Subject: 2023 Niagara Employment Inventory Results

Report To: Planning and Economic Development Committee

Report date: Wednesday, April 10, 2024

Recommendations

1. That this report **BE RECEIVED** for information; and

2. That PDS 13-2024 **BE CIRCULATED** to the Local Area Municipalities, Local Economic Development Offices, Workforce Collective, the Niagara Chambers of Commerce, Brock University and Niagara College.

Key Facts

*   The purpose of this report is to highlight the key results of the data collected during the 2023 Niagara Employment Inventory (NEI).

*   The NEI is an annual direct data collection exercise (inventory and questionnaire) where a team of post-secondary students inventory publicly accessible businesses across Niagara.

*   The Region began conducting the NEI in 2016, other than a two year pause during the pandemic, the survey has been carried out consistently each year, with 2024 survey preparations underway.

*   The 2023 NEI team inventoried a total of 12,860 businesses throughout Niagara and received 10,318 completed responses, which captured the location of 146,128 full and part-time jobs and the associated data about the jobs reported by businesses who chose to participate in the questionnaire.

*   Data captured through the NEI is shared with and is a key asset for internal Regional departments, local area municipalities and other organizations. A subset of the data collected is also published to Open Data to make it available to the public.

Financial Considerations

The NEI was funded through the Council-approved 2023 operating budget within Growth Strategy and Economic Development's base budget.

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Analysis

Niagara Region is among several municipalities in Ontario that collect workplace and employment data. Since 2016, the Growth Strategy and Economic Development department has collected primary data on the types and sizes of businesses operating in Niagara.

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

The data collected has become vital to monitoring the region's economic health, as well as aiding in decision and policy making. The information collected over the years has culminated into a comprehensive dataset of business information that provides the ability to analyze the regional employment landscape over time. The inventory is a geo-coded, spatially enabled dataset that facilitates analysis at a street-address level.

The business questionnaire was developed based on best practices from other municipalities in the Greater Toronto and Hamilton area, as well as through consultation with the following stakeholders and experience gained over the years from administering the project:

- Internal Regional departments;
- Local area municipalities;
- Local economic development offices; and
- Brock University.

Each year, the NEI questionnaire features a core set of questions that are tailored to gain fundamental insight into the local business community. These questions remain unchanged each year accurately compare results over time. The core questions are in alignment with employment questionnaires administered by our municipal counterparts in the Greater Toronto and Hamilton Area.

In 2022, two new categories were added to the questionnaire focused on (1) diversity, equity and inclusion and (2) work from home. These questions were added to gain an understanding of the demographic characteristics of the business community, and to provide insight into the number of businesses with employees working from home.

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These questions remained in the 2023 survey and are expected to remain in 2024.

In 2023, the NEI team inventoried 12,860 businesses and received 10,318 completed questionnaires, which captured the physical location of 146,128 full and part time jobs. Compared to 2022 results, there is an increase of 33,627 jobs identified. It is important to note that the number of jobs reported is not a reflection of the local job market, but rather is the result of a higher participation rate in 2023 compared to 2022, and that the total number of businesses inventoried includes businesses observed to no longer be in operation or vacant.

Participation in the NEI is voluntary. Despite best efforts, the project team is unable to make direct contact with all business owners or, occasionally, a business declines to participate.

Results

Table 1 in Appendix 1 illustrates the proportion of complete and partially complete inventory records from 2016-2019, and 2022-2023. A complete inventory record indicates that a business provided responses to the inventory questionnaire from beginning to end ("complete questionnaire"), or the business was confirmed to be permanently closed or vacant.

Partially complete records indicate the inventory team was not able to make direct contact with a business representative. In these cases, the project team still captures several key attributes, such as verifying the physical location of the data point and associated sector and industry codes. The NEI continues to see a low rate (less than 1%) of businesses, who when contacted, decline to participate.

In 2023, a completion rate of 80% was achieved. The completion rate in 2023 is strong with a 5% increase since 2022. A steady increase in the completion rate year-over-year can be attributed to greater familiarity with the survey and project team, a streamlined data entry methodology, and joint communication outreach conducted by our local Chambers of Commerce and other interest groups.

Job Type Results

Table 2 in Appendix 1 illustrates the number of businesses inventoried and jobs captured within complete questionnaires in the 2023 NEI by sector based on the 2-digit North American Industry Classification System (NAICS). The NAICS was established by

statistical agencies of Canada, Mexico and the United States. It is a standardized industry classification system used to categorize business establishments based on the type of economic activity of the business.

Based on the number of businesses inventoried, the top three sectors observed in 2023 were: retail trade (22.0%), accommodation and food services (14.8%) and other services (except public administration) [1](13.2%). When combined, these sectors make up 50% of all the businesses captured in the inventory.

Based on the number of jobs captured in complete questionnaires, the top three sectors observed in 2023 were: accommodation and food services (17.4%), retail trade (17.0%), and health care and social assistance (12.6%). Together, these sectors make up 47% of the total jobs captured in complete questionnaires.

Business Closures and Openings

Since 2022, approximately 797 businesses inventoried have been identified as no longer being in operation or vacant. The top three sectors that experienced business closures were retail trade; accommodation and food services; and other services (except public administration).

Over the same period, approximately 1,269 new businesses were identified and added to the inventory in 2023. The top three sectors that new businesses were observed in are: retail trade; accommodation and food services; and health care and social assistance.

Distribution of Inventoried Businesses and Number of Jobs by Municipality

Table 3 in Appendix 1 illustrates the municipal breakdown of the number of businesses and jobs reported over the six years inventory period. As mentioned above, the total businesses inventoried includes businesses observed to no longer be in operation or vacant, and total jobs reported are only for complete questionnaires.

Work from Home

In total, 1,021 businesses reported having staff working from home, representing approximately 7,023 employees. The majority of employees working from home were in the professional, scientific and technical services (34.9%), education (15.8%), and

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[1] Other Services includes repair shops, personal care facilities and laundry services, among other industries.

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manufacturing (10.4%).

Diversity, Equity and Inclusion

Niagara Region is the first municipal employment questionnaire in the Golden Horseshoe to include questions pertaining to Diversity, Equity and Inclusion (DEI). These questions were added in 2022 and asked again in 2023 to gain a baseline understanding of demographic characteristics of the leadership teams in the Niagara business community.

Table 4 in Appendix 1 provides the responses to the questions in the newly added DEI section. Businesses were asked whether the majority of the business (+50%) are owned or led by:

- Person who identifies as a woman
- Person who identifies as a member of the 2SLGBTQQIA+[2] community
- Person who identifies as being disabled
- First Nations, Inuit or Métis person
- Person who identifies as a visible minority
- Youth (Less than 18 years old)
- Person who is a new immigrant (in Canada less than 5 years)

Respondents were given the option to complete the DEI section in person or online. In total, 1,457 business owners responded to the questions in the DEI section. Respondents could also choose to decline to answer the DEI section of the questionnaire. Staff in the DEI and Indigenous Relations team are reviewing the responses to develop strategies to continue to increase response rates in the future. This data will also be used to inform ongoing DEI initiatives at the Region.

Utilizing NEI Data

The data collected each year through the NEI provides detailed local business information that is not available through Statistics Canada data. In most cases, Statistics Canada data is updated once every five years providing high level data. Whereas the NEI is updated on a yearly basis to capture the current locational information, excluding the two-year data gap prompted by the COVID-19 pandemic. Statistics Canada data remains the authoritative data source for performing analysis at

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[2] Two spirit, lesbian, gay, bisexual, transgendered, queer, questioning, intersex, asexual, and all other sexual orientations and genders.

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regional and municipal level geographies; 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 detailed analysis to be carried out at custom geographies and time series.

The NEI results are used in conjunction with Statistics Canada data and other data sources to accurately monitor the regional economy. This allows for a better understanding of where the Region can take action to help facilitate economic growth and understand the changes that have taken place since the two-year reporting gap.

Reliable business data is an integral resource to better understand the region's employment context. This dataset plays a significant role in supporting decisions related to population and employment growth, infrastructure investment (including public transit), economic development inquiries, and the ongoing monitoring of economic conditions and trends.

In addition to supporting decision making, the data collected over the years has been used by the Region to facilitate analysis to support and add value to various projects. Below are examples of projects that the NEI data has been used for:

- South Niagara Hospital Project Business Directory;
- Niagara Official Plan Land Needs Assessment;
- Niagara Region Waste Collection Contract Review; and,
- Brock University Active Economy and Sport Tourism Research.

Economic Development also uses the NEI data to connect businesses to supply chain opportunities, support international promotion through the Niagara Canadian Business Directory, and to assist in analyzing the regional economy.

Building Relationships

The NEI also provides key opportunities for the Region to personally connect with local businesses to further develop partnerships, foster an environment for innovation and development within the Niagara business community, and the ability to listen and address any comments or concerns. Staff turnover and changing business operations can become an obstacle when trying to engage businesses, largely because the contact information in the NEI database became outdated. Following the two year reporting gap, the project team continued to focus on building relationships with the business

community in 2022 and 2023. To do so, the project team sought to educate business representatives on the value of the data relative to how it is used by the Region and local municipalities.

Addressing concerns of business owners continues to be an important step in building and maintaining strong working relationships with the community. On occasion, concerns were expressed by business owners, which were addressed immediately by the project team. Where the project team could not address the concern, the business owner was referred to resources available at the Region, such as the Waste Management Info-Line or local business support services.

Table 5 in Appendix 1 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 only. The top three themes for 2023 are business exposure (14.9%), infrastructure/traffic issues/construction (12.4%), and incentives/grants/contracts (11.7%). The raw comments are shared with applicable internal departments, and with local municipal partners.

Open Data

Each year, a subset of the NEI results is released to the public through the Niagara Region Open Data Portal. Open Data places information in the hands of the public, promoting innovation and fostering greater transparency and accountability. The following attributes from the Employment Inventory dataset are made available to the public including, business name, location information, 6-digit North American Industry Classification System (NAICS) code, and employee size categories.

Alternatives Reviewed

Council could opt not to receive and share this report. However, as the results of the NEI contribute to projects and initiatives which are actions of Council's Strategic Priorities, this option is not recommended.

Relationship to Council Strategic Priorities

The NEI is a key tool that the Niagara Region uses to strengthen its economic competitiveness by better understanding its current employment landscape and workforce composition.

The NEI project supports Council's strategic priorities of Prosperous Region, Equitable Region, and Effective Region. Data collected through engaging the business community is used to inform decision-making related to population and employment growth, infrastructure investment, public transit planning, economic development, and the ongoing monitoring of economic conditions.

The Niagara Region and local area municipalities 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   Niagara Region Employment Survey
- PDS 1-2017   Niagara Region Employment Inventory Preliminary Results
- PDS 5-2018   Niagara Region 2017 Employment Inventory Results
- PDS 6-2019   Niagara Region 2018 Employment Inventory Results
- PDS 5-2020   Niagara Region 2019 Employment Inventory Results
- PDS 12-2021   2021 Niagara Employment Inventory Status Update
- PDS 6–2023   2022 Niagara Employment Inventory Result

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Appendices

Appendix 1   Data Tables

APPENDIX 1

Data Tables

Table 1 – Inventory Completion Rate

Year	Complete Inventory Record	Partially Complete Record	Declined to Participate
2016	68%	30%	2%
2017	76%	22%	2%
2018	87%	12%	1%
2019	90%	9%	<1%
2022	75%	24%	<1%
2023	**80%**	**19%**	**<1%**

Table 2 – Number of Businesses and Jobs by NAICS Sector

NAICS Industry Sector (2-Digit)	Number of Jobs 2023	Number of Jobs Proportion of Region	Number of Businesses 2023	Number of Businesses Proportion of Region
Accommodation and food services	25,374	17.4%	1,902	14.8%
Retail trade	24,910	17.0%	2,832	22.0%
Health Care and social assistance	18,430	12.6%	1,362	10.6%
Manufacturing	17,823	12.2%	859	6.7%
Educational services	14,100	9.6%	250	1.9%
Public administration	7,693	5.3%	227	1.8%
Other services (except public administration)	5,163	3.5%	1,703	13.2%
Construction	5,010	3.4%	425	3.3%
Professional, scientific and technical services	4,110	2.8%	855	6.6%
Arts, entertainment and recreation	3,914	2.7%	459	3.6%
Administrative and support, waste management and remediation services	3,542	2.4%	314	2.4%
Agriculture, forestry, fishing and hunting	3,487	2.4%	170	1.3%
Wholesale trade	3,236	2.2%	275	2.1%
Finance and Insurance	3,002	2.0%	475	3.7%
Transportation and warehousing	2,882	2.0%	227	1.8%
Real estate and rental and leasing	2,042	1.4%	333	2.6%
Information and Cultural Industries	826	0.6%	144	1.1%
Utilities	475	0.3%	33	0.3%
Mining, quarrying, and oil and gas extraction	68	0.0%	7	0.0%
Management of companies and enterprises	41	0.0%	8	0.0%
Total	**146,128**	**100%**	**12,860**	**100%**

Table 3 – Distribution of Inventoried Businesses and Jobs by Municipality

Municipality	2016		2017		2018		2019		2022		2023	
	Total Businesses	Total Jobs	Total Businesses	Total Jobs	Total Businesses	Total Jobs	Total Businesses	Total Jobs	Total Businesses	Total Jobs	Total Businesses	Total Jobs
Fort Erie	709	6,351	719	6,867	763	8,414	775	8,301	844	5,547	786	5,689
Grimsby	443	4,009	455	4,750	465	5,204	479	6,682	512	4,210	526	6,509
Lincoln	440	4,198	543	6,650	564	6,964	571	8,108	604	6,772	627	8,249
Niagara Falls	2,514	22,929	2,553	32,982	2,642	32,687	2,715	33,473	2,982	24,415	2,973	33,828
NOTL	456	7,082	513	9,707	560	11,238	596	10,926	636	7,999	669	10,072
Pelham	271	1,743	301	2,275	318	2,677	334	3,202	372	2,865	393	3,724
Port Colborne	461	2,912	465	3,917	468	4,176	478	4,682	518	3,405	484	4,076
St.Catharines	3,657	43,045	3,771	44,254	3,966	48,130	4,051	48,726	4,396	40,107	4,292	46,594
Thorold	460	4,980	491	5,307	523	5,674	538	6,693	582	5,425	593	7,337
Wainfleet	43	179	58	402	60	507	61	479	72	497	83	576
Welland	1,161	11,221	1,158	12,122	1,188	14,149	1,214	14,010	1,299	9,274	1,212	16,519
West Lincoln	128	1,489	175	1,911	203	2,364	204	2,677	216	1,985	222	2,955
Niagara Region	**10,743**	**110,138**	**11,202**	**131,144**	**11,720**	**142,184**	**12,016**	**147,959**	**13,033**	**112,501**	**12,860**	**146,128**

Table 4 –Diversity Equity and Inclusion Responses

Response	Women Led	2SLGBTQQIA+ Led	Disability Led	First Nations, Inuit, Metis Led	Visible Minority Led	Youth Led	New Immigrant Led
Yes	731	62	61	33	160	16	54
No	703	1,328	1,339	1,414	1,222	1,419	1,355
Decline	114	126	103	87	112	63	92

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

Response Themes	Responses Received 2023	Proportion 2022	Proportion 2023
Business Exposure	288	11.5%	14.9%
Infrastructure/Traffic Issues/Construction	240	17.3%	12.4%
Incentives/Grants/Contracts	225	6.2%	11.7%
Taxes and Utilities	219	12.5%	11.3%
Skills and Labour Force	164	6.2%	8.5%
Social Support Programs/Programs	136	6.5%	7.0%
Health and Safety	136	5.5%	7.0%
Parking Issues	95	5.5%	4.9%
Waste Management	90	15.8%	4.7%
Awareness and Education	90	2.3%	4.7%
Development Process/Zoning/Land Use	79	2.7%	4.1%
Transit	55	1.6%	2.9%
Governance	45	1.2%	2.3%
Beautification	42	1.7%	2.2%
Impact of COVID-19	12	3.0%	0.6%
Development Charges	11	0.4%	0.6%
Other	3	0.0%	0.2%
Total	1,930	100%	100%