

A HUMAN RESOURCES STUDY OF THE HOME BUILDING AND RENOVATION SECTOR FOR NEWFOUNDLAND AND LABRADOR

Summary Findings and Policy Implications

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Introduction

1.0 Introduction

In 2002, the Eastern Newfoundland Home Builders Association (ENHBA), in partnership with the Atlantic Home Building & Renovation Sector Council (AHB&RSC), undertook a 3-phased study of the Residential Construction industry in Newfoundland and Labrador (NL). The objective of the study was to collect comprehensive labour market and human resource information on the industry and to develop recommendations and Action Plans for improving human resource efficiency in the industry.

Phases I and II of the study were undertaken in 2002. The report for Phases I and II presented a profile of the Home Building and Renovation (HBR) sector and its contribution to the economy of NL. It also presented an occupational and labour market profile of the industry using secondary data and available literature.

Phase III was started in January 2003 and used a province-wide employer survey, focus groups and labour market data to identify and analyze key labour market issues such as labour shortages, recruitment, retention, skills development and training. The Steering Committee for the study concluded that Phase III should be expanded to undertake research with workers in the residential construction industry in order to complete a definitive analysis of the labour market and human resource issues. Interviews, focus groups with carpenters and data on EI Beneficiaries and Apprenticeship were the instruments used to complete this research.

This report presents findings and policy implications for the most important human resource issues facing the residential construction industry. The findings focus on the carpentry occupation because it is of paramount importance to the industry.

An overriding finding of this study is that the carpentry trade is experiencing serious recruitment problems and that a high level of cooperation between the residential construction industry, governments and training institutions is required to resolve the complex causes of recruitment problems in the industry.

The Collapse in Recruitment

2.0 The Collapse in Recruitment

2.1 Findings

The 1991 Census estimated that there were 550 carpenters under 25 years old in NL. By 2001 this number had declined to an estimated 165. The Census estimate that approximately 4% of the carpentry labour force was under 25 years of age in 2001 compared to 10% in 1991. By comparison, 14% of the labour force in all occupations in NL was under 25 years old in 2001.

These data signal a collapse in recruitment and are an ominous sign for the future supply of carpenters. Recruitment of young people into the industry will become significantly more difficult in the future due to demographic trends and increased competition for skilled workers in the labour market.

2.2 Policy Implications

The Census data impart a high degree of urgency to develop policies that improve the recruitment of carpenters into the industry. The data indicate that unless actions are taken immediately labour supply could act as a significant constraint on the development of the industry in future years.

Segmentation of the Labour Force

3.0 Segmentation of the Labour Force

3.1 Findings

3.1.1 Skills that Segment the Labour Market for Carpenters

Segmentation occurs when different labour demand conditions exist for discrete sub-components of an occupation – in this case the carpenter occupation (NOC 7271). Official statistics are not available for any sub-components of the carpenter occupation so primary research was undertaken to examine the segmentation issue.

The segmentation issue was addressed through four primary research instruments – interviews and focus groups with employers and carpenters in the residential construction industry. The research instruments provided consistent and conclusive evidence that one overriding “skill” significantly affects the demand for carpenters. This is their ability to work independently and without supervision¹.

The research conducted in this study indicates that demand conditions for carpenters who are capable of working independently, without supervision, are significantly different than for carpenters who require a significant level of supervision. Demand for carpenters who can work independently on job sites is strong while employers are not interested in hiring carpenters who require on-going supervision.

All carpenters interviewed for this study identified the ability to work independently as the most important skill that would improve their chances of finding a job as a carpenter in the residential construction industry². Other attributes that interviewees indicated were important in finding employment were a positive attitude, a high degree of motivation, supervisory abilities and problem solving skills.

It is interesting to note that the interviewees did not identify specific technical proficiencies that improved their chances of finding a job as a carpenter. It should be noted, however, that the ability to work independently requires a basic proficiency in a wide range of carpentry skills. The highly skilled

¹ It also should be noted that the supervisory abilities of employees also may be a significant factor in segmenting the labour market but conclusive evidence to support this finding was not available.

² Interviewees could identify more than one skill.

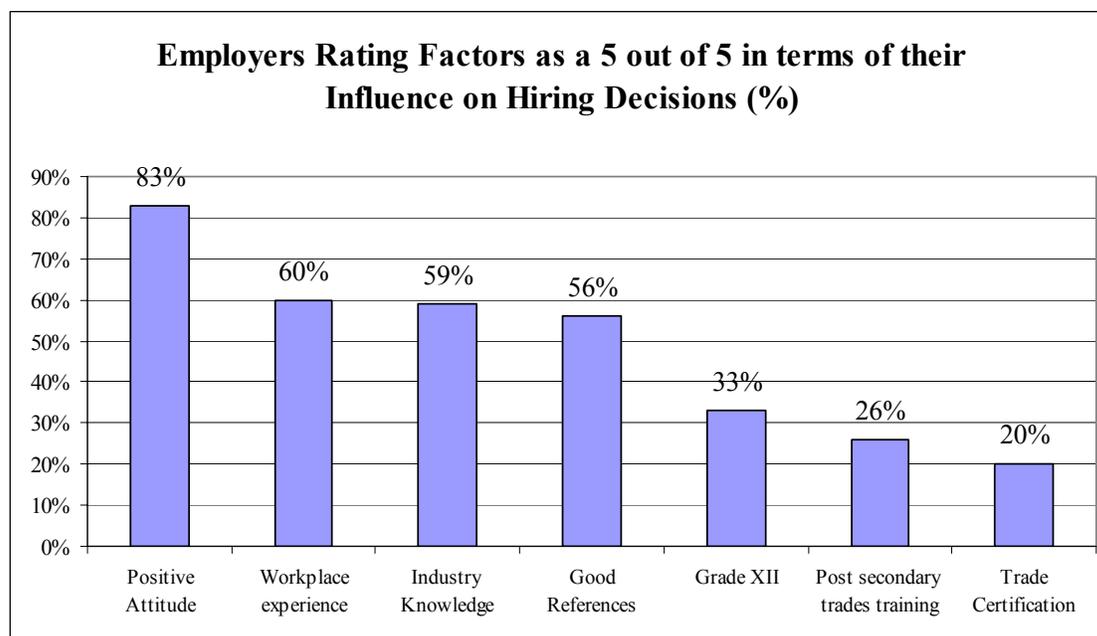


carpenters interviewed for this study all had knowledge and experience in a wide range of carpentry skills including: footings, framing, insulation, drywall, trim/finish, flooring (wood), siding and roofing. This being said, many of the carpenters indicated that they did not use some of these skills on their current jobs – especially footings, insulation and drywall as these tasks are frequently sub-contracted. In addition, some carpenters worked mainly as finish carpenters while others did a wider range of tasks.

Interviews also showed that most carpenters acquire their technical skills and the ability to work independently on-the-job. For this reason, carpenters with a significant level of on-the-job training were in high demand by employers.

The employer survey completed by PRAXIS for this study provided some interesting insights into the segmentation of the carpentry trade. These insights are evident in the employer responses to a question that asked them to rate factors that influenced their hiring decisions. The most highly rated factors are presented in Exhibit 1 along with some key factors related training and certification.

Exhibit 1



Source: A Human Resources Study of the Home Building and Renovation Sector in Newfoundland and Labrador, Phase III, Employer Survey Report, PRAXIS, January 2004, Table 35, p. 43.



A positive attitude was by far the most important worker attribute that influenced employer hiring decisions. Workplace experience, industry knowledge and good references also were rated highly in terms of their influence on hiring decisions. These findings confirm findings from other research that experience, industry knowledge and, most importantly, a positive attitude were critically important in finding work in the residential construction industry. The data also indicate that having good references, that is, a good track record in the industry, were important to success in the labour market.

By contrast a minority of employers felt that educational attainment, training and certification had a highly important (i.e., rated 5 out of 5) influence on hiring decisions. This finding is consistent with findings from the focus groups and the survey of carpenters. All the evidence indicates that most employers do not attach importance to the institutional training and certification status of carpenters when making hiring decisions.

The PRAXIS employer survey showed that employers in the residential construction industry hire through their contacts in the industry and communities³. This system is a mechanism through which employers ensure that the carpenters they hire have the skills and work ethic they require on job sites. For this reason, carpenters with strong contacts in the residential construction industry, and those who have developed a reputation for being highly motivated and hard working, have a high degree of success in the labour market.

Focus groups with employers and carpenters provided support for the finding that the ability to work independently improved the employability of carpenters in the residential construction industry. As noted in the AHB&RSC/PRAXIS employer focus group report prepared for this study:

“The greatest need would appear to be for multi-skilled workers who can work on their own and manage a project independently.”

(“Focus Group – Summary of Findings”, January 2004, page 2)

³ The survey of employers in the residential construction industry completed for this study showed that 87% tried to recruit through word of mouth among industry people while 82% tried to recruit through word of mouth in the local community. By comparison, 45% tried to recruit by advertising in the local newspaper and 32% tried to recruit by placing a job vacancy with Human Resources Skills Development Canada.



The carpenter interview data were not conclusive in linking the skill levels of carpenters with higher wages or success in finding employment in the labour market⁴. Interviews indicate that carpenters whose skills were rated highly by employers received only modest wage premiums over workers with lower rated skills. This finding is consistent with findings from surveys of carpentry EI Beneficiaries in Nova Scotia and PEI completed by PRAXIS in 2003. These surveys did not find a significant relationship between the self-rated skill levels of carpenters and wage rates⁵.

The carpenter interviews suggest that Apprentices work on a more seasonal basis and experience more difficulty finding jobs than the employer-selected carpenters interviewed in the study. The difficulties faced by Apprentices in finding employment were convincingly documented in a 2003 survey of Apprentices completed by the Department of Education, Province of Newfoundland and Labrador. The findings from this survey are discussed later in this report.

3.2 Policy Implications

The Findings section showed that success of carpenters in the residential construction labour force depends on their ability to work independently and apply carpentry skills to job-site situations. This ability was acquired on-the-job for most carpenters. Findings also demonstrate that labour market success hinges on a good track record and on the knowledge and contacts of carpenters in the residential construction industry.

All of these factors place new entrants in the carpentry labour market at a disadvantage. The evidence indicates that, for most employers, institutional training and certification do not help carpenters secure employment in the industry. A lack of work experience and an inability to work independently would make it difficult for new entrants to find employment regardless of the training or certifications that

⁴ The conclusiveness of the data is limited because of a number of factors including: (1) the small number of interviews completed, (2) the fact that employers selected the carpenters to be interviewed and (3) a high proportion of the carpenters were classified as highly skilled by their employers. The interviews indicate that even the workers classified as having medium or low skill levels by their employers required minimal supervision. The survey contained a disproportionately high of highly skilled carpenters who formed the core of each employer's workforce. It was conducted in March which is a time of year when only core workers remain employed. For these reasons, the survey primarily reflects the circumstances of highly skilled carpenters.

⁵ See "Nova Scotia Carpenters EI Beneficiary Survey", June 2004 and "PEI Carpenters EI Beneficiary Survey", June 2004 completed by the AHB&RSC/PRAXIS.



they may have acquired. It follows that the labour market circumstances of entry-level carpenters could be improved if their ability to work independently on job sites and their ability to find employers who would give them a chance were improved. These actions would be beneficial to new entrants from training institutions as well as those who do not have formal training before beginning to work as a carpenter. A more complete analysis of this issue and policies to address it are presented later in this report.

Training and Apprenticeship

4.0 Training and Apprenticeship

4.1 Key Findings

Most carpenters acquire their skills on-the-job from employers, co-workers and family members. Most have no institutional or formal training of any sort.

Employers in the residential construction industry require workers who are “job ready”, that is, they are highly productive, can work independently and require minimal supervision. New carpenters have significant difficulty meeting these requirements and have even more difficulty getting the training required to meet the productivity standards demanded by employers. These difficulties limit their chances of getting hired in the industry and keeping their jobs once hired.

A disconnect between employers and the institutional training system inhibits efforts to fill a training void that exists in the residential construction industry. The disconnect has contributed to a collapse in the recruitment of skilled workers into the industry in the last 10 – 15 years. The lack of recruitment could reduce labour supply to critical levels in the future and restrict the development of the industry.

The seriousness of the recruitment problem in the residential construction industry increases the importance of devising policies to address it. Before devising policies, however, it is necessary to understand the causes of the problem. The research conducted for study identified the following causes:

- ▲ The lack of job ready graduates alienates employers from the training institutions. Conversely, the lack of employer support for graduates of training institutions frustrates efforts by institutions to find careers for their graduates. The result is a “disconnect” between these two groups and a lack of communication and understanding of each other’s circumstances.
- ▲ Institutional training does not produce carpentry graduates who are job ready. This task is left to employers but, as stated above, employers lack the incentive and ability to fill this role.
- ▲ Employers lack the willingness and resources to invest in training – especially training for new employees without the job readiness skills required in the industry.



Carpenters in the early stages of their careers have less on-the-job experience than journeymen and are at a disadvantage in the labour market. New entrants have difficulty finding and holding jobs resulting in a high degree of attrition from the occupation. High drop out rates also occur because there is little advantage to holding a journeymen's "ticket" in the residential construction industry. As a result, most carpenters who enter the Apprenticeship program do not complete their programs and become certified although some may continue to work as uncertified carpenters in the industry.

The labour market difficulties of new entrants increase because of their lack of contacts with employers in the residential construction industry. This problem is especially serious because employers, for the most part, do not use formal recruiting systems such as newspapers and Human Resources Skills Development Canada to recruit new workers. Instead they use contacts in the industry and community to identify job ready workers.

The research completed in this study, and in previous studies completed by PRAXIS, shows that a very small proportion of high school students go into carpentry training upon graduation. A lack of information on and exposure to the trades in high school, and a negative image of the trades, push high school students away from the carpentry trade. The lack of recruitment from high schools adds to the already serious recruitment problems in the carpentry occupation.

4.2 Policy Recommendations

The primary policy challenge faced by this study is to increase the proportion of new carpenters who enter and remain in the occupation. This challenge could be met by improving job readiness training for new entrants to the carpentry occupation. These improvements would increase the success of new entrants in finding and maintaining jobs in the residential construction industry.

Four key changes are required to improve recruitment and the retention of new entrants into the carpentry trade:

- ▲ High school students should be provided with more information on and exposure to the trades and must be made aware of the benefits of choosing carpentry as a profession.



- ▲ The job-readiness of graduates of training institutions must be improved. The most obvious way to do this is to include a significant on the job component in institutional training programs. The use of modular training to impart the specific skills needed to improve the job readiness of trainees also should be explored. It is important to note that the active support of employers is needed for this initiative to succeed.
- ▲ Training support from employers must be increased. Three initiatives could be undertaken to improve employer support for training:
 - A program could be introduced to educate employers on the need to support training and Apprenticeship in order to ensure that skilled workers are available in the future. Employers must become more aware of and engaged in training and Apprenticeship as activities that are in their long-term best interest.
 - The ability of the industry to improve human resource management in the residential construction industry is limited by the small size of firms in the industry, their lack of resources and the intense competitive pressures that they face. These realities could well pose an unbridgeable barrier to the policy initiatives outlined here. The industry simply does not have the resources to organize itself to succeed in this task. For this reason, increased government support is essential to increase the collective resources and human resource capacities of the residential construction industry. Government support is required to develop industry-wide institutions to support and coordinate training.
 - Government support for training in the carpentry is largely tied to Employment Insurance (EI) eligibility. Employed workers seeking training must be laid off to qualify for government assistance through the EI system. The EI system creates a barrier to the provision of on-the-job training for employed workers and for new entrants, who are not EI eligible, seeking training to enter the carpentry occupation.
- ▲ An employer based placement system must be developed to link new entrants, especially graduates from training institutions, into the hiring processes of the industry.



A greater level of integration between employers and training institutions is required to succeed with policy initiatives aimed at increasing recruitment in the residential construction industry. Improving the level of integration should be considered as a separate policy initiative. The development of a process and structures to facilitate increased dialogue and understanding should be a priority in any human resource plan for the industry.

Other parts of this study show that higher wages for carpenters would increase recruitment and that the main drag on wages in the industry is the underground economy. Other parts of this study also showed that reducing the negative impact of the underground economy on the industry is a prerequisite to resolving the recruitment problems of carpenters in the residential construction industry.

Implementation of these policies would transform the carpentry labour force and go a long way towards resolving the serious recruitment problems being experienced in the carpentry occupation as well as resolving the “shortages” of skilled carpenters experienced by employers.

The rest of this chapter presents evidence and analysis to support the assertions made in the Key Findings section.

4.3 Evidence and Discussion of Findings

Evidence for six key assertions made in the Key Findings section is presented in this section. These are:

- ▲ Most carpenters acquire their skills on-the-job and have no institutional or formal training.
- ▲ Employers in the residential construction industry require workers who are “job ready”.
- ▲ New carpenters have significant difficulty meeting the job readiness requirements of employers.
- ▲ The inability of new carpenters to meet the job readiness requirements of employers results in a high level of attrition from the occupation.



- ▲ Employers hire workers primarily through contacts in the industry and community.
- ▲ A small proportion of new entrants in the carpentry trade come directly from high school.
- ▲ More integration and cooperation between employers and training institutions are needed.

A summary of the evidence to support these assertions is provided in Table 1.



Table 1

EVIDENCE TO SUPPORT KEY FINDINGS			
FINDING	EVIDENCE		
	2002 EMPLOYER SURVEY	EMPLOYER FOCUS GROUPS	CARPENTER INTERVIEWS
Most carpenters acquire their skills on-the-job and have no institutional or formal training.	35% of journeymen carpenters were certified, 18% of firms employed apprentices, only 5% of employers willing to invest in training would invest in providing job specific skills to new entrants, only 9% of workers received "formal" on-the-job training	Employers were concerned about spending a lot of money to train their people and then losing them because of higher wages offered elsewhere. Institutional training does not have a great impact on employers and they are not very involved with it.	Three Non-Apprentice interviewees were certified and 13 were not. Approximately one-half of Non-Apprentice interviewees received no formal training through their job. Those who reported formal training indicated that it was minimal
Employers in the residential construction industry require workers who are "job ready".	60% of employers rate workplace experience and industry knowledge as very influential in hiring decisions, 26% rate post secondary trades training and 20% rate trade certification as very influential.	The greatest need would appear to be for multi-skilled workers who can work on their own and manage a project independently. Several spokespersons commented that there were a lot of people coming into or available to the industry who do not have the required skills and experience.	The ability to work independently and without a significant level of supervision was identified by virtually every interviewee as a key employability skill.



EVIDENCE TO SUPPORT KEY FINDINGS			
FINDING	EVIDENCE		
	2002 EMPLOYER SURVEY	EMPLOYER FOCUS GROUPS	CARPENTER INTERVIEWS
New carpenters have significant difficulty meeting the job readiness requirements of employers.	Two-thirds of employers felt that lack of experience among applicants was a very important reason why positions were difficult to fill.	There was considerable evidence of the existence of a large population of workers in the residential construction industry who lack the required knowledge and skills.	Six of seven respondents who experienced difficulty finding employment were Apprentices.
			<p>Approximately 45% of the carpentry Apprentices were unemployed or out of the labour force at the time of the survey and an additional 12% were employed in jobs not related to their trade (Table 16, p. 136)</p> <p>"... the shortage of employment opportunities for apprentices contributes considerably to the problem of apprentices logging on-the-job hours and completing their requirements for certification." (page 8)</p> <p>("The Apprenticeship Experience - 2003 Survey of Registered Apprentices, Dept. of Education)</p>



EVIDENCE TO SUPPORT KEY FINDINGS				
FINDING	EVIDENCE			
	2002 EMPLOYER SURVEY	EMPLOYER FOCUS GROUPS	CARPENTER INTERVIEWS	DATA AND REPORTS
The inability of new carpenters to meet the job readiness requirements of employers results in a high level of attrition from the occupation.	N/A	N/A	N/A	13 Registered Carpentry Apprentices were certified through the Apprenticeship program from 2000 to 2002 compared to 514 Carpentry Apprenticeship Registrations that occurred over this period (“The Apprenticeship Experience - 2003 Survey of Registered Apprentices, Dept. of Education, Table 23, p. 138)
Employers hire workers primarily through contacts in the industry and community.	85% of employers tried to recruit through word of mouth among industry people or in the local community	N/A	11 of 12 interviewees were hired through contacts in the industry or friends and family.	N/A
A small proportion of new entrants in the carpentry trade come directly from high school.	N/A	There was interest in a program to promote careers for young people.	N/A	9% of Carpentry Apprentices entered the program from high schools. (“The Apprenticeship Experience - 2003 Survey of Registered Apprentices, Dept. of Education, Table 3, p. 133)



EVIDENCE TO SUPPORT KEY FINDINGS				
FINDING	EVIDENCE			
	2002 EMPLOYER SURVEY	EMPLOYER FOCUS GROUPS	CARPENTER INTERVIEWS	DATA AND REPORTS
More integration and cooperation between employers and training institutions are needed.	About one-half of employers rated more input from industry on the design of training programs and integrating on-the-job experience into training curricula as the highest priority changes required to the existing training system.	Most employers were not familiar with what was available from training institutions. There was a clear call for a new apprenticeship model geared specifically to conditions and needs in the residential construction industry.	N/A	N/A

The Issue of Labour Shortages

5.0 The Issue of Labour Shortages

5.1 Findings

Employers experience significant problems hiring carpenters that meet their requirements. These difficulties stem from a number of factors:

- ▲ Employers require workers who can apply their carpentry skills productively on job sites without requiring a significant degree of supervision. There is a limited supply of individuals with these skills.
- ▲ The supply of skilled carpenters is restricted by the lack of formal on-the-job training and low Apprenticeship completion rates, as discussed above. Recruitment into the trade is further limited by a lack of exposure to the profession in high schools and negative perceptions of the trades as a career option. As noted in the Department of Education, Province of Newfoundland and Labrador report entitled “The Apprenticeship Experience - 2003 Survey of Registered Apprentices”:

“... findings seem to suggest that greater emphasis needs to be placed on putting information on apprenticeship into high schools. Only a small percentage of apprentices reported that high school teachers (9%) or guidance counselors (10%) had been a source of information on apprenticeship programs. This is supported by the findings on the status of apprentices prior to registration - only 8% reported entering an apprenticeship directly from high school.” (page 20)
- ▲ Wages offered to carpenters are relatively low because of the extreme competitive pressures faced by employers stemming from the underground economy. Even carpenters with the skills and attributes most desired by employers receive relatively low wages. Low wages limit the number of individuals with the skills, work commitment and ability to work without on-going supervision who are interested in the carpentry profession. This phenomenon is experienced as a “shortage” by employers but is not a shortage as defined



by economists⁶.

- ▲ Weather induced seasonality limits the availability of year round employment in the residential construction industry. Seasonal employment limits earnings in the industry and reduces the attractiveness of careers in the carpentry profession.
- ▲ Phase III of this study showed that employment instability is increased by the significant cyclical fluctuations that characterize the residential construction industry.

The dramatic decline in the number of carpenters under 25 documented in the Census provides dramatic evidence of the cumulative impact of the above factors on recruitment.

The recruitment difficulties of employers occur along with high levels of unemployment and EI use among carpenters. It was shown above that an estimated 44% of the carpentry labour force was unemployed in May, 2001. EI and Census data indicate that in the order of two-thirds of the carpentry labour force had an EI Claim in May, 2001 while roughly 30% drew at least one dollar in benefits in the week including June 15, 2001⁷.

This apparent paradox is explained by a number of factors:

- ▲ Weather induced seasonality contributes to the relatively high levels of unemployment among carpenters and a reliance on EI.

The interviews with carpenters completed for this study indicate that even carpenters who are highly sought after by employers experience periods of unemployment and many claim Employment Insurance (EI) on a regular basis.

- ▲ High levels of unemployment and EI claimants persist even in the peak months of

⁶ A labour shortage from an economist's perspective exists when the demand for labour exceeds the supply at the prevailing wage rate. In the absence of labour market rigidities this situation will put upward pressure on wages which attracts more workers into an occupation thereby reducing the shortage. Competition from "subsidized" workers and businesses in the underground economy (artificially) restricts the ability of employers to raise wages when they experience difficulties recruiting skilled workers. A labour shortage does not exist because labour demand and supply are in balance at the prevailing wage rate.

⁷ The EI Beneficiary estimate compares the Census labour force as of May, 2001 to the number of EI Beneficiaries in the week including June 15, 2001. It is admittedly a rough estimate. It is also important to point out that carpenters work in sectors other than residential construction and not all of the carpenters with EI claims work in the residential construction sector.



residential construction activity. Data on EI Beneficiaries⁸ provided by HRSDC, St. John's, show that on average over the 1998-2002 period there were approximately 1,000 carpenters with who received at least one dollar of EI benefits in the quarter of the year with the lowest number of EI Beneficiaries⁹.

One explanation for this is that workers with low carpentry skill levels and a tenuous attachment to the workforce perform some carpentry-related functions and are classified as carpenters on their EI claims and in the unemployment data. These workers may, in fact, be closer to labourers than carpenters. Their lack of skills results in high levels of unemployment and dependence on EI even when demand conditions are relatively strong.

5.2 Policy Implications

Given the fact that the “shortages” experienced by employers result primarily from low wages and seasonality, is it possible to reduce or eliminate the shortages through public policy?

One obvious policy recommendation is to reduce or eliminate the underground economy which results in an artificial restriction on wages. Unfortunately it is very difficult to implement public policies that would be effective in reducing the underground economy, and/or the participation of carpenters in the underground economy. It should be noted, however that mandatory certification of carpenters and licensing of residential construction businesses were suggested by many carpenters and employers as policies that would be effective in controlling and reducing the underground economy.

The difficulty of limiting the underground economy suggests that other policies are required to address the shortages problem. One obvious policy is to improve the labour market success of new entrants to the carpentry occupation as recommended in Section 4.0. Another possibility is to review the role of the EI system in terms of its impact on the participation of carpenters in the underground economy.

⁸ An EI Beneficiary is a claimant who is in receipt of at least one dollar of Employment Insurance benefits.

⁹ This was the third quarter of the year and the EI beneficiary number for this quarter is that for the week including September 15.



Participants in the underground economy do not pay taxes, worker's compensation and other payroll costs borne by legitimate operators. For this reason, they can charge less and still "take home" as much or more than legitimate operators. If these participants are receiving EI they can charge even less. In this way, the EI system contributes to the negative effects of the underground economy. If this practice were stopped or made significantly more difficult, legitimate operators would become more profitable and would be in a position to pay better wages to their workers.

A review of the EI system also could assess other interactions between the system and attempts by employers to maintain a year round workforce. Interviews indicate that year round employment is highly valued by most carpenters, at least most of those in the highly skilled segment of the occupation. The interviews indicate that stable year round employment compensates for wages that might be less than in other occupations.

Discussions with both carpenters and employers indicate that many employers try very hard to provide their highly skilled workers with as close to full time employment as their operation allows. Programs and policies that improved the ability of employers to provide full-time work would contribute to a resolution of the skilled labour "shortages" experienced by employers.

Some carpenters interviewed for this study indicated that the system for reducing EI payments to account for the earned income of claimants discourages workers from accepting part-time work. This problem could have a negative impact on the efforts of employers to extend their building season as interviews indicate that carpentry work is more part-time in the winter because of the weather and because renovation and building demand may be less in the winter. Interviews also indicate that some workers are reluctant to accept part-time employment in the winter months because a significant proportion of their earned income is lost as a result of reductions in their EI payments.

Interviews also indicate that many participants in the industry believe that some workers choose to work seasonally and draw EI in the winter months. The inherent weather induced seasonality in the industry may have created a pattern of working from May until December and drawing EI in the winter months. The EI system, and the purported ability of some EI claimants to participate in underground economy, increases the disincentive to work legitimately in the winter months. New construction techniques have made it possible to extend the carpentry season but the EI culture may limit the number of workers



willing to offer their services in the winter season.

Federal training dollars are currently focused on individuals drawing EI. While this emphasis is undoubtedly beneficial to many carpenters who use EI, it also could limit funds available to support the training of existing workers who already are employed. Interviews with both employers and carpenters completed for this study show that there is little formal on-the-job training provided to workers. The provision of such training could improve the skills and productivity of existing workers thereby contributing a reduction of “shortages” of highly skilled workers in the industry by making the existing workforce more productive.

It was noted above that only 8% of those entering Apprenticeship came directly from high school. This suggests that an initiative to increase the profile of the carpentry profession in high schools and to increase the exposure of high school students to carpentry could be beneficial. The ability of high school students to finance Apprenticeship training could be increased by extending a form of wage assistance to them. This could reduce the number of young people who may be interested in taking trades training after high school, but drift into other jobs, or into unemployment, because they do not have the financial resources to pay for their training.

The Atlantic Home Builders and Renovation Sector Council (AHBRSC) recognized this reality some time ago and has been advocating programs to broaden the services offered by employers and decrease seasonality in the industry. Such efforts should be supported and accelerated.