

## **Skills shortage a reality for Canada's ICT Sector – ITAC and ICTC**

A provocative report published October 21 by TD Bank “debunking” the skills shortage in Canada has potentially negative consequences that the Information Technology Association of Canada (ITAC) and Information and Communications Technology Council (ICTC) are compelled to address. (“Report overturns conventional view of Canadian job markets”, 21 October 2013)

While TD's four-point call-to-action is a useful contribution to the national skills discussion, the report's thesis is out-of-step with what ITAC hears from its members every single day.

The skills shortage in the ICT sector is a reality today. The ICT sector is the key to power up the economy in terms of economic growth, Canada's competitiveness and prosperity for Canadians. Access to a rich supply of skilled people will fuel this growth. It is critical that Canadians, and Canadian policy-makers in particular, have a well-researched view of the emerging skill requirements for Canadian enterprises.

The reality is that the ICT's industry's unemployment rate is less than 3% - statistically viewed as full employment. ICTC's research shows that over 100,000 critical ICT jobs will need to be filled by 2016. Added to that, ICTC research shows that the “emerging” ICT economies (cloud, mobile computing & applications) will create another 78,000 jobs over next five years. Other emerging sectors will add to that need. In data analytics, for example, 4000 new positions are being created annually.

ITAC's stakeholders, employers in Canada, both large and small, would not agree that the ICT sector is characterized by low vacancy rates for technical positions. They are now struggling to fill skilled positions. Large multinationals have begun to engage students as early as junior high school to keep up. Pay rates for ICT professionals have been climbing relative to other workers and are currently 52% higher than the average.

It would have significant consequences for the Canadian economy if this country reversed course on initiatives and efforts to ensure a sufficient supply of workers with the skills to work in the ICT sector. We need a comprehensive plan to address the skills gap now. This includes strategies that promote ICT as a career path for youth and under-represented groups, build bridges between academia and industry toward better foundational training, and continued efforts to address digital literacy across the whole of Canadian society.

In addition to the implementation of the Canada Jobs Grant, the Throne Speech contained promising initiatives to develop a new model to select immigrants based on skills and federal investment to provide experience in high demand fields for young people.

Finally, ITAC and ICTC agree with TD that better, more granular labour market information should be the foundation for policy-making. The labour market for ICT professionals is fast-moving and the need for new skill sets is constantly evolving at a pace that is likely far quicker than the rest of the economy.

The TD report is a positive contribution to this discussion, but its authors' conclusions will not hold true for every sector in the same way. We consider that the general thesis offered by TD does not hold up to scrutiny when applied to the ICT sector. Our industry's skills gap is real, and addressing it is critical to Canada's economy.

#### *About ITAC:*

*The Information Technology Association of Canada (ITAC) is the voice of the Canadian information and communications technologies (ICT) industry. ITAC represents a diverse ICT community spanning telecommunications and internet services, ICT consulting services, hardware, microelectronics, software and electronic content. ITAC's community of companies accounts for more than 70 per cent of the 572,700 jobs, \$155.3 billion in revenue, \$6.2 billion in R&D investment, \$30.4 billion in exports and \$11 billion in capital expenditures that the ICT industry contributes annually to the Canadian economy. The ICT sector currently represents 4.9 per cent of Canada's gross domestic product (GDP) and accounted for 9.4 per cent of all real GDP growth since 2002. ITAC is a prominent advocate for the expansion of Canada's innovative capacity and for stronger productivity across all sectors through the strategic use of technology.*

#### *About ICTC:*

*ICTC is a not-for-profit organization that conducts research, and develops and implements solutions to help Canadians take advantage of the digital economy.*

*ICTC focuses on...*

- 1. Talent - Developing and implementing solutions for Canadian talent, including attracting a diverse and inclusive workforce to technology careers, and ensuring they have the right skills and competencies.*
- 2. Research*
  - Labour Market Intelligence - Research into the emerging technologies that are creating the jobs of the future.*
  - Consumer Behavior - Understanding how Canadian consumers are adopting and consuming digital products and services.*
  - Economic - Understanding the broad impact of technological change on the Canadian economy.*
- 3. Policy Development - Elaborating policies to enable Canadians and Canadian enterprises to take advantage of new digital opportunities.*