



Special Report:
Driving Economic Recovery
MAY 2022



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Note to readers: Trucking HR Canada's Labour Market reports monitor and report on key labour market indicators that support industry stakeholders to identify areas of concern and develop strategies to build a skilled workforce.

Our regular labour market reports analyze customized labour force surveys and other data that is not available elsewhere. Readers are invited to share this information widely with their networks and are asked to reference Trucking HR Canada's LMI system as the source.



Driving Economic Recovery – key labour market considerations for the Trucking and Logistics Workforce

The labour shortages plaguing all sectors is certainly receiving more attention and heightened focus as we emerge from the pandemic and focus on economic recovery and growth. In this special labour market information report – we highlight some key findings from our most recent labour market information work including key considerations for trucking and logistics employers.

The COVID-19 pandemic underscored the underlying labour market challenges for trucking and logistics and highlighted key areas of concern. Given the importance of truck transportation to supporting growth in virtually every other sector, the projected labour shortages are likely to have significant knock-on effects for Canada's overall recovery.

Impact of an aging workforce and increased retirements

On April 27, 2022, Statistics Canada released new demographic data from the 2021 Census. Headlines across the country declared that the new Census data confirmed the message that Canada is entering a period of very high retirement rates. According to this latest data, more than 1 in 5 (21.8%) Canadians of working age fall within the 55 – 64 years of age cohort and are nearing retirement, higher than ever recorded by Statistics Canada. This trend does not bode well for trucking and logistics, particularly since Trucking HR Canada's pre-COVID labour market analysis and forecasts (see [The Road Ahead, 2020](#)) highlighted that Canada's trucking and logistics sector was already grappling with a workforce that is older than average, especially among drivers. In fact, according to our 2019 analysis, 1 in 4 (25 %) of Canadian truck drivers was within the 55 – 64 years cohort, compared to only 17% across the Canadian workforce. And employers were already feeling the pinch – more than 60% of surveyed employers reported that they were unable to find all the drivers they needed back in 2019. Prior to the declaration of the global pandemic, the forecasted shortfall of drivers (which is a different metric than the vacancy rate) from 2019 – 2023 was projected to reach as high as 55,000 workers (see [The Road to Recovery, 2021](#))

While the newly released Census 2021 data suggests the arrival of a much-anticipated retirement bubble amongst the entire Canadian working age population (persons aged 15 – 64 years), details relating to the demographics of the workforce in specific industries like truck transportation or warehousing and storage is scheduled to be released later next Fall. In the interim, Trucking HR Canada has been monitoring labour force survey data, including assessing demographic changes for key occupations, especially in light of the onset of the COVID-19 pandemic.

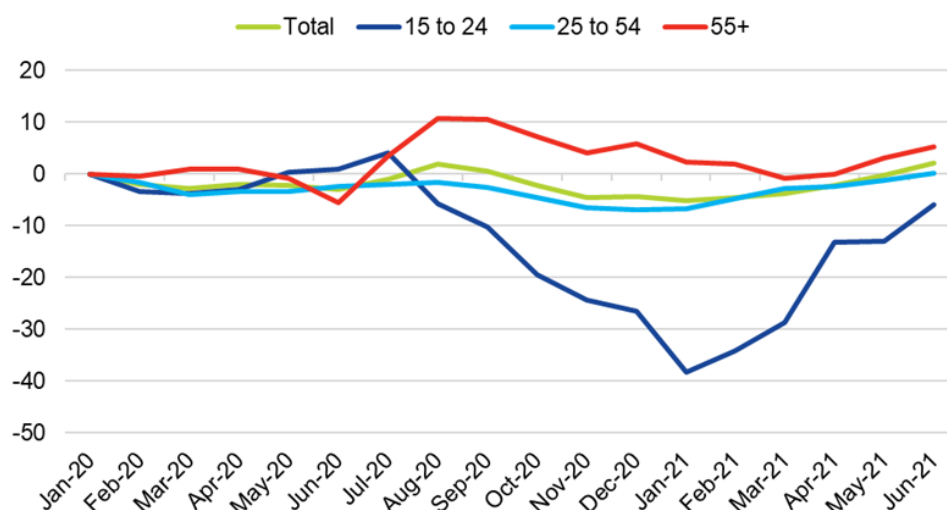
Trucking HR Canada's most recent labour market research¹ revised our labour demand forecasts and updated our employer survey data with a view to assessing the impact of the COVID-19 pandemic. While this research did not include revised estimates of overall supply of workers for the sector, it did examine some of the changing workforce demographics that directly impact the supply of workers both now and in the future. This report highlights the key findings of this demographic analysis and outlines some of the key questions we will be looking to answer, once the Census 2021 labour data becomes available.

Trucking HR Canada examined customized Labour Force Survey data for the period of January 2020 – June 2021 to assess the effect of COVID-19 on different age groups working in four key occupations: Transport Truck Drivers (NOC 7511), Courier and Delivery Service Drivers (NOC 7514), Dispatchers (NOC 1525) and Mechanics (NOC 7321). Occupational factsheets were developed to evaluate gender differences for three of these four occupations – data suppression prevented this gender analysis for the mechanic occupation.

Labour force decline centers around young transport truck drivers

Young transport 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% in January 2021, compared to the previous year. 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 1: Labour Force Index by age group, Transport Truck Drivers (NOC 7511), seasonally adjusted, Jan 2020 = 0

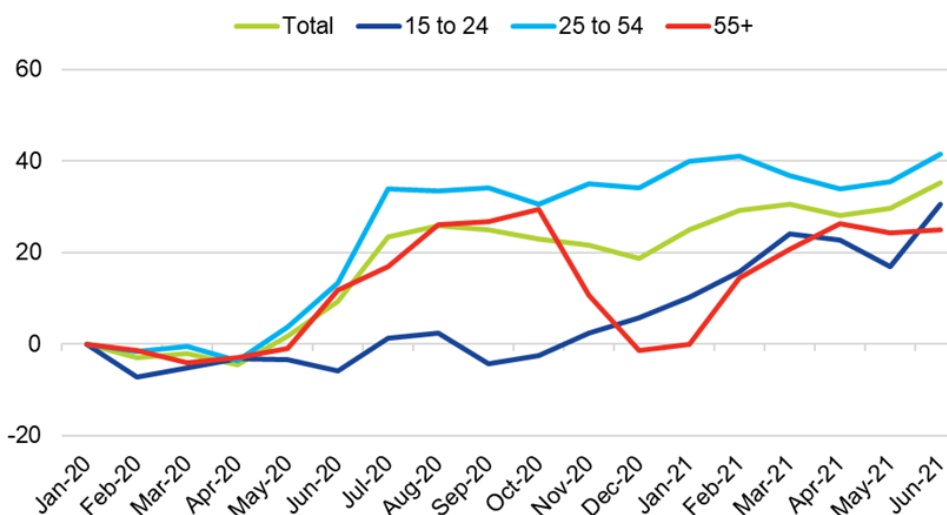


Source: Trucking HR Canada, 2021, Statistics Canada, Labour Force Survey, custom data request

Labour force growth weakest for younger delivery and courier service drivers

While the labour force for delivery and courier service drivers increased across all age cohorts during the pandemic, growth was uneven. Most notably, the labour force for younger workers (those aged 15 to 24) remained flat between April and October 2020. While more young workers began to enter the occupation thereafter, many of them struggled to find work. Thus, the unemployment for this cohort averaged 17.2% in the second quarter of 2021, more than double that of the overall occupation (7.8%).

Chart 2: Labour Force Index by age group, Delivery and Courier Service Drivers (NOC 7514), seasonally adjusted, Jan 2020 = 0

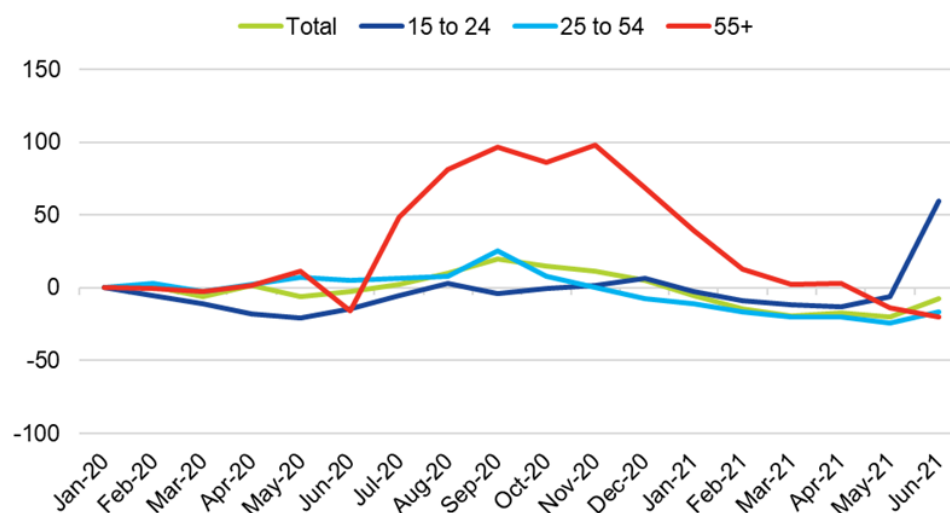


Source: Trucking HR Canada, 2021, Statistics Canada, Labour Force Survey, custom data request

Labour force of older dispatchers increases in 2020 while younger dispatchers increase sharply in 2021

A surge in the hiring of dispatchers beginning in July 2020, specifically those aged 55 years and over, boosted the labour force of this cohort. This trend may reflect firms' preference for experience and tenure during challenging times. More recently, hiring has been targeted at younger workers, resulting in a corresponding increase in the labour force of dispatchers aged 15 to 24.

Chart 3: Labour Force Index by age group, Dispatchers (NOC 1525), seasonally adjusted, Jan 2020 = 0



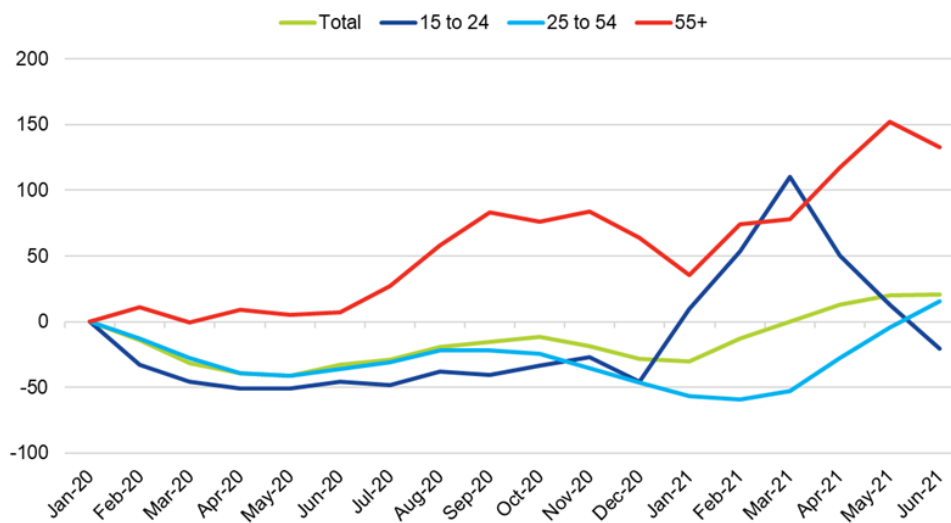
Source: *Trucking HR Canada, 2021, Statistics Canada, Labour Force Survey, custom data request*

Labour force of older mechanics increases steadily during the pandemic

During the pandemic, the labour force for mechanics in trucking and logistics declined, only returning to pre-COVID levels by March of 2021. The shrinking labour force for mechanics did not impact all age cohorts equally. Most notably, the labour force for older workers (those aged 55 years and over) steadily increased through June 2021. This reflects the fact that older mechanics were less impacted by layoffs, potentially as a result of firms' preference for experience and tenure during challenging times. Moreover, older mechanics who were laid off were less likely to exit the labour force. A temporary increase in employment of younger workers (those aged 15 to 24) at the beginning of 2021 provided a transitory increase to the labour force of this cohort.

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Chart 4: Labour Force Index by age group, Mechanics (NOC 7321), seasonally adjusted, Jan 2020 = 0



Source: Trucking HR Canada, 2021, Statistics Canada, Labour Force Survey, custom data request

Trucking HR Canada's most recent employer survey results show that retirement rates and other voluntary turn-over at the firm level have increased during the pandemic. This, combined with the results shown above suggest that the gap between supply and demand for workers – the labour shortage – will likely continue to grow in between now and 2025.

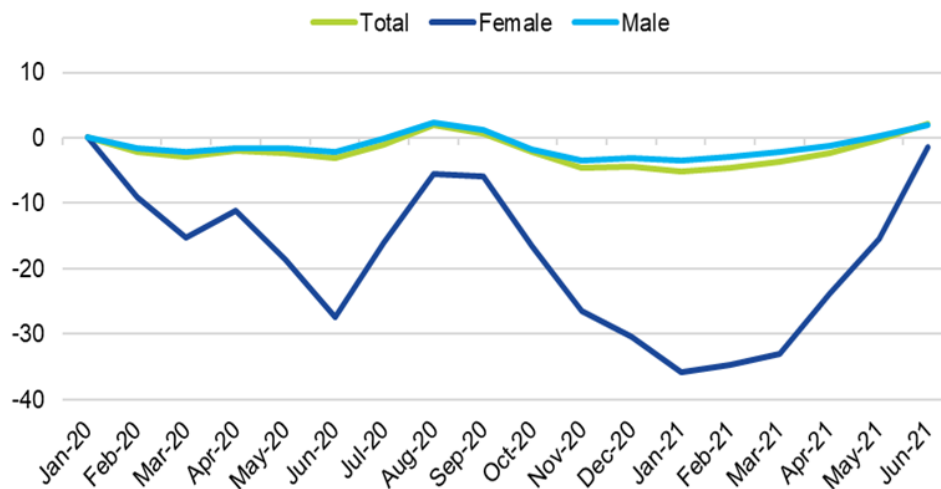
Aside from the differences between age cohorts, Trucking HR Canada noted several distinct gender impacts of the COVID-19 pandemic.

Female truck drivers were disproportionately affected by pandemic

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.

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Chart 5: Labour Force Index by sex, Transport Truck Drivers (NOC 7511), seasonally adjusted, Jan 2020 = 0

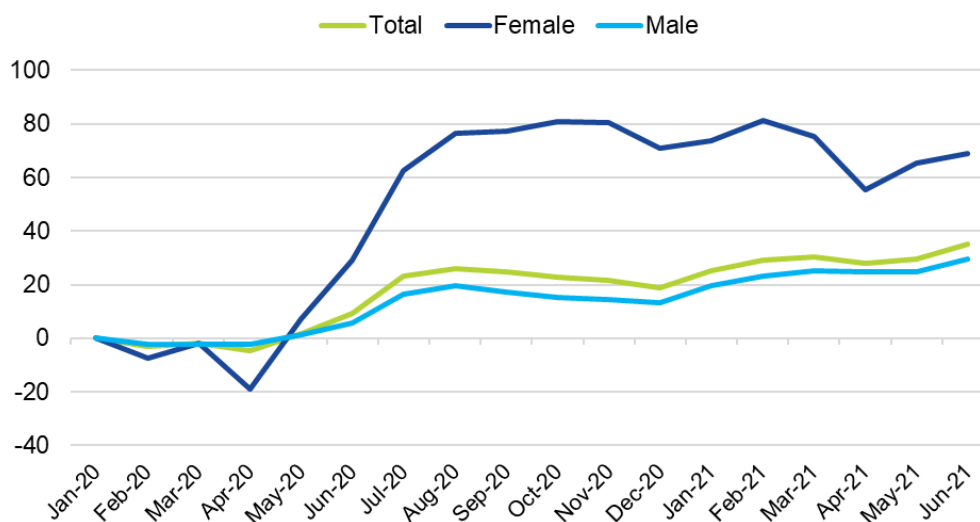


Source: Trucking HR Canada, 2021, Statistics Canada, Labour Force Survey, custom data request

Strong growth in the Female Delivery and Courier Service driver labour force

The delivery driver occupation has experienced a disproportionately high increase in its female labour force. This reflects above-average employment growth for female drivers, which has increased by 55%, from an average of 9,400 in 2019 to 14,600 in June 2021. In comparison, employment of male delivery drivers increased by 15%. At the same time, the number of women looking for but unable to find work as delivery drivers increased more than fivefold from 430 in 2019 to 2,300 in June 2021.

Chart 6: Labour Force Index by sex, Delivery and Courier Service Drivers (NOC

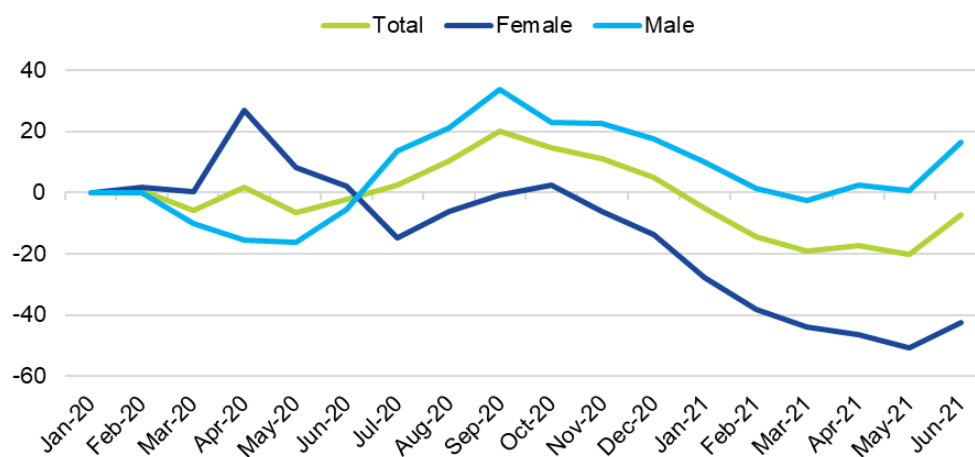


Source: Trucking HR Canada, 2021, Statistics Canada, Labour Force Survey, custom data request

Labour force of Female Dispatchers decreased significantly and remains low

Since the first lockdown, a gendered trend has occurred in the dispatcher labour force. The female labour force shrunk substantially and now is 42% below pre-pandemic levels. In contrast, the male labour force has fluctuated, but is currently well above pre-pandemic levels. Differing labour force participation and asymmetric hiring practices could be leading reasons why.

Chart 7: Labour Force Index by age group, Dispatchers (NOC 1525), seasonally adjusted, Jan 2020 = 0



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

Demographic shifts in the Canadian population suggest deepening labour market challenges for trucking and logistics

The new 2021 Census data hints that changes to the age structure of the population of Canada are likely to have implications for burgeoning retirements across the country. For the trucking and logistics sector, this effect is likely to be felt even more significantly, given that our workforce is already older than average, especially in key occupations such as transport truck drivers and delivery/courier drivers, dispatchers and mechanics.

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The release of the full detailed labour data from the 2021 Census will help us in answering some important questions. The research and analysis priorities will include:

1. Assessing changes in workforce demographics in occupations of key concern for our industry including sex/gender, education levels, age structure and other diversity measures.
2. Updating our labour supply analysis and forecasts to better understand trends and identify all potential sources of new workers for our industry which include youth, immigrants, non-permanent residents, among others. The updated supply forecasts will also look at expectations changing patterns of outflows such as retirement and other labour market exits.
3. Updating our labour demand forecasts to better anticipate and plan for labour shortages.

Evaluating the gap between the demand for and supply of labour allows Trucking HR Canada to work with industry stakeholders to address critical shortages and collaborate with other sectors of the economy to support economic recovery and promote future growth. Trucking HR Canada has a number of initiatives aimed at helping sector employers find, train and retain new talent. Below are highlights from our existing programs:

Career ExpressWay

- Driver training subsidies for young people 30 and under
- Driver wage subsidies to support the onboarding of these newly trained drivers
- Wage subsidies to support the hiring and onboarding of youth under 30 into non-driving occupations

Women with Drive

- Hosting our annual Women with Drive Leadership Summit June 2, 2022 in Toronto
- Currently researching and compiling resources to support employers in the recruitment and retention of women

Looking for more?

Trucking HR Canada has various programs that are helping.

Here are some highlights:

Since, July 2020, Trucking HR Canada's Career ExpressWay Program has supported the integration of over 500 youth and students into various occupations in the industry, including drivers. To date, 95% of these new hires are still employed, and 25% of these new hires are women.

Over 100 employers are now using the program. While our current wage subsidies for youth are full (you can get on the waiting list), driver training subsidies for youth and student work placement subsidies are still available.

Employers are encouraged to reach out to theteam@truckinghr.com to learn more.

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

1. [Labour Market Snapshot April 2022](#)
2. [Labour Market Snapshot January 2022](#)
3. [Special Report: Vacancies in Trucking and Logistics January 2022](#)
4. [The Road to Recovery: Reassessing Canada's Trucking and Logistics Labour Shortages](#)
5. [Labour Market Snapshot October 2021](#)
6. [Labour Market Snapshot June 2021](#)
7. [The Road Ahead: Addressing Canada's Trucking and Logistics Industry Labour Shortages](#)

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