

The Road Ahead for Canada's Trucking and Logistics Sector — Impacts on our National Supply Chain and Canada's Economic Performance





Q&A with Angela Splinter, CEO, Trucking HR Canada

As we take the pulse on Canada's trucking and logistics workforce capacity and log strong results against recruitment investments, we also look long-term to the strong head winds facing our industry.

Trucking HR Canada has released its next milestone labour market outlook report titled <u>Driving Progress — The New Road Ahead (2024-2030)</u>. CEO Angela Splinter shares her observations on its findings and impacts.

Q: Trucking HR Canada has just released its new labour market outlook for 2024-2030. What are its top-level findings?

"First and foremost, our research projects that an astounding number — 40,400 available jobs could be vacant in 2030. **Driving Progress – The New Road Ahead (2024-2030)** confirms that labour demands continue to significantly outpace supply.

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Important to note is that we are moving the needle — workforce investments by the Government of Canada and industry HR best practices are working. Current industry recruitment initiatives are outperforming the Canadian workforce with more women, youth and immigrants joining the national trucking and logistics sector.

And thirdly, rising costs replace the driver shortage as the top concern for employers — including interest rates, fuel, equipment, insurance and labour."

Q: What do you think is behind the success that sees your sector out-performing the Canadian workforce to bring more women, youth and immigrants to fill critical labour gaps in your industry?

"Key initiatives, including our long-standing and highly successful Women With Drive leadership summit continue to drive recruitment success. Celebrating its 10th anniversary at a sold-out national event two weeks ago, with participation by Treasury Board President Anita Anand, the momentum continues to shift as investments yield results.

Key facts and figures — overall, there were 26,235 more women in trucking and logistics, up 27% (from 97,135 to 123,370) in 2021 over 2016. During this same period, the proportion of women in the overall Canadian workforce remained stagnant at 48%.

Young people are joining the trucking and logistics workforce. Youth (under the age of 25) employed in trucking and logistics increased to 10% in 2021 — the sector employed 34,185 more youth than in 2016. In just five years, the number of youth drivers almost doubled — accounting for 18,690 people behind the wheel. Over the same period, the number of people under 25 in the Canadian workforce decreased by 8%.

And we are seeing growth among new Canadians — the number of non-permanent residents working in non-driver occupations in the sector grew by 40% per year, adding over 20,200 non-permanent workers from 2016 to 2021. For transport truck drivers, the annual growth of employment among non-permanent residents was 35%, with the addition of 10,440 drivers. Across the Canadian economy, the number of non-permanent residents in the workforce grew by only 18%.

Beyond the numbers are the stories and experiences. Women speak about supportive workplace environments, respect for their voice and their work, and enjoying a feeling of community. Co-op placements for youth become permanent positions — young people joining our workforce see themselves with us for years to come. And newcomers to Canada cite that without Trucking HR Canada's programs and resources, accomplishing their trucking dreams would have been very difficult."

Q: What are the potential impacts for our national supply chain and Canada's economic performance?

"One in four companies will likely have to delay plans to expand its business because they cannot hire enough drivers — this means empty truck cabs parked in warehouse lots.

Our industry's importance to Canada's economy is staggering. The yearly GDP for core trucking and logistics in 2023 is estimated at \$48.4B. The trucking and logistics sector drives our nation's business and consumer economy — its performance is vital to the movement of all goods in our national supply chain.

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Trucks hauled an estimated 77.7% of the total volume of goods moved within Canada, compared to rail (22.2%) and air (0.1%). An estimated 59.5% of Canada–U.S. trade is moved by truck (2016-2020), with an average annual value of \$419B. Canadians and governments are concerned about food security and housing. Getting groceries to store shelves and building materials to construction sites is what we do every day."

Q: What are the causes and key issues driving your industry's critical labour shortage?

"We have our eye squarely on a number of key issues. The intensifying competition for talent continues to dominate our business landscape — trucking and logistics employers are up against manufacturers, construction firms and others to fill spiraling workforce vacancies.

Demographics continue to define our workforce challenges. We face the limitations of an aging workforce, and we encounter high levels of turnover and attrition. We need to continue to diversify our talent by adding more women, youth and immigrants.

And as Canada advances its green economy, changing labour requirements within transportation and logistics must adapt."

Q: What are the key recommendations coming out if this report?

"It is clear that the work is not done. Our new research findings underscore that while the driver shortage remains an issue, employers are increasingly concerned about non-driving occupations, including dispatchers, mechanics, shippers/receivers and accounting, IT and HR professionals.

Our baseline forecasts show that the sector's ability to meet Canada's increasing demand for general and specialized trucking services will be constrained unless funding for further labour supply programs and projects is accelerated. Failing to address persistent labour shortages in trucking and logistics will seriously impact Canada's economy."

Q: How are you changing the negative perceptions about your sector?

"Creating welcoming workplaces for all is a driving force in our industry. Fair compensation and workforce standards continue to be an industry fix focus.

Trucking HR Canada is doing our part by educating employers and providing industry-leading HR resources, programs and investments, and celebrating our many Top Fleet Employers who, following a rigorous review process, are recognized for exemplary hiring, training and workplace practices.

Now in its 10th year, close to 100 companies earned the distinguished Top Fleet Employer designation in 2023 — a combination of long-time recipients (10, five, four, three and two years running) and welcoming new fleets. Their best practices are shared industry-wide — and are shaping the future of HR in trucking and logistics for the better."

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Q: What do you envision as the road ahead for Canada's trucking and logistics sector?

"Our industry continues to face strong headwinds — managing transportation demands, and rising operation costs intensified by critical workforce shortages as we transition to the new roles and occupations in a green economy and cyber threat world."

That said, I am very encouraged by the successes and advancements demonstrated in our new research release. The key findings for 2024-2030 labour market outlook confirm that continued investments to drive trucking and logistics workforce capacity can be made with confidence — programs and resources are making a difference for businesses in every sector of Canada's economy, and for Canadians. Together — with industry, government and all stakeholders, we will lead our industry forward on the new road ahead."