



“Help Wanted”: Demographics, Labour Supply and Economic Change in Newfoundland and Labrador

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- advises on building the University’s capacity and identifies priority themes and projects relating to: teaching, research and outreach
- <http://www.mun.ca/harriscentre/index.php>



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Over the medium to long term, labour shortages associated with population decline and aging are among the most significant labour market challenges facing Newfoundland and Labrador

**Canada-Newfoundland and Labrador
Labour Market Agreement**

2009-10 Annual Plan

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Total Population

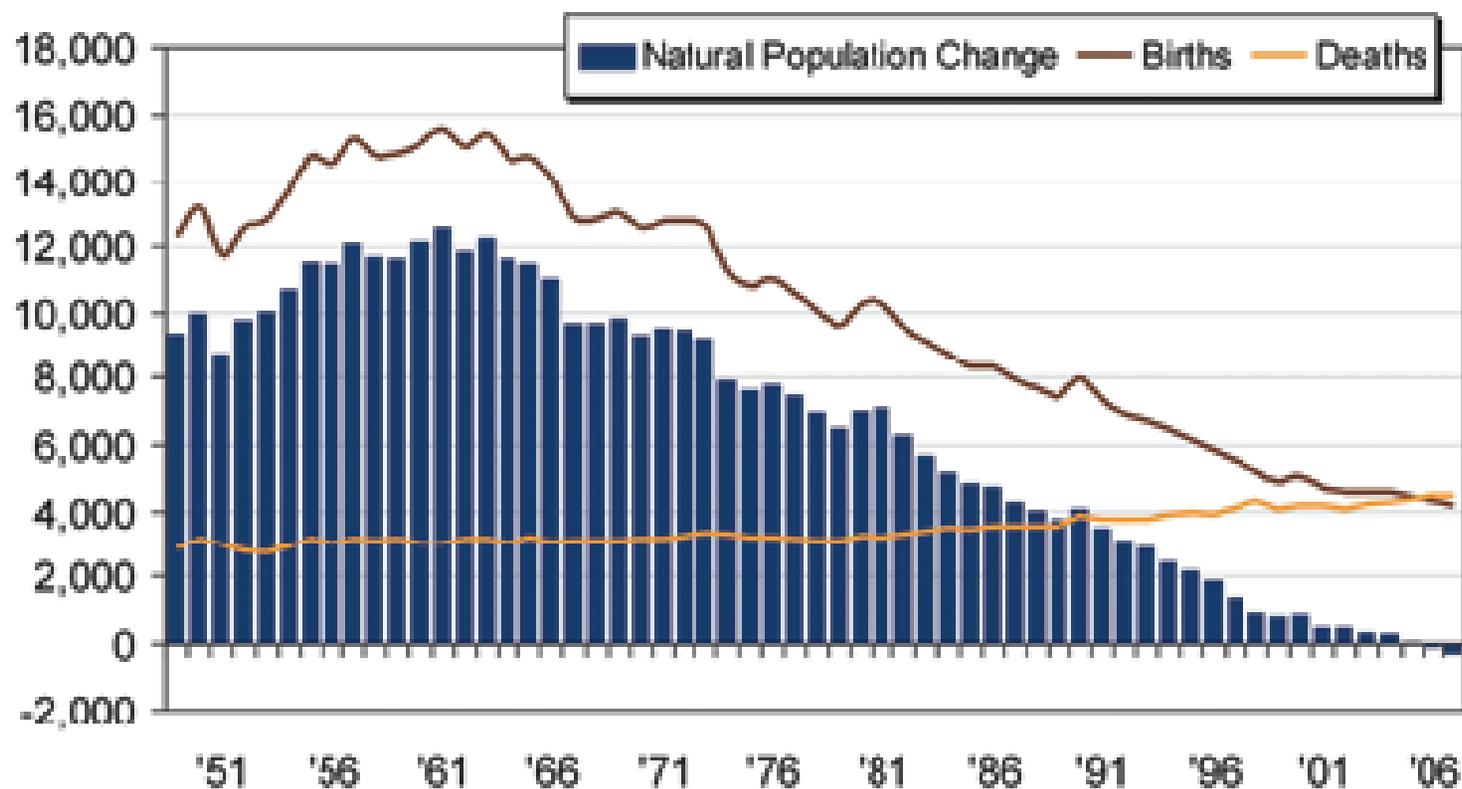
- 1992 – 580,000
- 2009 – 509,000 (-12%)
- Newfoundland – 478,450 (94%)
- Labrador – 30,550
- Avalon Pen. – 255,000 (50%)



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- **Natural population change**
 - **TFR declined since 1960s**
 - **Current fertility 1.3 – lowest in Canada**
 - **Births**
 - **1960s – 15,000 per annum**
 - **2008 – 4,300**
 - **Deaths**
 - **1960s – 3,000 per annum**
 - **2008 – 4,500**

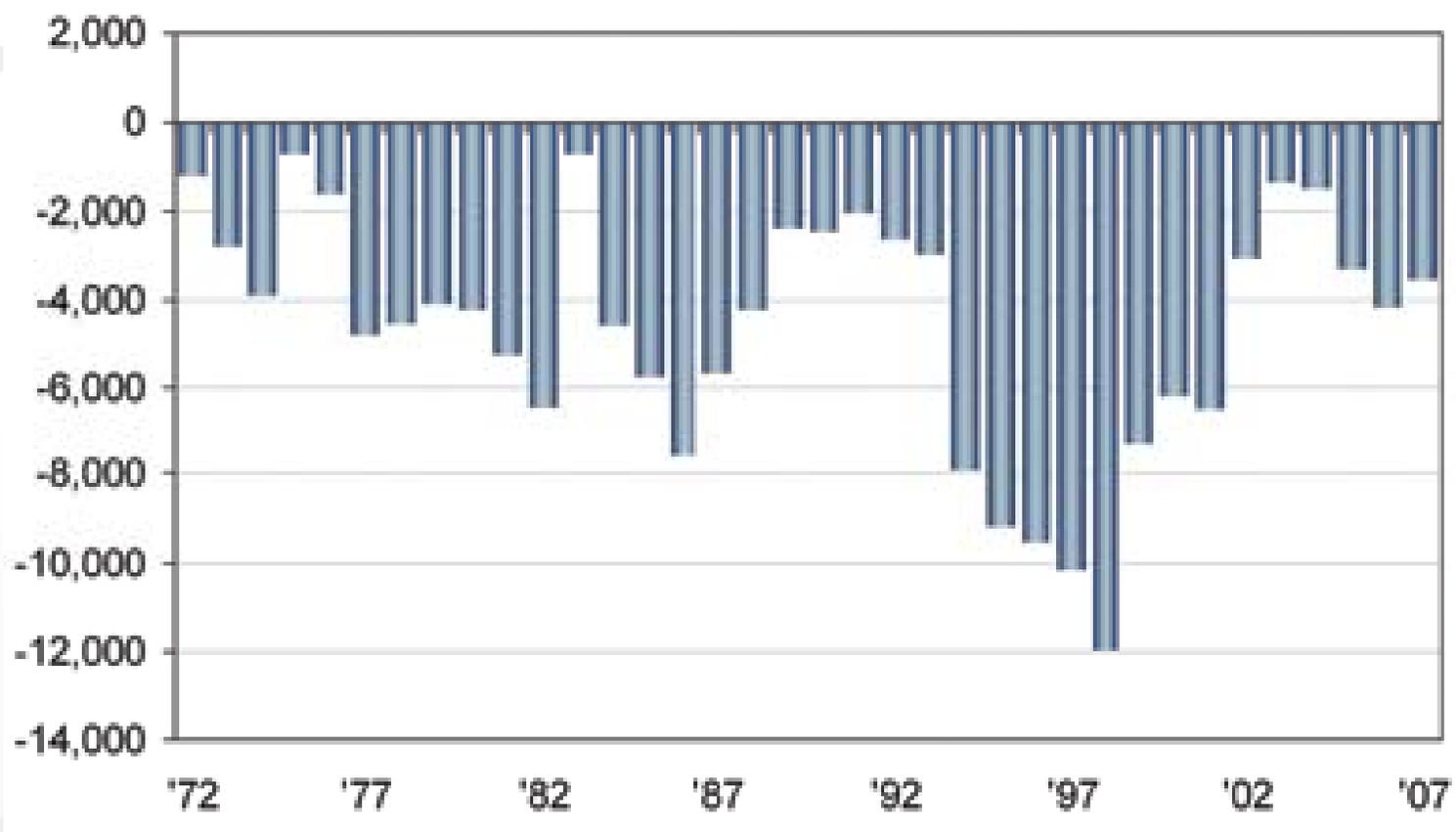
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Source: <http://www.economics.gov.nl.ca/pdf2007/regionaldemographicprofiles.pdf>

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Net migration 1972-2007



Source: <http://www.economics.gov.nl.ca/pdf2007/regionaldemographicprofiles.pdf>

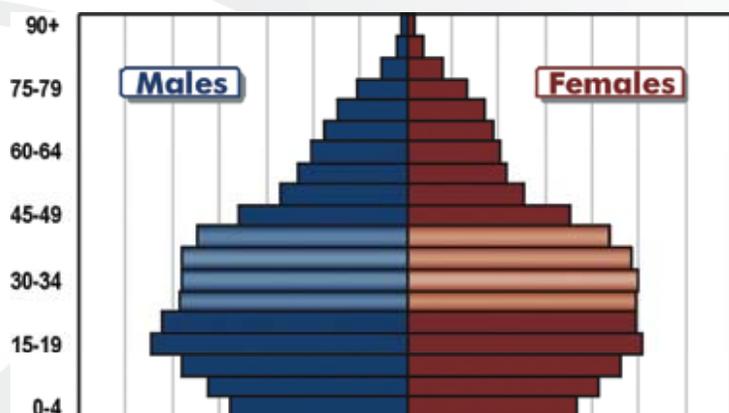


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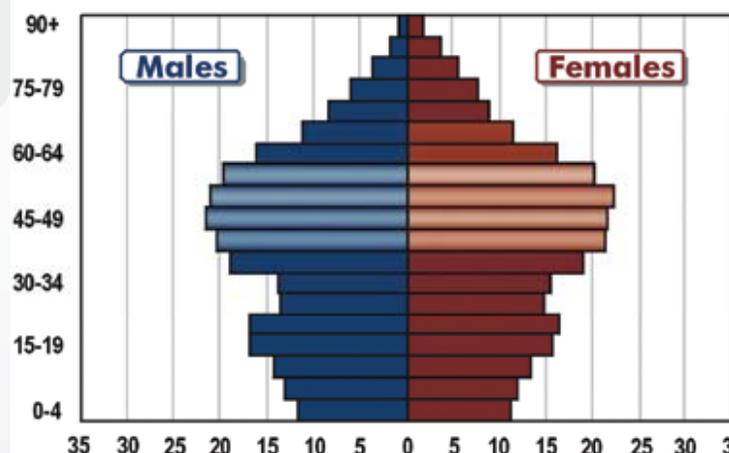
- **Age Structure**
 - **Rapidly aging population**
 - **1971 median age 20.9**
 - **2008 median age 42.0**

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Population Pyramids Newfoundland and Labrador



1992



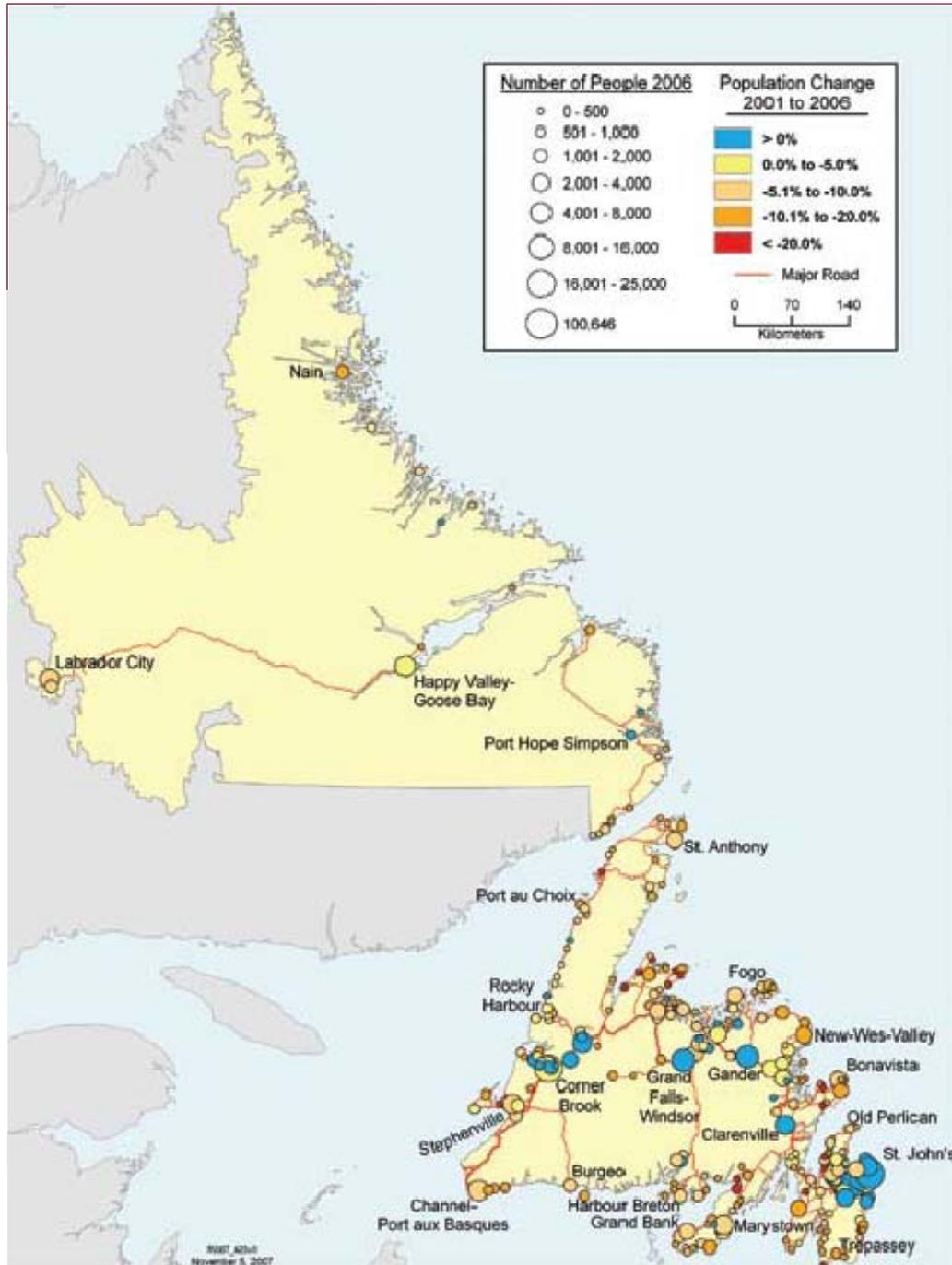
2007

Source:
<http://www.economics.gov.nl.ca/pdf2007/regionaldemographicprofiles.pdf>



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- **Geographic distribution shifts**
 - **rural – decline**
 - **urban – stable/growing**



Population shift:

-- away from rural coastal communities, to

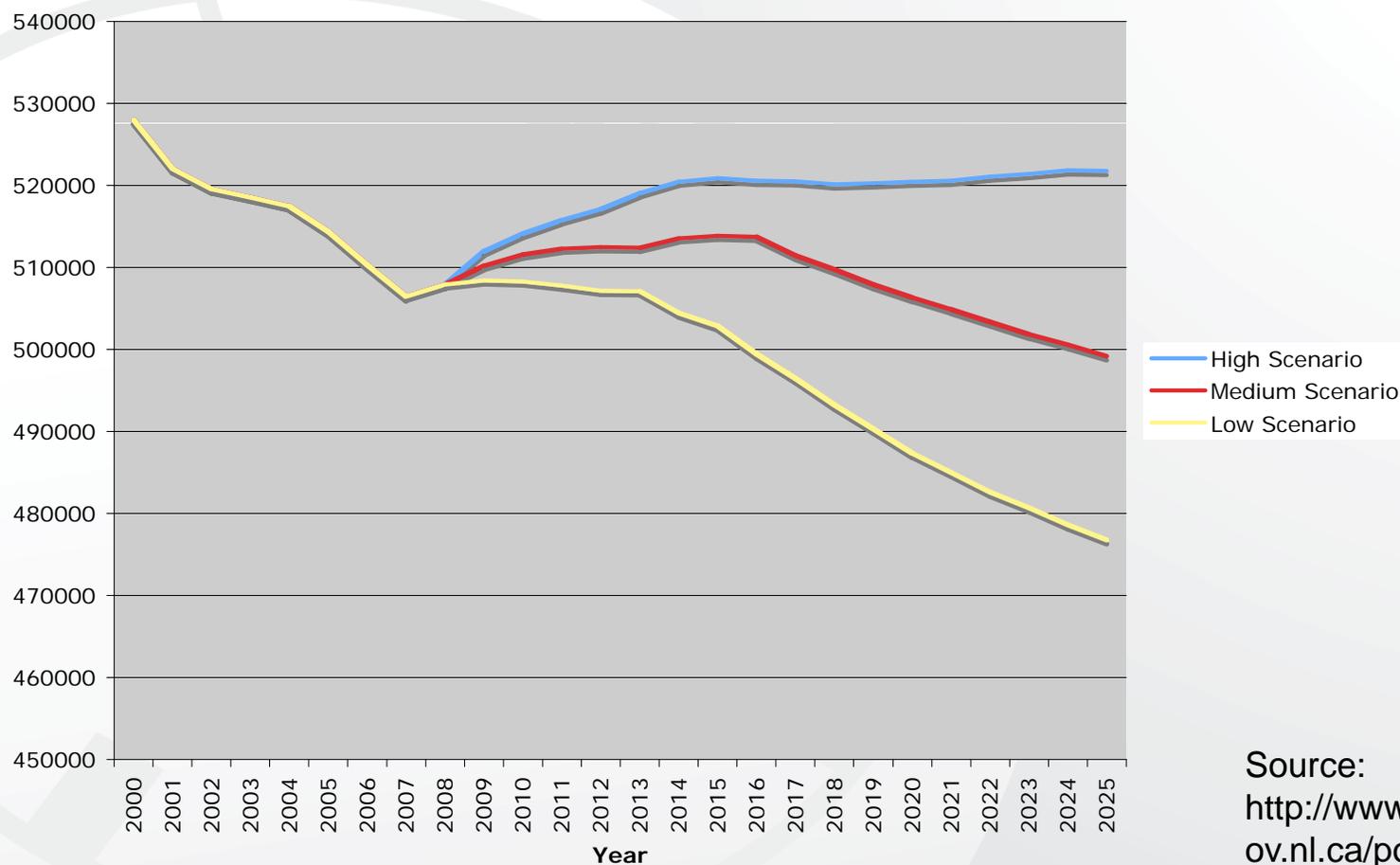
-- urban centres along
Trans-Canada Highway

Source:

<http://www.economics.gov.nl.ca/pdf2007/regionaldemographicprofiles.pdf>

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Newfoundland and Labrador Population Projections 2000-2025



Source:
<http://www.economics.gov.nl.ca/population/>



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Implications

- **Labour Markets – demand/supply imbalances**
- **Business Sector – shifting spending/needs**
- **Health Care – home support, pharmaceuticals**
- **Education – declining enrolments**
- **Municipalities – declining revenue base**
- **Regional Economic Development – declining rural population, loss of entrepreneurs/volunteers**



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Labour Market Conditions – Canada

- **Construction sector**
 - **150,000 new entrants required 2005-2014**
 - **mostly to replace retirees**
- **Mining Sector**
 - **40% plan retirement by 2014**
 - **27,500-70,800 shortfall 2004-2014**
- **NL demographics means provincial retirement/replacement needs greater**



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Labour Market Strategies

- **Fertility rates**
- **Immigration**
- **Youth attraction and retention**
- **Education and training**
- **Unemployment reduction/participation increases**

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Fertility Rates

- **2007 NL government pro-natalist policy**
 - **\$4.5m budget**
 - **\$1,000 per birth/adoption**
 - **\$100/month parental leave subsidy**
 - **daycare development**
- **Effectiveness**
 - **Too early to say**
 - **Quebec c. 14.6% increase in births, cost \$15,000 per child (Milligan 2002)**



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Immigration

- **Canada 18% foreign born**
 - 400,000/a at peak in early 1900s
 - 225,000/a current average
 - 75% immigrants to Toronto (43%), Montreal, Vancouver
- **Atlantic Provinces**
 - 7.6% population, 1.2% immigrants
- **Newfoundland and Labrador**
 - 1.6% population, 0.16% immigrants

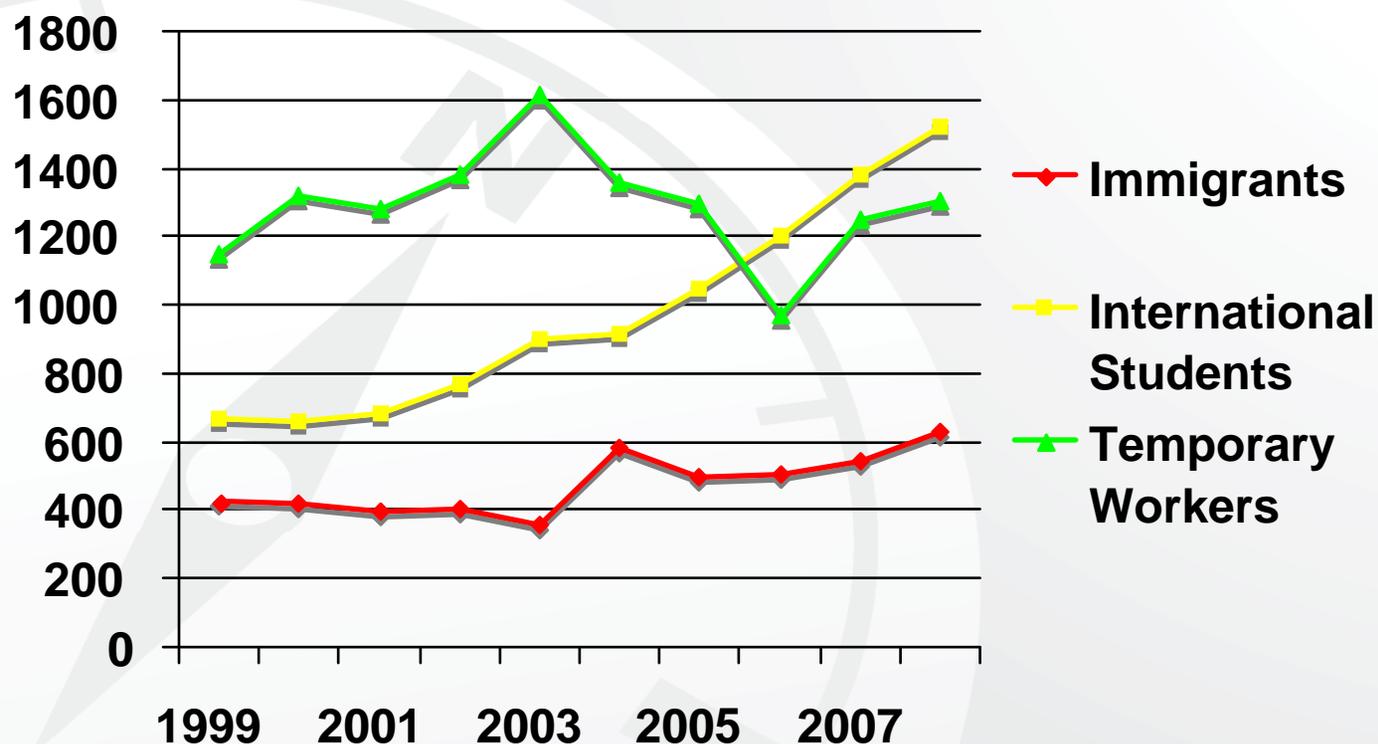
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Immigration

- **Immigrants more highly educated**
 - **90% in skilled worker category have post-secondary education**
 - **43% Canadians**
 - **40% have a university education**
 - **20% Canadians**
- **Immigrants younger**
 - **86% of immigrants to NL under 44**
 - **40% under 24**
- **Retention rate**
 - **NL immigrants 36%**

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Newfoundland and Labrador Immigrants 1999-2008



Source: Citizenship and Immigration Canada 2008



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Immigration Challenges for NL

- **no large urban areas**
- **few family, friends, contacts**
- **few employment opportunities**
- **recognition of credentials**
- **lack of knowledge about NL**
- **misperceptions about NL**
- **no incentives to settle in NL**



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Immigration Strategy

- **March 2007 NL immigration strategy launched**
 - *Diversity ~ Opportunity and Growth*
 - \$6m allocated
 - \$4.1m promotion of NL as a destination
 - \$1.9m to support immigration initiatives
 - health coverage for students
 - ESL training
 - strengthen Provincial Nominee Program



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Youth attraction and retention

- **Priority for most NL stakeholders**
- **June 2008**
 - **Youth Retention and Attraction Strategy planning**
 - **objective: make NL a province of choice for young adults**
 - **Youth Advisory Panel, Ministerial Committee**
 - **dialogue sessions, youth summit**
- **Fall 2009**
 - **release of Youth Retention and Strategy Policy**

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Education and training

- **adult literacy (Level 3 or higher)**
 - **Canada 52% NL 45%**
- **not completed high school**
 - **Canada 15% NL 26%**
- **some post-secondary education**
 - **Canada 61% NL 54.8 %**
- **university graduation**
 - **Canada 19% NL 12%***
- **college/trade post-secondary certification**
 - **Canada 31% NL 33%**

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Unemployment reduction/participation increases

- **Highest unemployment rate in the country**
 - **Canada 8.7%**
 - **NL 15.6%***

(* more seasonal workers than elsewhere)
- **Low participation**
 - **Canada 67.3%**
 - **NL 59.3%**



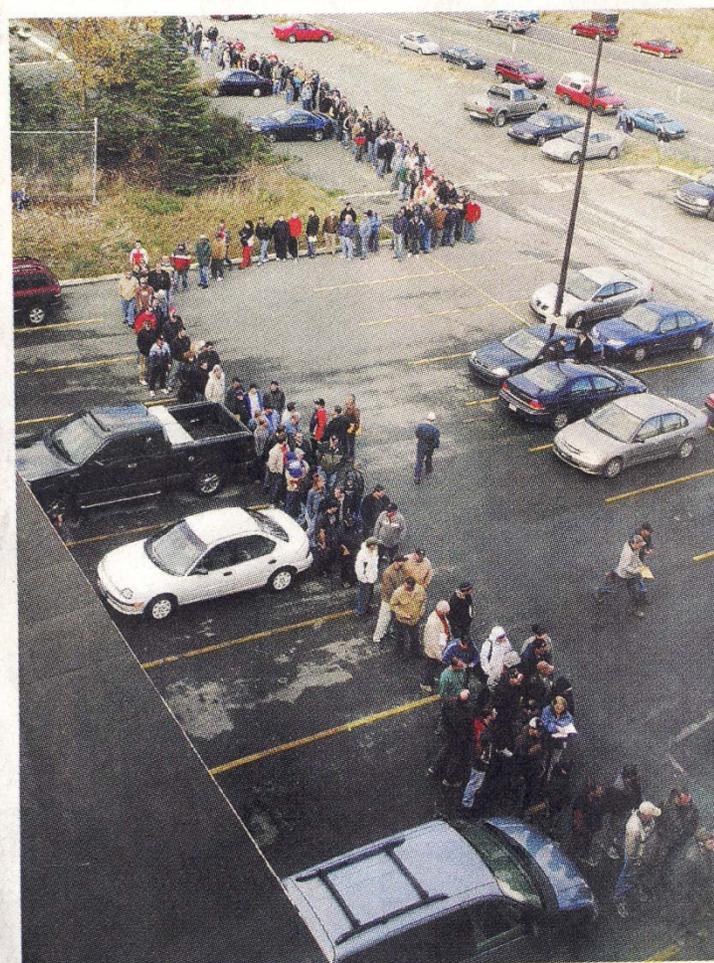
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Labour Market trends 2003-2008

- **employment increases 3.8%**
- **unemployment decreases 16.5-13.2%**
- **growth in full-time employment**
- **employment growth outpaces labour force growth**
- **productivity increases**
- **wage rates increase**
- **labour force participation increases**
- **employment insurance usage decreases**
- **economic diversity increases**

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- **2003-2008**
 - Labour outmigration - Alberta
 - Labour shortages



Job Fair on Kenmount Road in St. John's, Fall 2006.

Paul Daly photo



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Labour Market trends 2008-2017

- **NL overall did not suffer 2008 downturn as badly as other places**
 - **St. John’s shows continued strong growth**
 - **Rural NL significant job losses in forestry and fishery**
- **Strong economic projections for medium-long term**
 - **Public/private investments – Vale Inco nickel smelter, Hebron offshore oil field, Lower Churchill Hydro project**
 - **9,000 new jobs in peak construction phases**



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Labour Market Challenges

- **increasing job skills and changing job demands**
- **downward industry adjustments**
 - **primary resource sector – forestry, fishery**
- **limited HR planning capacity**
- **underrepresented marginalized groups**
 - **women, aboriginals, low-skilled, displaced**



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Labour Market Priorities

- **\$10.75m investment 2009-10**
 - **strategic training and skills development \$5.5m**
 - **displaced workers**
 - **apprenticeship support \$2.0m**
 - **training/work experience towards journeyman status**
 - **employment and development supports and services \$2.6m**
 - **preparation for, finding, maintaining employment**



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Outstanding questions

- **Will the labour force strategies deliver?**
- **Which offer the best hopes?**
- **Will future development be constrained?**