

Clause 12 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 26, 2015.

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## York Region Employment and Industry Report 2014

Committee of the Whole recommends:

Receipt of the presentation by Doug Lindeblom, Director, Economic Strategy & Tourism and Paul Bottomley, Manager, Policy, Research and Forecasting.

Referral of the report dated February 24, 2015 from the Commissioner of Corporate Services and Chief Planner to a future meeting of the Committee to allow for further consultation with local municipalities.

### 1. Recommendation

It is recommended that:

1. The York Region Employment and Industry Report 2014 (Attachment 1) be circulated to local municipalities, local chambers of commerce, workforce planning board and board of trade.

### 2. Purpose

The *Employment and Industry Report 2014* provides an analysis of the information gathered in the 2014 York Region Employment Survey. The survey data is used to provide a detailed overview of industry and employment trends as of mid-year 2014 in York Region, including sectoral analysis and employment growth.

### 3. Background

Annual employment survey assists with understanding trends in business growth and tracks Regional economic vitality

Business and job growth are fundamental to York Region's economic vitality. Attracting and retaining high quality, good paying jobs across a broad range of sectors promotes economic resilience and helps ensure those living in York Region have the opportunity to work and thrive where they live. Every year York Region's employment survey gathers information on the location, type and characteristics of businesses in the Region. It is important to understand and regularly monitor this type of information as well as year over year trends as it informs the development of Regional policies, programs and investments.

York Region Employment and Industry report based on information collected in the 2014 annual employment survey

A Region wide survey of businesses was completed between May and August 2014. Businesses were primarily contacted through door-to-door interviews by a team of university students. York Region's first employment survey occurred in 1998 and was subsequently followed by an annual survey targeting key employment areas up to 2006. With the assistance of local municipalities, York Region has completed a Region-wide annual survey of businesses with a physical location annually since 2007.

Home and farm-based businesses participated in the survey on a voluntary basis

The Region began collecting business and employment information voluntarily from home-based businesses in 2012. Since then the Region has collected information from just over 500 home-based businesses. Nearly 50% of these businesses fall within the business services sector mirroring work-at-home trends in the 2011 Statistics Canada National Household Survey (NHS). It is important to note that the number of home-based businesses captured in the survey represents a small sample of home-based businesses in the Region. According to the 2011 NHS there were approximately 40,000 home-based jobs in York Region in 2011.

In collaboration with the York Region Agricultural Advisory Liaison group and the York Federation of Agriculture, the Region completed its first farm-based business survey in 2014. A letter describing the purpose of the survey and a survey form was distributed in May to just over 700 farm-based businesses. Of the contacted farms, only 9% participated in the survey. The low participation rate can likely be attributed to the timing of the survey, as May is near the start of the peak-season farming months. Regional staff continue to work with the York

Federation of Agriculture to increase awareness on the benefits of collecting this information. In an effort to increase the response rate, the next farm business survey was distributed in February of this year.

Employment survey data is used by many partners including the local municipalities

Data collected from the employment survey is a valuable resource for 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.

Some key uses of the data 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.
- 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.
- Regional and local business directories – the York Region Business Directory website is directly based on survey data and is a valuable resource for business-to-business contact.

Data is collected and classified using industry standards for detailed analysis

Each business is assigned a North American Industrial Classification System (NAICS 2012) code as defined by Statistics Canada based on its primary business activity, service or product offered. Much of the analysis in this report

aggregates business and employment information into five 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
Manufacturing, Wholesale Trade, Transportation/Warehousing (MWT)	Goods manufacturing, wholesaling merchandise, transporting passengers and goods and warehousing
Construction/Utilities/Primary	Construction, repairing and renovating buildings, electric power generation and distribution
Retail/Personal services	Retail trade, publishing industries, telecommunication services, entertainment and recreational facilities, accommodations and restaurants, religious organizations, 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

#### 4. Analysis and Options

The York Region Employment and Industry Report 2014 (Attachment 1) includes a detailed summary of the 2014 York Region Employment Survey. Some of the major findings of the 2014 survey are highlighted below.

York Region employment growth once again outpaced national, provincial and GTA averages in 2014

York Region employment growth outpaced national, provincial and GTA labour force growth between mid-year 2013 and mid-year 2014, posting a gain of 2.4% (see Table 2).

**Table 2**  
**Comparison of annual employment growth rate, Canada, Ontario, GTA and York Region, 2014**

	Canada	Ontario	Greater Toronto Area <sup>1</sup>	York Region <sup>2</sup>
2013-2014	0.6%	0.6%	-1.6%	2.4%
2009-2014	1.3%	1.5%	1.8%	3.0%

<sup>1</sup>Greater Toronto Area labour force employment growth approximated by the Toronto Economic Region

<sup>2</sup>York Region figures based on 2014 employment survey results and estimates for home-based, farm-based, and no contact businesses

Source: York Region Planning and Economic Development Branch, 2014 and Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality, ending in August 2014

According to the Statistics Canada Labour Force Survey, national labour force employment increased by 0.6% , provincial labour force employment also grew by 0.6% and the GTA labour force employment decreased by -1.6% from mid-year 2013 to mid-year 2014. It is important to note that while Statistics Canada's labour force data is useful for trend analysis, there are high levels of variability in the data and the information is not directly comparable to York Region's employment estimate. The labour force survey represents GTA residents of working age who may or may not work in the GTA. The annual York Region employment survey data is representative of the Region's workforce and is comprised of working age individuals who work in York Region and who may or may not be residents of the Region.

York Region employment was estimated at 564,600 jobs as of mid-year 2014

York Region's exhibited positive employment growth in mid- year 2014 with total employment estimated at 564,600 jobs. This is an increase of 13,300 jobs from an estimated 551,300 jobs in mid-year 2013.

York Region's total employment estimate was derived based on the following:

- Net job growth in existing businesses
- Established businesses that have relocated to the Region

- Newly established businesses in the Region
- Businesses that were missed in previous surveys
- An estimate for no-contact businesses<sup>1</sup> 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

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<sup>1</sup> No-Contact businesses are businesses that the Region was unable to contact during the 2014 survey period.

A breakdown of the 2014 total employment estimate by municipality can be seen in Table 3.

**Table 3**  
**York Region Total Employment (# of Jobs) by Municipality, 2014**

Municipality	Surveyed Businesses	No contact Estimated	Agricultural	Work at Home	Total
Aurora	23,900	600	0	2,500	<b>27,000</b>
East Gwillimbury	7,600	100	800	1,000	<b>9,500</b>
Georgina	7,400	100	200	1,200	<b>8,800</b>
King	6,800	100	1,000	1,100	<b>8,900</b>
Markham	155,500	2,900	300	11,300	<b>170,000</b>
Newmarket	38,900	500	100	3,200	<b>42,700</b>
Richmond Hill	65,100	1,100	0	9,000	<b>75,200</b>
Vaughan	194,900	3,000	300	10,000	<b>208,100</b>
Whitchurch-Stouffville	11,700	400	300	2,000	<b>14,400</b>
<b>York Region</b>	<b>511,600</b>	<b>8,800</b>	<b>2,900</b>	<b>41,200</b>	<b>564,600</b>

Source: York Region Planning and Economic Development Branch, 2014, Statistics Canada 2011 Census of Agriculture and 2011 National Household Survey

Note: Totals may not add up due to rounding.

Employment for businesses where employment numbers 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.

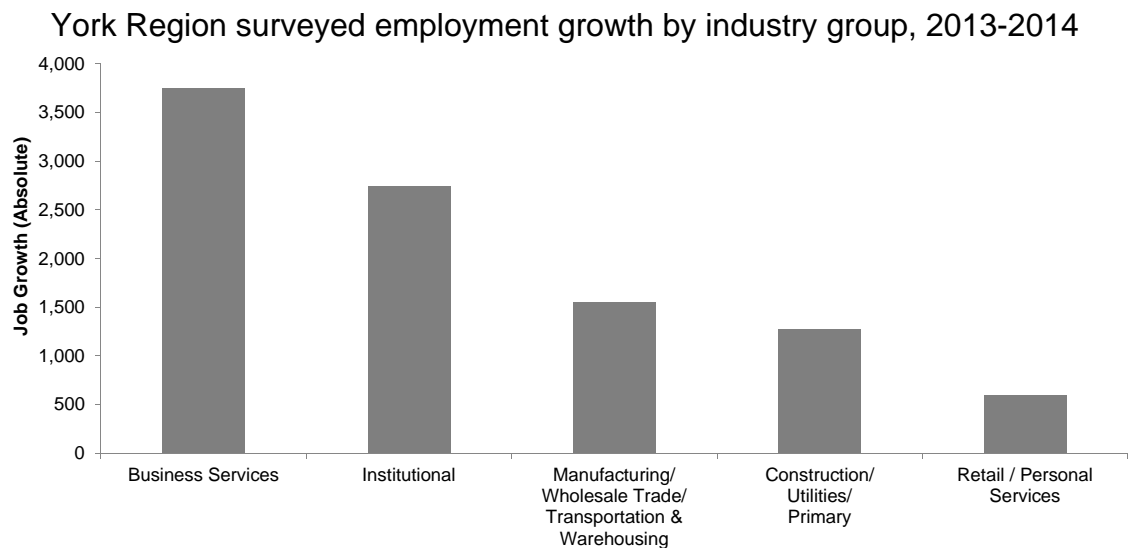
Region (excluding home and farm-based businesses). According to the Canadian Business Patterns (CBP) database from Statistics Canada, there were approximately 46,000 businesses that submitted payroll in June 2014. The CBP database is based on the Canadian Business Register and uses the business registration number as the basis for their business counts therefore making it possible that the CBP database includes businesses that are not identifiable in a physical location survey. The CBP is a common and useful data source used by

Regional staff for benchmarking business trends with other jurisdictions who do not conduct employment surveys. A key objective of continuous improvement efforts is to increase the comprehensiveness of the survey.

The business services industry group posted the largest employment gain in 2014

In terms of absolute growth, the business services industry group posted the largest employment gain between 2013 and 2014 (3,745 jobs) (see Figure 3). The majority of the growth within this industry group was in the professional, scientific & technical services sector which accounted for 45% or 1,732 jobs. Jobs in this sector are dependent on a skillset and expertise that is typically acquired from post-secondary education such as legal services, computer systems and design and research and development. Growth in this sector is an indicator that the Region continues to foster employment in knowledge-based industries and continues to attract highly skilled workers.

**Figure 3**



Source: York Region Planning and Economic Development Branch, 2014

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 institutional industry group posted notable growth over the past year increasing by 2,741 jobs. The healthcare and social assistance sector was the main driver of this growth, accounting for a 66% share. As the Region's population continues to age there will likely be a greater need for jobs in this sector.

Employment in the MWT industry group increased by 1,551 jobs between 2013 and 2014. The manufacturing sector accounted for most of this growth increasing by 814 jobs. This sector has experienced significant fluctuation over the past



several years, however, moderate increases have been seen in the transportation equipment, food processing and plastics manufacturing subsectors.

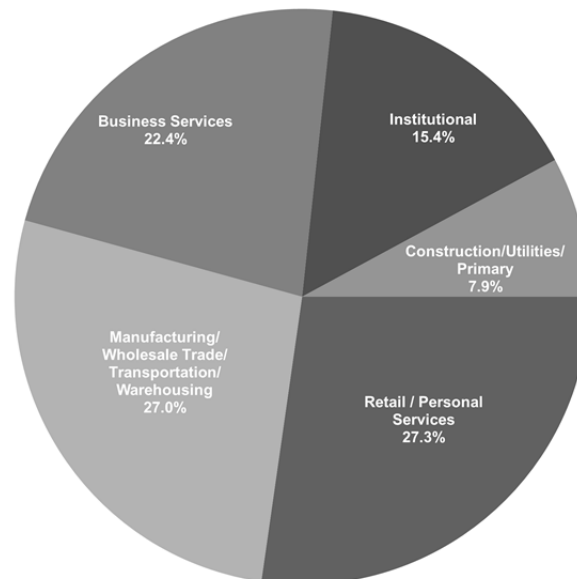
The construction/utilities & primary industry group increased by 1,271 jobs over the past year. Much of the growth was in the specialty trade contractors subsector within the construction sector suggesting that there is a demand for skilled trades employment in the Region.

The retail/personal services industry group grew by 590 jobs between 2013 and 2014. Population growth increases the demand for population-related employment. As York Region is one of the fastest growing municipalities in Canada, growth in this industry is to be expected.

York Region's strong diversity across all sectors helps ensure economic resilience

The distribution of surveyed employment by industry group is graphically illustrated in Figure 4 and highlights the Region's diverse economic base.

**Figure 4**  
York Region surveyed employment by industry group, 2014



Source: York Region Planning and Economic Development Branch, 2014

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

Retail/personal services and MWT account for 27.3% and 27.0% of the Region's employment base followed by business services with 22.4%. Employment available in a broad range of sectors is key to securing the Region's resiliency to any future economic downturn.

A number of major economic clusters contribute to York Region's competitiveness

York Region's employment in the five major industry groups identified earlier in this report highlight the diversity in the Region's economic base. These industry groups play a role in developing a number of the Region's major economic clusters that contribute to Regional competitiveness through job creation and business retention. The Region's major economic clusters include:

- 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, attracting investment, 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 as well as providing a better understanding of the Region's live/work ratio. Future reports will examine some of these key industry groups as well as trends in labour force activity.

The Region continues to attract business investment in 2014

In 2014, York Region surveyed 31,123 businesses an increase of 1,140 businesses from the 2013 survey indicating that York Region is a favourable location to do business (see Table 4).

**Table 4**  
York Region businesses by size, 2009, 2013 and 2014

Business Size Category	2009	2013	2014
Small (1-19 Employees)	23,119	25,118	26,126
Medium (20-99 Employees)	3,486	3,987	4,110

Business Size Category	2009	2013	2014
Large (100-499 Employees)	710	828	837
Very Large (500+ Employees)	52	50	50
<b>Total</b>	<b>27,034</b>	<b>29,247</b>	<b>31,123</b>

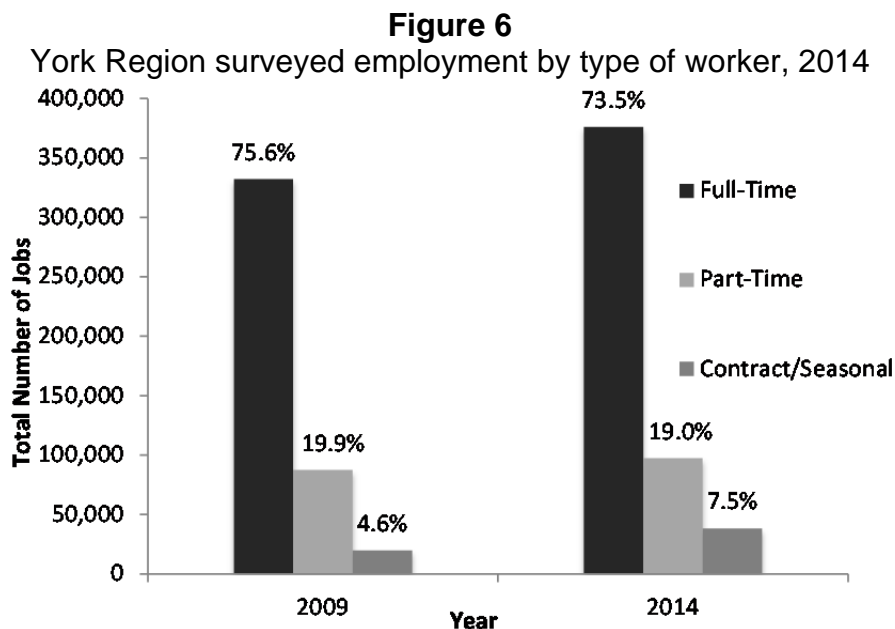
Source: York Region Planning and Economic Development Branch, 2014

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

Small sized firms (1-19 employees) accounted for the largest share of the Region’s businesses, at 83.9% or 26,126 businesses in 2014. Medium-sized (20-99 employees) firms demonstrated the fastest growth rate, increasing by 17.9% from 2009 to 2014. Large sized firms have also shown a considerable increase since 2009, growing from 710 firms in 2009 to 837 in 2014. The number of businesses with more than 500 employees has remained relatively stable over the past five years, with a slight decline from 52 businesses in 2009 to 50 in 2014. Overall the strong presence of small-sized firms in York Region is indicative of small business entrepreneurship stimulating an innovative and competitive regional economy.

Employment type composition continues to shift away from full-time

According to the 2014 Employment Survey, approximately 73.5% of employment was full-time, while 19.0% consisted of part-time workers, and 7.5% were contract/seasonal (see Figure 6).



Source: York Region Planning and Economic Development Branch, 2014

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

Over the past five years, there has been a shift in the shares of employment types with full-time employment decreasing from 75.6% to 73.5%, part-time employment decreasing from 19.9% to 19.0% and contract/seasonal employment increasing from 4.6% to 7.5%. 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.

Key investments continue to be made to support business growth in the Region

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 attracting a research-focused post-secondary campus to located within the Region leading to increase in knowledge-based investment and job growth
- 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 areas 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 2014 supports the *2015 to 2019 Strategic Plan* action area of “Strengthen the Region’s economy” 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 economic vitality and foster an innovative economy.

5. Financial Implications

The 2014 employment survey was provided for in the 2014 budget and is again included in the 2015 Planning and Economic Development branch’s budget. As the annual survey is conducted in partnership with the nine local municipalities, the survey is shared with the nine local municipalities.

6. Local Municipal Impact

Information from the York Region employment survey was collected with the assistance of all nine local municipalities through financial assistance and survey promotion. As a result of this partnership, the employment survey had the ability to capture 31,123 businesses in 2014.

Table 5 below summarizes total employment growth in each of the nine local municipalities between 2009 and 2014:

**Table 5  
York Region Total Employment by Municipality, 2009-2014**

Municipality	2009	2014	2009-2014 Growth	2009-2014 Compounded Average Annual % Change
Aurora	21,300	27,000	5,700	4.85%
East Gwillimbury	6,500	9,500	3,000	7.84%
Georgina	8,500	8,800	300	0.81%

<b>Municipality</b>	<b>2009</b>	<b>2014</b>	<b>2009-2014 Growth</b>	<b>2009-2014 Compounded Average Annual % Change</b>
King	8,300	8,900	600	1.42%
Markham	155,700	170,000	14,300	1.77%
Newmarket	42,600	42,700	100	0.03%
Richmond Hill	62,300	75,200	12,900	3.85%
Vaughan	170,300	208,100	37,800	4.09%
Whitchurch- Stouffville	12,100	14,400	2,300	3.58%
<b>York Region</b>	<b>487,600</b>	<b>564,600</b>	<b>77,000</b>	<b>2.98%</b>

Source: York Region Planning and Economic Development Branch, 2014

Notes: Totals may not add up due to rounding. Employment for businesses where employment numbers 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.

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. As previously mentioned, this initiative received full participation from the local municipalities. This participation is expected to continue for the 2015 survey.

## 7. Conclusion

The Employment and Industry report (Attachment 1) analyzes the results of the Region's 2014 employment survey and identifies key findings and trends in Regional employment and businesses by industry group.

In 2014, there were an estimated 564,600 jobs in 31,123 surveyed businesses in the Region. Between 2013 and 2014, York Region employment grew by 13,300 jobs. Employment growth in the Region once again outpaced national and provincial averages.

In 2014, there was strong growth across all five major industry groups in York Region. In terms of absolute growth, business services posted the largest employment gain, followed by institutional, manufacturing/wholesale trade/warehousing & transportation (MWT), construction/primary/utilities and retail/personal services. Employment growth across all sectors continues to diversify the Region's economy and promote economic resilience, vitality and liveability.

For more information on this report, please contact Paul Bottomley, Manager, Policy, Research and Forecasting ext. 71530.

The Senior Management Group has reviewed this report.

Attachments (1)

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Accessible formats or communication supports are available upon request