

Clause No. 5 in Report No. 5 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on March 27, 2014.

YORK REGION EMPLOYMENT AND INDUSTRY REPORT 2013

Committee of the Whole recommends:

- 1. Receipt of the presentation by Paul Bottomley, Manager, Growth Management.**
- 2. Adoption of the following recommendation contained in the report dated February 21, 2014 from the Executive Director, Corporate and Strategic Planning:**

1. RECOMMENDATION

It is recommended that Council receive this report for information.

2. PURPOSE

The *Employment and Industry Report 2013* provides an analysis of the information gathered in the 2013 York Region Employment Survey. The survey data is used to provide a detailed overview of industry and employment trends as of mid-year 2013 in York Region, including sectoral analysis, employment growth and local municipal economic profiles. Economic trends at the national and provincial levels are also examined in the report.

3. BACKGROUND

Comprehensive Region-wide employment survey conducted in 2013

The York Region Employment and Industry 2013 report is based on business information collected in the York Region annual Employment Survey, a door-to-door survey conducted between May and August 2013. It expands upon information included in the 2013 York Region Business Directory report, which was presented to Committee of the Whole on January 9, 2014.

York Region's first comprehensive survey occurred in 1998. Subsequently, the annual survey targeted key employment areas up to 2006. With the assistance of local municipalities, York Region was able to complete comprehensive Region-wide surveys of businesses with a physical location between 2007 and 2013 (with the exception of home and farm-based businesses). In 2013, there were approximately 29,200 surveyed businesses with a physical location in York Region. According to the Canadian Business Patterns (CBP) database from Statistics Canada, there were approximately 42,000 businesses that submitted payroll in 2012. The CBP database is based on the Canadian Business Register and uses the business number as the basis to identify businesses. Therefore it is possible that the Register includes businesses that are not identifiable in a physical location survey. In contrast, the number of businesses identified in the Region's employment survey were based on businesses surveyed at their physical location in the Region.

Home and farm-based businesses are captured through other means

In 2013, approximately 200 home-based businesses voluntarily submitted their business information through the Region's online business directory website. It should be noted that the number of surveyed home-based businesses represents a small sample of home-based businesses in the Region. According to the 2011 Statistics Canada National Household Survey (NHS), there were approximately 40,000 home-based jobs in York Region in 2011. A number of home-based businesses, according to the NHS, are self-employed operations and small business establishments that cover all industry sectors.

Farm-based businesses are captured every five years through Statistic Canada's Census of Agriculture. Based on the 2011 Census of Agriculture, there were 828 farm-based operations in the Region. York Region, in collaboration with the York Region Agricultural Advisory Liaison group and the York Federation of Agriculture are working together to contact farm-based businesses. A letter describing the purpose of the survey and a survey form will be distributed to farm-based businesses during the off-season farming months in Q1 2014. York Region staff will continue to work with the York Federation of Agriculture to encourage local farmers to participate in the survey.

Data is collected and classified using industry standards for detailed analysis

Business activity is determined based on the primary activity/service/product offered, and each business is assigned a North American Industrial Classification System (NAICS 2012) code as defined by Statistics Canada. Much of the analysis in this report aggregates business and employment information into four major industry groups for clarity of presentation. The combined industry groups are summarized in *Table 1* below:

Table 1
 York Region Industry Group Definitions

Industry Groups	Example Business Activity
MWCT (Manufacturing, Wholesale Trade, Construction, Transportation/Warehousing and Primary sectors)	Goods manufacturing, wholesaling merchandise, construction, repairing and renovating buildings, transporting passengers and goods and warehousing, electric power generation and distribution
Retail/Personal services	Retail trade, publishing industries, telecommunication services, entertainment and recreational facilities, accommodations and restaurants, religious organisations, repair shops and personal care services.
Business Services	Banks, real estate, legal services, accountants, engineering services, computer systems design, research and development, head offices, administrative support services, waste management.
Institutional	Educational services, health care services and public administration.

Source: York Region Long Range Planning Branch, Office of the CAO, 2013

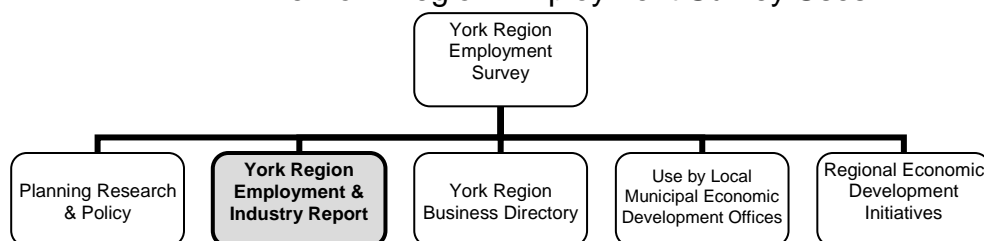
York Region’s survey has been used as a model for other jurisdictions

The monitoring of economic and employment trends requires an accurate, comprehensive dataset. The York Region Employment Database is the most accurate and comprehensive listing of business and employment data for York Region. Staff from several Greater Golden Horseshoe jurisdictions have approached York Region over the last few years, including Halton, Mississauga, Waterloo and Peel, regarding use of York Region’s survey database as a model to launch similar surveys. This provides the Region with future opportunities in undertaking further analysis of employment data by comparing survey results to other Regions.

Use of employment survey data is extensive

Data collected from the employment survey is a valuable resource for both the Region and local municipalities. The data is used by planning and economic development departments, other municipal departments, non-profit organizations and private sector groups. *Figure 1* illustrates the various uses of the York Region Employment Survey information.

Figure 1
 The York Region Employment Survey Uses



Source: York Region Long Range Planning Branch, Office of the CAO, 2013.

Some central uses of the data for the Region and local municipalities include:

- Generating employment growth forecasts – employment data helps to establish a new basis for forecasts by providing detailed information for employment by type for the Region and its local municipalities.
- Informing infrastructure requirements in master plans for transportation and water and wastewater. Forecasts by small geographic areas enable other departments and the local municipalities to determine where growth will occur and where service planning will be required.
- Monitoring targets in *York Region's Official Plan, 2010*.
- Monitoring major office growth – employment survey data assists in the development and monitoring of the Region's major office inventory.
- Evidence at Ontario Municipal Board hearings – employment data can be used to support Regional policies such as achieving community area and business park densities as well as profiling the Region's employment parks.
- Identifying economic trends and emerging sectors through the Region's sectoral employment analysis reports.

4. ANALYSIS AND OPTIONS

The York Region Employment and Industry Report 2013 includes a detailed summary of the 2013 York Region Employment Survey and local municipal profiles. Some of the major findings of the employment and industry report 2013 are highlighted below.

York Region employment growth outpaced national and provincial averages in 2013

York Region employment growth outpaced national and provincial labour force growth and was comparable to GTA labour force growth between 2012 and 2013, posting a gain of 4.3% or 22,800 jobs. According to the Statistics Canada Labour Force Survey, national labour force employment increased by 1.3% (230,600 jobs), provincial labour force employment grew by 1.9% (127,800 jobs) and the GTA labour force employment increased by 4.5% (144,200 jobs) from mid-year 2012 to mid-year 2013. Labour force employment growth in the GTA between 2012 and 2013 (increase of 4.5%) was significantly higher compared to the same period from 2011 to 2012 (increase of 1.3%). This trend is comparable to the Region's 2013 employment growth which also experienced a significantly higher rate of growth over the previous period, having increased by 4.3% from 2012-2013 compared to 2.9% in 2011-2012 (*see Table 2*).

Table 2
 Comparison of annual employment growth rate, Canada, Ontario, GTA and York Region, 2013

	Canada	Ontario	Greater Toronto Area ¹	York Region ²
2011-2012	1.0%	0.4%	1.3%	2.9%
2012-2013	1.3%	1.9%	4.5%	4.3%

¹Greater Toronto Area labour force employment growth approximated by the Toronto Economic Region

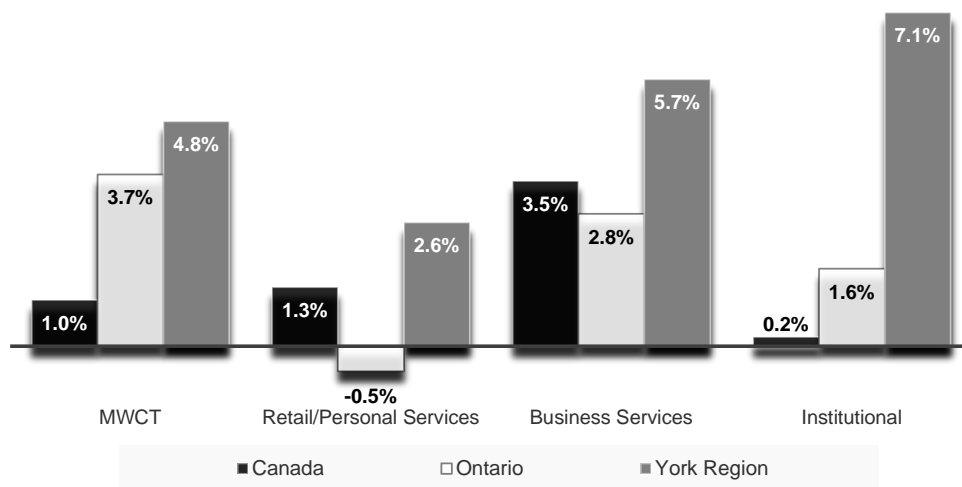
²York Region figures based on employment survey results and estimates for home-based, farm-based, and no contact businesses

Source: York Region Long Range Planning, Office of the CAO, 2013 and Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality, ending in August 2013

Business services recorded the highest industry group growth rate in Canada, increasing by 3.5%. In Ontario, the MWCT industry group recorded the highest growth rate, increasing by 3.7%, the majority of which was attributed to the construction sector, having increased by 13.2%, or 59,300 jobs. Business services also posted notable growth in Ontario between 2012 and 2013, increasing by 2.8%.

York Region employment growth in all four major industry groups outpaced comparable growth for Canada and Ontario from 2012 to 2013. The institutional industry group in York Region recorded the highest growth rate of 7.1% or 5,027 jobs compared to 0.2% and 1.6% in Canada and Ontario. The health care and social assistance sector within the institutional industry group accounted for the largest share of growth, increasing by 3,007 jobs. The business services and MWCT industry groups also experienced significant growth in the Region, increasing by 5.7% and 4.8% respectively (*see Figure 2*).

Figure 2
 Employment growth rates by industry group, Canada, Ontario and York Region, 2013



Source: York Region Long Range Planning Branch, Office of the CAO, 2013.
 Statistics Canada Labour Force Survey, August 2013

Notes: York Region figures represent employment at businesses surveyed. Farm and home-based employment as well as estimates for no-contact businesses are excluded.
 Refer to industry group definitions on page 3

York Region employment was estimated at 547,480 jobs as of mid-year 2013

York Region's economy exhibited positive employment growth, increasing to an estimated 547,480 jobs in mid-year 2013 resulting in an estimated increase of 22,800 jobs from 2012. York Region's total employment estimate was derived based on the following:

- Net job growth in existing businesses
- Businesses that have moved into the Region
- Newly established businesses in the Region since the completion of the 2012 employment survey
- Businesses that were missed in previous surveys
- An estimate for no-contact businesses based on the average number of employees by sector in surveyed businesses.
- An estimate for home-based businesses since the 2011 NHS
- Farm-based businesses from the 2011 Census of Agriculture

A breakdown of the 2013 total employment estimate by municipality can be seen in *Table 3*.

Table 3
 York Region Total Employment by Municipality, 2013

Municipality	Contacted Firms # of Jobs	No Contact Estimated # of Jobs	Agricultural # of Jobs	Work at Home Estimated # of Jobs	Total
Aurora	22,490	460	0	2,490	25,440
East Gwillimbury	7,130	20	820	1,330	9,300
Georgina	7,410	40	200	1,100	8,750
King	6,370	160	950	1,020	8,500
Markham	149,580	2,220	270	12,230	164,300
Newmarket	40,030	490	100	3,130	43,750
Richmond Hill	64,040	1,080	0	9,170	74,290
Vaughan	186,020	2,110	260	11,080	199,470
Whitchurch-Stouffville	11,250	150	340	1,960	13,700
York Region	494,300	6,720	2,940	43,520	547,480

Source: York Region Long Range Planning Branch, Office of the CAO, 2013, Statistics Canada 2011 Census of Agriculture and 2011 National Household Survey

Note: Totals may not add up due to rounding.

Employment for businesses where accurate employment totals were not collected through the employment survey have been estimated based on an employees per business and industry factor

Agricultural employment was based on the 2011 Census of Agriculture

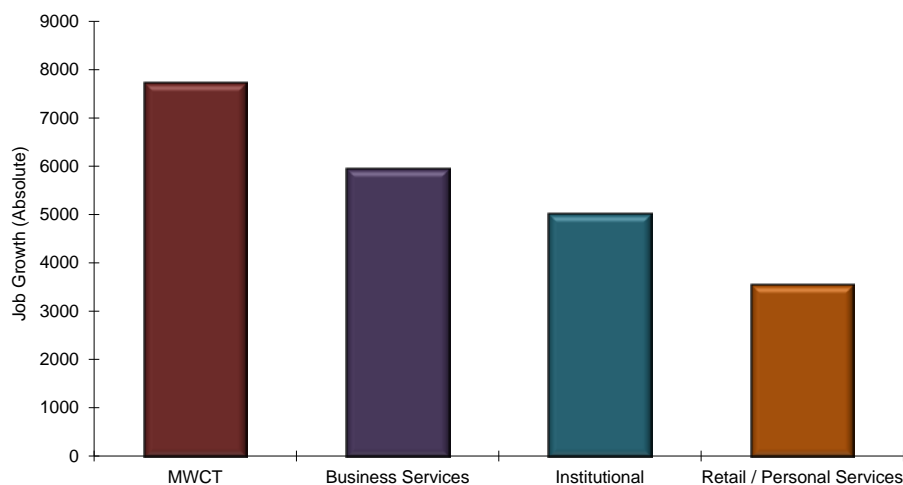
Work at home jobs were based on an estimate of growth since the 2011 NHS.

York Region exhibited strong employment growth across all four industry groups in 2013

Although the institutional industry group recorded the highest growth rate (7.1%) between 2012 and 2013 (see *Figure 2*) in terms of absolute growth, the MWCT industry group posted the largest employment gain (7,731 jobs), followed by business services (5,956 jobs), institutional (5,027 jobs) and retail/personal services (3,545 jobs) (see *Figure 3*). The construction sector accounted for 56.8% of job growth within the MWCT industry group while the manufacturing sector experienced very little change, only posting a net gain of 337 jobs between 2012 and 2013. Business services posted notable employment growth over the past year, with real estate & rental and leasing and the professional, scientific and technical services sectors accounting for a 60% share of that industry group's growth, or 3,538 jobs.

Figure 3

York Region surveyed employment growth by industry group, 2012-2013

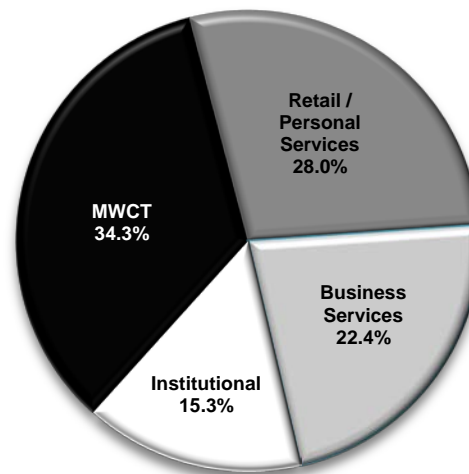


Source: York Region Long Range Planning Branch, Office of the CAO, 2013.

Notes: York Region figures represent employment at businesses surveyed. Farm and home-based employment as well as estimates for no-contact businesses are excluded. Refer to industry group definitions on page 3

The distribution of surveyed employment by industry group is graphically illustrated in *Figure 4*. The MWCT industry group continues to account for the largest share of the Region's employment base with 34.3%. For a detailed breakdown of each industry group by sector please refer to *Attachment 1* of this report.

Figure 4
York Region surveyed employment by industry group, 2013



Source: York Region Long Range Planning Branch, Office of the CAO, 2013.
Notes: York Region figures represent employment at businesses surveyed. Farm and home-based employment as well as estimates for no-contact businesses are excluded. Refer to industry group definitions on page 3

Major industry groups play a role in developing major economic clusters

York Region is home to a number of major economic clusters that contribute to Regional competitiveness through job creation and business retention. Employment in the four major industry groups identified earlier in this report can be broken down into these economic clusters:

- Information and Communications Technology (ICT)
- Life Sciences
- Business and Financial Services
- Clean Technology
- Agri-business/food processing
- Tourism/arts/culture

These clusters provide a number of key economic benefits such as encouraging networking, innovation and facilitating the incubation of new businesses, providing high quality employment opportunities and contributing to the Region's knowledge-based economy.

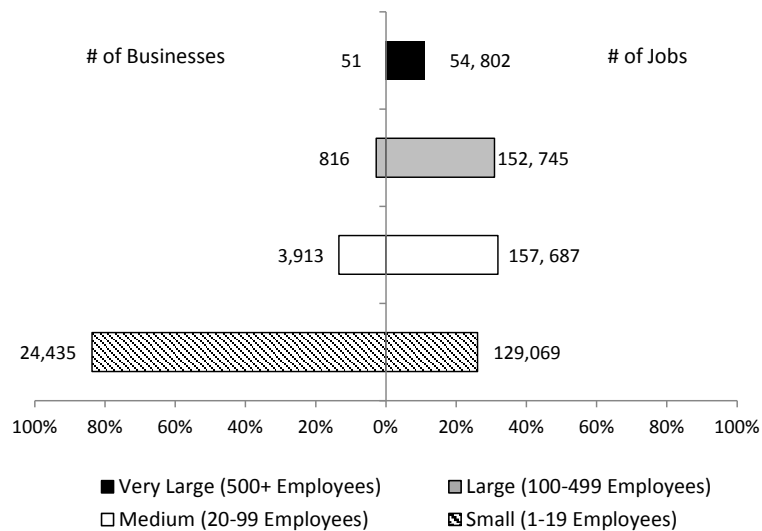
Examining these key clusters in more detail can shed light on specific sectoral trends and can assist in identifying opportunities relating to job growth in the Region. Future reports will examine some of these key industry groups and labour force activity.

Small sized firms accounted for the largest share of the Region's businesses in 2013

Small sized firms (1-19 employees) accounted for the largest share of the Region's businesses, with 83.6% and employed 26.1% of the Region's surveyed employment.

Medium-sized (20-99 employees) firms comprised the largest share of the Region's surveyed employment, representing 31.9% or 157,687 jobs. Large sized firms also accounted for a significant portion of the Region's surveyed employment, with 30.9% or 152,745 people (*see Figure 5*). There were also 51 very large sized businesses (500+ employees) in the Region that comprised 54,802 jobs or 11.1% of the Region's surveyed employment base.

Figure 5
York Region Surveyed Employment by Business Size, 2013



Source: York Region Long Range Planning Branch, Office of the CAO, 2013.

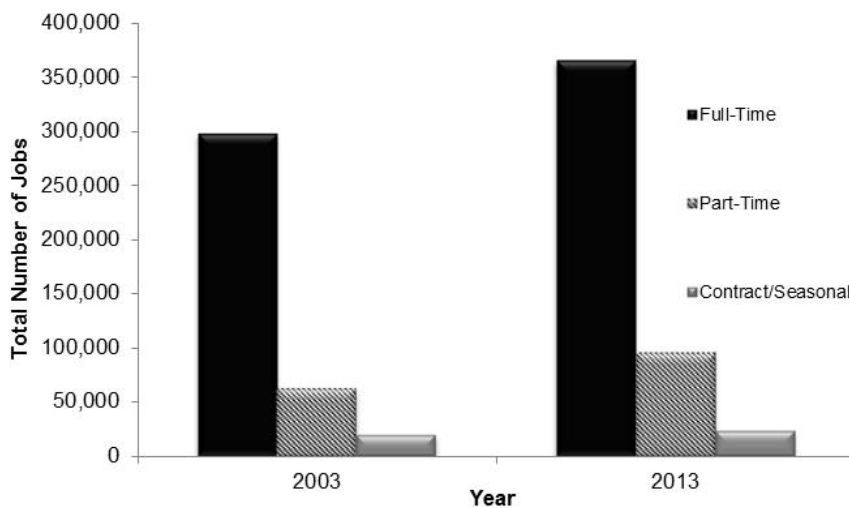
Notes: York Region figures represent employment at businesses surveyed. Farm and home-based employment as well as estimates for no-contact businesses are excluded.

York Region continues to experience a shift in its employment type composition

According to the 2013 Employment Survey, approximately 73.8% of employment was full-time, while 19.7% consisted of part-time workers, and 6.5% were contract/seasonal. Over the past ten years, there has been a shift in the shares of employment types with full-time employment decreasing from 77.6% to 73.8%, part-time employment increasing from 17.8% to 19.7% and contract/seasonal employment increasing from 4.6% to 6.5%. The

decrease in full-time employment can likely be attributed to the increase in retail/personal services jobs which are typically population-based and primarily generate part-time and seasonal/contract positions. Overall, sustained strength in full-time employment continues to bode well for York Region, since these positions normally provide increased stability, income, and opportunities for growth.

Figure 6
York Region Surveyed Employment by type of worker, 2013



Source: York Region Long Range Planning Branch, Office of the CAO, 2013.

Notes: York Region figures represent employment at businesses surveyed. Farm and home-based employment as well as estimates for no-contact businesses are excluded.

York Region continues to make investments to support business growth

Diversified growth across a number of industry groups plays a significant role in developing the Region's economic clusters, contributing to regional competitiveness through job creation and business investment. The Region continues to make investments to support business growth and innovation in a number of areas:

- In critical infrastructure such as transit and the transportation network, water and wastewater and the broadband connectivity network
- In the development of "complete communities" that will maintain and improve the Region's quality of life and help attract skilled labour force talent.
- In expanding and preserving the employment land base that provides businesses who sell goods and services outside the Region with strategic locations close to major highways and major destination points

York Region is in competition with other Regions in Ontario, Canada and across the globe, to retain and grow our existing business base and attract new employers, skilled employees and high quality good paying jobs. York Region's Economic Action Plan addresses key economic challenges and opportunities facing York Region and translates them into innovative economic growth goals. Along with the initiatives identified in the Action Plan, the Region will continue to implement sound growth management strategies to attract and keep high quality, good paying jobs across a broad range of sectors.

Link to Key Council-approved Plans

The Employment and Industry Report 2013 supports the *2011 to 2015 Strategic Plan* action area of "Increase the Economic Vitality of the Region" and the *Vision 2051* goal area of fostering "An Innovation Economy". Annual reporting on detailed employment and sectoral analysis enables the Region to make better decisions and implement initiatives that enhance our economic vitality and foster an innovative economy.

5. FINANCIAL IMPLICATIONS

The 2013 employment survey was provided for in the 2013 budget and is again included in the 2014 budget. The budget for the 2013 York Region Employment Survey, including Regional staff time and contract employment surveyors was \$210,000. This also includes a \$79,200 contribution from the nine local municipalities. This total amount contributes towards the hiring of the employment surveyors.

6. LOCAL MUNICIPAL IMPACT

Information contained in the attached report includes employment analysis at the local municipal level. This information was collected with the assistance of all nine local municipalities through financial aid and survey promotion. As a result of this partnership, the employment survey had the ability to cover 29,200 businesses in 2013. *Table 4* below summarizes surveyed employment growth in each of the nine local municipalities between 2003 and 2013:

Table 4
York Region Surveyed Employment Growth by Municipality, 2003-2013

Municipality	2003 Surveyed Employment	2013 Surveyed Employment	2003-2013 Job Growth	2003-2013 Compounded Average Annual % Change
Aurora	15,241	22,490	7,249	4.8%
East Gwillimbury	3,744	7,126	3,382	9.0%
Georgina	6,204	7,407	1,203	1.9%
King	4,695	6,366	1,671	3.6%
Markham	123,857	149,583	25,726	2.1%
Newmarket	34,730	40,027	5,297	1.5%
Richmond Hill	53,066	64,036	10,970	2.1%
Vaughan	133,751	186,019	52,268	3.9%
Whitchurch-Stouffville	8,214	11,249	3,035	3.7%
York Region	383,502	494,303	110,801	2.9%

Source: York Region Long Range Planning Branch, Office of the CAO, 2013.

Notes: York Region figures represent employment at businesses surveyed. Farm and home-based employment as well as estimates for no-contact businesses are excluded.

All local municipalities use the survey data to identify and report economic trends on an annual basis, to assist in developing business retention and expansion strategies, to produce local business directories, identifying economic clusters and informing employment land strategies. The Employment & Industry 2013 report provides a summary of York Region's economy at the Regional and local municipal level.

A detailed economic profile of each local municipality is contained in *Attachment 1*. Local municipal staff have been consulted in the preparation of the local municipal profiles.

As previously mentioned, this initiative received full participation from the local municipalities. This participation is expected to continue for the 2014 survey.

7. CONCLUSION

This report analyzes the results of the Region's 2013 employment survey and identifies key findings in Regional employment and businesses by industry group.

In 2013, York Region's employment reached an estimated 547,480 jobs, resulting in an estimated increase of 22,800 jobs from 2012. Employment growth in the Region once again outpaced national and provincial averages.

There was strong growth across all four major industry groups in York Region in 2013. The institutional industry group recorded the highest growth rate between 2012 and 2013, with the health care and social assistance sector accounting for the largest share of this growth. In terms of absolute growth, the MWCT industry group posted the largest employment gain, followed by business services, institutional and retail/personal services.

Future reports will provide further detail and insights into key sectors and labour force activity.

For more information on this report, please contact Paul Bottomley, Manager, Growth Management at 905-830-4444, Ext 71530.

The Senior Management Group has reviewed this report.

Attachments (1)