

Visible Minorities and Ontario Manufacturing

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Ontario—and the GTHA in particular—is known to have an incredibly diverse and multicultural population. This is part of who we are as Ontarians and as Canadians. Moreover, diversity and the policies that support it are an important source of competitive advantage for Ontario-based businesses.

Previous Trillium Network research focused on gender diversity in Ontario manufacturing. One data bulletin showed that women were underrepresented in manufacturing, and especially in higher-paying industries (e.g. primary metal, motor vehicle manufacturing). Another report highlighted the efforts of several leading Ontario-based manufacturers—including Sanofi Pasteur, Honda of Canada Mfg, and Muskoka Brewery—that were making objective and measurable progress when it came to gender diversity.

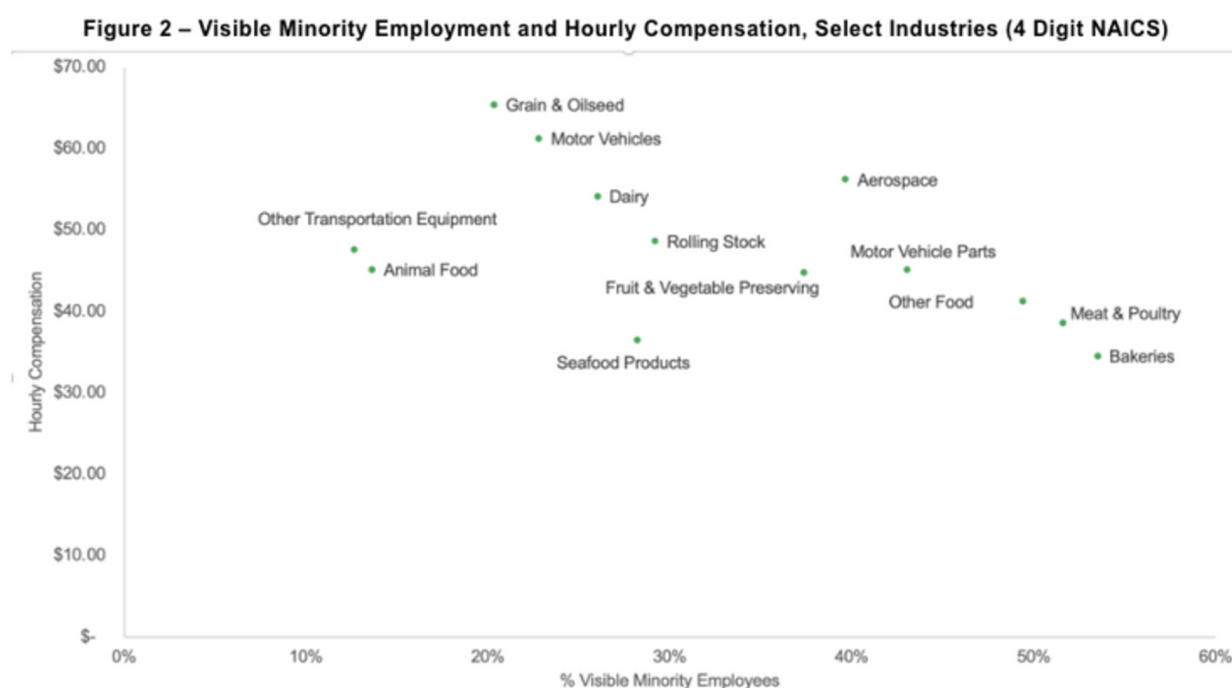
This data bulletin examines another element of workforce diversity, visible minorities in the Ontario manufacturing workforce. In Ontario, visible minorities make up 33 per cent of the workforce according to the most recent census. In Ontario’s manufacturing sector, visible minorities made up 36 per cent of the workforce. These data show that visible minorities are *overrepresented* in Ontario’s manufacturing sector.

Figure 1 – Visible Minority Employment and Hourly Compensation, Select Industries (3 Digit NAICS)



At the same time, visible minorities tend to be concentrated in lower-paying manufacturing industries. This is similar to the distribution of women in Ontario's manufacturing industry. This holds true at higher levels of analysis (e.g. 3-digit NAICS codes), as well as at more refined levels (e.g. 4-digit NAICS codes). Evidence of this is illustrated in the food and transportation equipment industries.

There are, however, several important exceptions where higher-paying industries have relatively high proportions of visible minority employees. Pharmaceutical product manufacturing pays well and has a high proportion of visible minority employees. Electronics, aerospace, and chemical manufacturing also pay well and have high proportions of visible minority employees.



These data demonstrate that there is a distinct occupational and educational component to workforce diversity. Visible minorities are significantly underrepresented in the trades in every manufacturing industry. There are no exceptions. In some important industries, such as primary metal and motor vehicle manufacturing, visible minorities make up a negligible proportion of the trades workforce (as do women).

This contrasts sharply with manufacturing-related occupations requiring a university degree. Nearly 56 per cent of persons who identify as visible minorities employed in Ontario's manufacturing sector have a university degree. This is significantly greater than the number of persons with a university degree who do not identify as a visible minority. With the exception of the petroleum products manufacturing industry, industries that require more university-trained persons employ a greater proportion of visible minorities. Conversely, industries employing a large number of tradespeople tend to have relatively low proportions of visible minorities.

These contrasting data speak to the general lack of diversity within the broader institution of the skilled trades. They also speak to historical immigration patterns that have seen larger numbers of tradespersons immigrate to Canada from Europe and similarly larger numbers of university-trained persons immigrate from Asia. Long-standing immigration patterns aside, these data call into question the ability of the institution of skilled trades and its associated apprenticeship systems as they are configured now to effect meaningful change. This appears to be a systemic problem (although some may not consider this a problem at all), which can be fixed only by changes to the system.

Educational Attainment of Workforce and % Visible Minority, Select Industries

Industry	% Visible Minority	% University-Educated	% Trades
All Industries	33%	37%	5%
Manufacturing	36%	24%	7%
Pharmaceutical	56%	62%	2%
Electronics	48%	48%	3%
Chemical	45%	45%	4%
Aerospace	40%	38%	7%
Food	46%	25%	5%
Machinery	27%	23%	10%
Fabricated Metal	30%	23%	12%
Primary Metal	17%	16%	12%

As Ontario's advanced manufacturing sector evolves, a well-educated, innovative, and prepared workforce will be required to engage with leading technologies. Barring any significant demographic changes, the proportion of visible minorities employed in Ontario's manufacturing sector will increase. Those manufacturers that embrace and encourage diversity-focused recruitment and retention strategies are more likely to engage the talented personnel necessary to remain competitive and improve productivity. Those that fail to do so risk falling behind.

KEY TAKEAWAYS

- Ontario's demographics are changing. The province's population is becoming more diverse and better educated. Focusing on encouraging manufacturing investments that fit the profile of our workforce—such as pharmaceutical products and aerospace—makes good sense.
- While there are abundant opportunities in the trades, visible minorities (and women) are largely absent from these occupations. This is the result of challenges associated with the institution of skilled trades. Changes to the institution of skilled trades are necessary to address these challenges.
- The pharmaceutical product manufacturing industry ranks high on a number of indicators, including productivity, job quality (i.e. compensation), and workforce diversity. The aerospace industry is also performing well. These industries provide evidence that paying attention to workforce diversity is good for business.