

Local Labour Market Plan

Waterloo Wellington Dufferin
2011 Summary Edition



Trends, Opportunities, Priorities



Workforce Planning Board
of Waterloo Wellington Dufferin

Local Labour Market Plan Highlights 2011

The last couple of years have been hard on local employment however, we are seeing employment levels increase in most of the communities within the Waterloo Wellington Dufferin planning zone with the exception of Guelph, which has seen a dramatic decline in the labour force over the past few months.



Last year's report focused on labour market demand in a number of industries including several manufacturing industries which were hit hard by the recession. This current report provides an update on all of these industries including:

- NAICS 111/112 – Crop/Animal Production
- NAICS 332 – Fabricated Metal Product Manufacturing
- NAICS 311 – Food Manufacturing
- NAICS 326 – Plastics and Rubber Product Manufacturing
- NAICS 336 – Transportation Equipment Manufacturing
- NAICS 541 – Professional, Scientific and Technical Services

The 2011 report will also look at two new industries facing challenges and opportunities. The first is Finance/Insurance (NAICS 523/524) where we are seeing an increase in local employment opportunities and the second is Truck Transportation (NAICS 484) which is experiencing employment challenges. This report includes information on local issues regarding labour market supply.

The report is focussed mainly on Small and Medium sized Enterprises (SME) with under 100 employees in the identified industries. We have also incorporated larger industry data where local knowledge has indicated a need for more information.

Since December 2010, a more formal process of developing the report has required the following methodology:

- Review of year over year statistical information from Labour Market Indicators
- Review of local municipal economic development strategies
- Development of industry pre-consultation documents
- One on one interviews with industry key informants
- Three consultation meetings with employment service providers
- Two community consultations in Cambridge and Guelph
- Draft review with local Ministry of Training, Colleges and Universities staff

Actions identified in the Action Plan will be monitored by the Workforce Planning Board to provide future updates on relevant actions and activities over the coming year.



Change in Employment

Table 1 SME Employment Decline (under 100 employees) - Waterloo Region

NAICS	# Employed 2008	# Employed 2010	Absolute Change	Percent Change (%)
333 - Machinery Manufacturing	3,348	2,859	-489	-14.61
332 - Fabricated Metal Product Manufacturing	4,374	4,029	-344	-7.87
484 - Truck Transportation	3,985	3,710	-275	-6.90

Table 2 SME Employment Growth (under 100 employees) - Waterloo Region

NAICS	# Employed 2008	# Employed 2010	Absolute Change	Percent Change (%)
722 - Food Services and Drinking Places	13,959	15,307	1,348	9.66
623 - Nursing and Residential Care Facilities	1,653	2,876	1,223	73.96
112 - Animal Production	1,376	1,805	429	31.18
416 - Building Material and Supplies Whole.-Dist.	2,172	2,455	282	13.00
561 - Administrative and Support Services	6,046	6,307	261	4.32
446 - Health and Personal Care Stores	2,048	2,277	230	11.23
621 - Ambulatory Health Care Services	4,993	5,200	207	4.14

Table 3 SME Employment Decline (under 100 employees) - Wellington County

NAICS	# Employed 2008	# Employed 2010	Absolute Change	Percent Change (%)
112 - Animal Production	2,170	1,556	-614	-28.31
561 - Administrative and Support Services	2,625	2,224	-401	-15.26
484 - Truck Transportation	1,546	1,158	-388	-25.08
333 - Machinery Manufacturing	1,184	805	-379	-32.02
722 - Food Services and Drinking Places	5,279	4,996	-283	-5.36
417 - Machinery, Equipment and Supplies W/D	1,439	1,184	-256	-17.76

Table 4 SME Employment Growth (under 100 employees) - Wellington County

NAICS	# Employed 2008	# Employed 2010	Absolute Change	Percent Change (%)
551 - Management of Companies and Enterprises	1,419	1,513	94	6.63
623 - Nursing and Residential Care Facilities	1,275	1,361	86	6.73
713 - Amusement, Gambling and Recreation Ind.	709	791	82	11.50
237 - Heavy and Civil Engineering Construction	715	791	76	10.63
327 - Non-Metallic Mineral Product Manufacturing	287	350	63	21.87
115 - Support Activities for Agriculture and Forestry	360	415	55	15.31
453 - Miscellaneous Store Retailers	592	644	53	8.93
541 - Professional, Scientific and Technical Ser.	4,871	4,921	51	1.04

Table 5 SME Employment Decline (under 100 employees) - Dufferin County

NAICS	# Employed 2008	# Employed 2010	Absolute Change	Percent Change (%)
561 - Administrative and Support Services	1,024	896	-128	-12.47
441 - Motor Vehicle and Parts Dealers	521	456	-64	-12.34
238 - Specialty Trade Contractors	1,188	1,127	-61	-5.17
484 - Truck Transportation	414	361	-53	-12.74

Table 6 SME Employment Growth (under 100 employees) - Dufferin County

NAICS	# Employed 2008	# Employed 2010	Absolute Change	Percent Change (%)
111 - Crop Production	251	348	97	38.68
811 - Repair and Maintenance	434	508	74	16.94
326 - Plastics and Rubber Products Man.	208	280	72	34.59
112 - Animal Production	375	445	71	18.83
611 - Educational Services	168	221	53	31.78
541 - Professional, Scientific and Technical Ser.	925	976	50	5.44
237 - Heavy and Civil Engineering Construction	228	278	50	21.97
623 - Nursing and Residential Care Facilities	177	227	50	28.32



NEW INDUSTRIES

New Industries for 2011

Finance: Securities – NAICS 523/Insurance Carriers – NAICS 524

Number of Businesses

The number of Securities, commodity contracts and other financial investment and related activities (NAICS 523) businesses rose from 1,991 to 2,049 between June 2009 and December 2010. 104 of these businesses are located in Dufferin County, 604 in Wellington County and 1,341 in Waterloo Region.

During the same time period, the number of Insurance Carriers and related activities (NAICS 524) businesses rose from 395 to 404 between June 2009 and December 2010. 32 of these business are located in Dufferin County, 102 in Wellington County and 270 in Waterloo Region.



Industry Strengths

This area has long standing roots in the finance and insurance sector. Many large companies have been stable employers for many years. Unlike most other industries, where we are seeing the vast majority of growth in SME's, we are also seeing employment growth here among larger businesses. Coming out of the recession, Canada's finance sector is strong and well recognized in the world as being far less unstable than those in other countries. In the property and casualty insurance sub sector alone, it is estimated that almost 42,000 are working in Ontario.

Industry Challenges

Stable employment can also create challenges. Lack of staff turnover is not bringing enough new blood into the industry and could lead to succession planning issues over the next several years as long tenured staff start to retire. Most people entering the industry do so primarily because they have grown up knowing someone in the industry rather than through career exploration. The average age in the industry is high and long term job stability increases the ability to be able to retire early. This is causing concerns regarding the loss of skilled professionals. Training can be lengthy, in some cases up to three (3) years or more.

Availability of Labour

Most employers reported the availability of labour as good or fair.

Occupational Risks/Opportunities

Employment in the industry is generally life-long with growth potential and access to training to specialize in a variety of specialties. Most employees will exit due to retirement. Retirements will open up opportunities to those with an interest in the industry.

Employer Recommendations

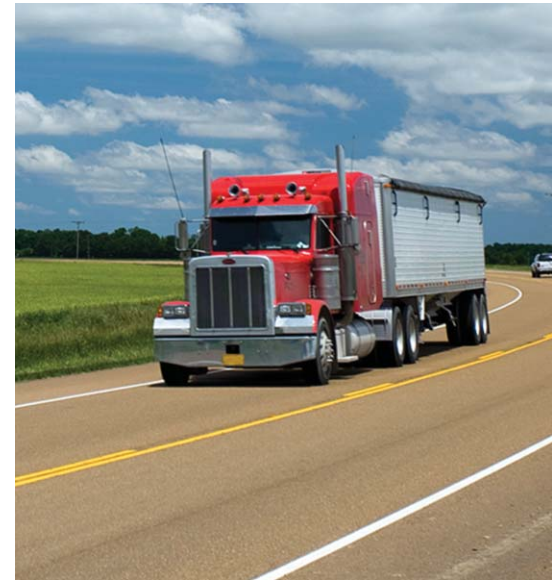
- Development of older worker retention strategies
- Better marketing of the industry to potential new workers
- Targeting students at a young age re the diversity of employment opportunities

Truck Transportation – NAICS 484

Truck Transportation (NAICS 484) comprises establishments primarily engaged in the truck transportation of goods. These establishments may carry general freight or specialized freight. Specialized freight comprises goods that, because of size, weight, shape or other inherent characteristics, require specialized equipment for transportation. Establishments may operate locally, that is within a metropolitan area and its hinterland, or over long distances, that is between metropolitan areas.

Number of Businesses

The number of Truck Transportation (NAICS 484) businesses declined from 1,820 to 1,751 between June 2009 and December 2010. The bulk of these losses occurred between June 2009 and June 2010. 184 of these businesses are located in Dufferin County, 412 in Wellington County and 1,155 in Waterloo Region.



Industry Strengths

The industry is ranked #11 among SME employment and provides lots of opportunities for self employment to grow into offering employment to others. Our geographic location makes this a key area for truck transportation. Unlike other industries the impact of technology on this industry is currently minimal. Employment turnover among non-driving jobs is relatively low.

Industry Challenges

Many large employers are indicating the need for extensive experience. Although demand remains very high, the supply of qualified drivers has declined over the past couple of years. Many new drivers are likely required to be away from home for extended periods of time. There appears to be a lack of understanding as to realistic on the job requirements prior to entering training and/or employment. New legislative requirements in the United States will impact cross border shipping and since it raises driver requirements to meet specific criteria before entry, could compound the driver shortage even further.

Availability of Labour

Many employers indicated that the supply of adequately trained drivers was fair to poor. Apprenticeship and mentor programs in some larger companies are enabling them to hire and then upgrade training however most still expected that the majority of new hires would have to have 2-5 years of experience.

Occupational Risks/Opportunities

There will be lots of opportunities for drivers now and in the foreseeable future. Those wishing to enter the industry and those directing potential drivers to training must take adequate care to ensure that the training being offered will be recognized by local employers and that the candidate has the right personality traits to fit as a driver.

Employer Recommendations

- Industry needs to work on image to attract more suitable new entrants
- Development of flexible upgrading to partially trained drivers who have already completed a training program
- Greater enforcement of training standards in driving
- Incentives to provide mentorship to create employment opportunities
- Provide student access to practical/actual experience in the cab



Strategic Priorities and Action Plans

Strategic Priority #1: Alignment of existing training/education programs to match shifting skill requirements

Actions Since Last Report:

- One-day Agriculture Training and Education planning forum to discuss the changing education/training needs of the industry and identify strategies to address these needs locally and collaboratively
- Development of Dufferin Training Program Advisory Committee – Plastics

2011 - 2012 Actions

1. One day food industry conference to highlight how innovation across the entire continuum is impacting employment
2. Research: Employment needs analysis for Professional, scientific and technical/creative class workers in Wellington and Dufferin
3. Development of advanced standing training upgrade program for unemployed truck drivers
4. Development/reinstatement of part-time, flexible programming to upgrade workers to:
 - Mechanical Technician and Technologist
 - Machine Operator and CNC Machinist - Action carried forward from 2010 report

Strategic Priority #2: Marketing of existing employment opportunities to new workers and workers in transition

Actions Since Last Report:

- Farm to Fork employment and career/job fair events held in Kitchener and Guelph
- Zoom Health Care Career Days

2011 - 2012 Actions

1. Promotion of Manufacturing Industry to local youth
2. Working in Rural Wellington Career Event
3. Outreach to students/transitioning workers re Finance/Insurance industry careers
4. Labour Market Information (LMI) Workshops
5. Networking events for Engineers in Dufferin/N. Wellington - Action carried forward from 2010 report

Strategic Priority #3: Rising Skill Demands/Shift in Key Employment Sectors

Actions Since Last Report:

- Research report – Enhancing Pathways: The Literacy and Language Continuum – Phase 1 completed – Project Read Literacy Network
- Research: Industry employment needs analysis for Professional, Scientific and Technical/Creative Class workers in Waterloo Region – Pilot project completed

2011 - 2012 Actions

1. Development of a Creative Talent Strategy for Waterloo Region
2. Transitioning in New Times
3. Research: Skill Demands, Diversification and Shifting Employment in Wellington County

Strategic Priority #4: Older Worker Retention

2011 - 2012 Actions

1. Research/literature review of current older worker retention strategies in the finance industry

Strategic Priority #5: Engaging Underutilized Talent Pools – Incorporating under represented populations into the workforce

Actions since last report

- Youth unemployment research underway to be completed June 2011
- Development of Making Cents of Abilities Coalition 3 year Strategic Plan
- Global Skills Conference held March 2011 – immigrant employment
- Discussions underway to determine how to integrate WRIEN programming into new Local Immigration Partnership Council (LIPC) structure

2011 - 2012 Actions

1. Meeting to discuss potential for a local Job Developer Network
2. Meeting to identify strategies to engage/re-engage youth into the workforce



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This Employment Ontario
Project is funded by the
Government of Ontario.

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