



Canadian Skills Training and Employment Coalition



PRISM
ECONOMICS AND ANALYSIS



APRC
Automotive Policy
Research Centre

Automotive Industry Labour Market Analysis:

Automotive Labour Market Information Project

London/Stratford-Bruce Peninsula

Initial Consultation

The project is a collaboration of the Canadian Skills Training and Employment Coalition, Prism Economics and Analysis, and the Automotive Policy Research Centre.

October 2019

Funded by the
Government
of Canada

Canada

Automotive Labour Project

Three-year project funded by the Government of Canada to provide the broader automotive sector, educators, policy makers, job seekers and other stakeholders with current labour market information related to the sector including the examination of trends and the forecasting of supply and demand for key occupations.

The project will produce profiles, research findings and forecasts in order to help:

1. Industry make more informed decisions related to workforce planning and skills development;
2. Job seekers, students and young people have a better sense of where employment opportunities will be in the sector;
3. Educators and policy makers better understand the sector's employment trends.

Project Partners

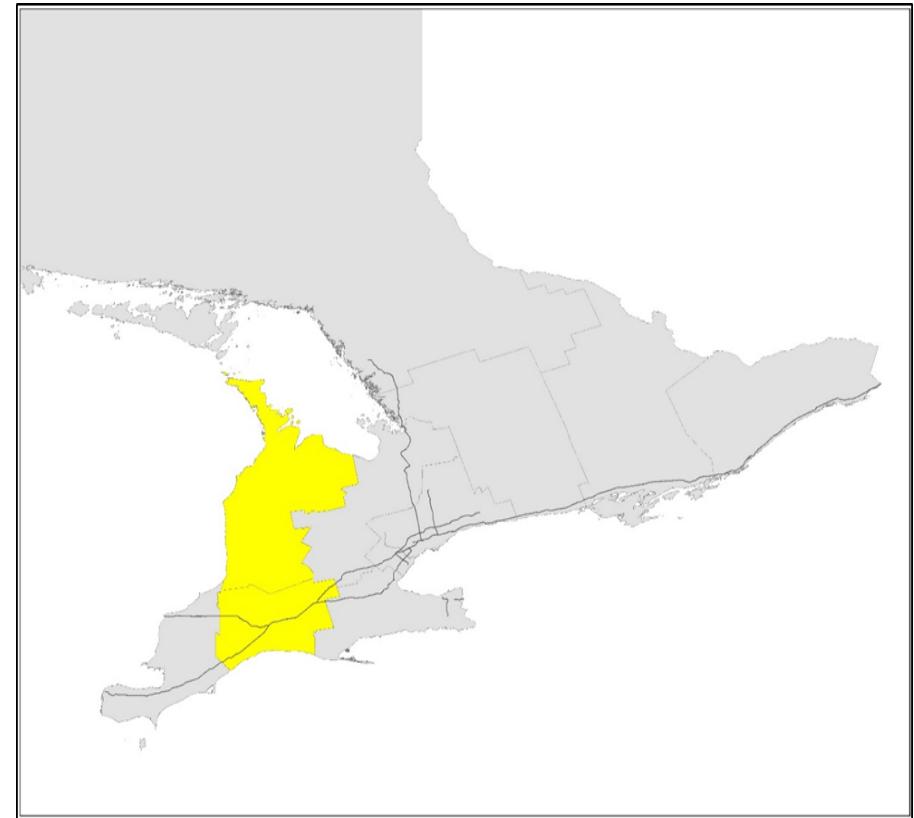
CSTEC: The Canadian Skills Training and Employment Coalition is an enabler of innovative, multi-stakeholder solutions to training related problems faced by employers within the broader manufacturing sector. We focus on a broad range of training issues related to workplace training, apprenticeship, labour market information, adjustment and career enhancement. <https://cstec.ca>

APRC: The Automotive Policy Research Centre (APRC) is non-profit organization that conducts research and disseminates knowledge about how public policy supports Canada's globally competitive automotive industry in an increasingly challenging global environment. <https://automotivepolicy.ca/>

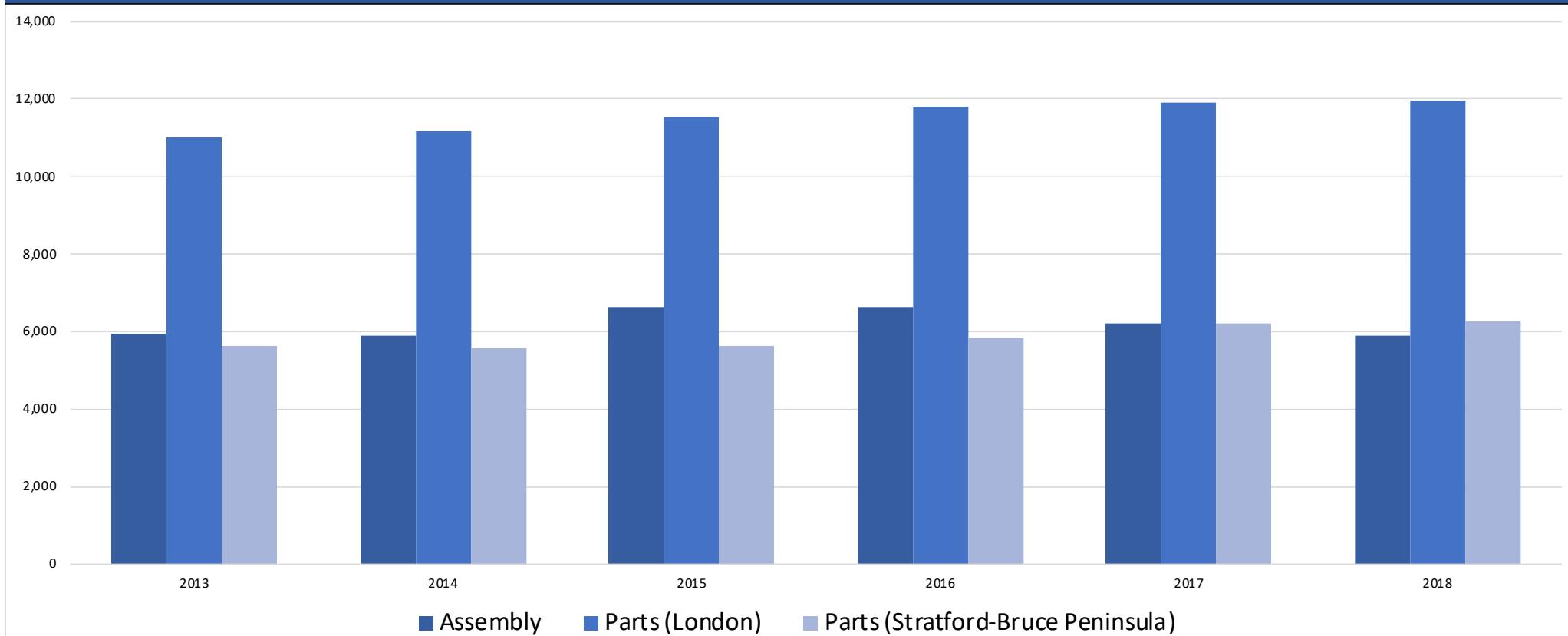
Prism Economics: For two decades, Prism has extended a variety of analytical and management-related services to clients in government, non-profit, post secondary, and labour sectors. Prism's in-depth knowledge of labour market structures, issues, sources, people, institutions, regulations, and policies leads to credible and practical research. <https://www.prismeconomics.com/>

London/Stratford-Bruce Peninsula Automotive Manufacturing Region

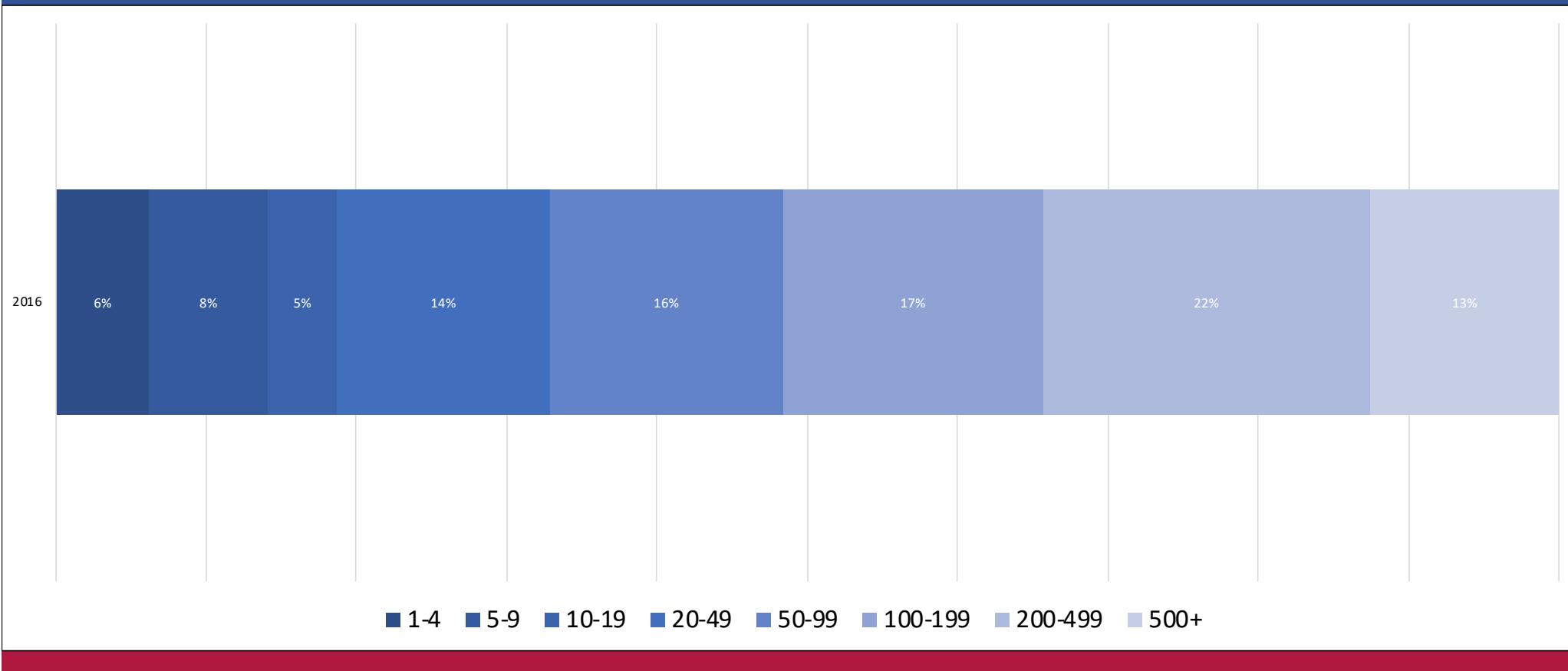
- The London/Stratford-Bruce Peninsula region is comprised of the Economics Regions (ERs) of London and Stratford-Bruce Peninsula.
- The region's automotive manufacturing industry employed an estimated 24,200 workers across 93 businesses in 2018.
- The region is home to three assembly plants that employed an estimated 5,900 workers in 2018. A total 64 parts suppliers located in the London ER employed nearly 12,000 workers while 26 suppliers in the Stratford-Bruce Peninsula employed an additional 6,300



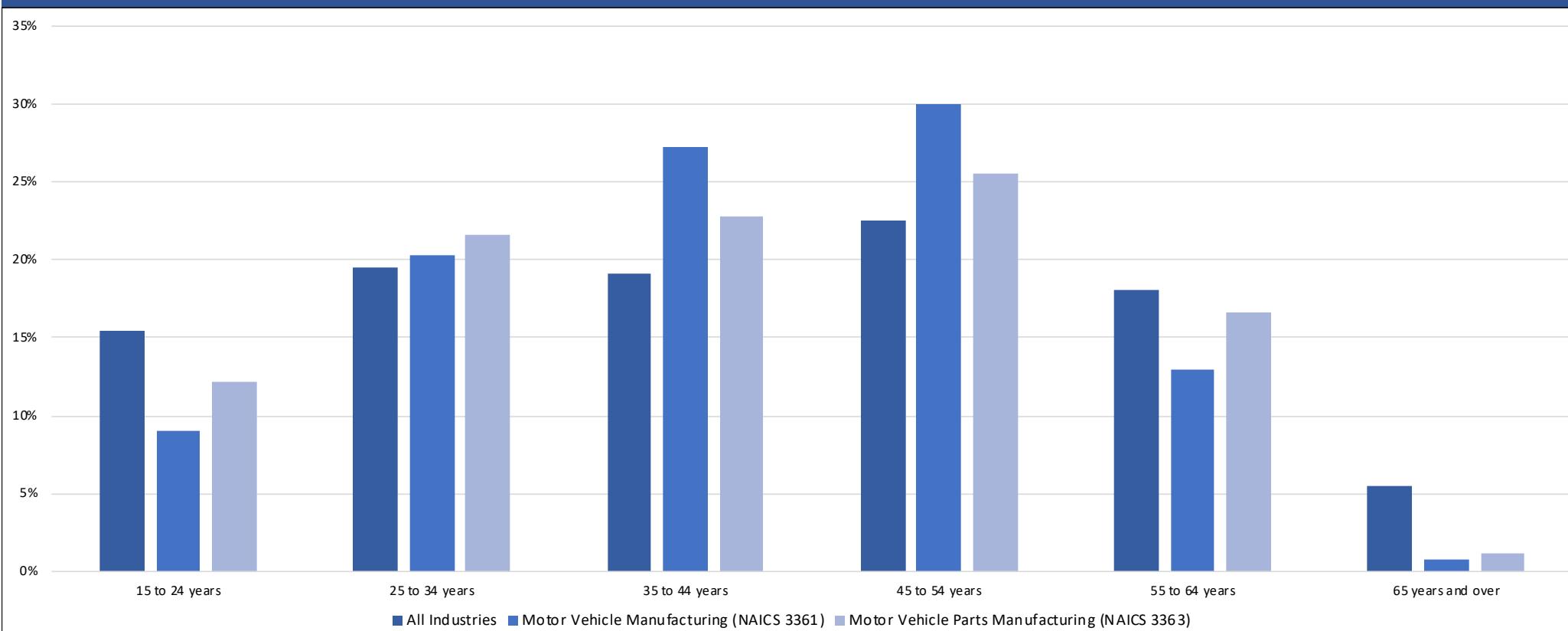
Automotive Manufacturing Employment by Activity in London/Stratford-Bruce Peninsula 2013-2018



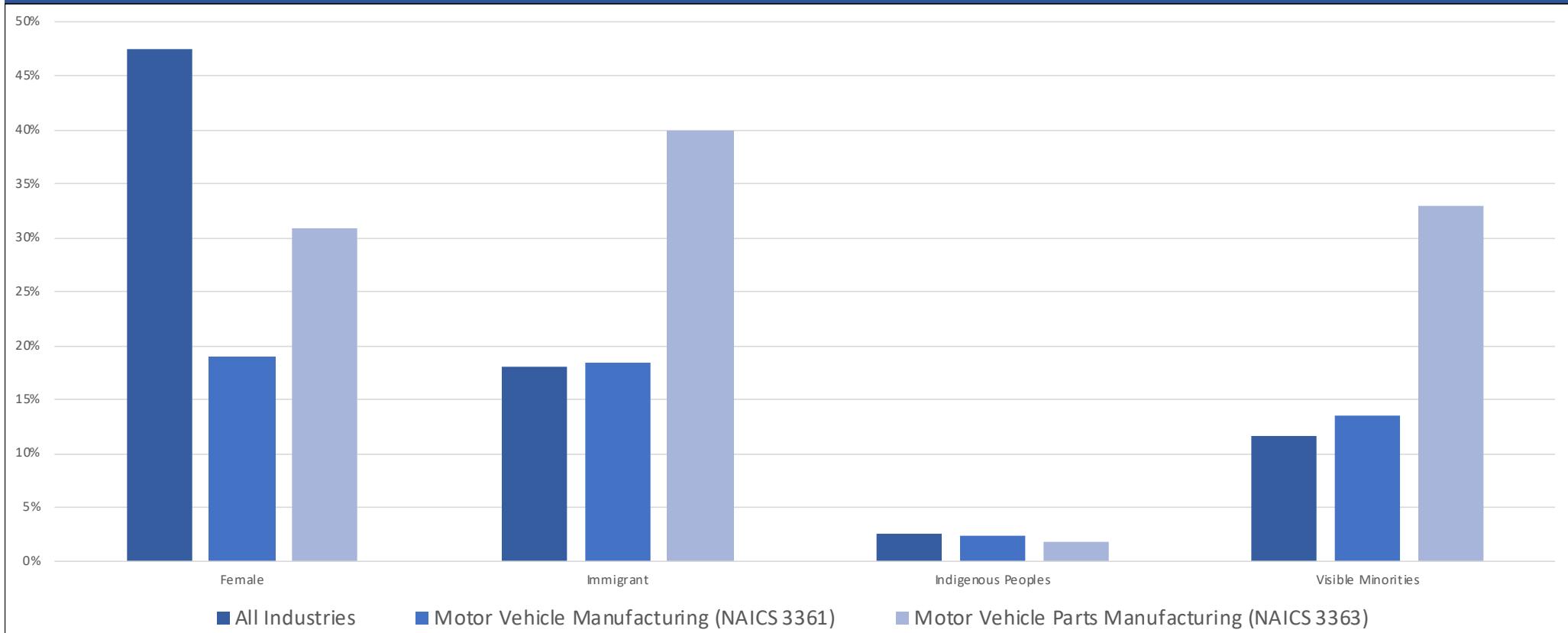
Vehicle Assembly and Automotive Parts Manufacturing Establishments by Size in London/Stratford-Bruce Peninsula 2016



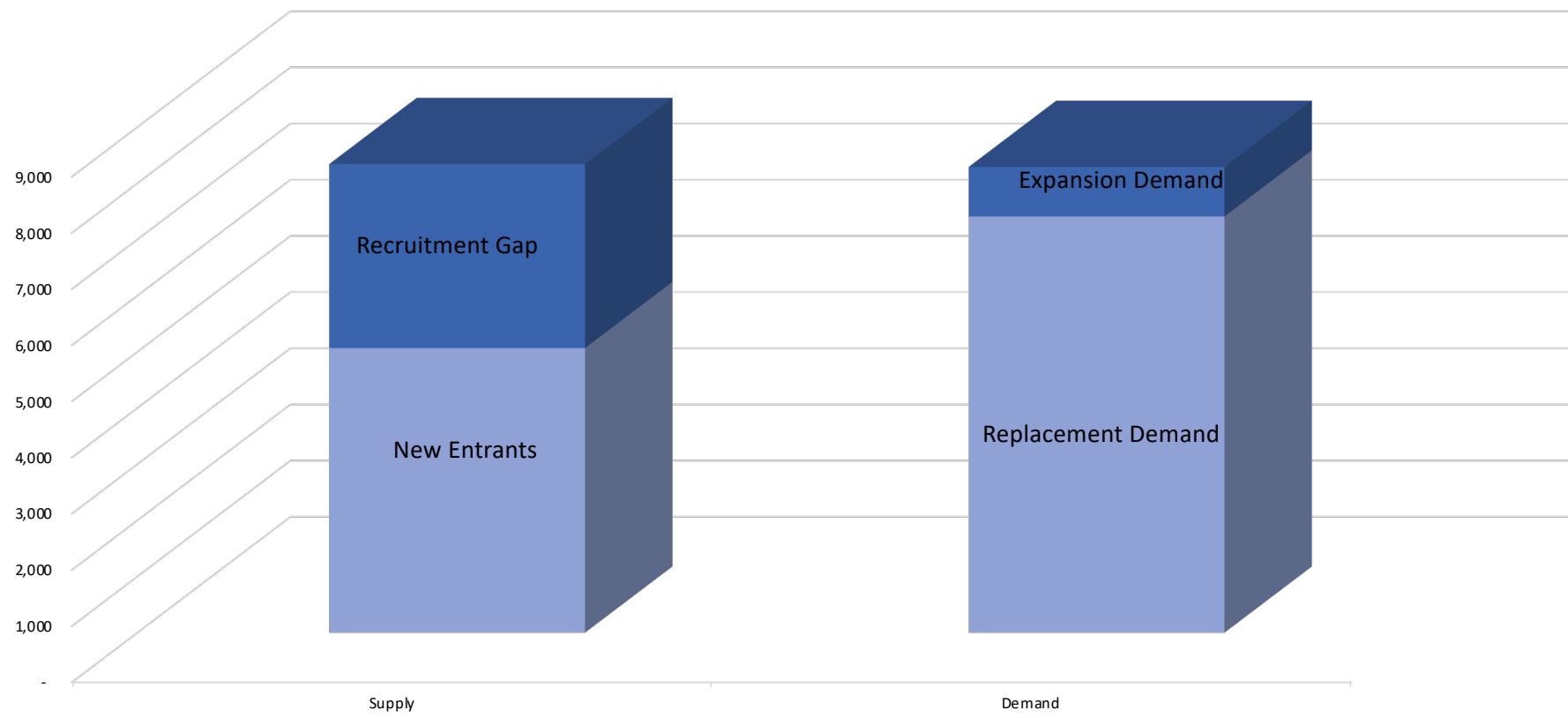
Age Composition of Automotive Manufacturing Workforce in London/Stratford-Bruce Peninsula 2016



Automotive Manufacturing Workforce Diversity: London/Stratford-Bruce Peninsula 2016



Hiring Requirements, London/Stratford-Bruce Peninsula 2016-2025 (Future of Manufacturing in Canada, CSTECC and Prism Economics, 2016)



A Different Approach to LMI:

Takes a broad definition of the automotive industry that includes vehicle assemblers, automotive parts and components manufacturers, materials suppliers, companies supplying tooling and production technology (including dies and molds), and connected and autonomous vehicle technology suppliers. Broader definition raises number of individuals working in automotive sector to the 176,000 to 188,000 range or more.

Forecasts will be variable, with multiple demand side scenarios based on assumptions about economic growth rates, sectoral investment levels and productivity enhancements.

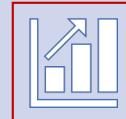
Robust input and consultations with employers and industry associations on important labour market issues, recruitment and retention issues and other important industry trends.

Auto LMI Project Objectives

A comprehensive labour market analysis of the Canadian automotive industry and its supply chain for the purpose of:



Documenting the importance and size of Canada's automotive sector and helping job seekers and students understand the type of employment opportunities available.



Provide rigorous, forward-looking labour data to employers to support informed strategic decisions around recruitment and retention

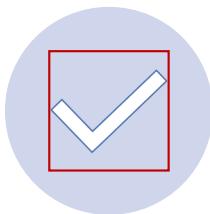


Support informed discussions between the industry, government and policy-makers

Key Outputs



AUTOMOTIVE
LABOUR MARKET
FORECASTING
MODEL CAPABLE
OF SUPPLY &
DEMAND ANALYSIS
FOR 49 KEY
OCCUPATIONS



PROVINCIAL
FORECASTS FOR
ONTARIO AND
QUÉBEC



DETAILED FORECASTS
FOR WINDSOR-SARNIA,
LONDON/STRATFORD-
BRUCE, KITCHENER-
WATERLOO-BARRIE,
THE GOLDEN
HORSESHOE, EASTERN
ONTARIO, MONTRÉAL,
WINNIPEG, AND
VANCOUVER

Key Outputs (cont'd)

Forecast supply and demand for approximately 49 important automotive sector occupations, including engineers, technicians, and skilled trades such as millwrights, electricians, and tool and die makers.

Eight or more trend reports on important topics including industry wages, diversity and demographics of workforce, emergent technology, labour mobility, supply trends, work-integrated learning, etc.

Final report with recommendations from employers on how to solve labour market challenges in the automotive sector.

The Automotive Trend Reports

To be Produced in 2019

Labour market mobility

How industry and other stakeholders define competitiveness

Rationale for defining automotive sector more broadly

Catalogue of training programs relevant to industry

Wage Report

Possible Future Reports

Key labour market challenges and industry led solutions

Review of technological trends and impact on workforce

Apprenticeship and work integrated learning

Demographic diversity in the sector

Other topics as suggested by industry

Preliminary Industry Profile for Model

Economics of Industry

Auto assembly provides ≈ \$64 B in economic output

Automotive parts ≈ \$31 B in economic output, ≈ but 63% is exported, bringing total economic output of assembly and parts to ≈ \$84 B

Assemblers and Parts Makers spend well over \$200 M in "R&D, and close to \$2 B in cap ex in recent years

Drives Substantial Economic Activity

Auto important for many sectors: auto parts; plastic products; rubber products; glass products; steel; foundries; tooling; machining; coating; hardware manufacturing; semi-conductors & electronics; electrical equipment; lighting equipment

Preliminary Industry Profile for Model

Employment (Preliminary)

≈ 38,000 jobs in assembly; ≈ 71,000 in parts = 109,000

Many jobs in other sectors dependent on auto:

≈ 18,000 jobs in non-metal materials; ≈ 19,000 in metals; ≈ 16,000 in computer & electronics; ≈ 13,000 in other industries; ≈ 176,000 total jobs

Wide range of occupations in sector; ≈ 28,000 management, engineering or technical jobs in key automotive regions;

≈ 20,000 skilled trades jobs; ≈ 79,000 production and supervisory jobs

Preliminary Wages & Recruiting

Wage Trends (Preliminary)

Auto Parts companies have to compete for workers vs each other, OEMs, utilities, construction, etc.

Some of these sectors don't face same challenge of global competition to win production mandates

According to publicly available data, average entry level production wages in auto parts is \approx \$16.50 to \$17.00/hr; \approx \$22/hr in unionized assembly plants

Wages are higher for skilled trades, CBA analysis suggests skilled trades rates are over \$40 at assembly plants and over \$30/hr at parts plants

As retirements occur, recruiting may be challenging

Preliminary Wages & Recruiting

Challenges Ahead

An industry that provides 176,000 jobs, and over \$84 B annual economic output is critical to the Canadian economy - but we know workforce is getting older and wage competition is intensifying

Assemblers, Parts Companies, Other Suppliers – will need a good skills and recruiting strategy

Recruiting Youth (Preliminary)

Literature Review suggests several issues: youths' perception of industry; concern about future of industry; limited exposure to skilled trades in high school; "university or college for all" mentality

Literature also suggests younger workers more interested in flex-time; protecting personal time; workplace diversity (including age diversity); like technology;

Questions and Discussion



Recruitment and Hiring

What material recruiting challenges are you facing and why do you think they exist?

For what occupations is there a shortage in your region?

Workforce Demographics

Are you concerned about the age of your workforce?

Women currently only approximately comprise 24% of the sector's regional workforce. Do you have a program or approach to encourage the hiring of women or other underrepresented groups?

Competition

Do you compete with any other companies/industries/regions for workers?

What industries seem to be getting the best talent?

Technology

Have you made any major upgrades in new production technologies?

Are there any skills or training challenges related to the adoption of new technology?

Education and Training

Are you partnering with any colleges/universities/high schools/trade schools?

How beneficial are these partnerships? Could they be improved?

Infrastructure

Are there any infrastructure advantages and/or challenges in your plant/region?
Electricity, traffic/mobility, housing, communications, etc.

What Topics does Industry Want us to Examine?

Best practices in recruiting to skilled trades and manufacturing?

Examining recruiting challenges by occupation type (production vs skilled trades vs software engineers)?

Role of micro-credentialing? Upside and downside of micro-credentialing?

What Topics does Industry Want us to Examine?

Examine how other industries recruited youth? Help develop better understanding of what youth want in a job?

Examining role of immigration in addressing skills shortages?

What Topics does Industry Want us to Examine?

Describe a career path from entry level production to supervisor, from apprentice to skilled trades person?

How to retain or take advantage of skills and knowledge of older/retiring workers?

Examine immigration practice to see if there is “bias” towards professional vs trades?

Policy Supports and Government Programs

Are there any Federal or Provincial programs that you use to help you train, recruit, and modernize production?

Are there any new programs or improvements to existing programs that would help you recruit and retain people with the right skills?

Is there a government funded program or policy we should examine?

Thank You

Contact: general@cstec.ca

