

Chatham-Kent Workforce Planning Board

2014 Local Labour Market Planning Report



Photo: Chilled Cork Source: Ontario's Southwest

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CONSULTING

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Acknowledgements

This Local Labour Market Planning Report represents the combined efforts of the Chatham-Kent community. We would like to thank everyone who contributed his or her time, ideas and expertise to the Local Labour Market Planning Report. Together you have contributed to a better understanding of the issues and opportunities in Chatham-Kent and helped us to establish a path forward to build a strong and vibrant economy poised to address the continuously evolving global economic environment.

In particular we wish to express our thanks to Jeff Kinsella, Agriculture and Rural Economic Development Advisor with the Ontario Ministry of Agriculture, Food and Rural Affairs for providing the EMSI Analyst data used in this report.



Executive Summary



Photo: Municipality of Chatham-Kent

The 2014 Labour Market Planning Report provides an update on the trends and issues related to employment and workforce development in Chatham-Kent. The report includes a review of previous actions and makes specific recommendations to enhance employment opportunities for Chatham-Kent residents and create an environment that supports the Municipality's economic development goals.

Chatham-Kent has experienced a fundamental shift in the structure of the local economy with major implications for workforce development. Once known for its dominant manufacturing sector, the Municipality has refocused its workforce development efforts to reflect a different economic development landscape following the 2008/09 recession.

Five main themes have shaped the development of the Labour Market Plan:

- The Growth of Small, Micro and Non-Employer Businesses
- The Changed State of the Manufacturing Sector
- The Growth of the Service Sector
- The Demographic Challenge: Population, Education and Out-Migration
- There's No Going Back – Planning for the Future

Growth of Small, Micro and Non-Employer Businesses

Small businesses dominate the Chatham-Kent economic landscape. In December 2013 there were 3,265 employer businesses in Chatham-Kent. Approximately half of all employer businesses employ fewer than five people. A further 798 businesses (24%) employ between five and nine people. Only 11 Chatham-Kent businesses employ more than 500 people. There are also 4,768 non-employer businesses in Chatham-Kent. Chatham-Kent added 627 non-employer businesses since 2009¹.

Self-employment is growing at twice the rate of paid employment in Canada. It now accounts for approximately 16% of all workers. Self-employment has climbed 3.6% in the past year, compared to an increase of 1.5% for private-sector workers and a drop of 0.4% in the public sector. In an October 7th article by Tavia Grant in the Globe and Mail, it was reported that the number of self-employed people grew by 95,600 between August 2013 and August 2014 accounting for almost 40% of new jobs created in that time².

¹Statistics Canada changed the methodology for collecting this data in 2008, resulting in a shorter time span than 2007/13 used elsewhere in this report.

² Globe and Mail, Oct. 7, 2013 "More Canadians Turning to Self Employment in a Shaky Job Market"



Photo: Municipality of Chatham-Kent

The Changed State of the Manufacturing Sector

Once the dominant sector, manufacturing is now the third largest employer in Chatham-Kent with 5,273 employees following Health Care with 6,107 employees and Retail with 5,636 employees. Despite the decline in employment, manufacturing is the largest contributor by earnings due to the sector's higher than average wages.

The Manufacturing sector has rebounded since 2008/09 however employment is not expected to return to pre-recession levels. Canadian manufacturers have increased their productivity through investments in equipment and technology. Many labour intensive manufacturing operations have relocated to lower wage countries with highly automated, short production run and high value-added manufacturers remaining in Canada.

These companies require different education levels and specialized skills than is available from displaced production workers. The Canadian Association of Manufacturers and Exporters reported in 2014 that nearly half of all surveyed manufacturers had skills shortages in a range of occupations. Contributing to these shortages are the high numbers of skilled workers reaching retirement age and job migration of younger skilled workers.

The Canadian Occupational Projection System of Employment and Social Development Canada reports that trades, transport and equipment occupations are in-demand in specialized roles such as welding, CNC machine operators, robotic engineers and diesel mechanics. The majority of these in-demand occupations require a college or a university education. The report also predicts that retirements will contribute more to these shortages over the medium term than new job creation³.

Supporting the Growth of the Service Sector

The Canadian economy has experienced a dramatic shift from goods production to services. The strongest performing sectors in Chatham-Kent's economy in the past five years are Health Care (adding 828 jobs), Utilities (with 223 more jobs) and the Professional, Scientific and Technical Services sector (with an additional 190 jobs).

³ Canadian Occupational Projection System (COPS) of Employment and Social Development Canada

Numeracy and literacy skills along with soft skills such as customer service and communication are key to these new roles. Many of the roles require specific training in the science, technology, engineering and math (STEM) subjects. Computer literacy is an essential skill in many of the new service sector roles.

The Demographic Challenge: Population, Education and Out-Migration

Between 2006 and 2011, Chatham-Kent's population declined by 4,918 residents for an overall drop of 4.2%. Much of that was due to out-migration (estimated at 3,672) of primarily younger workers. Chatham-Kent now has a lower share of residents in the prime working ages of 20 to 45 years compared to Ontario. The remaining population is older with an average age of 43.9 years, up from 38.6 ten years ago.

The level of education attainment in Chatham-Kent is lower than provincial averages owing in part to the lower educational requirements historically for the manufacturing and agricultural sectors. One-quarter of the Chatham-Kent workforce does not have a high school certificate and less than 10% of residents have a university education, half the provincial average. College diplomas and apprentice trades are more common in Chatham-Kent, representing 31% of the workforce. Without the educated candidates required to take on the roles, Chatham-Kent employers are forced to leave positions unfilled, compromise, out-source key activities and spend more than their competition on training.

The Municipality has taken steps to mitigate the declining population through youth retention and newcomer attraction and support programs. These programs will require long-term commitment and broad-based support to be effective.

There's No Going Back. Planning for the Future

Chatham-Kent has experienced a transformative shift in its economic base with the loss of a substantial number of manufacturing jobs. As the economy has rebounded since the recession of 2008/09, the demand for the type of workers required pre-recession has not returned.

Agriculture, a traditional pillar of the local economy is also undergoing radical change. Agricultural employment in Chatham-Kent is nearly 4.5 times the provincial average. Agri-businesses now need fewer workers but they must be able to work in more complex, technical work environments.

Higher levels of education in nearly every field will be necessary for Chatham-Kent to prosper in the future. Highly skilled solo entrepreneurs, computer and technical professionals and health care workers will lead the way. Innovation and changing technology will continue to impact every sector of the local economy, demanding new and different skill sets than what Chatham-Kent offered in the past.

Recommended Actions

Workforce development is a long-term activity. The recommendations in this strategy are a refinement of initiatives adopted in the 2013 Labour Market Plan and 2013 Economic Landscape Report. Specific actions related to each of these recommendations are detailed in the report.

- **Focus on Education**
Provide Chatham-Kent residents with the tools they need to qualify for their desired employment path
- **Create a Culture and Infrastructure that Supports Entrepreneurship**
Establish a community that nurtures entrepreneurs and provides the training infrastructure needed to survive and thrive
- **Address Industry Specific Workforce Needs**
Identify occupations in demand, and ensure the local workforce has access to the required training to fill these roles
- **Create Career Awareness for Students and Workers**
Assist students, workers and training providers with information they need to establish a successful education and career path
- **Develop and Disseminate Labour Market Information**
Provide employers, business organizations, training providers and employment service organizations with the information they need for informed decision making and program development
- **Support Resident Attraction and Retention Programs**
Attract and retain the skilled workforce required to build the local economy

Background/Context

The Chatham-Kent Workforce Planning Board (CKWPB) is a broker of local research, disseminator of information, and facilitator of collaborative partnership development. The intent of the CKWPB is to identify needs and facilitate solutions to attract, train and retain a sustainable workforce through community partnerships.

This Local Labour Market Planning Report has been completed by the CKWPB to assist policy-makers, employers and other stakeholders make informed decisions regarding workforce development. Included in the report is data from the 2011 National Household Survey, analysis and updated workforce data from the EMSI Analyst database, made available by the Ontario Ministry of Agriculture, Food and Rural Affairs and the results of consultation with local employers and Employment Ontario (EO) network partners.

Chatham-Kent Population

	2001	2006	2011
Total Population	107,709	108,589	103,671
% Change	(1.8%)	0.8%	(4.2%)
Median Age	38.6 years	41.2 years	43.9 years

Source: Statistics Canada Census, Community Profile 2001, 2006, 2011

Demographic Profile

Chatham-Kent is a single-tier municipality located between Lake St. Clair and Lake Erie in Southwestern Ontario. It was established in 1998 as an amalgamation of the municipalities of Chatham and Kent County.

In 2011 Chatham-Kent's population was 103,671, down 4.2% since 2006. The average age of residents increased from 38.6 years in 2001 to 43.9 years in 2011 indicating an aging of the baby boomer population and an outward migration of younger residents.

In Southwestern Ontario, Chatham-Kent, Lambton County (including Sarnia) and Essex County (including Windsor) experienced population decreases between 2006 and 2011. The global recession in 2008/2009 had a particularly negative impact on those communities in southern Ontario with a strong concentration of businesses and employment in manufacturing. Chatham-Kent experienced a number of plant closures during this period including International Truck and Engine (Navistar), Siemens VDO, Arvin Meritor, Daymond Aluminum, Penske Logistics and Onbeley Automotive.

The adjacent Lambton and Essex Counties were also negatively impacted by the recession with auto and parts production severely impacting Windsor and the

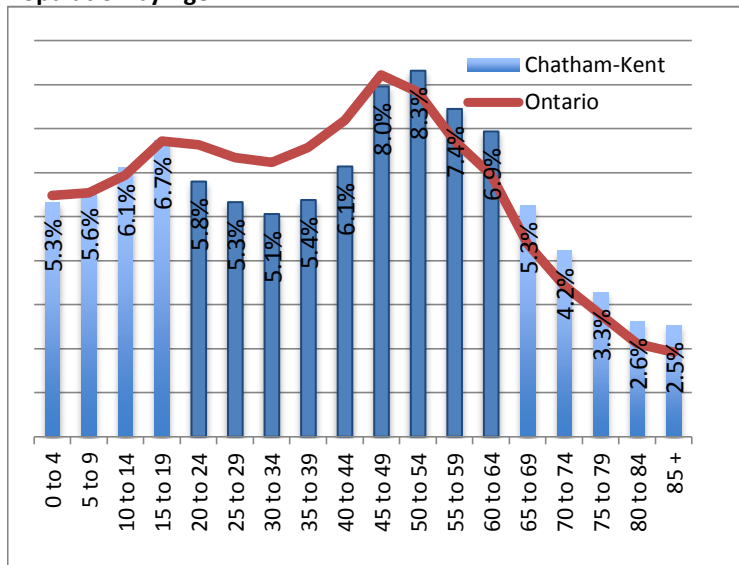
global downturn in petrochemical markets affecting Sarnia resulting in population declines. While Brant (+8.7%) and Waterloo (+6.1%) experienced strong growth, on average communities in Southwestern Ontario did not enjoy the high population growth rates experienced in the Greater Toronto Area. The population in the Toronto CMA increased 9.7% during the period.

Much of the population change can be attributed to the migration of individuals seeking economic opportunity elsewhere. Waterloo was the beneficiary of a substantial inflow of migrants, along with Hamilton and London/Middlesex. Windsor/Essex experienced the strongest outflow in Southwestern Ontario with a decline of 7,151 people, followed by Chatham-Kent with a decline of 3,672. Other regions including Bruce, Elgin, Perth, Haldimand-Norfolk and Huron that experienced migration outflows have a large rural component, similar to Chatham-Kent. The growth of urban communities at the expense of rural communities is a well documented trend in Ontario and Canada.

SW Ontario Population Change 2006/2011	SW Ontario Net Migration Flows 2007-2012
ONTARIO	5.7%
Brant	8.7% Waterloo 17787
Waterloo	6.1% Hamilton 13970
Middlesex	4.0% Middlesex 13883
Hamilton	3.1% Niagara 7489
Oxford	2.9% Brant 2936
Elgin	2.5% Grey 1782
Bruce	1.2% Oxford 1678
Haldimand-Norfolk	1.2% Bruce -21
Perth	1.0% Elgin -95
Niagara	0.9% Perth -672
Huron	0.4% Lambton -1456
Grey	0.2% Haldimand-Norfolk -1578
Essex	-1.2% Huron -1679
Lambton	-1.6% CHATHAM-KENT -3672
CHATHAM-KENT	-4.2% Essex -7151

Source: Statistics Canada Census 2006, 2011

Population by Age

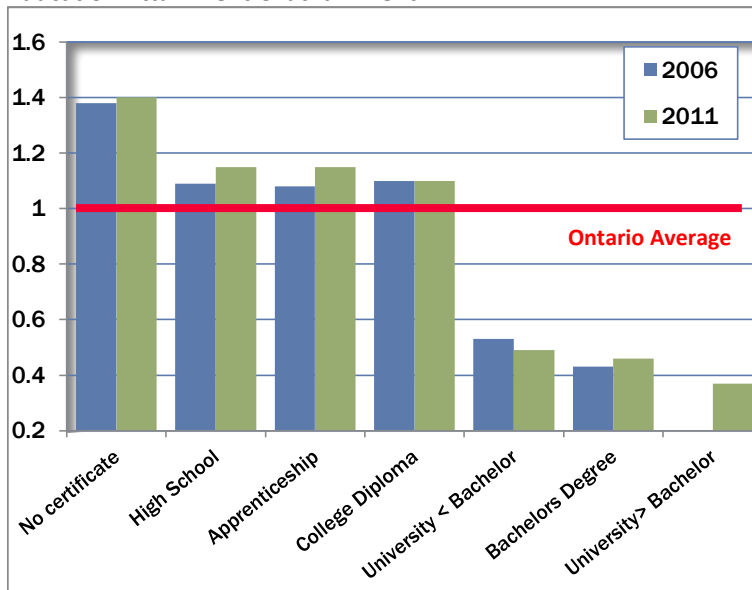


Source: Statistics Canada National Household Survey 2011

The proportion of workers age 20 to 45 years in Chatham-Kent is lower than the provincial average. Older workers, age 50 and above who are less likely to relocate for work, represent a higher proportion of the Chatham-Kent population. The gap of younger workers in Chatham-Kent compared to provincial averages could have implications for Chatham-Kent employers' ability to attract and retain the workers they need to operate their businesses. Chatham-Kent employers will also see a greater impact from the impending baby boomer retirements in their workplace than their peers in other regions.

The Labour Force Participation Rate in Chatham-Kent is 60.3%, which is lower than other parts of Southwestern Ontario with an average of 64%. The Unemployment Rate in Chatham-Kent stood at 10.1% in May 2011 (at the time of the National Household Survey). It was the highest in Southwestern Ontario, which averaged 7.8%.

Education Attainment Chatham-Kent



Source: Statistics Canada National Household Survey 2011

The dominance of the manufacturing and agricultural industries and occupations in Chatham-Kent is reflected in the residents' higher concentration in skilled trades and college education.

The number of individuals completing high school and apprenticeship programs increased between 2006 and 2011. The level of university-educated residents increased but remains lower than the provincial average.

The shift in education levels could be a reflection of the outward migration of those residents with higher levels of education during the recession.



Photo: Municipality of Chatham-Kent

Employment Ontario Client Data

The Ontario Ministry of Training, Colleges and Universities (MTCU) issued a report on Employment Ontario clients in May, 2014. This is the second year MTCU has issued the Employment Ontario data specific to the Chatham-Kent Workforce Planning Board area. This release provides the first opportunity to mark changes and identify potential trends in client demographics and service requirements.

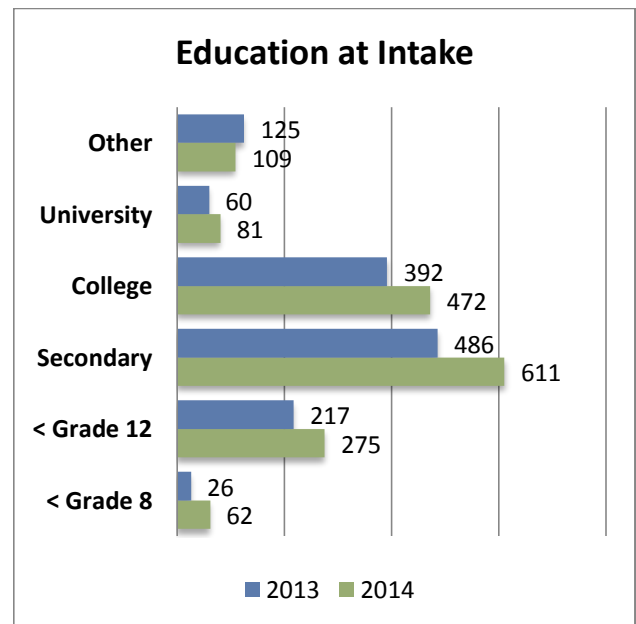
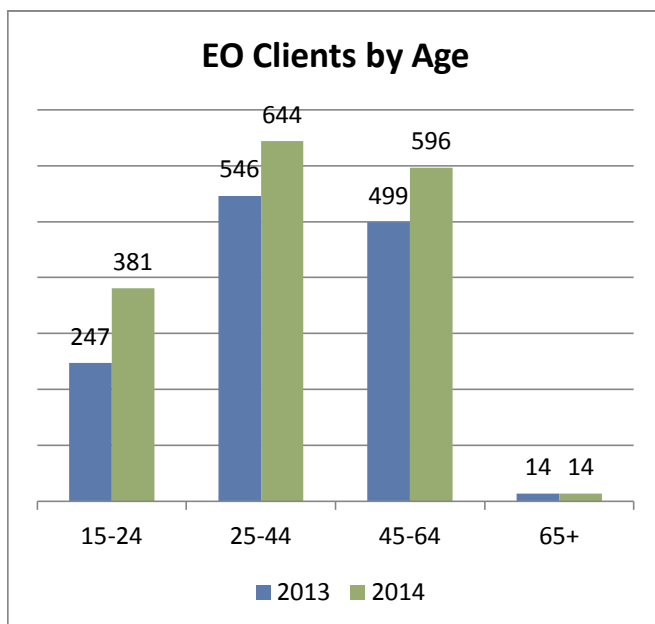
Representatives from the agencies responsible for delivering employment services in Chatham-Kent met on June 23, 2014 to review the data. The results of this focus group meeting are incorporated in this report to provide further insight into the data's relevance.

Employment Service Client Demographics

There were 1,634 Employment Service assisted service clients in Chatham-Kent in the 2013/14 fiscal year, up from 1,306 in 2012/13. The client base consists of more males (57%) than females. Of the 75 clients identified in a designated group, 39 were persons with disabilities and 36 were members of an aboriginal group.

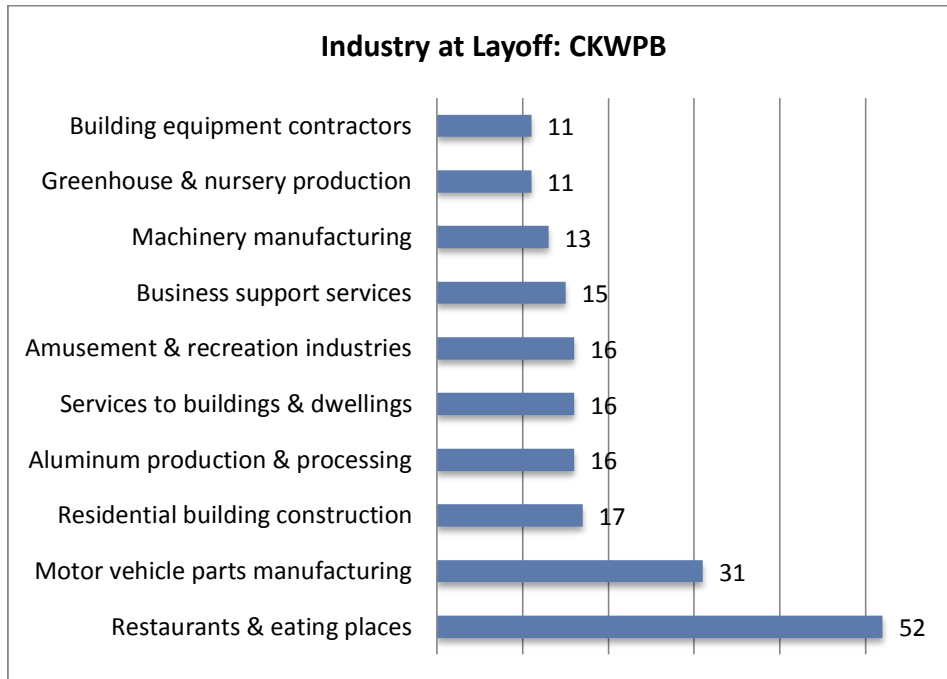
The age of the Employment Ontario clients is evenly split with 644 clients age 25 to 44 and 595 clients age 45 to 64 year followed by 381 ages 15 to 24. Only 14 clients were 65 and older.

The largest share of clients (611) had completed secondary school, followed by 472 clients who had completed college (472). Almost 17% or 275 clients had not completed high school and a further 62 clients had not completed elementary school. Focus group participants reported the numbers of clients with college education appeared higher than their individual experiences. The source of income for Employment Ontario clients included Employment Insurance (483), other (408), Ontario Works (231) and Ontario Disability Support Program (91). There were 421 clients that had no source of income. Focus group participants expected the numbers of clients receiving unemployment insurance would be closer to 30%.

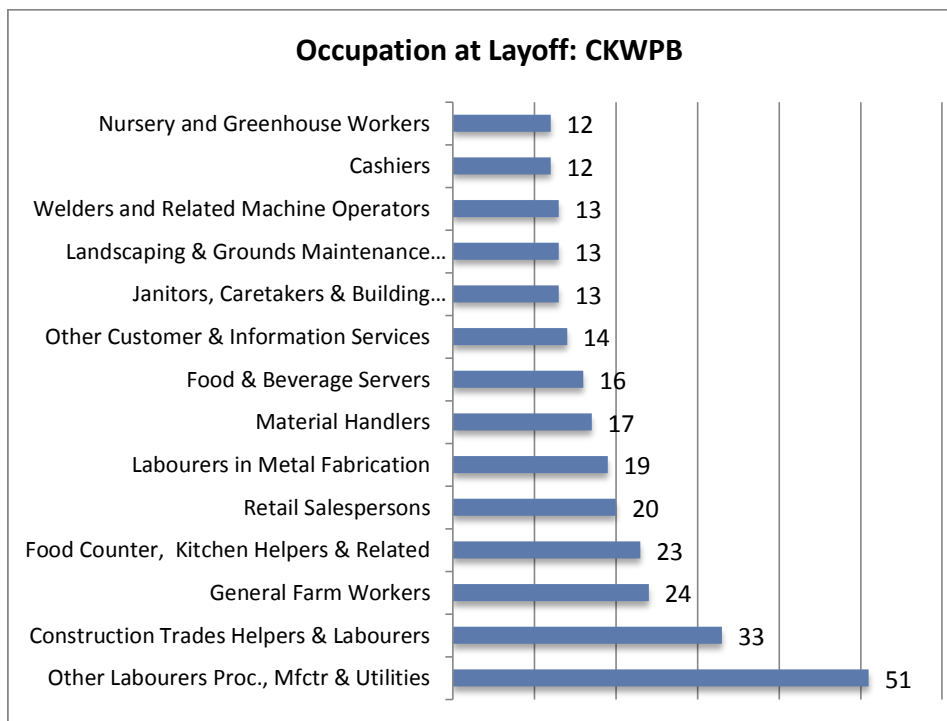


Source: Employment Ontario Data Reports June 2014

Occupation and Industry at Layoff



Source: Employment Ontario Data Reports June 2014



Source: Employment Ontario Data Reports June 2014
Fiscal Year 2013-2014

The loss of employment in the restaurant and eating-places sector (52 jobs) may reflect decreased demand due to aging residents, the high unemployment rate and the decreasing population. The loss of 31 jobs in motor vehicle parts manufacturing is consistent with overall decreases in employment in the manufacturing sector in Chatham-Kent. Additional job losses were reported fairly equally in residential building construction (related to an aging and declining population), aluminum production and processing (related to the overall decline in manufacturing), services to buildings and dwellings, amusement and recreation industries (again influenced by an aging and declining population), and business support services.

The declines in manufacturing and restaurant and eating places industries is further reflected in the Ontario Employment Services occupations at layoff. Layoffs for Other Labourers and Processing, Manufacturing and Utilities, Labourers in Metal Fabrication, Material Handlers and Welders and Related Machine Operators are all related to the downturn in manufacturing. Layoffs in Food Counter Attendants, Kitchen Helpers and Related and Food and Beverage Servers are both related to declines in the Restaurants and Eating Places Sector.

The length of time out of employment or training varied with 767 clients out of work for less than 3 months, 256 and 252 were out of employment for three to six months and six to

twelve months respectively. There were 359 clients unemployed for over 12 months. Following exit from Employment Ontario, 688 clients were employed full-time, 94 were employed part-time and 21 were self-employed. Of those clients in training at exit, 107 were in a federal program, 85 were in a Second Career program, 25 were taking post-secondary education and 21 were acquiring a Secondary School Diploma or equivalent. A further 20 were participating in Employment Ontario training initiatives and 14 were participating in academic upgrading.

Literacy and Basic Skills

The Chatham-Kent Workforce Planning Board and the Sarnia Lambton Workforce Development Board strive to provide valuable, accurate, and timely data to our communities. It is important for readers to understand that due to the specific process of data gathering the literacy numbers reported upon in this document include some data from both the Chatham-Kent and Sarnia Lambton areas.

There were 372 participants in the Literacy and Basic Skills Programs in 2013/14 including 171 new in-person learners. The largest numbers of literacy clients were between 25 and 44 years of age. There were 109 literacy clients aged 15 to 24 and 81 clients aged 45 to 64. 61% of literacy clients were female. The majority or 63% of the literacy clients were unemployed.



Just over one-fourth of the literacy and basic skills clients were identified as persons with a disability. The largest source of income for clients was the Ontario Disability Support Program (130 clients). There were 73 employed clients followed by 64 clients receiving Ontario Works, 28 other, 28 with no source of income and 16 receiving Employment Insurance.

The learners' goals were: post-secondary education (175 clients), independence (129) and employment (53) respectively. On exit from the program, 52 clients were unemployed, 43 were continuing their education, 23 were employed part-time and 19 were employed full-time. A further 11 clients were employed and continuing their education.

The focus group noted that the Employment Ontario data does not include any information on clients who used the resource/information services only and therefore these individuals are not included in the data for resource and information clients.

Second Career

Unlike the Literacy and Basic Skills program, the majority (58%) of Second Career clients were male. The largest share of Second Career clients (40) were aged 25 to 44 with 23 clients aged 45 to 64 and 13 clients aged 15 to 24. Approximately a third of Second Career program participants had completed secondary school, a third had completed College and a third had some other education.

Of the 51 Second Career participants in 2013/14 who provided information on their labour market attachment at time of intake, 31 were unemployed or out of training for less than three months and 20 clients were out of employment or training for three to six months.

Apprenticeship

There were 1678 active apprenticeships in 2013/14 including 611 new registrations. The average age of apprentices at registration was 28. There were 314 Certificates of Apprenticeship issued in 2013/14. The largest share of apprenticeship registrations, 82%, was for Information Technology Contact Centre Customer Service Agents.

Focus group participants noted the need to continue to promote local programs and advocate to larger audiences. They noted that employers need assistance to understand the changes underway with the Ontario College of Trades and the Ministry of Training, Colleges and Universities and their involvement in apprenticeship.

Opportunities for Improving Employment Ontario Services

Focus group participants recommended improvements in the provision of inter-urban transportation and child-care to improve access to education for EO clients. They also recommended an increased emphasis on addiction and mental health services to ensure that clients are ready for training. Finally the group advocated for increased flexibility in funding programs, embracing innovative ways to use training support to provide the supports clients need to access the training required to become employment ready.

Partnership Opportunities

Employment Service providers see even more opportunities to promote local programs and advocate to a larger audience by working together. The group recognized the critical role they play collectively in informing employers about new programs and criteria and continuing to expand employers' knowledge of the full range of existing programs.

Industry and Employment

Business Establishments in Chatham-Kent

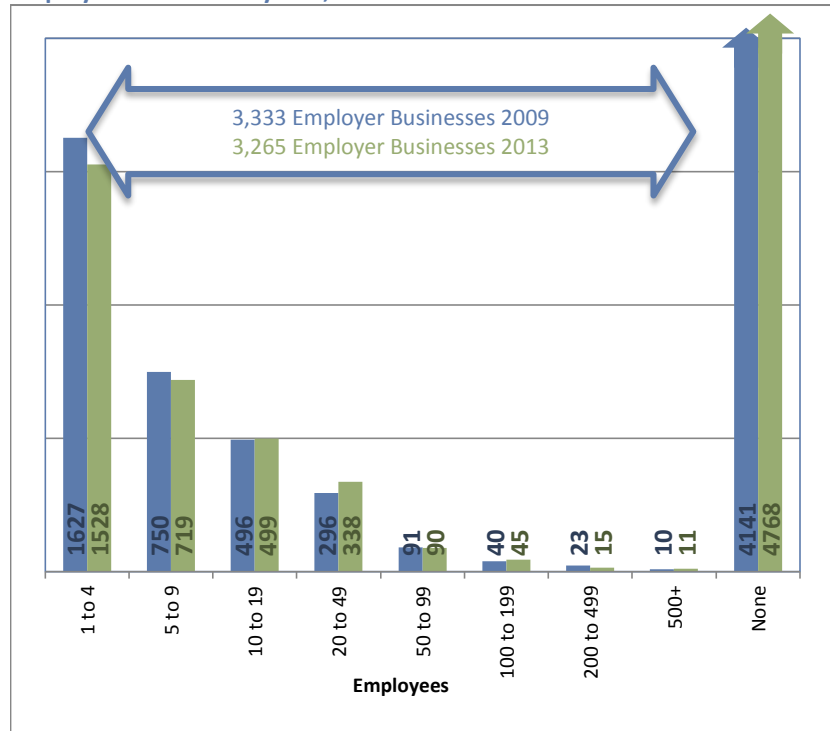
There are 3,265 employer businesses in Chatham-Kent, a moderate decrease of 65 since 2009 while non-employer businesses increased from 4,141 to 4,768

Small businesses dominate the local economy. Approximately half (1,548 or 47%) of all employer businesses employ fewer than five people. A further 798 businesses (24%) employ between five and nine people. There are 11 Chatham-Kent businesses employing more than 500 people.

Employment by Industry

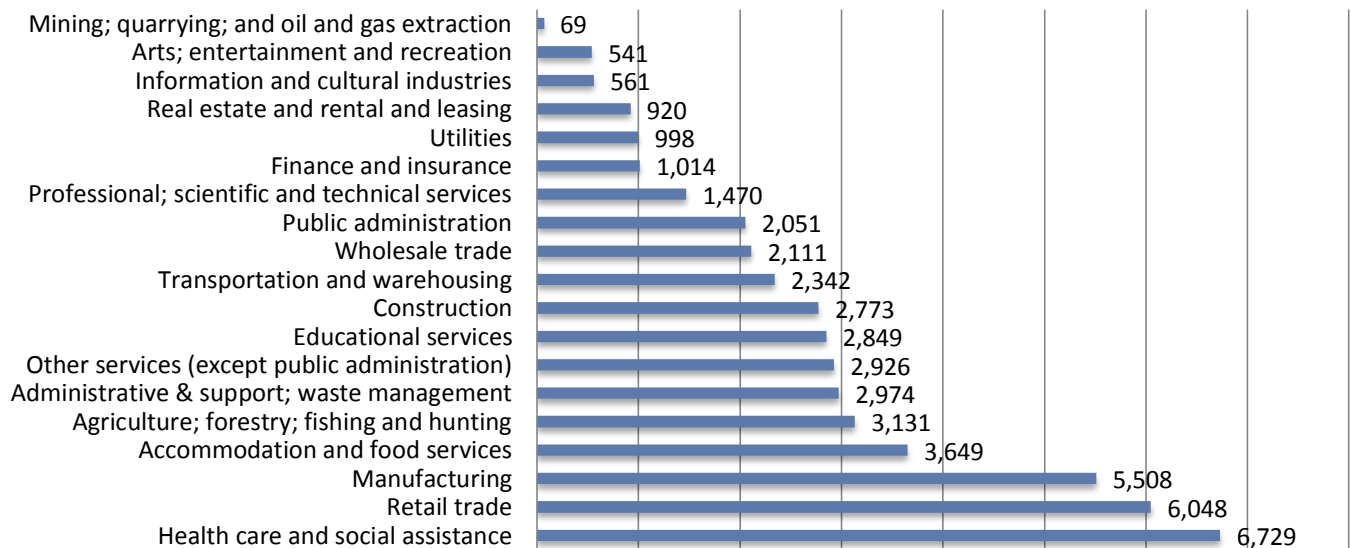
There are 42,126 people employed in Chatham-Kent. Three sectors are responsible for 43% of total employment: Health Care, and Social Assistance with 6,729 jobs, Retail Trade with 6,048 jobs and Manufacturing representing 5,508 jobs. The appendix contains detailed information at the 3 digit NAICS.

Employer Businesses by Size, Chatham-Kent 2009-2013



Source: Canadian Business Patterns December 2013

Employment by Industry, Chatham-Kent 2011



Source: Statistics Canada 2011 NHS

Contribution by Industry, Chatham-Kent

NAICS	Industry	2013 Jobs	Avg. Earnings	Est. Total Contribution
11	Agriculture, forestry, fishing, hunting	1,665	\$25,739	\$42,855,435
21	Mining, quarrying, oil & gas extraction	64	\$68,590	\$4,389,760
22	Utilities	998	\$96,378	\$96,185,244
23	Construction	2,027	\$48,705	\$98,725,035
31-33	Manufacturing	5,273	\$46,569	\$245,700,708
41	Wholesale trade	1,886	\$33,273	\$62,752,878
44-45	Retail trade	5,636	\$22,625	\$127,514,500
48-49	Transportation and warehousing	1,571	\$39,661	\$62,307,431
51	Information and cultural industries	541	\$37,125	\$20,084,625
52	Finance and insurance	863	\$34,039	\$29,375,657
53	Real estate and rental and leasing	649	\$40,712	\$26,422,088
54	Professional, scientific & technical	926	\$42,922	\$39,745,772
55	Management of companies	38	\$48,045	\$1,825,710
56	Admin. & suppt, waste mgmt. remed.	2,514	\$31,361	\$78,841,554
61	Educational services	2,701	\$53,426	\$144,303,626
62	Health care & social assistance	6,107	\$39,349	\$240,304,343
71	Arts, entertainment & recreation	445	\$23,674	\$10,534,930
72	Accommodation & food services	3,439	\$13,774	\$47,368,786
81	Other services (except pub admin)	1,607	\$31,086	\$49,955,202
91	Public administration	2,051	\$48,371	\$99,208,921
	Total	42,126	\$38,150	\$1,607,110,970

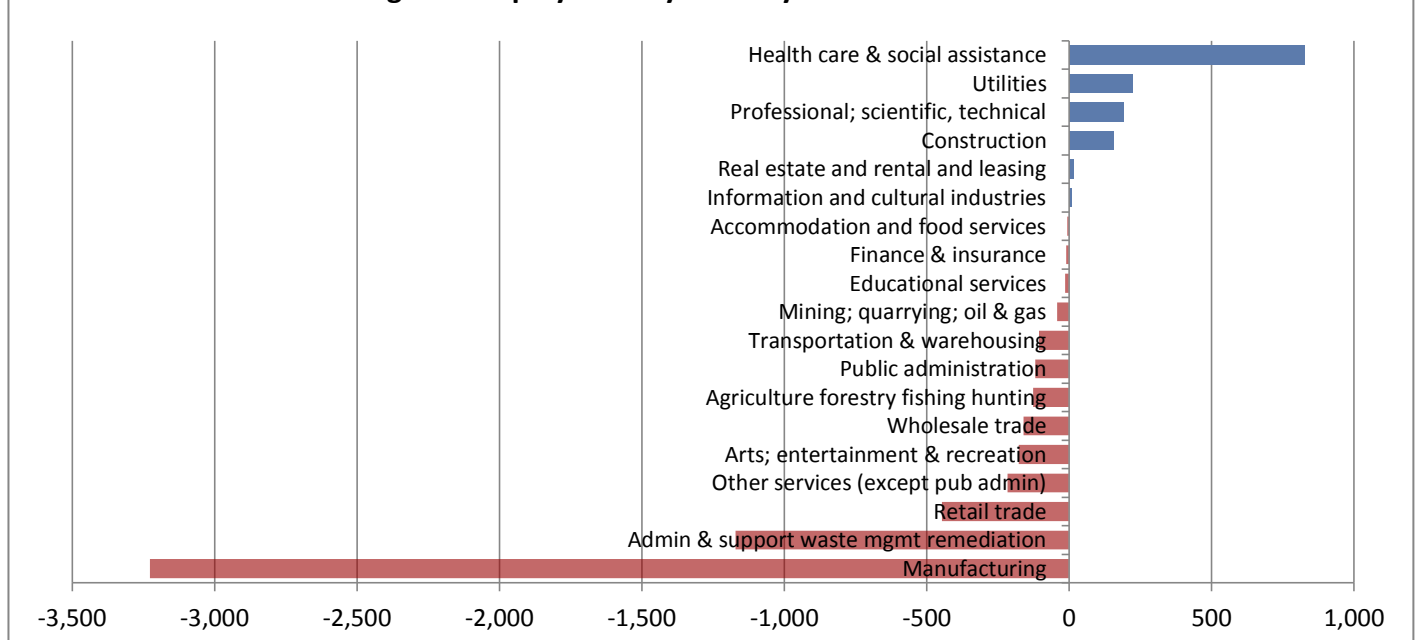
*NAICS: North American Industrial Classification System. A breakdown at the 3-digit NAICS level is available in the appendix to this document. Source: EMSI Analyst 2014.1

Location Quotient (LQ) analysis provides a comparison of the proportion of employment by industry in Chatham-Kent to that of Ontario. A LQ of 1.0 would signify that Chatham-Kent has exactly the same proportion of employment in a given industry as Ontario. A LQ greater than 1.0 indicates a higher concentration of employment in that industry and suggests the district has a particular strength for that industry, while an LQ less than 1.0 indicates a lower concentration and points to an area of potential weakness.

The LQ analysis shows that two sectors lead in the local economy. The Utilities sector, dominated by Union Gas, has a LQ of 3.04 employing three times the provincial average. Agriculture (LQ 4.30) employs more than four times the provincial average. The detailed LQ analysis by Industry is included in the appendix to this document.

A rough estimate of the total contribution to the local economy by sector calculated by multiplying the average earnings by the number of jobs provides a more complete picture of the local economy. Manufacturing contributes an estimated \$245 million in

Changes in Employment by Industry 2008 -2013



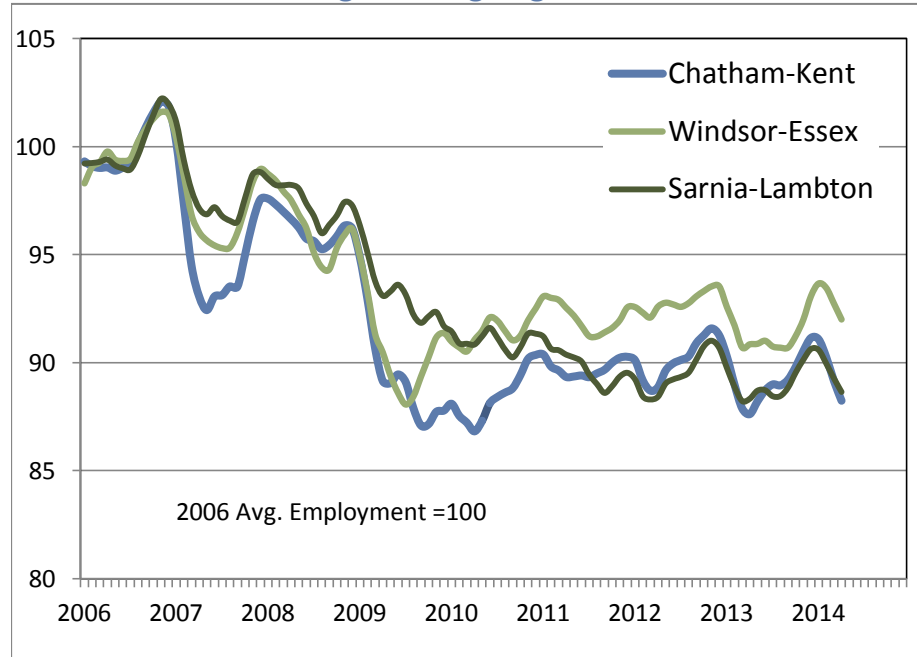
A breakdown at the 3-digit NAICS level is available in the appendix to this document. Source: EMSI Analyst Version 2014.1

Shift Share Analysis Chatham-Kent 2008-2013

Industrial Sectors NAICS	Employment Change	Prov. Growth	Ind. Effect	Equiv. Jobs	
Utilities	223	25	-34	234	↑
Professional, Scientific & Technical	190	41	56	93	↑
Health Care & Social Services	828	187	556	83	↑
Agriculture, Forestry & Fishing	-126	103	-280	50	↑
Information, Culture & Recreation	9	17	-36	26	↑
Real Estate & Leasing	15	29	8	-24	↓
Construction	155	83	122	-50	↓
Mining, Oil & Gas	-41	3	8	-54	↓
Finance & Insurance	-10	32	22	-64	↓
Wholesale	-160	73	-96	-136	↓
Transportation & Warehousing	-105	79	-45	-152	↓
Public Administration	-118	69	4	-190	↓
Education Services	-13	91	90	-194	↓
Other Services (except public admin.)	-216	100	-111	-205	↓
Arts & Entertainment	-176	23	11	-210	↓
Accommodation & Food Services	-6	116	108	-230	↓
Retail Trade	-477	207	-317	-370	↓
Business, Building & Supp Services	-1,172	132	-168	-1,136	↓
Manufacturing	-3,227	278	-1,230	-2,275	↓
Total	-4,246	1716	-857	-5,105	↓

Source: Matthew Fischer & Associates Inc. based on EMSI Data 2008/2013

Employment Index: Chatham-Kent and Neighbouring Regions 2006 to 2014



Source: Strategic Projections Inc.

The analysis indicates Chatham-Kent has particular strengths in Utilities, Professional, Scientific and Technical Services, Health Care, Agriculture and Information, Culture and Recreation. Chatham-Kent experienced the most significant losses in the Manufacturing and Business, Building and Support Services (including call centres) sectors. These sectors experienced losses that exceeded industry and provincial levels.

wages to the local economy while Health Care represents \$240 million in wages. Together, these two sectors account for 30% of total wages paid in Chatham-Kent.

The Utilities sector has the highest average wage. The sector employs almost 1,000 people (950 at Union Gas). It contributes an estimated \$98 million to the local economy.

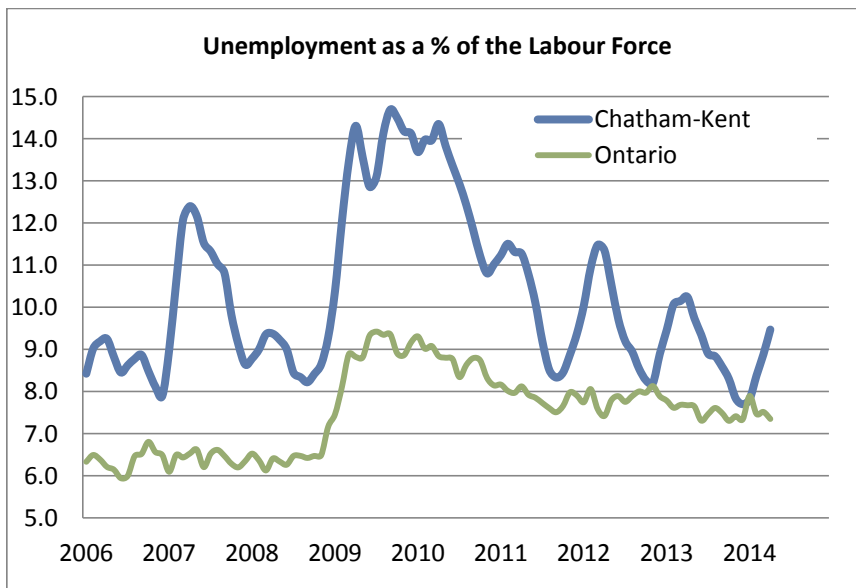
The Retail and Manufacturing sectors employ similar numbers of employees (5,636 and 5,273 respectively). The economic impact of the manufacturing sector however is twice that of the retail sector. Only the Accommodation and Food services sector has lower average earnings than retail.

Shifting Employment Base

The recession of 2008/2009 had a major impact on Chatham-Kent, as it did on many other communities in Southwestern Ontario. Between 2008 and 2013, Chatham-Kent experienced a net loss of 4,246 jobs. The greatest losses were in Manufacturing (-3,227 jobs) and Administrative and support services (-1,172 jobs). The Health sector, now the largest employer group in Chatham-Kent, experienced the strongest growth during this period, adding 828 additional positions.

Determining the Local Effect

Shift/Share analysis attributes employment growth (between 2008 and 2013) to three factors: the provincial growth rate, the growth of the industry and the unique local factors. This analysis shows that despite a loss of 126 jobs in agriculture, Chatham-Kent performed better than other jurisdictions in Ontario. Similarly, even though Construction posted an increase of 155 jobs in Chatham-Kent, the sector did not grow at the same pace as the province.



Source: Strategic Projections Inc. based on Statistics Canada monthly unemployment reports

Chatham-Kent and the adjacent communities of Windsor-Essex and Sarnia-Lambton were more seriously impacted by the decline in manufacturing than other more diversified regions in Ontario. Total employment in the three communities declined 8% to 12% from 2006 to 2014. Despite reports of increased investment and sales, employment has not returned to pre-recession levels. At the peak of the recession, unemployment in Chatham-Kent exceeded 14%.

Unemployment rates in economic region 570, including Chatham-Kent, Sarnia-Lambton and Windsor-Essex, are approximately 2% higher than provincial averages. The smaller population size and the high proportion of agricultural employment rates result in greater seasonal variations in the unemployment rate compared to the provincial average. Chatham-Kent’s unemployment rate was estimated at 9.5% in April 2014.

The source of income for Chatham-Kent residents is indicative of an older population. Wages and salaries account for 60% of total income in Chatham-Kent compared to 70% for Ontario. Retirement Pensions, CPP and Old Age Security levels are also higher than the provincial averages. Note: Statistics Canada changed the way they record Source of Income data for the previous census period. As a result, this report does not include a comparison to previous periods.

Commuting Patterns

At 2,458 sq. km., Chatham-Kent is the largest lower tier community in Southwest Ontario by size. Possibly because of the size of the Municipality and the distance to urban centres outside of Chatham-Kent,

Source of Income - 2010	Chatham-Kent	Ontario
Market Income		
Wages and salaries	60%	70%
Self-employment income	4%	5%
Investment income	4%	4%
Retirement pensions; superannuation and annuities	10%	7%
Other money income	2%	2%
Government Transfer Payments		
Canada Pension Plan benefits	6%	3%
Old Age Security & Guaranteed Income Supplement	4%	3%
Employment Insurance benefits	2%	1%
Child benefits	2%	1%
Other income from government sources	6%	3%

Source: Statistics Canada 2011 NHS

only 13% of Chatham-Kent residents leave the community for work, and non-residents fill about 10% of jobs in Chatham-Kent. This is a very low level of commuting compared to other communities in Ontario. There is a net outflow of 1,335 people for employment representing just 3.6% of the total employed labour force.

Employment by Occupation

There were seven occupations with significant employment growth between 2008 and 2013. Education was a major growth area with increases totalling 417 jobs in two closely related occupations (Secondary School Teachers and Secondary/Elementary School Teachers not elsewhere classified). During the same period there was a loss of 240 among educational assistants jobs.

A total of 22 occupations showed significant losses between 2008 and 2013. Seven of those occupations were in the Manufacturing sector.

Five industry sectors outperformed in Chatham-Kent compared to other areas of Ontario: Utilities, Professional, Scientific and Technical Services, Agriculture, Information and Cultural Industries and Health Care and Social Assistance. A cross tabulation of occupations by the five sectors is included in the appendix to this document. Three broad occupational categories appeared in several of the expanding industries: clerical occupations, engineering occupations and technical occupations.

Occupations with Significant Employment Growth (>100) 2008 to 2013 Chatham-Kent

NOCS	Description	2008 Jobs	2013 Jobs	+/-	% Chg.	2013 LQ
X000	Unclassified	567	1,097	530	93%	0.99
E130	Secondary and elementary school teachers and educational counsellors	371	685	314	85%	1.17
I021	General farm workers	251	405	154	61%	3.28
G412	Cooks	632	767	135	21%	1.75
D312	Nurse aides, orderlies and patient service associates	1,097	1,227	130	12%	2.05
G611	Police officers (except commissioned)	179	305	126	70%	1.44
E131	Secondary school teachers	328	431	103	31%	1.38

4 Digit National Occupations Classification System (NOCS) Source: EMSI Analyst version 2014.1

Occupations with Significant Employment Losses (>150) 2008 to 2013 Chatham-Kent

NOCS	Description	2008 Jobs	2013 Jobs	+/-	% Chg.	2013 LQ
J212	Motor vehicle assemblers, inspectors and testers	947	507	(440)	(46%)	2.34
B553	Customer service, information and related clerks	1,037	699	(338)	(33%)	1.22
J196	Other metal products machine operators	647	377	(270)	(42%)	3.03
G973	Other elemental sales occupations	326	62	(264)	(81%)	1.01
H812	Material handlers	858	621	(237)	(28%)	1.14
G211	Retail salespersons, sales clerks	1,692	1,476	(216)	(13%)	1.00
H421	Automotive service technicians, truck, bus mechanics & mechanical repairers	594	394	(200)	(34%)	1.42
D112	Registered nurses	1,249	1,078	(171)	(14%)	1.47
G311	Cashiers	1,116	955	(161)	(14%)	1.01
B211	Secretaries (except legal and medical)	435	277	(158)	(36%)	1.60
J194	Metalworking machine operators	469	314	(155)	(33%)	2.07
I022	Nursery and greenhouse workers	347	194	(153)	(44%)	4.70

Source: EMSI Analyst version 2014.1

The KPMG 2014 Annual Industry Outlook points to Canada's highly educated workforce, work on supply chain management and robotics and indicates that even with higher production levels the workforce levels will not return to pre-recession levels. The workforce is expected to be smaller and more productive. The report recommends that manufacturers continue to innovate and build relationships with post-secondary institutions to ensure they are developing a skilled workforce.

Canada's Shifting Economic Base

Manufacturing employment has been declining steadily in Canada since 2000. This decline was amplified during the 2008/09 recession. Manufacturers were forced to reduce costs and improve efficiency including automating production lines, instituting lean manufacturing and outsourcing labour-intensive operations.

In spite of the recession, the Canadian economy added more than 700,000 net new jobs between 2007 and 2012. Service industries combined to add 805,800 net new jobs to the Canadian economy while the Goods Producing sectors (with the exception of Construction) retracted, losing a net total of 103,700 jobs. Manufacturing was the most severely affected, posting a net loss of 245,400 jobs (down 12.1%) between 2007 and 2012.

The two fastest growing sectors are Health Care and Social Service sector and the Professional, Scientific and Technical Services, including engineering, management consulting and computer systems development. These two sectors added 292,600 and 169,400 new jobs respectively, accounting for nearly 2/3 of net new jobs created in Canada.

The trimmed down Canadian manufacturers now have an opportunity to recapture work that had been previously outsourced to off-shore locations due to increased shipping costs, longer lead times and quality issues.

Consultation with Employers

Consultation with local employers provided further insight into the Chatham-Kent Workforce. The Chatham-Kent Workforce Planning Board compiled a list of employers representing a mix of industry, public and private and not-for-profit sector employers. These employers were asked to comment on their experiences and opinions regarding the Chatham-Kent workforce. The following individuals participated in the employer interviews: Terry Johnson, Scribendi.com, Cathy Hoffman, Municipality of Chatham-Kent; Dave Baute, Maizex Seeds Inc.; Edie Moyes, Young America; Michelle Repuski, Goodwill Career Centre; Karen Kirkwood-Whyte, United Way (on behalf of the Non-Profit Sector); Dave Ferguson, Entegrus; Tony Myers, AarKel Tool and Die; Andrea Seguin, Union Gas; Nikki Horton, Devolder Farms; Florin Marksteiner, Productionmark; Natasha Kramer, Cedarline Greenhouses; Kim Oliphant, Sears Canada; Shari Blackburn, Barry Callebaut; Samantha Stevens, South West Ag Partners Inc.

The employers were in agreement on the three priority areas for workforce planning in Chatham-Kent:

- Education level of job candidates
- Out-migration of higher skilled workers, especially the younger workers
- Aging workforce and pending retirement of existing employees

Most employers require at least a high school education. Several employers were seeking candidates with advanced education in agricultural science, business and engineering.

Chatham's largest private sector employer requires some post secondary (college or skilled trade). It has a large demand for engineers and finance staff as a result of impending retirements. The share of the labour force with college diplomas and apprenticed skilled trades is similar to the provincial rate. Education levels are not consistent with provincial rates in other areas. Over one-quarter of the workforce has not completed high school and the share of the workforce with a university degree is half the provincial average.

Several employers commented on a poor work ethic primarily among young candidates, particularly when it comes to manual labour. Two agricultural operations reported using the Foreign Temporary Worker Program to fill manual labour positions at the available wage levels. Other employers rated the work ethic good (although no one rated the work ethic very good). Some employers also commented on the lack of soft skills and a basic understanding of the work environment.

One large retailer commented that three-quarters of their applicants for sales associates have not completed high school, have weak resumes and lacked essential skills for the work environment. Their experience may be related to the age of the applicant seeking part-time work.

An employer from the not-for-profit sector pointed out that it is often difficult for older workers who have lost their jobs to take time out to upgrade their education because they need to quickly find alternate work – any work - to replace lost income.

Two companies in the agricultural support sector commented on the need for advanced degrees in agricultural sciences because of the increasing complexity of the farm operations. Crop advisors, grain buyers and even sales people need to have professional training in agricultural sciences coupled with business experience to communicate effectively with farmers today.

Several companies, especially those with low turnover rates, commented that their workforce was getting older and would soon be facing retirement. For many positions, these companies will have to recruit outside the region to find the skill and experience they will need. It is often difficult to attract talented people to a smaller job market, especially those with spouses who are also employed, despite the lower cost of housing and other life style benefits of a smaller community.

The not-for-profit sector reported particular challenges in retaining employees. Employers in this sector reported that they repeatedly lost employees to employers paying higher wages once they had accumulated some work experience in the sector. The group also voiced their frustration with the lack of recognition of the contribution made by the not-for-profit sector in overall wages and work experience.

The employers provided the following assessment of the Chatham-Kent workforce:

- Availability – generally good in terms of overall numbers although many prospective workers had the wrong skill sets for the jobs available.
- Education – generally good to poor depending on the employer
- Experience – depending on the employer it was rated good to poor. Only larger employers tend to train on-site.
- Skill Levels – most rated this as good, however several commented that many of the most talented workers have left the community for better paying jobs.
- Work Ethic – generally rated as good to poor however several noted that older workers had a better work ethic than younger workers.

Action Plan Review

Strategic Priority	Rational	Evidence
Focus on Education	Education remains the most important determinant of employment potential and long-term economic stability	The educational attainment levels in Chatham-Kent are lower in the unemployed population than the general population.
Strategic Actions	Outcome	
Establish the aspirational goal of a high school diploma for all Employment Ontario clients	Helping individuals see the value of a high school diploma when it may have traditionally not been needed is slow work. In Chatham-Kent outcomes are higher in independence than secondary school credit. More work is being done to identify the age groups with the biggest gaps in completion rates	
Provide numeracy and literacy assessments and goals for all clients	Currently, any participants entering an Literary and Basic Skills program is assessed. Some other programs have implemented this process with great success	
Enhance soft skills pre-employment training	Identifying specific soft skill trainers and cataloguing information for employers, members of the general public, and job seekers to have the opportunity to up skill	
Encourage clients to train for in demand occupations, Continue linking educational programs to career pathways	CKWPB provides employment projections to guidance counsellors, job seekers, and members of the general public during community consultations and presentations	
Explore alternative training methods in in demand occupations without locally available training	Cataloguing of programs is underway (with Labour Market Partnership) which will identify training, service providers, and delivery methods.	
Expand the availability of experiential learning opportunities within Chatham-Kent	Service Delivery Network Development funding received to research apprenticeship in Chatham-Kent and identify challenges associated with attracting, registering, retaining and completing apprentices.	
Use labour market information derived from the Analyst and Want Ad's real time analytics as a foundation for continued employer engagement efforts	The Workforce Planning Board produces regular reports each one highlighting a different area of focus. A "Green Energy Careers in Chatham-Kent" project report is being completed.	

Strategic Priority	Rational	Evidence
Address Industry Specific Workforce Needs	The Chatham-Kent workforce needs different skill sets to fill the available jobs in the community. Small and micro businesses do not have the resources to access the necessary training.	<ul style="list-style-type: none"> Employers are reporting skills gaps. Shifting away from manufacturing to service and health care occupations. Surge in the number of small and non-employer businesses
Strategic Actions	Outcome	
Work with the local school boards to include entrepreneurship skills in elementary and secondary curriculums.	Wallaceburg District Secondary School is piloting a high skills major course in entrepreneurialism in fall 2014. The Workforce Planning Board has offered support Promoting Junior Achievement programs through networks	
Continue to support Junior Achievement. Partner with Junior Achievement to develop programs to better prepare students for the culture of work, Continue to promote entrepreneurship to students and the general public	Working with Junior Achievement through “World of Choices” and “Pitch it!” events as well as the classroom delivery of programs Promoting Junior Achievement programs through networks	
Provide Citizens of Chatham-Kent with entrepreneurship training in a variety of areas including communication, negotiation, sales, critical thinking, initiative and general business knowledge.	Video is being prepared “Being an Entrepreneur in Chatham-Kent”. Video and information packages will be distributed to agencies that work with career decision making at varying levels in the community. This will highlight the services that currently exist in Chatham-Kent and allow residents to make the best decisions regarding their needs	
Explore opportunities to link employers and clients through on the job training, mentorship and cooperative programs	Working with organizations in Chatham-Kent to identify opportunities for internships, mentorships, and cooperative education programs.	
Enhance services to entrepreneurs; build relationships/partnerships with relevant entrepreneurial support organizations	Grant received to conduct literature review and determine best practices. Research and best practices report underway.	

Strategic Priority	Rational	Evidence
Support Resident Attraction Programs	To reverse the declining population being experienced by Chatham-Kent and improve the size of the workforce.	Statistics Canada Census data shows a 4.2% population decline between 2006 and 2011.
Strategic Actions	Outcome	
Encourage local employers to support and participate in resident attraction program development and implementation	Resident Retention and Attraction has made community presentations (including Rotary) to explore and explain the program and how it can benefit employers	
Expand the resident attraction program to include an alumni program for past residents and in particular high school graduates. Invite past residents back.	BaCK campaign; “Your roots are in CK” program have been launched (through Resident Attraction and Retention)	
Continue implementing community marketing and branding efforts	Packages still being used (Resident Attraction and Retention lead); Social media campaigns (Resident Attraction and Retention lead) executed	
Connect employers to organizations and services that can assist in their recruitment efforts	Funding received. Human resource tool kit which will include all of these items will be completed by March 31, 2015	

Strategic Priority	Rational	Evidence
Collaborate and Communicate	Closer collaboration between stakeholders improves the effectiveness of program delivery.	Stakeholders have a better understanding of gaps in servicing and how to fill them.
Strategic Actions	Outcome	
Plan regular meetings as an opportunity to identify projects with mutual benefits, review best practices, keep informed of available services and identify gaps in services in Chatham-Kent	Formalized meetings and informal communications occur regularly between all partners. This provides a great opportunity for organizations to stay connected regarding the needs of our community and cross promote events and training	
Explore opportunities for employment service providers to share space to foster further collaboration and reduce operating costs	The idea of creating a “no wrong door” service centre has been investigated however it is not feasible on a large scale at this time due to leases and contracts that are established. It is important to note that many of our Literacy and Basic Skills and employment service providers are co-habiting (on some scale) to the benefit of their clients.	
Establish a communications plan identifying the stakeholders, their information needs and preferred means of communication.	Communication chain in place to target information needs of stakeholders	
Convene regular meetings with employers, educators and employment service providers to address their areas of mutual interest and encourage regular interaction.	Regular communications happen now. Employer One survey (January 2015) will formalize the process with an annual check-up.	
Host seminars for area businesses to new tools and human resource practices for marketing available jobs	Co-hosted seminar with Small Business Centre on health and safety legislation. Creating online human resource toolkit for small businesses	
Organize industry groups to share issues related to finding workers to serve each targeted industry cluster	Work underway through the Labour Market Partnership, as well as the Employer One survey scheduled for January 2015	
Host a career fair in the fall of 2013	Held Nov. 28, 2013 at St. Clair College HealthPlex in Chatham, ON Targeted 70 businesses and 1500 attendees. 1100 attendees (incl. ~800 high school students) and 55 businesses participated.	



Photo: Municipality of Chatham-Kent

2014 Action Plan

This report builds on the 2013 Employment Landscape Report and the 2013 Local Labour Market Planning Report. Workforce development is a long-term effort. As a result, many of the recommended actions are refinements of previously recommended actions reflecting the most recent findings and recognizing those projects that are now underway.

Strategic Priority	Rational	Evidence	
Focus on Education	Education remains the most important determinant of employment potential and long-term economic stability	The educational attainment levels in Chatham-Kent are lower in the unemployed population than the general population.	
Strategic Actions	Partners	Expected Outcomes	Next Steps
Education Attainment Sessions: A series of workshops to encourage participants to graduate from high school or attain the GED (General Education Development) Designation	School boards, Employment Ontario (EO) partners, Ministry of Training Colleges & Universities (MTCU), employers	Increase the percentage of residents with high school certificate	Short term – workshops in local high schools Medium – workshops for EO clients at intake Long term – info campaign for CK residents
Barriers to adult education	EO partners, MTCU, School boards, post-secondary institutions, Employment and Social Services	Develop strategies to assist adult education students to access the education they need.	Short term – survey/ interview adult education, EO clients, and Chatham-Kent residents to identify barriers to adult education Medium – workshop to develop programs to address barriers Long term – program implementation

Strategic Priority	Rational	Evidence	
Address Industry Specific Workforce Needs	The CK workforce needs different skill sets to fill the available jobs in the community. Small and micro businesses do not have the resources to access the necessary training.	Employers are reporting skills gaps. Shifting away from manufacturing to service and health care occupations. Surge in the number of small and non-employer businesses	
Strategic Actions	Partners	Expected Outcomes	Next Steps
Shared training programs by sector	Service sector employers, Chatham-Kent Small Business Enterprise Centre (SBEC), post-secondary institutions, training providers, Employment and Social Services	Matchmaking service of training needs and providers by sector.	Short - Identify training needs in key sectors. (I.e. customer service, smart serve, accessibility, WHMIS, Super host) Medium - matchmaking session with business reps, training providers Long - Identify and access funding programs for identified training gaps

Strategic Priority	Rational	Evidence	
Create a culture and infrastructure that supports entrepreneurship and small business	Improve the success rates and economic health of emerging small businesses	Small business and non-employer businesses represent the largest share of businesses in Chatham-Kent.	
Strategic Actions	Partners	Expected Outcomes	Next Steps
Provide funding for micro-businesses	Small Business Enterprise Centre, Community Futures Development Corporation, Ground Floor, Credit Unions	Increased number of micro businesses in the population that did not have access to conventional financing. Better outcomes for micro-businesses receiving funding	Short – feasibility study for micro funding program Medium – program development Long – implementation plan
Connect entrepreneurs with mentoring and coaching resources	Small Business Enterprise Centre, Community Futures Development Corporation, Ground Floor, libraries, Employment Ontario partner offices	Increased access to the entrepreneur resources	Short – identify additional delivery methods for entrepreneurship training Medium – identify and access funding programs for identified entrepreneurship programs Long – program development and implementation

Strategic Priority	Rational	Evidence	
Develop and Disseminate Labour Market Information	To assist residents to make informed career and training decisions. To assist program developers and policy makers to align programs with labour market and employer needs.	The economy and the skills needs are different today than they were. Chatham-Kent residents deserve access to timely information that will help them make necessary planning decisions.	
Strategic Actions	Partners	Expected Outcomes	Next Steps
Employer One Survey	Economic Development Services, Small Business Enterprise Centre, Community Futures Development Corporation, Chatham-Kent Employers, human resources association, local business associations	Workforce development programs that are aligned with the shifting needs of employers	Short -Launch Employer One Survey in 2014. Share initial results Medium - 2015 build on first year results, analyze trends and share results Long - Develop workforce programs to address identified trends and issues
Labour Market Info Training	Employers, Economic Development Services, small business agencies, guidance counsellors, post-secondary institutions	Stakeholders and the general public have a better understanding of labour market issues.	Short - Benchmark understanding of labour market information Medium – roll out labour market information 101 training Long - measure changes in understanding, refine labour market information delivery

Strategic Priority	Rational	Evidence	
Support Resident Attraction and Retention Program	Need to offset the population decline and ensure employers have a sufficient supply of qualified workers to successfully operate their business. Resident attraction is closely tied to available employment.	Population has declined 4.2%. Chatham-Kent's level of young workers is lower than the provincial averages.	
Strategic Actions	Partners	Expected Outcomes	Next Steps
Provide information on occupations in demand for resident attraction programs to focus their programming	Cthatham-Kent Resident attraction and retention	Reverse the trend of population decline.	Short – advise resident attraction and retention organizations on those occupations in demand Medium – host workshop that brings together employers and resident attraction staff to develop a program targeting residents by skills base Long – implement joint initiatives



Photo: Municipality of Chatham-Kent

Glossary

Employed	Persons who, prior to Census Day <ol style="list-style-type: none">1. did any work at all for pay or in self-employment or without pay in a family farm, business or professional practice2. were absent from their job or business, with or without pay, for the entire week because of a vacation, an illness, a labour dispute at their place of work, or any other reasons.
Employment rate	The employment rate for a particular group (age, sex, marital status, geographic area, etc.) is the number of persons employed expressed as a percentage of the total population, in that particular group.
Industry	Refers to the general nature of the business carried out in the establishment where the person worked.
Labour force	Refers to persons who were either employed or unemployed during the reference week prior to Census Day. Labour force = Employed + Unemployed.
Location Quotient (LQ)	Measures a region's industrial specialization relative to a larger geographic unit. An LQ is computed as an industry's share of a regional total for some economic statistic (earnings, employment, etc.) divided by the industry's share of the larger regional total for the same statistic.
Migration	The permanent movement of individuals or groups across political boundaries into new residential areas and communities.
Occupation	Refers to the kind of work persons were doing during the reference week, as determined by their kind of work and the description of the main activities in their job.
Participation rate	The labour force participation rate for a particular group (age, sex, marital status, geographic area, etc.) is the total labour force in that group, expressed as a percentage of the total population, in that particular group.
Unemployed	Persons without paid work or without self-employment work and available for work and either: <ol style="list-style-type: none">1. had actively looked for paid work in the past four weeks; or2. were on temporary lay-off and expected to return to their job; or3. had definite arrangements to start a new job in four weeks or less.
Non-Employer Businesses	Some establishments do not employ any individuals and in some cases employment estimates are indeterminate. Non-employers are in effect owner operated and the owners do not pay wages or salaries to themselves as an employee of the company. Even though some establishments do not maintain employee payrolls, they may have work forces, which may consist of contracted workers, part-time employees, family members or business owners.
Unemployment rate	The unemployment rate for a particular group (age, sex, marital status, geographic area, etc.) is the unemployed in that group, expressed as a percentage of the labour force in that group.

Glossary Sources: Statistics Canada, US Department of Commerce

How did we do?

CKWPB is committed to ongoing research to enhance local labour market planning in the Chatham-Kent region. We invite your feedback on all publications produced by the Chatham-Kent Workforce Planning Board.

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