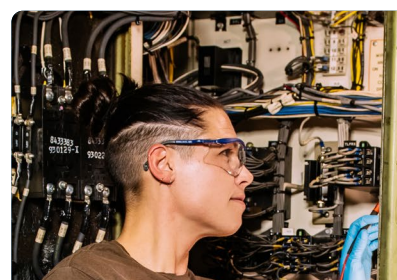


UNIFOR RESEARCH DEPARTMENT

# LABOUR MARKET INSIGHTS

*A monthly review of labour market indicators*

January 2023



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February 10, 2023

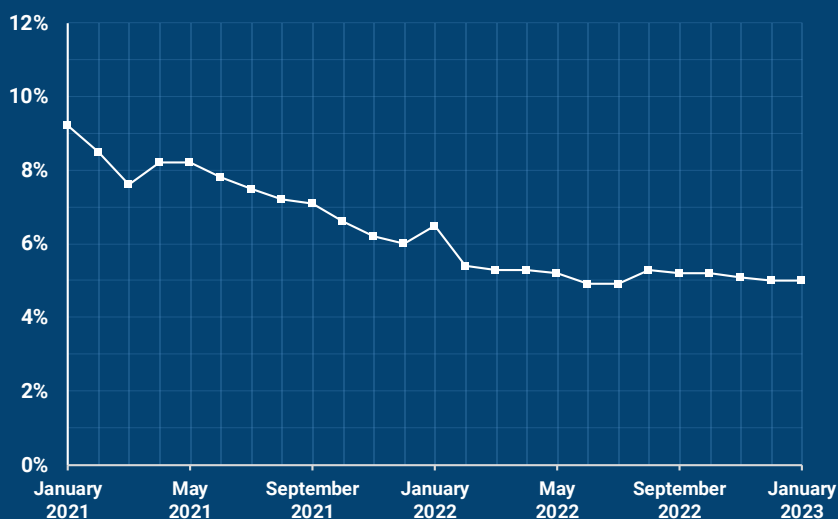
# National Statistics

Canada's labour market started off the new year with a bang, adding 150,000 jobs to the economy in January – a 0.8% gain since December and well above most analysts' expectations. The unemployment rate continued to hover at 5%, while the headline participation rate increased by 0.3 percentage points to 65.7%, matching the 5-year January average from 2017 to 2021.

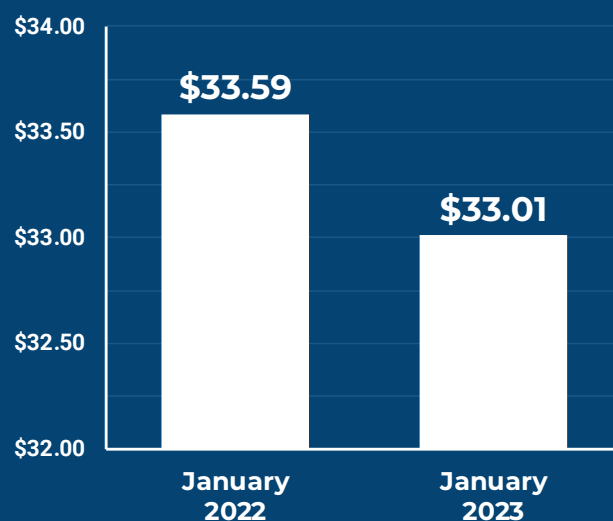
While a number of economists have argued that these figures will force the Bank of Canada to rethink its interest rate hike pause, there is no evidence that a booming jobs market is adding to inflationary pressures. Year-over-year wage growth fell to 4.5% in January and real wages (adjusted for inflation) were down by 1.7%. Meanwhile, the increase in the Consumer Price Index (CPI) slowed significantly during the second half of 2022 (see pg. 3); from June to December, CPI growth was an anemic 0.1%. In short, the data does not support the case for further monetary policy tightening.

	January 2017–21 average	January 2022	December 2022	January 2023	Year-over-year (Y/Y) change	Monthly (M/M) change
Total employment (#) <sup>1</sup>	18,674,220	19,286,000	19,882,300	20,032,300	746,300 3.9%	150,000 0.8%
Unemployment rate (%) <sup>2</sup>	6.6	6.5	5.0	5.0	-1.5	0.0
Participation rate (%) <sup>3</sup>	65.7	65.4	65.4	65.7	0.3	0.3
Union coverage (%) <sup>4</sup>	30.4	30.7	30.8	30.9	0.2	0.1
Average hourly wage (\$) <sup>5</sup>	\$28.40	\$31.59	\$32.67	\$33.01	4.5%	1.0%
Real average hourly wage (\$) <sup>6</sup>	\$32.76	\$33.59	n/a	\$33.01	-1.7%	n/a

## Unemployment Rate



## Real Average Hourly Wage

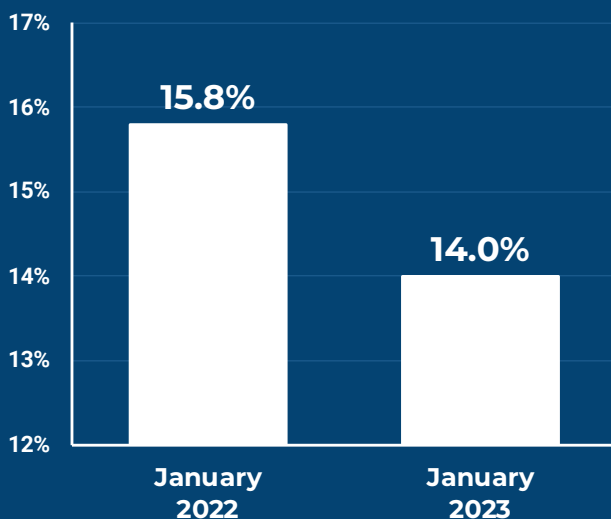


# National Precarity Indicators

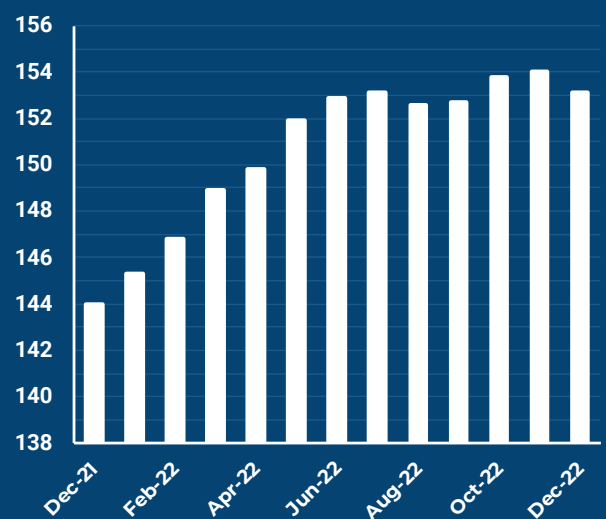
Unifor's precarity indicators show a mixed picture for the month of January, with a slight fall in the proportion of temporary and multiple job holders coinciding with fairly significant increases in the underutilization (+1.1) and underemployment (+1.0) rates. Taken together with the rise in labour force participation, the data suggests that many new labour market entrants have been unable to find sufficient full-time work. Increases in the part-time (+0.1) rate and involuntary part-time rate (+0.9) support this interpretation. The surpassing of the \$5.00 level by the gender pay gap is also a concerning development, as it indicates record employment rates among women have not been met with sufficient pay equity.

	Jan. 2022	Dec. 2022	Jan. 2023	Y/Y change	M/M change
Part-time rate (%) <sup>7</sup>	18.6	18.6	18.7	0.1	0.1
Involuntary part-time (%) <sup>8</sup>	40.2	38.9	39.8	-0.4	0.9
Underutilization (R8) rate (%) <sup>9</sup>	9.3	6.3	7.4	-1.9	1.1
Underemployment rate (%) <sup>10</sup>	15.8	13.0	14.0	-1.8	1.0
Multiple job holders (%) <sup>11</sup>	5.2	5.8	5.7	0.5	-0.1
Temporary job holders (%) <sup>12</sup>	10.7	10.8	10.4	-0.3	-0.4
Casual/other (%)	3.3	3.3	3.2	-0.1	-0.1
Temporary/contract (%)	6.5	6.1	6.2	-0.3	0.1
Seasonal (%)	0.9	1.3	1.0	0.1	-0.3
Low wage incidence (%) <sup>13</sup>	21.1	19.4	19.0	-2.1	-0.4
Gender pay gap <sup>14</sup>	\$4.92	\$4.71	\$5.01	1.7%	6.3%
NEETs (x1,000) <sup>15</sup>	814.2	620.4	704.6	-13.5%	13.6%

## Underemployment Rate



## Consumer Price Index (CPI)



# Regional Statistics

January's employment growth was distributed across Canada, with all five regions posting significant job gains. In absolute figures, Ontario led the way with 62,800 jobs added (+0.8%) followed by Quebec at 47,400 (+1.1%), the Prairies at 26,000 (+0.7%), B.C. at 7,700 (+0.3%) and the Atlantic region at 6,100 (+0.5%).

While employment changes were positive across the board compared to December, the unemployment rate increased in the Prairies (+0.2 pts) and B.C. (+0.2 pts), indicating that the growth in jobseekers in both regions outpaced the level of job creation. However, compared to January 2022, regional unemployment rates have taken a sharp dive, ranging from a 0.8 percentage point decline in the Prairies and B.C. to a 2.3 percentage point plunge in Ontario.

Regional hourly wage growth was robust in January but annual wage gains have moderated in most regions. Quebec was the outlier, with an annual wage increase of 6.9% outpacing inflation, leading to a 0.5% gain in real wages. Real wages were negative in every other region, with the Prairies seeing the steepest decline at -2.9%, followed by Ontario at -2.5%.





# Regional Statistics Continued

## Atlantic

	Jan. 2022	Jan. 2023	Y/Y change	M/M change
Total employment (#)	1,142,800	1,198,500	55,700 4.9%	6,100 0.5%
Unemployment rate (%)	9.1	7.4	-1.7	-0.1
Participation rate (%)	60.8	61.1	0.3	0.1
Union coverage (%)	33.7	33.4	-0.3	0.3
Average hourly wage (\$)	\$27.07	\$28.70	6.0%	0.9%
Real avg. hourly wage (\$)	\$28.78	\$28.70	-0.3%	n/a



## Quebec

	Jan. 2022	Jan. 2023	Y/Y change	M/M change
Total employment (#)	4,315,000	4,511,600	196,600 4.6%	47,400 1.1%
Unemployment rate (%)	5.1	3.9	-1.1	-0.1
Participation rate (%)	63.8	65.2	1.4	0.5
Union coverage (%)	38.9	39.1	0.2	0.7
Average hourly wage (\$)	\$30.17	\$32.25	6.9%	1.2%
Real avg. hourly wage (\$)	\$32.08	\$32.25	0.5%	n/a



## Ontario

	Jan. 2022	Jan. 2023	Y/Y change	M/M change
Total employment (#)	7,538,500	7,849,700	311,200 4.1%	62,800 0.8%
Unemployment rate (%)	7.5	5.2	-2.3	-0.2
Participation rate (%)	65.5	65.5	0.0	0.3
Union coverage (%)	27.1	26.8	-0.3	-0.1
Average hourly wage (\$)	\$32.77	\$33.96	3.6%	1.2%
Real avg. hourly wage (\$)	\$34.84	\$33.96	-2.5%	n/a



# Regional Statistics Continued

## Prairies

	Jan. 2022	Jan. 2023	Y/Y change	M/M change
Total employment (#)	3,579,800	3,701,900	122,100 3.4%	26,000 0.7%
Unemployment rate (%)	6.3	5.4	-0.8	0.2
Participation rate (%)	69.2	69.1	-0.1	0.5
Union coverage (%)	28.0	28.6	0.6	0.4
Average hourly wage (\$)	\$31.65	\$32.66	3.2%	0.0%
Real avg. hourly wage (\$)	\$33.65	\$32.66	-2.9%	n/a



## British Columbia

	Jan. 2022	Jan. 2023	Y/Y change	M/M change
Total employment (#)	2,709,900	2,770,700	60,800 2.2%	7,700 0.3%
Unemployment rate (%)	5.1	4.4	-0.8	0.2
Participation rate (%)	65.0	65.0	0.1	0.2
Union coverage (%)	29.7	30.8	1.1	-0.5
Average hourly wage (\$)	\$32.47	\$33.97	4.6%	1.7%
Real avg. hourly wage (\$)	\$34.52	\$33.97	-1.6%	n/a



# Average Hourly Wages by Industry

## Nominal vs. Inflation-Adjusted Wage Growth

Industry	Jan. 2022	Jan. 2023	Y/Y change	Y/Y inflation-adjusted change
Agriculture	\$22.71	\$23.22	2.3%	-3.9%
Forestry	\$34.89	\$32.90	-5.7%	-12.7%
Mining, oil, and gas	\$47.81	\$49.50	3.5%	-2.7%
Utilities	\$47.26	\$49.98	5.8%	-0.5%
Construction	\$33.27	\$35.04	5.3%	-1.0%
Manufacturing: durables	\$31.47	\$33.68	7.0%	0.7%
Manufacturing: non-durables	\$30.03	\$31.71	5.6%	-0.7%
Wholesale Trade	\$33.40	\$34.33	2.8%	-3.5%
Retail Trade	\$21.61	\$22.72	5.1%	-1.1%
Transportation and Warehousing	\$29.85	\$30.82	3.2%	-3.0%
Finance and Insurance	\$39.47	\$41.60	5.4%	-0.9%
Real Estate and rental and leasing	\$31.99	\$32.64	2.0%	-4.2%
Professional, Scientific and Technical Services	\$40.32	\$43.74	8.5%	2.0%
Business, building and other support	\$24.36	\$25.58	5.0%	-1.2%
Educational Services	\$36.92	\$38.01	3.0%	-3.3%
Health Care and Social Assistance	\$29.76	\$31.24	5.0%	-1.3%
Information, Culture and Recreation	\$33.29	\$30.93	-7.1%	-14.5%
Accommodation and Food Services	\$17.76	\$19.15	7.9%	1.4%
Other Services	\$27.64	\$28.26	2.2%	-4.0%
Public Administration	\$40.51	\$42.15	4.1%	-2.2%

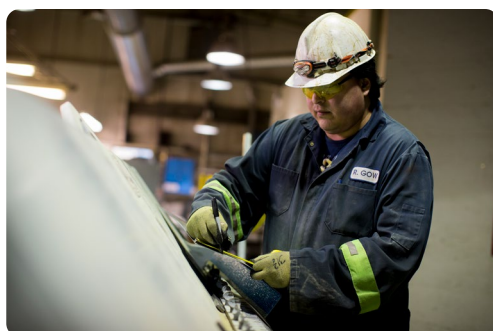
Yearly changes in nominal wages were positive for the majority of industries, with the exception of forestry (-5.7%) and information, culture and recreation (-7.1%). Inflation-adjusted real wage gains, on the other hand, were mostly non-existent. Note, however, that this data should be treated with caution given the implementation of widespread COVID-19 lockdowns during January 2022.

Jobs growth for the month of January (see pg. 8) was primarily concentrated in the services sector (+124,700), particularly in wholesale and retail trade (+58,700) and health care and social assistance (+40,000). The goods-producing sector added 25,400 jobs, mainly in construction (+15,800) and manufacturing (+7,300).

# Monthly Employment Gains and Losses by Industry and Sector

Employment Change by Industry/Sector, Dec. 2022 to Jan. 2023

GOODS-PRODUCING SECTOR		25,400
Agriculture	-3,700	
Forestry, fishing, mining, quarrying, oil and gas		1,300
Utilities		4,600
Construction		15,800
Manufacturing		7,300
SERVICES PRODUCING SECTOR		124,700
Wholesale and retail trade		58,700
Transportation and warehousing	-16,600	
Finance, insurance, real estate, rental and leasing	-3,000	
Professional, scientific and technical services	-500	
Business, building and other support services	-6,700	
Educational services		18,400
Health care and social assistance		40,000
Information, culture and recreation		9,500
Accommodation and food services		12,400
Other services (except public administration)		16,200
Public administration	-3,800	





# 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 previous years' wages to account for the impact of inflation and is reported in current dollars. Since CPI data is unavailable for the current month prior to the release of the Labour Force Survey, the previous month's rate of inflation is used to estimate real wages.
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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