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Fewer Workers, Slower Growth: BC's Labour Force Contraction and the Immigration Reset

How Federal Immigration Policy Changes Are Reshaping British Columbia's Workforce, Economy, and Regional Labour Markets

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EXECUTIVE SUMMARY

For the first time since the pandemic lockdowns, Canada's population shrank in late 2025. The drop — about 0.2 percent in Q3 2025 — was deliberate. The federal government cut temporary resident inflows sharply: international student permits, work permits, and general immigration stream volumes all fell. But here's what the headline misses: permanent residents kept arriving. The story isn't depopulation. It's a sharp pivot in who is coming — and what that means for employers, regions, and communities who built their labour strategies around a different assumption.

British Columbia felt this shift acutely. WorkBC's 2025 Labour Market Outlook projects 70,000 fewer job openings over the 2025-2035 period compared to the prior year — a revision driven almost entirely by slower population growth assumptions. But 70,000 over a decade is 7,000 per year, or roughly 0.2 percent of BC's three-million-person labour force annually. The framing matters. The real story is not the headline number; it's the structural shift underneath it: more replacement demand, fewer growth jobs, and a mismatch between the skills workers have and the skills employers need.

This report separates the hype from the data. It distinguishes between permanent and temporary population dynamics, engages honestly with the unemployment paradox — why unemployment is still elevated in a supposedly tight labour market — and assesses what this inflection point means for the Fraser Valley, for First Nations economic development offices, and for the employers and governments planning workforce strategy in BC today.

The bottom line: this isn't a crisis. Unemployment hasn't spiked. The economy is still growing. But it is an inflection point — one that will shape BC's economy for the next decade. The question isn't whether we're in trouble. It's whether we use this moment to get ahead of the demographic forces that have been building for years.

KEY FINDINGS AT A GLANCE

Canada Population Change (Q3 2025) **-0.2%**	Only the second quarterly population decline outside pandemic lockdowns in modern Canadian history — driven entirely by temporary resident outflows, not a decline in permanent immigration (Statistics Canada, 2026).
Temporary Resident Reduction **-472,690**	From peak 3,149,131 (Oct 2024) to 2,676,441 (Jan 2026). Study and work permit holders account for the majority of the decline. Permanent immigration continued at 83,168 arrivals in Q4 2025 alone (Statistics Canada, 2026).
BC Job Openings Revision **-70,000**	Fewer projected openings over 2025–2035 vs. 2024 forecast — approximately 7,000/year, or 0.2% of BC's 3M-person labour force annually. The more significant story is the structural shift: 65% of openings now from retiring workers, not growth (WorkBC, 2025).
BC Population Growth Revised **0.9%/year**	Down from 1.6% in the prior forecast — driven by federal immigration policy changes. BC estimated to have lost 60,000–70,000 temporary residents based on its 13–15% share of national temporary resident population (WorkBC, 2025; author's estimate).
Construction Labour Shortage **72%**	BC contractors reporting a shortage of skilled tradespeople — forcing project refusals, cost increases, and business contraction. Over 20% of BC construction workers are already over 55 (ICBA, 2025; BC Construction Association, 2024).
Fraser Valley Underperformance **+0.8 pp (Abbotsford)**	Year-over-year unemployment rate increase in Abbotsford, vs. +0.3 pp for BC overall. Chilliwack: +0.4 pp. The Fraser Valley is underperforming the provincial average — consistent with its above-average exposure to sectors most affected by temporary worker reduction (Statistics Canada via Fraser Valley Today, 2026).

1. INTRODUCTION: A DEMOGRAPHIC PIVOT WITH ECONOMIC CONSEQUENCES

For the better part of a decade, Canada ran an expansionist immigration policy. The logic was straightforward: an ageing workforce, low fertility rates, and pandemic-era labour shortages demanded it. Permanent resident targets climbed to 500,000 by 2025. Temporary residents — international students, work permit holders — surged to 3.15 million by October 2024, representing 7.3 percent of the national population (Statistics Canada, 2026).

That era is over.

The 2026–2028 Immigration Levels Plan, released in November 2025, cut permanent resident targets to 380,000 for 2026 — a 10 percent reduction — and capped temporary residents at 5 percent of the population, implying substantial further outflows in 2026 and 2027. International student permits were cut from 520,000 in 2024 to 360,000 in 2026 (IRCC, 2026). The policy shift was deliberate: the federal government identified housing affordability pressure, infrastructure strain, and the capacity limits of public services as reasons to slow the inflow.

The consequences for Canada's labour force are significant — but they are not the same as "depopulation." That framing, which dominated headlines in late 2025, conflates two very different phenomena: the decline in temporary residents, which is real and sharp, and the trend in permanent immigration, which remains positive. These dynamics affect employers and regional economies in different ways, and any useful analysis must treat them separately.

For BC's employers, regional governments, and economic development practitioners, the question is not whether labour supply is tightening — it clearly is, in specific sectors and specific skill categories. The question is what kind of tightening it is, what the structural forces beneath it look like over the long run, and what can be done about it. This report addresses that question with the regional specificity and analytical honesty that the moment requires.

2. THE MECHANICS OF THE IMMIGRATION RESET

2.1 From Expansion to Contraction: A Policy Timeline

The scale of the reversal is best understood against the backdrop of what preceded it. Between 2021 and 2024, Canada's labour force grew at nearly four times its pre-pandemic rate, driven by a combination of high permanent resident targets, surging international student enrolments, and expanded work permit programmes (TD Economics, 2025). This cushioned the impact of baby boom retirements and kept unemployment at multi-decade lows.

But the capacity to absorb this pace of growth was exhausted. Housing affordability deteriorated to historic lows in BC's major urban centres. Post-secondary institutions became dependent on international student revenue in ways that distorted their educational mandates. By mid-2025, job vacancy rates had normalised, employment growth had moderated, and the unemployment rate was trending upward. The federal response was a calibrated pivot, not a panic.

Date	Policy Change	Status

Nov 2024	Federal Immigration Levels Plan cuts PR targets from 500,000 to 395,000 for 2025, introduces temporary resident caps at 5% of population	Implemented
Jan 2025	International student permit caps take effect: 360,000 for 2025, down from 520,000 in 2024	Implemented
Mid-2025	General stream Express Entry draws slow significantly; category-based draws rise to 60% of invitations	Implemented
Nov 2025	2026-2028 Immigration Levels Plan released: 380,000 PR target for 2026 (further 10% cut); student cap 360,000 for 2026	Announced → taking effect 2026
Q1 2026	BC PNP allocates 45% of 2026 nomination quota in first quarter, indicating strong provincial demand	Underway
2026-2027	Temporary resident population projected to decline further toward 5% of total population target	Projected

Sources: IRCC (2025); IRCCGUIDE (2026); WorkBC (2025); Statistics Canada (2026).

What this timeline makes clear is that the transition is not a single event — it is a multi-year policy unwinding with different measures taking effect at different points. Some of the projected impacts are already in the data; others are still working through the system. Practitioners planning workforce strategy in 2026 need to account for the full timeline, not just the most recent data point.

2.2 Permanent vs. Temporary: The Critical Distinction

The Q3 2025 population decline — a drop of approximately 0.2 percent nationally — was driven entirely by temporary resident outflows. Permanent immigration continued: 83,168 new permanent residents arrived in Q4 2025 alone, broadly in line with IRCC's annual target (Statistics Canada, 2026). Canada is not depopulating. It is pivoting away from temporary workers toward a more targeted permanent immigration model.

This distinction has direct labour market implications. Temporary residents — particularly international students and general work permit holders — filled specific niches in BC's economy: hospitality, food service, retail, agriculture, warehousing, and entry-level processing. Their departure creates gaps in exactly these sectors. Permanent residents, by contrast, are more likely to pursue credentials recognition, career pathways, and professional employment. The two populations are not interchangeable, and policy responses designed for one may be ineffective for the other.

Indicator	Value	Period	Source

Canada population	41,472,081	January 1, 2026	Statistics Canada (2026)
Quarterly population change (Q3 2025)	-103,504 (-0.2%)	Q3 2025	Statistics Canada (2026)
Temporary residents at peak	3,149,131	October 1, 2024	Statistics Canada (2026)
Temporary residents (Jan 2026)	2,676,441	January 1, 2026	Statistics Canada (2026)
Net temporary resident decline	-472,690	Oct 2024 – Jan 2026	Statistics Canada (2026)
Permanent immigrants landed (Q4 2025)	83,168	Q4 2025	Statistics Canada (2026)
Canada PR target 2026	380,000	Full year	IRCC Levels Plan (2025)
BC estimated temporary resident reduction	~60,000–70,000	Oct 2024 – Jan 2026	Author's estimate based on BC's 13–15% historical share

Note: BC-specific temporary resident breakdown for Q4 2025 is not yet available. The BC estimate is derived from BC's historical 13–15% share of the national temporary resident population. This estimate should be treated as indicative, not definitive, pending provincial data release.

2.3 What This Means for the Labour Force

TD Economics modelled the counterfactual: if immigration had continued at 2023–2024 rates through 2025, Canada's unemployment rate could have breached 8 percent — suggesting the policy reset coincided with, and partially offset, a genuine demand-side softening (TD Economics, 2025). In that narrow sense, the timing was not irrational. The labour market was cooling, and adding hundreds of thousands of additional workers to a softening economy would have pushed unemployment higher still.

However, the sectoral distribution of the reduction is misaligned with where shortages are most acute. The immigration categories being curtailed — general stream workers, international students — were filling service sector, agriculture, and entry-level roles. They are not the same as the skills-shortage categories that employers consistently identify as most urgent: healthcare professionals, skilled tradespeople, engineers, and specialised agricultural technicians. The shift to category-based draws is the right directional response, but the volumes are insufficient to close existing gaps in these critical sectors.

3. BRITISH COLUMBIA'S LABOUR MARKET: THE PARADOX AT THE CENTRE

3.1 The WorkBC Outlook Revision: Keeping the Numbers in Perspective

WorkBC's 2025 Labour Market Outlook — released in November 2025 — provides the most comprehensive provincial assessment. The headline finding: BC is projected to have approximately 1,052,000 job openings between 2025 and 2035, a reduction of 70,000 compared to the 2024

Outlook. The downward revision is attributed primarily to the revised immigration assumptions (WorkBC, 2025).

Before we overreact to that number: 70,000 over ten years is 7,000 per year — roughly 0.2 percent of BC's three-million-person labour force annually. That is a meaningful downward revision, not a collapse. The more consequential story is what is happening to the composition of demand.

Outlook Metric	2024 Forecast	2025 Revised Forecast	Change
Total job openings (2025–2035)	~1,122,000	1,052,000	-70,000
Population growth (annual avg.)	1.6%	0.9%	-0.7 pp
Replacement demand share	~60%	65%	+5 pp
New job creation share	~40%	35%	-5 pp
Youth labour force entrants	~524,000	~510,000	-14,000

Sources: WorkBC 2025 Labour Market Outlook; HRD Canada (2025). pp = percentage points.

The structural shift is what matters. Replacement demand — filling positions vacated by retiring workers — now accounts for 65 percent of projected openings, up from 60 percent. New job creation from economic growth is a shrinking share. Replacement demand is harder and more expensive to fill: you are replacing experienced workers with less experienced ones, training costs are higher, and the institutional knowledge gap is real. This is the labour market problem that deserves sustained attention, not the aggregate headline number.

3.2 The Unemployment Paradox: Why the Numbers Don't Add Up

Here is the weird part. BC's seasonally adjusted unemployment rate sat in the 6.0–6.5 percent range through 2025, reaching 6.4 percent in November 2025 (Statistics Canada, 2025). That is elevated compared to post-pandemic lows. And yet employers across construction, healthcare, and agriculture are screaming for workers. How can unemployment be above 6 percent in a labour market that is supposedly tight?

The answer lies at the intersection of supply reduction and structural mismatch. The immigration reduction has slowed the growth of the labour supply — which has prevented unemployment from rising as sharply as demand-side weakness alone would suggest. But the workers who are unemployed are disproportionately concentrated in sectors and skill categories that don't match where employer demand is strongest. A hospitality worker who lost a job when a restaurant closed is not the same as a ticketed electrician that a construction firm desperately needs.

The Central Tension

> The labour market is softening and tightening at the same time. Aggregate unemployment above 6% tells you there are workers available. Sector-specific shortage rates of 72% in construction tell you those workers don't have the right skills. The policy implication is direct: demand stimulus won't solve this. Skills investment and targeted immigration are the only levers that actually work.

This mismatch dynamic has a specific regional dimension. Workers displaced from forestry and some manufacturing roles by U.S. tariff pressure are not automatically available to fill construction trades or healthcare support roles. The skills required are different, the physical demands are different, and the retraining timelines are measured in years, not months. A serious workforce strategy has to grapple with this transition timeline rather than assuming market signals will automatically resolve it.

3.3 Sectoral Shortages: Where the Gaps Are Real

The curtailment of general-stream temporary workers has exacerbated specific sector gaps without providing relief in the sectors where shortages have been most chronic.

- **Construction & Skilled Trades:** 72 percent of BC contractors report a shortage of skilled tradespeople — forcing project refusals, rising costs, and in some cases business contraction (ICBA, 2025). Over 20 percent of BC's construction workers are already over 55, meaning the retirement wave is still building. The provincial government's $241 million trades training investment, administered through SkilledTradesBC, is a meaningful and necessary response — but it is playing catch-up to a deficit that has been accumulating for a decade.
- **Healthcare:** Long-standing shortages in nursing, allied health, and medical specialties are compounded by an ageing patient population that increases demand precisely as the healthcare workforce ages toward retirement. WorkBC's 2025 Outlook confirms strong projected growth in healthcare occupations through 2035 — demand that cannot be met through domestic training alone at current enrollment rates.
- **Agriculture:** The Fraser Valley's intensive farming operations depend heavily on the Seasonal Agricultural Worker Program (SAWP) and agricultural stream work permits. The temporary resident cap and associated reduction in work permit issuances directly constrain harvest and processing capacity — at a moment when the sector is simultaneously absorbing U.S. tariff pressure on its export markets.
- **Technology & Professional Services:** BC's technology sector attracted C$2.4 billion in venture capital in 2024. Its dependence on international talent pipelines — particularly the BC Tech stream of the Provincial Nominee Program — makes it sensitive to federal immigration constraints, though the shift to category-based draws provides some buffer relative to general stream reductions.

4. THE FRASER VALLEY DIMENSION: WHAT THE NUMBERS DON'T SHOW

For a report that claims regional relevance, the following section needs to do more than mention Abbotsford and UFV in passing. It needs to answer the question a Fraser Valley employer or regional planner would actually ask: what does this mean for my community, my harvest season, my construction timeline?

The honest answer is that the Fraser Valley-specific data is incomplete. Province-level immigration data is available; community-level temporary resident breakdowns for Q4 2025 are not yet public. What follows draws on available data, reasonable estimates, and the structural characteristics of the regional economy to build the most useful picture available.

4.1 Temporary Residents: Estimating the Regional Impact

BC has historically accounted for approximately 13–15 percent of Canada's temporary resident population. Applying that share to the national reduction of 472,690 temporary residents between October 2024 and January 2026 implies a BC-level reduction of roughly 60,000–70,000 temporary residents over the 15-month period. The Fraser Valley — which hosts a significant proportion of BC's international student population through UFV, Kwantlen Polytechnic University, and smaller institutions — would account for a meaningful share of that reduction.

UFV's international student enrolment data at the time of writing is not publicly available for 2025–2026. However, the national study permit cap (from 520,000 in 2024 to 360,000 in 2026 — a 31 percent reduction) provides a reasonable proxy for the scale of impact. For an institution with several thousand international students, a 31 percent reduction translates into a reduction of hundreds of students annually — and an associated reduction in the part-time and seasonal labour supply that those students provided to the regional service sector, food processing industry, and warehousing operations.

4.2 Agricultural Labour: The Seasonal Worker Constraint

The Fraser Valley's agricultural sector — a C$2.5 billion-plus annual economic contributor — is acutely sensitive to temporary worker policy. The Seasonal Agricultural Worker Program and agricultural stream work permits have historically provided the harvest and processing labour that the region's berries, greenhouse vegetables, poultry, and dairy operations depend on. These programmes are specifically affected by the temporary resident cap and the general tightening of work permit eligibility.

The BC Agriculture Council has identified temporary worker access as a top concern for the 2026 growing season (BC Agriculture Council, 2026). For Fraser Valley farmers already navigating U.S. tariff pressure on their export markets, a labour supply constraint at harvest is a compounding problem with immediate financial consequences. It is not an abstraction.

4.3 The Labour Market Numbers and a Benchmark

The January 2026 Statistics Canada data shows Abbotsford adding approximately 1,700 jobs month-over-month and unemployment dipping from 6.8 percent to 6.3 percent. Chilliwack gained 200 jobs and cut unemployment by 0.3 points to 7.2 percent. Monthly volatility makes these figures hard to interpret in isolation.

The year-over-year comparison is more telling — and more concerning. Abbotsford's unemployment rate is up 0.8 percentage points year-over-year. Chilliwack's is up 0.4 percentage points. By comparison, BC's provincial unemployment rate increased by approximately 0.3 percentage points over the same period (Statistics Canada, 2025; Statistics Canada via Fraser Valley Today, 2026). The Fraser Valley is underperforming the provincial average — a finding consistent with its above-average concentration in sectors most affected by both temporary worker reduction and U.S. tariff pressure.

4.4 The Countervailing Dynamic: Housing Affordability as a Workforce Magnet

Not everything points in the same direction. The Fraser Valley's relative housing affordability compared to Metro Vancouver is a genuine competitive advantage in attracting domestic workers priced out of the lower mainland. Abbotsford, Chilliwack, and Mission have seen sustained in-migration from Vancouver and Burnaby over recent years. For skilled workers who need affordable housing to stay in the region — or to relocate from elsewhere in Canada — the Fraser Valley's cost structure is a pull factor that partially offsets the reduction in international worker inflows.

This domestic migration dynamic does not solve the agricultural seasonal labour shortage or the construction trades gap — the workers arriving from Metro Vancouver are not typically berry pickers or apprentice electricians. But it does support population growth, household formation, and the services economy in ways that keep the broader regional labour market more resilient than the immigration numbers alone would suggest.

5. THE INDIGENOUS WORKFORCE: A REAL OPPORTUNITY WITH REAL BARRIERS

Here is something that does not get enough attention in BC's labour market discourse. With fewer temporary workers coming in, there is a genuine opening to finally make meaningful progress on the Indigenous employment gap — one of the most persistent structural failures in BC's labour market over the past three decades.

But let's be honest about what that means. We have been talking about this gap for a long time. The opportunity is real. The barriers are equally real. And any analysis that presents Indigenous workforce development as a near-term supply solution to the immigration reduction is glossing over a complexity that has defeated well-intentioned programmes for decades.

5.1 The Progress — and the Persistent Gap

Statistics Canada's 2025 Indigenous Peoples Economic Account reported that between 2012 and 2022, Indigenous Gross Domestic Income (GDI) increased by 74.7 percent — outpacing the total population increase of 54 percent over the same period (Statistics Canada, 2025). Public administration and construction accounted for the largest share of this growth. These are real gains, and they reflect both the growing political and economic agency of Indigenous communities and the impact of targeted programming.

But the structural gaps remain stubbornly wide. On-reserve First Nations continue to face the lowest employment rates of any demographic group in Canada. The labour force participation gap between First Nations on reserve and non-Indigenous Canadians actually increased by 22.8 percent since the 2006 census — meaning the gap is widening, not closing, even as overall Indigenous economic participation grows (National Indigenous Economic Development Board, 2024). The progress in aggregate GDI masks persistent inequality at the community level.

What the Employment Gap Actually Reflects

> The stubborn employment gap is not primarily explained by a lack of willingness to work. It reflects structural barriers that have resisted decades of intervention: geographic isolation from urban job markets, inadequate transportation to job sites, housing unavailability in urban centres where professional employment is concentrated, under-resourced on-reserve education systems, culturally unsafe work environments, and the deep economic legacy of policies — residential schools, land dispossession, Indian Act restrictions on economic activity — that disconnected Indigenous workers from mainstream labour markets across generations. Closing this gap requires addressing these root causes, not just connecting workers to job postings.

5.2 The Programmes That Are Actually Working

In BC, specific programmes are building genuine capacity. The Indigenous Labour Market Fund (LMF) administered by the New Relationship Trust supports BC First Nations, Métis Nation Government of BC, and Indigenous-owned organisations in identifying employment gaps, developing culturally grounded labour market plans, and building the employer relationships that create sustainable pathways — not just placements (New Relationship Trust, 2024). The emphasis on culturally informed programming is critical: generic job training that does not account for the cultural context of Indigenous workers has a poor track record.

SkilledTradesBC's 2026–2028 Service Plan explicitly commits to increasing meaningful and accessible opportunities for Indigenous Peoples in the skilled trades, with targeted investment in apprenticeship pathways designed with First Nations community input (SkilledTradesBC, 2026). The provincial government's $241 million trades training investment, administered through SkilledTradesBC, is the largest single trades-training commitment in BC's recent history — and Indigenous access to this pipeline is a stated priority.

5.3 The Strategic Opportunity for First Nations Economic Development Offices

For First Nations economic development offices — a key readership of this report — the current labour market moment presents a dual opportunity that is worth naming clearly. The first is external: with acute skills shortages in construction, trades, and resource sector operations across BC, there is genuine employer demand for qualified workers that did not exist to the same degree five years ago. Indigenous workers who access certified trades pathways are entering a market where they have real leverage.

The second opportunity is internal: the same demographic and economic forces that are tightening BC's labour market make the case for Nation-owned enterprises more compelling. If external employers are competing aggressively for skilled workers, Nations that can offer competitive wages, cultural safety, and community connection have a recruitment advantage in attracting their own members and other Indigenous workers back to community enterprises. Labour market tightening is not only an external challenge to manage — it is also an argument for building internal economic capacity that does not depend on external employers.

Indigenous Labour Market Indicator	Finding	Source
Indigenous GDI growth (2012–2022)	+74.7%	Statistics Canada (2025)
Total population GDI growth (same period)	+54%	Statistics Canada (2025)
On-reserve First Nations employment gap widening since 2006	+22.8%	NIEDB (2024)
Fraser Valley Indigenous population	40,405	Mission CSC (2022)
Provincial trades training investment (SkilledTradesBC)	$241M (provincial funding)	SkilledTradesBC (2026)
NRT Indigenous Labour Market Fund	Open to BC First Nations & Métis	New Relationship Trust (2024)

Sources: Statistics Canada (2025); NIEDB (2024); Mission Community Skills Centre (2022); SkilledTradesBC (2026); New Relationship Trust (2024).

6. THE AGEING WORKFORCE: THE FORCE THAT WON'T NORMALISE

Immigration policy is a short-run lever. The deeper, longer-run force reshaping BC's labour force is demographic: the retirement of the baby boom generation. WorkBC's 2025 Outlook projects that 65 percent of BC's 1,052,000 job openings over the next decade will arise from replacing retiring workers, not from economic growth. This replacement-driven demand is structural, persistent, and accelerating — and it is the feature of BC's labour market that matters most over a 10-year horizon.

The construction sector illustrates the urgency. Over 20 percent of BC's construction workers are currently over 55 (BC Construction Association, 2024). With the trades already facing a 72 percent employer shortage rate, the impending retirement of this cohort will compound an already acute supply deficit. Similar dynamics apply in healthcare, where the retirement of senior nurses and physicians is proceeding faster than domestic training programmes and targeted immigration draws can replace them.

Natural population increase is not a meaningful short-term offset. Canada's fertility rate sits well below the replacement level of 2.1 children per woman, and deaths now outnumber births on a national basis. When immigration is curtailed, the retirement wave asserts itself with full force, and the labour force consequences compound over time.

The implication for long-run economic planning is direct. The labour supply constraints of 2025–2026 are not a temporary disruption pending immigration normalisation. They are the early expression of a structural demographic shift that will characterise BC's economy through the 2030s and into the 2040s. Employer strategies, government workforce programmes, educational institutions, and regional economic development plans need to be designed for this reality — not for a return to the demographic conditions of 2021–2024 that will not recur.

7. POLICY AND STRATEGIC RECOMMENDATIONS

These recommendations are organised by audience, reflecting the multi-stakeholder readership of this report. They are prioritised by near-term feasibility and strategic leverage — not by ambition.

7.1 For Provincial and Regional Governments

- **Advocate for a BC-specific immigration allocation:** BC's labour market needs are demonstrably different from the national average. A province that has already allocated 45 percent of its 2026 PNP quota in Q1 is not a province that needs national immigration targets imposed uniformly. BC should lead the push for province-specific immigration allocation mechanisms that reflect its acute sectoral shortages in skilled trades, healthcare, and agriculture.
- **Maximise PNP capacity and composition:** BC's Provincial Nominee Program tech, trades, and healthcare streams have demonstrated strong demand and should be prioritised for quota expansion within whatever national headroom is available. Where federal allocation is fixed, the priority should be maximising the skills specificity of who is admitted.
- **Leverage housing affordability as a workforce magnet:** Regional districts and municipalities should build workforce attraction strategies that explicitly leverage the Fraser Valley's housing cost advantage over Metro Vancouver. The workers who are being priced out of Vancouver and Burnaby are often exactly the working-age population with transferable skills that regional employers need.
- **Accelerate trades training delivery through UFV:** The $241 million trades training investment administered through SkilledTradesBC is the right instrument. The gap is in delivery speed and regional access. UFV is the natural delivery mechanism for the Fraser Valley. Accelerating the pipeline from training commitment to credentialed workers should be a named priority.

7.2 For First Nations Economic Development Offices

- **Update community Labour Market Plans:** Commission or update community Labour Market Plans through the New Relationship Trust's Indigenous Labour Market Fund. These plans are the analytical foundation for targeted workforce investment and the credentialing required to access federal ISET programming. Without a current community-level assessment, the broader labour market opportunity remains inaccessible.
- **Build a trades apprenticeship pipeline:** The skills shortages in construction and trades are the most immediately exploitable opportunity. SkilledTradesBC's Indigenous apprenticeship pathway offers a credentialed route that is both in demand across BC and directly relevant to Nation-owned enterprise operations in construction, infrastructure management, and resource sector work.
- **Develop the dual workforce strategy:** Think about the labour market from both sides. Nations that develop their own trained workforce are simultaneously positioned as workforce suppliers to regional employers and as employers of their own members in Nation-owned enterprises. The strategic value of this dual positioning compounds over time.

7.3 For Employers

- **Prioritise retention over recruitment:** In the current environment, retention is more cost-effective than recruitment. The cost of losing a trained, experienced worker — recruiting, onboarding, and training a replacement — is substantially higher than the investment required to retain them. Wage competitiveness, scheduling flexibility, skills development pathways, and genuine workplace culture investment are the instruments.

- **Use the available training infrastructure:** Direct engagement with UFV, SkilledTradesBC, and WorkBC's employer engagement services to access apprenticeship funding, training subsidies, and employer-linked training programmes. The private cost of workforce development is substantially reducible through these instruments — but only for employers who engage actively.
- **Agricultural employers: know your pathways:** Agricultural employers should review SAWP and agricultural stream work permit eligibility carefully. These programmes operate under different rules than general temporary resident streams and may be less affected by the headline caps. Expert immigration advice specific to agricultural labour is a worthwhile investment for the 2026 growing season.

8. CONCLUSION: THE WINDOW IS OPEN

Let's be clear: this isn't a crisis. Unemployment hasn't spiked. The economy is still growing. But it is an inflection point — one that will shape BC's economy for the next decade. The question isn't whether we're in trouble. It's whether we use this moment to get ahead of the demographic forces that have been building for years.

The central insight of this report is the distinction between the headline population numbers and the structural dynamics beneath them. The population decline is real but driven entirely by temporary resident outflows — permanent immigration continues. The labour market is tightening in specific skills categories while remaining slack in aggregate — the problem is mismatch, not just shortage. The Fraser Valley is underperforming the provincial average on unemployment, but it has compensating advantages in housing affordability that support domestic workforce attraction. The Indigenous workforce represents a genuine and large strategic opportunity — but one that requires sustained, culturally grounded investment to realise, not a quick pivot in response to a policy change.

The structural forces — the retirement wave, below-replacement fertility, the stubbornly wide Indigenous employment gap, and the skills mismatch between available workers and available jobs — were not created by the 2025 immigration reset and will not be resolved by its reversal. They require deliberate, sustained investment in domestic workforce development, targeted use of the immigration pathways that remain available, and strategic engagement with the communities and demographic groups that represent BC's most significant underutilised labour market assets.

For the Fraser Valley specifically: build on housing affordability to attract domestic workers. Deepen investment in skills training through UFV and the trades pipeline. Engage seriously with the region's large Indigenous population as a workforce development priority — not as a talking point but as a funded, sustained commitment. And press federal and provincial governments, consistently and with data, to align immigration and workforce policy with demonstrated regional sectoral needs.

The window is open. The question is whether we walk through it.

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About Streetwise Economics

Streetwise Economics produces applied economic research, policy analysis, and strategic advisory services for regional governments, First Nations economic development offices, community organizations, and private sector clients in British Columbia and beyond. Our work is data-driven, independently produced, and designed to support evidence-based decision-making at the community and regional level.

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