

# THE HOURGLASS LABOUR MARKET: WHAT IT MEANS FOR TORONTO

Presentation to the Economic Development Committee, Toronto City Council

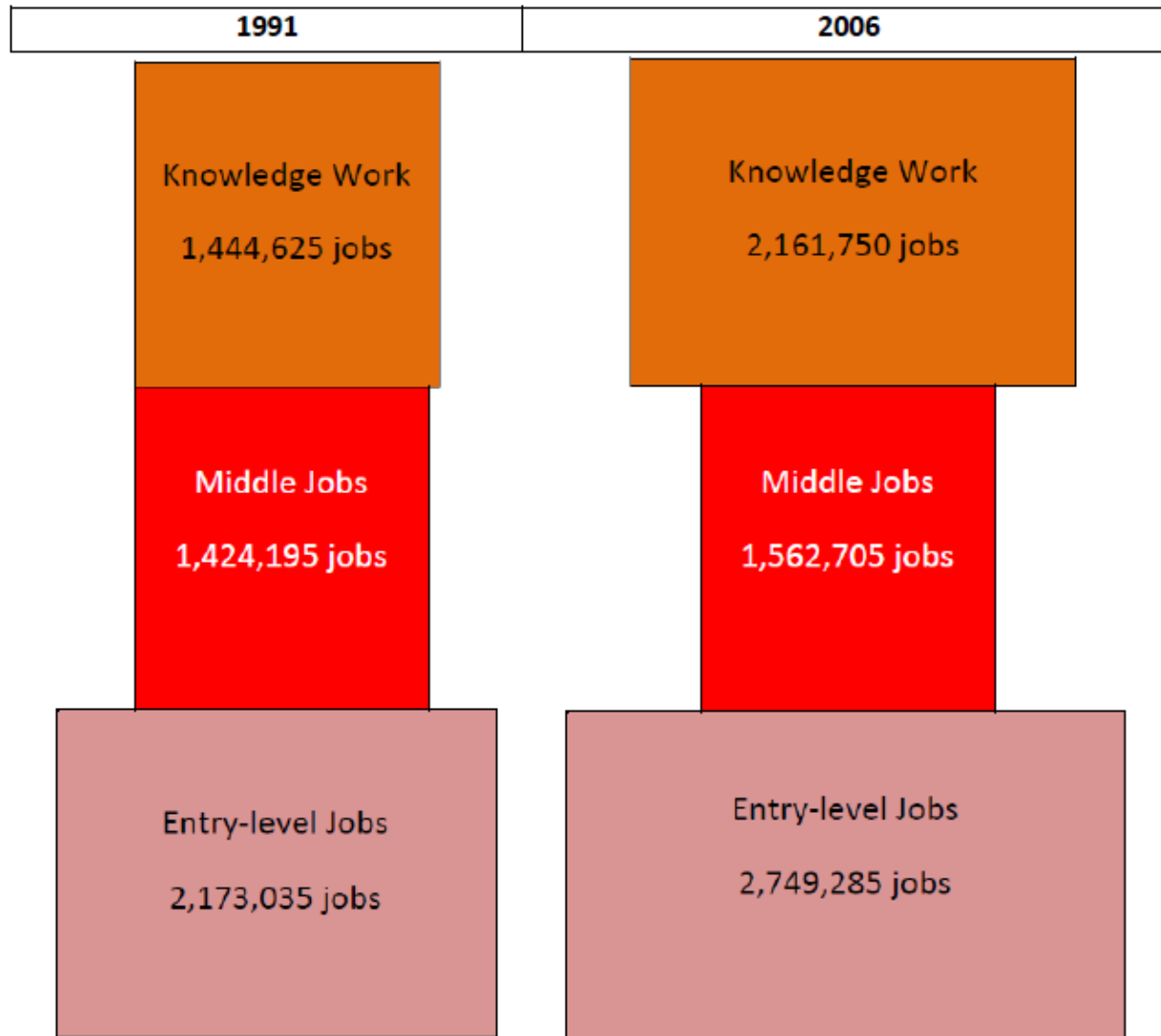
Tom Zizys  
Metcalf Fellow  
May 4, 2011

# OCCUPATIONS

<p><b>KNOWLEDGE WORK</b></p>	<p>QUALIFICATION:</p> <p>University degree, or Three-year college diploma, or A highly specialized skill</p> <p>Senior managers; doctors; engineers; accountants; registered nurses, legal secretaries</p>
<p><b>MIDDLE JOBS</b></p>	<p>QUALIFICATION:</p> <p>Do not require a university degree, maybe two-year college or trade certificate; Or requires the accumulation of experience and skills acquired in the workplace</p> <p>Supervisors; food or retail managers; payroll clerks; secretaries; dental assistants; chefs; tradespeople</p>
<p><b>ENTRY-LEVEL JOBS</b></p>	<p>QUALIFICATION:</p> <p>At most a high school diploma and some on-the-job orientation</p> <p>General office clerks; cooks; retail salespersons; cashiers; cleaners; labourers</p>

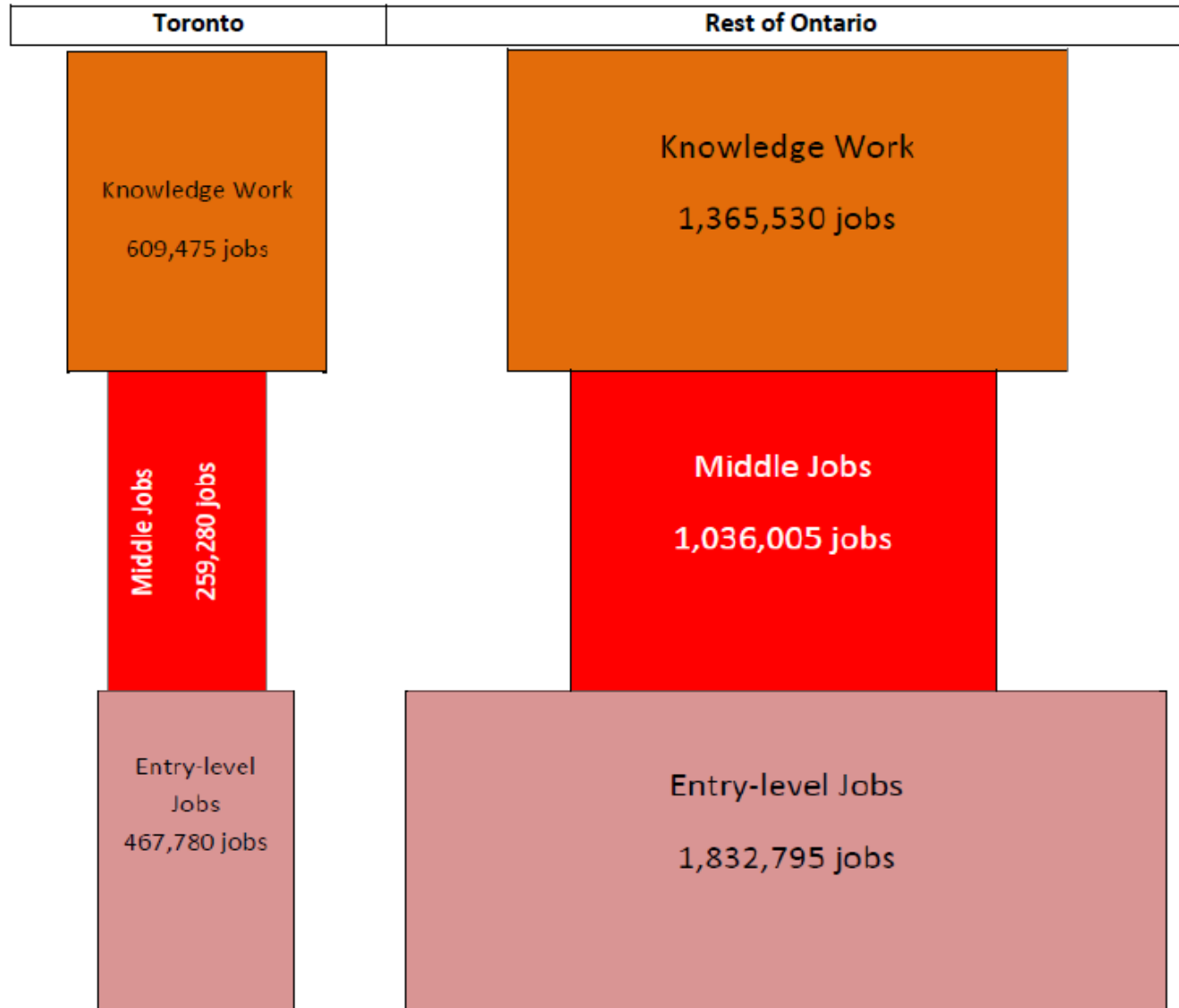
From study for Toronto Workforce Innovation Group: *An Economy Out of Shape: Changing the Hourglass*

# Comparison of distribution of jobs by skill categories, Ontario, 1991-2006



Size of boxes is to scale, for comparison's sake.

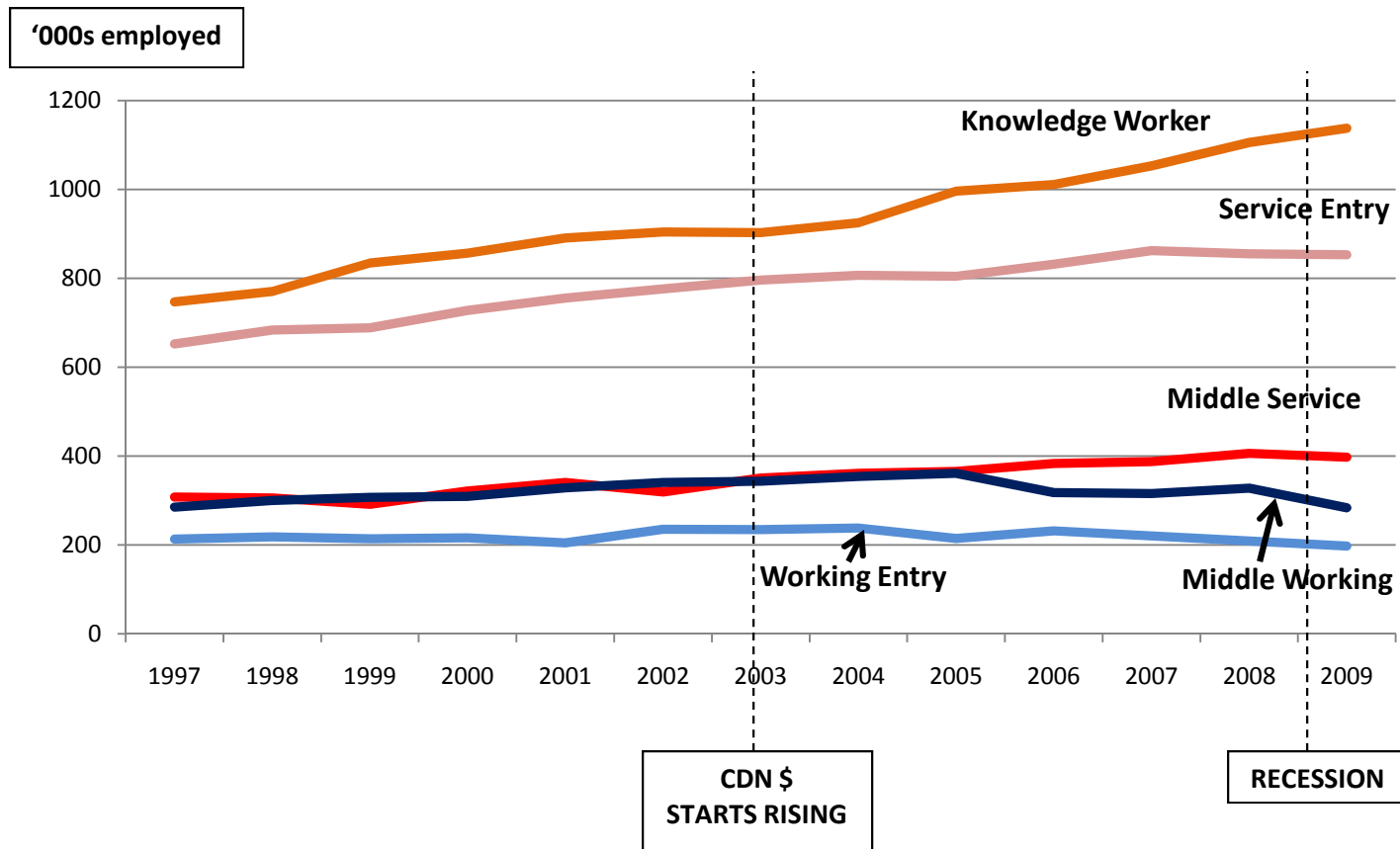
# Comparison of distribution of jobs by skill categories, Toronto and the rest of Ontario, 2006



Size of boxes is to scale, for comparison's sake.

KNOWLEDGE WORK	K-WORK	
MIDDLE JOBS	MIDDLE SERVICE	
	MIDDLE WORKING	
	MIDDLE PRIMARY	
ENTRY-LEVEL JOBS	SERVICE ENTRY	
	WORKING ENTRY	
	PRIMARY ENTRY	

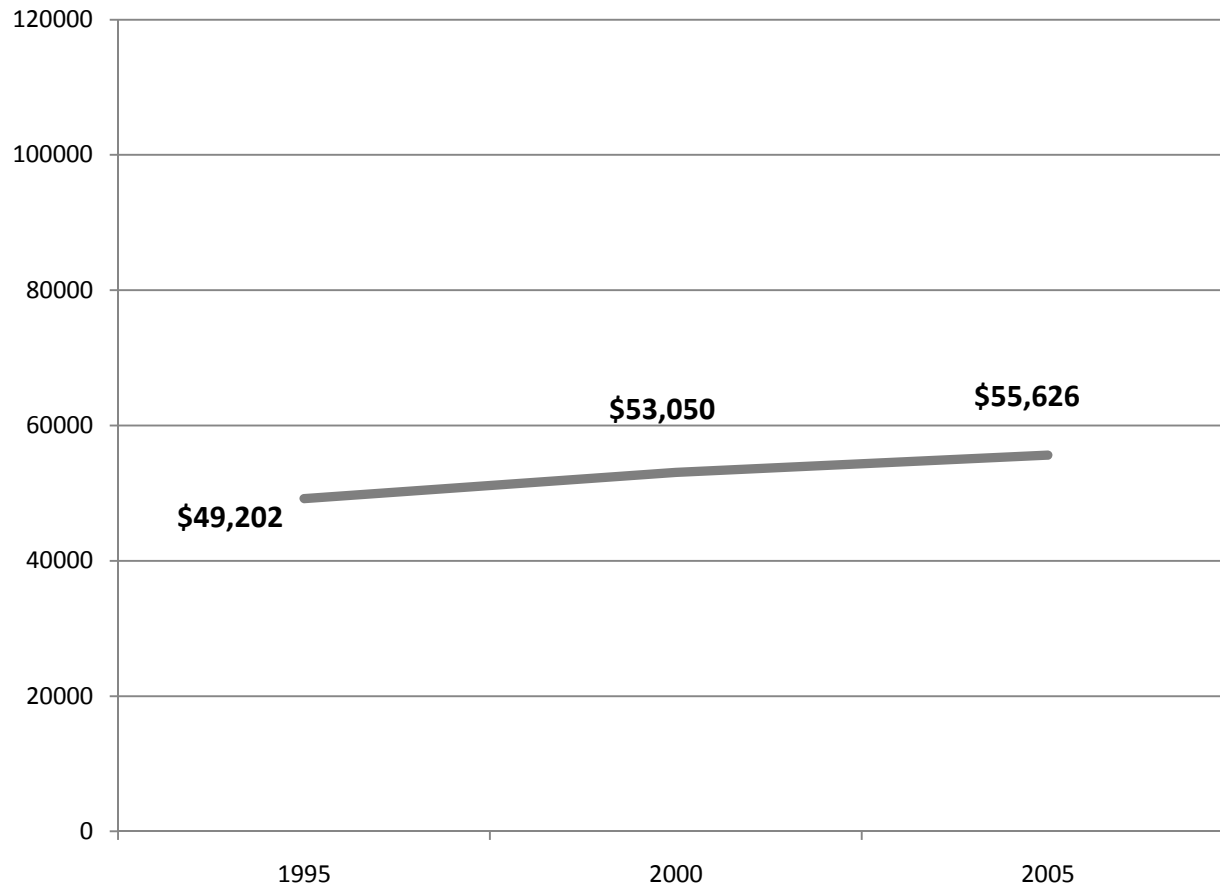
# Employment trends by broad sector and skill categories, Toronto Census Metropolitan Area, 1997-2009



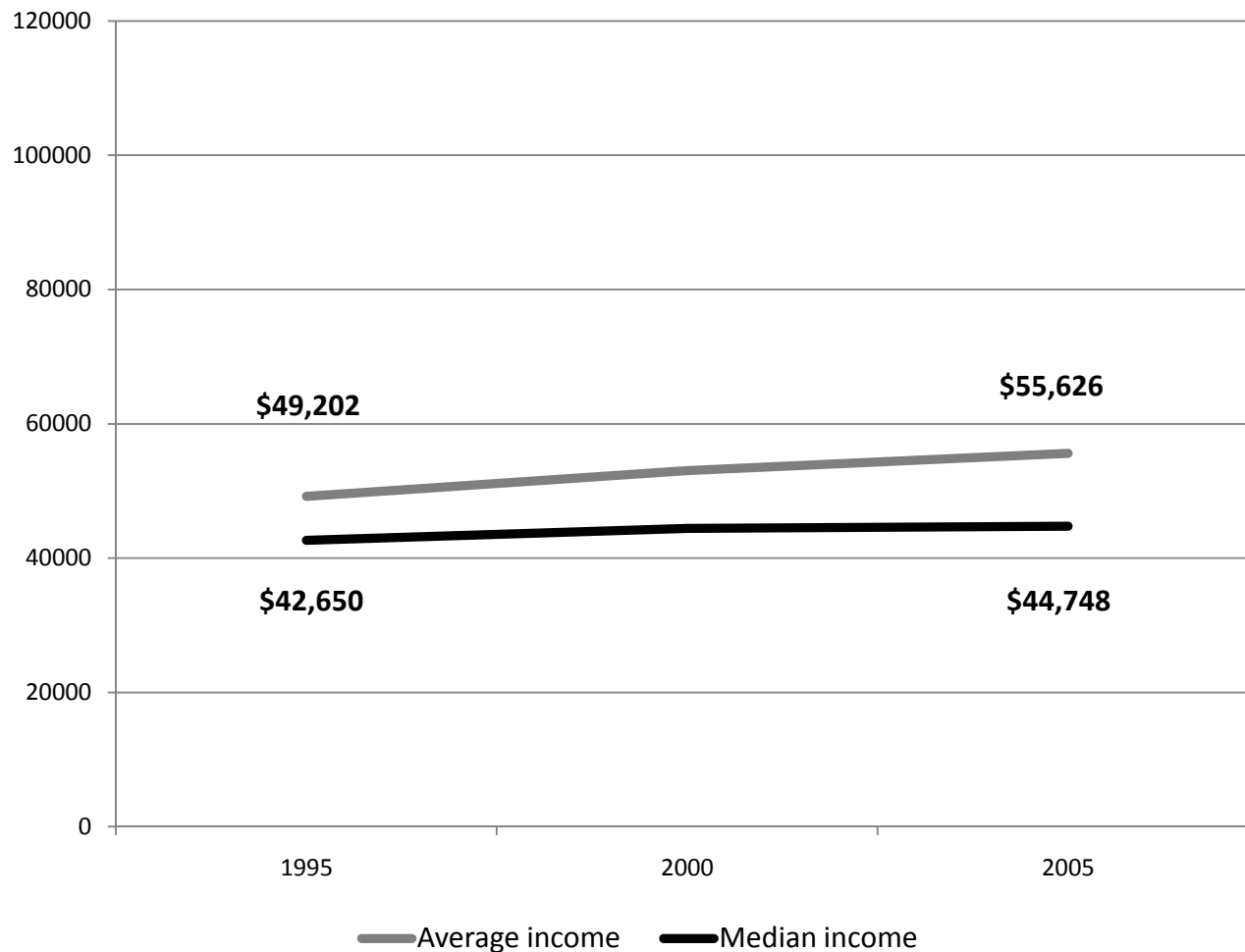
# EMPLOYMENT INCOMES



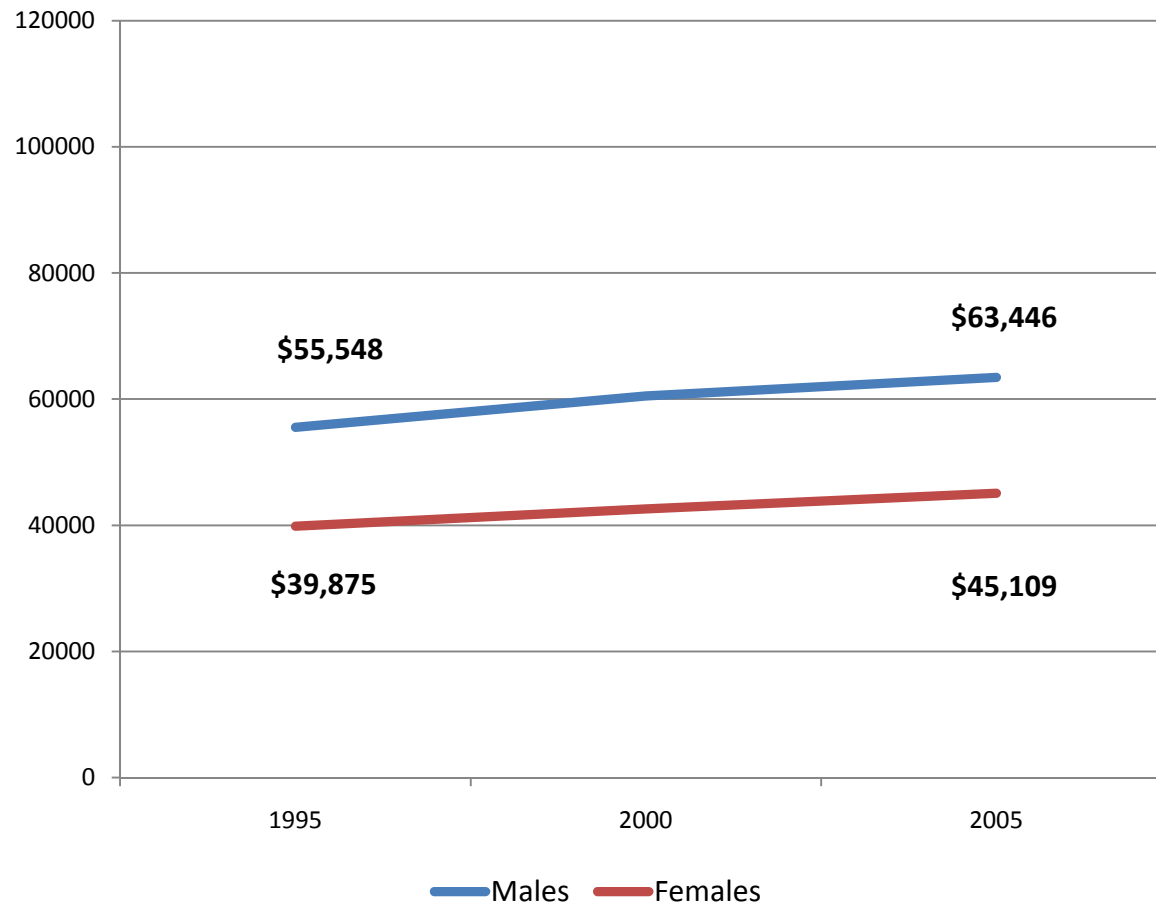
# Average employment income, full-time, full-year earners, Ontario, 1995-2005 (constant 2005 dollars)



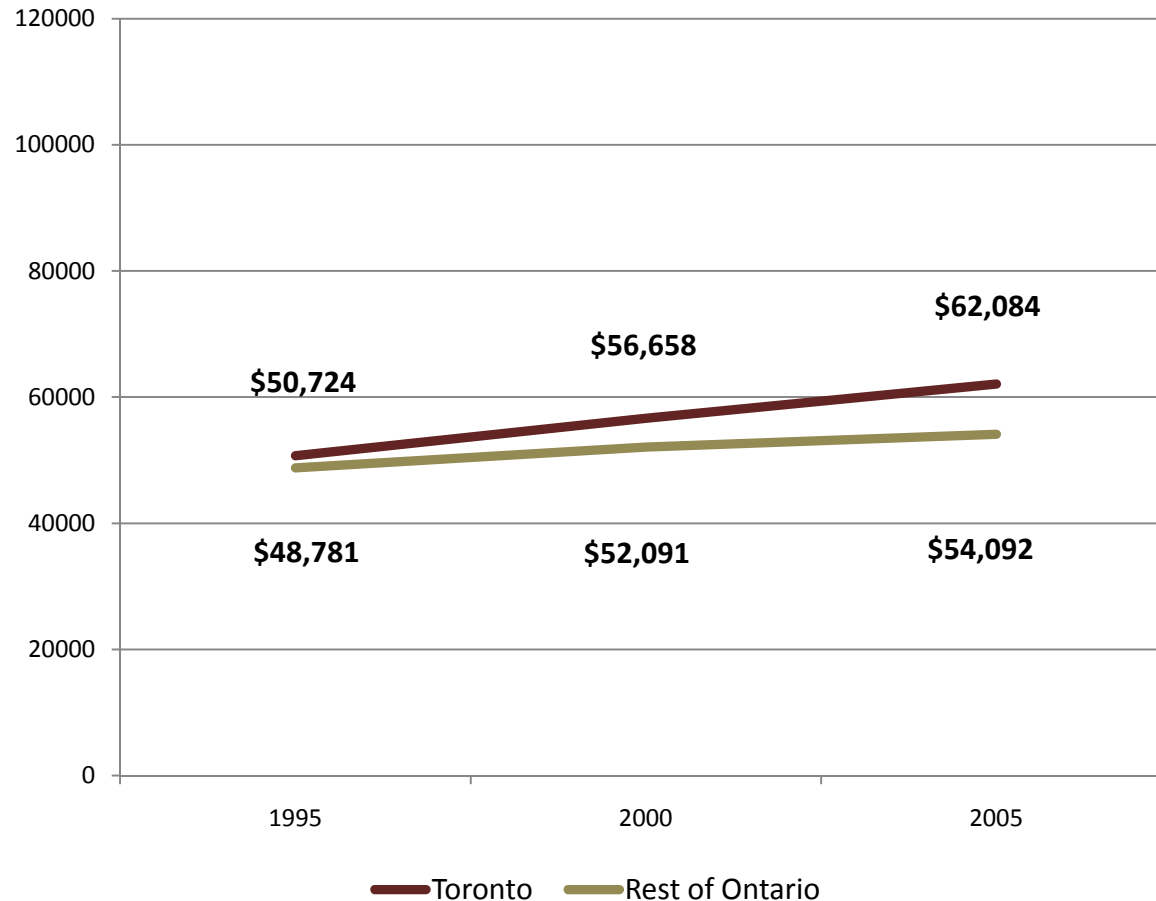
# Average and median employment income, full-time, full-year earners, Ontario, 1995-2005 (constant 2005 dollars)



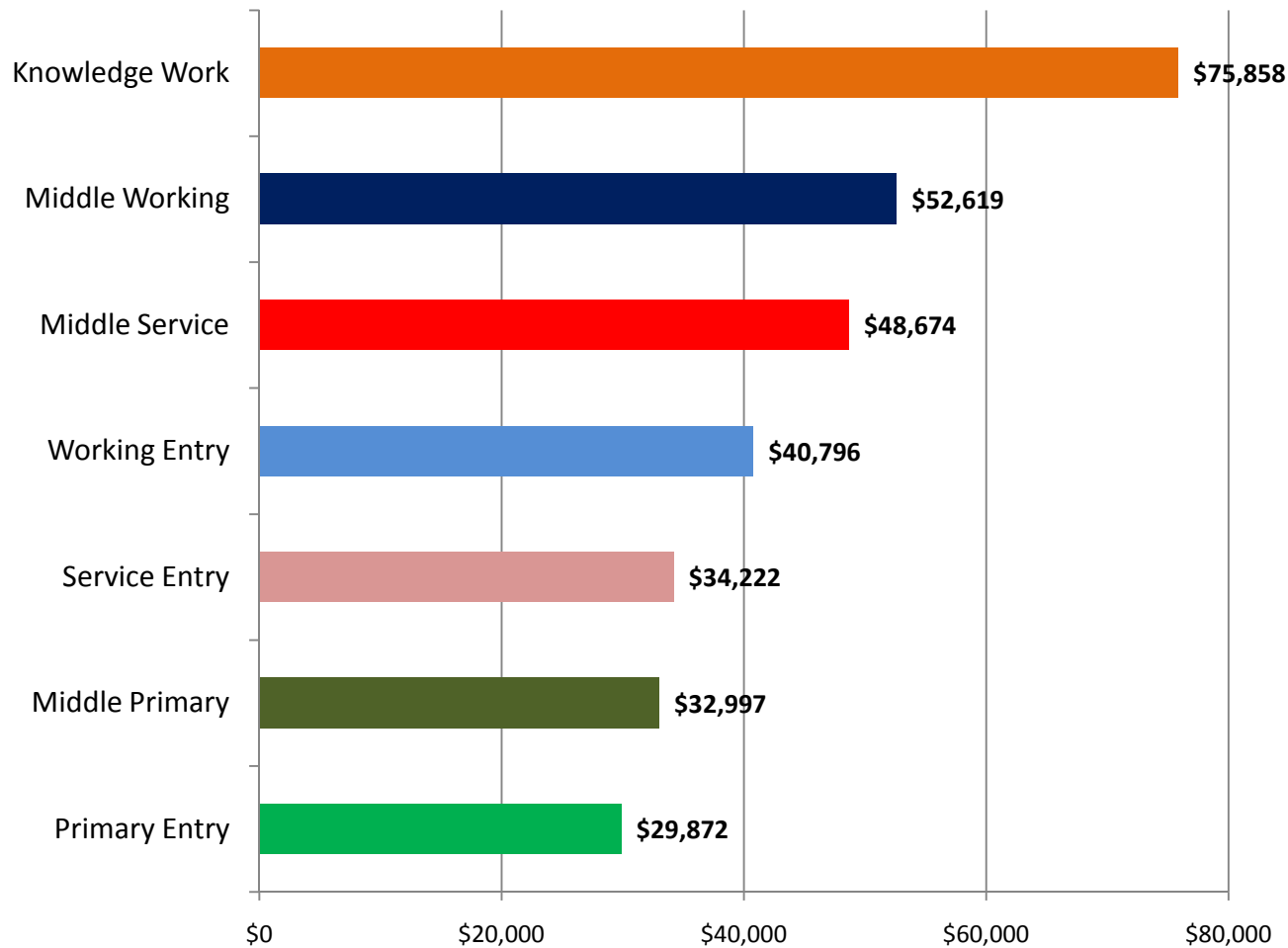
Average employment income,  
full-time, full-year earners, males and females,  
Ontario, 1995-2005 (constant 2005 dollars)



Average employment income,  
full-time, full-year earners, Toronto and the rest of Ontario,  
Ontario, 1995-2005 (constant 2005 dollars)

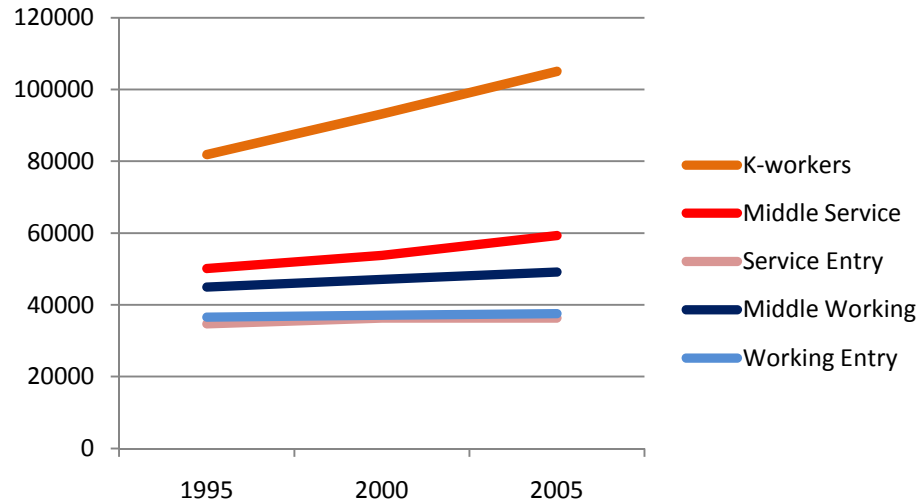


# Average employment incomes, by skill/sector categories, full-time/full-year wage earners, Ontario, 2005

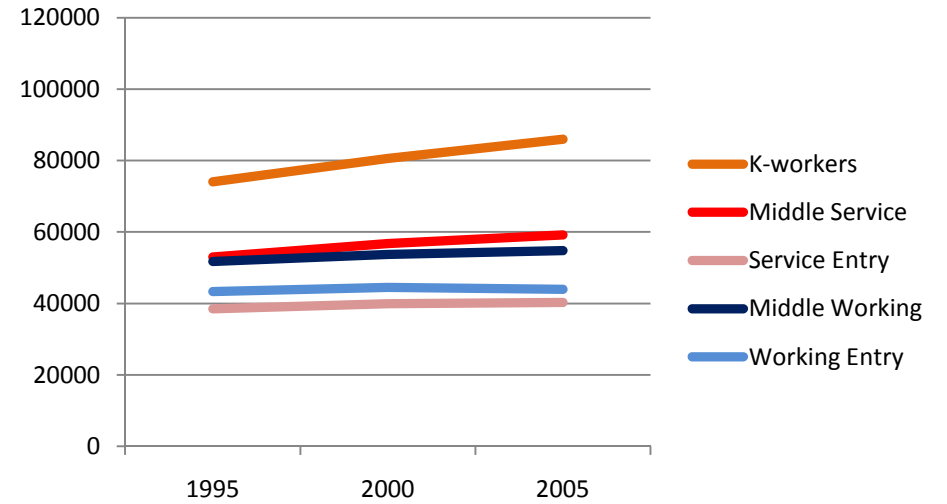


# Average incomes, full-time/full-year workers, males and females, Toronto and rest of Ontario, 1995-2005 (2005 dollars)

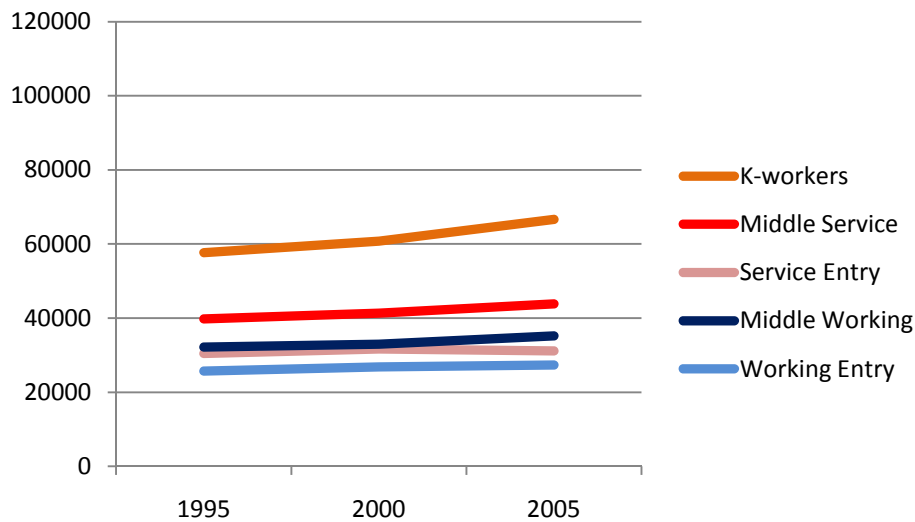
Toronto males, average income



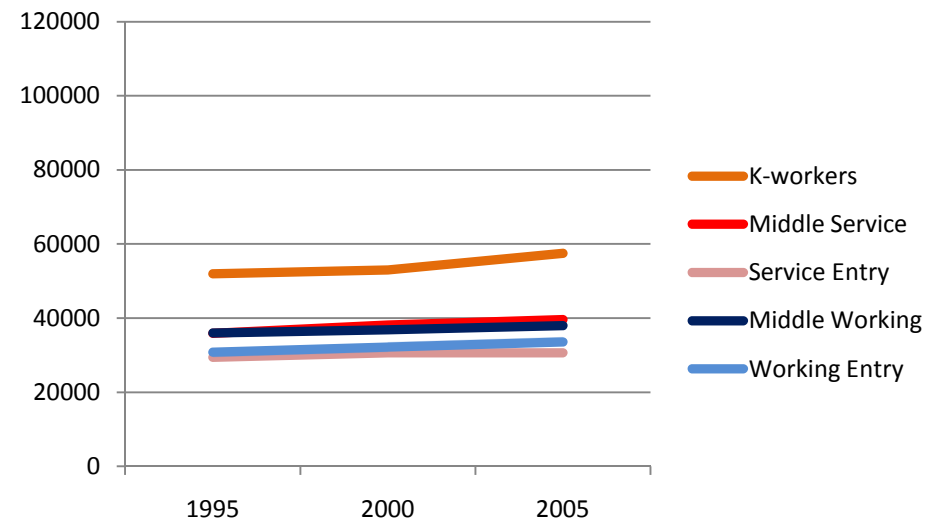
Rest of Ontario males, average income



Toronto females, average income



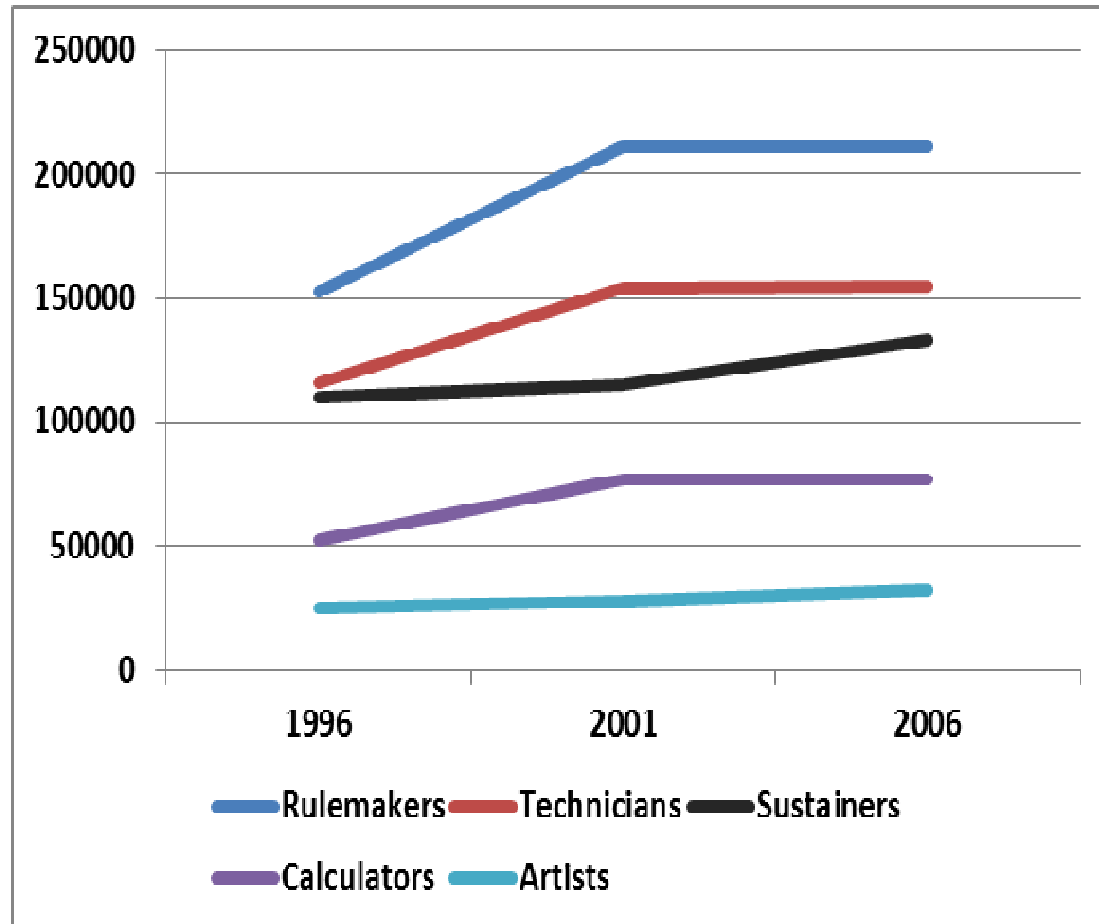
Rest of Ontario females, average income



# Knowledge Work categories

<b>RULEMAKERS</b>	These are the people who run the business world: the senior managers, the professionals in business and finance, and the lawyers.
<b>SUSTAINERS</b>	Providers of health care (physicians, dentists, nurses); teachers in elementary, secondary and post-secondary education; those who counsel and listen (psychologists, social workers).
<b>CALCULATORS</b>	Scientists, engineers, architects, mathematicians, IT professionals.
<b>TECHNICIANS</b>	The supporting cast: skilled administrative occupations; technical positions in natural science, applied science, health care, art and culture; or paraprofessionals in law, education and social services.
<b>ARTISTS</b>	Writers, creative and performing artists, librarians.

# Number of jobs in each Knowledge Work category, Toronto, 1996-2006





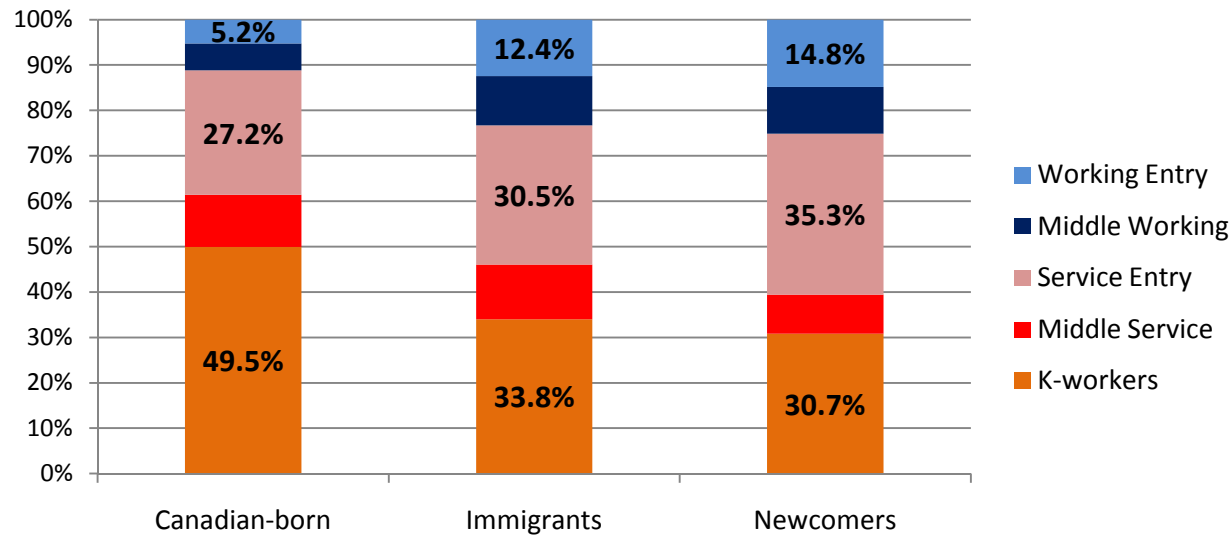
Average employment income for full-year, full-time wage earners in Knowledge Work category, with bachelor's degree or higher, males and females, residents in Toronto and the rest of Ontario, 1995, 2000 and 2005 (all calculation based on 2005 dollars)



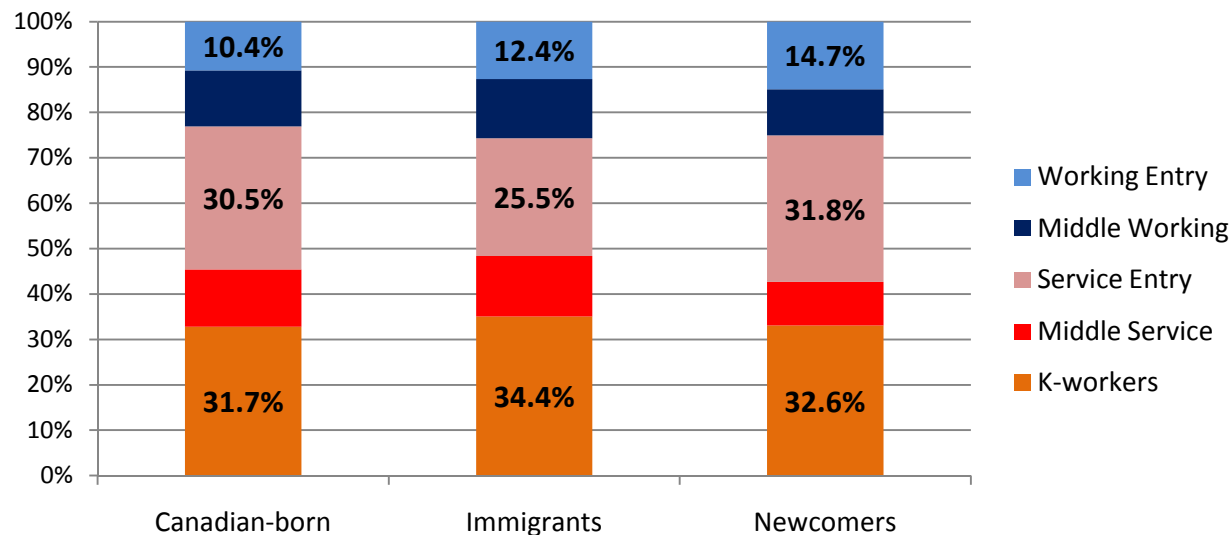
# NEWCOMER OUTCOMES

# Occupations by skill/sector categories, Canadian-born, immigrants and newcomers, Toronto and rest of Ontario, 2006

TORONTO

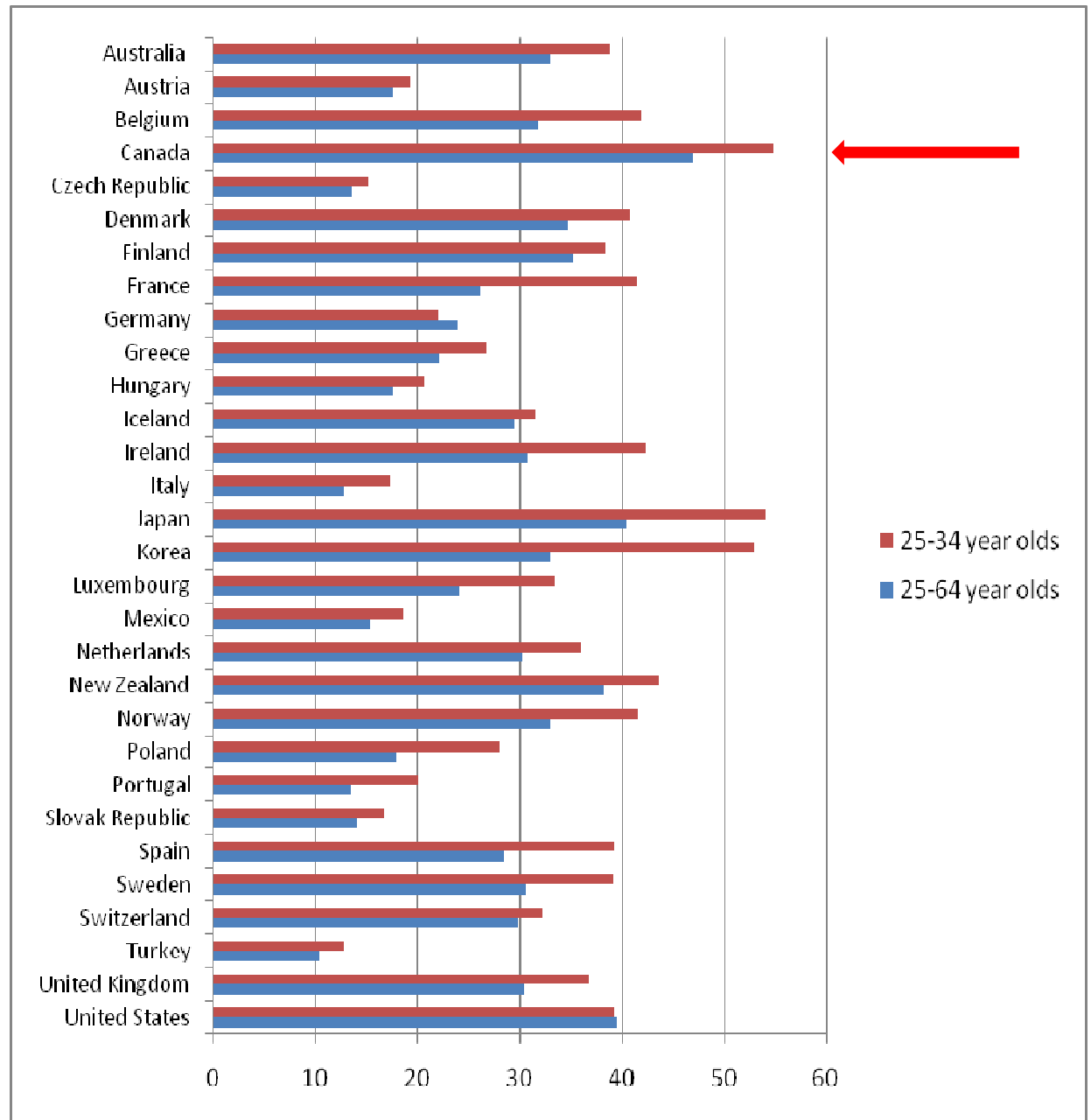


REST OF ONTARIO

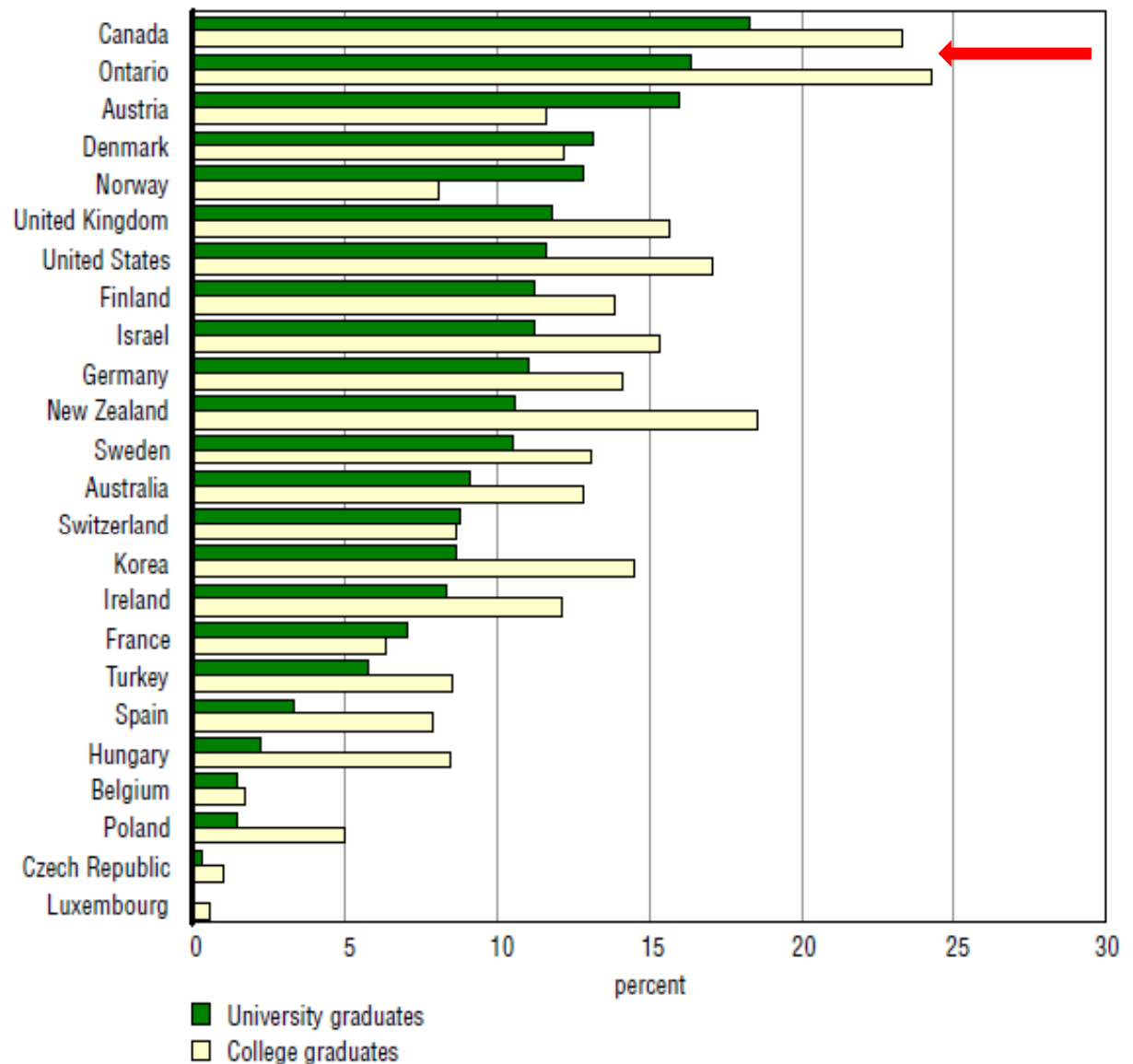


# WORKERS WITH POST-SECONDARY DEGREES AND THE KNOWLEDGE ECONOMY

# Percentage of college or university degree holders, by select age groups, OECD countries, 2006



Percentage of university and college graduates, aged 25 to 64, with earnings at or below less than half of the national median employment income, Ontario, Canada and OECD countries, (2006 or latest available year)



## College and university diploma and degree holders, working in Entry-level jobs, Toronto residents, 2006

	Total Number	Total Percent with PSE	Full-time, full-year workers	
			Number with PSE	Percent with PSE
ALL OCCUPATIONS	1242215	54%	413205	58%
Retail sales clerks	50825	37%	8330	45%
Food servers	13350	33%	1280	32%
Cashiers	20840	25%	1260	29%
Light duty cleaners	16595	21%	1315	19%
Taxi and limo drivers	5615	37%	880	39%
Factory labourers	22180	23%	2225	20%
ALL SERVICE ENTRY-LEVEL	367475	37%	63800	40%

19% of all employed post-secondary degree holders,  
working full-year, full-time, are in Entry-level jobs.

# Recap

- Employment growth at the two ends of the labour market
- Polarization of occupations major reason for polarization of incomes
- The polarization is also evident in terms of gender, race and Canadian-born/immigrant (and age)
- We have high levels of qualified workers; not a skills shortage but a mismatch
- The less-skilled are being pushed out by the over-qualified
- The demand side shapes job opportunities
- Our employment services focus on the supply side



# Issues

- Better understanding of what is happening in the labour market – data and analysis
- Better understand of what works, in terms of employment programs and workforce development – evaluations
- Target interventions by sectors and by employers – it has to work for employers
- Multi-stakeholder engagement: employers, workers, training bodies, governments

# Approaches

- Need a workforce development strategy – in the same way as an economic development strategy
- Need a body to drive the strategy
- Such a body should not be a government institution – needs to be clearly owned and managed by the various stakeholders
- A body that can undertake the necessary data collection and analysis
- A body that can facilitate workforce development at a sectoral and employer level
- This is an approach widely used across the United States and Western Europe