THE CHALLENGE AHEAD: Averting a Skills Crisis in Ontario

Report on Consultations Across Ontario

www.workforcecoalition.ca
Ontario’s Skills Shortage

The workforce challenge is a significant issue in Ontario. While the province struggles to retrain people who have lost their jobs in the manufacturing and forestry sectors, there are also many employers struggling to find sufficient numbers of qualified people.

The challenges will intensify in the years ahead as record numbers of baby boomers retire. It is expected Ontario will be short more than 360,000 skilled employees by 2025, according to a Conference Board of Canada report released by the coalition last fall. This could escalate to a shortage of more than 560,000 skilled employees by 2030.

Ontario’s Workforce Shortage Coalition represents 100,000 employers and millions of employees throughout the province. The coalition has been calling for a comprehensive strategy to address the skills shortage.

About one year ago, a group of stakeholders from business, education, and labour – representing every sector of the economy – came together to voice concern about the labour and skills shortage facing Ontario.

Forming Ontario’s Workforce Shortage Coalition, the group commissioned an independent study to quantify the magnitude of the challenge and worked with government and community leaders to raise the profile of this critical issue. Recognizing that identifying the challenge was only the first step in addressing the skills shortage, the coalition invited a broad-based group of 500 government, business, union, and education stakeholders to come together in Toronto and in 10 other communities across Ontario to discuss solutions.

This report outlines the key areas identified by participants as the most significant in addressing the skills shortage.

Now, the coalition is creating an opportunity to provide further, more in-depth recommendations to decision-makers. This initial report is a summary of the ideas discussed at the February/March consultations. The challenge now is to prioritize the actions needed to produce immediate and long-term solutions.

In this report, you will find some overarching position statements that the consultation groups felt are central to understanding the need to address the skills shortage. It also contains a series of general recommendations for government, employers and educators. We hope it will help stimulate the dialogue about how to turn these big picture ideas into a clear set of recommendations that will help us all contribute to solving the skills shortage in Ontario.

Consultations on Ontario’s skills shortage were held in Barrie, Belleville, Hamilton, Kingston, Muskoka, Orillia, Ottawa, Owen Sound, Sudbury, Toronto and Whitby.

“There were 100,000 jobs going begging in Ontario last year, and they tend to be more highly skilled jobs. On the other hand, we’ve got these people who’ve been losing their jobs in the manufacturing sector.”

- Premier Dalton McGuinty
It’s time to act

The future of Ontario’s economy is dependent upon our human resources.

In the coming years, Ontario faces a serious skills shortage as greater numbers of workers prepare to retire and fewer young people enter the workforce. Even today, many of Ontario’s most promising young people are being lured to positions in western Canada’s hot job market – a trend that is expected to continue.

Yet hundreds of thousands of young people in Ontario don’t have the necessary skills and education to find a good job.

Many businesses, associations and trade councils have raised alarms about this challenge, including the premiers of all of the provinces in Canada, and yet no concerted, coordinated action has followed these calls.

Ontario, and Canada, must address these serious labour market challenges to ensure our long-term prosperity.

What needs to be done

» An inventory of the current actions, programs, and incentives by employers, unions, educators, government and other partners designed to address Ontario’s skills shortage.

» A gap analysis examining the potential for expanding Ontario’s economy faster by increasing the skill levels of the province’s workforce, the impacts on public objectives such as health care and strategic infrastructure of doing so, the potential for reducing poverty given an aggressive skills strategy, and the barriers to achieving these goals.

» A best practices review of successes in addressing skills shortages in other jurisdictions and their applicability to Ontario.

» Further directed consultations to ensure the general public is fully aware of the importance of this issue to economic and social progress, and to provide more specific recommendations for action by issue area, by industry, and by community.

What we heard from symposium participants

“An emerging labour shortage is Owen Sound’s biggest development challenge.”

“Addressing the skilled workers shortage crisis of tomorrow requires action today.”

“Anyone who has recently tried to hire a trades professional has seen first hand the challenge of finding skilled and trained professionals.”

“Every employer wants a well-qualified and productive workforce, because it’s a big competitive advantage. Their requirements are growing more urgent, more complex and more changeable in an economy which depends on its wits to create value and prosperity, and in which skills shortages are replacing job shortages.”

“The growing shortage of trained health professionals combined with an aging population has come together to create the perfect health-care storm.”

“It is not an issue of just numbers of people, the issue is that the individuals that are looking for work or who could be contributing to the labour force do not meet minimum skill requirements as per employers needs.”

“A financial enticement would open up more opportunities for apprenticeships. I wonder if the mandated required hours should be re-evaluated?”

“Business needs to develop a clear picture of their longer-term employment needs, and then develop partnerships with the colleges and universities to meet this demand. This means business has to become more actively involved in programs partnerships.”

“What needs to be done”

“Getting more high school graduates into and out of technologist programs at Canadian colleges remains a challenge.”

“We hear about the shortages out there but I feel the industries need to open up positions for these kids to have co-op opportunities.”

“An emerging labour shortage is Owen Sound’s biggest development challenge.”

“The world of work is growing more complex for young adults. They can expect to have at least 10 jobs throughout their working lives, and see frequent technological and business process changes that transform their workplaces. Many will find themselves in non-standard jobs – temporary, part-time, work-at-home, or self employed.”

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In 2025, Ontario could face a shortage of 364,000 workers.
- The Conference Board of Canada

“We are facing a significant shortage of workers across the country...Estimates are that...Ontario will face a shortage of 560,000 workers by 2030. I hear about shortages in every city I visit from coast to coast. The crux of our problem is that we have too few workers and too few skills to meet demand. I know that it is still difficult for many Canadians to accept that we have a labour shortage.”

- Hon. Monte Solberg, Minister of Human Resources and Social Development

“We’ve heard from a number of sectors with concerns about skills shortages now – and in the future. At the same time we are acutely aware of the need to help those who have lost their job in Ontario to get back on their feet - as well as provide opportunities for those who traditionally face challenges in fully participating in the job market. And one thing I can tell you about our future direction is that it will focus very much on the individual – and removing obstacles that stand between them and obtaining the skills they need to get meaningful employment.”

- Hon. John Milloy, Minister of Training, Colleges and Universities

A comprehensive skills strategy

Profound shifts are transforming Ontario’s labour markets and competitive potential. Many challenges are beyond the capability of uncoordinated players acting alone. To succeed in a tougher national and global environment, with an aging population, Ontario requires a renewed balance of responsibility and more effective co-operation between government, employers, unions and educators.

We need an overall, comprehensive skills strategy – that coordinates government and partner activities and is proactive (sets policies based on future expectations and global challenges, not just immediate problems).

Participants in the workforce shortage consultations recommended that, from a broad perspective, Ontario must:

- Shift from short-term “take any job” policies to programs that create meaningful, long-term attachment to the workforce based on better information and data on the projections for skills shortages within individual sectors.

- Re-affirm that Ontario’s competitive advantage depends on access to workforce skills that exceed those available to its competitors in Canada and globally.

- Recognize the challenges posed for employee training and re-skilling by the predominance of ‘non-standard’ jobs (temporary, part-time, self-employed) and the role of small- and medium-sized enterprises (SME), who hire 94 per cent of young workers.

- Integrate skills policies with poverty reduction strategies for unskilled and under-represented groups.

- Target a specific increase in skilled workers with strong foundational skills and enhanced adaptability and flexibility. With more skilled workers to draw on, we can attract investment and avoid skills bottlenecks which cut our economic potential and transfer opportunity and momentum to our competitors.

- Target a specific increase in training for employees, taking account of the higher level in the US. This will raise productivity and incomes through a high performance workforce and address new competitive realities.
• Bring together stakeholders to develop ways to improve immigration attraction, settlement, skills enhancement and employment. Consider an inventory of current programs underway in this area to help identify best practices.

• Address immediate workforce challenges and reduce poverty by setting numerical targets to raise low skills, improve literacy and numeracy, create employment opportunities for under-represented groups and meet the needs of long-term laid-off employees.

• Embed a cultural paradigm shift which values all career pathways. Transform the curriculum from kindergarten through postsecondary education to integrate theory with hands-on learning and science with applied technology. Encourage and celebrate those who respond to different modes of learning.

• Establish a new framework, mechanisms and incentives for educator/SME co-operation. Help students experience workplaces through teachers and guidance counsellors with industry experience, co-op and internships, and interesting, timely information on careers.

• Modernize an antiquated apprenticeship and trades system, with innovative occupational regulation to support mobility and respond to competition from other jurisdictions, by improving pathways to apprenticeship, encouraging laddering to other postsecondary programs, and addressing retention.

• Create a framework for increasing the number of employees who benefit from training. Today’s learner will have at least 10 jobs, but there is no system to ensure they are re-skilled for tomorrow’s rapidly changing workplace.

• Identify and pursue emerging investment opportunities. Maximize economic growth by effectively involving employers, unions, educators, training boards, other ministries and community leaders.

• Strengthen public awareness of skills shortages and the value of all career pathways. Work with employers, unions, educators, community leaders, TVO and the media on co-ordinated and innovative messaging.

“Canada is midway through a profound demographic shift. In the 1990s, the central challenge in economic policy was how to generate enough jobs for our people. A decade from now, the focus will be on ensuring that Canada has enough skilled people for the work that still needs doing.”

- Canadian Council of Chief Executives From Bronze to Gold

“The skills shortage is already hurting sectors like tourism, construction and information technology. It’s vital that business, labour, education and government come together to find solutions before the problem intensifies. We need to ensure that young people, older workers and new Canadians get the skills and training they need and that Ontario depends upon.”

- Terry Mundell, Greater Toronto Hotel Association

“We’ve lost our way in having pride in the skills that leave a legacy for future generations – yet Canada was built on those very skills of building bridges and roads and telecommunications networks; the skills that bind a large country together.”

- Len Crispino, Ontario Chamber of Commerce

Under-represented groups have lower employment rates

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<tr>
<th></th>
<th>Non-disabled vs. disabled*</th>
<th>Non-aboriginals vs. aboriginals**</th>
<th>Canadian born vs. Immigrants***</th>
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<tr>
<td>90%</td>
<td>85%</td>
<td>83%</td>
<td>76%</td>
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<td>80%</td>
<td>62%</td>
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<td>76%</td>
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<td>40%</td>
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Sources: Danielle Zietsma The Canadian Immigrant Labour Market in 2006, Statistics Canada; Sharpe 2007; Statistics Canada, Participation and Activity Limitation Survey, 2001; Colleges Ontario

Participants in the workforce shortage consultations have recommended employers take the following actions:

- Define future skills requirements. After 30 years when qualified employees were generally readily available, employers must now attract, retrain and re-skill their workforces to compete effectively. They need to develop a clear picture of their longer-term employment needs, and work with unions and educators to ensure they have the right skills when business opportunities arise.

- Get involved and more vocal with educators about what needs to be done. Develop partnerships to attract new employees. Work with unions to encourage co-op placements and internships, on-the-job training and career paths for new recruits. Court prospective employees by attending job fairs and educating career counsellors about opportunities.

- Integrate under-represented groups. Look to aboriginals, persons with disabilities, immigrants, and women in non-traditional careers for skilled labour and managers. Work with educators to identify needed supports/programs and consider private/public partnerships to help fund such initiatives.

- Workforce learning must be a key part of the employer vision, integrated into corporate goals, performance and rewards. Build a training culture by keeping workers up to date on technology and encouraging employees to attend relevant educational courses through flexible workforce hours, recognition and rewards.

Each industry must ensure its voice is heard

- Local: Employers must develop specific strategies for skilled workers with training boards, educators, community leaders and provincial representatives.

- Provincial: Each industry’s unique labour market concerns must be heard and addressed, e.g.:
  - Apprenticeship modernization: Develop cross-industry forums to identify ways in which employers can strengthen their part of the apprenticeship system and enhance apprenticeship opportunities.
  - Career-focused education: Promote the full range of careers; invest in relevant curriculum and equipment.

The Ontario Technological Skills Competition is Skills Canada — Ontario’s cornerstone event, attracting more than 1,500 competitors and 20,000 visitors from across the province. Over 50 contests in the skilled trades and technologies are offered at the competition to elementary, secondary and postsecondary level students, including apprentices.
Participants in the consultations recommended educators respond to changing labour markets and diverse learners in the following ways:

- Relate curriculum to a wide range of workplace challenges and real world applications, such as integrating shop, technology and science (especially for girls), and focusing on linkages between students and potential employers, e.g., expanding co-op opportunities and school visits to worksites.

- Develop and offer more flexible programs such as ‘learning-by-doing’ to accommodate different learning styles and address the needs of under-represented groups such as aboriginals, those with disabilities and new Canadians. Do not lose sight of the need to improve retention rates of students in postsecondary institutions. Celebrate, publicize and reward a wider range of student success stories.

- The dual credit program (a program that allows high school students to study college courses) demonstrates that with the right type of engagement, greater numbers of promising students can be encouraged to continue their education beyond high school. These models should be expanded and encouraged through partnerships with postsecondary and secondary school systems.

- Communicate options to students. Guidance counsellors must be more fully aware of the careers offered by colleges and opportunities in skilled trades.

- Enable students to transfer from program to program, and from institution to institution, e.g., through prior learning assessment for adults, laddering, bridging and articulation programs. Public schools, First Nations trainers, colleges and universities must work together.

Colleges should expand part-time, evening and weekend, modular training, distance education and workplace language training programs, offer more “learning at work” programs to support employer strategic learning objectives and help business with prior learning assessment for internationally trained individuals.

Colleges must assess responsiveness to local employers and labour market opportunities.

### Education of under-represented groups, ages 25-54, 2001

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<th></th>
<th>No PSE</th>
<th>College</th>
<th>University</th>
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<tr>
<td>Ontario population</td>
<td>42%</td>
<td>55%</td>
<td>60%</td>
</tr>
<tr>
<td>Ontario - disabilities</td>
<td>33%</td>
<td>31%</td>
<td>28%</td>
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<tr>
<td>Canada - aboriginals</td>
<td>15%</td>
<td>12%</td>
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**Sources:** Statistics Canada 282-0004 and Participation and Activity Limitation Survey, 2001; Sharpe 2007; Colleges Ontario. **Note:** Percentages do not add up due to roundoff.

Ontario will provide $4 million over three years to create a Centre of Excellence for Education in Financial Services in cooperation with seven Toronto universities and colleges.

“Canada’s retail sector may be among the hardest hit if it cannot find new ways to recruit skilled workers.”

- Retail Council of Canada

“Over the next 20 years, the one-two punch of low fertility rates and the retirement of baby boomers will create a labour shortage crisis of unparalleled proportions. Restaurant owners - along with businesses in other industries - will not have enough staff to run their businesses, resulting in lost investment and business closures.”

- Canadian Restaurant and Food Services Association

Learning to 18 is designed to ensure that all students successfully complete their secondary schooling with the knowledge and skills required to pursue work and learning opportunities. One new program is the Specialist High Skills Major that allows students to focus on career paths that match their individual goals and interests. (Currently Health & Wellness, Business, Transportation, Environment, Arts & Culture, Construction, Hospitality & Tourism, Manufacturing, and Primary Industries - Agriculture, Forestry, Landscaping, and Mining). They are designed for postsecondary success in apprenticeships, a college or university program, or the workplace, and include opportunities for experiential learning through employers, colleges, and community organizations.
“Our people can take on the world – and win.

• “But it’s up to all of us to equip them to overcome the challenges, and seize the opportunities, of the 21st century.
• “The more opportunities we seize to strengthen our skills and talents, the brighter our prospects will be – and the stronger our province will be.
• “Government has to champion our people and our businesses, so that together, we are a genuine, competitive force to be reckoned with.”

- Ontario Liberal platform, 2007, Moving Forward Together

On Feb. 21, 2008, the federal and Ontario governments signed the Canada-Ontario Labour Market Agreement (LMA) to transfer federal funding to the province to help people who are not eligible for Employment Insurance. The agreement came into effect on April 1, 2008, and will see $1.2 billion transferred to the province over six years, starting with $194 million in 2008-09.

To help employers and multinational investors succeed, the Government of Ontario has established the Ontario Pilot Provincial Nominee Program. This program allows employers to:

• Apply for the approval of permanent, full-time positions to be filled by newcomers; and
• Recruit individuals, who are newcomers to Ontario, to fill those positions.

About 40 per cent of the population does not proceed past high school, programs such as apprenticeship have high drop-out rates, and training for employees is less available than in competing jurisdictions.

All areas of government must be involved in a strategy to achieve:

• Strong economic growth across sectors and communities.
• Strong revenue growth to fund essential public priorities.
• Effective implementation of required regulations by a well-trained, responsive workforce.
• Efficient, effective and timely public services and infrastructure construction.

Marketable skills support economic competitiveness and poverty reduction

Participants in the workforce shortage consultations said government needs to:

• Recognize the interconnectedness of skills shortages to maximize overall job opportunities and economic growth.
• Address unique marketable skills needs of all sectors: workforce shortages are hitting sectors across the economy and will affect implementation of public priorities.
• Cut the deficit in marketable skills which is a root cause of poverty, by encouraging greater educational attainment for under-represented groups leading to higher workforce participation.
• Provide critical skills training that ensures employees have transportable skills. This is needed across all sectors and communities.
• Support long-term workforce attachment by helping individuals acquire relevant skills and recognized credentials.

Ontario’s net skills-based employment gap

<table>
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<tr>
<th>Employment gap</th>
<th>Age 25-44</th>
<th>Age 45-64</th>
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<tbody>
<tr>
<td>0-8 years (grade school)</td>
<td>51,038</td>
<td>19,496</td>
</tr>
<tr>
<td>Some high school</td>
<td>53,713</td>
<td>57,125</td>
</tr>
<tr>
<td>High school</td>
<td>61,395</td>
<td>42,497</td>
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Note: Employment gap for each group is based on the difference between its employment rate and the comparable employment rate for those with college certification.

Source: Statistics Canada, 282-0004, Colleges Ontario

Potential client base: long-term unemployed vs. not working, 2006

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<tr>
<th>Employment gap</th>
<th>LT unemployed</th>
<th>0-8 yr (grade school)</th>
<th>some high school</th>
<th>high school</th>
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</thead>
<tbody>
<tr>
<td>0-8 years (grade school)</td>
<td>52,900</td>
<td>135,400</td>
<td>232,600</td>
<td>377,100</td>
</tr>
<tr>
<td>High school</td>
<td>190,000</td>
<td>287,000</td>
<td>394,000</td>
<td>510,000</td>
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• Integrate technology, workplace issues and real world applications into elementary and high school curricula. Enhance funding for high school-college partnerships, dual credits training, etc. Review legislative barriers and pay scales that discourage those with industry experience and trades or college credentials from teaching and taking on leadership positions in public schools.

• Modernize the apprenticeship system by strengthening its role as the third pillar of postsecondary education and ensuring pathways exist in this channel as well as between and among colleges and universities.

• Develop an integrated, responsive approach to training for employees that encourages workforce participation and advancement, especially for those without postsecondary credentials and from under-represented groups. Invest in more flexible training programs (delivered in non-traditional locations and times).

• Encourage postsecondary educators to partner with industry to meet emerging labour market needs. Incent employers to become active in the education process, such as participating in careers events, commitments to part-time, summer, co-op and apprenticeship employment, participating in curriculum updating and in funding equipment.

• Attract investment and expand local business. Develop an ongoing critical provincial / local consultation tool to maximize the potential for economic growth by effectively involving employers, unions, educators, training boards, other ministries and community leaders.

• Enhance tax incentives for employers to train, hire and retain workers from under-represented groups, including immigrants.

• Enhance provincial information and marketing campaigns, particularly in areas of the world with labour surpluses, to attract immigrants with the skills needed by Ontario employers.

• Address the growing need for labour mobility in a national and international context by reviewing national and international standards for postsecondary curricula, mechanisms to upgrade internationally trained individuals, apprenticeship employment ratios, etc.

• Strengthen community and social supports that enable people to participate in postsecondary education, especially adults who need to re-skill.

What you should know

"It's not a stop-gap measure. It allows people to get retrained and re-enter the marketplace with new skills."

- Peter White, London Economic Development Corp

"This emphasis on training helps us move in the right direction to help with growing skills shortages."

- David Surplis, Council of Ontario Construction Associations

"New investments in skills development will help Ontario’s economy increase its competitiveness on a global scale."

- Len Crispino, Ontario Chamber of Commerce

"The budget measures announced today will help greater numbers of people to get the education and training they need to fulfil their potential. The new training and retraining opportunities will help more people find meaningful careers."

- Barbara Taylor, Canadore College

"The budget announcements today will help strengthen Ontario’s economy over the long term."

- Diane J. Brisebois, Retail Council of Canada
Consultations on Ontario’s skills shortage were held in Barrie, Belleville, Hamilton, Kingston, Muskoka, Orillia, Ottawa, Owen Sound, Sudbury, Toronto and Whitby.

“There is no longer any question about the existence of the skills shortage. These consultations are about generating discussion and ideas that will lead to the development of a co-ordinated, long-term skills strategy for the province.” - Linda Franklin, president & CEO, Colleges Ontario
“Business leaders have to promote their industry in partnership with educators, and need to have input in course curriculum.”

“There are other untapped markets for labour force in this area, ie. Aboriginal opportunities and Six Nations.”

“We must appeal to students/adult students who may not be able to go to college or university due to disabilities or lack of financial support.”

“Address basic skills that are lacking, i.e. reading, writing, basic math, respect and responsibility.”

“Governments need to continue and enhance funding to support funding for high-school college partnerships, dual credits training etc.”

“We need to introduce education programs on skills and related opportunities in grade 7 & 8, including public education for parents and employers, so that they understand the options available to them.”

“The relatively-smaller employers who are currently willing to make this investment in apprentices can’t be expected to keep on providing for the larger, richer companies forever.”

“We can’t succeed with educators training on old equipment and old technology – we must also train the trainer properly.”