

2015

# Economic Impacts and Labour Market Trends 2015

This document provides up to date economic and labour market information. It includes regional data and economic and employment forecast. The document is part of an annual series presented by the RLI Research, Policy and Strategic Partnerships division of Rurpertsland Institute; it is an internal document and it is meant to be used during the RLI planning process.



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## LABOUR MARKET ANALYSIS 2014-15

### INTRODUCTION

We work in a global economy where decisions made elsewhere in the world have the ability to affect regional and local labour market conditions. This is clearly demonstrated by the recent OPEC decision to maintain current production levels in a bid to suppress the price of oil and eliminate competition (mainly from fracking) – many North American energy operations are not economically feasible below, by and large, an \$80/barrel threshold. The subsequent oil glut is likely to lead to a domino effect, where private investment slows down or ceases and governments reduce spending to limit the effect of lower economic output.

This is the scenario we are currently facing. As we began writing this paper, oil prices were fluctuating around \$90/barrel; by early December the price of Brent crude oil plummeted to \$63 or more than 33%. Companies such as Precision Drilling have already announced cutbacks to their capital expenditure plan to \$885million and \$495 in the following Fiscal Year<sup>1</sup>. On related news, the Alberta Premier has already announced a tightening of the fiscal purse in order to cope with lower revenues – the Government of Alberta sets an \$80/barrel as the basis for its funding projections.

During the 2008 economic crisis Alberta was one of the last jurisdictions in the country to suffer the effect of an economic crisis. This time around it may be different.

We see the uncertainty surrounding the global economy as the main thread connecting the different labour market forecasts; if the present glut of oil continues into the future and the price of oil continue to decrease (some forecasts put the barrel of oil within the \$40-50 range), we can expect a slowdown in the provincial economy and an increase in the unemployment rate. In this scenario it is conceivable that Métis Training to Employment is going to experience a phenomenon similar to the one that followed the 2008 economic crisis, where older, unskilled, workers lost employment and required MTE assistance and retraining. Likewise, should the current glut spur increased economic activities (for every \$10 drop in the price of oil there is a .01% increase in the global GDP), then a rebalancing between supply and demand may result in minimum disruption to the labour market in Alberta.

As was the case in previous labour market reports, we propose to begin the analysis with a review of the global situation and progressively work our way to the regional and local level in Alberta.

### GLOBAL ECONOMIC OUTLOOK

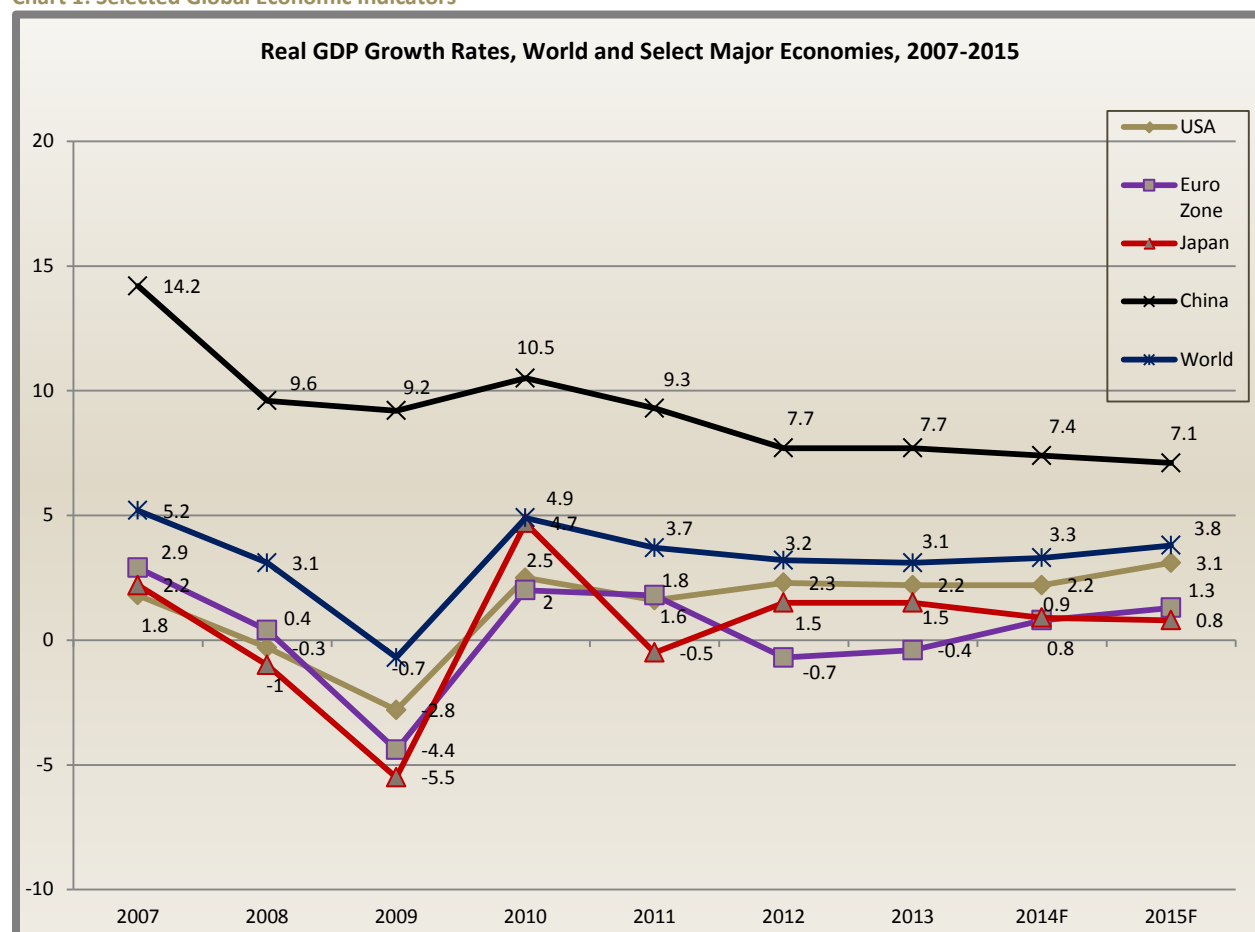
Prospects for world economic growth have been revised downwards for 2014 and 2015 from what was projected even a few months ago. The IMF now forecasts the world economy to grow by 3.3% in 2014 and 3.8% in 2015 (IMF, World Economic Outlook, October 2014), much below the 5.2% GDP growth rate recorded in 2007 – and these projections could well be revised downwards once again. The areas of strength in the world economy are: the US economy where the economic recovery is expected to accelerate in 2014 and 2015; and the Asian economies, in particular China, which will continue to grow at above a 7% pace, although this represents a slowdown relative to prior year growth rates, and India, whose economy is expected to grow by over 5% in each of the next two years. However, two of the world's largest economies – the Euro Zone and Japan – are facing deflationary pressures and could ex-

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<sup>1</sup> See, <http://calgaryherald.com/business/energy/precision-drilling-lowers-capital-spending-plan-sells-part-of-u-s-operation>

perience negative growth in 2014 and very modest growth in 2015. Other developing economies are either in recession (Brazil) or facing economic slowdowns (Russia) from which they are unlikely to recover quickly.

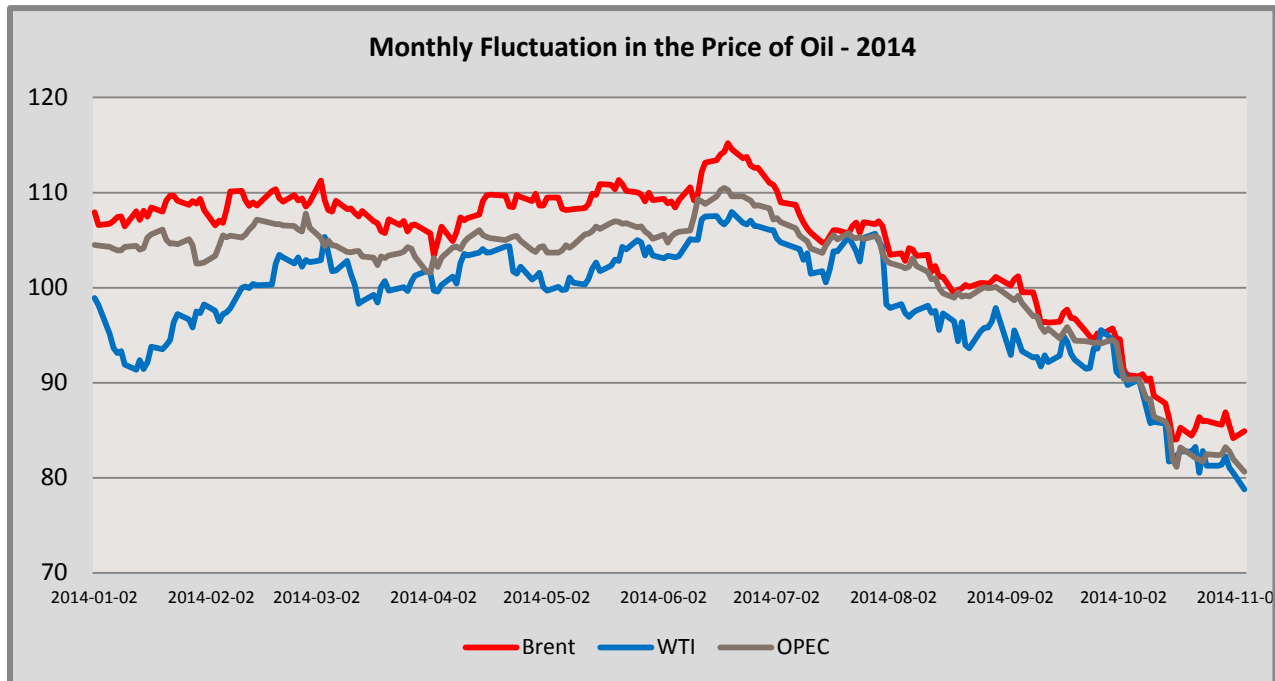
Chart 1: Selected Global Economic Indicators



Source: Figures for USA, Japan and Euro Zone for 2001-2013 are from ec.europa.eu/eurostat; for China from the World Bank (<http://data.worldbank.org/>); and forecasts for 2015 and 2015 from IMF, World Economic Outlook, Oct. 2014; World Real GDP for 2007-2011 taken from Index Mundi, for 2012-2013 from World Bank, World Economic Prospects, June 2014 and for 2014 and 2015 forecasts from IMF, World Economic Outlook, Oct. 2014.

Slowing world demand has had a dramatic impact on resource commodity prices. Between January 2011 and September 2014, iron ore prices fell by 54%, coal by 50%, nickel by 30%, copper by 28%, and aluminum by 18%, indicating that demand is not keeping up with production, which despite falling prices, continued to increase throughout this period. A similar imbalance between supply and demand has become evident recently in oil prices, which have fallen precipitously since the summer of 2014 – as of mid-November 2014, Brent was trading below \$80 US – and there is a real danger that they might fall further, at least in the short term.

Chart 2: 2014 Fluctuations in the Price of Oil



Source: US Department of Energy databases.

In the absence of an unexpected rebound in world growth, there will eventually have to be a supply response to declining demand for raw resources. Oil is the sector most important to Alberta. In the case of oil, a supply response can basically take one of two forms: either OPEC, in particular Saudi Arabia, cuts back production to maintain world oil prices; or prices are allowed to fall to the point that higher cost producers, particularly shale oil producers in the US and oil sands producers in Canada, start cutting back production. It is generally conceded that burgeoning US tight oil production, which led to a 50% jump in US crude production between 2011 and 2014 and which is expected to reach 9.28 MB/d in 2015, a level almost equal to Saudi Arabia, is the main source of current oversupply. Saudi Arabia may not be willing to cutback OPEC production significantly to prevent oil prices from dropping further for fear of losing market share to other world producers. Oil prices are expected to remain volatile through 2014 and 2015. Prolonged periods of low commodity prices can lead to reductions in capital spending, shut down of operating facilities and business failures and industry consolidation, in the oil industry as well as other resource industries.

Another consequence of weak world demand is low inflation and, in some countries, deflation. Japan has been in a deflation cycle since the 1990's and deflation is also a growing threat in the Euro Zone. Inflation in the US is well under the 2% Federal Reserve target and has also been falling in China, where it now just slightly above 2%. Some of the world's major economies are actively seeking to devalue their currency to stimulate export-led recoveries but one of the side effects will be to export their deflation to countries importing their goods. Low inflation is likely to be a major concern of central banks into 2015 and indeed for as long as economic growth fails to gain sufficient traction.

Only a return to significant real GDP growth is likely to reverse these deflationary trends. There are many factors that affect real GDP growth, but state policy – monetary, fiscal and structural reform – is one of the more important. The reluctance of most governments to engage in fiscal stimulus and the

unpopularity of structural reforms has placed the burden of stimulating economic growth almost entirely on central banks, responsible for monetary policy. Growth in many of the world's major economies stalled in 2011 once governments withdrew the huge amount of fiscal stimulus they had put into place to counter the Great Recession. Since many governments now face high debt to GDP ratios, their attention has turned to deficit reduction through fiscal austerity measures and tax increases. This has created a drag on growth. Only in Japan has the government shown any serious willingness to pursue expansionary fiscal policies, although it has also raised its sales tax to reduce reliance on debt in an economy with the world's largest net debt to GDP ratio (227% in 2013). China is also an exception – the government there is concentrating on structural reforms and is engaging in targeted fiscal and monetary stimulus, including lowering interest rates, though it has ruled out a return to the massive fiscal stimulus it had put into place to address the 2008-09 recession. At their meeting in November 2014, the G-20 governments agreed to stimulate the world economy by committing to spend \$2 trillion collectively by 2018, but the aversion to deficits remains very strong in places like Germany and the US (not to mention Canada) and there is little expectation that Western governments will reverse course on fiscal consolidation in the near term.

Accommodative monetary policy has played a key role in supporting the economic recovery in the US. The US Federal Reserve has kept its benchmark interest rate near zero since 2008 and has introduced a number of “quantitative easing” programs, whereby it printed money to purchase US Treasury bills and Mortgage-Backed Securities, expanding its balance sheet to \$4.48 trillion in the process in order to support asset values and credit markets. The Federal Reserve is now in the process of withdrawing extraordinary stimulus to return to more normal market conditions. QE 3, the latest quantitative easing program, came to an end in October 2014, and attention is focusing now on when the Federal Reserve will start increasing interest rates. The consensus is that the Fed will begin to raise interest rates in the 2<sup>nd</sup> or 3<sup>rd</sup> quarter of 2015, although much will depend on the strength of the US economy, measured above all by continued improvements in US unemployment (the unemployment rate has been dropping steadily and stood at 6.5% in November 2014), and on the inflation rate (which stood at 1.7% annualized in November 2014). The Fed will not be reducing its balance sheet for some time to come, instead re-investing maturing securities, and this will provide continuing support to the US economy. The US remains the one major world economy where growth is expected to accelerate - to about 3.1% in 2015. Just as the US Fed is moving to withdraw extraordinary monetary stimulus, the European Central Bank (ECB) and the Bank of Japan (BOJ) are boosting monetary stimulus in an effort to re-inflate their economies, encourage lending and growth. In the spring of 2014, the ECB reduced its benchmark interest rate to near zero and by the fall had introduced a quantitative easing program, initially restricted to the purchase of covered-bonds (mortgage backed bonds issued by European banks) and other asset-backed securities, which could ultimately increase the ECB's balance sheet by 1 trillion euros within the next two years. The BOJ for its part has also reduced interest rates and in October 2014 expanded its bond buying program to 80 trillion yen in an effort to encourage consumer spending and increase prices. The Peoples' Bank of China also moved to cut interest rates in November 2014 and has taken steps to try to boost lending in the housing sector and for small business.

This divergence between the US and the Euro Zone, Japan and other central banks in terms of monetary policy will impact currency markets in particular over the next two years. The US dollar has already strengthened considerably relative to the Euro and yen (not to mention the Canadian dollar), and this is expected to continue, especially if the US Fed starts increasing interest rates as expected. A strong US dollar has implications for everything from oil prices (generally, the stronger the dollar, the lower the dollar denominated oil price), to competitiveness in export markets (the weaker a country's currency, the cheaper its goods), to inflation (importing goods from stronger currency areas raises inflation, while

importing goods from weaker currency areas lowers inflation). Over the next two years, movements in exchange rates will play a fundamental role in determining growth trajectories of the world's major economies.

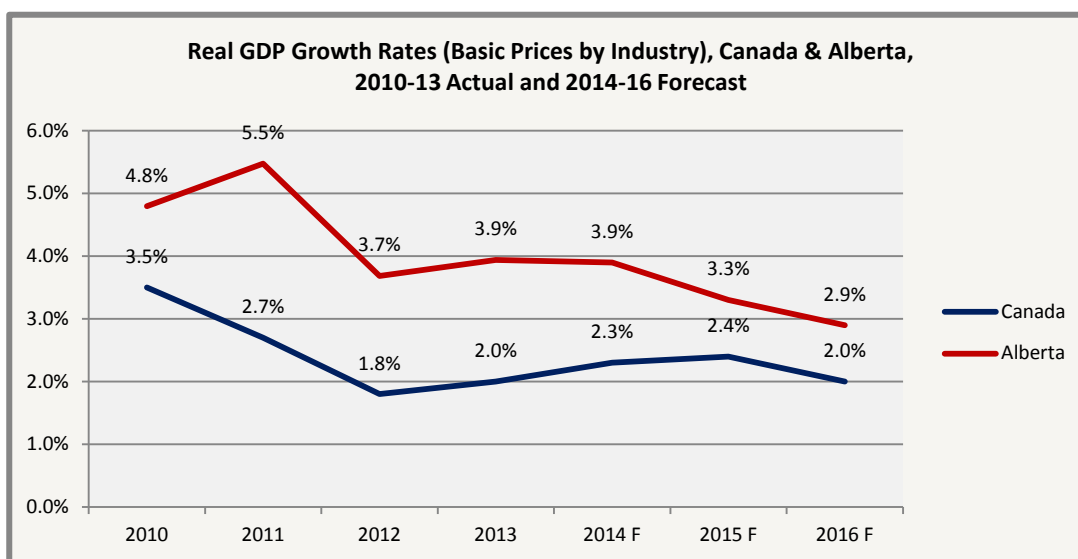
### **CANADA and ALBERTA ECONOMIC OUTLOOK**

Canada and Alberta's economy face a number of headwinds going into 2015, which, depending on how severe they become, could adversely impact labour market demand over the short to medium term. These headwinds include volatile oil prices; a slowing global economy; and a much anticipated rise in interest rates sometime in 2015, which will likely cool housing markets among other things. On the positive side, the relatively strong growth of the US economy, Canada's and Alberta's chief trading partner, combined with a lower Canadian dollar, is expected to drive exports and business investment so that Canada GDP growth should continue at above a 2% annual rate into 2015 and 2016. However, this is expected to benefit other provinces, in particular Ontario and Quebec, more than Alberta, with the result that the "gap" between Alberta and other provinces in terms of economic performance is expected to close over this period. Although Alberta's GDP growth is forecast to continue to exceed the national average over the next several years, the growth rate is expected to slow, dropping from 3.9% in 2014 to 3.3% in 2015 and to 2.9% in 2016.<sup>2</sup> Canadian growth projections rely heavily on "riding the American coattails" and there are downward risks should the strength of the American recovery falter at any time over the next two years. Alberta's growth prospects depend a great deal as well on investments in the energy sector. The past decade has seen heavy investment in the oil sands in particular and as projects come on stream, these investments have entered the "production phase", as the 2014 Alberta budget puts it, and investments will begin to flat-line. One of the chief imponderables over the next two years is whether major new investments in oil sands, LNG projects and pipelines will materialize to sustain economic growth.

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<sup>2</sup> This is the forecast provided by the TD Bank, which is the only bank that provides forecasts to 2016 (TD Economics, Provincial Economic Forecasts, October 16, 2014, p. 5). The Alberta Government's own forecasts in "Budget 2014" were more conservative, forecasting 3.0% growth in 2014-15, 2.7% in 2015-16 and 2.9% in 2016-17 (Government of Alberta, Fiscal Plan 2014-17: Economic Outlook, p. 101). RBC forecasts 3.9% real GDP growth for Alberta in 2014 and 3.5% in 2015 (RBC, Provincial Outlook, September 2014); Scotia Bank forecasts 3.7% real GDP growth for 2014 and 3.3% for 2015 (Scotia Bank, Provincial Trends, March 21, 2014, p.1); BMO forecasts 3.5% growth in 2014 and 2.9% growth in 2015 (BMO, Provincial Monitor, October, 2014, p. 5); National Bank forecasts 3.6% real GDP growth in 2014 and 3.2% in 2015 (National Bank, Economics and Strategy Group, Special Report, September 23, 2014, p. 4); and CIBC forecasts 3.8% growth in 2014 and 3.7% in 2015 (CIBC, Provincial Forecasts Update, June, 2014).

Chart 3: GDP Growth Rates



Source: CANSIM Tables 379-0030 (Provincial) and 379-0031 (Canada) for GDP rates from 2010 to 2013; Bank of Canada, Monetary Policy Report, October 2014, p. 24 for forecast Canada GDP rates (2014-16); and TD Economics, Provincial Economic Forecasts, October 16, 2014, p. 5 for Alberta GDP forecasts (2014-2016)

## Labour Market Overview

These uncertainties make it difficult to predict how labour markets will evolve in the remainder of 2014 and into 2015. Canada's unemployment rate has been declining slowly but steadily since 2009, and at the latest reading (October 2014), it stood at 6.5% annualized, which reflected very significant job growth in September and October 2014. However, Alberta, with about 11% of Canada's population, accounts for over 30% of this employment growth. Alberta's unemployment rate, which has also been declining since 2009, stood at 4.5% in October 2014, the second lowest unemployment rate of all the provinces, after Saskatchewan (which stood at 3.5%).<sup>3</sup> Alberta will not be able to sustain the pace of job creation it has achieved in recent years if oil prices remain at depressed levels for a prolonged period. This is expected to impact the Canadian unemployment rate unless job growth elsewhere, namely Ontario and Quebec, compensate for any employment slowdown in Alberta (which could happen if manufacturing activity picks up in central Canada under the impetus of a lower Canadian dollar and a strengthening US economy). We expect the pace of job creation to slacken in the last few months of 2014 and into early 2015, with a slight rise in both Canadian and Alberta unemployment rates moving into 2015.

<sup>3</sup> Statistics Canada, Labour Force Survey, October 2014 released in *The Daily*, November 7, 2014.



**Table 1: Alberta's Share of Net Job Growth 2009-2014**

<b>Official and All Inclusive Unemployment Rates, Canada and Alberta, Showing Alberta's Share of Net Canada Job Growth, 2009-2014</b>						
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014F</b>
Canada Official	8.3	8.0	7.4	7.2	7.1	6.7
Canada All inclusive (1)	11.5	11.3	10.6	10.3	10.1	9.8
Alberta Official	6.6	6.5	5.5	4.6	4.6	4.7
Alberta All inclusive (1)	8.9	9.0	7.6	6.5	6.5	6.6
Canada Net Job Growth ('000)	-274.3	227.9	265.2	201.5	223.5	237.4
Alberta Net Job Growth ('000)	-28.5	-8.6	77.5	55.5	61.4	82.7
Alta as % of Canada Employment Growth	-10.4%	-3.8%	29.2%	27.5%	27.5%	34.8%
Source: CANSIM Table 282-0086 for 2009 to 2013; Labour Force Survey October 2014 for 2014 estimates of net job creation; official unemployment rates for 2014 based on TD September 2014 forecasts revised to reflect strong Canada job creation in September/October 2014; All Inclusive Unemployment Rate for 2014 estimated from historical trends.						
(1) All Inclusive Unemployment Rate includes officially unemployed plus discouraged searchers, waiting group (recalls, long term future starts), and portion of involuntary part-timers						

In 2001, the Alberta Government's Labour Force Planning Committee proposed that an unemployment rate less than 4.5% is an indicator of a labour shortage.<sup>4</sup> Although Alberta has not seen a return to the below 4% unemployment rate it achieved just prior to the Great Recession, its unemployment rate is close enough to the 4.5% benchmark to make for rather tight labour markets. Nominal average hourly wages have been increasing at a faster pace, growing by 4.0% in 2012 and 3.8% in 2013, compared to 1.7% in 2010 and 2.1% in 2011.<sup>5</sup> Migration to the province, both international and interprovincial, has also risen sharply – Alberta had a total net migration of 68,494 persons in 2012, 105,228 in 2013 and a projected 83,700 in 2014<sup>6</sup> - while it imported 44,989 foreign workers in 2013, 35.5% of all foreign workers allowed in Canada that year.<sup>7</sup> These are all indicators of a tightening labour market, but they must be balanced by the fact that official unemployment rates understate the proportion of persons 15 years of age and over who are underemployed or who are available for work but are no longer looking for work for one reason or another. When these are factored-in, Alberta's All Inclusive Unemployment Rate is closer to 6.6%, which suggests that the labour market has more slack than at first appears. Moreover, official unemployment rates among First Nations and Métis remain considerably more elevated than for the general population – in October 2014, the unemployment rate for First Nations in Alberta was 6.6% and for Métis 7.6% as measured by the off-reserve Labour Force Survey<sup>8</sup>. The duration of unemployment has also increased: the proportion of the officially unemployed who are without a job for 27 weeks or more stood at 13.8% in 2013 compared to only 5.2% in 2007.<sup>9</sup> Youth unemployment in Alberta also remains high, averaging 9.7% in 2014 to date. This suggests that there exists considerable slack in the Alberta labour market despite the province's low official unemployment rate.

The same is true of the Canadian economy generally. In its October 2014 Monetary Policy Report, the Bank of Canada noted that "a more comprehensive labour market indicator suggests that the unemployment rate may have overstated the extent of recent improvements" and pointed to the fact that involuntary part-time work and the duration of unemployment, having surged with the Great Recession,

<sup>4</sup> Quoted in *An Examination of Alberta Labour Markets*, Department of Economics, University of Alberta, July 2013, p. 12

<sup>5</sup> Statistics Canada, CANSIM, Table 282-0070.

<sup>6</sup> Government of Alberta, Demographic Projections

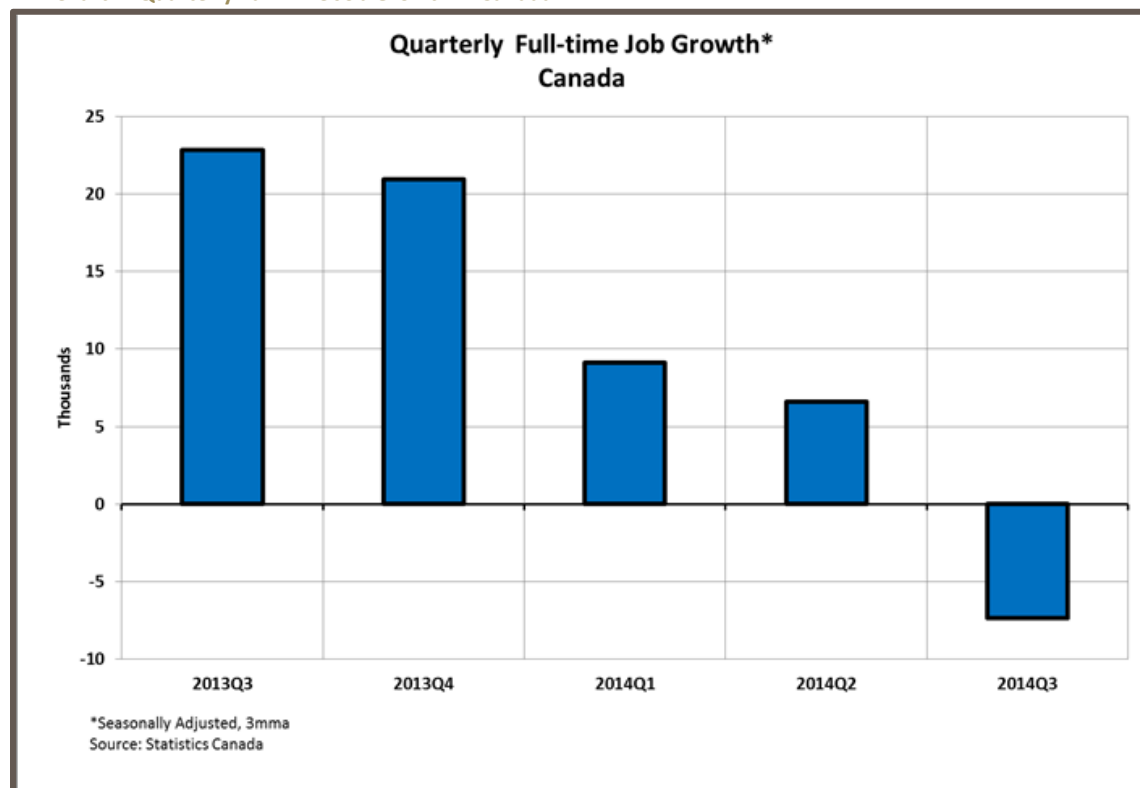
<sup>7</sup> Citizenship and Immigration Canada, *Canada –Temporary Foreign Worker work permit holders present on December 1st by province or territory and urban area, 2009-2013*

<sup>8</sup> Government of Alberta, Labour Force Statistics: Aboriginal Off-Reserve Package, October 2014

<sup>9</sup> Statistics Canada, CANSIM Table 282-0048

remain elevated, having hardly receded since.<sup>10</sup> Moreover, part-time employment is increasing as a share of total employment growth in Canada: whereas part-time employment accounted for 27% of jobs created between October 2012 and October 2013, that proportion surged to 56% between October 2013 and October 2014.<sup>11</sup> Alberta has so far escaped this national trend – 84% of net new jobs created in Alberta since October 2011 have been full-time jobs; in fact, Alberta accounted for 74% of all net new full-time jobs created in Canada between October 2013 and October 2014. This shows the extent to which Canada relies on continued prosperity in Alberta to fuel labour market improvements nationally.

Chart 4: Quarterly Full Time Job Growth in Canada



The major macro-economic factors that could affect labour market demand moving into 2015 include:

### 1. Oil and Natural Gas Prices

Economic growth in Alberta is heavily dependent on the development of the province's oil resources, particularly the oil sands. Whether OPEC and in particular Saudi Arabia moves to cut oil production to maintain prices or allows them to fall further, possibly to under \$70 Brent<sup>12</sup>, the progression of oil prices in the immediate and medium term promises to have significant impacts on Alberta labour market prospects.

Alberta accounts for 78% of Canada's oil production (2013) and 69% of its natural gas production (2013). The energy sector (oil and gas, mining) directly accounted for 22.1% of Alberta's GDP in 2012 and for 72% of the province's total exports. Some 160,000 Albertans were directly employed

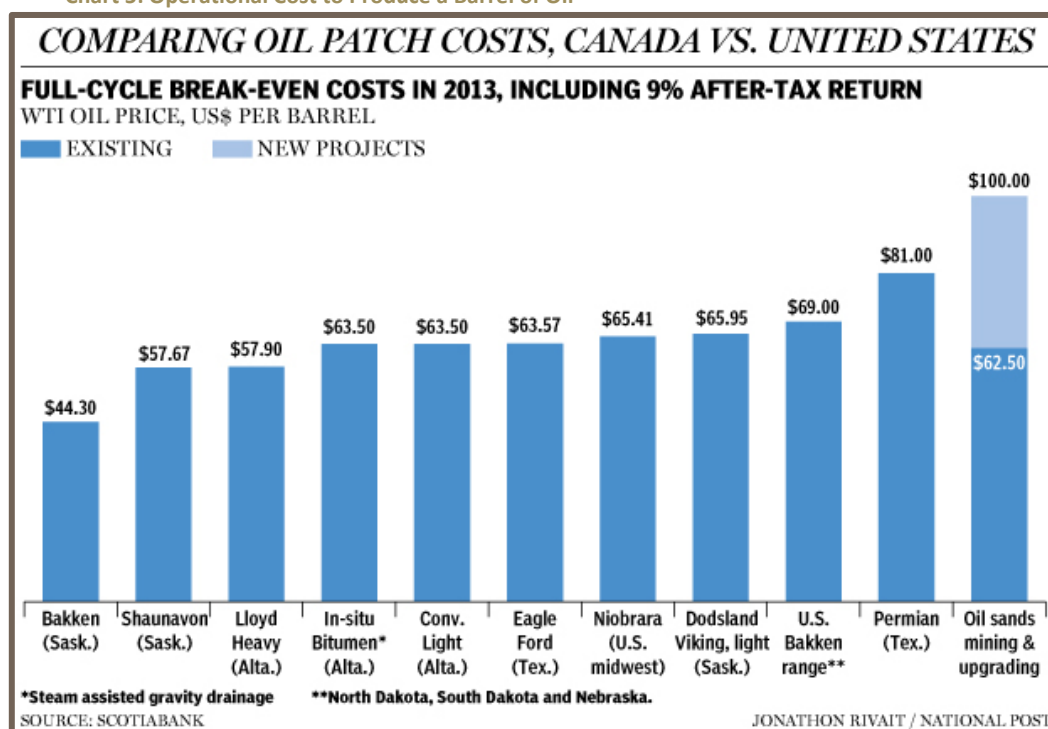
<sup>10</sup> Bank of Canada, Monetary Policy Report, October 2014, p. 15. In 2013, when the Canada official unemployment rate stood at 7.1% (6.1% if measured comparable to the US), the unofficial all-inclusive unemployment rate was 10.1%. Of the officially unemployed, 20.2% were unemployed for 27 weeks or more, compared to 13.2% before the onset of the Great Recession.

<sup>11</sup> Statistics Canada, CANSIM Table 282-0087

<sup>12</sup> The price for Brent stood at \$69.42 at Noon on December 5, 2014

by the oil and gas industry in 2012, and it is estimated that another 260,000 were indirectly dependent on the industry (Canadian Association of Petroleum Producers). As the province's conventional natural gas and crude oil reserves are depleting, Alberta has come to rely increasingly on oil sands development for production growth. The oil sands currently account for 80% of Alberta's oil production and for 53% (\$110 billion) of all major investment projects in Alberta. The Petroleum Human Resources Council estimates that oil sands projects currently (2014) directly employ 72,810 Albertans, 46,260 in construction and 26,550 in operations. A prolonged period of low oil prices would reduce the number of new jobs created in Alberta in the immediate term and would have spin-off effects on housing construction, transportation and retail and wholesale trade over the medium term. It would likely also lead to higher unemployment and to reduced flows of interprovincial and international migration into the province.

Chart 5: Operational Cost to Produce a Barrel of Oil



The International Energy Agency (IEA) estimates that at \$80 Brent, only about 4% of US Light Tight Oil (LTO) production becomes uneconomic. Oil prices would have to fall considerably more to have any real impact on US production, which is the principal source of the current glut in world oil supplies. At \$80, the major impact would be felt by high cost producers, in particular deep-sea wells and the Canadian oil sands. The IEA estimates that about 25% of synthetic crude producers in the oil sands have a break-even price above \$80, while most in-situ projects have break-even price at about \$75 and some mining projects just above \$60. An \$80 oil price would however discourage new developments, which are generally more high costs than existing operators.<sup>13</sup> On the other hand, Scotiabank and BMO have produced analysis suggesting that oil sands in situ and existing mining operations have break-even costs below US LTO (see Chart 5).

<sup>13</sup> IEA, Oil Market Report, October, 2014, p. 95

This suggests that oil prices would have to fall very significantly for a considerable period of time to have any real impact on North American oil production. Lower oil prices would however affect revenues of oil producers and royalty payouts and taxes to governments. This will be mitigated somewhat by the low Canadian dollar (oil is priced in US dollars, while costs are priced in Canadian dollars) and the closing of the differential between the price of Canadian heavy oil (Western Canada Select- WCS) and WTI – WCS usually is priced some 20% below WTI, but the gap has closed recently. Nonetheless, cut-backs in capital and operating expenditures can be expected as oil producers try to protect earnings and governments react to lower revenues.

Alberta is also a significant natural gas producer, and although North American gas prices have been driven very low (currently averaging about \$4.00 MM/Btu), low prices do not have the same effect on Alberta's economy that low oil prices do. Alberta consumes over 50% of the natural gas it produces, and the proportion will only climb in upcoming years, because oil sands developments rely on natural gas for their energy needs. Fracking for natural gas is less developed in Alberta than in the US and there is still considerable scope for natural gas drilling and exploration in the province, especially if building of LNG facilities on the BC coast materialize over the next two years.

## **2. Interest Rates**

The US Federal Reserve is widely expected to start raising interest rates sometime in 2015 from their near zero benchmark level at which they have been set since 2008. The Bank of Canada, whose benchmark rate is currently set at 1.0%, is expected to follow suit, although it is unlikely to raise interest rates before the US does.

Any increase in central bank interest rates will, after so many years of low interest rates, produce shock waves in financial and credit markets. A normalized central bank interest rate in the US would be in the range of 3% to 4%, and, although the Federal Reserve will not likely move to this level at once, once the process starts, it will generate expectations of rising interest rates, whose effects on economic activity are difficult to predict.

An increase in interest rates will benefit savers and improvement margins of financial institutions, but it will have negative impacts on debtors and the value of non-financial assets. Household debt to disposal income in Canada stood at 165.87% in September 2014<sup>14</sup>, which is very high by historical standards; and mortgages on a principal residence accounted for over 60% of household debt.<sup>15</sup> Alberta households are the most indebted of all the provinces, with an average debt of \$124,838 per household in 2014, a 40.2% jump over 2013 (which is accounted for principally by rapidly rising house prices).<sup>16</sup> High household debt makes Canadians, and Albertans, especially vulnerable to interest rate increases. Rising interest rates will increase debt servicing costs and dampen demand in the housing market, which could ultimately translate in deflating property valuations and the value of household assets.

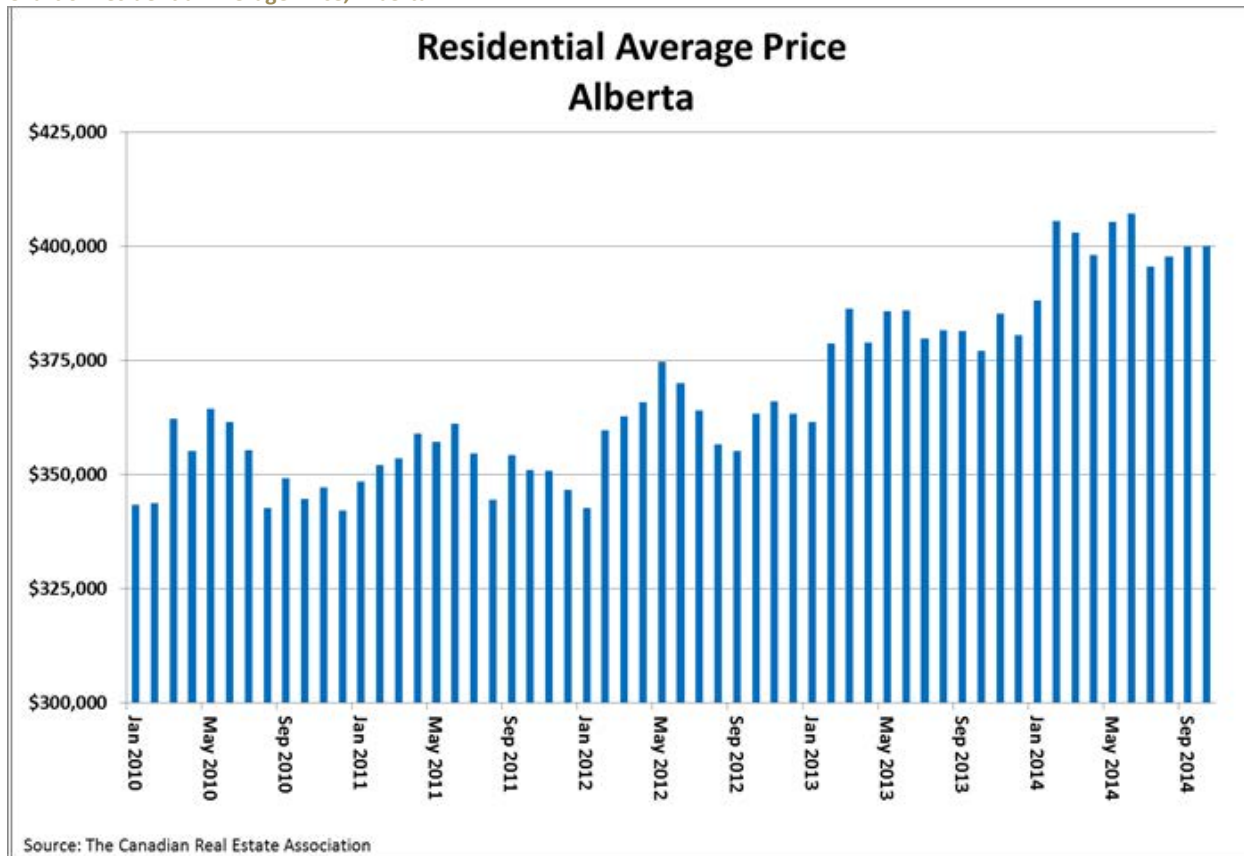
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<sup>14</sup> Statistics Canada, the Daily, September 12, 2014

<sup>15</sup> Statistics Canada, CANSIM Table 205-0001 (for 2012, debt on a principal residence accounted for 61.4% of household debt)

<sup>16</sup> BMO, Annual Debt Report, August 5, 2014

Chart 6: Residential Average Price, Alberta



If the Bank of Canada were to begin increasing interest rates nationally at precisely the time that Alberta's economy begins to slow, Alberta's regional economy would suffer a double negative impact that would affect the housing market and residential construction most strongly.

Related to the above, building construction is often referred to as the "canary in the mine" for economic forecast. It is an early indicator of future infrastructural investment and it is a key condition of economic progress. This is why in times of crisis governments invest in infrastructure; the building multiplier effect extends to all areas of the economy. As table 2 indicates, the value of building permits varies widely between regions in the country. This is in tandem with a lackadaisical Canadian economy that concentrated its economic gains in the resource producing sector, largely at the expense of the manufacturing sector. Today, this economic imbalance makes the Canadian economy more vulnerable to the ups and downs of the oil and gas market and, by default, more susceptible to boom and bust cycles.

**Table 2: Value of Building Permits, 2014 (Selected Regions)**

	Oct-13	September 2014[r]	October 2014[p]	September 2014 to October 2014	October 2013 to October 2014
	seasonally adjusted				
	\$ millions			% change	
<b>Canada</b>	<b>7,256</b>	<b>7,479</b>	<b>7,534</b>	<b>0.7</b>	<b>3.8</b>
<b>Residential</b>	<b>4,450</b>	<b>4,480</b>	<b>4,461</b>	<b>-0.4</b>	<b>0.3</b>
<b>Non-residential</b>	<b>2,806</b>	<b>3,000</b>	<b>3,073</b>	<b>2.4</b>	<b>9.5</b>
New Brunswick	82	94	68	-27.9	-17.5
Quebec	1,286	1,240	1,224	-1.3	-4.8
Ontario	2,655	3,051	2,436	-20.1	-8.2
Manitoba	276	226	190	-16	-31.3
Saskatchewan	372	209	257	22.9	-30.9
<b>Alberta</b>	<b>1,509</b>	<b>1,510</b>	<b>1,597</b>	<b>5.8</b>	<b>5.8</b>
British Columbia	854	898	1,482	65.1	73.5
Yukon	11	12	41	251.5	277
Northwest Territories	11	4	3	-24.7	-70.2
Nunavut	5	1	0	-81.4	-97.7
[p] : preliminary. [r] : revised. ... : not applicable. Note: Totals may not add due to rounding. Sources: Statistics Canada, CANSIM, table 026-0006 and Catalogue no. 64-001-X. Last modified: 2014-12-08.					

We began this document by stating that the economy is in a state of flux and variables such as oil prices determine fiscal and monetary policy. In this sense, we caution that should the price of oil continue to decline and if this decline last longer than half a year, the Central Bank may be force to maintain interest rates at present levels. It is also conceivable that a persistent economic slowdown may lead the Canadian Government to create a new economic incentive plan, all of this in the midst of a federal election.

## ALBERTA: LABOUR MARKET CONDITIONS

Near the end of 2014, labour market conditions in the province remain relatively static. Changes discussed earlier in this paper are likely to affect labour market conditions later in 2015. As shown in Chart 7 and 8, at present and with the exception of sales and management occupations, which show a decrease of 6% in comparison with July, most other occupation clusters remain at par.

Chart 7: 2014 Alberta Totals by NOC Classifications (10). Source: Statistics Canada. Table 282-0062 - Labour force survey estimates (LFS), employment by economic region and National Occupational Classification for Statistics (NOC-S), 3-month moving average, unadjusted for seasonality, monthly (persons), CANSIM (database). (Accessed: 2014-12-05)

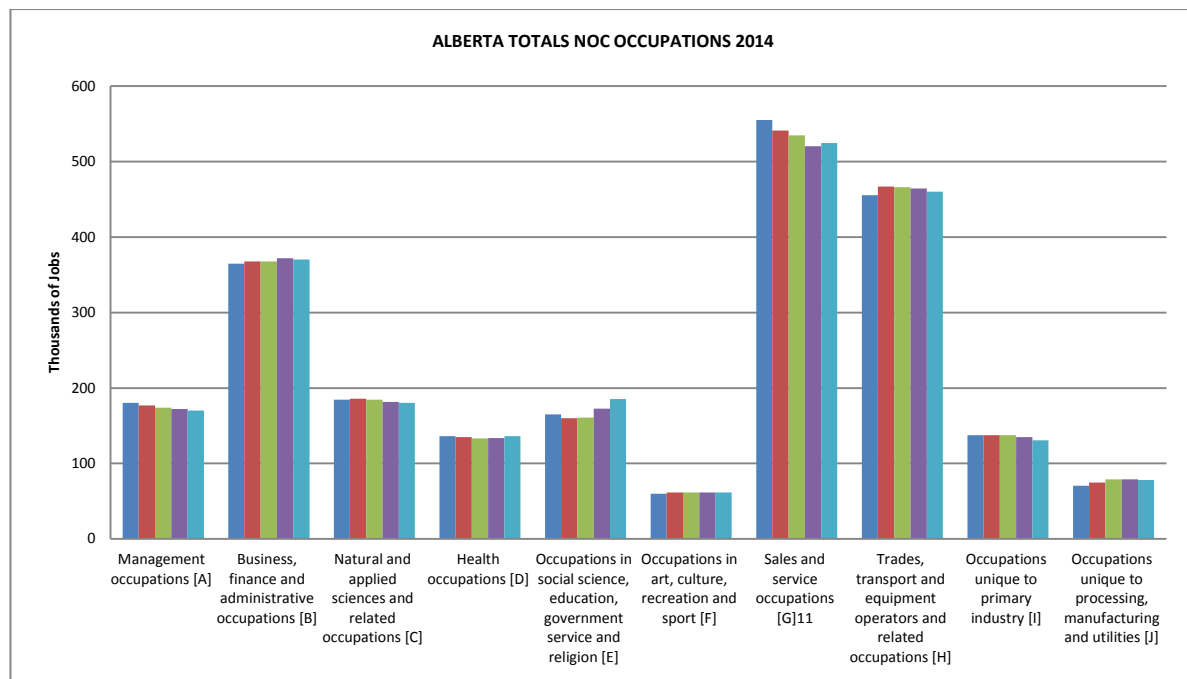
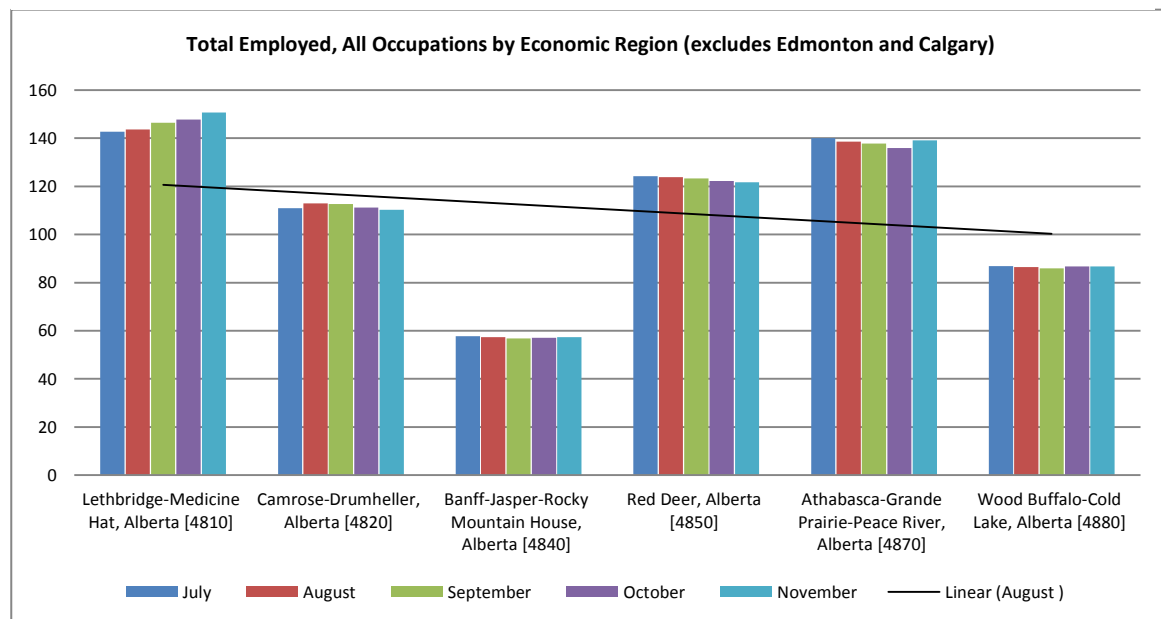


Chart 8: Total Employed by NOC and Economic Regions - Excludes Calgary and Edmonton. Source: Statistics Canada. Table 282-0062 CANSIM (database). (Accessed: 2014-12-05)



## **ALBERTA OCCUPATIONAL FORECAST To 2016**

The occupational forecasts found in Appendix “A” are based on the Alberta Government’s Alberta Occupational Demand and Supply Outlook (2013-2023) and Alberta’s Short-Term Employment Forecast 2014-2016. Though there are uncertainties in Alberta’s economic and labour market outlook that were not forecast at the time the projections were made, these projections should remain valid as general benchmarks. Studies suggest that the labour market remains fairly resilient to oil price shocks, and historically it takes several years for a new equilibrium to be reached.<sup>17</sup>

Alberta’s Occupational Demand and Supply Outlook and Alberta’s Short Term Employment Forecasts were calculated using different models but the same National Occupational Classification (NOC) codes. They obtain different results. For the purpose of this analysis, the occupational supply and demand outlook to 2016 was used as a base and results were obtained for all 3-digit NOC occupations ranked by projected labour shortage; by size of labour shortage relative to total labour demand in that occupation; and by size of labour demand or labour force in that occupation. The following weights were then assigned to each ranking: 50% size of cumulative labour shortage to 2016; 30% for acuteness of labour shortage relative to size of labour demand; and 20% to size of labour demand or work force.

It should be noted that the occupations with highest labour demand and shortages tend to be low-skilled, low-paying occupations (e.g., occupations in food and beverage service; cleaners; retail sales persons and clerks). These were removed in order to focus on occupations that require skills development.

The results for occupations with projected labour shortages of 100 positions or more by 2016 are displayed in Appendix A. For each of these occupations, Alberta’s Short-Term Employment Forecast was scanned to see what it said at the 4-digit NOC level about the occupations within each sector. These are shown as commentary in the Table.

Alberta Government forecasts focus on new job growth/demand and neglect attrition – people leaving employment for whatever reason. We have attempted to balance that by including size of the work force in our analysis. However, some occupations that employ many workers and where attrition is generally quite high, such as truck drivers, still did not make it to the top skilled occupations presented below.

The Table nonetheless is indicative of where demand for jobs will be highest in the short to medium term: skilled occupations in the food and accommodations industry, in particular, chefs, cooks and managers; health care (other than dental), including nurses, nursing aides, emergency personnel, and physicians; the trades, in particular, carpenters, cabinetmakers, pipefitters, plumbers and electricians but including drywall installers, roofers, floorers, gas fitters and others involved in residential construction; engineers and engineering technologists of all kinds; computer professionals and technicians, from database analysts and programmers to user support specialists; heavy equipment operators (especially cranes); social workers and early childhood educators and assistants; and administrative officers in finance, business and regulatory agencies.

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<sup>17</sup> An Examination of Alberta Labour Markets, Department of Economics, University of Alberta, July 2013, p. 6



## ALBERTA ECONOMIC REGIONS

There are eight Economic Regions in Alberta. Defined by Statistics Canada as a geographical unit composed of several census divisions within a province, economic regions can be large (such as the Athabasca-Grande Prairie region, which covers a large part of northwest Alberta) and include economic diversity (such as the Medicine Hat-Lethbridge region, which includes cattle ranching and oil and gas corridors).

It is the diversity of the Economic Regions that makes it difficult to forecast labour market conditions at the sub-regional level. A second complication to conduct an in-depth analysis arises from data suppression. Simply put, neither Statistics Canada nor the Alberta Government produce Aboriginal (or Métis specific) labour market conditions outside of the Calgary and Edmonton Economic Regions. A third and final complication is the regional distribution between the different statistical areas being measured; RLI has four regions and these regions do not coincide with the 19 Census Divisions and the 8 Economic Regions.

Notwithstanding these difficulties, the rest of the document includes a broad labour market analysis of each of the eight Economic Regions, followed by a provincial occupational outlook analysis and a profile of the Métis community.

Aboriginal people (Off-Reserve) by Age Group, Alberta 2013						
	All Aboriginal People		First Nation		Métis	
	Population	%	Population	%	Population	%
<b>Total</b>	129,500	100	5,100	100.0	76,300	100.0
<b>Lethbridge - Medicine Hat</b>	9,400	7.3	4,100	8.0	5,300	6.9
<b>Camrose - Drumheller</b>	5,100	3.9	1,800	3.5	3,300	4.3
<b>Calgary</b>	28,300	21.9	10,700	21.0	17,000	22.3
<b>Banff-Jasper-R.M. House</b>	2,900	2.2	800	1.6	2,100	2.8
<b>Red Deer</b>	6,600	5.1	2,500	4.9	4,100	5.4
<b>Edmonton</b>	45,200	34.9	18,400	36.1	26,100	34.2
<b>Athabasca-Grande Prairie-P. River</b>	20,200	15.6	8,700	17.1	11,200	14.7
<b>Wood Buffalo-Cold Lake</b>	11,800	9.1	4,000	7.8	7,300	9.6

Source: Alberta Labour Force Profiles, Aboriginal People 2013

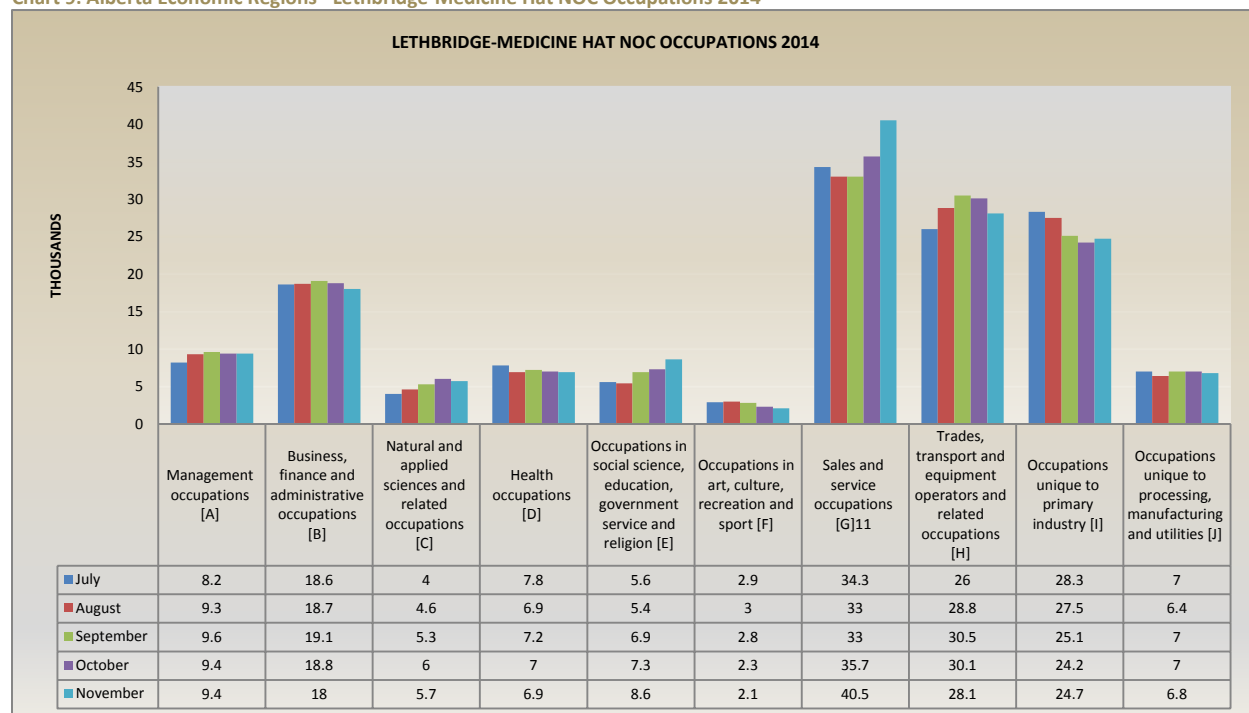
Table 3: Alberta Economic Regions by Aboriginal Population

### 1. Lethbridge-Medicine Hat

This Economic Region includes Census Divisions #1 and 2 and the Métis community is largely urban. Medicine Hat and Lethbridge include a significant majority of the Métis population, 98% and 70% respectively. Overall, “employment in the Goods-Producing industries increased by 4,400” year-over-year.<sup>18</sup> Agriculture, Manufacturing and Information, Culture and Recreation were the three industries with the highest increase employment year-over-year.

<sup>18</sup> 2013 Annual Alberta Regional Labour Market Review

Chart 9: Alberta Economic Regions - Lethbridge-Medicine Hat NOC Occupations 2014



We recommend that consideration be given to setting labour market activities within these two centres, while extending the marketing reach to Pincher creek and surrounding areas of Census Division 3. As Table 4 shows, industries often associated with steady hiring practices over the last few years have negative employment growth.

Table 4: Medicine Hat-Lethbridge, Selected Industries

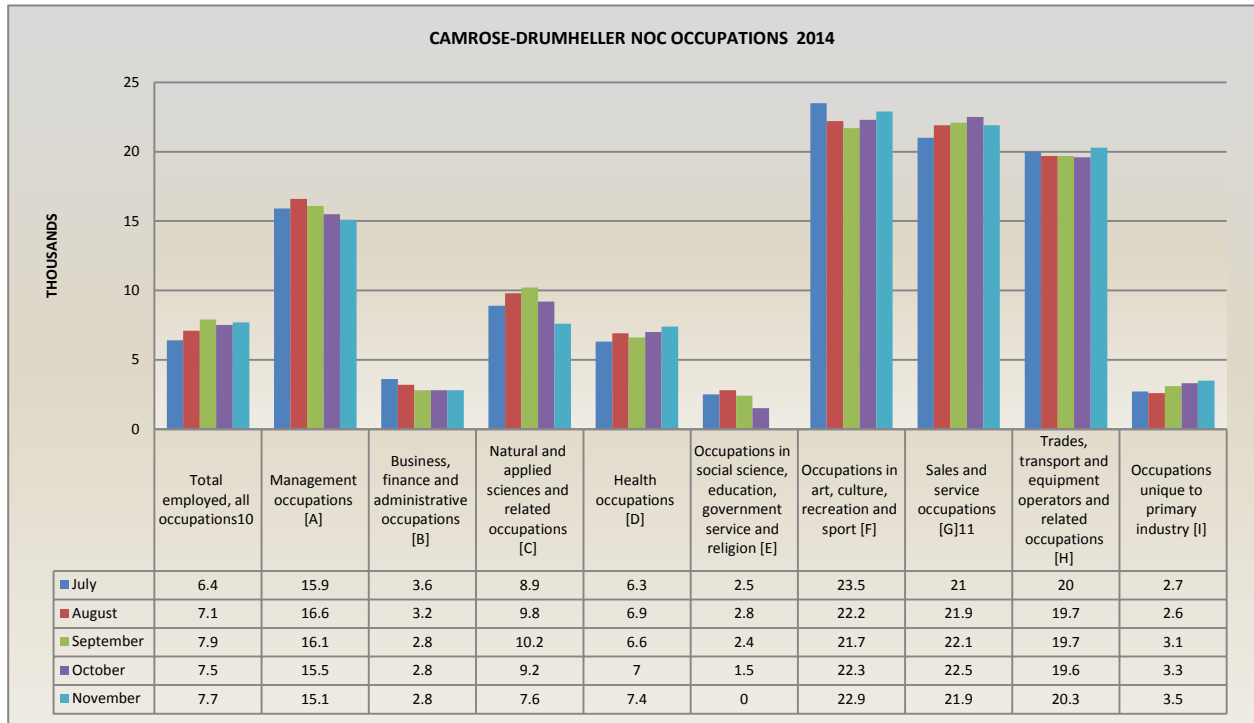
Industry	2012	2013	Change from 2012
Forestry, Fishing, Mining, Quarrying, Oil and Gas	11,900	18,300	-1,400
Construction	13,500	12,200	-1,300
Trade	23,200	20,300	-2,900
Transportation and Warehousing	8,200	4,800	-3,400
Finance, Insurance, Real Estate, Leasing	5,800	4,800	-1,000
Business, Building and Other Support Services	3,300	2,800	-500
Health Care and Social Assistance	16,500	15,500	-1,000
Accommodation and Food Services	8,500	8,200	-300
Other Services*	7,300	5,400	-1,900

*\*This sector comprises establishments, not classified to any other sector, primarily engaged in repairing, or performing general or routine maintenance, on motor vehicles, machinery, equipment, and other products to ensure that they work efficiently; providing personal care services, funeral services, laundry services, and other services to individuals, such as pet care services and photo finishing services; organizing and promoting religious activities; supporting various causes through grant-making, advocating (promoting) various social and political causes, and promoting and defending the interests of their members. Private households are also included.*

## 2. Camrose-Drumheller

This Economic Region straddles the RLI Regions Northeast, South and Central. It is a vast region that includes some of the following communities: Camrose, Drumheller, Wainwright, Vermillion and Bonnyville. It is, thus, difficult to make specific recommendations, as the labour market characteristics change drastically from one end to the other end of the region.

Chart 10: Alberta Economic Regions – Camrose-Drumheller NOC Occupations 2014



In 2013, the regional unemployment rate stood at 3.7%, the lowest in the eight provincial economic regions.<sup>19</sup> Agriculture (+1,200), trade (+1,900) and the Accommodation and Food Services (+1,400) and show a year-over-year increase between 2012 and 2013. By far the largest industry sector growth came in the Other Services sector, with 2,300 new jobs. Below is a breakdown of the industries that experienced a decline in employment over the preceding year.

Table 5: Camrose-Drumheller Selected Occupations

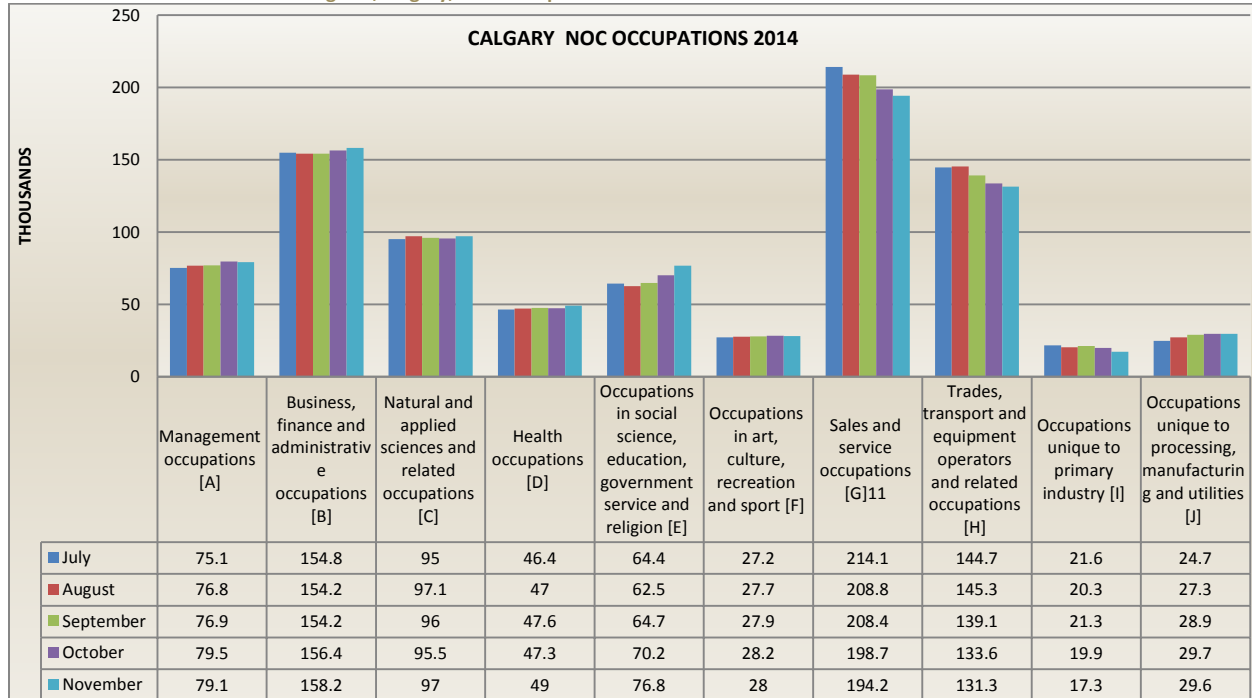
Industry	2012	2013	Change from 2012
Forestry, Fishing, Mining, Quarrying, Oil and Gas	9,900	9,100	-800
Construction	9,800	9,700	-100
Manufacturing	4,600	4,200	-400
Transportation and Warehousing	4,400	3,700	-700
Finance, Insurance, Real Estate, Leasing	3,800	2,900	-900
Professional, Scientific and Technical Services	3,900	23,400	-500
Educational Services	7,100	6,900	-200
Health Care and Social Assistance	13,100	11,000	-2,100
Public Administration	5,800	5,000	-800

<sup>19</sup> Source: Statistics Canada, CANSIM, table 282-0055 and Catalogue no. 71-001-PIB.

### 3. Calgary

Calgary is Alberta's largest economic region, both in terms of population size and population 15+ years. It includes the second largest Métis population in the province. In 2013, the region experienced a 5,300 decline in employment in the Goods-Producing Industries and experienced a gain of 29,500 jobs in the Services-Producing Industry. The highest employment increases were registered by Health Care and Social Assistance, up by 11,700 jobs; followed by Professional, Scientific and Technical Services, up by 11,000 jobs; and, the Construction industry that created 7,000 new jobs over the previous year.

Chart 11: Alberta Economic Regions, Calgary, NOC Occupations 2014



It should be noted that while Management Occupations have decreased in large parts of the province, Calgary experienced an increase of 3,400 between July to November, 2014

Below is a breakdown of the industries that experienced a decline in employment over the preceding year.

Table 6: Calgary Economic Region, Selected Employment Statistics.

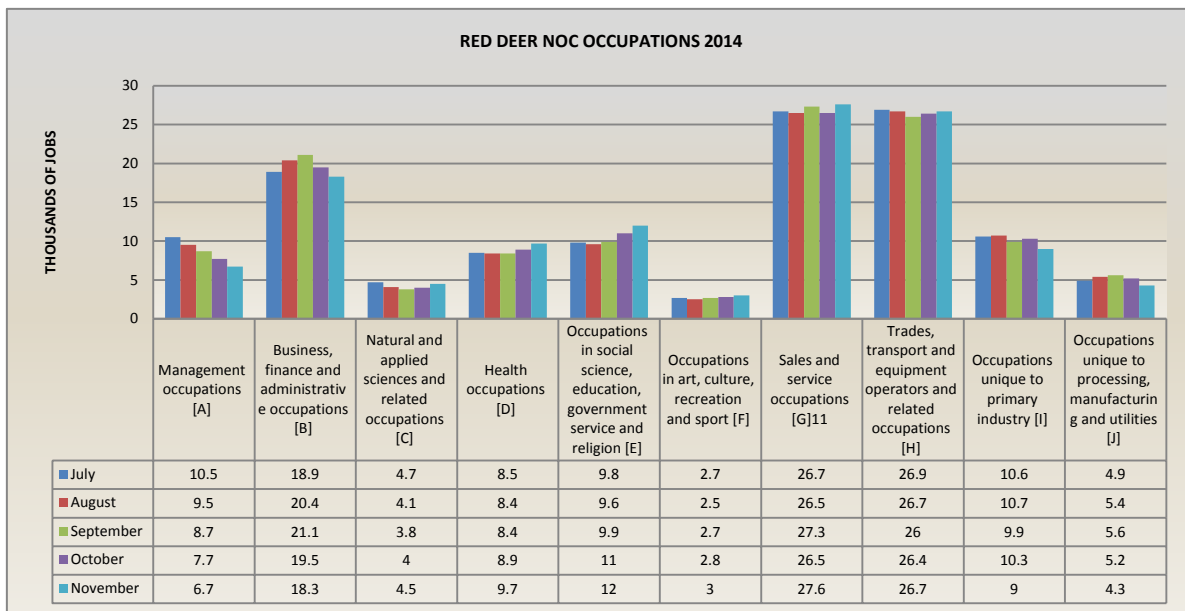
Industry	2012	2013	Change from 2012
Forestry, Fishing, Mining, Quarrying, Oil and Gas	69,400	65,200	-4,200
Manufacturing	55,600	47,100	-8,500
Educational Services	47,900	46,800	-1,100
Other Services*	40,00	37,100	-2,900
Public Administration	26,100	25,600	-500

#### 4. Red Deer

Even though this Economic Region created 7,000 new jobs in 2013, it also experienced an increased in the regional unemployment rate of 0.2 percentage points to 4.9%, one of the highest unemployment rates among the eight Economic Regions.

According to the Conference Board of Canada, "Red Deer's economy will moderate further in 2015, as the primary and utilities sector and the services-producing industries continue to slow. The slower economic activity will lead to lower job growth over the next two years. Red Deer's economy is expected to create an average of 625 jobs per year over 2014 and 2015, about half the average pace of the 2010-2013 period."<sup>20</sup>

Chart 12: Red Deer Economic Region NOC Occupations 2014



The Public Administration and Other Services sectors each created 2,200 more jobs in 2013 when compared with 2012. Agriculture (1,300) and Finance, Insurance, Real Estate and Leasing (1,900) also show an increase in employment in 2013 over the preceding year. Below is a breakdown of the industries that experienced a decline in employment over the preceding year.

Table 7: Red Deer Selected Industries

Industry	2012	2013	Change from 2012
Construction	12,800	12,000	-800
Manufacturing	6,700	6,500	-200
Transportation and Warehousing	4,500	3,300	-1,200
Business, Building and Other Support Services	2,900	2,500	-400
Educational Services	6,400	5,100	-1,300
Information, Culture and Recreation	3,200	3,100	-100

<sup>20</sup> "Mid-Sizes Cities Outlook, 2014"

## 5. Edmonton

The Edmonton Economic Region labour forced increased by 26,600 between 2012 and 2014. While employment increased by 23,400 over the same period, due to large in migration, the un-employment rate rose by 0.2%, from 4.6% to 4.8%.<sup>21</sup>

Chart 13: Edmonton Economic Region NOC Occupations 2014

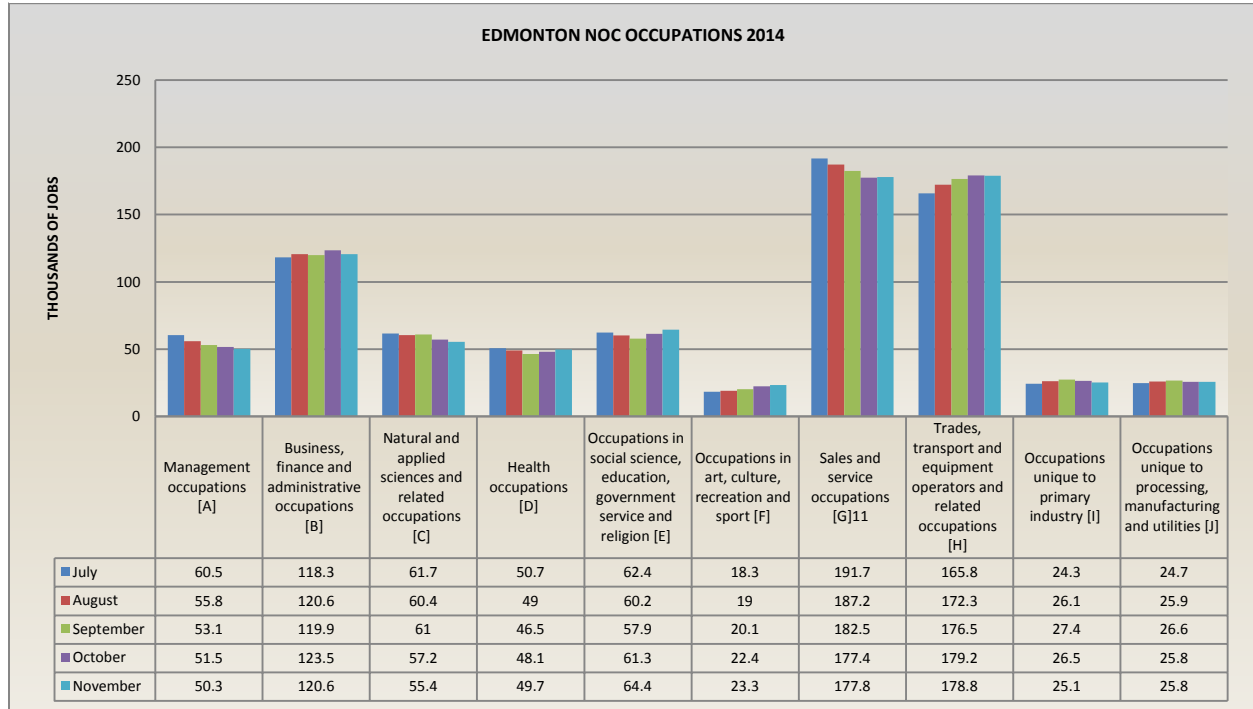


Table 8: Edmonton Economic Region Employment by Industry

Industry	2012	2013	Change from 2012
Agriculture	8,700	7,000	-1,700
Forestry, Fishing, Mining, Quarrying, Oil and Gas	32,100	31,500	-600
Utilities	7,800	6,400	-1,400
Construction	86,000	84,200	-1,800
Manufacturing	50,200	58,800	8,600
Trade	119,700	123,100	3,400
Transportation and Warehousing	36,600	39,600	3,000
Finance, Insurance, Real Estate and Leasing	34,200	39,500	5,300
Professional, Scientific and Technical Services	43,800	49,600	5,800
Business, Building and Other Support Services	27,500	25,200	-2,300
Educational Services	43,100	45,500	2,400
Health Care and Social Assistance Services	86,600	83,200	-3,400
Information, Culture and Recreation	20,500	22,800	2,300
Accommodation and Food Services	42,800	45,700	2,900
Other Services	37,900	40,600	2,700
Public Administration	39,300	38,600	-700

As Table 8, above, indicates, Manufacturing led the way in employment creation, followed by Professional, Scientific and Technical Services. On the opposite end, Health Care and Social Ser-

<sup>21</sup> Statistics Canada Labour Force Survey

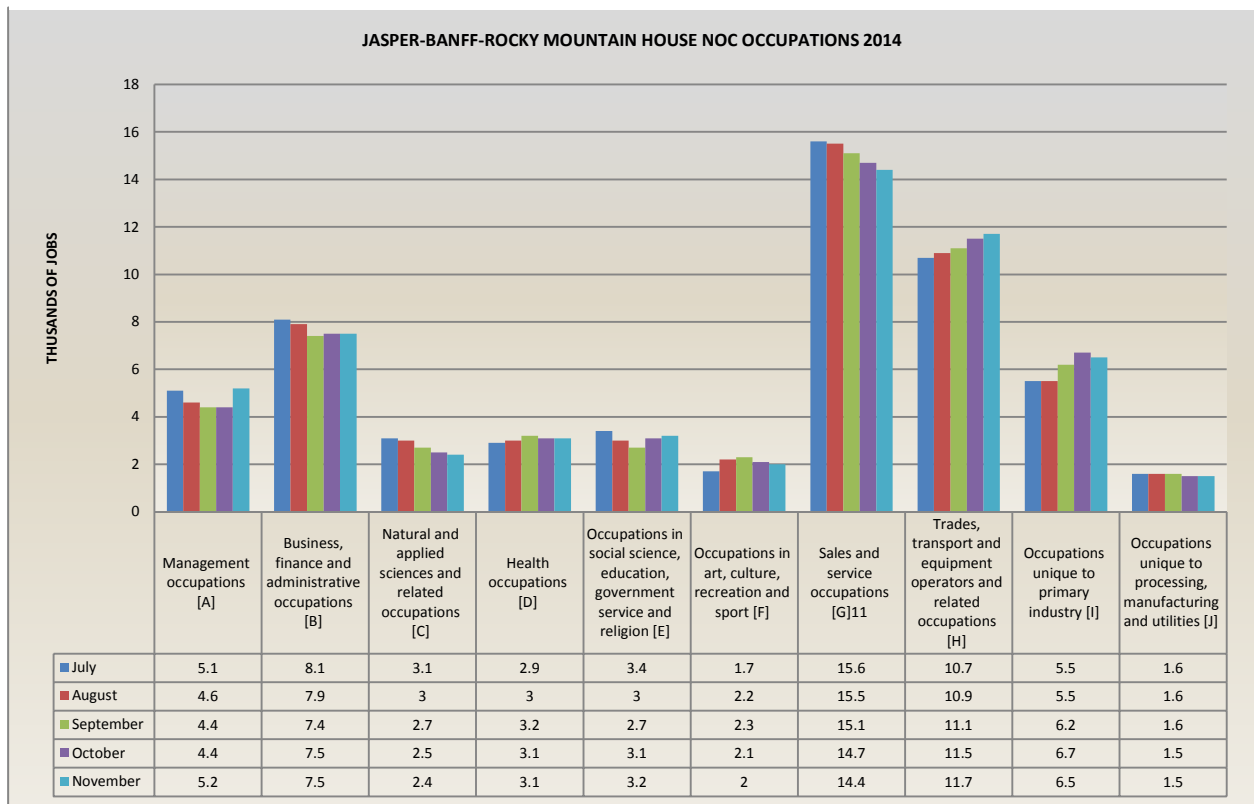
vices experienced the largest decline in employment. Notably, Public Administration saw a decrease of 700 jobs at a time when oil and gas prices were high. As the price of oil continues its downward drive, it is expected that Public Administration employment may decrease over the 2015-2016 Fiscal Year.

## 6. Jasper-Banff-Rocky Mountain House

The Jasper-Banff-Rocky Mountain House Economic Regions is located in the west side of the province and is split between the RLI Regions Central and South. The Métis population is relatively small, comprising 2,100 people or 2.8% of the total Métis population. The Town of Rocky Mountain House is home to about half (or 360 individuals) of the Métis population in the Census Division area comprised of 725 self-identified Métis individuals. This is in tandem with Alberta's Working Age Population distribution. According to 2013 Annual Alberta Regional Labour Market Review:

*"The participation rate of 74.3% was the third highest in the province...Between 201 and 2013, unemployment increased by 4.8% or 100, and the regions unemployment rate rose 0.1 percentage points to 4.0%, but remained the third lowest in Alberta..."<sup>22</sup>*

Chart 14: Banff-Jasper-Rocky Mountain House Economic Region NOC Occupations 2014



As indicated in Chart 14, the Sales and Service Occupations industry experienced a decline in employment, while Trades, Transport and Equipment Operators and Related Occupations and Occupations Unique to Primary Industry experienced an increase in employment.

The Region also includes Jasper, which is home to 515 self-identified Métis.

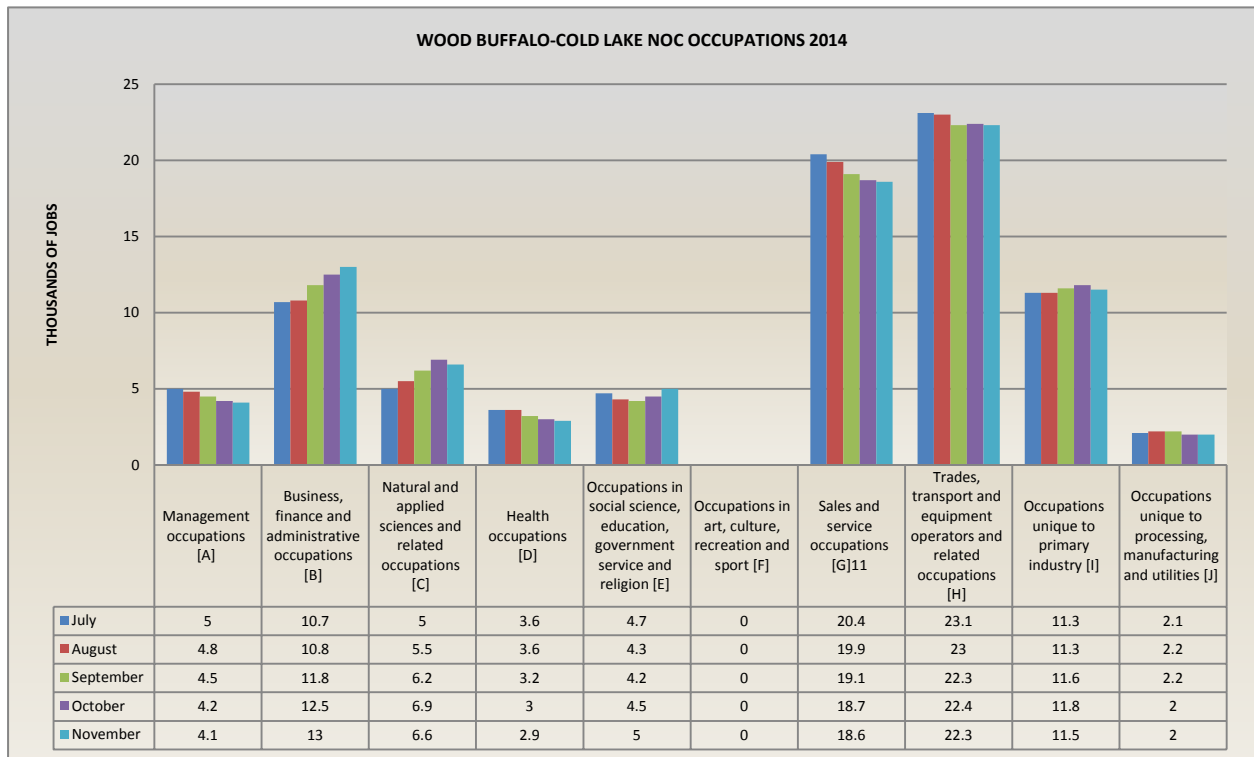
<sup>22</sup> Government of Alberta, 2013 Annual Alberta Regional Labour Market Review

## 7. Wood Buffalo-Cold Lake

This is a vast Economic Region that includes communities such as Fort McMurray, Cold Lake and Bonnyville. The region is also the town of Athabasca. Characterized by the Oil and Gas industry, Wood Buffalo-Cold Lake has the highest employment rate in Alberta at 75.9%. In 2013, the annual regional employment rate was 4.1%, third lowest in Alberta.

The region has experienced unparalleled economic growth for decades now. Yet, not all sectors of the economy show the same growth potential. In 2013, Trade, Construction and Manufacturing experienced employment loss in comparison to the preceding year. As Chart 15 shows, the trend continues and 2014 shows a significant decline in Management Occupations, down from 5

Chart 15: Wood Buffalo-Cold Lake Economic Region, NOC Occupations 2014



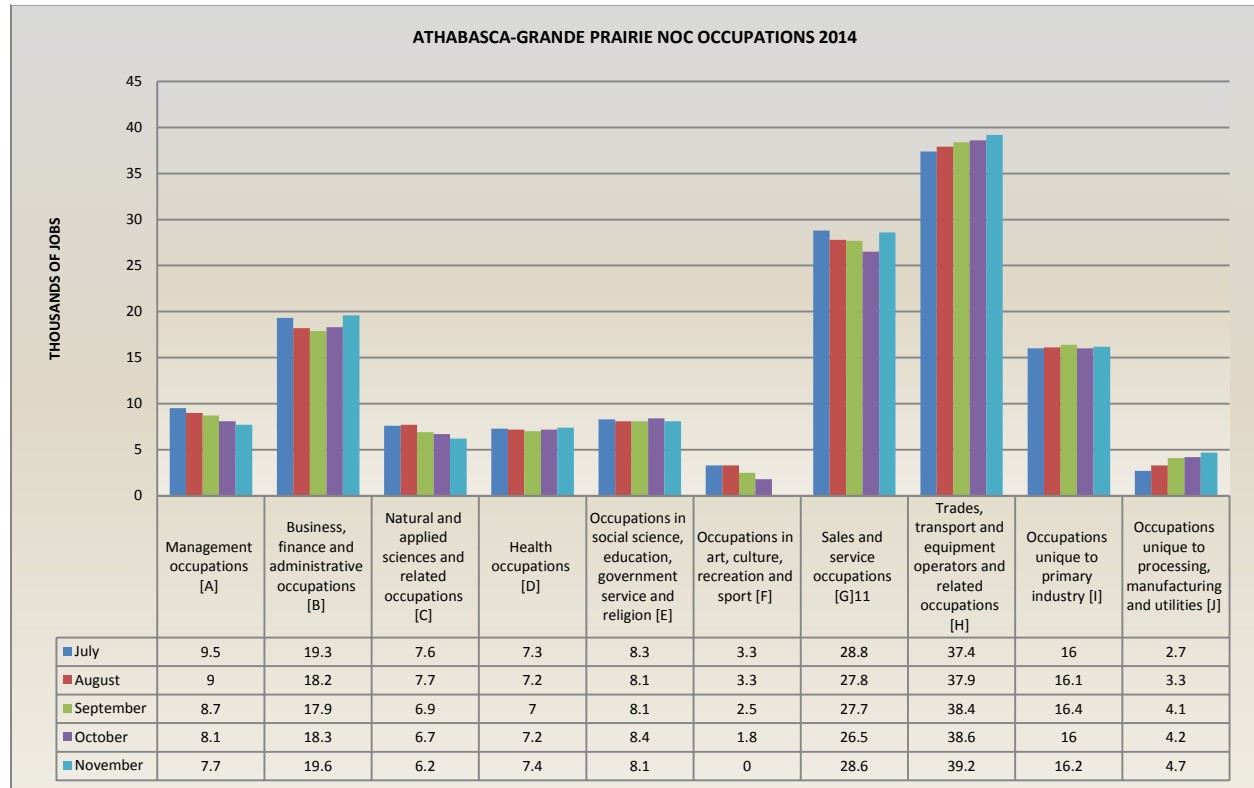
to 4.1 thousands in the period July to November 2014. Similar losses were experienced in Sales and Service occupations (down by almost 2,000).



## 8. Athabasca-Grande Prairie-Peace River

Between 2012-2013, the Working Age Population increased by 3,500. This represents a 1.8% increase. At 3.9%, the region has the second lowest unemployment rate in the province. Management Occupations and Natural and Applied Sciences and Related Occupations experienced the biggest loss of employment between July and November, 2014. This is likely reflective of the return back to school for individuals who take advantage of the Summer months to work in the oil and gas industry in between semesters.

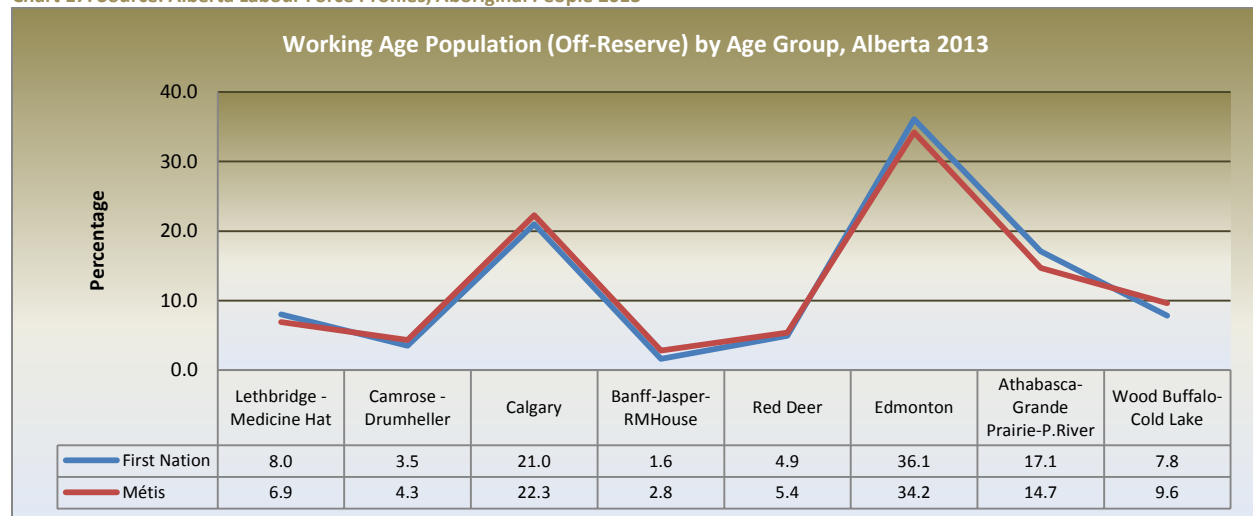
Chart 16: Athabasca-Grande Prairie Economic Region NOC Occupations 2014



## ALBERTA LABOUR MARKET ABORIGINAL PROFILE

The Aboriginal population in Alberta is young and largely urban based.

Chart 17: Source: Alberta Labour Force Profiles, Aboriginal People 2013



Both Edmonton and Calgary<sup>23</sup> Economic Regions have the highest percentage of Métis people at 34.2% and 22.3% respectively. The Athabasca-Grande Prairie-Peace River economic region follows at 14.7%.

Table 9: Working Age Population by Age Group

Working Age Population (Off-Reserve) by Age Group, Alberta 2013						
	All Aboriginal People		First Nation		Métis	
	Population	%	Population	%	Population	%
Total	129,500	100	5,100	100.0	76,300	100.0
Lethbridge - Medicine Hat	9,400	7.3	4,100	8.0	5,300	6.9
Camrose - Drumheller	5,100	3.9	1,800	3.5	3,300	4.3
Calgary	28,300	21.9	10,700	21.0	17,000	22.3
Banff-Jasper-Rocky Mountain House	2,900	2.2	800	1.6	2,100	2.8
Red Deer	6,600	5.1	2,500	4.9	4,100	5.4
Edmonton	45,200	34.9	18,400	36.1	26,100	34.2
Athabasca-Grande Prairie-Peace River	20,200	15.6	8,700	17.1	11,200	14.7
Wood Buffalo-Cold Lake	11,800	9.1	4,000	7.8	7,300	9.6

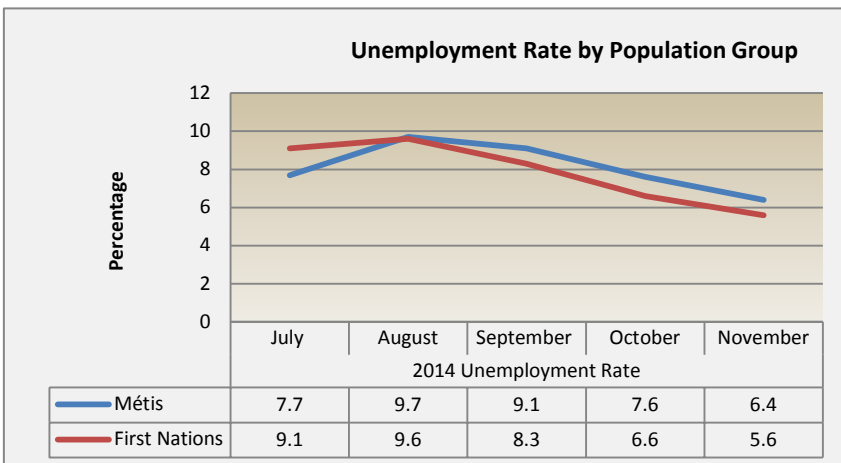
Source: Alberta Labour Force Profiles, Aboriginal People 2013

The Aboriginal unemployment rate is higher than that of the rest of the population in Alberta. In 2013, the provincial unemployment rate stood at 4.6%, while the Aboriginal rate was 3.6 percentage points higher at 8.2%. By and large, the Métis unemployment rate fluctuates between the First Nations and mainstream rates. In 2013, at 11.4% the First Nations' unemployment rate was 4.9 percentage points higher than the Métis unemployment rate that stood at 6.5%<sup>24</sup>.

<sup>23</sup> Please see Appendix B for a precise description of how Alberta's 8 Economic Regions relate to the 4 RLI Service Delivery Regions.

<sup>24</sup> Alberta Labour Force Profiles, Aboriginal People 2013

However, as Chart 18 shows, the Métis unemployment rate began to increase in August of 2014 and has remained higher than the First Nations unemployment rate since, standing at .08 percentage points higher in November. The increase in unemployment appears to be due to a 2% drop in employment in Public Sector employees, and a 1.0% drop in the number of self-employed people.

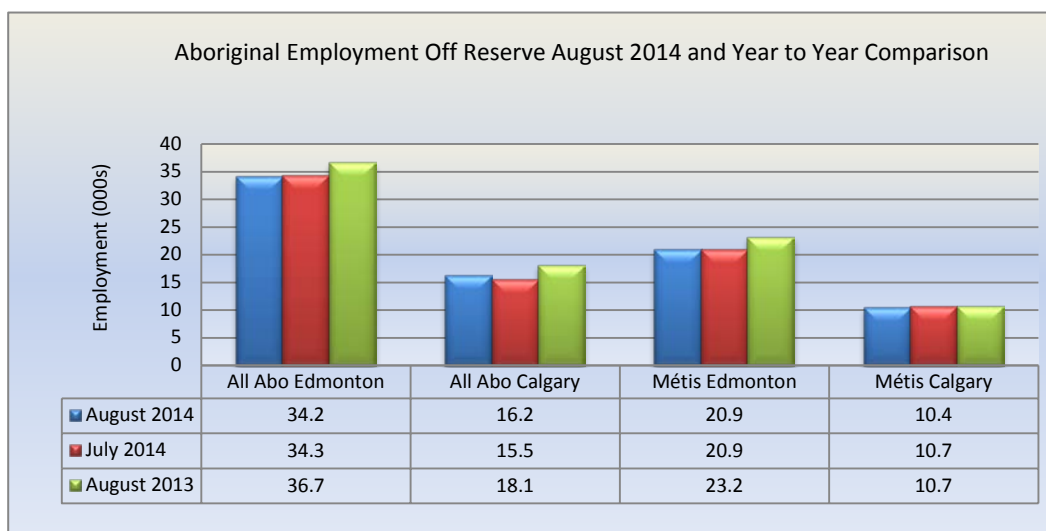


**Chart 18: Unemployment Rate by Population Group**

Source: Labour Force Statistics, November 2014 Aboriginal Off-Reserve Package

As shown by Chart 19, Métis employment decreased by 2,300 in Edmonton between the period of August 2013 as compared to August 2014. By November 2014, Métis employment in the Capital City had further decreased by 1,000 to 19,900, a total decrease of more than 3,000 August 2013 to November 2014.<sup>25</sup>

**Chart 19: Source: Labour Force Statistics, August 2014 Aboriginal Population Off-Reserve Package**



<sup>25</sup> Source: November 2014 Aboriginal Off-Reserve Package, Released December 5, 2014.

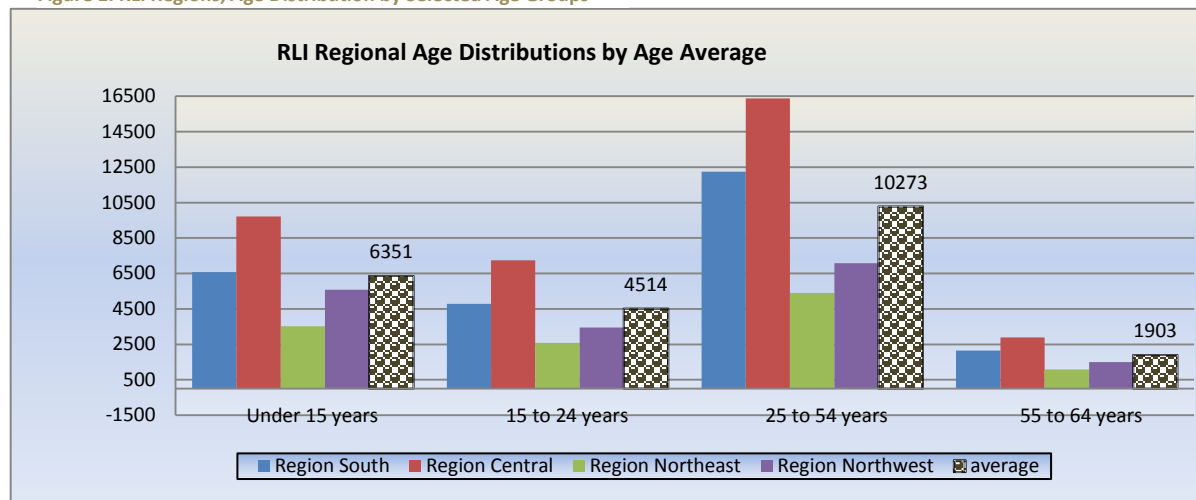
In 2013, more than a third, or 66.9%, of the Aboriginal people living Off-Reserve were employed in the Services-Producing Sector.<sup>26</sup> Closed to half of this population worked in four industries. As shown in Table 3, Trades and Construction were the biggest industry employers.

2013 Aboriginal People Employment by Industry	
Industry	Percentage
Trade	15.5
Construction	14.2
Forestry, Fishing, Mining, Oil and Gas	11.6
Health Care and Social Assistance	8.4

Table 10: Source Alberta Labour Force Profiles, Aboriginal People 2013

We began this section by stating that the Alberta Aboriginal population, and the Métis in particular, is largely urban. It is also young. While the 15-24 and 25-54 age groups are the largest segments of the Métis population, the under 15 age group is also growing and represent a significant pool of clients for years to come. Again, as shown in Chart 13, the RLI Region Northwest has the third largest population pool under 15 yrs. Therefore, it is worth to consider this region while RLI engages in a process to design labour market tools, marketing strategies and youth projects.

Figure 1: RLI Regions, Age Distribution by Selected Age Groups



Below we provide a brief overview of the Métis profile by RLI Regions.

<sup>26</sup> Alberta Labour Force Profiles, Aboriginal People 2013

## REGION SOUTH MÉTIS PROFILE

Region South is a vast region, encompassing 10 of the 19 Provincial Census Divisions and 5 of the 8 Economic Regions. By far Calgary is the biggest Census Metropolitan Area with the largest Métis population. As Figure 2 indicates, Lethbridge and Medicine Hat are important population centres for Métis people. It is worth noting that Lethbridge (and surrounding areas) also includes a significant proportion of the Métis population under 15 years of age. That is to say, this particular regional corridor will remain viable for RLI labour market activities for years to come.

Figure 2: RLI Region South Selected Population Groups

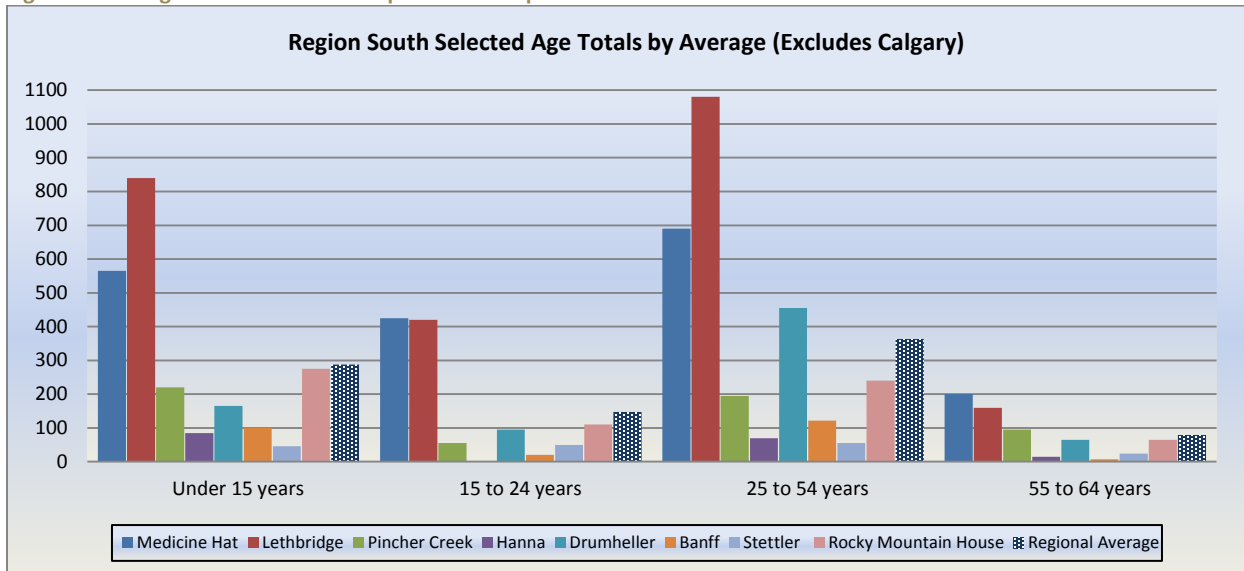


Figure 3 shows the same information as above. Note that for planning and marketing purposes, atten-

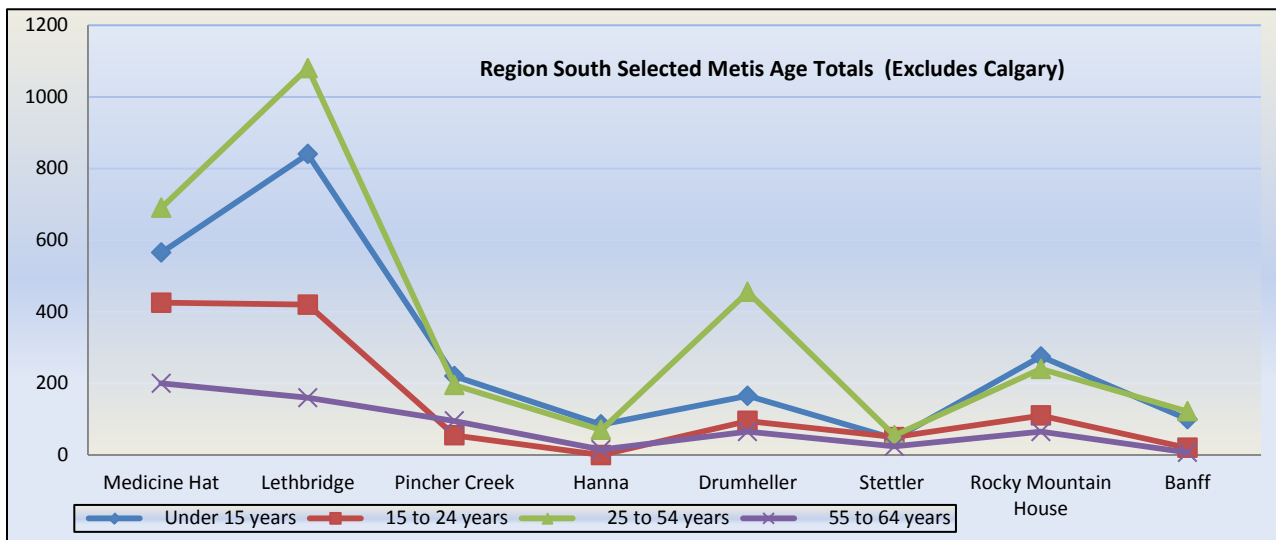


Figure 3: RLI Region South Selected Age Groups Totals

tion should be given to the area of Drumheller, particularly as it relates to activities targeting the 25-54 age group.

## REGION CENTRAL MÉTIS PROFILE

Region Central includes Edmonton as the largest CMA, which has the largest Métis population in the province. It includes 5 of the 19 Census Divisions and four of the 8 Alberta Economic Regions. As Figure 4 indicates, after Edmonton the largest Métis concentration is found around the area of Westlock, which also includes the largest under 15 yrs. population.

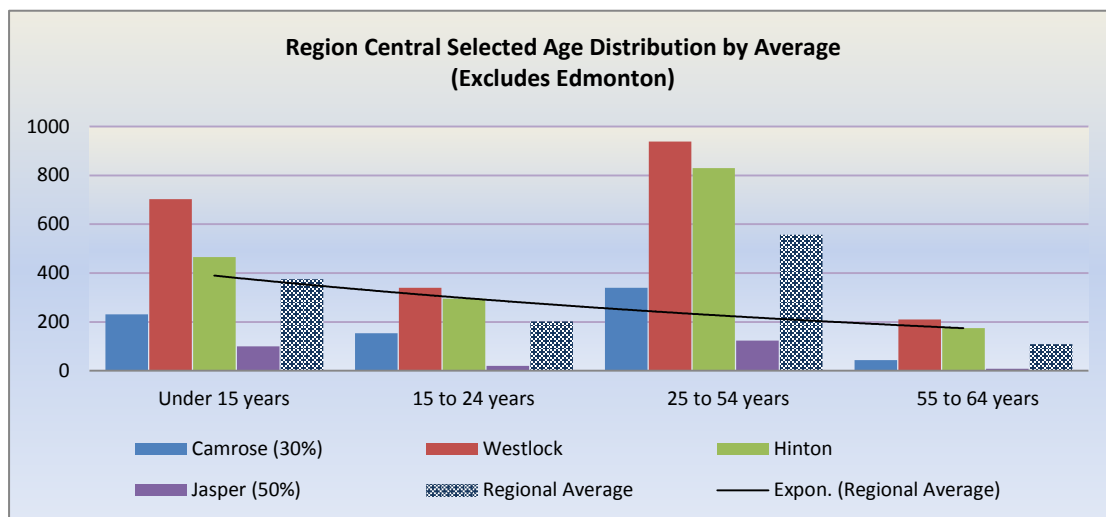


Figure 4: RLI Region Central Selected Age Groups. Source: Statistics Canada

This region includes a novelty: the under 15 years group is the second largest population age group. This is indicative of a very young population and impresses the need to consider reaching this area for youth related labour market activities.

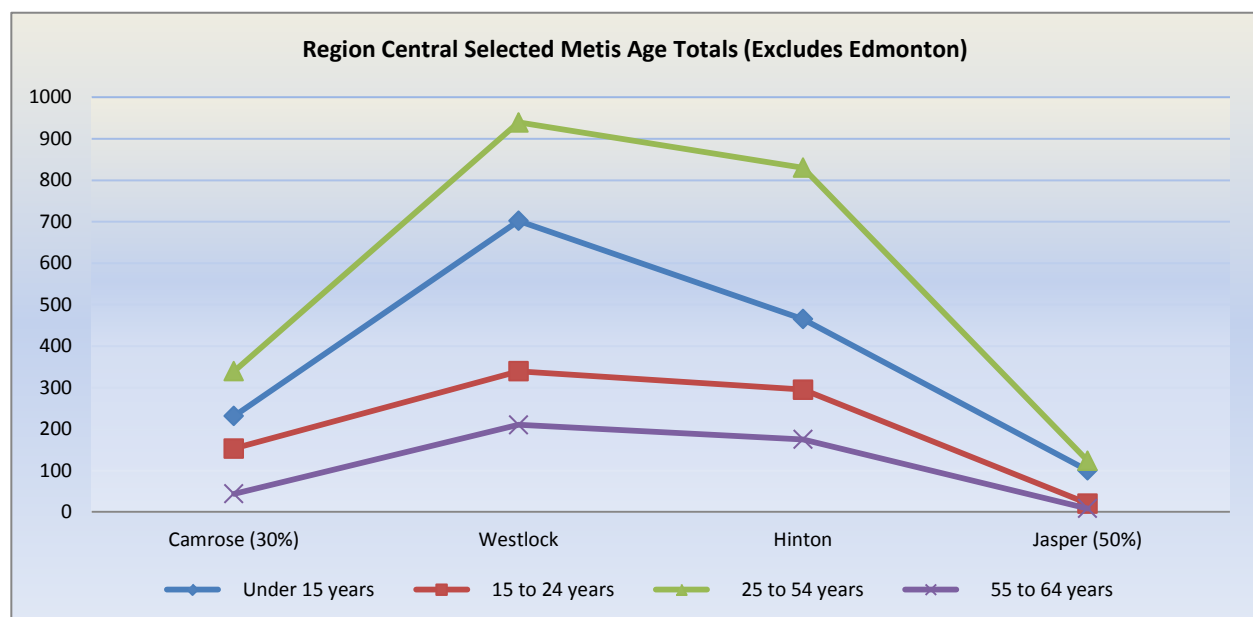
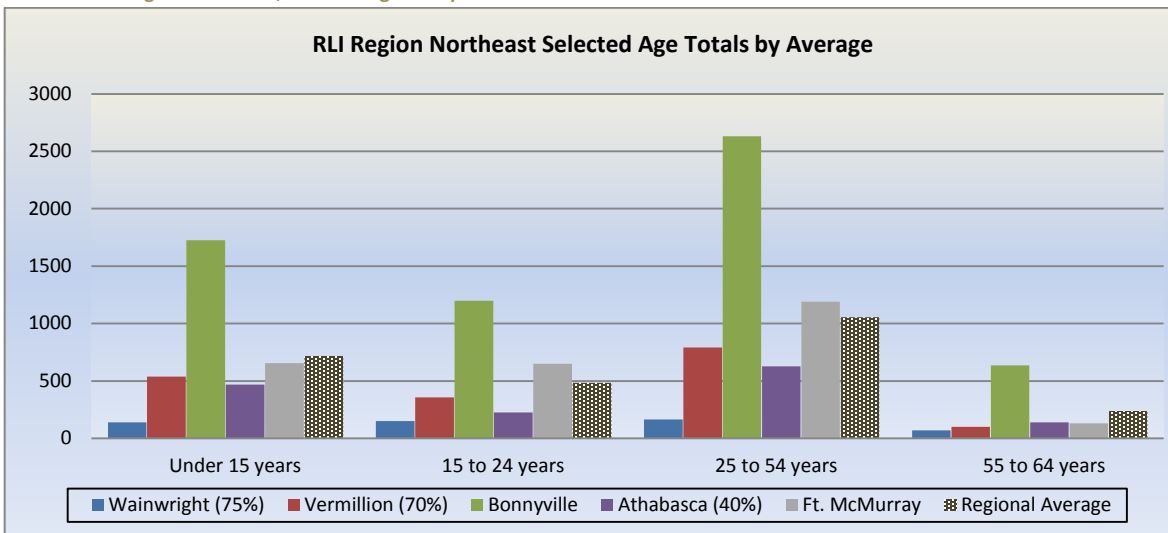


Chart 20: RLI Region Central Selected Age Groups

## REGION NORTHEAST PROFILE

Region Northeast much like the rest of the RLI regions, is young. This RLI Region includes 5 Census Divisions and Bonnyville, Fort McMurray and Lac La Biche are the biggest Census Agglomerations.

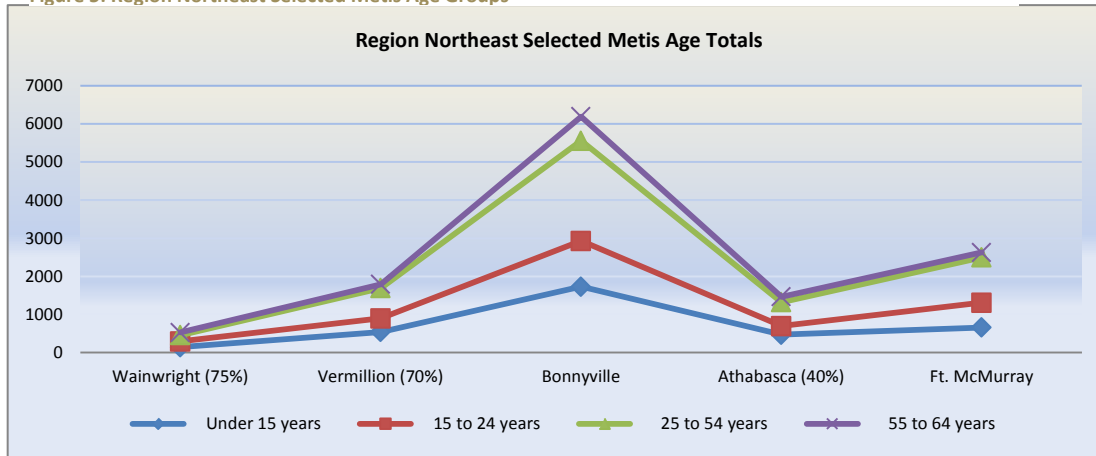
Chart 21: RLI Region Northeast, Selected Age Groups. Source: Statistics Canada



The Region includes a variety of industries, but the primary economic driver is natural resource extraction, particularly in the oil and gas industry. As indicated in Appendix “D”, Métis labour market expectations are linked to the dominant industry and trades, heavy equipment operators and other forms of entry level positions.

Aside from some postsecondary institutions, clients wishing to further explore their career/education options often migrate to centres such as Edmonton and Calgary to pursue their education.

Figure 5: Region Northeast Selected Metis Age Groups

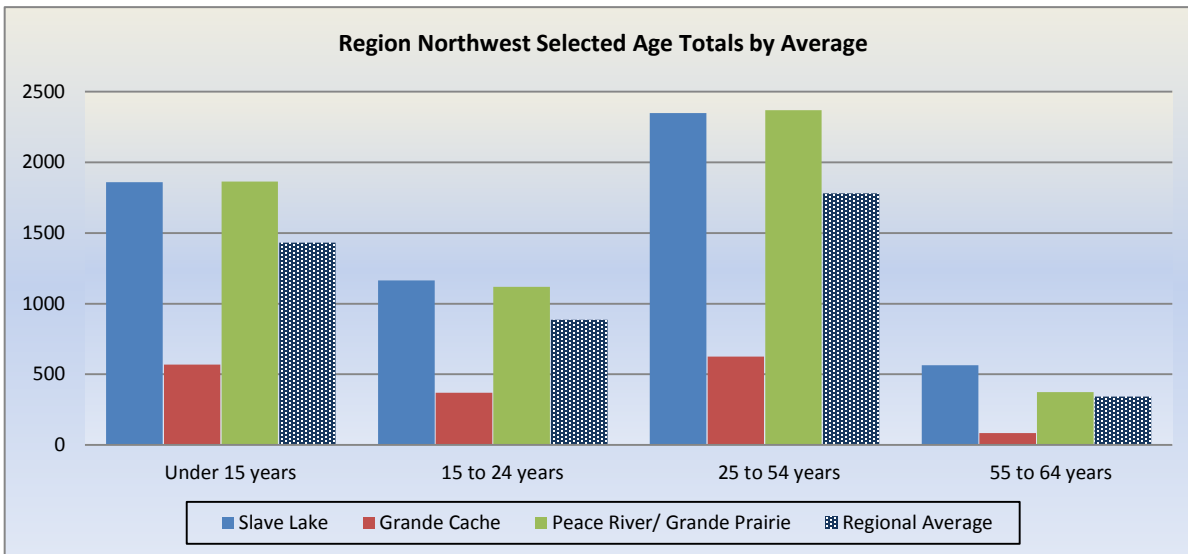


## REGION NORTHWEST

The RLI Region Northwest includes four Census Divisions and also includes a variety of industries, forestry and pulp and paper closer to the mountains and oil and gas in the northeast quadrant. The region also has a healthy ranching economy.

Slave Lake, Grand Prairie and Peace River stand as the largest towns. Grand Prairie is fast becoming a centre for education, recreation and investment. It is the hub for much of the north and a gateway to the expanding resource industry in northeast British Columbia, an area that is expanding exploration and exploitation of natural gas and forestry resources.

Chart 22: Region Northwest Selected Age Groups. Source: Statistics Canada



The Métis population is very young. As Figure 6 indicates, the age group of Under 15 is the second largest age category. The largest population is found in the Peace River-Grande Prairie corridor and Grande Cache shows the second largest Métis population in the area. Given the age distribution, it is our view that RLI should pay particular attention to developing programs and projects that address the needs of a very young group; soon to be labour market clients.

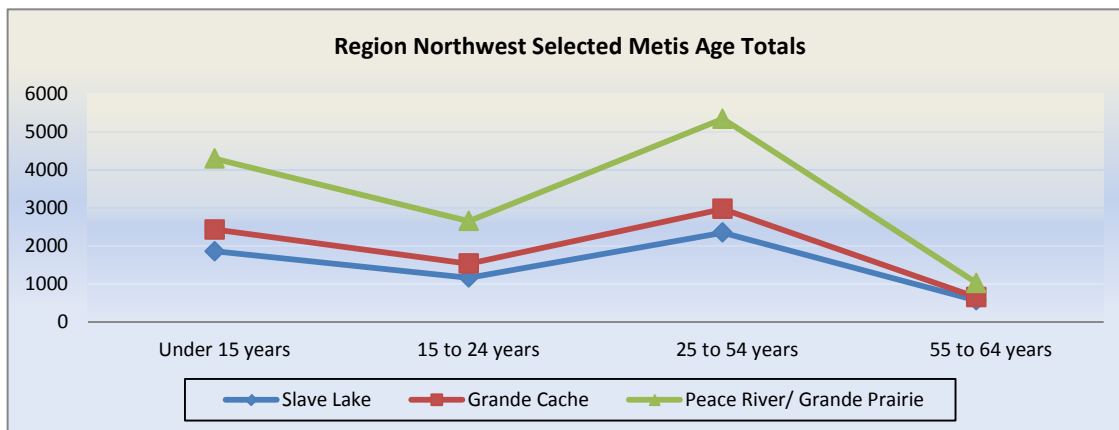


Figure 6: Northwest Region, Selected Age Groups. Source: Statistics Canada



## CONCLUSION

The economic outlook is uncertain and the Aboriginal labour force has an inverse relationship to the price of oil: lower price of oil equals higher unemployment. As we have witnessed in the past economic downturns, given the nature of work that Aboriginal people do and the type of skills they bring to the economy, Aboriginal workers are often the first to be laid-off in an economic slowdown and the last to be hired after an economic upturn.

From the moment this paper began to be written to the time it is being completed, the economy took an 180° turn. The price of oil has dropped by more than 30%, below the threshold where many operations are considered not feasible, and this has unleashed a perfect storm. In Canada, the Loonie has dropped in value, which is a good development for the exporting manufacturing sector, but less so for governments that have pegged their economic fortunes to the price of oil. In this sense, both federal and provincial governments find themselves under budgetary pressure because they assumed stability in the price of oil when calculating their revenues and expenses.

The Alberta Government has reacted to this sudden decline by announcing a hiring freeze, as it deals with a potential \$7Billion loss in revenues for the 2015-16 Fiscal Year. The Government of Canada is in a similar position, particularly after announcing a program give-away designed to attract votes in the eve of an election and to decrease the expected federal surplus in order to make it difficult for opposition parties to make promises prior to the election. What at the beginning of this research was considered to be a federal surplus of in the neighbourhood of \$6-\$7Billion, it appears to have all but disappeared now.

This indeed could be a perfect storm. Private sector players are announcing lower investment portfolios in the coming year and many infrastructural decisions are pending or may be cancelled in the next few months. Concerns over an economic slowdown have prompted experts to indicate that the slowdown may be traumatic to the housing portfolio (some experts are calculating the housing stock in 30% over-valued in Calgary) and this can have ripple effects throughout the economy.

We noted that Métis are young. We also noted that large strata of the Métis population are low-skilled and working in entry positions in resource extraction. These are precisely the people more at risk should the price of oil continue its unabated decline in the first and second quarter of the 2015-2016 Fiscal Year. Given the conditions reigning at present, we feel it would be prudent for RLI to consider developing or planning projects aimed at training workers between the 26-54 age group, as they are likely to be the main target in a potential labour force shrinkage.

Finally, Métis are a young population and as such, RLI should consider marketing and program efforts to inform and attract a group of people that will be joining the labour force in the next few years.

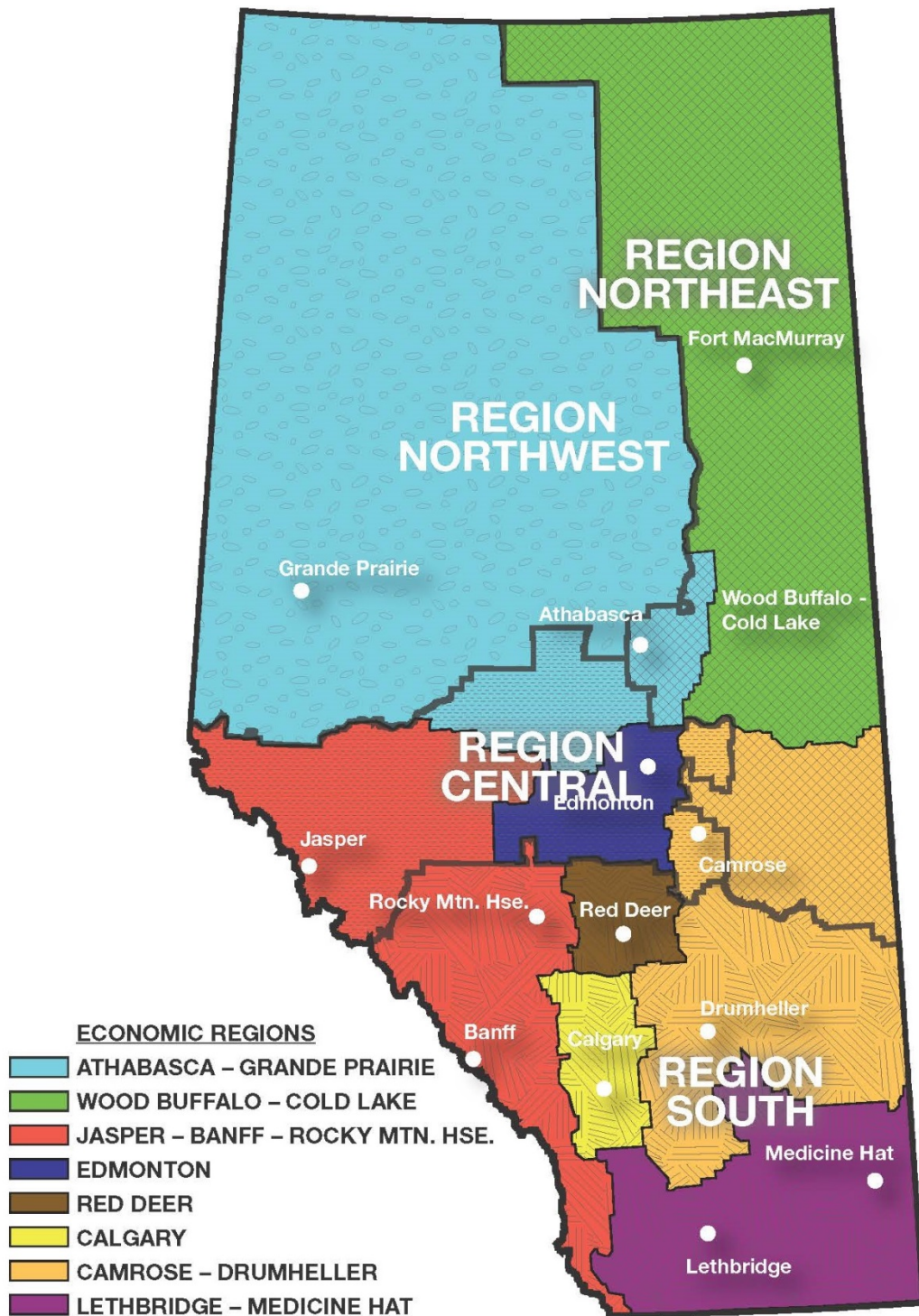
## APPENDIX A TOP SKILLED OCCUPATIONS 2014-2016

3-Digit NOC-S	Projected Labour Supply Shortage 2016	Short-Term Employment Forecast Commentary
G41 - Chefs and cooks	2054	Chefs are ranked HIGH demand; Cooks are ranked MEDIUM demand
D11 - Nurse supervisors and registered nurses	2110	Registered nurses are ranked MODERATELY HIGH demand; Head Nurses and Supervisors are ranked LOW demand
A22 - Managers in food service and accommodation	1224	Accommodation Service Managers are ranked HIGH demand; Restaurant and Food Service Managers are ranked MODERATELY HIGH demand
E21 - Paralegals, social services and occupations in education and religion, n.e.c.***	980	Community and Social Service Workers are ranked MODERATELY HIGH demand; Early Childhood Educators and Assistants are ranked MEDIUM demand; Paralegal and related occupations are ranked LOW demand
H21 - Electrical trades and telecommunications occupations	978	Telecommunications Installation and Repair Workers are ranked HIGH demand; Electricians (except industrial) and Industrial Electricians are ranked MODERATELY HIGH demand; Electrical Power Line and Cable Workers are ranked MEDIUM demand
B11 - Finance and insurance administrative occupations	906	Insurance Adjusters and Claims Examiners are ranked MEDIUM demand; Bookkeepers and Loan Officers are ranked LOW demand
D31 - Assisting occupations in support of health services	852	Nurses Aides, Orderlies and Patient Service Associates are ranked MODERATELY HIGH demand; Dental Assistants are ranked LOW demand; Other Assisting Occupations in Support of Health Services are ranked LOW demand
D01 - Physicians, dentists and veterinarians	827	Specialist Physicians are ranked HIGH demand; General Practitioners and Family Physicians are ranked MODERATELY HIGH demand; Dentists are ranked LOW demand; Veterinarians are ranked LOW demand
B31 - Administrative and regulatory occupations	819	Administrative Officers are ranked HIGH demand; Personnel and Recruitment Officers are ranked MODERATELY HIGH demand; Purchasing Agents and Officers are ranked MODERATELY HIGH demand; Executive Assistants are ranked LOW demand; Property Administrators are ranked LOW demand
C07 - Computer and information systems professionals	808	Database Analysts and Data Administrators are ranked MODERATELY HIGH demand; Computer Programmers and Interactive Media Developers are ranked MODERATELY HIGH demand; Software Engineers and Designers are ranked MEDIUM demand; Information Systems Analysts and Consultants are ranked LOW demand
H12 - Carpenters and cabinetmakers	805	Cabinetmakers are ranked MODERATELY HIGH demand; Carpenters are ranked MEDIUM demand
G01 - Sales and service supervisors	707	Retail Trade Supervisors are ranked MODERATELY HIGH demand; Food Service Supervisors are ranked MODERATELY HIGH demand; Other Service Supervisors are ranked MODERATELY HIGH demand; Cleaning Supervisors are ranked LOW demand

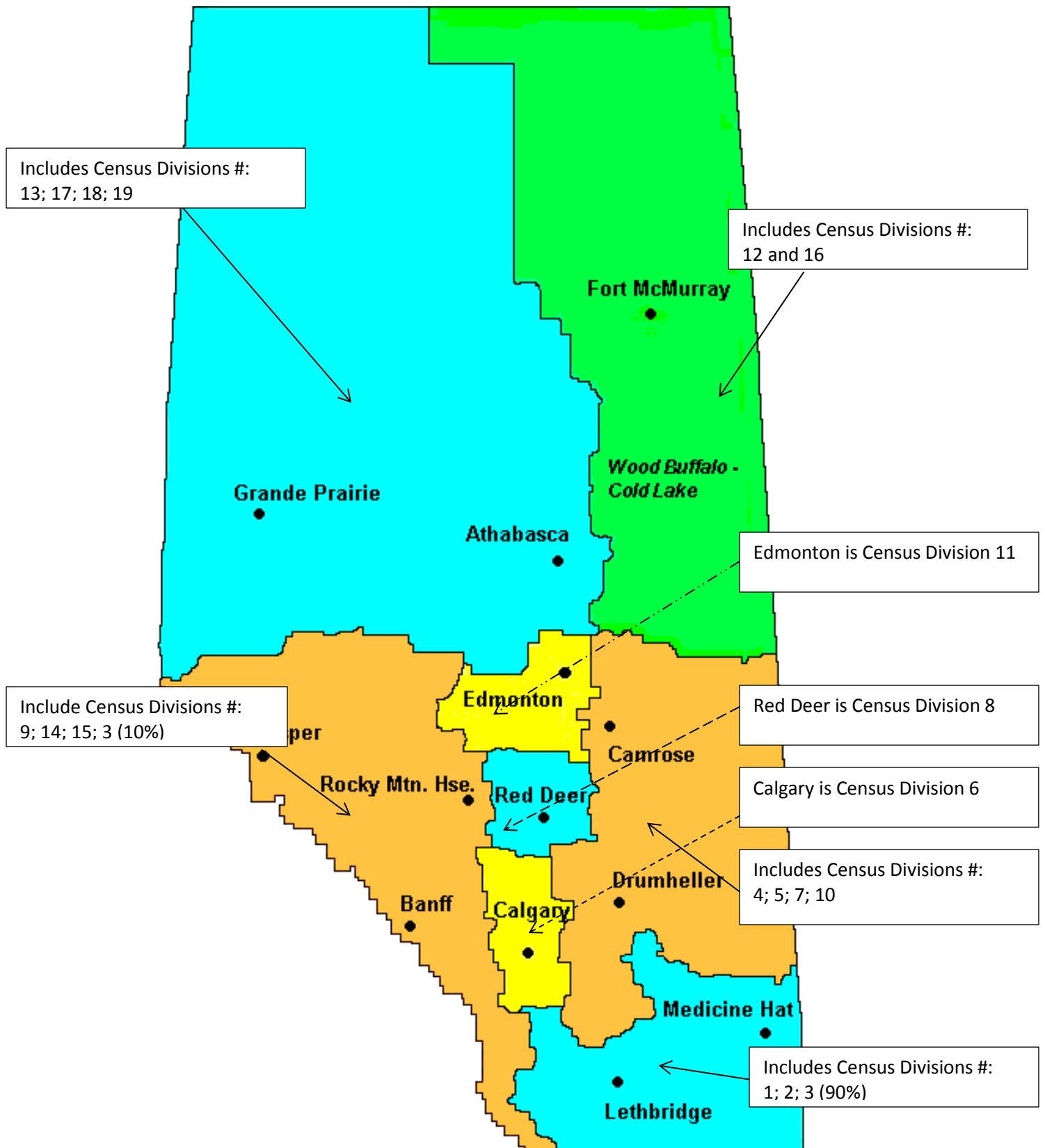
<b>B01 - Auditors, accountants and investment professionals</b>	697	Financial Auditors and Accountants are ranked MODERATELY HIGH demand; Financial and Investment Analysts are ranked LOW demand; Security Agents, Investment Dealers and Brokers are ranked LOW demand; Other Financial Officers are ranked LOW demand
<b>G81 - Childcare and home support workers</b>	682	Visiting Homemakers, Housekeepers and Related Occupations are ranked MEDIUM demand; Babysitters, Nannies and Parents Helpers are ranked MEDIUM demand; Elementary and Secondary School Teacher Assistants are ranked LOW demand
<b>H61 - Heavy equipment operators</b>	656	Crane Operators - HIGH demand; Heavy Equipment Operators (except Cranes) - MODERATELY HIGH demand; Public Works Maintenance Equipment Operators - MEDIUM demand
<b>H14 - Other construction trades</b>	636	Roofers and Shinglers - MODERATELY HIGH demand; Glaziers - MODERATELY HIGH demand; Floor Covering Installers - MODERATELY HIGH demand; Insulators - MEDIUM demand; Painters and Decorators - LOW demand
<b>C03 - Civil, mechanical, electrical and chemical engineers</b>	579	Civil Engineers - HIGH demand; Mechanical Engineers - HIGH demand; Electrical and Electronics Engineers - HIGH demand; Chemical Engineers - MODERATELY HIGH demand; Petroleum Engineers - MEDIUM demand; Other Professional Engineers - LOW demand
<b>D23 - Other technical occupations in health care (except dental)</b>	573	Other Technical Occupations in Therapy and Assessment - HIGH demand; Licensed Practical Nurses - MODERATELY HIGH demand; Ambulance Attendants and Other Paramedical Occupations - MODERATELY HIGH demand
<b>H01 - Contractors and supervisors, trades and related workers</b>	562	Contractors and Supervisors, Carpentry Trades - HIGH demand; Contractors and Supervisors, Pipefitting Trades - MODERATELY HIGH demand; Contractors and Supervisors, Metal Forming, Shaping and Erecting Trades - MODERATELY HIGH demand; Contractors and Supervisors, Mechanic Trades - MODERATELY HIGH demand; Contractors and Supervisors, Heavy Construction Equipment Crews - MODERATELY HIGH demand; Contractors and Supervisors, Other Construction Trades, Installers, Repairers and Servicers - MODERATELY HIGH demand; Contractors and Supervisors, Electrical Trades and Telecommunications Occupations - MEDIUM demand
<b>D04 - Therapy and assessment professionals**</b>	491	Physiotherapists - MEDIUM demand; Occupational Therapists - MEDIUM demand
<b>D21 - Medical technologists and technicians (except dental health)</b>	490	Medical Radiation Technologists - MEDIUM demand; Medical Laboratory Technicians - LOW demand
<b>C18 - Technical occupations in computer and information systems</b>	452	Computer Network Technicians - HIGH demand; User Support Technicians - MODERATELY HIGH demand; System Testing Technicians - MODERATELY HIGH demand
<b>H13 - Masonry and plastering trades</b>	451	Concrete Finishers - MODERATELY HIGH demand; Plasterers, Drywall Installers and Finishers and Lathers - MEDIUM demand
<b>H11 - Plumbers, pipefitters and gas fitters</b>	438	Steamfitters, Pipefitters, and Sprinkler System Installers - HIGH demand; Plumbers - MODERATELY HIGH demand; Gas fitters - MEDIUM demand
<b>B02 - Human resources and business service professionals</b>	431	Professional Occupations in Business Services to Management - MEDIUM demand; Specialists in Human Resources - LOW demand
<b>C15 - Technical occupations in architecture, drafting and surveying</b>	412	Drafting Technologists and Technicians - MODERATELY HIGH demand;

<b>C13 - Technical occupations in civil, mechanical and industrial engineering</b>	387	Civil Engineering Technologists and Technicians - HIGH demand; Mechanical Engineering Technologists and Technicians - HIGH demand; Construction Estimators - HIGH demand; Electrical and Electronics Engineering Technologists and Technicians - HIGH demand; Industrial Instrument Technicians and Mechanics - HIGH demand; Electronic Service Technicians - MODERATELY HIGH demand
<b>G13 - Insurance and real estate sales occupations and buyers</b>	339	Insurance Agents and Brokers - LOW demand; Real Estate Agents and Salespersons - LOW demand; Retail and Wholesale Buyers - LOW demand
<b>C05 - Architects, urban planners and land surveyors</b>	311	Architects - MEDIUM demand; Land Surveyors - MEDIUM demand
<b>A30 - Managers in financial and business services</b>	304	Banking, Credit and Other Investment Managers - LOW demand; Other Business Services Managers - LOW demand
<b>A32 - Managers in health, education, social and community services</b>	301	Managers in Health Care - MEDIUM demand; Administrators in Post-Secondary Education and Vocational Training - LOW demand; School Principals and Administrators of Elementary and Secondary Education - LOW demand; Managers in Social, Community and Correctional Services - LOW demand
<b>F02 - Writing, translating and public relations professionals</b>	290	Authors and Writers - MEDIUM demand; Professional Occupations in Public Relations and Communications - MEDIUM demand
<b>D22 - Technical occupations in dental health care**</b>	209	Dental Hygienists and Dental Therapists - MEDIUM demand
<b>C11 - Technical occupations in physical sciences</b>	207	Geological and Mineral Technologists and Technicians - MODERATELY HIGH demand; Chemical Technologists and Technicians - MEDIUM demand
<b>C02 - Life science professionals**</b>	191	Biologists and related scientists - MODERATELY HIGH demand;

## APPENDIX B – ALBERTA ECONOMIC AND RLI REGIONS



## APPENDIX C - ALBERTA ECONOMIC REGIONS BY CENSUS DIVISIONS



## APPENDIX D – REGIONAL MANAGERS’ REPORTS

### RLI REGION NORTHWEST

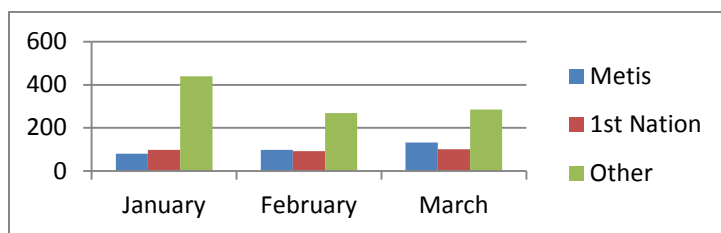
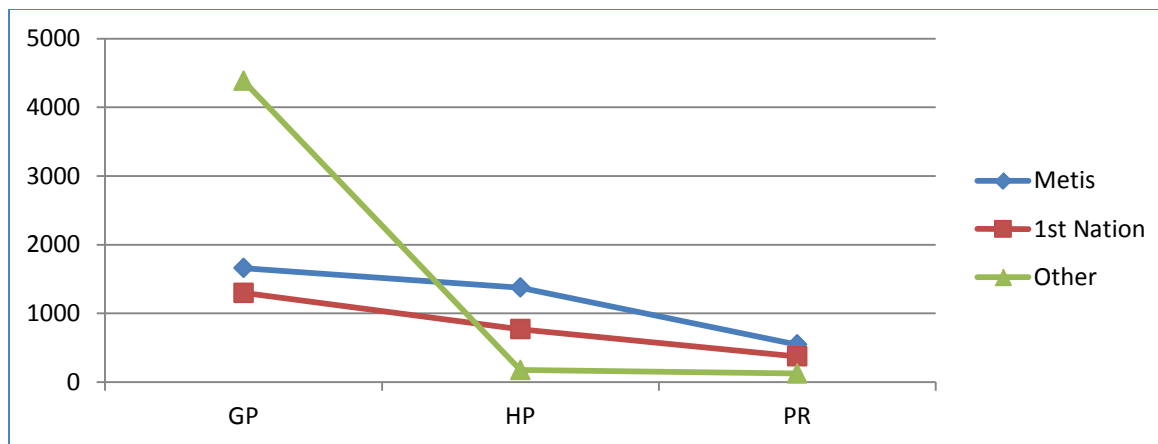
After reviewing the Métis Employment Services (MES) client sign in forms at three separate NW MES locations, there were similarities and notable differences in regards to what services clients were seeking;

- Grande Prairie Métis clients who accessed the employment resource centre over the past year were 9/10 job searching; building their resumes and looking in job search engines online. 70% of these clients would go on to inquire on funding options available for education or certification; they would also be seeking information on how to apply for their Métis status card, as they believe it may be a requirement prior to applying for any funding;
- High Prairie Métis clients who accessed the employment resource centre over the past year wanted internet access through the computer to work on their job search on-line or work on their resume with assistance in creating/updating their resume. This would lead to questions regarding Rupertsland Institute (RLI) funding programs and inquiries on obtaining their Métis cards;
- Peace River Métis clients who accessed the employment resource centre over the past year were usually seeking internet access through a computer to work on their job search, without assistance. This would lead to inquiries on any funding options available, including scholarship and bursary information. Peace River recognizes a decrease in clients accessing front end services, as well as, a decrease in funding applications. This is due to the economic boom taking place in the area. There’s a concern that there’ll be a higher amount of people dropping out of school and entering into the highly lucrative, entry level labour positions. It’s feared that in the future, once the boom has settled, there’ll be a higher than normal amount of unskilled labourers requiring training to re-enter the job market. It’s believed the infrastructure; including housing or social supports, have not caught up to the economic boom.

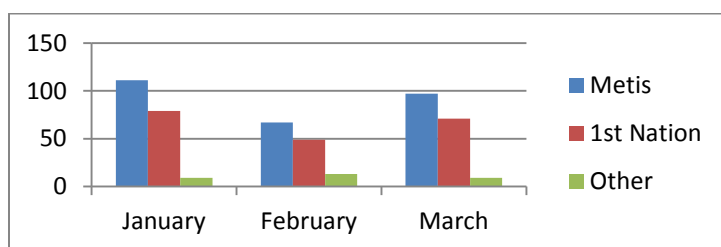
The daily client ‘sign-in’ sheets from each NW MES provides the total numbers of services that have been provided to Métis, First Nation and Other clients. The clients are only counted once per day, not per visit. The year to date total of visits made are clients who accessed computers, job board, labour market data, literature and information in 2013/2014;

RLI MTE Offices	Total Clients 4 <sup>th</sup> QRT YTD	Métis	First Nation and Inuit	Other
Grande Prairie	7345	23% (1660)	18% (1300)	59% (4385)
High Prairie	2324	59% (1376)	33% (771)	8% (177)
Peace River	1049	52% (548)	36% (375)	12% (126)
Slave Lake	325	61% (196)	34% (112)	5% (17)
<b>Total for NW</b>	<b>11,043.00</b>	<b>34% (3780)</b>	<b>23% (2558)</b>	<b>43% (4705)</b>

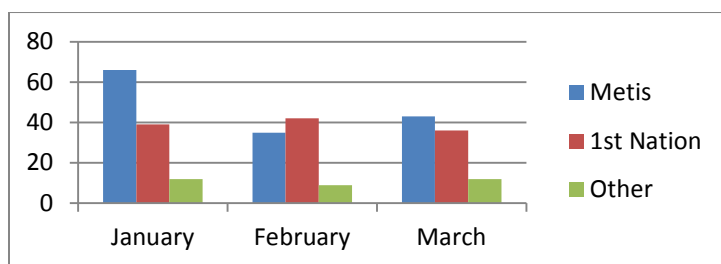




Grande Prairie RLI MTE daily walk-in count.



High Prairie RLI MTE daily walk-in count.



Peace River RLI MTE daily walk-in count.

NW reviewed the education profiles of the Métis clients accessing the NW MES and it has been recognized that this profile is not uniform across the NW region;

- Grande Prairie Métis clients are showing that they have their High School Diploma, GED or equivalent. It is suggested that there are resources available in Grande Prairie that are not as accessible to Northern communities. Those who reside in Grande Prairie have access to city transportation, a college, night school, online schooling, GED, alternative schooling (Bridge Network, St John Bosco and more). Grande Prairie also presents options of interest for students like schools that meet specific interests and skill sets (like the arts, sports and



- the trades). It's been noted that with more options and suited schools meeting people's needs, the more people tend to stay in school and continue their education. There is recognition and respect of the Aboriginal cultures, diversity is acknowledged in the educational systems; there is a Friendship Centre on campus at the Grande Prairie Regional College and the school divisions offer FNMI workers who actively engage with the self-identified Aboriginal students. The City of Grande Prairie supports the educational development of Aboriginal people and that support is displayed through-out the city;
- High Prairie Métis clients are showing that they have less than a grade 12 level of education. Those few that have completed grade 12 have done so through what was known as, Alberta Vocational College or more recently, Northern Lakes College. Very few clients have completed high school, they'll often leave in grade 10 or 11, when tested they will often place at a grade 9 level of education. Resources are limited; transportation becomes a factor and remote communities that lack educational resources and support, all become educational barriers for the Métis living in this area;
  - Peace River Métis clients are showing that they have a lower level of education, ranging from grade 7 and up. The levels are lower in this geographical area. Many Métis clients will sit in the low-mid range – grade 9 & 10 levels of education. The barriers of transportation, access to quality and culturally sensitive educational programs, as well as, lack of support services in very remote communities have all been expressed by Métis clients.

Most employers in the large industries of the NW area look for experience and willingness to train, as well as safety tickets, a clean driver's abstract with a valid driver's license, and the ability to pass a drug and alcohol test. Skill sets necessary in Grande Prairie require labour work, and some extra training, whether it is a GED, safety tickets or trades certification. Some of the larger oilfield companies not only require applicants to pass a drug and alcohol test, but also a strenuous physical examination or mental capacity examination.

There is a skillset gap between client's' stated employment goals and the skills required by industry in the NW Region, again there's a variation from one geographical area to another; however, many Métis clients from remote communities are heading to urban areas in search for work;

- Grande Prairie has a large diverse clientele and many Métis clients are arriving daily from remote communities, seeking employment opportunities. These clients do not possess the necessary training, tickets or experience; however, they continue their job search and apply for positions hoping an employer is willing to train or pay for certification. Many people are under the impression that most employers will pay for their certification, when in reality, that's a rarity. Once a client recognizes their need for certification, they will enquire on funding options available. There are Métis clients unsure of where their skills lie or they don't have a general direction where their career is headed. Some clients are aware they'll need to develop skills before applying for certain jobs. This is why NW would like to see RLI projects designed with work experience and industry partnerships, built into the programs;
- High Prairie is situated near major oil field development; areas include Seal Lake and Wabasca. Most clients that attend the High Prairie MES will eventually search for resources to obtain safety ticket training, in hopes it will lead to work in the oilfield. There are large numbers of Métis clients that do not possess a valid driver's license or their own transportation; this becomes a huge employment barrier. There are an abundance of job postings recruiting job seekers with Class 3 or Class 1 drivers, along with oilfield experience. Most industries are looking for employees with a minimum 1 year work experience. Formal training, certification, drivers license and work experience are all employment barriers that Métis people in this area are experienc-

ing. It is noted on a daily basis; Métis clients will often express their frustration as they feel some companies in their area are not hiring Aboriginal employees. They feel it is due to discrimination based on the company's inability to retain Aboriginal workers. High Prairie is surrounded by a high Aboriginal population stemming from 3 surrounding Métis settlements and 4 surrounding reserves;

- Peace River is preparing for The Shell Carmon Creek Project, which has already shown a significant economic boom for the area. Partnerships are being built and an active and healthy business community is booming, with the creation of local jobs. Shell has continued to provide information on the project and has sought input from the public. RLI has sat on discussions on how the MTE resource center can assist employers and job seekers. RLI is assisting clients with their resumes and referring them to job search engines online, where job posting have significantly increased – currently on SimplyHired there're 454 jobs near Peace River. ATCO Structures & Logistics (ATCO) has been awarded a contract to manufacture, install and operate a 1,200 person workforce housing facility, increasing employment opportunities. The Métis people do not have the certification or skills required to apply for these employment opportunities; partnerships have been developed between industry and Aboriginal organizations in hopes to create training programs, leading Aboriginal job seekers to employment.

Overall the NW region does possess rural and urban areas with noticeable differences in the skillset; however, not in the occupational interests;

- Urban areas have limited resources, lack of access to educational facilities, no public transportation, lack of access to career and employment resources, lack of employment opportunities and social programming that builds on work experience. It is common that with so many career, educational and employment barriers many clients will develop even further barriers – culture shock if they need to leave their home communities for training or employment, lack of self-confidence, anger issues, addictions, lack of basic life skills including; communication, how to open a bank account, budgeting or arriving to work on time. They arrive in urban centres wanting to secure employment; however, they need to build on those basic life skills and underlying employment barriers before they are ready to enter into any training or employment opportunity.
- The occupational interests are the same in both areas; Métis clients want to work in;
  - a) Oil & gas industry.
  - b) Trades; however, many lack confidence in marketing their skills or networks linking them with Journeymen or employers willing to apprentice. The trades are increasing their educational pre-requisites; tutoring or assistance in preparing for apprenticeship entrance exams need to be recognized.
  - c) Heavy equipment operating is often another occupational interest; however, this occupation is seasonal and the training for certification is expensive through private training institutions and through public they have pre-requisites that clients do not possess – generally you have to leave home to attend the training programs.
  - d) Class 1 truck driving is always sought as an occupational interest because there are so many job postings; however, if you read each job posting closely, employers want 2-5 years driving experience.

There are other occupational interests that remain the same in both rural and urban areas; however, the above mentioned are the most common. Many clients ages 40+, mainly male, are finding it even more difficult to follow their occupational interests as they lack the education, training and certification required.

Upon reviewing the labor market in the NW region, there are some 'hot' areas with specialized industry; Grande Prairie continues to maintain a 'hot' labor market in all industries (oil & gas and the trades, being the top two). The GP MTE office continues to record an even flow of new residents coming in from other Provinces, searching for work. Upon arriving they may not have accommodations; this poses a challenge, as most funding opportunities require applicants to present information showing they are an Alberta resident. They are unable to secure housing without a job; they are unable to secure a job as they don't have the safety certification required at Alberta job sites in most industries. These new Métis clients find themselves in a bind that they didn't think about.

In the past industry partners have expressed the willingness to work and partner with the Métis Training to Employment (MTE) program; NW finds that these industry partners want to develop partnerships, showing interest, they want to work together. When it comes down to their commitment to hiring Métis people, RLI does not see the results. There is a cycle where meetings are set up, discussions are held, everyone leaves feeling hopeful and then there is no commitment or employed results. RLI looks at all partnership opportunities;

- RLI assists employers by setting up the opportunity for them to place job postings within the center, their job postings are shared through-out the MTE centers, yet very rarely do we hear that they have hired a Métis client or have the Métis client follow-up with the MTE center acknowledging they secured employment;
- RLI assists employers is that all NW MTE offices have been approached by companies who request RLI to host their job fairs, for instance RLI has recently been approached by ClearStream, who is looking to fill 100 positions for the Weyerhaeuser Mill Shutdown. Free of charge to the employer, RLI markets the job fair, recruit's job seekers, assists in preparing resumes in hopes for employed results that can be recorded in RLI's Keto data base. It is critical that these outcomes are recorded in the data base showing RLI is making that connection between employers and job seekers. In order to achieve recordable results, we need the job seekers and employers aware of this importance. Without recorded results, the Federal funds that RLI receives may no longer exist.

Emergent labour markets that RLI should be aware of; the 'hot' labour market in Grande Prairie, as it continues to develop in all industries with a population noted to be one of the fastest growing in North America. In the 2011 Census 55,032 was the recorded population and the MTE office in Grande Prairie records an average of 9 registered job seekers new to the city each day. RLI should be aware of the current 'boom' that is currently taking place in Peace River as a result of the Carmen Creek Project. High Prairie is building a new hospital; the MTE office there has seen an increase in job posting for RN's, medical secretaries, security guards, lab Tec's, medical device processors, and housekeeping staff. They are beginning to see a small increase in positions in the oilfield ranging from swamper, class 1/3 drivers, operators, power engineering, labours, camp cooks, maintenance mechanic, relief operators and pipeline.

## RLI REGION NORTHEAST

### 1. Please review the MES client sign in form and explain:

- a. What is the main reason(s) given by clients who attended the Centre (training, self-serve, information gathering, etc.) in the current year? What inferences can we make from this information? Training and Job Search. This has been the trend for numerous years.

**Job Search:** Clients who are in Job Search mostly require assistance in resume writing, looking at the job boards and newspapers, cold calls and faxing or emailing resumes. For the past few years, people have been using both offices to do on-line training (safety tickets) and also EI claims. Majority of people who use our resources for job search are seeking occupations in oil and gas (labour) or occupations that in high demand due to the oil and gas activities such as the service industry (cooks, camp attendants, security officers, etc). People looking for camp work have increased in the number of years. Camp work means higher income and for single people with no dependents, free housing during their shift.

**Training:** This fiscal year, the NE offices have a high number of requests to attend the community colleges (Portage and Lakeland) in short term programs as opposed to university. This could be due to the nature of the area where there is a high need for skilled labour and wages are higher comparable to other areas like Edmonton.

A short investment in education, in terms of time, means a faster access to high wages. For example, Fourth Class Power Engineering program at Portage College takes 6 months to complete. This time frame includes 1 month practicum. A fourth class power engineer can make up to \$38 – 42.00 per hour in the NE region. The Heavy Equipment Operator program takes 3 months to complete. The average operator in the NE area earns around \$30 – 36 per hour.

Perks usually accompany these wages such as time and a half after 8 hours of work, company vehicles, living away from home allowances, travel pay, benefits, pensions, etc. Both these occupations are experiencing and are forecasted to continue experiencing labour shortages.

ESP is still a popular program utilized by our clientele, mostly from the LLB. People who access this program are not usually interested in any other type of training. They are more inclined to take the safety certification and go to work immediately. This parallels the trend for the short term programs as mentioned above.

The unemployment rate in LLB is 4.2% and Bville is at 4.4%.

- b. What is the percentage of clients who self-identified as Métis, First Nations, others?

Metis: 71% First Nations and Others: 29%

Both Bville and LLB are seeing a slight increase in non-aboriginals accessing services. Bville census indicates 9% of its population lived in a different province. LLB census indicates 10%. It would be interesting to compare how many aboriginal people and people who coded “other” not originally from Alberta looking for work against the number of Temporary Foreign Workers who were hired in the area.

2. What is the education profile of the clients attending regional services delivery centres? Is this profile uniform across the region? Please explain.

	Bonneville %	LLB %	Ft Mac %
-			
Grade 7	0.87	1.10	1.52
Grade 8	2.6	2.50	1.02
Grade 9	6.44	8.30	5.08
Grade 10	13.86	17.20	7.61
Grade 11	14.73	16.50	12.69
Grade 12	32.05	20.90	31.47
Voc Training 1	2.72	6.40	5.08
Voc Training 2	0.50	0.80	2.03
Voc Training 3	0.37	0.10	1.02
Voc Training 4	0.12	n/a	1.02
Post Sec 1	5.32	2.00	3.55
Post Sec 2	1.61	1.50	1.52
Post Sec 3	3.34	0.50	0.51
Post Sec 4	0.62	0.30	0.51
Bachelor's Degree	0.62	0.60	2.54

Is there a skillset gap between clients' stated employment goals and the skills required by industry in the region?

No.

Most colleges in the area have ties with industry. Keyano College is a good example. They formed a partnership with Finning for the Finntech Heavy Equipment Technician Program. The curriculum is comparable to an internship where the participants rotate between theory and paid work. The Acutech program is a partnership between Acuren and Keyano for the Non-Destructive Testing.

Portage College has a stakeholder's group where industry and community needs are discussed. They now have an Environment Land Management program in response. HEO is delivered there for the past couple of years.

Service providers for ESP's are also aware of industry requirements.

3. If your region includes rural and urban areas, is there a difference between the skillset and occupational interests? Please elaborate as to the differences in the skills gap if any.

Bville and LLB do not have that much difference in skill set and occupational interests as urban centres within the region (Lloydminster, Cold Lake, Fort McMurray and Athabasca). The Education levels from question 2 seem to reflect the industry needs in the areas. Lac La Biche, where the oil activity happens sees more people entering the labour force with less than high school compared to the Bonnyville and Fort McMurray.

## Regional Northeast Labour Market Conditions

Please do a review of the labour market in your region. In your review include an analysis of micro markets (hot areas or areas with specialised industry, for example). In your response, please consider the following:

1. In the past, some industry partners have expressed willingness to work and partner with the MTE program, is this still the case? Who are these partners and what is their level of engagement in hiring people at the end of their training cycle?

Yes especially in the Fort McMurray area. HSE Integrated is partnering with RLI for a safety ticket project in Lloydminster with an understanding that if any of our safety certification clients are suitable, they will provide further training as safety watch and will offer them positions in the Lloydminster area.

Convergint has approached the aboriginal stakeholders (RLI and ATC) and the provincial government to create a project for a Building Services worker project. RLI, ATC and provincial govt will sit on the steering committee and fund the training and provide income support. Convergint will sit on the steering committee (includes selection process) and offer employment at the end of training.

Sawridge has approached the aboriginal stakeholders (RLI and ATC) and the provincial government to create a project for a Hospitality on-boarding project. RLI, ATC and provincial gov't will sit on the steering committee, fund training and provide income support. Sawridge will provide venue for training, on-the-job training, sit on the steering committee (includes selection process), employment after the project.

2. When you do a review of job postings, what are employers searching for and what is the skill set the occupations require?

LLB

Motor Vehicle and Transit Drivers (Class 1)

Heavy Equipment Operator

Labourers

Plumbers, Pipefitters, and Gas Fitters

Chefs & Cooks

Bville

Motor Vehicle and Transit Drivers

Retail Sales Person

Machinery and Transport Equipment Mechanics

Retail and Wholesale Trade Manager

Food Counter Attendants, Kitchen Helpers

These are the top 5 job postings for each office. Safety certification and Trades are the skill set needed.

3. Are there any emergent labour markets that RLI should be aware of?

Still the same, trades

**Proposed Action**

Please provide lists of projects, actions you think are important for MTE/RLI to consider in the coming year. In your response, explain how these actions will help you meet regional targets and meet RLI and MTE program goals.

Environmental projects like Air monitoring. There is going to be a need to balance the oil production with the environment.

## RLI REGION CENTRAL

### The State of Labour Market Supply and Demand in the Central Alberta Region 2013/14.

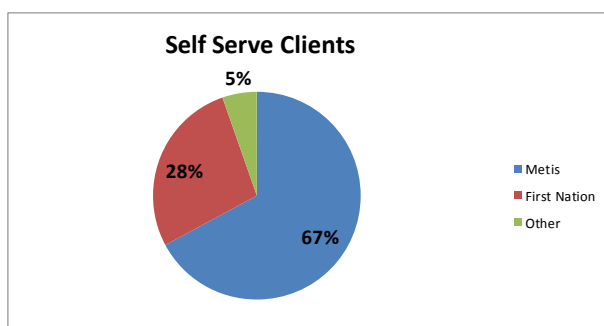
1. A review of the client sign in forms demonstrate that:

a. The majority of clients visiting the center are for self-serve

Some examples for the client visit is:

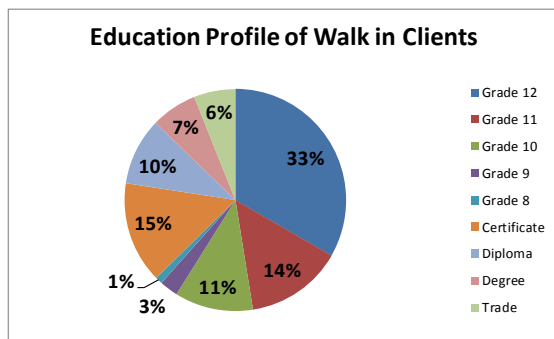
Job Search  
Scholarship  
Education Information  
RLI Project Information  
Resume Assistance

b. The percentage of 3,652 self serve clients who identified as Metis, First Nation, Other in 2013/ 14 year was:



A Review of the current year self serve clients shows the demographics changed very little to date.

2. Central Region only has one Employment Centre located in Edmonton. When the number of rural clients that were utilizing our two centers decreased RLI didn't see a need for these offices and closed the Whitecourt and Hinton locations. The RV now services all the the Central rural areas and meets the needs of our Metis clients monthly.  
The education profile of our walk in assessed not entered into Keto in 2013/14 is:



After a review of the registration forms, 68% of those assessed, most would not have the education requirements to apply for their long term career goal without further education, they would have the education for the lower paid jobs such as cashiers, servers, cleaners.



## **RLI REGION SOUTH**

*1a.*

Calgary – The majority of clients in Calgary in 2013-2014 came to the centre to access information and utilize the computers.

Red Deer – The majority of clients in Red Deer accessed our centre for appointments with our employment counsellors.

Medicine Hat – Clients in the Medicine Hat region access the centre for appointments with counsellors, but the exact statistics are not kept in the same way as the Medicine Hat centre operates in conjunction with Treaty Seven Community Futures and the Province of Alberta.

*1b.*

Calgary – The percentage of self identified clients who visited the Calgary office are; Metis 69%, First Nation/Inuit 19%, Non-Aboriginal 12%.

Red Deer – Metis 64%, First Nations 35%, Non-Aboriginal 1%

Medicine Hat-Metis 43%, First Nations/Inuit 53%, Non-Aboriginal 4%

*2.*

Calgary – The majority of clients accessing services in Calgary have achieved high school completion and over half are looking into post-secondary programs (Degree, Diploma). The next highest group are accessing options in the trades and specialized programs (i.e. Land Administration) that have minimum education requirements.

Red Deer - In Red Deer we see the majority of clients accessing opportunities in the trades and a smaller percentage accessing post-secondary opportunities. With the trades based focus, the level of education requirement is slightly lower in the region as compared to Calgary.

Medicine Hat – Medicine Hat has reported a drop in clients that are accessing post-secondary opportunities as the Labour Market has changed in the past few years and skilled jobs have left the region. As those jobs have left the region as have the workers who are following the job market as a result the opportunities available to people in that region are mostly entry level. Saamis is finding that the majority of clients that are accessing their programs and services are under educated and are having difficulty in meeting the demand of entry level positions.

The South Region has a high disparity in the educational profile of its clients. The major centre of Calgary enjoys a high level of average education most likely due to access to educational support programs, abundance of services and migration of educated professionals who move to a city with the highest percentage of head offices per capita in North America. Education is highly valued in the Calgary region as it is a requirement to work with companies with head offices in the region as resource procurement and production takes place in other regions of the province. Opportunities in the Oil Patch seem to take

precedence in Red Deer and clients there look for opportunities to make above average salaries in a high demand market. In Medicine Hat, skilled work has become more regionally focused in areas that were once serviced by the region. Companies have moved resources to sites that were once serviced out of Medicine Hat as a hub. With these moves the opportunities have declined and the educated workers of the Medicine Hat region have followed the opportunities elsewhere. Those who remain are under educated, under skilled and require different intervention types that address the lack of opportunities and are specific in connecting with the types of jobs left in that particular area.

3.

Calgary – Yes. Calgary is a highly competitive job market, simply having the diploma, degree or certificate does not guarantee entry into the local job market. As the majority of RLI Calgary clients enrolled in post-secondary opportunities there needs to be consideration for this competitive market. Alignment with labour market demands will help client address these concerns and having a relationship with employers previous to job searching will better help reduce the gap but clients need to be prepare to work up toward a goal over a number of years, many of the most lucrative opportunities in the Calgary job market require professional association after schooling has been completed. Internships, summer student positions and developing professional networks will aid in the achievement of the client goals but require a longer timeline than most clients allow for attainment of those goals.

Red Deer – No. The majority of Red Deer clients understand the opportunity of their regional demand and access programs that allow them to participate in that labour market. Those opportunities sometimes fall outside of the immediate area but are serviced by a demand on the Red Deer market.

Medicine Hat – Yes. The Medicine Hat labour market has experienced a steady down turn over the past five years. With that down turn industry has left the area and skilled/educated workers have followed. Those that do not have the education or skills to follow industry have been left behind and have struggled to access meaningful opportunities in that area. The clients who have been accessing services in the area are highly under educated and are having a difficult time accessing even entry level opportunities. In cases where we have helped skilled positions (i.e. Class 1 Drivers) there is a demand by local industry that those drivers also have a practical element to their skill set so that they are prepared for the actual position when they are hired.

4. The South Region is composed of mostly urban areas and the majority of rural areas being accessible to a major centre with a general ease. Calgary sees the majority of its clients looking to access professional occupations through post-secondary opportunities with a secondary interest in the trades. Red Deer sees the opposite with a majority of clients accessing trades opportunities with a secondary interest in professional opportunities. Medicine Hat has seen a decline in post-secondary interests and an increase in the need to address issues around under education. The biggest difference in the skills gap would be between Calgary and Medicine Hat as the focus is vastly different between the two areas. Calgary sees the majority of clients accessing RLI and looking to finish a diploma or degree, whereas Medicine Hat sees a majority of clients looking for entry level opportunities and struggling to meet those

requirements because of under education. This difference essentially means that the clients who access services in Calgary would already be in a better position to gain employment in the Medicine Hat due to the fact that they have completed high school and 1 to 3 years of a post-secondary program and therefore the direction of intervention needs to address completely different challenges.

### **Regional Labour Market Conditions**

1.

In the past, some industry partners have expressed willingness to work and partner with the MTE program, is this still the case? Who are these partners and what is their level of engagement in hiring people at the end of their training cycle?

Calgary – Yes. Strike Energy Services, Shell and Clean Harbours. These potential partners are in the Oil & Gas industry, both have expressed interest in working with our clients who have completed interventions and are looking for entry level positions. Shell has also expressed interest in having recruiters work with RLI ECs to provide them with information about the hiring processes and ECs will utilize this information to help clients build resumes and job searches that will attract the attention of recruiters. Clean Harbours High River/Calgary is looking for Drivers and Labourers to operator hydrovac, high pressure, combo, steamer, b train and tanker units. The drivers spend about 20% of their time driving to and from customer sites and about 80% operating the unit. Clean Harbors also bought Safety Kleen last year, so they also look for sales and services representatives.

Red Deer – Yes. Clean Harbours has several division based out of Red Deer that hire Drivers to run pumper units, hydrovacs and high pressure units. They also look for labourers to swamp on each of the units as well as; shop technicians, facility technicians, mechanics, welders, admin and sales positions. They are looking to work with RLI in the future though no official MOU has been determined at this time.

2.

Calgary – Camp jobs; cooks, security, room attendants. Trades Work; Mechanics, Class 1 & 3 Drivers, Health & Safety. Some professional postings in the Health Care, HR Advisors for Industry. The skill sets required include; High School completion, post-secondary completion (Professional Stream), Class 5 Driver's License, Class 3 with Airbrakes, Class 1 with Airbrakes, first aid, WHMIS, H2S, Confined Space, work experience in related fields.

Red Deer – Camp jobs; cooks, security, room attendants. Trades Work; Mechanics, Class 1 & 3 Drivers, Health & Safety. Oil field labourers in a variety of positions. Skills sets; grade 10 completion, high school completion, Class 5 License, Class 3, Class 1, driving experience, first aid, WHMIS, H2S, Confined Space, Fall Protection, work experience.

Medicine Hat – Class 1 Drivers with experience, entry level service (retail, general labour). Skills sets; grade 10 completion, high school completion, first aid, work experience.

3. Are there any emergent labour markets that RLI should be aware of?

Calgary - Support positions in Health Care; Health Care Aide, Medical Office Assistant, Nutritional Supervisor (Bow Valley College, SAIT). HR Advisor for Industry (Post-Secondary Degree)

Red Deer - Health Care Aide, Power Engineers, Camp Services

Medicine Hat – Entry level positions in the service industry, Class 1 Drivers with a minimum of 120 hours over the road experience.

**Proposed Action**

RLI South region will address the gaps in skill and labour market in variety of ways in 2014-2015 in order to better serve our clients. The first way we will address these gaps is by being more involved in local community. RLI employees will take part in more community events, host employer information sessions and employers meet and greets. By working with other service agencies and being involved in local community we hope to increase the public profile of RLI in our various communities and work to engage our clients. This methodology will also help us provide the community with current labour market information in an informal setting and lay ground work to meet with potential clients in a more formalized meeting in the future. By establishing RLI involvement in local communities local ECs will establish relationships built on trust and endeavour to provide community members with the support and information to help them make informed choices in relation to their employment goals.

Secondly RLI will follow-up community involvement by opening the doors to community events such as open houses and employment related workshops. This action will also be supported by adjusted office hours in some regions that will allow underemployed clients access RLI services after common work hours. By working with clients to address their unique needs RLI ECs will support the trust they have built via community involvement and foster the construction of resumes that appeal to the demands of the local labour market while promoting targeted job searches. RLI will also host employer meet and greets that will allow recruiters from local employers to meet the exceptional candidates that have been selected to receive support from RLI and other potential Metis candidates from the local region.

RLI will also engage current clients, employers and community groups through focus groups, surveys and sign in data to ensure that the development of future programming is relevant and meets the demands of local employers. RLI has a unique ability to partner with institution like Bow Valley College, Red Deer College and Medicine Hat College who have all helped us identify programs that are of high demand in the local labour market and can be adjusted to allow RLI participants to build a supplementary skill set that will help those participants work with local business who are hiring candidates in those positions in the future and gain work related experience while learning the essential skills necessary to be successful in those particular positions. By matching the programming with the local labour market demands as well as the client feedback determined through the community based relationship, RLI ECs will be able to show potential clients how participation in RLI programs will help them achieve their employment goals.

RLI South will be moving its Calgary offices to a more central location providing clients from all four quadrants of that city. This move will also allow RLI Calgary to have greater access to potential industry partners, other service providers who can help support RLI clients and access to HR recruiters from a variety of businesses housed in the downtown core of Calgary. RLI South will continue to develop partnerships with local industry partners and actively engage HR recruitment teams to educate RLI ECs in current hiring practices. Sharing examples of what HR recruiters are looking for from a client resume, identifying what skills support different job families and organizing opportunities for recruiters to meet with RLI clients in a neutral setting will help to ease access of RLI clients to relevant employers. This will also increase the professional profile of RLI in the employer community and identify other areas of partnership that will be mutually beneficial for clients as well as the partnering organizations.

The combination of all of these actions will help increase the amount of clients that access RLI resources by virtue of traffic flow, but they will also increase the knowledge of Rupertsland Institute, its services and its commitment to the success of Metis people in the province of Alberta. RLI South will actively endeavour to engage with its potential clients by demonstrating the success of past clients, aligning with the current labour market, partnering with employers offering meaningful opportunities and staying informed and connected to the future opportunities provided by employers in each area.