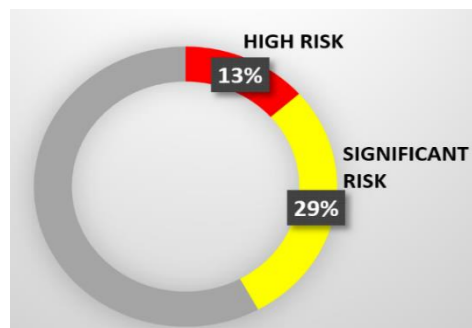


1. Technological advances are changing work and skills requirements

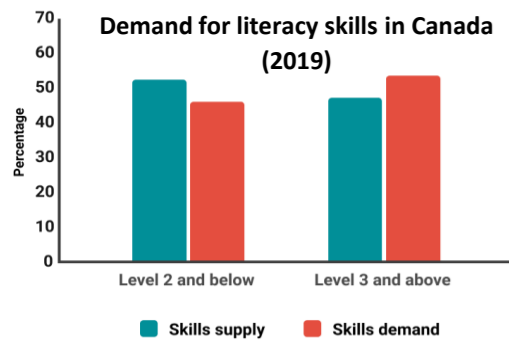
A SIGNIFICANT SHARE OF JOBS AT RISK OF AUTOMATION AND DIGITALIZATION



4 out of 10 jobs in Canada are at high risk (e.g. job destruction) or significant risk (e.g. requiring re-skilling) of automation.

Source: OECD Employment Outlook 2019: The Future of Work.

SKILLS REQUIREMENTS ARE INCREASING FOR ALL JOBS

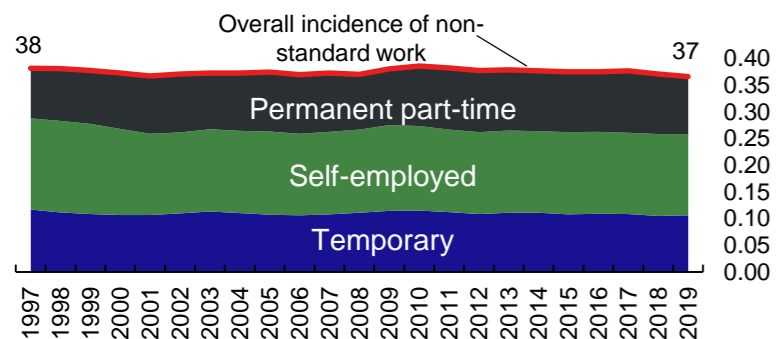


Over the next 10 years, 75% of the projected employment growth is expected to be in high-skilled occupations.

Source: Canadian Occupational Projection System (COPS). Job Openings (2019-2028)

Source: ESDC internal calculations from Labour Force Survey (2019) and estimations using Gartner online job postings (2019)

NON-STANDARD WORK HAS REMAINED STABLE OVER TIME



Employment shares by various types of non-standard work (15 years and over, %)

Non-standard work has remained relatively stable at approximately 37% of total employment from 1998 to 2019.

Source: Statistics Canada. Labour Force Survey. Job permanency (permanent and temporary) by industry, annual.

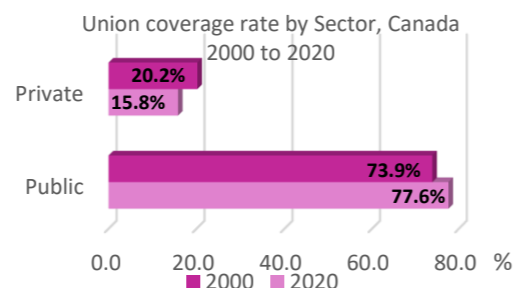
2. This brings new labour market challenges

SKILLS MISMATCHES

About 13% of Canadian workers' skills are mismatched to their jobs, resulting in impacts on wages, job satisfaction and turnover.

Source: C.D. Howe Institute. 2019. Calhoun 2015

UNIONIZATION RATES



The unionization rate in Canada declined from 32.3% in 2000 to 31.3% in 2020, driven by a fall in private sector rates.

Source: Statistics Canada. Union Status by Industry

GIG WORK

While there is some evidence of growth, the scope of change and implications are not yet clear given data and definitional challenges.

- From 2005 to 2016, the percentage of gig workers in Canada rose from 5.5% to 8.2%
- The median net income from gig work was \$4,303.

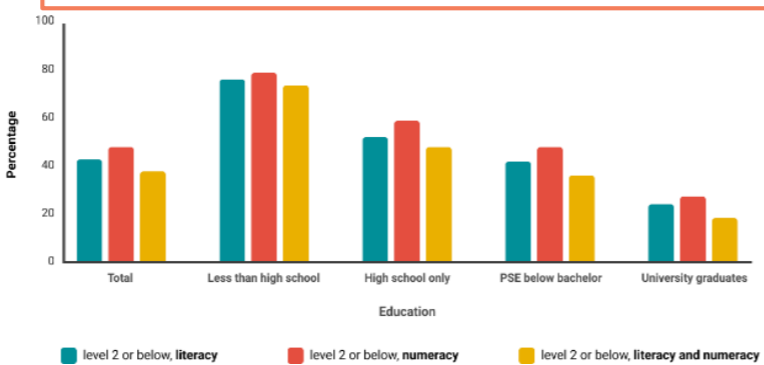
Gig work is transitory for some while more sustained for others

- Roughly 1/2 of those who entered gig work in a given year had no gig income the next year. However, 1/4 of gig workers remained in this type of work for three or more years.

Source: Statistics Canada. Measuring the Gig Economy in Canada Using Administrative Data. 2019.

5. Too many Canadians lack necessary skills and are not accessing training

45 % OF CANADIANS HAVE INADEQUATE FOUNDATIONAL SKILLS FOR THE MAJORITY OF JOBS

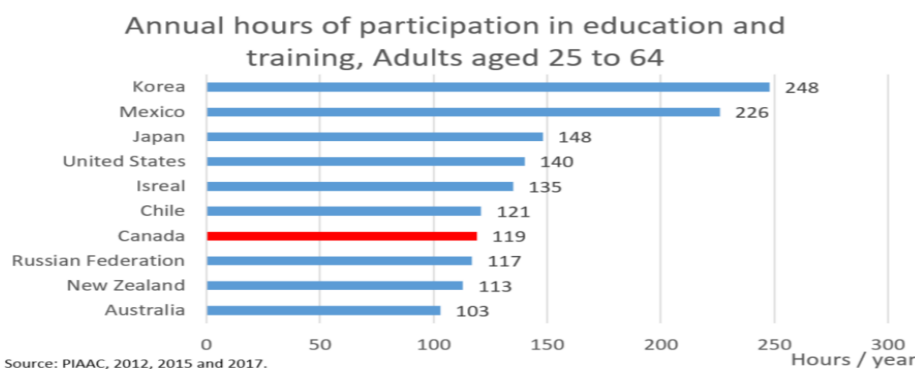


Source: Statistics Canada. University graduates with lower levels of literacy and numeracy skills

57.7% of adults with low skills in literacy and numeracy do not participate in job related education and training opportunities

Source: OECD. "Getting Skills Right" (2019)

BY INTERNATIONAL COMPARISONS CANADIANS SPEND LESS TIME IN TRAINING



Source: PIAAC, 2012, 2015 and 2017.

3. The pandemic accelerated some of these trends and exacerbated some challenges

DIGITALIZATION AND TELEWORK HAVE ACCELERATED AND ARE PERMANENTLY CHANGING HOW FIRMS OPERATE



2 in 3 Canadian businesses are selling online. 50% of those selling online started in 2020.

Source: PayPal Canada, Business of Change—PayPal Canada Small Business Study. 2020



Telework: As of September 2021, 21% of Canadians worked the majority of their hours from home (up from 4% in 2016).

Source: Statistics Canada. Labour Force Survey

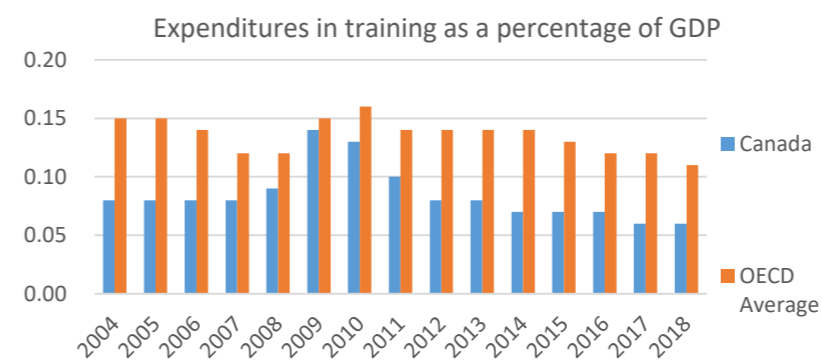
BARRIERS TO ONLINE WORK AND LEARNING

About one in four Canadian households in lower-income categories use smartphones as their primary internet access. Roughly 10 percent of households – mostly in rural areas – lack reliable broadband internet.

Source: RBC Thought Leadership. 2020

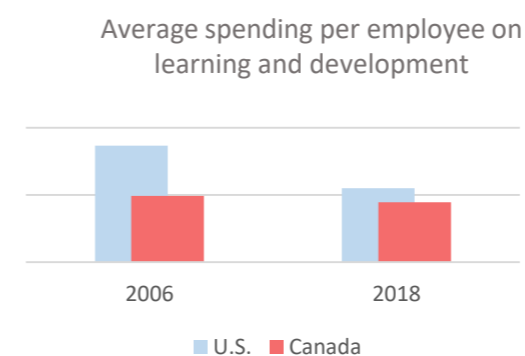
6. Investments in training are not keeping pace

CANADA'S TRAINING INVESTMENTS ARE LOW WHEN COMPARED INTERNATIONALLY



Source: OECD, Public expenditure and participant stocks on labour market programming

CANADIAN EMPLOYERS UNDER INVEST IN TRAINING

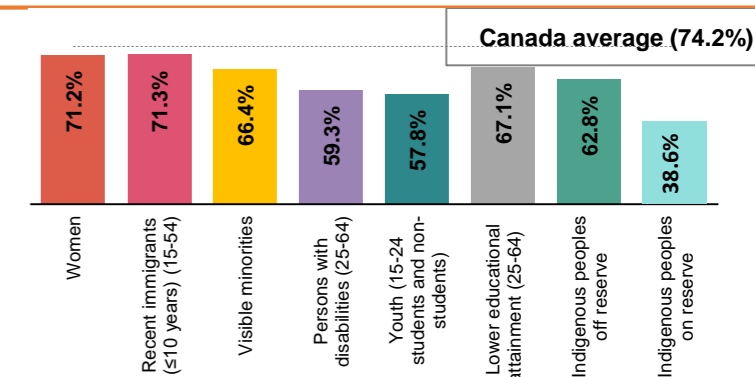


Canadian firms spend 81 cents for every dollar spent by US organizations on training (2018).

Source: Conference Board of Canada. 2018

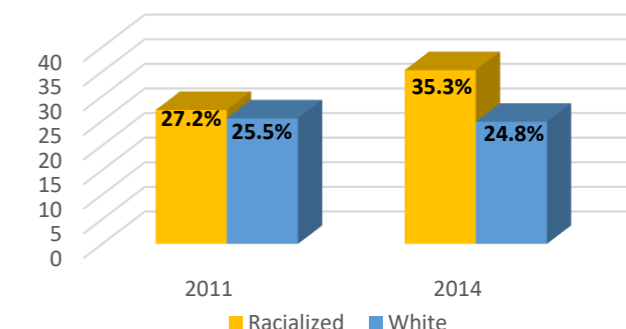
4. Some Canadians are at risk of falling further behind

EMPLOYMENT RATES FOR SPECIFIC GROUPS RELATIVE TO THE NATIONAL AVERAGE



Source: Statistics Canada. Labour Force Survey. 2019

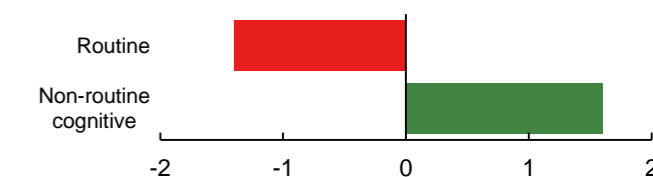
INCREASING INCIDENCE OF PRECARIOUS EMPLOYMENT AMONG RACIALIZED GROUPS



Example of study respondents in the Greater Toronto and Hamilton Area (GTHA) working in jobs characterized by low pay, hours of work and access to benefits (2011 and 2014).

Source: Poverty and Employment Precarity in Southern Ontario (PEPSO). (2015)

WORKERS IN LOWER SKILLED OCCUPATIONS, PERFORMING ROUTINE TASKS, ARE AT GREATER RISK OF AUTOMATION



Changes in employment shares by tasks expected in 10 years

Source: Canadian Occupational Projection System, 2017. Job Bank Data; and Statistics Canada. Labour Force Survey.