

January 2024



A YEAR IN

REVIEW

* 2023

Uncovering and explaining Hamilton's economy in 2023.

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Executive Summary

Recovering from the pandemic and subsequently, a strenuous few years, Hamilton's economy has shown great resilience in adapting to workforce changes and labour market shocks.

This report is a continuation of our mid-year report, *Halfway Through 2023*, published in June 2023. Read it [here](#).

Overview

The 2023 end-year report will elaborate on the labour force characteristics of Hamilton's population; with a deep dive into Hamilton's youth labour force and immigrant labour force. The report also explores Hamilton's industrial changes, job posting trends and wage data.

About

Workforce Planning Hamilton (WPH) is a not-for-profit funded by the Ministry of Labour, Immigration, Training and Skills Development. We are part of 25 local planning boards spread across the province. In Hamilton, we are your champions in Local Labour Market Information.

Methodology

This section will describe the data sources used in the report and a glossary of commonly used terms. WPH takes an evidence-based approach to ensure that the information presented is accurate and reliable.

Data Sources

Data for this report was sourced from Statistics Canada, The Job Bank of Canada, Workforce Planning Hamilton's Job Board and the Bank of Canada. Seasonally adjusted data are used unless otherwise stated.

Term	Definitions
Unemployment Rate	the percentage of people unemployed per the labour force.
Employment Rate	the percentage of people working per the population.
Participation Rate	the percentage of people in the labour force per the population.
Labour Force	consists of the unemployed and employed population.
Census Metropolitan Area (CMA)	refers to the geography of the City of Hamilton, as well as the surrounding regions Grimsby and Burlington.
Total CPI Inflation	the Consumer Price Index measures changes in consumer prices experienced by Canadians. It is obtained by comparing (usually year-over-year), the cost of a fixed basket of goods and services purchased by consumers.

The Second Half

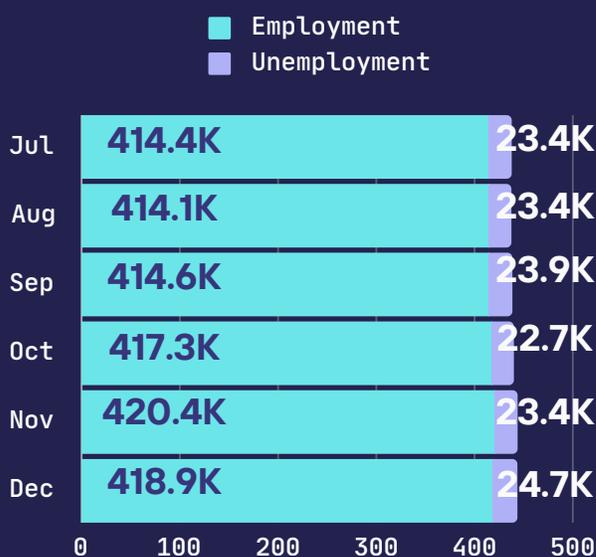
This section covers the second half (Q3 and Q4) of Hamilton's economy. This section will look at labour force survey data; population and demographic changes, industry movement, and job demand.

In January 2023, Hamilton reached a peak in the number of employed persons but saw a steep decline in the spring months. Moving into the second half, the labour force saw a rebound in employment led by Educational Services.

The unemployed population, did not see major fluctuations. But, experienced an overall increase in the second half compared to the first half, peaking at 24.7K in December 2023.

Employment and Unemployment, Population

There was stagnation in the beginning of the second half of 2023, with Hamilton's employed and unemployed populations mainly levelled in Jul-Sep. The economy, fueled by holiday spending and with students back in school, saw employment increase in November, almost reaching the year high in January, with 420.4K employed persons. Participation was also the highest in November, at 64.5%. Overall, employment remained consistent from Jul-Dec with only a 1% increase and a 3% increase in unemployment as well. Hamilton's unemployment rate ended at 5.6% for December, 0.6% lower than the provincial unemployment rate. Boasting an overall low unemployment rate at the year-end.



5.6%

Hamilton
Unemployment Rate in
December 2023

6.2%

Ontario
Unemployment Rate in
December 2023

Source: Statistics Canada (2023). Labour Force Survey

Working Age Population (25-54)

An integral part of Hamilton's economy, the core working age group includes individuals aged 25 to 54 years old in the population. They account for 46% of the working population (+15 population). Below, the chart visualizes the core-working age population by gender, on a monthly basis for the Hamilton CMA.



-2%

Decline in Hamilton's working age population from Jul to Dec 2023

89%

Participation rate for Hamilton's working-age population in Dec

4.4%

Unemployment rate for Hamilton's working-age population in Dec

Source: Statistics Canada (2023). Labour Force Survey, Unadjusted data

Changes

In the second half of 2023, the Hamilton CMA saw a slight decline in the number of core-working age individuals of -2%. From this, the core-working age group lost 6,000 individuals over the span of six months. Full-time employment declined in the second half, with a contraction of -2.3% between July to December. On the other hand, within this age group, part-time employment increased by 16%, signaling to a growing gig economy in the region. By gender, core-working age males saw a 2% decline in their population, mirroring this decline were core-working age females with a population decline of 2%. The unemployment rate for core-working age individuals in Hamilton was 4.4% by the year-end, 2.2% lower than the regional unemployment rate and almost 2% lower than the provincial unemployment rate.

Industry Changes

Source: Statistics Canada (2023). Labour Force Survey, Unadjusted data and Statistics Canada. [Table 34-10-0135-01 Canada Mortgage and Housing Corporation, housing starts, under construction and completions, all areas, quarterly](#).
Note: the data looks at the geography of Hamilton-Niagara Peninsula

+3%

Net Increase

Was the net growth in industry employment for the Hamilton ER from Jul-Dec 2023

+29%

Top Growing Industry

Educational Services saw the largest increase in employment from Jul-Dec 2023

-8%

Top Declining Industry

Manufacturing saw the largest decline in employment from Jul-Dec 2023

+32K

Sector Changes

The Services-producing sector gained 32K workers, while the Goods-producing sector lost -12K workers from Jul-Dec 2023

In the second half of 2023, the Hamilton Economic Region experienced a 3% net increase in employment. Overall, the region saw an additional 19,600 workers added to the labour force from July to December 2023. At the high-level, the region saw a net increase in the Services-Producing sector, gaining 32k workers whereas the Goods-producing sector lost 12k workers in the second half. The frontrunner for the largest increase in employment was Educational Services, with an increase of 29% in employment and 16,500 workers added. With the school season back in swing, Hamilton's Educational Services led the increase in employment for the second half of 2023. Conversely, the Manufacturing sector saw an 8% decline in employment and accompanying this was the Construction sector losing 2% of its workforce. In Ontario, the number of new housing starts declined drastically in the third quarter, with 25k housing starts and a year-over-year decline of 16%. Contributing to the declines seen in Manufacturing and Construction sectors.

Q3 of 2023

Source: Statistics Canada (2023). Labour Force Survey

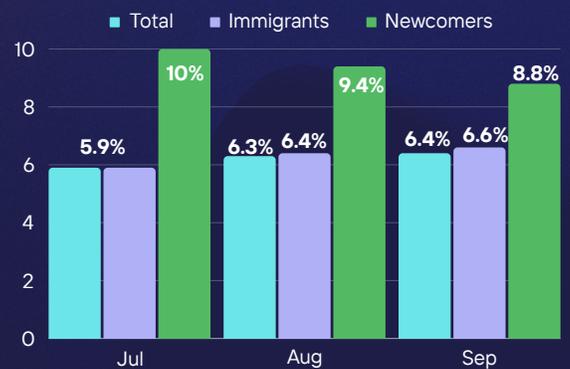
YOUTH (15-24) LABOUR FORCE

In Q3, Hamilton saw an exit of youth in the labour force, declining from 74.1K youth in July to 67K in September. As more youths entered into school in September, the youth labour force participation rate dropped from 72.7% in August to 67.6% in September.



IMMIGRANT LABOUR FORCE

In Q3, while the rest of Ontario had an unemployment rate of 5.9%, the Newcomer population had an unemployment rate almost double, at 10% in July (month-over-month increase of 0.9%). Gradually the unemployment rate for Newcomers lowered to 8.8%.



TOP GROWING

For Q3, the top growing industry in terms of employment in the Hamilton ER was Health Care and Social Assistance with 5.3K new workers and a percent increase of 5%. Following was Transportation and Warehousing (+3.3K, 9%) and Information, Culture and Recreation (+2.6K, 8%).



TOP DECLINING

The top declining industry for Q3 in terms of employment in the Hamilton ER was Wholesale and Retail Trade with a loss of 7K workers and a percent decrease of 6%. Following was Educational Services (-2.7K, -5%) and Manufacturing (-1.6K, -2%).



Q4 of 2023

Source: Statistics Canada (2023). Labour Force Survey

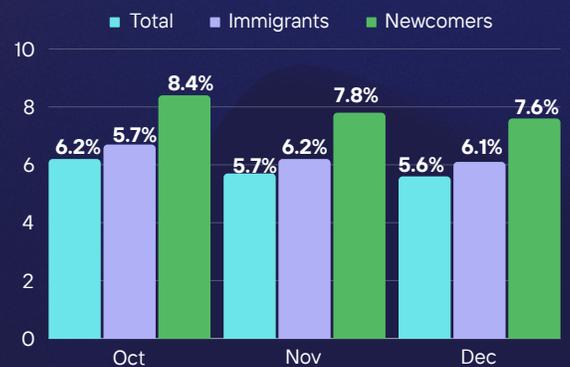
YOUTH (15-24) LABOUR FORCE

In Q4, Hamilton saw some stagnation in the youth labour force, with an increase of 200 youths during the quarter. Overall participation was also down, with the participation rate decreasing from 62.2% to 58.1% (Oct-Dec). With the holiday season, more youths were employed in December, with an increase of 2.5K youths in employment from Nov-Dec.



IMMIGRANT LABOUR FORCE

The fourth quarter saw an overall decline in the unemployment rate for the total population, spearheaded by a 0.8% decline in the Newcomer unemployment rate. For the general Immigrant population, the unemployment declined by 0.6%.



TOP GROWING

For the fourth quarter, Educational Services was at the top of the list in terms of industry employment growth. The industry saw 11.7K workers added and a percent increase of 19%. Following was Public Admin (+2.8K, 8%) and Professional, Scientific and Technical Services (+2.2K, 4%).



TOP DECLINING

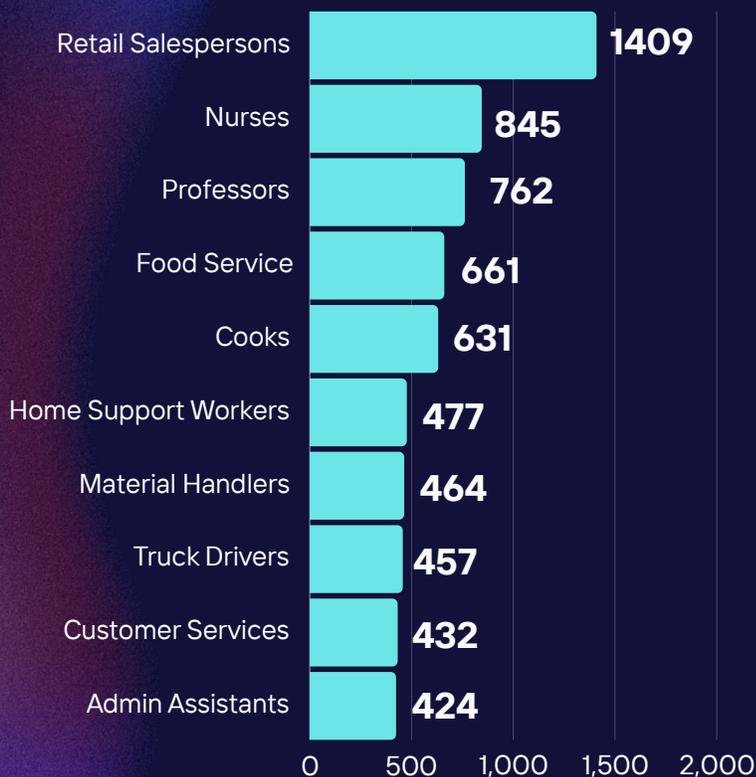
Health Care and Social Assistance, after being the third quarter's top growing industry, was the top declining industry in Q4 (-5.8K, -5%). Following was Construction (-5.5K, -8%) and Information, Culture and Recreation (-2.6K, -8%).



Job Demand

Top 10 Occupations for the Second Half of 2023

The chart below looks at the top 10 occupations in the Hamilton region for the second half of 2023 (Jul-Dec). Occupations were heavily based in the Services sector, with 5 out of 10 occupations being of minimum wage. With the recent contraction in Retail and Wholesale Trade in the fourth quarter, employers are looking to hire for retail and service-adjacent occupations.



+28k

Job Posts

For the entire second half of 2023, our job board collected over 28k job postings from 5k companies

\$24.65

Average Hourly Wage

+\$2.4 increase in the Hamilton-Niagara Region

Source: Statistics Canada (2023). Job Vacancy and Wage Survey

Total CPI Inflation Trends

By May 2023, total CPI inflation in Canada halted to 3.4%, inching closer to the Bank's target range of 1-3%. Fast forward to November, total CPI inflation settled at 3.1%. According to StatCan's Consumer Price Index data, from July to November, the largest price increases included items and groceries such as beef rib cuts (+ \$4.5), infant formula (+\$3.6), grapes (+\$2); olive oil (+\$1.8); and strawberries (+\$1.7).

3.1%



Source: Bank of Canada (2023).



Workforce Planning Hamilton

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