



Interjurisdictional Employees, Newfoundland and Labrador, 2002-2021

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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

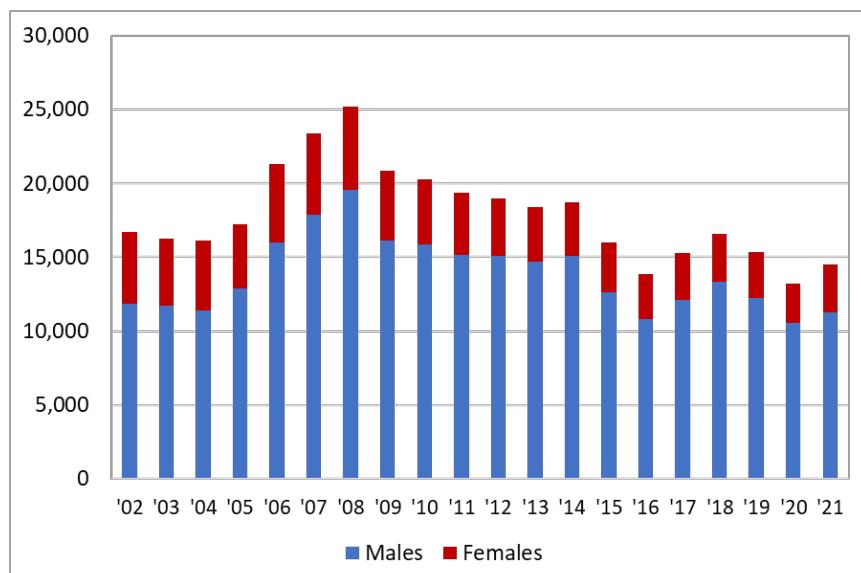
Working away from home has been a way of life for many Newfoundlanders and Labradorians for decades. There are people from the province who leave their families and homes to work in other parts of the province, other provinces or territories, and other countries. Generally, this occurs when workers cannot 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 2021.

In 2021, there were 14,500 employees working in other parts of Canada while retaining residency in Newfoundland and Labrador (see Figure 1). This represents an increase of 9.8% over 2020, likely partly related to the easing of travel restrictions during the COVID-19 pandemic, after reaching a low of 13,210 workers in 2020. The number of interjurisdictional employees fluctuated over the 2002 to 2021 period, peaking in 2008 at about 25,170 workers before dropping to approximately 20,860 workers in 2009, reflecting

the impact of an 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 Falls). This provided more opportunities for well-paid employment at home. The number of

Figure 1: Outgoing Interjurisdictional Employees
Newfoundland and Labrador, 2002-2021



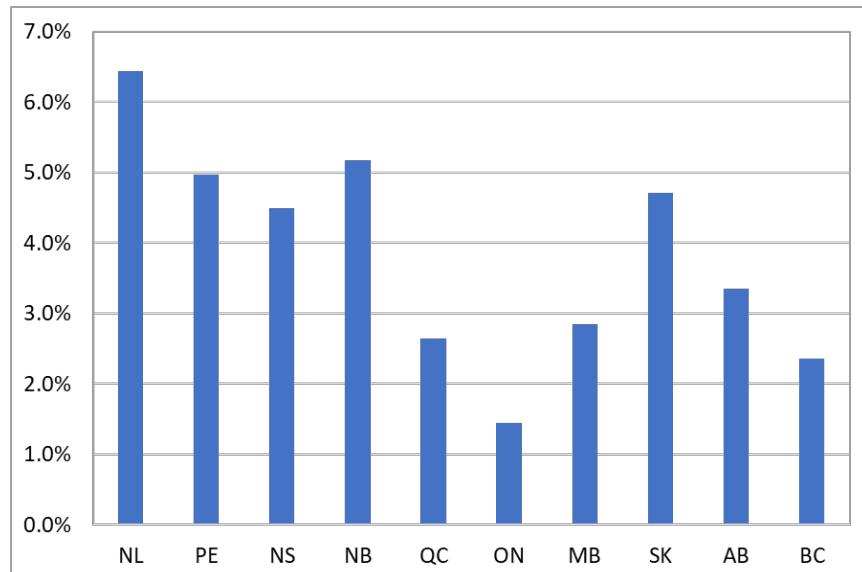
Source: Statistics Canada, Canadian Employer-Employee Dynamic Database; Department of Finance

¹ Excludes self-employed individuals.

interjurisdictional employees fluctuated again over the following five years, first seeing an increase as Hebron construction ended locally and job opportunities improved in other parts of the country before declining when the global COVID-19 pandemic hit in 2020.

Among Canadian provinces, Newfoundland and Labrador has historically held the highest share of outgoing interjurisdictional employees. In 2021, 6.4% of the total number of residents with employment income in the province were interjurisdictional employees (see Figure 2). New Brunswick ranked second at 5.2%. The lowest share of outgoing interjurisdictional employees was recorded in Ontario, at 1.4%. 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, 2021

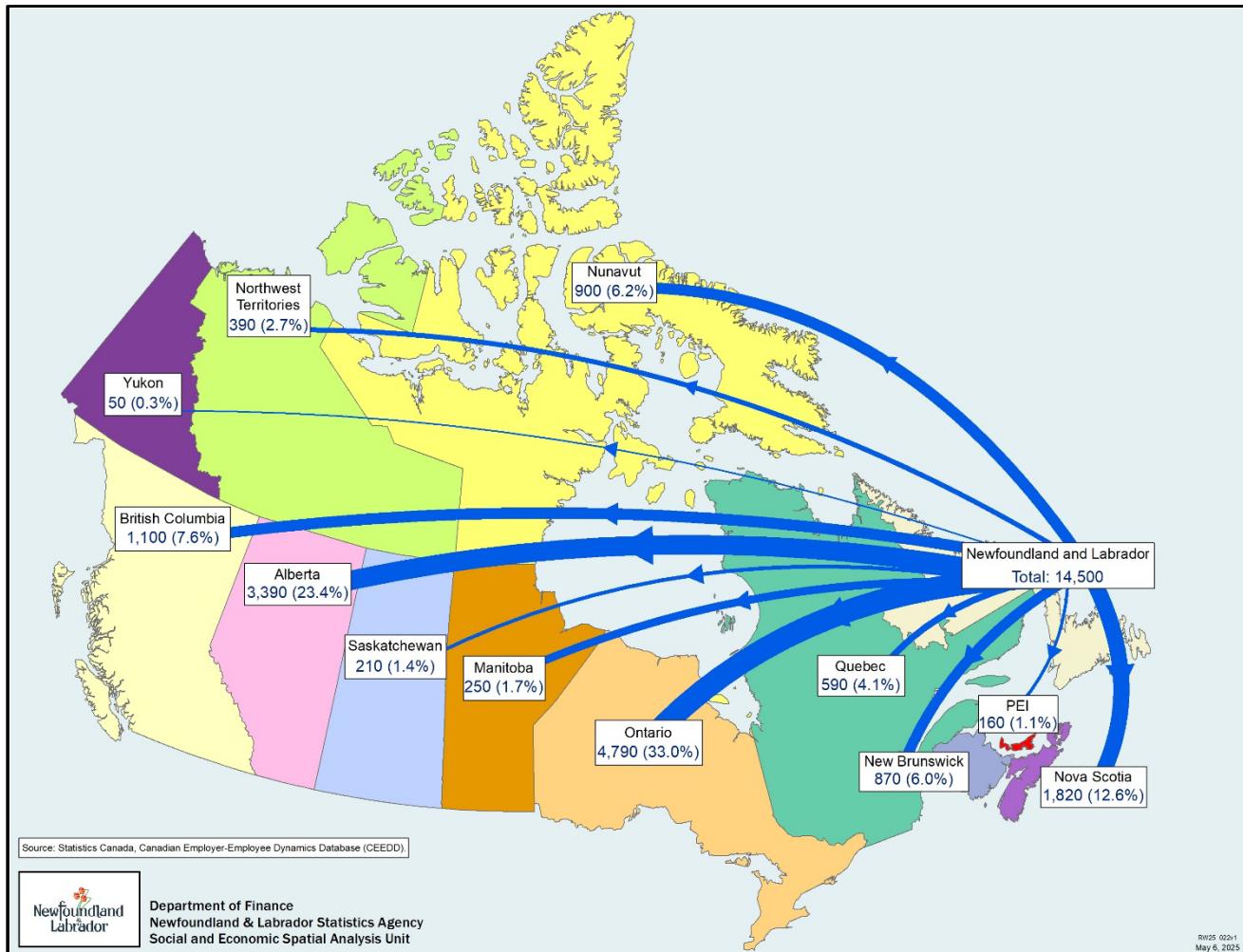


Source: Statistics Canada; Department of Finance

Destination of Outgoing Interjurisdictional Employees

While Newfoundland and Labrador's interjurisdictional employees travel to almost every province and territory across Canada, the largest proportion of workers 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 and the associated resource development boom. From 2006 to 2019, Alberta's share of total interjurisdictional employees from Newfoundland and Labrador fluctuated between 33% to 57%. In 2020 and 2021, Ontario became the top destination once again, accounting for 29.1% and 33.0% of Newfoundland and Labrador's interjurisdictional employees, respectively (see Map 1). Alberta was the second largest destination in 2021 (23.4%), followed by Nova Scotia (12.6%) and British Columbia (7.6%).

Map 1: Outgoing Newfoundland and Labrador Interjurisdictional Employees by Destination Province or Territory and Share of Total, 2021



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

Demographics of Outgoing Interjurisdictional Employees

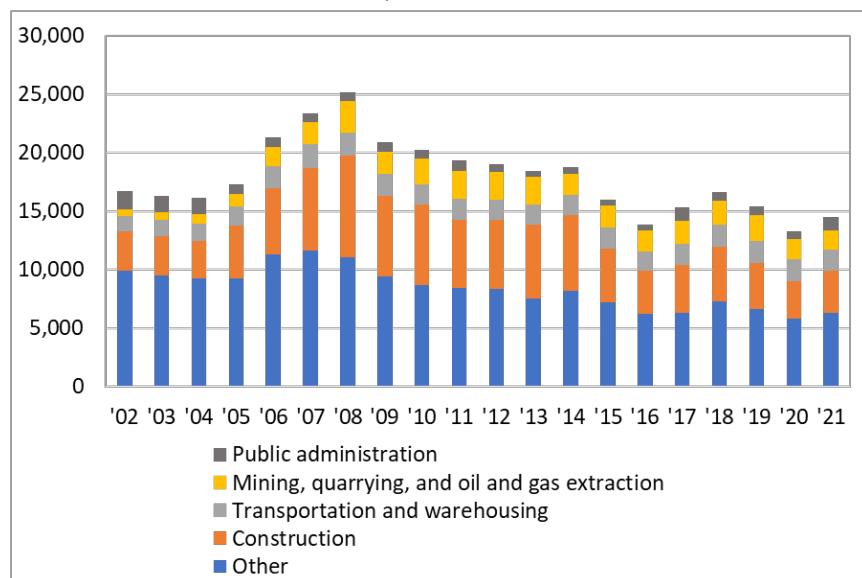
The gender shares of outgoing interjurisdictional employees have fluctuated over the 2002 to 2021 period, with a longstanding pattern of more male workers than female workers (see Figure 1). In 2002, approximately 71% of interjurisdictional employees were male and nearly 29% were female. These proportions varied over time, with a peak male majority of 80% in both 2014 and 2018. In 2021, nearly 78% of interjurisdictional employees were male.

The age distribution of interjurisdictional employees has gradually shifted toward the older demographic. In 2021, about 48% of these workers were over the age of 45. This compares to just 26% in 2002. Most of the growth has been in the age category of 55 and over, which nearly tripled from 2002 to 2021. There has been a significant decline in the number of interjurisdictional employees in the 18 to 24 age group, down 63% in 2021, in comparison to 2002. While the population of this age group

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

Outgoing Interjurisdictional Employees by Industry

Figure 3: Outgoing Interjurisdictional Employees by Industry
Newfoundland and Labrador, 2002-2021



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

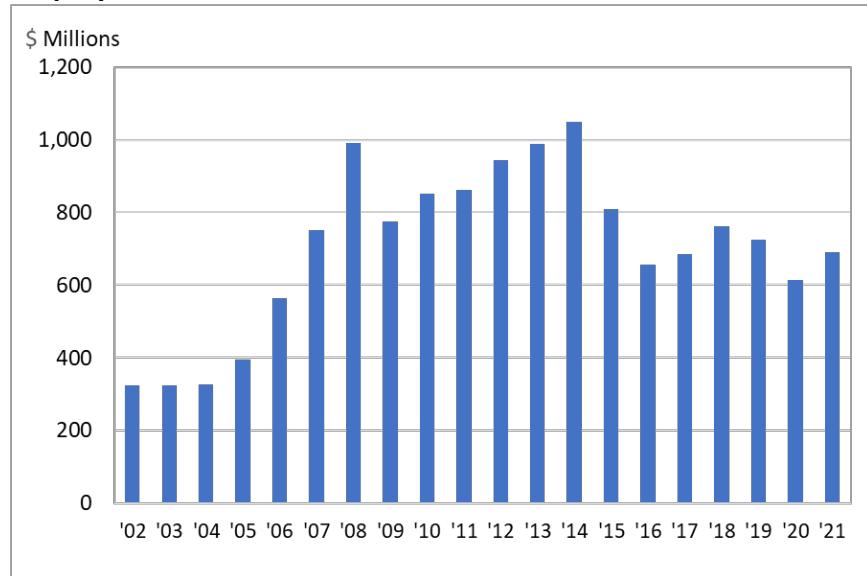
Over the 2002 to 2021 period, the largest proportion of Newfoundland and Labrador interjurisdictional employees were employed in the 'Construction' industry (see Figure 3). This share was at its largest from 2007 to 2014, ranging between 30% and 35%. In 2021, about 25% of interjurisdictional employees were employed in the construction industry. The proportion of total interjurisdictional employees in the 'Mining, quarrying, and oil and gas extraction' industry grew from 4% in 2002 to a peak of 14% in 2019, then declined to 12% in 2021. This growth is largely reflective of the development of the oil and gas industry in Alberta. The 'Transportation and warehousing' industry grew as well, employing 13% of interjurisdictional employees in 2021, up from 8% in 2002. Interjurisdictional employees in the 'Public administration' industry has fluctuated over time, with about 9% of interjurisdictional workers from 2002 to 2004, down to 3% from 2012 to 2015, and then it increased to 8% in 2021. The 'Other' category, which represented approximately 43% of total interjurisdictional employees in 2021, is mostly composed of 'Professional, scientific and technical services' (6.5%), 'Administrative and support, waste management and remediation services' (6.3%) and 'Educational services' (4.0%).

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 2021 period, interjurisdictional employees earned more than \$14 billion working in other provinces or territories, with nearly half of that being earned in Alberta. In 2021, over \$691 million was earned by Newfoundland and Labrador interjurisdictional employees, approximately 3% of total personal income in the province (see Figure 4).

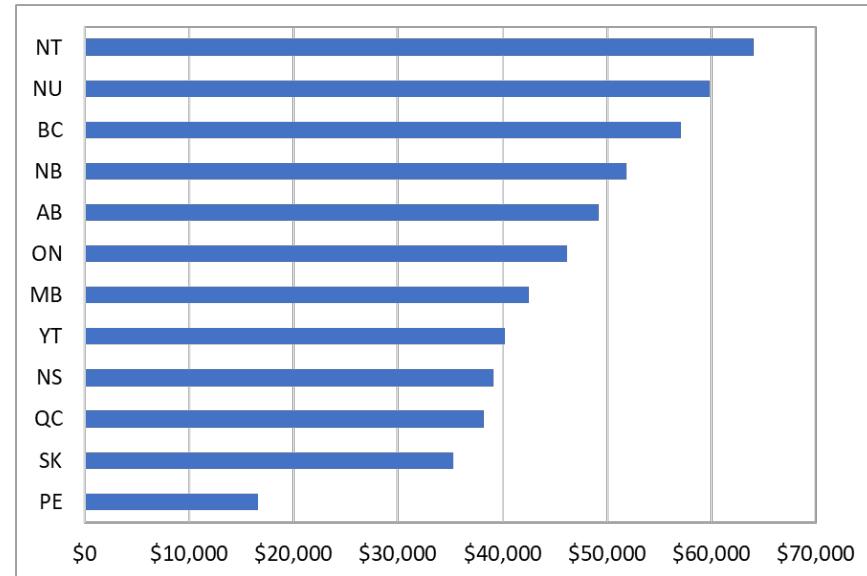
Interestingly, the provinces that offer the highest level of income were not the provinces who received the highest number of interjurisdictional employees from Newfoundland and Labrador. In 2021, the highest average annual earnings of Newfoundland and Labrador interjurisdictional employees were earned in the Northwest Territories (\$63,976), Nunavut (\$59,840) and British Columbia (\$57,033) (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 draw workers to those areas and to compensate for the higher cost of living in those areas. Among the remaining provinces, the highest average annual employment earnings of outgoing interjurisdictional employees from Newfoundland and Labrador were in New Brunswick (\$51,827), Alberta (\$49,198) and Ontario (\$46,207).

Figure 4: Total Nominal Earnings of Outgoing Interjurisdictional Employees, Newfoundland and Labrador, 2002-2021



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

Figure 5: Average Earnings of Outgoing Interjurisdictional Employees, by Destination, Newfoundland and Labrador, 2021



Source: Statistics Canada; Department of Finance

Incoming Interjurisdictional Employees

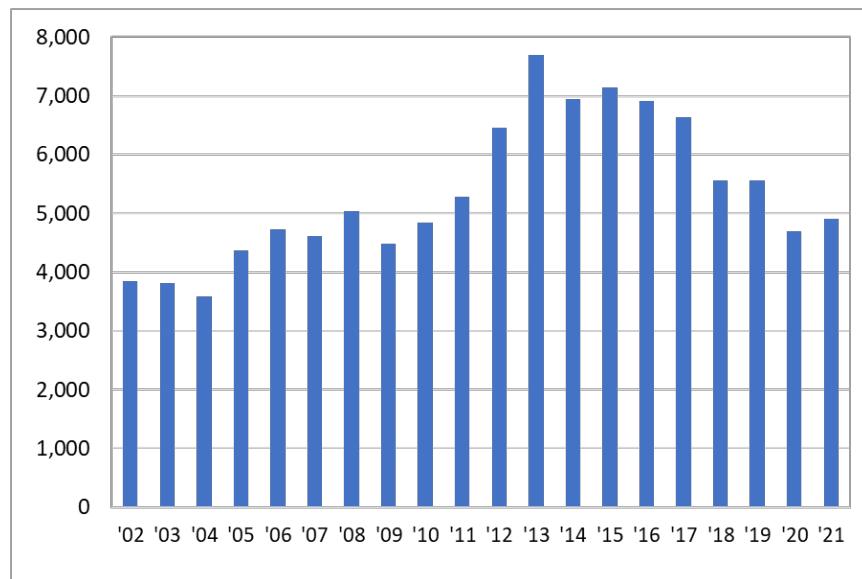
While many Newfoundlanders and Labradorians travel to work in other provinces and territories, there are interjurisdictional employees from other parts of Canada who travel to this province for work. These

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

The number of incoming interjurisdictional employees fluctuated over the 2002 to 2021 period (see Figure 6). This number trended upward from 2002 to 2013, peaking at approximately 7,700 workers in 2013 before gradually declining to 4,690 workers in 2020. In 2021, the number of incoming

interjurisdictional employees increased to 4,900 workers. The largest proportion of incoming interjurisdictional workers travelled from Ontario (28%) and Nova Scotia (22%) in 2021 (see Map 2). Incoming interjurisdictional employees received an average annual employment income of \$46,414 per person in 2021. On an industry basis, the incoming interjurisdictional workers were employed in a variety of industries, particularly in 'Educational services' (12.2%), 'Accommodation and food services' (9.0%), 'Health care and social assistance' (8.4%), and 'Mining, quarrying, and oil and gas extraction' (8.2%).

Figure 6: Incoming Interjurisdictional Employees
Newfoundland and Labrador, 2002-2021



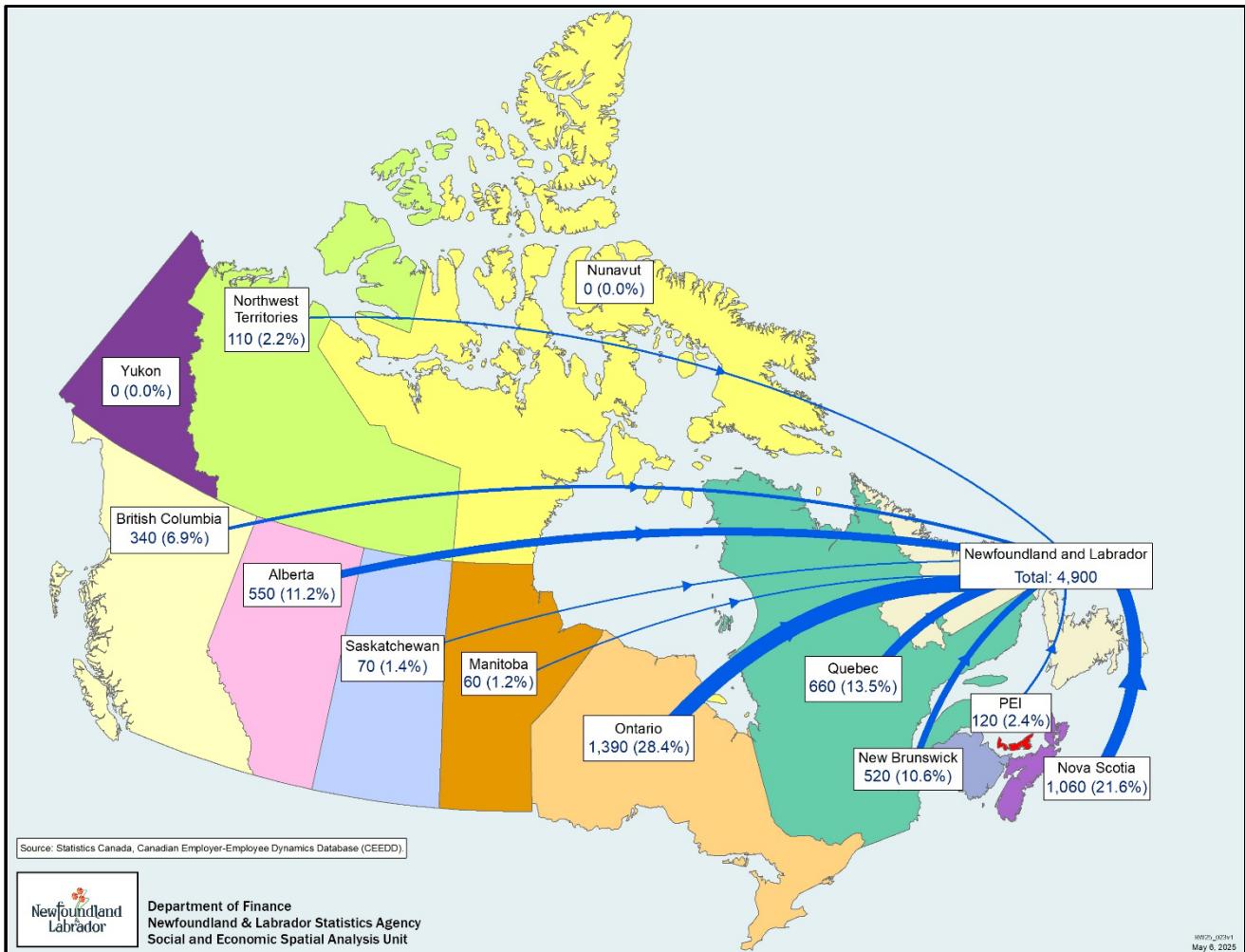
Source: Statistics Canada; Department of Finance

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. 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.

² Excludes self-employed individuals.

Map 2: Incoming Interjurisdictional Employees into Newfoundland and Labrador by Province or Territory and Share of Total, 2021



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