

Supporting Production Workers in the Shift to Electric Vehicles



PARTNERS

Labour Education Centre



LOCATIONS

Ontario



INVESTMENT

\$151,624.00



PUBLISHED

July 2026



CONTRIBUTORS

Report author: Milad Moghaddas, Laura McDonough

☰ Executive Summary

Ontario's auto sector is being reshaped by the shift from internal combustion engine vehicles to electric vehicles, while also facing major trade uncertainty tied to U.S. tariffs and efforts to pull production back across the border. In communities such as Brampton, Oakville, Windsor-Essex, Chatham-Kent, and St. Catharines, layoffs linked to retooling and supply-chain changes have left many workers unsure whether they will be recalled or what skills future jobs will require. This project examined how displaced auto workers are experiencing this transition and whether current training and credentialing systems are helping them move into new opportunities.

The project had two parts. The first involved interviews with 32 laid-off auto workers in Ontario to understand the financial, emotional, and practical consequences of job loss, along with workers' experiences accessing retraining and support services. The second explored the experiences of seven adult learners who pursued the Canadian Adult Education Credential (CAEC), Ontario's replacement for the GED, to better understand whether this new credential supports or hinders workforce re-entry for displaced workers without a high school diploma.

The findings show that layoffs are creating prolonged financial strain and uncertainty, even where workers can access Employment Insurance and union-negotiated benefits. Retraining is widely seen as important, but relatively few workers had entered training because of unclear recall timelines, confusing program rules, costs, transportation challenges, and difficulty returning to formal education. Union-run POWER Centres and Action Centres emerged as highly trusted, worker-centred supports, but limited resources constrain their ability to provide sustained help at scale.

The project also found that current systems often undervalue industrial experience and prior learning. CAEC participants described barriers including confusing instructions, limited preparation supports, anxiety, and language challenges. For displaced workers with years of practical manufacturing experience, the CAEC may act less as a bridge to new employment than as another hurdle. Overall, the project underscores the need for faster, more flexible, and more worker-centred transition supports, along with stronger recognition of prior learning.

KEY INSIGHTS

- 1** Of the 32 laid-off auto workers interviewed, only four had entered or were preparing to enter retraining, despite widespread interest in reskilling.
- 2** Trusted, peer-based POWER Centres help workers navigate layoffs, but chronic under-resourcing limits their ability to provide sustained support at the scale needed.
- 3** The Canadian Adult Education Certificate (CAEC) risks delaying workforce re-entry by privileging formal academic credentials over the industrial skills and prior learning displaced workers already possess.

The Issue

Canada's auto sector is undergoing a major industrial transition as the shift to electric vehicles (EVs), plant re-tooling, supply-chain restructuring, and growing trade uncertainty disrupt employment across key manufacturing regions. In 2022, the industry directly employed 125,000 workers in Canada, including 37,000 in assembly, 17,000 in truck and trailer production, and more than 71,000 in parts manufacturing. When indirect and spin-off employment is included, the sector supports an estimated 462,000 jobs nationwide. The scale of this disruption is already substantial in Ontario, where thousands of workers have been laid off in Brampton, Oakville, St. Catharines, Windsor-Essex, and Chatham-Kent as assembly plants close temporarily for re-tooling and parts suppliers lose contracts. Yet many workers still do not know whether they will be recalled, when facilities will reopen, or what new skills will be required in an increasingly electrified and digitally intensive industry.

These pressures are being intensified by heightened Canada–U.S. trade uncertainty and renewed tariff threats, which cast doubt on future production mandates and investment decisions in Canadian auto manufacturing. The risk is both temporary displacement and longer-term workforce dislocation in communities that depend heavily on auto employment. Despite billions of dollars in public subsidies to support the sector's transition, there has been no equivalent, tailored workforce adjustment strategy for affected workers. Existing supports remain fragmented and largely reactive, relying on a patchwork of general employment and training programs that were not designed for the scale, speed, or specialized skill demands of the current transition.

Past responses to large-scale job loss in Canada suggest why this gap matters. Workforce development efforts introduced after major industrial disruptions, such as the collapse of the Atlantic cod fishery and declines in the west coast salmon industry, often failed to fully meet the needs of affected workers and communities. In Ontario, large layoffs are often addressed through the Job Action Centre model, typically administered with union involvement. However, this approach can be slow to launch, administratively burdensome, vulnerable to short-term funding timelines, and marked by uncertainty about whether supports will continue. These limitations can delay access to retraining and deepen anxiety for workers already facing major economic insecurity.



What We Investigated

Part one of the project examined how Ontario auto workers experienced major employment disruption during the 2025 transition in the sector. It focused specifically on workers laid off at a time when the U.S. administration unilaterally imposed a 25% tariff on vehicles and auto parts imported into the United States, adding further uncertainty to an already unstable labour market. This part of the project was designed to better understand the lived realities of displacement, the adequacy of available supports, and the broader consequences of job loss for workers and their families.

This research set out to explore three interrelated questions:

1. How do laid-off auto workers describe the experience of job loss during retooling in the context of trade and tariff disruptions?
2. What supports or barriers do they encounter when seeking retraining or re-employment?

3. What are the social, financial, and emotional consequences of being laid off from auto manufacturing?

Data were gathered through semi-structured interviews with 32 laid-off auto workers. To protect confidentiality, pseudonyms were assigned to all participants. Interviews focused on employment histories, the layoff process, access to income supports, retraining opportunities, and the social and emotional impacts of job loss. An inductive thematic analysis was conducted. Transcripts were coded iteratively, and themes were developed around employment loss, retraining, financial stress, and educational testing experiences. This qualitative approach was chosen because it allowed the project to capture detailed worker perspectives during a fast-moving period of economic and policy change.

The second part of the project explored the experiences of adults who had pursued the Canadian Adult Education Credential (CAEC), Ontario's new high school equivalency test, which replaced the GED in May 2024. This part of the study investigated whether the CAEC supports or hinders workforce re-entry for adults without a high school diploma, particularly displaced workers seeking new employment pathways.

The research questions were primarily exploratory and descriptive, with some explanatory elements. The study asked:

1. How do adult learners experience the process of preparing for, writing, and interpreting the outcomes of the CAEC?
2. In what ways might the design or delivery of the CAEC present barriers to workforce re-entry for displaced workers without a high school diploma?

Participants were recruited through social media advertisements, community networks, literacy programs, and adult education centres. Although the original intent was to recruit laid-off auto workers to complete the CAEC and participate in interviews, the short timeframe required to complete the test meant no laid-off workers took part. Instead, seven adult learners who had engaged with the CAEC were interviewed. Interviews explored educational backgrounds, motivations, preparation strategies, testing experiences, and perceived implications for future employment and education. An inductive thematic analysis was used to identify themes related to educational testing experiences. This approach was chosen to generate grounded insight into a new credentialing pathway with limited existing evidence.

What We're Learning

Layoffs created immediate financial strain and longer-term uncertainty for affected auto workers

Interviews with 32 laid-off auto workers showed that job loss during retooling and trade disruption was both financially destabilizing and emotionally draining. Most participants relied on Employment Insurance (EI), Supplemental Unemployment Benefits (SUB), or the Income Maintenance Plan (IMP), with the latter two negotiated by Unifor. While these supports helped cover basic needs, they were generally not enough to provide long-term stability, especially for workers with lower seniority who exhausted benefits sooner. Participants described living with ongoing uncertainty about recall timelines, future income, and whether jobs would still exist in their communities.

Retraining was widely seen as necessary, but only a small number of workers were able to pursue it

Although many participants recognized that retraining could improve their employment prospects, very few had entered training pathways. Of the 32 workers interviewed, one had formally enrolled in [Better Jobs Ontario](#), two planned to begin courses in electric vehicle (EV) technology, and one was pursuing trades training. Most did not pursue retraining despite expressing interest. Key barriers included uncertainty about recall after retooling, lengthy and confusing approval processes, inconsistent information from employment offices, concerns about future funding eligibility, transportation challenges, costs, and difficulty returning to formal education after years in production work.

Worker-centred, peer-based supports were highly valued, but capacity constraints limited their reach

Participants consistently identified union-run POWER Centres and Action Centres as among the most trusted sources of support during layoff. These centres operate on a peer-to-peer model, often staffed by laid-off workers who understand plant culture, worker concerns, and the emotional toll of displacement. This made participants more comfortable seeking advice, asking questions, and sharing their experiences. At the same time, these centres were described as overstretched, often serving thousands of displaced workers with only a small number of staff and limited operational funding. As a result, essential supports were available, but the ability to provide sustained, individualized help was constrained.

The project shows that industrial experience is often undervalued relative to formal credentials

Findings across both parts of the study highlight a disconnect between the skills workers develop on the job and the credentials often required for re-employment. Participants' experience in assembly, quality assurance, workplace communication, collaboration, adaptability, and union-supported upskilling was not always recognized as equivalent to formal education. This points to the need for stronger approaches to recognizing prior learning, including skills and knowledge gained through years of industrial work. In the context of an economy characterized by transitions, this matters because experienced workers may otherwise be excluded from emerging opportunities because their expertise was acquired outside conventional academic pathways.

The Canadian Adult Education Credential (CAEC) may create new barriers for displaced workers without formal educational credentials

The second part of the project examined the experiences of seven adult learners who pursued the CAEC, Ontario's new high school equivalency credential that replaced the GED in 2024. While some participants completed the credential successfully, others encountered significant barriers, including confusing test instructions, limited preparation resources, test anxiety, and language barriers for newcomers. Several participants failed despite sustained effort, which led to frustration and discouragement. Their accounts suggest that the CAEC can feel highly academic and disconnected from the practical skills people have already demonstrated in work settings.

The CAEC risks functioning as a gatekeeping mechanism rather than a bridge back into work

For workers displaced from manufacturing who do not have a Grade 12 diploma, the CAEC may be an additional hurdle on the path to re-employment, particularly in sectors such as battery production and other emerging manufacturing roles. No formal hypotheses were tested, but the study was guided by the expectation that auto workers without Grade 12 education would face significant challenges in becoming re-employed in battery plants. Participant experiences suggest this concern is well founded. Rather than recognizing prior industrial knowledge, the credentialing process may delay labour market re-entry for workers who already possess valuable capabilities.

★ **Why It Matters**

This project suggests that prolonged layoffs tied to EV retooling, tariff shocks, and shifting North American production strategies are not being matched by equally responsive worker supports. Workers face a system in which income supports provide only temporary relief, retraining pathways are difficult to access, and uncertainty about plant futures makes long-term planning extremely difficult. At the same time, the report shows that trusted community-based supports, especially POWER Centres, are filling important gaps but do not have the staffing or stable funding needed to respond at scale.

The implications extend well beyond this specific project. For practice, the findings suggest that employment and training systems serving displaced mid-career workers need to be more flexible, worker-centred, and trauma-informed. Many laid-off workers are not starting from zero; they bring years of industrial, technical, and collaborative experience, yet current systems often push them into generic programs or require them to prove competence through formal academic pathways that do not reflect how they learned. The project therefore points to the need for shorter and more modular training, stronger digital literacy supports, hybrid and online delivery where appropriate, and better recognition of prior learning so that experienced workers are not forced to restart. It also shows that skilled trades pathways, while important, are not the right fit for everyone, especially where wages, working conditions, or apprenticeship structures create new barriers.



State of Skills: Resilient by Design: The Skills Canadians Need Now and for the Future

To build a resilient workforce that is able to respond to and adapt to changing labour markets, whether due to unpredictable disruptions or longer-term transitions, we need a range of training and upskilling pathways that equip people with the skills they need to enter, advance, transition and return to dynamic labour markets.

[Read Thematic Report](#)

For policy, the project raises broader questions about how governments fund industrial transformation and who bears its risks. Public money has supported auto-sector investment and retooling, but the report argues that transition funding should be tied to transparent workforce development plans, worker adjustment supports, and stronger coordination across employers, unions, training providers, municipalities, and governments. This is especially important in southwestern Ontario, where auto employment remains a major economic anchor and where large-scale layoffs can have ripple effects across households, local businesses, and regional labour markets. The project therefore has relevance for both employment services and for industrial policy, regional development, and the governance of the low-carbon transition.

The findings are also highly relevant to larger policy challenges facing Ontario and Canada, including labour shortages, the net-zero transition, trade instability, and productivity pressures. The transition to a low carbon economy requires more than creating new jobs in EVs, batteries, or clean manufacturing. It also requires building credible pathways for workers in declining or restructuring segments of the economy to move into those opportunities without undue financial, emotional, or educational barriers. This project shows that one of the biggest risks in the transition to a low-carbon economy is both job loss and policy misalignment: workers may be displaced at speed while retraining, income support, credential recognition, and local planning systems respond too slowly or in fragmented ways.

Part Two strengthens this lesson by showing that the Canadian Adult Education Credential (CAEC), while intended to expand opportunity, may also function as a gatekeeping mechanism for some displaced workers. When formal credentials are treated as proxies for competence, workers with extensive practical knowledge can be excluded from re-employment pathways, especially in emerging sectors that still rely on credential screens. This has implications for adult education, workforce development, immigrant-serving systems, and equity-focused labour market policy. If governments and employers are serious about inclusive growth, they need assessment and credentialing models that value prior industrial learning rather than overlooking it. That is particularly important for displaced workers, newcomers, and others whose capabilities may be strong but not formally documented.

The project also contributes directly to the strategic questions around proactive transition to low-carbon activities, meaningful worker agency in the net-zero transition, and skills measures that support movement from declining to growing sectors. Its central contribution is to show that effective transition policy must be proactive, place-based, and worker-led. Supports cannot begin only after layoffs have deepened financial and emotional strain. Instead, governments and sector partners need early intervention, layoff-aversion planning, portable skill recognition, wage and training supports, and local infrastructure that can be deployed quickly when disruption hits. In that sense, this project offers lessons both for the auto sector, and for any region or industry facing climate, trade, or technological transition.

What's Next

The Labour Education Centre continues to promote its Working Green 2050 initiative, which researches and advocates for transition programs for workers and communities. Another project supported by the Future Skills Centre was completed examining similar questions in relation to Alberta's Coal Transition Program.

Have questions about our work? Do you need access to a report in English or French? Please contact communications@fsc-ccf.ca.

How to Cite This Report

Moghaddas, M. (2026). Project Insights Report: Just Transition for Production Workers in the Shift to Electric Vehicles, Labour Education Centre. Toronto: Future Skills Centre. <https://fsc-ccf.ca/research/electric-vehicles/>

Funded by the
Government of Canada's
Future Skills Program



Supporting Production Workers in the Shift to Electric Vehicles is funded by the Government of Canada's Future Skills Program. The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.

The Future Skills Centre acknowledges that the Anishinaabe, Mississaugas and Haudenosaunee share a special relationship to the 'Dish With One Spoon Territory,' where our office is located, bound to share and protect the land. As a pan-Canadian initiative, FSC operates on the traditional territory of many Indigenous nations across Turtle Island, the name given to the North American continent by some Indigenous peoples. We are grateful for the opportunity to work in this territory and commit ourselves to learning about our shared history and doing our part towards reconciliation.

© Copyright 2026 – Future Skills Centre / Centre des Compétences futures