

Centre of Excellence in Employment and Workforce Innovation

Q2 2026

Emerging Priorities for Ontario's Employment
Services System

This report was developed in collaboration with Deloitte, who provided facilitation support for the COE discussions, insights and learnings from the EmployNext program and labour market analysis to inform the Ontario Labour Market and Employment Services Outlook presented in this document

Brief Overview

This brief brings together labour market data and frontline insights to highlight emerging trends and what they mean for service design in Ontario's employment system. The Centre of Excellence provides a platform for integrating data, frontline experience, and employer insight to inform continuous improvement in Ontario's employment services system.

Forum method: what was covered and why it matters

The April 15, 2026 forum was structured to: (1) review employment services data on specialized populations to highlight disparities; (2) learn best practices for supporting persons with disabilities and Indigenous jobseekers; and (3) share innovations from ecosystem members. The agenda included job posting trends, EmployNext and Ontario ecosystem data, presentations by Canadian Council on Rehabilitation and Work (CCRW) and Aboriginal Labour Force Development Circle (ALFDC), and a group discussion capturing system perspectives on barriers and solutions.

Why it matters now

- Demand is softening and uneven across regions
- The system is serving more complex, higher-needs clients
- Outcome gaps remain significant for specialized populations
- Effective responses increasingly require both client- and employer-side solutions

Immediate implications for Ontario's integrated delivery

- Service design: Greater differentiation in pathways (e.g., stabilization/health-focused supports and flexible participation expectations) is required in periods of weaker demand.
- Employer engagement: Shifting from job-matching only to workplace accessibility and retention supports reducing friction and improving retention for persons with disabilities and other specialized populations.
- Accountability: Performance frameworks should clearly distinguish progress outcomes vs employment outcomes, especially for higher-needs caseloads.

Full Industry Report

2.1 Executive Summary

Ontario's employment services ecosystem operates amid uneven labour market conditions and tightening entry-level access, with regional variation and sector-specific volatility. Evidence indicates that EmployNext, and by extension the integrated system, serves a comparatively higher-needs caseload, with specialized populations overrepresented and experiencing lower employment outcomes than general jobseekers. Serco has identified effective ways to support people with disabilities, including building their confidence and helping employers feel more confident about hiring them. Community-based support models can also improve engagement, reduce barriers, and help people achieve long-term employment success.

Key Takeaways

- Demand is down overall but not uniform; responses must remain locally tailored.
- Specialized populations face persistent outcome gaps, supporting the need for tailored pathways and employer-side interventions.
- Outcome definitions must be clear to align incentives with client realities.

2.2 Context: Ontario employment services landscape and current labour market signals

Evidence shows an environment where labour market conditions remain uneven, and the impacts of broader economic disruption are experienced differently across key economic geographies.

Labour market signal: job postings (year-over-year by catchment)

Data reports from Signal49 Research show a year-over-year decline in job postings in Ontario and most EmployNext catchments, with Northwest increasing (+6.8%). While catchments outside EmployNext's decline sharply such as Windsor–Sarnia (-21.1%) and Stratford Bruce Peninsula (-18.9%). (1)

Catchment	YoY Job Postings Change 2024-2025
Ontario	-6.00%
Kingston-Pembroke	-3.60%
Kitchener-Waterloo-Barrie	-1.10%
Northwest	6.80%
Stratford Bruce Peninsula	-18.90%
Windsor-Sarnia	-21.10%

Key Takeaways

- Job posting declines as a whole are broad-based, but local exceptions exist, supporting catchment-specific planning.
- Large declines in some catchments may suggest reduced availability of entry points for jobseekers facing barriers.

(1) Signal49 Research. Vicinity Jobs/Hiring Demand Reporting Tool, 2026.

2.3 Findings and Insights

Across the data and discussions, a consistent pattern emerges: labour demand is softening, while the complexity of jobseekers being served is increasing, requiring more tailored, coordinated, and employer-engaged responses.

2.3.1 Labour market demand signals: manufacturing and trades

There is volatility and declines in manufacturing and trades job postings across reviewed locations, with year-over-year (YoY) values ranging from -22.6% to +25.8%, six-month changes from -26.9% to -0.3%, and February YoY comparisons from -32.8% to +14.6%. In discussion, participants reinforced that the decline reflects broader economic conditions, not only measurement changes, and noted variation across sub-sectors. This level of variability makes standardized service approaches less effective and increases the importance of localized planning. (2)



(2) Signal49 Research. Vicinity Jobs/Hiring Demand Reporting Tool, 2026.

2.3.2 Specialized populations: representation and outcomes

Forum data indicates that general jobseekers experience higher success, with 55% employed. Several specialized populations show lower employment outcomes, including ODSP recipients (27% employed) and Indigenous jobseekers (35% employed). “Met outcomes” can include completion of Employment Action Plan activities outside employment, and outcomes may be unverified if participants exit prior to verification. Outcome gaps are persistent and significant across multiple specialized populations, indicating that current system approaches are not fully addressing structural and employer-related barriers. (3)

Specialized Group	Representation EmployNext v. Ontario (4) (5)	EmployNext Employment Outcome	Notes on Measurement
Indigenous	5.9% v. 2.9%	35% employed	“Met outcomes” can include non-employment EAP completions; groups may overlap.
Newcomers	11.9% v. 4.2%	41% employed	Self-reported at intake; groups overlap; Ontario benchmarks may mask regional variation.
Black and Racialized	21.2% v. 1.6%	35% employed	Ontario benchmark limitations noted; point-in-time snapshot.
ODSP Recipients	N/A	27% employed	Lowest employment outcome among listed groups in forum snapshot
General	N/A	55% employed	Comparison group for specialized population outcomes.

(3) EmployNext operational data.

(4) Statistics Canada. 2023. (table). *Census Profile. 2021 Census of Population*. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released November 15, 2023.

<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E> (accessed March 25, 2026).

(5) Government of Ontario. 2024. (report). *2024 Report on Francophone Affairs*. Ministry of Francophone Affairs. Toronto. Released June 3, 2024.

<https://www.ontario.ca/page/2024-report-francophone-affairs> (accessed March 25, 2026)



Representation & Outcomes Takeaways

- EmployNext data suggests a higher-needs mix than Ontario averages; this should inform service design and performance interpretation.
- Outcome gaps indicate that access is necessary but not sufficient; tailored supports and employer-side changes are central to closing disparities.

2.3.3 Deep dive: Persons with Disabilities (PWD)

Evidence from CCRW demonstrates that PWD outcomes in EmployNext and comparator jurisdictions are 51% “met outcomes” and 36% “met employment outcomes”. (6) This emphasizes the limitations of binary framing (“employed or not”), and the potential value of pathways that allow varied pacing, stabilization supports, and continued engagement. These models illustrate that combining wraparound supports with employer-side interventions is more effective than job-matching alone.

Promising practice: CCRW (Untapped Talent)

- Job seeker resources: e-books, webinars, and job search tracking tools.
- Employer supports: job postings, webinars, and downloadable resources.
- Access Path: accessibility self-assessment aligned to federal employment standards, including scoring and recommendations.
- Self-directed disability confidence training spans the employment lifecycle.
- Employer badges signalling inclusive practice (e.g., “committed to disability confidence”).

(6) EmployNext data.

2.3.4 Deep dive: Indigenous jobseekers (Indigenous Skills and Employment Training model and wraparound supports)

Indigenous outcomes in the EmployNext network are 48% met outcomes; 35% met employment outcomes. Aboriginal Labour Force Development Circle and Annishinabek Employment & Training Services partners described an Indigenous-led, locally tailored, community-based delivery model supported by multi-year agreements and accountability tracking (e.g., ARMS).

- Indigenous-led, community-based service delivery (not one-size-fits-all).
- Holistic wraparound supports to remove barriers (transportation, childcare, work clothing/PPE, tools).
- Skills training, job-specific training, certifications, education supports, and cultural supports.
- Case management and accountability infrastructure supporting coordinated pathways and referrals.



Indigenous Deep Dive Takeaways

- Indigenous-led employment models align with needs of high-barrier clients through wraparound supports and locally tailored pathways.
- Strong referral relationships between integrated employment services and ISET providers can reduce duplication and improve service fit.
- Accountability tools and case management infrastructure support holistic service while tracking progress.

These approaches offer applicable lessons for broader system design, particularly in coordinating supports and improving engagement for high-barrier clients.

2.4 Cross-cutting themes across sectors

There is strong alignment that barriers to employment are driven by both individual and structural factors, requiring coordinated responses across service providers and employers. Collectively, these themes suggest that improving outcomes requires service customization, employer readiness, and coordinated supports that reduce friction for multi-barrier clients.

Common Themes

1

Bias and accommodation barriers recur across stakeholder perspectives, supporting the value of employer-focused tools.

2

Flexibility in pacing, outcomes, and supports is a practical lever for inclusion.

3

Transportation, childcare, and health supports remain foundational to participation and follow-through.

4

Across stakeholders, there is a consistent view that outcomes are shaped as much by system design and employer practices as by client readiness.

Implications for Ontario's integrated service delivery



Refine the standardized service model to support tiered, needs-based services for priority populations

Overrepresentation and lower outcomes for specialized populations suggest the integrated model should continue to evolve toward tiered, tailored interventions reflecting varying levels of readiness and complexity.



Improve workplace accommodation employer readiness

CCRW's model illustrates a practical approach to employer engagement that combines assessment, training, and signals to move from intent to changed practice. This aligns with stakeholder emphasis on employer-side barriers and the need for employer support.



Measure progress and outcomes with more flexibility

Binary employment framing can obscure progress for high-needs jobseekers. Clear definitions of "met outcomes" versus "employment outcomes" can improve interpretation, support fair incentives, and enable pathways that include stabilization and engagement during periods of weaker demand.



System coordination and administrative burden

Participants reiterated system coordination as a recurring priority, particularly around collaboration, reducing paperwork and workloads, and aligning interventions across stakeholders.

Key Takeaways

- Tailoring should be matched with measurement approaches that recognize staged progress, not only final employment outcomes.
- Employer engagement is a necessary component of equity-focused outcomes.
- Lower administrative friction can increase capacity for high-touch supports where needed.

Risks and constraints

Data limitations: Self-reported intake identification; non-mutually exclusive groups; Ontario-wide benchmarks may mask regional variation; point-in-time snapshot; job posting may underreport hiring demand, particularly in rural areas.

Considerations for interpreting outcomes: “met outcomes” includes non-employment EAP completions and may include unverified outcomes if participants exit prior to verification.

Economic uncertainty: postings declines and sector volatility may constrain near-term placements; readiness, stabilization, and retention supports become more important.

Capacity constraints: high-touch wraparound supports require staff time and coordination; administrative burden can reduce capacity for client-facing work.



What to monitor next

Monitoring these indicators will be critical to ensuring the system remains responsive to changing labour market conditions and the evolving profile of jobseekers.

Leading indicators to monitor:



- Outcome gaps between general jobseekers and specialized populations, tracked with clear definitions.
- Catchment-level job postings (overall and manufacturing/trades) to detect localized changes.
- Employer participation in accessibility and disability confidence tools and resulting hiring/retention outcomes, progress on workplace accessibility, accommodation implementation, employee retention, and advancement of employees with disabilities.



Priority questions for the sector:

- How should Ontario's performance framework recognize staged progress for high-barrier clients without diluting accountability?
- Which employer-side interventions most reliably improve retention for persons with disabilities in Ontario contexts?
- What referral models between integrated employment services and ISET organizations reduce duplication and improve outcomes for Indigenous jobseekers?
- Where postings are declining sharply, what combination of stabilization and demand-aligned training best maintains engagement?



Conclusion

Collectively, these questions explore how Ontario's employment services system can better support diverse jobseeker needs while maintaining accountability, strengthening employer engagement, improving coordination with Indigenous service providers, and responding to changing labour market conditions. The findings from this research will help identify evidence-informed practices and policy considerations that can enhance service effectiveness, improve employment outcomes, and inform future program design across the province.



Acknowledgement

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We want to extend our sincere thanks to the members of the Centre of Excellence for their invaluable insights and contributions throughout our sessions. Your expertise and thoughtful input have shaped the priorities outlined in this report and strengthened our ability to respond to the evolving needs of Ontario's labour market.

By sharing your perspectives, identifying challenges, and co-creating solutions, you have helped us advance system stewardship in practice to ensure that innovation, equity, and collaboration remain at the heart of employment services. Together, we are building a network that learns, adapts, and delivers meaningful impact for communities across the province.

Thank you for your continued partnership and commitment to driving positive change.

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