



Labour Market Bulletin

Ontario



July 2015

The Monthly Edition of the Labour Market Bulletin provides an analysis of monthly 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 remained unchanged between June and July

- Monthly job growth in part-time (+4,700) was offset by a decline of full-time work (-4,600)
- The unemployment rate fell to 6.4%
- The unemployment rate for youth aged 15 to 24 jumped to 14.8%

Ontario's employment flat lined in July with gains in part-time (+4,700) almost exactly offsetting losses in full-time work (-4,600). The province's unemployment rate dropped 0.1 percentage point to 6.4%, remaining below the national average of 6.8% since May.

Nationally, employment saw a weak gain of 6,600 compared to June. Canada's employment growth came entirely from a gain in part-time work (+23,900) which more than offset a decline in full-time work (-17,300). The unemployment rate held steady at 6.8% for a sixth consecutive month.

Employment growth was much stronger in the U.S. as nonfarm payroll employment grew yet again in July adding a solid 215,000, an average 235,000 per month over the past three months and the unemployment rate remained steady at 5.3%. Although there has yet to be a meaningful increase in wage growth, this still signals greater confidence in the job market, which is expected to encourage the U.S. Federal Reserve to increase its benchmark interest rate¹.

Between July 2014 and July 2015, Ontario employment grew by 67,400, all in full-time employment (+131,000) and partially mitigated by a decline in part-time (-63,500). While the unemployment rate fell by 1.1 percentage points over 12 months, much of that may have come from fewer job seekers in the province. The provincial labour force (-11,500) and participation rate (-0.7 percentage points) are both down since July 2014.

¹ Business Blog. (August 7, 2015). **Green light for Fed rate rise from US jobs report.** *The Guardian*. Retrieved from <http://www.theguardian.com/business/blog/live/2015/aug/07/markets-await-us-non-farm-payrolls-data-business-live>

In fact, the labour force participation rate has been dwindling since the summer of 2013 and this is not only a result of the general weakness of the labour market, but also due to the province's aging population. Growth in the core-aged population (aged 25-54) has nearly stalled and is expected to stay low for the remaining of the decade, putting further downward pressure on Ontario's participation rate.

The Ontario unemployment rate for youth aged 15 to 24 increased 0.5 percentage points to 14.8% between June and July, increasing for both male and female, and remaining higher than the national average of 13.2%.

Student summer employment declined in Ontario compared to a year ago.² During the summer months, Statistics Canada collects labour market data on youth aged 15 to 24 who were full-time students in March and who plan to return to school full-time in the fall semester. Student employment was 18,200 lower (-3.4%) compared to July 2014. A possible factor in the lower student employment could be the lackluster year in the retail trade industry, given the industry is usually a significant employer of students in the summer. The provincial unemployment rate amongst returning students in July 2015 was 18.7%, the same as July 2014 and 2.4 percentage points higher than the national student rate.

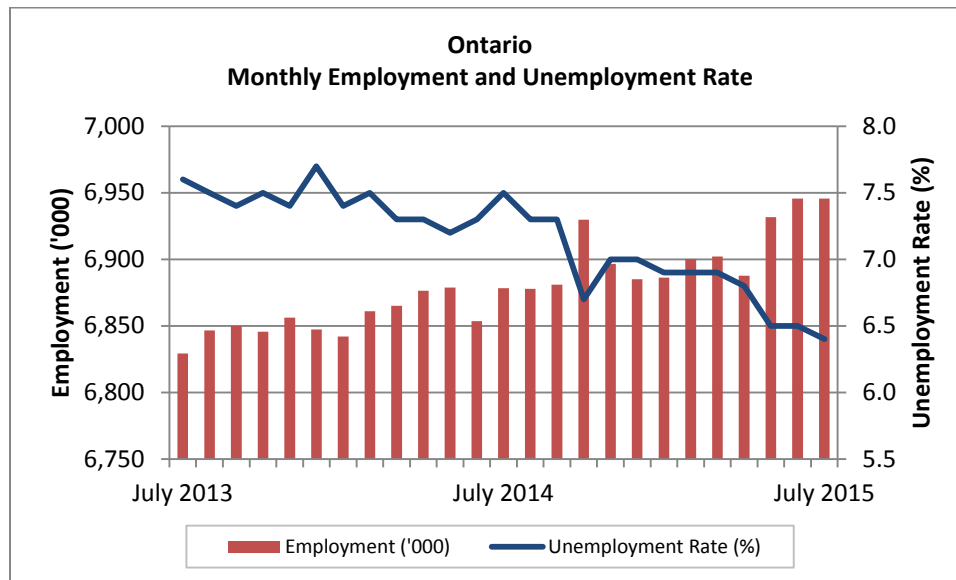
Ontario Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2015	June 2015	July 2014	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	11,390.4	11,378.1	11,277.0	12.3	0.1	113.4	1.0
Labour Force ('000)	7,424.1	7,426.0	7,435.6	-1.9	0.0	-11.5	-0.2
Employment ('000)	6,945.7	6,945.7	6,878.3	0.0	0.0	67.4	1.0
Full-Time ('000)	5,642.4	5,647.0	5,511.4	-4.6	-0.1	131.0	2.4
Part-Time ('000)	1,303.4	1,298.7	1,366.9	4.7	0.4	-63.5	-4.6
Unemployment ('000)	478.4	480.3	557.3	-1.9	-0.4	-78.9	-14.2
Unemployment Rate (%)	6.4	6.5	7.5	-0.1	-	-1.1	-
Participation Rate (%)	65.2	65.3	65.9	-0.1	-	-0.7	-
Employment Rate (%)	61.0	61.0	61.0	0.0	-	0.0	-

Note: Totals may not add due to rounding

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

² Statistics Canada. Table 282-0006: Labour Force Survey estimates by students during summer months, seasonally unadjusted monthly data CANSIM 282-0006.



Ontario Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2015	June 2015	July 2014	Monthly Variation (% points)	Yearly Variation (% points)
	%	%	%		
Total	6.4	6.5	7.5	-0.1	-1.1
25 years and over	5.0	5.1	6.0	-0.1	-1.0
Men - 25 years and over	5.1	5.1	6.0	0.0	-0.9
Women - 25 years and over	4.9	5.1	5.9	-0.2	-1.0
15 to 24 years	14.8	14.3	16.0	0.5	-1.2
Men - 15 to 24 years	16.4	15.8	16.1	0.6	0.3
Women - 15 to 24 years	13.1	12.7	15.9	0.4	-2.8

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

EMPLOYMENT BY INDUSTRY

Goods-producing sector employment up for a third consecutive month

Employment grew by 2,400 in the goods-producing sector in July 2015. Small gains in manufacturing (+3,300) and construction (+3,100) were partly mitigated by losses in agriculture (-3,100) and utilities (-1,400).

Despite the modest gains in July in the provincial manufacturing industry, the year-to-date employment gain for 2015 remains fairly negligible. This is supported by year-to-date manufacturing sales figures that are down almost 5%. Motor vehicle manufacturing, representing the largest sub-sector within Ontario manufacturing, has seen a year-to-date sales decline of almost 10%³, and Canadian light vehicle production down almost 8%. Additionally, this shows how the expected boost to exports arising from the Canadian dollar depreciation, which should benefit manufacturing industry, has yet to materialize.

³ Statistics Canada. CANSIM Table 304-0015, Manufacturing sales, by NAICS and Province

Developments in other manufacturing sub-sectors look promising, as Green Arc Tire Manufacturing in St. Marys announced its intentions to start production within four months and hire about 340 workers⁴, while the \$125M BioAmber Inc. succinic acid plant in Sarnia will officially open in August 2015⁵.

The overall strength in construction employment through 2015 is supported by a steady gain in June housing starts, 4.8% higher than they were 12 months ago⁶. The prices for both new and resale homes have continued to rise,⁷ with housing activity likely to increase in Ontario for the time being.

In the non-residential sector, a number of new developments in engineering/public infrastructure projects were announced in July, including the Plains Midstream Canada natural gas liquids fractionation plant upgrades in Sarnia, creating approximately 100 construction jobs over the next few months⁸. Also, Phase 1 of the Atikokan General Hospital Redevelopment Project is expected to begin over the summer⁹, while the Niagara-on-the-Lake Wastewater Treatment Plant project has also recently entered the construction phase¹⁰.

From July 2014 to July 2015, employment in the goods-producing sector increased by 33,300. During this period, construction activity has been a significant source of stimulus for this sector, with the largest gains in employment coming from the construction industry (+25,200).

Employment relatively unchanged in the services-producing sector

Employment in the services-producing sector decreased by 2,400 in July, representing the first decrease in three months. Large employment declines in trade (-13,900) and health care and social assistance (-8,100) negated solid gains in the professional, scientific, and technical services industry (+13,700).

The provincial retail trade industry has seen a large number of turnovers and churn in recent months, as various retailers have announced major developments Canada-wide in the ever-present competition for consumer attention and the continuously weakening Canadian dollar. The most noteworthy announcements in July included Loblaw Companies Ltd. announcing that it will close 52 stores over the next year¹¹. The fashion retail trade sub-sector has also witnessed much turnover due to changing fashion trends, as American Apparel

⁴ CTV Kitchener. (July 14, 2015). [Tire company says it's received provincial approval, plans to start hiring](http://kitchener.ctvnews.ca/tire-company-says-it-s-received-provincial-approval-plans-to-start-hiring-1.2468505). CTV News. Retrieved from <http://kitchener.ctvnews.ca/tire-company-says-it-s-received-provincial-approval-plans-to-start-hiring-1.2468505>

⁵ Michaels, Lee. (July 13, 2015). [Bio-Amber Set To Officially Open Next Month](http://blackburnnews.com/sarnia/sarnia-news/2015/07/13/bio-amber-set-to-officially-open-next-month/). Blackburn News. Retrieved from <http://blackburnnews.com/sarnia/sarnia-news/2015/07/13/bio-amber-set-to-officially-open-next-month/>

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

⁷ Statistics Canada. CANSIM Table 327-0046, New Housing Price Index; Canadian Real Estate Association, Home Price Index

⁸ Morden, Paul. (July 15, 2015). [Project at Sarnia plant planned in collaboration with city fire service](http://www.theobserver.ca/2015/07/15/project-at-sarnia-plant-planned-in-collaboration-with-city-fire-service). Sarnia Observer. Retrieved from <http://www.theobserver.ca/2015/07/15/project-at-sarnia-plant-planned-in-collaboration-with-city-fire-service>

⁹ McKinnon, M. (July 13, 2015). [Hospital redevelopment gets go-ahead](http://atikokanprogress.ca/2015/07/13/hospital-redevelopment-gets-go-ahead/). Atikokan Progress. Retrieved from <http://atikokanprogress.ca/2015/07/13/hospital-redevelopment-gets-go-ahead/>

¹⁰ [Construction underway for Niagara-on-the-Lake Wastewater Treatment Plant](http://news.gc.ca/web/article-en.do?mthd=advSrch&ctr.mnthndVI=&ctr.mnthStrtVI=&ctr.page=1&nid=996829&ctr.yrndVI=&ctr.kw=niagara&ctr.yrStrtVI=&ctr.dyStrtVI=&ctr.dyndVI=). (July 10, 2015). Government of Canada. Retrieved from <http://news.gc.ca/web/article-en.do?mthd=advSrch&ctr.mnthndVI=&ctr.mnthStrtVI=&ctr.page=1&nid=996829&ctr.yrndVI=&ctr.kw=niagara&ctr.yrStrtVI=&ctr.dyStrtVI=&ctr.dyndVI=>

¹¹ [Loblaws closing 52 unprofitable stores over next 12 months](http://www.cbc.ca/news/business/loblaws-closing-52-unprofitable-stores-over-next-12-months-1.3164578). (July 23, 2015). CBC News. Retrieved from <http://www.cbc.ca/news/business/loblaws-closing-52-unprofitable-stores-over-next-12-months-1.3164578>

Inc., a U.S. fashion retailer, outlined plans to close select stores and lay off staff over the next 18 months¹². The retail chain currently operates 11 stores in Ontario.

The Ontario transportation and warehousing industry has been buoyed by a decrease in transportation costs, owing in part to lower fuel costs, but an overarching fall in commodity prices and shipments has impacted the industry just as significantly. The two dominant Canadian rail carriers, Canadian National Railway Co. and Canadian Pacific Railway Ltd., both announced layoff intentions in July, with the former planning to lay off 600 workers and implement a hiring freeze due to declining shipments of oil, grain and coal,¹³ while the latter plans to lay off 200 to 300 workers this year as the company faces lower than expected freight volumes and earnings.¹⁴

From July 2014 to July 2015, employment in the services-producing sector rose by 34,100, with the largest increases coming from the finance, insurance, real estate and leasing industry (+47,200) and the professional, scientific and technical services industry (+27,500).

Ontario Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	July 2015	June 2015	July 2014	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	6,945.7	6,945.7	6,878.3	0.0	0.0	67.4	1.0
Goods-producing sector	1,412.2	1,409.8	1,378.9	2.4	0.2	33.3	2.4
Agriculture	73.6	76.7	78.5	-3.1	-4.0	-4.9	-6.2
Forestry, fishing, mining, quarrying, oil and gas	47.1	46.6	29.8	0.5	1.1	17.3	58.1
Utilities	50.6	52.0	51.6	-1.4	-2.7	-1.0	-1.9
Construction	492.8	489.7	467.6	3.1	0.6	25.2	5.4
Manufacturing	748.1	744.8	751.4	3.3	0.4	-3.3	-0.4
Services-producing sector	5,533.5	5,535.9	5,499.4	-2.4	0.0	34.1	0.6
Trade	1,045.8	1,059.7	1,047.8	-13.9	-1.3	-2.0	-0.2
Transportation and warehousing	320.8	317.1	329.1	3.7	1.2	-8.3	-2.5
Finance, insurance, real estate and leasing	552.3	553.3	505.1	-1.0	-0.2	47.2	9.3
Professional, scientific and technical services	597.0	583.3	569.5	13.7	2.3	27.5	4.8
Business, building and other support services	326.6	333.3	324.0	-6.7	-2.0	2.6	0.8
Educational services	521.1	514.1	517.0	7.0	1.4	4.1	0.8
Health care and social assistance	805.5	813.6	805.3	-8.1	-1.0	0.2	0.0
Information, culture and recreation	310.3	306.4	310.4	3.9	1.3	-0.1	0.0
Accommodation and food services	442.4	443.8	444.2	-1.4	-0.3	-1.8	-0.4
Other services	273.1	267.9	279.4	5.2	1.9	-6.3	-2.3
Public administration	338.5	343.5	367.6	-5.0	-1.5	-29.1	-7.9

Note: Totals may not add due to rounding

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

¹² American Apparel to close stores, lay off workers. (July 6, 2015). CBC News. Retrieved from <http://www.cbc.ca/news/business/american-apparel-to-close-stores-lay-off-workers-1.3140256>

¹³ Canadian National beats profit estimates. (July 20, 2015). Toronto Star. Retrieved from <http://www.thestar.com/business/economy/2015/07/20/canadian-national-beats-estimates-on-lower-fuel-labor.html>

¹⁴ Bickis, Ian. (July 21, 2015). Canadian Pacific Railway plans to eliminate 200 to 300 jobs. Global News. Retrieved from <http://globalnews.ca/news/2123368/canadian-pacific-railway-plans-to-eliminate-200-to-300-jobs/>

REGIONAL ANALYSIS

Toronto recorded the largest employment gain in July

The **Toronto** economic region continued to lead employment growth in Ontario with a gain of 112,000 (+3.4%) in employment from July 2014 to July 2015 (on a year-over-year seasonally unadjusted basis). Gains were realized entirely in full-time positions. The regional unemployment rate fell 1.6 percentage points to 7.4%, but remained above the provincial rate of 6.8%. Although losses were recorded this past month in the local manufacturing sector, several firms announced their plans to expand their business including Therapure Biopharma Inc.¹⁵ and Furlani's Food Corporation in Mississauga,¹⁶ and FGF Brands Inc. in Toronto.¹⁷ Combined, these expansions are expected to create approximately 300 jobs.

Employment grew in the **Hamilton–Niagara Peninsula** economic region by 20,700 (2.9%) compared to a year ago. The region performed well in the past year as the unemployment rate fell by 0.9 percentage points to 5.9%, and more people joined the labour force. Manufacturing employment grew for the third consecutive month, and positive news came from Fibracast Inc., a manufacturer of patented membranes for water treatment purposes. They have broken ground on a 91,000-square-foot facility in Stoney Creek, which is expected to employ about 100 people.¹⁸

Between July 2014 and July 2015, employment gains were also recorded the **London, Kitchener–Waterloo–Barrie**, and **Windsor–Sarnia** economic regions.

Employment fell across six economic regions

Employment in **Muskoka–Kawarthas** declined by 28,100 from July 2014 to July 2015, and the unemployment rate rose to 7.2% from 6.0% a year ago. Labour market conditions deteriorated in the region as losses were registered in both full-time and part-time employment, and less people looked for work. However, the Municipality of Trent Hills,¹⁹ the Town of Cobourg,²⁰ and Northumberland County²¹ will all receive funding for infrastructure construction and upgrades, which suggests more upcoming activity in the local construction industry.

¹⁵ **Investing in First-in-Canada Technology, Supporting Ontario's Vital Manufacturing Sector.** (2015, July 23). *Federal Economic Development Agency for Southern Ontario*. Retrieved from <http://news.gc.ca/web/article-en.do;jsessionid=a78d3b785ea8f799079f9be5504d38b07eb22b97de1aa3dac57945d5b8f5f3894.e38RbhaLb3qNe38Sb310?mthd=tp&crtr.page=1&nid=1005399&crtr.tp1D=1>

¹⁶ **Important Investment...supporting Southern Ontario's Food and Beverage Industries.** (2015, July 22). *Federal Economic Development Agency for Southern Ontario*. Retrieved from <http://news.gc.ca/web/article-en.do?nid=1004629>

¹⁷ **Toronto bakery obtains \$1.37M federal loan.** (2015, July 30). *Canadian Manufacturing*. Retrieved from <http://www.canadianmanufacturing.com/manufacturing/toronto-bakery-obtains-1-37m-federal-loan-152169/>

¹⁸ 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/>

¹⁹ **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>

²⁰ **Cobourg to Receive Funding for Midtown Creek Flood Detention Pond.** (2015, June 25). *Ministry of Economic Development, Employment and Infrastructure*. Retrieved from <http://news.ontario.ca/medt/en/2015/06/cobourg-to-receive-funding-for-midtown-creek-flood-detention-pond.html>

²¹ **Northumberland County to Receive Funding for Waste Management Upgrades.** (2015, June 25). *Ministry of Economic Development, Employment and Infrastructure*. Retrieved from <http://news.ontario.ca/medt/en/2015/06/northumberland-county-to-receive-funding-for-waste-management-upgrades.html>

The **Kingston–Pembroke** economic region recorded an employment loss of 10,500 (-4.9%), realized entirely in full-time work. The unemployment rate fell 1.1 percentage points to 7.3% as less people looked for work compared to a year prior. Despite a continued decline in the region's construction industry, several upcoming projects were announced in July. The City of Quinte West plans to upgrade their water treatment plant²² and a \$17M Consolidated Public Works facility in Trenton has broken ground.²³ As well, an 80,000-square-foot medical campus in Kingston's east end will begin construction in early 2016.²⁴

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

Ontario Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	July 2015 ('000)	July 2014 ('000)	Yearly Variation (%)	July 2015 (%)	July 2014 (%)	Yearly Variation (% points)
Ontario	7,032.3	6,957.8	1.1	6.8	7.8	-1.0
Economic Regions						
Ottawa	695.4	708.2	-1.8	6.8	6.7	0.1
Kingston—Pembroke	205.7	216.2	-4.9	7.3	8.4	-1.1
Muskoka—Kawarthas	166.0	194.1	-14.5	7.2	6.0	1.2
Toronto	3,366.2	3,254.2	3.4	7.4	9.0	-1.6
Kitchener—Waterloo—Barrie	716.6	715.1	0.2	5.1	6.0	-0.9
Hamilton—Niagara Peninsula	736.9	716.2	2.9	5.9	6.8	-0.9
London	339.6	332.8	2.0	5.3	7.2	-1.9
Windsor—Sarnia	304.1	302.9	0.4	8.0	8.4	-0.4
Stratford—Bruce Peninsula	149.6	155.6	-3.9	5.4	4.4	1.0
Northeast	253.6	262.8	-3.5	7.7	6.9	0.8
Northwest	98.5	99.8	-1.3	6.2	5.8	0.4

Note: Totals may not add due to rounding

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

²² **Quinte West to Receive Funding for Trenton Wastewater Treatment Plant Headworks Upgrades.** (2015, June 26). Ministry of Economic Development, Employment and Infrastructure. Retrieved from <http://news.ontario.ca/medt/en/2015/06/quinte-west-to-receive-funding-for-trenton-wastewater-treatment-plant-headworks-upgrades.html>

²³ **Construction begins on Public Works Facility.** (2015, July 15). *Quinte News*. Retrieved from <http://www.quintenews.com/2015/07/construction-begins-on-public-works-facility/91667/>

²⁴ MacAlpine, I. (2015, July 21). **Clermont Group to build sprawling medical campus.** *Thewhig.com*. Retrieved from <http://www.thewhig.com/2015/07/21/clermont-group-to-build-sprawling-medical-campus>

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:

<http://www40.statcan.gc.ca/l01/cst01/lfss05d-eng.htm>

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