

Windsor on the mend, says economist



Donna Marentette, executive director of Workforce WindsorEssex, is photographed at her office in Windsor on Wednesday , March 28, 2012. (Windsor Star files)



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Jan 03, 2013 - 4:27 PM EST

Last Updated: Jan 03, 2013 - 8:18 PM EST

Windsor is a city on the mend, says a CIBC deputy chief economist who believes the area's impressive job growth — 5,400 more people working in November 2012 compared to one year earlier — is evidence “the worst is over.”

“If you look at employment it's actually fourth in the country (in a ranking of Canada's 25 largest cities) in terms of rate of growth. It's hard to believe, but that's really the case,” Benjamin Tal said Thursday following the release of his Canadian Metropolitan Economic Activity Index rankings.

Windsor's overall improvement is modest, moving from 23 last year to 22, beating out only Saint John, N.B., Sherbrooke, Que., and Sudbury. But based on the improving employment numbers, the diversification of the economy, the reviving auto industry and other economic factors that go into the index, Tal believes Windsor will be moving higher in the rankings in the next year or two, probably to the middle of the pack.

“I think you went through long-term pain and now the long-term gain is at the start of the process,” he said, predicting that Windsor's unemployment rate — now the highest rate among Canada's major cities at 10 per cent — will begin to drop.

The reason the metropolitan Windsor area can maintain a 10 per cent unemployment rate while the number of people with jobs rises from 150,100 to 155,500 is that 4,600 more people entered the labour market. Primarily, they are people who left the area during the last five years who are now seeing improved job prospects and returning, according to Donna Marentette, executive director of Workforce WindsorEssex.

Many construction workers are returning for work on the Herb Gray Parkway project, she said, “and we are finding that to be the case in other sectors” like manufacturing and tool and mould.

“We know and it’s a fact, Windsor’s first in (a recession) and Windsor’s first out, and I’ve been saying for the last year-and-a-half to two years, we’re coming out of it, we’re going to be strong.”

The optimism Tal has for Windsor is not surprising based on what Windsor-Essex Regional Chamber of Commerce president Matt Marchand is hearing from his members.

“We had a very significant downturn in the economy and what you’re seeing now is the rebound,” he said, citing several automotive suppliers who are going “24-5, 24-6 or 24-7” to meet demand.

In addition, an initiative to attract retirees to the region is reaping benefits — more than 800 newcomers buying \$250 million worth of real estate.

Marchand said Windsor also has: a “very strong, but relatively under-the-radar tech sector that does very, very well”; auto firms that are busy because the average age of a North American car is now 10.8 years and due for replacement; many firms that have diversified away from automotive dependence; and a revived tool and mould industry.

Marchand said there is even hope of a new sector entering the area. Recently, there’s been some oil infrastructure firms — who supply equipment and expertise to the oil and gas sector — kicking the tires in Windsor, he said.

But Tal cautioned that Windsor is by no means booming. “You’re starting from such a low base, so I think the direction is on the up.” He said the rise up the list will be relatively slow. “Remember, you’re going against Western Canada, they don’t have to do anything in order to boom,” he said. Atop the list is Toronto, followed by Calgary, Regina, Winnipeg, Saskatoon, Edmonton, Ottawa and Vancouver.

Windsor ranked in the middle when it came to the percent change compared to a year earlier in average house prices, non-residential building permits and house sales. It was closer to the bottom in consumer bankruptcy rate (20th, with about 24 per 10,000 people), business bankruptcy (20th, with three per 1,000 businesses), population growth (23rd, with a 0.4 per cent increase) and the percentage of employed people who are full-time (last, with 78 per cent).

The only cities to beat Windsor in job growth were Saguenay, Que., Saskatoon and Edmonton.

Tal said he believes Windsor has accomplished the structural changes necessary for a sustained economic rebound.

“It was in negative territory for a while. Now it’s in the positive, showing some momentum.”