

Employers' Coalition for Advanced Skills

Pre-budget Consultations Submission

August 14, 2010

Executive Summary

The Employers' Coalition for Advanced Skills represents over 20 industry association leaders concerned with the current state of our community colleges and technical institutions. The coalition came together in 2008 to request leadership from the federal government in rebuilding Canada's aging community college and technical institution infrastructure.

Shortages in key sectors may seem counter-intuitive with unemployment levels still well above pre-recession levels, but industry experience and labour force projections forecast a significant decline in the coming decade in the number of workers with advanced skills in Canada due to retirement. Failure to heed these warnings will not only impede the economic recovery, but also reduce future economic growth and Canadian competitiveness.

The Employers Coalition for Advanced Skills urges a concerted effort to bolster the capacity of Canada's colleges and institutes to provide the advanced skills employers need as they face the mounting challenges of demographic attrition and the need to enhance productivity.

With over 1,000 campuses, colleges and institutes provide access to advanced skills in all regions of the country. An additional investment in capacity will extend opportunities to less advantaged Canadians while meeting employer needs for advanced skills in as many communities as possible.

Employers also require the advanced skills in innovation, research and development that colleges and institutes provide to the business and industry hubs in their local communities. While federal funding for research and development supports discovery or pure research carried out in universities, the commercialization, business incubation, and market-oriented research undertaken by colleges and institutes is significantly under funded. Yet, this type of research is the lubricant of vibrant local economies. Such applied research enhances productivity, competitiveness, and the growth of small-and medium-sized businesses, which are the cornerstone of Canada's employment market.

To address these significant challenges, the Employers' Coalition for Advanced Skills is pleased to submit to the House of Commons Standing Committee on Finance the following recommendations in connection with this year's pre-budget consultations.

Recommendations:

- In keeping with the recent call on the part of the Council of the Federation for improved advanced-skills development, the Employers' Coalition for Advanced Skills recommends a national dialogue commence with the federal and provincial/territorial governments, educational institutions, the private sector and civil society to develop an action plan to increase the access of traditional marginalized groups to post-secondary education.
- To increase Aboriginal participation in post-secondary education, increase investment in Aboriginal programs and services offered by colleges to attract a greater percentage of Aboriginal students, and provide them with the necessary support for academic success and integration into the labour market.

- To overcome enrolment challenges, college infrastructure capacity must be expanded to eliminate enrolment backlogs. The Employers' Coalition for Advanced Skills recommends the federal government extend the Knowledge Infrastructure Program at a funding level of \$1 billion annually over the life of the Building Canada Plan.
- To better support research and innovation in colleges, institutes and polytechnics, funding for the College and Community Innovation Program should be increased to \$50 million annually. As part of this effort, the Applied Research and Commercialization Initiative Program introduced under the Federal Economic Development Agency for Southern Ontario should also be extended to other federal regional development agencies.
- The federal government should launch a program to support the appointment of Research Leaders in colleges, institutes and polytechnics to steer the research, innovation and commercialization activities of these institutions.

Introduction

For more than two years, the Employers' Coalition for Advanced Skills has urged the federal government to take action to address the growing shortage of advanced skills. Canada's 37 sector councils also continue to underline this crisis.

According to the Construction Sector Council, the Canadian construction industry will need to recruit nearly 395,000 new employees by 2018 to keep pace with retirements and growing national demand for construction services. Current data shows that the average age for most advanced skills professions within the sector are now just over 40 years of age and increasing year over year, despite the recent influx of temporary construction personnel brought into the country under temporary foreign worker and provincial nominee programs.

Within the health care sector, the need for medical professionals with advanced skills is already presenting significant challenges for the nation's healthcare system. From chronic shortages of radiology technicians and medical records specialists, to nurses and paramedics, advanced skills shortages are widespread and growing at an alarming pace. Best data available indicates that the average age of individuals in health occupations was 48 in 2009. By comparison, the average age of other workers is 41. Between 2001 and 2006, the average age of health-care workers jumped 2.3%, whereas the average age of other workers only rose 1.5%. Without a significant increase in the domestic training capacity, Canada could have a healthcare crisis in the future as the baby-boom generation retires and begins accessing healthcare services with greater frequency.

The advanced skills shortage, however, is not limited to just the healthcare and construction industries. Indeed, in almost every sector of the economy, advanced skills shortages are having a significant impact on the competitiveness and productivity of the Canadian economy. From manufacturing to forestry, mining to oil and gas, aerospace and hospitality, advanced skills are the lifeblood of these sectors and integral to our future economic success. Unless domestic training capacity increases considerably in the coming decade, Canadian industry will continue to struggle to find and retain individuals with the advanced skills businesses require to remain competitive.

The primary source for the training and education of persons with advanced skills in Canada remains the extensive network of colleges, institutes and polytechnics. These institutions are under extreme pressure and, in most cases, lack the financial resources required to expand their campuses to meet industry demands. Carpenters, welders, plumbers and electricians, manufacturing technologists, aerospace experts, laboratory technologists, miners, security workers, chefs, healthcare technologists, childcare workers, gerontology and hospice specialists, broadcasters, journalists, and human resource professionals are just a few of the advanced skills in high demand.

Canada's present higher education capacity, despite the investments made under the federal Knowledge Infrastructure Program (KIP), falls far short of our current requirements and is woefully inadequate to meet future needs.

An assessment of this problem presented in a report by the respected consultant and educator, Dr. Rick Miner, *People without Jobs, Jobs without People*,¹ (www.minerandminer.ca), states that our economy will suffer serious damage owing to an inadequate supply of the advanced skills associated with post-secondary education. Using data from Human Resources and Skills Development Canada (HRSDC) and Statistics Canada, the report anticipates a shortfall in our workforce of 1.5 million people by 2021, 2.1 million by 2026, and 2.7 million by 2031.

Increase Training and Education in Advanced Skills

The key to economic and social development lies in the knowledge and skills base of human capital. Colleges and institutes are the advanced skills educators of choice. Integrally aligned with the needs of employers, they establish Program Advisory Committees, which solicit business and industry input into curriculum development. They work closely with industry associations, labour and sector councils with respect to human resource needs. This positions colleges and polytechnics on the leading edge of advanced skills identification, economic trends and market shifts enabling them to adapt programs to meet economic needs.

Canada's economy will be sustained if two conditions are met. First, we must increase the size of our labour force and its participation rate to fill the void left by retiring baby boomers. Second, we must increase overall skill levels as we transition to a more knowledge-based economy. Unless the domestic training capacity increases significantly, Canadian businesses will continue to struggle in the decades ahead to find and retain the workers with advanced skills required to remain competitive. Failure to meet these conditions, will not only impede post-recession recovery, it will cause any future economic growth to falter.

Recommendation 1

In keeping with the recent call on the part of the Council of the Federation for improved advanced-skills development, the Employers' Coalition for Advanced Skills recommends a national dialogue commence with the federal and provincial/territorial governments, educational institutions, the private sector and civil society to develop an action plan to increase the access of traditional marginalized groups to post-secondary education.

In the short-term, there are a number of actions that can be taken to help increase the number of Canadians with advanced skills available to meet existing and future economic demand. There exists a large pool of untapped labour that, with proper training and support, can quickly be absorbed into the Canadian labour force to help fill the existing shortage of workers with advanced skills.

One such group is that of Aboriginal Canadians. Aboriginal communities represent a prime opportunity because they are significantly under-represented in the advanced skilled professions and because they constitute the fastest growing and youngest segment of our population.

¹ Miner, R. (March 2010). *People Without Jobs, Jobs Without People – Canada's Labour Market Future*. <http://www.minerandminer.ca/>

Another untapped source of potential future advanced skilled labour remains disadvantaged youth and those currently economically marginalized. Disengaged young people, particularly males, present a tremendous opportunity, but only if they feel welcome and engaged at the college level. Unfortunately, many of these students are quickly discouraged from pursuing a college education due to the growing enrolment backlogs resulting from inadequate college infrastructure to keep up with admissions demands. In some cases, these backlogs can be as long as 18 months for entry into many of the construction and more specialized skilled-trade programs.

To remedy these challenges, the Employers' Coalition for Advanced Skills strongly recommends an increase in funding for community colleges to support increased participation rates among these groups.

Recommendation 2

To increase Aboriginal participation in post-secondary education, increase investment in Aboriginal programs and services offered by colleges to attract a greater percentage of Aboriginal students, and provide them with the necessary support for academic success and integration into the labour market.

Recommendation 3

To overcome enrolment challenges, college infrastructure capacity must be expanded to eliminate enrolment backlogs. The Employers' Coalition for Advanced Skills recommends the federal government extend the Knowledge Infrastructure Program at a funding level of \$1 billion annually over the life of the Building Canada Plan.

Expand Research and Innovation Capacity

With knowledge and advanced skills being the key to social and economic development, colleges are the educators of choice. Aligned with the needs of employers, and operating on the leading edge of skills identification, economic trends, and market shifts, colleges solicit business and industry input into curriculum development through Program Advisory Committees. Colleges encourage business formation and sustainability by increasing the local talent pool, by re-skilling displaced employees, by offering customized education, and by providing applied research and development support. These initiatives are integral to approving immigrant credentials, encouraging integration and providing access to post-secondary education to disadvantaged Canadians.

The Federal Government has recognized the role of colleges in supplying the advanced skills and applied research to small and medium enterprises (SMEs) by increasing its investment in the College and Community Innovation (CCI) Program, investing in cutting-edge research equipment and facilities through the Canada Foundation for Innovation (CFI) and the creation of the Applied Research and Commercialization Initiative through the Federal Economic Development Agency for

Southern Ontario. Similar programs should be launched by the other regional economic development agencies (the Atlantic Canada Opportunities Agency, Canada Economic Development for the Regions of Quebec, the Federal Economic Development Initiative for Northern Ontario and Western Economic Diversification).

Recommendation 4

To better support research and innovation at the community college level, funding for the College and Community Innovation Program should be increased to \$50 million annually. As part of this effort, the Applied Research and Commercialization Initiative Program introduced under the Federal Economic Development Agency for Southern Ontario should also be extended to other federal regional development agencies.

To further support college research and innovation, leadership is required to help direct research activities, engage students in research and innovation activities and develop critical thinking skills, and to ensure better commercialization of new products, technologies or innovative practices. In this context, the federal government should develop a new funding program to support the appointment of college Research Leaders, similar to the support offered to universities through Research Chairs. This would help level the playing field between college and university researchers and ensure the best use of precious public dollars through better direction and coordination of college research and innovation activities.

Recommendation 5

- The federal government should launch a program to support the appointment of Research Leaders in colleges, institutes and polytechnics to steer the research, innovation and commercialization activities of these institutions.