

UNIFOR RESEARCH DEPARTMENT

# LABOUR MARKET INSIGHTS

*A monthly review of labour market indicators*

August 2023



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September 8, 2023

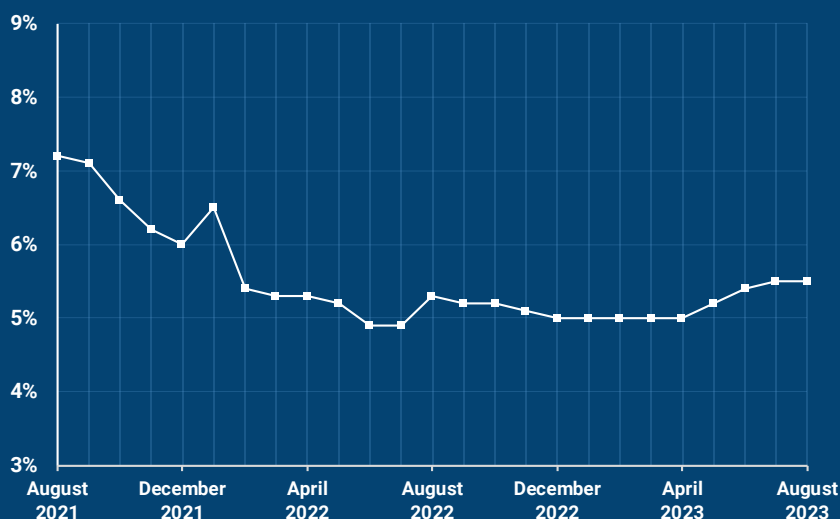
# National Statistics

Overall employment across Canada rose by 40,000 (+0.2%) in August, although the increase was mainly driven by a greater number of self-employed workers (+50,000), while the aggregate number of employees fell by 10,000. Total population growth (+103,000) in August outpaced the number of new jobs and labour market entrants, with the participation rate declining slightly (-0.1) and the unemployment rate remaining level at 5.5%. This is the first time since April that the unemployment rate has not increased.

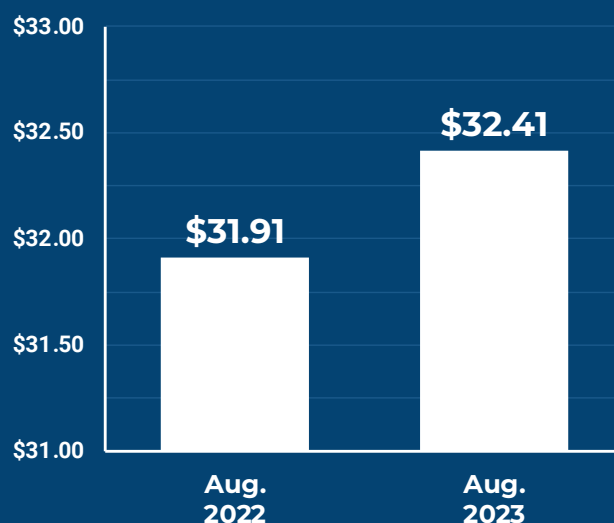
Hourly wages continued their upwards climb, with another 0.7% tacked on to average wages in August. This represented a 1.6% year-over-year increase when adjusted for inflation and the higher cost of living. The rate of union coverage was 0.3 percentage points higher compared to last year.

	August 2017–21 average	August 2022	July 2023	August 2023	Year-over-year (Y/Y) change	Monthly (M/M) change
Total employment (#) <sup>1</sup>	18,697,980	19,706,300	20,166,400	20,206,300	500,000 2.5%	39,900 0.2%
Unemployment rate (%) <sup>2</sup>	7.1	5.3	5.5	5.5	0.2	0.0
Participation rate (%) <sup>3</sup>	65.6	65.4	65.6	65.5	0.1	-0.1
Union coverage (%) <sup>4</sup>	29.3	29.0	29.2	29.3	0.3	0.1
Average hourly wage (\$) <sup>5</sup>	\$28.46	\$31.91	\$33.24	\$33.47	4.9%	0.7%
Real average hourly wage (\$) <sup>6</sup>	\$30.65	\$31.91	\$32.33	\$32.41	1.6%	n/a

## Unemployment Rate



## Real Average Hourly Wage

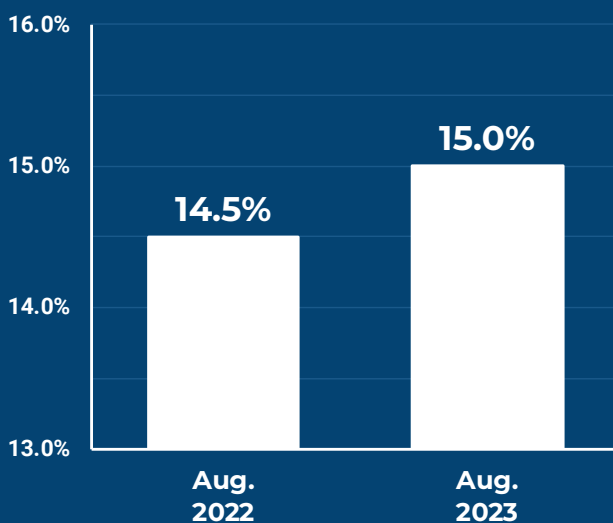


# National Precarity Indicators

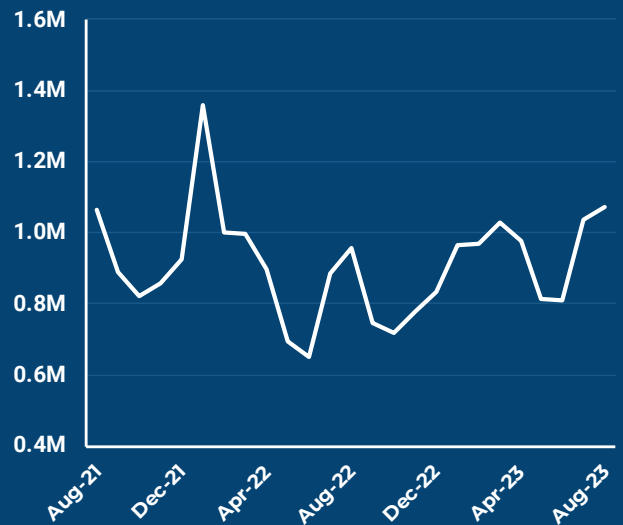
Some key precarity indicators such as the proportion of multiple and temporary job holders were level with August 2022. However, both the underutilization (+0.3) and underemployment (+0.5) rates remain elevated year-over-year, indicating that jobseekers are having a harder time finding suitable full-time work. Other metrics further suggest that underlying employment conditions have deteriorated recently. For example, the number of individuals currently not in employment reporting that they had lost their job during the previous 12 months reached nearly 1.1 million in August (see chart below), a 12% year-over-year increase. Of these, 96.2% reported that their lay-off had been permanent rather than temporary, which is the highest proportion since November 2022.

	August 2022	July 2023	August 2023	Y/Y change	M/M change
Part-time rate (%) <sup>7</sup>	16.4	16.2	16.1	-0.3	-0.1
Involuntary part-time (%) <sup>8</sup>	45.5	48.5	46.7	1.2	-1.8
Underutilization (R8) rate (%) <sup>9</sup>	7.9	8.5	8.2	0.3	-0.3
Underemployment rate (%) <sup>10</sup>	14.5	14.9	15.0	0.5	0.1
Multiple job holders (%) <sup>11</sup>	5.2	5.4	5.2	0.0	-0.2
Temporary job holders (%) <sup>12</sup>	13.1	13.4	13.1	0.0	-0.3
Casual/other (%)	3.2	3.2	3.2	0.0	0.0
Temporary/contract (%)	6.4	6.3	6.0	-0.4	-0.3
Seasonal (%)	3.5	3.9	3.8	0.3	-0.1
Low wage incidence (%) <sup>13</sup>	20.8	19.0	20.3	-0.5	1.3
Gender wage gap <sup>14</sup>	\$4.37	\$4.26	\$4.28	-2.2%	0.5%
NEETs (x1,000) <sup>15</sup>	1,633.0	1,552.8	1,760.5	7.8%	13.4%

## Underemployment Rate



## Jobs Lost In Previous 12 Months



# Regional Statistics

Regionally, employment growth was concentrated in Quebec (+0.3%), B.C. (+0.4%), and the Prairies (+0.6%), while remaining level in the Atlantic region. Notably, Ontario lost 9,000 jobs although this accounted for a marginal decline in employment of just 0.1%.

The aggregate increase in employment and jobseekers was surpassed by the rate of population growth, with all regions experiencing a substantial increase in their working-age population during the month of August. As a result, the participation rate fell by 0.1 percentage point in the Atlantic, Quebec and Ontario regions, while remaining level in the Prairies and B.C.

The pace of wage growth also showed significant divergences, with B.C. far surpassing other regions at an average 7% increase year-over-year. Meanwhile, the rate of wage growth in Quebec – which had exceeded other regions for much of 2022 – was fairly stagnant at 3.4%, translating into a meager 0.1% increase in real terms (adjusted for inflation).





# Regional Statistics Continued

## Atlantic

	Aug. 2022	Aug. 2023	Y/Y change	M/M change
Total employment (#)	1,180,100	1,207,900	27,800 2.4%	200 0.0%
Unemployment rate (%)	8.2	7.6	-0.5	0.2
Participation rate (%)	61.2	60.7	-0.6	-0.1
Union coverage (%)	31.0	29.9	-1.1	0.2
Average hourly wage (\$)	\$27.65	\$28.71	3.8%	0.3%
Real avg. hourly wage (\$)	\$27.65	\$27.80	0.6%	n/a



## Quebec

	Aug. 2022	Aug. 2023	Y/Y change	M/M change
Total employment (#)	4,406,100	4,504,500	98,400 2.2%	14,800 0.3%
Unemployment rate (%)	4.4	4.3	-0.1	-0.2
Participation rate (%)	64.3	64.7	0.4	-0.1
Union coverage (%)	37.6	38.0	0.4	0.9
Average hourly wage (\$)	\$31.15	\$32.21	3.4%	1.1%
Real avg. hourly wage (\$)	\$31.15	\$31.19	0.1%	n/a



## Ontario

	Aug. 2022	Aug. 2023	Y/Y change	M/M change
Total employment (#)	7,734,300	7,940,300	206,000 2.7%	-9,000 -0.1%
Unemployment rate (%)	5.6	5.9	0.3	0.3
Participation rate (%)	65.4	65.6	0.2	-0.1
Union coverage (%)	24.8	25.4	0.6	-0.1
Average hourly wage (\$)	\$32.90	\$34.61	5.2%	0.5%
Real avg. hourly wage (\$)	\$32.90	\$33.51	1.9%	n/a



# Regional Statistics Continued

## Prairies

	Aug. 2022	Aug. 2023	Y/Y change	M/M change
Total employment (#)	3,639,100	3,765,000	125,900 3.5%	22,000 0.6%
Unemployment rate (%)	5.4	5.6	0.3	-0.1
Participation rate (%)	68.7	68.7	0.0	0.0
Union coverage (%)	26.7	26.5	-0.2	-0.6
Average hourly wage (\$)	\$31.84	\$33.35	4.7%	0.5%
Real avg. hourly wage (\$)	\$31.84	\$32.29	1.4%	n/a



## British Columbia

	Aug. 2022	Aug. 2023	Y/Y change	M/M change
Total employment (#)	2,746,500	2,788,600	42,100 1.5%	12,000 0.4%
Unemployment rate (%)	4.5	5.2	0.7	-0.1
Participation rate (%)	64.9	64.8	0.0	0.0
Union coverage (%)	28.5	29.5	1.0	0.4
Average hourly wage (\$)	\$32.44	\$34.71	7.0%	1.0%
Real avg. hourly wage (\$)	\$32.44	\$33.61	3.6%	n/a



# Average Hourly Wages by Industry

## Nominal vs. Inflation-Adjusted Wage Growth

Industry	August 2022	August 2023	Y/Y change	Y/Y inflation-adjusted change
Agriculture	\$21.13	\$23.51	11.3%	7.2%
Forestry	\$33.87	\$32.62	-3.7%	-7.2%
Mining, oil and gas	\$44.76	\$49.31	10.2%	6.3%
Utilities	\$48.56	\$48.80	0.5%	-2.8%
Construction	\$33.52	\$35.24	5.1%	1.8%
Manufacturing: durables	\$31.60	\$33.45	5.8%	2.4%
Manufacturing: non-durables	\$29.61	\$32.19	8.7%	5.0%
Wholesale Trade	\$33.85	\$35.36	4.4%	1.1%
Retail Trade	\$22.19	\$23.29	5.0%	1.6%
Transportation and Warehousing	\$30.85	\$32.79	6.3%	2.8%
Finance and Insurance	\$39.89	\$42.91	7.6%	4.0%
Real Estate and Rental and Leasing	\$31.89	\$35.04	9.9%	6.0%
Professional, Scientific and Technical Services	\$42.42	\$44.16	4.1%	0.8%
Business, building and other support	\$24.77	\$25.02	1.0%	-2.2%
Educational Services	\$39.23	\$40.13	2.3%	-0.9%
Health Care and Social Assistance	\$31.20	\$32.32	3.6%	0.3%
Information, Culture and Recreation	\$30.37	\$29.94	-1.4%	-4.8%
Accommodation and Food Services	\$18.73	\$19.71	5.2%	1.9%
Other Services	\$27.76	\$29.44	6.0%	2.6%
Public Administration	\$39.77	\$42.21	6.1%	2.7%

Comparing annual hourly wage increases between industries for the month of August reveals stark differences, with some industries such as mining, oil and gas far outpacing the rate of inflation (+10.2%), while others such as educational services (+2.3%) and information, culture and recreation (-1.4%) continue to fall behind in real, and sometimes, nominal terms.

Employment levels have shown significant volatility within certain industries in recent months. After having declined by nearly 45,000 jobs, the construction industry regained nearly 34,000 jobs in August. Meanwhile, professional, scientific and technical services added 52,000 jobs, following a loss of 10,000 jobs in July.

# Monthly Employment Gains and Losses by Industry and Sector

Employment Change by Industry/Sector, July to August 2023

GOODS-PRODUCING SECTOR	-2,500	
Agriculture	-10,500	
Forestry, fishing, mining, quarrying, oil and gas		5,300
Utilities	-1,600	
Construction		33,800
Manufacturing	-29,500	
SERVICES PRODUCING SECTOR		42,400
Wholesale and retail trade		8,000
Transportation and warehousing		12,700
Finance, insurance, real estate, rental and leasing	-16,300	
Professional, scientific and technical services		52,100
Business, building and other support services		8,200
Educational services	-44,200	
Health care and social assistance		2,300
Information, culture and recreation		2,300
Accommodation and food services	-500	
Other services (except public administration)		20,900
Public administration	-3,000	





# 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 people 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 people 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 calculated using usual wages or salaries reported by employees for their main job.
6. The real average hourly wage adjusts wages to account for the impact of inflation and is reported in dollars from the corresponding month of the previous year. Since CPI data is unavailable for the current month prior to the release of the Labour Force Survey, the previous month's CPI level is used to estimate real wages for the current period.
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 people 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 people aged 15 to 29 who are not in employment, education or training.





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