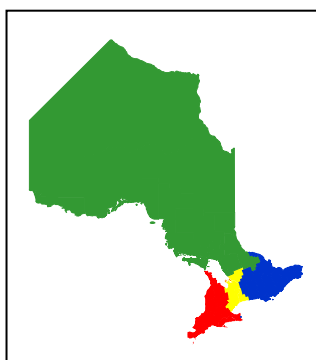


LABOUR MARKET INFORMATION

**Employment Ontario Northern Region
2007 Annual Labour Market Report**



Produced by: Labour Market Information and Research Unit
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The Labour Force Survey collects monthly information on the labour market activities of Canada's working age population. The data is collected from a sample of 53,500 households (15,500 in Ontario) each month. The primary objective of the survey is to provide reliable estimates of employment and unemployment for Canada and the provinces, and to provide descriptive and explanatory data for each group. Data is also available for sub-provincial geographies.

Although the LFS is a valuable source for labour market information, caution should be used in interpreting period to period changes, especially for small geographic areas or for small data cells. All survey data is subject to sampling and non-sampling type errors that may result in misleading estimates. Documentation on LFS data quality is available from Statistics Canada's website at www.statcan.ca/english/sdds/document/3701_D4_T2_V3_E.pdf.

Cette publication est disponible en français sous le nom de:

RAPPORT SUR LE MARCHÉ DU TRAVAIL EN ONTARIO

Northern Region Highlights – 2007

The Northern Region accounts for approximately 6% (786,290) of the province's 12.2 million population, according to the 2006 Census. The population of the Region in 2006 was virtually the same as in 2001, while Ontario's population increased 6.6% during the same period. Estimates indicate that the population of the Northern Region could decline by as much as 6% over the next two decades.

The Region accounts for nearly 90% of Ontario's land area and is comprised of over 100 municipalities, many unincorporated communities and more than 100 First Nations. Most of the Region's residents live in Greater Sudbury (20.1%), Thunder Bay District (19%), Algoma District (14.9%), Nipissing District (10.8%) and Cochrane District (10.5%). An estimated 1 in 5 of Region's population is Francophone.

The lack of population growth in the Region masks the fact that the Aboriginal population in the Region is growing quickly. The Aboriginal population represents 10% of the Region's population and over a third of the Aboriginal population in Ontario, according to the 2006 Census. Although it is difficult to give precise estimates due to the number of unincorporated communities in the Region, the census suggests an Aboriginal population growth rate of more than 20% between 2001 and 2006. Significant growth of the Aboriginal population is expected to continue in the region, Ontario and Canada.

In 2007, the Northern Region accounted for 6% of the 10.4 million working age (15 years and over) population in Ontario. Slow population growth has contributed to a decline in the Region's working age population by an annual average of -0.2% since 1997. High levels of out-migration of youth, low levels of in-migration and a fast rate of departure from the labour force by older workers are contributing to structural challenges that have resulted in a shrinking labour force and slower employment growth in the Region. On an annual basis, employment grew by only 0.2% in the Northern Region since 1997.

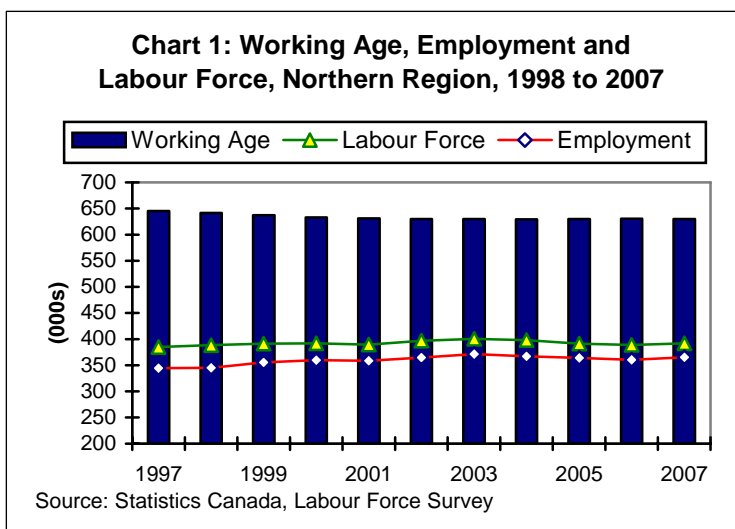
The Northern Region is more reliant on public sector employment than Ontario as a whole (27% vs. 18%). In 2007, trade: wholesale and retail (15.9%), health care and social assistance (14.5%), educational services (8.5%), manufacturing (8.5%), and public administration (7.4%) employed the most people in the Region. The forestry, fishing, mining, oil and gas industry accounted for 5.8% of employment in the Northern Region in 2007, compared with only 0.5% in Ontario.

In 2007, the average weekly wage for all workers in the Northern Region was \$742.7, which was lower than the average of \$786.2 for workers in Ontario.

Educational attainment among adults (aged 25 and older) with at least some post-secondary education was lower in the Northern Region (68.6%) compared with Ontario (70.7%). At the same time, employment growth in the Region is largely driven by knowledge-based occupations in social science, education, government service and religion; health occupations and natural and applied sciences and related occupations.

Working Age Population and Employment

- In 2007, there were 629,600 people of working age (15 years and over) in the Northern Region, down marginally (-0.1%) from 2006 and lower (-2.4%) than in 1997.

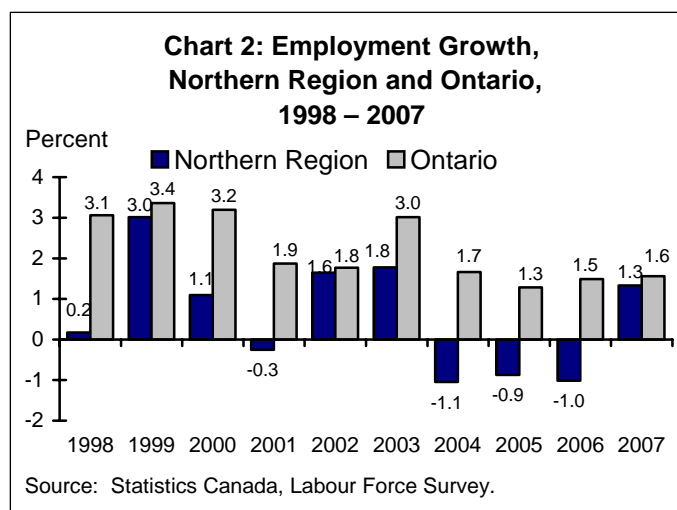


- The Region accounted for 6% of Ontario's 10.4 million working age population in 2007 and about the same share of the province's total population.

- Slow population growth in the Region is affecting growth of its working age population. Since 1997, the Region's working age population has declined an average of -0.2% per year, while Ontario's working age population has experienced average annual growth of 1.7%.

- In addition, high levels of out-migration of youth, low levels of in-migration and a fast rate of departure from the labour force by older workers are contributing to structural challenges that have resulted in a shrinking labour force and slower employment growth in the Region.

- Of the total working age population in the Northern Region in 2007, approximately 392,100 or 62.3% were in the labour force and 365,100 or 58% were employed. Employment in the Region in 2007 was up 4,800 positions or 1.3% from 2006. Ontario's employment was 6,593,800, a 1.5% increase from 2006.

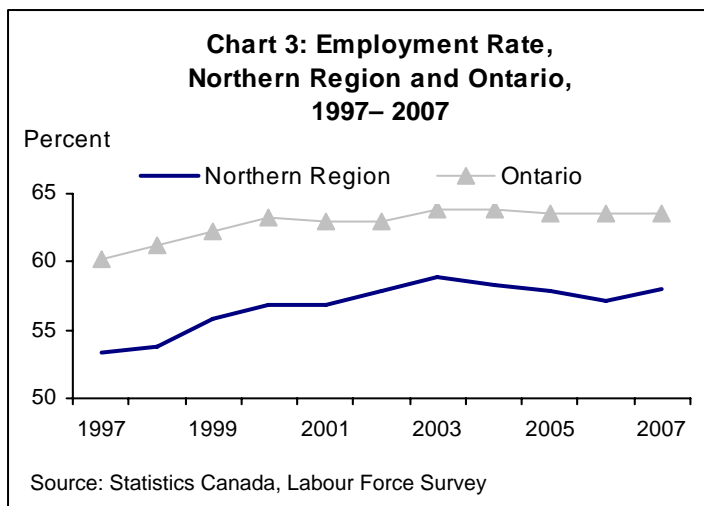


- Employment in the Northern Region increased from approximately 344,700 in 1997 to 365,100 in 2007, a net increase of 20,400 jobs or 5.9%. During this period, employment growth was strongest (10,400 jobs or 3%) in 1999, while job losses were highest in 2004 (-3,900 or -1.0%).

- Employment in Ontario increased by 1.3 million positions between 1997 and 2007, an increase of 24.6%.

- On an annual basis, employment grew by only 0.2% in the Northern Region, while employment in Ontario grew an average of 2.2%.

- In 2007, approximately 58% of the working-age population in the Northern Region had jobs, compared to an employment rate of 63.6% in Ontario.

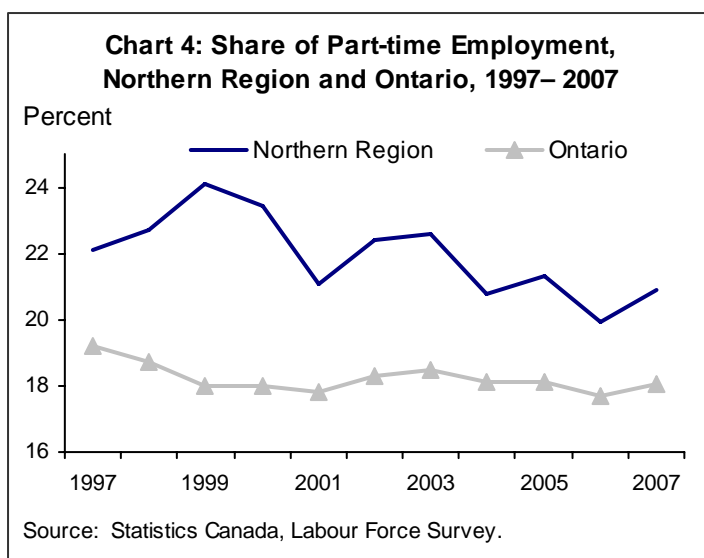


- The Region’s employment rate increased 4.6 percentage points between 1997 and 2007, peaking at 59% in 2003. For Ontario, the corresponding increase was 3.4 percentage points, with the rate remaining steady at around 64% since 2003. The employment rate in the Region fluctuated 5 to 6 percentage points lower than the rate for Ontario between 1997 and 2007.

- The Region’s lower employment rate is due in part to slower employment growth and a faster rate of departure from the labour force by older workers (aged 55+) in the North.

Part-time Employment

- Part-time employment represents a larger share of employment in the Northern Region than in the province.



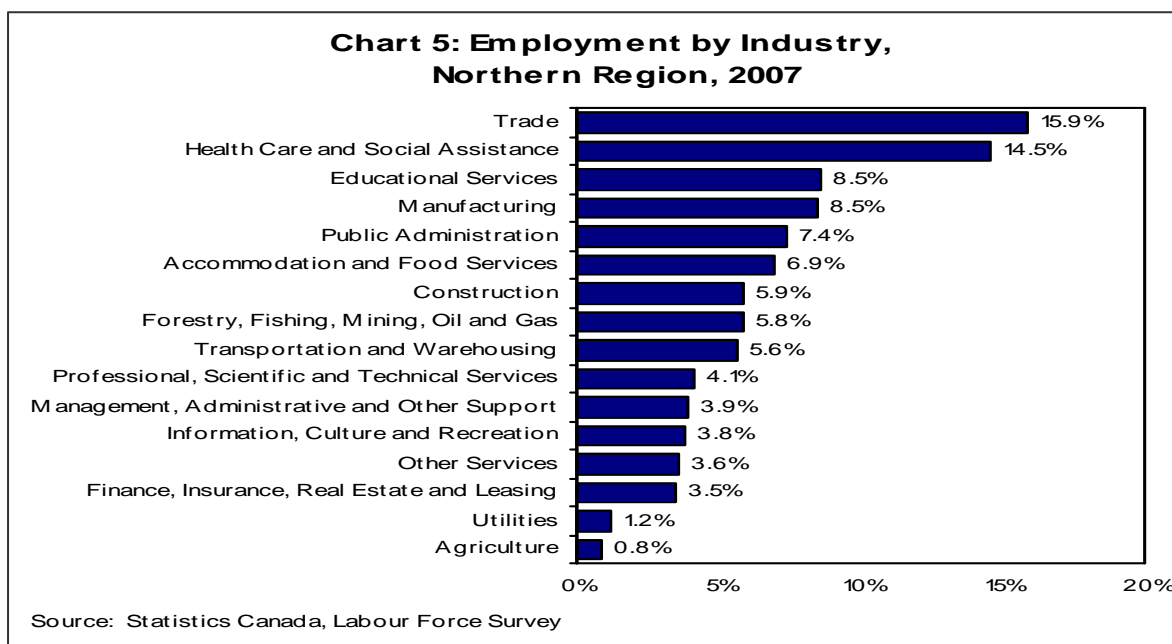
- In 2007, part-time employment accounted for 21% of employment in the Region compared to 18% for the province.

- There has been a downward trend in share of part-time employment in the Region since 1999, when part-time employment peaked at 24.1%.

- The reduced share of part-time positions resulted from a growth in full-time work and possibly the increased utilization of labour stemming from the decline in the size of the Region’s labour force.

Employment by Industry

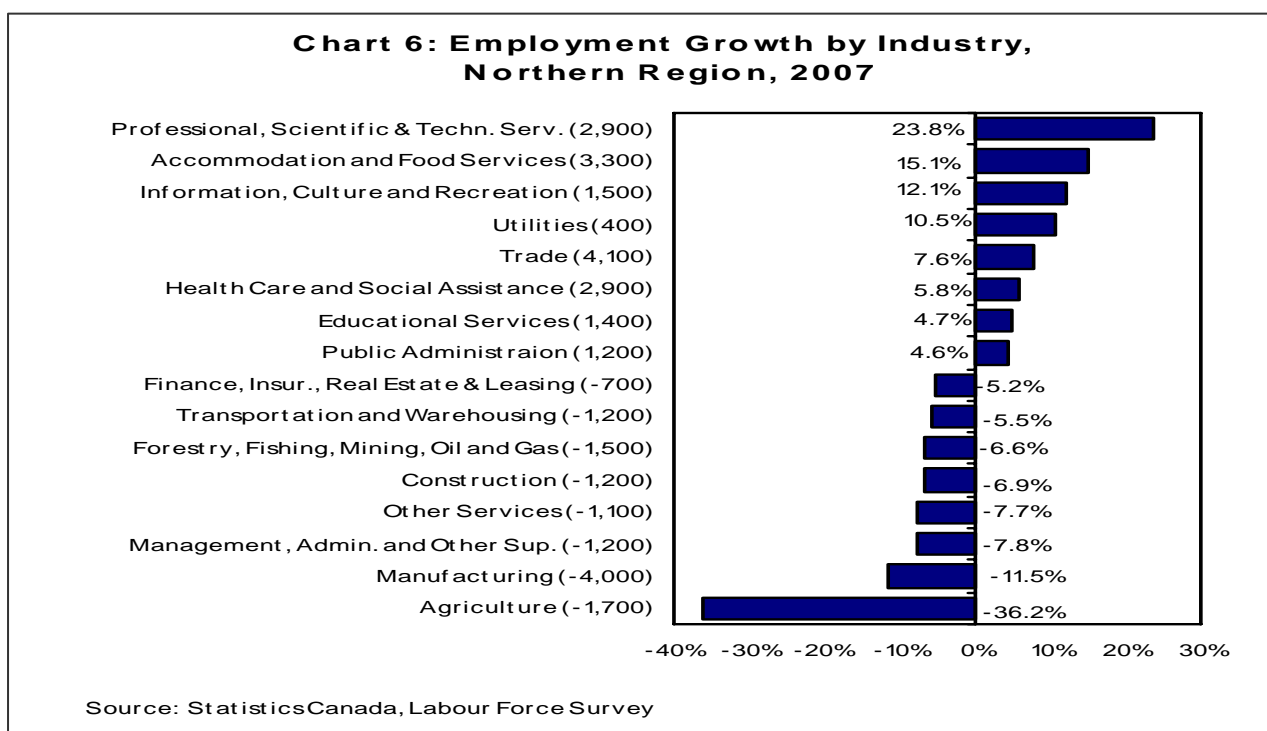
- The employment distribution by industry in the Northern Region varies from that of Ontario. The Region is more reliant on public sector employment than the province, including public administration, education and health care. Many communities in Region rely on forestry, fishing, mining, oil and gas.



- In 2007, trade: retail and wholesale (15.9%), health care and social assistance (14.5%), educational services (8.5%), manufacturing (8.5%), and public administration (7.4%) employed the most people in the Northern Region. These five industries accounted for about half of all employment in the North.
- The forestry, fishing, mining, oil and gas industry accounted for 5.8% of employment in the Northern Region in 2007, compared with only 0.5% in Ontario.
- In Ontario in 2007, manufacturing (14.4%) health care and social assistance (10.2%), professional, scientific and technical services (7.2%), finance, insurance, real estate and leasing (7.2%) and educational services (7.1%) employed the most people.

Employment Growth by Industry

- In 2007, the services-producing sector in the Northern Region experienced job growth (13,100 or 4.8%), while industries in the goods-producing sector experienced a loss of 8,300 jobs or 9.3%. Across Ontario, the services-producing sector grew at a slightly slower rate (3%) compared to the region, while the number of jobs in the goods-producing sector declined (-3%).

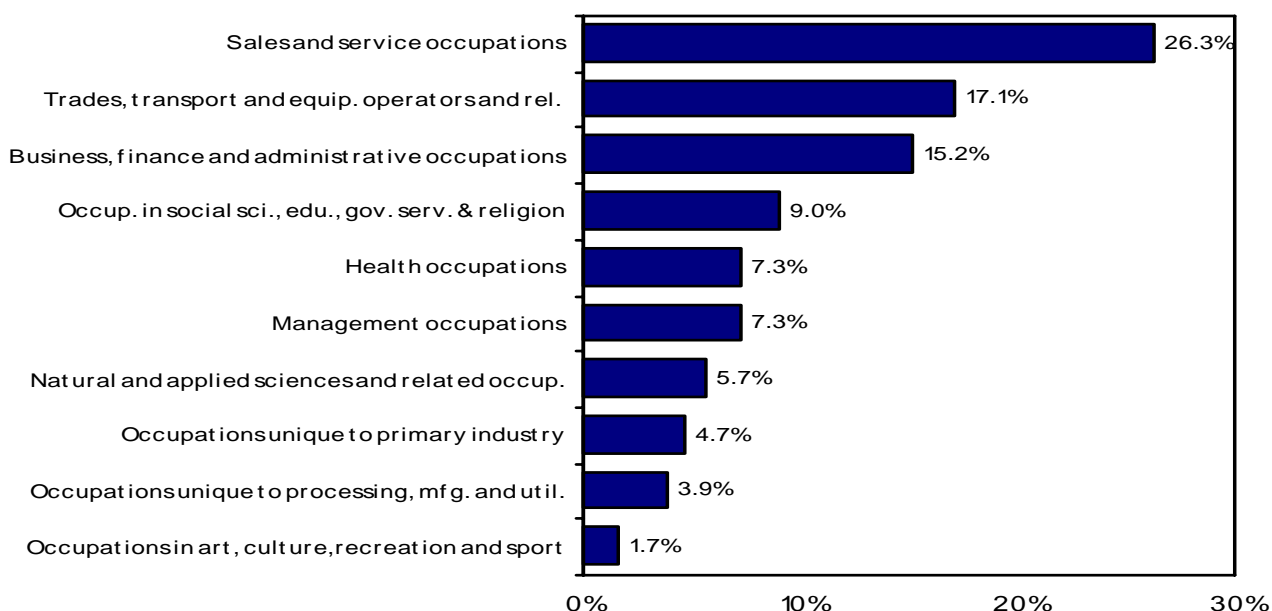


- The industries with the largest percentage gains in employment in 2007 were professional, scientific and technical services (2,900 or 23.8%), accommodation and food services (3,200 or 15.1%) and information, culture and recreation (1,500 or 12.1%). Trade (4,100 or 7.6%) had the largest absolute gain.
- Agriculture (-1,700 or -36.2%), manufacturing (-4,000 or -11.5%) and management, administration and other support (-1,200 or -7.8%) led the way in employment losses in the Region in 2007.

Employment by Occupation

- In 2007, almost 60% of all workers in the Region were employed in three major occupational groups – sales and service occupations (26.3%); trades, transportation and equipment operating occupations (17.1%) and business, finance, and administrative occupations (15.2%).

**Chart 7: Employment by Occupation,
Northern Region, 2007**

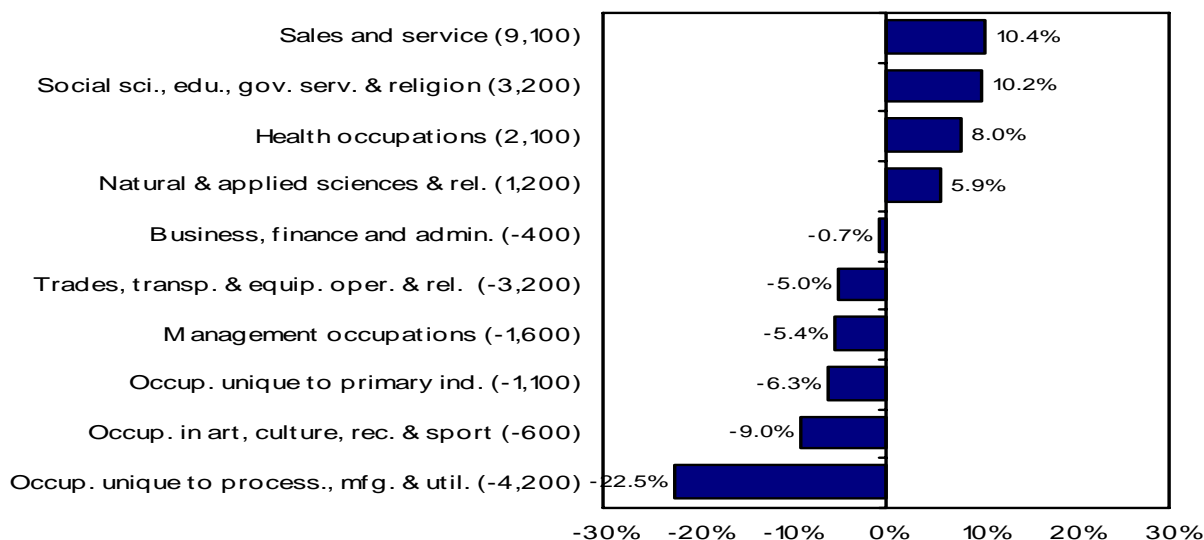


Source: Statistics Canada, Labour Force Survey

Employment Growth by Occupation

- The number of jobs created or lost in each occupational group in 2007 largely reflects the size of the occupation and the pattern of employment growth by industry in the Northern Region.
- In 2007, the strongest employment growth was in occupations in sales and service (9,100 or 10.4%), occupations in social science, education, government service and religion (3,200 or 10.2%), health occupations (2,100 or 8%) and natural and applied sciences and related occupations (1,200 or 5.9%). These were the only occupational groups that posted employment growth above the average (1.3%) of the Region.
- Occupations unique to processing, manufacturing and utilities (-4,200 or -22.5%), trades, transport and equipment operators and related occupations (-3,200 or -5%) and management occupations (-1,600 or -5.4%) led the way in absolute employment losses in the Region in 2007.

Chart 8: Employment Growth by Occupation, Northern Region, 2007



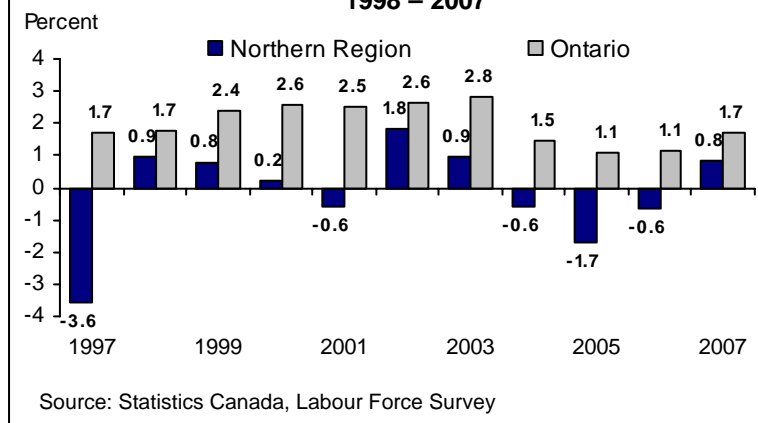
Source: Statistics Canada, Labour Force Survey

Labour Force

Labour Force Growth

- In 2007, the labour force in the Northern Region totalled approximately 392,100, an increase of 3,200 people or 0.8% from 2006. This increase followed declines in 2004 (-3,900 or -0.6%), 2005 (-3,200 or -1.7%) and in 2006 (-3,700 or -0.6%).
- Between 1997 and 2007, the Northern Region had its highest (1.8%) annual labour force growth in 2002 when an estimated 7,100 people joined the labour force. This growth was still lower than the overall growth rate for Ontario that year, which was 2.6%. Ontario's labour force growth was highest (2.8%) in 2003. Ontario's labour force in 2007, at just over 7 million, was 1.7% higher than in 2006.

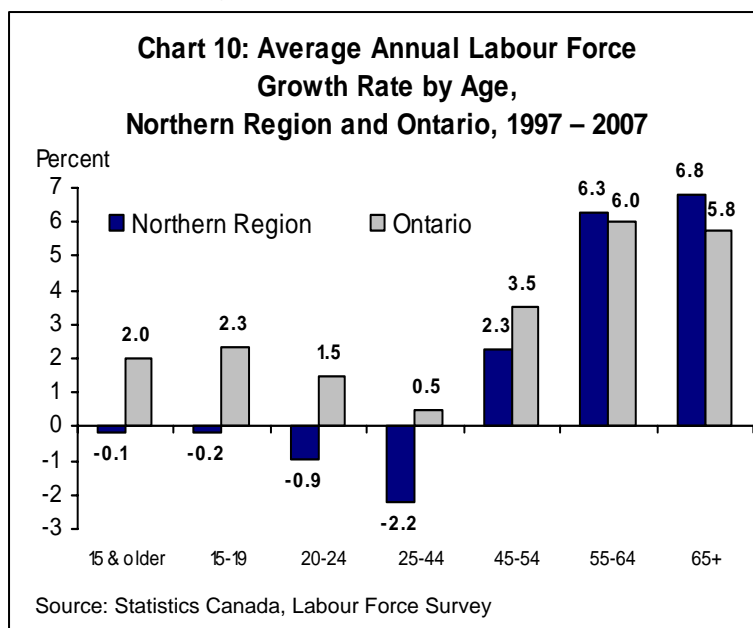
Chart 9: Labour Force Growth Rate, Northern Region and Ontario, 1998 – 2007



Source: Statistics Canada, Labour Force Survey

Labour Force by Age

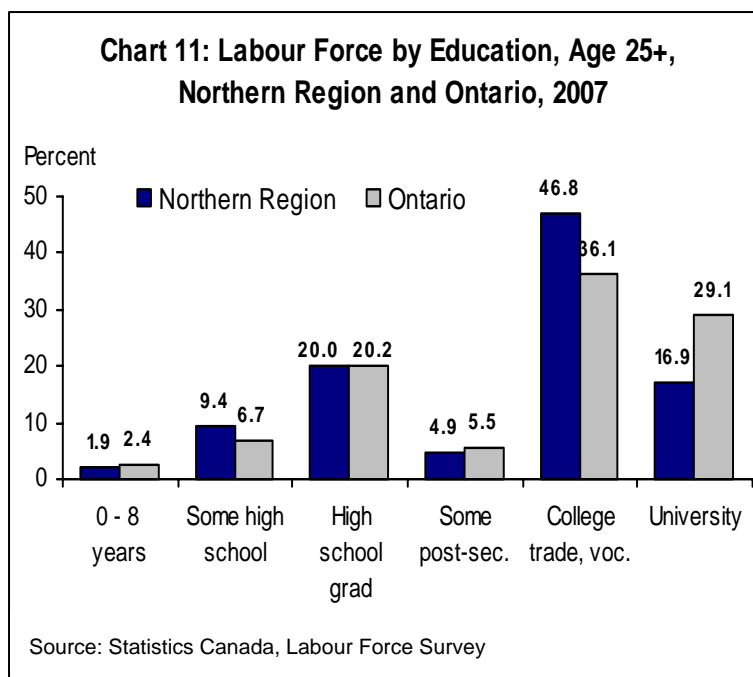
- Out-migration of youth is contributing to the shrinking labour force in the Northern Region, leaving behind an older workforce. At the same time, older workers in the Region tend to leave the labour force at a faster rate compared with the rest of Ontario.
- Between 1997 and 2007, the labour force in the Northern Region declined (-0.1%) annually, compared with an average annual increase of 2% for the province's labour force. There were annual declines among workers aged 15 to 19 (-0.2%), aged 20 to 24 (-0.9%) and aged 25 to 44 (-2.2%) in the Region. This compared with annual labour force growth of 2.3%, 1.5% and 0.5% for their provincial counterparts, respectively.



- The growth in the labour force among people over 55 years of age, compared with the lack of labour force growth among the younger workers, suggests a major challenge in the Northern Region in terms of managing a shrinking labour force and labour productivity in the Region.

Labour force by Education

- Employment growth in the Northern Region is largely driven by knowledge-based occupations in social science, education, government service and religion; health occupations and natural and applied sciences and related occupations that require a highly skilled and educated labour force.
- In 2007, educational attainment among adults (aged 25 and older) with at least some post-secondary education was lower in the Northern Region (68.6%) compared with Ontario (70.7%). Just 16.9% of adults in the Region's labour force had

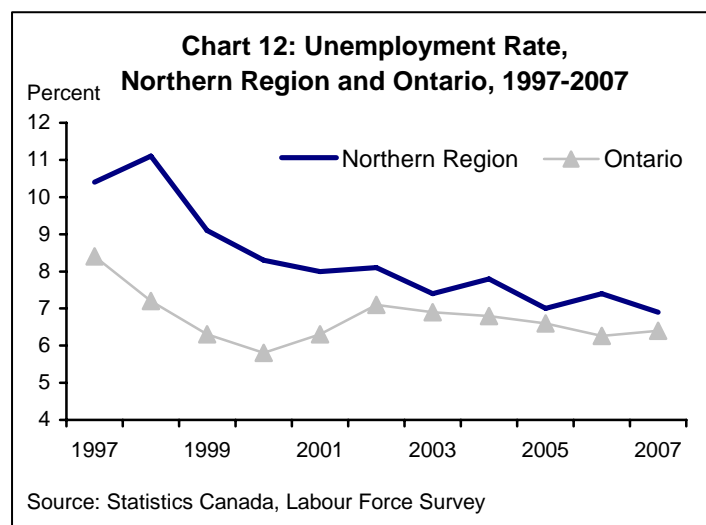


attained a university degree compared with 29.1% of their provincial counterpart. However, more adults (46.8%) in the Region had a college, trade or vocational-level education, including apprenticeship, compared with Ontario's labour force (36.1%).

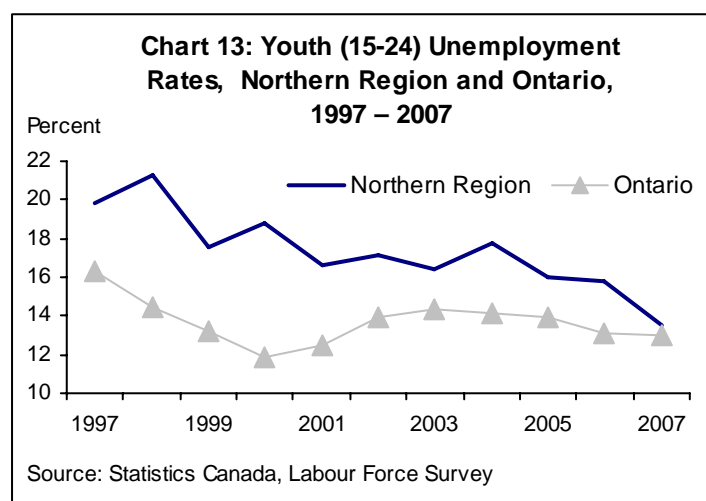
- Educational attainment among the labour force in the Northern reflects the mix of workers available in the labour force, not necessarily the types of skills that are needed in the Region.

Unemployment Rates

- Historically, the unemployment rate for the Northern Region has been higher than the average for Ontario, but the gap has diminished in recent years.
- The unemployment rate of the Northern Region has declined from 11.1% in 1998 to 6.9% in 2007, with the gap in the unemployment between Ontario and the Region shrinking from 3.5 percentage points to 0.5 percentage points during this period.



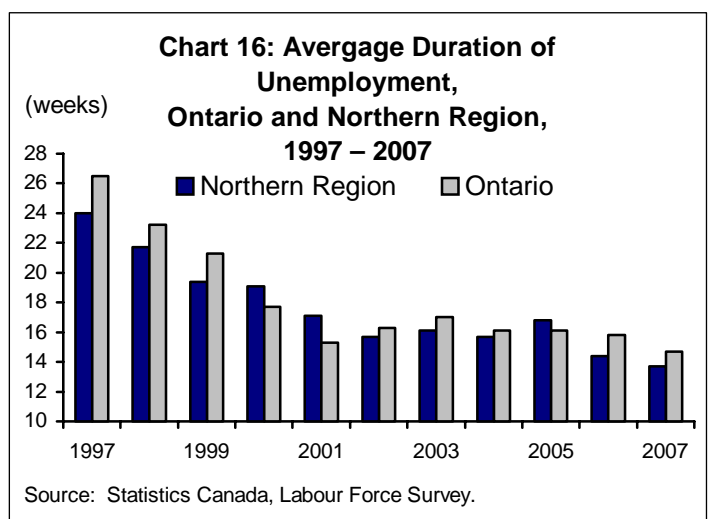
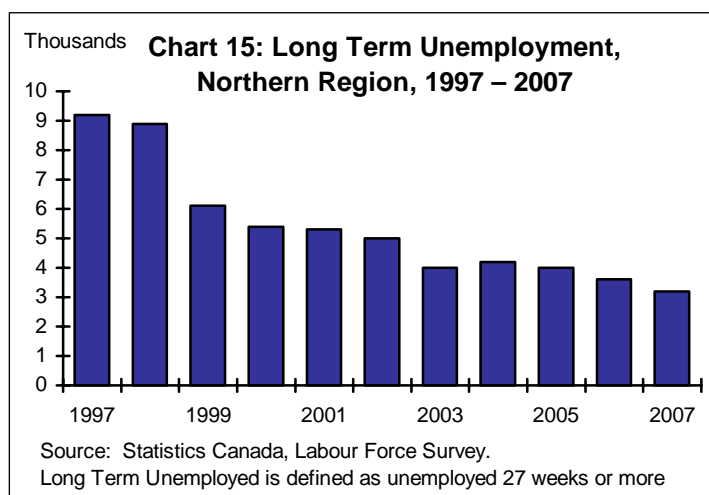
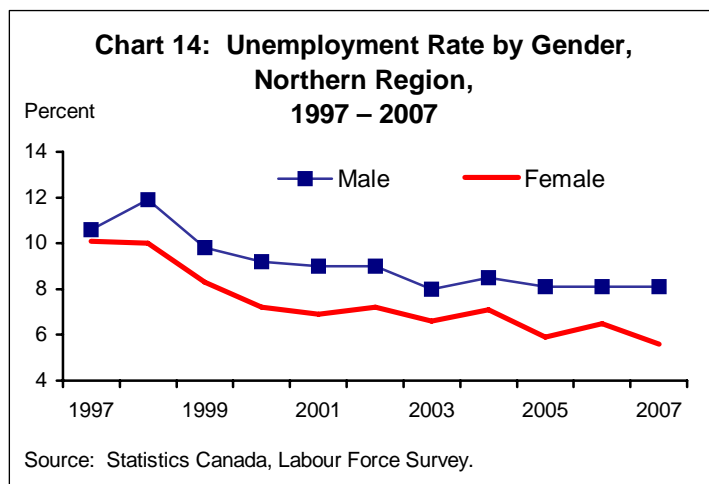
- The decline in the unemployment rate in the Northern Region can be attributed to overall labour force decline, modest job creation and reforms to the employment insurance system since 1996. These reforms tightened up the eligibility criteria considerably.
- In the Northern Region, youth (aged 15 to 24) face greater challenges in the labour market than their provincial counterparts due in part to a less diverse economy in the Region. While the unemployment rate has been declining, this is partially due to the out-migration of youth and a decline in the youth labour force.
- In 2007, the unemployment rate for youth in the Northern Region was 13.5%, down from 16% in 2006. The unemployment rate for youth in Ontario was 13% in 2007, narrowing the youth unemployment rate gap between the Region and Ontario to 0.5 percentage points.



- The decline in the youth unemployment rate in the Region between 1997 and 2007 partially reflects a decline (-4.3%) in youth labour force and employment growth among the youth cohort (3.5%).
- In 2007, the unemployment rate for women in the Region was 5.6% compared to 8.1% for men. This compared with 6.8% for men and 6% for women in Ontario. Historically, women in the Northern Region have had lower unemployment rates than men.

Duration of Unemployment

- The Northern Region has experienced a steady decline in long term unemployment (i.e. the number of people who have been unemployed for 27 weeks or more).
- In 2007, an estimated 3,200 people in the Region reported being unemployed for 27 weeks or more, down from 3,600 in 2006 and an average of 9,200 in 1997.
- About 12% of unemployed people in the Region were long term unemployed in 2007, compared to 23% in 1997. In Ontario, 13% of unemployed people were unemployed long term in 2007, compared to 25.5% in 1997.
- In 2007, the average duration of unemployment in the Northern Region was 14.7 weeks compared to 13.7 weeks for Ontario.
- Between 1997 and 2007, the average duration of unemployment declined in both the Northern Region and the province as a whole. The average duration of unemployment in the Northern Region was lower than the average for Ontario each year, except in 2000, 2001 and 2005.

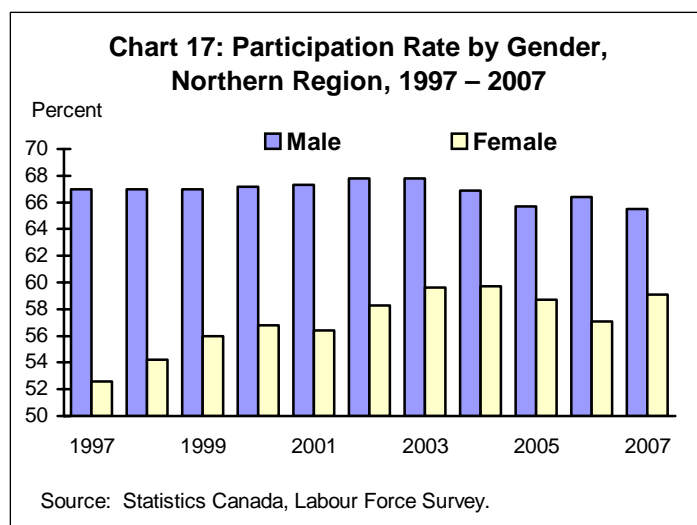


- The decline in the average duration of unemployment in the Northern Region partially reflects reforms to the employment insurance system since 1996, which tightened up the eligibility criteria considerably.

Labour Force Participation Rates

- The labour force participation rate is the share of people age 15 years and over (working age population) who are employed or looking for work.

- In 2007, the labour force participation rate of the working age population in the Northern Region was 62.3% compared to 68% in Ontario, a difference of about 6 percentage points.



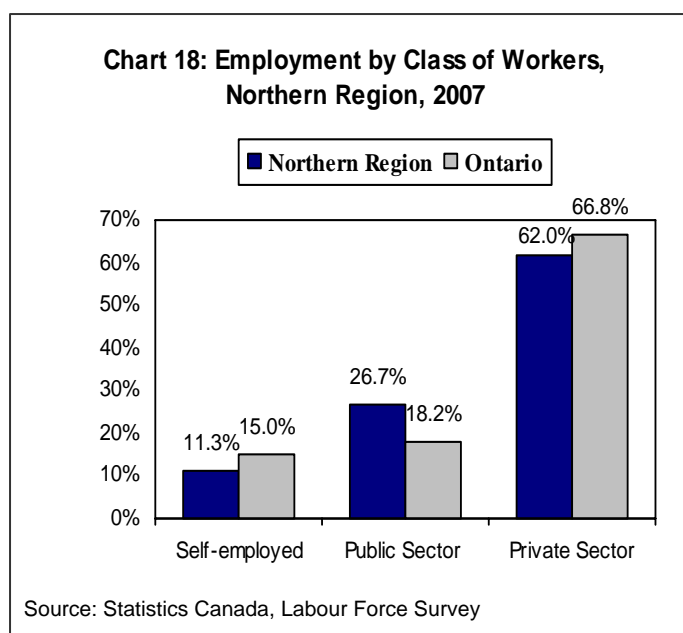
- Historically, the labour force participation rate of males in the Region has been much higher than that of females. The gap was as high as 14 percentage points in 1997.
- For most of the past decade, the labour force participation rate of males in the Northern Region stood at between 67 and 68%. It declined to 65.7% in 2005. In 2007, the labour force participation rate of males in the Northern Region was 65.5%, down from 66.4% in 2006.
- The labour force participation rate of females in the Northern Region followed an upward trend from 52.6% in 1997 to 59.7% in 2004. However, it declined in 2005 and again in 2006 when it dropped to 57.1%. In 2007, the labour force participation rate of females in the Northern Region was 59.1%.
- Labour force participation rates also tend to be lower for workers aged 55 and older. This is especially evident in the North. In 2007, only 49% of people aged 55-64 in the Northern Region were in the labour force. In Ontario, the corresponding rate for this age group was 62.6%.

Class of Worker

- The Northern Region is more reliant on public sector employment¹ than the province as a whole.
- In 2007, about 26.7% of workers in the Region were employed in the public sector compared with 18.2% in Ontario overall.

- Public sector employment in the Region increased from 78,400 in 1997 to 97,500 in 2007, an increase of 24.4%. Steady increase in public sector employment during the period followed a decline from 78,400 in 1997 to 75,900 in 1998.

- Private sector employment in the Northern Region increased from 220,300 in 1997 to 226,200 in 2007, an increase of 2.7%. Employment in the sector peaked at 239,800 in 2003. It declined (-8.8%) between 2003 and 2006, followed by a rebound of 3.5% in 2007.



- In 2007, self-employment was less common in the Northern Region (11.3%) than in Ontario (15%) and the pattern of self-employment was volatile between 1997 and 2007.
- Fewer people reported being self-employed in the Region in 2007 (41,400) than in 1997 (46,000), a decline of 10%. Self-employment peaked at 53,400 in 1998.

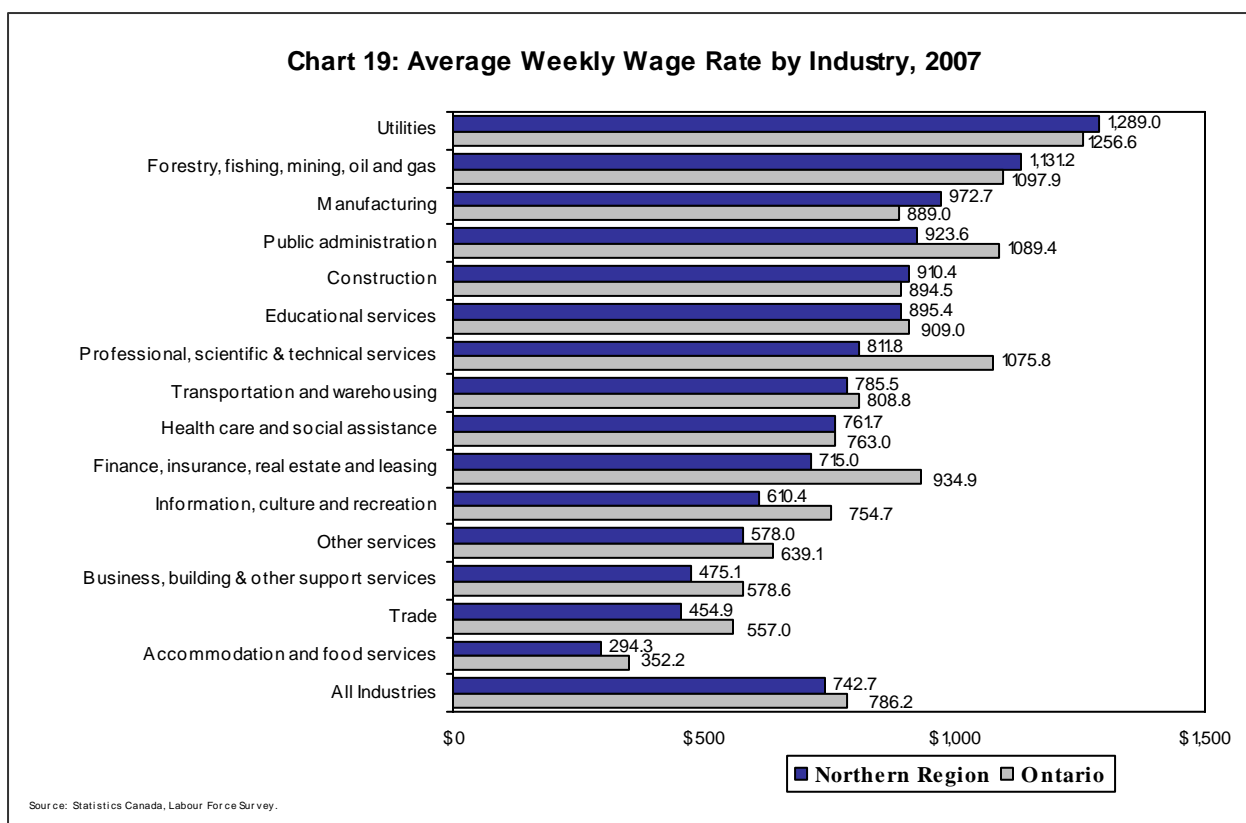
Wages by Industry

- In 2007, the average weekly wage for all workers in the Northern Region was \$742.7, which was lower than the average of \$786.2 for workers in Ontario.
- The industries with the highest average weekly wage rates in the Region in 2007 were utilities (\$1,289.0), forestry, fishing, mining, oil and gas (\$1,131.2) and manufacturing (\$972.7).
- Average weekly earnings in most industries were much lower in the Northern Region compared with Ontario overall. The largest wage gaps were in professional, scientific

¹ Public sector employment includes local, provincial and federal governments, government services or agencies, crown corporations, and government funded establishments such as universities and hospitals.

and technical services (\$811.8 vs. \$1075.8), public administration (\$923.6 vs. \$1089.4) and finance, insurance, real estate and leasing (\$715.0 vs. \$934.9)

- Three industries in the Northern Region had average weekly earnings that were higher than the Ontario average: utilities (\$1,289.0 vs. \$1,256.6), forestry, fishing, mining, oil and gas (\$1,131.2 vs. \$1,097.9) and manufacturing (\$972.7 vs. \$889.0)



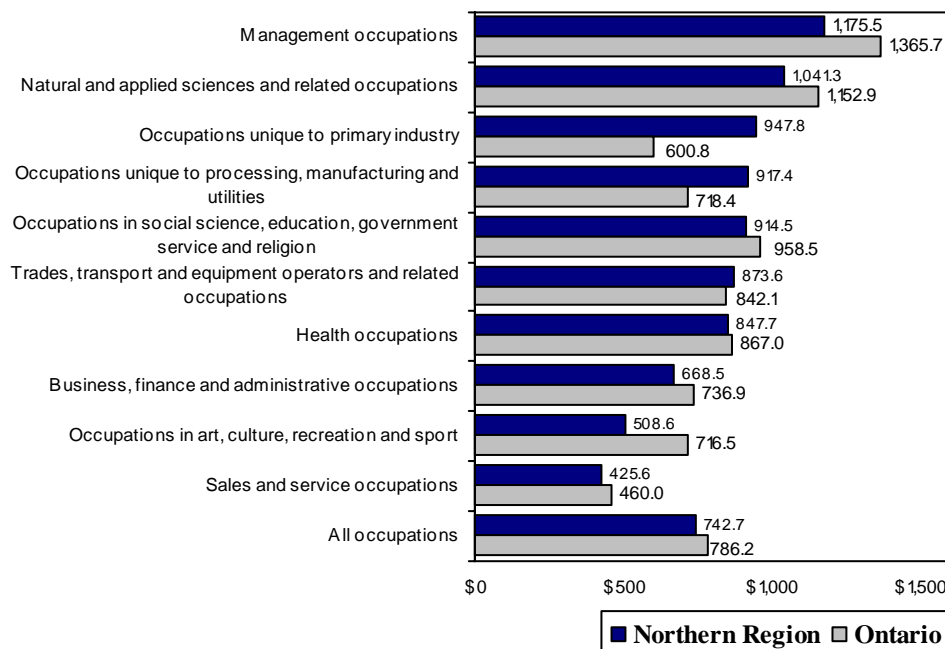
- The industries with the lowest average weekly wage rates in the Northern Region were business, building and other support services (\$475.1), trade (\$454.9) and accommodation and food services (\$294.3).

Wages by Occupation

- Three occupational groups in the Northern Region had average weekly earnings that were higher than the Ontario average in 2007: occupations unique to primary industries (\$947.8 vs. \$600.8), occupations unique to processing (\$917.4 vs. \$718.4), manufacturing and utilities, and trades, transportation and equipment operators and related occupations (\$873.6 vs. \$842.1).

- Average weekly earnings in several occupations were much lower in the Northern Region than in Ontario overall, including management occupations (\$1,175.5 vs. \$1,365.7), natural and applied sciences and related occupations (\$1,041.3 vs. \$1,152.9), and business, finance and administrative occupations (\$668.5 vs. \$736.9).
- There was also a relatively large earnings gap favouring Ontario in occupations in art, culture, recreation and sport (\$508.6 vs. \$716.5),
- The highest average weekly paying jobs in the Northern Region were management occupations (\$1,175.5), natural and applied sciences occupations (\$1,041.3) and occupations unique to primary industries (\$947.8). The lowest paying jobs were in sales and service occupations (\$425.6).

Chart 20: Average Weekly Wage Rate by Occupation, 2007



Source: Statistics Canada, Labour Force Survey.