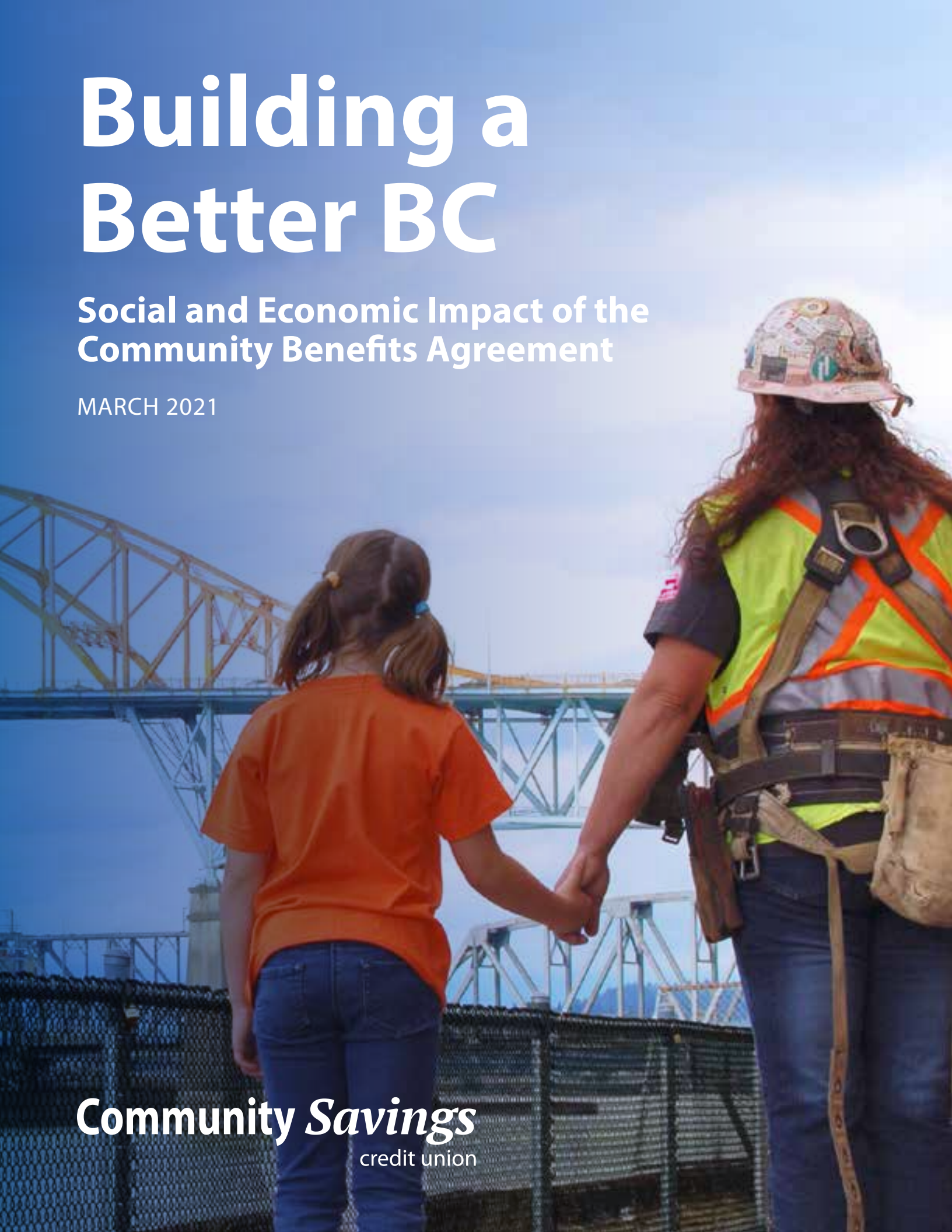
Building a Better BC

Social and Economic Impact of the Community Benefits Agreement

MARCH 2021



Community *Savings*
credit union

Foreword

A Foreword From Mike Schilling

Community Savings Credit Union is a leading financial institution that is committed to building a better British Columbia for all. We firmly believe that to create a more prosperous British Columbia, we must first build an inclusive and equitable one. By providing opportunities for all people in our province to learn new skills, find work and participate fully in our society, we will in turn build an economically resilient Province that will benefit everyone.

The Community Benefits Agreement is one such opportunity.

First introduced in 2018, the CBA program is designed to enable BC's construction sector to meet the province's long-term needs. Accounting for 9% of BC's GDP and employing nearly a quarter of a million workers, the construction industry is crucial to the BC economy. Yet, of the nearly 250,000 workers employed by this industry, only 14% are women, 6% are Indigenous, and just 12% of the workforce is under the age of 25.

The CBA program is created to address these systemic inequities, while upskilling and training a new labour pool. It aims to increase access to the construction workforce for women and Indigenous peoples, upskill the existing labour force, increase apprenticeship opportunities, and provide greater workforce stability.

However, concerns remain about the cost of the program. The Province has estimated that the cost of tendered contracts on CBA-designated projects may increase by 4-7% as result of the program's employment requirements.

As a purpose-led financial institution we see this as an investment in the BC economy and the BC construction sector that pays off.

The social and economic capital created by harnessing BC talent – regardless of race or gender – cannot be overstated. By investing in our own people and talent, the CBA program looks to build equity in our working communities. This will have a generational impact on the prosperity of British Columbians.

The socioeconomic benefits of the CBA program have taken on an added layer of purpose and meaning. When Community Savings Credit Union initially commissioned this report in early 2020, we didn't expect British Columbia, and the rest of the world, to be affected by a global pandemic. However, if anything the pandemic has only reinforced the importance of conducting this report.

While the long-term impacts of COVID-19 are still yet to be fully understood, finding solutions to invest in the British Columbian economy – and the people who live in it – has never been more important.

In the long run the CBA program will pay for itself, and British Columbians will be the ones who benefit.

MIKE SCHILLING
President and CEO, Community Savings Credit Union

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Executive Summary

The British Columbia construction industry is a crucial component of the provincial economy, accounting for 9% of the GDP and employing nearly a quarter of a million workers. However, BC's construction workforce currently faces many challenges.

Nearly 20% of construction workers are aged 55 or over, and just 12% are under the age of 25. Women represent only 14% of the total workforce and 6% of onsite employment, while Indigenous Peoples represent just 8% of total employment. Coupled with this, apprenticeship completion rates in BC are among the lowest in Canada – only 40-45% of apprentices finish their programs.

Without action, BC's construction sector is headed towards a crippling industry skills shortage.

To address these challenges, the BC Government introduced the Community Benefits Agreement (CBA) Program in 2018. The CBA Program's objectives include:

- Increasing the employment opportunities for women, Indigenous Peoples, young people, and local area residents.
- Increasing apprenticeship opportunities, with a target 25% participation rate on CBA projects.
- Providing a more achievable path to "red seal" trade certification for apprentices.
- Achieving a more stable labour and equitable labour relations environment.
- Improving the workplace environment, making the industry more attractive to new entrants.
- Developing a diverse and skilled construction workforce, to meet BC's long-term future needs.

The CBA Program is being implemented through a new Crown Corporation, BC Infrastructure Benefits (BCIB). BCIB's mandate is to employ and provide the onsite workforce for CBA-designated Provincial projects, under terms that are designed to further the CBA Program objectives.

Several major Provincial construction projects are in various stages of planning and implementation. These projects have created an opportunity for the Province to "lead by example" in building BC's next-generation construction workforce – employing a more diverse workforce on these projects, and also supporting these workers' ongoing education and career development.

Report Objective and Scope

The objective of this report is to assess the long-term social and economic benefits of the CBA Program for British Columbia's construction industry, relative to its costs. The study scope includes:

- Detailed profile of the BC construction industry and its workforce.
- Current state of the BC construction workforce industry with respect to:
  - Workforce Participation and Equity – for women, Indigenous Peoples, younger workers, and other equity groups.
  - Apprenticeship Education and Training – including registered apprenticeship enrollment and completion rates, with particular focus on women and Indigenous Peoples.
- Initial CBA Program activities and results, including the impacts of COVID.
- Analysis of CBA's social and economic benefits, relative to its expected costs.
- Recommendations for monitoring progress on a program-specific and industry-wide basis.

CBA Benefits and Costs

While it is too soon to assess the CBA Program's long-term success, priority hires (women, Indigenous, youth, local residents, etc.) accounted for 46% of employment on BCIB's first CBA-designated project in 2019. The 2020 construction season, while impacted by COVID, saw further increases in employment opportunities for priority groups on CBA-designated projects, with participation of women and Indigenous peoples significantly higher than industry averages.

With regard to costs, the Province initially estimated that the CBA program would likely increase tendered bid prices by 4-7%. After allowing for other provincial costs and revenues, the net cost of the CBA Program to the Province at maturity is expected to be in the range of $50 million to $80 million annually. CBA is assessed as an important and necessary investment for the Province in building BC's next-generation construction workforce.

While the CBA Program is a significant investment, traditional employment practices in the construction industry are deeply entrenched, and changing them will require the coordinated and sustained efforts of many stakeholders – including BCIB, industry contractors, trade unions, apprenticeship program providers, industry training authorities, and others.

By underutilising the talents we have within the BC workforce, these traditional employment practices provide a significant drag on efficiency and prosperity in our province. By harnessing these skills our study demonstrates that we will be able to build a British Columbia for the century ahead, attracting foreign as well as domestic investment and making 'good jobs' the norm for the next generation.

Introduction

Introduction and Objectives

BC's construction workforce has traditionally consisted primarily of men, particularly with respect to job-site employment. While women have gained significant workforce representation in most other sectors of the economy, in 2019 they accounted for only about 14% of overall employment in the construction industry. Moreover, these jobs were mostly off-site, with women accounting for only 6% of on-site employment.

The significant barriers being faced by women in the BC construction industry was addressed in the February 2017 report *Enhancing the Relation and Advancement of Women in Trades in British Columbia*, sponsored by the Province of BC and Government of Canada.

This report detailed the significant barriers to entry faced by tradeswomen in achieving training, apprenticeship, and employment within the BC construction industry.

Other studies have also documented the challenges faced by the industry with respect to workforce training and participation. To address these challenges, the BC Government introduced the Community Benefits Agreement (CBA) in 2018. The economic and social objectives established for CBA include:

- Increasing employment opportunities for construction industry trade apprentices – with a target apprentice participation rate averaging 25% over the first three years of CBA.
- Increasing employment opportunities for local area residents, women, and Indigenous workers.
- Providing greater workforce stability in the construction industry.
- Providing a clearer and more achievable path to "red seal" certification in the construction trades.
- Developing a diverse and skilled construction workforce, to meet the longer-term future needs of the BC construction industry.

To implement the CBA Program, the Province established a Provincial Crown Corporation, BC Infrastructure Benefits (BCIB). BCIB's mandate is to employ and provide the unionized workforce on provincially-funded construction projects that have been designated to CBA. As the legal employer of the construction project workers, BCIB provides the unionized labour force to the contractor, including hiring, disciplinary, and other services. This includes:

- Providing priority hiring opportunities on CBA-designated projects for women, Indigenous Peoples, youth, local residents, and other under-represented groups.
- Providing stable and secure jobsite experience and educational/apprenticeship support to workers on CBA projects – providing a well-defined and achievable pathway to certification.
- Achieving a more stable and respectful working environment – working with the contracting community, unions, workers, and a wide range of other parties to improve management and operating practices.

Under an agreement between BCIB and the Allied Infrastructure and Related Construction Council of British Columbia (AIRCC), all unionized workers on CBA-designated projects must become members of one of the nineteen unions that comprise the AIRCC. BCIB also maintains a roster of construction workers that are eligible for assignment to CBA-designated projects. The BCIB-AIRCC agreement also provides no work stoppages and specified wage levels for several years.

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  - Apprenticeship Education and Training – including registered enrollment and completion rates, with particular focus on women and Indigenous Peoples.
- Initial CBA Program activities and results.
- The implications of impacts of COVID for the construction industry and for CBA-designated projects
- Analysis of CBA's social and economic benefits, relative to its expected costs.
- Recommendations for monitoring progress on a program-specific and industry-wide basis.

BC ‘s Construction Industry and Workforce

Industry Size and Growth

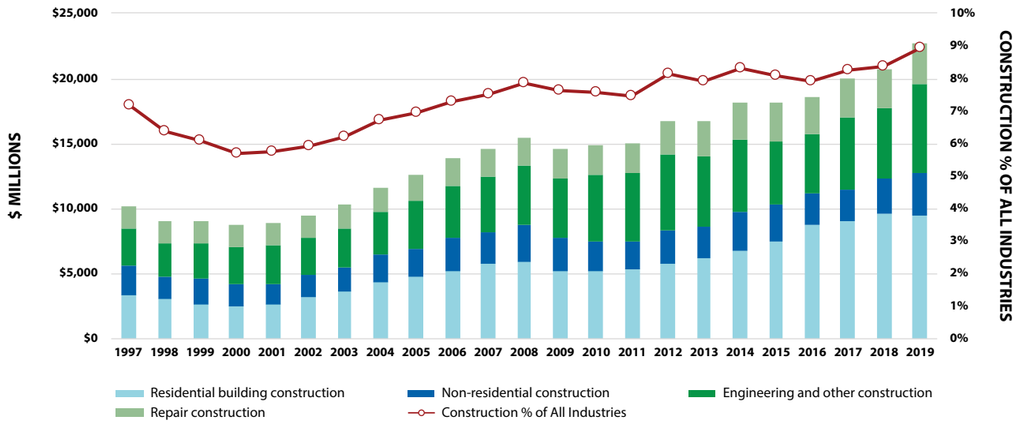
BC’s construction industry has more than doubled in real terms (net of inflation) over the past two decades, with particularly significant increases between 2002 and 2008 and between 2016 and 2019. In 2019, the British Columbia construction industry represented approximately 9% of total provincial GDP.

> *BC’s construction industry has more than doubled since 2001, and now represents 9% of provincial GDP.*

Residential construction is the most significant single component of the industry. Growth in this industry sector has been particularly significant over the past decade, reaching an all-time high of approximately 45,000 in 2019 prior to COVID.

Over the past few years, the fastest growth rates have been in engineering construction, the sub-sector most relevant to the initial infrastructure projects to be undertaken through the CBA Program. This subsector includes several large public and private sector projects, including for example the LNG Canada mega-project (pipeline and Kitimat LNG plant) which commenced construction in 2018.

BC CONSTRUCTION GDP AT BASIC PRICES (CHAINED 2021 DOLLARS)



Source: Statistics Canada. Table 36 0402-01 Gross domestic product (GDP) at basic prices, by industry, provinces and territories (x 1,000,000).

Construction Labour Force and Employment

Labour Force and Employment/ Unemployment Levels

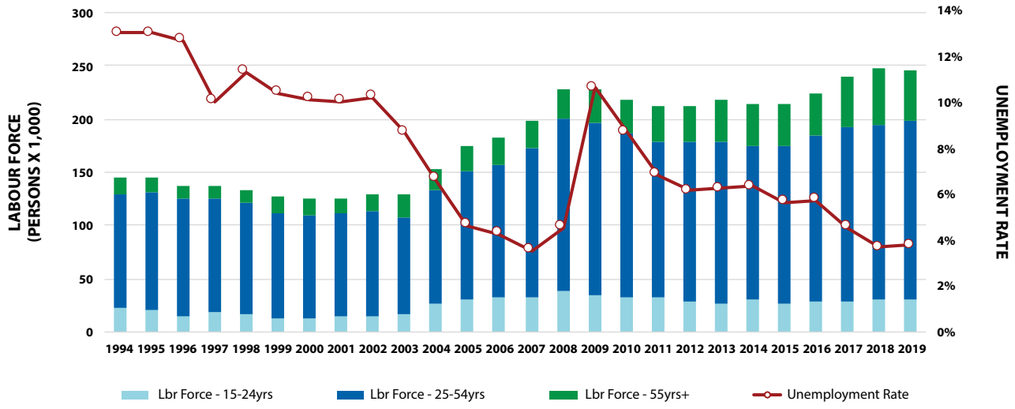
BC's construction labour force levels have varied in cycles over the past 25 years. They were fairly flat between 1994 and 2003; grew strongly with the construction boom between 2003 and 2008; declined 2009 through 2011, stabilized through 2015; and increased again 2016 through 2018-19.

Prior to COVID, BC's construction labour force topped 245,000 in 2018 and 2019, with unemployment levels at record lows of 4%.

At the same time, the labour force has been aging. The share of workers older than 55 years of age has increased, from approximately 10% of the workforce in the mid-1990s, to reach nearly 20% in 2019.

> *BC's construction industry workforce reached nearly 250,000 in 2018-19, with record low unemployment rates.*

BC CONSTRUCTION LABOUR FORCE & UNEMPLOYMENT



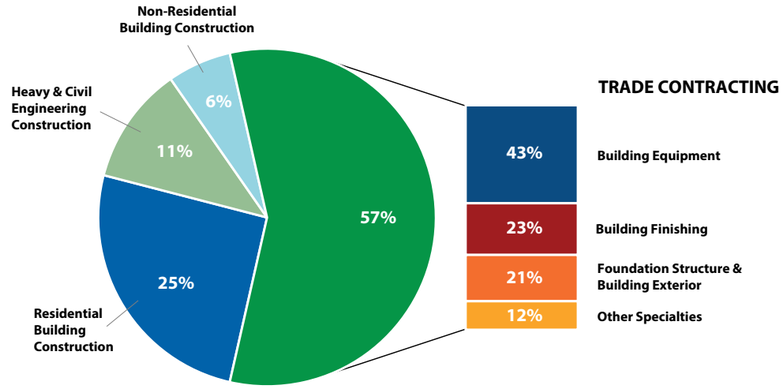
Source: Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual.

Employment by Sub-sector

BC's construction industry provided employment for more than 235,000 workers in 2019, representing approximately 9% of all provincial employment.

The main employment sub-sectors are trade contracting and residential building construction, with both having experienced significant growth over the past 20 years. In 2019, trade contracting accounted for more than half of BC construction employment, primarily in building contracting (equipment, finishing, foundation structure, exterior).

2019 BC CONSTRUCTION EMPLOYMENT (236,600)



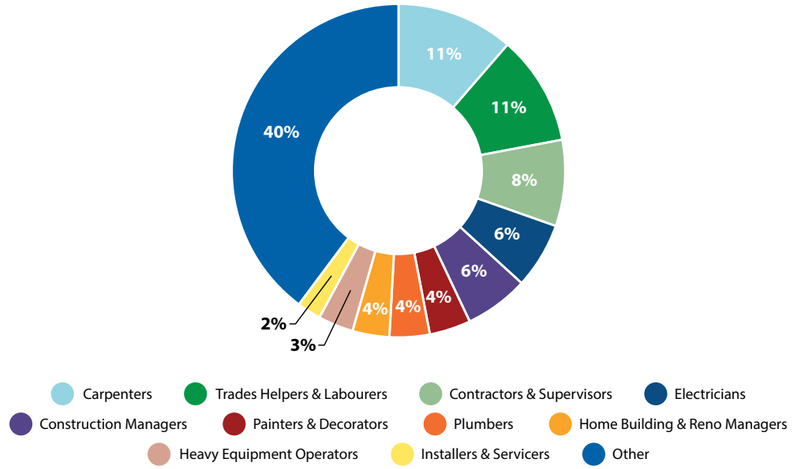
Source: Statistics Canada Labour Force Survey (unpublished data); prepared by BC Stats January 2020.

Employment by Trade Occupation

The BC construction industry workforce includes many on-site trade-related occupations, as well as off-site administrative, professional and management positions.

BC's leading trade occupation in 2019 was carpenters, representing 40% of the onsite workforce. Trades helpers & labourers, contractors & supervisors, electricians, and construction managers each accounted for 6-11% of onsite construction occupations.

2019 BC CONSTRUCTION EMPLOYMENT (236,600)



Source: BuildForce Canada, BC Forecasts, 2006-2029, provided by BuildForce Canada in May 2020.

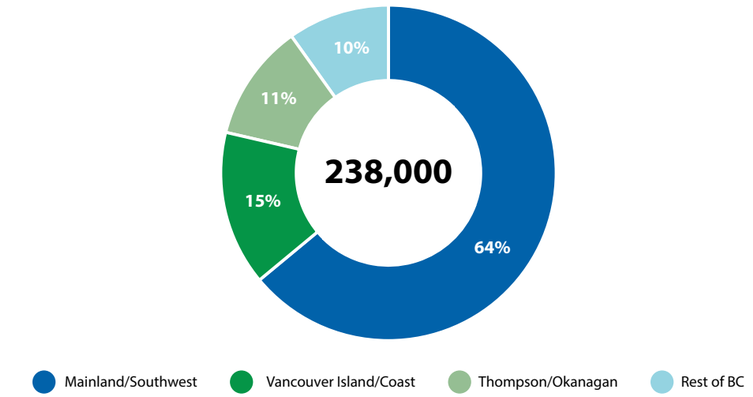
Employment by Region

About two-thirds of construction employment in BC is in the Mainland/Southwest region of the Province.

Residential construction accounts for most of this activity.

Long-run employment shares among regions have been fairly stable.

BC CONSTRUCTION 2018 EMPLOYMENT BY REGION



Source: Statistics Canada Labour Force Survey, custom tabulation. Prepared January 2019 by BC Stats.

Age Demographics

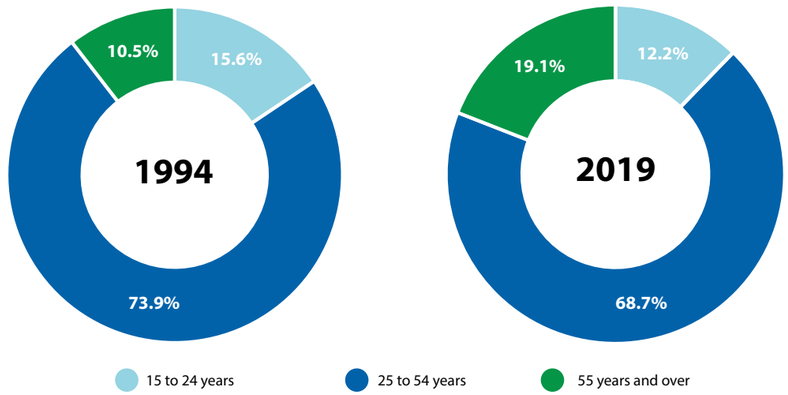
The share of BC's construction labour force aged 55 or older has grown to represent nearly 20% of the total labour force in 2019.

At the same time, unemployment rates in 2018 and 2019 were at historical lows of less than 4%.

The result: BC is facing a "perfect storm" of an aging workforce and an increasing demand (post-COVID) for qualified construction workers.

> *Nearly 20% of the construction labour force in 2019 was 55 or older.*

BC CONSTRUCTION LABOUR FORCE



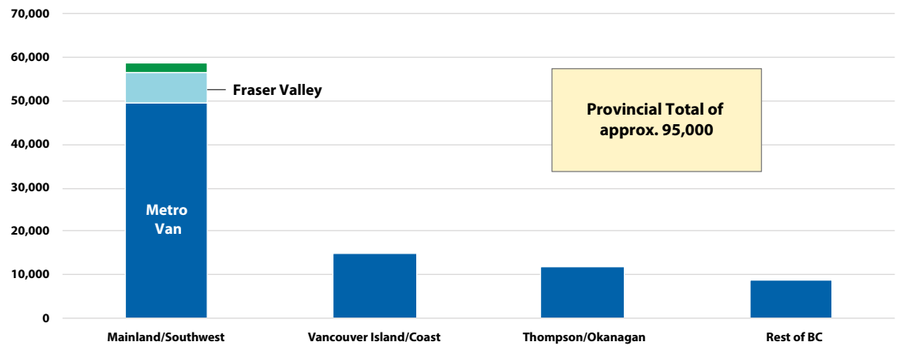
Source: Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual.

BC Construction Firms & Individuals

BC has approximately 95,000 construction business firms registered in the province, with more than half located in Metro Vancouver.

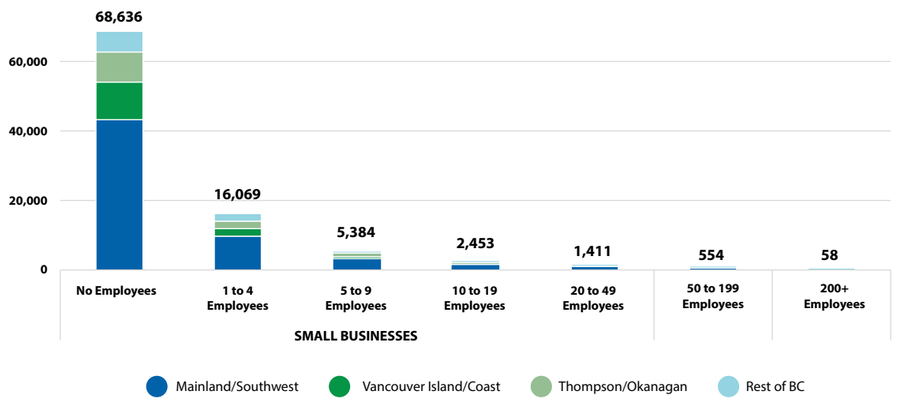
Most BC firms are small businesses, with less than 50 employees, and almost three quarters are single-employee firms.

BC CONSTRUCTION 2019 BUSINESS LOCATION COUNTS BY REGION



Source: BC Stats, data adapted from Statistics Canada's Business Registrar.

BC CONSTRUCTION 2019 BUSINESS LOCATION COUNTS BY EMPLOYMENT SIZE



Source: BC Stats, data adapted from Statistics Canada's Business Registrar.

Wages and Hours

Average Weekly Earnings

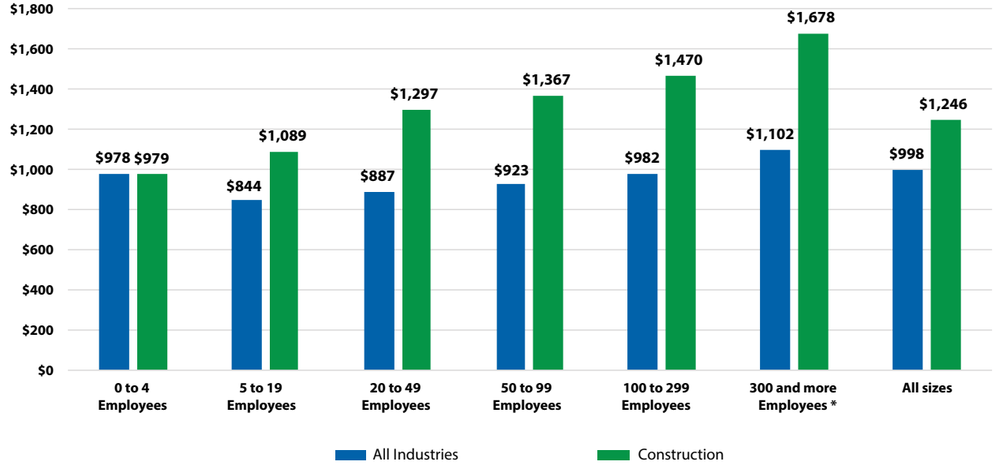
Average weekly earnings in construction are significantly higher than the all-industry average. Including overtime, BC construction workers earn approximately 25% more than the all-industry average.

Earnings at larger construction firms in particular are even higher. Employees of firms with 300 or more employees earn approximately 50% more than the provincial all-industry average for similar-sized businesses.

The higher earnings for construction workers, relative to the all-industry average, have been relatively stable in recent years.

Construction workers in BC earn 25% more than the all-industry average.

BC CONSTRUCTION 2019 AVERAGE WEEKLY EARNINGS (INCLUDING OVERTIME) BY ESTABLISHMENT SIZE

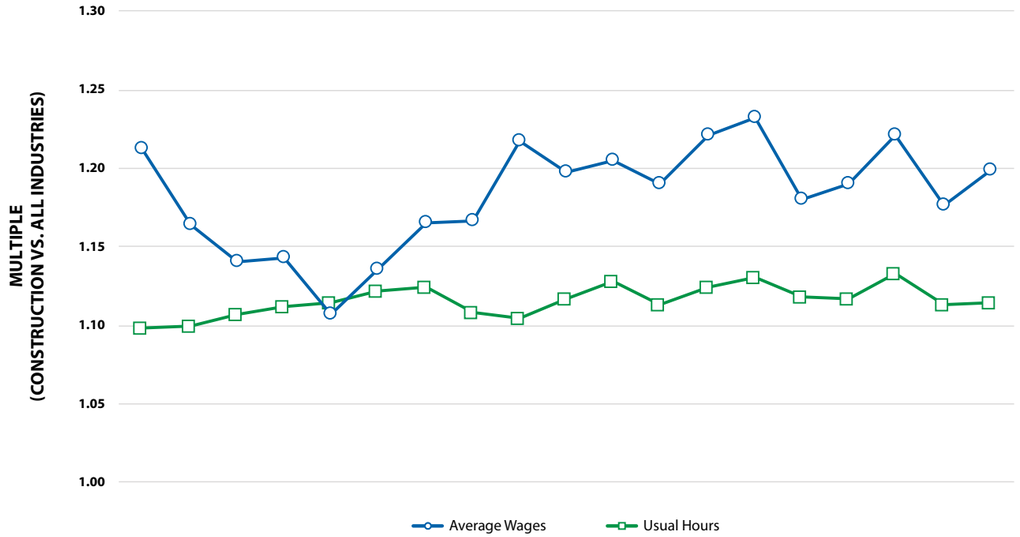


Source: Statistics Canada. Table 14-10-0217-01 Average weekly earnings (including overtime) for all employees by enterprise size, annual.
** Figure for construction is from 2018, plus the 2018-19 earnings growth experienced in construction establishments of all sizes.*

Construction Wages (Usual Hours)

Before overtime, usual weekly hours worked by BC construction workers are more than 10% higher than the all-industry average. Based on usual hours (before overtime), BC construction average wages are approximately 20% higher than the all-industry average.

BC CONSTRUCTION AVERAGE WEEKLY WAGES AND USUAL HOURS
(WAGES IN CURRENT DOLLARS)



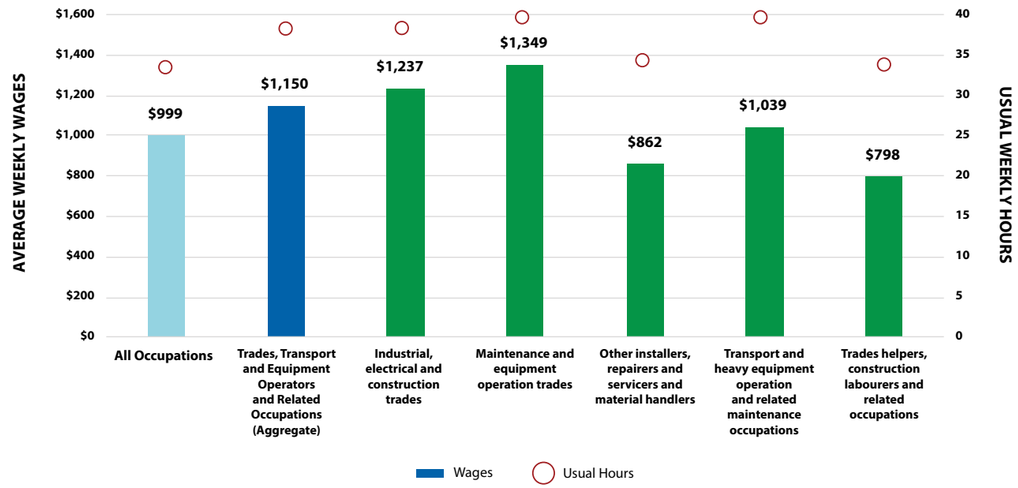
Sources: Statistics Canada. Table 14-10-0064-0101 Employee wages by industry, annual; Table 14-10-0035-01 Usual hours worked by industry, annual. Note: Prior to January 1997, usual hours were the number of hours usually worked by the respondent in a typical week, regardless of whether they were paid. Beginning January 1997, usual hours for employees refers to their normal paid or contract hours, not counting any overtime. However , the definition of usual hours remains unchanged for the self-employed and unpaid family workers. In January 1997, the Labour Force Survey questionnaire was changed to allow responses up to 168 hours per week. Prior to 1997, the upper limit was set at 99 hours.

Hours and Wages, by Occupation

Construction wages and hours also vary by the occupation type (trade).

Most construction-related occupations work longer hours and earn higher wages than the provincial all-occupation average. However, some construction-related occupations (trades helpers, construction labourers, etc.) earn lower wages while working similar hours to the provincial average.

BC CONSTRUCTION 2019 EMPLOYEE AVERAGE WEEKLY WAGES AND HOURS
(WAGES IN CURRENT DOLLARS)



Source: Statistics Canada. Table 14-10-0340-01 Employee wages by occupation, annual. Statistics Canada. Table 14-10-0299-01 Usual hours worked by occupation, annual.

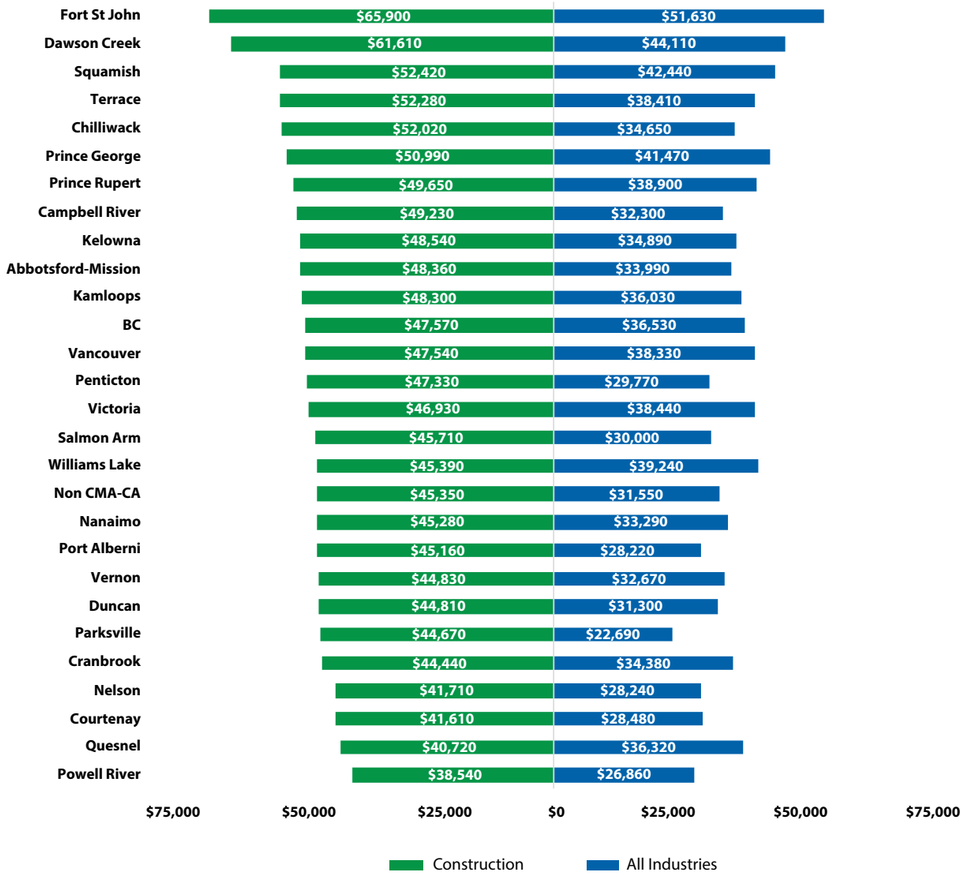
Salaries by Census Area

In every BC census area, construction wages, salaries, and commissions are higher than the all- industry average.

By CMA/CA, median construction salaries typically ranged between $40,000 and $50,000 in 2019, far higher than the provincial all-industry average of approximately $36,500.

The highest median construction salaries in 2019 of more than $60,000 were recorded in northeastern BC, reflecting the mega-projects being undertaken in this part of the Province.

BC CONSTRUCTION 2019 MEDIAN WAGES, SALARIES & COMMISSIONS OF TAX FILERS BY CMA/CA



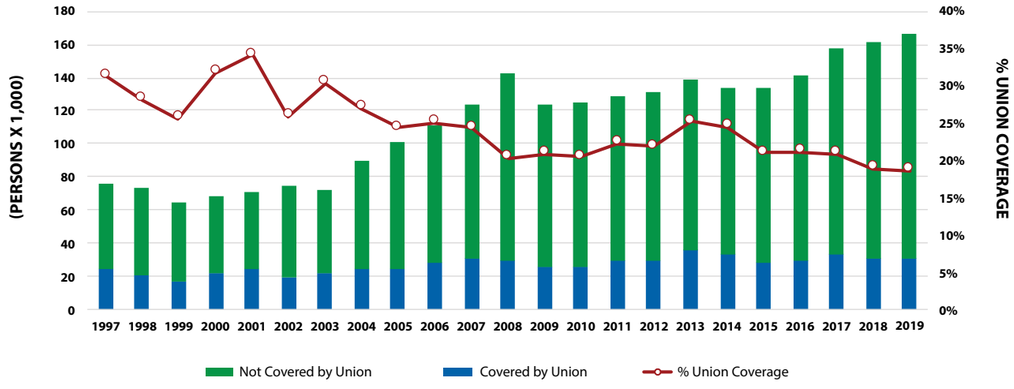
Source: Statistics Canada. Table 11-10-0073-01 Wages, salaries and commissions of tax filers aged 15 years and over by main industry sector and sex.

Union Coverage

The number of unionized members of BC's construction workforce has been generally stable or increasing over the past two decades, but has grown at a slower rate than overall industry employment. The share of construction employees with union coverage has decreased from nearly 35% in 2001, to less than 20% in 2019.

Part of this trend is explained by the relatively faster growth of the residential construction industry in BC, relative to the non-residential sectors.

BC CONSTRUCTION UNION COVERAGE (EMPLOYEES)



Source: Statistics Canada. Table 14-10-0070-01 Union coverage by industry, annual.

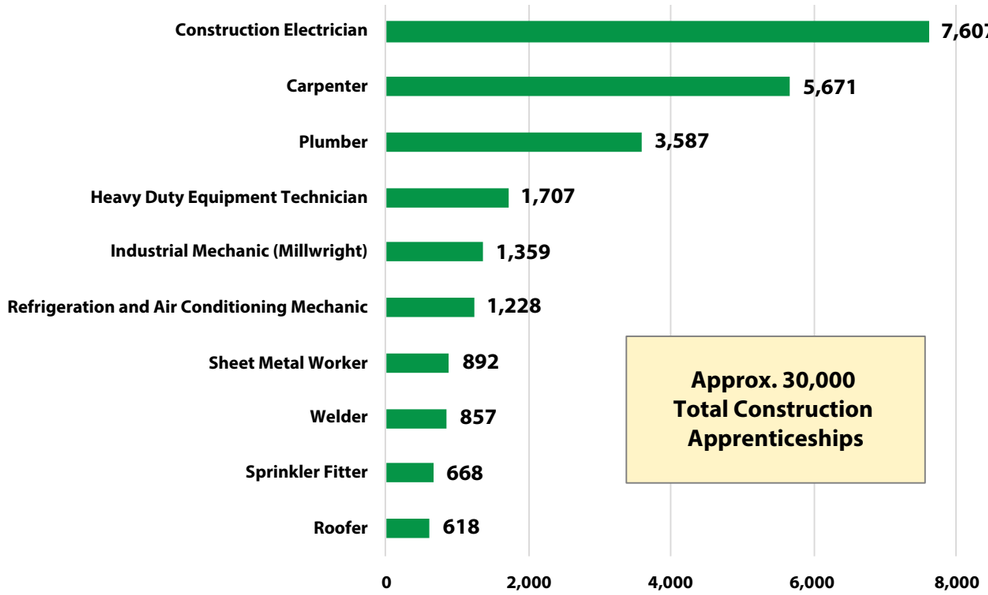
Training and Education

Registered Apprenticeships

BC's construction industry currently has an estimated 30,000 registered trade apprentices. The most popular apprenticeships are construction electrician, carpenter, and plumber – accounting for a combined total of nearly 17,000 registered apprenticeships.

Other popular construction trades include heavy duty equipment technician, industrial mechanic, refrigeration and air conditioning mechanic, sheet metal worker, welder, sprinkler fitter, roofer, steamfitter/pipefitter, and lather – together accounting for an additional 8,000 registered apprentices.

BC CONSTRUCTION TOP APPRENTICESHIPS



Source: BC Industry Training Authority, FY 2020 Dec 2019 Q3 Statistical Report.

Apprenticeship Completion Rates

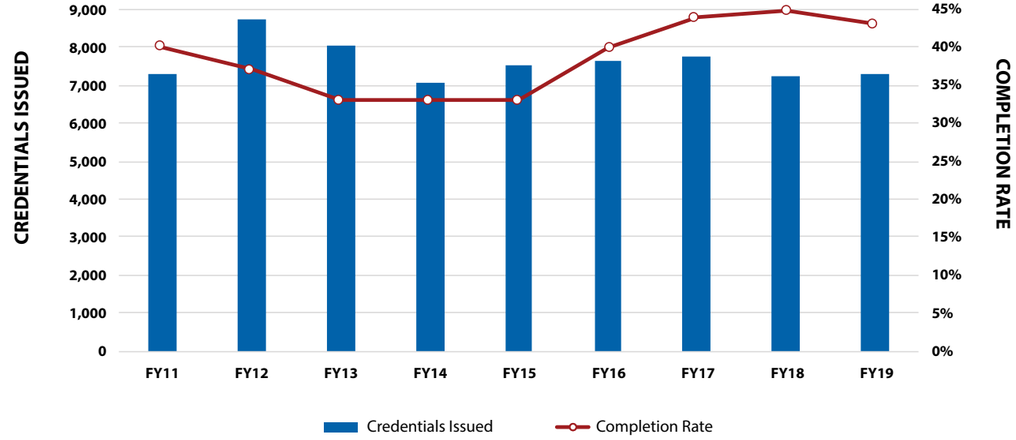
The BC Industry Training Authority (ITA) typically issues between 7,000 and 8,000 trade credentials annually. These include construction-related trades, as well as trades in other areas (e.g., cooks, hairstylists). Construction-related trades account for approximately three-quarters of all programming offered through the ITA.

Over the past decade, BC completion rates for all trade programming have ranged between approximately 35- 45%, based on the number of apprentices who have completed their program and obtained credentials within six years of registration.

Inter-provincial comparisons of apprenticeship programs are complicated by differences among provinces in the types of apprenticeship programs offered, as well as how apprenticeship registrations and completion rates are reported. However, a 2015 Ontario study (see table) includes an analysis of long-run differences in average apprenticeship completion rates among the Canadian provinces.

Five provinces (Saskatchewan, Manitoba, Prince Edward Island, Manitoba, New Brunswick) had average completion rates of between 59-68%. Four provinces (BC, Alberta, Ontario, Newfoundland & Labrador) had completion rates of between 37-44%. BC's average apprenticeship completion rate over 13 years was 41% - the second lowest in Canada, after Ontario.

BC APPRENTICESHIPS CREDENTIALS ISSUED AND COMPLETION RATE



Source: BC Industry Training Authority, Monthly and Quarterly Statistical Reports, Year-end March 2015 through March 2019 Reports and FY2020 Q1 through Q3 Reports.
Note: Number of credentials issued including Certificates of Qualification for completing industry training program or successfully challenging certification exam. Completion rate is a measure of the number of apprentices who have completed their program and obtained a Certificate of Qualification within 6 years of registration.

TABLE 4. AVERAGE APPRENTICESHIP COMPLETION RATE ACROSS THE PROVINCES, 2000 TO 2012

PROVINCE	AVERAGE APPRENTICESHIP COMPLETION RATE (2000-2012)
Alberta	44%
British Columbia	41%
Manitoba	68%
New Brunswick	65%
Newfoundland and Labrador	42%
Nova Scotia	61%
Ontario	37%
Prince Edward Island	59%
Quebec	52%
Saskatchewan	61%

Source: Statistics Canada, Registered Apprenticeship Information System (advanced cohort proxy completion rate calculations conducted by Prism Economics and Analysis)

BC's apprenticeship completion rates are among the lowest in Canada.

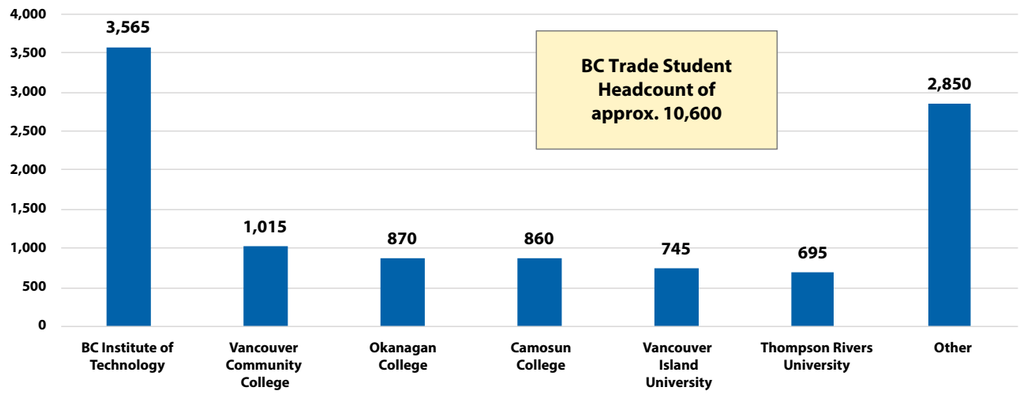
Source: Higher Education Quality Council of Ontario, Apprenticeship in Ontario: An Exploratory Analysis, 2015, pg. 37.

Students in Trade Educational Programs

As of late 2018, there were more than 10,000 students enrolled in trade programming at public post-secondary universities, colleges and institutes in BC. The BC Institute of Technology has by far the largest enrolment in trades programs, with more than 3,500 students.

Other public post-secondary institutions with significant trade programs include Vancouver Community College, Okanagan College, Camosun College, Vancouver Island University, and Thompson Rivers University.

2018 BC STUDENT HEADCOUNT IN TRADES



Source: BC Ministry of Advanced Education, Post-Secondary Central Data Warehouse Standard Reports, Oct 2019.
Note: Estimates as of Nov 1 based on all reporting institutions - i.e., 21 of BC's public post secondary institutions (excluding UBC, UVic, SFU and UNBC). Trades is defined as "apprenticeship programs and other trades training, also transportation".

Current State of Workforce Participation in BC

This chapter assesses the current state of participation in the BC construction industry workforce and apprenticeship programs by key equity groups – women, Indigenous Peoples, younger workers, and apprentices.

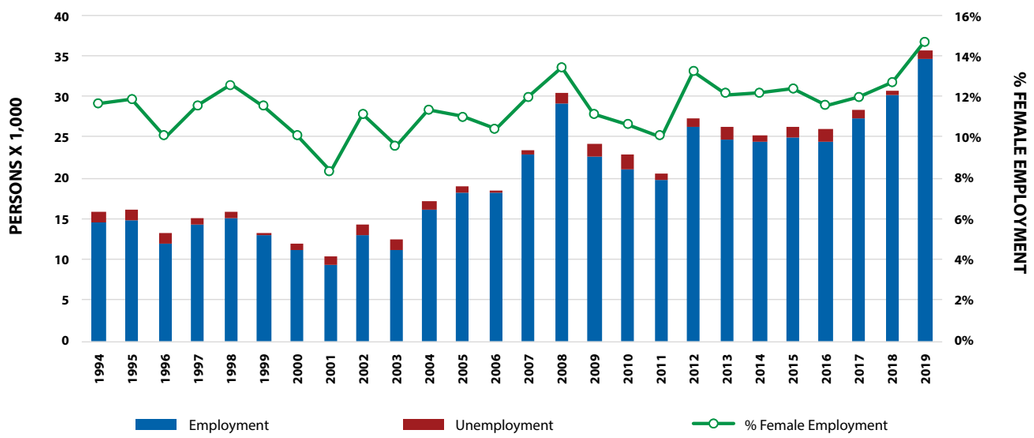
Women

The total workforce participation by women in the BC construction industry, for on-site and off-site employment combined, has increased from approximately 10,000 workers in 2001 to 36,000 in 2019.

> *Woman account for only 14% of total employment and 6% of onsite employment.*

On a percentage basis, total construction industry workforce participation by women has increased from 8% in 2001 to a high of 14% in 2019. The relative participation levels by women have increased during periods of industry growth, and have declined during weaker periods.

BC CONSTRUCTION FEMALE LABOUR FORCE & EMPLOYMENT



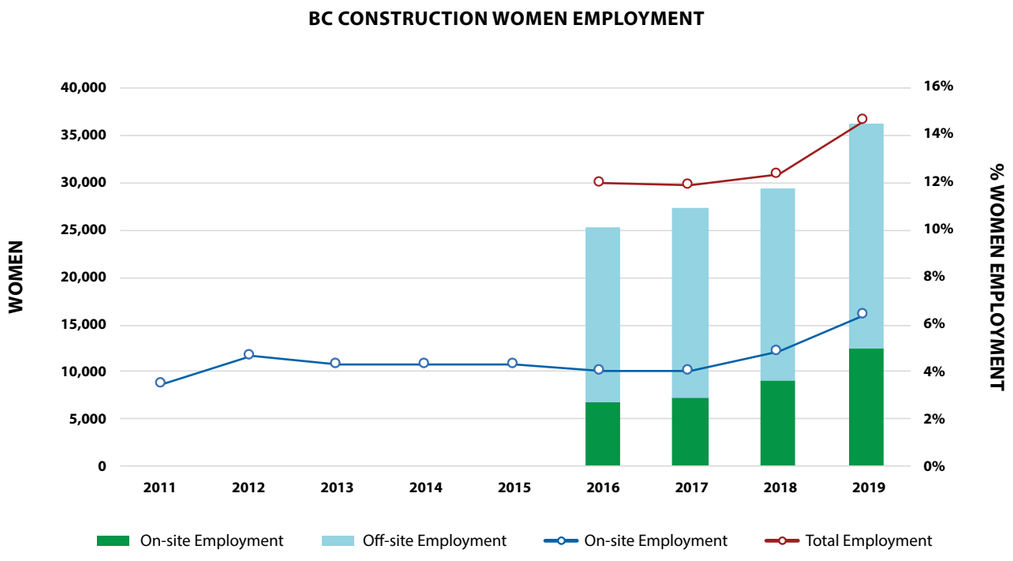
Source: Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual.

The 36,000 women in the BC construction industry in 2019 represented more than 14% of the total construction industry workforce. However, most of these positions were offsite.

Onsite, women account for 12,000 jobsite construction employees, representing 6.1% of the overall onsite construction workforce.

Offsite, women account for 24,000 management and administrative positions, representing 45% of the offsite construction industry workforce.

Workforce participation by women increased between 2016 and 2019, both onsite and offsite, during a period of strong industry growth.



Source: BuildForce Canada: BC Construction Outlook Reports, 2014-23 to 2020-29; Representation of Indigenous Canadians and Women in Canada's Construction and Maintenance Workforce, July 2018; raw dataset, provided May 2020.

Industry comments

The statistical findings are highly consistent with the observations of industry participants and observers interviewed for this study. Representative comments include:

- ***"Last to be hired, first to be laid off"*** – several industry sources indicate that there is a systemic bias within the BC construction industry with respect to hiring of men versus women for onsite job opportunities. This observation is consistent with the statistics indicating that the percentage of workforce participation by women increases during periods of industry growth, and decreases during weaker periods.
- ***Limited onsite/offsite position options for women*** – industry sources indicate that women tend to be "pigeon-holed" for certain onsite construction roles (for example traffic control). One interviewee described completing the educational requirements to become an apprentice electrician, only to be offered a construction office administrative position rather than an apprenticeship opportunity.
- ***Failure to "move the needle" on gender balance through industry-led initiatives*** – several interviewees noted that the BC construction industry has not kept pace with the major workforce changes that have taken place elsewhere in society over the past 25 years. Some interviewees also noted that the normal expectation for an industry sector to not be considered under-represented in terms of workforce participation by women would be in the range of 25-30% of total industry employment.
- ***Jobsite cultural barriers and impediments*** – Several interviewees highlighted the additional challenges faced by women on the construction jobsite, given their very small workforce presence and the traditionally male-oriented working environment. At the same time, some commentators observed that "things are better than they used to be", and that jobsite bias against women, while still very significant, has been reduced to a limited extent.

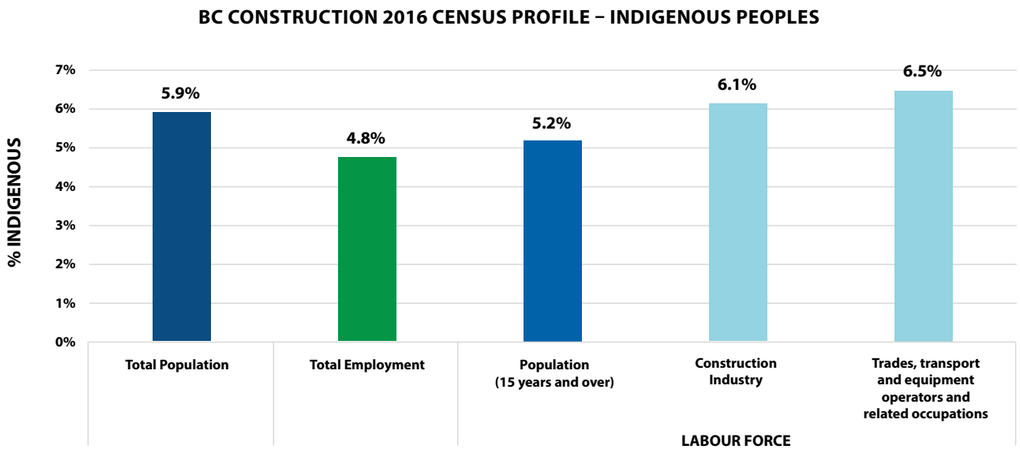
Assessment

Even with the increases since 2017, the 2019 levels of workforce participation by women in the BC construction industry (14% overall, 6.1% for onsite positions) are very low in relation to other BC industry sectors.

The recent-year gains are also at risk with the short-term reduction in construction activity levels due to COVID, if the patterns associated with previous economic downturns are repeated in the early 2020s.

Indigenous Peoples

Indigenous Peoples accounted for 6.1% of the workforce in BC's construction industry in the 2016 Census. This participation is modestly higher than Indigenous Peoples' share of both the overall BC population (5.9%) and the overall labour force (5.2%).



Source: Statistics Canada. 2018. Aboriginal Population Profile. 2016 Census.

With regard to annual trends, the estimated participation of Indigenous Peoples in the BC construction workforce has been increasing in recent years, in both absolute and percentage terms.

> *Indigenous Peoples account for 6% of the BC construction workforce.*

Industry comments

Despite the gains in recent years, a number of interviewees indicate that there is still negative bias in BC hiring practices with regard to Indigenous construction workers.

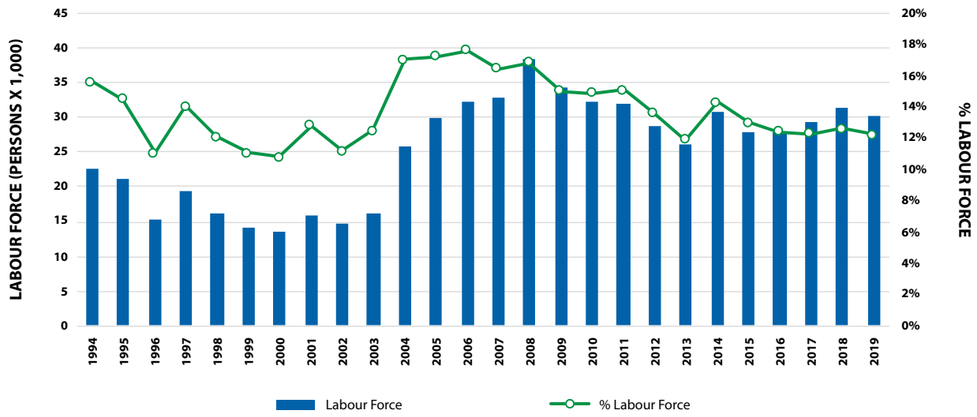
Assessment

Because of the anecdotal nature of industry comments, the degree to which these types of negative attitudes influence current hiring practices and jobsite cultures is difficult to assess objectively. However, the increase in Indigenous Peoples' share of BC construction employment between 2011 and 2017 suggests that the negative bias is at least partially offset by efforts to increase the participation of Indigenous Peoples in the BC construction industry workforce and training/apprenticeship programs.

Younger Workers

Participation by younger workers in the BC construction industry has been relatively stable in recent years, after increasing between 2003 to 2008, and falling in years after the 2008 recession. In 2019, the 30,000 younger workers in the BC construction industry represented 12% of the overall labour force.

BC CONSTRUCTION YOUNG LABOUR FORCE (15-24 YEARS OLD)

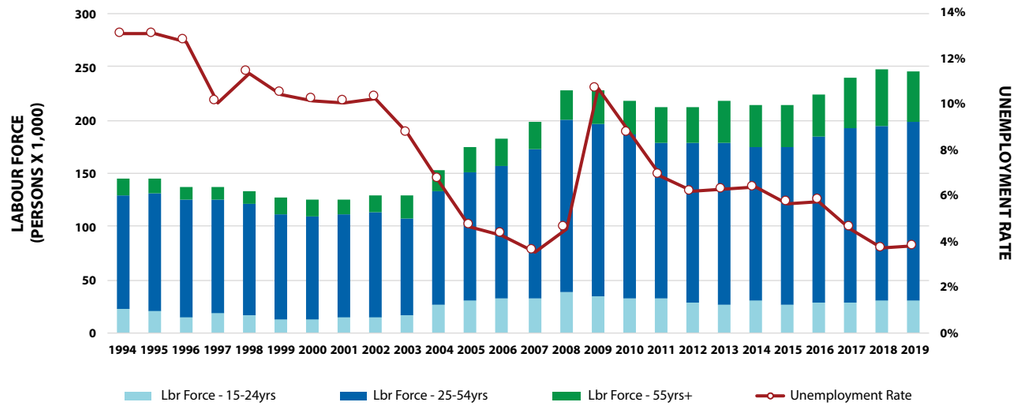


Source: Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual

Unfortunately, this participation level is much lower than for workers older than 55. In 2019 this older age group accounted for approximately 50,000 workers, nearly 20% of the total BC construction workforce.

Based on these trends, the current outlook is for a net reduction in the BC construction labour force over the next several years, as the retirement of older workers from the industry outpaces the rate at which younger workers are entering the industry.

BC CONSTRUCTION LABOUR FORCE & UNEMPLOYMENT



Source: Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual.

Industry comments

The challenges in replacing its retiring workforce is a major concern for the industry. A number of industry participants indicate that many young people see the construction industry as unattractive, with one interviewee stating flatly that "young people don't want to enter the industry". The ITA, which manages over 100 trades programs including 49 Red Seal programs in the Province, identifies recruitment of young women to the construction trades as a particular challenge (see also following section).

> *BC is not well positioned to attract the 70,000+ new construction workers that it will need in the next decade.*

Assessment

The current situation and outlook has been impacted in the short run by the COVID-19 pandemic. Prior to 2020, the rate of construction industry unemployment had dropped to below 4% in 2018 and 2019 for the first time in more than a decade. With the COVID-related pandemic, the unemployment rate increased to more than 12% during the spring of 2020, before decreasing to the range of 7% during the fall of 2020 and in early 2021.

While the pace of the industry's recovery from the COVID pandemic is uncertain, most industry observers interviewed believe that the medium to long-term needs of the industry will continue to grow, with one industry association (BuildForce) estimating that 270,000 workers will be needed by 2029. Given that the there are currently fewer than 200,000 workers younger than 55, the BC construction industry is facing the need to attract and train more than 70,000 new entrants to the workforce over the next decade.

Meeting this challenge will require a significant increase in the current levels of construction training and apprenticeship, along with the ability to attract a broad and diverse cohort of younger entrants to the BC construction industry.

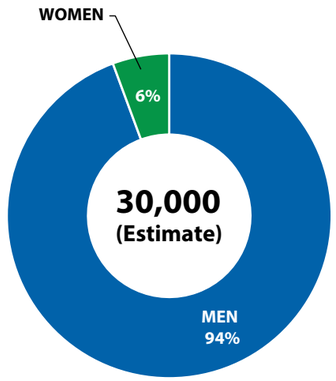
Women Apprentices

Women represent approximately 1,800 (6%) of the 30,000 apprentices in the construction trades – similar to their onsite construction participation by women.

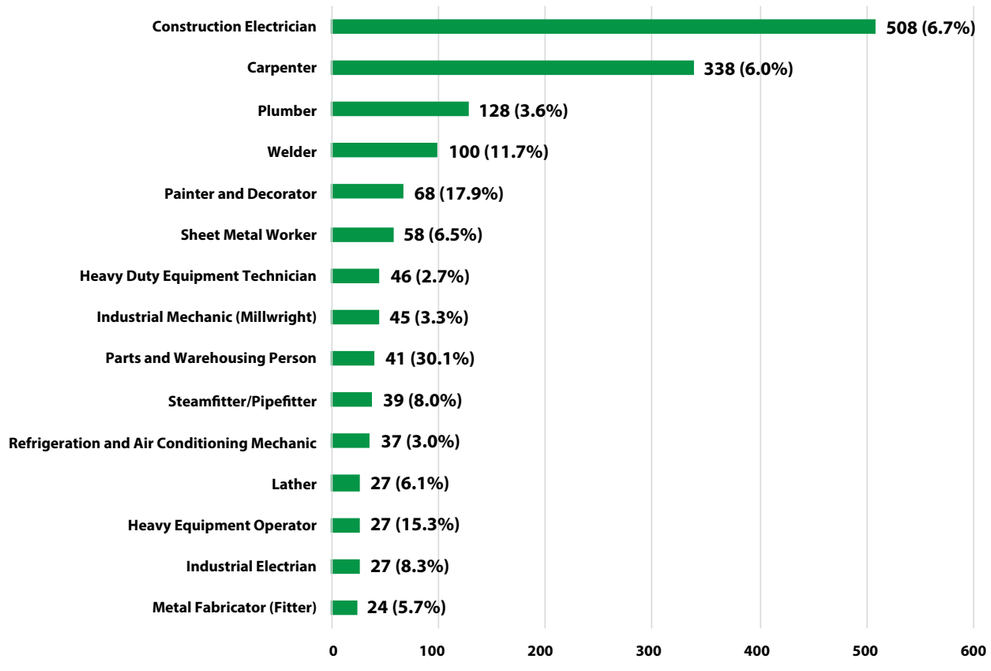
The relative participation by women varies widely by apprenticeship program:

- In absolute numbers, the most popular apprenticeship programs for women are construction electrician, carpenter, plumber and welder.
- In terms of relative participation of women, the apprenticeship programs with the highest percentage participation by women are parts & warehousing, painter decorator, heavy equipment operator, welder, and industrial electrician.

BC CONSTRUCTION REGISTERED APPRENTICESHIPS

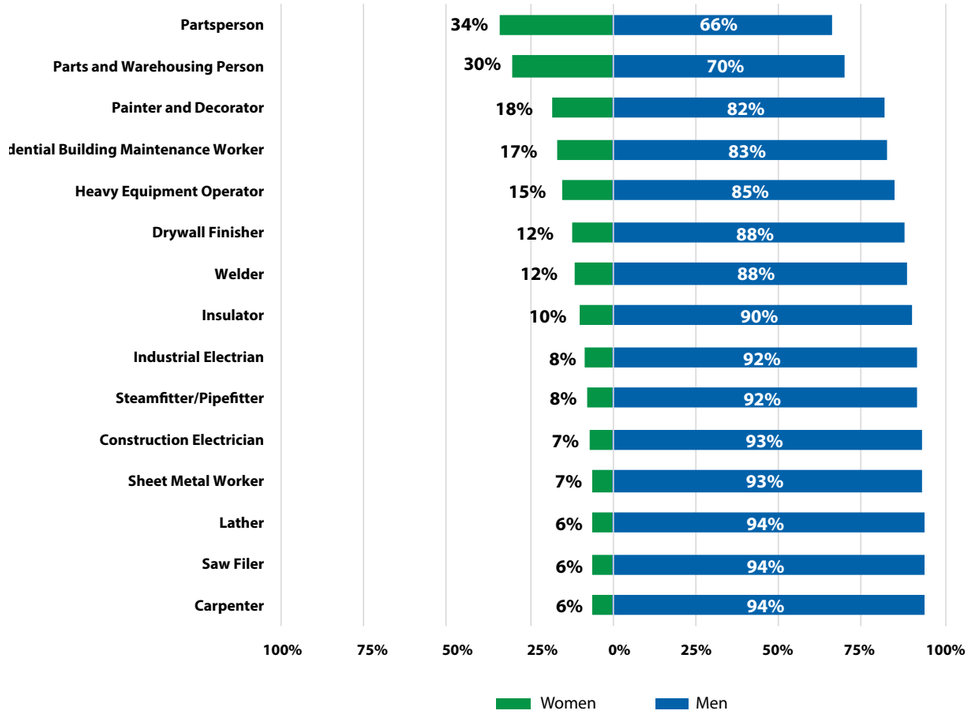


BC CONSTRUCTION TOP APPRENTICESHIPS (WOMEN)



Source: BC Industry Training Authority, FY2020 Dec 2019 Q3 Statistical Report.

BC CONSTRUCTION TOP APPRENTICESHIPS (PERCENTAGE WOMEN)
% REGISTRATIONS AT END OF Q3, FY20



Source: BC Industry Training Authority, FY2020 Dec 2019 Q3 Statistical Report.

> *Women represent only 6% of registered apprentices in construction-related trades programs.*

Assessment

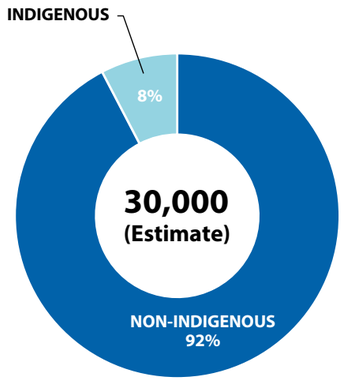
The current 6% participation of women in apprenticeship programs is limiting the potential for women to increase their future levels of participation in onsite construction jobs. There are significant differences among the trades in terms of apprenticeship participation by women. The participation of women is above 15% in only a few apprenticeship programs, and these programs are relatively small. To significantly increase workforce participation by women in future, the participation by women apprentices in the larger trades programs (construction electrician, carpenter, plumber) will have to be much higher than the current range of 3.6-6.7%.

Apprenticeships by Indigenous Peoples

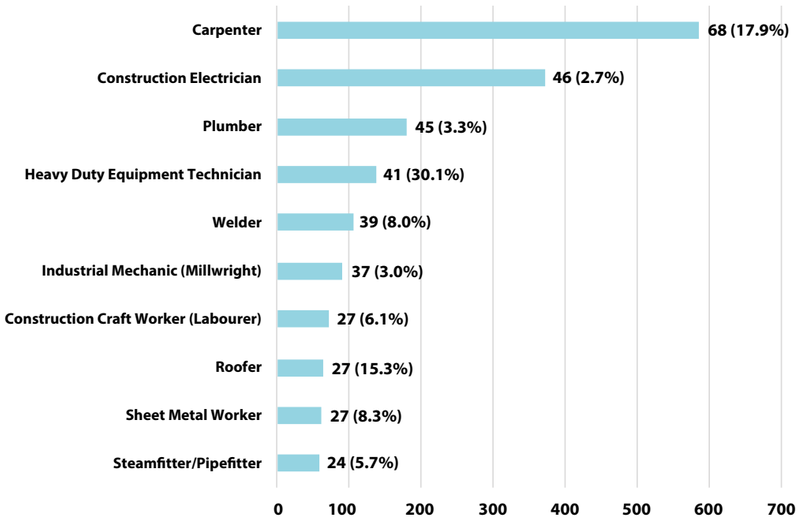
Indigenous Peoples represent approximately 2,400 (8%) of BC's 30,000 registered apprentices in construction trades. Indigenous Peoples' relative share of apprenticeships is higher than their 6% participation in the overall construction industry workforce in 2017.

For Indigenous Peoples, the top areas of apprenticeship participation are carpenter, construction electrician, plumber, and heavy duty equipment technician. Trades with the highest percentages of Indigenous Peoples include construction craft worker, welder, steamfitter/pipefitter, roofer, and carpenter.

BC CONSTRUCTION REGISTERED APPRENTICESHIPS



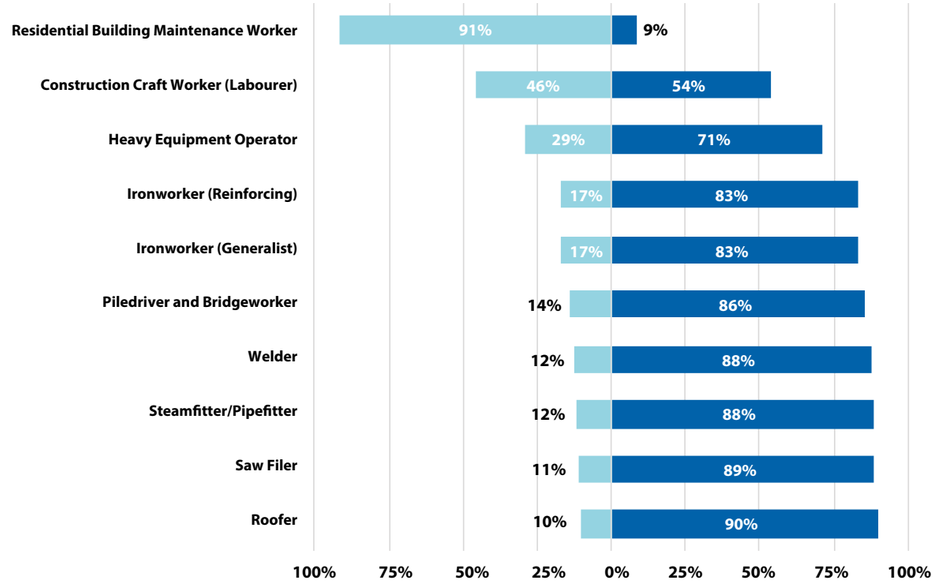
BC CONSTRUCTION TOP APPRENTICESHIPS (INDIGENOUS)



Source: BC Industry Training Authority, FY2020 Dec 2019 Q3 Statistical Report.

> *Indigenous Peoples represent 8% of registered apprentices in construction-related trades programs.*

BC CONSTRUCTION TOP APPRENTICESHIPS (PERCENTAGE INDIGENOUS)
% REGISTRATIONS AT END OF Q3, FY20



Source: BC Industry Training Authority, FY2020 Dec 2019 Q3 Statistical Report.

Assessment

While Indigenous Peoples have good relative participation in a number of apprenticeship programs, relative to share of population, there are still areas where apprenticeship participation is relatively low.

For example, in two of the three largest trades (construction electrician, plumber), Indigenous apprentices constitute 5% or less of the total number of apprentices. Indigenous People also have limited participation in partsperson/parts & warehousing apprenticeships.

Initial CBA Program Activities

CBA-Designated Construction Projects

As of early 2021, four major provincial projects have been designated for construction by BCIB through the CBA Program:

- ***Four-laning of Highway 1.*** The Province has an ongoing long-term program to four-lane the Trans Canada Highway between Kamloops and the Alberta border. This program was among the initial Provincial projects designated to be undertaken through CBA.
- ***Pattullo Bridge Replacement Project.*** The contact for this $1.4 billion project has been awarded, and the successful contracting consortium is mobilizing in mid-2020 to begin construction. This project is also being undertaken through CBA.
- ***Broadway Subway Corridor Project.*** Planning, design and procurement for the $2+ billion Phase 1 of this project (Clark Drive to Arbutus) is in process. Phase 1 is being undertaken through CBA. Phase 2 (Arbutus to UBC) is at an earlier planning stage.
- ***Vancouver Island Health Care Facility.*** This project is the first building infrastructure project designated for the CBA Program.

BCIB reports that, despite the impacts of COVID, the number of CBA-designated projects under way increased from one in 2019 to four in 2020, and the total hours worked by onsite trades and technical workers increased from 15,000 in 2019 to 85,000 in 2020. During 2020, onsite workforce participation averaged 10.7% for women, and 16.5% for Indigenous People – far higher than for the industry as a whole.

Other CBA Candidates

Additional provincial transportation and building infrastructure projects are also currently under consideration. Examples of major projects with significant provincial funding that could be candidates for CBA include:

- ***Langley SkyTrain.*** This multi-billion-dollar SkyTrain extension from Surrey to Langley is in the planning and development stage.
- ***George Massey Tunnel Crossing.*** Options for the new George Massey Crossing are being assessed, and the business plan for the project has been completed.
- ***Hospital development, relocation, and expansion.*** Several major hospitals in the Province – including Royal Columbian (New Westminster), St. Paul's (Vancouver), Royal Inland (Kamloops), and others – have major capital projects at various stages of planning and development.

Many other major infrastructure development projects are also under way or being planned across BC that could become candidates for CBA.

Other CBA Activities

In addition to implementing the CBA Program on the four already-designated major provincial construction projects, BCIB has undertaken a number of non-project-specific initiatives including:

- Conducted ongoing stakeholder liaison – with other Provincial agencies, AIRCC and member unions, the construction contractor community, Indigenous groups, the BC Industry Training Authority, and more than 30 other employment support and training organizations.
- Develop a Workforce Development Strategy – to facilitate a pathway for workers looking to qualify for work on CBA projects, and to help workers upgrade their skills through external training.
- Established internal governance, financial systems, management and operational policies, and reporting standards and protocols.
- Established a Performance Management Office – to manage the internal scale-up activities on multiple projects, track BCIB's performance metrics, and monitor supply and demand trends for relevant trades.
- Implemented a Respectful Onsite Initiative – including Indigenous Cultural Competency Training for CBA Project workers and the BCIB Board and staff, as well as four related training initiatives.

Implications of COVID

Initial Impacts of COVID on BC Construction Employment

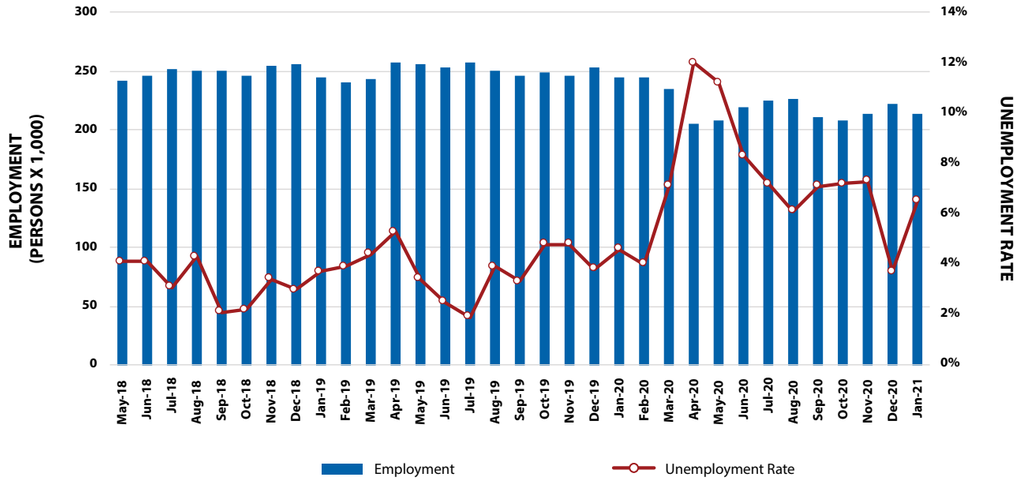
Prior to the COVID-19 pandemic, BC was experiencing an unprecedented level of construction activity and employment.

The onset of COVID-19 had an immediate short-term impact on BC construction industry employment – reducing persons employed from 250,000 to 200,000 between January and April/May 2020, and increasing unemployment rates from 4-12%.

Employment levels then partly rebounded between May and August, reducing unemployment rates to approximately 7% in Fall 2020.

In early 2021, industry employment is in the range of 210,000, with unemployment levels in the range of 7%.

BC CONSTRUCTION EMPLOYMENT BY MONTH (ADJUSTED FOR SEASONALITY)



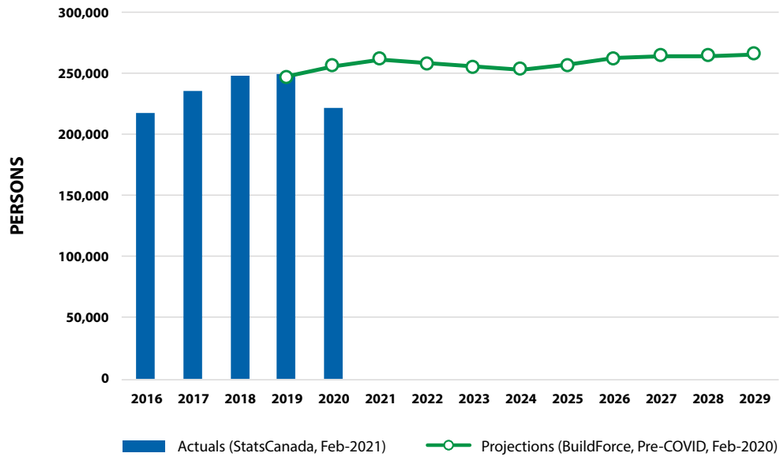
Source: Statistics Canada. Table 14-10-0022-01 Labour force characteristics by industry, monthly, unadjusted for seasonality.

COVID's Longer-term Industry-level Implications

Prior to COVID, BuildForce Canada issued forecasts for the BC construction industry, projecting modest employment growth through the 2020s. However, these forecasts have been overtaken by the impacts of COVID.

BuildForce re-assessed the industry employment situation in August 2020 , concluding that most of the contraction in 2020 has been with respect to residential construction, and that non-residential construction projects have not yet been significantly impacted.

BC CONSTRUCTION EMPLOYMENT PROJECTIONS



Sources: Actual -Statistics Canada, Table 14-10-0023-01 Labour force characteristics by industry, annual. Projections BuildForce Canada, BC Forecasts, 2006-2029, Feb 2020 (prior to the onset of COVID-19).

Implications for CBA-designated Projects

The onset of the COVID-19 pandemic has already had a significant impact on the scope and timing of some significant infrastructure projects in BC – for example by deferring the capital expansion program at Vancouver International Airport, as well as delaying the undertaking of a number of private office tower and residential/mixed-use development projects in BC.

As of early 2021, there is no indication that any of the Province's currently-designated CBA projects and potential future candidates for CBA designation – including major transportation/transit infrastructure, healthcare facilities, and educational facilities – are likely to be significantly affected by the pandemic.

2—BuildForce Canada, Construction and Maintenance: Looking Beyond COVID-19, Investment Update 2020-22.

CBA Benefits and Costs

This chapter compares the expected costs of the CBA Program to its target social and economic benefits.

CBA Program Size and Cost

Program size at maturity

The CBA Program is designed for potential application to BC-financed public infrastructure projects with a capital value of more than $500 million. As of early 2021, four major transportation infrastructure projects (the Highway 1 four-laning program, Pattullo Bridge, Broadway Subway Phase 1, Vancouver Island Healthcare Facility) have been CBA-designated. These first four projects will involve capital expenditures of more than $5 billion.

A number of other major transportation and building projects (George Massey Crossing, Langley SkyTrain, UBC Subway extension, Burrard Inlet Rapid Transit, healthcare/educational facilities) are also expected to be undertaken through CBA.

Given the number and size of potential CBA-designated Provincial projects, the expectation is that the value of CBA-designated construction projects will ramp up quickly over the next few years, reaching average expenditures of approximately $2 billion (in 2020 dollars) per year by about 2024.

> *Major CBA projects will enable the Province to lead by example, in developing a diverse, qualified and productive construction industry workforce.*

Program size, relative to overall BC non-residential construction

The BC construction industry accounted for approximately $60 billion in total construction values in 2019, of which the non-residential sector represented approximately $33 billion. At maturity, the expected $2 billion in annual
CBA Program expenditures is expected to represent approximately 6% of BC's total annual non-residential construction sector.

Several CBA-designated projects will be high-profile major provincial transportation and healthcare projects. This significant presence will provide the Province with the opportunity to "lead by example" in its delivery of CBA-designated projects.

ESTIMATED SIZE OF THE BC CONSTRUCTION INDUSTRY IN 2019

($ billion except jobs; current 2016 or 2019 dollars as shown)

	DIRECT IMPACTS (WITHIN PROVINCE)			
	OUTPUT	**GDP**	**JOBS**	**GOVT TAX**
Total 2016: Non-Residential Construction				
- Building Construction	$5,379	$2,405	25,067	$409
- Engineering Construction	$12,996	$4,899	50,904	$416
- Repair Construction	$5,332	$3,044	33,733	$139
- Other Construction industry activities	$514	$355	2,261	$43
	$24,220	$10,703	111,965	$1,006
Total 2016: Residential Construction	$19,961	$8,164	92,637	$1,517
Total 2016: All Construction	$44,181	$18,867	204,602	$2,523
Total 2019: All Construction*	$59,510	$25,413	245,000	$3,399
Total 2016: Non-Residential Construction**	$32,624	$14,417	134,072	$1,356

**Based on 245,000 jobs in 2019, 4% annual inflation 2016-19 (per StatCan construction price indices)*
***Assumed proportional to 2016 relationships.*

CBA Program Costs

The tendered bid component of major construction projects typically represents about 65% of total project costs. In 2018 the Province estimated that the impact of CBA on these tendered bid costs would likely be in the range of 4-7% (under review in 2021).

Applying these figures to the expected $2 billion in annual CBA project expenditures at program maturity, the expected increase in tendered contract prices is $52 million – $91 million annually. BCBC's annual administrative costs are projected to reach $15 million at full operation, bringing the gross value of the expenditures associated with CBA projects to $67 million – $105 million.

The Province will also recover a significant portion of these additional expenditures through various types of tax revenues (provincial income taxes on corporate/personal earnings, provincial sales taxes, etc.) on the economic activities they generate. These recoveries will include provincial taxes on direct project expenditures; indirect (supplier) activities; and induced (workforce re-spending) activities.

Based on the tax revenue relationships contained in Statistics Canada's economic input-output model for the BC construction industry, the Province can expect to recover approximately 25% of its incremental direct expenditures through tax revenues on direct, indirect (supplier), and indirect (workforce re-spending) economic activities. Resulting in a net annual financial cost of CBA at maturity in the range of $50 million to $80 million.

CBA PROGRAM – FINANCIAL COSTS TO THE PROVINCE	
Annual Provincial expenditures on CBA-designated projects, at full operation	**$2.0 billion**
- Percentage of project costs represented by tendered contracts	65%
- Increase in tender prices due to CBA	4-7%
Annual increase in tender prices	$52 - $91 million
- Plus: BCIB annual administrative costs	$15 million
Gross incremental annual Provincial expenditures	$67 - $106 million
- Less: Additional Provincial taxes (on direct, indirect, & induced activity)	Less 25%
Net annual financial cost to the Province	**$50 - $80 million**
Number of CBA-project jobs, at maturity ($2 billion annual expenditure)	
- Direct CBA-project jobs only (4.6 jobs per $1m in expenditure)	9,200
- Including indirect and induced employment (plus 60%)	14,700

With regard to employment, the $2 billion in annual expenditures on CBA-designated projects represents approximately 9,200 person-years of project-related direct employment. If the additional employment associated with indirect and induced economic activities are also considered, the total number of jobs associated with CBA-designated projects is estimated at 14,700.

As noted above, these estimates are based on the Province's initial 2018 forecast that the CBA Program would likely result in a 4-7% increase in the costs of tendered construction costs on CBA projects. The Province's 2018 forecast is to be re-examined in 2021, based on the actual tendering experience on initial projects.

CBA Economic and Social Benefits

The CBA Program is aimed at developing a better-trained and more highly-skilled construction workforce, operating in a stable and productive work environment. In initial years these benefits will be realized mainly in CBA-designated projects. However, over time, the total number of BC construction workers with CBA training and experience will grow, as workers on CBA projects subsequently work on non-CBA projects, and as other non-residential construction projects follow the Province's leadership.

Social benefits

In early 2021, the CBA Program's current status in achieving its target social benefits is as follows:

- ***Increasing workforce diversity.*** While the CBA Program is still at an early stage, BCIB reports that, for the first CBA project in 2019, its Priority Hires (e.g. women, Indigenous, apprentices, local residents) accounted for 46% of total craft hours. BCIB also initiated a Workforce Development Strategy, to facilitate pathways for workers looking to qualify for work on CBA projects.

  During 2020, BCIB increased the hours of employment by Priority Hires, in conjunction with increasing the onsite hours worked by onsite trades and technical workers from 15,000 in 2019 to 85,000 in 2020, while also averaging 10.7% participation for women and 16.5% for Indigenous Peoples.

- ***Providing a stable and more achievable apprenticeship pathway to certification.*** BC's apprenticeship completion rates are among the lowest in Canada, and have been in the range of 40-45% in recent years. Industry observers indicate that the current industry structure, with varying employer support for apprenticeship programs, make it difficult for many workers to actively pursue certification without sacrificing employment security. BCIB indicates that it has initiated a Workforce Development Strategy, which includes helping workers upgrade their skills through external training.

- ***Building a respectful and inclusive jobsite environment.*** As the employer of the jobsite workforce on CBA projects, BCIB will have the ability to directly influence the achievement of this target, working with project contractors and AIRCC member unions. BCIB indicates that it has implemented a Respectful Onsite Initiative, including Indigenous Cultural Competency Training for workers on CBA projects, BCIB Board and staff, as well as the development of four related training initiatives for cultural competency, equity training, and education.

- ***Attracting the next generation of construction workers.*** The CBA Program is intended to help the Province attract the next generation of construction workers, by increasing the attractiveness of the industry to a wider range of the British Columbian workforce. Achieving this goal will require a coordinated and sustained effort by the many agencies that are involved in recruiting, advising, training and certifying BC's construction workforce. BCIB advises that it has implemented a stakeholder outreach and engagement program, including working with 23 Indigenous Groups, the BC Industry Training Authority, and 30 other employment support and training organizations.

Economic benefits (workforce competence and productivity)

The Province's investment in CBA is also expected to result in longer-term economic benefits in terms of workforce competence and productivity, as CBA practices (employment, training, and workplace) become more widespread.

While the size of these economic benefits is difficult to forecast with confidence, a financial sensitivity analysis indicates that a productivity improvement for CBA-experienced workers of approximately 3% would generate annual industry cost savings greater than the costs of the CBA Program, within approximately 10 years.

Comparing CBA Costs and Benefits

Assessing the costs and benefits of the CBA Program is a significant challenge because of:

- The early stage of the Program. CBA's first operational year was in 2019, and 2020 was impacted by COVID. The CBA Program is still at a relatively early stage in ramping up its size of operation.
- The lack of a common metric for comparing the financial costs of the program to the wide range of economic, socio-economic and social benefits being targeted by the Program.
- The many industry participants. The Province's level of success in achieving the target CBA benefits will result from the combined efforts of many parties – BCIB, construction contractors, educational institutions, certification programs, AIRCC and its affiliated unions, industry training authorities, and many others.

With these qualifiers, the following table provides a summary comparison of the CBA Program's costs and benefits. While the net annual costs of the program at maturity are projected to be in the range of $50-80 million, the targeted longer-run benefits for the Province, in terms of building BC's next-generation construction workforce, are very significant.

CBA PROGRAM COSTS & BENEFITS	
Projected Program Costs	
CBA Program size at maturity (average annual project expenditures)	$2 billion
Net annual financial costs to the Province	$50-$80 million
Percentage increase in costs	2.5%-3.8%
Targeted Program Benefits	
Greater workforce participation for under-represented & equity groups (women, Indigenous People, young people, local residents)	✔
Higher apprenticeship ratios on CBA projects, educational support (more achievable path to certification, higher completion rates)	✔
Attracting and retaining the next-generation construction workforce (replacing retiring workers, meeting future workforce needs)	✔
Achieving a more diverse workforce and respectful work environment	✔

Monitoring Progress

The impacts of the CBA Program will need to be monitored over time, both at the CBA Program level and at the industry level.

Program-level Measurements

At the CBA Program level, BCIB indicates that, despite the impacts of COVID, the number of CBA-designated projects under way increased from one in 2019 to four in 2020, and the total hours worked by onsite trades and technical workers increased from 15,000 in 2019 to 85,000 in 2020. During 2020, onsite workforce participation averaged 10.7% for women, and 16.5% for Indigenous People – significantly higher than for the industry as a whole. BCIB is also tracking workforce participation on CBA Projects for trainees, apprentices, youth, local residents, and other equity groups.

These quantitative metrics will also need to be complemented by separate assessments of the Program's qualitatively-articulated objectives – such as the achievement of a safe and culturally competent workforce. Progress in these areas will need to be measured through direct surveys and other research, with attitudinal information being developed and reported through independent third parties.

Industry-level Metrics and Targets

The following table presents a summary of potential industry-level workforce metrics and targets.

POTENTIAL BC WORKFORCE TARGETS				
	WOMEN		INDIGENOUS PEOPLES	
WORKFORCE PARTICIPATION	**2019**	**2030 TARGET**	**2019**	**2030 TARGET**
On-site	6.1%	11-12%		
Off-site	40%	45-50%		
Overall	**14%**	**18-20%**	**6%**	**8-10%**
APPRENTICESHIP ENROLMENT				
Construction Electrician	6.7%	15%+	4.9%	8-10%
Carpenters	6.0%	15%+	10.3%	13-15%
Plumbers	3.6%	8%+	5.0%	8-10%
Parts and warehousing	30.1%	40-50%	8.1%	10%+
Painter and decorator	17.9%	30-40%	9.7%	10%+
Heavy equipment operator	15.3%	20-25%	28.8%	30-40%
Increases in other trades		Additional		Additional
Overall	**6%**	**15%+**	**8%**	**12%**

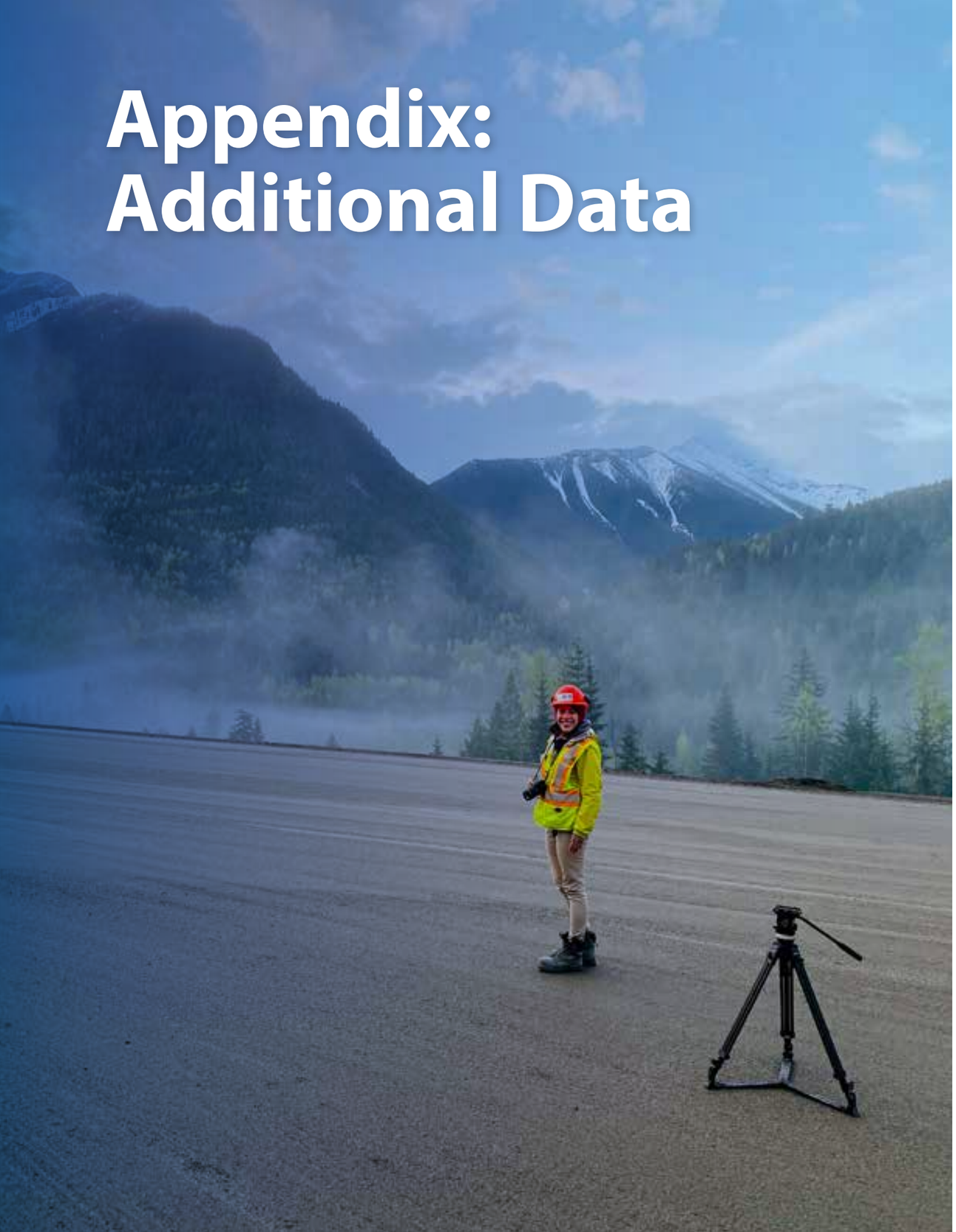
Participation of Women

The upcoming turnover in the BC construction industry through retirements presents a significant opportunity for women to achieve a greater presence in the BC construction industry. A reasonable medium-term (2030) target for the overall workforce participation of women is assessed as being in the range of 18-20%, with much of the growth coming from a doubling of onsite employment. This target would be an intermediate step in moving the industry towards a long-term goal of 25% or greater overall participation by women.

Achievement of an 18-20% workforce participation target for women will require a significant increase in the participation of women in training ad apprenticeship programs, including some of the larger programs such as construction electrician and carpenter.

Participation of Indigenous Peoples

Indigenous Peoples' current representation in the construction workforce is similar to this group's share of the BC population. However, there is room to target for growth in construction industry employment by Indigenous Peoples, especially in the skilled trades. A reasonable medium-term (2030) target for the workforce participation of Indigenous Peoples would be in the range of 8-10% by 2030. As for women, achieving this goal will need to be supported by increasing Indigenous participation in training and apprenticeship programs.



Appendix: Additional Data

This appendix provides additional detailed information with regard to workforce participation and earnings for the under-represented groups in the BC construction workforce – women, Indigenous Peoples and younger workers.

Women

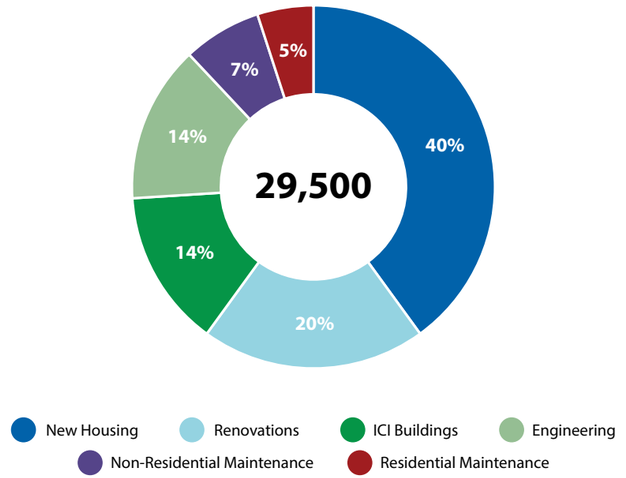
Women Employment, by Sub-sector

By construction industry sub-sector, 40% of women work in new housing.

Other key sub-sectors include renovations (20%), ICI buildings (14%), and engineering (14%).

Approximately 12% of women are employed in residential and non-residential maintenance.

BC CONSTRUCTION 2018 EMPLOYMENT BY SUB-SECTOR



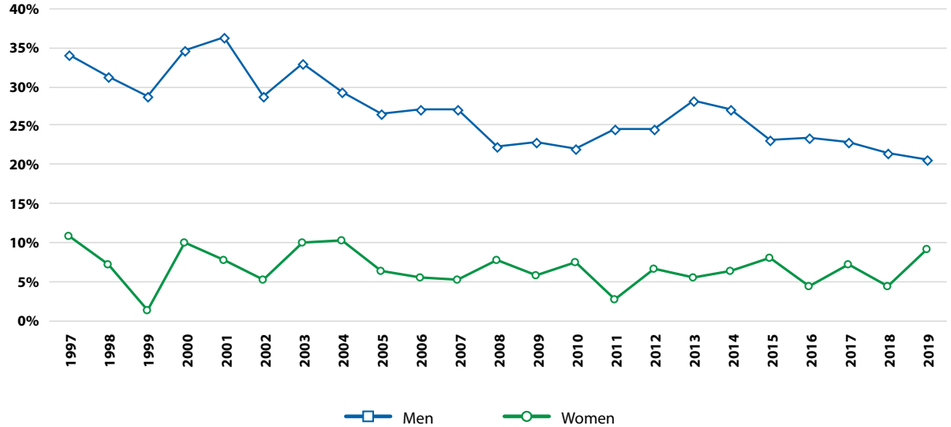
Source: BuildForce Canada, BC Construction Outlook Report, 2019-28.

Union Coverage, by Gender

Union coverage among women in the BC construction industry (10% in 2019) is much lower than for men (20% in 2019).

While the share of coverage among men has decreased over the past two decades, from approximately 35% in 2000 to 20% in 2019, coverage among women has remained relatively stable

BC CONSTRUCTION UNION COVERAGE (EMPLOYEES)



Source: Statistics Canada. Table 14-10-0070-01 Union coverage by industry, annual.

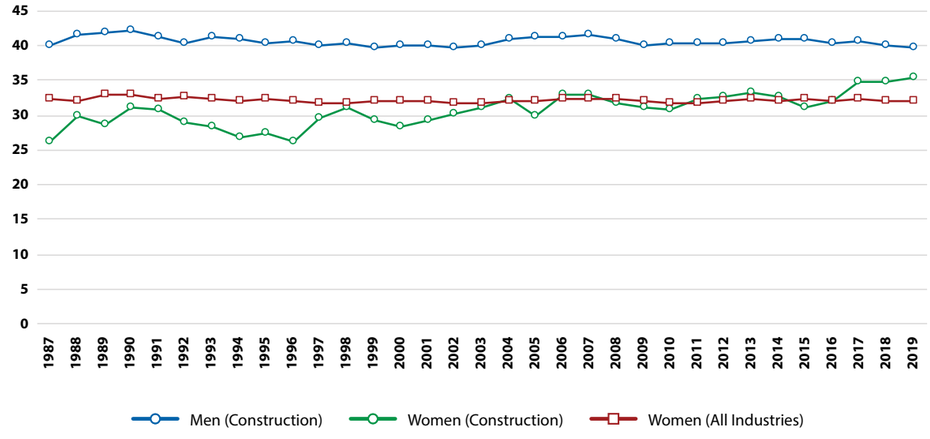
Usual Weekly Hours, by Gender

Usual weekly worked hours (before overtime) in construction are lower for women than for men – although the gap has narrowed slightly over the past three decades.

By 2019, usual hours worked by women in construction reached approximately 35 hours per week, approximately five hours less than for men.

Since 2015, usual worked hours by women in construction have increased with the strong construction environment, becoming higher than the all-industry average for women in 2017 through 2019.

BC CONSTRUCTION USUAL WORKED HOURS PER WEEK (WOMEN AND MEN)



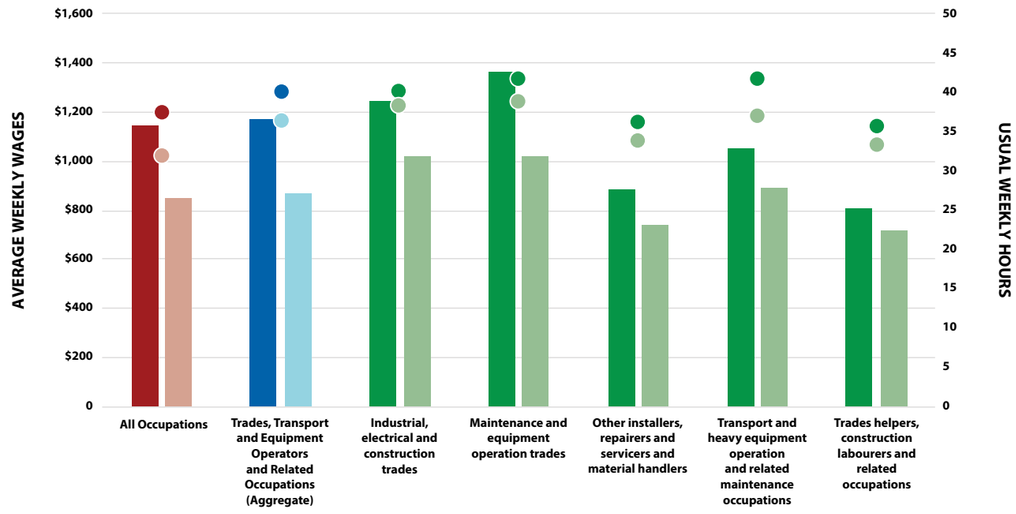
Source: Statistics Canada. Table 14-10-0035-01 Usual hours worked by industry, annual.

Average Hours and Wages, by Occupation and Gender

For all construction-related occupations, women consistently work fewer usual weekly hours than men.

Women in construction generally work longer hours than women in other industries.

BC CONSTRUCTION 2019 EMPLOYEE AVERAGE WEEKLY WAGES & HOURS (CURRENT DOLLARS)



Men (dark shading); Women (light shading)
Bars = Wages; Dots = Hours

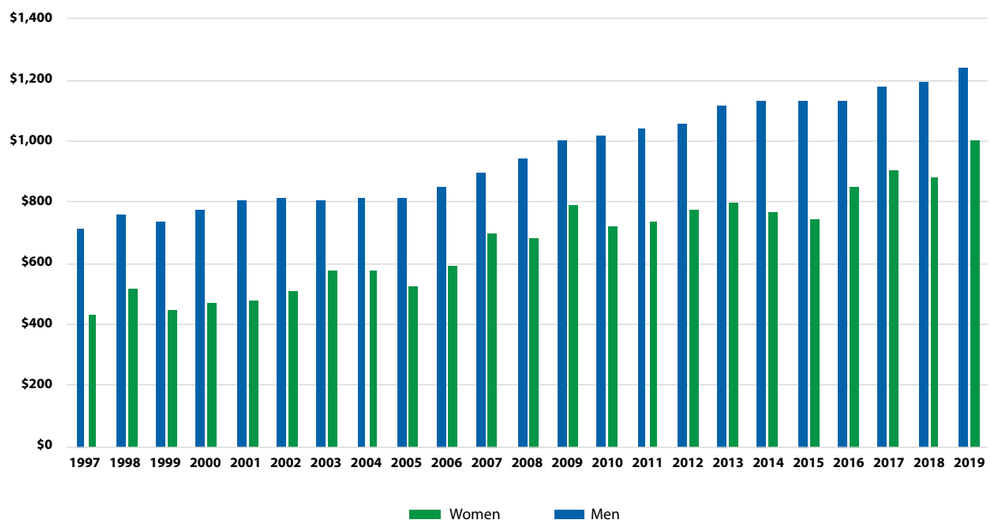
Source: Statistics Canada. Table 14-10-0340-01 Employee wages by occupation, annual.
Statistics Canada. Table 14-10-0299-01 Usual hours worked by occupation, annual.

Construction Wage Trends, by Gender

While women in construction earn considerably less than men, the wage gap has decreased over the past two decades:

- In 1999, average weekly wage rates for women were nearly 40% lower than the rates for men.
- By 2019, this wage gap had been reduced to less than 20%.

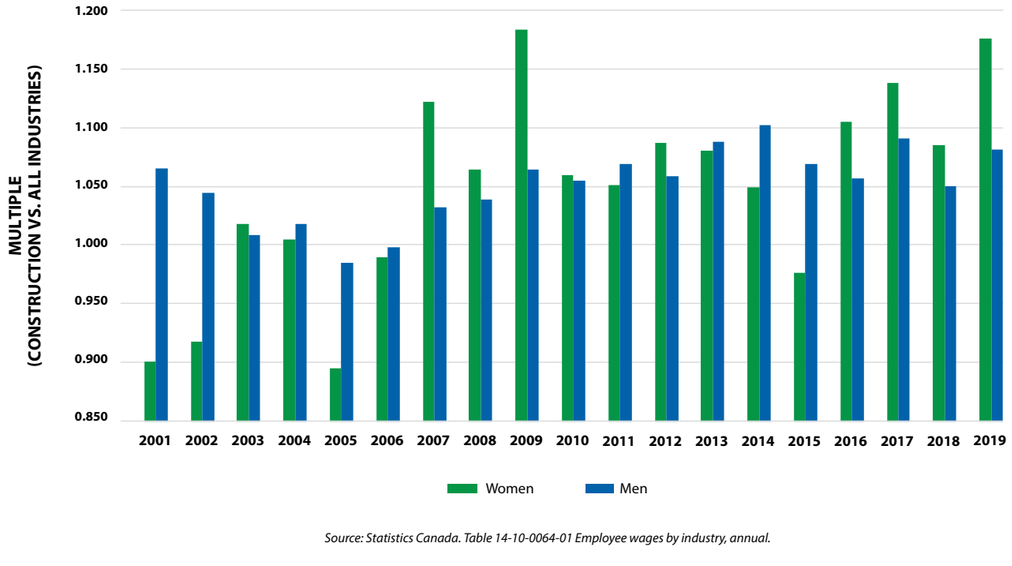
BC CONSTRUCTION AVERAGE WEEKLY WAGES BY GENDER
(USUAL WORK HOURS, CURRENT DOLLARS)



Construction Wage Premium, by Gender

While women in construction earn lower income on average than men, their wage premium over other industries is significant. The differential between construction and other-industry wage levels tends to be higher for women than for men.

BC CONSTRUCTION AVERAGE WEEKLY WAGES IN CURRENT DOLLARS (USUAL WORK HOURS)



Source: Statistics Canada. Table 14-10-0064-01 Employee wages by industry, annual.

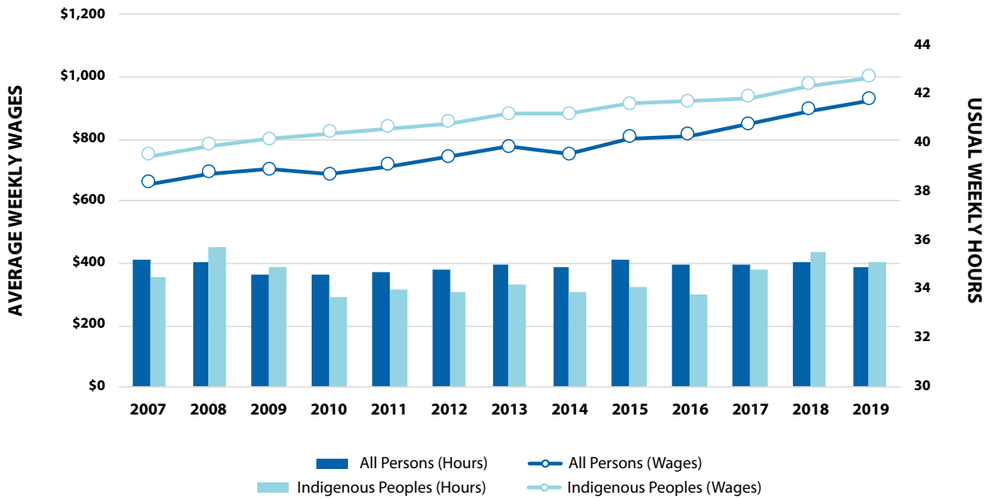
Indigenous Peoples

Usual Hours and Wages – Indigenous Peoples

While construction-specific information is not readily available, usual weekly hours worked by Indigenous Peoples is similar to the general population on an all-industry average basis.

At the same time, Indigenous Peoples have consistently earned less than the general population. In 2019, average wages for Indigenous Peoples across industries was $925 per week, compared to approximately $1,000 for the general population.

BC CONSTRUCTION 2018 EMPLOYMENT BY SUB-SECTOR



Source: Statistics Canada. Table 14-10-0370-01 Average hourly and weekly wages and average usual weekly hours by Aboriginal group.

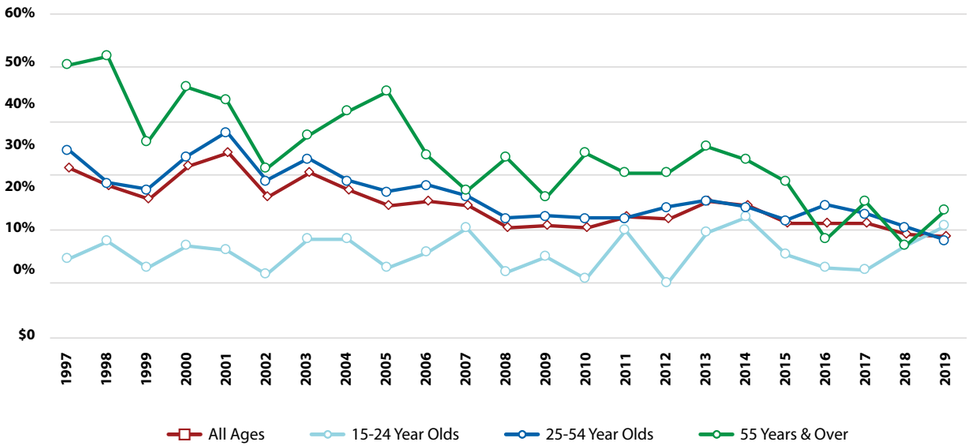
Younger Workers

Younger Workers – Union Coverage

Historically, union coverage among younger workers (aged 15 to 24 years) has been somewhat lower than among workers aged 25 to 54 years old, and significantly lower than workers older than 55.

In recent years, union coverage rates have converged among different age groups.

BC CONSTRUCTION UNION COVERAGE (EMPLOYEES)



Source: Statistics Canada. Table 14-10-0370-01 Union coverage by industry, annual.

Younger Workers – Average Weekly Wages

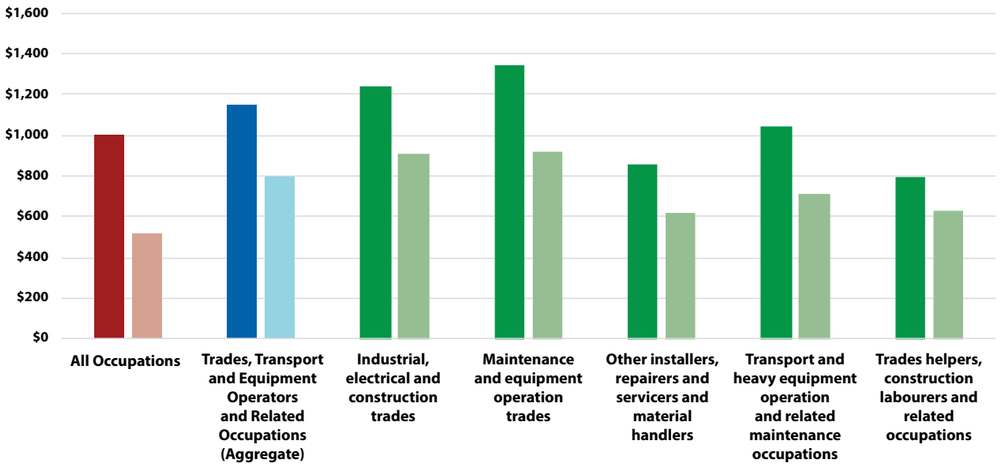
Younger construction workers in BC earn less than other age groups in BC, as in other industry sectors. However, the percentage gap is lower than in other industries.

For example, wages for younger workers in industrial, electrical and construction trades are approximately 30% lower than the all-ages average, compared with 50% for the all-ages average.

The tendency of younger construction workers to have lower wage rates applies to both men and women.

The wage gap between younger and older construction workers has narrowed somewhat over the past two decades, from approximately 40% in 2001 to 30% in 2019.

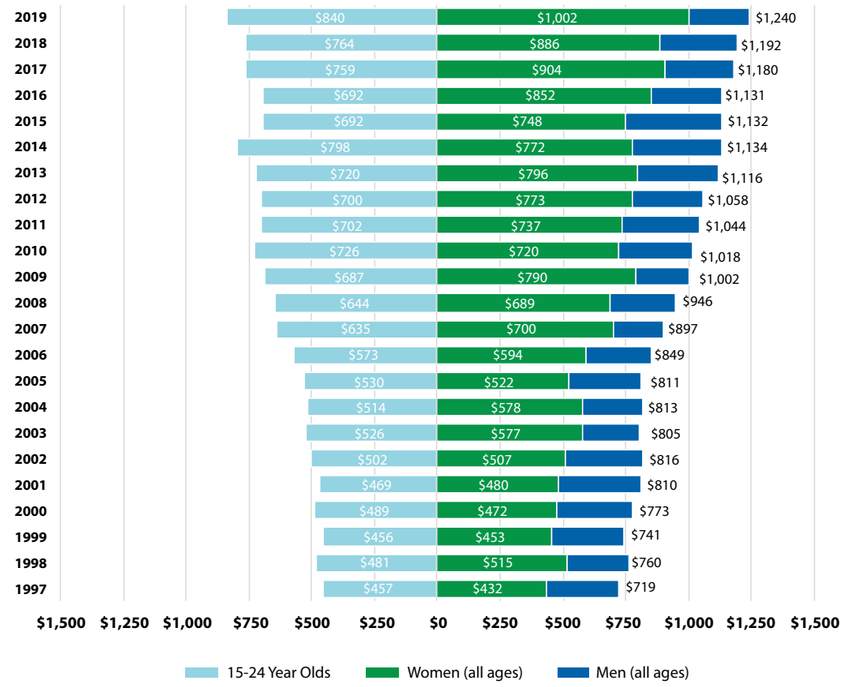
BC CONSTRUCTION EMPLOYEE AVERAGE WEEKLY WAGE RATES (CURRENT DOLLARS)



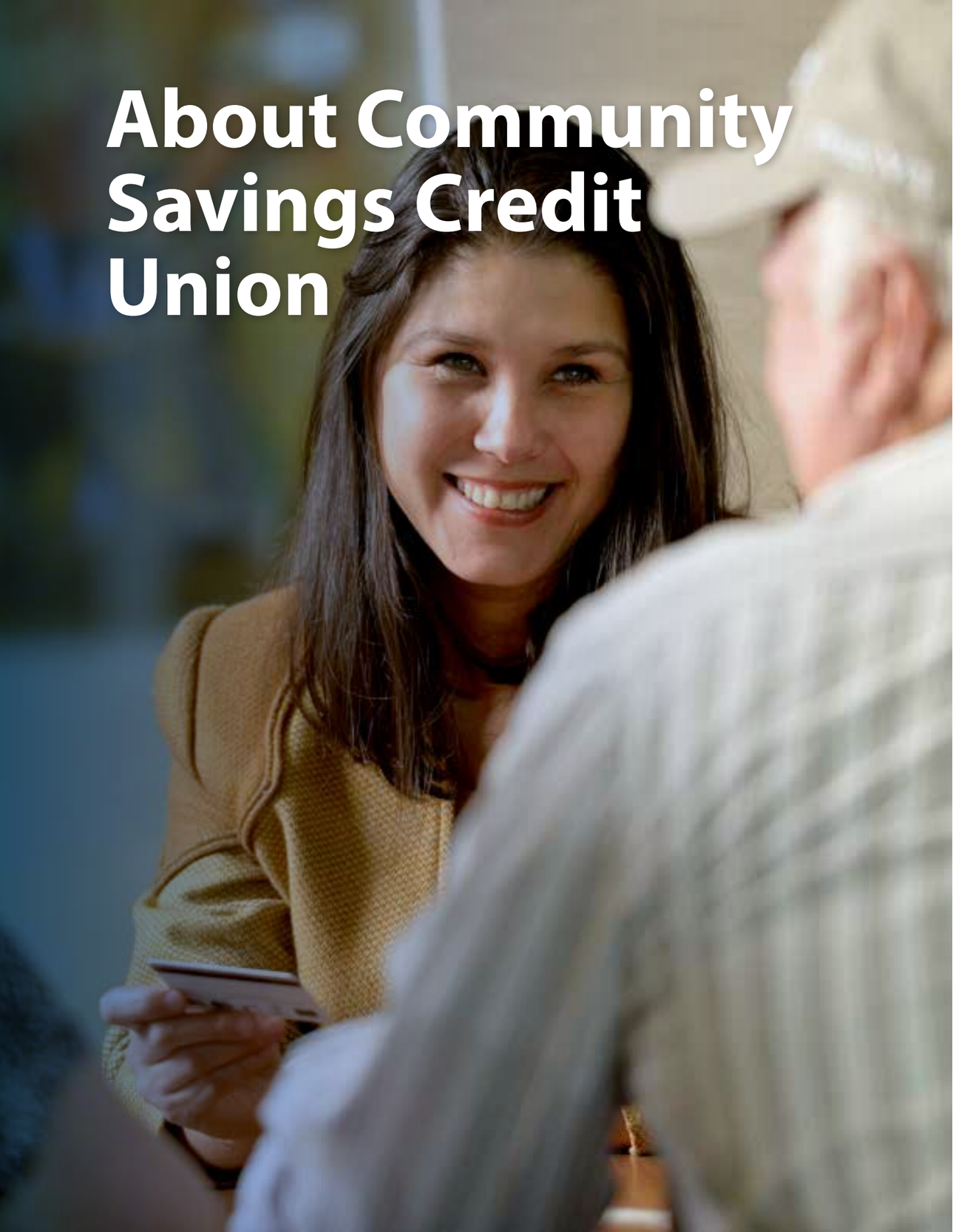
All ages (dark shading); 15-24 Year Olds (light shading)

Source: Statistics Canada. Table 14-10-0340-01 Employee wages by occupation, annual.

BC CONSTRUCTION AVERAGE WEEKLY WAGE RATES FOR 15-24 YEAR OLDS (CURRENT DOLLARS; USUAL HOURS)



Source: Statistics Canada. Table 11-10-0064-01 Employee wages by industry, annual.



About Community Savings Credit Union

Community Savings credit union

Community Savings Credit Union is a purpose-led co-operative financial institution committed to building a better BC for all workers. Our mission is to financially empower our members and communities with best-in-class personal and business banking services, while supporting economic inclusivity.

We exist to unite working people to build a just world. This is our guiding principle above and beyond the products and services we provide daily. We live by our actions as Community Savings has a strong history of advocating for the working community to create a better BC for all.

We also are committed to delivering best-in-class banking services for our members and communities – right now, we are one of the province's leading credit unions with assets of over $630 million.

We focus on providing exceptional service to each member, and our passion lies in empowering our members to achieve their financial goals. We have served our members and invested in British Columbia communities for over 76 years, and have branches in Vancouver, Burnaby, Port Coquitlam, New Westminster, Surrey, and Victoria.

We exist to unite working people to build a just world.

Community *Savings*
credit union

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