



# Labour Market Bulletin

Ontario

August 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 down slightly in August

- Growth in full-time work (+33,200) was not enough to offset a decline of part-time work (-37,300)
- The unemployment rate jumped to 6.8%, from 6.4% in July
- The unemployment rate for youth aged 15 to 24 dropped to 14.1%, from 14.8% in July

Ontario's employment was slightly lower (-3,900) in August with sizeable gains in full-time (+33,200) not quite enough to offset losses in part-time work (-37,300). The province's unemployment rate jumped 0.4 percentage points to 6.8%, although still remaining below the national average since May. The unemployment rate increase was a reflection of more individuals entering the labour force looking for work.

Nationally, employment saw a modest gain of 12,000 compared to July. Canada's employment growth came entirely from a sharp gain in full-time work (+54,400) which more than offset a decline in part-time work (-42,400). The unemployment rate increased 0.2 percentage points to 7.0%.

U.S. non-farm payroll employment added 173,000 jobs in August, coming in well below the expected 220,000, and the unemployment rate declined to 5.1%. The unemployment rate, which now falls within the U.S. Federal Reserve's range defining full employment, may be the push needed to increase the benchmark interest rate.<sup>1</sup> However, the U.S. labour force participation rate of 62.6% is the lowest since 1977 and wage growth increases have yet to be significant.

Between August 2014 and August 2015, Ontario employment grew by 63,900, all in full-time employment (+145,000) and partially mitigated by a decline in part-time work (-81,200). While the unemployment rate fell

<sup>1</sup> Business Blog. (September 4, 2015). [Stock markets slide after 'mixed-bag' US jobs report](http://www.theguardian.com/business/live/2015/sep/04/business-live-jittery-markets-fall-us-jobs-report). *The Guardian*. Retrieved from <http://www.theguardian.com/business/live/2015/sep/04/business-live-jittery-markets-fall-us-jobs-report>

by 0.5 percentage points over 12 months, the provincial labour force was higher (+29,600) since August 2014. The participation rate (-0.4 percentage points) remained lower year-over-year.

In fact, similar to the U.S. figures, the Ontario labour force participation rate has been flirting near lows that were last seen in 1995 and 1978 before then. This continues to be a likely combination of the general weakness of the labour market and the province's aging population.

The Ontario unemployment rate for youth aged 15 to 24 decreased 0.7 percentage points to 14.1% between July and August, with the decrease reflected in both male and female figures, yet remaining higher than the national average of 13.1%.

Student summer employment increased in Ontario compared to a year ago.<sup>2</sup> 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 14,200 higher (+2.8%) compared to August 2014. However, in 2015, both average employment and average labour force over the four month period (May-August) came in lower than in 2014 implying less opportunities were available this year. The provincial unemployment rate amongst returning students in August 2015 was 16.9%, which is 1.8 percentage points lower than the August 2014 rate and 1.9 percentage points higher than the national student rate.

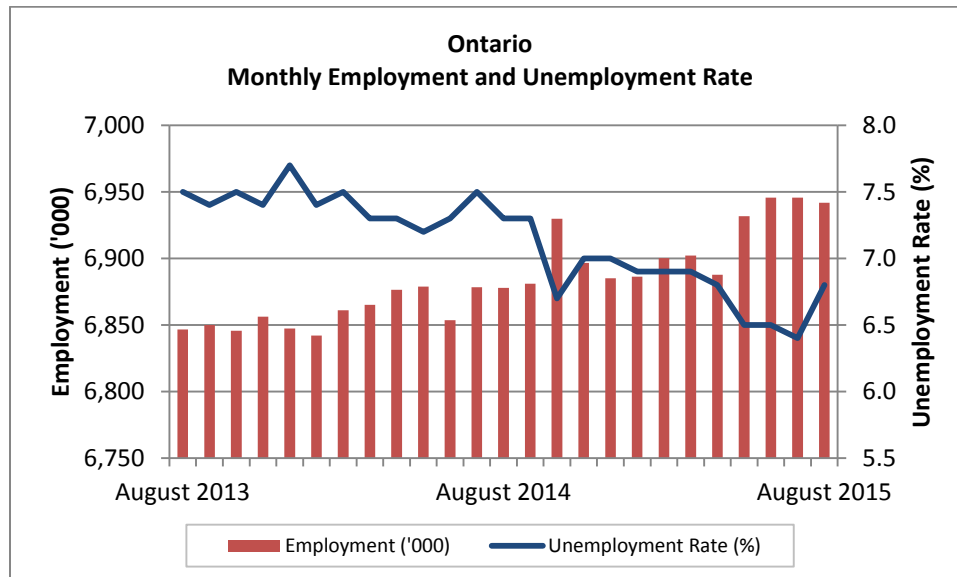
### Ontario Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	August 2015	July 2015	August 2014	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	11,401.1	11,390.4	11,286.8	10.7	0.1	114.3	1.0
<b>Labour Force ('000)</b>	7,450.1	7,424.1	7,420.5	26.0	0.4	29.6	0.4
<b>Employment ('000)</b>	6,941.8	6,945.7	6,877.9	-3.9	-0.1	63.9	0.9
Full-Time ('000)	5,675.6	5,642.4	5,530.6	33.2	0.6	145.0	2.6
Part-Time ('000)	1,266.1	1,303.4	1,347.3	-37.3	-2.9	-81.2	-6.0
<b>Unemployment ('000)</b>	508.4	478.4	542.6	30.0	6.3	-34.2	-6.3
<b>Unemployment Rate (%)</b>	6.8	6.4	7.3	0.4	-	-0.5	-
<b>Participation Rate (%)</b>	65.3	65.2	65.7	0.1	-	-0.4	-
<b>Employment Rate (%)</b>	60.9	61.0	60.9	-0.1	-	0.0	-

Note: Totals may not add due to rounding

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

<sup>2</sup> 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	August 2015	July 2015	August 2014	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	6.8	6.4	7.3	0.4	-0.5
<b>25 years and over</b>	5.6	5.0	5.8	0.6	-0.2
Men - 25 years and over	5.8	5.1	5.9	0.7	-0.1
Women - 25 years and over	5.4	4.9	5.7	0.5	-0.3
<b>15 to 24 years</b>	14.1	14.8	15.8	-0.7	-1.7
Men - 15 to 24 years	15.4	16.4	17.0	-1.0	-1.6
Women - 15 to 24 years	12.8	13.1	14.6	-0.3	-1.8

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

## EMPLOYMENT BY INDUSTRY

### Goods-producing sector suffers largest employment losses in 12 months

Employment fell in the goods-producing sector by 9,100 in August 2015, the largest decline in the sector in 12 months. The losses were most severe in construction (-12,000), while manufacturing had a small drop of 700.

The provincial construction industry has experienced employment losses in four of the past six months in a volatile 2015 so far. The residential sector is starting to show signs of weakening; housing starts in July were 26.0% lower than they were 12 months ago.<sup>3</sup> Both residential and non-residential building permits fell sharply in May and, despite somewhat of a rebound in June, could have contributed to construction employment

<sup>3</sup> Statistics Canada. CANSIM Table 027-0051, Housing Starts, by Province and CMA

losses in later months. The largest news on a non-residential project in August was the ongoing progress on the Niagara Region Wind Farm construction project<sup>4</sup> as St. Catharines-based Rankin Construction Inc., in partnership with Enercon Canada Inc., announced production on parts for Niagara Region Wind Corp.'s wind-turbine towers.<sup>5</sup>

The provincial manufacturing industry has also seen employment volatility, although it remained 1.4% above its level 12 months ago. Provincial manufacturing sales in Ontario reflect a similar trend, with sales showing a small gain in June, but remaining 1.9% below June 2014 levels.<sup>6</sup> While Ontario motor vehicle manufacturing sales recovered slightly in July, figures for Canadian light vehicle production remains weak compared to 2014.<sup>7</sup> The expected boost to Ontario manufacturing from the Canadian dollar depreciation has yet to materialize, although the delayed closure of the GM Canada's Oshawa plant provided some relief to the auto sector.

From August 2014 to August 2015, employment in the goods-producing sector increased by 36,900, with the largest growth coming from the forestry, fishing, mining, quarrying, and oil and gas industry (+18,300).

### **Employment recovers in the services-producing sector after a loss in the previous month**

Employment increased in the services-producing sector by 5,100 in August. The educational services industry had the largest employment gain (+9,900), while the trade industry employment declined (-5,600) for a third consecutive month.

The provincial retail trade industry continued to be in the news in the summer 2015, due to the ever-present competition for consumer attention. The weak Canadian dollar has led to major changes for various retailers, particularly clothing retailers, as rising importing costs impact company bottom lines. Laura's Shoppe Inc., a women's fashion retailer, will close 15 stores by September, and its Mississauga-based head office, after filing for creditor protection earlier in August.<sup>8</sup> Another fashion brand that has been in the news recently is Nine West, which will create a new subsidiary to buy back some of its stores from its Canadian licensee Sherson Group Inc., who owned 49 Nine West stores in Canada, with more than 500 employees.<sup>9</sup>

From August 2014 to August 2015, employment in the services-producing sector rose by 26,900, with the largest increases coming from the finance, insurance, real estate and leasing industry (+47,200), the educational services industry (+26,000) and professional, scientific and technical services (+18,100).

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<sup>4</sup> Niagara Region Wind Farm. <http://www.nrwf.ca/>

<sup>5</sup> Fraser, Don. (August 4, 2015). [Turbine plant to create up to 200 positions](http://www.niagarafallsreview.ca/2015/08/04/wind-turbine-parts-plant-to-create-up-to-200-jobs) Niagara Falls Review. Retrieved from <http://www.niagarafallsreview.ca/2015/08/04/wind-turbine-parts-plant-to-create-up-to-200-jobs>

<sup>6</sup> Statistics Canada. CANSIM Table 304-0015, Manufacturing Sales, by Province

<sup>7</sup> Desrosiers Automotive Reports, Volume 29, Issue 16, Aug 2015

<sup>8</sup> The Canadian Press. (September 2, 2015). [Laura's keeping some stores open as mall landlords cut rents](http://globalnews.ca/news/2199821/retailer-lauras-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/>

<sup>9</sup> CBC News staff. (August 24, 2015). [Nine West to live on in Canada as U.S. parent buys back stores](http://www.cbc.ca/news/business/nine-west-to-live-on-in-canada-as-u-s-parent-buys-back-stores-1.3202062). CBC News. Retrieved from <http://www.cbc.ca/news/business/nine-west-to-live-on-in-canada-as-u-s-parent-buys-back-stores-1.3202062>

## Ontario Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	August 2015	July 2015	August 2014	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	6,941.8	6,945.7	6,877.9	-3.9	-0.1	63.9	0.9
<b>Goods-producing sector</b>	1,403.1	1,412.2	1,366.2	-9.1	-0.6	36.9	2.7
Agriculture	76.7	73.6	79.8	3.1	4.2	-3.1	-3.9
Forestry, fishing, mining, quarrying, oil and gas	46.9	47.1	28.6	-0.2	-0.4	18.3	64.0
Utilities	51.2	50.6	49.8	0.6	1.2	1.4	2.8
Construction	480.8	492.8	470.8	-12.0	-2.4	10.0	2.1
Manufacturing	747.4	748.1	737.2	-0.7	-0.1	10.2	1.4
<b>Services-producing sector</b>	5,538.6	5,533.5	5,511.7	5.1	0.1	26.9	0.5
Trade	1,040.2	1,045.8	1,055.5	-5.6	-0.5	-15.3	-1.4
Transportation and warehousing	320.1	320.8	325.1	-0.7	-0.2	-5.0	-1.5
Finance, insurance, real estate and leasing	549.8	552.3	502.6	-2.5	-0.5	47.2	9.4
Professional, scientific and technical services	591.3	597.0	573.2	-5.7	-1.0	18.1	3.2
Business, building and other support services	324.8	326.6	329.1	-1.8	-0.6	-4.3	-1.3
Educational services	531.0	521.1	505.0	9.9	1.9	26.0	5.1
Health care and social assistance	809.5	805.5	806.6	4.0	0.5	2.9	0.4
Information, culture and recreation	314.4	310.3	313.0	4.1	1.3	1.4	0.4
Accommodation and food services	441.7	442.4	444.9	-0.7	-0.2	-3.2	-0.7
Other services	276.1	273.1	286.5	3.0	1.1	-10.4	-3.6
Public administration	339.6	338.5	370.3	1.1	0.3	-30.7	-8.3

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

## Toronto recorded the largest employment gain in August

The **Toronto** economic region continued to lead employment growth in Ontario with a gain of 139,300 (+4.3%) in employment from August 2014 to August 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 7.6%, but remained above the provincial rate of 7.1%. Toronto's trade industry has performed well in the past year. Retail trade, especially, will see a number of store openings in the near future including Breitling,<sup>10</sup> De Beers,<sup>11</sup> and Torrid.<sup>12</sup> In addition, fashion retailers Saks Fifth Avenue,<sup>13</sup> Reiss,<sup>14</sup> and Marc Cain<sup>15</sup> are planning to

<sup>10</sup> **Luxury Shifts Eastward as Breitling Opens Bloor Street Flagship**. (2015, August 6). *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2015/8/breitling>

<sup>11</sup> **De Beers to Open 2<sup>nd</sup> Free-Standing Canadian Location this Fall**. (2015, August 11). *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2015/7/de-beers>

<sup>12</sup> The Canadian Press. (2015, August 25). **U.S. plus-size retailer Torrid to launch first store in Canada Sept. 1**. *CTV News*. Retrieved from <http://www.ctvnews.ca/business/u-s-plus-size-retailer-torrid-to-launch-first-store-in-canada-sept-1-1.2532159>

<sup>13</sup> The Canadian Press. (2015, July 30). **Saks Fifth Avenue to hire 365 people for Toronto stores**. *CP24*. Retrieved from <http://www.cp24.com/news/saks-fifth-avenue-to-hire-365-people-for-toronto-stores-1.2495212>

open two new stores each in 2016. The City of Oshawa also received good news in auto manufacturing this month as General Motors announced plans to extend production until 2017. The plant was original set to close in 2016 and currently employs 900 workers.<sup>16</sup>

Employment in the **Hamilton–Niagara Peninsula** economic region rose by 25,700 (+3.6%) compared to a year ago. The unemployment rate fell by 0.9 percentage points to 6.1%, and more people joined the labour force. Employment in the manufacturing industry has been strengthening over the summer and 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.<sup>17</sup> In the transportation industry, Hamilton International Airport's new \$12M cargo hangar will add about 400 direct and indirect jobs.<sup>18</sup>

Between August 2014 and August 2015, employment gains were also recorded in the **London** economic region.

### Employment fell across eight economic regions

The last time eight or more economic regions experienced employment declines was May and June of 2013, and throughout 2009 before that. The regional results, in terms of employment growth, have seen a certain degree of disparity since May 2015 with eastern and northern economic regions weaker, while Toronto and Hamilton-Niagara were much stronger. Also, since May 2015, this disparity continues to increase in magnitude with each passing month. A key question is how much of the gains in the Toronto and Hamilton-Niagara economic regions can be attributed to the Pan-Am/Para Pan-Am games.

Employment in **Muskoka–Kawarths** declined by 34,600 (-17.5%) from August 2014 to August 2015, and the unemployment rate rose to 6.6% from 5.6% a year ago. Labour market conditions continued to deteriorate in the region as losses were registered in both full-time and part-time employment, and the labour force contracted.

The **Kingston–Pembroke** economic region recorded an employment loss of 16,500 (-7.5%), realized in both full-time and part-time work. The unemployment rate increased marginally and less people looked for work. Despite an eighth consecutive month of employment losses in manufacturing, Hanon Systems in Belleville will increase overall capacity, leading to about 70 new jobs.<sup>19</sup> As well, a new Frulact Canada production plant in Kingston will open in fall 2016, creating approximately 50 new jobs.<sup>20</sup>

Employment in the **Northeast** economic region declined by 10,600 (-4.0%) over the past year, and the unemployment rate rose by 0.5 percentage points to 7.8%. Though employment gains were registered in the

<sup>14</sup> British Fashion brand REISS Plans Cross-Canada Store Expansion. (2015, August 24). *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2015/8/reiss>

<sup>15</sup> German Brand Marc Cain to Enter Canada with 5 Confirmed Locations. (2015, August 27). *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2015/8/marc-cain>

<sup>16</sup> Flavelle, D. (2015, August 19). Equinox demand gives GM Oshawa reprieve to 2017. *The Toronto Star*. Retrieved from <http://www.thestar.com/business/2015/08/19/equinox-demand-gives-gm-oshawa-reprieve-to-2017.html>

<sup>17</sup> 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>

<sup>18</sup> Werner, K. (2015, July 30). Hamilton International Airport's \$12-million facility launches economic benefits. *Hamilton Community News*. Retrieved from <http://www.hamiltonnews.com/news-story/5768485-hamilton-international-airport-s-12-million-facility-launches-economic-benefits/>

<sup>19</sup> Reed, S. (2015, August 21). Funding to create 70 new jobs. *Community Press*. Retrieved from <http://www.communitypress.ca/2015/08/21/funding-to-create-70-new-jobs>

<sup>20</sup> Kingston Selected As Canadian Base For Food Processor Frulact. (2015, August 21). *The Kingston Economic Development Corporation*. Retrieved from <http://business.kingstoncanada.com/en/news/index.aspx?feedId=456f8170-ac11-452b-b316-900b99addc37&newsId=7994f4e1-8e2e-48a1-b9cf-e63bd047c810>

forestry, fishing, mining, quarrying, oil and gas industry, the Lockerby Mine in Sudbury<sup>21</sup> and the Côté Gold Project in Gogama<sup>22</sup> have shut down operations, both negatively impacted by the lower commodity prices throughout the past year.

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

### Ontario Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	August 2015 ('000)	August 2014 ('000)	Yearly Variation (%)	August 2015 (%)	August 2014 (%)	Yearly Variation (% points)
<b>Ontario</b>	7,045.7	6,969.7	1.1	7.1	7.9	-0.8
<b>Economic Regions</b>						
Ottawa	694.7	708.4	-1.9	7.3	7.0	0.3
Kingston—Pembroke	202.5	219.0	-7.5	7.9	7.8	0.1
Muskoka—Kawarthas	163.1	197.7	-17.5	6.6	5.6	1.0
Toronto	3,391.7	3,252.4	4.3	7.6	9.2	-1.6
Kitchener—Waterloo—Barrie	713.1	718.7	-0.8	5.6	6.0	-0.4
Hamilton—Niagara Peninsula	741.5	715.8	3.6	6.1	7.0	-0.9
London	345.1	332.9	3.7	5.8	7.5	-1.7
Windsor—Sarnia	297.8	304.6	-2.2	8.0	8.5	-0.5
Stratford—Bruce Peninsula	144.3	155.2	-7.0	6.1	4.3	1.8
Northeast	253.0	263.6	-4.0	7.8	7.3	0.5
Northwest	98.9	101.5	-2.6	6.3	6.1	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:

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

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<sup>21</sup> Migneault, J. (2015, August 20). **First Nickel goes into receivership**. *Northern Ontario Business*. Retrieved from <http://www.northernontariobusiness.com/Industry-News/mining/2015/08/First-Nickel-goes-into-receivership.aspx>

<sup>22</sup> Gillis, L. (2015, August 22). **IAMGOLD confirms shutdown in Gogama**. *Timmins Press*. Retrieved from <http://www.timminspress.com/2015/08/22/iamgold-confirms-shutdown-in-gogama>