

This week's economic indicators are positive. Employment climbed in May, while building permits rose in April.

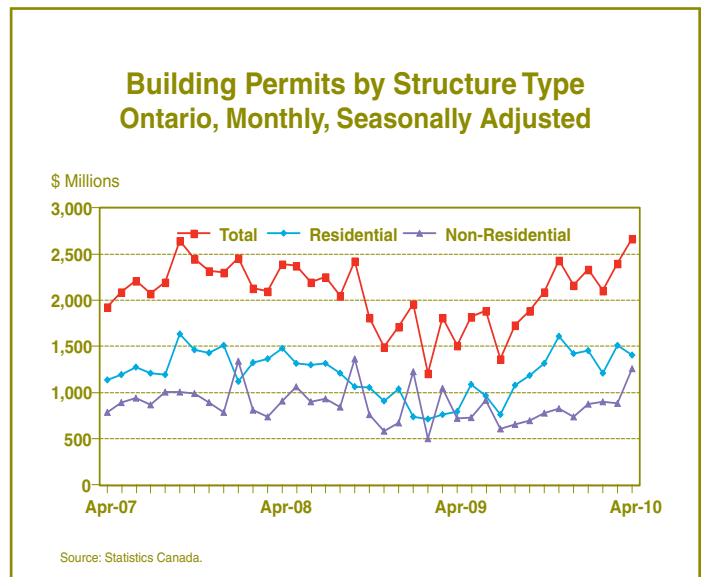
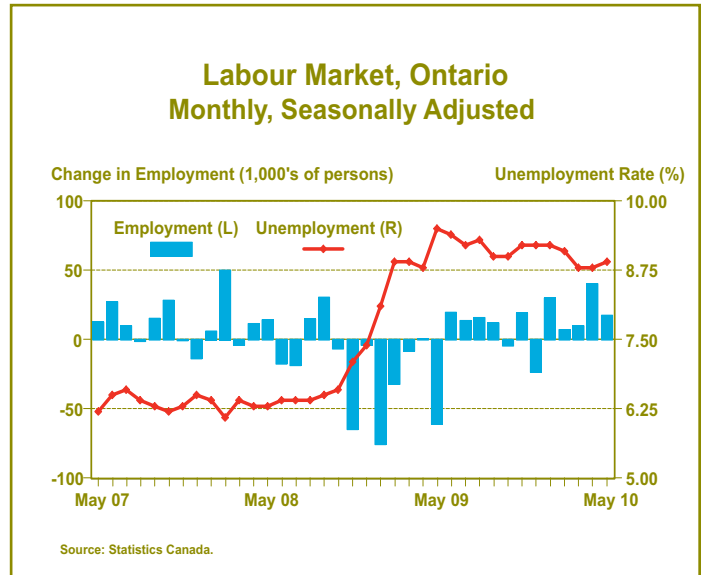
Ontario's **labour force** increased in May, according to the latest seasonally adjusted estimates from Statistics Canada. An estimated 7.28 million persons either worked or were looking for work during the week of May 9-15, up 28,100 (0.4%) from April. That is well above the average monthly change of 0.15% over the past 34 years. This rise in labour force participants caused Ontario's unemployment rate to inch up 0.1% to 8.9%, as the number of employed persons grew by an estimated 17,700 (0.3%).

May's labour force and job growth was concentrated among men aged 25 years and over. Full-time work increased while part-time employment declined. All of the net gain in jobs was among public- or private-sector employees, while self-employment was little changed.

Industry-wise, May's employment gain was concentrated in business/building/other support services and transportation/warehousing. Gains in these industries were mostly offset by declines in accommodation/food services.

Metropolitan Toronto experienced significant growth in the estimated number of labour force participants (up 32,000), employed persons (up 23,500) and unemployed persons (up 8,500). Regionally, recent rates of employment growth have been highest in the Stratford-Bruce, Kitchener-Waterloo-Barrie, Windsor-Sarnia, London, Ottawa and Northeast regions. Other regions have seen less robust employment growth recently except for Hamilton-Niagara, where employment inched down.

Central 1 Credit Union forecasts the average level of employment in Ontario will rise 1.5% this year, following a 2.4% decline in 2009. This outlook for below-average job growth reflects weakness in America's economic recovery. More favourable economic conditions after 2010 will lead to higher job growth and a declining unemployment rate.



The value of **building permits** issued by local governments in Ontario increased in April, according to the latest seasonally adjusted measurement from Statistics Canada. That is the highest level of monthly permits issued since December 2005. April's gain was entirely in non-residential building permits, while residential building permits declined.



Permits issued in April in Ontario totalled \$2.67 billion, up \$267 million (11%) from March. Just over half of these permits were for residential buildings, which decreased \$109 million (7%). Meanwhile, non-residential building permits jumped \$376 million (42%). Over half the growth in non-residential permits was in government-institutional buildings, while industrial and commercial buildings accounted for the balance.

Most of Ontario's larger urban areas saw increased building permits issued in April, led by Toronto, Windsor, Hamilton, Barrie and Oshawa. Gains in these and other urban areas were partly offset by declines in Guelph, Thunder Bay, Peterborough and London.

Central 1 Credit Union forecasts residential investment spending will total \$41.5 billion in Ontario this year, up 12.1% from 2009. Gains will be largely due to new housing construction, while renovation spending remains more or less level. Non-residential construction spending is forecast to total \$12.6 billion, down 11.6% from 2009. Business investment spending is usually the last sector to recover after a recession and growth in Ontario's non-residential construction is not forecast until 2012.

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