



Labour Market Bulletin

Human Resource Centre of Canada

Ottawa HRCC

~ An Analysis of the Ottawa Area Labour Market ~ January to March, 2005 ~

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An overview of the Ottawa area which is comprised of the amalgamated City of Ottawa (formerly known as the Regional Municipality of Ottawa-Carleton), as well as the Townships of Russell, Cambridge, Clarence and South Gower, the Town of Rockland, and the Village of Casselman.

Ottawa’s labour market softened during the first quarter of 2005, with fewer full-time and more part-time work available. Fewer jobs led to a small increase in the unemployment rate, now at 6.4 %. Fewer people seeking work was reflected in a lower rate of participation in the labour force. With fewer jobs came an increase in the number of employment insurance claims.

HIGHLIGHTS

- ▶ New home starts dropped to more balanced levels, easing up on the construction labour shortage.
- ▶ Manufacturing defied analyst’s predictions and grew by more than a thousand jobs.
- ▶ Professional Services grew by 11,100 jobs and gave another boost to IT employment. Job gains came from architectural, engineering and design services, computer system design services, and management, scientific and technical services.
- ▶ Doctor shortages are being addressed with an increase in licenses, higher medical school enrollment, and programs for foreign trained doctors.
- ▶ The federal public service trimmed another 6,800 jobs but remains Ottawa’s largest employer.

The Ottawa 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)

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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 are derived from several sources including local newspapers, newsletters and various publications. Please refer to "Notes to Readers" for additional information.

Construction

Eighteen thousand persons were employed in construction this quarter. Full-time work dropped by 1,800 jobs while the unemployment rate jumped to 15.1 percent. Winter months are typically the slowest season for construction employment.

Source: Labour Force Survey

Following the recent housing boom, the number of housing starts declined in the first quarter of 2005. By mid-quarter starts were 44.6% lower year over year. At the same time, the number of building permits increased – up 11.8% by mid-quarter – indicating that construction activity will likely increase in the near future.

The City of Ottawa is expected to invest heavily in the renewal of existing infrastructure this year. Infrastructure projects are expected to figure prominently in a busy construction year ahead.

Plans are in development to expand Ottawa's light rail system, beginning with the north-south line. Although the final draft of the proposal isn't expected before July, excitement is growing over what may become the single largest construction project in Ottawa's history with employment estimates as high as 8,400 person years over a five-year period.

Manufacturing

In spite of analysts' worries about the impact of a strong Canadian dollar and growing competition from international markets like China and India, Ottawa gained 1,200 manufacturing jobs this quarter. Compared to a year ago, employment grew by 8,700 to 34,200 mostly full-time jobs.

Zarlink, which now has two small offices in China where it supplies semiconductors, is just one example of a trend towards increasing links with China. Knowledge of the Mandarin language may increasingly become an advantage for marketing and sales personnel in this industry.

Finance, Insurance, Real Estate and Leasing

The re-sale home market began the new year on a positive note with January sales about the same as last year. There was a switch in buyer preference to existing homes from new homes and a rise in the number of re-sale listings. After spiking during the last half of 2004, employment dropped back to more normal levels over the winter, 800 jobs higher than last year.

Professional, Scientific and Technical Services

Network security is a growing field, as businesses become increasingly concerned about fending off virus and spam attacks. Bell Security Solutions is a local example of a company that is growing to meet the increased demand for network security. The company plans to increase its local workforce of about 3,000 by another 400 positions.

Accenture, a management consulting, technology services and outsourcing company, is expected to hire 100 persons before the end of July, with management and SAP computer skills reportedly in demand.

Educational Services

While the University of Ottawa plans to reduce its Arts programs, full-time positions are not likely to be affected. Instead, part-time teaching positions, many of which were added during the recent "double cohort" enrollment surge, will experience the brunt of the downsizing.

Carleton University is adding a new Arts program that will utilize common professors shared among small classes of 25 students in order to mimic the atmosphere of a small liberal arts institution.

Algonquin College withdrew from the private sector high tech training business with its sale of ACERRA Learning Services to Polar Bear Corporate Education Services.



La Cité Collégiale is the largest Canadian French language college outside of Quebec. It employs approximately 190 full-time and 260 part-time faculty. With a wide range of programming, the college is best known for Media Studies, Health Sciences and Skilled Trades training.

A new program at Ridgemont High School will give students the opportunity to earn education credits while working on a construction project. The program goal is to address projected shortages in the skilled trades by encouraging students to enter a trade after completing high school. The program received \$186,300 in funding to cover teacher salaries.

Health Care and Social Assistance

Across the province concerns rose that staff cuts might be required in order for hospitals to meet provincial budgeting requirements. However, local hospital administrators were quick to emphasize that a reduction in personnel is not planned.

The University of Ottawa hosted a clinical assessment exam for 128 international medical graduates (IMGs). The exam was sponsored by **IMG-Ontario**, a provincial program that provides for the assessment, training, and placement of foreign trained medical professional.

In a move to address doctor shortages, the Ontario College of Physicians and Surgeons recently issued the largest number of medical licenses in twenty years. More than half of the new licenses went to international medical graduates.

Public Administration

The federal government will undergo a significant re-design of services with the introduction of Service Canada, client centered “one-stop” service centres, and a redistribution of more points of service to areas outside of Ottawa.

Concerns about the potential for layoffs in the wake of this re-organization were countered by the assumption that a large number of retirements will occur over the coming decade and should absorb most job losses through attrition.

Employment in Ottawa’s largest industry declined by 6,800 jobs over the first quarter of the year with most of those losses coming from the federal public service.

Tourism

The city of Ottawa has expanded its tourism marketing campaign and hopes to attract more tourists to the area. Winterlude, Ottawa’s first large festival of the year, was extended from a two to a three week festival this February in conjunction with the marketing of Ottawa as a festival destination.

Ottawa celebrates its 150th birthday this year and hopes to attract even more tourists to a myriad of upcoming festivals.



LABOUR FORCE TRENDS

Produced by the Eastern Ontario Area Economist Office, Economic Analysis and Information Directorate.

The winter seasonal downturn was deeper than usual for Ottawa for the first quarter of 2005. In a labour force of half a million, about 1.6% lost their jobs. Almost all of that work was in full-time employment. Contributing to the national capital's deeper downturn was the shrinking of the public service. Government is the largest employer in Ottawa.

Contrasting with the deeper than average loss of jobs was the more average seasonal increase in unemployment. This indicates that a considerable number of the newly jobless dropped out of the labour market. As a result, the unemployment rate was only moderately higher at 6.4%.

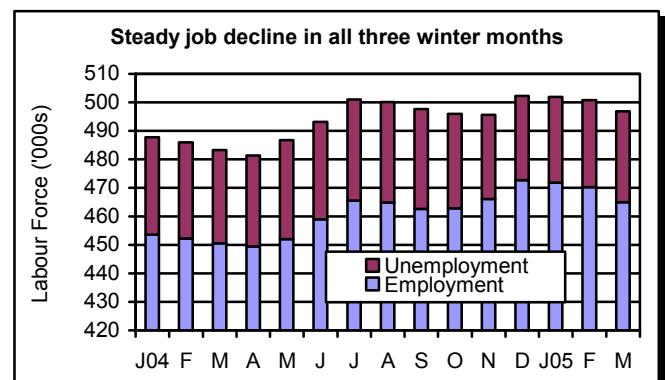
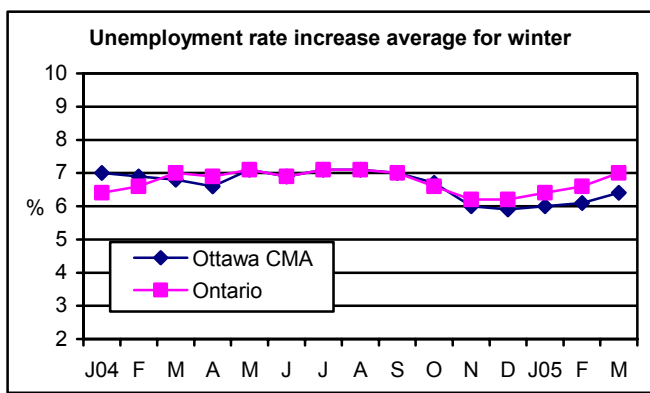
Compared to last winter, Ottawa's labour market expanded the number of work opportunities. Employment was up 3.2%. The participation rate remains high, keeping in the 70 percent level. Unemployment was down slightly. The only blemish was that more of the job creation was in part-time rather than full-time work.

Ottawa Census Metropolitan Area Labour Force Trends

	January to	October to	January to	Quarter/Quarter		Year/Year	
	March	December	March	Absolute	%	Absolute	%
Population 15 + ('000)	699,000	697,100	690,800	1,900	0.3	8,200	1.2
Labour Force ('000)	496,900	502,300	483,300	-5,400	-1.1	13,600	2.8
Employed ('000)	465,000	472,700	450,600	-7,700	-1.6	14,400	3.2
Full-time	366,300	380,600	360,800	-14,300	-3.8	5,500	1.5
Part-time	98,800	92,200	89,700	6,600	7.2	9,100	10.1
Unemployed ('000)	31,900	29,600	32,700	2,300	7.8	-800	-2.4
Not in Labour Force('000)	202,000	194,800	207,500	7,200	3.7	-5,500	-2.7
Participation Rate (%)	71.1	72.1	70.0	-1.0		1.1	
Unemployment Rate (%)	6.4	5.9	6.8	0.5		-0.4	
Employment Rate (%)	66.5	67.8	65.2	-1.3		1.3	

Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey.



Employment by Industry

Produced by the Eastern Ontario Area Economist Office, Economic Analysis and Information Directorate.

Ottawa's good - and services-producing sectors each lost jobs over the 2005 winter months. A normal slowdown in construction contributed to most of the goods-producing job losses while the services-producing sector had two areas with large declines - public administration, which lost over seven percent of its workforce and finance, insurance, real estate and leasing, which lost over 20 percent even though this amounted to a fewer total number of job losses. Together, these two industries shrank by more than 12,000 workers.

Offsetting those losses was an important Ottawa business area, professional, scientific and technical services. The professional advice industry expanded by over 11,000 jobs. However, losses in other services-producing industries resulted in an overall decline of 6,600 for the sector.

Compared to a year ago, the largest contributor to new jobs was manufacturing with nearly 9,000 more positions. In the services-producing sector, the results were more mixed with a greater number of industry groups losing jobs than gaining them. Education employment was up the most followed by the other services industry group. Public administration had the largest workforce decline.

Ottawa Area Employment by Industry ('000)

Industry	January to	October to	January to	Quarter/Quarter		Year/Year Change	
	March 2005	December 2004	March 2004	Absolute	%	Absolute	%
Total	465,000	472,700	450,600	-7,700	-1.6	14,400	3.2
Goods-Producing Sector	57,200	58,300	48,000	-1,100	-1.9	9,200	19.2
Agriculture	2,100	3,400	2,400	-1,300	-38.2	-300	-12.5
Forestry, fishing, mining, oil and gas	---	---	---	---	---	---	---
Utilities	2,200	1,600	---	600	37.5	2,200	---
Construction	18,100	20,200	19,000	-2,100	-10.4	-900	-4.7
Manufacturing	34,200	33,000	25,500	1,200	3.6	8,700	34.1
Services-Producing Sector	407,900	414,500	402,500	-6,600	-1.6	5,400	1.3
Trade	61,200	61,400	61,700	-200	-0.3	-500	-0.8
Transportation and warehousing	14,600	17,300	14,900	-2,700	-15.6	-300	-2.0
Finance, insurance, real estate and leasing	20,600	26,300	19,800	-5,700	-21.7	800	4.0
Professional, scientific and technical services	52,700	41,600	50,100	11,100	26.7	2,600	5.2
Management, administrative and other support	21,200	21,300	20,000	-100	-0.5	1,200	6.0
Educational services	35,500	32,400	29,200	3,100	9.6	6,300	21.6
Health care and social assistance	42,300	46,200	42,400	-3,900	-8.4	-100	-0.2
Information, culture and recreation	22,000	23,100	24,400	-1,100	-4.8	-2,400	-9.8
Accommodation and food services	22,700	24,100	25,400	-1,400	-5.8	-2,700	-10.6
Other services	25,900	25,100	20,500	800	3.2	5,400	26.3
Public administration	89,100	95,900	94,100	-6,800	-7.1	-5,000	-5.3

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



Employment Insurance Claim load

Following the four-year low recorded in the fourth quarter of 2004, the regular Employment Insurance (EI) claim load in the Ottawa area jumped 16.7% (+1,346 claims) in the first quarter of 2005. Even with this increase, the claim load was 20% lower year over year.

Although the claim load was higher this quarter, the average weeks on claim and weeks paid were lower than in the previous quarter, in part due to the fact that almost 17% of the claims were recent.

Male claimants accounted for most of the increase in claims this quarter, reflecting the effect of seasonal layoffs from trades and transport occupations. The number of female claimants dropped by slightly more than nine percent.

Older workers accounted for more than one-third of the EI claims and their number continues to grow, reflecting the demographics of an aging workforce. While the percentage of youth between 14 and 24 increased this quarter, they still represented less than 10% of the total claim load.

Workers laid off from trades and transport, sales and services, and business administration jobs represented the largest number of regular EI claims this quarter. The lowest number of claims was registered in health related occupations.

Regular Employment Insurance Claimants – Ottawa Area

	January – March, 2005	%	October – December, 2004	%	January – March, 2004	%
Total number of claimants	9,385		8,039		11,772	
Males	6,179	65.8 %	4,506	56.1 %	7,763	65.9 %
Females	3,206	34.2 %	3,533	43.9 %	4,009	34.1 %
Older workers (45+)	3,405	36.3 %	2,872	35.7 %	3,985	33.9 %
Youth (14 - 24)	851	9.1 %	683	8.5 %	1,016	8.6 %
Francophones	676	7.2 %	630	7.8 %	n/a	n/a
Average weeks paid	11.3		12.0		11.3	
Average weeks on Claim	18.3		19.7		18.3	

Source: HRCC administrative data C-356



Regular Employment Insurance Claimants by occupational group – Ottawa Area

National Occupational Code (NOC)	January – March, 2005		October – December, 2004		January – March, 2004	
	Total	% of total	Total	% of total	Total	% of total
Major Group:						
TOTAL	9,385		8,039		11,772	
Management	768	8 %	814	10 %	887	8 %
Business/Administration	1,538	16 %	1,822	23 %	2,026	17 %
Natural & Applied Sciences	955	10 %	951	12 %	1,818	15 %
Health	139	1 %	142	2 %	163	1 %
Social Science & Education	596	6 %	732	9 %	598	5 %
Culture & Recreation	249	3 %	262	3 %	332	3 %
Sales & Service	1,604	17 %	1,515	19 %	1,930	16 %
Trades & Transport	2,802	30 %	1,357	17 %	3,000	25 %
Primary Industry	345	4 %	132	2 %	356	3 %
Manufacturing & Utilities	389	4 %	307	4 %	657	6 %

Source: HRCC administrative data C-356

Ontario Works Claim Load

The total number of requests for social assistance declined this quarter by just over three percent (-116 applications).

In stark contrast to the typically small percentage of youth versus older workers to claim Regular EI, there is a significantly higher youth to older worker ratio among Ontario Works applicants.

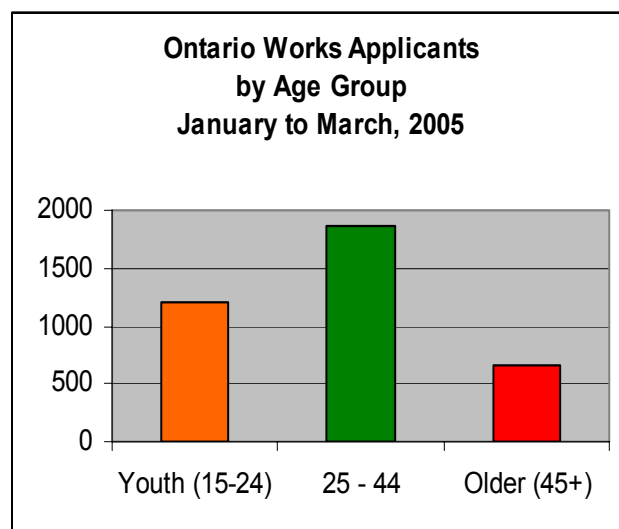
Ontario Works	January – March, 2005	October – December, 2004	January – March, 2004
Average number of Benefit Units	17,707	17,288	18,039
Total number of Applications received	3,713	3,829	n/a

Notes:

Applications: refers to the number of requests for social assistance that are received on a monthly basis.

A Benefit Unit: can be either an individual or a family unit on social assistance.

Source: Employment and Financial Assistance Branch, Community and Protective Services, City of Ottawa



Employment Opportunities

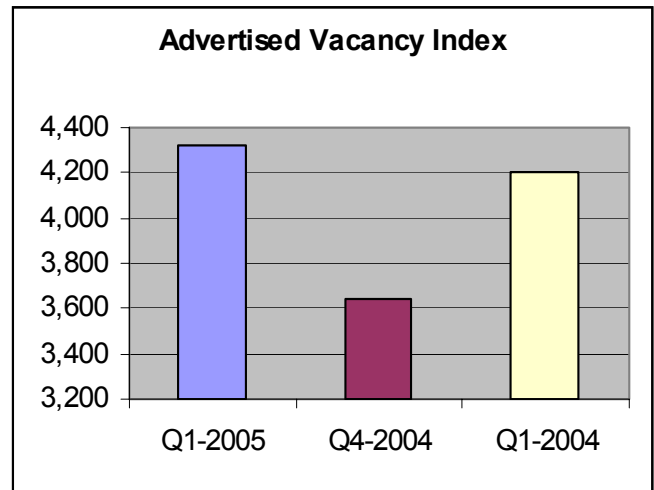
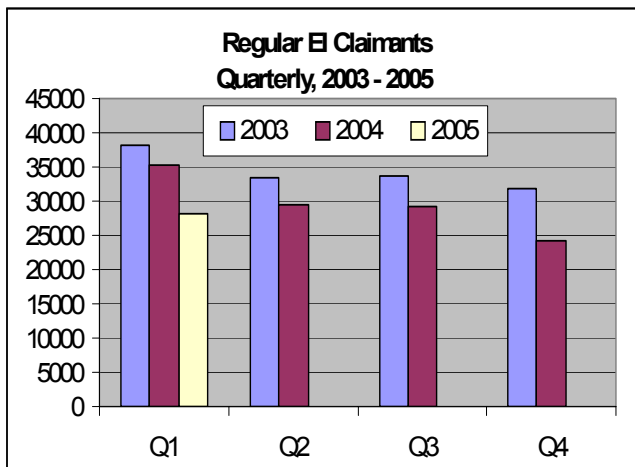
Advertised vacancies, an indicator of future hiring, increased in all occupational groups this quarter, resulting in an overall increase of nineteen percent. Compared to the same period a year ago, advertised vacancies grew by a less substantial total of three percent, coming from exactly half of the occupational groups.

Occupations in health, social science and education, sales and service, trades and transport, and manufacturing and utilities each recorded both quarterly and yearly gains in the hiring intentions of local employers.

Employment Opportunities - Ottawa

Occupational major groups (NOC)	January- March 2005	October - December 2004	January- March 2004
Total Vacancies	4,318	3,642	4,204
Management	248	207	266
Business/Administration	728	706	779
Natural and applied sciences	167	159	178
Health	305	275	299
Social science and education	165	131	162
Culture and recreation	221	68	235
Sales and service	1,715	1,554	1,691
Trades and transport	668	490	518
Primary industry	38	12	40
Manufacturing and utilities	63	40	36

Source: 1st and 3rd Saturday edition of Citizen newspaper, job advertisements



Notes to Readers:

1. The **Ottawa area** comprises the new City of Ottawa; previously known as the Regional Municipality of Ottawa-Carleton.
2. For the purpose of this publication, the **Ottawa Census Metropolitan Area** comprises the City of Ottawa, in addition to the Townships of Russell, Cambridge, Clarence and South Gower, the Town of Rockland and the Village of Casselman.
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 **The Ottawa Citizen** and the **Ottawa Business Journal**.
2. **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>

