



Report: PDL-CPL-20-10

Region of Waterloo
Planning, Development and Legislative Services
Community Planning

To: Chair Sean Strickland and Members of Council

Date: April 14, 2020

File Code: D15-02(A)

Subject: 2019 Waterloo Region Labour Force Report

Recommendation:

For information

Summary:

The 2019 Waterloo Region Labour Force Report provides recent information about the local labour force, including longer term trends and details on specific industry sectors. Overall, the figures indicate economic conditions in Waterloo Region are amongst the strongest in the country. The 2019 Waterloo Region Labour Force Report is attached.

Report:

Labour force information is important for understanding the local economy. The attached report is used specifically for:

- Employment and Income Support (Community Services) for employment program planning, and to support the Ontario Works Service Plan,
- Community Planning (Planning, Development and Legislative Services) for employment monitoring and forecasting by sector, and monitoring the impact of growth and trends on land and infrastructure needs, and to support the Regional Official Plan, Development Charges By-Law, and development activity reporting,
- Economic Development (Planning, Development and Legislative Services) to characterize the size of the local labour pool by sector and occupation, to identify sector trends, and to support communications and marketing material for Waterloo Region, and

- Strategic Planning (CAO's Office), Finance (Corporate Services) and other departments for understanding and for characterizing the local labour market in support of the Region's financial credit rating.

Local Labour Force

The Kitchener-Cambridge-Waterloo (KCW) CMA has one of the strongest labour markets in Canada. It ranks second in the country for highest employment rate, which rose to 67.3 per cent in 2019. The current unemployment rate of 5.3 per cent is only slightly higher than the lowest reported in the region (5.1%) in the last 19 years, and is tied for the twelfth lowest in Canada. The KCW CMA has seven sectors with employment over 20,000 people, illustrating its diversified economy. Benefits of such a strong, diverse economy include having more people working and earning income which generally leads to a higher standard of living.

Employment has increased by 9,900 people from 2018. The labour force is continuing to grow and participation and employment rates have remained consistently higher than those of Ontario and Canada. While the KCW CMA has a strong labour market, the high youth unemployment rate, number of part-time jobs, and the growing number of older adults in the labour force are three trends that are important to continue to monitor.

Other key characteristics of the local 2019 labour force include:

- Employment in the KCW CMA was 302,100, and the employment rate was 67.3 per cent, approximately 6 and 5 per cent higher than Ontario and Canada respectively;
- The current unemployment rate of 5.3 per cent is only slightly higher than the previous rate of 5.1 per cent which was the lowest reported in the last nineteen years;
- The youth unemployment rate for 2019 decreased from 11.1 to 10.6 per cent. While the gap between the youth unemployment rate and the total unemployment rate is narrowing, the youth unemployment rate remains higher than the unemployment rate of the overall working age population.
- Employment continues to increase for older workers. The number of those employed between the age of 55 and 64 and the number of those employed over the age of 65 has more than doubled since 2001;
- The KCW CMA ranked first amongst local comparator CMAs such as London, Guelph and Barrie for participation and employment rates;
- Almost all employment growth (97 per cent) in 2019 was in part-time employment;
- Net employment increase in 2019 was led by men. Male employment gains totalled 10,100 while employment among women decreased by 400 over the same time period;

- The total 'working age population' in 2019 was 448,700. Most of the recent growth has come from people who are not in the labour force. These people are typically students, retired or not seeking employment;
- The services-producing sector grew while the goods-producing sector experienced a decrease in employment in 2019;
- Manufacturing remains the largest industry in the KCW CMA in 2019, however total employment in manufacturing decreased by 6.4 per cent;
- Sales and services occupations is the largest occupation class in the KCW CMA with 22.9 per cent of total employment. This class also experienced the most growth of any occupation, with an additional 19,200 people since 2001.

The 2019 Waterloo Region Labour Force Report

The 2019 Waterloo Region Labour Force Report (attached) is a comprehensive report on the labour force in the Kitchener-Cambridge-Waterloo Census Metropolitan Area (KCW CMA), and describes trends in local employment, including the size of the total labour force, the number of people employed and unemployed, rates (employment, unemployment, participation), and employment by sector and occupation.

The KCW CMA includes Kitchener, Cambridge, Waterloo, Woolwich and North Dumfries. The 2019 labour force data is based on 2011 Census boundaries therefore Wilmot and Wellesley Townships are not included.

Data in this report is acquired from Statistics Canada's Labour Force Survey (LFS). It is based on annualized data for the full year, with the exception of one section that describes 2019 monthly labour force rate trends.

Industry data presented in this report is based on a standard industry classification system. While it is possible to use Labour Force data to measure employment and identify trends in standard industries such as manufacturing, other commonly referenced industries such as the creative sector and high tech generally fall within a variety of sector classifications.

Corporate Strategic Plan:

Tracking and reporting employment activity contributes to Strategic Focus Area 1: Thriving Economy.

Financial Implications:

Nil.

Other Department Consultations/Concurrence:

Employment and Income Services (Community Services) and Strategic Planning (CAO's Office) were consulted on the writing of this report.

Attachment:

Attachment 1 - 2019 Waterloo Region Labour Force Report

Prepared By: **Tristan Wilkin**, Planning Data Analyst

Approved By: **Rod Regier**, Commissioner, Planning, Development and Legislative Services



Region of Waterloo

2019 Labour Force Report

**Labour Force Characteristics
of the Kitchener-Cambridge-Waterloo
Census Metropolitan Area**

**Prepared By:
Planning Research and Analytics
Planning, Development and Legislative Services
Region of Waterloo**

This report describes the labour market for the Kitchener-Cambridge-Waterloo Census Metropolitan Area (KCW CMA) which includes Kitchener, Cambridge, Waterloo, Woolwich and North Dumfries¹. The analysis is informed by the 2019 Labour Force Survey (LFS) published by Statistics Canada. Unless otherwise specified, data shown is based on annualized numbers, covering the period from December 2018 to December 2019.

Employment growth was strong in 2019, as described in the following bullets:

- There were more people added to the employed labour force during 2019 than in any single year since 2011.
- The unemployment rate remained low at 5.3 percent, creeping up just 0.2 percentage points
- There was an increase in employment among young people
- The greatest increases in employment occurred in construction and in the transportation and warehousing industry
- The labour force is continuing to grow with an increase of 3.4 percent in 2019
- Participation and employment rates have remained consistently higher than those of Ontario and Canada.

While most indicators point to a strong economy, there were a few areas in which the labour data deserve attention:

- Most employment growth was in part-time employment. While some workers may appreciate part-time work, it is generally a sign of more precarious employment than full-time.
- There was a decrease in employment in the manufacturing sector of 3,500 jobs. This is the first decrease in manufacturing jobs in the past five years.
- Most employment growth was led by males whereas female employment remained flat

Labour market indicators point to a strong labour market in 2019

From December 2018 to December 2019 the KCW CMA employment increased by 9,900 jobs or 3.4 percent to end the year with a total employed labour force of 302,100 people. It was the single greatest annual employment gain since 2011 when post-recession employment increased by 12,400. The gain in 2019 was primarily the result of

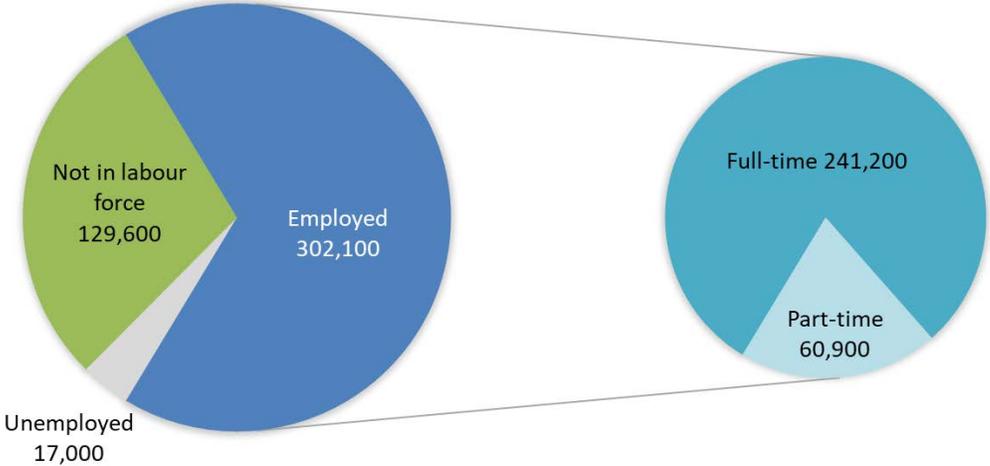
¹ The 2019 Labour Force data is still based on the 2011 Census geography of the KCW CMA which included the three cities of Kitchener, Cambridge and Waterloo and the townships of Woolwich and North Dumfries. Labour force survey data for the township of Wilmot is expected to be included in the release of 2020 Labour Force data due to the inclusion of Wilmot subsequent to the 2016 Census. Wellesley is not currently included in the CMA.

gains in part-time employment (+9,600). Total employment growth occurred at a faster pace than the previous year (1.5%) according to annualized data gathered from the Labour Force Survey of Canada.

The working age population (those aged 15 years and over) of the KCW CMA was estimated to be 448,700 in 2019. Of this total, 71.1 per cent or 319,100 people are considered to be participating in the labour force (see Figure 1). These are people who were either working or indicated they were looking for work. Within the labour force, 302,100 people were employed, translating to an employment rate of 67.3 per cent. Of employed individuals, 80 percent were working full-time, a proportion that is slightly less than Ontario and Canada overall where 81 per cent of people were employed full-time. The other 17,000 people in the labour force were unemployed, which translates to an unemployment rate of 5.3 per cent.

The rest of the working age population, an estimated 129,600 people, were not in the labour force, typically because they were students, retired, or not seeking employment. Those not seeking employment may have been on an unpaid leave of absence, permanently unable to work, or had not looked for work in at least four weeks (see Appendix B for a glossary of Labour Force Survey terms used in this report).

Figure 1: The working age population in 2019



Employment and labour force participation were strong in the KCW CMA in 2019. Both participation and employment rates were higher in the KCW CMA compared to Ontario and Canada, as shown in Table 1. The area also had an unemployment rate below

provincial and national rates. Compared to other CMAs² across the country, KCW had the second highest employment rate and was tied for the twelfth lowest unemployment rate.

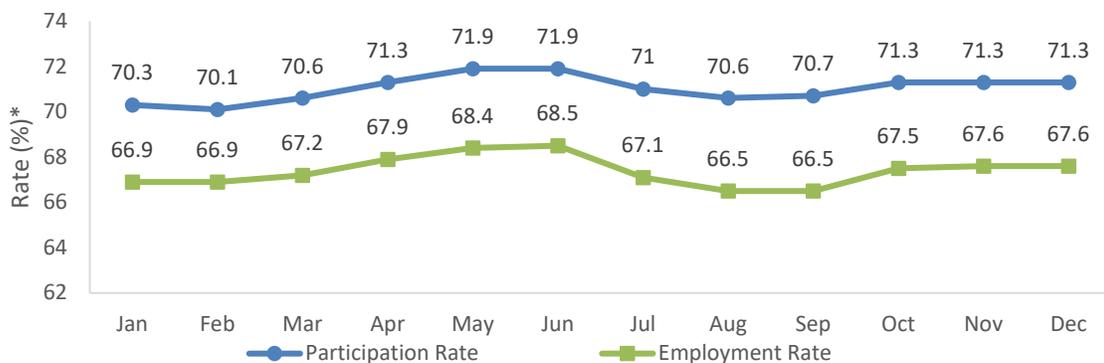
Table 1: Labour force rates (%), 2019

Measure	Kitchener-Cambridge-Waterloo CMA	Ontario	Canada
Participation rate	71.1	65.1	65.7
Employment rate	67.3	61.4	62.0
Unemployment rate	5.3	5.6	5.7

Monthly labour force rates fluctuate but stabilize by the end of 2019

Both participation and employment rates followed similar monthly trends from January to December of 2019. Between February and June rates increased before steadily declining during the third quarter of the year (see Figure 2).³ In the last quarter of 2019, both the participation and employment rate stabilized. The participation rate ended the year at 71.3 percent which was slightly above where it began in 2019. Similarly, the employment rate ended the year slightly above the January 2018 rate at 67.6 percent.

Figure 2: Monthly employment and participation rates, 2019



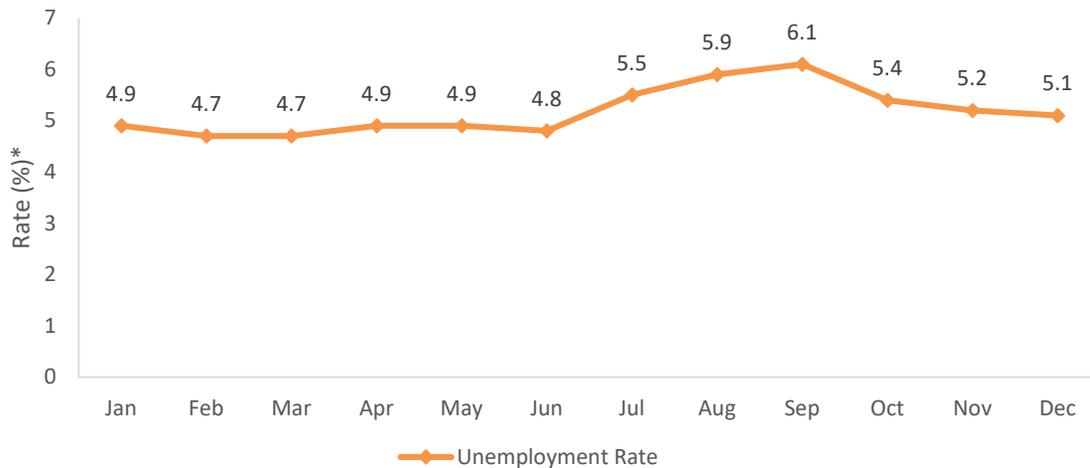
*Note: Vertical axis begins at 63 per cent

² There are 35 Census Metropolitan Areas (CMAs) in Canada.

³ The monthly rates in this report are seasonally adjusted, meaning that fluctuations related to changes due to holidays, climate, and seasonal retail cycles are removed.

Monthly unemployment rates were fairly stable until the third quarter of 2019 where rates increased from 4.8 percent in June to a high of 6.1 per cent in September. Rates then decreased in the last quarter ending the year at 5.1 percent.

Figure 3: Monthly unemployment rates, 2019



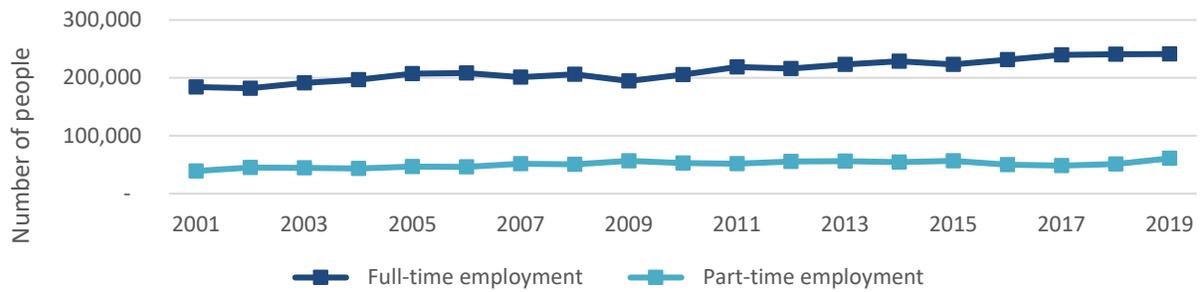
Figures 2 and 3 reflect Labour Force Survey 2019 monthly estimates, seasonally adjusted.

Employment growth in 2019 was primarily part-time

In 2019 almost all net employment gains came in the form of part-time employment. While 9,900 net jobs were added to the employed labour force, there were 9,600 that were part-time employment. This is the second year that net part-time employment growth surpassed full-time employment growth. In 2018 employment grew by 4,400 jobs, and part-time employment grew by 3,100. Growth has occurred in service related industries including construction which grew by 3,100 jobs in 2019, as well as ‘transportation and warehousing’ and ‘wholesale and retail trade’ which added another 3,700 jobs combined.

The gains in part-time employment may be the result of a number of factors. The number of international students has increased significantly in the last few years. Visas for these students allow them to work part-time up to 25 hours a week. Also, the growing gig economy has also resulted in more part-time employment. Thirdly, some employees work on a project basis for one or more companies at a time. In some sectors, such as the technology sector, employees may have a preference for part-time work. Whether by preference or circumstance both employees and employers are operating in an economy in which part-time employment is more prevalent.

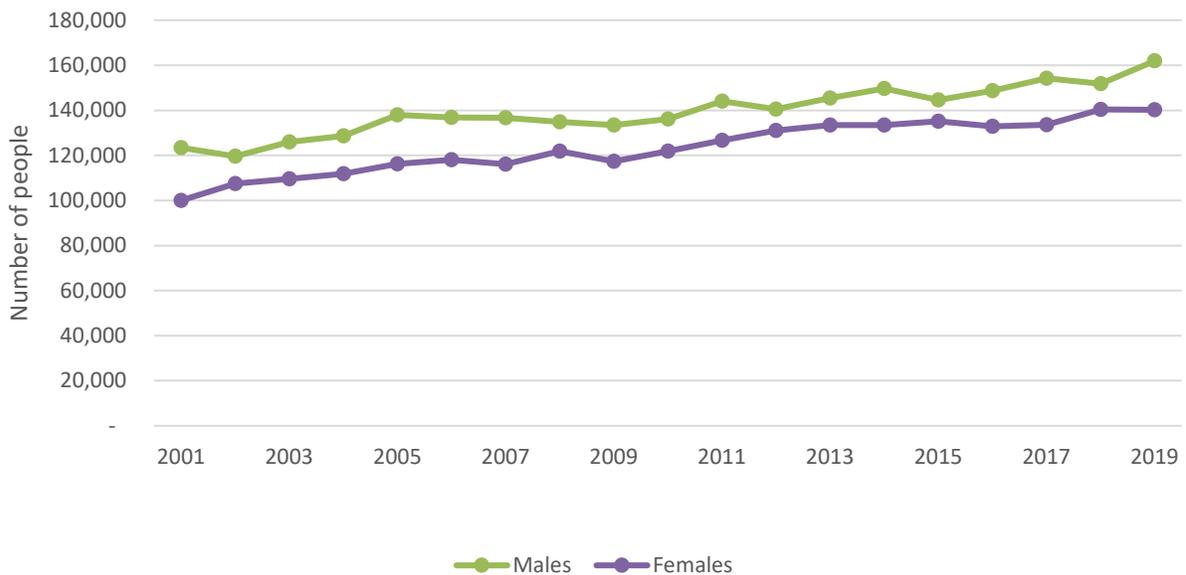
Figure 4: Full-time and part-time employment, 2001-2019



Net employment increase in 2019 was led by men

From December 2018 to December 2019, employment increased for men and remained relatively stable for women. Male employment gains totalled 10,100 (6.6%) over the year, driven by gains in part-time work. Employment among women decreased by 400 jobs (-0.3%) over the same time period.

Figure 4: Employment for males and females, 2001-2019

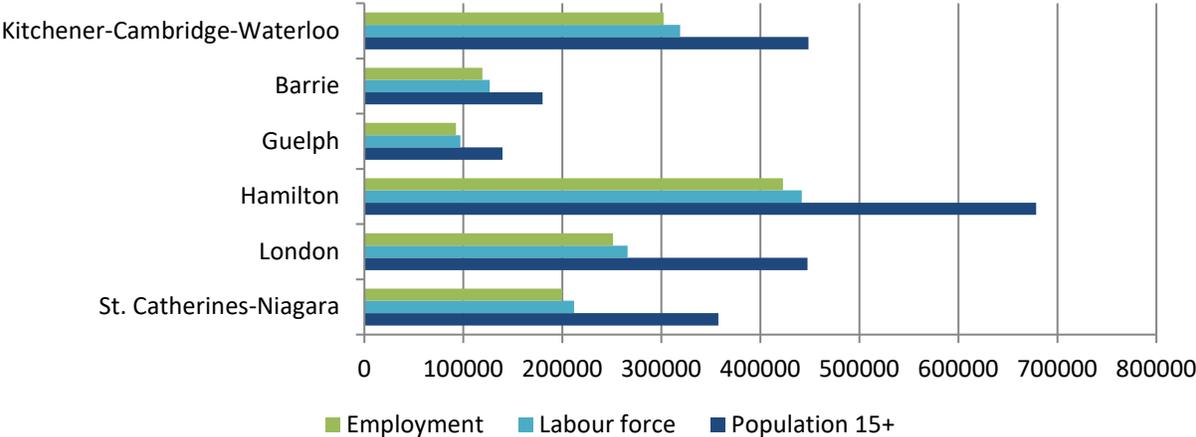


The KCW CMA continues to have a strong labour force among comparator CMAs in Ontario

The KCW CMA was strong in 2019 compared to other CMA labour forces. The KCW CMA had the second largest labour force and employed population next to the Hamilton CMA, as shown in Figure 5 (see Appendix B for information on CMA geographies). The

KCW CMA is most comparable to London’s by size of the working age population, but has a larger labour force and more employed people.

Figure 5: Labour Force for comparator CMAs in Ontario, 2019



The KCW CMA ranks high in employment indicators among comparator Ontario CMAs. As shown in Table 2, the KCW CMA was first in participation and employment rates. The KCW CMA’s unemployment rate of 5.3 percent also compared well to the other CMAs, and was the third lowest after Guelph and Hamilton.

Table 2: Labour force rates for comparator CMAs in Ontario, 2019

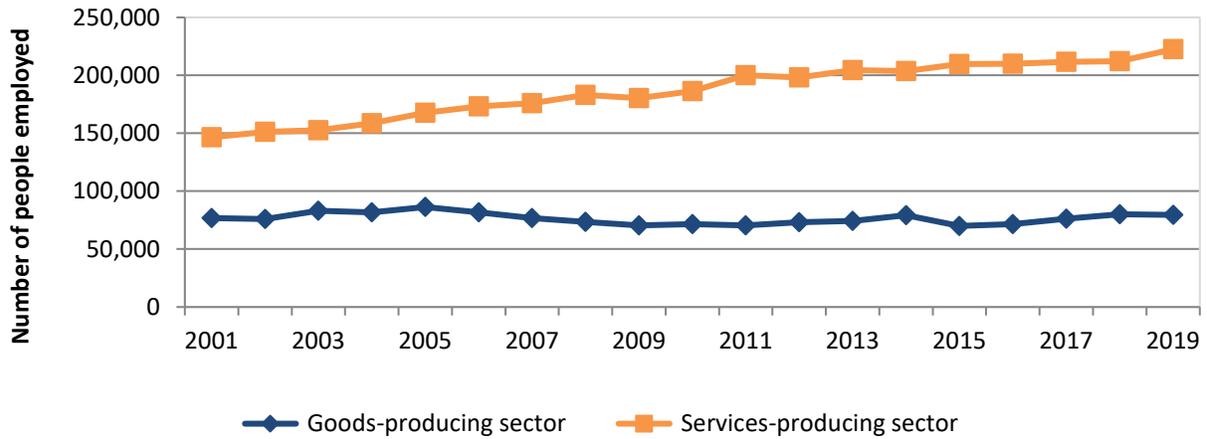
Measure	Kitchener-Cambridge-Waterloo	Barrie	Guelph	Hamilton	London	St. Catherines-Niagara
Participation rate	71.1	70.3	69.7	65.0	59.4	59.3
Employment rate	67.3	66.2	66.5	61.9	56.1	55.8
Unemployment rate	5.3	5.9	4.6	4.9	5.5	5.8

The following section highlights the changes and diversity of the KCW CMA labour market across industrial sectors in 2019.

Services producing sector grows while the goods producing sector experiences first decrease in four years

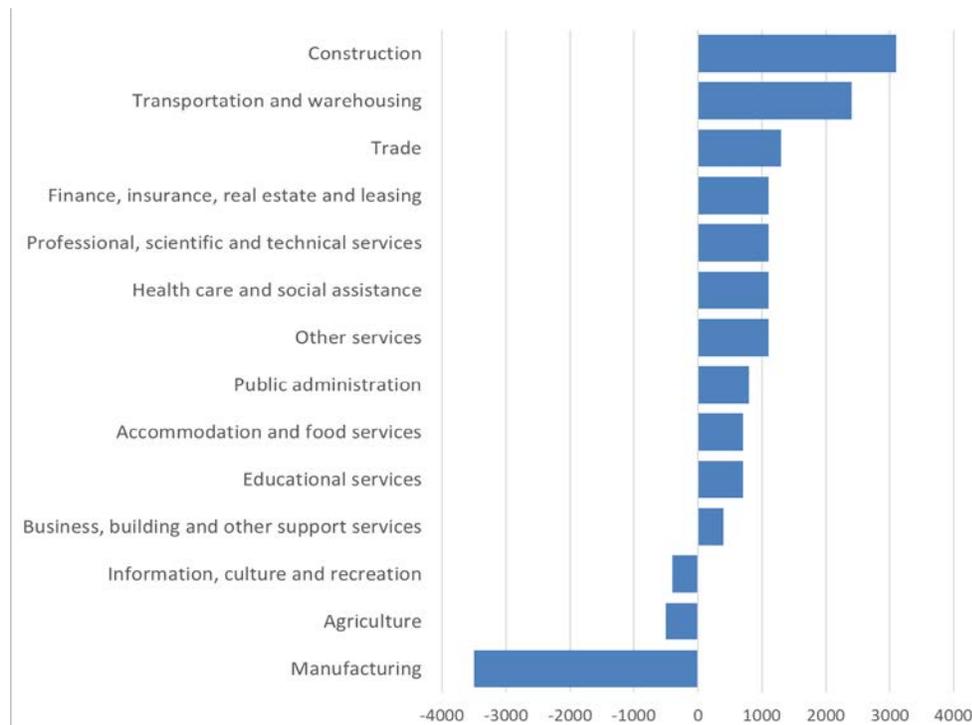
In a reversal of a recent trend, the goods producing sector lost employment in 2019. For the first time in four years, employment in goods producing industries decreased, finishing 2019 with 400 fewer jobs than the previous year (Figure 6).

Figure 6: Goods producing and Services producing sector employment, 2001 - 2019



The majority of employment loss in the goods producing sector came from the manufacturing industry which lost 3,500 jobs. These losses were counter balanced by gains in construction employment (+3,100) which kept the overall loss of the goods producing sector to 400 jobs. Meanwhile the services producing sector added 10,300 jobs in 2019 which is more than the preceding four years of employment growth in this category combined. Transportation and warehousing added the most service producing jobs with 2,400 followed by wholesale and retail trade which added 1,300. Health care and social assistance, professional, scientific and technical services, finance, insurance, real estate and leasing and other services added 1,100 jobs each (see Figure 7).

Figure 7: Employment gains and losses by industry, 2019



The service-producing sector made up almost three quarters of employment or approximately 222,500 jobs in 2019. The sector consists of 11 industries, the largest of which is wholesale and retail trade. Of all service sector industries, five employed 20,000 or more people (see Table 3) in 2019, indicating a diverse economy.

Four industries made up just about half of all employment in the KCW CMA labour force in 2019. These four industries were manufacturing, wholesale and retail trade, healthcare and social assistance, and professional, scientific and technical services. The other half of employment was spread out over 10 industries.

Table 3: Employment and Percentage Share by Industry, 2019

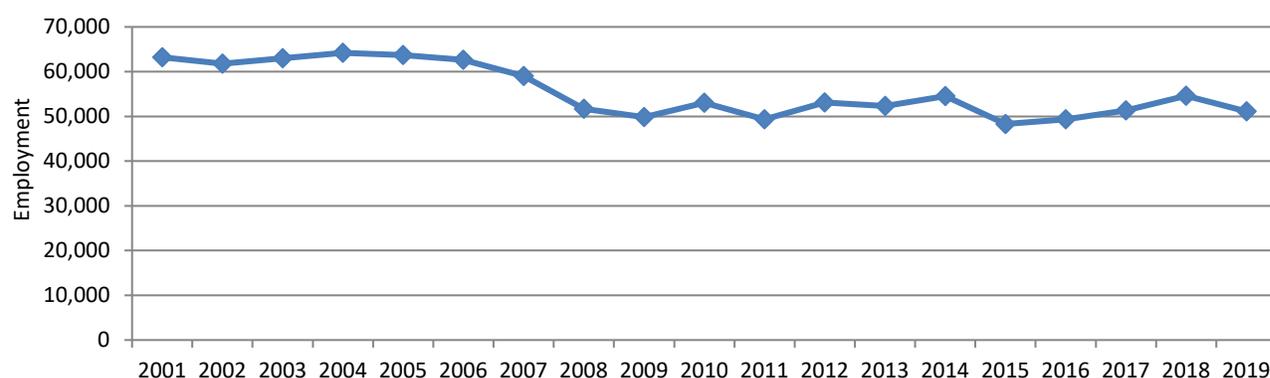
Industry	2019	Share
Goods producing sector	79,600	26%
Agriculture	2,700	0.9%
Construction	24,300	8.1%
Manufacturing	51,100	16.9%
Services producing sector	222,500	74%
Accommodation and food services	17,500	5.8%
Business, building and other support services	11,000	3.7%
Educational services	24,800	8.3%
Finance, insurance, real estate, rental and leasing	23,800	7.9%
Health care and social assistance	29,600	9.8%
Information, culture and recreation	11,300	3.8%
Other services	12,000	4.0%
Professional, scientific and technical services	26,800	8.9%
Public administration	7,900	2.6%
Transportation and warehousing	15,000	5.0%
Wholesale and retail trade	42,800	14.2%

*Due to rounding methods individual industries may not sum up to sector totals

Manufacturing remains top industry for employment

Even with a decrease in employment in 2019, manufacturing remained the largest in terms of employed labour force for the KCW CMA. In 2019, there were 51,100 people employed in manufacturing, which equates to 16.9 per cent of the employed labour force. This was the first time in five years when manufacturing experienced a decrease in employment (Figure 8).

Figure 8: Manufacturing industry employment over time, 2001- 2019



KCW CMA remains strong among Canadian CMAs for manufacturing industry employment

The KCW CMA remains one of the top manufacturing labour markets in Canada. The Region’s labour force is currently the fourth largest in the country by percentage of employees in manufacturing, with approximately 16.9 per cent of the employed labour force working in this sector (see Table 5). This is a slightly smaller percentage than Guelph, but represents almost three and a half times as many workers. The number of residents working in manufacturing was estimated at 51,100 people in 2019 which is down from 54,600 in 2018.

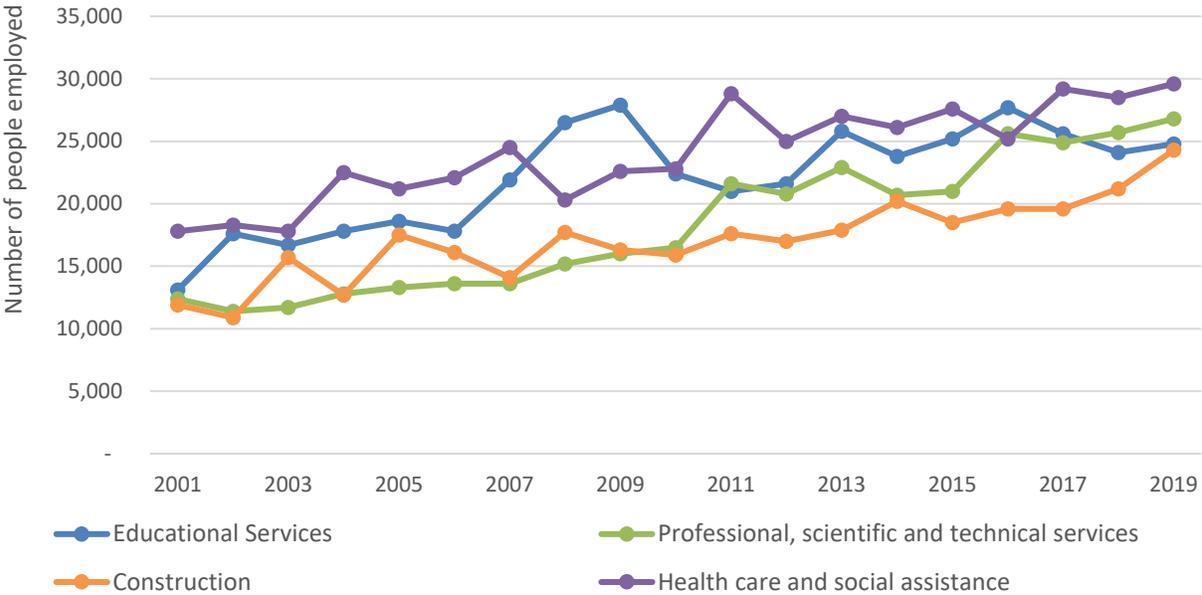
Table 4: Top 10 Canadian CMAs by proportion of manufacturing employment, 2019

CMA	Total employment	Manufacturing employment	% Share
Windsor, Ontario	170,400	36,000	21.1%
Guelph, Ontario	92,600	18,800	20.3%
Brantford, Ontario	78,700	14,700	18.7%
Kitchener-Cambridge-Waterloo, Ontario	302,100	51,100	16.9%
London, Ontario	251,200	34,300	13.7%
Sherbrooke, Quebec	112,200	15,000	13.4%
Hamilton, Ontario	422,800	50,200	11.9%
Troise-Rivières, Quebec	76,100	9,000	11.8%
Saguenay, Quebec	75,200	8,900	11.8%
Barrie, Ontario	119,200	13,300	11.2%

Greatest increases in employment over time had been service related industries but construction gains ground in 2019

Total employment growth over time (2001 to 2019) has increased significantly for four industries. The greatest growth has occurred in the professional, scientific and technical services industry which added 26,800 new jobs since 2001. The significant increase in construction employment in 2019 has moved the industry into the second place in terms of employment growth over time. Over the last nineteen years, construction employment has seen year to year variability but it ended 2019 with 24,300 jobs which was 12,400 greater than in 2001. Health care and social assistance and educational services also have experienced years of increase and decrease, but both industries have grown significantly since 2001.

Figure 9: Industries that have had the greatest employment gains since 2001



Some industry groupings such as the creative or high tech sectors often fall within a variety of classifications and cannot be measured with labour force data. For example, high tech employees may work in a variety of sub-sectors in manufacturing, information and cultural industries, or professional, scientific, and technical services.

Sales and Services make up the greatest share of employment by occupation

Occupations, which represent type of work done rather than the industry in which the job falls, are split into ten broad classes. In 2019, Sales and services occupations were the largest class in the KCW CMA with 22.9 per cent of employment, as shown in Table

5. This occupation class, combined with transport and equipment operators and related occupations business and finance and administrative occupations, and trades represent over one half of employment.

Table 5: Employment by occupation, 2019⁴

Occupation Class*	2019	% Share
Sales and service occupations	69,300	22.9%
Trades, transport and equipment operators and related occupations	47,300	15.6%
Business, finance and administrative occupations	47,200	15.6%
Natural and applied sciences and related occupations	31,200	10.3%
Occupations in education, law and social, community and government services	30,600	10.1%
Occupations in manufacturing and utilities	25,900	8.6%
Natural and applied sciences and related occupations	31,200	10.3%
Management occupations	24,700	8.2%
Health occupations	16,900	5.6%
Occupations in art, culture, recreation and sport	6,100	2.0%
Natural resources, agriculture and related production occupations**	3,100	1.0%

In 2019 natural and applied sciences and related occupations grew by 4,600 (17 percent). This was followed by business, finance and administrative occupations which grew by 3,900 (9 percent). Between 2001 and 2019, sales and service occupations followed by natural and applied sciences and related occupations experienced the greatest growth in terms of number of people employed. Over this period of time, these two occupation categories increased by 19,200 and 14,100 employees respectively (Table 6).

⁴ *Based on 2016 National Occupation Classification – Statistics (NOC)

**Note: Data for 'Natural resources, agriculture and related production occupations' in this report is subject to high fluctuation in employment numbers and periodic suppression

Table 6: Change in Employment by Occupation Category 2018 to 2019 and 2001 to 2019

Occupation	Change 2018 to 2019	% Change 2018 to 2019	Change 2001 to 2019	% Change 2001 to 2019
Management occupations	-900	-4%	6700	37%
Business, finance and administrative occupations	3900	9%	11300	31%
Natural and applied sciences and related occupations	4600	17%	14100	82%
Health occupations	600	4%	8500	101%
Occupations in education, law and social, community and government services	-400	-1%	10900	55%
Occupations in art, culture, recreation and sport	-600	-9%	200	3%
Sales and service occupations	300	0%	19200	38%
Trades, transport and equipment operators and related occupations	4300	10%	13900	42%
Natural resources, agriculture and related production occupations	-600	-16%	800	35%
Occupations in manufacturing and utilities	-1100	-4%	-6800	-21%

People employed in health occupations more than doubles from 2001 to 2019

Health occupations continue to employ a relatively small percentage of the work force compared to other occupations but it remains the occupation with the greatest percentage growth. Health occupations have increased 101 percent since 2001 starting at an employment of 8,400 in 2001 and finishing 2019 with 16,900 employees (Figure 10).

Figure 10: Employment in Health Occupations, 2001-2019



Manufacturing and utilities occupations have decreased over time

Occupations in manufacturing and utilities have decreased after two years of slight increases. In 2019 there were 25,900 people employed in manufacturing and utilities occupations compared to 27,000 in 2018. Since 2001 employment has decreased by 6,800 people (Figure 11).

Figure 11: Employment in Manufacturing and Utilities Occupations, 2001-2019



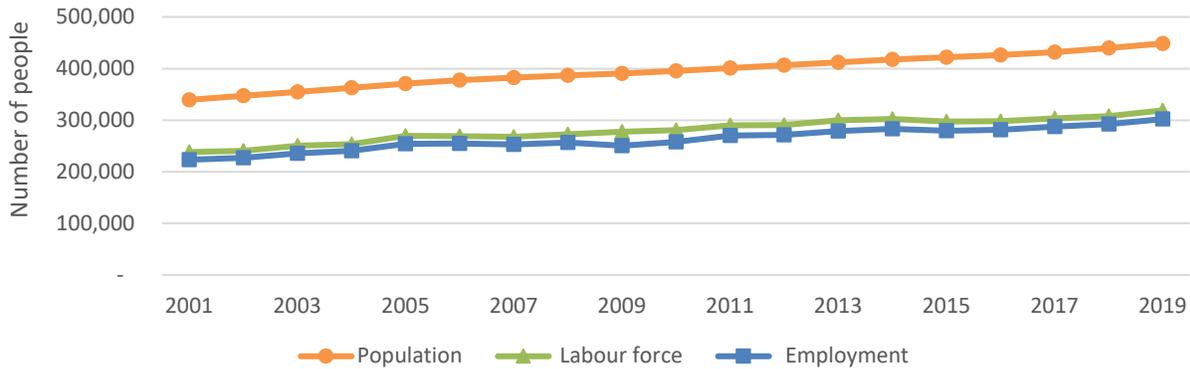
Long-term trends

The following section highlights labour and demographic trends over the period of 2001 to 2019 that are continually monitored in this report.

Working age population continues to increase faster than labour force

Since 2001, the population aged 15 years and over has grown at a faster rate than the labour force. During this period, the number of people aged 15 years and over increased from 339,300 to 448,700, an average of almost 6,100 people per year. Over the same period, the number of people in the labour force, either working or looking for work, has only grown by an average of almost 4,500 people per year to its current level of 319,100 (Figure 4). More recently, in the last 5 years, the working age population grew by 27,000 people (between 2015 and 2019 inclusive), while the labour force grew by 22,000 people.

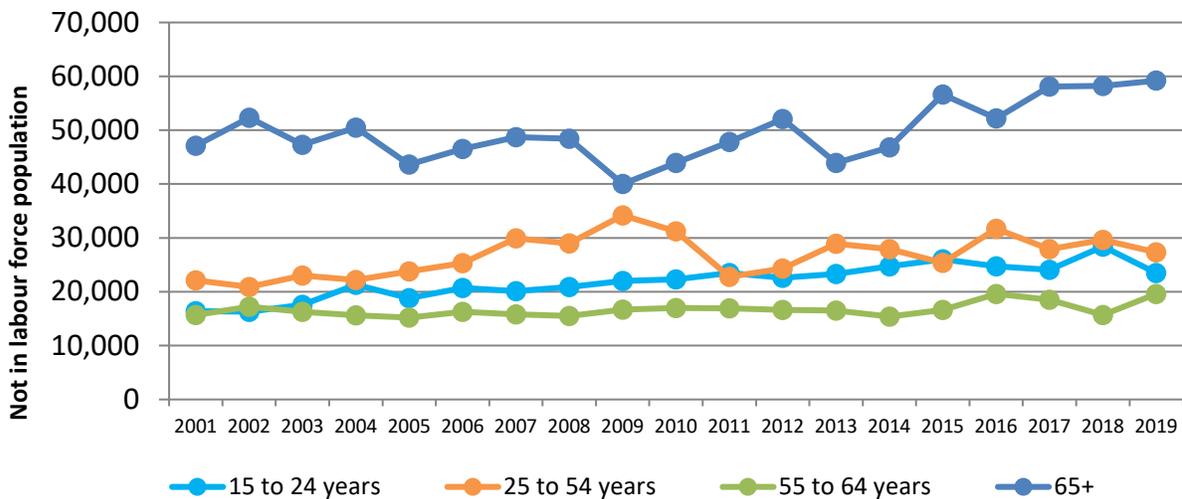
Figure 12: The working age population, labour force and employment, 2001-2019



There are several factors that contribute to a working age population increasing faster than the labour force including; an ageing workforce, increasing numbers of students who are furthering their education and postponing their entry into the workforce; and caregivers choosing not to enter the workforce.

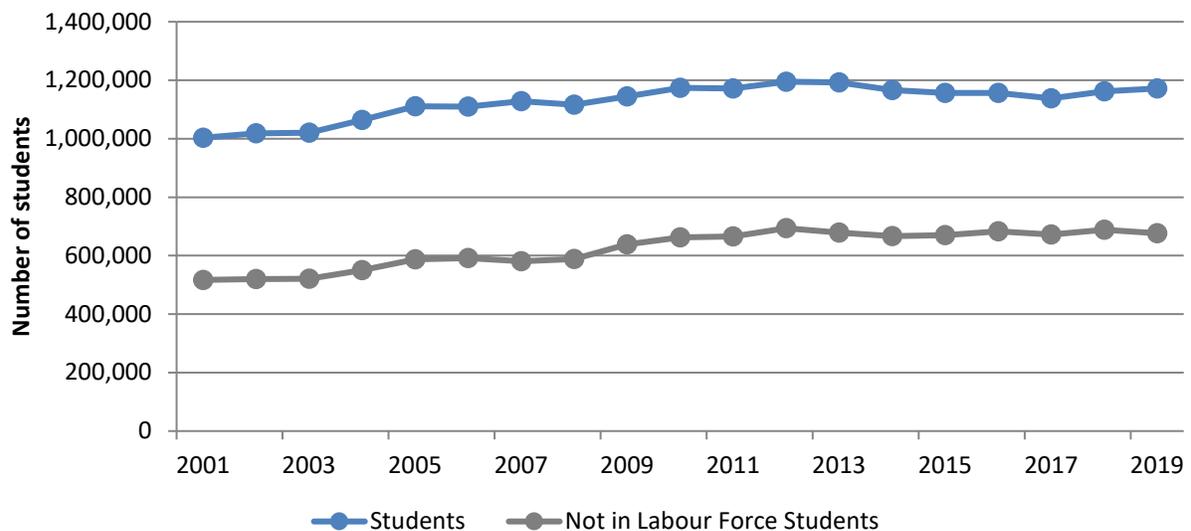
The labour force is aging. The high proportion of baby boomers retiring and leaving the workforce is expected to continue until 2030 when the youngest baby boomers reach age 65. Additionally, disability or health-related issues can impact participation in the labour force for older adults. Figure 13 shows that adults ages 65 and over make up the largest proportion of those 'not in the labour force'.

Figure 13: Not in labour force population, by age group 2001-2019



The increase in students and their trend of undertaking further education and thereby postponing their entry into the labour force also contributes to the 'not in labour force' population. Figure 14 shows for Ontario the increase in students since 2001 and the corresponding 'not in labour force' student population. The number of students in Ontario has grown by 168,300 people from 2001 to 2019. Meanwhile the 'not in the labour force' population has been growing at a proportional rate. While the data is not available for the KCW CMA specifically, we know that enrollment at the two universities and college in the Region has grown significantly, particularly in recent years, and it is expected that the 'not in the labour force' student population in the Region would behave similarly to the provincial trend.

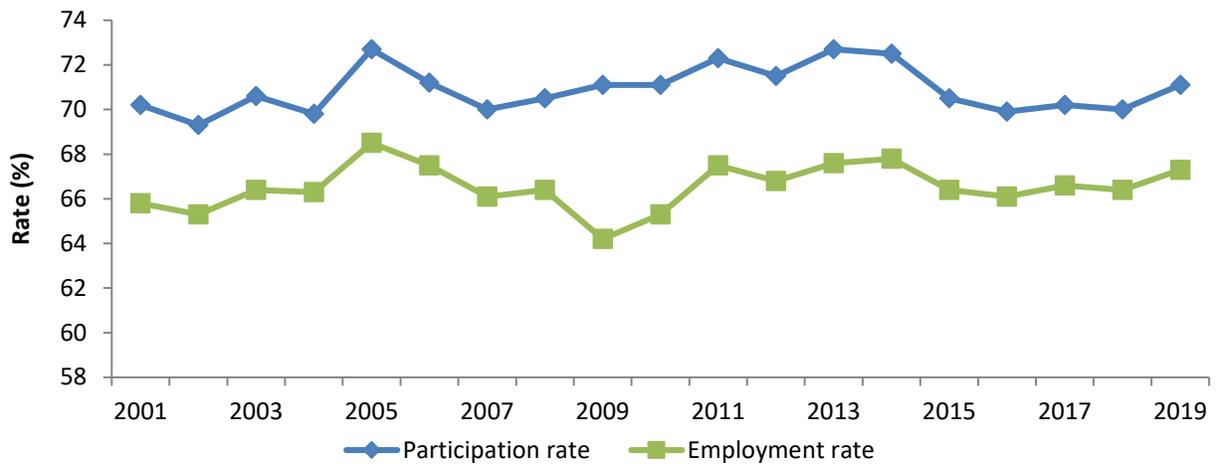
Figure 14: Student and 'Not in Labour force' student population, age 15-24 years old (Ontario), 2001-2019



Labour force rates remain stable

Participation and employment rates increased slightly in 2019 to 71.1 and 67.3 per cent respectively. These rates remain lower than the participation and employment rates reported from 2011 to 2014, as shown in Figure 15. The tapering of rates in recent years is a result of a growing number of people entering the 'not in the labour force' portion of the population, a trend that is being experienced across Ontario and Canada.

Figure 15: Labour force rates, 2001-2019

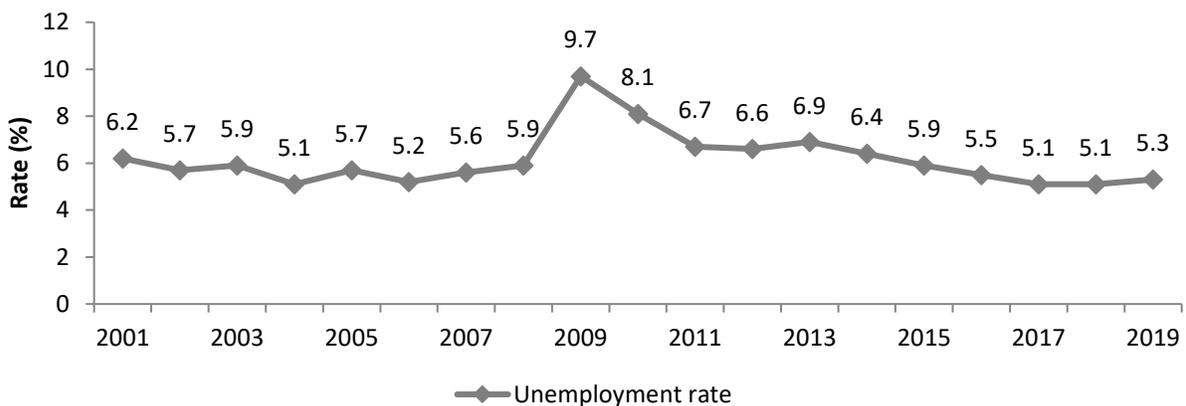


* Axis starts at 58 per cent

Unemployment rate remains stable

In 2019, the unemployment rate rose 0.2 percentage points to 5.3 percent. The rate for 2017 and 2018 of 5.1 percent was tied for the lowest rate in the past nineteen years (Figure 16). From the height of the recession, the unemployment rate dropped sharply between 2009 and 2011, before declining gradually in the subsequent eight years. In 2017, the unemployment rate declined to its lowest point of 5.1 per cent and it stayed there in 2018. The CMA’s unemployment rate has remained below provincial and national rates since 2011.

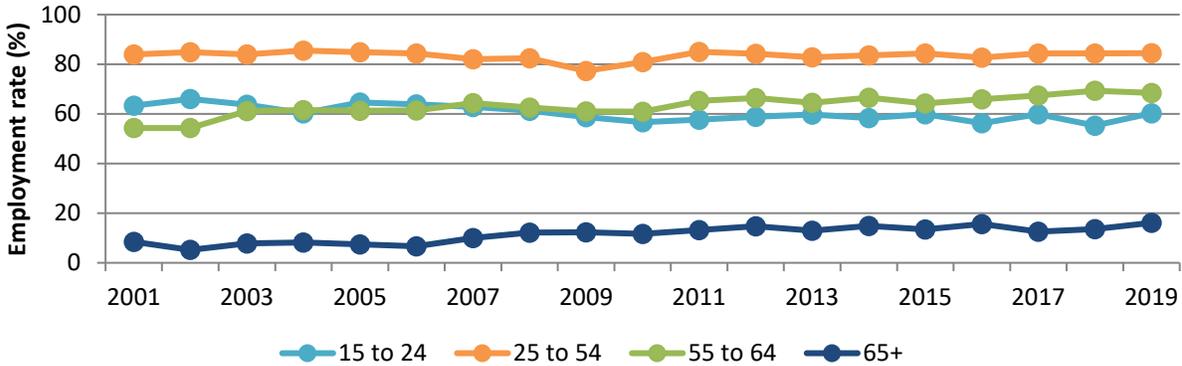
Figure 16: Unemployment rates, 2001-2019



Youth employment has trended downwards over time but shows increase in 2019

Since 2001, excluding the recession period of 2007 to 2009, employment rates for all age categories with the exception of youth (15 to 24 years) have stayed relatively stable or increased. Youth employment rates have trended downwards (Figure 17). After a decrease in 2018, youth employment increased from 55.3 to 60.2 percent in 2019. This is the highest employment rate for this age group since 2008.

Figure 17: Employment rate by age group, 2001-2019



As was the case for the KCW CMA the provincial and national rates of employment for youth age 15 to 24 also increased in 2019 (Table 7).

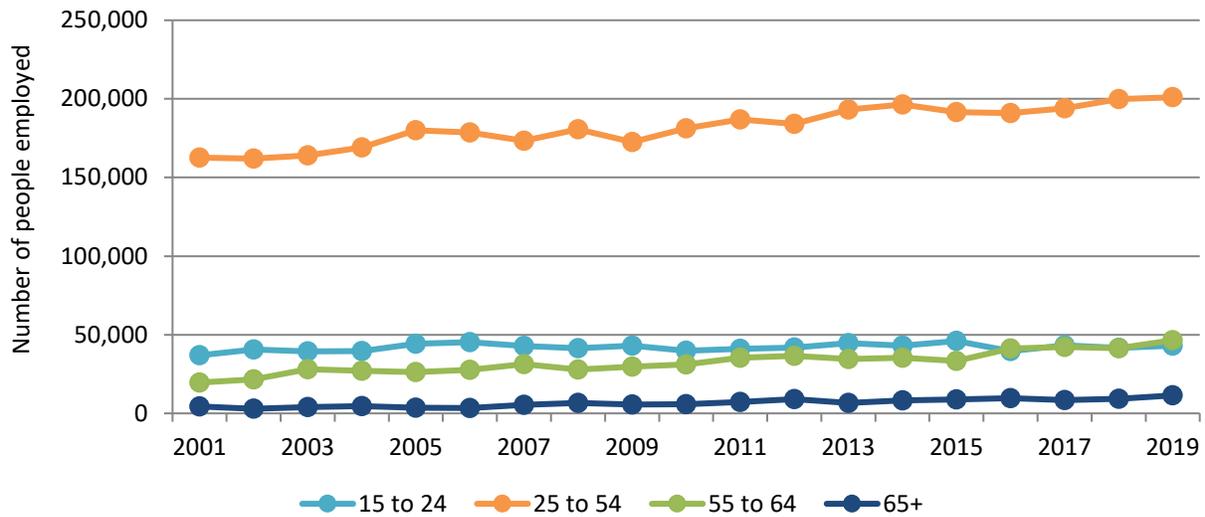
Table 7: Youth employment rates (%)

Year	Kitchener-Cambridge-Waterloo CMA	Ontario	Canada
2017	59.8	53.2	56.5
2018	55.3	53	56.3
2019	60.2	53.9	57.5

The rate for 55 to 64 year olds decreased for the first time in five years ending 2019 at 68.5 percent. Those aged 65 and over experienced an increase in their employment rate from 13.6 to 16.1 percent. The rates for those aged 25 to 54 remained virtually unchanged at 84.5 percent (up from 84.3 in 2018).

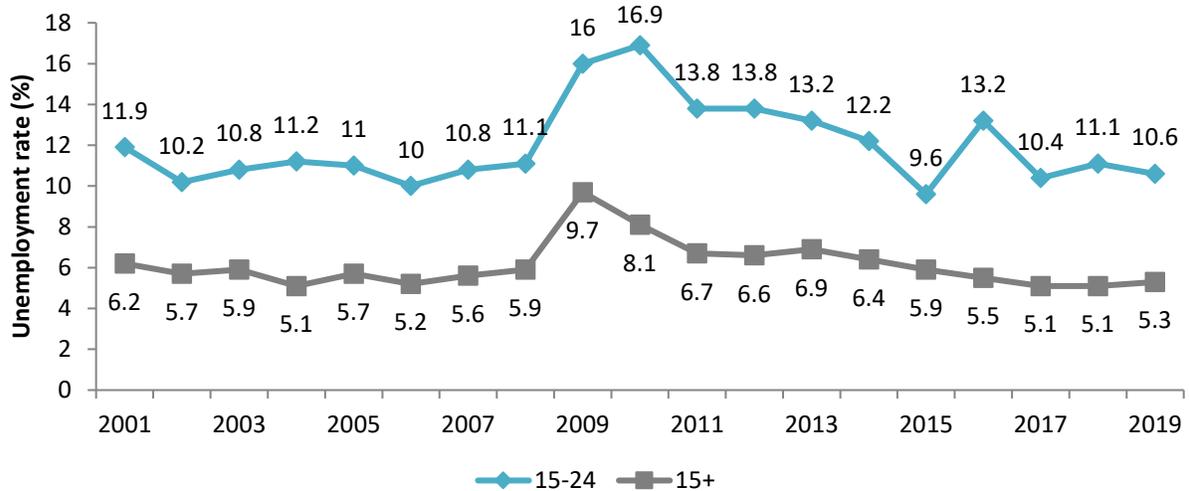
Employment levels by age show growing numbers of older workers in the labour force since 2001. However, their contribution by population to the total labour force remains small and has tapered in recent years compared to those 25 to 54 years as shown in Figure 18.

Figure 18: Employment by age group, 2001-2019



The existing gap between youth and overall unemployment rates had been narrowing in recent years when in 2015 it reached its closest level to the overall unemployment (a difference of 3.7 percentage points), as shown in Figure 19. Prior to the recession, this gap ranged between 4 and 6 per cent annually. For example, in 2008 the unemployment rate for youth was 11.1 per cent whereas the overall unemployment rate was 5.9 per cent, a gap of 5.2 per cent. The largest gap of 8.8 per cent occurred during the recession in 2010 when youth unemployment was 16.9 per cent and overall unemployment was 8.1 per cent. The largest gap of 8.8 per cent occurred during the recession in 2010 when youth unemployment was 16.9 per cent and overall unemployment was 8.1 per cent.

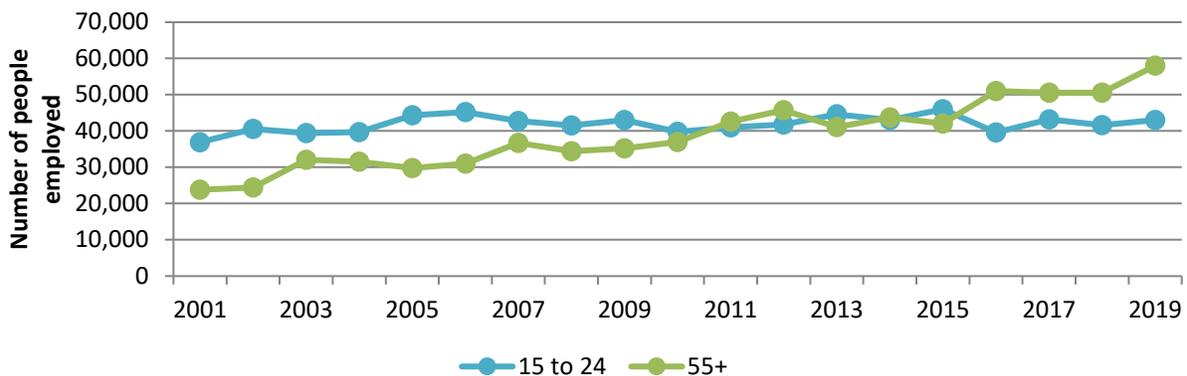
Figure 19: Youth unemployment, 2001-2019



Employment continues to increase older workers

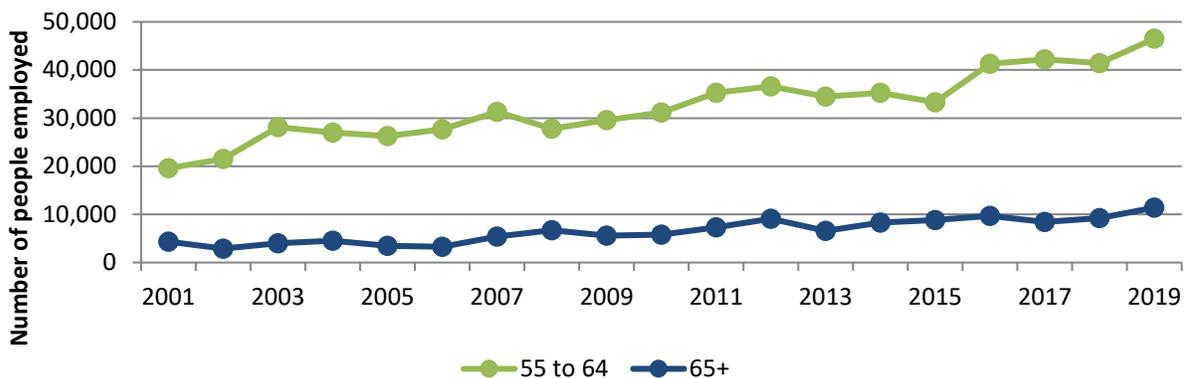
Between 2001 and 2019, older worker employment numbers have grown steadily and for the fourth consecutive year have exceeded youth employment numbers (Figure 20). From 2005 to 2011, youth and older worker employment numbers began to converge. In 2011, employed individuals aged 55 and over outnumbered those aged 15 to 24 for the first time since 2011 by 1,600 people. For the next few years (2012 to 2015) the age group with the highest employment numbers varied, however since 2016 older adults have outnumbered 15 to 24 year olds in terms of employment.

Figure 20: Youth and older worker employment, 2001-2019



More people in the KCW CMA are working past the age of 55. The number of workers in the 55 to 64 years old and 65 and over age categories have more than doubled since 2001 (Figure 21). In the last year, the number of workers aged 55 to 64 decreased slightly by 800 people, while the number of workers aged 65 and over increased by 5,100 people. The overarching trend from 2001 to 2019 continues to indicate a local labour force with growing numbers of older workers. As these workers retire they will move into the “not in the labour force” segment of the working age population.

Figure 21: Employment for those 55 and older, 2001-2019



APPENDIX A

About the Labour Force Survey

Sources – Statistics Canada 2019, Labour Force Survey by Census Metropolitan Area (Annualized); Labour Force Survey by Census Metropolitan Area (Monthly), unadjusted for seasonality.

Sample Size - The Statistics Canada Labour Force Survey (LFS) is a nation-wide employment survey producing data on employment, industry and occupation characteristics of the population. The survey uses a sample size of approximately 56,000 private households, or 100,000 people across Canada.

Geography - Data from the Labour Force Survey is available at the provincial and Census Metropolitan Area (CMA) geography levels according to 2011 census boundaries. The 2011 Kitchener-Cambridge-Waterloo CMA consists of the cities of Kitchener, Cambridge and Waterloo, as well as the townships of North Dumfries and Woolwich.

Population - Labour force estimates presented in this report are for the working age population 15 years and over. At year-end 2019, the LFS estimated population for those aged 15 and over in the KCW CMA was 448,700.

Time Period - Data presented in this report is annualized, based on unadjusted monthly totals averaged over 12 months. Data in this report may be discussed in single years or blocks of time dating back to 2001.

Quality – Data presented in this report is based on annual averages of labour force estimates, and employment by industry and occupation. Response to the LFS is mandatory however Statistics Canada estimates non-response to average 10 per cent of eligible households. Beginning in 2015, all LFS estimates back to 2001 were adjusted to reflect 2011 Census boundaries and population counts.

Significance – Statistical significance of the annualized estimates presented in this report can be calculated using standard errors (SE) derived from published [Statistics Canada Coefficients of Variation for Canadian provinces](#). For estimates (i.e. employment, unemployment, not in the labour force) to be statistically significant at a 95 per cent confidence level the growth or decline from the previous year must be twice the calculated SE. Note that all year to year change reported in this document is not considered to be statistically significant and these results should not be interpreted with concern. More meaningful change is that which occurs over a longer period of time.

APPENDIX B

Glossary Terms

Average Annual Growth – refers to annual growth rates averaged over 19 year period from 2001 to 2019.

Census Metropolitan Area—“is formed by one or more adjacent municipalities centred on a population centre (known as the core).” While the Kitchener-Cambridge-Waterloo Census Metropolitan Area (CMA) excludes Wellesley and Wilmot Townships, other CMAs include additional cities, townships, and towns. For example, the Hamilton CMA also includes the City of Burlington and the Town of Grimsby.

Employment rate – “the number of persons employed expressed as a percentage of the population 15 years of age and over.”

Industry (based on 2012 North American Industry Classification System) – “refers to the general nature of the business carried out by the employer for whom the respondent works (main job only).”

Not in Labour Force - “the number of persons who, during the reference week, were unwilling or unable to offer or supply labour services under conditions existing in their labour markets (this includes persons who were full-time students currently attending school).

Occupation (based on 2016 National Occupation Classification – Statistics) – “refers to the kind of work persons 15 years of age and over were doing during the reference week, as determined by the kind of work reported and the description of the most important duties of the job.”

Participation rate – “the number of labour force participants [comprised of those who are employed or unemployed] expressed as a percentage of the population 15 years of age and over.”

Unemployment rate – “the number of unemployed persons expressed as a percentage of the labour force.”