

Office of the President and
Chief Executive Officer

Cabinet du président
et chef de la direction

December 5, 2014

The Honourable Joe Oliver, P.C., M.P.
Minister of Finance
Finance Canada
90 Elgin Street
Ottawa Ontario K1A 0G5

Dear Minister Oliver,

Re: Budget 2015 is the time to invest more in Labour Market Information to address the skills gap

Every discussion of Canada's skills gap includes the fact we lack labour market information to properly assess and address our human resource challenges. If there is one aspect of our skills agenda that will help Canada do better, it is having better data.

If Canada is to focus on job creation, youth unemployment and the Aboriginal peoples who may be outside of the labour market, we need to have a much better window onto the labour markets across the country.

The need for stronger LMI is a "matter of national urgency," according to the Honourable Jason Kenney, Minister of Employment and Social Development and Minister of Multiculturalism. Last June, the government took initial steps by making changes to two Statistics Canada surveys, expanding the sample sizes of both the quarterly Job Vacancy Survey and the national Wage Survey to report at the level of economic regions, rather than provincial and territorial levels. These steps were taken primarily to assess applications to the Temporary Foreign Worker Program. Since the surveys focus on economic regions – which can be as large geographically as Vancouver Island and Prince Edward Island – they will not provide data at a local level where jobs and employers are located.

Local data matters. Without local and sector-specific information, it is extremely difficult for employers such as SMEs to get an accurate picture of the trends in their communities and industries. The Auditor General's Spring 2014 report pointed out the lack of specificity of LMI currently being collected through federal employment-related surveys. In particular, the report indicated that the monthly Survey of Employment, Payrolls, and Hours, determines job vacancies at the federal, provincial and territorial level, and fails to identify in what cities or communities those jobs are located.

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The inadequacy of our labour market information has been cited by a broad range of stakeholders who care whether Canada can meet its skills needs and whether young people will move into good employment opportunities in our economy. The business community (including small business), labour organizations and student associations all agree that the federal government should invest in this area. As stated in a TD Economics report, “When it comes to labour market information, we are currently operating in a data vacuum and flying in the fog without instruments.”

In the Canadian Chamber’s pre-budget submission, we make the following recommendation:

Invest in labour market information to close the skills gap: The skills gap and mismatches in Canada are challenging employers, educators and governments to respond. Unfortunately, Canadian employers and policymakers currently lack sufficiently granular and reliable labour market information (LMI) in several areas. To address these shortfalls, the government should expand the Job Vacancy Survey from the level of economic regions to the local/CMA level, wherever possible; reintroduce and upgrade the Workplace and Employee Survey; renew the Youth in Transition Survey; review and sustain the National Graduate Survey and the Five-Year Follow-up of Graduates on a longer-term basis; and ensure the Minister of Employment and Social Development, as chair of the Forum of Labour Market Ministers, leads and facilitates the collection and coordination of data from key stakeholders, among other measures.

Minister, with better data, Canada can take the right steps to close its skills gaps in cities and communities across the country. We welcome the government’s leadership on this valuable but hidden aspect of public policy in our economic interests.

Sincerely,

A handwritten signature in black ink that reads "Perrin Beatty". The signature is written in a cursive style with a large initial 'P' and a long, sweeping underline.

Hon. Perrin Beatty

cc. The Honourable Jason Kenney, Minister of Employment and Social Development, Minister of Multiculturalism