



**Western PEI Labour Market Study
Summary and Recommendations Report**

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**Atlantic Evaluation Group
Inc**

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“The future prosperity of rural regions will be determined by drivers such as human capital, entrepreneurship, innovation, renewable energy, technology, creative industries and competitive farming.”

(OECD Report - 'Investment Priorities for Rural Development' - October 2006)

Executive Summary

The labour market globally has entered a period in which changes in demographics, educational and skill levels, worker expectations and mobility, and employer demand have converged to place new challenges on local economies. PEI has not been immune to these changes, and over the past decade its economy has been shifting to one that requires a higher level of education and training. These changes have had a profound impact on rural economies where, historically, many primary industry sectors have evolved based on an assumption of a large supply of labour prepared to work for low wages, while relying on EI during periods of seasonal unemployment.

In order for its economy to meet the higher productivity and performance standards demanded by this shift, Western PEI faces the labour market challenge of appropriately educating its citizens, and then retaining them to meet the growing and diversifying labour needs of both new and traditional industries.

Strategic Interventions

Western PEI must take steps to strengthen and develop its labour force on a number of levels; including:

1. ***Business development, training and support***: Strengthening the capacity of industry sectors and employers to become more efficient and productive, thereby increasing their capacity to expand employment opportunities and to provide improved wages and working conditions to employees.
2. ***Increasing labour force supply and retaining younger workers***: Increasing the overall labour supply through measures to more effectively recruit and retain local workers, and repatriate former residents who have left for post-secondary school or work elsewhere.
3. ***Engaging youth and younger workers***: Developing creative, structured initiatives to 'bridge the disconnect' between employers, the younger generation of workers, and youth generally.
4. ***Reducing early school leaving and low educational achievement***: Increasing the levels of educational achievement (high school and post-secondary education), particularly with respect to the younger age cohorts.
5. ***Adapting to a more knowledge-intensive economy***: Building on existing business successes, and developing new opportunities, to ensure that Western PEI continues to take advantage of the potential offered by the shift to the knowledge-intensive economy.
6. ***Labour market skill gaps***: Ensuring that the existing labour force is trained and utilized to the fullest.
7. ***Barriers to employment***: Reducing structural and/or organizational barriers to labour efficiency and productivity (e.g., impacts of EI) and improving supports for workers (e.g., access to child care, training, and transportation).

In addition, there is a need to take a more coordinated and planned approach with regard to both labour market and economic development within the region. Industries, business leaders, communities and governments at all levels must be involved in a planned approach to addressing the issues.

In this new environment, it is no longer just a question of how to develop and recruit new businesses and jobs. It is also a question of how to ensure that there is a skilled and available labour force to meet current and future employment demand within the region.

1. Introduction

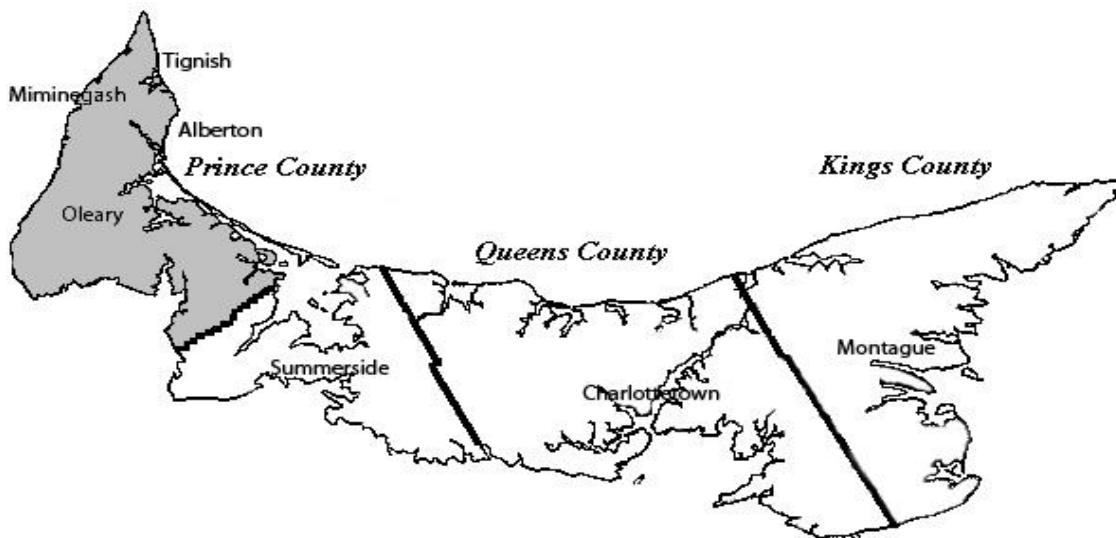
1.1 Context

Over the past decade the Prince Edward Island labour market force has undergone a transition. In all sectors of the economy, the pressures of competition demand that all workers, even those in less skilled occupations, continuously enhance their employability skills in such areas as literacy, numeracy, communication, teamwork, and commitment to product and service quality.

Rural areas including Western PEI are facing particular challenges. As competition for skilled labour intensifies, the region is facing increasing challenges in recruiting and retaining its trained labour force due to pressure such as seasonality, higher skill requirements, and narrower career opportunities. In many instances, the younger population is leaving the region in growing numbers to obtain higher education, and the majority generally does not return.

1.2 Purpose of Study

To address this situation, Resources West Inc. commissioned a detailed analysis of the labour market in Western Prince Edward Island. The essential goal was to better understand the dynamics of the current labour market capacity and to identify where improvements can be made that will help sustain and further develop the local labour market. The study area included the entire Western PEI region (see shaded area of map below) and all industry sectors.



1.3 Approach and Methods

The background research and data collection activities were comprehensive and focused on the labour market issues and concerns being experienced by all industry sectors in Western PEI. The key research activities included: a review of existing (secondary) data available from Statistics Canada and other sources, a targeted literature search, comprehensive surveys of employers and workers, key informant interviews, and focus groups with employers, workers and other relevant stakeholders.

1.4 Report

The following report summarizes key research findings and proposes recommendations to move forward. A more detailed description of the research methodologies and study findings is included in a second report entitled '[Western PEI Labour Market Study: Technical Report](#).' The Technical Report can be obtained through the Resources West Office in Alberton, or through the Resources Website (www.resourceswest.pe.ca).

2. Western PEI

2.1 Building on Strengths and Opportunities

While Western PEI is facing serious economic and labour market challenges, it is not starting at 'ground zero.' The primary industries (including agriculture and fishing), tourism, and manufacturing continue to make significant contributions to the local economy, as do the retail and service sectors. These sectors have been joined in recent years by new economic sectors such as ground-breaking research and development in wind energy by the Wind Energy Institute of Canada located in North Cape; cutting-edge technology in the potato industry with trace-back technology and specialized marketing; and the manufacture of safe and efficient live-bottom trailers. Western PEI also has a number of successful entrepreneurs who are leaders in innovation in areas such as specialized seafood processing and packaging, wood-products manufacturing, and specialized machinery development and design. Finally, the people in Western PEI are seen to be generally hard working, loyal to their employers, and caring and supportive of their neighbours.

2.2 Economic Development - 'Pillars of Growth'

In 2006, the region developed an economic development strategic plan for the 2006-2010 time period (*Transitioning Toward A Sustainable Economy* – this report can be accessed at Resources West website www.resourceswest.com). That report identified six 'pillars of growth' critical to growing the prosperity (and thus the population) of Western PEI. These six pillars included: governance, leadership, human resources, diversification of traditional sectors (fisheries, agriculture, forestry), nurturing emerging sectors (wood products, tourism, transportation), and pursuing new sectors (alternate/wind energy, telework, retirement living). That report went on to outline a series of specific strategies and interventions pertaining to each 'pillar.'

With respect to human resources development, the report highlighted the need to foster a 'career' mentality, improve overall education levels, and recruit new talent within the region. That report further noted several initiatives to be undertaken including: exploring the potential for 'off-season' job sharing opportunities, looking for ways to help employers offset the EI 'premium' by paying higher wages and benefits, increasing the scale of year-round employment, and increasing the focus on 'careers' among employers, employees, and youth generally.

This labour market study seeks to build on the previous work by providing a detailed analysis of the various aspects of the Western PEI labour market and a series of strategies and actions designed to better align the local labour market with the economic direction outlined in the 2006 economic development report.

2.3 Shifting Labour Market Challenges

While there have been positive developments in certain sectors of the economy, there continues to be a number of pressures and constraints that make it increasingly difficult for the region to sustain these positive trends. These pressures and constraints impact on all sectors and are challenging the traditional assumptions of a rural economy, thus creating a more complex and competitive labour market. The following table provides a 'snapshot' of the scope and nature of the shifts and challenges that have been impacting the labour market over the past decade or more along with the key findings and emerging challenges documented in this study.

Table 1: Key Trends and Issues

Issue	Section of Technical Report with Supporting Data	Challenges and Findings
Population & Migration	Section 3. Population and Migration	<p><u>Traditional Challenges</u></p> <ul style="list-style-type: none"> • The region has been experiencing gradual population decline. • There has historically been a 'brain drain,' an out-migration of educated and skilled persons. <p><u>Key Findings and Emerging Challenges</u></p> <ul style="list-style-type: none"> • The <u>total</u> population of the study area in 2006 was 15,150 down 3.9% from the levels of the early 1990s. • There is a continuing net loss of population to other labour markets. From 2001 to 2006, there was a net loss of 190 persons from Western PEI, especially among those under age 25. • There is an intensifying concern about the 'brain drain.' From 2001 to 2006, Western PEI had net losses of 70 people with a high school diploma only, 15 people with a trades credential, and 50 people with university credentials. The region had a net gain of five people with a college credential. • There is recognition that there are also many young people who want to remain and live in the region if they were able to find employment to allow them to make a 'decent living.' • There is a lack of competitiveness in attracting immigrants.
Demand for Labour	Section 4: Businesses and Industries (Demand Side)	<p><u>Traditional Challenges</u></p> <ul style="list-style-type: none"> • There have been fewer jobs to provide employment to everyone seeking work. • The region has a seasonal economy with a limited number of full-time jobs. <p><u>Key Findings and Emerging Challenges</u></p> <ul style="list-style-type: none"> • Western PEI is dominated by smaller businesses. The vast majority of establishments, 96%, had less than 20 employees. • From 2001 to 2006, the number of jobs in primary industries, wholesale and retail trade, and food and accommodations declined, while the number in transport, knowledge intensive service sectors, and government grew. The number of jobs in the remaining sectors (construction plus mining, oil and gas; manufacturing and processing; health; education; and other services) saw little change. • Businesses are highly seasonal in nature. About two-thirds (69%) of employers surveyed operated all year while 31% operated seasonally. However, many of those businesses and organizations that operated year round had at least some seasonal employees. • Looking forward, the outlook was mixed as 23% of businesses and organizations thought they would increase in size in the next two years while nearly as many (19%) thought they would decrease in size. • There is pressure to increase use of innovation and technology. • There is a need to increase productivity, competitiveness and capacity of businesses to offer good wages and working conditions. • There is a need to improve human resource planning and business development supports.

<p>Labour Market Trends</p>	<p>Section 5. Profile of the Labour Force (Supply Side)</p>	<p><u>Traditional Challenges</u></p> <ul style="list-style-type: none"> • There was high youth unemployment, as youth entering the labour force outnumbered retirees. • There was high unemployment overall, as labour force growth outstripped job growth. <p><u>Key Findings and Emerging Challenges</u></p> <ul style="list-style-type: none"> • It is estimated that the Western PEI labour force will fall from 7,955 in 2006 to about 7,100 in 2016. • A growing number and share of workers are in the older age groups. From 1996 to 2006, the proportion of the working age population made up by those aged 45 to 64 increased sharply from 33% to 42%. • Among those workers surveyed age 45 and older, 16% planned to retire in the next five years, and a further 13% were not sure. Females were about twice as likely to indicate they planned to retire as males surveyed. • Employment in Western PEI remains highly seasonal with 45% of the labour force working less than six months a year. • Among those who worked <u>less</u> than the full year in 2008, 77% were 'very interested' in working for the full year if work were available at the same rate of pay they received for their main job in 2008. • Unemployment rates are substantially higher than average for PEI as a whole. • At least 400 people commute from the study area to employment in the Summerside or Charlottetown areas.
<p>Expectations</p>	<p>Section 6. Recruitment and Retention Issues Section 8. Other Comments and Suggestions</p>	<p><u>Traditional Challenges</u></p> <ul style="list-style-type: none"> • The generally low wage levels and working conditions. • There has been limited worker mobility. <p><u>Key Findings and Emerging Challenges</u></p> <ul style="list-style-type: none"> • Increased worker readiness to relocate to employment outside Western PEI or in other provinces. • A small proportion (15%) of employers surveyed experienced a shortage of workers in one or more occupations suggesting that worker shortages were not a major issue for most employers, though shortages of specific occupations were noted. • The major recruitment and retention issues from the perspective of employers surveyed were poor attitude and poor work ethic among workers, lack of training/skills/certifications, lack of work experience, and poor literacy. • The major factors affecting the decision about where to work from the perspective of workers surveyed were working conditions, how you are treated by your employer or supervisor, wage level, getting enough weeks of work, having experience in your job or field, and having work that uses your training, skills or certifications. • There is increasing worker reluctance to seek/accept employment featuring poor working conditions such as difficult physical work environments, unsupportive supervisors, limited opportunities for advancement, etc. • Workers now generally have higher expectations regarding higher wages and benefits. • Only 35% of employers surveyed offered a pension or other benefits to their employees.

<p>Education & Skill Levels</p>	<p>Section 7. Education and Training</p>	<p><u>Traditional Challenges</u></p> <ul style="list-style-type: none"> • There has been low educational achievement. • There has been under-employment of educated workers. • There have been scattered skill shortages in highly specialized occupations. <p><u>Key Findings and Emerging Challenges</u></p> <ul style="list-style-type: none"> • There is a broad trend of rising educational attainment among younger age groups, but an exception to this pattern occurs with university credentials, which peak among the 35-44 age group. • The female labour force has substantially higher levels of educational attainment than the male labour force, and the gap appears to be growing among the younger age groups, especially with regard to college and university credentials. • Western PEI youth aged 15-24, were less likely than the PEI average to participate in education. • There is a strong interest in ongoing training. Over half of employers surveyed, and nearly two-thirds of workers surveyed, were interested in completing further education or training in the next two years. • Key issues with regard to education and training noted by employers, workers and other stakeholders were very similar. They included concerns about early school leaving, the need for more opportunities for education upgrading and skill training, the need for more local training, the need for retraining from seasonal to year-round work, and the low levels of skills and literacy within the labour market generally. • There is a need for much better alignment between the education and training system and the labour market.
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3. Rethinking Rural Development

3.1 Literature Review Results

The findings of the literature search noted several studies that outline new thinking and approaches to rural development. The results of two such studies are briefly described below.

The Canadian Senate Standing Committee on Agriculture and Forestry recently completed a study of rural development in Canada. In its December 2008 report, the Committee proposed that rural areas actively pursue opportunities for a new rural economy and society that might look very different from the past, but would continue to be viable and offer a high quality of life to its citizens. Examples of these new approaches would involve strengthening regional partnerships; recognizing that agriculture provides many benefits to society beyond the production of food; working more closely with adjacent urban areas; expanding and diversifying access to education; enhancing rural transportation; recruiting immigrants with an interest in rural living; rethinking income support policies; and regionalizing government offices.

The Organization of Economic Cooperation and Development (OECD) has also completed several studies on rural economic development over the 2006-2008 time period. Some of the major findings contained in these studies included:

- Rural assets such as people, food, energy, water, landscape, biodiversity, and heritage are increasingly being recognized as valuable to society as a whole. Recognition of this value is helping to redefine government's role in rural development from subsidies to investment.
- Primary industries throughout Canada are continuing to shift from labour intensive to capital intensive approaches. If rural communities are to maintain their population, they will need to find new goods and services to produce and export.
- The cost of electronic transfer of information has plummeted. This opens new opportunities for information-based industries in rural areas. 'Broadband' Internet access is essential to allow rural communities access to information and new economic opportunities.
- Public sector services such as health care and education are beginning to be seen as an economic engine in their own right, which must be integrated into the larger economic and employment development strategy in rural areas.

In addition, the PEI Government's recently released (April 2009) discussion paper – *Renewing Rural Prince Edward Island* – outlines several key pillars to its strategy to assist rural areas; these included:

- Strengthening the rural voice: improving access to, and participation in, policy development and governance; improving the working relationships between governments, regions and communities through access to the resources of government (information, finances, and human resources).
- Maximizing opportunity: improving access to markets and the world; improving the necessary infrastructure supports, and particularly making 'broadband' accessible to all rural areas, to allow rural industries and businesses to grow and develop.
- Optimizing resources: planning for people and place; seeking measures to protect and sustain the Island's natural and finite resources, the land, water and the population.
- Stabilizing service delivery: improving access to world class health care and education for all Islanders; intended to ensure that all Islanders have access to the health care and educational opportunities they require.
- Islanders first: investing in people; intended to address issues such as the low levels of educational attainment, and to ensure opportunities for life-long learning.

4. A New Direction

4.1 Rethinking Assumptions and Perceptions

Both the shifting nature of the assumptions and challenges facing rural economies, and the 'new thinking' reflected in the literature strongly suggests that a new direction for labour force development in Western PEI is needed. Many of the existing limitations and constraints (i.e., how work is viewed, the beliefs and values around education and training, the role of EI in the income cycle, etc.) have evolved in the local culture over two to three decades. Changing some of these perceptions and practices will require intervention at the local business, governance, and community levels.

4.2 Articulating a Vision

When asked to identify some of the region's strengths during interviews and focus groups, participants frequently spoke of the people in Western PEI; generally, people were viewed as hard working, loyal, caring of their neighbours, and committed to their communities. They indicated that any efforts to develop the labour market should include a strong emphasis on building on the strengths and potential of those in the existing labour force while supporting new entrants such as youth and in-migrants.

Vision: A labour market that builds on the inherent strengths and capabilities of the local labour force, better retains its younger workers, improves overall educational levels, and is aligned with the needs of employers and the economic goals for Western PEI.

In order to achieve this vision, industry leaders, municipal leaders, government, and other key stakeholders in Western PEI need to commit to the development and implementation of a regional labour market strategy and action plan. The limitations and constraints that are impacting on the existing labour force were not created overnight, hence addressing and mediating these conditions will require both short and long-term goals aimed at specific conditions and issues.

4.3 Critical Issues and Actions

It is important to recognize that there is not a single critical or priority area that can be pursued to improve labour market conditions in Western PEI and support economic growth. Rather, coordinated action is required on multiple fronts to address challenges and capitalize on opportunities. Therefore, it is proposed that the strategy focus on:

1. ***Business development, training and support:*** Strengthening the capacity of industry sectors and employers to become more efficient and productive, thereby increasing their capacity to expand employment opportunities and to provide improved wages and working conditions to employees.
2. ***Increasing labour force supply and retaining younger workers:*** Increasing the overall labour supply through measures to more effectively recruit and retain local workers, and repatriate former residents.
3. ***Engaging youth and younger workers:*** Developing creative, structured initiatives to 'bridge the disconnect' between employers, the younger generation of workers, and youth generally.
4. ***Reducing early school leaving and low educational achievement:*** Increasing levels of educational achievement (high school and post-secondary education), particularly with respect to younger age cohorts.
5. ***Adapting to a more knowledge-intensive economy:*** Building on existing business successes, and developing new opportunities, to take advantage of the shift to the knowledge-intensive economy.
6. ***Labour market skill gaps:*** Ensuring that the existing labour force is trained and utilized to the fullest.
7. ***Barriers to employment:*** Reducing structural and/or organizational barriers to labour efficiency and productivity (impacts of EI) and improving supports for workers (e.g., child care, training, and transportation).

It should be noted that there is extensive overlap between these issues and proposed interventions. For example, ensuring there is a trained labour force is critical to strengthening industry sectors and employers to become more efficient and productive. At the same time, it is very important that businesses receive support to become more productive to support improved wages and working conditions to employees; this in turn is critical to retaining a skilled labour force when confronted with demand for skilled workers in other jurisdictions.

Critical Issue # 1	Business development, training and support
<p>Research Results</p> <p>(For more research details - see Section 4 of the Technical Report)</p>	<p>Western PEI has 1,270 small and medium sized businesses; the vast majority (96%) employs less than twenty employees. As a result, many employers often lack the time and resources to further develop the potential of their business, and develop or implement proactive human resource practices (employee feedback, recognition, providing opportunities to learn or advance, etc.).</p> <p>Key informant and focus group participants confirmed this reality; they noted that many small employers 'do it all' when it comes to managing their business, and are often not aware of ways to make their businesses and their employees more productive.</p> <p>Results from both the employer and worker surveys indicate that employers and workers are often 'not on the same page' when it comes to their perceptions of recruitment and retention issues. From the employer perspective, the top concerns included: poor attitude; poor work ethic; not having the right training, skills or certifications; lack of work experience; and poor literacy. While from the worker perspective, the top concerns included: working conditions; how you are treated by your employer or supervisor; wage level; getting enough weeks of work; and having experience in your job or field.</p> <p>In addition, a number of employers also indicated that there is an issue around succession planning within businesses. As the existing group of business owners ages, they wonder if there will be someone (a younger, entrepreneurial type of person) who will be interested and able to take over existing businesses and keep them viable.</p>
<p>Labour Market Impacts</p>	<p>Having productive and efficient businesses is critical for business success in today's economy; providing business development support to the small businesses in Western PEI will strengthen their capacity to offer more employment, and to provide improved wages and working conditions to their employees.</p>
<p>What can be done</p>	<p>Objective: To strengthen the capacity of businesses to become more productive, to expand and grow their businesses, and to develop good human resource practices.</p>
<p>Time Frame</p>	<p>Proposed Actions</p>
<p>Short-Term (within 2 years)</p>	<ul style="list-style-type: none"> • Proactively share the results of this study related to worker expectations and trends, in a variety of user-friendly ways (newsletter articles, presentations, etc.), so that businesses become more aware of what's driving the behavior of workers. • Develop a business support program based on the internship model; such a model could be a 'win-win' situation for the region by providing an option to retain educated young adults while strengthening the capacity of local businesses (improved marketing, improved sales, etc.). This program could also assist with business succession planning. • Develop an 'improving your business' series of mini (2-3 hour sessions) training workshops for local businesses/employers. E.g., workshops that deal with business planning, business management, product development and/or enhancement, product sales and marketing, developing positive and proactive human resource management practices, etc. • Create a labour market animator/facilitator type of position; this person's main function would be to work directly with businesses and other regional stakeholders to coordinate labour market development initiatives within and across industry sectors.
<p>Long-Term (within 3-5 years)</p>	<ul style="list-style-type: none"> • Building on the short-term actions, create a virtual business incubator model to support new and expanding businesses to develop and market their product, and to link with prospective employers to the region in order to provide the necessary business supports and access to employee training options.

Critical Issue # 2	Increasing labour force supply and retaining younger workers
<p>Research Results</p> <p>(For more research details - see Section 3 of the Technical Report)</p>	<p>The population of Western PEI has been in decline; in 1991 the population was 15,757 and in 2006 it had declined to 15,150, a decrease of 3.9% over that time. In addition, the labour force in Western PEI dropped even more, down 4.7% from 8,335 to 7,940 between the 2001 and 2006 Census years.</p> <p>A particular concern is the changing nature of the labour force profile; between the Census years of 1991 and 2006, the age 25-34 group declined from 22% to 16%, while the 55-64 age group increased from 14% to 19% - resulting in a rapidly aging labour force.</p> <p>Within the younger age group, the largest decline was in the 20-29 age group, mainly due to out-migration.</p>
<p>Labour Market Impacts</p>	<p>If these trends continue, the aging of the labour force will accelerate and Western PEI is likely to experience continued shrinking of the labour force in the medium term (10 plus years), and a sharp decline over the long-term (20 plus years). These trends, if not addressed in some way, will have definite impacts on the capacity for businesses to grow and develop, and the overall economic prospects for the region.</p>
<p>What can be done</p>	<p>Objective: Increase the overall labour supply through measures to:</p> <ul style="list-style-type: none"> • More effectively recruit and retain local workers • 'Up-skill' and more efficiently engage underutilized workers • Repatriate former residents who left to work elsewhere • More actively pursue immigration from other parts of Canada and abroad
<p>Time Frame</p>	<p>Proposed Actions</p>
<p>Short-Term (within 2 years)</p>	<ul style="list-style-type: none"> • Establish a 'younger worker internship program;' in partnership with businesses, government agencies, and non-profit operations, to hire twelve new post-secondary graduates (college or university) for a one-year period. The internship program should be structured to include specific learning goals for the worker and specific results for the employer/business. • Establish a pilot program designed to identify and train seasonal workers in job/workplace skills relevant to local industry and employer requirements; this local training could be offered during the worker's seasonal 'down time' while on EI but should not require EI eligibility to participate. • Establish a pilot project to match prospective workers from a variety of sources (e.g., new graduates, seasonally unemployed workers, participants in employment counseling programs, former residents working outside Western PEI, under-represented groups in the labour force, etc.) to occupations that have a labour shortage, and introduce a variety of existing training and support mechanisms to ensure those individuals are able to be productive employees for those businesses.
<p>Long-Term (within 3-5 years)</p>	<ul style="list-style-type: none"> • Establish a mechanism (a job/training/entrepreneurship/housing and other supports website) to link former Western PEI residents who are working and living out-of-province, with employment, businesses, and local training opportunities. • Develop a regional strategy to increase in-migration from other parts of Canada and abroad to meet specific industry and employer needs; identify the recruitment and retention incentives and supports that would make this a viable initiative, and address barriers to successful in-migration.

Critical Issue # 3	Engaging youth and younger workers
<p>Research Results</p> <p>(For more research details - see Sections 3 and 8 of the Technical Report)</p>	<p>Municipal leaders in the focus group observed that the young people of Western PEI have traditionally been 'one of the area's biggest exports.' They noted that on one level this is a 'fact of life' for a certain number of young people and 'has to be accepted.' However, there is recognition that there are also many young people who want to remain and live in the region if they were able to find employment to allow them to make a 'decent living.' In their view, this is a situation that still needs to be worked on; the region must continue to find and/or create employment opportunities that can retain the younger generation of workers.</p> <p>Participants in the younger workers and students focus group indicated that many young people leave because they 'have no choice.' In their view there appears to be a 'disconnect' between the region and its younger population; many young people do not see a life for themselves both career-wise and socially and often 'can't wait to move away.'</p> <p>Many employers who participated in the focus groups also noted this 'disconnect' between themselves as employers and the perceptions and expectations of younger workers. A number of employers indicated that many young people are often not very aware of the 'basics' of the world of work, and their expectations regarding work, wages, work flexibility and time off, are far 'out of sync' with most employers expectations.</p> <p>At the same time, younger workers and students noted that their experience is that employers either are 'not interested in' or oblivious to the things that they feel are important in a job and working conditions (e.g., fair/reasonable working conditions, opportunity to be involved, being appreciated, a fair wage, being able to advance in job responsibility and pay level, etc.).</p>
<p>Labour Market Impacts</p>	<p>A growing sense of 'disconnect' between employers and younger workers will tend to reinforce the notion that you have to leave the region to get a rewarding and satisfying career or job. In short, the out-migration will continue.</p>
<p>What can be done</p>	<p>Objective: Develop closer connections between employers, youth, and younger workers who are entering, or about to enter, the workplace.</p>
<p>Time Frame</p>	<p>Proposed Actions</p>
<p>Short-Term (within 2 years)</p>	<ul style="list-style-type: none"> • Develop creative ways to link secondary school students with the business community in a strategic way prior to Grade 11; this could include initiatives such as arranging presentations/discussions with business owners (career days, job fairs, etc.), and arranging structured site visits to particular employers and businesses.
<p>Long-Term (within 3-5 years)</p>	<ul style="list-style-type: none"> • Develop a vehicle to organize and channel the ideas and input of the youth/younger adult group; provide initial funding support to allow group to set up a structure to pull young people together and document the employment issues and needs from the young person's perspective. Invite representatives of this group to participate directly in existing regional groups such as the Chamber of Commerce, economic development groups, and other local planning groups. (Nfld. and Labrador has such an organization – FINALLY! Futures In Newfoundland and Labrador's Youth - designed to ensure a youth voice in economic development strategies, youth employment issues, etc.).

Critical Issue # 4	Reducing early school leaving and low educational achievement
<p>Research Results</p> <p>(For more research details - see Section 7 of the Technical Report)</p>	<p>Employers interviewed indicated that they are looking for higher educated and skilled workers. However, a substantial share of Western PEI's working age population continues to hold less than a high school diploma, and the percentage of the population with either a college diploma or a university degree is low as well. Nearly half of the population living in Western PEI (43%) have not completed high school (compared to 27% for PEI as a whole); 14% of the population have a college diploma (20% for PEI as a whole); and 8% of the population have a university credential (18% for PEI as a whole).</p> <p>Key informants and focus group participants at all levels noted that many young people continue to drop out of high school before attaining their diploma. Their perceptions regarding the reasons for this trend are varied; some kids may leave school early because their family needs them to work, others may be 'lured' by the chance to make a lot of spending money quickly (e.g., working at a job during fishing season), while others may have mental health or addiction issues.</p> <p>Participants in the employment counselors' focus group noted that, unless there is a quick intervention, once a young person drops out of school the road back can be a long and difficult one. After several years out of high school many find they can only get low paying, unskilled jobs, and that they must resume their education at some level. This may be difficult for many reasons; there are limited opportunities to retrain within the region, the person may be married with a family, or may not be EI eligible and hence not eligible for a training subsidy.</p>
<p>Labour Market Impacts</p>	<p>Early school leaving and low educational attainment will continue to result in a significant portion of the labour market not being fully productive, and this will continue to be a 'drag' on business development and growth.</p>
<p>What can be done</p>	<p>Objectives: Reduce the incidence of early school leaving and increase the level of educational attainment by:</p> <ul style="list-style-type: none"> • Better understanding why youth leave or drop out of school • Helping students better understand the consequences of not pursuing their education • Developing early intervention strategies to address why students leave school early
<p>Time Frame</p>	<p>Proposed Actions</p>
<p>Short-Term (within 2 years)</p>	<ul style="list-style-type: none"> • Establish a regional work committee (or use the existing Education Task Force) to work with the school community and parents to identify the issues that lead to early school leaving and to develop local strategies and interventions to reduce the incidence of early school leaving including: <ul style="list-style-type: none"> – Raising awareness of the benefits of, and entrance requirements for, various kinds of post-secondary education, including trades-related apprentice programs. – Exploring the potential of the Career Portfolio Program to encourage students and adult learners to systematically document their work/volunteer experiences, and explore career options most suitable to their aptitudes and interests. • Expand local opportunities and reduce barriers (costs of training, access to child care, transportation) for young adults who left school early and want to resume their education.
<p>Long-Term (within 3-5 years)</p>	<ul style="list-style-type: none"> • Develop a life-long learning strategy for Western PEI that recognizes the need for learning and training as an ongoing process; the strategy would have a mechanism that tracks and monitors industries, employers, and communities in terms of new learning, and develops training initiatives to respond to new needs.

Critical Issue # 5	Adapting to a more knowledge-intensive economy
<p>Research Results</p> <p>(For more research details - see Section 4 of the Technical Report)</p>	<p>Between the 2001 and 2006 Census years the goods-producing industries and several service sub-sectors saw an employment drop of 500 jobs, while the public sector and several knowledge-intensive service sub-sectors saw employment growth of 155 jobs. Employer survey results confirm the Census data; employers in agriculture and fisheries more frequently noted that their business operations were likely to decrease in size and scale over the next two years.</p> <p>Employers who participated in interviews and focus group sessions also noted both the challenges and opportunities facing industry sectors due to the shifting nature of the economy. Many employers noted the growth in the manufacturing sector, the wind energy sector, aerospace, and the new information technology and communication opportunities. While these new industries are able to offer longer term, higher paying jobs in the region, the growth in these areas has tended to get a 'mixed reaction' from some existing industries/employers. They are seen as competing for skilled labour, and are able to pay higher wages and other benefits, which in turn raises pay and compensation expectations within other industries.</p> <p>In addition, employers from the primary sectors of agriculture, fisheries and tourism noted the challenges these industries have faced in recent years; the markets for these industries are now 'global' and as such are vulnerable to the 'global' market and other external dynamics. Employers in agriculture and fisheries further noted these industries are both more mechanized, and tend to have fewer, rather than growing, employment options for local workers.</p>
<p>Labour Market Impacts</p>	<p>These changes in job/employment distribution across sectors describe a shift toward a more knowledge-intensive economy; the labour market must adapt to allow local businesses to more effectively adapt to, and take advantage of, these changes.</p>
<p>What can be done</p>	<p>Objective: Develop the labour market to:</p> <ul style="list-style-type: none"> • Build on the local successes in manufacturing and the wind energy sector • Build on the willingness of employers to innovate and move in new directions with their businesses • Build on the inherent strengths of the primary industries, and help them increase the productivity of their operations and employment opportunities
<p>Time Frame</p>	<p>Proposed Actions</p>
<p>Short-Term (within 2 years)</p>	<ul style="list-style-type: none"> • Revisit the 2006 economic development strategy document (<i>Transitioning Toward A Sustainable Economy</i>); review the priority industry sectors (listed on pages 34 and 35) where there is potential to expand existing businesses and/or develop entirely new business streams and opportunities. • Prepare businesses within the region to take advantage of the new opportunities created by universal access to 'broadband' (e.g., training on how to take advantage of these opportunities, what sort of businesses could best thrive, etc.). • Set up a one-day forum to explore how Western PEI can more fully become involved in the strategic economic development priorities of the province; (i.e., Aerospace, Bio-Science, Renewable Energy, etc.). Invite local and other business and industry leaders, community leaders, and representatives from the provincial and federal governments to participate; key questions to explore would include: <ul style="list-style-type: none"> – What types of businesses/employment opportunities are possible? – Which opportunities are conducive to a rural setting? – What sort of labour needs are required? – How can Western PEI take advantage of opportunities?
<p>Long-Term (within 3-5 years)</p>	<ul style="list-style-type: none"> • Further explore the social enterprise concept or model of economic and social development within the region to determine if there are feasible initiatives to pursue.

Critical Issue # 6	Labour market skill gaps
<p>Research Results</p> <p>(For more research details - see Sections 4 and 5 of the Technical Report)</p>	<p>Fifteen percent (15%) of employers who responded to the survey noted that they were experiencing worker/skill shortages; occupations most noted included: automotive trades, construction trades, health professionals, and food and beverage service workers.</p> <p>The labour market environment is changing, certain kinds of work and jobs are in decline, and employers are seeking workers with higher levels of education and skills. Many in the 'unskilled' labour force are discovering that they cannot compete for the higher paying, more stable jobs.</p> <p>Discussion with focus groups confirmed this; they noted that many people realize that they are no longer able to 'get by' with the education levels and skills they currently have. Participants identified two groups within the labour market that might benefit from some attention around training and job skill matching; (1) men who are highly skilled in 'hands on' work but lack more formal education and certification, and (2) women who tend to have higher levels of education but are working in low paying and low skilled jobs.</p> <p>In addition, participants described several instances where post-secondary training was made available locally in occupations such as Licensed Practical Nursing, Resident Care Worker, a construction apprenticeship/trade essentials program, and a business and office management program. In their view, each of these programs was successful in that they were able to supply new trained labour into the local labour market. And most training program graduates were employed locally with seniors care facilities, local construction contractors, and other businesses.</p> <p>Focus group participants see local education and training opportunities that are related to specific jobs/occupations and skill gaps within the region as an important element in any future labour market development strategy.</p>
<p>Labour Market Impacts</p>	<p>Not addressing labour market skill gaps will act as a 'drag' on current and future business productivity and growth.</p>
<p>What can be done</p>	<p>Objective: Address the labour market education and skill gaps by:</p> <ul style="list-style-type: none"> • Regularly tracking and monitoring the needs of industry sectors and employers • Working with appropriate partners to develop local training opportunities to address gaps
<p>Time Frame</p>	<p>Proposed Actions</p>
<p>Short-Term (within 2 years)</p>	<ul style="list-style-type: none"> • Establish a process or mechanism to track the skill gaps being experienced by industry sectors and employers on an annual basis. • Work with existing employment and career counseling agencies to identify two groups of labour force participants who may be more effectively utilized in the labour market (1) men who are skilled but lack formal education and certification, and (2) women with formal education who may be underutilized in low skilled jobs. Explore ways to utilize these labour force participants more efficiently. • Based on this inventory of needs and assets, work with appropriate partners (e.g., Holland College, Service Canada, PEI-BDI, ACOA, etc.) to develop formal training for two to three key occupations and expand apprenticeship options available within Western PEI. • Deliver a series of short courses for the existing labour force in areas identified in the technical report (e.g., computer training, communication skills, etc.).
<p>Long-Term (within 3-5 years)</p>	<ul style="list-style-type: none"> • Develop a suite of core options for local formal and continuing education that would be offered at appropriate intervals supplemented by specific training options to meet short-term or emerging needs.

Critical Issue # 7	Barriers to employment
<p>Research Results</p> <p>(For more research details - see Section 6 of the Technical Report)</p>	<p>Respondents to the worker survey noted several issues related to getting employment, including wage level; having experience in your job or field; having work that uses your training, skills or certifications; availability of transportation to work site; EI rules (e.g., can only work a limited number of hours per week while on EI); amount of reading and writing required; computer skills required; and child care available at the hours you need it.</p> <p>Key informant interviewees and focus group participants noted similar issues; some focus group participants indicated that single low income parents face barriers with regard to child care, transportations, and living costs generally. Unless a job pays a reasonable hourly wage, it's difficult for single parents to accept low paying employment over EI. Lack of access to child care in particular was noted frequently by many discussion participants. There are only a limited number of licensed child care spaces available; some centres have waiting lists, and many centres are not open during evening or week-end hours.</p>
<p>Labour Market Impacts</p>	<p>Barriers to seeking and/or retaining employment reduce the nature/extent of the labour market participation.</p>
<p>What can be done</p>	<p>Objective: Reduce structural and/or organizational barriers to labour market participation by:</p> <ul style="list-style-type: none"> • Ensuring access to training • Improving access to supports such as child care • Exploring the potential for EI flexibility regarding income exemptions while on claim and availability of training for the non-EI eligible population
<p>Time Frame</p>	<p>Proposed Actions</p>
<p>Short-Term (within 2 years)</p>	<ul style="list-style-type: none"> • Establish a regional committee (or use existing Jobs Task Force) to examine barriers to employment and training enrolment; to document available programs and supports, to ensure prospective workers are streamed into available programs that can assist in addressing those barriers; to explore possibilities regarding the EI system; and to develop new interventions to address these barriers, if necessary.
<p>Long-Term (within 3-5 years)</p>	<ul style="list-style-type: none"> • Continue the regional committee to examine the effectiveness of these steps and to make necessary adjustments to improve effectiveness or address emerging barriers.

4.4 Immediate Steps

Some key actions that could be started in the near future include:

- Proactively share the results of this study related to worker expectations and trends, in a variety of user-friendly ways (newsletter articles, presentations, etc.), so that businesses become more aware of what's driving the behavior of workers.
- Develop an 'improving your business' series of mini (2-3 hour sessions) training workshops for local businesses/employers. E.g., workshops that deals with business planning, business management, product development and/or enhancement, product sales and marketing, developing positive and proactive human resource management practices, etc.
- Create a labour market animator/facilitator type of position; this person's main function would be to work directly with businesses and other regional stakeholders to coordinate labour market development initiatives within and across industry sectors.
- Establish a 'younger worker internship program;' in partnership with businesses, government agencies, and non-profit operations, to hire twelve new post-secondary graduates (college or university) for a one-year period.

The internship program should be structured to include specific learning goals for the worker, and specific results for the employer/business.

- Develop creative ways to link secondary school students with the business community in a strategic way prior to Grade 11; this could include initiatives such as arranging presentations/discussions with business owners (career days, job fairs, etc.), and arranging structured site visits to particular employers and businesses.
- Establish a regional work committee (or use the existing Education Task Force group) to work with the school community and parents to identify the issues that lead to early school leaving and to develop local strategies and interventions to reduce the incidence of early school leaving.
- Set up a one-day forum to explore how Western PEI can more fully become involved in the strategic economic development priorities of the province; (i.e., Aerospace, Bio-Science, Renewable Energy, etc.). Invite local and other business and industry leaders, community leaders, and representatives from the provincial and federal governments to participate.
- Deliver a series of short courses for the existing labour force in areas identified in the technical report (e.g., computer training, communication skills, etc.).
- Establish a regional committee (or use existing Jobs Task Force) to examine barriers to employment and training enrolment; to ensure prospective workers are streamed into available programs that can assist in addressing those barriers; to explore possibilities regarding the EI system; and to develop new interventions to address these barriers, if necessary.

4.5 A Regional Approach

A number of key informants and focus group participants noted that there is a gap at the regional level with regard to organization, industry, and community leadership. Stronger ownership and leadership in developing and implementing local strategies to address economic and labour market gaps is needed. Historically, most organizations, industries and communities have tended to operate in relative isolation with one another. However, many industries are facing similar pressures from a range of external issues, and it may be time to focus on working together within a regional context to address local economic and labour market gaps and pressures. Some of the proposed measures to develop a stronger and more cohesive regional approach include:

- Develop a vehicle or mechanism to bring together the key business, industry, and community leadership to renew the commitment toward a regional vision, approach, and plan for economic and labour market development. Use this report (and the 2006 economic development strategic plan) to begin the dialogue, determine priorities, and establish a 'go forward' workplan.
- Link this group with outside thinking on a regular basis (through conferences or workshops dealing with a specific business development theme or focus).
- Continue to build on partnerships and collaborations between/among the regional municipalities and industry sectors and levels of government. To move forward, strong partnerships are needed at a number of levels:
 - Within and across industry sectors (tourism, fishing, farming, manufacturing, retail, etc.) to promote and strengthen each others' capacity to sustain and strengthen businesses in each sector.
 - Within and across the private sector and social enterprise business models and approaches; both models have a strong capacity to complement each other and work together to build new employment opportunities within the region.
 - Across all levels of government: municipal, provincial and federal. All levels of governments need to ensure that their respective policy and funding programs are supporting the region's overall economic and labour force development strategies and goals.

5. Conclusion

As the foregoing indicates, the key factors impacting on the economic and labour market environment will present challenges to the future economic stability and growth of Western PEI. The future labour market will be characterized by higher requirements regarding training and skills and increased competition for labour. In particular, labour force participants who have a higher level of education and skill now have choices, and they are exercising their options more readily than in the past. In a growing number of sectors and occupations, it will become a "workers' market."

In this new environment, it is no longer just a question of how to develop new businesses and jobs in Western PEI. Another critical question is how to ensure that there is a labour force that is skilled and available to meet the current and future employment growth and demands within the region. Given this reality, the region must move from a reactive, sector-by-sector response to labour market demands and issues to a more regional, integrated approach, with greater emphasis on managing the factors that impact labour supply, and more strategically linking labour market development with economic development goals.

In the future, failure to strategically manage labour market development will place ongoing economic development at risk. A strategic labour market development approach will be a critical and necessary step to meeting the economic growth potential of the region.