Nearshoring to Canada

Why American Companies Hire Canadian IT Talent

Introduction

Going north of the border to hire IT latent may not have been the obvious choice for some U.S. companies, but that's changing rapidly. Amidst the COVID-19 pandemic, the new enthusiasm for nearshoring to Canada was inspired.

Geographic proximity, similarities in work culture and law, as well as political stability in Canada make nearshoring easier and more cost effective compared to in-house development. Furthermore, having the same language and similar time zones makes managing remote Canadian employees much easier for American businesses.

There are two major reasons for American companies to hire Canadian developers:

01 Cost Efficiency

According to CareerBuilder.com, the national average software developer salary in the United States is **$117,600 USD**, which is higher than most other job titles in the technology field.

Thus hiring American software developers for your tech project can take up a large portion of your IT budget.

02 Lack of Local Talent

According to research from The App Association, there are 223,000 job vacancies for software developers in the United States.

When you compare that to the fact that there are less than 31,000 computer science majors graduating each year, there is clearly a large talent gap that companies are struggling to fill.

Contents

In this document, we explore why American companies benefit from working with nearshore Canadian developers, based on the following seven key criteria:

Proximity

One of the main advantages of working with nearshore Canadian developers is the closeness in time and distance.

Key takeaway

The three big tech hubs of Canada – Vancouver, Toronto and Montreal – are an earshot away from some of the major American cities. In some cases, with no time difference and multiple direct flight options, it makes communication with nearshore staff extremely convenient.

Number of Daily Direct Flight

From Major US Cities to Canadian Tech Hubs

	New York	San Francisco	Seattle	Dallas	Washington	Atlanta	Chicago
Vancouver	2	8	15+	2	15+*	13*	3
Toronto	20+	4	1	6	15+	11	20
Montreal	20+	1	14*	2	6	4	9

*no daily direct flights. This number accounts for the number of daily flights with one stopover.

Proximity

Average Flight Duration

	New York	San Francisco	Seattle	Dallas	Washington	Atlanta	Chicago
Vancouver	5h 40m	2h 10m	1h	4h 40m	9h 30m	9h	4h 40m
Toronto	1h 30m	5h 22m	4h 40m	2h 50m	1h 30m	2h 20m	1h 40m
Montreal	1h 20m	6h	6h 40m	3h 30m	1h 45m	2h 40m	2h 10m

Time Difference (Hours)

	New York	San Francisco	Seattle	Dallas	Washington	Atlanta	Chicago
Vancouver	3+	0	0	+2	3+	3+	2+
Toronto	0	-3	-3	-1	0	0	-1
Montreal	0	-3	-3	-1	0	0	-1

* "+" indicated hour ahead and "-" indicates hour behind.
Ex: Chicago is 2 hours shead of Vancouver and 1 hour behind Toronto.

🔗 skyscanner.ca

Education

Top Canadian universities like the University of Toronto, the University of British Columbia and the Waterloo University offer a multitude of IT and engineering programs. There are 55 post-secondary educational institutes in Canada that have computer science and IT-related programs, making it a breeding ground for up and coming tech talent.

The University Of Toronto

- Ranked as the most reputable university in Canada.
- Undergraduate engineering students have an option to pursue one of eight core study areas, including Computer Engineering.

The University Of British Columbia

- Is known as one of the global centers for IT research and teaching.
- Ranked as one of the top 40 universities in the world.
- The university's Faculty of Applied Science offers programs in 21 specializations at the undergraduate and graduate levels.
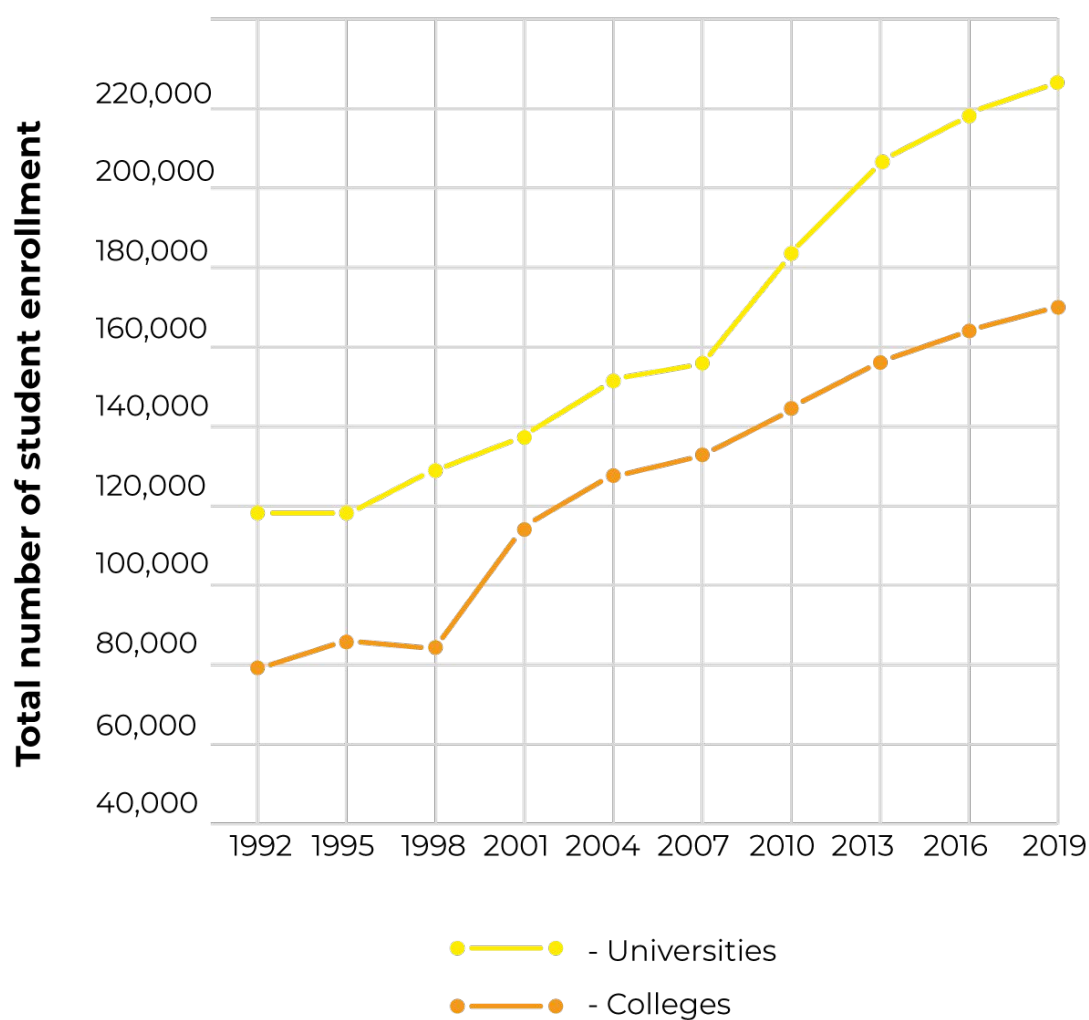
The Waterloo University

- Ranked among Top 50 engineering schools worldwide.
- Largest Engineering School in Canada, with over 9,900 students enrolled in 2019.
- Boasts a variety of co-op programs that allow students to gain paid work experience before graduation.

POST-SECONDARY ENROLLMENT TRENDS IN CANADA

Total number of student enrollment

● — ● - Universities

● — ● - Colleges

Key takeaway

With top universities and colleges offering comprehensive computer engineering programs, it is easy to find talent with a solid foundation in mathematics, logic and the syntax of programming languages.

Canada Study News 2020 - canadastudynews.com
Statistics Canada - statcan.gc.ca

Culture

Work culture between Canada and the United States is very similar.
IT professionals speak the same language, have similar holidays, and partake in leisure activities and interests alike. With that said, there are 2 major differences between American and Canadian work cultures that should be noted:

Canadian Workers Get More Vacation

Full-time Canadian employees are entitled to 2 weeks of paid vacation if they have been at the company for less than 5 years. After their 5th anniversary, their vacation time rises to 3 weeks.

In the United States, companies are not legally required to offer paid vacation time, although many companies have paid time off. However, the average worker only ends up using half of their paid vacation time.

Maternity/ Paternity Leave

The United States does not have a guaranteed paid leave for new mothers and fathers and instead leaves the decision to the employers. Thus, many parents feel the need to return to work early in order to show commitment to their jobs.
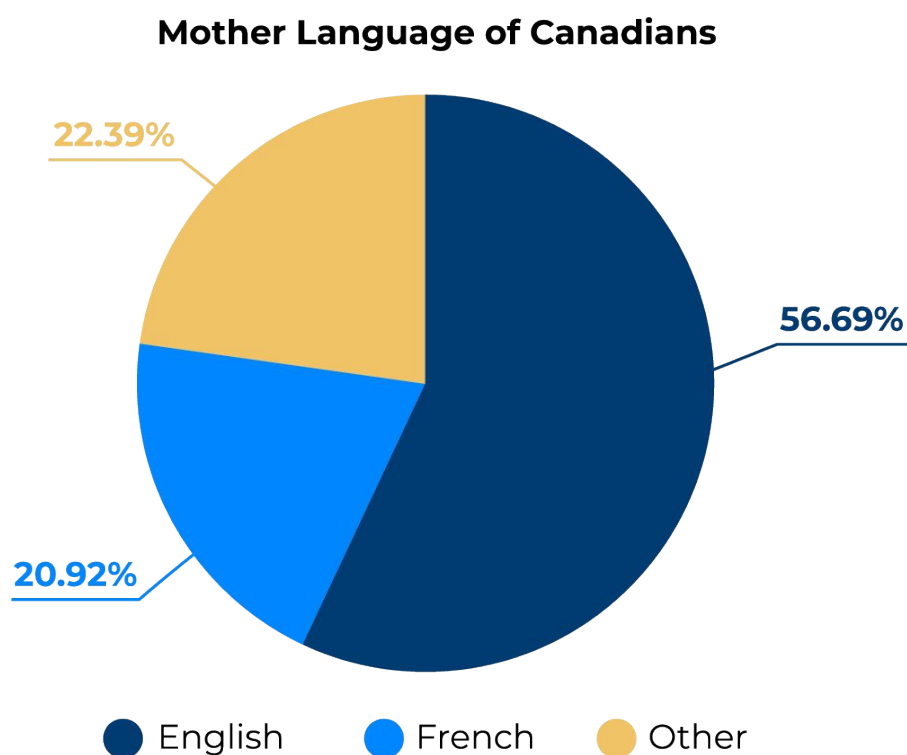
In Canada, parental leave is federally mandated. Extended parental benefits can be paid for a maximum of 61 weeks and must be claimed within a 78-week period (18 months)— now parents can select and get payments between 12 or 18 months.

Key takeaway

Even though Canadian employees value work-life balance, they are also hard-working and respect their employer as much as their American counterparts. The similarity in office culture and language makes it easy to communicate with Canadians.

Language

Although Canada's official languages are English and French, more than 20% of Canadians speak another mother language at home. Most French-only speakers reside in the province of Quebec, while English is primarily spoken in other provinces.

Mother Language of Canadians

22.39%

56.69%

20.92%

● English   ● French   ● Other

Key takeaway

With 86.2% of Canadians that are able to conduct a conversation in English, finding fluent English-speaking developers should not be a problem.
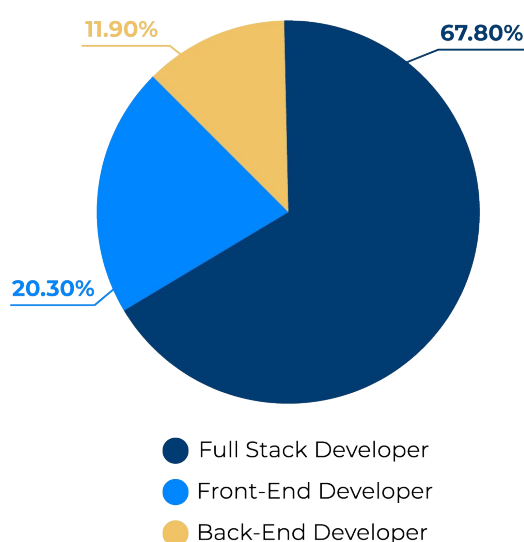
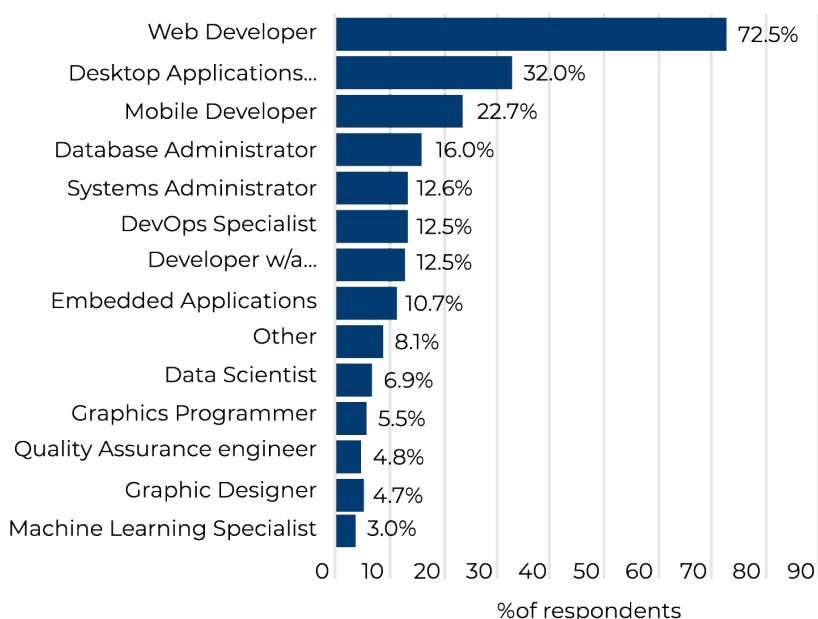The common bilingualism is an added bonus when it comes to working with multicultural clients.

🔗 Statistics Canada, 2011 Census Population by language spoken - statcan.gc.ca

Expertise

According to a study on Canadian software developers by the Brookfield Institute, over 72% of professional developers identify themselves as Web Developers. 67.8% identify as Full-Stack Web Developers, 20.3% identify as Back-End Web Developers and 11.9% identify as Front-End Developers.

11.90%

67.80%

20.30%

- ● Full Stack Developer
- ● Front-End Developer
- ● Back-End Developer

Share of Canadian Professional Developers by Role (2017)
% of survey respondents

Role	%
Web Developer	72.5%
Desktop Applications...	32.0%
Mobile Developer	22.7%
Database Administrator	16.0%
Systems Administrator	12.6%
DevOps Specialist	12.5%
Developer w/a...	12.5%
Embedded Applications	10.7%
Other	8.1%
Data Scientist	6.9%
Graphics Programmer	5.5%
Quality Assurance engineer	4.8%
Graphic Designer	4.7%
Machine Learning Specialist	3.0%

%of respondents

Sources:2017 Annual Developer Survey; BII+E analysis.
1,605 responses

Popular Programming Languages
Used by Canadian Developers

- JavaScript   69%
- SQL   54.6%
- C#   41.9%
- Java   34.6%
- Python   32.9%

Key takeaway

Canada is a prime location to find developers who specialize in web and desktop application development. Developers with JavaScript and Python programming skills are abundant in the country.

Technology

Although Silicon Valley in San Francisco remains the gold standard for tech startups, Canada is no stranger to the tech industry. In fact, 3 Canadian cities — Vancouver, Montréal and Toronto — were ranked 22nd, 36th, and 10th respectively by Innovation Cities™ Index 2019 : Global.

Canadian Tech Hubs

Montreal

If you are searching for talent in the wearable tech or virtual reality industry, Montreal is a good place to look. The city is home to Vrvana, a VR headset manufacturer, as well as Hexoskin and OMsignal, two companies that make clothes which can measure biometric signals of the wearer.

Vancouver

In 2014, the CBC named Vancouver the "Silicon Valley North" due to its strong start-up culture. With more than 600 digital media companies generating over $2 billion in revenue and an abundance of tech-focused universities, Vancouver is a great city for tech talent in the creative industry.
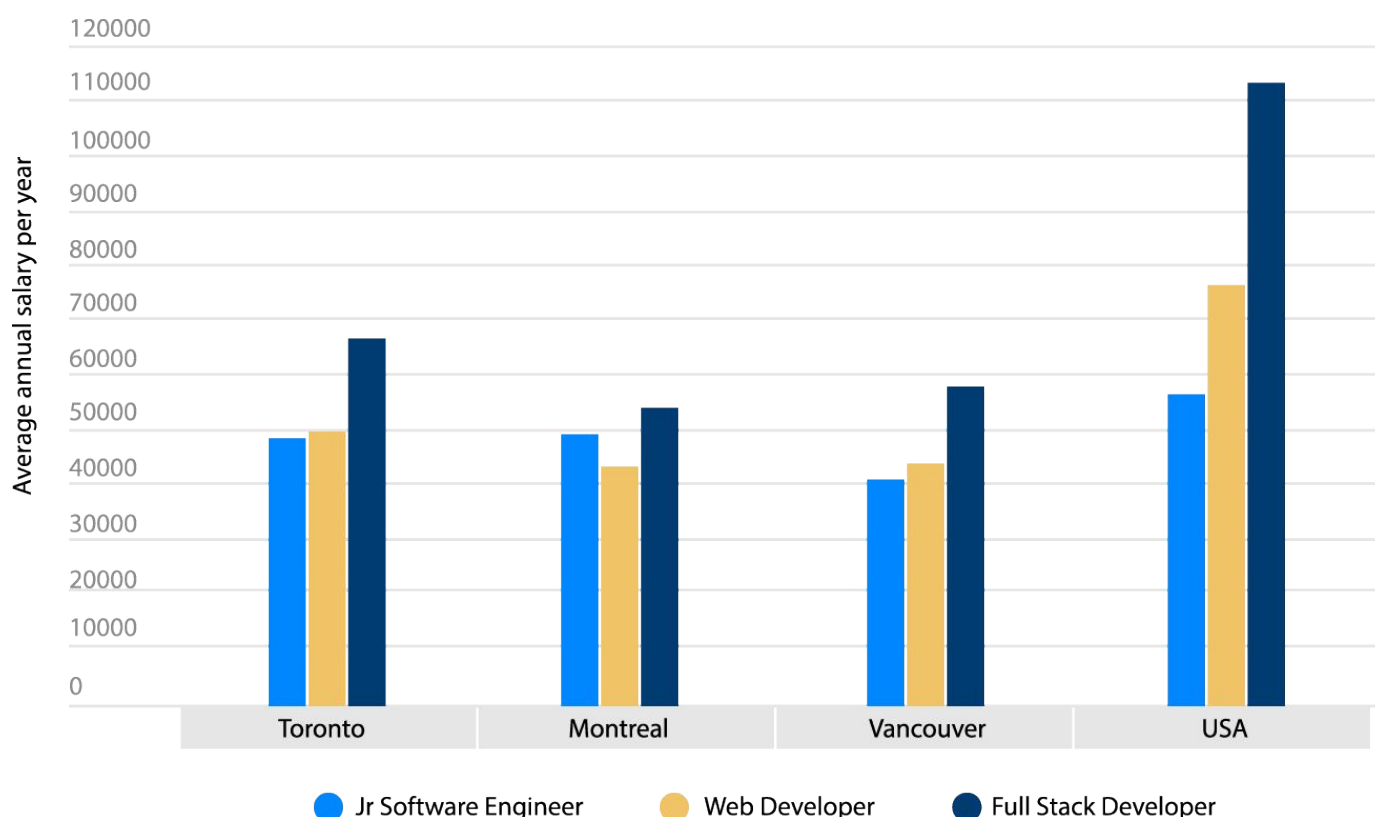
Toronto

Toronto – the center of Canada's tech industry – is booming with startups and innovative infrastructure such as the Cisco Innovation Center. The city is home to 30% of the country's IT firms, with a majority of them having less than 50 employees. This signals an emergence of young companies looking to make an emergence of young companies looking to make an impact in the next decade.

Key takeaway

Canadian cities are going through a technological transformation with each Metropolitan area having their own unique edge. For example, Toronto is known for having a strong community of Ruby on Rails developers. It is also important to consider cities such as Calgary, Ottawa and Edmonton in your search as they have an abundance of IT talent as well.

Salary

Due to the limited number of giant tech hubs, multi-billion dollar companies, and the lower exchange rate, the salary of a Canadian developer generally ends up being lower than that of their American counterpart.

Average annual salary per year — Toronto, Montreal, Vancouver, USA

● Jr Software Engineer   ● Web Developer   ● Full Stack Developer

Key takeaway

One of the main benefits of nearshoring to Canada is the huge cost saving on development.

An average salary of a software developer in the United States is $117,600 USD whereas you can find similar talent in Canada for $76,300 USD.

Conclusion

If you are looking to save on your IT budget and work with experienced software developers, nearshoring to Canada is an optimal choice.

Canadian developers are well-educated, well-versed in IT specialties, and share the same language and similar work culture as their American counterparts.

Major Canadian cities are going through tech transformations with lots of emerging tech startups, community groups, and innovation hubs that gives developers access to the cutting-edge developments and tools in artificial intelligence, the Internet of Things, augmented reality, and other spheres.

Want to hire Canadian developers?

We can help! Hire Intersog's top Canadian developers and build your nearshore development team in less then 4 weeks.

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