



Interjurisdictional Employees, Newfoundland and Labrador, 2002-2019

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About the Economics Division

The Economics Division is one of two divisions in the Economics and Statistics Branch of the Department of Finance. The other division is the Newfoundland and Labrador Statistics Agency. The Economics Division provides comprehensive information and advice on the provincial economy, including research, analysis and monitoring of macroeconomic trends, industry development opportunities, economic performance, government policies and development initiatives. The division is responsible for economic forecasting, economic impact analysis, demographic analysis, population projections, occupational projections and providing a range of economic inputs into the overall budget preparation process. In addition to research reports on a broad range of topics and issues relevant to the provincial economy, the division is also responsible for the publication of the budget document, The Economy and the midyear Economic Update. Economic data and reports can be found on the division's website: <https://www.gov.nl.ca/fin/economics/>.

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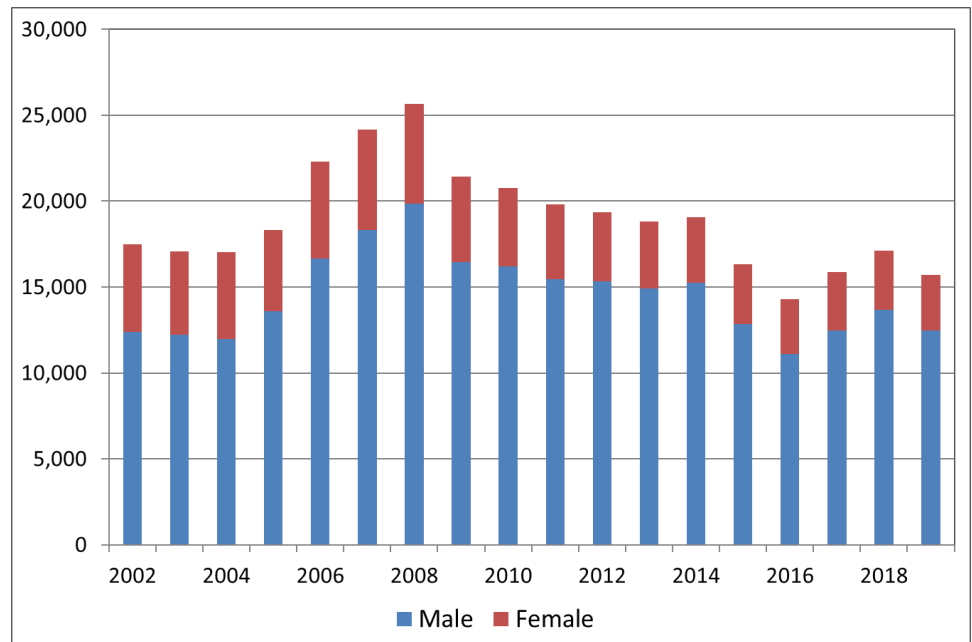
Introduction

Working away from home has been a way of life for many Newfoundlanders and Labradorians for decades. People from this province leave their families and homes to work in other parts of the province, other provinces or territories, and other countries. Generally, this occurs when workers cannot find jobs locally that match their skill set or when workers are looking for better-paying jobs and/or better benefits in other regions. Some workers choose to move and take up residency elsewhere, while others choose to continue to live in Newfoundland and Labrador while they work away.

This report focuses on interjurisdictional employees from this province – workers who maintain permanent residency in Newfoundland and Labrador, while they are employed in other provinces or territories within Canada, excluding self-employed individuals. These workers are employed temporarily, in positions that have a pre-determined end date, or on a rotational basis, in full-time positions with a rotational work schedule (i.e., away at work for a pre-determined period and home for a pre-determined period). Working outside the province has provided employment stability and income to people who may have otherwise moved. Statistics Canada’s data for this type of employment in Canada extends back to 2002 and the data is available as recent as 2019.

In 2019, there were 15,690 employees working in other parts of Canada while retaining residency in Newfoundland and Labrador (see Figure 1). The number of interjurisdictional employees has fluctuated over the 2002 to 2019 period. It peaked in 2008 at about 25,650 workers and then dropped by 16.4% in 2009, reflecting the impact of an economic recession on employment opportunities throughout the country. Following the 2008-2009 recession, the number of interjurisdictional employees trended down, to a new low of approximately 14,000 in 2016. This reflects lower oil prices and the associated lower level of activity in the Alberta oil industry, as well as an increase in the demand for skilled labour for major projects in this province (i.e., Hebron and Muskrat Falls). This provided more opportunities for well-paid employment at home. It fluctuated again over the following three years as Hebron construction ended locally and job opportunities improved in other parts of the country.

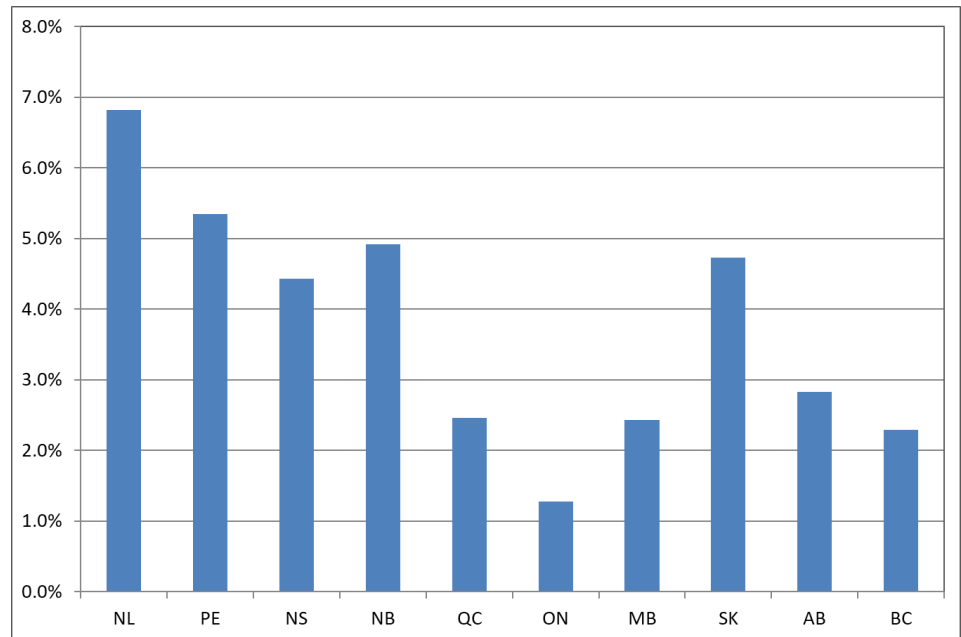
Figure 1: Outgoing Interjurisdictional Employees Newfoundland and Labrador, 2002-2019



Source: Statistics Canada, Canadian Employer-Employee Dynamic Database; Department of Finance

Among the Canadian provinces, Newfoundland and Labrador has historically had the highest share of outgoing interjurisdictional employees. In 2019, 6.8% of the total number of residents with employment income in this province were interjurisdictional employees (see Figure 2). Prince Edward Island ranked second at 5.3%. The lowest share of outgoing interjurisdictional employees was recorded in Ontario, at 1.3%. This is likely due to a large and more diversified economy, providing more work opportunities and better skill set matching for the residents of that province.

Figure 2: Outgoing Interjurisdictional Employees as a Share of Total Employment, Provinces, 2019

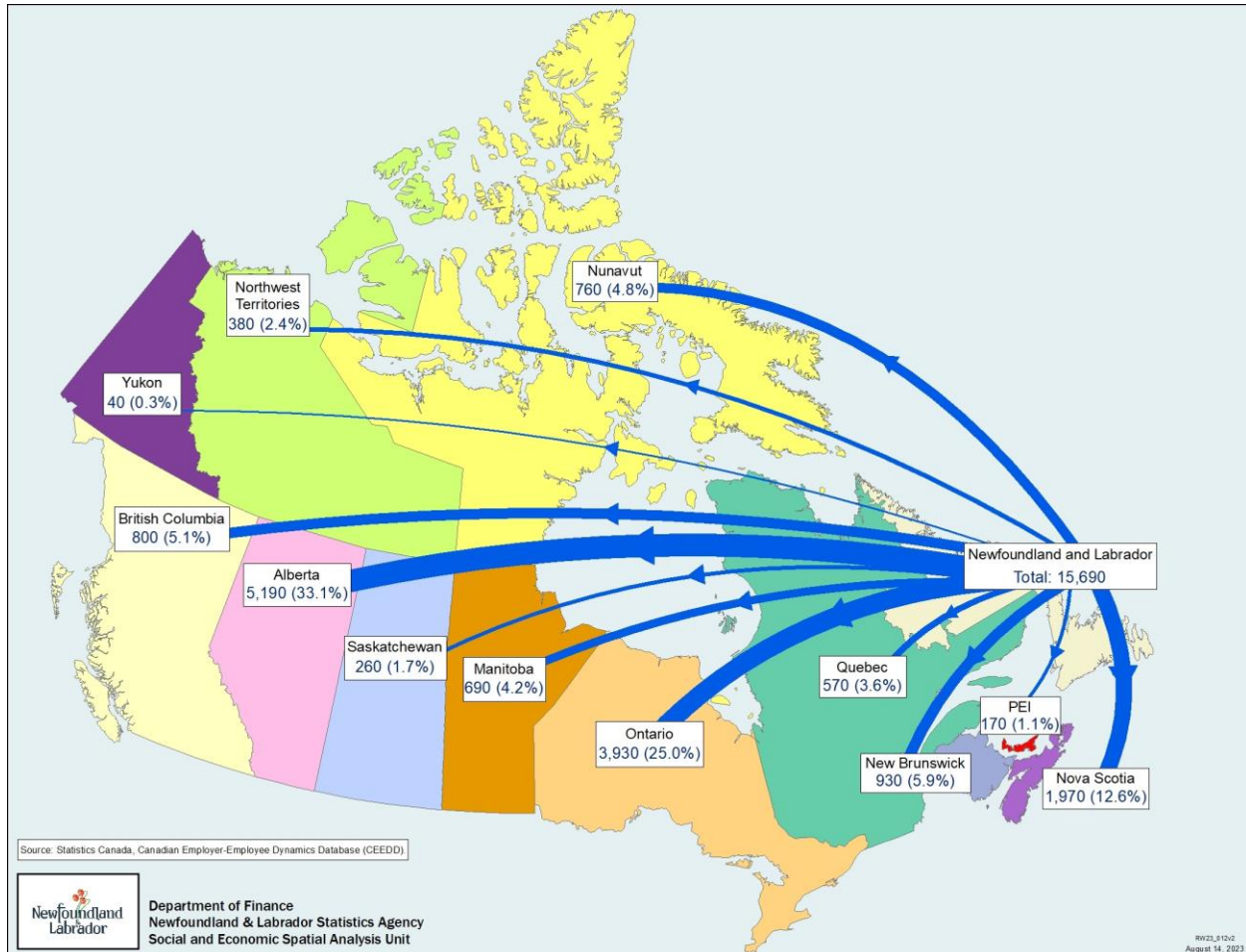


Source: Statistics Canada; Department of Finance

Destination of Outgoing Interjurisdictional Employees

While Newfoundland and Labrador’s interjurisdictional employees travel to every province and territory across Canada, the largest proportion of workers go to areas with the greatest employment opportunities, whether that is for jobs that match their skills or higher income, or a combination of both. In the early 2000s, Ontario was the main destination for Newfoundland and Labrador’s interjurisdictional employees, accounting for between 32% and 35% of total interjurisdictional employees from 2002 to 2005. In 2006, Alberta became the top destination, mainly due to its rapidly expanding oil industry and the associated resource development boom. Alberta’s share of interjurisdictional employees from this province ranged from 40% to 57% between the 2006 to 2017 period. While its share has since decreased, it remains the top destination of Newfoundland and Labrador’s interjurisdictional employees – 33% in 2019 (see Map 1). Ontario was the second largest destination (25%), followed by Nova Scotia (13%), New Brunswick (6%) and British Columbia (5%).

Map 1: Outgoing Interjurisdictional Employees, Newfoundland and Labrador, 2019



Demographics of Outgoing Interjurisdictional Employees

The gender shares of interjurisdictional employees has fluctuated over the 2002 to 2019 period, however, there is a history of proportionately more male workers than female workers (see Figure 1). In 2002, just over 70% of interjurisdictional employees were male and nearly 30% were female. Gradually, the proportion of females travelling for work declined, and in 2019, nearly 80% of interjurisdictional employees were male.

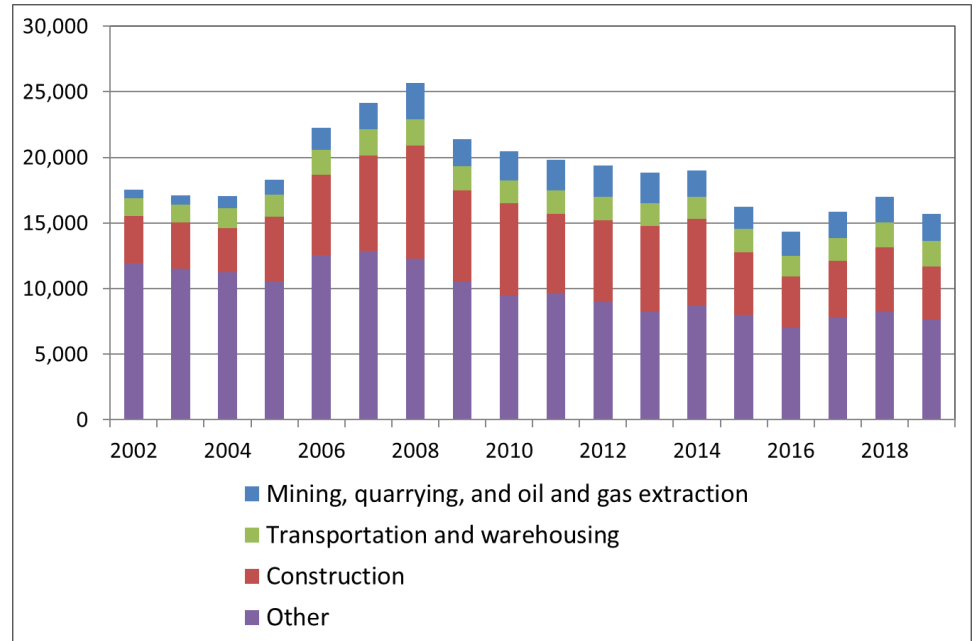
The age distribution of interjurisdictional employees has gradually shifted towards the older demographic. In 2019, about 46% of these workers were over the age of 45. This compares to just 25% in 2002. Most of the growth has been in the age category of 55 and over, which nearly tripled from 2002 to 2019. There has been a significant decline in the number of interjurisdictional employees in the 18 to 24 age group, down 57% in 2019 in comparison to 2002. While the population of this age group declined by over 21% in the same period, the large decline of interjurisdictional employees (aged 18 to 24) shows fewer residents of Newfoundland and Labrador are choosing interjurisdictional employment at the

beginning of their career. Many appear to remain in or enter into this type of employment option in the years closer to retirement.

Outgoing Interjurisdictional Employees by Industry

Over the 2002 to 2019 period, the largest proportion of Newfoundland and Labrador interjurisdictional employees were employed in the 'Construction' industry (see Figure 3). From 2007 to 2015, between 30% and 35% of this province's interjurisdictional

Figure 3: Outgoing Interjurisdictional Employees by Industry Newfoundland and Labrador, 2002-2019



Source: Statistics Canada, Canadian Employer-Employee Dynamic Database; Department of Finance

employees were working in 'Construction'. The proportion declined to 26% in 2019. The proportion of interjurisdictional employees in the 'Mining, quarrying, and oil and gas extraction' industry has grown, from 4% of total interjurisdictional employees in 2002 to 13% in 2019. This is reflective of the development of major industries in Alberta over this period – more than 30% of interjurisdictional employees worked in Alberta in 2019. The 'Transportation and warehousing' industry has grown as well, employing 12% of interjurisdictional employees in 2019, up from 8% in 2002.

Outgoing Interjurisdictional Employees by Newfoundland and Labrador Regions

Residents from all regions of the province travel to other provinces and territories for work. The largest number of Newfoundland and Labrador's interjurisdictional employees live on the Avalon portion of the province. This is in line with the population distribution of the province – more than half of the Newfoundland and Labrador population resides on the Avalon Peninsula.

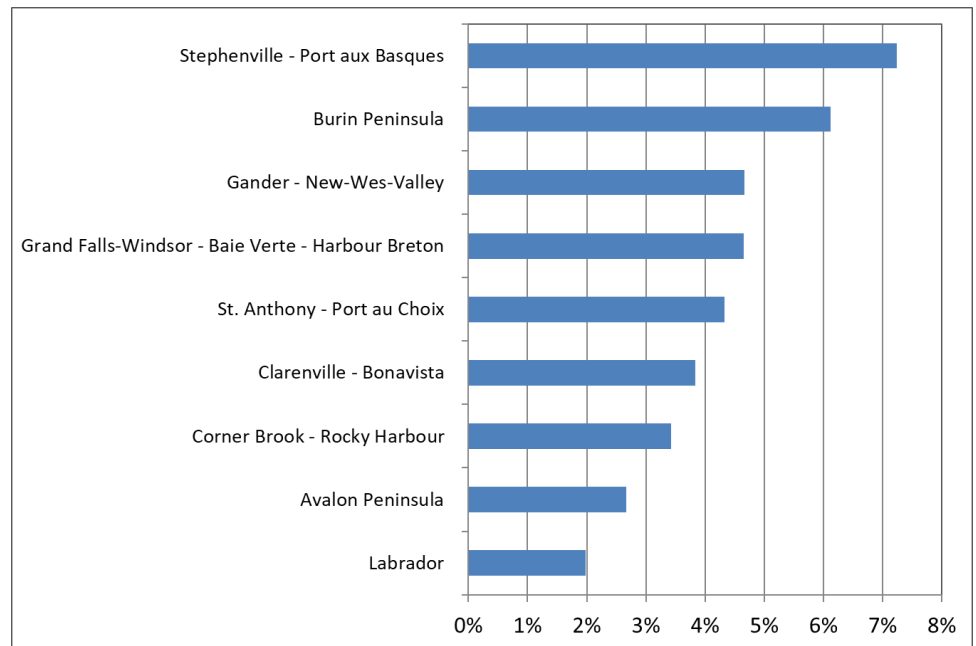
Based on the share of total employees who work as interjurisdictional employees, most regions outside of the Avalon are relatively more engaged in interjurisdictional employment – with the exception of the Labrador region (see Figure 4). The Stephenville - Port aux Basques region had the highest share of their working population travelling to work in other provinces or territories, while claiming residency in this province, at 7.2% in 2019. While the Avalon Peninsula had 2.7%.

Outgoing Interjurisdictional Employees by Income Level

For most interjurisdictional employees, much of the income they earn is spent at home and contributes to the economy of Newfoundland and Labrador. Over the 2002 to 2019 period, interjurisdictional employees earned over \$13 billion working in other provinces or territories, and half of that was earned in Alberta. In 2019, over \$754 million was earned by Newfoundland and Labrador interjurisdictional employees, around 3.8% of total earnings in the province (see Figure 5).

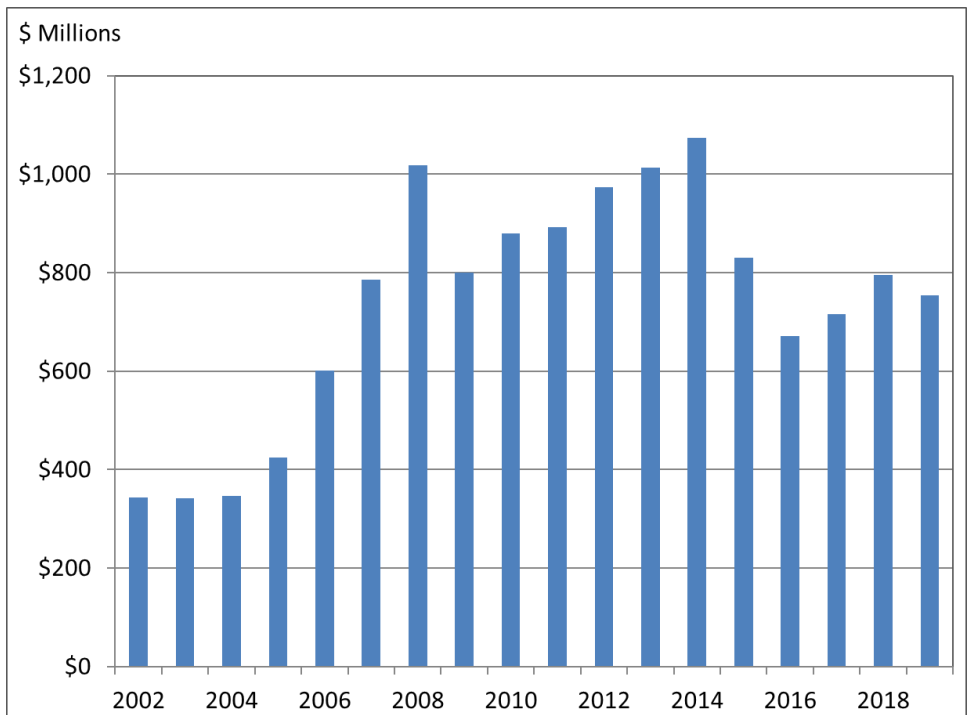
Interestingly, the provinces that offer the highest level of income were not the provinces who receive the highest number of interjurisdictional employees from Newfoundland and Labrador. In 2019, the highest average annual earnings of Newfoundland and Labrador interjurisdictional employees were earned in the Northwest Territories (\$68,406), Manitoba (\$65,240) and Nunavut (\$61,631) (see Figure 6). The territories are remote areas of the country that offer higher wages and a northern allowance as an incentive to draw workers to those areas and to compensate for the higher cost of living in those areas. Interjurisdictional employment opportunities in

Figure 4: Proportion of Total Employees Working as Interjurisdictional Employees by Region of Residence
Newfoundland and Labrador Rural Secretariat Regions, 2019



Source: Statistics Canada; Department of Finance

Figure 5: Total Nominal Earnings of Outgoing Interjurisdictional Employees
Newfoundland and Labrador, 2002-2019



Source: Statistics Canada, Canadian Employer-Employee Dynamics Database, Department of Finance

northern Manitoba offer similar salary incentives. Among the remaining provinces, the highest average annual employment earnings of outgoing interjurisdictional employees from this province were in New Brunswick (\$52,598), British Columbia (\$52,226) and Alberta (\$51,439).

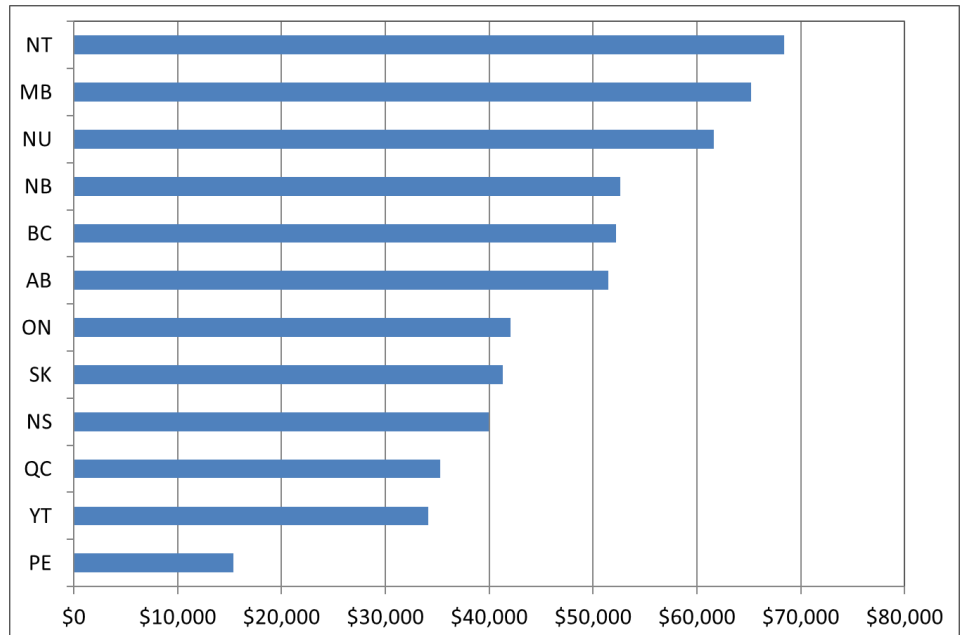
Incoming Interjurisdictional Employees

While many Newfoundlanders and Labradorians travel to work in other provinces and territories, there are interjurisdictional employees from other parts of Canada who travel to this province for work. These workers maintain permanent residency in their home province or territory while they are employed in Newfoundland and Labrador; this excludes self-employed individuals.

The number of incoming interjurisdictional employees has fluctuated over the 2002 to 2019 period (see Figure 7). This number mostly increased from 2002 to 2013, peaked at approximately 8,600 workers in 2013 and then declined in

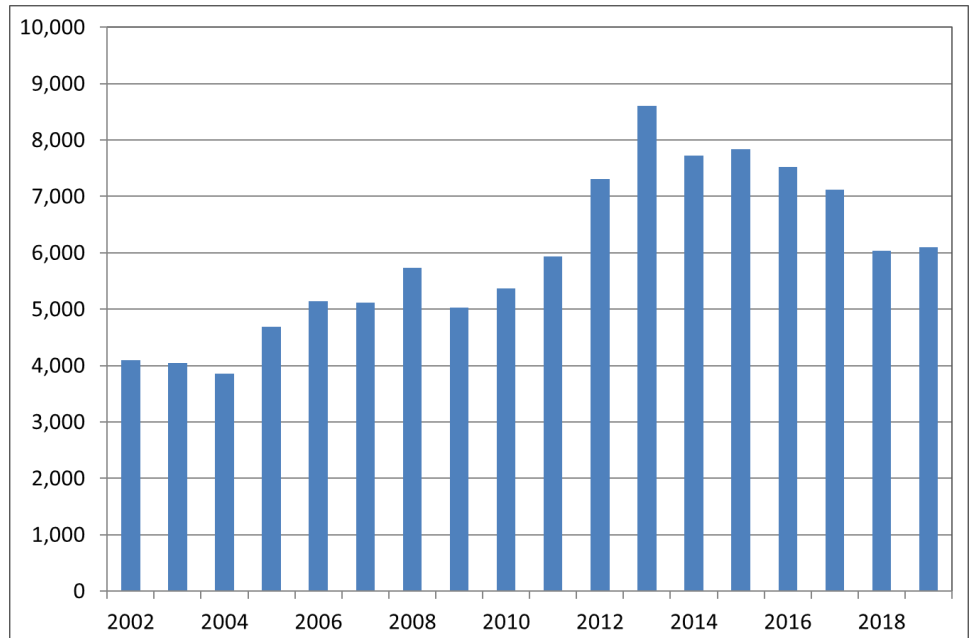
2019 to just over 6,000 workers. In 2019, the majority of the incoming interjurisdictional workers travelled from Ontario (26% of total) and Nova Scotia (23%) (see Map 2). These workers received an average annual employment income of \$39,600 in 2019. On an industry basis, the incoming

Figure 6: Average Earnings of Outgoing Interjurisdictional Employees, by Province Destination, Newfoundland and Labrador, 2019



Source: Statistics Canada; Department of Finance

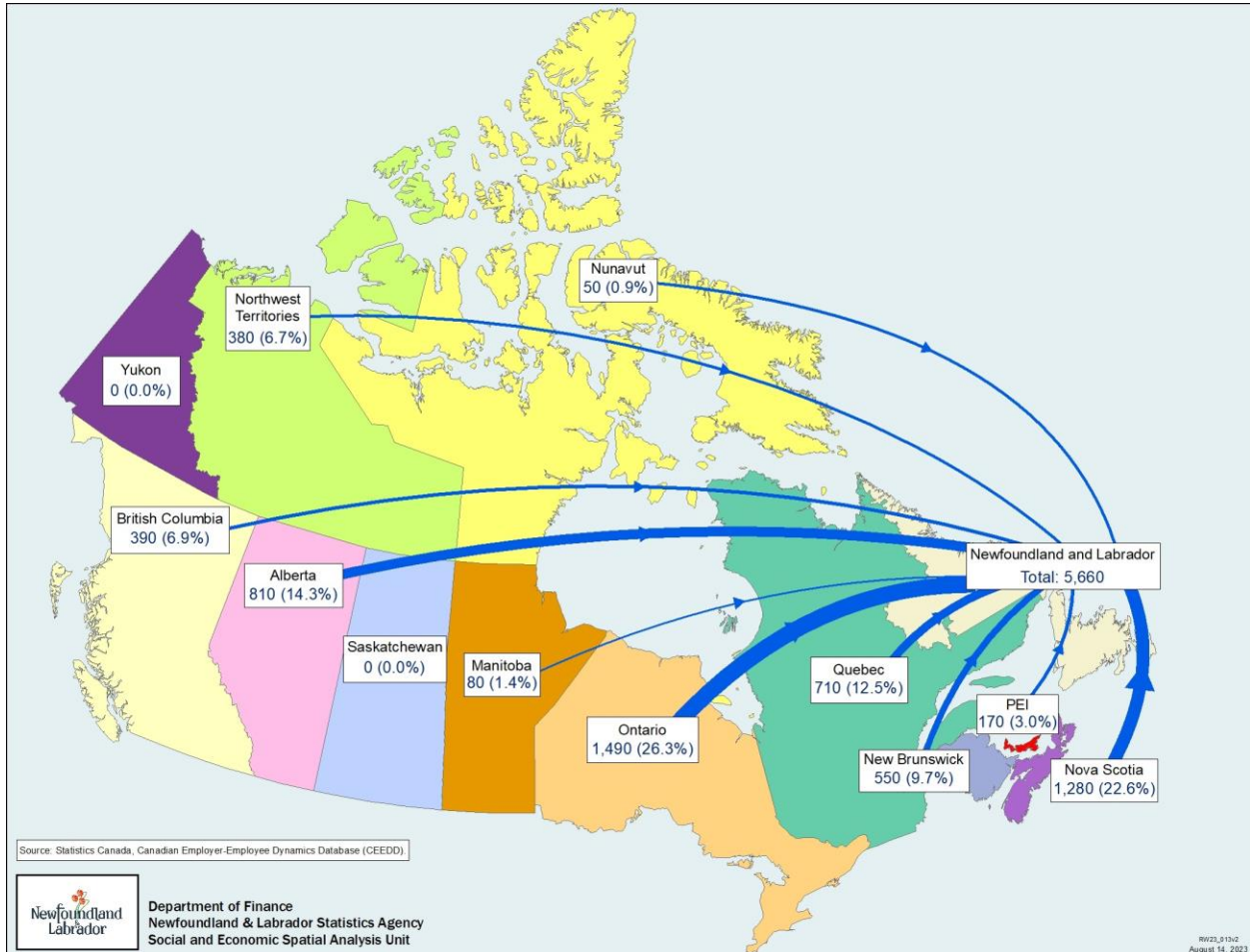
Figure 7: Incoming Interjurisdictional Employees Newfoundland and Labrador, 2002-2019



Source: Statistics Canada; Department of Finance

interjurisdictional workers were primarily employed in 'Educational services' (14%), 'Accommodation and food services' (11%), and 'Mining, quarrying, and oil and gas extraction' (9%).

Map 2: Incoming Interjurisdictional Employees, Newfoundland and Labrador, 2019



Conclusion

This report provides some insight into Newfoundland and Labrador's interjurisdictional employees. Amongst provinces, Newfoundland and Labrador continues to have the highest proportion of outgoing interjurisdictional employees as a share of total employment. In addition, annual levels of interjurisdictional employment are impacted by major capital projects in this province as well as the ebbs and flows in economic activity in other provinces, particularly Alberta and Ontario. Outgoing interjurisdictional employment will likely remain a way of life for some Newfoundlanders and Labradorians as residents adjust to changing labour markets by travelling for employment. Other factors, such as new opportunities to work from home, also have the potential to alter future interjurisdictional labour mobility trends in Newfoundland and Labrador and across the country.