

## Guidelines:

# Labour Market Demand

These guidelines identify considerations and offer advice for substantiating, documenting and demonstrating labour market demand for new programs and specializations, in the development of comprehensive program proposals to the ministry.

The ministry is committed to a program review and approval process that includes consideration of labour market demand as an important indicator of program viability and sustainability.

Demonstration of labour market demand is an essential element of the program development process, as it informs multiple other aspects of the process.

## Scope

These guidelines pertain to program proposals submitted by institutions to the ministry through the Provider and Program Registry System (PAPRS). These proposals can be for non-credential, certificate, diploma, and degree programs in matters concerning reactivations of suspended programs and specializations.

Labour market demand is a concept that is primarily concerned with the demand and supply for workers in an economy. There is currently no standard definition for labour market demand.

For the purposes of these guidelines, labour market demand is defined as:

- the gap that exists between occupational/workforce demand and supply; or
- the difference in the skills required in an economy and the actual skills possessed by workers.

Indicators of labour market demand include job vacancies; job advertisements or postings; and business surveys or employment intentions.

## Guiding Principles

- Articulating labour market demand is a complex process that should be linked to student demand factors and enrolment planning considerations.
- Analyses of labour market demand is an important aspect of identifying and mitigating risk for new program development.
- Labour market analysis should be scaled to the nature and projected size of the program.
- Examining employment demand for a program is an important element of program development.
- Labour market demand should be linked to specific geographic locales for institutions with regional stewardship mandates.

## Labour Market Demand and Programming Development

Typically, labour market demand is a primary impetus behind the development of a new program.

Institutions should show they have collected quantitative and/or qualitative data relating to labour market demand; have studied and analyzed that data; and can forecast demand with a level of confidence. In some cases, anecdotal evidence can be used in the absence of available data; however, it may not suffice on its own to establish demand.

## Identifying Labour Market Demand

In an early stage of the development of a new program, institutions should consider the nature and scope of the labour market for the proposed program, for example:

- Industry and sector activity relevant to the program proposal,
  - Key occupational needs and requirements,
  - Government priorities and strategic directions for post-secondary education,
  - Current economic conditions, projections, and changes in the economy,
  - Socio-economic drivers and trends that impact labour market demand,
  - Geographic source of demand (local, regional, national, and/or international),
  - Connection between the program of study and the employment market (e.g. work integrated learning),
  - Nature of the demand (i.e., demand within a particular vocation or occupation or for a particular skill across a variety of occupational categories),
  - The anticipated duration of the demand.
- Institutions may also consult with industry, regulatory bodies, and professional associations in the program's field of study.

## Types of Labour Market Demand

Labour market demand considerations can vary by program and field of study.

Certificate and diploma programs, professional bachelor's and professional Master's programs, typically anticipate or respond to specific vocational and / or occupational needs in the labour market. In contrast, undergraduate degree programs without a professional focus typically prepare their graduates for a diversity of career paths by providing them with a strong foundation of transferable skills.

In the case of professional programs, it is recommended that institutions project occupational shortfalls. It is useful to reference longitudinal employment trends to document how skills acquired by program graduates link to industry needs and economic growth.

It is important for institutions to clearly identify which type of labour market demand the proposed program is designed to satisfy (immediate vocational needs or longer-term skills gaps in the labour market).

## Substantiating and Documenting Labour Market Demand

The analysis of labour market demand should be supported by relevant data and placed in the context of the targeted population and occupational/regional labour market(s).

Although anecdotal evidence can be helpful, it is not sufficient on its own to establish labour market demand. See appendix for specific documents and data providers.

Relevant data sources include:

- Systematic surveys of prospective employers;
- Occupational supply and /demand projections from government or industry sources;
- Tabulations of job postings;
- Surveys of recruitment and graduate employment rates of similar programs;
- Demographic projections; and
- Evidence of consultation and support from relevant professional organizations, regulatory bodies, advisory committees, employers, and/ industry.

A strong proposal should provide data sets from a variety of sources. The evidence needed to demonstrate demand varies by proposal.

Generally, the larger the program in terms of enrollment size, the greater the amount of evidence needed since approval of the program involves potentially greater risk to students, the institution, and the system.

The ministry appreciates that it may not always be feasible to gather such evidence for an unproven and/ or untried program of study. In these circumstances, institutions should:

- Make their best effort to demonstrate demand through a thorough analysis of labour market trends and forecasts; and
- Describe risk mitigation strategies to lessen possible negative impacts should demand be less than projected.
- When there are data gaps or lack of information on labour market demand, other factors can be used to supplement the rationale for a new program, such as the community benefits of a program, learner demand, and industry support letters.

## Incorporating Labour Market Demand Analysis into Other Elements of a Proposal

Demonstration of labour market demand for graduates of a proposed program should also inform other aspects of new program proposals. In particular, the research and analysis undertaken to substantiate and demonstrate this demand should be incorporated into:

- **Learner Demand Analysis** - Research and analysis conducted about labour market demand for a proposed program should be incorporated into analyses of potential demand for a proposed program from learners and integrated into enrolment plans. If demand for a potential program from learners is projected to be substantially out of alignment with the labour market demand, explain the reasons for this misalignment.
- **Enrolment Planning** - Research the drivers of demand for a program, and an enrolment plan that reflect this demand. This will allow more accurate forecasting of program costs and mitigate against financial risks.
- **Budgetary Planning** – Budgetary plans for the proposed program should align with the forecasted demand for a program.

## Labour Market Demand for Reactivated Programs

Programs that have been suspended for a substantial period may be required to demonstrate continued labour market demand for program graduates as part of the rationale for reactivating the program.

## Further Information and Assistance

For additional information contact:

Director, Program Design and System Innovation

Alberta Advanced Education

780-643-9472

### Related Guidelines:

- Learner Demand
- Enrolment Planning
- Societal and Community Benefits of Programs
- Program Reactivations

### Other related documents:

- Advanced Education  
Adult Learning System Principles

To obtain a copy of other guideline documents, or to ensure that you have the most recent copy of this guideline, please send a request via email to [ae.psp-paprs@gov.ab.ca](mailto:ae.psp-paprs@gov.ab.ca).

## Appendix:

### Sources of Labour Market Information

An analysis and illustration of labour market demand requires the availability of data, which can be acquired from sources including, but not limited to:

- The National Occupational Classification (NOC)
- Statistics Canada
- Business and Industry Canada
- Alberta Learning Information Service (ALIS)
- Alberta Labour Market Forecasts
- Canadian Occupational Projection System (COPS)
- Regional Occupational Demand Outlook
- Occupation Demand and Supply Outlook
- Short-Term Employment Forecasts
- Supply Outlook Models
- Information on Skills Shortages
- Wage and Salary Information
- Labour mobility information for regulated occupations
- Workforce Partnership programs and activities
- Provincial Sector Councils
- Regulatory bodies
- Industry advisory bodies
- Conference board of Canada (CBE)
- Open Government - drivers and trends