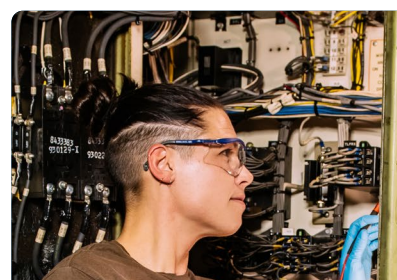


UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

May 2023



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June 9, 2023

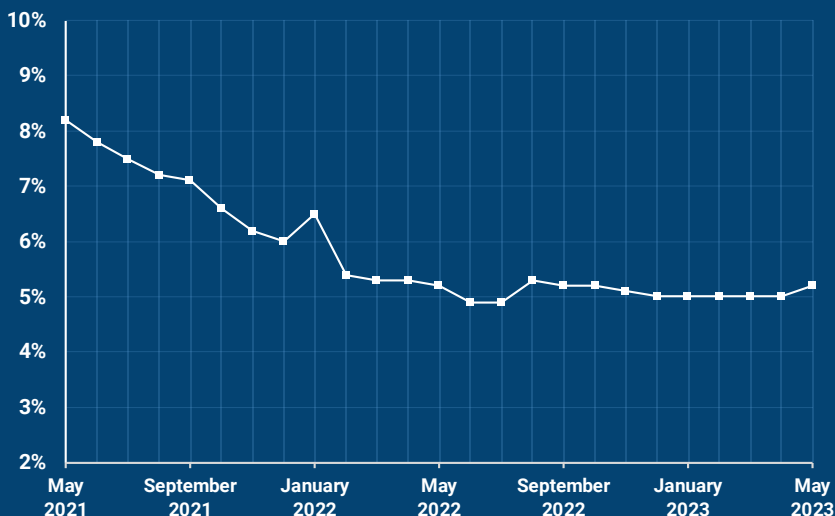
National Statistics

After having stayed level at 5.0% for nearly half a year, Canada's unemployment rate increased to 5.2% in the month of May. With the number of jobs falling by 17,200, this was the first rise in the unemployment rate since August 2022. The participation rate also saw a slight dip of 0.1 percentage points last month and is now 0.2 percentage points lower than May 2022. While the declines were marginal, these trends could suggest that higher interest rates are beginning to impact the state of the labour market.

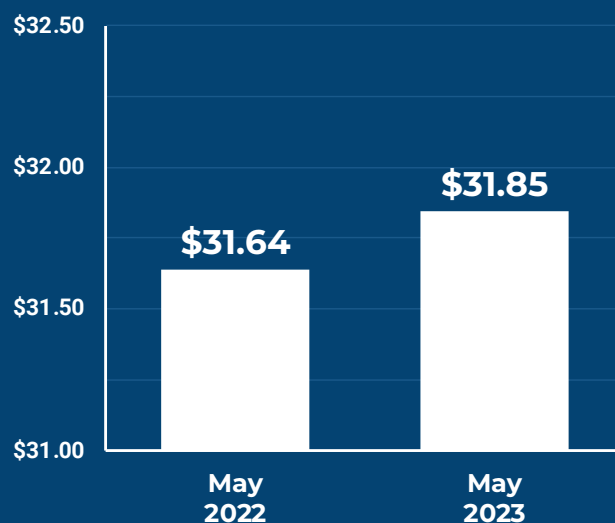
Average hourly wages dipped slightly last month to \$33.25/hr, although they remain 5.1% higher than last May. Adjusted for inflation, real wages are 0.7% higher year-over-year. Meanwhile, the rate of union coverage increased to 30.5% and is now 0.5 percentage points higher than May 2022.

	May 2017–21 average	May 2022	April 2023	May 2023	Year-over-year (Y/Y) change	Monthly (M/M) change
Total employment (#) ¹	18,224,240	19,747,900	20,130,200	20,113,000	365,100 1.8%	-17,200 -0.1%
Unemployment rate (%) ²	8.0	5.2	5.0	5.2	0.0	0.2
Participation rate (%) ³	64.9	65.7	65.6	65.5	-0.2	-0.1
Union coverage (%) ⁴	30.7	30.0	30.3	30.5	0.5	0.2
Average hourly wage (\$) ⁵	\$28.73	\$31.64	\$33.38	\$33.25	5.1%	-0.4%
Real average hourly wage (\$) ⁶	\$31.11	\$31.64	\$31.97	\$31.85	0.7%	n/a

Unemployment Rate



Real Average Hourly Wage



National Precarity Indicators

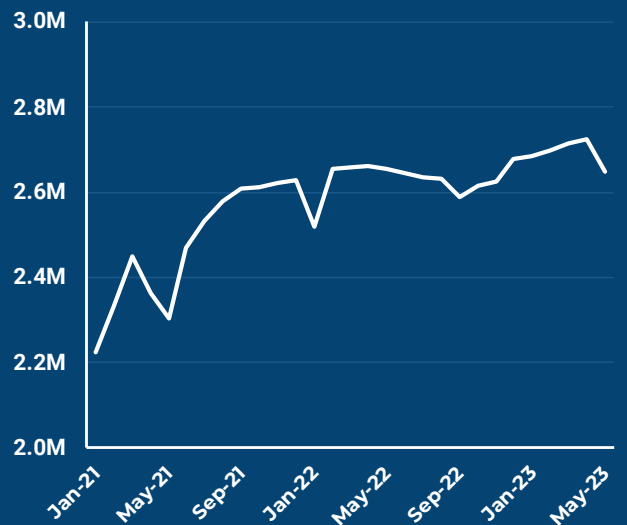
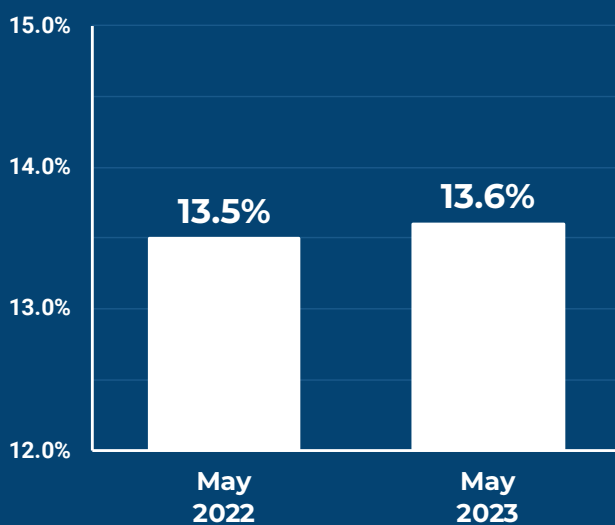
Unifor's precarity indicators suggest a mixed picture for the month of May, with the proportion of part-time workers falling (-0.8) along with the underemployment rate (-0.2). However, the proportion of involuntary part-time workers trended upwards (+0.9) along with the proportion of temporary job holders (+1.5), indicating that more workers are having to take on precarious jobs to make ends meet. Significantly, the number of youths not in employment, education or training (NEETs) increased substantially in May. These

	May 2022	Apr. 2023	May 2023	Y/Y change	M/M change
Part-time rate (%) ⁷	17.8	18.7	17.9	0.1	-0.8
Involuntary part-time (%) ⁸	40.7	39.6	40.5	-0.2	0.9
Underutilization (R8) rate (%) ⁹	6.9	7.2	7.2	0.3	0.0
Underemployment rate (%) ¹⁰	13.5	13.8	13.6	0.1	-0.2
Multiple job holders (%) ¹¹	5.6	5.7	5.7	0.1	0.0
Temporary job holders (%) ¹²	12.8	10.8	12.3	-0.5	1.5
Casual/other (%)	3.4	3.2	3.3	-0.1	0.1
Temporary/contract (%)	6.9	6.3	6.5	-0.4	0.2
Seasonal (%)	2.4	1.3	2.4	0.0	1.1
Low wage incidence (%) ¹³	18.6	20.1	18.8	0.2	-1.3
Gender wage gap ¹⁴	\$4.42	\$4.87	\$4.49	1.6%	-7.7%
NEETs (x1,000) ¹⁵	768.7	677.1	849.2	10.5%	25.4%

figures typically trend upwards as university and college students begin their summer break, but they also reflect the disproportionate employment losses observed among youth cohorts last month (-77,300), marking the first decline since October 2022 (see chart below).

Underemployment Rate

Youth Employment



Regional Statistics

Looking at the employment figures by region, the majority of job losses were observed in Ontario where employment declined by 23,900 (-0.3%), followed by the Atlantic region with a drop of 8,700 jobs (-0.7%). Employment was essentially level in Quebec (+1,600) and B.C. (+1,400), while the Prairie region posted a significant gain of 12,300 jobs (+0.3%).

However, despite being the only region to see a significant increase in employment, hourly wages in the Prairies were down by 0.8% on a monthly basis and real wages fell by 1.1% year-over-year. Ontario was the only other region to post a monthly wage decline (-0.6%), although real wages continue to be up by 0.7% on an annual basis. Yearly wage gains were highest in B.C. where real wages are now up by 2.6% since May 2022, a 7.1% increase in nominal terms.

In terms of the participation rate, nearly all regions hovered within 0.2 percentage points of April, with the notable exception of the Atlantic region where the participation rate fell by 0.7 percentage points in May.



Regional Statistics Continued

Atlantic

	May 2022	May 2023	Y/Y change	M/M change
Total employment (#)	1,177,500	1,199,700	22,200 1.9%	-8,700 -0.7%
Unemployment rate (%)	7.6	6.9	-0.7	-0.2
Participation rate (%)	61.2	60.2	-1.0	-0.7
Union coverage (%)	32.7	32.4	-0.3	0.0
Average hourly wage (\$)	\$27.52	\$28.99	5.3%	0.0%
Real avg. hourly wage (\$)	\$27.52	\$27.77	0.9%	n/a



Quebec

	May 2022	May 2023	Y/Y change	M/M change
Total employment (#)	4,412,600	4,506,600	94,000 2.1%	1,600 0.0%
Unemployment rate (%)	4.4	4.0	-0.4	-0.1
Participation rate (%)	64.6	64.8	0.2	-0.2
Union coverage (%)	39.6	39.4	-0.2	0.2
Average hourly wage (\$)	\$30.62	\$32.27	5.4%	0.0%
Real avg. hourly wage (\$)	\$30.62	\$30.91	0.9%	n/a



Ontario

	May 2022	May 2023	Y/Y change	M/M change
Total employment (#)	7,764,100	7,895,500	131,400 1.7%	-23,900 -0.3%
Unemployment rate (%)	5.4	5.5	0.1	0.6
Participation rate (%)	65.7	65.6	-0.1	0.1
Union coverage (%)	26.0	26.4	0.4	0.1
Average hourly wage (\$)	\$32.60	\$34.27	5.1%	-0.6%
Real avg. hourly wage (\$)	\$32.60	\$32.82	0.7%	n/a



Regional Statistics Continued

Prairies

	May 2022	May 2023	Y/Y change	M/M change
Total employment (#)	3,640,800	3,730,300	89,500 2.5%	12,300 0.3%
Unemployment rate (%)	5.3	5.3	0.0	-0.2
Participation rate (%)	69.2	68.6	-0.6	-0.2
Union coverage (%)	26.8	28.3	1.5	0.1
Average hourly wage (\$)	\$32.01	\$33.06	3.3%	-0.8%
Real avg. hourly wage (\$)	\$32.01	\$31.66	-1.1%	n/a



British Columbia

	May 2022	May 2023	Y/Y change	M/M change
Total employment (#)	2,753,000	2,780,800	27,800 1.0%	1,400 0.1%
Unemployment rate (%)	4.3	5.0	0.7	0.0
Participation rate (%)	65.1	65.0	-0.1	-0.1
Union coverage (%)	28.7	29.6	0.9	0.4
Average hourly wage (\$)	\$31.97	\$34.23	7.1%	0.2%
Real avg. hourly wage (\$)	\$31.97	\$32.78	2.6%	n/a



Average Hourly Wages by Industry

Nominal vs. Inflation-Adjusted Wage Growth

Industry	May 2022	May 2023	Y/Y change	Y/Y inflation-adjusted change
Agriculture	\$21.10	\$22.92	8.6%	3.9%
Forestry	\$34.59	\$32.06	-7.3%	-12.6%
Mining, oil, and gas	\$46.60	\$51.23	9.9%	5.0%
Utilities	\$45.59	\$46.92	2.9%	-1.4%
Construction	\$33.43	\$35.11	5.0%	0.6%
Manufacturing: durables	\$31.29	\$33.71	7.8%	3.1%
Manufacturing: non-durables	\$29.03	\$31.68	9.1%	4.3%
Wholesale Trade	\$32.68	\$35.08	7.3%	2.7%
Retail Trade	\$22.33	\$23.27	4.2%	-0.2%
Transportation and Warehousing	\$30.09	\$32.08	6.6%	2.1%
Finance and Insurance	\$40.79	\$41.68	2.2%	-2.2%
Real Estate and Rental and Leasing	\$33.36	\$33.63	0.8%	-3.6%
Professional, Scientific and Technical Services	\$40.77	\$43.62	7.0%	2.4%
Business, building and other support	\$24.90	\$26.13	5.0%	0.5%
Educational Services	\$37.23	\$38.36	3.0%	-1.3%
Health Care and Social Assistance	\$30.43	\$31.61	3.9%	-0.5%
Information, Culture and Recreation	\$31.28	\$31.39	0.3%	-4.0%
Accommodation and Food Services	\$18.22	\$19.60	7.6%	2.9%
Other Services	\$27.09	\$28.51	5.3%	0.8%
Public Administration	\$40.38	\$42.19	4.5%	0.1%

Comparing wages by industry, there were some significant yearly gains in goods-producing industries such as manufacturing and mining, oil, and gas, which have reached the 8-9% range for nominal wage increases. Elsewhere, wage increases continue to lag behind inflation, particularly in public sector industries such as health care and social assistance and educational services.

In stark contrast to April, the goods-producing sector far outpaced the services sector when it came to employment gains in May, with goods-producing industries generating 22,800 additional jobs compared to a loss of 40,100 jobs in the services sector. Notably, the highest employment increase was observed in manufacturing (+12,900).

Monthly Employment Gains and Losses by Industry and Sector

Employment Change by Industry/Sector, April to May 2023

GOODS-PRODUCING SECTOR		22,800
Agriculture		3,100
Forestry, fishing, mining, quarrying, oil and gas		2,100
Utilities		4,200
Construction		600
Manufacturing		12,900
SERVICES PRODUCING SECTOR	-40,100	
Wholesale and retail trade	-12,900	
Transportation and warehousing	-9,700	
Finance, insurance, real estate, rental and leasing	-3,300	
Professional, scientific and technical services	-13,400	
Business, building and other support services	-31,100	
Educational services		6,200
Health care and social assistance	-7,900	
Information, culture and recreation		9,500
Accommodation and food services		10,600
Other services (except public administration)		11,000
Public administration		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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