

UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

May 2022



UNIFOR
theUnion | lesyndicat
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National Statistics

Canada's labour market added another 40,000 jobs in May, as the national unemployment rate fell further to 5.1%. This is the fourth consecutive month that the unemployment rate has fallen since January, with nearly half a million jobs added to the economy during that period of time. On a year-over-year basis, the unemployment rate has fallen more than 3 percentage points, while employment is up by nearly 1.1 million.

Notably, much of the employment gain over the past month was driven by increases in the public sector where the number of jobs surged by nearly 110,000 positions, while the private sector lost 95,000 jobs. Increases in the number of self-employed also added to the tally, although there are still 6.6% fewer self-employed workers in the labour market compared to February 2020.

| | May average 2016–20 | May 2021 | May 2022 | May 2021–22 Change | Apr.–May 2022 Change |
|--|---------------------|------------|------------|--------------------|----------------------|
| Total employment (#) ¹ | 18,006,360 | 18,559,200 | 19,640,300 | 1,081,100 5.8% | 39,800 0.2% |
| Unemployment rate (%) ² | 7.7 | 8.2 | 5.1 | -3.1 | -0.1 |
| Participation rate (%) ³ | 64.7 | 64.6 | 65.3 | 0.7 | 0.0 |
| Union coverage (%) ⁴ | 30.8 | 31.2 | 30.3 | -0.9 | -0.2 |
| Average hourly wage (\$) ⁵ | \$30.63 | \$31.81 | \$31.12 | -2.2% | 0.2% |
| Average weekly hours (hrs.) ⁶ | 35.5 | 35.7 | 35.5 | -0.6% | 1.1% |

*p.p. refers to percentage points.

Unemployment Rate



Real Average Hourly Wage



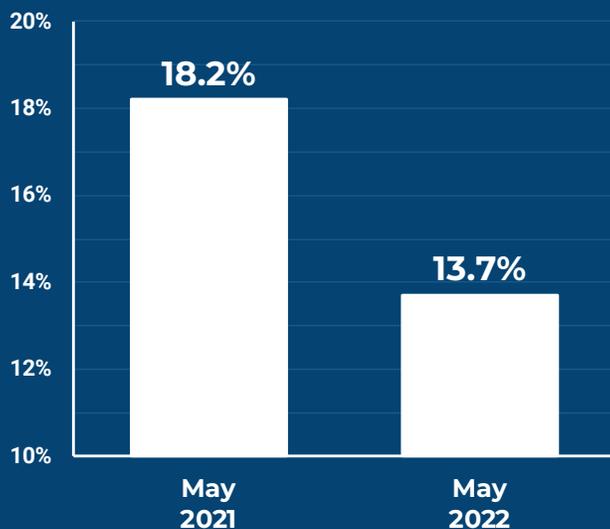
National Precarity Indicators

Many of Unifor's precarity indicators saw notable improvements in May, including the part-time rate, which fell by 1.3 percentage points, and the underemployment rate, which fell by 0.8 percentage points. May's underutilization rate of 7% is the lowest on record since the 1970s, which indicates that a declining proportion of Canadians find themselves unable to look for work despite wanting a job.

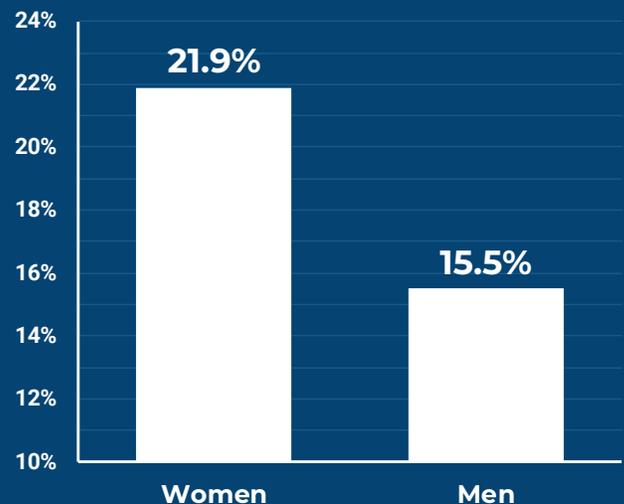
However, there are still signs of systemic barriers to labour market entry for many Canadians, including a long-term unemployment rate (those searching for a job for 27 weeks or more) of 19.7% in May, which remains significantly elevated compared to the pre-pandemic period (15.6% in February 2020). Labour market outcomes also continue to be worse for many women, with women earning, on average, \$3.72 an hour less than men. Compared to men, the proportion of women earning low wages is 6.4 percentage points higher (see below).

| | May 2021 | May 2022 | May 2021-22 Change (p.p.) | Apr.-May 2022 Change (p.p.) |
|---|----------|----------|---------------------------|-----------------------------|
| Part-time rate (%) ⁷ | 17.6 | 18.1 | 0.5 | -1.3 |
| Involuntary part-time (%) ⁸ | 47.7 | 40.6 | -7.1 | 0.9 |
| Underutilization (R8) rate (%) ⁹ | 11.3 | 7.0 | -4.3 | -0.6 |
| Underemployment rate (%) ¹⁰ | 18.2 | 13.7 | -4.5 | -0.8 |
| Multiple job holders (%) ¹¹ | 5.1 | 5.7 | 0.6 | 0.2 |
| Temporary job holders (%) ¹² | 12.6 | 13.1 | 0.5 | 1.6 |
| <i>Casual/other (%)</i> | 3.1 | 3.6 | 0.5 | 0.1 |
| <i>Temporary/contract (%)</i> | 7.3 | 7.1 | -0.2 | 0.3 |
| <i>Seasonal (%)</i> | 2.2 | 2.4 | 0.2 | 1.2 |
| Low wage incidence (%) ¹³ | 20.0 | 18.7 | -1.3 | -0.2 |
| Gender pay gap ¹⁴ | \$3.42 | \$3.72 | 8.6% | -7.2% |
| NEETs (x1,000) ¹⁵ | 1,035.2 | 800.8 | -22.6% | 21.3% |

Underemployment Rate



Low Wage Incidence by Gender



Regional Statistics

Breaking down the employment figures by region, job increases in May were overwhelmingly concentrated in the Prairies, where employment increased by 28,500 (+0.8%). Employment in both Quebec and B.C. edged up by 5,100 positions, while Ontario saw an increase of just under 2,000 jobs, remaining essentially level. The Atlantic region posted a slight drop of 800 jobs, which led to an increase in the regional unemployment rate of 0.2 percentage points.

Significantly, year-over-year real wage growth was negative in most regions, with the exception of Quebec where real wages are now up by 0.6% compared to May 2021. Despite the widespread narrative about wages being one of the primary drivers of high inflation due to tight labour market conditions, available evidence suggests that wages continue to fall behind across much of Canada. Month-over-month, hourly wages actually fell in the Atlantic and Prairies regions, while recent increases in Ontario and B.C. have been unable to overturn steep year-over-year declines in workers' purchasing power.



Regional Statistics Continued

Atlantic

| | May 2021 | May 2022 | May 2021-22 Change | Apr.-May 2022 Change |
|-----------------------------|-----------|-----------|--------------------|----------------------|
| Total employment (#) | 1,101,100 | 1,165,200 | 64,100 5.8% | -800 -0.1% |
| Unemployment rate (%) | 10.3 | 7.6 | -2.7 | 0.2 |
| Participation rate (%) | 60.0 | 60.5 | 0.5 | -0.1 |
| Union coverage (%) | 32.2 | 33.0 | 0.8 | -0.2 |
| Average hourly wage (\$) | \$27.78 | \$27.19 | -2.1% | -0.9% |
| Average weekly hours (hrs.) | 37.0 | 37.0 | 0.2% | 2.0% |



Quebec

| | May 2021 | May 2022 | May 2021-22 Change | Apr.-May 2022 Change |
|-----------------------------|-----------|-----------|--------------------|----------------------|
| Total employment (#) | 4,219,300 | 4,384,600 | 165,300 3.9% | 5,100 0.1% |
| Unemployment rate (%) | 6.6 | 4.2 | -2.4 | 0.3 |
| Participation rate (%) | 63.7 | 64.1 | 0.4 | 0.2 |
| Union coverage (%) | 40.0 | 39.9 | -0.1 | 0.2 |
| Average hourly wage (\$) | \$30.28 | \$30.46 | 0.6% | 0.8% |
| Average weekly hours (hrs.) | 35.2 | 34.9 | -0.8% | 0.9% |



Ontario

| | May 2021 | May 2022 | May 2021-22 Change | Apr.-May 2022 Change |
|-----------------------------|-----------|-----------|--------------------|----------------------|
| Total employment (#) | 7,183,800 | 7,739,100 | 555,300 7.7% | 1,900 0.0% |
| Unemployment rate (%) | 9.3 | 5.5 | -3.8 | 0.1 |
| Participation rate (%) | 64.3 | 65.5 | 1.2 | 0.0 |
| Union coverage (%) | 27.2 | 26.0 | -1.2 | -0.5 |
| Average hourly wage (\$) | \$32.81 | \$31.89 | -2.8% | 0.4% |
| Average weekly hours (hrs.) | 36.0 | 35.9 | -0.4% | 0.9% |



Regional Statistics Continued

Prairies

| | May 2021 | May 2022 | May 2021-22 Change | Apr.-May 2022 Change |
|-----------------------------|-----------|-----------|--------------------|----------------------|
| Total employment (#) | 3,438,800 | 3,610,500 | 171,700 5.0% | 28,500 0.8% |
| Unemployment rate (%) | 8.0 | 5.1 | -2.9 | -0.6 |
| Participation rate (%) | 68.3 | 68.4 | 0.1 | 0.0 |
| Union coverage (%) | 29.1 | 27.0 | -2.1 | -0.1 |
| Average hourly wage (\$) | \$32.48 | \$31.46 | -3.1% | -0.4% |
| Average weekly hours (hrs.) | 36.7 | 36.5 | -0.6% | 1.4% |



British Columbia

| | May 2021 | May 2022 | May 2021-22 Change | Apr.-May 2022 Change |
|-----------------------------|-----------|-----------|--------------------|----------------------|
| Total employment (#) | 2,616,200 | 2,740,900 | 124,700 4.8% | 5,100 0.2% |
| Unemployment rate (%) | 7.0 | 4.5 | -2.5 | -0.9 |
| Participation rate (%) | 64.9 | 64.9 | 0.0 | -0.6 |
| Union coverage (%) | 29.5 | 29.6 | 0.1 | -0.4 |
| Average hourly wage (\$) | \$32.55 | \$31.33 | -3.8% | 0.3% |
| Average weekly hours (hrs.) | 35.0 | 35.2 | 0.8% | 1.0% |



Average Wages and Employment Gains/Losses by Industry

Hourly wages increased by another 0.2% in May but continue to be 2.2% lower in real terms compared to May 2021. Industries where wages continue to lag significantly behind inflation include public administration (-4.0%), educational services (-4.0%), transportation and warehousing (-6.5%), utilities (-6.9%), and information, culture and recreation (-9.4%). Notably, some service sector industries traditionally associated with lower average wages such as retail trade (\$22.16/hr), accommodation and food services (\$18.16/hr), and business, building and other support (\$24.86/hr) have essentially overturned their real wage deficits, with wage increases matching or surpassing inflation over the past year.

In two of these cases, robust yearly wage increases appear to be correlated to strong jobs demand, with retail trade employment up by nearly 220,000 jobs compared to May 2021, and accommodation and food services up by more than 210,000 jobs – although the latter continues to lag behind

pre-pandemic employment numbers. Meanwhile, durables manufacturing continues to experience significant impacts from supply chain problems, as employment fell by more than 75,000 positions year-over-year. Overall, the manufacturing sector lost 43,000 jobs in May, a monthly decline of 2.4%.

Average Hourly Wages by Industry

| Industry | May 2022 | May 2021 – 2022 Change |
|---|----------|------------------------|
| Agriculture | \$21.51 | 0.0% |
| Forestry | \$34.79 | 8.4% |
| Fishing, hunting, and trapping | \$24.72 | 0.0% |
| Mining, oil, and gas | \$44.63 | -4.5% |
| Utilities | \$44.90 | -6.9% |
| Construction | \$33.03 | -3.0% |
| Manufacturing – durables | \$30.84 | -1.6% |
| Manufacturing – non-durables | \$28.59 | -1.0% |
| Wholesale Trade | \$31.53 | 0.4% |
| Retail Trade | \$22.16 | -0.2% |
| Transportation and Warehousing | \$29.82 | -6.5% |
| Finance and Insurance | \$39.79 | 0.1% |
| Real Estate and rental and leasing | \$29.90 | 1.0% |
| Professional, Scientific and Technical Services | \$39.25 | 3.1% |
| Business, building and other support | \$24.86 | 4.9% |
| Educational Services | \$36.23 | -4.0% |
| Health Care and Social Assistance | \$30.53 | -1.9% |
| Information, Culture and Recreation | \$30.65 | -9.4% |
| Accommodation and Food Services | \$18.16 | 0.5% |
| Other Services | \$27.36 | -0.9% |
| Public Administration | \$40.20 | -4.0% |

Average Wages and Employment Gains/Losses by Industry Continued

Employment Change by Industry, May 2021 to May 2022

| | | |
|--|---------|---------|
| Agriculture | -18,387 | |
| Forestry | | 4,919 |
| Fishing, hunting, and trapping | | 41 |
| Mining, oil, and gas | | 11,789 |
| Utilities | | 7,506 |
| Construction | | 81,493 |
| Manufacturing - durables | -75,127 | |
| Manufacturing - non-durables | | 73,722 |
| Wholesale Trade | | 55,929 |
| Retail Trade | | 218,610 |
| Transportation and Warehousing | | 7,346 |
| Finance and Insurance | | 45,788 |
| Real Estate and rental and leasing | -16,711 | |
| Professional, Scientific, Technical Services | | 135,733 |
| Business, building and other support | | 16,965 |
| Educational Services | | 82,893 |
| Health Care and Social Assistance | | 82,322 |
| Information, Culture and Recreation | | 146,235 |
| Accommodation and Food Services | | 210,483 |
| Other Services | -22,175 | |
| Public Administration | | 70,957 |



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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