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## Non-metro employment trends by age

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### Highlights

- Non-metro employment has decreased in recent years. There was both a decline in the population 15+ years of age and a decline in the percent of the population that was employed.
- Among individuals 25 to 54 years of age, non-metro employment has been declining since 2005 due to two components: a declining population since 2004 and an employment rate (per cent employed) that is lower than pre-recession levels.
- Non-metro employment among individuals 15 to 24 years of age has declined since 2005. One component was the decline in population since 2012. The larger component was a decline in the percent employed from 2004 to 2010. However, in 2015 and 2016, their employment rate has increased to pre-recession levels.
- As the population shifts into older age groups, the increase in employment coming from these age groups is relatively smaller because of their lower employment rate. Their increase in the number employed has not compensated for the decline in employment among individuals 25 to 54 years of age.

### Why look at employment trends by age?

As noted in an accompanying Fact Sheet<sup>1</sup>, the share of older individuals is increasing in Ontario's non-metro potential labour force population (i.e., the population 15 years of age and over). This Fact Sheet documents the non-metro employment trends by age in the context of a shift in the workforce to an older age structure.

### Findings

#### **Population 15 years of age and over (i.e. the potential labour force)**

In non-metro Ontario, the overall potential labour force (i.e. the population 15 years of age and over) has not increased since 2013<sup>1</sup>.

Employment in non-metro<sup>2</sup> Ontario has been declining slowly since the fall of 2008 (Slide<sup>3</sup> 4). One component of the decline is the lack of growth in the population (Slide 3) but the major component is the decline in the employment rate (i.e. the percent employed) (Slides 5 and 6).

For the non-metro 15+ potential labour force, the employment rate has declined from 60% before the 2008-2009 recession to 55% in mid-2016.

For most of the period since 1997, the metro<>non-metro difference<sup>4</sup> in the employment rate for the 15+ population was about 4 to 5 percentage points – with non-metro being lower. In 2016, this gap has widened to 7 percentage points due to a 3 percentage point decline in the employment rate in 2016 (Slide 6).

For both males and females, non-metro employment rates are below the respective employment rates in metro areas (Slide 10). Also, the recent decline in the non-metro employment was reported by both males and females (Slide 9)

#### **Population 15 to 24 years of age**

The non-metro population of youth (including students), 15 to 24 years of age, has declined since 2012 (Slide 12).

The level of employment of non-metro youth (including students) has declined since 2005 (Slide 13). The decline in the employment rate from 2004 to

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<sup>1</sup> [“Non-metro population by age.”](#)

<sup>2</sup> “Non-metro” refers to the population outside a Census Metropolitan Area (CMA). See [“Overview of Ontario’s rural geography”](#) (June, 2013).

<sup>3</sup> All slides referenced in this Fact Sheet are available in an accompanying document: [“Charts: Non-metro number employed and employment rates \(i.e. percent employed\) by age”](#).

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<sup>4</sup> Our discussion focusses on the 12-month averages but note the high level of employment experienced by non-metro males in the summer months – approaching the level of metro males (Slide 7).

2010 was the major component of the decline in employment. However, in 2016, the employment rate for non-metro youth was back up to the 2005 employment rate<sup>5</sup> (60%). Non-metro youth, both males and females have higher employment rates<sup>6</sup> than their counter-parts in metro areas (Slide 19).

**Population 25 to 54 years of age (the core-age workforce)**

The non-metro population in the core-age workforce has been declining (slowly) since 2004 (Slide 21). As a result, the level of employment has been declining – almost solely due to the decline in population in this age group.

The percent employed (i.e., the employment rate) fell by 3 percentage points during the recession of 2008-2009 – from 82% to 79% but this has increased to over 80% since the recession (Slide 24).

Metro and non-metro employment rates have been very similar over time – for both males and females (Slide 24). In non-metro areas, the employment rate of males and females both recovered (largely, but not completely) after the recession (Slide 27).

**Population 55 to 64 years of age**

In non-metro Ontario, the population 55 to 64 years of age has been growing continuously over the last two decades – and, similarly, the level of employment has been growing (Slide 30). In addition, the employment rate has grown over this period – with no setback during the 2008-2009 recession (Slide 31).

The strongest growth in the employment rate has been among females – from 35% in the late 1990s to 55% in 2016 (Slide 36). For non-metro males, their employment rate was about 50% in the late 1990s and this has grown to 60% in 2016.

However, for both sexes, the employment rate in non-metro areas remains below the employment rate in metro areas (Slide 37).

**Population 65 years of age and over**

The population of seniors, 65 years of age and over, has grown more sharply since 2012 when the early-wave of baby-boomers reached their 65<sup>th</sup> birthday (Slide 39).

The 65+ population increased from 20% of the 15+ population in 2008 to 24% in 2015<sup>1</sup>. This 4

percentage point shift in the age structure of the potential labour force is a major contributor to the 5 percentage point decline in the employment rate for the 15+ population over this period. The reason is that the 65+ population has a much lower employment rate (12% in 2016)

The increase in the 65+ population has facilitated the (relatively small in absolute terms) increase in employment among seniors that is reinforced by an increase in the employment rate – up from under 11% after the recession to nearly 15% in non-metro areas in 2016 (Slide 42).

From 2010 to 2016, non-metro employment declined (-53K) even though, in this period, employment rates increased in every age group (Table 1). The large decline in 25-54 yr. employment (-82K) (associated with the large decline in population) was greater than the increase in 55+ yr. employment (48K). The changing age structure of the population and the resulting change in employment age structure are the major components of the decline in employment. Employment rates increased in each age group. Thus, the shift of population and employment to age groups with lower employment rates are the components of the decline in overall non-metro employment in this period.

**Table 1**

Change in population, employment and employment rates by age group, Ontario non-metro areas									
Age group	Population (,000) 12-month moving average			Employment (,000) 12-month moving average			Employment rate (i.e. percent employed) (,000) 12-month moving average		
	Oct., 2010	Oct., 2016	Change	Oct., 2010	Oct., 2016	Change	Oct., 2010	Oct., 2016	Change
15-24 years	334	277	-57	186	165	-20	56	60	4
25-54 years	1,019	902	-117	807	725	-82	79	80	1
55-64 years	365	394	29	197	224	26	54	57	3
65+ years	424	556	132	43	66	22	10	12	2
<b>15+ years</b>	<b>2,142</b>	<b>2,130</b>	<b>-12</b>	<b>1,233</b>	<b>1,180</b>	<b>-53</b>	<b>58</b>	<b>55</b>	<b>-2</b>

Source: Statistics Canada, Labour Force Survey, CANSIM Tables 282-0001 and 282-0128.

**Summary**

Non-metro population is not growing and thus is not providing a driver for employment growth. The overall employment is declining as the population shifts to older age groups with a lower employment rate.

Perhaps obviously, our focus has been on the change in the supply of labour due the change of the age structure of the population. Interestingly, the demand for labour has generated an increase in the employment rate for each group in the 2010 to 2016 period.

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](mailto:RayD.Bollman@sasktel.net). Any comments or discussions can be directed to [NRageltie@RuralOntarioInstitute.ca](mailto:NRageltie@RuralOntarioInstitute.ca).

<sup>5</sup> Slide 15 which shows the average over a 12 month period. Note the high variability across months within a year (Slide 14).

<sup>6</sup> Note again the high rates of non-metro employment in the summer months (Slides 14, 16 and 17).