

Summary

This report provides a review of Ontario's labour market performance in 2023. It presents a summary of the overall labour market in the province, followed by information for demographic groups, industries, occupations, major cities and other provinces. The report also provides information on wage growth compared to inflation.

Ontario's labour market moderated in 2023 following two years of record job gains

- After recording record gains in 2021 and 2022, the pace of Ontario's job creation moderated in 2023 with employment rising by 183,200 jobs (or 2.4 per cent). The annual unemployment rate in the province inched up from 5.6 per cent in 2022 to 5.7 per cent in 2023.
- Although Ontario's working age population (age 15 and over) increased at the fastest pace on record at 2.3 per cent in 2023, the rise in the province's labour force was even larger (2.5 per cent). As a result, the labour market participation rate¹ edged up to 65.5 per cent, the highest rate since 2015.

Most groups of workers saw job gains

- Core-aged workers (25-54) experienced employment growth of 2.7 per cent in 2023, with job gains for females modestly faster than for males. The employment rate (84.1 per cent) and labour force participation rate (88.3 per cent) of core-aged workers reached record highs in 2023.
- Among all broad age groups, young workers saw the slowest pace of job growth in 2023 at 1.8 per cent, as employment of male youth increased by 4.7 per cent, partially offset by a 1.2 per cent decline in female youth employment.
- Public sector employment increased at a slower pace than in the private sector in 2023 (1.6 per cent versus 3.3 per cent), after recording faster job gains in the previous two years.
- The number of self-employed Ontarians declined by 9,800 (-0.9 per cent) in 2023, marking the third drop in the past four years. Self-employed workers accounted for 13.6 per cent of total employment, the lowest share since 1991, and reflecting rapid increases in paid employment in permanent positions.
- Fourteen of the 16 major industries in Ontario saw an increase in employment in 2023. Health care and social assistance recorded the largest increase in employment (37,600 or 4.0 per cent), while wholesale and retail trade saw a decrease in employment (-24,300 or -2.1 per cent).
- Job vacancies trended lower in 2023, declining 24.9 per cent compared to the previous year, with declines in all industries except utilities.
- All but two census metropolitan areas (CMAs) in Ontario saw an increase in employment in 2023. Windsor had the fastest pace of job creation (8.2 per cent), while Hamilton (-1.1 per cent) and Oshawa (-1.0 per cent) experienced job losses.

Wage growth in Ontario outpaced inflation in 2023 for most groups of workers

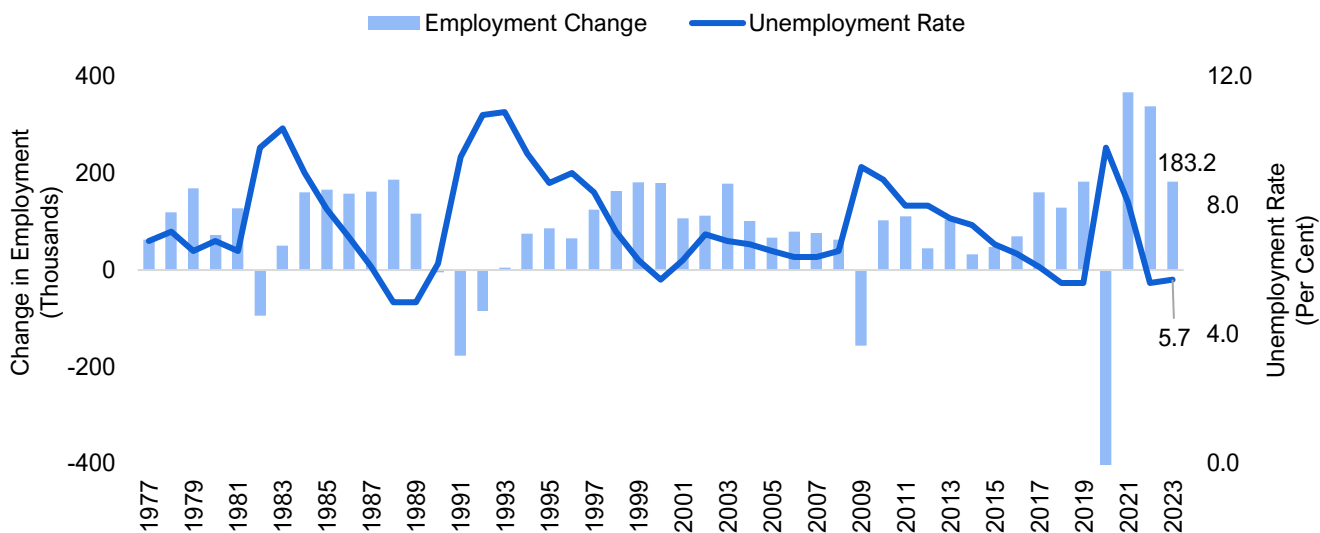
- Following two years of wage growth lagging inflation, the average hourly wage of Ontarians increased 5.1 per cent to \$34.63 in 2023, above the 3.8 per cent average annual consumer price index (CPI) inflation rate. Wages in 12 out of 16 industry groups and 18 out of 34 occupation groups grew above inflation.

¹ Defined as the percentage of the working-age population who are participating in the labour market whether employed or unemployed and looking for work.

Ontario's labour market moderated in 2023 following two years of record job gains

After recording record gains in 2021 and 2022, the pace of Ontario's job creation moderated in 2023 with employment rising by 183,200 jobs (or 2.4 per cent).² The annual unemployment rate in the province inched up from 5.6 per cent in 2022 to 5.7 per cent in 2023. Although Ontario's working age population³ increased at the fastest pace on record at 2.3 per cent in 2023, the rise in the province's labour force was even larger (2.5 per cent). As a result, the labour market participation rate⁴ edged up to 65.5 per cent, the highest rate since 2015.

Figure 1
Ontario gained 183,200 jobs in 2023



Source: Statistics Canada: Labour Force Survey: Table 14-10-0327-01.

Ontario experienced job losses in the second half of 2023

On a monthly basis, Ontario's labour market softened in the second half of 2023 with 32,800 jobs lost during July to December. The unemployment rate rose from a low of 5.1 per cent in April to 6.3 per cent in December. This 1.2 percentage point rise in the unemployment rate marked the largest increase over an eight-month period since December 2008 to August 2009 (+2.0 percentage points) excluding the pandemic.

² As the economy recovered from the COVID-19 pandemic shutdowns, employment in Ontario increased by 367,400 (5.2 per cent) in 2021 and 338,300 (4.6 per cent) in 2022, marking the fastest two-year job gain on record back to 1976.

³ Defined at those aged 15 and over.

⁴ Defined as the percentage of the working-age population who are participating in the labour market whether employed or unemployed and looking for work.

Core-aged workers experienced strong pace of job gains while female youth saw job losses

In 2023, employment increased across all broad age and gender categories except female youth (aged 15-24). Core-aged workers (25-54) experienced employment growth of 2.7 per cent in 2023, with job gains for females (3.0 per cent) modestly faster than for males (2.4 per cent). The employment rate⁵ and labour force participation rate of core-aged workers reached record highs in 2023, at 84.1 per cent and 88.3 per cent, respectively, as both rates for female workers also climbed to all-time highs.

Among all age groups, young workers saw the slowest pace of job growth in 2023, at 1.8 per cent, as male youth employment growth of 4.7 per cent was partially offset by a 1.2 per cent decline in female youth employment. The drop in female youth employment in 2023 was led by a 20,400 decline in part-time employment in the wholesale and retail trade industry and followed the group's exceptionally strong job growth in 2021 and 2022 (11.6 and 10.4 per cent, respectively). Workers aged 55 and over recorded job growth of 1.9 per cent, with similar gains for older males (2.0 per cent) and females (1.8 per cent).

The unemployment rate of core-aged workers rose slightly from 4.6 per cent in 2022 to 4.7 per cent in 2023, while for young workers the unemployment rate increased by a full percentage point to 12.5 per cent. Older workers saw their unemployment rate decline from 4.6 per cent in 2022 to 4.1 in 2023.

Table 1
 Summary of labour market outcomes for demographic groups

Age and Gender	Annual Employment Change in 2023		Unemployment Rate (Per Cent)		
	(Thousands)	(Per Cent)	2021	2022	2023
Youth (15-24 years)	18.4	1.8	15.9	11.5	12.5
Males	24.4	4.7	16.5	12.4	12.8
Females	-5.9	-1.2	15.2	10.6	12.2
Core (25-54 years)	132.9	2.7	6.7	4.6	4.7
Males	61.8	2.4	6.6	4.3	4.5
Females	71.2	3.0	6.8	5.0	5.0
Older (55 years and over)	31.8	1.9	7.4	4.6	4.1
Males	18.4	2.0	7.2	4.5	4.1
Females	13.4	1.8	7.8	4.7	4.0
Total	183.2	2.4	8.1	5.6	5.7

Source: Statistics Canada: Labour Force Survey: Table 14-10-0327-01.

⁵ Defined as the percentage of the working-age population who are employed.

Ontario saw job gains across most types of employment categories

Employment grew across most major categories except for self-employed workers. Employment in full-time positions (2.7 per cent) grew at a faster pace in 2023 than part-time positions (1.0 per cent) for the second consecutive year. Employment growth in permanent positions (3.1 per cent) outpaced temporary jobs (1.7 per cent). In the public sector, employment increased at a slower pace than in the private sector in 2023 (1.6 per cent versus 3.3 per cent), after recording faster job gains in the previous two years.

The number of self-employed Ontarians declined by 9,800 (-0.9 per cent) in 2023, marking the third drop in the past four years. Since 2019, 87.6 per cent of the decline in self-employment was driven by self-employed individuals who were unincorporated and had no paid help, which may reflect increased opportunities for paid employment in permanent jobs, which increased at a record pace in 2021 and 2022.⁶ The share of workers employed in permanent positions increased to a record high of 76.6 per cent in 2023, while the share of self-employed workers fell to 13.6 per cent, the lowest since 1991.

Table 2

Summary of labour market outcomes by type of employment and class of workers

Job Category	Annual Employment Change in 2023 (Thousands)	Annual Employment Change in 2023 (Per Cent)
Type of Employment		
Full-time	169.8	2.7
Part-time	13.4	1.0
Class of Workers		
Private	168.8	3.3
Public	24.2	1.6
Self-employed	-9.8	-0.9
Job Permanency of Paid Employment*		
Permanent	180.4	3.1
Temporary	12.6	1.7
Total	183.2	2.4

* Paid employment does not include the self-employed.

Source: Statistics Canada: Labour Force Survey: Tables [14-10-0327-01](#), [14-10-0027-01](#) and [14-10-0072-01](#).

Most industries in Ontario saw job growth in 2023

Of the 16 major industries in Ontario, 14 saw an increase in employment in 2023. Health care and social assistance recorded the largest increase in employment (37,600 or 4.0 per cent), followed by accommodation and food services (28,100 or 7.0 per cent) and professional, scientific and technical services (27,800 or 3.5 per cent). At the opposite end, wholesale and retail trade saw a decrease in employment (-24,300 or -2.1 per cent) in 2023 following two years of strong growth. Three industries – accommodation and food services, business, building and other support services, and other services⁷ – continued to operate with fewer employees in 2023 compared to before the pandemic in 2019.

⁶ The annual increase in permanent jobs in 2021 (5.5 per cent) and 2022 (5.3 per cent) were the fastest pace on record.

⁷ Other services include industries related to repair and maintenance of motor vehicles, machinery and equipment and other products, personal care services, funeral services, laundry services, and other services to individuals, religious, grant-making, civic, and professional and similar organizations, as well as private households engaged in employing workers, such as cooks, maids, gardeners or caretakers, and babysitting. For details, see [North American Industry Classification System \(NAICS\) Canada 2017 Version 3.0](#).

Table 3
The majority of industries saw job gains in 2023

Industry	Annual Employment Change in 2023 (Thousands)	Annual Employment Change in 2023 (Per Cent)
Health care and social assistance	37.6	4.0
Accommodation and food services	28.1	7.0
Professional, scientific and technical services	27.8	3.5
Manufacturing	20.9	2.7
Other services	20.0	7.9
Transportation and warehousing	18.7	4.9
Public administration	15.0	3.4
Information, culture and recreation	11.6	3.7
Construction	8.0	1.4
Agriculture	7.5	10.5
Educational services	4.5	0.8
Forestry, fishing, mining, quarrying, oil and gas	3.2	8.6
Utilities	3.2	5.3
Finance, insurance, real estate, rental and leasing	3.0	0.4
Business, building and other support services	-1.6	-0.6
Wholesale and retail trade	-24.3	-2.1

Source: Statistics Canada: Labour Force Survey: Table 14-10-0023-01.

Job vacancies trended lower in 2023

In tandem with the slower pace of employment gains, job vacancies trended lower in 2023, declining 24.9 per cent compared to the previous year.⁸ Job vacancies declined in all industries except utilities (43.9 per cent increase). Long-term job vacancies, defined as positions that remained unfilled for 90 days or more, represented 34.2 per cent of all job vacancies in the third quarter of 2023, down from a peak of 37.2 per cent in the fourth quarter of 2022.⁹ However, the share of long-term job vacancies remained higher in 2023 in all major occupation groups than before the pandemic in 2019.

⁸ Change in the average number of job vacancies in the first three quarters of 2023 compared to the average over the same period in 2022.

⁹ Statistics Canada: Job Vacancy and Wage Survey: Table 14-10-0328-01.

Table 4
Job vacancies declined in most industries in 2023

Industry	Annual Change in Job Vacancies in 2023* (Thousands)	Annual Change in Job Vacancies in 2023* (Per Cent)	Job Vacancies in 2023** (Thousands)
Accommodation and food services	-19.3	-38.4	31.0
Wholesale and retail trade	-13.9	-27.3	37.1
Manufacturing	-11.0	-34.8	20.7
Professional, scientific and technical services	-10.8	-37.0	18.4
Finance, insurance, real estate, rental and leasing	-8.1	-34.0	15.7
Construction	-7.8	-29.1	19.1
Business, building and other support services	-6.9	-22.7	23.3
Information, culture and recreation	-5.0	-30.3	11.4
Transportation and warehousing	-2.6	-16.5	13.0
Other services	-2.5	-17.7	11.6
Agriculture, forestry, fishing, hunting	-1.6	-30.3	3.6
Educational services	-0.8	-7.6	9.2
Health care and social assistance	-0.6	-1.1	52.5
Public administration	-0.4	-7.5	5.3
Mining, quarrying, and oil and gas extraction	-0.1	-11.8	1.0
Utilities	0.5	43.9	1.6
All Industries	-90.9	-24.9	274.5

* Change in the average number of job vacancies in the first three quarters of 2023 compared to the average over the same period in 2022.

** Average number of job vacancies in the first three quarters of 2023.

Source: Statistics Canada: Job Vacancy and Wage Survey: Table 14-10-0326-01.

Employment grew across most Census Metropolitan Areas

All but two census metropolitan areas (CMAs) in Ontario saw an increase in employment in 2023. Windsor (8.2 per cent), Ottawa-Gatineau (5.7 per cent), and Kingston (5.1 per cent) had the fastest pace of job creation. In contrast, Hamilton experienced a decline in employment (-1.1 per cent), driven by job losses in its accommodation and food services, and wholesale and retail trade industries. Employment in Oshawa also declined (-1.0 per cent) as its other services, construction and manufacturing sectors shed jobs. In 2023, employment in Brantford, Greater Sudbury and Hamilton remained below their pre-pandemic 2019 levels.

The unemployment rate increased in nine of the 16 CMAs as their labour force grew faster than employment. Most notably, the unemployment rate in Belleville increased from the lowest among all CMAs in 2022 (3.7 per cent) to the highest in 2023 (6.5 per cent) as its labour force growth (5.7 per cent) more than doubled the rise in employment (2.6 per cent). Across the CMAs, the lowest unemployment rates in 2023 were recorded in Thunder Bay (4.2 per cent), Ottawa-Gatineau (4.5 per cent) and Brantford (4.6 per cent).

Table 5
The majority of CMAs saw job gains in 2023

Census Metropolitan Area	Annual Change in Employment, 2023 (Per Cent)	Unemployment Rate (Per Cent)		
		2021	2022	2023
Windsor	8.2	9.7	7.7	6.4
Ottawa-Gatineau, Ontario part	5.7	6.1	4.2	4.5
Kingston	5.1	7.5	5.5	4.7
Barrie	4.3	8.1	5.5	4.9
London	3.9	7.9	5.7	5.3
Guelph	3.6	6.8	4.2	4.7
Thunder Bay	3.4	7.3	4.9	4.2
Kitchener-Cambridge-Waterloo	3.0	6.3	5.7	6.0
Toronto	2.9	9.3	6.4	6.3
Belleville	2.6	8.4	3.7	6.5
Greater Sudbury	1.8	7.5	4.3	4.9
Peterborough	0.8	7.8	4.5	4.7
Brantford	0.6	7.1	5.1	4.6
St. Catharines-Niagara	0.4	10.3	5.2	5.8
Oshawa	-1.0	7.8	5.3	5.7
Hamilton	-1.1	6.9	4.9	5.5

Source: Statistics Canada: Labour Force Survey: Table 14-10-0385-01.

Employment growth slowed in most provinces in 2023

All provinces experienced job gains in 2023, but at a slower pace compared to 2022 except in New Brunswick and Prince Edward Island. In 2023, Prince Edward Island had the fastest pace of job creation (5.7 per cent) while British Columbia's employment growth was the slowest (1.6 per cent). Ontario's employment growth (2.4 per cent) was the sixth highest among all provinces.

The unemployment rate dropped in all four Atlantic provinces in 2023 but remained higher than the rest of the country. Newfoundland and Labrador had the highest unemployment rate among the provinces (10.0 per cent), while Quebec had the lowest (4.5 per cent) for the third year in a row. Ontario recorded the fifth lowest unemployment rate in the country, trailing Quebec, Manitoba, Saskatchewan and British Columbia.

Table 6

Ontario recorded the sixth fastest pace of job gains among all the provinces in 2023

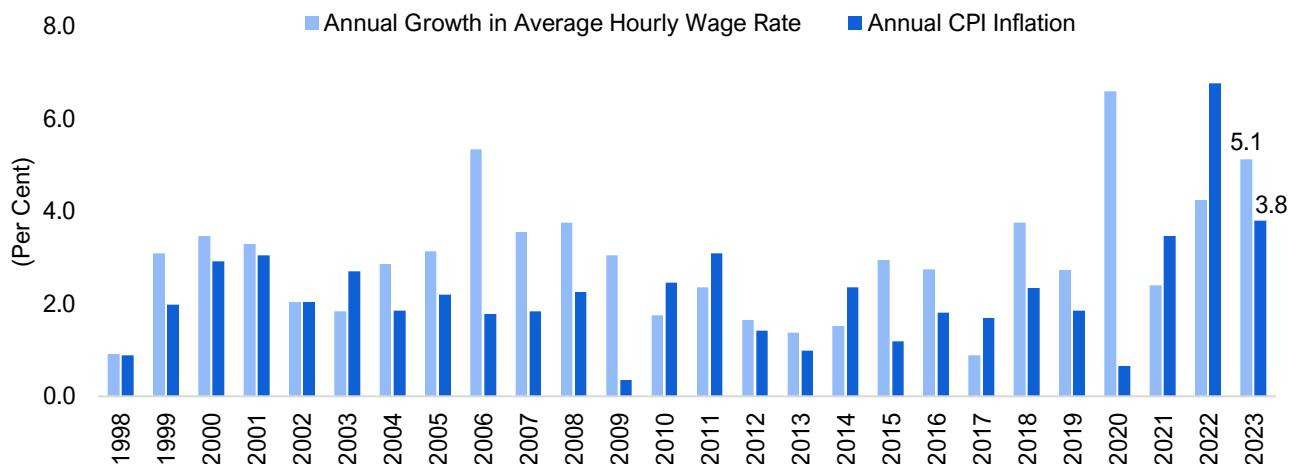
Province	Annual Change in Employment, 2023 (Per Cent)	Unemployment Rate (Per Cent)		
		2021	2022	2023
Prince Edward Island	5.7	9.7	7.6	7.3
Alberta	3.6	8.6	5.8	5.9
New Brunswick	3.5	9.2	7.2	6.6
Nova Scotia	2.7	8.6	6.5	6.3
Manitoba	2.5	6.5	4.6	4.8
Ontario	2.4	8.1	5.6	5.7
Quebec	2.3	6.1	4.3	4.5
Saskatchewan	1.8	6.6	4.7	4.8
Newfoundland and Labrador	1.8	13.1	11.3	10.0
British Columbia	1.6	6.6	4.6	5.2
Canada	2.4	7.5	5.3	5.4

Source: Statistics Canada: Labour Force Survey: Table [14-10-0327-01](#).

Wage growth in Ontario outpaced inflation in 2023

Following two years of wage growth lagging inflation, the average hourly wage of Ontarians increased 5.1 per cent to \$34.63 in 2023, above the 3.8 per cent average annual CPI inflation rate.

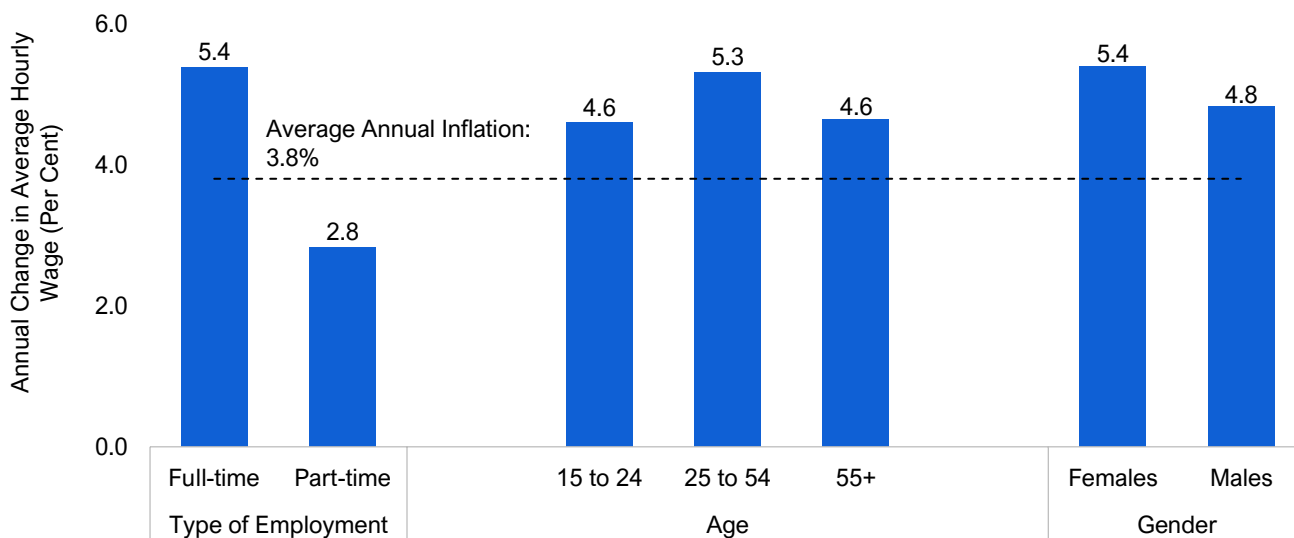
Figure 2
Average hourly wage growth outpaced inflation in 2023



Source: Statistics Canada: Labour Force Survey: Table 14-10-0064-01 and Consumer Price Index: Table 18-10-0005-01.

Wage growth was above the 3.8 per cent inflation rate for all major groups except part-time workers. Wages for full-time employees increased 5.4 per cent, almost double the 2.8 per cent growth for part-time workers. Across the broader age groups, core-aged workers saw average wage gains of 5.3 per cent, while both young and older workers had average hourly wage growth of 4.6 per cent. Average wage growth for female workers (5.4 per cent) outpaced that for male workers (4.8 per cent).

Figure 3
Average hourly wage growth was above inflation for most major groups



Source: Statistics Canada: Labour Force Survey: Table 14-10-0064-01.

Wage growth in majority of industries and occupation groups exceeded inflation

Of the 16 major industry groups, 12 industries saw their average hourly wage rate increase faster than inflation. Agriculture — the industry with the fastest pace of job gains in 2023 — recorded the strongest annual wage growth. The second highest wage growth was recorded in forestry, fishing, mining, quarrying, oil and gas, which also had the second fastest pace of job gains. Wages in health care and social assistance, one of the largest sources of employment in Ontario, increased slightly above inflation at 4.0 per cent. Accommodation and food services, which historically has the lowest average hourly wage rate among all industries, saw their wages increase less than inflation at 3.1 per cent, while wages for workers in the information, culture and recreation industry declined by 1.0 per cent.

Table 7

Average hourly wage rate in four industries did not keep up with CPI inflation

Industry	Average Hourly Wage Rate, 2023 (\$)	Annual Change in Average Hourly Wage Rate in 2023 (Per Cent)
Agriculture	25.9	19.6
Forestry, fishing, mining, quarrying, oil and gas	44.6	10.1
Manufacturing	33.3	7.8
Professional, scientific and technical services	46.5	6.7
Transportation and warehousing	31.7	5.9
Public administration	44.7	5.8
Construction	35.9	5.7
Finance, insurance, real estate, rental and leasing	43.3	5.4
Wholesale and retail trade	26.7	5.4
Other services	29.3	5.1
Business, building and other support services	26.6	5.0
Health care and social assistance	32.5	4.0
Utilities	50.8	3.2
Accommodation and food services	19.5	3.1
Education	39.8	1.2
Information, culture and recreation	32.2	-1.0
Total employees, all industries	34.6	5.1

Source: Statistics Canada: Labour Force Survey: Table 14-10-0064-01.

Across 34 different occupation groups, the average hourly wage for 18 occupations increased above inflation in 2023. Occupation groups with the strongest wage growth were middle management occupations in trades, transportation, production and utilities (11.9 per cent), occupations and support occupations in art, culture and sport (10.6 and 8.4 per cent) and workers and labourers in natural resources, agriculture and related production (7.7 per cent). Wages in technical occupations in art, culture and sport¹⁰ declined slightly (-0.1 per cent). Wage growth in middle management occupations in retail and wholesale trade and customer services (0.7 per cent), front-line public protection services and paraprofessional occupations in legal, social, community, education services (1.2 per cent), labourers in processing, manufacturing and utilities (1.6 per cent) and professional occupations in health (1.6 per cent) were all below inflation.

¹⁰ According to Statistics Canada's [National Occupation Classification 2021](#), technical occupations in art, culture and sport are TEER (Training, Education, Experience and Responsibility) 2 occupations that usually require a college diploma or apprenticeship training of two or more years, or supervisory occupations. Occupations in art, culture and sport are TEER 3 occupations that usually require a college diploma or apprenticeship training of less than two years, or more than six months of on-the-job training. Support occupations in art, culture and sport are TEER 4 and 5 occupations that usually require a secondary school diploma, several weeks of on-the-job training, or short-term work demonstration and no formal education.

Table 8
Average hourly wage rate by occupation

National Occupational Classification (NOC)	Average Hourly Wage Rate, 2023 (\$)	Annual Change in Average Hourly Wage Rate (Per Cent)
Management occupations	59.8	5.6
Legislative and senior management occupations	93.7	7.1
Specialized middle management occupations	62.5	4.5
Middle management occupations in retail and wholesale trade and customer services	45.8	0.7
Middle management occupations in trades, transportation, production and utilities	55.6	11.9
Business, finance and administration occupations except management	34.1	4.8
Professional occupations in finance and business	43.7	4.7
Administrative and financial supervisors and specialized administrative occupations	34.4	3.9
Administrative occupations and transportation logistics occupations	30.1	4.7
Administrative and financial support and supply chain logistics occupations	24.8	3.0
Natural and applied sciences and related occupations except management	45.8	5.5
Professional occupations in natural and applied sciences	50.2	5.1
Technical occupations related to natural and applied sciences	34.6	3.0
Health occupations except management	34.7	3.8
Professional occupations in health	43.0	1.6
Technical occupations in health	34.4	6.2
Assisting occupations in support of health services	23.9	3.1
Occupations in education, law and social, community and government services except management	40.4	3.7
Professional occupations in law, education, social, community and government services	46.2	4.9
Front-line public protection services and paraprofessional occupations in legal, social, community, education services	31.2	1.2
Assisting occupations in education and in legal and public protection	29.0	5.4
Care providers and public protection support occupations and student monitors, crossing guards and related occupations	21.5	2.8
Occupations in art, culture, recreation and sport except management	29.4	3.6
Professional occupations in art and culture	36.0	3.3
Technical occupations in art, culture and sport	33.2	-0.1
Occupations in art, culture and sport	27.1	10.6
Support occupations in art, culture and sport	21.7	8.4
Sales and service occupations except management	22.2	3.0
Retail sales and service supervisors and specialized occupations in sales and services	28.1	3.3
Occupations in sales and services	25.4	2.4
Sales and service representatives and other customer and personal services occupations	23.1	3.2
Sales and service support occupations	18.1	3.0
Trades, transport and equipment operators and related occupations except management	30.7	3.8
Technical trades and transportation officers and controllers	35.6	3.5
General trades	27.5	2.6
Mail and message distribution, other transport equipment operators and related maintenance workers	27.4	4.2
Helpers and labourers and other transport drivers, operators and labourers	24.1	5.6
Natural resources, agriculture and related production occupations except management	26.5	8.0
Supervisors and occupations in natural resources, agriculture and related production	37.0	3.8
Workers and labourers in natural resources, agriculture and related production	23.0	7.7
Occupations in manufacturing and utilities except management	27.2	6.3
Supervisors, central control and process operators in processing, manufacturing and utilities and aircraft assemblers and inspectors	39.3	6.6
Machine operators, assemblers and inspectors in processing, manufacturing and printing	24.6	5.4
Labourers in processing, manufacturing and utilities	21.1	1.6
Total employees, all occupations	34.6	5.1

Source: Statistics Canada: Labour Force Survey: Table 14-10-0417-01.

About this Document

Established by the *Financial Accountability Officer Act, 2013*, the Financial Accountability Office (FAO) provides independent analysis on the state of the Province's finances, trends in the provincial economy and related matters important to the Legislative Assembly of Ontario.

Prepared by:

Jay Park, under the direction of Paul Lewis. Yefei Zhang and Andy Zhu contributed to this report.

The content of this report is based on information available to January 29, 2024. Background data used in this report are available upon request.

In keeping with the FAO's mandate to provide the Legislative Assembly of Ontario with independent economic and financial analysis, this report makes no policy recommendations.



Financial Accountability Office of Ontario

2 Bloor Street West, Suite 900, Toronto, Ontario M4W 3E2 | fao-on.org | info@fao-on.org | 416-644-0702

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