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

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http://www.mun.ca/harriscentre/index.php
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
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Population Pyramids Newfoundland and Labrador

1992

2007

• 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%
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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
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
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?