



# Skilled Trades: A Career You Can Build On

## Fact Sheet

### The Skills Shortage

- Canada is beginning to feel the affect of a shortage of skilled tradespeople.
  - Almost 50% of businesses surveyed in 2003 said a shortage of qualified labour was one of the most important issues facing them. Moreover, 56% of firms said they were forced to hire people even though they were not suitable and almost 30% said they had foregone business opportunities (Canadian Federation of Independent Business, 2003).
  - Canada is already short between 25,000 and 60,000 workers (Canadian Construction Association. Available at: <http://tradeability.ca/DesktopDefault.aspx?TabId=3449&Lang=en> ).
  - The Canadian Federation of Independent Business said the existing skills shortage among smaller businesses was already as high as 300,000 in 2001 (Source: Beauchesne, "Record numbers sign up for apprenticeship training," Ottawa Citizen, Times Colonist, The Telegram, November 21, 2003. Available at: Canadian Labour and Business Centre [http://www.clbc.ca/media\\_room/](http://www.clbc.ca/media_room/)).
  - In the construction sector, the total labour force declined by about 12,000 or 1.4% (Source: Julie Ann McMullin, Marine Cooke, Labour Force Ageing and Skill Shortages in Canada and Ontario, Canadian Policy Research Networks, Ottawa, August 2004).
- The shortage of skilled tradespeople will worsen in the future if not immediately addressed.
  - In the next two decades, 40% of new jobs will be in the skilled trades and technologies. In 1998, that number was less than 20% (<http://www.skillswork.com/students/coolfacts.html>).
  - In Canada, the shortfall has been estimated at no fewer than 20,000 unfilled jobs, growing to 50,000 by the year 2010 (Information Technology Association of Canada Information Technology Association of Canada: <http://www.skillswork.com/students/coolfacts.html> ).

- By 2020, it is estimated that Canada could be short about 1 million workers due to an ageing population and declining birth rates (Conference Board of Canada, 2000).
  - The percentage of workers aged between 55 and 64 years, who are nearing typical retirement ages, rose from 8.6 percent to 9.6 percent between 1991 and 2001 (Julie Ann McMullin, Marine Cooke, Labour Force Ageing and Skill Shortages in Canada and Ontario, Canadian Policy Research Networks, Ottawa, August, 2004).
  - The first baby-boomers are due to reach retirement age by 2012. In 2015, almost half the workforce (48%) will be between the ages of 45 to 64. By 2026, more than half the population will be over the age of 43 (CFIB, 2003).
  - In the steel industry, 45% of all tradespeople are expected to retire by 2006 (CFIB, 2003).
  - In the manufacturing sector, there is an estimated 400,000 workers required in the next 15 years due to retirement (Canadian Labour and Business, 2004).
  - 50,000 skilled metal trades' people will be needed in the next five years (Canadian Tooling and Machining Association. Available at: <http://tradeability.ca/DesktopDefault.aspx?TabId=3449&Lang=en> ).
  - Between 18,000 and 19,000 new jobs will be created within the next 5 years in the collision industry (Canadian Collision Industry Forum. Available at: <http://tradeability.ca/DesktopDefault.aspx?TabId=3449&Lang=en> ).
  - Canada's automotive industry will need 30,000 new skilled workers by 2005, due to retirements (Automotive Parts Manufacturing Association. Available at: <http://tradeability.ca/DesktopDefault.aspx?TabId=3449&Lang=en> ).
  - The Automotive Parts Manufacturers Association forecasts a 42% vacancy rate for skilled trades by 2007 -- nearly 34,000 jobs but only 20,000 skilled workers will be available (<http://www.skillswork.com/students/coolfacts.html>).
- Regional skills issues.
    - 11.8 percent of Ontario workers were aged 55 or over in 2001, Newfoundland and Labrador had a somewhat younger age structure with 9.6 percent of workers aged 55 and over, and British Columbia had the oldest labour force in Canada, with 12.7 percent aged 55 or

over (Source: Julie Ann McMullin, Marine Cooke, Labour Force Ageing and Skill Shortages in Canada and Ontario, Canadian Policy Research Networks, Ottawa, August 2004).

- 84,000 new tourism job openings are projected in B.C. in the next decade. It's estimated that there will be 36 per cent more openings than skilled people to fill them. By 2015, B.C. will need 48,000 supervisory and management positions in the accommodation and food and beverage industry alone (Source: Brian Morton, "B.C. beckons for tourism workers," The Vancouver Sun, May 11, 2005).
- Requirements for workers in western Canadian drilling, oil and gas field services, and allied contracting exceed 75,000 and possibly approach 90,000 (Petroleum Services Association of Canada).
- Manufacturing Sector
  - Manufacturing is Canada's largest business sector, directly accounting for 18% of all economic activity in the country and providing jobs for 2.3 million Canadians (*Ensuring the Future of Canadian Manufacturing*, Canadian Manufacturers and Exporters [Hon. Perrin Betty], February 2005).
  - Not many Canadians realize that manufacturing is Canada's single largest business sector, nor are they aware that every dollar of manufacturing output generates \$3.05 in total economic activity and that the sector accounts for two-thirds of private sector research and development (Will "Made in Canada" be a thing of the past? Manufacturers – change or perish! May 05, 2005. Available at: <http://www.cme-mec.ca/bc/media.asp?id=32> – Canadian Manufacturers and Exporters).
  - The result of the manufacturing industry, as Jayson Myers, chief economist and senior vice-president of Canadian Manufacturers and Exporters, told the association's manufacturing summit this week, is 2.3 million jobs, 95 per cent of which are full-time, and which on average pay 22 per cent more than the national average for all jobs in Canada. And almost every community in Canada has some manufacturing activity (David Crane, Manufacturing must work for Canada's future, Toronto Star, February 11, 2005. Available at: <http://www.cme-mec.ca/on/media.asp?id=372> – Canadian Manufacturers and Exporters).
  - A variety of skills shortages are reported, with companies finding it difficult to both attract and retain qualified personnel. Over 10% of manufacturers and exporters are experiencing difficulties in filling positions for entry-level employees, engineers, sales and marketing personnel, operators, designers, plant managers, electricians, welders

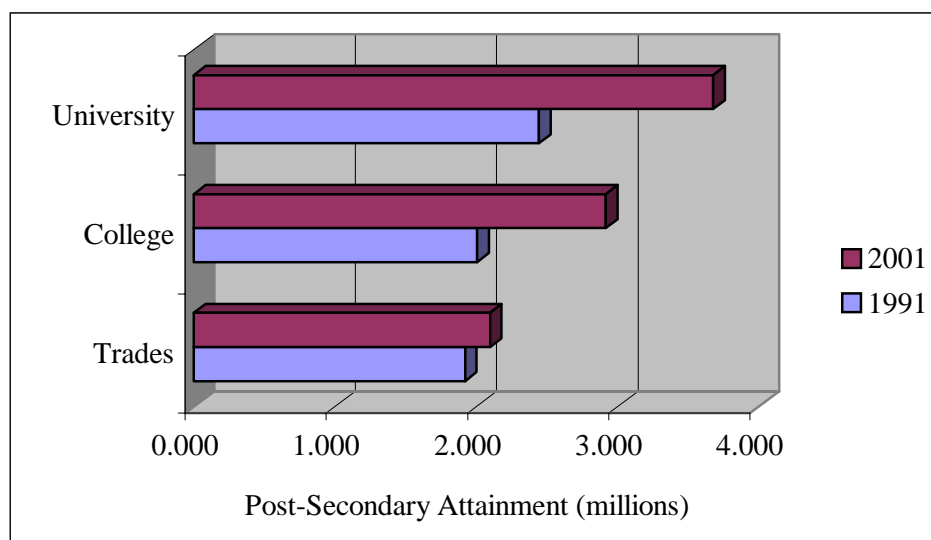
- and machinists (Conquering Challenges, Canadian Manufacturers and Exporters, Management Issues Survey, 2004-2005).
- Thirty-six percent of this workforce is currently forty-five years or older, representing 823,000 workers. Within this group, 255,000 workers – eleven percent of the sector’s workforce – are fifty-five or older. Given a median retirement age for the sector of sixty-one, the age distribution implies that a large contingent of these 255,000 workers will leave the labour force over the next five years (*Ensuring the Future of Canadian Manufacturing*, Canadian Manufacturers and Exporters [Hon. Perrin Betty], February 2005).
  - Seventy-three of the 76 major industry associations in Western Canada expect to encounter moderate to severe shortages of skilled workers within the next five years, according to a new report by the Canada West Foundation (Murray McNeill, Skilled Workers Wanted, January 14, 2005. Available at: <http://www.cme-mec.ca/mb/media.asp?id=350> – Canadian Manufacturers and Exporters).
  - Over the next fifteen-year period, employers in the industry may be looking at replacing over 400,000 workers (*Ensuring the Future of Canadian Manufacturing*, Canadian Manufacturers and Exporters [Hon. Perrin Betty], February 2005).
  - The Canada West Foundation report said 41 of 76 associations believe the number of students currently graduating from post secondary institutions won't be enough to meet the labour demands of their industries (Murray McNeill, Skilled Workers Wanted, January 14, 2005. Available at: <http://www.cme-mec.ca/mb/media.asp?id=350> – Canadian Manufacturers and Exporters).
- Canadian Manufacturers and Exporters’ Management Issues Survey
    - Of the 834 companies across the nation who responded to the Canadian Manufacturers and Exporters’ Management Issues Survey for 2004 and 2005, companies marked the availability of skilled personnel as one of the areas with the greatest deterioration noted. 46% of them described the situation as being worse (then before) while only 5% said it was better (Conquering Challenges, Canadian Manufacturers and Exporters, Management Issues Survey, 2004-2005).
    - In the Canadian Manufacturers and Exporters’ Management Issues Survey, 42% of the companies who responded said that the availability of skilled and experienced personnel was an important strategic challenge that they believe will reshape their business operations over the next three to five years (Conquering Challenges, Canadian

Manufacturers and Exporters, Management Issues Survey, 2004-2005).

- Of the top five constraints that companies experience in achieving measurable improvements in business performance was the lack of qualified personnel. To overcome the constraints they face in improving performance, 51% of companies are upgrading employee skill sets (Conquering Challenges, Canadian Manufacturers and Exporters, Management Issues Survey, 2004-2005).
  - There are many factors that affect innovation activity on the part of Canadian businesses. Availability of qualified personnel is one of the most important with 78% of companies describing it as a key factor affecting business innovation. (Conquering Challenges, Canadian Manufacturers and Exporters, Management Issues Survey, 2004-2005)
  - Manufacturers and exporters face a wave of retirements over the next five to ten years, making it even more challenging to attract and retain employees with required skills and experience. Companies report that they will take a number of actions to address their future labour needs. These include upgrading the skill sets of existing employees (85% of companies), placing greater emphasis on recruitment (71%) and hiring younger people (66%) (Conquering Challenges, Canadian Manufacturers and Exporters, Management Issues Survey, 2004-2005).
- Education
    - Across Canada, the high school dropout rate stands at about 22 per cent (Louise Brown, "Province strives to keep teens in school," Toronto Star, May 18, 2005).
    - Nearly one in three grade 9 student in Ontario does not finish high school (Education Minister Gerard Kennedy – Ontario. Louise Brown, "Province strives to keep teens in school," Toronto Star, May 18, 2005).
    - Close to one-quarter of 17 year old high-school drop-outs reported at age 15 that a high school diploma or less was their highest educational aspirations (Source: Dropping out, Statistics Canada, Ottawa, February 23, 2005. Available at: [www.statcan.ca/english/freepub/81-004-XIE/2004006/yits.htm](http://www.statcan.ca/english/freepub/81-004-XIE/2004006/yits.htm) ).
    - It is estimated that around 50% of secondary school students do not benefit from postsecondary education either because they go straight into the workforce after graduation or because they do not even

graduate (Bob Rae, Ontario A Leader in Learning Report and Recommendations, February 2005).

- Only about 80% of students graduate from secondary school in B.C. Also, only about 30% of the secondary school graduates attend colleges and universities and only about 19% of them obtain a degree. What is required are both increased technical and trades options of learners and more effective means to convince learners of the need for them to continue their education (Select Standing Committee on Education in BC, 2002)
- Futurists have said that approximately 60-70 percent of jobs will require two years post-secondary education within the next few years (Association of Canadian Community Colleges [ACCC], Advocacy: A National Skills Agenda. Available at: [www.accc.ca/english/advocacy/national\\_skills\\_agenda.cfm](http://www.accc.ca/english/advocacy/national_skills_agenda.cfm) ).
- The future supply of skilled tradespeople is at risk since university is the first-choice post-secondary education option among Canadian youth and their influencers.
  - University is a first choice post-secondary option for 67% of young people aged 13-24 and 55% of adults, ahead of college and apprenticeship or trades programs (CAF-FCA/SCC poll conducted by Ipsos-Reid, 2004).



**Figure 1: Post-Secondary Choices (Statistics Canada, 2001)**

- Forty-two percent of young people aged 13-24 said they would be unlikely to consider a career in the skilled trades, against 26% who

said they would likely consider that option (CAF-FCA/SCC poll conducted by Ipsos-Reid, 2004).

- While 60% of parents said that they would be likely or very likely to recommend a career in the skilled trades to their children, 59% of young people say that their parents have not encouraged them to consider skilled trades as a career option (CAF-FCA/SCC poll conducted by Ipsos-Reid, 2004).
- Forty-seven percent of youth and 41% of parents hold the view that many skilled trades involve hard, physical labour (CAF-FCA/SCC poll conducted by Ipsos-Reid, 2004).
- A recent survey found that 37% of young people aged 13-24 said their schools did not have readily available information on skilled trades, compared to 35% who said their schools provided that information (CAF-FCA/SCC poll conducted by Ipsos-Reid, 2004).
- Furthermore, 72% of young people say their school guidance counselors have not encouraged skilled trades as a career option (CAF-FCA/SCC poll conducted by Ipsos-Reid, 2004).
- As identified by the Canadian Apprenticeship Forum's Consultation Report (Assessing and Completing Apprenticeship Training in Canada, 2004), [a participant] spoke of visiting a rural school where approximately 20 percent of students go to university: "Yet in the school entrance hall, there were three or four glossy career posters, which all focused on university careers. Here was nothing about the trades or work-related programs. This was not atypical but rather symbolic."

### **The Campaign**

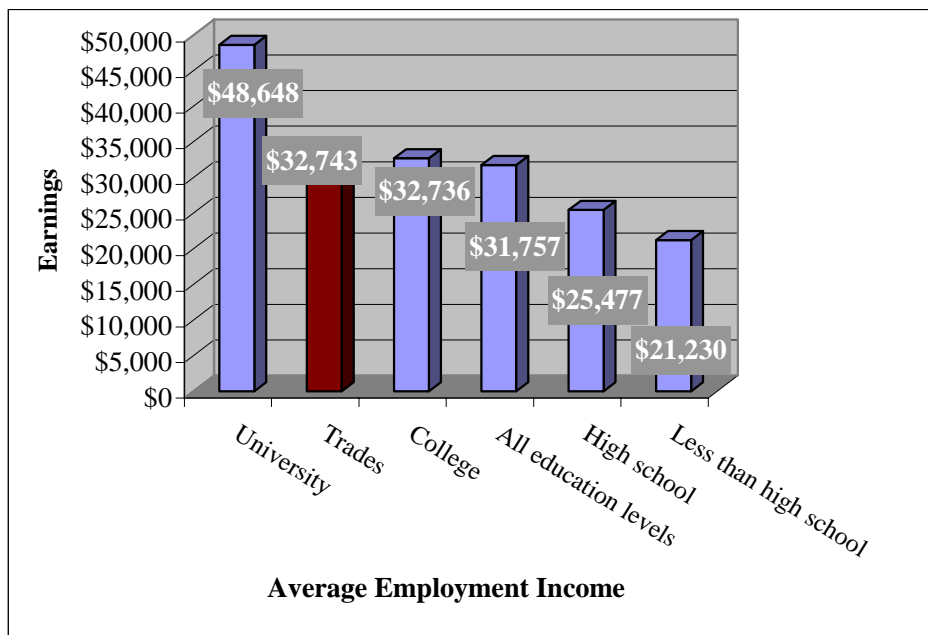
- In January 2003, the federal government announced funding of \$12 million for a three-year campaign designed to develop and promote skilled trades as a first-choice career option. A national campaign has been developed, "Skilled Trades: A Career You Can Build On."
- The campaign is managed by the Canadian Apprenticeship Forum – Forum canadien sur l'apprentissage (CAF-FCA) and Skills/Compétences Canada (S/CC), in partnership with Human Resources Skills Development Canada (HRSDC).
- The campaign has been developed through the direction of a steering committee made up of a national collaboration of business, labour, governments, educators, equity-seeking groups and associated skilled trade organizations throughout Canada.

- The objective of the campaign is to change the perception of skilled trades among youth, parents, and educators in Canada, and to encourage employers to hire and retain more apprentices.
- Information about skilled trades will also target specific equity seeking groups including women, people with disabilities, visible minorities and Aboriginals.
- The “Skilled Trades: A Career You Can Build On” advertising campaign focuses on changing the negative perception of skilled trade careers and involves English and French television, radio, cinema and print ads as well as targeted collateral material that provides further information to youth, parents, educators and employers.
- A comprehensive website, [www.careersintrades.ca](http://www.careersintrades.ca), has been developed to dispel the negative perception of skilled trades and facilitate access to in-depth information about skilled trades and apprenticeships.
- To complement the advertising, the campaign also involves various initiatives at the local level, such as:
  - Regional consultations will be held in the Fall of 2004 which will involve a collaboration of stakeholders at the local level who will be sharing best practices and identifying ways that the national campaign can enhance regional initiatives
  - Employers will be specifically targeted due to their importance in providing apprenticeship training opportunities. In order to reach employers effectively they will be presented with information that outlines the business benefits, the processes in hiring apprentices, and the reality that hiring apprenticeships is a long-term investment in their businesses’ future profitability
  - Partnerships with the business community will be developed to extend the reach and value of the campaign
  - Skilled Trades Champions will be engaged at a local level who will share their passion and real-life stories about careers and opportunities within skilled trades
  - Local, provincial and national media will be engaged to raise the level of awareness of skilled trade careers and to dispel the myths and negative perceptions that exist among youth and their target audiences

### **About Skilled Trades**

- With more than 200 designated trades in Canada, there is a skilled trade for every interest and aptitude (visit [www.careersintrades.ca](http://www.careersintrades.ca) for more information).
- Skilled trades offer good pay, opportunity and respect.

- A journeyman certificate can lead to employment that provides an income level that is 3% higher than the average income for all educational levels (Statistics Canada, 2001)



**Figure 2: Average Employment Earnings by Education  
(Statistics Canada, 2001)**

- Although wages rates among the trades vary, more than 20 different trades can provide earnings substantially above average. For example, tool and die makers earn about 23% more than the average. Machinists can earn wages about 6% above the average. Electricians earn 16.5% above the average (CFIB, 2003).
- Skilled tool and die makers in the Windsor area -- with overtime factored in -- can quite easily average \$100,000 annually (Canadian Machinery and Metalworking, June 2000 - <http://www.skillswork.com/students/coolfacts.html>).
- 45 trades certified under Red Seal program provide tradespersons with the opportunity to work across the country.
- Skilled tradespeople are in demand throughout Canada (Canadian Federation of Independent Business, 2003).
  - Recent projections estimate 913,000 skilled trade job openings between 2003 and 2015; fifty per cent are due to retirement. There

remains an estimated 37,000 job vacancies annually (Vancouver Sun, June 2004).

- The unemployment rate for those with college or trades training is lower than average for all education levels and is on par with the unemployment rate of university graduates (Statistics Canada, 2001).
- The Canadian Federation of Independent Business reported in 2003 that more than 67% of its members said more students should be encouraged to enter the skilled trades.
- Large capital projects intensify the need for skilled workers. For example, it is estimated that preparation for the Olympic Games in Vancouver will require 132,000 additional person-years of skilled labour. (Vancouver Sun, June 2004)
- Skilled tradespeople are important and vital to Canada's future prosperity.
  - Economic trends are favouring countries and production facilities with a large pool of skilled workers (Vancouver Sun, June 2004).
  - Global competition is intensifying due to the increased mobility of capital and labour, and the desire to obtain the best return on investment. (Vancouver Sun, June 2004)
- Careers in skilled trades provide creative and intellectual challenges. Many skilled trades require the aptitude to work with advanced technology.
  - Technological trends in production are creating an increasing demand for workers with the skills and competencies to use that technology (Vancouver Sun, June 2004).

### **Apprenticeship Training**

- Apprenticeship training combines hands-on experience with classroom learning. Approximately 80% of technical training is completed on-the-job and the remaining 20% is completed in-school.
- Apprenticeship training provides the opportunity to “earn while you learn” and decreases the debt load while obtaining a post-secondary education.
  - Apprentices are able to combine in-school training and work which reduces their debt load; however, bachelor graduates in the year 2000 often leave school with an average debt of \$19, 500 (The Daily, National Graduates Survey).

- In 2001, there were 217, 560 apprentices registered across the country. This is a 32% increase from 1995 when there were 164, 570 apprentices registered in Canada.
- Women accounted for 9% of registered apprentices in 2001.

### **Employers' Role in Apprenticeship Training**

- Employers play a vital role in apprenticeship training by providing the on-the-job training that is required for apprentices to receive their certification.
- Training apprentices enhances business performance, profitability and competitiveness.
  - In an Alberta survey, 77% of employers of registered apprentices say that hiring apprentices helps their bottom line and improves their competitive advantage ([www.apprenticetrades.ca](http://www.apprenticetrades.ca)).
  - 90% of mechanical contractors said they actively supported the apprenticeship system in their province/territory ([www.apprenticetrades.ca](http://www.apprenticetrades.ca))
- According to a study by the Canadian Apprenticeship Forum – Forum canadien sur l'apprentissage in 2003, there are some generic barriers that seem to exist or are perceived to exist for employers, such as: lack of information about apprenticeship training; economic factors which impact an employer's ability to provide apprenticeship training; a lack of human and financial resources to train apprentices; concerns about the ability and lack of work experience of apprentices; and issues around the regulations that govern apprenticeship training which may not align with specific business.
- Tools and resources are readily available for employers to get started on an apprenticeship program (visit [www.careersintrades.ca](http://www.careersintrades.ca)).