

# 2015/16 Annual Plan for British Columbia

## Labour Market Development Agreement (LMDA)



# Labour Market Development Agreement



Honourable, Michelle Stilwell  
Minister of Social Development  
and Social Innovation

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It is my pleasure to present the 2015/16 Annual Plan for the Labour Market Development Agreement (LMDA). The Ministry of Social Development and Social Innovation is dedicated to helping British Columbians succeed in the labour market by addressing the employment needs of both individuals and employers. We are investing in and driving economic and social prosperity in communities in all regions of British Columbia. Through the LMDA, our investment of \$279.96 million in annual program funding is providing the employment services people need to achieve sustainable employment and improve their livelihoods, enabling families to succeed in BC's labour market.

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# Labour Market Development Agreement (LMDA)

## A Brief Overview

Since the management of the programs and services funded under Employment Insurance (EI) Part II were transferred to the province of British Columbia (BC) under the Labour Market Development Agreement (LMDA) in 2009, the Employment and Labour Market Services Division (ELMSD) of the Ministry of Social Development and Social Innovation has maximized the opportunities provided by the transfer of approximately \$300 million in annual program funding. The ministry transformed its employment and labour market programs to improve flexibility, responsiveness and accessibility for clients and the public. The Employment Program of British Columbia (EPBC) launched across BC on April 2, 2012 and is now entering its fourth year of operation.

The EPBC makes it easier for people to find work and provides stability for their families through a wide range of integrated services and supports. All of the EI Part II programs and measures have been integrated into the EPBC, which assists eligible EI job seekers to reach their career goals by providing training to upgrade skills, offering valuable work experience or lending support and expertise for starting a business. Services provided also include wage subsidies, encouraging employers to provide work experience opportunities, expanding options for self-employment and creating sustainable jobs for eligible individuals.

The one-stop WorkBC Employment Services Centres (ESCs) across the province provide quick and easy access so unemployed British Columbians get the services they need to get back into the workforce as quickly as possible. All service providers deliver the full suite of services to citizens and have determined the best way to ensure effective service delivery to diverse populations, including people with disabilities, women, Aboriginal people, older workers, francophones, immigrants, youth, people re-entering the workplace and people living in smaller communities. The Government of Canada, along with the Ministry of Social Development and Social Innovation and the Ministry of Jobs, Tourism and Skills Training, continue to collaborate to ensure that employment and labour market services are integrated and meet the needs of British Columbians.

As Canada continues dialogue with provinces and territories about the Labour Market Development Agreement renewal, British Columbia looks forward to continued collaboration and welcomes the opportunity to provide input into making labour market programming more responsive to the labour market needs of British Columbia and its' citizens.



## British Columbia Labour Market Priorities

Through the LMDA, the Ministry of Social Development and Social Innovation continues to work collaboratively with key stakeholders to provide programs and services to connect British Columbians with available jobs. This Plan outlines four key labour market priorities for action that will leverage the collaborative efforts and maintain the strong foundation of the LMDA. Underlying these priorities are continuing commitments to strengthen British Columbia's labour market by delivering responsive programs and services to better align skills training with local labour market needs and priorities.

British Columbia's Labour Market Priorities for 2015/16 include:

1. Investing in training to better align British Columbians with sustainable job opportunities and to meet employer demands.
2. Continual development of strategies to engage all British Columbians, including underrepresented groups.
3. Continue partnering with local communities and organizations to further develop and increase community-based partnerships across the province.
4. Continue enhancing EPBC services and supports through improvement of research and innovation, measurement, and reporting capabilities.

### **1. Investing in training to better align British Columbians with sustainable job opportunities and to meet employer demands**

A new wave of economic growth stimulated by the *BC Jobs Plan* will further increase the number of jobs available in British Columbia. Over the next decade, it is estimated that there will be nearly one million job openings in the province that will require employees with emerging skills. The demand for skilled labour continues to increase relative to that of unskilled labour and this trend is expected to persist in the future. As skill mismatches continue to pose challenges for employers, there is a great need to ensure that training is aligned with labour market needs.

The *BC Skills for Jobs Blueprint* addresses the fundamental changes and shifts that must be made to ensure the most effective use of existing resources and future investments in education and training. It is estimated that more than three quarters of projected job openings to 2022 will require some post-secondary education. Throughout British Columbia, it is evident that workers, whether currently employed or seeking employment, need to improve their skills and credentials for current labour market conditions and for future expanding industries. That is why British Columbia places an emphasis on aligning training with the occupations in areas of high demand. It is also predicted that there will be persistent regional skills shortages in key sectors critical to British Columbia's economic growth, where targeted and sustainable action will be required to ensure continued prosperity.

Provincial Response:

- » Undertake collaborative work with industry groups, ministry partners, and educational organizations to identify skills shortages at the regional and sectorial levels.
- » Continue to build strong partnerships with employers to increase awareness of program services and to better understand their labour and human resource planning requirements, ensuring employers' perspectives are included in employment programming.
- » Provide employment and labour market programs that effectively respond to emerging labour market and human resource needs.
- » Ensure an alignment between labour market needs and the skills training and development provided.
- » Continue to actively participate on the Labour Market Priority Board with partner ministries and organizations, focusing on effectively targeting labour market spending and resources by reviewing projects, programs and initiatives proposed by each individual ministry to ensure coordination and avoid duplication.
- » Prepare for the expected shortfall of trades people and trades apprentices by working with British Columbia's Industry Training Authority to support training in skilled trades.
- » Continue to support apprentices during training by ensuring that the \$7.4 million commitment made in the *BC Skills for Jobs Blueprint* targeted to support apprentices is fully utilized.

- » Ensure full utilization of the Labour Market Partnership (LMP) funding stream of Community and Employer Partnerships (CEP), which provides financial assistance to organizations to encourage, support and facilitate addressing labour force issues and human resource planning activities which are in the public's interest.
- » Leverage the Canada Job Grant that was implemented through the Canada British Columbia Job Fund Agreement to support employers to provide skills training to unemployed and underemployed British Columbians to address skills mismatches and labour shortages.



## **2. Continual development of strategies to engage all British Columbians, including underrepresented groups**

It is important that employment and labour market services are accessible for all labour market participants to support them in finding or returning to stable employment as quickly as possible. The weakening demographic outlook, due primarily to an aging population, lower birth rates, and increased global competition for skilled labour, makes it necessary to ensure greater access to program information and services for all British Columbians.

The full participation of Aboriginal people, people with disabilities, women, immigrants, youth, single parents, and older workers in the workforce is increasingly important for the Canadian society, labour market, and the economy. There will be both opportunities and needs for increased participation from underrepresented groups to fulfill future job openings created from the expanding liquefied natural gas (LNG) development in Northern BC, increased trade with Asia, new mines and mining expansions, growing forestry exports, and increased activity in the resource, transportation, industry and business sectors. Underrepresented groups have higher than average unemployment rates and there is thus a great need to address barriers that may prevent these British Columbians from participating in the workforce. As the provincial government continues to deliver responsive and effective employment and labour market services, it will continue to develop strategies to engage all British Columbians in the labour market, including groups historically underrepresented that may need additional support.

### Provincial Response:

- » Continue to work with Canada and other stakeholders using marketing and community outreach to increase awareness of the 84 WorkBC ESCs located across the province to assist British Columbians prepare for and find jobs.
- » Continue to provide employment and service delivery that is responsive, inclusive, accessible and client-focused.
- » Increase successful client outcomes by ensuring that clients receive skills training and development that match the needs of the labour market.
- » Continue to work with Canada on implementing the Targeting, Referral and Feedback (TRF) initiative to reach EI applicants earlier in their claim.
- » Leverage relationships with community organizations that fully understand and are connected to underrepresented populations.
- » Improve access to employment services for underrepresented populations through WorkBC ESCs, satellite offices, and outreach services.
- » Continue to monitor French services for consistency and quality in communities identified as having significant demand for Francophone clients.
- » Continue to look for innovative opportunities to assist underrepresented populations with projects funded under the CEP program, ensuring that the \$8 million CEP commitment in the *BC Skills for Jobs Blueprint* is fully utilized.

- » Continue to ensure alignment of the EPBC with Accessibility 2024 to minimize duplicated efforts, ensuring effective access to assistive technology and supports for people with disabilities to obtain employment using collaborative initiatives such as Technology at Work and Improving Employment Outcomes for Post-Secondary graduates with disabilities.
- » Support unemployed single parents in training for jobs in high demand occupations.

### **3. Continue partnering with local communities and organizations to further develop and increase community-based partnerships across the province**

Regions across the province face unique economic opportunities and challenges. Continuing to develop community-based LMPs that bring together all relevant participants within a region will provide strategic advantages for program delivery. Understanding the unique skills and labour market needs in different parts of British Columbia and within key sectors of the economy will help the government target skills training and labour market programs, grow stable economic communities, and address skills shortages. Labour market information at the regional level is critical to enable government and stakeholders to develop informed strategies that focus on their specific challenges and to collaborate on shared challenges.

#### Provincial Response:

- » Leverage relationships with community organizations and employers to fully understand local labour market needs.
- » Expand outreach with employers and community organizations at the community level to increase awareness of programs and services and to proactively address the eminent challenges communities face.
- » Consult with organizations and communities to identify ways to successfully integrate and improve labour market participation for all British Columbians.
- » Continue to support and ensure full-utilization of the CEP commitment to bring community organizations and employers together to strengthen the labour market in their communities and provide individuals with meaningful employment through partnership, shared information, technology and innovative practices.
- » Ensure full utilization of Job Creation Partnership (JCP) projects funded under CEP that are designed to support projects in communities that provide unemployed eligible EI clients with opportunities to gain meaningful work experience.
- » Increase awareness of Project Based Labour Market that provide a combination of on-the-job and off-the-job training delivered under a project-based training model to assist eligible individuals to obtain the skills they need for employment.
- » Expand the use of the BC Labour Market Scenario Model<sup>1</sup> to examine the future state of occupational labour supply and demand for the province and its regions.

<sup>1</sup> The BC Labour Market Scenario generates a 10-year forecast for British Columbia's labour market.



#### 4. Continue enhancing EPBC services and supports through improvement of research and innovation, measurement, and reporting capabilities

Supporting advanced research and innovation is the key to ensure that labour market programs are responsive to constantly changing economic conditions. The province recognizes the importance of accountability and the need for accessible and accurate information in achieving an open agenda. In light of this, British Columbia will continue to enhance its measurement framework to ensure an efficient and effective delivery of program supports and services.

Collaboration is essential to enhancing accountability, measurement, research, and innovational capabilities. The development of working partnerships with stakeholders across all communities of British Columbia will provide the capacity to respond to labour market conditions. The development of well-coordinated partnerships with all stakeholders in the labour market is vital in order to successfully prepare all British Columbians to enter, re-enter, or re-skill for the constantly changing labour market.

##### Provincial Response:

- » Increase investment in the Research & Innovation program to promote work done with community organizations and partners to undertake research, develop and implementation of innovative projects, processes or practices that strengthen the understanding of the labour market and help move more clients into sustainable jobs.
- » Continue to engage the BC Centre for Employment Excellence to support research and innovation in the delivery of employment services to British Columbians.

- » Expand investment in research and development to build and enhance the capacity for the production, distribution and use of labour market information.
- » Continue to improve the labour market information available on [www.workbc.ca](http://www.workbc.ca)<sup>2</sup> to assist with matching training to jobs in demand.
- » Continue to work with EPBC service providers to improve local labour market information available in WorkBC ESCs, ensuring that employment counsellors and case managers have the most up-to-date information on training and career opportunities in priority sectors to best assist clients in taking advantage of employment opportunities.
- » Ongoing improvements of Integrated Case Management application data through vigorous data quality cycles and continual support and hands-on training for users.
- » Continue to expand and enhance the Business Intelligence Portal to provide EPBC service providers and operational staff accessibility to additional data and analytical tools to support on-going performance monitoring and management.

<sup>2</sup> A website dedicated to information about British Columbia's labour market information, programs and services.

# LMDA Investment Plan, Accountabilities and Targets

## LMDA Investment Plan for 2015/16

The Ministry of Social Development and Social Innovation is responsible for administering the annual LMDA budget. British Columbia's LMDA allocation for 2015/16 is \$279.96 million. Within the EPBC, LMDA supports and measures are consolidated into a single program and make up approximately 85 per cent of the 2015/16 budget. The remaining 15 per cent is utilized through inter-ministry agreements with the Ministry of Jobs, Tourism and Skills Training and the Ministry of Advanced Education to deliver on LMDA objectives.

To align with the responsibility for British Columbia's labour market strategy, administration of the province-wide and industry-specific sectoral LMP agreements have been transferred to the Ministry of Jobs, Tourism and Skills Training. Local community-based labour market program funding agreements continue to be administered by the Ministry of Social Development and Social Innovation. The two ministries are continuing to collaborate on program delivery and have adopted a "no wrong door" approach for applicants in order to ensure seamless and timely service to both employers and communities.

The table below provides a summary of planned and expended expenditure trends from the current and preceding fiscal years.

## Investment Trend

	2015/16 Planned Investment (\$, millions)		2014/15 Expended (\$, millions)		2013/14 Expended (\$, millions)		2012/13 Expended (\$, millions)		2011/12 Expended (\$, millions)		2010/11 Expended <sup>4</sup> (\$, millions)		2009/10 Expended <sup>4</sup> (\$, millions)	
Employment Assistance Services	\$107.30	38%	\$92.90	34%	\$95.98	35%	\$71.79	32%	\$115.08	43%	\$139.40	41%	\$127.50	38%
Skills Development (Including Apprentices Program)	\$116.22	42%	\$139.28	50%	\$132.52	48%	\$101.71	45%	\$95.86	36%	\$129.10	38%	\$135.00	41%
Self-Employment	\$11.46	4%	\$10.49	4%	\$14.91	5%	\$24.57	11%	\$25.37	9%	\$34.90	11%	\$34.70	11%
Targeted Wage Subsidies	\$6.60	2%	\$5.90	2%	\$6.09	2%	\$9.19	4%	\$16.49	6%	\$22.80	7%	\$22.20	7%
Labour Market Partnerships	\$12.46	4%	\$6.89	3%	\$9.79	4%	\$4.54	2%	\$4.70	2%	\$6.10	2%	\$2.90	1%
Job Creation Partnerships	\$8.45	3%	\$6.85	3%	\$4.99	2%	\$2.43	1%	\$4.13	2%	\$4.40	1%	\$7.60	2%
Research & Innovation	\$14.45	5%	\$12.91	5%	\$12.12	4%	\$10.29	5%	\$6.20	2%				
Project Based Labour Market Training	\$3.02	1%	\$1.20	1%										
<b>Total</b>	<b>\$279.96</b>	<b>100%<sup>5</sup></b>	<b>\$276.37</b>	<b>100%<sup>5</sup></b>	<b>\$276.40</b>	<b>100%</b>	<b>\$224.52</b>	<b>100%</b>	<b>\$267.83</b>	<b>100%</b>	<b>\$336.70</b>	<b>100%</b>	<b>\$329.90</b>	<b>100%</b>

<sup>3</sup>The 2014/15 Planned Investment for supports and measures is based on expenditures from 2013/14, 2012/13 and 2011/12.

<sup>4</sup> As part of the Economic Action Plan of the federal budget for 2009, the Government of Canada increased funding under the LMDA for fiscal year 2009/10 to \$52.7M; and fiscal year 2010/11 to \$62.9M.

<sup>5</sup> Percentages may not sum to 100 per cent due to rounding.

## LMDA Program Accountabilities and Targets

The EPBC was introduced April 2, 2012 to provide services and support to unemployed British Columbians to obtain sustainable employment. The program integrated services from 10 former employment programs and services into a single, more comprehensive program for all unemployed British Columbians. The EPBC operates through 84 one-stop WorkBC ESCs in 73 catchment areas across British Columbia.

To ensure individuals throughout the province receive the support that they need to help them find and maintain sustainable employment, contractors located in the 73 catchment areas deliver EPBC services and supports on behalf of the ministry. EPBC services are available to all unemployed and underemployed British Columbians seeking work, including individuals receiving ministry income and disability assistance. The objective for having British Columbia Employment Assistant (BCEA) clients participate in the EPBC is to assist them in overcoming barriers to employment as quickly as possible and to support them in becoming more independent.

The EPBC was designed to implement efficiencies, such as increased accessibility to less costly self-serve components and workshops. Clients accessing self-serve services are not formally case managed. As a result, the ministry has limited ability to track program participation for self-serve clients who would have been counted under previous legacy programs. Program targets are thus only set for case-managed clients.

## 1. Active EI Claimants Accessing British Columbia Benefits and Measures

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Proposed
Target	2015/16	50,000	50,000	50,000	39,000	39,000	37,500
Total Achieved	62,889	51,434	36,889	31,953	34,612	33,730	

In 2015/16, the EPBC will be in its fourth year of operation and there are a number of existing and new initiatives aimed at increasing the number of individuals accessing program benefits and measures. In addition to continual improvements in collaborating with Service Canada offices and increased awareness of WorkBC ESCs, new potential data collaboration activities with Employment and Social Development Canada (ESDC) such as TRF could lead to an increase in the number of individuals accessing program benefits and measures. Upon the successful implementation of TRF, an increase in EI claimants participating in EPBC could result in an increase in the number of claimants achieving employment, and thus, an increase in savings to the EI account.

As the ministry reflects on past performance and the labour market context, it is important to establish realistic and achievable targets that incorporate both the projected labour market conditions and the integrated service model designed into the EPBC. There is a direct relationship between the results of the accountability measures and the number of EI claimants in any given year. During the 2008/09, 2009/10, and 2010/11 fiscal years, the number of EI recipients accessing EPBC services exceeded the estimated targets by a significant margin. This was largely due to the economic

recession that led to a record number of EI recipients (88,785) in British Columbia in 2009. As the economy began to recover, the number of EI recipients drawing upon EI Part I benefits in British Columbia has continued to trend downwards. In 2014, EI beneficiaries for British Columbia averaged 52,261—below the 53,840 EI beneficiaries in 2013. The marked decline in the number of recipients receiving EI Part I benefits has a downward impact on the number of clients accessing EPBC services.

The number of EI claimants accessing British Columbia benefits and measures is directly related to the economic outlook, labour market conditions, and initiatives geared at attracting EI clients to the EPBC. As the economic outlook for British Columbia continues to improve, tighter labour market conditions are expected. Despite the plunge in oil prices which will dampen employment growth, the weaker dollar will stimulate demand for Canadian exports and as a result, soft employment growth is expected. As the labour market becomes tighter, it is expected that the number of EI beneficiaries will continue to decline in 2015/16.

The unemployment rate was 6.1 per cent in 2014, lower than the 6.6 per cent recorded in 2013. During several months of 2014, the decline in the unemployment rate in British Columbia was due not only to an increase in employment but also as a result of fewer people looking for work. In December of 2014, the unemployment rate stood at 5.5 per cent, 1.4 per cent lower than December 2013 and the lowest rate recorded since November 2008. This decline, however, was driven entirely by a fall in the labour force, a possible sign that unemployed workers are becoming increasingly discouraged and dropping out of the workforce. As the labour market becomes tighter, these discouraged workers are expected to re-enter the labour force, which will drive up the unemployment rate.

Overall, it is expected that the unemployment rate will remain slightly below 6 per cent over the short- and medium-terms. With the unemployment rate showing signs of improving slightly in 2015/16, we expect that the number of individuals drawing upon EI Part I benefits will also continue to fall in 2015/16. This will put downward pressure on the potential number of EI clients. However, with new initiatives such as TRF, it is expected that the number of active EI claimants accessing EPBC benefits and measures will continue to increase despite fewer EI clients. The target for the number of active EI claimants accessing British Columbia benefits and measures in fiscal year 2015/16 is 37,500—above the 33,730 EI clients served in 2014/15.

## 2. EI Claimants Returned to Employment

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Proposed
Target	20,000	30,000	30,000	30,000	24,000	24,000	21,750
Total Achieved	38,609	41,198	33,580	16,777	20,040	19,787	

The number of claimants returning to employment is influenced by a number of factors, including:

- » Labour market conditions;
- » The number of clients accessing benefits and measures;
- » The underlying purpose of the EPBC and the suite of services that the program provides; and,
- » Characteristics of EI claimants.

The EPBC service delivery model offers a range from self-serve services to one-on-one personalized case-management. While the self-serve component offers a variety of options for clients, such as access to job boards and job search resources, the ministry is unable to track self-serve participation and outcomes at this time.

As stated above, labour market conditions are expected to continue to improve during the 2015/16 fiscal year with the unemployment rate expected to remain slightly below 6 per cent. Since the launch of the EPBC, the number of EI claimants accessing British Columbia benefits and measures who return to employment has averaged slightly below 56 per cent. This ratio is expected to rise to 58 per cent in 2015/16, slightly above the 57 per cent realized in 2014/15. Several initiatives will help achieve this target. First, EPBC service

providers are making proactive efforts to increase the awareness of programs and services available through EPBC in their communities. In addition, efforts are being made to take advantage of the widening skills gap by providing training and support to clients so that they can re-enter the labour market in sustainable skilled positions as quickly as possible. As a result of these initiatives, the number of EI claimants who return to employment has been set at 21,750 for 2015/16, an increase from the 19,787 realized in 2014/15.

## 3. Savings (\$) to the EI Account

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Proposed
Target	50,000,000	74,000,000	124,000,000	124,000,000	104,000,000	134,000,000	130,000,000
Total Achieved	247,853,333	228,990,000	146,400,000	112,512,524	121,850,000	126,470,000	

The factors that influence the number of EI claimants returning to employment are also applicable to the forecasted level of savings to the EI account. Year-to-date savings to the EI account occur as a result of active EI claimants who become employed before making a full draw on their insurance entitlement. Thus, savings to the EI account are represented by any unpaid benefits (i.e., EI Part I insurance benefit entitlement minus actual EI Part I payout) to EI claimants who find employment or who returned to training as a result of EPBC services.

There is a direct relationship between savings to the EI account and the number of EI claimants who return to employment, which is related to the number of EI claimants accessing British Columbia benefits and measures. BC anticipates only a modest growth in the

savings rate based on two factors. First, there will be a greater focus on longer-term EPBC benefits and supports to retrain workers for current labour market positions in order to address the skills gap. Secondly, during periods of tighter labour market conditions, it is more likely that those remaining in receipt of EI and accessing EPBC supports and benefits represent less-skilled and/or multi-barriered clients. Low-skilled and/or multi-barriered clients typically require additional employment supports and benefits, which leads to an increase in the amount of time for them to re-attach to the labour market.

Since the launch of the EPBC, savings per EI claimant who has returned to employment has averaged roughly \$6,400—above the average of \$5,350 since 2007. To reflect on the characteristics of EI claimants accessing EPBC benefits and supports as noted above, it is forecasted that EI savings per client will be slightly below \$6,000 for 2015/16. Overall, the expected increase in active EI claimants accessing British Columbia benefits, which will translate into more claimants returning to employment, will result in an increase in savings to the EI account from \$126.5 million in 2014/15 to \$130 million in 2015/16.



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For more information on the EPBC, visit:  
[www.WorkBC.ca](http://www.WorkBC.ca)

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# An Overview of the Economic and Labour Market Conditions in British Columbia

Ensuring the right number of workers with the necessary skills at the right geographic locations is a major concern for employers, industries and policy makers in British Columbia. Achieving this goal will be an economic imperative over the coming decades.

In its most recent Budget and Fiscal Plan, the Ministry of Finance reported that in 2014 most of British Columbia's economic indicators reveal increased domestic activity relative to the same period of 2013, including growth in key areas such as exports, retail sales and housing starts. Most indicators show that performed well compared to other provinces in 2014 and , as such, an average of six private sector forecasters (Bank of Montreal, RBC, CIBC, TD, Scotiabank, and IHS Global Insight) estimate that experienced the second strongest growth in real GDP among provinces last year. The same private sector forecasters expect economic growth to rank second among provinces again in 2015, and then first in 2016 (tie with Ontario). The moderate pace of 2.2 per cent economic growth in 2014 trends upward from the 1.9 per cent in 2013 and the unemployment rate trends downward to 6.1 per cent from the 6.6 per cent in 2013.<sup>6</sup>

The Economic Forecast Council forecasts a growth of 2.6 per cent in 2015, 2.8 per cent in 2016, and 2.5 per cent per year in the medium-term (2017 to 2019). The Ministry of Finance forecasts the economy to grow by 2.3 per cent in 2015, 2.4 per cent in 2016 and 2.3 per cent per year in the medium-term. The Ministry of Finance also pointed out some risks due to the potential for a slowdown in domestic and U.S. activity, ongoing fragility in Europe, slower than anticipated Asian demand, particularly China, a fluctuating Canadian dollar and weak inflation, in part due to lower oil prices.<sup>7</sup>

In addition, demographic shifts, in particular an aging workforce and low birth rate, will continue to shape British Columbia's labour market policy and program responses. These shifts will increase pressures on the delivery of key services, including health care, as demands rise while available labour supplies decline. British Columbia's median age is forecast to rise from 41.9 in 2013 to 46.1 in 2041.<sup>8</sup>

The economic development regions in the province have diverse labour market prospects, which are affected by differences in economic base, major projects, demographics and other factors. For example, with multi-million dollar mining, ports and utilities projects in the works, Northern British Columbia has strong expected growth in demand for workers over the ten-year period from 2012 to 2022 above the provincial average of 1.2 per cent annually: Northeast (1.7 per cent) and North Coast and Nechako (1.5 per cent).<sup>9</sup> In addition, the proposed LNG projects are expected to generate opportunity to enable strong economic growth and provide excellent employment opportunities throughout.

By taking the strengths of British Columbia and converting them into competitive advantages, the Government launched the Canada Starts Here: The *BC Jobs Plan* in 2011 focusing on creating long-term jobs and investment across the province. The Jobs Plan set out 19 targets. After three years, 11 targets have been met and the remaining eight targets will be achieved by 2020.<sup>10</sup>

<sup>6</sup> Ministry of Finance, Budget and Fiscal Plan 2015/16 – 2017/18, February 2015.

<sup>7</sup> Ministry of Finance, Budget and Fiscal Plan 2015/16 – 2017/18, February 2015.

<sup>8</sup> BC Stats, British Columbia Population Projections 2015-2041, May 2015

<sup>9</sup> Ministry of Jobs, Tourism and Skills Training, British Columbia 2022 Labour Market Outlook, 2014

<sup>10</sup> Ministry of Jobs, Tourism and Skills Training, 3-Year Progress Update, 2014

To prepare for the upcoming labour market needs, in 2014, the Government has launched the Skills for Jobs Blueprint: Re-engineering Education and Training. BC's Blueprint takes detailed actions to make sure British Columbians have a seamless transition from high school through post-secondary and right into the workforce as well as provide more support to those who are struggling to gain a foothold in the job market or who face unique challenges – such as youth-at-risk, persons with disabilities and aboriginal youth. The Blueprint lays out a major shift to a data-driven system where training dollars and programs are targeted to jobs in demand. The Blueprint sets out three objectives to maximize the potential of workforce (Chart 1):<sup>11</sup>

1. A head-start to hands-on learning in our schools
2. A shift in education and training to better match jobs in demand
3. A stronger partnership with industry and labour to deliver training and apprenticeships

Several training programs are provided through Canada-British Columbia Job Fund Agreement to ensure workers have the necessary skills to take advantage of these opportunities and employers participate meaningfully as partners in the skills training system.<sup>12</sup>



<sup>11</sup> Ministry of Jobs, Tourism and Skills Training, Skills for Jobs Blueprint: Re-engineering Education and Training, 2014.

<sup>12</sup> Ministry of Jobs, Tourism and Skills Training, Skills for Jobs Blueprint: Re-engineering Education and Training, 2014.



## B.C.'S SKILLS FOR JOBS BLUEPRINT: RE-ENGINEERING EDUCATION AND TRAINING

1

### A HEAD-START TO HANDS-ON LEARNING IN OUR SCHOOLS



If you're in elementary, middle or high school, we want to give you an earlier head-start to hands-on learning so you're ready for the workforce or more advanced training when you graduate.

2

### A SHIFT IN EDUCATION AND TRAINING TO BETTER MATCH WITH JOBS IN DEMAND



If you're in a college, university or institute, or are thinking about attending, we're matching training with jobs in demand, and maximizing the spaces available to provide the programs you need to compete successfully in the workforce.

3

### A STRONGER PARTNERSHIP WITH INDUSTRY AND LABOUR TO DELIVER TRAINING AND APPRENTICESHIPS



If you're looking to move into or up in the workplace, we're building stronger partnerships with industry and labour to better connect you with the on-the-job and classroom training you'll need to boost your skills or achieve certification.

### Chart 1 Key Objectives of Skills for Jobs Blueprint: Re-engineering Education and Training

Without pre-emptive action on labour market development, British Columbia's economic and social strength will be threatened.

A more detailed overview of the British Columbia economy, the economic outlook, drivers of change, and an analysis of the projected labour market demand and supply in years to come can be found in Appendix 1.

Source: Ministry of Jobs, Tourism and Skills Training, Skills for Jobs Blueprint: Re-engineering Education and Training, 2014.

# Appendix: Economic & Labour Market Context

## Economic Outlook

### Overview of the British Columbia Economy

Over the past several decades, British Columbia's economy has undergone some important transformations. 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 the 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 British Columbia'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 the production of other types of goods and services. 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 British Columbia's economy. Since the mid-1990s, there have been fewer people working in these industries than in other types of goods production.

As of 2014, seven per cent of workers have jobs in resource harvesting, extracting and related manufacturing industries,<sup>13</sup> down from about nine per cent in 2005. Employment in other types of goods production has picked up in recent years after declining during the 1990s, and accounts for about 13 per cent of all the jobs in the province (Chart 1).<sup>14</sup> Currently, British Columbia's five largest employers are retail and wholesale trade; health care and social assistance; construction; manufacturing; and professional, scientific and technical services.

The combined contribution of agriculture, forestry, fishing and hunting; mining, quarrying and oil and gas to provincial GDP has decreased from 10.0 per cent in 2005 to 6.5 per cent in 2013.<sup>15</sup> Wood product exports declined sharply from \$9.5 billion in 2005 to \$8.1 billion in 2014. On the contrary, exports of agriculture and food (not including fish), metallic mineral products, and machinery and equipment significantly increased by 64.3 per cent, 58.8 per cent and 27.3 per cent, respectively.<sup>16</sup> The province's service exports steadily grew between 2001 and 2007. Due to the global economic downturn, service exports declined by 7.2 per cent in 2008, then bounced back with 4.4 per cent growth in 2009 and continue to grow by 6.8 per cent 2010. Service exports increased by 2.6 per cent in 2013 compared to 2012.<sup>17</sup>

<sup>13</sup> Resource harvesting, extracting and related manufacturing industries refer to agriculture; forestry, fishing, mining, oil and gas; wood product manufacturing; paper manufacturing; printing and related support; coal products manufacturing; chemical manufacturing; plastics and rubber products manufacturing; non-metallic mineral product manufacturing; primary metal manufacturing; fabricated metal product manufacturing; and machinery manufacturing.

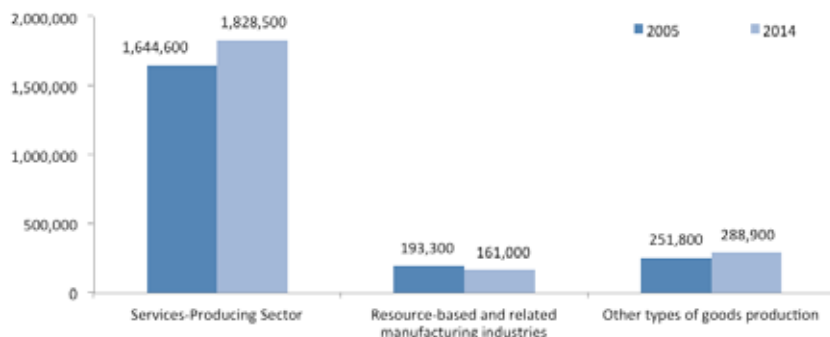
<sup>14</sup> BC Stats, British Columbia Employment by Detailed NAICS Industry, <http://www.bcstats.gov.bc.ca/StatisticsBySubject/BusinessIndustry/BusinessCountsEmploymentByIndustry.aspx>

<sup>15</sup> Statistics Canada, Gross Domestic Product (GDP) at basic prices (chained (2007) dollars), by North American Industry Classification System (NAICS, annual (percentage share). The current available data as of March 2015 is for 2013.

<sup>16</sup> BC Stats, Annual Data for Exports with Selected Destination and Commodity Detail, <http://www.bcstats.gov.bc.ca/StatisticsBySubject/ExportsImports/Data.aspx>

<sup>17</sup> Statistics Canada, Gross Domestic Product, Expenditure-Based Chained (2007) Dollars, CANSIM 384-0038.

**Chart 2 Employment by Key Sectors in 2005 and 2014**



Source: BC Stats, British Columbia Employment by Detailed NAICS Industry, [www.bcstats.gov.bc.ca/StatisticsBySubject/BusinessIndustry/BusinessCountsEmploymentByIndustry.aspx](http://www.bcstats.gov.bc.ca/StatisticsBySubject/BusinessIndustry/BusinessCountsEmploymentByIndustry.aspx)

## Looking Forward

Canada experienced a significant economic slowdown starting in late 2008, and economic conditions have been stabilizing and improving since 2010. The Economic Forecast Council estimates Canadian real GDP in 2014 grew by 2.3 per cent and forecasts that Canada's economy will advance by 2.3 per cent in both 2015 and 2016, and 2.2 per cent on average during the 2017 to 2019 period.<sup>18</sup>

The Ministry of Finance's estimate for 2014 provincial economic growth is 2.2 per cent, 0.1 percentage points below the estimate provided by the Economic Forecast Council. Looking forward, economy is forecast to grow at moderate pace of 2.3 per cent in 2015, 2.4 per cent in 2016, and 2.3 per cent per year in the medium-term during the 2017 to 2019 period. The Council's forecasts for future growth averaged 2.6 per cent in 2015, 2.8 per cent in 2016, and 2.5 per cent per year in the medium term.<sup>19</sup>

Labour market conditions improved in 2014 compared to 2013. Employment grew by 0.6 per cent or by 12,800 jobs over 2013. The unemployment rate was 6.1 per cent in 2014, down from 6.6 per cent in 2013 and lower than the national average of 6.9 per cent.<sup>20</sup>

The Ministry of Finance forecasts employment to expand by 0.1 per cent in 2015 (22,300 jobs) and 1.2 per cent in 2016 (28,400 jobs). The province's unemployment rate is expected to reach 6.2 per cent in 2015, 6.4 per cent in 2016, and 6.6 per cent over the medium term.<sup>21</sup>

## Forces for Change

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

- » Skills for Jobs Blueprint: Re-engineering Education and Training – a comprehensive strategy to re-engineer BC's education and apprenticeship systems to align training and education with in-demand jobs to maximize the potential workforce.
- » Canada Starts Here: The *BC Jobs Plan*, which focuses on leveraging the strengths of most competitive sectors – natural resource (forestry, mining, natural gas, agrifoods), knowledge-based (technology and tourism) and infrastructure (transportation and international education) sectors.

<sup>18</sup> Ministry of Finance, Budget and Fiscal Plan 2015/16 – 2017/18, February 2015.

<sup>19</sup> Ministry of Finance, Budget and Fiscal Plan 2015/16 – 2017/18, February 2015.

<sup>20</sup> Statistics Canada, Labour Force Survey 2015, CANSIM 282-0002.

<sup>21</sup> Ministry of Finance, Budget and Fiscal Plan 2015/16 – 2017/18, February 2015.

- » The Skills and Training Plan – the Government consulted with industry leaders and worked with educational facilities to ensure training programs are reflecting job requirements for today and tomorrow’s needs.
- » Regional and sectoral needs and differences
- » Global economic and labour market forces, including the potential slowdown in domestic and the U.S. activity, ongoing fragility in Europe, and slower anticipated Asian demand, particularly in China
- » Fluctuating Canadian dollar and weak inflation, in part due to lower oil prices
- » 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 British Columbia
- » Labour mobility and foreign qualification recognition

There is also an acknowledgement that a concerted effort to increase the knowledge and skills of British Columbia’s labour force will be critical to improving labour productivity, leading to British Columbia’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, British Columbia must position itself to attract the best and brightest people internationally to fuel growth in existing and emerging knowledge-based industries.



## Labour Market Outlook

### Future Labour Market Demand<sup>22</sup>

The sluggish economy reflected in the U.S. and global markets is having an impact on many aspects of British Columbia's economy. The pace of job creation has not fully recovered to pre-recession rates. However, it is important to not lose sight of the looming demographic shift that will result in significant retirements.

While economic cycles may come and go, 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.

Based on the Labour Market Scenario Model, 1 million job openings<sup>23</sup> including the potential LNG activities are expected over the ten-year period from 2012 to 2022 (Table 1). About two-thirds (68 per cent) of job openings (669,800 jobs) will be due to the replacement demand generated by retirements and deaths, and the remaining one-third (32 per cent) of job openings (315,400 jobs) will be due to the expansion demand created by new job openings that arise as a result of economic growth. More than three quarters of projected job openings (78 per cent) over the ten-year period from 2012 to 2022 will require some post-secondary education. Migrants to BC that arrive during the forecast period are expected to fill one-third of the total projected job openings (32 per cent) in the province from 2012 to 2022. The projected average annual employment growth<sup>24</sup> is 1.2 per cent in the coming decade.

**Table 1 Labour Market Projections in British Columbia: 2012-2022**

2012-2022 LABOUR MARKET OUTLOOK-HIGHLIGHTS	
<b>TOTAL JOB OPENINGS</b>	<b>1 MILLION</b>
Openings due to confirmed or planned economic activities	985,100
» Retirements	669,800 (68%)
» Economic Growth	315,400 (32%)
Additional LNG job openings	UP TO 100,000
Job openings requiring post-secondary training	763,400 (78%)
<b>SUPPLY NEEDS</b>	
▶ New entrants	425,320 (45%)
▶ Net in-migration	300,820 (32%)
▶ Other mobility	216,750 (23%)

Source: Ministry of Jobs, Tourism and Skills Training, British Columbia 2012 Labour Market Outlook, 2014.

Reflecting the different economic structures in across the labour market outlook varies among regions. Chart 3 shows ten-year total projected job openings and the annual average growth rate of demand for workers in each of the regions:

- » The three largest regions — Mainland / Southwest, Vancouver Island / Coast and Thompson-Okanagan — are expected to account for 90 per cent of total projected job openings over the ten-year period to 2022.

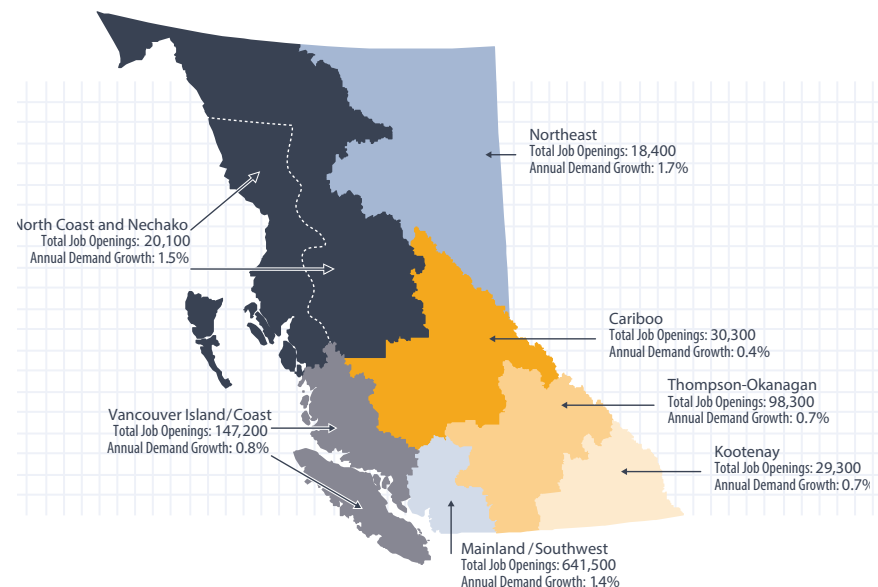
<sup>22</sup> Data sources for this section are from the Ministry of Jobs, Tourism and Skills Training's Labour Market Scenario Model, 2012-2022.

<sup>23</sup> Job openings include both new job openings generated by the expansion demand due to economic growth and job openings due to replacement demand.

<sup>24</sup> Employment growth refers to only the growth of new job openings generated by expansion.

- » Almost two-thirds (65 per cent) of total job openings are expected in the Mainland / Southwest region. Of all projected job openings in the Mainland / Southwest region, 37 per cent are new jobs.
- » Over the outlook period, three regions are expected to experience growth in demand for workers above the provincial average of 1.2 per cent annually: Northeast (1.7 per cent), North Coast and Nechako (1.5 per cent) and Mainland / Southwest (1.4 per cent).
- » Although the Northeast and North Coast and Nechako regions are expected to have the highest annual demand growth, they are expected to have the lowest number of total job openings because they are the two smallest regions by employment.

**Chart 3 Total Projected Job Openings and Average Annual Growth in Demand for Workers by Region: 2012-2022**

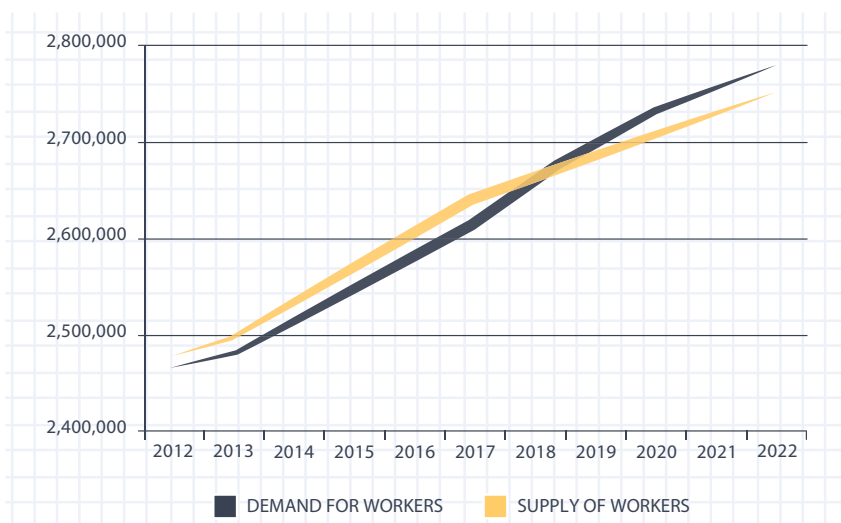


Source: Ministry of Jobs, Tourism and Skills Training, British Columbia 2012 Labour Market Outlook, 2014.

## Future Labour Market Supply<sup>25</sup>

A tight labour market is expected from 2019 to 2022 (Chart 4). Overall, labour demand is expected to grow faster than labour supply. As a result, tight labour market conditions, where the demand for workers surpasses the supply of workers, are expected in the later part of the outlook period, starting in 2019. Over the ten-year outlook period to 2022, demand for workers is expected to out-grow the labour force by 42,250 workers.

**Chart 4 Projected Demand and Supply of Workers in British Columbia: 2012-2022**



Source: Ministry of Jobs, Tourism and Skills Training, British Columbia 2012 Labour Market Outlook, 2014

Migrants<sup>26</sup> that arrive during the forecast period are expected to fill one-third of the total projected job openings in the province to 2022. Both migrants and new labour market entrants (those who leave the school system and enter the labour market for the first time) are important components of new labour supply and add to the labour pool each year. Given the aging population challenge facing the decreasing number of new entrants to the labour market over the forecast period, will rely more on migrants as a source of new labour supply.

## Occupational Analysis<sup>27</sup>

While new jobs are expected to be created in every major occupational group, the rate of growth varies substantially. The three occupational groups that are projected to experience the highest employment demand growth rates are health (2.0 per cent); trade, transport and equipment operators and related occupations (1.3 per cent); and natural and applied sciences and related occupations (1.3 per cent). Together, these three groups are expected to generate 305,300 job openings over the outlook period from 2012 to 2022, which will account for nearly one-third of all the projected job openings in British Columbia. These jobs include both new jobs driven by economic growth and replacement demand due to retirement.

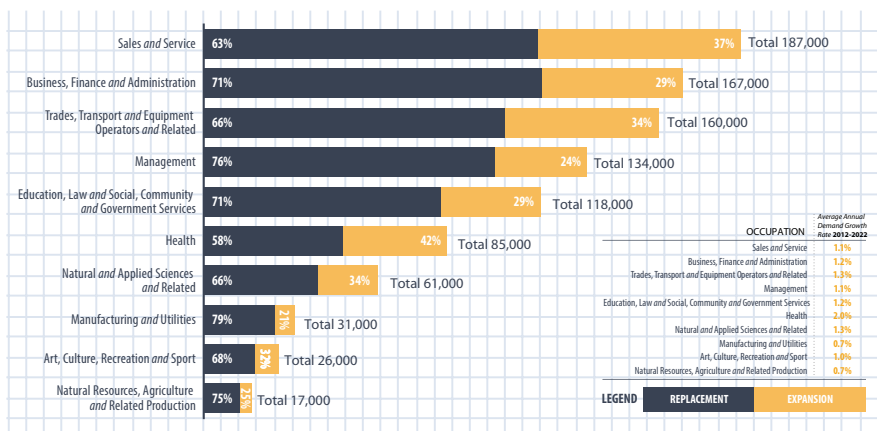
<sup>25</sup> Data sources for this section are from the Ministry of Jobs, Tourism and Skills Training's Labour Market Scenario Model, 2012-2022.

<sup>26</sup> Migrants refer to those who come from outside, including those from out of country.

<sup>27</sup> Data sources for this section are from the Ministry of Jobs, Tourism and Skills Training's Labour Market Scenario Model, 2012-2022.

Some larger occupational groups with lower-than-average projected growth rates are also expected to see large increases in demand due to their size. For example, with an average growth rate of 1.1 per cent, the sales and service occupation group is estimated to generate 187,000 jobs (69,600 new jobs) from 2012 to 2022, much higher than the 85,200 jobs projected for health occupations (35,900 new jobs), with the highest annual average growth rate of 2.0 per cent. The three occupational groups with the most expected job openings are sales and service; business, finance and administration; and trades, transport and equipment operators and related occupations (Chart 5).

**Chart 5 Total Projected Job Openings by Occupational Group in British Columbia, 2012-2022**



Source: Ministry of Jobs, Tourism and Skills Training, British Columbia 2012 Labour Market Outlook, 2014.

## Industry Analysis<sup>28</sup>

The performances at a glance for 18 industries are available at WorkBC's website. Key indicators reported for each industry include employment, workforce characteristics, wages, location of work, and employment outlook. The following is the list of the industries on the WorkBC website:

- » Agriculture
- » Forestry and logging with support activities
- » Fishing, hunting and trapping
- » Mining, quarrying, and oil and gas extraction
- » Utilities
- » Construction
- » Manufacturing
- » Wholesale and retail trade
- » Transportation and warehousing
- » Finance, insurance, real estate and leasing
- » Professional, scientific and technical services
- » Business, building and other support services
- » Educational services
- » Health care and social assistance
- » Information, culture and recreation
- » Accommodation and food services

<sup>28</sup> WorkBC, Ministry of Jobs, Tourism and Skills Training, Industry Profiles, [www.workbc.ca/Job-Seekers/Industry-Profiles.aspx](http://www.workbc.ca/Job-Seekers/Industry-Profiles.aspx)



- » Other services including repair and maintenance; personal and laundry services; religious, grant-making, civic and professional and similar organizations; and private households
- » Public administration

## Education Requirements of Future Job Opportunities in British Columbia<sup>29</sup>

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 British Columbia’s workforce to have higher education generally, along with more technical skills, will be imperative in order to be globally competitive. Moreover, the competition for this talent is only expected to increase, as barriers to labour mobility are increasingly being eliminated or substantially reduced.

The Labour Market Scenario Model suggests that more than three-quarters of projected job openings over the next decade (2012-2022) are expected to require some post-secondary education: 44 per cent are expected in Skill Level B, which normally requires a college diploma or trade certificate and 34 per cent are expected in Skill Level A (34 per cent), which normally requires a university degree (Chart 6).

**Chart 6 Total Job Openings by Education Requirements in British Columbia: 2012-2022**

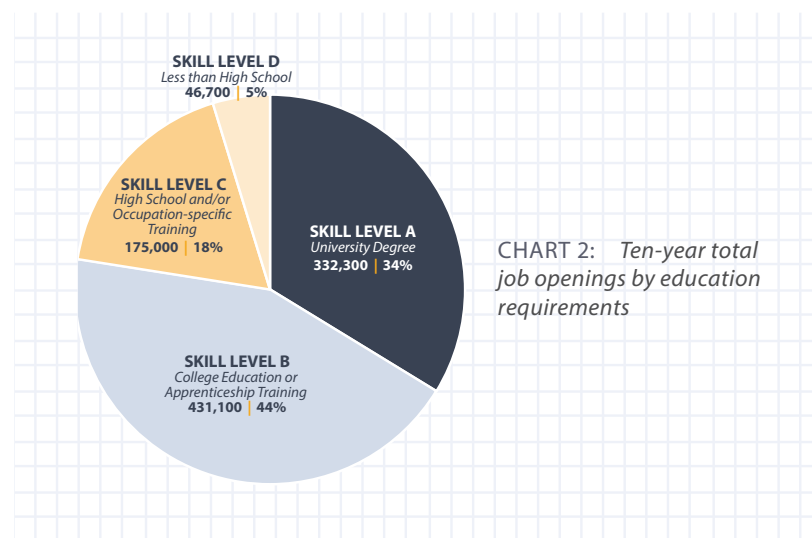


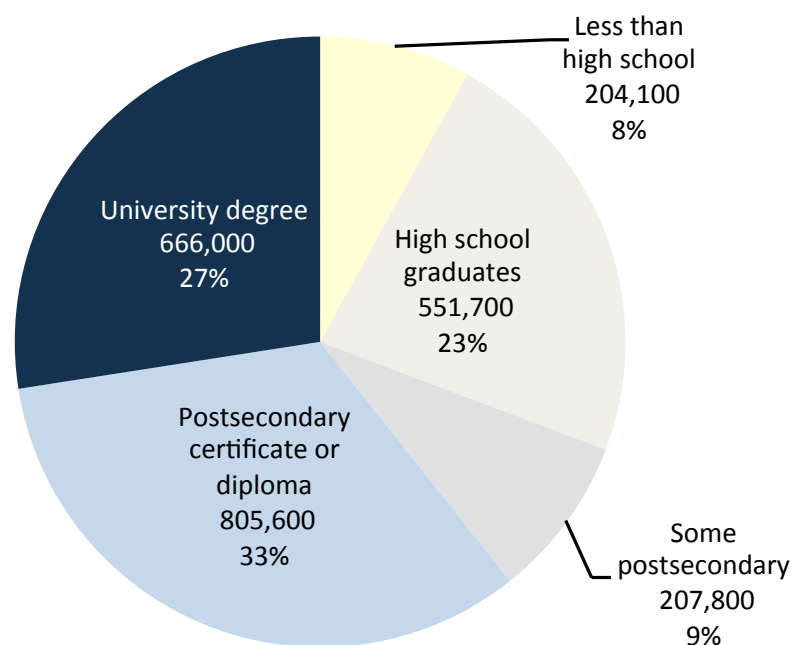
CHART 2: Ten-year total job openings by education requirements

Source: Ministry of Jobs, Tourism and Skills Training, British Columbia 2012 Labour Market Outlook, 2014.

<sup>29</sup> Ministry of Jobs, Tourism and Skills Training, British Columbia 2022 Labour Market Outlook, 2014.

According to the Labour Force Survey, in 2014, 69 per cent of the labour force has some post-secondary education: 27 per cent had university degree; 42 per cent had some post-secondary education (including those with college and/or trade certificates); 23 per cent had a high-school diploma; and the remaining 8 per cent had less than high-school education (Chart 7).<sup>30</sup>

**Chart 7 Labour Forces by Education Attainment in British Columbia in 2014**



Source: Statistics Canada, Labour Force Survey 2014, CANSIM 282-0004.

## Demographic Outlook

While British Columbia's population has been steadily increasing (currently 4.6 million) and is forecast to continue to do so, the composition of the population is changing dramatically, as Table 2 demonstrates.

The natural increase (the excess of births minus deaths) will continue to decline as a factor in the growth of British Columbia's population. By 2030, the number of deaths is expected to surpass the number of births, and the subsequent net loss of population due to negative natural increase will continue throughout the rest of the projection period.

Despite this decline in the natural increase, the British Columbia population is expected to increase overall by about 32 per cent over the projection period (2015 to 2041). This increase will largely be the result of international migration. In 2015, international migration is expected to account for about 60 per cent of total population growth. Inter-provincial migration will account for about 18 per cent.

<sup>30</sup> Statistics Canada, Labour Force Survey 2014, CANSIM 282-0004.

**Table 2 British Columbia Population and Median Age**

Year	Total Population	Total Population Growth	Components of Population Growth			Median Age
			Net Interprovincial Migrants (In–Out)	Net International Migrants (In–Out)	Natural Increase (Births–Deaths)	
1980	2,745,900	80,600	40,200	20,700	19,700	30.4
1990	3,292,100	93,600	41,400	30,200	21,900	34.1
2000	4,039,200	27,000	-14,600	27,700	13,900	37.5
2010	4,465,900	66,700	8,700	44,700	13,200	40.8
2014e	4,631,300	48,700	2,300	35,600	10,800	41.9
2015f	4,685,900	54,600	10,000	33,000	11,600	42.1
2020f	4,992,700	61,700	11,700	41,200	8,800	42.7
2025f	5,294,100	59,200	12,000	42,500	4,700	43.4
2030f	5,577,100	54,600	12,000	43,800	-1,200	44.2
2035f	5,831,800	48,600	12,000	45,000	-8,300	45.0
2041f	6,103,800	43,300	12,000	46,100	-14,800	46.1

Source: BC Stats, British Columbia Population Projections 2015-2041, May 2015.

Note: e = estimate; f= forecast

All population estimates and projections are as of July 1st of the year stated.

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

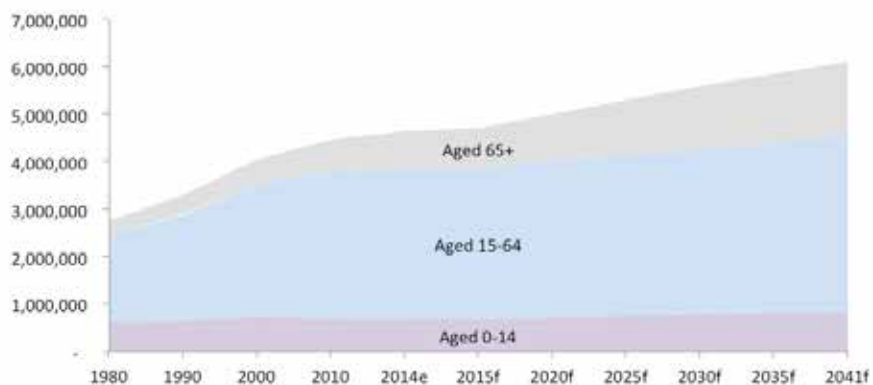
Most importantly to the labour market, British Columbia's population is aging. The dramatic shift in age structure is already occurring and will continue in the coming decades. This unprecedented demographic change is largely driven by two factors – the first is the large number of “baby boomers” (people born between 1946 and 1965, Statistics Canada, [http://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-311-x/98-311-x2011003\\_2-eng.cfm](http://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-311-x/98-311-x2011003_2-eng.cfm)) who are beginning to leave the labour force and retire and will continue to do so over the next 15 years.

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 British Columbia's population to become increasingly skewed toward older age cohorts (see Chart 7).

Chart 8 shows that the proportion of the population aged 15 to 64 years in British Columbia will decline from 68 per cent in 2015 to 62 per cent in 2041, while population aged 65 years and older will increase from 17 per cent in 2014 to 25 per cent in 2041.

With the oldest members of the baby boom generation now past 65, British Columbia will face a major challenge in replacing experienced and skilled workers who are expected to retire over the next two decades. British Columbia’s aging population has a direct impact on the future labour force.

**Chart 8: British Columbia Population Distribution by Age**



Source: BC Stats, British Columbia Population Projections 2015-2041, April 2015.  
 Note: e = estimate; f = forecast

Furthermore, to have better understanding on the drivers of labour force growth, now and in the years to come, it is important to look at labour market participation – the number and percentage of people of working age who are participating in the labour market either by working or looking for work – as it represents the pool of potential labour for the economy.<sup>31</sup>

Labour force participation rates<sup>32</sup> in British Columbia over the past 30 years have had similar patterns as those of Canada and most other advanced economies. Labour market participation rates, at 63.3 per cent in 2014, have been gradually increasing over the past 30 years. However, overall labour force participation rates are projected to trend down over the next 25 years, mainly due to the combination of an aging population and the reduction in labour force participation as people age.

<sup>31</sup> All labour force participation statistics is from Statistics Canada, Labour Force Survey 2012, CANSIM 282-0002 unless otherwise specified.

<sup>32</sup> BC Labour participation rate is the number of labour force participants expressed as a percentage of the population 15 years of age and over. The participation rate for a particular group (age and sex) is the number of labour force participants in that group expressed as a percentage of the population for that group.

# Labour Market Conditions for Target Groups in British Columbia

## Aboriginal People

Aboriginal people are a key source of new labour supply. Among the provinces, British Columbia has the second-largest Aboriginal population in Canada. According to the 2011 National Household Survey, 171,610 British Columbians aged 15 years and over identified themselves as Aboriginal — 4.7 per cent of the total population (15+). Labour market participation rate for on- and off-reserve Aboriginal population (15+) was lower than the non-Aboriginal population – 62.4 per cent compared to 64.7 per cent.

The unemployment rate for the Aboriginal population (on- and off-reserve) was more than double the rate for non-Aboriginal population (Table 3). Furthermore, British Columbia's Aboriginal population is relatively young, approximately 43 per cent of total population aged 15 years and over are under the age of 35. Of Aboriginal people aged between 15 and 64 years old, 59 per cent are core working-age (25-54 years) population.<sup>33</sup>

**Table 3 Labour Characteristics of Aboriginal Population (On- and Off-Reserve) in British Columbia**

	Population (15+)	In the labour force	Employed	Unemployed	Not in the labour force	Participation rate (%)	Employment rate (%)	Unemployment rate (%)
Total	3,646,840	2,354,245	2,171,470	182,775	1,292,595	64.6	59.5	7.8
Aboriginal Population	171,610	107,035	89,535	17,505	64,575	62.4	52.2	16.4
Non-Aboriginal Population	3,475,230	2,247,205	2,081,935	165,270	1,228,020	64.7	59.9	7.4

Source: Statistics Canada, National Household Survey, 2011, 99-012-X201139.

According to BC Stats' Aboriginal People Labour Force Survey, in 2014, the unemployment rate for the off-reserve Aboriginal population<sup>34</sup> (16.9 per cent) was more than double the rate for non-Aboriginal people (6.7 per cent). The gap between the unemployment rates for off-reserve Aboriginal men (13.7 per cent) and non-Aboriginal men (6.0 per cent) was wider than the gap between off-reserve Aboriginal women (12.3 per cent) and non-Aboriginal women (5.6 per cent). Regardless of age, the unemployment rate for off-reserve Aboriginal people

(18.0 per cent for the 15 to 24 age group and 11.3 per cent for the 25 to 64 age group) was higher than the rate for the non-Aboriginal population (11.2 per cent for the 15 to 24 age group and 5.0 per cent for the 25 to 64 age group).<sup>35</sup>

<sup>33</sup> Statistics Canada, National Household Survey, 2011.

<sup>34</sup> According to the 2011 National Household Survey, the off-reserve Aboriginal population accounted for approximately 75 per cent of all aboriginal people aged 15 and over living in private households in the provinces (Statistics Canada, Guide to the Labour Force Survey, May 20.14).

<sup>35</sup> Statistics Canada, Labour Force Survey, Custom Table 4ctl\_abo\_main\_AN.ivt, 2014.

## Immigrants

Immigrants are an important component of the British Columbia labour force. According to the 2014 Labour Force Survey, immigrants in the 25 to 54 age group – or core working-age population – accounted for about 30 per cent of the total population in the same age cohort. In the core working-age population, about one in five (19.8 per cent) were established immigrants, those who have been in Canada for more than 10 years. Recent immigrants who have been in Canada for five to ten years accounted for 5.8 per cent of the core working-age population. Very recent immigrants who have been in Canada for five years or less accounted for 4.4 per cent of the core working-age population.

Labour force participation rates for immigrants tend to be lower than rates for those born in Canada. However, as shown in Chart 9, participation rates among core working-age immigrants in British Columbia move toward the provincial average as they become more established. In 2014, the labour force participation rate for very recent immigrants aged 25 to 54 in British Columbia was 72.1 per cent and it was higher for recent immigrants, at 76.2 per cent. The labour force participation rate of 85.1 per cent for established immigrants aged 25 to 54 was higher than average (84.6 per cent), but slightly below that of the Canadian-born population (86.5 per cent).<sup>36</sup>

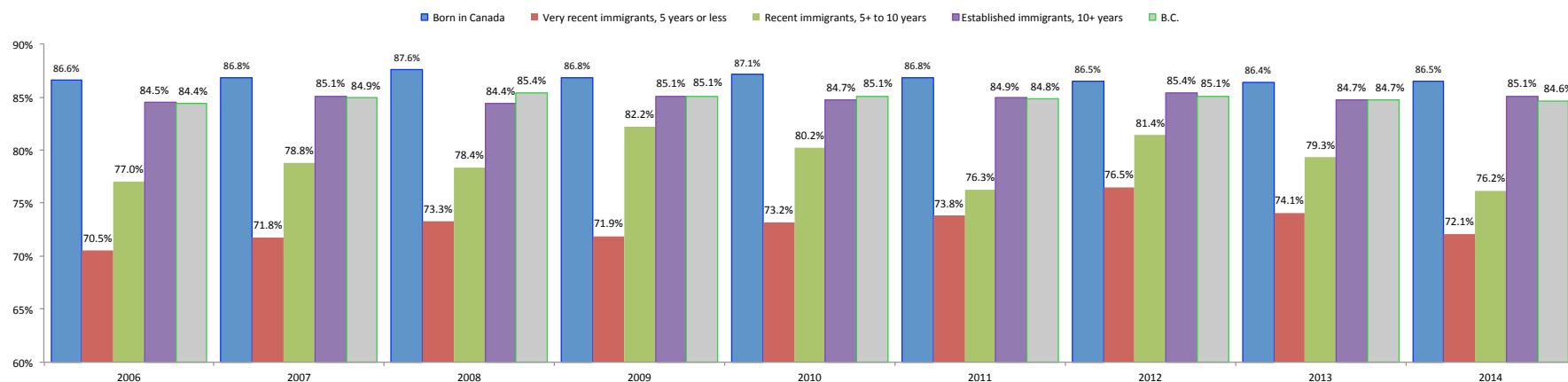
Much of the difference in labour market participation rates between immigrants and Canadian-born people can be attributed to very different participation rates between men and women. While there is a gap in the labour force participation rates of men and women in the labour force as a whole, this gap is wider for immigrants, especially very recent immigrants. In 2014, very recent immigrant women in British Columbia had a labour force participation rate of 61.6 per cent compared to 86.4 per cent for very recent immigrant men. By comparison, the participation rate was 83.2 per cent for Canadian-born women, and 89.6 per cent for Canadian-born men.<sup>37</sup>



<sup>36</sup> Statistics Canada, Labour Force Survey 2014, Custom Table G0714\_16.

<sup>37</sup> Statistics Canada, Labour Force Survey 2014, Custom Table G0714\_16.

**Chart 9 Labour Force Participation Rates of Core-Working Age (25-54 years) by Immigration Status**



Generally, immigrants have fared better economically the longer they have been in Canada. In 2014, the unemployment rate for very recent immigrants aged 25 to 54 in British Columbia was 10.3 per cent. The rate was 5.9 per cent for recent immigrants and 5.5 per cent for established immigrants. This was slightly higher than the 5.1 per cent unemployment rate for the Canadian-born population.<sup>38</sup>

Very recent immigrants have difficulty finding jobs, regardless of their educational level. The unemployment rates for university-educated immigrants appear to decrease as they become more established in British Columbia. The unemployment rate for Canadian-born British Columbians was lower than immigrants with the same educational attainment. In 2014, the unemployment rate for established immigrants who had a university degree was 5.2 per cent, 0.5 per cent higher than the rate for their Canadian-born counterparts.<sup>39</sup>

In 2014, 71 per cent of immigrants in British Columbia aged 25 to 54 had a post-secondary credential (university degree, post-secondary diploma or certificate) compared to about 63 per cent of their Canadian-born equivalents.<sup>40</sup>

This form of underemployment of immigrants, due to lack of recognition of their pre-arrival skills, education and experience, reduces their earnings, which has an effect on their well-being and their contribution to Canada's economy. Such persistent gaps relative to native-born Canadians, especially if they extend to established immigrants, may also undermine Canada's ability to attract skilled immigrants.<sup>41</sup>

<sup>38</sup> Statistics Canada, Labour Force Survey 2014, Custom Table G0714\_16.

<sup>39</sup> Statistics Canada, Labour Force Survey 2014, Custom Table G0714\_16.

<sup>40</sup> Statistics Canada, Labour Force Survey 2014, Custom Table G0714\_16.

<sup>41</sup> Statistics Canada, Perspectives on Labour and Income. December 2008, Vol. 9, No. 12.

## People with Disabilities

According to the 2012 Canadian Survey on Disability, the estimated number of people with disabilities (15 to 64 years) in British Columbia is about 334,800 or 10.8 per cent of the population — representing a ratio of one in ten British Columbians. Women have a higher prevalence of disability compared to men. The proportion of those reporting a disability among adult women was 11.7 per cent compared to 9.9 per cent for men.<sup>42</sup>

In 2012, labour force participation rate of people with disabilities aged 15 to 64 was 54.8 per cent compared to 78.2 per cent for people without disabilities in the same age range. Compared to those without a disability, disabled people have a lower employment rate (48.4 per cent vs 72.7 per cent) and higher unemployment rate (11.6 per cent vs 7.1 per cent).<sup>43</sup>

In 2014, the Ministry of Social Development and Social Innovation recorded an annual average disability assistance caseload of 90,031 “Persons with Disabilities” (PWD) cases, compared to 86,595 PWD cases reported in 2013.<sup>44</sup>

By continuing these trends of higher labour force participation and lower unemployment, people with disabilities could augment British Columbia’s future labour supply. This trend will likely continue as employers recognize that employees with disabilities bring unique experiences and understanding that can transform a workplace and enhance products and services. The Provincial government has demonstrated its commitment to supporting employment goals for people with disabilities by declaring September as



Disability Employment Month, with events and activities to celebrate people with disabilities in the workforce and the employers and communities throughout the province who pave the way to support them.

Accessibility 2024 is the Provincial government’s 10-year action plan to make British Columbia the most progressive jurisdiction in Canada for people with disabilities. Working with the business community, represented by the Presidents Group, and the disability community, represented by the Minister’s Council on Employment and Accessibility, BC aims to have the highest labour participation rate for people with disabilities in Canada by 2024. In support of Accessibility 2024, the Ministry of Social Development and Social Innovation launched a new \$3 million Technology at Work program which provides assistive technologies that support employment for people with disabilities to help ensure access to technology is not a barrier to securing employment.

<sup>42</sup> Statistics Canada, Canadian Survey on Disability, 2012, CANSIM 115-0005.

<sup>43</sup> Statistics Canada, Canadian Survey on Disability, 2012, CANSIM 115-0005.

<sup>44</sup> Ministry of Social Development, Employment and Assistance Statistics, [www.sd.gov.bc.ca/research/](http://www.sd.gov.bc.ca/research/).



## Youth

There were approximately 581,100 youth population (aged 15 to 24) in British Columbia in 2014; about 62 per cent participated in the labour market.<sup>45</sup> Approximately 44 per cent of youth labour force were students, 86 per cent of whom were employed. In other words, about four out of ten employed youths were working while attending school.<sup>46</sup> Youth have historically had a lower participation rate than workers aged 25 and over. Youth participation rate, in 2014, was 61.6 per cent compared to 63.6 per cent for workers aged 25 and over. This is not surprising as many youth are still completing their schooling and are not yet in the labour market. However, youth also experience much higher unemployment rates, indicating there are youth who would like to work but who cannot find employment. In 2014, the unemployment rate for youth was 11.5 per cent, more than double the unemployment rate of 5.1 per cent for workers aged 25 and over.<sup>47</sup>

From 2001 to 2007, youth employment rates were on an upward trend, increasing by more than 10 percentage points to 62.3 per cent in 2007. However, the employment rate for youth dropped sharply in 2009 to 55.4 per cent from 61.7 per cent in 2008 due to the economic downturn. The rate for 2014 was even lower at 54.5 per cent.<sup>48</sup>

Youth with multiple employment barriers (low levels of education and limited work experience and essential skills) are still experiencing difficulty securing and retaining work. There is a considerable gap in labour force participation and unemployment rates between youth without a high school diploma or certificate and those that have completed high school (72.7 per cent participation rate for high school graduates compared to 40.9 per cent for those without a high school diploma or certificate, and

11.2 per cent unemployment rate for high school graduates compared to 18.9 per cent for those without a high school diploma or certificate). There is also a variation in participation rates for those with differing levels of post-secondary educational achievement: 87.8 per cent participation rate for youth with post-secondary certificate or diploma compared to 80.5 per cent for university graduates. However, the unemployment rate for university graduates (7.5 per cent) was higher than a post-secondary certificate or diploma (6.5 per cent).<sup>49</sup>



<sup>45</sup> Statistics Canada, Labour Force Survey 2014, CANSIM 282-0002.

<sup>46</sup> Statistics Canada, Labour Force Survey 2014, CANSIM 282-0095.

<sup>47</sup> Statistics Canada, Labour Force Survey 2014, CANSIM 282-0002.

<sup>48</sup> Statistics Canada, Labour Force Survey 2014, CANSIM 282-0002.

<sup>49</sup> Statistics Canada, Labour Force Survey 2014, CANSIM 282-0004.

## Older Workers

British Columbia's median age is now over 41.9 years old.<sup>50</sup> Population growth in British Columbia between 2005 and 2014 was concentrated in the 45 and older age groups and, relative to other provinces, British Columbia's population cohort for those 65 and over is among the largest. The number of older workers aged 55 and over in British Columbia's labour force increased by 47 per cent between 2005 and 2014. Older workers currently account for almost 20 per cent of the province's labour force.<sup>51</sup>

However, people aged 55 years and over still have a low labour participation rate, at about 34.9 per cent. This rate of participation is just above one half of the level of the overall participation rate in the province.<sup>52</sup>

Self-employment is far more prevalent among older workers than those in the 25 to 44 age category. In 2014, about 23 per cent of workers aged 45 to 64 was self-employed compared to 14 per cent for those aged 25 to 44.<sup>53</sup>

Older workers, including those who have been recently laid off, often require skills upgrading and flexible work arrangements to extend their participation in the labour market. New workforce practices and policies are being explored to encourage the increased participation of older workers. Studies have shown that there are many benefits to hiring and retaining older workers. For example, there tends to be less job turnover among older workers than younger workers.

What is also unknown at this point is the impact the recession may have had on the labour force participation of mature workers. There is speculation that some workers may not be able to retire as soon as they had previously planned due to decreases in their pensions and savings. This may result in higher labour force participation rates for older workers as they wait for their investments to recover.



<sup>50</sup> BC Stats, British Columbia Population Projections 2015-2041, May 2015.

<sup>51</sup> Statistics Canada, Labour Force Survey 2014, CANSIM 282-0002.

<sup>52</sup> Statistics Canada, Labour Force Survey 2014, CANSIM 282-0002.

<sup>53</sup> Statistics Canada, Labour Force Survey 2014, MTK\_T05.

## Conclusion

The information contained in this plan is intended to fulfill the Province of British Columbia's obligation to provide the Government of Canada with a strategy for the design of employment programs and services that will meet the province's labour market needs. Through this plan, the ministries also wish to provide stakeholders with a clear overview of where labour market priorities, plans to address them, and where the province will move in the future to develop and provide services that meet the needs of all British Columbians.

In the development of this plan, feedback, comments, and suggestions from provincial stakeholders were considered and included, and this information will be used when improvements are considered to program development and service delivery as the ministries move forward with plan implementation.

The ministries are also committed to continuing the dialogue with stakeholders. We will continue to seek new and more efficient ways to share this information with our stakeholders so there will continue to be informed dialogue about the labour market in British Columbia.



