



Labour Market Bulletin

Windsor & Essex County

Service Canada Centre

~ An Analysis of the Windsor & Essex County Area Labour Market ~ January To March 2006 ~

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An overview of the Windsor and Essex County labour market.

- Windsor's labour force continues to grow despite a drop in employment this quarter
- Unemployment rate jumps to an eight year high of 10.2% as a result
- Windsor's labour market shows improvement compared with a year ago

HIGHLIGHTS

- ▶ While Detroit, Michigan hosted the Super Bowl this year, Windsor and Essex County's hospitality sector benefited with hotel / motel rooms booked, and restaurants, entertainment and cultural venues busy with football fans as well as interested local residents. Super Bowl activities were reported to benefit the area by potentially more than \$80 million.
- ▶ The area braces for the impact of new non-smoking legislation, which is combined with the rising value of the Canadian dollar and premature perception about required documentation to travel into the U.S., to threaten Ontario's largest source of tourists.
- ▶ Several employers closed this quarter, permanently displacing approximately 225 workers from Southern Wire Products, Industrialex Manufacturing Canada, Federal-Mogul Corp., and Lamb Technicon.
- ▶ Nematik's Windsor Aluminum plant won a contract to supply General Motors with engine blocks and will preserve jobs. General Motors' Windsor Transmission plant was chosen to build transmissions for the new Saturn 2007 Aura, similarly maintaining employment levels at the plant.
- ▶ A satellite medical school will be established on the University of Windsor campus and by 2008, will have had 14 first-year students begin undergraduate studies. This initiative will not only create employment in construction and health care sectors but also encourage these students to remain in the community as medical practitioners.

The Windsor area SCC Labour Market Bulletin is a quarterly report produced by the area Labour Market Information Analyst. This bulletin and other LMI products may also be found on our website. (aussi disponible en français)

For further information contact:

Diane Nease,

Labour Market Information Analyst

Telephone: 519.560.2529

Email: diane.nease@servicecanada.gc.ca

Visit our website at: www.labourmarketinformation.ca

Note: *In preparing this bulletin, Service Canada has taken care to provide clients with labour market information from reliable sources that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since the bulletin was published. Readers are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this bulletin does not necessarily reflect official policies of Service Canada.*



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LABOUR MARKET NEWS

Highlights on industry activities that have an impact on the local labour market, this information is derived from several sources including local newspapers, newsletters and various publications. Please refer to "Notes to Readers" for additional information.

Manufacturing

Nemak's Windsor Aluminium Plant won a contract to supply General Motors with engine blocks beginning in August. Until now, Nemak has produced parts exclusively for Ford Motor Co. Provincial subsidies will help this employer to install a new casting line that will double its capacity to produce strengthened blocks using new "iron chill" processes. This \$106 million investment will help secure current employment levels at the plant. For the second consecutive year, Canadian Auto Workers' members approved contract changes and modified language (which allows more flexibility among this workforce) to help secure new work at Nemak.

General Motors' Windsor Transmission plant was chosen to immediately begin building transmissions for the new Saturn 2007 Aura sedan. In a similar situation to Nemak, this new investment will not create additional jobs but rather provide job security for the current workforce.

As Ford Motor Co. executes its restructuring plans, 68 operations managers were permanently laid-off in February, many of whom accepted retirement packages. The reductions were considered necessary to stabilize the Windsor operations and retain a competitive foothold in Canada. Similarly, Butcher Engineering experienced 150 indefinite lay-offs due to a shortage of work; this employer provides packaging, warehousing and distribution services exclusively for Ford Motor.

DaimlerChrysler's Windsor Assembly Plant once again offered Saturday overtime shifts – the first time since November 2005.

Shortly after workers rejected wage roll-backs, Industrialex Manufacturing Canada Ltd. declared bankruptcy, leaving about 115 workers unemployed. The company washed, powder-coated, and electro-coated various metal parts for the automotive industry.

Federal-Mogul Corp. declared bankruptcy early in the New Year, displacing about 20 employees in Windsor. This original and after-market automotive products supplier had plants located worldwide.

Southern Wire Products announced their closure in March due to financial reasons. While a couple staff will remain in order

to complete a number of small contracts, a total of 50 hourly and salaried staff will be out of work.

Because of corporate restructuring, Lamb Technicon's Windsor operations will close, affecting about 40 staff. This employer designs and produces special machine tools for the automotive industry. Mould shops are "generally busy" (especially the smaller specialized shops), with many doing repairs and modifications to moulds and tools.¹ January's industry newsletter noted that in the machine, tool, die, and mould sector, diversifying product lines to include more than automotive has become crucial to profitability. This effort to reduce input costs and re-align to higher-value products is expected to mean greater business investment in machinery and equipment this year.²

With the purchase of Pernod Ricard's Canadian operations by Corby Distilleries, the Hiram Walker and Sons location will lose about 25 jobs but at the same time, will have secured liquor production for the next decade.

Agriculture

Pioneer Hi-Bred Limited, based in Chatham-Kent, will no longer require the corn crops from about 20 Essex County growers. This decision was based on the less-than-ideal growing conditions as well as the distance from Chatham. The absence of this crop also translates into job loss for students (170 were hired through the Service Canada Centre – Youth last year) who would be employed as corn detasslers. There could also be negative economic impacts for businesses that sell fertilizer, drying and hauling services for the corn crops.

Mastronardi Estate Winery opened this quarter; becoming the area's third largest winery by vineyard acreage. A retail store was the first step to developing this business; it will be followed by renovations to a house designed to host weddings and other events for up to 50 guests. Three other wineries are slated to begin operating this year, located in the region called Lake Erie North Shore and Pelee Island.

A February study verified Essex County has the densest concentration of greenhouses in the continent and that

¹ Canadian Tooling & Machining Association, *CTMA View*, March 2006.

² Ministry of Labour – Labour Management Services, *Ontario Collective Bargaining Agreement Expirations 2006*.



greenhouse agriculture is Ontario's largest crop sector. Every dollar of industry investment generates about \$2.81 of economic activity in the area economy. Growers' profits are challenged by the exchange rate (demand for exported product is affected) and rising energy prices. But "greenhouse agriculture is characterized by an entrepreneurial spirit that has demonstrated its capacity to embrace innovation and adapt to change".³

Local employers like AMA Plastics, have found innovative ways to save labour and material costs. Two examples include the development of wooden clips that hold tomato clusters and are biodegradable (unlike the currently used plastic clips) and, newly designed machinery to separate and grind up waste by-products such as vines, rockwool, and plastics. Other businesses supporting greenhouses have developed in the area to provide shipping services, growing mediums (stonewool and containers), and cold storage.

Health & Social Services

With the help of a regional recruitment officer, Essex County has retained 100 new physicians in the last three years but has lost 60 doctors, mostly due to retirements. Hotel Dieu-Grace Hospital (HDGH) gained a neurosurgeon and two respirologists recently but the shortage of specialists, especially anaesthesiologists, psychiatrists, orthopaedic surgeons, obstetrician, and intensive care and emergency room physicians continues in our area.

Blending lean manufacturing processes with operations at HDGH has proved to have positive impacts on both emergency room patient turnaround times as well as with stockroom materials and their storage. HDGH was one of the first in Canada to apply this innovative and money-saving approach. Also in the forefront, HDGH was one of the first in Ontario to share electronic patient files which allows immediate test results and record updates, more rapid diagnoses, fewer duplicate tests or prescriptions, and time-savings for staff in locating hard copies.

By 2008, a branch of the University of Western Ontario's Schulich School of Medicine will have created 14 spaces for first-year medical students participating in a four-year undergraduate program. This event will stimulate the local economy through construction (the university's Toldo Health Centre will require expansion) and education jobs. Indirectly, jobs with health-care sector companies will be created, as well as the medical school graduates who may establish future practices in this vicinity.

New provincial monies will be dedicated to nurses and their career retention through professional development at area

centres including Leamington District Memorial Hospital, Sun Parlour Home for Senior Citizens, and Leamington United Mennonite Home. Also, monies were directed to treat eating disorders allowing community agencies such as Windsor's Bulimia Anorexia Nervosa Association to hire more staff.

The introduction of the federal government's new child care credit program will have an impact on the number of child care spaces and neighbourhood parent-resource centres planned for Essex County. So far, \$8 million has been received in Essex County to create 240 spots in 11 elementary schools. This funding was also targeted for hiring public health care nurses, speech and language pathologists, and support staff. However, with the change in the program, the final number of spaces and staff required is not known at this time.

A provincial initiative called Mobile Crisis Teams will start up this spring to help respond to crisis calls in our community. Ten new social workers will be hired to maintain the 24-hour service via the Community Crisis Centre located at HDGH.

A new privately operated, respite day care service for adults, is expected to open this summer. Hannah's Place Adult Day Care is designed for those who are still living in their homes but whose care-givers need the occasional day off. The centre will be staffed with professional therapists and volunteers who will co-ordinate activities ranging from music and movement to games.

Retail & Wholesale Trade

The rising value of the Canadian dollar impacts the retail trade sector, particularly in a border city where access to U.S. markets is relatively quick. Windsor Crossing Premium Outlets finds itself shifting its marketing campaign to target south western Ontario as opposed to primarily U.S. customers. Although cross-border shopping was a heightened issue in the early 1990's, there is now far more selection for community consumers with name-brand stores and their products, than ever before. The Conference Board of Canada forecasted retail sales to slow in 2006, mainly due to steadily rising interest rates that affect those consumers carrying significant debt; the outlook is improved for 2008 and 2009.

Fastenal Company opened its second Windsor store on Rhodes Drive with an eventual compliment of four staff. This global employer sells a range of fasteners, tools, abrasives, and safety gear to industrial and construction companies.

Indigo Books & Music Inc. opened a new store in the St. Clair Shores Shopping Centre and employs almost 45 people. Unique to this store is an interactive children's' section which includes both play and reading areas.

³ www.theontariogreenhousealliance.com



Home Depot was in the hiring mode at both Windsor locations early this season. Together, both stores were recruiting for approximately 110 new staff for part-time, full-time, and seasonal hours in positions of sales, cashiers, supervisors, and night operations personnel.

Accommodation & Food Services

Super Bowl XL took place in neighbouring Detroit, Michigan and generated significant economic impact for this industry in February, traditionally an off-peak season. Windsor is the first Canadian city to have officially-sanctioned events for a National Football League Super Bowl. A number of businesses were harnessed to provide catering, linen supply, florists, construction, decorating, confetti, furnishing, inspections, cleaning, private security, advertising, transportation, retail sales, and entertainment for various activities.

Hotel and motel accommodations in Essex County were at near-capacity during the week of this annual football event. Many restaurants and night clubs had their staff work additional hours. Similarly, the Windsor Police Services operated at full strength during Super Bowl week, with support from the Ontario Provincial Police and Royal Mounted Canadian Police to ensure border crossings and event grounds were secure.

The Keg Steak House and Bar officially opened at the end of January, employing 140 staff. Located at the foot of Ouellette Ave., the bar area, restaurant, patio, and 24-seat private room have a view of the Detroit River and skyline. The Downtown Business Improvement Association expressed optimism in the area as six new businesses are slated to open in existing buildings. While primarily an entertainment district, the association has advocated for diversity in the area by adding residential and educational components in order to attract investment to downtown.

A & W Food Services of Canada is in process of opening a stand-alone restaurant and drive-through on Tecumseh Rd. East this summer. A former A & W drive-through on Huron Church Road was closed in 1992; there are A & W counters in both Devonshire & Tecumseh Mall presently.

Information, Culture, & Recreation

Smoking will be banned in all enclosed Ontario workplaces and public building as of May 31, 2006. This new legislation combined with the increased value of the Canadian dollar, perceived difficulties crossing the border, and premature perceptions that travellers into the U.S. must carry passports, are major concerns to the area tourism industry. Casino Windsor has been actively marketing this destination and

offering incentives to players, helping to sustain employment levels that usually slow down in the winter months.

A manager of cultural affairs will be hired as part of a regional economic development approach to help stimulate our local economy. This is a new position with the municipality, responsible for drafting a cultural policy to consider art, heritage, green space, architectural and urban design, and festivals of nations in an effort to make this community one that skilled people want to live and work in. According to the 2001 Census, the Windsor Census Metropolitan Area is the third most culturally diverse community in Ontario after Toronto and Ottawa-Hull.

Transportation & Warehousing

Canadian Auto Workers' members and employer Veteran Cab ratified a three-year collective agreement, ending a labour dispute that lasted almost two months. The strike carried through the Super Bowl time period and adversely affected people who rely on taxi services regularly. Reasons for the dispute included improved health care coverage, emergency panic buttons, liability insurance rates, and leasing agreement costs – especially on days when the cab is not in use. Although the agreement did not include a day off, drivers will receive a greater share of the rates thus allowing them to budget for time off the job. Between the four Windsor-based taxi companies, there are more than 470 drivers.

An agreement between the City of Windsor and Greyhound Canada was reached as the quarter closed. A new bus terminal, estimated to cost around \$5.5 million, will be built downtown on the former Canadian Tire site and may potentially open in spring 2007. In part, funding will stem from the gas tax transfer to municipalities; portions of the gas tax will also be used to expand Transit Windsor's bus routes, hours of service, and staffing levels. The Windsor Port Authority, the third-largest on the Great Lakes, saw a large increase in aggregate tonnage which includes gravel, stone and sand, due to a healthy local construction industry and the widening and repaving project along Highway 401. This gain off-set the 2005 decrease in its main commodities of steel and grain.

Construction

In the Windsor area, there were fewer residential construction permits issued than at this time last year but the value of all construction segments, except commercial, had risen this quarter. The Canadian Mortgage and Housing Corporation's analyst attributed the decline in housing starts to "a combination of adequate supply in the resale market, job uncertainty, and weaker consumer confidence".⁴ Even with

⁴ Greater Windsor Home Builders Association, *For Good Measure*, Issue 79, February 2006.



the anticipated decrease in housing starts, the Home Builders Association 2006 forecast is still relatively healthy compared to past standards.

The Youth & Family Resource Network of Essex County is planning to build two duplex residential units in Kingsville to provide transitional housing for people who are about to become homeless. Currently, all emergency shelters are located in the City of Windsor.

A new Wal-Mart is planned for the Town of Amherstburg. In order to prepare the site, a new plaza will be built followed by the demolition of the old plaza, then the construction of the new Wal-Mart building, expected to be completed by year-end. Wal-Mart typically employs about 200 staff but initial job creation will occur among the construction trades.

In order to attract students and skilled instructors to its engineering programs, the University of Windsor will undertake the construction of a new engineering centre. The project is in the very early stage of securing architectural drawings; the final completion date could extend into October 2008.

- Construction will begin in April on the Windsor area's first Linens 'N Things store, located at the Roundhouse Centre at an estimated cost of \$2.5 million.
- When completed in October, Lakeshore Oasis plaza (E.C. Row at Patillo Rd.) will offer health and beauty services from lifestyle-themed businesses.
- In the far east side of Windsor (E.C. Row at Banwell) construction of the Royal Timbers Shopping Centre has begun. Besides retail stores, it will include a medical centre, commercial buildings, and 27 loft apartments.
- A new Bank of Montreal on Tecumseh Road East will be built for an estimated \$1 million.
- The site of the \$20 million LaSalle Vollmer Recreation Centre is being prepared.
- A program called Move Ontario awarded Essex County about \$14 million for road and bridge repair work.

Education

After little more than two weeks, classes at Ontario's 24 colleges resumed as striking teachers agreed to binding arbitration in order to resolve their contract disputes. Locally, approximately 400 people were temporarily laid-off because of the labour dispute. The traditional April start for summer job search was delayed for these post-secondary students.

New provincial funds aimed to increase the numbers of apprentices in the workplace will allow Leamington's Cardinal Carter secondary school to launch a horticultural program and St. Clair College to purchase equipment and software for the electrician, millwright, and machine tool builder programs. On the demand side, provincial funds will give employers a tax credit to off-set the costs of hiring and training new apprentices.

As the University of Windsor continues to grow its program offerings, it also is the first Canadian schools to have wireless internet access (both in and outdoors) across campus. This January, the university was also among the first Canadian campuses to utilize podcast technology. This information delivery method means that students can download and review lectures, leaving more time to actively listen in class without being preoccupied with taking notes. Professors too, can gauge student comprehension by asking for them to select their answers on a remote control device (called Classroom Performance System); students can get immediate feedback in this situation.

A second international degree program will be available in September for those interested in policy analysis. The University of Windsor will team up with the University of Michigan to offer students concurrent master degrees in political science and public policy. Students will not pay course costs as foreign students while attending both institutions to complete this program. The university's research and development focus will also be expanded as a \$3 million grant will be used to study transportation issues. The eventual outcomes will be used to design provincial and national policy around trade and traffic flows, border security, and transportation hubs.

Communications & Utilities

A new television station became operational early this year. As the first Canadian low power, community-focused television station, Leamington's not-for-profit CFTV 34 has the flexibility to produce programs not limited by ratings. Advertising will however be offered in order to raise funds for operations, equipment upgrades, and program development. The station intends to cover a range of topics from town council meetings and community awareness to local sports and multi-lingual cultural programs. With more than 20 ethnicities within viewing range, this station is the first in the area to provide such targeted televised programming.⁵

⁵ www.southshorebroadcastinginc.ca



LABOUR FORCE TRENDS

Windsor’s employment level dropped in the first quarter of 2006. The decline was larger than normal, but was still consistent with seasonal trends. However, the number of people in the labour force continued to rise over the quarter, in part because of the prospect of jobs related to Detroit’s hosting of Super Bowl XL in February. This caused the number of people unemployed in the area to jump by 61% (7,000), and sent the unemployment rate to its highest level since the third quarter of 1998. The rate jumped to 10.2% from 6.4% last quarter. It had been declining throughout most of 2005.

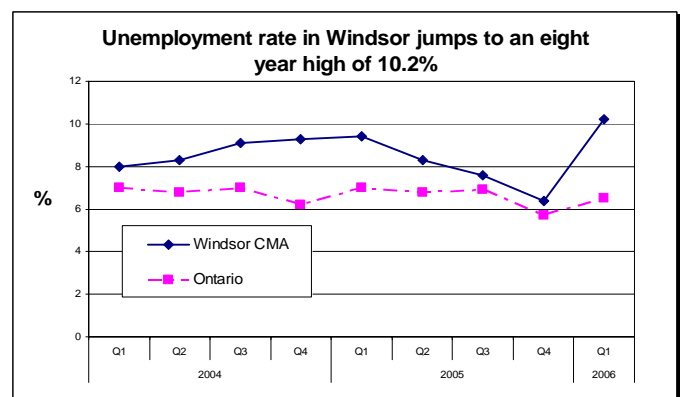
Despite the first quarter contraction, Windsor’s employment level was up compared with a year ago. It increased by 1.7%, the provincial average, after spending most of 2005 below its previous year level. However, the number of people in the labour force was up by almost twice as much, leaving more people unemployed than were a year ago. This raised the unemployment rate from 9.4% in the first quarter of 2005. Still, there were other indications that the labour market was performing at least marginally better than it did a year earlier. The participation rate was up by a full percentage point, and there was a small increase in the area’s employment rate.

Windsor Census Metropolitan Area Labour Force Trends

	First Quarter	Fourth	First Quarter	Quarter/Quarter		Year/Year	
	2006	Quarter	2005	Absolute	%	Absolute	%
Population 15 + ('000)	269,700	269,300	266,400	400	0.1	3,300	1.2
Labour Force ('000)	178,100	176,500	173,200	1,600	0.9	4,900	2.8
Employed ('000)	159,800	165,200	157,100	-5,400	-3.3	2,700	1.7
Full-time	123,400	130,800	125,400	-7,400	-5.7	-2,000	-1.6
Part-time	36,500	34,400	31,700	2,100	6.1	4,800	15.1
Unemployed ('000)	18,200	11,300	16,200	6,900	61.1	2,000	12.3
Not in Labour Force ('000)	91,700	92,800	93,100	-1,100	-1.2	-1,400	-1.5
Participation Rate (%)	66.0%	65.5%	65.0%	0.5		1.0	
Unemployment Rate (%)	10.2%	6.4%	9.4%	3.8		0.8	
Employment Rate (%)	59.3%	61.3%	59.0%	-2.0		0.3	

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey.



Employment by Industry

Readers of this quarterly labour market review may note that we have discontinued the tables and commentary on employment by industry sector as of the First Quarter, 2006. We have discontinued this content element because recent analysis indicates that the sampling error is too large to provide meaningful observation of changes in sector employment at the sub-provincial level over the short term.



FROM THE AUTHOR'S DESK

- For the third consecutive year, the minimum wage rose this February by 30 cents to \$7.75 per hour (www.labour.gov.on.ca) and eventually to reach \$8.00 per hour as of February 1, 2007. Students and liquor servers minimum wages also rose but by slightly different amounts.

Notes to Readers:

1. The **Windsor Census Metropolitan Area** is comprised of Windsor, LaSalle, Amherstburg, Essex, Tecumseh, and Lakeshore..
2. For the purpose of this publication, the **Windsor and Essex County** includes all of the above communities as well as Kingsville, Leamington, and Pelee Island.
3. The information contained in the Labour Market News section is gathered using a variety of internal and external sources. The primary sources of information include **Ministry of Labour, Canadian Mortgage and Housing Corporation, Conference Board of Canada, Statistics Canada, Windsor Star, Essex Free Press, Leamington Post, Windsor Housing Now, In Business Windsor, Biz X, Windsor Business, and The Drive.**
4. **Definitions – Labour Force Survey data**
Population 15+ (the working age population) consists of all persons 15 years of age and over residing in Canada with the exception of residents of the Territories, persons living on Indian Reserves, inmates of institutions and full-time members of the Canadian Armed forces. The **Labour Force** consists of people employed or unemployed and searching for work. Those who are neither employed nor unemployed and are not willing or able to supply labour services are considered **Not in the Labour Force**. The **Participation Rate** is the percentage of the working age population (15+) who are seeking work or are employed. The **Unemployment Rate** is the number of people who are unemployed and looking for work as a percentage of the number of people in the Labour Force. The **Employment Rate** is the number of people employed as a percentage of the working age population.
5. **Definitions – Service Canada Centre Corporate Data**
Employment Insurance claim load: The number of individuals with an active claim for regular Employment Insurance benefits. Data on Employment Insurance claimants is not an accurate measure of the absolute level of unemployment. The data does not include unemployed individuals who: 1/ have not met the program's eligibility requirements or 2/ have exhausted their benefit entitlement.
Employment Opportunities: Advertised employment opportunities are comprised of vacancies notified to the SCC offices in our area and newspaper want ads. This data is not a count of all labour market activity; in practical terms, such a count is not feasible. This data is useful to track short and long-term changes in the demand for individual occupations. The total number of opportunities is equal to full-time plus part-time and casual.
6. This review uses data from **Statistics Canada's Labour Force Survey (LFS)**. In any survey there is a chance of variation due to sampling size. **Three-month moving averages** are used for selected labour force characteristics in an attempt to improve the reliability of this data. For further information on the Labour Force Survey, visit Statistics Canada's website at: <http://www.statcan.ca/english/sdds/3701.htm>
7. For more information on Industrial and Occupational categories used in this review, visit **Statistics Canada's website** at: <http://www.statcan.ca/english/concepts/index.htm>

