



TEAMSTERS CANADA RAIL CONFERENCE DIVISION 320



Social and Communications Office
20358-118th Ave
Maple Ridge, B.C.
V2X 2M4
www.tcrc320.org

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Subject: Labour Shortage

Dear Brothers and Sisters,

Appended you will find a news bulletin regarding the status of the Labour market in the coming years.

In Solidarity,

Murray Douglas
TCRC Div 320
Murray_Douglas@tcrc320.org
S&C Officer

Labour shortage lurks behind recession

Jody White Benefits Canada

The steady supply of resumes landing in HR managers' inboxes is being driven by a lingering recession and retirement-reticent boomers—both of which are due to make their exit from the Canadian labour market. Organizations that don't prepare for the impending labour crunch are likely to lose out on good talent, according to a new report.

The Conference Board of Canada's *Lessons from the Recession and Financial Crisis: Lesson 3: Recession Only Delayed the Inevitable Work Force Shortages* explains that the recession has only temporarily slowed the onset of workforce shortages in the Canadian economy, and that tough times loom for companies that fail to prepare.

"Job losses have resulted in temporary slackness in Canada's labour market, and boomers may be temporarily delaying their retirements due to the plunge in equity markets," says Pedro Antunes, director, national and provincial forecast with the Conference Board. "However, even if some baby boomers decide to delay retirement, it will likely be for only a short period of time. If organizations fail to adequately plan for tightening labour markets, they could lose out on employees with the required skills, which could dampen their future growth prospects."

According to Conference Board data, roughly 400,000 Canadians lost their jobs during the 2008-09 recession. However should the recovery progress as expected, the impact of the recession on real GDP and jobs will be much softer than that of the 1981-82 and 1991-92 recessions. "Even at its peak, the unemployment rate through this cycle will still be lower than the average unemployment rate between 1976 and 1999," says the report.

The single most important factor shaping the labour market over the next two decades will be the retirement of the baby boom cohort, says the Conference Board. "The first members of this cohort were reaching retirement age as equity markets around the world tumbled. Boomers may hold off on retirement until stock market losses are at least partially recouped."

However, it adds, older and more experienced workers have been largely unaffected by the recession, which suggests that the onset of their retirement will make for very tight labour markets.

Demographics The report states that women have generally been spared from job losses compared to men, with 320,000 men losing their jobs over the past 12 months compared to 80,000 women—a four to one ratio.

Youth have been the hardest hit demographic, with job losses for those aged 15 to 24 reaching 225,000 during the past 12 months—accounting for 56% of all reductions for a cohort that accounts for only 15% of the workforce.

Manufacturing and construction suffered the largest job losses in the Canadian economy, with young men being hit particularly hard.