Subject: Niagara Region 2018 Employment Inventory Results Report

Report to: Planning and Economic Development Committee

Report date: Wednesday, March 20, 2019

Recommendations

1. That Report PDS 6-2019 respecting the 2018 Niagara Region Employment Inventory Results report **BE RECEIVED** for information; and

2. That a copy Report PDS 6-2019 **BE DISTRIBUTED** to the Local Area Municipalities, Local Economic Development Offices, Niagara Workforce Planning Board and the Niagara Chambers of Commerce.

Key Facts

- This report highlights the key performance indicators of the data collected during the 2018 Employment Inventory period.

- The Employment Inventory is an annual primary data collection exercise where a small team of post-secondary students attempt to visit every publically accessible (signed) business within Niagara during the summer months.

- In 2018, the Employment Inventory team inventoried over 11,700 businesses throughout the urban and rural areas of Niagara and collected the location of approximately 142,000 jobs.

- This year's data collection resulted in an 87% full participation rate, compared to 68% from 2016 and 76% in 2017. This increase is attributed to ongoing support from local municipal partners and other special interest stakeholders.

- Data captured through the Employment Inventory has become a key asset for:

    - Internal Regional departments
    - Local area municipalities
    - Local Economic Development offices
    - Niagara Workforce Planning Board
    - Local Employment Ontario agencies

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- The results are currently assisting in informing Regional service delivery decisions such as:

  - Providing sufficient levels for servicing child care centres
  - Providing up-to-date employer data for the Building Employment Networks Niagara (BENN) application
  - Locating premises for the Environmental Health Legionella Exposure Inventory
  - Assisting with waste management communication outreach
  - Informing Economic Prosperity Dashboard indicators

- In an effort to promote innovation and foster greater transparency and accountability, a subset of the data captured through the 2018 Employment Inventory will be made publically available through the Niagara Region Open Data portal.

Financial Considerations

The Niagara Employment Inventory was funded through the Council approved 2018 operating budget with contributions from Planning and Development Services, Economic Development, SAEO, and Internal Control and Organizational Performance.

The total cost of the project (rounded to the nearest $100) was **$99,900** and is broken down as follows:

Student wages	$93,600
Mileage disbursement	$4,400
Cellular fees	$1,600
Attire and branding	$300
Total	**$99,900**

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Analysis

Niagara Region is among several municipalities in Ontario that collect employment data on an annual basis. The project was initiated in 2016, when the Planning and Development department partnered with Economic Development to embark on a primary data collection exercise to gather information about the types and size of businesses in Niagara.

Each year, the Employment Inventory is conducted by a small team of post-secondary students between the months of May and September. The primary method of data collection is through door-to-door interviews with local business owners, with any additional follow-up engagement conducted through email and telephone communication.

The 2018 Employment Inventory team visited over 11,700 businesses and collected the physical location of 142,000 full and part time jobs. Compared to the 2017 results, this is an increase of almost 500 surveyed businesses and over 11,000 additional jobs identified.

The Employment Inventory is a comprehensive dataset of business information that indicates: number of jobs, business locations, business size, type of business sector, level of foreign investment, and exporting patterns relating to each business. The inventory is a geo-coded, spatial enabled dataset, which facilitates analysis at the street address level.

The questionnaire (Appendix 1), was developed leveraging best practices from our Greater Toronto and Hamilton area counterparts as well as consultation from the following internal and external stakeholders:

- Internal Regional departments
- Local area municipalities
- Local Economic Development offices
- Local Employment Ontario agencies
- Niagara Workforce Planning Board

With assistance from local municipal partners and other special interest stakeholders, the inventory continues to experience a steady growth in the response rate, achieving an 87% full participation rate in 2018.

Each year, the inventory questionnaire features a unique subset of questions that are specifically tailored to gain insight into the local business community. The project team will continue to engage internal and external stakeholders to explore whether to include additional or different questions.

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Results

Table 1 (below) illustrates the proportion of complete and partially complete survey responses over the 3-year survey. This year's data collection resulted in an 87% full participation rate, compared to 68% from 2016 and 76% in 2017. A full participation rate indicates a business that provided responses to all survey questions from beginning to end.

Table 1 – Inventory Response Rate

Year	Complete Survey Response	Partially Complete Survey Response	Refused to Participate
2016	68%	30%	2%
2017	76%	22%	2%
2018	**87%**	**12%**	**1%**

The rise in participation rate can be attributed to increased familiarity with the survey team, a streamlined data entry methodology, and joint communication outreach conducted by our local Chamber of Commerce's and other interest groups. The Employment Inventory continues to see a low refusal rate of just 1%.

A partially completed response still results in successfully capturing the physical location of the business and the associated industry code. Regional staff continue to work with local area municipalities and other partners to bolster the number of completed responses.

Table 2 (below) illustrates the number of businesses inventoried and the number of jobs reported from respondents over the 3-year survey period. It is important to note that the totals do not reflect an overall increase in the number of business and jobs per year. The increase is largely linked to the expanded survey area (which now includes all rural and agricultural areas), as well as the significant improvement in the survey participation rate.

Table 2 – Number of Businesses and Jobs Reported

Year	Businesses Inventoried	Full Time Jobs Reported	Part Time Jobs Reported	Total Jobs Reported
2016	10,743	71,899	38,239	110,138
2017	11,202	91,216	39,848	131,144
2018	**11,720**	**98,706**	**43,478**	**142,184**

* Home-based and mobile businesses were not inventoried.

Table 3 (below) illustrates the municipal breakdown of the number of businesses and jobs over the 3-year survey period.

Table 3 – Distribution of Businesses and Jobs by Municipality

Municipality	Number of Businesses (2016)	Number of Jobs Reported (2016)	Number of Businesses (2017)	Number of Jobs Reported (2017)	Number of Businesses (2018)	Number of Jobs Reported (2018)	Number of Unique Jobs Reported* (2016-2018)
Fort Erie	709	6,351	719	6,867	763	8,414	8,790
Grimsby	443	4,009	455	4,750	465	5,204	5,767
Lincoln	440	4,198	543	6,650	564	6,964	7,759
Niagara Falls	2,514	22,929	2,553	32,982	2,642	32,687	37,484
Niagara on the Lake	456	7,082	513	9,707	560	11,238	11,966
Pelham	271	1,743	301	2,275	318	2,677	2,903
Port Colborne	461	2,912	465	3,917	468	4,176	4,561
St Catharines	3,657	43,045	3,771	44,254	3,966	48,130	58,021
Thorold	460	4,980	491	5,307	523	5,674	6,196
Wainfleet	43	179	58	402	60	507	523
Welland	1,161	11,221	1,158	12,122	1,188	14,149	14,803
West Lincoln	128	1,489	175	1,911	203	2,364	2,524
Niagara Region	10,743	110,138	11,202	131,144	11,720	142,184	161,297

Number of Unique Jobs Reported (2016-2018) column indicates the combined 3-year total of jobs reported. This combined 3-year total accounts for completed responses received in any survey year and does not include duplicates.

As the Employment Inventory matures and the participation rate increases among employers, the results will be used in conjunction with Statistics Canada data and other data sources to accurately monitor the regional economy, gain insights into where economic gains are occurring, and better understand where Niagara Region and local municipalities can take action to help facilitate economic growth and opportunity.

The data collected each year through the Employment Inventory provides detailed local business information that is not available through Statistics Canada data. In most cases, Statistics Canada data is updated once every 5 years, whereas the Employment Inventory is updated on a yearly basis. Statistics Canada data is ideal for performing analysis at the regional and municipal level, but lacks the ability to analyze raw business data at the street address level. Collecting annual business data at the street address level allows for micro analysis to be done at custom geographies and time series.

Reliable and comprehensive data about our business community is integral towards understanding the Region's employment context and facilitating the Region to respond quickly to emerging economic development opportunities. Furthermore, the Employment Inventory dataset plays a significant role in supporting decisions related to population and employment growth and forecasting, infrastructure investment (including public transit), socioeconomics, and the ongoing monitoring of economic conditions and trends.

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Table 4 (below) illustrates the number of businesses and jobs captured in 2018 based on the 2-digit North American Industry Classification System (NAICS). NAICS is a standardized industry classification system used to classify business establishments according to type of economic activity or industry.

The top three sectors by number of jobs captured were associated with "Retail Trade", followed by "Accommodation and Food Services" and "Health Care and Social Assistance" respectively. These three sectors account for almost 45% of the total number of jobs reported by respondents in 2018.

Table 4 – Number of Businesses and Jobs by NAICS Sector

NAICS Industry Sector (2-Digit)	Number of Businesses 2018	Number of Jobs 2018	Number of Jobs Proportion of Region
Retail trade	2,647	23,733	16.7%
Accommodation and food services	1,647	19,110	13.4%
Health care and social assistance	1,227	17,939	12.6%
Manufacturing	845	15,577	11.0%
Educational services	232	10,280	7.2%
Arts, entertainment and recreation	378	8,706	6.1%
Public administration	195	7,421	5.2%
Construction	373	5,474	3.8%
Other services (except public administration)	1,602	5,407	3.8%
Administration and support, waste management and remediation services	279	4,857	3.4%
Professional, scientific and technical services	715	4,269	3.0%
Finance and insurance	461	4,065	2.9%
Transportation and warehousing	221	3,563	2.5%
Agriculture, forestry, fishing and hunting	139	3,409	2.4%
Real estate and rental and leasing	286	3,230	2.3%
Wholesale trade	262	3,107	2.2%
Information and cultural industries	152	1,097	0.8%
Utilities	32	704	0.5%
Management of companies and enterprises	12	161	0.1%
Mining, quarrying, and oil and gas extraction	7	75	0.1%
Undetermined	8	0	0.0%
Total	11,720	142,184	100.0%

The Employment Inventory also provides a key opportunity for the Region to personally connect with local businesses in order to further develop partnerships, fostering an environment for innovation and development within the Niagara business community.

Table 5 (below) highlights the responses received when business owners were asked "Is there anything Niagara Region could do to help support your business?". For reporting purposes, the responses have been categorized into themes, however, the raw comments will be shared with internal staff as well as our local municipal partners.

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Table 5 - "Is there anything Niagara Region could do to help support your business?"

Response Theme	Responses Received	Proportion
Taxes and Utilities	310	15.0%
Business Exposure	300	14.5%
Beautification/Infrastructure/Traffic Issues/Construction	293	14.2%
Incentives/Grants/Contracts	279	13.5%
Skills and Labour Force	211	10.2%
Transit	109	5.3%
Social Support Programs/Programs	101	4.9%
Awareness and Education	98	4.7%
Parking Issues	81	3.9%
Uncategorized	75	3.6%
Waste Management	70	3.4%
Development Process/Zoning/Land Use	54	2.6%
Health and Safety	40	1.9%
Minimum Wage Increase Concerns	32	1.5%
Development Charges	16	0.8%
Total	**2069**	**100%**

In keeping with Niagara Region's collaborative One Team mandate, this year's inventory featured a series of questions for our SAEO department to assist in gaining better insights to the educational levels that are required to work for businesses. This demonstrates the capacity for the inventory to feature additional questions (on a limited scale) from other potential stakeholders in subsequent surveys.

Table 6 (below) illustrates the responses from businesses when asked, "What educational levels are required to work for your business?".

Table 6 – Minimum Education Levels Required

Education Question	Yes	No	Decline
Require a high school diploma (or equivalent)	3,964	3,696	416
Require a college diploma or university degree	2,452	5,154	433
Employ workers with trades certificates or are involved in an apprenticeship program	1,713	5,865	449

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Other departments within the Region also benefit from this dataset. The results are currently assisting in informing Regional service delivery decisions such as:

• Providing sufficient levels for servicing child care centres
• Providing up-to-date employer data for the Building Employment Networks Niagara (BENN) application used to match Ontario Works and Ontario Disability Support clients to available training and job opportunities
• Locating premises for the Environmental Health Legionella Exposure Inventory
• Assisting with waste management communication outreach
• Informing Economic Prosperity Dashboard indicators

A subset of the 2017 Employment Inventory results was previously released to the public through the Niagara Region Open Data Portal. Open Data promotes innovation and fosters greater transparency and accountability. Since May 2018, the 2017 Employment Inventory Open Data dataset has attracted 677 page views and a total of 112 download events.

The following list identifies the attributes that are made openly available to the public:

• Business Name
• Street Address, Unit #
• Municipality
• Postal Code
• Business Website
• 6-digit North American Industry Classification System (NAICS) code
• Employee Size category based on Statistics Canada, Canadian Industry Statistics.
  o Micro 1-4 employees
  o Small 5-99 employees
  o Medium 100-499 employees
  o Large 500 + employees

Alternatives Reviewed

The goal of the Employment Inventory is to update the data on an annual basis to monitor, understand, and track trends over time. With successive years of data collection, historic trends analysis of the data will show how specific businesses, business sectors and geographic areas of employment in Niagara evolve over time as our economy changes.

Continuing to collect this level of data annually provides a baseline to analyze historical trends, forecast employment growth, supplement other employment sources and provide a resource back to the community.

Relationship to Council Strategic Priorities

The Employment Inventory is a key tool that the Niagara Region uses to strengthen its economic competitiveness by better understanding its current employment landscape and workforce composition. Data collected through the Employment Inventory plays a significant role towards informing future decisions related to population and employment growth, infrastructure investment, public transit planning, economic development, and the ongoing monitoring of economic conditions. The Niagara Region continues to rely on this dataset as a valuable asset when developing robust business cases designed to attract investment, innovation, and entrepreneurship to Niagara and strengthen the Region's position globally.

Other Pertinent Reports

• PDS 13-2016
• PDS 1-2017
• PDS 5-2018

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Appendices

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