

Labour Market Information & Research

Research and Planning Branch, MTCU

The Ontario Labour Market in 2007

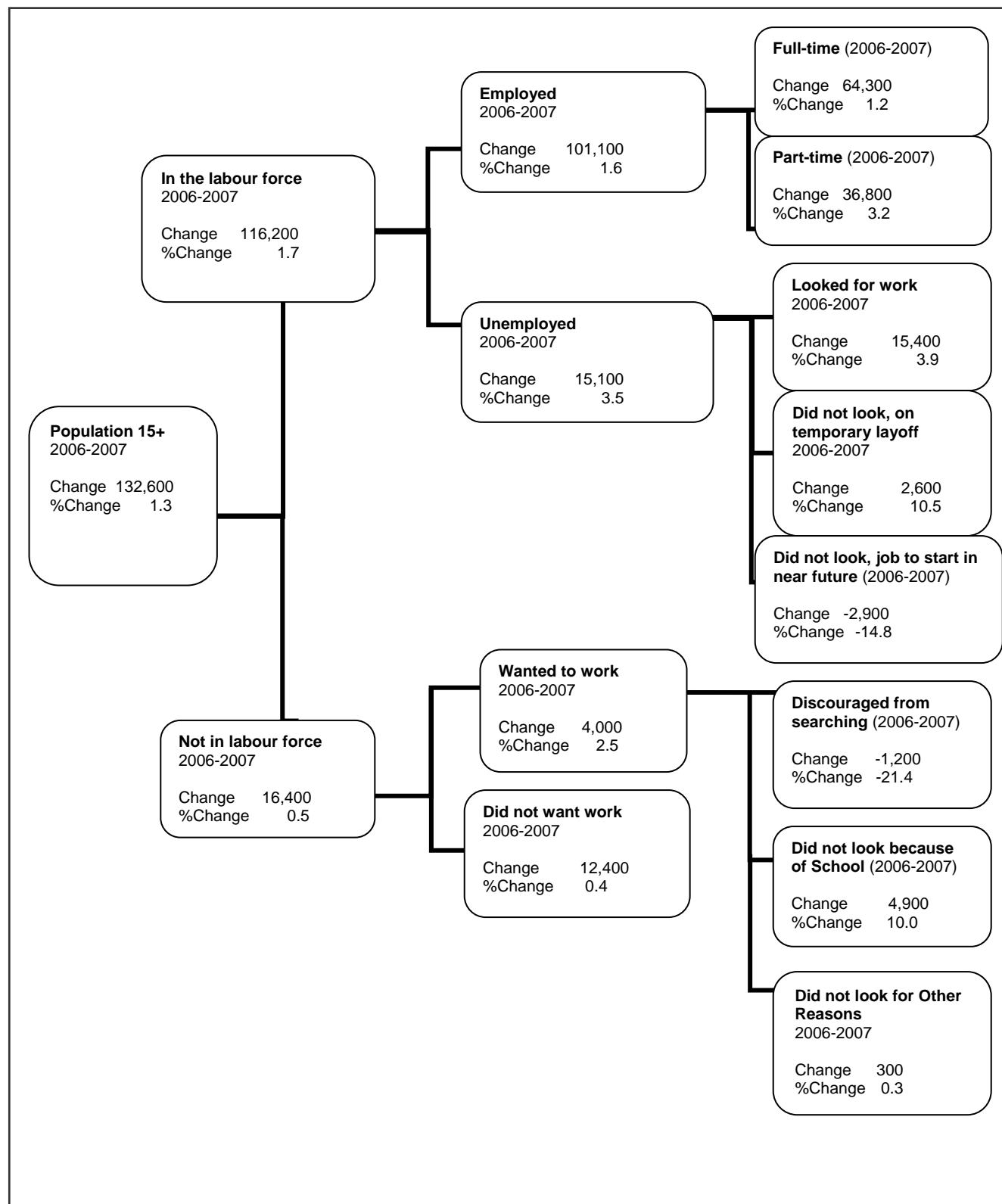
This feature report draws on data from Statistics Canada's Labour Force Survey to provide a retrospective view of Ontario's labour market.

I. Ontario's Labour Market Highlights

- Ontario's labour force increased by 116,200 to 7,043,500 in 2007, a growth rate of 1.7%, slightly below Canada's labour force growth of 2.0% during the same period. Ontario's population aged 15 years and over grew slower than the labour force, at 1.3%.
- The labour force participation rate in Ontario grew by 0.3 percentage points to 68.0% in 2007, after falling for three consecutive years. All age groups experienced increases in their labour force participation rates, with the largest increases occurring for older workers aged 55 years and over, whose participation rate rose from 33.3% in 2006 to 34.4% in 2007.
- Ontario experienced an employment growth rate of 1.6% in 2007, the largest increase since 2004, resulting in employment growth of 101,100 jobs. Ontario's job growth rate in 2007 was below the national average growth rate (2.3%) for the fourth consecutive year. Among all the provinces, Alberta and British Columbia experienced the fastest growth rates in 2007, with Alberta's employment growing at 4.7% and British Columbia at 3.2%.
- More than half of Ontario's employment growth in 2007 was among the self-employed, for whom employment grew by 52,200 (5.6%). Public sector employment ranked second in its contribution to total employment growth (30,300 or 2.6%) in 2007, followed by growth in private sector employment (18,600 or 0.4%).
- The major job gainers in the public sector were the health care and social assistance industry (32,800 or 5.1%) and the educational services sector (21,600 or 4.9%). Within the private sector, accommodation and food services grew rapidly, creating 7.1% or 26,500 new positions in 2007. This represents nearly half (48.6%) of the jobs created within this sector in Canada last year.
- The manufacturing sector in Ontario shed 56,600 jobs in 2007, bringing total losses since 2002 to nearly 146,700 positions or 13.1% of its employment. In addition, there were notable employment losses in forestry (3,900), agriculture (4,300), and financial services (2,400) sectors.
- Ontario's unemployment rate stood at 6.4% in 2007, 0.4 percentage points above the national average. This was the first time in over thirty years that the provincial unemployment rate for the year exceeded the national average.

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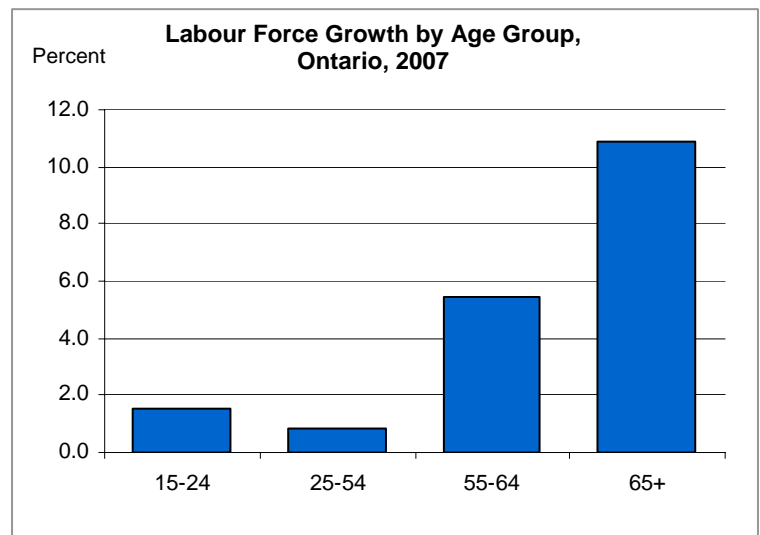
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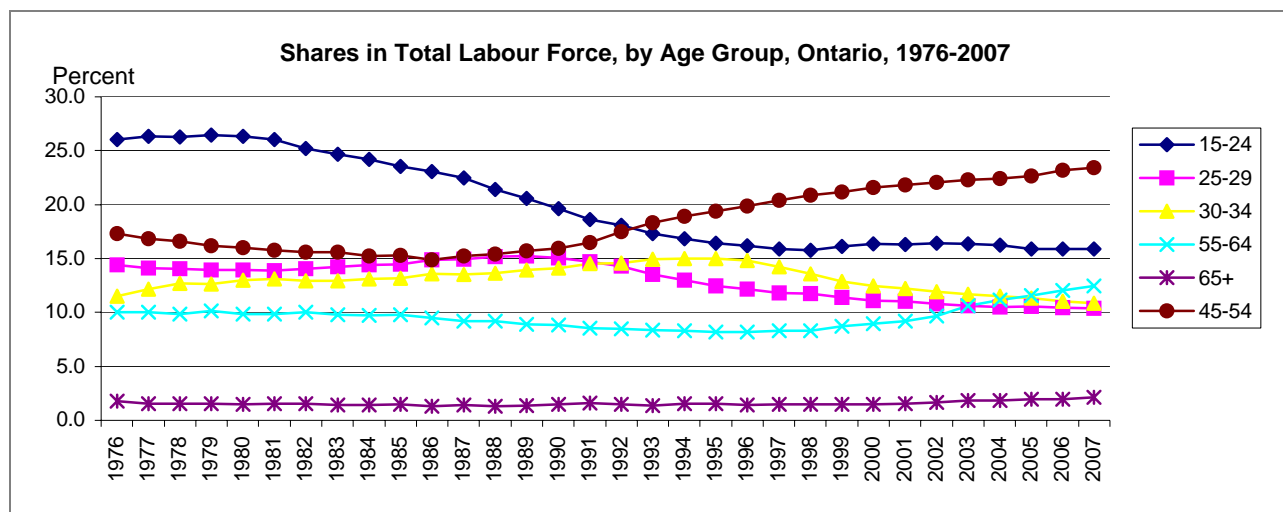
II. Labour Force

Ontario's labour force increased by 116,200 to 7,043,500 in 2007, a growth rate of 1.7%, slightly below Canada's labour force growth of 2.0% during the same period. Ontario's population aged 15 years and over grew slower than the labour force, at 1.3%.

Among all age groups, older workers experienced the highest labour force growth rates, with the 65 years and over age group growing at 10.9%, and the 55-64 age group growing at 5.4% between 2006 and 2007.



A significant structural development in Ontario's labour market has been the noticeable upward trend in the older worker share of the labour force. In 1976, the 15-24 year old share of the labour force was 26.0%. By 2007, their share had fallen to 15.9%, a 10.1 percentage point decline. In general, the youngest age groups in the labour force (15-24, 25-29, 30-34) all saw a decline in their representation over time. Older age groups, on the other hand, saw an increase in their representation. The 45-54 age group saw a steady increase in their representation since the mid-1980s, increasing from 14.9% in 1986 to 23.4% in 2007. The 55-64 age group saw their share rising from 9.5% in 1986 to 12.5% in 2007. The 65 years and over age group, still accounts for a very small proportion of the labour force, but has increased by 0.8 percentage points between 1986 and 2007, rising from 1.32% to 2.13%.



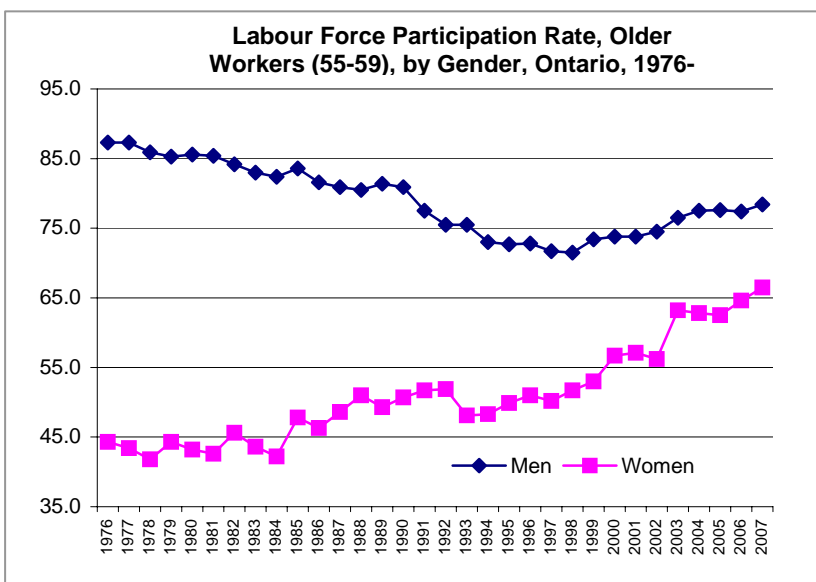
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The increasing share of older workers in the labour force reflects the rising participation rate for this age group. The labour force participation rate for people aged 55 years and over had declined between 1976 and the mid-1990s. However, the trend has reversed since 1998. The labour force participation rate for this group started to increase rapidly since 1998, and it reached 34.4% in 2007, the highest level recorded since 1976.



The structural rise in female participation rates contributed to the increase in the labour force participation rate. Since 1976, fertility rates and social attitudes have changed dramatically, and women are now much more active in participating in the labour force. While participation rates for men aged 55-59 declined from 1976 to 1998, the female participation rate for the same age category has been consistently rising since 1976. The participation rate gap between male and female for this age category thus declined from 43.0 percentage points in 1976 to 11.9 percentage points in 2007.



Moreover, female baby boomers have a higher attachment to the labour force than the generation before them. Hence over the next decade, as more and more female baby boomers reach age 55-59 and replace the working women of the pre-1960s generation, the participation rate for this age category will continue to rise.

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III. Employment

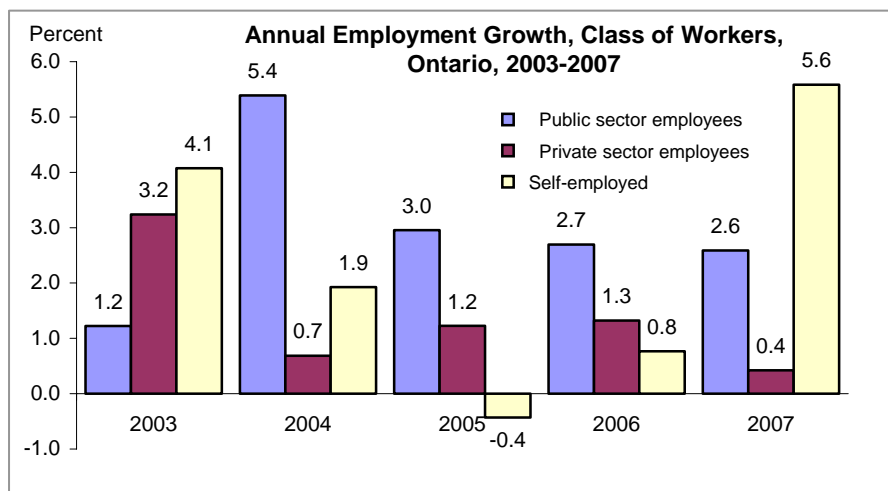
In 2007, Ontario generated the most new jobs in Canada (101,100), followed by Alberta (88,700), Quebec (86,300), and British Columbia (70,800). The top three provinces accounted for almost three-quarters of all job gains in Canada last year, with Ontario accounting for 26.5%, and Quebec and Alberta accounting for 22.6% and 23.2% respectively.

Although Ontario contributed more than any province to the national job gains in 2007, the share of total national job gains was the lowest for the province since 1993, and was below its annual average contribution of around 40.0%. In comparison, Alberta which is about two-fifths the economic size of Ontario and accounts for about 16.0% of national output, represented 23.2% of total national job gains in 2007.

Employment Growth, Provinces, 2006-2007		
	(000s)	(%)
Alberta	88.7	4.7
British Columbia	70.8	3.2
Quebec	86.3	2.3
New Brunswick	7.4	2.1
Saskatchewan	10.2	2.1
Manitoba	9.5	1.6
Ontario	101.1	1.6
Nova Scotia	5.8	1.3
Prince Edward Island	0.7	1.0
Newfoundland and Labrador	1.4	0.6
Canada	382.1	2.3

Ontario experienced an employment growth rate of 1.6% in 2007, the largest increase since 2004. Ontario's job growth rate in 2007 was below the national average growth rate (2.3%) for the fourth consecutive year. Among all the provinces, Alberta and British Columbia experienced the fastest growth rates in 2007, with Alberta's employment growing at 4.7% and British Columbia at 3.2%.

More than half of Ontario's employment growth in 2007 was among the self-employed, for whom employment grew by 52,200 or 5.6%. This was the first time in a decade that growth in the number of self-employed exceeded the growth of paid employees (48,900 or 0.9%). Public sector employment ranked second in its contribution to total employment growth (30,300 or 2.6%) in 2007, followed by

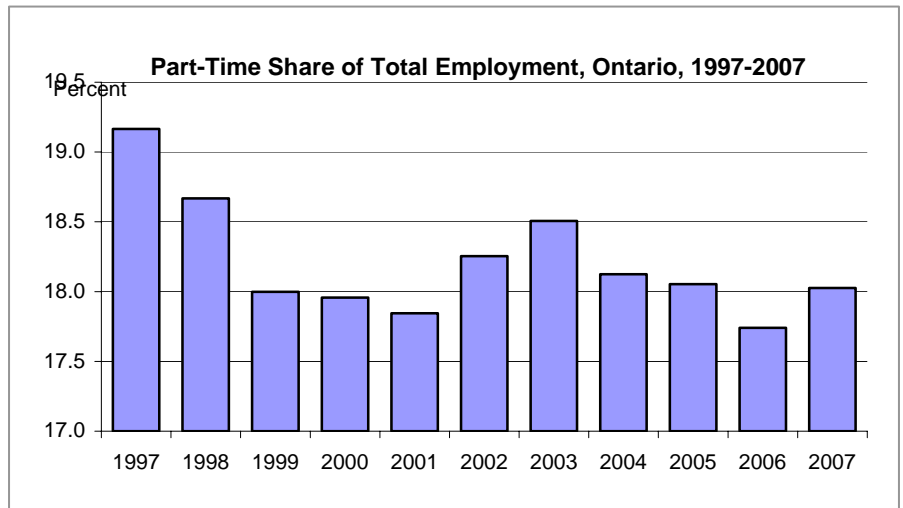


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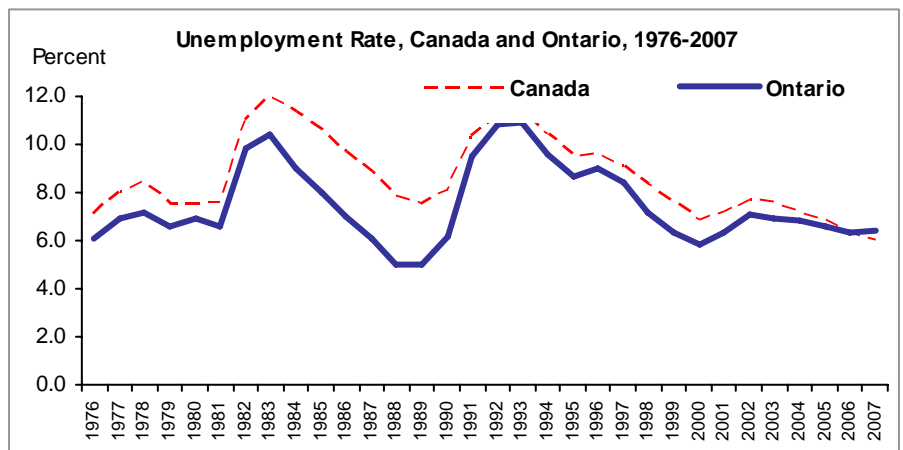
growth in private sector employment (18,600 or 0.4%).

In 2007, full-time employment grew by 64,300, accounting for 63.6% of the overall employment growth in this period. The part-time share of total employment declined from 19.2% in 1997 to 18.0% in 2007.

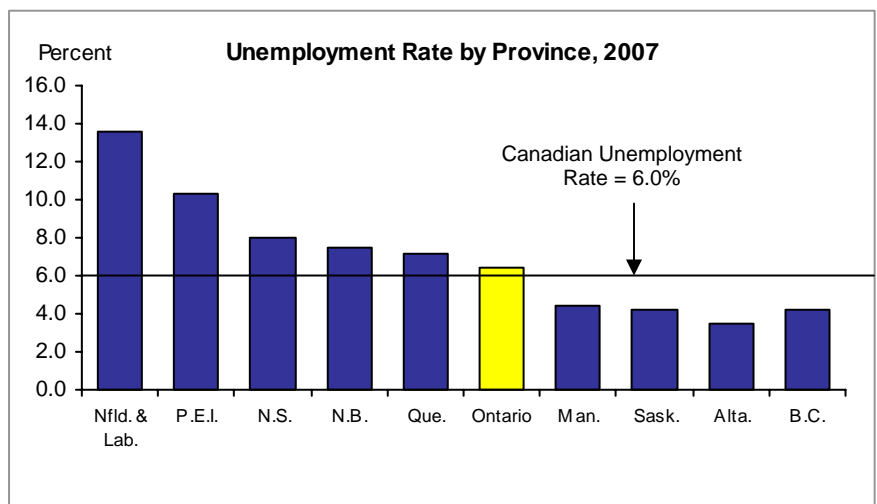


IV. Unemployment Rate

Ontario's unemployment rate stood at 6.4% in 2007, 0.4 percentage points above the national average. This was the first time in over thirty years that the provincial unemployment rate for the year exceeded the national average.



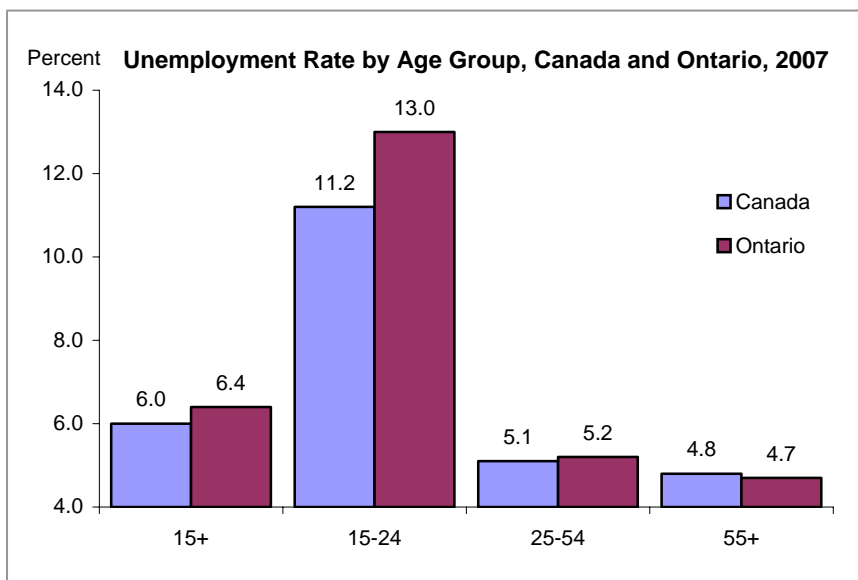
In 2007, Ontario's unemployment rate was the fifth lowest among all Canadian provinces. Alberta had the lowest unemployment rate (3.5%), followed by Saskatchewan and British Columbia at 4.2% each, and Manitoba at 4.4%.



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Among all age groups, the older workers in Ontario aged 55 years and over experienced the lowest unemployment rate (4.7%) in 2007, 0.1 percentage points below the national average. Persons in the age group 15-24, had an unemployment rate that was more than double the provincial average (13.0%), and 1.8 percentage points above the national unemployment rate for this group.

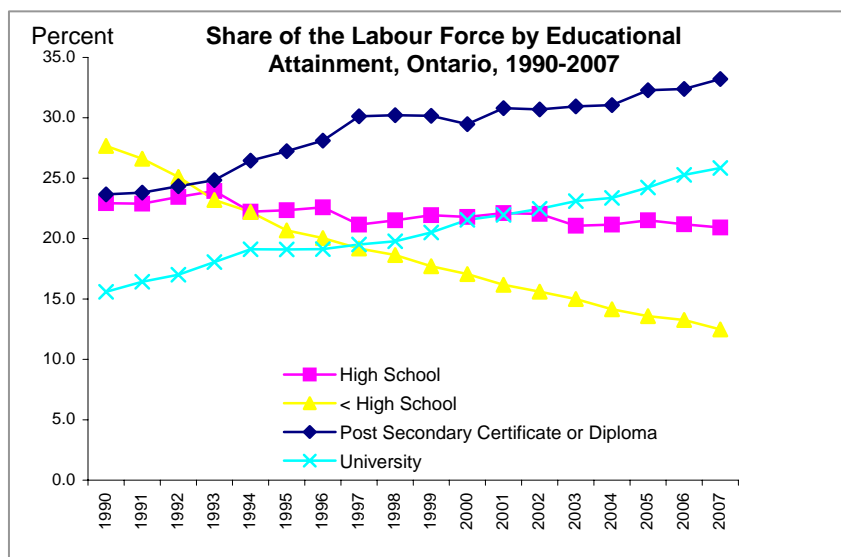


The prime working-age group (25-54), is by far the broadest of the three age groups accounting for about 70.0% of the labour force, compared to 16.0% for the 15-24 and 14.0% for the 55 and over group. It is also the age group with the highest labour force attachment, with a participation rate of 86.6% above that of the 15-24 group (65.0%) and well above that of persons 55 and over (34.4%). From this perspective, the unemployment rate for this group is a better indicator of labour market conditions. The unemployment rate for the prime working-age group was 5.2% in 2007, 0.1 percentage points above the national level for this group.

V. Education

Educational Attainment of the Labour Force

In 2007, the educational attainment of Ontario's labour force continued to rise. The proportion of the labour force with post-secondary qualifications rose from 57.7% in 2006 to 59.1% in 2007. This proportion was 39.2% in 1990 and has followed an upward trend since then. The share of the labour force with university degree has experienced a steady increase, rising by more than 10.0 percentage points from 15.6% in 1990 to 25.8% in



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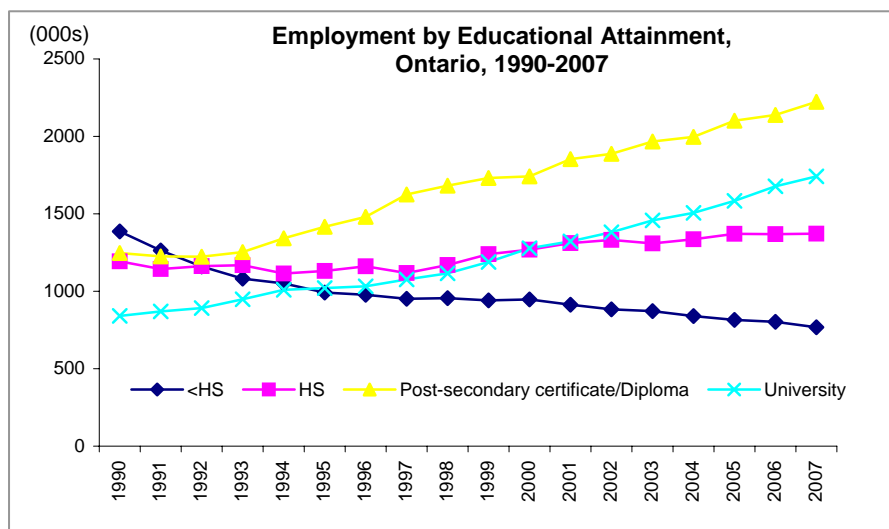
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2007. Similarly, the share of the labour force with a post-secondary certificate or diploma rose from 23.7% in 1990 to 33.2% in 2007.

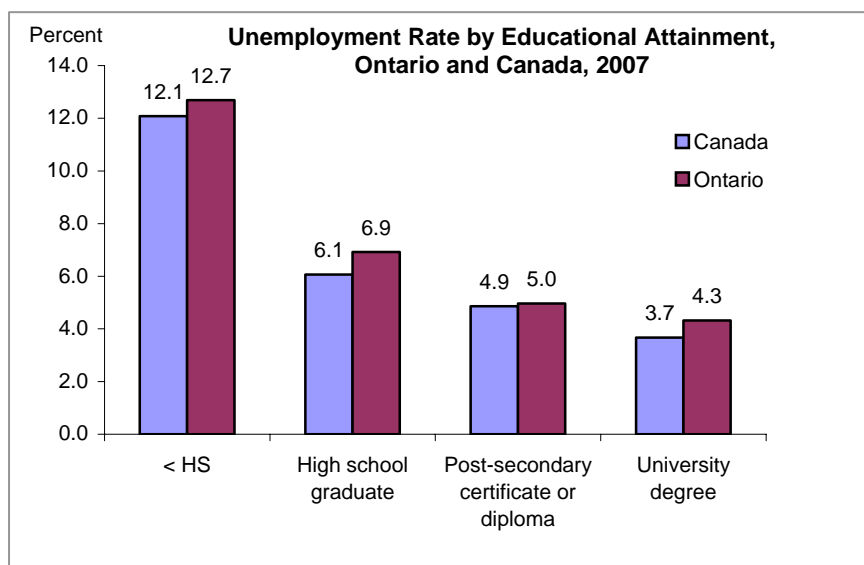
Conversely, the proportion of the labour force without post-secondary qualifications has been declining. The proportion of the labour force with less than high school attainment has experienced a rapid decline, falling from 27.7% in 1990 to 12.5% in 2007. The proportion with high school fell from 22.9% to 20.9%.

Labour Market Outcomes by Educational Attainment

Ontario's labour market has steadily become more knowledge intensive with the fastest employment growth occurring among workers having post-secondary education. During the 1990-2007 period, employment in Ontario more than doubled for jobs requiring university degree and it rose by 78.2% for jobs requiring post-secondary certificate or diploma.



An examination of unemployment rates by educational attainment shows that the unemployment rate for individuals with limited formal education is very high in both absolute and relative terms. The unemployment rate of those with less than high school in 2007 was 12.7%, double that of the overall Ontario unemployment rate. Equally, the unemployment rate for individuals with high levels of formal education tends to be low. In 2007, the unemployment rate for persons with university degree was 4.3%, about two-thirds of the overall Ontario rate (6.4%).

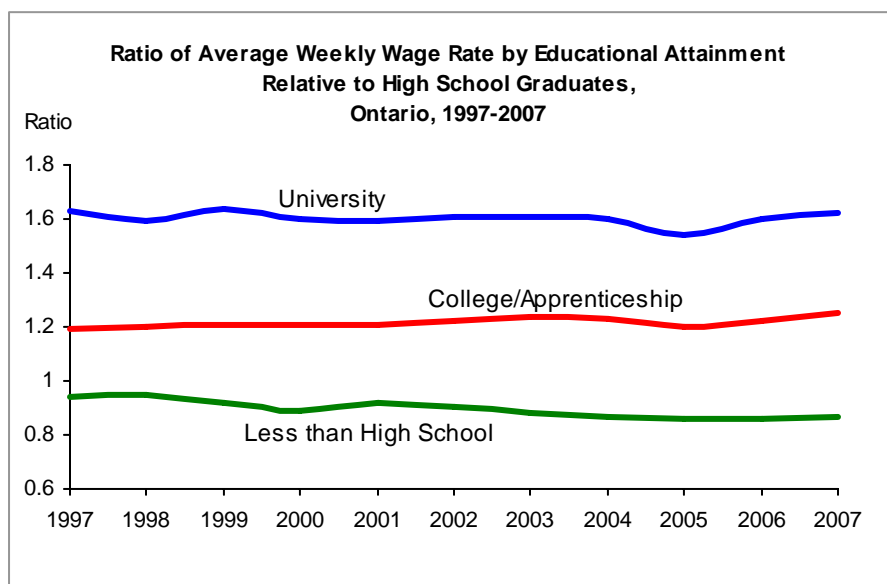


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In comparison, the national average unemployment rate for all educational attainment groups was lower than Ontario's rate in 2007. The national unemployment rate for individuals with less than high school was 12.1%, while the unemployment rate for university graduates was 3.7%.

On average, the higher level of education achieved, the higher the earnings. The average weekly wage rate of college graduates or apprentices in Ontario was \$818 in 2007, 25.4% higher than the average weekly wage rate of high school graduates. The average weekly wage rate of university graduates was \$1,054 in 2007, 61.6% higher than the average weekly wage rate of high school graduates. The relative average weekly wage rates for university graduates and college graduates or apprentices have remained fairly stable over the past decade.



VI. Employment and Wages by Industry

Sectoral Composition of Employment Changes

Total employment in the goods industries in Ontario decreased by 48,100 jobs in 2007. Large-scale employment declines in manufacturing and agriculture and forestry sectors pushed down overall employment in the goods sector between 2006 and 2007.

The manufacturing sector in Ontario shed 56,600 jobs in 2007, bringing total losses since 2002 to nearly 146,700 positions or 13.1% of its employment. This occurred in

Ontario Job Growth by Industry, 2007		
	New Jobs (000s)	Growth (%)
Goods-producing sector	-48.1	-3.0
Agriculture	-4.3	-4.3
Forestry, fishing, mining, oil and gas	-3.9	-10.1
Utilities	9.3	19.0
Construction	7.4	1.8
Manufacturing	-56.6	-5.6
Services-producing sector	149.2	3.0
Trade	11.5	1.1
Transportation and warehousing	8.0	2.7
Finance, insurance, real estate and leasing	-2.4	-0.5
Professional, scientific and technical services	24.0	5.3
Business, building and other support services	-0.9	-0.3
Educational services	21.6	4.9
Health care and social assistance	32.8	5.1
Information, culture and recreation	8.6	2.7
Accommodation and food services	26.5	7.1
Other services	3.1	1.2
Public administration	16.5	5.2
TOTAL	101.1	1.6

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the wake of the rapidly appreciating Canadian dollar and other changes in the global economy that may have contributed to the shifts in production to other countries. The employment losses in Ontario's manufacturing sector accounted for 77.7% of the total national manufacturing job losses in 2007.

The agriculture and forestry sector in Ontario experienced a loss of 4,300 and 3,900 jobs respectively in 2007.

Among the goods-producing sector, two industries have experienced employment gains in 2007, partially offsetting the employment losses in the manufacturing, agriculture and forestry sectors. The utilities industry grew by an impressive 9,300 (19.0%), while the larger construction sector added 7,400 (1.8%) during this period.

In contrast to the goods-producing sector, the services sector experienced notable employment gains in 2007, increasing by 149,200 or 3.0%. The major job gainers in services were within the public sector. Increases in health care and social assistance employment (32,800 or 5.1%) reflect continued investment in the health sector. The educational services sector was another big source of job creation among the service-producing industries last year, growing by 21,600 or 4.9%. Employment in the public administration sector grew by 16,500 or 5.2% last year.

Within the private sector, accommodation and food services employment grew rapidly, creating 7.1% or 26,500 new positions in 2007. This represents nearly half (48.7%) of the jobs created within this sector in Canada last year.

Average Weekly Wage Rates

The average weekly wage rate of the utilities industry (\$1,257) ranked highest among all industries in 2007. The accommodation and food services industry, on the other hand, had the smallest average weekly wage rate (\$352), less than half of the average Ontario wage rate of \$786.

In 2007, average weekly wage growth in Ontario was mainly driven by

Ontario Wages by Industry, 2007		
	Average Weekly Wage Rate (\$)	Growth (%)
Goods-producing sector	899	1.8
Agriculture	484	-3.6
Forestry, fishing, mining, oil and gas	1,098	4.1
Utilities	1,257	2.0
Construction	894	2.6
Manufacturing	889	0.8
Services-producing sector	752	3.1
Trade	557	0.8
Transportation and warehousing	809	4.1
Finance, insurance, real estate and leasing	935	3.7
Professional, scientific and technical services	1,076	5.2
Business, building and other support services	579	5.4
Educational services	909	2.4
Health care and social assistance	763	3.9
Information, culture and recreation	755	4.0
Accommodation and food services	352	1.9
Other services	639	2.4
Public administration	1,089	1.4
Average	786	2.5

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increases in average weekly wages in the services sector (3.1%). The professional, scientific and technical services sector and the business sector experienced the largest increases in average weekly wage rates, growing by 5.2% and 5.4% respectively in 2007. In comparison, the average weekly wage rate in the goods-producing sector experienced a slower growth rate (1.8%) in 2007.

VII. Employment and Wages by Occupation

Employment data for occupations largely reflect industry developments. The shift in industrial demand for workers to different parts of the economy had an impact on the occupational make-up of the province.

The growth in the service sector has meant large gains for a number of occupations. As noted earlier, there was a large increase in employment in the public sector last year. As a result, occupations within the health and social services, education and public administration experienced employment increases during this period. The largest public sector employment gains occurred in occupations in social science and government services (23,500), and professional health occupations (14,800). The private sector job growth was concentrated in retail sales (35,100), and in occupations in the accommodation and food services sector (20,000).

Employment Growth by Occupation, Ontario, 2007			
	Employment (000s)	Growth (000s)	Growth (%)
Retail salespersons, sales clerks, cashiers, including retail trade supervisors	412	35.1	9.3
Occupations in social science, government service and religion	306	23.5	8.3
Chefs and cooks, and occupations in food and beverage service, including supervisors	197	20.0	11.3
Childcare and home support workers	85	17.3	25.7
Natural and applied sciences and related occupations	485	16.8	3.6
Sales and service occupations n.e.c., including occupations in travel and accommodation, attendants in recreation and sport as well as supervisors	563	16.1	2.9
Professional occupations in health, nurse supervisors and registered nurses	184	14.8	8.8
Occupations in art, culture, recreation and sport	207	7.7	3.9
Teachers and professors	271	7.0	2.6

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	Employment (000s)	Growth (000s)	Growth (%)
Occupation in protective services	96	7.0	7.9
Wholesale, technical, insurance, real estate sales specialists, and retail, wholesale and grain buyers	228	6.5	2.9
Construction trades	125	4.6	3.8
Transport and equipment operators	230	2.8	1.2
Financial, secretarial and administrative occupations	311	-1.0	-0.3
Technical, assisting and related occupations in health	185	-2.7	-1.4
Occupations unique to primary industry	155	-2.9	-1.8
Contractors and supervisors in trades and transportation	85	-3.1	-3.5
Other trades occupations	334	-3.9	-1.2
Clerical occupations, including supervisors	688	-4.5	-0.7
Trades helpers, construction, and transportation labourers and related occupations	133	-6.0	-4.3
Labourer in processing, manufacturing and utilities	83	-8.0	-8.8
Management occupations	639	-21.5	-3.3
Machine operators and assemblers in manufacturing, including supervisors	368	-30.2	-7.6
TOTAL	6,594	101.1	1.5

Occupations in the manufacturing sector experienced large declines in 2007. For example, the number of machine operators and assemblers in manufacturing dropped by 30,200, equivalent to a 7.6% annual decline. The number of labourers in processing, manufacturing and utilities fell by 8,000 or 8.8%.

In contrast to the significant job gains that occurred in management occupations in 2006 (35,400), this group experienced employment losses (21,500 or 3.3%) in 2007, with the largest losses occurring within the manufacturing sector (9,500) and retail trade (15,300) management occupations.

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Among all occupational groups, management was the highest paid occupation, with an average weekly wage rate of \$1,366 in 2007. Sales and service occupations were the lowest paid with \$460 per week in 2007. Health occupations experienced the highest growth rates, increasing by 8.1% in 2007, 5.6 percentage points above the provincial average weekly wage rate.

Ontario Wages by Occupation, 2007		
	Average Weekly Wage Rate (\$)	Growth (%)
Management occupations	1,366	2.7
Natural and applied sciences and related occupations	1,153	1.9
Occupations in social science, education, government service and religion	959	2.9
Health occupations	867	8.1
Trades, transport and equipment operators and related occupations	842	4.4
Business, finance and administrative occupations	737	3.2
Occupations unique to processing, manufacturing and utilities	718	1.4
Occupations in art, culture, recreation and sport	717	1.6
Occupations unique to primary industry	601	1.5
Sales and service occupations	460	3.0
TOTAL	786	2.5