

**EMBARGOED until October 23, 2007**

## Manitoba Faces a Shortage of Skilled Labour

**WINNIPEG** – The *MB Check-Up*, an annual study by the Chartered Accountants of Manitoba, reports that Manitoba continues to face a shortage of skilled labour.

In 2006, only 56 percent of Manitobans aged 25-54 had received some level of post-secondary certification.

“As the Canadian economy continues to become more knowledge-based, having an appropriately skilled work force is increasingly important,” said Gary Hannaford, CEO of the Institute of Chartered Accountants of Manitoba (ICAM). “What compounds the problem is that these shortages will continue to mount as more of the existing work force retires.”

The *MB Check-Up* shows that Manitoba maintained the lowest education attainment rate among the western provinces and Ontario and is substantially lower than the Canadian average of 63.9 percent.

The study points out that the problem doesn't seem to be that Manitoba's colleges and universities aren't graduating enough people since more than 48,000 degrees and diplomas were granted by the provinces post-secondary institutions between 2000 and 2005. However, during that same time frame, Manitoba experienced a net outflow of nearly 16,800 people to other provinces, primarily Alberta, which has attracted 72 percent of those leaving the province since 2001.

In 2006, 8,635 people moved away, which was the highest number in the last 10 years and 19.5 percent higher than in 2005.

A National Graduate Survey conducted on the Class of 2000 graduates found that Manitoba lost more students and graduates than it gained because of lower wages in Manitoba and more attractive labour markets outside the province.

The *MB Check-up* report supports the concern about low wage rates in the province. In 2006 Manitoba remained the lowest paying region of all jurisdictions reviewed and between 2005 and 2006 the wage gap widened with neighbouring provinces eager to attract talent. Real wages in Manitoba increased by a meagre 0.5 percent to \$19.91 per hour in 2006 despite a 35-cent increase to Manitoba's minimum wage to \$7.60 per hour on April 1, 2006.

The study revealed a number of other modest improvements in Manitoba as a place to work in 2006.

Manitoba continued to lead the pack in pay equality with women making, on average, 90.9 percent of male wages in 2006. This represented a 1.1 percent improvement from 2005 and a 8.7 percent increase over the past five years. This differential in male to female wage increases in 2006 was

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tioned to strong wage growth in female dominated sectors such as health care as well as sales and service positions.

Manitoba's unemployment rate dropped 0.5 percentage points in 2006 which was on par with the national average. With an unemployment rate of 4.3 percent, only Alberta has a lower unemployment rate. However, in contrast to Alberta much of Manitoba's low unemployment is due to slow growth in the labour force, half the rate of the national average, versus strong job creation.

According to the *MB Check-Up* report job growth in Manitoba was 1.2 percent in 2006 which was the lowest growth rate of all regions reviewed and below the national average of 1.9 percent and Alberta's mind bending 4.8 percent job growth.

"While low unemployment is usually a good thing, Manitoba's low unemployment rate is more an indicator of a problematic shortage of workers that now constrains the economic growth of the province," Hannaford said.

A recent survey of Manitoba business leaders by the Winnipeg Chamber of Commerce and Meyers Norris Penny highlights this point as 72 percent indicated that they had difficulty finding qualified new employees and that the province should be concentrating on new immigrants, youth and skilled workers from other provinces to address these shortages.

In response to this concern just over 7,500 new Canadians moved to Manitoba in 2006, representing a record high. This success is credited in large part to the Provincial Nominee Program, which has accounted for 89 percent of Manitoba's international immigration in the past couple of years.

*MB Check-Up* is published annually by ICAM and provides an independent factual comparison of the four Western provinces, together with Ontario and the Canadian average using 15 key indicators to create a profile of each as a place to live, a place to work and a place to invest. This is the second of three instalments of the 2007 report. The third instalment of the report which deals with Manitoba as a place to invest will be released on October 25.

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