People, Skills, Jobs: What’s Around the Corner for New Brunswick?

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Main Points

1. Assumptions

2. Challenges facing New Brunswick

3. The two sources of labour demand:
   - Replacement demand
   - Expansion demand

4. Replacement Demand: many New Brunswickers will soon exit our labour force.
   - It will be difficult to replace them.
     1. We don’t have enough young and middle-aged people.
     2. We will need to aggressively recruit externally.
Assumption #1

- Every labour market exit requires an entrant
Assumption #2

We will see more of this:

And less of this:
Assumption #3

- Out-migration won’t accelerate.
Assumption #4

- Immigration levels won’t change.
Challenges Facing New Brunswick

Three big challenges:

1. Aging population
   - 2011 was the year the first baby boomers turned 65.

2. Youth out-migration

3. Imperfect labour market information
   - We know little about vacancies, especially in the future.

2013 Speech from the Throne.
Our Current Labour Market

- Current population is 620,000 people age 15 and over.
- Roughly 395,000 in labour force (employed and unemployed).
- 356,000 are employed; 38,500 are not.
- Current unemployment rate is around 9.8%
Future Replacement Demand in New Brunswick

- Demand is stimulated by:
  - Expansion demand
    - New jobs through new business.
  - Replacement demand
    - Retirements
    - A surplus of out-migration over in-migration.
Aging Populations

Figure 2.3 Population by single year of age and sex, New Brunswick, 2011

Figure description
Retirements, 2011 to 2021

Note: Counts include those individuals who are projected to participate in the labour force.
Migratory Trends of NB Population, 2011-2021

Note: Counts include those individuals who are projected to participate in the labour force.
Sources of Labour Supply in New Brunswick
Labour Supply

Figure 1 High School and University/College School Leavers in New Brunswick, 2011-2021


Note: Counts include those individuals who are projected to participate in the labour market.
Immigration Trends

- In 2012-2013, we admitted roughly 4,000 immigrants.
  - This is more than the entire 1980s.

- Roughly 2/3 are staying and doing well.
  - Most are working.
  - Unemployment rates are well below those for New Brunswick overall.

The Shortfall

Between 2011-2021, we project:

Supply

- School leavers: 52,560
- International workers: 11,770
  64,330

Demand

- Retirements: 79,545
- Migration imbalance: 24,000
  103,545

Shortfall: ~40,000
Where Will Replacement Jobs Be?


Note: Counts include those individuals who are projected to participate in the labour force.
Summary

- Shortages will occur in every economic region in New Brunswick (though more some than in others).
  - Fredericton-Oromocto will have the smallest imbalance.
- Employers need to replace retirees for these jobs to exist.
  - Not replacing workers ≠ Saving money.
- There is considerable mismatch between skills and jobs.
  - We have a lot of work to do to prepare future workers for future opportunities.
- These projections do not include expansion demand.
  - Expansion is planned.
Conclusion: Meeting Labour Market Demands

We need to:

1. Increase the number of University/College enrolments in the province for occupations that are needed.

2. Retain the workers that are lost through out-migration.

3. Attract more individuals through in-migration and international immigration.