

UNIFOR RESEARCH DEPARTMENT

# LABOUR MARKET INSIGHTS

*A monthly review of labour market indicators*

October 2023



**UNIFOR**  
theUnion | lesyndicat  
November 3, 2023

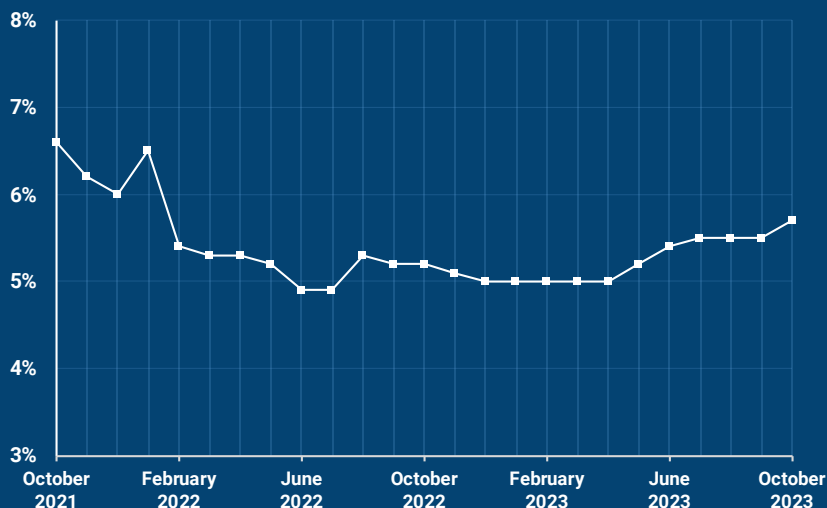
# National Statistics

The labour market nearly ground to a halt in October as the combination of higher interest rates and flatlining GDP put a damper on job creation. Although there was a slight employment gain of 17,500, the unemployment rate jumped 0.2 percentage points to 5.7% while the employment rate declined to 61.9%. The continued trend of historically high working age population growth in October (+84,000) meant that many more jobs were needed to keep the unemployment and employment rates level with September.

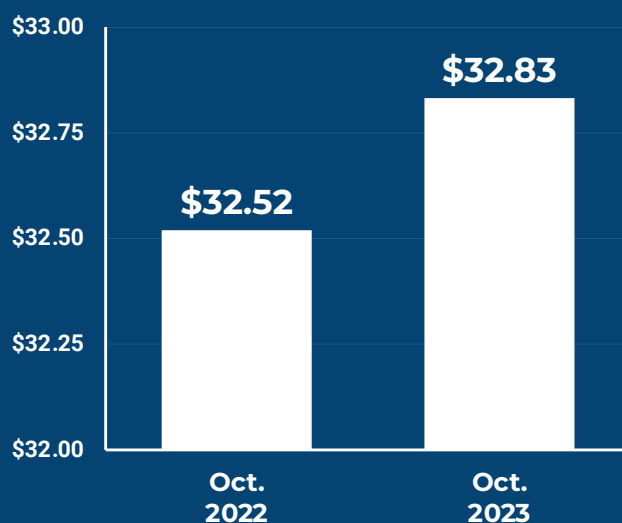
Year-over-year wage increases remained robust at 4.8% but translated to just 1% real growth when adjusted for inflation. Nevertheless, a recent dip in the level of the Consumer Price Index (CPI) may signal further declines in inflation over the coming months, which would help to provide relief from the recent spike in the cost of living and boost real wages.

	October 2017–21 average	October 2022	September 2023	October 2023	Year-over-year (Y/Y) change	Monthly (M/M) change
Total employment (#) <sup>1</sup>	18,861,200	19,786,400	20,270,100	20,287,600	501,200 2.5%	17,500 0.1%
Unemployment rate (%) <sup>2</sup>	6.7	5.2	5.5	5.7	0.5	0.2
Participation rate (%) <sup>3</sup>	65.8	65.4	65.6	65.6	0.2	0.0
Union coverage (%) <sup>4</sup>	30.2	31.0	30.9	30.9	-0.1	0.0
Average hourly wage (\$) <sup>5</sup>	\$28.93	\$32.52	\$34.01	\$34.08	4.8%	0.2%
Real average hourly wage (\$) <sup>6</sup>	\$32.44	\$32.52	\$32.77	\$32.83	1.0%	n/a

## Unemployment Rate



## Real Average Hourly Wage



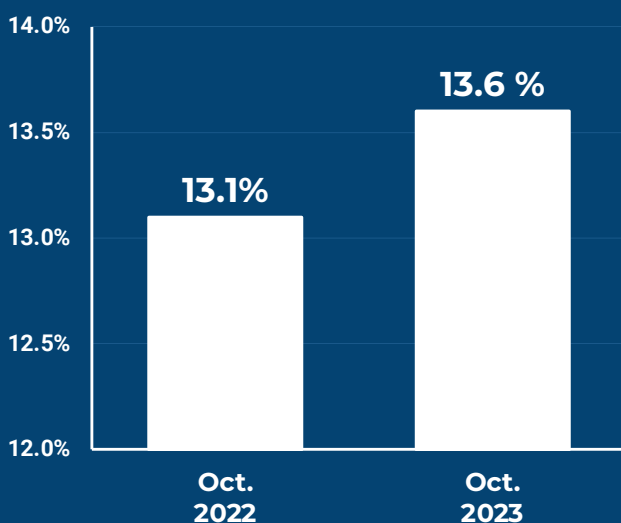
# National Precarity Indicators

Unifor's precarity indicators suggest that underlying labour market conditions have deteriorated over the past year, although there were minimal changes since last month. Notably, the underutilization (R8) and underemployment rates are around half a percentage point higher compared to a year ago, reflecting both greater unemployment and job search barriers for those wanting to look for work. On a positive note, the gender wage gap has dropped since hitting the \$5 mark in early 2023, although there are indications that this might be linked to a decline in women's employment levels.

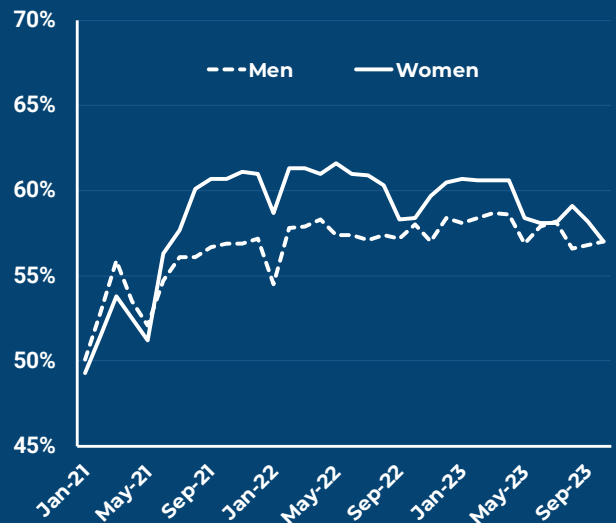
For example, younger women between the ages of 15 and 24 – who tend to be lower paid – saw their employment rate rapidly outpace younger men during the recovery from the COVID-19 pandemic, but there has been a marked reversal in this trend over the past year (see chart below).

	Oct. 2022	Sept. 2023	Oct. 2023	Y/Y change	M/M change
Part-time rate (%) <sup>7</sup>	18.6	18.0	18.4	-0.2	0.4
Involuntary part-time (%) <sup>8</sup>	38.7	39.5	38.5	-0.2	-1.0
Underutilization (R8) rate (%) <sup>9</sup>	6.3	6.9	6.9	0.6	0.0
Underemployment rate (%) <sup>10</sup>	13.1	13.5	13.6	0.5	0.1
Multiple job holders (%) <sup>11</sup>	5.5	5.6	5.6	0.1	0.0
Temporary job holders (%) <sup>12</sup>	11.5	12.0	11.5	0.0	-0.5
Casual/other (%)	3.3	3.3	3.4	0.1	0.1
Temporary/contract (%)	6.2	6.3	6.1	-0.1	-0.2
Seasonal (%)	2.0	2.4	2.0	0.0	-0.4
Low wage incidence (%) <sup>13</sup>	19.7	19.4	19.5	-0.2	0.1
Gender wage gap <sup>14</sup>	\$4.73	\$4.48	\$4.45	-6.0%	-0.6%
NEETs (x1,000) <sup>15</sup>	651.0	729.1	698.2	7.3%	-4.2%

## Underemployment Rate



## Youth Employment Rate by Gender



# Regional Statistics

Regional employment trends diverged significantly during the month of October, with the bulk of job increases occurring in the Prairie region (+48,000; +1.3%), followed by Atlantic Canada (+9,900; +0.8%). Employment was essentially level in B.C. (-4,000; -0.1%), but fell substantially in Quebec (-22,100; -0.5%) and Ontario (-14,300; -0.2%).

The unemployment rate fell by 0.2 percentage points in Atlantic Canada to 7.2%, which is the only region to have observed a year-over-year decline in the unemployment rate in October. Owing to population increases, the unemployment rate held steady in the Prairies despite the addition of nearly 50,000 jobs, while it increased by 0.4 percentage points in Quebec and 0.2 points in Ontario and remained level in B.C. Despite the sharp increase in October, Quebec continues to post the lowest unemployment rate in Canada at 4.9%, 0.8 percentage points below the national average.

Real wage growth (i.e., adjusted for inflation) was positive in all regions, with the exception of the Prairies, where real wages declined by 0.8% since October 2022. Year-over-year real wage growth was marginal in Quebec (+0.2%), but hit 1.4% in Atlantic Canada, 1.5% in Ontario, and 3.1% in B.C.





# Regional Statistics Continued

## Atlantic

	Oct. 2022	Oct. 2023	Y/Y change	M/M change
Total employment (#)	1,185,100	1,220,400	35,300 3.0%	9,900 0.8%
Unemployment rate (%)	7.8	7.3	-0.5	-0.2
Participation rate (%)	61.0	60.8	-0.2	0.2
Union coverage (%)	32.8	31.7	-1.1	-0.7
Average hourly wage (\$)	\$28.34	\$29.86	5.4%	1.5%
Real avg. hourly wage (\$)	\$28.34	\$28.77	1.5%	n/a



## Quebec

	Oct. 2022	Oct. 2023	Y/Y change	M/M change
Total employment (#)	4,435,100	4,521,100	86,000 1.9%	-22,100 -0.5%
Unemployment rate (%)	4.1	4.9	0.8	0.4
Participation rate (%)	64.4	65.1	0.7	-0.2
Union coverage (%)	39.7	39.9	0.2	1.0
Average hourly wage (\$)	\$31.47	\$32.73	4.0%	0.5%
Real avg. hourly wage (\$)	\$31.47	\$31.53	0.2%	n/a



## Ontario

	Oct. 2022	Oct. 2023	Y/Y change	M/M change
Total employment (#)	7,745,300	7,945,900	200,600 2.6%	-14,300 -0.2%
Unemployment rate (%)	5.7	6.2	0.5	0.2
Participation rate (%)	65.3	65.5	0.1	-0.1
Union coverage (%)	26.7	26.7	0.0	-0.5
Average hourly wage (\$)	\$33.53	\$35.29	5.2%	0.6%
Real avg. hourly wage (\$)	\$33.53	\$34.00	1.4%	n/a



# Regional Statistics Continued

## Prairies

	Oct. 2022	Oct. 2023	Y/Y change	M/M change
Total employment (#)	3,661,000	3,790,000	129,000 3.5%	48,000 1.3%
Unemployment rate (%)	5.2	5.4	0.3	0.0
Participation rate (%)	68.6	68.6	0.0	0.7
Union coverage (%)	28.5	28.7	0.2	0.6
Average hourly wage (\$)	\$32.62	\$33.57	2.9%	-1.1%
Real avg. hourly wage (\$)	\$32.62	\$32.34	-0.8%	n/a



## British Columbia

	Oct. 2022	Oct. 2023	Y/Y change	M/M change
Total employment (#)	2,759,800	2,810,300	50,500 1.8%	-4,000 -0.1%
Unemployment rate (%)	4.6	5.4	0.8	0.0
Participation rate (%)	65.1	65.2	0.1	-0.2
Union coverage (%)	31.0	30.6	-0.4	-0.2
Average hourly wage (\$)	\$33.23	\$35.58	7.1%	0.0%
Real avg. hourly wage (\$)	\$33.23	\$34.28	3.1%	n/a



# Average Hourly Wages by Industry

## Nominal vs. Inflation-Adjusted Wage Growth

Industry	October 2022	October 2023	Y/Y change	Y/Y inflation-adjusted change
Agriculture	\$21.65	\$24.44	12.9%	8.1%
Forestry	\$33.43	\$33.09	-1.0%	-4.9%
Mining, oil and gas	\$46.14	\$48.77	5.7%	1.8%
Utilities	\$48.26	\$51.33	6.4%	2.4%
Construction	\$34.11	\$36.11	5.9%	1.9%
Manufacturing: durables	\$32.44	\$33.88	4.4%	0.6%
Manufacturing: non-durables	\$29.95	\$32.93	9.9%	5.6%
Wholesale Trade	\$34.75	\$36.53	5.1%	1.2%
Retail Trade	\$22.26	\$23.22	4.3%	0.5%
Transportation and Warehousing	\$31.27	\$32.41	3.6%	-0.2%
Finance and Insurance	\$41.33	\$43.57	5.4%	1.5%
Real Estate and Rental and Leasing	\$32.52	\$35.73	9.9%	5.5%
Professional, Scientific and Technical Services	\$43.07	\$44.84	4.1%	0.3%
Business, building and other support	\$25.03	\$26.05	4.1%	0.3%
Educational Services	\$37.59	\$39.28	4.5%	0.6%
Health Care and Social Assistance	\$31.37	\$32.55	3.8%	0.0%
Information, Culture and Recreation	\$31.46	\$31.70	0.8%	-3.0%
Accommodation and Food Services	\$19.23	\$20.02	4.1%	0.3%
Other Services	\$28.13	\$29.17	3.7%	-0.1%
Public Administration	\$41.30	\$43.56	5.5%	1.6%

Nominal wages were nearly uniformly higher across all industries, except for forestry where hourly wages are 1% lower than October 2022. Apart from forestry, however, inflation-adjusted real wage growth continues to be higher in the goods-producing sector, particularly within industries such as non-durables manufacturing, construction, mining, oil/gas, and utilities.

In sign of slowing consumer demand, the manufacturing industry saw a sharp decline in October with a loss of nearly 19,000 jobs, while the retail industry lost close to 22,000 jobs. However, significant gains in construction (+23,000), information, culture and recreation (+20,900), and health care and social assistance (+8,900) helped to offset these losses.

# Monthly Employment Gains and Losses by Industry and Sector

Employment Change by Industry/Sector, September to October 2023

<b>GOODS-PRODUCING SECTOR</b>		7,500
Agriculture		4,400
Forestry, fishing, mining, quarrying, oil and gas		700
Utilities	-1,800	
Construction		23,000
Manufacturing	-18,800	
<b>SERVICES PRODUCING SECTOR</b>		10,000
Wholesale and retail trade	-21,700	
Transportation and warehousing		3,300
Finance, insurance, real estate, rental and leasing	-8,100	
Professional, scientific and technical services		5,100
Business, building and other support services	-3,200	
Educational services		2,600
Health care and social assistance		8,900
Information, culture and recreation		20,900
Accommodation and food services	-5,500	
Other services (except public administration)		1,700
Public administration		6,000





# 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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