



Labour Market Snapshot

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Note to readers: Trucking HR Canada's Labour Market Snapshots 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 quarterly labour market snapshots analyze a customized labour force survey 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.



Labour market challenges in the trucking and logistics sector pose continued challenges to Canada's economic recovery

The Government of Canada's 2022 Fall Economic Statement highlighted measures the government and the central bank are taking to tame inflation and strengthen the nation's economic position, including welcome investments in workforce and skill development. The update comes amid continued challenges to Canada's economic recovery, including supply chain backlogs, the ongoing war in Ukraine and rising concern about climate change.

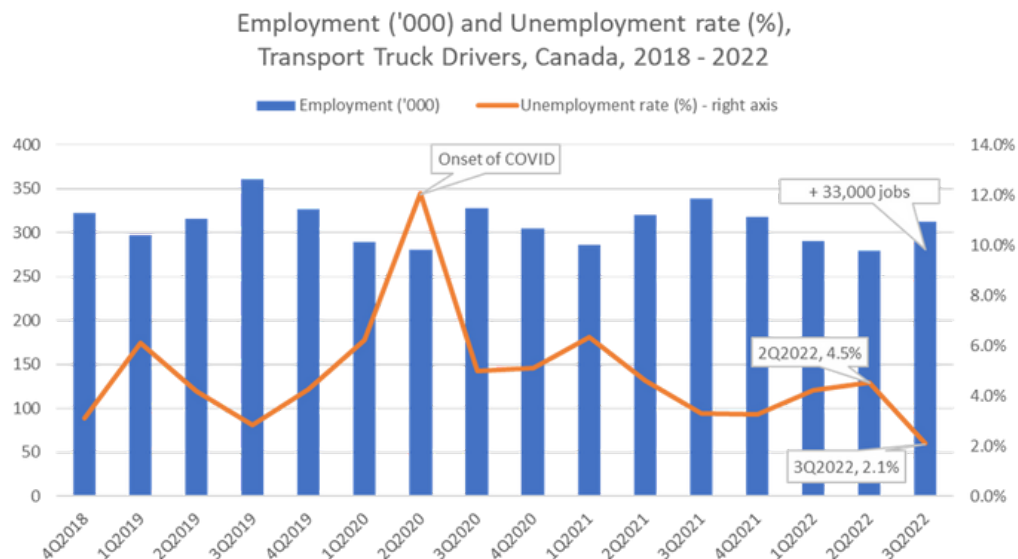
As Canada continues down the road to recovery, the health of the trucking and logistics sector's labour force remains a key concern. Trucking HR Canada's labour market research monitors the ongoing challenges in finding sufficient workers to maintain this central element in Canada's supply chain.

The trucking and logistics sector is the most significant enabler of post pandemic economic recovery in Canada. Our labour market information shows that in the third quarter of 2022, Canada's truck driver labour force amounted to close to 320,000 drivers including those who are fully employed or who are actively seeking work. Some 60% of these drivers work directly in the truck transportation sector, with the remaining 40% working in industries such as construction, agriculture, mining and oil and gas extraction, manufacturing, wholesale and retail trade, and more.

Unemployment among drivers remains low in Q3, while vacancies remain high

In the third quarter of 2022, employment among truck drivers increased by 11.8% with some 33,000 additional drivers actively employed compared to the previous quarter. At the same time, the number of unemployed drivers fell by 1/2. The low level of unemployment among drivers means that employers have a much smaller pool of experienced workers to draw upon and must therefore look to hire, train and on-board new drivers, a lengthy and costly process. The unemployment rate among drivers stands at 2.1% compared to 5.3% in the overall Canadian labour force.

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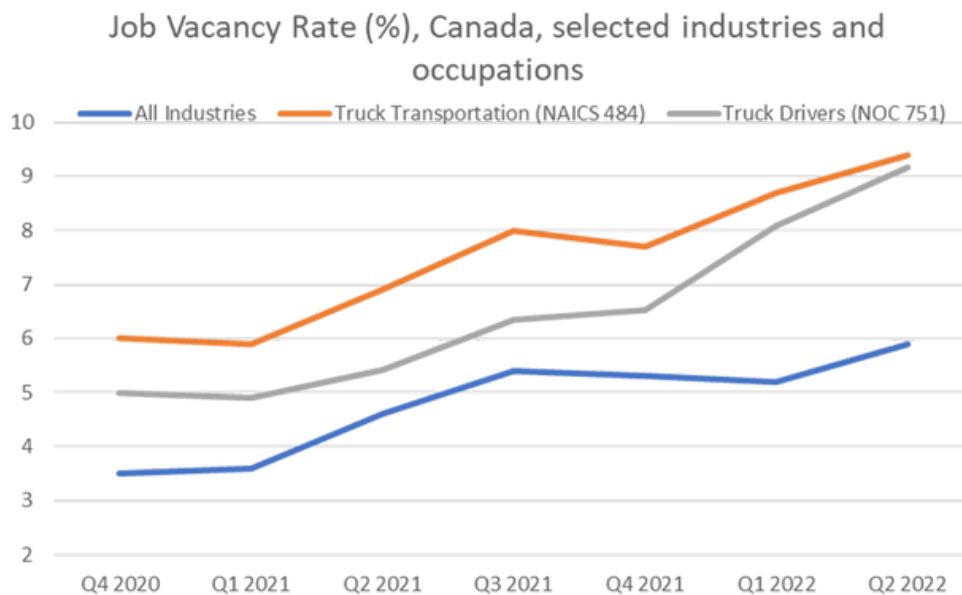
Source: Trucking HR Canada, Statistics Canada, Labour force survey, custom data request, 2022.

Vacancies in Truck Transportation and Truck drivers rising at record rates

The most recently available vacancy data¹ shows there are some 20,110 vacancies in Truck Transportation (NAICS 484) with a vacancy rate of 9.4%. These vacancies include jobs for over thirty different occupations including truck drivers, mechanics, dispatchers, shippers and receivers, managers and administrators, IT workers and more.

The vacancy rate for the occupation of Transport Truck Driver (NOC 7511) is similar at 9.1%, with 28,210 vacancies across Canada. This is 8,100 more vacancies than in the Truck Transportation sector overall. How is this possible? As already mentioned, it is because most other sectors in the Canadian economy depend upon the services provided by truck drivers to receive goods required to conduct their business and to move their products onward in the supply chain. As a result, the shortage of truck drivers impacts the ability of these other sectors to recover from the pandemic and to grow.

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Source: Trucking HR Canada, Statistics Canada, Tables 14-10-0326-01 and 14-10-0328-01

Other trucking and logistics occupations have rising vacancies too. In the second quarter of 2022 Trucking HR Canada estimated that there were 5,200 vacant positions for shippers and receivers, up 11% over Q1. In addition, there were approximately 600 vacancies for dispatchers, up 6.1% from Q1 2022, 3,260 vacant material handler jobs (up 3.7%) and 843 vacancies for mechanics (up 14.3%).

The broader economic impact of the driver shortage

Even before the pandemic, the driver shortage was a growing problem. In 2020, Trucking HR Canada estimated that the driver shortage was costing the truck transportation industry as much as \$3.1 billion in lost revenues every year. Other sectors are experiencing the impact of the driver shortage too. For example, the Forestry Products Association of Canada estimates that the truck driver shortage is costing their industry about \$450 million in lost business.

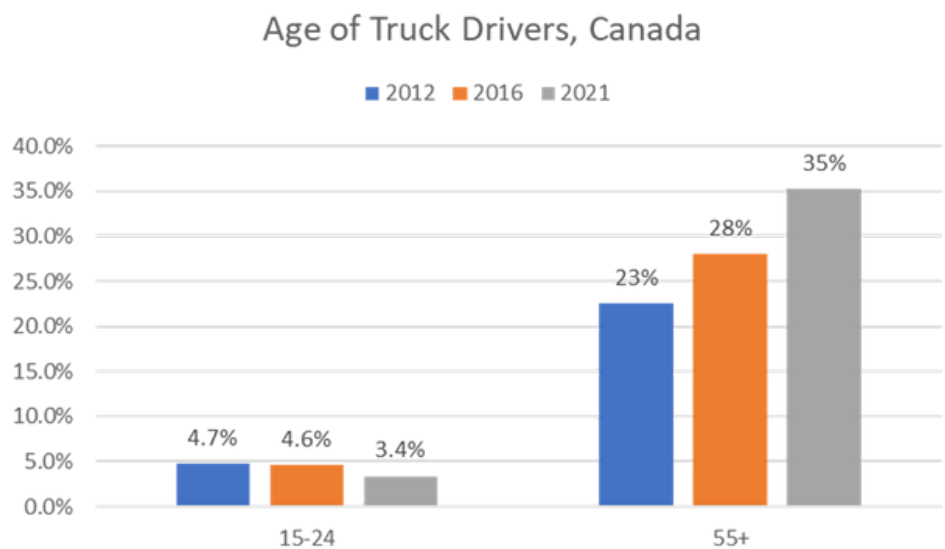
The shortage could also fuel inflation by driving up the costs associated with moving food, fuel, medical supplies and other goods by truck, ultimately increasing the price of these goods for consumers.

The challenge: understanding and addressing the driver shortage

The underlying causes of the shortage are multiple. Our research suggests that safety concerns, high upfront training costs, work-life balance, and environmental concerns are chief among them.

Retirements are a factor too, – with 35% of our truck drivers being 55 and older, compared to 22.1 % in all sectors. This is up from 22.6% in 2012, a decade earlier. Our employer surveys, conducted in 2019, 2020 and 2021, showed that employers believe the retirement rate is on the rise among their drivers, especially with the onset of the pandemic. Our labour supply forecasting model projects that about 7,300 drivers will retire each year to 2023. Add to that an estimated 27,000 additional drivers who will leave the profession each year for reasons other than retirement. The industry will need to offset this outflow of workers by recruiting, training and on-boarding new drivers.

In recent years, the industry has struggled to attract new workers. Despite efforts to recruit talent from diverse pools, several important groups remain underrepresented. Women, for example, comprise only 3.5% of Canadian truck drivers, and youth (aged 15 – 24), only 3.4% of drivers—down from 4.7% a decade ago.



Source: Trucking HR Canada, Statistics Canada, Labour force survey, custom data request, June 2021

Charting a way forward

Here is a sampling of Trucking HR Canada Programming that is helping

Our driver training subsidies and wage incentives are helping get more young people and women in the sector and helping employers with onboarding and employment readiness. We need access to more of these programs.

THRC has successfully supported the driver training and onboarding costs for over 500 young people. Our youth research identified the cost of training as one of the top barriers for young people considering a job in truck driving. This is understandable, as it can cost up to \$10,000 to take the entry-level training required. Accordingly, the trucking and logistics sector is losing young workers to other industries with lower training costs, like construction.

With funding from the Government of Canada's Youth Employment Skills Strategy (YESS), we are helping vulnerable and at-risk youth transition to well-paying jobs. The program also offers a financial incentive to employers to assist with the onboarding and on-the-job training needed to prepare young drivers for life on the road. We filled all our allotted spots in advance of our deadline, and currently have a waiting list of employers who want to participate in the program.

The Fall Economic Statement allocated more funds to the YESS program, and we are currently in discussions to expand our work in this area.

We are now working with the Sectoral Workforce Solutions Program (SWSP) to connect just over 2600 people to driver training opportunities and offer onboarding incentives to support employers in filling driving and non-driving roles. This new program will broaden our reach to all age groups and go a long way toward helping employers with recruitment efforts.

These programs are helping us move the needle on bringing more women into our industry. To date, 25% of participants in our YESS program have been women.

Through our **Student Work Placement Program** 42% of all participants are women.

We will continue to engage more employers with these programs – as clearly they are working to bring in more youth and women to the sector.

Contact us today to learn more theteam@truckinghr.com

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

1. [Special Report: Canada's supply chain woes continue- Trucking and Logistics sector faced with escalating labour shortages- September 2022](#)
2. [Special Report: Treats to the supply chain and economic recovery- June 2022](#)
3. [Special Report: Driving Economic Recovery- May 2022](#)
4. [Labour Market Snapshot April 2022](#)
5. [Labour Market Snapshot January 2022](#)

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