



Interjurisdictional Employees Newfoundland and Labrador 2002-2022

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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. There are people from the province who 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. 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.

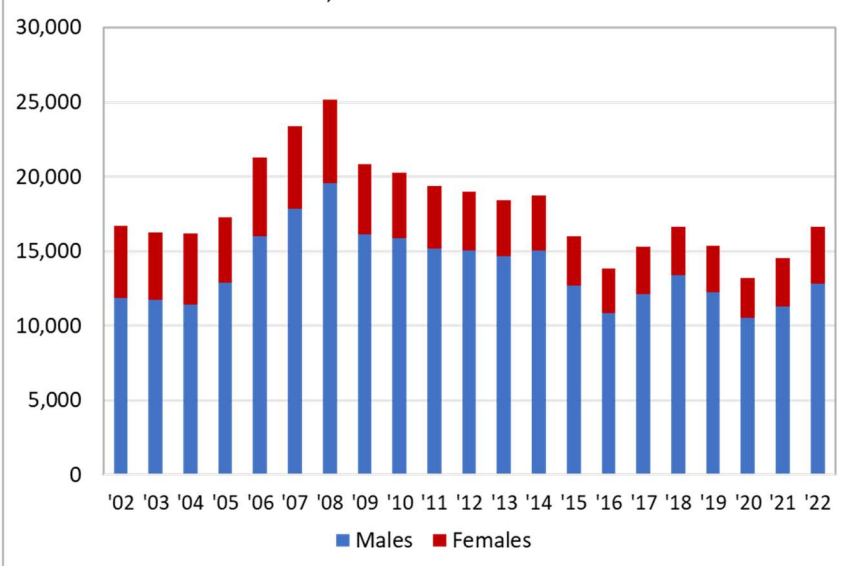
This report focuses on interjurisdictional employees who maintain permanent residency in Newfoundland and Labrador while they are employed in other provinces or territories within Canada.¹ These workers are either employed temporarily in positions that have a pre-determined end date, or on a full-time basis with a rotational work schedule (i.e., they are 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. Data for this analysis are from Statistics Canada and are available for the period of 2002 to 2022.

In 2022, an estimated 16,620 Newfoundland and Labrador residents were employed in other provinces and territories while maintaining their primary residence in the province (see Figure 1). This represented a 14.6% increase compared to 2021, partly reflecting a return to more typical interprovincial work patterns following the easing of pandemic travel restrictions, and the broader economic reopening and renewed labour demand in major project jurisdictions. The number of interjurisdictional employees

fluctuated over the 2002 to 2022 period, peaking in 2008 at about 25,170 workers before dropping to approximately 20,860 workers in 2009, reflecting the impact of the economic recession on employment opportunities throughout the country.

Following the 2008 to 2009 recession, the number of interjurisdictional employees continued to trend downward, falling to a low of approximately 13,850 workers in 2016. This reflected 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 Newfoundland and Labrador at the time (i.e., Hebron and Muskrat

Figure 1: Outgoing Interjurisdictional Employees
Newfoundland and Labrador, 2002-2022



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

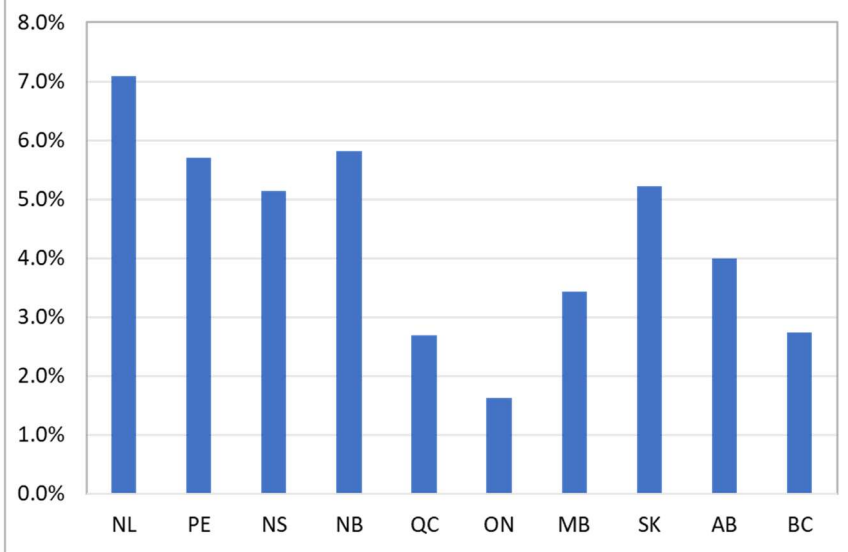
¹ Excludes self-employed individuals.

Falls). This provided more opportunities for well-paid employment at home. The number of interjurisdictional employees fluctuated again over the following five years, first due to an increase as Hebron construction ended locally and job opportunities improved in other parts of the country, then declining when the pandemic hit in 2020 and rising again as travel restrictions were lifted.

Among Canadian provinces, Newfoundland and Labrador has historically held

the highest share of outgoing interjurisdictional employees. In 2022, 7.1% of the total number of residents with employment income in the province were interjurisdictional employees (see Figure 2). New Brunswick ranked second at 5.8%. The lowest share of outgoing interjurisdictional employees was recorded in Ontario, at 1.6%. Ontario's low share 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, 2022

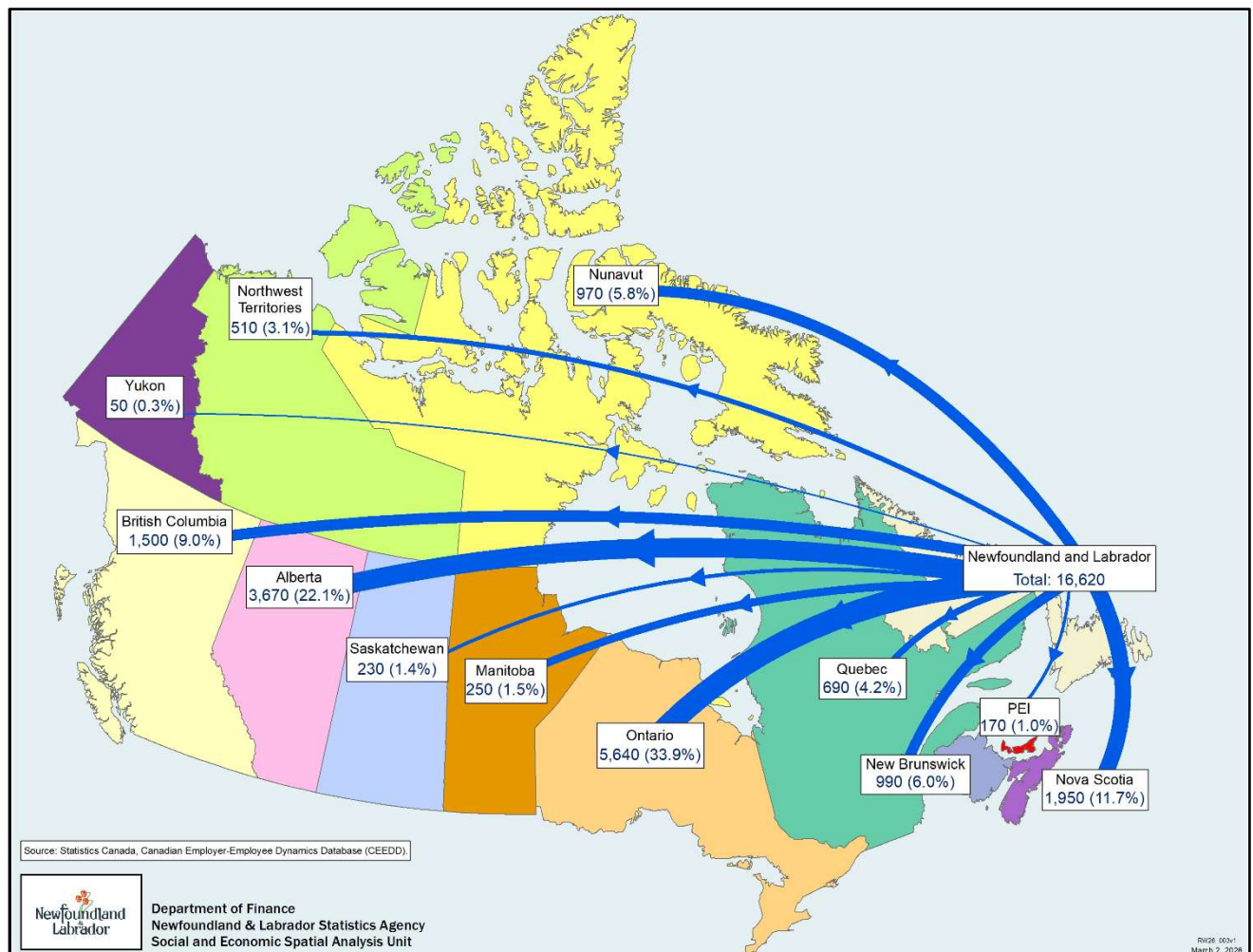


Source: Statistics Canada; Department of Finance

Destination of Outgoing Interjurisdictional Employees

While Newfoundland and Labrador's interjurisdictional employees travel to almost every province and territory across Canada, the largest proportion go to areas with the greatest employment opportunities, whether for jobs that match their skill set, 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 34% of total interjurisdictional employees from 2002 to 2005. In 2006, Alberta became the top destination, mainly due to its rapidly expanding oil industry. From 2006 to 2019, Alberta's share of total interjurisdictional employees from Newfoundland and Labrador fluctuated between 33% and 57%. In 2020, Ontario became the top destination once again, accounting for 29% of Newfoundland and Labrador's interjurisdictional employees, and it maintained the top position for the following two years. In 2022, Ontario accounted for 34% of this province's interjurisdictional employees, followed by Alberta (22%), Nova Scotia (12%) and British Columbia (9%) (see Map 1).

Map 1: Outgoing Newfoundland and Labrador Interjurisdictional Employees by Destination Province or Territory and Share of Total, 2022



Note: Sum of individual province values may not add to Newfoundland and Labrador total due to rounding.

Demographics of Outgoing Interjurisdictional Employees

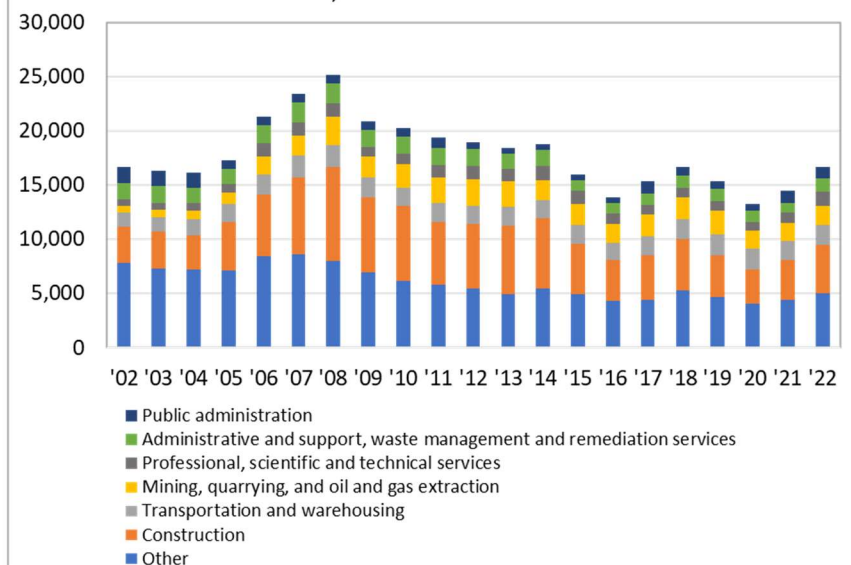
The gender shares of outgoing interjurisdictional employees have fluctuated over the 2002 to 2022 period, with a longstanding pattern of more male workers than female workers (see Figure 1). In 2002, approximately 71% of interjurisdictional employees were male and nearly 29% were female. The percentage of males peaked around 80% in both 2014 and 2018. In 2022, approximately 77% of interjurisdictional employees were male.

The age distribution of interjurisdictional employees has gradually shifted toward an older demographic. In 2022, 46% of these workers were over the age of 45. This compared to only 26% in 2002. Most of the growth has been in the age category of 55 and over, which more than tripled from 2002 to 2022. There has been a significant decline in the number of interjurisdictional employees in the 18 to 24 age group, down 53% over the same period. While the population of this age group declined by about 22% in the

same period, the large decline of interjurisdictional employees aged 18 to 24 indicates that fewer residents of Newfoundland and Labrador are choosing interjurisdictional employment at the beginning of their career. Many workers appear to enter or remain in this type of employment in the years closer to retirement.

Outgoing Interjurisdictional Employees by Industry

Figure 3: Outgoing Interjurisdictional Employees by Industry
Newfoundland and Labrador, 2002-2022



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

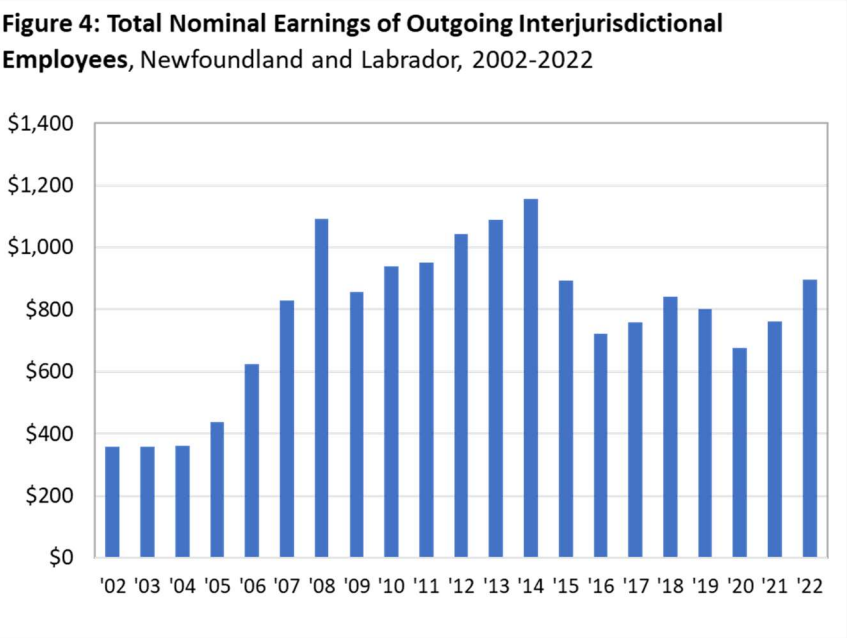
Over the 2002 to 2022 period, the largest proportion of Newfoundland and Labrador interjurisdictional employees were employed in the 'Construction' industry (see Figure 3). This share was at its largest from 2007 to 2014, ranging between 30% and 35%. In 2022, approximately 27% of interjurisdictional employees were employed in this industry. The proportion of total interjurisdictional employees in the 'Transportation and warehousing' industry grew from employing roughly 8% of interjurisdictional employees in 2002, to 11% in 2022. The 'Mining, quarrying, and oil and gas extraction' industry grew from around 4% in 2002 to a peak of 14% in 2019, then declined to just over 10% in 2022. This growth largely reflects the development of the oil and gas industry in Alberta. Interjurisdictional employees in 'Professional scientific and technical services' industry grew from 4% in 2002 to 8% in 2022. The 'Administrative and support, waste management and remediation services' industry employed approximately 8% of interjurisdictional employees in 2022, down slightly from 9% in 2002. Interjurisdictional employees in the 'Public administration' industry have fluctuated over time, accounting for around 9% of interjurisdictional workers from 2002 to 2004, down to 3% from 2012 to 2015, before increasing to 6% in 2022. The 'Other' category, which represented approximately 30% of total interjurisdictional employees in 2022, is mostly composed of 'Educational services' (3.6%), 'Manufacturing' (3.6%) and 'Wholesale Trade' (3.5%).

Outgoing Interjurisdictional Employees by Income Level

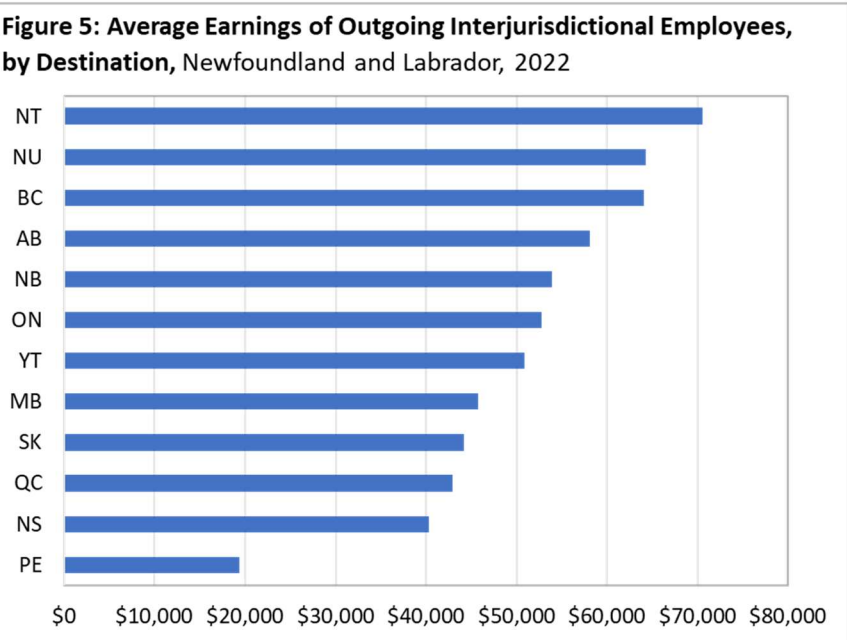
For most interjurisdictional employees, much of the income they earn is spent at home and contributes to the economy of Newfoundland and Labrador. Over the 2002 to 2022 period, interjurisdictional employees earned more than \$16 billion working in other provinces or territories, with nearly half of this being earned in Alberta. In 2022, more than \$894 million was earned by Newfoundland and Labrador

interjurisdictional employees, which is approximately 4% of total personal income in the province (see Figure 4).

Interestingly, the provinces that offer the highest income are not the same provinces that receive the highest number of interjurisdictional employees from Newfoundland and Labrador. In 2022, the highest average annual earnings of Newfoundland and Labrador interjurisdictional employees were earned in the Northwest Territories (\$70,563), Nunavut (\$64,266) and British Columbia (\$64,007) (see Figure 5). The territories are remote areas of the country that offer higher wages and, in some cases, a northern allowance as an incentive to attract workers to those areas and to compensate for the higher cost of living there. Among the remaining provinces, the highest average annual employment earnings of outgoing interjurisdictional employees from Newfoundland and Labrador were in Alberta (\$58,111), New Brunswick (\$53,948) and Ontario (\$52,804).



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



Source: Statistics Canada; Department of Finance

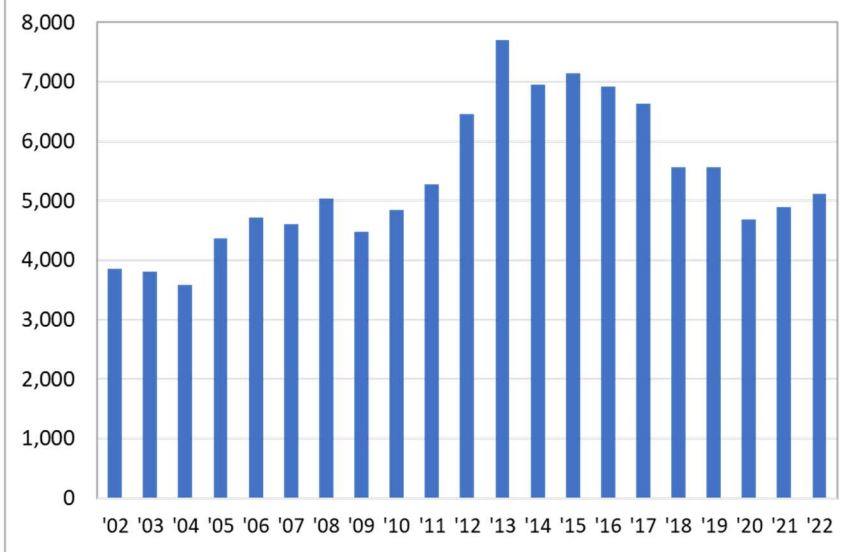
Incoming Interjurisdictional Employees

While many Newfoundlanders and Labradorians travel to work in other provinces and territories, some interjurisdictional employees from other parts of Canada also travel to this province for work. These

workers maintain permanent residency in their home province or territory while being employed in Newfoundland and Labrador.²

The number of incoming interjurisdictional employees fluctuated over the 2002 to 2022 period (see Figure 6). This number trended upward from 2002 to a peak in 2013 of approximately 7,700 workers, before gradually declining to 4,690 workers in 2020, then rising again over the following two years.

Figure 6: Incoming Interjurisdictional Employees
Newfoundland and Labrador, 2002-2022



Source: Statistics Canada; Department of Finance

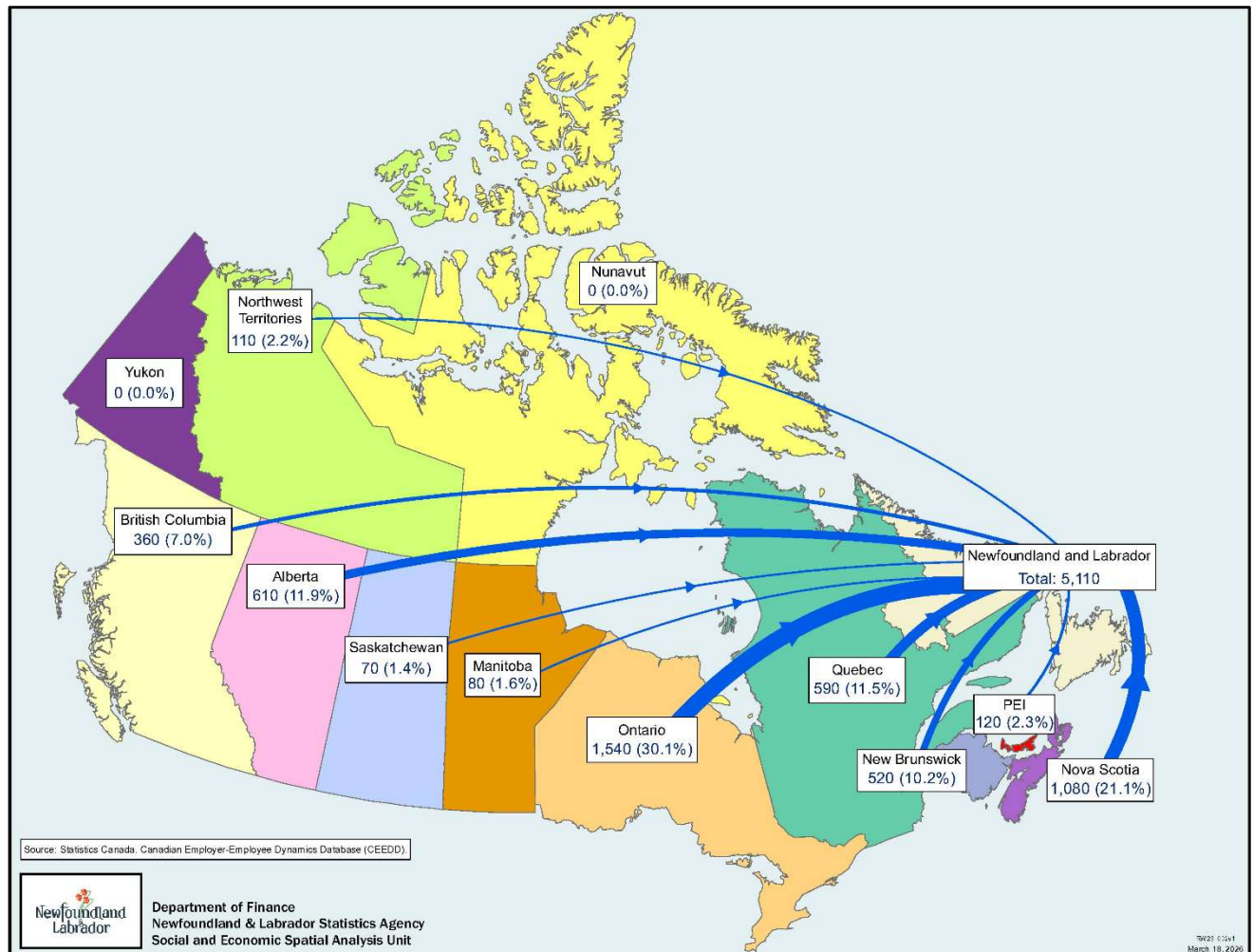
In 2022, the number of incoming interjurisdictional employees increased by 4.3% to 5,110 workers. The largest proportion of incoming interjurisdictional workers travelled from Ontario (30.1%) and Nova Scotia (21.1%) in 2022 (see Map 2). Incoming interjurisdictional employees received an average annual employment income of \$43,032 per person in 2022. On an industry basis, these employees worked in a variety of industries, particularly in 'Educational services' (11.4%), 'Accommodation and food services' (9.2%), 'Mining, quarrying, and oil and gas extraction' (8.0%), 'Transportation and warehousing' (8.0%) and 'Health care and social assistance' (7.8%).

Conclusion

This report provides an overview of Newfoundland and Labrador's interjurisdictional employees. Among provinces, Newfoundland and Labrador continues to have the highest proportion of outgoing interjurisdictional employees as a share of total employment. Annual levels of interjurisdictional employment are impacted by major capital projects in this province as well as by 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.

² Excludes self-employed individuals.

Map 2: Incoming Interjurisdictional Employees into Newfoundland and Labrador by Province or Territory and Share of Total, 2022



Note: Statistics Canada data are suppressed and assumed to be zero for counts less than 30 (i.e., Yukon and Nunavut)