

Welcome to Workforce Planning
Hamilton's (WPH) 2016 Labour
Market Plan (LMP) Update.

This report provides up-to-date
information on current trends
in Hamilton's labour market and
proposes a refreshed plan for
the key priority areas for action
established in the multi-year plan
released in 2014. This is a plan
for the entire community.



Workforce Planning Hamilton
Planification de main d'oeuvre de Hamilton

2016 Labour Market Plan UPDATE



Trends in Hamilton's Economy

Looking at current trends it is clear that while Hamilton continues to emerge from the 2008-2009 recession, the pace at which we are growing has slowed.

There are many positives:

- The unemployment rate continues to fall and the number of people employed continues to rise including employment in highly skilled sectors
- Manufacturing is seeing relatively strong growth with an anticipated 2.4% increase in employment in 2016
- The announcement of the Light Rail Transit (LRT) construction project will signal increased employment opportunities starting in 2018
- Hamilton's economy is projected to outpace the national average

And some negatives:

- The unemployment rate has increased from 5.4% in August 2015 to 6.3% in August 2016
- The number of new job postings declined in the latter half of 2015 and first and second quarter 2016
- Based on the Employer One survey, the share of employers with hiring intentions decreased from 86% in 2015 to 69% in 2016



Economy

Top Industries by Employment

Industries by Employment, Hamilton CMA (Labour Force Survey)

North American Industry Classification System (NAICS)	2015	2010-2015	2014-2015
Total employed, all industries	385,400	4.4%	0.4%
Wholesale and retail trade [41 44-45]	60,100	-9.4%	-3.7%
Health care and social assistance [62]	50,300	12.0%	5.9%
Manufacturing [31-33]	50,000	-3.1%	6.8%
Educational services [61]	36,400	38.4%	23.4%
Finance, insurance, real estate, rental and leasing [52-53]	30,800	26.2%	40.6%
Professional, scientific and technical services [54]	28,500	30.7%	-2.7%
Construction [23]	27,200	2.6%	-2.5%
Accommodation and food services [72]	20,000	-13.0%	-20.0%
Business, building and other support services [55-56]	19,700	10.1%	2.1%
Other services (except public administration) [81]	15,700	-20.7%	4.7%
Transportation and warehousing [48-49]	14,100	-15.6%	-25.8%
Public administration [91]	13,500	12.5%	-20.6%
Information, culture and recreation [51 71]	13,000	4.0%	-27.0%
Agriculture [111-112 1100 1151-1152]	2,800	7.7%	-9.7%
Utilities [22]	2,600	0.0%	62.5%

Note: Industries highlighted in green had the highest growth rates over the five year period. Industries highlighted in red had the largest decreases over the same period.



Hamilton's economy is one of the most diverse in Canada with a 95% diversification rate.

Small Businesses Fuel Hamilton's Economy

Hamilton Businesses With/Without Employees, June 2016 (Canadian Businesses Counts)

Total Businesses	Total Businesses	Without employees	With employees
Ontario	1,468,077	1,014,244	453,833
Ontario Share	100%	69%	31%
Hamilton	44,592	30,104	14,488
Hamilton Share	100%	68%	32%
Goods Producing Sector	6,597	3,958	2,639
Share	100.0%	60.0%	40.0%
Service Producing Sector	32,856	21,924	10,932

- Just over two thirds of businesses in Hamilton are businesses without employees. This is an indicator for the growing portion of our economy that is involved in entrepreneurship and self -employment
- 83% of businesses in Hamilton are in the service producing sector
- Small businesses dominate the economy as 86.8% of businesses have less than 20 people, and 95% of businesses have less than 50 people

(NOC 64) Sales representatives and salespersons - wholesale and retail trade employ the most people in Hamilton with 20,400 people as of 2015. Employment numbers are stable in this occupation with only slight growth of 200 people over five years.



Top Growth Industries, 2010-2015

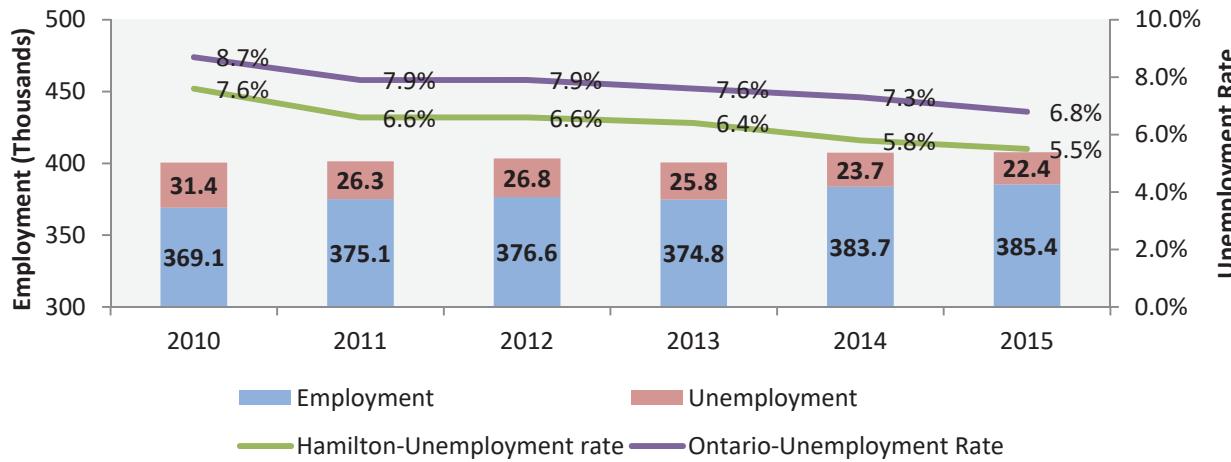
- Educational services (38.4%)
- Professional, scientific and technical services (30.7%)
- Finance, insurance, real estate, rental and leasing (26.2%)



Workforce Trends

Employment Trends

Employment Levels, Unemployment Levels, and the Unemployment Rates, Hamilton CMA, Annual Average, 2010-2015 (Labour Force Survey)



The unemployment rate continues to fall and in 2015 it reached a low of 5.5%. However, recent data shows that unemployment is on the rise.

The latest statistics from Immigration, Refugees and Citizenship Canada indicate that Hamilton received 3,125 permanent residents through immigration in 2014

Migration

Hamilton's population is estimated by Statistics Canada to be 560,100 people (2015). Over the last five years it has grown by 3.9% and it is anticipated it will grow an additional 7.6% to 602,800 by 2026.

The following table reflects the movement of people into and out of Hamilton within the province, outside the province, and international migration.

Migration Characteristics by Age Groups, 2009 to 2014, Hamilton (Tax Filer)

Age Group	In-migrants	Out-migrants	Net-migrants
0-17	20,566	15,589	4,977
18-24	13,605	10,959	2,646
25-44	41,500	33,093	8,407
45-64	16,754	14,873	1,881
65+	6,545	6,402	143
Total	98,970	80,916	18,054

- In 2014 Hamilton gained over 18,000 residents through migration
- Close to 72% of all migrants were of working age

A New Trend: Less People Involved in the Labour Market

As the unemployment rate has continued to fall post-recession, so the participation and employment rates are also falling. The number of people actively participating in the labour force and working is getting smaller every year as a share of the population.

- Since 2010 the labour force participation rate declined from 65.9% to 62.1% as of August 2016
- The employment rate has declined from 60.9% to 58.2%
- The employment rate of males in the 25-54 age category, those considered to be prime working age, has declined from 87.1% in 2012 to 83.6% in 2015

Syrian Newcomers

In 2015 and 2016 there were over 1,100 Syrian newcomers that moved to the area. Close to 400 are adults of prime working age (18 to 59). Of these adults over 250 have secondary education or less.





Profile of Job Seekers

Labour Force Figures 2015 Hamilton CMA

	Number of People
Labour force	407,800
Employed	385,400
Unemployed	22,400

Source: Labour Force Survey



Clients who are hardest to serve were the most likely to see a decrease.

Clients Numbers

There was a decline in the numbers in most client categories. The number of jobseekers with the following characteristics was more likely to have shown a drop:

- Out of employment or training at least six months or longer
 - » This was particularly the case for employment services and Second Career program usage
- Males
 - » This was true for all agencies and programs, but for Literacy Basic Skills programs the decline was completely amongst males
- Clients with an educational attainment of high school or less
- Clients whose sources of income was from Ontario Disability Support Program and Employment Insurance

Employed Outcomes of Job-seeking Clients

There were 3,404 clients who gained employment as an outcome, but only 182 clients are correlated with an identified occupation

Skill Level of Layoff and Employed Occupations, Hamilton Employment Service Providers, 2015/2016

Educational Requirements	Layoff Occupations - Top 20 (% Share)	Employed Outcome Occupation - Top 10 (% Share)
University	160 (10%)	0 (0%)
At Minimum College	449 (27%)	28 (15%)
At Minimum High School	606 (37%)	61 (34%)
On-the Job Training	443 (27%)	93 (51%)
Total	1658 (100%)	182 (00%)

Where data was available on occupation, WPH noted that types of layoff occupations were often the same low skilled occupation that was the employed occupation. Finding long-term sustainable employment seems to be an issue for some clients.

Of the 22,400 unemployed labourforce in 2015 nearly 22% received direct service from one of the seven Employment Ontario employment service providers in Hamilton. As well, there were approximately 12,500 unassisted clients that contact made with these service providers.

Through the Ministry of Advanced Education and Skills Development WPH received aggregated client data on client usage of government funded programs and servcies. This data gives us a snapshot of jobseekers in the community.

What's happening locally with Employment Services?

In 2015-16 there was a general decline in clients accessing all services and programs in Hamilton. This decline was observed in other regions across Ontario.

Community consultations with service provider organizations suggested that the following may account for this decline:

- The Youth Job Connect (YJC) figures were not included in the figures. This may have had an effect on the decline in numbers particularly among youth job seekers (15-29 years of age)
- The lower unemployment rate in 2015 may have impacted the use of services



Layoff and Employed Occupations

Data Quality Issue: There is information for 1,658 layoff occupations but only 182 for employed occupations

Better data is required for the community to better understand labour market issues



Strategic Priorities & Action Plan



These priorities are established by the community and the actions identified are community-driven. Annually we reconfirm the priorities based on updated labour market information to take into account any new or emerging issues. For 2016 the priorities originally identified were considered to still be the most relevant. The issue that was titled Understanding Increasing and Evolving Skills Requirements was reframed as Understanding Skills Mismatch and Skills Shortages in Hamilton to better align with employer identified challenges.

PRIORITY	2017-18 RECOMMENDED ACTIONS
SOFT SKILLS DEVELOPMENT <i>Identified need in building fundamental soft skills for new labour market entrants and those with barriers to employment.</i>	Develop a series of videos that promote the top soft skills in demand as identified by local employers
DESIGNATED GROUPS ENGAGEMENT WITH THE LABOUR MARKET <i>Designated groups (including youth, immigrants, persons with disabilities, visible minorities, older workers and Aboriginals) face specific and unique challenges to finding employment</i>	Immigrant focused Develop resources to support and encourage Syrian newcomers access to language training Persons with Disabilities focused Develop a marketing strategy in support of hiring immigrants that will increase access to the resources developed (brochure and Employer Roadmap) Persons with Disabilities focused Develop a marketing strategy to promote the business case for hiring persons with disabilities
UNDERSTANDING SKILLS MISMATCH & SHORTAGES IN HAMILTON <i>Addressing the skills mismatch/shortage issue in a time of rapid technological change requires new approaches to workforce development</i>	<ul style="list-style-type: none">• Host a forum to increase awareness of the skilled trades and occupation for skill mismatches• Conduct research into shortages in skilled trades to determine the alignment between supply and demand• Establish a Strategic Workforce Planning Committee comprised of employers representing diverse sectors and sizes to oversee:<ul style="list-style-type: none">» Pilot and support broad implementation of Magnet» Develop a process to forecast labour market demand for key occupations
EXPLORING OPPORTUNITIES IN HAMILTON'S DIVERSIFYING ECONOMY <i>Broaden job seekers' awareness of the opportunities available in local businesses of all sectors and sizes especially SMEs through labour market information resources.</i>	<ul style="list-style-type: none">• Finalize development and launch the Employer Hub with a strategic marketing strategy• Develop a guide career listing opportunities created through building of LRT in Hamilton• Showcase Hamilton's growing industries through a series of industry specific information guides• Working with key employer networks (e.g. BIAs) host focus group with employers to learn more about their approach to recruitment and how they can be better supported by the employment services community



Employer Consultations

To bring an employer perspective to our labour market plan, Workforce Planning Hamilton:

- reviewed Employer One survey results
- considered the consultations conducted by the Mayor's Blue Ribbon Task Force
- conducted a focus group and consultations with approximately fifteen employers

Among the employers interviewed it was clear there were many distinct needs.

Highlights from these sources appear below:

Employer One

- 31% of employers find recruitment very challenging
- 51% of employers have one or more hard-to-fill positions
 - » In demand occupations include industrial trades, truck drivers, customer service representatives, and labourers in processing and manufacturing
- 35% of employers have a succession plan in place to deal with projected growth and/or retirements over the next 3-5 years. The larger the employer the more likely they are to have a succession plan

Mayor's Blue Ribbon Task Force

- Aging workforce exacerbates skilled worker shortage and negatively impacts promotions
- Younger workers want increased flexibility for a better work-life balance
- Lack of relevant job experience among new graduates
- Shortage of workers with specific professional designations (e.g., RA/QA, supply chain management, trades, web developers)
- Sector-specific job requirements (e.g., shift work, travel, over time)

Employer Labour Market Plan Consultations

- In alignment with Employer One findings
- The current slowdown was slightly affecting most businesses
- Many want industry specific consultations as some have particular issues to their industries
- Many agreed these priorities were the ones we need to focus on, particularly soft skills
 - » Work ethic, dedication, and dependability; customer service; and communication were cited most frequently



Mayor's Blue Ribbon Task Force on Workforce Development

The Mayor's Blue Ribbon Task Force was established in June 2015 to better understand the skills shortages/aging workforce issues felt by some local businesses. The Task Force is chaired by Mayor Fred Eisenberger and Ron McKerlie, President of Mohawk College and includes members from industry, post-secondary institutions, labour, Chamber of Commerce and workforce development specialists. During its first year of work, the Task Force has undertaken the following research activities:

- learned about current labour market situation in Hamilton
- identify barriers to workforce development
- explore opportunities to enhance collaboration and build workforce capacity

A report will be available in November 2016 that will provide details on future plans.

For a full version of the plan visit Workforce Planning Hamilton's website – workforceplanninghamilton.ca.

WPH recognizes and thanks those who contributed to the development of this report especially local employers who participated in our survey and other consultations and members of the Skills Development Flagship who provided expert advice at our community consultation.

This document may be freely quoted and reproduced without obtaining the permission of Workforce Planning Hamilton provided that no changes whatsoever are made to the text and Workforce Planning Hamilton is acknowledged as author. The information presented in this report is current at the time of printing.

Contact WPH to obtain this report in a larger print format.



This program is funded in part by the Government of Canada and the Government of Ontario.