



**New Brunswick  
Labour Market Outlook  
2018-2027**



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## About This Document

This document presents a 10-year (2018 to 2027) labour market forecast for the province of New Brunswick with a focus on the types of jobs, industries and skills that will be in-demand in New Brunswick in the coming years. The aim of this document is to provide helpful insights to those who are planning for the future, including employers, municipalities, researchers and policy makers.

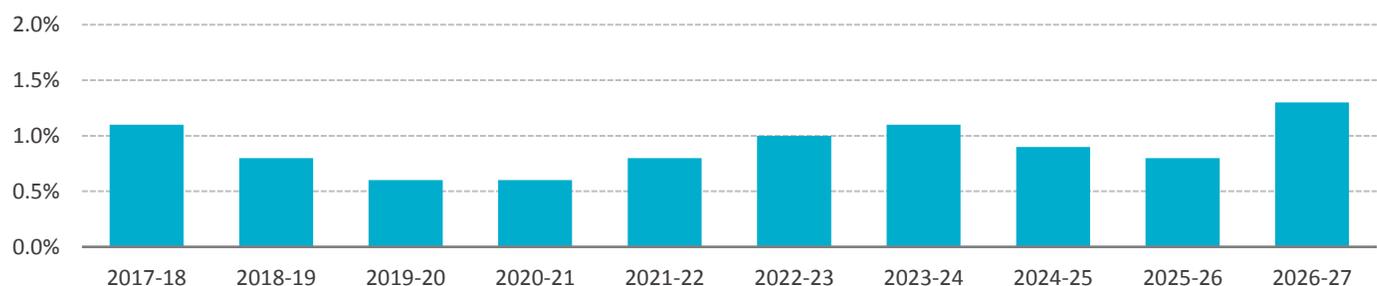
The forecast presented in this document represents a conservative and realistic forecast of expected economic and labour trends over the next ten years. It's important to keep in mind however that the predictive capacity of this report is limited by multiple factors. The forecasts are based on a set of statistical, economic and demographic assumptions, and trusted data sources; however, statistical models are not perfect, and the economy is constantly changing, with unforeseeable developments happening regularly. Readers should be aware that forecasts are only estimates. As such, they are more useful in illustrating general trends rather than predicting exact figures.

## Real GDP

The impact of the great recession in 2008-2009 was felt nationwide; however, while Canada as a whole was relatively quick to recover, New Brunswick and the other Atlantic Provinces have continued to struggle. After seeing a 1.4% decrease in 2009, New Brunswick's real GDP grew by only 0.2% annually (on average<sup>1</sup>) through 2014. While the other three Atlantic Provinces also saw relatively slow growth during this time, their combined real GDP grew by an average of 1.0% annually during this time, far exceeding New Brunswick's growth. In contrast to New Brunswick and the other Atlantic Provinces, Canada as a whole saw significant real GDP growth during this time (2.6% annually), largely driven by growth in Saskatchewan, Alberta and British Columbia. In more recent years, real GDP growth in New Brunswick has increased. Between 2014 and 2017, the province saw real GDP growth by an average of 1.3% annually (compared to 1.6% nationally).

Going forward, with relatively little private investment (/relatively few major projects) on the horizon, it is expected that New Brunswick's real GDP will experience only modest growth over the next decade, with an average annual growth rate of 0.9% through 2027. While this growth is expected to be fairly consistent, it is expected to be slightly more concentrated in the latter half of the forecast period, as can be seen in Figure 1. This small amount of growth is expected to be in large part driven by consumer expenditure (household spending on goods and services) and construction projects (among other factors).

**Figure 1: Forecast - Real GDP Growth**



<sup>1</sup>“Average” real GDP growth rates mentioned in this section represent compound annual growth rates.

## Demographics

In recent years, New Brunswick has seen very modest population growth. Between 2009 and 2018, the province saw, on average, a 0.3% annual increase to its population, well below the 1.1% average annual growth seen at a national level, but in line with the 0.3% average annual increase seen for the other three Atlantic Provinces combined. New Brunswick's modest population gains have been driven by international migration; occurring despite consistently negative net interprovincial migration levels and very little (and in recent years negative) net natural population change (births minus deaths).

Going forward, it will be a challenge for New Brunswick to grow its population. Declining fertility rates, increased life expectancy and the aging of the baby boom generation (that is, the children of the post-war era born between 1946 and 1965) have all been major contributing factors to the dramatic changes that the structure of the New Brunswick population has seen over the past several decades. Today, the province is faced with a senior cohort that is larger than ever, and consistently shrinking typical working-age (anyone between the ages of 15 and 64) and child (aged 0 to 14 years) populations. In 2018, the median age of the New Brunswick population was 45.9 years, well above the Canadian median of 40.8 years (and second highest among the provinces and territories).

New Brunswick's population is expected to remain relatively flat in the coming years, with a forecasted 0.1% average annual growth rate through 2027 (and an overall increase of 1.2% forecasted between 2018 and 2027). This growth is expected to trail off towards the end of the forecast period, with the province's demographic make-up and lack of private investment (major projects) limiting its long-term growth.

**Figure 2: Forecast – Population Relative to 2018**

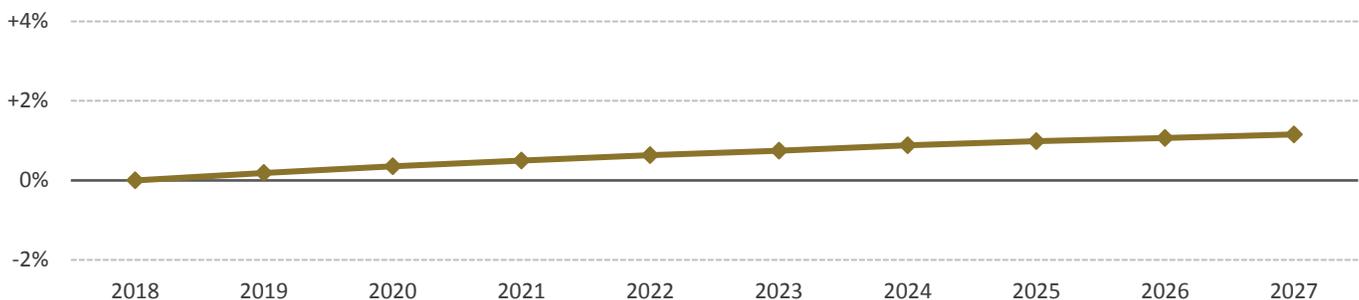
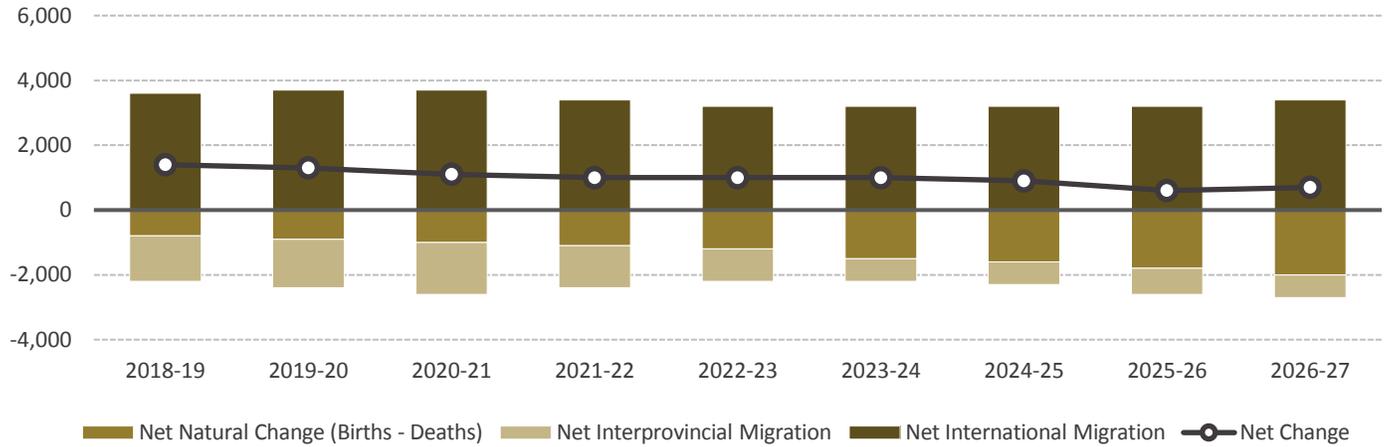


Figure 3 shows the sources of population change over the forecast period. With the province continuing to grow older, net natural population change (births minus deaths) is expected to remain negative over the outlook period. In fact, this gap is projected to grow, with deaths outnumbering births by as many as 2,000 by 2027. This will place increased importance on in-migration to maintain the province's population and labour supply. Net interprovincial migration is expected to remain negative for the foreseeable future.<sup>2</sup> Going forward, the main driver of population growth in the province is expected to continue to be international migration. Attracting and retaining international migrants will continue to be important to the province, and will be necessary to help replace the large number of workers that are expected to retire in the coming years.

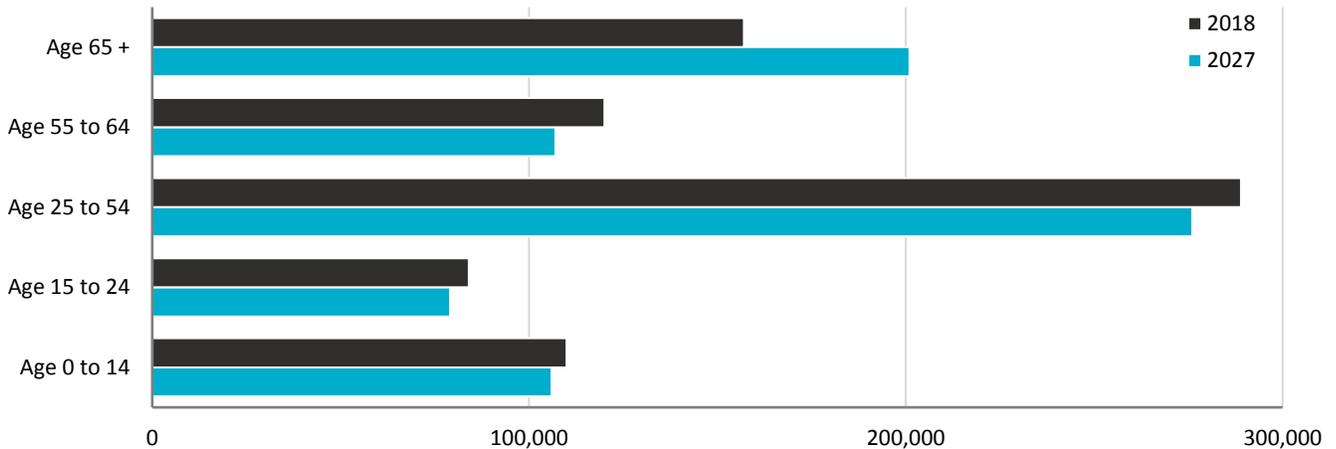
<sup>2</sup> It's worth noting that interprovincial migration trends, especially among the young working-age population, can change quickly, for better or for worse, depending on economic conditions.

**Figure 3: Forecast – Sources of Population Change**



While international migration levels are expected to be sufficiently high to continue to grow the overall population, the province’s typical working-age and child populations are nonetheless expected to continue to shrink, with these two populations expected to decrease by 6.3% and 3.6% respectively between 2018 and 2027. In contrast, the province’s population aged 65 years and over is expected to grow by 28.0% during this same time period.

**Figure 4: Forecast - Age Distribution (2018 and 2027)**



By 2027, there are expected to be only 2.3 typical working-age residents for every resident aged 65 years and over in the province, down from 3.1 in 2018, and 4.5 in 2009. Changes in New Brunswick’s demographics will continue to result in a greater load on the province’s employed population to support social and healthcare programs, which will likely need to expand to meet the needs of the aging population.

**Figure 5: Forecast – Ratio of Seniors to Typical Working Age Residents**



Most developed countries are experiencing declining or stagnant birth rates, and continuously increasing life expectancy (primarily due to advances in medicine and healthcare). These trends however are more prominent within New Brunswick compared to some other parts of Canada, which consistently see proportionally more young working-age in-migrants.

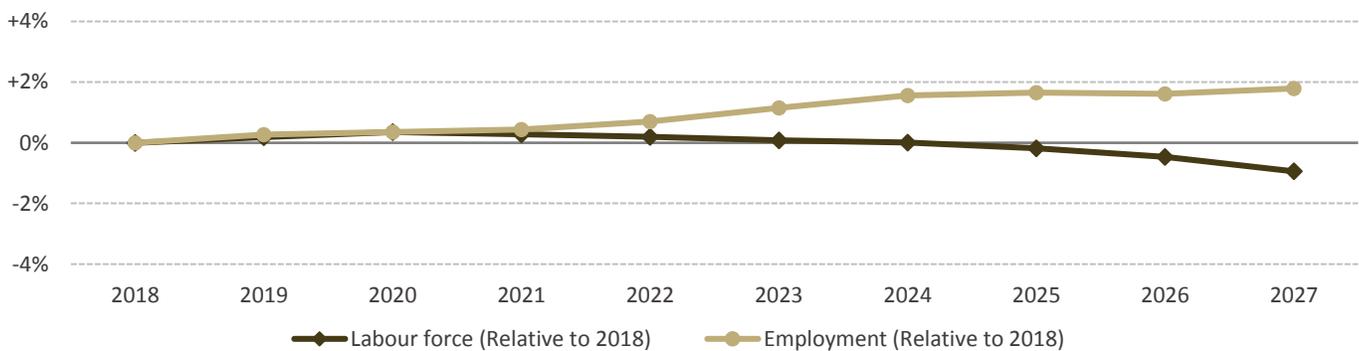
## Labour Force

Over the past decade, the province has seen its labour force shrink. Between 2009 and 2018, New Brunswick saw a decrease of 2.4% in the size of its labour force (-0.3% annually), compared to increases of 1.4% (+0.2% annually) for the other Atlantic Provinces combined and 8.6% (+0.9% annually) on a national level. Likewise, employment in the province decreased by 1.7% during this time (-0.2% annually). This decrease to the size of the labour force (and likewise, the labour force participation rate) within the province was not surprising given the province's shrinking typical working-age population and growing number of retirees.

In recent years (particularly since 2013), while employment levels in the province have remained fairly steady, the province's unemployment levels have been dropping steadily. In 2018, New Brunswick's unemployment rate hit an 11-year low of 8.0%. This general trend has been occurring across the country, driven by the tightening of the labour market, as a significant number of aging workers exit the workforce.

Going forward, employment in New Brunswick is expected to see modest gains, with an increase of 1.8% expected to occur between 2018 to 2027 (+0.2% annually); the province's labour force however, is projected to shrink by 0.9% by 2027 (-0.1% annually).

**Figure 6: Forecast – Labour Force and Employment Relative to 2018**



These forecasted trends are consistent with what has been occurring in the province over the past few years, as the labour market continues to tighten. As more and more workers retire, job seekers are likely to experience less difficulty in finding employment, provided they possess the skills to match the opportunities in demand. By 2027, New Brunswick's unemployment rate is expected to drop to 5.8%. On the other hand, a tightening labour market may also create challenges for employers, as finding suitable employees to fill vacant positions may become more difficult. However, with fewer available workers in the labour market, it is assumed that employers will make other adjustments, such as offering more competitive wages and benefits, which would help mitigate this issue.

## Job Openings

### Overview

A substantial number of job openings are expected between 2018 and 2027 – roughly 12,000 annually. While some of these job openings will come from expansion demand, the majority (97.3%) will be the result of replacement demand (deaths and retirements).

On the supply side, new entrants<sup>3</sup> to the labour force are expected to fill 55.0% of these job openings, while workers from other countries or provinces are expected to fill 10.8% of total openings. It's worth noting that the migration totals presented in the table below differ from traditional migration statistics. While “net migration” typically refers to the total number of individuals that a region/jurisdiction adds or loses as the net result of in-migration and out-migration (regardless of labour force attachment), the totals presented in Figure 7 strictly represent net workers added in full-year equivalents. In terms of total migration (regardless of labour force attachment) the forecast assumes that the province will take in (on average) approximately 3,900 immigrants annually, but also lose approximately 1,100 individuals to interprovincial migration and approximately 500 individuals to emigration (individuals moving to other countries) annually.

Beyond young New Brunswickers entering the labour force for the first time and workers from other countries or provinces, the remaining 34.2% of openings are expected to be filled through a mix of reduced unemployment levels, increased labour force participation, and increased productivity (e.g. automation). While the forecast assumes that this demand will be met (and these job openings will be filled), it is possible that the anticipated labour supply will not fill the anticipated job openings to the extent the forecast predicts<sup>4</sup>, and if this is the case, even more immigrants and workers from the rest of Canada will be required to meet the demand for labour.

**Figure 7: Forecast - Job Openings and Sources of Supply (2018 to 2027)**

	Total	% Share
<b>Total Job Openings</b>	<b>120,046</b>	<b>100.0%</b>
From Expansion Demand	3,228	2.7%
From Replacement Demand (Death and Retirements)	116,817	97.3%
<b>Sources of Supply</b>	<b>120,046</b>	<b>100.0%</b>
New Entrants (Young People Starting Work)	66,067	55.0%
Net Migration (Workers from Other Countries or Provinces)	12,905	10.8%
From Other Countries	19,368	16.1%
From Other Provinces	-6,463	-5.4%
Other	41,074	34.2%

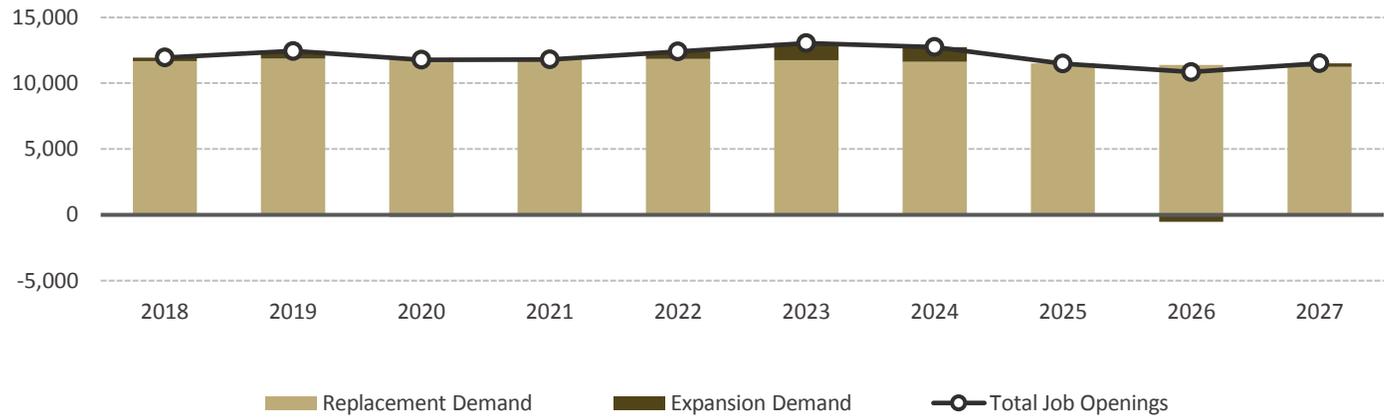
*It is assumed that “other” supply requirements will be met through a mix of reduced unemployment levels, increased labour force participation, and increased productivity.*

<sup>3</sup> “New entrants” refers to persons aged 15 to 30 entering the labour force for the first time.

<sup>4</sup> This may happen if, for example, workers aren't as willing to move from one part of New Brunswick to another for work as the forecast predicts, or labour force participation does not increase sufficiently.

As can be seen in Figure 8, the total number of job openings is expected to be fairly consistent on a year-to-year basis, with a small peak towards the middle of the outlook period driven by expansion demand. This forecasted expansion demand is expected to be in part the result of increased construction, particularly in terms of projects related to healthcare, such as the hospital expansions taking place in Moncton, Saint John, Fredericton and Bathurst, along with other projects such as the Mactaquac generating station upgrades.

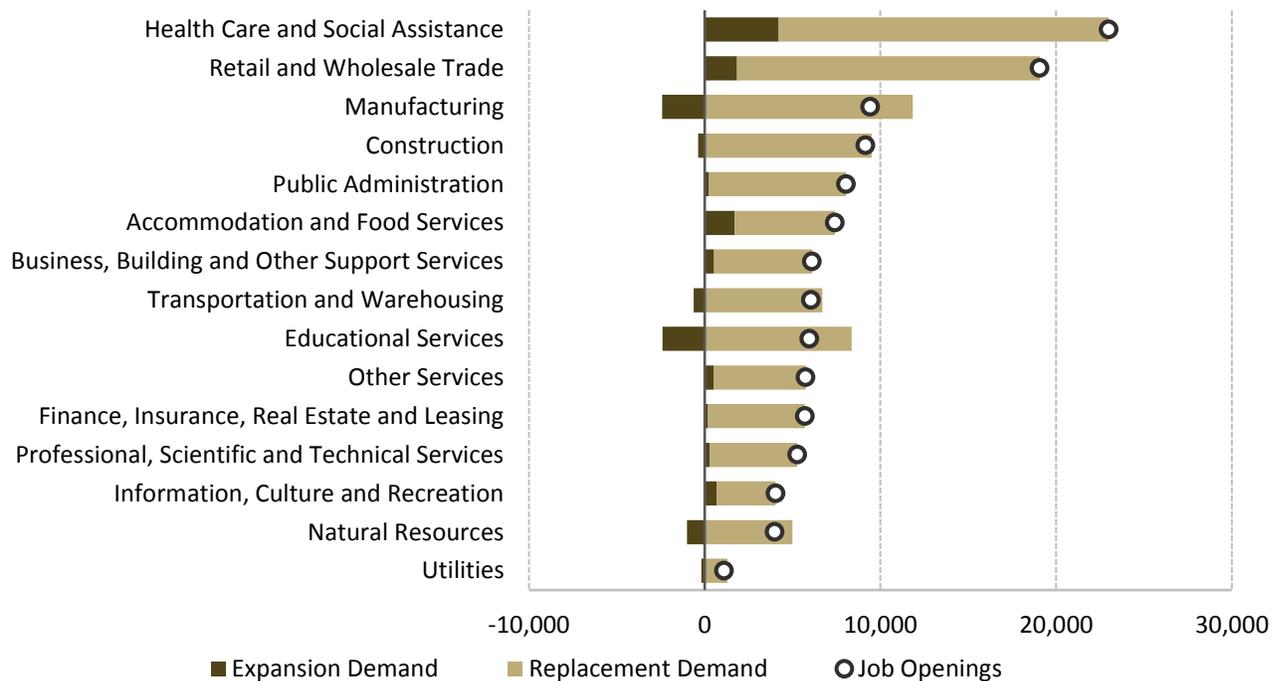
**Figure 8: Forecast - Job Openings (2018 to 2027)**



## Openings by Sector<sup>5</sup>

Four sectors, “health care and social assistance”, “retail and wholesale trade”, “manufacturing”, and “construction”, are expected to account for nearly approximately half (50.5%) of total job openings over the next 10 years in New Brunswick. While a large number of job openings may indicate opportunities in a sector, it does not necessarily indicate strong economic performance for that sector. How well a sector is faring is more closely tied to expansion demand, since, sector performance is what drives expansion, whereas demographics are the primary drivers of replacement demand. As can be seen in Figure 9, the majority of sectors are expected to have little to no expansion demand going forward. The most notable exception to this trend is the ‘healthcare and social assistance’ sector, which is expected to see noticeable growth over the outlook period, as the province’s population grows older and demand for healthcare services increases.

**Figure 9: Forecast - Job Openings by Sector (2018 to 2027)**



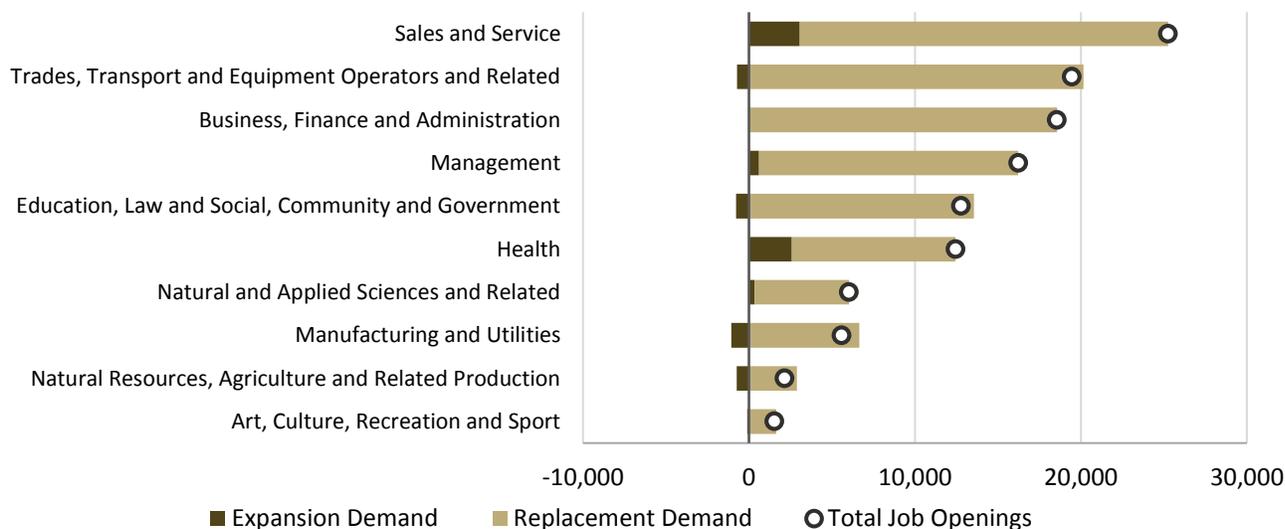
It’s worth noting that each sector’s forecasted total job openings are closely tied to the size of that industry’s labour force. Relative to the size of their labour forces, ‘healthcare and social assistance’, ‘other services’, ‘business building and other support services’ and ‘information, culture and recreation’ had the most forecasted job openings. It’s also important to keep in mind that while as a whole, a sector may have a fairly “positive” outlook, how difficult it is for individuals to find work will vary based on location, education and skills, and which specific occupation they are aiming to be employed in (among other factors). Likewise, regardless of a sector’s outlook, employers in any sector may face challenges in filling openings as a result of factors such as location of work, wages offered, and working conditions.

<sup>5</sup> Establishments (businesses) are grouped into industries (and in turn, sectors) according to similarity in the production processes used to produce goods and services. The fifteen sectors presented above are based on the North American Industry Classification System (NAICS), however, certain sectors have been combined for simplicity/ conciseness.

## Openings by Broad Occupational Category<sup>6</sup>

Figure 10 shows the total number of forecasted job openings over the outlook period for the ten broad occupational categories defined by Canada's 2016 National Occupation Classification (NOC).

**Figure 10: Forecast - Job Openings by Broad Occupational Categories (2018 to 2027)**



Relative to the size of their labour forces, occupations in 'health', 'management', and 'business, finance and administration' had the most forecasted job openings. This significant demand (both in terms of total job openings and expansion demand) for workers in 'health' occupations is being driven by the province's aging population and its growing need for healthcare services. Occupations such as registered nurse, licensed practical nurse, and nurse aide (among others), will be in high demand going forward.

While the number of openings varies across occupational category, as a product of the sheer number of retirements that are expected to occur in the coming years, coupled with limited competition (due to relatively low immigration levels, typically negative interprovincial migration levels, etc.), there will likely be a significant number of opportunities across a variety of sectors, occupations and skill levels. Ensuring that the skills and education of New Brunswick's population align well with expected labour market demand will be extremely important.

<sup>6</sup> An occupation is defined as a collection of jobs, sufficiently similar in work performed to be grouped under a common label for classification purposes. A job, in turn, encompasses all the tasks carried out by a particular worker to complete their duties.

## Openings by Skill Level

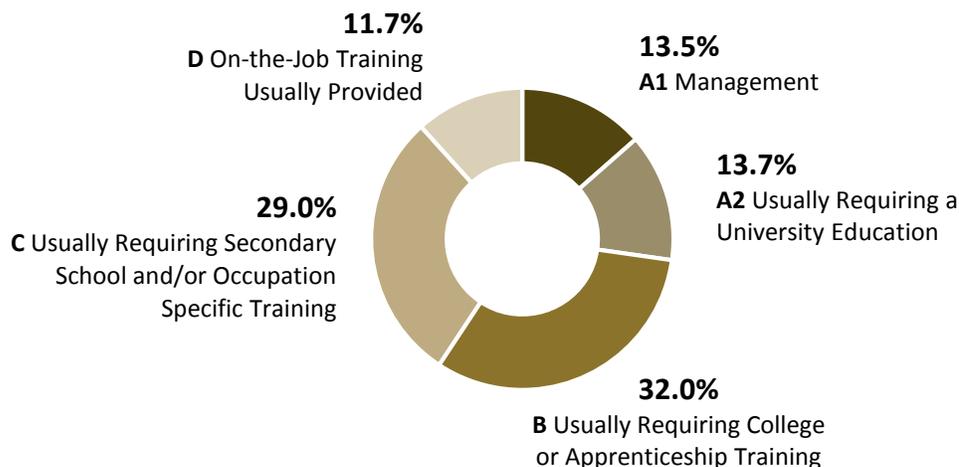
Education, training, and experience continue to grow in importance as the world shifts to economies increasingly driven and shaped by advances in knowledge and technology. Figure 11 shows the current employment level and the forecasted number of job openings (broken down by expansion and replacement), within each of the NOC<sup>7</sup> skill levels.

**Figure 11: Forecast – Job Openings by Skill Level (2018 to 2027)**

Skill Level		2018 Employment	Job Openings (2018 to 2027)		
			Expansion Demand	Replacement Demand	Total Job Openings
A1	Management	34,137	610	15,620	16,228
A2	Professional Occupations That Usually Require a University Education	56,390	-30	16,518	16,490
B	Technical and Skilled Occupations That Usually Require College or Apprenticeship Training	111,395	1,232	37,213	38,445
C	Occupations That Usually Require Secondary School and/or Occupation Specific Training	102,857	898	33,962	34,861
D	On-the-Job Training in Usually Provided in These Occupations	48,709	516	13,504	14,022

Of the approximately 120,000 job openings forecasted for the coming decade, 27.3% are expected to be in occupations that typically require a university education or significant work experience, while 32.0% are expected to occur in occupations requiring some form of college or apprenticeship training. The remaining 40.7% of job openings are expected to be in occupations that do not typically require a post-secondary education.

**Figure 12: Forecast – Job Openings by Skill Level (2018 to 2027)**



<sup>7</sup> These skill levels represent broad aggregates, reflecting commonly accepted educational, training or preparatory routes for entering employment. Requirements for individual occupations may overlap between the boundaries of these levels. These skill levels, and the NOC in general, have been developed and maintained as part of a collaborative partnership between Employment and Social Development Canada and Statistics Canada.