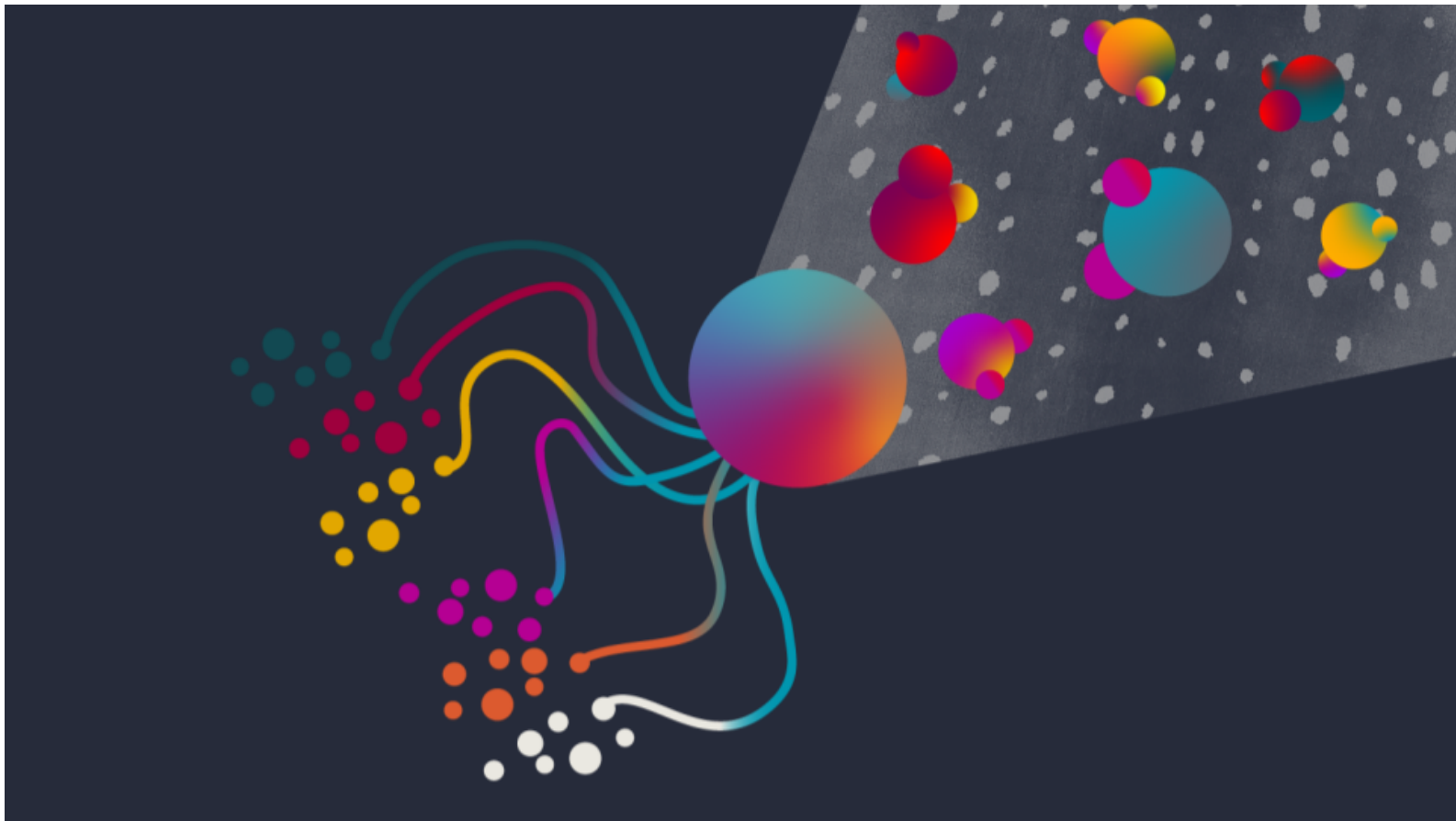


Career Development in 2040

Executive Summary



10 Major Changes Impacting the Futures of Work and Workers in Canada

OCTOBER 2023



CERIC

Advancing
Career
Development
in Canada

Promouvoir
le développement
de carrière
au Canada



1. WORK ANYWHERE

The COVID-19 pandemic accelerated the transition to remote work, with [43% of core-age employees \(age 25 to 54\) shifting to working from home](#) as a result of lockdowns. Early in the pandemic, approximately 60% of [individuals with college or university degrees tended to work from home](#), making them the largest cohort of WFH workers, according to Statistics Canada. By December 2021, the percentage of employees with college or university degrees working from home had [fallen to about 40%](#).

Given how many organizations were able to pivot to remote work during COVID-19, it is unlikely to disappear. Remote work may even evolve over time and impact other aspects of the labour market, such as the geographic location of work, cost savings, talent recruitment, and many more aspects. According to a Deloitte global study, 27% of organizations say they [allow employees to work fully remote](#) without ever going to the office. This is a key part of the talent strategy, with employers hoping to attract talent from an expanded pool and many workers now considering it a right to be able to work remotely. Another benefit of remote work is the cost saved on things like commuting, clothing, and eating out. According to [FlexJobs](#), employees can save up to \$12,000 per year by working remotely on a full-time basis. In Canada, the province of [British Columbia has implemented a remote work policy](#) that allows public service employees to work from home whenever possible and to reside anywhere in the province. By 2030, according to McKinsey, [25% of workforces in advanced economies](#) could work from home 3-5 days a week. These examples paint a picture of how if remote work continues, it may impact many aspects of work over the next 15 to 20 years.

While a number of the CDPs and users interviewed in this project feel that remote work provides many opportunities - to work from anywhere, for any company - not everyone agrees with this perspective. Sam Altman, the CEO of OpenAI, says “[the remote work experiment was a mistake](#)” and that it is causing a decline in productivity with many executives pointing to remote work as the cause of this decline. There is concern that remote work brings with it some drawbacks such as reduced innovation and creativity, difficulty with creating connections with colleagues, and challenges with mentorship, particularly for early career workers. A [recent study](#) published in Nature concluded that videoconferencing hampers idea generation, finding that it focuses communicators on a screen, which prompts a narrower cognitive focus. [Additional challenges](#) with remote work include longer working hours, and missed in-person connections. One of the users interviewed as part of this project is also concerned about how difficult it is to make connections with colleagues in a virtual environment.

On the other hand, [new Oxford University research](#) found that the rise of remote collaboration has sparked the pursuit of new ideas in scientific discovery. If academics have access to better digital infrastructure, remote collaboration with new teams could improve research productivity.

What could this mean for career development in 2040?

- Career development services may not be tied to specific geographies. For example, a CDP in Alberta could provide services to individuals from anywhere in Canada, even though this would require CDPs to be highly skilled to understand the range of employers and local labour markets;
- There may be a dramatic shift from in-person to digital and asynchronous career development programs, like the 12 week self-paced online program [Ready to Rise](#) that was offered to eligible women in BC and Alberta; and,
- With a shift to a global workforce and talent recruitment, career development services could also be broadened to take a global focus. One example of this could be offering career services to support immigrants before they arrive in Canada.



2. AI & AUTOMATION

Tech companies are investing billions in artificial intelligence (AI) development, with [Google leading the pack with US\\$30.7 B invested in AI](#). AI, along with smart machines, robotics, blockchain, 3D printing, and automation are predicted to significantly impact careers and the workforce in the future.

Many of the individuals who were interviewed as part of this project were very worried about robots taking over their jobs in the future. However, according to the McKinsey Global Institute, more than [90% of jobs will not be fully automatable](#) in the future. [Routine physical and cognitive tasks will be the most vulnerable](#) to full automation, such as those in office administration, production, transportation, and food preparation. Overall, investments in AI and automation will [move the workforce from low-skilled to high-skilled](#). Businesses are already changing their practices to adopt AI, with IBM announcing that it will begin to [slow or suspend hiring for jobs that could be done by AI](#), expecting to replace 30% of its back office roles.

The explosion of generative AI and other tools (e.g. image recognition, computer vision, robotics, predictive analytics) is likely to create a productivity boom. According to a [survey of employees and managers](#), there are many benefits imagined by 2030, such as producing high-

quality work in half the time, being able to understand the most valuable ways to spend their time and energy, and never having to mentally absorb unnecessary or irrelevant information again. The [Brookings Institution](#) estimates that large language models, such as Google's Bard, ChatGPT, and others could affect 80% of the US workforce in some form. For example, software engineers might be able to code twice as fast, writing tasks could be completed twice as fast, and economists could be 10-20% more productive using large language models.

AI is being directly applied in the career development landscape: From AI-based career coaching services that use [AI to provide personalized career guidance and support](#), to [companies using AI to find, recruit, interview and select candidates](#), as well as a number of tools that are automating cover letter and resume generation. [HR staff see the benefits of AI](#) to help job seekers with advice and to find the perfect position. This was reiterated by the individuals who were interviewed as part of this project. They are using AI to answer specific questions that would have been quite difficult to answer in the past, and to apply to 20 jobs in one day.

The job seekers or possible users of career services who were interviewed as part of this project were quite optimistic about the future because of emerging technologies and the AI revolution. From their perspective, there will be more job opportunities because of technology. They also see technology as an incredible resource where many people have access to the same information rather than having to find someone with specific expertise. These individuals imagine that every organization will need to change and adapt in order to co-exist with AI.

However, a Deloitte study shows that businesses are implementing this emerging technology even though nearly [90% lack an ethical framework and principles](#) to guide its use. Career developers interviewed as part of this project were also concerned about the responsible use of AI as well as about misinformation and deep fakes (the creation of fake images or videos using AI) that will become increasingly problematic in the future. Organizations are trying to put in place guidelines to support the responsible use of AI, including the [Government of Canada](#), [Partnership on AI](#) and many others. This will likely continue, to balance the benefits and potential drawbacks of AI to support various sectors, including career development.

What could this mean for career development in 2040?

- Career development may be completely transformed by 2040 to a system that is self-serve and asynchronous, where individuals interact with AI models to get advice and answers, to conduct psychological assessments, and to support their career journey;
- Career developers may spend much more time on research about new jobs and occupations being created rather than searching existing job postings, because this portion of the position may be automated;

- With such an emphasis on AI and automation over the coming years, mental health, emotional concerns, and well-being may become an increasingly important part of career development; and,
- Career developers may need continuous training on emerging technologies and AI in order to support their clients.



3. LIVING WITH CLIMATE CHANGE

The [most recent report](#) released by the Intergovernmental Panel on Climate Change (IPCC) highlights that the planet has already warmed by 1.1°C above pre-industrial levels causing fiercer wildfires, heat waves, droughts, and storms. Many residents across Canada are actively experiencing these impacts with the [2023 record breaking wildfire season](#) resulting in “smoke days” and poor air quality. According to the CBC, as of August 2023, [over 167,000 Canadians have been displaced from their homes](#), and there have been more than 5,500 fires so far in 2023, significantly above the 10-year average of 2,751. In addition to fires and air quality, the [Western Wheat Growers Association](#) says that the extremely dry conditions in southern Alberta are resulting in crop losses with a worry that there will be minimal production in 2023. It is predicted that agricultural [water scarcity will increase in 80% of the world’s croplands](#) by 2050, threatening food security. There are other impacts of climate change, such as [three new types of tick-borne illnesses](#) in Ontario because of rising winter temperatures.

According to the [IPCC report](#), “there is a rapidly closing window of opportunity to secure a liveable and sustainable future for all” and “the choices and actions implemented in this decade will have impacts now and for thousands of years”. As such, many governments and global leaders are considering how best to address this challenge. In May 2023, the [G7 Summit](#) focused on how to tackle the climate crisis and identified key actions needed including to accelerate the phase-out of fossil fuels, accelerate the deployment of renewable energies, and to end plastic pollution.

Beyond governmental actions and collaborations, new industries and innovations are emerging, including carbon capture and storage. According to [Wood Mackenzie](#), capturing and storing CO2 addresses 20% of the emissions reduction needed to achieve global net zero by 2050. The [Dubai Future Foundation](#) estimates that carbon could be a US\$15 trillion dollar industry of the future and new innovations are emerging such as a [DAC or “direct air capture”](#) commercial-scale plant in Texas. In Ontario, the provincial government is [proposing new rules for underground carbon capture](#) as a way to trap and store greenhouse gas emissions.

Other shifts may occur to respond and adapt to the climate crisis. [France has banned short-haul flights](#) to cut carbon emissions, London UK has an [Ultra Low Emission Zone](#) in order to improve

air quality, [businesses are reducing travel](#), and organizations may [promote remote work](#) as a way to reduce their carbon footprint after seeing global carbon emissions plummet during the COVID-19 lockdowns. Organizations may even start to consider the [climate benefits of a four-day work week](#) after seeing the results of a UK trial, where they observed a reduction in carbon emissions with a 21% reduction in the number of miles travelled by car.

What could this mean for career development in 2040?

- Increasing climate migration and climate refugees may mean that career developers need to direct their energy to supporting these newcomers and identifying career opportunities in different parts of the country;
- Career developers may need to stay informed about climate-related innovations and new industries emerging so they can advise their clients about new opportunities;
- Job seekers may be experiencing climate anxiety and trauma as part of their career development experience and this aspect will need to be acknowledged as part of their career development journey; and,
- The “green skills revolution” may need more emphasis as part of the overall career development approach in order to support clients whose jobs are being transformed to achieve a net zero economy in Canada.



4. GEOPOLITICAL CONFLICTS

In 2022, war and natural disasters left [71 million people internally displaced worldwide](#), according to the Norwegian Refugee Council's Internal Displacement Monitoring Centre. Of this, 11.6 million people have been displaced due to the war in Ukraine. The war in Ukraine has furthermore led to heightened global tensions and supply chain concerns. [Research](#) published in 2022 rated the probability of Russia cutting off gas to Europe to be “high” and the probability of a food insecurity crisis was also high due to this war.

Meanwhile, many countries are facing internal civil unrest and protests. For example, in Russia, there have been [anti-war protests](#), resulting in more than 1,300 arrests. In France, there have been violent protests in response to the increased [retirement age](#) and the [police shooting of an Algerian teenager](#). In [Kenya, South Africa, Nigeria, and Tunisia](#) there have been protests over access to energy, cost of living concerns, and political discontent. In Canada, the [Freedom Convoy occupied Ottawa](#) for weeks to protest COVID-19-related restrictions, and more recently, [Pride](#) celebrations.

According to the IMF, [rising concerns about global economic and financial fragmentation](#) have grown in recent years as a result of geopolitical tensions, strained ties between the United States and China, and Russia's invasion of Ukraine. This challenge is exasperated by the emergence of new technologies that support the [dissemination of fake news through social media, deep fakes](#), and [cyber threats](#).

What could this mean for career development in 2040?

- Canada may see an increase in refugees requiring trauma-informed employment supports and services;
- There may be increased need for intercultural communication skills and support for refugees and immigrants seeking employment opportunities;
- Workers may experience a higher degree of daily stress due to uncertainty and volatility associated with global conflicts requiring enhanced mental health support from CDPs;
- There may be an increased desire for job security among workers, and lower turnover as workers crave stability, reducing demand for career-oriented support in mid- and late-career workers; or
- Workers may require career support from CDPs as they struggle to adapt to the [innovation economy](#), as recent research finds that [an increase in geopolitical risk stifles technological innovation output](#).



5. RECONCILING THE IMPACTS OF COLONIALISM

In 2020, the [murder of George Floyd](#) by police led to a flood of #BlackLivesMatter protests and riots across the world. This incident led to a [global social justice awakening](#) and recognition of the deep prevalence of anti-Black racism in society. Following this, critical conversations about white supremacy and colonialism have grown substantially in workplaces and beyond.

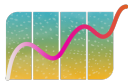
A year later in Canada, the [discovery of hundreds](#) of Indigenous children's remains in mass graves at sites of former Residential Schools led to outrage and national mourning. Following this, the Canadian government established a new national holiday, the [Day for Truth and Reconciliation](#), while many organizations and businesses developed commitments to Indigenous reconciliation.

While the graves came as a surprise to some, their presence was known by many Indigenous communities who [identified their existence during the Truth and Reconciliation Commission](#) (TRC). The [TRC ran from 2008 to 2015](#), hearing from survivors of Canada's residential school system. Survivors shared their experiences, noting decades of abuse, mistreatment, and murder of Indigenous children, and the deep pain and generational trauma created as a result. In 2015,

the TRC concluded with the release of [94 Calls to Action](#) to pave the way for reconciliation between Canadian settlers and Indigenous Peoples. As of 2022, only [13 of the 94 Calls](#) have been completed, suggesting there is still a lot of work to be done.

What could this mean for career development in 2040?

- CDPs may be called on to play a more active role in supporting the decolonization of workplaces, to support employers and to better support workers who are Indigenous, Black, and People of Colour;
- Career development services may continue to evolve to address changes to colonial practices and better support the needs of individuals who are Indigenous and Black; or,
- To shift away from the deeply entrenched colonial hiring practices we see today, CDPs may start to pay less attention to educational credentials and years of experience and greater attention to interest areas and value systems.



6. ECONOMIC PRECARIETY

In the wake of the COVID-19 pandemic, cost of living and affordability is increasingly a challenge for many Canadians. [Inflation rose by 3.4%](#) in May 2023, the smallest increase since June 2021 largely due to lower gasoline prices. Many residents are feeling the impacts of rising costs. A [growing number of older women are living in poverty](#), more [Canadians are carrying their mortgage into old age](#), and some people have started accepting barter in the form of payment, such as this [Ontario barber who accepts food for a haircut](#).

Many residents are concerned about Canada's economy. A [recent survey](#) found that 56% of respondents consider the country's economic conditions as "bad" or "very bad". This is in the context of the economy adding [60,000 new jobs and unemployment rising to 5.4%](#) in June 2023. One of the job seekers interviewed as part of this project was worried about being dependent on one particular job. They imagined that in 2040 it will be necessary to have more than one job because one source of income won't be enough.

Cost of living and affordability challenges are not impacting all residents in the same way. At the same time as some residents are being financially stretched, [global luxury sales of leather accessories, apparel, footwear, jewelry, and watches were expected to grow by 22% in 2022](#) to reach \$367 B. The [wealth gap in Canada is widening](#), and at the fastest pace on record. The wealthiest households (top 20%) accounted for more than two-thirds (67.9%) of net worth at the end of 2022, while the least wealthy households (bottom 40%) accounted for 2.6%. At the same time, the [greatest intergenerational wealth transfer in history](#) is expected with the

handover impacting housing, education, health care, and more. Younger and core-working age groups are being impacted by economic challenges the most with the [debt-to-income ratios having increased well above what existed before the COVID-19 pandemic](#).

Employers and employees are responding in various ways to current economic conditions. In the wake of economic uncertainty, many organizations are doing “[quiet hiring](#)” to address business needs with existing employees or short-term contractors. At the same time, there is an emerging TikTok trend of “[rage applying](#)” where people send their resumes to numerous open positions with higher salaries and better perks to feel agency over their current work conditions.

What could this mean for career development in 2040?

- The gap that currently exists in the career development landscape, where individuals who are currently employed need to pay out-of-pocket for career development services, may be magnified by an even greater number of individuals who need support to navigate economic precarity and meaning in their career journey but don’t have the resources to access support;
- As such, governments may reconfigure or introduce new policy tools that better support the economic conditions of workers, such as expanding publicly funded career development services to provide services for employed individuals, or implementing universal basic income; and
- Rising unemployment rates may mean younger and mid-career workers may fight to stay in positions longer than has become common, seeking job security in the face of economic challenges, magnifying the mismatch between skills and work options for workers struggling to look for a job (any job).



7. GLOBALIZATION UNDER PRESSURE

[According to the IMF](#), global economic growth slowed in 2022 due to uncertainty related to COVID-19, the war in Ukraine (and related gas and food price increases), stubbornly high inflation, and geopolitical fragmentation. In early 2023, the [World Bank made significant cuts to their 2023 growth outlook](#), reporting that the world was “perilously close” to a recession. Economies across the world face increasingly complex economic challenges, due to their interconnectedness. This has happened over decades due to [globalization](#), which advocates for businesses and organizations to develop international influence and operations, in the name of economic growth.

As China becomes a dominant economic power globally, the impact of COVID-19 and related shutdowns on their economy has been felt globally. It has resulted in widespread supply chain issues, and for some to declare “[the end of globalization](#).” Beyond COVID-19 related implications, the U.S. and China’s ongoing trade conflicts have resulted in the [decoupling of their economic dependence](#). As the [two largest economies globally](#), the impact of this fragmented relationship is much broader.

More recently, Russia’s war in Ukraine has created new global supply-chain issues, [especially related to oil](#), and [resulted in economic sanctions](#) that may have ripple effects for other countries. This impact has been especially [felt by African countries](#), many of which are facing food security challenges due to access to fertilizer, and rising cost of living due to energy prices.

In the face of mounting economic uncertainty, some countries have adopted protectionist policies in an effort to create stability from global economic dynamics. The United Kingdom leaving the European Union (for a variety of reasons, one related to [economic protection](#)) is one example of this. However, to date the impact of Brexit on the UK’s economy has not necessarily [been beneficial](#). Nevertheless, the EU itself has cooled on its pro-free trade mantra of late, following the lead of the United States.

As labour markets have become increasingly globalized, intensified by the emergence and proliferation of remote work, these ongoing global economic disruptions may create new and unexpected challenges by 2040.

What could this mean for career development in 2040?

- Workplaces and employment opportunities may become more localized should global companies take this approach to limiting the impacts of global supply chain disruptions.

As such, CDPs may need to be more focused on connecting clients to employment opportunities within the community.

- Workers may be regularly impacted by global economic disruptions, creating new levels of stress, anxiety, and confusion that require enhanced counseling and support from CDPs; and,
- Fewer workers leaving jobs in pursuit of something new, or fewer people starting new businesses in the face of global economic uncertainty, resulting in less demand for career-oriented services of mid-career and late-career workers.



8. EDUCATION, DISRUPTED

According to the Council of Ministers of Education Canada, there are 223 public and private universities, and 213 public colleges and institutes across Canada, and millions of students who attend these institutions every year. But what if in 2040, individuals no longer seek post-secondary education? Employer requirements and hiring practices are changing to focus on skills over credentials, with companies like [Google offering six-week career certificates](#) that they accept instead of a four-year degree. As well, there is a [perceived rising cost of post-secondary degree programs](#) where the [average student loan debt](#) is \$28,000 for a Bachelor's degree and \$15,300 for a college diploma. In addition, some private colleges are being accused of [misleading advertising practices and high pressure sales tactics](#) in order to boost enrollment. And finally, global online platforms like [Coursera offer access to free and affordable learning](#).

The complete transformation of the post-secondary sector came up in many of the interviews that were held as part of this project. CDPs felt that by 2040 the entire post secondary structure will be “entirely different or gone”. They also see a big gap between what the labour market needs in terms of skills and training, and schools that are enrolling students in programs where jobs are likely to disappear over time. One of the CDPs interviewed said that “schools, universities, and colleges need to keep up,” so that people are getting trained in the right areas. The job seekers interviewed could also see how much might change within the education sector. One job seeker saw it as an incredible opportunity. If people don't require university or college credentials, then they don't have to go into debt to establish a career. As well, increasing options for online learning is a good thing because housing affordability is another challenge for students.

However, a university education delivers an [elevated and sustained long-term return on earnings](#) and provides an [opportunity for young people to learn important life skills](#) like networking, meeting people, and building relationships.

What could this mean for career development in 2040?

- With the potential transformation of the post-secondary sector, post-secondary student career services may disappear and be replaced by lifelong career development support through other venues and mechanisms outside of the traditional educational model;
- Career development transitions to lifelong career development support rather than being focused on specific career stages;
- Focused career development support may transition to happen much earlier in life, starting in kindergarten in partnership with parents, and throughout elementary and secondary school; and,
- CDPs may need to stay informed about a much broader range of training opportunities, both formal and informal, if learning becomes distributed well beyond traditional institutions.



9. DECLINING MENTAL HEALTH & WELL-BEING

According to the Centre for Addiction and Mental Health, one in two [Canadians have faced a mental health challenge](#) by the time they are 40. Mental health is the leading cause of disability in the country, preventing nearly [500,000 employed Canadians](#) from attending work each week. It is estimated that the economic burden of mental illness in Canada is [\\$51 billion per year](#) including health care costs, lost productivity, and reductions in health-related quality of life. In fact, one in three [Canadian workers have needed to take time off](#) for mental health issues in the last five years due to mental health challenges.

While mental health challenges are impacting many, research shows that some communities are disproportionately impacted. For example, recent research finds that [teen girls and LGBTQ+ students](#) feel it most: Nearly 60% of female students and nearly 70% of LGBTQ+ students feel persistently sad or hopeless. Other research conducted finds that [First Nations youth report higher levels of mental health challenges](#) compared to non-Indigenous youth

COVID-19 has played a significant role in increasing stress, anxiety and depression among Canadians. For young people, there has been a [significant increase in mental health challenges](#), with 40% needing to access mental health support, while 41% report unmet needs. In general, [mental health challenges are highest](#) among 18-34 year olds, as well as women.

Climate change is also causing high levels of stress, with [45% of youth reporting that climate anxiety has negatively affected their daily life](#) and functioning. For others, [economic stress is](#)

[the primary concern](#). Recent studies have also shown that for many, numerous small stresses or [micro stresses](#) are adding up everyday in ways that our brains do not immediately notice, creating accumulating high levels of stress.

In response to growing mental health challenges, [AI and wearable tech products](#) are now being used to monitor mental health. Additionally, [professionals such as barbers](#) in the U.S. are being trained to provide mental health counselling to their clients. Meanwhile, [South Korea has been providing \\$500 to reclusive youth](#), in an attempt to get them out into the world and incentivize the development of new social connections.

What could this mean for career development in 2040?

- As mental health becomes a challenge for the majority of workers, CDPs will need to be trained in providing basic mental health supports, and work closely with mental health practitioners for referrals when necessary;
- Work-life balance may become a more central component of employment supports provided by CDPs;
- Mental health data may be used to assess employment viability, meaning CDPs may have a role in understanding and translating this data;
- Some workers may be unable to work full time due to mental health challenges, meaning CDPs have a role facilitating job sharing opportunities; or
- It may become more common for mid-career and late-career workers to take sabbaticals or make major career transitions, opting for a job that is deemed less stressful. As such, CDPs may play a role in helping clients identify when a sabbatical is necessary, and tailored services to support later-career transitions.



10. GENERATIONAL SHIFTS

For the first time in Canada's history, there are now [more individuals over the age of 65](#) than there are children under the age of 15. Like most industrialized countries, Canada's population is experiencing significant changes: its population is aging due to lower fertility rates and longer life expectancy. Additionally, Canadians at age 65 can expect to live [six years longer](#) than a person of the same age in the 1960s.

As the average age of Canadians increases, there are concerns that this may lead to widespread [labour and skill shortages as workers retire](#). In response, the [Century Initiative](#) has called for a

significant increase in immigration targets, while the [federal government has announced plans](#) to increase immigration to support the economy.

Meanwhile, workplaces across Canada have experienced changing cultural dynamics as Millennials (individuals born 1981-1994) prepare to move into [senior management positions](#), and Generation Z (individuals born 1995-2010) have [entered the workforce](#). As with previous generations, both generations possess unique values and characteristics that are in some cases [challenging existing corporate structures and cultures](#).

What could this mean for career development in 2040?

- Workers in Canada may stay in the labour force longer, meaning CDPs will need to adapt their services to support older adults; and,
- Immigration and migrant labour may increase to solve labour shortages, with CDPs playing a significant role in supporting job placements and employment readiness.