

Industry Spotlight on  
**Education**



Q1 2026



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# Education Report

Q1 2026



## Training Bottlenecks in Essential Sectors

- Canada is facing a shortage of workers in a variety of critical industries, and with the recent restrictions on immigration inflows, the only way for the country to address these shortages long-term is through properly training the future workforce.
- The private education sector can play a critical role in this process, as private sector providers are typically more agile than their public counterparts, and the many regulatory challenges in recent years have hamstrung the resources of the public sector. Many public colleges and universities were heavily reliant on international students to drive budget surpluses, and as that flow has dwindled, public schools no longer have the requisite resources to invest in dynamic changes to their offerings.
  - Meanwhile, regulators have increasingly focused on supporting training providers operating in specific fields. This support has ranged from explicit funding to help train workers, to prioritized immigration processing and is typically offered at the provincial level.
- This thrusts the private sector to the forefront, and critical industries for the Canadian economy, ranging from healthcare to skilled trades, to cybersecurity & AI, will require contributions from the private training sector to fill the many gaps in our current & future workforce. This edition of our Education Report will focus on several key sectors facing critical worker shortages and explores the opportunities for private education to help address these deficiencies.

### Canada's Training Capacity Gap

Key Insight	Canada's workforce challenge is not only a labour shortage—it is a training-capacity mismatch
Why This Matters	Public colleges and universities are structurally constrained by fixed intake cycles, limited seats, and slow curriculum approval processes. These constraints prevent rapid scaling in response to fast-moving labour demand, particularly in trades, transport, healthcare support, and ICT/cybersecurity
Implications for Private Educators	Private educators are uniquely positioned to close this gap by offering: <ul style="list-style-type: none"> <li>• Short-cycle, skills-focused programs</li> <li>• Rolling or continuous intakes</li> <li>• Faster curriculum updates aligned to employer needs</li> </ul>
Takeaway	Labour shortages persist not because training demand is unclear, but because the public system alone cannot scale quickly enough

Private education will play a key role in addressing Canada's worsening employment gaps

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## Industry Spotlight: Healthcare

- Canada is expected to face persistent—and in some professions worsening—healthcare staffing shortages through at least the early-to-mid 2030s, even under optimistic training and immigration scenarios. The shortages are structural, driven by demographics, training capacity constraints, and attrition, rather than cyclical labour conditions. The country is facing a perfect storm of increasing demand (driven by an aging population, amidst other factors) and supply shortages, exacerbated by immigration restrictions and lack of education throughput.

### Key Signals:

- Demand growth outpaces workforce growth nationally
- Vacancies in the sector quadrupled from 2015-2023
- Shortages are most acute in nursing, primary care, long-term care, and rural/remote regions
- Education and credentialing capacity is one of the key binding constraints

### The Impact and Role of Education:

- There is a severe supply/demand imbalance in Canadian medical education. Top med schools in Canada admit less than 5% of applicants, while tens of thousands of nursing & support jobs go unfilled due to a lack of workforce supply, with substantial shortages in support roles across all levels of care. There is a significant opportunity for the private sector to augment the public schools' collective efforts to train nurses, personal support workers and help fill other key roles to keep Canada's healthcare system functioning.

The Complementary Roles of Public & Private Education	
Private Education	Public Education
<ul style="list-style-type: none"> <li>• Launch or revise programs in months, not years</li> <li>• Offer short-cycle credentials (8–24 weeks)</li> <li>• Align curriculum directly with employer skill requirements</li> <li>• Train for specific roles, not broad academic outcomes</li> <li>• Partner directly with employers for placement or sponsorship</li> </ul>	<p>Optimized for:</p> <ul style="list-style-type: none"> <li>• Credential depth, not speed</li> <li>• Academic pathways and development, not rapid deployment</li> <li>• Youth cohorts, not mid-career or newcomer retraining</li> </ul>
<p>Private educators are not duplicating public education—they are filling a different, economically necessary function</p>	

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## Industry Spotlight: Skilled Trades

- While the healthcare sector receives the bulk of the media and policy attention, the skilled trades gap is, if anything, even more pronounced.
- As Canada struggles with a major housing shortage, with an estimated need for over 4.3mm additional homes in the next decade, we are also severely short of skilled tradespeople to meet that demand, setting aside the ongoing need for maintenance and other construction not related directly to housing.
- It is estimated that 700,000 skilled tradespeople will have retired between 2019-2028, with not nearly enough inflow to offset this attrition, let alone address Canada’s increasing needs. Retirement demand now exceeds expansion demand, meaning that these labour shortages persist even during economic slowdowns.
- A combination of low participation rates among youth, a lack of suitable educational options and increasingly restrictive immigration policies have combined to create a dire situation that has severe direct and ancillary effects on Canada’s economic performance. Across a wide variety of skilled trades, including electricians, plumbers, HVACR, carpenters and heavy equipment operators, there is a major shortage of workers.
- Our firm has spent a considerable amount of time in businesses related to skilled trades, and one of the key concerns business owners have expressed to us is the major difficulties they face in hiring new team members.
- Canada’s skilled-trades shortage is the result of large-scale retirements, decades of under-enrollment in vocational pathways, limited apprenticeship capacity, immigration bottlenecks and housing and infrastructure demand that far exceeds labour supply. As a result, shortages are structural and are expected to persist for at least the next decade. We view the skilled trades as one of the most challenging sectors from a supply/demand perspective in terms of employment, and the private sector can be a key part in rectifying this imbalance, as there is significant need for operators to expand into this space.

299,000	Nearly 1 in 3	~25%
Gap in tradespeople needed in Canada by 2033	Skilled tradespeople will exit the workforce in the next decade	% of tradespeople with a college or university education
55,000	11%	>20%
Projected long-term shortage of truck drivers by 2035	Growth rate in trades-related jobs vacancies, rising to 13% from '26-45	% of Red Seal tradespeople aged 55 or over

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Skilled Trade	Outlook to 2033	Why Shortages Persist
Electricians	● Severe & Worsening	High retirement rates and housing, grid, EV, and infrastructure demand
Plumbers	● Severe & Worsening	Housing demand, aging infrastructure & insufficient apprentices
Carpenters	● Severe	Housing construction targets far exceed labour supply
Welders	● Severe	Retirement-driven replacement demand dominates new supply
Heavy Equipment Operators	● High	Infrastructure build-out + retirements + limited training throughput
HVAC / Refrigeration Mechanics	● High	Energy transition, retrofits, heat pumps, and commercial demand
Construction Labourers (Skilled)	● High	Aging workforce; entry-level pipeline not keeping pace

## Alignment With Public Policy and Workforce Strategy

Key Insight	Canadian education, labour, immigration, and housing policy increasingly depend on rapid workforce deployment, particularly for domestic students
Policy Reality	<ul style="list-style-type: none"> <li>• Workforce strategies prioritize faster labour-market attachment</li> <li>• Immigration targets emphasize in-demand occupations</li> <li>• Healthcare strategy relies on filling a growing workforce gap</li> <li>• Housing and infrastructure goals depend on timely skills availability</li> </ul>
Recent Examples	<ul style="list-style-type: none"> <li>• BC's Feb '26 budget announced \$283mm in funding to support skilled trades training, including doubling apprenticeship seats</li> <li>• ON's '25 budget included meaningful investments into healthcare and skilled trades training, including over \$1bn in new funding for the Skills Development Program and \$250mm+ in funding specifically for training in the skilled trades</li> <li>• Canada's immigration policy has explicit frameworks designed to encourage more skilled tradespeople and healthcare workers to come to Canada</li> </ul>
The Role of Private Educators	Private training providers act as the execution layer—translating policy intent into trained workers by delivering bridging, certification, and reskilling programs at the speed required
Takeaway	Private educators are operational partners in achieving national workforce objectives, and there is a large opportunity for growth within a supportive regulatory framework

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## Industry Spotlight: Information & Communication Technology

- Canada faces persistent ICT and cybersecurity labour shortages driven by rapid digitalization, rising cyber risk, and an insufficient pipeline of experienced professionals. While entry level tech roles have become more competitive following recent layoffs, senior and specialized positions—particularly in cybersecurity, cloud, and infrastructure—remain difficult to fill.
  - Recent trends in cyberattacks and strategic shifts in warfare are likely to increase the focus on cybersecurity training and need for skilled workers.
- As AI adoption continues at a frenetic pace, new skills are required, meaning that even experienced professionals may require new certification and training, and creating a mismatch between the skills Canadian institutions are training for today and what will be required in the workforce tomorrow.
  - The constraint in this sector is not interest from young professionals or wages, but experience, certification pathways, and the speed at which talent can be developed.
- AI may help automate routine tasks and augment the productivity of more senior, skilled professionals, but it does not obviate the need for these skilled workers, and the advent of AI may actually exacerbate worker shortages, by:
  - Increasing cybersecurity risks, both in terms of frequency and severity
  - Creating new roles and/or new skillset requirements for existing roles, which will require upskilling
  - Heightening the need for more experienced ICT team members
- AI does not eliminate ICT or cybersecurity labour shortages in Canada; it reshapes them. While AI automates routine tasks and reduces demand for junior ICT roles, it simultaneously increases cyber risk, system complexity, and the need for experienced professionals who can design, secure, and govern AI enabled systems.
- As a result, shortages are intensifying in senior cybersecurity, cloud security, and hybrid roles that combine technical expertise with risk and compliance knowledge. The constraint is no longer total headcount, but the supply of experienced, judgment capable talent—something AI cannot rapidly create.

ICT and cybersecurity are facing severe labour needs and continue to be an in-demand study area for students

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## How Private Education Supports the Ecosystem

Shortage Sector	Training Need	Why Private Educators Win
Skilled Trades	Pre-apprenticeship, safety, upskilling	Fast intake, employer-aligned output
Transport / Trucking	Licensing prep, safety, Mandatory Entry Level Training (MELT)	Short training cycle, high throughput, ease of access
ICT / Cybersecurity	Mid-career reskilling, certifications	Modular curricula, certification & skills focused
Healthcare	Nursing, personal support workers, specific support roles	Continuous output, geographic reach, focus on employment gaps

## Takeaways for Stakeholders

Educators	<ul style="list-style-type: none"> <li>• Student outcomes are key; focusing on preparing students for meaningful careers is the surest path to success</li> <li>• Focus on curricula areas that are supported by regulators and needed by employers; while the existing framework is far from perfect, there are many white spaces for growth</li> <li>• Be proactive; engage with regulators, employers and other stakeholders to encourage a supportive environment and ensure that the role of private education is acknowledged &amp; valued</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• Acknowledge that private education is a meaningful part of the ecosystem and has a role to play in achieving the goal of training Canada's future workforce</li> <li>• Provide certainty; the ongoing myriad changes to the regulatory framework don't benefit anyone and have knock-on effects for the entire Canadian economy</li> </ul>
Investors	<ul style="list-style-type: none"> <li>• Quality is key; assess education companies based on the value they deliver to students and the jobs they are training for</li> <li>• Don't ignore the significant growth ahead of the industry; private educators will train key segments of Canada's growing &amp; evolving workforce and job shortages are increasing in a variety of key employment sectors</li> </ul>

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## Concluding Remarks

- In this report, we've highlighted a few key sectors facing the most severe worker shortages, but the reality is that there are a variety of industries with a distinct need for more skilled contributors. The recent period of flux for the Canadian private education sector has largely been driven by persistent and unpredictable regulatory change, and while the consequences of those changes have created a great deal of turmoil, they do create an opportunity for the industry to refocus on training Canada's workforce for key areas of unmet demand. The reality is that the regulators have tended to favour public institutions over private in most of their recent policy decisions, so the private sector can best position itself for success by moving quickly to adapt to the changing needs of Canada's evolving economy.
  - As our population ages, we will need more healthcare and support personnel
  - As tradespeople retire, we will need to replace them domestically
  - As AI drives evolution in Information & Communications Technology, we will need to ensure that people are being properly trained for the jobs of tomorrow
- The private sector can be faster moving and more responsive to these needs than public schools, and regulators have, in our experience, largely been supportive of schools that train workers in fields that have a clear shortage of workers. Across the country, there is an unmet need for training across a wide variety of key sectors. Private operators have an opportunity to lead the way in addressing this demand, benefitting not only the school operators, but the students, the employers, and the broader Canadian economy.

Private educators can offer rapid training, responsive offerings and alignment directly with Canada's employment needs, making private education economically essential to Canada's workforce strategy

## Origin's Education Coverage Team



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With a dedicated senior team and numerous successful mandates, Origin is an active advisor to the education sector

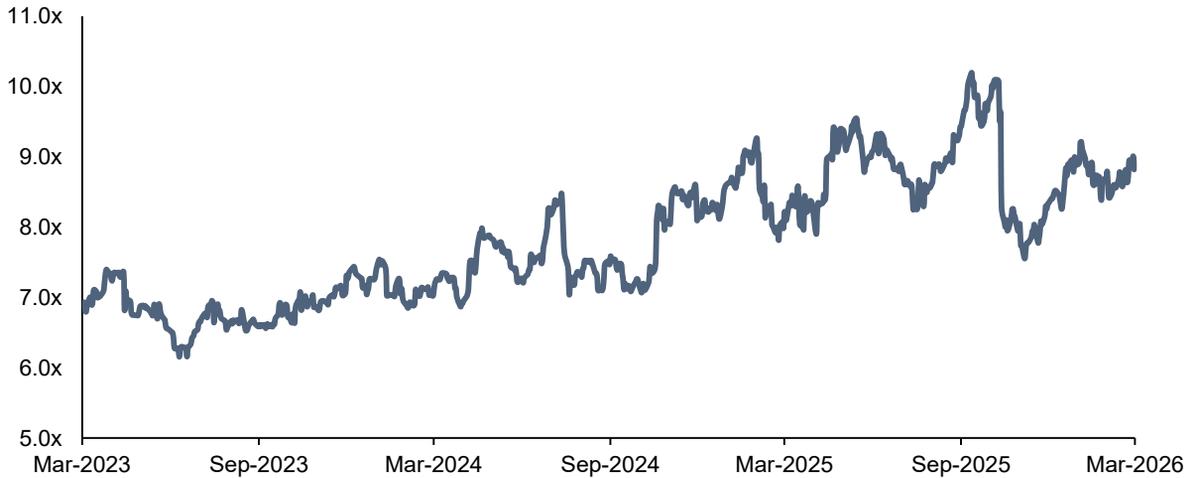
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## US Career & Technical Education Peers

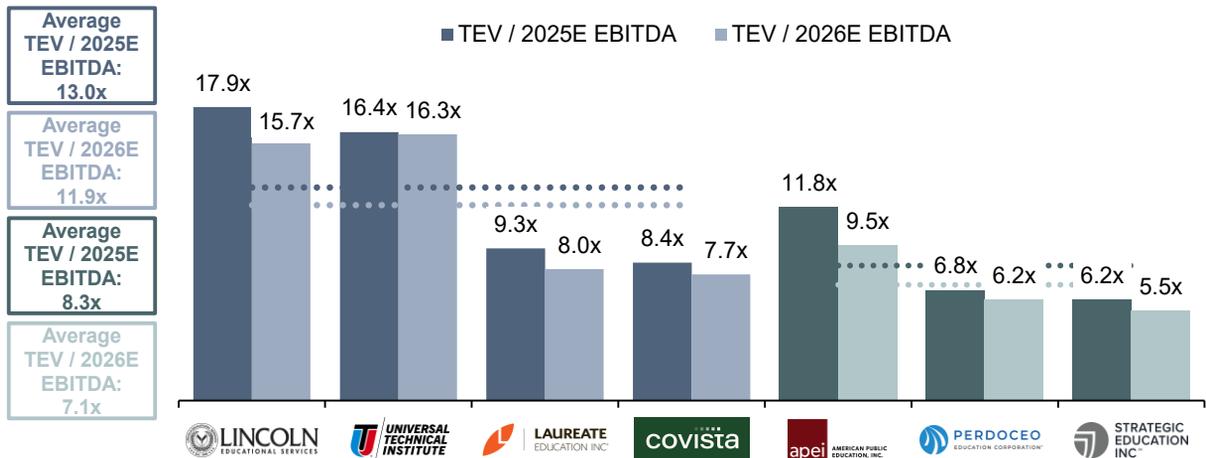
TEV / NTM EBITDA (1)



Publicly listed U.S. for-profit education companies experienced steady TE/NTM EBITDA multiple expansion over the past three years, followed by a sharp November dislocation amid macroeconomic uncertainty and risk-off sentiment, with valuations subsequently normalizing into early 2026

### Career-Focused Learning Providers

### Digital-First Degree Networks



Public comparables in the education space have seen their multiples sharply diverge in recent periods, with the market ascribing vastly differing multiples on a case-by-case basis

Source: Capital IQ

1. Includes Covista (NYSE:CVSA), Strategic Education (NASDAQ:STRA), Laureate Education (NASDAQ:LAUR), Perdoceo Education (NASDAQ:PRDO), American Public Education (NASDAQ:APEI), Universal Technical Institute (NYSE:UTI), and Lincoln Educational Services (NASDAQ:LINC)

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## Origin Merchant Partners

### Premier North American Investment Bank

- Origin Merchant Partners is a leading investment banking advisor to private companies, public corporations, and financial sponsors in the middle market, offering depth and breadth of experience, dedicated industry coverage, relationships, knowledge, and resources. Origin has a proven track record of success in middle market transactions and offers thought leadership and dedicated teams focused on select industry segments.
- With professionals in seven cities across the US and Canada, Origin provides extensive direct coverage of North America. In addition, Origin offers international reach and direct coverage of more than 65 countries through coordination with global partners.

### Key Service Offerings

#### M&A Advisory

- ▶ Sell-side advisory
- ▶ Buy-side advisory
- ▶ Restructuring advisory

#### Capital Raising

- ▶ Debt private placements
- ▶ Growth equity investments
- ▶ Recapitalizations

#### Board & Committee Advisory

- ▶ M&A oversight
- ▶ Valuations
- ▶ Fairness opinions

### Origin by the Numbers

#1

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Independent M&A advisory firm in Canada

60

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Investment banking professionals

6

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Cities across North America

500+

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Transactions completed by Origin MDs

65+

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Countries covered with in-market global partners

>40%

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Cross-border transactions