

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
March 9, 2023

Report of the Commissioner of Corporate Services and Chief Planner

2022 York Region Employment and Industry Report

1. Recommendation

The Regional Clerk forward this report to local chambers of commerce, boards of trade, the Workforce Planning Board, Toronto Global and local municipalities.

2. Summary

The Employment and Industry Report 2022 provides an overview of industry and business sectors and employment growth trends in the Region primarily based on data collected from the 2022 Employment Survey.

York Region surveyed over 33,110 businesses with a physical location in 2022. The York Region Employment Survey captures a subset of the estimated 55,600 business establishments, reported through the Statistics Canada Canadian Business Counts (CBC) database.

Key Points:

- There were an estimated 615,760 jobs in 33,110 surveyed businesses in York Region as of mid-year 2022.
- Estimated jobs reported for 2022 (615,760) exclude an estimate for work at home businesses given the potential to overestimate or double count with Pandemic-related changes to the way people work; reported numbers do include number of employees working from home in addition to those working in the office as reported by surveyed businesses.
- Between 2019 and 2022, York Region's economy was impacted by the COVID-19 pandemic but recovered strongly recording a net job growth of 27,620 jobs (4.7%) by mid-year 2022.
- The Region has had steady job growth and healthy employment over the last 10-years, however economic uncertainty will likely persist for 2023 with higher interest rates, cost of living increases, housing challenges, global economic issues (i.e., war in Ukraine, possible recession), and inflation impacting York Region's business community.

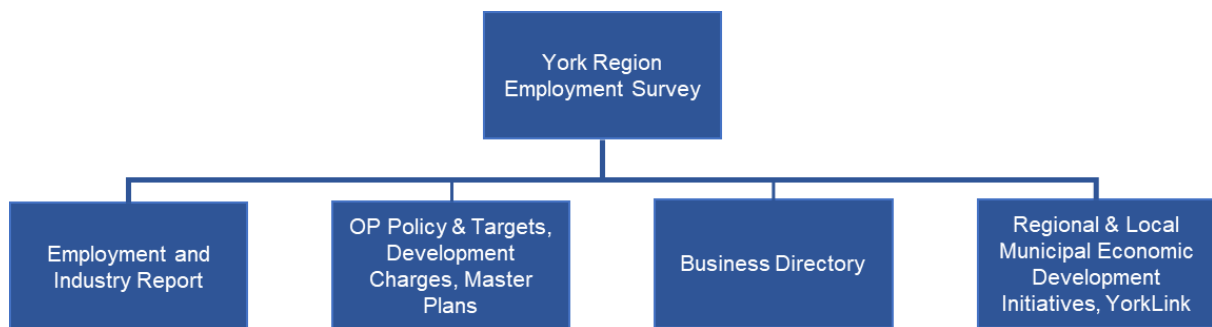
3. Background

Understanding business and employment growth trends in the Region is important to support economic vitality

Business and job growth are fundamental to York Region's economic vitality. Attracting and retaining high quality, good paying jobs across a broad range of sectors promotes economic resilience and helps ensure those living in York Region have the opportunity to work and thrive where they live. Through the employment survey, the location, type and characteristics of businesses in the Region are tracked and analyzed.

The data and analysis contained in this report are valuable resources for the Region and local municipalities. The data is used by the Region and local municipalities, other agencies, non-profit organizations and private sector groups (Figure 1). Some key uses of the data include supporting preparation of employment growth forecasts used to inform long-term employment land needs, the Region's Development Charges By-law and infrastructure requirements in master plans for transportation and water and wastewater. Findings are also used to monitor targets in Official Plans, identify economic trends and emerging sectors, and maintain Regional and local business directories.

Figure 1
York Region Employment Survey Uses



Home and farm-based businesses are not surveyed as this data is collected by other means

Since 1998, the Region has conducted surveys of businesses with a physical location across the nine local municipalities. Since 2012, the employment survey has been collecting home-based data on a voluntary basis, however only a small number of total home-based businesses are submitted through the York Region website.

The employment survey does not survey farms, rather Census of Agriculture data provides an employment estimate for farm-based businesses. The Region is home to 600 farms, employing over 2,500 people. Jobs created by the agricultural sector go beyond the farm.

There are 27 industries that are directly related to the agricultural and agri-food sector including primary farming, retail, wholesale and food and beverage manufacturing.

The COVID-19 pandemic impacted the 2022 Employment Survey

Due to the COVID-19 pandemic, the last employment survey was undertaken in 2019. The pandemic presented several challenges while conducting the 2022 employment survey resulting in a lower response rate than in previous years, including:

- Business parks, office buildings, and medical offices operating by appointment only made it difficult for surveyors to successfully enter some buildings and survey businesses
- Some long-term care facilities requiring a negative COVID-19 test to enter their facility impacting the ability to survey these establishments
- More businesses operating remotely or temporarily from home impacted surveyors' ability to get in contact with businesses for employment information
- Obtaining work from home employment information from large businesses was difficult as surveyors found many do not have an accurate count of work at home employees
- Surveyors becoming ill were unable to survey businesses until they were symptom free
- Some businesses refusing to participate in the survey because surveyors had medical masks on

These challenges impacted the survey response rate which declined to 64% from an average of 81% in prior surveys. For the 2022 survey, response rates varied by sector. Medium-sized (20-99 employees) and large-sized (100+ employees) businesses had stronger response rates at 71%. A detailed breakdown of survey response rates by sector can be found in Attachment 1.

Previous Employment and Industry reports included estimates of total employment in the Region by including estimates for work at home using Statistics Canada census data. Due to the COVID-19 pandemic and the changing nature of work, work at home employment amongst the Region's employed labour force, increased substantially from approximately 49,000, or 9% of the employed labour force in 2016 to over 196,000, or 36% of the employed labour force in 2021. In 2022, to obtain work from home data from employers, surveyors asked each business for the total number of employees working from home in addition to those working in the office, whereas in previous years this question was not asked. Most businesses were unable to differentiate between employees working in the office versus those working at home. To avoid potential double counting of jobs, an estimate for work at home was excluded from York Region's employment estimate for 2022. The Region's 2022 employment estimate is therefore not directly comparable to total employment figures provided in previous reports. For this report, previous year estimates have been revised by removing work at home in order to monitor trends.

Statistics Canada estimates York Region has over 55,000 businesses

According to the Statistics Canada Canadian Business Counts (CBC) database, York Region is home to over 55,600 business establishments. The CBC database is based on the Canadian Business Register and is more inclusive as it uses business registration numbers as the basis for business counts. The CBC database also includes home-based and household employers that have filed a federal income tax within the past three years, whereas the York Region employment survey does not account for home-based businesses and removes businesses with no confirmed physical location for 2 surveys or a web presence, which may be captured in the CBC data.

4. Analysis

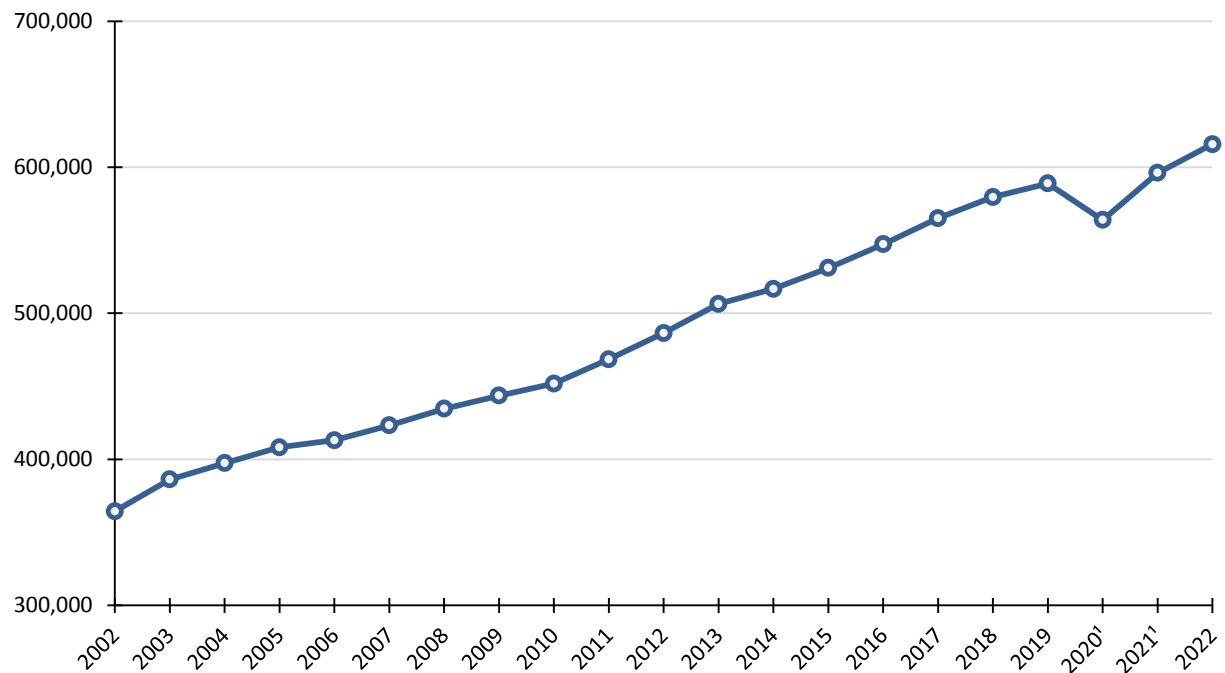
York Region recorded employment growth of 4.7% between 2019 and 2022

According to York Region's employment survey, not accounting for potential growth in work at home, employment grew to an estimated 615,760 jobs in 2022, representing a net job increase of 4.7% or 27,620 jobs from 2019 which was also adjusted to exclude work from home.

Businesses with no confirmed location in 2022, but confirmed in 2019, remained in the database. Those not confirmed in 2022 nor in 2019 (2,160 businesses with 11,806 jobs), were excluded from the database (i.e., deemed closed) if no web presence could be confirmed.

The COVID-19 pandemic has had an impact on employment in York Region, slowing the average annual growth rate from 2.6% between 2016 and 2019, to 1.7% between 2019 and 2022. According to the Conference Board of Canada, employment in York Region declined 4.1% from 2019 to 2020 followed by an increase of 6% from 2020 to 2021 (Figure 2).

Figure 2
York Region Employment Estimate, 2002-2022



Source: York Region Planning and Economic Development Branch, 2022 Employment Survey and Conference Board of Canada, 2022

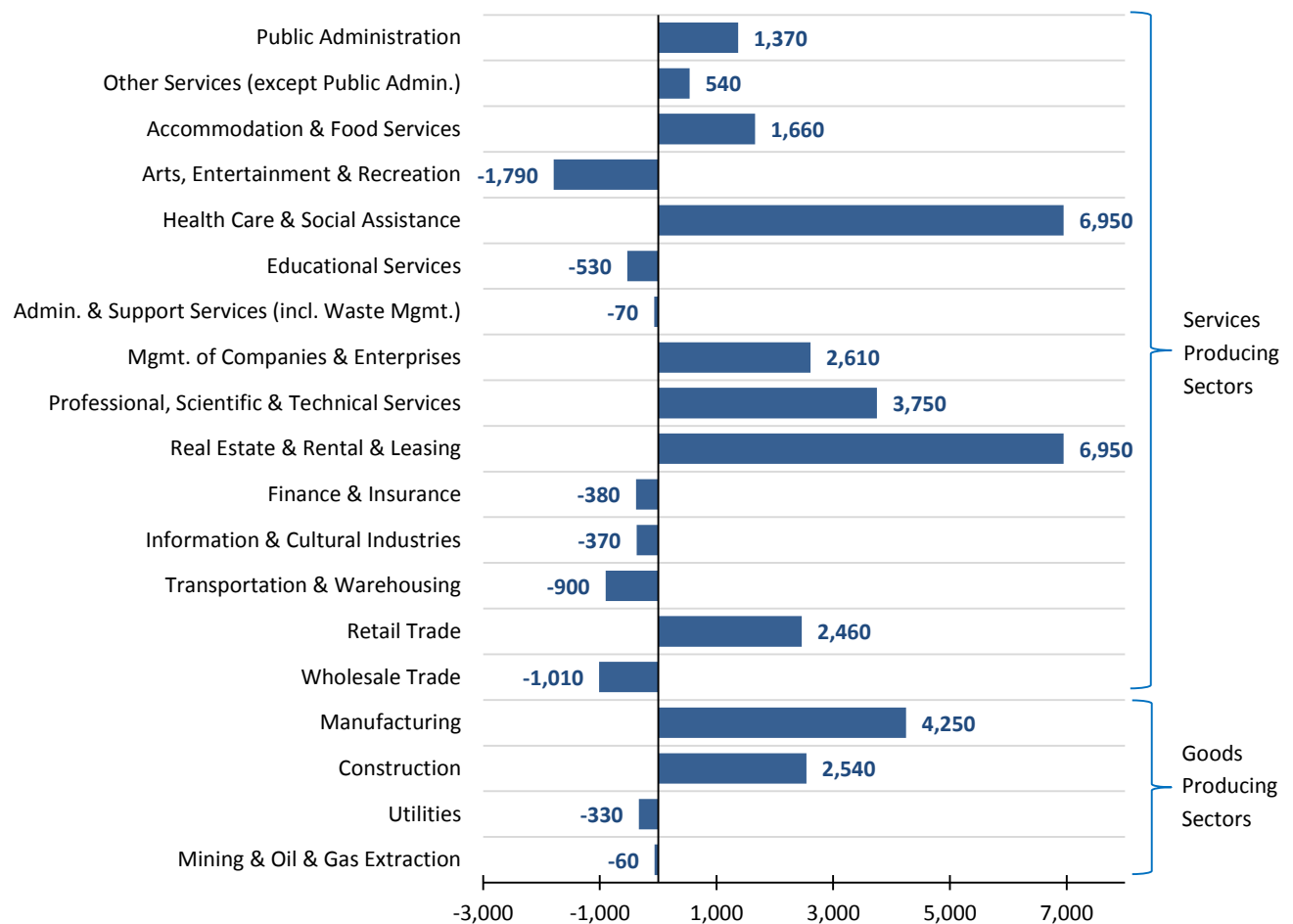
Notes: 1 Employment estimates based on York Region Employment survey data except in 2020 and 2021 which were based on Conference Board of Canada employment growth rates for York Region² Employment totals for all years exclude work at home estimates

York Region's diversified economy has recovered well from the COVID-19 pandemic

The COVID-19 pandemic impacted business and employment growth throughout the Region. Sectors most affected by business closures since 2019 included professional, scientific and technical services, retail trade, wholesale trade, manufacturing, and accommodation and food services.

Although many sectors were impacted by widespread lockdowns and supply chain shortages in 2020, most also experienced subsequent growth as COVID-19 restrictions eased in 2021 and 2022 indicating York Region's business community has recovered well from the impacts of the pandemic. Sectors that recorded the strongest job recovery include health care and social assistance, real estate and rental and leasing, manufacturing, professional, scientific and technical services, and management of companies and enterprises. Some sectors, notably Information & Cultural industries, and Arts are slower to recover. Figure 3 displays how employment in each sector has changed since 2019 in York Region.

Figure 3
York Region Employment Change by Sector, 2019-2022



Source: York Region Planning and Economic Development Branch, 2022 Employment Survey

York Region's economy was less impacted by the COVID-19 pandemic compared to Canada and Ontario

Conference Board of Canada (CBOC) data and Statistics Canada data can be used to compare the impact of the COVID-19 pandemic for York Region, Ontario, and Canada. Although an employment survey was not completed in 2020 and 2021, the Conference Board of Canada (CBOC) employment estimate for York Region can be used for comparison to Statistic Canada employment estimates for the provincial and national economies. The CBOC data indicates York Region was less impacted than other economic regions recording a decline of 4% between mid-year 2019 and mid-year 2020. The hardest-hit sectors across national, provincial, and York Region economies included accommodation and food services, arts, entertainment and recreation, transportation and warehousing, construction, manufacturing, and wholesale and retail trade.

Strong recovery in the Region, in line with other economic regions, was evident between mid-year 2020 and mid-year 2021, and this trend continued in 2022. Since the Region's last employment survey in 2019, the sectors driving employment growth across Canada, Ontario, and York Region included professional, scientific and technical services, real estate and rental and leasing, health care and social assistance, public administration and construction. Table 1 displays how York Region's annual employment growth rates, over the course of the pandemic, compared to Canada and Ontario.

Table 1
Annual Employment Growth Rates in Canada, Ontario, and York Region, 2019-2022

Economic Region	2019-2020	2020-2021	2021-2022	2019-2022
Canada	-9%	8%	5%	3%
Ontario	-10%	8%	6%	3%
York Region ¹	-4%	6%	3%	5%

Source: Statistics Canada Employment by industry, monthly, seasonally unadjusted (x1,000), the Conference Board of Canada and York Region Planning and Economic Development Branch, 2022 Employment Survey

Notes: 1 2020 and 2021 employment growth rates based on Conference Board of Canada estimated growth rates for York Region during those years

York Region employment continues to grow at a steady pace

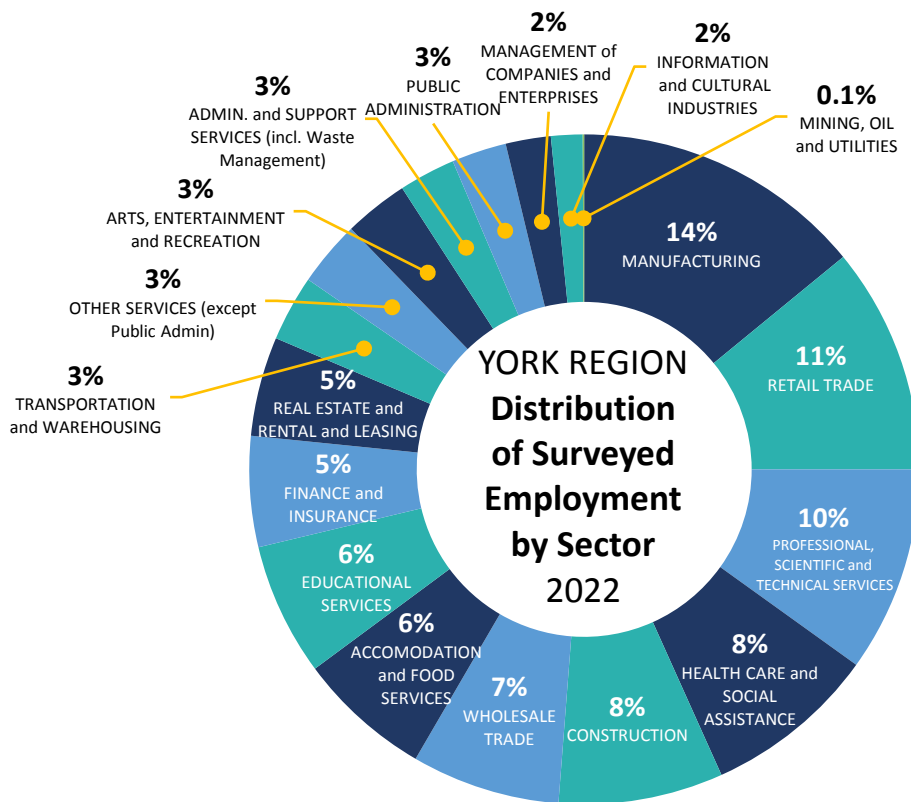
Since 2012, York Region's employment has grown by over 129,000 jobs representing a strong average annual growth rate of 2.7%. This rate of growth continues to align with the population growth rate for the same time period (3%) and provides job opportunities for existing and future York Region residents. According to the 2019 Provincial Growth Plan, York Region is expected to reach a total of 990,000 jobs by 2051. This represents a 25% share of total employment growth within the Greater Toronto and Hamilton Area (GTHA) and Simcoe County from 2021 to 2051. At 615,760 estimated jobs in 2022, approximately 13,000 jobs annually are required to meet the 2051 target. Over the last 10 years, the Region, on average, has added 13,000 jobs annually.

York Region has a diverse and resilient economy

York Region has a diverse economic base with employment across a broad range of sectors. This has proven to be vital to maintaining the Region's resiliency, especially through the COVID-19 pandemic as a more diverse economy was less sensitive to job decline.

According to the York Region employment survey, manufacturing, retail trade, and professional, scientific and technical services accounted for the largest shares of surveyed employment by mid-year 2022. Figure 4 demonstrates the diversity of the Region's employment base.

Figure 4
York Region Distribution of Surveyed Employment



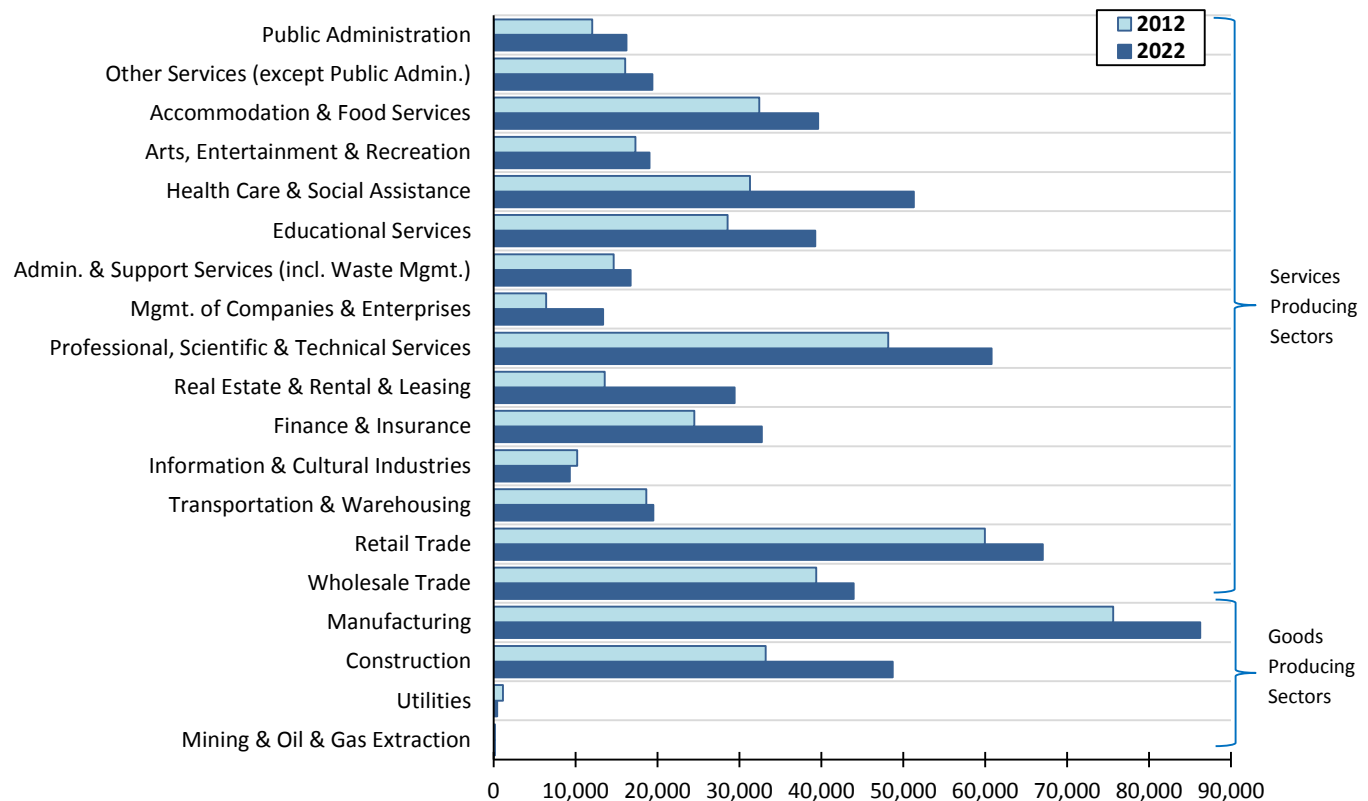
Source: York Region Planning and Economic Development Branch, 2022 Employment Survey

Strong job growth in key knowledge-based sectors has been driving York Region's growing economy over the last ten years

Similar to national and provincial trends, York Region's economy continues to shift toward more knowledge-based, service-oriented jobs. Over the past 10 years, employment in services-producing sectors increased by 2.5% on an average annual basis, adding 104,370 jobs to the Region's employment base. Comparatively, employment in the goods-producing sectors grew at 2.1% annually, adding 25,370 jobs. Manufacturing continues to hold the largest share of employment in the Region at 14% but is only growing at an average annual rate of 1.4%. Since 2019, manufacturing jobs increased by 4,250 largely due to employment brought in by new businesses in the food manufacturing, transportation equipment manufacturing, furniture and related product manufacturing, and fabricated metal product manufacturing sub-sectors

Key knowledge-based sectors including health care and social assistance, real estate and rental and leasing, professional, scientific and technical services, and education have each seen significant growth of over 10,000 jobs since 2012 (Figure 5).

Figure 5
York Region Surveyed Employment by Sector, 2012-2022



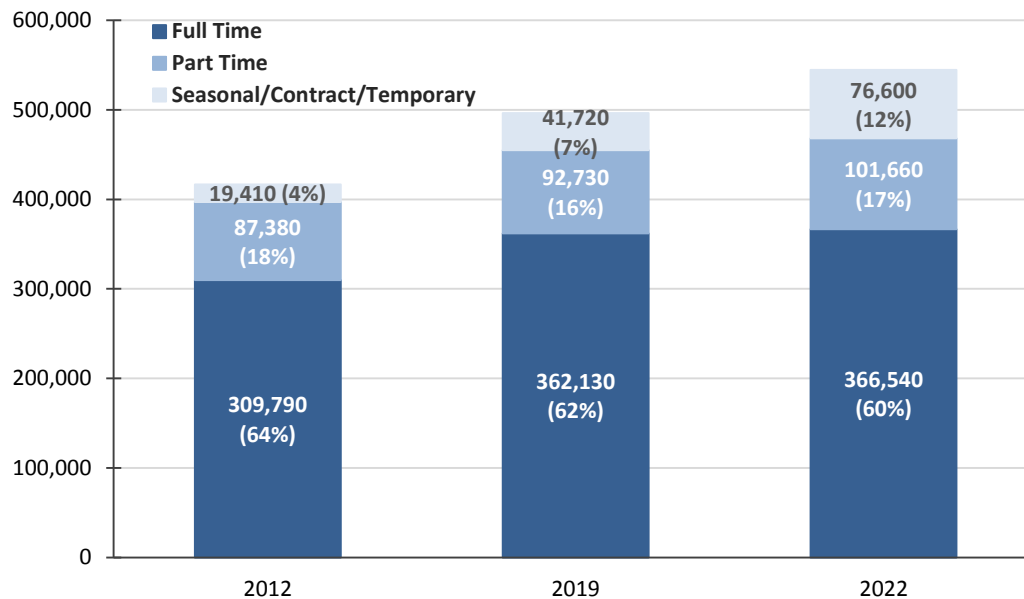
Source: York Region Planning and Economic Development Branch, 2022 Employment Survey

Contract/Seasonal/Temporary employment has increased by 84% since 2019

Over the past 10-years, contract/seasonal/temporary employment has been the fastest growing type of work increasing from a 4% share in 2012 to 12.5% in 2022. Since 2019, contract/seasonal/temporary employment increased by 84%, or 34,880 jobs (Figure 6). The dramatic rise of contract/seasonal/temporary employment suggests employers may be grappling with the unpredictable times and market volatility since the COVID-19 pandemic started in early 2020. Temporary work arrangements offer employers more flexibility to operate efficiently as demand for products and services fluctuates.

Part time employment is growing steadily, but the rise of seasonal/contract/temporary has decreased the part time employment share from 18% in 2012 to 16.6% in 2022. Although full time employment grew by 4,410 jobs since 2019, its share of employment also decreased from 64% in 2012 to 60% in 2022.

Figure 6
York Region Surveyed Employment by Type of Worker, 2012-2022



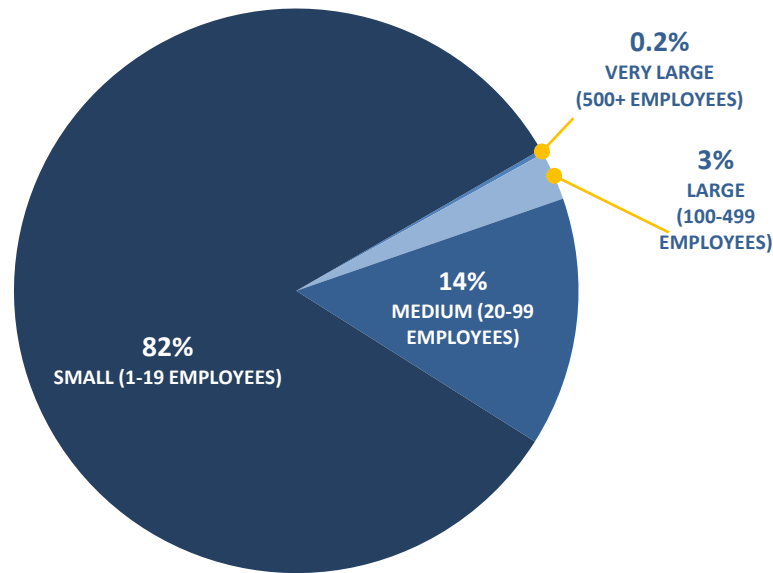
Source: York Region Planning and Economic Development Branch, 2022 Employment Survey

Small businesses (1-19 employees) make up 82% of surveyed York Region businesses

York Region surveyed over 33,110 businesses in 2022 with a physical location, an increase of 4,000 businesses from the 2012 survey. Overall, the size of businesses and share of York Region establishments has remained consistent over the last 10 years. Small businesses (1-19 employees) accounted for the largest share of the Region's surveyed businesses at 82% or 27,260 businesses in 2022 (Figure 7). The share of small businesses is indicative of the important role they play in York Region's economy, accounting for 26% or 156,500 jobs of York Region's surveyed employment in 2022.

While the share of very large businesses (500+ employees) is relatively small at 0.2% of the Region's surveyed establishments, it has grown by 30% since 2019 (from 63 to 82 businesses) and provides jobs for almost 90,000 employees (15% of total jobs).

Figure 7
York Region Surveyed Business by Size



Source: York Region Planning and Economic Development Branch, 2022 Employment Survey

All levels of government continue to support Economic Growth in York Region

The COVID-19 pandemic had a significant impact on all aspects of the community since 2020. In response, with regard to economic development, Council approved the Business Support Partnership in [April 2020](#). Under this umbrella, several initiatives were launched including moving business advisory support services online, helping with tourism relief, Council approval of \$500,000 supporting nearly 100 small businesses, and facilitating on farm COVID-19 testing of temporary foreign workers in collaboration with Public Health. These initiatives allowed the Region to help businesses as they navigated through the difficult times brought on by the pandemic.

The Federal and Provincial governments delivered significant financial support programs to businesses impacted during, or as a result of, the COVID-19 pandemic closures. The key programs ended as restrictions were gradually lifted and business needs shifted from emergency support to recovery. Examples of some key COVID-19 pandemic programs available to businesses of all sizes, and in various sectors included the Canada Emergency Wage Subsidy, Canada Emergency Business Account, Canada Emergency Rent Subsidy, Canada Emergency Response Benefit, Tourism and Hospitality Recovery Program, and Hardest-Hit Business Recovery Program.

York Region continues to be a top destination in the GTA and Canada for workforce talent and businesses, serving as one of the largest business hubs in the GTA. The presence of the CP intermodal facility and CN MacMillan rail yard, a strong network of 400-series highways and its proximity to Toronto Pearson International Airport facilitates easy connections to global markets and enables the seamless movement of people, goods and services. York Region is the only GTA jurisdiction outside the City of Toronto with subway connections and this continues to add to the attractiveness of the Region as a place for the

labour force and businesses to reside and grow. These factors contributed to the 2020 opening of a 250,000 square foot Sobeys Inc. e-commerce facility as well as the 2021 opening of a new Amazon fulfillment centre, both located in the City of Vaughan.

The Region continues support business and job growth through major transit investments, particularly in its four provincially designated urban growth centres and the connecting corridors. Toronto's TTC subway extension to the City of Vaughan has been a catalyst in supporting and creating desirable business locations in the Region. The transit network is being further enhanced with the development of a second subway extension line to York Region connecting Richmond Hill and Markham to downtown Toronto. This transit infrastructure project will be key in supporting local economic growth in York Region and will be a driving force to achieving the Province's 2051 population and employment forecast for the Region. As the Region's urban structure continues to evolve, York Region will continue to be a top business location in the GTA.

Although steady job growth and healthy employment is evident in the Region, economic uncertainty will persist over the coming year as businesses and employees face new challenges including supply chain issues, hiring issues, political instability, global economic issues (i.e., war in Ukraine, possible recession), inflation, high interest rates, cost of living increases, and housing challenges. As these challenges impact the Region and broader Canadian landscape, the Region will continue to closely monitor these trends.

5. Financial

Work related to generation and analysis of employment data is completed by internal resources and all costs are addressed in the approved Planning and Economic Development branch budget. The annual employment survey is conducted in partnership with the nine local municipalities, at a shared cost.

6. Local Impact

Local municipalities use the information and analysis generated in the Employment and Industry report to identify and report economic trends on an annual basis, to assist in developing business retention and expansion strategies, produce local business directories and inform employment land strategies. Information from the York Region employment survey was collected with assistance and support of all nine local municipalities including financial assistance and survey promotion. The results, including a detailed database, are provided to each municipality for their use.

7. Conclusion

The 2022 Employment and Industry report identifies key trends in business and employment growth. York Region has a large, diverse economy with strong growth experienced in recent years primarily in services-producing sectors as well as recovery in the goods-producing sectors.

According to York Region's employment survey, employment rose to an estimated 615,760 jobs (4.7% since 2019) in 33,110 surveyed businesses as of mid-year 2022. This sustained employment growth continues to diversify the Region's economy and promote economic resilience, vitality and liveability.

For more information on this report, please contact Paul Bottomley, Manager, Policy, Research and Forecasting at 1-877-464-9675 ext. 71530. Accessible formats or communication supports are available upon request.

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Approved for Submission:



Bruce Macgregor
Chief Administrative Officer

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Attachment 1 – 2022 Employment & Industry Report