

## CLIENT SEGMENT PROFILE

# Aboriginal Peoples

Ontario



June 2014

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## Acronyms

CA	Census Agglomeration
CMA	Census Metropolitan Area
CSP	Client Segment Profile
LFS	Labour Force Survey
NHS	National Household Survey

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## About the Client Segment Profile

The Labour Market and Socio-economic Information Directorate in Service Canada, Ontario Region, produces Client Segment Profiles (CSPs) for Ontario. The CSPs provide provincial and local demographic and labour market information, trends and prospects for selected socio-demographic groups of the labour force.

CSPs are mainly intended to support regional Service Canada operations, especially with regard to the delivery of services and programs to specific client groups. However, they may also be of interest to those who seek to know more about the demographic and labour market trends for specific segments of the population.

Facts and statistics presented in this document reflect information available as of May 2014.

## Key Points

In Ontario:

- There were 301,430 Aboriginal peoples, representing 22% of the Canadian Aboriginal population;
- The First Nations community was the largest Aboriginal identity group;
- Aboriginal peoples were a small but growing share of the total provincial population;
- A higher proportion of Aboriginal peoples lived in the north;
- The share of the Aboriginal population living on reserve and in rural areas has declined;
- The proportion of Aboriginal peoples with an indigenous mother tongue fell; and
- The Ring of Fire mineral development in the north could provide economic benefits to the Aboriginal community.

In comparison to the non-Aboriginal population in Ontario, the Aboriginal community had:

- A younger age profile and was growing at a much faster pace;
- A greater prevalence of lone parent families;
- A higher likelihood of living in overcrowded and inadequate housing environments;
- Lower levels of educational attainment;
- Less successful labour market outcomes, including lower participation rates and higher unemployment rates;
- A lower median income;
- A larger portion of total income coming from government transfer payments; and
- A greater incidence of low-income situations.

## Introduction

This profile provides an outline of the primary demographic and labour market characteristics for the Aboriginal community in Ontario. The variables analysed include population, age, language, families and households, living conditions, education, labour market participation, unemployment and income. Comparisons of Aboriginal peoples with the non-Aboriginal population of Ontario are also provided where appropriate.

## Client Group Definition, Data and Methodology

### Client Group Definition

Aboriginal peoples of Canada are defined in the Constitution Act, 1982, section 35 (2) as including the Indian, Inuit and Métis peoples of Canada.<sup>1</sup> 'Aboriginal identity' refers to surveyed individuals who reported being an Aboriginal person, that is, First Nations (North American Indian), Métis or Inuk (Inuit) and/or a Registered or Treaty Indian (that is, registered under the Indian Act of Canada) and/or a member of a First Nation or Indian band.

Throughout this profile, the terms Aboriginal peoples, Aboriginal population and Aboriginal community are used interchangeably to refer to all persons who identified with at least one of the Aboriginal identity groups.

### Data and Methodology

The key data used for this report is taken from the 2011 National Household Survey (NHS), 2011 Census and the Labour Force Survey (LFS). In addition, data from the 2001 and 2006 Censuses were used for comparative purposes. We have also reviewed studies by Statistics Canada, Employment and Social Development Canada, other federal government departments, and the provincial government, to help complement, contextualize and interpret statistical information.

Examining data on Aboriginal peoples over time, in particular, between the 2006 Census and the 2011 NHS, is challenging due to several factors. Since the 2011 NHS was voluntary, unlike the previous Censuses, it is difficult to compare its findings with 2006 Census data as both surveys were conducted under different premises. Although measuring the same concepts, some of the questions included in the NHS varied slightly from the questions presented on the 2006 Census. Also, there were adjustments to the methodology between both surveys, as well as legislative changes which affected concepts such as 'Aboriginal identity' and Registered or Treaty Indian status. In addition, the definition of reserves was modified between the two forms. It should also be noted that the Aboriginal identity of some individuals may vary amongst the data collection periods due to changes in self-identification.

In the 2011 NHS, data was not available for incompletely enumerated Indian reserves and Indian settlements in Ontario. As a result, the population totals do not include these figures. Forest fires in northern Ontario prevented 13 reserves from being enumerated at the time of data collection; however information was obtained in the fall of 2011. Further, enumeration was not permitted in six reserves in Ontario while collection was incomplete in another.

Note on tables and charts - the total numbers for the Aboriginal population may vary between figures. This is caused by the rounding of numbers and the sources used for each chart.

The information presented in this profile will be updated as more recent statistical information and research findings become available.

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<sup>1</sup> Statistics Canada

## Section 1: Demographical Information

According to the 2011 NHS, Ontario was the most populous province in Canada with 12,651,790 residents, which included 301,430 Aboriginal peoples. Ontario accounted for close to 22% of the total Aboriginal population across Canada, the largest of any province. Despite this, Aboriginal peoples were underrepresented in Ontario as the province is home to 39% of Canada's total population.

The Aboriginal community was a small (2%) but growing share of Ontario's total population. Slightly more than one-half of the Aboriginal community in the province were females.

Ontario's Aboriginal community is growing quite rapidly. Between 2001 and 2011, the Aboriginal population increased at a much faster pace than the non-Aboriginal population. Across Canada, the picture was fairly comparable. This trend can be attributed to improved life expectancies amongst Aboriginal peoples and higher fertility rates relative to the non-Aboriginal population. In addition, ethnic mobility is playing a role: as families go through shifts in their ethnic affiliation, this may lead to changes in the rate of self-identification amongst the Aboriginal community.

Although the population growth rate of the Aboriginal community is expected to continue to outpace that of the non-Aboriginal segment, it is projected to slow in future decades.

### **Aboriginal Groups – *First Nations peoples represented the largest Aboriginal identity group in Ontario***

In Ontario, First Nations peoples accounted for the highest share of the Aboriginal community. According to the 2011 NHS, Ontario was home to more than 200,000 First Nations peoples, representing close to one-quarter of the First Nations population across Canada. Ontario also had a sizeable Métis population which represented nearly 30% (86,020) of the Aboriginal population in the province. In contrast, the Inuit community was a smaller identity group with only 1% (3,355) of the Aboriginal population in Ontario. Across Canada, about 19% of the total Métis population lived in Ontario while less than 6% of the Inuit community resided in the province.

Of the three Aboriginal identity groups — First Nations, Métis and Inuit — the smaller Inuit community experienced the strongest growth since 2001. The Métis population increased significantly as well, followed by the First Nations identity group.

In Ontario, about 47% of all Aboriginal peoples were Registered or Treaty Indians, most of whom were First Nations peoples. In 1985, amendments to the Indian Act, known as Bill C-31, were implemented, which may have caused an initial spike in the number of Registered or Status Indians. However, it is expected that this population will start to decline after two generations due to changes in the inheritance rules. As more Status Indians have children with Non-Status Indians, future generations will lose their registration entitlements.<sup>2</sup>

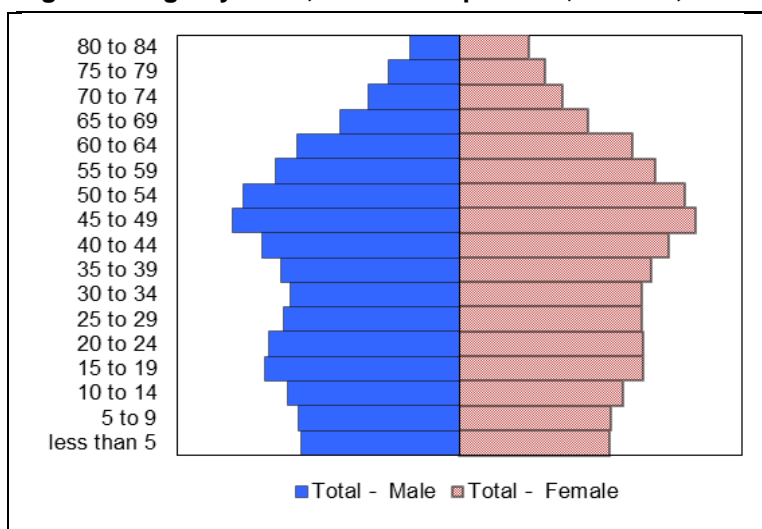
### **Age Distribution – *Ontario's Aboriginal community was younger than the non-Aboriginal population***

Aboriginal peoples have a much younger age profile than the non-Aboriginal population in Ontario. According to the 2011 NHS, the median age of Aboriginal peoples in Ontario was 31.2 compared with 40.2 for the non-Aboriginal population. Although both genders had a younger age profile when compared to the non-Aboriginal community in Ontario, Aboriginal males were significantly younger. The age demographic was similar at the national level. In 2011, the median age for the Aboriginal population in Canada was 27.7 years old compared with 40.6 for the non-Aboriginal segment.

<sup>2</sup> Spotton, Noelle. *A Profile of Aboriginal Peoples in Ontario*. Retrieved from: [http://www.attorneygeneral.jus.gov.on.ca/inquiries/ipperwash/policy\\_part/research/pdf/Spotton\\_Profile-of-Aboriginal-Peoples-in-Ontario.pdf](http://www.attorneygeneral.jus.gov.on.ca/inquiries/ipperwash/policy_part/research/pdf/Spotton_Profile-of-Aboriginal-Peoples-in-Ontario.pdf)

The age pyramid for Ontario's Aboriginal peoples, as illustrated in Figure 2, was much wider at the younger age cohorts compared to the general population (Figure 1). This may be explained by higher birth rates amongst Aboriginal peoples. Close to 42% of the total Aboriginal population comprised of children and youth aged 25 and under. Conversely, approximately 30% of the non-Aboriginal population fell into this age bracket. Amongst the three Aboriginal identity groups, the Inuit community was the youngest with close to one-half of all persons under the age of 25 years old. Unlike the non-Aboriginal population, the Aboriginal community will continue to have a greater share of children and youth in the years ahead.

**Figure 1: Age Pyramid, General Population, Ontario, 2011**



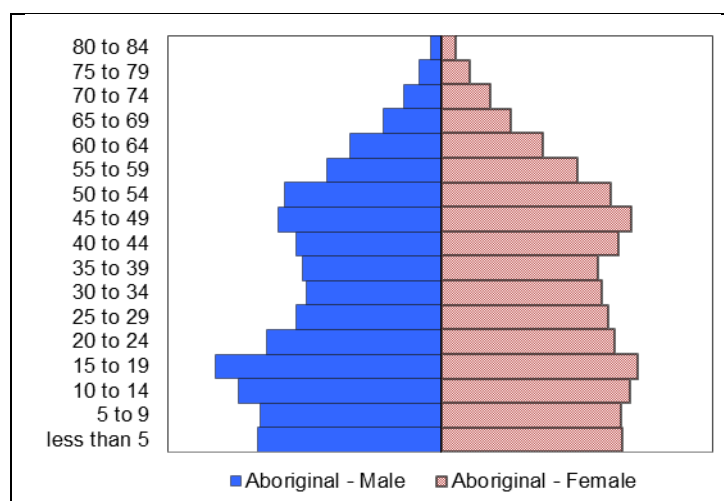
In contrast, compared to the general population, the age pyramid for the Aboriginal population was narrower at the upper age brackets, suggesting lower life expectancies. Looking at the older age cohorts, those aged 65 years and older represented a smaller proportion of the Aboriginal population. In fact, the number of non-Aboriginal seniors (14%) was twice that of the Aboriginal population (7%). The age structure for Ontario's general population has a stronger presence in the middle age segments which represents the baby-boom generation. While this indicates that many in the Ontario population are living into their late middle ages, the Aboriginal population does not share this picture.

#### **Area of Residence – Share of Aboriginal population living on reserve declined**

The proportion of Aboriginal peoples living on reserve has fallen over the last census period.<sup>3</sup> According to the 2011 NHS, 16% of all persons of Aboriginal identity in Ontario lived on a reserve. This was below the national rate of 23% which also decreased between 2006 and 2011.

Almost all of those living on reserve in Ontario were a part of the First Nations community. In fact, the two largest First Nations reserves in Canada were located in southern Ontario. Six Nations of the Grand River, situated near Brantford in the Greater Hamilton Area, was the most populous First Nations reserve nationwide. The second largest reserve was the Mohawks of Akwesane which is located in eastern Ontario near the Quebec border.

**Figure 2: Age Pyramid, Aboriginal Population, Ontario, 2011**



<sup>3</sup> In the NHS, area of residence is characterized as either on reserve or off reserve. The majority of reserves in Ontario are located within rural or remote parts of the province, in particular in northern Ontario. For the purposes of this profile, a rural area is defined as being outside of a Census Metropolitan Area (CMA) and/or Census Agglomeration (CA) which both fall under urban centres.



An increasing shift to urban centres by the younger Aboriginal population may be contributing to the decline in the on reserve population. Some may be choosing to live off reserve to gain access to more employment opportunities, better healthcare services, improved housing or to pursue higher education.

### ***A greater number of Aboriginal peoples resided in urban centres versus rural communities***

A growing share of the Aboriginal population resided in urban centres across Ontario, a trend mirrored within the non-Aboriginal population. According to the 2011 NHS, close to 70% of Aboriginal peoples in Ontario lived in a CMA or CA. The largest Aboriginal population was found within the Toronto CMA where close to 37,000 Aboriginal peoples resided. Other population centres with a significant Aboriginal community included the Greater Hamilton Area, Ottawa and urban areas in northern Ontario. In comparison, nearly 90% of the total non-Aboriginal population was concentrated in urban centres across the province with a larger emphasis in southwestern Ontario.

Amongst the Aboriginal identity groups, First Nations peoples represented a sizeable share of the total population in Kenora, Brantford and Thunder Bay at approximately 10%, 8% and 8%, respectively. The Métis community was most prominent in Midland and Kenora where it comprised 10% and 8% of the total population. In contrast, due to its small size, the Inuit identity group did not represent a sizeable proportion in any CMA or CA in Ontario.

### ***Northern Ontario home to close to one-third of the total provincial Aboriginal population***

Despite having a small share of the total population in Ontario (6%), northern Ontario was home to close to one-third of the total Aboriginal population in the province in 2011. The northeast region of Ontario had a large Aboriginal population of close to 60,000 with populous communities in Greater Sudbury, Algoma, Cochrane and Nipissing. However, the proportion of Aboriginal peoples was highest in northwestern Ontario where close to 20% of the total population were persons of Aboriginal identity. In Kenora and Rainy River, Aboriginal peoples accounted for 36% and 22% of the regional population, respectively.

The steady rise in the share of Aboriginal peoples from reserves and rural areas to larger population centres has been observed for some time and is projected to continue in the years ahead.

### ***Languages – Portion of Aboriginal population with an Aboriginal mother tongue decreased***

Ontario has several unique Aboriginal languages. According to the 2011 NHS, the most common Aboriginal languages were the Algonquin languages of Ojibway and Cree and the Iroquoian language of Mohawk. Inuktitut was the predominant language amongst the Inuit identity group.

Although the Aboriginal community has grown in Ontario, the share of Aboriginal peoples with an indigenous language as a mother tongue has fallen.<sup>4</sup> In 2011, the proportion of Aboriginal peoples who reported having an Aboriginal language as their mother tongue was under 5%. This figure has been decreasing over the last two census periods. Amongst the on reserve Aboriginal community, only about 20% reported having an Aboriginal language as a mother tongue.

The majority of Aboriginal peoples in Ontario, about 260,000 or 86%, reported English as their single mother tongue. French was the lone mother tongue for about 24,000 Aboriginal peoples or 8% of the total Aboriginal population. In Ontario, a larger share of the First Nations community had a maternal indigenous language compared with the Métis or Inuit identity groups.

The prevalence of an Aboriginal mother tongue was lowest at the youngest age cohort and increased steadily throughout the senior age demographic. The proportion of Aboriginal children aged 14 years and under with an Aboriginal maternal language was just 2% while it was 3% for Aboriginal youth aged 15 to 24 years old. This contrasted with 6% for those aged 25 to 64 years old and over 11% for Aboriginal

<sup>4</sup> Mother tongue refers to the language first learned at home in childhood and is still understood by the individual at the time of the survey.



seniors aged 65 years and over. This trend highlights the fact that Aboriginal languages are becoming less commonly used as the maternal language between generations. Aboriginal seniors are likely to be the ones holding onto traditional languages while English was the predominant mother tongue for Aboriginal youth.

In 2011, nearly all of the Ontario Aboriginal population was able to conduct a conversation in English while 15% were able to converse in French. In contrast, just over 7% of the total Aboriginal population reported that they were able to conduct a conversation in an Aboriginal language. Further, only 2% of all Aboriginal peoples in Ontario used an Aboriginal language the majority of the time while at home. However, the prevalence of Aboriginal languages was more common on reserve communities. Close to 30% of the on reserve Aboriginal population knew at least one Aboriginal language.

The potential loss of Aboriginal languages amongst the population is a concern. Often, the language spoken at home becomes the maternal language of the next generation, and its use has significant implications for a language's survival. Some of the dynamics which may be causing the decline in the use and knowledge of an indigenous language may be the widespread use of English and French in everyday activities and the shift of Aboriginal peoples from reserves to urban areas. Despite a drop in the intergenerational transmission of Aboriginal mother tongues in Canada, there has been a revival in teaching these languages in schools and throughout the community as secondary languages. Many parents, as well as youth, feel the need to learn their indigenous language which may prevent some dialects from disappearing.<sup>5</sup>

### **Families and Households – *Greater prevalence of lone parent families amongst Aboriginal peoples***

In Ontario, the majority of the Aboriginal and non-Aboriginal population lived in census families.<sup>6</sup> According to the 2011 NHS, 83% of Ontario's Aboriginal peoples lived in a census family, fairly comparable to the rate observed in the non-Aboriginal population.

Married spouses formed the core of Aboriginal census families although they accounted for a significantly smaller share compared with the non-Aboriginal population. Common-law living arrangements were more prevalent within the Aboriginal community (26%) compared with the non-Aboriginal segment (12%).

Lone parent families represented a substantial group within the Aboriginal population. Single parent homes made up 17% of all Aboriginal census families compared with 9% for the non-Aboriginal population. This figure was even higher when exclusively considering those who resided on a reserve. Amongst the Aboriginal identity groups, the proportion of lone parent families was greatest within the First Nations community.

In Ontario, the living arrangements of Aboriginal children aged 14 years and under varied compared with the non-Aboriginal population. In 2011, slightly over one-half of all Aboriginal children resided with both of their parents (biological or adoptive) compared with 77% for the non-Aboriginal segment, similar to the national rate. At the other end of the spectrum, more than one-third of all Aboriginal children in a census family lived with a single parent, most often a female lone parent. This was nearly twice that of non-Aboriginal children in the province. The percentage of children in Ontario that lived with someone other than a parent was also higher in the Aboriginal community. Furthermore, there was a higher prevalence of Aboriginal children in foster care compared with the non-Aboriginal population in the province. In 2011, of the 30,000 children in foster care across Canada, almost one-half were of Aboriginal identity.

Amongst the Aboriginal identity groups, living arrangements differed in Ontario as well. The Inuit population had a larger share of children living solely with grandparents and also as foster children

<sup>5</sup> <http://www.statcan.gc.ca/pub/11-008-x/2007001/9628-eng.htm>

<sup>6</sup> This refers to a married couple (with or without children), a common-law partnership (with or without children) or a lone parent family.

compared with the other Aboriginal identity groups. In general, the Métis community had living arrangements that more closely resembled that of the non-Aboriginal population in Ontario.

**Living Conditions – A higher proportion of Aboriginal peoples lived in homes that were in poor condition**

Aboriginal peoples were more likely to live in less adequate dwellings compared with the non-Aboriginal population. According to the 2011 NHS, 17% of Aboriginal peoples in Ontario lived in homes that required major repairs in contrast with less than 7% for the non-Aboriginal community.<sup>7</sup>

The living conditions of the Aboriginal population varied considerably depending upon the area of residence. In particular, a substantial number of homes on Ontario's reserves were in need of major repairs. In 2011, about one-third of all Aboriginal peoples who lived on reserve occupied dwellings that were in poor condition and needed major repairs. This was more than five times that of the non-Aboriginal population. It was also significantly above the Aboriginal population that resided off reserve (14%). Although Ontario fared better than the national average, it is still an alarming issue for the community. On-reserve housing continues to face difficulties such as poor construction and poverty. Reserves located in northern Ontario are met with additional obstacles such as harsher climate and higher material and transportation costs due to the remote locations of some reserves.

Of those that lived off reserve, Aboriginal peoples who occupied homes in urban centres often had dwellings that were in better condition than those in rural areas. Amongst the Aboriginal identity groups, First Nations peoples had a larger share of individuals in dwellings that needed major repairs (19%) compared with the Inuit (15%) and Métis communities (13%).

**Overcrowded homes plagued Aboriginal peoples on reserve**

According to the 2011 NHS, the overall difference in household suitability between the Aboriginal and non-Aboriginal population was fairly negligible.<sup>8</sup> The level of crowding in a dwelling, indicated by more than one person per room, was relatively alike between Aboriginal peoples and the non-Aboriginal population.<sup>9</sup> The share of Ontario's Aboriginal population in crowded homes was also considerably less than the national rate of 11%. Amongst the Aboriginal identity groups, overcrowded quarters were more common within the Inuit community in Ontario and nationwide. In 2011, the portion of Inuit peoples in overcrowded dwellings was 7% in Ontario and close to 30% across Canada.

However, when looking at the on reserve Aboriginal population, the incidence of overcrowding was most pronounced. The proportion of Aboriginal peoples living in suitable households declined to about three-quarters for the on reserve population compared with 87% for the off reserve community. In addition, nearly 14% of the on reserve community experienced a shortfall in the number of bedrooms in their dwelling leading to overcrowded homes.

Inadequate living conditions and overcrowded dwellings are a concern for Aboriginal peoples. These factors can lead to increased health problems, greater transmission of infectious diseases and heightened levels of family tension.<sup>10</sup> To help address this situation, the Canada Mortgage and Housing Corporation created an initiative aimed at expanding home ownership and breaking down barriers for Aboriginal peoples living on and off reserve.<sup>11</sup>

<sup>7</sup> Dwellings that need major repairs are defined as homes that are defective or require structural repairs. The need for major repairs was based on the judgment of the respondents of the survey.

<sup>8</sup> Housing suitability refers to whether a private household is living in suitable accommodations according to the National Occupancy Standard (NOS); that is, whether the dwelling has enough bedrooms for the size and composition of the household.

<sup>9</sup> Persons per room refers to an indicator of the level of crowding in a private dwelling. It is calculated by dividing the number of persons in the household by the number of rooms in the dwelling.

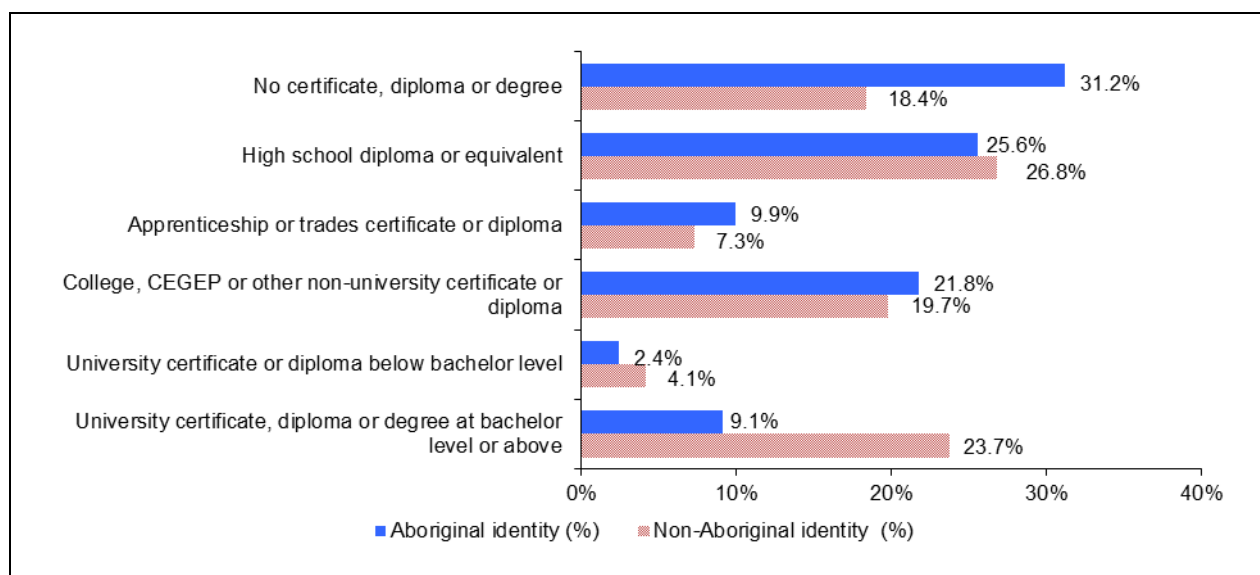
<sup>10</sup> <http://www12.statcan.ca/census-recensement/2006/as-sa/97-558/pdf/97-558-XIE2006001.pdf>

<sup>11</sup> Canada Mortgage and Housing Corporation

### Education – Lower levels of educational attainment amongst the Aboriginal community

One of the challenges facing the Aboriginal peoples of Ontario is education. The levels of educational attainment amongst the Aboriginal population trailed those of the non-Aboriginal identity group. The largest differences can be observed at the lowest and highest levels of education between both populations. At the lower end, about 31% of those aged 15 and over with an Aboriginal identity did not possess a certificate, diploma or degree compared with 18% for the non-Aboriginal population, as illustrated in Figure 3. Part of this gap can be explained by the youth age cohort. The Aboriginal population has a greater share of youth, many of whom may still be in high school or working towards a first degree or diploma. However, if we exclude the youth cohort and examine the educational attainment of those aged 25 and over, the gap still persists. About 25% of the Aboriginal community aged 25 and over did not have a certificate, diploma or degree compared with 15% for the non-Aboriginal population. The difference was even more pronounced at the national level. At the other end of the spectrum, close to 25% of the non-Aboriginal population completed the highest levels of education possible – a university certificate, diploma or degree at the bachelor level or above - which was 2.5 times that of the Aboriginal community.

**Figure 3: Educational attainment by Aboriginal and non-Aboriginal Populations aged 15+, Ontario, 2011**



Source: Statistics Canada, 2011 NHS

In general, the non-Aboriginal population was more likely to possess post-secondary education compared to Aboriginal peoples, however a greater prevalence of trade certification or college education was present amongst the Aboriginal identity population in Ontario. The rate of achievement of Ontario's Aboriginal peoples in post-secondary education was rather similar to the national average. In Ontario, close to one-half of the Métis population achieved a post-secondary certificate, diploma or degree, a higher rate than that of the Inuit and First Nations communities.

### *The female Aboriginal population had higher levels of post-secondary education*

The proportion of the Aboriginal population with a high school diploma or less was relatively balanced among males and females. This holds true for the non-Aboriginal population as well. When considering higher levels of education, those who held a university certificate, diploma or degree at the bachelor level or above, Aboriginal females accounted for a higher share of the Aboriginal population (65%). However, a larger share of the male Aboriginal population possessed an apprenticeship certificate or diploma, as was common with the non-Aboriginal community. The discrepancy between educational attainment of males

and females was less persistent at the higher levels of education in the non-Aboriginal population, although females were still more likely to achieve post-secondary education.

### ***Aboriginal peoples on reserve faced greater educational barriers***

In Ontario, a noticeable difference exists in the level of education amongst the Aboriginal population depending upon the area of residence. Aboriginal peoples that resided in urban centres often had higher levels of educational attainment compared to those in rural areas. However, the gap in academic achievement was most pronounced when examining the Aboriginal population that lived on reserve. According to the 2011 NHS, about 46% of the Aboriginal community that lived on reserve did not have a high school diploma, or post-secondary certificate, diploma or degree. In contrast, about 29% of the total Aboriginal population that lived off reserve fell into this category along with only 18% of the non-Aboriginal population in Ontario. This indicates that unique challenges exist for Aboriginal peoples on reserve which can lead to lower educational attainment.

### ***Aboriginal youth less likely to attend school***

In 2011, close to 20% of all Aboriginal youth aged 15 to 19 in Ontario did not attend school compared to just 13% of youth in the non-Aboriginal community. This included both full-time and part-time status. Some reasons which can influence the decision to leave school early may include poor academic performance, a desire to enter the labour force, lack of interest and societal or family obligations. Leaving school early can translate into a lack of essential skills or training required for jobs. In fact, lower levels of academic achievement are often associated with labour market challenges such as lower wages and less job stability. Improving the educational levels and skills profiles of Aboriginal peoples will be a major factor in determining future employment in high-skilled jobs that require post-secondary education.

### ***Educational attainment slowly improving in the Aboriginal community***

Over the last decade, the share of the Aboriginal population with post-secondary education has increased in Ontario. At the same time, the proportion of Aboriginal peoples without any certification, degree or diploma has fallen. Given the younger Aboriginal population, as the educational successes of Ontario's Aboriginal peoples continue to increase, the community may have more opportunities in the labour market in the years ahead.

### ***Moving forward on Aboriginal education***

Issues that may be impacting the educational achievements of Ontario's Aboriginal peoples include a lack of knowledge of Aboriginal history by teachers and students, fewer funding resources due to smaller enrollment levels, varying views amongst the Aboriginal community on the measures of success and lower parental education and household income.

To help narrow the educational gap between Ontario's Aboriginal peoples and the non-Aboriginal population, initiatives such as the Aboriginal Education Policy Framework have been developed. Progress has been made on several fronts such as creating Aboriginal Advisory Committees, promoting Aboriginal education in schools, improving support services for students, greater access to human resources and increasing the participation of parents and elders in the school system.

## Section 2: Labour Market Analysis

To examine the labour market conditions of Ontario's Aboriginal population, two surveys were used: Statistics Canada's monthly LFS and the 2011 NHS. It is important to note that data from the NHS includes Aboriginal peoples living on reserve, while data from the LFS excludes the on reserve population.

For the purposes of this profile, a rural area is defined as being outside of a CMA and/or CA, which are both classified as urban areas.

### ***Fewer Aboriginal peoples engaged in the labour market***

In Ontario, the Aboriginal community faces labour market conditions that diverge from the non-Aboriginal population. According to the LFS, Aboriginal peoples were less likely to participate in the labour market compared with the non-Aboriginal population. Moreover, the gap in participation rates between females of Aboriginal identity and those of non-Aboriginal identity was wider than for males (7.6% versus 4.6%) in 2013. There was little difference between the participation rates of the three identity groups — First Nations, Métis and Inuit.

### ***Aboriginal peoples faced higher unemployment rates***

Along with lower participation in the provincial labour force, the Aboriginal community also had a higher unemployment rate compared with the non-Aboriginal population. According to the LFS, the unemployment rate of Aboriginal peoples was 12.6% in 2013, above the rate of 7.5% for the non-Aboriginal identity group. Between 2012 and 2013, the unemployment rate of Aboriginal peoples increased by 0.5 percentage points while it declined by 0.2 percentage points for the non-Aboriginal population over this same period. At the national level, the unemployment rate for the Aboriginal population was below that of Ontario, at 11.6% in 2013.

### ***Labour market outcomes amongst the Aboriginal population were better for urban dwellers than rural residents and those on reserve***

According to the LFS, Aboriginal peoples living in urban areas were more likely to engage in the labour market compared with their rural counterparts. In 2013, 61.7% of the urban Aboriginal working-age population participated in the labour market. In contrast, the participation rate of the rural Aboriginal population was only 55.5%. In addition, Aboriginal peoples living in rural areas had higher unemployment rates, as these areas often have fewer employment opportunities compared with larger population centres due to reduced economic activity.

The trend of low participation rates and high unemployment rates was even more prominent between the on and off reserve Aboriginal populations. According to the 2011 NHS, the participation rate of Aboriginal peoples on reserve was just 52.7%, close to 11.0 percentage points lower than the off reserve Aboriginal population. Likewise, the unemployment rate of those living on reserve was 19.5%, more than 6.0 percentage points above the rate of the off reserve Aboriginal community. Many reserves in Ontario are isolated from healthier labour markets which can restrict job vacancies and lead to higher unemployment rates. However, Ontario does fare better than the national Aboriginal population, which had an unemployment rate of 25.1% for the on reserve community across Canada.

### ***Rural labour force declined for Aboriginal peoples***

According to the LFS, between 2007 and 2013 the number of Aboriginal peoples participating in the labour force fell by 15.6% in rural areas. In contrast, the labour force of Aboriginal peoples in urban areas grew by 2.3%. Both of these figures differed substantially from the non-Aboriginal labour force in Ontario, where the contraction of the labour force in rural areas was less pronounced, declining by only 4.7% between 2007 and 2013. In addition, the increase in the non-Aboriginal labour force in urban areas was larger than that of the Aboriginal identity group.



The rural Aboriginal labour force may have experienced this significant drop due to a variety of factors, such as the increased urbanization of the Aboriginal community leading to fewer individuals in the rural labour force, and as well as departures from the labour force completely due to a lack of confidence.

***Aboriginal youth faced higher unemployment and were less likely to participate in the labour market***

In Ontario, participation rates vary by age cohorts for both the Aboriginal and non-Aboriginal population. In both populations, participation rates tend to be greatest for the adult segment aged 30 to 64 years old. According to the LFS, 68.6% of the Aboriginal population in the 30 to 64 age category participated in the labour market, almost 13.0 percentage points below the participation rate for the adult working-age population of the non-Aboriginal identity community. For the Aboriginal and non-Aboriginal populations aged 55 years and older, the difference in participation rates was less pronounced at 37.6% for the non-Aboriginal community and 33.3% for Aboriginal peoples. Looking at youth aged 15 to 29, the participation rates were lower for both the Aboriginal and non-Aboriginal populations. However, only 61.8% of all Aboriginal youth in Ontario were active in the labour market compared with 69.0% of non-Aboriginal youth. In addition, in 2013, the unemployment rate of youth in the Aboriginal identity group was 18.4% compared with 12.8% for youth in the non-Aboriginal community. This may be related to a greater share of Aboriginal youth not attending school and lower educational attainment amongst the Aboriginal youth segment. Both of these elements may increase the barriers to employment and yield less favourable labour market outcomes.

***Lower levels of academic achievement corresponded to higher unemployment rates and lower participation rates for Aboriginal peoples***

There was a clear pattern between the unemployment and participation rates of the Aboriginal population and the total level of education achieved. In Ontario, the unemployment rate for those without a high school diploma was 23.1% in 2013. This figure fell to 14.3% for Aboriginal peoples with a high school diploma or some post-secondary education. In contrast, for those who completed post-secondary education, the unemployment rate dropped to 7.9% in the Aboriginal community.

Not completing school can lead to lower skills as well as lower income jobs. This could help explain the underrepresentation of Aboriginal peoples in management occupations, natural and applied sciences and business, finance and administrative occupations compared with the non-Aboriginal population. Correspondingly, the Aboriginal community had a higher portion of workers in the sales and service as well as the trades, transport and equipment operators' fields compared with the non-Aboriginal population.

Lower levels of educational attainment amongst the provincial Aboriginal population may also be a contributing factor towards fewer Aboriginal peoples participating in the labour market. According to the 2011 NHS, the lowest participation rate was observed for Aboriginal peoples with no certificate, diploma or degree (38.1%). In contrast, the labour force participation rate climbed to 67.2% for Aboriginal peoples that possessed a high school diploma and about 82.3% for those with a university degree. This trend was not exclusive to the Aboriginal community and was also observed in the non-Aboriginal population. However, since the Aboriginal population in Ontario has a greater prevalence of lower education levels, this element may be an important contributor to the lack of labour market participation.

***Effect of the Great Recession on Ontario's Aboriginal community***

The 2008–2009 recession had a rather significant impact on the Aboriginal community in Ontario. The slow-paced economic growth which followed the recession caused the unemployment rate of Aboriginal peoples to peak at 14.3% in 2010 and kept Aboriginal employment levels down until 2012.

As of 2013, the participation and employment rates of the Aboriginal population have yet to climb above the levels witnessed in 2007. Also, the unemployment rate of Aboriginal peoples in 2013 was still above the rate observed in 2007 (12.0%).

Although the non-Aboriginal labour force was affected by the recession as well, it fared better than the Aboriginal community. The lag in employment growth of Aboriginal peoples could be attributed to a lack of basic skills required to move between industries, lower levels of academic achievement amongst Aboriginal peoples which can restrict access to knowledge-intensive occupations, and weakness in industries such as natural resources and manufacturing.

### **Spotlight on the Ring of Fire – *Potential employment opportunities for Aboriginal peoples***

Over the past few years, much attention has been geared towards the Ring of Fire mineral deposit in northern Ontario. The site is estimated to have large deposits of precious and non-precious metals including the rare metal chromite. This discovery caused heightened mining and exploration activity with future plans to develop the area. However, the development of the Ring of Fire mineral deposit has slowed due to lack of infrastructure growth, regulatory delays, weaker commodity prices and disputes over electricity costs.

The Ring of Fire development has the potential to bring thousands of jobs to northern Ontario. The region could gain from the creation of mining, transportation, and smelting-related occupations as well as numerous spin-off positions that would arise through the infusion of capital. In particular, due to their large presence in the north, the First Nations community would also benefit through employment opportunities, increased infrastructure, an improved standard of living and greater access to remote locations.

The Ring of Fire area is one of the least developed and isolated regions of Ontario. Aboriginal peoples that reside on traditional grounds will be impacted by population and economic growth generated by the project; therefore, Aboriginal participation in the Ring of Fire planning process is essential for the project's success, and to ensure that cultural and societal aspects are preserved and respected.

Despite a lack of development in the Ring of Fire, many observers will continue to keep a keen eye on the region in the upcoming years with hopes that the Ring of Fire will reach its full potential and bring enhanced economic prosperity to those in the north.

### **Income – *Median income lower for Aboriginal peoples than the non-Aboriginal population***

In Ontario, the income levels of Aboriginal peoples trailed those of the non-Aboriginal population. According to the 2011 NHS, the median income for persons of Aboriginal identity was \$22,546 compared with \$30,696 for the non-Aboriginal population in 2010.<sup>12</sup> However, the provincial median income of Aboriginal peoples was above the national figure of \$20,701. Amongst the Aboriginal identity groups, the First Nations community reported the lowest median income while the Métis population had the highest median income, although it lagged that of the non-Aboriginal group.

Looking at those who worked full-time, full-year, the earnings gap still persisted between the Aboriginal and non-Aboriginal populations. In 2010, the median employment income of Aboriginal peoples that worked full-time, full-year was \$42,803 compared with \$50,175 for those in the non-Aboriginal identity group.

### **Aboriginal population received a greater share of total income from government transfers**

For the purposes of this profile, income is divided into two categories: market income (employment income and other money income<sup>13</sup>) or income from government sources.<sup>14</sup> In 2010, 80.1% of the total income of Aboriginal peoples in Ontario came from market income compared with 87.8% for the non-

<sup>12</sup> Median income is the amount which divides the income distribution into two halves. That is, half of the incomes are below the median, while half are above the median.

<sup>13</sup> Other money income refers to regular cash income received during calendar year 2010 and not reported in any of the other sources listed on the questionnaire. For example, severance pay and retirement allowances, alimony, child support, periodic support from other persons not in the household, income from abroad (excluding dividends and interest), non-refundable scholarships, bursaries, fellowships and study grants, and artists' project grants are included.

<sup>14</sup> Market income is the sum of employment income, investment income, retirement pensions, superannuation and annuities and other money income. Meanwhile, government income refers to any government transfer payment.



Aboriginal population. For both groups, employment income was the main contributor to market income. Employment income comprised 72.8% of total income for the Aboriginal population, only 2.0 percentage points lower than the non-Aboriginal segment.

However, government transfers accounted for a much larger share of total income for Aboriginal peoples compared with the non-Aboriginal population. According to the 2011 NHS, government transfer payments were the source of nearly 20.0% of total income for Ontario's Aboriginal community. In contrast, this figure was only 12.2% for the non-Aboriginal identity group. This difference can be attributed to a greater proportion of the Aboriginal population receiving employment insurance benefits, child benefits and other transfer payments from the various levels of government.

Amongst the Aboriginal identity groups, the share of total income from government transfer payments varied. The First Nations community received the largest portion of total income from government transfer payments (21.9%) compared with the Inuit (18.1%) and Métis (16.9%) communities. Across Canada, government transfer payments represented 18.5% of the total income for Aboriginal peoples, in contrast with 12.2% for the non-Aboriginal population.

### ***Income levels of Aboriginal peoples lower regardless of educational attainment***

Median employment income for both the Aboriginal and non-Aboriginal populations increased with the level of academic achievement. However, given the same level of education, Aboriginal peoples had lower median employment incomes when working full-time, full-year, compared with the non-Aboriginal community. In 2010, the median employment income for those without a certificate, diploma or degree was \$32,437 for the Aboriginal population and \$35,708 for the non-Aboriginal segment. At the other end of the scale, the median employment income for those with a post-secondary certificate, diploma or degree was \$49,388 for Aboriginal peoples and \$56,783 for the non-Aboriginal population.

### ***Higher share of Aboriginal population in low-income situations***

To assess the prevalence of low-income living conditions, the Low-income measure after tax (LIM-AT) was used.<sup>15</sup> However, low-income concepts are not applied to Indian reserves so the following analysis deals exclusively with the Aboriginal population that lived off reserve.

According to the 2011 NHS, there was a greater incidence of low-income households amongst the Aboriginal community compared with the non-Aboriginal population. In 2010, 59,455 Aboriginal peoples or 23.5% of the population lived in low-income situations compared with just 13.7% for the non-Aboriginal identity group in Ontario. Across Canada, the prevalence of low-income households was 25.3% for the Aboriginal community and 14.5% for the non-Aboriginal population.

The First Nations identity group experienced the highest share of low-income situations (26.1%) while the Inuit (22.0%) and Métis (19.4%) populations fared better. The high proportion of low-income households can contribute to less adequate living conditions, lower levels of academic achievement and also poorer health within the Aboriginal community.

<sup>15</sup> As defined by Statistics Canada, Low-income measure after tax (LIM-AT) is a fixed percentage (50%) of median adjusted after-tax income of households observed at the person level, where 'adjusted' indicates that a household's needs are taken into account.

## Conclusion

Aboriginal peoples face unique challenges, as well as opportunities, in Ontario's labour market. Although the Aboriginal community is small, it is growing at an accelerated rate compared with the rest of the population. This trend is expected to persist in the years ahead although at a slower pace.

Although the Aboriginal population had lower levels of educational attainment compared to the general population, their academic achievement is rising. Coupled with a young and growing population, Aboriginal peoples may be well-positioned to take advantage of future labour market opportunities. However, existing obstacles and challenges affecting Aboriginal peoples will need to be addressed to facilitate positive labour market outcomes. Targeting educational attainment will remain an important programming objective, as initiatives to improve skill sets and practical knowledge will be fundamental to maximize economic and employment prospects moving forward.

**Note:** *In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

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**For information on products from Statistics Canada** please visit the Statistics Canada Web site at: [www.statcan.gc.ca](http://www.statcan.gc.ca)

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