



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

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



### Leslie Harris Centre of Regional Policy and Development (The Harris Centre), Memorial University

- co-ordinates/facilitates Memorial University’s activities relating to regional policy and development
- 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>



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



*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**

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



### Total Population

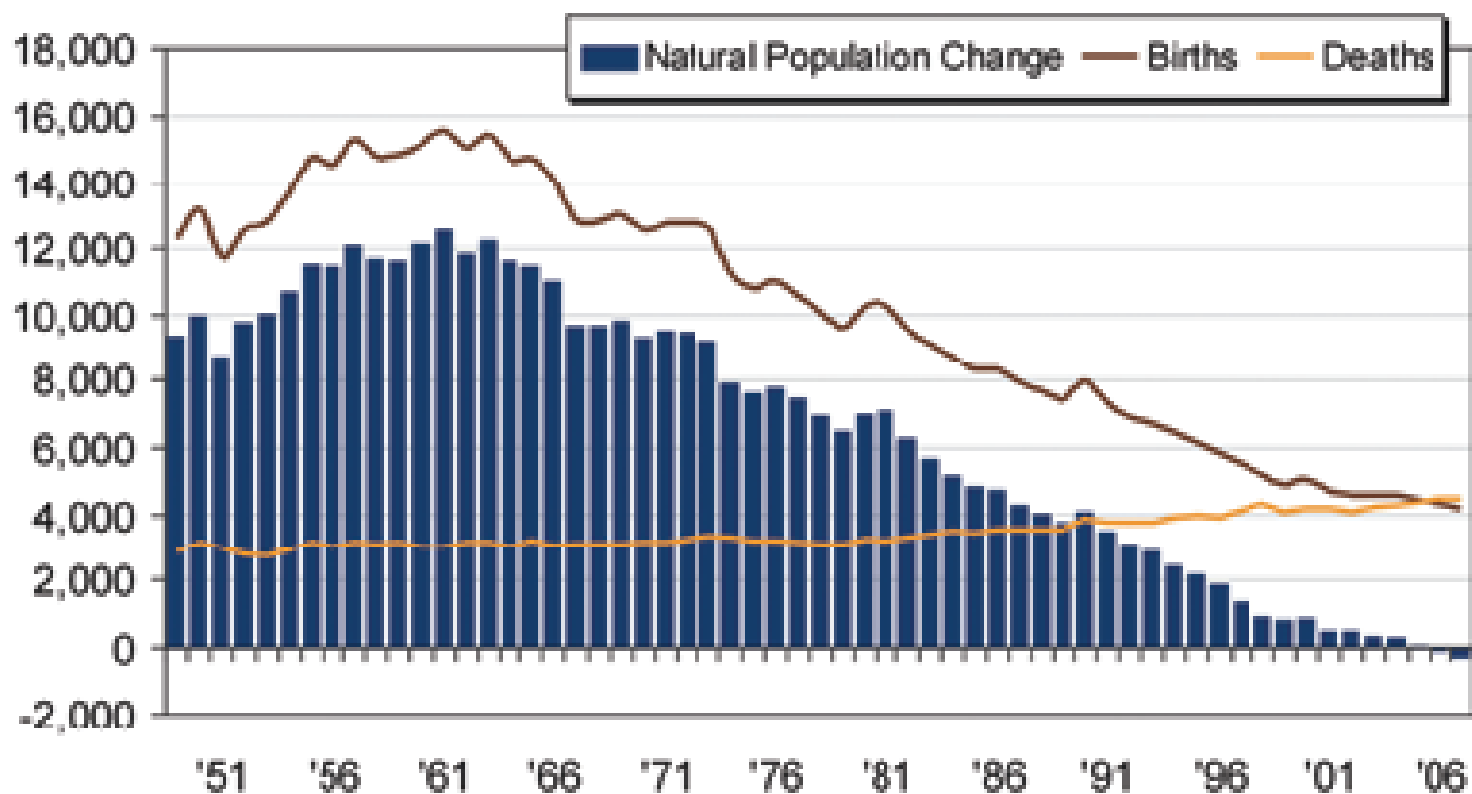
- 1992 – 580,000
- 2009 – 509,000 (-12%)
- Newfoundland – 478,450 (94%)
- Labrador – 30,550
- Avalon Pen. – 255,000 (50%)



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

- **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**

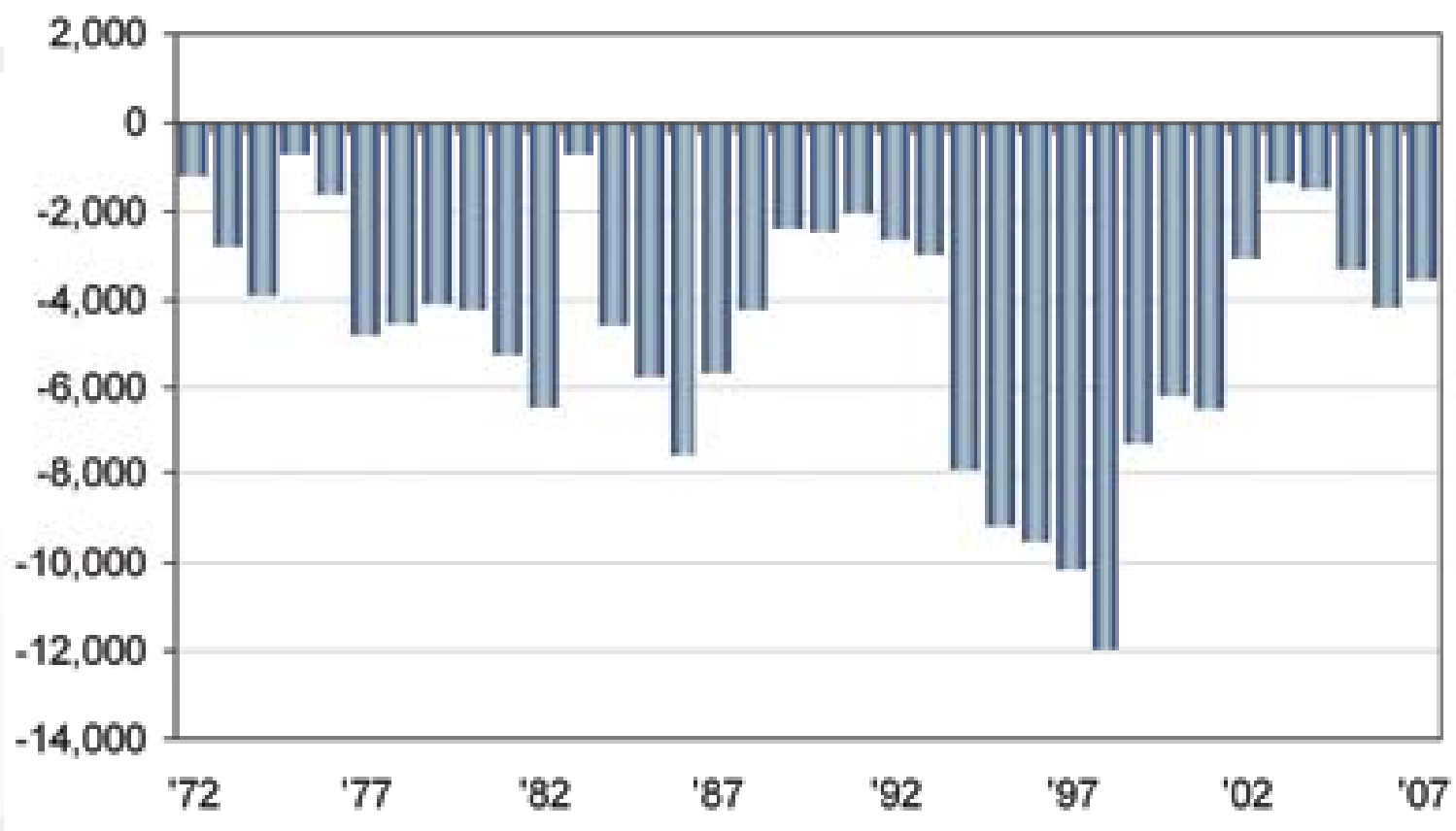
## “Help Wanted”: Demographics, Labour Supply and Economic Change in Newfoundland and Labrador



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>



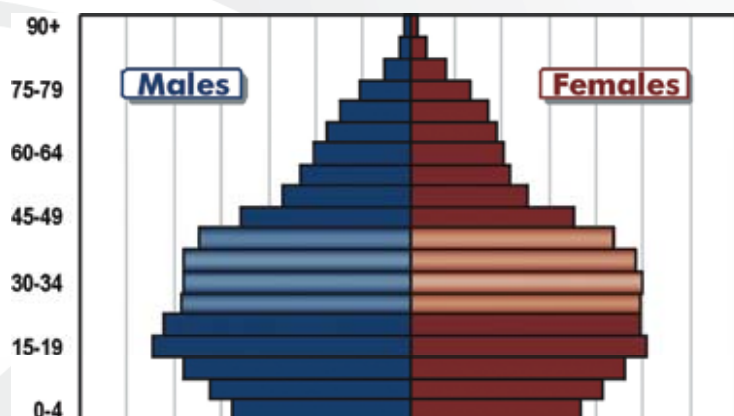
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- **Age Structure**
  - **Rapidly aging population**
    - **1971 median age 20.9**
    - **2008 median age 42.0**

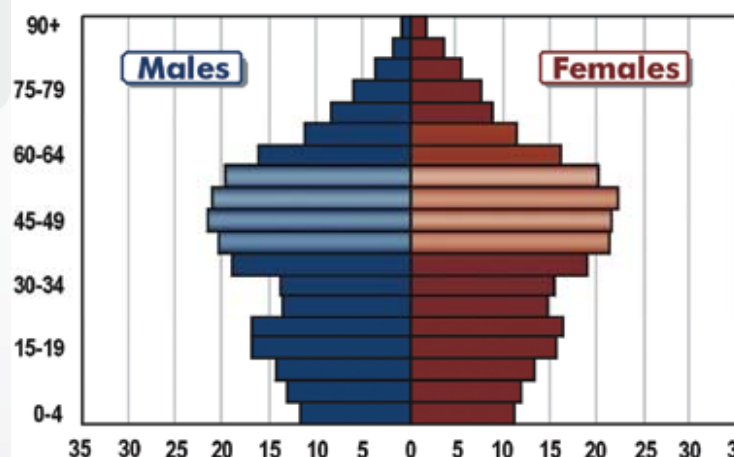


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## Population Pyramids Newfoundland and Labrador



1992



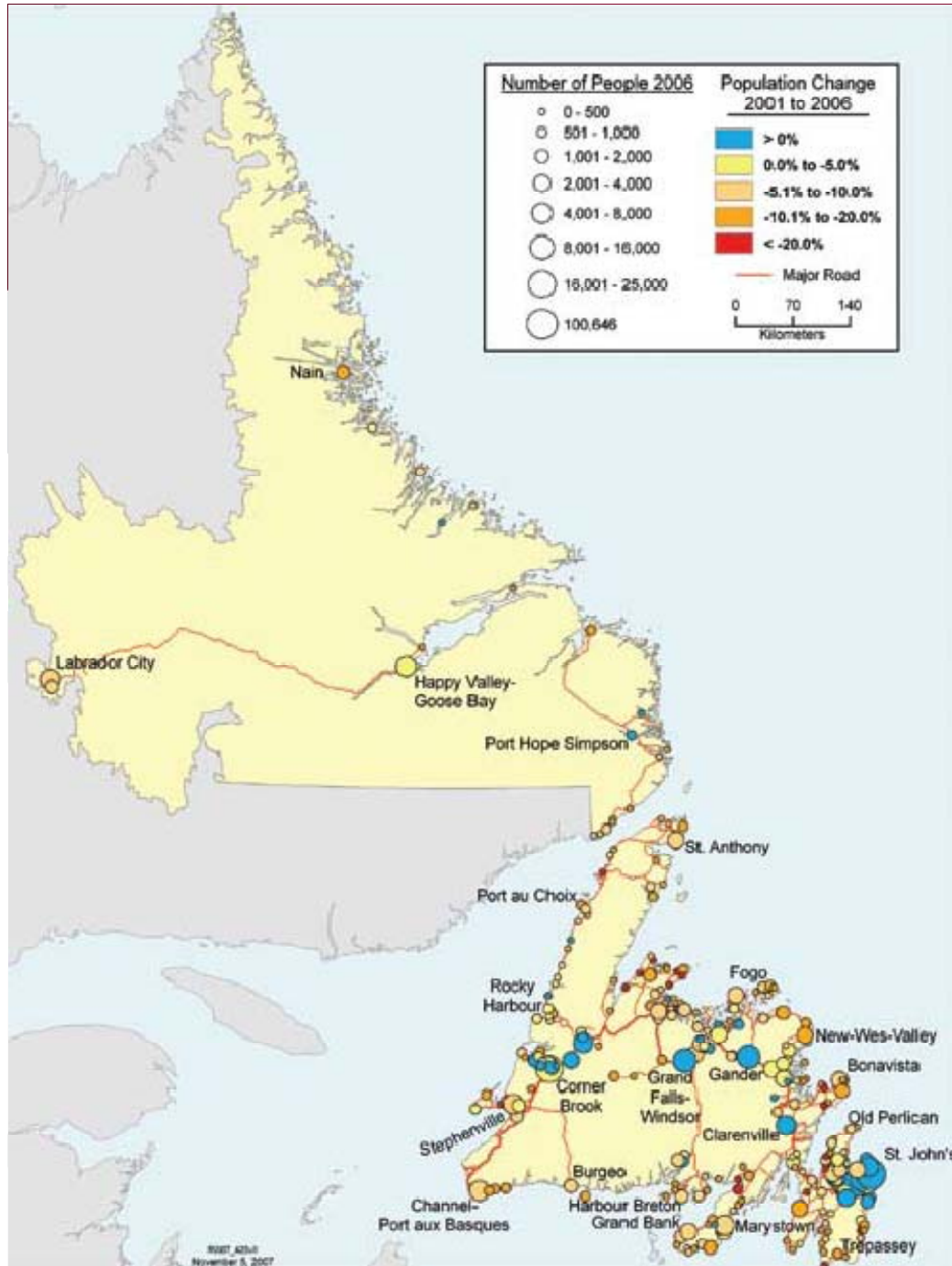
2007

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

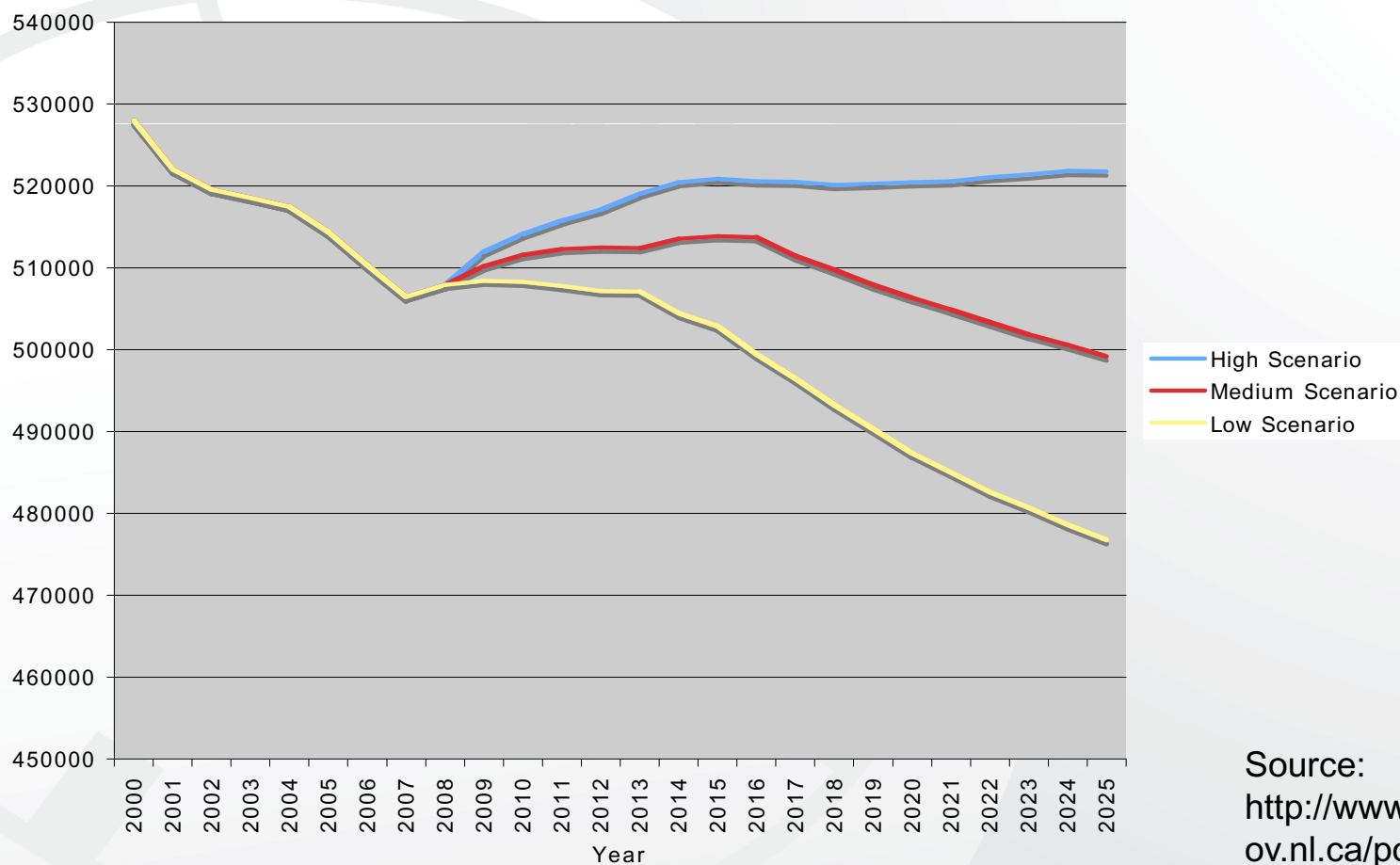
-- urban centres along  
**Trans-Canada Highway**

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

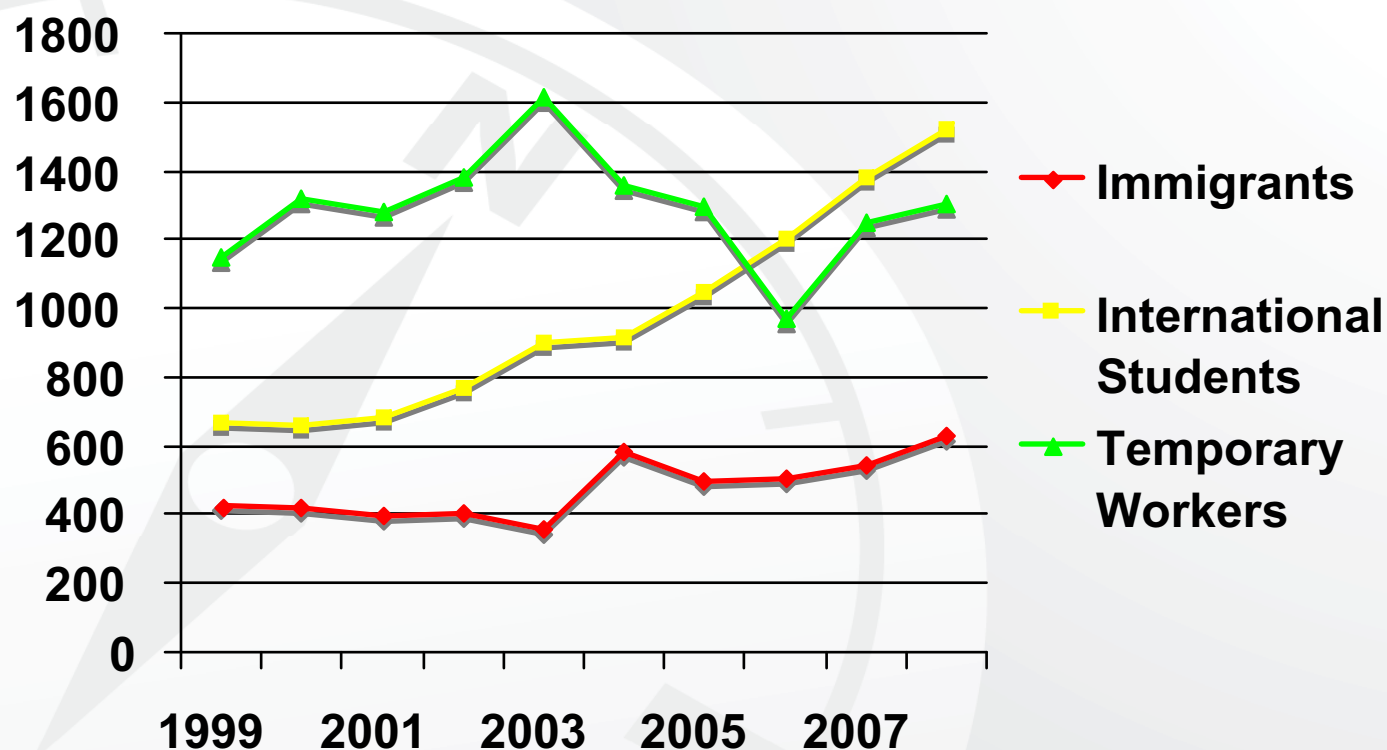
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### **Immigration**

- **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%**





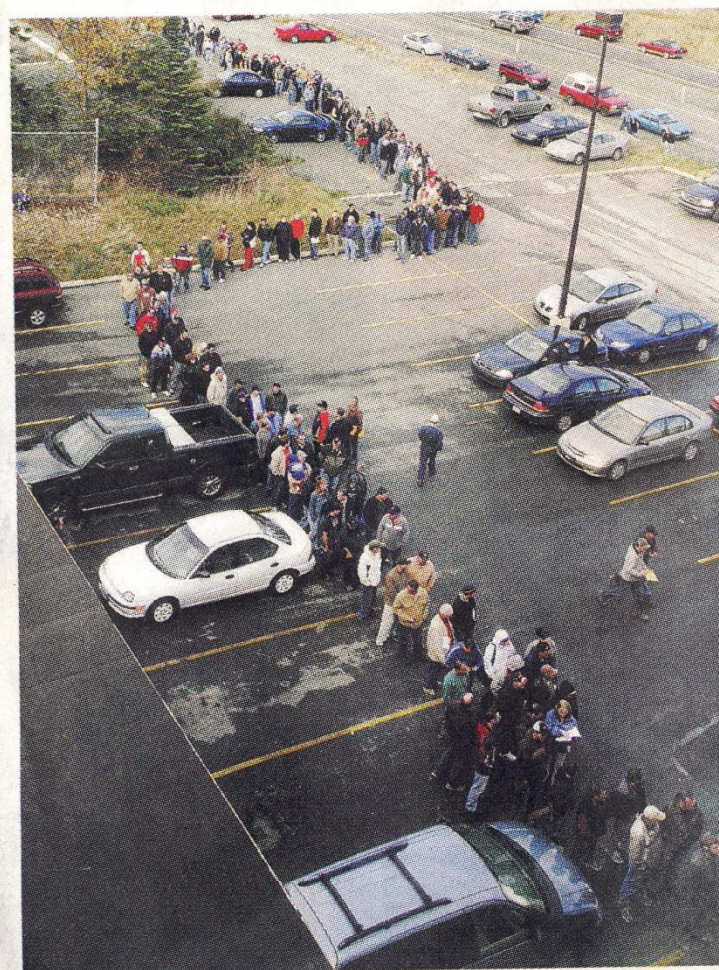
## **“Help Wanted”: Demographics, Labour Supply and Economic Change in Newfoundland and Labrador**

### **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**



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



### **Outstanding questions**

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