

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
February 6, 2020

Report of the Commissioner of Corporate Services and Chief Planner

2019 Employment and Industry Report

1. Recommendation

The York Region 2019 Employment and Industry Report (Attachment 1) be circulated by the Regional Clerk to local municipalities, local chambers of commerce, boards of trade, the Workforce Planning Board and Toronto Global.

2. Summary

The Employment and Industry Report 2019 provides an overview of industry and business sectors and employment growth trends in the Region primarily based on data collected from the 2019 Employment Survey.

Key Points:

- York Region surveyed over 35,400 businesses with a physical location in 2019
- There were an estimated 654,650 jobs in York Region as of mid-year 2019
- Between 2018 and 2019, York Region employment grew by 13,800 jobs or 2.2%
- York Region's economy continues to shift toward knowledge-based, service-oriented jobs
- Contract, seasonal and temporary jobs continue to be the fastest growing type of employment

3. Background

Understanding Regional business and employment growth trends is important to support economic vitality

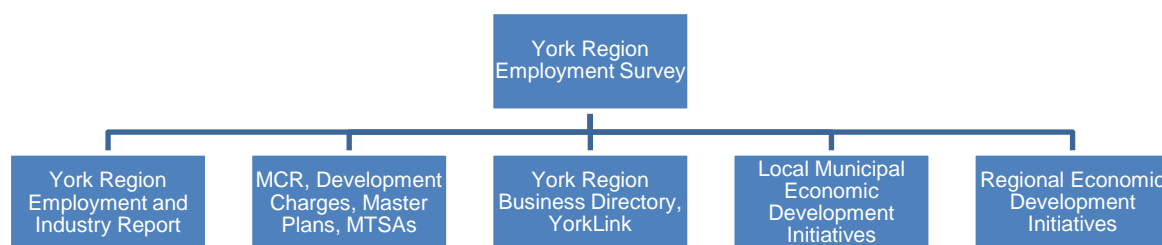
Business and job growth are fundamental to York Region's economic vitality. Attracting and retaining high quality, good paying jobs across a broad range of sectors promotes economic resilience and helps ensure those living in York Region have the opportunity to work and thrive where they live. Through the employment survey, the location, type and characteristics of businesses in the Region are tracked and analyzed. The data and analysis identify trends

and inform the development of Regional policies by providing base data for the Development Charges Bylaw, planning for growth and land needs work and infrastructure planning.

Data and analysis is shared with internal and external organizations to support policy and program development

The data and analysis contained in this report are valuable resources for the Region and local municipalities. The data is used by the Planning and Economic Development branch, other municipal departments, non-profit organizations and private sector groups (Figure 1). Some key uses of the data include supporting preparation of employment growth forecasts used to inform long-term employment land needs, the Region's Development Charges Bylaw and infrastructure requirements in master plans for transportation and water and wastewater, monitoring targets in York Region's Official Plan, identifying economic trends and emerging sectors, and maintaining Regional and local business directories.

Figure 1
York Region Employment Survey Uses



York Region's Employment Survey is one of a number of sources of data used to monitor economic trends

Since 1998, the Region has conducted surveys of businesses with a physical location across the nine municipalities. The survey provides qualitative and quantitative data of the Region's businesses that is compared over time to identify trends. Since 2012, the employment survey has been collecting home-based data on a voluntary basis in an effort to report on home-based business trends. Home-based businesses are encouraged to submit information through the York Region website. Through this method, a total of 1,040 home-based business records have been produced, representing 1,300 jobs. Although this figure is not directly comparable to work at home jobs, in 2019 there were an estimated 52,600 work at home jobs in the Region.

The employment survey does not survey farms. Census of Agriculture data is used to report on trends and the total employment estimate. The Region is home to 700 farms, employing over 3,200 people. Jobs created by the agricultural sector go beyond the farm. There are 27 industries that are directly related to the agricultural sector including primary farming, retail, wholesale and food and beverage manufacturing.

4. Analysis

NATIONAL AND PROVINCIAL OVERVIEW

York Region recorded employment growth of 2.2% in 2019

York Region recorded employment growth of 2.2% in 2019 compared to 2.5% provincially and 2.2% nationally. Over the past five years, York Region has grown at an average annual rate of 2.9%, outperforming growth rates in the national (1.3%), provincial (1.6%) and GTA (2.6%) economies. According to RBC Economics, Canada's GDP is forecast to increase 1.6% in 2020, similar to 2019's 1.7% increase.

Table 1

Comparison of Annual Labour Force and Employment Growth Rates: Canada, Ontario, GTA and York Region, 2014-2019

	Canada	Ontario	Greater Toronto Area ¹	York Region ²
2014-2015	1.0%	1.1%	4.3%	2.6%
2015-2016	0.4%	0.5%	0.9%	3.4%
2016-2017	2.1%	1.8%	1.4%	3.3%
2017-2018	1.1%	2.0%	2.8%	3.3%
2018-2019	2.2%	2.5%	3.8%	2.2%
5 year average	1.3%	1.6%	2.6%	2.9%

Source: York Region Planning and Economic Development Branch, 2019 and Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality, ending in August 2019

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

² York Region figures based on 2018 employment survey results and estimates for home-based, farm-based, and no contact businesses

Services-producing sectors are the primary drivers of national, provincial and GTA employed labour force growth

Between mid-year 2018 and mid-year 2019, labour force employment in Canada increased by 2.2% (414,300 jobs), compared to 1.1% or 202,900 jobs from 2017 to 2018. Employment growth in services-producing sectors such as health care, professional and technical services, and wholesale and retail trade were the primary drivers of this growth. Labour force employment in Ontario increased by 2.5% (184,900 jobs). Similar to national employment gains, the majority of the province's growth was driven by employment in services-producing industries including professional and technical services, transportation and warehousing, public administration, health care and social assistance.

GTA employed labour force growth, driven primarily by services-producing sectors, was stronger than both Ontario and Canadian growth at 3.8% (133,700 jobs). The services-

producing sectors recorded an increase of 108,700 jobs, with health care and social assistance, professional, scientific and technical services, and transportation and warehousing reporting the largest gains. The goods-producing sectors experienced an increase of 24,900 jobs (4.1%) with the manufacturing sector driving most of this growth.

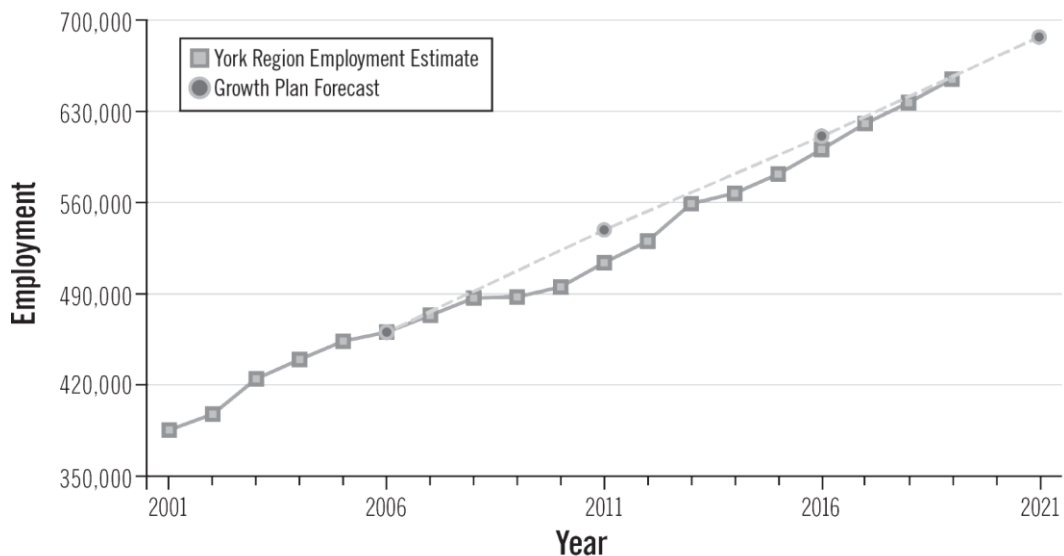
YORK REGION EMPLOYMENT

York Region employment continues to grow at a steady pace

According to York Region’s employment survey, employment grew to an estimated 654,650 jobs in 2019, an increase of 2.2% or 13,800 additional jobs compared to 2018. This total includes surveyed employment figures from contacted firms, 2016 census of agriculture jobs, estimates for work at home employment and businesses the Region was unable to contact.

Since 2001, York Region’s employment has grown by over 269,000 jobs (Figure 2), representing a strong average annual growth rate of 3%. This balanced rate of growth continues to align with the population growth rate for the same time period (3%) and provides job opportunities for existing and future York Region residents. An activity rate of 50% is consistent with the Regional Official Plan target where the goal is to have 1 job for every 2 residents. The Region’s activity rate has been increasing since 2010 and is currently 55%.

Figure 2
York Region Total Employment Estimate 2001-2019 and
Growth Plan Employment Forecast

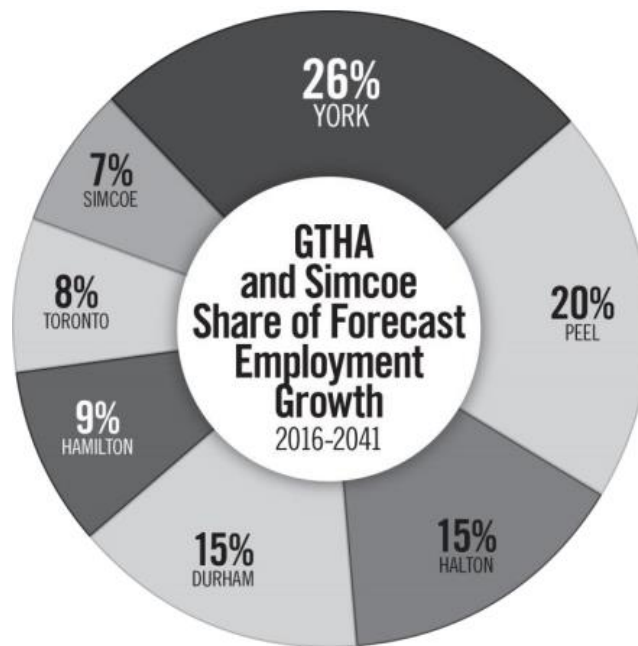


Source: York Region figures based on employment survey results and estimates for home-based, farm-based, and no contact businesses and Growth Plan Employment Forecast Amendment 2.

York Region is on track to meet the Growth Plan's 2041 employment forecast

According to the 2019 Provincial Growth Plan, York Region is expected to reach a total of 900,000 jobs by 2041. This represents a 26% share of total employment growth within the Greater Toronto and Hamilton Area (GTHA) and Simcoe (Figure 3) from 2016 to 2041. At 654,650 estimated jobs in 2019, an additional 245,350 jobs or approximately 11,150 jobs annually are required to meet the 2041 employment target. Over the past five years, the Region has added on average 15,000 jobs annually.

Figure 3
GTHA & Simcoe, Share of Forecasted Employment Growth to 2041



Source: Statistics Canada Census Data, 2016, Growth Plan for the Greater Golden Horseshoe, 2019, Schedule 3

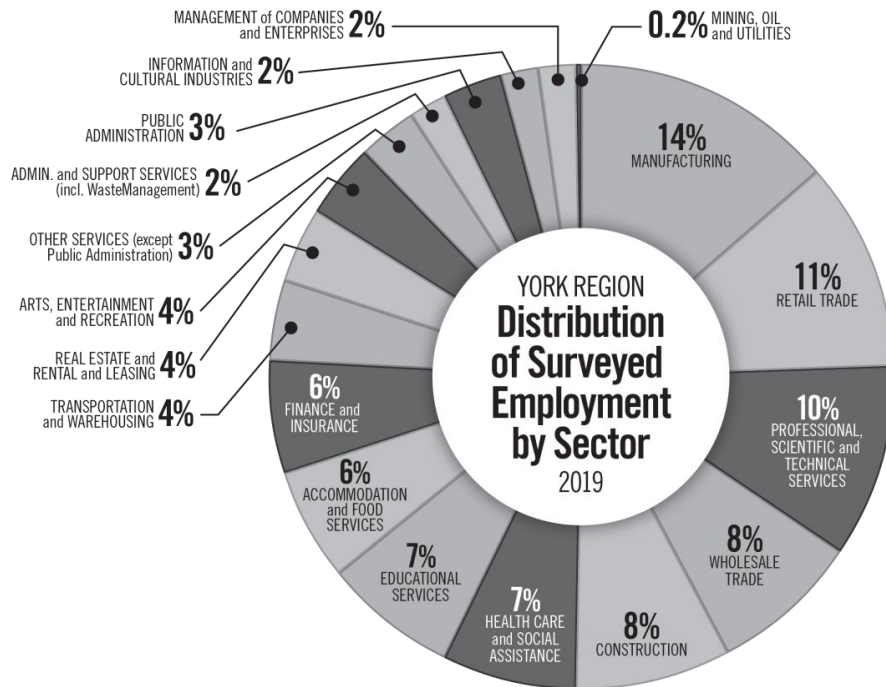
York Region has a diverse and resilient economy

York Region has a diverse economic base with employment across a broad range of sectors. This is vital to maintaining the Region's resiliency to any future economic changes, as a more diverse economy will be less sensitive to job losses in a specific employment industry.

According to the York Region employment survey, manufacturing (14%), retail trade (11%), and professional, scientific and technical services sectors (10%) accounted for the largest shares of surveyed employment by mid-year 2019. Figure 4 demonstrates the diversity of the Region's employment base.

Figure 4

York Region Distribution of Surveyed Employment, 2019



Source: York Region Planning and Economic Development Branch, 2019 Employment Survey

Contract/Seasonal/Temporary employment steadily increased over the last decade

Contract/seasonal/temporary employment continues its trend as the fastest growing type of work with an increased share of employment from 5% in 2009 to 15% in 2019, representing growth of 68,470 jobs during this time. Over the same decade, the share of full-time employment decreased from 76% to 67% (+56,900 jobs). Part-time workers declined from 20% to an 18% share of employment, but increased by 17,700 jobs over the same time period. Although full-time employment remains strong, the steady increase of contract/seasonal/temporary employment is indicative of a shifting job market.

Over 80% of the Region’s business community is made up of small businesses

According to the Statistics Canada Business Counts (CBC) database, York Region is home to over 54,200 licensed business establishments, versus the 35,400 businesses surveyed by York Region. Statistics Canada Canadian Business Counts (CBC) is a database based on the Canadian Business Register and uses business registration numbers as the basis for their business counts. Businesses contained in the listing include home based and

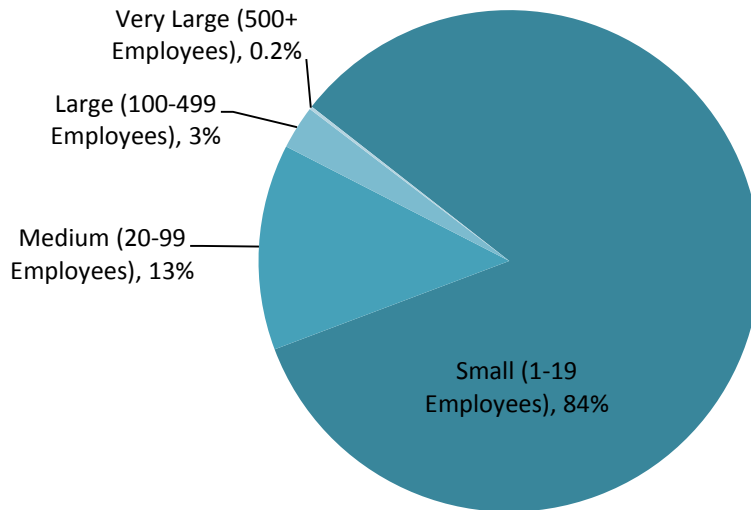
household employers and businesses that have filed a federal corporate income tax within the past three years and can include some business establishments that may have ceased operation. The CBC is a common and useful data source used by Regional staff for benchmarking business trends with other jurisdictions who do not conduct employment surveys. Despite differences in data collection methods used by Statistics Canada's CBC and York Region's Employment Survey the datasets complement each other and advance our knowledge on trends occurring in the Region's business community.

York Region surveyed over 35,400 businesses in 2019 with a physical location, an increase of over 7,000 businesses from the 2009 survey. Small businesses (1-19 employees) account for the largest share of the Region's surveyed businesses at 84% or 28,000 businesses in 2019 (Figure 5). This total share is in line with the share of small businesses throughout the Province and across Canada and is indicative of the important role of small business and entrepreneurship in York Region's economy.

The Region provides support to small businesses in the form of direct-to-business advisory services, economic research, innovation initiatives, business place making and attraction marketing. The Region also delivers small business and entrepreneurship advisory support services through the York Small Business Enterprise Centre. Example success stories of small businesses growing in York Region are Pondtech, a carbon capture and utilization company in Markham, and STEM Minds, who deliver educational programs to children, in Aurora.

While the share of very large businesses (500+ employees) is relatively small at 0.2% of the Region's total number of establishments, it has grown almost 26% over the last 5 years (from 49 to 64 businesses) and provides jobs for almost 68,000 employees (12% of total jobs).

Figure 5
York Region Surveyed Business by Size, 2019



Source: York Region Planning and Economic Development Branch, 2019 Employment Survey

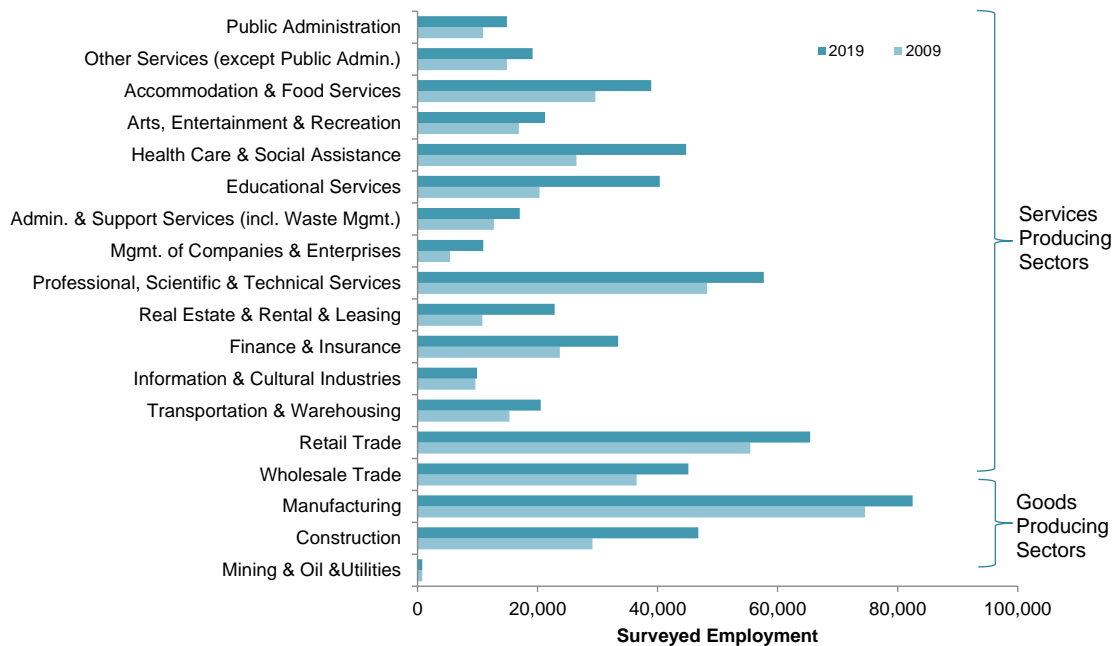
YORK REGION SERVICES-PRODUCING SECTORS

Strong job growth was experienced over the last ten years by key knowledge-based sectors in York Region

Similar to national and provincial trends, York Region’s economy continues to shift toward more knowledge-based, service-oriented jobs. Over the past ten years, employment in services-producing sectors increased by 3.2% on an average annual basis, adding 125,370 jobs to the Region’s employment base (Figure 6). Comparatively, employment in the goods-producing sectors grew at a more moderate pace of 2.2% annually, adding 25,600 jobs.

Regional Council has contributed to this strong job growth through capital investments in infrastructure, roads, water and sewer, public transit, small business support programs, YorkLink office marketing program, Spadina subway expansion, Region’s Centres and Corridors Strategy and YorkNet Broadband Strategy.

Figure 6
York Region Surveyed Employment by Sector, 2009-2019



Source: York Region Planning and Economic Development Branch, 2019 Employment Survey

Manufacturing jobs continue to hold the largest share of employment in York Region (14%). However, the annual growth rate in the goods-producing sector has been 2.2% during the last ten years, while the services-producing sector has a 3.2% growth rate. The manufacturing subsectors of food manufacturing, plastics and rubber products manufacturing and transportation equipment manufacturing contributed the most to the ten year growth, while petroleum and coal product manufacturing experienced a modest decline. The higher annual growth rate in the services-producing sector is attributed to employment growth in educational services, health care and social assistance and finance and insurance sectors.

Services-producing sectors have grown steadily during the last 10 years by an annual average rate of 3.2%

Key trends observed in services-producing sectors over the last 10 years include the following:

- The real estate sector is the fastest growing sector since 2009 with an average annual increase of 7.8%, increasing by 12,050 jobs
- Educational services sector has doubled in the number of jobs since 2009, adding over 20,040 jobs in the last decade, an average annual increase of 7.1%

- The professional, scientific, and technical services sector has added over 9,400 jobs over the last decade, an annual growth rate of 1.8%
- Finance and insurance sector has increased at an average annual rate of 3.5% over the last 10 years adding approximately 9,700 jobs
- Health care and social services sector had an average annual growth rate of 5.4%, adding over 18,290 jobs since 2009

Goods-producing sectors have grown by an average annual rate of 2.2% over the last 10 years

Key trends observed in goods-producing sectors over the last 10 years include the following:

- Manufacturing continues to hold the largest share of employment in the Region at 14%. The 2008-09 recession impacted the manufacturing sector and lowered its growth rate over the last ten years, however manufacturing employment still increased by 7,900 jobs over that period
- The construction sector has demonstrated strong growth since 2009, adding over 17,600 jobs to the Region, growing at an average annual rate of 4.9%

York Region continues to invest to support growth

York Region's Economic Development Action Plan addresses key economic challenges and opportunities facing York Region and translates them into innovative economic growth areas. York Region Official Plan (ROP) policies on complete communities, affordable housing and employment are intended to position the Region to attract growth as a place where residents can work, live and play.

Along with the initiatives identified in the Economic Development Action Plan and policies in the ROP, the Region continues to make investments that support business growth and innovation. Examples of these investments are the York Link branding office marketing and communications plan which supports business growth in our centres and corridors, business parks and the future Yonge Subway extension. The Vaughan Metropolitan Centre (VMC) subway station has been a catalyst to support and create desirable business locations resulting in recent success stories such as opening of the new 77,000 square foot PricewaterhouseCoopers office in the VMC. The construction of VIVA, and two-way all day GO Regional Express Rail to York Region will greatly improve the level of service and attract businesses and workers.

Business and job growth in the Region is supported by major transit investments, particularly in the Region's Centres and Corridors. The Regional Official Plan vision for Regional Centres and Corridors is to achieve the most intensive and greatest mix of development in the Region. Centres and Corridors are supported by over \$3.6 billion in transit infrastructure investment and also through regional initiatives such as the Office Incentives Program. As the Region's urban structure continues to evolve and Regional Centres and Corridors

mature, York Region will continue to be competitive as a top business location in the Greater Toronto Area.

Factors Contributing to Economic Growth in York Region

York Region continues to be a top destination in the Toronto area and Canada for business, talent and investment. It is one of the largest business hubs in the GTA. The Spadina Subway extension (Line 1) into Vaughan provides a direct connection to downtown Toronto and its workforce. The Region's central location in the GTA is also strategic for goods movement located in close proximity to Toronto Pearson Airport, the CP intermodal facility and CN MacMillan rail yard. Additionally, the Region has a strong network of 400-series highways which connect the Region to the broader provincial and national markets, all contributing to the newly opened 550,000 square foot IKEA Canada Customer Distribution Centre in Vaughan in 2019.

The Region's economy is underlined by core attributes of population and employment growth, skilled labour force, high quality of life that attracts top global talent, established and diversified industry clusters, major infrastructure and transportation investments and locational and accessibility factors among others. Housing options and affordability are key factors in attracting new businesses, retaining existing businesses and attracting a labour force looking for close proximity to work. The Region and the local municipalities continue to work together to ensure a wide variety of housing types and more options at varying levels of affordability are available.

Data and analysis from the Employment and Industry Report 2019 informs the Regional Municipal Comprehensive Review

Employment survey data has been used as input to the Planning for Employment Background Report endorsed by Council in May 2019. Going forward will inform planning for employment. Reports will be brought forward to Council throughout 2020 on the following:

- Planning for Growth Direction Report with draft population and employment forecasts and a draft land needs assessment
- Planning for Employment Report
- Update report on Major Transportation Station Areas (MTSA) in York Region
- Draft Regional Official Plan update

The Employment Survey will be conducted every two years going forward

York Region's employment survey was first conducted in 1998 and since 2001 has been conducted on an annual basis. The data collected has been used to report to Council annually on industry and business sectors and employment growth trends through the annual Employment and Industry report. In accordance with the September 2019 Council report, [York Region Employment Survey Data Collection Frequency](#), the Employment Survey will be conducted every two years on a go forward basis. An employment survey every two years will continue to provide key insights into employment and economic trends within the Region.

The next full employment survey collection will occur in 2021 and results reported to Council in Q1 2022.

The Employment Survey supports the 2015-2019 Strategic Plan, Vision 2051 and the Regional Official Plan

Annual reporting on detailed employment and sectoral analysis enables the Region to make informed decisions and implement initiatives that enhance economic vitality and foster an innovative economy. Data collected is used to support monitoring of employment targets in the Regional Official Plan. Economic research and analysis is a program focus area within the Economic Development Action Plan. Data from the employment survey helps measure outcomes of action areas in the Plan such as the Office Attraction Strategy tracking office development and tenant activity in York Region and the Workforce/Labour Force Development action area. These strategies have influenced job growth and attracted a number of businesses in the Centres and Corridors.

5. Financial

Work related to generation and analysis of employment data is completed by internal resources and all costs are addressed in the approved Planning and Economic Development branch budget. The annual employment survey is conducted in partnership with the nine local municipalities, at a shared cost.

6. Local Impact

Local municipalities use the information and analysis generated in the Employment and Industry report to identify and report economic trends on an annual basis, to assist in developing business retention and expansion strategies, produce local business directories and inform employment land strategies. Information from the York Region employment survey was collected with assistance and support of all nine local municipalities including financial assistance and survey promotion. The results, including a detailed database, are provided to each municipality for their use.

7. Conclusion

The 2019 Employment and Industry report identifies key trends in Regional businesses and employment growth. York Region has a large, diverse economy with strong growth experienced in recent years primarily in services-producing sectors as well as recovery in the goods-producing sectors. According to York Region's employment survey, employment rose to an estimated 654,650 jobs in 2019 (by 2.2%). This sustained employment growth 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 at 1-877-464-9675 ext. 71530. Accessible formats or communication supports are available upon request.

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Approved for Submission: **Bruce Macgregor**
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Attachment (1)
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