



## Niagara Workforce Planning Board - 2012 Board Members and Staff

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## Our MISSION

To lead in the creation of innovative labour market solutions by bringing people together.

## Our VISION

A diverse and talented labour force contributing to a vibrant economy.



Niagara Workforce Planning Board

Our Vision is Working

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Niagara Workforce Planning Board recognizes potential limitations of report content and is committed to ongoing research to enhance local labour market planning in Niagara.

*The views expressed in this document do not necessarily reflect those of Employment Ontario.*

Our Vision is Working

## PREFACE

With the publication of this report the Niagara Workforce Planning Board (NWPB) wants to raise awareness of how the St. Catharines-Niagara Census Metropolitan Area (CMA)<sup>1</sup> has performed in comparison to other communities across Canada. NWPB continues to engage our local community in a positive conversation to address workforce trends, opportunities and planning that is needed to affect meaningful change in Niagara's labour market. If the recent recession has taught us anything it is that Niagara, like many communities across Canada, are subject to global forces. However, as this report shows, labour markets in most regions in Canada have responded better than the St. Catharines-Niagara CMA. Therefore, by benchmarking Niagara to other CMAs it will help us learn from other communities' experiences and help us make evidence-based decisions on the actions required to improve our local economy and labour market.

In the *Integrated Local Labour Market Plan (ILLMP), A Vision in Action, 2009-2013* one of the actions NWPB committed to was benchmarking Niagara's competitive advantage to comparable communities. NWPB has already written a number of related reports on Niagara's workforce, but none to date have sought to compare Niagara's labour market and economy to other communities across Canada. A 24 month, two-phase approach was proposed with the completion of the first phase being the release of this report. The second phase calls for NWPB to integrate traditional and innovative benchmark indicators by collaborating with partners from economic development, education and community stakeholders.

Many actions in the ILLMP have touched on research needs internal to Niagara including: *Niagara 3D: Dynamics, Diversity and Density*, three economic policy briefs written in collaboration with the *Niagara Community Observatory*, and *Examining Niagara's Labour Force Through the Creative Class Lens*, a report that applied Richard Florida's *Creative Class*<sup>2</sup> model to Niagara. *Benchmarking Niagara* should be viewed as the culmination to this foundation of research that the Niagara Workforce Planning Board has conducted over the years.

There is a history of industrial productivity, dependable infrastructure and a capable workforce in this region. In addition, Niagara has many positive strategic assets such as a good quality of life, a productive agricultural sector, a nation leading tourism economy, with access to major North American markets. However, the workforce data objectively shows that Niagara has not kept pace with many other regions in Canada during the economic recovery. It is imperative that we learn from other regions in order to define the direction of the changing local economy and aid in managing the transition to the workforce of the future. If we are to be successful it will require a significant and sustained collaborative partnership in order to enact the structural changes that are needed. Benchmarking Niagara against other communities will allow for a clearer perspective on what our strengths and weakness are, a way to learn from similar communities on what they have done to be successful, and to provide a gateway for introducing information, ideas and innovation.

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[1] The St. Catharines-Niagara CMA differs from the region of Niagara; the CMA does not include the municipalities of Grimsby and West Lincoln. The final benchmarking tool needs to take these data into account.

[2] Richard Florida, *The Rise of the Creative Class*, Basic Books, 2002.

## INTRODUCTION

The mandate of the Niagara Workforce Planning Board (NWPB) includes providing local labour market information to community stakeholders and partners in the Niagara region. In the *Integrated Local Labour Market Plan* NWPB was asked by participants to begin a process that would see Niagara benchmarked against at least five other communities across the country. *Benchmarking Niagara* is the answer to this call and will integrate other relevant data sets and methodologies as they become available in order to improve the Niagara's ability to make informed and educated decisions. It is NWPB's intention to treat this benchmarking report as a living document that will continue to inform readers by remaining relevant and up-to-date.

To undertake a thorough and comparative analysis it was necessary to use a common data-set amongst all comparable communities. The annual *Labour Force Survey* conducted by Statistics Canada enabled NWPB to analyze and benchmark numerous aspects of Niagara's economy and workforce to 34 other Census Metropolitan Areas across Canada over a fourteen year time-period from 1996 to 2010.<sup>3</sup> Although other data sets may provide different measures of workforce and economic development they may not be available for all 35 CMAs. By basing this report on the national *Labour Force Survey* NWPB can ensure the validity and accuracy of the findings.

It is the desire of NWPB that other organizations and community stakeholders across Niagara will use the *Benchmarking Niagara* report and take into consideration its message, data, and research in to their strategic planning. This report is just the first step of a process to create a robust and comprehensive benchmarking tool. NWPB asks that those involved in various aspects of community life in Niagara contemplate the data in report as stakeholders and organizations are involved with various engagement processes to make a better Niagara.

## METHODOLOGY

It is the aim of this report to provide a clear and concise assessment of how the St. Catharines-Niagara CMA<sup>4</sup> compares to other CMAs across Canada. As noted above, in order to provide an accurate comparison of the various facets of Niagara's labour market and economy it was critical to use a common measure across all data sets. For this reason the *Benchmarking Niagara* report was based on Statistics Canada's *Labour Force Survey* (LFS) annualized data sets. This enabled NWPB to benchmark the St. Catharines-Niagara CMA consistently against the other 34 CMAs across Canada rather than using available census division data sets that would have only enabled a comparison to other areas within Ontario. In contrast to the pre-recession 2006 census the LFS data is current as of 2010 so Niagara's performance over the past decade and a half can be compared and contrasted to significant changes across all communities.

When benchmarking the various components of the St. Catharines-Niagara CMA's labour market and economy against other communities it was important to get as fair a comparison as possible. For example, it does not make sense to consistently compare the size of the local labour force to say, Toronto or Montreal, but rather to find ways to examine Niagara's statistics in relation to similarly sized communities across Canada. Readers should note, however, that the same CMAs are not used in all the tables, but rather the CMAs with the closest comparable data have been chosen. This will allow the St. Catharines-Niagara CMA to be compared to the most similar communities for that particular data set and provide a better understanding of how Niagara is performing.

Also, by using the *LFS* rather than Ontario specific data sets, information for CMAs across Canada were available improving both the accuracy of the analysis and increasing the opportunities for how information can be applied to planning potential solutions to workforce related issues that are specific to Niagara.

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[3] Unless stated otherwise, any reference to 'Niagara' is in reference to the CMA of St. Catharines-Niagara and not the region or census division of Niagara.

[4] The St. Catharines-Niagara CMA differs from the region of Niagara; the CMA does not include the municipalities of Grimsby and West Lincoln. Statistics Canada defines a CMA as an area consisting of one or more adjacent municipalities situated around a major urban core. To form a census metropolitan area, the urban core must have a population of at least 100,000. To form a census agglomeration, the urban core must have a population of at least 10,000.

## JUST THE FACTS...

When NWPB first began looking at how the St. Catharines-Niagara CMA compared to other communities across the country it was unclear just how Niagara would fare. However, it quickly came into focus after reviewing various *Labour Force Survey* data sets that the St. Catharines-Niagara CMA was not performing as well as many other communities across Canada over the past fourteen years.

### Census Metropolitan Area by Population in Thousands<sup>5</sup>

CMA	1996	2010	Growth	Rank
Victoria	251.9	297.8	18.2%	19
Halifax	271.3	334.3	23.2%	14
St. Catharines - Niagara <sup>6</sup>	300.8	337.7	12.3%	29
Kitchener-Cambridge-Waterloo	305.1	402.4	31.9%	7
London	340.6	407.8	19.7%	17
Canada	22,959.5	27,658.5	20.5%	-

Statistics Canada, *Labour Force Survey*, CMA Population, 1996-2010

In 1996 the population in Niagara was just over 300,000 and had witnessed growth of 12.3% by 2010. In comparison, Niagara had the slowest population growth out of four comparable CMAs based on 1996 population sizes. Nationally, Canada's population grew, on average, by 20.5% and growth amongst the 35 surveyed CMAs was 21.5%. For example, Calgary witnessed the largest percentage growth of 56.0% or almost four and a half times the growth that was witnessed locally. This table demonstrates that the St. Catharines-Niagara CMA had the seventh slowest population growth in Canada.<sup>7</sup>

Regina, for example, had a similar population growth of 12.8%, compared to Niagara's 12.3%, growing from a population of 105,300 to 124,800. However, of the seventeen CMAs that had populations over 200,000 in 1996 the St. Catharines-Niagara CMA ranked last. These seventeen larger CMAs had an average population growth of 25.9%.<sup>8</sup> Niagara's growth was less than half the average of the larger CMAs. Although there are numerous factors that should be taken into consideration that influence population growth, the fact remains that the St. Catharines-Niagara CMA is consistently in the bottom quarter of CMAs in terms of population growth over the period of this analysis. This suggests that there may be issues or factors that support a correlation between limited population growth and what appears to be limited labour force growth. However, further inquiry is needed to gain a better understanding of how this affects Niagara and support an appropriate response.

In 1996 the St. Catharines-Niagara CMA had a labour force of 186,000 that grew by 14.2% to 212,500 by 2010.<sup>9</sup> Although the addition of 26,500 jobs appears considerable, in reality the St. Catharines-Niagara CMA experienced the sixth weakest labour force growth out of 35 CMAs nationwide.

[5] The *Labour Force Survey* is based on a population of 15 years and over.

[6] To place this in perspective, the Niagara census division's entire population was 403,500 compared to the St. Catharines-Niagara CMA population of 15 years and over of 300,800. This discrepancy should be kept in mind when understanding labour force and economic changes.

[7] Statistics Canada, *Labour Force Survey*, CMA Population, 1996-2010.

[8] Ibid

[9] Statistics Canada, *Labour Force Survey*, CMA Labour Force, 1996-2010. The surveyed labour force is a combination of employed workers who have a job or business and those who are unemployed, but are currently looking for work.

### Census Metropolitan Area by Labour Force in Thousands

CMA	1996	2010	Growth	Rank
Victoria	156.1	194.9	24.9%	17
Halifax	182.6	236.0	29.2%	15
St. Catharines - Niagara	186.0	212.5	14.2%	30
Kitchener-Cambridge-Waterloo	215.6	286.6	32.9%	12
London	225.6	268.1	18.8%	24
Canada	14,848.5	18,525.1	24.8%	-

Statistics Canada, *Labour Force Survey*, CMA Labour Force, 1996-2010.

When compared to its peer areas with similar sized labour forces in 1996 the St. Catharines-Niagara CMA experienced the weakest labour force growth, in comparison the CMA of Kitchener-Cambridge-Waterloo grew by 32.9%. It is important to note that the CMA of Kitchener-Cambridge-Waterloo also exceeded the National average of 24.8%. The success of the area is well known and would be difficult to replicate, but it does represent what the growth of a healthy labour force can achieve. In terms of both absolute and percentage growth the St. Catharines-Niagara CMA has not kept pace with the rest of the country. The poor performance of the St. Catharines-Niagara CMA over the past fourteen years is evidence of limited growth and points to potential gaps that may exist in our local economy. Since the St. Catharines-Niagara CMA has not experienced comparable growth to the rest of the country this warrants future examination and analysis to determine the causes of the local labour market's poor growth. It has been argued that urban areas are like an economic system "...beset by booms and busts. Any set of local policies must take this into account."<sup>10</sup> The St. Catharines-Niagara CMA has been greatly affected by larger economic changes, but has not been able achieve comparable local growth like many regions across the country. This reality is something that local leaders and community stakeholders need to take into consideration.

### Census Metropolitan Area by Labour Force Participation Rate

CMA	1996	2010	% Change	Rank
Victoria	62%	65.4%	5.5%	26
Halifax	67.3%	70.6%	4.9%	11
St. Catharines - Niagara	61.8%	62.9%	1.8%	28
Kitchener-Cambridge-Waterloo	70.7%	71.2%	0.7%	10
London	66.2%	65.7%	-0.8%	24
Canada	64.7%	67.0%	3.6%	-

Statistics Canada, *Labour Force Survey*, CMA Participation Rates, 1996-2010.

The participation rate is the ratio between the labour force and the overall size of the population. This is a key component to understanding economic growth and productivity. A lower participation rate is typically indicative of a poor performing economy.<sup>11</sup> When the participations rates for 2010 of the 35 CMAs across Canada are compared the St. Catharines-Niagara CMA ranks twenty-eighth out of thirty-five. Canada's strongest labour market is held by Calgary, with a participation rate of 74.6%.<sup>12</sup> When Niagara is compared to similar CMAs it is the worst performing area.

[10] Richard Schragger, The University of Chicago Law Review, "Rethinking the theory and practice of Local Economic Development", Vol. 77, No. 1 (Winter 2010), pp 311-339.

[11] OECD, Glossary of Statistical Terms: Participation Rate, <<http://stats.oecd.org/glossary/detail.asp?ID=2008>>.

[12] Statistics Canada, *Labour Force Survey*, CMA Population, 1996-2010. Noted to provide the range.

### Census Metropolitan Area by Labour Force Employment Rate

CMA	1996	2010	% Change	Rank
Victoria	56.6%	61.6%	8.8%	21
Halifax	61.8%	66.1%	7.0%	10
St. Catharines - Niagara	56.2%	57.0%	1.4%	30
Kitchener-Cambridge-Waterloo	64.8%	65.5%	1.1%	11
London	66.2%	65.7%	-0.8%	26
Canada	58.5%	57.0%	1.4%	-

Statistics Canada, *Labour Force Survey*, CMA Employment Rates, 1996-2010.

In conjunction with the participation rate it is important to compare it with the employment rate of the labour force as well. This will enable a better understanding of the activity of our workforce. A high employment rate indicates that a greater proportion of the employable workforce is employed. Whereas a lower employment rate indicates more workers are unemployed, but actively looking for work. This generally indicates that there is a potential labour market issue that is affecting the local economy. When NWPB compared the St. Catharines-Niagara 2010 employment rate to other communities it was found that the local employment rate of 57% was within the fifth quintile<sup>13</sup> of all CMAs. A high employment rate does not depend on a large population or labour force. For example, Halifax has smaller population and labour market than Niagara, but has a higher participation and employment rate. This suggests that the low employment rate of the Niagara economy is an indication of its consistent poor performance in comparison to the rest of the country. Over the past fourteen years employment rates for the St. Catharines-Niagara CMA have experienced little change with an increase of only 1.4% placing the CMA into the second-lowest quintile of percentage change. In comparison, the Brantford CMA had the greatest change out of 35 CMAs with growth of 16.4%. It must be noted, however, that Brantford far exceeded the national average between from 1996 to 2010 of 1.4%.<sup>14</sup> What is interesting is that in 1996 the Brantford and St. Catharines-Niagara CMAs had comparable employment rates of 54.1% and 56.2%, respectively.<sup>15</sup> This results in the growth of the St. Catharines-Niagara CMA appearing quite lackluster. However, this suggests that further research is required in order to gain a better understanding regarding the factors that have played a role in the Niagara area’s lagging performance.

The comparative analysis of the four major workforce indicators: population, labour force, participation rates, and employment rates have all provided a measure regarding the performance of the St. Catharines-Niagara CMA economy. One conclusion that could be drawn, based upon the presented evidence, is one of a stagnant local economy.<sup>16</sup> Over the course of the past fourteen years Niagara’s population and labour force growth were both in the bottom quintiles of Canada’s 35 surveyed CMAs with very little improvement of participation and employment rates. Although there has been some growth, it has been limited, and it has not kept pace with the rest of the country. The St. Catharines-Niagara CMA has had a perpetually low employment rate that has averaged 58% over fourteen years. When we consider areas such as Brantford that have a significantly smaller labour force, or Montreal with a significantly larger labour force, both were able to achieve increases in their employment rates of 16.3% and 9.3%, respectively.<sup>17</sup> The St. Catharines-Niagara CMA achieved growth of only 1.4%. This suggests underlying issues regardless of the size of CMA that may be affecting the ability of the local labour market to grow with the rest of the country. Therefore to gain a better understanding of the St. Catharines-Niagara economy the next section investigates its underpinnings including the industrial components that make up our local economy.

[13] A statistical value of a data set that represents 20% of a given population.

[14] Statistics Canada, *Labour Force Survey*, CMA Employment in Industry, 1996-2010.

[15] Ibid

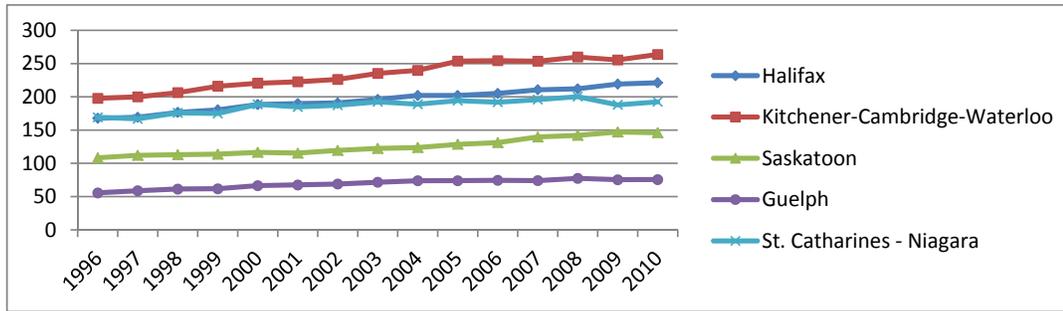
[16] Economic stagnation is a prolonged period of slow economic growth. Under some definitions, “slow” means significantly slower than potential growth or growth that is less than 2-3% per year is a sign of stagnation.

[17] Ibid

# EMPLOYMENT SECTORS

Between 1996 and 2010 total employment in the St. Catharines-Niagara CMA saw a modest increase as seen in the chart below:

## Total Employment in Select CMAs (Thousands)

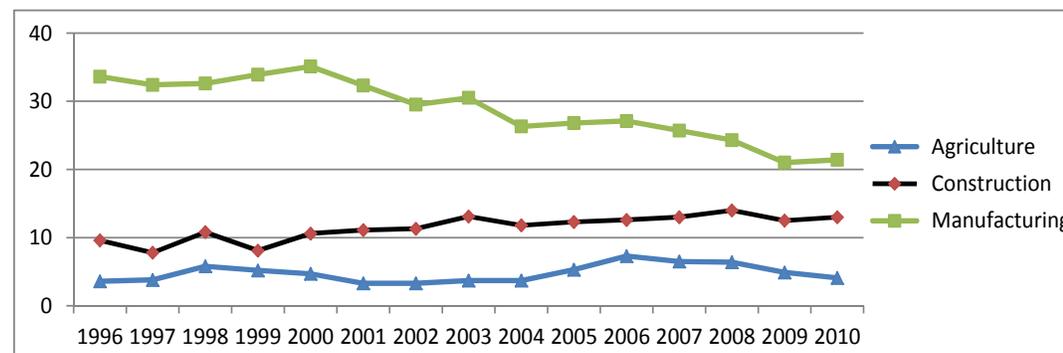


Statistics Canada, *Labour Force Survey*, CMA Employment Rates, 1996-2010.

However, once this modest growth is compared to CMAs with similarly sized employed labour forces in 1996 it becomes quite apparent that the St. Catharines-Niagara CMA underperformed. All other compared CMAs experienced growth from 1996 to 2010 in excess of 30%, however, the St. Catharines-Niagara CMA grew by less than half at a rate of 13.8%. In fact the average growth in employment across Canada's 35 CMAs was 28.6%, yet again this placed the St. Catharines-Niagara CMA's growth firmly within the bottom quintile. This raises the question: what is it about Niagara that has resulted in such tepid growth? It is a fundamental question that continues to emerge across the data suggesting a more in-depth comparative analysis of Niagara's industrial composition to other CMAs across the country.

During the fourteen year time period from 1996 to 2010 in which the St. Catharines-Niagara CMA experienced overall employment growth of 13.8% the area lost a net total 7,500 jobs<sup>18</sup> in the goods-producing sector. Manufacturing comprises a large portion of the employment in the goods-producing sector witnessed a contraction that equated to the loss of over 12,000 jobs.<sup>19</sup> As the chart of the goods producing sector below indicates the construction industry was the only part of the sector that witnessed growth.<sup>20</sup> When compared to other areas the St. Catharines-Niagara CMA had the second largest decline in the goods-producing sector. As the table below indicates the St. Catharines-Niagara CMA has been one of the hardest hit regions in terms of percentage change in the country.

## St. Catharines-Niagara: Total Employed in Goods-Producing Sector; in Thousands, 1996-2010



Statistics Canada, *Labour Force Survey*, CMA Total Employed, 1996-2010.

[18] The Statistics Canada *Labour Force Survey* uses full-time equivalents to ascertain the number of jobs or workers within a given industry.

[19] Statistics Canada, *Labour Force Survey*, CMA Employment in Industry, 1996-2010. It should be noted that in 2010 over half of those employed in the goods producing sector worked in manufacturing.

[20] As the benchmarking work proceeds it will be important to review the change in the types of jobs and classifications within each of the goods producing sectors (and the service sector), especially related to skills and qualifications needed for employees and employers to be successful. It may also be useful to develop a deeper understanding by analyzing changes in vital statistics, demographics, hours worked and income-related issues.

When St. Catharines-Niagara CMA is compared to other CMAs only Thunder Bay with a goods-producing sector decline of 36.6% was hit harder than our local economy. On average the 35 surveyed CMAs attained 20.9% growth in the goods-producing sector and nationally growth was 6.5%.

### Census Metropolitan Area by Goods-Producing Sector Employment

CMA	1996	2010	% Change	Rank
Thunder Bay	13,400	8,500	-36.6%	35
St. Catharines - Niagara	48,700	41,200	-15.4%	34
Windsor	45,600	39,800	-12.7%	33
Greater Sudbury	18,800	16,800	-10.6%	32
Guelph	17,900	17,000	-5.0%	31
Canada	3,797,200	4,044,300	6.5%	-

Statistics Canada, Labour Force Survey, CMA Total Employed, 1996-2010.

Overall the goods-producing sector witnessed growth, but the manufacturing sector is a different story. On average the national labour force employed in manufacturing declined by 9.7% and nowhere has the decline of been felt harder than in CMAs such as Oshawa and St. Catharines-Niagara. When NWPB compare CMAs that had similar sized workforces in the manufacturing industry in 1996 and how they fared over the course of the next fourteen years only the CMAs in the western provinces, Edmonton and Calgary, witnessed significant growth.

### Census Metropolitan Area by Manufacturing Industry Employment

CMA	1996	2010	% Change	Rank
London	30,800	29,100	-5.5%	18
St. Catharines - Niagara	33,600	21,400	-36.3%	33
Windsor	35,200	29,600	-15.9%	27
Edmonton	36,800	39,600	7.6%	12
Calgary	38,500	46,800	21.6%	4
Canada	2,071,500	1,870,900	-9.7%	-

Statistics Canada, Labour Force Survey, CMA Total Employed, 1996-2010.

The St. Catharines-Niagara CMA witnessed one of the largest percentage declines in manufacturing across Canada between 1996 and 2010. This should not be surprising considering the diminished role that the automotive sector now plays in the local economy. However, this does pose a challenge as Niagara continues to deal with a major labour market adjustment. The contraction of the manufacturing industry may also help explain the perennially low local employment rates and above average unemployment rates. As over ten thousand jobs have been lost in the manufacturing it is important to understand where new jobs have been generated in the service sector component of the economy and the effect this has on these workers moving into jobs in the service economy.

The service sector in the St. Catharines-Niagara CMA has followed the national trend and experienced double digit growth. In the same time-period that the goods-producing sector witnessed a decline of 15.4% the local service sector grew by 25.5% albeit a slower rate than the national average of 37.8%.

## Census Metropolitan Area by Service Sector Employment

CMA	1996	2010	% Change	Rank
Windsor	93,700	108,800	16.1%	31
Ottawa-Gatineau, Quebec part	108,500	150,800	39.0%	13
St. Catharines - Niagara	120,500	151,200	25.5%	24
Victoria	123,600	162,400	31.4%	19
Kitchener-Cambridge-Waterloo	129,600	191,500	47.8%	6
Canada	10,549,500	13,955,800	32.3%	-

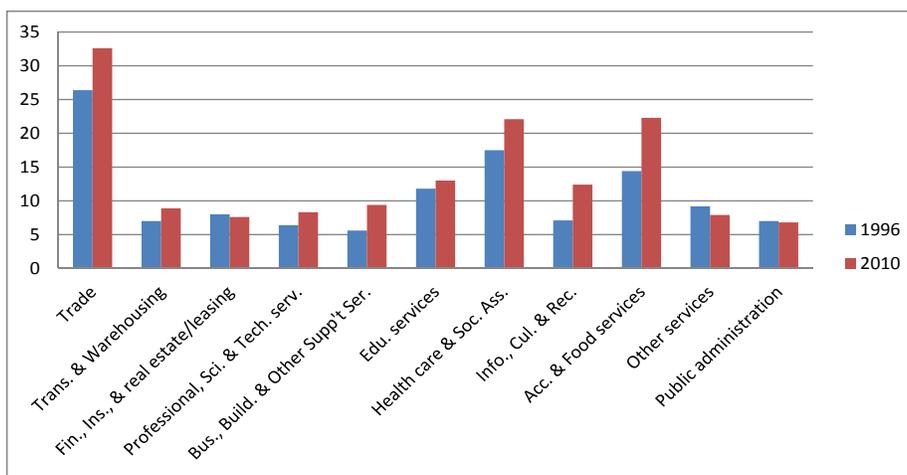
Statistics Canada, *Labour Force Survey*, CMA Total Employed, 1996-2010.

If we compare our local service sector in 1996 to other comparably sized sectors we see that St. Catharines-Niagara was comparable to other CMAs, such as Victoria and Kitchener-Cambridge-Waterloo. By 2010, however, these two CMAs witnessed greater growth with Kitchener-Cambridge-Waterloo experiencing almost double the growth of their service sector than our local service sector.

This supports the argument that the CMA of St. Catharines-Niagara is not performing as well as other CMAs across Canada. It could be argued that we have a potential handicap because of the decline of the manufacturing sector. As the economy has transitioned from one based on goods-producing industries to one based on service sector industries this raises the question of where we have experienced new job growth.

When NWPB did a more in-depth look at the different areas that comprised the local service sector economy and the changes that have occurred between 1996 and 2010 the first observation is an almost across the board increase in the number of workers employed. However, the most defining feature were the absolute gains in employment in the trade<sup>21</sup> and the accommodation and food services industries. These two industries combined accounted for 14,100 jobs created in the service sector, or 45.6% of all service jobs. Although most are already aware that Niagara, like many economies in North America, has transitioned from manufacturing to service based economies, the trade sector (wholesale and retail) is now the leading service-sector industry followed by the Accommodation and Food Services industry in the St. Catharines-Niagara CMA. Both of these areas are strongly tied to the tourism sector, which appears to be playing an ever increasingly important role in the local economy.

### St. Catharines-Niagara CMA Service Sector Industries, 1996 and 2010



Statistics Canada, *Labour Force Survey*, St. Catharines-Niagara CMA Service Sector, 1996 & 2010.

[21] *The Labour Force Survey* conducted by Statistics Canada combines both wholesale and retail trade into one industry. This industry is comprised primarily by wholesalers engaged in wholesaling merchandise and providing related logistics, marketing and support services and retailers primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

When we examine the growth of service sector industries in the St. Catharines-Niagara CMA we see an overall increase in the service-based economy. However, where we are witnessing the majority of the growth should be a concern. The trade industry is by far the largest employment area and this should come as no surprise. In comparison, the average size of Canada's trade industry across Canada's 35 surveyed CMAs was 19.4% of the service sector.<sup>22</sup> The St. Catharines-Niagara CMA had a higher than average percentage at 21.6%. The 32,600 workers as of 2010 in the trade industry represent over one out of every five jobs in the service sector and approximately one out of every six jobs locally.

Between 1996 and 2010 the accommodation and food services industry experienced the largest growth of any sector in the St. Catharines-Niagara CMA and is the second largest in terms of employment. To place this into perspective, in 1996 the manufacturing industry accounted for 19.9% of all jobs in Niagara while the accommodation and food services industry was only 8.5%. By 2010, however, manufacturing represented 11.1%, or a loss of 12,200 jobs, while accommodation and food services now represents 11.6% of the economy having added 7,900 jobs.

To put the St. Catharines-Niagara CMA dependence on the food and accommodation services industry into perspective we compared the area to four other areas that had similarly sized service-based economies. By examining the respective size of accommodation and food services as both an absolute number and as a percentage of their respective economies in 1996 and 2010 this provided insight into how different the St. Catharines-Niagara CMA is from other regions.

### CMA Service Sector and Accommodation & Food Services by Employment

CMA	Service Sector		Accommodation & Food Services		Acc. & Food Services as a % of the Service Sector	
	1996	2010	1996	2010	1996	2010
Windsor	93,700	108,800	10,800	9,500	11.53%	8.73%
Ottawa-Gatineau, Quebec part	108,500	150,800	5,800	9,800	5.35%	6.50%
St. Catharines - Niagara	120,500	151,200	14,400	22,300	11.95%	14.75%
Victoria	123,600	162,400	12,400	14,000	10.03%	8.62%
Kitchener-Cambridge-Waterloo	129,600	191,500	10,800	15,800	8.33%	8.25%
Canada	10,549,500	13,955,800	933,300	1,147,800	8.8%	8.2%

Statistics Canada, *Labour Force Survey*, CMA Total Employed, 1996-2010.

In 1996, the accommodation and food services industry was larger in both absolute terms and as a percentage of the service sector than any other similarly sized economy. Over fourteen years from 1996 to 2010 the size of this industry continued to grow from employing 14,400 workers to over 22,000. No other similarly sized economy in Canada witnessed the growth of 7,900 jobs than what was added to the St. Catharines-Niagara CMA over that period of time. By 2010 the accommodation and food services industry made up almost 15% of the service sector in the area. In fact, not a single other CMA out of the 35 surveyed nationally by Statistics Canada had such a large percentage of their service sector jobs represented by the accommodation and food services industry.<sup>23</sup> The national average of accommodation and food industry was 8.2%, a difference of over 6 percentage points.

The data shows that Niagara has an overrepresentation in the accommodation and food services industry as a sector of local employment. This economic reality re-enforces many of the assumptions regarding Niagara's labour market, mainly that there are not many jobs outside of the 'tourism' industry. Trade and accommodation and food services combined represent 36.4% of the St. Catharines-Niagara CMA's service sector labour market. The direct result is that when we examine jobs classified as sales and services occupations they total 62,100 jobs or 32.3% of all occupations in the area, nearly one in three.<sup>24</sup> The preponderance of a single occupational category suggests lack of diversification of the regional economy.

[22] Statistics Canada, *Labour Force Survey*, CMA Employment in Industry, 1996-2010.

[23] Statistics Canada, *Labour Force Survey*, CMA Employment in Industry, 1996-2010.

[24] Statistics Canada, *Labour Force Survey*, CMA employment in Occupation, 1996-2010.

## CONCLUSION

Over the course of the past fourteen years the St. Catharines-Niagara CMA has witnessed limited growth in both its population and labour force. The respective 12.3% and 14.2% increases between 1996 and 2010 were both well below the national average of 20.8% and 24.8%, respectively. The absolute growth in these two broad areas coupled with annually labour force participation and employment rates that are amongst the lowest in the country suggests a systemic problem. During this 14 year time period from 1996 to 2000 manufacturing grew by 4.5% to a high number of 35,100 jobs. From there it has declined to employing 21,400 workers in 2010 for a loss of 13,700 jobs, a contraction of 39%. The new reality for Niagara, like many regions across Canada, is the emergence of the service-based economy with job growth in this sector of 30,700 jobs, an increase of 25.5%. It is argued that the shift to this new economy, by people such as Richard Florida, will employ creative class workers and usher in a new form of wealth creation. This creative class or knowledge worker would be employed across all industries, but primarily in Professional, Scientific, and Technical Services; Education, and Healthcare. This may be true for many communities, but despite current efforts this has not materialized to any great extent locally in the private sector.<sup>25</sup>

What has happened is Niagara has seen employment increase in various service sector industries, but they have been predominately within the Trade and the Accommodation and Food Services industries. The St. Catharines-Niagara CMA has not witnessed any significant growth within any other service sector industries such as finance, insurance, real estate and leasing, or these predominately creative class industries of professional, scientific and technical services. In fact NWPB has pointed out employment in trade and accommodation and food services now accounts for 36.4% of all jobs in the service sector. To put it another way the St. Catharines-Niagara CMA's economy employs 192,500 workers; 54,900 or 25.8%, of all jobs are in Trade and Accommodation and Food Service industry related occupations.

This leaves community leaders, stakeholders and economic developers with a number of questions. An important one is: who needs to participate in developing the kind of Niagara we want? The Niagara we have now has a weaker labour market than it did fourteen years ago; predicated on a shift to an economy supported by activities like shopping centers, hotels and restaurants. When the Integrated Local Labour Market Plan was first put into place four years ago many of these issues were highlighted. Last year, when the Niagara Workforce Planning Board released the Niagara 3D Report that examined a human capital model regarding our workforce, again, these issues were pointed out. But as this report has shown we now know that Niagara is not growing with the country and we are falling behind comparable CMAs. While there are individual cases to be pointed out, it is a challenge to argue that there has been overall success in developing and advancing Niagara's economy and workforce over the past 14 years.

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[25] We do need to acknowledge some infrastructure work that is currently being done locally on incubation. For example, nGen is a digital media business incubator, and Brock University's investment in a Bioscience Research Complex, which will also include research commercialization and business incubation. However, we have yet to see any significant statistical evidence that these investments are leading to jobs being created in Niagara.

## FURTHER READING

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We would also like to encourage feedback and open a dialogue that will enable the Niagara Workforce Planning Board to improve upon our work in the future. You are welcome to bring information to our attention or invite us to participate in meetings and networks.

## APPENDIX

35 Nationally Surveyed CMAs 2010: Data at a Glance	Population (in thousands)	Labour Force (in thousands)	Participation Rate (%)	Employment Rate (%)
<b>Canada</b>	<b>27,658.5</b>	<b>18525.1</b>	<b>67</b>	<b>61.6</b>
Abbotsford-Mission	141.9	97.3	68.6	63.1
Barrie	158.7	113.1	71.3	64.4
Brantford	107.1	73.8	68.9	62.9
Calgary	1014.1	756.2	74.6	69.5
Edmonton	949.4	679.2	71.5	66.7
Greater Sudbury	138.6	89.9	64.9	58.8
Guelph	112	82	73.2	67.4
Halifax	334.3	236	70.6	66.1
Hamilton	611.5	402.5	65.8	60.8
Kelowna	146.9	102.6	69.8	64.4
Kingston	130.9	82.1	62.7	58.9
Kitchener-Cambridge-Waterloo	402.4	286.6	71.2	65.5
London	407.8	268.1	65.7	60.1
Moncton	113.3	76.2	67.3	62.6
Montreal	3182.1	2138.9	67.2	61.4
Oshawa	298.2	209	70.1	63.1
Ottawa-Gatineau	1015.8	736.1	72.5	67.7
Ottawa-Gatineau, Ontario part	762.9	555.3	72.8	68
Ottawa-Gatineau, Quebec part	253	180.8	71.5	66.7
Peterborough	102	63.2	62	56.1
Quebec	628.7	431.1	68.6	65.2
Regina	173.9	124.8	71.8	68.4
Saguenay	126.4	75.6	59.8	55
Saint John, New Brunswick	105.4	69.3	65.7	60.7
Saskatoon	215.1	154.2	71.7	67.8
Sherbrooke	162.9	100.3	61.6	56.8
St. Catharines – Niagara	337.7	212.5	62.9	57
St. John's, Newfoundland & Labrador	159.4	109.3	68.6	63.3
Thunder Bay	102.7	64	62.3	58.2
Toronto	4696.8	3210.2	68.3	62.2
Trois-Rivières	123.6	72.8	58.9	53.6
Vancouver	1992	1318.5	66.2	61.2
Victoria	297.8	194.9	65.4	61.6
Windsor	268.4	168	62.6	55.4
Winnipeg	614.2	433.1	70.5	66.5





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