Key findings:

◊ Almost three quarters of the Hamilton CMA’s working age population is employed, a higher proportion than just before the last recession and higher than the average for Ontario.

◊ The number of residents working full-time, full-year has increased by only 16% since 1976, while part-time, part-year or seasonal work has increased by 38%.

◊ The decline in full-time work is especially evident among males in Hamilton, with only 46% of males working full-time, full-year in 2010 compared to 77% in 1978.

◊ Taking into account the proportion of involuntary part-time workers, there are about 68,000, part-time, part-year or seasonal workers in Hamilton who would prefer to work more hours or weeks.

The proportion of the population aged 15 to 64 years old who are employed is called the “working age employment rate” and is a useful measure of the strength of a labour market. This measure will never reach 100% as many people in this age group will not be working due to attending school, caring for children, or illness, for example. Nonetheless, a higher working age employment rate is a sign of better economic health. A lower working age employment rate indicates that there are more people unemployed and more people who have left the job market entirely and given up looking for work. One note of caution is that the working age employment rate does not differentiate between full- and part-time work.

Chart 1 shows that the working age employment rate in the Hamilton Census Metropolitan Area is faring well compared to Ontario and within the range of other Southern Ontario CMAs. The Hamilton CMA employment rate recovered more quickly from the most recent recession compared to the recession in the 1990s. The working age employment rate dipped to 72% in the most recent recession, much higher than the lowest point of the 1990s recession, when it dropped to 67% in 1993. In 2012, the Hamilton CMA working age employment rate rose to 74%, just two percentage points lower than the highest level recorded (76% in 1989).

The relatively strong performance of Hamilton’s economy has come after a long period of de-industrialization, including the dramatic decline of the steel industry. In the mid 1980s, Hamilton’s two major steel factories alone employed approximately 34,000 workers (about 11% of Hamilton’s workforce), and by 2012 this had dropped to less than 6,000 (1.5% of the workforce). These full-time jobs paying a middle-class income have not yet been fully replaced. As can be seen in this and upcoming bulletins, the rise of part-time and part-year work and relatively stagnant incomes has been some of the fallout from the loss of Hamilton’s manufacturing jobs. Hamilton’s workforce, however, has proven itself resilient and has adapted to these often negative economic shifts. Residents are continuing to be active participants in the labour force despite often lower wages and fewer hours of work or weeks of work. In fact, these conditions make it even more necessary for many people to work over longer periods of their lives.

Chart 1. Proportion of population aged 15-64 who are working (full- or part-time), Hamilton Census Metropolitan Area and Ontario, 1987-2012, Statistics Canada (Labour Force Survey, Table 282-0110)

Data notes: The Hamilton Census Metropolitan Area includes the cities of Hamilton, Burlington and Grimsby. While similar annual data by city is not available, an analysis of census data indicates the working age employment rate for the city of Hamilton alone is generally about two percentage points lower than the CMA rate. The previous bulletin in this series showing the city’s relatively low unemployment rate is evidence that much of the improvement in the Hamilton CMA’s employment rate can be attributed to the strong performance of the city of Hamilton.

This is the fourth in a series of occasional bulletins that focus on issues highlighted in the Hamilton’s Social Landscape report and bring attention to more recent trends. That report and these bulletins are published by the Social Planning and Research Council of Hamilton and funded by the United Way of Burlington & Greater Hamilton. To receive future bulletins through the SPRC e-newsletter, email: sprc@sprc.hamilton.on.ca
Slower growth in full-time, full-year employment

Chart 2 shows that there has been little growth in the number of full-time, full-year workers in the Hamilton CMA over the last 30 years. The only period of sustained growth was in the booming economic period in the late 1980s. But the 1990s recession and the subsequent de-industrialization of Hamilton’s economy reduced the number of full-time, full-year jobs for over a decade.

The Hamilton CMA’s net growth in full-time, full-year earners was just 16% from 1976 to 2010, compared to an overall population increase of 53% in that same time period. In 2010, there were 203,000 full-time, full year workers in our community. In contrast, part-time, part-year or seasonal employment has grown by 38% in this time. In 2010, there were 146,000 workers in this category. Provincial data from Statistics Canada indicates that about one third of part-time workers are involuntary. This would mean that there are approximately 68,000 part-time, part-year or seasonal workers in Hamilton who would prefer to work more hours or weeks if they could find full-time, full-year work.

The growth of non-standard work is due in part to some employers who prefer to limit their permanent full-time workforce because they can often pay lower benefits to contract and part-time workers. This “flexible” workforce is also harder to unionize, which limits demands for higher wages and better working conditions. Other employers may prefer a stable full-time workforce, but feel that an increasingly competitive business environment dictates limiting workers’ hours or weeks to better match customer demand.

Chart 2. Total workers by work activity, Hamilton Census Metropolitan Area, 1976-2010, Statistics Canada (Survey of Labour and Income Dynamics, Table 202-0103)

Data notes: The full-time, full-year category is defined by Statistics Canada as 30 hours or more per week for 49 to 52 weeks. Part-year work is responsible for a large portion of the increase in the part-time, part-year or seasonal work category. Other data from the Labour Force Survey (which does not take into account total weeks worked), indicates that there has only been a small decrease in the proportion of full-time workers when part-year and full-year are combined. Data for the “Work status unknown” category only began in 1993, and reflects respondents who did not answer some labour questions.

Decline in full-time, full-year work steeper among males

Chart 3 shows full-time, full year work has been in almost steady decline for the last few decades. In 2010, only 43% of Hamilton CMA workers worked full-time all year long, compared to 57% in 1976. The trend is especially clear since the 1990s recession, which was followed by what was called “the jobless recovery” and in Hamilton was characterized by a significant decline in manufacturing jobs. These job losses have had the largest impact on Hamilton’s male workforce. A high of 77% of Hamilton CMA men worked full-time all year long in 1978, dropping to 46% in 2010.

Chart 3. Proportion of workers who are employed full-time, full-year, by gender, Hamilton Census Metropolitan Area, 1976-2010, Statistics Canada (Survey of Labour and Income Dynamics, Table 202-0103)