



Labour Market Bulletin

Ontario



September 2015

The Quarterly Edition of the Labour Market Bulletin is a look back over the past three months, providing an analysis of quarterly Labour Force Survey results for the province of Ontario, including the regions of Hamilton—Niagara Peninsula, Kingston—Pembroke, Kitchener—Waterloo—Barrie, London, Muskoka—Kawarthas, Northeast, Northwest, Ottawa, Stratford—Bruce Peninsula, Toronto and Windsor—Sarnia.

OVERVIEW

Labour Force Trends – Ontario employment grew by 10,100 in the third quarter of 2015

- Employment growth was driven by a gain in full-time work (+28,200)
- The quarterly unemployment rate increased slightly to 6.7%
- The unemployment rate for youth 15 to 24 years old decreased to 14.6%

Ontario employment grew by 10,100 in the third quarter of 2015, with a gain in full-time work (+28,200) more than offsetting a decline in part-time work (-18,000). The unemployment rate ticked up 0.1 percentage point to 6.7% in the third quarter yet remains below the national average of 7.0%. The slight unemployment rate increase for the quarter reflects more individuals entering the labour force looking for work. Ontario's unemployment rate for youth aged 15–24 decreased 0.1 percentage point to 14.6% from last quarter.

National employment surged higher in the quarter, increasing by 34,000. As in Ontario, gains were similarly driven by full-time work (+51,800), while part-time employment fell by 17,900. This quarter marked the fifth consecutive quarter of national employment growth of at least 30,000. Compared to the third quarter of 2014 Canadian employment grew by 171,900, entirely from full-time work (+258,200).

In the U.S., non-farm payrolls increased by 167,000 in the third quarter with numbers coming in below expectation in August and September.¹ The U.S. unemployment rate dropped to 5.1% in the third quarter of 2015, from 5.4% in the second quarter, which now falls within the U.S. Federal Reserve's range defining full employment. Although this was believed to be the push needed to increase the benchmark interest rate, the Fed seems more and more likely to hold off on a rate increase² given declining business confidence (as defined

¹ Trading Economics - United States Non-Farm Payrolls. Retrieved from: <http://www.tradingeconomics.com/united-states/non-farm-payrolls>

² Yahoo! Finance. (October 10, 2015). [Wall St. rises as chances of 2015 rate hike fade](https://ca.finance.yahoo.com/news/futures-flat-day-fed-minutes-spark-rally-112454097--finance.html). Retrieved from: <https://ca.finance.yahoo.com/news/futures-flat-day-fed-minutes-spark-rally-112454097--finance.html>

by the ISM Purchasing Managers Index)³ and industrial production.⁴ Also, the U.S. labour force participation rate of 62.4%,⁵ as of September 2015, remains the lowest since 1977.

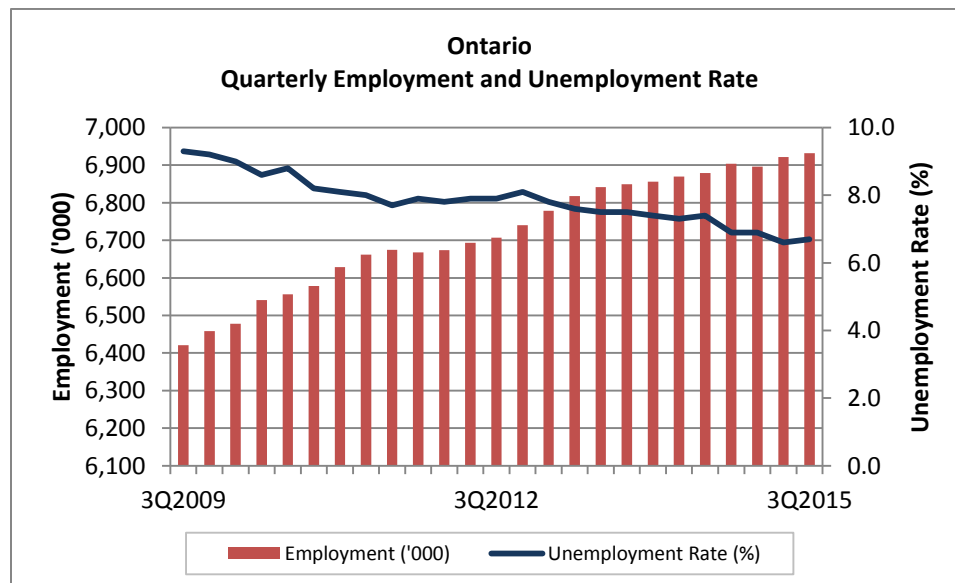
Since the third quarter of 2014, Ontario's employment level increased by 52,800 as growth in full-time work (+116,000) more than offset losses in part-time positions (-63,100). Labour force growth so far this year has been negligible compared to the same period last year and the unemployment rate fell by 0.7 percentage points to 6.7% in the third quarter of 2015 compared to the third quarter of 2014.

Ontario Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	3rd Quarter 2015	2nd Quarter 2015	3rd Quarter 2014	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	11,402.1	11,366.5	11,287.0	35.6	0.3	115.1	1.0
Labour Force ('000)	7,432.2	7,410.9	7,425.6	21.3	0.3	6.6	0.1
Employment ('000)	6,931.8	6,921.7	6,879.0	10.1	0.1	52.8	0.8
Full-Time ('000)	5,642.0	5,613.8	5,526.0	28.2	0.5	116.0	2.1
Part-Time ('000)	1,289.9	1,307.9	1,353.0	-18.0	-1.4	-63.1	-4.7
Unemployment ('000)	500.4	489.1	546.5	11.3	2.3	-46.1	-8.4
Unemployment Rate (%)	6.7	6.6	7.4	0.1	-	-0.7	-
Participation Rate (%)	65.2	65.2	65.8	0.0	-	-0.6	-
Employment Rate (%)	60.8	60.9	60.9	-0.1	-	-0.1	-

Note: Totals may not add due to rounding

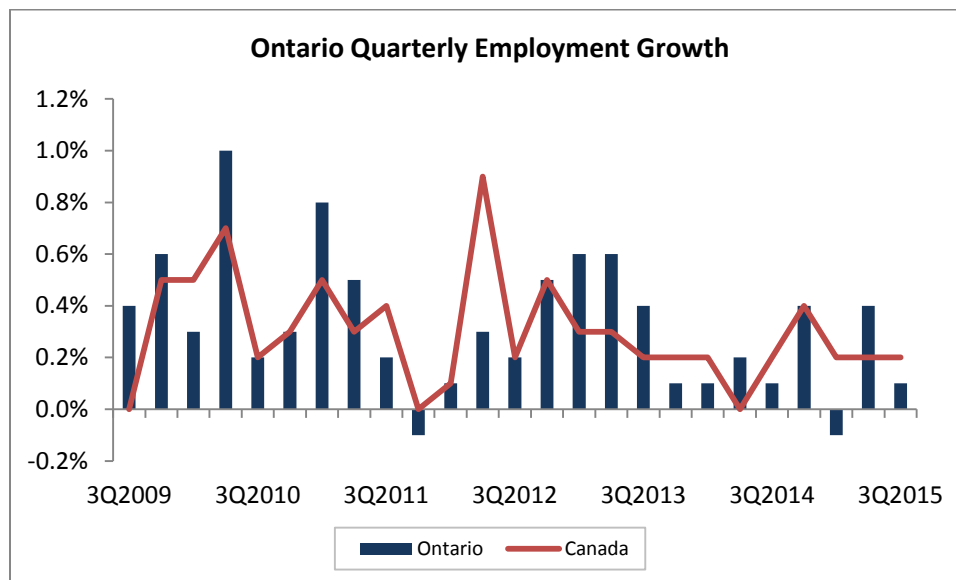
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087



³ Trading Economics – U.S. ISM PMI. Retrieved from: <http://www.tradingeconomics.com/united-states/business-confidence>

⁴ Trading Economics – U.S. Industrial Production. Retrieved from: <http://www.tradingeconomics.com/united-states/industrial-production>

⁵ BLS U.S. Labour Force Statistics. Retrieved from: <http://www.bls.gov/web/empsit/cpseea01.htm>



Ontario Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation (% points)	Yearly Variation (% points)
	2015 (%)	2015 (%)	2014 (%)		
Total	6.7	6.6	7.4	0.1	-0.7
25 years and over	5.4	5.2	5.8	0.2	-0.4
Men - 25 years and over	5.5	5.2	5.9	0.3	-0.4
Women - 25 years and over	5.2	5.1	5.6	0.1	-0.4
15 to 24 years	14.6	14.7	16.3	-0.1	-1.7
Men - 15 to 24 years	16.0	16.1	17.3	0.0	-1.2
Women - 15 to 24 years	13.2	13.2	15.2	0.0	-2.0

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

EMPLOYMENT BY INDUSTRY

Employment grew in the goods-producing sector in the third quarter, mostly in construction

Employment in the goods-producing sector grew in the third quarter of 2015 by 7,700 from the previous quarter. This was the second consecutive quarter of growth. The construction industry had the largest gain (+6,700), while the forestry, fishing, mining, quarrying, oil and gas industry also expanded during the period. The agriculture and utilities industries observed small losses of 800 and 700, respectively, in the quarter.

Construction industry employment increased in the third quarter of 2015 after a slight drop in the previous quarter. This was, in part, driven by the strong Ontario housing starts numbers, led by a surge in apartment starts. Housing starts increased by 15.9% in the third quarter of 2015 compared to the previous quarter, reaching its highest levels since 2012.⁶ Higher prices in the resale detached homes market throughout the GTA may be contributing to demand for new condo building projects. One high-profile housing development that

⁶ Statistics Canada. CANSIM Table 027-0051, Housing Starts, by Province and CMA

began this quarter was the \$300M Metalworks project in Guelph, which is expected to create 600 condominium units and townhouses.⁷

Building permit values have also increased, with both residential and non-residential permit values over 50% higher in August 2015 than they were a year ago. The Ontario non-residential sector has been boosted by the commencement of a new \$300M hydroelectric generating station in the Cochrane District by Aecon Group Inc., expected to employ up to 220 workers.⁸ In addition, Amico Infrastructures Inc. was awarded the contract for the \$59M Gordie Howe International Bridge project, with work beginning in September.⁹

Employment in the manufacturing industry remained relatively flat this quarter, with a small gain of 600. Manufacturing sales remained flat as well, with figures 1.0% lower in the 2nd quarter of 2015 compared to a year ago.¹⁰ Recent growth in auto sales, 1.7% higher than last year in the second quarter, may point towards an eventual boost to Ontario manufacturing from the Canadian dollar depreciation.¹¹ However, the medium- to long-term effects from the eventual implementation of the Trans-Pacific Partnership remain to be seen. Some key developments in manufacturing included the \$11M investment from Paperworks Industries Inc.,¹² and General Motors of Canada Ltd. investing \$12M to extend production of the Chevrolet Equinox at its Oshawa assembly plant.¹³ However, Essar Steel Algoma Inc.'s \$240M modernization plan, which would have created an estimated 200 direct jobs over the course of the venture, was delayed due to unfavourable market conditions¹⁴ indicating that the industry still has some way to achieve a sustainable recovery.

On a year-over-year basis, employment in the goods-producing sector increased by 34,300, with the largest growth coming from construction (+16,900) and forestry, fishing, mining, quarrying, oil and gas (+16,600).

The services-producing sector expands in the third quarter, despite a large fall in trade

The services-producing sector observed a small gain of 2,400 in the third quarter, with the sector having expanded in all but one quarter since mid-2009. There were strong gains in the professional, scientific and technical services industry (+11,500) and the finance, insurance, real estate and leasing industry (+10,900). However, trade industry employment declined by 20,000, its heaviest quarterly loss since the 2009 recession.

The provincial retail trade industry has been a source of much media attention throughout 2015, with the various expansions, closures and changes particularly noteworthy due to the brand recognition that comes

⁷ Guelph Tribune staff. (2015, September 1). [Massive Metalworks project underway](http://www.guelphtribune.ca/news/massive-metalworks-project-underway/). Guelph Tribune. Retrieved from <http://www.guelphtribune.ca/news/massive-metalworks-project-underway/>

⁸ Northern Ontario Business staff. (2015, August 28). [Construction begins on \\$300-million hydro project](http://www.northernontariobusiness.com/Industry-News/aboriginal-businesses/2015/08/Construction-begins-on-$300-million-hydro-project.aspx). Northern Ontario Business. Retrieved from [http://www.northernontariobusiness.com/Industry-News/aboriginal-businesses/2015/08/Construction-begins-on-\\$300-million-hydro-project.aspx](http://www.northernontariobusiness.com/Industry-News/aboriginal-businesses/2015/08/Construction-begins-on-$300-million-hydro-project.aspx)

⁹ CTV Windsor. (2015, September 11). [Local company gets \\$59M contract for Bridge](http://windsor.ctvnews.ca/local-company-gets-59m-construction-contract-for-gordie-howe-international-bridge-1.2557035). Retrieved from <http://windsor.ctvnews.ca/local-company-gets-59m-construction-contract-for-gordie-howe-international-bridge-1.2557035>

¹⁰ Statistics Canada. CANSIM Table 304-0015, Manufacturing Sales, by Province

¹¹ Desrosiers Automotive Reports, Volume 29, Issue 18, Sep 2015

¹² CTV Kitchener. (2015, August 28). [Boehmer Box gets \\$11 million to expand plant, create jobs](http://kitchener.ctvnews.ca/boehmer-box-gets-11-million-to-expand-plant-create-jobs-1.2538250). CTV News. Retrieved from <http://kitchener.ctvnews.ca/boehmer-box-gets-11-million-to-expand-plant-create-jobs-1.2538250>

¹³ Flavelle, D. (2015, August 19). [Equinox demand gives GM Oshawa reprieve to 2017](http://www.thestar.com/business/2015/08/19/equinox-demand-gives-gm-oshawa-reprieve-to-2017.html). The Toronto Star. Retrieved from <http://www.thestar.com/business/2015/08/19/equinox-demand-gives-gm-oshawa-reprieve-to-2017.html>

¹⁴ Della-Mattia, Elaine. (2015, July 24). [Essar receives \\$60 M from governments](http://www.saultstar.com/2015/07/24/essar-receives-60-m-from-governments). Sault Star. Retrieved from <http://www.saultstar.com/2015/07/24/essar-receives-60-m-from-governments>

with many of the retailers. The weak Canadian dollar has spurred on major changes for retailers, particularly those headquartered in the U.S., while fashion brands aim to keep up with shifting consumer tastes.

The most significant news in the sector this quarter was Loblaw Companies Ltd. announcing that it will close 52 stores next year nationwide,¹⁵ while another major loss announced this quarter was Laura Canada, a women's fashion retailer, filing for creditor protection and announcing that it will close its Mississauga office and 15 of its stores by September.¹⁶ However, retail sales in Ontario have continued to grow, increasing by 5.4% from July 2014 to July 2015, with all sub-segments in retail trade showing expansion during the period.¹⁷ Wholesale trade figures in Ontario have also grown steadily rising 8.2% from July 2014 to July 2015.¹⁸ The continued growth in sales figures despite the fall in employment suggests that companies are continuously looking to increase competitiveness and efficiency in its operations wherever possible, and that a growing share of sales may be coming from online purchases.

Between the third quarters of 2014 and 2015, employment in the services-producing sector rose by 18,500, with the largest increases coming from the finance, insurance, real estate and leasing industry (+45,700) and the professional, scientific and technical services industry (+20,200).

Ontario Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation		Yearly Variation	
	2015	2015	2014	Number	%	Number	%
Total employed, all industries	6,931.8	6,921.7	6,879.0	10.1	0.1	52.8	0.8
Goods-producing sector	1,405.1	1,397.4	1,370.8	7.7	0.6	34.3	2.5
Agriculture	75.2	76.0	79.3	-0.8	-1.1	-4.1	-5.2
Forestry, fishing, mining, quarrying, oil and gas	46.7	44.8	30.1	1.9	4.2	16.6	55.1
Utilities	50.8	51.5	50.1	-0.7	-1.4	0.7	1.4
Construction	488.8	482.1	471.9	6.7	1.4	16.9	3.6
Manufacturing	743.6	743.0	739.3	0.6	0.1	4.3	0.6
Services-producing sector	5,526.7	5,524.3	5,508.2	2.4	0.0	18.5	0.3
Trade	1,035.4	1,055.4	1,052.8	-20.0	-1.9	-17.4	-1.7
Transportation and warehousing	321.6	318.5	322.5	3.1	1.0	-0.9	-0.3
Finance, insurance, real estate and leasing	552.1	541.2	506.4	10.9	2.0	45.7	9.0
Professional, scientific and technical services	587.9	576.4	567.7	11.5	2.0	20.2	3.6
Business, building and other support services	331.7	335.1	327.7	-3.4	-1.0	4.0	1.2
Educational services	519.5	519.1	510.3	0.4	0.1	9.2	1.8
Health care and social assistance	809.4	807.6	804.3	1.8	0.2	5.1	0.6
Information, culture and recreation	313.6	309.9	312.4	3.7	1.2	1.2	0.4
Accommodation and food services	439.2	447.6	448.1	-8.4	-1.9	-8.9	-2.0
Other services	278.5	269.9	285.3	8.6	3.2	-6.8	-2.4
Public administration	337.6	343.4	370.8	-5.8	-1.7	-33.2	-9.0

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

¹⁵ **Loblaws closing 52 unprofitable stores over next 12 months.** (July 23, 2015). CBC News. Retrieved from <http://www.cbc.ca/news/business/loblaws-closing-52-unprofitable-stores-over-next-12-months-1.3164578>

¹⁶ The Canadian Press. (September 2, 2015). **Laura's keeping some stores open as mall landlords cut rents.** Global News. Retrieved from <http://globalnews.ca/news/2199821/retailer-lauras-keeping-some-stores-open-as-mall-landlords-cut-rents/>

¹⁷ Statistics Canada. CANSIM Table 080-0020, Retail Trade Sales, by Province

¹⁸ Statistics Canada. CANSIM Table 081-0011, Wholesale Trade Sales, by Province

REGIONAL ANALYSIS

Toronto led employment growth for the second straight quarter

The **Toronto** economic region continued to lead the province in employment growth, with a gain of 138,000 (+4.3%) between the third quarters of 2014 and 2015 (measured on a year-over-year seasonally unadjusted basis). Gains were realized entirely in full-time positions. The regional unemployment rate declined by 1.3 percentage points, and more people joined the labour force. Growth in the region was primarily driven by the services-producing sector, and a number of retail expansions were announced this quarter. They include active wear brand Lolë,¹⁹ Japanese retailer Muji,²⁰ timepiece brand OMEGA,²¹ and fashion retailer Milli.²² In the goods-producing sector, construction employment should receive a boost in 2016 thanks to the beginning of the next phase of the York Viva Bus Rapid Transit rapidways, which will create about 14,000 jobs.²³ Other construction news came from the City of Toronto's additional \$3.4M investment on the Gardiner Expressway,²⁴ and Sheridan College's construction of a new 130,000 sq. ft. facility in Brampton.²⁵

Employment grew by 25,200 (+3.5%) in the **Hamilton–Niagara Peninsula** economic region in the third quarter of 2015 compared to a year ago. The regional unemployment rate fell by 0.6 percentage points to 6.1% even as more people looked for work. Growth in the goods-producing sector has been strong, and good news came from Stoney Creek, with the building of manufacturer Fibracast Inc.'s new 91,000 sq. ft. facility, which is expected to employ about 100 people.²⁶ The manufacturing sector will be further supported by the announcement that up to 200 positions will be created by a new facility producing concrete parts for Niagara Region Wind Corp's wind-turbine towers.²⁷ However, U.S. Steel has relocated some of its production out of the region, affecting 17 jobs.²⁸

Between the third quarters of 2014 and 2015, employment also grew in the **London** economic region (+11,700).

¹⁹ Lolë Continues Canadian Expansion With New Locations and a Downtown Flagship. (2015, September 22). *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2015/9/lole>

²⁰ MUJI Announces 2nd Canadian Location. (2015, September 2). *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2015/9/muji>

²¹ OMEGA to Open at Sherway Gardens. (2015, September 8). *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2015/9/omega>

²² Iconic Luxury Retailer Milli Plans Revamp and New Location. (2015, September 1). *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2015/8/milli>

²³ Ministry of Transportation. (2015, September 28). Ontario Making Progress on York Viva Bus Rapid Transit. *Ontario.ca*. Retrieved from <http://news.ontario.ca/mto/en/2015/09/ontario-making-progress-on-york-viva-bus-rapid-transit.html>

²⁴ Mangione, K. (2015, September 28). Toronto spends \$3.4M to speed up Gardiner construction. *CTV news*. Retrieved from <http://toronto.ctvnews.ca/toronto-spends-3-4m-to-speed-up-gardiner-construction-1.2584909>

²⁵ Drennan, R. (2015, July 24). Sheridan invests in skills development at Brampton campus. *Brampton Guardian*. Retrieved from <http://www.bramptonguardian.com/news-story/5749664-sheridan-invests-in-skills-development-at-brampton-campus/>

²⁶ MacLeod, M. (2015, July 17). New water facility will bring 100 jobs to Hamilton. *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/5738935-new-water-facility-will-bring-100-jobs-to-hamilton/>

²⁷ Fraser, D. (2015, August 4). Turbine plant to create up to 200 positions. *Niagara Falls Review*. Retrieved from <http://www.niagarafallsreview.ca/2015/08/04/wind-turbine-parts-plant-to-create-up-to-200-jobs>

²⁸ Arnold, S. (2015, September 2). U.S. Steel moves best products out of Hamilton, Lake Erie. *Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/5823137-us-steel-moves-best-products-out-of-hamilton-lake-erie/>

Employment fell across eight economic regions

The regional results, in terms of employment growth, continue to show disparity with eastern and northern economic regions being weaker, while Toronto and Hamilton-Niagara were much stronger. The last time eight or more economic regions experienced an employment decline was the second quarter of 2013 and throughout 2009 before that.

Over the past year, employment in **Muskoka–Kawarthas** declined by 35,300 (-18.1%) in the third quarter of 2015. The unemployment rate in the region rose from 5.3% to 6.6%. Labour market conditions deteriorated over the year as losses were registered in both full-time and part-time employment, and the labour force participation rate declined by 11 percentage points. However, the region's construction sector should ramp up due to a number of large-scale projects announced in the third quarter. They include a \$24M sewer infrastructure project in Peterborough,²⁹ a \$3.2M investment into upgrading Campbellford's potable water supply and distribution system,³⁰ a \$2M renovation project at the Pinestone Resort & Conference Centre in Haliburton,³¹ and a \$1.5M investment into upgrading Asphodel-Norwood Township's water main and sewer system.³²

Employment declined in the **Kingston–Pembroke** economic region by 18,200 (-8.3%), and the unemployment rate increased by 0.2 percentage points to 7.5%. Sears Canada's struggles continue to negatively affect the region, as a further 24 employees were laid off in Belleville,³³ and two stores in Renfrew and at the Arnprior Shopping Centre are to be closed, affecting about 12 employees.³⁴

Employment losses were also reported in the **Windsor–Sarnia, Stratford–Bruce Peninsula, Ottawa, Northeast, Kitchener–Waterloo–Barrie**, and **Northwest** economic regions.

²⁹ Guthrie, S. (2015, September 22). **24 Million Dollar Bethune Street Rebuild**. *Chex TV*. Retrieved from <http://www.chextv.com/2015/09/22/24-million-dollar-bethune-street-rebuild/>

³⁰ **Trent Hills to Receive Funding for Upgrades to the Drinking Water System**. (2015, July 2). *Ministry of Economic Development, Employment and Infrastructure*. Retrieved from <http://news.ontario.ca/medt/en/2015/07/trent-hills-to-receive-funding-for-upgrades-to-the-drinking-water-system.html>

³¹ Ingram, A. (2015, September). **New Pinestone Resort owners plan expansion**. *Haliburton Echo*. Retrieved from <http://www.haliburtonecho.ca/new-pinestone-resort-owners-plan-expansion>

³² Nyznik, J. (2015, September 1). **\$1.5M in provincial funding for new water, sewer system in Norwood aims to reduce flooding**. *The Peterborough Examiner*. Retrieved from <http://www.thepeterboroughexaminer.com/2015/09/01/15m-in-provincial-funding-for-new-water-sewer-system-in-norwood-aims-to-reduce-flooding>

³³ **Sears Canada confirms 24 layoffs in Belleville**. (2015, August 20). *Quinte News*. Retrieved from <http://www.quintenews.com/2015/08/update-sears-canada-confirms-24-layoffs-in-belleville/94122/>

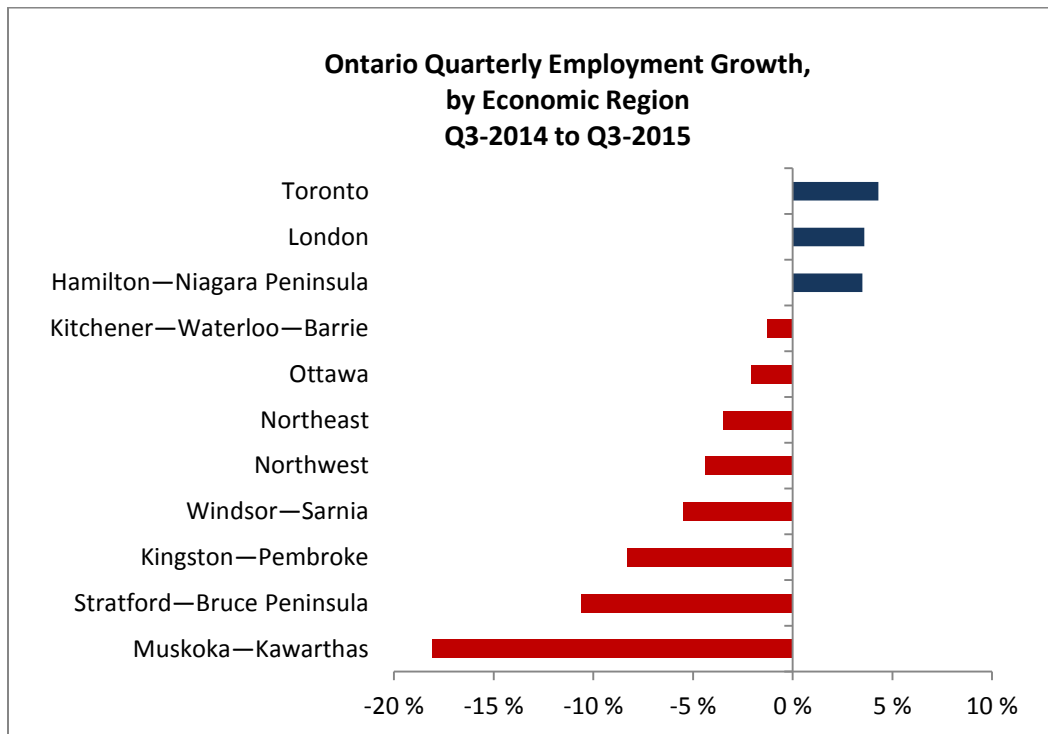
³⁴ Dunn, D. (2015, September 4). **Sears to close in two Valley towns**. *Arnprior Chronicle-Guide*. Retrieved from <http://www.insideottawavalley.com/news-story/5829843-sears-to-close-in-two-valley-towns/>

Ontario Quarterly Labour Force Statistics, by Economic Region

Seasonally Unadjusted Data	Employment			Unemployment Rate		
	3rd Quarter 2015 ('000)	3rd Quarter 2014 ('000)	Yearly Variation (%)	3rd Quarter 2015 (%)	3rd Quarter 2014 (%)	Yearly Variation (% points)
Ontario	6,994.9	6,944.1	0.7	7.1	7.7	-0.6
Economic Regions						
Ottawa	690.1	704.7	-2.1	6.9	7.0	-0.1
Kingston—Pembroke	201.0	219.2	-8.3	7.5	7.3	0.2
Muskoka—Kawarthas	159.8	195.1	-18.1	6.6	5.3	1.3
Toronto	3,380.8	3,242.8	4.3	7.6	8.9	-1.3
Kitchener—Waterloo—Barrie	710.2	719.3	-1.3	5.7	6.1	-0.4
Hamilton—Niagara Peninsula	736.8	711.6	3.5	6.1	6.7	-0.6
London	340.4	328.7	3.6	6.7	7.6	-0.9
Windsor—Sarnia	288.7	305.5	-5.5	8.5	8.0	0.5
Stratford—Bruce Peninsula	137.3	153.5	-10.6	6.6	4.1	2.5
Northeast	251.8	261.0	-3.5	7.7	7.3	0.4
Northwest	98.0	102.5	-4.4	6.1	5.9	0.2

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122



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 the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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