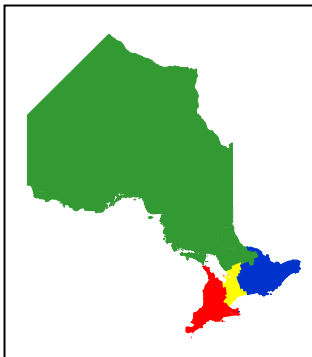


LABOUR MARKET INFORMATION

**Employment Ontario Northern Region
2008 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 – 2008

The Northern Region unemployment rate was 6.6% in 2008, a decrease from 6.9% in 2007. Overall, declines in both the labour force (down 1,800 or 0.5%) and the number of unemployed people (down 1,100 or 4.1%) helped to push the Region's unemployment rate down. In the Northeast, the unemployment rate declined from 6.7% in 2007 to 6.2% in 2008, while it declined from 7.4 to 7.8% in the Northwest over the same period. Total employment in the Northern Region was 364,500 in 2008, a decline of 600 or 0.2% from total employment in 2007.

Overall, Ontario's unemployment rate was 6.5% in 2008, up from 6.4% in 2007. The number of unemployed people increased by 17,500 to a total of 467,200, while the labour force grew (up 111,000) at a faster pace than employment (up 93,500) in 2008.

A total of 786,290 people or 6% of Ontario's 12.2 million population reside in the Northern Region, according to the 2006 Census, with most of the Region's residents living in Greater Sudbury (20.1%), Thunder Bay District (19%), Algoma District (14.9%), Nipissing District (10.8%) and Cochrane District (10.5%).

The Region's population remained the same between the 2001 and 2006 censuses, compared with a 6.6% increase in Ontario's population. Estimates indicate that the population of the Region could decline by as much as 6% over the next two decades.

The lack of population growth in the Region masks the fact that the Aboriginal population in the Region is growing quickly. 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. 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. An estimated 1 in 5 of Region's population is Francophone.

The Region's 629,000 working age (15 years and over) population, which accounts for 6% of Ontario's 10.5 million working age population, has declined by an annual average of 0.2% over the past decade. High levels of out-migration of youth, low levels of in-migration and a faster rate of departure from the labour force by workers aged 55 and older are contributing to structural challenges that have resulted in a shrinking labour force.

The Northern Region is more reliant on public sector employment than Ontario as a whole (28.3% vs. 19.2%). Of the 364,500 people employed in the Region in 2008, health care and social assistance (15.6%) and trade: retail and wholesale (14.8%) employed the most people. Forestry, fishing, mining, oil and gas (6.5%) is an important industry in the Region, compared with only 0.6% in all of Ontario.

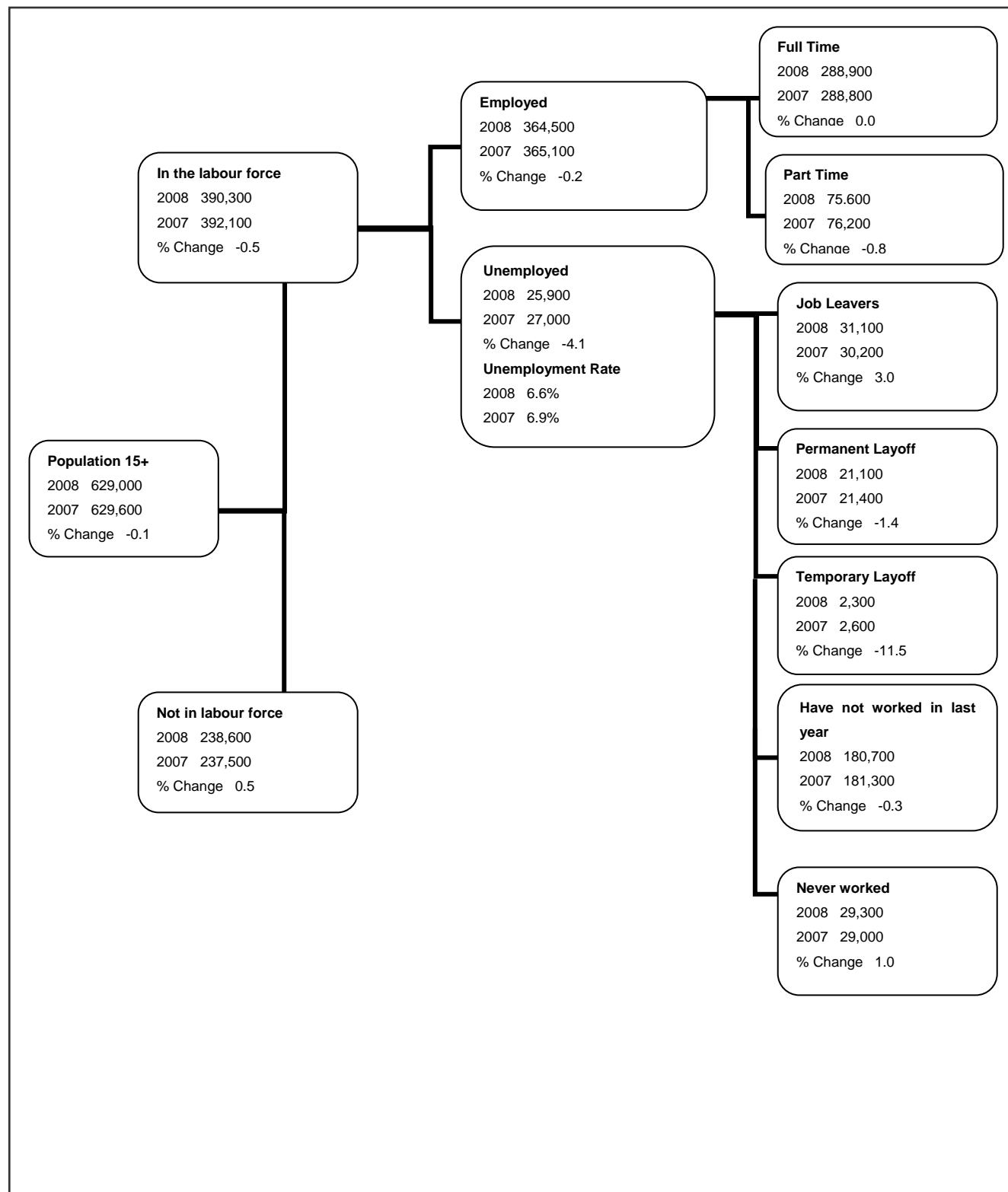
In 2008, the goods-producing sector (up 4,300 positions or 5.5%) experienced job gains, while the service-producing sector (down 4,800 positions or 1.7%) experienced job losses. Health care and social services (up 3,800 positions or 7.2%) and forestry, fishing,

mining, oil and gas (up 2,500 positions or 11.7%) were the industries with the largest gains in employment in 2008.

Trade: wholesale and retail (down 3,900 positions or 6.5%) and public administration (down 3,100 positions or 11.4%) and led the way in employment losses in the Region in 2008. Manufacturing declined 1,200 positions or 3.9%.

In 2008, the average weekly wage for all workers in the Northern Region was \$789, up from \$742.7 in 2007. This compared with an average weekly wage of \$816.4 for workers in Ontario, up from \$786.2 in 2007.

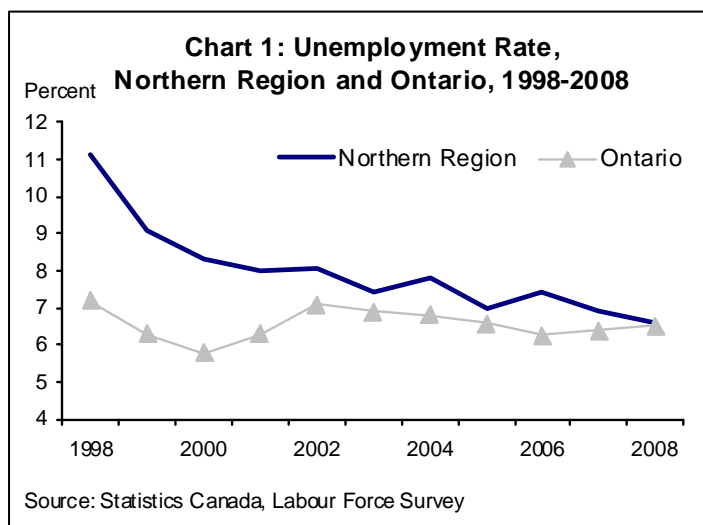
Ontario Northern Region Labour Market – 2008



Unemployment

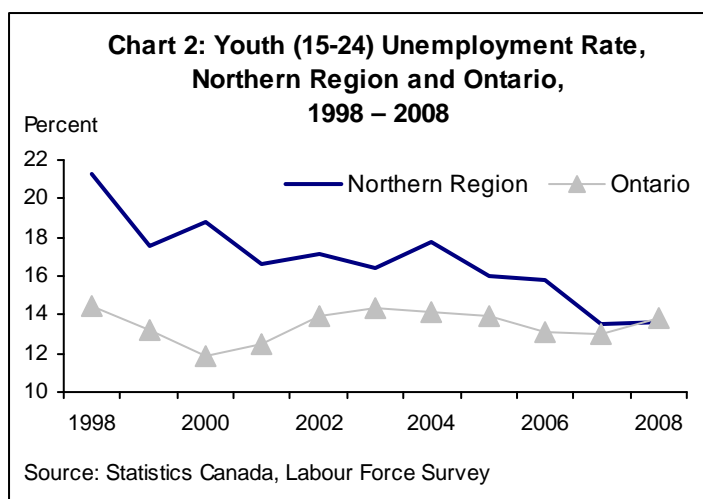
Unemployment Rate and Unemployment

- The unemployment rate for the Northern Region decreased from 6.9% in 2007 to 6.6% in 2008.
- Declines in both the labour force (down 1,800 or 0.5%) and the number of unemployed individuals (down 1,100 or 4.1%) helped to push the unemployment rate down.
- The overall unemployment rate in Ontario rose slightly, from 6.4% in 2007 to 6.5% in 2008. The number of unemployed people increased by 17,500 to a total of 467,200, while the labour force grew (up 111,000) at a faster pace than employment (up 93,500) during this period. These factors contributed to a rise in the unemployment rate in 2008.



- The unemployment rate of the Region has declined from 11.1% in 1998 to 6.6% in 2008, shrinking the gap in the unemployment rate between Ontario and the Region from 3.9 to 0.1 percentage points during this period.
- The long term fall in the unemployment rate in the Region can be linked to overall labour force decline and modest job creation in the Region, as well as reforms to the Employment Insurance (EI) system since 1996. These reforms tightened up EI eligibility criteria considerably.

- In 2008, the unemployment rate for youth (aged 15 to 24) in the Northern Region was 13.6%, up from 13.5% in 2007, but lower than the overall unemployment rate (13.8%) for youth in Ontario.

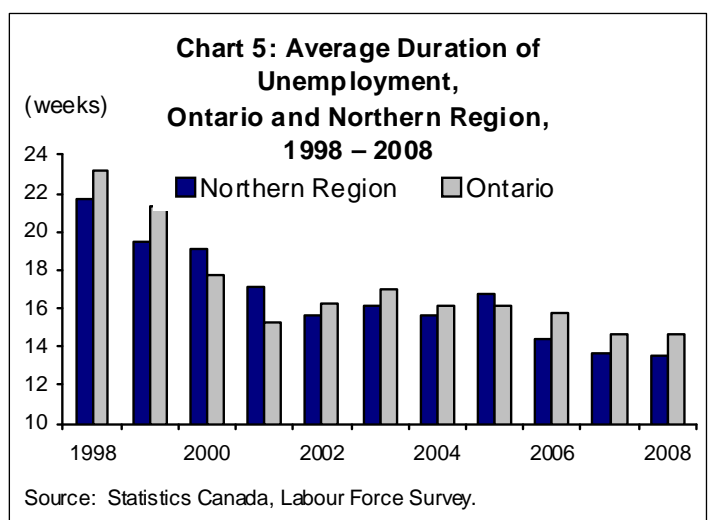
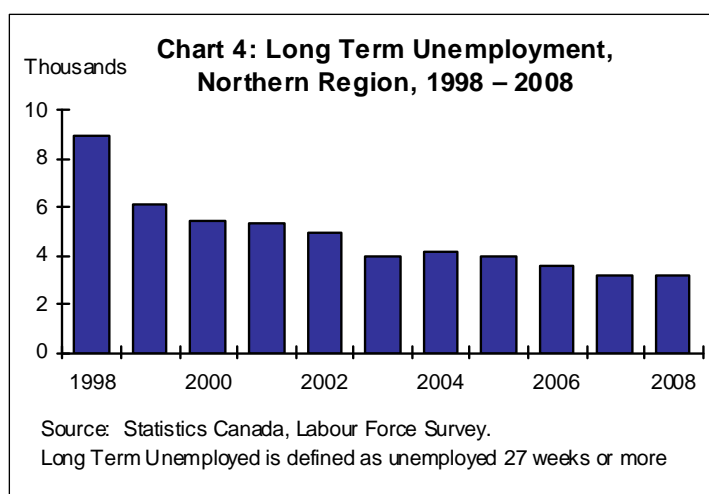
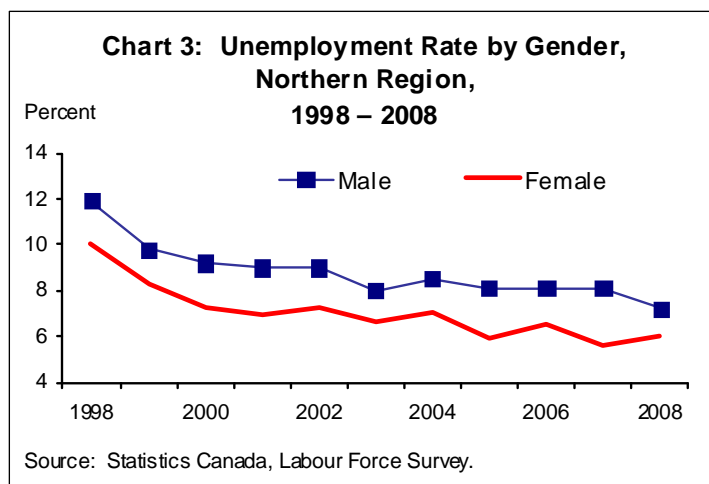


- Historically, the unemployment rate of youth in the Region has been declining.
- The decline in the youth unemployment rate in the Region between 1998 and 2008 reflects a decline (-7%) in youth labour force, due in part to out-migration of youth, and employment growth among the youth cohort (2.3%) during this period.

- Historically, women in the Northern Region have had lower unemployment rate than men.
- In 2008, the unemployment rate in the Region was 6% for women and 8.1% for men. This compared with 7.2% for men and 6.1% for women in Ontario.

Duration of Unemployment

- The Northern Region has also experienced a steady decline in long term unemployment (i.e. the number of people who have been unemployed for 27 weeks or more).
- In 2008, an estimated 3,200 people in the Region reported being unemployed for 27 weeks or more, which was the same number as in 2007 but down from 3,600 in 2006 and an average of 8,900 in 1998.
- About 12% of unemployed people in the Region reported being in long term unemployment in 2008, compared with 21% in 1998. In Ontario, 13% of unemployed people reported being in long term unemployment in 2008, while 22% were in that circumstance in 1998.
- In 2008, the average duration of unemployment in the Northern Region was 14.7 weeks compared with 13.6 weeks for Ontario overall.
- Between 1998 and 2008, 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.



Employment

- Employment in the Northern Region fell by 600 in 2008 and total employment was 364,500. There was a 0.2% decline in total employment from 2007.
- Overall, employment in Ontario increased by 93,500 to a total of 6.7 million in 2008, a 1.4% increase from 2007.
- Employment in the Northern Region increased from approximately 355,700 in 1999 to 364,500 in 2008, a net increase of 8,800 jobs or 2.5%. During this period, employment growth was strongest (up 10,400 jobs or 3%) in 1999, while job losses were highest (down 3,900 jobs or 1.1%) in 2004.
- On an annual basis since 1999, employment grew by only 0.2% in the Northern Region, while employment in all of Ontario grew an average of 1.9%.
- Since 1998, the Region's working age population (15 years and over) has declined an average of 0.2% per year, while Ontario's working age population has experienced average annual growth of 1.8%. Slow population growth in the Region is affecting growth of its working age population.
- An estimated 390,300 (62%) of the 629,000 people of working age were in the labour force in 2008, this compared with 392,100 or 62.3% of the working age population in 2007.
- Approximately 58% of the working age population in the Northern Region had jobs in 2008, compared with an employment rate of 63.6% in all of Ontario.

Chart 6: Working Age Population, Employment and Labour Force, Northern Region, 1998 to 2008

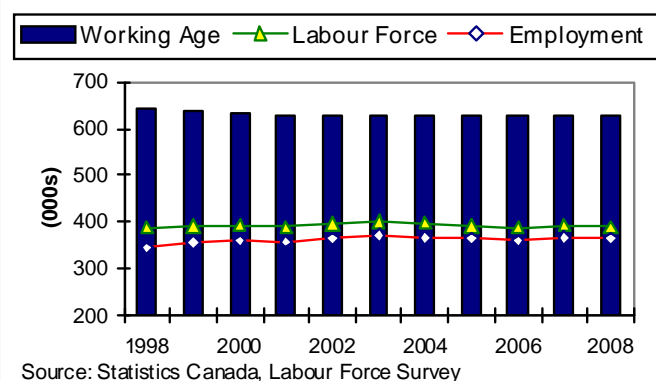


Chart 7: Employment Growth, Northern Region and Ontario, 1999 – 2008

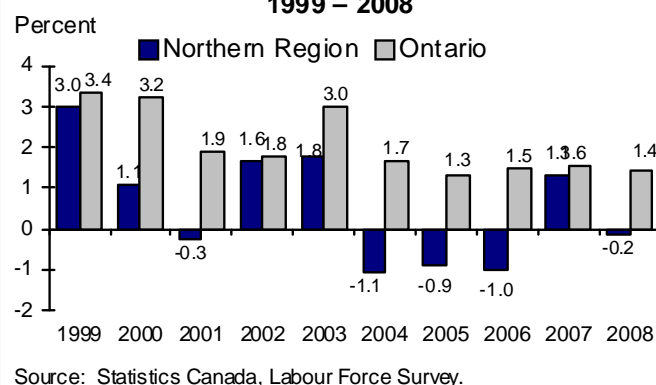
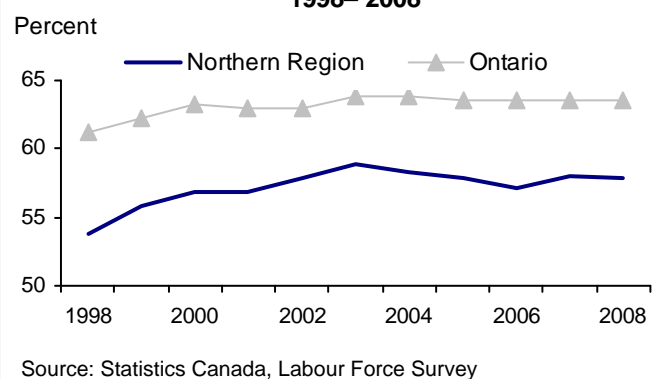


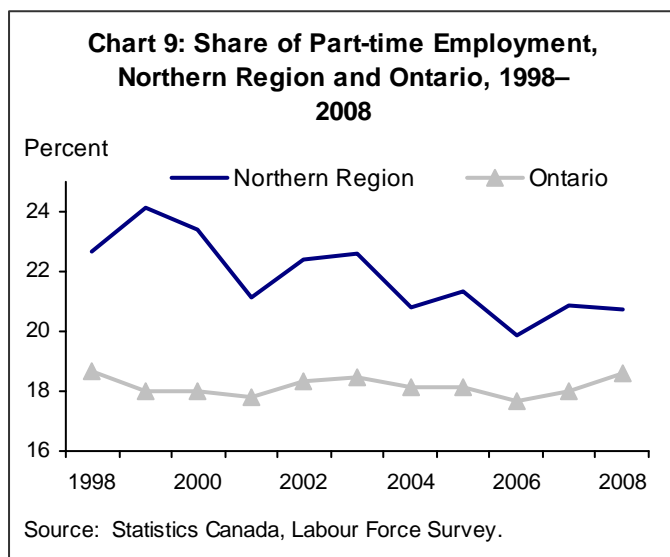
Chart 8: Employment Rate, Northern Region and Ontario, 1998– 2008



- The Region's employment rate increased 4.1 percentage points between 1998 and 2008, peaking at 59% in 2003. For Ontario overall, the corresponding increase was 2.4 percentage points, with the rate remaining steady at around 64% since 2003.
- The employment rate in the Region fluctuated 4 to 6 percentage points lower than the rate for all of Ontario between 1998 and 2008.
- The Region's lower employment rate is due in part to slower employment growth and continued decline in the Region's working age population.

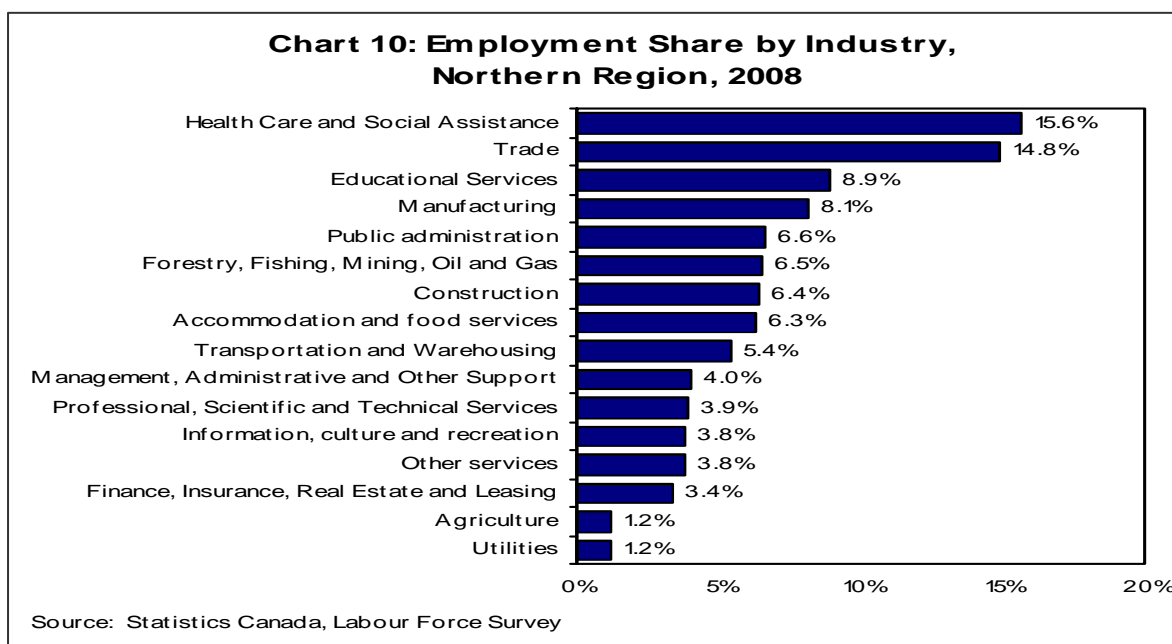
Part-time Employment

- Part-time employment represents a larger share of employment in the Northern Region than in the province.
- In 2008, part-time employment accounted for 20.7% of employment in the Region, which was 0.2 percentage points lower than in 2007 but 2.1 percentage points higher than in the province overall.
- 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 share of part-time positions in the province has averaged around 18% over the past decade.



Employment Share by Industry

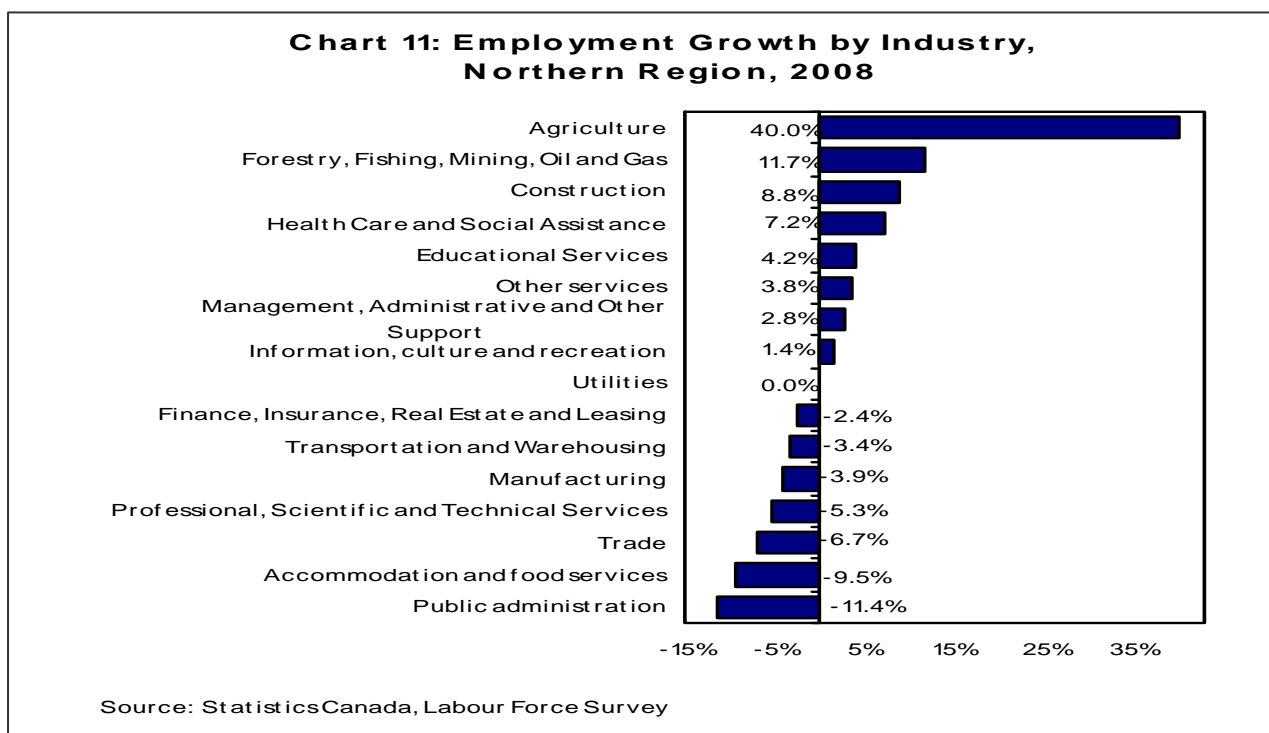
- The employment distribution by industry in the Northern Region varies from that of Ontario. The Region is more reliant on public sector employment than the province, including health care and social assistance, educational services and public administration. Many communities in Region rely on forestry, fishing, mining, oil and gas.
- In 2008, health care and social assistance (15.6%), trade: retail and wholesale (14.8%), educational services (8.9%), manufacturing (8.1%), and public administration (6.6%) employed the most people in the Northern Region. These five industries accounted for more than half (54%) of all employment in the Region.



- The forestry, fishing, mining, oil and gas industry accounted for 6.5% of employment in the Northern Region in 2008, compared with only 0.6% in all of Ontario.
- In Ontario in 2008, trade: wholesale and retail (15.3%), manufacturing (13.5%) health care and social assistance (10.4%), professional, scientific and technical services (7.5%) and educational services (7.2%) employed the most people.

Employment Growth by Industry

- In 2008, the goods-producing sector in the Northern Region experienced job growth (up 4,300 positions or 5.5%), while industries in the service-producing sector experienced a loss of 4,800 positions or 1.7%. Across Ontario, the services-producing sector grew (up 118,100 positions or 2.3%), while the number of jobs in the goods-producing sector declined 24,700 positions, or 1.3%.



- The industries with the largest percentage gains in employment in 2008 were agriculture (up 1,200 positions or 40%), forestry, fishing, mining, oil and gas (up 2,500 positions or 11.7%), construction (up 1,900 positions or 8.6%), health care and social services (up 3,800 positions or 7.2%), and educational services (up 1,300 positions or 4.2%). Health care and social services had the largest absolute gain in employment.
- Public administration (down 3,100 positions or 11.4%), accommodation and food services (down 2,400 positions or 9.5%), trade (down 3,900 positions or 6.5%) professional, scientific and technical services (down 800 positions or 5.3%) and manufacturing (down 1,200 positions or 3.9%) led the way in the Region in 2008 in terms of percentage employment losses. Trade (wholesale and retail) experienced the largest absolute loss in employment.

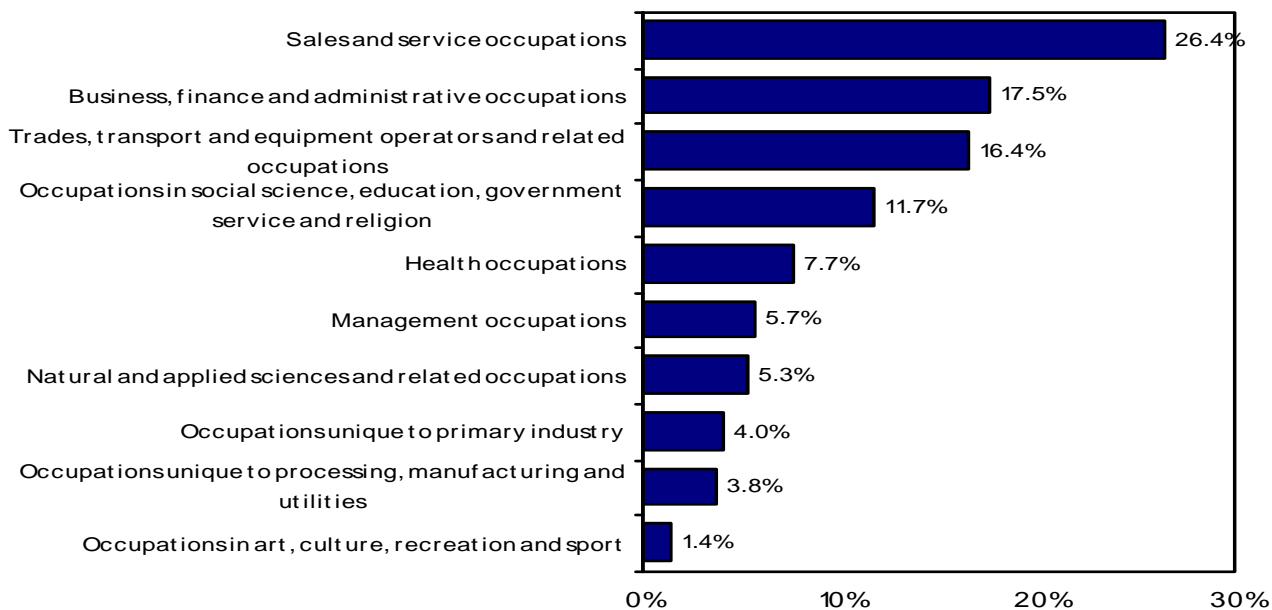
Employment Share by Occupation

- Three major occupational groups employed 60% of all workers in the Northern Region In 2008 – sales and service occupations (26.4%); business, finance and administrative occupations (17.5%), trades, transportation and equipment operating occupations (16.4%)

Employment Growth by Occupation

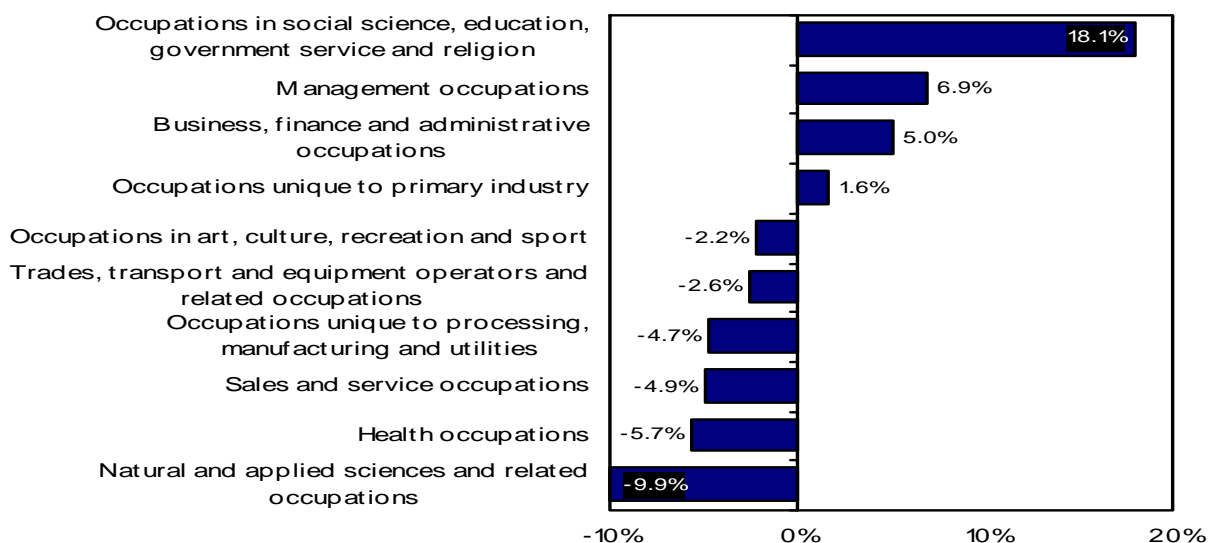
- The number of jobs created or loss in each occupational group in 2008 largely reflects the size of the occupation and the pattern of employment growth by industry in the Northern Region.

Chart 12: Employment Share by Occupation, Northern Region, 2008



Source: Statistics Canada, Labour Force Survey

Chart 13: Employment Growth by Occupation, Northern Region, 2008



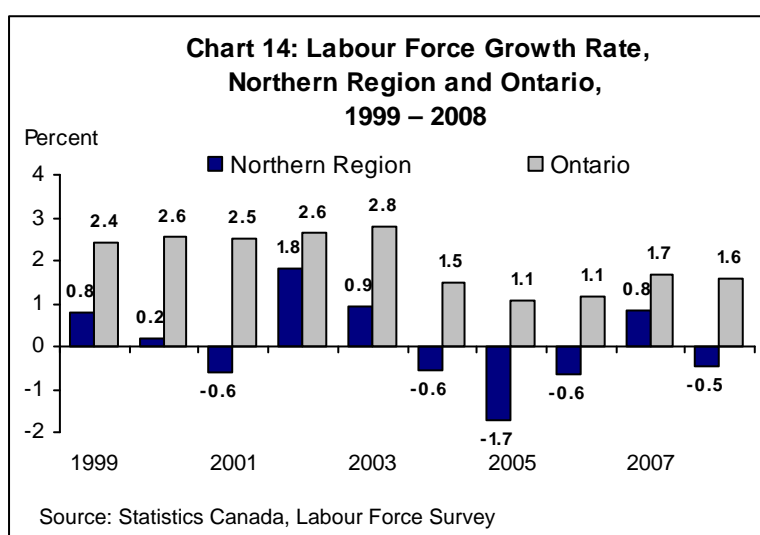
Source: Statistics Canada, Labour Force Survey

- In 2008, the strongest occupational employment growth was in social science, education, government service and religion (up 5,800 positions or 18.1%), followed by management occupations (up 1,200 positions or 6.9%) and business, finance and administrative occupations (up 2,700 positions or 5%).
- Natural and applied sciences and related occupations (down 1,900 or 9.9%), health occupations (down 1,500 position or 5.5 %) and sale and service occupations (down 4,500 positions or 4.5%) led the way in occupational employment losses in the Region in 2008.

Labour Force

Labour Force Growth

- In 2008, the labour force in the Northern Region totalled approximately 390,300, a decline of 1,800 people or 0.5% from 2007. This decline followed an increase (up 3,200 people or 0.8%) in 2007. There were recent labour force declines in 2004 (down 3,900 or 0.6%), 2005 (down 3,200 or 1.7%) and in 2006 (down 3,700 or 0.6%).
- Ontario's labour force in 2008, at over 7.1 million, was 1.6% larger than in 2007.



- Between 1999 and 2008, 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 labour forces growth (2.6%) for Ontario that year. Ontario's labour force growth was highest (2.8%) in 2003.

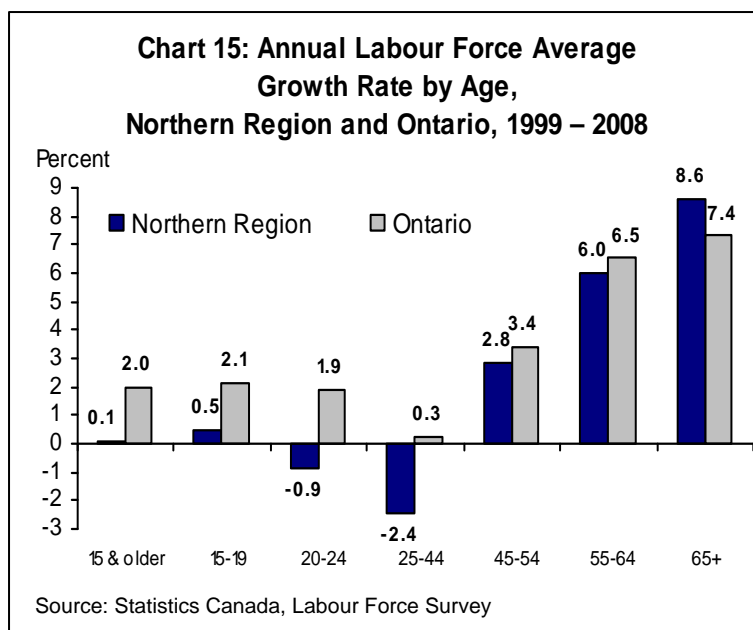
Labour Force by Age

- 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 (aged 55+) tend to leave the Region's labour force at a faster rate compared with the rest of Ontario.
- Between 1999 and 2008, 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 20 to 24 (-0.9%) and aged 25 to 44 (-2.4%) in the Region. This compared with annual labour force growth of 1.9% and 0.3% for their provincial counterparts, respectively.

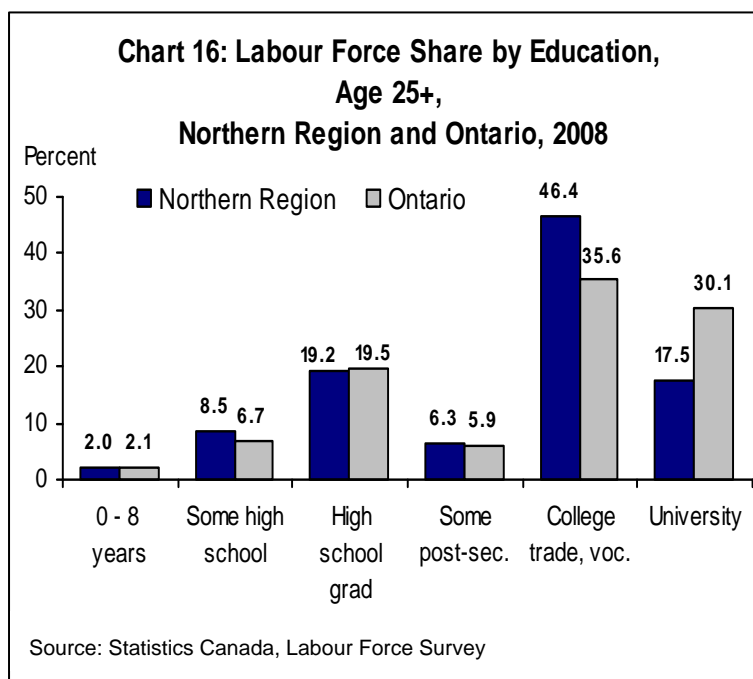
- The growth in the labour force among people over 55 years of age, compared with the lack of labour force growth among the younger workers, suggests a major challenge in terms of managing a shrinking labour force in the Region.

Labour force by Education

- Employment growth in the Northern Region is largely driven by knowledge-based occupational groups such as social science, education, government service and religion, which generally require a highly skilled and educated labour force.



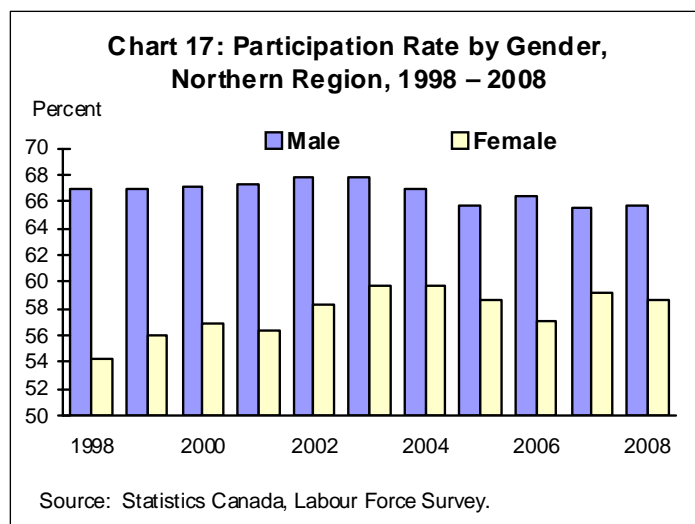
- In 2008, educational attainment among adults (aged 25 and older) with at least some post-secondary education was slightly lower in the Northern Region (70.2%) compared with Ontario (71.7%). Just 17.5% of adults in the Region’s labour force had attained a university degree compared with 30.1% of their provincial counterpart. However, more adults (46.4%) in the Region had a college, trade or vocational-level education, including apprenticeship, compared with Ontario’s adult labour force (35.6%).



- 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.

Labour Force Participation Rates

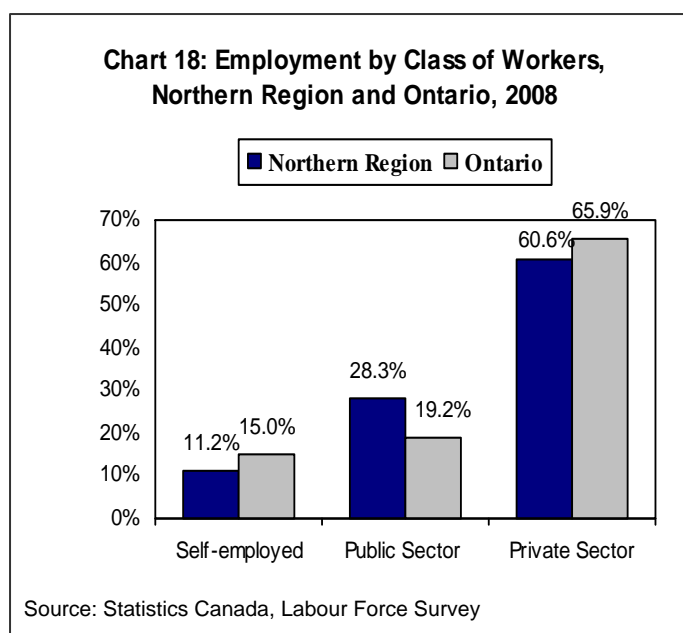
- The labour force participation rate is the share of people age 15 years and over (working age population) who are employed or looking for work.
- In 2008, the labour force participation rate of the working age population in the Northern Region was 62.1% compared with 68.2% in Ontario, a difference of 6.1 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 13 percentage points in 1998.



- 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 2008, the labour force participation rate of males in the Region was 65.7%, up slightly from from 65.5% in 2007.
- The labour force participation rate of females in the Northern Region followed an upward trend from 54.2% in 1998 to 59.7% in 2004. However, it declined in 2005 and again in 2006 when it dropped to 57.1%. In 2008, the labour force participation rate of females in the Northern Region was 58.6%, down from 59.1% in 2007.
- Labour force participation rates also tend to be lower for workers aged 55 and older. This is especially evident in the Northern Region. In 2008, only 50.1% of people aged 55-64 in the Northern Region were in the labour force. This rate, however, was 10.2 percentage points higher than in 1998. The overall Ontario rates for this age group were 63.2 and 49.3% in 2008 and 1998, respectively.

Class of Worker

- The Northern Region is more reliant on public sector employment¹ than the province as a whole.
- In 2008, about 28.3% of workers in the Region were employed in the public sector, compared with 19.2% in Ontario overall.
- Public sector employment in the Region increased from 75,900 in 1998 to 103,000 in 2008, an increase of 35.7%. Steady increase in public sector employment during the period followed a decline from 85,700 in 2000 to 84,400 in 2002.
- Private sector employment in the Region increased from 216,100 in 1998 to 220,800 in 2008, an increase of 2.2%. However, private sector employment was 226,200 in 2007. Employment in the sector peaked at 239,800 in 2003.
- In 2008, self-employment was less common in the Northern Region (11.2%) than in Ontario overall (15%).
- Fewer people reported being self-employed in the Region in 2008 (40,800) than in 1998 (53,400), which was also the peak self-employment year. This represents a decline of 23.6%.



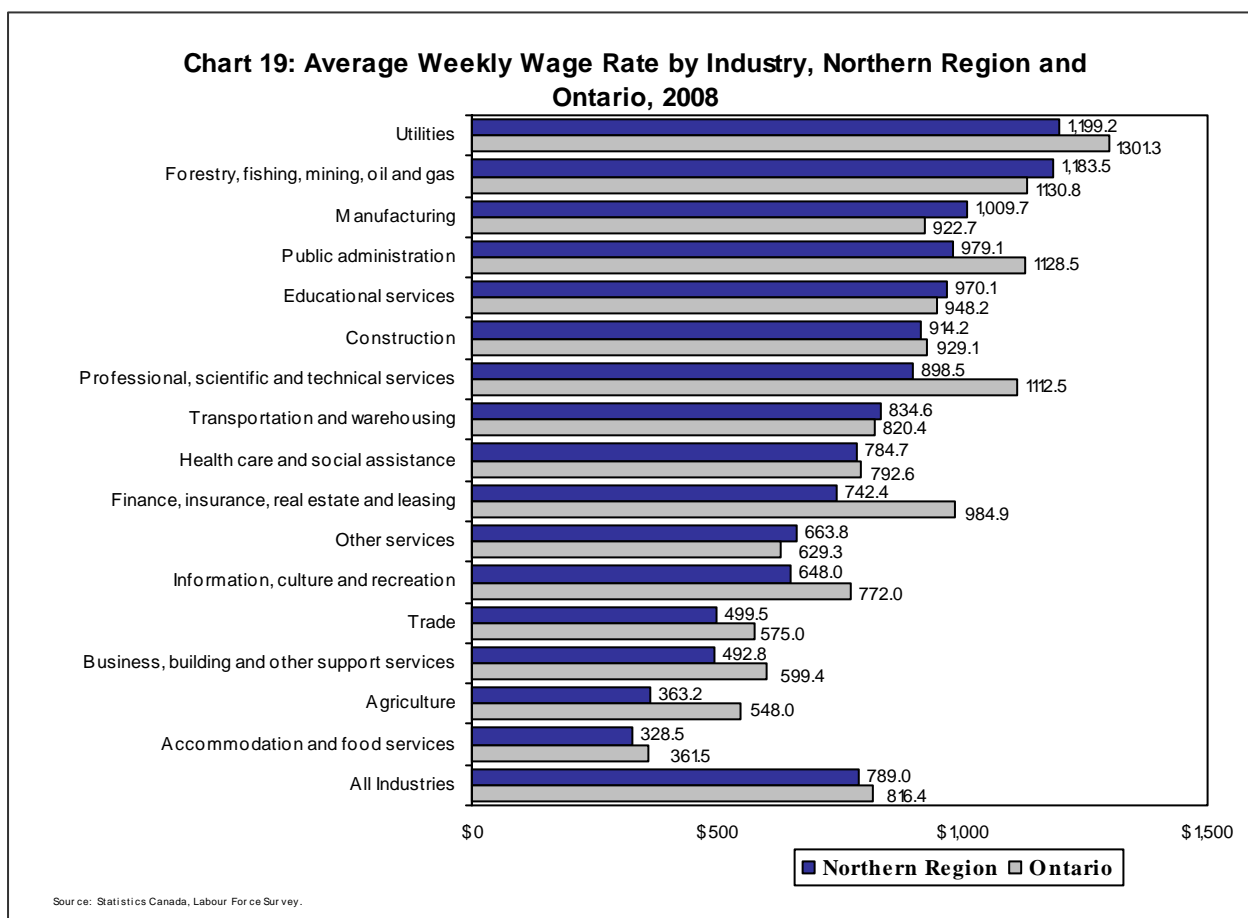
Wages by Industry

- In 2008, the average weekly wage for all workers in the Northern Region was \$789.0, which was lower than the average weekly wage (\$816.4) for workers in all of Ontario.
- The industries with the highest average weekly wage rates in the Region in 2008 were utilities (\$1,199.2), forestry, fishing, mining, oil and gas (\$1,183.5) and manufacturing (\$1,009.7).
- Average weekly earnings in most industries were much lower in the Northern Region compared with Ontario overall, with the largest wage gaps found in professional,

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.

scientific and technical services (\$898.5 vs. \$1112.5), public administration (\$979.1 vs. \$1128.5) and finance, insurance, real estate and leasing (\$742.4 vs. \$984.9).

- A number of industries in the Northern Region had average weekly earnings that were higher than the Ontario average, including forestry, fishing, mining, oil and gas (\$1,183.3 vs. \$1,130.8), manufacturing (\$1,009.7 vs. \$922.7) and educational services (\$970.1 vs. \$948.2).



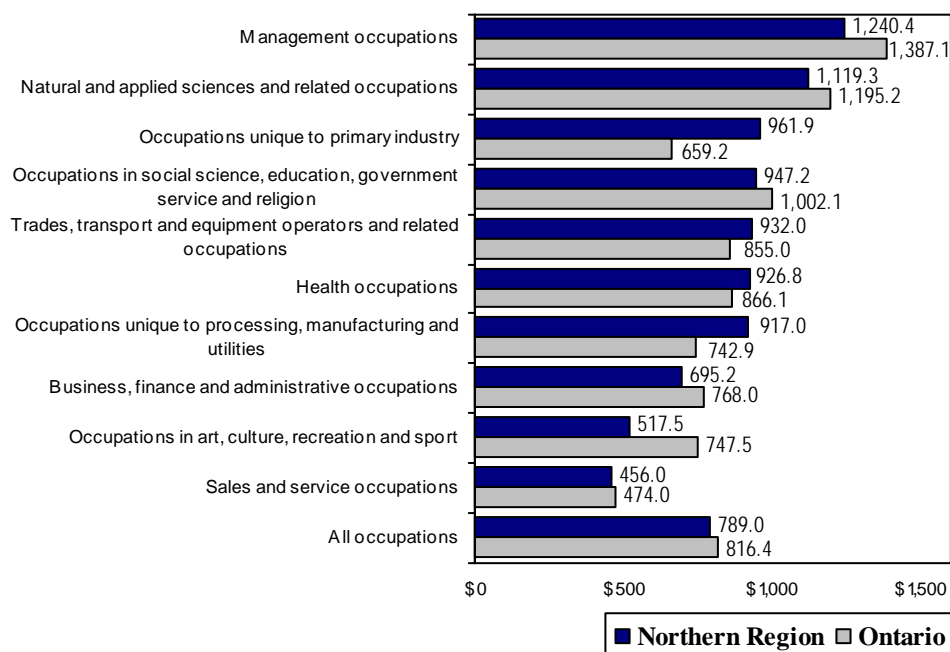
- The industries with the lowest average weekly wage rates in the Northern Region were accommodation and food services (\$328.5), agriculture (\$363.2) and business, building and other support services (\$492.8).

Wages by Occupation

- Four occupational groups in the Northern Region had average weekly earnings that were higher than the Ontario average in 2008: occupations unique to primary industries (\$961.9 vs. \$659.2), trades, transportation and equipment operators and related occupations (\$932.0 vs. \$855.0), health occupations (\$926.8 vs. \$866.1) and occupations unique to processing manufacturing and utilities (\$917.0 vs. \$742.9).

- Average weekly earnings for most occupations were much lower in the Northern Region than in Ontario overall, including management occupations (\$1,240.4 vs. \$1,387.1), natural and applied sciences and related occupations (\$1,119.3 vs. \$1,195.2) and occupations in social science, education, government service and religion (\$947.2 vs. \$1,002.1).
- There was also a relatively large earnings gap favouring Ontario in occupations in art, culture, recreation and sport (\$517.5 vs. \$747.5),
- The highest average weekly paying jobs in the Northern Region were management occupations (\$1,240.4), natural and applied sciences occupations (\$1,119.3) and occupations unique to primary industries (\$961.9). The lowest paying jobs were in sales and service occupations (\$456).

Chart 20: Average Weekly Wage Rate by Occupation, Northern Region and Ontario, 2008



Source: Statistics Canada, Labour Force Survey.