

2018 EMPLOYMENT & **INDUSTRY** REPORT

A detailed overview of industry and employment trends in York Region

MARCH 2019



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INTRODUCTION ➔



➔ HIGHLIGHTS

- 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 per cent**
- **66 per cent** of York Region's surveyed employment was full-time
- **78 per cent** of surveyed employment in York Region is in services-producing sectors
- The manufacturing, retail trade, and professional, scientific and technical services sectors continue to hold the largest shares of surveyed employment in 2018
- The educational services sector recorded the largest employment gain in terms of absolute growth increasing by **6,870 jobs**
- York Region surveyed **34,100 businesses** in 2018
- The number of surveyed businesses that employ **500 or more employees** grew by **29 per cent** between 2013 and 2018

Each year the location, type and characteristics of businesses in the Region are tracked and analyzed primarily through the York Region Employment Survey program. Since 1998, the Region has conducted an industry wide survey of businesses across the nine municipalities annually. The data is collected from May-August and is aggregated for reporting and monitoring. The employment survey provides a snap shot of the Region's businesses that can be compared over time to identify trends. This type of information is important as it provides many market indicators and trend analysis that informs the development of Regional policies, programs, marketing initiatives and infrastructure investments.

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. *The Employment and Industry Report 2018* provides an economic overview of the Region's business and job growth.

Other sources of information used within the report include Statistics Canada's Labour Force data, Canadian Business Counts data, Census of Agriculture and 2016 Census data. Further details regarding data sources and methodology are contained within appendices A and B.



➡ As of mid-year 2018,
York Region's total
employment was
estimated to be
636,630 jobs.

NATIONAL and PROVINCIAL OVERVIEW

In 2018 York Region job growth outpaced national, and provincial labour force employment growth

TABLE 1 - Comparison of Annual Employment Growth Rates: Canada, Ontario, Greater Toronto Area (GTA) and York Region, 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%

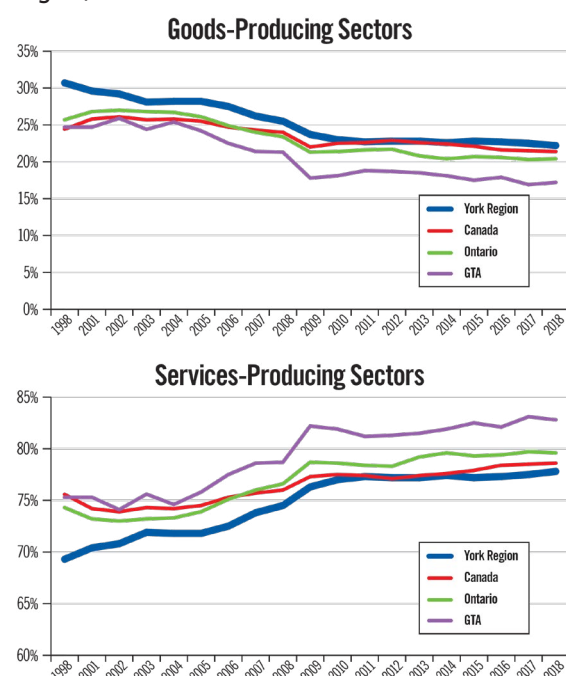
Source: York Region Planning and Economic Development Branch and Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality

Notes: 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.

The Statistics Canada's labour force data provides a broad overview of employment trends at the national, provincial and GTA levels. Direct comparisons should not be made when comparing the Statistics Canada's labour force data to York Region's employment survey data.

FIGURE 1 - Distribution of Goods and Services Producing Employment, Canada, Ontario, GTA, York Region, 1998-2018



Source: York Region figures based on 2018 employment survey results. Canada, Ontario and GTA figures based on Statistics Canada Labour Force Survey, 3-month moving average, unadjusted for seasonality, ending in August 2018

York Region employment growth outpaced national and provincial labour force employment growth between mid-year 2017 and mid-year 2018, posting a gain of 2.4 per cent, compared to a **3 per cent** growth rate in 2017 (Table 1).

According to the Statistics Canada Labour Force Survey, Ontario (2 per cent) and The Greater Toronto Area (GTA) (2.8 per cent) posted higher labour force employment growth between mid-year 2017 and mid-year 2018 compared to the same time period from 2016 to 2017 (1.4 per cent). Canada's labour force growth rate decreased from 2.1 per cent to **1.1 per cent**.

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 records the number of jobs in the Region and is comprised of working age individuals who work in York Region and who may or may not be residents of the Region.

Services-producing industries continue to grow steadily in York Region, provincially, and nationally

Since 1998, the share of service-oriented jobs for Canada, Ontario, the GTA and York Region has shown steady growth (Figure 1). In comparison, the share of employment in the goods-producing sectors has shown a gradual decline over time. Yet, York Region has consistently held a larger share of goods-producing employment than Canada, Ontario and the GTA.



NATIONAL and PROVINCIAL OVERVIEW

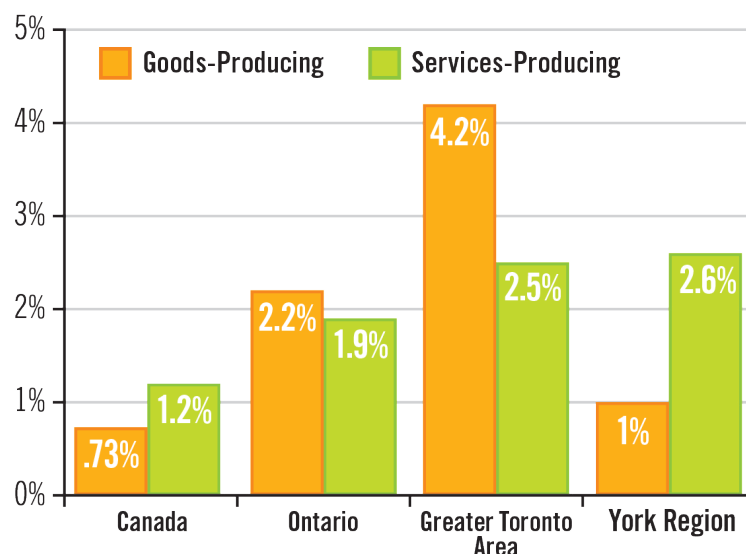
Between mid-year 2017 and mid-year 2018 York Region, the GTA, Canada and Ontario all experienced growth in the goods-producing sectors (Figure 2). The increase for the GTA occurred mainly in the forestry/fishing/mining, utilities and construction sectors. This is in contrast compared to the previous year's figures where the GTA posted a **4.1 per cent decrease** in goods-producing sectors. Canada's services-producing industries increased by almost **1 per cent** over the year with strong growth in the educational services subsector (**+58,700 jobs, 5.2 per cent growth**), transportation and warehousing subsector (**+42,200 jobs, 4.4 per cent growth**), and the other services subsector (**+26,700 jobs, 3.4 per cent growth**).

Overall, employment in Ontario increased by **142,300 jobs** or **2 per cent** from mid-year 2017 to mid-year 2018. An increase in employment was experienced in most of the good-producing sectors, with the exception of manufacturing that posted a modest decrease of **0.5 per cent**. Within the services-producing industries, Ontario's growth followed a similar pattern of overall Canadian trends with transportation and warehousing the leading growth sector at **11.7 per cent (+39,500 jobs)**. This was followed by other services with **8.4 per cent growth (+23,000 jobs)** and educational services growing by **7.8 per cent or (34,500 jobs)**.

Total GTA employment increased by **97,600 jobs** or **2.8 per cent**. The GTA's goods-producing sector increased sharply from the previous year, at **4.2 per cent**, a gain of **24,400 jobs**. The subsectors posting the largest growth in the GTA included construction (**+36,600 jobs, 17.3 per cent growth**), the educational services sector (**+27,900 jobs, 14.1 per cent growth**) and accommodation and food services (**+22,700 jobs, 10.5 per cent growth**).

There has been a long and steady decline in the goods-producing sectors, particularly manufacturing. The decline of these jobs has been offset by the growth in the services-producing sectors, particularly within the educational services, health care and social assistance and finance and insurance sectors. Overall growth rates in the National economy appear to have peaked and are widely expected to moderate through 2019-2020 according to TD Economics.

FIGURE 2 - Employment Growth Rates for Goods and Services Producing Sectors, Canada, Ontario, GTA and York Region, 2017-2018



Source: York Region figures based on 2017 employment survey results. Canada, Ontario and GTA figures based on Statistics Canada Labour Force Survey, 3-month moving average, unadjusted for seasonality.

YORK REGION EMPLOYMENT ANALYSIS

York Region employment was estimated at 636,630 jobs for 2018

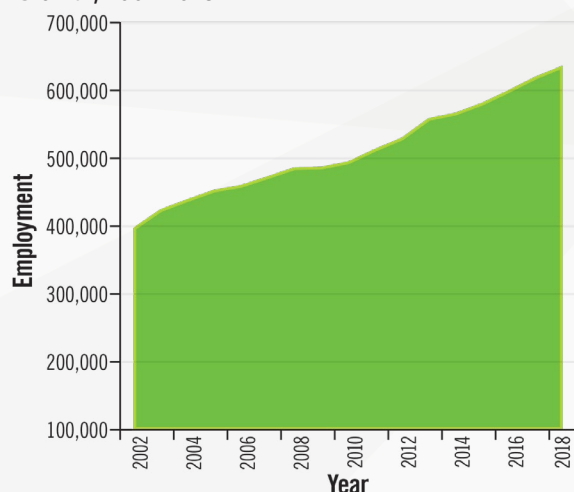


TABLE 2 - York Region Total Employment Estimate 2018

York Region Total Employment Estimate 2018	
Surveyed Employment	576,255
No Contact Estimate	5,975
Agriculture	3,255
Work at Home Estimate	51,145
Total	636,630

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

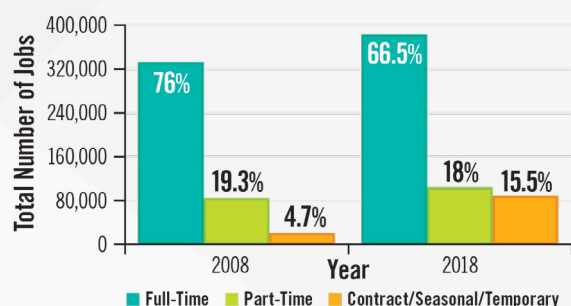
FIGURE 3 - York Region Estimated Total Employment Growth, 2001-2018



Source: Employment figures are based on York Region's estimated total employment 2001-2018.

Note: York Region figures based on employment survey results and estimates for home-based, farm-based, and no contact businesses. Historical employment figures were revised from those released in previous Employment and Industry reports based on updated information.

FIGURE 4 - York Region Surveyed Employment by Type of Worker, 2008 and 2018



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

As of mid-year 2018, the Region's total employment was estimated to be **636,630 jobs**. This estimate includes job totals from contacted firms, census of agriculture jobs, estimates for work at home employment and for businesses that the Region was unable to contact.

Table 2 outlines how the 2018 total employment estimate was derived.

York Region continues to be one of Canada's fastest growing municipalities and over the last five years the average annual growth in employment and number of businesses has been approximately **5 per cent**. Since 2001, the Region's employment has grown by over **250,000 jobs** representing a strong average annual growth rate of **3 per cent** (Figure 3). This number aligns with the Region's annual population growth rate during the same time period (3 per cent). A balanced rate of growth in population and employment provides job opportunities for both existing and future York Region residents.

YORK REGION EMPLOYMENT by TYPE OF WORKER

Contract/Seasonal/Temporary workers continue to increase.

Full-time workers continue to account for the largest share of employment type in York Region at **66 per cent**. Contract/seasonal/temporary employment continues its trend of the fastest growing type of worker with an increase in share from **4.5 per cent** in 2008 to **15.5 per cent** in 2018, representing growth of **55,700 jobs** during this time. Over 2008-2018, full-time employment decreased in share from **76 per cent** to **66 per cent**, yet grew by over **50,800 jobs**. Part-time workers declined from a **19 per cent** to **18 per cent** share of employment increased by **19,500 jobs** over the same time period (Figure 4).



YORK REGION EMPLOYMENT ANALYSIS

Full-time employment is an important labour market indicator of economic performance and the Region continues to demonstrate strength in full-time employment opportunities for its residents, attracting a highly-skilled labour force. Providing opportunities for other types of employment such as part-time and contract/seasonal/temporary is also important for residents as attitudes on work-life balance and work preferences change. York Region has historically maintained a healthy proportion of full-time employment, it is still important to monitor trends in changes to employment type composition as it may have future implications on the Region's economic well-being.

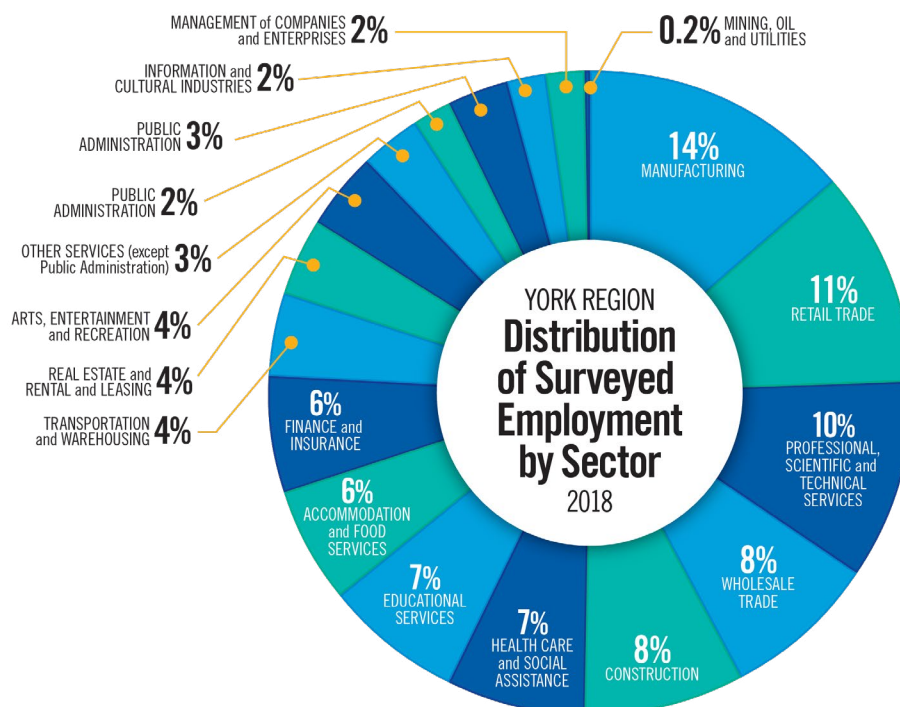
EMPLOYMENT ANALYSIS by SECTOR

The diversity of York Region's employment base provides a wide-variety of jobs and opportunities for residents

The following section provides a detailed analysis of York Region's employment using Statistics Canada's North American Industrial Classification (NAIC) system. A comprehensive list of the NAIC sectors can be found in Appendix B.

York Region has a diverse economic base. For the past five years the manufacturing, retail trade and professional, scientific and technical services sectors have accounted for the largest shares of surveyed employment, as shown in Figure 5. These shares are gradually changing over time, as other sectors such as educational services, finance and insurance and health care and social assistance steadily increase. A diverse economy provides a wide variety of jobs and opportunities for residents. While shifts within employment sectors are expected in the future with emerging new technologies and corresponding changes to employment demands, maintaining diversity of employment across sectors is vital to ensuring a resilient economy.

FIGURE 5 - York Region Distribution of Surveyed Employment by Sector, 2018



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

YORK REGION EMPLOYMENT ANALYSIS

The York Region economy continues a shift to services-oriented sectors



The share of the Region's workforce in the services-producing sectors continues to grow. In 2018, the majority of the Region's workforce was employed in services-producing sectors, accounting for **78 per cent** of the Region's surveyed employment base, compared to **75 per cent** in 2008 (Figure 6). Employment in the goods-producing sectors accounted for **22 per cent** of the Region's total surveyed employment in 2018 compared to **25 per cent** in 2008.

Employment in the services-producing sectors grew by **11,840 jobs** or **2.7 per cent** between mid-year 2017 and mid-year 2018. Over the past ten years, over **122,580 service-oriented jobs** were added to the Region's employment base representing an increase of **37.6 per cent** in these sectors.

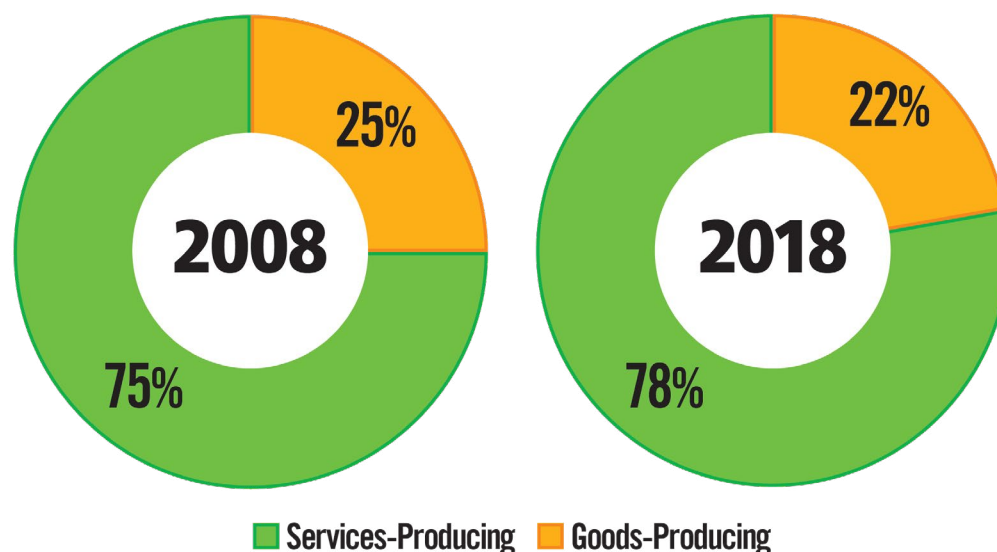
KEY SERVICES-PRODUCING GROWTH SECTORS 2008 to 2018

The Education services sector has seen increases nationally, provincially, GTA-wide and in York Region

The **education services sector** has been one of the fastest growing sectors between 2008-2018, second only to the real estate sector. This sector has doubled the number of jobs since 2008, adding over **19,700 jobs** over this ten year period.

According to Statistics Canada Labour Force data, this growth trend has been experienced throughout Canada, Ontario and the GTA with all recording increasing job numbers in this sector over the last five years. The educational services sector includes post-secondary institutions, technical and trade schools, business schools and management training and educational support services. Growth within this sector is expected to continue in York Region, with the anticipated York University Markham Campus that will not only provide for highly-skilled job opportunities but also create highly-skilled workers to supply the demand for these types of jobs in the Region.

FIGURE 6 - York Region surveyed employment by goods and services-producing sectors, 2008-2018



Source: York Region Planning and Economic Development Branch, 2008 and 2018 Employment Surveys



YORK REGION EMPLOYMENT ANALYSIS



Finance and insurance sector

Since 2008 the **finance and insurance sector** has added over **10,900 jobs** in the Region, representing **9 per cent** of total job growth in the last ten years. Major employers such as TD Insurance and Aviva Insurance have their head offices located in the Region. While large firms such as these contribute to this growth, smaller firms and local companies continue to invest in the Region adding to the growth in this sector.

Financial Technology (FinTech) and automation is expected to have high rates of adoption in this sector, leading to demand for more higher skilled and specialized labour force. With over **50 companies** located in the Region including, XE.com, Real Matters, Everlink Payment Services and more, this segment within the finance and insurance sector is expected to see more growth in the future.

In addition to these firms, expansions and investments of local companies continues to add to the growth in the finance and insurance sector. York Region is home to corporate or divisional back-end operations (e.g. processing and call centers) of many financial and insurance institutions, alongside hundreds of branch-level places of employment.

Health care and social services sector has added 17,260 jobs since 2008

Employment growth in the **health care and social services sector** has been strong over the last 10 years in the Region. This sector has grown at an average annual rate of **5.4 per cent** since 2008 adding **17,260 jobs**, making it one of the fastest-growing sectors during this time period. Growth within this sector is expected to continue with the aging population requiring access to healthcare, innovations in technology and the new Mackenzie Vaughan Hospital currently under construction.



YORK REGION EMPLOYMENT ANALYSIS

Retail Trade represents the largest share of employment in the services-producing sector

The **retail trade sector** is closely tied to population growth and has added **8,600 jobs** and grown **1.5 per cent** annually from 2008-2018. The retail trade sector represents the largest share of employment in the services-producing industry sectors with **11 per cent** or **64,100 jobs**.

Even with this growth, the retail sector's share of growth has been declining since 2008. The closure of large chain stores such as Sears Canada and other mall chain stores filing for bankruptcy. E-commerce continue to disrupt and transform the traditional retail sector model. Growth in online shopping experiences and with it in logistics and warehousing are expected to continue. Many of these facilities are automated and do not create enough new jobs to offset the decline in retail. The Region is currently undertaking a Future Employment Trends study to take a closer look at how sectors are expected to be impacted by emerging technologies and consumer behavioural changes and preferences.

The professional, scientific, and technical services sector added 820 jobs in 2018

Over the past year, the **professional, scientific and technical services sector** recorded over **820 additional jobs** and accounts for almost **10 per cent** of total employment (**54,700 jobs**) in the Region. The average annual growth for this sector of **1.4 per cent** since 2008 has increased employment by over **7,000 jobs**. The share of employment has increased from **8 per cent** of total employment in 2008 to **10 per cent** in 2018.

This sector includes subsectors such as information technology, legal services, accounting, engineering and technical services, architectural and interior design services, management consulting and research and development. Some global companies within the Region in this sector include professional and scientific services companies such as the new GM Technical Centre, IBM, AMD, Deloitte, AECOM, Parsons, Worley Parsons, Oracle, Compugen, PwC and WSP Canada.



YORK REGION EMPLOYMENT ANALYSIS



The real estate and rental and leasing sector has grown by 7.5 per cent over the past year

Even with a slower real-estate market in 2018, employment growth in the Real Estate and Rental and Leasing sector increased by **7.5 per cent** from 2017 to 2018, or **1,480 jobs**.

The real estate sector continues to see employment growth and increasing their share of total employment in the Region. Over the last ten years employment has increased annually by **7.4 per cent** adding over **10,800 jobs**. During that time period the largest amount of growth coincided with the real estate boom of 2016-2017, adding over **2,000 jobs**. Changes to mortgage rules in 2018 impacted the real-estate environment, particularly for those buying their first home. Further monitoring is needed to examine how declining sales, if the trend continues in 2019, will impact jobs within this sector over time.

YORK REGION EMPLOYMENT ANALYSIS

Pace of Annual Growth in Goods-Producing Sector has been steady



KEY GOODS-PRODUCING GROWTH SECTORS

Despite the continuing economic shift to a more service-based economy, employment in the Region's goods-producing sectors grew **1.0 per cent** or by **1,390 jobs** between 2017 and 2018. Since rebounding from the recession, the pace of this growth has been steady. The manufacturing and construction sectors were the greatest contributors to this growth. The manufacturing sector still holds the greatest share of employment in the Region at **14.2 per cent** or **81,700 jobs**.

The construction sector added over 16,000 jobs since 2008

The **construction sector** has added over **16,000 jobs** to the Region's employment base since 2008. Between 2017 and 2018, the sector grew by **1.8 per cent**, or **780 jobs**. The total number of jobs by mid-year 2018 in this sector was **45,030**. Growth in the construction sector in the GTA is tied closely to local population and business growth. The growth in construction has also been driven by the booming real estate market over this time period, as housing is a major driver of economic growth in this sector. The Region plans for population and business growth by investing in critical infrastructure such as water and wastewater and transportation including the Viva Rapidways. It is not surprising that Canada, Ontario and the GTA posted increases in this sector over the last 5 years according to Statistics Canada Labour force data.

The manufacturing sector has held steady over the past decade

Over the last 10 years the **manufacturing sector** has grown modestly, recording an annual growth rate of **0.7 per cent**. This is consistent with the significant economic downturn at the national, provincial and municipal levels. However, manufacturing remains the Region's largest sector in terms of surveyed employment and accounted for **14 per cent (81,700 jobs)** of total surveyed jobs in 2018. Manufacturing continues to increase in job growth, while steadily decreasing its share of overall employment, even with offshoring and technological advancements negatively impacting some subsectors.

In November 2018, Canada, the United States (US) and Mexico signed the new Canada-United States-Mexico Agreement (CUSMA), replacing the North America Free Trade Agreement (NAFTA). Elements of this trade agreement that could impact the manufacturing sector include the remaining steel tariffs on products entering the US as well as a requirement that vehicle manufacturers source a minimum of **70 per cent** of their steel and aluminum within the US, Canada and Mexico.

The announced closure of the Oshawa GM Plant is expected to be felt across other manufacturing sectors throughout Ontario. Approximately **16 per cent** of all manufacturing jobs in the Region can be found in the transportation equipment manufacturing subsector, representing over **13,000 jobs**. Additionally, there are other sectors outside of manufacturing that provide goods or services to the plant. Given the recently announced CUSMA as well as the Oshawa GM plant closure, this sector will need to be closely monitored in the future and assessed for potential impacts.

Advanced manufacturing in the Region accounts for **45 per cent** of the total share of employment within the manufacturing sector. Some of the subsectors under this umbrella include audio and video manufacturing, communications equipment medical equipment manufacturers that use advanced production methods or create innovative products. These subsectors within manufacturing have increased **4 per cent** since 2008.



YORK REGION EMPLOYMENT ANALYSIS



KEY GOODS-PRODUCING GROWTH SECTORS

The agri-food sector includes 27 industries in York Region

While the Employment Survey does not survey farms, it uses the Census of Agriculture as one of its sources to report out on trends and includes this data in the total employment estimate (Table 2). The Region is home to **700 farms**, employing over **3,200 people**. However, jobs created by the agriculture sector go beyond the farm. There are a total of **27 industries** that are directly related to the agricultural sector including primary farming, retail, wholesale and food and beverage manufacturing.

The food and beverage manufacturing subsector accounts for **9 per cent** of the total share of the manufacturing sector in the Region. This subsector has increased by **over 50 per cent** since 2008, adding **2,350 jobs**. As reported in the 2017 Agriculture and Agri-Food strategy report, the impact of the agri-food industry in York Region is over six billion dollars. Food and beverage manufacturing remains an important subsector to the Region and for many other sectors in the Region, including the retail trade and food and accommodation services.

YORK REGION EMPLOYMENT ANALYSIS



NUMBER of EMPLOYER BUSINESS ESTABLISHMENTS

York Region Employment Survey data and Statistics Canada Business Counts each provide a unique perspective on the makeup of York Region's business community

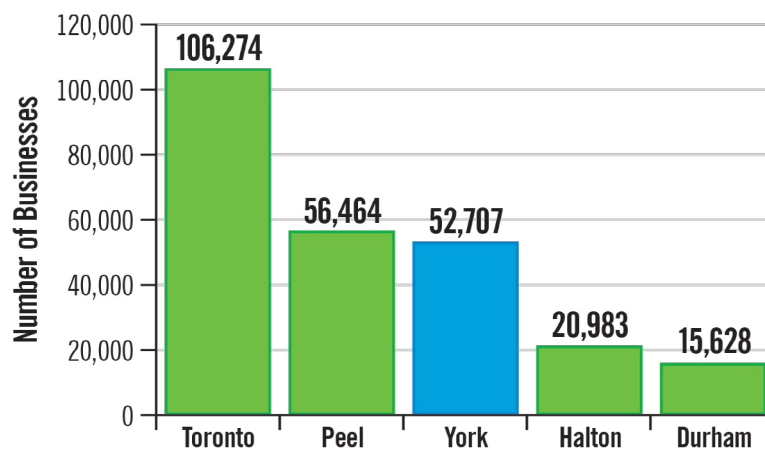
Analysis of business establishment data from both Statistics Canada Canadian Business Counts (CBC) and the York Region employment survey assists in understanding and identifying trends in the Region's business community. The York Region Employment Survey data is useful for year over year analysis of economic trends for businesses with a physical location but does not capture all registered businesses in the Region.

York Region has the third highest number of employer business establishments in the Greater Toronto Area

According to the Canadian Business Counts database, there were approximately 52,700 York Region business establishments as of June 2018. When compared to other census divisions on the GTA, York Region ranks as having the third highest number of business establishments, behind the City of Toronto and Peel Region (Figure 7).

Despite the difference in data collection methods used by Statistics Canada's Canadian Business Counts and York Region's Employment Survey, the datasets complement each other and further advance our knowledge on trends happening in the Region's business community.

FIGURE 7 - Number of Business Establishments by GTA Municipality, 2018



Source: Statistics Canada Canadian Business Counts, June 2018.



YORK REGION EMPLOYMENT ANALYSIS

York Region business community is predominantly services-oriented

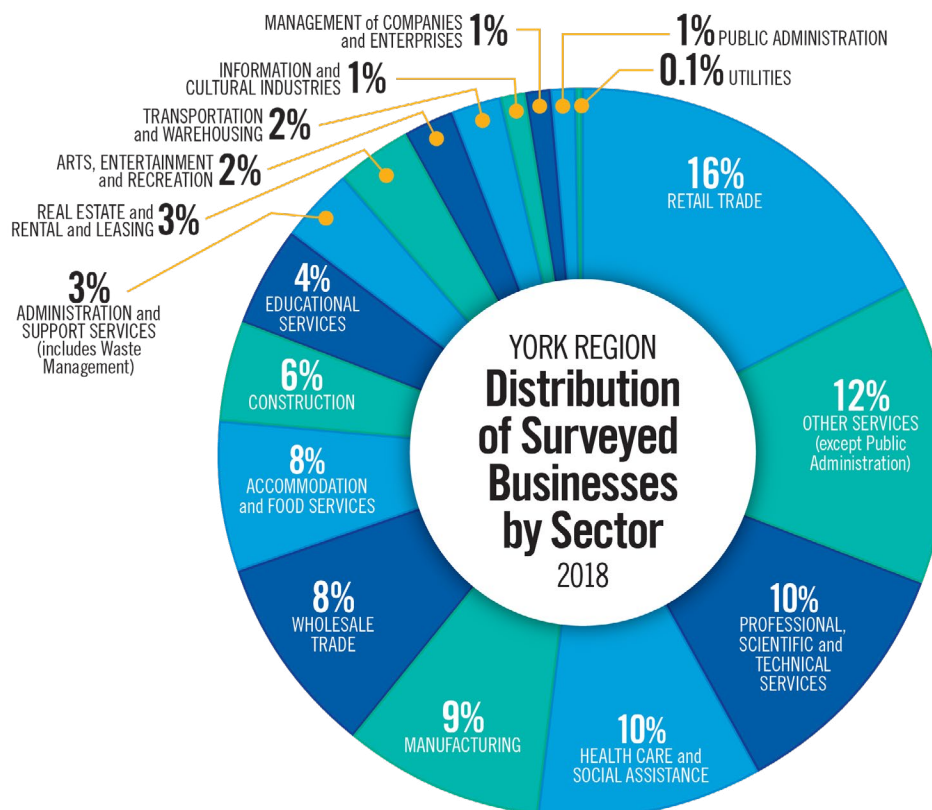
Over the last five years the number of businesses has grown at **4.5 per cent**.

The **services producing sectors** in the make up **85 per cent** of the Region's total number of business establishments with goods producing sectors representing a **15 per cent** share.

According to the Region's employment survey, the majority of the Region's business growth over the past five years was in the real-estate and leasing (**+5.4 per cent**), educational services (**+5.2 per cent**), finance and insurance (**+4.7 per cent**) and health care and social assistance sectors (**4.3 per cent**).

The distribution of business establishments in the Region is closely tied to the distribution of employment. The Retail trade holds the largest share of businesses with **5,500 (16 per cent)** and also the second largest share of employment (**11 per cent**).

FIGURE 8 - Distribution of York Region Surveyed Businesses by Sector, 2018



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

YORK REGION EMPLOYMENT ANALYSIS

Over 80 per cent of the Region's business community is made up of small businesses

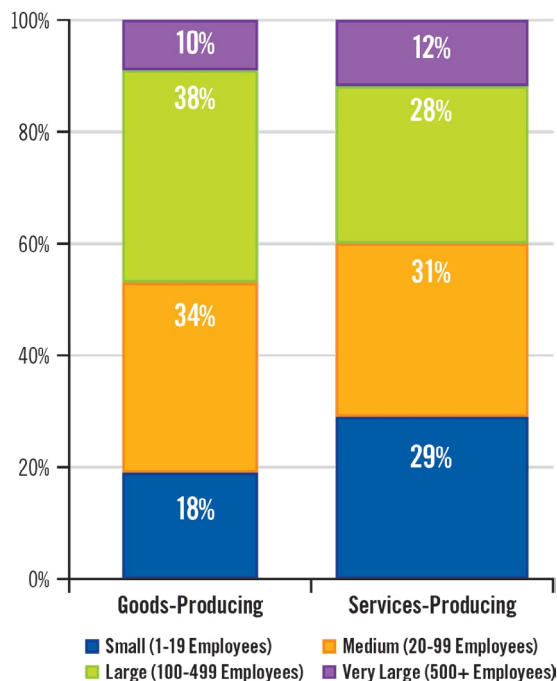
EMPLOYMENT by BUSINESS SIZE

The majority of the Region's surveyed businesses (**78 per cent**) can be found in services producing industries. Medium-sized firms, employing 20-99, within the services-producing industries accounted for the largest share of surveyed employment with **142,500 jobs** or **31 per cent** of the share of employment (Figure 9). Large-sized firms, employing 100-499 employees, accounted for the largest share of business size with **49,300 jobs** or **38 per cent** of the total share. Typically, businesses within goods-producing sectors employ more people per business establishment, as seen in Figure 8, while manufacturing only accounts for **9 per cent** of total business establishments in the Region; it holds the largest share of employment (**14 per cent**).

Over 80 per cent the Region's business community is made up of small businesses

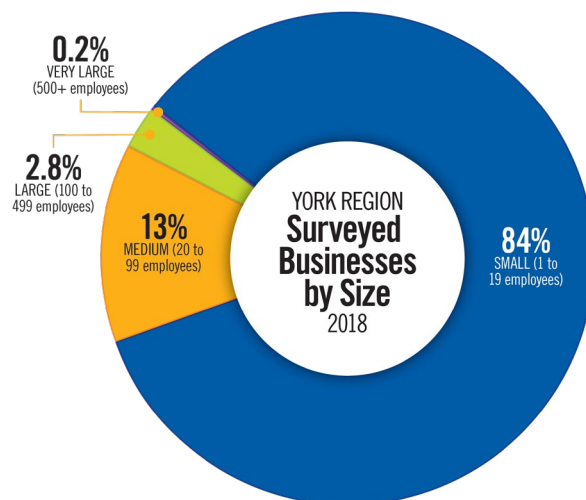
Between 2013-2018 both small-size and large-size businesses grew by **14 per cent** respectively. With small-size businesses increasing by **over 3,400** and large-size businesses increasing by **120 establishments**. While the share of Very Large businesses is relatively small at **0.2 per cent** (**66 businesses**) of the Region's total number of establishments, it has grown almost **30 per cent**, adding **15 businesses**, over the last 5 years. This indicates that the Region's investments in critical infrastructure and the Centres and Corridors program as well as the access to a highly-skilled and diverse workforce continues to attract major employers.

FIGURE 9 - York Region Surveyed Employment by Business Size and Industry Sector, 2018



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

FIGURE 10 - York Region Surveyed Businesses by Size, 2018



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

➡ Strategically located in the heart of the GTA, York Region is home to approximately 1.2 million residents, more than 52,000 businesses and over 630,000 jobs



FACTORS CONTRIBUTING to ECONOMIC GROWTH in YORK REGION



Strategically located in the heart of the Greater Toronto Area (GTA), York Region is home to approximately **1.2 million residents**, more than **52,000 businesses** and over **630,000 jobs** and also includes four provincially-designated urban growth centres. According to the Growth Plan, the Region is expected to grow to 1.79 million residents and 900,000 jobs by 2041. The Region is well positioned to plan for this growth through continued investments in infrastructure.

York Region continues to be a top destination in the Toronto area and Canada for business, talent and investment. The Region's location in the Greater Toronto and Hamilton Area (GTHA) is also strategic from a goods movement perspective. York Region is within a one day drive to over 140 million people in the United States and a one hour flight to global markets like New York, Philadelphia, Boston, Chicago and Detroit. It is located in close proximity to Toronto Pearson Airport, is home to both the CP intermodal facility and the 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 as well as the United States border and locally, the Spadina Subway extension (Line 1) into Vaughan that provides a direct connection to downtown Toronto.

Business and job growth is supported by transit investments in the Region, particularly in the Region's Centres and Corridors. The Regional Official Plan plans for the Regional Centres and Corridors to achieve the most intensive and greatest mix of development in the Region and are supported by over \$2.7 billion in transit infrastructure investment. As the Region's urban structure continues to evolve and the Regional Centres and Corridors mature, these core attributes help maintain and promote York Region's continued competitiveness as a top business location in the Greater Toronto Area.

The Region's economy is underlined by core attributes, such as: strong population and employment growth, a skilled labour force; a high quality of life that attracts top global talent; established and diversified industry clusters; major infrastructure and transportation investments; and locational and accessibility factors amongst others. As the Regional Centres and Corridors continue to evolve and mature, these core attributes combined with a competitive office real estate market, the new Vaughan Metropolitan Centre subway station, digital broadband infrastructure and innovation in a number of areas are key elements contributing to York Region being a leading economic centre in the GTA.



FACTORS CONTRIBUTING to ECONOMIC GROWTH in YORK REGION

York Region, however, is not an isolated economy and local business and employment growth are closely tied with external economic conditions, trends and policies at different levels of government. Examples of these factors that have a direct impact on York Region's economic growth prospects include U.S. and global trade agreements (including CUSMA), exchange and interest rates, the cost of doing business (e.g. corporate taxes, labour force cost increases, etc.), the labour force pool (e.g. educational institutions, immigration etc.), capital markets and housing.

Housing affordability is a factor in attracting new businesses, retaining existing businesses and attracting a labour force that are 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.

Emerging business practices and market trends also represent challenges and opportunities for York Region's economic growth in both a GTA and a global context. These include business globalization or national protectionism, digital and sharing-economy business models, the shift to contract-based employment, outsourcing, automation, talent attraction practices and many others.

York Region's Economic Development Action Plan addresses key economic challenges and opportunities facing York Region and translates them into innovative economic growth areas. Along with the initiatives identified in the Action Plan, the Region continues to make investments to support business growth and innovation.

CONCLUSIONS



The Employment and Industry report analyzes the state of the Region's economy and identifies key findings and trends in Regional employment and businesses by industry group. In mid-year 2018, there were an estimated **636,630 jobs** and employment growth in the Region outpaced national and provincial averages.

York Region is one of Canada's fastest-growing large urban municipalities and is planned and expected to continue to grow in both population and employment for the foreseeable future. The Region is an attractive location to live and invest and is committed to attracting and retaining employers as well as making significant infrastructure investments to support employment and business growth.

While employment in goods-producing sectors continues to have a presence in York Region, knowledge-based, service-oriented jobs continue to drive the Region's employment growth. This sustained employment growth continues to diversify the Region's economy and promote economic resilience, vitality and liveability. Attracting and retaining a variety of high quality jobs across a broad range of sectors promotes economic resilience and helps ensure those living in York Region have an opportunity to work and thrive where they live.



With an estimated 636,630 jobs, employment growth in York Region outpaced national and provincial averages

APPENDIX A: DATA SOURCES

York Region Employment Survey Methodology



Background

The 2018 survey was a comprehensive Region-wide survey of all businesses across York Region (excluding farm and home-based businesses). Survey data is aggregated at the traffic zone level of detail, which divides the Region into 478 smaller geographic areas allowing for a detailed examination of local trends and information about local employment areas. York Region's first Region-wide employment survey occurred in 1998, when 21,000 businesses were recorded. Subsequently, the annual survey targeted key employment areas up to 2006, consisting of high-growth areas, designated employment areas and Regional centres. With the assistance of local municipalities, York Region has been able to complete Region-wide surveys of all businesses between 2007 and 2018. It is the Region's intention that all future employment surveys be comprehensive in nature.

Data Collection

Data collection for the 2018 York Region Employment Survey included all traffic zone areas across York Region (excluding home and farm based businesses). Data was collected from York Region businesses in a variety of forms:

- Through door-to-door interviews with the business community (primary method);
- Via telephone interviews (for businesses unable to contact in person); and
- Electronically through e-mail messages, online entries via our corporate website and facsimile submissions.

Businesses were primarily contacted through door-to-door interviews between May and August of 2018 by York Region Employment Surveyors. Surveyors used a GIS-based application to collect the business information. Within each traffic zone, all businesses were directly contacted and details about business activity, changes in employment levels and contact information were updated for existing businesses, or initiated for businesses new to that area. Where records showed a business that was no longer at the address in 2018, efforts were made to contact the business by phone to establish either a new location, or to record the probable closure of the business.

For businesses unable or unwilling to conduct a door-to-door interview, the option was given to either have a surveyor call them at a mutually convenient time or to provide them with a blank survey form and have them complete and return it at their leisure. For businesses that declined to participate or could not be contacted either in person or by telephone during regular office hours, it was assumed that all information relating to that business remained unchanged from the date they were last surveyed.

In 2018, the Region was able to survey over 34,000 businesses with a physical location. Approximately 79 per cent of surveyed businesses were successfully contacted. The Region was unable to contact and update 19 per cent of businesses and 2 per cent chose not to participate in the survey.



APPENDIX A: DATA SOURCES CONTINUED

York Region staff began collecting business and employment information from farm based businesses in 2012 to compliment the Statistics Canada Census of agriculture. Home-based businesses were encouraged to submit their business information through the Region's online business directory website. Since then the Region has collected information from just over 800 home-based businesses. 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 2016 Census there were approximately 48,300 home-based jobs in York Region in 2016.

- Home-based employment rose to an estimated 51,144 jobs in 2018, an increase of 1,430 since 2017
- York Region's home-based employment is increasing every year and has become important to the Region's economy
- Increasing home-employment trend is due to the increasing technological advancements in mobile technology along with progressive employer trends that promote teleworking

In collaboration with the York Region Agricultural Advisory Liaison group and the York Federation of Agriculture, the Region completed its second farm-based business survey in 2016. A letter describing the purpose of the survey and a survey form was distributed in February to just over 700 farm-based businesses. Of the contacted farms, only 8.9 per cent participated in the survey. Due to the small response-size, this procedure was not repeated after 2017. However, regional staff continue to work with the York Federation of Agriculture to increase awareness on the benefits of collecting this information.

Data Uses

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. Some of the central uses of the data for the Region and local municipalities include: employment growth forecasts; monitoring targets in the Regional Official Plan and Provincial Growth Plan including employment and density targets for the urban growth centres and intensification areas; forecasting infrastructure requirements in master plans for transportation and water and wastewater; monitoring major office growth; and evidence in OMB cases. The data is also used for vacant employment land inventories; development charges studies; a tool for identifying economic trends and emerging sectors; and producing regional and local business directories.

Data Accuracy

A number of factors limit the accuracy of the data collected within this report, including:

Data collected was based on responses received from businesses. In certain instances however, businesses refused to participate, had a language barrier, were potentially missed in previous survey years, moved to an unknown location or were temporarily closed. As a result, certain business sectors may be over-represented and others under-represented depending on the particular circumstances of businesses in that sector.

APPENDIX A: DATA SOURCES CONTINUED



While this study analyzes employment patterns in the Region, it does not examine all possible factors that can influence employment rates in a particular location, such as land prices, property tax rates, development charges, and existing space inventories and vacancies. These factors can impact the level of overall economic health in a given area and can also promote or discourage employment growth in one area over another.

The data collected is time-sensitive, in that the information is only accurate as of the date collected. For certain industries undergoing rapid change, the analysis within this report may no longer reflect current circumstances. Caution should therefore be used before making any conclusions based on this information.

Statistics Canada Labour Force Survey

The Statistics Canada Labour Force Survey measures the current state of the Canadian labour market and is used to estimate national, provincial and regional employment and unemployment rates. The survey divides each province into smaller geographic areas and then uses a rotating panel sample design to select dwellings to be surveyed. The monthly sample size has been approximately 56,000 households which results in the collection of labour market data from approximately 100,000 individuals. The data is collected on a monthly basis either by telephone or in person interviews and survey participation is mandatory under the Statistics Act. Information is collected from all household members aged 15 and over.



APPENDIX B: SECTOR DEFINITIONS

Each business surveyed was assigned a numeric code based on their primary business activity. These codes are based on the North American Industrial Classification (NAIC) system, a hierarchical coding system used by statistical agencies in Canada, the U.S. and Mexico to classify businesses by type of economic activity. Much of the analysis in this report aggregates business information based on the NAIC coding at different levels of the hierarchy. The 20 NAIC sectoral categories used by Statistics Canada have been combined to 2 industry groupings. The combined industry groupings are summarized below:

GOODS-PRODUCING SECTORS

Mining, Oil and Utilities Sector (NAIC 21, 22) This sector comprises establishments primarily engaged in mining, oil and gas extraction and related support activities and operating electric, gas and water utilities. These establishments generate, transmit, control and distribute electric power; distribute natural gas; treat and distribute water; operate sewer systems and sewage treatment facilities; and provide related services, generally through a permanent infrastructure of lines, pipes and treatment and processing facilities.

Construction Sector (NAIC 23) This sector comprises establishments primarily engaged in constructing, repairing and renovating buildings and engineering works, and in subdividing land. This sector includes land development, building and engineering construction and project management and all construction trades contracting (e.g., concrete pouring, roofing, drywall and painting, electrical, fencing).

Manufacturing Sector (NAIC 31-33) This sector comprises establishments primarily engaged in the chemical, mechanical or physical transformation of materials or substances into new products. This sector includes food and beverage manufacturing, textile and clothing production, wood and paper products manufacturing, printing, petrochemical manufacturing, plastics and rubber manufacturing, non-metallic mineral product manufacturing (e.g., bricks, glass, gypsum board), primary metal manufacturing (e.g., iron and steel mills, metal pipes and wire, foundries), fabricated metal product manufacturing (e.g., stamping, metal doors, boilers, hardware, machine shops, nuts and bolts), machinery manufacturing, computer and electronic equipment, electrical equipment and appliances, transportation equipment manufacturing (e.g., motor vehicles and parts, aerospace and boat building) and furniture manufacturing.

APPENDIX B: SECTOR DEFINITIONS CONTINUED



SERVICES-PRODUCING SECTORS

Wholesale Trade Sector (NAIC 41) This sector comprises establishments primarily engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. This sector includes all wholesale distributors, product agents and brokers.

Retail Trade Sector (NAIC 44-45) This sector comprises establishments primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Includes all retail stores, retail auto and building supply dealers, gas stations and non-store retailers (e.g., mail order houses, vending machine operators, direct sales).

Transportation/Warehousing Sector (NAIC 48-49) This sector comprises establishments primarily engaged in transporting passengers and goods, warehousing and storing goods, and providing services to these establishments. This sector includes passenger and freight transportation and related support activities (e.g., airports, bus stations, vehicle towing, postal and courier services and warehousing and storage establishments).

Retail Trade Sector (NAIC 44-45) This sector comprises establishments primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Includes all retail stores, retail auto and building supply dealers, gas stations and non-store retailers (e.g., mail order houses, vending machine operators, direct sales).

Information and Cultural Studies Sector (NAIC 51) This sector comprises establishments primarily engaged in producing and distributing (except by wholesale and retail methods) information and cultural products. Establishments providing the means to transmit or distribute these products or providing access to equipment and expertise for processing data are also included. The main components of this sector are the publishing industries (e.g. newspaper, book and software publishers), TV and radio broadcasting, telecommunications services, information services (e.g., news syndicates, libraries, and internet providers) and data processing services.

Finance and Insurance Sector (NAIC 52) This sector comprises establishments primarily engaged in financial transactions including monetary authorities, credit intermediation and related activities (e.g., personal and commercial banking, credit unions, credit card issuing, consumer lending, mortgage brokers, transaction processing), securities and commodities trading, portfolio management and investment advising, insurance carriers and brokers and pension funds.

Real Estate and Rental and Leasing Sector (NAIC 53) This sector comprises establishments primarily engaged in renting, leasing or otherwise allowing the use of tangible or intangible assets. Establishments are primarily engaged in managing real estate for others; selling, renting and/or buying of real estate for others; and appraising real estate.



APPENDIX B: SECTOR DEFINITIONS CONTINUED

SERVICES-PRODUCING SECTORS CONTINUED

Professional, Scientific and Technical Services Sector (NAIC 54) This sector comprises establishments primarily engaged in activities in which human capital is the major input. These establishments make available the knowledge and skills of their employees, often on an assignment basis. The individual industries of this sector are defined on the basis of the particular expertise and training of the service provider. The main components of this sector are legal services; accounting, tax preparation, bookkeeping and payroll services; architectural, engineering and related services; specialized design services; computer systems design and related services; management, scientific and technical consulting services; scientific research and development services; and advertising, public relations, and related services.

Management of Companies and Enterprises Sector (NAIC 55) This sector comprises establishments primarily engaged in managing companies and enterprises and/or holding the securities or financial assets of companies and enterprises, for the purpose of owning a controlling interest in them and/or influencing their management decisions (e.g. holding companies, centralized administrative offices, corporate offices, head offices).

Administrative and Support, Waste Management and Remediation Services Sector (NAIC 56) This sector comprises establishments of two different types: those primarily engaged in activities that support the day-to-day operations of other organizations; and those primarily engaged in waste management activities. The first type of establishment is engaged in activities such as administration, hiring and placing personnel, preparing documents, taking orders from clients, collecting payments for claims, arranging travel, providing security and surveillance, cleaning buildings, and packaging and labeling products. Waste management establishments are engaged in the collection, treatment and disposal of waste material, the operation of material recovery facilities, the remediation of polluted sites and the cleaning of septic tanks.

Education Sector (NAIC 61) This sector comprises establishments primarily engaged in providing instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities and training centers. These establishments may be privately owned and operated, either for profit or not, or they may be publicly owned and operated.

Health and Social Services Sector (NAIC 62) This sector comprises establishments primarily engaged in providing health care by diagnosis and treatment, providing residential care for medical and social reasons, and providing social assistance, such as counseling, welfare, child protection, community housing and food services, vocational rehabilitation and child care, to those requiring such assistance.

APPENDIX B: SECTOR DEFINITIONS CONTINUED



SERVICES-PRODUCING SECTORS CONTINUED

Arts, Entertainment and Recreation Sector (NAIC 71) This sector comprises establishments primarily engaged in operating facilities or providing services to meet the cultural, entertainment and recreational interests of their patrons. The main components of this sector are performing arts, spectator sports industries, heritage institutions (e.g., art galleries, museums, zoos, conservation areas), amusement parks, gambling industry, golf courses and country clubs, skiing facilities, marinas, fitness and recreation centres, restaurants and bars and caterers.

Accommodation and Food Services Sector (NAIC 72) This sector comprises establishments primarily engaged in providing short-term lodging and complementary services to travelers, vacationers and others, in facilities such as hotels, motor hotels, resorts, motels, casino hotels, bed and breakfast accommodations, housekeeping cottages and cabins, recreational vehicle parks and campgrounds, hunting and fishing camps, and various types of recreational and adventure camps. This sector also comprises establishments primarily engaged in preparing meals, snacks and beverages, to customer orders, for immediate consumption on and off the premises.

Other Services Sector (except public administration) (NAIC 81) This sector comprises establishments primarily engaged in repairing, or performing general or routine maintenance (e.g. Automotive repair, machinery repair, reupholstery); providing personal care services (e.g. hair care, funeral homes, laundry services, pet care services, photofinishing); religious organizations and other civic and professional organizations.

Public Administration Sector (NAIC 91) This sector comprises establishments primarily engaged in activities of a governmental nature (e.g. federal, provincial, regional and municipal protective services such as fire, police, courts and correctional facilities, regulatory and administrative service.





For more information on businesses
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