Hamilton

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 20, 2022
SUBJECT/REPORT NO:	Summary Report on 2022 Hamilton Business and Workforce Survey (PED22080) (City Wide)
WARD(S) AFFECTED:	City Wide
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COUNCIL DIRECTION

Not Applicable

INFORMATION

1 - Relevant Context

The 2021-2025 Economic Development Action Plan identifies the facilitation of an adaptable workforce as the first of six key priorities. Within this priority, the design and delivery of an annual survey focused on local economic conditions and workforce needs is identified as action item #3.

The 2022 Hamilton Business and Workforce Needs Survey (HBWNS) was created in partnership with Workforce Planning Hamilton between November and December of 2021. The creation of this Survey occurred in coordination with an additional Workforce Survey sponsored by the Hamilton Chamber of Commerce and Mohawk College. Economic Development led in the coordination of these two projects such that participants for Chamber/Mohawk Survey were primarily comprised of volunteers who completed the HBWNS and opted-in for the completion of a second survey. This approach represented a best effort at mitigating the effect of survey fatigue among

Hamilton's employers – a paramount concern since the outset of the COVID-19 pandemic.

The timing of the HBWNS, which opened for data collection on January 11, 2022 and closed on February 11, 2022 was aligned to past employer surveys delivered by Economic Development and Workforce Planning Hamilton.

2 – Survey Distribution and Participation

Invitations to complete the Survey were delivered primarily through email. The contact database for this outreach combined mailing lists from Economic Development, Business Licencing, and Workforce Planning Hamilton to produce a target audience of approximately 10,000 Hamilton businesses. In coordination with Workforce Planning Hamilton, Economic Development staff prepared a robust social media and traditional media outreach campaign, securing two earned media placements with the Hamilton Bay Observer and one earned media placement with the Hamilton Spectator.

Overall, 1,576 respondents opened the Survey, which yielded 915 complete and partial responses that formed the backbone of Economic Development's analysis. This sample size reflects approximately 46,798 Hamilton employees. While this number is less than what was gathered in the 2021's delivery of the HBWNS, the timing of this Survey coincided with a number of unforeseen factors including extreme weather events, lockdowns and restrictions amid the Omicron-wave of the COVID-19 pandemic, and transitions from online to in-person learning – all of which can reasonably be expected to move business priorities away from data collection activities.

Despite below-expected levels of survey completion, the data collected remains a statistically viable sample for overall business trends at a 95% confidence level and a ±4 confidence interval.

3 – Survey Findings

3.1 Industry Profile

The industry sectors (Appendix "A" to PED22080, Fig. 1) that reported the greatest survey completion were accommodation and food service (18.6%) other services (12.8%) – N.B.: this sector typically includes businesses engaged in the repair or maintenance of machines, the provision of personal care services, the provision of funerary services, and all other services related to grant making or the advocacy of social causes – construction (12.7%) and retail trade (12.7%). These four industry sectors represent a total of 56.7% of respondents.

3.2 Employee Count

Survey respondents were asked to compare their employee count in January 2022 to a pre-pandemic count in January 2020 (Appendix “A” to Report PED22080, Table 1). Respondents reported employing a total of 49,238 employees in January of 2020, which fell by 5.0% to 46,798 employees in January of 2022. Respondents in accommodations and food service reported the sharpest decline in employees, in both absolute and proportional terms, with a 40% decline in their workforce that represents 1,781 fewer employees.

3.3 Business Outlook and Revenue Changes

A plurality of respondents (35.2%) reported their short-term business outlook (Appendix “A” to Report PED22080, Figure 2) over the next six months as “good – stable operations with stable/growth outlook”. A total of 50.1% of respondents rated their six-month outlook as either excellent, very good, or good, the three choices which reflected stable operations on a growth trajectory.

The second largest response cohort reported their outlook as “fair – relatively stable operations with a slightly negative outlook” (25.4%). Only 2.3% reported an emergency outlook, which foresaw imminent permanent closure. Economic Development reviewed all responses who reported either a “poor” or “emergency” outlook and identified cases for immediate follow-up by the Business Development Consultant team. Business outlook data were also provided to the Hamilton Business Centre to support targeted funding applications in support of Hamilton’s retail and personal service businesses.

While the HBWNS invited respondents to identify their wards, only 158 respondents (17% of total respondents) completed this question. Table 1a, offers a snapshot of business conditions by ward, such as the data permit. Given the relatively low response rate to this question, any ward-based analysis of these data will only be representative of the individual businesses completing the survey and cannot be responsibly extrapolated to reflect the business trends within the ward, itself. Economic Development will adjust its marketing and promotion leading up to the survey, as well as the survey design itself, in the 2023 delivery with the goal of at least doubling ward-identifiable data.

Approximately 64.3% of survey respondents noted that they suffered some level of revenue loss due to the COVID-19 pandemic (Appendix “A” to Report PED22080, Figure 3). To ensure the best possible lens on the pandemic’s economic impacts, this survey asked respondents to compare their 2021 revenues to those reported in 2019. Among all respondents, 13.3% reported no impact or change on their revenues and 15.7% reported an increase in revenue.

Among the 62 respondents who reported their business was less than two years old, approximately 12.9% reported they did not suffer any significant revenue loss compared to 87.1% who did. Although this subset of businesses is below what can be considered a representative sample, it offers a reasonable indicator toward how Hamilton's start-ups and newly established businesses were likely hit harder by the pandemic than established businesses, and underscores a need for further investigation on that point.

3.4 Staffing Cost Changes

The seventh stretch target in the 2021-2025 Economic Development Action Plan calls for the creation of a list of 1,000 living wage employers in Hamilton. This Survey acts as Economic Development's first step in creating such a list through a question that asked respondents to identify how the mandatory minimum wage increase had impacted their business (Appendix "A" to Report PED22080, Figure 4).

More than half of respondents reported that the change had either no impact on their business (31.8% of respondents) or that the minimum wage change had no impact because they were already a self-identified living wage employer (27.9%). In the coming months Economic Development will work with our community partners to determine next steps in working with these self-identified living wage employers to formally create a living wage employer list. Annual delivery of the HWBNS will allow this list to be updated each year until the completion of the 2021-2025 Economic Development Action Plan.

Slightly more than a quarter of respondents noted that the minimum wage increase had either a large negative impact on the business (10.9% of respondents) or a moderate native impact on the business (17.4%). The three industry sectors that most frequently reported a negative impact of minimum wage increases were in accommodations and food service, retail trade, and other services.

3.5 Impacts of COVID-19

The HBWNS identified a list of COVID-19-related topics and asked respondents to assess the impact they had on their workforce during the pandemic. Among the topics identified as having a significantly negative impact (Appendix "A" to Report PED22080, Fig. 5) the top-three reported were, the recruitment of new employees (selected by 27.0% of respondents), the evolving/changing rules and protocols relating to business capacity limits (24.9%) and overall business stability (16.3%). With respect to capacity limits, this response was also frequently identified in the "other" responses to the survey's business outlook question as the reason why respondents could not forecast their next six months.

In terms of topics with a positive impact (Appendix “A” to Report PED22080, Fig. 6), respondents rated an increased demand for business products and services (25.8%), a sufficient availability of personal protective equipment for work locations (13.0%) and overall business stability (9.6%). It should be noted that significantly negative impacts were reported 2.3 times more frequently than positive impacts. A complete breakdown of all impacts and responses are seen in Appendix “A” to Report PED22080, Tables 2 and 3.

When respondents were asked to report on the productivity of their remote workforce (Appendix “A” to Report PED22080, Fig. 7), 56.4% of all respondents noted that their business was not capable of supporting remote work. Among the remaining businesses, a plurality reported their workforce was either more productive (9.4%) or seeing similar levels of productivity to working in the office (38.3%). Slightly more than one third of respondents (37.6%) noted remote work was less productive than in-person work. The remaining “other” responses captured a variety of sentiments but frequently reported that remote work or hybrid work was an existing status quo for their organization prior to the pandemic.

3.6 Business Priorities for 2022

Looking ahead, the HBWNS asked respondents to identify their business priorities for the balance of 2022 (Appendix “A” to Report PED22080, Table 4). Respondents were able to select from a matrix of priorities as well as offering their own, as a means of ensuring that the broadest possible scope of business priories were captured. These priorities were then shared with the Business Development staff as potential leads for investment – particularly among the 130 respondents who identified business expansion as a key goal for 2022.

The priorities for 2022 most selected by respondents included: employee attraction (selected by 47.3% of respondents identifying at least one priority), increasing marketing and promotional activities to drive customer awareness (40.6%), increasing online presence and activity (37.2%), implementing new technologies and systems to automate or improve processes (29.1%) and finding and applying to current provincial and federal government funding programs (28.3%).

On a statistically improbable note, among the 774 businesses who identified at least one priority for 2022, zero indicated a plan toward obtaining a better understanding of current provincial government COVID-19 rules and zero indicated a plan toward obtaining a better understanding of current City of Hamilton government COVID-19 rules.

3.7 Concerns for 2022

In addition to capturing business priorities, the HBWNS asked respondents to identify concerns and factors that might impact the health of their business in 2022. Once again respondents were provided with a matrix of responses from which to choose, as well as the capacity for providing their own responses.

Among the 779 respondents who responded to this question (Appendix "A" to Report PED22080, table 5), the most frequency cited were: the impact of inflation on both business and customers (selected by 55.8% of respondents), the mental and physical health of employees (50.3%), the inability to reasonably predict the short-term business environment (43.1%), the mental and physical health of business owners (39.4%), and global supply chain issues relating to receiving goods for resale (37.7%).

It is noteworthy that 16.3% of respondents to this question identified permanent closure as a concern for 2022. At the beginning of the survey 16.1% of respondents reported their 6-month outlook as unstable with a generally negative outlook and 2.3% reported facing imminent permanent closure. An addition, 18.1% of respondents noted that succession planning with respect to selling or transferring their business would be a concern for 2022. These data would suggest that even as Hamilton moves out of the worse impacts of the Omicron wave of the COVID-19 pandemic, potentially one business out-of-five will be facing a challenging year ahead. Indeed, only 5.9% of respondents to this question noted that they did not have any concerns for the 2022 business year.

3.8 BIPOC Business Ownership and EDI Policies

The consultations that informed the creation of the 2021-2025 Economic Development Action Plan (EDAP), identified a need for actions and insights supporting equity, diversity, and inclusion in Hamilton. As such, the findings of these questions provide boots-on-the-ground insights that will support and inform Economic Development's existing work with the CITYLab program (EDAP action item #2) while providing valuable intelligence to the Division's Emerging Workforce Development Strategy (EDAP action item #5).

The HBWNS asked respondents to identify if one or more owners of the business self-identified as a member of any equity seeking group (Appendix "A" to Report PED22080, Figure 8). Approximately 56.9% of respondents either left this question blank, did not identify as any equity seeking group, or declined to answer the question. The remaining 395 businesses (43.2% of the total survey sample size) reported at least one owner belonged to at least one equity seeking group, and 19.6% of survey respondents reported their ownership belonged to at least two equity seeking groups. The most frequently identified groups among respondents included, women (29.8% of total survey respondents), immigrants to Canada (16.8%), and youth aged 39 and under (13.7%).

The least identified groups among respondents were First Nations, Métis or Inuit peoples (1.4% of total survey respondents), members of the Black community (3.2%), and LGTBQ2AI+ individuals (4.5%).

An intersectional analysis of this data reports 5.1% of survey respondents identified their ownership as inclusive of both women and members of a visible minority, 3.4% of respondents identified their ownership as inclusive of both women and LGTBQ2AI+ individuals, 2.2% identified their ownership as inclusive of both women and members of the Black community, and 1.2% identified their ownership as inclusive of both women and First Nations, Metis, or Inuit peoples. Since the survey did not identify the number of owners within given respondents, these data should not be read as applying to a single individual owner within each respondent. However, they do provide some preliminary insights toward such information and inform follow-up survey work particularly as it applies to targeting City entrepreneurship programs, and marketing therein, toward members of equity seeking communities.

The HBWNS also asked respondents if they experienced any barriers to hiring and retaining immigrants and newcomers to Canada within their labour force. Among the 740 respondents to this question, 163 (22.0% of respondents to this question) reported no barriers to hiring immigrants and newcomers. The remining 577 reported one or more barrier (Appendix “A” to Report PED22080, Fig. 9), the most frequently occurring of which was few immigrant/newcomer applicants (identified by 46.4% of respondents who identified one or more barrier) insufficient work experience (34.5%) and insufficient qualifications (28.8%).

Respondents were also asked if their organization had any policies or practices that encouraged hiring from historically under-represented populations (e.g. people with disabilities, LGBTQ2AI+ people, First Nations, Metis, or Inuit peoples, members of the BIPOC community). Among the 741 respondents that had at least one employee and also answered this question, 35.2% reported having policies or practices supporting the hiring of under-represented peoples. Of particular note is that among the 151 respondents who had at least one employee and reported no barriers to hiring immigrants and newcomers, only 38.4% reported having policies or practices in place to support hiring from underrepresented populations.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED22080 – Summary Tables and Charts