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## ACAATO ARCHIVE DOCUMENT

# 2005 Environmental Scan

## Chapter 5: Labour

# **LABOUR**

## **Section Five**

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# LABOUR

## 1.0 HIGHLIGHTS

### Canada

- **Employment growth** is expected to have decreased to 1.8 per cent in 2004 from 2.6 per cent in 2003. Growth in 2005 is forecast around 1.7 per cent in 2005 (please see Table 1 for more information).
- **The unemployment rate** is forecast to be 7.1 per cent in 2005 and seven per cent in 2006.
- **Entrepreneurs:** There has been a 30 per cent growth (140,000 firms) in the number of small firms run by entrepreneurs aged 55 years and over in Canada and just over 20 per cent in Ontario. More than 30 per cent of the 55+ workforce are “seniorpreneurs” and these persons account for one in four self-employed persons in Canada.
- **Self-employment:** In July 2004, there were just under 2.5 million self-employed persons in Canada, up 200,000 since early 2002, a growth rate of almost nine percent. This growth rate is considerably larger than that of private sector salaried employees and, unlike in the 1990s, occurred during a strong labour market environment.
- **Immigrants:** Immigrants represented almost 70 per cent of the total growth in the labour force over the decade 1991-2001. A large proportion of recent immigrants were still in low-skilled jobs in 2001, although this proportion had declined for 25-44 years olds to 43 per cent from 51 per cent a decade earlier.
- **Ageing Workforce:** It is forecast that one in three Canadians will be 55 and over by 2021, compared with one in five in 2001. In 2001, there were 2.7 people aged 20 to 34 in the labour force for every participant aged 55 and over, down from 3.7 in 1981.
- **The median age of retirement** in 2003 for both sexes reversed direction, rising significantly for men (from 61.4 to 63.3 years) and marginally for women (from 60.1 to 60.4 years).

### Ontario

- **Job forecast:** Employment in Ontario is forecast to grow 1.7 per cent in 2005. The unemployment rate is forecast to be 6.7 per cent in 2005.
- **Job numbers:** The number of jobs in Ontario increased by 160,000 in 2003, up 2.6 per cent from 2002. The employment rate consequently rose to 63.7 per cent—its highest point since 1990. The employment rate in Ontario has remained consistently above the national average over the past three decades.

## 2.0 LABOUR FORECAST: 2005 AND BEYOND

Various factors impact the labour market.

**Economic and fiscal factors:** Employment growth is expected to have decreased to 1.8 per cent in 2004 from 2.6 per cent in 2003. Growth in 2005 is forecast around 1.7 per cent in 2005. Unemployment in Canada is forecast to be 7.1 per cent in 2005 and seven per cent in 2006.<sup>1</sup> More detailed information is available in Chapter 6.0, 'Economy'.

**Demographic factors:** The labour force is expected to grow strongly until 2010, due to increasing participation rates, especially by women over the age of 50, and by strong source population growth. However, participation rates will fall dramatically after 2010 as the baby boomers start to retire.<sup>2,3</sup> Please see Section Two, "Demographics," for more information.

**Regulatory factors:** Examples of potential regulatory factors include:

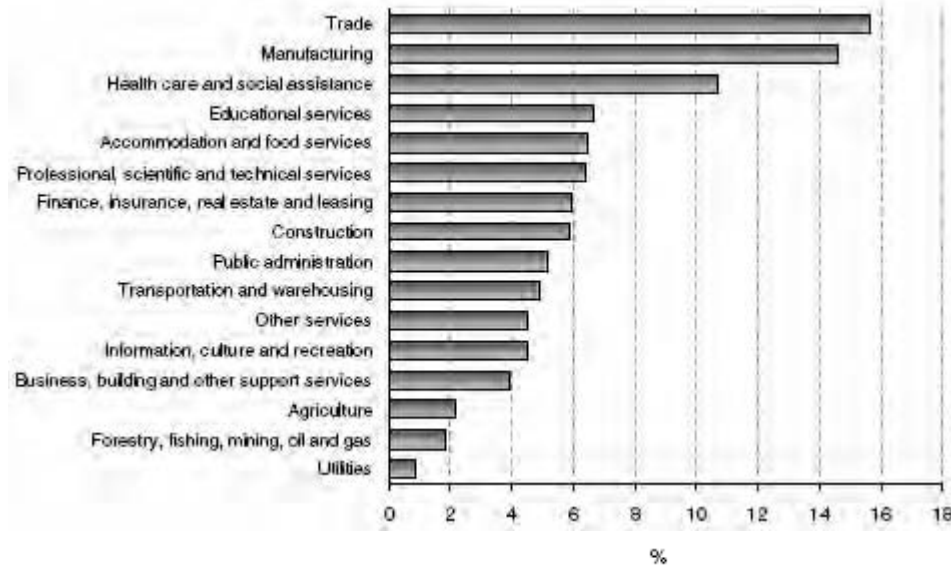
- **Elimination of mandatory retirement.** In August 2004, the Ontario Ministry of Labour issued a paper, *Providing Choice: A Consultation Paper on Ending Mandatory Retirement*. The government indicated its intention to eliminate mandatory retirement and has been seeking input on the best way to implement this change in Ontario.
- **Implementation of the Kyoto Protocol,** which will increase the need for workers with skills in environment-related fields, including technicians and analysts.

**Technological factors:** Demand for skilled workers who can adapt quickly to new technologies will remain strong, as will development and application-related services such as software development and multi-media. The shift to higher-skilled positions demanding higher levels of education is expected to continue, reflecting the growing international drive to improve competitiveness.<sup>4</sup>

For information regarding the current and future prospects of various occupations in the labour force, please see the Government of Canada's website: <http://jobfutures.ca>

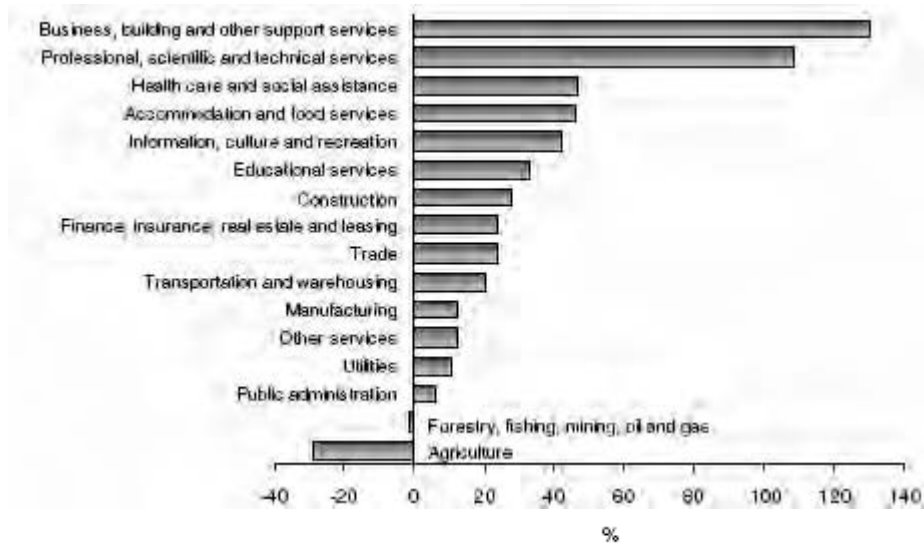
### 3.0 LABOUR IN THE VARIOUS SECTORS OF THE ECONOMY

**Figure 1: Distribution of employment, by industry, 2003**



Source: Statistics Canada Labour Statistics Division, "The Canadian Labour Market at a Glance 2003," November 2004, p.37

**Figure 2: Changes in employment, by industry, from 1987 to 2003**



Source: Statistics Canada Labour Statistics Division, "The Canadian Labour Market at a Glance 2003," November 2004, p.38

### 3.1 Canadian Sectors

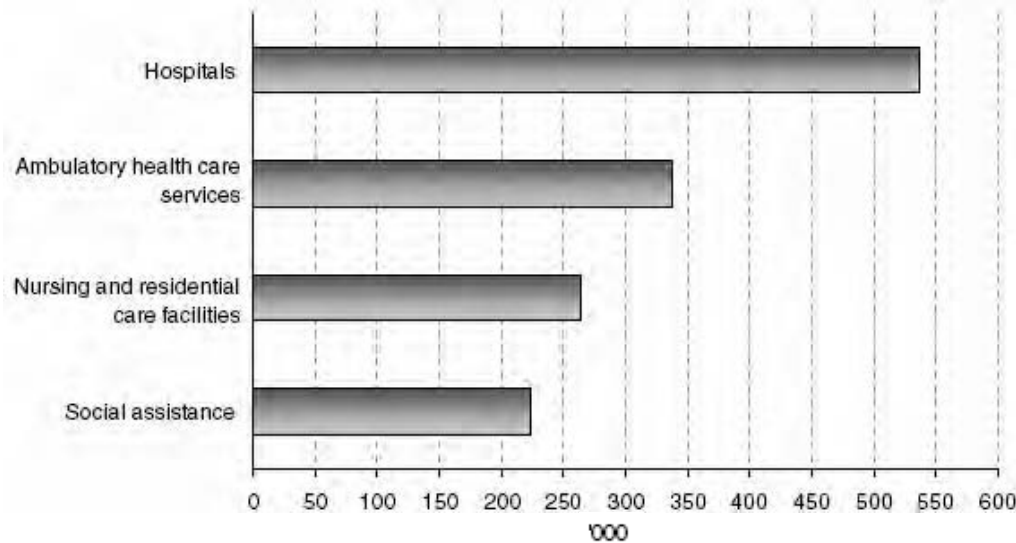
- **Overall:** Close to 60 per cent of Canada's employment growth from 2001 to 2003 was in health care and social assistance, trade, construction, and educational services.<sup>5</sup>
- **Retail and wholesale trade** is the largest sector in the country, employing more than 2.5 million people in 2003, of which approximately three-quarters work in retail trade. Since 1997, the number of jobs in retail and wholesale trade has grown quickly, at an average 2.6 per cent per year, with many of these jobs being held by youth and adult women.<sup>6</sup>
- **Manufacturing** now ranks second to trade as Canada's largest employer. After gaining 32,100 jobs in 2002, manufacturing lost 28,100 jobs in 2003. The loss resulted in part from the higher Canadian dollar and through weakness in the export market.<sup>7</sup>
- Three in 10 workers are presently employed in trade or manufacturing. However, manufacturing is presently the largest in terms of number of hours worked. In 2003, factory workers put in an average of 84 million hours per week (or 36.4 hours per worker), compared with 77 million in retail and wholesale trade (31.4 hours per worker). Wages were also significantly higher in manufacturing: the average hourly wage for a factory job was \$18.92, compared with \$13.73 in trade.<sup>8</sup>

The largest segment of manufacturing is the **food and beverage industry**, with about 294,000 employees or 14 per cent of all manufacturing workers in 2003. **Transportation equipment factories** have the second largest number of workers in manufacturing, 239,000 employees in 2003, with approximately 161,000 of these transportation equipment employees in Ontario. Sixty per cent of employees in this industry manufacture **motor vehicle parts or vehicles**. Since 1991, the number of employees in the motor vehicle parts industry has been on an upward trend, while employment in motor vehicle manufacturing has declined.<sup>9</sup>

- **Real estate:** The boom in homebuilding, home renovations and home resale activity has strongly contributed to Canada's job creation in the last few years. The broad construction sector experienced large job growth (16 per cent or 91,000 positions) since 2001. With its large multiplier effect, the housing sector also drove job increases (34,400 workers) in credit intermediation, real estate services and legal services.<sup>10</sup>
- **Health care and social assistance** ranked as the third largest employer in 2003, a ranking it has maintained since 1976. The share of total employment for this sector was 11 per cent in 2003, compared with about 8 per cent in 1976. Although employment in this sector leveled off in the mid 1990's, job growth in health care and social assistance has been continuous in the past few years. In 2003, 1.7 million people were employed in this sector.<sup>11</sup>
  - **Hospitals** account for 39 per cent of the employees in health care and social assistance and continue to be the largest employer in this sector. Employment in hospitals declined each year in the 1990s but, since 2000, employment in this sub-sector changed direction and has grown in each subsequent year. There was a 2.3 per cent increase in 2003 to 537,000 employees, leaving employment levels in hospitals 6.3 per cent lower than in 1991.<sup>12</sup>

- **The ambulatory health care services sector is the** second largest employer in health care and social assistance and includes services such as those offered in the offices of physicians, dentists and other health practitioners. In 2003, ambulatory health care services accounted for one of every four health care and social assistance employees, up from one of every five in 1991.<sup>13</sup>
- Employment in both **nursing and residential care facilities and social assistance** increased by 4.1 per cent from 2002 to 2003. Although it is smaller, social assistance has shown the largest increase since 1991, with an additional 97,000 employees (a 77 per cent increase).<sup>14</sup>

**Figure 3: Employees in health care and social assistance, 2003**



**Source:** Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004, p.41

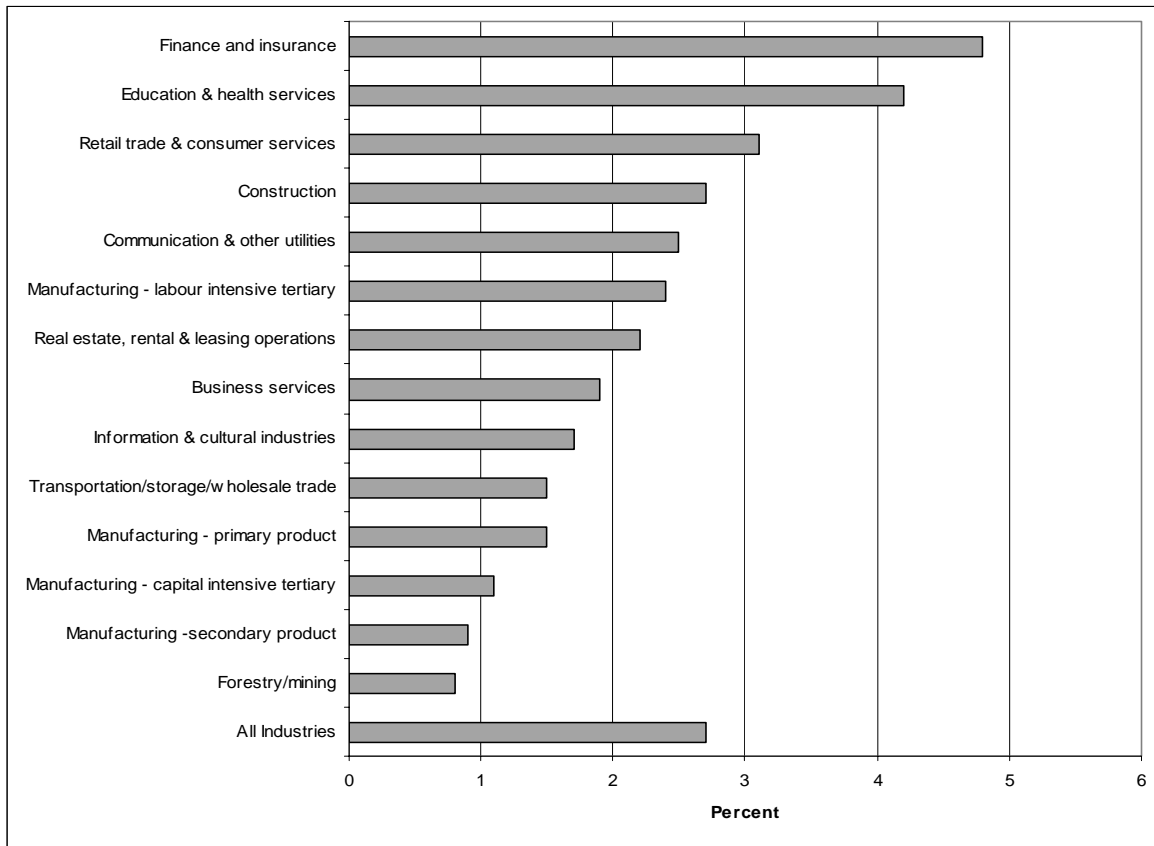
**Table 4: Occupations in Ontario with Largest Job Growth 1991-2001**

NOC	Occupation	Employment		Change		Quartile Rank By Average Employment Income <sup>1</sup>	Education and Training Requirements
		1991	2001	Absolute	Per cent		
6670	Attendants in amusement, recreation and sport	5,575	14,200	8,625	154.7 %	III	Less than Secondary
9517	Other products machine operators	2,700	10,275	7,575	280.6 %	III	Secondary
1453	Customer service, information and related clerks	24,500	64,455	39,955	163.1 %	IV	Secondary
6482	Estheticians, electrologists and related occupations	3,430	8,120	4,690	136.7 %	IV	Secondary
9492	Furniture and fixture assemblers and inspectors	5,835	12,665	6,830	117.1 %	IV	Secondary
9226	Supervisors, other mechanical and metal products manufacturing	1,600	4,255	2,655	165.9 %	I	College
1223	Personnel and recruitment officers	2,865	8,085	5,220	182.2 %	II	College
2252	Industrial designers	1,555	4,355	2,800	180.1 %	II	College
1213	Supervisors, library, correspondence and related information clerks	2,545	5,560	3,015	118.5 %	II	College
9227	Supervisors, other products manufacturing and assembly	1,265	2,710	1,445	114.2 %	II	College
1226	Conference and event planners	2,070	5,455	3,385	163.5 %	III	College
5227	Support and assisting occupations in motion pictures, broadcasting and the performing arts	1,005	2,405	1,400	139.3 %	III	College
2225	Landscape and horticultural technicians and specialists	1,945	4,320	2,375	122.1 %	III	College
5252	Coaches	1,515	3,310	1,795	118.5 %	III	College
4216	Other instructors	2,535	9,130	6,595	260.2 %	IV	College
3235	Other technical occupations in therapy and assessment	1,830	5,825	3,995	218.3 %	IV	College
3213	Animal health technologists	1,315	3,430	2,115	160.8 %	IV	College
3232	Midwives and practitioners of natural healing	1,010	2,225	1,215	120.3 %	IV	College
13	Senior managers - Financial, communications carriers and other business services	11,195	24,380	13,185	117.8 %	I	Management
1112	Financial and investment analysts	7,210	20,705	13,495	187.2 %	I	University
2170	Computer and information systems occupations	84,275	193,580	109,305	129.7 %	I	University
4162	Economists and economic policy researchers and analysts	2,245	5,080	2,835	126.3 %	I	University
1114	Other financial officers	9,625	21,720	12,095	125.7%	I	University
3132	Dietitians and nutritionists	1,370	3,195	1,825	133.2 %	III	University
5135	Actors	1,485	3,495	2,010	135.4 %	IV	University

Source: Reproduced from MTCU, Ontario Labour Market Report, Current Labour Market, October 2004, based on Statistics Canada Census of Population.

Note: 1 The rankings were based on quartiles, using one-fourth of all occupations to define each quartile. The rankings of average employment income are presented in the following categories: I=very high (\$54,093), II=high (\$43,238 to \$54,010), III= low (\$34,909 to \$43,172), and IV=very low (\$34,780 or less).

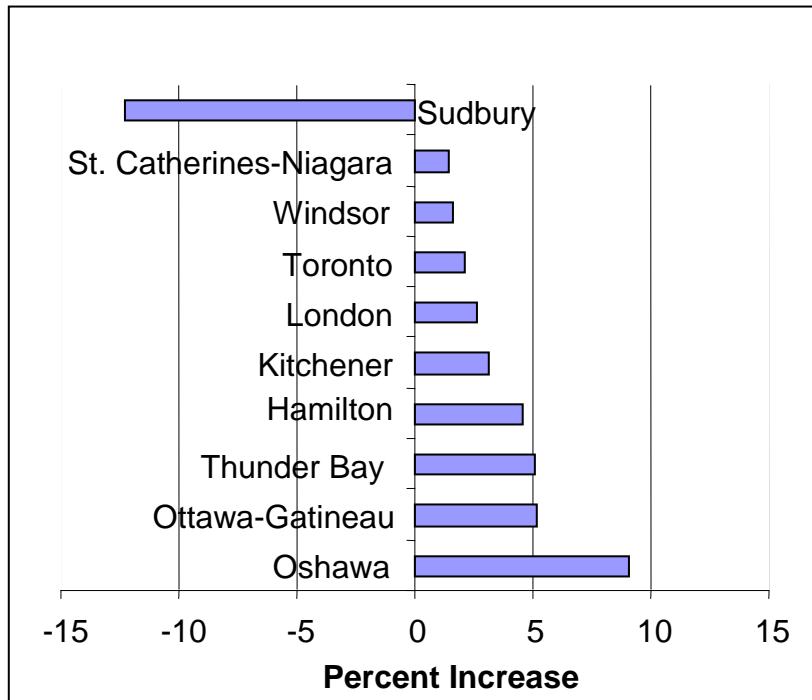
**Figure 12: Job Vacancy Rates in Ontario by Industry, 2001**



Note: Data for some industry categories may have a high coefficient of variation.

Reproduced from MTCU, Ontario Labour Market Report, Current Labour Market, March 2004, based on Statistics Canada, Workplace and Employee Survey.

**Figure 5: Average Employment Growth Rate by CMA in Ontario, 2003 over 2002**



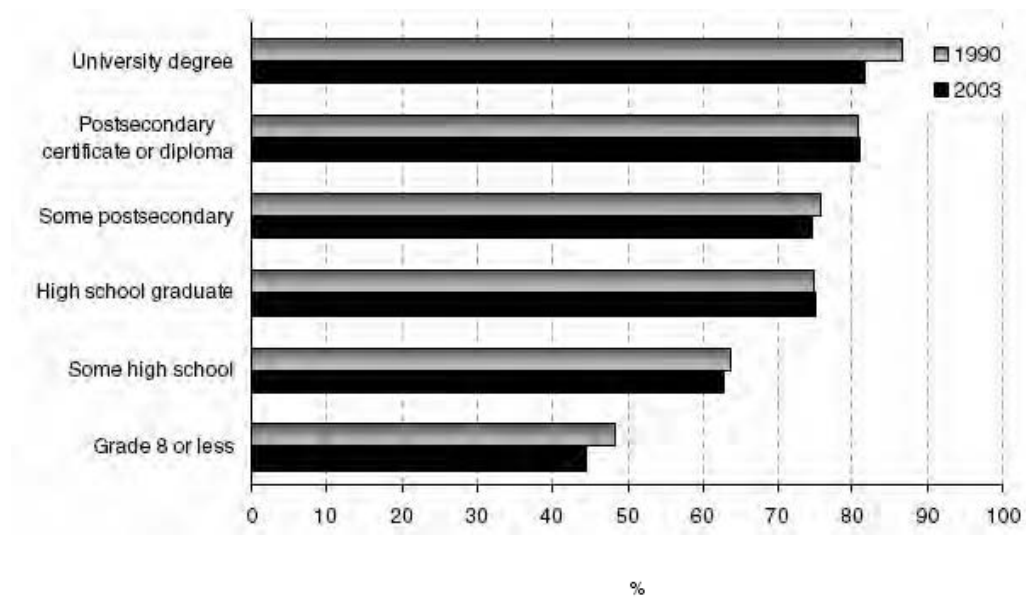
Source: MTCU, "Ontario Labour Market Report," February 2004

#### 4.0 IMPACT OF EDUCATION ON EMPLOYMENT

- Completion of qualifications:** Persons obtaining some postsecondary education without having completed a program leading to a degree, certificate or diploma find their education provides little advantage over high school graduation. This is in part because employers generally reward credentials earned through education, as opposed to partial completion of a particular program.<sup>15</sup>
- Employment rates:** The employment rate for university graduates aged 25 to 64 years dropped from 86.7 per cent in 1990 to 81.6 per cent in 2003 and is now closely approaching the rate of those with postsecondary certificates or diplomas (81.1 per cent). While employment increased for both postsecondary and university graduates during this period, the increase in the university graduate population outweighed their employment gains, causing the drop in their employment rate.<sup>16</sup>

Figure 6: shows that those with a postsecondary qualification have a higher employment rate.

**Figure 6: Employment Rates of 25- to 64-year-olds, by Educational Attainment, 1990 and 2003**



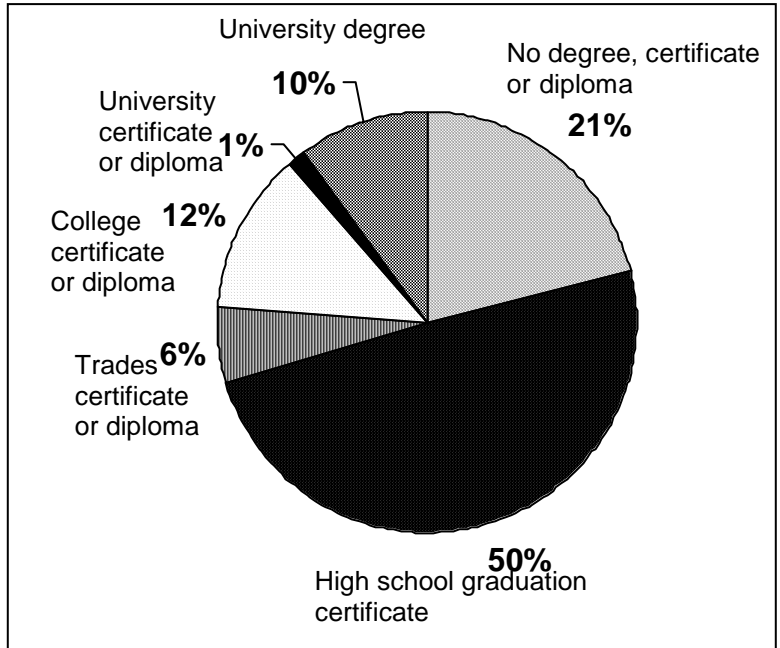
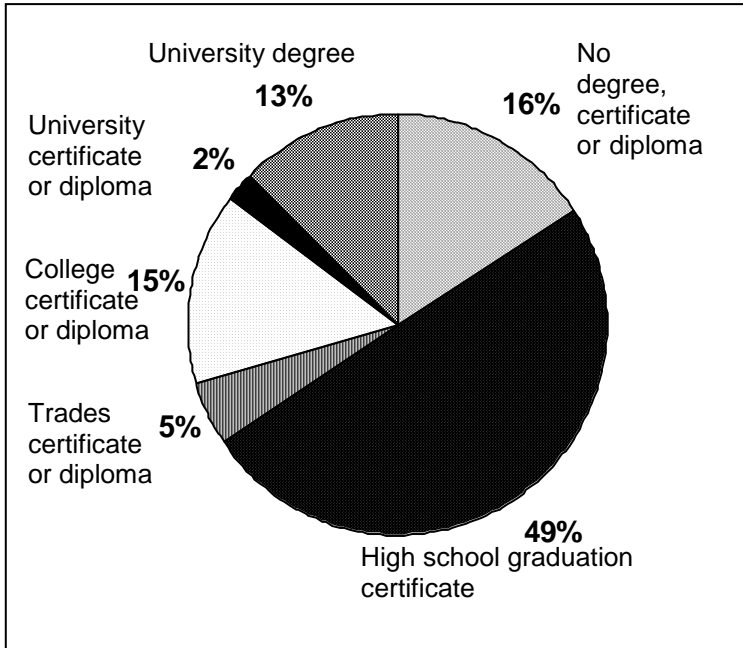
**Source:** Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004, p.47

**Figure 7: 2001 Labour Force by Age and Highest Education Level Achieved**

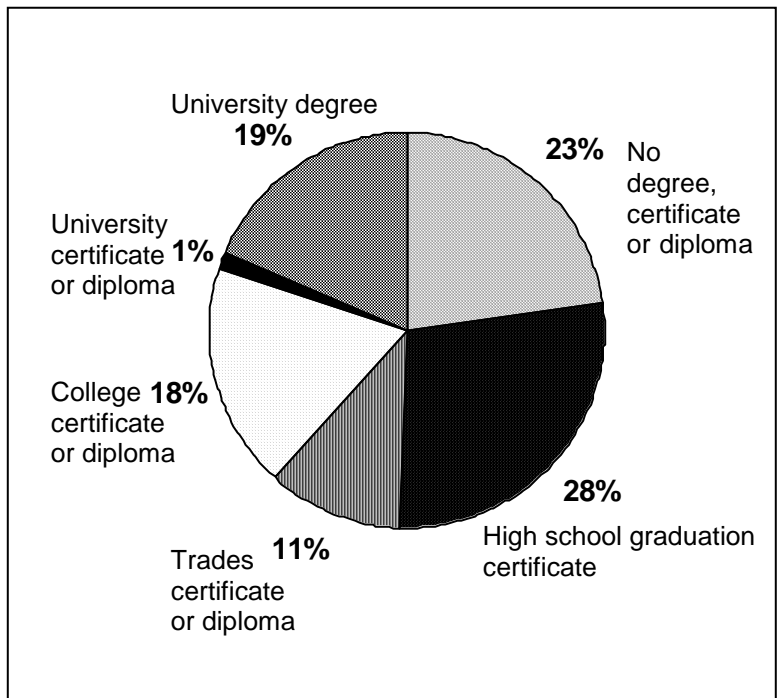
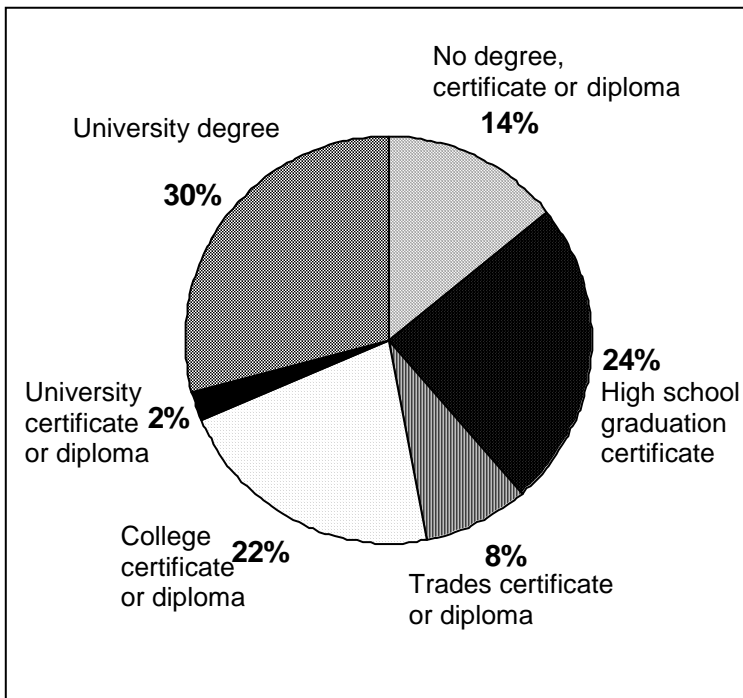
**ONTARIO 2001**

**ONTARIO 1991**

**20 – 24 yr olds**



**25 – 34 yr olds**



Source: Statistics Canada – Cat. No. 970017XCB01001

## 5.0 SELF EMPLOYMENT VERSUS EMPLOYMENT IN THE PUBLIC AND PRIVATE SECTORS

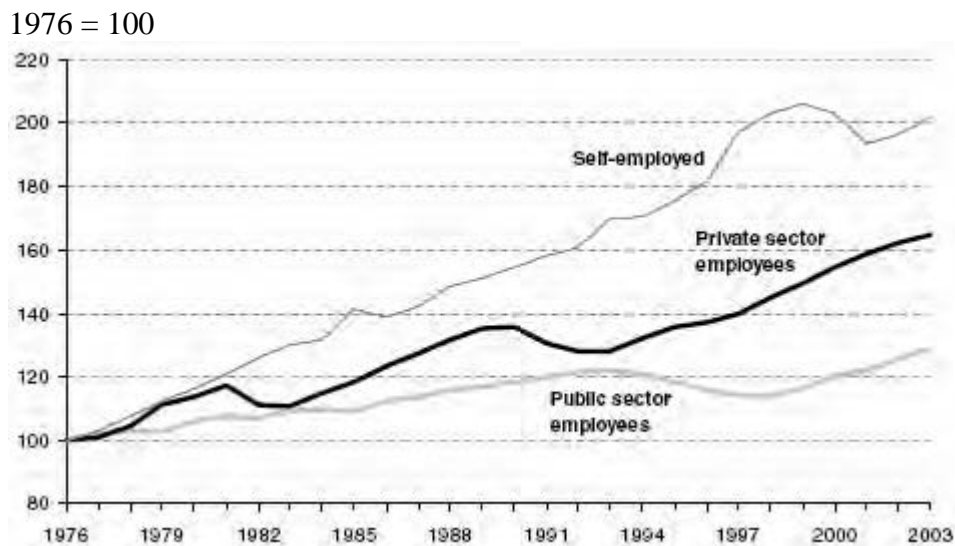
### 5.1 General Trends

**Number of self employed:** In July 2004, there were just under 2.5 million self-employed people in Canada,<sup>17</sup> representing approximately 15 per cent of all workers.<sup>18</sup> Self-employment growth was ongoing and strong from the mid-1970s to the end of the 1990s, even during economic downturns. Over the long term, the rate of growth of self-employment growth has exceeded that of private - and public-sector employees. However, self-employment levels did fall in 2000 and 2001, mainly due to a decline in farm employment.<sup>19</sup>

**Employment in private businesses:** In 2003, two in three employed Canadians worked for a private business or firm, accounting for 10.3 million employees. There was a significant decline in the number of private-sector employees during the 1990–91 recession, reflecting the fact that these workers are often affected more severely by economic cycles. However, since 1994, hiring in the private sector has been strong, with average annual gains of 2.8 per cent, the longest period of private-sector employee job growth in the last three decades.<sup>20</sup>

**Employment in the public sector:** In 2003, 3.0 million people, equal to one in five Canadians, were employed in the public sector, down from one in four in 1976. As a result of cutbacks in the number of civil servants at all levels of government, the ranks of the public sector shrank from 1993 to 1998. Education, health care and social assistance have accounted for most of the growth in public sector employment since 1988.<sup>21</sup>

**Figure 8: Growth in Self-Employed, Private-Sector Employment and Public-Sector employment, Indexed to 1976**



Source: Statistics Canada Labour Statistics Division, "The Canadian Labour Market at a Glance, 2003," November 2004, p.42

## 5.2 A Review of Self-Employment

### 5.2.1 Self-Employment in Canada

- **Self-employment has expanded** across a growing number of industry sectors. Future growth areas are anticipated to be health care, business services and housing.<sup>22</sup> As North America's economy expands, self-employment is expected to benefit and expand along with it.<sup>23</sup>
- **Entrepreneurs and "Seniorpreneurs"**: There has been a 30 per cent growth (140,000 firms) in the number of small firms run by entrepreneurs aged 55 years and over in Canada and just over 20 per cent in Ontario. More than 30 per cent of the 55+ workforce are "seniorpreneurs" and these persons account for one in four self-employed persons in Canada.<sup>24</sup> As figure 9 in this chapter shows, self-employed persons tend to retire later. The growth in seniorpreneurs will ensure that the skills of this labour pool will be around longer when skills shortages hit various industry sectors this decade.<sup>25</sup>
- **Women** represent a third of the self-employed, compared to their 45 per cent share of the total work force.<sup>26</sup>

### 5.2.2 Self-employment in Ontario

In 2003, about 909,100 people were self-employed in Ontario, representing 14.6 per cent of all employed individuals in Ontario and up 3.3 per cent over 2002 levels. This growth in 2003 followed two consecutive years of declining levels of self-employment.<sup>27</sup>

Self-employment accounted for 18 per cent of the total growth in employment in Ontario in 2003.<sup>28</sup>

In Ontario, the recent growth in self-employment earlier has been driven by professional/technical services, finance and real estate, and the housing boom. In fact, Ontario has the largest concentration, of all the provinces, of self-employment in professional/technical services and finance and real estate, 17 per cent and seven per cent respectively.<sup>29</sup>

While the number of self-employed in Ontario's large manufacturing sector is almost unchanged from a decade ago, self-employment in the province's broad hospitality industry and its information, culture and recreation services continues to grow.<sup>30</sup>

## 6.0 PART-TIME EMPLOYMENT

- The number of people working part time—less than 30 hours a week—has increased sharply over the last three decades. Three million Canadian workers, or one in five, worked part time at their main jobs in 2003, in contrast with only 1 in 10 in 1976.<sup>31</sup>
- In 2002, part-time employment returned to its long-term annual growth rate of 6 per cent after growth had slowed from 1994 to 2001. Growth continued more slowly in 2003, at 2.8 per cent.
- As a share of total employment, increases in part-time jobs kept pace with increases in full-time employment over the 1990s, leaving the part-time rate at a stable 18 per cent to 19 per cent since 1991. Unlike the steady growth of part-time workers since 1976, full-time workers saw their numbers decline during the recessionary years of the early 1980s and early 1990s. During most of the boom period of the mid- to late 1990s, full-time employment grew at a faster pace than part-time, averaging three per cent annually. From 2002 to 2003, full-time employment grew by two per cent to 12.8 million workers.<sup>32</sup>
- The strong long-term growth in part-time employment is not unique to Canada. With the exception of the United States, all the G7 countries, as well as Sweden, Australia and the Netherlands, saw their share of part-time employment rise from 1987 to 2002. Moreover, the Netherlands, Australia, Japan and the United Kingdom had higher part-time employment rates in 2002 than Canada.<sup>33</sup>

## 7.0 FUTURE TRENDS IN THE CANADIAN LABOUR FORCE

### 7.1 Aging Workforce – Canada

#### 7.1.1 General Trends

Several factors are contributing to the increasing predominance of an aging population.

- the relatively large baby boom generation (born from 1946 to 1966), which is fast approaching retirement age. [This is the largest factor.]
- the long-term decrease in the total fertility rate. In 2000, this reached an all-time low of an average of 1.49 children in a woman's lifetime.
- longer life expectancy. Life expectancy reached 82.1 and 77.2 years, respectively, for women and men born in 2002.<sup>34</sup>

It is forecast that one in three Canadians will be 55 and over by 2021, compared with one in five in 2001. In 2001, there were 2.7 people aged 20 to 34 in the labour force for every participant aged 55 and over, down from 3.7 in 1981.<sup>35</sup>

Please see Section Two, “Demographics,” for more information on Canada's aging population.

## 7.1.2 Impact of Aging on Specific Sectors and Professions in Canada

### **Generally:**

- Occupations with the youngest labour forces include information-technology, engineers, occupational therapists and physiotherapists.
- Many services that cater to an aging population, including health care, financial planning and leisure activities, could experience above-average growth.<sup>36</sup>
- Companies will have to adapt their services to an aging population, which will mean changes in the products and services they provide, as well as the delivery channels and marketing of these products.

**Utilities:** It can be seen from Table 1 that the utilities industry has a very high proportion of older workers and a low proportion of young workers. It will probably be hit hard as its older workers start to retire.

**Health care (general):** The low proportion of young employees in health care may result in this sector seriously feeling the impact of shortages when combined with the aging population's demand for more health care services.

**Nursing:** The average age in the nursing profession has increased rapidly, due to relatively few new entrants. In 1991, there were almost five nurses aged 20 to 34 for every nurse aged 55 and over. By 2001, there were fewer than two young nurses for every nurse 55 and over.<sup>37</sup> With more RNs approaching the traditional retirement age, the Canadian Institute of Health Information (CIHI) projects that by 2006, Canada could lose up to 13 per cent of its 2001 RN workforce. A similar situation faces licensed nurse practitioners – assuming a retirement age of 55, over half could be eligible to retire by 2012.<sup>38</sup> Estimates from the Canadian Nurses Association indicate that there will be a shortage of more than 100,000 nurses by 2011.<sup>39</sup>

**Education:** With a relatively large proportion of educators in older age groups, shortages of workers in this area are anticipated. This shortage is expected to occur just as the knowledge economy is demanding workers with higher levels of education.<sup>40</sup>

**Postsecondary Education:** Professors at university and college are already older, on average, than the overall labour force. In 2001, almost 29 per cent of university professors were aged 55 and over, compared with only 19 per cent a decade earlier. In 2001, more than 17 per cent of college professors were aged 55 and over, compared to less than 11 per cent in 1991.<sup>41</sup>

**Construction:** This sector has a relatively large share of older workers and may face shortages in the future. In 2001, there was only one worker aged 20-34 years for every one aged 55 and over in the pipefitting and carpentry groups. Electricians, bricklayers and plumbers also have a shortage of younger workers.<sup>42</sup>

**Service Sector:** Workers in this sector tend to be younger, with the average age in these occupations changing very little over the last 10 years.<sup>43</sup>

**Table 2: Composition of Canadian Workforce By Age and Industry**

Industry Sector	Percentage of Workforce:			Median Retirement Age 1991-1995	Median Retirement Age 1996-2000	Change In Median Retirement Age (Years)
	Age 15-24 Years	Age is 45+ Years	Age is 55+ Years			
	per cent	per cent	per cent			
<b>Goods-producing sector</b>						
Agriculture	36	48	27	65.8	68.8	3.0
Utilities	3	40	6	59.1	56.6	-2.5
Forestry, Fishing, Mining, Oil & Gas (Primary)	11	35	9	64.6	65.3	0.7
Construction	16	35	12	64.7	63.3	-1.4
Manufacturing	12	35	10	61.9	61.6	-0.3
<b>Services-producing sector</b>						
Educational Services	8	44	13	60.7	57.4	-3.3
Public Administration	7	43	9	59.6	58.4	-1.2
Transportation & Warehousing	9	40	13	60.3	61.6	1.3
Health Care & Social Assistance	9	39	11	62.3	60.3	-2.0
Finance, Insurance, Real Estate & Leasing	11	38	12	62.4	60.1	-2.3
Professional, Scientific & Technical Services	12	33	12	65.1	64.8	-0.3
Management of Companies & Administrative	24	31	13	65.3	64.6	-0.7
Trade	30	27	10	64.4	62.6	-1.8
Information, Culture & Recreation	25	27	8	60.7	59.6	-1.1
Accommodation & Food Services	46	22	7	64.9	64.0	-0.9
Other Services	17	36	14	64.8	63.6	-1.2
<b>All Industries</b>	<b>17</b>	<b>34</b>	<b>11</b>	<b>62.2</b>	<b>61.0</b>	<b>-1.2</b>

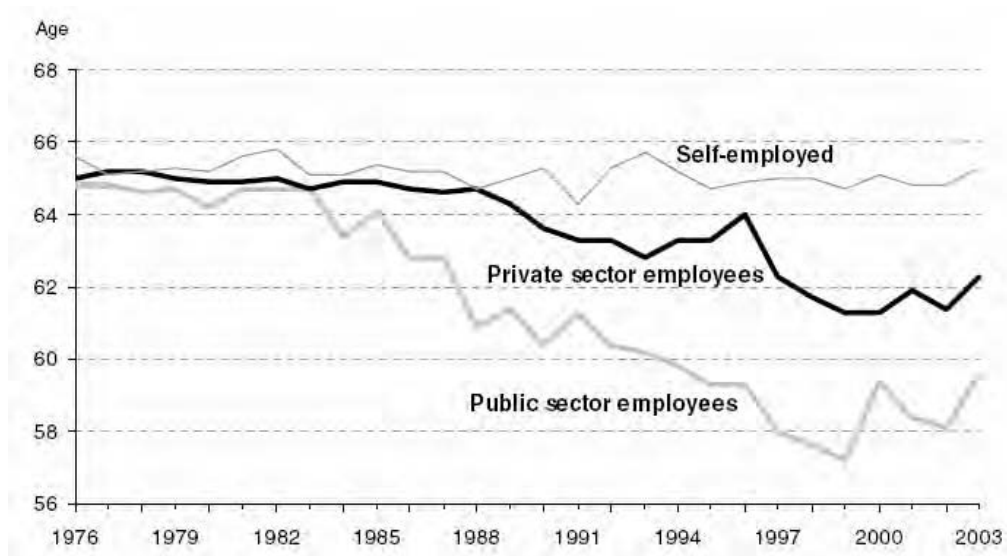
Source: The Alliance of Sector Councils, "The Aging Workforce and Human Resources Development Implications for Sector Councils," February 2003

### 7.1.3 Retirement Trends

- **The median age of retirement** in 2003 for both sexes reversed direction, rising significantly for men (from 61.4 to 63.3 years) and marginally for women (from 60.1 to 60.4 years). The median age at retirement for men was close to that for women until the mid-1990s. After that, the median age declined more for women than for men.<sup>44</sup>

- **The proportion of workers nearing retirement** grew steadily from 1997 to 2002, increasing three percentage points to a high of 20 per cent. This trend reversed after 2002, when the proportion of workers nearing retirement dropped slightly to 19 per cent. This represented the first decline in more than a decade and reflected an increase in the median age at retirement, mostly among men. Approximately 2.9 million workers were nearing retirement in 2003.<sup>45</sup>
- **The proportion of workers nearing retirement** is higher than ever before. From 1976 to 1986, the median age at retirement remained around 65 years. However, between 1986 and 1997, the retirement age fell from 64.6 years to 60.6 years. At the same time, the proportion of workers within 10 years of the median retirement age, the near-retirement rate, increased by seven percent to 17 per cent.<sup>46</sup>

**Figure 9: Median age at retirement, by class of worker**



**Source:** Statistics Canada Labour Statistics Division, "The Canadian Labour Market at a Glance 2003," November 2004, p.81

**Table 3: Selected Skilled Trades In Ontario with Above-Average Projected Retirement Rates**

	<b>Average Retirement Rate 2001-2015</b>
Tailors, dressmakers, furriers & milliners	57.7
Commercial divers	46.5
Shoe Repairers & shoemakers	44.0
Upholsterers	42.3
Jewellers, watch repairers & related occupations	40.1
Stationary engineers & auxillary equip't operators	39.2
Contractors & supervisors, pipefitting trades	38.6
Boilermakers	37.8
Crane operators	36.7
Railway carmen	36.3
Other trades & related occupations	36.2
Contractors & supervisors, heavy constr. Equipt. Crews	35.8
Supervisors, motor transport & other ground transit operators	35.6
Contractors & supervisors, mechanic trades	35.5
Machine fitters	35.4
Supervisors, machinists & related occupations	35.3
Elevator constructors & mechanics	35.2
Contractors & supervisors, electrical trades & telecomm. Occ.	35.1
Railway & yard locomotive engineers	34.9
Blacksmiths & die setters	34.8
Textile machinery mechanics & repairers	34.3
Supervisors, printing & related occupations	34.1
Construction, millwrights & industrial mechanics (except textile)	33.9
Structural metal & platework fabricators & fitters	33.8
Electric appliance servicers & repairers	33.8
Electrical mechanics	33.7
Steamfitters, pipefitters & sprinkler systems installers	33.7
Contractors & supervisors, metal form, shap. & erect. trades	33.5
Contractors & supervisors, carpentry trades	33.2
Water well drillers	32.1
Industrial electricians	32.1
Bricklayers	31.9
Power system electricians	31.8
Painters and decorators	31.4
Plumbers	30.9
Cabinetmakers	30.8
Railway conductors & brakemen	30.6
Sheet metal workers	30.5
Supervisors, railway transport operators	30.3
<b>Average retirement rate for all occupations</b>	<b>29.8</b>

Source: MTCU, "Ontario Labour Market Report," Volume 3, Issue 10, October 2003

**Table 4: Selected Large Occupations<sup>1</sup> in Ontario that Require Postsecondary Education and Which Have Above-Average Projected Retirement Rates Between 2001-15**

<b>Occupation</b>	<b>Average Retirement Rate 2001-15 (%)</b>
Farmers and farm managers	58.9
Real estate agents and sales persons	57.3
Sr. mgrs - Goods production, utilities, transportation and construction	47.4
Bookkeepers	44.1
Secretaries (except medical and legal)	43.8
College and other vocational instructors	43.2
Sr. mgrs - Financial communications & other biz services	42.6
Registered nurses	40.6
Insurance agents and brokers	38.0
Secondary school teachers	37.5
Construction managers	37.4
Elementary & kindergarten teachers	37.4
Facility Operation & maintenance managers	36.1
Manufacturing managers	35.6
Administrative officers	35.1
Lawyers	34.9
Retail trade managers	34.9
Professional occ. in biz services to mgt.	34.3
Constr. Millwrights & Ind. Mechanics (except textile)	33.9
Financial auditors and accountants	33.7
Financial managers	33.4
Other financial officers	31.3
<b>Average retirement rate for all occupations</b>	<b>29.8</b>

<sup>1</sup> Occupations that employ at least 20,000 workers in 2001

Source: MTCU, "Ontario Labour Market Report," Volume 3, Issue 10, October 2003

## 7.2 Skills Shortages

Due to the much larger number of retirements than entrances into the workforce, Canada can expect to experience a skills shortage starting around 2010.

## Expected Impacts of Skills Shortages on Labour Force Practices<sup>47</sup>

- **Increased workforce planning** at the national, provincial, industrial and company levels.
- **Revised recruitment and training methods** to competitively attract workers in both Canada and abroad.
- **Retention of older workers** by increasing the flexibility of the hours worked through flex time, part-time work, contract assignments, telecommuting, etc.
- **Increased health, safety and ergonomic strategies** to address the physical challenges experienced by older workers.
- **Training strategies** to accommodate different learning patterns and experiences of older and younger workers.
- **Changes in youth deployment**, i.e, encouraging younger workers to enter sectors traditionally seen by them in a negative light.
- **Pressure to increase contributions from younger workers to government pension plans** as the ratio of retirees to contributors grows from 6:3 in 1995 to 6:1 in 2050.<sup>48</sup>
- **Introduction of new technologies** to substitute for human capital in areas where there are skills shortages.

### 7.3 Immigration

Please see Chapter 2 “Demographics” for information on demographic trends re immigrants.

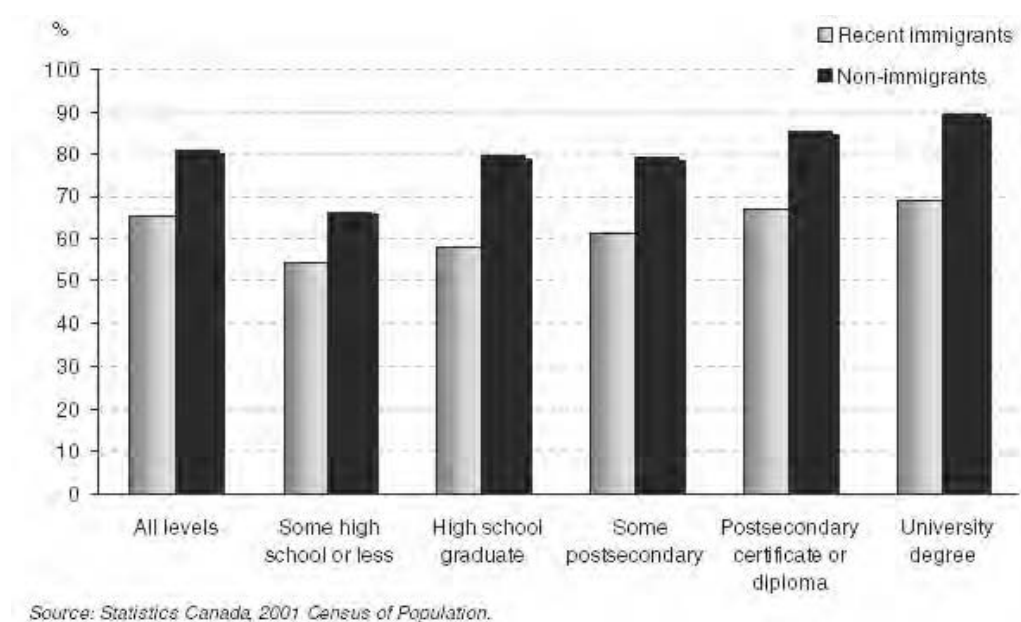
**Skill levels:** The education level of immigrants to Canada has generally been rising over the past several decades. Just over 50% per cent of immigrants aged 25 to 44 who arrived from 1996 to 2001 held at least a bachelor’s degree, compared with only 23 per cent of those who arrived from 1986 to 1990.<sup>49, 50</sup> Please see also Table 2 in Chapter 2 “Demographics” for information on the education levels of immigrants to Ontario.

**Employment rates:** The employment rate among recent immigrants aged 25 to 54 years generally rises with education level, as it does for the Canadian population. In 2001, the employment rate was 54.6 per cent among recent immigrants with less than a high school diploma, compared with 69.4 per cent for those with a university degree. However, the employment rate gap between recent immigrants and native-born Canadians continued to be sizeable (ranging from 12 percentage points for those with some high school or less, to 22 points among those with a high school diploma but no postsecondary).<sup>51</sup>

**Areas of employment:** A major influx of skilled immigrants in recent years has resulted in a larger proportion of newcomers being employed in ‘professional’ jobs. In 2001, nearly one recent immigrant in five held such jobs, compared with just over one in 10 in 1991. Of the five largest Census

Metropolitan Areas, it was in Ottawa– Gatineau that recent immigrants were the most likely to obtain a professional job, in both 1991 and 2001. A high proportion of this Census Metropolitan Area’s workforce is employed in professional occupations, reflecting the preponderance of government and high-tech jobs, as well as other jobs requiring postsecondary education.<sup>52</sup> However, despite this progress, a large proportion of recent immigrants were employed in low-skilled jobs. In 2001, 43 per cent of those aged 25-44 were in low-skilled jobs, down from 51 per cent a decade earlier.<sup>53</sup>

**Figure 10: Employment Rates of 25- to 54-Year-Olds, by Educational Attainment and Immigrant Status, 2001**



**Source:** Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance, 2003,” November 2004, p.86

**Integrating Immigrants:** As the Conference Board of Canada notes, “Recent immigration patterns have sharply internationalized our [Canada’s] labour force.” Visible minorities represented approximately 13.4 per cent of Canada’s total population (four million people) and this number is expected to grow to 20 per cent by the close of 2016.<sup>54</sup>

The Conference Board further states, “In this context, valuing diversity takes on a new urgency. Diversity must move beyond being a purely intellectual exercise to becoming an inherent component of organizational values.”<sup>55</sup>

The Maytree Foundation released a document in October 2003, *Integrating Immigrant Skills into the Ontario Economy*, which presents 10 ideas for the

Government of Ontario. The 10 ideas are as follows:

1. Create an Ontario Internet portal to information for skilled immigrants.
2. Improve collaboration on the assessment of academic credentials to increase employer confidence.
3. Provide incentives for educational institutions and licensing bodies to develop competency-based assessment tools.
4. Review postsecondary funding formulas and the statutory framework so educational institutions are encouraged to provide bridging programs as part of their “mainstream” services.
5. Work with the federal government to expand student loan programs.
6. Fund labour-market language training to be delivered by employers and educational institutions.
7. Provide incentives to employers, employer associations, and labour to become more active in the integration of immigrant skills.
8. Sustain the collaborative efforts of Ontario self-regulated professions to improve access for international candidates.
9. Support local initiatives to integrate immigrant skills.
10. Initiate multilateral discussions to create five-party agreements on the labour-market integration of immigrants.

## 7.4 Aboriginal Population

Note: The text below refers to “Aboriginal identity population”. These are persons who identify themselves as Aboriginal, members of a First Nation, or as Treaty Indian or Registered Indian (under the Indian Act).<sup>56</sup>

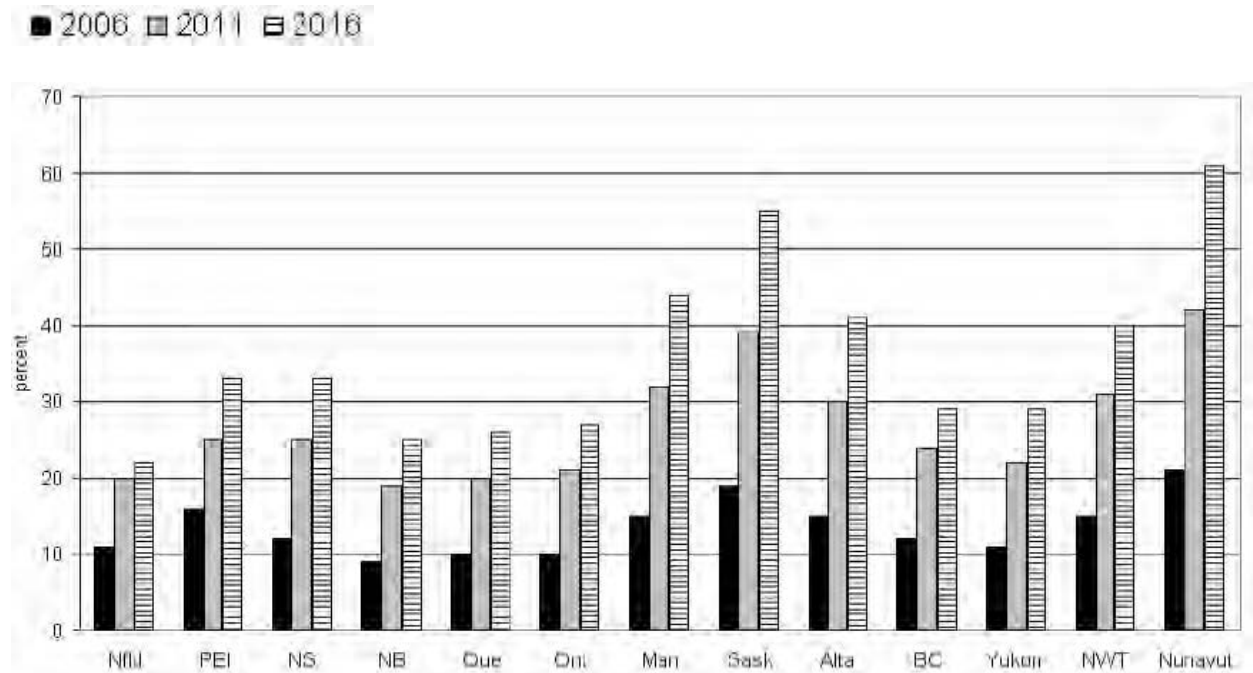
### 7.4.1 Increase in Aboriginal Labour Force

**Growing population:** According to the 2001 Census, 976,000 people identified themselves as Aboriginal, representing 3.3 per cent of the nation’s total population, up from 2.8 per cent five years earlier. The growth of the Aboriginal population is due to both demographic factors (higher fertility rates, for example) and non-demographic factors (such as better census coverage and an increasing tendency for Aboriginal people to self identify).<sup>57</sup>

**Youth:** The Aboriginal population is young; half were less than 25 years of age in 2001, compared with about one-third of the non-Aboriginal population. The median age of the Aboriginal population was 24.7 years, compared with an all-time high of 37.7 years for the non-Aboriginal population. This growing, younger Aboriginal population will be an important source of labour force growth.<sup>58</sup>

Aboriginals represented 1.4 per cent of Ontario’s labour force in 2001 (note this is based on those persons who identified themselves as Aboriginals).<sup>59</sup> Due to both the young age profile and the increasing tendency Aboriginal people to self identify, the Aboriginal labour force in Canada (and Ontario) will continue to grow.

**Figure 11: Cumulative Aboriginal Workforce Increase from 2001-2016, By Province**



Source: M. Mendelson, Caledon Institute of Social Policy, “Aboriginal People in Canada’s Labour Market: Work and Unemployment, Today and Tomorrow”, March 2004, p. 36

### 7.4.2 Aboriginal Participation in the Labour Force

The Aboriginal participation rate in the Ontario labour force was 65 per cent in 2001 below the 67 per cent level for the non-Aboriginal population. The unemployment rate for Aboriginal people was 14.7 per cent in 2001, considerably above the 6.0 per cent rate for non-Aboriginals.<sup>60</sup>

The Caledon Institute of Social Policy found that people of Aboriginal identity, despite the high unemployment rates, are trying to get jobs at almost the same rate as the total Canadian population.<sup>61</sup>

## 9.0 WEBSITES OF INTEREST

Organization	Web Address
Statistics Canada	<a href="http://www.statcan.ca">http://www.statcan.ca</a>
HRDC	<a href="http://www.hrdc.drhc.gc.ca">http://www.hrdc.drhc.gc.ca</a>
Job Futures (part of HRDC-DRHC)	<a href="http://www.jobfutures.ca">http://www.jobfutures.ca</a>
Canadian Manufacturers and Exporters	<a href="http://www.cme-mec.ca/index_flash.html">http://www.cme-mec.ca/index_flash.html</a>
Conference Board of Canada	<a href="http://www.conferenceboard.ca">http://www.conferenceboard.ca</a>
The Alliance of Sector Councils	<a href="http://www.councils.org">http://www.councils.org</a>
Canadian Policy Research Network	<a href="http://www.cprn.org">http://www.cprn.org</a>
Local Boards	<a href="http://www.localboards.on.ca">http://www.localboards.on.ca</a>
Industry Canada	<a href="http://www. www.ic.gc.ca">http://www. www.ic.gc.ca</a>
Ministry of Training, Colleges and Universities and the Ministry of Education	<a href="http://www.edu.gov.on.ca/">http://www.edu.gov.on.ca/</a>
Maytree Foundation	<a href="http://www.maytree.com">http://www.maytree.com</a>
Canadian Federation of Independent Business	<a href="http://www.cfib.ca">http://www.cfib.ca</a>
Canadian Institute for Health Information	<a href="http://www.cihi.ca">http://www.cihi.ca</a>
Youth Opportunities Ontario	<a href="http://www.youthjobs.gov.on.ca">http://www.youthjobs.gov.on.ca</a>
Jobs For the Future	<a href="http://www.jff.org">http://www.jff.org</a>
Footwork Consulting – Links to Demographic Resources on the Web	<a href="http://www.footwork.com/links.html">http://www.footwork.com/links.html</a>
Ontario Government – Links to Ontario websites with stats on the province, its workforce, education in Ontario etc.	<a href="http://www.2ontario.com">http://www.2ontario.com</a>
Forum of Labour Market Ministers – links to various sites on labour	<a href="http://www.flmm.lmi">http://www.flmm.lmi</a>
Caledon Institute of Social Policy	<a href="http://www.caledoninst.org">http://www.caledoninst.org</a>
Canadian Labour and Business Centre	<a href="http://www.clbc.ca">http://www.clbc.ca</a>
Canadian Centre for Occupational Health and Safety	<a href="http://www.ccohs.ca">http://www.ccohs.ca</a>
National Advisory Council on Aging	<a href="http://www.hc-sc.gc.ca/seniors-aines/index_pages/naca_e.htm">http://www.hc-sc.gc.ca/seniors-aines/index_pages/naca_e.htm</a>
Canadian Alliance of Education and Training Organizations	<a href="http://www. http://www.caeto.ca">http://www. http://www.caeto.ca</a>
United Nations	<a href="http://www.un.org">http://www.un.org</a>

## 10.0 ENDNOTES

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<sup>1</sup> Bank of Montreal, “Canadian Provincial Outlook,” [www.bmo.com/economic/regular/regtable.html](http://www.bmo.com/economic/regular/regtable.html)

<sup>2</sup> “Special Report – Canada’s Evolving Job Market,” Scotiabank, Aug. 28, 2003

<sup>3</sup> Conference Board of Canada, “Performance and Potential 2003-04 – Key Findings,” 2003

<sup>4</sup> “Special Report – Canada’s Evolving Job Market,” Scotiabank, Aug. 28, 2003

<sup>5</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>6</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>7</sup> MTCU, “Ontario Labour Market Report,” February 2004

<sup>8</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>9</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>10</sup> Scotiabank Group, “Global Economic Research – Real Estate Trends,” December 8, 2004

<sup>11</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>12</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>13</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>14</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

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<sup>16</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>17</sup> CIBC World Markets, “Canadian Small Business – Back in High Gear,” September 2004

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<sup>18</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>19</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>20</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>21</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>22</sup> Scotiabank, “Special Report – Canada’s Self Employed ... On the Rise Again,” October 27, 2004

<sup>23</sup> Scotiabank, “Special Report – Canada’s Self Employed ... On the Rise Again,” October 27, 2004

<sup>24</sup> CIBC World Markets, “Canadian Small Business – Back in High Gear,” September 2004

<sup>25</sup> Scotiabank, “Special Report – Canada’s Self Employed ... On the Rise Again,” October 27, 2004

<sup>26</sup> Scotiabank, “Special Report – Canada’s Self Employed ... On the Rise Again,” October 27, 2004

<sup>27</sup> MTCU, “Ontario Labour Market Report,” February 2004.

<sup>28</sup> MTCU, “Ontario Labour Market Report,” February 2004.

<sup>29</sup> Scotiabank, “Special Report – Canada’s Self Employed ... On the Rise Again,” Oct. 27, 2004

<sup>30</sup> Scotiabank, “Special Report – Canada’s Self Employed ... On the Rise Again,” Oct. 27, 2004

<sup>31</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>32</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>33</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

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<sup>34</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>35</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>36</sup> “Special Report – Canada’s Evolving Job Market,” Scotiabank, Aug. 28, 2003

<sup>37</sup> Statistics Canada Report 96F0030XIE2002009, “The Changing Profile of Canada’s Labour Force,” Feb. 11, 2003

<sup>38</sup> Statistics Canada, “Perspectives on Labour and Income, Vol. 5, No. 11,” November 2004

<sup>39</sup> Report by the Standing Committee on Citizenship and Immigration, Competing For Immigrants June 11, 2002 [reproduced by the Conference Board of Canada in “Performance and Potential 2003- Defining the Canadian Advantage,” 2003]

<sup>40</sup> Statistics Canada Report 96F0030XIE2002009, “The Changing Profile of Canada’s Labour Force,” Feb. 11, 2003

<sup>41</sup> Statistics Canada Report 96F0030XIE2002009, “The Changing Profile of Canada’s Labour Force,” Feb. 11, 2003

<sup>42</sup> Statistics Canada Report 96F0030XIE2002009, “The Changing Profile of Canada’s Labour Force,” Feb. 11, 2003

<sup>43</sup> Statistics Canada Report 96F0030XIE2002009, “The Changing Profile of Canada’s Labour Force,” Feb. 11, 2003

<sup>44</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>45</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>46</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>47</sup> The Alliance of Sector Councils, “The Aging Workforce and Human Resources Development Implications for Sector Councils,” February 2003

<sup>48</sup> Conference Board of Canada, “Performance and Potential 2003-04 – Key Findings,” 2003

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<sup>49</sup> Statistics Canada Source: Statistics Canada - Cat. No. 97F0009XCB01041  
[www12.statcan.ca/english/census01/products/standard/themes/RetrieveProductTable](http://www12.statcan.ca/english/census01/products/standard/themes/RetrieveProductTable)

<sup>50</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>51</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>52</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>53</sup> Statistics Canada Report 96F0030XIE2002009, “The Changing Profile of Canada’s Labour Force,” Feb. 11, 2003

<sup>54</sup> The Conference Board of Canada, Hot HR Issues in the Next Two Years, August 2004

<sup>55</sup> The Conference Board of Canada, Hot HR Issues in the Next Two Years, August 2004

<sup>56</sup> M. Mendelson, Caledon Institute of Social Policy, “Aboriginal People in Canada’s Labour Market: Work and Unemployment, Today and Tomorrow,” March 2004

<sup>57</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>58</sup> Statistics Canada Labour Statistics Division, “The Canadian Labour Market at a Glance 2003,” November 2004

<sup>59</sup> Ministry of Training, Colleges and Universities, Labour Market Info – Feature Report “Profile of Aboriginal People in Ontario,” August 2004

<sup>60</sup> Ministry of Training, Colleges and Universities, Labour Market Info – Feature Report “Profile of Aboriginal People in Ontario,” August 2004

<sup>61</sup> M. Mendelson, Caledon Institute of Social Policy, “Aboriginal People in Canada’s Labour Market: Work and Unemployment, Today and Tomorrow,” March 2004

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