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AGING WORKFORCE STUDY PROGRAM

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated September 17, 2008, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council authorize the Economic Development Branch to submit a funding application to the Ontario Ministry of Training, Colleges and Universities to implement the aging workforce study program as outlined in this report.
2. The Regional Chair and Regional Clerk be authorized to execute the funding agreement with the Province of Ontario, and any renewal, subject to the approval of Legal Services as to form and content.

2. PURPOSE

This report updates Council on the state of the aging workforce and outlines the proposed Aging Workforce Study Program.

3. BACKGROUND

The 2005 Economic Strategy identified the complex interplay of demographic changes, economic trends and changing business conditions which is making it difficult to forecast supply and demand for workers. The aging workforce study will move towards a better understanding of the growth and changes in the Region's economy. It will also serve to improve efforts to maintain effective and adequate labour services to meet the needs of the future workforce.

The aging workforce trend

Over the next 10 years, aging baby boomers in the workforce will begin to retire in large numbers. This will create a loss of valuable knowledge from the intellectual capital of York Region, a significant reduction in the supply of qualified employees for York Region employers and pose serious questions about succession planning at small entrepreneurial firms that comprise over 70% of firms in the Region.

This trend will occur concurrent with the continued growth in York Region employment, which is forecasted to increase from 480,000 jobs in 2007 to 780,000 jobs by 2031.

This dramatic demographic shift will have broad social and economic implications

- The aging population trends will accelerate over the next decade as baby boomers begin turning 65 years old in 2011.
- The Canadian senior's share of the population is expected to increase from 13% in 2004 to 24.5% by 2036. In York Region, seniors will account for 22% of the population by 2036, up from 10% of the population in 2006.
- The median age of retirement in Canada has fallen from 65 in the mid 1970s to a low of 60.6 in 1997. In 2005, the median age of retirement was 61.0 years. However following retirement, just fewer than 300,000 Canadians aged 65 and older participated in the labour force accounting for only 1.7% of the total labour force.
- York Region has 159,635 residents aged 50-64 (2006 census). Assuming the average York Region employment participation rate of 70%, 112,000 residents aged 50-64 will be retiring from the workforce over the next 8-12 years.

The proposed study project will address the aging workforce trend in York Region

This proposed study program would research labour market data on the aging workforce, identify best practices in mitigating labour supply issues, consult with key employers, survey workers, present findings in workshops, conduct consultations and develop a pilot initiative with select employers to develop an action plan. A series of reports would be prepared for Council including key milestones during the project and a final summary of conclusions.

York Region Economic Development Branch will apply for funding from the Ministry of Colleges & Universities Labour Market Partnership Program and contribute in kind to the overall management and administration of the study program. It is anticipated that key external partners will also be contributing in kind to this project.

4. ANALYSIS AND OPTIONS

The proposed study program consists of 5 Phases beginning January 2009 and ending July 2010

- Phase 1 assimilates data on the labour market data from international, national, provincial and regional sources to profile the impact of the aging workforce.

- Phase 2 is a group of 3 surveys to identify future employment trends among residents over 40 years of age, regional employers and youth. A total of 2,200 surveys will be distributed.
- Phase 3 is a series of 4 regional workshops to 100 York Region employers to present the research insights and conclusions and obtain recommendations for the Phase 4 pilot program.
- Phase 4 develops a pilot work plan to be implemented with 5 interested employers by translating broad data into actionable strategies at the company level.
- Phase 5 culminates in a published final report of the aging workforce study program containing an executive summary and best practices.

Project management would be directed by the Economic Development Branch and assisted by an Advisory Panel and Internal Steering Group

- The project will be managed by the Economic Development Branch and implemented by a project manager and a lead researcher hired as temporary full-time staff for the 18 month duration of the study program.
- The Aging Workforce Advisory Panel will consist of representation from Council, York Region Employers, leading academics, local school boards, human resource professionals, business association representatives and a Ministry of Training, Colleges and Universities representative.
- An Internal Steering Group from Long Range Planning, Community Planning, Transportation, and Community and Health Services will be invited to participate.

Table 1
Key Milestones

Project Deadlines	Date
Report to Council	October 23, 2008
Funding application	November 30, 2008
Funding approval	December 30, 2008
Project commencement	January 2009
• Phase 1 completion (4 months)	May 2009
• Phase 2 completion (2 months)	July 2009
• Phase 3 completion (4 months)	November 2009
• Phase 4 completion (4 months)	March 2009
• Phase 5 completion (4 months)	July 2010

Relationship to Vision 2026

The report addresses Vision 2026 goal three action areas to attract and support business. The project identifies workforce and educational needs together with key business and education partners.

5. FINANCIAL IMPLICATIONS

Projected program budget is \$420,000

The Aging Workforce Study Program will contain the cost allocations identified in Table 1 which will be reimbursed to the Region through the funding application to the Ministry of Training, Colleges and Universities.

Table 1
Estimated Direct costs

Budget Item	Proposed cost to
Staffing	\$280,000
Data acquisition	\$20,000
Surveys	\$50,000
Marketing	\$60,000
Travel expenses	\$10,000
TOTAL	\$420,000

There are no direct financial implications to York Region

York Region contributions will be in kind to cover office space, telephones, computers, internet access, meeting space, office supplies, project management and staff supervision, legal services, Advisory Board Services, and administrative support.

6. LOCAL MUNICIPAL IMPACT

Addressing the aging workforce trend will have an economic impact on all nine municipalities by uncovering strategies that can be acted on to support workforce development to the year 2025.

For more information on this report, please contact Sharon Végh, Program Manager, Economic Strategy at (905) 830 4444 Ext. 1509 or Patrick Draper, Director, Economic Strategy and Tourism at Ext. 1503.

The Senior Management Group has reviewed this report.