



# Hamilton thrives while steel industry struggles

## Who are Hamilton's Top 10 employers?

By Adam Carter, [CBC News](#)

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It was a tough fourth quarter for US Steel — once one of Hamilton's top five employers.

The company posted a fourth-quarter net loss of \$50 million, or \$0.35 a share.

While on a joint conference call, US Steel Chairman and CEO John Surma said his company's segment operating income was “significantly lower” when compared to the first three quarters of 2012. The company has slipped to the seventh spot among Hamilton's top 10 employers.

“Overall, steel consumptions have increased, but in North America and the EU, it still has not returned to pre-recession levels,” Surma said.

US Steel's fourth quarter results were better than the same period in 2011 and 2012. But restarting the blast furnace at the old Stelco site — a longstanding hope for many workers in the city — doesn't seem likely.

'We can't wait for a big corporate entity to come here and save downtown — nor should we focus on that, because it's not very realistic.'

—Bill Curran, Architect

And some are asking how much that matters. Hamilton's unemployment rate stood at 5.9 per cent in December, and

has been dropping since August. House prices are [rising faster in Hamilton](#) than anywhere else in Canada, too.

It's been a long time since steel was the only game in town. This is not to say that steel production doesn't matter in Hamilton — the industry has defined the city for decades. But with the health and education sectors nipping at steel's heels and the number of burgeoning creative startups rising in the city, Hamilton is not purely defined by steel any more.

## **Diversifying employment options**

US Steel's losses aren't a “bad news story” for Hamilton — just not a “good news story,” says Marvin Ryder, an assistant professor of marketing and entrepreneurship at McMaster's DeGroote School of Business.

Hamilton's top 10 employers

1. Hamilton Health Sciences
2. McMaster University
3. City of Hamilton
4. ArcelorMittal Dofasco
5. Hamilton-Wentworth District School Board
6. Hamilton Catholic District School Board
7. US Steel
8. National Steel Car
9. Mohawk College
10. St. Joseph Healthcare Hamilton

*-Source: Hamilton Economic Development*

“What we were really hoping for was to hear that they were going to restart the blast furnace down at the former Stelco site,” Ryder said. “But that's just not in the cards. Steel demand just isn't recovering anywhere near that rate.”

“People in Hamilton are waiting for news that the blast furnace is coming back. I don't see anything in 2013 or 2014 — maybe 2015, but that's really up to global economic conditions, well above our ability to predict.”

The silver lining here, Ryder says, is that there are three engines driving Hamilton's economy today — and none of them involve steel.

“It's the health care sector, it's the university sector, and education broadly,” Ryder said, adding that those areas have weathered the recession fairly well, with few layoffs, some hires and no glaring issues.

According to the city's economic development department, Hamilton Health Sciences is now the top employer in the city, followed by McMaster University.

But ArcelorMittal Dofasco is still a big economic driver in Hamilton, Ryder says.

“And I don't want to minimize them — they are still a key player in this economy,” Ryder said. According to the city's economic development department, Dofasco is the fourth largest employer in Hamilton, behind Hamilton Health Sciences, McMaster and the city itself.

“Steel is still here — but in terms of the drivers of this economy, those other three sectors are more important,” Ryder said.

## Still room for steel

While other industries are rising to fill the gap, there is still a need for steel built in Hamilton that's used locally and abroad, says Rolf Gerstenberger, President of the local 1005 steelworker's union.



*US Steel has dropped out of the list of Hamilton's top five employers and now sits at number seven. (Mark Chambers/CBC)*

He points to the new bridge that will be built between Windsor and Detroit as a prime example. Gerstenberger says there's no capacity in Canada to make steel of the dimension and magnitude needed for the bridge — so they'll have to go elsewhere.

“Whatever we're not producing has to come from somewhere,” Gerstenberger said. “It's not coming from us, so they have to go abroad to make it.

“It's pretty tragic. This is the third winter now that the blast furnace has been down.”

The workforce at the US Steel plant has fallen to a little more than 600 workers, Gerstenberger says. They still have hopes that the blast furnace will be lit again — but in 2008 when it was shut down, higher-ups at the plant had said it would cost \$50 million to get it up and running. Today, it would likely cost a lot more.

“Right now the only thing we're doing is taking coils from Lake Erie and running them through our finishing plants,” he added.

## Creative outlets

While Hamilton's top employers enter a state of transition, smaller creative industries are popping up to fill a void based around the arts community, says Bill Curran of Thier and Curran Architects.

Curran has been part of that upswing, adapting and reusing spaces in Hamilton's downtown core. He says the playing field in Hamilton now includes many smaller companies, as opposed to a couple of behemoths.

“The future of Hamilton is not the huge primary manufacturing companies, but this vast number of small entrepreneurial businesses,” Curran said.

He's also keen to build support for those small businesses rather than hoping for a “corporate savior.”

“The white knights are not coming,” Curran said. “We can't wait for a big corporate entity to come here and save downtown — nor should we focus on that, because it's not very realistic.”

Ryder, for his part, agrees. He says people who are employed in the city's main economic drivers of health care and

education need creative outlets in their city. Those small startups might not be a major player in terms of volume, employees and revenue generation — but it's “all part of a livability thing that we're seeing in Hamilton,” he says.

“We're seeing a real renaissance in art and culture here in Hamilton.”

*With files from Mark Chambers*