

Employment trends in economic regions

Vol. 4, No. 3, 2017

Highlights

- **Non-metro economic regions have a declining population of the core working age adults 25-54 years of age. This is the age group that provides the bulk of the workers.**
- **Consequently, total employment (15+ yr.) is declining in non-metro economic regions.**
- **There is also a decline in the 15+ employment rate (i.e. percent working) due to the shift in the population to 65+ age groups which have lower employment rates.**

Why look at employment trends in economic regions?

Employment trends differ markedly across the Economic Regions¹ (ERs) of Ontario. The objective of this Fact Sheet is to summarize the differences in employment trajectories across the ERs with a focus on regions with a higher share of non-metro population.

Findings

Our results are summarized in Table 1 and in a set of background charts¹.

Only two Ontario ERs, Kitchener-Waterloo and Toronto, have increasing population in the 25-54 age group over the 1988 to 2016 period. The bulk of the workforce comes from this age group².

Among the ERs that are 45+% non-metro (see the top 6 rows in Table 1), all are reporting a flat or declining trajectory of overall employment (i.e. among all individuals 15+ years of age).

Among the 15+ population, all ERs reported an increase in the share represented by seniors (65+ years of age). Seniors have a lower employment rate (i.e. percent employed) and the structural shift to an older workforce is lowering the employment rate for the 15+ population. All ERs (except Kitchener-Waterloo) reported a decline in the 15+ yr. employment rate between 2001 and 2015.

The decline in the population 25-54 years of age (i.e. the core-age workforce) is the major component of the decline in total employment in non-metro ERs.

As one example, we look at the **Stratford-Bruce Peninsula** ER which is classified as a 100% non-metro³ area. This ER has experienced a decline in their population 25-54 years of age. As a consequence, overall employment (for 15+ individuals) has declined from 164K in February, 2005 to 143K in November, 2016. This level is back down to the level of employment in March, 1999. As recently as 2005, the employment rate (i.e. percent of the 15+ population that was employed) was 68% but it has declined to 58% (November, 2016). Recall² that non-metro employment rates are generally increasing in each age group. Thus, the decline in the overall employment rate is generally due to the shift in employment to older age groups with lower employment rates.

Similarly, in the **Northeast** and **Northwest** ERs (71% and 46% non-metro respectively), we see a declining population (for both the 15+ and 25-54 age groups) and, in recent years, declining overall employment levels and declining employment rates.

Summary

Non-metro economic regions have a declining population 25-54 years of age (i.e. their core-age workforce). In each of these regions, the overall number employed (15+ years of age) is now decreasing. All of these ERs have experienced a decline in employment rates for their 15+ yr. population due, generally, to the increasing share of the population that is 65+ years of age.

Rural Ontario Institute gratefully acknowledges the work of Ray Bollman in preparing this edition of [Focus on Rural Ontario](#). Questions on data sources can be directed to RayD.Bollman@sasktel.net. Any comments or discussions can be directed to NRageltie@RuralOntarioInstitute.ca.

¹ Economic Regions are groupings of census divisions, as listed in Slide 4 in "[Charts: Ontario Economic Regions: Population, Number Employed and Employment Rates](#)"

² See "[Non-metropolitan employment trends by age.](#)"

³ Recall that "non-metro" refers to the population outside a Census Metropolitan Area (CMA). See "[Overview of Ontario's rural geography](#)" (June, 2013).

Table 1. Summary of employment trends in economic regions, Ontario, 1988 to 2016.

Economic Region (sorted by percent non-metro)	Percent residing in a non-metro area (i.e. outside a Census Metropolitan Area)	Percent of the potential labour force (15 years and over) that is 65 years and over			Percentage point change in the employment rate from 2001 to 2015	Employment rate, Nov/2016 (12-month moving average)	Trend in level of employment (15 years and over)	Trend in employment rate (i.e. percent employed) (15 years and over)	Trend in population, comparing the trend for the 15+ yr. population and the trend for the 25-54 yr. population	
		2001	2015	Change					Population 15 years and over (potential labour force)	Population 25-54 years of age (core-age workforce)
Stratford-Bruce Peninsula (ER 3580)	100	20	25	5	-4	58	Employment level in Nov/2016 (143K) is down from the peak of 164K (Feb/2005) and is now back to the level of Mar/1999.	Employment rate was 68% in late 1989 and again in early 2005 but has declined to 58% (Nov/2016).	Flat trajectory since 2007.	Continuous decline.
Northeast (ER 3590)	71	18	23	6	-1	54	Employment decline from 260K before 2008-2009 recession to 248K (Nov/2016), which is back to the level in 2002.	Employment rate has ranged between 54% and 57% since 2000 and it is now 54% (Nov/2016).	Generally flat trajectory with slight decline since 2010.	Continuous decline.
Muskoka-Kawartha (ER 3520)	67	22	28	6	-2	50	Since mid-2003, employment has varied between 160K and 192K and is back to 165K (Nov/2016).	Employment rate peaked at 65% in mid-2004 and is now 50% (Nov/2016) but has varied between 50% and 60% for most months over 3 decades.	Continuous increase.	Decline since 2005.
Kingston-Pembroke (ER 3515)	65	19	24	5	-2	55	Since 2000, employment has varied between 200K and 220K and is now 208K (Nov/2016).	Employment rate declined from 60% in 2008-2009 to 55% (Nov/2016) but has varied between 50% and 60% for three decades.	Continuous increase.	Decline since 2004.
Windsor-Sarnia (ER 3570)	48	17	22	5	-4	57	Employment level in Nov/2016 (298K) is down from the peak of 324K (Dec/2006) and is now down to the level of Aug/2000.	Employment rate was 62% in late 2006 and declined to 56% in 2010 and is now 57% (Nov/2016).	Flat trajectory since 2005.	Decline since 2004.
Northwest (ER 3595)	46	16	20	4	-3	58	Employment decline from about 110K before 2008-2009 recession to about 100K after the recession.	Employment rate peaked at 66% in the fall of 2003 and declined to 58% in the summer of 2006 and is now 58% (Nov/2016).	Generally flat trajectory with slight decline since 2007.	Continuous decline.
Ottawa (and area) (ER 3510)	26	16	20	5	-2	62	Employment peaked at 697K (Spring/2015) and is now 690K (Nov/2016).	Employment rate declined from 67% in 2008 to 62% (Nov/2016).	Continuous increase.	Decline since 2012.
Kitchener-Waterloo (ER 3540)	26	15	18	4	0	65	Employment level reached new peak of (about) 710K throughout 2016.	Employment rate dropped from 69% in early 2007 to 64% in early 2010 and is now 65% (Nov/2016) and has varied between 63% and 69% since 1991.	Continuous increase.	Continuous increase.
London (and area) (ER 3560)	25	16	20	4	-4	60	Employment level of 332K (Nov/2016) is (almost) up to the pre-recession level of 337K (fall of 2007).	Employment rate was 67% in early 2005 and declined to 60% in 2010 and the present level is 60% (Nov/2016).	Continuous increase.	Decline since 2006.
Province of Ontario	20	15	19	4	-2	61	Increase in employment levels since 2010.	Employment rate was 61% from 2009 to Nov/2016, a decline from 64% in the early 2000s	Continuous increase.	Continuous increase.
Hamilton-Niagara Peninsula (ER 3550)	10	18	21	3	-2	59	Employment reached new peak of (about) 720K throughout 2016.	Employment rate was 63% (in 2001 and in Dec/2003 and in early 2005) and has declined slowly to present level of 60% (Nov/2016).	Continuous increase.	Decline since 2006.
Toronto (and area) (ER 3530)	1	14	17	3	-3	62	Employment level reached new peak of 3,370K in fall of 2016.	Employment rate dropped from 64% in 2008 to 61% in 2010 and is now 62% (Nov/2016) but has ranged between 60% and 65% for 26 years.	Continuous increase.	Continuous increase.