Intelligence MEMOS



From: Tingting Zhang

To: Canadian Labour Force Observers

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Re: LET'S BREAK CANADA'S SKILLED TRADES LOGIAMS

Skilled trades are essential to the Canadian economy. Every day we need tradespeople to build, maintain, and repair our homes, machines, and cars. The housing and infrastructure industry is booming, retirements are looming and Canada's energy transition will also demand more tradespeople.

In 2021 and 2022, the demand for skilled trades workers reached record highs. Job vacancies in trades, transport and equipment operators and related occupations more than <u>doubled</u> from Q1 2020 to Q3 2022, as did vacancies in trades-related industries such as construction.

Meanwhile, another 700,000 tradespeople are expected to retire by 2028. And adding to the challenge, the digital shift will require new skills from the existing workforce – one quarter of Canada's four million tradespeople will need to retrain on evolving technologies in the next five years, according to one recent study.

The supply of apprentices, however, is not keeping up with the demand.

Public health measures and travel restrictions during the pandemic upended apprenticeship programs and affected worker mobility. As a result, 2020 apprenticeship registrations and completions were the lowest in the last decade. In 2021, 72,714 new apprentices registered, up 31 percent from 2020, but still trailing 2019 by almost 5,000 spots.

Nationally, the most in-demand trades are cook, industrial electrician, painter and decorator, and welder. The construction industry, racing to house Canada's immigration surge, is in desperate need of industrial mechanics, welders, and boilermakers.

Overall, Canada will face a shortage of more than 60,000 registered apprentices in 2025, according to the Canadian Apprenticeship Forum, which also estimates the country needs to recruit 256,000 apprentices in the next five years to meet the certification demand across Red Seal Trades in Canada.

One recruiting restraint is the fact that most trades have been historically male and white, limiting the applicant pool.

Only 5 percent of workers in construction and transportation in 2019 were women. (They also earned less than males, but that's another story).

Unhappily, the situation is not improving: Females made up just 12 percent of apprentice registrants in 2021, down from 13.5 percent in 2019.

Only <u>8.7 percent</u> of apprentices were immigrants, even though they represented almost one-quarter of the population in 2018. Though immigrants with trade skills were <u>more</u> likely to find work than other economic immigrants, their earnings growth was much slower.

Visible minorities often <u>face</u> barriers to employment that range from a lack of awareness about apprenticeships to financial challenges. They also <u>earn less</u> than non-visible minorities in the skilled trades.

Another persistent challenge is the stigma still surrounding trade careers. They are still too often seen as physically demanding, dead-end, and low paying options. This understanding of skilled trades often comes from teachers and parents, who have outdated stereotyped views of the jobs and influenced youths' career choices in skilled trades. The truth is journeypersons earn more than workers in many industries and many trades offer comprehensive training and paid apprenticeship. In 2019, journeypersons who were certified in 2018 had a median employment income of \$60,450. It was more than \$100,000 for industrial technicians and crane operators.

Closing the gap between the supply and demand for skilled tradespeople needs to address these biases towards trades and recruit from underrepresented groups.

Governments need to facilitate female entry into male-dominated apprenticeship programs and ensure greater representation of women in publicly funded infrastructure projects.

Governments also need to identify barriers preventing visible minorities and immigrants enter skills trades and encourage their participation in apprenticeship training, especially in needed trades.

Provincial governments need to work with employers and post-secondary institutions to promote skilled trades to students at schools and increase apprenticeship registration in high-demand trades such as welder.

Early exposure to trades in primary and secondary schools can raise awareness about skilled trades and help children discover an interest in trades. Schools and employment agencies should provide more information about Canada's apprenticeship <u>systems</u>, incomes, career pathways, and available financial assistance to parents, especially immigrants and newcomers.

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