



# Update on Skilled Trades and Apprenticeship

## Government-Industry Roundtable on the Canadian Construction Industry – COVID-19 and Beyond

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# Outline

- 1. Importance of Apprenticeship in the Construction Trades and in the Economy**
- 2. Key Challenges in Apprenticeship**
- 3. Federal Supports for Apprenticeship**
- 4. Federal Government Commitments on Apprenticeship**
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# Importance of Apprenticeship in the Construction Trades and in the Economy

- Skilled trades are a key component of the Canadian economy, employing **over 3 million Canadians** in rewarding, well-paying jobs.
- Apprenticeship is widely recognized as a high-quality approach to teaching skills through a combination of on-the-job and in-class technical training
- The construction industry hires and trains more than half of Canada's apprentices.
- Skilled trades will play an important role in Canada's economic recovery.
  - The demand for tradespeople is expected to remain strong.



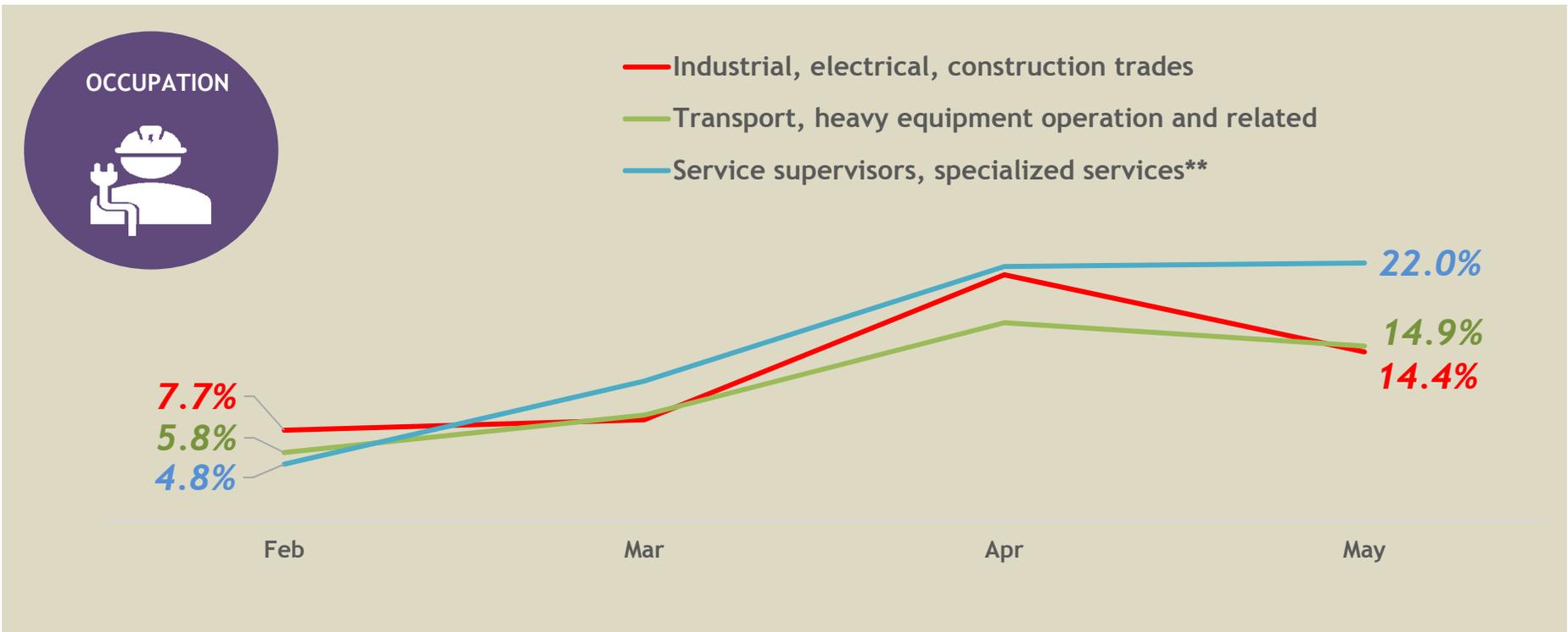
# Key Challenges in Apprenticeship

- **Low awareness and poor perceptions of the skilled trades** by youth and their key influencers.
- **Barriers to participation and success in the skilled trades for key groups**, including women, Indigenous peoples, visible minorities, and persons with disabilities (e.g., lack of mentors, work experience, and geographic barriers).
- **Aging workforce and recent infrastructure investments** exacerbating labour pressures in specific trades in certain regions.
- **Challenges to employer participation in apprenticeship**, especially for small- and medium-sized firms, which limits opportunities for apprentices.
- **13 PT apprenticeship systems** each with their own unique regional and educational and economic realities.



# Key Challenges in Apprenticeship (continued)

## UNEMPLOYMENT RATE OF TRADES WORKERS DURING COVID-19 SHUTDOWN



## Key Challenges in Apprenticeship (continued)

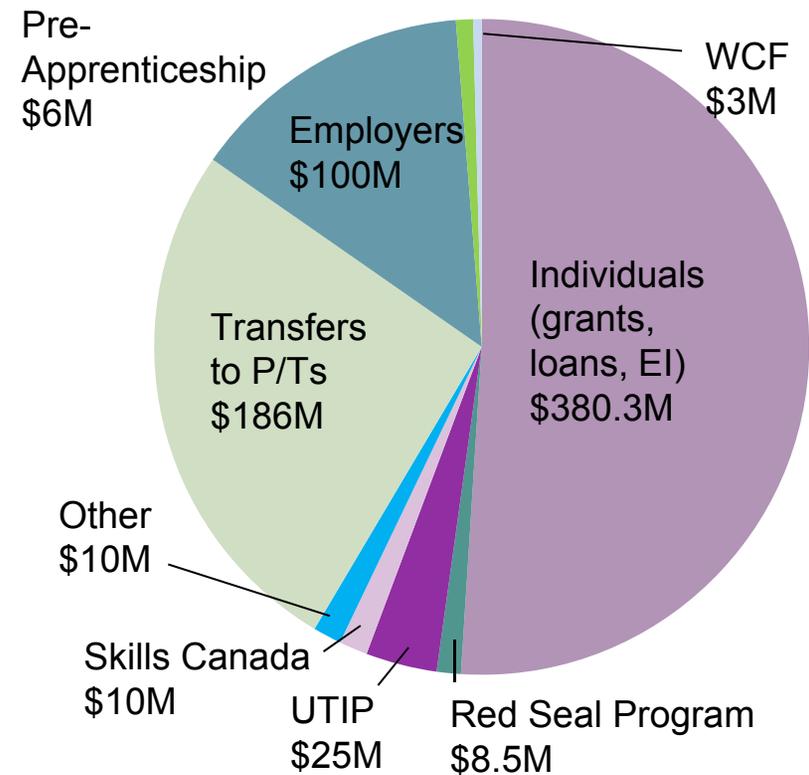
- The need for physical distancing has interrupted in-class training.
- The pandemic has exacerbated the need for online training, as well as online delivery technology and equipment for both instructors and apprentices.
- Capacity to provide online trades training varies by province / territory, as well as by training institution.
  - Challenges include: high-speed internet access (remote communities), access to equipment for practical and lab work, availability of online resources, and suitability of online delivery to some learners' needs.



# Over \$700M Invested Annually in Federal Support for Apprenticeship

- Supports for apprentices (e.g., Apprenticeship Grants, Canada Apprentice Loan, EI benefits) can include up to \$20,000 in grants and loans during a 4-year apprenticeship program in the Red Seal trades.
- Support for employers (Apprenticeship Job Creation Tax Credit).
- System-level supports (e.g., Red Seal Program, Union Training and Innovation Program, Skilled Trades Awareness and Readiness (STAR) Program)
- Labour market transfers (many P/Ts use transfers to fund apprenticeship programming).

**Estimated Federal Spending on Apprenticeship\***



*\*Estimates, based on different years*



# Apprenticeship Grants

- The apprenticeship grants provide \$114.5 million annually to encourage more Canadians to pursue and complete apprenticeship in the Red Seal trades
  - **Apprenticeship Incentive Grant (AIG):** Taxable cash grant of \$1,000 per year/level (up to a maximum of \$2,000) for registered apprentices who complete the first and/or second year/level of an apprenticeship program in a designated Red Seal trade.
  - **Apprenticeship Incentive Grant for Women (AIG-W):** Taxable cash grant of \$3,000 per year/level (up to a maximum of \$6,000) for registered women apprentices who complete the first and/or second year/level of an apprenticeship program in a designated Red Seal trade where they are underrepresented.
  - **Apprenticeship Completion Grant (ACG):** One-time taxable cash grant of \$2,000 to registered apprentices upon completion of their apprenticeship training and receipt of journeyman certification in a designated Red Seal trade.

# Union Training and Innovation Program (UTIP)

- UTIP provides \$25 million annually to strengthen training in the skilled trades across Canada through two streams of funding:
  - Investments in Training Equipment Stream (Stream 1) helps unions purchase up-to-date training equipment and materials; and
  - Innovation in Apprenticeship Stream (Stream 2) supports innovative approaches to address challenges that limit apprentice outcomes (union involvement required).
- Both streams aim to:
  - Improve apprenticeship outcomes for key groups (e.g., women, Indigenous peoples, persons with disabilities, newcomers and visible minorities); and
  - Enhance partnerships between organizations (e.g., with employers, community/non-profit groups, training providers, provinces and territories, Indigenous communities, colleges, etc.).

# Skilled Trades Awareness and Readiness (STAR) Program

- The STAR Program provides \$10 million annually to encourage Canadians, including groups facing barriers – such as women, Indigenous peoples, newcomers, racialized persons, persons with disabilities and youth – to explore and prepare for careers in the skilled trades.
- More specifically, the Program aims to:
  - Build awareness of the trades as viable, good quality careers;
  - Help equip individuals with the skills and supports they need to pursue a career in the skilled trades; and
  - Provide opportunities to explore the trades with hands-on job experience and make connection with employers.
- To date, 12 projects have been implemented for a total of approximately \$29 over six years.



# Federal Government Commitments on Apprenticeship

- First announced in Budget 2019, the Government is continuing work on a **national campaign** to promote the skilled trades as a first-choice career for youth.
  - Over 2019-2020, a Ministerial Advisory Committee provided the Minister advice on the requirements of a successful campaign.
  - Work continues on the design.
- The Government is working to develop a **new Apprenticeship Strategy**, also announced in Budget 2019.
  - The Strategy will help ensure that existing supports and programs address barriers for those who want to work in the skilled trades, and support employers who face challenges in hiring and retaining apprentices.
  - Work continues on the development, informed by informal engagement of stakeholders in 2019-2020.

# Federal Government Commitments on Apprenticeship (continued)

- The 2019 Minister of Employment, Workforce Development and Disability Inclusion Mandate Letter announced the creation of **the Canadian Apprenticeship Service (CAS)**.
  - The CAS will involve establishing new initiatives so that Red Seal apprentices have sufficient work experience opportunities to finish their training on time and find well paying jobs, including providing up to \$10,000 per apprentice over four years for every new position created.
  - Work is continuing to develop the CAS and explore options on the best approach to deliver the program.
  - ESDC has begun and will continue to hold informal conversations on the CAS with key stakeholders in order to inform the design of the initiative.

## Stakeholder Feedback on Apprenticeship Supports, Gaps and Opportunities

- What type of federal supports do you see as critical to supporting post-pandemic economic recovery, in terms of the skilled trades labour force and apprenticeship?
- How can employers be supported to engage apprentices in meaningful work during the pandemic and post-COVID?
- What kind of apprenticeship training do you see as having the most labour market value in the short and medium term?
- Would a targeted support for employers, such as a financial incentive for new apprenticeship positions, help increase the number of apprentices employed by large and SME firms?
- What support could help improve workplace culture to promote diversity in the trades?

