

Incentives to Relocate

There are areas in Canada that are experiencing a shortage of skilled labour as well as semi-skilled labour and other regions which have a high unemployment rate and too many workers for the jobs available. The Government of Canada should create incentives to encourage workers to move from areas of high unemployment to areas of low unemployment because such incentives could help to reduce Employment Insurance costs, as well as generate more tax revenue from increased labour force engagement.

This shortage of labour is preventing businesses from expanding and growing to meet the needs of a strong economy and growth in population. Some businesses have had to close or reduce their hours because of lack of staff. Others have not been able to take on new contracts which in turn slow down construction and project completions.

There are areas of Canada where there is high unemployment and this country, certainly the western part of it, was settled by individuals who realized their potential by moving and taking advantage of the opportunities available to them. Often there were incentives offered by the Government of Canada and the railway companies to make it attractive for them to leave their homes and families and embark on a new adventure.

The shortage of labour is one of the threats to Canada's continued prosperity. Businesses closing or offering reduced services reduces the bottom line of businesses and subsequently the bottom line of the country by having less taxes paid. If Canada cannot find a way to solve this problem, the nation will lag further and further behind other countries. In addition, supporting Canadians on unemployment insurance adds to the social costs which is not a good business proposition.

When asked about barriers to relocation, family ties were the most common reason why workers would not relocate for a job, cited by nearly half of all respondents (48%). Similarly, 23 percent reported that being with a partner who was unwilling to move would prevent them from relocating. Aside from relationships preventing relocation, economic factors are also a considerable barrier to moving for work. The cost of relocation was a prohibitive factor for 29 percent of respondents, while only 12 percent specifically said the inability to sell their current home due to depressed housing markets would prevent relocation (*Migration for Work Survey, Manpower Group*).

Incentives such as relocation allowances, tighter employment insurance regulations for those living in areas of high unemployment, grants to employers in areas where labour shortages are acute to help bring employees in, financial assistance to Chambers of Commerce to conduct job fairs in areas of high unemployment, and airfare re-imburement for seasonal workers who consider working elsewhere during their down seasons are just a few of the incentives that the government might consider in order to assist with solving this problem.

Recommendations

That the federal government:

1. Make changes to the employment insurance program that will incent unemployed Canadians to move or relocate to where the jobs are.
2. Reduce existing barriers to relocation.
3. Raise the awareness of existing support programs and incentives to help advertise opportunities for employment in areas where there are labour shortages.