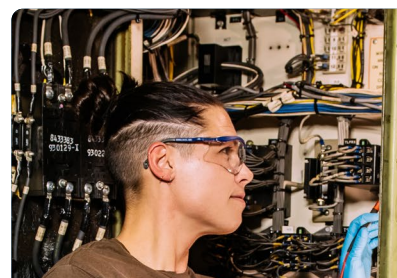


UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

July 2023



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August 4, 2023

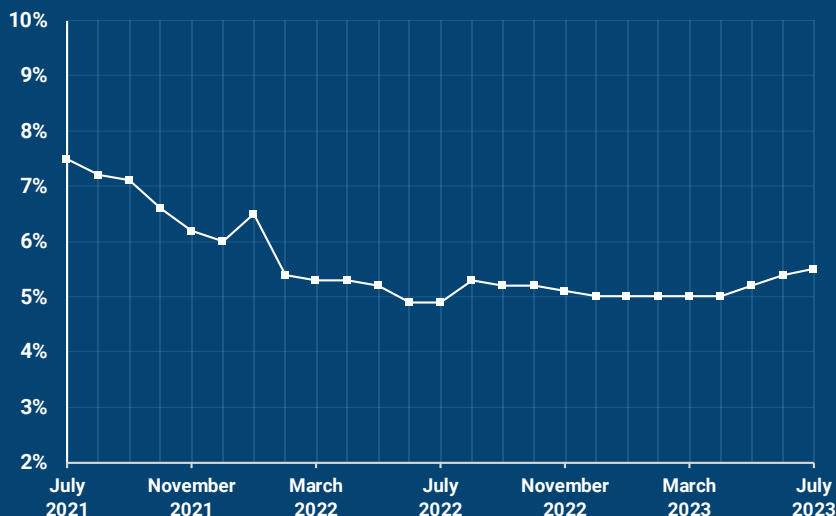
National Statistics

There was a marginal dip in employment during the month of July as Canada's labour market appeared to stall in the face of higher interest rates. The unemployment rate inched up to 5.5% – the third consecutive monthly increase since April – and the number of unemployed increased by 20,000 individuals. Although the size of the labour force also increased in July, the participation rate actually declined by 0.2 percentage points since Canada's working age population grew at a faster rate than the number of new entrants into the labour market.

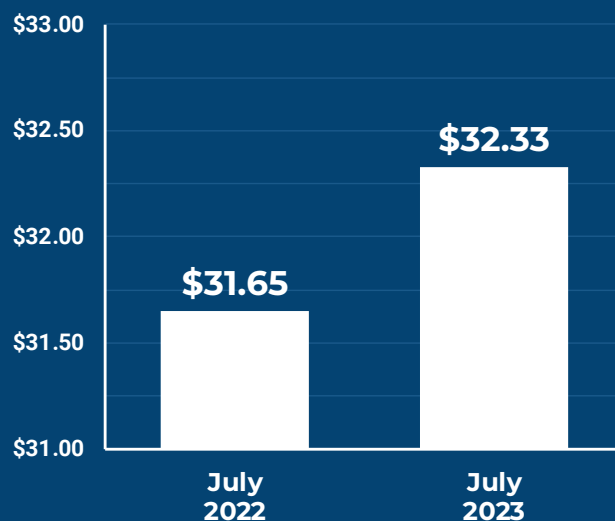
After having fallen in May and June, average hourly wages increased in July by 0.4% to hit \$33.24 an hour. Adjusted for CPI increases, real wages are 2.2% higher than July 2022, aided by recent declines in the headline rate of inflation.

	July 2017–21 average	July 2022	June 2023	July 2023	Year-over-year (Y/Y) change	Monthly (M/M) change
Total employment (#) ¹	18,632,940	19,731,100	20,172,800	20,166,400	435,300 2.2%	-6,400 0.0%
Unemployment rate (%) ²	7.3	4.9	5.4	5.5	0.6	0.1
Participation rate (%) ³	65.6	65.3	65.7	65.5	0.2	-0.2
Union coverage (%) ⁴	29.2	29.0	29.9	29.2	0.2	-0.7
Average hourly wage (\$) ⁵	\$28.43	\$31.65	\$33.12	\$33.24	5.0%	0.4%
Real average hourly wage (\$) ⁶	\$30.72	\$31.65	\$32.04	\$32.33	2.2%	n/a

Unemployment Rate



Real Average Hourly Wage

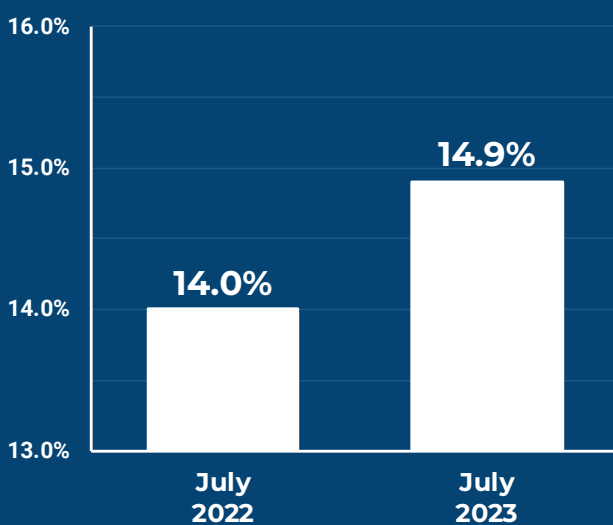


National Precarity Indicators

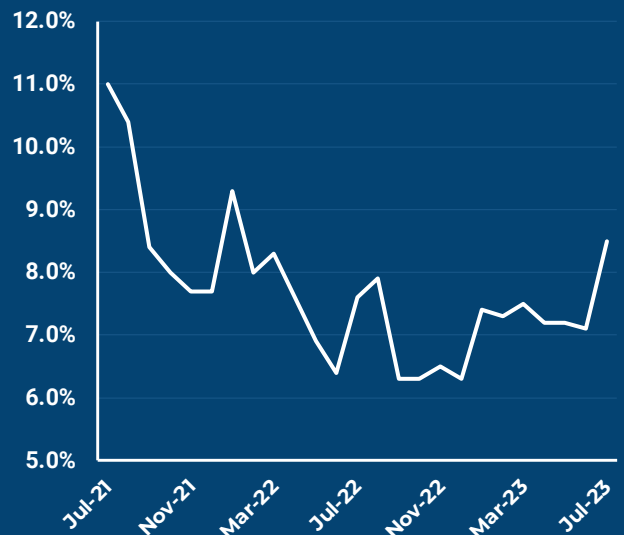
While some of Unifor's precarity indicators improved in July, including declines in the proportion of temporary/contract workers (-0.2) and multiple job holders (-0.3), there were troubling signs that workers are having greater difficulty finding suitable full-time employment. For example, the proportion of part-time workers fell by 0.9 percentage points but the proportion of involuntary part-timers rose by 4.8 percentage points to 48.5%. This shift was mirrored by significant increases in the underemployment rate (+1.2) and underutilization rate (+1.4), with the latter hitting its highest level since the peak of the Omicron COVID-19 wave in January 2022 (see chart below). These changes suggest that the labour market is increasingly unable to generate quality job opportunities.

	July 2022	June 2023	July 2023	Y/Y change	M/M change
Part-time rate (%) ⁷	16.2	17.1	16.2	0.0	-0.9
Involuntary part-time (%) ⁸	46.1	43.7	48.5	2.4	4.8
Underutilization (R8) rate (%) ⁹	7.6	7.1	8.5	8.5	1.4
Underemployment rate (%) ¹⁰	14.0	13.7	14.9	0.9	1.2
Multiple job holders (%) ¹¹	5.3	5.7	5.4	0.1	-0.3
Temporary job holders (%) ¹²	13.8	12.6	13.4	-0.4	0.8
Casual/other (%)	3.1	3.2	3.2	0.1	0.0
Temporary/contract (%)	6.9	6.5	6.3	-0.6	-0.2
Seasonal (%)	3.8	3.0	3.9	0.1	0.9
Low wage incidence (%) ¹³	18.9	18.7	19.0	0.1	0.3
Gender wage gap ¹⁴	\$4.14	\$4.26	\$4.26	2.9%	-0.1%
NEETs (x1,000) ¹⁵	1,468.2	882.8	1,552.8	5.8%	75.9%

Underemployment Rate



Underutilization Rate



Regional Statistics

Employment changes were marginal across all five regions, with the Atlantic region seeing the largest shift at +0.5% (+6,000) followed by Quebec at -0.2% (-8,500). Jobs figures were essentially unchanged in Ontario, the Prairies, and B.C. However, there were significant divergences in how regional unemployment rates trended, with a notable spike in the Atlantic region (+0.5) and the Prairies (+0.4), while the unemployment rate in Quebec increased marginally by 0.1 percentage point. Elsewhere, the unemployment rate fell by 0.2 percentage points in both B.C. and Ontario.

Owing to differences in regional increases in the working age population, changes in the participation rate were not clearly correlated to shifts in the unemployment rate. In Ontario and B.C., declining unemployment rates were linked to falling labour force participation, suggesting that frustrated jobseekers were exiting the labour market. This was not the case in the Prairies where the participation rate increased by just 0.1 percentage point despite a sharp jump in the unemployment rate, mainly due to a significant increase in Alberta's population.



Regional Statistics Continued

Atlantic

	July 2022	July 2023	Y/Y change	M/M change
Total employment (#)	1,176,000	1,207,700	31,700 2.7%	6,000 0.5%
Unemployment rate (%)	7.5	7.5	-0.1	0.5
Participation rate (%)	60.7	60.7	0.0	0.4
Union coverage (%)	30.7	29.7	-1.0	-1.7
Average hourly wage (\$)	\$27.52	\$28.63	4.1%	-0.6%
Real avg. hourly wage (\$)	\$27.52	\$27.85	1.2%	n/a



Quebec

	July 2022	July 2023	Y/Y change	M/M change
Total employment (#)	4,389,400	4,489,700	100,300 2.3%	-8,500 -0.2%
Unemployment rate (%)	4.2	4.5	0.3	0.1
Participation rate (%)	64.0	64.8	0.8	-0.1
Union coverage (%)	37.6	37.1	-0.5	-1.6
Average hourly wage (\$)	\$30.98	\$31.85	2.8%	-1.0%
Real avg. hourly wage (\$)	\$30.98	\$30.98	0.0%	n/a



Ontario

	July 2022	July 2023	Y/Y change	M/M change
Total employment (#)	7,766,900	7,949,300	182,400 2.3%	-2,000 0.0%
Unemployment rate (%)	5.1	5.6	0.5	-0.1
Participation rate (%)	65.4	65.7	0.3	-0.2
Union coverage (%)	25.3	25.5	0.2	-0.2
Average hourly wage (\$)	\$32.58	\$34.43	5.7%	1.2%
Real avg. hourly wage (\$)	\$32.58	\$33.49	2.8%	n/a



Regional Statistics Continued

Prairies

	July 2022	July 2023	Y/Y change	M/M change
Total employment (#)	3,645,200	3,743,000	97,800 2.7%	-300 0.0%
Unemployment rate (%)	4.7	5.7	1.1	0.4
Participation rate (%)	68.5	68.7	0.2	0.1
Union coverage (%)	25.8	27.1	1.3	-0.6
Average hourly wage (\$)	\$31.46	\$33.20	5.5%	0.4%
Real avg. hourly wage (\$)	\$31.46	\$32.29	2.6%	n/a



British Columbia

	July 2022	July 2023	Y/Y change	M/M change
Total employment (#)	2,753,800	2,776,600	22,800 0.8%	-1,600 -0.1%
Unemployment rate (%)	4.5	5.4	0.8	-0.2
Participation rate (%)	65.1	64.8	-0.3	-0.3
Union coverage (%)	28.6	29.1	0.5	-0.4
Average hourly wage (\$)	\$32.29	\$34.37	6.4%	0.4%
Real avg. hourly wage (\$)	\$32.29	\$33.43	3.5%	n/a



Average Hourly Wages by Industry

Nominal vs. Inflation-Adjusted Wage Growth

Industry	July 2022	July 2023	Y/Y change	Y/Y inflation-adjusted change
Agriculture	\$21.14	\$23.95	13.3%	9.2%
Forestry	\$33.40	\$33.20	-0.6%	-3.4%
Mining, oil, and gas	\$44.56	\$49.12	10.2%	6.7%
Utilities	\$47.01	\$49.43	5.1%	2.2%
Construction	\$33.14	\$35.28	6.4%	3.4%
Manufacturing: durables	\$31.46	\$33.14	5.3%	2.4%
Manufacturing: non-durables	\$29.13	\$32.14	10.3%	6.8%
Wholesale Trade	\$33.71	\$35.36	4.9%	2.0%
Retail Trade	\$22.20	\$23.01	3.7%	0.8%
Transportation and Warehousing	\$30.52	\$32.48	6.4%	3.4%
Finance and Insurance	\$40.59	\$41.94	3.3%	0.5%
Real Estate and Rental and Leasing	\$32.47	\$34.28	5.6%	2.6%
Professional, Scientific and Technical Services	\$41.59	\$43.82	5.4%	2.4%
Business, building and other support	\$24.62	\$25.44	3.3%	0.5%
Educational Services	\$38.84	\$39.66	2.1%	-0.7%
Health Care and Social Assistance	\$30.82	\$32.36	5.0%	2.1%
Information, Culture and Recreation	\$29.54	\$29.82	0.9%	-1.9%
Accommodation and Food Services	\$18.35	\$19.39	5.6%	2.7%
Other Services	\$27.28	\$29.24	7.2%	4.1%
Public Administration	\$39.88	\$41.88	5.0%	2.1%

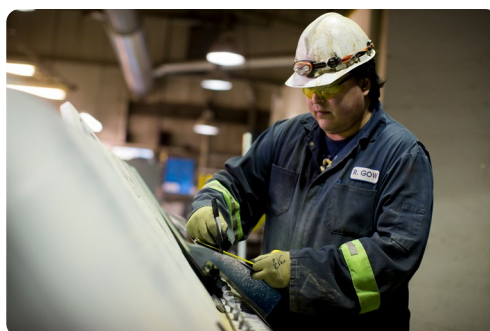
Nominal wages were positive across all industries with the exception of forestry, where wages were 0.6% lower than July 2022. Adjusted for inflation, however, meager wage increases in educational services and information, culture and recreation meant that real wages (adjusted for inflation) in those industries were also negative.

In terms of jobs growth, increases in the services-producing sector (+21,200) were offset by declines in the goods-producing sector (-27,500), with substantial losses in the construction industry (-44,700). Employment gains were highest in health care and social assistance (+25,100) and educational services (+18,800).

Monthly Employment Gains and Losses by Industry and Sector

Employment Change by Industry/Sector, June to July 2023

GOODS-PRODUCING SECTOR	-27,500	
Agriculture		11,600
Forestry, fishing, mining, quarrying, oil and gas	-300	
Utilities		800
Construction	-44,700	
Manufacturing		5,200
SERVICES PRODUCING SECTOR		21,200
Wholesale and retail trade		1,900
Transportation and warehousing	-13,900	
Finance, insurance, real estate, rental and leasing		15,000
Professional, scientific and technical services	-10,300	
Business, building and other support services		1,200
Educational services		18,800
Health care and social assistance		25,100
Information, culture and recreation	-15,800	
Accommodation and food services		8,400
Other services (except public administration)		7,200
Public administration	-16,700	



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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