



Labour Market Snapshot

OCTOBER 2021



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For more information about this briefing or Trucking HR Canada, please contact us:

(613) 244-4800

theteam@truckinghr.com

truckinghr.com

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Canada 

We also want to recognize our partner The Canadian Trucking Alliance (CTA).



Labour market information (LMI) is actionable intelligence pertaining to the supply and demand of labour. It puts raw data into context and facilitates **better, evidence-based decisions** by employers, workers, job seekers, policymakers, educators, career practitioners, academics, students, parents, and more.

LMI at Trucking HR Canada not only includes publicly available sources, including Statistics Canada's census and other labour force surveys, but also qualitative research and quantitative data directly from employers to fill in the gaps that are lacking.



LMI snapshot – October 2021

Could Canada face a fuel crisis like the UK's?

The United Kingdom's (UK) driver shortage recently reached a critical point, as panic-buying emptied fuel stations stocks and ample fuel supplies languished at terminals and refineries.

While the causes of the UK driver shortage are nuanced and context-specific, the “perfect storm” represented by the crisis raises important questions about the driver shortage in Canada.

The role of truck transportation in Canada's road to economic recovery

In Canada, labour shortages in trucking and logistics are an ongoing and growing concern. The labour pool is shrinking, and the shortage is growing – escalating stress on the supply chain while significantly impacting critical sectors of the Canadian economy. To quantify the problem, Trucking HR Canada (THRC) launched a Labour Market Information Project in the summer of 2018. Since then, we have found that the COVID-19 pandemic has challenged the industry in unprecedented ways, only further exacerbating already acute driver shortages.

With a view to assessing the impacts of the COVID-19 pandemic on the health of the trucking and logistics industry, Trucking HR Canada has recently concluded a six month process of updating our labour market information, including revising our labour demand forecasts and redeploying our employer survey. This research has underscored the essential nature of the trucking and logistics sector to the recovery of many of Canada's productive sectors. As illustrated by the current fuel crisis in the United Kingdom, truck drivers and, in fact, the entire trucking and logistics industry play a vital role in supporting other economic sectors to get their products to market. In Canada, the trucking and logistics industry moves over \$850 billion in products to domestic and export markets including manufactured goods, fuel, wood products, agricultural commodities, food as well as wholesale and retail products. Even prior to the onset of the global pandemic, the Forest Products Association of Canada estimated that the truck driver shortage was costing the industry approximately \$450 million in lost productivity.

Can the Canadian labour market generate the number of workers needed to respond to the market's needs?

The answer is no. Our most recent labour market research shows that, despite the employment losses experienced across the economy associated with the onset of the pandemic, about 40 percent of our employer survey respondents said that their level of business was currently higher than pre-pandemic levels and over two thirds of them were unable to hire all of the people they needed over the past year. The main reason, according to employers, is that they receive very few applications for vacant truck driver positions and the ones they do receive rarely have the required levels of training and experience to be able to start work immediately. Almost one third of employers surveyed stated that retirement and voluntary turnover had increased over the course of the pandemic, further complicating the challenge of filling vacant positions. In fact, the majority of our survey respondents stated that recruiting truck drivers will continue to be the top challenge facing the industry. Other key areas of concern identified included rising input costs and recruiting non-driver occupations.

The Canadian supply chain needs to brace itself for surges in labour demand, impacting its fluidity

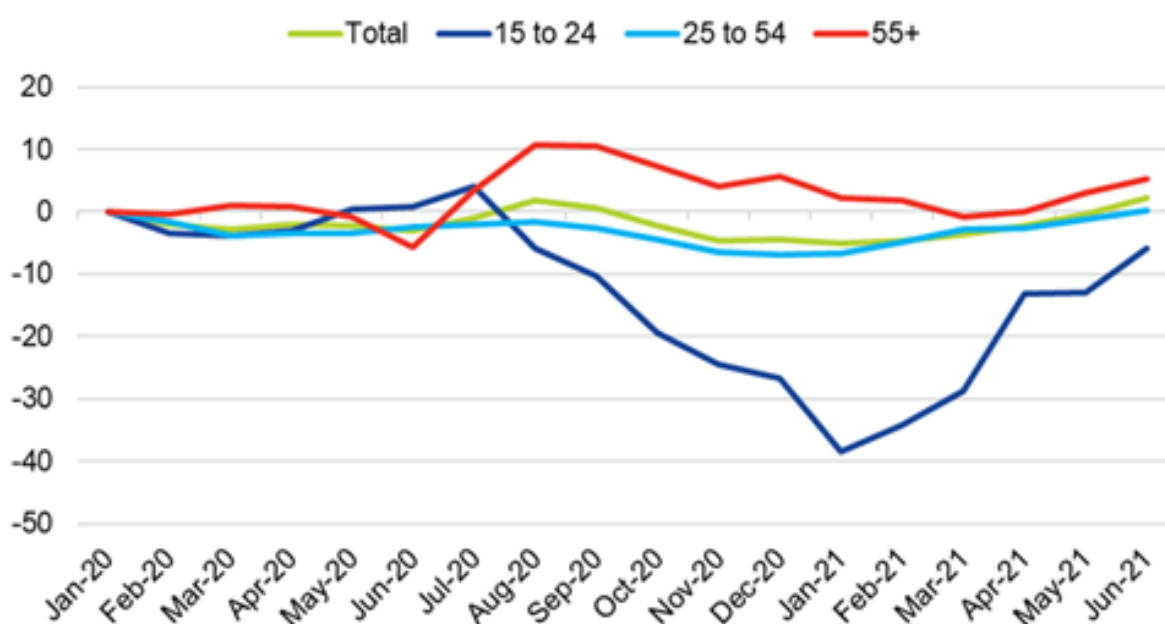
With the recovery in the Canadian economy gaining momentum and trucking and logistics companies boosting hiring, we expect total labour demand in the sector to rebound to 748,800 positions in 2021. THRC's demand forecasting model shows this surge in demand will mean that labour shortages will be acute for the remainder of 2021. In the second quarter of 2021, there were over 18,000 driver vacancies. While the number of vacancies is projected to ease slightly after 2021, it is still projected that vacancies across the sector will average 28,000 jobs between 2021 and 2025, with an estimated 17,230 truck driver vacancies per year.

Pandemic-induced hits to labour supply were chiefly felt by key demographic groups

While our most recent research did not reforecast the potential supply of workers for the sector, it did examine some of the changing workforce demographics.

As in all sectors, the pandemic had a more significant impact on youth and women – two groups already significantly under-represented in the trucking and logistics workforce. Our research shows that young truck drivers (aged 15 to 24) were more likely to be laid off during the pandemic, with many becoming discouraged and exiting the labour force altogether. Consequently, the labour force for young drivers was down 38% year-over-year in January 2021. Since then, younger workers have begun to re-enter the workforce amid improving employment opportunities. In contrast, the labour force for older truck drivers (aged 55 years and over) marginally expanded during the pandemic, with firms appearing to favour experience and tenure during difficult times.

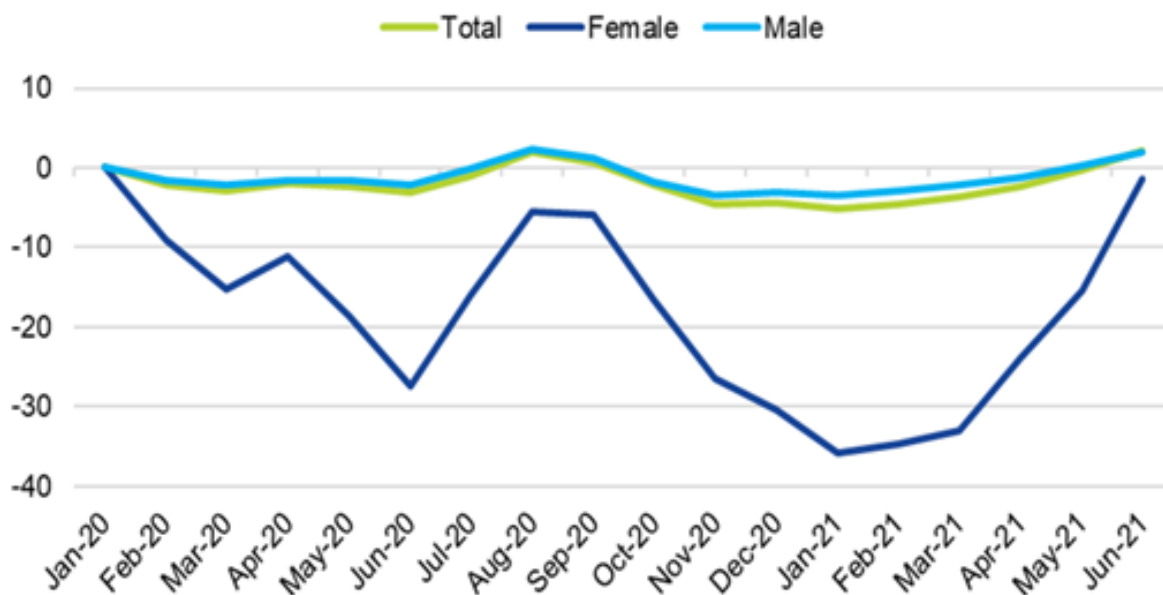
Chart: Labour force decline centres around young workers
(labour force index, seasonally adjusted, Jan 2020=0)



Source: [Trucking HR Canada](#), [Statistics Canada](#), Labour Force Survey, custom data request

The decline in employment of female truck drivers during the pandemic was disproportionately high relative to their representation in the occupation. Women accounted for 3.7% of truck driver employment over the first half of 2020, but 15.9% of the decline to truck driver employment in the second quarter of 2020. What is more, most women who lost employment left the labour force. Fortunately, the labour force for female truck drivers all but recovered to pre-pandemic levels by June 2021.

Chart: Female truck drivers disproportionately affected by pandemic
(labour force index, seasonally adjusted, Jan 2020=0)



Source: [Trucking HR Canada, Statistics Canada, Labour Force Survey, custom data request](#)

Forward-thinking strategies needed to mitigate a driver shortage crisis

As Canada continues reopening the economy there is an urgent need to address the on-going and worsening labour market imbalance in the trucking and logistics sector. Failure to address the acute shortage of truck drivers has the potential to stifle and delay the country's economic recovery.

It is clear that the trucking and logistics sector will need to continue to seek better ways to engage potential sources of labour to meet growing demand as the economy struggles to regain ground.

Industry employers have identified training as a key focus area to support the sector in addressing the labour shortages. Government programs to subsidize training for truck drivers can help to attract new workers to the industry. Many employers believe that entry level programs require updating, standardization and intensification. Some of our survey respondents believe that longer and more in-depth training combined with practical, hands-on experience will help new drivers develop the skills they

need to become competent, safe workers. Other solutions to improving labour supply could also include ensuring that employers have access to an effective Temporary Foreign Worker program to quickly be able to meet labour demands – as we have seen in the UK context, the granting of work permits is being leveraged as a tool to alleviate the crisis.

In the Canadian context, a focus on innovation in approaches to recruitment and retention will continue play a central role in mitigating a critical driver shortage situation. Trucking HR Canada is committed to paving the way for solutions that will help build a healthier trucking and logistics industry, which in turn means a healthier integrated supply chain flowing between industries, consumers and international markets.

Looking for more?

Trucking HR Canada's labour market information initiative has the following reports available:

- 1) [Assessing the impact of Covid-19 on Trucking and Logistics Employment](#)
- 2) [Covid-19 Briefing Employer survey results](#)
- 3) [Covid-19 Impressions of the Trucking and Logistics Industry report](#)
- 4) [Covid-19 and Truck Driver Employment in Canada report](#)
- 5) [Labour Market Snapshot: September 2020](#)
- 6) [Labour Market Snapshot: November 2020](#)

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