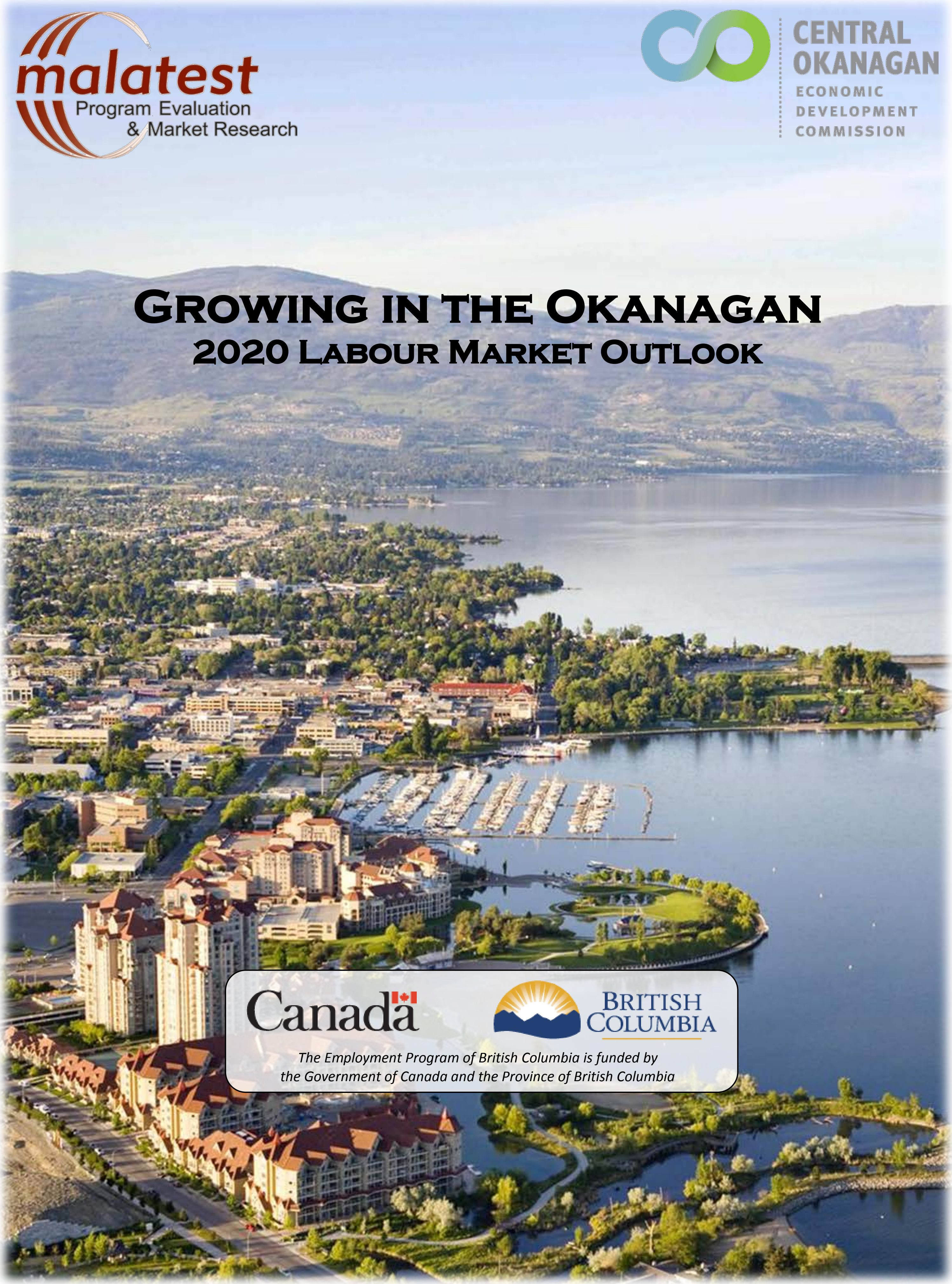

Growing in the Okanagan
2020 Labour Market Outlook

malatest
Program Evaluation
& Market Research

CENTRAL OKANAGAN
ECONOMIC DEVELOPMENT COMMISSION

Canada

BRITISH COLUMBIA

The Employment Program of British Columbia is funded by the Government of Canada and the Province of British Columbia

Executive Summary

About this study

This report details the key findings associated with the Labour Market Study completed for the Okanagan Region (OR), with specific attention to the North, Central and Okanagan-Simikameen Regional Districts. The research includes an analysis of the range of human resource issues facing the region, including an assessment of labour supply and demand, regional recruitment and retention issues, training needs, and other human resource issues faced by the region. The results of the study can be viewed with confidence, as the survey data provided represented 882 establishments (6.6% of the establishments within the region) who employed 15,157 full time equivalent (FTE) workers (9.6% of the regional labour force). The study utilized an in-depth survey/interview instrument to collect data and information from local employers.

The key findings of the study are highlighted below.

A large number of new hires will require a post-secondary education.
Over the next six years more than two-thirds of new hires will require some form of post-secondary education, requiring between 37,796 and 50,345 individuals with an advanced education.

The ability of the local labour force to fill vacancies is limited.
Given the current education profile of residents in the OR, it would appear that employers may experience difficulty in hiring individuals who have the appropriate level of education, as almost one-half (47%) of current OR residents do not have any education or training beyond high school.

The majority of employers do not have an HR plan or a succession plan.
Only one-third of employers reported having an HR strategy to address their workforce requirements. Additionally, only two-fifths of employers reported having a succession plan for their management and more senior positions.

Employers will require significant numbers of "new" workers in the next six years.
Overall, employers expect that the region's labour force will grow by approximately 18.5% during the next six years. In addition, OR employers will have additional hiring demands required to fill positions vacated by retiring workers and/or workers who are leaving the region. Total new hires for the region are estimated to be in excess of 75,000 workers by the year 2020.

Current labour force growth is insufficient to meet regional labour force needs.
Population growth and current migration levels are sufficient to cover between 52.3% and 69.4% of all new hires. Current net migration to the region is required to double or triple to meet labour market demands.

Employers heavily rely on the local labour force for workers.
Employers only rated the local labour workforce as being an important source of labour, viewing workforces from other provinces, and other countries, as of lesser importance. Migration is an important labour source for the area, where on average, more than 18,000 individuals relocated to the OR each year. The majority (52%) of migrants to the OR are predominantly from other regions of BC; however, more than 36% of all migrants come from other provinces.

Recommendations

Regional Workforce Strategy

Regional workforce strategies pertain to the management and coordination of efforts to maintain a workforce within the OR to meet employers' needs.

1. **Formalize/maintain a formal group to oversee human resource issues in the region.**
   There are numerous organizations within the OR that influence the human resource environment within the region. As a result, a human resource strategy would require the input and coordination from a range of organizations including: federal and provincial governments, local education and training providers, employers, and local community leaders. In this context, consideration should be given to maintaining a human resource advisory group for the OR.

2. **Continue to develop and foster a means for employers to communicate their training needs to the training bodies.**
   The largest training facilities within the region reside within the Central Okanagan region in the Kelowna CMA, home of UBC's Okanagan Campus and Okanagan College's Kelowna Campus. Post-secondary educational institutions are present in the other regions, as Okanagan College also has campuses within the Columbia-Shuswap, North Okanagan and the Okanagan-Similkameen Regions. Coordination of communication between training bodies and employers requires regular direction or oversight to ensure that employers are able to communicate their needs to the training bodies and that the training bodies are able to respond. The development of a communication channel will ensure that programs relevant to employer demands are available, and that training institutions are not over-saturating the labour market in areas in which job opportunities are limited.

3. **Economic development strategies need to be developed for the OR and at a regional district level.**
   A two phase economic development strategy has the potential to address the overarching economic development needs, and able to address issues specific to individual regions. Areas that have unique labour market demographics (e.g., aging workforce) may require different economic development strategies. As a result, the inclusion of economic development strategies for specific regions can further address labour market needs.

4. **Consider targeted recruitment/attraction strategies.**
   The results of the research suggest that there will be a significant gap between the total number of workers needed, and the current capacity of the region to supply such workers. Innovative strategies should be considered to both attract new workers to the region, as well as to potentially "re-engage" workers who have left the labour force and/or have retired.

5. **Annual labour market data collection.**
Employers' needs are constantly changing; in order to provide adequate services from the education and training providers, they need to be informed of the changing requirements and skill sets in each region. A short (five minute), annual survey of employers in each region will provide up-to-date labour force approximations and predictions for the coming year, as well as address potential upcoming skill shortages.

Training Programming and Strategies to Address Skill Shortages

6. **Develop a regional labour force training committee.**
Increase regional training capacity to ensure that an adequate number of graduates will be available for the local labour market. A challenge inherent in this strategy is due to the lag between enrollment and entering the labour force, which may interfere with the region's ability to address employers' need for workers with a post-secondary education.

7. **Development of employer training program to assist in business growth and planning.**
Employers reported a need for assistance in business development and management. Organizations such as Accelerate Okanagan provide assistance to growing high-tech industries; however, they are not designed to provide assistance to all major industries within the region. A program would be designed to provide assistance to business leadership in the development of business plans to navigate current market conditions. As a large proportion of employers lack an HR strategy to address their employment needs over the next five years, the development of such a program presents the opportunity to provide employers with the tools required to meet their HR needs.

8. **Develop a strategy to attract recent graduates of BC post-secondary institutions.**
The large number of projected post-secondary educated vacancies may not be able to be addressed locally, requiring individuals with post-secondary education to move to the region. Recent graduates of post-secondary institutions are typically mobile, able to relocate to a new region. The program would utilize a targeted recruitment strategy for BC and AB, post-secondary institutions. Activities would include: booths at local job fairs, communication with post-secondary career resource centres, and social media outreach.

9. **Increased basic skills training to prepare the unemployed for skill upgrading.**
The 2013 unemployment rate within the Thompson-Okanagan region was 7.1%, higher than the national average. This local labour force has the potential to fill local vacancies; however, training and skill upgrading may be required for them to effectively fill vacancies. Unemployed individuals may have begun work without a high school diploma, or may not have taken any education in decades. As a result, they may not be prepared to enter a skills upgrading course that relies on basic literacy and numeracy skills. Additional transition programs need to be put in place to help these workers transition back into learning, or the existing skills upgrading programs need to be aware and have policies to address the learning gap of these 'return to education' workers.

10. **Develop strategies to assist the innovation and emerging high technology industries in the Okanagan Region.**
High technology industries within the OR are expected to continue to grow as they deploy and commercialize new technologies. The industries will require specialized workers with a post-secondary education. As a result, it will require an agency to communicate anticipated industry skill requirements to the provincial government to align the region's educational curriculum in primary to post-secondary programs to meet anticipated needs.

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BCLMSM	BC Labour Market Scenario Model
CMA	Census Metropolitan Area
COEDC	Central Okanagan Economic Development Commission
FAQ	Frequently Asked Questions
FTE	Full Time Equivalent
NAICS	North American Industry Classification System
NHS	National Household Survey
NOC	National Occupation Classification
NOC-S	National Occupation Classification for Statistics
OR	Okanagan Region
OVEDS	Okanagan Valley Economic Development Society
P.E.O.P.L.E.	Population Extrapolation for Organizational Planning with Less Error
RDCO	Regional District of Central Okanagan

SECTION 1: Project Background

The Employment and Skills Training Five Years Demand Forecast conducted for the Regional District of Central Okanagan (RDCO) is a multi-component study to assess the nature and extent of the labour market, and demand and supply of skills training and skilled labour in the Okanagan Region. The research includes a detailed assessment of the North Okanagan, Central Okanagan, and Okanagan-Similkameen Regional Districts, the three main districts that make up the Okanagan Valley (Hwy 97 US Border to Vernon), in order to fully understand labour market trends, the need for post-secondary education and specific program gaps and anticipated labour market needs within the next five years.

The project was motivated by changing economic climates in British Columbia and the unique opportunities and challenges faced by the Okanagan Region. The Okanagan Region is going through a demographic shift that acts as a catalyst for societal change and creates significant long-term challenges to the economic future of the region. Declining birth rates and an aging work force are affecting the local, regional, and provincial economy. From a local context perspective British Columbia has the lowest fertility rates in Canada, and the Okanagan has the lowest in the province. In recent quarters, the population in British Columbia has seen more residents move to other parts of Canada than are moving into the province (net interprovincial migration of -1,258 people), and has seen only 3,100 more births than deaths per quarter.

The implications of these trends on the OR are significant. According to BC's Labour Market Outlook to 2020:

- 1,027,400 job openings are expected in BC over the period between 2010 and 2020;
- Close to two-thirds of job openings (676,400) will be due to replacement demand as a result of retiring workers and other job separations (out-migration, other);
- The other one-third of job openings (351,000) will be due to the new jobs that result from economic growth;
- Demand for workers in BC is expected to grow by an annual average rate of 1.4%;
- The Thompson-Okanagan Region has the third highest number of projected job openings (110,300) in BC; and
- 18,800 jobs requiring post-secondary education will go unfilled in BC.

In addition, the Research Universities' Council of British Columbia reports the following in the BC Labour Market Profile:

- A skills and talent deficit is imminent – with a tipping point in 2016, just 2.5 years away. If BC regions are unable to attract migrants, labour market pressures will be even more intense;
- To offset the skills and talent deficit, BC will need to produce more post-secondary graduates at all levels: university, college, and trades. BC currently does not have sufficient student spaces to offset the approaching skills and talent deficit; and
- BC is ranked eighth and is behind the Canadian average for undergraduate degrees granted in BC per 100,000 residents. For example, BC produces 27.7 undergraduate engineers per 100,000 residents compared to the Canadian average of 46.1.

The relative shortage of skilled labour in the region therefore threatens to limit growth opportunities.

The Central Okanagan Economic Development Commission (COEDC) and its partners recognize the need for detailed employment forecasts in order to develop market strategies aimed at increasing the availability of skilled labour.

The COEDC is an agency of the RDCO. The Commission is funded by and accountable to the elected board of the RDCO. The Commission focuses its efforts on assisting the existing and growing business base with enhancement related activities and programs which address needs and challenges, attract new investment in the form of human and business capital into an expensive marketplace, and research what larger policy and infrastructure issues must be addressed to allow the region to meet its economic potential. Communities represented through the COEDC are collaborating with industry, educational institutions, government, and other stakeholders in developing strategies to address current and future labour shortages in key sectors. The work completed for this project was conducted in support of one initiative by the Commission to collect the information required to forecast employment and skills training requirements.

The COEDC would like to recognize that the Employment and Skills Training Demand to 2020, Growing in the Okanagan – 2020 Labour Market Outlook, study was funded and facilitated in partnership with: The Government of Canada and the Province of British Columbia, Okanagan Valley Economic Development Society, University of British Columbia Okanagan, and Okanagan College.

SECTION 2: Methodology

This study, entitled *Growing in the Okanagan – 2020 Labour Market Outlook*, assesses the nature and depth of the labour market in the Okanagan region, defined as encompassing the North Okanagan, Central Okanagan, and Okanagan-Similkameen Regional Districts. The study has drawn on a combination of primary and secondary data sources. The primary data was collected through a survey of employers in the region. See Section 2.3 for a detailed discussion of the survey methodology and approach. In addition, the Consultant incorporated other data such as information about major capital projects (under construction as well as those identified as having a high probability of going forward) and other administrative data available from BC Stats and/or Statistics Canada.

Findings and conclusions are based on synthesized results obtained from the three complementary study components:

1. **Component A** – **Current Labour Market Analysis** via a thorough secondary data review;
2. **Component B** – **Labour Market Outlook** via employer interviews and surveys; and
3. **Component C** – **Skills Training and Education Gap Analysis** via a synthesis of results from Components A and B.

This comprehensive report summarizes the research, and includes the following elements:

- Estimation of the levels of formal and informal employment, including trends in migration of permanent and seasonal workers on labour supply;
- Identification of the impact of large-scale projects that are likely to lead to a significant increase in demand for labour, and, through the use of the BC Input-Output Model, estimation of the total labour force requirements;
- Estimation of total hiring requirements that incorporate demand associated with current hiring vacancies, requirements to fill future expansion, and demand associated with the replacement of exiting workers (e.g., retirement, other separations).
- Identification of trends in key employment-creating sectors in the region;
- Identification of general patterns of demand from the private sector;
- Estimation of the underlying trends in labour supply and demand in high, median, and low case scenarios; and
- Estimation of labour supply and likely unfilled demand (i.e., youth entering the labour market and individuals retiring).

2.1 Component A: Current Labour Market Analysis

In order to ensure that the research was founded on a strong understanding of the labour situation in the Region, R.A. Malatest & Associates conducted a thorough secondary data review. The review included an examination of existing population demographics, compensation data, turnover and retention rates, current shortages, and commuting workforce training levels/needs. The primary data sources consulted included:

BC Stats;

- Labour force activity by BC development region;
- Employment by development region and National Occupational Classification for Statistics (NOC-S);
- Employment and unemployment rates by industry and development region;
- Regional labour force participation rate projection model;
- BC labour market scenario model;
- Sub-provincial population projections using Population Extrapolation for Organizational Planning with Less Error (P.E.O.P.L.E.); and
- Number of businesses: Business locations by employee size.

BC Ministry of Jobs, Tourism and Skills Training;

- Major projects inventory.

Okanagan College Long Term Education Plan;

Employment and Social Development Canada; and

Statistics Canada.

- Labour Force Survey;
- National Household Survey (NHS); and
- Input-output model.

Of note, much of the labour market information from the sources listed above is available only at the BC development region (Thompson-Okanagan) level, which covers a larger area than the three regional districts of interests to the COEDC. Therefore, some assumptions (e.g., Regional Share) were made when summarizing the current labour market trends and outlook for the three regional districts within the Okanagan Valley. These assumptions were vetted to ensure their appropriateness and their implications for the research findings (see Section 2.4.1 for a list of assumptions used in this study).

2.2 Component B: Labour Market Outlook

Component B of the research is a comprehensive examination of the region's labour market, both current and projected. The discussion is shaped through analysis of primary data (survey of employers in the region), and is supported or complemented by secondary data where possible. The secondary sources consulted were labour market outlook databases developed by BC Stats and Statistics Canada. Highlighted in this section is a discussion of the profile of employers who participated in the research. In addition, also included in this section is an examination of several key labour market indicators including:

- Current region workforce estimates;
- Projected regional workforce estimates;

- Vacancies and vacancy rates;
- Retirements and turnover;
- Employee training; and
- Labour supply.

2.2.1 Data Source

The labour market outlook was developed using available databases developed by BC Stats and Statistics Canada as well as the major survey of employers conducted in early 2014.

2.3 Survey Methodology

This section of the report provides an overview of the approach taken to administering the 2014 Okanagan Employer Survey.

2.3.1 Survey Design

The survey was designed in consultation with the RDCO. Consideration was given to ensuring a balance between length and depth, in order to maximize response rates while collecting reliable and complete data necessary to conduct the analysis. The survey was developed as a two-part survey in order to achieve these goals. Part A of the survey was designed to be conducted in person with employers to develop a rapport with employers and address any questions, or concerns, they may have. The interview consisted of background questions about the employer's organization, such as employee size, and the type of industry. Part B of the survey could be completed by phone, mail, or online, according to the preference of the employer respondents. Part B of the survey was comprised of questions about the administrative, human resources, and operational sides of the operation, which allowed for gathering the specific information needed for forecasting, such as the types of employees needed and level of skills required.

2.3.2 Survey Administration

As mentioned above, the survey was made of two parts: an in-person component and a "paper" component. Prior to contacting employers, an introductory letter was developed and sent to prospective respondents in order to inform them about the project and to invite them to participate in the research. The letter included an explanation of the project's intent, the goal of the survey, the modes of participation, the incentive, and the voluntary nature of participation. The letters contained the RDCO's and COEDC's logos on the letterhead and were signed by a representative from the COEDC. The letter was accompanied by a Frequently Asked Questions (FAQ) document for employers. The FAQ document included a toll-free number for employers to contact R.A. Malatest & Associates if they had additional questions that were not answered in the FAQ. Contact information for an RDCO representative was also provided.

The survey was administered sequentially in the three regional districts with survey staff administering the in-person survey (part A). In-person surveying occurred for one week in each region starting in the North Okanagan, followed by the Okanagan-Similkameen, and then the Central Okanagan Regional

District. Follow-up calls in each region began a week after survey administration began in said region, recurring on a weekly basis. The public sector was invited to participate in the study via email, with a telephone follow-up a week later. Reminder letters were sent out periodically via email to remind respondents to participate in the study, as well as to complete the survey. In addition, COEDC staff also sent out electronic communication to encourage and remind businesses to participate. Survey administration occurred during February and March of 2014.

2.3.3 Sampling

The sample of businesses operating within the Okanagan Region (OR) included businesses from a number of sectors and of various sizes. The sample was provided by the RDCO in partnership with communities and municipal staff in the Central Okanagan, Vernon, and Penticton. The sample consisted of a list of approximately 2,800 businesses. The target number of completions was based on employer counts within the three Regional Districts resulting in a split of 175 interviews in the North Okanagan (Vernon), 175 in Okanagan-Similkameen, and 250 in Central Okanagan, for a total of 600 completions. Overall, the survey was completed by 629 businesses operating within the OR (Table 2.1), with targets for each region surpassed.[1]

Table 2.1: Survey Completions and Targets by Region

Region	Survey Targets	Survey Completions*	Completion Rate
North Okanagan	175	214	122%
Central Okanagan	250	276	110%
Okanagan-Similkameen	175	207	118%
Total	**600**	**629**	**105%**

* Total will not sum due to 46 businesses having establishments in multiple regions.
Source: 2014 Okanagan Employer Survey

2.4 Forecasting

The final aspect of the analysis was the development of a labour supply and demand forecast model. The primary source consulted for obtaining population and employment projections was the BC Labour Market Scenario Model (BCLMSM), BC Stats' P.E.O.P.L.E., and the 2014 Okanagan Employer Survey. The purpose of the forecast is to determine the overall hiring requirements for the area, as well as to highlight specific occupations/groups of occupations that require targeting to ensure businesses are able to operate and grow. It should be noted that the BCLMSM is only available at the Development Region level, not for the Regional District level. Therefore, the growth rate for the OR was estimated to be equivalent to that of the Development Region. The OR represents 60% of the workforce within the Thompson-Okanagan Development Region, allowing the Thompson-Okanagan Development Region projection to be representative. The forecast model was developed using both primary and secondary data, and used the following key information:

[1] Fifteen (15) of the 629 surveys were included in the study that were partially completed, but contained sufficient information for the majority of analysis conducted in the study.

- Projected workforce;
- Projected labour needs; and
- Projected training gaps.

Two forecast models have been developed: a high estimate growth projection and a low estimate growth projection. The high estimate growth projection is based on employers' estimates over the next six years. The low growth projection is based on the BC Stats BCLMSM. The BCLMSM's projection is based off of historical growth patterns from 2010 to 2020. As a result of the inclusion of the recent economic downturn the projection provides a conservative estimate of growth equal to 1.2% per year, which is less than the Bank of Canada's inflation target of 2%.[2]

2.4.1 Assumptions

In every forecasting model, certain assumptions must be made to address missing information. In the forecast model developed for this project, the following assumptions were employed in the analysis:

- The OR's growth is reflected in the growth of the Thompson-Okanagan Development Region;[3]
- Labour market estimates for the region outside of the North Okanagan, Central Okanagan, and Okanagan-Similkameen (i.e., the portion of Columbia-Shuswap included in the OR) is assumed to have the same characteristics as the North Okanagan Region and is grouped with the North Okanagan Region;
- Employer's projected growth in 2020 will be equal to the annual projected growth between 2015 and 2019; and
- Half of employees separated from their employment due to other forms of attrition (e.g., maternity leave, voluntary and involuntary termination of employment) were assumed to remain within the Okanagan Region, while the remainder were assumed to no longer participate in the labour force or move outside of the region.

2.4.2 Projected Workforce

The projected workforce is based on the natural population growth and net migration for the Okanagan Region as projected by BC Stats' P.E.O.P.L.E. model for the region.

2.4.3 Projected Labour Needs

Projected labour needs were identified through the BCLMSM and through the 2014 Okanagan Employer Survey, as well as from capital projects that are expected to begin over the next few years. Differences

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[2] Bank of Canada. Inflation. Available Online: http://www.bankofcanada.ca/core-functions/monetary-policy/inflation/

[3] The Thompson-Okanagan region's economic indicators were used for the study as data at the Regional District level were unavailable at the time of the study. Due to the majority of economic activity within the Thompson-Okanagan region occurring within the North Okanagan, Central Okanagan, and Okanagan-Similkameen Regional Districts; economic indicators of the Thompson-Okanagan region can be reasonably assumed to be reflective of the Regional Districts.

between the two models (2014 Okanagan Employer Survey and BCLMSM) are examined on the Regional District level, the Okanagan Region level and by general occupational categories.

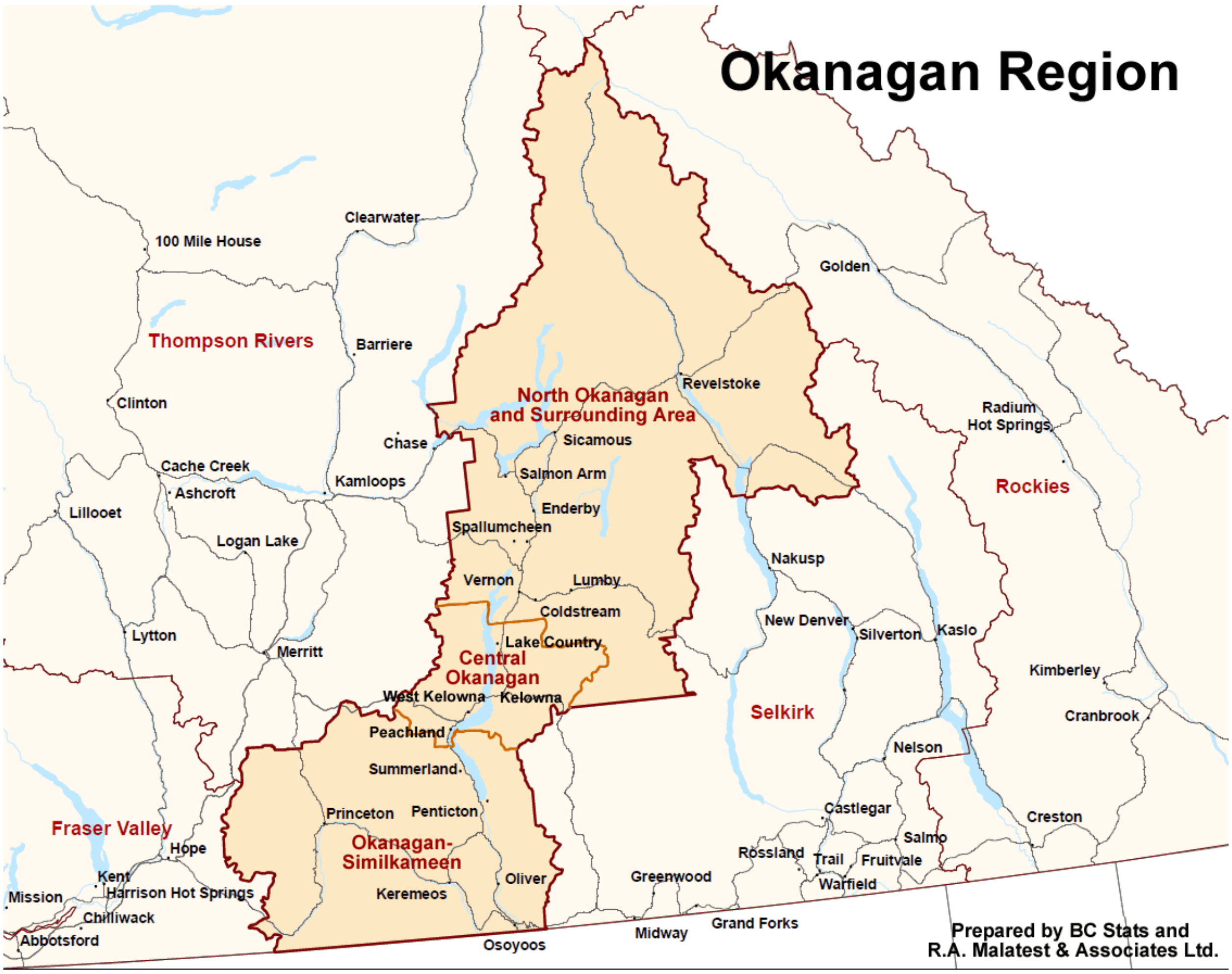
2.4.4 Projected Training Gaps

The projected training gaps were identified using the regional labour market outlook for the Thompson-Okanagan Region, as well as from the 2014 Okanagan Employer Survey. Occupations in high demand and/or that are difficult to recruit were examined and contributed to the forecasting model.

SECTION 3: Findings – Current Labour Market Analysis (Component A)

The study examines the OR which contains the Central Okanagan, North Okanagan, and Okanagan-Similkameen Regional Districts, and a portion of the Columbia-Shuswap Regional District (including Salmon Arm and Revelstoke, excluding Golden). Figure 3.1 illustrates the area included in this study.

Figure 3.1: Map of the Okanagan Region



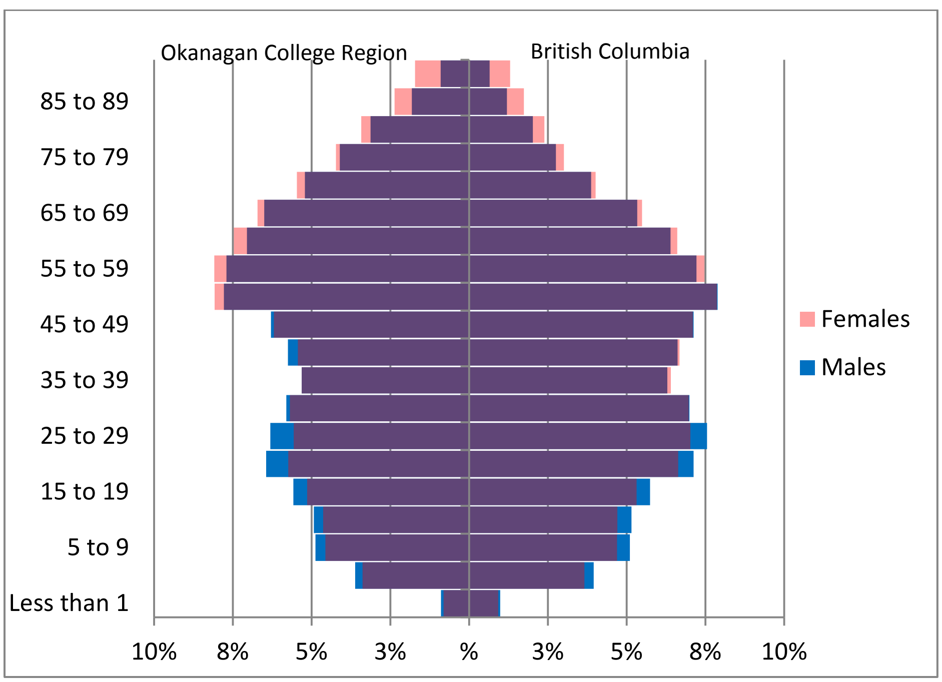
Source: BC Stats

3.1 Population Demographics

It is estimated that there are 408,662 people residing within the OR.[4] The population of the OR is on average older than that of British Columbia overall, with 45.9% of its population over the age of 50, compared to 38.6% for all of BC (Figure 3.2).

The proportion of the population that is working age (ages 15 to 64) within the OR is proportionally smaller than that of the rest of BC (63.3% compared to 68.5%). Furthermore, the proportion of the population that is of working age is expected to decrease over the next five years. In 2014, 7.3% of the population within the OR is between the ages of 60 and 64 (i.e., 'retirement age') while only 4.8% of the population will be entering working age (ages 10 to 14 in 2014) in five years' time.

Figure 3.2: Population Distribution by Age and Gender for the Okanagan Region and British Columbia (2013)



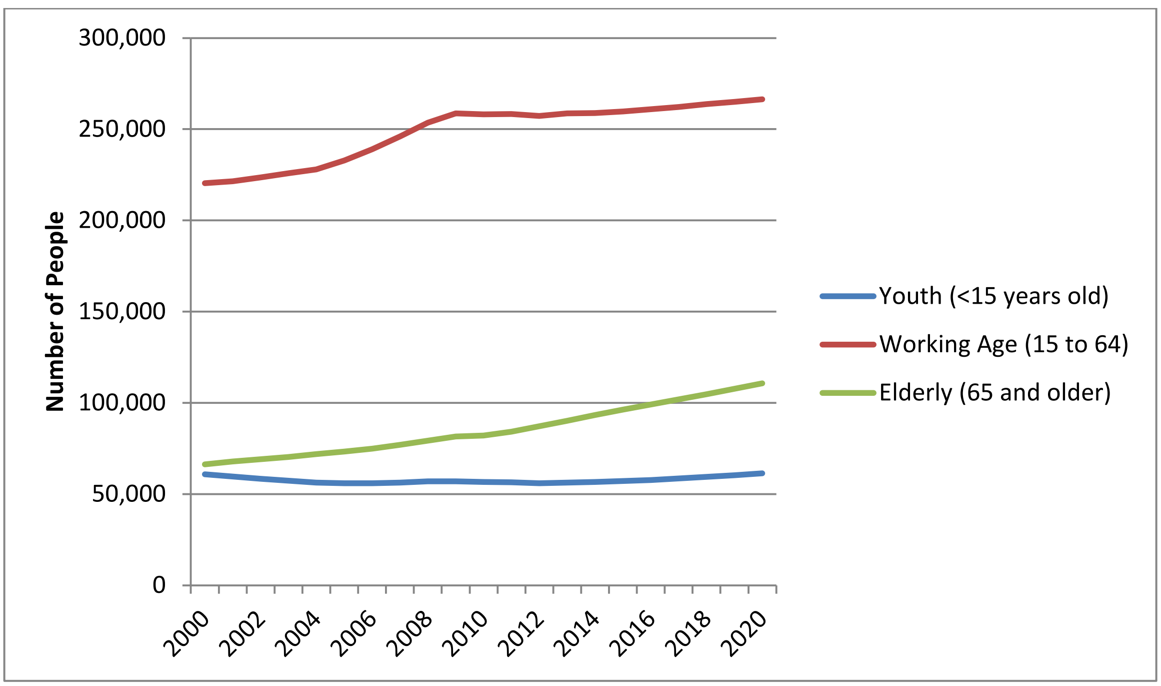
Source: BC Stats

[4] BC Stats. April 2013. Population Projections. Available Online: http://www.bcstats.gov.bc.ca/StatisticsBySubject/Demography/PopulationProjections.aspx

3.1.1 Population Growth and Immigration

The projected workforce for the region was developed using BC Stats P.E.O.P.L.E. population projection for the OR. The growth of the population is based on a "Component/Cohort-Survival" population model that takes into consideration fertility, mortality, and migration. Over the past 10 years (2004 to 2013) the average annual growth rate for the OR has been 1.4%, which is slightly higher than the provincial average of 1.3%.[5] Over the next six years (2014 to 2020), the population growth rate is projected to slow further, averaging 1.2% per year, or 6.0% over the period. This translates into the population growing by 24,499 people; however the majority of this growth is projected to occur in 60 to 64 age group (i.e., those entering retirement age), and the elderly (aged 65 and older) by 2.1% and 2.9% per year, respectively. By contrast, the number of individuals who are of working age (15 to 64) is anticipated to increase by only 0.6% per year, or 3.1% over the period, equal to 7,382 people.[6] The population within the Okanagan-Similkameen is projected to have a larger elderly cohort than the other two regions over the evaluation period. In 2014 the elderly cohort comprised 29.1% of the population in the Okanagan-Similkameen Region in 2014, compared to 19.9% for Central Okanagan and 22.6% for the North Okanagan.

Figure 3.3: Okanagan Region's Projected Population Growth (2000 to 2020)



Source: BC Stats' P.E.O.P.L.E, Sept 2013.

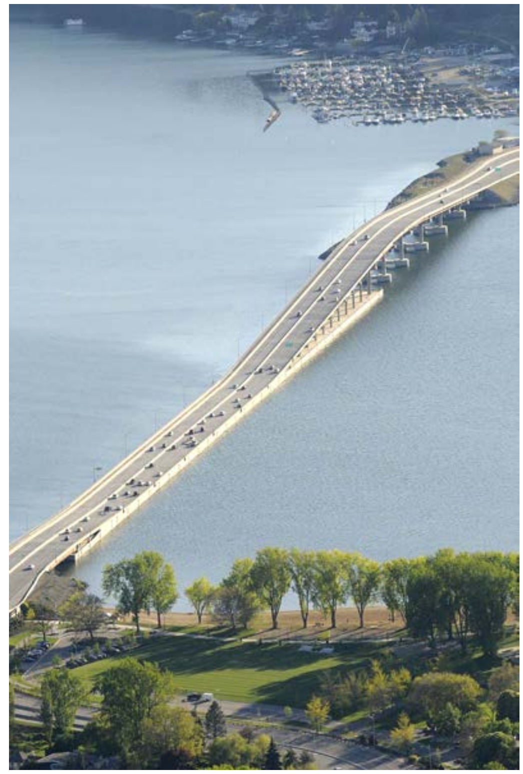
This projection of growth is based on historic growth and has the potential to be influenced through local government policy and from economic growth (e.g., major projects resulting in short-term impacts on migration levels). It should be noted that the forecast model developed for this project does take into

[5] BC Stats. Sub-Provincial Population Projections P.E.O.P.L.E. 2013 (Sept 2013). Available Online: http://www.bcstats.gov.bc.ca/StatisticsBySubject/Demography/PopulationProjections.aspx

[6] Ibid.

account current major projects (Q3 2013); however, projects that are pending can have a dramatic impact on the region's growth.[7]

3.1.2 Migration



Migration (international, interprovincial, and intraprovincial) within BC has historically been volatile as factors affecting local economies (e.g., immigration policy, regional household development, and real estate prices) influence population mobility, which have been difficult to predict. However, historic migration patterns have the potential to provide a good estimation for the expected in-migration and out-migration within the three regions.

Overall intraprovincial, interprovincial and international migration accounted for 103,501 migrants moving to the OR from 2006-07 to 2011-12. The largest source of migration to the OR is from other locations within BC, accounting for 55.0% of all migrants to the region, while interprovincial migration accounted for 37.6% (Table 3.1). However, over the same period 80,974 individuals migrated out of the region, resulting in a net in-migration of 22,527 individuals.[8]

Table 3.1: Estimated Migration Within the Okanagan Region (2014 to 2020)

Migration	North Okanagan	Central Okanagan	Okanagan-Similkameen	Overall*
Intraprovincial In-Migration	16,270	32,830	16,348	56,903
Interprovincial In-Migration	7,674	23,417	7,847	38,938
External In-Migration (from outside of Canada)	1,347	4,723	1,590	7,660
In-Migrants Total	25,291	60,970	25,785	103,501
Estimated total Out-Migrants	23,584	43,302	22,633	80,974
Estimated Net In-Migration	**1,707**	**17,668**	**3,152**	**22,527**

*Due to Intraprovincial in-migration between the three census divisions the overall column will not equal the sum of the three census divisions.
Source: BC Stats, 2006 Census

The primary source of domestic migration (from within Canada) for the OR varies by Regional District; however, the largest source of migration for all three regions is the Greater Vancouver area accounting for at least 20% of all domestic migrants to each census division (Table 3.2, Table 3.3, and Table 3.4).

[7] See Section 3.5 for an in-depth analysis of the potential impact of future major projects.
[8] BC Stats. 2013. BC Regional District Development Region Migration Components. Available Online: http://www.bcstats.gov.bc.ca/Files/1290e36e-dbb1-4ba8-911e-e6df69fb84fa/BCRegionalDistrictDevelopmentRegionMigrationComponents.pdf

There is also evidence of a net out-migration of individuals living in the North Okanagan and Okanagan-Similkameen to the Central Okanagan Region. [9]

Table 3.2: Top 10 Sources of Migration – Central Okanagan

Rank	Source of Domestic In-Migration	Projected In-Migration	% of Total Domestic In-Migration
1	Greater Vancouver	6,661	20.3%
2	Division No. 6, Alta. (Calgary)	3,276	10.0%
3	Division No. 11, Alta. (Edmonton)	1,970	6.0%
4	Okanagan-Similkameen	1,763	5.4%
5	North Okanagan	1,676	5.1%
6	Fraser Valley	1,241	3.8%
7	Thompson-Nicola	1,072	3.3%
8	Fraser-Fort George	1,023	3.1%
9	Division No. 11, Man. (Winnipeg)	920	2.8%
10	Capital (Victoria)	838	2.6%

Source: 2006 Census & 2011 NHS

Table 3.3: Top 10 Sources of Migration – North Okanagan

Rank	Source of Domestic In-Migration	Projected In-Migration	% of Total Domestic In-Migration
1	Greater Vancouver	2,882	20.4%
2	Central Okanagan	1,167	8.3%
3	Columbia-Shuswap	863	6.1%
4	Division No. 6, Alta. (Calgary)	858	6.1%
5	Thompson-Nicola	798	5.7%
6	Fraser Valley	713	5.1%
7	Fraser-Fort George	538	3.8%
8	Cariboo	489	3.5%
9	Capital (Victoria)	474	3.4%
10	Division No. 11, Alta. (Edmonton)	439	3.1%

Source: 2006 Census & 2011 NHS

[9] Estimated interprovincial migration is calculated from 2011 NHS's profile mobility data and 2006 Census' census division of residence five years ago.

Table 3.4: Top 10 Sources of Migration – Okanagan-Similkameen

Rank	Source of Domestic In-Migration	Projected In-Migration	% of Total Domestic In-Migration
1	Greater Vancouver	3,470	21.9%
2	Central Okanagan	1,153	7.3%
3	Division No. 6, Alta. (Calgary)	1,019	6.4%
4	Division No. 11, Alta. (Edmonton)	837	5.3%
5	Fraser Valley	821	5.2%
6	Thompson-Nicola	794	5.0%
7	Cariboo	483	3.0%
8	Fraser-Fort George	408	2.6%
9	Capital (Victoria)	392	2.5%
10	Kootenay Boundary	386	2.4%

Source: 2006 Census & 2011 NHS

3.2 Labour Force Participation and Employment Rates

In 2013, the labour force in the Thompson-Okanagan region was 249,200 individuals, with 7.1% of the labour force unemployed.[10]

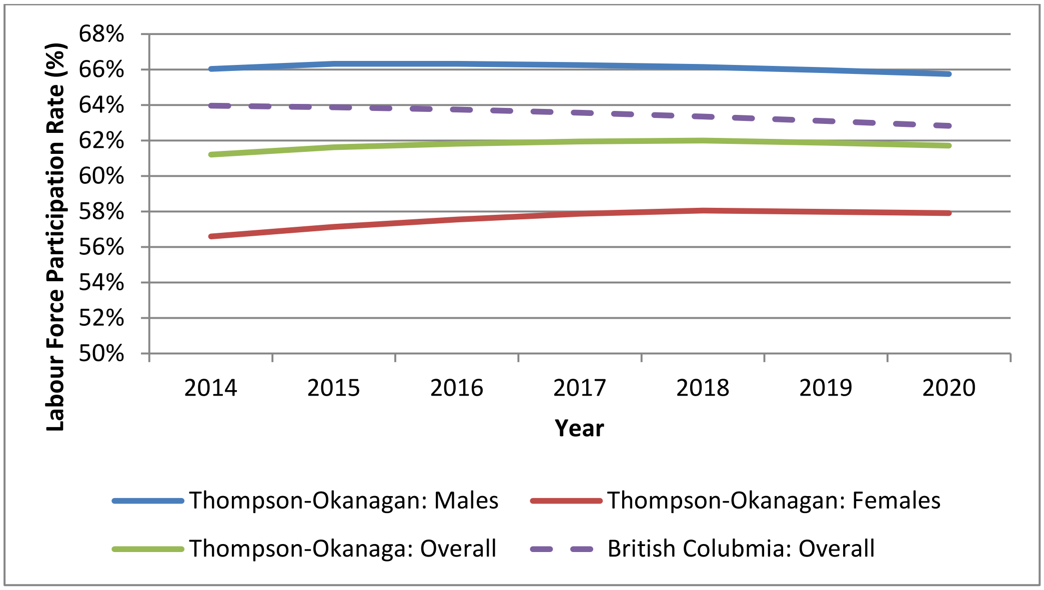
3.2.1 Labour Force Participation Rate

The labour force participation rate for the Thompson-Okanagan Region is expect to remain relatively stable between 2014 to 2020, moving from 61.2% in 2014 to 61.7% in 2020 (Figure 3.4).[11] The male labour force participation rate is also projected to remain relatively stable during the period, moving from 66.0% in 2014 to 65.7% in 2020. However, during this time women are projected to increase their participation in the labour market from 56.6% in 2014 to 57.9% in 2020. Comparing the Thompson-Okanagan to the entire province highlights the stability of the region, as the labour force participation rate of the province is projected to decline from 64.0% in 2014 to 62.8% in 2020.

[10] BC Stats. 2014, March. BC Employment and Unemployment Rate by Region and Metropolitan Area. Retrieved on April 9, 2014 from http://www.bcstats.gov.bc.ca/Files/ceee2dc5-3fd7-4adc-8bb7-bb1a4321b9bf/ LabourForce StatisticsData1403.xls

[11] BC Stats. British Columbia Labour Force Participation Rate Projections: 2013 Edition. Retrieved on June 2, 2014 from http://www.bcstats.gov.bc.ca/Files/8249bb2a-7f29-4db5-825d-45e28e1bc2c8/BritishColumbiaLabourForce ParticipationRateProjections2013Edition.pdf

Figure 3.4: Labour Force Participation Rate of the Thompson-Okanagan Region and BC (2014 to 2020)



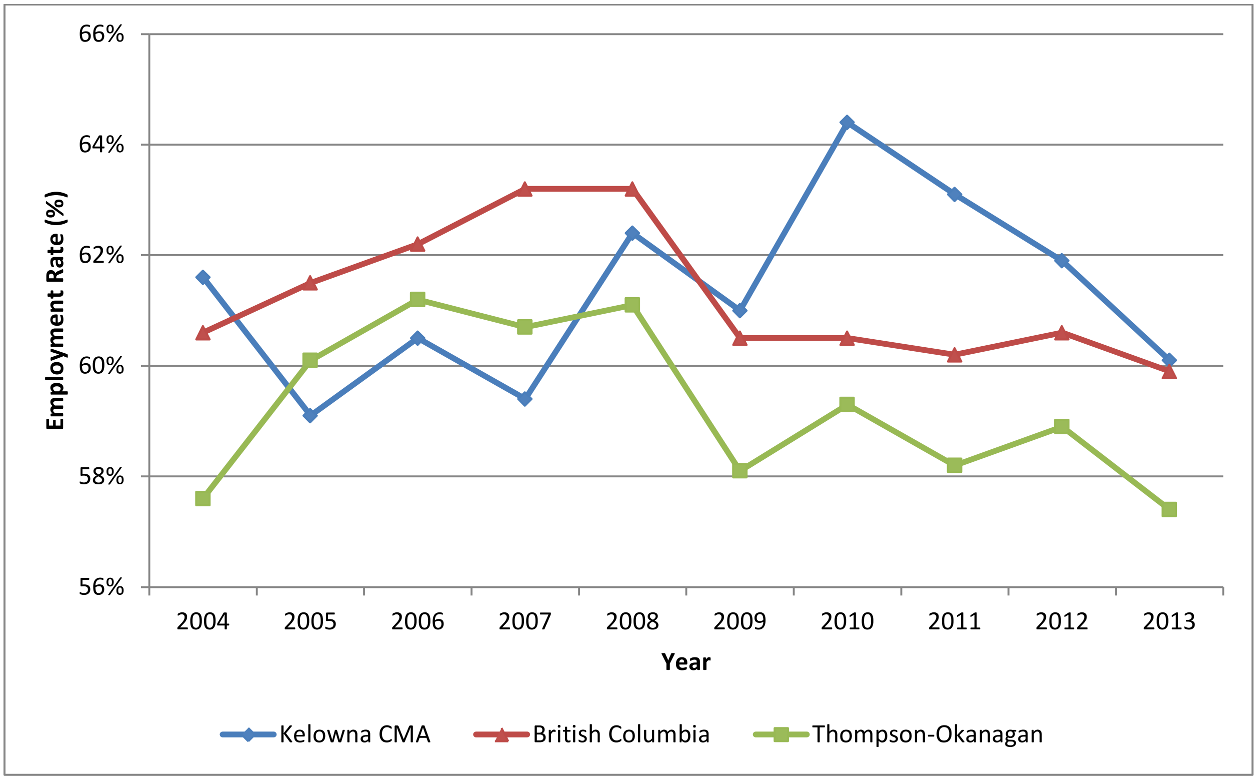
Source: BC Stats

3.2.2 Historical Regional Employment Rates

The employment rate provides an indication of an economy's capacity for generating employment, and is represented by persons employed as a percentage of the total working age population (15 to 64). Figure 3.5 (page 26) illustrates the historical employment rate profile of the Thompson-Okanagan Region and its largest city and only census metropolitan area (CMA), the Kelowna CMA. There are several important factors to note:

- All areas profiled suffered a reduction in their employment rates between 2008 and 2009, which reflects the onset of the most recent recession. With the exception of the Kelowna CMA, which experienced a brief but temporary rebound, employment rates have remained similar to their 2008/2009 recession levels;
- The Thompson-Okanagan Region has historically maintained a lower employment rate than the provincial average (typically being around 2% lower), meaning its capacity for generating employment is slightly lower; and
- Since the onset of the recession, the Kelowna CMA has consistently maintained a higher employment rate than the Thompson-Okanagan development region and the province overall.

Figure 3.5: Historical Employment Rates of BC, Thompson-Okanagan and the Kelowna CMA



Source: Labour Force Survey

3.2.3 Historical Regional Unemployment Rates

Figure 3.6 (page 27) provides the historical unemployment rates (percentage of the labour force not employed but actively searching for work) for the Thompson-Okanagan Region and the Kelowna CMA versus the province as a whole. The following insights should be noted:

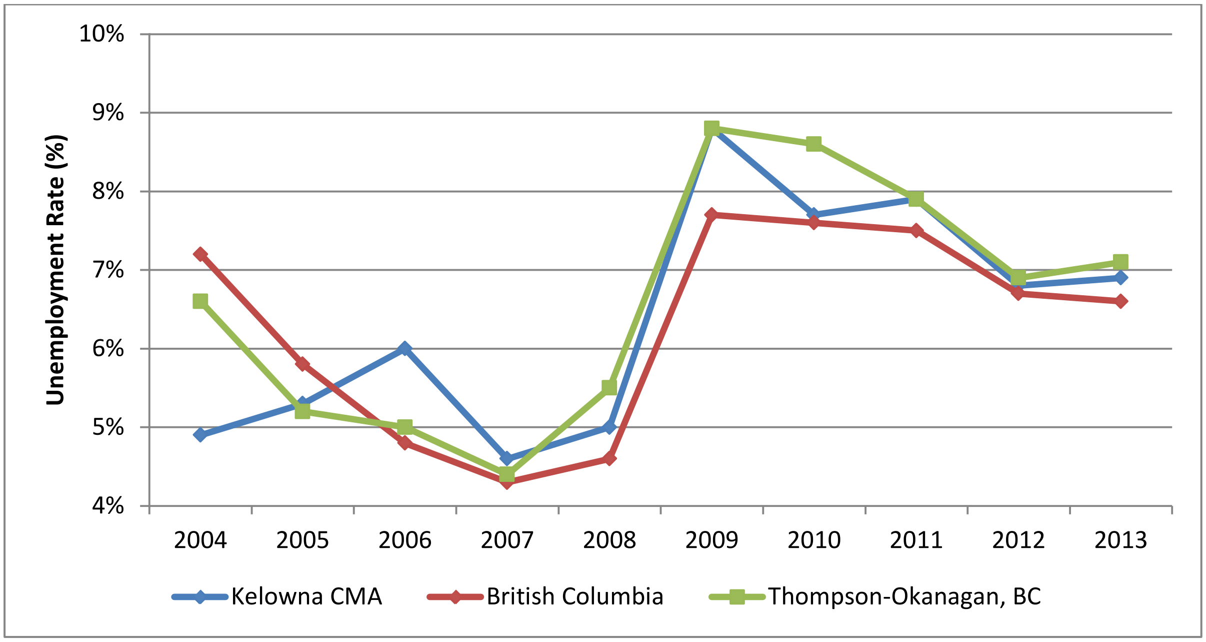
- All areas experienced a marked increase in unemployment around 2008 with the onset of the recession. Each area's unemployment rate increased by almost 4%. The recovery since then has been modest and each area's unemployment rate is still recovering; and
- Since 2006, Thompson-Okanagan has maintained an unemployment rate that is slightly above the provincial level. Its largest city, the Kelowna CMA, has mostly followed this trend, with 2010 being a deviation from this trend.

The data presented in Figure 3.6 (page 27) is in annual terms and masks the seasonal unemployment swings that can be observed in the Thompson-Okanagan's monthly Labour Force Survey Data.[12] A review of data from 2010 to 2013 suggests that unemployment in the region can vary throughout the year by as much as 3% from peak to trough. Typically, the summer months (i.e., July and August) have the lowest unemployment, as this is when the region's major industries (i.e., construction, tourism, food

[12] Labour Force Survey Table 282-0054, Labour Force Estimates by Provinces and Economic Regions Based on 2006 Census Boundaries, Unadjusted for Seasonality.

service, and accommodation) are most active. Unemployment typically begins climbing in the fall (i.e., September or November) and reaches its peak in early spring, around March or April.

Figure 3.6: Historical Unemployment Rates of BC, Thompson-Okanagan and the Kelowna CMA



Source: Labour Force Survey

3.2.4 Labour Force Data by Sub-Region Geography

The 2011 NHS provides comprehensive labour market data on the individual geographies that comprise the OR. While this data was collected in 2011, given that the Thompson-Okanagan's employment and unemployment rates have remained relatively stable between the census year (2006) and 2013, it is unlikely that these figures have changed significantly. The sub-regional data is provided in Table 3.5 (page 28) and the following patterns should be considered:

- The North Okanagan and Okanagan-Similkameen have higher unemployment rates, lower participation rates, and lower employment rates compared to Central Okanagan; and
- Salmon Arm, which is representative of the portion of the Columbia-Shuswap District that is included in the Okanagan Region, has the lowest unemployment rate. This is due in part to its relatively low participation rate.

Table 3.5: 2011 NHS Key Labour Market Indicators by Sub-Region

Sub-Geography of Okanagan Region	Employment Rate	Unemployment Rate	Participation Rate
North Okanagan (Regional District)	54.1%	9.4%	59.7%
Central Okanagan (Regional District)	59.0%	8.1%	64.2%
Okanagan-Similkameen (Regional District)	48.9%	9.1%	53.8%

Source: 2011 NHS Table 99-012-X2011037 and Table 99-012-X2011047

Thompson-Okanagan Industry Composition

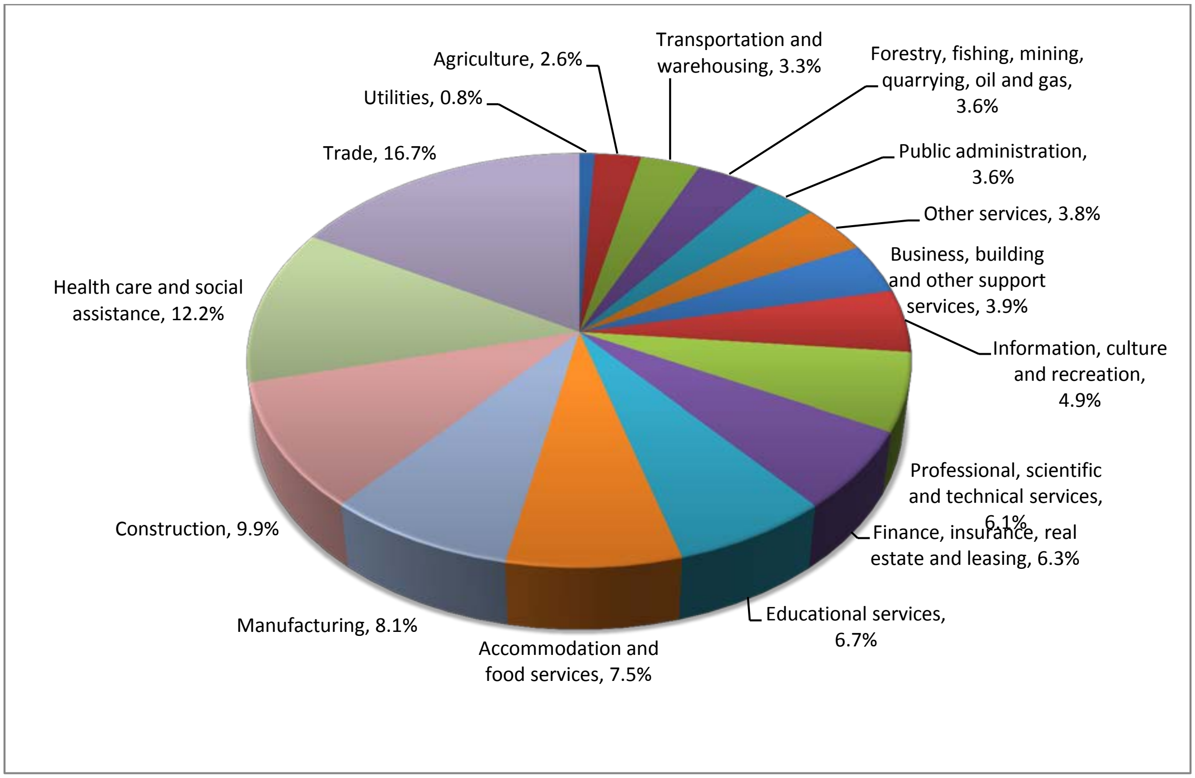
Figure 3.7 (page 29) provides the employment in each industry as a percentage of total employment for the Thompson-Okanagan Region. The region's largest industry is trade (wholesale and retail sales), which accounts for nearly 17% of total employment. Healthcare and social assistance, construction, and accommodation and food services are also major industries providing employment in the region.

This industry profile is similar to the province-wide profile, with a few notable exceptions:[13]

- The region has a two percentage point higher representation of accommodation and food services. Construction and healthcare and social assistance each also have a two percentage point higher representation in the region versus the province; and
- The region's agricultural sector, while small in absolute terms, is nearly twice as large as the provincial average.

[13] Comparison made using Labour Force Survey Table 282-0061: Employment by Economic Region and North American Industry Classification System (NAICS).

Figure 3.7: Percentage of Total Employment by Industry in Thompson-Okanagan (2013)



Source: Labour Force Survey Table 282-0061

The Labour Force Survey provides 2013 unemployment data for most of the major industries in Thompson-Okanagan, and the following data should be noted:[14]

- Trade (retail and wholesale sales) had a 2013 unemployment rate over two percentage points lower than the province, at a rate of 4.8%;
- Construction and manufacturing had 2013 unemployment rates of 6.8% and 6.9%, respectively, which are slightly below the overall regional rate;
- Accommodation and food services had the highest reported unemployment rate of 8.8% which may reflect the high representation of young and unskilled workers; and
- Health care and social assistance had no regional unemployment data reported, but it is likely very low (the BC average for this industry is 2.2%, making it the second lowest unemployment rate industry in the province).

[14] Regional unemployment rate data by industry was obtained from a BC Stats custom run Labour Force Survey dataset, available online at: http://www.bcstats.gov.bc.ca/StatisticsBySubject/BusinessIndustry/BusinessCountsEmploymentByIndustry.aspx

Okanagan Region Education

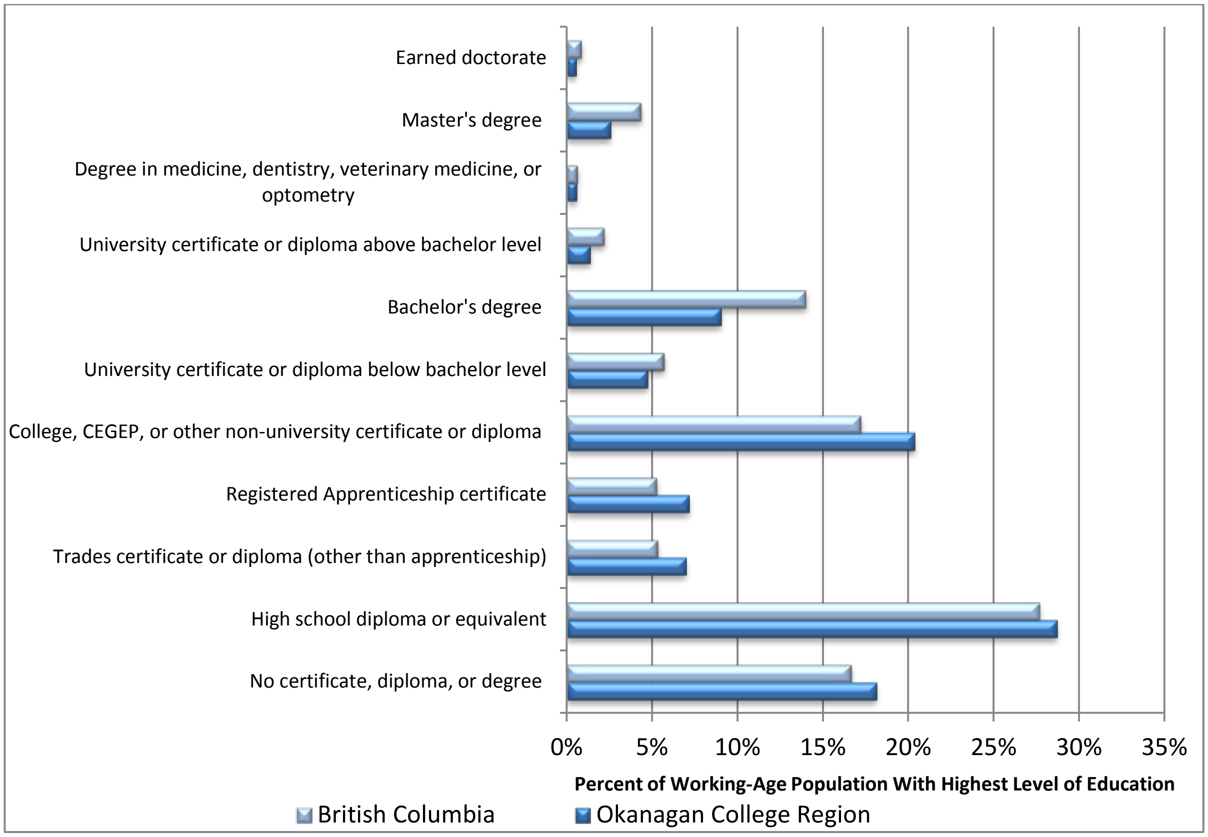
The 2011 NHS provides the most recent profile for the highest levels of education obtained by working age population in the OR.[15]

Figure 3.8 (page 31) details the findings regarding education level in the Okanagan Region versus the province as a whole. The following points can be observed:

- The Okanagan Region overall has a lower representation of university-educated workers, as indicated by the percentage of persons possessing bachelor's, master's, and doctoral degrees. The offset for this is the relatively higher representation that the Okanagan Region has in college, CEGEP, or other non-university certificates or diplomas;
- There is a notably higher representation of persons possessing trades certificates/diplomas and registered apprenticeship certificates. This may be reflective of the fact that there is a higher representation of the construction industry and other trades-related activities in the larger development region; and
- The Okanagan Region has a higher incidence of high school non-completion, as well as a higher proportion of persons who possess no post-secondary credentials (beyond high school), as compared to the provincial average.

[15] Note that this data is available from the NHS on a *census division level*. Estimates for the OR were arrived at by combining the data for the three regional districts that correspond to it.

Figure 3.8: Highest Level of Completed Education for Working Age Population



Source: 2011 NHS Table 99-012-X2011047

3.3 Compensation Data

Compensation can be both monetary and non-monetary; non-monetary compensation is usually in the form of benefits and health care plans. This section of the report draws primarily on secondary data, and where possible includes mention of primary data. In these cases, the reader is referred to the section of the report that provides a more in-depth discussion of the survey results.

In the survey, employers were asked the extent to which they agree or disagree with a series of statements related to wages and benefits. The largest challenge employers reported to be facing in retaining employees was that they didn't believe that their wages/benefits were competitive.[16] The following nine occupations were most frequently identified by employers as occupations for which their companies were having difficulty hiring (Table 3.6). Difficulties in hiring tended to fall within specific industries.

[16] For a full examination of retention challenges, please see Section 4.9.2Retention.

Table 3.6: Top Nine Difficult to Hire Occupations

NOC 4	NOC Description	% of Employers	Primary Industry
6421	Retail Salespersons and Sales Clerks	12.0%	Wholesale and Retail Trade
8431	General Farm Workers	10.5%	Agriculture
6411	Sales Representatives – Wholesale Trade [Non-Technical]	8.4%	Manufacturing; and Wholesale and Retail Trade.
7265	Welders and Related Machine Operators	8.4%	Manufacturing
1114	Other Financial Officers	7.3%	Finance and Insurance
6221	Technical Sales Specialists – Wholesale Trade	6.8%	Manufacturing; and Wholesale and Retail Trade.
6611	Cashier	6.3%	Wholesale and Retail Trade
6242	Cooks	5.8%	Accommodation and Food Services (includes part of Tourism industry)
6641	Food Counter Attendants, Kitchen Helpers, and Related Occupations	5.2%	Accommodation and Food Services (includes part of Tourism industry)

Source: 2014 Okanagan Employer Survey (n=191)

It is interesting to note that, of the occupations identified as difficult to fill, approximately one-half (i.e., retail salesperson, general farm workers, non-technical sales representatives, cashier, and food counter attendants) would be seen as low-skilled positions, with wage rates typically at or near minimum wage levels. In contrast, other difficult to hire occupations represent occupations characterised by higher skill levels (i.e., welder/machine operator, cooks, and other financial officers). In this context the "difficult to fill" occupations may reflect the ability of employers to attract workers to low wage positions rather than an inadequate supply of workers available to fill such positions.

A review of compensation data for the OR was conducted by culling LFS data from the Government of Canada's WorkinginCanada.ca online compensation database. The reference period for this data is 2011 to 2012. The occupations reviewed are the top occupations identified in by employers in the survey as being difficult to hire.

Low/Median/High Wages for Top Occupations in the Okanagan Region

This section briefly discusses the lowest, highest, and median wages for the top occupations in the OR. Note that the wages are actually based on the Thompson-Okanagan Region, but are assumed to be consistent and identical across the region. The results are provided in Table 3.7 (page 33), which indicates the wage ranges for each occupation along with the estimated number of workers employed in those occupations. The employment data (number of persons in each occupation in the OR) is from the 2011 NHS and is based on the OR specifically, not the Thompson-Okanagan Region.

Table 3.7: Lowest/Median/Highest Wage for Key Occupations in Okanagan Region

NOC 4	NOC Description	# Persons in Occupation in OR (2011 NHS)	Wage Rate ($/hour) Low Wage	Median Wage	High Wage
6421	Retail Salespersons and Sales Clerks	7,965	$10.25	$11.75	$24.00
8431	General Farm Workers	1,375	$10.25	$12.00	$16.00
6411	Sales Representatives – Wholesale Trade [Non-Technical]	1,460	$10.25	$23.50	$36.06
7265	Welders and Related Machine Operators	875	$15.00	$27.00	$36.00
1114	Other Financial Officers (e.g., credit unions examiner, estate and trust administrator)	980	$17.50	$30.77	$52.88
6221	Technical Sales Specialists – Wholesale Trade (e.g., medical instruments sales agent, agricultural equipment and supplies technical salesperson)	470	$13.90	$24.04	$40.00
6611	Cashier	2,970	$10.25	$10.30	$14.42
6242	Cooks	2,115	$10.25	$11.50	$16.83
6641	Food Counter Attendants, Kitchen Helpers and Related Occupations	3,805	$10.25	$10.25	$14.00

Source: 2011 National Household Survey, Labour Force Survey, and WorkinginCanada.ca

The following points are worth considering in Table 3.7:

Highest Paid Occupations: The highest paid occupations (by median wage and high wage) are Other Financial Officers (median wage of $30.77/hour and high wage of $52.88/hour), followed by Technical Sales Specialists – Wholesale Trade (median wage of $24.04/hour and high wage of $40.00/hour).

Minimum Wage Occupations: There is a reasonably large representation of minimum wage occupations on the list of top occupations. Retail Salespersons and Sales Clerks; Food Counter Attendants, Kitchen Helpers, and Related Occupations; Sales Representatives – Wholesale Trade; Cooks; Cashier; and General Farm Workers all have lowest wages equal to the statutory provincial minimum wage. This is not surprising, as trade skills, post-secondary education, and work experience are generally not required for many entry level positions in these occupations (versus occupations like Financial Officers, which require a base level of education, usually a bachelor's degree, for entry).

Another observation is that the median wage for Food Counter Attendants, Kitchen Helpers, and Related Occupations is close to the minimum wage, meaning a large proportion of workers in these occupations earn the minimum wage.

Comparisons of OR Wages to Other Labour Markets of Interest

A separate compensation analysis was conducted to compare the median wages earned by top occupations in the OR/Thompson-Okanagan Region to the province overall as well as other labour markets of interest: Southwest Lower Mainland, BC; Calgary, AB; and Edmonton, AB.

Table 3.8 (page 34) provides each top occupation's hourly wage by region of interest. As well, the table provides comparison figures between each region of interest versus the OR/Thompson-Okanagan Region (a positive figure indicates the occupation earns a relatively higher median wage compared to the OR/Thompson-Okanagan Region and a negative figure indicates the opposite).

Table 3.8: Comparison of Median Hourly Wages for Top Occupations to Other Regions

		Median Wage ($ per Hour)				
NOC 4	**NOC Description**	**Thompson-Okanagan/ OR**	**Lower Mainland Southwest**	**British Columbia**	**Calgary**	**Edmonton**
6421	Retail Salespersons and Sales Clerks	$11.75	**$11.80 (+0.05)**	**$12.00 (+0.25)**	**$12.00 (+0.25)**	**$12.00 (+0.25)**
8431	General Farm Workers	$12.00	**$13.00 (+1.00)**	**$14.00 (+2.00)**	**$15.69 (+3.69)**	**$14.00 (+2.00)**
6411	Sales Representatives – Wholesale Trade [Non-Technical]	$23.50	$23.00 (-0.50)	$23.08 (-0.42)	**$25.00 (+1.50)**	**$26.44 (+2.94)**
7265	Welders and Related Machine Operators	$27.00	$26.00 (-1.00)	$27.00 (-)	**$30.00 (+3.00)**	**$30.00 (+3.00)**
1114	Other Financial Officers (e.g., credit unions examiner, estate and trust administrator)	$30.77	$30.00 (-0.77)	$30.77 (-)	$27.88 (-2.89)	$30.77 (-)
6221	Technical Sales Specialists – Wholesale Trade (e.g., medical instruments sales agent, agricultural equipment and supplies technical salesperson)	$24.04	$24.04 (-)	$24.04 (-)	**$28.85 (+4.81)**	**$26.44 (+2.40)**
6611	Cashier	$10.30	$10.25 (-0.05)	**$10.35 (+0.05)**	**$11.00 (+0.70)**	**$11.00 (+0.70)**
6242	Cooks	$11.50	**$12.00 (+0.50)**	**$12.00 (+0.50)**	**$13.00 (+1.50)**	**$12.60 (+1.10)**
6641	Food Counter Attendants, Kitchen Helpers and Related Occupations	$10.25	$10.25 (-)	$10.25 (-)	**$11.16 (+0.91)**	**$11.25 (+1.00)**

Source: Labour Force Survey and WorkinginCanada.ca

The following comparisons should be considered from Table 3.8:

Comparisons with Southwest Lower Mainland: About a third of the top occupations can expect to earn the same or almost the same median wage regardless of whether they are employed in the Southwest Lower Mainland (Vancouver, Abbotsford-Mission, and Fraser Valley), versus the OR. The occupations that can expect to make reasonably higher median wages in the OR are Welders and Related Machine Operators, Other Financial Officers, and Sales Representatives – Wholesale Trade. General Farm Workers and Cooks, however, can expect to earn higher median wages in the Southwest Lower Mainland.

Comparisons with British Columbia: For the most part, the OR's top occupations have median wages that are on par with the provincial average. The only notable exceptions are Cooks and General Farm Workers, and Retail Salespersons and Sales Clerks, who can expect to earn higher median wages elsewhere in BC than in the OR.

Comparisons with Edmonton and Calgary: With the exception of Other Financial Officers and Chefs, median wages for top occupations are consistently lower in the OR compared to both Edmonton and Calgary. For almost half of the top occupations, the median wage gap is substantial, where Alberta workers are making a median wage of $2.00 or more per hour more. General Farm Workers, Sales Representatives – Wholesale Trade [Non-Technical], Technical Sales Specialists – Wholesale Trade, and Welders and Related Machine Operators can expect to earn considerably higher median wages in Calgary and Edmonton versus in the OR.

Overall, the top occupations in the OR earn median wages that are similar to other areas of the province. However, when compared to Alberta's major labour markets (which could be competitors but also potential sources for workforce attraction), median wages are generally lower or considerably lower.

The two occupations that stand out as consistently earning low wages in the OR compared to other regions are Cooks and General Farm Workers. For these occupations, all other regions examined offer median wages that are at least somewhat higher than can be earned in the OR.

3.4 BC Labour Market Scenario Model Projection

The BCLMSM is a projection system that provides growth forecasts for three-digit NOC codes. It is widely used in labour market research to identify growth profiles for the province's seven development regions, including the Thompson-Okanagan Region.[17] The findings from the utilization of this model for the OR labour market analysis are presented in this section.

This section provides, firstly, the overall growth forecasts for the Thompson-Okanagan Region, and is followed by a detailed examination of the occupations that are expected to experience the highest growth between 2014 and 2020. The latter examination, which is specific to the OR (as opposed to the greater development region), is organized based on a three-category classification of occupations: (1) managerial, (2) trades/technical/professional, and (3) operational.[18] For each category, the occupations with the highest growth rates are elucidated and their current employment estimates and growth figures are provided.

The following description of the methodological approach and assumptions is as follows:

- All projected employment figures are benchmarked on the 2011 NHS's four-digit NOC employment estimates for the OR;
- All growth projections (percentage increases due to expansion and replacement demand) are based on the BCLMSM's forecasts for the Thompson-Okanagan Region, which are superimposed on the OR's occupations data. The assumption is that occupations in the OR follow more or less than same labour market dynamics as the broader development region; and
- The BCLMSM provides forecasts for three-digit NOC codes, whereas the OR occupation data is available in a more detailed four-digit NOC code format. As such, three-digit forecasts were applied to four-digit NOC codes as averages.

3.4.1 Regional Employment Growth

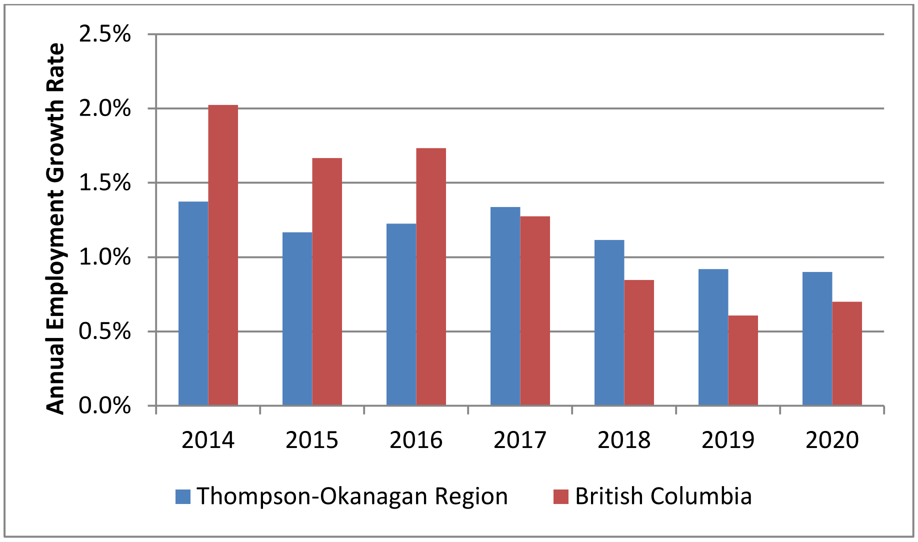
The BCLMSM projects the Thompson-Okanagan Region will experience a slightly slower annual employment growth rate of 1.1% compared to the overall province, which is expected to have a growth rate of 1.3%. This translates into total employment growth for the region of 17,691 between 2014 and 2020. Figure 3.9 provides the projected growth rates by year. The Thompson-Okanagan Region is forecasted to lag the province in employment growth until 2016, at which point it is anticipated to surpass the province.

[17] A fuller description of the BCLMS can is available on the WorkBC website: http://www.workbc.ca/Statistics/Labour-Market/Forecasting-the-Labour-Market.aspx

[18] The three categories are based on the National Occupational Classification Matrix. Managerial occupations are defined as grouping 0; trades/technical/professional occupations include groupings A and B; operational occupations include groupings C and D. For more information regarding the matrix please see Human Resources and Skills Development Canada's National Occupational Classification Matrix 2011. Available Online: http://www5.hrsdc.gc.ca/NOC/English/NOC/2011/html/Matrix.html

For the OR, which has approximately 158,434 employed persons (estimated for 2014), employment could be expected to grow by over 17,690 between 2014 and 2020.[19]

Figure 3.9: BCLMSM Projected Annual Employment Growth Rates



Source: BCL MSM (Thompson-Okanagan Region)

3.4.2 Projected Labour Force

Current employment counts for the OR were unavailable at the time of the publication of this report. However, the current employment counts can be calculated based on the BC Stats P.E.O.P.L.E. estimates and labour force participation rates for the three regions individually and for the OR overall. It is estimated that the current workforce within the OR is 158,434 individuals.

Table 3.9: Projected Current Okanagan Region Workforce

Region	Population of Working Age (15 to 64) (2014)	Labour Force Participation Rate (2014)	Projected Current Workforce (2014)	Percent of Workforce
North Okanagan and Surrounding Area	82,088	61.2%	50,238	31.7%
Central Okanagan	127,577	61.2%	78,077	49.3%
Okanagan-Similkameen	49,214	61.2%	30,119	19.0%
Okanagan Region	**258,879**	**61.2%**	**158,434**	**100.0%**

Source: BC Stats Sub-Provincial Population Projections - P.E.O.P.L.E. 2013

Between 2014 and 2020 the BCLMSM projects a growth of 6.9%, a projected total of an additional 10,879 individuals in the labour force (Table 3.10). Average annual growth for the region is projected to be 1.1%.

[19] The estimate of 158,434 employed persons in the OR is based on the 2013 population projection data from BC Stats for the OR. Total employment for 2014 was computed using BC Stats projected labour force participation for the Thompson-Okanagan Region in 2014.

Table 3.10: BCLMSM Projected Okanagan Region Workforce (2014 to 2020)

Region	Projected Current Workforce (2014)		Projected Labour Force (2015)		Projected Labour Force (2020)		Projected Change in Labour Force (2014-2020)	
	#	% Growth*	#	% Growth*	#	% Growth*	#	% Growth*
North Okanagan and Surrounding Area	50,238	100.0%	50,824	101.2%	53,688	106.9%	3,450	6.9%
Central Okanagan	78,077	100.0%	78,988	101.2%	83,438	106.9%	5,361	6.9%
Okanagan-Similkameen	30,119	100.0%	30,471	101.2%	32,187	106.9%	2,068	6.9%
Okanagan Region	**158,434**	**100.0%**	**160,283**	**101.2%**	**169,313**	**106.9%**	**10,879**	**6.9%**

***** 2014 workforce = 100%

Source: BC Stats Sub-Provincial Population Projections - P.E.O.P.L.E. 2013, BC Stats 2010 BCLMSM

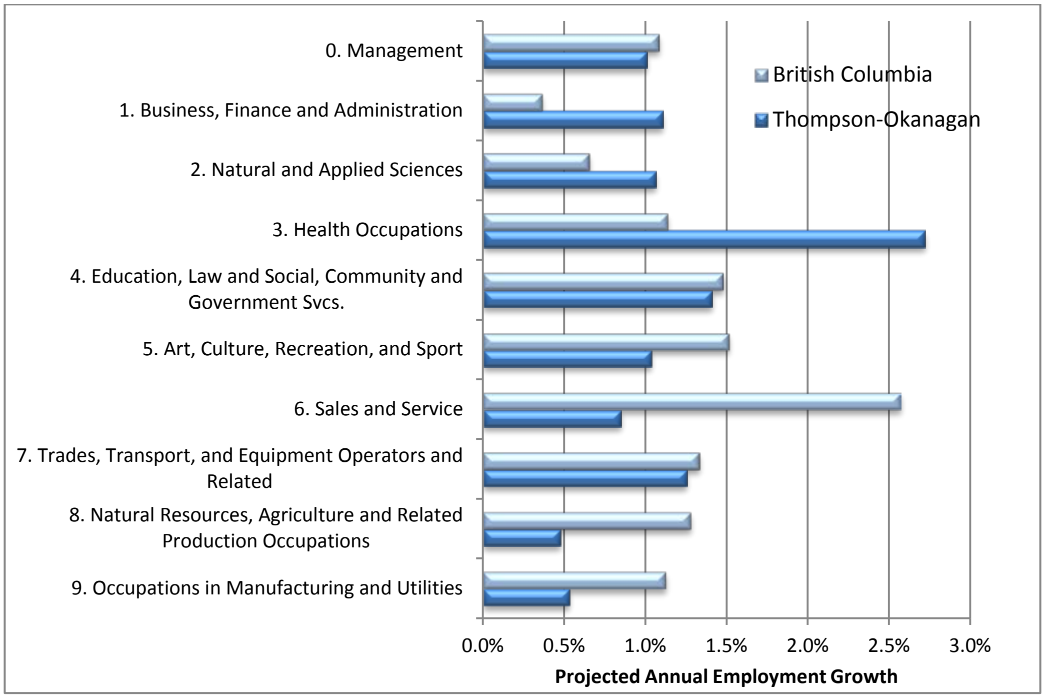
It should be emphasized that the BCLMSMS provides a projection of the total labour force in the region, but does not provide an estimate for the total number of workers required in the region. For example, as detailed in Table 3.10 above, while the table suggests that the region's labour force will expand by 10,879 between 2014 and 2020, **the total number of people required to work in the region will be much higher than 10,879, as new workers will be needed to replace existing workers who will retire, or will leave the region's workforce for other reasons** (outmigration, exiting the labour force). This demand for expansion and replacement workers is discussed in Section 3.4.3 and Section 4.6 of this report.

3.4.3 Overview of Occupation Growth

The average annual growth rates by one-digit NOC for Thompson-Okanagan are provided in Figure 3.10. This figure also provides comparisons between the development region and the province. The following findings are highlighted:

- The Thompson-Okanagan Region is forecasted to experience positive annual employment growth for all occupation types between 2014 and 2020 (on a one-digit NOC level, there are no contractions expected);
- Health occupations are forecasted to experience the strongest growth in the region (over 2.6% per year on average);
- Most occupations are expected to grow at around 1% per year, which is on par with the overall regional forecast. The exceptions are health services (which will outpace average growth) and natural resources/agriculture and manufacturing/utilities (which are expected to experience very modest growth).

Figure 3.10: 2014 to 2020 Average Annual Growth Forecasts by Occupation



Source: BCLMSM (Thompson-Okanagan Region)

3.4.4 Managerial Occupations Growth Forecasts

Between 2014 and 2020, the number of managerial occupations is expected to increase in the Thompson-Okanagan Region and OR by 5.3% (0.9% annually), which is slightly below the provincial forecast.

Table 3.11 (page 40) provides a top-nine ranking from highest growth to lowest growth of managerial occupations in the OR. While the occupations are ranked according to net growth (expansion), the total number of positions requiring replacement (due to factors like retirement, pre-retirement exit, and death) are also provided.

Construction managers are expected to be the fastest growing occupation, followed by healthcare managers, and social/community/correctional services managers.

While managerial occupations are not expected to grow considerably due to expansion demand (net growth), replacement demand will be high compared to the two other categories of occupations.[20] Most of the managerial occupations in Table 3.11 have replacement rates above 4%; this represents the proportion of the total persons employed in the occupation who will need to be replaced, primarily due to retirement. The projection of the BCLMSM are consistent with that of the 2014 Okanagan Employer Survey, employers projected annual replacement rate for managerial staff of 3.4%, primarily through

[20] Expansion demand is the demand for more employees due to an increase in number of positions within a firm; replacement demand is the demand for more employees to fill existing positions.

retirement (2.4% per annum) and to a lesser extent other forms of attrition (1.0% per annum) (see Section 4.6).

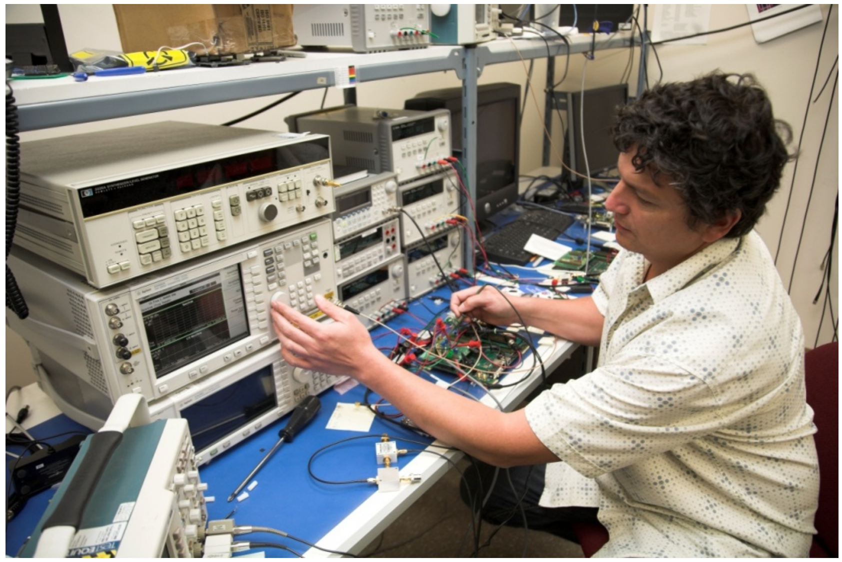
Table 3.11: Fastest Growing Managerial Occupations in Okanagan Region

Managerial Occupation Type		# of Persons Employed in Okanagan Region		Projected Annual Employment Growth Rates by Expansion/ Replacement		Projected Total Employment Growth by Source (2014 to 2020)			
NOC 4	Description	Estimated 2014 Employed	Estimated 2020 Employed	Net Employment Growth (Expansion)	Sustainment Demand (Replacement)	Net Employment Growth (Expansion)	Sustainment Demand (Replacement)	Total New Workers Required	Percent of 2020 Workforce that will be New Hires
0711	Construction managers	971	1,101	2.1%	4.6%	130	270	**400**	**36.3%**
0311	Managers in healthcare	277	308	1.8%	4.9%	31	82	**113**	**36.7%**
0314	Managers in social, community, and correctional services	364	405	1.8%	4.9%	40	107	**147**	**36.3%**
0114	Other administrative services managers	204	218	1.1%	4.2%	14	51	**65**	**29.8%**
0112	Human resources managers	214	229	1.1%	4.2%	15	53	**68**	**29.7%**
0013	Senior managers - financial, communications, and other business services	333	355	1.1%	4.1%	22	81	**103**	**29.0%**
0016	Senior managers - goods production, utilities, transportation, and construction	422	450	1.1%	4.1%	28	103	**131**	**29.1%**
0721	Facility operation and maintenance managers	617	657	1.1%	3.5%	40	130	**170**	**25.9%**
0611	Sales, marketing, and advertising managers	717	747	0.7%	3.4%	30	145	**175**	**23.4%**
0632	Accommodation service managers	424	441	0.7%	2.7%	17	68	**85**	**19.3%**

Note: Columns may not sum due to rounding.

Source: BCLMSM (Thompson-Okanagan Region), 2011 NHS Table 99-012-X2011037 and Table 99-012-X2011047

3.4.5 Trades/Technical/Professional Occupations Growth Forecasts



The occupations with the strongest OR employment growth outlooks are those related to technical and professional specialties (see Table 3.12, below). Between 2014 and 2020, the number of trades/technical/professional occupations is expected to increase in the Thompson-Okanagan Region and OR by 8.2% (1.4% annually), which is above the provincial forecast. The fastest growing occupations in this category are in health services. Registered nurses are expected to have a net employment growth rate of 3.1%, which could translate into a total expansion of persons employed in this occupation by upwards of 600. This occupation will also create over 800 job opportunities due to its high rate of replacement (4.1% replacement demand), likely due to retirement.

Dentists and physicians (both generalists and specialists) also have notable forecasted growth rates. Several technical occupations in health services will also experience strong growth rates, such as Laboratory Technologists and Radiation Technologists.

Table 3.12: Fastest Growing Trades/Technical/Professional Occupations in Okanagan Region

Trade/Technical/Professional Occupation Type		# of Persons Employed in Okanagan Region		Projected Annual Employment Growth Rates by Expansion/Replacement		Projected Total Employment Growth by Source (2014 to 2020)			
NOC 4	Description	Estimated 2014 Employed	Estimated 2020 Employed	Net Employment Growth (Expansion)	Sustainment Demand (Replacement)	Net Employment Growth (Expansion)	Sustainment Demand (Replacement)	Total New Workers Required	Percent of 2020 Workforce that will be New Hires
3152	Registered nurses and registered psychiatric nurses	3,167	3,799	3.1%	4.1%	633	838	**1,471**	**38.7%**
3113	Dentists	204	244	3.0%	2.9%	39	39	**78**	**32.0%**
3111	Specialist physicians	301	359	3.0%	2.9%	58	57	**115**	**32.0%**
3112	General practitioners and family physicians	527	628	3.0%	2.9%	101	100	**201**	**32.0%**
3142	Physiotherapists	369	438	2.9%	2.9%	69	69	**138**	**31.5%**
3211	Medical laboratory technologists and pathologists' assistants	231	273	2.8%	3.3%	42	49	**91**	**33.3%**
3219	Other medical technologists and technicians (except dental health)	408	483	2.8%	3.3%	74	87	**161**	**33.3%**
3215	Medical radiation technologists	236	279	2.8%	3.3%	43	50	**93**	**33.3%**
3235	Other technical occupations in therapy and assessment	337	394	2.6%	3.3%	57	72	**129**	**32.7%**
3233	Licensed practical nurses	1,049	1,225	2.6%	3.3%	176	224	**400**	**32.7%**

Note: Columns may not sum due to rounding.
Source: BCLMSM (Thompson-Okanagan Region), 2011 NHS Table 99-012-X2011037 and Table 99-012-X2011047

3.4.6 Operational Occupations Growth Forecasts

As with technical and professional occupations, operational occupations related to health services are forecasted to have the highest rates of growth in the region. Dental Assistants and Dental Hygienists top the list, with growth rates of 2.9% and 2.7%, respectively. Between 2014 and 2020, the number of operational occupations is expected to increase in the Thompson-Okanagan Region and OR by 6.0% (1.0% annually), which is slightly below the provincial forecast.

There are several general labour occupations that are expected to have high growth rates. These include Concrete Finishers; Plasterers, Drywall Installers, and Finishers/Latherers; Painters; and Roofers.

While retail and sales-oriented occupations account for the largest number of persons currently employed in operational positions, sales, and service occupations are broadly expected to grow sluggishly in the region between 2014 and 2020. Thus, they are not represented in Table 3.13 (below).

Table 3.13: Fastest Growing Operational Occupations in Okanagan Region

Operational Occupation Type		# of Persons Employed in Okanagan Region		Projected Annual Employment Growth Rates by Expansion/Replacement		Projected Total Employment Growth by Source (2014 to 2020)			
NOC 4	Description	Estimated 2014 Employed	Estimated 2020 Employed	Net Employment Growth (Expansion)	Sustainment Demand (Replacement)	Net Employment Growth (Expansion)	Sustainment Demand (Replacement)	Total New Workers Required	Percent of 2020 Workforce that will be New Hires
3411	Dental assistants	590	698	2.9%	3.1%	109	116	**225**	**32.2%**
3222	Dental hygienists and dental therapists	413	486	2.7%	2.7%	73	71	**144**	**29.6%**
3234	Ambulance attendants and other paramedical occupations	2,719	3,175	2.6%	3.3%	456	579	**1,035**	**32.6%**
4214	Early childhood educators and assistants	1,431	1,663	2.5%	2.8%	232	261	**493**	**29.6%**
4216	Other instructors	239	278	2.5%	2.8%	39	44	**83**	**29.9%**
7282	Concrete finishers	222	255	2.3%	2.6%	33	37	**70**	**27.5%**
7284	Plasterers, drywall installers and finishers and lathers	606	696	2.3%	2.6%	90	101	**191**	**27.4%**
7294	Painters and decorators	668	762	2.2%	2.7%	94	115	**209**	**27.4%**
7291	Roofers and shinglers	307	350	2.2%	2.7%	43	53	**96**	**27.4%**
7295	Floor covering installers	327	372	2.2%	2.7%	46	56	**102**	**27.4%**

Note: Columns may not sum due to rounding.
Source: BC Labour Market Scenario Model (Thompson-Okanagan Region), 2011 National Household Survey Table 99-012-X2011037 and Table 99-012-X2011047

3.5 Major Project Inventory and Input-Output Analysis

The construction industry is an important sector within the OR, and its employment dynamics are unique in that they vary mainly according to capital projects. As such, an input-output analysis of capital projects in the OR was conducted to measure the potential construction industry employment that will be required for projects developed (either currently under construction or planned).

This section presents the capital projects evaluation and input-output analysis that were conducted to measure construction industry job creation.

3.5.1 Analysis and Research Approach

The analysis was carried out as follows:

- The December 2013 BC Major Projects Inventory was queried for the purpose of collecting all major capital projects that fall within the OR. This yielded a database of 69 major projects for the OR.
- The database was cleaned to remove projects that have a timeline ending before 2014 and projects that appear to be inactive, on-hold, or too speculative to merit inclusion. This resulted in 47 projects that remained for inclusion in the input-output analysis.

- An input-output analysis was conducted utilizing the 47 projects to identify the likely employment gains associated with each individual project, which is based on the capital cost of the project and the “employment multiplier” for the project. The employment multiplier provides the number of jobs per year the project generates for each million dollars of capital cost. There are five possible types of multipliers that can be applied to a construction project, depending on the type of construction. The Table 3.14 (below) provides the employment multipliers associated with each type of construction.

Table 3.14: Simple Employment Multipliers

Construction Type	Employment Multiplier (Yearly Employment per $ million of Project Cost)
Residential construction	9.1
Non-residential building construction	8.9
Engineering construction	7.3
Repair construction	10.3
Other activities of the construction industry	6.7

Source: Statistics Canada, Input-Output Multipliers by Province. 2009.

- An analysis was conducted for each project to identify the employment required per year between 2014 and 2016. The reason this window was examined specifically is because it is likely that all projects that will be carried out during this time period are fully represented in the December 2013 BC Major Projects Inventory (versus subsequent years, which will see projects enter the inventory that are currently not established or not announced). As such, the 2014 to 2016 window was considered representative of the typical “ebb and flow” of capital projects and employment requirements in the Okanagan Region.

3.5.2 Findings from Input-Output Analysis

The bottom line finding from the input-output analysis is that, between 2014 and 2016, about 9,000 workers are going to be *annually* involved in the construction of capital projects. Jobs could be skilled tradespersons, project managers, general labourers, support staff, etc. (any occupation involved in the construction of a facility).

As Table 3.15 (below) shows, residential construction projects will account for the majority of employment generated by capital projects, followed by non-residential building construction. The latter projects are mainly related to commercial buildings, non-residential resorts, and tourism-related facilities like ski resorts.

Employment gains from engineering construction-related projects will mainly come from the Princeton Power Project and the Hydroelectric Dam Project (which are respectively worth $200 and $150 Million).

Table 3.15: Employment Creation by Construction Type

Construction Type	Proportion of Total Construction
Residential construction	66%
Non-residential building construction	30%
Engineering construction	4%
Repair construction	1%
Other activities of the construction industry	5%

Source: Internal Analysis and Organization of BC Major Projects Inventory (December 2013).

3.5.3 Construction Employment Requirements by Region

The capital projects were organized into the sub-regions within the OR in which they are being constructed or will be constructed, with the assumption being that the workers they require will reside in whichever regions the capital projects are constructed.

What is apparent from this sub-region analysis is that the overwhelming majority of employment required for capital projects will be in the Central Okanagan (83%), followed by Okanagan-Similkameen (16%). North Okanagan has a very small proportion of the overall requirement for construction-related workers. This is unsurprising, given that North Okanagan is only engaged in two minor utilities projects (with values under $50 million) and a commercial complex.[21]

Table 3.16: Regional Distribution of Capital Project Employment Requirements

Region	Percentage of Total OR Capital Project Employment Requirements	Estimated Annual Capital Project Employment Requirements
North Okanagan and Surrounding Area	1%	55
Central Okanagan	83%	7,468
Okanagan-Similkameen	16%	1,477
Okanagan Region	**100%**	**9,000**

Source: Internal Analysis and Organization of BC Major Projects Inventory (December 2013)

3.5.4 Construction Employment Requirements by Project Type

The types of facilities the capital projects are creating were also analyzed. As Figure 3.11 (below) illustrates, employment demands from capital projects are mainly arising from resort construction (28.2%); residential construction (26.6%); and projects that are hybridizations of residential, resort, and commercial formats (i.e., condominium resorts that include retail shop fronts).

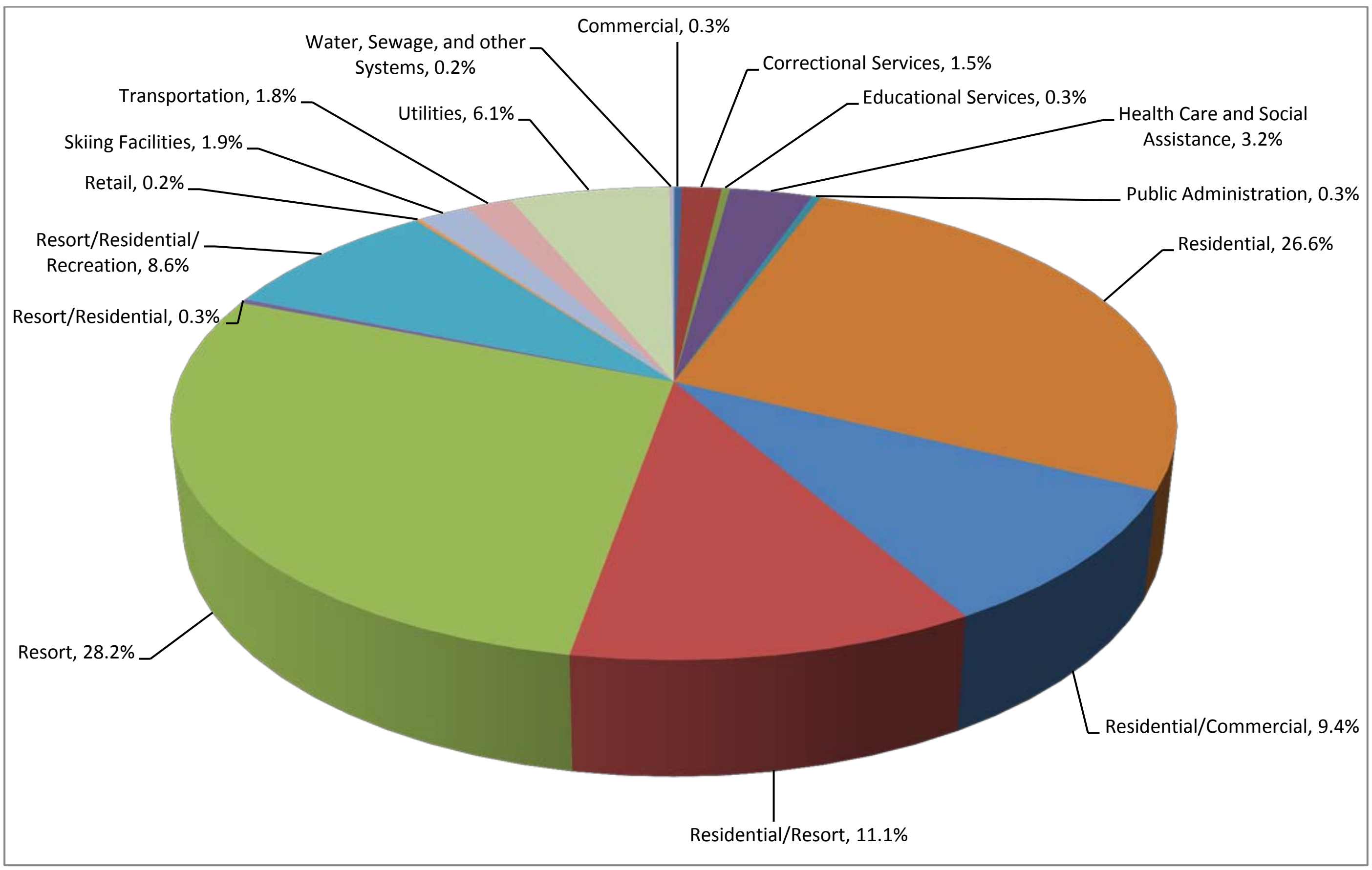
While residential projects are a major source of employment, there are only 12 of them being engaged, with the Glenmore Highlands Development accounting for over 67% of the residential project group's total capital value. This is actually the largest capital project being engaged in the OR at present. The next largest development is worth $200 million, while the other 10 projects are worth considerably less.

[21] BC Major Projects Inventory, December 2013.

An even more pronounced concentration of capital can be observed in the construction of resorts (not hybrid resorts). While over $3.2 billion in total is slated for resort construction projects, over three-quarters of this is concentrated in the Lakestone Resort Development and Ponderosa Residential Development (the latter is classified as a resort, despite its name). Not only are they the largest resort developments in the OR, they are among the largest capital projects in the region overall.

There is also a notable representation of capital projects related to utilities (6.1%), which are mainly associated with power generation.

Figure 3.11: Employment Creation by Capital Project Type



Source: BC Major Projects Inventory (Input-Output Analysis). Excluded are projects that appear to be inactive, on hold, or too speculative to merit inclusion.

SECTION 4: Findings – Labour Market Outlook (Component B)

In addition to analyzing key employment requirements based on BC Stats data, a key objective of the research was to obtain "first hand" information from local employers as to job vacancies, hiring difficulties, and likely hiring requirements. As part of the labour market strategy, the research team completed interviews and/or obtained detailed labour market information from more than 600 employers in the OR.

4.1 Completion and Response Rate

In total, 629 employers responded to the survey; 615 completed the full survey and 14 completed the majority of the survey (Table 4.1). These employers represent 882 establishments within the OR, providing data on 15,157 FTE positions.

Table 4.1: Number of Employers, Establishments and Employees Represented in Survey

Region	Number of Survey Completions*	Number of Establishments	Number of Employees (FTEs)
North Okanagan and Surrounding Area	214	285	4,260
Central Okanagan	276	354	7,525
Okanagan-Similkameen	207	243	3,372
Total	**629**	**882**	**15,157**

***** Total will not sum due to 46 businesses having establishments in multiple regions.
Source: 2014 Okanagan Employer Survey

4.2 Survey Respondents Profile

The following section provides a profile of the survey respondents. As can be seen, the respondents' profile closely reflects that of the entire employer population in the region, lending credibility to the survey results, generalizability to the larger population, and an analysis that is representative of the region.

4.2.1 Region, Length in Operation, Business Cycle, Size

The great majority (86.6%) of individuals who responded to the survey are either owners/presidents/ CEOs/CFOs or senior managers/administrators of their organization (59.6% and 27.0%, respectively) (Table 4.2). This provides a high level of confidence in the accuracy of the information provided about their organization and plans for the next five years.

Table 4.2: Type of Respondents Completing Survey

Type of Respondent	Number of Respondents	Percent of Respondents
Owner/President/CEO/CFO	375	59.6%
Senior Manager/Administrator	170	27.0%
Vice President/Director/Senior Manager	36	5.7%
Human Resource Department	28	4.5%
Non-Managerial Titles/Positions (e.g., Secretary, Executive Assistant, etc.)	15	2.4%
Finance Department (e.g., Bookkeeper, Financial Advisor, etc.)	5	0.8%
Total	**629**	**100.0%**

Source: 2014 Okanagan Employer Survey

Respondents can be characterized as established within their industry as nearly half (44.2%) of businesses represented the survey have been in operation for 20 years or more, and the large majority (80.6%) of operations have been in operation for five years or more (Table 4.3). It can be reasonably assumed that the employers responding to the survey are able to provide an accurate portrait of the current labour market in the OR.

Table 4.3: Length of Operation of Businesses Responding to Survey

Regional District	Number of Employers	Percent of Employers
Less than 6 months	3	0.5%
6 months to less than 24 months	16	2.5%
2 years to less than 5 years	78	12.4%
5 years to less than 20 years	254	40.4%
20 years or more	278	44.2%
Total	**629**	**100.0%**

Source: 2014 Okanagan Employer Survey

Businesses responding to the survey were typically small in size, with nearly half (47.5%) having four or fewer FTE employees, while few employers had more than 20 FTE employees (19.5%) (Table 4.4).

Table 4.4: Size (# of FTEs) of Businesses Responding to Survey

Number of Employees (FTEs)	Number of Employers	Percent of Employers	Percent of Workforce
1 to 4	299	47.5%	4.6%
5 to 19	207	32.9%	12.0%
20 to 99	92	14.6%	25.5%
100 or more	31	4.9%	57.8%
Total	**629**	**100.0%**	**100.0%**

Source: 2014 Okanagan Employer Survey

Employers were also asked to provide detailed information about the number of establishments they operated, as well as in which regions they were situation, and to which regions they provided goods and services. The large majority (86.0%) of employers reported to only be operating from a single region (Table 4.5). Similarly, the great majority (92.7%) of employers had establishments in only one region.

Table 4.5: Number of Establishments by Business

Number of Establishments	Number of Employers	Percent of Establishments
1	541	86.0%
2	42	6.7%
3	20	3.2%
4	11	1.7%
5	4	0.6%
6	0	0.0%
7	3	0.5%
8	0	0.0%
9	3	0.5%
10 or more	5	0.8%
Total	**629**	**100.0%**

Source: 2014 Okanagan Employer Survey

Employers typically focus on a single regional district. Not only did most employers have establishments in only one region, the majority (69.2%) of employers operated (providing goods and services) in only one of the three regional districts as well. The proportions of employers that have both establishments and operate and the number of establishments are similar within each region (Table 4.6). A few (17.5%) employers operated within all three regions, and even fewer had establishments in two or three regions (3.8% and 3.5%, respectively).

Table 4.6: Survey Respondents by Region (Employers and Establishments)

	Employers Operating in Region		Employers With Establishments in Region		Number of Establishments in Region	
Regional District	**Count**	**Percent**	**Count**	**Percent**	**Count**	**Percent**
North Okanagan and Surrounding Area	307	48.8%	214	34.0%	285	32.3%
Central Okanagan	355	56.4%	276	43.9%	354	40.1%
Okanagan-Similkameen	281	44.7%	207	32.9%	243	27.6%
Okanagan Region	**629**[i]	**100.0%**	**629**[i]	**100.0%**	**882**	**100.0%**

[i] Total will not sum due to employers able to operate, or have establishments, in multiple regions.
Source: 2014 Okanagan Employer Survey

Employers responding to the survey represented 6.6% of all establishments within the OR (Table 4.7).[22] Results from the survey can be interpreted with a high level of confidence as they have a margin of error of ±3.2 at the 95% confidence level.

Table 4.7: Comparison of Establishments Represented in Survey to that of the Region

Regional District	Number of Establishments Represented in Survey	Number of Establishments (2013)	Percent of Establishments	Margin of Error*
North Okanagan and Surrounding Area	285	3,316	8.6%	5.6
Central Okanagan	354	7,003	5.1%	5.1
Okanagan-Similkameen	243	3,116	7.8%	6.0
Okanagan Region	**882**	**13,435**	**6.6%**	**3.2**

*Margin of Error at the 95% confidence Interval.
Source: 2014 Okanagan Employer Survey, 2013 BC Stats Business Counts

Employers were asked how they see their business' performance over the next five years. Employers are generally optimistic about the future, with over two-thirds (71.4%) reporting that they anticipate a period of growth over the next five years. Very few (3.6%) anticipate that their business will decline or go out of business in the next five years (Table 4.8).

[22] Excluded is the number of establishments within the Columbia-Shuswap region that lies within the OR. These establishments were excluded due to insufficient information.

Table 4.8: Employer's Company's Current Performance or Expected Performance

Employers Five Year Projection	Number of Employers	Percent of Employers
Anticipate a period of growth over the next five years	432	71.4%
Project similar results to those of last year	151	25.0%
Anticipate business to decline over the next five years	8	1.3%
Expect to close/go out of business/permanently or temporarily suspend operations	14	2.3%
Total	**605**	**100.0%**
Don't know/Unsure	24	-

Source: 2014 Okanagan Employer Survey QA8

4.2.2 Sector

The large majority (85.9%) of survey respondents operate within the private sector, with few working in the public sector (10.2%) and even fewer in the not-for-profit sector (4.0%) (Table 4.9).

Table 4.9: Survey Respondent Type of Sector

Type of Sector	Number of Employers	Percent of Employers	Percent of Workforce
Private Sector	540	85.9%	61.2%
Not-for-Profit	25	4.0%	2.8%
Public Sector	64	10.2%	36.0%
Total	**629**	**100.0%**	**100.0%**

Source: 2014 Okanagan Employer Survey

The service-based economy of the Okanagan Valley is reflected within the distribution of establishments by major industry, as five of the top six industries responding to the survey include Wholesale and Retail Trade (21.0%); Professional, Finance, and Insurance (10.8%); Professional, Scientific, and Technical Services (8.8%); Accommodation and Food Services (includes part of tourism industry) (8.8%); and Other Services (e.g., Repair, Personal Services, and Related) (5.4%) (Table 4.10). In addition, the manufacturing, and agricultural sectors were well represented (16.0% and 5.0%, respectively). The distribution of establishments by industry varies between that reported in the employer survey and BC Stats establishment counts. Employers in the Manufacturing, and Finance, and Insurance are over-represented within the employer survey, while Administrative Support, Waste Management and Remediation Services, Construction, and Other Services are under-represented.[23]

[23] The under-representation of other industries has the potential to cause results to not reflect changes within certain industries. These discrepancies are not predicted to impact overall results, as establishment counts are not indicative of overall employment within the region.

Table 4.10: Survey Respondent Industry

Type of Sector (NAICS 2-digit)	Number of Establishments	Percent of Employers	Percent of Establishments in Industry (December 2013)
Wholesale and Retail Trade (41, 44, 45)	185	21.0%	16.5%
Manufacturing (31-33)	141	16.0%	4.1%
Finance and Insurance (52)	95	10.8%	3.7%
Professional, Scientific, and Technical Services (54)	78	8.8%	8.7%
Accommodation and Food Services (includes part of tourism industry) (72)	78	8.8%	7.2%
Other Services (e.g., Repair, Personal Services, and Related) (81)	48	5.4%	8.7%
Agriculture (11)	44	5.0%	7.0%[i]
Forestry, Logging, Fishing, and Related (excluding wood manufacture) (11)	5	0.6%	
Educational Services (61)	40	4.5%	4.4%
Administrative and Support, Waste Management ,and Remediation Services (56)	35	4.0%	14.4%
Construction (23)	32	3.6%	9.4%
Health Care and Social Assistance (62)	28	3.2%	5.4%
Real Estate, Rental, and Leasing (53)	21	2.4%	0.5%
Public Administration (91)	19	2.2%	1.7%
Arts, Entertainment, and Recreation (includes part of tourism industry) (71)	13	1.5%	1.1%
Information and Culture (51)	8	0.9%	4.1%
Transportation and Warehousing (48-49)	8	0.9%	0.6%
Mining, Oil, and Gas Extraction (21)	2	0.2%	0.2%
Utilities (22)	1	0.1%	1.2%
Management of Companies and Enterprises (55)	1	0.1%	4.4%
Total	**882**	**100.0%**	**100.0%**

[i] Establishment counts for Agriculture, and Forestry, Logging, Fishing, and Related are grouped together under NAIC code 11.

Source: 2014 Okanagan Employer Survey, BC Stats December 2013 Business Locations by Employee Size

4.3 Current Regional Workforce Estimates

Employers were asked detailed questions about their current and projected workforce between 2014 and 2020, identifying the number of permanent employees across three general occupational categories (Managerial, Trade/Technical/Professional, Operational) as well as the number of seasonal employees.

The following results are weighted to present a more accurate representation of employment demands and perceptions. Weights are based on the responding employers' relative representation of the number of employees (FTEs) working in each region, for the regional analysis. The following table outlines the differences between the distribution of the workforce captured in the survey and that of the regions. Businesses with establishments in multiple regions were treated as separate businesses in each region. Their weight is proportionally adjusted to the number of employees per region.

4.3.1 Permanent Employees

The 629 employers responding to the survey employ a total of 15,157 FTEs, equal to 9.6% of the total estimated current workforce in the OR (Table 4.11). The high level of participation of the OR workforce provides a high level of confidence in the results of the study.

Even though 81.0% of all respondents have fewer than 20 employees, the average number of employees per business is 24.6 FTEs. Employers from the Central Okanagan tend to be larger (more FTE positions) than the other two regions; however, they are not significantly larger than either.

Table 4.11: Average Employer Size and Total Number of Employees by Region

Region	Average Number of Employees (FTEs)	Number of FTEs (weighted)	Number of FTEs (unweighted)	Projected Current Workforce (2014)	Percent of Workforce Represented in Survey (Unweighted FTE vs. Projected 2014)
North Okanagan and Surrounding Area	22.4	4,806	4,260	50,238	8.5%
Central Okanagan	30.3	7,469	7,525	78,077	9.6%
Okanagan-Similkameen	18.7	2,881	3,372	30,119	11.2%
Total	**24.6**	**15,157**	**15,157**	**158,434**	**9.6%**

Totals may not sum due to rounding.
Source: 2014 Okanagan Employer Survey, BC Stats P.E.O.P.L.E. (April 2013).

Employees were grouped into three different categories: managerial, trades/technical/professional, and operational staff. Managerial staff included managers and supervisors, trades/technical/ professional staff included employees with specialized training, while operational staff included staff with lower levels of training/specialization responsible for the day-to-day operations of the business. The majority of employees filled operational roles within the organizations, constituting approximately half (50.4%) of the workforce. As well, over one-third (34.6%) of all employees are trades/technical/ professional occupations, representing occupations that require a post-secondary education.

Table 4.12: Average Employer Size and Total Number of Employees by General Occupational Category

General Occupational Category	Average Number of Employees (FTEs)	Total Number of Employees (FTEs) Represented in Survey (weighted)	Percent of Employees	Projected Number of Employees
Managerial	3.7	2,278	15.0%	23,765
Trades/Technical/Professional	8.5	5,244	34.6%	54,818
Operational	12.4	7,635	50.4%	79,851
Total	**24.6**	**15,157**	**100.0%**	**158,434**

Source: 2014 Okanagan Employer Survey

4.3.2 Seasonal Employees

When examining the use of seasonal employees, fewer than half (46.1%) of employers reported hiring seasonal workers (Table 4.13). Employers in the Okanagan-Similkameen region reported that they employ a higher proportion of seasonal workers than any other region. The major industries utilizing seasonal employees, those where over half of employers reported hiring seasonal workers, include: Public Administration; Agriculture; Arts, Entertainment, and Recreation; Accommodation and Food Services; and Educational Services sector employers.

Table 4.13: Employers Hiring Seasonal Workers by Region

Region	Percent of Employers Hiring Seasonal Workers
North Okanagan and Surrounding Area	42.7%
Central Okanagan	39.8%
Okanagan-Similkameen	62.1%
Total	**46.1%**

Source: 2014 Okanagan Employer Survey

Seasonal employees are reported to make up 15.8% of the OR's workforce (Table 4.14). The importance of seasonal employees varies between the three regions, with employers in the North Okanagan reporting a larger proportion of their workforce being seasonal. A few employers in the North Okanagan and Okanagan-Similkameen have large influxes of seasonal employees (e.g., forestry industry and public administration, respectively).

Table 4.14: Regional Workforce by Type of Employment

Region	Seasonal Employees		Permanent Employees		Total Employees
	#	% of Regional Workforce	#	% of Regional Workforce	#
North Okanagan and Surrounding Area	887	28.0%	4,806	84.4%	5,693
Central Okanagan	725	12.1%	7,469	91.2%	8,194
Okanagan-Similkameen	1,233	13.9%	2,881	70.0%	4,114
Total	**2,847**	**15.8%**	**15,157**	**84.2%**	**18,004**

Source: 2014 Okanagan Employer Survey

The number of seasonal workers was also examined based on region and season of hire (Table 4.15). As expected, the largest proportion of seasonal workers are employed during the summer months (representing 38.7% of all seasonal workers); however, employers in the North Okanagan hire the most seasonal workers for the fall season, influenced by the influx of seasonal workers for the Forestry, Logging, Fishing, and Related industry. The increase in seasonal workers in the summer months in the Central Okanagan and Okanagan-Similkameen is primarily due to an increase in the Accommodation and Food Services sector. Furthermore, during the spring months, the Okanagan-Similkameen region hires a large portion of seasonal workers for the Accommodation and Food Services industry and the Public Administration industry.

Table 4.15: Proportion of Seasonal Workers by Region and Season

Region	Spring	Summer	Fall	Winter	Total
North Okanagan and Surrounding Area	24.9%	25.1%	46.1%	3.8%	100.0%
Central Okanagan	25.9%	50.8%	13.9%	9.4%	100.0%
Okanagan-Similkameen	32.3%	43.9%	20.5%	3.3%	100.0%
Total	**28.3%**	**39.8%**	**26.8%**	**5.0%**	**100.0%**

Source: 2014 Okanagan Employer Survey

4.3.3 Demographic Profiles of Current Workforce

The study examined the demographics of the workforce within the Okanagan Region. Employers provided the following demographic information regarding their workforce: employee age, tenure, and level of education.

The workforce captured in the employer survey is very comparable to that of the region; however, the proportion of workers over the age of 55 is lower than that of the region (16.1% vs. 23.9%)[24] (see Section 3.1) (Table 4.16).[25] Between the three regions, age demographics do not vary widely; however, the North Okanagan and Central Okanagan regions reported a younger workforce than that of the Okanagan-Similkameen Region (32.0% and 31.8% under the age of 35, compared to 25.7%, respectively).

Table 4.16: Employee Age by Region

Region	15 to 24 Years Old	25 to 34 Years Old	35 to 44 Years Old	45 to 54 Years Old	55 to 64 Years Old	Over 65 Years Old
North Okanagan and Surrounding Area	10.5%	21.6%	26.5%	25.3%	14.0%	2.2%
Central Okanagan	8.2%	23.5%	25.8%	26.1%	14.5%	1.7%
Okanagan-Similkameen	8.3%	17.4%	24.6%	28.5%	19.1%	2.1%
Overall	**9.0%**	**21.7%**	**25.8%**	**26.3%**	**15.2%**	**1.9%**

Source: 2014 Okanagan Employer Survey

[24] Regional population over the age of 65 were excluded as the proportion of this age group's participation within the labour market could not be estimated.
[25] Unadjusted for labour force participation rate.

The age distribution across the three general occupational categories followed expectations: managerial staff were older relative to the rest of the workforce (25.3% aged 55 and over) and operational staff were younger relative to the rest of the workforce (37.4% aged less than 35) (Table 4.17). The relatively older managerial staff will translate into higher rates of retirement within this occupational group over the next 10 years (see Section 4.6 for more detail on retirement).

Table 4.17: Employee Age by General Occupational Category

General Occupational Category	15 to 24 Years Old	25 to 34 Years Old	35 to 44 Years Old	45 to 54 Years Old	55 to 64 Years Old	Over 65 Years Old
Managerial Staff	1.4%	12.5%	24.2%	36.6%	22.0%	3.3%
Trades/Technical/ Professional Staff	5.7%	23.4%	28.4%	25.6%	14.9%	1.9%
Operational Staff	13.9%	23.5%	24.5%	23.4%	13.2%	1.5%
Overall	**9.0%**	**21.7%**	**25.8%**	**26.3%**	**15.2%**	**1.9%**

Source: 2014 Okanagan Employer Survey

Nearly one-half (46.9%) of all employees in the Okanagan Region have been with their employer for five years or less (Table 4.18). The difference in employee tenure between the three regions varies, but not significantly. However, the Central Okanagan Region reported a more mobile workforce where the majority (52.1%) of the region's workforce has been with their current employer for less than five years, and only 8.1% has more than 20 years of tenure.[26]

Table 4.18: Employee Tenure by Region

Region	Less than 1 year	1 to 5 years	6 to 10 years	11 to 20 years	More than 20 years
North Okanagan and Surrounding Area	12.2%	29.1%	25.3%	19.9%	13.6%
Central Okanagan	10.3%	41.8%	24.0%	15.7%	8.1%
Okanagan-Similkameen	10.5%	32.1%	24.6%	19.1%	13.7%
Overall	**10.9%**	**36.0%**	**24.5%**	**17.6%**	**10.9%**

Source: 2014 Okanagan Employer Survey

Managerial staff tend to have a longer tenure with their employers than trades/technical/professional and operational staff (20.1% with the same establishment for 20 years or more, compared to 11.3% and 7.6% for trades/technical/professional and operational staff, respectively) (Table 4.19). Conversely,

[26] The lower levels of mobility within the North Okanagan and Okanagan-Similkameen Regions could be a result of more effective HR retention strategies, or fewer employment opportunities within the regions. However, this analysis was unable to be undertaken within this study.

employees in the trades/technical/professional and operational occupations are reported to have shorter tenures with their employers as about half of all employees within these occupational categories had been with the same employer for less than six years (47.7% and 51.4%, respectively).

Table 4.19: Employee Tenure by General Occupational Category

General Occupational Category	Less than 1 year	1 to 5 years	6 to 10 years	11 to 20 years	More than 20 years
Managerial Staff	5.4%	26.3%	23.1%	25.1%	20.1%
Trades/Technical/Professional Staff	10.7%	37.0%	25.7%	15.3%	11.3%
Operational Staff	12.9%	38.5%	24.2%	16.8%	7.6%
Overall	**10.9%**	**36.0%**	**24.5%**	**17.6%**	**10.9%**

Source: 2014 Okanagan Employer Survey

Employers were able to provide the level of education for their workers for over four-fifths (83.3%) of their workforce. Employers in the North Okanagan Region reported higher levels of education (completed a post-secondary education) than did their counterparts in the Central Okanagan and Okanagan-Similkameen, with over one-half having completed some post-secondary education (54.6% compared to 41.4% and 44.5%, respectively) (Table 4.20).

Table 4.20: Employee Education by Region

Region	Some or Completed High School	Some College or University	College	University	Post-Graduate Degree
North Okanagan and Surrounding Area	30.3%	15.1%	25.3%	15.6%	13.7%
Central Okanagan	33.6%	25.1%	16.7%	12.3%	12.3%
Okanagan Similkameen	33.8%	21.7%	22.5%	12.9%	9.1%
Overall	**32.5%**	**21.3%**	**20.5%**	**13.5%**	**12.2%**

Source: 2014 Okanagan Employer Survey

Employees within trades/technical/professional positions typically require more education than the other two occupational categories, as the large majority (70.1%) of employees within these occupations has completed a post-secondary education (compared to 57.8% of managerial staff and 24.5% of operational staff) (Table 4.21). The level of education of a workforce is a strong indicator as to the level of irreplaceability, as those with higher levels of education are more difficult to replace than those without an advanced education.

Table 4.21: Employee Education by General Occupational Category

General Occupational Category	Some or Completed High School	Some College or University	College	University	Post-Graduate Degree
Managerial Staff	17.8%	24.4%	18.0%	21.9%	17.9%
Trades/Technical/Professional Staff	13.5%	16.4%	23.1%	21.4%	25.6%
Operational Staff	51.7%	23.8%	19.5%	4.7%	0.3%
Overall	**32.5%**	**21.3%**	**20.5%**	**13.5%**	**12.2%**

Source: 2014 Okanagan Employer Survey

Education levels of employees were similar to those reported for the region in the 2011 NHS; however, the population of employees reported in the survey tended to have a higher education than that of the region (see Section 3.2.4).

4.4 Projected Regional Workforce Estimates

Of the employers participating in the study, almost all (98.6%) were able to predict how their workforce was going to change between 2014 and 2020. Most employers (64.6%) project that their workforces will grow over the next six years, while very few (4.6%) expect their workforces to decrease in size. Of the three regional districts, the Central Okanagan Region reported a more optimistic outlook than the other two regions (70.2% compared to 60.7% for the North Okanagan and 61.6% for the Okanagan-Similkameen, respectively) (Table 4.22).

Table 4.22: Employer Projection of Change in Workforce by Region (2014 to 2020)

Region	Decrease	Remain the Same	Increase
North Okanagan and Surrounding Area	5.1%	34.1%	60.7%
Central Okanagan	3.8%	26.1%	70.2%
Okanagan-Similkameen	5.2%	33.1%	61.6%
Overall	**4.6%**	**30.8%**	**64.6%**

Source: 2014 Okanagan Employer Survey

4.4.1 Projected Growth in Permanent Employees

Employers were also asked to describe how they envisioned their workforce changing between 2014 and 2020. Based on employers' estimations of their future labour force, a magnitude of growth was calculated to determine the change in the workforce, and ultimately to project growth in demand between 2014, 2015 and 2020. Employers are very optimistic in their companies' growth, projecting an annual growth rate of 3.1% (Table 4.23), which is significantly higher than the projected average provincial growth rate of 1.4% (see Section 3.4.1). Employers in the Okanagan-Similkameen had the largest projected growth of all three regions, projecting a growth of 22.0%, or more than 3.7% per year between 2014 and 2020.

Table 4.23: Employer Projected Magnitude of Change in Workforce by Region (2014 to 2020)

Region	Current Workforce	2015 Projection*	2020 Projection*	Average Annual Growth Rate
North Okanagan and Surrounding Area	100.0%	103.4%	116.6%	2.8%
Central Okanagan	100.0%	105.1%	118.4%	3.1%
Okanagan-Similkameen	100.0%	106.3%	122.0%	3.7%
Overall	**100.0%**	**104.8%**	**118.5%**	**3.1%**

* Current Workforce = 100%.
Source: 2014 Okanagan Employer Survey

With the current workforce in the OR being estimated to currently be 158,434 (see Section 3.4.2), the projected growth of 18.5% will translate into 29,377 more positions being generated over the next six years to meet employers demand (Table 4.24). Overall, employers projected a large degree of growth over the next year, higher than the projected six year average, with their workforce growing by 4.8%, requiring an additional 7,583 workers.

Table 4.24: Employer Projected of Change in Workforce by Region (2014 to 2020)

Region	Current Workforce (2014)	2015 Projected Workforce	2020 Projected Workforce	Change in Number of Employees 2014 to 2020
North Okanagan and Outlying Area	50,238	51,939	58,587	8,349
Central Okanagan	78,077	82,073	92,465	14,388
Okanagan-Similkameen	30,119	32,006	36,758	6,639
Overall	**158,434**	**166,017**	**187,811**	**29,377**

Note: Totals/Columns may not sum due to rounding.
Source: 2014 Okanagan Employer Survey & 2011 National Household Survey

The growth within the companies is not reported to be evenly distributed across the three general occupational categories. Employers project that their trades/technical/professional staffing levels to increase at a higher rate than operational, and managerial staffing levels (21.7% and 18.0% growth compared to. 13.2%, respectively) (Table 4.25).

Table 4.25: Employer Projected Magnitude of Change in Workforce by General Occupational Category (2014 and 2020)

General Occupational Category	Current Workforce	2015 Projected Workforce*	2020 Projected Workforce *	Average Annual Growth Rate
Managerial Staff	100.0%	103.1%	113.2%	2.2%
Trades/Technical/Professional Staff	100.0%	105.9%	121.7%	3.6%
Operational Staff	100.0%	104.5%	118.0%	3.0%
Overall	**100.0%**	**104.8%**	**118.5%**	**3.1%**

* Current Workforce = 100%.
Source: 2014 Okanagan Employer Survey

The increase in staffing levels will require an additional 3,134 managerial staff (e.g., credit union general manager), 11,884 trades/technical/professional staff (e.g., millwright), and 14,340 operational staff (e.g., cashier) (Table 4.26). Nearly half of the growth (48.8%) in workforce is projected to be among operational staff, the majority (51.7%) of whom does not have a post-secondary education (see section 4.3.3). Filling vacancies for managerial and trades/technical/professional occupations typically (82.2% and 86.5%, respectively) require some post-secondary education, which has the potential to be difficult to source an additional 12,856 post-secondary educated workers over the next six years.

Table 4.26: Employer Projected Change in Workforce by General Occupational Category (2014 to 2020)

General Occupational Category	Current Workforce	2015 Projected Workforce	2020 Projected Workforce	Change in Workforce (2014-2020)
Managerial Staff	23,765	24,504	26,902	3,136
Trades/Technical/Professional Staff	54,818	58,039	66,709	11,892
Operational Staff	79,851	83,475	94,201	14,349
Overall	**158,434**	**166,017**	**187,811**	**29,377**

Note: Totals/Columns may not sum due to rounding.
Source: 2014 Okanagan Employer Survey, BC Stats Sep 2013 P.E.O.P.L.E., BC Stats Regional Labour Force Participation Rate Projection Model

The projected growth of the private sector was reported to be greater than that of the not-for-profit and public sector (4.2% compared to 2.6% and 1.2%, respectively).

Table 4.27: Employer Projected Magnitude of Change in Workforce by Type of Sector (2014 to 2020)

General Occupational Category	Current Workforce	2015 Projected Workforce*	2020 Projected Workforce *	Average Annual Growth Rate
Private Sector	100.0%	107.8%	125.5%	4.2%
Not-for-Profit	100.0%	103.6%	115.4%	2.6%
Public Sector	100.0%	99.8%	107.1%	1.2%
Overall	**100.0%**	**104.8%**	**118.5%**	**3.1%**

* Current Workforce = 100%.
Source: 2014 Okanagan Employer Survey

4.5 Current Vacancies

Within the OR, employers reported an overall vacancy rate of 5.2%, significantly lower than that reported for the Thompson-Okanagan region in 2013 of 7.1%.[27] The Central Okanagan Region reported a higher vacancy rate than the other two regions (6.0% compared to 4.4% and 4.5% for North Okanagan and Okanagan-Similkameen regions, respectively) indicating that the larger employment region is experiencing a greater challenge with unfilled vacancies (Table 4.28).[28] As a result, it is estimated that there are nearly 8,500 unfilled vacancies across all three regions.[29]

Table 4.28: Vacancy Rate by Region

General Occupational Category	Employer Reported Vacancy Rate	Estimated Number of Vacancies in Region
North Okanagan and Surrounding Area	4.4%	2,203
Central Okanagan	6.0%	4,666
Okanagan-Similkameen	4.5%	1,367
Okanagan Region	**5.2%**	**8,236**

Note: Totals may not sum due to rounding.
Source: 2014 Okanagan Employer Survey, BC Stats Sep 2013 P.E.O.P.L.E., BC Stats Regional Labour Force Participation Rate Projection Model

The highest vacancy rates are identified in the trades/technical/professional occupations, in which 5.6% of all positions are reportedly vacant, representing 3,153 positions (Table 4.29). However, the largest number of vacancies is seen in the operational occupations, accounting for nearly 4,250 vacant positions.

Table 4.29: Vacancy Rate by General Occupational Category

General Occupational Category	Employer Reported Vacancy Rate	Estimated Number of Vacancies in OR
Managerial Occupations	3.5%	836
Trades/Technical/Professional Occupations	5.6%	3,153
Operational Occupations	5.4%	4,247
Overall	**5.2%**	**8,236**

Note: Overall may not sum due to rounding.
Source: 2014 Okanagan Employer Survey, BC Stats Sep 2013 P.E.O.P.L.E., BC Stats Regional Labour Force Participation Rate Projection Model

[27] BC Stats. 2014 Employment and Unemployment Rate by Industry: Thompson-Okanagan. Available Online: http://www.bcstats.gov.bc.ca/StatisticsBySubject/LabourIncome/EmploymentUnemployment/LabourForceStatisticsAnnual.aspx
[28] Please note that the vacancy rate is that of a point in time of all current vacancies. No inference was made for the amount of time that the position has been vacant, a stronger indication of problematic vacancies.
[29] Number of vacancies at the regional level was calculated using the following formula [# Vacancies] = ([# Employed]/(1 – [% Vacancies reported]))– [# Employed].

4.6 Projected Retirement and Turnover/Attrition

Employers project modest rates of retirement over the next six years, estimating that they will lose 9.8% of their workforce due to retirement, equal to 1.6% of the workforce per year between 2014 and 2020 (Table 4.30). Over the next six years a total of 15,522 employees are projected to retire and exit the labour force. The region expected to be most impacted by retirements is the North Okanagan region, where employers project that 13.9% of their workforce will retire over the next six years, equal to nearly 7,000 positions requiring replacement.

Table 4.30: Retirement Rate by Region (2014 to 2020)

Region	Percent of Workforce Retiring (2014 to 2020)	Average Annual Rate of Retirement	Estimated Number of Retirements (2014 to 2020)
North Okanagan	13.9%	2.3%	6,977
Central Okanagan	7.9%	1.3%	6,136
Okanagan-Similkameen	8.0%	1.3%	2,410
Okanagan Region	**9.8%**	**1.6%**	**15,522**

Note: Total may not sum due to rounding.
Source: 2014 Okanagan Employer Survey

Employers project higher rates of retirement among their managerial staff, compared to their trades/technical/professional and operational staff (14.5% compared to 9.5% and 8.6%, respectively). The projected retirement rates are consistent with the population demographics as managerial staff tend to be older than staff in other occupational categories (see section 4.3.3).

Table 4.31: Retirement Rate by General Occupation Category (2014 to 2020)

General Occupational Category	Percent of Workforce Retiring (2014 to 2020)	Average Annual Retirement Rate	Estimated Number of Retirements (2014 to 2020)
Managerial Occupations	14.5%	2.4%	3,452
Trades/Technical/Professional Occupations	9.5%	1.6%	5,183
Operational Occupations	8.6%	1.4%	6,888
Overall	**9.8%**	**1.6%**	**15,522**

Note: Total may not sum due to rounding.
Source: 2014 Okanagan Employer Survey

Employers project a modest estimation of turnover due to other forms of attrition (e.g., voluntary job separations, involuntary job separations) of 2.3% per year, equal to 13.9% over the six year period (2014 to 2020) (Table 4.32). Employers in the North Okanagan region project a higher rate of turnover than those in the other two regions (2.7% per year compared to 2.1% and 2.3% for the Central Okanagan and Okanagan-Similkameen regions, respectively). Over the next six years it is projected that nearly 22,000 employees will turnover due to other forms of attrition, with fewer than 11,000 remaining within the Okanagan Region.[30] It is important to note that even though these employees are leaving their current employer they may still reside within the region and be available to be hired by another local employer.

Table 4.32: Turnover Rate by Region (2014 to 2020)

Region	Percent of Workforce Turnover due to Other Forms of Attrition (2014 to 2020)	Average Annual Rate of Turnover due to Other Forms of Attrition	Estimated Number of Turnovers due to Other Forms of Attrition (2014 to 2020)	Estimated Number of Turnovers due to Other Forms of Attrition Remaining in Local Labour Force (2014-2020)
North Okanagan	16.3%	2.7%	8,194	4,097
Central Okanagan	12.4%	2.1%	9,679	4,840
Okanagan-Similkameen	13.6%	2.3%	4,095	2,048
Okanagan Region	**13.9%**	**2.3%**	**21,968**	**10,984**

Note: Totals may not sum due to rounding.
Source: 2014 Okanagan Employer Survey

An examination of turnover due to other forms of attrition by general occupational category shows that employers expect higher turnover rates for staff in trades/technical/professional and operational occupations than those in managerial occupations (2.5% and 2.4% per year compared to 1.4%, respectively) (Table 4.33).

Table 4.33: Turnover Rate by General Occupational Category (2014 to 2020)

General Occupational Category	Percent of Workforce Turnover due to Other Forms of Attrition (2014 to 2020)	Average Annual Rate of Turnover due to Other Forms of Attrition	Estimated Number of Turnovers due to Other Forms of Attrition (2014 to 2020)	Estimated Number of Turnovers due to Other Forms of Attrition Remaining in Local Labour Force (2014-2020)
Managerial Occupations	8.4%	1.4%	1,990	995
Trades/Technical/ Professional Occupations	15.0%	2.5%	8,248	4,124
Operational Occupations	14.7%	2.4%	11,730	5,865
Overall	**13.9%**	**2.3%**	**21,968**	**10,984**

Note: Totals may not sum due to rounding.
Source: 2014 Employer Survey, 2011 National Household Survey, 2013 Labour Force Survey

[30] It is assumed that half of all employees who are separated from their employment due to other forms of attrition remain in the workforce, assuming that the other half migrate out of the region, go on maternity leave, or stop participating in the local labour force. See assumptions in Section 2.4.1.

4.7 Total Hiring Requirements

Employers' demand for labour is driven through the expansion and replacement of their labour force. The labour force's demands of employers are driven through the expansion of their workforce and the replacement of its existing workforce. Employer projections of growth provide an indication of the number of new positions being created within the OR. However, the gap between employer demand and the supply of available workers is widened by employees who are exiting the workforce through retirements and turnover of employees who leave the area.

Based on employer projections the number of new hires over the next five years will account for 47.4% of their current workforce, equal to 75,103 positions (Table 4.34). This projection is based on current vacancies, the projected retirement rate, projected turnover rate, and the projected growth rate. The projection of hiring needs over the next five years varied widely across the three regions. The Central Okanagan economy is projected to require the largest number of new hires (34,869 new hires); however, proportionally it had the lowest increase in labour force (44.7% compared to 51.2% and 48.1% for the North Okanagan and Okanagan-Similkameen, respectively). The other two regions' demand for workers is lower than that of the Central Okanagan; however, the proportional growth of their hiring needs is much greater.

Table 4.34: Employer Projected Number of New Hires by Region (2014 to 2020)

Region	Current Vacancies (2014)		Retirements (2014-2020)		Other Forms of Attrition (2014-2020)		Projected Growth (2014-2020)		Total Number of New Hires (2014-2020)	
	#	%*	#	%*	#	%*	#	%*	#	%*
North Okanagan and Surrounding Area	2,203	4.4%	6,977	13.9%	8,194	16.3%	8,349	16.6%	25,723	51.2%
Central Okanagan	4,666	6.0%	6,136	7.9%	9,679	12.4%	14,388	18.4%	34,869	44.7%
Okanagan-Similkameen	1,367	4.5%	2,410	8.0%	4,095	13.6%	6,639	22.0%	14,511	48.1%
Okanagan Region	**8,236**	**5.2%**	**15,522**	**9.8%**	**21,968**	**13.9%**	**29,377**	**18.5%**	**75,103**	**47.4%**

***** Percent of 2014 workforce
Source: 2014 Okanagan Employer Survey, 2011 NHS, and BCLMSM.

The biggest difference between the Okanagan-Similkameen projection and that of the other two regions is its projected growth of representing nearly half (45.8%) of the source of new hires (compared to 41.3% for the Central Okanagan Region and 32.5% for the North Okanagan Region) (Table 4.35). The role of retirements in the replacement of workforces is greater in the North Okanagan and surrounding area than the other two regions (27.1% compared to 17.6% for Central Okanagan Region and 16.6% for the North Okanagan Region).

Table 4.35: Employer Projection of Proportion of Source of Demand for New Hires by Region (2014 to 2020)

Region	Current Vacancies (2014)	Retirements (2014-2020)	Other Forms of Attrition (2014-2020)	Projected Growth (2014-2020)	Total Number of New Hires (2014-2020)
North Okanagan and Surrounding Area	8.6%	27.1%	31.9%	32.5%	100.0%
Central Okanagan	13.4%	17.6%	27.8%	41.3%	100.0%
Okanagan-Similkameen	9.4%	16.6%	28.2%	45.8%	100.0%
Okanagan Region	**11.0%**	**20.7%**	**29.2%**	**39.1%**	**100.0%**
Cumulative Okanagan Region	**11.0%**	**31.6%**	**60.9%**	**100.0%**	**-**

Total does not sum to 100% due to rounding.
Source: 2014 Okanagan Employer Survey

The large percentage of projected new hires is high; however, when looking only at the replacement rate the number of new hires lessens significantly.[31] Employers in the North Okanagan Region are projecting that they will have to replace a larger proportion of its workforce than the other two regions (34.7% compared to 26.4% for the Central Okanagan Region and 26.2% for the Okanagan-Similkameen Region).[32]

Under the low growth model (BCLMSM), the total number of new hires is equal to 56,605, equal to three-quarters (75.3%) of the high growth model (employer projection) (Table 4.36). Under the low growth model, the proportion of new hires resulting from expansion is less than half of that seen under the high growth model (19.2% compared to 39.1%) (Table 4.37).

Table 4.36: BCLMSM Projected Number of New Hires by Region (2014 to 2020)

Region	Current Vacancies (2014)		Retirements (2014-2020)		Other Forms of Attrition (2014-2020)		Projected Growth (2014-2020)		Total Number of New Hires (2014-2020)	
	#	%*	#	%*	#	%*	#	%*	#	%*
North Okanagan and Surrounding Area	2,203	4.4%	6,977	13.9%	8,194	16.3%	3,450	6.9%	20,824	41.5%
Central Okanagan	4,666	6.0%	6,136	7.9%	9,679	12.4%	5,361	6.9%	25,842	33.2%
Okanagan-Similkameen	1,367	4.5%	2,410	8.0%	4,095	13.6%	2,068	6.9%	9,940	33.0%
Okanagan Region	**8,236**	**5.2%**	**15,522**	**9.8%**	**21,968**	**13.9%**	**10,879**	**6.9%**	**56,605**	**35.8%**

* Percent of 2014 workforce
Source: 2014 Okanagan Employer Survey, 2011 NHS, and BCLMSM.

31 Replacement of workforce includes current vacancies, retirements, and turnover.
32 The population in the Okanagan-Similkameen Region is projecting a lower proportion of its workforce retiring; however, the region has a larger proportion of individuals over the age of 64. The discrepancy between retiring and elderly population could potentially be attributed to a lower labour force participation rate among elderly workers.

Table 4.37: BCLMSM Projection of Proportion of Source of Demand for New Hires by Region (2014 to 2020)

Region	Current Vacancies (2014)	Retirements (2014-2020)	Other Forms of Attrition (2014-2020)	Projected Growth (2014-2020)	Total Number of New Hires (2014-2020)
North Okanagan and Surrounding Area	10.6%	33.5%	39.3%	16.6%	100.0%
Central Okanagan	18.1%	23.7%	37.5%	20.7%	100.0%
Okanagan-Similkameen	13.8%	24.2%	41.2%	20.8%	100.0%
Okanagan Region	**14.5%**	**27.4%**	**38.8%**	**19.2%**	**100.0%**
Cumulative Okanagan Region	**14.5%**	**42.0%**	**80.8%**	**100.0%**	**-**

Total does not sum to 100% due to rounding.
Source: 2014 Okanagan Employer Survey

The forecasted projection of expansion and replacement at the general occupational category provides better detail as to the type of employee for which employers will have to compete in order to fill positions. When examining the number of new hires by general occupational categories, we see that the majority of the new hires will be in operational occupations (e.g., cashiers), with the number of new hires equal to 42.6% of their current workforce, representing 37,136 positions in the OR.

Employers predict a very similar requirement in the number of new hires for their trades/technical/ professional occupations (e.g., life science research technician) equal to 52.1% of their current workforce, representing 28,420 positions. Finally, employers predict a smaller proportion of new hires for their managerial occupations, representing 39.6% of their current workforce, equal to 9,400 positions.

Table 4.38: Employer Projected Number of New Hires by General Occupational Category (2014 to 2020)

General Occupational Category	Current Vacancies (2014)		Retirements (2014-2020)		Other Forms of Attrition (2014-2020)		Projected Growth (2014-2020)		Total Number of New Hires (2014-2020)	
	#	%*	#	%*	#	%*	#	%*	#	%*
Managerial Occupations	836	3.5%	3,452	14.5%	1,990	8.4%	3,134	13.2%	9,400	39.6%
Trades/Technical/ Professional Occupations	3,153	5.6%	5,183	9.5%	8,248	15.0%	11,884	21.7%	28,420	51.8%
Operational Occupations	4,247	5.4%	6,888	8.6%	11,730	14.7%	14,340	18.0%	37,136	46.7%
Overall	**8,236**	**5.2%**	**15,522**	**9.8%**	**21,968**	**13.9%**	**29,377**	**18.5%**	**75,103**	**47.4%**

***** Percent of 2014 workforce
Source: 2014 Okanagan Employer Survey, 2011 NHS, and BCLMSM.

The largest cause for new hires, as projected by employers, is from expansion representing 39.1% of all new hires (Table 4.39). The primary driver of new hires for managerial occupations is retirements, representing 36.7% of all new hires. Coincidentally, employers believed that loss of staff due to other forms of attrition was less of an issue for management staff, reporting higher rates for the other two occupational categories (21.0% compared to 28.9% for trades/technical/professional occupations and 31.4% for operational occupations).

Table 4.39: Employer Forecasted Proportion of Source of Demand for New Hires by General Occupational Category (2014 to 2020)

General Occupational Category	Current Vacancies (2014)	Retirements (2014-2020)	Other Forms of Attrition (2014-2020)	Projected Growth (2014-2020)	Total New Hires (2014-2020)
Managerial Occupations	8.9%	36.7%	21.0%	33.3%	100.0%
Trades/Technical/ Professional Occupations	11.1%	18.2%	28.9%	41.8%	100.0%
Operational Occupations	11.4%	18.5%	31.4%	38.6%	100.0%
Overall	**11.0%**	**20.7%**	**29.2%**	**39.1%**	**100.0%**
Cumulative Overall	**11.0%**	**31.6%**	**60.9%**	**100.0%**	**-**

Total does not sum to 100% due to rounding.
Source: 2014 Okanagan Employer Survey, and 2011 NHS

4.8 Training

Employee training and professional development is an important factor to consider when looking at the future supply and demand of workers, as it can affect both employee desire to stay with a company and an employer's ability to keep pace with changing technology and knowledge within their industry. Employers were asked a series of questions related to training and opportunities within their company.

4.8.1 Training Opportunities

Almost all (99.4%) employers surveyed offer, in one form or another, their employees opportunities to developed their skills and knowledge during their employment (Table 4.40). Employers predominantly (93.8%) offer their employees on-the-job training; in addition, over half (52.8%) of employers use external programs/courses, and over one-third (38.0%) use internal programs/courses. Nearly two-thirds (65.2%) of employers offer employees opportunities to develop skills and knowledge through formal sources.

Table 4.40: Method Employers Offer Employees Opportunities to Develop Skills and Knowledge

Source of Training	Percent of Employers
On-the-job training	93.8%
External programs/courses – offered by outside educational service providers*	52.8%
Internal programs/courses – offered by your company*	38.0%
Membership in professional associations*	30.8%
Skill & Knowledge Development - Job/Work experience	0.9%
Skill & Knowledge Development - Apprenticeship Programs*	1.6%
Other forms of training	1.6%
Skill & Knowledge Development - None	0.6%

Note: Total does not sum to 100% as employers were able to provide multiple selections.
Note: * Denotes formal source of training.
Source: 2014 Okanagan Employer Survey (n=382)

Surprisingly not all employers offer training to employees so they can upgrade their skills or offer career development opportunities. Two-thirds (69.0%) of employers reported offering training in one form or another (Table 4.41). The most popular types of training opportunities offered were job-specific training/skill-specific courses (offered by 30.7% of employers offering training) and internal training/programs (23.3%).

Table 4.41: Types of Training Opportunities Offered by Employers to Promote Skills Upgrading and Career Development

Type of Training	Percent of Employers
Job-specific training/skill-specific courses	30.7%
Internal training/programs	23.3%
Industry seminar/conferences/professional association training	12.0%
Provide financial assistance/pay for tuition fees	12.0%
Company allocates training budget/has professional development program for employees	10.9%
External training/workshops (general)	10.9%
Online training/webinars	7.1%
On-the-job training	7.1%
College courses or workshops/trade schools	6.7%
Promote completion of continuing education credits	6.1%
Apprenticeship programs/training	4.4%
HR-related training/management or leadership training	3.8%
Employee has to initiate/request for the training	1.7%
Other	4.4%
None/no explanation or comments given/not applicable	2.1%

Note: Columns may not add to 100% due to respondents able to provide multiple responses.
Source: 2014 Okanagan Employer Survey (n=476)

Employers who reported offering no training were asked as to why they did not. The most common response provided was ‘the training was not required’ (24.3% of employers not offering training), followed by ‘the company cannot afford to offer the training’ (20.6% of employers not offering training) (Table 4.42). It is important to note that some employers (16.8%) believe that their in-house/on-the-job training is sufficient and no supplementary training is required.

Table 4.42: Reasons cited by Employers for Not Providing Training

Type of Training	Overall
Training is not needed/not required	24.3%
Company cannot afford to offer training for employees/small business	20.6%
In-house/on-the-job training is sufficient	16.8%
There are no industry-specific trainings available locally	5.1%
Seasonal/short-term/part-time employment	3.3%
Employees get training from professional associations	1.9%
Other	5.1%
None/no explanation or comments given/not applicable	25.2%

Note: Columns may not add to 100% due to respondents able to provide multiple responses.
Source: 2014 Okanagan Employer Survey (n=214)

Employers were invited to provide feedback on their level of satisfaction with the current training opportunities for all general occupational categories, and overall. Employers indicated their level of satisfaction along a five point scale, where a value of one represented very dissatisfied and five represented very satisfied. The majority of employers were satisfied with the current training opportunities for their employees (51.1%) (Table 4.43). Employers were most satisfied with the training available to their managerial staff, with 62.6% satisfied or very satisfied with the current training opportunities. By comparison, around half of employers were satisfied or very satisfied with the training opportunities available to their trades/technical/professional and operational occupations (51.2% and 49.3%, respectively).

Table 4.43: Employers Satisfaction with Current Training Programs by Region

Satisfaction With Training	North Okanagan		Central Okanagan		Okanagan-Similkameen		Overall	
	Average Score	Percent Satisfied (4 or 5)	Average Score	Percent Satisfied (4 or 5)	Average Score	Percent Satisfied (4 or 5)	Average Score	Percent Satisfied (4 or 5)
Managerial	3.7	61.7%	3.8	64.0%	3.8	61.6%	3.8	62.6%
Trades/Technical/Professional	3.3	52.1%	3.3	46.9%	3.3	49.4%	3.3	49.3%
Operational	3.5	52.5%	3.5	51.6%	3.4	48.5%	3.5	51.2%
Overall (All Occupations)	**3.5**	**53.5%**	**3.5**	**48.7%**	**3.5**	**51.0%**	**3.5**	**51.1%**

*Scale ranged from 1 (Very Dissatisfied) to 5 (Very Satisfied).
Source: 2014 Okanagan Employer Survey (n=505)

4.8.2 Notable Education/Training Programs

Employers were asked about the types of education/training programs that they believe are particularly effective at educating/training students and workers with the skills and knowledge needed to successfully work at their company. The majority of employers were unable to provide specific instances of programs, but did provide general categories of types of education that are particularly effective. The most frequently (45.9%) cited effective type of training identified by employers was specific skill-based/occupational-specific training, followed by apprenticeship training/programs (25.5%) (Table 4.44).

Table 4.44: Types of Training Opportunities Employers Believe are Particularly Effective

Type of Training	Overall
Specific skill-based training/occupation-specific training	45.9%
Apprenticeship training/program	25.5%
Basic office skills (e.g., Communication/customer service/cash handling)	13.7%
Formal education	9.0%
Management training/leadership program	8.7%
Soft skills training (e.g., Work ethics/life skills)	3.8%
In-house/on-the-job training is effective and sufficient	1.4%
Co-op program/internship	0.9%
Other	3.5%
Don't know	0.9%
None/not applicable	10.2%

Note: Columns may not add to 100% due to respondents able to provide multiple responses.
Source: 2014 Okanagan Employer Survey (n=423)

4.8.3 Training Needs

Employers were asked about their training needs among their workforce for the three general occupational categories. The majority of responses for all three general occupational categories was for industry/occupation-specific training (49.7% for managerial employees, 48.3% for trades/technical/professional employees, and 69.7% for operational employees).

The industry/occupation-specific training employers reported for their managerial staff include very specific requirements but also some more general occupational-specific training including: accounting/bookkeeping, business management, and marketing skills. Employers also indicated that their managerial staff need more training on how to be a manager, including management, leadership, and other HR-related skills training. Additionally, employers identified that some managers could use more basic office skills training such as training on proper forms of communication, providing customer service, as well as handling cash.

Table 4.45: Employer Reported Training Needs for Managerial Staff

Managerial Employee Training Needs	Overall
Industry/occupation-specific training	26.8%
Management training/leadership program/other HR-related skills training	26.3%
Basic office skills (e.g., Communication, customer service)	6.8%
Soft skills training (e.g., Work ethics/life skills)	3.3%
In-house/on-the-job training is effective and sufficient	2.8%
Formal education	2.0%
Apprenticeship training/program	2.0%
Other	1.3%
Don't know	0.2%
None/not applicable	46.7%
Total	**100.0%**

Note: Columns may not add to 100% due to respondents able to provide multiple responses.
Source: 2014 Okanagan Employer Survey (n=615)

Two-fifths (40.2%) of employers identified industry/occupation-specific training as the most important training required for the trades/technical/professional employees. The type of training varied widely between different industries and also included very specific training to certain industries. General types of training included: sales, advanced industry-specific technical training, safety, computer and industry-specific software, and general industry awareness. Additionally, over one-quarter of employers require further apprenticeship training/programs for their employees, indicating required training for a number of trades not offered in the area specified: machinist, millwright, and metal fabricators. A list of training needs identified by employers is outlined in Table 4.46.

Table 4.46: Employer Reported Training Needs for Trades/Technician/Professional Staff

Trades/Technical/Professional Employee Training Needs	Overall
Industry/occupation-specific training	20.3%
Apprenticeship training/program	11.9%
Basic office skills (e.g., Communication/customer service)	2.9%
Soft skills training (e.g., Work ethics/life skills)	2.3%
Formal education	2.1%
In-house/on-the-job training is effective and sufficient	1.8%
Management training/leadership program/other HR-related skills training	1.6%
Other	1.8%
None/not applicable	59.8%
Total	**100.0%**

Note: Columns may not add to 100% due to respondents able to provide multiple responses.
Source: 2014 Okanagan Employer Survey (n=615)

When employers were asked about the training needs of their operational staff, over one-third (34.8%) reported industry/occupation-specific training. Within the context of operational staff this included: sales, safety training, forklift training, as well as industry-specific software and computer systems. Additionally, employers reported that operational employees also require basic office skills training, providing employees with better communication, customer service, and cash handling skills.

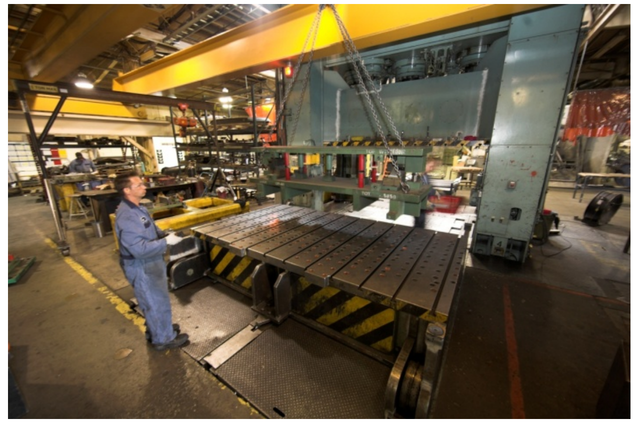


Table 4.47: Employer Reported Training Needs for Operational Staff

Operational Employee Training Needs	Overall
Industry/occupation-specific training	34.8%
Basic office skills (e.g., Communication/customer service)	13.0%
HR-related skills training/change management/leadership course	3.4%
Soft skills training (e.g., Work ethics/life skills)	3.1%
In-house/on-the-job training is effective and sufficient	2.9%
Apprenticeship training/program	2.8%
Formal education	0.5%
Other	1.5%
Don't know	0.2%
None/not applicable	50.9%
Total	**100.0%**

Note: Columns may not add to 100% due to respondents able to provide multiple responses.

Source: 2014 Okanagan Employer Survey (n=615)

Finally employers were asked if there were any overall training needs for their business, the large majority (76.1%) of employers indicated they did not have any overall training needs for their workforce other than those previously stated for the general occupational categories. The majority of employers reiterated training needs previously stated, primarily reporting industry/occupation-specific training, as well as basic office skills. The distribution of responses by training need is outlined in Table 4.48.

Table 4.48: Overall Employer Reported Training Needs

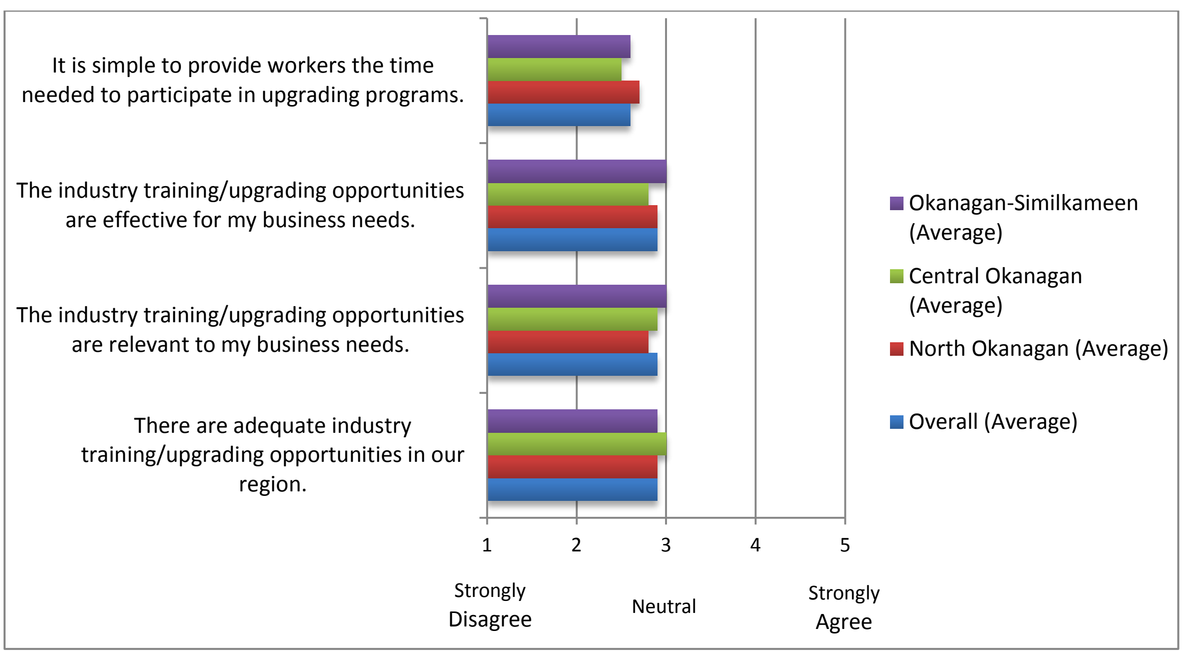
Overall Employee Training Needs	Overall
Industry/occupation-specific training	12.5%
Basic office skills (e.g., Communication/customer service/cash handling)	8.5%
Apprenticeship training/program	2.8%
Soft skills training (e.g., Work ethics/life skills)	2.8%
Management training/leadership program	2.0%
In-house/on-the-job training is effective and sufficient	2.0%
Formal education	0.5%
Other	1.5%
Don't know	0.2%
None/not applicable	76.1%
Total	**100.0%**

Note: Columns may not add to 100% due to respondents able to provide multiple responses.
Source: 2014 Okanagan Employer Survey (n=615)

4.8.4 Barriers to Training

The majority of employers are ambivalent regarding the barriers to training within the region. Employers were asked to rate five different barriers to training employees, on a scale from one to five where one represented "strongly disagree" and five represented "strongly agree". The majority of the responses were neutral (around three), with some providing more negative responses (less than three) (Figure 4.1). However, the ambivalence could be attributed to employer's lack of understanding of the current barriers to training. Employers were less likely to respond positively when asked about their ability to provide workers with time off to participate in upgrading programs and the cost of industry training/upgrading opportunities.

Figure 4.1: Employers' Perceptions of Barriers to Training



Note: Employers reporting don't know were excluded from the analysis.
Source: 2014 Okanagan Employer Survey (n=535)

4.8.5 Apprenticeship

Very few employers surveyed currently have apprentices, with only one in 10 employers reporting apprentices at the time of the survey. In total 187 apprentices were reported, representing 3.6% of the trades/technical/professional workforce (Table 4.49).[33] Higher rates of apprenticeship were reported by employers in the Okanagan-Similkameen region, where 13.5% of its employers have apprentices, representing 7.5% of its trades/technical/professional workforce.

Table 4.49: Apprenticeship Training

Apprenticeship	North Okanagan	Central Okanagan	Okanagan-Similkameen	Overall
Employers with Apprentices	8.5%	9.6%	13.5%	10.2%
Proportion of Trades/Technical/Professional Workforce	2.5%	2.8%	7.5%	3.6%

Source: 2014 Okanagan Employer Survey (n=617)

Apprentices within the region were reported to be relatively new to their trade as the majority (68.0%) of apprentices was in the first two years of their respective programs (Table 4.50).

Table 4.50: Proportion of Apprentices by Year

Apprenticeship Year	North Okanagan	Central Okanagan	Okanagan-Similkameen	Overall
Year 1	37.5%	43.5%	45.6%	43.3%
Year 2	25.0%	26.1%	23.5%	24.7%
Year 3	25.0%	15.9%	16.2%	18.0%
Year 4	12.5%	14.5%	14.7%	14.0%

Source: 2014 Okanagan Employer Survey (n=63)

Fewer than one-half (44.6%) of employers with apprentices reported that there are barriers to offering apprenticeships.[34] However, of those who did report barriers, the primary reasons are that the company cannot afford the time or expense to offer training for employees, or that there is no industry-specific training available locally.

4.9 Labour Supply

There are several factors that affect a company's labour supply. This section of the report is divided into four sections, each representing a factor that is within the control of the employer (that is, it is not an external factor that the employer cannot influence). Employers can develop strategies to address each of these factors. They include:

- Recruitment;
- Retention;
- Occupation-specific challenges;
- Source of new hires; and
- A human resource strategy.

[33] For the purposes of the report individuals with a skilled trade are assumed to belong to the trades/technical/professional workforce.

[34] It is possible for the proportion of employers who encounter difficulties in offering apprenticeships to be greater as only employers with apprentices were asked about barriers.

4.9.1 Recruitment

When asked about a human resource strategy to address workforce requirements over the next five years and beyond, only one-third (33.3%) of employers reported that they did have a human resource strategy (Table 4.51). The lack of a human resource strategy suggests that many employers have not implemented processes or systems to proactively manage their workforce and to address emerging challenges.

Table 4.51: Percent of Employers with Human Resource Strategies by Region

Region	Employers with an HR Strategy (%)
North Okanagan	36.1%
Central Okanagan	33.2%
Okanagan Similkameen	29.7%
Total	**33.3%**

Note: Excluded employers reporting "Don't Know".
Source: 2014 Okanagan Employer Survey (n=561)

Less than two-fifths of employers are targeting specific groups; women were the most frequently (19.5%) cited group targeted by employers, followed by youth (18.3%) (Table 4.52). Few employers reported having a targeted strategy for permanent immigrants or Aboriginal persons (15.4% and 15.2%, respectively). As well, very few (6.4%) employers in the OR are targeting temporary foreign workers.

Table 4.52: Percent of Employers with Targeted Recruitment Strategies

Type of Worker	Overall
Women	19.5%
Youth	18.3%
Permanent Immigrants	15.4%
Aboriginal Persons	15.2%
Temporary Foreign Workers	6.4%

Source: 2014 Okanagan Employer Survey (n=615)

4.9.2 Retention

An important component of an HR strategy is to provide employees with the opportunity to grow professionally and within the organization. Less than one-third (27.5%) of employers reported having plans to upgrade the skills of existing workers (Table 4.53). In addition, only two-fifths (41.8%) employers had succession plans for management and more senior positions.

Table 4.53: Percent of Employers Planning on Upgrading Employee Skills and with a Management Succession Plan by Region

Type of Worker	North Okanagan	Central Okanagan	Okanagan Similkameen	Overall
Planning on upgrading skills of existing workforce	7.2%	12.9%	7.3%	**27.5%**
Succession plan for management and more senior positions	40.8%	45.2%	37.6%	**41.8%**

Note: Respondents who provided a “Don’t know” response were excluded from the analysis
Source: 2014 Okanagan Employer Survey (n=615)

When employers were asked about the main challenge they face retaining employees, the most frequently (43.9%) cited reason by employers was their inability to provide competitive wages/benefits to employees.[35] Alberta, Northern BC, larger cities, and other industries offering higher wages were the primary reasons provided by employers as their source of retention issues. Employers also mentioned other challenges with respect to employee retention:

- Limited work hours/seasonal work or part-time (15.4%);
- High cost of living in the Okanagan Valley (10.7%);
- Undesirable employees (6.3%);
- Low demand occupations (stressful/demanding, or less than ideal working environment (e.g., physical labour, irregular work schedule) (5.6%); and
- Few opportunities for advancement (4.5%).

An important aspect of employee retention is the opportunity for advancement and mitigating the impact of senior staff turnover. Over two-fifths (44.8%) of employers reported that they have a succession plan for management and more senior positions. However, employers who reported an existing HR strategy were more likely than those without to have a succession plan (73.5% vs. 29.4%, respectively).

4.9.3 Hiring Difficulties

Employers were asked to identify specific occupations for which they have difficulty filling vacancies, for both their full time and seasonal employees. Employers reported 191 different occupations for which they have had difficulties hiring. It should be noted that most occupations are only mentioned by a small number of employers.[36] The majority of occupations (61.7%) cited by employers as difficult to hire require a college/apprenticeship or university education (Table 4.54).

[35] See Section 3.3 for a comparison of wages offered in the Okanagan Region to other regions.
[36] 170, or 89.0%, of difficult to hire occupations were reported by five or fewer employers.

Table 4.54: Difficult to Hire Occupations by Skill Level

Skill Level	NOC Description	Number of Occupations Reported		Number of Times Occupations were Reported	
		#	%	#	%
A	Occupations usually require university education.	40	20.9%	103	17.2%
B	Occupations usually require college education or apprenticeship training	69	43.5%	267	44.5%
C	Occupations usually require secondary school and/or occupation-specific training.	47	24.6%	168	28.0%
D	On-the-job training is usually provided for occupations.	21	11.0%	62	10.3%
Total		**191**	**100.0%**	**600**	**100.0%**

Source: 2014 Okanagan Employer Survey (n=357)

Employers reported a total of 191 different occupations as difficult to hire, nine full-time occupations emerged and five seasonal occupations were frequently cited by employers as difficult to hire. The primary industries with occupations for which there are difficulties hiring are primarily: wholesale and retail trade, agriculture, manufacturing, and accommodation and food services. The following table (Table 4.55) indicates the top nine occupations reported by employers, the primary industry experiencing the difficulty, and number of employers reporting.[37]

Table 4.55: Top Nine Difficult to Hire Occupations

NOC 4	NOC Description	% of Employers	Primary Industry
6421	Retail Salespersons and Sales Clerks	12.0%	Wholesale and Retail Trade
8431	General Farm Workers	10.5%	Agriculture
6411	Sales Representatives – Wholesale Trade [Non-Technical]	8.4%	Manufacturing and Wholesale and Retail Trade.
1114	Other Financial Officers	8.4%	Finance and Insurance
7265	Welders and Related Machine Operators	7.3%	Manufacturing
6221	Technical Sales Specialists – Wholesale Trade	6.8%	Manufacturing and Wholesale and Retail Trade.
6242	Cooks	6.3%	Accommodation and Food Services (includes part of tourism industry)
6611	Cashier	5.8%	Wholesale and Retail Trade
6641	Food Counter Attendants, Kitchen Helpers, and Related Occupations	5.2%	Accommodation and Food Services (includes part of tourism industry)

Source: 2014 Okanagan Employer Survey (n=191)

[37] An in-depth examination of hiring difficulties for full time employees is outlined in Section 3.3 Compensation.

Of the 210 employers who have seasonal workers, 83 reported 52 specific occupations for which that they have experienced difficulty hiring. Frequently cited occupations were selected for a more in-depth analysis.[38] The top five seasonal occupations for which employers experienced difficulty hiring include: general farm workers, retail salesperson and sales clerks, harvesting labourer, food and beverage servers, and light duty cleaners (Table 4.56).

Table 4.56: Top Five Difficult to Hire Seasonal Occupations

NOC 4	NOC Description	# of Employers	Primary Industry
8431	General Farm Workers	16.8%	Agriculture
6421	Retail Salespersons and Sales Clerks	14.3%	Wholesale and Retail Trade
8611	Harvesting labourers	7.8%	Agriculture
6453	Food and Beverage Servers	6.5%	Accommodation and Food Services
6661	Light Duty Cleaners	5.2%	Accommodation and Food Services

Source: 2014 Okanagan Employer Survey (n=77)

Seasonal workers were examined independently for difficulties in recruitment and retention to provide a broader perspective on this important labour pool. Over one-half (54.5%) of employers who hire seasonal employees reported that they did not have any issues with recruiting or retaining employees, with some stating that their seasonal employees seek them out (Table 4.57). Over one-third (34.5%) reported difficulties recruiting individuals, and over one-fifth (21.0%) reported facing issues retaining their seasonal employees.

Table 4.57: Incidence of Recruitment and Retention Issues for Seasonal Employees

Seasonal Employee Issue	Employers Reporting Issue
Recruitment issue	34.5%
Retention issue	21.0%
Other issue	3.5%
No issue	54.5%

Source: 2014 Okanagan Employer Survey (n=200)

[38] The great majority (90.4%) of occupations were cited by three or fewer employers.

Employers also shared some of their best practices for recruitment and retention of workers in priority occupations. The best practices mentioned for recruiting and retaining management were classified into six different groups: positive work environment, offering benefits, competitive salaries, targeted/ innovative recruitment strategies, offering professional development and advancement, and a catchment of other for strategies that did not fall within the other five. Table 4.58 outlines the prevalence of the three different groupings among employers.

Table 4.58: Best Management Practices Utilized by Employers for the Recruitment and Retention of Workers

Best Management Practice	Employers Employing Best Management Practice
Positive work environment	25.0%
Competitive salaries/high wages	16.6%
Offering benefits package	16.6%
Offering professional development and opportunities for advancement	11.7%
Targeted/innovative recruitment strategies	9.9%
Other	5.5%

Source: 2014 Okanagan Employer Survey (n=615)

Examples of a **positive work environment** included:

- Friendly atmosphere;
- Strong community ties;
- Family oriented work environment;
- Flexible working schedules;
- Development of camaraderie among employees; and
- Open lines of communication.

Benefits packages were wide and varied, but included:

- Extended health and dental;
- RRSP matching program;
- Company discounts;
- Allowances for tools and work clothing; and
- Room and board for seasonal employees.

Employers who stated that they offer **competitive salaries** also included other financial incentives including:

- Profit sharing;
- Performance-based bonuses;
- Seasonal bonuses;
- Commission; and
- Regular raises.

Recruitment strategies include a variety of methods to attract potential employees, as well as screening methods to reduce turnover. Recruitment strategies included:

- Recruitment though social media;
- Thorough hiring process (e.g., screening, group interviews);
- Targeted advertising of job postings (e.g., youth, Vancouver, women);
- Referral programs;
- Networking and job fairs; and
- Recruitment from educational institutions.

Offering **professional development** and opportunities for advancement included:

- Offering formal and informal training programs;
- Promoting from within;
- Regular performance reviews; and
- Providing the opportunity to transfer to other establishments.

4.9.4 Source of Labour

Employers related the importance of different labour pools they source for new workers from. The most important labour market, as reported by a large majority (80.6% reported it was important or very important) of employers, is their local labour force (Table 4.59). Employers placed lesser importance on the migration of Canadians from other provinces, or international immigration (12.9% and 11.7% of employers rated them as important or very important, respectively).

Table 4.59: Source of Labour Importance to Employers

Source of Labour	Level of Importance (Average Score)*	% of Employers Reporting Important or Very Important (4 or 5)
Local Workforce	4.3	80.6%
Other Companies	2.8	36.7%
Post-Secondary System – College	2.8	36.1%
Post-Secondary System - University	2.5	29.1%
Secondary School System	2.3	20.8%
Local First Nations/Aboriginal Community	2.3	19.1%
Industry Training (apprenticeship) System	2.2	22.7%
Other Industries	2.1	12.8%
Other Provinces	1.9	12.9%
International Immigration	1.7	11.7%

* Employers rated the importance of sources of labour across a five point scale where one represents "not at all important" and five represents "very important".

Source: 2014 Okanagan Employer Survey

Employers rely heavily on the local labour force (80.6% of employers reported it to be very important), and viewed their current sources of labour as being sufficient (61.2% of employers). However, some are still having difficulty filling all of their vacancies with their current labour markets. The primary difficulties faced by employers are that the local workforce does not have a sufficient number of qualified/skilled workers (51.0% reporting). As well, 14.4% of employers believe that they are unable to compete with other regions due to the low wages and high cost of living within the Okanagan Valley. A small minority of employers also expressed dissatisfaction due to insufficient training opportunities within the region (6.9%) and that the small number of businesses (employment opportunities) within the area prevented skilled trades from moving to the area (5.9%).

4.9.5 Human Resources Strategy

A concern for the region is a general lack of employers with a developed human resource strategy to address their workforce requirements over the next five years and beyond, where only one-third (33.3%) of employers have developed a plan. Even though they may not have developed an HR strategy for their organization, employers were asked to provide feedback on what a regional HR strategy should include, were one to be developed to assist them in addressing their HR issues. Five suggestions were presented to employers to be rated on a five point scale where one represented "not a priority" and five represented "a major priority".

The most popular suggestion was that of enhancing the education and training systems to ensure new workers have the appropriate skills (average score of 4.0, with 40.4% reporting it as “a major priority”) (Table 4.60).

Of the frequently cited occupations that were difficult to hire, only one was that of a skilled trade (welders and related machine operators); however, 43.3% of all occupations employers mentioned usually required a college education or apprenticeship training.

Table 4.60: Employers Priorities for a Regional Human Resource Strategy

HR Strategy Components	Level of Importance (Average Score)*	% of Employers Reporting A Major Priority (5)
Enhancing the education and training systems to ensure new workers have the appropriate skills	4.0	40.4%
Development of a regional strategy to attract new workers to the Okanagan Region	3.7	35.4%
Development of resources to help employers retain existing workers	3.7	32.7%
Expansion of apprentice programs	3.5	31.5%
Development of resources to assist employers in the area of supervisory/management training	3.5	26.5%

* Employers rated the importance of human resource components along a five point scale where one represents “not a priority” and five represents “a major priority”

Employers reporting “don’t know” were excluded.

Source: 2014 Okanagan Employer Survey (n=615)

The next most popular component of a regional human resource strategy was for the development of a regional strategy to attract new workers to the Okanagan Region (average score of 3.7, with 35.4% reporting it as a major priority). As explored in the migration section (Section 3.1.2) the region is projected to have an annual net migration of 28,597 individuals. The regions of historic migration have been from Vancouver, Calgary, and Edmonton. These labour markets have historically been a source of labour, and present employers as a good potential source of future migration with a greater chance of success for recruitment campaigns.

Employers were also provided the opportunity to suggest other best management practices to be included in the human resource strategy. Responses fell within six different strategies. The most popular suggestion was an improvement of essential skills training capacity within the region (26.4%), followed by suggestions to develop a strategy to provide higher wages within the region in line with the cost of living (19.2%) (Table 4.61).

Table 4.61: Human Resource Strategies Suggested by Employers

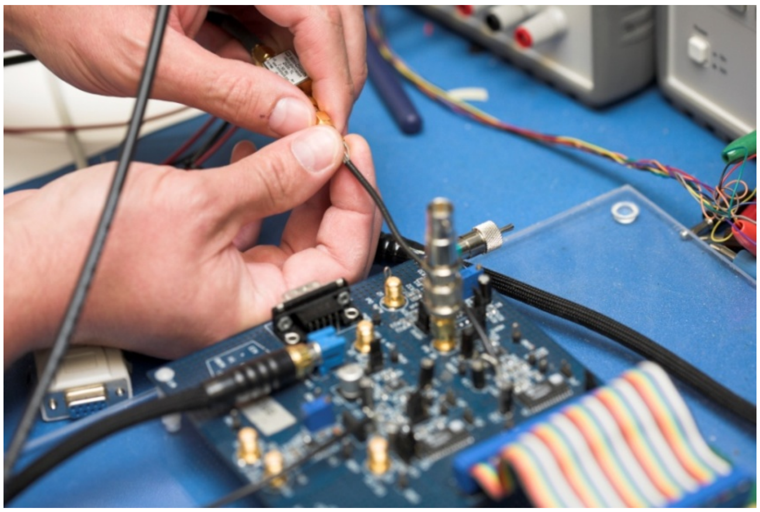
HR Strategy Components	Percent of Respondents
Essential skills training should be implemented for workers	26.4%
Develop a strategy to provide higher wages that can support cost of living in the region	19.2%
Focus on business management/leadership development workshops/courses	14.4%
Provide incentives to encourage young qualified workers to be employed locally	14.4%
Provide more job fairs/booths/networking options/employment resource centres	12.8%
Ease immigration policies for foreign trained qualified workers/better resources for foreign workers	7.2%
Other HR related practices that should be implemented in the region	7.2%
Other non-HR related practices that should be implemented in the region	4.0%

Total does not sum to 100% as respondents were able to provide multiple suggestions.

Source: 2014 Okanagan Employer Survey (n=132)

SECTION 5: Findings – Skills Training and Education Gaps (Component C)

The forecasted employment demand for the region is a culmination of employer projections of growth, expected retirements, current vacancies, and expected turnover rates. Projections are developed on the Development Region and College Region, examining the differences in sources of labour demands (replacement[39] and expansion), and projected growth.



The expected growth in demand is examined within the context of the available local labour force, predicting a gap between employer demand and the supply of the workforce. The goal of this section is to identify the areas of expected shortfalls to be addressed with a regional human resource strategy.

5.1 Top Five Employment Gaps by Industry Sector

Due to the large response to the employer survey the following sector's employment gaps were further explored, sectors included: manufacturing; wholesale and retail trade; finance and insurance; professional, scientific, and technical services; and accommodation and food services.

The manufacturing sector reported difficulties in sourcing 60 different occupations, 35 of which require a post-secondary education. The top five occupations reported by employers include:

- 7265 - Welders and Related Machine Operators (19% of employers reporting);
- 7263 - Structural Metal and Platework Fabricators and Fitters (11%);
- 7231 - Machinists and Machining and Tooling Inspectors (9%);
- 6411 - Sales Representatives – Wholesale Trade (7%); and
- 5241 - Graphic Designers and Illustrators (5%).

The wholesale and retail trade sector reported difficulties in sourcing 33 different occupations, 20 of which require a post-secondary education. The top five occupations reported by employers include:

- 6421 - Retail Salespersons and Sales Clerks (28%);
- 6611 - Cashiers (15%);
- 7312 - Heavy-Duty Equipment Mechanics (7%);

[39] Replacement of existing workers includes current vacancies, retirements, and job separations (other forms of attrition).

- 6411 - Sales Representatives – Wholesale Trade (Non-Technical) (6%); and
- 6221 - Technical Sales Specialists – Wholesale Trade (6%).

The finance and insurance sector reported difficulties in sourcing 27 different occupations, seven of which require a post secondary education. The top three occupations reported by employers include:

- 1114 - Other Financial Officers (67%);
- 6231 - Insurance Agents and Brokers (24%); and
- 6411 - Sales Representatives – Wholesale Trade (Non-Technical) (10%).

The professional, scientific, and technical services sector reported difficulties in sourcing 56 different occupations, 31 of which require a post-secondary education. The top five occupations reported by employers include:

- 2174 - Computer Programmers and Interactive Media Developers (18%);
- 6221 - Technical Sales Specialists – Wholesale Trade (13%);
- 2281 - Computer Network Technicians (8%);
- 6411 - Sales Representatives – Wholesale Trade (Non-Technical) (5%); and
- 2282 - User Support Technicians (5%).

The accommodation and food services sector reported difficulties in sourcing 16 different occupations, seven of which require a post-secondary education. The top five occupations reported by employers include:

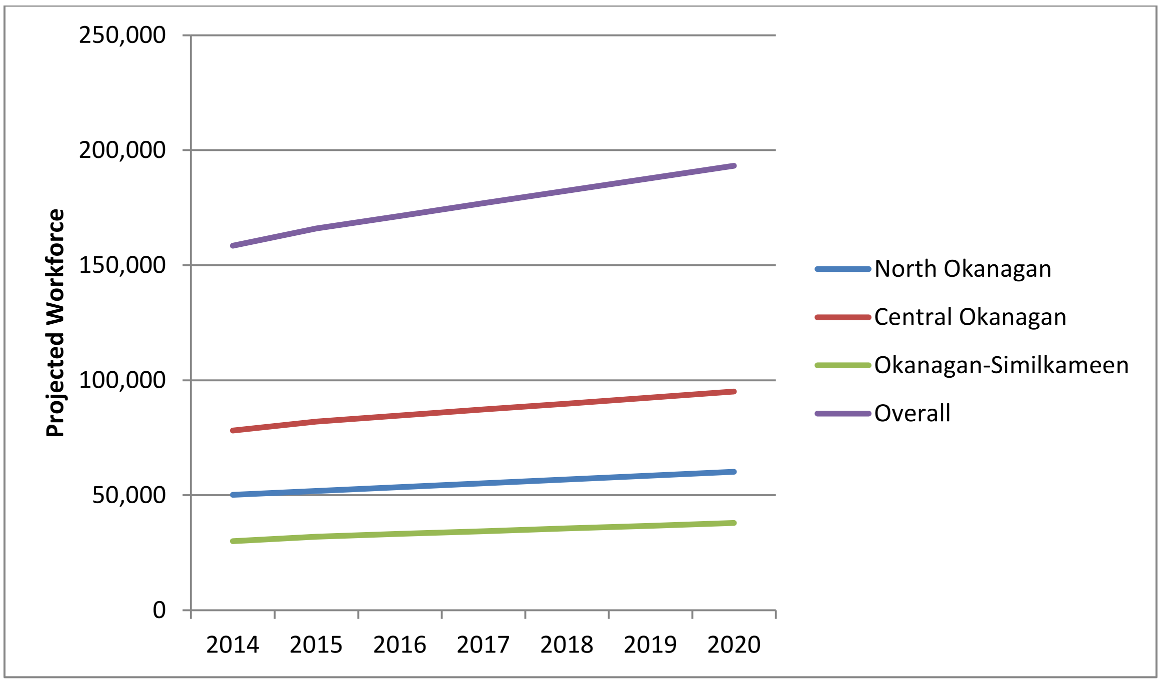
- 6242 Cooks (39%);
- 6641 Food Counter Attendants, Kitchen Helpers, and Related Occupations (29%);
- 6661 Light Duty Cleaners (14%);
- 6453 Food and Beverage Servers (14%); and
- 6241 Chefs (11%).

Section 3.2 examines the competitiveness of the OR to compete for the most frequently cited occupations by all employers, which include a number of the aforementioned occupations. The wages offered for the difficult to recruit occupations tended to be competitive with those offered on the lower mainland, or BC overall; however, were generally uncompetitive with those offered in Calgary and Edmonton. Employers expressed concern over their ability to offer competitive wages to attract workers, and at the high cost of living within the region.

5.2 Forecast Employment Demand

The forecast of employment demand is examined on a regional basis, as each region projected different levels of growth. Between 2014 and 2020 employers in the OR are expecting the workforce to grow from 158,434 to 187,811, an increase of 18.5% or 29,377 workers (Figure 5.1). The growth in workforce is primarily driven by the Central Okanagan Region, as it has the largest workforce in real numbers. However, employers in the Okanagan-Similkameen District project a higher, more aggressive, growth rate of 22.0%.

Figure 5.1: Employer Projected Growth (2014 to 2020)

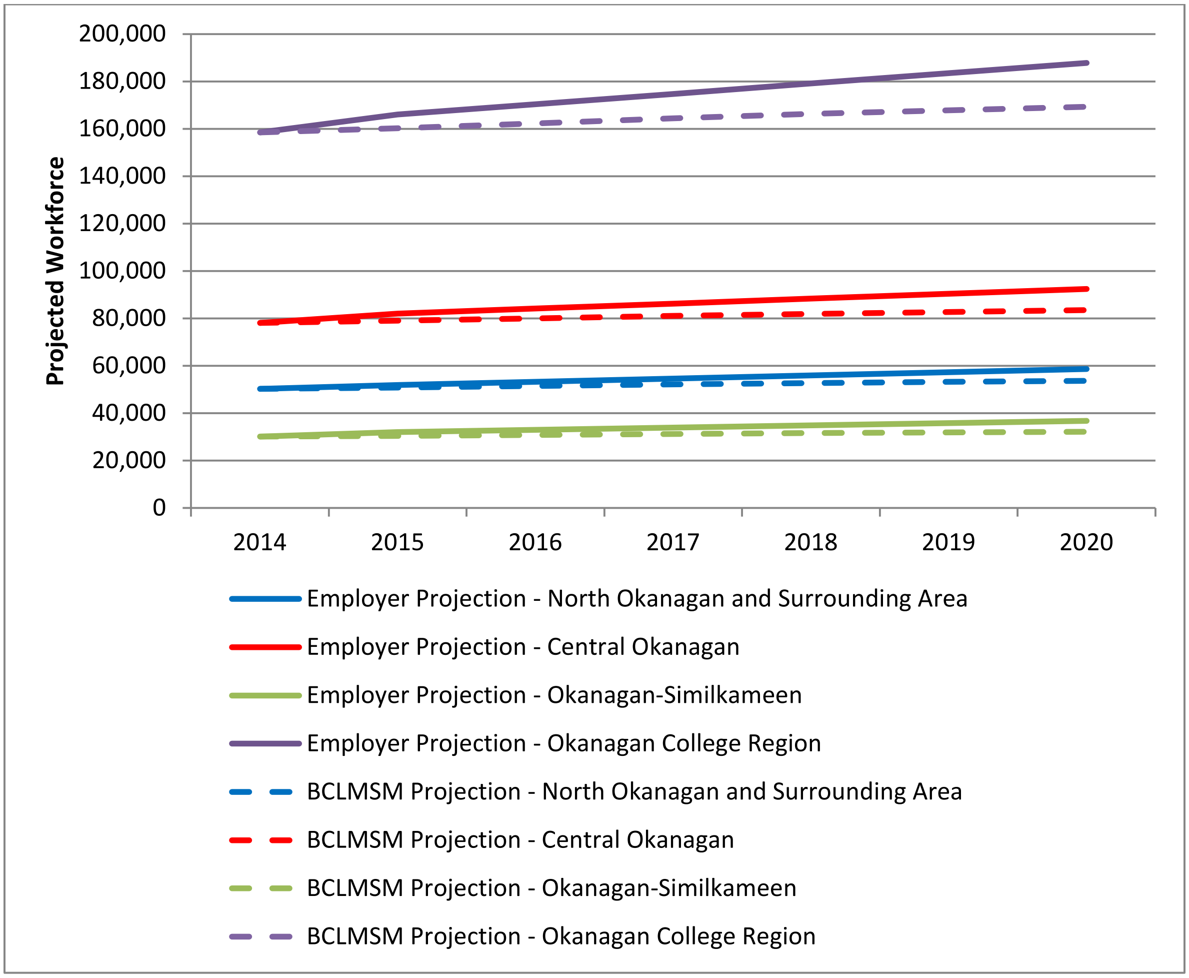


Source: 2014 Okanagan Employer Survey, BC Stats P.E.O.P.L.E. Sept 2013

5.2.1 Comparison of Survey Projection and BC Labour Market Scenario Model

The BC Stats Labour Market Scenario Model predicts a very different growth rate for the region of only 6.9% equal to a third of what employers project (18.5%) (Figure 5.2). The difference in models is equal to nearly 18,500 positions. The large divergence between the two models creates a large variance for the projected workforce for the Okanagan-Similkameen region due to the higher employer projected workforce growth rate (difference of 4,571 positions, equal to 15.1% of its current workforce).

Figure 5.2: Comparison of Employer and BCLMSM Projected Growth (2014 to 2020)



Source: 2014 Okanagan Employer Survey, BC Stats P.E.O.P.L.E. Sept 2013, BC Stats BCLMSM 2010

The large difference between the two models could potentially be the result of the BCLMSM projection being out of date as it was created in 2010, and subsequently revised in 2011, making the model at least three years old. In addition, the model was created after an economic downturn which may bias the results to predict a more modest growth. The model is expected to be rerun in 2014, which may provide a projection that more closely resembles that of employers. However, the BCLMSM is viewed as a reliable predictor of growth between 2010 and 2020.

5.3 Labour Supply Gap and Skills Shortage and Training Needs

The supply of workers for the OR will be from natural population increases within the region and from in-migration. Additionally, the currently unemployed labour force is also a source of labour to be utilized by local employers.

The working age population in the OR is projected to increase through individuals reaching the working age and in-migration to the region. From both sources, BC Stats projects that by 2020 there will be 266,471 individuals in the OR of working age (see Section 3.1.1). The increase in population, coupled with the increase in labour force participation rate, translates into 164,439 individuals actively participating in the local labour force (see section 3.2.1).[40] Overall, the available local labour force is expected to increase by 3.8%, equivalent to 6,005 individuals in the labour force (Table 5.1). It is estimated that half of all turnovers due to other forms of attrition remain within the region, representing an additional 10,984 workers in the labour pool. Additionally, in 2013, it is estimated that there are 11,249 unemployed individuals within the OR that can assist in addressing current employer demands for labour.

Table 5.1: Sources of Labour by Region

Region	Unemployed (2013)*		Labour Force Growth (2014-2020)		Available Workers from Turnover due to Other Forms of Attrition		Total Available Employees (2014-2020)	
	#	%	#	%	#	%	#	%
North Okanagan	3,567	7.1%	786	2.4%	4,097	8.2%	8,450	17.7%
Central Okanagan	5,543	7.1%	5,699	7.3%	4,840	6.2%	16,082	20.6%
Okanagan-Similkameen	2,138	7.1%	-455	-1.5%	2,048	6.8%	3,731	12.4%
Okanagan Region	**11,249**	7.1%	**6,005**	3.8%	**10,984**	**6.9%**	**28,238**	**17.8%**

***** Unemployment statistics is for the Thompson-Okanagan region.
Note: Totals may not sum due to rounding.
Source: 2014 Okanagan Employer Survey, BC Stats P.E.O.P.L.E. Sept 2013, Statistics Canada

The projected labour force growth rate varies significantly between the three regions. The Central Okanagan Region is projected to grow by 7.3% between 2014 and 2020, while the North Okanagan is expecting its labour force to grow, but to a lesser extent, at a rate of 2.4%. However, the Okanagan-Similkameen region is projected to have its population shrink over the same period, decreasing by 1.5%.

The labour supply gap is the distance between the projected change in employer demand for labour less the projected change in labour supply. Based on the two projections (BCLMSM and employer demand), we see a labour supply gap equivalent to 18.0% and 29.6% of 2014 staffing levels, requiring 28,367 to 46,865 additional workers in the OR to meet labour market demands (Table 5.2 and Table 5.3).

[40] Between 2014 and 2020, BC Stats projects that the labour force participation rate for the OR to increase from 61.2% to 61.9% (see section 3.2.1),

Table 5.2: Employer Projected Labour Supply and Labour Demand Gap by Region (2014 to 2020)

Region	Total Available Employees (2014-2020)		Total Number of New Hires (2014-2020)		Projected Employment Gap (2014-2020)	
	#	%*	#	%*	#	%*
North Okanagan	8,450	17.7%	25,723	51.2%	17,273	33.5%
Central Okanagan	16,082	20.6%	34,869	44.7%	18,787	24.1%
Okanagan-Similkameen	3,731	12.4%	14,511	48.1%	10,780	35.7%
Okanagan Region	**28,238**	**17.8%**	**75,103**	**47.4%**	**46,865**	**29.6%**

* Percent of 2014 workforce.

Note: Totals may not sum due to rounding.

Source: 2014 Okanagan Employer Survey, BC Stats P.E.O.P.L.E. Sept 2013

Table 5.3: BCLMSM Projected Labour Supply and Labour Demand Gap by Region (2014 to 2020)

Region	Total Available Employees (2014-2020)		Total Number of New Hires (2014-2020)		Projected Employment Gap (2014-2020)	
	#	%*	#	%*	#	%*
North Okanagan	8,450	17.7%	20,824	41.5%	12,374	23.8%
Central Okanagan	16,082	20.6%	25,842	33.2%	9,760	12.6%
Okanagan-Similkameen	3,731	12.4%	9,940	33.0%	6,209	20.6%
Okanagan Region	**28,238**	**17.8%**	**56,605**	**35.8%**	**28,367**	**18.0%**

* Percent of 2014 workforce.

Note: Totals may not sum due to rounding.

Source: 2014 Okanagan Employer Survey, BC Stats P.E.O.P.L.E. Sept 2013, BC Stats BCLMSM 2010

The projected sources of labour are capable of addressing a portion of labour market demand, capable of supplying 49.9% of labour market demand under the BCLMSM projection, or 37.6% under the employer projection. As a result, additional labour must be sourced from outside of the OR to meet labour market demand.

The supply of labour by general occupational category assumes that unemployment and growth in the labour force will be equal to the proportional distribution of occupations within the labour force. Over the next six years, it is predicted that an additional 14,561 workers will become available for operational occupations, equal to 18.2% of the 2014 workforce (Table 5.4).

Table 5.4: Sources of Labour by General occupational Category

General Occupational Category	Unemployed (2013)		Labour Force Growth (2014-2020)		Available Workers from Turnover due to Other Forms of Attrition		Total Available Employees (2014-2020)	
	#	%	#	%	#	%	#	%
Managerial Occupations	1,687	7.10%	901	3.8%	995	4.2%	3,583	15.1%
Trades/Technical/ Professional Occupations	3,892	7.10%	2,078	3.8%	4,124	7.5%	10,094	18.4%
Operational Occupations	5,669	7.10%	3,027	3.8%	5,865	7.3%	14,561	18.2%
Overall	**11,249**	7.10%	**6,005**	3.8%	**10,984**	6.9%	**28,238**	**17.8%**

Note: Totals may not sum due to rounding.
Source: 2014 Okanagan Employer Survey, BC Stats P.E.O.P.L.E. Sept 2013, Statistics Canada

The projected employment gap, with respect to the general occupational categories, indicates that nearly half of the employment gap will be attributed to operational occupations (48.2% for employer projections, and 48.5% for BCLMSM projections) (Table 5.5and Table 5.6). The trades/technical/ professional occupations face the largest relative labour demand gap, requiring enough to supply between one-sixth (18.6%) and one-third (33.4%) of the current (2014) trades/technical/ professional workforce.

Table 5.5: Employer Projected Labour Supply and Labour Demand Gap by General Occupational Category (2014 to 2020)

General Occupational Category	Total Available Employees (2014-2020)		Total Number of New Hires (2014-2020)		Projected Labour Demand Gap (2014-2020)	
	#	%*	#	%*	#	%*
Managerial Occupations	3,583	15.1%	9,400	39.6%	5,817	24.5%
Trades/Technical/Professional Occupations	10,094	18.4%	28,420	51.8%	18,326	33.4%
Operational Occupations	14,561	18.2%	37,136	46.7%	22,575	28.5%
Overall	**28,238**	**17.8%**	**75,103**	**47.4%**	**46,865**	**29.6%**

* Percent of 2014 workforce.
Note: Totals may not sum due to rounding.
Source: 2014 Okanagan Employer Survey, BC Stats P.E.O.P.L.E. Sept 2013, BC Stats BCLMSM 2010

Table 5.6: BCLMSM Projected Labour Supply and Labour Demand Gap by General Occupational Category (2014 to 2020)

General Occupational Category	Total Available Employees (2014-2020)		Total Number of New Hires (2014-2020)		Labour Demand Gap (2014-2020)	
	#	%*	#	%*	#	%*
Managerial Occupations	3,583	15.1%	7,906	33.3%	4,323	18.2%
Trades/Technical/Professional Occupations	10,094	18.4%	20,318	37.0%	10,224	18.6%
Operational Occupations	14,561	18.2%	28,306	35.6%	13,745	17.4%
Overall	**28,238**	**17.8%**	**56,605**	**35.8%**	**28,367**	**18.0%**

* Percent of 2014 workforce.
Note: Totals may not sum due to rounding.
Source: 2014 Okanagan Employer Survey, BC Stats P.E.O.P.L.E. Sept 2013, BC Stats BCLMSM 2010

The discrepancy between employer-projected workforce growth and that of the BCLMSM is that employers may be too optimistic in their projected growth. Few employers have developed an HR strategy to address their workforce requirements (See Section 4.9.1), potentially indicating that their business plan for growth is still under development. As well, many small businesses reported modest growth of only a few employees; however, this translated into a much larger effect and may not be realistic.

5.3.1 Skills Training Needs

Comparison between the two models of the labour supply and demand gap by general occupational category provides insights into the training needs of the region as the different occupational categories typically require different levels of education (see Table 4.21). Between 2014 and 2020 an estimated 37,796 to 50,345 individuals with some post-secondary education are required by the region to meet demand (Table 5.7). Over two-thirds (66.8% and 67.0% for Employer and BCLMSM projections, respectively) of new hires will require some post-secondary education.

Within the Okanagan Region, 7% of the population that is of working age has a registered apprenticeship certificate (Figure 3.8), which is roughly equal to 18,000 individuals in the labour force. Over the next six years between and 19,366 and 21,482 new hires are projected to be required for the region, potentially translating into the need for 3,869 to 5,984 tradespeople to meet market demand.[41]

[41] New hire tradespeople is equal to the number of projected new hires requiring a trades ticket less the projected number of unemployed and employees that were subject to turnover due to attrition with trades tickets.

The current levels of apprenticeship within the region equates to 1,955 apprentices employed within the region, equal to one-third of all seats at Okanagan College. [42] If the current levels of apprenticeship are maintained, by 2020 the OR will have 1,955 apprentices and another 3,071 fully trained tradespeople, [43] equal to 79.4% to 51.3% of the projected demand (for BCLMSM projection and employer projection, respectively). If the shortages in skilled trades were to be solely filled through apprenticeship, apprenticeship levels within the region would tend to be expanded by 1.3 to 1.9 times that of current levels (for BCLMSM projection and employer projection, respectively).

In addition to increased apprenticeship levels, the region is projected to also require new hires with some form of post-secondary education. Between 2014 and 2020 an additional 28,367 to 50,345 individuals with some form of post-secondary education will be needed to meet labour market needs (for the BCLMSM and employer projection, respectively).[44]

Table 5.7: Post-Secondary Education Requirements of New Hires

Education Requirement	Supply	Demand	
	Total Available Employees (2014-2020)	Employer Projection (2014-2020)	BCLMSM Projection (2014-2020)
Some or Completed High School	9,528	24,758	18,809
Some College or University	5,995	15,824	12,014
College*	5,816	15,529	11,652
University	3,629	9,905	7,420
Post-Graduate Degree	3,269	9,087	6,710
Total	**28,238**	**75,103**	**56,605**

* College education includes trades.

Source: 2014 Okanagan Employer Survey, BC Stats P.E.O.P.L.E. Sept 2013, BC Stats BCLMSM 2010

5.3.2 Impact of Major Capital Projects

The analysis of the major projects inventory and the resultant labour requirements of 9,000 individuals per year, further expanding the labour market issues experienced within the area. Due to the temporary nature of the work, it will have the tendency to attract temporary workers who can be sourced from local labour markets, other areas within BC, other provinces, and internationally. As a result, the portion of labour sourced from the local labour market cannot be estimated with confidence.

[42] Okanagan College. November 28, 2013. Okanagan sees significant growth in trades, while fall enrolment remains steady. Retrieved June 1, 2014 from: http://www.okanagan.bc.ca/Campus_and_Community/employees/publicaffairs/news.html?BlogEntryID=34427

[43] Assuming all trades programs are four years in duration.

[44] Distribution of levels of education were assumed to be proportional to labour market demands. See Table 4.21 for distribution of education levels of the current (2014) workforce.

SECTION 6: Conclusions

Employers in the OR are ready to grow, eager to expand their workforce and their business. Employers projected high rates of growth; with expected growth to be almost double that the BCLMSM has projected for the province of British Columbia. Employers are projecting the area to gradually return to high pre-recession growth rates (3% per year growth).

The forthcoming challenge will be ensuring that there is an adequate labour force to meet demand as employers report that the local labour force is insufficient to meet their demands. The large expansion is not only happening with small companies; major employers in the area are also ready to grow at an accelerated rate. These industries include:

- Public services;
- High tech companies (e.g., digital media, ICT, animation and gamming);
- Construction companies, both residential and commercial;
- Health services;
- The Tourism industry; and
- Agricultural companies.

The development of a regional HR strategy is recommended to include multiple components addressing the many areas of concern of employers, in not only assisting them in sourcing qualified labour, but assisting them by providing them the tools to effectively grow their workforce and manage their businesses. Employers' concern regarding their businesses focuses on four main themes:

- Inability of the local labour force to meet their needs;
- Increasing training capacity within the region for trades and essential skills;
- Addressing the disparity (perceived or real) between wages and cost of living within the region; and
- Better equipping employers with business management and leadership development skills.

The labour market demand under the BCLMSM and employer projections predict labour market demand in the OR to require 56,605 to 75,103 new hires. The current labour market and projected growth of the labour force is capable of addressing only a portion of labour market demand; however, it is imperative that employers/stakeholders consider more proactive attraction and recruitment strategies.

An effective human resource strategy must address the dual challenge facing the region: the need for both more workers in general, and the need to ensure that such workers have the necessary skill sets to meet occupational requirements. Over two-fifths of the new hires will require some form of post-secondary education to meet occupational requirements, which has the potential to exacerbate employers' difficulties in sourcing qualified workers. Local post-secondary institutions have the potential to address some of the demand; however, the local labour force will be competing with others for seats at the institutions. Post-secondary programs are typically multi-year, preventing increases in enrolment

from meeting short-term demands. In addition, after graduation, students are mobile and may leave the region.

Employers invest in their workforce as almost all employers offer, in one form or another, their employees opportunities to develop their skills and knowledge during their employment. The vast majority accomplish this through on-the job training, while half look to outside sources for their training needs.

The labour force within the OR is shrinking as the number of retirements is greater than the number of youth entering their working years. The current annual retirement rate of the OR's workforce is nearly 1.6%, which is expected to increase over the coming decade as workers in their fifties approach retirement age.

The next six years present a challenge for the OR; it must increase migration to the region to ensure that there is an adequate number of workers, as well as ensuring that workers have adequate access to training to be qualified to fill positions.

SECTION 7: Recommendations

Based on the results of the labor market analysis and consultation with employers, the following recommendations emerged. The recommendations of this labour market study fall into three discrete categories: strategies to increase the regional workforce, strategies to ensure local training providers meet employers' needs, as well as strategies to address non-post-secondary training needs.

7.1 Regional Workforce Strategy

Regional workforce strategies pertain to the management and coordination of efforts to maintain a workforce within the OR to meet employers' needs.

1. **Formalize/maintain a formal group to oversee human resource issues in the region.**
   There are numerous organizations within the OR that influence the human resource environment within the region. As a result, a human resource strategy would require the input and coordination from a range of organizations including: federal and provincial governments, local education and training providers, employers, and local community leaders. In this context, consideration should be given to maintaining a human resource advisory group for the OR.

2. **Continue to develop and foster a means for employers to communicate their training needs to the training bodies.**
   The largest training facilities within the region reside within the Central Okanagan region in the Kelowna CMA, home of UBC's Okanagan Campus and Okanagan College's Kelowna Campus. Post-secondary educational institutions are present in the other regions, as Okanagan College has campuses within the Okanagan-Shuswap, North Okanagan and the Okanagan-Similkameen Regions. Coordination of communication between training bodies and employers requires regular direction or oversight to ensure that employers are able to communicate their needs to the training bodies and that the training bodies are able to respond. The development of a communication channel will ensure that programs relevant to employer demands are available, and that training institutions are not over-saturating the labour market in areas in which job opportunities are limited.

3. **Economic development strategies need to be developed for the OR and at a regional district level.**
   A two phase economic development strategy has the potential to address the overarching economic development needs, and able to address issues specific to individual regions. Areas that have unique labour market demographics (e.g., aging workforce) may require different economic development strategies. As a result, the inclusion of economic development strategies for specific regions can further address labour market needs.

4. **Consider targeted recruitment/attraction strategies.**
   The results of the research suggest that there will be a significant gap between the total number of workers needed, and the current capacity of the region to supply such workers. Innovative

strategies should be considered to both attract new workers to the region, as well as to potentially “re-engage” workers who have left the labour force and/or have retired.

5. **Collect labour market data on an annual basis.**
   Employers’ needs are constantly changing; in order to provide adequate services from the education and training providers, they need to be informed of the changing requirements and skill sets in each region. A short (five minute), annual survey of employers in each region will provide up-to-date labour force approximations and predictions for the coming year, as well as address potential upcoming skill shortages.

7.2 Training Programming and Strategies to Address Skill Shortages

6. **Develop a regional labour force training committee.**
   Increase regional training capacity to ensure that an adequate number of graduates will be available for the local labour market. A challenge inherent in this strategy is due to the lag between enrollment and entering the labour force, which may interfere with the region’s ability to address employers’ need for workers with a post-secondary education.

7. **Development of employer training program to assist in business growth and planning.**
   Employers reported a need for assistance in business development and management. Organizations such as Accelerate Okanagan provide assistance to growing high-tech industries; however, they are not designed to provide assistance to all major industries within the region. A program would be designed to provide assistance to business leadership in the development of business plans to navigate current market conditions. As a large proportion of employers lack an HR strategy to address their employment needs over the next five years, the development of such a program presents the opportunity to provide employers with the tools required to meet their HR needs.

8. **Develop a strategy to attract recent graduates of BC post-secondary institutions.**
   The large number of projected post-secondary educated vacancies may not be able to be addressed locally, requiring individuals with post-secondary education to move to the region. Recent graduates of post-secondary institutions are typically mobile, able to relocate to a new region. The program would utilize a targeted recruitment strategy for BC and AB, post-secondary institutions. Activities would include: booths at local job fairs, communication with post-secondary career resource centres, and social media outreach.

9. **Increased basic skills training to prepare the unemployed for skill upgrading.**
   The 2013 unemployment rate within the Thompson-Okanagan region was 7.1%, higher than the national average. This local labour force has the potential to fill local vacancies; however, training and skill upgrading may be required for them to effectively fill vacancies. Unemployed individuals may have begun work without a high school diploma, or have not taken any education in decades. As a result, they may not be prepared to enter a skills upgrading course that relies on basic literacy and numeracy skills. Additional transition programs need to be put in place to help these workers transition back into learning, or the existing skills upgrading

programs need to be aware and have policies to address the learning gap of these 'return to education' workers.

10. **Develop strategies to assist the innovation and emerging high technology industries in the Okanagan Region.**
    High technology industries within the Okanagan Region are expected to continue to grow as they deploy and commercialize new technologies. The industries will require specialized workers with a post-secondary education. As a result, it will require an agency to communicate anticipated industry skill requirements to the provincial government to align the region's educational curriculum in primary to post-secondary programs to meet anticipated needs.

For more information please contact the Central Okanagan Economic Development Commission.

Email: info@investkelowna.com

Phone: 250.469.6280