



Executive Summary Report 2020 Local Labour Market Plan

December 2020



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Executive Summary

1.1 Demographic and Economic Highlights

The demographic and economic analysis has revealed some key considerations. The labour supply in Chatham-Kent continues to be an issue for employers, which emphasises the potential to attract and retain investment in the Municipality.

At the same time, the structure of Chatham-Kent's economy is changing. The Municipality has always had a large share of self-employed people but that share is decreasing. Small businesses are a critical element of the economy. Almost half of all employer businesses have under five employees. The businesses in Chatham-Kent are predominantly focused in retail, construction and agriculture while the largest share of employers are in manufacturing, retail, health care and agriculture.

COVID-19 has amplified some workforce development trends. Gaps in the labour market have widened especially in the lower wage roles. There has been a marked increase in the need for additional soft skills and digital skills.

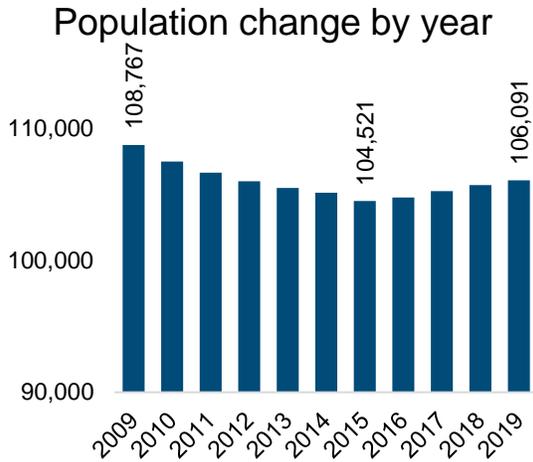
Labour Supply Continues to be a Priority for Chatham-Kent

- While the population is increasing, the number in the workforce is declining
- Further, there are far more closing on retirement compared to a decade ago
- Migration is becoming an important source of population and new workforce
- The unemployment rate has decreased over the past 10 years

Chatham-Kent's population has been gradually increasing. After six years of decline from 2009 to 2015, the population has grown from the low of 104,521 in 2015 to 106,091 in 2019. At the same time, the population is aging. Roughly, one third of the population (30%) is now age 60 or over. Chatham-Kent has had a negative population growth rate meaning there are more deaths than births. As a result, Chatham-Kent is reliant on inward migration to grow its population. Chatham-Kent's immigration rates are lower than its peer communities are, but recent efforts to attract new immigrants are showing gains.

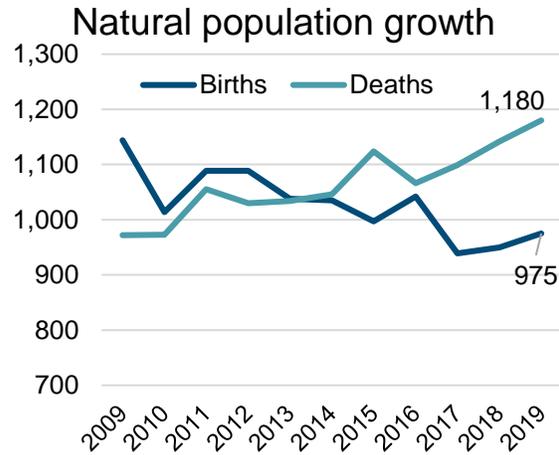
Population

106,091



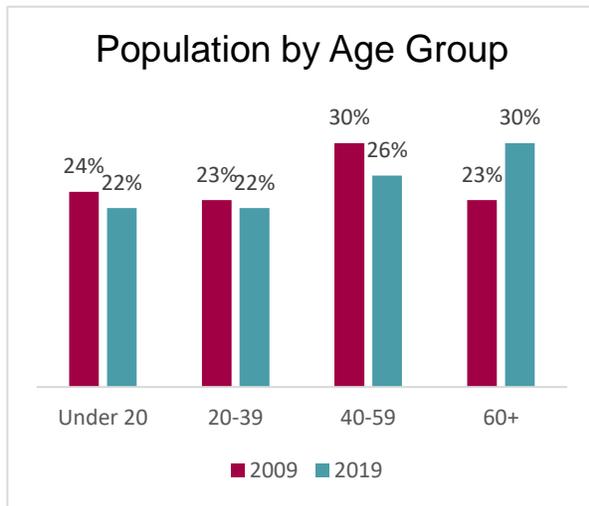
Natural Population

-215



Workforce age 60+

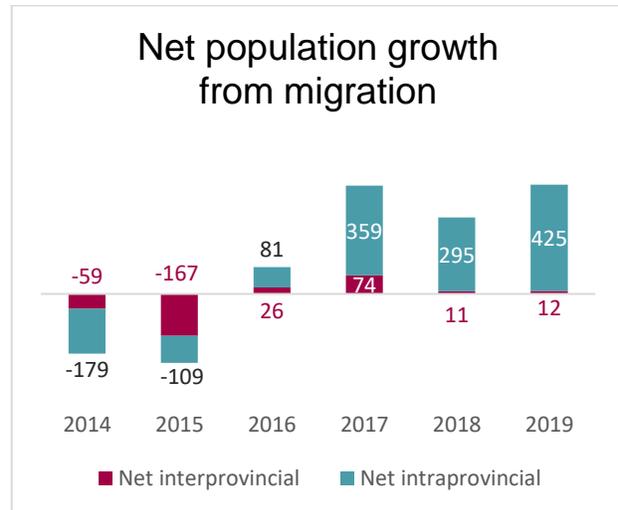
30%



Source: Statistics Canada. Table 17-10-0135-01.

Migration 2019

+ 437

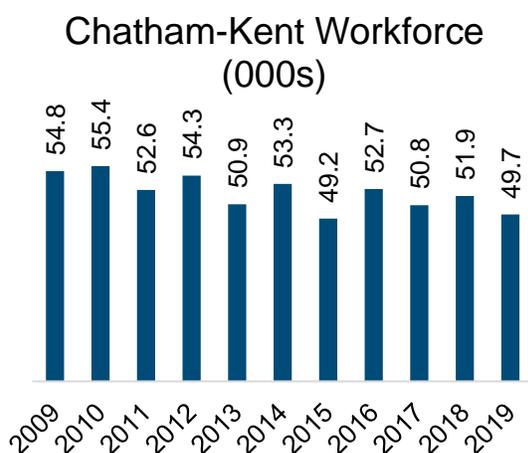


Source: Statistics Canada. Table 17-10-0136-01.

Corresponding with the population trends, Chatham-Kent's workforce has decreased from a high of 55,400 in 2010 to 49,700 in 2019. Unemployment rates were trending down pre-COVID-19, sitting at 6.0% in 2019.

Workforce

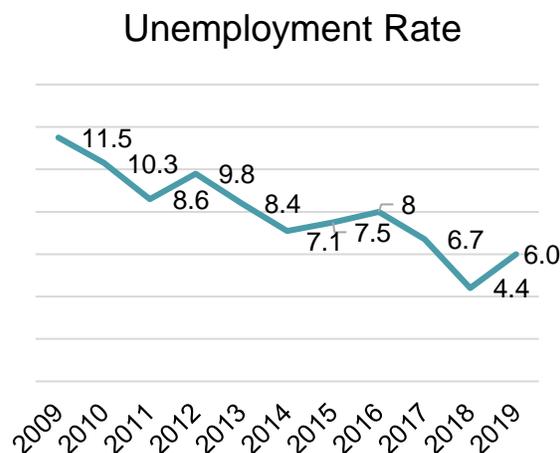
49,700



Source: Statistics Canada. Table 14-10-0102-01.

Unemployment

6.0%



Source: Statistics Canada. Table 14-10-0102-01.

The Structure of the Chatham-Kent Economy is Evolving:

- Chatham-Kent has higher rates of self-employment than the province but is on the decline
- Most employer businesses report having less than 10 employees
- The number of total businesses has increased in the past 5 years
- After some historic declines, manufacturing employment is increasing
- Top employment sectors are manufacturing, retail, agriculture, health care, food and accommodation

Chatham-Kent has a higher self-employment rate than the provincial average (18% and 15.6% respectively), although Chatham-Kent's self-employment rate declined by 5% while the provincial self-employment rate increased.

As of June 2020, there were 7,241 non-employer businesses¹ and 3,052 employer businesses in Chatham-Kent. Half of the employer businesses have fewer than five employees.

Chatham-Kent has five times as many employer establishments in crop production and four times as many firms in the farm product wholesale sector compared to the national economy.

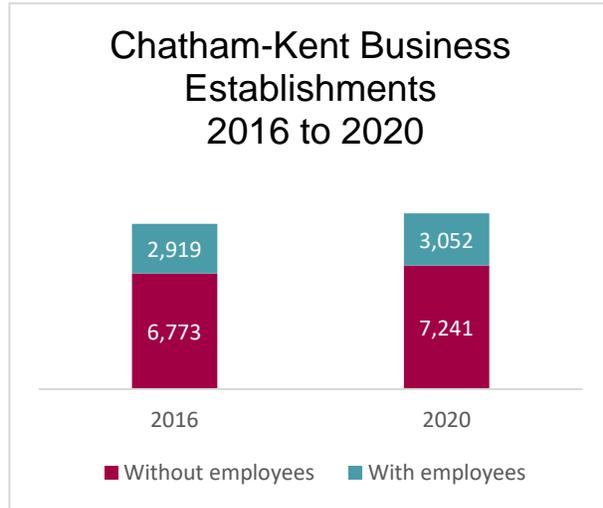
Chatham-Kent also has a high concentration of employers in warehousing and storage, utilities, transportation equipment manufacturing, machinery manufacturing, building material and

¹ To be included in the account, a non-employer business must have at least \$30,000 in annual earnings.

garden equipment dealers, general merchandise stores and fabricated metal product manufacturing compared to the national average.

Total businesses

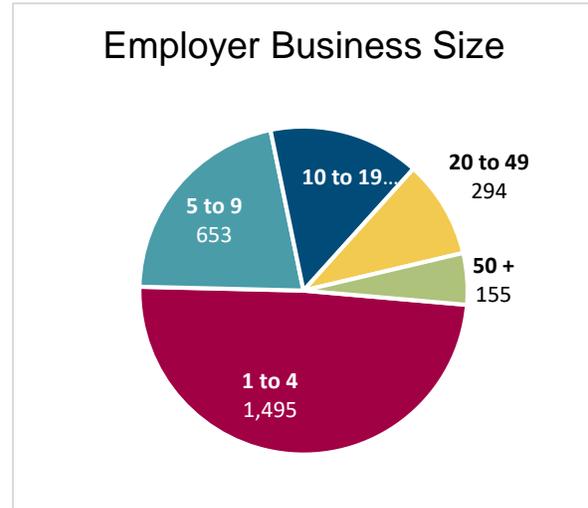
10,293



Non-employer businesses with at least \$30,000 annual revenue
Source: Statistics Canada business counts, June 2016, 2020

Business 50+ employees

155



Source: Statistics Canada business counts, June 2020

Top 5 Sectors by Number of Establishments				
Retail	Construction	Agriculture-related	Manufacturing	Professional services
416	387	372	154	160

Includes the private and public sectors. Based on organizations with employees.
Source: Statistics Canada Business Counts (June 2020, June 2019)

The labour market participation rates in Chatham-Kent are significantly higher than provincial averages for individuals aged 15 to 19 and 65 and older, although the participation rate for men age 55 to 59 was lower than the Ontario rate.

Chatham-Kent experienced modest growth in the number of businesses over the past four years. The number of firms without employees grew by 7% and the number of firms with employees grew by 5% between 2016 and 2020.

The sectors with the largest estimated employment increases included agriculture and related (net +432), utilities (net +434), manufacturing (net +1,277) and education (net +425).

Top 5 Sectors by Employment (Estimated 2020)				
				
Manufacturing	Retail Trade	Health care & social assistance	Agriculture	Accommodation & food
6,485	6,168	5,793	5,192	3,425

Calculated using the mid-point of each employment range multiplied by the number of establishments in that employment range. Based on Statistics Canada Business Counts June 2020.

There is an Increasing Demand for Workers

- Retail positions make up the largest share of job postings in 2020
- Job postings dipped during the COVID-19 lockdown in Q1 & Q2 2020 and rebounded Q3
- Sectors under greatest stress are sales and services, natural resources and agriculture, health, natural and applied sciences and management.

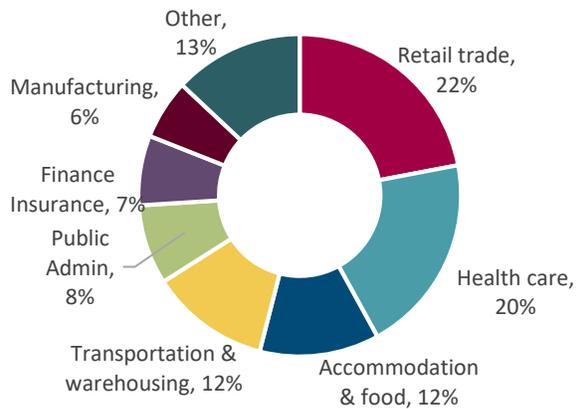
Job postings were down by 11% between January and September 2020 compared to 2019. Job postings dropped significantly between March and May 2020 and have rebounded strongly since. The largest share of job postings was for retail positions (588 or 27% of all postings) down from 683 postings in 2019.

An analysis of postings per sector relative to the numbers currently working in the sector indicates that the demand is particularly tight in sales and services, natural resources and health occupations.

Total job postings

2,173 (Jan to Sept. 2020)

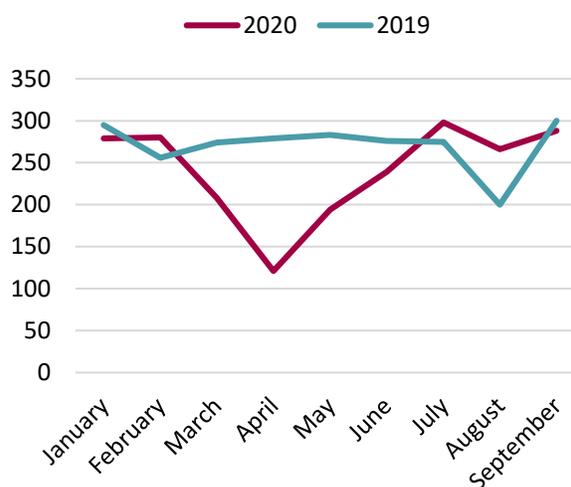
Job Postings by Industry



* Source: Vicinity Jobs.

September job postings

300 (Sept. 2020)



Source: Vicinity Jobs

1.2 COVID-19 Impacts

The impact of COVID-19 has been uneven, with some sectors and individuals experiencing more affects. It appears that Chatham-Kent's dominant sectors of farming, utilities, building materials, general merchandise stores, machinery, transportation equipment and fabricated metals have initially faced fewer negative impacts than others have.

A survey of Chatham-Kent businesses identified some gaps in the development of new business strategies and crisis response plans. They indicated that COVID-19 had created increased demand for soft skills such as adaptability, communication, problem solving time management and teamwork.

The COVID-19 pandemic has amplified pre-existing workforce shortages and skills gaps. Employers were previously reporting challenges in recruiting and retaining appropriately skilled workers. COVID-19 has further limited the supply of available workers. The pandemic has made adaptability, communication and teamwork skills more important for employees. Remote working and physical distancing have also increased the need for essential skills, soft skills and digital literacy as critical factors to find and retain employment.

Employment Ontario Service Delivery

Employment Ontario (EO) service providers are now offering digital services and training wherever possible. People living in poverty, individuals with pre-existing health conditions, mental health issues or addiction were particularly challenged as a result of the pandemic. Many of these individuals do not have access to digital technology and the internet while individuals

with lower language skills often require more hands-on support not available through digital means. Transportation to work and daycare has also created a barrier to EO clients.

The share of client with disabilities is increasing - up 5% in just the past year - but the overall volume of clients has declined since the pandemic. Many of the EO clients are vulnerable populations and wary of risk with limited technology access, literacy and language barriers, without childcare and transportation.

1.3 Recommendations

The Chatham-Kent 2020 Local Labour Market Plan includes the following recommendations with a series of related short-term, medium-term and long-term actions.

	<p>1: Provide digital supports for local employers</p>	<p>Help local employers access the workforce recruitment and training tools and resources they need to survive and thrive.</p>
	<p>2: Expand on-line recruitment tools and initiatives</p>	<p>Address emerging employer needs resulting from COVID-19.</p>
	<p>3: Address emerging and ongoing workforce skills gaps collaboratively</p>	<p>Develop common standards and tools to address local client skills gaps.</p>

HOW DID WE DO?

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