



HAMILTON'S

VitalSigns®

2015

Hamilton's Economic Renaissance: A prosperity unevenly shared

A Vital Signs Report from
Hamilton Community Foundation

Updated January 2016

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Social Planning and Research Council of Hamilton



**HAMILTON
COMMUNITY
FOUNDATION**

History made, future intended.

Foreword

Hamilton Community Foundation's mission is to drive positive change by connecting people, ideas and resources. Building and sharing knowledge about our city is at the heart of our mission. It's a resource we offer as we work with our community towards the vision of a vibrant, inclusive Hamilton. Hamilton's Vital Signs is one aspect of informing of our own work as a grantmaker and catalyst for community change.

Hamilton is experiencing a new prosperity and optimism. This report reaffirms that, with proof of improved unemployment rates and a booming real estate market. It also presents the evidence that not everyone is yet sharing in Hamilton's economic revitalization. Many citizens still struggle to secure basics such as safe, affordable housing, secure jobs and an income above the poverty line.

We offer this report, prepared by the Social Planning and Research Council, as a deeper look at a city brimming with promise, as food for thought and as inspiration to act knowing that our city is better for everyone, when everyone can share in its prosperity. As the late Mayor of Boston Thomas M. Menino said "A city works best when it works for all residents. Let us make sure the recovery is shared widely. We won't develop all of the solutions here, but we can start here."

Correction to the first printing of 2015 Hamilton Vital Signs

This updated edition brings a correction to the data and text for chart 8 on pages 13 and 14. The percentage of Hamilton households receiving Ontario Works in 2013 has been corrected to 5.9% (from 5.4%). The chart has also been updated to include recently released 2014 data from the Ontario Municipal Benchmarking Institute, including a re-stating of the median rate for the years 2012 and 2013. Finally, the text has been modified to reflect these changes to the data.

We gratefully acknowledge the ongoing support of The Hamilton Spectator to the Hamilton's Vital Signs initiative.

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Any errors or omissions remain the sole responsibility of the author.

Hamilton's Economic Renaissance: A prosperity unevenly shared

Introduction

Headlines around Hamilton's economy seem to be regularly positive: housing starts are strong, unemployment rates are low, bankruptcy rates are in decline, commercial development continues to grow¹ and Hamilton has the most diversified economy in Canada². There is no doubt that a number of indicators often selected and reported do indeed suggest some conditions are improving and that the economic successes being generated in the city of Hamilton that bode well for the apparent improving prosperity in the community, with some calling it a 'renaissance'.³

However, these indicators tell only part of the story. There are other measures of community wellbeing and stress that suggest many residents are not yet sharing in the benefits of Hamilton's increasing prosperity.

Hamilton is experiencing the same major economic forces affecting all communities in Southern Ontario. The knock down effects of major downsizing in the manufacturing sector over the last two decades continues to ripple into communities across Ontario. The subsequent growth in more temporary, insecure and low- paid jobs, especially in the service sector is a shift that does not seem to have reached its peak yet.

This study takes a closer look at these forces as well as the trends being reported, and broadens the scope of indicators in order to better understand the extent to which there may be contrasting views and experience of prosperity in Hamilton with particular attention to who's missing out.

This report will focus on a few important comparators where possible: Hamilton's historical trends along with selected other communities for geographic comparisons. Although quite different in significant ways, the Census Metropolitan Areas of Toronto, Hamilton and Kitchener-Waterloo-Cambridge are the three largest in Southern Ontario and are often in a competitive relationship with each other for residents, employment and commercial development. For this reason the city of Toronto and region of Waterloo (the municipal/regional boundaries where possible often at the CMA level, or using), have been chosen as the primary geographic comparisons included in this report, along with the average for Ontario.

¹ City of Hamilton. (2014). *Investment Update* and City of Hamilton (2013). *Community Report*. <http://www.investinhamilton.ca/research-and-data/publications/>

² Conference Board of Canada data cited in City of Hamilton. (2013). *Integrating tools for successful economic development: The Hamilton model*. <https://www.amo.on.ca/AMO-PDFs/Events/CONF13/mccabe.aspx>

³ MacLeod, M. (2015 March 26). *Hamilton's renaissance is no illusion: It's happening and it's real, senior city planner tells group*. Hamilton Spectator: <http://www.thespec.com/news-story/5525892-hamilton-s-renaissance-is-no-illusion/>

Data note about the National Household Survey

This report includes data from Statistics Canada's National Household Survey (NHS). The NHS is a voluntary survey and was introduced in 2011 as a replacement for the mandatory long-form Census. The NHS has produced lower quality data than available previously through the Census, especially at the community level and for smaller population groups. The SPRC follows the recommendation of the Social Planning Network of Ontario and only uses NHS data when higher quality data is not available.⁴

Statistics Canada has said their evaluations of NHS data “support the general reliability of the data at the national, provincial and territorial levels” but they have not extended this confidence to using NHS data at the community level. They have noted that the “risk of error in NHS estimates increases for lower levels of geography and smaller population.” NHS data in this report is not compared to previous Census data due to changes in methodology between the two data sources. Statistics Canada's indicator of data quality for the NHS is the “global non-response rate”, which combines how many households refused to participate in the NHS as well as households who only answered some of the NHS questions. The global non-response rate was 29.0% for the City of Hamilton compared to an average of 26.1% across Canada. Data from the NHS in this report should be interpreted with caution.

⁴ Available at: <http://www.spno.ca/news/latest/116-spno-statement-on-the-national-household-survey>

Section 1: Major Economic Indicators

What's the evidence that all of Hamilton's citizens are sharing the prosperity of Hamilton's renaissance?

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.

Other highlights:

- Hamilton CMA's working age employment rate has performed better compared to Ontario since the most recent recession, but since 2012 has dropped due to large declines in the employment rates of young women and older men.
- Toronto's much higher youth unemployment rate may give Hamilton youth some pause who may be currently considering moving to Toronto for better job opportunities.
- Hamilton's youth employment rate has decreased in the last decades, a similar trend observed across Ontario. In Hamilton, however, this trend has extra urgency as the city's growth of young people is rising much faster than in other communities.
- In 2012, Hamilton's growth rate of young adults (aged 20-29) was the highest since at least 1987. In contrast, the growth rate for young adults has declined in both Toronto and Waterloo since 2005-6.
- Young adults are clearly a major driving force of Hamilton's 'renaissance'. But if the growing youth population does not find employment in Hamilton, the growth could be reversed.

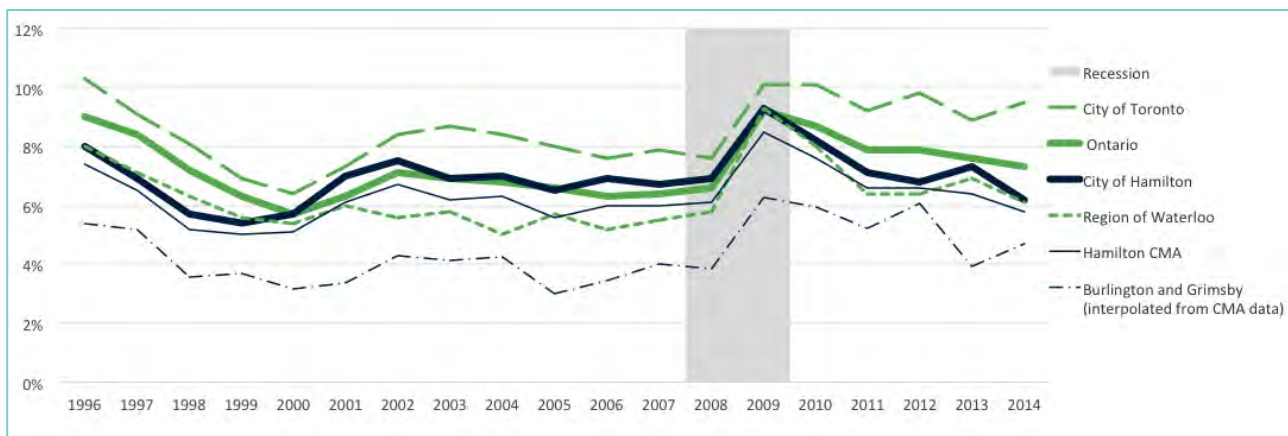
Unemployment rate

The unemployment rate is often cited as the primary indicator of Hamilton's increasing prosperity. Monthly unemployment data often shows the Hamilton CMA to be among the communities with the lowest unemployment rates in Ontario and, in some months, Canada as a whole. But the Hamilton CMA includes the municipalities of Burlington and Grimsby, and these two cities have much lower poverty and unemployment rates than Hamilton, partly due to the higher price of housing in those communities, so people with lower incomes just can't afford to live in Burlington or Grimsby. To better understand the reality in Hamilton, municipal level data is more useful than CMA data.

Annual unemployment data is available for the City of Hamilton, and does confirm that Hamilton's unemployment rate is improving compared to the average for Ontario. Chart 1 shows that the city of Hamilton's unemployment rate has declined to 6.2% in 2014, from a high of 9.3% in the last recession (2009). This almost exactly mirrors the decline in the Region of Waterloo. In contrast the City of Toronto's unemployment rate has barely changed since the recession and was 9.5% in 2014. The average for Ontario sits between these two distinct trends, with Ontario's unemployment rate at 7.3% in 2014.

The City of Hamilton's unemployment rate in 2014 (6.2%) was still higher than the 1998-1999 period where it went as low as 5.4%. The rate for Hamilton's neighbouring municipalities of Burlington and Grimsby continues to be lower than Hamilton (5.5% in 2014)⁵.

Chart 1. Unemployment rate, City of Hamilton, and selected communities, 1987-2014



Data source: Statistics Canada (CANSIM tables 109-5334, 109-5304 and 109-5004: Labour Force Survey, 1996-2014)

⁵ The rates for the combined Burlington and Grimsby part of the Hamilton CMA were calculated by interpolating from Hamilton CMA and city of Hamilton data.

Employment rate

The unemployment rate as an indicator is quite limited in what it explains about the labour market. To meet the Statistics Canada definition of unemployed, a person without a job has to be actively looking for work. Many others consider themselves unemployed, but have been discouraged from searching for work because their experience of the labour market has been so negative they don't see how they could ever get a job. Others may consider themselves unemployed, but feel the only way to regain a foothold in the labour market is to postpone their job search and return to school to upgrade their skills.

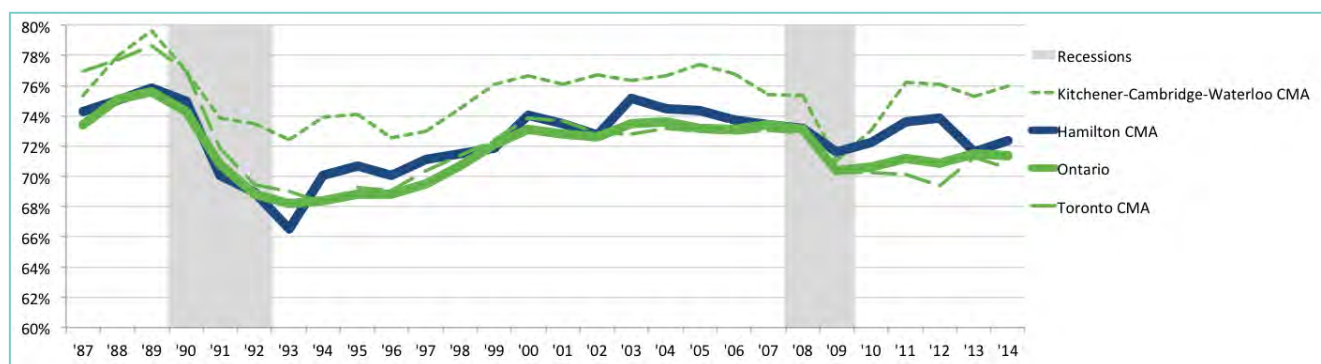
Both of these groups would not be counted as unemployed, but as people “not participating in the labour force”. Other non-participants in the labour force include people without jobs who may be doing so by choice, such as retired people, or others raising their children full-time, so the participation rate is not an entirely suitable indicator of economic health either.

The employment rate is an indicator favoured by some economists, as it is simplest to understand: the percentage of a population (over age 15) who are working. But when some communities have large number of older residents, there is a lower employment rate because of the larger pool of retired workers. Limiting the employment rate to the 15-64 age group is called the “working age employment rate” and can be more helpful for comparing different communities.

Chart 2 shows the working age employment rate for the Hamilton CMA since 1987 compared to other communities. Since the 2008-9 recession, less than three quarters of 15-64 year olds in the Hamilton CMA have been working, which is a lower proportion than in the 1987-1990 and 2003-2005 periods. But when comparing to the average for Ontario and the Toronto CMA, the Hamilton CMA's working age employment rate has performed better since the most recent recession. The working age employment rate in Kitchener-Cambridge-Waterloo CMA continues to substantially outperform the Hamilton CMA, as it has since at least 1987, with the exception of the height of the 2008-2009 recession.

Since 2011, however, the working age employment rate in the Hamilton CMA has dipped from about 74% to about 72% in 2014, the same as in the 2008-2009 recession period. A more detailed analysis shows that this recent drop is driven almost entirely by large declines in the employment rate of young women aged 15-24 and older men aged 55-64. The employment rate of young women has gone from 64% in 2011 to 53% in 2014 and for older men aged 55-64, their employment rate has slipped from 66% in 2011 to 60% in 2014. The reasons for these rapid declines in these groups are not clear, but could be due to a combination of factors including more young women staying in school or training, more young women and older men facing unemployment, more older men retiring early (due to choice or layoffs), or unstable data due to smaller sample sizes for these groups. The employment rates of these groups will need to be monitored to see if the trend continues and better understand the factors that are causing the decline in the employment rate of these groups.

Chart 2. Working age employment rate (age 15-64), Hamilton CMA and selected communities, 1987-2014



Data source: Statistics Canada (CANSIM tables 282-0053 and 282-0129: Labour Force Survey, 1987-2014)

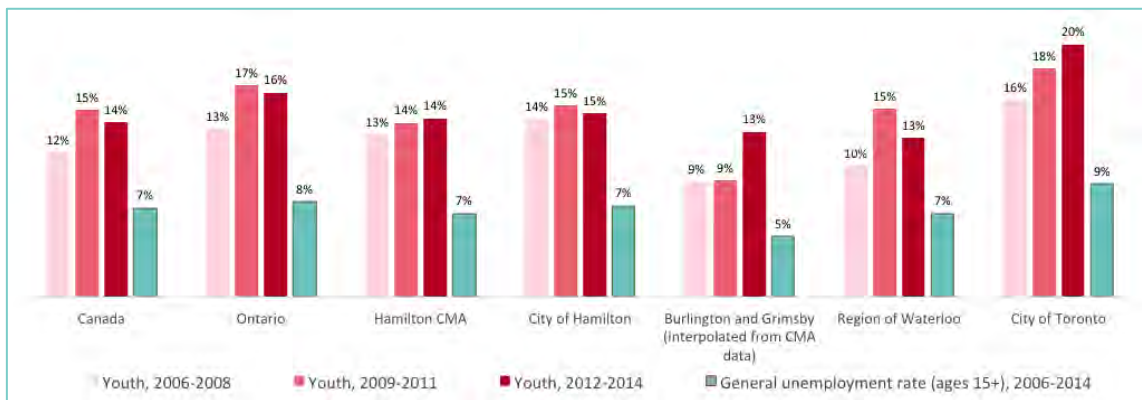
Youth unemployment rate

Due to their relative lack of paid labour market experience, youth as a group always face a more challenging time obtaining paid employment. The gap between youth and overall unemployment rates is an important indicator of the disproportionate challenge faced by youth in different regions or time periods and the stress they experience in trying to gain a foothold in the labour market.

Annual data for youth unemployment rates (ages 15-24) is available at the municipal level, however it is best to examine the trends over longer periods than just year over year, because annual estimates can go up and down dramatically due to Statistics Canada's Labour Force Survey's small sample sizes.

Chart 3 shows that the youth unemployment rate has not recovered to pre-recession levels in any of the communities examined. The city of Hamilton has among the highest youth unemployment rates in the comparison communities. The city of Toronto is unique among the communities examined as the youth unemployment rate has continued to soar in the years after the recession, hitting 20% for the 2012-2014 period. This finding may give some pause to Hamilton youth who may be currently considering moving to Toronto for better job opportunities. For all communities, the youth unemployment rate is around double the general unemployment rate. The Region of Waterloo however has the smallest gap between the youth and general unemployment rate (6 percentage points).

Chart 3. Youth unemployment rate (age 15-24), City of Hamilton, Hamilton CMA, City of Toronto, Region of Waterloo Ontario and Canada, 2006-2014



Data source: Statistics Canada (CANSIM tables 109-5334 and 109-5304: Labour Force Survey, 2006-2014)

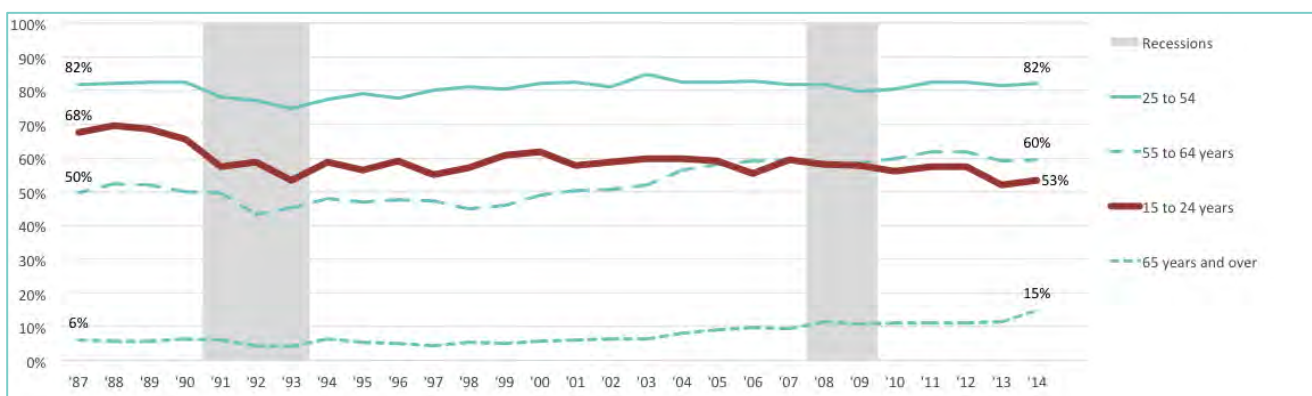
Youth employment rate

An analysis of employment rates by age groups shows that employment of Hamilton youth is dropping (chart 4). The youth employment rate (aged 15-24) has decreased substantially since 1987, from a high of 70% to 53% in 2014.

The reduction is not likely to be explained by the higher rates of post-secondary education among youth in the last decades, since any employment even part-time, or summer jobs would be included in these figures. The data may be more likely to reflect the increasing difficulty for students to find summer jobs as compared to previous decades. Hamilton's de-industrialization is another important factor, as the 1990s recession reduced the number of youth employed in manufacturing, and there has been very little hiring of youth in that sector since that time.

The decreasing employment rate of youth is not unique to Hamilton, this is a similar trend observed across Ontario. In Hamilton, however, this trend has extra urgency as the city's growth of young people is rising much faster than in other communities.

Chart 4. Employment rates by age group, Hamilton CMA, 1987-2014



Data source: Statistics Canada (CANSIM tables 282-0053 and 282-0129: Labour Force Survey, 1987-2014)

Growth of the young adult population

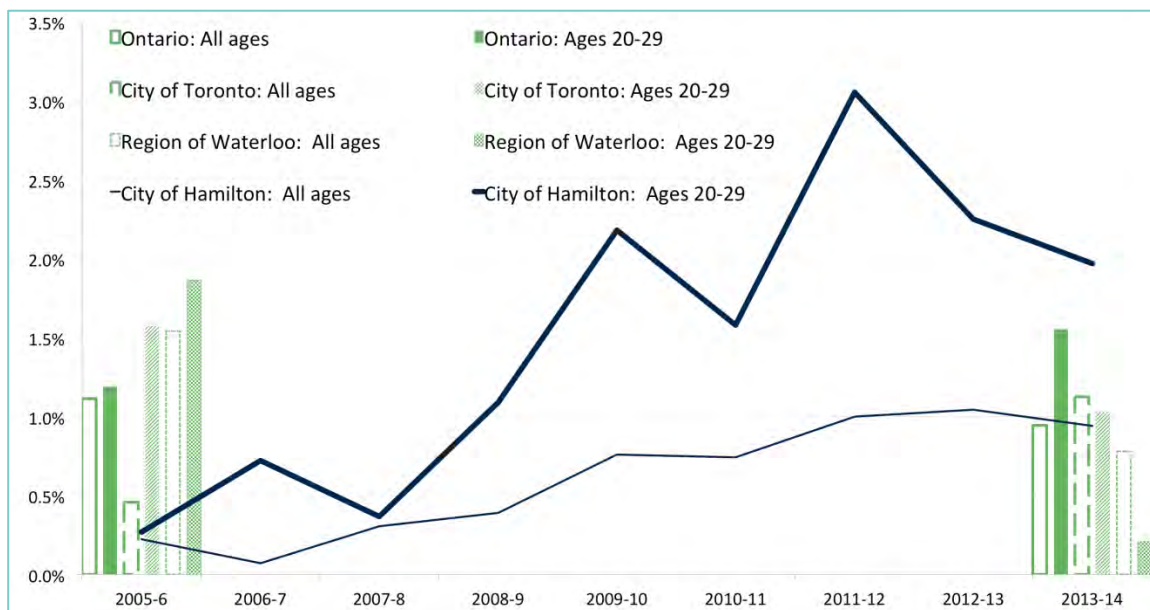
Hamilton's quality of life, historical character, growing culture and entertainment sector, access to nature, lower housing prices than Toronto and growing emphasis on sustainable transportation like cycling and LRT is clearly attracting many Millennials to stay here or move from other communities.

Chart 5 shows that Hamilton's youth growth rate (aged 20-29) was 2.0% in 2013-14, more than double the average for the general population (0.9%). In 2012, Hamilton's growth of the young adult age group hit 3.1%, the highest since at least 1987. Some of this growth can be attributed to general demographic shifts with the large Millennial generation entering adulthood, however, Hamilton's growth rate has been higher than the average for Ontario (1.6% growth in the provincial young adult population in 2013-14).

In contrast, the growth rate for young adults has declined in both Toronto and Waterloo since 2005-6. The differences between Waterloo and Hamilton are most stark, with the city of Hamilton having a larger population of young adults aged 20-29 than the region of Waterloo, for the first time since 2001. Hamilton's population of young adults reached 81,250 in 2014, a rise of over 6,800 persons compared to 2010.

The rise of youth employment networks in Hamilton, such as HIVE, is another sign that young adults are a major driving force of Hamilton's 'renaissance'. But if Hamilton's economy does not welcome this growing youth population into the labour market, the growth may be reversed and Hamilton's reputation for renaissance could be short-lived.

Chart 5. Growth rate of young adults (aged 20-29), compared to general population growth, City of Hamilton and selected communities, (2005-6 to 2013-14)



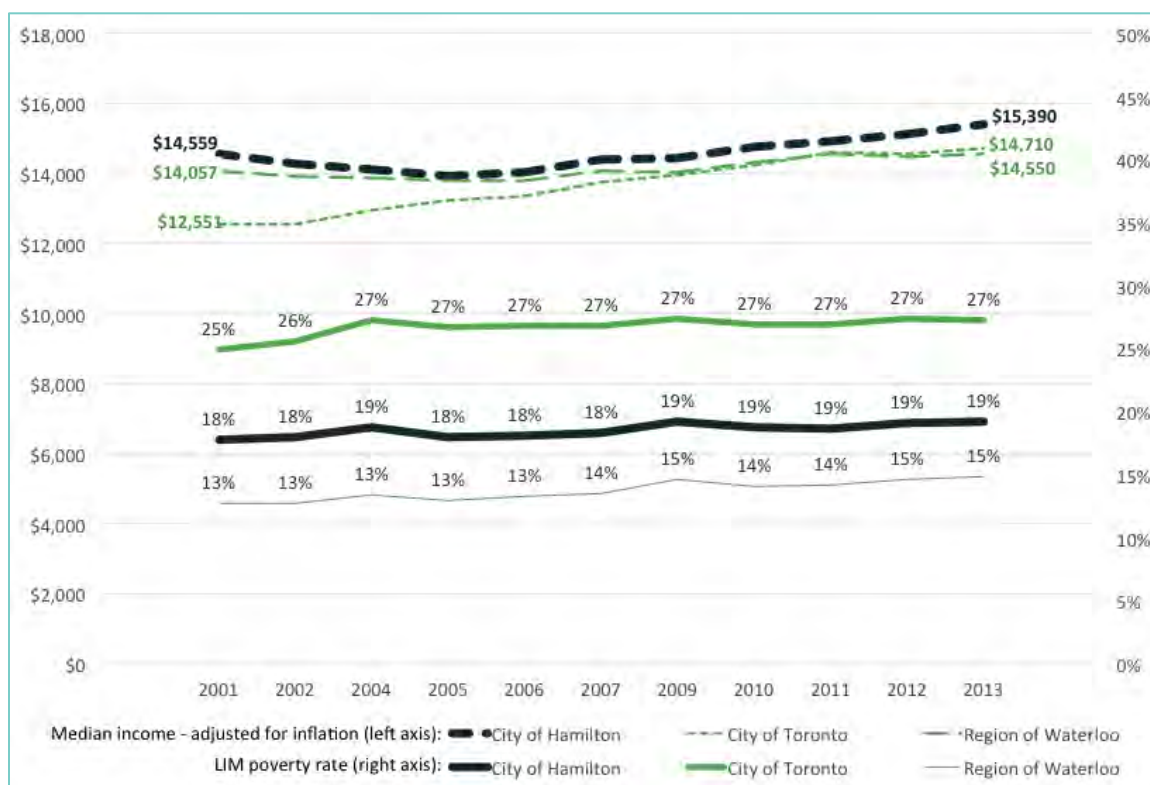
Data source: Statistics Canada (CANSIM Table 051-0062: Estimates of population, 1987-2014)

Poverty rates

The City of Hamilton's overall poverty rate has not improved in the 2001-2013 period, similar to the trend for Toronto and Waterloo (chart 6). Hamilton's poverty rate was approximately 19% in 2001, in between the rate for Waterloo (15%) and Toronto (27%).

The median income (adjusted for inflation) of persons with low incomes has improved in all three communities examined. The introduction of the Ontario Child Benefit in 2008 corresponds with an increase in the median income for low-income residents, reversing Hamilton's decline in median incomes in this group from 2001-2005. The OCB now increases the income of very low-income parents by over \$1,300 per child and is especially useful for parents leaving social assistance for a low-wage job as they can keep this benefit as they transition into the paid labour market. The median income of persons in low income in these three communities remains, however, less than three-quarters of the poverty line, as defined by Statistics Canada's before tax Low Income Measure.

Chart 6. Percentage of persons with a family income below the before tax Low Income Measure (LIM) and median income of low-income residents (adjusted for inflation in 2013 dollars), City of Hamilton, City of Toronto and Region of Waterloo, 2001-2013



Data source: Statistics Canada, T1 Family Tax Filer data (2001-2014)

Data note: Tax filer data has important limitations when used to analyse poverty rates. Tax files only have limited family information concerning couples, parents and dependents living in the same household, and the data does not have information about extended families living in the same household and financially supporting each other. Therefore, taxfiler data can over-estimate the poverty rate, especially in communities where there is a higher rate of extended families living in a household. Due to the elimination of the mandatory long-form census, taxfiler data is used as a replacement, but the data quality is not as high.

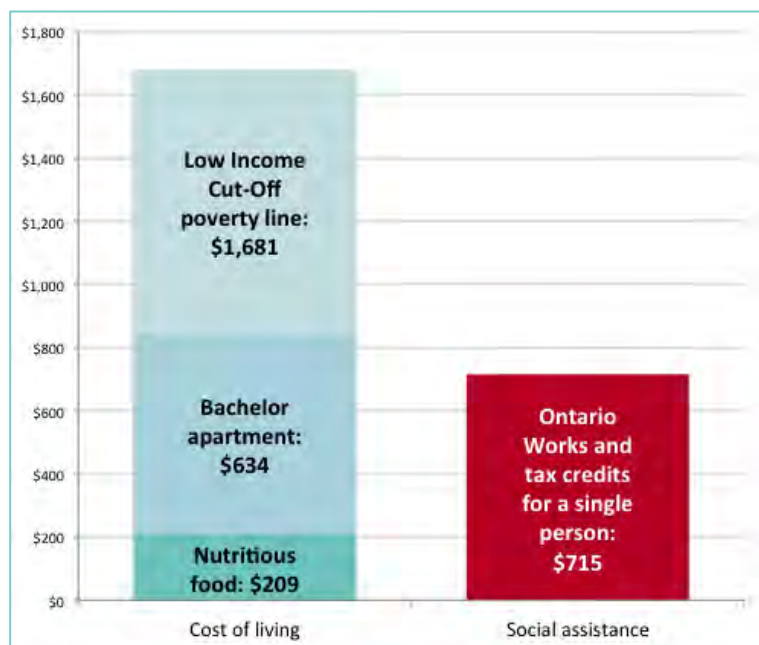
Social Assistance

Those who experience a sustained period of unemployment, and drain almost all their savings, become eligible for Ontario Works, the provincial safety net meant to provide “employment assistance and financial assistance”.

The financial assistance part of Ontario Works is currently inadequate to live a safe and minimally decent life in Hamilton. As chart 7 illustrates, financial support from OW does not cover the cost of nutritious food and a bachelor apartment, and for a single person, only reaches 43% of the poverty line.

The inadequacy of social assistance means that many recipients are forced into unsafe housing situations and sacrifice their health through cuts to their intake of healthy food.

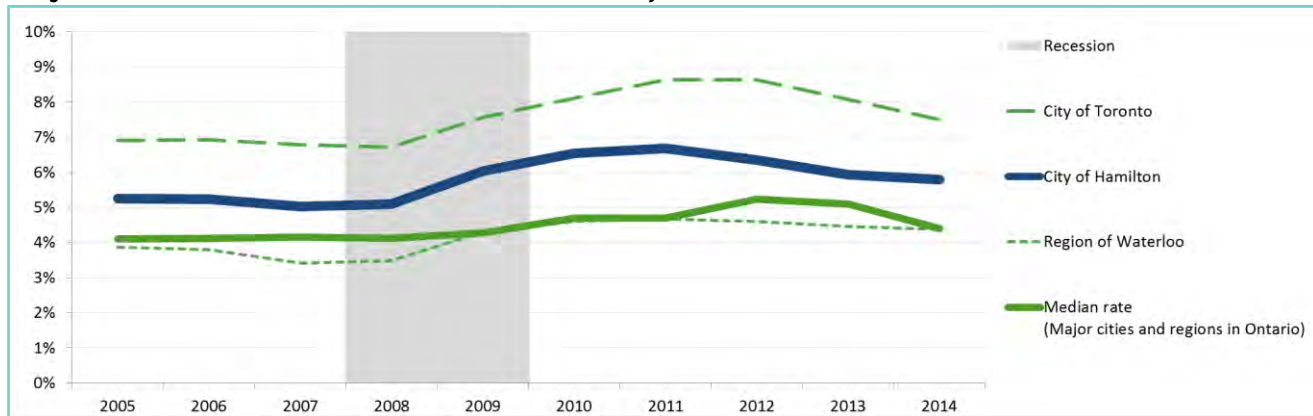
Chart 7. Monthly social assistance rates for a single person on Ontario Works compared to food and housing in Hamilton’s and the poverty line, 2014



Data source: Statistics Canada (*Low Income Lines, 2013-2014*), Canada Housing and Mortgage Corporation (*Rental Market Report, 2015*), City of Hamilton (*How much does healthy eating cost in 2014?*), Income Security Advocacy Centre (*Current Social Assistance Rates, 2014*).

Hamilton experienced an increase in the number of Ontario Works recipients after the 2008-9 recession, similar to most large cities in Ontario. Low-wage workers are often lower skilled or have less experience, so are the first to be laid off during an economic downturn. This leads to a rise in the number of people who need social assistance to survive. Hamilton’s recovery in OW caseloads, however, has been the fastest in Ontario, and Hamilton’s percentage of households receiving Ontario Works was 5.8% in 2014, only about half a percentage point higher than the rate in 2005 (chart 8). The deep poverty experienced by those living on social assistance is a major barrier to transitioning back to employment, and is discussed in further detail on page 38 in section 5 of this report.

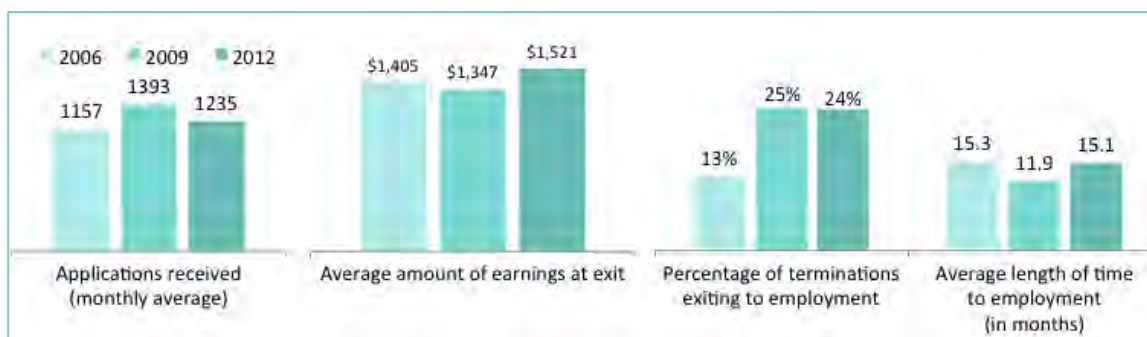
Chart 8. Percentage of households receiving Ontario Works, City of Hamilton and selected communities, 2005-2014



Data source: Ontario Municipal Benchmarking Institute. (Performance Measurement Reports 2006, 2009, 2012 and 2014).

More detailed Hamilton OW data about caseloads and outcomes show that while there is a slight improvement in employment income for the quarter of recipients who leave social assistance due to employment, the income from these jobs was only on average \$1,521 a month in 2012, still well below the poverty line. The average time on social assistance has increased after the recession, and was about 15 months in 2012. The research evidence indicates that reductions in OW caseloads are mainly due to people finding jobs on their own, as caseworkers juggle significantly high caseloads and significant administrative duties, which severely limits time for client support and employment assistance⁶.

Chart 9. Selected performance measures for Ontario Works (all monthly averages), City of Hamilton, 2006, 2009 and 2012



Data source: City of Hamilton (Ontario Works Service Plan, various years)

⁶ Pennisi, S. (2013). *Everybody needs to be doing something: Exploring the contradictions in Ontario Works and the normative expectations behind the work of becoming eligible, employable and employed*. PhD dissertation for School of Social Work, McMaster University. <https://macsphere.mcmaster.ca/handle/11375/13944>

Section 2: Rental housing

How has Hamilton's renaissance affected rents?

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%. The rapid decline in the vacancy rate is foreshadowing a looming housing crisis for Hamilton.

Other highlights:

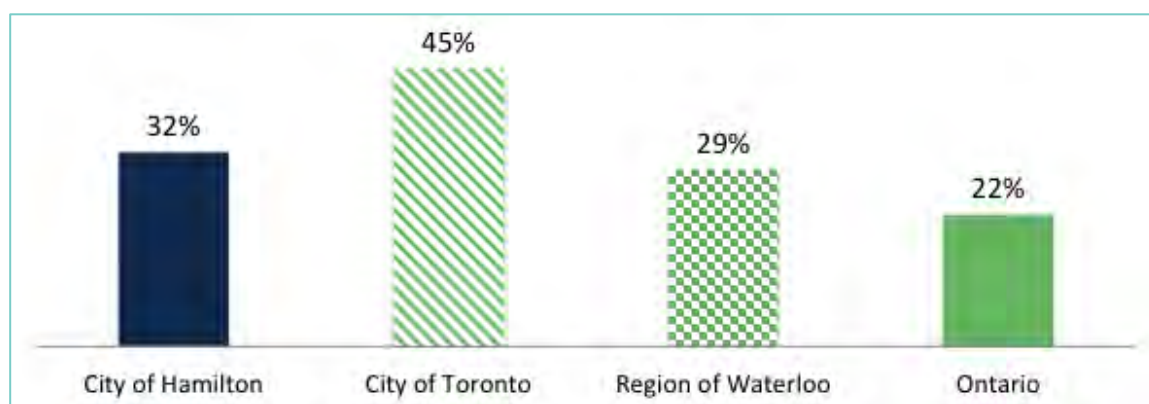
- Almost one-third of Hamilton households rent their dwellings (32%), compared to 22% of Ontarians
- Current occupants of Hamilton's rental units pay on average \$770 for their housing, about \$150 lower than the average for Ontario.
- The lower rent in Hamilton, however, goes along with lower than average incomes compared to Ontario. So despite lower rents, 43% of renters in Hamilton are paying more than 30% of their income on rent, compared to an average of 42% across Ontario.
- The proportion of income that goes to rent is highest among residents with the lowest income. The lowest income group of renters in Hamilton pays on average 69% of their income, leaving them a very small amount for other basic necessities like food and transportation. This group is at highest risk of homelessness if they incur significant new costs such as rent increases or medical costs.
- Since 2001, there has been a 1% net decrease in the number of housing units in Hamilton's primary rental market, compared to rises in both Toronto and Waterloo.
- Almost 2,000 rental units have been removed from Hamilton's primary rental due to approval of condo conversions.
- Smaller rental units available for rent in the primary market increased have had the highest increase in rents. These smaller units most likely to be occupied by low-income renters, who are most at risk of homelessness as rents rise. In addition, there is not enough affordable housing to help those who don't earn sufficient income to compete in the private market for housing.
- Hamilton's social housing waitlist has had a net increase since 2006, to now 2.5% of the city's households on the waitlist, compared to 6.9% in Toronto (increasing more rapidly due to higher rents) and 1.3% in Waterloo (declining).

Housing affordability for current renters

One of the clearest signs of Hamilton's renaissance has been the rising real estate prices across the city, among the best performance of any city in Canada, especially in areas of the lower city where housing values were depressed for many years⁷. This gives a big economic boost to existing homeowners and the real estate industry and construction/renovation industries⁸. For new entrants to the housing ownership market and renters, however, rising real estate values makes it even more difficult to access safe, affordable housing, especially for residents with the lowest incomes.

Almost one-third of Hamilton households rent their dwellings (32%), compared to 22% of Ontarians (chart 10). Toronto has the highest proportion of renters in Ontario at 45%.

Chart 10. Proportion of renters among all households, City of Hamilton and selected communities, 2011



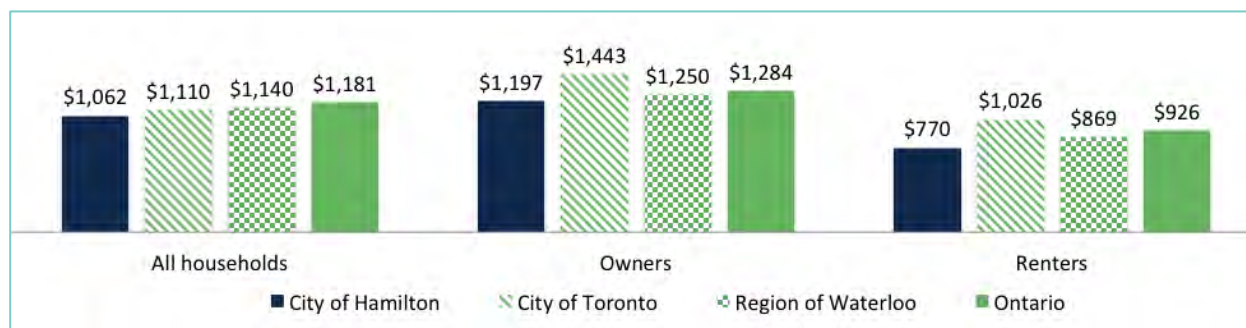
Data source: Statistics Canada (National Household Survey, 2011)

In 2011, among the communities selected for comparison, housing costs of current occupants are lowest in Hamilton, especially for renters. Renters paid on average \$770 a month for their dwellings, compared to an average of \$926 for renters across Ontario (chart 11).

⁷ MacLeod, M. (2015, April 24). *Bidding Wars: Just how hot can Hamilton's housing market get? Realtors seeing bidding wars erupt in inner-city neighbourhoods that have traditionally been considered a hard sell and less than fashionable.* Hamilton Spectator: <http://www.thespec.com/news-story/5574817-bidding-wars-just-how-hot-can-hamilton-s-housing-market-get/>

⁸ Contrary to popular belief, Hamilton's municipal budget does not benefit tremendously from increasing property values. Provincial legislation regulating municipal property tax does not allow for average increases in property values to lead to increases in overall municipal tax revenues, unlike the system for federal and provincial taxes (whereby the federal and provincial governments tax revenue rise automatically with increasing incomes). For more details, see Hains, D. (2014 January 9). *Everything you ever wanted to know about property taxes.* Torontoist: <http://torontoist.com/2014/01/everything-you-ever-wanted-to-know-about-property-taxes/>

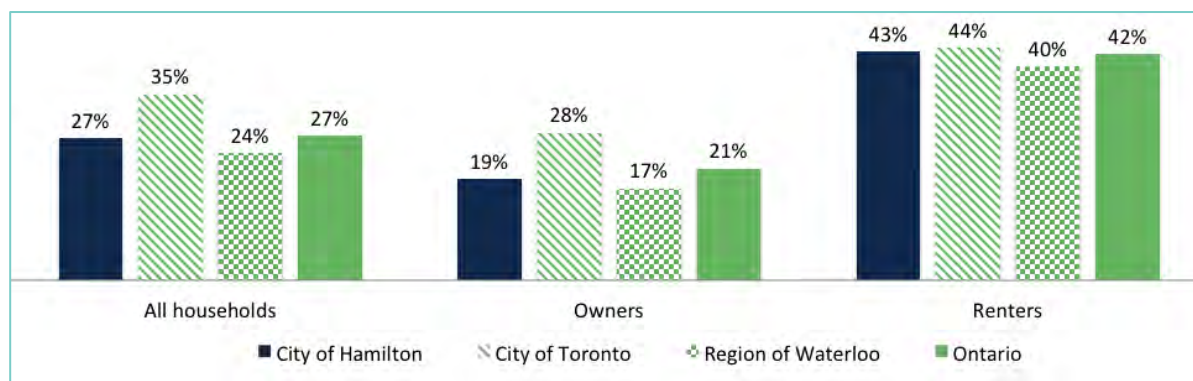
Chart 11. Average housing costs for current occupants, by housing tenure, City of Hamilton and selected communities, 2011



Data source: Statistics Canada (National Household Survey, 2011)

The lower rent in Hamilton, however, goes along with lower than average incomes compared to Ontario, so renters in Hamilton have high rates of unaffordable housing. Despite lower rents: 43% of renters in Hamilton are paying more than 30% of their income on rent⁹, compared to an average of 42% across Ontario (chart 12).

Chart 12. Proportion of owners and renters paying more than 30% of their income on rent and utilities, City of Hamilton and selected communities, 2011

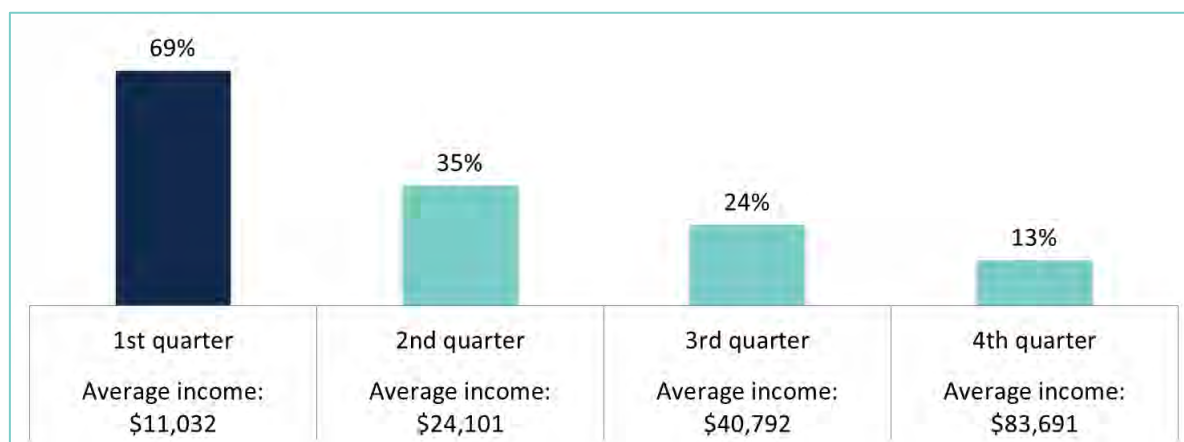


Data source: Statistics Canada (National Household Survey, 2011)

The proportion of income that goes to rent is highest among residents with the lowest income (chart 13). In Hamilton, the first quartile of renters households by income only earn on average \$11,032 per year. This quarter of renters includes people subsisting on social assistance, old age pensions, student loans and/or meager employment income. On average this group of renters pays \$632 per month in rent, which represents 69% of their income, leaving them a very small amount for other basic necessities like food and transportation. People in this group are at highest risk of homelessness if they incur significant new costs such as rent increases or medical costs.

⁹ Canada Mortgage and Housing Corporation and financial institutions define affordable housing to be housing costs less than 30% of a household's income. Housing costs for renters include rent and utilities and for owners include mortgage payments, property taxes, condominium fees, and utilities.

Chart 13. Proportion of renters' income spent on rent and utilities, by income quarters, City of Hamilton, 2011



Data source: Statistics Canada (National Household Survey, 2011), published by the BC Non-Profit Housing Association and available at rentalhousingindex.ca

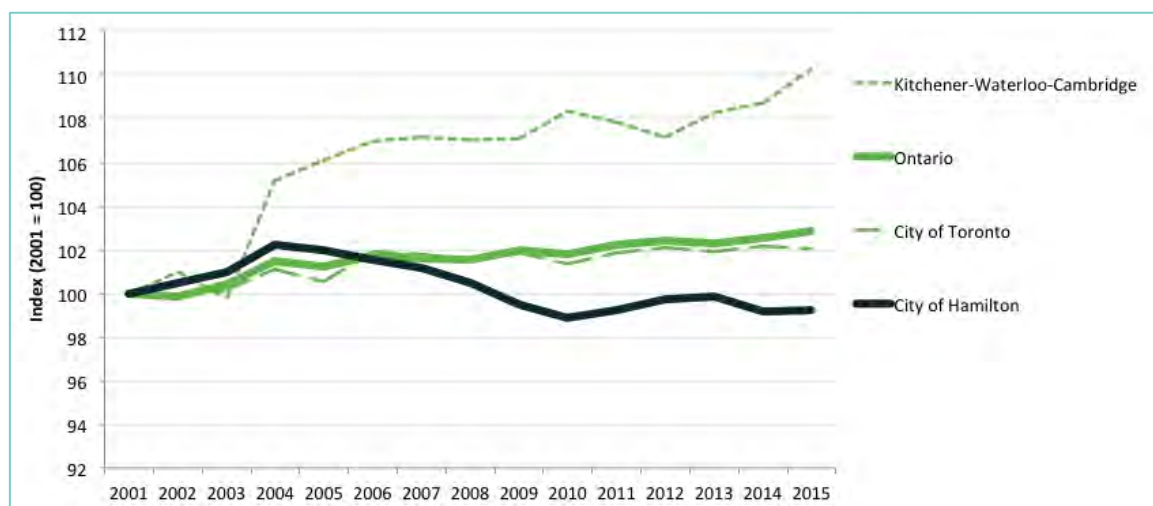
Availability of rental units

Since 2001 (the earliest data available for the city of Hamilton), there has been a 1% net decrease in the number of housing units in Hamilton's primary rental market¹⁰ (see chart 14). After a rise between 2001 and 2004, there has been a net loss of about 1,070 rental units from the primary rental market in Hamilton (which is a 3% drop between 2004 and 2015). A major reason is the climb in condo conversions by owners of rental buildings, which has led to the loss of almost 2,000 rental units from Hamilton's primary rental market¹¹. In contrast between 2004 and 2015, there were almost 1,500 new units added to the primary rental market in Kitchener-Waterloo-Cambridge. Developers of purpose-built rental buildings in the Region of Waterloo have focused primarily on the growing student rental market.

¹⁰ In Hamilton, about 54% of Hamilton's rental units are in the primary rental market, which only includes purpose-built rental buildings with three units or more. An additional 28% of Hamilton's rental units are in the secondary market, units in smaller buildings, or condo units rented out for example. About 18% of Hamilton's rental units are non-market, that is to say social housing and other housing subsidy programs. (Calculations based on 2011 NHS and CMHC data.)

¹¹ In Hamilton, the experience has been that a significant proportion of condos remain as rental units, as many owners buy condo units as investment properties. However, as there is no longer one landlord for a building, these rental units are then classified in the secondary rental market. The numerous unit owners in a building can also make it harder for tenants to organize and advocate for building improvements since they may all have different landlords.

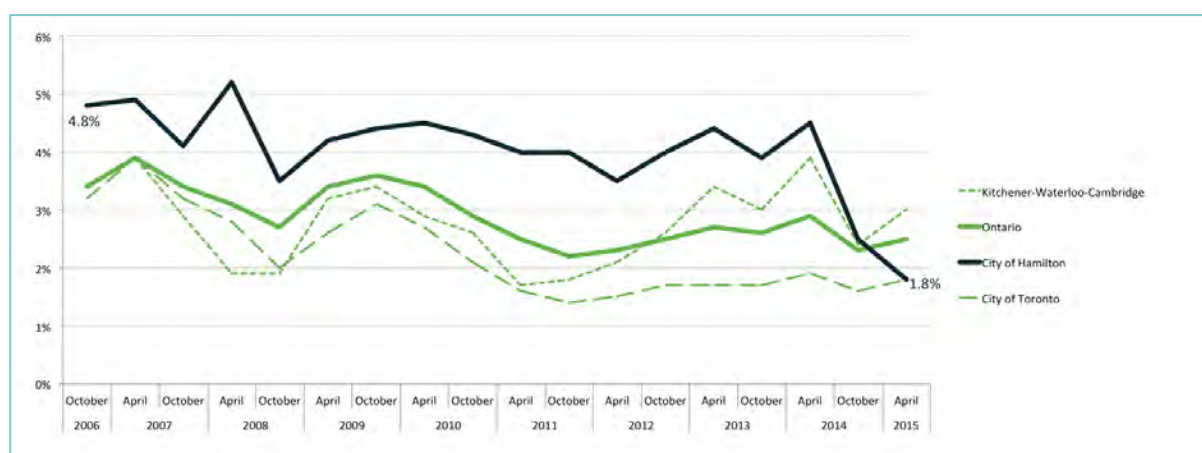
Chart 14. Change in number of rental units in the primary rental market (Indexed, 2001 = 100), City of Hamilton and selected communities, 2001-2015



Data source: Canadian Housing and Mortgage Corporation (Housing Market Information Portal – CMHC Rental Market Survey, 2001-2015)

The combination of fewer rental units in Hamilton and a fast growing population of young adults (who are renters in higher proportions than other age groups) is pointing to a looming housing crisis in Hamilton. Since April 2014, the vacancy rate in Hamilton's primary rental market has dropped from 4.5% to 2.5% in October 2014 and then to 1.8% in April 2015, the same level as the city of Toronto (chart 15). A 3% vacancy rate is considered the minimum for a healthy rental market¹². The City of Hamilton has now put a moratorium on approval of new applications for conversions of rental buildings to condominiums due to the vacancy rate declining below 2%.

Chart 15. Vacancy rate in the primary rental market, City of Hamilton and selected communities, 2006-2015



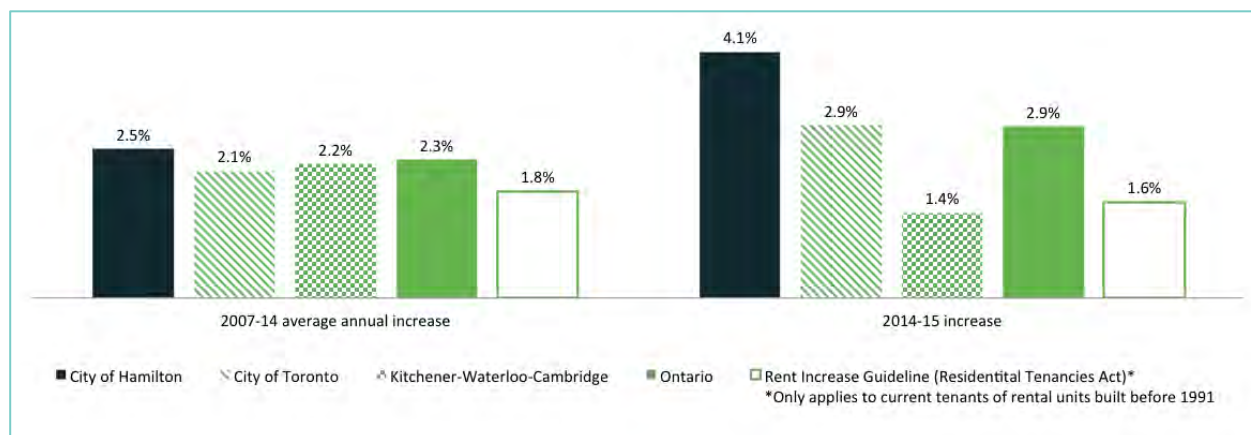
Data source: Canadian Housing and Mortgage Corporation (Housing Market Information Portal – CMHC Rental Market Survey)

¹² Wellesley Institute. (2010). *Painfully Low Vacancy Rates, Shrinking Number Of Homes: New National Report Underlines Rental Housing Woes Across Canada*

Current rental market

The low vacancy rates are contributing to a steep rise in the price of rental units. Even before the sharp decline in the vacancy rate, Hamilton's average rents were increasing at 2.5% per year in the 2007-2014 period, higher than both Waterloo and Toronto (chart 16). In 2015, rents for available apartments in the primary rental market have skyrocketed by 4.1% in one year, the highest among any major city in Ontario.

Chart 16. Change in average rent for units in the primary rental market, City of Hamilton and selected communities, 2007-2015



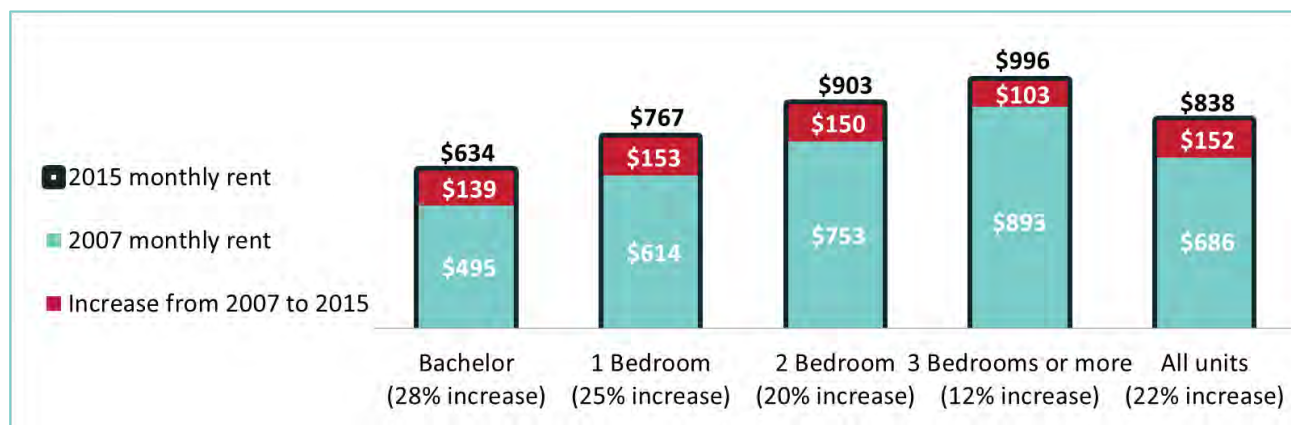
Data source: Canadian Housing and Mortgage Corporation (Housing Market Information Portal – CMHC Rental Market Survey, 2007-2014)

More detailed data shows that the lowest price units, bachelor and one bedroom apartments are seeing the biggest increase in rents. Chart 17 shows these smaller rental units available for rent in the primary market increased in cost by 28% and 25% respectively between 2007 and 2015. These are the units most likely to be occupied by low-income renters, the very renters who can least afford any increase in their housing costs. Research from McMaster's Dr. Richard Harris shows that the most vulnerable renters are concentrated in Hamilton's lower city especially in the east end¹³. These renters are most at risk of homelessness as rents rise and not enough affordable housing is available to help those who don't earn sufficient income to compete in the private market for housing.

¹³ Harris R. et al. (2015). *A City on the Cusp: Neighbourhood Change in Hamilton since 1970*. Cities Centre, University of Toronto: Research Paper 236:

<http://neighbourhoodchange.ca/documents/2015/04/neighbourhood-change-in-hamilton-since-1970.pdf>

Chart 17. Change in average monthly rent by number of bedrooms, primary rental market, City of Hamilton, 2007-2015



Data source: Canadian Housing and Mortgage Corporation (Housing Market Information Portal – CMHC Rental Market Survey)

The academic predictions about Hamilton's rental market are quickly turning into reality. Hamilton's rising rents have already attracted a number of investment companies buying poorly maintained older rental buildings with the goal of improving them and increasing rents¹⁴. Some landlords are attempting to induce current residents to leave their relatively affordable units by offering a payment to tenants¹⁵. But with little chance of finding similarly priced units on the current private market, tenants are at a high risk of moving into unsafe, over-crowded housing, or even becoming homeless. The loss of affordable housing in Hamilton is being felt by Hamilton's only shelter for homeless women. Mary's Place has seen a large rise its number of clients, and regularly turns away close to 50 women per month¹⁶.

A community developer from Hamilton's Legal Clinic, Maria Antelo, described the nature of housing as very different from other goods that can be bought and sold:

"Right now, what tenants want is whatever is available to keep (rent) the way it is and prices shouldn't going up because our city is becoming a bit trendy. At the same time there has to be a balance. Tenants understand that we do want beautification in our city, we do want investment in our city but we want politicians, developers to understand housing is a basic need, it's not a luxury."¹⁷

¹⁴ Arnold, S. (2015 September 4). *East-end Hamilton apartment blocks sell for \$51 million*. Hamilton Spectator: <http://www.thespec.com/news-story/5829193-east-end-hamilton-apartment-blocks-sell-for-51-million/>

¹⁵ CBC Hamilton. (2015 February 20) *Downtown apartment tenants 'don't want to leave' amid rent hikes, renos*: <http://www.cbc.ca/news/canada/hamilton/news/downtown-apartment-tenants-don-t-want-to-leave-amid-rent-hikes-renos-1.2964377>

¹⁶ Gage, A., Pike, D. and Mayo S. (2015). *Women's Housing Planning Collaborative (WHPC): Emergency Planning For Services For Single Women Experiencing Homelessness*. Social Planning and Research Council of Hamilton: <http://www.sprc.hamilton.on.ca/wp-content/uploads/2015/06/WHPC-Report-SPRC-final.pdf>

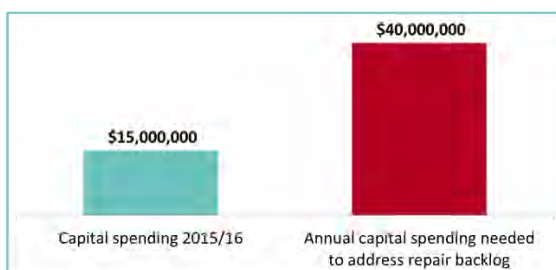
¹⁷ CBC Hamilton. (2015 July 29). *Hamilton tenants rally against gentrification*: <http://www.cbc.ca/news/canada/hamilton/news/hamilton-tenants-rally-against-gentrification-1.3171560>

Social Housing

Affordable housing has long been one of Hamilton's advantages and keys to quality of life. But with Hamilton's increasing economic prosperity, rising rents and housing prices have increased the need for non-market housing options to help bridge the gap caused by low wages and precarious employment.

However, investments in social housing repairs are not meeting the need to keep units in an acceptable level of maintenance, forcing some units to be kept vacant. The City of Hamilton owns about half of the social housing units in Hamilton. The City currently spends about \$15 million per year on repairs, less than 40% of what is needed (chart 18).

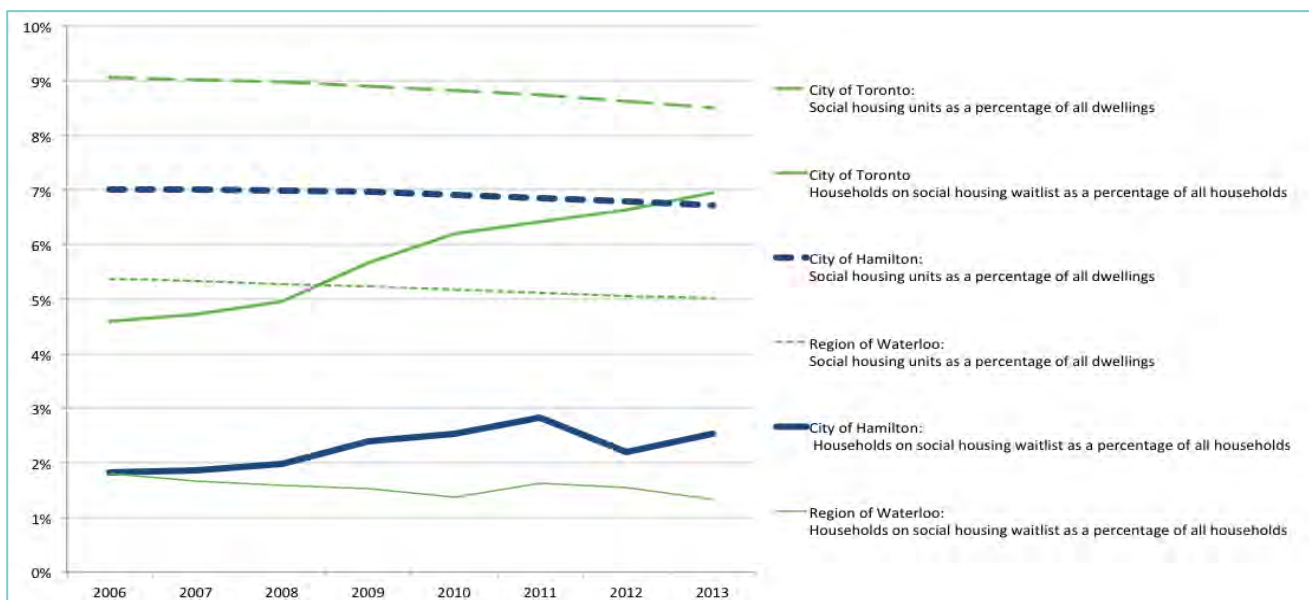
Chart 18. Spending on repairs to City Housing Hamilton social housing units, 2015



Data source: City of Hamilton, General Manager, Finance and Corporate Services, Mike Zegarac as quoted in Citizens at City Hall (CATCH) report on General Issues Committee of Council (January 15 2015).
http://hamiltoncatch.org/view_article.php?id=1327

Hamilton's social housing waitlist has had a net increase since 2006, to now 2.5% of the city's households on the waitlist, compared to 6.9% in Toronto (increasing more rapidly due to higher rents) and 1.3% in Waterloo (declining) (chart 19).

Chart 19. Social Housing waitlists and units, City of Hamilton and selected communities, 2005-2013



Data sources: Ontario Non-Profit Housing Association (2015 Waiting Lists Survey) and Statistics Canada (2011 Census)

Section 3: Geography of jobs in Hamilton

Where are Hamilton's jobs?

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. Despite Hamilton's growing economy, there are fewer jobs than workers, so about 3 in 10 workers commute to other municipalities to work.

Highlights:

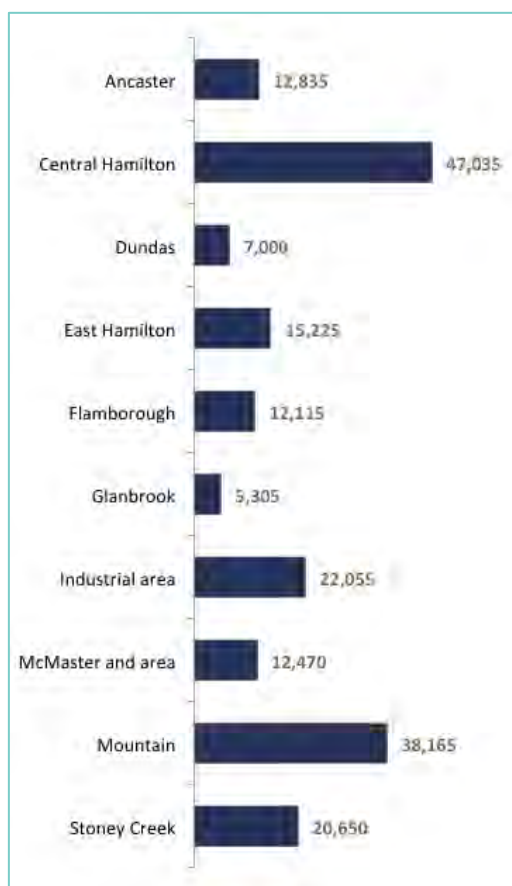
- The top three locations of jobs in Hamilton are in the central lower city, the Mountain and the industrial waterfront area.
- The location of youth jobs shows that teen jobs are most numerous in Hamilton's malls and retail areas, which are mostly spread out in Hamilton's mountain and suburban areas. Hamilton's youngest workers, those aged 15-19, face a particularly challenging job market and those challenges grow in areas where there are few youth jobs close to home or school.
- Teenagers in Central and East Hamilton have more limited access to nearby jobs: only 19% of all jobs held by teenagers are in these areas combined, while 27% of Hamilton's teens aged 15-19 live in Central or East Hamilton.
- The reduced access to jobs for teenagers in Central and East Hamilton is especially concerning because these are the same areas that have the highest poverty rates in the City. For teens who grew up in poor households, lack of job market access early in their worklife may be contributing to a reduced likelihood of escaping poverty as they transition to adulthood.
- The highest estimated proportions of part-time and low-income work for all age groups are in rural and suburban areas and Hamilton Mountain.
- The employees with the highest income are more likely to be working in Central Hamilton, or the McMaster and Industrial areas. Despite the major decline in industrial jobs in the last three decades in Hamilton, industrial jobs continue to be of relatively high quality, with the remaining jobs in that area having by far the highest estimated percentage of full-time workers (93%).

Jobs by regions within Hamilton

Among the 192,855 jobs in 2011 with fixed workplaces in Hamilton, the largest proportion (24%) are in the Central area of Hamilton's lower city (chart 21). This area had 47,035 jobs in 2011, with most concentrated in the downtown core (chart 20).

Rounding out the top three locations for Hamilton jobs are Hamilton Mountain with 20% of the city's jobs (38,165 jobs) and the primarily industrial waterfront area with 11% of Hamilton's jobs (22,055 jobs).

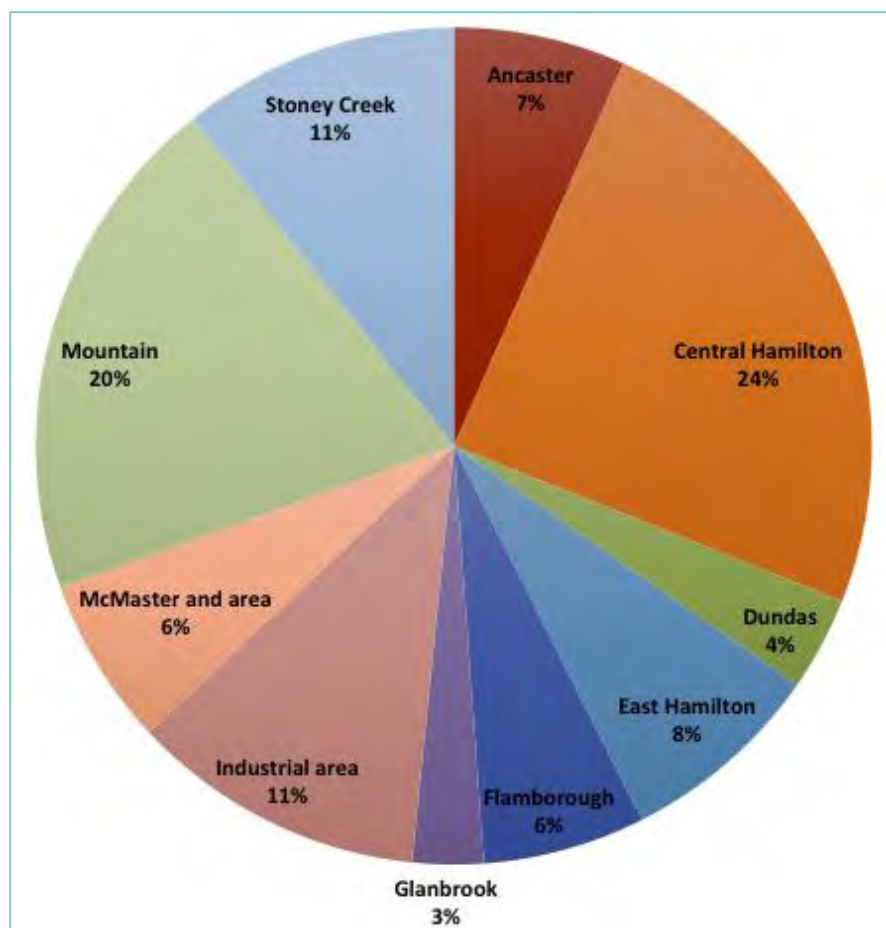
Chart 20. Number of jobs by place of work within the city of Hamilton for people with a fixed workplace, 2011



Data source: Statistics Canada (National Household Survey, 2011)

Data note: For this section of the report, the geographic boundaries describe the following areas: Ancaster, Dundas, Flamborough, Glanbrook and Stoney Creek refer to the areas covered by each of these former municipalities; Central Hamilton refers to the lower city from highway 403 to Ottawa Street, excluding the industrial waterfront area); East Hamilton covers the lower city from Ottawa Street to the border of Stoney Creek, excluding the industrial waterfront area; Industrial area is everything north of the CN rail line from Wentworth Street to Gray's Road (Stoney Creek border); McMaster and area includes all the Hamilton neighbourhoods below the escarpment west of highway 403 up to the border with Dundas; Mountain includes all the neighbourhoods above the escarpment part of the former municipality of Hamilton (encompassed currently by Wards 6, 7 and 8).

Chart 21. Proportion of jobs within the city of Hamilton, by place of work for people with a fixed workplace, 2011



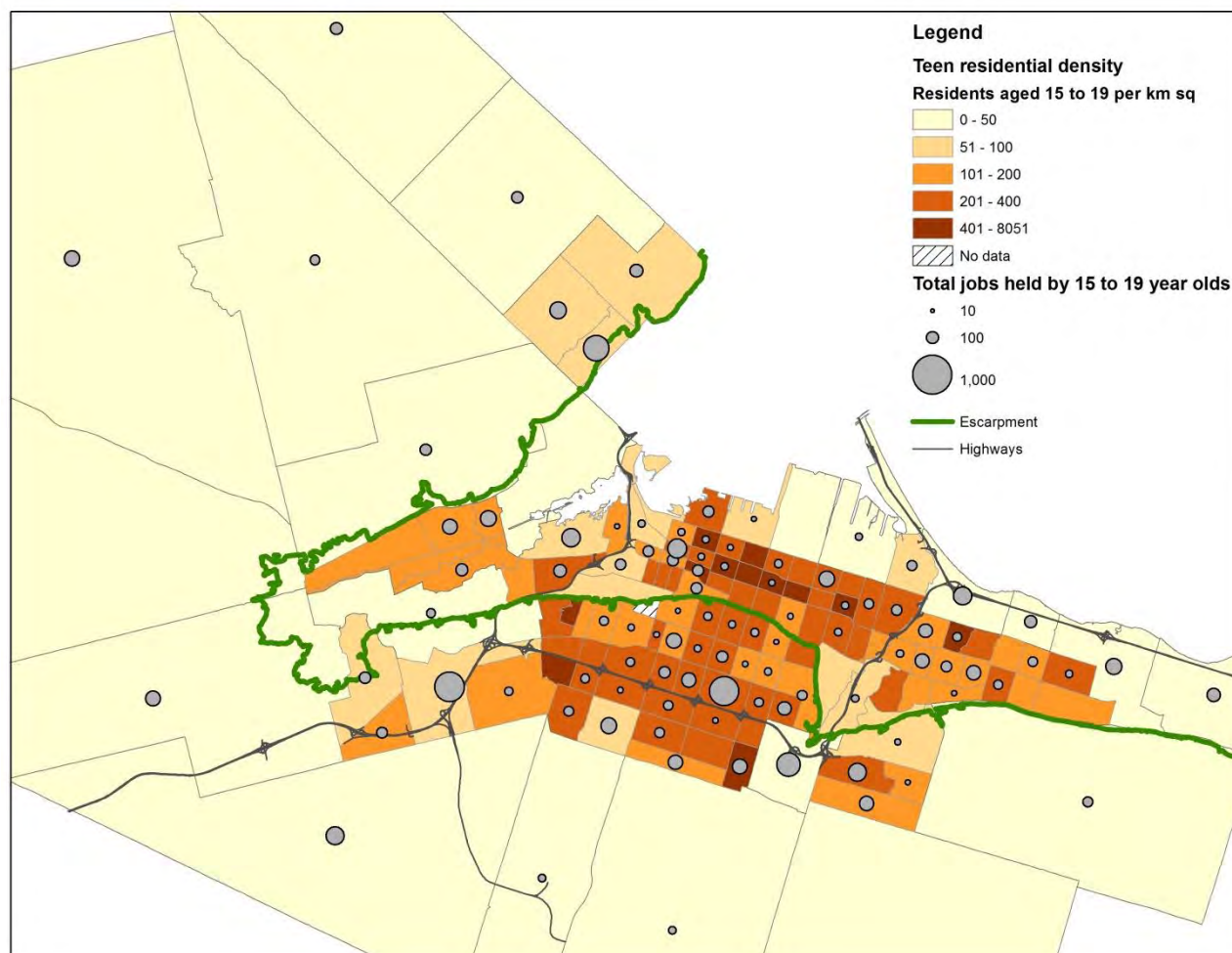
Data source: Statistics Canada (National Household Survey, 2011)

Job types by regions: Youth

Hamilton's youngest workers, those aged 15-19, face a particularly challenging job market and the challenges grow where there are fewer youth jobs close to home or school.

The map of youth jobs shows that teen jobs are most numerous in Hamilton's malls and retail areas, with the largest number of jobs in and around Limeridge Mall, a relatively short distance for a large number of teens on the Mountain. Other suburban retail areas such as the Meadowlands in Ancaster, areas near Waterdown in Flamborough, and Heritage Green in Stoney Creek Mountain provide a significant source of jobs for teenagers. While there is also a high density of youth in the Central lower city, the nearby jobs are smaller in number and mainly in and around Jackson Square mall. In East Hamilton, the area around Eastgate Mall and to a lesser extent, Centre on Barton, provide the bulk of jobs for teenagers.

Map 1. Residential density of teenagers (15 to 19) compared to number of jobs held by teens, by census tracts, City of Hamilton, 2011



Data source: Statistics Canada (Census and National Household Survey, 2011)

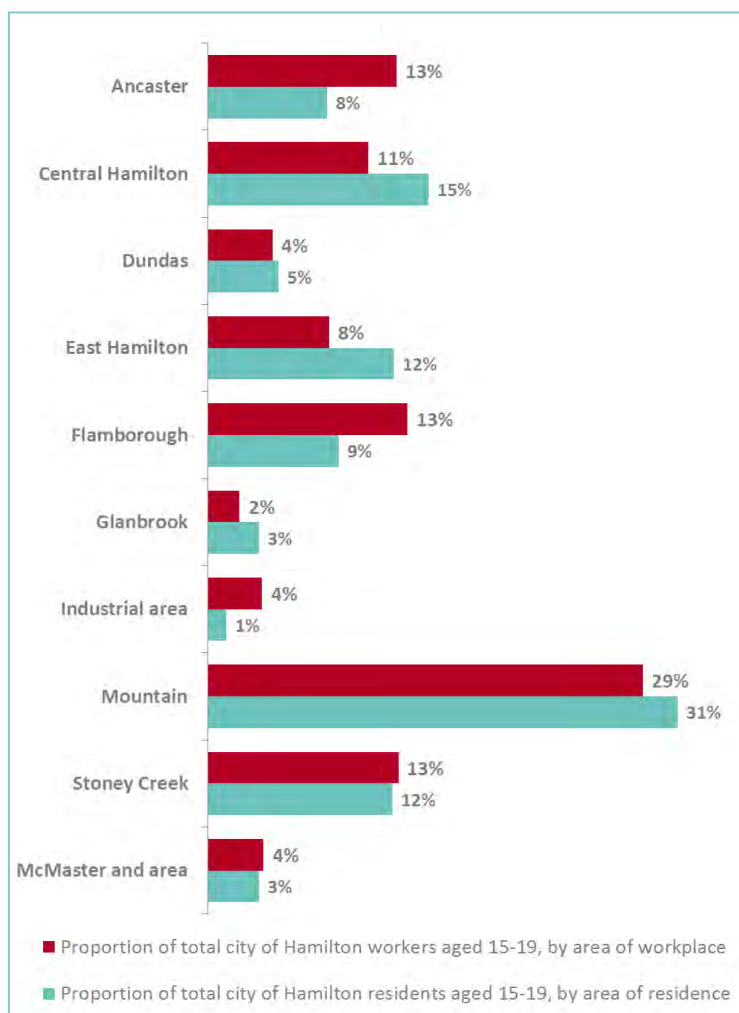
Chart 22 summarizes the census tract data to broader areas and compares where youth aged 15-19 are living to where teens are employed; to give a rough sense how many jobs are available compared to how many teenagers are living in each area. The results shows that in Flamborough and Ancaster, there is a larger proportion of the city's jobs occupied by teenagers than the proportion of Hamilton's teenagers living there (26% of all of Hamilton's teen jobs are in these two area combined yet only 17% of Hamilton's youth aged 15-19 live in Ancaster or Flamborough). In contrast, teenagers in Central and East Hamilton have more limited number of nearby jobs: only 19% of all jobs held by teenagers are in these areas combined, while 27% of Hamilton's teens aged 15-19 live in Central or East Hamilton. The Mountain, Stoney Creek and Dundas each have a closer balance between the proportions of teen jobs and teen residents.

The reduced number of nearby jobs for teenagers in Central and East Hamilton, compared to other areas of the city is especially concerning because these are the same areas that

have the highest poverty rates in the City¹⁸. For teens who grew up in poor households, lack of employment experience early in their worklife may be contributing to a reduced likelihood of escaping poverty as they transition to adulthood.

A recent UBC study found that Canadian teenagers benefit substantially from part-time jobs in their teenage years, as they develop a better understanding of work life and gain related skills and experiences. The data from Statistics Canada's National Youth in Transition Survey, found teens employed in part-time jobs "is linked to later life outcomes such as higher income, better fitting jobs, and better career networks"¹⁹.

Chart 22. Proportion of the total workers aged 15-19 working in each area of Hamilton compared to proportion of Hamilton residents aged 15-19 living in each area of the city, 2011



Data source: Statistics Canada (National Household Survey, 2011)

¹⁸ Mayo, S. and Pike, D. (2013) *The Rich and the Rest of Us: Trends in Hamilton's income inequality and why they matter*. Social Planning and Research Council of Hamilton: http://www.sprc.hamilton.on.ca/wp-content/uploads/2013/10/SPRC_Rich_and_Rest_of_Us.pdf

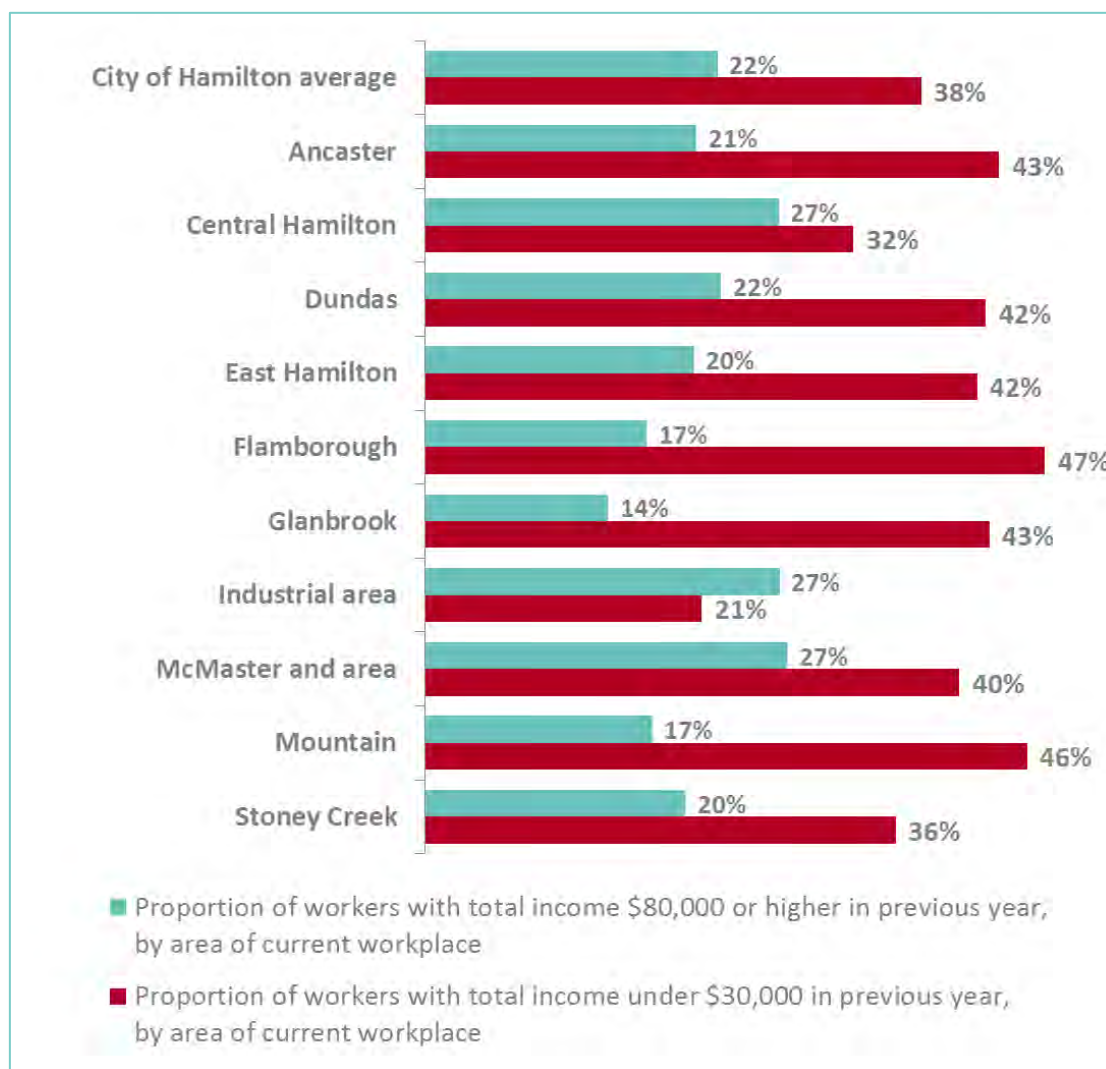
¹⁹ Houshmand, M. (2014). *Beneficial "Child Labor": The Impact Of Adolescent Work On Future Professional Outcomes*. *Research in the Sociology of Work* (25) 191-220: http://www.sauder.ubc.ca/Faculty/Divisions/Organizational_Behaviour_and_Human_Resources_Division/-/media/Files/Faculty%20Research/OBHR%20Division/Seidel/Beneficial_Child_Labor.ashx

Jobs types by regions: Job quality

To get a general sense of job quality in each region of Hamilton, charts 23 and 24 below show the estimated proportions of low- and high-income jobs as well as full- and part-time jobs in each area. These are estimates only, as the workers' full/part-time status and income data is from the previous year and may not be related to their current job location. The data reveal the highest estimated proportions of part-time and low-income work are in rural and suburban areas and Hamilton Mountain.

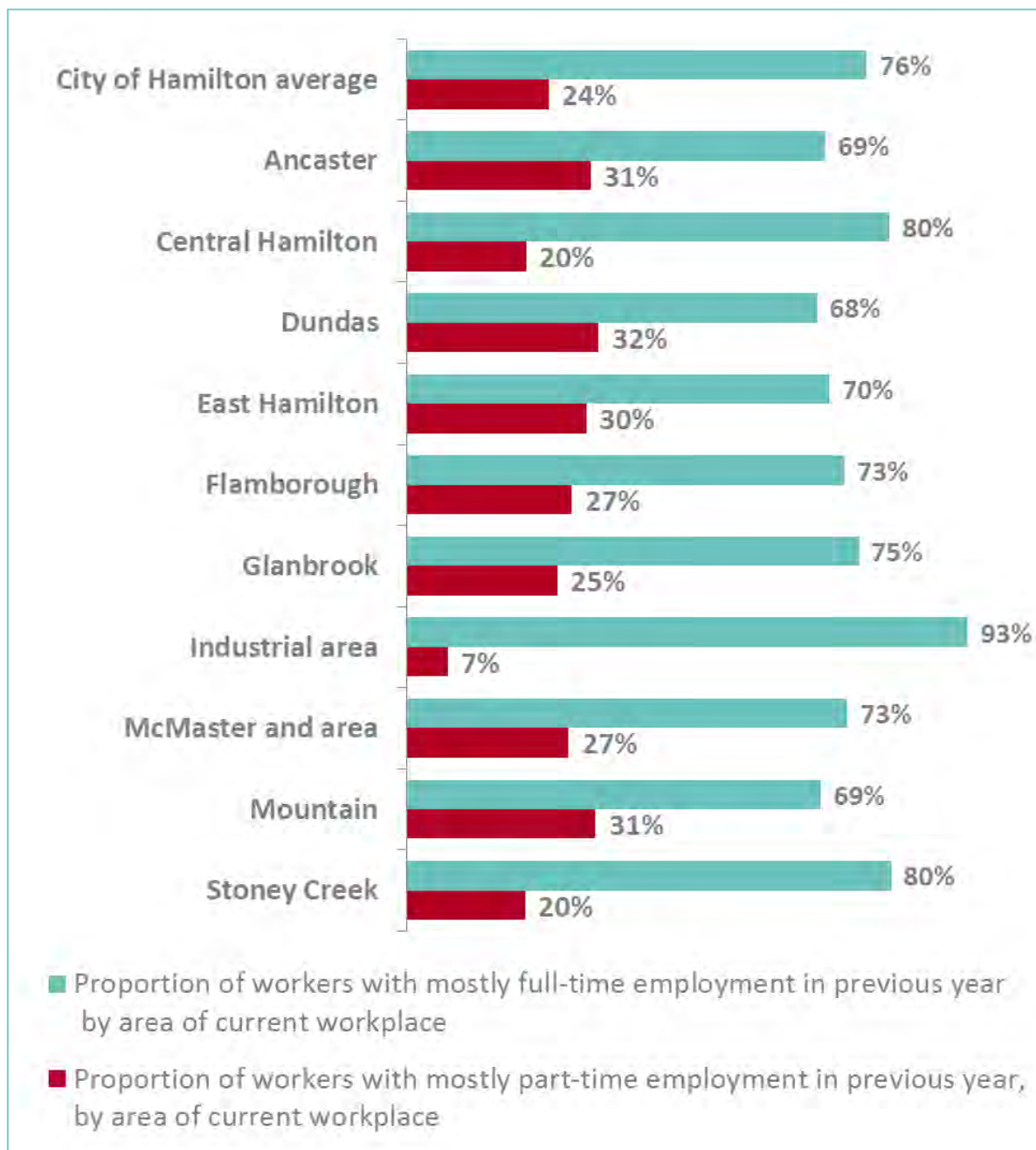
The employees with the highest incomes are more likely to be working in Central Hamilton, or the McMaster and industrial areas. Despite the major decline in industrial jobs in the last three decades in Hamilton, industrial jobs continue to be of relatively high quality, with the remaining jobs in that area having by far the highest estimated percentage of full-time workers (93%).

Chart 23. Estimate of proportion of high- and low-income jobs in each region of Hamilton, 2011



Data source: Statistics Canada (National Household Survey, 2011)

Chart 24. Estimate of proportion of full-time and part-time jobs in each region of Hamilton, 2011

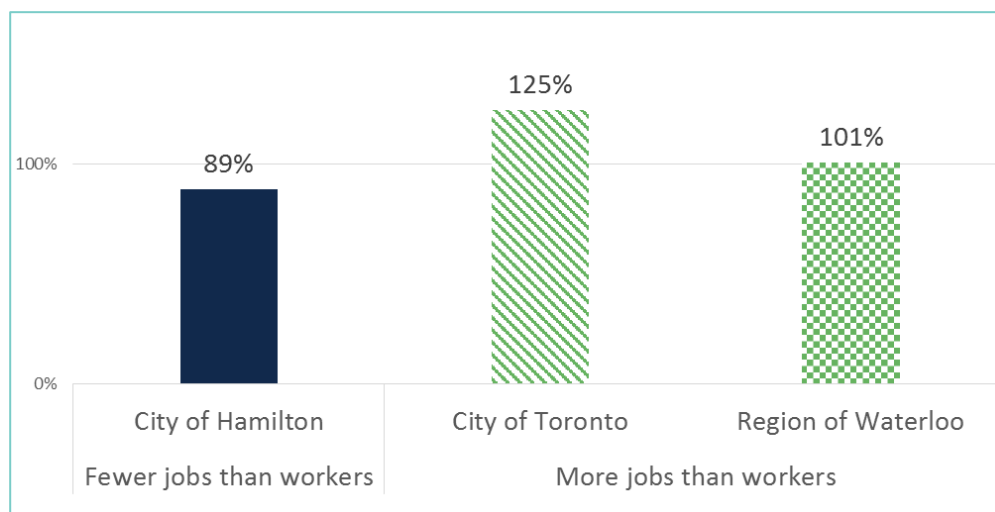


Data source: Statistics Canada (National Household Survey, 2011)

Commuting for work

Compared to the city of Toronto and region of Waterloo, the city of Hamilton has fewer jobs as a proportion to its number of workers. According to the 2011 National Household Survey, Hamilton has about 200,000 workers employed at a fixed place of work, but within the city's borders there are only about 178,000 jobs. Chart 25 compares the proportion between these numbers and shows that there are only enough jobs within the city of Hamilton for about 89% of currently employed workers who reside in Hamilton, while in Toronto and Waterloo there are more jobs than residents. This difference explains why Hamilton has a higher proportion of workers who commute outside of the city for work (31%), compared to Toronto (19%) and Waterloo (14%). About 12% of Hamilton workers commute to Burlington, and the next most common work destinations are Mississauga, Oakville and Toronto with each less than 5% of Hamilton workers commuting there. Conversely, about 6% of Hamilton's jobs are held by residents of the region of Niagara, and 4% by residents of Burlington.

Chart 25. Estimate of jobs with each community as a as a proportion of community's employed workers, 2011



Data source: Statistics Canada (National Household Survey, 2011)

Section 4: Insecure employment

What are conditions like for Hamilton workers?

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.

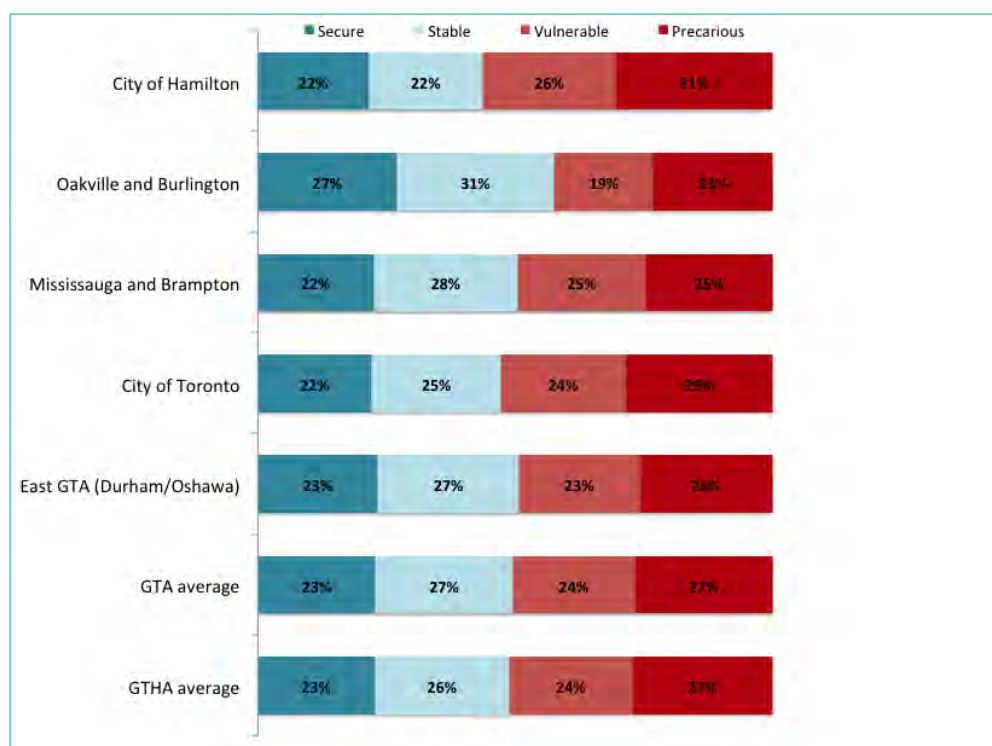
Other highlights:

- Hamilton has the highest rate of workers in insecure employment with 57% of workers in this category compared to an average of 51% of workers in insecure jobs across the Greater Toronto Area (GTA).
- Only 25% of Hamilton's insecure workers have access to an employer pension plan, and 21% have employer health benefits.
- Employers expect greater flexibility from insecure workers, with a majority (48%) of insecure workers sometimes or often facing unexpected scheduling changes, and 14% given less than one week's notice for upcoming schedules.
- Children in families who experience insecure employment have more limited access to proper clothing and supplies for school, field trips and extra curricular activities. Half of Hamilton's insecure workers reported they rarely or ever able to volunteer as coaches or other roles in kids activities outside school (compared to 37% among workers in more secure jobs).
- The result for many of Hamilton's children is unequal access to experiences and opportunities for growth and development, hindering social mobility and making it more difficult for children in low-income families to get ahead.

Job quality

In a McMaster survey of over 8,000 workers across the Greater Toronto and Hamilton Area (GTHA), led by Dr. Wayne Lewchuk, Hamilton had the highest rate of workers in insecure employment with 57% of workers in this category compared to an average of 51% of workers in insecure jobs across the Greater Toronto Area (GTA). The characteristics that define insecure employment include few if any benefits, a great degree of variability in pay from week to week, on-call and variable work schedules, and risk of being negatively affected if health and safety concerns or employment rights are raised. The research further divided insecure workers into vulnerable and precarious workers, with precarious workers experiencing the most insecure working conditions. A full 31% of workers of Hamilton's workers fall into this category, compared to 27% of GTA workers who are precariously employed (chart 26).

Chart 26. Employment security categories, workers aged 25-65, city of Hamilton and GTA communities, 2011 and 2014 (combined)



Data source: McMaster University and United Way Toronto, Poverty and Employment Precarity in Southern Ontario (PEPSO) data file, (2011 and 2014).

In the report, *Precarity Penalty*, researchers led by Dr. Lewchuk interviewed workers across the GTHA about the effects of precarious employment on their lives. Workers noted effects on their ability to advocate for their rights, negative toll on their health, and added stress in their family life. For example:

“But where the anxiety comes is, am I going to have this job in two weeks? Am I going to be able to pay my bills? Why am I being paid the same as this person who

can't put a sentence together? That's where the anxiety comes from; it's not the actual job. It's everything else that goes along with the job. The anxiety and the depression can come from really feeling like you're being treated like shit. That's where a lot of it comes from."

"When you're a contract worker, how do you bring forward something like that [abuse]? If someone is a creep to you in the workplace, how do you stick your neck out when you know you could be canned next week? . . . It's a really screwed-up power dynamic."

"The instability. It's sort of hard to plan long-term, if you don't have guaranteed income. . . . I put off having a kid for a long time because of that. For a long time, I was sort of hoping I would get a full-time job and then I would have benefits and then whatever; it would be a lot easier to have a mat leave."

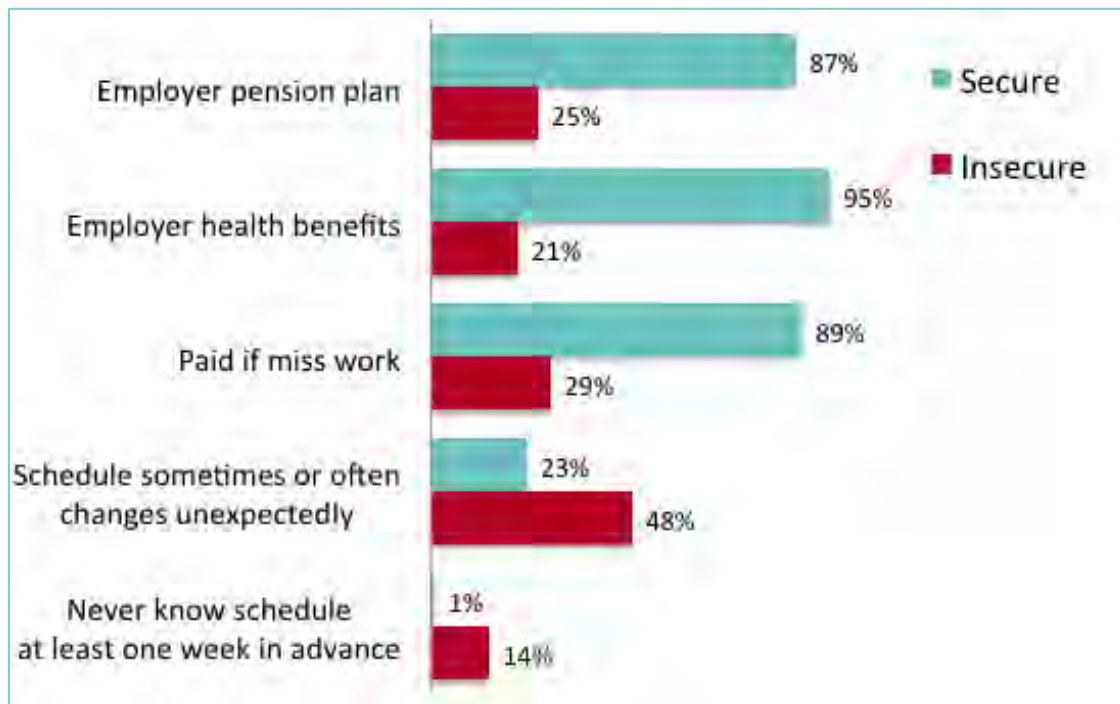
Employer benefits and scheduling instability

Access to benefits is a defining feature of secure employment. Health benefits help workers manage the otherwise large financial burden of unexpected illness along with access to preventative care such as drugs, dental and vision care that reduce the risk of emergency health situations. Getting paid if an employee misses a day of work for illness or family emergencies allows workers to recover more quickly and reduce the spread of any infection to co-workers. Similarly, with increasing lifespans (now reaching 80 years of age in Canada), employer pension benefits reduce the risk of economic insecurity later in life.

In Hamilton, few insecure workers have access to any of these benefits. Only 25% of Hamilton's insecure workers have access to an employer pension plan, and 21% have employer health benefits (chart 27).

Employers expect greater flexibility from insecure workers, with a majority (48%) of insecure workers sometimes or often facing unexpected scheduling changes, and 14% given less than one week's notice for upcoming schedules.

Chart 27. Employer benefits and scheduling instability, workers aged 25-65, by employment security categories, city of Hamilton, 2011 and 2014 (combined)

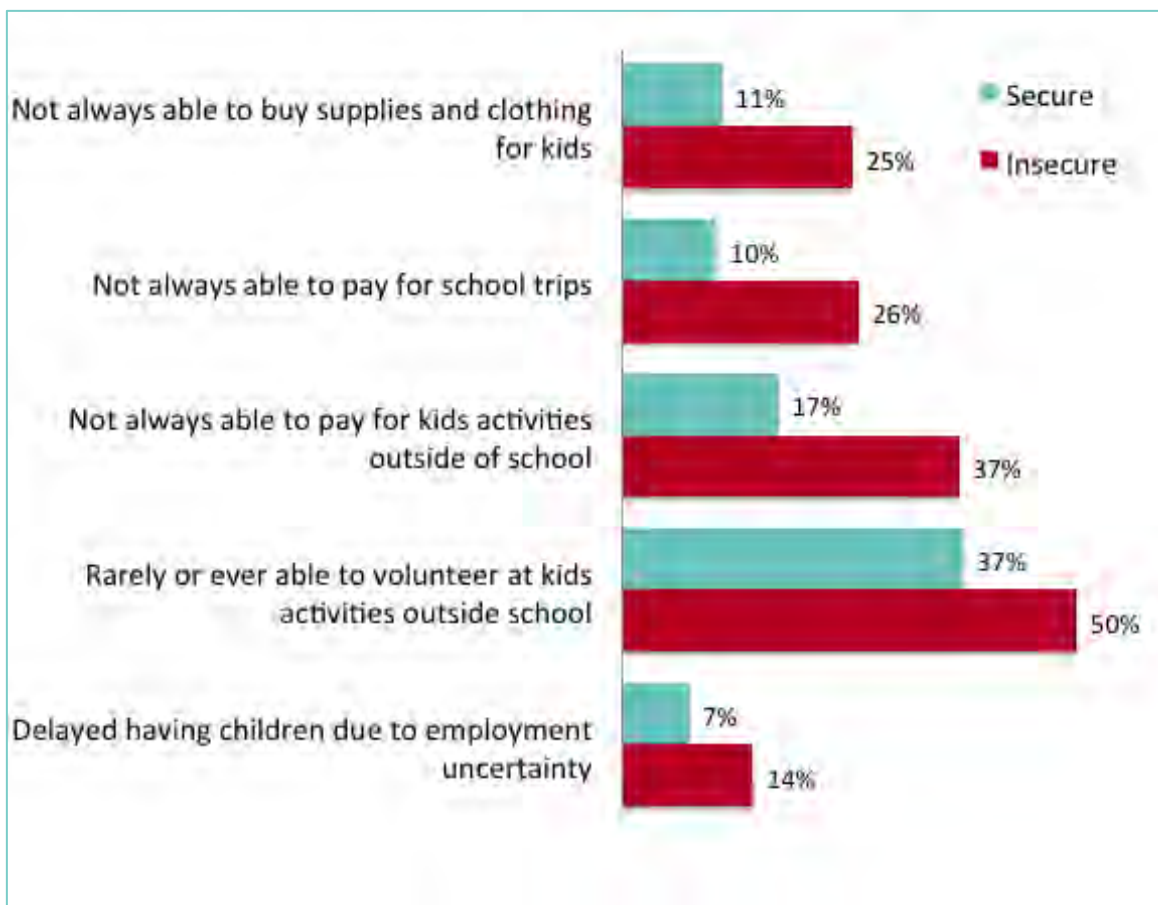


Data source: McMaster University and United Way Toronto, Poverty and Employment Precarity in Southern Ontario (PEPSO) data file, (2011 and 2014).

Impact of insecure employment on family life

Chart 28 shows that children in families where experience insecure employment have more limited access to proper clothing and supplies for school, field trips, extra curricular activities. Half of Hamilton's insecure workers reported they rarely or ever able to volunteer as coaches or other roles in kids activities outside school (compared to 37% among workers in more secure jobs). The result for many children is unequal access to experiences and opportunities for growth and development. The *Precarity Penalty* report explains that “when high-income families are more able to invest in opportunities for their children than low-income families, it hinders social mobility and makes it more difficult for children in low-income families to get ahead.”

Chart 28. Ability to pay for and spend time on children, workers aged 25-65 with children, by employment security categories, City of Hamilton, 2011 and 2014 (combined)



Data source: McMaster University and United Way Toronto, Poverty and Employment Precarity in Southern Ontario (PEPSO) data file, (2011 and 2014).

Section 5: Barriers to employment

What makes it so hard to find a job, any job, even an insecure job?

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 spaces, deep poverty, and discrimination in the labour market all continue to create very unbalanced outcomes for many of Hamilton's citizens.

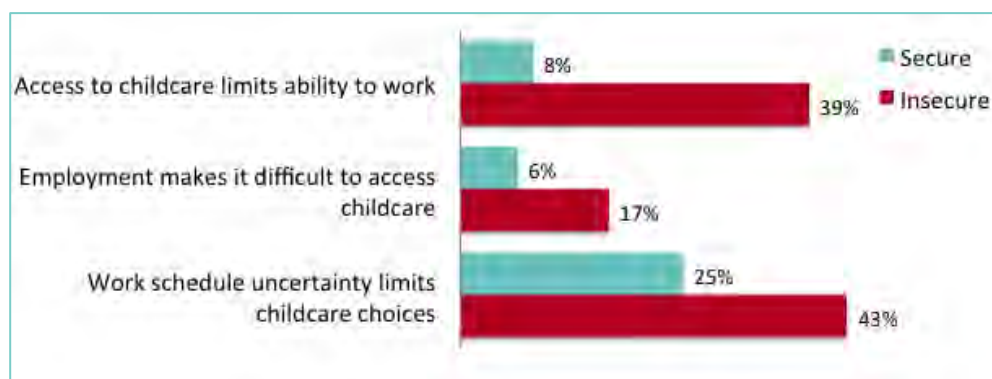
Highlights:

- For almost 4 in 10 insecure workers with children, access to childcare limits their ability to work, compared to less than 1 in 10 secure workers.
- The effects of deep poverty make it difficult to enter the labour market.
- Ontario Works clients are reliant on food banks and other charitable programs to meet their basic needs, taking time and energy away from any job search.
- Prolonged periods of poverty often result in a serious decline in health and development of serious disability, which makes full-time gainful employment unlikely or impossible.
- Research has demonstrated that persons with a non-English sounding name but equal qualifications to other candidates are up to 40% less likely to be called for an interview.
- Similar to Ontario, even though Hamilton's visible minority population is better educated than the average across the city, occupations that require generally less education such as manufacturing and accommodation and food services are among the industries where there is a higher representation of visible minorities (17% and 19% respectively).

Childcare

A major challenge for many parents entering the labour market is finding high quality childcare that fits their schedule and budget. For many women this is a pressing issue, as women are three times as likely to be lone parents as men (2011 Census), and women provide twice as much unpaid childcare as men in two parent homes (Statistics Canada's 2009 General Social Survey). For workers in insecure employment, the challenges are magnified. Chart 29 shows that for almost 4 in 10 insecure workers with children, access to childcare limits their ability to work, compared to less than 1 in 10 secure workers.

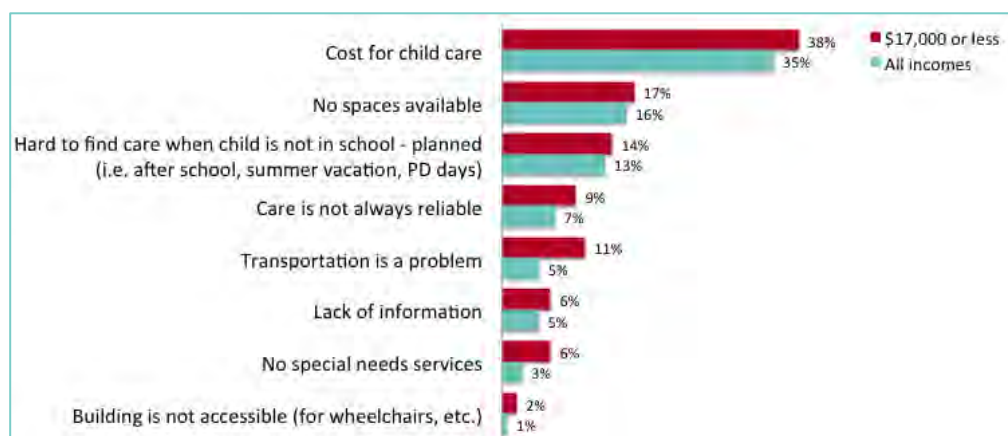
Chart 29. Interactions between employment and childcare, workers aged 25-65 with children, by employment security categories, City of Hamilton, 2011 and 2014 (combined)



Data source: McMaster University and United Way Toronto, Poverty and Employment Precarity in Southern Ontario (PEPSO) data file, (2011 and 2014).

In a survey of Hamilton's parents of children in kindergarten, cost was cited at the most common barrier to finding childcare (cited by 35% of parents, and 38% of the lowest income parents). Chart 30 shows the difficulties cited by low-income parents more often than the overall average of all parents.

Chart 30. Selected difficulties when looking for childcare parents of children in kindergarten, by very low income and all incomes, City of Hamilton, 2010

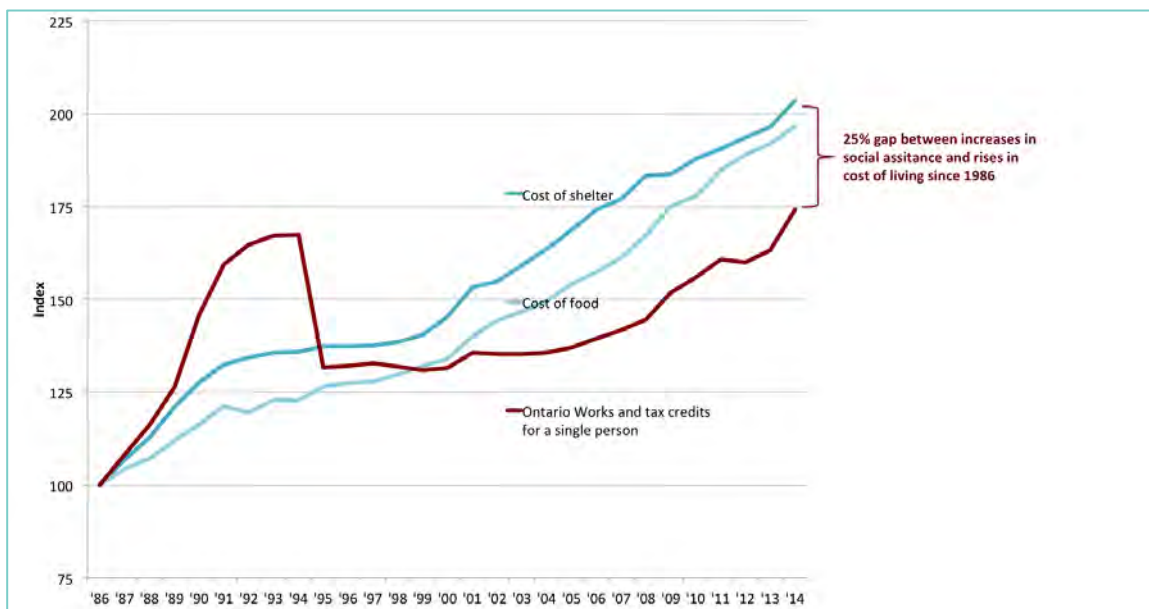


Data source: City of Hamilton Early Years Research Team. Kindergarten Parent Survey

Poverty

The declining benefit rates of Ontario's main social assistance program, Ontario Works, have made it harder and harder for recipients to focus on anything but basic day-to-day survival. With a net gap of 25% between adjustments to assistance rates and the rising cost of food and shelter since 1986, rates have not kept up with the cost of living (chart 31). Ontario Works clients are reliant on food banks and other charitable programs to meet their basic needs, taking time and energy away from any job search.

Chart 31. Change in social assistance for a single person on Ontario Works compared to increases in cost of food and shelter, 1986-2014



Data sources: Caledon Institute of Social Policy (Welfare in Canada, 2014), Statistics Canada (Consumer Price Index, 2014)

There is clear evidence that living in poverty, especially deep poverty experienced by those on social assistance, leads to illness and makes finding a job more difficult. The ODSP Action Coalition attributes some of the rise in the Ontario Disability Support Program to the low OW rates:

“ODSP caseloads are in part a reflection of the inadequacy of Ontario Works. Prolonged periods on OW, with its dangerously inadequate benefits levels, often result in a serious decline in health. Unaddressed, declining health can lead to serious disability, which makes full-time gainful employment unlikely or impossible. Thus, people who have spent a long time on OW can find themselves disabled, where their only option is to turn to ODSP for support.”

In a 2010 client survey of Hamilton residents receiving Ontario Works benefits one of the most common suggestions for improvement was increasing support for people as they try to gain entry into the labour market, as the current low social assistance payments add additional challenges to find employment:

“There needs to be more money made available to those seeking employment. [The] basic needs [benefit] does not cover both food and transportation.”

“If they could up what a single person gets, that would be good for all involved. I get it you guys don’t want people to get too comfortable living on ‘OW’. But sometimes it comes down to clean clothes or not. Therefore making job searching impossible. No one wants to go out looking for a job in dirty or inappropriate clothes. Funds are limited therefore making life limited.”

“I believe that sometimes is not black and white when it comes to rules and that sometimes different circumstances change rules. Single parents need support and I find the system is not ideal when dealing with this. I’m a single mom and I received every road block there could be to seek employment. I did it cause I’m strong but that’s not the case for every single parent.”

Racism and discrimination

The experience of racism in Canada’s labour market is pervasive and is a major barrier for persons of colour or persons with non-English sounding names to getting hired. Recent studies by University of Toronto economics professor Phillip Oreopoulos of 20,000 fictitious resumes sent in response to job ads across 20 occupational categories found that Canadian employers were 35% to 40% more likely to call English-sounding names for an interview, compared to foreign-sounding names, despite identical resumes otherwise with 4-6 years experiences and a bachelor’s degree.

Follow-up interviews by Dr. Oreopoulos’ team found that employers justify the discrimination because they make assumptions about level of English proficiency just by judging a person’s name. However, the research showed that the degree of discrimination was found to be the same even if the job did not require high proficiency in English, or if applicants were identified as Canadian born.

Many other types of discrimination are also barriers to finding work, many which are prohibited by the Ontario Human rights code, including gender, age, sexual orientation and disability. Since there are so many people looking for work for every job opening, employers have been found to discriminate on more subtle grounds which are not protected by legislation), such as appearance including facial features, weight, height, tattoos and piercings.

Interviews by Dr. Oreopoulos’ research team with employers helped to document the type of ‘cultural shortcuts’ that occur, leading to racism and discrimination. Employers stated for example:

“You know that you can call Bob Smith, and you can talk to him as quickly as you want to. It’s less work because you know that his English will be fine. It also indicates that he’s white looking. The brown guy who was born here is not less desirable in the workplace, but it takes something more to know for sure that he speaks English without an accent. We’d have to make a phone call and test the water.”

“People who have immigrated to Canada tend to be harder workers, so are preferable hires, although it’s difficult to imagine hiring someone with a long first name, as it

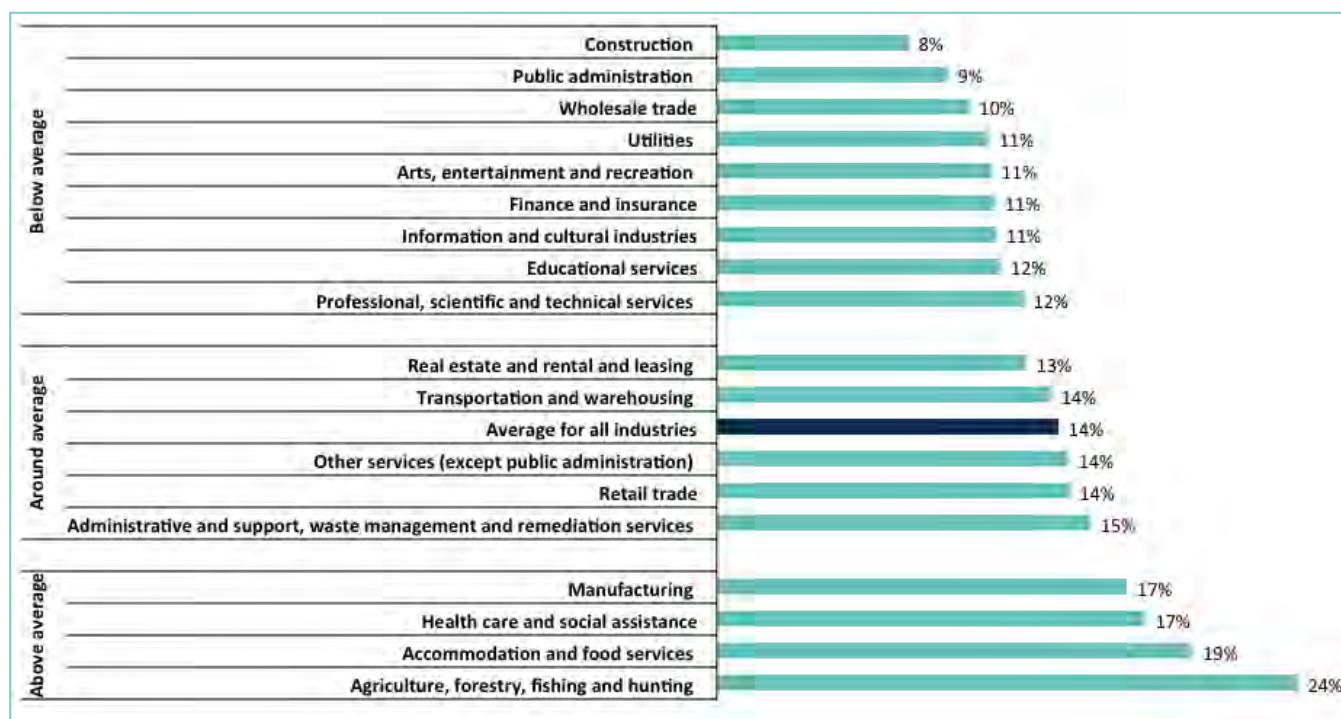
might be impractical in terms of answering the phone and saying it. People with easy-to-use shorter names are easier to hire and work with.”

“I personally am guilty of gravitating towards Anglo names on resumes and I believe that it’s a very human condition –[a result of] resistance to change.”

“[People] are surprised that a woman has a position like this in a menswear company, and they ask me where I’m from, and if I’m Catholic. It feels insulting. Yes, discrimination exists in professional interactions including hiring, even if we don’t want to acknowledge it.”

In Hamilton, construction and public administration have the lowest representation of visible minorities in Hamilton, with just 8% and 9% respectively, while 14% of Hamilton’s labour force is made up of persons identifying as visible minorities (chart 32). Even though Hamilton’s visible minority population is better educated than the average across the city, according to Statistics Canada’s 2011 National Household Survey, occupations that require generally less education such as manufacturing and accommodation and food services are among the industries where there is a higher representation of visible minorities (17% and 19% respectively). Many of these findings are similar to trends across Ontario.

Chart 32. Proportion of workers who identify with a visible minority group by industry, City of Hamilton, 2011



Data source: Statistics Canada, National Household Survey (2011)

Section 6: Policy Solutions

What does the evidence say are the best ways forward to solve these challenges?

Hamilton's renaissance has brought new investments, new residents, and new ideas to the city. This report, however, also shows that not all Hamiltonians are benefiting from Hamilton's economic upswing, and that some groups may be harmed by the unintended consequences of this growth. The findings from this report bring a caution that Hamilton's renaissance may be short-lived if important foundations of the city's economic growth such as young people and affordable housing are ignored.

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

One common element from a review of recommendations from policy think tanks engaging in economic and social issues is not to look to the past for answers. Instead these organizations recommend better responding to current economic realities through modern solutions that are backed by evidence from successful implementation elsewhere.

Tom Zizys in *Working Better: Creating a high performance labour market* (a report for the Metcalfe Foundation) explained:

"We cannot turn back the clock, but we can decide in what ways we can shape the labour market to better serve our economic and social goals. We have replaced one labour market system with another without recognizing the structural transformation that has taken place and how it informs so much of what is wrong with our present arrangement. As a consequence, we have muddled through with peripheral, incremental, and patchwork responses. But we have choices. And our first choice is to decide that we want to do something about it."²⁰

²⁰ Zizys, T. (2011). *Working Better: Creating a High-Performing Labour Market in Ontario*. Metcalfe Foundation: <http://metcalffoundation.com/wp-content/uploads/2011/05/working-better.pdf>

Three major themes can be drawn from a review of policy recommendations from various Canadian think tanks and social policy commissions:

1) An emphasis on increased access to experiences and opportunities, especially for children and younger adults that help provide ladders into the middle-class.

For example

Youth jobs guarantee (Broadbent Institute), a proposal for:

- opportunities for all youth under age 25 within four months of leaving formal education or becoming unemployed, by creating 186,000 three month full-time, co-op positions paid internship or summer job placement that pay a wage of \$15 an hour, funded by large employers and the federal government.

Creating accessible opportunities for children and youth (PEPSO) by:

- Reducing financial and scheduling barriers for after-school programs, sports and recreation programs for children and youth whose parents work in precarious jobs.
- Prioritizing training that connects with real employment opportunities and that meets the unique needs of workers in precarious employment.

Adult Education and Training Strategy for Canada (Institute for Research on Public Policy), including:

- an improved student loan system for people already in the workforce who want to upgrade their skills, by reducing expectations for spousal contributions and reducing risk to the student by making repayment conditional on improved income after training.
- A rebuilt apprenticeship model for skilled trades, which would more closely resemble the format and accessibility of other forms of post-secondary education. This is especially urgent for Ontario, which has the lowest completion rate for apprenticeships among Canadian provinces, at less than 40% between 2000-2012.

For Hamilton, the findings in this report about youth access to jobs should spur action to ensure youth living in under-served neighbourhoods have better access to a first job in the early part of their labour force years.

Some local efforts that can be built on in the area of increased experiences and opportunities include:

- ABACUS is a new Hamilton Community Foundation initiative focused on improving post-secondary access (including skilled trades and apprenticeships) among children who face barriers which may include no history of post-secondary attendance in their families. With research showing that skills shortages now and in the future will require prospective employees to have

post-secondary credentials to be competitive, ABACUS reaches to students in the middle school years – and their parents – and uses a combination of academic upskilling, mentoring, goal setting and incentives to help children see post-secondary in their future and set a path to achieve it.

- The City of Hamilton, has recently received funding from Ontario's Local Poverty Reduction Fund to create a "Learning Annex" that would address some of the barriers some students face by providing personalized education and training navigation and related support services for youth in underserved neighbourhoods.²¹
- As part of its broader access strategy, Mohawk College has opened the first of six mini satellite sites (called "City School") in neighbourhoods with high unemployment rates offering tuition-free courses and access to computers and college resources.
- The Hamilton Public Library now offers free access to Lynda.com video tutorials that teach digital and business skills as well as two digital media labs where residents can access necessary technology to explore and use these skills.
- The United Way funds a variety of after-school and extra curricular activities for children in lower income neighbourhoods, as well as mentoring programs like Big Brothers and Big Sisters.
- Workforce Planning Hamilton's Labour Market Plan recommends learning from the new Hamilton Immigrant Mentoring Partnership program to draw lessons on how to build a successful employment mentorship program for other groups facing labour market challenges, including youth.

2) A call for the modernization of Canada's social safety net and employment support programs, including child care and affordable housing, to reflect a changing labour market

For example

Renewing Canada's Social Architecture (The Mowatt Institute), a series of policy papers on specific ways the social safety can be rejuvenated, through for example:

- A drug benefit program and better retirement pension system for workers without employment-sponsored health benefits or pension plan.
- Effective and improved childcare and child benefit policies.
- Improved access to affordable housing for those priced out of market housing.
- Enhancing the federal government's role in disability supports.

²¹ Wingard, J. (2014). *Working Together: Examining Employment, Education, and Training Strategies for the Jamesville, Beasley, and Keith Neighbourhoods*. City of Hamilton Neighbourhood Action Strategy, Mohawk College and Workforce Planning Hamilton.

Increasing the supply of affordable housing and ensuring a fair system of housing assistance (Wellesley Institute), including through:

- Provincial legislation empowering municipalities to implement inclusionary housing policies, such that a percentage of affordable units is required to be conveyed or otherwise provided as a condition of planning and development approvals.
- A comprehensive system of rental assistance, integrated with other income security as part of the social safety net. It needs to transform the system of rent-geared-to-income (RGI) assistance, to make it equitable among renters in need, and among taxpayers.

Enabling flexible, quality childcare (PEPSO), including through:

- Improved parental leave provisions in EI for precarious workers.
- The development of an affordable childcare system that meets the needs of working parents in insecure jobs.

Transforming social assistance to include high-quality employment supports for all recipients and makes rates more adequately reflect the cost of basic necessities (Commission for the Review of Social Assistance in Ontario), more specifically:

- Reduce the distinctions between the Ontario Works and Ontario Disabilities Program to recognize that all beneficiaries have barriers to employment and move towards a more collaborative approach to working with social assistance recipients in meeting their individual needs to pre- and post-employment services and supports (while continuing to support a disability supplement to recognize the additional living costs and lower earning potential of some people with disabilities)
- Increase social assistance rates by at least \$100 per month for singles to move towards a new basic measure of adequacy for all rates, while adopting a rational methodology to provide the necessary information for setting social assistance rates.

Taking inspiration from the Guaranteed Annual Income model to bring changes in the delivery of social assistance (Caledon Institute), more specifically:

- The replacement of welfare and other stigmatizing need-tested programs, with a series of income-tested benefits specific to people's individual circumstances including an enhanced Working Income Tax Benefit, a Basic Income and a Temporary Income benefit, along with access to income-tested services that help more people stay active in the labour market.

Locally, there has been work done to help move towards an improved social safety net:

- Groups like the Hamilton Roundtable for Poverty Reduction, the Hamilton Legal Clinic and Hamilton Organizing for Poverty elimination (HOPE) have calling for the creation of a social assistance rates review board that would bring rates closer to the real cost of living and increase dignity within the social assistance system.
- The Best Start Network in collaboration with Hamilton's Neighbourhood Action Strategy has led a pilot campaign to increase the number of low-income parents registering their children for the Canada Learning Bond, which signed up close to 200 additional families for the federal government's grant for post-secondary education, totaling over \$1 million when the children graduate from high school.
- After a successful pilot program funded through the Hamilton Community Foundation, school boards in Hamilton have now implemented vision screening in high-priority schools, which has alerted hundreds of families to previously undetected eye diseases and increased access to glasses and medical care.
- The City of Hamilton along with partners in the private and community sectors is currently implementing its ten-year Housing and Homelessness Action Plan, with a goal of increasing the supply of affordable housing.

3) Improvement in employment conditions and access to labour market information

For example

Enable more secure employment (PEPSO), through measures such as:

- Building a business case to show the bottom-line benefits for employers when they reduce precarious working conditions.
- Addressing discrimination in hiring, job retention and advancement.
- Expanding coverage of provincial labour standards to more worker
- Reducing scheduling uncertainty.

Improve enforcement of employment standards (Workers' Action Centre), including:

- Targeting sector with patterns of violations and high use of precarious employment.
- Provide legal assistance to workers making claims of violation of employment standards.

Set minimum wage to \$14/hour to ensure all full-time jobs lift workers out of poverty (Canadian Centre for Policy Alternatives):

- The increase to the minimum wage would bring Ontario closer to a living wage, which can decrease turnover costs for employers without negatively affecting employment levels.

Good quality labour market data and analysis (Metcalf Foundation), including:

- Development and dissemination of local data on timely basis to track changes in local labour market to help both employers and employees.

In Hamilton, employment conditions could be improved for many workers through increased employer participation in the Living Wage campaign (Hamilton's living wage is currently set at \$14.95/hour, including benefits). In addition, the implementation of actions in Workforce Planning Hamilton's *Labour Market Plan* would help support many policy goals outlined above.

Provincial policy steps towards action

There have been some recent shifts in provincial policy that are in line with important labour market reform recommendations described in this section, including:

- Some recent improvements to the Employment Standards Act, along with increased enforcement. The results of the government's current *Changing Workplaces Review* examining the Labour Relations Act and the Employment Standards Act will be an important opportunity for the province to further modernize the legislative environment to better protect insecurely employed workers.
- The recently announced Youth Job Connection has the potential to link many of Ontario's most vulnerable youth to meaningful job opportunities. The new program focuses on youth who face significant barriers to finding work including visible minorities and Aboriginals, youth with disabilities and mental health issues, youth who face poverty, have low literacy or who are in conflict with the law to give them paid training and work placements with supporting mentorship and coaching. This program's focused target population and intensive supports has a high potential for success and could be the starting blocks for a broader program.
- The provincial government's proposal for an Ontario Retirement Pension Plan is an important step to bridging the gap faced by the growing number of workers without employer-sponsored pension benefits to ensure they have a more secure retirement. The participation of the federal government in broadening the CPP is a solution preferred by many groups, to reduce administrative costs and complexity, but in absence of federal co-operation, the ORPP will provide low- and middle-income workers with at least some measure of security they otherwise would not have.

These provincial policy improvements are a good start towards continued steps for a renewed economic support system that ensures a more evenly shared prosperity. The increased participation of the federal government in supporting provincial policy reform would benefit residents across Canada. In particular, there have been calls echoed across the country for the federal government to take leadership and support funding for a National Housing Strategy, and to participate with provinces in modifying CPP to ensure a higher level of income security for workers without employer-sponsored pension plans.

In Hamilton, the attention of community leadership is needed to the ways local governments, employers and civil society can each take actions in their own sectors, sometimes starting with voluntary measures, pilot programs or collaborative advocacy.

Increased attention and co-operation can boost the city's ongoing renaissance to become one that brings prosperity to the entire community with benefits that get pushed into all corners of our city and our economy.

Policy reports cited:

Organization	Author(s)	Title	Year of publication
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Canadian Centre for Policy Alternatives	Trish Hennessy, Kaylie Tiessen and Armine Yalnizyan	Making Every Job a Good Job: A Benchmark for Setting Ontario's Minimum Wage	2013
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Link: http://pepso.ca/2012/12/15/precarity-penalty/			
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Link: http://www.wellesleyinstitute.com/publications/long-term-affordable-housing-strategy-submission/			
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