

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	June 1, 2016
SUBJECT/REPORT NO:	Vital Signs: Poverty and Employment Indicators (CES16021/PED16129) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
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SIGNATURES:	

Council Direction:

During its meeting on May 23, 2012 Council approved a motion directing staff to develop a report related to further understanding current unemployment rates within the context of a high Ontario Works (OW) caseload (GIC Report 12-014, p.22). The motion reads as follows:

“Whereas, the City of Hamilton has one of the lowest unemployment rates in Ontario, and;

Whereas, the Hamilton poverty rate and Ontario Works caseload remain amongst the highest in Ontario, and;

Whereas, an existing City Council motion asks the Economic Development Department to examine the concept of community economic development (as compared to Hamilton’s local economic development policy direction) and report back to the General Issues

Committee (GIC). *(N.B. Completed Approved by Council @ December 5, 2012)*

Therefore, that the Community Services Department and the Planning and Economic Development Department partner on a report to GIC examining the apparent disconnect between low employment numbers yet high poverty and OW caseload numbers, and provide some critical commentary on possible policy changes to address this conundrum.”

Information:

Numerous indicators show that Hamilton’s economic prospects have improved since the North American recession of 2008-09.

The Conference Board of Canada has stated that Hamilton is positioned for “wide spread growth across its economy” in 2015 and 2016¹. Hamilton’s housing market regularly makes the news as one of the top real estate markets in Canada with consistent increases in price and demand. In 2015, 908 new dwelling units were constructed in Downtown over the previous two years. This is an increase of 852 units for the core. There were also 2,121 housing starts in the City and a 10 year average of 2,079 homes.

The City of Hamilton has also once again surpassed \$1 billion in building permit values in 2015, the fifth time in the last six years. City staff also processed over 1,000 development applications per year. We are Canada’s most economically diverse city with great investment potential. The trades, healthcare and social assistance², and manufacturing continue to lead in employment and account for 40 percent of all people working in Hamilton. Professional, scientific and technical services saw the largest growth over the last five years increasing by 48 percent³. The ten occupations with the most growth from 2010 to 2015 were primarily mid-level jobs with an average employment income of \$50,537. Specialized middle management occupations were the highest earning occupations that grew from 2010 to 2015, with an average income of

¹ Conference Board of Canada. (2015). *Hamilton’s Economy Continues its Recovery in 2015*.

http://www.conferenceboard.ca/press/newsrelease/15-05-14/hamilton_s_economy_continues_its_recovery_in_2015.aspx

² Statistics Canada defines this sector as “establishments providing health care, residential care for medical and social reasons, and social assistance, such as counselling, welfare, child protection, community housing and food services, vocational rehabilitation and child care.

<http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=118464&CVD=118465&CPV=62&CST=01012012&CLV=1&MLV=5>

³ Workforce Planning Hamilton. (2015). 2015 Labour Market Plan Summary Report.

<http://workforceplanninghamilton.ca/publications/342/hits>

\$84,068⁴. Hamilton's (CMA) 2015 unemployment or "jobless" rate was 5.5 percent⁵. All good news, and frequently cited in the media.

However, the expression that "a rising tide lifts all boats" is not necessarily true for everyone. Some individuals and families still face significant challenges, particularly around the issues of food security, safe and affordable housing, and secure employment that pays a living wage. These challenges are not unique to Hamilton, but are witnessed in communities across Canada.

The City of Hamilton's Ontario Works caseload rose to over 14,000 cases in 2011, the highest in a decade. While there has been some improvement since that time with a decrease of 1,300 cases, the caseload has never returned to pre-2009 recession levels and averaged 12,688 cases a month in 2015⁶. This suggests that not all our residents have benefitted from our community's economic resurgence.

To explain the apparent disconnect between increasing positive economic indicators and a stubbornly stagnant Ontario Works caseload, the Hamilton Community Foundations 2015 Vital Signs report focussed on this issue.

Hamilton Community Foundation and the Vital Signs Report

Vital Signs is a report produced by the Hamilton Community Foundation that looks at various aspects of community health and identifies trends over time for the purpose of sharing knowledge, creating conversations and ultimately driving positive change. Vital Signs can help us understand the complex phenomenon of high social assistance caseloads in Hamilton, at the same time we are experiencing good economic indicators.

The focus of the 2015 Vital Signs report is captured in its title: *Hamilton's Economic Renaissance: A prosperity unevenly shared* (attached as Appendix A to Report CES16021). The following six highlights⁷ are taken directly from the Vital Signs report.

1. Major Economic Indicators

Both employment and unemployment rates have improved in Hamilton and are better than the provincial average, but with growing numbers of young adults moving to Hamilton, youth unemployment has remained at recession levels of 15%. While the number of people on social assistance has fallen more quickly than any city in Ontario since the recession, Hamilton still remains above the provincial average. Poverty rates, similarly, have shown no improvement since 2001.

⁴ Source: Statistics Canada - 2011 National Household Survey. Catalogue Number 99-014-X2011042.

⁵ Toronto (CMA) and London (CMA) sit at 7.0 and 6.5 respectively. Source: Statistics Canada, Labour Force Information (2015).

⁶ Source: City of Hamilton, Community & Emergency Services Department (2015).

⁷ Hamilton Community Foundation. (2015). *Hamilton's Vital Signs 2015*.

<http://hamiltoncommunityfoundation.ca/vital-signs/>

2. Rental housing

With its historically more affordable housing costs, Hamilton's renaissance is exerting substantial pressure on its rental housing market. In 2015, average rents rose by 4.1% in one year, the highest of any major city in Ontario, and over the past eight years rents have risen by 22%. Vacancy rates have similarly dropped from a "renter's market" 4.5% in April 2014 to an unhealthy level of 1.8%.⁸ The rapid decline in the vacancy rate could be foreshadowing a looming housing crisis for Hamilton.

3. Geography of jobs in Hamilton

Consistent with where some of the biggest effects of Hamilton's renaissance are being felt, the largest number of jobs are in lower Hamilton, the Mountain, and Hamilton's waterfront. This is less true for Hamilton's youth: the majority of jobs for youth tend to be offered in Hamilton's malls and retail areas – which are generally suburban – creating challenges for youth living in central and east Hamilton.

4. Insecure employment

Hamilton has the highest rate across the GTHA of workers in insecure employment – which means less access to benefits and pensions, and increased requirements for flexibility in scheduling. Insecure employment for Hamilton's parents also negatively affects their children's school and extra-curricular experience. However, this is a North American trend and not unique to Hamilton.

5. Barriers to employment

Hamilton's economic renaissance is not addressing the larger barriers that many people face when seeking employment. A lack of affordable high quality child care spaces⁹, deep poverty, and discrimination in the labour market all continue to create unbalanced outcomes for many of Hamilton's citizens.

6. Policy solutions

One of the most effective ways to address the inequities present in Hamilton's growth is to implement innovative policies that have been successful in other communities. Some of the forward thinking and new relationships built by Hamilton's renaissance present a unique opportunity to build win-win solutions that will foster a more equitable sharing of Hamilton's prosperity. Together, leaders from all sectors, informed by the voices of

⁸ By fall 2015, with a more complete survey, the total vacancy rate was 3.8% for all areas of the City of Hamilton and for all unit types. This information is from a special run of data specific to Hamilton (not Hamilton CMA which includes Burlington and Grimsby) and is the most recent vacancy rate information available.

Source: Canada Mortgage and Housing Corporation (CMHC) Rental Market Survey, October 2015 (City of Hamilton)

⁹ The formal licenced childcare system in Hamilton can only service 22% of the eligible population.

those struggling without access to the benefits of Hamilton's economic growth, can work to implement policies that will lead to more inclusive growth.

From its review of policy solutions, Vital Signs recommendations can be categorized into the following themes.

- i) Emphasising increased access to experience and opportunity
- ii) Modernizing Canada's social safety net
- iii) Improving employment conditions and access to labour market information

It is important to note that while municipalities have a role in developing and implementing policy solutions, many of these recommendations fall within the jurisdiction of federal and provincial governments.

Local efforts that build on these three themes through policies or programs include:

- The Hamilton Community Foundation's new ABACUS (Advanced Post-Secondary Access) initiative whose goal is to improve high-school graduation rates and access to post-secondary education, by focusing on grades 6 through 9.
- The City of Hamilton's new Learning Annex (LA) will connect youth to community services including basic needs, employment, education and skill building, will help them identify immediate and long-term goals and secure employment. LA will assess the effectiveness of technology, athletics and recreation in engaging youth, improving outcomes for students and empowering them towards greater resilience and self-sufficiency.
- Mohawk College's City Schools is a series of mini satellite sites that offer tuition free-courses specialized learning programs and workshops that encourage gradual steps to post-secondary pathways. The first City School is located at the Eva Rothwell Community Centre in Keith Neighbourhood.
- Lobbying senior levels of government in the areas of safe and affordable housing, an affordable childcare system, and improvements to social assistance in the form of adequate rates that reflect actual costs. These efforts are being led by the City of Hamilton, Best Start Network, Hamilton Roundtable for Poverty Reduction and Hamilton Community Legal Clinic.
- Living Wage Hamilton's (LWH) efforts to address the effect of poverty and low wages by encouraging employers to pay staff a living wage. LWH's most recent hourly rate is \$14.95 however this number is under review and new updated rate will be announced in 2016.
- Mayor Fred Eisenberger has written to the Province of Ontario in support of Hamilton becoming the community to pilot the basic income project. Other community partners are supporting these efforts through their own advocacy.
- Global Hamilton Connect is a Hamilton HIVE Young Professional group. Their aim is to connect international students and young newcomers to resources, networks, and showcase employment and volunteer activities with local organizations and employers. Economic Development's Global Hamilton office advises and mentors

this young professional group in order to help our local international students stay in Hamilton and build up their community support system.

- DeGroote High School Business Heroes is a marketing challenge for high school students where they learn to create a marketing campaign for a local sponsor while working with DeGroote Business Mentors. This year, Global Hamilton is the theme and case sponsor. Teams must create a marketing strategy for international students that promotes Hamilton as a great city to live and work after graduation. As the sponsor, Global Hamilton is able to share its message with high school students and guide them to understanding real world issues while providing a safe environment for them to learn and operate in.
- Working with the Province of Ontario, the Hamilton Small Business Enterprise Centre (SBEC) has successfully leveraged and delivered two new youth initiatives aimed at providing hands-on business training and mentoring.
 - The High-School Youth Outreach Program was delivered in core urban schools, providing students the opportunity to start and launch their own class businesses with proceeds being donated back to the community.
 - The Provincial Starter Company Program provided mentoring, training and capital up to \$5000 for youth to start, grow or buy a small business. Due to its initial success, the Hamilton SBEC was recently awarded an additional seventy awards to extend this program in Hamilton.
 - Launch Local is the newest initiative of the Hamilton SBEC, offering training, mentorship and micro-grants to entrepreneurs, those new to business or operating a business for less than one year. The Hamilton SBEC was one of eleven (11) offices to be selected to deliver a new pilot project program.
- Summer Company is a key component of the Ontario government's young entrepreneurs programs, which aims to encourage more young people to turn their talents into creative and innovative businesses. Summer Company is delivered through the local SBEC and provides hands-on business training and mentoring, together with awards of up to \$3,000.00 to help enterprising students start up and run their own summer business. Each year the SBEC continues to increase program participation with new awards for the region based on success in program delivery.
- In partnership with the Ontario Works self-employment case management team, the Hamilton SBEC continues to deliver the self-employment benefit program to Ontario Works participants looking to start and run a viable business.
- Many young people are unaware that the City's Small Business Enterprise Centre is responsible for 191 new businesses, 235 jobs created and 9,000 business licenses.

Conclusion

While many are benefitting from Hamilton's improving economy, there are individuals and families in our community who are not. Like other communities across the province, there is a rise in insecure or precarious employment¹⁰, the persistence of

¹⁰ Precarious employment includes people in temporary and contract work, those with uncertain work schedules, irregular earnings, inconsistent hours of work or jobs without benefits. It can also include some

systemic barriers to employment like relevant job skills and transportation, and increases in the costs of basic needs such as nutritious food and safe and appropriate housing.

APPENDICES AND SCHEDULES ATTACHED

Appendix A to Report CES16021: Hamilton's Vital Signs
 Hamilton's Economic Renaissance: A
 prosperity unevenly shared

self-employed people as precarious, only if they have irregular, unpredictable work. Lewchuk, W., et al. (2015). *The Precarity Penalty: The Impact of Employment Precarity on Individuals, Households and Communities and What to do about it*. Poverty and Employment Precarity in Southern Ontario (PEPSO). <https://pepso.ca/2015/05/21/new-report-launched/>