

Rural Ontario Economic Monitor

Table of contents	page
<u>Summary</u>	2
<u>Labour Force Characteristics</u>	3-5
<u>Changes in Employment</u>	6-12
<u>Rural Housing</u>	13
<u>About the Economic Analysis Unit</u>	14
<u>References</u>	15

Summary

- This economic outlook for Ontario suggests the province will experience slower growth this year, with some private sector forecasters calling for a recession (Budget 2025).
- The lagged impacts of higher interest rates and recent trade tensions are weighing on business activity in both rural and urban Ontario, but the impacts appear more pronounced in rural areas of the province (pp. 3-5).
 - Labour force growth in both rural (+1.0% year-to-date in 2025) and urban (+4.0%) Ontario remains strong, and above the long-term average, but it has begun to moderate in rural.
 - Employment is also rising (+0.4% in rural, +2.4% in urban), but at a slower pace compared to the labour force.
 - With employment trailing labour force growth, unemployment rates have been rising, averaging 5.8% in rural and 7.7% in urban so far this year.
- Rural employment trends by sector suggest tariffs may be having an impact on economic activity (pp. 3, 7 & 10).
 - Manufacturing employment is down -10.1% year-to-date.
 - Manufacturing is one of the largest rural employers and a move of this magnitude rarely occurs (almost two-standard deviations), pointing to unusual circumstances, with the likely culprit being the impacts of tariffs given the location of auto plants in or near rural areas.
- Further weakness can be found in finance and real-estate employment (down -14.3%) and construction (down -0.7%), as higher borrowing costs impact residential activity.
- Rural housing starts rose in the last quarter of 2024, but remain well below recent highs (p. 13)

Rural and urban labour force characteristics

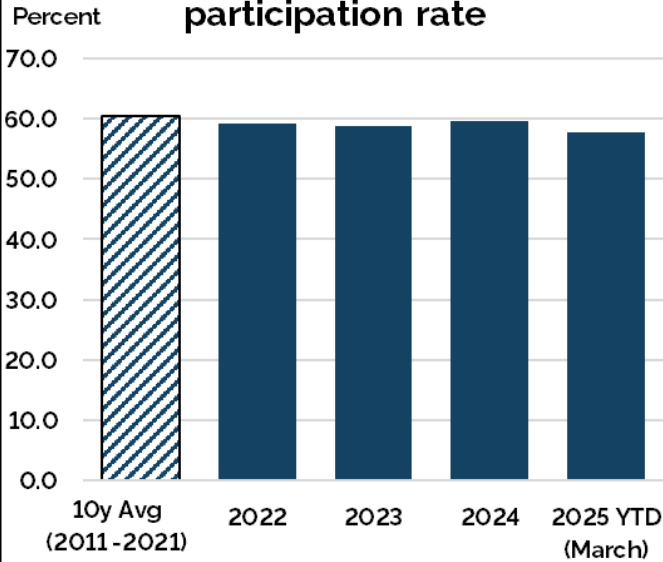
Annual changes in labour force characteristics and industry employment in rural and urban Ontario

Labour force characteristics	2021	2022	2023	2024	2025 (YTD)	Growth rate (%)		
						2023	2024	2025 (YTD)
Rural Ontario								
Labour force	1,238,200	1,264,500	1,271,900	1,321,100	1,304,867	0.6	3.9	1.0
Employment	1,155,400	1,208,400	1,211,600	1,253,600	1,229,433	0.3	3.5	0.4
Participation rate	59.0	59.3	58.8	59.5	57.7	-0.5	0.8	-1.1
Unemployment rate	6.7	4.5	4.7	5.1	5.8	0.3	0.4	0.6
Rural industry employment								
Rural goods sector employment	341,800	357,200	366,200	368,900	355,033	2.5	0.7	-3.8
Manufacturing	144,800	141,500	149,300	155,000	140,167	5.5	3.8	-10.1
Construction	119,600	134,700	132,100	132,400	127,967	-1.9	0.2	-0.7
Agriculture	42,700	46,400	46,800	45,500	41,833	0.9	-2.8	-7.9
Utilities	29,200	30,200	28,300	28,000	32,433	-6.3	-1.1	17.2
Forestry, fishing, mining, quarrying, oil and gas	24,200	23,700	26,200	25,300	29,967	10.5	-3.4	13.8
Rural services-producing sector employment	813,000	850,700	845,800	884,400	874,500	-0.6	4.6	2.2
Health care and social assistance	160,400	165,900	177,100	181,800	177,033	6.8	2.7	-0.6
Wholesale and retail trade	159,900	183,000	162,300	183,800	168,667	-11.3	13.2	-3.3
Educational services	86,200	84,400	77,000	84,800	82,000	-8.8	10.1	-5.3
Professional, scientific and technical services	62,200	72,100	69,100	74,600	73,900	-4.2	8.0	4.6
Public administration	51,100	60,200	67,600	66,200	70,633	12.3	-2.1	4.8
Accommodation and food services	62,300	64,400	62,900	57,400	64,567	-2.3	-8.7	20.4
Transportation and warehousing	57,400	54,000	54,300	51,800	58,500	0.6	-4.6	18.3
Other services (except public administration)	42,300	43,500	45,500	57,400	52,733	4.6	26.2	-8.6
Business, building and other support services	44,700	37,700	47,900	42,100	48,400	27.1	-12.1	19.9
Finance, insurance, real estate, rental and leasing	52,500	49,700	47,000	49,000	42,800	-5.4	4.3	-14.3
Information, culture and recreation	36,400	36,600	37,300	39,600	40,100	1.9	6.2	23.6
Urban Ontario								
Labour force	6,821,900	6,957,000	7,211,900	7,433,600	7,516,400	3.7	3.1	4.0
Employment	6,249,400	6,555,700	6,794,500	6,892,500	6,938,950	3.6	1.4	2.4
Goods-producing sector employment	1,139,100	1,201,700	1,252,800	1,214,600	1,202,267	4.3	-3.0	0.3
Services-producing sector employment	5,110,900	5,354,500	5,541,400	5,678,200	5,746,900	3.5	2.5	3.1
Participation rate	66.5	66.7	67.0	66.4	66.1	0.4	-0.6	0.3
Unemployment rate	8.4	5.8	5.8	7.3	7.7	0.0	1.5	1.4

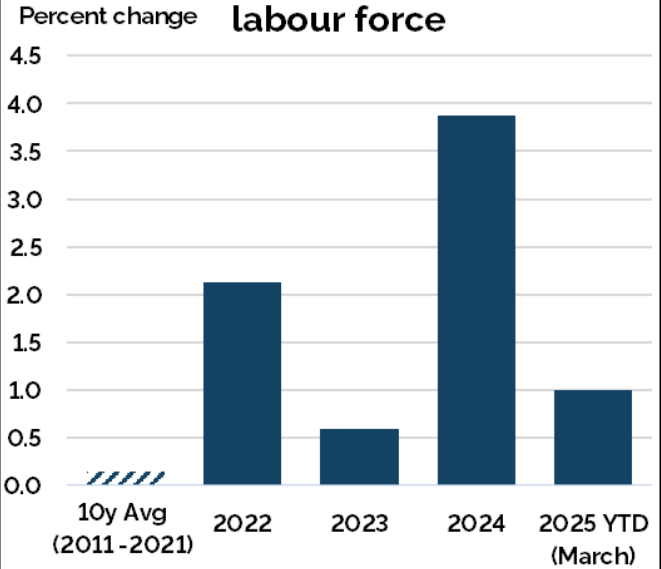
*Percentage points; **YTD: year to date as of March 2025

Rural labour force characteristics

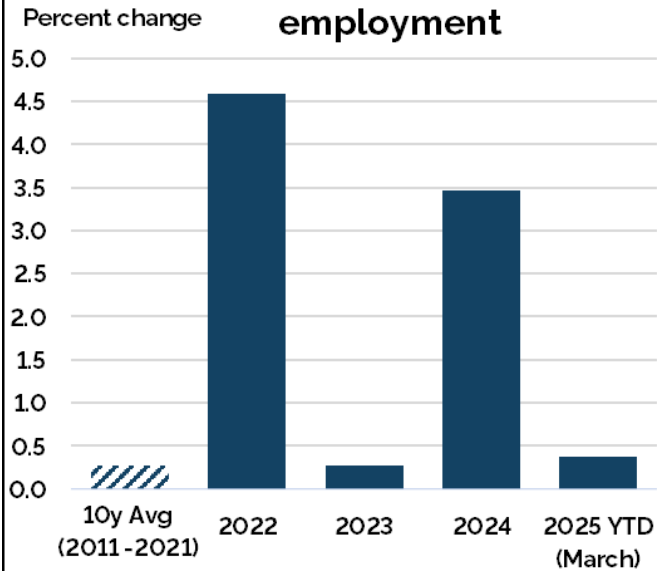
Rural labour force participation rate



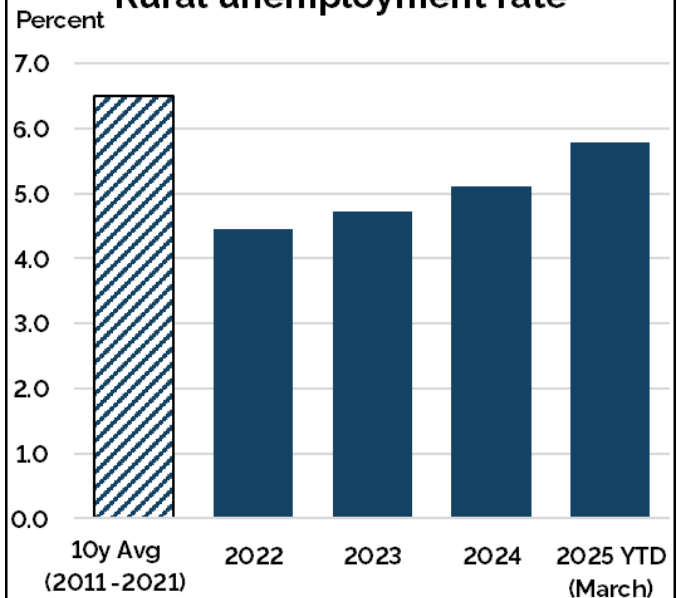
Annual changes in rural labour force



Annual changes in rural rural employment

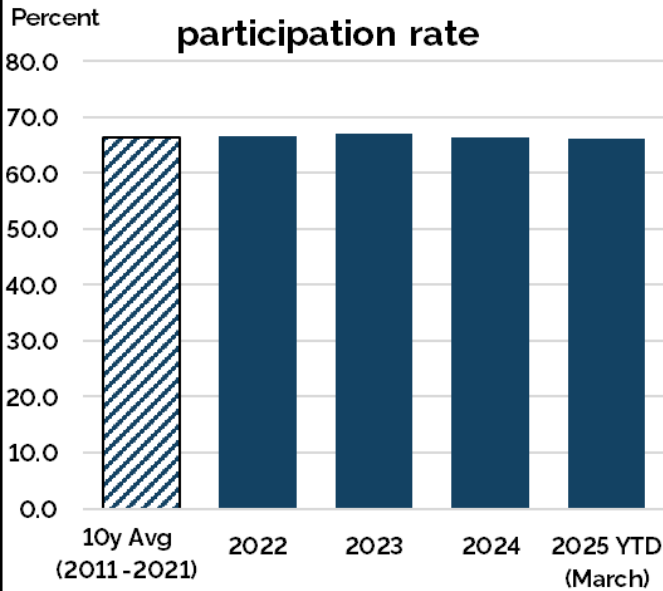


Rural unemployment rate

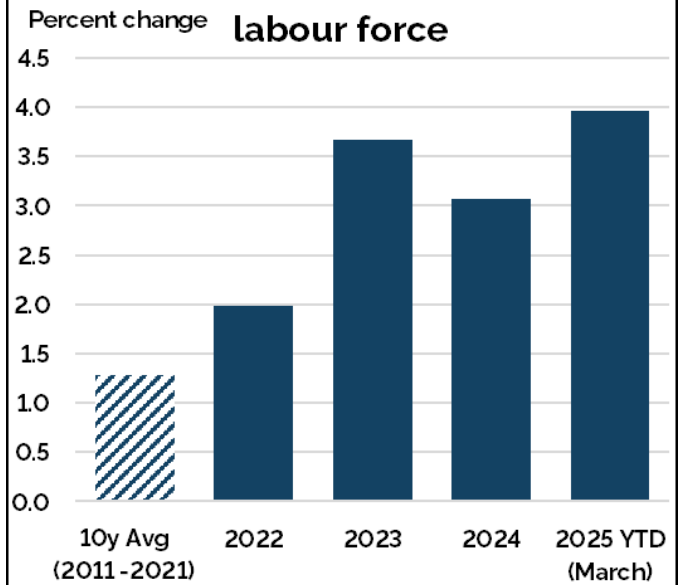


Urban Labour Force Characteristics

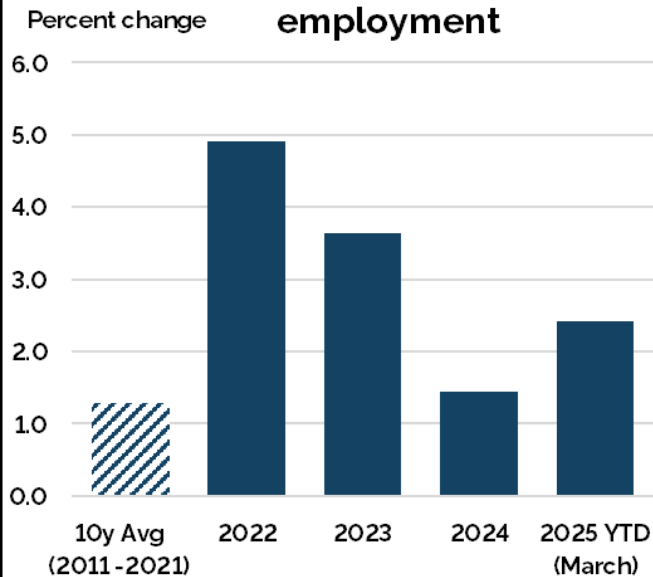
Urban labour force participation rate



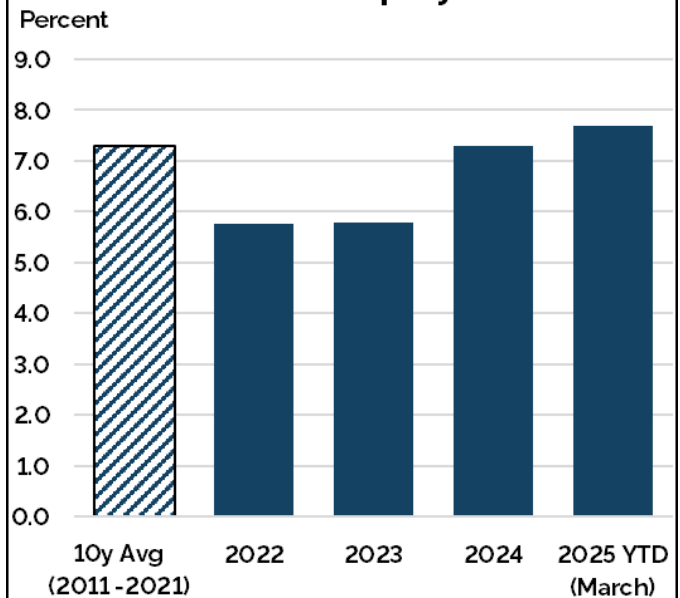
Annual changes in urban labour force



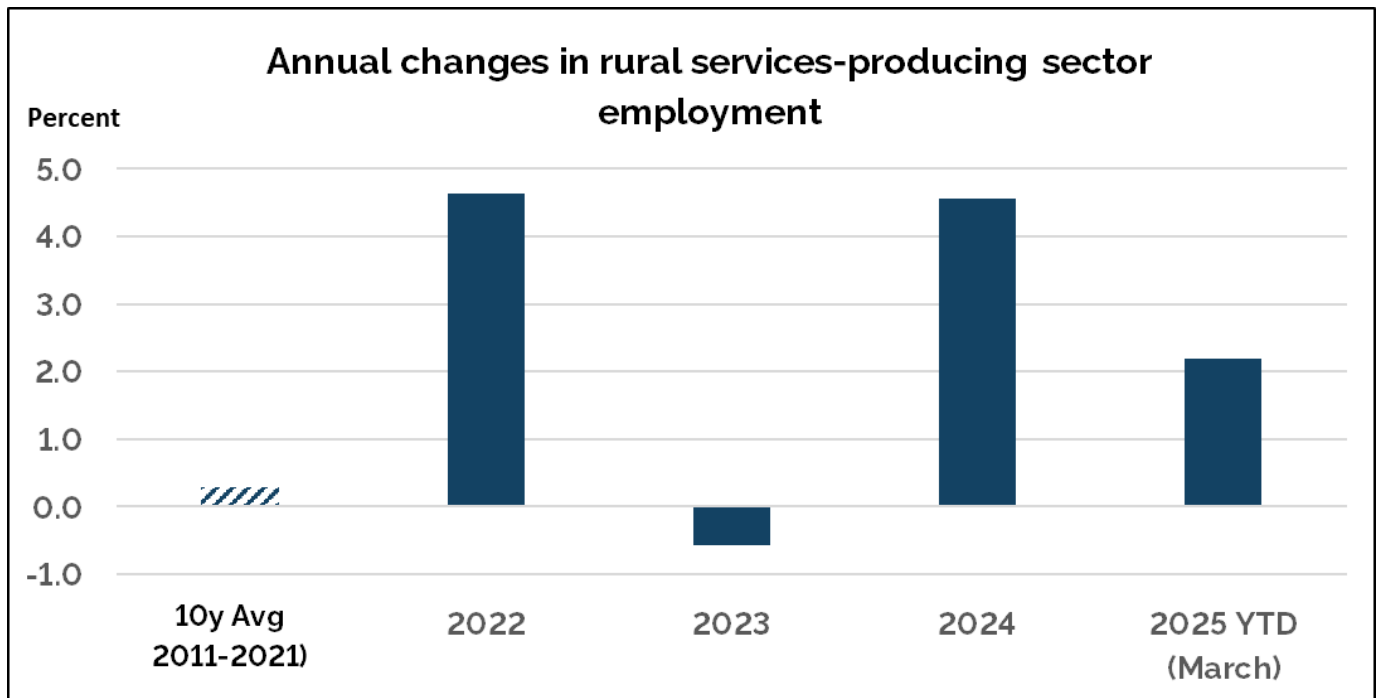
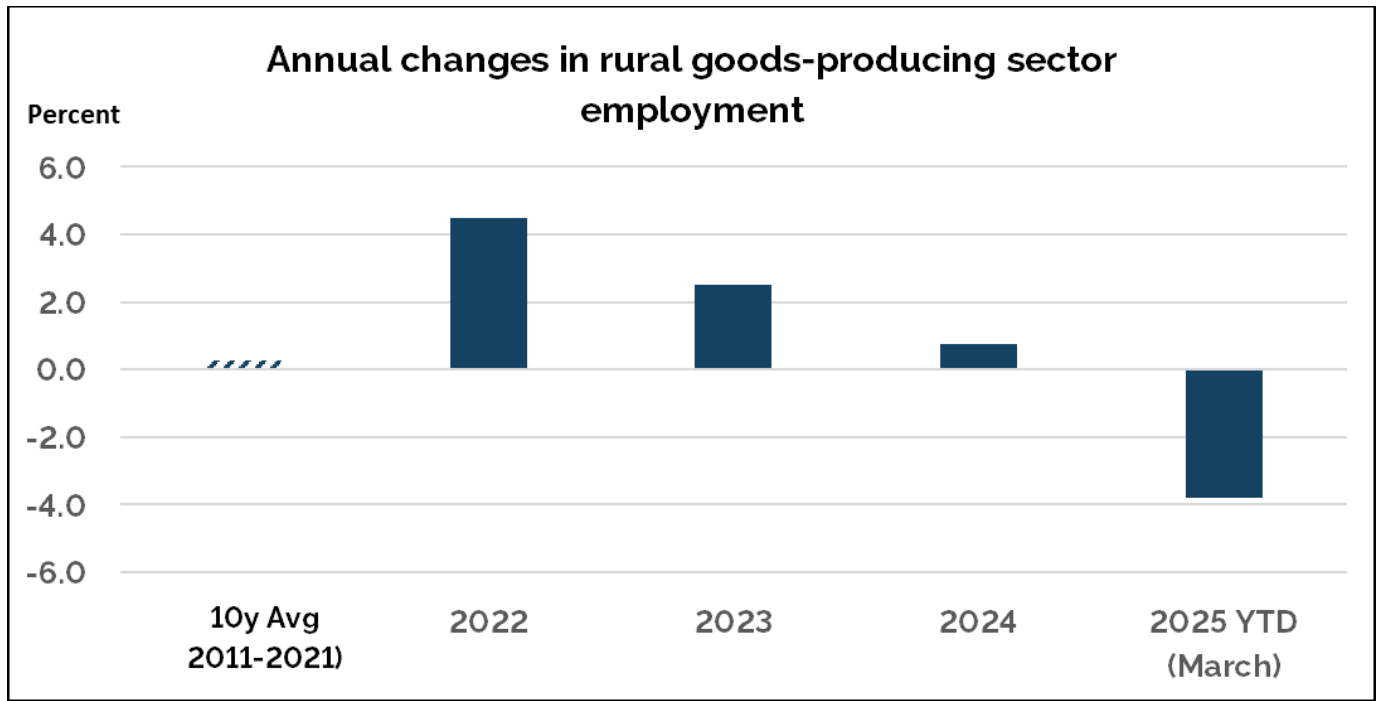
Annual changes in urban employment



Urban unemployment rate

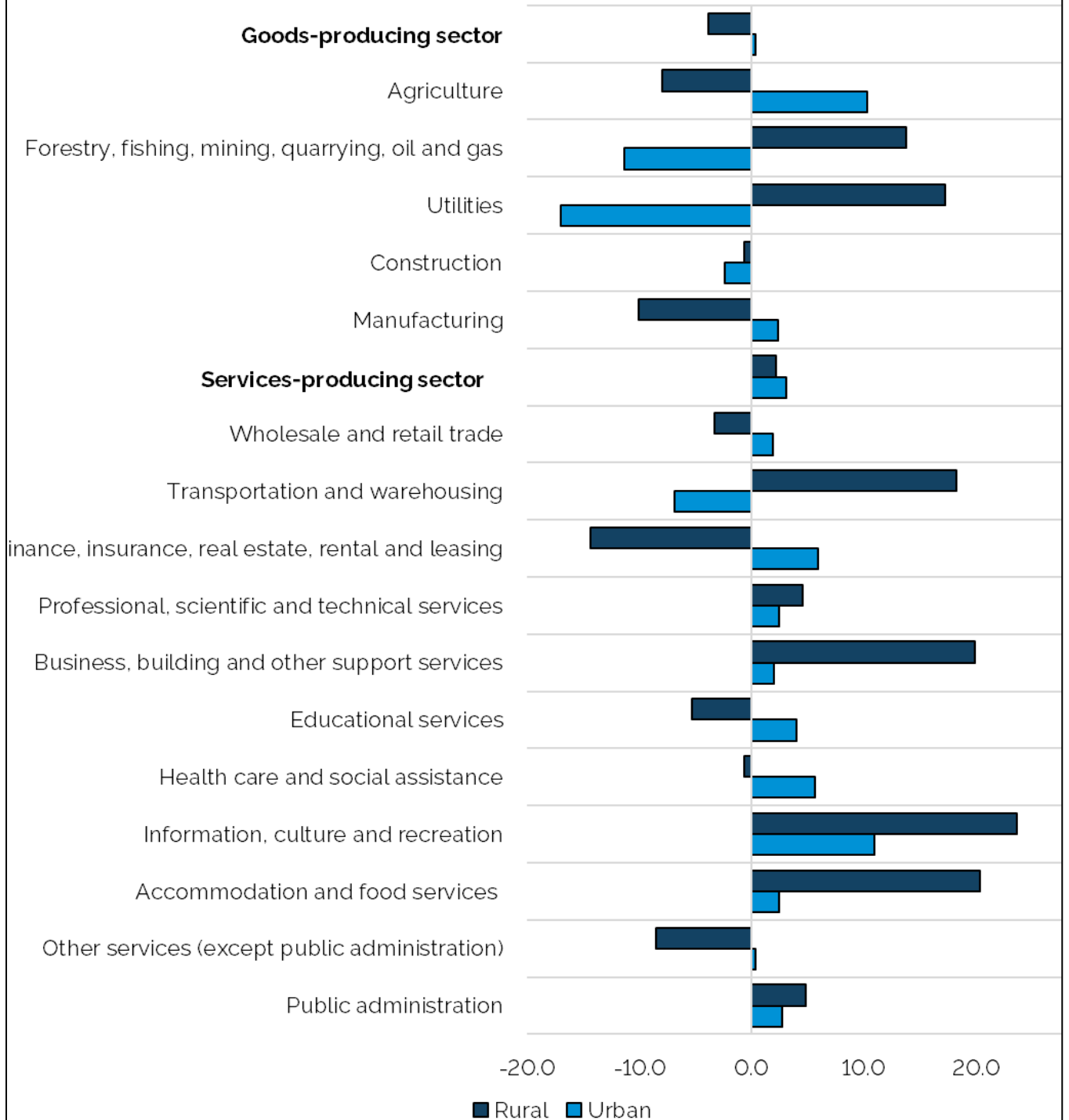


Changes in rural employment in the goods and services producing sectors

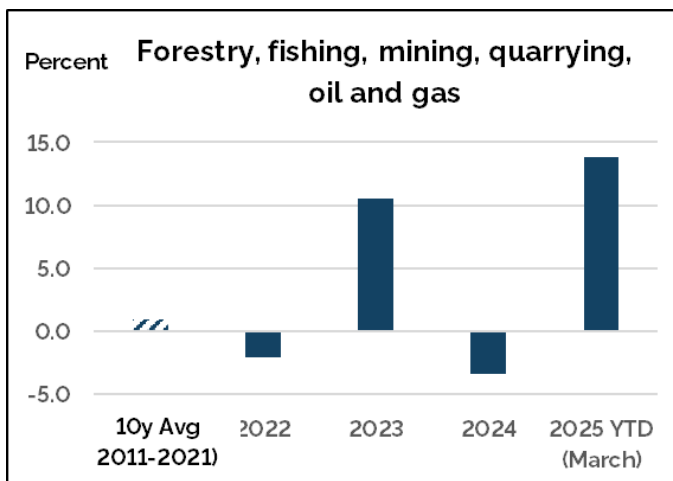
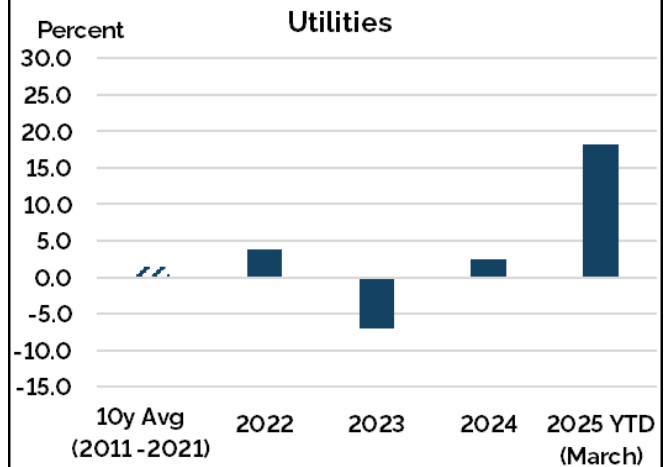
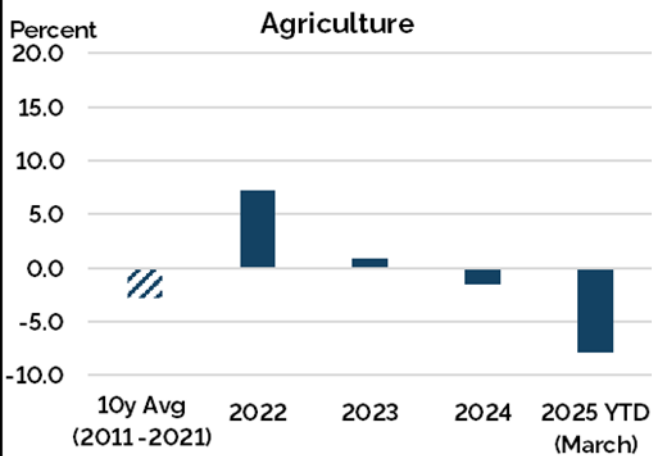
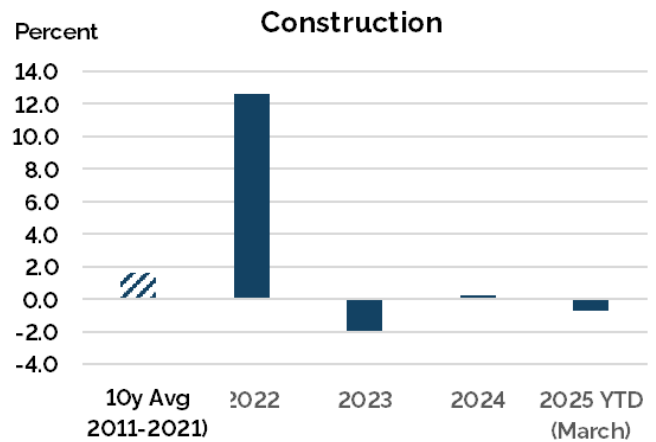
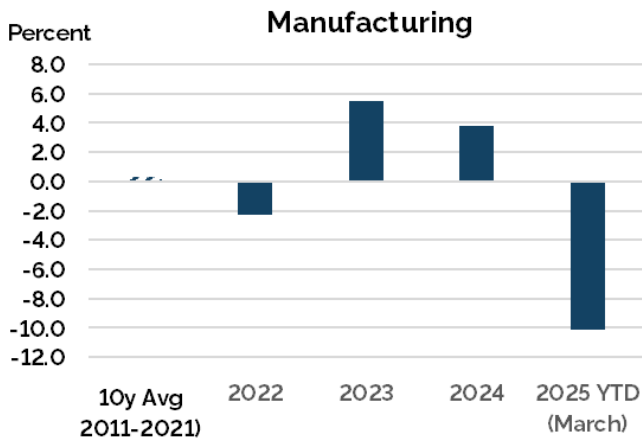


Changes in employment by industry in rural and urban areas

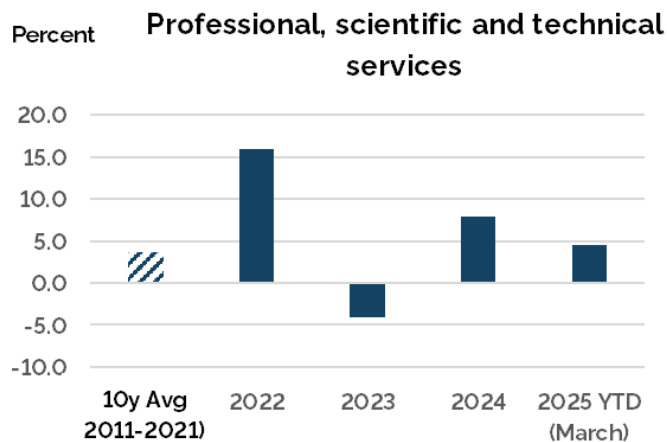
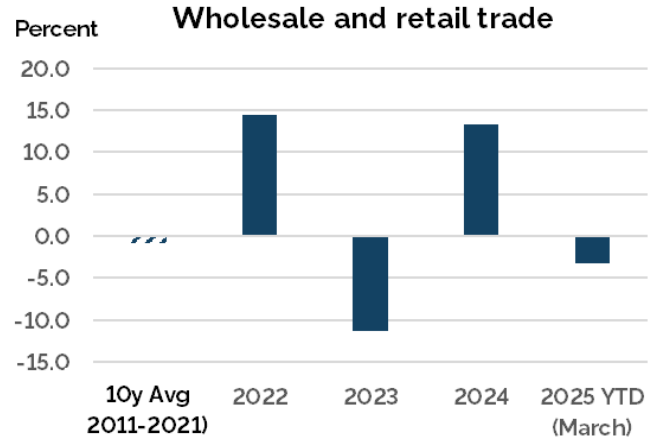
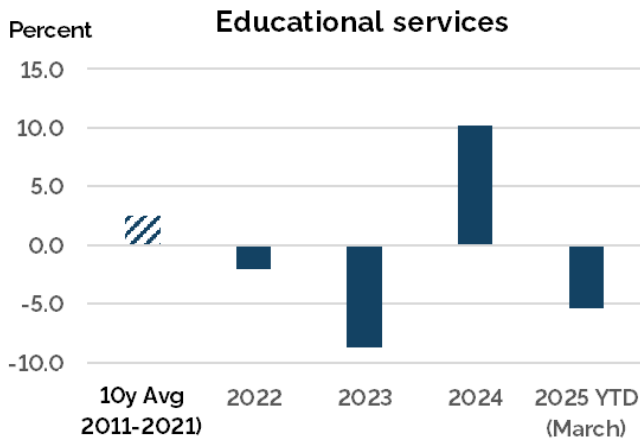
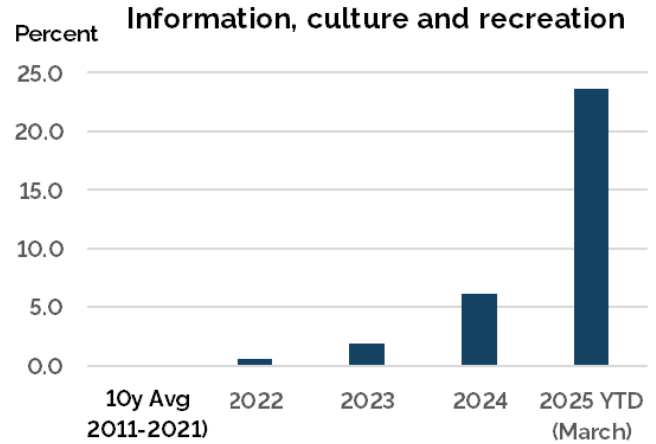
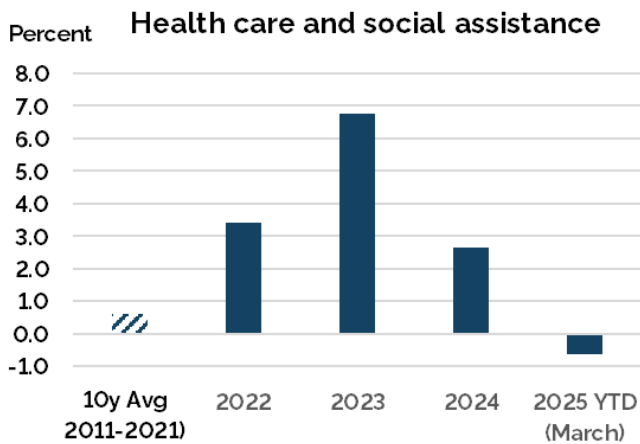
% Change in Employment 2025 YTD (March)



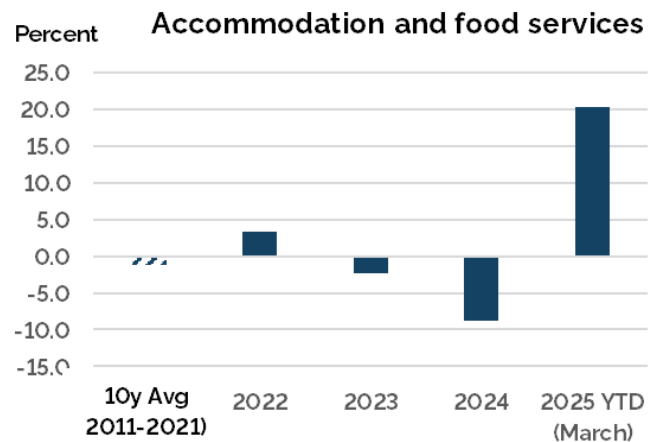
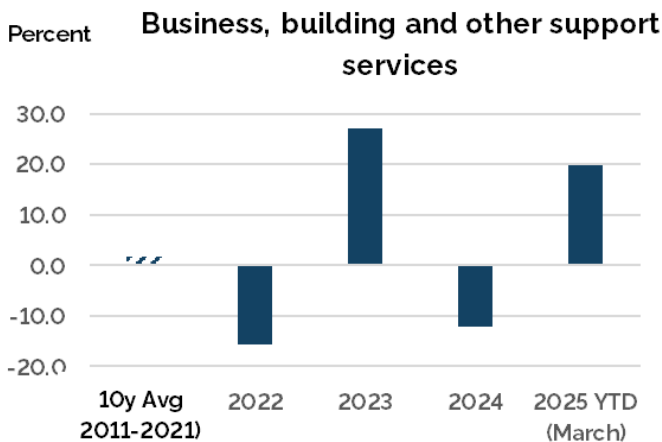
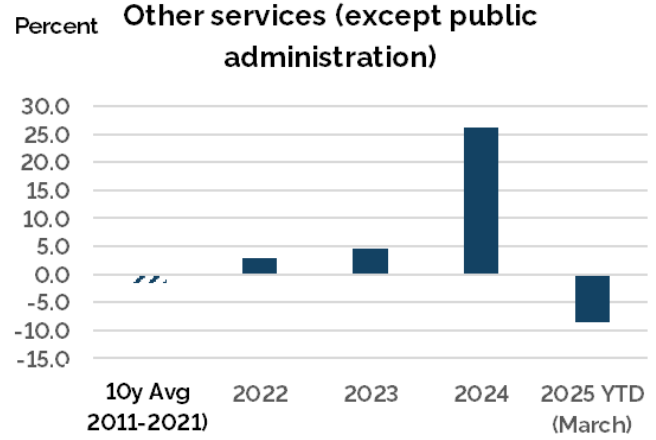
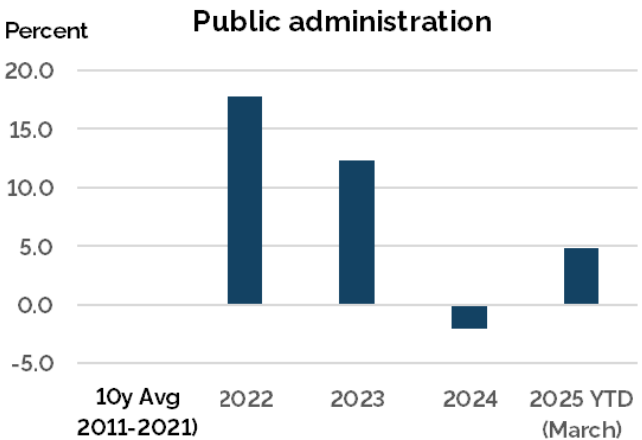
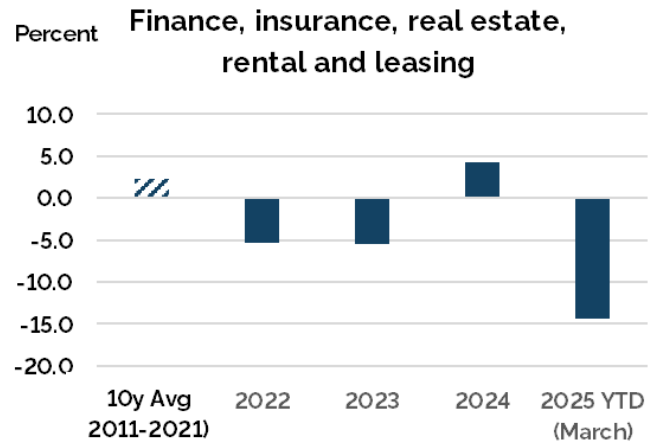
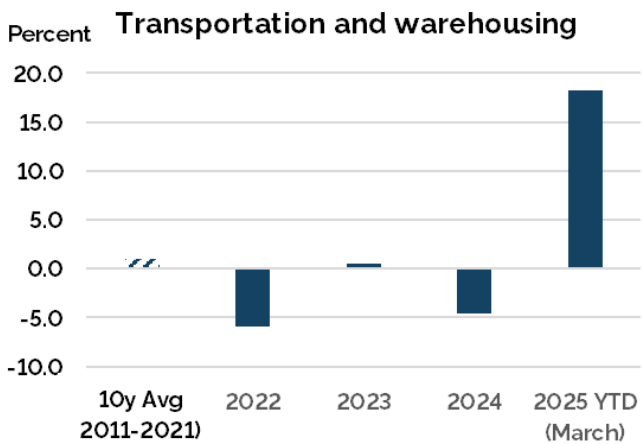
Annual changes in rural employment in the goods sector



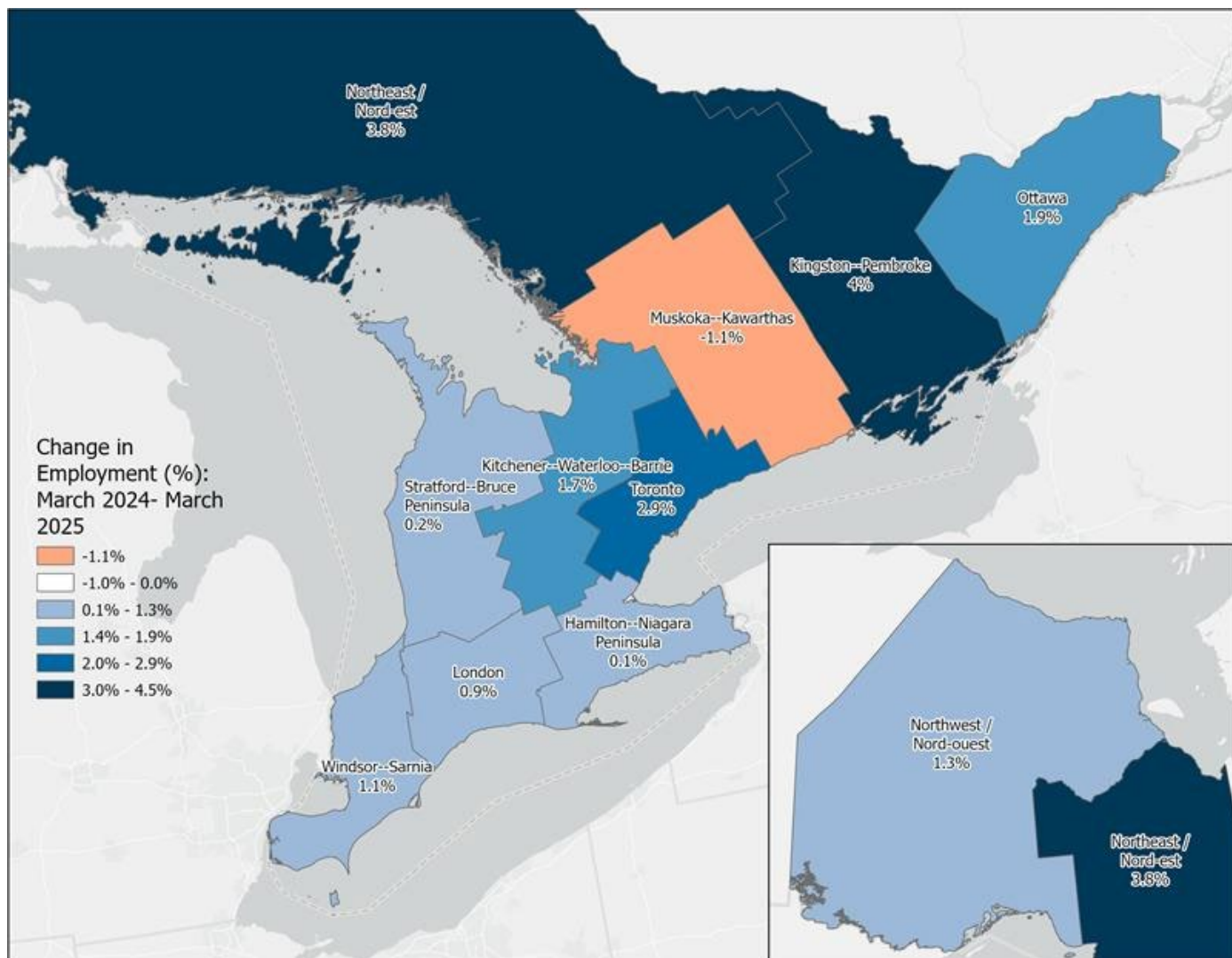
Annual changes in rural employment in the services sector (continued on the next page)



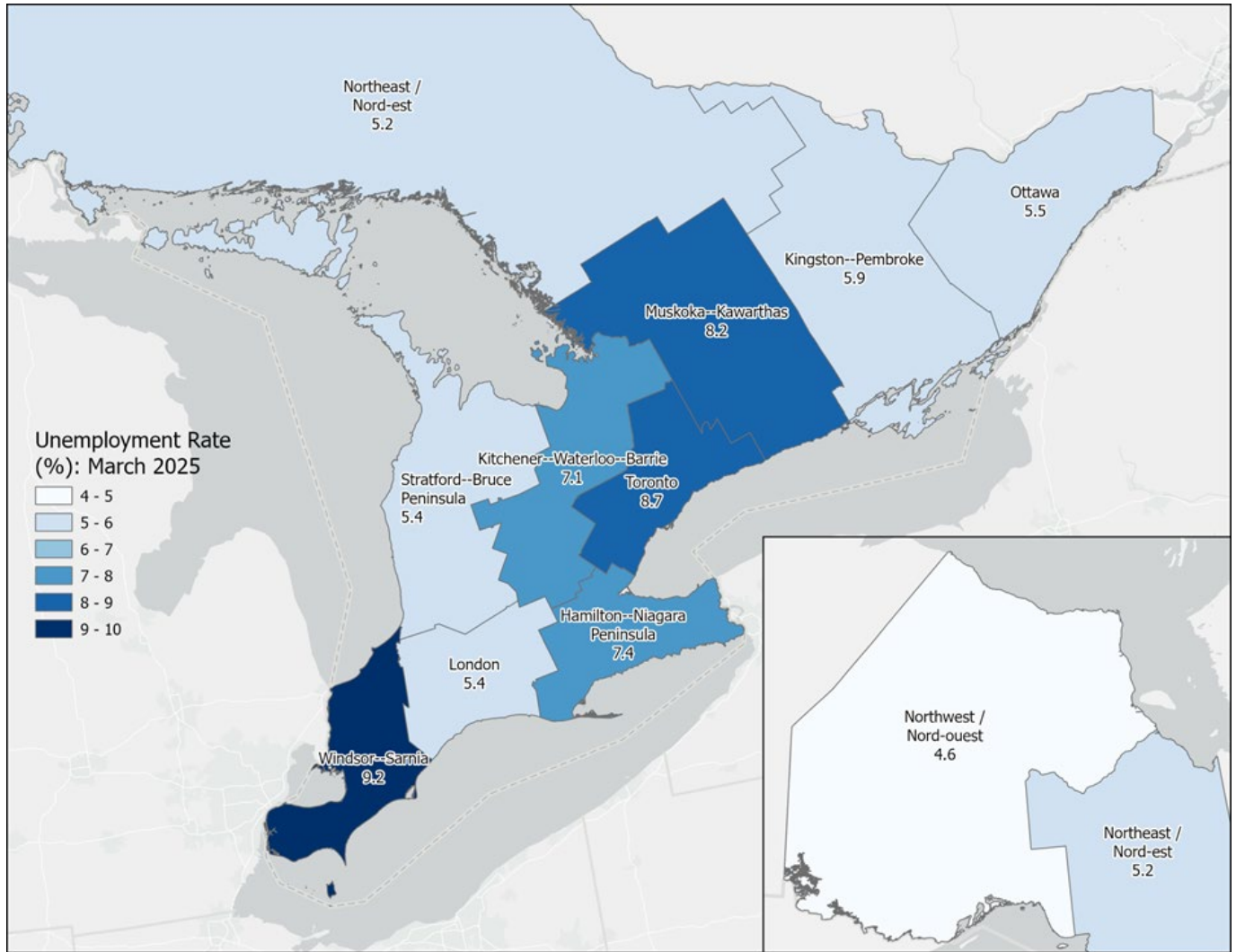
Annual changes in rural employment in the services sector



Change in employment (%) by economic region

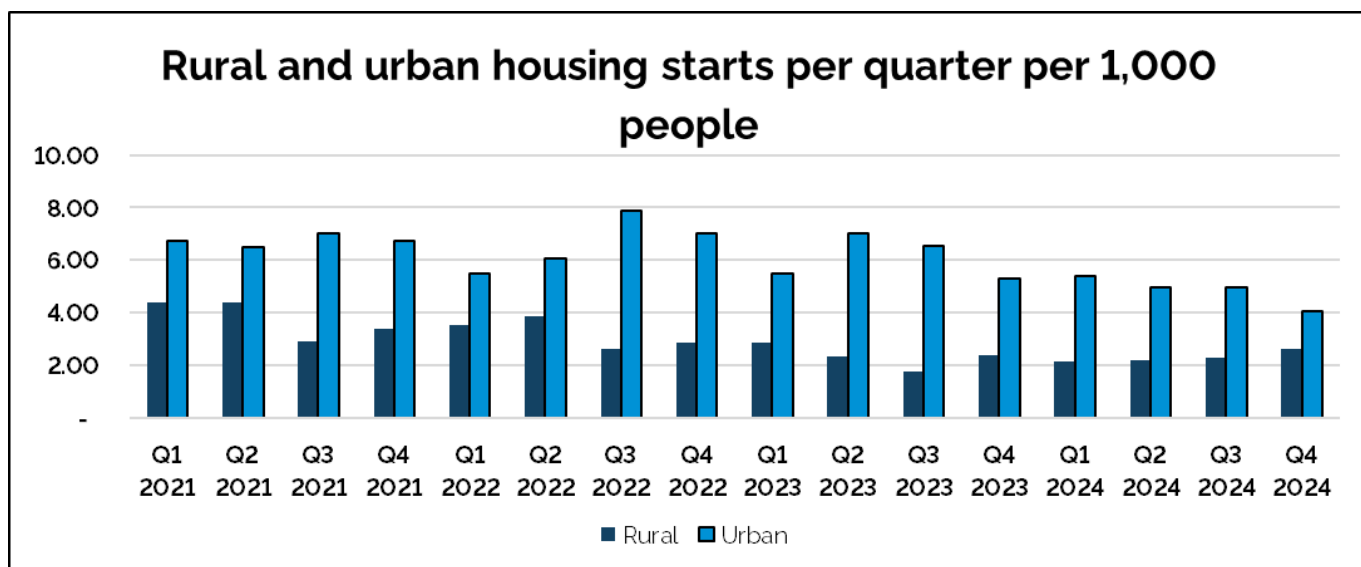
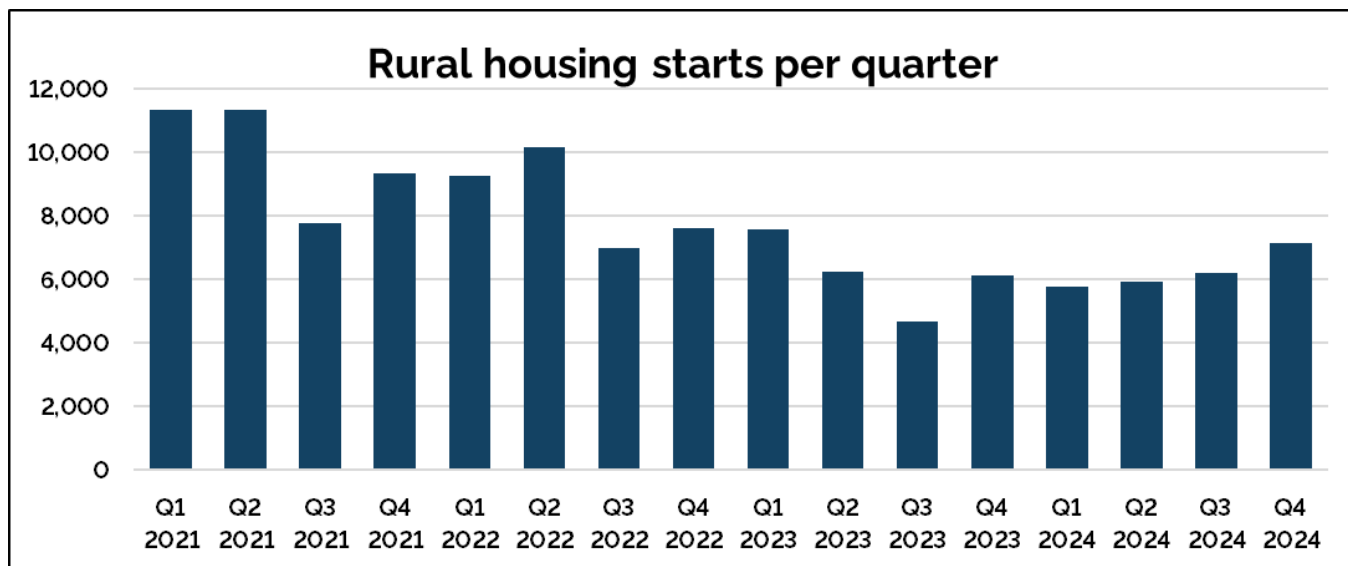


Unemployment rate by Ontario economic region



Rural housing starts

Quarterly housing starts summary							
Rural Ontario	2023-Q4	2024-Q1	2024-Q2	2024-Q3	2024-Q4	Change from (%):	
						Last quarter	1 year ago
Number of housing starts	6,116	5,767	5,943	6,208	7,126	14.8	16.5



About the Economic Analysis Unit

Policy Division's Economic Analysis Unit (EAU) role is to provide a corporate economic analysis and statistical function for the Ministry and the Ministry's stakeholders and promote excellence in agri-food and rural data collection, analytics and economic research to enhance the capacity for evidence-based decision making at OMAFA.



Economic Analysis Unit Staff	Job Title
John Anania	Manager
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Katie Dunn	Economic Policy Analyst
Siva Mailvaganam	Statistician
Cassidy Judd	Statistician
Noah Berry	Economist
Scott Strickland	Policy Advisor

References

Statistics Canada. Table 14-10-0327-01 Labour force characteristics by gender and detailed age group, annual.

DOI: <https://doi.org/10.25318/1410032701-eng>

Statistics Canada. Table 14-10-0468-01 Employment characteristics by census metropolitan area, annual

DOI: <https://doi.org/10.25318/1410046801-eng>

Statistics Canada. Table 14-10-0466-01 Employment characteristics by economic region, annual

DOI: <https://doi.org/10.25318/1410046601-eng>

Statistics Canada. Table 14-10-0468-01 Employment characteristics by census metropolitan area, annual

DOI: <https://doi.org/10.25318/1410046801-eng>

Statistics Canada. Table 14-10-0465-01 Employment characteristics by economic region, three-month moving average, unadjusted for seasonality

DOI: <https://doi.org/10.25318/1410046501-eng>

Statistics Canada. Table 14-10-0467-01 Employment characteristics by census metropolitan area, three-month moving average, unadjusted for seasonality

DOI: <https://doi.org/10.25318/1410046701-eng>

Statistics Canada. Table 14-10-0459-01 Labour force characteristics by census metropolitan area, three-month moving average, seasonally adjusted

DOI: <https://doi.org/10.25318/1410045901-eng>

Statistics Canada. Table 34-10-0140-01 Canada Mortgage and Housing Corporation, housing starts in all centres 10,000 and over, Canada, provinces, and census metropolitan areas, seasonally adjusted at annual rates, quarterly (x 1,000)