

THIRD QUARTER OF 2017

July, August, September

Ontario Employment Report

ONTARIO MINISTRY OF FINANCE





Introduction

About the Ontario Employment Report

The third quarter of 2017 is the first issue of the Ontario Employment Report - a public report, released four times a year that provides an overall assessment of the current trends and developments in the Ontario labour market. The Ontario Employment Report is a companion report to the Ontario Economic Accounts, which provides an overall assessment of the current state of the Ontario economy. Most estimates in the Ontario Employment Report are based on Statistics Canada data. Its primary audience includes economists in both public and private sectors and credit rating agencies.

Methodological note

In the current issue, year-over-year change represents change between the averages in the third quarter of 2016 and the third quarter of 2017. Note that the Ontario Economic Accounts report primarily shows changes between the previous and the current quarter.

This report uses seasonally adjusted data in charts displaying data with a monthly frequency in the Overview and Employment Trends sections.

Unadjusted data is used in charts and tables showing the changes for the current quarter compared with the same quarter for the previous year. Unadjusted data is also used to calculate annual averages, year-to-date averages and 2017 third quarter averages.

Steady Growth in Ontario's Labour Market Continues

Overview

Year-over-year, Ontario's third quarter employment increased by 160,000 jobs (+2.3%).

Compared to the previous quarter, employment advanced by 60,400 in the third quarter of 2017, following a gain of 3,700 in the second quarter.

Ontario's unemployment rate was 5.6% in September 2017, below the national average for the 30th consecutive month.

As of September 2017, employment was 7.8% (+522,000 jobs) above the pre-recession peak and 12.5% (+794,500 jobs) above the recessionary low. The unemployment rate in September 2017 was 4.0 percentage points below the recessionary level (9.6% in June 2009) and 1.0 percentage point below the pre-recession level (6.6% in October 2008).

Ontario's Labour Force

Employment:

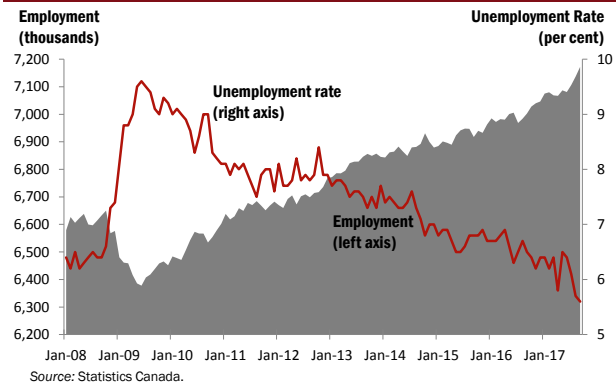
+160,000 net new jobs year-over-year
+60,400 net new jobs in 2017Q3

Unemployment rate:

5.6% in September 2017

Source: Statistics Canada.

Ontario's Labour Market Strengthening



Post-Recession Trends: Most New Jobs Are Full-Time

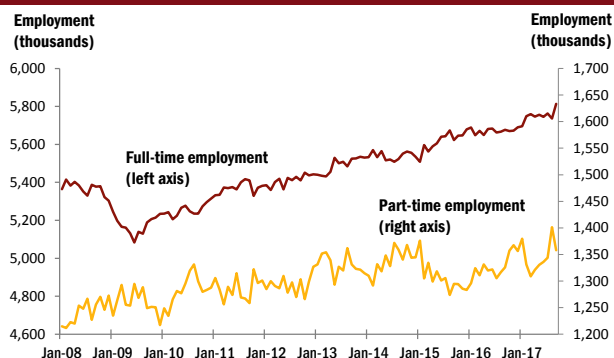
Employment Trends

Since the recessionary low (June 2009), Ontario gained 730,900 full-time jobs and 63,400 part-time jobs. Full-time jobs represent over 90% of the growth.

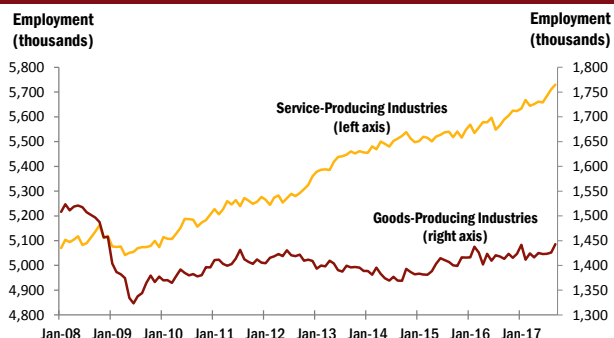
Since June 2009, monthly employment in the service-producing industries has increased by 675,000, while employment in the goods-producing industries has increased by 119,500. Employment in the service-producing industries has been increasing more rapidly than in the goods-producing industries since the early 1980s.

Employment gains have differed across the five main geographic regions of the province. Since the recession, the most rapid gains in employment have occurred in the Greater Toronto Area and Central Ontario. Northern Ontario has experienced the slowest growth.

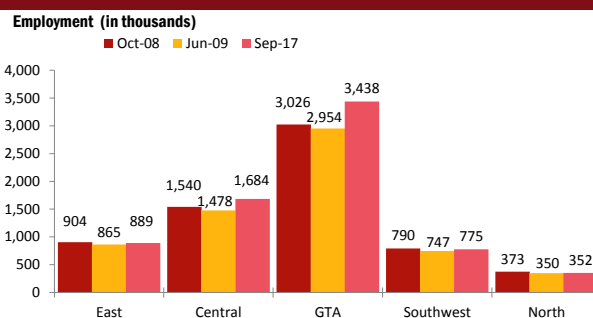
Employment by Worker Status (Full-Time & Part-Time)



Employment by Service-Producing and Goods-Producing Industries



Employment by Ontario Region



Note: Three-month-moving averages (3MMA) are used to smooth out month-to-month irregular movements caused by the relatively smaller sample sizes of regions within Ontario. Data are adjusted for seasonality.

Source: Statistics Canada and Ontario Ministry of Finance.

Post-Recession Trends: Strong Private Sector Job Growth

Employment Trends

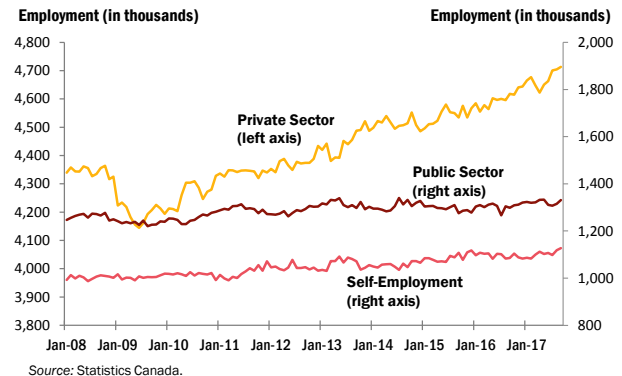
The most rapid job growth since the recession has been in the private sector. This sector experienced more job losses during the recession, compared to the public sector and self-employment.

Since June 2009, private sector monthly employment has increased by 569,500 jobs, while self-employment has increased by 119,400 jobs, and public sector employment has increased by 105,500. Private sector jobs represent over 70% of the employment growth.

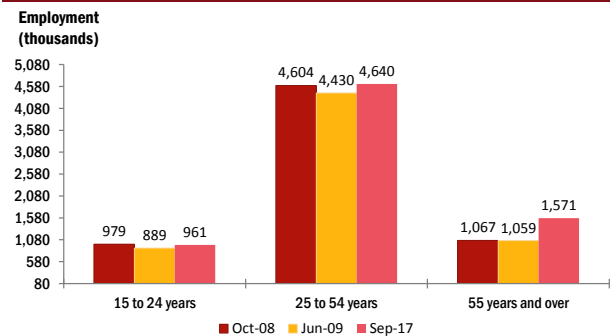
Since the recessionary employment low, youth (15-24 years old) have gained 71,700 jobs (+8.1%), core-aged population (25-54 years old) have gained 210,400 jobs (+4.7%), while workers aged 55 and older have gained 512,400 jobs (+48.4%).

Since the recession, males have gained more jobs (+447,100) than females (+347,400). During the recession, employment declined more for males than females.

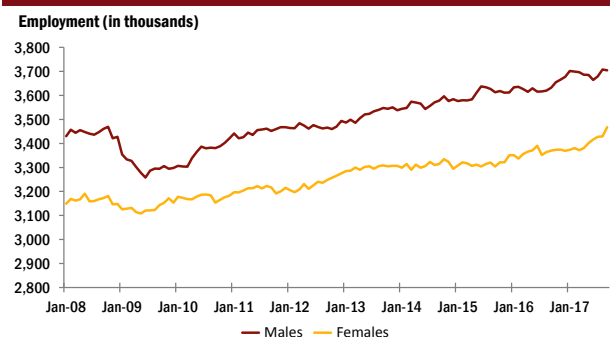
Employment by Public, Private Sectors and Self-Employment



Employment by Age Group



Employment by Gender



Type of Work

Quarterly Details

Year-over-year, full-time employment increased by 1.9% in the third quarter, while part-time employment grew by 4.1%.

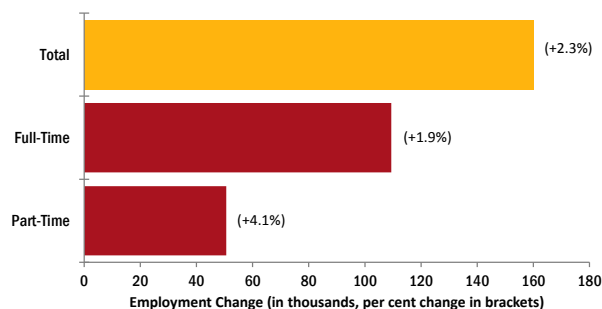
Private sector jobs experienced the largest increase, followed by public sector employment and self-employment over the same period.

Meanwhile, the self-employed recorded the highest growth rate at 2.4%, followed by private sector employees at 2.3% and public sector employees at 2.1%.

Above-average wage industries experienced the most rapid employment growth at 2.7%, while below-average industries grew by 1.9%, year-over-year.

Employment Change by Full-Time, Part-Time Status

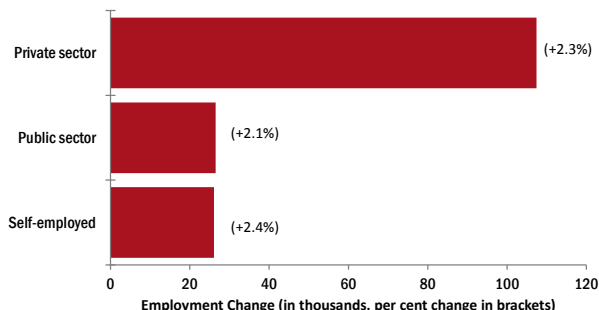
Employment change 2017Q3 over 2016Q3



Source: Statistics Canada.

Employment Change by Employment Sector

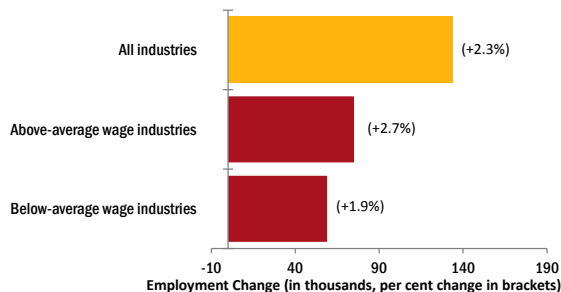
Employment change 2017Q3 over 2016Q3



Source: Statistics Canada.

Employment Change by Above-, Below-Average-Wage Industries

Employment change 2017Q3 over 2016Q3



Note: Above-average wage industries are defined as those with earnings above the average hourly earnings of all industries in 2016. Self-employment is excluded.

Source: Statistics Canada.

Sector and Occupation

Quarterly Details

Year-over-year, employment gains were driven by significant growth in the service-producing sector, while goods-producing sector employment also increased.

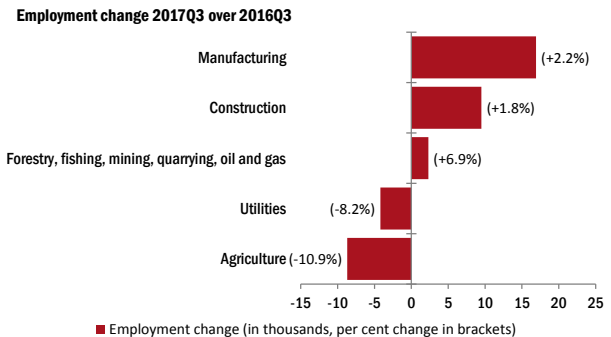
Overall, the professional, scientific & technical services industry gained the most jobs and also experienced the most rapid growth (+8.6%). The business, building & other support services industry had the largest decline in employment year-over-year.

Among goods-producing industries, the manufacturing sector added the most jobs, growing by 2.2% over the same period. Agriculture experienced the largest employment decline.

On a year-over-year basis, management occupations were the category with the largest employment increase, while health occupations exhibited the strongest rate of growth at 10.5%. Other occupation categories with positive employment were sales and service occupations; natural and applied science and related occupations; business, finance and administration occupations; and natural resources, agriculture and related occupations.

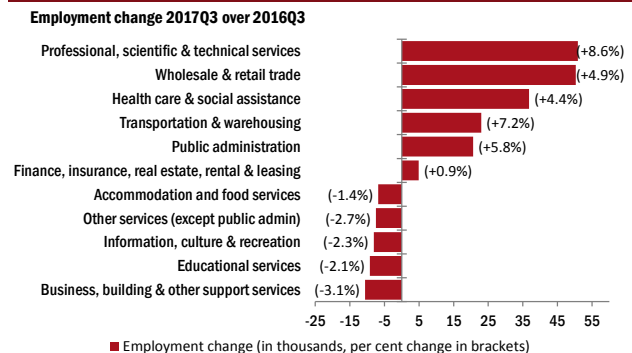
Employment in the remaining occupational categories has decreased at varying rates, with the largest percentage decline in occupations in education, law and social, community and government services.

Employment Change by Industry Goods-Producing Industries



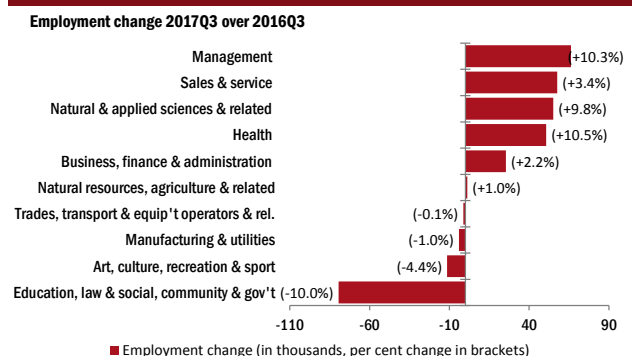
Source: Statistics Canada.

Employment Change by Industry Service-Producing Industries



Source: Statistics Canada.

Employment Change By Occupation



Source: Statistics Canada.

Geographic Region

Quarterly Details

Year-over-year, employment in Central Ontario increased the most, at 6.6%, followed by the Greater Toronto Area with a rise of 2.1% and Northern Ontario at 1.0%.

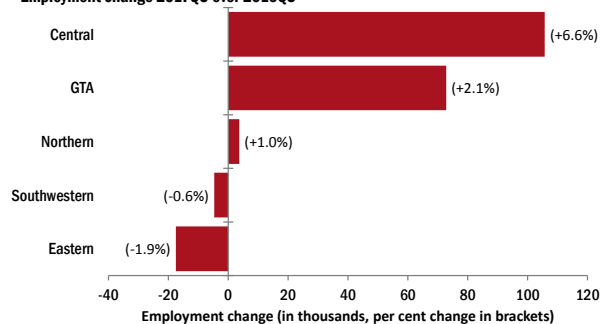
Two of the five Ontario regions experienced employment declines year-over-year: Eastern Ontario (-1.9%) and Southwestern Ontario (-0.6%).

In the third quarter, unemployment rates ranged from 5.1% in Central Ontario to 6.5% in Eastern Ontario and Northern Ontario.

Quarterly labour force participation rates varied considerably among the economic regions. In the third quarter, participation rates ranged from 66.9% in Central Ontario to 61.1% in Northern Ontario.

Employment Change by Ontario Region

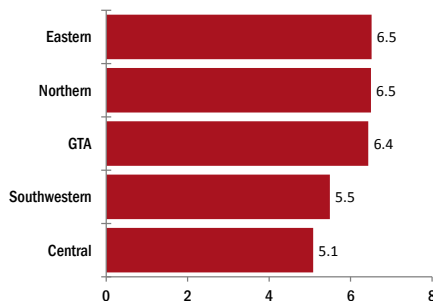
Employment change 2017Q3 over 2016Q3



Note: Quarterly estimate is equivalent to 3-month moving average for September.
Source: Statistics Canada.

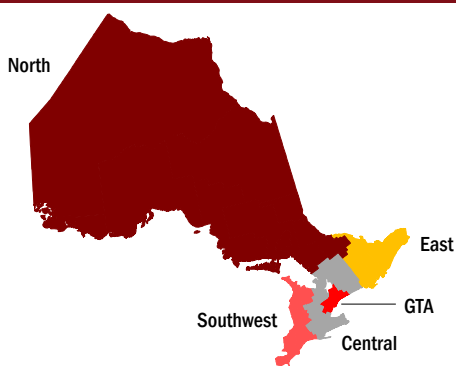
Unemployment Rates by Ontario Region

Unemployment rate, 2017Q3 (per cent)



Note: Based on three-month moving average for September 2017.
Source: Statistics Canada.

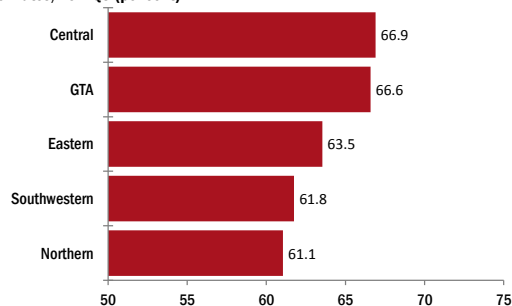
Ontario Regions



Note: Based on groupings of Statistics Canada's economic regions.

Participation Rates by Ontario Region

Participation rates, 2017Q3 (per cent)



Note: Based on three-month moving average for September 2017.
Source: Statistics Canada.

Age Groups

Quarterly Details

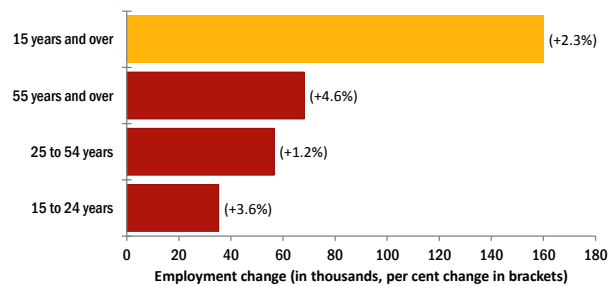
Compared to the same quarter last year, workers aged 55 and older gained the most jobs, followed by core-aged (25-54 years old) workers and youth (15-24 years old). Both youth (+3.6%) and older workers (+4.6%) experienced above-average employment growth year-over-year.

In the third quarter, older workers had the lowest unemployment rate at 4.1% and the unemployment rate of core-aged workers was 5.4%. The unemployment rate of youth was 11.3%, the highest among the three major age groups.

In the third quarter, core-aged workers had the highest participation rate at 85.4%, followed by youth at 64.9% and older workers at 38.4%.

Employment Change by Age Group

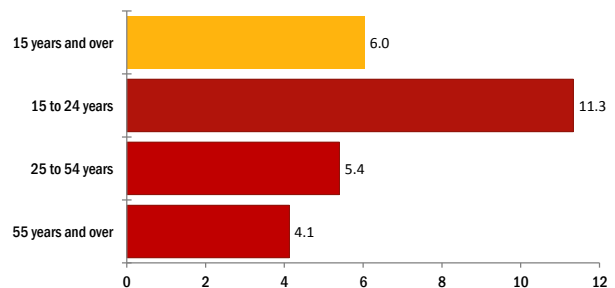
Employment change 2017Q3 over 2016Q3



Source: Statistics Canada.

Unemployment Rates by Age Group

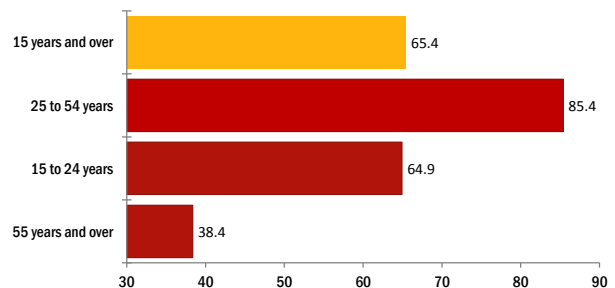
Unemployment rate in 2017Q3
(per cent)



Source: Statistics Canada.

Participation Rates by Age Group

Participation rate in 2017Q3
(per cent)



Source: Statistics Canada.

Socio-Demographic Characteristics

Quarterly Details

Year-over-year, core-aged workers (25-54 years old) born in Canada gained the most jobs in the third quarter of 2017, followed by recent immigrants (10 years or less in Canada), while the number of jobs held by established immigrants decreased.

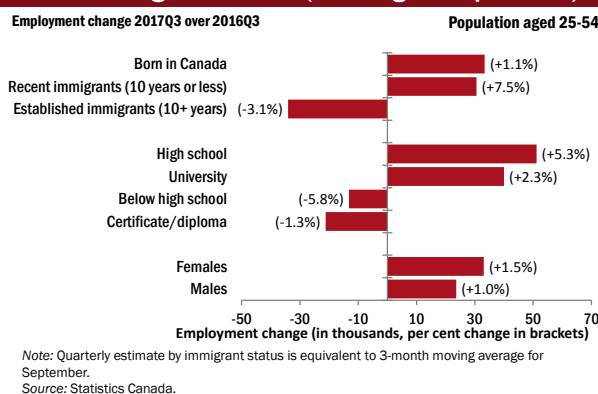
Among core-aged population by educational attainment, high school graduates gained the majority of jobs, followed by university graduates. Conversely, employment among holders of a postsecondary certificate/diploma declined. Employment of those with below high school education also declined.

Year-over-year, core-aged women gained the most jobs, with employment gains of 1.5%, while core-aged men (+1.0%) also saw employment grow.

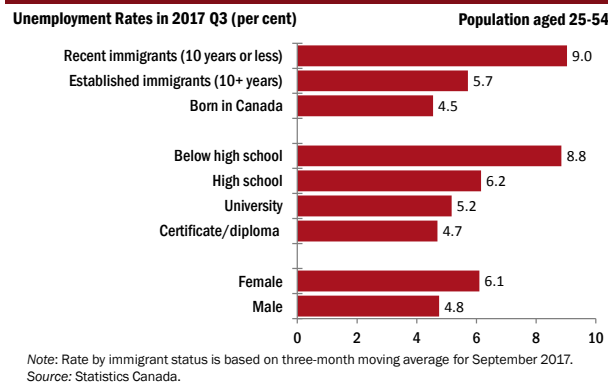
In the third quarter, core-aged workers born in Canada had the lowest unemployment rate, while recent immigrants had the highest unemployment rate among the three major groups by immigrant status. Those with a postsecondary certificate/diploma had the lowest unemployment rate (4.7%) in the third quarter, followed by university graduates (5.2%), high school graduates (6.2%) and those lacking a high school diploma (8.8%). The unemployment rate of core-aged women exceeded that of core-aged men by 1.3 percentage points.

In the third quarter, core-aged recent immigrants had the lowest labour force participation rate, while those born in Canada had the highest rate. Among core-aged groups by educational attainment, university graduates had the highest labour force participation rate and those lacking a high school diploma had the lowest rate. The female labour force participation rate was 9.4 percentage points below that of men.

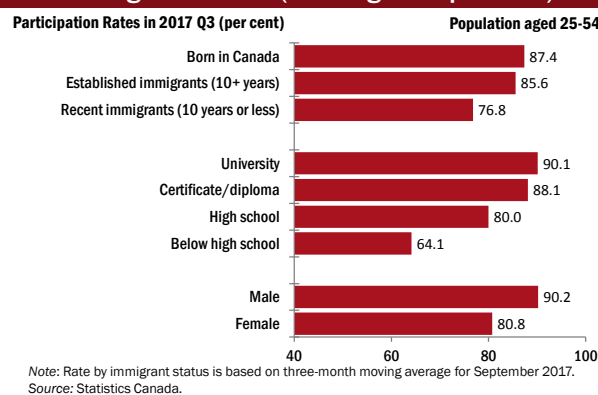
Employment Change by Gender, Education Level and Immigrant Status (Core-Aged Population)



Unemployment Rates by Gender, Education Level and Immigrant Status (Core-Aged Population)



Participation Rates by Gender, Education Level and Immigrant Status (Core-Aged Population)



Increasing Employment Rates for Older Workers

In Focus

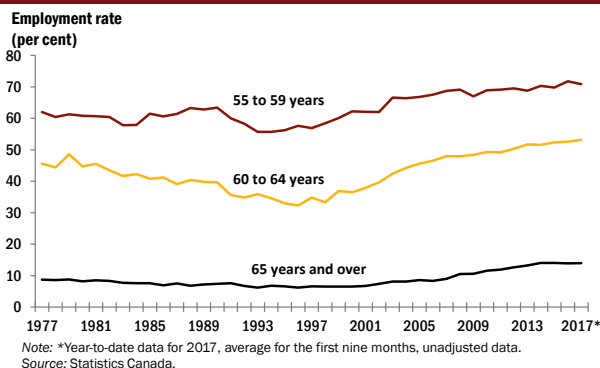
Employment rates of older workers (55 and over) have been increasing since the mid-1990s. Employment rates of 55-59 year old and 60-64 year old workers reached historic highs of 71.8% and 52.6% in 2016. The employment rate of workers aged 65 and over reached a historic high of 14.0% in 2014 and 2015, and edged down to 13.9% in 2016.

The unemployment rate for older workers has been steadily declining since 2009 and stood at 4.9% in 2016 and 4.7% in the first three quarters of 2017. Workers aged 65 and over continue to have lower unemployment rates, compared to 55-59 and 60-64 year olds.

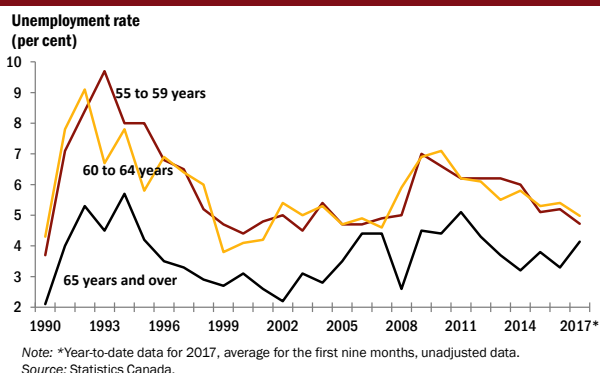
The majority of employed older workers work full-time. In 2016, 77.5% of older workers were in full-time employment. Working full-time is less frequent with increasing age.

While unemployment rates are lower for older workers, they are more likely to be longer term unemployed compared to the younger age groups. More than a third of unemployed older workers are long-term unemployed. The share of older workers unemployed on a long-term basis (27 weeks or longer) in the province increased from 31.1% in 2015 to 33.9% in 2016, and 34.4% in the first three quarters of 2017.

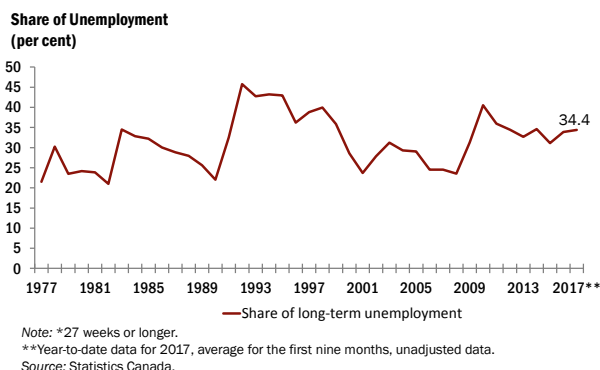
Employment Rate by Age Group, Older Workers Ontario, 1977-2017*



Unemployment Rate by Age Group, 1990-2017*



Long-Term Unemployment* as Share of Total Unemployment, aged 55+, 1977-2017**



Overview of Annual Employment Ten-Year Review

Data Table

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Labour Force (000)	6992	7074	7080	7161	7227	7276	7384	7419	7426	7490
Participation Rate (%)	67.7	67.7	67.0	66.8	66.6	66.2	66.3	65.8	65.2	65.0
Male Participation Rate (%)	72.5	72.5	71.5	71.1	71.1	70.7	70.5	70.3	70.0	69.5
Female Participation Rate (%)	63.2	63.1	62.6	62.8	62.3	61.9	62.2	61.6	60.7	60.7
Total Employment (000)	6546	6610	6433	6538	6658	6703	6823	6878	6923	7000
- Full-time (000)	5351	5367	5174	5256	5374	5412	5490	5540	5618	5673
- Part-time (000)	1194	1244	1259	1282	1285	1291	1334	1338	1305	1327
Employment-Population Ratio (%)	63.4	63.3	60.9	61	61.4	60.9	61.2	61	60.8	60.7
Male Employment (000)	3411	3445	3301	3364	3450	3472	3523	3567	3607	3636
Female Employment (000)	3135	3165	3132	3174	3208	3231	3301	3311	3316	3364
Part-Time (% of total)	18.2	18.8	19.6	19.6	19.3	19.3	19.6	19.5	18.8	19.0
Private Sector Employment (000)	4366	4346	4195	4268	4340	4373	4447	4517	4541	4597
Public Sector Employment (000)	1196	1261	1233	1255	1294	1286	1314	1305	1294	1306
Self-Employment (% of total)	15.0	15.2	15.6	15.5	15.4	15.6	15.6	15.3	15.7	15.7
Total Unemployment (000)	446	464	648	623	569	574	560	541	503	490
Unemployment Rate (%)	6.4	6.6	9.1	8.7	7.9	7.9	7.6	7.3	6.8	6.5
Male Unemployment Rate (%)	6.8	6.9	10.5	9.4	8.2	8.3	8	7.5	7.0	6.8
Female Unemployment Rate (%)	6.0	6.2	7.7	8.0	7.6	7.5	7.2	7.1	6.5	6.3
Long-Term (27 wks+) (% of total)	13.0	13.7	18.8	24.9	24.1	22.7	22.9	22.8	20.0	19.9
Average Unemployment in Weeks	14.6	14.8	18.4	22.0	22.4	22.2	21.8	22.4	20.0	19.9
Youth Unemployment Rate (%)	12.9	13.8	17.6	17.4	15.9	17.0	16.2	15.7	14.7	14.0
25-54 y.o. Unemployment rate (%)	5.2	5.3	7.8	7.3	6.5	6.4	6.2	5.9	5.6	5.4
55+ y.o. Unemployment rate (%)	4.7	4.9	6.6	6.4	6.0	5.8	5.5	5.3	4.9	4.9
Average Weekly Wage Rate (\$)	784.13	813.07	828.35	842.35	862.45	883.12	895.56	907.17	938.09	958.50
Average Hourly Wage Rate (\$)	21.23	22.09	22.66	23.09	23.55	24.09	24.48	24.82	25.59	26.15

Source: Statistics Canada.

Overview of Quarterly Employment Year-over-Year

Data Table

	2015q4	2016q4	2016q1	2017q1	2016q2	2017q2	2016q3	2017q3
Total Labour Force (000)	7409	7469	7385	7459	7544	7603	7560	7659
Participation Rate (%)	64.8	64.5	64.4	64.2	65.6	65.2	65.5	65.4
Male Participation Rate (%)	69.4	69.0	68.8	68.6	69.9	69.6	70.3	69.9
Female Participation Rate (%)	60.4	60.2	60.2	60.0	61.5	61.0	60.9	61.1
Total Employment (000)	6948	7042	6872	6972	7047	7130	7037	7197
- Full-time (000)	5629	5649	5516	5584	5722	5799	5804	5914
- Part-time (000)	1320	1393	1357	1389	1326	1330	1233	1283
Employment-Population Ratio (%)	60.8	60.8	59.9	60.0	61.3	61.2	61.0	61.5
Male Employment (000)	3616	3669	3545	3614	3645	3700	3684	3759
Female Employment (000)	3333	3372	3327	3358	3402	3430	3353	3438
Part-Time (% of total)	19.0	19.8	19.7	19.9	18.8	18.7	17.5	17.8
Private Sector Employment (000)	4556	4628	4467	4562	4612	4667	4682	4790
Public Sector Employment (000)	1289	1322	1310	1333	1335	1351	1259	1285
Self-Employment (% of total)	15.9	15.5	15.9	15.5	15.6	15.6	15.6	15.6
Total Unemployment (000)	461	428	512	487	497	473	523	462
Unemployment Rate (%)	6.2	5.7	6.9	6.5	6.6	6.2	6.9	6.0
Male Unemployment Rate (%)	6.4	5.8	7.8	7.0	6.9	6.5	6.8	5.9
Female Unemployment Rate (%)	6.0	5.7	6.0	6.0	6.3	5.9	7.1	6.2
Long-Term (27 wks+) (% of total)	22.9	20.6	19.7	20.3	19.6	19.0	19.9	18.2
Average Unemployment in Weeks	21.6	20.1	19.6	20.4	20.1	18.9	20.1	17.9
Youth Unemployment Rate (%)	13.0	12.6	13.9	14.7	14.5	13.3	15.0	11.3
25-54 y.o. Unemployment rate (%)	5.2	4.7	6.0	5.3	5.3	5.1	5.6	5.4
55+ y.o. Unemployment rate (%)	4.8	4.3	5.5	5.3	4.9	4.7	4.9	4.1
Average Weekly Wage Rate (\$)	949.81	956.30	959.29	957.27	958.34	962.03	960.09	970.13
Average Hourly Wage Rate (\$)	25.96	26.23	26.27	26.34	26.12	26.28	25.99	26.28

Source: Statistics Canada.