IECC National Employer Signals Brief

Beyond the Headlines: Workforce Signals for Employers from Canada's 2026 - 2028 Immigration Levels Plan

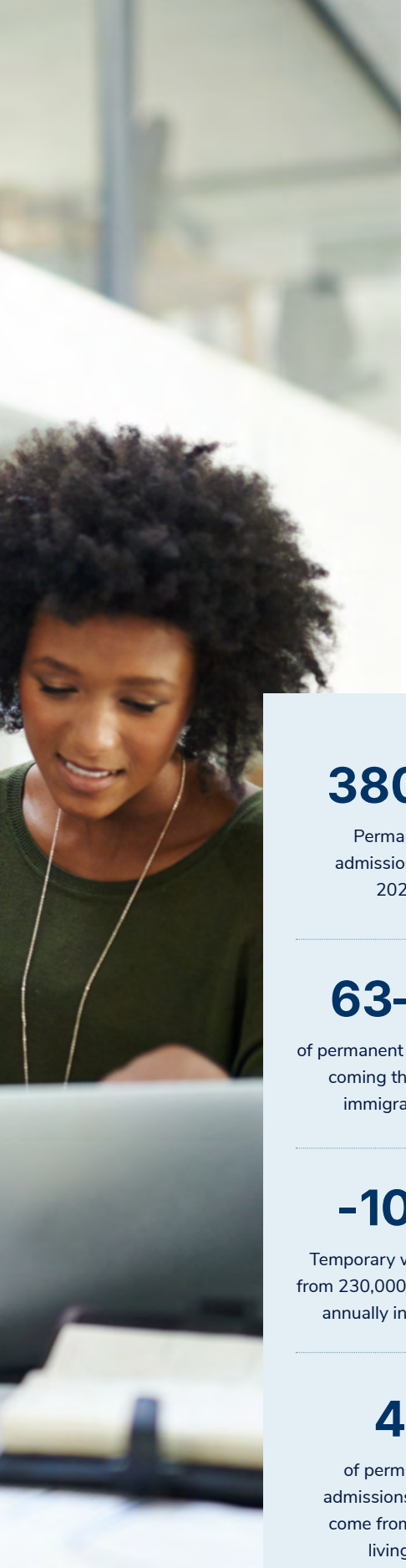


iecc Immigrant Employment Councils of Canada

The public conversation around **Canada's 2026-2028 Immigration Levels Plan** has largely focused on admission targets, policy changes, and what the shift means for newcomers and migrants. Less attention has gone to its intent — a more stable workforce, combined with a greater emphasis on labour-market alignment— and to what that shift means for employers, whose workforce decisions drive productivity, competitiveness, and long-term economic growth.

This brief translates these changes into what it means for workforce planning, access to talent, retention, and long-term recruitment strategy. It is grounded in national policy direction, employer insights gathered across the IECC network, and the system analysis developed through **the FutureWorks Canada Tour Feedback to Foresight**.





What the Shift Actually Is

Canada is not stepping back from immigration. The plan is a deliberate move away from high-volume, temporary-first growth toward workforce stability and labour-market alignment. It holds permanent resident admissions steady, weights intake more heavily toward economic immigration, slows the growth of temporary residents, and opens more pathways for workers already contributing to Canada's labour market.

For employers, the more useful question is how it plays out in practice. The direction is sound, but the transition raises practical considerations for government to address and employers to plan around.

380,000

Permanent resident admission annually from 2026 to 2028

63–64%

of permanent resident admissions coming through economic immigration programs

-10,000

Temporary worker admissions, from 230,000 in 2026 to 220,000 annually in 2027 and 2028.

40%

of permanent resident admissions are expected to come from people already living in Canada

At a Glance

- **Immigration levels are stabilizing**. Permanent resident admissions will remain at 380,000 annually from 2026 to 2028, providing employers with greater visibility into the overall scale of permanent immigration and an important foundation for longer-term workforce planning.
- **Economic immigration remains the priority**. Nearly two-thirds (63–64%) of permanent resident admissions will continue to come through economic immigration programs, reinforcing the role of immigration in supporting Canada's labour market and economic objectives.
- **The flow of new temporary workers is slowing.** Temporary worker admissions are planned to decrease from 230,000 in 2026 to 220,000 in 2027 and 2028. For employers, this reinforces the importance of retention, skills development, succession planning, and making better use of talent already in Canada, rather than relying primarily on continued growth in the temporary workforce.
- **More permanent residents will come from within Canada.** By 2027, nearly 40% of permanent resident admissions are expected to come from people already living in Canada, signaling a growing emphasis on retaining talent already in the workforce. The one-time In-Canada Workers Initiative will further accelerate permanent residence for up to 33,000 workers in 2026 and 2027. Together, these measures create opportunities for employers to retain experienced employees, strengthen workforce continuity, and reduce the loss of skills and organizational knowledge associated with worker transitions.



What We Are Hearing from Employers

The shift is intended to strengthen workforce stability and labour-market alignment. At the same time, conversations across the IECC network continue to highlight practical workforce challenges that require consideration from governments and coordinated action across employers and workforce system partners.

One message comes through consistently: employers are not asking whether immigration matters, but how to plan around it. Their concerns are less about immigration itself and more about the broader conditions affecting hiring, retention, and long-term workforce planning.

Four themes come through consistently across regions and sectors.

01

Employers continue to navigate a fragmented workforce system

Employers consistently described immigration pathways, credential recognition, licensing processes, and workforce supports as fragmented and difficult to navigate. Frequent policy changes and information spread across multiple systems make it harder for employers to understand where to turn, how different programs connect, and what actions to take. Across regions, employers called for clearer pathways, stronger coordination, and practical guidance that helps translate a complex system into workforce decisions.

02

The challenge is no longer finding talent. It's making better use of the talent already here

Across the country, employers continue to recognize the value of internationally trained talent, yet many also acknowledge that valuable skills and experience are not always translating into roles that match people's capabilities. Credential recognition, language proficiency, workplace expectations, and experience requirements remain common barriers. Increasingly, employers are looking for practical ways to recognize skills and potential beyond traditional credentials so they can make better use of the talent already available.



03

Retention is becoming as important as recruitment

Long-term retention depends on more than a successful hire. Housing, transportation, childcare, community connections, mentorship, career development, and inclusive workplace cultures all influence whether people stay. Particularly in smaller and rural communities, these factors extend beyond the workplace, making retention a shared responsibility across employers, communities, and support organizations.

04

Employers want solutions they can put into practice

Understanding Canada's immigration system is only part of the solution. What is needed is practical support that helps translate information into workforce action. Employer-focused tools, onboarding resources, mentorship, peer learning, and stronger collaboration across employers, governments, regulators, educational institutions, and settlement organizations consistently emerged as priorities for helping employers hire, retain, and develop internationally trained talent.

What These Signals Mean for Employers

The plan's direction is clear: stabilize immigration, align it more closely with the labour market, and draw more from talent already here. Turning that direction into stronger workforce outcomes will require the system to address practical gaps while employers adapt their workforce strategies.

The three signals below highlight where employers have the most room to act:



Signal 1 | Retention is now a talent strategy, not just an HR function.

Immigrants already make up a significant share of Canada's workforce: one in three workers in health care, 23% of the construction workforce, and 40% of workers in professional, scientific, and technical services.

As immigration pathways increasingly prioritize workers already contributing to Canada's labour market, retaining existing talent is becoming a strategic workforce decision rather than an HR afterthought. By 2027, nearly 40% of permanent resident admissions are expected to come from people already living in Canada, and the one time In-Canada Workers Initiative will accelerate permanent residence for up to 33,000 workers over 2026 and 2027, including at least 20,000 in 2026. The initiative prioritizes workers already contributing to Canada's labour market, particularly in health care, skilled trades, and emerging technologies, as well as workers supporting smaller and rural communities.

The significance goes beyond immigration status. As more workers gain permanent residence, organizations have greater opportunity to invest in onboarding, workplace inclusion, career development, and settlement supports, strengthening retention, business continuity, and long-term organizational resilience.



Signal 2 | Workforce planning requires a more sector- and region-specific approach.

The shift toward more targeted immigration increasingly aligns workforce needs with specific sectors, occupations, and regions. National admission targets set the overall direction, but economic immigration, Provincial Nominee Programs, Atlantic immigration, francophone immigration outside Quebec, and community-based pathways let provinces and communities respond to local labour market priorities. As a result, workforce planning depends less on national immigration trends and more on the realities of individual sectors and regions.

The table below shows where federal immigration priorities align most directly with sector workforce needs, and where support is less explicit and continues instead through broader economic immigration streams.

IECC PRIORITY SECTOR & WHAT THE IMMIGRATION LEVELS PLAN SIGNALS

Care Economy

Health care remains one of Canada's clearest immigration priorities through Express Entry's health care occupations and dedicated caregiver pathways. The rural focus and one time permanent residence initiative strengthen opportunities to recruit and retain workers in underserved communities.

Skilled Trades, Construction & Infrastructure

Skilled trades receive the strongest alignment in the Levels Plan, reflecting Canada's housing and infrastructure priorities. Express Entry, the Federal Skilled Trades Program, and expanded regional pathways strengthen employers' ability to address local construction and trades shortages.

Technology, Cybersecurity & Engineering

Emerging technologies remain a federal priority, reinforcing access to technology, engineering, and STEM talent through category-based Express Entry and other economic immigration pathways. Regional pathways also address local innovation and workforce needs.

Transportation, Manufacturing & Equipment Operations

Not a standalone federal priority. Support runs through general economic and regional pathways, Provincial Nominee Programs and community-based immigration, rather than a dedicated stream. Employers in tariff-impacted industries should expect to rely on regional rather than national levers.

Green Economy & Natural Resource Transition

Not a standalone federal priority. The sector draws indirectly on STEM, skilled trades, and agriculture and agri-food streams, with regional pathways carrying most of the weight as the energy transition continues.

Signal 3 | The talent isn't missing — it's mismatched.

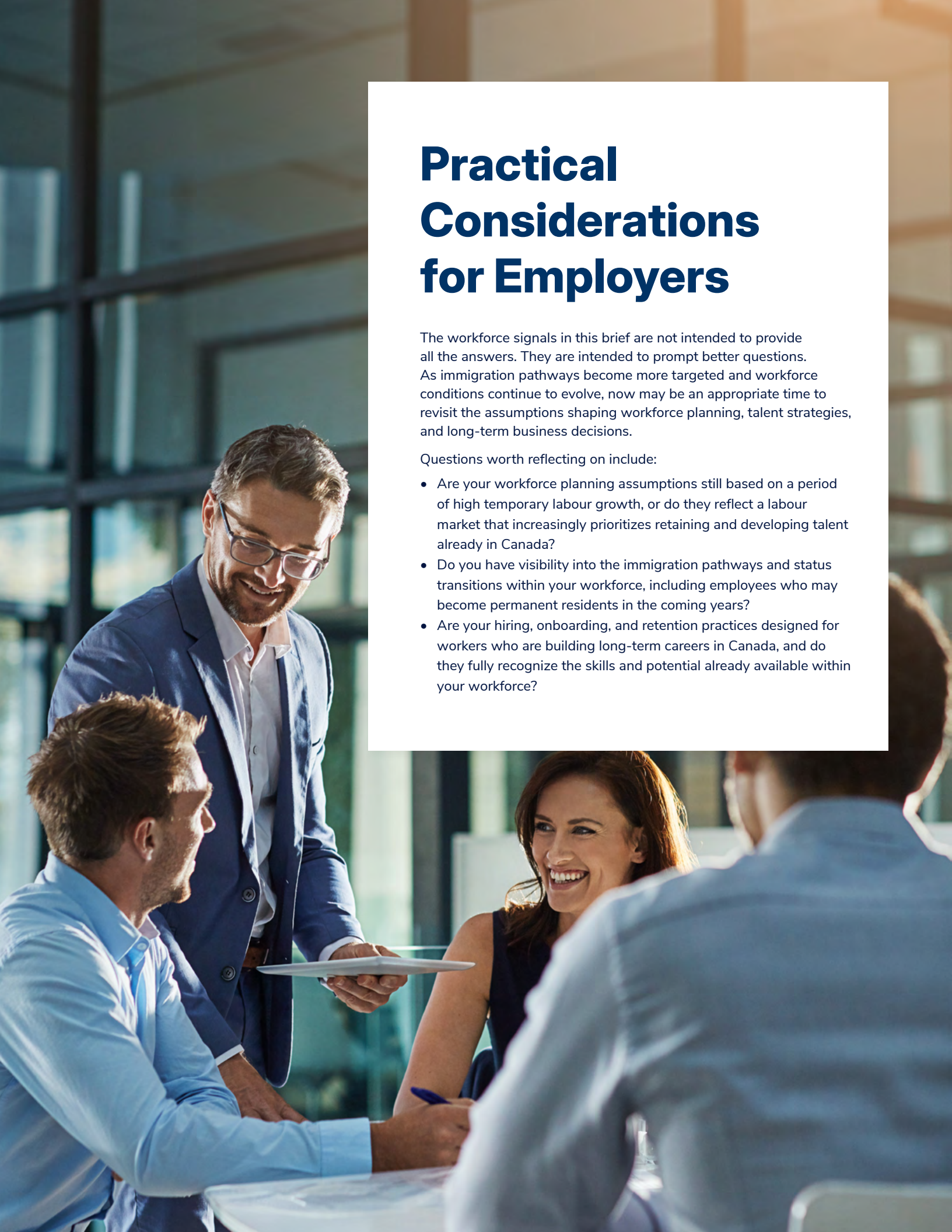
Canada's talent challenge is not only about attracting more people. It is also about making better use of the talent already here. According to Ready to Contribute by the Institute for Canadian Citizenship, nearly 640,000 immigrants with internationally obtained degrees are overqualified for their current jobs, 26% of internationally educated degree holders compared with 11% of Canadian-born graduates. This gap is estimated to reduce Canada's economic potential by up to $50 billion annually.

The impact is especially evident in sectors facing persistent labour shortages. Only 41% of internationally trained physicians and 37% of internationally trained nurses are working in their professions, while 6.5 million Canadians remain without access to a family doctor. At the same time, Canada is expected to lose 700,000 skilled trades workers to retirement by 2028 as housing and infrastructure demands continue to grow.

The evidence points to a problem of matching talent to roles, not a shortage of skills. Once location of study is taken into account, the employment mismatch for internationally trained medical and dental graduates disappears, indicating that credential recognition, not competence, is the primary barrier.

For employers, the more immediate question is not only whether immigration will deliver the talent they need, but whether hiring, assessment, onboarding, and advancement practices are fully recognizing the talent already here. Strengthening workforce outcomes depends not only on attracting talent, but on recognizing, connecting, and making full use of the skills already present in Canada's labour market.





Practical Considerations for Employers

The workforce signals in this brief are not intended to provide all the answers. They are intended to prompt better questions. As immigration pathways become more targeted and workforce conditions continue to evolve, now may be an appropriate time to revisit the assumptions shaping workforce planning, talent strategies, and long-term business decisions.

Questions worth reflecting on include:

- Are your workforce planning assumptions still based on a period of high temporary labour growth, or do they reflect a labour market that increasingly prioritizes retaining and developing talent already in Canada?
- Do you have visibility into the immigration pathways and status transitions within your workforce, including employees who may become permanent residents in the coming years?
- Are your hiring, onboarding, and retention practices designed for workers who are building long-term careers in Canada, and do they fully recognize the skills and potential already available within your workforce?

Looking Ahead

The 2026–2028 Immigration Levels Plan represents one point in a much broader workforce transition. As labour market conditions, immigration pathways, and employer needs continue to evolve, IECC will keep tracking the signals that matter most: how employers are adapting, where new pressures and opportunities are emerging, and how immigration, workforce development, and economic growth can be better aligned.

The provincial layer is a clear example: this brief focuses on the federal plan, but provincial nominee programs set their own priorities and are changing quickly as provinces respond to local labour market needs — an increasingly important part of how the shift lands in each region. It is a space IECC is following closely, and will continue translating what these changes mean for workforce planning and talent strategy.

The IECC National Employer Brief Series is grounded in insights gathered across the network, contributing to a growing body of employer intelligence on how immigration and workforce trends are unfolding across Canada. At IECC, employer feedback is more than consultation. It is a source of foresight. By continuously listening to employers, synthesizing their perspectives, and translating those insights into practical workforce intelligence, the network helps make complex workforce and immigration trends more visible, supporting better workforce decisions today while contributing to a more responsive workforce system for the future.



Stay Engaged

Explore the IECC Learning Hub for practical employer tools and resources, and subscribe to the IECC Newsletter for emerging workforce trends and employer insights from across Canada.

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