

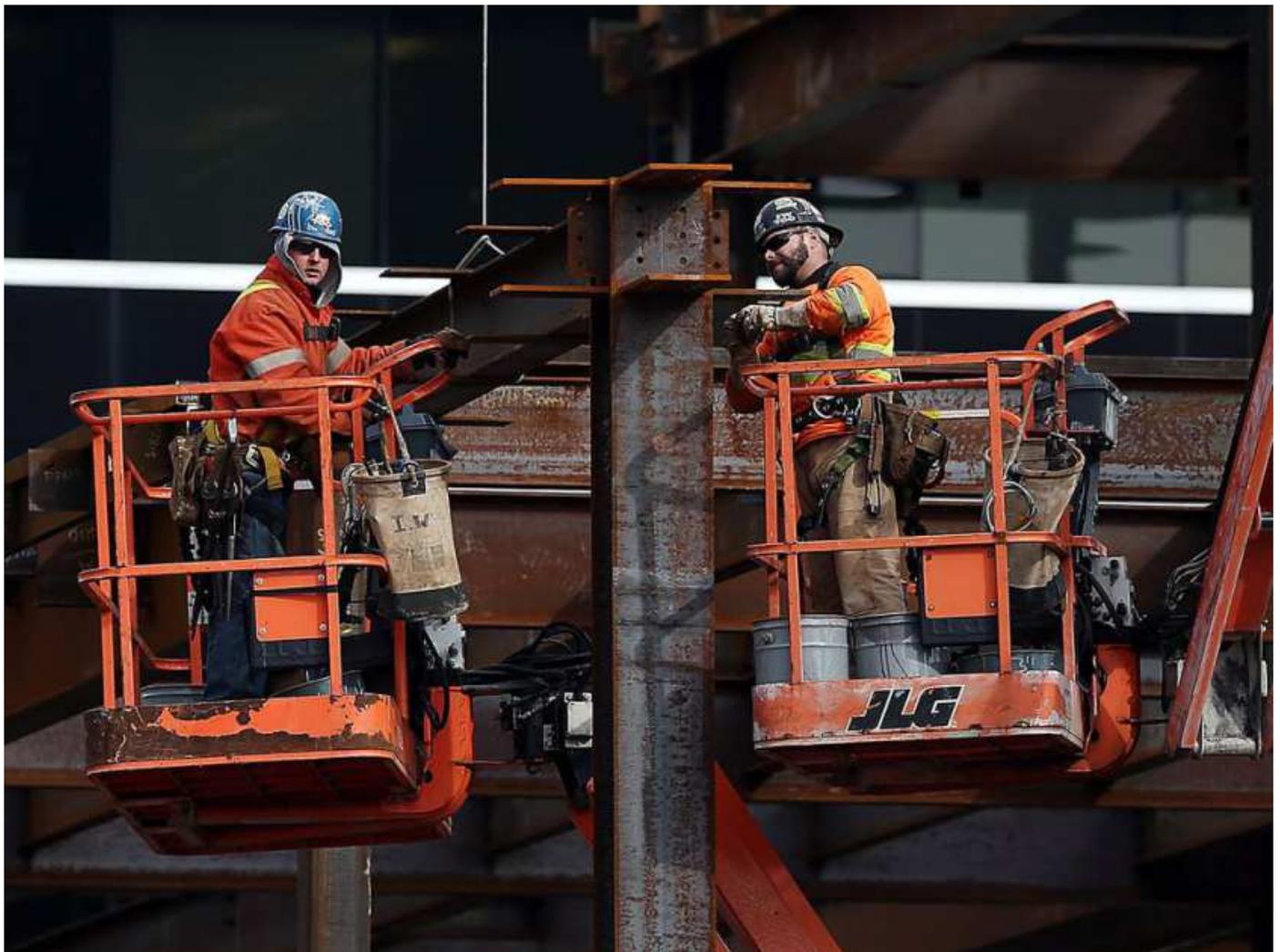
# Declining labour participation rate blamed for \$600 million in lost economic activity



DAVE WADDELL, WINDSOR STAR

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Published on: March 13, 2017 | Last Updated: March 13, 2017 9:39 PM EDT



Construction crews raise steel beams on the new city hall in Windsor on February 14, 2017. *TYLER BROWNBIDGE / WINDSOR STAR*

The Windsor area's labour participation rate has fallen to its lowest level in 15 years and it's costing the local economy hundreds of millions of dollars.

February's labour participation rate dipped to 59.9 per cent, down 0.7 from January, even as the unemployment rate also hit a record low of 5.1 per cent for the month.

So the jobless rate was down but the number of jobs and the number of job seekers were also down.

"We're leaving an estimated \$600 million in economic activity on the table," said Matt Marchand, CEO and president of the WindsorEssex Regional Chamber of Commerce.

"Our labour participation rate is declining. We're at a 15-year low.

"We have an unusual economy with people sitting on the sidelines — fewer people are engaged in the workforce at a time when the demand for workers is there.

"Employers have told me they can't bid on work because they don't have enough people. We need to skill these people up and get them into a job."

Though Statistic Canada's February monthly figures show a drop of 700 to 8,600 unemployed in the Windsor area, the size of the workforce shrunk by 1,700 people from 171,600 to 169,900.

The number of employed dropped by 1,000 workers to 161,300.

"The participation rate gives you a broader picture," Marchand said. "That (the Windsor rates) continues to be higher than the provincial rate, is a signal we've have folks being left behind."

The participation rate refers to the number of people who are either employed or are actively looking for work.

Stephen MacKenzie, CEO of the WindsorEssex Economic Development Corporation, warns there's a real danger if the available pool of workers becomes too small — whether it be through robust employment or because people have stopped seeking work.

“One thing you have to be careful of is you want people wanting jobs to get work,” MacKenzie said.

“As you get lower unemployment rates, companies start wondering if there are enough available workers for them. For companies to locate or expand here, they have to be confident they have a workforce.”

However, MacKenzie said most of the area’s economic indicators are positive.

Housing, construction, agriculture and retail are all reporting growth numbers. According to Statistics Canada, the Windsor metropolitan area’s population has grown by 2,700 people from February 2016.

Heather Gregg, director of employer engagement for Workforce WindsorEssex, said addressing the labour participation rate has become a focus for many local economic agencies.

Workforce has been working on a study of the issue for the past year.

“We hope the research will help us address this,” Gregg said. “It will help bring together the right parties to make sure we can make a change. We need a more detailed look at things.”

Gregg said a number of factors could be behind the declining participation numbers.

It could be anything from population migration, retirements in an aging community, people giving up looking for work, education, transportation and skills mismatches.

Frazier Fathers, the United Way’s manager of community impact and learning, said education and transportation are two major hurdles to employment in the area.

Windsor-area residents lag six per cent below the national average when it comes to having a post-secondary degree or diploma.

“A higher portion of the local population has no degree or a high school diploma,” Fathers said. “Those people are the first to be laid off and they find the lack of educational qualifications is a barrier when a diploma is a minimal requirement just to get an interview.”

Fathers added the lack of regional transportation prevents people from accessing jobs in the concentration of plants in Lakeshore and Oldcastle or the county's robust agricultural industries.

"Transportation has been a longstanding barrier to employment in this area," he said.

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## Windsor Flyers



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