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Workers Want Jobs, but Five Barriers are in Their Way.

An Express Employment Professionals White Paper



ExpressPros.com/CA

Canada's official unemployment rate is at its lowest level in decades. While this is positive news, it is easy to overlook Canadians who are still on the sidelines—wanting to work, but unable to secure a job. The glowing official job numbers hide the struggles of millions of families who feel they're down and out. There are several identifiable barriers that stand in their way.

"In a growing economy, it can be easy to forget about the unemployed. Like everyone, they want to work, but there are barriers that stand between them and a regular paycheck," said Bob Funk, Chairman and CEO of Express Employment Professionals.

The January 2018 Labour Force Survey confirms that even with a near-record low 5.7 per cent unemployment rate, there are still 1.1 million people officially counted as unemployed. That number does not count those no longer in the workforce. Canada's labour force participation rate is at 65.8 per cent, a near 10-year low.¹

In particular, young Canadians (those under 25) face an unemployment rate of close to 10 per cent, meaning roughly 300,000 young Canadians cannot find work.²

And yet, Canada has plenty of job openings. According to a Statistics Canada study released in November 2017, 460,000 jobs are currently unfilled.³ It is clear real barriers are preventing unemployed Canadians from getting the jobs they need.



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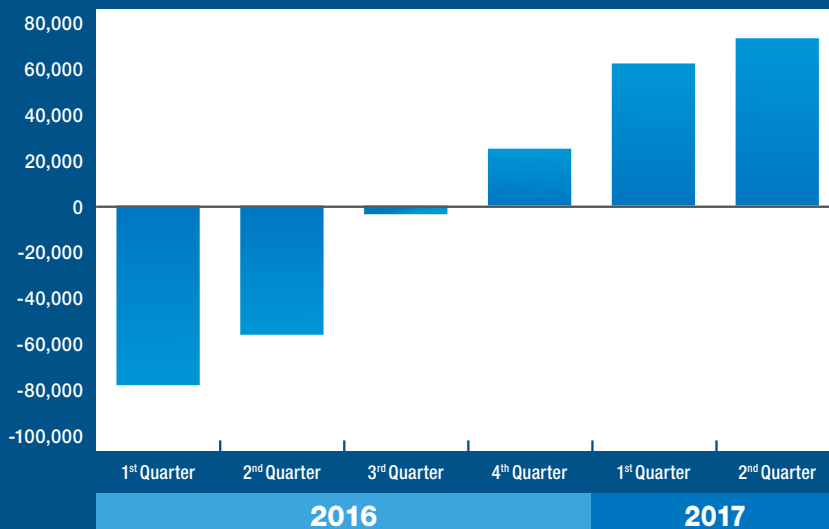
—Bob Funk, Chairman and CEO
of Express Employment Professionals

Canadian labour force participation

65.8%

A near 10-year low

JOB VACANCIES CANADA



Source: Statistics Canada January 2018 Labour Force Survey⁴

THE FIVE BARRIERS

Drawing from the real-life experience of Express owners and the companies they serve, Express has identified five common barriers to employment. These are the challenges too many Canadians face in their search for employment.

- 1** TRANSPORTATION AND MOBILITY
- 2** CHILD CARE AND ELDER CARE
- 3** GOVERNMENT POLICIES
- 4** EDUCATION/SKILLS TRAINING
- 5** COMMUNICATION ISSUES



Express Employment Professionals was founded on giving hope through jobs that help people provide for their families and giving peace of mind to employers in need of talented workers. Hope Through Employment is our year-long exploration of how great jobs impact the more than 800 communities we serve throughout the U.S. and Canada.



TRANSPORTATION & MOBILITY

There are few things as frustrating as being able to work, aware of available jobs, but having no way to get there. The distance between home and work can be insurmountable if a job seeker does not have a car and the workplace is not easily accessible by public transportation. For many workers, especially for some of Canada's most eager job seekers, transportation is a regular barrier to steady employment.

Bruce Hein, Express office owner in Sarnia, Ontario, understands how challenging transportation can be for workers.

"Between the cost of buying a vehicle, high gas prices and exorbitant insurance rates (especially for young men), owning a vehicle is almost considered a skill by some companies. We see people who want to work, but they can't accept the job without a way to get there every day. In order to obtain a reliable vehicle, they need to work to earn money. It's a difficult situation to be in," Hein said.

In fact, according to a survey by Express, 12 per cent of businesses said transportation issues had stopped job applicants from accepting jobs at their companies.

"A lack of affordable and reliable transportation is one of the main reasons a potential applicant will turn down a job or not be able to stay in a job," said Shane DeCoste, Express franchise owner in Halifax, Nova Scotia.

While good public transportation may be available in the community, it's often a challenge with varying shift times. With the rise of customer service and logistics industries, many shifts are no longer 9 – 5, Monday through Friday. The challenge is the availability of safe and reliable transportation in the off hours.



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Sarnia, Ontario

Transportation issues affect more than just short-term job prospects. Mobility can impact job seekers as well. In a recent Harris Poll survey of the unemployed in Canada, 42 per cent of those polled were unwilling to "consider relocating to another city/town or province to find a job."⁵

Those findings were also confirmed by the Statistics Canada General Social Survey, which studied barriers to labour mobility (collected directly from unemployed individuals aged 15 to 64 who were not students). It found that 68 per cent of unemployed Canadians said they would not move if they were offered a job in another province.

Family and friends were the primary reason, with one-half of unemployed individuals saying they would not move to another province for work because they wished to stay close to family and friends, had to provide care for relatives or because their spouse or children would not want to move.



CARING FOR FAMILY: CHILD CARE AND ELDER CARE

For working parents, a job is essential to providing for their children. But the rapidly rising cost of child care can put them in an impossible bind: go to work and incur a hefty new bill, or stay at home and have limited resources to provide the essentials. In many cases, single parent families mean child care situations that defy any easy solution.

Today in Canada, children with a working single parent or two parents who both work outside the home is the norm. Many Canadians must rely on some form of regular outside child care. When a parent is trying to head back to work, child care can be an even more daunting challenge. It is expensive in almost any case, but it is even harder to foot the bill for those parents without a steady source of income.

Jessica Culo, Express franchise owner in Edmonton, Alberta, sees this challenge regularly, especially for women, who can struggle to accept work due to lack of child care.

“Child care is expensive and reliable care can be hard to find, especially on short notice. If they don’t have family or friends to help, especially when children are sick, parents sometimes have to miss work and jeopardize their employment and financial situation,” she said.



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Edmonton, Alberta

Bruce Hein says a lack of child care can also impact an employers’ operations. “Most employers are pretty understanding of family needs, but if a parent has four kids and misses a few days per year for each child, it adds up,” he said.

At the same time, from 2015 to 2021, the number of seniors in Canada is projected to exceed the number of children age 14 and younger for the first time ever. By 2036, the number of seniors could reach between 9.9 and 10.9 million people. The responsibility to care for aging parents is a growing challenge now that will only increase over time.

Culo is starting to see this barrier in Edmonton. “More and more, we see workers who must balance a job with looking after an aging parent, even if they are being cared for in a facility – they still need to help out with their care,” she said.



GOVERNMENT POLICIES

Good intentions do not always lead to good results. Certain government policies, such as a higher minimum wage, can hurt new job opportunities.

In an Express survey of more than 1,000 North American businesses, one third of respondents said they would eliminate positions because of mandated minimum wage hikes. This problem is particularly acute for younger Canadians.

According to Statistics Canada, Canada's youth face a long-term negative employment trend. The employment rate for youths aged 15 to 24 fell from 57.2 per cent in 2006 to 51.9 per cent in 2016. The employment rate among young men fell 6.1 percentage points to 50.7 per cent over this period, while it fell 4.4 percentage points to 53.1 per cent among young women.⁶

Many believe mandated minimum wage hikes in Ontario and Alberta will make Canada's youth employment worse. If a higher minimum wage forces some people out of the workforce, young people are likely to be disproportionately hit. Sixty per cent of minimum wage earners in Canada are under 24 years of age and 57 per cent of minimum wage earners live with family.



“People deserve a raise, and the best way to provide it is through a growing economy where workers are in high demand. Unfortunately, when the government tries to raise wages artificially, some people will win, but many will lose.”

—Bob Funk, Chairman and CEO of Express Employment Professionals



EDUCATION/SKILLS TRAINING

For years, Express has sounded the alarm about the mismatch between the skills required by jobs that are in demand and the skills possessed by people who need jobs. The mismatch remains and may have become worse, as low unemployment and a low labour force participation rate means the pool of potential workers has shrunk.

Shane DeCoste sees this barrier all the time in Halifax.

“Employers tend to want ‘turn key’ employees these days, even more than they used to, from my experience. They seem to be less interested in doing the training and they want somebody who has experience,” he said.

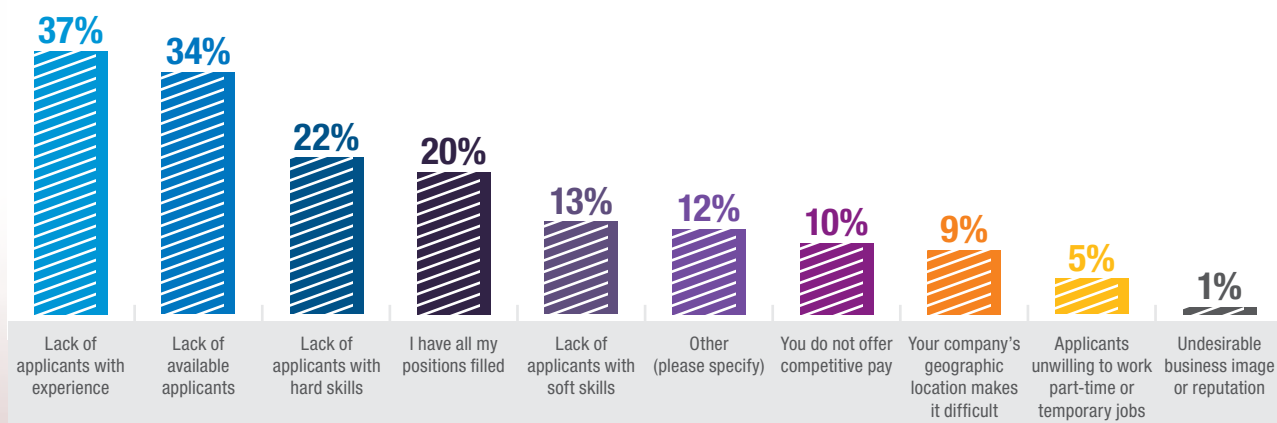
For many unemployed Canadians, the problem is not just a lack of the required skills or training; it’s that they struggle to attain them due to a lack of money, ready access or the time to enter the right training programs. In Express surveys, businesses regularly report that applicants lack the right experience, hard and soft skills, making it difficult for them to hire these workers.



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—Shane DeCoste, Owner, Express
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Halifax, Nova Scotia

WHAT IS THE PRIMARY REASON THAT YOUR OPEN JOBS ARE NOT FILLED?



Source: Express Employment Professionals Jobs Insights 2018 1st Quarter Survey, November-December 2017, 462 respondents.

Soft Skills Are Critical

Technical skills are not the only requirement for employment. Other soft skills—leadership, creativity, adaptability, attitude—are essential. Lacking them, or lacking the ability to demonstrate them can also be a barrier to employment.

According to a recent Express survey, strong work ethic, integrity and a positive attitude are among the top traits businesses look for when hiring new workers.

Bruce Hein says soft skills should not be overlooked.

“While education and experience are important, soft skills are equally, if not more valuable. We have seen countless talented individuals who cannot find work because of a bad attitude, little motivation or an off-putting personality. Someone can look great on paper, but the interview really is the time to showcase your soft skills, such as conflict resolution, problem-solving, flexibility, teamwork, etc.,” he said.



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COMMUNICATION AND LANGUAGE ISSUES

In the 2016 census, 99.2 per cent of Canadian workers reported using English or French at work. In Canada outside Quebec, 98.6 per cent of workers reported using English at least on a regular basis, and 9 out of 10 workers reported using only English.⁷

Language barriers are one of the main barriers to finding work for newly arrived Canadians and refugees. These job seekers want to work, but their English proficiency is too limited to perform core job functions or to prove they can comply with basic safety regulations.

This is particularly relevant given the increasing number of immigrants in Canada. From 2006 to 2016, the labour force in Canada grew in large part due to increased immigration, with immigrants accounting for 24 per cent of the labour force in 2016, up from 21 per cent in 2006. In 2016, half of the workforce in Toronto were immigrants. Immigrants in Vancouver accounted for 4 out of 10 workers and in Calgary, one-third of the labour force were immigrants.⁸

The 2016 Census confirmed that the employment rate for recent immigrants was approximately 10 per cent lower than that of Canadian-born workers.



MOVING PAST THE BARRIERS

Some barriers are almost insurmountable. Others require large commitments of time, energy and money to overcome—learning English, moving to a new part of the country or finding new resources for elder or child care. The first step for many is taking personal responsibility and recognizing that with the right work ethic, many of these problems can be solved or avoided in the first place.

Employers can provide some help, offering flexibility and a generous dose of understanding. Increasingly, companies themselves are paying for job training and skills certification, recognizing that the need is not going away and won't be solved by someone else. Others are partnering with municipalities to find transportation solutions.

Local, province and federal policymakers can help provide some solutions. Local governments can facilitate increased or improved transportation options. Province and federal governments can take the lead in helping educational institutions and businesses align training curriculum with in-demand skills—in addition to making such programs more accessible.

Province and federal governments also have a role to play in examining laws and employment policies related to drug testing and criminal records.

Generations of Canadians have faced similar problems before and overcome them. Especially in a growing economy where workers are needed, some innovative thinking from employers and smarter, effective government policies can help empower any individual who feels “down and out” to get back in the workforce and move up in life.



ABOUT EXPRESS EMPLOYMENT PROFESSIONALS

Express Employment Professionals puts people to work. It generated \$3.4 billion in sales and employed more than 540,000 people in 2017. Its long-term goal is to put a million people to work annually. For more information, visit ExpressPros.com.

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