



Labour Market Bulletin

Ontario

October 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 – Ontario employment driven higher by part-time employment in October

- Ontario employment figures increased by 25,400 in October for a third consecutive monthly gain
- Decline in full-time employment (-7,200) more than offset by part-time employment (+32,600) gains
- The unemployment rate dropped to 6.4%, down 0.2 percentage points from the previous month.

In October, Ontario employment climbed by 25,400 for a third consecutive monthly increase. However, this increase was driven entirely by part-time employment gains (+32,600), which more than offset a drop in full-time employment (-7,200). The provincial unemployment rate dropped 0.2 percentage points, from September, to 6.4% as unemployment declined by 10,400 over the month. The labour force expanded by 15,000, as the participation rate remained steady at 64.8%. Apart from August 2016 when the participation rate was 64.6%, the participation rate remains at lows not previously seen since February 1978.

In Canada, employment increased by 43,900 in October largely differing from forecasts which expected an employment decline of 10,000.¹ However, the gains came completely from part-time employment (+67,100) while full-time employment dropped (-23,100). The national unemployment rate inched up slightly to 7.0%.

In the United States, total non-farm payroll employment was expected to increase by 175,000 but only reached 161,000 in October, a modest employment gain south of the border and the least number of jobs added in the last 5 months. However, the federal unemployment rate inched lower to 4.9%, and average hourly earnings increased by 2.8% from October 2015 to October 2016, which indicates a tightening U.S. labour market, despite

¹ Trading Economics. (2016, November 4). [Canada Employment Change](http://www.tradingeconomics.com/canada/employment-change). Trading Economics. Retrieved from <http://www.tradingeconomics.com/canada/employment-change>

the participation rate remaining near historically low levels. This job report may provide sufficient incentive for the U.S. Federal Reserve to raise its benchmark interest rate at its December meeting.²

Between October 2015 and October 2016, employment in Ontario increased by 77,100 year-over-year, with the majority of the gains coming from part-time employment. The unemployment rate dropped by 0.4 percentage points to 6.4%, due to a decrease of 23,600 in unemployment, year-over-year. However, the participation rate dropped by 0.4 percentage points, as the growth in population (+1.3%) continues to outpace the increase in labour force (+0.7%).

The unemployment rate for youth aged 15 to 24 in Ontario declined by 0.9 percentage points to 13.3% in October. The participation and employment rates also went up over the month, due to growth in youth labour force and employment figures. Youth employment in October was driven by part-time work (+31,300) which more than offset a drop in full-time employment (-17,800). This dynamic in full-time and part-time work for youths, similar to that of the province, appears to have been a key influencer to Ontario as those aged 25 and over experienced gains in both full-time (+10,700) and part-time (+1,300) employment. The provincial youth unemployment rate remained higher than the national youth unemployment rate of 13.0% in October.

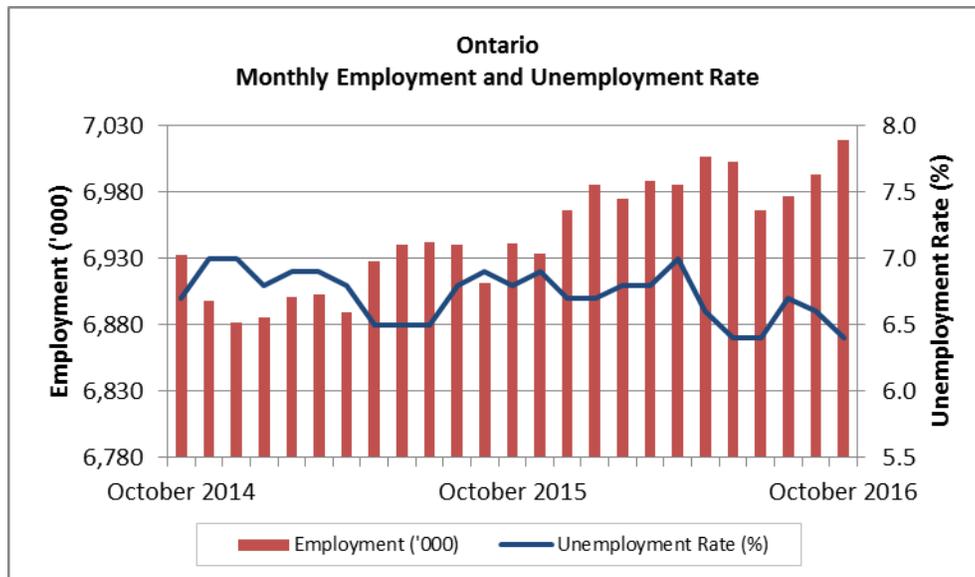
Ontario Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	October 2016	September 2016	October 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	11,569.8	11,557.9	11,425.7	11.9	0.1	144.1	1.3
Labour Force ('000)	7,499.6	7,484.6	7,446.1	15.0	0.2	53.5	0.7
Employment ('000)	7,018.7	6,993.3	6,941.6	25.4	0.4	77.1	1.1
Full-Time ('000)	5,659.8	5,667.0	5,641.1	-7.2	-0.1	18.7	0.3
Part-Time ('000)	1,358.9	1,326.3	1,300.5	32.6	2.5	58.4	4.5
Unemployment ('000)	480.9	491.3	504.5	-10.4	-2.1	-23.6	-4.7
Unemployment Rate (%)	6.4	6.6	6.8	-0.2	-	-0.4	-
Participation Rate (%)	64.8	64.8	65.2	0.0	-	-0.4	-
Employment Rate (%)	60.7	60.5	60.8	0.2	-	-0.1	-

Note: Totals may not add due to rounding

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

² Thielman, Sam. (2016, November 4). **US adds 161,000 new jobs as Americans head to polls.** *The Guardian*. Retrieved from <https://www.theguardian.com/business/2016/nov/04/us-adds-jobs-october-unemployment-rate-election>



Ontario Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	October 2016	September 2016	October 2015	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	6.4	6.6	6.8	-0.2	-0.4
25 years and over	5.3	5.3	5.4	0.0	-0.1
Men - 25 years and over	5.4	5.4	5.4	0.0	0.0
Women - 25 years and over	5.1	5.2	5.4	-0.1	-0.3
15 to 24 years	13.3	14.2	14.9	-0.9	-1.6
Men - 15 to 24 years	14.6	16.3	17.0	-1.7	-2.4
Women - 15 to 24 years	11.9	12.0	12.7	-0.1	-0.8

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

EMPLOYMENT BY INDUSTRY

Construction drives most of the employment gains in the goods sector

The Ontario goods-producing sector gained 9,700 (+0.7%) in employment between September and October 2016, evening out the losses from the previous two months of declines. Employment gains were recorded in construction (15,300), agriculture (+1,200) and forestry, fishing, mining, quarrying, oil, and gas (+1,100). However, there were employment losses in manufacturing (-6,500), and in utilities (-1,300) for the month.

Strong gains of 15,300 in **construction** employment propelled the provincial jobs growth in October, after a decline in September. Building permit values, particularly for the non-residential sector, have been gaining momentum over the past few months with increases of 13.2% and 7.2% in July and August 2016³, respectively. Housing

³ Statistics Canada. (2016, October). CANSIM Table 026-0006, Building permits, by type of structure and area, seasonally adjusted monthly (dollars unless otherwise noted). Statistics Canada. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=260006>

starts, however, have not witnessed a similar impetus.⁴ The provincial non-residential sector has observed some noteworthy developments over the past month, with a number of funding announcements for educational institutions throughout Ontario, including at Laurentian University,⁵ Lambton College,⁶ Mohawk College,⁷ and Sheridan College.⁸ Significant engineering projects that commenced construction in October include phase one of the Maley Drive Extension Project⁹ in Sudbury and a new GO Transit bus storage and maintenance facility¹⁰ in Kitchener.

Manufacturing sales are pointing towards a slowing of momentum for the **manufacturing** industry, as employment fell by 6,500 in October. Data from, both, the LFS and the Survey of Employees, Payrolls and Hours (SEPH) shows a year-over-year decline in employment from October of last year,¹¹ while manufacturing sales have oscillated over the past 6 months with alternating months of increases and decreases.¹² The Markit Canada Manufacturing Purchasing Managers' Index (PMI) witnessed Ontario experiencing some of its slowest pace of production growth over the summer, with the index trending downwards for Canada throughout most of the year.¹³

One of the biggest news in the industry this month came from BlackBerry Ltd., which announced that it will outsource the design and production of its BlackBerry devices, affecting up to 100 employees by February 2017.¹⁴ Another manufacturer that has observed various rounds of restructuring includes Bombardier Inc., which announced it will eliminate 2,000 jobs in Canada, with 1,500 of those in Quebec. The potential impact on Ontario

⁴ Statistics Canada. (2016, October). CANSIM Table 027-0054, Canada Mortgage and Housing Corporation, housing starts, all areas, Canada and provinces, seasonally adjusted at annual rates, monthly (units x 1,000). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0270054&&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

⁵ Laurentian University. (2016, September 23). Canadian and Ontario governments invest \$27.4 million in infrastructure at Laurentian. *Laurentian University*. Retrieved from <https://laurentian.ca/RIE>

⁶ Morden, P. (2016, September 23). Lambton College announces \$11.8-million renovation. *Sarnia Observer*. Retrieved from <http://www.theobserver.ca/2016/09/23/lambton-college-announces-118-million-renovation>

⁷ Noseworthy, K. (2016, September 30). Ottawa gives Mohawk College \$20M for new technology lab building. *Hamilton Spectator*. Retrieved from <http://www.thespec.com/news-story/6887363-ottawa-gives-mohawk-college-20m-for-new-technology-lab-building/>

⁸ Government of Canada. (2016, October 7). Canada and Ontario invest in infrastructure at Sheridan College. *Government of Canada Newsroom*. Retrieved from <http://news.gc.ca/web/article-en.do?mthd=advSrch&crtr.mnthndVI=&crtr.mnthStrtVI=&crtr.page=1&nid=1134489&crtr.yrndVI=&crtr.kw=sheridan+college&crtr.yrStrtVI=&crtr.dyStrtVI=&crtr.dyndVI=>

⁹ Keown, M. (2016, October 12). Work on Maley Drive has started. *Sudbury Star*. Retrieved from <http://www.thesudburystar.com/2016/10/12/work-on-maley-drive-has-started>

¹⁰ Ontario Ministry of Transportation. (2016, October 21). Ontario Improving Transit for Commuters in Kitchener-Waterloo. *Ontario Newsroom*. Retrieved from <https://news.ontario.ca/mto/en/2016/10/ontario-improving-transit-for-commuters-in-kitchener-waterloo.html>

¹¹ Statistics Canada. (2016, October). CANSIM Table 281-0023, Employment by type of employee and detailed North American Industry Classification System (NAICS), unadjusted for seasonality, monthly (persons). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2810023&&pattern=&stByVal=1&p1=1&p2=31&tabMode=dataTable&csid=>

¹² Statistics Canada. (2016, October). CANSIM Table 304-0015, Manufacturing sales, by North American Industry Classification System (NAICS) and province monthly (dollars x 1,000). *Statistics Canada*. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=3040015>

¹³ Markit Economics. (2016, November 1). Markit Canada Manufacturing PMI. *Markit Economics*. Retrieved from <https://www.markiteconomics.com/Survey/PressRelease.mvc/4a69702945204f44aa551ecf183f9e3a>

¹⁴ Sagan, A. (2016, September 28). BlackBerry to leave smartphone hardware business. *Guelph Mercury Tribune*. Retrieved from <http://www.guelphmercury.com/news-story/6882771-blackberry-to-leave-smartphone-hardware-business/>

locations is currently unknown.¹⁵ There has been some job creation throughout the Ontario manufacturing industry to counter these potential losses including Fiat Chrysler Automobile (FCA Canada) hiring assembly line production workers in Windsor.¹⁶ More positive news included Unifor and the big three automakers coming to a series of agreements to avert strike action by auto workers. General Motors, Ford Motor Co. and FCA Canada have agreed to investments in Ontario going forward.

Over the past 12 months, employment in the goods-producing sector grew by 22,400, as gains were registered in construction (+31,200) and utilities (+3,700). Offsetting these gains were losses in forestry, fishing, mining, quarrying, oil and gas (-10,700), manufacturing (-900), and agriculture (-800) over the year.

Services-producing sector employment supported by gains in educational services

The Ontario services-producing sector recorded a growth of 15,700 in October, with gains recorded primarily in educational services (+11,700), trade (+6,900), and other services (+5,100). The biggest losses in employment in the sector were seen in information, culture and recreation (-6,800), and health care and social assistance (-4,000).

The retail trade industry is gearing up for the holiday season and the seasonal increase in employment, with Amazon.com Inc. preparing to hire more than 2,000 seasonal holiday workers in Canada, including hundreds in Ontario.¹⁷ These seasonal expansions are welcomed in an industry that has had many layoff announcements, with the Sears Outlet store in Chatham expected to close in October 2017 and putting 56 employees out of work.¹⁸

There have been noteworthy developments in the Ontario financial services industry, with Laurentian Bank of Canada announcing it will eliminate 300 jobs mostly through attrition,¹⁹ and National Bank of Canada planning to lay off about 600 workers in Canada.²⁰ The potential impact on Ontario is not known at this time, but both banks are headquartered in neighbouring Quebec. The provincial administrative and support industry observed several large hiring announcements in October from TransCom Canada in Barrie, which announced it will add 300 positions,²¹ and Sutherland Global Services in Windsor, which is looking to fill 200 vacancies.²²

The information and cultural industry continues to go through significant changes as it adapts to an ever-changing media landscape. Rogers Communications Inc. announced that it will decrease print publications for

¹⁵ Marowits, R. (2016, October 21). **Bombardier announces 2,000 cuts in Canada; 5,500 more worldwide**. *Global News*. Retrieved from <http://globalnews.ca/news/3017508/bombardier-announces-2000-job-cuts-in-canada-5500-more-worldwide/>

¹⁶ Thorne, L. (2016, October 18). **FCA Hiring Production Team Members**. *Windsorite News*. Retrieved from <http://windsorite.ca/2016/10/fca-hiring-production-team-members/>

¹⁷ Patnaik S. and Ganapavaram A. (2016, October 13). **Amazon to hire over 2,000 seasonal workers for holidays**. *BNN*. Retrieved from <http://www.bnn.ca/amazon-to-hire-more-than-2-000-seasonal-workers-in-canada-for-holidays-1.584332>

¹⁸ Terfloth, T. (2016, October 26). **Sears won't renew lease at DCC**. *Chatham Daily News*. Retrieved from <http://www.chathamdailynews.ca/2016/10/26/sears-wont-renew-lease-at-dcc>

¹⁹ CTV Montreal Staff. (2016, September 28). **Laurentian Bank to close branches, lay off hundreds**. *CTV Montreal*. Retrieved from <http://montreal.ctvnews.ca/laurentian-bank-to-close-branches-lay-off-hundreds-1.3092995>

²⁰ Freeman, S. (2016, October 27). **National Bank cuts jobs in shift to digital**. *Toronto Star*. Retrieved from <https://www.thestar.com/business/2016/10/27/national-bank-to-cut-600-jobs-add-500-new-hires-in-shift-to-digital.html>

²¹ Dunning, J. (2016, September 23). **Transcom in Barrie hiring for 300 new jobs**. *Barrie Advance*. Retrieved from <http://www.simcoe.com/news-story/6862178-transcom-in-barrie-hiring-for-300-new-jobs/>

²² Windsorite News Staff. (2016, October 27). **Sutherland Hiring 200+ Over Coming Months**. *Windsorite News*. Retrieved from <http://windsorite.ca/2016/10/sutherland-hiring-200-over-coming-months-job-fair-set-for-november-2nd/>

numerous magazines, while others will turn into online-only editions, due mainly to declining print revenues.²³ These announcements have the potential to impact a number of jobs in the industry, primarily in Toronto.

Over the past 12 months, employment in the services-producing sector grew by 54,700. Industries that gained the most year-over-year include accommodation and food services (+6,800) and health care and social assistance (+21,300), while industries with the largest losses year-over-year include business, building and other support services (-13,000) and other services (-9,300).

Ontario Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	October 2016	September 2016	October 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	7,018.7	6,993.3	6,941.6	25.4	0.4	77.1	1.1
Goods-producing sector	1,421.0	1,411.3	1,398.6	9.7	0.7	22.4	1.6
Agriculture	76.1	74.9	76.9	1.2	1.6	-0.8	-1.0
Forestry, fishing, mining, quarrying, oil and gas	33.7	32.6	44.4	1.1	3.4	-10.7	-24.1
Utilities	48.9	50.2	45.2	-1.3	-2.6	3.7	8.2
Construction	516.4	501.1	485.2	15.3	3.1	31.2	6.4
Manufacturing	746.0	752.5	746.9	-6.5	-0.9	-0.9	-0.1
Services-producing sector	5,597.7	5,582.0	5,543.0	15.7	0.3	54.7	1.0
Trade	1,030.5	1,023.6	1,034.2	6.9	0.7	-3.7	-0.4
Transportation and warehousing	330.5	330.5	328.4	0.0	0.0	2.1	0.6
Finance, insurance, real estate and leasing	549.0	549.7	554.0	-0.7	-0.1	-5.0	-0.9
Professional, scientific and technical services	589.7	586.5	582.4	3.2	0.5	7.3	1.3
Business, building and other support services	325.4	327.5	338.4	-2.1	-0.6	-13.0	-3.8
Educational services	513.1	501.4	501.5	11.7	2.3	11.6	2.3
Health care and social assistance	838.7	842.7	817.4	-4.0	-0.5	21.3	2.6
Information, culture and recreation	318.8	325.6	309.8	-6.8	-2.1	9.0	2.9
Accommodation and food services	464.1	464.4	440.9	-0.3	-0.1	23.2	5.3
Other services	280.2	275.1	289.5	5.1	1.9	-9.3	-3.2
Public administration	357.7	355.0	346.6	2.7	0.8	11.1	3.2

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Growth in Ontario led by the Windsor–Sarnia region in October

Over the past year, employment grew by 19,300 in the **Windsor–Sarnia** economic region, and the unemployment rate fell by two percentage points to 6.0% as a result.²⁴ The unemployment rate is at its lowest point since the 2008 recession, but labour market participation in the region has not yet recovered to pre-recession levels. In October, Windsor–Sarnia's large manufacturing base was supported by news that Cutting-Edge Technologies

²³ Posadzki, A. (2016, September 30). **Rogers announces magazine overhaul**. CTV News. Retrieved from <http://www.ctvnews.ca/business/rogers-announces-magazine-overhaul-will-stop-printing-4-publications-1.3095964>

²⁴ Measured on a year-over-year seasonally unadjusted basis.

Ltd. in Tecumseh has added more than 50 employees to its workforce after a \$10M expansion.²⁵ Also, Cross Country Manufacturing, a manufacturer of industrial trailers, will be expanding its Blenheim facility. The project is expected to be completed by summer 2017 and will create 100 jobs.²⁶

The **Kingston–Pembroke** economic region registered an employment gain of 18,000 between October 2015 and October 2016. The regional labour market was strengthened by increased workforce participation, a decrease in the unemployment rate, and gains in both full-time and part-time employment.

Employment rose in the **Muskoka–Kawarthas** economic region by 17,500 in the past year. As one of the smaller regions in the province, Muskoka–Kawarthas employment figures demonstrate a greater degree of volatility. However, the region saw several positive labour market announcements in October, such as the expansion of the Bata Research and Innovation Cluster at Trent University in Peterborough.²⁷

Growth in the **Toronto** economic region slowed in October, as the region posted an employment gain of 6,700, and the unemployment rate held steady at 7.3%. The retail trade industry remained strong in October with a large number of store opening announcements such as Walmart Canada's new 136,000-sq.-ft. store in Mississauga,²⁸ and Saks Fifth Avenue's two new locations in Pickering and Brampton.²⁹

Employment also rose in the **Stratford–Bruce Peninsula, Ottawa, Northwest, and Northeast** economic region, while employment was flat in **Hamilton–Niagara Peninsula**.

Kitchener–Waterloo–Barrie and London registered the only employment losses in the province

Employment fell in the **Kitchener–Waterloo–Barrie** economic region by 14,600 between October 2015 and October 2016. However, the unemployment rate remained one of the lowest in Ontario as fewer people looked for work. Employment losses were concentrated in the services-producing sector, offsetting growth in the goods-producing sectors. Despite the employment decline, the manufacturing industry performed well in October, bolstered by the announcement that Clearpath Robotics Inc. secured a US\$30M expansion investment. The firm expects to double the size of its current workforce of 150 employees in the coming year.³⁰

The **London** economic region saw an employment decline of 7,700 over the previous year. The participation rate also saw a noticeable drop from 65.5% to 62.9%, and the unemployment rate declined as a result. However, the construction industry received a significant investment as the Government of Canada and Western University will invest \$45M each to support the construction of a new research building and a new innovation centre.³¹

²⁵ Stang, R. (2016, October 1). **Metal firm on target after expansion**. *Windsor Business*. Retrieved from <http://www.windsorbusiness.net/flip-books/2016-10-01/html5/>

²⁶ Ministry of Economic, Development, and Growth. (2016, October 13). **Manufacturing investment in Blenheim**. *Ontario.ca*. Retrieved from <https://news.ontario.ca/medg/en/2016/10/ontario-investing-in-advanced-manufacturing-in-blenheim.html>

²⁷ Ministry of Advanced Education and Skills Development. (2016, October 12). **Ontario Supporting Innovative Learning for Peterborough Students**. *Ontario.ca*. Retrieved from <https://news.ontario.ca/maesd/en/2016/10/ontario-supporting-innovative-learning-for-peterborough-students.html>

²⁸ Newport, A. (2016, October 26). **Walmart at Erin Mills Centre Finally Set to Open in Mississauga**. *Insauga*. Retrieved from <https://www.insauga.com/walmart-at-erin-mills-town-centre-finally-set-to-open-in-mississauga>

²⁹ **Saks OFF 5TH Announces 2 More Canadian Stores**. (2016, October 27). *Retail Insider*. Retrieved from <http://www.retail-insider.com/retail-insider/2016/10/saks-off-5th>

³⁰ Dingman, S. (2016, October 5). **Clearpath Robotics raises \$30-million to bring drones to factory floors**. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/technology/clearpath-robotics-raises-30-million-to-bring-drones-to-factory-floors/article32256654/>

³¹ Winders, J. (2016, September 30). **Fed investment backs new facilities, collaboration**. *Western News*. Retrieved from <http://news.westernu.ca/2016/09/feds-back-new-facilities-45-million-investment/>

Ontario Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	October 2016 ('000)	October 2015 ('000)	Yearly Variation (%)	October 2016 (%)	October 2015 (%)	Yearly Variation (% points)
Ontario	7,033.4	6,969.0	0.9	6.6	6.8	-0.2
Economic Regions						
Ottawa	695.3	690.2	0.7	6.1	6.5	-0.4
Kingston—Pembroke	218.2	200.2	9.0	5.7	6.1	-0.4
Muskoka—Kawarthas	175.3	157.8	11.1	5.2	7.1	-1.9
Toronto	3,374.6	3,367.9	0.2	7.3	7.3	0.0
Kitchener—Waterloo—Barrie	702.3	716.9	-2.0	5.2	5.2	0.0
Hamilton—Niagara Peninsula	728.1	728.1	0.0	6.3	6.0	0.3
London	331.5	339.2	-2.3	5.8	6.6	-0.8
Windsor—Sarnia	305.7	286.4	6.7	6.0	8.0	-2.0
Stratford—Bruce Peninsula	150.3	134.6	11.7	3.9	6.1	-2.2
Northeast	251.0	249.7	0.5	6.6	7.4	-0.8
Northwest	101.1	97.9	3.3	6.4	5.6	0.8

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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