Labour Market Information

for LBS Service Providers

A joint project of the Learning Networks of Ontario – Western Region
Funded by MTCU, Employment Ontario.

Background of Project: "Coordinating to Bring Low-Literacy and Marginalized Clients Employment"

This project of the Learning Networks of Ontario-Western Region (LNO-WR), funded by the MTCU Labour Market Partnership, is led by Literacy Link South Central.

Adult Basic Education Association (ABEA) is one of the 7 learning networks participating in this project. Workforce Planning Hamilton (WPH) was invited to work in collaboration with ABEA to fulfil the goals and outcomes of this portion of the LNO-WR project.

Project Overview: Strategy 8 of the Labour Market Partnership Project

Goal

Consider and report on how to effectively use Labour Market Information to bridge Literacy and Basic Skills (LBS) with Employment Services and, ultimately, employment.

Project Results/Outcomes

A number of results/outcomes have been identified for this project including

- increased knowledge/familiarity with labour market information
- greater knowledge about how to use labour market information in the classroom
- enhanced ability to bridge LBS learners to employment
- enhanced knowledge of frontline staff through successful training

About the Partners Collaborating in this Strategy

Both the Adult Basic Education Association (ABEA) and the Workforce Planning Hamilton (WPH) are funded by Employment Ontario – Ministry of Training, Colleges and Universities (MTCU).

Adult Basic Education Association

ABEA is the learning network in Hamilton. Our mandate is to improve the quality of life in the city of Hamilton through the promotion and support of lifelong learning. They are a member of the Learning Networks of Ontario, a network of 16 learning networks.

Workforce Planning Hamilton

Workforce Planning Hamilton (WPH) is a catalyst for economic and labour market development, building solutions and engaging multi-stakeholder alliances. They are a member of Workforce Planning Ontario, a network of 25 labour market planning regions covering Ontario.

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Introduction

Labour Market Information (LMI) can be used to help identify opportunities in the job market and provide information to support informed employment and career decisions. Job seekers, career counselors, employers, and governments all benefit from LMI. Literacy and Basic Skills (LBS) service providers can incorporate LMI into a client's literacy training program to help them plan for their future transition into successful employment.

This guide has been divided into the following sections

1. All about Labour Market Information
    a. What is LMI?
    b. The 2 Sides of the Labour Market
    c. Labour Market Matches and Mismatches
    d. What affects the Labour Market?
    e. How is LMI Beneficial?
    f. Labour Market Forecasts
    g. Sources of LMI
    h. Reviewing LMI

2. All about Occupations, Industries, and Skills
    a. National Occupational Classification
    b. North American Industry Classification System
    c. Skills

3. Additional Resources
    a. Useful Websites
    b. Glossary of Terms

> **Bolded terms** throughout the guide are defined in the glossary of terms.

All About
Labour Market Information (LMI)

This section defines Labour Market Information (LMI), describes the components of the labour market, as well as explains how LMI is beneficial to different stakeholders.

a. What is LMI?

b. The 2 Sides of the Labour Market

c. Labour Market Matches and Mismatches

d. What affects the Labour Market?

e. How is LMI Beneficial?

f. Labour Market Forecasts

g. Sources of LMI

h. Reviewing LMI

What is Labour Market Information (LMI)?

Labour Market Information (LMI) provides valuable insights into labour market conditions and trends at local, provincial, national and international levels. LMI tells a story about the labour market from the perspective of the **supply** and **demand** of labour.

LMI is used to
- identify labour market supply (workforce) and demand (employers)
- profile current labour market conditions
- understand and recognize trends in the labour market
- predict outlooks for various occupational groups based on a variety of structural factors (economic, demographic, social, political)
- inform employment and career decisions

LMI can be reported in both quantitative and qualitative forms. For example, quantitative (or numerical data) can provide statistical information about the labour market, such as the percentage of the population in the workforce or the number of people unemployed. Qualitative (or descriptive) data may be collected through interviews, case studies or focus groups in order to better narrate conditions of the labour market.

> Start incorporating LMI into your client's learning plans as early as possible. This could be something as simple as a casual conversation about what types of jobs they might be interested in. Get your client thinking about their future!

The 2 Sides of the Labour Market

There are two sides to the labour market: the **demand** for and the **supply** of labour services in the economy.

LMI can improve both the short-term and long-term matches of supply and demand, ensuring that individuals acquire the skill set required by employers. You can use LMI with your learners to help set the stage for their employment goals after the completion of their literacy studies.

Labour Supply

Labour supply consists of people who are either currently working or looking for employment. It reflects the desire of people to obtain work. It does not include individuals who are not interested in working, even if they are of **working age**.

The supply of labour is influenced by a variety of factors including

- demographics
- education and training systems
- wage rates
- social norms
- level of economic activity

Labour demand

Labour demand represents the total number of jobs available in the economy and is driven by the decisions of businesses to produce goods and services. Labour demand can be viewed from a number of perspectives, such as industrial, occupational, and geographic.

> The labour market is where supply (workers) and demand (businesses) interact.

Labour Market Matches

When people search for a job, they look for a position that matches their skills. Connecting workers with current employment opportunities is important to the supply and demand match in the labour market.

In order to make an employment match, employers market their **job vacancies** and people looking for employment search for opportunities.

Labour Market Mismatches

It is not always easy for employers to find a worker with the proper skills to fill their job vacancy. Employers may need specific experience and knowledge but the local labour supply cannot always fill those needs.

Strategies that Can Help Find the Right Match

There are strategies that can be used to help match employers with qualified workers, such as having

- employers recruit outside their local geographic areas
- workers who are having difficulty finding employment may
  - expand their search area
  - expand type of jobs they are considering
  - consider the relevance of their skills to the labour market
  - adjust their wage expectations

What affects the Labour Market?

Technology

Cost of production, skill requirements of occupations, wages, and emerging and/or disappearing occupations.

For example, self-scanners at grocery stores means that cashier jobs may be disappearing, while the higher skilled jobs of building and maintaining the scanners are in higher demand.

Demographics

Education levels, age groups, culture, skills and gender makeup of the population.

For example, as the population ages, the demands for health care services are expected to increase.

Education and Training

On-the-job training, formal education, number of years spent training, and entry-level standards.

For example, more focus on literacy levels with displaced workers now looking for new careers

Occupation/Industry Structure

Entry requirements, licenses, job-duties, organizational structuring.

For example, increased entry level requirements means an increased demand for high skilled workers

Social Factors

Two career families, fertility rates, consumer spending, consumer preferences.

For example, consumer preferences increases the demand for certain products

Political – Economic Factors

Trade regulations, changing governments, interest rates, inflation, globalization.

For example, during recessions people tend to tighten their wallets and avoid excess spending, which affects jobs (people do not go out for dinner as often, do not take vacations, etc).

How is Labour Market Information (LMI)Beneficial?

Educators

LMI can be useful when forecasting student demand, developing curricula, and planning course offerings.

For example, a university or college program can teach in-demand skills to their students.

Individuals and Job Seekers

LMI can inform decisions about careers, education, employment and entrepreneurship.

For example, LMI helps individuals determine which occupations better suit their interests and what occupations may be in demand in their city.

Employers

LMI can guide compensation strategies, recruitment efforts, training practices, investment and location decisions and collective bargaining.

For example, LMI helps a business determine hiring and training practices, wages and the available labour pool.

Governments and Community

LMI can assist communities, organizations and governments to understand current issues at the local level, and to identify and address employment and skill requirements.

For example, LMI provides governments at all levels with information which assists with the creation of new policies and legislation in order to continue to meet the changing needs of Canadians.

Sources of Labour Market Information (LMI)

LMI is all around us in many different shapes and forms, such as

- casual conversations
- print or online news materials
- television or radio news programs
- organizations downsizing or growing
- programs and learning institutions

Other common sources for LMI

Labour Force Survey (www.statcan.gc.ca)

Each month Stats Canada surveys a sample of households in Canada at the national, provincial and census metropolitan areas. Data collected includes

a. Number of people in the household.
b. Are they working?
c. Did they look for work in the past 4 weeks?
d. Do they want a job?

Census/National Household Survey (www.statcan.gc.ca)

Every 5 years Statistics Canada conducts a census to provide a statistical portrait of Canada and its people. This gives more detailed information than the Labour Force Survey.

Working in Canada (www.workingincanada.gc.ca)

Provides information on occupations, education, wages, outlook and required skills by region.

Workforce Planning Boards of Ontario (www.workforceplanningontario.ca)

Local boards conduct research and actively engage organizations and community partners in local labour market projects.

Labour Market Forecasts

We can look at past trends to identify potential future labour market challenges and opportunities. Workers and students use forecasts when facing educational and training decisions, while employers may want to know about the labour market pool they will be hiring from.

You may come across different forecasts from government, community or private organizations. When considering a forecast, ask

a. What criteria are they basing their predictions on?
b. How current is the information?
c. Is it clear how they got from the present to the future?
d. Is the source credible?

Reviewing Labour Market Information (LMI)

Market Trends

When you read an article about labour market trends, ask

    a. How will these trends impact your region? And in turn my learners and clients?

    b. What opportunities will it create?

    c. What year is the data taken from?

    d. Are the sources credible?

Statistics

When looking at statistics take note of what regions are in the **Census Metropolitan Areas** (CMA). For example, Hamilton CMA includes Burlington and Grimsby

Interpret statistics carefully!

For example, imagine you hear the following

        Physiotherapists – increase in jobs of 100%

        Plumbers – increase in jobs of 10%

The overall impact depends on the number of positions currently in place. 100 physiotherapists with a 100% increase means an increase of 100 jobs but 1000 plumbers with an increase of 10% means there was also an increase of 100 jobs.

There is the same number of increase in jobs, but very different percentage!

All About

Occupations, Industries and Skills

This section describes the 2 different systems that are designed to categorize occupations (NOC) and industries (NAICS), as well as provides an overview of Human Resource and Skills Development Canada's Essential Skills program.

National Occupational Classification (NOC)

The **National Occupational Classification** is a nationally accepted system describing different occupations. It organizes over 40,000 job titles into 500 occupational group descriptions. The NOC is updated by Human Resources and Skills Development Canada in partnership with Statistics Canada according to 5-year Census cycles. The most recent version is the NOC 2011.

The NOC is used for

- defining and collecting statistics
- managing information databases
- analyzing labour market trends
- extracting practical career planning information

The NOC system uses digit codes to classify occupations. A two-digit code is assigned at the major group level, a third digit is added at the minor group level and a fourth is added at the unit group level.

When the first digit is	The skill type category is
0	Management Occupations
1	Business, Finance and Administration Occupations
2	Natural and Applied Sciences and Related Occupations
3	Health Occupations
4	Occupations in Education, Law and Social, Community and Government Services
5	Occupations in Art, Culture, Recreation and Sport
6	Sales and Service Occupations
7	Trades, Transport and Equipment Operators and Related Occupations
8	Natural Resources, Agriculture and Related Production Occupations
9	Occupations in Manufacturing and Utilities

When the second digit is	The skill level is
0 or 1	Skill Level A (Occupations usually require university education)
2 or 3	Skill Level B (Occupations usually require college or vocational education or apprenticeship training)
4 or 5	Skill Level C (Occupations usually require secondary school and/or occupation-specific training)
6 or 7	Skill Level D (On-the-job training is usually provided for occupations)

For example,

    3 - Health occupations

Two-digit major group

    32 - Technical occupations in health (skill level B)

Three-digit minor group

    322 – Technical occupations in dental health care

Four-digit unit group

    3222 - Dental hygienists and dental therapists

North American Industry Classification System (NAICS)

The **North American Industry Classification System** is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States. It is designed to provide common definitions of the industrial structure of the three countries and a common framework to facilitate the analysis of the three economies.

It has a hierarchical structure and divides the economy into 20 sectors at its highest level. At lower levels, it further distinguishes the different economic activities in which businesses are engaged.

The activity of an establishment can be described in terms of

- what is produced - the type of goods and services produced
- how they are produced - the raw material and service inputs used
- what the production process is or skills and technology used

For example,

1. NAICS is first divided into 2 digit codes
   62 – Health Care and Social Assistance

2. Then subdivided into more detailed sectors by the 3rd digit
   621 – Ambulatory Health Care Services

3. Then further still into industry by the 4th digit
   6213 – Offices of Other Health Practitioners

4. Finally detailed by industry at the 5th digit
   62131 – Offices of Chiropractors

Why is it important to know about NAICS?

NAICS provides information on sectors of the economy that exist within the labour market. Examining these will help you understand the range of sectors that exist and the number of companies within a particular sector, informing you of potential employment prospects.

Skills

Literacy and essential skills

- are needed for work, learning and everyday life

- are the foundation for learning all other skills

- help people evolve with their jobs and adapt to workplace change

The following skills are used in nearly every job at different levels of complexity. They provide the foundation for learning all other skills and enable people to evolve with their jobs and adapt to workplace change.

Literacy and Essential Skills include

Reading	Thinking
Writing	Oral Communication
Document Use	Working with Others
Numeracy	Continuous Learning
Computer Use	

Levels of Complexity

Levels of complexity measure the skills needed to perform a task. Example tasks for workers in a specific job are assigned levels ranging from 1 (basic) to 4 or 5 (advanced task).

Complexity levels were developed to address the differences in skill needs between occupations. A task's complexity rating also changes depending on the context.

Transferable skills

Transferable skills are those skills that you can apply and make use of in a variety of situations. A worker may obtain a skill in 1 job and be able to use the same skill in their next job. For example, obtaining a Smart Serve certificate can be considered a transferable skill, as you can use the skills in any serving situation.

Additional Resources

This section provides both a list of useful websites and a glossary of terms you may come across when looking at labour market information.

Useful Websites

Apprenticeship and Training	Apprentice Search	www.apprenticesearch.com
	Ministry of Training, Colleges and Universities	http://www.tcu.gov.on.ca/eng/
	Ontario Youth Apprenticeship Program	http://www.oyap.com http://www.skillscanada.com/
Employment	Employment Ontario	www.employmentontario.ca
	PATH Employment	http://www.pathemployment.com/
Government	Canadian Human Rights Commission	http://www.chrc-ccdp.ca/index.html
	Citizenship and Immigration Canada	http://www.cic.gc.ca/
	Ministry of Labour	http://www.labour.gov.on.ca
	Ministry of Training, Colleges and Universities	http://www.tcu.gov.on.ca/eng/
Labour	Canadian Labour and Business Centre	http://www.clbc.ca/
	HRSDC Labour Market Information	http://www.hrsdc.gc.ca
	Statistics Canada	http://www.statcan.gc.ca
	Working in Canada	http://www.workingincanada.gc.ca
Workforce planning	Workforce Planning Ontario	www.workforceplanningontario.ca

Glossary of Terms

Apprenticeship	A period of supervised training leading to certification in a skilled trade.. An apprenticeship combines on-the-job training and in-school authorities.
Benefits	Various forms of compensation (e.g. life insurance, special medical care, dental plan, private pension plan) provided to employees by their employer. A portion of your paycheque may be deducted for these benefits.
Career	A specific occupational stream for which an individual has been trained or employed throughout their lifetime.
Census Division	A Census Division is a group of neighbouring municipalites joined together for the purpose of regional planning. Census Division is the general term for provincially legislated areas such as county and regional districts.
Census Metropolitan Area (CMA)	A CMA is a larger urban area together with adjacent urban and rural areas that have a high degree of social and econoimc integration with the urban core. A CMA has an urban core of at least 100,000.
Cyclical Employment	Occurs when the demand for labour is low, with more job seekers than job vacancies, as a result of a downturn in the business cycle.
Demand	Demand for labour comes from employers and their need to employ workers to produce goods and services. An occupation is in demand when the number of available positions exceeds the number of available workers.
Economic Growth	An increase in the total output of an economy over a period of time. When new productive resouces are available or when more products and goods are produced with existing resources, economic growth takes place. New resources could be a larger working age population, larger investments in infrastructure or machines used to help increase current worker productivity.

Economic Region	Statistics Canada defines an Economic Region as a geographic unit generally composed of several Census Divisions within a province. Economic Regions enable reliable labour force estimates for areas too small to produce their own reliable statistics.
Educational Attainment	Highest level of schooling completed.
Employed	An individual who is activitely working in return for pay or other benefits.
Employee	An individual who is hired by a business or a person to provide labour services on a regular basis in exchange for a wage.
Employer	A business or person who hires individuals to provide labour services on a regular basis in exchange for a wage.
Employment Insurance	Provides temporary finanical assistance for unemployed Canadians while they look for work or upgrade their skills. Canadians who are sick, pregnant, or caring for a newborn or adopted child, as well as those who must care for a family member who is seriously ill with a significant risk of death, may also be assisted by EI.
Employment Rate	Number of employed persons expressed as a percentage of the popualtion 15 years of age and over.
Employment Trends	Significant observations about an occupational group such as the movement towards special education or skill set requirements or current technological developments that have an impact on the occupational group and long-term growth projection of the economy.
Employment Standards	Laws governing conditions such as general holidays, annual vacations, hours of work, minimum wages, layoff procedures and severance pay. Employment standards are set by provincial and territorial governments.
Essential Skills	There are nine skills people need for work and learning in Canada (reading text, document use, numeracy, writing, oral communication, thinking, working with others, computer use and continuous

	learning).
Frictional Unemployment	Occurs in the normal job search process and is made up of individuals who have voluntarily quit their jobs, are entering the labour force for the first time, or are re-entering the labour force.
Full-Time Employment	According to Statistics Canada, full-time employment is a condition of work where employed individals work 30 hours or more per week in their main job.
Hidden Job Market	Job vacancies filled informally due to the time and cost of advertising a job. Information about available work is often circulated through managers, employees and business associates, as well as through family, friends and acquantances.
Job Vacancy	A job that is unfilled for a given period of time while employers have been trying to fill the position. The position would be available immediately in a job vacancy.
Labour Force	The part of the working age population working or actively job searching. Retired people, students, people not actively seeking work or are unavailable for work are not part of the labour force.
Labour Market Information	Information concerning conditions in, or the operation of, the labour market such as data on employment, wages, standards and qualifications, job openings and working conditions.
Labour Market	An environment where people looking for jobs interact with employers.
Local Labour Market Information	LMI specifically targeted towards a particular local area or community.
National Occuaptional Classification (NOC)	A nationally accepted method of organizing 30,000 occupations into numerical codes. The occupations are sorted by skill type based on sectors as well as skill level based on educational requirements for the occupation.

North American Industry Classification System (NAICS)	A numeric system designed to uniformly organize establishments (companies/organizations) by the specific industry they are in.
Part-Time Employment	According to Statistics Canada, part-time employment is a condition of work where employed individuals work less than 30 hours per week in their main job.
Participation Rate	Total labour force expressed as a percentage of the population aged 15 years and over.
Private Sector	Refers to any employer that is a legal private corporation, a partnership or sole proprietorship.
Public Sector	Refers to a government agency or owned entity that is strongly affected by public policy.
Salary	A fixed amount of money paid to an employee by the employer.
Seasonal Unemployment	Occurs when people in a particular occupation or industry have regular periods of unemployment during the same period each year.
Sectors	The term may be used to describe a grouping of industries or a grouping of occupations.
Sector Councils	National partnership organizations that combine business, labour, and educational stakeholders and allow them to share ideas, concerns and perspectives about human resources and skills issues and solutions that benefit their respective sector.
Self-employed	Individuals who work for themselves
Skill Gaps	When existing or potential employees do not have the required skills to fill a position or to meet the firm's needs.
Structural Unemployment	Unemployment due to a mismatch between the skills or location of the labour force and the skills or location required by employers.
Unemployed	An individual who is not currently employed but is still actively seeking employment.

Unemployment Rate	The percentage of persons unemployed and looking for work.
Underemployment	When an individual is in a job or career where they are overqualified and thus their sills are being underutilized. The two main types of underemployment are those working part-time when they would like to be working full-time, and when an individual is woking full-time in a job that doesn require the use of all their skills , education , or experience.
Wage	An amount of money paid to a worker for a specified quantity of work, usually expressed on an hourly basis.
Supply	Those people that are part of the workforce- ready and willing to work.
Working Age Population	The population of people over the age of 15 who are not living on Indian reserves, as inmates of institutions or as full-time members of the armed forces.