

RELOCATION

Getting people moving

What incentives work best for relocations, especially for millennial employees?

By Stephen Cryne

Not unlike employers in many parts of the world today, Canadian firms are finding it increasingly difficult to hire the talent they need to meet business objectives.

Fifty-five per cent of industry executives said finding appropriately skilled workers in local labour markets was a top skills-related challenge, according to a 2017 survey of 353 organizations by IBM. And 41 per cent of employers are having difficulty filling vacancies, according to a 2018 survey of nearly 2,000 employers by Manpower Canada.

With a continued shift to a knowledge-based economy and an aging workforce, that challenge is expected to grow.

The Organisation for Economic Cooperation and Development (OECD) has long advocated that more interprovincial labour mobility within Canada would help address skills shortages.

Making the move

For these reasons, the Canadian Employee Relocation Council (CERC) has been tracking the willingness of Canadian workers to relocate for employment purposes.

Its most recent interprovincial mobility study, by Ipsos, found a majority of working Canadians are willing to relocate to another province or city within their province, with the right conditions and incentives.

In fact, the overall appetite for relocation to another province or city within their current province has increased compared to the previous iteration of the interprovincial mobility survey in 2014.

Survey participants were asked if they would consider moving to a

new employment opportunity far enough away that they would have to relocate for at least two years, with a 10 per cent raise in pay and all their moving expenses paid for by their employer.

One in five (22 per cent) would relocate for a full-time job in another city in their province, an increase of six per cent compared to 2014. When asked about moving outside of their home province, 18 per cent would be willing to move.

Looking at demographic differences, 86 per cent of millennials would at least consider a relocation for a job in another city in their own province. This is 22 per cent above workers in the 35 to 54 age group and more than double those aged 55 and older.

When asked about moving to another province for work, millennials (under the age of 35) show the greatest willingness to relocate for work. Three in four (76 per cent) would at least consider a relocation outside their home province.

Workers in the 35 to 54 age group were less likely to consider a move, at 55 per cent, and just 36 per cent of those 55 and older would consider moving. Across all age groups, males with a university education were the most willing to move.

Offering the right incentives

The proportion of working Canadians that would relocate increases significantly if more incentives and the right conditions are on offer.

Close to three in four agree they could be convinced to take an out-of-province assignment depending on the incentive package from their employer (72 per cent) or the destination province (71 per cent).

In fact, housing supports when relocating are deemed as the most important incentive among those willing to relocate: 51 per cent of working Canadians said it is important for an employer to provide a tax-free housing allowance for up to six months, while 39 per cent said it is important for an employer to provide a non-taxable, interest-free loan of up to \$100,000 for the purchase of a new home in the new location. Canada Revenue Agency has limits on housing allowances and non-taxable interest-free loans.

For millennials, in addition to these incentives, providing further tax credits relating to the costs of the move are also an important incentive. They place a greater value on the provision of tax credits for the full cost of child care and elder care for up to one year from the date of the transfer to the new location.

The top three factors Canadians are most likely to consider when thinking about relocating for full-time work include: a 20 per cent increase in pay (45 per cent in-province, 44 per cent to another province), a guarantee of returning to their current role within two years (43 per cent in-province, 38 per cent to another province), and having their employer provide temporary housing until permanent housing is available (30 per cent in-province, 25 per cent to another province).

Relocation incentives pertaining to housing accommodations have increased in salience the most over the past four years.

In 2014, only 17 per cent of working Canadians chose temporary housing as an important incentive for them to relocate, compared to 30 per cent in 2018.

Preferred locations

In terms of the preferred provinces for relocation within Canada, 38 per cent of workers rank British Columbia first, followed by Ontario (17 per cent) and Alberta (16 per cent). Similarly, 25 per cent rank Vancouver as their preferred city of relocation, followed by Toronto (10 per cent), Ottawa (10 per cent), and Calgary (10 per cent).

Among millennials, slightly fewer selected British Columbia as their first destination at 36 per cent; their second choice was Ontario at 21 per cent; Alberta was a distant third at 12 per cent.

Quebec was selected as the first destination by millennials over all other demographic groups combined (seven per cent for 18 to 34; four per cent for 35 to 54; and one per cent for 55 and over). In ranking cities, millennials' top picks were Vancouver (21 per cent), Toronto (13 per cent) and Ottawa, (12 per cent).

The results differ compared to what was observed in CERC's 2017 survey, which found that Canadians, and global citizens more generally, are less willing to relocate for employment in another country, compared to the survey in 2012.

Put another way, at a time when Canadians are less willing to relocate for employment abroad, there is more willingness to do so in Canada, either to another city in their province or to another province.

Stephen Cryne is president and CEO of the Canadian Employee Relocation Council, based in Toronto. For more information, visit www.cerc.ca.