

UNIFOR RESEARCH DEPARTMENT

# LABOUR MARKET INSIGHTS

*A monthly review of labour market indicators*

December 2023



**UNIFOR**  
theUnion | lesyndicat  
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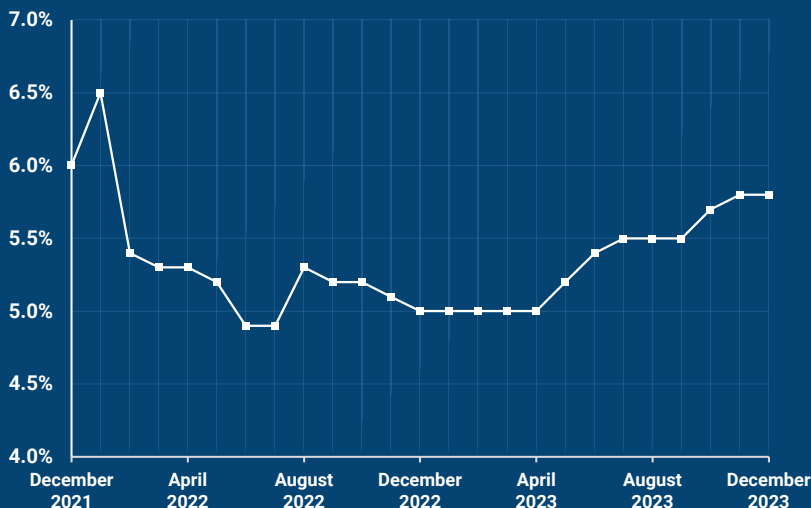
# National Statistics

Canada's labour market ended the year with a whisper as there was an aggregate increase of just 100 jobs in December. The unemployment rate remained level at 5.8% and the participation rate fell by 0.2 percentage points to 65.4%. Year-over-year, employment grew by an impressive 2.2% with more than 430,000 jobs added to the economy over the course of the year. However, this increase was eclipsed by the addition of more than 945,000 working age people to the country over the same period of time, which outpaced the labour market's ability to generate new jobs. As a result, the number of unemployed grew by 202,000 individuals.

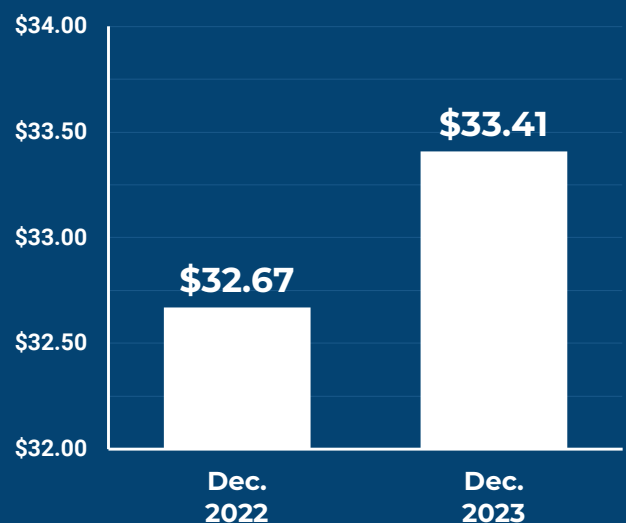
Wages ended 2023 on a positive note as falling inflation meant that real wage growth reached 2.3%. However, union coverage rates declined, indicating that much of the past year's employment growth was focused in non-unionized segments of the labour market.

	December 2017–21 average	December 2022	November 2023	December 2023	Year-over-year (Y/Y) change	Monthly (M/M) change
Total employment (#) <sup>1</sup>	18,955,200	19,882,300	20,312,500	20,312,600	430,300 2.2%	100 0.0%
Unemployment rate (%) <sup>2</sup>	6.4	5.0	5.8	5.8	0.8	0.0
Participation rate (%) <sup>3</sup>	65.8	65.4	65.6	65.4	0.0	-0.2
Union coverage (%) <sup>4</sup>	30.3	30.8	30.9	30.5	-0.3	-0.4
Average hourly wage (\$) <sup>5</sup>	\$29.03	\$32.67	\$34.28	\$34.45	5.4%	0.5%
Real average hourly wage (\$) <sup>6</sup>	\$32.70	\$32.67	\$33.24	\$33.41	2.3%	n/a

## Unemployment Rate



## Real Average Hourly Wage



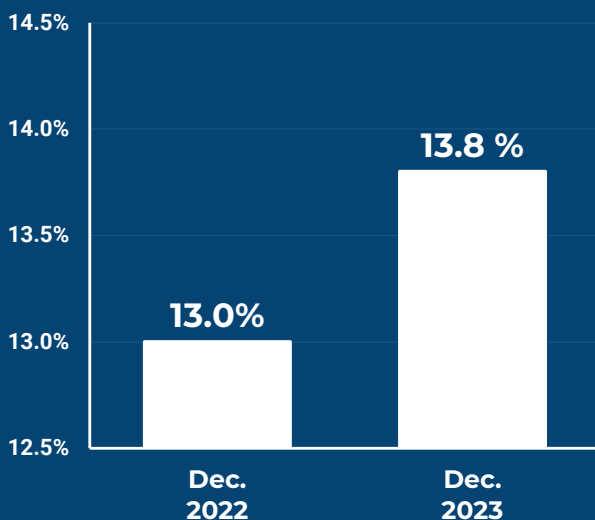
# National Precarity Indicators

Softening labour market conditions and increased precarity during 2023 were mainly signalled by steady increases in the underutilization rate (R8), which rose by a full one percentage point, as well as the rate of underemployment, which increased by 0.8 percentage points. Other indicators such as the rate of multiple job holders and temporary job holders remained essentially level while there were only marginal increases in the incidence of low wages and part-time workers.

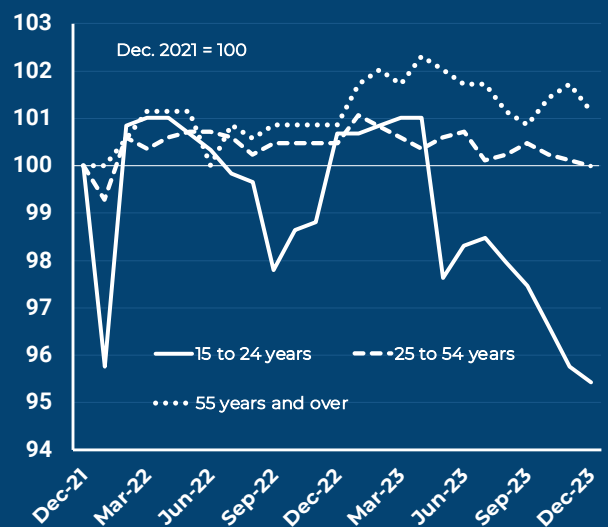
	Dec. 2022	Nov. 2023	Dec. 2023	Y/Y change	M/M change
Part-time rate (%) <sup>7</sup>	18.6	18.7	18.8	0.2	0.1
Involuntary part-time (%) <sup>8</sup>	38.9	38.6	38.6	-0.3	0.0
Underutilization (R8) rate (%) <sup>9</sup>	6.3	7.2	7.3	1.0	0.1
Underemployment rate (%) <sup>10</sup>	13.0	13.9	13.8	0.8	-0.1
Multiple job holders (%) <sup>11</sup>	5.8	5.5	5.7	-0.1	0.2
Temporary job holders (%) <sup>12</sup>	10.8	11.1	10.8	0.0	-0.3
Casual/other (%)	3.3	3.4	3.3	0.0	-0.1
Temporary/contract (%)	6.1	6.0	6.0	-0.1	0.0
Seasonal (%)	1.3	1.6	1.4	0.1	-0.2
Low wage incidence (%) <sup>13</sup>	19.4	19.4	19.5	0.1	0.1
Gender wage gap <sup>14</sup>	\$4.71	\$4.81	\$4.93	4.7%	2.4%
NEETs (x1,000) <sup>15</sup>	620.4	740.7	789.7	27.3%	6.6%

However, the number of youths not in employment, education or training (NEETs) grew significantly by 27.3%, suggesting that youths have borne the brunt of the weakening labour market. Further evidence can be seen in the youth employment rate level which recently fell below the pandemic-linked drop of January 2022 (see chart below), even as other age cohorts remained level or increased.

## Underemployment Rate



## Change in Employment Rate



# Regional Statistics

The headline employment figures for December obscure the fact that four out of five regions observed robust employment growth last month, with major job losses in Ontario nearly wiping out gains across the rest of Canada. Ontario saw a decline of 48,000 jobs (-0.6%), which coincided with a 0.2 percentage point increase in the rate of unemployment to 6.3%, along with a substantial decline of 0.4 percentage points in the participation rate to 64.8%.

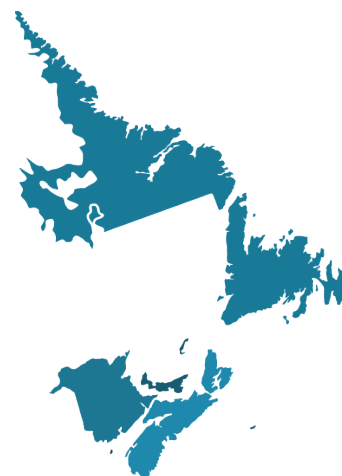
Elsewhere, employment growth ranged from +8,500 (+0.7%) in Atlantic Canada to +17,700 (+0.6%) in B.C. and +11,800 (+0.3%) in the Prairies. Quebec saw a modest gain of 9,800 jobs (+0.2%), which nevertheless coincided with a significant half percentage point drop in the unemployment rate to 4.7%, since there was a simultaneous fall in the participation rate. In short, some jobseekers found jobs while others left the labour market and were no longer counted among the ranks of the unemployed. The opposite effect was observed in B.C. where a major employment increase coincided with a 0.5 percentage point jump in the participation rate, causing the unemployment rate to rise to 5.6% (+0.3).



# Regional Statistics Continued

## Atlantic

	Dec. 2022	Dec. 2023	Y/Y change	M/M change
Total employment (#)	1,192,400	1,228,400	36,000 3.0%	8,500 0.7%
Unemployment rate (%)	7.5	7.3	-0.2	-0.1
Participation rate (%)	60.9	61.0	0.1	0.3
Union coverage (%)	33.1	32.5	-0.6	0.3
Average hourly wage (\$)	\$28.44	\$30.05	5.7%	0.1%
Real avg. hourly wage (\$)	\$28.44	\$29.14	2.5%	n/a



## Quebec

	Dec. 2022	Dec. 2023	Y/Y change	M/M change
Total employment (#)	4,464,200	4,529,400	65,200 1.5%	9,800 0.2%
Unemployment rate (%)	4.1	4.7	0.6	-0.5
Participation rate (%)	64.7	64.9	0.2	-0.3
Union coverage (%)	38.4	38.9	0.5	-0.7
Average hourly wage (\$)	\$31.87	\$33.02	3.6%	0.6%
Real avg. hourly wage (\$)	\$31.87	\$32.02	0.5%	n/a



## Ontario

	Dec. 2022	Dec. 2023	Y/Y change	M/M change
Total employment (#)	7,786,900	7,904,400	117,500 1.5%	-48,000 -0.6%
Unemployment rate (%)	5.3	6.3	1.0	0.2
Participation rate (%)	65.3	64.8	-0.5	-0.4
Union coverage (%)	26.9	26.3	-0.6	-0.3
Average hourly wage (\$)	\$33.56	\$35.72	6.4%	0.7%
Real avg. hourly wage (\$)	\$33.56	\$34.64	3.2%	n/a



# Regional Statistics Continued

## Prairies

	Dec. 2022	Dec. 2023	Y/Y change	M/M change
Total employment (#)	3,675,900	3,813,400	137,500 3.7%	11,800 0.3%
Unemployment rate (%)	5.2	5.7	0.5	0.1
Participation rate (%)	68.6	68.9	0.3	0.1
Union coverage (%)	28.2	28.5	0.3	-0.3
Average hourly wage (\$)	\$32.67	\$34.10	4.4%	0.3%
Real avg. hourly wage (\$)	\$32.67	\$33.07	1.2%	n/a



## British Columbia

	Dec. 2022	Dec. 2023	Y/Y change	M/M change
Total employment (#)	2,763,000	2,837,000	74,000 2.7%	17,700 0.6%
Unemployment rate (%)	4.1	5.6	1.5	0.3
Participation rate (%)	64.8	65.7	0.9	0.5
Union coverage (%)	31.3	30.5	-0.8	-0.3
Average hourly wage (\$)	\$33.41	\$35.72	6.9%	0.1%
Real avg. hourly wage (\$)	\$33.41	\$34.64	3.7%	n/a



# Average Hourly Wages by Industry

## Nominal vs. Inflation-Adjusted Wage Growth

Industry	December 2022	December 2023	Y/Y change	Y/Y inflation-adjusted change
Agriculture	\$22.33	\$23.36	4.6%	0.9%
Forestry	\$32.54	\$35.25	8.3%	4.8%
Mining, oil and gas	\$47.66	\$49.88	4.7%	1.5%
Utilities	\$50.30	\$51.41	2.2%	-0.9%
Construction	\$34.96	\$36.60	4.7%	1.5%
Manufacturing: durables	\$33.65	\$34.99	4.0%	0.8%
Manufacturing: non-durables	\$31.11	\$33.25	6.9%	3.5%
Wholesale Trade	\$33.99	\$37.66	10.8%	6.9%
Retail Trade	\$22.21	\$23.40	5.3%	2.1%
Transportation and Warehousing	\$31.00	\$32.85	6.0%	2.7%
Finance and Insurance	\$40.92	\$44.04	7.6%	4.2%
Real Estate and Rental and Leasing	\$31.46	\$35.97	14.4%	9.8%
Professional, Scientific and Technical Services	\$42.94	\$45.45	5.8%	2.6%
Business, building and other support	\$25.41	\$26.19	3.1%	-0.1%
Educational Services	\$37.93	\$38.76	2.2%	-0.9%
Health Care and Social Assistance	\$31.31	\$32.79	4.7%	1.5%
Information, Culture and Recreation	\$31.27	\$31.56	0.9%	-2.2%
Accommodation and Food Services	\$19.05	\$20.59	8.1%	4.6%
Other Services	\$27.81	\$29.46	5.9%	2.6%
Public Administration	\$41.66	\$43.82	5.2%	1.9%

Wage growth ended the year with most industries having observed real wage gains, coinciding with falling inflation. Significantly, labour demand fuelled by the COVID-19 pandemic recovery in retail trade and accommodation and food services led to robust real wage growth for some lower-waged workers. Certain industries, however, such as utilities, educational services and information, culture and recreation continue to see stagnant or declining real wages.

Employment growth in December was focused in the services-producing sector, with professional, scientific and technical services (+45,700) leading the way. These gains were offset by notable losses in the goods-producing sector, including manufacturing (-18,300) and construction (-13,900).

# Monthly Employment Gains and Losses by Industry and Sector

Employment Change by Industry/Sector, November to December 2023

<b>GOODS-PRODUCING SECTOR</b>	<b>-42,900</b>	
Agriculture	-17,700	
Forestry, fishing, mining, quarrying, oil and gas		4,400
Utilities		2,600
Construction	-13,900	
Manufacturing	-18,300	
<b>SERVICES PRODUCING SECTOR</b>		<b>43,100</b>
Wholesale and retail trade	-20,600	
Transportation and warehousing	-4,200	
Finance, insurance, real estate, rental and leasing		7,200
Professional, scientific and technical services		45,700
Business, building and other support services	-13,600	
Educational services	-1,500	
Health care and social assistance		15,500
Information, culture and recreation	-2,500	
Accommodation and food services	-2,500	
Other services (except public administration)		12,000
Public administration		7,600





# 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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