

UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

August 2022



UNIFOR
the Union | le syndicat
September 9, 2022

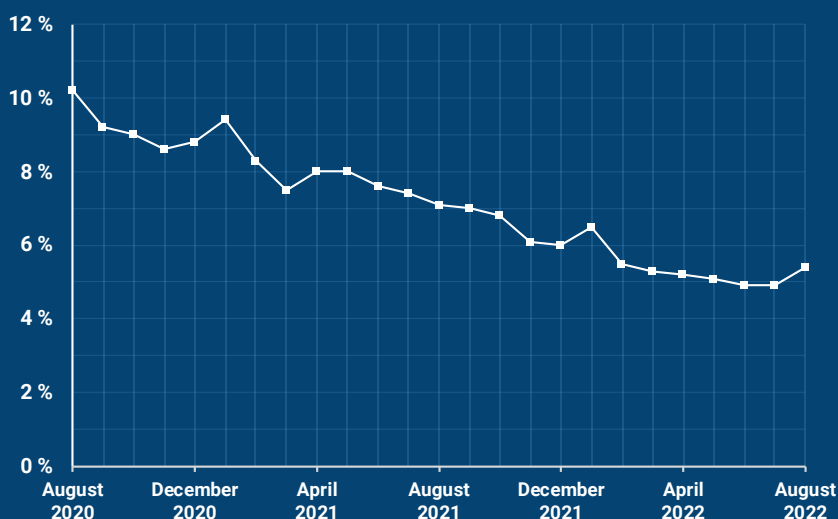
National Statistics

The national unemployment rate jumped sharply higher in August, from 4.9% to 5.4%. However, as previously suggested, the low unemployment rates posted in June and July were misleading because they were mainly attributable to unemployed jobseekers leaving the labour force rather than an overall increase in employment. In fact, since employment figures peaked in May, Canada's labour market has lost nearly 114,000 jobs. August saw the third consecutive monthly decline in overall employment, with another 40,000 jobs lost. These numbers lend credence to worries that the Bank of Canada's rapid tightening of monetary policy through oversized interest rate hikes is dampening employment growth and may lead to a recession in the near future. Wages also continue to lag behind inflation, with real wages down nearly 2% since August 2021, indicating that workers' wage demands are not a primary source of inflationary pressure.

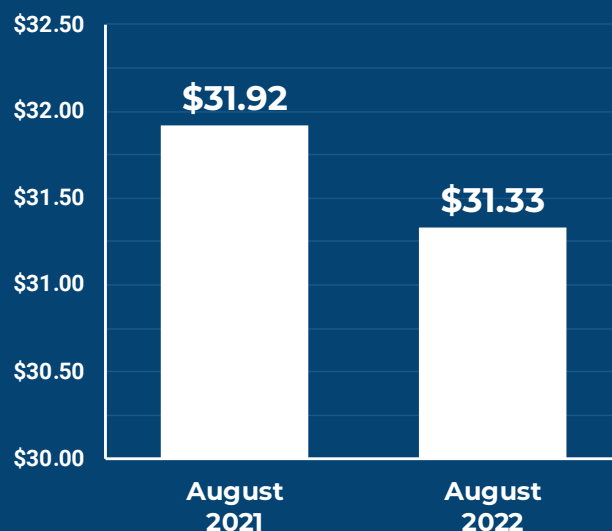
	Aug. average 2016–20	Aug. 2021	Aug. 2022	Aug. 2021–22 Change	July–Aug. 2022 Change
Total employment (#) ¹	18,374,460	18,974,100	19,526,800	552,700 2.9%	-39,700 -0.2%
Unemployment rate (%) ²	7.0	7.1	5.4	-1.7 p.p.	0.5 p.p.
Participation rate (%) ³	65.3	65.1	64.8	-0.3 p.p.	0.1 p.p.
Union coverage (%) ⁴	29.5	29.5	29.5	0.0 p.p.	0.0 p.p.
Average hourly wage (\$) ⁵	\$30.90	\$31.92	\$31.33	-1.8%	0.6%
Average weekly hours (hrs.) ⁶	36.0	36.0	36.1	0.3%	-0.3%

*p.p. refers to percentage points.

Unemployment Rate



Real Average Hourly Wage



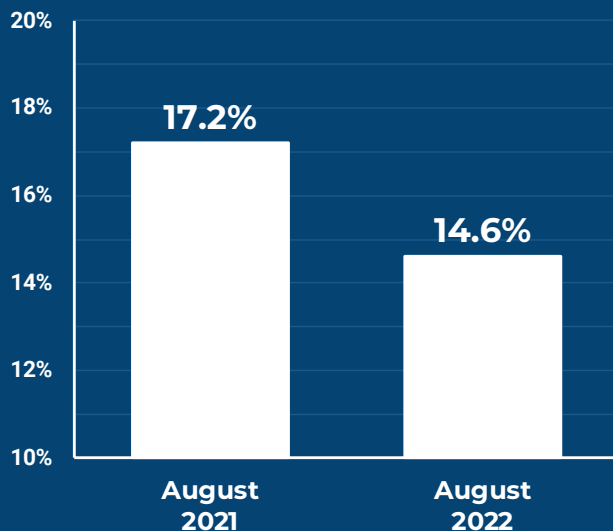
National Precarity Indicators

Unifor's precarity indicators for the month of August reflect a deterioration in the state of the labour market, with the underutilization and underemployment rates ramping up since July. Although the proportion of multiple job holders and temporary job holders has decreased since then, as we saw during the early phase of the COVID-19 pandemic, workers occupying these categories of employment were more likely to experience job losses as the economy ran into difficulty. There was also a notable yearly and monthly increase in the proportion of workers earning low wages

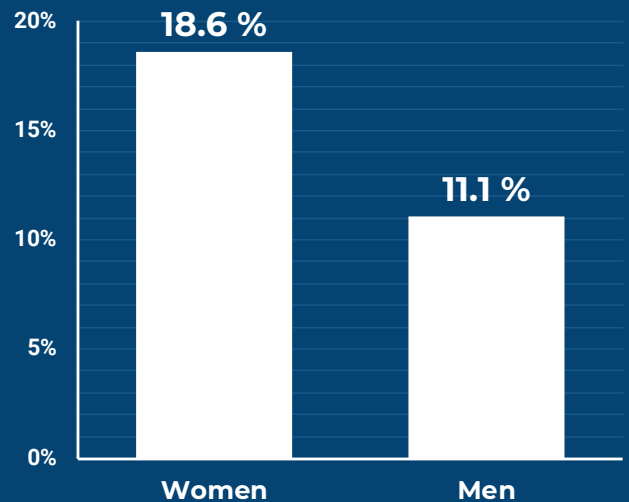
– i.e. wages below two-thirds of the median wage – marking a return to levels that were last seen prior to the pandemic. Breaking down the precarity indicators by gender reveals a stark gap: women experience a far higher rate of underemployment (18.6%, compared to 11.1% for men), involuntary part-time rate (48.0%, compared to 40.1% for men), and multiple job holder rate (6.0%, compared to 4.6% for men).

	Aug. 2021	Aug. 2022	Aug. 2021–22 Change (p.p.)	July–Aug. 2022 Change (p.p.)
Part-time rate (%) ⁷	17.1	16.4	-0.7	0.1
Involuntary part-time (%) ⁸	48.5	45.2	-3.3	-1.1
Underutilization (R8) rate (%) ⁹	10.2	7.9	-2.3	0.2
Underemployment rate (%) ¹⁰	17.2	14.6	-2.6	0.5
Multiple job holders (%) ¹¹	4.9	5.3	0.4	-0.1
Temporary job holders (%) ¹²	13.6	13.4	-0.2	-0.4
<i>Casual/other (%)</i>	3.3	3.2	-0.1	0.1
<i>Temporary/contract (%)</i>	6.9	6.6	-0.3	-0.4
<i>Seasonal (%)</i>	3.4	3.6	0.2	-0.1
Low wage incidence (%) ¹³	18.9	20.8	1.9	1.8
Gender pay gap ¹⁴	\$3.59	\$4.03	12.4%	6.5%
NEETs (x1,000) ¹⁵	1,713.5	1,663.8	-2.9%	11.6%

Underemployment Rate



Underemployment Rate by Gender



Regional Statistics

Once again, there were sharp regional differences in labour market trends across Canada, with Ontario, the Prairies and B.C. accounting for the bulk of employment losses since July. Proportionally, Ontario's loss of 19,000 jobs translated to a 0.2% decline in employment, while losses were steeper in the Prairies (-0.5%) and B.C. (-1.0%). Employment figures in the Atlantic stood essentially unchanged, but Quebec was the outlier in August, with an employment growth of more than 27,000 jobs (+0.6%). Despite this increase in jobs, Quebec's unemployment rate actually climbed 0.4 percentage points to 4.5%, as the number of jobseekers entering the labour market surpassed those who were able to secure employment – Quebec's participation rate jumped 0.6 percentage points to 64.0%.

On the wages front, hourly wages climbed the fastest in Ontario where they were up 1.0% since July, followed by B.C. (+0.8%), the Prairies (+0.4%) and the Atlantic (+0.3%) regions. Hourly wages were mostly level in Quebec (+0.1%) where year-over-year real wage growth fell for the first time since April 2022. Year-over-year real wage growth was negative across the board, with the steepest decline in the Prairies where real wages were down nearly 5% since August 2021.



Regional Statistics Continued

Atlantic

	Aug. 2021	Aug. 2022	Aug. 2021–22 Change	July–Aug. 2022 Change
Total employment (#)	1,121,100	1,160,600	39,500 3.5%	-700 -0.1%
Unemployment rate (%)	9.4	8.2	-1.2	1.0
Participation rate (%)	60.2	60.2	-0.1	0.4
Union coverage (%)	30.4	32.4	2.0	0.7
Average hourly wage (\$)	\$27.80	\$27.26	-1.9%	0.3%
Average weekly hours (hrs.)	37.3	37.8	1.2%	1.3%



Quebec

	Aug. 2021	Aug. 2022	Aug. 2021–22 Change	July–Aug. 2022 Change
Total employment (#)	4,288,100	4,380,300	92,200 2.2%	27,200 0.6%
Unemployment rate (%)	5.8	4.5	-1.3	0.4
Participation rate (%)	64.1	64.0	-0.1	0.6
Union coverage (%)	38.4	37.8	-0.6	0.1
Average hourly wage (\$)	\$30.88	\$30.74	-0.4%	0.1%
Average weekly hours (hrs.)	35.9	35.6	-0.9%	-0.3%



Ontario

	Aug. 2021	Aug. 2022	Aug. 2021–22 Change	July–Aug. 2022 Change
Total employment (#)	7,426,100	7,667,800	241,700 3.3%	-19,200 -0.2%
Unemployment rate (%)	7.6	5.7	-1.8	0.5
Participation rate (%)	65.0	64.9	-0.1	0.1
Union coverage (%)	24.7	25.3	0.6	-0.5
Average hourly wage (\$)	\$32.59	\$32.25	-1.1%	1.0%
Average weekly hours (hrs.)	36.1	36.4	0.7%	0.1%



Regional Statistics Continued

Prairies

	Aug. 2021	Aug. 2022	Aug. 2021-22 Change	July-Aug. 2022 Change
Total employment (#)	3,469,200	3,598,900	129,700 3.7%	-18,500 -0.5%
Unemployment rate (%)	7.4	5.3	-2.1	0.8
Participation rate (%)	68.2	67.9	-0.4	0.0
Union coverage (%)	27.9	27.0	-0.9	0.5
Average hourly wage (\$)	\$32.62	\$31.04	-4.9%	0.4%
Average weekly hours (hrs.)	37.0	37.2	0.7%	0.3%



British Columbia

	Aug. 2021	Aug. 2022	Aug. 2021-22 Change	July-Aug. 2022 Change
Total employment (#)	2,669,600	2,719,400	49,800 1.9%	-28,100 -1.0%
Unemployment rate (%)	6.2	4.8	-1.4	0.1
Participation rate (%)	65.3	64.4	-0.9	-0.7
Union coverage (%)	29.4	29.4	0.0	-0.1
Average hourly wage (\$)	\$32.69	\$31.98	-2.2%	0.8%
Average weekly hours (hrs.)	35.2	35.6	1.1%	-0.6%



Average Wages and Employment Gains/Losses by Industry

Although the year-over-year rate of inflation appears to be slowing, the decline in real hourly wages continues to grip many industries as nominal wage gains continue to fall significantly behind the increase in consumer prices. As we have seen in recent months, traditional blue-collar jobs are among those that have been hit the hardest, with real wage declines ranging from -7.9% in transportation and warehousing; to -4.2% in mining, oil, and gas; to -4.0% in durables manufacturing. Significantly, sectors that have traditionally seen some of the lowest average wages such as wholesale and retail trade have been among the few industries to post yearly real wage gains. With job vacancy rates that have been consistently below the total industry average for the first half of 2022, both wholesale and retail trade may have had some success filling vacancies by offering higher wages.

There were few surprises in August when it came to industry employment figures, with year-over-year increases across almost every category. Notably, the accommodation and food services industry experienced its first year-over-year decline in jobs (-15,400) since the early months of the COVID-19 pandemic, which may reflect the effects of both inflation and tighter credit conditions on consumer spending. Time will tell if this is a harbinger of a deeper economic downturn.

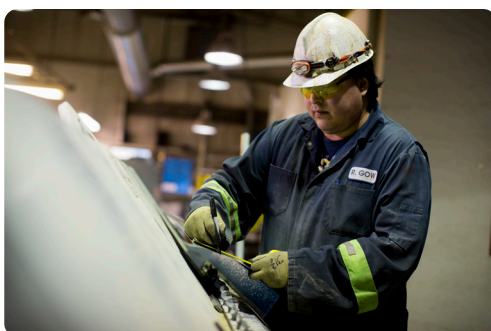
Real Average Hourly Wages by Industry

Industry	Aug. 2022	Aug. 2021–2022 Change
Agriculture	\$20.81	-3.0%
Forestry	\$32.62	1.8%
Fishing, hunting, and trapping	\$23.65	-11.8%
Mining, oil, and gas	\$44.06	-4.2%
Utilities	\$46.38	-5.4%
Construction	\$32.69	-1.8%
Manufacturing – durables	\$30.74	-4.0%
Manufacturing – non-durables	\$28.88	-2.2%
Wholesale Trade	\$31.82	0.6%
Retail Trade	\$22.13	0.3%
Transportation and Warehousing	\$30.17	-7.9%
Finance and Insurance	\$39.35	-1.1%
Real Estate and rental and leasing	\$29.72	0.0%
Professional, Scientific and Technical Services	\$40.11	2.9%
Business, building and other support	\$24.33	0.8%
Educational Services	\$38.20	-4.8%
Health Care and Social Assistance	\$30.68	-2.3%
Information, Culture and Recreation	\$28.85	-6.7%
Accommodation and Food Services	\$18.40	-0.9%
Other Services	\$27.15	-3.8%
Public Administration	\$39.56	-5.2%

Average Wages and Employment Gains/Losses by Industry Continued

Employment Change by Industry, August 2021 to August 2022

Agriculture		18,841
Forestry	-6,335	
Fishing, hunting, and trapping		400
Mining, oil, and gas		17,907
Utilities		13,277
Construction		89,302
Manufacturing - durables		32,810
Manufacturing - non-durables		1,861
Wholesale Trade		15,642
Retail Trade		61,481
Transportation and Warehousing		9,958
Finance and Insurance		36,108
Real Estate and rental and leasing		20,485
Professional, Scientific, Technical Services		117,611
Business, building and other support	-11,656	
Educational Services	-18,982	
Health Care and Social Assistance		25,027
Information, Culture and Recreation		100,640
Accommodation and Food Services	-15,433	
Other Services		8,609
Public Administration		60,316



NOTES

1. Total employment counts all working age individuals (15 years old and above) who are currently employed. Seasonally adjusted.
2. The unemployment rate expresses the percentage of working age Canadians who are unemployed and actively seeking work. It does not include unemployed individuals who are not currently searching for jobs or who are permanently without work, and who are therefore considered to fall outside the labour market. Seasonally adjusted.
3. The participation rate expresses the percentage of all working age Canadians who are participating in the labour market, including both employed and unemployed (actively job-seeking) individuals. Seasonally adjusted.
4. Union coverage includes workers who are union members as well as those who are non-unionized but covered by the terms of a collective agreement.
5. The average hourly wage is adjusted for inflation and is expressed in current dollars.
6. The average weekly hours measure is calculated by averaging usual weekly hours worked at main jobs per individual.
7. The part-time rate measures the percentage of all employed workers who are working part-time hours.
8. The involuntary part-time rate measures the percentage of part-time workers who wanted full-time employment.
9. The underutilization rate, or R8, is used by Statistics Canada to measure underutilized labour. It adds to the unemployment rate those who are waiting for recall or replies, long-term future starts, discouraged workers (those who did not search because they believed no jobs were available) and a portion of involuntary part-time workers.
10. The underemployment rate measures the percentage of Canadians who want work but cannot find suitable employment or who do not have adequate support systems in place that would allow them to engage in job-seeking. It therefore measures the true extent of labour underutilization in Canada. The underemployment rate adds to the unemployment rate all involuntary part-time workers and the marginally attached (i.e. those who wanted to work but who were not able to actively search for jobs due to extenuating circumstances).
11. The multiple job holder rate measures the percentage of employed workers who hold two or more jobs.
12. The temporary job holder rate measures the percentage of employed workers whose jobs are temporary in tenure.
13. Low wage incidence is expressed as the percentage of hourly wage earners earning less than two-thirds of the median hourly wage. This measure is a widely accepted standard for determining the low pay threshold.
14. The gender pay gap measures the average difference in income between men and women who earn hourly wages. A positive gap indicates that men earn, on average, more than women.
15. The NEET category measures the number of Canadians aged 15 to 29 who are currently not in employment, education or training.





unIFOR
theUnion | lesyndicat

www.unifor.org