

UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

December 2022



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National Statistics

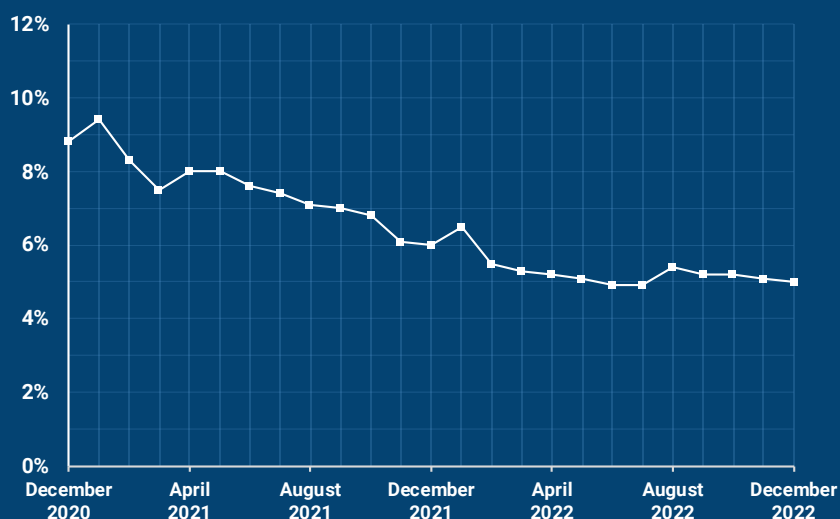
The Canadian labour market showed continued strength towards the end of 2022, with more than 100,000 jobs added during December. Despite expectations of a slowdown in jobs growth, strong labour demand and consumer spending created the perfect conditions for a surge in employment, with the participation rate jumping back up to 65.0% and the unemployment rate falling to 5.0%. The unemployment rate is now just 0.1 percentage point off the historic lows reached last summer.

However, while employment growth remained strong, average wages fell by 0.2%, and real wages (adjusted for inflation) are 1.7% lower compared to December 2021. In short, the purchasing power of workers is falling further behind the increased cost of living, despite moderating inflation and strong jobs demand. This data suggests there is little reason for the Bank of Canada to continue its strategy of tightening monetary policy in an effort to slow the economy and stifle wage growth.

	Dec. average 2016–20	Dec. 2021	Dec. 2022	Dec. 2021–22 Change	Nov.–Dec. 2022 Change
Total employment (#) ¹	18,573,400	19,370,800	19,770,300	399,500 2.1%	104,000 0.5%
Unemployment rate (%) ²	6.6	5.9	5.0	-0.9 p.p.	-0.1 p.p.
Participation rate (%) ³	65.4	65.3	65.0	-0.3 p.p.	0.2 p.p.
Union coverage (%) ⁴	30.6	30.9	31.1	0.2 p.p.	-0.1 p.p.
Average hourly wage (\$) ⁵	\$31.75	\$32.61	\$32.06	-1.7%	-0.2%
Average weekly hours (hrs.) ⁶	35.0	35.2	35.3	0.3%	-0.3%

*p.p. refers to percentage points.

Unemployment Rate



Real Average Hourly Wage



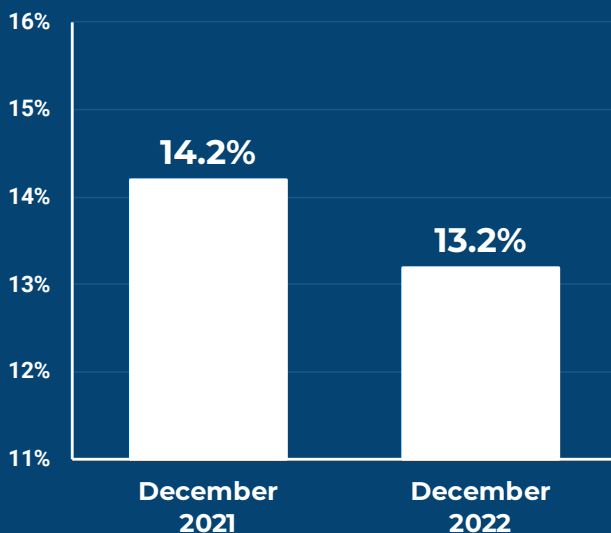
National Precarity Indicators

The vast majority of Unifor's precarity indicators show robust improvement, particularly when compared to December 2021. Both the underemployment and underutilization rates have shown a marked decline since last December, indicating that the labour market has been able to generate more full-time jobs for those who want them. The proportion of temporary job holders has also declined by a significant amount, driven primarily by a fall in contract workers. All of these trends are reflective of the fact that strong labour demand has led to the creation of more full-time,

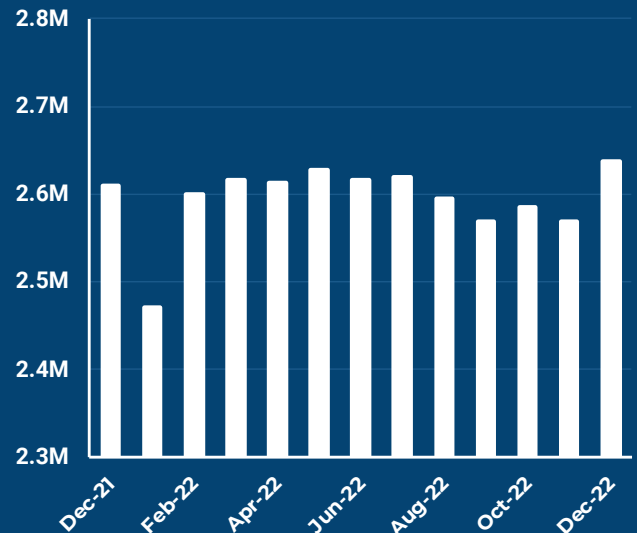
permanent positions than ever before. Notably, youth workers (aged 15 to 24), who tend to face some of the most precarious working conditions, contributed significantly to overall employment growth last month (see chart below). The youth employment gain of 69,000 jobs erased previous months' losses, which had seen the youth unemployment rate rise from 9.2% in June to 10.3% in November.

	Dec. 2021	Dec. 2022	Dec. 2021-22 Change (p.p.)	Nov.-Dec. 2022 Change (p.p.)
Part-time rate (%) ⁷	19.3	18.7	-0.6	0.1
Involuntary part-time (%) ⁸	39.4	39.6	0.2	-0.7
Underutilization (R8) rate (%) ⁹	7.6	6.2	-1.4	-0.2
Underemployment rate (%) ¹⁰	14.2	13.2	-1.0	-0.2
Multiple job holders (%) ¹¹	5.5	5.7	0.2	0.1
Temporary job holders (%) ¹²	11.5	10.9	-0.6	-0.3
<i>Casual/other (%)</i>	3.5	3.4	-0.1	0.2
<i>Temporary/contract (%)</i>	6.7	6.3	-0.4	-0.2
<i>Seasonal (%)</i>	1.3	1.3	0.0	-0.2
Low wage incidence (%) ¹³	18.7	19.5	0.8	0.1
Gender pay gap ¹⁴	\$4.03	\$4.08	1.1%	3.1%
NEETs (x1,000) ¹⁵	659.2	639.8	-2.9%	-2.6%

Underemployment Rate



Youth Employment



Regional Statistics

December's employment gains were spread out across Canada, with all five regions posting jobs increases. In absolute terms, Ontario led the way with 42,100 jobs added (+0.5%), followed by the Prairies with an additional 35,700 jobs (+1.0%) and B.C. with 16,600 jobs (+0.6%). The Atlantic region added nearly 7,000 jobs, which accounted for a 0.6% increase in regional employment, while Quebec stood nearly unchanged at 2,600 jobs gained (+0.1%).

Average hourly wages were a different story, with the bulk of wage declines coming in Ontario (-0.6%) and B.C. (-0.7%). The significant month-over-month fall in hourly wages may prove to be temporary in both regions since hourly wage data is seasonally unadjusted and reflects seasonal impacts. However, with these declines, real wages in Ontario and B.C. are now significantly below December 2021, meaning that even larger wage increases will be needed in the near future to catch up to inflation. Elsewhere, wages continued to post gains in Quebec (+0.5%), the Prairies (+0.3%) and the Atlantic (+0.1%).



Regional Statistics Continued

Atlantic

	Dec. 2021	Dec. 2022	Dec. 2021–22 Change	Nov.–Dec. 2022 Change
Total employment (#)	1,141,900	1,176,600	34,700 3.0%	6,800 0.6%
Unemployment rate (%)	8.6	7.8	-0.9	0.4
Participation rate (%)	60.5	60.4	-0.2	0.5
Union coverage (%)	33.3	34.7	1.4	0.8
Average hourly wage (\$)	\$28.32	\$28.17	-0.5%	0.1%
Average weekly hours (hrs.)	36.4	36.8	1.1%	-0.2%



Quebec

	Dec. 2021	Dec. 2022	Dec. 2021–22 Change	Nov.–Dec. 2022 Change
Total employment (#)	4,358,300	4,439,000	80,700 1.9%	2,600 0.1%
Unemployment rate (%)	4.6	4.0	-0.6	0.2
Participation rate (%)	64.2	64.3	0.1	0.1
Union coverage (%)	39.4	39.0	-0.4	-0.7
Average hourly wage (\$)	\$31.43	\$31.41	-0.1%	0.5%
Average weekly hours (hrs.)	34.6	34.6	-0.2%	-0.2%



Ontario

	Dec. 2021	Dec. 2022	Dec. 2021–22 Change	Nov.–Dec. 2022 Change
Total employment (#)	7,651,700	7,743,700	92,000 1.2%	42,100 0.5%
Unemployment rate (%)	6.0	5.3	-0.8	-0.3
Participation rate (%)	65.6	64.9	-0.7	0.1
Union coverage (%)	26.7	26.9	0.2	0.1
Average hourly wage (\$)	\$33.29	\$32.84	-1.4%	-0.6%
Average weekly hours (hrs.)	35.7	35.7	0.1%	-0.3%



Regional Statistics Continued

Prairies

	Dec. 2021	Dec. 2022	Dec. 2021-22 Change	Nov.-Dec. 2022 Change
Total employment (#)	3,521,600	3,645,900	124,300 3.5%	35,700 1.0%
Unemployment rate (%)	6.6	5.2	-1.4	-0.1
Participation rate (%)	68.4	68.1	-0.3	0.5
Union coverage (%)	28.9	28.4	-0.5	-0.3
Average hourly wage (\$)	\$33.58	\$32.16	-4.2%	0.3%
Average weekly hours (hrs.)	36.1	36.5	1.1%	0.2%



British Columbia

	Dec. 2021	Dec. 2022	Dec. 2021-22 Change	Nov.-Dec. 2022 Change
Total employment (#)	2,697,300	2,765,000	67,700 2.5%	16,600 0.6%
Unemployment rate (%)	5.3	4.2	-1.1	-0.2
Participation rate (%)	64.9	64.9	0.0	0.2
Union coverage (%)	30.2	31.5	1.3	-0.5
Average hourly wage (\$)	\$33.21	\$32.57	-1.9%	-0.7%
Average weekly hours (hrs.)	34.8	35.2	1.2%	-0.3%



Average Wages and Employment Gains/Losses by Industry

Looking at the year-over-year change in real wages by industry, it becomes quite apparent that the vast majority of workers in all sectors of Canada's economy continue to see their purchasing power being eroded, despite the outdated narrative that wages are a primary cause of inflation. While some industries such as retail trade and accommodation and food services were briefly buoyed by the return of economic activity post-lockdown, flattening wage growth in the service sector has meant that real wages are once again on a downwards trend. Whatever the industry, it is crucial to remember that unless wage gains stay apace of inflation, workers effectively take a pay cut.

In terms of employment trends by industry, the year-over-year decline in health care and social assistance (-9,982) is cause for concern, particularly given the record number of vacancies in the industry which is happening at the same time as a "triple-demic" of COVID-19, flu and RSV pushes health care facilities to the

breaking point. And while the fall in retail trade jobs (-92,671) is in keeping with previous months' trends, the decline is certainly surprising given the expected hiring spree in advance of the holiday season. These figures may reflect stronger than usual jobs growth in retail before December 2021, as retailers prepared for a return to in-store holiday shopping, just prior to the Omicron wave and subsequent lockdowns in January 2022.

Real Average Hourly Wages by Industry

Industry	Dec. 2022	Dec. 2021 – 2022 Change
Agriculture	\$22.21	-3.5%
Forestry	\$32.43	-5.0%
Mining, oil, and gas	\$45.50	-4.9%
Utilities	\$49.00	-2.2%
Construction	\$34.38	-0.8%
Manufacturing – durables	\$32.89	3.0%
Manufacturing – non-durables	\$30.63	-1.1%
Wholesale Trade	\$31.85	-3.8%
Retail Trade	\$21.97	-2.4%
Transportation and Warehousing	\$30.48	-1.4%
Finance and Insurance	\$39.33	-3.2%
Real Estate and rental and leasing	\$29.11	-7.4%
Professional, Scientific and Technical Services	\$41.54	0.3%
Business, building and other support	\$24.96	-1.6%
Educational Services	\$37.49	-3.1%
Health Care and Social Assistance	\$31.26	-0.9%
Information, Culture and Recreation	\$30.78	-8.9%
Accommodation and Food Services	\$19.11	0.9%
Other Services	\$27.97	-1.8%
Public Administration	\$41.37	-2.9%

Average Wages and Employment Gains/Losses by Industry Continued

Employment Change by Industry, December 2021 to December 2022

Agriculture		21,256
Forestry	-10,633	
Mining, oil, and gas		19,128
Utilities		3,268
Construction		79,747
Manufacturing - durables		14,068
Manufacturing - non-durables	-20,605	
Wholesale Trade		810
Retail Trade	-92,671	
Transportation and Warehousing	-6,752	
Finance and Insurance		46,080
Real Estate and rental and leasing	-3,650	
Professional, Scientific, Technical Services		116,583
Business, building and other support	-2,694	
Educational Services		7,885
Health Care and Social Assistance	-9,982	
Information, Culture and Recreation		51,947
Accommodation and Food Services		81,637
Other Services		37,451
Public Administration		45,407



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.





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