

TRENDS IN HAMILTON'S LABOUR MARKET

Local Labour Market Plan Update – 2020

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Workforce Planning Hamilton would like to thank all of those who contributed to this report including employers who provided valuable feedback on local labour market conditions throughout the year in our surveys and interviews. Your time is always appreciated. We would also like to recognize the employment services community and our other valuable partners who work so diligently to support workforce development in Hamilton.



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The views expressed in this report do not necessarily reflect those of the Government of Canada or the Government of Ontario.*

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The information presented in this report is current at the time of printing.

Local Labour Market Plan

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INTRODUCTION

This past year was a challenging time for Hamilton and communities across the country. The COVID-19 virus spread into the community in early 2020 and public health restrictions started in March. Since then, the local economy has been greatly affected. The virus during the first lockdown did not see a strong surge but in the autumn and winter months Hamilton has been one of the most impacted across Ontario in terms of the virus resurgence. This pushed Hamilton to enter the Grey Zone before other communities and led to an increase in the unemployment rate in Hamilton in December.

Due to Hamilton's diverse economy, there has been some bright spots that has helped buoy the local economy. Construction, Manufacturing, Healthcare, and Public administration has seen a strong rebound and growth in 2020 in regards to the job market. However, it was not enough to make up for the massive job losses seen across many sectors. The City of Hamilton's Economic Development team continues to work to diversify the economy and attract businesses. Hamilton has attracted a large investment by Amazon in that will hire thousands of warehouse workers in the city.¹ Therefore, community stakeholders related to the labour market will need to continue to work together to help Hamilton recover from the pandemic. This also means connecting with other stakeholders particularly in health. Re-skilling and re-training will need to be a top priority in the community as many jobs may not recover from the downturn and new skills will be needed in the community.

The following report looks at the labour market in 2020 and reveals the top trends. This includes tracking news stories in the local media and reviewing any reports that we have developed or other research conducted by community partners. We also review the latest statistics available through Statistics Canada and review this information and how it aligns with and enhances local intelligence gathered through our own employer networks. Finally, we check in with local employment service providers to understand how these conditions are impacting the clients that they serve and how those clients are faring in the local economy.

This year eight indicators are also added in the appendix that tracks the labour market in the medium term. Many of the indicators are also incorporated into the report. But a thorough explanation is available in the appendix.

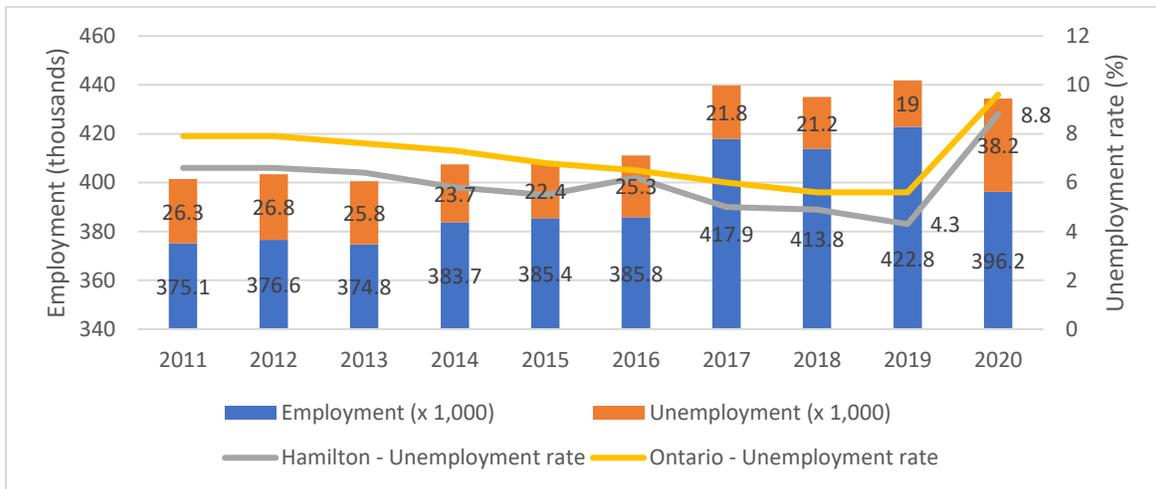
About Workforce Planning Hamilton

Since 1997 WPH has provided planning, partnerships and projects that highlight local labour market trends and support workforce development. WPH is a member of Workforce Planning Ontario, a network of 26 labour market planning areas across Ontario. Our evidence-based approach relies on key industry sector and demographic data combined with local intelligence from employers and other local partners to develop a strategic vision for Hamilton. We are funded by the Ministry of Labour Training and Skills Development.

¹ City of Hamilton, News Release, <https://www.hamilton.ca/government-information/news-centre/news-releases/city-welcomes-amazon-canada-hamilton>

OVERALL LABOUR MARKET

Table 1. Employment and unemployment numbers in Hamilton from 2011 to 2018 (Census Metropolitan Area)



Source: Labour Force Survey

The local economy in 2020 was vastly different than the years preceding it. Not since the Global Financial Crisis in 2008 was Hamilton's economy as negatively affected. Since 2017 there was also a period of robust growth with the unemployment rate falling to 4.3% in 2019, lower than the Ontario rate, 5.6%. In 2020 we saw the unemployment rate increase drastically to 8.8%, with there being 38,200 people unemployed.

The increase in the unemployment started in March when the lockdowns started occurring. Hamilton saw a decline of 56,900 jobs between March and June and the unemployment rate increased to 11.3%. In July the economy started opening up again and a recovery started with job growth occurring in many industries especially ones that were greatly affected by the initial lockdowns, i.e. Retail trade and Accommodation and food services. The one concern was that the job growth that started in July was slowing down each month and the recovery was losing steam.

In Autumn the virus was resurgent with the COVID-19 cases increasing across the province. This time Hamilton saw a much higher increase in the case counts than earlier in the year. This led Hamilton to go into the lockdown earlier than some communities, with lockdowns beginning in November. Therefore, by December the number of unemployed increased again despite December being typically a strong month for employment growth.

Going in 2021 Hamilton and communities across Ontario are in lockdown and the local economy is struggling.² Economists are predicting another recession to start the year which means government assistance and programs are needed to maintain demand. The positive news is the vaccine is being deployed now across Ontario and many economists predict that there will be a strong rebound in the later half of the year.³

²

³

LABOUR DEMAND

Industry Change

Table 2. Change in Industrial Employment (thousands), 2016 to 2020, Hamilton (Census Metropolitan Area)

Industries	2016	2017	2018	2019	2020	Change from Previous Year
Total employed, all industries	385.8	417.9	413.8	422.8	396.2	-26.6
Construction [23]	29.4	34.5	28.8	28.8	39.5	10.7
Public administration [91]	14.8	18.1	17.1	14.2	20.2	6
Health care and social assistance [62]	53.3	60.2	54.6	57.9	57.4	-0.5
Finance, insurance, real estate, rental and leasing [52-53]	24.9	27.6	27.1	27.3	26.4	-0.9
Other services (except public administration) [81]	16	15.9	16.1	16.4	15.1	-1.3
Utilities [22]	1.5	1.5	2.5	2.8	1.5	-1.3
Educational services [61]	33.4	31.3	33.5	33.9	31.8	-2.1
Agriculture [111-112, 1100, 1151-1152]	4	4.1	2.4	4	1.9	-2.1
Transportation and warehousing [48-49]	16.4	17.8	17.4	21.1	18.6	-2.5
Business, building and other support services [55-56]	20.2	20.7	19.6	21.2	18.4	-2.8
Manufacturing [31-33]	44.3	49.8	48.9	50.2	47	-3.2
Wholesale and retail trade [41, 44-45]	61.2	66.2	67.7	67.3	62.4	-4.9
Information, culture and recreation [51, 71]	18.5	15.6	21	19.2	13.3	-5.9
Professional, scientific and technical services [54]	25.9	29.8	35.1	31.1	24.7	-6.4
Accommodation and food services [72]	21.4	23.8	21.9	26.9	16.7	-10.2

Source: Labour Force Survey

- There were only two industries that saw growth in employment in 2020: Construction (+10,700 people), and Public administration (+6,000). The remaining industries all saw declines
- The largest declines were in industries that were greatly affected by lockdowns: Accommodation and food services (-10,200 workers), Information, culture and recreation (-5,900), and Wholesale and retail trade (-5,900)
- Professional, scientific, and technical services had the second largest decline in 2020, falling by 6,400 workers. This is not included in industries impacted by the lockdowns because many of these workers are not customer facing occupations. This is a highly educated industry, with 82% of the workers have a postsecondary education (2016 Census). Therefore, while many lower skilled individuals were impacted in 2020, many high skilled individuals were also affected by the economic disruptions
- While Manufacturing saw an overall decline the last few months of the year, it has seen a strong rebound in the summer getting back nearly all its declines

Occupational Change

Table 3. Change in Employment in Occupational Groups (thousands), 2016 to 2020, Hamilton (Census Metropolitan Area)

Occupational Groups	2016	2017	2018	2019	2020	Change from Previous Year
Trades, transport and equipment operators and related occupations	55.1	54.1	54.4	56.9	60.7	3.8
Occupations in manufacturing and utilities	19.4	22.8	22.6	22.4	22.4	0
Natural and applied sciences and related occupations	24.2	28.4	28.1	28.5	28.4	-0.1
Occupations in education, law and social, community and government services	49.1	47.6	49.1	48.9	48.5	-0.4
Health occupations	32.9	35.9	32.1	32.2	31.5	-0.7
Natural resources, agriculture and related production occupations	8.6	7	6.3	6.1	3.2	-2.9
Business, finance and administration occupations	57.3	66.8	58.7	67	63.8	-3.2
Occupations in art, culture, recreation and sport	13.6	11.7	15.6	14.1	8.1	-6
Sales and service occupations	92.4	104.4	106.9	104.2	96.7	-7.5
Management occupations	33.1	39.3	39.8	42.4	33	-9.4

Source: Labour Force Survey

- Only one occupational group saw an increase in employment: Trades, transport and equipment operators and related occupations, increasing by 3,800 workers. This is most likely related to the Construction sector which saw strong growth in 2020
- Interestingly Management occupations saw the largest decline in Hamilton in 2020, declining by 9,400 jobs
- Sales and service occupations also a major declining occupational group with it declining by 7,500 jobs in 2020. This makes sense since many of these occupations were affected by lockdowns in Retail trade and Accommodation and food services sector

Table 4. Top 5 Growing Occupations (2-digit NOC), 2019 to 2020, Hamilton (Census Metropolitan Area)

	<u>Change in Employment</u>
Maintenance and equipment operation trades	4,900
Industrial, electrical and construction trades	3,200
Professional occupations in health (except nursing)	2,200
Professional occupations in natural and applied sciences	1,800
Service representatives and other customer and personal services occupations	1,600

Table 5. Top 5 Declining Occupations (2-digit NOC), 2019 to 2020, Hamilton (Census Metropolitan Area)

	<u>Change in Employment</u>
Middle management occupations in retail and wholesale trade and customer services	-4,200
Middle management occupations in trades, transportation, production and utilities	-3,900
Technical occupations in art, culture, recreation and sport	-3,600
Transport and heavy equipment operation and related maintenance occupations	-3,200
Professional occupations in business and finance	-3,200

- Table 4 shows the top 5 growing occupations in Hamilton in 2020. The first two are skilled trades occupations which are most likely connected to the gains seen in Construction and Manufacturing
- Table 5 shows the declining occupations in Hamilton in 2020. The top two are middle management occupations
- Professional occupations in business and finance was also among the top declining occupations. This is a high skilled occupation and was a growth spot in the local economy
- Service support and other service occupations, n.e.c. and Sales representatives and salespersons - wholesale and retail trade were also lost but were in the top 10. These relate to Retail trade and Accommodation and food services

LABOUR SUPPLY

Population

Table 4. Population numbers in Hamilton (Census Division) and Ontario, 2016 to 2020

Geography	2016	2017	2018	2019	2020	Change From 2019 to 2020	% Change
Ontario	13,875,394	14,070,141	14,308,697	14,544,718	14,734,014	858,620	6.2%
Hamilton, Ontario	552,272	559,673	566,144	574,265	581,722	29,450	5.3%

Source: Statistics Canada

- From 2016 to 2020, Hamilton saw the population increase from 552,272 to 581,722. That is an increase of 29,450 people, or a 5.3% increase
- That increase is slightly lower than the increase seen for Ontario as a whole, which grew by 6.2% during this time period

Migration

Table 5. Migration Statistics, 2013 to 2018, Hamilton (Census Division)

Age Group	In-migrants	Out-migrants	Net-migrants
0-17	21430	16812	4618
18-24	14820	10775	4045
25-44	48298	35984	12314
45-64	18437	16882	1555
65+	7978	7902	76
Total	110963	88355	22608

Source: Tax Filer data

- The latest data we have for this is from 2013 to 2018. During this time Hamilton saw a net-migration increase of 22,608 residents
- All age groups saw an increase in net migration. The largest increases came from the 25 to 44 age category. There we saw a net increase of 12,314 residents

Demographics Impacted by the Pandemic

Females saw a greater impact from the pandemic than males...

Table 6.

Year	Unemployment rate (%)		Participation rate (%)		Employment rate (%)	
	Males	Females	Males	Females	Males	Females
2016	6.7	5.6	67.5	59.1	63	55.8
2017	5.5	4.3	70.9	62.8	67	60.1
2018	5.2	4.4	68.6	61.6	65	58.8
2019	5	3.5	68.8	61.4	65.4	59.2
2020	8.3	9.3	68	58.9	62.4	53.5
Change from Previous Year	3.3	5.8	-0.8	-2.5	-3	-5.7

Source: Labour Force Survey

Youngest age cohort saw the biggest increase in unemployment...

Table 7.

Year	Unemployment rate			Participation rate			Employment rate		
	15 to 24 years	25 to 54 years	55 years and over	15 to 24 years	25 to 54 years	55 years and over	15 to 24 years	25 to 54 years	55 years and over
2016	13.9	4.8	5.1	62.7	85	33.5	54	80.9	31.8
2017	11.6	3.8	3.7	61.9	87	38.9	54.7	83.7	37.5
2018	10.8	3.7	3.7	65.2	86.3	37.6	58.2	83.1	36.2
2019	9.5	3.4	3.6	64.2	87.6	36.1	58.1	84.7	34.8
2020	19.6	7.2	6.5	63.2	85.7	36.6	50.8	79.6	34.2
Change from Previous Year	10.1	3.8	2.9	-1	-1.9	0.5	-7.3	-5.1	-0.6

Source: Labour Force Survey

Based on Tables 6 and 7 we see that females and younger age cohorts were affected the most by the economic disruptions brought on by the pandemic:

- The change in unemployment rate for females from 2019 to 2020 was an increase by 5.8 percentage points, while for males it was 3.3 percentage points
- The number of females the left the labour force was higher than males (participation rate), and the gap between males and females is now at 10.1 percentage points, as only 58.9% of females are either working or looking for work. This means many women have left the labour force
- The increase in the unemployment rate for the youngest age cohort, 15 to 24 years, was 10.1 percentage points, with the youth unemployment rate at 19.6%. That means that nearly 1 in 5 young people are currently unemployed
- Further, the employment rate (percent of population employed) for youth is 50.8%, which means that nearly half of youth are not working. This is the lowest it has been since the last recession

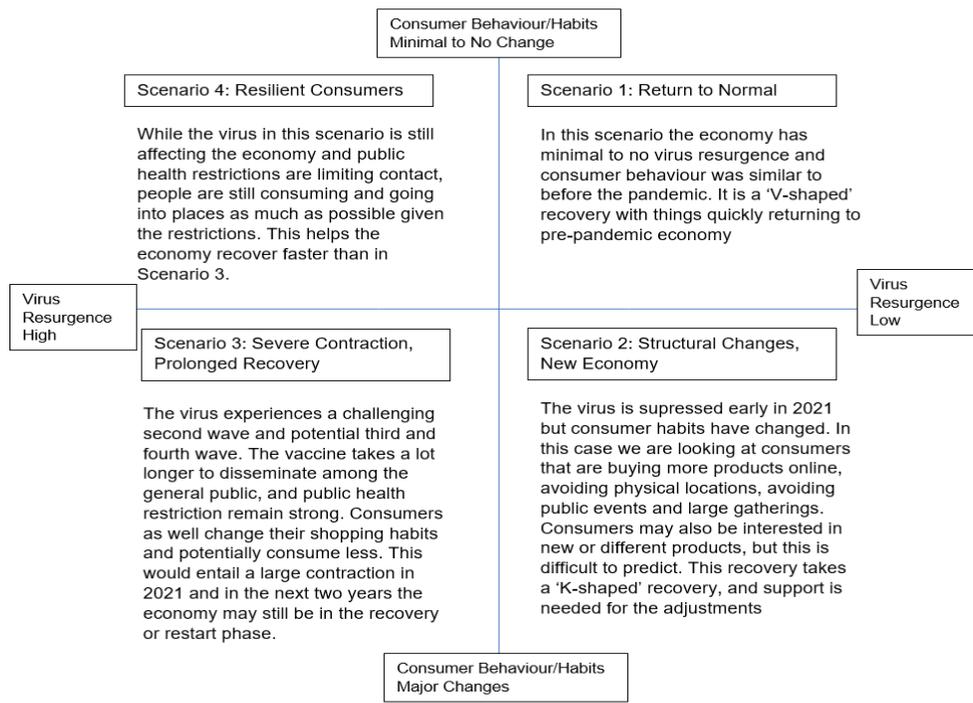
Two segments of the labour market that have also been affected greatly that tie into the demographics are low skilled workers and temporary workers. These are connected to the industries that have seen impacted by lockdowns, i.e. Retail trade and Accommodation and food services. And they are connected to female and younger workers that are predominately employed in the sectors.

BOX 1. SCENARIO PLANNING – WHAT WILL HAMILTON’S ECONOMY LOOK LIKE IN THE NEXT 12 TO 24 MONTHS?

This past year Workforce Planning Hamilton was also a part of a joint regional project that involved 9 other workforce planning boards. The projects main purpose is to develop through research and consultation at least four possible scenarios that the local economy progress into over the next 12 to 24 months. Consultations revealed that the top two critical uncertainties were consumer/behavioural changes and the virus resurgence in the community. Based on these two critical uncertainties the four scenarios (below) were developed.

In regards to consumer spending, the behavioural changes can range from different shopping habits such as buying products online rather than in physical locations, to possibly spending less. With the loss in income for so many Canadians and issues with household debt there may be a drag on consumer spending for the long-term. Consumer spending is the major driver of the economy and if consumers change their behaviour compared to before the pandemic, it could evolve into a new economy needing different skills and jobs.

Many of the findings from the Scenario Planning Project will in form WPH’s work in the 2021. Further, the recommendation in the report overlap with work WPH and other stakeholders are doing, so work will continue through other projects and collaborations with stakeholders. A full report will be available on our website in March 2021.



CANADIAN BUSINESS COUNTS

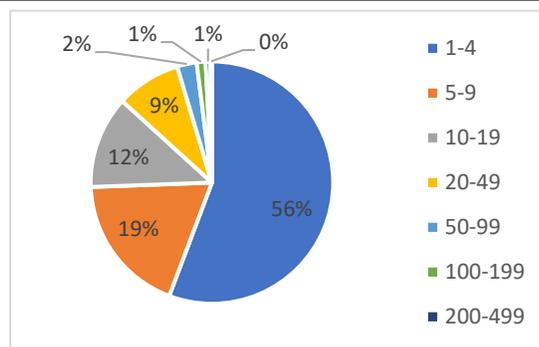
Table 8. Canadian Business Counts, Hamilton, June 2020

Total Businesses in Hamilton 50,893 4,976 that are yet to be classified into sectors

Businesses <u>without</u> employees (owner operated/sole proprietor) 34,999	Businesses <u>with</u> employees 15,994																								
Top 5 Industries: <table border="1"> <thead> <tr> <th>Industry</th> <th>Businesses</th> </tr> </thead> <tbody> <tr> <td>531 - Real estate</td> <td>8,805</td> </tr> <tr> <td>541 - Professional, scientific and technical services</td> <td>3,484</td> </tr> <tr> <td>238 - Specialty trade contractors</td> <td>1,965</td> </tr> <tr> <td>621 - Ambulatory health care services</td> <td>1,864</td> </tr> <tr> <td>523 - Securities, commodity contracts, and other financial investment and related activities</td> <td>1,610</td> </tr> </tbody> </table>	Industry	Businesses	531 - Real estate	8,805	541 - Professional, scientific and technical services	3,484	238 - Specialty trade contractors	1,965	621 - Ambulatory health care services	1,864	523 - Securities, commodity contracts, and other financial investment and related activities	1,610	Top 5 Industries: <table border="1"> <thead> <tr> <th>Industry</th> <th>Businesses</th> </tr> </thead> <tbody> <tr> <td>541 - Professional, scientific and technical services</td> <td>1,567</td> </tr> <tr> <td>621 - Ambulatory health care services</td> <td>1,488</td> </tr> <tr> <td>238 - Specialty trade contractors</td> <td>1,353</td> </tr> <tr> <td>722 - Food services and drinking places</td> <td>1,063</td> </tr> <tr> <td>484 - Truck transportation</td> <td>723</td> </tr> </tbody> </table>	Industry	Businesses	541 - Professional, scientific and technical services	1,567	621 - Ambulatory health care services	1,488	238 - Specialty trade contractors	1,353	722 - Food services and drinking places	1,063	484 - Truck transportation	723
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There was an 9% increase in businesses in Hamilton from June 2017 to June 2020

	Total Businesses	Without employees	Total, with employees
Jun-20	50893	34999	15894
Jun-17	46245	31570	14675
Total Change	4648	3429	1219
% Change	9%	10%	8%



Source: Canadian Business Counts

	1-4	5-9	10-19	20-49	50-99	100-199	200-499	500 +
Jun-20	8859	2969	1960	1370	416	188	101	31
Jun-17	8010	2863	1891	1231	379	172	92	37
Total Change	849	106	69	139	37	16	9	-6

Source: Canadian Business Counts

- From June 2017 to June 2020 the number of employers in Hamilton increased by 4,648 businesses, an increase of 9%. There was a larger increase in terms of total employment and percentage change from businesses without employees (10%), compared to businesses with employees (8%)

- The employee size ranges that saw the biggest increases were businesses with 1 to 4 employees, 849 businesses or 10% increase, and businesses with 20 to 49 employees, with an increase of 139 businesses or 10%
- Businesses with 500+ employees actually saw a decrease during this time period, decreasing from 37 to 31 businesses, a 19% decrease

Industrial Change

- In terms of total businesses, these were the top 5 3-digit industries that saw the largest growth: 531 - Real estate; 541 - Professional, scientific and technical services; 621 - Ambulatory health care services; 485 - Transit and ground passenger transportation; 561 - Administrative and support services
- The top 5 3-digit industries that saw the greatest decline: 443 - Electronics and appliance stores; 811 - Repair and maintenance; 448 - Clothing and clothing accessories stores; 452 - General merchandise stores; 417 - Machinery, equipment and supplies merchant wholesalers
- Of the top sectors in terms of total employment, (Retail trade, Healthcare and social assistance, Manufacturing, Construction) a few of the sub-3 digit industries appear in the top growing and declining. 621 - Ambulatory health care services; 238 - Specialty trade contractors; and 236 - Construction of buildings saw increases in the top 10 and saw the largest growth in the 1 to 4 employee size range.
- Many declining sub-industries were from the Retail trade sector. These include: 443 - Electronics and appliance stores; 445 - Food and beverage stores; 448 - Clothing and clothing accessories stores; 451 - Sporting goods, hobby, book and music stores; 452 - General merchandise stores. All saw decreases in the 1 to 4 employee size range

EMPLOYMENT ONTARIO DATA

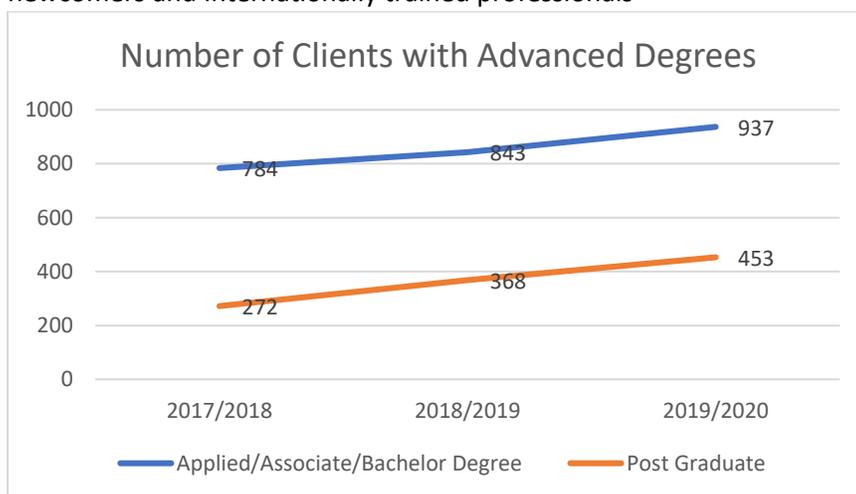
The following analysis is done using the Employment Ontario data that Workforce Planning Hamilton receives during the fiscal year. This data refers to the previous fiscal year 2019 to 2020. There were not any major changes to the data, only major trends are highlighted here.

Employment Ontario programs funded by the Ministry of Labour Training & Skills Development provide programs and services that support jobseekers to their next job. There are eight service providers funded by Employment Ontario in Hamilton with a total of ten locations spread across the city.

Employment Services

Program	Client	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
EMPLOYMENT SERVICE	Number of Assisted Service Clients	6,054	5,014	5,508	5,361	5,222	5,207
	Number of Unassisted R&I Clients	11,979	7,802	13,518	13,165	17,866	15,235

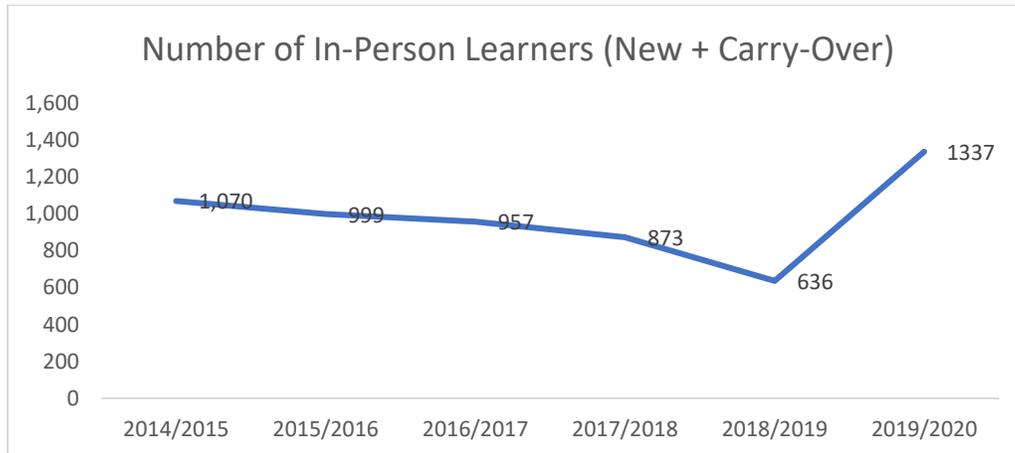
- The client numbers in the ES programs have been relatively stable over the years. There was a slight decrease of just over a hundred clients last year
- Unassisted clients in the ES programs have decreased substantially last year (-15%) after peaking at 17,866. This decline was larger than across the region where it only declined by 2%
- The one noticeable change among clients is the large increase in designated groups, particularly newcomers and Internationally trained professionals



- There was an increase in ES clients that had post-secondary education
- Where employment data that is available, many clients are still going into skill level C and D jobs, and the top three layoff and employed outcome occupations are the same: *Labourers in processing, manufacturing and utilities; Service representatives and other customer and personal services occupations; Service support and other service occupations, n.e.c.*

Literacy and Basic Skills

- LBS saw strong growth in Hamilton and across the region and province. Participation in LBS more than doubled to 1,337 clients a 110% growth rate. By comparison, the regional growth rate for LBS was 71% and the provincial growth rates was 58%



- The demographics which saw the largest increases include: males; clients aged 45-64 years; certificate/diploma; people employed; persons with disability

Apprenticeship

- Apprenticeship saw a decrease in new clients and active clients in Hamilton year over year which was larger than the decrease in the Western Region and Ontario. In fact, in the Western region new clients actually increased by 4%
- The top three apprenticeship new registration in Hamilton were: Automotive Service Technicians; Electrician – Construction and Maintenance; and Plumber. The only difference is that Industrial Mechanic Millwright was third the year before, and is fourth this year

Second Career

- Second Career has also seen a decrease consistently over the years, now to its lowest point. There are now 142 clients that used Second Career in the previous fiscal year, a 50% decline of when the program was introduced

Canadian-Ontario Job Grant

- There was a large decrease in COJG among employers and clients, declining by nearly half. There was also declines in the Western Region and Ontario, but the largest declines occurred in Hamilton. Further, the program seems to be less popular than it was during its first year in 2016/2017
- The largest declines have been among the smaller companies, with under 50 employees

COMMUNITY CONSULTATIONS

Workforce Planning Hamilton engaged with numerous stakeholders through out the year because of the unique situation in 2020. Workforce Planning Hamilton was a part of the Economic Development Task Force that conducted two surveys which provided feedback from hundreds of employers. Workforce Planning Hamilton created and distributed the second survey, Restart and Recovery, which was released in August 2020. As of January 2021, WPH and Hamilton Economic Development created a joint survey that includes Employer One questions.

Other consultations with key labour market stakeholders were conducted as part of the Local Labour Market Plan and the Scenario Planning Report. The latter project was mentioned above in Box 1. Consultations were done through phone calls and a survey that included questions for both projects. Further, our involvement in a range of committees that support economic and workforce development provides opportunities to gather labour market intelligence throughout the year.

Through these meetings and the research from various data sources, we learn of the needs, challenges and barriers of particular workforce sectors as well as community initiatives that are in support of workforce development. All of this information helps to shape our action plan for the community. This year we slightly adjusted some priorities to better reflect the economic disruptions from the COVID-19 pandemic.

“It will be important for all businesses to consider the impacts of a future global pandemic in their business planning and contingency planning processes, and might make certain types of businesses or business models obsolete.”

- Employer

Restart and Recovery Key Points:

- With layoffs, job uncertainty, and the threat of COVID-19 spreading it has been a challenging time for both consumers and businesses. 42% of employers reported a decrease in the demand for their services/products. With businesses closed and people out of work consumer demand was very low. Only 8% of employers reported their demand for products/services increased significantly
- Employer comments indicated that if businesses are allowed to remain open and the economy continues to improve then businesses will be okay. Many businesses reported fear of a second lockdown and do not know how they could cope if this happens again
- 13% said they need help now, 19% said they will be in trouble in a few months, and 56% said they will be ok for 6 months
- 55% of employers reported they have enough PPE but not sure if they have enough for 6 months
- Many employers were thankful for government assistance and bank loans and in some cases employers said it was the difference between permanent closure and being able to stay afloat
- 57% reported that childcare wasn't a concern for their employees
- Manufacturing and Education service employers were the only sectors in which employers raised childcare as a concern. 68% of Manufacturing employers were concerned about childcare for their employees, and 70% of Education services identified childcare as a concern for their employees

- Overall, 63% of employers reported they are concerned about the costs for their workforce. 71% of Accommodation and food service employers were concerned about the cost as PPE
- The biggest concern is seeing how employers will do in the second lockdowns that are occurring in Hamilton and across Ontario. When the majority of employers said will be in trouble in 6 months, it has been 6 months since this survey was conducted. Government assistance will need to be continued for many small businesses to continue

“Profound need for retraining and upskilling.”

- Employer

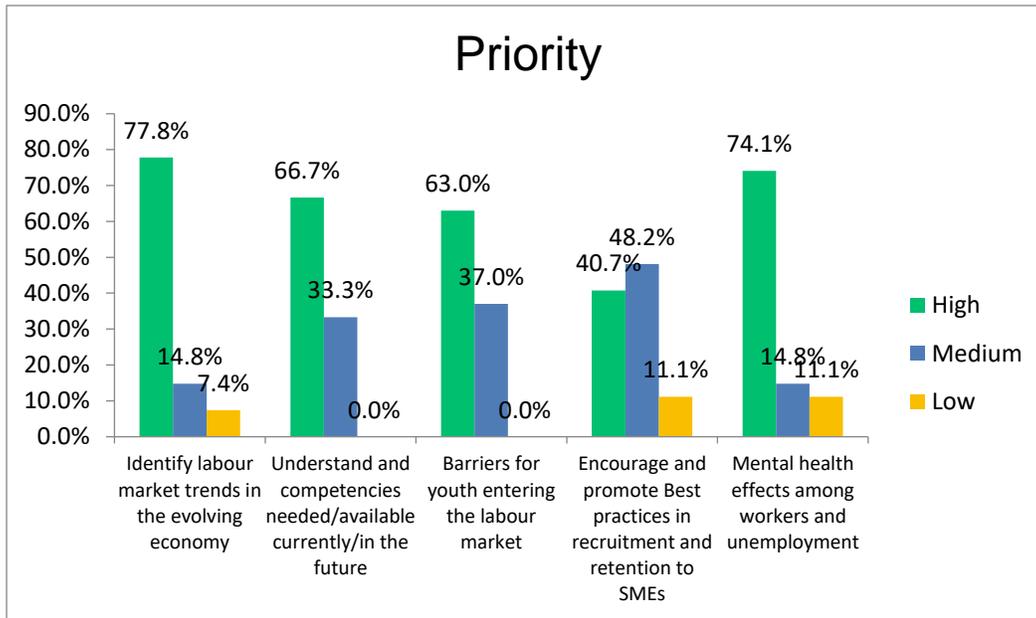
Employment Ontario Consultations Key Points:

- While most service providers mention there was not a large change in the demographics of clients, some did say there was a large increase in clients that had a disability. Many of them included youth
- Mental health concerns among clients are a growing concern particularly among youth
- They were concerned with the transition to services being completely virtual. While some clients felt they were getting more one-on-one time, there were many clients that were not comfortable with technology or had access to it. Many clients that were marginalized are likely to fall further behind and not being able to find employment
- Some service providers mentioned how employers were actually struggling to find workers, and many felt there was a disincentive to work caused by the Canada Emergency Response Benefit
- There was a massive demand for Canada-Ontario Job Grant then it dried up and was brought back by training providers. During this fiscal year the demand has been slow with training. The paperwork may be a bit of hindrance, and sometimes have to justify rationale with quotes, and employers often pull out.

“The transition to online only will impact low income families and job seekers because some of these people don’t have personal computers. Working from a smartphone and conducting a job search can be very challenging especially when you also include a zoom call with your job developer.”

- Employment service provider

Community Consultations Key Points:



- Consultations revealed that many stakeholders agree with the priorities established three years ago along with the minor changes due to COVID, i.e. more of an emphasis on youth and mental health
- The vast majority of stakeholders want more labour market information as 77.8% of stakeholders want to know more about labour market trends in the evolving economy. Suggestions for this priority included:
 - More surveys to identify local trends
 - Collaborate with any research being undertaken that is aiming to forecast what business needs will be post pandemic to help identify gaps
 - Identify skills that employers are in need of
- Mental health is also rated as a high priority in the community, with 74.1% of stakeholders rating it as a high priority
- Many employers mentioned they were still having a challenging time filling **skilled trades** occupations
- Many respondents were unsure of the lasting effects of the pandemic on the local economy. There was much uncertainty about jobs returning and small business being able to survive. Some themes mentioned:
 - More of a shift to online for schools, to working, to selling of services. Less need for ‘brick and mortar’
 - A need for re-skilling and re-training. Many businesses will also adjust to a new economy needing different skills
 - Automation likely will increase

- Some other comments mentioned that the community needs to focus on are: public transportation; more knowledge of skills needed in the community and identifying trends; more supports for small businesses

“I believe people will adjust and obtain the required skills to re-enter into the workforce in the new working environment.”

- *Employer*

THE 2020-2021 ACTION PLAN

The labour market action plan below identifies key priorities based on our consultations with labour market stakeholders including employers and other partners. These priorities were first established in 2018 and are reconsidered annually to ensure that they reflect the ever-changing labour market dynamics in Hamilton. The action plan is developed annually to reflect of the community. This year we slightly adjusted some priorities to better reflect the economic disruptions from the COVID-19 pandemic.

#1. IDENTIFY CRITICAL LABOUR MARKET TRENDS IN THE POST-PANDEMIC/EVOLVING ECONOMY

This priority was only slightly changed this year because of the pandemic. Originally it was referring to the growing skilled shortages, which was a concern pre-pandemic. However, the priority now is to understand the changes the sectors are going through and what occupations will be needed in the evolving economy.

Understanding the labour market trends is vital to knowing where to invest future work and projects. Certain sectors may be in stagnation for a long time during COVID-19 and we need to see where we can orient these workers, i.e Accommodation and food services; Retail trade, etc. Labour Market Information (LMI) then is the base for all priorities and projects in Workforce Planning Hamilton.

Evidence

- Massive job losses in across numerous sectors particularly Retail trade and Accommodation and food services
- Unemployment rates growing in Hamilton and across Ontario
- Restart and Recovery Survey showed a significant share of businesses that need help now and in the next 6 months

ACTIONS 2020-2021

Restart and Recovery Survey

Workforce Planning Hamilton was a part of the Economic Development Task Force that conducted a survey and of employers. Workforce Planning Hamilton created and distributed the Restart and Recovery survey, which was released in August 2020. This helped us understand the some of the challenges businesses were facing in the community.

EmployerOne 2021

WPH will continue to gather information on local labour market trends and issues through our annual EmployerOne survey. This year we teamed up with the City of Hamilton's Economic Development team to released a joint survey. This cuts down survey fatigue in the community and by combining with the City of Hamilton the survey can have more reach in the community.

PROPOSED ACTIONS 2021 – 2022

Connecting the Dots: Upgrading Hamilton's Only Labour Market Information Source Workforce Development Project

WPH aim to improve our outdated website to become the central point for Hamilton job seekers, employers, agencies, employment coaches, government, and community to have an easily accessible online website for the labour market information they require in collaboration with other Hamilton stakeholders. A website revamp would be an ideal time to the invest in the addition of a Job Tool to provide real time information to partners on LMI currently not easily available to Hamilton.

WEMap Job Board for Hamilton

Workforce Windsor Essex has developed the WEMap Job Board ,a valuable job search tool that maps job postings in real time along with services like bus routes and tops, employment services, childcare centres, and training centres. WPH is working to bring this resource to better support employers and jobseekers in Hamilton.

Quarterly Labour Market Snapshots

Quarterly reports using job posting and labour force survey. This will help provide timely labour market information to the community.

Other possible research projects:

Sector Reports

In-depth research into sectors that are declining and growing during the economic disruptions. This could help shed light on the skills differences between the declining and growing sectors.

Long-term Unemployed

Understanding who in the community are among the long-term unemployed to help serve them better. This share of the labour force continues to grow and could create barriers to employment if people have been out of the labour force for an extended period of time.

#2. UNDERSTAND THE COMPETENCIES NEEDED/AVAILABLE CURRENTLY/IN THE FUTURE

This priority changed to understanding the evolving skills requirements in the post-pandemic economy. Also, there is still an emphasis on what skills will be needed in the long-term. Previously, the priority was in context of a local economy that was facing many skills shortages across the spectrum, so there is a slight change in emphasis.

During the pandemic some sectors and jobs are still growing. Identifying what skills are needed among current openings and what skills there are among the unemployed is crucial to understanding what is needed to be done.

Automation is also important to investigate because during a recession some employers may be accelerating there plans of automation to maintain competitiveness as profit margins become smaller. Some skills may not be needed as automation and technology can replace them. Asses what skills are being replaced is vital to the local workforce.

Evidence

- Automation was an issue before the pandemic (*The Talented Mr. Robot: The impact of automation on Canada's workforce, 2016*)
- Digital skills continue to be emphasized during the pandemic. A lot of working from home and jobs geared to computer networks
- Certain occupations and industries that have seen massive job losses will those jobs be around after the pandemic, if not we need to understand what skills need to be transferred

ACTIONS 2020 – 21

Skills for the Future Forum

“No matter how the data are sliced, however, information about skill requirements is the most salient type of LMI sought by clients and career practitioners” (Labour Market Information Council). With this in mind WPH will host a forum that will provide half day interactive session that will feature workforce/labour market experts presenting different perspectives on skills in our evolving labour market.

RECOMMENDED ACTIONS 2021 – 22

Connecting with Hamilton’s Small & Medium Skilled Trades Employers Employer Engagement Project

This project overlaps with both Priority 2 and 4. Engage with small/medium skilled trades employers throughout Hamilton by phone-based appointments, providing follow up with print material (HR toolkit, Apprenticeship information, local contacts, how to’s etc.) to provide relevant and useful information which employers may not have access to because of limited technological abilities to retrieve from online platforms.

#3. BARRIERS FOR YOUTH ENTERING THE LABOUR MARKET

This priority focus was slightly changed from the previous year. It was titled Address Skills Expectations Among Job Seekers, and its focus was more among young workers. The focus now is still on young people but about the barriers they have during the economic disruptions our community now faces.

Evidence

- Youth unemployment rate is nearly double core-aged workers and if you include the underutilization rate nearly a quarter of youth are not working to their full capabilities
- There are numerous studies that look at the long-term ‘scarring’ effects of young people who graduate during a recession

ACTIONS 2020 - 21

No projects were done this year. They were suspended due to COVID-19 pandemic. The original project was Best Practices in Retention (which also overlapped with the fourth priority). However, due to the pandemic the project was not applicable to the labour market.

PROPOSED ACTIONS 2020 - 21

Youth Virtual Networking Engagement

Develop a community-wide strategy to address and support high youth unemployment rates and use technology familiar to youth to support with navigating the labour market and provide avenues that may lead to employment. The digital platform will feature centralized information for youth in Hamilton through networking opportunities, employers hiring, advice, youth centered programs, and provide youth with a better grasp of what Hamilton’s labour market reveals to support with employment decisions.

#4. ENCOURAGE AND PROMOTE BEST PRACTICES IN RECRUITMENT AND RETENTION TO SME'S

This priority can be focused on two broad categories. First, was originally created during a time of economic upturn and employers needed to change recruitment and retention strategies as unemployment rates were very low and employers had issues maintaining new workers. Currently the unemployment rate is high employers may not necessarily have the incentive to change recruitment and retention strategies. One area that they may need to change is workplace safety as many workers may be concerned with getting COVID-19, so personal protective equipment is important for employers to provide.

The second broad category this priority relates to is training and career ladders for its staff. Employers that invest in training have higher retention. By investing in their workforce employers are able to keep more workers, increase their productivity and help increase profits. This is one of the strategies the OECD also highlights for policy makers to do during the current economic disruption: "Policy makers could encourage SMEs to be aware of their training needs, while raising awareness on existing financial incentives for training and promoting the emergence of employer-led networks around skills development" (OECD, 2016). Further, SMEs need help with HR strategies more than larger employers and may not be aware of all the training programs established in the community.

Evidence

- Numerous research reports show that training is low among businesses in general. (Skilled Trade Apprenticeship Forum)
- The Employer One shows that costs are the biggest factor for employers not investing in training
- Small employers often lack the resources to be good HR managers
- Service providers note the fact that many small employers need to be reminded of employment legislation and other good practices in hiring and retaining workers

ACTIONS 2019 -20

Career Laddering Project

A regional project involving Niagara Workforce Planning Board and the Workforce Planning Board of Grand Erie that looks at entry level jobs in Manufacturing and Healthcare and Social Assistance that has potential for employees to progress through the company.

Skilled Trades Project

PROPOSED ACTIONS 2020 - 21

Connecting with Hamilton's Small & Medium Skilled Trades Employers Employer Engagement Project

Engage with small/medium skilled trades employers throughout Hamilton by phone-based appointments, providing follow up with print material (HR toolkit, Apprenticeship information, local contacts, how to's etc.) to provide relevant and useful information which employers may not have access to because of limited technological abilities to retrieve from online platforms.

#5. Mental health effects of workers and unemployed

This is a new priority added this year due to its emphasis during consultations. Mental health is becoming a bigger concern in the community. Even before the COVID-19 pandemic many service providers were seeing a growing number of clients with mental health concerns, and the barriers it creates with sustainable employment. With the onset of the pandemic, research is indicating mental health problems are increasing. This is an issue for people finding and maintain employment. Employers need to more flexible and understand the barriers some individuals can face.

PROPOSED ACTIONS 2020 - 21

Mental Health In (Un)Employment

COVID-19 has increased and exacerbated mental health needs of employed and unemployed people. WPH will host an event to provide reliable information to employers about the rights of employers/jobseekers when it comes to hiring/retaining those with mental health needs. The event will feature Employment Lawyers, job coaches, and mental health support workers. We will highlight organizations in Hamilton that have progressive policies on supporting employees with positive mental health practices.

APPENDIX - INDICATORS

Indicator 1: Changes in number of employers in local area by employee size and 3-digit NAICs.

- From June 2017 to June 2020 the number of employers in Hamilton increased by 4,648 businesses, an increase of 9%. There was a larger increase in terms of total employment and percentage change from businesses without employees (10%), compared to businesses with employees (8%)
- The employee size ranges that saw the biggest increases were businesses with 1 to 4 employees, 849 businesses or 10% increase, and businesses with 20 to 49 employees, with an increase of 139 businesses or 10%
- Businesses with 500+ employees actually saw a decrease during this time period, decreasing from 37 to 31 businesses, a 19% decrease

Indicator 2: Total number of employers, by employee size range, showing decrease/ increase over 4 years in local industries.

- In terms of total businesses, these were the top 5 3-digit industries that saw the largest growth: 531 - Real estate; 541 - Professional, scientific and technical services; 621 - Ambulatory health care services; 485 - Transit and ground passenger transportation; 561 - Administrative and support services
- The top 5 3-digit industries that saw the greatest decline: 443 - Electronics and appliance stores; 811 - Repair and maintenance; 448 - Clothing and clothing accessories stores; 452 - General merchandise stores; 417 - Machinery, equipment and supplies merchant wholesalers
- Of the top sectors in terms of total employment, (Retail trade, Healthcare and social assistance, Manufacturing, Construction) a few of the sub-3 digit industries appear in the top growing and declining. 621 - Ambulatory health care services; 238 - Specialty trade contractors; and 236 - Construction of buildings saw increases in the top 10 and saw the largest growth in the 1 to 4 employee size range.
- Many declining sub-industries were from the Retail trade sector. These include: 443 - Electronics and appliance stores; 445 - Food and beverage stores; 448 - Clothing and clothing accessories stores; 451 - Sporting goods, hobby, book and music stores; 452 - General merchandise stores. All saw decreases in the 1 to 4 employee size range

Indicator 3: Changes in local industries showing decrease/increase in total estimated employment over past 4 years.

- For this indicator we looked at total employment by sectors using the Labour Force Survey. From 2016 to 2020 the industries that saw the largest increases were: Construction (+10,100 workers, 34%); Public administration (+5,400 workers, 36%); Health care and social assistance (+4,100, 8%); Manufacturing (2,700 workers, 6%)

- The sectors that saw the largest declines are: Information, culture and recreation (-5,200, -28%); Accommodation and food services (-4,700 workers, -22%); Agriculture (-2,100 workers, -53%); Business, building and other support services (-1,800 workers, -9%)
- What is challenging is in 2020 there were massive job losses in some sectors that were growing before, so the four-year trend is misleading. For example, Information, culture and recreation was growing previous to 2020 but lockdowns have decimated the industry

Indicator 4: Changes in local population over five years.

- From 2016 to 2020, Hamilton saw the population increase from 552,272 to 581,722. That is an increase of 29, 450 people, or a 5.3% increase
- That increase is slightly lower than the increase seen for Ontario as a whole, which grew by 6.2% during this time period

Indicator 5: Annual changes in rate of in and out migration from local area.

- The latest data we have for this is from 2013 to 2018. During this time Hamilton saw a net-migration increase of 22,608 residents
- All age groups saw an increase in net migration. The largest increases came from the 25 to 44 age category. There we saw a net increase of 12,314 residents

Indicator 6: Changes in educational attainment of local population over five years.

- There was no new data for education. This is only accessible through the Census and the data is now four years old. New data will be available in the coming years. From the previous census we know that for the population above 15 years of age: 20% have less than high school; 28% have a secondary school diploma; 7% of Apprenticeship or trades certificate; 22% have a College, CEGEP or other non-university certificate or diploma; and 22% with a University certificate, diploma or degree

Indicator 7: Changes in occupation characteristics (based on NOC, distribution of occupations in local area, compared to Ontario) over five years.

- Looking at the Labour Force Survey we can see the change among the broad 2-digit occupational groups from 2016 to 2020. The five occupational groups that saw the largest increase: Industrial, electrical and construction trades (+3,800 workers); Retail sales supervisors and specialized sales occupations (+3,600); Labourers in processing, manufacturing and utilities (+3,300); Other installers, repairers and servicers and material handlers (+3,200 workers); and Specialized middle management occupations (+2,800)
- The occupational groups that saw the largest declines were: Technical occupations in art, culture, recreation and sport (-3,200 workers); Transport and heavy equipment operation and related maintenance occupations (-3,100); Service supervisors and specialized service occupations (-2,600); Professional occupations in art and culture (-2,200); and Technical occupations in health (-2,000)
- Similar to Indicator 3, the trends can be misleading because in 2020 we saw massive job losses occurring

- Looking at job postings data for 2020, the top 10 4-digit NOC occupations that match occupational groups that were in the top 10 are: 7452 - Material handlers; and 9619 - Other labourers in processing, manufacturing and utilities. This shows that occupations in Manufacturing and Warehousing were still demanding workers even through the pandemic and have seen growth over the last four years. Both of these are entry-level jobs

Indicator 8: Changes in average annual income for local population.

- The most recent data we have for this is tax filer data that shows average income up to 2018. So from 2014 to 2018 average income in Hamilton increased by 13%. Similar to the increase for Ontario, 14%.