

Canada – British Columbia Labour Market Agreement

Annual Plan 2009/10



Canada 


BRITISH
COLUMBIA
Canada's Pacific Gateway



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1.0 Introduction



The Canada-British Columbia Labour Market Agreement (the “Agreement” or “LMA”) was signed February 20, 2008 and continues until March 31, 2014. Under the Agreement B.C. receives approximately \$65.7 million per year (\$394.2 million over six years) from the federal government to invest in labour market programs. Working in cooperation with the Government of Canada, the Ministry of Advanced Education and Labour Market Development (ALMD) is responsible for oversight and management of the Agreement.

The overall goal of the LMA is to support labour market participation for unemployed persons who do not qualify for assistance under *Employment Insurance Act* programs and improve the employment outcomes of low skilled workers. Section 10 of the LMA specifically identifies two groups of eligible beneficiaries:

- Unemployed individuals who are determined to be non-EI clients; and,
- Employed individuals who are low skilled, in particular, employed individuals who do not have a high school diploma, or a recognized certification or who have low levels of literacy and essential skills.

Investments made under the Agreement are guided by the following principles:

- **Accessibility** – access to comparable programs for Employment Insurance (EI)-eligible and non-EI eligible individuals to enhance the labour market participation of all Canadians, particularly low-skilled workers and under-represented groups;
- **Effectiveness** – effective programs that draw on best practices from within Canada and abroad, respond to the needs of employers, and reflect local labour market conditions; and,
- **Quality, Client-Centred Delivery** – a coherent “no wrong door” approach to providing client-centered programs.
- **Fairness** – fair treatment of all Canadians through principle-based arrangements with provinces and territories, respecting primary

provincial responsibility for design and delivery of labour market programming to individuals; and

- **Efficiency** – improving the efficiency of the national labour market and strengthening the economic union by facilitating adjustment and removing barriers to mobility.

On January 27, 2009 as part of the Budget 2009: Canada's Economic Action Plan, the Government of Canada announced a two-year, national \$500 million Strategic Training and Transition Fund (STTF). The fund's primary objective is to provide labour market programs and services that support sectors, occupations, or communities affected by the economic downturn. The STTF is delivered through the Canada-British Columbia Labour Market Agreement. British Columbia's portion of the national funding is approximately \$25.6 million per year for 2009/10 and 2010/11, totaling \$51.2 million over two years. The purpose, objectives and principles that guide LMA investments also guide STTF investments. However, the eligibility criteria under the STTF are broader than the LMA, extending eligibility to all employed persons impacted by the economic downturn

and all unemployed (no distinction between Employment Insurance and non-Employment Insurance clients).

As a direct result of programs funded under the Agreement, thousands of British Columbians are receiving training that will advance their careers, assist in securing new employment, and ultimately improve the economic outcomes of individuals and the province. Moreover, the availability of federal funding through the LMA has significantly advanced the coordination of, and improved access to, labour market programs in British Columbia.

This Annual Plan for 2009 / 2010 summarizes British Columbia's targeted investments for the LMA and the STTF funds for fiscal year April 1, 2009 – March 31, 2010. In total, planned expenditures for Year 2 of the LMA – excluding costs for client access, communication and transition associated with the LMDA service delivery network that also benefits non EI individuals and labour market information expenditures and administration costs – is approximately \$65.7 million, with approximately 11,500 targeted clients.



2.0 Economic & Labour Market Context

The following is a brief overview of British Columbia's economy and labour market. An environmental scan of current issues and challenges influenced the development of the LMA investment plan.

Over the past several decades, British Columbia's economy has undergone some important transformations. A variety of new types of goods and services are being made available to meet the needs of an increasingly multicultural population. Technological and cultural changes have influenced that workplace environment. Linkages with Asia Pacific and the growth of the green economy are also creating new business opportunities.



All of these changes have allowed B.C.'s economy to mature into a more diverse, less resource-dependent form. Primary goods production is giving way to a greater emphasis on value-added manufacturing as well as other types of goods and services production. While forestry, mining, fishing and agriculture are still important – especially in communities where they are big employers – they are no longer the sole dominant force in B.C.'s economy. Indeed, since the mid-1990s, there have been fewer people working in these industries than in other types of goods production.

At present, only nine per cent of B.C. workers have jobs in resource harvesting and extracting industries such as agriculture, fishing, forestry and mining. That's down from about 13 per cent in 1990. The combined contribution of Agriculture; Fishing, Hunting and Trapping; Forestry; and, Mining, Oil and Gas to provincial GDP has declined from 7 per cent in 1998 to 5.5 per cent in 2008.¹ Wood product exports declined from \$10B in 2004 to \$5.4B in 2008. Employment in other types of goods production has picked up in recent years after declining during the 1990s, and accounts for about 12 per cent of all the jobs in the province.

Currently, British Columbia's five largest employers are retail trade, health services, accommodation, manufacturing and construction.² The province's service exports have been steadily growing as well, and two areas in particular hold potential for further growth – transportation and tourism. Both of these service sectors are positioned to capitalize on increasing linkages and trade with the Asia Pacific region and the 2010 Winter Olympic Games.³

Gross domestic product (GDP) is a standard measure used to gauge the size of an economy. For British Columbia, GDP grew from \$117.2 billion (chained \$2002) in 1997 to \$164.2 billion in 2008.⁴ For six consecutive years, from 2002 to 2007 inclusive, B.C.'s economy grew faster than the national average.

Recently, B.C.'s economy has been impacted by the slowdown in the United States economy. Many sectors, such as forestry, manufacturing, construction, mining, transportation and retail trade experiencing have experienced a contraction in activity. As a result, economic growth of British Columbia, like most of the developed world, has slowed from its recent pace. However, it is expected that the decline is only temporary, as B.C. is well positioned to resume growth when the global economy turns around. Moreover, some of the most recent reports indicate the start of recovery

¹ BC Stats. *BC GDP by Industry 1998-2008: NAICS Aggregations*.

² Business Council of British Columbia Outlook 2020. *Situating BC in the Global Economy*. June 2009.

³ Business Council of British Columbia. *British Columbia's Global Linkages: A Snapshot*. June 2009.

⁴ BC Stats. *BC GDP at Market Prices and Final Domestic Demand 1981-2008*.

is already underway, with growth expected to return by 2010. For example, in its Summer 2009 Provincial Outlook, the Conference Board of Canada forecasts British Columbia to record 3.4 per cent real GDP growth in 2010, the second highest across Canada, as well as an employment rate above the national average.

Looking forward, the key drivers of change and impacts on British Columbia's labour market and labour market policies and programs include:

- The shift from resources to knowledge and services;
- Regional and sectoral needs and differences;
- Global economic and labour market forces;
- Climate change and the shift to a green economy;
- Pressure to improve productivity and international competitiveness;
- Demographic shifts;

- Labour market participation by under-represented groups;
- Interprovincial migration and immigration to B.C.; and,
- Labour mobility and foreign qualification recognition

There is also an acknowledgement that a concerted effort to increase the knowledge and skills of B.C.'s labour force will be critical to improving labour productivity, leading to B.C.'s continued economic prosperity. Greater emphasis on knowledge generation, and corresponding investments in research and development as well as capital, will lead to a culture of innovation that will benefit all British Columbians. In addition, B.C. must position itself to attract the best and brightest internationally to fuel growth in existing and emerging high knowledge industries.

For further information on British Columbia's labour market, please see Appendix 1 – Profile of British Columbia's Labour Force, and; Appendix 2 – British Columbia's Future Labour Market Demand.



3.0 Labour Market Agreement and Strategic Training and Transition Fund Priority Areas

In Year 1 of the LMA (2008/09), B.C.'s labour market conditions were characterized by low unemployment and where most people seeking employment could find jobs. Accordingly, programs in Year 1 reflected those labour market conditions – some programs focused on training to address sector specific shortages as well as training that increased the skills of employed persons to improve productivity and wages. However, like most other jurisdictions, British Columbia has felt the impacts of an economic downturn. As a result, and in order to align LMA funding with labour market priorities Year 2 investments focus on supporting eligible clients impacted by the economic downturn who need training to support re-entry into employment as well as programs to maintain employment.



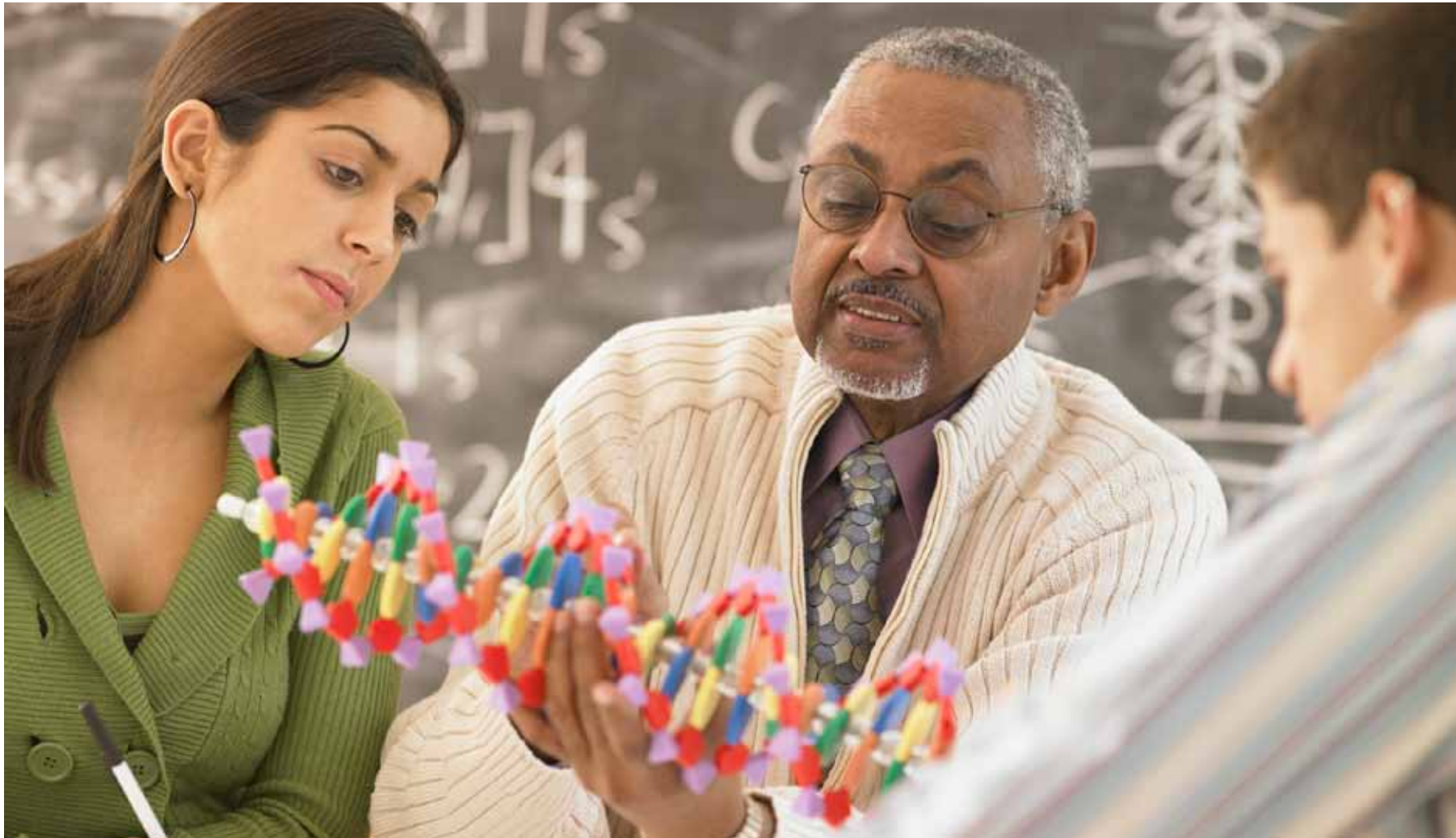
To achieve optimal results and receive the greatest impact for LMA investment, ALMD is concentrating on three general groups of workers that are most likely in need of assistance and support during this period of economic recovery:

- Displaced workers – long-tenured workers in specific industries facing permanent unemployment due to structural adjustment and may need significant support and skills upgrading to shift to different occupations or industries.
- Workers in at-risk occupations/jobs – have been laid off, changed to part-time status, or are at risk of lay off due to the economic cycle, but whose core skills will remain in demand or require upgrading in the medium or longer term. Primarily, they will require support to stay employed and facilitate quick returns to work (e.g., up-skilling, temporary income support, job search assistance and job creation through economic stimulus activities).
- Vulnerable workers – includes new entrants and re-entrants to the labour force and those low-skilled or multi-barriered workers with shorter and more precarious attachment to the labour market (e.g. Aboriginal peoples and recent immigrants). These workers are not

likely to qualify for EI, may not have the skills required to find other jobs. They will require more intensive and longer periods of skills development.

In developing the LMA investment plan, the importance of quality labour market information to assist workers in making informed decisions whether they are in need of training to develop and/or upgrade skills or as they search for new jobs has been recognized.

While ALMD is the signatory of the Agreement, LMA is delivered in cooperation and coordination with two other partners with responsibility for labour market programs: the Ministry of Housing and Social Development; and the Industry Training Authority (ITA). ALMD will continue to be responsible for accounting, performance measurement, evaluation, reporting, and administrative oversight; however, all partners will work collaboratively to identify labour market and client needs, and develop appropriate strategies for investment.



3.1 Planned LMA Initiatives and Expected Results



LMA funding currently supports 25 training initiatives in the following categories:

- Employment Services for Unemployed or Low Skilled Employed Clients
 - *(e.g. labour market information, service needs determination, Prior Learning Assessment and Recognition, employment assessment, counseling and referral, resumé-writing and job interview assistance, other one-on-one coaching sessions or short group workshops), for unemployed or low-skilled employed clients. This grouping includes generic employment information and assistance services, that are not related to a specific job. It also includes employment services for non-EI-eligible workers who have been or are about to be laid off, to facilitate their adjustment*
- Skills Development and Upgrading Interventions for Unemployed Clients
 - *e.g. wage subsidies, earnings supplements, job placements, and project based job creation. Includes all types of formal training provided by public, private, community, and project-based trainers, usually in a classroom setting, where there is an instructor/pupil relationship and a set curriculum. Also includes e-learning*
- Work Experience Interventions for Unemployed Clients (e.g. wage subsidies, earnings supplements, job placements, and project-based job creation)
 - *Includes on-the-job employment supports for persons with disabilities. The principal focus of this grouping is employment. However, the intervention may also include a short training component, that is a prerequisite for the job in question.*

Activities in this category are components of training initiatives in the other four categories.
- Interventions That Offer Skills Development and/or Work Experience Components for Employed and/or Unemployed Clients

- Includes interventions such as integrated projects for youth at risk, persons with disabilities, or non-EI-eligible workers who have been or are about to be laid off
- Skill Development and Training for Low Skilled Employed Clients (Workplace Based)
 - Includes training offered by the employer to their employees, either in the workplace or off-site

Given the need for quality labour market information, there are a number of LMI initiatives under way. An example is the Made in B.C. Supply-Demand

Forecasting Model – to ensure LMA funding is targeted to those areas in the economy where demand will be.

The LMA Year 2 budget also includes funding of \$8.5 million to support client access, communication and transition associated with LMDA service delivery network that also benefits non EI clients. In addition, the federal government approved up to \$1.866M in administration costs required to manage the Agreement.

What follows is a detailed description of the goals, actions, clients served, and projected results for each labour market development category.

Goal: British Columbia has a skilled and competitive workforce.

Intervention/Service Type: Employment Services for Unemployed or Low Skilled Employed Clients

Planned Expenditure 2009/10: Approximately \$11.2M

Annual Targets 2009/10: approximately 4,000

Objectives

- To increase access to, and participation in, employment supports and services to help individuals to prepare for the labour market
- To increase labour market participation of targeted participants

Planned Activity

- Expansion of Skills Connect for Immigrants Program
- Northeast BC Community and Industry Integrated Immigrant Training
- Aboriginal Business & Entrepreneurial Skills Training
- Expansion of Employment Programming for Aboriginal Persons with Disabilities
- Women's Mentoring Program
- British Columbia Employment Program
- Increase Access to Assistive Technology for Persons with Disabilities

Service Delivery**

- Services are delivered to clients through contracts with third-party service providers.

Intended Clients/Beneficiaries

"LMA Eligible Beneficiaries":

Unemployed individuals who are non EI clients

Employed individuals who are low-skilled

Target groups for the above services include Women, Immigrants, Aboriginal people and Persons with Disabilities.

RESULTS

Expected Outcomes

- Improved integration of immigrants into the labour market, including immigrant women
- Increased labour market participation of Aboriginal Persons, including Aboriginal Persons with Disabilities
- Increased labour market participation of Persons with Disabilities
- Increased employability and reduction of clients on income assistance

Goal: British Columbia has a skilled and competitive workforce.

Intervention/Service Type: Employment Services for Unemployed or Low Skilled Employed Clients

Performance Indicators/Data Collected

- Participation rates by age/gender of participant
- Participant rates by aboriginal target group including FN, Metis, Inuit.
- Participation rates by persons with disabilities – any age cohort
- Participation by women – any age cohort
- Participation by immigrants – any age cohort, any length of time in Canada
- Participation rate by education level attained
- Number of participants leaving interventions early
- Number of participants satisfied with services received
- Number of participants who received training certificates/diplomas and type
- Number of participants who:
 - a) will return to/continue prior employment
 - b) have recently found new employment
 - c) intend to seek employment
 - d) intend to attend training, school, or another program
 - e) other reasons as specified
- Number of employed and self employed upon exit of intervention
- Average hours per week of participants upon exit of intervention
- Average hourly wages of participants upon exit of intervention
- Number of participants who are unemployed (non EI clients) vs. number of participants who are employed
- Number of employed participants who are a) lacking high school b)lacking certification c)lacking essential skills
- Number of participants who completed the intervention vs. left early and reason for leaving early

Goal: British Columbia has a skilled and competitive workforce.

Intervention/Service Type: Skills Development and Upgrading Interventions for Unemployed Clients

Planned Expenditure 2009/10: Approximately \$25M

Annual Targets 2009/10: approximately 3,500

Objectives

- To increase access to, and participation in, skills training in order to provide citizens with the skills and knowledge necessary to compete in current and future labour markets
- To increase the number and quality of training graduates in order to meet employers' demands for highly skilled workers

Planned Activity

- Employment Skills Access Program
- Multiple Assessment Pathways
- Flexible Learning in the Trades
- Energy Efficiency Employment Development
- Environmental Monitoring Assistant Program
- Petroleum Field Services Training for Entrepreneurs
- Trades Training for Immigrants
- Aboriginal Training and Employment Program
- Aboriginal Apprenticeship Strategy
- Empowering Women in the Trades
- Commercial Driver Training for Women
- Student Assistance for Persons with Disabilities

Service Delivery**

Services are delivered to clients through:

- the Ministry of Advanced Education and Labour Market Development;
- BC's Industry Training Authority; or
- third-party service providers.

Intended Clients/Beneficiaries

"LMA Eligible Beneficiaries":

- Unemployed individuals who are non EI clients
- Target groups for the above services include Women, Immigrants, Aboriginal people and Persons with Disabilities.
- Trades trainees/apprentices

RESULTS

Expected Outcomes

- Increased participation in training, including trades training, that is relevant to the current and future labour markets
- Increased supply of skilled workers available in the current and future labour markets

Performance Indicators/Data Collected

See Performance Indicators / Data Collected from Intervention/Service Type: Employment Services for Unemployed or Low Skilled Employed Clients.

Goal: British Columbia has a skilled and competitive workforce.

Intervention/Service Type: Interventions That Offer Skills Development and/or Work Experience Components for Employed and/or Unemployed Clients

Planned Expenditure 2009/10: Approximately \$28.3M

Annual Targets 2009/10: approximately 3,500

Objectives

- To increase the employability of low skilled employed clients in small business
- Increased employability and labour market attachment of at risk youth and persons with disabilities
- Increased employability and re-attachment of impacted workers in resource based communities

Planned Activity

- Expansion of the BladeRunners Program
- Return to Work Employability Program
- Small Business Skills Training Program
- Industrial Transition Programs
- Expansion of the Return to Work Programs for Persons with Disabilities with a focus on developmental, cognitive and mental disabilities

Service Delivery**

- Services are delivered to participants through third-party service providers.

Intended Clients/Beneficiaries

"LMA Eligible Beneficiaries":

- Unemployed individuals who are non EI clients
- Employed individuals who are low-skilled
- Target groups for the above services also include Youth and Persons with Disabilities

RESULTS

Expected Outcomes

- Increased labour market participation, including Persons with Disabilities and Youth
- Upskilling of existing low skilled workers in small businesses
- Re-training existing low skilled workers in impacted resource based communities

Performance Indicators/Data Collected

See Performance Indicators / Data Collected from Intervention/Service Type: Employment Services for Unemployed or Low Skilled Employed Clients.

Goal: British Columbia has a skilled and competitive workforce.

Intervention/Service Type: Skill Development and Training for Low Skilled Employed Clients (Workplace Based)

Planned Expenditure 2009/10: Approximately \$1.2M

Annual Targets 2009/10: approximately 500

Objectives

- To increase the employability of currently employed but low-skilled clients

Planned Activity

Skills Plus Initiative – Essential Skills Program

Service Delivery**

Services are delivered to clients through third-party service providers.

Intended Clients/Beneficiaries

“LMA Eligible Beneficiaries”:

- Employed individuals who are low-skilled and lacking essential skills including literacy, numeracy, etc.

RESULTS

Expected Outcomes

- Increased essential skill levels and employability of low-skilled workers
- Increased employer integration of essential skills into workplace training
- Increased workplace productivity and efficiency

Performance Indicators /Data Collected

See Performance Indicators / Data Collected from Intervention/Service Type: Employment Services for Unemployed or Low Skilled Employed Clients.

3.2 Planned STTF Initiatives and Expected Results

British Columbia’s portion of the STTF is approximately \$25.6 million per year for 2009/10 and 2010/11. The eligible beneficiaries of STTF include all employed persons impacted by the economic downturn and all unemployed (no distinction between EI and non-EI clients). The table adjacent provides a summary by major STTF program categories for 2009/2010 allocations and number of targeted participants. Details regarding specific investments will be included with the program announcement.

STTF 2009/10

Initiative/Service Type	2009/10 Allocation	Number of Participants Targeted
Attach to the Workforce	Approx. \$18.1	To Be Announced
Stay Working	Approx. \$7.5M	To Be Announced

4.0 Consultation

The LMA has been, and will continue to be, informed by numerous rounds of comprehensive consultation from a broad scope of stakeholders. Over the last year, consultation has included:

- The Workforce of the Future Forum, which included over 100 industry, service and government reps in June 2008;
- Series of consultations with industry leaders in November 2008, including individual follow-up meetings in February/March 2009;
- Intra-government and inter-government consultations through to March 2009;
- A consultation meeting with the BC Small Business Roundtable;
- A Ministry of Aboriginal Relations and Reconciliation consultation of Aboriginal organizations on best practices and services gaps.

The incorporation of stakeholder feedback is also achieved through rounds of consultation for specific programs, such as Bladerunners, Skills Connect, and the Aboriginal Employment and Training Program.

LMA investments has been further informed and supported by parallel consultation processes for other labour market program initiatives such as the Labour Market Development Agreement, the Targeted Initiative for Older Workers, and ongoing consultation regarding Income Assistance programs provided by the Ministry of Housing and Social Development.

In an effort to continue to deliver programs that are timely, relevant, and effective in regions across the province, ALMD is committed to engaging stakeholders on an ongoing basis. To further inform this year's investments as well as the Annual Plan for 2010/11, ALMD will undertake a joint consultation with the Ministry of Housing and Social Development in the fall/winter of 2009.



5.0 Implementation & Evaluation

LMA Performance Evaluation and Accountability

Obligations in the Labour Market Agreement Performance Evaluation Framework (Annex 2 of the Labour Market Agreement) are:

- The Canada/B.C. Labour Market Agreement has specific accountabilities related to client outcome reporting and performance measurement of investments made under the Agreement.
- Section 25(1) of the Agreement states that “In order to measure performance of the eligible programs, British Columbia agrees to collect and compile in accordance with Annex 2, the performance indicator information set out in Annex 2 about the eligible beneficiaries, the type of interventions provided under the eligible programs and the outcomes of the interventions.” (See Annex 2 of the Labour Market Agreement).
- Section 25(2) of the Agreement states that “British Columbia agrees to provide to Canada the information referred to in subsection (1) which it has collected or compiled each fiscal year during the Period of the Agreement no later than five months following the end of that fiscal year. The information shall be provided in the format and manner decided jointly by Canada and British Columbia.”
- Section 26(2) states that “By no later than October 1 following the end of each fiscal year during the Period of the Agreement, British Columbia agrees to report to the people of British Columbia on the results of the eligible programs achieved in the fiscal year. The report shall show the results attributable to the funding provided by Canada under this Agreement based upon the performance indicators as outlined in Annex 2.”
- Section 7 of Annex 2 of the Agreement states that “British Columbia agrees to take all reasonable measures to enable it to collect and compile information on 5(b) by no later than April 1, 2009 and

information on 5(d) and (e) by no later than April 1, 2010, or by such later date as may be mutually agreed to by the Designated Officials.

Plan for Data Collection

- B.C. is obligated to collect and report on data as required under the terms and conditions of the LMA. There is also an opportunity, however, to collect client and program data that will also:
 - *Provide information to meet communication needs i.e. community/constituency specific data*
 - *Support evaluation of individual contracts and programs/services*
 - *Provide valuable outcome and labour market information*

3/12 Month Client Follow-up Strategy

- Under the Canada/B.C. Labour Market Agreement, B.C. is required to capture the following data element for a representative sample of clients (or alternatively, for all clients) as the client leaves the intervention:
 - *proportion of clients satisfied with quality of intervention*
- In addition, B.C. is required to capture the following data element for a representative sample of clients (or alternatively, for all clients) 3 and 12 months after the client leaves the intervention:
 - *number of clients by employment status after leaving intervention*
 - *proportion of clients satisfied with relevance of intervention*
- B.C. has decided to survey 100 per cent of LMA clients for 2008/2009 and 2009/2010. A database has been established to collect and report out on LMA initiative success. In October 2009, ALMD will submit the 2008/2009 Outcome Report.

Appendix 1: Profile of British Columbia’s Labour Force*

While the total population in British Columbia has been steadily increasing (currently 4.45 million) and is forecast to continue to do so, the composition of the population is changing dramatically, as Table 1 demonstrates. An increasing population does not necessarily imply an increasing supply of workers.

TABLE 1

	1980	2009f	2020f	2036f
Total Population	2,736,200	4,446,600	5,156,100	6,070,300
Median Age	30.3	40.7	42.4	45.4
Total Dependency Ratio	0.6	0.5	0.6	0.7
Sex Ratio	100.2	98.3	97.8	96.6
Total Fertility Rate	1,611	1,534	1,470	1,466

Notes:

f = forecast

Median Age = the age at which half the population is younger and half is older

Total Dependency Ratio = Population of ages 0-17 and 65+ / Population of ages 18-64

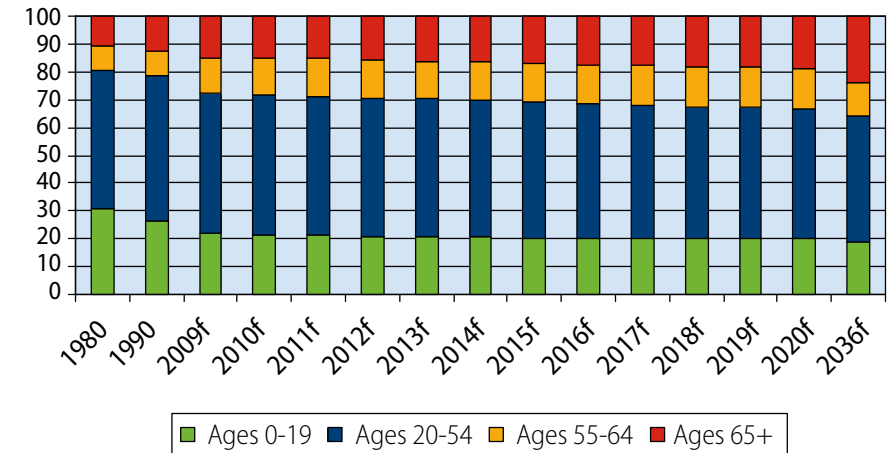
Sex Ratio = Number of males per 100 females

Total Fertility Rate = Sum of the age-specific birth rates over all ages of child bearing period (15-49)

British Columbia’s population is aging. The dramatic shift in age structure is already occurring, and will continue in the coming decades. This unprecedented demographic change is largely driven by two factors – the first is the large number of “baby boomers” (about one-third of B.C.’s total population) who are beginning to leave the labour force and retire, and will continue to do so over the next two decades.

The second factor is significantly fewer young people entering the labour market, a result of declining birth rates over the past few decades. These two important changes are leading the age distribution of B.C.’s population to become increasingly skewed toward older age cohorts (see Chart 1).

CHART 1: B.C. POPULATION PERCENT DISTRIBUTION BY AGE



F= forecast

Source: BC Stats. B.C. Population Projections 2009-2036.

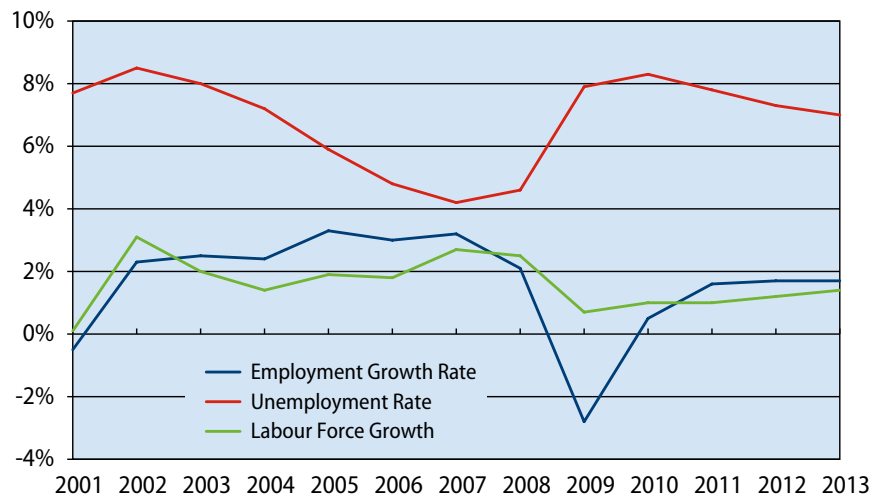
With the oldest members of the Baby Boom generation now past 60, British Columbia will face a major challenge in replacing experienced and skilled workers who are expected to retire over the next two decades.

B.C.’s aging population has a direct impact on the future labour force. Chart 2 shows that the labour force grew by 2.7 per cent in 2007 but, by 2012, annual growth in the labour force is expected to decelerate to 1.2 per cent.



* Unless otherwise specified, all data in this appendix is from: Statistics Canada, *Labour Force Survey*, 2008

CHART 2: BRITISH COLUMBIA'S LABOUR MARKET TO 2013



Source: 2001 to 2008 – Statistics Canada, Labour Force Survey; 2009 to 2013 – Ministry of Finance September Budget Update.

To understand the important drivers of labour force growth now and in the years to come, it is important to look at the labour market participation rate – the number and per centage of people of working age (15–64 years) who are participating in the labour market either by working or looking for work – as it presents the pool of potential labour for the economy.

The labour force participation rates in British Columbia over the past 30 years have had similar patterns as those of Canada and most other advanced economies.⁵ Each successive generation of women joining the labour force had higher participation rates than preceding ones. These generational effects lessened since the early 1990s and female participation profiles have become more stable in recent years. Male participation rates on the other hand have generally moved lower as each new generation has participated less in the labour force. This has shifted the overall age profiles for males lower over time.⁶

Labour market participation rates for the population have been gradually increasing (from 64.7 per cent in 1980 to 66.6 per cent in 2008) and

5 All labour force participation statistics from Statistics Canada, Labour Force Survey 2008, unless otherwise specified.

6 BC Stats. Labour Force Participation Projections. 2007.

are expected to continue. However, the aging of the population and the change in the sex ratio toward more females will affect the pace of change over the next 10 years.

As workers move into the older age cohorts, their labour force participation generally declines as a result of health problems and early retirement. This happens even before people reach the age of 65. In 2007, the participation rate for British Columbians aged 55 to 64 years was 60.7 per cent, considerably lower than the 83.9 per cent rate for those aged 45 to 54 years.

Given that participation rates decline as the population ages, the movement of the baby boomers into the 55-and-over cohort has serious implications for the participation rate. The decline will become dramatic as the boomers begin to hit retirement age (65 years and over), starting around 2012. It is anticipated that there will be a marked decrease in the number of available workers.

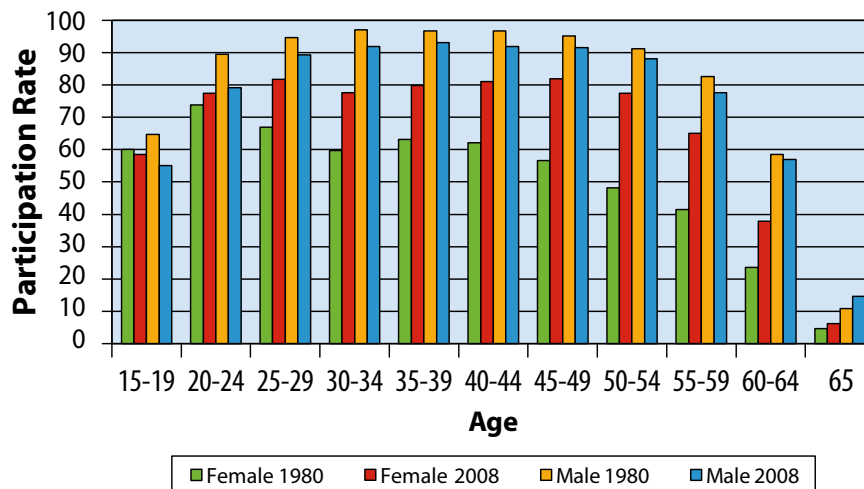
Traditionally, female labour market participation has been lower than male labour market participation but, since the 1960s, the gap has been narrowing and is now approximately 10 per centage points apart (female participation at 61.5 per cent; male at 71.9 per cent). The gap between male and female participation rates in the 20–24 age cohort has fallen from 15.6 per centage points in 1980 to 1.8 per centage points in 2008.

There has also been a considerable rise in female participation rates in the labour force among older cohorts. In 1980, the gap between male and female participation rates in the 45–64 age cohort was 40.7 per centage points—by 2008 this gap had narrowed to just 12.5 per centage points. So, while females will outnumber males in the general population, rising levels of female labour force participation should mitigate impacts to the labour supply.





CHART 5: FEMALE AND MALE LABOUR MARKET PARTICIPATION BY AGE, IN 1980 AND 2008

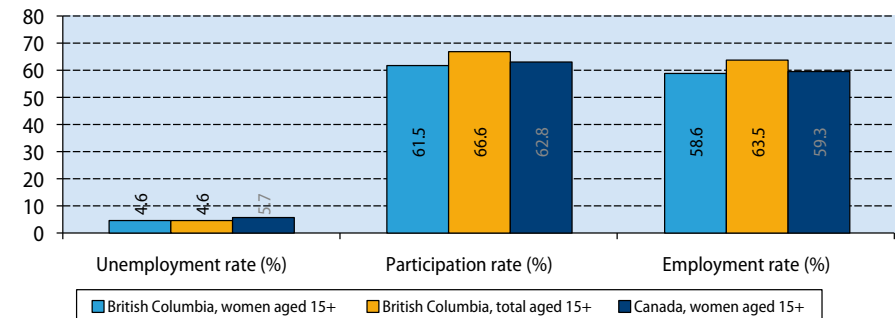


Source: Statistics Canada. Labour Force Survey 2008.

What follows below is an overview of the labour force, organized by various other groups of labour market participants.

Women (15 years and older)

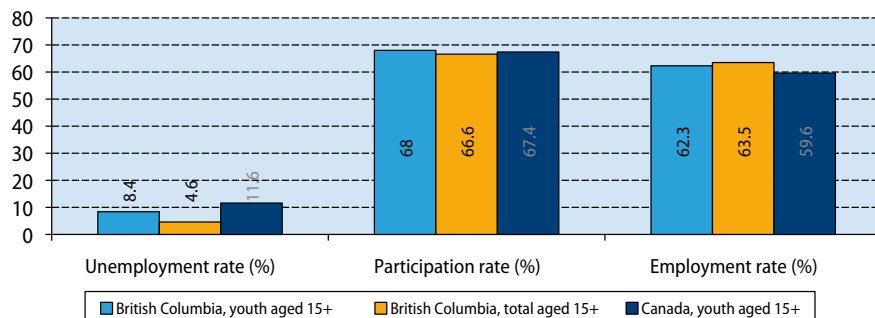
Women: Labour Force Characteristics



- Women continue to have a lower labour force participation rate than B.C.'s total working-age population (61.5 per cent versus 66.6 per cent).
- Compared to women across the nation, B.C. women hold a slightly lower participation rate, which has been increasing marginally over the last five years.
- Part-time work accounts for approximately 30 per cent of women's labour.
- Key barriers to women's participation to the labour market include: labour market discrimination and access to childcare.

Youth (15-24 years old)

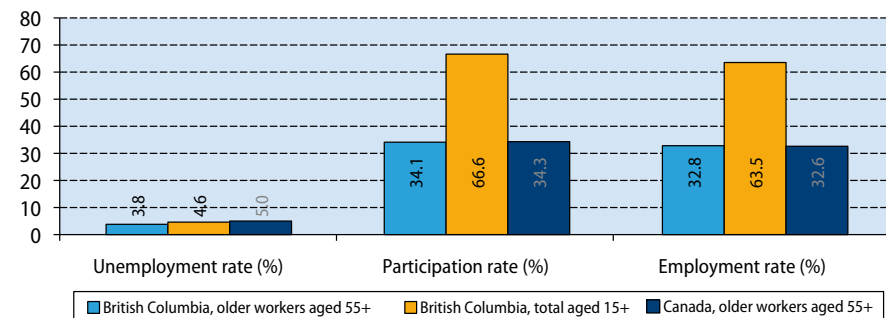
Youth: Labour Force Characteristics



- The youth participation rate is slightly higher than the overall rate for the whole working-age population in the province.
- With many youth attending high school or post secondary institutions, more than 62 per cent of youth are currently in B.C.'s workforce.
- Youth have much higher participation in part-time jobs as opposed to people aged 15 and over in the province as a whole (42.9 per cent versus 20.1 per cent).
- The youth unemployment rate is more than twice as much as that of those aged 25 and over.

Older workers (55 years and over)

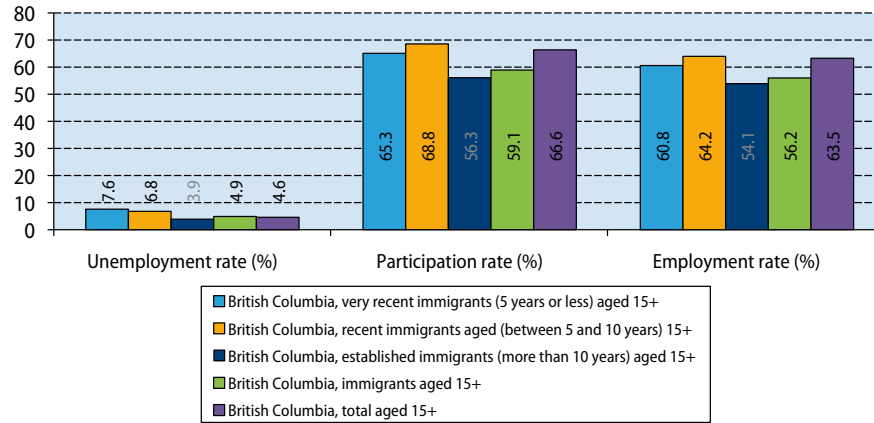
Older Workers: Labour Force Characteristics



- An increasing proportion of B.C.'s labour force is made up of older workers. However, people aged 55 years and over still have a very low labour participation rate, at about 34 per cent. This rate of participation is just above one half the level of the overall participation rate in the province.
- The participation rate for older workers in B.C. has steadily increased over the last ten years, but it is still lower than that in the Prairie Provinces and Ontario.
- Self-employment is far more prevalent among older workers than those in the 25-54-year-old age category.
- Key barriers influencing labour participation of older workers include: personal preferences, illness and disability, stress associated with work, physical demands of work, and finances (pensions, benefits and tax).

Immigrants

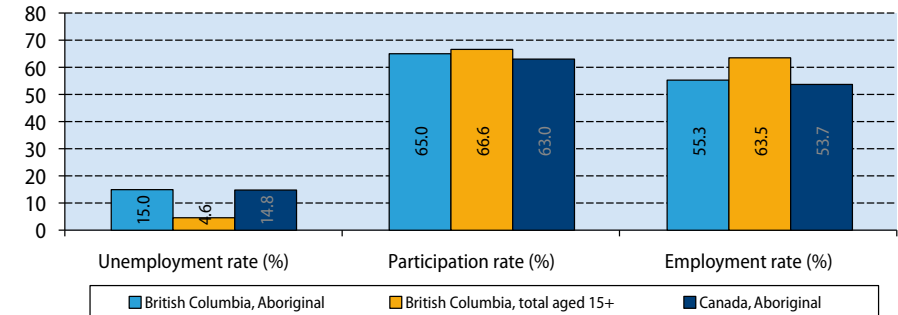
Immigrants: Labour Force Characteristics



- The labour participation rate of all B.C. immigrants aged 15 and over is 59 per cent, much lower than that of their Canadian-born counterparts at 70 per cent.
- The gap in participation rates is narrower for male compared to female, but immigrant men still have significantly lower rate in contrast with those Canadian-born males. However, both very recent and recent male immigrants have slightly higher participation rates than Canadian-born males. Immigrant women, on the other hand, have a lower participation rate, largely reflecting their pre-arrival intention to work.
- Despite their high level of education, immigrants, especially very recent immigrants have much less desirable labour market performances than their Canadian-born counterparts. The unemployment rate of all B.C. immigrants is 4.9 per cent, higher than 4.5 per cent of Canadian-born. Very recent immigrants in the province have a much higher unemployment rate at 7.6 per cent, partially due to the mismatch between immigrants’ skill levels and the occupations that immigrants seek and the skill levels of jobs available and occupational openings.
- Key barriers to labour force participation for immigrants: inadequate language abilities, lack of Canadian work experience, complex process for the recognition of credentials and discrimination.

Aboriginal People

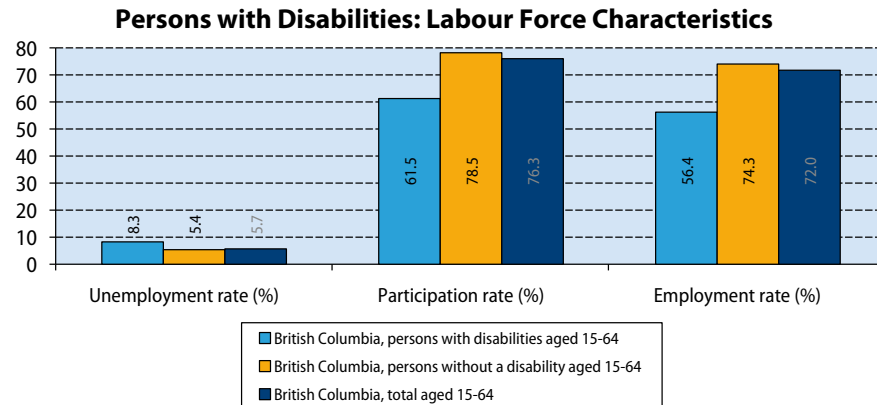
Aboriginal People: Labour Force Characteristics



- In British Columbia, the labour force participation rate for Aboriginal persons (65.0 per cent) is slightly lower than the rate for the overall population. Compared to five years ago, the Aboriginal participation rate has increased by more than three percentage points.
- The Aboriginal unemployment rate remains more than double that of the non-Aboriginal population. Unemployment is an even larger issue for Aboriginals living on-reserve.
- Key barriers to Aboriginal labour force participation: lack of economic opportunities, lack of physical infrastructure and obstacles to obtaining financing.

Source: Statistics Canada, Census 2006.

Persons with Disabilities



- There are 355,430 working-age (15-64) persons with disabilities in B.C. Many want to work and have excellent skills and talents.
- Compared to those without a disability, persons with disabilities aged 15-64 have a much lower labour participation rate (61.5 per cent vs. 78.5 per cent, respectively) and a significantly lower employment rate (56.4 per cent vs. 74.3 per cent, respectively).
- The unemployment rate of the persons with disabilities is 8.3 per cent, almost 3 per centage points higher than that of those without a disability.
- Key barriers to labour force participation: being prevented by the limitation itself, requirements for workplace accommodations, negative attitudes and lack of supports.



Source: Statistics Canada, *Participation and Activity Limitations Survey*, 2006

Appendix 2: British Columbia's Future Labour Market Demand*

The dramatic recent economic downturn reflected in the U.S. and global markets is having an impact on many aspects of B.C.'s economy. In the short term, the pace of job creation has slowed and the demand for skilled labour has lessened in some of the hardest hit sectors. However, it is important to not lose sight of the looming demographic shift that will see significant retirements.

While economic cycles may come and go, the reality is that our population is changing. The scale of replacements required to alleviate large scale retirement pressures will be unprecedented, with more skilled labour leaving the labour market than those entering it for the first time in history. If rates of economic growth are to match those of the past, labour shortages must be addressed. The current short-term economic slowdown allows for some breathing room to plan and adjust labour market strategies to ensure B.C. is well positioned when the economy eventually turns around.

Provincial Analysis

On a provincial level, there are expected to be 876,400 job openings over the ten year period from 2007 to 2017. Less than 40 per cent (or 329,900) of these projected job openings are expected to be new jobs generated by economic and industry growth. Over 60 per cent (or 546,500) of projected growth will be accounted for by replacement demand due to permanent attrition (a reduction in the workforce as a result of retirements and deaths). The projected average annual growth rate for all occupations is 1.4 per cent.

More than three quarters of the projected total job openings (due to a combination of growth and permanent attrition) are expected to require some post-secondary education or university education.

Sectoral Analysis

At an industry level, employment demand is expected to grow in most major groups. As mentioned earlier, the service sector is expected to continue the trend of generating the vast majority of new jobs in B.C., growing

at an annual growth rate of 1.6 per cent. From 2007 to 2017, employment demand in the service sector is projected to increase by 300,400 jobs and the goods-producing sector is projected to add 29,500 new jobs.



* Unless otherwise specified, all data in this appendix is from: *Ten-Year Employment Outlook for British Columbia. COPS B.C. Unique Scenario 2007-2017.*

The major industry groups that are projected to experience the fastest growth rate are Health Care and Social Assistance; Professional, Scientific and Technical Services; and Forestry, Mining, Oil and Gas. Employment demand is expected to shrink slightly for some industry groups, including Agriculture; and Fishing, Hunting and Trapping.

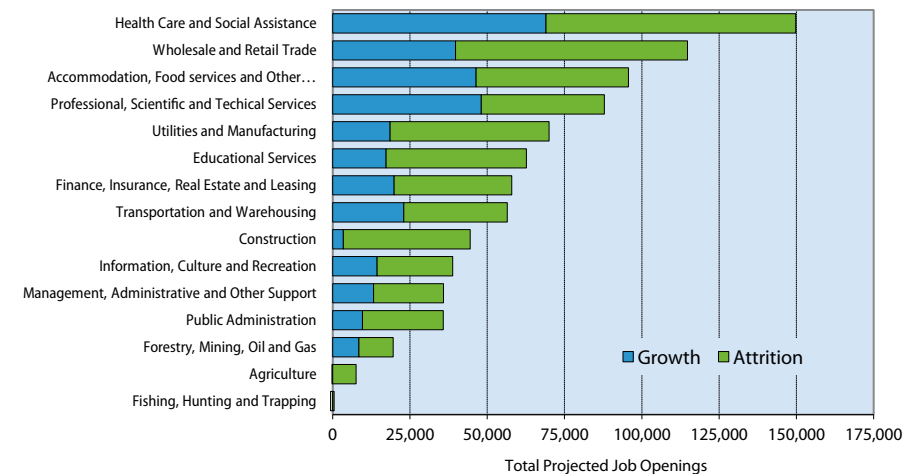
TABLE 2: PROJECTED EMPLOYMENT DEMAND GROWTH BY SECTOR AND MAJOR INDUSTRY GROUP FOR BRITISH COLUMBIA, 2007-2017

Major Industry Group	New Jobs	Average Annual Growth Rate
Agriculture	-280	-0.1 per cent
Forestry, Mining, Oil and Gas	8,480	1.8 per cent
Fishing, Hunting and Trapping	-680	-2.6 per cent
Utilities and Manufacturing	18,590	0.8 per cent
Construction	3,440	0.2 per cent
Total Goods-Producing Sector	29,540	0.6 per cent
Wholesale and Retail Trade	39,690	1.0 per cent
Transportation and Warehousing	23,010	1.7 per cent
Finance, Insurance, Real Estate and Leasing	19,890	1.3 per cent
Professional, Scientific and Technical Services	48,020	2.6 per cent
Management, Administrative and Other Support	13,170	1.3 per cent
Educational Services	17,290	1.1 per cent
Health Care and Social Assistance	69,010	2.6 per cent
Information, Culture and Recreation	14,320	1.2 per cent
Accommodation, Food services and Other Services	46,340	1.6 per cent
Public Administration	9,610	1.0 per cent
Total Service Sector	300,350	1.6 per cent
All Industry Groups	329,890	1.4 per cent

Note: Numbers have been rounded and will not sum to totals

The other important component of future employment demand, in addition to economic growth, is the need to replace workers who are leaving the workforce permanently. As presented by Chart 6 below, replacement demand pressure will not be felt evenly across all industry groups. Some industry groups are expected to face significant pressure to replace older workers who are going to retire during the outlook period. For example, based on the projection, total job openings in the Agriculture industry will be completely attributed to replacement demand. Other industries with projected lower employment growth, such as Public Administration, are also expected to require a large number of new workers to replace permanent attrition.

CHART 6: ATTRITION PRESSURE WILL NOT BE FELT EVENLY BY INDUSTRY GROUPS, BRITISH COLUMBIA, 2007-2017



Occupational Analysis

Looking at occupations now, new jobs are expected to be created and employment demand increased in every major occupational group, but the rate of growth varies significantly.

The three occupational groups that are projected to experience the highest growth rates are Health, Natural and Applied Sciences, and Art, Culture, Recreation and Sport. Together these three groups are expected to add 110,370 new jobs to the labour market over the outlook period, which will

account for approximately one-third of all new projected jobs in B.C. Some larger occupational groups with lower-than-average projected growth rates are also expected to see a large number of increases in demand due to their size. For example, with an average growth rate of 1.0 per cent, the occupation group of Sales and Service is estimated to generate 61,540 new jobs from 2007 to 2017, more than the number of new jobs projected for Health occupations, with the highest projected growth rate.

TABLE 4: PROJECTED EMPLOYMENT DEMAND GROWTH BY OCCUPATION SKILL TYPE FOR BRITISH COLUMBIA, 2007-2017

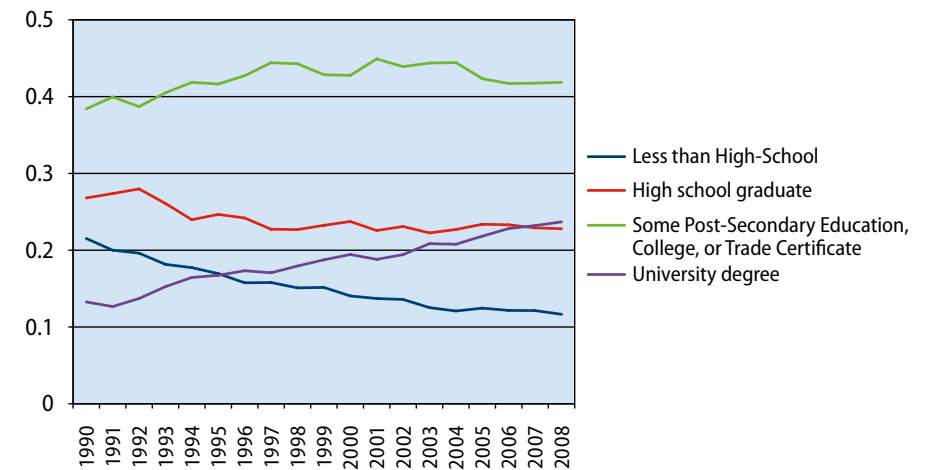
Major Occupation Skill Type	Annual Average Growth	New jobs	Share of total new Jobs
Health	3.7 per cent	58,330	17.7 per cent
Natural and Applied Sciences	2.4 per cent	38,980	11.8 per cent
Art, Culture, Recreation and Sport	1.7 per cent	13,060	4.0 per cent
Social Science, Education, Government Service and Religion	1.4 per cent	28,130	8.5 per cent
Occupations Unique to Processing, Manufacturing and Utilities	1.3 per cent	13,910	4.2 per cent
Trades, Transport and Equipment Operators	1.1 per cent	44,110	13.4 per cent
Sales and Service	1.0 per cent	61,540	18.7 per cent
Management	1.0 per cent	23,490	7.1 per cent
Business, Finance and Administration	1.0 per cent	41,300	12.5 per cent
Occupation Unique to Primary Industry	0.9 per cent	7,050	2.1 per cent
All Occupations	1.4 per cent	329,890	100 per cent

Note: Numbers have been rounded and will not sum to totals

Post-secondary Credentials

An important factor underlying the shift to knowledge and services is the demand for more and higher skills. Particularly in an age with rapidly advancing technology, the need for B.C.'s workforce to have higher education generally along with more technical skills will be imperative in order to be globally competitive. Fortunately, the proportion of the population attaining more education in B.C. over time has been increasing (chart 7); as of 2008, 66 per cent of B.C.'s labour force had at least some post-secondary education. However, the number of workers with post-secondary education will have to increase at an even faster rate to meet future needs. The latest projections suggest that on average over 76 per cent of new jobs created over the next decade (2007-2017) are expected to require a college diploma, trade certificate, university degree, or higher (COPS BC Unique Scenario, 2009). Moreover, the competition for this talent is only expected to increase, as barriers to labour mobility are increasingly being eliminated or substantially reduced.

CHART 7: EDUCATIONAL ATTAINMENT IN B.C.: 1990 TO 2008



Source: Statistics Canada, *Labour Force Historical Review*, 2008.





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