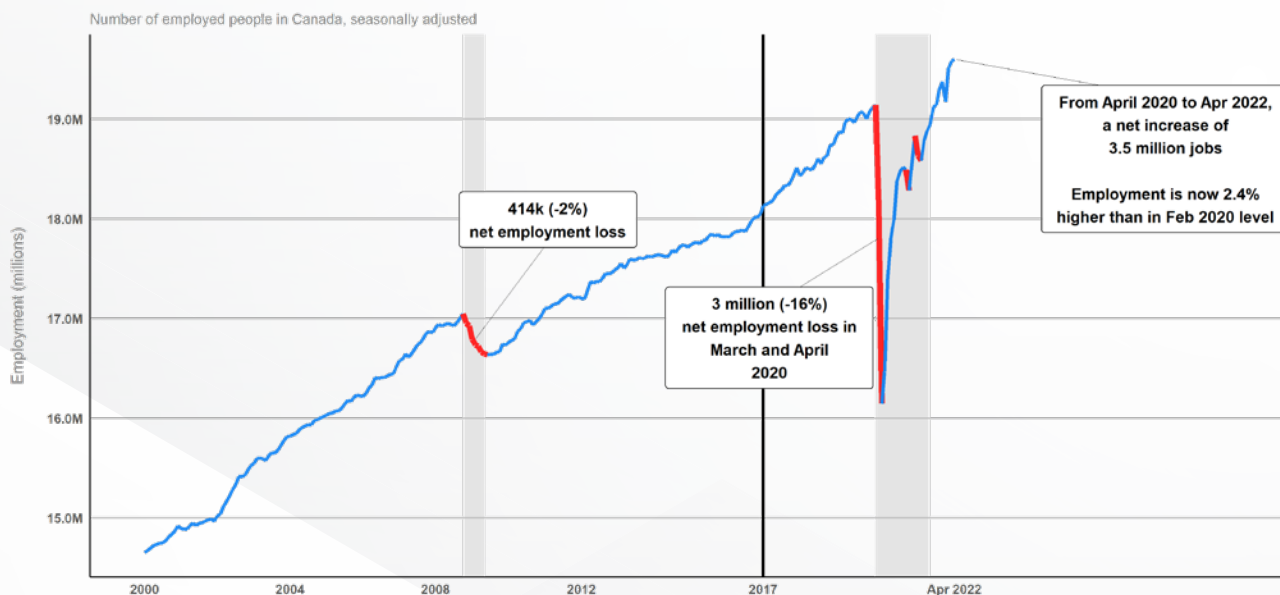
The unique circumstances for the decline in employment in 2020 meant certain metrics, notably the unemployment rate,

did not fully capture the impact of the crisis. To address this issue, Statistics Canada developed the “labour underutilization” indicator which combines unemployed workers, people who are not in the labour force but want a job, and those working less than half their usual hours. In April 2020, the labour underutilization peaked at 37% of the potential labour force, versus a peak of 13% during the 2008-09 recession. As of April 2022, the underutilization rate stands at 12.9% – slightly above its December 2021 level (+ 0.8 percentage points) – largely due to increased absences due to personal illness or disability.

The effects of the pandemic were not evenly spread across the economy. Job losses were concentrated in some high-contact sectors. Particularly hard hit were



**Figure 1: Long-run Employment in Canada, Jan 2000 to April 2022**

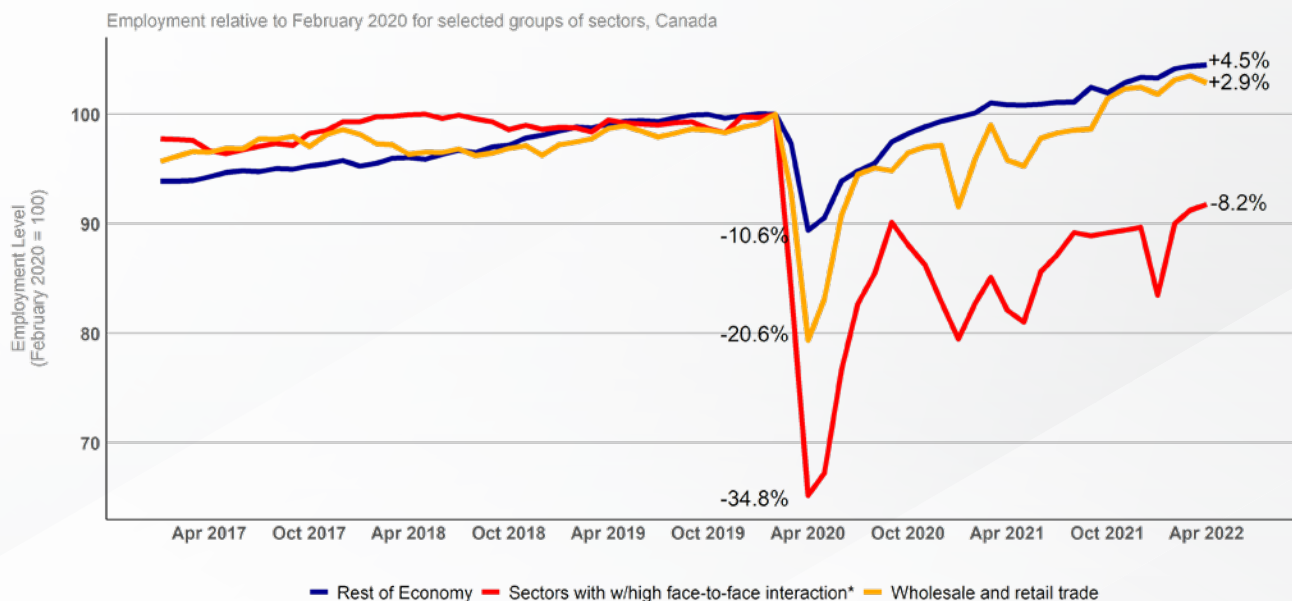


businesses in the information, culture and recreation sectors, and businesses in the service sector, such as accommodation and food, auto repair, nail salons and hairdressers. As shown in Figure 2, the combined employment in these three sectors fell by more than a third (-35%) as a result of the pandemic. It has also been the slowest to recover. As of April 2022, employment across these three hardest hit sectors remains down by just over 8% as compared to February 2020. Conversely, employment has fully recovered in less hard-hit sectors. The wholesale and retail trade sector saw a fall of 21%, and the rest of the economy saw an 11% contraction at the start of the pandemic. Recovery in these less hard-hit sectors has also been more robust than in other sectors, with employment levels 3% and 4.5% above pre-pandemic levels, respectively.

The outsized impact of the pandemic in certain economic sectors meant groups overrepresented in those sectors, notably women, youth and newcomers, bore a disproportionate share of the job and earnings loss. Through March and April 2020, 51% of the three million jobs lost were occupied by women, largely – though not entirely – due to women’s overrepresentation in high-contact sector jobs. COVID-19 represented the first recession in which women lost more jobs than men and reversed the historic trend that saw the unemployment rate for men be higher than for women across major age groups (see Table 2). As the economy recovers, the unemployment rate has fallen rapidly and, as of April 2022, is lower than pre-pandemic levels (Feb 2020) for all age and gender groups (see Table 2).



**Figure 2: Employment relative to February 2020 for selected groups of sectors, Canada**



**Table 2: Unemployment rate, men and women, by age group (15-24; 25-54; 55+) in Canada**

	2017	Feb 2020	April 2020	April 2022
Women (15-24)	9.7%	9.1%	28.3%	8.6%
Men (15-24)	13.1%	11.9%	26.0%	11.5%
Women (25-54)	5.3%	4.7%	11.5%	4.4%
Men (25-54)	5.7%	4.8%	10.6%	4.1%
Women (55+)	5.3%	5.2%	10.8%	4.5%
Men (55+)	6.1%	5.4%	11.1%	5.5%

Note: Data are adjusted for seasonality.

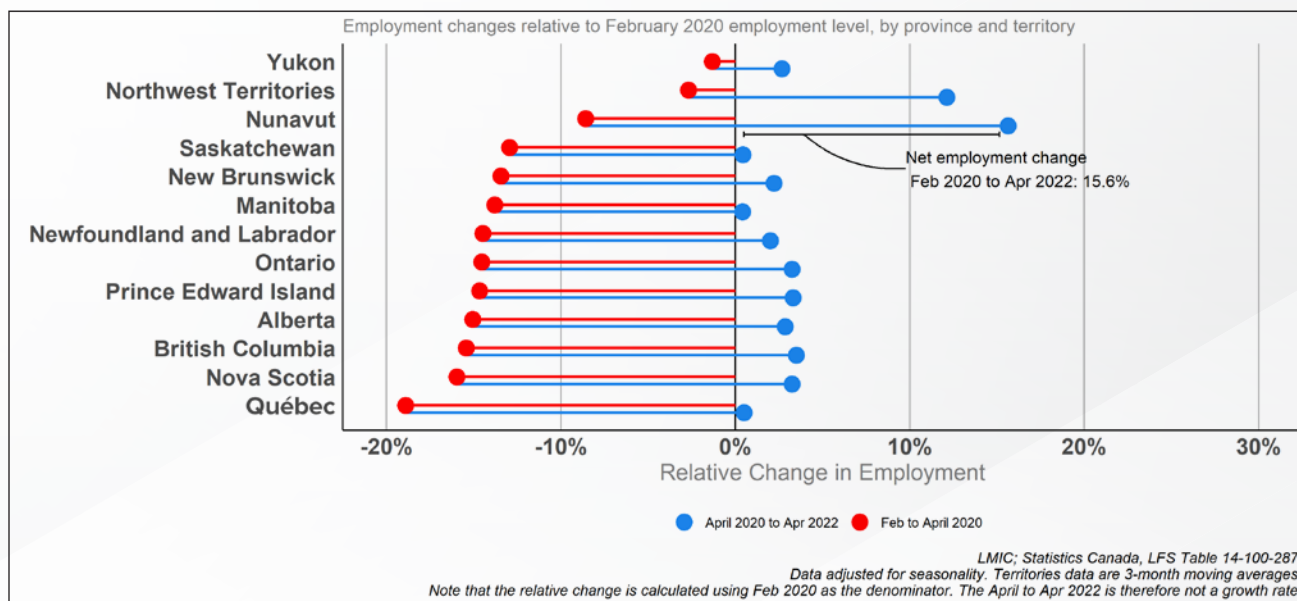
## Labour Markets in 2022

Labour markets across Canada rebounded quickly once the initial lockdowns began to ease in May 2020, but recovery has not been smooth nor universal across sectors and jurisdictions. From April to November 2020, nearly 80% of the jobs lost had been recovered (+2.4 million), but successive waves of COVID-19 forced the re-introduction of business and school closures in some jurisdictions and, hence, new waves of job losses.

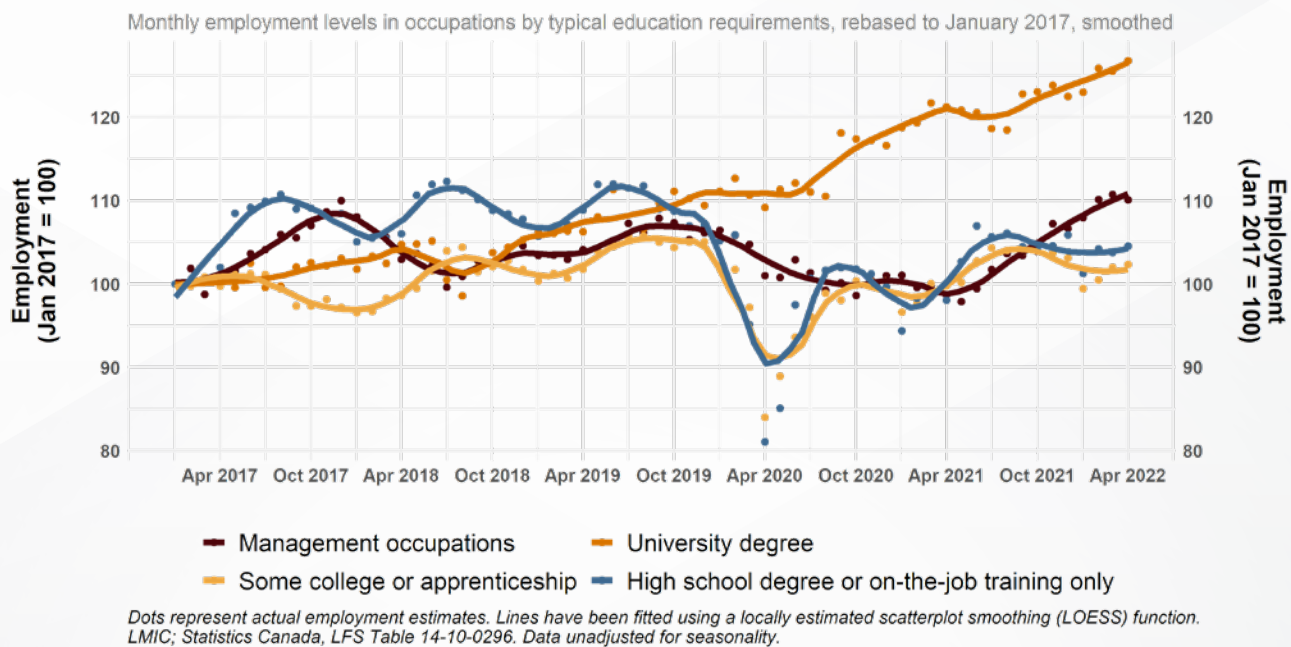
As the pandemic evolved differently across Canada, local labour markets saw the impact of varying economic restrictions, explaining some of the regional differences in recovery. As of April 2022, employment has recovered in all PTs. The strongest recoveries outside the territories are in British Columbia (+3.5%), Prince Edward Island (+3.3%), Nova Scotia (+3.2%), and Ontario (+3.2%).

Just as the initial impact of the pandemic was not evenly shared across the economy, Figure 4 shows just how uneven the recovery has been across occupational categories. Employment in occupations that typically require a university degree (NOC “skill level” A) grew steadily through 2020 and 2021 and is now 12.5% higher than in February 2020. As compared to the start of 2017, employment in these university credential-requiring occupations is up by 26.8%. Conversely, employment in college and/or apprenticeship credential-requiring occupations (level B), which fell dramatically in early 2020, has just now returned to pre-pandemic levels (+0.6%) and is 2.3% higher than in January 2017. As of April 2022, occupations in categories C or D – jobs requiring only high school or without educational requirements – remain below their February 2020 employment level (-1.3%). Given that many of these jobs are highly seasonal and/or involve customer-facing services, it is not surprising that occupations have seen large employment swings before and through the pandemic.

**Figure 3: Net employment change/recovery by PT, February 2020 to April 2020 and April 2020 to April 2022<sup>2</sup>**



**Figure 4: Employment in occupations typically requiring a university degree has increased by 26.8% since 2017, and was hardly affected by COVID-19**



<sup>3</sup> The sudden drop and net recovery for each PT are shown in Figure 3 but note that data for territories are 3-month moving averages.

## Section 2

# Responsive and Engaged Public Employment Services





# What are the Labour Market Transfers?

The Labour Market Transfers, namely the Labour Market Development Agreements (LMDAs) and the Workforce Development Agreements (WDAs), are bilateral agreements negotiated between the federal and PT governments. They represent the federal government's largest investment in training and employment services.

LMDAs provide \$2.1 billion of ongoing funding per year to PT employment and training programs for current and former Employment Insurance (EI) claimants, as well as individuals who have made minimum EI premium contributions in at least five of the last ten years, to help them find and keep sustainable employment and obtain higher, in-demand skills through programming such as skills training and wage subsidies. The LMDAs also support the provision of employment assistance services (EAS) for all individuals in Canada, regardless of their connection to EI. EAS includes activities such as employment counselling, job search assistance, needs assessments, information on government employment programs, the development of return-to-work action plans, and to support training to employees at risk of losing their jobs or who need help to remain active in the labour market.

The WDAs provide \$722 million of ongoing funding to PTs to support their employment and training programs for all individuals regardless of their EI or employment

status, including existing workers and those who are furthest from the labour market. The agreements also support employers, organizations and sectors looking to provide upskilling, reskilling and continuous learning for workers. The WDAs have consolidated and replaced three former agreements in 2017, the Canada Job Fund Agreements, the Labour Market Agreements for Persons with Disabilities and the Targeted Initiative for Older Workers. They also include specific funding targeted for persons with disabilities.

To increase labour market supports and skills training available and to ensure more people benefit from these programs than before, the federal government provided an additional \$2.7 billion (\$1.8 billion under the LMDAs and \$900 million under the WDAs) between 2017 and 2023. In 2020-2021, an additional \$1.5 billion was provided to support Canadian workers looking to re-enter the workforce via the WDAs, particularly those in hard-hit sectors and groups disadvantaged as a result of the pandemic.

Each year, over a million individuals and employers use services supported through the Labour Market Transfers. Since the beginning of the pandemic, more than half a million individuals received training and employment supports while they were receiving federal emergency benefits (Canada Emergency Response Benefits and/or Canada Recovery Benefits). The greater flexibility provided by the 2017 modifications to both the LMDAs and the WDAs helped PT governments offer a more diverse scope of services to a

broader clientele. The Labour Market Transfers thus provide essential funding to PT governments to help them support quality public employment services ,training programs for job seekers and underrepresented groups that can help them find and keep jobs, enhance their skills and knowledge and develop their careers and helping employers retain and upskill their workers.

## The Evolution of the Labour Market Transfers

1996

### Labour Market Development Agreements

The first bilateral LMDAs are negotiated between the federal government and some PTs for the delivery of labour market programs for eligible individuals.

their skills. The 2007 federal budget also acknowledged the “primary role and responsibility that provinces and territories have in the design and delivery of training programs”. The LMAs complemented the Labour Market Agreement for Persons with Disabilities, introduced in 2004, and the Targeted Initiative for Older Workers, introduced in 2007.

2008

### Labour Market Agreements

Following the 2007 federal budget, the federal government entered into bilateral Labour Market Agreements (LMAs) with PTs to deliver programs to non LMDA-eligible individuals, including the unemployed and current workers in need to upgrade

2014

### Canada Job Fund Agreements

The LMAs were renewed to include more direct employer investments in skills training and were rebranded as the Canada Job Fund Agreements.

## Meeting the Needs of Labour Markets

As the needs of individuals and employers have evolved over time as a result of economic shifts, the Labour Market Transfers have historically adapted to respond to the changing labour market conditions on the ground. The timeline below presents some key milestones:



2017

### New WDAs and Modernized LMDAs

The Canada Job Fund Agreements, the Labour Market Agreements for Persons with Disabilities and the Targeted Initiative for Older Workers were consolidated into the WDAs. The federal government also announced an additional \$2.7 billion over six years (2017-2023) for the Labour Market Transfers to increase labour market supports and skills training available and ensure more people benefited from these programs than before, including \$1.8 billion for LMDAs and \$900 million for WDAs, and broadened the eligibility criteria for EI-funded programs and services under the LMDA.

2022

### Today

More than 25 years after the first LMDA was signed, FPT governments have built a workforce development infrastructure that is responsive to local and regional issues, that encourages the co-design of demand-led initiatives with labour market partners and that focuses on creating an inclusive workforce where all Canadians have access to the training and skills that employers need.



## Section 3

# Delivering Results: Provinces and Territories at Work for Canadians





# Results across Canada

Over the last 25 years, PTs have built workforce development systems, along with labour market partners and community service providers, able to support millions of Canadians in their efforts to integrate or reintegrate into the labour market or to acquire the knowledge and the skills they need to adapt and continue to thrive, as well as help employers retain their workers and adapt their human resources to today's economy. This includes interlinking public employment services with education, economic development and social assistance services and programs, making them powerful tools of social inclusion and economic development. Having individuals integrate into the labour market remains the best way to avoid reliance on income support programs, ensure a high quality of life for Canadians, and ensure employers have the workers and skills needed to grow the economy.

While continuing to respond to labour market priorities and challenges of Pan-Canadian and strategic importance, FPT governments have learned that because labour market needs and solutions vary across the country, local and regional approaches are central to support unique jurisdictional realities. Educational attainment, the proportion of first-generation immigrants, the proportion of youth and seniors, economic diversity and the level of urbanization are some keys to understanding regional labour markets. The success of initiatives supported through federal funding comes, in part, from their ability to be nimble to continue to respond to local needs.

In the following pages, the variety of approaches to employment services and training and labour market needs supported through federal resources, and the positive effects of these investments for employers, youth, and income levels is highlighted in an overview of what is being done by each PT<sup>3</sup>.



*Thanks to the Labour Market Transfers, PTs serve more than a million individuals across the country every year.*

<sup>4</sup> PT chapters were prepared by individual provinces and territories and represent their perspective.



# British Columbia

## State of the Labour Market

Despite significant impacts of the COVID-19 pandemic throughout 2020/21 and 2021/22, B.C.'s labour market has remained one of the strongest in Canada, with employment notably above the pre-pandemic level of February 2020 (up 94,500 or up 3.6%) as of March 2022. Immigration and interprovincial migration have been driving population growth in B.C., which has increased by 2.9% from pre-pandemic levels. This has expanded the labour force in B.C. by 3.5% in the same period, particularly amongst core-age workers. The B.C. unemployment rate dropped to 5.1% in March 2022, 0.1 percentage point below the pre-pandemic rate of 5.2% and just below the Canadian average of 5.3%.

As the B.C. economy continues to grow, the labour market continues to get tighter. Previous pandemic-related supply disruptions, combined with demand growth, are creating labour shortages. Average wages continue to increase at a fast pace, up 8.1% from pre-pandemic level. However, the number of job openings remains high based on the latest data in January 2022, with a job vacancy rate of 5.9%, representing 144,290 job vacancies, compared to a vacancy rate of just 3.8% in Q4 2019. Meanwhile, unemployment

in B.C. continues to decrease. Despite this strength, nearly 30,300 people are experiencing long-term unemployment (27 weeks or more) as of March 2022, up 69.3% from February 2020, compared to a 24.9% increase at the Pan-Canadian level.

## The Role and Impact of Public Employment Services in B.C.

Employment services are delivered through a network of LMDA funded WorkBC Centres. In 2019, WorkBC Employment Services were introduced with: an outcomes-based funding model for contractors; a standardized client assessment process; improved performance measures and reporting; and, streamlined program governance and administration. These changes respond more directly to individual needs and the greater emphasis on results includes outcomes targeted to finding individuals sustainable jobs.

WorkBC helps over 80,000 unemployed or precariously employed British Columbians each year find sustainable employment, with a success rate of 54%. 78% of these WorkBC clients keep their job for at least one year, helping them participate in the labour market independent from government assistance.

B.C. also invests in skills training and employment supports with funding provided through the WDA to support vulnerable and underrepresented groups, employers, and sectors and communities. Programs are designed to be flexible to changing needs and conditions, which allowed for a rapid pivot (to comply with public health orders and virtual learning) and expansion in response to the pandemic. In 2020/21, working with service providers, 21,400 British Columbians and 1,429 employers received services. Overall, upon completing their programs, 82.2% of participants were employed or were pursuing further education or training.

## The Impact of Investments Under the Labour Market Transfers

The pandemic had a disproportionate impact on certain sectors and exacerbated inequities for B.C.'s most vulnerable populations. Without sustained and targeted labour market attachment supports, B.C. risked emerging from the pandemic with high unemployment levels, greater wage disparity and increased inequities for certain groups in the labour market.

To mitigate impacts, the 2020/21 one-time additional federal funding of \$212 million provided to B.C. supported people, including persons with disabilities, and sectors hardest hit by the pandemic.

The federally funded programming complemented StrongerBC provincial programming and resulted in substantial increases in the number of people able to access supports to retrain, upskill and reconnect to the labour market. The programming included new initiatives, many implemented through the expansion of existing programs, to support groups made more vulnerable by the pandemic and to address needs of impacted workers in hardest-hit sectors. For example, the province invested over \$59 million in supports for survivors of domestic violence, individuals with criminal justice system involvement, people with disabilities, youth, older workers, recent immigrants and others who were more impacted by the pandemic due to life circumstances and existing and emerging barriers to labour market participation.

Furthermore, with the Labour Market Transfers' six-years of additional funding (2017-2023), B.C. received an estimated \$76.5M that was used to provide skills training and employment services to foster inclusive labour market participation, to align skills with regional and local needs, and provided flexibility to respond to fluctuations in labour market needs over time.

## Program Spotlight:

### **No Matter the Challenge, B.C. Was There to Help**

B.C., with LMDA funding, has responded to challenges and supported British Columbians, including employers, with their labour market needs through WorkBC investments and initiatives.

- 102 WorkBC Centres across the province were ready to provide services virtually when the pandemic hit. WorkBC expanded services and supports to a broader range of clients, including access to training, wage subsidies, and personal counselling for employment readiness. Since November 2020, over 2,800 WorkBC clients accessed training or apprenticeship services, and about 4,200 work experience opportunities were subsidized.
- Between July 2020 and December 2021, over \$6.8 million in funding was invested in 20 Community and Employer Partnerships (CEP) projects to support inclusive economic recovery in B.C. communities. These projects responded to labour market priorities in healthcare, retail, tourism, and hospitality, and other industries affected by the pandemic.
- In response to the shift to virtual delivery of labour market training and employment programs, CEP invested \$10 million to provide laptops to eligible clients. By increasing access to occupational training and employment programs, employers and communities will benefit from skilled workers as we move into a post-pandemic economic recovery.
- In November of 2020, B.C. created the Work Experience Opportunities Grant to provide 12-week work experience opportunities to vulnerable British Columbians impacted by the pandemic. More than 250 businesses and organizations applied for up to \$50,000 in grant funding.



## Program Spotlight:

### **Peer Employment for People Experiencing Homelessness**

Residents in B.C.'s poorest neighbourhood—Vancouver's Downtown Eastside (DTES)—were particularly vulnerable to the impacts of the pandemic because of homelessness, overcrowding, poverty, and poor mental health and addictions. In response, B.C. piloted an innovative peer employment project in the DTES to deliver a stigma-free employment experience for those hardest to reach with labour market programs. The project benefited the vulnerable community by providing training and supports to participants who in turn worked to help others in the DTES with social distancing, accessing services, and staying safe during the pandemic.

Funded as a research project, the pilot served people who may not have had the required documentation to participate in a WDA-funded program (e.g., Social Insurance Number) or may have been reluctant to provide the required personal information. B.C. wanted to help participants approach labour market participation in a safe, inclusive, and sensitive way.

The pilot demonstrated promising results. Thirty-six individuals engaged in peer employment. Activities included food bank

preparation, street outreach, overdose response, and art-focused work. Many participants identified as Indigenous, a visible minority, living with a disability, a recent newcomer to Canada, or multiples of these. As a result of the additional 2020/21 federal funding, B.C. was able to expand the successful pilot across the province to other cities with similar issues in their downtown core. Twelve service providers are delivering programs to an initial estimate of 600 people in 2021/22.

The peer employment model has helped people excluded from the labour market to gain confidence and necessary employment skills, supported vulnerable neighbourhoods at a time of significant disruption, and helped people feel valued and empowered regardless of their circumstances. These types of programs depend on a grassroots, community-based approach. More flexibility and funding to support programs such as peer employment would help address B.C.'s and Canada's labour shortages by increasing labour market participation, and B.C.'s and Canada's broader commitments to ending poverty, reconciliation with Indigenous Peoples, and diversity and inclusion.



# Alberta

## State of the Labour Market

The global economy is slowly emerging from one of the worst downturns in history, caused by the COVID-19 pandemic. In Alberta, the impact of the health crisis was compounded by the prior collapse in oil prices and on-going challenges related to a transitioning energy sector. The Alberta Activity Index, an indicator of provincial economic activity, rebounded nearly 10% after hitting a low in May 2020, led by a swift recovery in retail spending, housing construction and oil production. Employment in August 2022 exceeded pre-COVID levels while the unemployment rate has fallen to 5.4 per cent in August, following months of consecutive decline.

While real GDP and employment are expected to return to 2019 levels in 2022, the recovery will be uneven across sectors. The unemployment rate is also anticipated to decline slowly. Youth unemployment has been elevated in the province since mid-2019, as subdued activity in the energy and construction sectors hit young male workers particularly hard. This was exacerbated by pandemic-related disruptions that led to significant job losses in service industries, many of which employ women and young workers. By August 2022, the youth unemployment rate had fallen below pre-COVID levels but still remains high compared to the average across all age groups. The improving employment and

unemployment conditions in the province have been accompanied with soaring unmet labour demand. During the second quarter of 2022, the number of job vacancies in Alberta climbed to 100,865, an all-time high since data collection started in 2015. Similarly, Alberta's job vacancy rate in the second quarter of 2022 rose to reach another record of 4.9 per cent. The three industries with the highest number of job vacancies in the province were: Accommodation and food services; Construction; and Retail trade.

Growth this year is expected to be led by oil production following a strong rebound in bitumen output. The recovery in investment outside oil and gas extraction over the medium term will continue to be led by the transportation sector. Alberta is also home to a burgeoning technology sector. Last year, Calgary and Edmonton both broke records for venture capital investments in this sector.

## The Role and Impact of Public Employment Services in Alberta

Alberta offers a variety of employment supports and skills training to individuals, employers, organizations and communities. LMDA and WDA funding is used to deliver foundational and occupational skills training that continually evolve and adapt to meet current labour market demand.

For example, the Integrated Training program is implementing new programs in the tech sector to provide in-demand skills in cybersecurity, data analytics, digital marketing and micro-credentials. Since 2019, the Integrated Training program has supported approximately 3,300 Albertans to reskill or train for an in-demand occupations. Similarly, the Self Employment program has supported more than 900 Albertans to start a business and the success rate for this program exceeds 80%. Alberta also put several rapid job placement services in place through Transition to Employment Services (TES) contracts (two programs focus on unemployed Youth). These services provide individualized flexible support to Albertans to transfer their skills into new sectors and find suitable employment quickly. This program has served more than 6,600 Albertans since 2019. Service providers pivoted to online delivery during the pandemic to keep services accessible.

From 2017 to 2020, Alberta served almost 200,000 Albertans through the LMDA. This includes delivery of more than 425,000 employment supports services and 59,000 skills training interventions. During the same period, Alberta also provided support to nearly 49,000 registered apprentices. Apprenticeship-style programs are key to Alberta's labour market development efforts as they provide more opportunities for students to learn hands-on from experts in their field and apply their learning in real world settings. This approach has been successful as a recent survey indicated that 89 per cent

of 2018/2019 graduates were employed. Recent evaluation of Alberta's skills training programs indicated that there were positive gains in employment, increases in wages, and improved skill matches between employer needs and employee abilities. This was particularly evident for occupational and employment skills training programs.

The WDA serves individuals that tend to be further from the workforce and experience more barriers to employment than does the LMDA. From 2020 to 2022, Alberta served more than 16,000 individuals through the WDA: 43% of these clients received education in foundational learning, 20% participated in programs and services for persons with disabilities and 28% were newcomers. Employment Services programming for Persons with Disabilities has had a sixfold increase from FY 2018 to FY 2021 providing offerings across the province for clients with disabilities. Over the previous three years, demand for the Indigenous focused Employment Partnership Program (EPP) has been increasing: recent focus has been on Heavy Equipment Operator Training (HEO) and Mandatory Entry Level Training (MELT) for Class 1 and 2 Drivers. A 2021 evaluation of the WDA showed that in Alberta, employment rates were higher post participation compared to preparticipation in a WDA funded intervention. Other Alberta results included:

- Fewer participants received social assistance following participation than did at the start of participation;

- Most participants (78%) were either very satisfied or completely satisfied with the program or training they participated in, and most tended to indicate they received the type of help they needed as a result of participation; and
- The average amount earned by participants was higher (\$965 per week) following participation in a WDA funded intervention than it was in the 12 months before participation (\$873).

In recent years, Alberta provided increasing supports to employers. Demand for the Canada-Alberta Job Grant (CAJG) remains high and since 2019, the CAJG has served more than 5000 employers and 17,000 individuals. In 2021, Alberta introduced the Alberta Jobs Now Program (AJNP). In the first six months of the program, the AJNP provided \$187 million in grant funding to support employers to fill more than 3000 positions.

## The Impact of Investments Under the Labour Market Transfers

The additional funding announced in Budget 2017 totals approximately \$70 million per year for Alberta. The increased funds were used to scale up training opportunities and employment supports for all Albertans. New programs were developed and delivered to help employers meet their labour market need and assist Albertans in gaining and keeping meaningful employment. This additional funding resulted in additional training and support to a significant number of Albertans during a time when skills training was desperately needed to address the labour market shortages and help our economy recover.

## Program Spotlight:

### Wellsite Abandonment and Reclamation Training

In 2021, the Government of Alberta partnered with the Indian Resource Council Inc. to provide Wellsite Abandonment and Reclamation training and safety tickets to 180 unemployed or under-employed First Nations participants to prepare them for and obtain employment. As of April 2020, the Orphan Well Association had an inventory of 2983 wells for abandonment and 3284 sites for reclamation. Well site abandonment and reclamation has the potential to create over 5000 jobs in Alberta. Additionally, approximately 80% of prime and sub-contractors working in First Nation communities are experiencing labour shortages and continue to have difficulty finding workers. As Indigenous peoples are Canada's fastest growing population with the highest unemployment rate in Canada, there is a vital need to support employment.

The results of this training program exceeded expectations: By project end, 215 participants completed training and 90% were employed. Notably, the project helped 39 (18%) female participants and 150 (70%) participants with high school



completion or less with employment. Given the transferability of skills to a number of other industries, trainees were prepared for employment in a variety of positions beyond wellsite reclamation. Training was delivered in fourteen different locations impacting, 42 Indigenous communities and more than twelve industry partners.

Given the continuing opportunities in wellsite reclamation until December 2022 and with a waitlist of candidates, another year of funding was provided. An additional 180 participants will be assisted. This Indigenous-led, GOA supported partnership project will continue to prepare and match the Indigenous workforce to industries in-demand.

### **2020 Disability Employment Engagement Event – Community Futures Treaty 7**

Between October 27, 2020, and March 18, 2021, Community Futures Treaty 7 hosted four employer engagement events to bring together the business community, employment centres, service providers and Elders to address retention in the workforce specific to Indigenous persons including those with disabilities. The goal was to partner with off reserve employment centres career fairs to bring awareness to the business community on the benefits of hiring Indigenous persons with disabilities.

Although three of the four sessions were hosted virtually due to COVID-19, there was still significant participation with 152 in

attendance (of which number 111 were job seekers) and 23 businesses. Community Futures Treaty 7 received very positive feedback with most focusing on the need for Indigenous inclusion and diversity in the workplace.

### **Address Your Fears, Adapt to Change, and Excel (A2 & E) Grant**

A training to assist Albertans in developing coping mechanisms to deal with mental health issues: anxiety and stress caused by instability with employment during the Covid-19 pandemic was delivered through Zoom sessions in Edmonton from January 1, 2021, until August 31, 2021.

Rooted in the research on adaptive challenges the program provided Albertans with the tools to move forward amidst fear and uncertainty and become closer to their employment goals through career development and job search activities.

90 unemployed or underemployed Albertans aged 18 – 64 in receipt of Income Support, who exhibited barriers caused by stress and anxiety participated in the project.

Upon completion of A2 & E training, in addition to improved mental stability, participants achieved a clear outline of their short- and long-term employment goals and received real time information on the local labour market an updated self-marketing package.



# Saskatchewan

## State of the Labour Market

The onset of the COVID-19 pandemic in Canada caused significant labour market disruption across all provinces and territories. Saskatchewan's labour market shed 22,200 jobs between February 2020 and March 2020. Although Saskatchewan's economy has now been able to fully recover all its lost jobs, there are still lingering impacts affecting the labour market today, including:

- Ongoing labour shortages in key sectors such as health care; trades, transportation, and construction; and hospitality and food services; and
- COVID-19 exacerbating existing labour market inequities between historically underrepresented groups (e.g., Indigenous people, newcomers, persons with disabilities, women); and
- Rapid digitization among businesses and learning institutions and increased demand for online or virtual services.

Saskatchewan has one of the lowest unemployment rates in the country, which is both a positive signal and a challenge for employers looking to fill job vacancies. The Government of Saskatchewan is taking a multi-faceted approach to address employers' demand for labour by increasing its labour supply through economic immigration and developing its potential

labour force, particularly for groups that are traditionally underrepresented in the labour market.

The Government of Saskatchewan has set a goal of adding 100,000 new jobs by 2030 through economic growth. Saskatchewan is also forecasting thousands of job openings over the next decade due to attrition, with a significant portion of its labour force nearing retirement age. The forecasted demand is for both higher-skilled and lower-skilled workers and across a variety of occupational groups. Since 2017, ongoing and flexible funding through the Labour Market Transfers has been critical in supporting Saskatchewan's economic growth and ability to address labour market disruptions, such as the COVID-19 pandemic.

## The Role and Impact of Public Employment Services in Saskatchewan

Saskatchewan delivers a wide range of labour market programs and services supported by the Canada-Saskatchewan Labour Market Transfer Agreements. Funding from the transfers helps individuals launch and build careers in Saskatchewan and assists employers with their labour market needs. Through the transfers, Saskatchewan delivers programs and services to develop, attract, and retain a skilled workforce that supports investment

and economic growth and helps residents meet their full potential.

Within the Government of Saskatchewan, the Ministry of Immigration and Career Training (ICT) is the lead ministry responsible for administering the Labour Market Transfer Agreements. ICT partners with other ministries, as well as a network of third-party service delivery organizations, to deliver labour market programs and services that address labour demand, while actively developing its labour supply.

Saskatchewan has employment and skills training programs and services ranging from basic literacy and essential skills to more technical, occupational-specific training for a variety of clients, including first-time jobseekers, unemployed workers, persons with disabilities, apprentices, entrepreneurs, employers and more. Many of Saskatchewan's programs and

services receive funding under both the LMDA and WDA, as well as provincial funding. This allows the province to serve a large variety of clients regardless of their EI status or immigration status.

## The impact of investments under the Labour Market Transfers

Since 2017-18, Saskatchewan has been able to serve over 200,000 clients through its labour market programming. This is in part due to federal funding transfers of more than \$300 million, including over \$40 million through the Federal Budget 2017 top-up. Given the significant labour market challenges (labour shortages, ageing population, automation, etc.) faced since 2017, these modern, flexible and well-funded Labour Market Transfers proved to be essential.

## Program Spotlight:

### Targeted Initiatives for Older Workers and Digital Literacy for Entrepreneurs Initiative

Since 2017, Saskatchewan has been able to launch several new labour market programs or increase its capacity for existing programs and services through the federal government's Labour Market Transfers. As an example, in response to pandemic-related labour

market disruption, the Government of Saskatchewan launched new skills training initiatives to address skills gaps among older workers and entrepreneurs. The changing nature of work accelerated by the pandemic has rendered some jobs and skills increasingly obsolete, while fuelling demand for others – e.g., digital literacy resulting from shifts to remote work and/or virtual service delivery. The groups of workers disproportionately

impacted by these skills gaps include long-tenured older workers seeking employment, entrepreneurs/self-employed individuals.

### **Targeted Initiatives for Older Workers**

In 2020 the Government of Saskatchewan announced \$1.4 million for the Targeted Initiatives for Older Workers (TIOW) program in response to unique challenges currently experienced by older workers (55+) in the labour market. The TIOW program is an acknowledgment that older workers can still make important contributions to the economy but may not have the same opportunities as young people just starting out in their careers.

The TIOW program is aimed at increasingly the employability of workers aged 55-64 who face job search barriers to obtaining and maintaining employment. Older workers are disproportionately represented in Saskatchewan's goods-producing, resource industries currently undergoing major structural change, or subject to trade disputes and volatile commodity prices that may impact their jobs.

The TIOW supports older workers through classroom-based skills development and experiential work placements, which helps ensure that they remain active and productive labour market participants. In 2020-21, the Government of Saskatchewan maintained 20 TIOW agreements with

six different entities and 211 participants. Despite a challenging year, the program demonstrated positive outcomes – 61% of TIOW participants were either employed (50%) or in further education (11%) after completing the program.

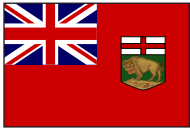
### **Digital Literacy for Entrepreneurs Initiative**

Announced in 2021, The Digital Literacy for Entrepreneurs Initiative provides \$1.6 million to support entrepreneurs, particularly women entrepreneurs, who want to integrate digital technologies into the future success and growth of their businesses. The program provides training in:

- how to operate a variety of digital devices;
- knowledge of digital platforms and how to use them;
- a basic understanding of cyber-security;
- developing on-line marketing and social media advertising strategies; and
- building a company website and conduct on-line financial transaction

Eligible participants must have a registered business in Saskatchewan with a greater than 50 per cent of ownership and voting rights. The initiative will launch in early 2022 and aims to offer support for over 300 participants.





# Manitoba

## State of the Labour Market

In March 2020, Manitoba's economy and labour market were significantly impacted by the arrival of the COVID-19 pandemic and by economic restrictions introduced to limit the spread of the virus. As of January 2021, Manitoba's labour force and employment have rebounded close to their pre-pandemic levels. While unemployment rates continue to trend at the lowest levels in the country, Manitoba's long-term unemployment levels remain above pre-pandemic levels.

Labour shortages, aggravated by the pandemic, have emerged as a key challenge to recovery and long-term growth. Job vacancies have increased by 52% in the third quarter of 2021 over 2019 and the job vacancy rate sits at 4.1% up from 2.6% in 2019. The unemployed to job vacancy ratio reached a low of 1.86 in the third quarter of 2021, down from 2.49 in the same quarter of 2019, suggesting significant pressures on business to find workers. In a recent survey by the Manitoba Chambers of Commerce, over half of business respondents indicated access to skilled labour has become more difficult over the past two to three years, and one in three identified skilled workers as the most difficult position to fill.

At the same time, Manitoba's labour underutilization rate remains elevated

from pre-pandemic levels, at 15.3%. Labour shortages, along with high labour underutilization, is an indicator there may be a skills mismatch between those willing to work and employers trying to fill positions. Considering these trends, ensuring all Manitobans receive the training they need to be successful in today's labour market, and better aligning training with the needs of business, remains a key objective of Manitoba's labour market programming.

## The Role and Impact of Public Employment Services in Manitoba

Employment and training services are central to Manitoba's economic growth strategy and supporting a high quality of life in the province. These services help all Manitobans including the unemployed, underemployed, existing workers, and new labour market entrants to acquire the skills needed to participate fully in the labour market and economy. Services are also available to help employers attract and retain the talent they need to grow their business and create jobs.

Manitoba has a highly integrated delivery system funded primarily through the Labour Market Transfer and complemented by provincial investments. Jobseeker services are offered directly by career development

professionals through 13 Manitoba Jobs and Skills Development Centres across the province and in partnership with a network of over 150 funded service providers. Employer services are delivered by provincial workforce development consultants and through Manitoba's ten funded sector councils. Since 2017/18, the Labour Market Transfers have assisted 73,707 unique jobseekers and have resulted in training 82,279 employees in 848 companies.

A longer-term trend leading into and throughout the pandemic has been an increasing number of clients who are more distant from the labour market and/or face multiple barriers to employment. In 2020/21, for example, 54% of Manitoba's Labour Market Transfers clients had high school or less as their highest level of educational attainment and 65% of clients declared themselves as belonging to an underrepresented group including persons with disabilities, Indigenous persons, newcomers, and visible minorities. Often, these clients require more interventions and intensive supports to prepare for employment. Prior to the 2017/18, the four years average intervention to client ratio was 2.99. Between 2017/18 and 2020/21, the average was 3.74 – an increase of 25%.

The enhanced flexibility of the Labour Market Transfer has been instrumental in enabling Manitoba to provide more responsive and holistic supports for

a broader range of clients. Through project based and demand led training models, the transfers are helping job seekers, including those more distant from the labour market, to connect with available jobs in high demand sectors of the economy. Working with industry, companies, training providers, and community organizations, these models provide employment readiness training including essential skills, occupational training, work placement with on-the-job training, and intensive workplace retention supports. Projects have helped northern Manitobans train in or near their home communities for jobs in health care and trades and have helped companies recruit new workers in line with their expansion efforts.

Program outcomes across the system are positive. In 2020/21, of those job seekers who completed their employment plan and were contacted for follow up, an average of 67.9% had found employment or were in further service upon leaving.<sup>5</sup> These investments have also directly contributed to the creation of 2,934 net new private sector jobs in Manitoba. The positive results are further confirmed by evaluations, which have shown participants work more, earn more, and draw less on income support after participation compared to those who do not participate or to before participation.

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<sup>5</sup> The contact rate was 50.4%.



## The Impact of Investments Under the Labour Market Transfers

Canada is investing an additional \$87 million over six years in Manitoba's employment and training system. This funding has resulted in a direct increase to Manitoba's industry focused programs, assisting companies to address their workforce needs to grow or expand their business, increase productivity, and improve competitiveness. Manitoba invested \$10 million or 11% of its 2020/21 allocation in these programs, an increase of 29% or \$2.3 million from 2016/17.

In 2020/21, the Government of Canada provided an additional \$47.2 million to help Manitoba respond to the labour market needs of workers, employers, and business hard hit by the pandemic. This funding helped address staffing challenges in the social services, health care, and

education sectors and supported innovative programming to improve employment prospects for persons with disabilities and Indigenous women. The funding also helped business to train and upskill new hires and existing staff through the \$12.5 million Retrain Manitoba initiative in partnership with the Manitoba Chambers of Commerce and Economic Development Winnipeg.

Between 2017/18 and 2020/21, a Labour Market Transfers investment of \$33.0 million coupled with a provincial investment of \$11.1 million (\$44.1 million total) resulted in a corresponding industry investment of \$81.7 million. This means that every public dollar spent leveraged \$1.85 from industry. This programming generates significant returns for Manitoba's economy. A \$1.6 million four-year investment in a manufacturing company, for example, created 762 net new jobs worth \$13.8 million in new payroll annually; paid back in tax revenues within the first two years.



## Program Spotlight:

The following programming examples highlight the range of innovative and responsive Labour Market Transfers programming tailored specifically to the needs of Manitoba's labour market.

The **Refugee Employment Development Initiative** was developed in partnership with community and training service providers and business to seamlessly integrate refugee job seekers with lower English proficiency into Manitoba workplaces. Through sector specific language training and occupation specific training in manufacturing, welding/metal fabrication, and hospitality, REDI has helped 774 refugees gain work or pursue further education and training – a 75% success rate. A service provider shared the following to highlight the impact of the program: “The client who is enrolled in the Red River College sector specific language training for welding and metal fabrication in July of 2021, and successfully completed the training. The client is excited for the next phase of the training at Winnipeg Industrial Skills Training Centre and the opportunities that Canada has to offer”.

Labour Market Transfers funding has also supported **Bold Commerce**, one of Manitoba's top tech companies, to recruit, hire and train individuals for net new positions and train their existing

employees. The funding has provided training opportunities for highly transferable skills within the Information, Communication and Digital Technologies industry, including leadership, sales, digital marketing, technical skill building, and much more. This investment funding has proven invaluable in enabling Bold to continue its mission and meet industry demands while growing its workforce, including adding 237 net new positions locally in Manitoba.

Manitoba launched the **Internationally Educated Nurses in Manitoba Project** in 2021 in response to nursing shortages aggravated by COVID-19. Supported by the additional WDA funding provided by the Government of Canada, the initiative provides financial support to internationally educated nurses to help with costs to obtain their license to work in Manitoba. In addition to financial assistance, the initiative is also helping applicants to receive language assessments and connect with language training opportunities, which has been identified as a barrier for nurses who have received their education and training outside of Canada. To date, the initiative has received more than 1,900 applications and Manitoba continues to hear from applicants that the project has provided them with hope and that many would not have pursued their licensure due to the cost associated with the process.





# PANCANADIAN Spotlight 1

## Increased Earnings Across Canada

The Labour Market Transfers have demonstrated positive outcomes in the form of increased client earnings and reduced dependence on income supports such as EI and Social Assistance (SA) post-participation.



### \$90

Participants report an average weekly increase in earnings of \$90 following participation in WDA-funded programs and services.

*Source: Employment and Social Development Canada Workforce Development Agreement National Survey*



### 69%

of participants whose earnings increased attributed the increase to the programming and services they received.

*Source: Employment and Social Development Canada Workforce Development Agreement National Survey*



## Decreasing Reliance on Employment Insurance and Social Assistance

Canada met its original target of \$1.05 billion in unpaid EI Benefits for regular client's savings because of returns to employment among LMDA clients. Most active and former EI claimant participants also decreased their use of social assistance benefits in the post-program period.

*Source: Data excerpted from the EI Monitoring and Assessment Report (MAR) 2019-2020*



# Ontario

## State of the Labour Market

Prior to the emergence of the Omicron variant of COVID-19, Ontario's labour market was exhibiting positive signs of strength recovery with increasing employment, decreasing unemployment, elevated vacancies and high wage growth. Ontario's unemployment rate prior to March 2020 (5.5%) and its December 2021 rate (6%) and a consistently high participation rate for core-aged persons (86.9% for those aged 25 to 54 years), are evidence of a population that wants to work.

The COVID-19 pandemic was a massive disruption to economic life in the province. It has had a devastating effect on Ontario's labour market and has led to a supply shock, which has disproportionately impacted those sectors where it was not possible to pivot to remote working.

Targeted supports will be needed to help Ontario workers and employers recover from the impact of the pandemic and be positioned to engage in the rapidly evolving labour market.

Ontario has utilized local and regional labour market information to tailor the services it provides to ensure that the economic shocks of the past two years, persistent issues that were seen prior to March 2020, and projected future labour

market issues are all being effectively mitigated where possible.

In 2020-21, Ontario's Labour Market Transfers-supported programs served over 1.43 million clients. At the same time, Ontario's employment services are focusing on how to best support a group of clients who may have specialized needs and require additional interventions to assist with labour market attachment. This involves working collaboratively with social assistance programming that better helps people achieve stability in their lives through the provision of health care, childcare, youth programs and mental health and addiction services, among other forms of hands-on assistance. By 2024, Ontario aims to support 25,000 more people per year moving from social assistance to employment than was the case in 2019. Despite this important work, more can and will be done to support these and other under-represented groups with the assistance of continued investments, including from Labour Market Transfers.

Local and responsive solutions will be important to address Ontario's current and future labour market challenges and opportunities. Sharp regional and sector variations across the province both prior to and during the pandemic contributed to the job vacancy rate rising from 3.2% in 2019 Q3 to 5.3% in 2021 Q3 and the number of unfilled jobs rising from 205,935 to 338,835.

Both were at record highs. Vacancy rates and concerns over shortages and recruitment have been particularly acute in the health care and accommodation and food services sectors in the past two years. Ontario has made these areas priorities, along with the skilled trades.

At the same time, Ontario is at the forefront of research and innovation in Canada. About 51% of Canadian life sciences research and development spending occurs in Ontario, and the province is also home to the largest concentration of robotics and automation firms in the country. Ontario accounts for approximately 48.5% of all IT workers in Canada, and Toronto ranks 3rd in North America for the fastest growing tech talent. Ontario continues to be a leader in auto manufacturing, is the second largest producing jurisdiction in North America, with an ecosystem that is shaping the future of automotive and mobility solutions. Meeting the future needs of workers and employers in these emerging sectors will require continued Labour Market Transfers to help build collaborative networks of partners across all the province's regions.

These features of Ontario's labour market are a call to action: obstacles that might inhibit workers and employers from thriving in a modern economy must be removed. In a climate of uncertainty and uneven recovery, Ontario's public employment services, supported through Labour Market Transfers, are responsive and invaluable tools serving the province's workforce development.

## The Role and Impact of Public Employment Services in Ontario

### Employment Services Transformation

Ontario is in the midst of a multi-year effort to transform its employment services to realize the province's vision for an efficient and streamlined system. Beginning in 2018, steps have been taken to modernize the delivery of services for jobseekers and employers by consolidating some employment and social assistance services across the province. Implementation is being phased with the province-wide sequenced roll-out planned to begin in 2022. This system will, upon completion, create one efficient service delivery and outcomes-based system to better meet the needs of job seekers, particularly those with a more tenuous labour market attachment, employers, and communities.

Through this transformation, the province's role is shifting to an emphasis on managing system outcomes, system oversight, and ensuring linkages with government priorities. In the transformed system, selected Service System Managers plan, design and deliver core employment service activities (e.g., job search and placement services) and specialized services for people with higher or more complex employment service needs. These managers, by working in defined catchment areas, will improve the local responsiveness of Ontario's employment

services, and provide clearer paths to employment, while also supporting employers in finding the right workers with the right skills. Three prototype areas were launched in 2019 to test the effectiveness of this approach. Early results are promising: SSMs served 10,133 clients, 34,206 employment action plans were started, and 84% of those who completed a survey one month out reported being employed.

## **Sector Approaches and Workforce Development Innovation**

Ontario has used its Labour Market Transfers to support this vital transformative work while seamlessly proceeding with ongoing operations that help people build skills, retrain, and advance their careers, and help employers attract and retain talent and prepare for the labour market needs of the future. Sector-based initiatives are a key piece of Ontario's workforce development planning. To support workforce development in key growth sectors, Ontario has launched programming that funds partnerships to connect employers with the employment and training services required to recruit and advance workers with the right essential, technical, and employability skills. Ontario has significantly expanded the number of sector-based projects it has supported since 2017 thanks to Labour Market Transfers, with more than \$90 million invested in over 90 projects as of fall 2021. The healthcare sector has been

a particular focus, with 16 active projects since March 2020 supporting the training of approximately 3,800 participants.

To help employers' recruiting needs, Ontario is at the forefront in providing rapid skills training through micro-credentials. Forty-nine pilot programs were launched in 2019 and 2020 to help with the development and delivery of in-demand skills training to 344 workers who were laid off, underutilized, or at risk of layoff. This has involved engaging with the province's postsecondary institutions, local industry and employers to develop responsive training that leads directly to local or regional jobs and supporting critical areas of need within communities.

Prior to and during the pandemic, Ontario has also been at work modernizing its skilled trades and apprenticeship system. The province undertook extensive outreach to determine the needs of the skilled trades sector and has developed a comprehensive strategy that will meet these challenges by using Labour Market Transfers to support apprentices, employers, and information technology resources. A new provincial body has also been created that will simplify the apprenticeship system for tradespeople and apprentices by offering more digital services to users.



Throughout the period of the extraordinary economic shock caused by the COVID-19 pandemic, the additional WDA funding provided by the federal government has provided an opportunity for Ontario to support innovative demonstration projects that can respond quickly to labour market changes. The Skills Development Fund (SDF) was launched in winter 2020 and enables market-driven solutions that unlock the economic potential of hundreds of initiatives that focus on the skilled trades to facilitate economic recovery. These demonstration projects are helping to relieve pandemic-induced labour and financial impacts on businesses and priority sectors, supporting the quickest path to employment opportunities, encouraging partnerships to enhance the development of a skilled workforce, supporting efforts to create innovative training ideas and solutions, and improving the capacity of communities to respond to labour market shocks. The first round of the SDF supported approximately 150 projects and is aiming to help 260,000 workers and job seekers across the province take the next step in their careers.

## The Impact of Investments Under the Labour Market Transfers

The additional Labour Market Transfers funding that Ontario has received since 2017 has been essential to the province's ability to innovate and offer an expanded range of services for users, including enhanced sector approaches to workforce development. Ontario estimates that over 64,300 additional individuals and over 2,400 additional employers have been able to access services each year as a result of this additional funding.

The province continues to deliver an inclusive economic recovery for all Ontarians by addressing both current labour shortages and future labour market needs, and responding to emerging major economic shifts. Labour Market Transfers remain crucial to ensuring economic recovery, growth and innovation in the province.

## Program Spotlights

### Vehicle Innovation Network

The Ontario Vehicle Innovation Network (OVIN), is Ontario's response to the rising global demand for electric vehicles and connected and autonomous vehicle technologies and infrastructure. In 2019, Ontario partnered with a not-for-profit program lead on the first phase of a Talent Strategy and Roadmap as part of a province-wide automotive strategy. This project engaged a broad range of sector stakeholders, including post-secondary institutions, private training institutions, not-for-profits, government, and industry.

The project has resulted in the development of a comprehensive strategy and roadmap that is positioning Ontario's automotive and mobility sector for long-term success by outlining key objectives and initiatives to help achieve OVIN's 2030 vision for Ontario's automotive and mobility workforce. It has also produced the free-to-use OVIN Skills and Career Navigator tool with the aim to help build a talented automotive and mobility workforce in Ontario that is equipped with the skills that are in-demand for jobs both now and in the future.

The project is now entering the next phase, focusing on the development of an Upskilling Platform, a Reskilling Platform to transition traditional manufacturing and displaced workforces, and an expansion of the Talent Strategy and Roadmap for the automotive and mobility sector, with a focus on diversity, equity, and inclusion initiatives.

### Better Jobs Ontario

Ontario has modified many of its employment and training programs to better address the needs of workers and employers since the outbreak of the pandemic. A key initiative for this work is Better Jobs Ontario, formerly known as Second Career, a program that began the first of three phases of redesign in 2020. Individuals laid-off from sectors highly affected by COVID have been given fast-track access to programs that can help them transition to high-skill, in-demand occupations. Shorter-duration training has also been introduced to support rapid re-attachment to jobs in provincial priority areas such as advanced manufacturing, life sciences, information and communication technology, and supportive health services. These program changes are having an immediate effect, even in the midst of the pandemic, for the 3,045 clients who completed their training in 2020-21: 72% of clients who completed a follow-up survey 12 months after exiting the program reported being employed, 78% of whom were in a job related to their training. The third phase of Better Jobs Ontario re-design is expanding the program to unemployed people who have limited or non-traditional (e.g. gig work) work experience. These changes are anticipated to improve access for those whose employment barriers have been made worse by the pandemic, including social assistance clients, recent newcomers, youth, and persons with disabilities.



# Québec

## State of the Labour Market

Sustained economic growth combined with the stabilization of the population aged 15 to 64 is creating a labour shortage in Québec. This is reflected in the number of job vacancies (224 370 in the first trimester of 2022), which has been an almost constant increase since 2016. As a result, the vacancy rate is now 5.8%, compared to an average of 5.2% for Canada. Moreover, this high vacancy rate is observed even though the proportion of the Québec population aged 15 to 64 who are employed has reached 77% in May 2022. Québec's unemployment rate, which also reached an all-time high of 17.6% in April 2020, has fallen almost steadily back to 4.2%, well below its pre-pandemic level. In fact, by April 2022, Québec had wiped out all the job losses accumulated in March and April 2020 with an increase of 21,400 jobs (+0.5%).

Over the past 30 years, the share of highly skilled jobs has increased by 13 points of percentage. It now accounts for nearly 50% of all available jobs, a share that is expected to continue to grow in the coming years. This evolution is fuelled by the important transformations that are simultaneously taking place in Québec's economy, such as the transition to teleworking, technological shifts and the transition to a low carbon economy. These transformations have important

repercussions on jobs and require a continuous adjustment of workers' skills, as well as human resources management practices by employers. In a context of growing labour shortages, Québec must pay ever greater attention to under-represented labour market groups who also deserve to benefit from the current economic momentum, including experienced workers, recent immigrants, youth, First Nations and Inuit people, and persons with disabilities.

## The Role and Impact of Public Employment Services in Québec

Public employment services' interventions are in line with the perspective that employment is the best way to fight poverty and social exclusion, to ensure the financial autonomy of individuals and to promote the economic prosperity of Québec. To achieve these objectives, Québec's employment services have been built according to a universal, decompartmentalized and decentralized model. This approach makes it possible to adapt the services offered to the varied realities and needs of the 17 regions of Québec. The key to Québec's success is to be able to offer an individual assessment of clients' needs, which makes it possible to offer the right measure to the right person at the right time throughout

Québec, to integrate as many citizens as possible into the labour market.

Thanks to this approach, refined since 1997 and adopting international best practices, Québec has served in average more than 285,000 clients since 2017 (most of them served thanks to the Labour Market Transfers), enabling in average more than 156,000 of them annually to be employed at the end of their participation. Additional funds invested through the Labour Market Transfers have allowed Québec to adjust the provision of public employment services to support more unemployed individuals and to help more businesses.

Indeed, at a time when the labour market was undergoing major transformations marked by an ageing population, increasing labour shortages and a significant decline in the pools of available skilled workers, public employment services underwent a paradigm shift. From an intervention characterised by a high volume of clients, Québec has moved towards a more intensive offer of services to clients who are further removed from the labour market. Since 2017, approximately 45% of Québec's public employment services funding for individuals has been directed towards high intensity measures, such as training, upskilling or job readiness measures. The latest evaluation on the profitability of these training measures also shows that investments in the clientele furthest from the labour market (social assistance recipients) are amortised in just

over a year and that after five years, each dollar invested returns \$4.17 to society, i.e., a return of over 400%.

The use of more expensive, but more cost-effective, intensive measures has gone hand in hand with increased service provision to the most vulnerable clients. Since 2017, investments dedicated to persons with disabilities have increased by 18% to about 205 million\$ in 2020-2021, while those dedicated to youth under 35 have increased by 8% to about 452 million\$. Most of this funding is provided through Labour Market Transfers. Thanks to these funding, since 2017, Québec public employment services has reached an annual average of over 35,000 persons with disabilities and over 137,000 youth. On average, each year, more than 11,500 persons with disabilities and 60,000 youth have been able to find work after their participation.

This transition has also been accompanied by an increasing number of interventions in companies to ensure a match between workers' skills and employers' needs. Since 2017, investments for employers have increased by 31% to \$145,5 million in 2020-2021. Thanks to this increase, nearly 23,500 companies benefited from personalised support in 2020-2021, an increase of 30% compared to 2017-2018. In addition to the increase in funding, the flexibilities introduced in the Labour Market Transfers since 2017 have broadened the scope of some programs, allowing more



companies to be reached in a labour-scarce environment. Thanks to these new agreements and the additional funding they provide, Québec is helping more businesses train their workers, improve their human resources management (e.g., recruiting and retaining workers or integrating a diversified workforce), which, in turn, help them increase their productivity. This renewed attention was welcomed by Québec entrepreneurs, nearly 96% of whom said they were satisfied with the employment services they received.

Thanks to substantial funding from the federal government, the flexibility offered by the Labour Market Transfers and the transformation of the labour market, it is with a modernised, flexible and proactive service offer that Québec has tackled the challenge posed by the COVID-19 pandemic. Building on its existing measures, Québec quickly launched the “Programme actions concertées pour le maintien en emploi” (PACME), which aimed to support businesses affected by the COVID-19 to carry out activities specific to human resource management and skills development for their workforce. More than 45,000 businesses benefited from more than \$150 million in less than two months.

More recently, Québec launched its “Opération main-d’œuvre”. With an envelope of \$4 billion over the next five years to address the challenge of labour shortages in strategic sectors, Québec

wants to modernize its approach to mobilize Quebecers towards available jobs in essential public services and strategic economic sectors. As part of this initiative, Quebecers training in a field in demand will be able to count on increased income support of \$475 per week.

## The Impact of Investments Under the Labour Market Transfers

As Québec’s labour market faced multiple challenges since 2017, the Labour Market Transfers provided over \$ 5,6 billion over the 2017-2023. This significant level of funding along with the flexibilities provided through the Labour Market Transfers provided Québec with the ability to adapt its approach and weather the labour market challenges, including the COVID-19 crisis. It also increased Québec’s ability to mobilize and foster perseverance among the individuals it serves, particularly individuals further away from the labour market. In a highly competitive global economic environment, the Québec-Canada Labour Market Transfers were essential in responding to labour shortages challenges across regions and economic sectors.

## Consultation at the Heart of the Action

The Commission des partenaires du marché du travail (CPMT) is a consultation body that brings together representatives of employers, labour, education, community organisations and government agencies. It contributes to defining the orientations of public employment services in Québec

In addition to the CPMT, the Ministère du Travail, de l'Emploi et de la Solidarité sociale (MTESS) coordinates the government's response to the challenges posed by the labour shortage by ensuring that all the levers available to Québec ministries are used in a targeted, effective and concerted manner.

Each year, the MTESS, with the CPMT, establishes diagnoses on the state of balance of the labour market in Québec for the 500 occupations in the National Occupational Classification (NOC). These diagnoses make it possible to evaluate whether an occupation is or will be in deficit, in balance or in surplus of available labour for the period in question. These diagnoses, which are reviewed annually, are crucial to ensuring a training-employment match and ensure the growth of the labour market.

## Program Spotlight:

In November 2020, the “Programme d'aide à la relance par l'augmentation de la formation” (PARAF) came into effect. This temporary programme was aimed at unemployed people, including those who lost their jobs because of the pandemic, who wanted to upgrade their skills or requalify for a job in demand. In the midst of the pandemic, more than 20,000 individuals benefited from \$115 million of investment, of which 50% were women, 6% people with disabilities and 50% youth under 35.

In July 2021, a similar but more targeted program, the “Programme pour la requalification et l'accompagnement en technologies de l'information et de communication” (PRATIC) was introduced. This program provides income support of \$650 per week to unemployed individuals who are training for a job in demand in information technology.

These programs have demonstrated that adequate income support can mobilize individuals to upgrade their skills or requalify. Based on this experience, Québec announced a significant increase in its income support policy for participants in employment measures and services as part of its “Opération main-d'œuvre”.



# New Brunswick

## State of the Labour Market

By fall 2021, overall employment in New Brunswick had exceeded pre-pandemic levels. However, public health restrictions to slow the rapid spread of the Omicron variant likely caused employment to drop slightly in recent months. As of January 2022, employment was down (-1.1%) compared to February 2020. Employment numbers could rise again as public health measures are lifted. The net impact to employment is unclear and will depend on economic recovery offsetting sectors that increased hiring during the pandemic returning to pre-pandemics levels.

New Brunswick's unemployment rate has fallen from its pandemic high, but at 8.5% (as of January 2022), it remains slightly higher than pre-pandemic levels. Further, the unemployment rate remains higher than the Pan-Canadian average, which is consistent with pre-pandemic trends. A key driver of this higher unemployment is the relative importance of seasonal industries in New Brunswick's economy and on-going seasonal Employment Insurance usage within the province, although other factors such as misalignment of skills may also be contributing to higher unemployment. After rising significantly during the pandemic, long-term unemployment (27 weeks or more) is now close to pre-pandemic levels.

As has been the case in other jurisdictions, labour market conditions in New Brunswick have tightened during the pandemic. The job vacancy rate was 4.6% as of Q3 2021, and while this is below the Canadian average, it still represents a significant increase over pre-pandemic vacancy rates. The median hourly wage for workers in New Brunswick was \$22.23 in 2021 – up 10.7% from two years earlier. Numerous factors could be driving this change, including a high job vacancy rate creating competition for employees, and the loss of some lower wage jobs due to public health measures.

With a median age of 46.2 years, one of New Brunswick's greatest labour force challenges is mitigating the impacts of an aging population. To offset the impacts of accelerating retirements and sustain or grow its workforce, the province is becoming increasingly reliant on international migration as the main driver of population growth. Despite pandemic-related border restrictions limiting immigration levels, New Brunswick's population continued to see moderate growth in 2021, driven in large part by high levels of in-migration from other parts of Canada. In 2020-21, New Brunswick saw a net population gain of 3,887 people through inter-provincial migration, the largest increase through in-migration since 1975-1976. This helped the province

maintain a relatively stable workforce size between Feb 2020 and Jan 2022. For a province that saw very little population growth between the early-1990s and 2015, recent trends have represented a significant improvement. However, population aging and subsequent workforce decline remains a major risk.

## The Role and Impact of Public Employment Services in New Brunswick

In response to the evolving needs of the provincial labour market, in 2020 New Brunswick's Department of Post-Secondary Education, Training, and Labour completed a total redesign and re-branding of its employment services and supports. Employment services continue to be available at regional employment development offices across the province under the new brand, WorkingNB/ TravailNB.

WorkingNB offices provide information, services and interventions that are responsive to the needs of individuals, employers, and labour market partners. At a high level, WorkingNB:

- Empowers individuals, employers and regional partnerships through creative, measurable interventions and meaningful supports, optimizing business processes and realigning resources based on core competencies;
- Provides a new service delivery approach for employers through

Human Resource Support Services (HRSS), which focuses on collaborative assessment of HR needs and flexible, customized solutions that will lead to successful outcomes;

- Has eliminated wage subsidy programs in favour of a single, client-driven, experiential learning approach, known as Workplace Connections;
- Has focused on the establishment of long-term third-party contracts; and
- Has implemented a new Employer Directory and a new Virtual Job fair platform.

The new WorkingNB service delivery model focuses on building regional partnerships, which provides a broader and deeper understanding of the labour market challenges within partners' fields of expertise. Once root causes are identified, WorkingNB intervenes by addressing any service delivery gaps that may exist.

## The Impact of Investments Under the Labour Market Transfers

WorkingNB uses federal funding through Labour Market Transfers to support initiatives that promote the full labour force participation of underrepresented groups, drive recruitment and retention, and assist with labour force integration.

The additional funding provided by the Labour Market Transfers since 2017 helped WorkingNB be responsive to the labour market challenges presented by COVID-19



and other pressures including population aging and the changing nature of work and skills. Outlined below are some of the programs that have benefited from increased federal funding:

### Under-Represented Groups

- Seasonal workers – Pilot to facilitate transition from seasonal work to full-time work with multiple employers;
- Retirees – Pilots to mobilize retired workers back into the labour force;
- Indigenous and First Nations – Initiatives to facilitate labour force involvement of Indigenous individuals and First Nations communities;
- Newcomers and international students – Initiatives to integrate newcomers and International Students into the work force as quickly as possible;
- Persons with Disabilities – Initiatives to address barriers tied to the current labour market, as well as the development of an innovative new model for persons with a disability, where WorkingNB will have one contract with a cooperative organization, comprised of the employment assistance agencies delivering services to persons with disabilities;
- Trades – Programs mobilizing Indigenous people, women, and newcomers into apprenticeship; and
- Social Assistance clients – Ensuring that the provincial department of Social Development has the supports in place to move employable clients along the employment continuum.

### Recruitment and Retention

- Priority occupations – Higher training and skills development funding to motivate and support individuals to study and enter priority occupations, such as nursing, education and residential construction trades.
- Wage Investment – Working with individuals and employers to facilitate employment and address skills gaps by providing support with onboarding, training and experiential learning
- Labour Force Adjustment – Mobilizing sectors/employers in developing creative solutions to address labour force needs and address COVID-19 barriers; and
- Pan-Canadian recruitment – Robust schedule of virtual and in-person job fairs and connectors event that will assist employers in recruiting within Canada.

### Labour Force Integration

- Labour force training – Promoting support for sourcing and delivering in-house training during COVID-19;
- Experiential Learning – Further investment in experiential learning programs (FutureNB, FutureWabanaki) and Mitacs, which provides internships for graduate students; and
- Post-secondary education – Supporting initiatives related to post-secondary education that are innovative and responsive to the immediate needs of the labour market.

## Program Spotlight:

In the context of the COVID-19 pandemic, WorkingNB was able to continue connecting employers and jobseekers through job fairs thanks to a Virtual Job Fair initiative implemented in 2020. The Virtual Job Fair model promotes access to information and networking opportunities for New Brunswick employers and job seekers, as well as job seekers from across Canada and beyond.

WorkingNB also implemented targeted virtual events to connect job seekers across Canada to New Brunswick employers in targeted sectors and industries. These events continue to be in high demand by job seekers and employers.

*“Horizon used the virtual job fair platform to continue to connect with candidates during the pandemic. It has proven to be a valuable recruitment tool.”*

- Lisa Robinson, Senior Talent Acquisition Advisor, Horizon Health Network





# Nova Scotia

## State of the Labour Market

Two key labour market statistics for Nova Scotia in 2020/21 are as follows:

(1) In May 2020, Nova Scotia's unemployment rate was 13.6%. (2) By October 2020, Nova Scotia had recouped 97.3% of February 2020's level of employment. These two statistics reflect labour market conditions both at their pandemic-worst and at recovery.

Nova Scotia's peak unemployment rate in May 2020 coincided with the first wave of Covid-19 and was a result of the province-wide State of Emergency, which was issued in March, and its associated lockdown measures. In February 2020, 471,000 people were employed in Nova Scotia, 80% of whom were in service jobs. Within this group, in April, tourism and travel effectively ceased, 1,700 restaurants and bars virtually shut down, and most small businesses – which accounts for three-quarters of private sector employment – either closed completely or intermittently, or faced steeply reduced revenue. The not-for-profit sector suffered disproportionately as it depends on public capacity for supplying volunteering and financial support, both of which diminished. Altogether, the province lost approximately 75,000 jobs following the first wave of Covid-19.

The recovery from the first wave began in the fall of 2020 and carried over into early 2021. Whereas the economy contracted by 4.4% in 2020, by the end of the year the provincial GDP had been projected to grow by approximately 4.3% in 2021. One key factor underpinning the recovery in 2020 was the gradual loosening of lockdown restrictions, particularly the appearance of the Atlantic travel bubble. Overall, employment recovered to within 2,500 (-0.5%) of its pre-Covid-19 February level. In June, the employment rate increased by 3.5% and continued to rise. The employment rate in November, 57.1%, was 0.8% lower than the pre-Covid-19 level. The unemployment rate peaked in May, at 13.6%, and dropped to 6.4% in November.

Several additional factors combined to stabilize the province's economy. One is the province's record-breaking commitment in 2020/21 to increased capital spending (\$1.3 billion) to stimulate the economy. Another is the rate and volume of new housing builds and residential investment. Other significant elements are population growth, variables that reflect characteristics of Nova Scotia's labour market, the role of underrepresented groups, and sector-specific variables. These elements also contributed to subsequent recoveries in 2021/22.



## The Role and Impact of Public Employment Services in Nova Scotia

The following key statistics are organized into three categories and cumulatively indicate Labour Market Transfers impacts on Nova Scotia's labour market in 2020/21. The three categories are *Employment Participation, Education and Skills Attainment, and Inclusiveness*.

- Employment Participation:
  - ▶ 60.1% of EI claimants were returned to employment;
  - ▶ 58.3% of LMDA case-managed clients obtained employment.
- Education and Skills Attainment:
  - ▶ 13,176 WDA skills, training, employment services, work experience interventions, and post-secondary grants were delivered.
- Inclusiveness:
  - ▶ The percentages of Labour Market Transfers participants self-identified as belonging to at least one of the following groups: Aboriginal 5.1%, Acadian 4.1%, African Nova Scotian 4.2%, Immigrant 18%, Persons with a Disability 17%.

## The Impact of Investments Under the Labour Market Transfers

Since 2018, Nova Scotia has implemented numerous Labour Market Transfers program and service improvements. In 2019/20, the Skills and Learning Branch (S&L) made significant strategic investments in implementing the Target, Referral, and Feedback (TRF) tool as an integrated component of the Labour Market Programs Support System (LaMPSS). Utilized in this way, over time, quicker returns to employment are anticipated (2020/21: 2.2% of referred EI claimants registered with Nova Scotia Works (NSW)). NSW's Digital Service was launched and will contribute to maximizing the accessibility of employment and career-planning services (2020/21: 1,562 new participants). As of November 2020, the Workplace Education Initiative (WEI), traditionally an in-person program, transitioned to online delivery. These innovations were particularly beneficial as in-person services were suspended or restricted during the pandemic.

In 2020/21, NSW implemented an incentive system for service providers known to have supported a case-managed individual in finding a job. The incentive also prioritizes individuals underrepresented in the labour force. S&L conducted formal evaluations of the Self-Employment Benefit (SEB), START (Targeted Wage Subsidy), and One Journey Initiative (OJI), and implemented



a new funding model for NSW service providers that includes an accountability framework for socioeconomic impacts. The Nova Scotia School of Adult Learning (NSSAL) has undergone continuous service reviews and adjustments since 2018. The improvements include the introduction of essential skills programming for Mi'kmaq agreement holders (January 2020), a new funding model (June 2020), expanded learner eligibility (September 2020), and expanded essential skills programming across the system with a focus on digital literacy (2021).

In 2020/21, S&L Business Workforce Consultants met regularly with more than 15 sectors to assess sector-specific impacts of the pandemic. As a result of this work and in support of the shift to working remotely and online learning, the Sector Councils Program, Workplace Innovation and Productivity Skills Incentive (WIPSI), and OJI, adapted to the identified needs of industry to support client adaptation and recovery.

Since 2019, Nova Scotia has developed several special projects. The Back to Work Community Partnership, through which community-based projects that address local labour market and workforce development opportunities and demonstrate collaborative, strategic partnerships (2020/21: 25 projects across the province) was launched in 2021. Other projects of note include:

- the Centre for Digital Learning, a resource for on-line learning best practice support for universities and community colleges;
- a partnership with the Phoenix Youth Programs to fund a pilot workplace attachment program for underrepresented groups;
- the Connector Program, which connects recent graduates, youths, newcomers, and international students to Halifax's local community and business leader volunteers;
- the Bridging Community and Industry initiative, which will provide financial and community support to 210 eligible individuals from underrepresented groups to undertake apprentice training.

## Program Spotlight:

S&L developed a series of programs, initiatives, and measures during (or as a response to) the pandemic in 2020/21. Among these, the Back to Work (B2W) Community Partnerships initiative is especially noteworthy for its expansiveness as well as its innovativeness in design and implementation. It is funded by additional investments to the WDA announced by the Government of Canada in December 2020 to support workers and employers facing pandemic-related challenges.

The first phase of the B2W consisted of a one-time call for concepts to identify projects for local/regional partnerships for the planning, creation, and delivery of short-term labour market development programs and projects that respond to an immediate need. The projects were to include foundational adult learning, essential skills training, industry-specific skills training, work experience or permanent attachment opportunities, and skills development of individuals with the intent to meet employer needs and sector demands. The projects align with B2W's overarching goal of helping employers to hire skilled workers and to support Nova Scotians, especially those from underrepresented groups, to prepare, train, and connect to meaningful employment.



B2W is uniquely expansive in that it is administered through three of S&L's Labour Market Transfer Agreements program areas: Workplace Initiatives, Employment Nova Scotia, and Adult Education. It is innovative in that its projects are conceived, developed, and intended to meet needs identified at local/regional levels. The projects are also administered at the local level.

The initiative consists of 25 community-based projects that will last between 12 and 18 months. Across the 25 projects, there are a total of 878 expected participants. As of January 2022, three projects are complete, with a total of 38 participants in both individual and group service formats. Of these 38 participants:

- Three identify as Aboriginal, six identify as African Canadian, nine identify as having a disability, and 16 identify as women;
- Four were between 15 and 24 years old, 33 were between 25 and 64 years old, and one was 65 years old.



# PANCANADIAN Spotlight 2

## Working with Employers



**55%** of Canadian entrepreneurs are struggling to hire the workers they need, according to the Business Development Bank of Canada.

*Source: Business Development Bank of Canada How to Adapt to the Labour Shortage Situation Study*



**\$1.05  
BILLION** Answering to this challenge, PTs have invested through Labour Market Transfers nearly 1.05 billion in 2020-2021 in initiatives targeting employers. More than 65,000 employers benefited from this funding to enhance the skills and knowledge of their workers.



# Prince Edward Island

## State of the Labour Market

Since 2017, Prince Edward Island's population has grown by 9.3%, this represents the strongest growth among provinces during that time. This population growth has resulted in P.E.I.'s working age population (15 to 64 years) increasing by 9%. P.E.I. was the only province to have its median age decline each year over that period. This population growth has contributed to strong economic growth as well as a more diverse population and labour force in Prince Edward Island. In February 2020, for the third consecutive month, employment levels in Prince Edward Island had established a new all-time high for employed individuals. This employment growth drove the unemployment rate to historical lows just as multiple industries indicated there were labour shortages.

The labour market in Prince Edward Island was at unprecedented levels prior the onset of COVID-19. Early in 2020/21, Prince Edward Island quickly implemented measures to minimize the impact of Covid-19. The closures of schools and non-essential businesses, border shutdowns and travel restrictions had a negative impact on the economy that were felt immediately and continued to have a lingering effect on the labour market in Prince Edward Island late into 2021. P.E.I. was one of the provinces that was the furthest from

their pre-pandemic employment levels for most of the 2021 calendar year. More recently, employment figures rebounded in November 2021 and December 2021 surpassing the previously established all-time high for employed individuals set in February 2020. Despite the positive employment growth, recovery still lags in full-time employment and in employment for women as well as some industries.

## The Role and Impact of Public Employment Services in Prince Edward Island

PEI's small geographic size enables government to remain connected with industry, sector councils, employers, organizations serving under-represented groups, educational institutions and jobseekers. Formal and informal outreach activities with key stakeholders have proven to be an effective approach to establishing partnerships and ensuring labour market development in the province is relevant and responsive to current and emerging labour market needs and priorities. Over the last number of years, a shortage of workers was identified as the number one priority across the province. Traditional industries that tend to be seasonal in nature, including agriculture, fishing, seafood processing, aquaculture and tourism, indicated that attrition and population distribution



contributed to the lack of reliable and available labour and this was a major concern. Emerging industries such as bioscience, IT and green energy required access to skilled labour to meet the needs in an ever- changing world of work. More recently, outreach activities continue to demonstrate growing labour shortages, skill mismatches and a need to provide focused labour market programming for those who are furthest away from the labour market.

Funding from the Labour Market Transfer Agreements enables the province to work with its partners and key stakeholders to build a labour force that meets the needs of PEI businesses and industries and moving forward ensures Islanders have the skills required to obtain and maintain employment. While Prince Edward Island continues to deliver its traditional suite of labour market programs and services through the Labour Market Transfer Agreements, more recently the province has begun to increase investments to support initiatives targeting industry specific labour market issues while supporting under-represented client groups to gain skills and knowledge to find long lasting jobs. The transition towards targeted investments has coincided with the onset and continuing effects of the COVID-19 pandemic which has had a disproportionate effect on the employment situation for a variety of sectors and individuals in Prince Edward Island. The pandemic has led to a further transformation of the labour market and with it an acceleration in the

modernization of the delivery of labour market programs and services to Islanders. In the 2019-2020 fiscal, PEI increased funding to support group-based training and industry specific initiatives to support key sectors in the province requiring labour force participants. The province has placed an increased emphasis on providing sector specific short-term training to transition unemployed and under-employed individuals into the labour market and to fill labour shortages. In addition, an increased focus on group-based training initiatives for those furthest from the labour market has resulted in a more intensive intervention approach which has contributed to an increased intervention-to-client ratio.

The flexibility provided under the Labour Market Transfers assisted the province as it moved into the recovery stage from the COVID-19 pandemic. In the fall of 2020, the provincial government consulted with a wide group of stakeholders across Prince Edward Island. The consultation included women's organizations, industry and trade councils, and educational groups. Input was received about how the province could help Islanders impacted by COVID-19 transition into or return to the workforce.

Following the consultations, the COVID-19 Workforce Integration Fund was launched. The Workforce Integration Fund supported innovative projects from organizations that helped Islanders gain skills and knowledge to find long lasting jobs, advance their careers and access entrepreneurship

opportunities. The funding provided support to projects and programs aimed at helping women, youth, and under-represented groups to transition into or return to the workforce. These efforts assisted in the recovery and growth in Prince Edward Island and ensured all members of the population, including women had the opportunity to succeed and thrive.

The province invested approximately \$3.5 million through the Workforce Integration Fund, supported 18 projects and assisted 285 individuals. To date the results have been positive and have assisted under-represented populations gain skills to reduce barriers to employment.

## The Impact of Investments Under the Labour Market Transfers

The additional Labour Market Transfers investments has provided Prince Edward Island with much needed support to begin the transformation and modernization of its programs and service delivery. This funding has enabled the province to support innovative employment and training opportunities to assist individuals who face barriers to employment to successfully transition to the workforce and assist workers and employers to take advantage of evolving opportunities that will support ongoing economic recovery efforts.

Consultations with stakeholders identified that labour market development in Prince Edward Island will need to continue to focus on improving labour market outcomes for under-represented groups as well as providing flexible, timely and relevant programs and services. Prince Edward Island shares the priorities of the Federal Government to build a more inclusive and equitable workforce, transition to a low carbon economy and addressing shortages in skilled trades, healthcare and early learning sectors.

## Program Spotlight:

### **Reskilling Displaced Workers for the Bioscience Sector**

The Canadian Alliance for Skills and Training in Life Sciences (CASTL) designed and delivered an innovative and accelerated reskilling program to displaced employees from other sectors as a result of the economic impact of COVID-19.

The program provided participants with an eight-week blended learning through a local post-secondary institution followed by a four-week on-the-job training experience with bioscience employers.

The reskilling program facilitated the successful and permanent transition of 76% of program participants to full-time employment within the expanding bioscience sector in Prince Edward Island. Industry reported that onboarding time required to train and reskill participants was reduced by 50% and all participating employers indicated they would participate in future reskilling programs.

### **Supporting Indigenous Communities in Prince Edward Island**

SkillsPEI in partnership with the federal government of Canada are supporting the Epekwitk Assembly of Councils operating as Mi'kmaq Confederacy of PEI Inc. (MCPEI) in providing 20 Indigenous participants mentorship opportunities and skills gain through existing social enterprise models and 10 Indigenous participants with workplace essential skills, under a flexible working model that includes both in-class and one on one learning.

The social enterprise component of the project is built on three pillars including agriculture/aquaculture, culture/tourism and property management. MCPEI designed, delivered and are building on existing sector-specific skills and development initiative gaps in the labour market, particularly as the needs present in the First Nations communities.

The four social enterprises for this project are Mi'kmaq Printing and Design Shop, the Construction of Tiny Homes within the community, Lennox Island Manufacturing & Epekwitk Gardens and Lennox Island Retail. Clients gain additional skills development through mentorship while increasing cultural competencies. The organization is supporting clients with



industry level coaching and sector training and accreditation where available i.e., construction.

The workplace essential skills (WES) component of the project is built under a flexible working model that includes both in-class and one on one learning with the clients. This is provided through instructor led training of workplace essential skills using assessment methods while maintaining cultural awareness as well

as the use of technology in education. Plans are based on an individual's needs with a clear path to success identified and supported by their learning provider.

The learning provider establishes partnerships with businesses and organizations in the community to support employment opportunities at the end of the intervention for the client.





# Newfoundland and Labrador

## State of the Labour Market

Like all jurisdictions in Canada, Newfoundland and Labrador was heavily impacted by COVID-19 and the resulting provincial public health measures put in place to deal with the pandemic. Between January 2020 and April 2020, employment levels decreased from 213,100 to 184,000 (a decrease of almost 14%). Since that time, employment has gradually returned to pre-pandemic levels as health restrictions continue to be lifted, and the economy recovers. Year to date indicators for 2022 are performing better than 2021, with increased labour force participation rates and decreased unemployment rates.

Statistics Canada's latest quarterly population estimates show the Newfoundland and Labrador's population increased by 695 persons from Oct. 2021 – Jan. 2022. This is the fourth consecutive quarterly increase since the start of 2021 and represents total growth of +2789 people for the calendar year (total net migration of +4,874 less natural change of -2,085). This increase means that for the first time since 2011, Newfoundland and Labrador's population grew for the full calendar year. The growth last year was due to international migration and interprovincial migration. In 2021, we

nearly tripled the international migration numbers (2,965) and more than doubled interprovincial migration (1,909). This has been particularly significant given that there are no current population forecast scenarios up to 2041 where the population increases significantly above 2021 levels. Furthermore, as of July 2021, the median age in Newfoundland is now at 47.8 years and is even higher in rural regions of the province (53.2), meaning there will be progressively more people leaving the labour force in the years to come and less younger workers available to fill their ranks. The average age of people nominated for immigration by Newfoundland and Labrador in 2021, was 31 years of age.

Like most places in the world, Newfoundland and Labrador has had to respond to profound shifts in the economy and labour market, many of which are unprecedented and/or occurring at an accelerated rate. Provincial responses have included:

- Building the foundation for new up-and-coming industries to complement traditional ones (e.g., initiatives to both meet and create demands in a growing variety of fields, ranging from the tech industry to the arts and film industry);

- Supporting innovation, especially in areas related to the green, blue, and tech economies;
  - Exploring new models of work, such as remote work options, the gig economy, and use of newer technologies to more efficiently meet current labour needs;
  - Consideration of new approaches to attract workers to sectors where finding workers is becoming an increasing challenge, such as in the seasonal economy and trucking industry; and
  - Attention to the training and employment needs of workers from a wide variety of backgrounds, including workers of different ethnicities, ages, genders, levels of disability, and life stages.
- Focus on addressing labour market challenges facing employers and employees throughout Newfoundland and Labrador;
  - Promote employment growth; and
  - Support provincial economic strategic objectives and priorities.

A key factor in the success and continuous improvement of public employment services has been investments through the Labour Market Transfers. Investments made through the LMDA and WDA enable the province to capitalize on a variety of economic and advanced educational opportunities leading to job creation and growth. Clients develop skills, obtain, and maintain employment because of their participation in employment and skills training programs. Since 2017, Newfoundland and Labrador has served more than 61,000 individuals under the transfers. During the same time, over 20,000 individuals participated in Skills Development interventions, which improved employment outcomes, wages and assisted with employers fill positions due to labour shortages.

## The Role and Impact of Public Employment Services in Newfoundland & Labrador

Newfoundland and Labrador's public employment services help to ensure the province has skilled workers for a fast-growing economy. Our integrated labour market programs and services help:

- Develop and build the knowledge, skills and abilities of individuals;
- Facilitate more efficient and effective matching of a skilled labour force with the current and emerging needs of employers;

As part of Budget 2017 commitments, the additional funds invested through the Labour Market Transfers have enabled Newfoundland and Labrador to increase its capacity to provide Employment Assistance Services (EAS). Based on expected increased demand for services identified needs, the province established four Employment Options offices in

St. John's (two locations), Grand Falls – Windsor, and Corner Brook, to provide employment counselling and case management services to EI-eligible clients. As a result of this increase in capacity, the number of EAS interventions have increased steadily. In 2017-18, there were 3,613 EAS interventions, increasing 15,743 in 2020-21. The intervention to client ratio increased from 1.3 in 2017-18 to 2.6 in 2019-20 and 2.3 in 2020-2021.

Further, Budget 2017 investments have permitted additional investments under the Labour Market Partnerships program to provide support to employers, employer or employee associations, community groups and communities in developing and implementing labour market strategies and activities for dealing with labour force adjustments and meeting human resource requirements. Investments have grown from \$4.5 million in 2017-18 to \$12.5 million in 2020-21. These projects have reached across many sectors, including oil and gas, technology, agriculture, aquaculture, forestry, mining, and community.

COVID-19 has affected many key industries in Newfoundland and Labrador. To assist in addressing the impacts, the additional one-time federal funding of \$18.9 million provided under the WDA was invested into key areas of the labour market and enabled the province to increase services to youth, persons with disabilities, income support recipients and newcomers. Some examples are as follows:

- Due to the COVID-19 pandemic, the College of the North Atlantic and Memorial University were provided \$3 million in funding to assist co-op students who were experiencing difficulty securing the work placements they need to complete their programs.
- Despite the challenges of COVID-19, the Transitions for Individuals with Autism pilot helped more than 30 people find meaningful work. As well, the pilot earned the prestigious United Nations Zero Project award for innovative, impactful solutions that remove barriers to employment. With an additional \$3 million in funding through the Canada – Newfoundland and Labrador Workforce Development Agreement to expand the project was able to expand to six additional regions of the province.
- Two community organizations (Stella's Circle and Choices for Youth) were provided funding to plan for the implementation of an Income Support pilot to increase self-reliance through labour market attachment. The pilot commenced in 2021-2022.
- techNL was provided funding to implement a two-pronged strategy to address the talent gap in the tech sector. The Tech Talent and Immigration Strategy will provide employment related supports to drive awareness, make connections, and combine efforts of multiple companies in pursuing talent initiatives and immigration.

Moving forward Newfoundland and Labrador finds itself in a unique position. Exacerbated by the impacts of COVID-19, we have a high unemployment rate, an aging population and workforce, and some large skills gaps, particularly in rural areas of the province. Despite all of this, the province is on the precipice of a major transition to an economy driven by renewable energy. We have an evolving economic and industrial environment poised for significant economic growth. We will continue to support growing and emerging sectors such as technology and mining, while continuing to support significant challenges in the health-care sector. Immigration, and supporting our newcomer

population, remains a key priority focus for the Government of Newfoundland and Labrador, to meet existing and future labour market demands.

With the shifting nature of work, it is critical that the Government of Newfoundland and Labrador's employment and training programs and services evolve in tandem. Given that the responses envisioned by Newfoundland and Labrador are as multidimensional as the challenges themselves, sustained and flexible funding through the transfers will be instrumental in allowing the province to promote new economic growth as well as address existing, and future, labour market challenges.

## Program Spotlight:

The *Employment's Transition for Individuals with Autism Pilot* project helps people with Autism secure long-term, meaningful employment. There has been a long-identified need for support for individuals on the Autism Spectrum to access the services and supports required to engage in longer term paid employment. The challenge has been to design and implement a program of supports that addressed the specific often non-employment related needs of individuals on the spectrum while using their identified high-level skills to market them to employers with limited or time sensitive supports. Through session based professional development, the program supports the participants through the job search process, and helps them develop and improve their social and communication

skills. Participants prepare a personalized employee tool kit, which provides strategies and accommodations to encourage independence and success in the workplace. The program also works with employers and provides insight into accommodations and strategies that will support the participant / employee to work independently. Through the Canada - Newfoundland and Labrador Workforce Development Agreement, this project has recently expanded throughout the province and has connected a number of skilled and talented individuals on the spectrum to meaningful employment. Most recently, Avalon Employment Incorporated were awarded the United Nation's Zero project award for innovative, impactful solutions that remove employment barriers.





# Yukon

## State of the Labour Market

At the end of March 2020, Yukon had continued to enjoy a strong economy, featuring population growth, a steadily increasing GDP and low unemployment rates. As in previous years, gathering publishable data in a small market is challenging. The data quoted here comes from the Yukon Bureau of Statistics reports.

## Yukon's Labour Market in 2020-21

- Unemployment rate for 2020: 5.2% (lowest in Canada for 5th consecutive year)
- Participation rate for 2020: 70.9%
- 2020 labour force: 22,900 (21,700 employed, 1,200 unemployed)
- 10,600 persons were without a job in 2020 (15 years of age or older, either unemployed or not in labour force). Of these:
  - 5,900 had not worked in the last year or had never worked
  - 10,600 had worked in the last year or had never worked.
- Of those who had worked in the previous 12 months:
  - 1,600 had lost their jobs by permanent layoff
  - 600 left work to go to school
  - 300 retired
  - 200 lost their jobs by temporary layoff
  - 500 cited personal or other reasons (illness, disability, personal or family reasons dissatisfaction, etc.)
- 9,400 declared 'not in labour force', 1,000 of whom wanted work. Despite this potential, employers continued to report difficulty in finding qualified workers.
- Rural Yukon saw higher unemployment, and Indigenous Yukoners continue to have higher unemployment rates, at 15.4% Yukon-wide, in contrast to non-Indigenous Yukoners at 5.2% for 2020.
- Newcomers tended to be over-represented in retail and service sectors, but under-represented in most other sectors. Those in retail and service were often in jobs requiring less than their qualifications.
- In the fall of 2020, 76.8% of employees in Yukon businesses were full-time workers, and 90.5% of all employees worked in Whitehorse.

## The Role and Impact of Public Employment Services in Yukon

Since 2017, with the new flexibility afforded in the Labour Market Transfers, Yukon consolidated over 20 labour market programs into a suite of three programs. In 2019, three programs were designed based on the applicant. Working UP provides funding for individuals; Staffing UP, for employers; Building UP, for organizations. The aim was to begin the funding process by assessing the applicant's labour market needs, and Government of Yukon staff would then identify a source of funding – one of the Labour Market Transfers or Government of Yukon funds. The programs were designed to accommodate arising labour market priorities. In other words, the programs don't change when the priorities do.

As a result, when COVID-19 struck and businesses were closing down temporarily, some permanently, Yukon was able to take full advantage of Canada's additional funding from the Labour Market Transfers without having to develop new programs.

The UP programs' innovations and additional funding allowed flexibility:

- for more collaboration between departments, supporting Yukon's vision of a one-government approach.
- to incorporate and value First Nations' Ways of Knowing, Doing, Learning and Being.

- to collaborate with First Nation governments to support their labour market goals, and to support First-Nation-led employment services.

As a result, in 2020-21 Yukon saw more innovative and impactful labour market programming and projects which:

- engaged underrepresented participants in programming not yet seen in Yukon
- engaged increasing numbers of employers
- increased the number projects designed and delivered by First Nations with culturally appropriate activities
- reached out into a greater number of remote communities
- involved a greater number of Government of Yukon departments, including Energy, Mines and Resources; Health and Social Services; Tourism and Culture, Economic Development and Community Services to reach shared objectives in responding to pandemic measures

The flexibilities built into **Building UP**, **Working UP**, and **Staffing UP** meant that Yukon did not have to design a new program to respond to COVID. These flexibilities would stand up to the test later in spring 2020, when businesses closed and people began working and studying from home.

At the beginning of the fiscal year, as Yukon businesses were closing their doors and supply chains were disrupted, immediate concerns focused on ensuring continuity

of critical services. A second concern was for post-secondary students who relied on summer jobs to pay their way through school, and the downstream impact on the labour market of a large cohort that may have to discontinue their degree aspirations.

In May 2020, Yukon announced short-term labour market priorities to address the COVID crisis:

- Assist employers to hire post-secondary students
- Fill critical service jobs to ensure continuity of services
- Support the tourism and accommodation sectors
- Assist service providers and employers to adapt their operations to accommodate COVID precautions.

In **Working UP** (for individuals), Yukon supported training for Yukoners as before. With the federal government's additional COVID funding, Yukon supported post-secondary students and apprentices, Yukon provided a one-time payment of \$500 to 666 adult students to support them in transitioning to online learning. The impacts of COVID-19 measures moved many postsecondary and training programs to online and remote learning, creating a very different experience for adult learning attending university and college programs, trades and technical training. This tech grant Yukon's adult learners to purchase required technology to more effectively manage and be successful in learning online and remotely.

Through flexibility in the **Staffing UP**, Yukon prioritized \$750,000 to help Yukon employers create new summer employment and work experience opportunities for graduating and post-secondary students. Staffing UP helped students continue to earn income and develop skills for the workplace by connecting post-secondary students with businesses providing or requiring critical and essential services and offering wage subsidies of up to \$20 per hour.

**Staffing UP** also contributed to wages for employers to prevent layoff of key staff and preserve essential services and ensure Yukon will be primed to resume economic activity when the COVID restrictions loosened. In total, Yukon provided \$1.28 million to employers, representing 74 agreements that saved or created over 330 jobs, primarily in food production and distribution and tourism.

Through **Building UP**, Yukon provided \$5.7 million in funding to 33 organizations, including First Nation governments. This funding supported 52 projects, serving more than 10,000 Yukoners. Building UP supported service providers that needed help to adjust their operations to accommodate COVID precautions. In some cases, that support simply meant continuing to provide them with funding for overhead to prevent them from closing their doors and laying off thousands of employees. Other organizations shifted to online service delivery, and some of those changes required technology purchases.

The flexibility of **Building UP** also made it possible for Yukon to work with First Nations in developing labour market programming. Kwanlin Dün First Nation's House of Learning has delivered employment programming through Traditional Ways of Knowing, Doing, Learning and Being. Whether on the land or through traditional knowledge circles, we noted that this programming has resulted in progression toward participants' employment goals.

## The Impact of Investments Under the Labour Market Transfers

The additional funding has allowed Yukon to support innovative First Nations-led projects that incorporate Traditional Ways of Knowing, Doing, Learning and Being to help individuals furthest removed from the labour market to participate in their communities and progress along the labour market continuum. Including Elders in projects to provide support and guidance has proved invaluable in maintaining motivation, wellness and connection to projects.

First Nation employment and training offices are increasingly turning to on-the-land learning activities as a way to increase connection to participants' cultures, which in turn imparts critical Skills for Success. Recently, communities are preparing to pilot projects to teach subjects like English and Math on the land. Culturally

appropriate training demonstrates authentic reconciliation and empowers First Nation governments and program participants to seek success on their own terms.

Rigorous youth-focused programs such as the Yukon First Nations Wildland Firefighters and Sundog Veggies have challenged youth to test their skills, building confidence and competencies, with built-in culturally safe supports. Whether they remain in those careers or move on to different paths, those experiences are highly transferable and steer participants toward futures they may never have imagined.

Yukon was able to respond to the COVID-19 crisis with immediate result, targeting hardest-hit populations and sectors, to preserve jobs for the long-term and to maintain students on their post-secondary education paths. The Labour Market Transfers funding and flexibilities meant that Yukon saved or created over 330 jobs in the summer of 2020 alone, and many more beyond that.





# Northwest Territories

## State of the Labour Market

The Northwest Territories (NWT) labour market is characterized by a high proportion of public sector employment, dominated by the Government of the Northwest Territories. In addition, major GDP contributing sectors, such as mining and construction, currently depend on a substantial inter-jurisdictional workforce that is drawn from outside the territory.

The employment rate in the Northwest Territories was 72.4% in January 2022, 3% higher than in December 2021, and the highest for the month of January since 2008.

While the overall employment rate is high, communities outside of Yellowknife continue to have low employment numbers (66.9% in January 2022) compared to the Capital (77.3% in January 2022 for Yellowknife). Similarly, Indigenous population employment rates (65.9% in January 2022) are much lower than the non-Indigenous Northerners (76.8% in January 2022).

In 2021, employment rates ranged from 46.8% among those with less than high school education to 87.5% among those with a university degree, demonstrating the strong association between educational attainment and employment.

<sup>6</sup> Source: Survey of Employment Hours data from Statistics Canada <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410020101>

The relatively high employment rate in the NWT during the COVID-19 pandemic is related to many factors, such as the low number of COVID 19 cases in the territory, the possibility of remote work for public servants, as well as lower skilled jobs stemming from the pandemic, such as security guards, specialized cleaners and janitors, logistics and delivery, many of which were deemed essential. As these pandemic-related jobs are now ending, the impact of the almost complete closure of the Tourism sector is showing slow signs of recovery as Accommodation, Food and Service places employment numbers decreased by 22% from pre-pandemic level (from 1,817 December 2019 to 1,422 in December 2021)<sup>6</sup>.

The Northwest Territories' labour market is projected to have 13,700 job openings between 2021 and 2030, for an average of 1,370 job annually. The distribution of projected job openings across the six geographical regions will mirror current employment levels with 61% of all job openings expected in the Capital, Yellowknife.

## The Role and Impact of Public Employment Services in NWT

The Government of Northwest Territories Department of Education, Culture and Employment (GNWT-ECE) offers a variety

of Labour Market Programs to individuals, employers, organizations and communities through its Regional Service Centers. In 2020-2021, GNWT-ECE labour market programs provided direct financial support to 317 individuals and employers and supported 1305 program interventions for clients.

The GNWT is committed to ensuring that individuals in the territory have the skills, training and education required to fill jobs in demand and is working in partnership with stakeholders to deliver programs that directly address the education and training needs and economic realities of communities across the Territory. There is an ongoing need for targeted supports to help underrepresented segments of the labour market overcome barriers to education and employment. A more coordinated system between service delivery agents in the NWT can reduce duplication, address gaps in service delivery and expand the reach of services to employers and individuals needing support.

For those already in the labour market, it is also important to close the education and employment gaps of the available labour supply, particularly in small communities. This means enhancing the skill levels of individuals through both relevant education and training, and targeted supports, that align with the labour market.

## The Impact of Investments Under the Labour Market Transfers

Additional funding provided to PTs through federal Budget 2017 through Labour Market Transfer Agreements resulted in an increased investment of \$8.1 million dollars over 6 years for the Northwest Territories. With this funding, the Government of the Northwest Territories:

- Enhanced supports under its labour market programs for individuals, employers, and organizations;
- Redesigned and enhanced its labour market programs including streamlining programs from 25 to nine;
- Enhanced its labour market program marketing and branding to market and promote redesigned program offerings to clients, which included marketing materials, new program factsheets and brochures
- Supported strategic initiatives including undertaking labour market information (LMI) research with the Conference Board of Canada, and
- Supported engagement with stakeholders to inform the development of the GNWT's Skills 4 Success 4-Year Action Plan 2021-25 and Labour Market Forecast.

## Program Spotlight:

To assist individuals and employers in responding to the challenges posed by the COVID-19 pandemic and to support recovery, with the support of Labour Market Transfers, the Government of the Northwest Territories implemented two key measures:

- A new Labour Market Recovery Wage Subsidy was implemented in February-March 2021 that provided retroactive wage subsidies to assist employers impacted by COVID-19 to rehire workers; project funding to assist community organizations that aim to support economic and labour market recovery in the NWT; and supports for communities to hire residents in a range of roles that address pandemic-related needs and support labour market recovery.
- The Labour Market Recovery Program provided direct support for 154 positions. ECE also approved two community projects and provided financial assistance to 25 NWT communities.
- A Labour Market Recovery Wage Grant was implemented from September 2021 to February 2022 to support the retention or return of employees to the workplace in an environment where businesses were required to reduce services or operations due to Public Health Orders. Twenty six (26) wage grant applications provided support for 115 positions in the Northwest Territories.

### **Supporting Evidence-Based Decision-Making Through Labour Market Information**

Labour Market Transfers provided key support to the Government of the Northwest Territories' Skills 4 Success (S4S) initiative, the principal labour market strategy for the NWT, which is aimed at improving employment success for NWT residents, closing skill gaps for in-demand jobs, and more effectively responding to employer and industry needs. Throughout 2020 and 2021, Labour Market Transfers supported:

- extensive public engagement to inform the development of a new S4S 4-Year Action Plan 2021-2025 (Action Plan), which serves as a roadmap for education, training and skills building activities and investments by the GNWT from 2021 to 2025;
- The development and release of the new Action Plan, which includes 17 actions to address labour market priorities; and
- Updated labour market information specific to the NWT including an updated Labour Market Forecast and Needs Assessment, completed by the Conference Board of Canada, which outlines employment demands by occupation between now and 2040, in the NWT.

More information of the Government of the Northwest Territories' Skills 4 Success initiatives can be accessed at: <https://www.ece.gov.nt.ca/en/services/skills-4-success>.



# PANCANADIAN Spotlight 3

## Persons with Disabilities – A Specific Focus of PT Employment Services



### Persons with Disabilities – An Underused Reserve of Talent with Specific Needs

The unemployment rate of persons with disabilities is approximately 50% higher than that of the Canadian population aged 25 and older (Canadian Survey on Disability, 2017). As certain sectors face labour shortages, persons with disabilities are a segment of the population that can help meet the skills and talent gap. However, barriers remain to the integration of many persons with disabilities into the labour market.

- Employers lacking awareness of their potential, talent, availability and capacity;
- Additional supports and resources may be required during key periods like the transition from school to the labour force;
- A lack of coordination of supports and resources.



### Labour Market Participation of Persons with Disabilities: A Common Priority

With the signing of the WDAs, FPT governments stressed their continued commitment to allocating the necessary resources to ensure person with disabilities can fully participate to the labour market. Between 2017 and 2023, FPT governments investments earmarked for persons with disabilities reached \$3.09 billion (\$1.85 billion from the federal government and \$1.24 billion from PT governments).

### PT Governments in Action

Thanks to this important funding, PTs are taking action to ensure broader labour market participation for person with disabilities, including;

- A diverse, inclusive and adapted set of employment services targeted to the unique needs and situations of clients;
- Measures to support employers in raising awareness and facilitate hiring of persons with disabilities;
- Development of coordinated approaches for support systems focused on the needs of the individual, including employers, governments, educational institutions, community organizations, etc.



# Section 4

# Future Challenges



# Labour Market Trends and Challenges

With the collaboration of the LMIC

## Longer-term Recovery for Some Sectors

After three consecutive months of growth, employment in May 2022 reached 19,640,300 jobs and is now 2.47% higher than its pre-pandemic level in February 2020. The unemployment rate (now at 5.1 %) is the lowest since comparable data became available in 1976. The employment rate, which has been slower to recover, returned to pre-COVID levels for the first time in February 2022 and is holding steady. On the other hand, labour underutilization rose slightly in April relative to March 2022 (+ 0.8 percentage points), largely due to increased absences because of personal illness or disability.

Many important challenges remain and require careful tracking in the coming months and years. Successive waves of COVID-19 variants have necessitated the imposition of stricter health guidance and restrictions on business operations. These prudent health and safety measures have resulted in more job loss and lost income for many workers who are more likely to be among those with lower education levels and lower paying jobs. The ongoing effects related to COVID-19 will continue to shift the risk/reward profiles across occupations and sectors of the economy.

## Demographic Challenges and Labour Shortages

Prior to the COVID-19 pandemic, labour and skills shortages were a persistent challenge flagged by businesses across Canada. The rapid but incomplete economic recovery has brought this issue back to the forefront and is particularly acute in certain sectors such as the food service and accommodation sectors, where the number of job vacancies reached an all-time high of 89,100 openings in the second quarter of 2021, up 11,600 from the second quarter of 2019. Other sectors are also experiencing record numbers of vacancies, including manufacturing and health care. As of the last quarter of 2021, there were 915,545 job vacancies across Canada. All PTs are now facing with and will likely continue to face high vacancy rates. An important, yet uncertain, factor in Canada's recovery will be ensuring workers have and maintain needed skills and the efficient matching of workers with jobs, particularly in high demand sectors of the economy. Labour and skill shortages can thus affect growth in several important economic sectors, affecting the growth of the country.

The Canadian population is also ageing. According to Statistics Canada, in 2020-2021, the natural increase of the Canadian population was at its lowest since 1971-1972. Rising life expectancy combined with a low birth rate has steadily increased the proportion of Canadians 65 years and older (18.5%) compared to children aged 0-14 years (15.7%). To maintain the size of the Canadian economy, average productivity will need to be increased, which can be achieved through enhanced training and skills development. In that regard, the Labour Market Transfers play an important role in supporting PTs in developing initiatives that focus both on increasing the supply of skilled workers, integrating a larger part of underrepresented groups into the labour market, and on enhancing and updating the skills of the workers.

## Long-term Unemployment

Long-term unemployment increased significantly during the pandemic and at 224,200 individuals as of April 2022, remains nearly 25% higher than just before the pandemic. This represents, however, a major reduction from a peak long-term unemployment of 506,800 people in December 2020.

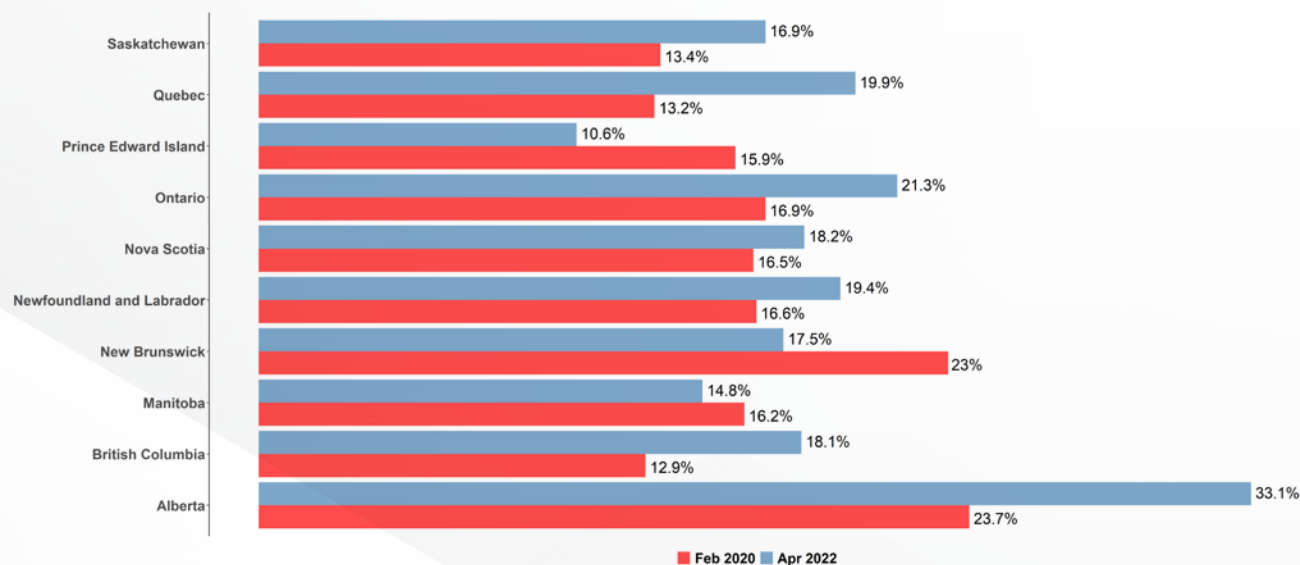
Figure 5 shows that this challenge persists across the provinces to varying degrees (data are not available for the territories). Only in New Brunswick (NB) and Manitoba (MB), for example, has the share of long-term unemployment<sup>7</sup> decreased below where it was in February 2020, from 23% to 18% in NB and from 16% to 15% in MB. Conversely, Alberta (AB), Québec, (QC), and British Columbia (BC) have experienced the greatest increases in the share of individuals who have been unemployed for 27 weeks or more relative to all unemployed persons. In Alberta, the number of long-term unemployed persons increased 11% relative to February 2020 (+ 4,600 individuals), bringing the share of long-term unemployed persons up from 22% to 33%. This situation is similar in both QC and BC, where the number of long-term unemployed persons grew by 32% (+ 8,100 individuals) and 50% (+ 9,000 individuals), respectively. This increases the respective shares from 13% to 20% in Québec and from 13% to 18% in BC.

The longer individuals are out of work, the more difficult it is for them to successfully re-enter the job market. As a result, this represents a critical labour market challenge that needs to be monitored.

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<sup>7</sup> The share of long-term unemployed reflects the number of persons unemployed for 27 weeks or more as a percentage of total number of persons unemployed.

**Figure 5: Share of Long-term unemployment by province, February 2020 versus April 2022**



## The Changing Nature of Work

Canada gained 2.3 million jobs between 2009 and 2019.<sup>8</sup> At the same time, rapid technological changes including the digital-first transformation of multiple industries, advancements in artificial intelligence, the growth of green jobs, the need for more people on the skilled trades, and the displacement of many in the oil and gas sector are re-shaping the employment landscape across the country. With these transformations has come increasing demand for higher skills across many occupations and sectors. According to the Canadian Occupational Projection System, high skill occupations are forecasted to be in demand over the coming years,

accounting for 75% of employment growth between 2019 and 2028.<sup>9</sup>

The pandemic has changed where and how many Canadians are working, with almost one-quarter of all workers operating exclusively at home, up from 7.5% in 2016.<sup>10</sup> Compounding these changes is the increasing prevalence of less secure “gig” work and data gaps regarding the employment and wages for these Canadians and uncertainty regarding their place in the employment insurance system.<sup>11</sup> These changes to the nature of work, the skills people need to find and keep employment, and people’s expectations for their careers are inter-related and require policy solutions and program responses, as they are not likely to disappear any time soon.

<sup>8</sup> Statistics Canada Table 14-10-023-01: Labour force characteristics by industry, annual.

<sup>9</sup> <https://occupations.esdc.gc.ca/sppc-cops/L3bd.2t.1.3shtml@-eng.jsp?fid=1&lid=29>

<sup>10</sup> The Daily — Labour Force Survey, January 2022 (statcan.gc.ca)

<sup>11</sup> The impact of COVID-19 on the gig economy: Short- and long-term concerns (statcan.gc.ca)



## Responding to Labour Market Trends and Challenges

With historically low unemployment rates, labour market shortages and an ageing population, it will be important to work more closely with labour market partners such as employers to ensure they have access to the workers and skills needed to fuel innovation and grow their business. Public employment services will need to be proactive in matching skills with jobs and thus helping employers access a pool of skilled workers and retain their employees while promoting continuing skills development and requalification, which helps to increase labour market retention. PTs must aim to adapt their employment services to diminish poverty, enhance the resilience of labour markets and foster inclusive and equitable economic growth for all.

# Employment Services of the Future

## Employment Services in a Digital Era

Employment services were central to governmental responses to the pandemic. The last two years has shown the scope and depth of services that can be offered to Canadian's workers and businesses and saw an acceleration of the transformation of the service delivery model. An emerging digital-first focus includes assessing the various needs of the unemployed, ensuring all workers have access to the upskilling services they need, online training, assessment tools driven by artificial intelligence, and better labour market information. To increase the responsiveness and the local and regional outreach technology can enable, continued leadership, efforts and investments are necessary. While new technologies will continue to change PT employment services, they will need to maintain traditional service delivery for jobseekers who lack digital literacy or Internet access to avoid digital exclusion.

## Upskilling and Reskilling

FPT governments have the opportunity to build on lessons learned during the pandemic. Many businesses have made known their desire for employees who are reskilled and upskilled. The evolving nature of work and needs of the labour market requires all Canadians to engage in continuous and ongoing learning and skills training opportunities throughout their working lives. As such, serving current workers will be a key to ensuring all Canadians can benefit from the emerging economic trends. Shifts in economic sectors and an increasing demand for higher level skills will further stress the importance of enhanced skilled trades initiatives.

## Working Closely with Local Partners

The best practices outlined throughout the report provide evidence that governmental initiatives, if they are to have lasting positive effects, need to be closely developed with local and regional labour market partners to tailor services to their needs. Local partners and stakeholders are well positioned to understand local economic conditions and predict variations in labour market needs. The skills and types of employment can vary greatly between local labour markets and require diverse strategies.



PTs consult on an ongoing basis with labour market stakeholders in their jurisdictions to set priorities and inform the design and delivery of programs and services that meet the needs of their local labour markets. As such, the flexibilities introduced under the Labour Market Transfers proved to be beneficial in support of the effectiveness of public employment services, as they increasingly benefit from being integrated into their local environments.

# Conclusion

PTs and the federal government have demonstrated in the past years and through this historic crisis that their collaboration under the Labour Market Transfers was instrumental in helping Canadian workers and employers adapt to the changing conditions on the ground. This report has demonstrated how FPT governments worked together to mitigate the negative impacts of the pandemic on the labour markets. A key aspect of this cooperation was the renewed architecture of the Labour Market Transfers, including the additional funding and flexibilities, which helped strengthen PT capacity and responsiveness to respond to labour market shocks. As a result, the unemployment rate in Canada is currently lower than before the start of the COVID-19 pandemic.

A number of challenges facing local labour markets have been identified in this report. The appropriate responses to tackle these challenges will vary from region to region, across sectors and depending on the sociodemographic characteristics of local populations. As such, the objective remains to provide the right service, to the right clientele, at the right time. The past two years have shown the need for quick action to address labour market shocks with varied local realities and how instrumental multi-level governmental collaboration is when helping Canadians in need. In the years to come, FPT governments will collaborate to tackle the labour market challenges

ahead, notably to ensure inclusive workforce development and economic growth that will benefit all Canadians.

In its 2022 Budget, the federal government has signalled that it is taking steps to renew its partnerships with PTs to be more responsive to the needs of workers, businesses, and the economy. The federal government is committed to working collaboratively with PTs on shared priorities to support Canadian workers and employers. On their end, PTs have identified key priority areas for discussion which include: investments that support responsive employment services with demonstrable results for Canadians in all jurisdictions; evidence-based approach to support policy decision making; creating and maintaining the appropriate employment and training programs for their labour markets; modernized agreements that facilitate and contribute to supporting an inclusive and productive economy; capacity to expand and enhance programming offerings and services intended for individuals far from the labour market needing intensive interventions; and broadened objectives and enhanced flexibilities.

Coming out of the pandemic, FPT governments seek to address new challenges and new opportunities to sustain long term growth. As such, they are determined to maintain a joint leadership to ensure that all Canadians have the support they need to thrive in tomorrow's economy.













A report by:

Forum of Labour  
Market Ministers



Forum des ministres  
du marché du travail

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