

2015-2018

Elgin - St. Thomas Labour Force Development Strategy



Acknowledgements:

The Elgin-St. Thomas Labour Force Development Strategy is a project undertaken by the Elgin Workforce Committee. The committee is made up of community partners who meet regularly to coordinate local workforce development activities that support the work of economic development offices in both Elgin and St. Thomas. For the formulation of the workforce strategy, the committee dedicated time and effort in meetings, activities, promotion and direction. The committee includes representatives from the following organizations:

- *Employment Services Elgin*
- *Elgin County Economic Development*
- *St. Thomas Economic Development Corporation*
- *Ontario Ministry of Agriculture, Food and Rural Affairs*
- *Fanshawe College, St. Thomas*
- *YWCA St Thomas-Elgin*
- *Elgin St. Thomas Public Health*
- *City of St. Thomas, Ontario Works*
- *St. Thomas & District Chamber of Commerce*
- *Elgin Business Resource Centre*
- *Elgin Middlesex Oxford Workforce Planning and Development Board*
- *Elgin County Library*

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Cover photo courtesy of County of Elgin.

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Note on Data: The census division (CD) for Elgin includes St Thomas. This report and all data sets contained are for the Elgin census division unless otherwise stated.

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Overview of the Process

The process for establishing the Elgin-St. Thomas Labour Force Development Strategy included four phases including:

- 1) Conducting an Environmental Scan/Research
- 2) Issue Development
- 3) Community Engagement
- 4) Formulating the Strategy

The environmental scan and research involved establishing the relevant local labour market and employment information to the strategy. Information on industries, occupations, Canadian business patterns and the local labour force were all included. Also included are sources of broader context including economic outlooks and information about labour market trends.

The issue development phase of the project involved individual meetings with community stakeholders and engaging them with the environmental scan in the form of a community profile. Community stakeholders were asked to give input about the evidence on the community profile and provide local knowledge and context to help inform the data. The input from the individual consultations helped identify the key issue areas that were to be considered in creating the strategy.

Community engagement portion of developing the strategy consisted of a community workforce planning meeting. Stakeholders, elected officials and community partners came together to hear about the data and the workforce issues. The attendees collaborated and shared ideas to address the issues and eventually voted on the top priority issues that they would like to see addressed first.

The final part of the process involved taking the results of the issue development phase and the top priorities identified from the community engagement meeting and creating the action items that would make up the 2015 Elgin-St. Thomas Labour Force Development Strategy.

Background:

In 2010, the Elgin Workforce Committee released a labour force development strategy. The strategy was created to support the work of the economic development offices in both Elgin County and St. Thomas as they identified target sectors and workforce related issues. The Elgin Workforce Committee and its community partners were all invested in the successful implementation of the strategy to help boost the quality of available workers to drive economic development in the region. Education, government, business and community stakeholders were all part of the strategic planning process and the subsequent implementation of the many facets of the workforce action plan.

The creation of the 2010 labour force strategy was designed to provide a comprehensive and community-driven process to address needs, gaps and priorities for workforce development, particularly in the target sectors. The strategy provided direction for activities and was used for leveraging a

number of labour market projects. However, just as the strategy was released, the impact of the global recession began to impact the local economy.

Other employment trends were also subjecting the local workforce to some major changes, particularly shifts in traditionally strong employment sectors such as agriculture and manufacturing. A rash of closures, especially of major established manufacturers (Sterling 2009, Ford 2011), impacted the area in a dramatic way. Workers, families and businesses who had relied on high-paying manufacturing jobs and the spending power that they brought to the community were left with a major void to fill. Many manufacturing workers had spent their whole lives working for a single company, often having left high school to take a job on the line. With such an immediate need, the workforce development focus shifted to try and accommodate all of the displaced workers.

Now in 2015, the industrial landscape has shifted. While some companies continue to downsize or restructure, many have stabilized and are looking for ways to grow. New industries and employers are emerging to take the place of businesses that have closed. Elgin- St. Thomas remains a highly competitive place for manufacturers. The prime agricultural land is still here, as are burgeoning agri-food and agri-tourism industries. Elgin-St. Thomas remains a great place to operate a small business or become an entrepreneur.

The following report outlines the history of the previous workforce strategy, past successes and priorities going forward. It also looks at labour market information, demographics and other relevant workforce trends help to demonstrate areas where workforce development activities would likely be successful and identify local champions to help drive the process forward.

Target Sectors for Workforce Development
Agribusiness
Tourism
Manufacturing/Advanced Manufacturing
Creative Economy
New Food Economy
Entrepreneurship & Business Diversification
Green Collar Economy
Automotive

Priorities and Achievements of the 2010 Strategy:

The 2010 Elgin Labour Force Strategy contained a number of priority areas for workforce development activities including:

1. Retain youth, attract skilled workers, increase participation of under-represented groups in the workforce
2. Increase educational attainment through culture of lifelong learning
3. Provide support to entrepreneurs and small business operations
4. Promote collaboration between business, government and education

These priorities were addressed through actions by community partners and other activities throughout the community. Those actions included:

- ✓ Hosting a skilled trades information night
- ✓ Working with local action centres
- ✓ Participating in research on economic impact of Talbotville Ford assembly plant closure
- ✓ Creating work-ready assessment toolkits for workers
- ✓ Peer worker outreach to action centres
- ✓ Map local educational opportunities
- ✓ Global experience @ Work workshops for employers
- ✓ Business incubator (Innovation Centre for Entrepreneurs)
- ✓ Youth Entrepreneurship Partnership (EBRC Summer Company)
- ✓ Fanshawe day release programming

In addition to the activities undertaken by committee members in their organizations or in collaboration, there were a number of projects and partnerships that directly benefitted from the previous workforce strategy. The 2010 Elgin Labour Force Strategy helped in identifying needs, leveraging support and accessing funding for a number of projects including the Pathways to Prosperity project funded by Status of Women Canada and the St. Thomas Elgin Local Immigration Partnership (STELIP) funded by Citizen and Immigration Canada.

Pathways to Prosperity:

Pathways to Prosperity

The Pathways to Prosperity project was established in 2012 with the financial support of Status of Women Canada. The goal of the project is to advance women's economic security in St. Thomas-Elgin. Pathways to Prosperity looks to create opportunities for local prosperity by: Understanding barriers to economic security for women; Collaboration to identify gaps, priorities and opportunities that inform strategies; and the development of a community plan that takes action to increase women's economic security in the region.

St. Thomas-Elgin Local Immigration Partnership:



The St. Thomas-Elgin Local Immigration Partnership (STELIP) works to build welcoming, caring and inclusive communities since its establishment in 2011. The STELIP project is funded by Citizen and Immigration Canada and is housed at the YWCA St. Thomas-Elgin. The project brings together stakeholders and community members with a wide range of expertise and experience to develop innovative and local plans to improve the community's capacity to welcome and support newcomers. STELIP has identified five priority areas for assisting newcomer settlement which include: Coordination of Services; Employment, Entrepreneurship, and Labour Market Access; Settlement and Integration; Language, ESL and Communication; and Public Awareness.

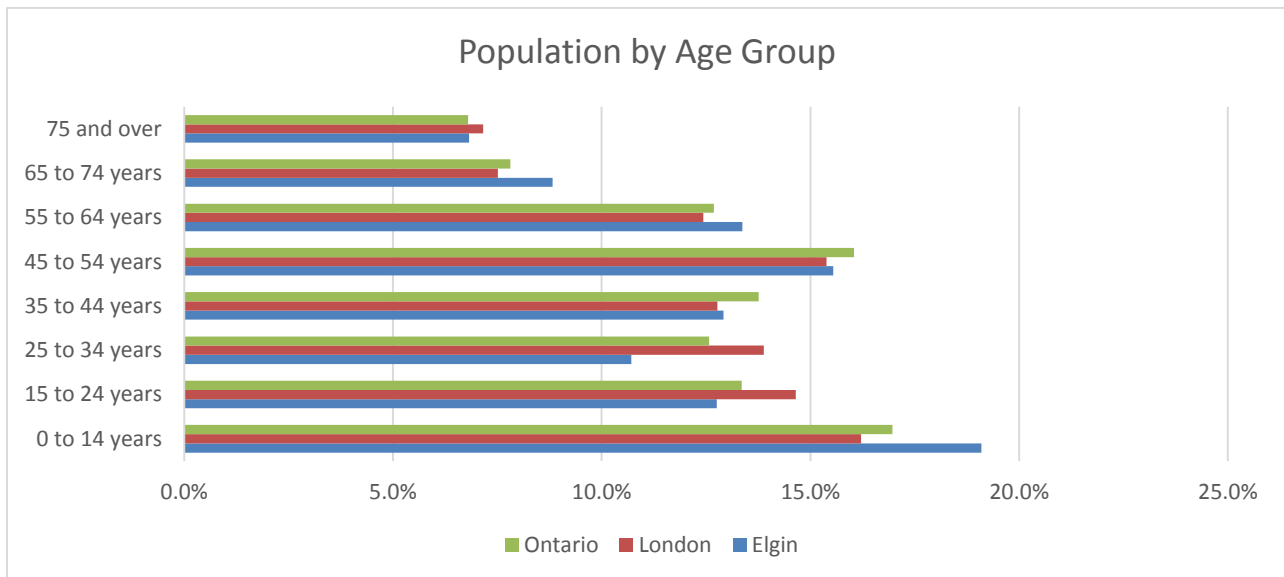
1. Elgin-St. Thomas Environmental Scan

Demographics

Significantly smaller proportion of young workers

The population profile of the region demonstrates some interesting characteristics. When grouping the population by age groups, Elgin-St. Thomas has a significantly larger proportion of the population that falls in younger and older age categories. The 0-14 year age group is a much larger proportion than the same group in London and Ontario. Meanwhile, two of the three oldest age groups (55-64 years, 65-74 years) make up greater proportions of the population than both the London and the Ontario proportions. The large proportion of older persons and children results in lower numbers of young workers. Elgin-St. Thomas has a smaller proportion of workers in the 15-24 years and 25-34 years age categories as shown in the chart below:

Figure 1:



Source: 2011 National Household Survey

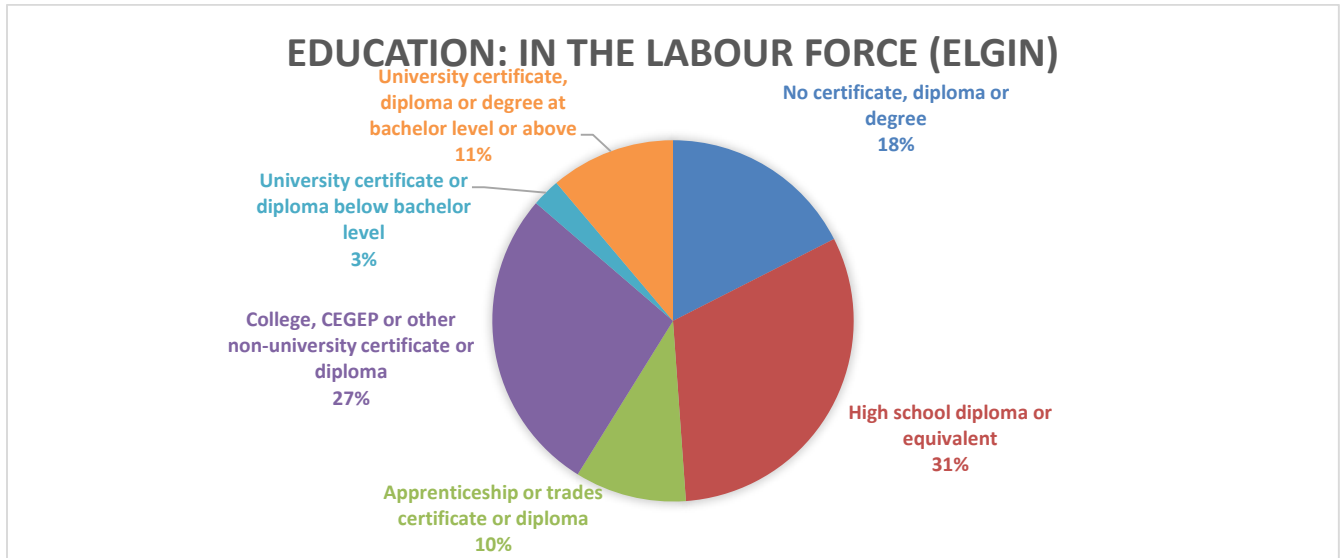
Local Educational Attainment

The labour force of Elgin-St. Thomas can be broken down by highest educational attainment. This allows us to look at how the education levels of workers in the area compare with those in other jurisdictions and over time.

The chart below shows the education of those who were in the local labour force (either employed or unemployed) as of the 2011 National Household Survey. Almost half of the local labour force (both employed and unemployed but looking for work) have high school level education or below.

Figure 2

Large proportion of local workforce with no education credentials

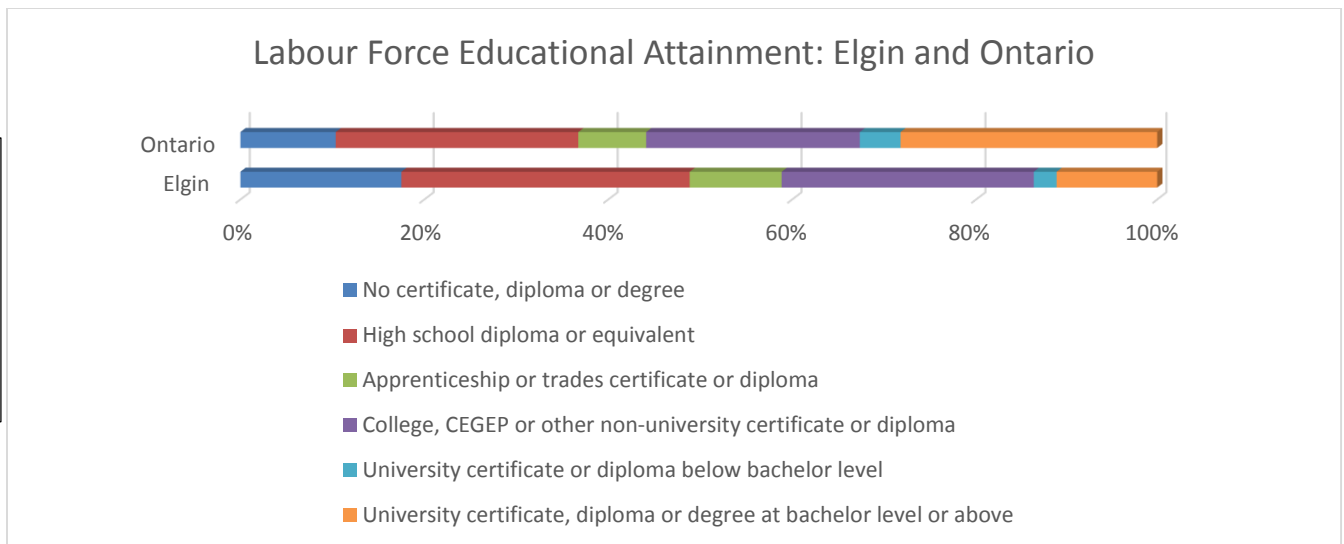


Source: National Household Survey 2011, custom data table

Figure 3 shows the educational attainment for the labour force for Elgin as compared to Ontario. Elgin-St. Thomas has a larger proportion of the labour force with education attainment of high school or below than the province. It also has a greater proportion of the population with college diploma, CEGEP and other non-university certificates as well as apprenticeship or trades certificates than the province.

Figure 3:

High levels of college and skilled trades locally but likely some skill mismatch



Source: National Household Survey 2011, custom data table

The larger proportion with college and trades education in Elgin means that local workforce has a lot of technical and vocational skills but lack the advanced credentials or soft skills that employers are looking for. There is also evidence of skills mismatch at play as some skilled trades' workers have had difficulty

transferring their skills to positions in new industries or occupations. This was reflected in the responses to the Employer One survey for Elgin-St. Thomas that are found later in this report.

Local Business Composition: Canada Business Patterns

Canadian Business Patterns tracks the number of businesses and categorizes them by the number of people that they employ. Employers range in size from 1-4 employees all the way up to 500+ employees. Also included is the number of employers of 'indeterminate' size. Canadian Business Patterns classifies businesses as 'Indeterminate' if they have no employees or indeterminate number of employees. This includes businesses that make use of a contract workforce or family members. The table below shows the numbers of businesses in each category over the past five years in Elgin-St. Thomas.

Figure 4:

Employers By Size Ranges (Elgin)								
	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Net Change (2009-2014)	% Change 2009-2014
1-4 Employees	1110	1186	1236	1258	1301	1325	215	19.4
5-9 Employees	492	466	506	508	483	523	31	6.3
10-19 Employees	271	263	262	281	295	304	33	12.7
20-49 Employees	184	167	174	176	151	186	2	1.1
50-99 Employees	62	57	57	54	55	55	-7	-11.3
100-199 Employees	19	20	16	21	24	22	3	15.8
200-499 Employees	9	9	10	12	12	10	1	11.1
500 + Employees	7	6	6	5	6	5	-2	-28.6
Indeterminate	2828	2849	3000	2955	3214	3318	490	17.3
Total	4982	5027	5267	5270	5541	5748	766	15.4

Source: Canadian Business Patterns

Elgin-St. Thomas has had consistent growth in the number of small businesses over the past five years. However, the growth in the net number of small businesses does not take into account the attrition¹ or long term sustainability of these small employers. This trend must be continued to be monitored to understand the success rate of these businesses.

Medium and large employers have remained relatively stable in terms of absolute numbers over the past five years although there have been some fluctuations. Workforce development activities must take into consideration the growth in small business and provide support to entrepreneurs while continuing to provide support to medium and large employers.

¹ Attrition or churn rate refers to the entry and exit of new firms into the economy.

Employment by Industry

The Analyst tool produced by OMAFRA and developed by EMSI uses a variety of sources to determine full-time employment by industry for census divisions. These sources include the Labour Force Survey and Survey of Employment, Payrolls and Hours.

The dominant industry in terms of full-time employment at the local level continues to be manufacturing (NAICS 31-33). This is followed by health care and social assistance (NAICS 62) and retail trade (NAICS 44-45). Accommodation and food services (NAICS 72) is the fourth largest employment industry followed by educational services (NAICS 61).

Figure 5:

NAICS Code	Industry Description	2006 Jobs	% of Total Jobs	2014 Jobs	% of Total Jobs	Change in Total Jobs Share (2006-2014)
31-33	Manufacturing	10,721	32.4	6,319	22.6	-9.9
62	Health care and social assistance	3,415	10.3	3,661	13.1	2.7
44-45	Retail trade	3,064	9.3	3,171	11.3	2.1
72	Accommodation and food services	2,238	6.8	2,554	9.1	2.4
61	Educational services	1,573	4.8	1,885	6.7	2.0
56	Administrative and support, waste management and remediation services	2,198	6.7	1,344	4.8	-1.9
91	Public administration	1,236	3.7	1,243	4.4	0.7
11	Agriculture, forestry, fishing and hunting	1,378	4.2	1,155	4.1	0.0
23	Construction	866	2.6	1,082	3.9	1.2
81	Other services (except public administration)	1,169	3.5	1,081	3.9	0.3
48-49	Transportation and warehousing	1,490	4.5	1,024	3.7	-0.9
X0	Unclassified	572	1.7	744	2.7	0.9
41	Wholesale trade	1,075	3.3	689	2.5	-0.8
54	Professional, scientific and technical services	632	1.9	574	2.1	0.1
52	Finance and insurance	414	1.3	453	1.6	0.4
71	Arts, entertainment and recreation	396	1.2	295	1.1	-0.1
51	Information and cultural industries	245	0.7	273	1.0	0.2
53	Real estate and rental and leasing	186	0.6	268	1.0	0.4
55	Management of companies and enterprises	61	0.2	99	0.4	0.2
22	Utilities	98	0.3	65	0.2	-0.1
21	Mining, quarrying, and oil and gas extraction	16	0.0	14	0.1	0.0
	Total	33,042		27,994		

Manufacturing is still the largest employer in the region by a large margin

Looking at the top five industries and the greatest changes in terms of share of total regional employment, manufacturing had the greatest decrease while health, accommodation and retail had the largest increases. The declining share of manufacturing employment will be discussed later on in the report.

Local Labour Force Rates

Labour Force Status and Education Attainment

The education level of the workforce in Elgin-St. Thomas has a strong correlation to employment status. The table below shows the participation², employment³ and unemployment⁴ rates for the workforce in St. Thomas-Elgin based on highest level of education attained. The numbers in brackets represent the Ontario average for each group.

Figure 6:

Highest Educational Attainment and Labour Force Rates-Elgin (Ontario rates)	Participation rate	Employment rate	Unemployment rate
Total	64.3 (65.5)	58.5 (60.1)	9 (8.3)
No certificate, diploma or degree	43.7 (36.4)	36.9 (31.2)	15.5 (14.3)
High school diploma or equivalent	67.1 (64.6)	61 (57.6)	9.1 (10.9)
Apprenticeship or trades certificate or diploma	70.1 (65.7)	63.7 (61.0)	9.1 (7.2)
College, CEGEP or other non-university certificate or diploma	77.0 (77.0)	71.8 (72.2)	6.7 (6.3)
University certificate or diploma below bachelor level	60.3 (71.2)	58.4 (66.1)	3.6 (7.1)
University certificate, diploma or degree at bachelor level or above	75.6 (79.1)	71.9 (74.6)	4.9 (5.7)

High participation rates among those with no education credentials

Source: National Household Survey 2011, custom table.

Low participation rates by some university graduates was of particular interest to many employers as they represent a group with underutilized labour and skills. High participation by those with no education credentials was confirmed by employers and highlighted in the ‘Local Workforce Issues’ section of the report.

² Participation rate refers to the proportion of the labour force that is working or looking for work.

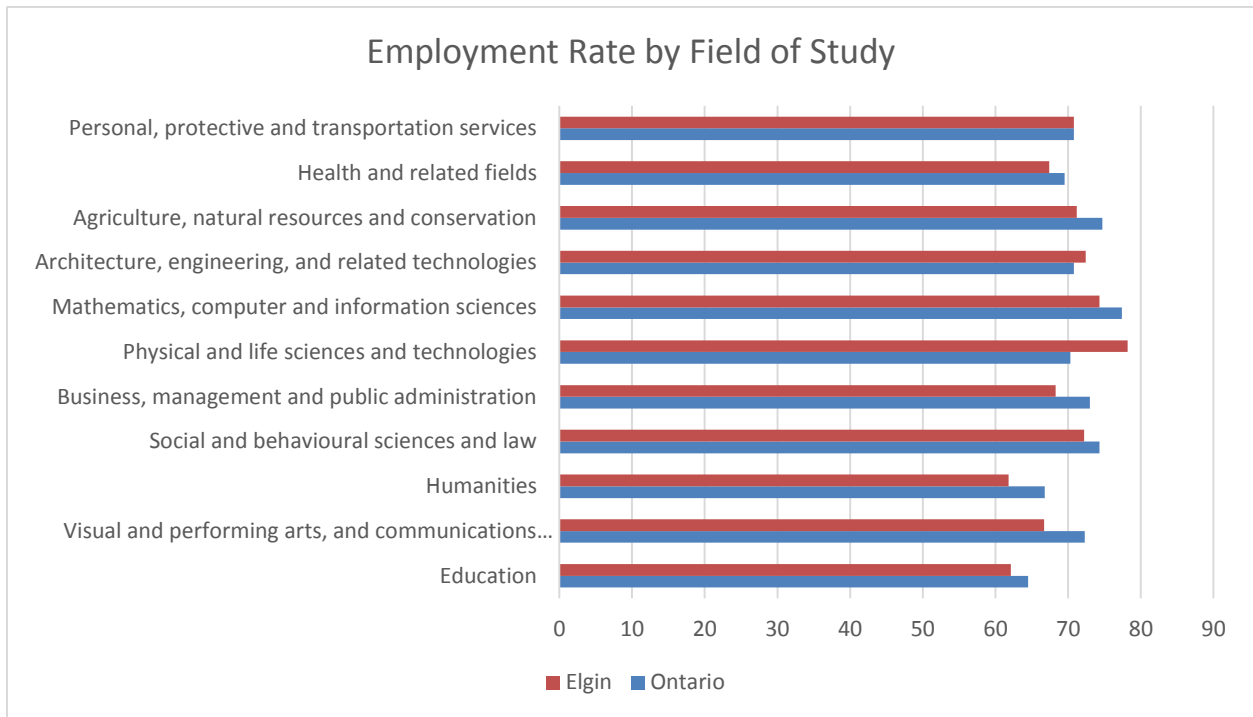
³ Employment rate refers to the percentage of the total population that is working

⁴ Unemployment rate refers to the proportion of the labour force that is looking to work but is not currently working

Labour Force Status and Field of Study

In Elgin County and in the rest of the province, labour force rates are generally unfavourable for those persons in the labour market who have no postsecondary credentials. While those with a major field of study do fare better in the labour market, not all fields of study are equal. The following charts indicate the labour force rates based on field of study for Elgin and Ontario.

Figure 7:



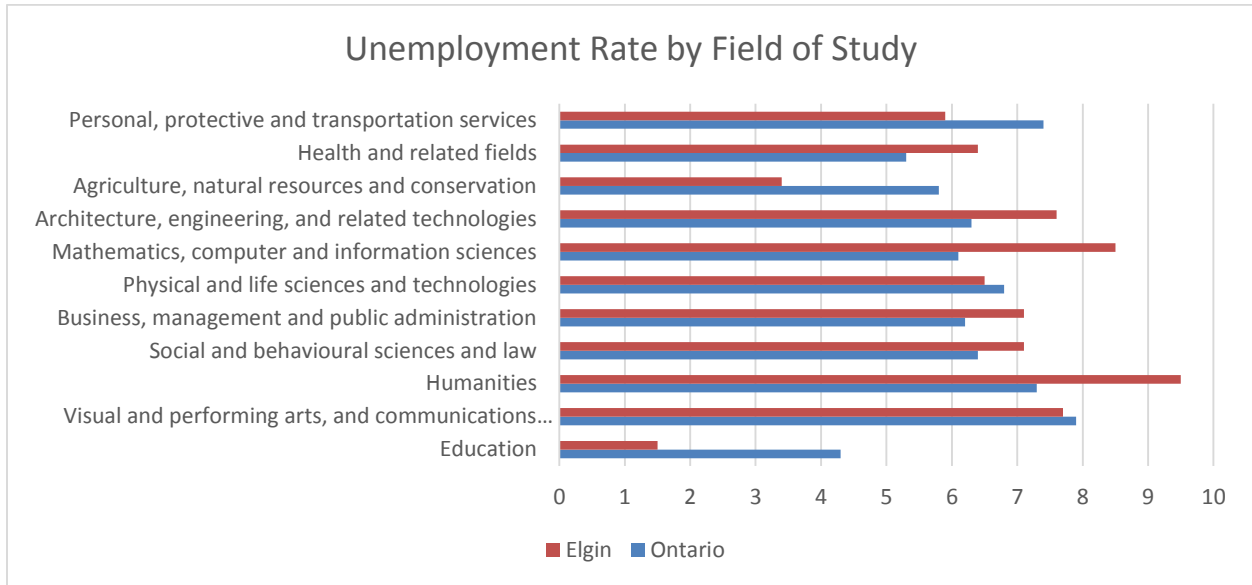
Source: 2011 National Household Survey, custom data table

Employment rates are relatively similar by field of study for both the region and the province. 'Physical and life sciences and technologies' have the highest local employment rate.

'Social and behavioural sciences and law' and 'humanities' have the greatest differences in employment rate between Elgin and the province.

Below are the unemployment rates by field of study. 'Education', 'Personal, protective and transportation services' and 'Agriculture, natural resources and conservation' are all fields of study that have significantly lower unemployment rates in Elgin than at the provincial level.

Figure 8:



Source: 2011 National Household Survey, custom data table

Labour Force Status and Age

The table below shows that in many of the age categories, the workforce rates in Elgin-St. Thomas are relatively close to the provincial average. The participation rates are generally higher for young workers in Elgin compared to province, as is the employment rate. However, the unemployment rates for young workers are also quite high. The 45-64 year age group falls on the wrong side of the provincial average for all three labour force rates. This indicates that there are some unique challenges for this age group in finding a job and even looking for work as many have stopped searching all together.

Figure 9:

AGE	Participation Rate (%)		Employment Rate (%)		Unemployment Rate (%)	
	Elgin	Ontario	Elgin	Ontario	Elgin	Ontario
15 to 19 years	50.2	41.6	38.5	31.4	23.2	24.5
20 to 24 years	82.0	75.7	65.5	62.3	20.0	17.8
25 to 44 years	85.4	85.7	79.8	79.8	6.5	6.9
45 to 64 years	71.8	75.2	66.8	71.0	6.9	5.6
65+ years	15.1	13.6	14.5	12.7	4.4	6.1

Source: 2011 National Household Survey, custom data table

Those in the 45-64 year age range have had particular trouble in the local labour market

Impact of External Trends

Trends in the global and national economy have had significant impact on the local economy and workforce in Elgin-St. Thomas. The constantly changing industrial structure and makeup of the economy will continue to make some occupations less prevalent but will also lead to a growth of others including some new occupations that may not even exist yet.

Global demand for goods and services is also an important factor that plays heavily in the local labour market. The high concentration of agricultural/agri-food production and manufacturing industries in the area rely on global markets for much of their sales. A strong global economy, and particularly a strong US economy, provides opportunities for business growth and employment.

In identifying some of these external trends and their impact on local employment, Elgin-St. Thomas can better address the workforce needs of the area over the course of the three year strategy.

American Economy is Expected to Heat Up

Major banks' economists in Canada are predicting strong US growth over the next couple of years. Strengthened US demand bodes well for the province and especially for the region which has a high concentration of manufacturers and agriculture/agri-food producers who export to the US. In a presentation to the St. Thomas & District Chamber of Commerce, BMO Capital Markets Senior Economist Sal Guatieri outlined the projected US growth for 2015 to surpass 3%.⁵ This coupled with a softer Canadian dollar and lower oil prices provides local manufacturers and exporters with a positive outlook over the coming year and is the kind of stimulus that could trigger investments in more productive technology and increased workforce capacity. RBC Economics' June 2014 Provincial Outlook also references the positive climate that businesses are seeing for capital investments. According to Statistics Canada, spending on non-residential outlays for 2014 is expected to rise by 3.7% which was contrasted by a 4.5% decline in 2013.⁶ There is the hope that the heating up of the US economy and increased business confidence and investment will lead to gains in Elgin-St. Thomas employment over the next little while. RBC predicts the provincial unemployment rate to tick down to 6.9% for 2015.⁷ The falling price of oil caused RBC to make some upward revisions to job creation in the December 2014 Provincial Outlook for Ontario. RBC is projecting job growth of 1.4% in Ontario for 2015.⁸

Shift Away from Manufacturing Jobs to Service Jobs:

There has been a steady decrease in the number of jobs in the manufacturing sector since 2000. The manufacturing sector made up 18.4% of Ontario's employment in 2000. By 2013, the sector made up

⁵ Sal Guatieri, Economic Outlook 2014

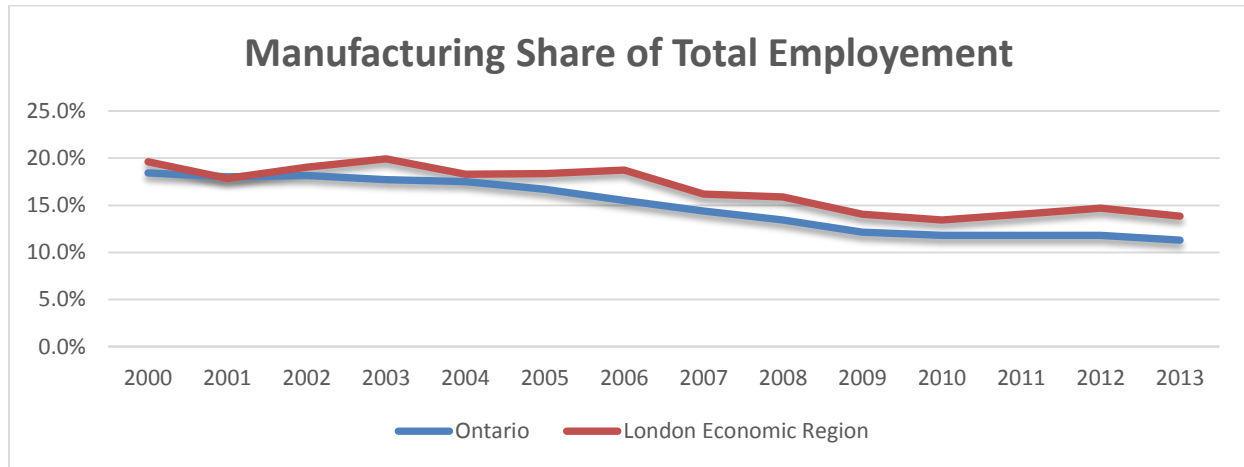
⁶ Robert Hogue, RBC Provincial Outlook, June 2014 <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/provfcst-june2014.pdf>

⁷ Ibid

⁸ Robert Hogue, RBC Provincial Outlook, December 2014 <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/ont.pdf>

11.3% of all jobs in the province. On a more local level, the London Economic Region (which includes Elgin, Oxford and Middlesex) had 19.6% of its jobs in the manufacturing sector in 2000. By 2013, that number had shifted downwards to 13.8% of the total number of local jobs.⁹ The graph below (Figure 10) shows the year-over-year share of employment that was made up of manufacturing industries for all years from 2000-2013. The declining share of manufacturing in the London Economic Region has been consistent since 2003, even before the onset of the recession.

Figure 10:

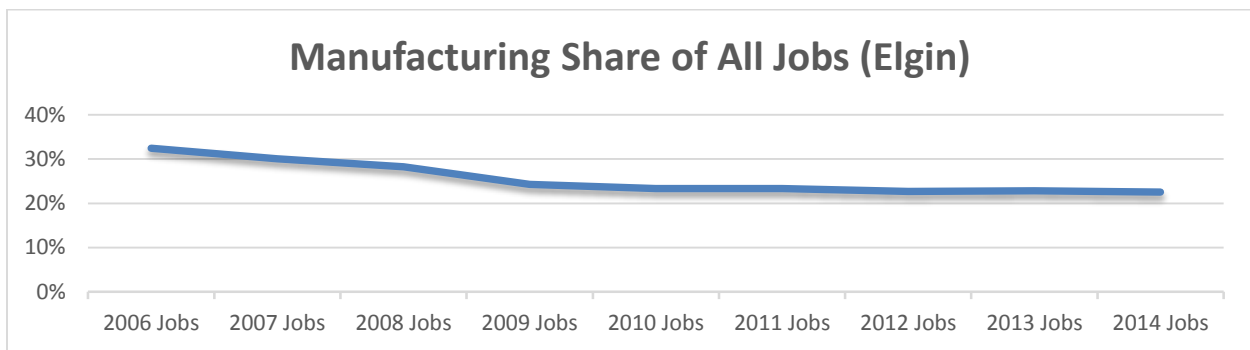


Source: Statistics Canada, Labour Force Survey, CANSIM 282-0061

In Elgin, the manufacturing share of employment has also demonstrated a decreasing trend since 2006 with much of the shift occurring from 2006 to 2009. However, the proportion of manufacturing jobs of all the jobs in Elgin has remained relatively stable between 22-23% since 2010.

Figure 11:

Manufacturing losses have levelled off in the last few years and it still represents over 20% of all area jobs.



Source: OMAFRA-EMSI Canadian Data Set

Figure 12 shows the total number of jobs in manufacturing over the same period for the London Economic Region which includes St. Thomas-Elgin. While the recession period showed the number of

⁹ Statistics Canada, Labour Force Survey CANSIM Table 282-0060

jobs in manufacturing decline in the region, the period from 2009 to 2013 actually showed a net increase in manufacturing jobs.

Figure 12:



Source: Statistics Canada, Labour Force Survey, CANSIM 282-0061

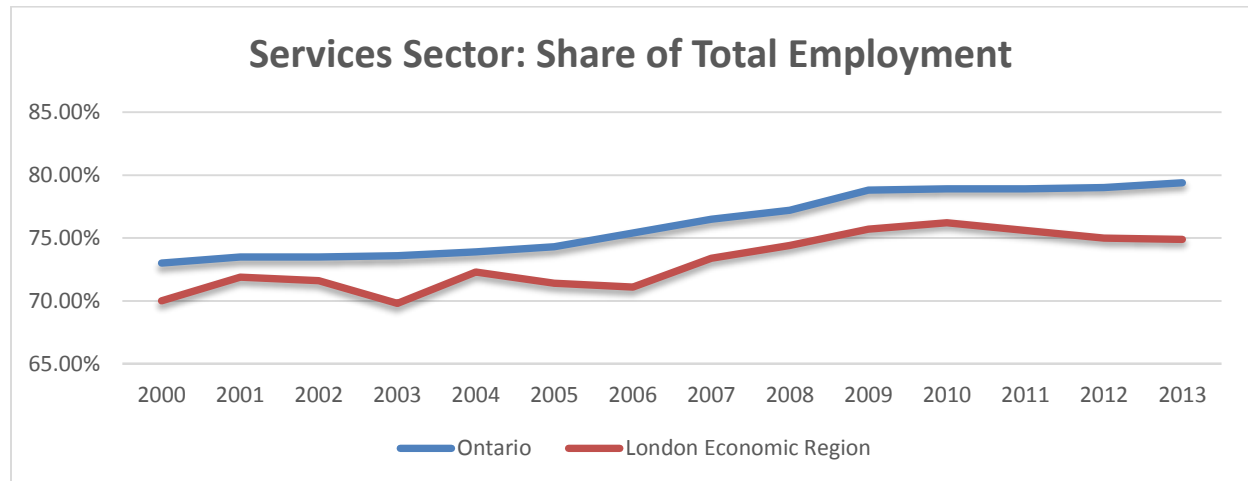
Although manufacturing was a larger component of the employment mix for the region in 2000 than current numbers but it continues to be an important part of the employment picture. The manufacturing sector makes up a relatively larger part of the London Economic Region than the province as a whole. This indicates that although the area has experienced some sharp losses in manufacturing, it still makes up a large part of the local economy and workforce. The manufacturing employers that have survived the recession and structural changes in the economy have had to adjust their processes and their workforce needs. There is optimism that those manufacturers that made it through the recession are those best suited to innovate and adapt to changing market conditions. These employers will also hopefully benefit from the lower dollar and fuel prices and be able to expand their workforce if they see local candidates with the skills they require.

Increasing Share of the Service Sector

While manufacturing has seen a decrease in its share of total employment, the service producing sector has shown a relatively steady increasing trend in terms of employment. The Ontario trend over the period 2000-2013 has crept steadily upwards towards almost 80% of all employment. For the London Economic Region, the sector has had a more unpredictable trend but still demonstrates fairly consistent growth, especially when contrasted with the trends in manufacturing. Many service sector jobs utilize skills gained from manufacturing positions, especially those related to home improvement and contractor services. However, many service sector jobs require soft skills, computer skills and

communication skills that may not have been essential in the manufacturing sector. From a community workforce development perspective, it is important to identify those skills that employers are seeking in their current workforce and new applicants and to support workers who wish to transition from manufacturing to service-based sectors. These skills are identified in the community engagement section of the report.

Figure 13:



10

Source: Statistics Canada, Labour Force Survey, CANSIM 282-0061

Workforce Development in Target Sectors

Agriculture

Traditional agriculture and farming has been undergoing a shift over the past number of years. Mechanization and consolidation of small family farms has led both fewer numbers of farms and fewer numbers of hours worked in the farm industry. From 1961-2007, the total number of hours worked in the sector decreased by an average of 1.9 percent per year.¹¹ Despite this tightening in the agriculture labour market, the industry enjoyed relatively stable economic output during the recession period because demand for food products remained consistent.

While employment numbers in agriculture have experienced a generally downward trend over the long term in Canada, the provincial outlook is much more consistent. At the local level, the number of

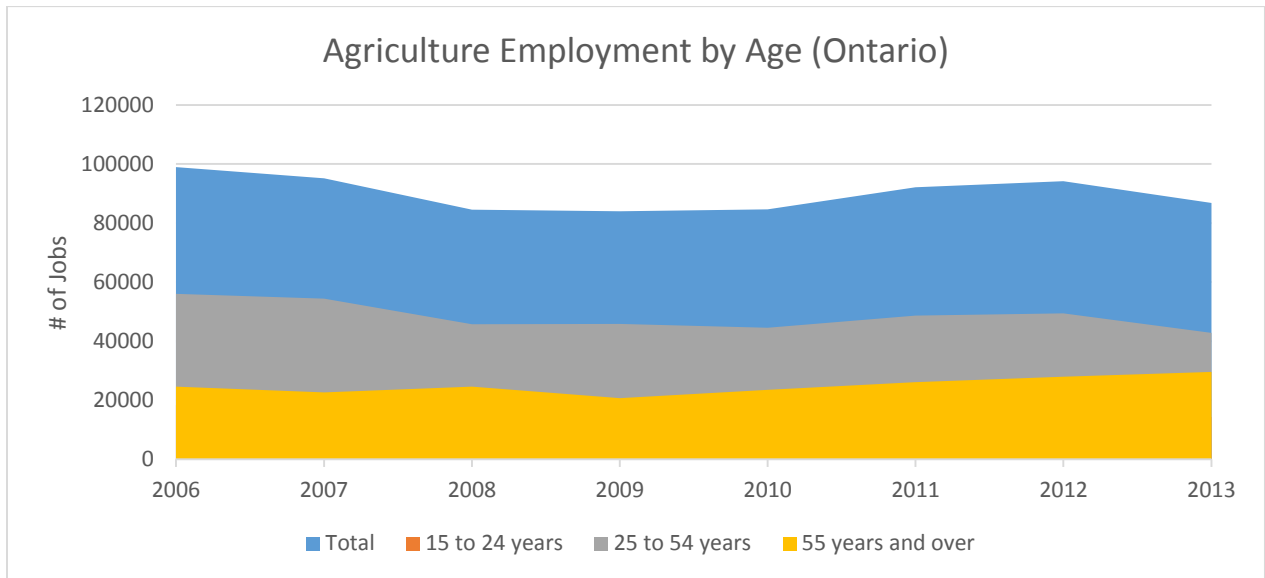
¹⁰ The Services Producing Sector includes Wholesale Trade (NAICS 41), Retail Trade (NAICS 44-45), Transportation and Warehousing (NAICS 48-49), Information and Cultural Industries (NAICS 51), Finance and Insurance (NAICS 52), Real Estate and Rental and Leasing (NAICS 53), Professional, Scientific and Technical Services (NAICS 54) Management of Companies and Enterprises (NAICS 55), Administrative and Support, Waste Management and Remediation Services (NAICS 56), Educational Services (NAICS 61), Health Care and Social Assistance (NAICS 62) Arts, Entertainment and Recreation (NAICS 71), Accommodation and Food Services (NAICS 72), Other Services - except Public Administration (NAICS 81), Public Administration (NAICS 91)

¹¹ Emilian Siman, Agriculture and Agri-food Report.

<http://worktrends.ca/sites/default/files/documents/Agriculture%20Sector%20Report%20v3.pdf>

people employed in agriculture in Elgin has actually increased from the 2009-2014. That being said, the demographic outlook of those employed in the farming industry is representative of the aging population. Even while the total number of people employed in agriculture has decreased since 2006, the number of people in the '55 years and over' category has increased. The need for succession planning in agriculture was one of the key findings from Elgin County Economic Development's BR+E study 2012. Workforce development in this sector must address the aging workforce and look to attract young workers with the current skills required by the industry.

Figure 14:

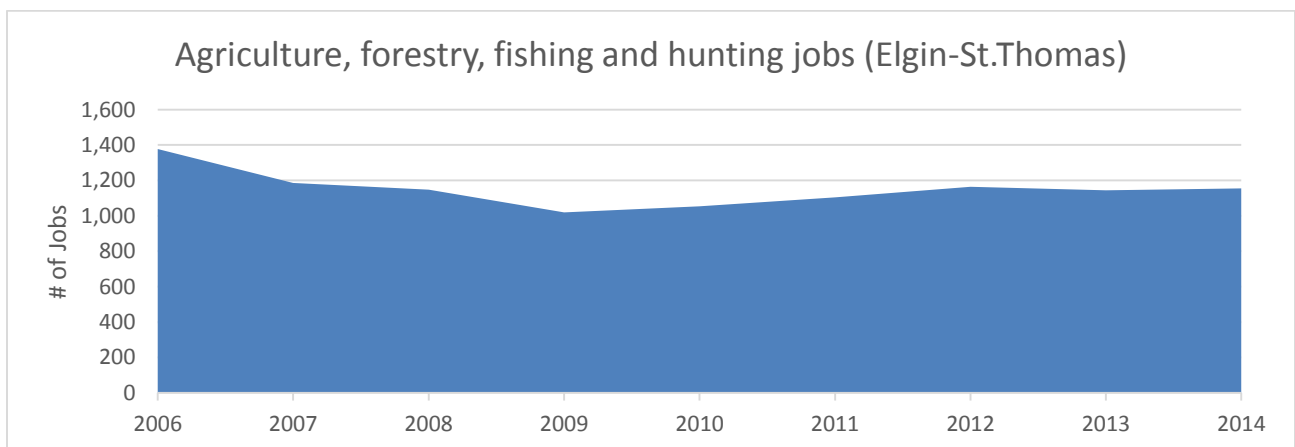


There is an aging agriculture workforce in the province and locally

Source: Statistics Canada, Labour Force Survey, CANSIM 282-0008

The chart below shows the total number of jobs in Agriculture, forestry, fishing and hunting (NAICS 11) in Elgin from 2006-2013. It is important to note that these are full-time positions and do not include seasonal, short-term contract or temporary foreign workers.

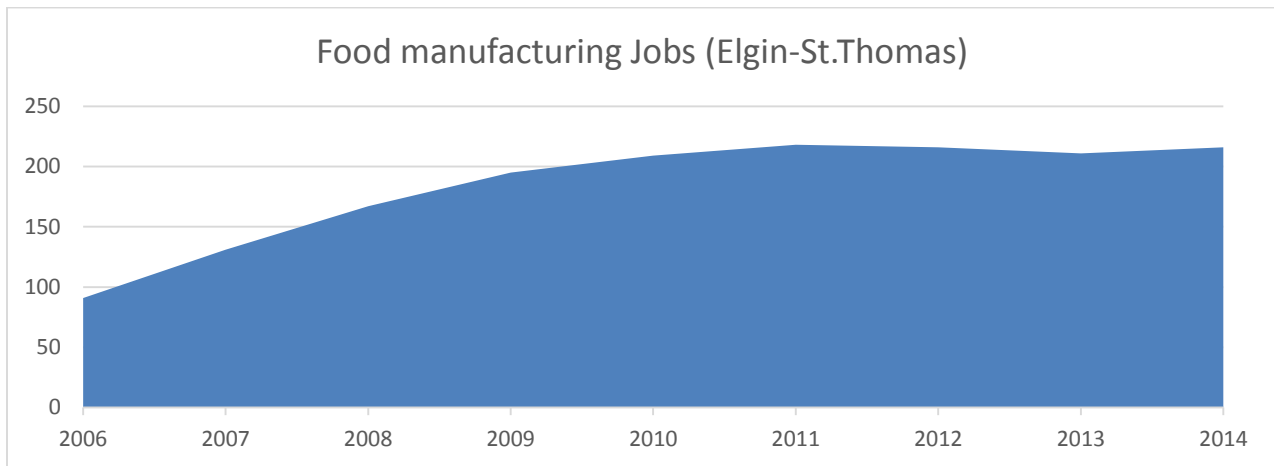
Figure 15:



Source: OMAFRA-EMSI Canadian Data Set

Agri-food and food manufacturing has seen a huge increase in terms of employment from the 2006 to 2011 period. Food manufacturing (NAICS 311) increased by 375 positions during that period. Additionally, food service and beverage places increased by 455 employment positions during the same time. The growth of the broader value-added food sector has led many businesses to expand or plan to expand.

Figure 16:



Source: OMAFRA-EMSI Canadian Data Set

The County of Elgin conducts BR+E outreach on a rotating basis for the sectors that have been identified as targeted for growth. In 2012, agriculture and agri-food producers were surveyed for their input around a number of issues including workforce development. The quality and availability of the local workforce was characterized as either good or excellent by two-thirds of respondents.¹² Additionally, agri-food employers indicated that an increase or decrease in sales was the most common factor responsible for both past changes in employment and future anticipated changes.¹³ Also of note is that none of the respondents indicated that ‘technical changes’ were a factor in their changes in employment levels. The close relationship between sales and employment levels and the indication that technological change was not affecting employment seems to indicate that local agri-food producers are not experiencing decreasing employment from the further mechanization of farms. There appears to be stable and consistent employment in the agriculture and agri-food sector for those possessing the most current skills required. When looking at workforce development activities, it is essential to identify what current skills are required to work in the agriculture/agri-food industry and to communicate them to applicants. Operators also indicated that the greatest interest for training opportunities was in ‘health and safety and WHMIS/WSIB’ and ‘sales and marketing’.¹⁴

Respondents to the BR+E survey also indicated that most did not have a succession plan in place for their business. The lack of a succession plan by many employers in agriculture and agri-food means that

¹² Elgin County Agri-food BR+E Study, 30

¹³ Ibid, 30

¹⁴ Ibid, 31

the aging owners/operators population must continue to find workers and managers to keep current business operations successful in the long term.

Tourism:

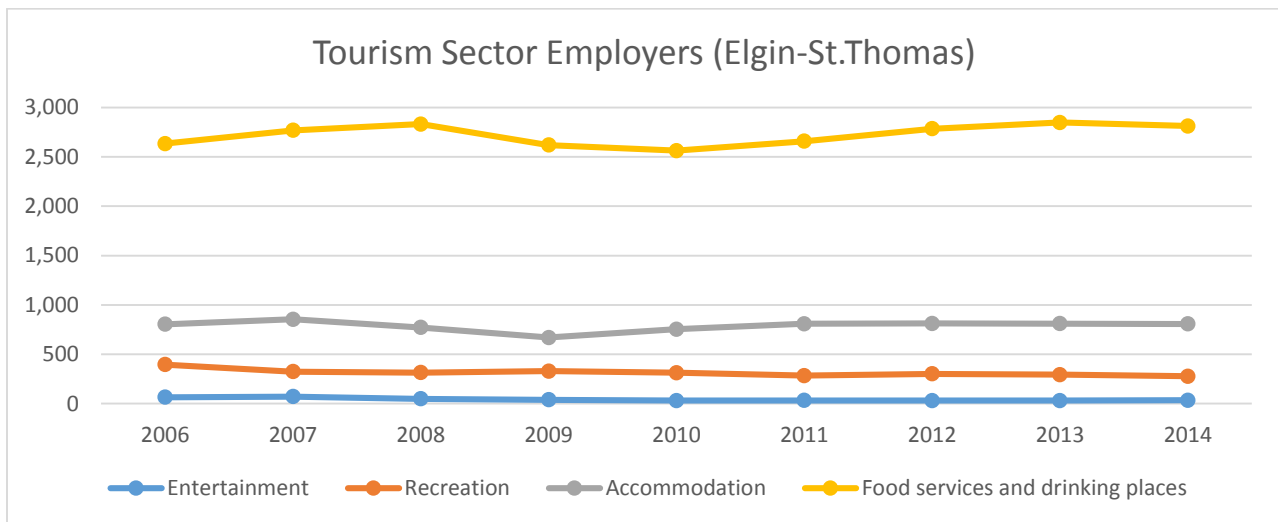
The County of Elgin also conducted a BR+E study of the tourism sector in 2014. Tourism is made up of a number of sub-sectors, each of which contribute to total employment in the tourism industry. The following categories are included:

- I. Entertainment (711 Performing arts, spectator sports and related industries, 712 Heritage institutions)
- II. Recreation (713 Amusement, gambling and recreation industries)
- III. Accommodation (721 Accommodations services)
- IV. Food Services (722 Food services and drinking places)

The chart below (Figure 17) shows employment levels in tourism related industries.

In terms of workforce development, the study found that 84% of survey respondents found the *quality* of the workforce was good or excellent. The survey also found that 79% of responds found the *availability* of the local workforce was good or excellent.¹⁵

Figure 17:



Source: OMAFRA-EMSI Canadian Data Set

Tourism sector employers also responded that ‘sales & marketing’ and ‘customer service’ were the top training opportunities that tourism employers were interested in followed by ‘financial management’ and ‘health and safety’.¹⁶

¹⁵ Elgin County Tourism BR+E Study, 31

¹⁶ Ibid, 32

Manufacturing:

Manufacturing remains a huge portion of the local economy representing 22.6 percent of all jobs in Elgin. Elgin County also conducted a BR+E of the manufacturing sector to identify workforce development opportunities for the sector. While 71% of employers rated the availability of the workforce to be 'good' or 'excellent', two employers who represented businesses with 20-49 employees and 100+ employees respectively, rated the availability of the workforce as 'poor'.¹⁷In terms of training options, manufacturers responded with 'health and safety/WHMIS/WSIB' as the top choice, followed by 'supervisory' and 'quality assurance'.¹⁸

Other Labour Market Factors at Play

The labour market has been undergoing a shift over the past little while, even before the onset of the recession. Tom Zizys takes a comprehensive look at how the labour market used to operate and how the current labour market operates in his paper *Working Better: Creating a High-Performing Labour Market in Ontario*. Zizys points out a number of key changes which in turn necessitate changes in responses in workforce development. These changes in the labour market include:

Traditional models of career laddering have changed: Employees used to enter a company at an entry-level position and work their way up through the ranks with investment in training made by the employer into employees that showed promise.

The polarization of the labour market: There used to exist a relatively stable ratio of workers in top positions, middle positions and entry level positions. The labour market has shifted this balance as entry level job growth and upper level job growth have outpaced the middle. The new reality of the labour market is top and bottom heavy with fewer positions in the middle for some skilled, semi-skilled and experienced applicants to gain entry.

Just-in-time hiring practices: Employers are looking to find the right employee at the right time and competition and payroll deductions have limited their ability to cultivate employees through investment in training. The result is that employers are looking for skilled applicants who both have the required skills, but also share the employer's culture/ fit.

Skills mismatch: Related to just-in-time hiring practices, employers receive applications from many highly educated and qualified applicants, but because they are often from outside the organization, they do not necessarily have the exact skill set that the company requires. CIBC World Markets calculations show a surprising correlation when it comes to unemployment and job vacancy data which seems to confirm some mismatch in the current labour market. Lower levels of unemployment usually correspond with higher number of job vacancies. However, the opposite trend has been observed in Canada. Higher job vacancy rates and higher unemployment rates have existed at the same time in Canada since 2011 which Benjamin Tal and Nick Exarhos of CIBC World

¹⁷ Elgin County Manufacturing Sector BR+E Study, 2014

¹⁸ Ibid, 26

Markets Inc. have observed as an indicator that there is in fact a skill mismatch going on at a national level.¹⁹

CIBC World Markets economists Benjamin Tal and Nick Exarhos also talk about the changing labour market dynamics and suggest that these changes are structural rather than cyclical. The fact that these changes are structural means that labour market interventions and strategies must be aimed at addressing the new realities rather than in hopes of the old labour market dynamics to make a comeback. Tal and Exarhos highlight these changes in their June 2014 edition of Economic Insights. The structural changes to the Canadian labour market which also affect the local labour market are:

Productivity Gains: Canadian productivity per worker has tended to lag behind that of the US. This gap is largely the result of the industrial makeup of the US and the higher proportion of large corporations. These larger enterprises are able to invest more money in technology and machinery which in turn helps to drive increased productivity per worker. Canada's tendency towards small and medium enterprises makes these large scale investments more challenging. However, Tal and Exarhos credit recent machinery investments with improving productivity which has offset some potential gains in employment.²⁰

Declining Participation Rates: The aging of Canada's population has led to declining participation rates since 2008.²¹ The decline in participation rate can be largely attributed to the demographic shift that is taking place due to the Baby Boom generation. Tal and Exarhos use a workforce pegged at the 2008 demographic levels of the country and show that participation has actually increased in relation to that demographic profile. The aging workforce means that even though workers are tending towards working longer, the aging population will inevitably lead to lower participation rates. This shift is not a coming phenomenon but is a current labour market reality according to Tal and Exarhos.²²

Retention Rates: Workers in Canada seem to be staying in the same jobs longer than previously expected. The proportion of Canadian workers who have been in a position for more than five years has reached a record high. Additionally, the number of workers who have been in a position for less than a year are at a record low.²³ Those who are currently in jobs have demonstrated a commitment to staying in positions longer than usual.

Less Stable Work Situations: The change in the number and types of jobs in the province of Ontario supports this view of a changing labour market. One of the most profound trends for jobseekers has been the growth of part-time and temporary contract positions. These temporary and/or part-time positions used to be considered a flexible option for those seeking a different work-life balance at various stages of one's life. However, the growth of part-time work has outpaced the

¹⁹ Benjamin Tal and Nick Exarhos CIBC World Markets Inc. Economic Insights June 18, 2014, 5

²⁰ Ibid, 3

²¹ Tal 4.

²² Tal 4.

²³ Tal 6

growth of full-time positions by 9% since 2000²⁴. Additionally, the number of temporary positions has outpaced the growth of permanent positions and the number of people employed in temporary positions increased from 10.5% in 2000 to 12% in 2013.²⁵ The growth in these less stable forms of employment with no medical benefits, and a tightening of rules for accessing Employment Insurance, has led to an increased unwillingness to move from income supports to employment.

Labour Demand

Internet Job Postings:

The number and type of job postings in Elgin-St. Thomas is an indication of the demand for labour. While there is a strong indication that many employers in Elgin-St. Thomas use informal networks to fill many of their positions, the number of internet job postings help to demonstrate the types of opportunities available to job seekers and employment service providers. The Employer One survey found that online job postings were the second most popular method of recruitment after using informal networks.

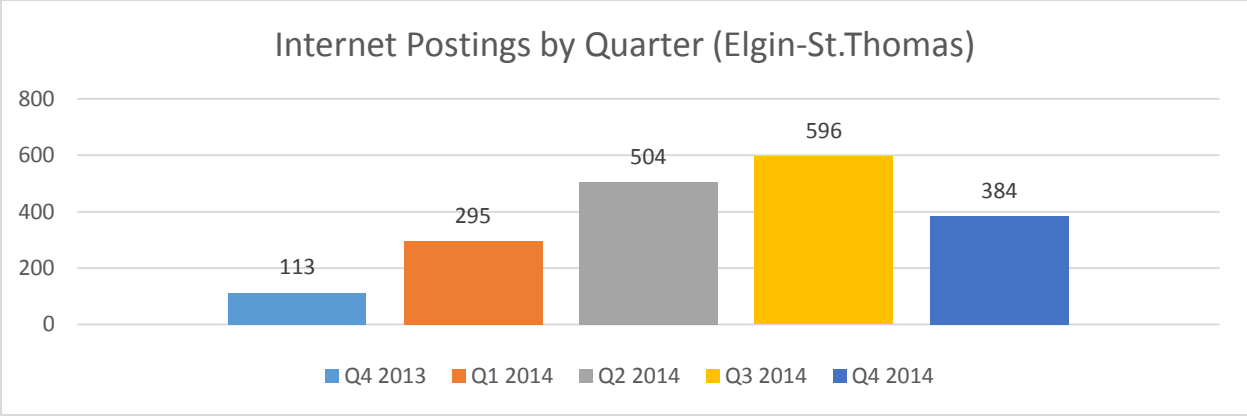
Vicinity Jobs uses a set of algorithms to search the internet and determine the number of job postings. These postings are categorized for their location, occupation category, industry, duration of employment and the source of the posting. The algorithms are also utilized to remove duplicated postings or the same posting found on multiple job search sites. The job posting data is updated on a quarterly basis. This is a new tool that has been utilized since the third quarter of 2013 with the hope of providing insight into job posting patterns over the long-term. Internet job posting figures at the local level are only available for the third quarter of 2013 and 2014 at the current time. By keeping track of the number of postings and doing year-over-year comparisons, it is possible to determine if there are any trends developing for internet job postings in Elgin-St. Thomas. This information is critical to job seekers in order for them to understand the nature of the jobs that are currently available and tailor their efforts accordingly.

The total number of job postings for Elgin-St. Thomas have steadily increased for each quarter since the end of 2013 with the exception of the last quarter (see table below). This increase in job postings could indicate an increase in hiring activity or that more employers are choosing to post open positions online.

Figure 18:

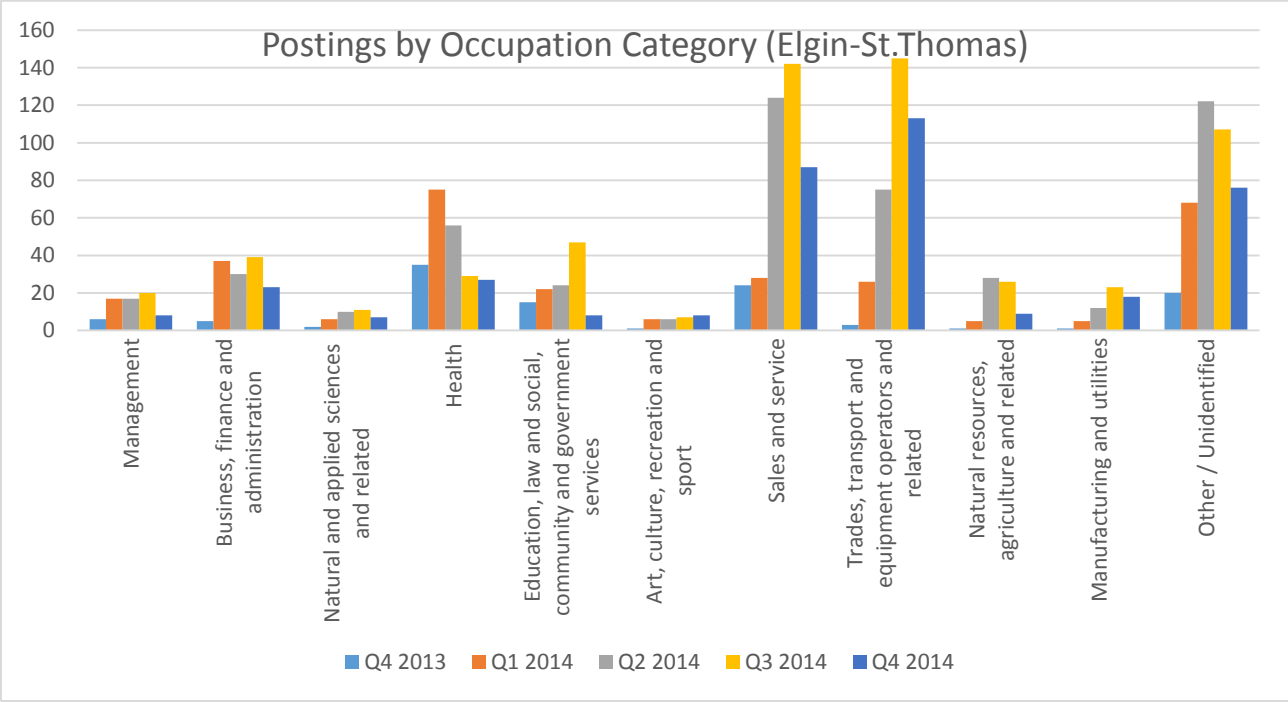
²⁴ Kaylie Tiessen, *Seismic Shift: Ontario's Changing Labour Market*, Canadian Centre for Policy Alternatives, 7

²⁵ Ibid 20



The chart below shows the internet postings for Elgin for each of the major occupational categories over the past five quarters.

Figure 19:

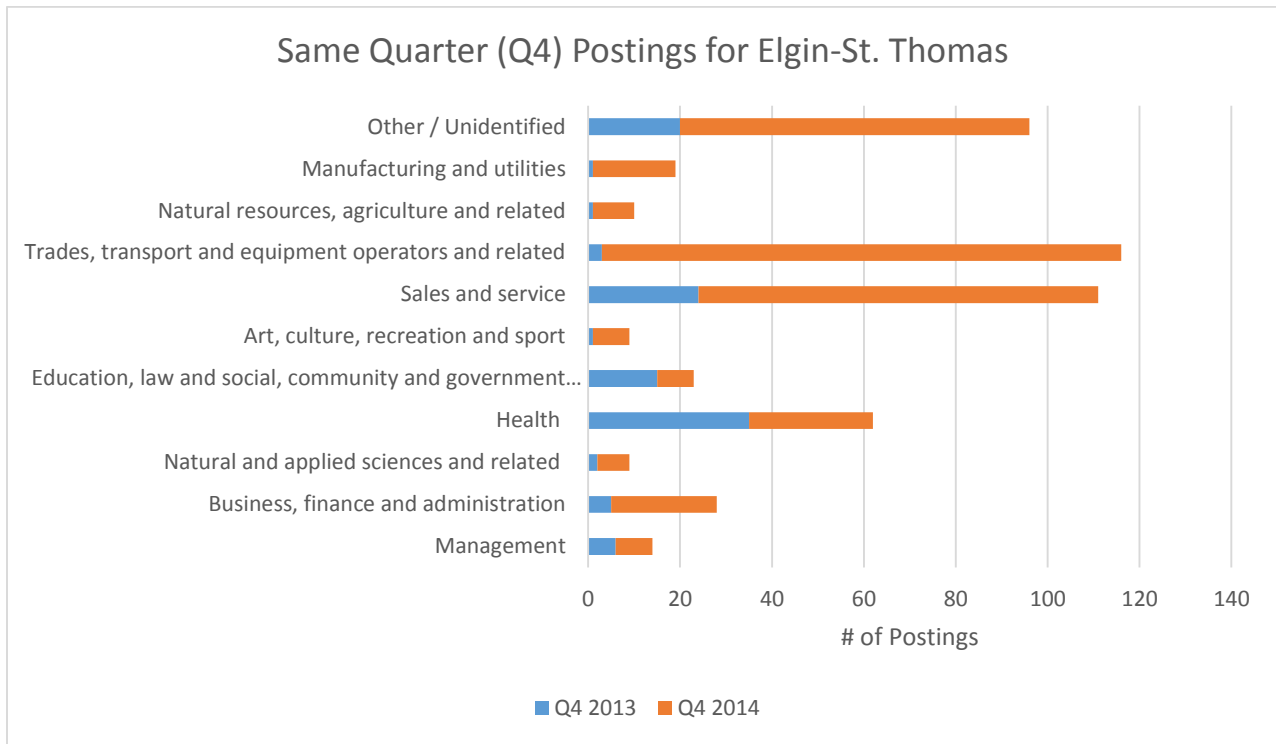


Source: Vicinity Jobs

There were two occupation categories that experienced the greatest number of postings in Q2 in 2014. ‘Natural resources, agriculture and related occupations’ and the category ‘other’ both peaked during April-June of 2014.

When looking at the internet postings by category for the same quarter (Q4) of 2013 and 2014, almost all categories had a huge increase in the number of postings. The only exceptions were the ‘health’ category and the ‘Education, law, social, community and government services’. These two categories has more posting in 2013 than 2014.

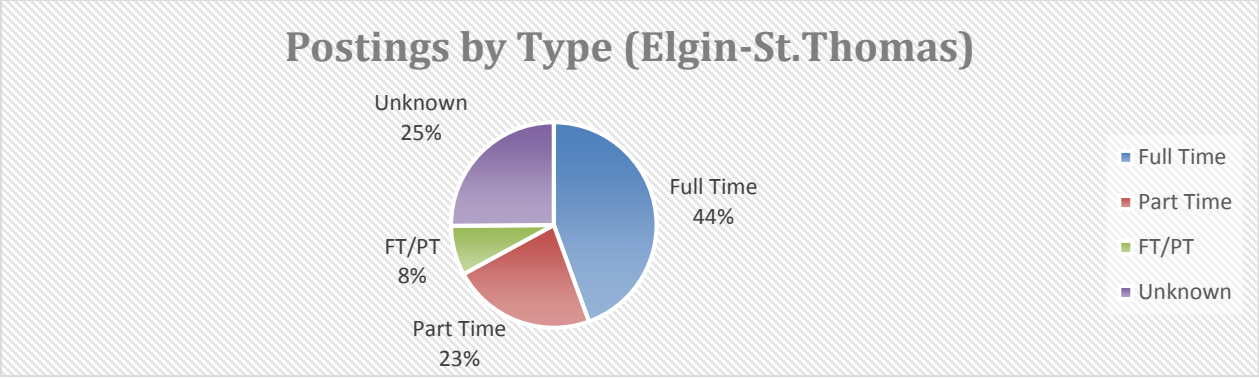
Figure 20:



Source: Vicinity Jobs

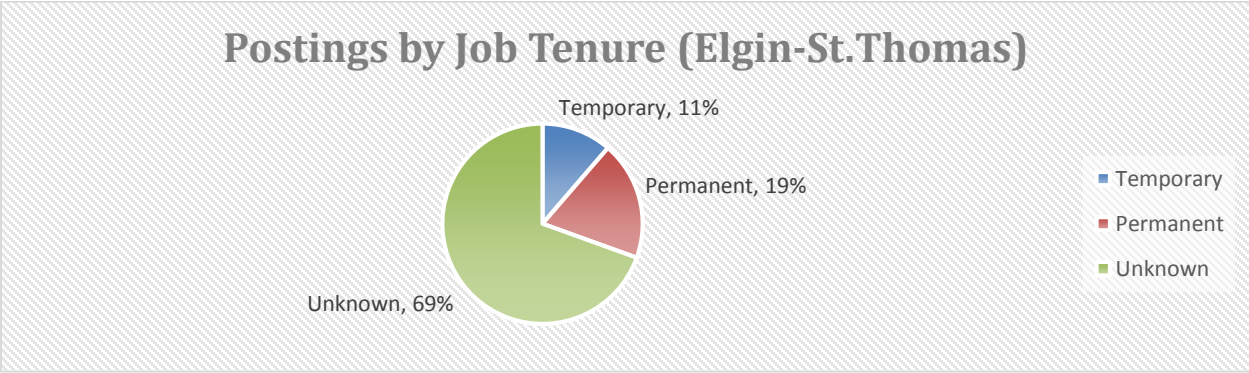
One of the main challenges to using data about online job postings is that a large number of job postings contain incomplete information. The unknown information often includes the type of employment and tenure of positions which are critical factors that would help inform a job seeker whether to apply. This being said, there is still value to be gained in terms of attempting to quantify the demand for labour (by employers) on the internet which is where most of the supply side (job seekers) turn to when looking for employment opportunities. The following two charts show the number of postings by both job type and tenure of employment. Encouraging employers to more fully identify the nature of a position when posting jobs online was one of the key issues that were identified during the issue development phase of the process.

Figure 21:



Source: Vicinity Jobs

Figure 22:



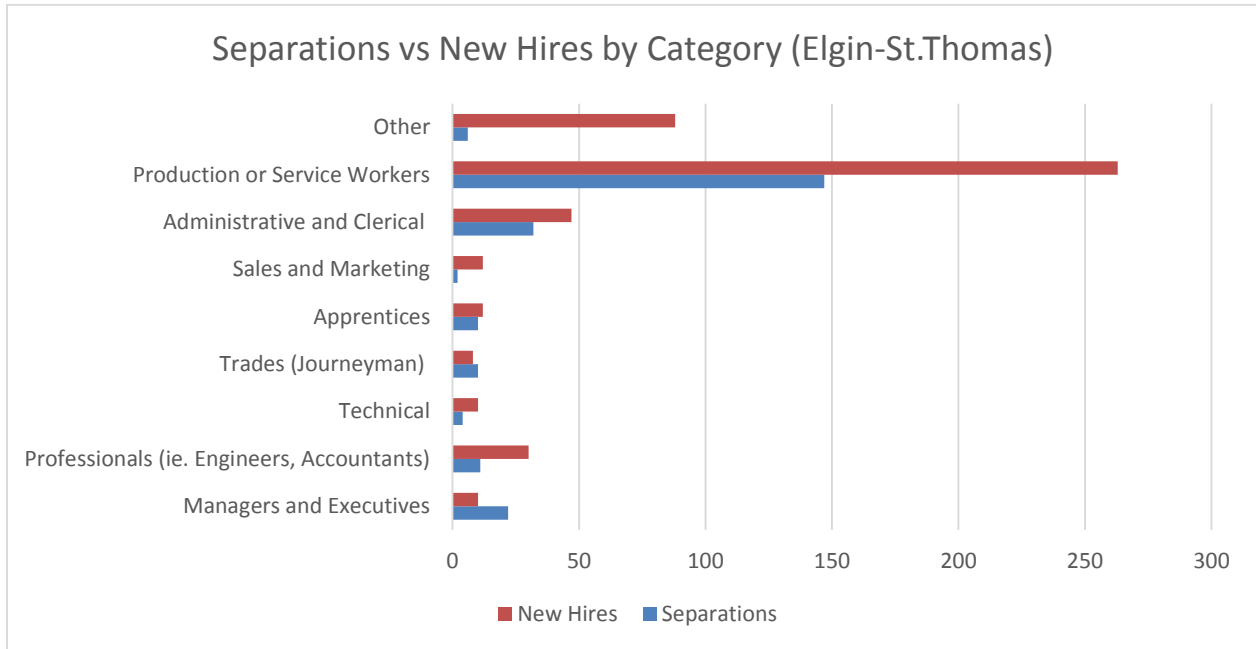
Source: Vicinity Jobs

Employer One Survey

The second annual Employer One Survey ran from January 2-31, 2014. The survey collects information from employers on a range of labour issues including turnover, recruitment methods, plans to hire, skills and education requirements. The survey was collected by the Elgin Middlesex Oxford Workforce Planning and Development Board in partnership with 29 other organizations. The 2014 survey had 155 employers complete the survey with 38 from Elgin-St. Thomas. An additional 109 employers provided some responses but did not complete the full survey which included 19 from Elgin-St. Thomas.

Production and service workers continue to experience the greatest turnover by a significant margin. This group was followed by administrative and clerical occupations which had the second highest rate of turnover. Managers and executives level positions experienced significantly more separations than new hires. The ‘trades’ category also experienced slightly more separations than hires. Finally, those positions which were categorized as ‘other’ by employers experienced over fourteen times the number of hires as separations. Employers reported only six separations in the ‘other’ category while they reported 88 new hires in this same category. This again emphasizes the need for more complete descriptions of the exact nature of a position posted online by employers.

Figure 23:



Source: Employer One Survey

In terms of recruitment, employers used informal networks/word of mouth as their primary method for finding new employees. Online job boards represented the second most common form of recruitment followed by the company’s own website. Similar to the rest of the region, Elgin employers chose to do most of their own recruiting with only 7.5% using a paid service. Elgin employers also had a number of hard to fill positions with occupations in healthcare and tourism being cited.

Recruitment Method for Top 3 Occupations	
	% of all responses (Elgin)
Word of mouth/personal contacts/referrals/informal networks	23.8%
Online job boards/postings	14.5%
Company's own internet site	12.6%
Government employment centres or websites	10.3%
On-site job signs or posters	9.8%
Non-government or community employment service centres or websites	6.1%
On-site recruitment at schools, colleges, or universities	5.1%
Trade or professional association publications/sites	4.7%
Newspaper ads	4.7%
Unsolicited resumes	4.7%
Other	1.9%
Executive search companies or temporary help agencies	1.4%
Job fairs	0.5%

Source: Employer One Survey

The large majority of employers were able to support training (82%) with about half able to provide some funding to do so and the rest providing flexibility or information to allow employees to pursue training options. Cost was the most commonly cited barrier to training. Lost productivity also proved to be a major barrier but this was actually a less common response than relevant training not being offered locally and awareness of training programs by employers.

2. Issue Development

Stakeholder Engagement

During the summer of 2014, individual stakeholders were solicited to give input on what the current workforce development issues and priorities should be based on the most current and local labour market information. Community members, business owners, job seekers and service providers were asked a series of questions based on a common set of evidence in a community profile. In total, 15 in depth interviews were conducted. The workforce development issues were then further refined with the input of stakeholders and the committee and were finally presented at a community workforce planning meeting on November 14, 2014. A summary of the results of the consultations are included below.

Identifying Workforce Development Issues

Based on the consultation with employers and community stakeholders, the following list of workforce development issues was identified. While the issues highlighted below are not an exhaustive list, they represent the most prevalent responses to questions about workforce challenges based on the local labour market data:

Issue: Lack of Skills among Applicants

- Candidates lack social media skills
- Job seekers lack of internet literacy
- Job seekers lack basic literacy and soft skills
- Candidates lacking customer service training
- Lack of qualified candidates (sales, marketing, professionals)
- Candidates lacking accreditation of skills gained internationally

Issue: Awareness

- Lack of knowledge about career pathways
- Lack of marketing budget among service providers with free services
- Newcomer professionals and management do not know the culture
- Job seekers do not understand small business culture

- Lack of awareness about mandatory and legislated training

Issue: Connecting

- Connecting job seekers with business
- Unreliable internet access
- Job seekers intimidated to make appointments, shame of unemployment
- Agencies refer many to employment services but not sure they make it there
- Low participation rate of 45 -64, university grads

Issue: Training Barriers

- Business unable to provide training (cost, time off)
- Employers unable to send workers to training (cost, awareness, distance, time off)
- Businesses unaware of training options (i.e. free)

Issue: Perceptions

- Perception of no work
- Wage expectation gaps (univ. grads, former factory workers)
- Manufacturing mentality – expecting well-paying job
- Staffing agencies created a negative perception of employment service providers

Issue: Employer Challenges

- Too much trouble to hire apprentices/co-op students
- Applicants with no training
- Young professionals mobile and hard to retain
- Requirements for nice to have versus needed credentials
- Temp agencies cyclically flood labour market with mass hiring and layoffs
- Fulfilling mandatory and legislated safety and compliance training for staff

3. Community Engagement

Community Workforce Planning Meeting

On 14 November 2014, the Elgin Workforce Development Committee convened a meeting of community stakeholders. Stakeholders were invited to discuss the relevant local labour market information and the workforce issues listed above that were identified from stakeholder interviews.

In total, there were 55 attendees at the workforce planning event. This included

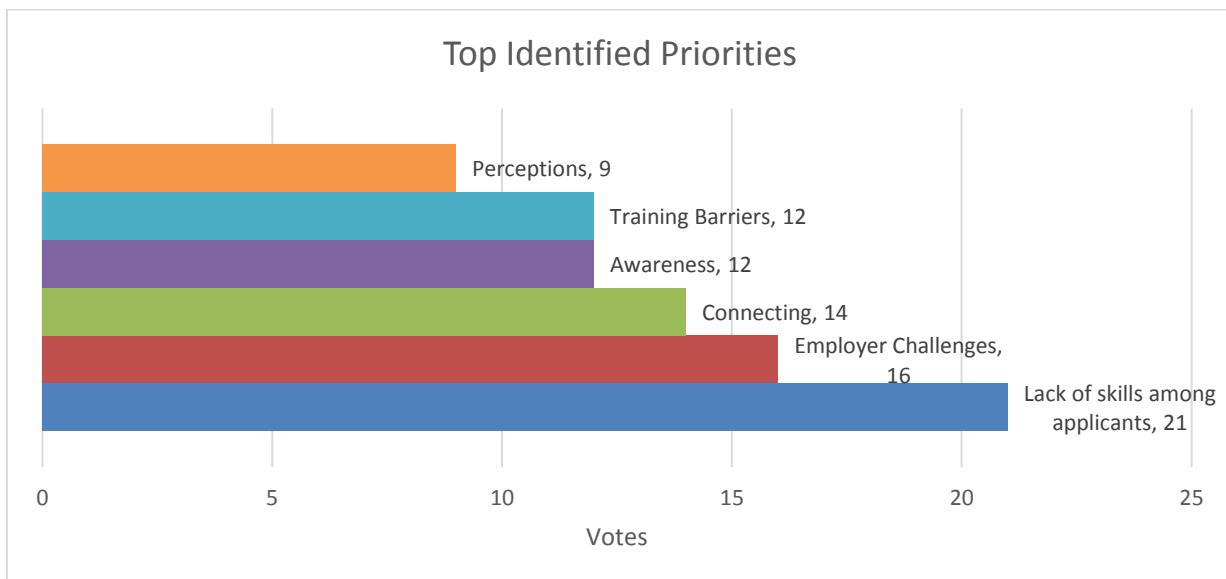
- 13 municipal politicians
- Representation from local MP and MPP
- 18 community organizations

There was representation from across the region as community organizations, education, employment service providers, job seekers and employers all participated in the strategic planning process.

The format for the consultation followed the following process:

1. Presentation of local labour market information and discussion
2. Presentation of local workforce development issues categories identified through stakeholder interviews
3. Facilitated group discussions about one of the key issue categories
4. Table brainstorming of possible solutions and report back to the entire group

The community workforce planning meeting concluded with all attendees having the opportunity to vote on the two issue categories that they thought should be a priority going forward. This was conducted through a confidential, online voting application. The results of the voting are shown below.



4. The 2015-2018 Strategy:

The committee took the results of the voting and attempted to determine the actions and initiatives that would make up the 2015 Elgin-St. Thomas Labour Force Strategy. The strategy is designed to complement current initiatives already underway. It is also designed to make efficient use of shared resources, reflect the focus areas of the organizations that make up the committee and broader

community. The strategy is also designed to include initiative and activities that promote the target sectors for economic development as much as possible.

The following table represents the action plan that was created based on the data, the stakeholder interviews and the identified issues, the community consultation meeting and the results of the voting on top priorities. These actions will continue to be developed and lead actors and supporters will be recruited over the coming months.

2015-2018 Elgin-St. Thomas Labour Force Development Strategy

Priority	Idea	Action	Partners
Lack of skills among applicants	Develop manual for workplace norms to address lack of soft skills	<ul style="list-style-type: none"> Develop manual with input from target sector employers about workplace norms i.e. soft skills, attire, basic health and safety requirements Investigate Passport to Safety to help applicants prove they are workplace ready in terms of safety 	<ul style="list-style-type: none"> YWCA St. Thomas Elgin Elgin St. Thomas Public Health Employment Services Elgin Safe Communities St. Thomas-Elgin
	Mentorships	<ul style="list-style-type: none"> Support the development of a pool of mentors in each of the target sectors (summer company mentors, professional association mentors, job match mentorships) 	<ul style="list-style-type: none"> Employment Services Elgin Small Business Enterprise Centre
	Communicate workplace skills to school system	<ul style="list-style-type: none"> Meet with co-op teachers Look for opportunities to promote existing Specialist High Skills Majors (SHSM) programs and investigate new ones (in target sectors) 	<ul style="list-style-type: none"> EMO Workforce Planning and Development Board Thames Valley District School Board London District Catholic School Board
Employer Challenges	Employer needs communicated to schools	<ul style="list-style-type: none"> Employer manual for schools Tours for teachers of target sector organizations SHSM input from employers 	<ul style="list-style-type: none"> Employment Services Elgin London Region Manufacturing Council Elgin Middlesex Oxford Workforce Planning and Development Board
	Communicating real workforce	<ul style="list-style-type: none"> Promote Employer One 	<ul style="list-style-type: none"> EMO Workforce Planning

	need to the community	<p>survey</p> <ul style="list-style-type: none"> • Ensure survey results are shared broadly • Educating counsellors about employment 	<p>and Development Board</p> <ul style="list-style-type: none"> • St. Thomas & District Chamber of Commerce • Employer One Steering Committee
	Transition from school to work	<ul style="list-style-type: none"> • Get information about occupations in target sectors to guidance counsellors • Education about multigenerational workplaces to students • School to workplace transition event • Engage private career counsellors • Engage with school trustees 	<ul style="list-style-type: none"> • Employment Services Elgin • EMO Workforce Planning and Development Board • Elgin County Economic Development • Elgin County Public Library • St. Thomas Economic Development Corporation
Connecting	Getting info/resources out to all parts of the County	<ul style="list-style-type: none"> • Support Elgin Library outreach with the Maker Space • Develop a list of free employment services to include with MOL safety initiative • Include information about being a healthy workplace-what is involved i.e Work-Life Balance, healthy workplace advisory committee • Make sure all employment community partners are linked on twitter for retweeting • Go to all 7 municipalities 	<ul style="list-style-type: none"> • Elgin County Public Library • Elgin County Economic Development • Elgin St. Thomas Public Health • Employment Services Elgin

		with strategy	
	Attracting skills to the region	<ul style="list-style-type: none"> • Promotion of successful entrepreneurship in target sectors • Promotion of services through Rogers TV 	<ul style="list-style-type: none"> • Settlement Services- YWCA • St. Thomas Elgin Local Immigration Partnership • Elgin County Economic Development • Elgin Business Resource Centre
	Promoting effective job posting process to employers	<ul style="list-style-type: none"> • Promote Jobs Elgin/Fanshawe and Magnet Today usage • Sector specific job posting/job search • Virtual job fair 	<ul style="list-style-type: none"> • St. Thomas & District Chamber of Commerce • EMO Workforce Planning and Development Board • St. Thomas/Elgin Regional Campus- Fanshawe College • Employment Services Elgin • MCS Employment Services
	Promote networking between employers, job seekers and school system	<ul style="list-style-type: none"> • Employer input into curriculum • Information available at libraries • Information to parent-teacher councils 	<ul style="list-style-type: none"> • Employment Services Elgin • Providers of Youth Employment Program • EMO Workforce Planning and Development Board
Change the employment services perception in the community as not just for those with barriers/not a fee-for-service resource	<ul style="list-style-type: none"> • Promotion and testimonials • Utilize facilities to increase familiarity in the community 	<ul style="list-style-type: none"> • Employment Services Elgin • EMO Workforce Planning and Development Board • St. Thomas/Elgin Regional Campus- Fanshawe College 	

