

Non-metro employment: wholesale and retail trade

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Highlights

- Non-metro employment in wholesale trade represents 3% of total non-metro employment.
- Employment in retail trade represents 13% of total non-metro employment.
- In each case, employment levels have been essentially flat during the past 10 years.

Why look at employment in the wholesale and retail trade?

The wholesale and retail trade sectors generally cater to the local population and thus growth in these sectors tends to follow population change. Some sectors may be able to sell to clients outside non-metro areas and these sectors would become exportable¹ sectors.

This FactSheet portrays the level and change of employment in these trade sectors in non-metro census divisions (CDs) over the 2001 to 2014 period.

Findings²

Employment in non-metro census divisions (CDs) in wholesale trade has varied between 30K³ and 32K over the 2001 to 2014 period (Figure 1 and Row #1 in Table 1). The level in 2014 was 31K, equal to 3.3% of non-metro employment (i.e. Row #1 as a percent of Row #24).

Non-metro employment in retail trade (Row #11) has varied between 111K and 123K over the 2001 to 2014 period. The level in 2014 was 120K, representing 13% of non-metro employment.

Two wholesale subsectors were more intensive in non-metro CDs, compared to Ontario as a whole (as measured by a location quotient (LQ), defined in Footnote #2 of Table 1). These sectors were farm products wholesaling (Row #2) and petroleum products wholesaling (Row #3).

Only one wholesale sector, machinery and equipment wholesalers (Row #8) exhibited a generally increasing level of employment in non-metro CDs over the 2001 to 2014

Similarly, some retail subsectors were more intensive in non-metro CDs, such as motor vehicle dealers (Row #12), building supply retailers (Row #15), food stores (Row #16), gasoline stations (Row #18) and general merchandise stores (Row #21).

Over the period from 2001 to 2014, employment in food and beverage stores (Row #16) has fluctuated between 27K in 2001 and 32K in 2008 but has maintained an LQ=1.2. Will employment in food stores remain more intensive in non-metro CDs?

Figure 1



Source: Ontario Ministry of Agriculture, Food and Rural Affairs, ANALYST EMSI database.

Employment in general merchandise stores (Row #21) has fluctuated in the range of 18K in 2001 and 21K in 2008. The level in 2014 was essentially back to the level in 2001 and 2002 – but employment in this sector has actually become more intensive relative to the pattern of employment for Ontario as whole. The LQ increased from 1.2 in 2001 to an LQ of 1.3 in 2014.

¹ An “exportable” good or service is one that can be sold to those in other jurisdictions – either sent to the customer (e.g. a box of chocolates) or the customer comes to your jurisdiction to consume the item (e.g. a day on a ski hill).

² For the level of employment in each subsector, see [Appendix Table](#): Employment in non-metro CDs by industry sector.

³ Where “K” indicates “thousand”.

Motor vehicle dealers (Row #12) reported a general increasing trend in employment over the 2001 to 2014 period and their employment intensity increased, relative to the Ontario average (i.e. the LQ increased from 1.4 in 2001 to 1.5 in 2014). Does this sector still have room for growth in non-metro CDs?

Employment in retail stores selling building materials and garden equipment (Row #15) has increased gradually during the 2001 to 2014 period (consistent with the growth in employment in building construction reported in a companion issue of **Focus on Rural Ontario**). The intensity of employment in this sector, relative to Ontario as a whole, has remained with an LQ=1.2.

Retail stores selling health and personal care products (Row #17) is an additional retail sector that showed gradual employment growth from

2001 to 2014 and maintained a higher employment intensity in non-metro CDs (an LQ=1.1 in both 2001 and 2014).

However, only two retail sectors showed a generally increasing level of employment during the 2001 to 2014 period: stores selling building materials and equipment (Row #15) and stores selling health and personal care products (Row #17).

In terms of future employment trends, will non-metro CDs be able to maintain their specialization in the retail sectors noted above or will the employment structure trend towards the provincial pattern?

Summary

Within non-metro CDs, the level of employment in wholesale trade and in retail trade has maintained a constant level in the past decade, consistent with the generally flat population trajectory in Ontario's non-metro CDs.

Table 1

Non-metro employment the WHOLESALE and RETAIL TRADE sectors, employment change & performance relative to national patterns, Ontario, 2001 to 2014																								
Row #	NAICS Code	Level	Industry sector (displayed for each category of NAICS = North American Industry Classification System)	Estimated number employed (,000)												Expected change (based on national patterns) (1), 2001 to 2014 (,000)	Actual change, 2001 to 2014 (,000)	"Performance" = Actual minus Expected (,000)	Intensity(2) (LQ) relative to:					
																			Ontario		Canada			
				2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012				2013	2014	2001	2014	2001	2014
1	41	1	Wholesale trade	32.4	32.1	31.8	30.9	30.2	30.5	30.9	31.5	30.0	29.7	30.0	30.6	30.7	31.4	2.0	-1.1	-3.1	0.7	0.7	0.7	0.7
2	411	2	Farm product merchant wholesalers	1.3	1.3	1.0	0.9	0.8	0.8	0.8	0.9	0.9	1.0	1.1	1.1	1.0	1.0	0.1	-0.3	-0.4	1.9	1.8	1.7	1.3
3	4121	3	Petroleum & petroleum products merchant wholesalers	1.0	1.0	1.0	1.0	1.0	1.1	1.0	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.1	-0.2	-0.3	2.0	2.4	1.3	1.0
4	413	2	Food, beverage & tobacco merchant wholesalers	3.7	3.6	3.3	2.9	3.0	2.9	3.0	3.1	2.7	2.5	2.4	2.5	2.6	2.7	0.6	-1.0	-1.6	0.8	0.4	0.6	0.4
5	414	2	Personal & household goods merchant wholesalers	1.7	1.7	1.7	1.8	1.8	1.9	1.8	1.8	1.7	1.7	1.9	2.1	2.1	2.0	0.2	0.3	0.2	0.2	0.3	0.3	0.3
6	415	2	Motor vehicle & motor vehicle parts & accessories merchant wholesalers	4.2	4.4	4.4	4.1	3.8	3.6	4.0	4.0	3.7	3.7	3.7	3.5	3.3	3.5	-0.1	-0.7	-0.6	1.0	1.0	1.1	1.0
7	416	2	Building material & supplies merchant wholesalers	5.8	5.1	5.1	5.2	4.9	5.0	5.1	5.2	5.1	5.4	5.5	5.6	5.6	5.6	0.4	-0.1	-0.6	0.8	0.8	0.8	0.8
8	417	2	Machinery, equip. & supplies merchant wholesalers	7.5	7.7	7.9	7.8	7.7	7.9	8.1	8.3	8.0	8.3	8.5	8.7	8.8	8.9	0.6	1.5	0.9	0.5	0.7	0.6	0.8
9	418	2	Miscellaneous merchant wholesalers	5.5	5.7	5.7	5.8	6.1	6.3	6.1	6.2	5.9	5.3	5.2	5.5	5.6	5.8	0.3	0.2	0.0	0.8	0.8	0.9	1.0
10	419	2	Business-to-business electronic markets, & agents & brokers	1.7	1.7	1.6	1.4	1.2	1.1	1.1	1.1	1.0	0.9	0.9	0.9	0.9	0.9	-0.4	-0.8	-0.4	0.6	0.5	0.7	0.5
11	44-45	1	Retail trade	110.6	113.3	117.0	118.7	120.0	119.3	117.4	122.6	120.9	117.2	113.5	116.3	117.9	120.4	22.8	9.8	-13.0	1.2	1.1	1.1	1.1
12	441	2	Motor vehicle & parts dealers	12.2	12.8	13.4	13.5	13.2	13.5	13.5	13.6	13.1	13.1	13.2	13.7	14.2	14.8	3.7	2.6	-1.0	1.4	1.5	1.3	1.3
13	442	2	Furniture & home furnishings stores	3.5	3.4	3.4	3.5	3.8	3.5	3.2	3.3	3.4	3.3	3.0	3.2	3.3	3.3	0.9	-0.2	-1.1	0.9	0.8	0.9	0.8
14	443	2	Electronics & appliance stores	3.7	3.3	3.3	3.1	3.1	3.3	3.1	3.2	3.4	3.2	2.8	2.8	2.7	2.7	-0.1	-1.0	-0.9	0.8	0.7	0.9	0.7
15	444	2	Building material & garden equip. & supplies dealers	7.0	8.1	7.8	7.7	8.4	9.2	9.9	10.5	10.8	11.0	11.2	11.3	11.2	11.9	5.0	4.9	-0.1	1.6	1.6	1.5	1.6
16	445	2	Food & beverage stores	27.2	29.0	30.2	30.4	31.5	30.6	29.4	31.9	31.5	30.4	28.5	29.1	30.5	31.7	5.4	4.6	-0.9	1.2	1.2	1.1	1.2
17	446	2	Health & personal care stores	8.0	7.7	7.7	7.5	7.6	7.9	8.4	9.0	9.3	9.4	9.2	9.6	10.0	10.4	3.6	2.4	-1.2	1.1	1.1	1.1	1.1
18	447	2	Gasoline stations	6.7	7.1	7.5	7.4	7.4	7.6	7.2	7.0	7.3	6.9	6.6	6.4	6.1	6.2	0.2	-0.5	-0.7	1.9	2.2	1.4	1.4
19	448	2	Clothing & clothing accessories stores	8.0	7.2	7.5	7.1	7.3	8.1	8.1	8.1	7.8	7.5	7.3	7.0	6.8	7.3	1.7	-0.6	-2.4	0.7	0.6	0.7	0.6
20	451	2	Sporting goods, hobby, book & music stores	4.0	3.7	3.7	3.9	4.0	3.8	3.7	3.6	3.4	3.3	3.1	3.0	3.1	3.1	0.6	-0.9	-1.4	0.8	0.7	0.9	0.7
21	452	2	General merchandise stores	17.5	18.7	20.1	21.7	21.7	20.6	20.2	20.9	20.3	19.2	18.9	19.5	19.0	18.3	1.9	0.9	-1.1	1.2	1.3	1.3	1.4
22	453	2	Miscellaneous store retailers	8.9	8.4	7.8	8.7	8.3	7.5	7.4	8.0	7.7	7.3	7.1	7.8	8.1	7.6	0.3	-1.3	-1.6	1.2	1.1	1.3	1.2
23	454	2	Non-store retailers	4.0	4.1	4.6	4.4	3.8	3.9	3.5	3.4	2.9	2.5	2.6	2.8	2.9	2.9	-0.1	-1.0	-1.0	1.2	0.9	1.2	1.0
24	Total: All sectors in non-metro Ontario			874.6	890.3	901.6	910.7	922.1	932.6	930.6	960.1	923.5	913.0	919.7	938.4	948.4	952.4	150.6	77.8	-72.8				

1. The expected change is estimated from a shift-share calculation that shows the change that would have occurred if non-metro employment had changed at the same rate as national employment and if the employment in the given sector had changed at the same rate as the national employment in the given sector.

2. A location quotient (LQ) indicates the relative intensity of a sector (in this case, in non-metro census divisions), relative to the provincial pattern and relative to the national pattern. It is calculated as the non-metro percent employed in a sector divided by the provincial (or national) percent employed in a sector.

Source: Ontario Ministry of Agriculture and Food, ANALYST EMSI database.

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 NRagelie@RuralOntarioInstitute.ca.