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

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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
Total Population

- 1992 – 580,000
- 2009 – 509,000 (-12%)

- Newfoundland – 478,450 (94%)
- Labrador – 30,550

- Avalon Pen. – 255,000 (50%)
• **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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Net migration 1972-2007

Age Structure

- Rapidly aging population
  - 1971 median age 20.9
  - 2008 median age 42.0
Population Pyramids Newfoundland and Labrador

Geographic distribution shifts
- rural – decline
- urban – stable/growing
Population shift:

-- away from rural coastal communities, to

-- urban centres along Trans-Canada Highway

Source:
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Newfoundland and Labrador Population Projections 2000-2025

Source: http://www.economics.gov.nl.ca/population/
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
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
Labour Market Strategies

- Fertility rates
- Immigration
- Youth attraction and retention
- Education and training
- Unemployment reduction/participation increases
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)
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
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%
Newfoundland and Labrador Immigrants 1999-2008

Source: Citizenship and Immigration Canada 2008
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
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
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%
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%
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
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
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
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
Outstanding questions

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