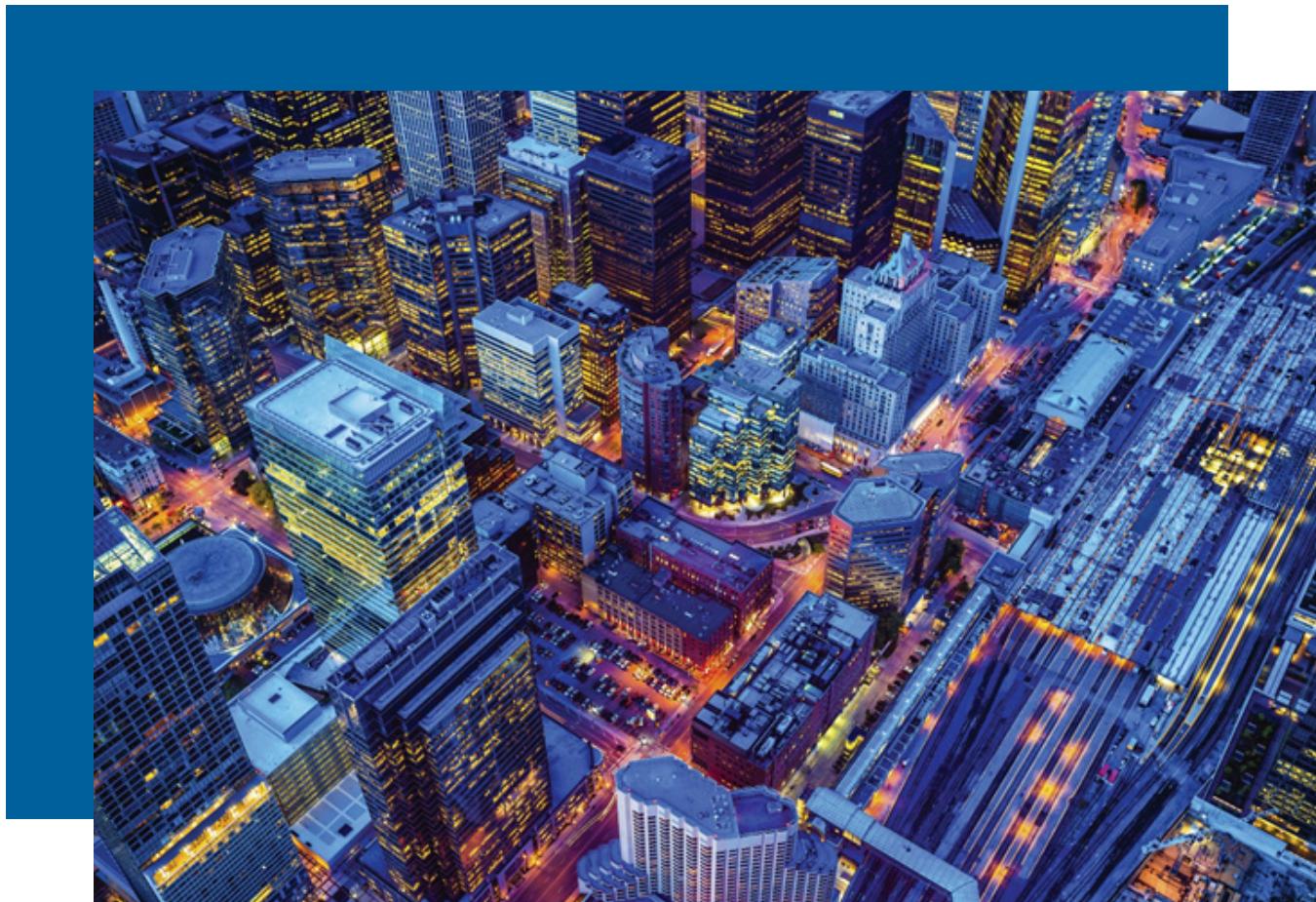


The Case Strengthens for an Annual Employment Survey of the Greater Golden Horseshoe (GGH)



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*The opinions expressed in this research report are those of the authors only and do not represent the opinions and views of either CUR or Toronto Metropolitan University.

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Executive Summary

Over the past few years, CUR has published several reports documenting deficiencies in the patchwork of municipal employment surveys in the Greater Golden Horseshoe ("GGH"). This paper updates the municipal employment survey results from 2018, the latest year covered in the CUR review published in 2019. The case for a region-wide employment survey for the GGH, observed in our 2019 study, is more robust based on this latest review.

This review of employment surveys undertaken by municipalities within the GGH confirms and reinforces the conclusion of CUR's 2019 review, namely:

The status quo is not acceptable – valuable financial resources are being expended on individual surveys which are not producing reliable results. The capture of comprehensive and consistent employment and business data from throughout the GGH requires that the surveys be conducted by, or directly supervised by, a centralized agency using a standardized methodology.¹

Our recommendations remain the same.

We urge the Province of Ontario to take the initiative to implement an annual employment survey to be undertaken in coordination with all GGH municipalities. Such a survey will complement the annual population estimates at the census division level prepared by Statistics Canada. More frequent employment estimates are essential for monitoring policies in the *Growth Plan for the Greater Golden Horseshoe* ("Growth Plan") and economic development strategies at the municipal level. Data on employment by place of work at the municipal

1 Frank Clayton and Hong Yun (Eva) Shi (2019). 'Time to Transition Municipal Employment Surveys into an Annual GGH-Wide Employment Survey.' Centre for Urban Research and Land Development (CUR). [Online] Available: https://www.torontomu.ca/content/dam/centre-urban-research-land-development/pdfs/Projects/CUR_Report_Critiqueof2016EmploymentSurveys_2017.11.20.pdf.

and sub-municipal levels are now only available every five years through the Census of Canada.

Background

Researchers at CUR have previously released three papers dealing with annual employment surveys undertaken by municipalities in the GGH.² These releases aimed to determine the usefulness of the surveys in providing reliable, current estimates of yearly employment changes in the larger region and its municipalities. CUR concurs with Hemson Consulting, which stated in their 2020 publication of 2051 population, household and employment forecasts for the GGH that:

A final complication is that because municipal employment surveys are not coordinated across the GGH, their scope, content and quality vary considerably.³

CUR's reports documented several deficiencies in the patchwork of municipal employment surveys. Not all upper-tier and single-tier municipalities in the GGH undertake annual surveys. When they do, not all surveys are done consistently. We recommended that the Provincial government enact a better, more coordinated, funded, and structured process for collecting data on employment across the GGH to maintain quality and consistency over time. Individual municipalities could undertake these surveys under the watchful eye of the province or by a region-wide body.

2 Ibid. See also Frank Clayton and Jodee Ng (2016). 'Critique of 2016 Employment Surveys and Economic Nuggets: GTA Municipalities.' CUR. [Online] Available: https://www.torontomu.ca/content/dam/centre-urban-research-land-development/pdfs/Projects/CURReport_Critiqueof2016EmploymentSurveys_2017.11.20.pdf; Justin Shin (2016). 'What Municipal Employment Surveys Tell Us About Recent Employment Growth in the Greater Toronto Area.' CUR. [Online] Available: https://www.torontomu.ca/content/dam/centre-urban-research-land-development/pdfs/Projects/CUR%20Report_Municipal%20Employment%20Surveys_2016.10.03.pdf.

3 Hemson Consulting (2020). 'Greater Golden Horseshoe: Growth Forecasts to 2051. Technical Report prepared for the Ministry of Municipal Affairs.' [Online]. Available: <https://www.hemson.com/wp-content/uploads/2020/08/HEMSON-GGH-Growth-Outlook-Report-26Aug20.pdf>

This update buttresses our earlier conclusions and recommendation.

Purpose of this paper

The paper updates the municipal employment survey results from 2018, the latest year covered in CUR's 2019 review. Accessing data on municipal employment surveys for 2020 and 2021 is incredibly challenging. There were sharp fluctuations in employment in industries like hospitality and a large-scale move by many residents to working remote, both resulting from the COVID-19 pandemic. In addition, during these years, individual municipalities revised their survey methodologies for data collection, and several skipped launching a survey entirely.

It is interesting to note, however, that statisticians at Statistics Canada, who faced the same challenges, continued to collect and release monthly employment estimates from the Labour Force Survey, including estimates for Census Metropolitan Areas (CMAs) and the Survey of Employment, Payrolls and Hours for provinces.

The paper is structured in three parts. First, it examines employment changes since 2018 at the regional level (e.g., GGH, GTA) and the

nine CMAs within the GGH, using Statistics Canada data from its Labour Force Survey. Second, it examines the employment changes from published municipal employment surveys for 2019 to 2021. And thirdly, it reexamines the conclusions and recommendations from CUR's 2019 employment survey review considering the updated survey results.

Statistics Canada

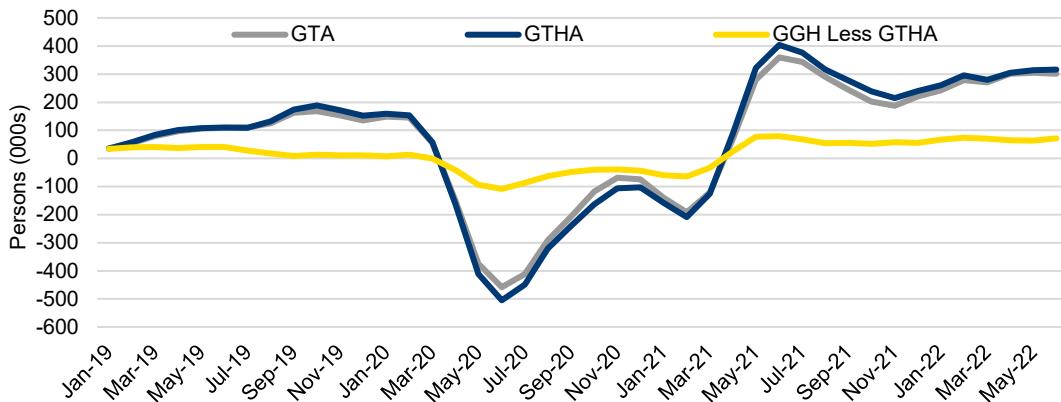
Monthly GGH employment change, January 2019–June 2022

Figure 1 plots year-to-year employment change in the GTA, GTHA and the rest of GGH by month, starting January 2019, using data for nine CMAs.⁴

Highlights include:

- Employment in the GTA contracted sharply in the second quarter of 2020 and did not return to its pre-pandemic levels until mid-2021;
- The contraction in the rest of the GGH was less severe than for the GTA. Employment also reached pre-pandemic levels in mid-2021; and
- Employment growth has been stable since mid-2021.

Figure 1: GGH Employment Change* by Geographic Sub-area, January 2019–June 2022



GTA = Greater Toronto Area, GTHA = Greater Toronto and Hamilton Area, GGH = Greater Golden Horseshoe

*Employed Persons by Place of Residence, data are seasonally adjusted

Source: CUR, based on Statistics Canada

⁴ We do not refer to the GTHA in the commentary given its similarity to changes in the GTA. These employment data are by place of residence, not place of work.

Figure 2: Employment Change in the Greater Golden Horseshoe by CMA, 2019-2022 (January-June)

CMA*	Annual Changes				Selected Periods	
	2019	2020	2021	2022	2020-2021	2020-2022
					(Jan-June)	(Jan-June)
Toronto	123,300	(163,900)	171,600	262,183	7,700	144,967
Oshawa	(1,600)	(7,500)	4,100	20,933	(3,400)	11,767
GTA** Total	121,700	(171,400)	175,700	283,117	4,300	156,733
Hamilton	8,200	(26,300)	23,300	12,000	(3,000)	3,317
GTHA*** Total	129,900	(197,700)	199,000	295,117	1,300	160,050
St. Catharines-Niagara	(1,400)	(13,700)	8,100	33,667	(5,600)	15,317
Kitchener-Cambridge-Waterloo	13,300	(16,500)	15,200	13,217	(1,300)	4,167
Brantford	8,500	(6,200)	2,200	133	(4,000)	(4,217)
Guelph	2,900	(6,000)	7,200	9,817	1,200	6,600
Barrie	4,700	700	(3,100)	7,250	(2,400)	(1,283)
Peterborough	(2,600)	(8,400)	9,500	4,233	1,100	2,717
Rest of GGH****	25,400	(50,100)	39,100	68,317	(11,000)	23,300
GGH Total	155,300	(247,800)	238,100	363,433	(9,700)	183,350

*CMA = Census Metropolitan Area **GTA = Greater Toronto Area ***GTHA = Greater Toronto and Hamilton Area ****GGH = Greater Golden Horseshoe

Source: CUR based on Statistics Canada Labour Force Survey data

Annual GGH employment change by CMA 2019-2022 (January-June)

Figure 2 presents year-to-year changes in employment for the nine CMAs within the GGH and the GGH for 2019-2021 and year-to-date 2022.

Highlights include:

- During the year before the pandemic hit, 2019, the GGH (155,300) and the GTA (121,700) saw robust employment growth;

- The GGH saw massive pandemic-induced job losses in 2020 (-247,800 jobs), which was followed by a significant recovery in 2021 (+238,100), a trend which continued into the first half of 2022 (+363,433); and
- The GTA accounted for the bulk of the jobs lost in 2020 and the subsequent recovery. Employment in the first half of 2022 was up 156,733 from 2019.

Figure 3: Employment Change in the Greater Golden Horseshoe, According to Municipal Employment Surveys 2019-2021*

	Jobs			
	2019	2020	2021	2020-2021
City of Toronto	46,620	(119,890)	1,610	(118,280)
York Region	18,020	N/A	N/A	N/A
Durham Region	6,203	N/A	N/A	N/A
Halton Region	12,293	(13,023)	6,400	(6,623)
Peel Region	N/A	N/A	N/A	N/A
Mississauga	9,417	N/A	N/A	12,716
Brampton	N/A	N/A	N/A	N/A
Caledon	N/A	N/A	N/A	N/A
GTA** Total	N/A	N/A	N/A	N/A
City of Hamilton	8060	N/A	N/A	N/A
GTHA*** Total	N/A	N/A	N/A	N/A
Northumberland County	N/A	N/A	N/A	N/A
Peterborough County (including City)	N/A	N/A	5,778	N/A
City of Kawartha Lakes	N/A	N/A	N/A	N/A
Simcoe County	N/A	N/A	N/A	N/A
City of Barrie	N/A	N/A	N/A	N/A
City of Orillia	N/A	N/A	N/A	N/A
Dufferin County	N/A	N/A	N/A	N/A
Wellington County	N/A	N/A	N/A	N/A
City of Guelph	N/A	N/A	N/A	N/A
Waterloo Region	N/A	N/A	N/A	N/A
Brant County	N/A	N/A	N/A	N/A
City of Brantford	N/A	N/A	N/A	N/A
Haldimand County	N/A	N/A	N/A	N/A
Niagara Region	5,775	N/A	N/A	N/A
Rest of GGH	N/A	N/A	N/A	N/A
GGH**** Total	N/A	N/A	N/A	N/A

*Employed persons by place of work **GTA = Greater Toronto Area ***GTHA = Greater Toronto and Hamilton Area ****GGH = Greater Golden Horseshoe

Source: CUR, based on Municipal Employment Surveys

Municipal employment surveys

GGH employment change, 2019-2021

Figure 3 presents the employment change estimates for 2019, 2020, and 2021 from the few employment surveys conducted by GGH municipalities during that period. Unfortunately, even if the data sets available are accurate and consistent between municipalities, which is unlikely, they are insufficient to assess trends for the GGH or GTA overall.

Highlights include:

- Only two GGH municipalities, the City of Toronto and Halton Region, conducted

employment surveys for 2019, 2020 and 2021;

- Several municipalities which conducted employment surveys in 2019 did not conduct them in 2020 and 2021 – including York Region, Durham Region, and the City of Mississauga; and
- Many municipalities did not conduct employment surveys during the past four years.

The only meaningful comparison between Statistics Canada employment data and municipal employment surveys is for the City of Toronto and, indirectly, the Toronto CMA. Both sources

showed a sharp drop in jobs in 2021 but differ markedly in trends in 2022.

Figure 2 shows rapid growth in CMA jobs in 2022, equivalent to the losses in 2021. In contrast, the City of Toronto survey pointed to minimal job creation in 2021 – just 2,000. The City's 2021 publication discusses this disparity, noting a drop in the percentage of businesses responding to the survey was a factor. In addition, a greater weighting in industries with slow recoveries, like hospitality, also contributed to Toronto's lack of job growth. Even allowing for these factors, however, the differential between job creation in the Toronto CMA and the Toronto CMA is extreme. It is unreasonable to expect all the job creation in 2022 to have occurred in the 905 portions of the Toronto CMA. It strongly suggests employment growth as measured by the City of Toronto survey's in 2021 is significantly understated, likely due to reasons associated with the decline in response rate to the survey (see Figure 4).

The limitations of the status quo with municipal employment surveys have become even more apparent since CUR's 2019 study

Figure 4 contains a list of the GGH municipalities conducting employee surveys, their frequencies, and comments summarizing features of the survey. The 2019 CUR paper noted several deficiencies in the surveys up to the year 2018:

We discuss the shortcomings of the existing municipal employment surveys, which include inter-municipal variation in terms of coverage, timing, collection procedures, and consistency over time. The surveys also do not provide reliable employment growth estimates at the regional level or for many municipalities.⁵

This review of the more recent surveys reaches the same conclusions as the 2019 review, with the added concern that even fewer municipalities are now conducting an annual survey.

⁵ Clayton and Shi (2019). "Time to Transition Municipal Employment Surveys into an Annual GGH-Wide Employment Survey." The response rates for the 2019, 2020, and 2021 surveys were 89%, 75%, and 60%, respectively.

Highlights include:

- Only two of the GGH municipalities that had been conducting annual employment surveys before 2019 completed surveys in 2019, 2020, and 2021**

Only the City of Toronto and Halton Region conducted annual employment surveys in the past three years. Although they had been conducting yearly surveys pre-pandemic, York Region, Durham Region, and the City of Mississauga did not survey employment each year.

- Not all municipalities conducting employment surveys are doing them annually**

The City of Brampton, which had been the only municipality conducting a biannual employment survey before 2020, has not surveyed employment since 2017. On the other hand, York Region, which had conducted an annual survey for many years, opted to complete its survey biannually after the 2019 survey. Since no survey was done in 2021, the next survey will happen in 2023.

- Many GGH municipalities still do not conduct employment surveys**

The positive news is that post-2018 several municipalities launched employment surveys, including Niagara Region, the City of Barrie, the City of Hamilton, and the City of Guelph. However, many municipalities, including the sizeable Region of Waterloo, are not conducting surveys.

- The methodology on how surveys are conducted, the results are edited, and any missing data estimated is not uniform across municipalities**

Reviewing the comments column shows considerable differences in municipalities' coverage, editing, and estimation procedures.

Figure 4: Availability of Municipal Employment Surveys in the GGH,* 2019-2022

	2019	2020	2021	2022**	Comments
Durham Region	X		X		No data for 2020 and 2021 due to Covid-19. Farms will not be contacted in-person in 2022 due to avian flu risk
York Region	X		X		Transitioned from annual to biannual after the 2019 survey. The survey was not done in 2021 due to Covid-19. The 2019 number is an estimate based on contact with 79% of businesses. "This estimate includes job totals from contacted firms, census of agriculture jobs, estimates for work at home employment and for businesses that the Region was unable to contact."
City of Toronto	X	X	X	X	The 2019 survey was conducted in person; 2020 and 2021 surveys were done over the phone and by email. The response rates for the 2019, 2020, and 2021 surveys were 89%, 75%, and 60%, respectively. 2020 survey data was supplemented by alternative sources such as media reporting and CoStar. "Additional sources of information were reviewed to provide added context" due to the low response rate in 2021. Toronto has returned to pre-Covid methods of conducting the survey in 2022
Peel Region					Peel Region's 2021 Caledon survey results have not been released yet. This biannual survey was not done in 2020 due to Covid-19 - the most recent survey results available are from 2018. Mississauga did not conduct a survey in 2020 due to Covid-19. Mississauga's 2021 survey data contains 82% of businesses - adjusted employment of 42,669 was applied. Brampton has not done a survey since 2017
Halton Region	X	X	X	X	Participation rates in 2019 and 2020 were 84.8% and 40.3%, respectively. The 2020 survey was done remotely instead of in-person. 2020 data was supplemented by inferential statistics due to the low response rate
City of Hamilton	X				No details regarding response rate for 2019; described as "rather good." 2019 survey: previous employment was used for incomplete communications
Northumberland County					No survey data
Peterborough County	X	X	X		"Peterborough and the Kawarthas" surveys began in 2020 and include the City of Peterborough but exclude the City of Kawartha Lakes. The data is based on a small percentage of businesses; about 33% for both 2020 and 2021 surveys
City of Peterborough	X	X	X		
City of Kawartha Lakes		X	X		Began in 2021. The survey was conducted in downtowns and industrial area with plans to expand the scope of the survey in the future
Simcoe County					No survey data
City of Barrie		X	X		First survey conducted in 2021 - 72% response rate
City of Orillia					No survey data
Dufferin County					No survey data
Wellington County					No survey data
City of Guelph			X		First annual survey takes place in 2022
Waterloo Region					No survey data
Brant County					No survey data
City of Brantford					No survey data
Haldimand County					No survey data
Niagara Region	X		X		2020 and 2021 surveys were not conducted due to Covid-19

*GGH = Greater Golden Horseshoe **2022 includes surveys that are planned or currently underway

Source: CUR, based on consultations with municipal staff regarding availability of Municipal Employment Surveys

Conclusion

Over the past few years, CUR has published several reports documenting deficiencies in the patchwork of municipal employment surveys in the GGH. This paper updates the municipal employment survey results from 2018, the latest year covered in the CUR review published in 2019. The case for a region-wide employment survey for the GGH, observed in our 2019 study, is more robust based on this latest review.

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We urge the Province of Ontario to take the initiative to implement an annual employment survey to be undertaken in coordination with all GGH municipalities. Such a survey will complement the annual population estimates at the census division level prepared by Statistics Canada. More frequent employment estimates are essential for monitoring policies in the *Growth Plan for the Greater Golden Horseshoe* ("Growth Plan") and economic development strategies at the municipal level. Data on employment by place of work at the municipal and sub-municipal levels are now only available every five years through the Census of Canada.

⁶ Clayton and Shi (2019). 'Time to Transition Municipal Employment Surveys into an Annual GGH-Wide Employment Survey.'

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