



Labour Market Bulletin

Human Resource Centre of Canada

Oshawa HRCC

~ An Analysis of the Durham Region Labour Market ~ January 2005 to March 2005 ~

Volume 6, Issue 1 First Quarter 2005

IN THIS ISSUE:

HIGHLIGHTS..... 1

LABOUR MARKET NEWS..... 2

Construction..... 2

Manufacturing..... 2

Trade..... 2

Management, Administrative and Other Support..... 2

Educational Services..... 3

Health Care and Social Assistance..... 3

Accommodation and Food Services..... 3

Public Administration..... 3

LABOUR FORCE TRENDS..... 4

Employment by Industry..... 5

LABOUR SUPPLY AND DEMAND..... 6

Employment Insurance Claimload..... 6

Employment Opportunities..... 7

FROM THE AUTHOR'S DESK..... 7

AN OVERVIEW OF THE DURHAM REGION

During the first quarter of 2005, the Durham Region labour market encountered several promising endeavours which included a major automotive investment. On the flip side, the market experienced job losses in the health sector and temporary layoffs in the automotive industry.

The Oshawa CMA labour force grew faster than its working age population as the rate of participation in the workforce increased. Service jobs provided most of the employment opportunities.

Employment insurance claims data show that the supply of workers rose more than 10,000 during the first quarter of this year. Newspaper vacancies indicate that employer demand for workers seemed to be greatest in sales and service occupations.

HIGHLIGHTS

- ▶ General Motors announces a \$2.5 billion investment in its operations.
- ▶ Training program helps to launch the teaching careers of 12 internationally-trained educators.
- ▶ Lakeridge Health announces the loss of 300 jobs.
- ▶ Local summer employment resources available to students.
- ▶ Ontario minimum wage rose to \$7.45 in February.
- ▶ Labour force grew five times faster than the working age population.
- ▶ Number of employment insurance claimants nearly doubled.

The Oshawa HRCC 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 Lee,
Labour Market Information Analyst

Telephone: (905) 725-5078

Email: diane.lee@hrsdc-rhdcc.gc.ca

Visit our website at: www.labourmarketinformation.ca

Note: *In preparing this bulletin, HRSDC 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 HRSDC.*



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.

Construction

Construction of hotel in Ajax

A 134-room Hilton Garden Inn will be constructed in Ajax for a spring 2006 opening. The hotel will be located at the northeast corner of Hwy 401 and Salem Road. Other future developments of the hotel include a 19,000 square-foot convention centre and an extended stay facility. Some of the features of the hotel include a variety of suites including handicap-accessible units, a meeting space measuring 3,000 square feet, a full-service restaurant, an indoor pool, fitness centre, and a 24-hour business centre. (Source: Ajax News Advertiser – February 23, 2005)

Job seekers interested in the hospitality industry, specifically hotel employment, can expect to fill vacancies for the following types of occupations: housekeepers, office managers, front desk clerks, food and beverage managers, human resources personnel, kitchen staff and interior decorators.

Store Opening

The recently built The Real Canadian Superstore is now hiring part-time staff for the new Whitby location. (Source: Clarington this week – January 7, 2005)

Building permits

Building permit values issued in Durham Region decreased by 25% from 2003 to 2004. Residential building permit values declined more than 20%. Non-residential permit values (commercial and industrial) also fell more than 32%. Despite weakened building permit activity in 2004, permit values reached \$1.3 billion in the same year. This value was the second highest in the region's history. The highest was in 2003 with a total value of \$1.7 billion. Information about building permits help to measure economic activity and levels of investment in the region. (Source: Planning Department – 2004 Annual Building Permit Activity Review-March 2005)

Manufacturing

The Beacon Project Automotive Investment

On March 2, 2005, General Motors of Canada (GM) announced it will invest \$2.5 billion in its operations. The company will also receive more than \$400 million from the provincial and federal governments in support of the investment known as the Beacon Project. Employment is

expected to grow by 500 during the next several years. The investment involves funding an innovation network with five universities. GM's involvement with the universities includes developing Canada's first degree program in auto engineering and design. (Source: The Canadian Statesman – March 2, 2005)

More on the Beacon Project can be found in the *From the Author's Desk* section of this bulletin.

Temporary Layoffs

A drop in sales, and competition from imports are factors influencing high inventory levels for GM and area supplier companies. Temporary layoffs occurred throughout the quarter. Two week layoffs occurred in January and March. In February, there was one week of layoffs. Two more weeks of layoffs are scheduled for April. The number of auto workers who have been affected range from 3,600 to more than 7,000. (Source: Oshawa HRCC Liaison Officer, March 2005)

Trade

Retail space in demand

The increased demand in retail space has translated into steady opportunities in sales occupations. Retail shopping centres in the Durham Region are experiencing "some of the lowest vacancies in the country." Population growth in the region has influenced expansion of commercial and residential development. During the first quarter of 2005, one out of four individuals employed in the Oshawa CMA worked in sales and services occupations. In the previous quarter, the proportion was one out of five. (Source: Statistics Canada Labour Force Survey/Durham Business Times – April 2005)

Management, Administrative and Other Support

Survey of employers' hiring intentions

The April to June employment outlook, based on local employers' hiring intentions, is positive. The Manpower Canada quarterly survey indicates that 27% of employers plan to hire. Two percent do plan to reduce their workforce, however, 68% don't foresee any change in their staffing levels. The national survey shows an expectation of increased hiring activity in the **construction and finance, insurance & real estate** industries. (Source: Manpower Employment Outlook – March 15, 2005)



Educational Services

Training program

Durham Continuing Education (a division of the Durham District School Board) will help 12 internationally-trained educators obtain employment in their field. The new bridge training program is a pilot project which will provide foreign-trained teachers with the required skills towards a teaching license in Ontario. The program is designed to not duplicate the education and training already received. The program features “job-specific language training, a computer digital training program, teacher orientation sessions and a five-week internship in local public schools.” The program will not certify teachers to teach in Ontario but will prepare individuals prior to applying to the Ontario College of Teachers. The University of Ontario Institute of Technology, the Durham Region Local Training Board, the Community Development Council of Durham and the public board have collaborated with DCE in carrying out the program. (Source: Ajax News Advertiser – February 2, 2005)

Health Care and Social Assistance

Job cuts

On March 31st, Lakeridge Health announced that staffing levels will be reduced by more than 300 positions. In an effort to eliminate the deficit, Lakeridge Health plans to lay off nearly 100 nurses, 149 support workers, 39 non-union and management employees and other positions. Lakeridge Health does expect that most of the reduction in staffing levels could occur through voluntary exits and retirements. However, a hospital official commented that there could be hiring in the coming months for positions in the new north wing and cancer centre opening at the Oshawa site. (Source: Clarington this week, April 1, 2005)

Accommodation and Food Services

Industry update

If you are searching for a new career, the hospitality industry may be a good place to start. The hotel, restaurant and travel sector is always looking for skilled help. According to the World Travel and Tourism Council, “the industry employs over 200 million people worldwide and generates in excess of 10% of the world’s Gross Domestic Product.” Occupations such as travel agents and hotel and restaurant management make up the industry. Studying overseas can increase employment opportunities as employers look for international experience. Many local opportunities exist for those interested in getting involved in the area of food preparation. Skilled trades such as bakers, cooks and chefs are currently in demand. (Source: Durham Business Times – March 2005)

Public Administration

Proposed hiring

More than 80 new staff are proposed to fill positions for the region. However, plans to fill most of the positions will not happen until July 2005. A new ambulance station in Clarington may hire 12 new paramedics to start in December. The health department is also adding staff: more than 24 full- and part-time employees which includes eight public health nurses, two public health inspectors for food-handler training and safe-water legislation and tobacco control officers. The social services department will also be hiring a supervisor, four case workers for Ontario Works and Administration and an emergency hotel program coordinator. Two customer service representatives for a public counter in the new regional headquarters are being hired, along with two switchboard operators who will handle all calls into the new building. A business analyst in the finance department, two cleaners/caretakers for regional facilities, a fleet mechanic and a planner for transportation and research in the planning department will also be hired. (Source: Uxbridge Times-Journal – March 30, 2005)

Summer employment resources

Employment experts advise that university and college students begin job search for summer employment as early as January. Career and employment services such as the one for Durham College and UOIT provide help with resumes, cover letters and interview skills. Provincial programs such as the Summer Jobs Service offer employers wage subsidies when they hire students between the ages of 15 and 24. Students can access the program through various locations of the John Howard Society and YMCA Durham Employment Services in Pickering. Another program, the Summer Experience program, offers students employment opportunities for six to eight weeks of the summer. A third summer employment resource is the federal Human Resources Centres of Canada for Students (HRCC-S) which runs from May to August. Further information can be found on www.hrsdc.gc.ca (Source: *Around Campus*-Clarington This Week – April 1, 2005)

Ontario minimum wage increase

The general minimum wage for Ontario workers increased from \$7.15 to \$7.45 per hour on February 1, 2005. The increase is the second of 4 increments. The February 1, 2006 increase will bring the minimum wage to \$7.75 and the final increment on February 1, 2007 will bring the minimum wage to \$8.00 per hour. The February 1, 2005 increase for students under 18 (working less than 29 hours per week) is \$6.95 per hour. (Source: Ministry of Labour – February 1, 2005)



LABOUR FORCE TRENDS

Produced by the Ontario Regional Economist
Economic Analysis and Information Directorate, Ontario

- Labour force growth five times faster than the working age population
- Local participation rate among the highest in Canada

The Oshawa CMA labour force grew five times faster than the working age population during the winter months of 2005. This means that despite a high rate of local participation in the labour force even more potential workers wanted to join the workforce. One of the reasons for this surge in participation was the increase in jobs through the winter months, an uncommon event. However, the increase in jobs occurred at only half the rate of the increase in workers. The outcome was an increase in the number of disappointed job seekers which is the same as higher unemployment. The unemployment rate leaped two and a half percentage points to 7.7 percent. In summary, despite an excellent labour market situation with high participation by the population, Oshawa's unemployment rate rocketed upwards due to high local expectations that jobs were available. These expectations were true, but the available positions were swamped by the number of people wanting to fill them.

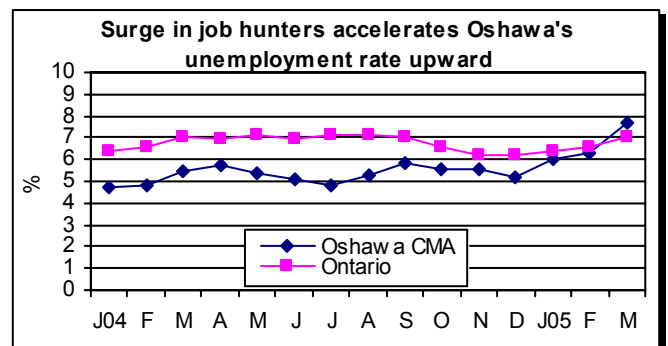
On a year-to-year comparison, there were more jobs but also many more people looking for work. Additionally, the rate of job creation did not keep pace with the rate of population growth. Further, twice as many more people became part of the labour force as found employment. Therefore, labour market conditions were worse than last year for finding work.

Oshawa Census Metropolitan Area Labour Force Trends

	January to	October to	January to	Quarter/Quarter		Year/Year	
	March	December	March	Absolute	%	Absolute	%
Population 15 +	259,600	257,800	252,300	1,800	0.7%	7,300	2.9%
Labour Force	189,000	179,400	181,500	9,600	5.4%	7,500	4.1%
Employed	174,500	170,100	171,500	4,400	2.6%	3,000	1.7%
Unemployed	14,500	9,300	10,000	5,200	55.9%	4,500	45.0%
Not in Labour Force	70,600	78,300	70,800	-7,700	-9.8%	-200	-0.3%
Participation Rate	72.8	69.6	71.9	3.2		0.9	
Unemployment Rate	7.7	5.2	5.5	2.5		2.2	
Employment Rate	67.2	66.0	68.0	1.2		-0.8	

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey.



Employment by Industry

The increase in jobs came from only a few industry groups. All of the job increasing industry groups were in the services-producing sector. The three significant services industries with notable job increases were **accommodation and food services, public administration, and, transportation and warehousing**. Combined, these increased the jobs available by 10,500 positions. Despite this large increase, almost half of the services industries had some sort of decline, more in alignment with a usual winter slowdown. On the other hand, the goods-producing sector declined by 3,700 workers. Almost all of the job cuts were in manufacturing.

Looking at the longer change period of 12 months, job growth is somewhat more balanced with slight increases in both the goods- and services-producing sectors. The seasonal construction industry was larger by over 1,000 workers and manufacturing was also slightly larger than 12 months ago. In the services-producing sector, the winter 2005 concentrated job-increases pushed those industry job totals ahead. At the same time, three industries each dropped over 2,000 workers. These industries were **trade, educational services, and, professional services**.

Oshawa CMA Employment by Industry

Industry	January to	October to	January to	Quarter/Quarter		Year/Year	
	March	December	March	Change	%	Change	%
	2005	2004	2004	Absolute	%	Absolute	%
Total	174,500	170,100	171,500	4,400	2.6%	3,000	1.7%
Goods-Producing Sector	48,900	52,600	48,000	-3,700	-7.0%	900	1.9%
Agriculture	...	...	...	...	...	...	...
Forestry, Fishing, Mining, Oil and Gas	...	...	...	...	...	...	...
Utilities	6,500	5,900	7,300	600	10.2%	-800	-11.0%
Construction	10,900	11,200	9,500	-300	-2.7%	1,400	14.7%
Manufacturing	30,800	34,000	30,300	-3,200	-9.4%	500	1.7%
Services-Producing Sector	125,600	117,500	123,500	8,100	6.9%	2,100	1.7%
Trade	23,900	24,600	26,700	-700	-2.8%	-2,800	-10.5%
Transportation and Warehousing	9,700	6,800	6,300	2,900	42.6%	3,400	54.0%
Finance, Insurance, Real Estate and Leasing	9,500	10,800	9,300	-1,300	-12.0%	200	2.2%
Professional, Scientific and Technical Services	10,200	9,500	12,500	700	7.4%	-2,300	-18.4%
Management, Administrative and Other Support	8,400	8,100	7,000	300	3.7%	1,400	20.0%
Educational Services	10,400	9,900	13,000	500	5.1%	-2,600	-20.0%
Health Care and Social Assistance	18,300	18,700	16,900	-400	-2.1%	1,400	8.3%
Information, Culture and Recreation	7,100	7,200	8,300	-100	-1.4%	-1,200	-14.5%
Accommodation and Food Services	10,600	6,500	7,900	4,100	63.1%	2,700	34.2%
Other Services	6,700	8,000	6,300	-1,300	-16.3%	400	6.3%
Public Administration	10,800	7,300	9,200	3,500	47.9%	1,600	17.4%

Note: "..." indicates that data are too small to be expressed and are not appropriate for release. Totals may not add due to rounding.

Source: Statistics Canada. Labour Force Survey



LABOUR SUPPLY AND DEMAND

Employment Insurance Claimload

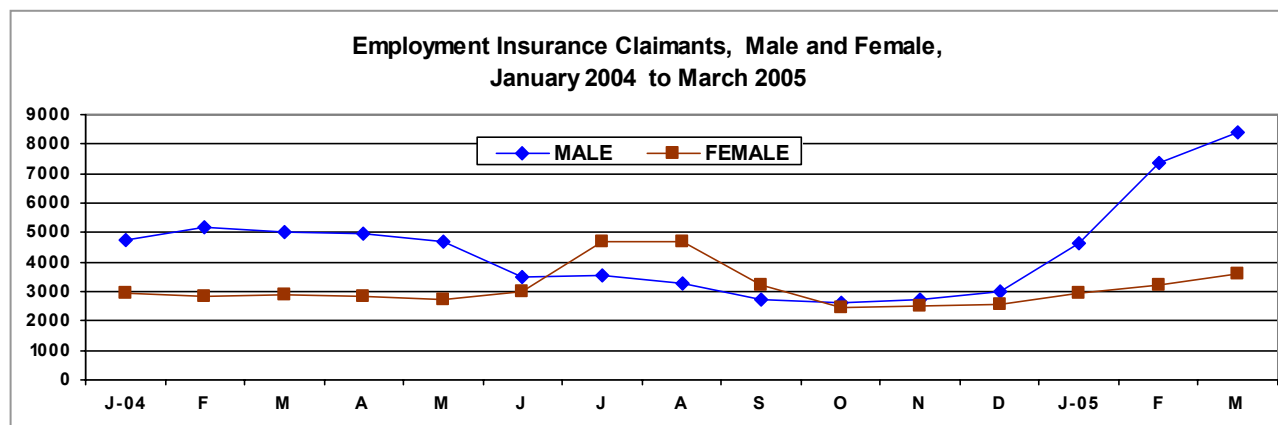
Total average claims nearly doubled between the last quarter of 2004 and the first of 2005. The number of male claimants led the way as more than 6,800 accounted for the greater portion of the 10,000 claims generated in January to March of this year. Claims increased for all age groups. However, the average weeks on claim declined almost 32% -- the lowest in more than a year.

Other annual comparisons show that all age groups, with the exception of youths age 15-24, had an increase in claims. The number of youth claimants fell just over 3%. Claimants in the experienced age group (45-64) generated the greatest increase -- 51% more claims in 12 months. One explanation for the surge of male claimants from this age group is that layoffs in the auto manufacturing industry have been occurring since the beginning of 2005. The total average number of claims is expected to return to "normal" levels as inventory levels in the auto industry decline and workers return to work.

Regular Employment Insurance Claimants – DURHAM REGION

EI Regular Claims	January to March 2005	October to December 2004	January to March 2004	% Change Quarter to Quarter	% Change Year to Year
Total Average Claims	10,072	5,282	7,871	90.7%	28.0%
By Gender Female	3,258	2,496	2,887	30.5%	12.9%
Male	6,814	2,786	4,985	144.6%	36.7%
Age Breakdown 15-24 years	845	542	874	55.9%	-3.3%
25-44 years	5,029	2,757	4,196	82.4%	19.9%
45-64 years	4,065	1,892	2,690	114.9%	51.1%
65+ years	133	90	112	47.8%	18.8%
Average Weeks on Claim	13	19	15	-31.6%	-13.3%

Source: HRCC administrative data C-356



Employment Opportunities

The following table is an illustration of the demand for employees by employers in the region. This small measure of demand is compiled from advertised occupations in selected local newspapers. Total vacancies show that employment opportunities rose between the last quarter of 2004 and the first in 2005. The most notable increase was found in the **sales and service** occupational group which more than doubled from one quarter to the next. Although the smallest increase in opportunities occurred in the **culture and recreation** group, there were no declines to report in the two quarters.

Employment Opportunities – Durham Region

Occupations (NOC)	January to March 2005	October to December 2004
Total Vacancies	1202	793
Management	43	31
Business/Administration	195	182
Natural & Applied Sciences	65	40
Health	64	31
Social Science & Education	70	44
Culture & Recreation	24	20
Sales & Service	479	227
Trades & Transport	179	168
Primary Industry	23	2
Manufacturing & Utilities	60	48

FROM THE AUTHOR'S DESK

The Beacon Project (Project Beacon)

The Beacon Project is the largest automotive investment in Canadian history as GM announces a \$2.5 billion investment in its Canadian operations. Government contributions total \$400 million. It has been reported that the investment will be a boost to the Durham Region workforce, including securing existing employment for thousands of GM employees and supplier plants. It is expected that 500 jobs will be created through this initiative.

The investment will go towards significant retooling, a new paint shop, environmental improvements, new automotive research, energy-related projects and training initiatives at its three Oshawa assembly plants and joint CAMI venture with Suzuki in Ingersoll. According to local sources, GM will also invest in enhancing its engineering capabilities in Oshawa and upgrading parts operations in St. Catharines and Windsor. The investment in additional engineering will allow GM to become the first auto maker in Canada to design, engineer and build a vehicle without any assistance from outside the country.

The Beacon Project includes a major innovation project with five universities. A national partnership will be established for the promotion of innovation through McMaster University, the University of Windsor, the University of British Columbia, the Ontario Institute of Technology in Oshawa and the University of Sherbrooke. Oshawa's UOIT will establish an automotive centre of excellence and create the country's first automotive engineering bachelor's degree program.

GM also plans to implement a process called flexible manufacturing which is expected to protect jobs. The process will allow more than one model to be built on the same production line. The likelihood of securing jobs increases with this process because if one model being made at a plant is outselling another, production can be shifted toward the more profitable vehicle to meet market demand. The flexible manufacturing process could prevent closures when products become obsolete or no longer in demand if an alternative product is not readily available.



Notes to Readers:

1. The **OSHAWA CMA** is comprised of Clarington, Oshawa and Whitby.
2. For the purpose of this publication, the **DURHAM REGION** includes all of the above communities as well as Ajax, Brock, Pickering, Scugog and Uxbridge.
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 **Statistics Canada and area newspapers**.
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 - HRSDC 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 HRCC 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/concepts/labour/index.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>

