Addressing Labour Shortages

Current Labour Market Conditions

- Unemployment rates have been falling and job vacancies increasing in most regions, leading to labour shortages and... 

<table>
<thead>
<tr>
<th>Unemployment Rate</th>
<th>2008</th>
<th>2012</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of the total working age (15+) population in Canada.</td>
<td>3.2%</td>
<td>2.3%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Number of unemployed, reflecting a 5.8% unemployment rate.</td>
<td>1.16M</td>
<td>34%</td>
<td>159K</td>
</tr>
<tr>
<td>Size of the labour force, reflecting a 65.4% participation rate.</td>
<td>19.8M</td>
<td>64%</td>
<td>2016</td>
</tr>
<tr>
<td>Number of employed, reflecting a 61.6% employment rate.</td>
<td>18.7M</td>
<td>0.6%</td>
<td>2018</td>
</tr>
<tr>
<td>Average real hourly wage growth in 2018. Suggests there is little evidence of significant upward pressure, despite higher shortages in some regions.</td>
<td>527K</td>
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</tbody>
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Labour Market Pressures At-A-Glance

- Unemployment rate - %
- Labour Force Participation Rate - %
- Number of job successors - Thousands
- Share of the Canadian Working Age Population aged 55+ (Left Axis)
- Share of the Canadian Working Age Population aged 55+ (Right Axis)

Possible Pathways to Address Labour Shortages

- New Labour Market Participants: Increasing skilled immigration levels and improving immigrant participation rates would help address labour shortages. However, new graduates will continue to be the largest source of new labour...

- Women, Older Workers and Underrepresented Groups: Narrowing the participation gap of groups underrepresented in the labour force would help mitigate the decline in participation rates.

New Labour Market Participants:

- Participation Gaps:
  - Men: 69.6%
  - Women: 61.3%
  - Older Workers (Canada): 47.0%
  - Persons without disabilities: 84.8%
  - Canadian born: 66.1%
  - Non-Indigenous: 65.4%

- Additional Workers (% Labour Force):
  - Men: 1.2M (6.1%)
  - Women: 1.0M (5.2%)
  - Older Workers (Canada): 445K (2.3%)
  - Canadian born: 206K (1.0%)
  - Non-Indigenous: 48K (0.2%)

- Impact on the overall participation rate of closing a third of the participation rate gaps of under-represented groups by 2028:
  - Projected decline in the overall participation over 2018-2028 (percentage points):
    - Remaining Gap: +0.04
    - Gap: +0.2

- Remaining Gap: +0.04

- New technologies will require a workforce that is adaptable and capable of upskilling/reskilling and could result in a significant disruption to the labour market.

- Change the nature of work will require a workforce that is adaptable and capable of upskilling/reskilling and could result in a significant disruption to the labour market.

Source: Canada’s Long-term labour force projections to 2031 (COPS 2019) and ESDC’s calculations using the labour force survey and demographic projections from Statistics Canada.