

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
March 7, 2019

Report of the Commissioner of Corporate Services and Chief Planner

2018 Employment and Industry Report

1. Recommendation

1. The York Region 2018 Employment and Industry Report (Attachment 1) be posted on the york.ca and yorklink.ca websites and 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 2018 provides an overview of industry and business sectors and employment growth trends in the Region primarily based on data collected from the 2018 Employment Survey.

Key Points:

- The 2018 Employment and Industry report identifies key trends in Regional businesses and employment growth
- There were an estimated 636,630 jobs in York Region as of mid-year 2018
- Between 2017 and 2018, York Region employment grew by 15,120 jobs or 2.4%
- York Region surveyed over 34,100 businesses in 2018

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 opportunities to work where they live. Each year, the location, type and characteristics of businesses in the Region are tracked and analyzed. The data and analysis identify trends and inform development of Regional policies, programs, marketing initiatives and infrastructure investments.

Data and analysis is shared with Regional Employment Survey 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. 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, transportation and water and wastewater infrastructure plans, monitoring targets in York Region's Official Plan, identifying economic trends and emerging sectors, and maintaining Regional and local business directories.

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 homebased 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.

The Employment Survey contacts all businesses in York Region

As previously stated in the 2017 Employment and Industry Report, presented at the [2018 Committee of the Whole meeting](#), the Statistics Canada Census and Employment Survey differ in methodologies. There are several key differences between the data gathered in York Region's employment survey and Census data. Statistics Canada released its 2016 Census labour force data on November 29, 2017. According to the 2016 Census there were 532,895 jobs in York Region during the data collection week of May 10, 2016. The York Region employment survey recorded 600,800 jobs during a similar data collection period of May-August 2016, a difference of 67,900 jobs.

The York Region survey gathers information directly from businesses whereas the Census collects data from employees at their place of residence. The Region's survey, therefore, collects data directly from the employment source potentially eliminating error. In addition, the Region's employment survey represents a 100% sample of York Region businesses with a physical location, whereas the Census is based on a 25% sample of employees. Another key difference between the Census and the Employment Survey is the ability for the survey to capture seasonal jobs after May and jobs for people in the labour force who hold multiple jobs, which due to differences in survey methodology, the Census does not capture.

Other information sources used within the report for comparative analysis include Statistics Canada Canadian Business Counts and Labour Force Survey and publicly available announcements regarding business acquisitions in the Region. Details regarding data sources and methodology are contained within Attachment 1.

4. Analysis

NATIONAL, PROVINCIAL AND GREATER TORONTO AREA OVERVIEW

York Region's employment growth outpaced national and provincial averages

The Toronto economic region (represented as the GTA in Table 1) continues to be one of the fastest growing urban areas in Canada. The 2016 Census estimated total employment in the GTA at over 3.5 million jobs. A significant portion of this employment is accommodated within large municipalities in the north, west and central areas of the GTA, including York Region.

At 2.4%, employment growth in York Region outpaced national and provincial employed labour force growth between mid-year 2017 and mid-year 2018, of 1.1% and 2% respectively. Over the past five years York Region has grown at an average annual rate of 2.6%, outperforming average growth rates in the national (1%), provincial (1.2%) and GTA (1.6%) economies. Growth rates in the National economy appear to have peaked and are widely expected to moderate through 2019-2020 according to TD Economics.

Table 1
Comparison of Annual Labour Force and Employment Growth Rates: Canada, Ontario, GTA and York Region, 2013-2018

	Canada	Ontario	Greater Toronto Area ¹	York Region ²
2013-2014	0.5%	0.5%	-1.5%	1.4%
2014-2015	1.0%	1.1%	4.3%	2.6%
2015-2016	0.4%	0.5%	0.9%	3.7%
2016-2017	2.1%	1.8%	1.4%	3.0%
2017-2018	1.1%	2.0%	2.8%	2.4%
5 year Average	1.0%	1.2%	1.6%	2.6%

Source: York Region Planning and Economic Development Branch, 2018 and Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality, ending in August 2018

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

²York 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 2017 and mid-year 2018, national employment increased by 1.1% (202,900 jobs), compared to 2.1% or 378,200 jobs from 2016 to 2017. Employment growth in services-producing sectors such as educational services and transportation were the primary drivers of this growth. Labour force employment in Ontario increased by 2% (142,300 jobs). Similar to national employment gains, the majority of the province's growth was driven by employment in services-producing industries including transportation and warehousing and educational services.

GTA employed labour force growth, also driven primarily by services-producing sectors, was stronger at 2.8% (97,500 jobs). The services-producing sectors recorded an increase of 73,200 jobs, with educational services, finance, insurance, real estate and accommodation and food services leading sectoral growth. The goods-producing sectors experienced an increase of 24,300 jobs overall with the construction sector driving most of this growth (+17%).

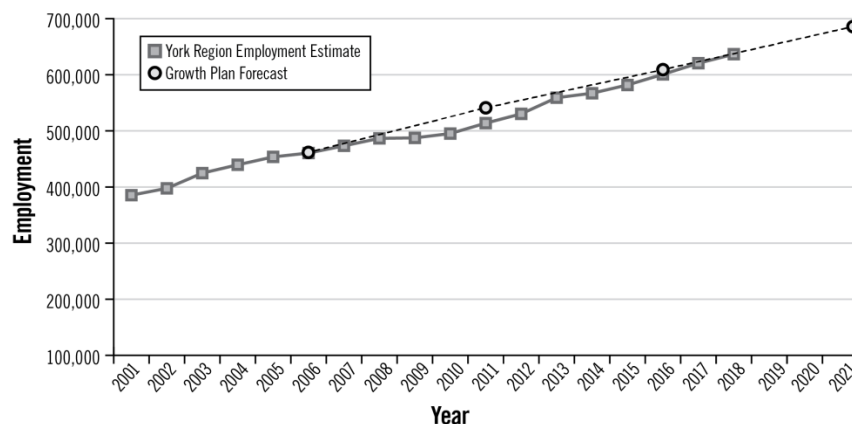
YORK REGION EMPLOYMENT

York Region employment continues to grow at a steady pace

According to York Region's employment survey, employment rose to an estimated 636,630 jobs in 2018, an increase of 2.4% or 15,120 jobs from 2017. This total includes surveyed employment figures from contacted firms, 2016 census of agriculture jobs and estimates for work at home employment and businesses the Region was unable to contact.

Figure 1

York Region Total Employment Estimate 2001-2018 and 2006 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 2006 Growth Plan Employment Forecast Amendment 2.

Note: Historical employment figures were revised from those released in previous Employment and Industry reports based on updated information.

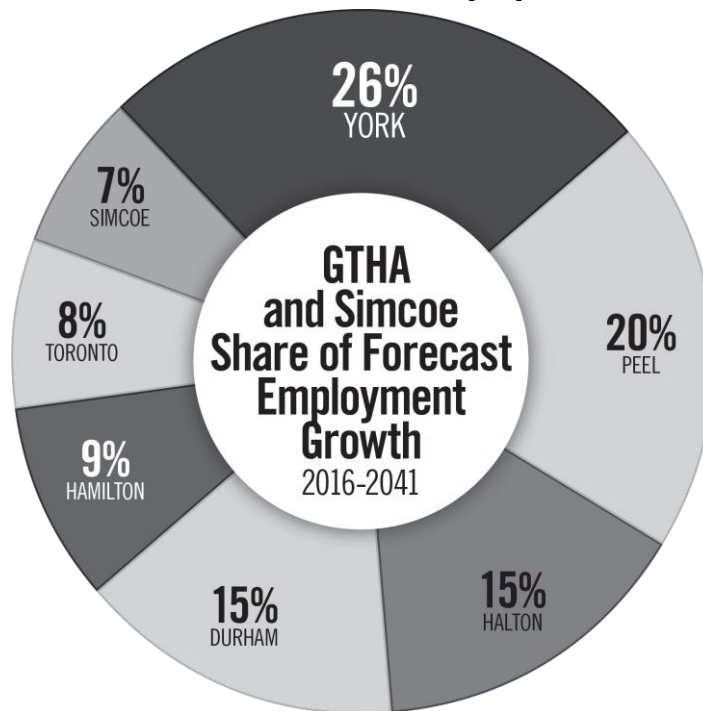
Since 2001, York Region’s employment has grown by over 250,000 jobs (Figure 1), representing a strong average annual growth rate of 3%. This balanced rate of growth continues to align with the population growth rate for the same time period (3%) and provides job opportunities for existing and future York Region residents. Balanced growth assists in maintaining the Region’s activity rate where the goal is to have a ratio of total employment to population of 1 job for every 2 residents. The Region’s activity rate has been increasing since 2010 and is currently 51.9%.

York Region is on track to meet or exceed the Growth Plan’s 2041 employment forecast

According to the 2017 Provincial Growth Plan, York Region is expected to reach a total of 900,000 jobs by 2041. This represents a 26% share of the total employment growth within the Greater Toronto and Hamilton Area (GTHA) and Simcoe (Figure 2). At 636,630 estimated jobs in 2018, an additional 263,370 jobs or approximately 11,450 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 2

GTHA & Simcoe, Share of Forecasted Employment Growth to 2041



Source: Statistics Canada Census Data, 2016
Growth Plan for the Greater Golden Horseshoe, 2017, Schedule 3

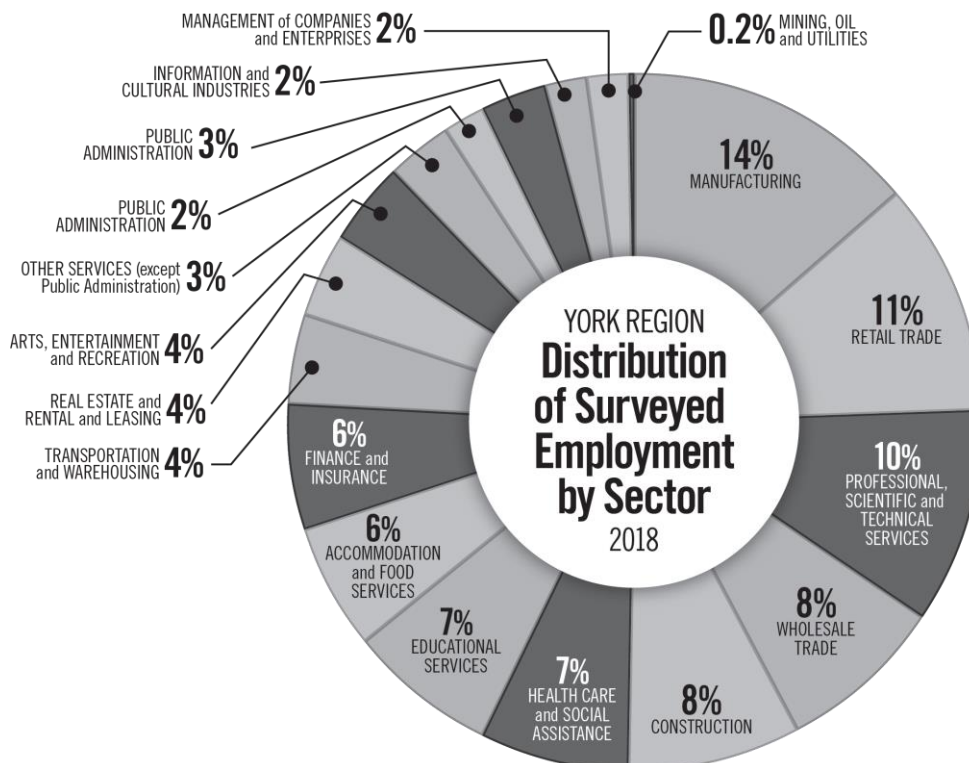
York Region has a diverse and resilient economy

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 downturn.

According to the York Region employment survey, manufacturing, retail trade, and professional, scientific and technical services sectors accounted for the largest shares of surveyed employment in 2018. Figure 3 demonstrates the diversity of the Region's employment base.

Figure 3

York Region Distribution of Surveyed Employment, 2018



Source: York Region Planning and Economic Development Branch, 2018 Employment Survey

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

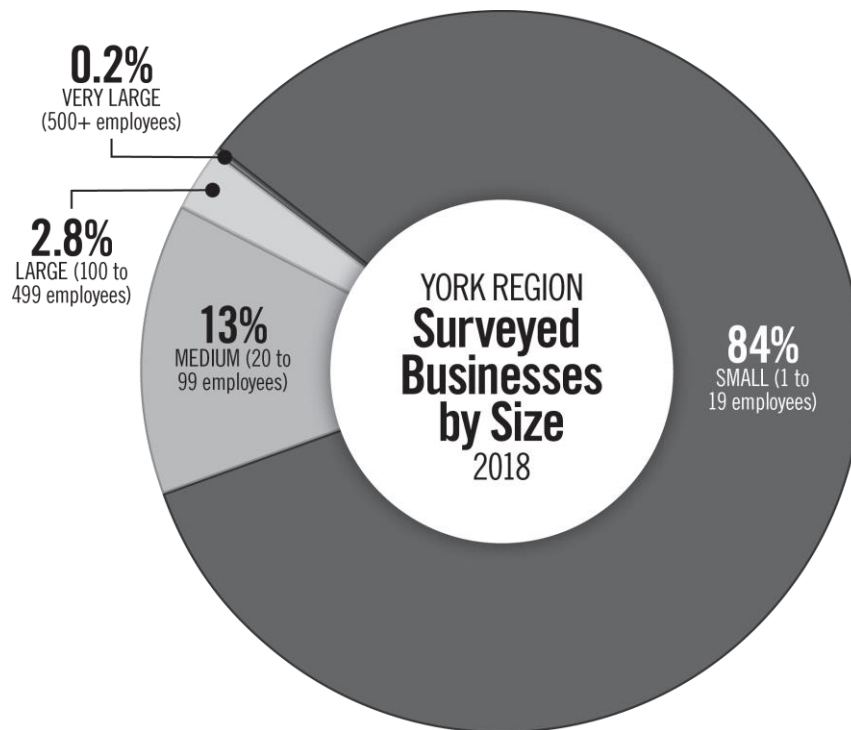
Contract/seasonal/temporary employment continues its trend of being the fastest growing type of work with an increase in share from 5% in 2008 to 15% in 2018, representing growth of 55,700 jobs during this time. Over the same decade the share of full-time employment decreased from 76% to 67% (+50,800 jobs). Part-time workers increased by 19,500 during the past decade; however its share of employment declined slightly from 19% to 18%. Although full time employment remains strong, the steady increase of

contract/seasonal/temporary employment is indicative of the shifting job market as trends in non-usual places of work and contract independent workers start to play a more prominent role in the economy.

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

According to the Statistics Canada Business Counts database, York Region is home to over 52,700 business establishments in industries such as information and communications technology, consumer goods and life sciences. York Region surveyed over 34,000 businesses with a physical location in 2018, an increase of 7,300 businesses from the 2008 survey. Small businesses (1-19 employees) account for the largest share of the Region’s businesses at 84% or 28,540 businesses in 2018 (Figure 4). 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. While the share of very large businesses is relatively small at 0.2% of the Region’s total number of establishments, the number of very large businesses has grown by almost 30% over the last 5 years (from 51 to 66 businesses).

Figure 4
York Region Surveyed Business by Size, 2018



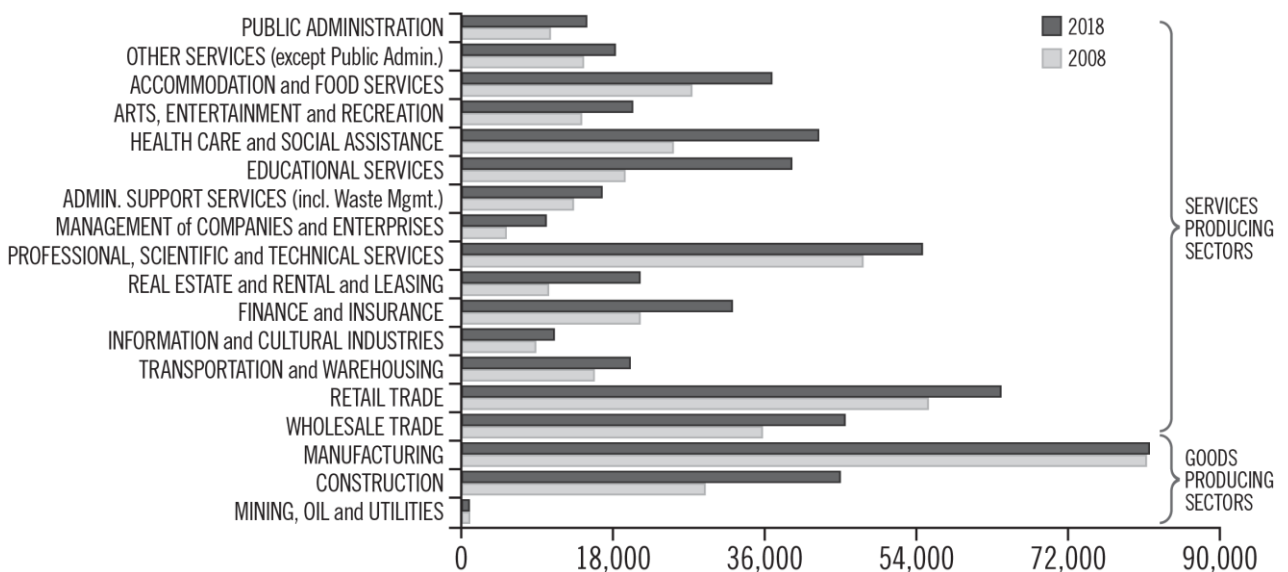
Source: York Region Planning and Economic Development Branch, 2018 Employment Survey

YORK REGION SERVICES-PRODUCING SECTORS

Strong job growth experienced by key knowledge-based sectors in York Region

Similar to national and provincial trends, the York Region economy continues to undergo a 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 122,580 jobs to the Region's employment base (Figure 5). Comparatively, employment in the goods-producing sectors grew at a more moderate pace of 1.4% annually, adding 16,340 jobs.

Figure 5
York Region Surveyed Employment by Sector, 2008-2018



Source: York Region Planning and Economic Development Branch, 2018 Employment Survey

In the last ten years employment growth has occurred broadly across all sectors, with the exception of mining, oil and utilities. There has been a long and steady decline in the rate of growth within the goods-producing sectors, particularly manufacturing. This has been offset by growth in the services-producing sectors, particularly within the educational services, health care, social assistance, finance, and insurance sectors.

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

- The real estate sector was the fastest growing sector with an average annual increase of 7.4%, increasing by 10,850 jobs
- Educational services sector has doubled the number of jobs, adding over 19,700 jobs at an average annual increase of 7.3%

- The professional, scientific, and technical services sector has added over 7,000 jobs at an average annual increase of 1.4%
- Finance and insurance sector has increased at an average annual rate of 4.2% adding approximately 11,000 jobs
- Health care and social services sector has had an average annual growth rate of 5.4%, adding over 17,000 jobs

Key trends observed in the 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 significantly impacted the manufacturing sector, however manufacturing employment has since increased by 7,120 jobs
- The construction sector has demonstrated strong growth since 2008, adding over 16,000 jobs to the Region, growing at an average annual rate of 4.5%
- Food and beverage subsector accounts for 9% of the manufacturing sector and has increased by over 50%, adding 2,350 jobs

York Region is investing 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. Additionally, the York Region Official Plan policies for complete communities, affordable housing and employment are to ensure the Region attracts growth and is a place where residents can work, live and play. Along with the initiatives identified in the Action Plan and policies in the YROP, the Region continues to make investments to support business growth and innovation. Some examples of these investments are:

- The York Link branding office marketing and communication plan supports business attraction in our centres and corridors and business parks
- The Vaughan Metropolitan Centre subway station in York Region is critical to support and create desirable business locations
- The construction of VIVA, and two-way all day Regional Express Rail to GO Transit stations to York Region will greatly improve the level of service and attract businesses and workers

Business and job growth in the Region is also 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. The Centres and Corridors are supported by over \$3.6 billion in transit infrastructure investment. 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.

Many Factors Contribute to Economic Growth

York Region continues to be a top destination in the Toronto area and Canada for business, talent and investment. York Region contains one of the largest business hubs in the GTA. The Region's location in the GTA is also strategic for goods movement, with close proximity to Toronto Pearson Airport and home to both the CP intermodal facility and CN MacMillan rail yard. York Region also has a strong network of 400-series highways connecting the Region to broader provincial and national markets and the United States border. Locally, the Spadina Subway extension (Line 1) to Vaughan provides a direct rapid transit connection to downtown Toronto.

The Region's economy is underlined by core attributes of strong 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 may be a factor in attracting new businesses, retaining existing businesses and attracting a labour force looking for close proximity to work. The Region works with the local municipalities to ensure a wide variety of housing options at varying levels of affordability are available.

Data and analysis from the Employment and Industry Report 2018 is linked to the Regional Municipal Comprehensive Review

The employment survey data provides information that will be used to prepare a series of reports relating to planning for employment. Reports will be brought forward to Council throughout 2019 and early 2020 commenting on the following:

- A detailed analysis on historical employment trends in York Region
- Future employment trends in York Region
- Updated employment policies and mapping in the Official Plan designating employment areas
- Consideration of requests for employment land conversions

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

Annual reporting on detailed employment and sectoral analysis enables informed decisions and implementation of 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 assists in measuring outcomes of action areas in the Plan including the Office Attraction Strategy which tracks 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, 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 the 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 2018 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 the services-producing sectors as well as more moderate growth in the goods-producing sectors. According to York Region's employment survey, employment rose to an estimated 636,630 jobs in 2018 (by 2.4%). 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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Chief Administrative Officer

February 22, 2019
Attachment (1)
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