



Labour Market Bulletin

Ontario

February 2016



This Labour Market Bulletin provides an analysis of 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 - Employment growth came to a halt in Ontario in February 2016

- Job losses were concentrated in full-time work (-48,900)
- The unemployment rate inched up to 6.8%
- The unemployment rate for youth aged 15 to 24 rose from 13.5% to 14.3% in February 2016

Employment decreased by 11,200 in Ontario in February 2016. This was the first drop in employment since November 2015. It was also the largest monthly decline seen in the province since September of last year. Unlike previous months, full-time work was the sole drag on employment falling 48,900 in February. Both employment and participation rates dipped after posting gains in the previous month. This monthly report was in sharp contrast to recent ones that have seen the provincial labour market steadily pick up.

Nationally, employment declined by 2,300 in February 2016. The biggest drop was in Ontario, which has recently been one of the bright spots for employment growth across Canada. The national unemployment rate crept up to 7.3% in February and has been on the rise over the past three months. It is now at its highest level in almost three years.

Total nonfarm payroll employment increased by 242,000 in the United States in February 2016. This gain topped the predictions of many analysts, which hovered closer to the 200,000 mark.¹ The unemployment rate held steady at 4.9%. Another encouraging sign was the rise in the labour force participation rate south of the border. It currently sits at 62.9%, the highest level since early 2015.

¹ Mutikani, L. (2016, March 04). [U.S. hiring surges, bolsters Fed rate hike prospects](http://www.theglobeandmail.com/report-on-business/international-business/us-business/us-payrolls-surge-boost-fed-rate-hike-prospects/article29028814/). *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/international-business/us-business/us-payrolls-surge-boost-fed-rate-hike-prospects/article29028814/>

Over the past year, employment grew by 74,100 in Ontario with most of the job gains in full-time work. The unemployment rate fell slightly while the participation rate saw little change between February 2015 and February 2016.

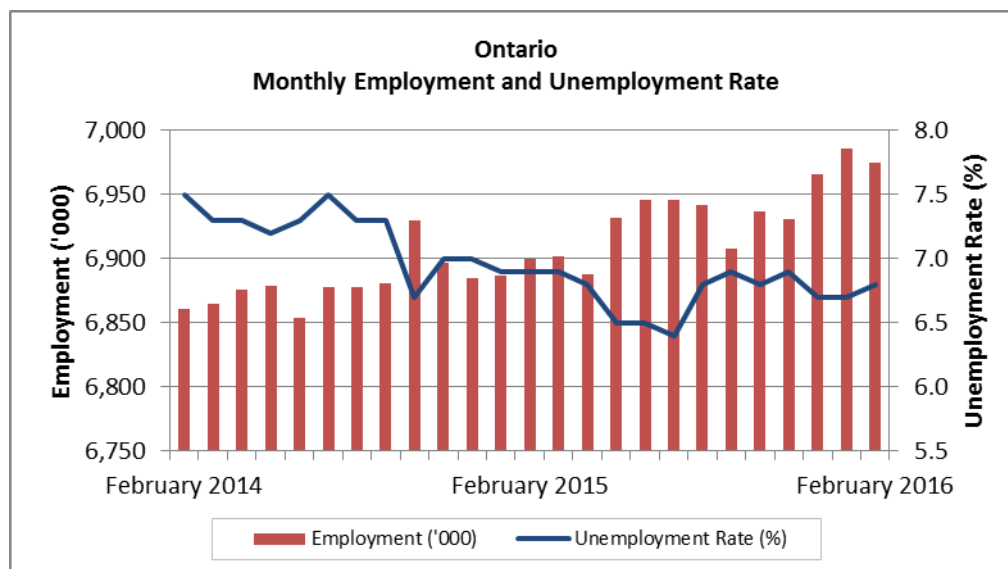
The unemployment rate for Ontario’s youth aged 15 to 24 jumped 0.8 percentage points to 14.3% in February 2016. This was one of the largest spikes in sometime pushing the rate to its highest point since October 2015. Employment for youth also fell over the past month with the bulk of job losses in full-time work.

Ontario Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	February 2016	January 2016	February 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	11,466.0	11,454.5	11,338.1	11.5	0.1	127.9	1.1
Labour Force ('000)	7,480.7	7,491.4	7,413.1	-10.7	-0.1	67.6	0.9
Employment ('000)	6,974.7	6,985.9	6,900.6	-11.2	-0.2	74.1	1.1
Full-Time ('000)	5,651.4	5,700.3	5,585.0	-48.9	-0.9	66.4	1.2
Part-Time ('000)	1,323.3	1,285.6	1,315.6	37.7	2.9	7.7	0.6
Unemployment ('000)	506.0	505.6	512.5	0.4	0.1	-6.5	-1.3
Unemployment Rate (%)	6.8	6.7	6.9	0.1	-	-0.1	-
Participation Rate (%)	65.2	65.4	65.4	-0.2	-	-0.2	-
Employment Rate (%)	60.8	61.0	60.9	-0.2	-	-0.1	-

Note: Totals may not add due to rounding

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



Ontario Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	February 2016	January 2016	February 2015	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	6.8	6.7	6.9	0.1	-0.1
25 years and over	5.5	5.6	5.5	-0.1	0.0
Men - 25 years and over	5.6	5.8	5.8	-0.2	-0.2
Women - 25 years and over	5.4	5.4	5.1	0.0	0.3
15 to 24 years	14.3	13.5	14.9	0.8	-0.6
Men - 15 to 24 years	15.8	14.9	16.8	0.9	-1.0
Women - 15 to 24 years	12.8	12.2	13.0	0.9	-0.2

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

EMPLOYMENT BY INDUSTRY

Gains in the manufacturing and construction industries drive a strong goods-producing sector

Employment in the goods-producing sector saw its strongest month since October 2014 with an increase of 24,400 in February 2016 compared to January 2016. Monthly employment gains in the construction (+10,700) and manufacturing (+10,700) industries were the key drivers for the sector. Only the forestry, fishing, mining, quarrying, oil and gas industry (-1,300) saw a loss over the past month.

The employment increase in construction can be partly attributed to a milder winter and below average precipitation levels across the province in February, particularly in southern Ontario. More development and construction projects continued undisturbed than usual and the weather may have allowed some projects that were slated to begin in the spring to start earlier. The construction employment gain is supported by strong housing starts, particularly in urban centres,² and various infrastructure projects such as transit projects in Waterloo³ and Toronto.⁴

The employment increase in manufacturing was supported by the RBC Canadian Manufacturing Purchasing Managers' Index (PMI), an indicator of business conditions in the Canadian manufacturing industry. The index at the regional level came in at 56.2 for Ontario in February,⁵ well in expansion territory and the strongest Ontario result since June 2015. New export orders improved, led by Ontario manufacturers, as new business from abroad increased for the fourth consecutive month in February.⁶ The exchange rate depreciation against the U.S. dollar was likely the key contributor towards growing international business. Manufacturers looked to take ad-

² Canadian Mortgage and Housing Corporation. (2016, March 08). **Preliminary Housing Start Data**. *Canadian Mortgage and Housing Corporation*. Retrieved from http://www.cmhc-schl.gc.ca/odpub/esub/64695/64695_2016_M03.pdf?fr=1457709272576

³ MacDonald, C. (2016, February 02). **Lengthy LRT work to start Monday in Uptown Waterloo**. *570 News*. Retrieved from <http://www.570news.com/2016/02/02/lengthy-lrt-work-to-start-monday-in-uptown-waterloo/>

⁴ *CityNews* Staff. (2016, March 10). **Construction begins on first Eglinton Crosstown LRT station**. *CityNews*. Retrieved from <http://www.citynews.ca/2016/03/10/construction-begins-on-first-eglinton-crosstown-lrt-station/>

⁵ Lalonde, E. (2015, March 01). **RBC Canadian Manufacturing PMI™ Regional Report**. *RBC*. Retrieved from <http://www.rbc.com/newsroom/assets-custom/pdf/20160301-pmi-rgnl.pdf>

⁶ Lalonde, E. (2015, March 01). **RBC Canadian Manufacturing PMI™ Report**. *RBC*. Retrieved from <http://www.rbc.com/newsroom/assets-custom/pdf/030116-pmi-report-lite.pdf>

vantage of an improving environment as seen by FCA Canada Inc. hiring 1,200 workers at its Windsor Assembly Plant,⁷ General Motors of Canada Company hiring at its Ingersoll CAMI facility,⁸ and Comet Biorefining Inc. planning to build a biomass plant in Sarnia.⁹

Compared to February 2015, employment in the goods-producing sector increased by 50,600, with only the utilities industry experiencing an annual employment decline. Employment in all of the other industries showed yearly increases with the most notable in manufacturing and construction, gaining 32,700 and 14,500 year-over-year.

Employment in the services-producing sector down sharply with declines in almost all industries

In contrast to the goods-producing sector, the Ontario services-producing sector witnessed an employment loss of 35,600 in February 2016. Employment in all of the industries declined, except for a larger than usual gain of 14,800 in business, building and other support services, and a negligible gain in finance, insurance, real estate and leasing. Monthly employment losses were shared relatively evenly between the other industries.

Gains in the business, building and other support services industry came primarily from the employment and business services sub-industry. According to the CFIB Business Barometer, an indicator of confidence among small and medium sized enterprises, Ontario firms appear to be in good shape and hiring plans remain relatively positive.¹⁰ This tends to support demand for business and employment services.

The trade industry experienced an employment decline of 6,900 with key losses coming from the retail industry. The losses are likely related to temporary holiday workers being let go and are in line with retail sales that have been trending lower as of December 2015.¹¹ Weakness in the information, culture and recreation industry remains with job cuts at media companies such as Rogers Communications¹² and Torstar Corporation.¹³

Year-over-year, employment in the services-producing sector has grown by 23,400. The finance, insurance, real estate and leasing industry (+26,300), the professional, scientific and technical services industry (+24,900), and the health care and social assistance industry (+15,300) provided the largest employment gains over the year. Despite the overall growth of the sector, the trade industry (-19,800) and the educational services industry (-10,800) observed the sharpest decreases in yearly employment.

⁷ CBC News. (2016, February 11). [Windsor Assembly Plant to hire 1,200 new workers](http://www.cbc.ca/news/canada/windsor/flat-chrysler-windsor-assembly-plant-1.3444443). *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/windsor/flat-chrysler-windsor-assembly-plant-1.3444443>

⁸ Chessell, B. (2016, January 24). [GM's Ingersoll CAMI plant looking to hire assembly line and skilled trade workers](http://www.woodstocksentinelreview.com/2016/01/24/gms-ingersoll-cami-plant-looking-to-hire-assembly-line-and-skilled-trade-workers). *Woodstock Sentinel*. Retrieved from <http://www.woodstocksentinelreview.com/2016/01/24/gms-ingersoll-cami-plant-looking-to-hire-assembly-line-and-skilled-trade-workers>

⁹ Daniszewski, H. (2016, February 18). [New Sarnia plant will convert corn stalks into green plastics](http://www.lfpress.com/2016/02/17/london-based-company-will-produce-60-million-pounds-of-dextrose-sugar-from-corn-stover). *London Free Press*. Retrieved from <http://www.lfpress.com/2016/02/17/london-based-company-will-produce-60-million-pounds-of-dextrose-sugar-from-corn-stover>

¹⁰ CFIB Economics. (2016, February). [CFIB Business Barometer – February 2016](http://www.cfib-fcei.ca/cfib-documents/Barometer-PROV-201602.pdf). *CFIB Economics*. Retrieved from <http://www.cfib-fcei.ca/cfib-documents/Barometer-PROV-201602.pdf>

¹¹ Trading Economics. [Canada Retail Sales MoM](http://www.tradingeconomics.com/canada/retail-sales). *Trading Economics*. Retrieved from <http://www.tradingeconomics.com/canada/retail-sales>

¹² The Canadian Press. (2016, January 25). [Rogers to cut 200 media and admin jobs](http://www.thestar.com/business/2016/01/25/rogers-to-cut-200-media-and-admin-jobs.html). *Toronto Star*. Retrieved from <http://www.thestar.com/business/2016/01/25/rogers-to-cut-200-media-and-admin-jobs.html>

¹³ Bradshaw, J. (2016, January 15). [Toronto Star closes printing plant, cuts newsroom head count](http://www.theglobeandmail.com/report-on-business/toronto-star-confirms-closure-of-vaughan-plant-285-jobs-affected/article28210116/). *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/toronto-star-confirms-closure-of-vaughan-plant-285-jobs-affected/article28210116/>

Ontario Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	February 2016	January 2016	February 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	6,974.7	6,985.9	6,900.6	-11.2	-0.2	74.1	1.1
Goods-producing sector	1,439.9	1,415.5	1,389.3	24.4	1.7	50.6	3.6
Agriculture	83.0	79.4	77.3	3.6	4.5	5.7	7.4
Forestry, fishing, mining, quarrying, oil and gas	41.0	42.3	39.6	-1.3	-3.1	1.4	3.5
Utilities	48.0	47.3	51.7	0.7	1.5	-3.7	-7.2
Construction	503.3	492.6	488.8	10.7	2.2	14.5	3.0
Manufacturing	764.7	754.0	732.0	10.7	1.4	32.7	4.5
Services-producing sector	5,534.7	5,570.3	5,511.3	-35.6	-0.6	23.4	0.4
Trade	1,034.1	1,041.0	1,053.9	-6.9	-0.7	-19.8	-1.9
Transportation and warehousing	326.1	331.6	314.2	-5.5	-1.7	11.9	3.8
Finance, insurance, real estate and leasing	553.8	553.4	527.5	0.4	0.1	26.3	5.0
Professional, scientific and technical services	594.3	596.5	569.4	-2.2	-0.4	24.9	4.4
Business, building and other support services	341.2	326.4	338.6	14.8	4.5	2.6	0.8
Educational services	507.8	515.5	518.6	-7.7	-1.5	-10.8	-2.1
Health care and social assistance	824.5	827.8	809.2	-3.3	-0.4	15.3	1.9
Information, culture and recreation	299.4	306.3	307.9	-6.9	-2.3	-8.5	-2.8
Accommodation and food services	446.1	453.3	448.3	-7.2	-1.6	-2.2	-0.5
Other services	264.4	272.3	270.9	-7.9	-2.9	-6.5	-2.4
Public administration	343.0	346.2	352.7	-3.2	-0.9	-9.7	-2.8

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Toronto continued to post strong employment gains

Employment rose in the **Toronto** economic region by 131,100 in February 2016 (measured on a year-over-year, seasonally unadjusted basis), driven entirely by an increase in full-time work. The region continued to be at the forefront of job growth in Ontario as the unemployment rate fell to 6.8% and more people participated in the labour market.

The region's construction industry fared well over the past year and should be supported going forward by several announcements made in February. Woodbine Entertainment Group and Trinity Development Group Inc. will invest \$50M to build a 165,000-square-foot entertainment venue adjacent to the Woodbine Racetrack.¹⁴ In addition,

¹⁴ CityNews Staff. (2016, February 16). [Woodbine Racetrack announces \\$50 million expansion plan](http://www.citynews.ca/2016/02/16/woodbine-racetrack-announces-huge-expansion-plan/). CityNews. Retrieved from <http://www.citynews.ca/2016/02/16/woodbine-racetrack-announces-huge-expansion-plan/>

tion, Cineplex Entertainment is scheduled to begin construction on a 40,000-square-foot dining and entertainment complex in downtown Toronto this summer.¹⁵

Job creation was also widespread in Toronto's retail trade industry over the month. High-end retailer Nordstrom, Inc. announced plans to hire 104 managers starting in early March, and an additional 1,600 sales and support staff in May.¹⁶ Meanwhile, retailers such as IKEA Canada,¹⁷ Saks Fifth Avenue,¹⁸ H&M,¹⁹ Carrera y Carrera,²⁰ and Kate Spade²¹ either opened or expanded stores across the Toronto region in February.

Employment grew in the **Hamilton–Niagara Peninsula** economic region by 12,800 over the year. The regional unemployment rate increased from 6.0% to 6.9% as more people looked for work. Despite posted gains in the region's health care and social assistance industry, St. Joseph's Healthcare Hamilton announced that it would be downsizing due to a budget shortfall. The hospital will cut 136 positions, including laying off 30 to 40 current staff members.²²

Between February 2015 and February 2016, employment growth was also recorded in the **Kitchener–Waterloo–Barrie, London, and Northwest** economic regions.

Employment losses registered across six economic regions

Employment fell by 29,500 in the **Muskoka–Kawarthas** economic region between February 2015 and February 2016. The regional labour market continued to struggle with employment losses registered in both full-time and part-time work. The construction industry was the region's lone bright spot over the last month. Trent University announced that it has selected Teeple Architects Inc. to design a new Student Centre at the University's Symons Campus in Peterborough. The \$15M project will be completed by September 2017.²³

The **Northeast** economic region shed 14,500 in employment over the past year, with the losses entirely registered in full-time work. Lower oil prices and the subsequent reduction in drilling activity were the reasons cited for two recent layoff announcements made by Tenaris AlgomaTubes Inc. Following the temporary layoff of 230

¹⁵ Cineplex Entertainment. (2016, February 23). **The Rec Room to Open at Toronto's Roundhouse Park.** *Cineplex Media Release*. Retrieved from http://mediafiles.cineplex.com/att/b7d8f42e-3c94-4068-9b9a-6e58bcf0a20b/The_Rec_Room_Toronto.pdf

¹⁶ Kopun, F. (2016, February 25). **Nordstrom begins hiring for Toronto stores.** *Toronto Star*. Retrieved from <http://www.thestar.com/business/2016/02/25/nordstrom-begins-hiring-for-toronto-stores.html>

¹⁷ Pessian, P. (2016, February 16). **Ikea pickup and order point opens in Whitby.** *Whitby This Week*. Retrieved from <http://www.durhamregion.com/news-story/6309636-ikea-pickup-and-order-point-opens-in-whitby/>

¹⁸ Evans, P. (2016, February 18). **Saks opens 1st store in Canada in downtown Toronto.** *CBC News*. Retrieved from <http://www.cbc.ca/news/business/saks-hbc-retail-1.3453327>

¹⁹ Retail Insider. (2016, February 22). **H&M Readies Massive Canadian Flagship Re-Opening.** *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2016/2/hm>

²⁰ Retail Insider. (2016, February 01). **Carrera y Carrera Opens 1st North American Location in Toronto.** *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2016/2/carrera-y-carrera>

²¹ Retail Insider. (2016, March 01). **Kate Spade Continues Canadian Store Expansion.** *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2016/3/kate-spade>

²² Bennett, K. (2016, February 01). **St. Joe's cutting 136 jobs, up to 40 from layoffs.** *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/hamilton/news/st-joe-s-cutting-136-jobs-up-to-40-from-layoffs-1.3429301>

²³ Trent University. (2016, February 27). **New Student Centre at Trent University Takes Next Step with Architect Selection.** *Trent University*. Retrieved from http://www.trentu.ca/newsevents/newsDetail_old.php?newsID=9269

workers at the beginning of February,²⁴ the company permanently eliminated 20 jobs and extended the layoff period for workers that are waiting to be recalled.²⁵ Although the commodity market has yet to recover, the region's forestry, fishing, mining, quarrying, oil and gas industry grew modestly over the year. Good news came out of Timmins, where General Magnesium Corporation began hiring for a new magnesium-talc mine in Porcupine. The project is expected to create 1,000 new jobs, with the company planning to tap into the labour pool created by recent layoffs in the area.²⁶

Despite the employment decline registered in **Windsor–Sarnia**, the region is expected to benefit from increased hiring at FCA Canada Inc.'s Windsor Assembly Plant. The company announced in February that it would hire 1,200 new workers to help produce the new Chrysler Pacifica minivan in Windsor.²⁷

Employment losses were also recorded in the **Stratford–Bruce Peninsula, Kingston–Pembroke, and Ottawa** economic regions.

Ontario Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	February 2016 ('000)	February 2015 ('000)	Yearly Variation (%)	February 2016 (%)	February 2015 (%)	Yearly Variation (% points)
Ontario	6,896.8	6,810.3	1.3	6.6	6.8	-0.2
Economic Regions						
Ottawa	681.3	685.1	-0.6	6.5	6.8	-0.3
Kingston–Pembroke	198.0	203.8	-2.8	7.3	7.6	-0.3
Muskoka–Kawarthas	158.4	187.9	-15.7	4.9	7.7	-2.8
Toronto	3,345.0	3,213.9	4.1	6.8	7.0	-0.2
Kitchener–Waterloo–Barrie	710.9	700.1	1.5	5.6	5.4	0.2
Hamilton–Niagara Peninsula	709.5	696.7	1.8	6.9	6.0	0.9
London	326.8	320.2	2.1	5.6	6.2	-0.6
Windsor–Sarnia	288.0	300.6	-4.2	7.6	8.4	-0.8
Stratford–Bruce Peninsula	142.1	152.5	-6.8	5.6	5.6	0.0
Northeast	237.5	252.0	-5.8	7.6	7.5	0.1
Northwest	99.2	97.4	1.8	6.9	5.6	1.3

Note: Totals may not add due to rounding

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

²⁴ Northern Ontario Business Staff. (2016, January 28). **More layoffs announced at Tenaris**. *Northern Ontario Business*. Retrieved from <http://www.northernontariobusiness.com/Regional-News/sault-ste-marie/2016/01/More-layoffs-announced-at-Tenaris.aspx>

²⁵ Kelly, B. (2016, February 25). **Tenaris cuts 20 jobs**. *Sault Star*. Retrieved from <http://www.saultstar.com/2016/02/25/tenaris-lays-off-20>

²⁶ Kelly, L. (2016, February 01). **Magnesium mine promising jobs, diversity in Timmins**. *Northern Ontario Business*. Retrieved from <http://www.northernontariobusiness.com/Regional-News/timmins/2016/02/Magnesium-mine-promising-jobs,-diversity-in-Timmins.aspx>

²⁷ CBC News. (2016, February 11). **Windsor Assembly Plant to hire 1,200 new workers, FCA CEO says**. *CBC News*. Retrieved from <http://www.cbc.ca/news/canada/windsor/flat-chrysler-windsor-assembly-plant-1.3444443>

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.

Prepared by: Labour Market Information (LMI) Division, Service Canada, Ontario

For further information, please contact the LMI team at: NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

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

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2016, all rights reserved