

UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

January 2022



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February 4, 2022

National Statistics

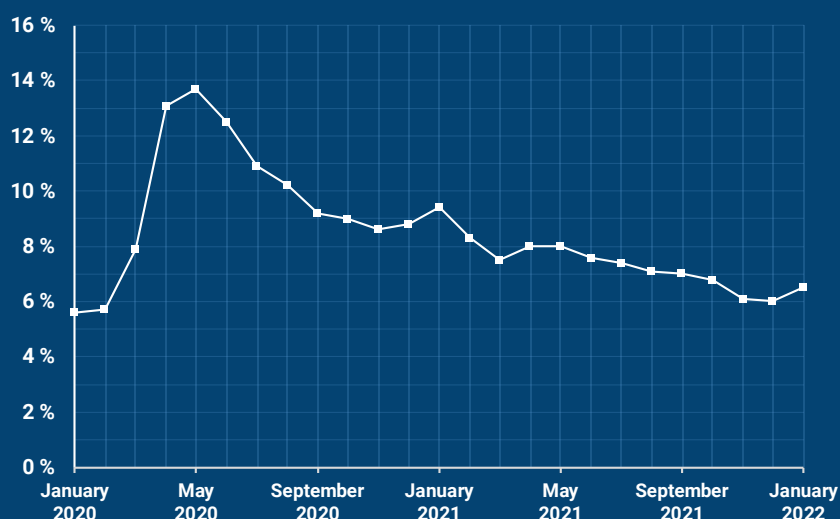
The new year began with Canadians caught in the midst of yet another wave of the COVID-19 virus. With the Omicron variant causing record numbers of infections across the country, the reintroduction of stringent public health measures to halt spiralling hospitalization and ICU numbers in some provinces inevitably led to renewed rounds of layoffs. As a result, the labour market shed just over 200,000 jobs in January and the unemployment rate climbed back to 6.5%, after having posted the lowest figure since the pre-pandemic period during the month of December.

Average hourly wages saw a 1.5% bump in January, although some of this increase is likely due to lower waged workers being laid off due to lockdown measures – a trend that was observed early on in the pandemic. However, while inflation continues to erode wages, there was some respite from the sustained rise in the Consumer Price Index (CPI) in December (see p. 3).

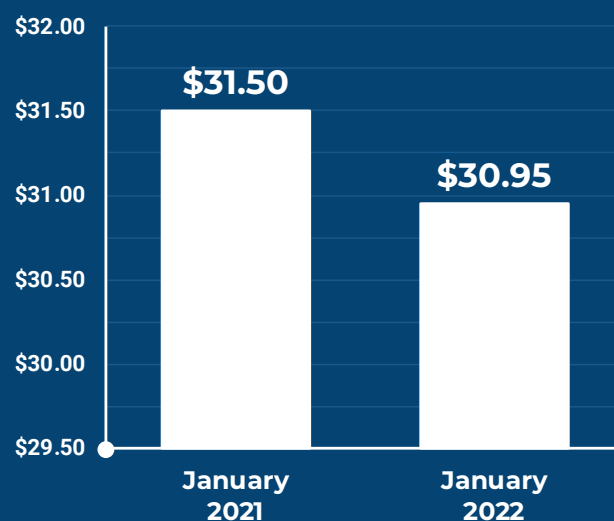
	January average 2016–20	Jan. 2021	Jan. 2022	Jan. 2021–22 Change	Dec. 2022–Jan. 2022 Change
Total employment (#) ¹	18,462,000	18,285,600	19,176,100	890,500 4.9%	-200,100 -1.0%
Unemployment rate (%) ²	6.3	9.4	6.5	-2.9 p.p.	0.5 p.p.
Participation rate (%) ³	65.6	64.7	65.0	0.3 p.p.	-0.4 p.p.
Union coverage (%) ⁴	30.4	31.8	31.0	-0.8 p.p.	0.1 p.p.
Average hourly wage (\$) ⁵	\$29.30	\$31.50	\$30.95	-1.7%	1.5%
Average weekly hours (hrs.) ⁶	34.9	35.5	35.3	-0.6%	0.3%

*p.p. refers to percentage points.

Unemployment Rate



Average Hourly Real Wage



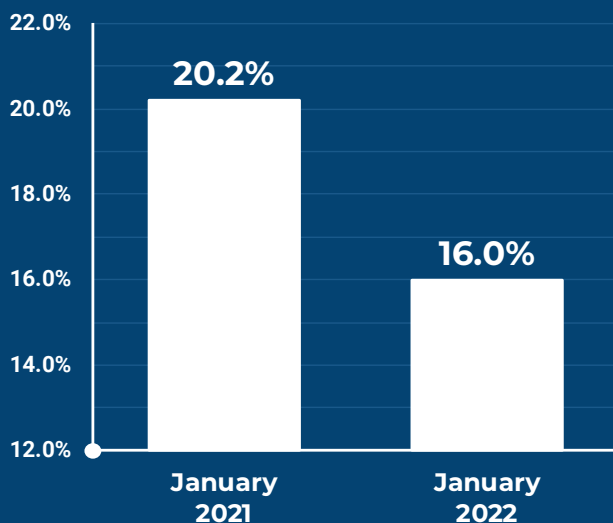
National Precarity Indicators

The Omicron variant's impact on the labour market once again revealed the vulnerability of precarious and lower-waged workers in Canada. Trends that were observed early on in the pandemic reasserted themselves, with the involuntary part-time, undertulization and underemployment rates all seeing an increase in January. Meanwhile, the part-time rate and the proportion of temporary and multiple job holders decreased, likely because such workers saw their shifts being reduced or entirely eliminated as work in the services sector dried up again. The number of youths aged 15 to

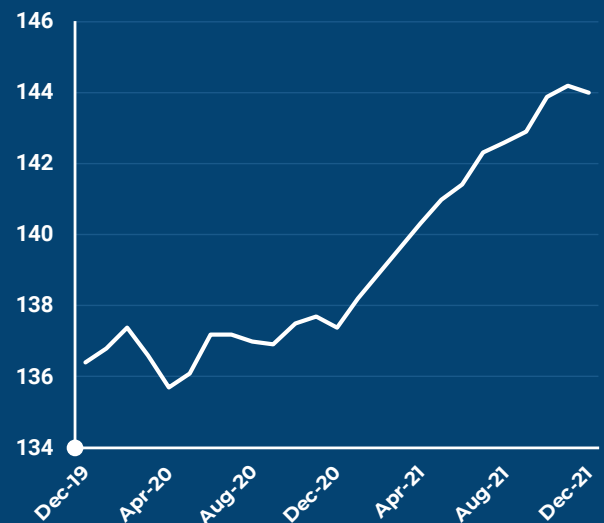
29 not in employment, education or training (NEETs) also increased substantially from the previous month (+28%). However, despite the overall increase in precarity, January's figures continue to be a marked improvement from a year ago, and early indications that the Omicron wave has already peaked might mean that the numbers will improve again over the next few months.

	Jan. 2021	Jan. 2022	Jan. 2021-22 Change (p.p.)	Dec. 2021-Jan. 2022 Change (p.p.)
Part-time rate (%) ⁷	18.1	18.9	0.8	-0.4
Involuntary part-time (%) ⁸	46.8	40.9	-5.9	1.5
Underutilization (R8) rate (%) ⁹	13.3	9.1	-4.2	1.5
Underemployment rate (%) ¹⁰	20.2	16.0	-4.2	1.8
Multiple job holders (%) ¹¹	4.3	5.2	0.9	-0.3
Temporary job holders (%) ¹²	10.5	10.7	0.2	-0.8
<i>Casual/other (%)</i>	2.9	3.3	0.4	-0.2
<i>Temporary/contract (%)</i>	6.7	6.5	-0.2	-0.2
<i>Seasonal (%)</i>	0.9	0.9	0.0	-0.4
Low wage incidence (%) ¹³	19.8	18.7	-1.1	0.0
Gender pay gap ¹⁴	\$3.48	\$4.07	16.7%	0.9%
NEETs (x1,000) ¹⁵	1,024.7	842.8	-17.8%	27.9%

Underemployment Rate



Consumer Price Index (CPI)



Regional Statistics

There were stark regional differences in labour market outcomes during the month of January, primarily reflecting the kind of public health measures introduced to stem the tide of Omicron infections. Ontario accounted for the lion's share of jobs lost during the month, as the province posted a decline in employment of nearly 160,000 while the unemployment rate jumped to 7.3% (up from 6.0% in December). Quebec followed, with a loss of close to 61,000 jobs and an increase in the unemployment rate of 0.8 percentage points. The Atlantic region was also hit particularly hard by the Omicron wave after having avoided the worst of the Delta wave, and nearly 10,000 jobs were shed there. By contrast, the western regions of Canada experienced employment gains during January, with the Prairies gaining more than 25,000 jobs and B.C. 9,000 jobs.

Average hourly wages were nearly positive across the board, but as with the early days of the pandemic some of the wage increases reflect the loss of lower waged and more precarious positions. This was likely the case in Ontario, where the 2.7% monthly increase in hourly wages reflects a significant proportion of lower waged service workers being furloughed due to restaurant, bar, recreational and entertainment venue closures. The Prairies region was the sole exception, with wages falling further by 1% in January.



Regional Statistics Continued

Atlantic

	Jan. 2021	Jan. 2022	Jan. 2021–22 Change	Dec. 2021– Jan. 2022 Change
Total employment (#)	1,125,000	1,132,100	7,100 0.6%	-9,800 -0.9%
Unemployment rate (%)	9.3	8.9	-0.5	0.2
Participation rate (%)	60.7	60.0	-0.7	-0.5
Union coverage (%)	33.1	34.1	1.0	0.8
Average hourly wage (\$)	\$26.87	\$26.81	-0.2%	1.3%
Average weekly hours (hrs.)	36.0	36.6	1.6%	0.4%



Quebec

	Jan. 2021	Jan. 2022	Jan. 2021–22 Change	Dec. 2021– Jan. 2022 Change
Total employment (#)	4,102,100	4,297,400	195,300 4.8%	-60,900 -1.4%
Unemployment rate (%)	8.8	5.4	-3.3	0.8
Participation rate (%)	63.5	63.8	0.3	-0.4
Union coverage (%)	41.3	39.8	-1.5	0.4
Average hourly wage (\$)	\$30.15	\$29.85	-1.0%	1.6%
Average weekly hours (hrs.)	35.1	34.8	-1.0%	0.3%



Ontario

	Jan. 2021	Jan. 2022	Jan. 2021–22 Change	Dec. 2021– Jan. 2022 Change
Total employment (#)	7,085,500	7,493,500	408,000 5.8%	-158,200 -2.1%
Unemployment rate (%)	10.2	7.3	-2.9	1.3
Participation rate (%)	64.2	65.0	0.8	-0.6
Union coverage (%)	28.1	27.0	-1.1	0.3
Average hourly wage (\$)	\$32.38	\$31.98	-1.2%	2.7%
Average weekly hours (hrs.)	36.0	35.8	-0.5%	0.3%



Regional Statistics Continued

Prairies

	Jan. 2021	Jan. 2022	Jan. 2021-22 Change	Dec. 2021- Jan. 2022 Change
Total employment (#)	3,359,800	3,546,900	187,100 5.6%	25,300 0.7%
Unemployment rate (%)	9.7	6.6	-3.1	-0.1
Participation rate (%)	68.1	68.7	0.7	0.3
Union coverage (%)	28.6	28.1	-0.5	-0.8
Average hourly wage (\$)	\$32.77	\$31.10	-5.1%	-1.0%
Average weekly hours (hrs.)	36.1	36.0	-0.2%	-0.2%



British Columbia

	Jan. 2021	Jan. 2022	Jan. 2021-22 Change	Dec. 2021- Jan. 2022 Change
Total employment (#)	2,599,600	2,706,300	106,700 4.1%	9,000 0.3%
Unemployment rate (%)	8.0	5.1	-2.9	-0.2
Participation rate (%)	65.4	64.8	-0.6	0.0
Union coverage (%)	30.3	30.1	-0.2	-0.1
Average hourly wage (\$)	\$31.65	\$31.46	-0.6%	1.3%
Average weekly hours (hrs.)	34.9	34.5	-1.1%	-0.8%



Average Wages and Employment Gains/Losses by Industry

In general, the decline in real hourly wages has started to slow, and in many industries wage growth has become the norm once more. While some industries such as mining, oil, and gas (-4.0%), utilities (-5.4%) and health care and social assistance (-3.7%) continue to play catch-up, other industries like manufacturing (durables, +0.5%; non-durables, +1.8%), transportation and warehousing (+2.5%), and information, culture and recreation (+1.8%) are once again posting year-over-year real wage gains. Some of these gains are undoubtedly the result of lower-waged workers being laid off during the latest COVID-19 wave, but average wages are also increasing as a result of employers attempting to attract and retain workers during a period of heightened inflation.

In terms of sectoral employment figures, while most industries have seen a net gain in jobs compared to January 2021, this year-over-year comparison is with a period of time when much of the country was under lockdown during the second wave of the pandemic.

Adjusted for seasonality, the total number of jobs lost in the services sector from December 2021 to January 2022 was 223,100, with gains in the goods-producing sector (+22,900) only partially offsetting this significant decline. Unsurprisingly, over half of these job losses occurred in the accommodation and food services industry (-112,900) followed by information, culture and recreation (-48,400).

Average Hourly Wages by Industry

Industry	Jan. 2022	Jan. 2021 – 2022 Change
Agriculture	\$22.88	4.9%
Forestry	\$32.64	2.2%
Fishing, hunting, and trapping	\$23.52	-11.9%
Mining, oil, and gas	\$45.16	-4.0%
Utilities	\$46.17	-5.4%
Construction	\$32.87	-0.5%
Manufacturing - durables	\$30.51	0.5%
Manufacturing non-durables	\$29.39	1.8%
Wholesale Trade	\$31.83	2.7%
Retail Trade	\$21.17	-1.4%
Transportation and Warehousing	\$29.47	2.5%
Finance and Insurance	\$38.15	-0.8%
Real Estate and rental and leasing	\$30.69	1.8%
Professional, Scientific and Technical Services	\$39.61	3.4%
Business, building and other support	\$23.99	3.3%
Educational Services	\$36.05	-2.3%
Health Care and Social Assistance	\$29.37	-3.7%
Information, Culture and Recreation	\$32.90	1.8%
Accommodation and Food Services	\$17.73	-1.2%
Other Services	\$27.19	-3.6%
Public Administration	\$40.12	-1.6%

Average Wages and Employment Gains/Losses by Industry Continued

Employment Change by Industry, Jan. 2021 to Jan. 2022

Agriculture	-27,467	
Forestry		5,691
Fishing, hunting, and trapping	-6,625	
Mining, oil, and gas		4,239
Utilities		3,214
Construction		55,468
Manufacturing - durables		21,701
Manufacturing non-durables	-7,723	
Wholesale Trade		34,707
Retail Trade		258,541
Transportation and Warehousing		53,708
Finance and Insurance	-20,047	
Real Estate and rental and leasing		62,915
Professional, Scientific, Technical Services		106,493
Business, building and other support	-4,650	
Educational Services		48,947
Health Care and Social Assistance		114,198
Information, Culture and Recreation		64,861
Accommodation and Food Services		60,960
Other Services	-21,375	
Public Administration		69,795



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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