



Canada's  
Technology  
Triangle

Waterloo Region  
Cambridge  
Kitchener  
Waterloo

## MEDIA RELEASE

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For Immediate Release

### **“Economic Trends of Waterloo Region” Background Paper will aid Prosperity Forum**

Canada's Technology Triangle, Waterloo Region, Tuesday, Oct. 26, 2004 – Canada's Technology Triangle (CTT) Inc today released a research paper entitled “Economic Trends of Waterloo Region” that will provide background data for participants in the November 4<sup>th</sup> Prosperity Forum. The benchmark data offers the latest information on socio-economic trends and detailed economic data for Waterloo Region.

Fresh analysis of recent economic trends is contained in the background paper prepared for Canada's Technology Triangle Inc by Paul Knafelc of Community Benchmarks. The research shows that the Waterloo Region's GDP reached \$18.6 billion in 2003, up 27% since 1997 and greater in absolute terms than two provinces. The rate of GDP growth since 1997 keeps pace with the Ontario average. The most recent Conference Board of Canada forecast indicated that growth in the Waterloo Region from 2005 to 2008 would be among the best, ranking in the top four of Canada's eighteen metropolitan areas.

The paper also provides new and up-to-date Population Growth, In- and Out-Migration, Employment Growth, Employment in Manufacturing, Labour Force Trends, Employment Income, Transfer Payments, Social and Employment Assistance, Proprietorship Growth and Educational Attainment.

\* \* \*

#### **A few highlights from the paper:**

Population growth for the Waterloo Region between the 1996 and 2001 censuses was double the national average at 8.2%, fueled by net migration exceeding 29,000 from 1996-2002, contributing to the region's youthful population profile – the third lowest median age among Canadian metropolitan areas.

Growth has generated prosperity. Median employment income in the region increased by 21.2% between 1996 and 2002, reaching \$29,200 annually – outpacing the provincial performance in both cases. Waterloo Region's ranking among Ontario's urban centres rose from sixth to third place – with Waterloo Region surpassing Toronto, Windsor and Hamilton over that period. Higher income levels indicate number of persons collecting social assistance and employment insurance declined significantly. The proportion of the work force in fulltime employment also rose.

The Waterloo Region's GDP reached \$18.6 billion in 2003, an increase of 27% since 1997 and greater in absolute terms than two Canadian provinces.

The background paper will be used at the Prosperity Forum, slated for Thursday November 4<sup>th</sup>, an initiative of The Prosperity Council of Waterloo Region. The Council is a partnership of the Cambridge Chamber of Commerce, Canada's Technology Triangle Inc, Communitech Technology Association and the Greater Kitchener-Waterloo Chamber of Commerce. This year's event agenda picks up on the key directions derived at last year's forum, designed to move our economy from good to great. The second Prosperity Forum is open to Waterloo Region business leaders. Further information may be obtained by visiting <http://www.prosperitywaterloo.com>.

"Economic Trends of Waterloo Region" research paper is included for information or available for download at the Prosperity Council or Waterloo Region web site (<http://www.prosperitywaterloo.com>) and Canada's Technology Triangle Inc's web site (<http://www.techtriangle.com>).

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Located west of Toronto, the area known as Canada's Technology Triangle comprises Waterloo Region and Cambridge, Kitchener and Waterloo. Canada's Technology Triangle (CTT) Inc is the area's regional economic development partnership that provides confidential enquiry services for information on sites and buildings, demographics, area companies, exporting capabilities, cluster strengths and community linkages. CTT is a public-private corporation.

The **Prosperity Council of Waterloo Region** is a federation formed to collectively create an environment that supports opportunities for prosperity in Waterloo region. The Council is comprised of representatives of its founding partners: the Greater Kitchener Waterloo Chamber, Cambridge Chamber, Canada's Technology Triangle Inc. and Communitech Technology Association. Together these organizations represent more than 3000 businesses in Waterloo region.



Greater Kitchener Waterloo Chamber of Commerce • Canada's Technology Triangle Inc.  
Cambridge Chamber of Commerce • Communitech Technology Association

*Prosperity Forum Thursday, November 4<sup>th</sup>, 2004*

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## Economic Trends of Waterloo Region

October 26, 2004



Prepared for:  
Canada's Technology Triangle Inc

Prepared by:  
Paul Knafelc, Community Benchmarks

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## Summary

? Canada's Technology Triangle (CTT) realized a 27 percent growth in GDP from 1997 to 2003.

? Exports from CTT grew by 20.1 percent between 2000 and 2002, compared to a small decline for Ontario as a whole. Per employee exports were also markedly higher in the CTT than in the province.

? Population growth between 1996 and 2001 was 8.2 percent in CTT, double the national average and well ahead of Ontario (6.1 percent).

? Net migration has contributed to CTT's youthful population profile - third lowest median age among Canadian Metropolitan Areas.

? Within CTT, manufacturing accounts for 26.4 percent of total employment, compared to 17.5 percent within Ontario.

? In 2002, total employment income generated in CTT exceeded \$8.9 billion or 79.7 percent of total income. Comparatively, employment income in Ontario accounted for 75.9 percent of total income.

? Median employment income in CTT increased 21.2 percent between 1996 and 2002, reaching \$29,200. Over the same time period, Ontario's median employment income rose 16.5 percent, reaching \$26,900.

? Between 1996 and 2002, the number of people collecting social assistance and employment insurance in CTT declined significantly, and at a greater rate than for Ontario.

## **Section A: Socio- Economic Trends**

A description of Waterloo Region's economic performance and growth characteristics provides context for understanding and addressing the Region's challenges and future growth prospects.

To best understand the economic performance and growth characteristics of Waterloo Region - known as Canada's Technology Triangle, these indicators must be examined in relative terms.

Gross Domestic Product (GDP) measures the total value of all final goods and services produced by an economy. Waterloo Region's total output in 2003 was valued at \$18.6 billion, approximately 3.8 percent of Ontario's output. Between 1997 and 2003, the Region's economy grew 27.0 percent, matching Ontario's growth.

Population growth both stimulates and is a reflection of economic growth. In 2001, the population of Waterloo Region reached 438,515, increasing 8.2 percent between 1996 and 2001, outstripping Ontario's 6.1 percent growth rate, and doubling Canada's growth in the same time frame.

An area that can attribute a significant proportion of its population growth to in-migration must be offering an environment attractive to employers, employees and families. Between 1996 and 2002, Waterloo Region attracted 118,099 people through in-migration and lost 88,637 people to out-migration. Net migration, therefore, exceeded 29,000 people, with 92.6 percent of these in-migrants under the age of 45. The 25 to 44 age cohort was the largest proportion of in-migrants at 12,643.

This influx of young people has contributed to the Region's ranking as the third youngest Census Metropolitan Area in Canada (as of the 2001 Census), with a median age of 35.6.

In 2002, Waterloo Region exported \$10.7 billion worth of products, a 20.1 percent increase from year 2000. In comparison, Ontario's exports declined 0.3 percent over the same time period. The importance of exports to GDP has risen dramatically over the past decade, as output per employee is higher in sectors that export. In 2002, Waterloo Region's product exports represented approximately 58.0 percent of the Region's GDP. Comparably, product exports accounted for just 43.2 percent of Ontario's GDP in 2002. The Region also accounts for a higher share of the province's exports: 5.2 percent of provincial exports are produced by 3.9 percent of provincial workers.

The Region's export prowess is evident in a number of ways. Perhaps the most distinguishing feature is the value of exports per employee in 2002: \$46,040 in this Region, compared to \$34,038 per employee in Ontario.

The top five world export destinations for Waterloo Region in order include: the United States, the United Kingdom, Mexico, Germany and Japan. The majority of the Region's exports, 95.2 percent, find markets in the United States, slightly exceeding Ontario's proportion of 93.3 percent. Region exports to the United States totaled \$10.2 billion in 2002, with California, Michigan, Ohio, New York, and Texas rounding out the top five markets in terms of value. While the Region exported to all states of America, the top 18 states purchased more than \$100 million of products each.

Transportation Equipment Manufacturing accounts for the bulk of the area's exports, reaching over \$5.7 billion in 2002. Machinery and Equipment, and Plastics and Rubber Products Manufacturing each accounted for over \$500 million. A few industries considered traditional industries, such as Furniture,

Fabricated Metal, Food and Animal Production, collectively exported over \$1.3 billion.

The total number of people employed in Waterloo Region reached 235,800 in 2003. Between 1996 and 2003, employment increased 18.5 percent, lagging Ontario's 20.5 percent growth. Waterloo Region's poorer overall performance may be explained by a higher concentration of employment in manufacturing. Within Waterloo Region, manufacturing accounts for 26.4 percent of total employment, compared to 17.5 percent within Ontario. While the Region defies the broader North American trend whereby the proportion of manufacturing employment is declining rapidly, manufacturing is not growing as fast as other industries, consequently impacting the Region's overall employment growth.

Although the Region has slower employment growth than Ontario, the volume of this area's exports and its proportion of Ontario's exports are rising, suggesting a notable increase in productivity as manufacturing enterprises respond to international competitive pressure.

In 2002, total employment income generated in Waterloo Region exceeded \$8.9 billion or 79.7 percent of total income. Comparatively, employment income in Ontario accounted for 75.9 percent of total income.

Median employment income in Waterloo Region increased 21.2 percent between 1996 and 2002, reaching \$29,200. Over the same time period, Ontario's median employment income rose 16.5 percent reaching \$26,900. It is positive to note that the median and the average employment income rose together, suggesting the distribution of income remained stable.

Between 1996 and 2001, the Region's educational attainment improved slightly. The proportion of the population (aged 15+) with less than a high school certificate improved from 35.1 percent to 30.9 percent. The proportion of the

population (aged 15+) with a university degree increased from 13.4 percent to 15.5 percent.

Even with this improvement, education skill levels in the Region are not markedly better than provincial averages. The 2001 Census reveals that 3.0 percent of the Region's labour market has a trade certificate, slightly lagging Ontario's 3.2 percent. The Region's proportion of the population with a university degree is 15.5 percent, compared to Ontario's 17.5 percent. The region also has a slight disadvantage in terms of those without secondary school diplomas; 30.9 percent of the population compared to Ontario's 29.7 percent.

The Region's migration patterns go a long way in explaining this educational skill disadvantage. Between 1996 and 2001, the total number of skilled individuals (those with a post secondary certificate or diploma or degree) in the Region increased by 21,850; net migration accounted for 8,090 of this increase and internal development accounted for 13,760. Over the same time period though, net migration added 7,465 people with only a high school certificate or less, while internally, similarly skilled individuals decreased by 4,235. In other words, the Region gained 3,230 people with a high school certificate or less due to migration.

While the CTT attracts substantially more skilled individuals than it loses, it also attracts significantly more people without post secondary qualifications than it loses. As a result, while the number of skilled individuals rises, the *proportion* of skilled individuals fails to rise as quickly because the unskilled numbers continue to climb

The Region's residents also acquire income through government transfer payments. Transfer payments such as social assistance (SA) and employment insurance (EI) reflect socio-economic need within the Region. In 2002, the Region's residents received over \$89 million in SA and over \$129 million in EI.

In 2002, the number of people collecting SA was 14,830, a 8,300-person decline from 1996. Between 1996 and 2002, the number of people receiving SA declined by 35.9 percent within the Region, compared to a 30.3 percent decline in Ontario. Over the same time period, the number of people receiving EI in the Region declined 9.9 percent versus a 7.2 percent decline in Ontario.

The enterprises of the Region are responsible for the performance reflected in the Region's GDP, export activity and employment growth. The numbers for December 2003 show the region had well over 29,947 enterprises. (Note: this number does not include unincorporated enterprises earning less than \$30,000.)

The number of enterprises with employees totaled 13,297; of these, 6,861 had 1 to 4 employees, accounting for 51.6 percent of the total number of enterprises with employees. The number of enterprises with 5 to 9 employees represented 18.1 percent of all enterprises with employees. The prevailing form of enterprise in the Region is the small firm. In 2003, 82.9 percent of the Region's enterprises (with employees) had fewer than 20 employees, and only 3.1 percent had 100 or more employees.

While the Region's enterprises vary by employee size, they also vary by the industry categories in which they operate. At the 2-digit North American Industry Classification System (NAICS) level, the industry with the greatest number of enterprises is Construction, with 4,076 enterprises, followed by Professional, Scientific and Technical Services with 3,888 enterprises.

Growth in the number of enterprises also reveals the dynamic nature of the regional economy. Between 2000 and 2003, the number of enterprises with employees in the Region increased 3.9 percent, from 12,800 to 13,297. Internal growth reflects the entrance of new enterprises and enterprises that are expanding and graduating to higher employee size ranges. External growth refers to the attraction of enterprises from outside the Region.

Although an industry breakdown is not available regarding Waterloo Region's unincorporated proprietors, as of 2002 there were 31,160 part-time and full-time proprietors. As the point of entry for many entrepreneurs, growth in the number of unincorporated businesses is crucial since they are often the seeds for innovation and tomorrow's employers. Between 1996 and 2002, the number of unincorporated businesses rose 9.1 percent in the Region and 9.3 percent in Ontario.

Waterloo Region's economic performance and growth characteristics have been examined from a number of perspectives. These indicators provide insight into the Region's economic trends and performance relative to Ontario, and also serve as benchmarks for monitoring future performance.

## Section B: Detailed Data

The following data shows the trends for key socio-economic indicators in the Waterloo Region using data for other metropolitan centres as reference points.

The performance variables covered are:

- GDP growth
- Population growth
- In-migration
- Out-migration
- Net-migration
- Employment growth
- Full-time employment
- Proportion of employment in manufacturing
- Participation rate
- Employment rate
- Unemployment rate
- Employment income
- Median employment income
- Transfer payments
- Social assistance
- Employment insurance
- Proprietorship growth
- Educational attainment

## **Gross Domestic Product**

Gross Domestic Product (GDP) measures the total value of all final goods and services produced by an economy. Toronto's economy is by far the largest, producing more than all the other CMAs together. In 2003, Toronto's output was valued at \$212.0 billion followed by Ottawa-Gatineau \$48.2 billion and Hamilton's \$28.8 billion. Waterloo Region, ranked fourth with total output valued at \$18.6 billion.

Real GDP is adjusted for inflation, making year to year comparisons possible. Between 1997 and 2003, Waterloo Region's real GDP grew 27 percent, matching the growth of Hamilton. Oshawa, Ottawa-Gatineau, Toronto and Windsor each grew faster than the CTT, with growth ranging from 36 to 29 percent respectively. GDP growth was weakest in Thunder Bay at 17 percent, and Sudbury at 8 percent.

**Current GDP  
2003**

	2003 (\$ millions)
Toronto	212,061
Ottawa-Gatineau	48,212
Hamilton	28,827
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>18,679</b>
London	17,428
St.Catharines-Niagara	15,519
Oshawa	13,609
Windsor	12,785
Sudbury	5,743
Thunder Bay	5,085

Source: Statistics Canada, Community Benchmarks

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

**Real GDP (1997 millions)  
Percent Change  
1997 to 2003**

	1997 (\$ millions)	2003 (\$ millions)	Percent Change %
Oshawa	9,258	12,631	36.0
Ottawa-Gatineau	34,113	44,747	31.0
Toronto	151,359	196,819	30.0
Windsor	9,204	11,866	29.0
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>13,634</b>	<b>17,337</b>	<b>27.0</b>
Hamilton	21,100	26,755	27.0
St.Catharines-Niagara	11,477	14,403	25.0
London	13,668	16,175	18.0
Thunder Bay	4,037	4,720	17.0
Sudbury	4,923	5,330	8.0

Source: Statistics Canada, Community Benchmarks

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

## Population Growth

The population of Waterloo Region reached 438,515 in 2001. Between 1996 and 2001, Waterloo Region's population grew 8.2 percent, outpacing seven of nine Ontario CMAs. Only Oshawa and Toronto grew at rates faster than this Region, growing 10.2 and 9.8 percent respectively. London and St. Catharines-Niagara both grew considerably slower than this area at 3.8 and 1.2 percent respectively.

### Population Growth/Decline 1996 to 2001

	1996	2001	Percent Change %
Oshawa	268,773	296,298	10.2
Toronto	4,263,759	4,682,897	9.8
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>405,435</b>	<b>438,515</b>	<b>8.2</b>
Windsor	286,811	307,877	7.3
Ottawa-Gatineau	998,718	1,063,664	6.5
Hamilton	624,360	662,401	6.1
London	416,546	432,451	3.8
St. Catharines-Niagara	372,406	377,009	1.2
Thunder Bay	126,643	121,986	(3.7)
Sudbury	165,618	155,601	(6.0)

Source: Statistics Canada, 1996 and 2001 Census

1. Waterloo Region includes: the cities of Cambridge, Kitchener, Waterloo, and the townships of North Dumfries, Wellesley, Wilmot and Woolwich.

## **Migration**

Migration plays a significant role in population growth and decline. The migration trends examined demonstrate the ease with which people move from region to region.

Between 1996 and 2002, Waterloo Region welcomed 118,099 people while losing 88,637 people to other areas. Toronto attracted the most people (1,062,627) and lost the most people (583,535) over the same time period. Thunder Bay attracted and lost the least people.

The most telling migration statistic is net-migration – the net gain or loss of people. Between 1996 and 2002, Waterloo Region had a positive net-migration of 29,462 people. Toronto and Ottawa-Gatineau, the province's largest urban centres, added a net 479,092 and 55,435 people respectively. The Region's most comparable cities, London and St. Catharines, also had a positive net-migration of 13,321 and 10,713 people respectively. Sudbury and Thunder Bay were the only areas which experienced negative net-migration, posting losses of 9,344 and 4,536 people respectively.

The most mobile people are those aged 25 to 44. Net-migration among this age group accounted for the greatest proportion of migrants in every CMA except London.

### Migration 1996 to 2002

	In-Migration	Out-Migration	Net-Migration
Toronto	1,062,627	583,535	479,092
Ottawa-Gatineau*	226,939	171,504	55,435
Hamilton	157,068	121,483	35,585
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>118,099</b>	<b>88,637</b>	<b>29,462</b>
Windsor	70,640	44,975	25,665
Oshawa	96,506	72,617	23,889
London	107,167	93,846	13,321
St.Catharines-Niagara	65,453	54,740	10,713
Thunder Bay	23,574	28,110	(4,536)
Sudbury	30,037	39,381	(9,344)

Source: Statistics Canada, Small Area Administrative Data Division

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

\* Includes only the Ontario part of this CMA

### Net-Migration by Age Category 1996 to 2002

	0-17 years	18-24 years	25-44 years	45-64 years	65+ years	Total
Toronto	120,529	92,338	251,015	15,386	(176)	479,092
Ottawa-Gatineau*	12,034	13,153	28,339	(515)	2,424	55,435
Hamilton	10,841	5,338	15,140	2,300	1,966	35,585
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>7,870</b>	<b>6,773</b>	<b>12,643</b>	<b>994</b>	<b>1,182</b>	<b>29,462</b>
Windsor	8,353	4,013	12,376	1,066	(143)	25,665
Oshawa	6,215	1,849	12,038	1,351	2,436	23,889
London	4,179	4,836	1,836	759	1,711	13,321
St.Catharines-Niagara	3,617	(218)	4,085	2,627	602	10,713
Thunder Bay	(541)	(1,076)	(2,106)	(691)	(122)	(4,536)
Sudbury	(1,055)	(3,162)	(3,194)	(1,873)	(60)	(9,344)

Source: Statistics Canada, Small Area Administrative Data Division

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

\* Includes only the Ontario part of this CMA

## **Employment**

In 2003, the number of people employed in Waterloo Region reached 235,800, an 18.5 percent increase from 1996. Over this time period, five CMAs outgrew the Region, three of them by a significant margin. Oshawa led the way with 32.0 percent employment growth, followed by Toronto with 25.4 percent growth, and Ottawa-Gatineau with 22.5 percent growth. Employment growth in this Region outperformed St. Catharines–Niagara, London, Thunder Bay and Sudbury.

The proportion of full-time employment is also a reflection of an economy's health. In 2003, full-time employment in Waterloo Region accounted for 81.3 percent of all employed, 82.6 percent in Oshawa, and 82.8 percent in Ottawa. Toronto ranked first with 84.4 percent of its employment being full-time. Full-time employment in St. Catharines, London, Thunder Bay and Sudbury ranged between 79.2 and 78.1 percent.

### Employment Growth 1996 to 2003

	1996	2003	Percent Change %
Oshawa	130,200	171,800	32.0
Toronto	2,134,700	2,676,900	25.4
Ottawa-Gatineau	496,900	608,600	22.5
Hamilton	303,700	363,900	19.8
Windsor	135,900	161,400	18.8
<b>CTT/Waterloo Region</b>	<b>199,000</b>	<b>235,800</b>	<b>18.5</b>
St.Catharines-Niagara	172,100	195,900	13.8
London	195,100	220,000	12.8
Thunder Bay	60,100	64,200	6.8
Sudbury	73,600	72,500	(1.5)

Source: Statistics Canada, Labour Force Survey

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

### Full-Time Employment 1996 and 2003

	Percent Employed Full-time 1996	Percent Employed Full-time 2003
Toronto	84.1	84.4
Oshawa	81.9	82.2
Ottawa-Gatineau	80.8	82.1
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>80.5</b>	<b>81.3</b>
Windsor	79.5	80.2
London	76.6	79.7
Hamilton	78.7	78.6
Sudbury	77.0	78.3
St.Catharines-Niagara	76.7	78.2
Thunder Bay	75.5	76.6

Source: Statistics Canada, Labour Force Survey

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

## **Employment in Manufacturing**

Both Windsor and Waterloo Region share the distinction of having the highest concentration of employment in manufacturing. Windsor leads with 29.4 percent of its employment in manufacturing, followed by the Region's 26.4 percent. There is a significant gap between the performance of these two regions and Hamilton, the next closest CMA, which has 21.1 percent of employment in manufacturing. Ottawa-Gatineau and Sudbury held the lowest proportion of employment in manufacturing at 5.9 and 5.7 percent respectively.

## Proportion of Employment in Manufacturing

	1996	2003
Windsor	25.2	29.4
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>26.9</b>	<b>26.4</b>
Hamilton	21.2	21.1
Oshawa	21.1	19.0
Toronto	18.4	17.7
London	14.8	16.8
St.Catharines-Niagara	19.7	15.6
Thunder Bay	10.8	10.1
Ottawa-Gatineau	4.9	5.9
Sudbury	3.9	5.7

Source: Statistics Canada, Labour Force Survey

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

## **Labour Force Characteristics**

Waterloo Region labour force characteristics demonstrate both strength in individual job opportunities and the overall state of the economy. The Region's participation rate – the percent of the population (15 years and older) in the labour force – exceeded all other jurisdictions in 1996, and placed third behind Oshawa and Ottawa in 2002. Similarly, the Region's employment rate – the percent of the population (15 years and older) that is employed – ranked first in 1996 and behind Oshawa and Ottawa in 2002. This shift in the rankings reflects substantial improvement in Oshawa's and Ottawa's participation and employment rates, not a decline in this Region's rates.

While a few CMAs share statistically similar participation and employment rates, there is significant variation among the CMAs. For example, in 2002 participation rates ranged from 62.4 percent in Sudbury to 73.1 percent in Oshawa. In that same year, employment rates ranged from 57.1 percent in Sudbury to 69.4 percent in Oshawa.

This Region consistently displays relatively low unemployment rates, placing second behind Hamilton in 1996 and tying for third behind Oshawa and Thunder Bay in 2002.

### Participation Rate

	1996 %	2003 %
Oshawa	68.6	73.1
Ottawa-Gatineau	67.0	71.5
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>70.6</b>	<b>70.4</b>
Toronto	67.1	69.9
Hamilton	64.3	68.5
London	66.3	68.1
Thunder Bay	64.5	67.8
Windsor	65.3	66.9
St.Catharines-Niagara	62.0	64.4
Sudbury	62.1	62.4

Source: Statistics Canada, Labour Force Survey

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

### Employment Rate

	1996 %	2003 %
Oshawa	61.9	69.4
Ottawa-Gatineau	61.4	66.6
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>64.8</b>	<b>66.2</b>
Toronto	61.0	64.5
Hamilton	59.6	64.4
Thunder Bay	58.6	63.8
London	60.5	63.3
Windsor	59.7	62.0
St.Catharines-Niagara	56.4	60.1
Sudbury	56.0	57.1

Source: Statistics Canada, Labour Force Survey

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

### Unemployment Rate

	1996 %	2003 %
Oshawa	9.7	5.1
Thunder Bay	9.1	5.9
Hamilton	7.4	6.0
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>8.3</b>	<b>6.0</b>
St.Catharines-Niagara	9.1	6.7
Ottawa-Gatineau	8.4	6.8
London	8.8	6.9
Windsor	8.5	7.3
Toronto	9.1	7.7
Sudbury	9.8	8.6

Source: Statistics Canada, Labour Force Survey

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

## **Employment Income**

In 2002, the total employment income generated in Waterloo Region reached \$8.9 billion, a 49.9 percent increase from 1996. The Region's growth in total employment income was bettered only by Toronto's 84.8 percent increase and Ottawa's 53.9 percent improvement.

Waterloo Region also displayed a healthy increase in median employment income. Between 1996 and 2002, this Region's median employment income increased 21.2 percent, and was exceeded only by Ottawa's 23.9 percent increase. In 2002, the Region's median employment income reached \$29,200, ranking third behind Ottawa and Oshawa. In 1996, the Region's median income placed behind five CMAs.

**Total Employment Income  
1996 to 2002**

	1996 (\$000's)	2002 (\$000's)	Percent Change %
Toronto	70,861,778	107,376,293	84.8
Ottawa-Gatineau*	12,322,897	18,963,906	53.9
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>5,984,909</b>	<b>8,968,447</b>	<b>49.9</b>
Oshawa	4,320,558	6,314,076	46.1
London	5,706,482	8,093,777	41.8
Windsor	4,683,584	6,563,747	40.1
Hamilton	9,505,763	13,238,210	39.2
St.Catharines-Niagara	4,843,054	6,448,980	33.2
Thunder Bay	1,787,872	2,133,850	19.4
Sudbury	2,272,227	2,623,191	15.4

Source: Statistics Canada, Small Area and Administrative Data Division

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

\* Includes only the Ontario part of this CMA

**Median Employment Income  
1996 to 2002**

	1996 \$	2002 \$	Percent Change %
Ottawa-Gatineau*	26,400	32,700	23.9
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>24,100</b>	<b>29,200</b>	<b>21.2</b>
St.Catharines-Niagara	19,000	22,500	18.4
London	22,500	26,500	17.8
Windsor	24,500	28,800	17.6
Hamilton	24,600	28,500	15.9
Toronto	24,400	28,200	15.6
Oshawa	27,600	31,400	13.8
Thunder Bay	24,000	26,300	9.6
Sudbury	22,100	22,900	3.6

Source: Statistics Canada, Small Area and Administrative Data Division

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

\* Includes only the Ontario part of this CMA

## Transfer Payments

The proportion of income generated from provincial and federal transfer payments reflects an area's economic dependency. Total transfer payments divided by total employment income is expressed as an economic dependency ratio (EDR): the lower the ratio, the less dependent an area.

Every CMA saw improvements between 1996 and 2002 in their economic dependency ratios. Waterloo Region's EDR improved from 15.6 percent in 1996 to 11.7 percent in 2002. While overall ratios improved, there was little change in CMA positioning. In both 1996 and 2002, Ottawa, Toronto and Oshawa had lower economic dependency ratios than did the Region. Thunder Bay, St. Catharines-Niagara and Sudbury remained the most reliant on government transfer payments in both time periods.

### Transfer Payments Economic Dependency Ratio (EDR) 1996 and 2002

	EDR 1996	EDR 2002
Ottawa-Gatineau*	14.7	10.8
Toronto	14.1	10.9
Oshawa	14.5	11.5
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>15.6</b>	<b>11.7</b>
Windsor	16.6	13.4
Hamilton	18.3	15.1
London	19.6	15.9
Thunder Bay	21.6	19.7
St. Catharines-Niagara	25.1	20.2
Sudbury	21.7	20.8

Source: Statistics Canada, Small Area and Administrative Data Division

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

\* Includes only the Ontario part of this CMA

## **Socio-Economic Need**

Specific government transfer payments such as social assistance (SA) and employment insurance (EI) reflect socio-economic need in each CMA. Between 1996 and 2002, all CMAs experienced a decline in the number of people receiving social assistance. More stringent qualification criteria make it difficult to comment on the absolute decline in the number of SA recipients, however, relative comparisons are appropriate. The number of people receiving SA in Waterloo Region declined by 37.2 percent between 1996 and 2002. Only Oshawa exceeded this reduction.

In 2002, 25,900 people collected employment insurance (EI) in the Region, a 13.3 percent decline from 1996. Only St.Catharines-Niagara experienced a greater reduction at 14.5 percent.

**Number of People Collecting Social Assistance  
1996 to 2002**

	1996	2002	Percent Change %
Oshawa	15,300	8,960	(41.4)
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>23,600</b>	<b>14,830</b>	<b>(37.2)</b>
St.Catharines-Niagara	27,040	17,440	(35.5)
Ottawa-Gatineau*	55,390	37,480	(32.3)
Sudbury	13,700	9,490	(30.7)
London	28,830	20,130	(30.2)
Thunder Bay	8,200	5,730	(30.1)
Hamilton	40,170	28,390	(29.3)
Toronto	256,700	189,080	(26.3)
Windsor	17,010	13,820	(18.8)

Source: Statistics Canada, Small Area and Administrative Data Division

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

\* Includes only the Ontario part of this CMA

**Number of People Collecting Employment Insurance  
1996 to 2002**

	1996	2002	Percent Change %
St.Catharines-Niagara	32,230	27,550	(14.5)
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>29,890</b>	<b>25,900</b>	<b>(13.3)</b>
Windsor	21,530	24,000	(11.5)
Thunder Bay	10,610	9,480	(10.7)
Hamilton	40,580	36,630	(9.7)
Oshawa	20,220	18,450	(8.8)
Toronto	273,130	264,210	(3.3)
Sudbury	13,160	12,790	(2.8)
London	26,730	26,240	(1.8)
Ottawa-Gatineau*	44,440	44,020	(0.9)

Source: Statistics Canada, Small Area and Administrative Data Division

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

\* Includes only the Ontario part of this CMA

## Unincorporated Businesses

As the point of entry for many entrepreneurs, growth in the number of unincorporated businesses is crucial since they are the seeds for innovation and tomorrow's employers.

The rate of growth in unincorporated businesses varied considerably among the CMAs. Between 1996 and 2002, the number of unincorporated businesses in Waterloo Region increased 9.1 percent, reaching 31,160. Growth in the number of unincorporated businesses in Toronto (18.6 percent), Oshawa (10.4 percent), Windsor (13.7 percent), and Hamilton (10.7 percent) all exceeded the Region's growth rate.

Unincorporated business growth in London and St. Catharines-Niagara, the two CMA's that provide the best comparison with Waterloo Region, grew by 6.9 and 4.8 percent respectively.

### Number of Unincorporated Proprietors<sup>2</sup> 1996 to 2002

	1996	2002	Percent Change %
Toronto	358,040	424,460	18.6
Windsor	15,440	17,560	13.7
Hamilton	40,850	45,240	10.7
Oshawa	18,430	20,340	10.4
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>28,570</b>	<b>31,160</b>	<b>9.1</b>
London	32,190	34,420	6.9
St. Catharines-Niagara	25,140	26,340	4.8
Ottawa-Gatineau*	64,280	66,520	3.5
Thunder Bay	6,740	6,350	(5.8)
Sudbury	9,050	8,240	(9.0)

Source: Statistics Canada, Small Area and Administrative Data Division

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

2. Full and Part-time proprietors

\* Includes only the Ontario part of this CMA

## **Educational Attainment**

Educational attainment in Waterloo Region is similar to that in many of Ontario's CMAs. Two performance metrics, however, are notable exceptions: the proportion of the population without a secondary school diploma, and the proportion of university degree holders within the Region.

In 2001, this Region's proportion of the population without a secondary school diploma was 30.9 percent. The proportion of the population without a secondary school diploma in Waterloo Region is significantly higher than in Ottawa (20.5 percent), London (27.9 percent), Toronto (22.9 percent) and Windsor (28.8 percent), and modestly higher than in Oshawa (29.7 percent) and Hamilton (30.7 percent).

With respect to the proportion of the population with a university degree, Ottawa's 28.9 percent, and Toronto's 22.9 percent greatly exceeded Waterloo Region's proportion of university degree holders at 15.5 percent.

## Educational Attainment by Proportion of Population<sup>2</sup>

	Without Secondary School Diploma	With Secondary School Diploma	Trade Certif.	College without Certificate or Diploma	College with Certificate or Diploma	University without Degree	University Degree	Total
Ottawa-Gatineau	20.5	12.3	2.1	5.7	17.7	12.9	28.7	100.0
London	27.9	15.0	3.3	6.8	21.4	9.5	16.1	100.0
Toronto	27.2	13.3	2.5	6.1	16.4	11.7	22.9	100.0
Windsor	28.8	17.1	2.7	7.4	18.5	10.3	15.2	100.0
Oshawa	29.7	16.2	3.4	7.7	23.7	8.3	11.0	100.0
Hamilton	30.7	14.6	3.5	6.7	20.5	9.2	14.8	100.0
<b>CTT/Waterloo Region<sup>1</sup></b>	<b>30.9</b>	<b>14.9</b>	<b>3.0</b>	<b>6.6</b>	<b>19.8</b>	<b>9.3</b>	<b>15.5</b>	<b>100.0</b>
Thunder Bay	32.6	12.8	4.4	6.6	21.4	9.4	12.7	100.0
St.Catharines -Niagara	33.5	16.0	3.8	7.3	20.1	8.3	11.1	100.0
Sudbury	33.8	14.2	4.2	7.3	22.1	7.5	10.9	100.0

Source: Statistics Canada, 2001 Census

1. Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich
2. Population 15 years and over

Kitchener CMA includes: Cambridge, Kitchener, Waterloo, North Dumfries and Woolwich

Waterloo Region includes: the cities of Cambridge, Kitchener, Waterloo, and the townships of North Dumfries, Wellesley, Wilmot and Woolwich.



Canada's Technology Triangle Inc is a not-for-profit public/private economic development partnership which markets the Waterloo Region and the cities of Cambridge, Kitchener and Waterloo to the world.

For more information, contact Canada's Technology Triangle Inc at  
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