

UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

September 2022



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theUnion | lesyndicat
October 7, 2022

National Statistics

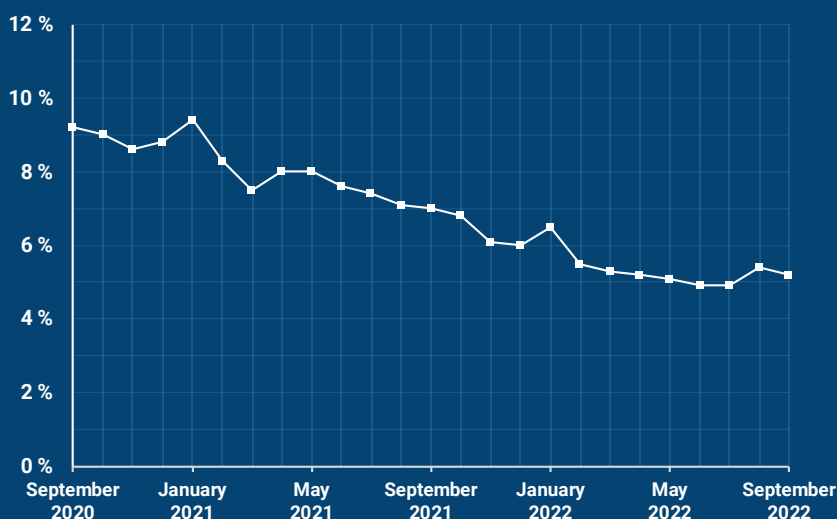
Canada's labour market added just over 21,000 jobs in September, reversing the recent trend of employment declines from June to August. As a result, the unemployment rate fell 0.2 percentage points to 5.2%, which is close to the historic lows reached during the summer months. However, the national participation rate also declined, indicating that part of the fall in the unemployment rate came from a continued exodus of jobseekers from the labour market. Employment gains were also mostly concentrated in the west, with increases there offsetting significant job losses in Ontario (see regional statistics below).

Wage increases continue to gather momentum, with another 1.1% increase in average hourly wages in September. Real wages (adjusted for inflation) are now down 1.5% since last September, which is the smallest year-over-year gap since February of this year.

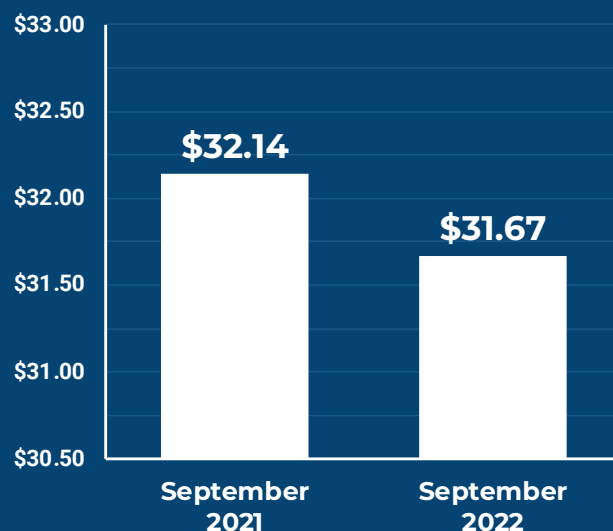
| | Sep. average 2016–20 | Sep. 2021 | Sep. 2022 | Sep. 2021–22 Change | Aug.–Sep. 2022 Change |
|--|-------------------------|------------|------------|------------------------|--------------------------|
| Total employment (#) ¹ | 18,478,780 | 19,131,200 | 19,547,900 | 416,700 2.2% | 21,100 0.1% |
| Unemployment rate (%) ² | 6.8 | 6.9 | 5.2 | -1.7 p.p. | -0.2 p.p. |
| Participation rate (%) ³ | 65.4 | 65.5 | 64.7 | -0.8 p.p. | -0.1 p.p. |
| Union coverage (%) ⁴ | 30.8 | 30.7 | 31.2 | 0.5 p.p. | 1.7 p.p. |
| Average hourly wage (\$) ⁵ | \$31.27 | \$32.14 | \$31.67 | -1.5% | 1.1% |
| Average weekly hours (hrs.) ⁶ | 35.4 | 35.4 | 35.6 | 0.6% | -1.4% |

*p.p. refers to percentage points.

Unemployment Rate



Real Average Hourly Wage

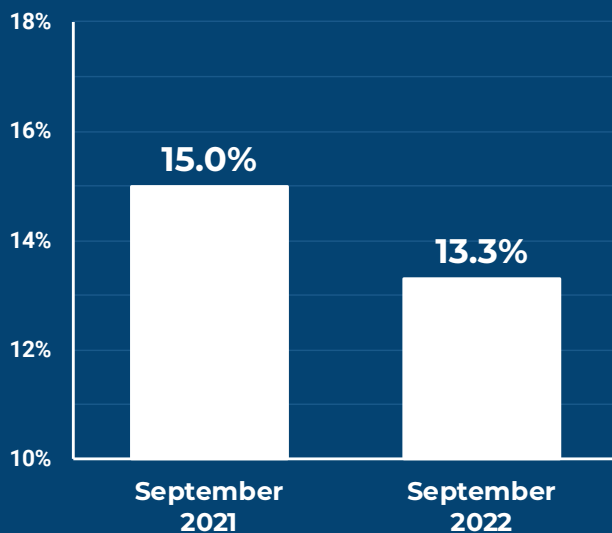


National Precarity Indicators

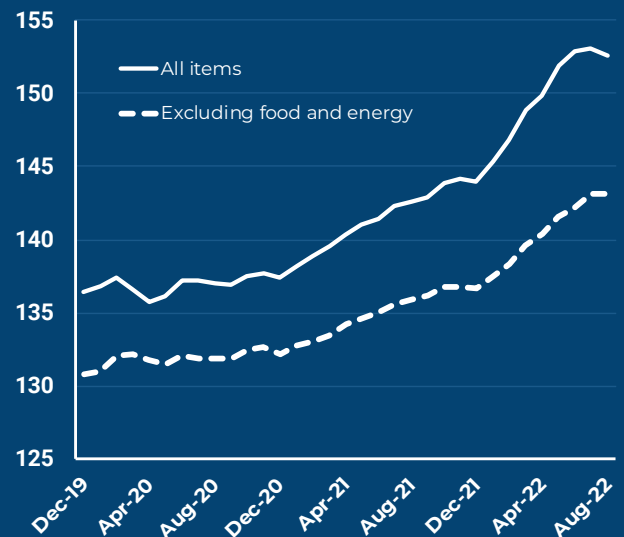
Unifor's precarity indicators show a sharp monthly decline in the underutilization rate (-1.6 p.p.) and underemployment rate (-1.3 p.p.), indicating that there has been a significant decline in the proportion of Canadians who want, but do not currently have, full-time employment. Part of this decrease is accounted for by the notable drop in involuntary part-timers since August, which may partially reflect seasonal effects. However, a deeper dive into the data shows that the number of discouraged jobseekers (those who believed no work was available) and those awaiting recall or reply fell significantly in September, by nearly 27,000. Despite the relative strength of the jobs market, there is a real threat of recession caused by aggressive interest rate hikes, with the Bank of Canada committing to further action if inflation remains high. Although the CPI moderated in August (see chart below), this was largely the result of lower energy prices, which may spike yet again in the coming months.

| | Sep. 2021 | Sep. 2022 | Sep. 2021-22 Change (p.p.) | Aug.-Sep. 2022 Change (p.p.) |
|---|-----------|-----------|----------------------------|------------------------------|
| Part-time rate (%) ⁷ | 18.6 | 18.3 | -0.3 | 1.9 |
| Involuntary part-time (%) ⁸ | 40.0 | 39.8 | -0.2 | -5.4 |
| Underutilization (R8) rate (%) ⁹ | 8.3 | 6.3 | -2.0 | -1.6 |
| Underemployment rate (%) ¹⁰ | 15.0 | 13.3 | -1.7 | -1.3 |
| Multiple job holders (%) ¹¹ | 5.1 | 5.7 | 0.6 | 0.4 |
| Temporary job holders (%) ¹² | 12.2 | 11.8 | -0.4 | -1.6 |
| <i>Casual/other (%)</i> | 3.0 | 3.1 | 0.1 | -0.1 |
| <i>Temporary/contract (%)</i> | 6.9 | 6.4 | -0.5 | -0.2 |
| <i>Seasonal (%)</i> | 2.3 | 2.3 | 0.0 | -1.3 |
| Low wage incidence (%) ¹³ | 19.8 | 19.8 | 0.0 | -1.0 |
| Gender pay gap ¹⁴ | \$3.56 | \$4.01 | 12.5% | -0.6% |
| NEETs (x1,000) ¹⁵ | 697.0 | 691.0 | -0.9% | -58.5% |

Underemployment Rate



Consumer Price Index



Regional Statistics

As noted above, there were significant regional differences in labour market outcomes during the month of September. Employment gains were concentrated in the Atlantic, Prairies and B.C. regions, with B.C. posting a significant increase of nearly 33,000 jobs (+1.2%). Quebec saw no change in employment levels, but a retreat of jobseekers from the labour force led both the unemployment and participation rates to fall by 0.2 percentage points. Notably, employment in Ontario declined by 31,500 jobs, significantly offsetting gains in other regions. Nevertheless, the regional unemployment rate remained level, with job losses being reflected mainly in a fall in the participation rate (-0.3 p.p.).

In terms of hourly wages, monthly gains were highest in the Atlantic (+2.5%), Prairies (+1.4%) and Ontario (+1.2%) regions. The moderation of wage gains in Quebec in recent months has meant that real wages are once again lower year-over-year. However, in general, workers' purchasing power appears to be keeping up with inflation in the Atlantic and Quebec regions, and to a lesser extent, in Ontario. In contrast, both the Prairies (-3.8% YoY) and B.C. (-2.0% YoY) have some ways to go before nominal wages catch up to inflation.



Regional Statistics Continued

Atlantic

| | Sep. 2021 | Sep. 2022 | Sep. 2021–22 Change | Aug.–Sep. 2022 Change |
|-----------------------------|-----------|-----------|---------------------------|-----------------------------|
| Total employment (#) | 1,128,400 | 1,164,500 | 36,100 3.2% | 3,900 0.3% |
| Unemployment rate (%) | 9.7 | 7.2 | -2.5 | -1.0 |
| Participation rate (%) | 60.7 | 59.6 | -1.1 | -0.6 |
| Union coverage (%) | 32.4 | 34.1 | 1.7 | 1.7 |
| Average hourly wage (\$) | \$28.06 | \$27.95 | -0.4% | 2.5% |
| Average weekly hours (hrs.) | 36.8 | 37.0 | 0.6% | -2.0% |



Quebec

| | Sep. 2021 | Sep. 2022 | Sep. 2021–22 Change | Aug.–Sep. 2022 Change |
|-----------------------------|-----------|-----------|---------------------------|-----------------------------|
| Total employment (#) | 4,319,300 | 4,380,500 | 61,200 1.4% | 200 0.0% |
| Unemployment rate (%) | 5.7 | 4.4 | -1.4 | -0.2 |
| Participation rate (%) | 64.5 | 63.8 | -0.6 | -0.2 |
| Union coverage (%) | 40.2 | 39.4 | -0.8 | 1.6 |
| Average hourly wage (\$) | \$30.99 | \$30.90 | -0.3% | 0.5% |
| Average weekly hours (hrs.) | 35.1 | 34.7 | -1.0% | -2.3% |



Ontario

| | Sep. 2021 | Sep. 2022 | Sep. 2021–22 Change | Aug.–Sep. 2022 Change |
|-----------------------------|-----------|-----------|---------------------------|-----------------------------|
| Total employment (#) | 7,499,700 | 7,636,300 | 136,600 1.8% | -31,500 -0.4% |
| Unemployment rate (%) | 7.3 | 5.8 | -1.6 | 0.0 |
| Participation rate (%) | 65.4 | 64.6 | -0.9 | -0.3 |
| Union coverage (%) | 26.4 | 27.5 | 1.1 | 2.2 |
| Average hourly wage (\$) | \$32.97 | \$32.63 | -1.0% | 1.2% |
| Average weekly hours (hrs.) | 35.9 | 36.0 | 0.3% | -1.0% |



Regional Statistics Continued

Prairies

| | Sep. 2021 | Sep. 2022 | Sep. 2021-22 Change | Aug.-Sep. 2022 Change |
|-----------------------------|-----------|-----------|---------------------------|-----------------------------|
| Total employment (#) | 3,501,900 | 3,614,400 | 112,500 3.2% | 15,500 0.4% |
| Unemployment rate (%) | 7.4 | 5.1 | -2.3 | -0.2 |
| Participation rate (%) | 68.8 | 67.9 | -1.0 | 0.0 |
| Union coverage (%) | 27.9 | 28.9 | 1.0 | 1.9 |
| Average hourly wage (\$) | \$32.74 | \$31.49 | -3.8% | 1.4% |
| Average weekly hours (hrs.) | 36.6 | 36.6 | 0.0% | -1.6% |



British Columbia

| | Sep. 2021 | Sep. 2022 | Sep. 2021-22 Change | Aug.-Sep. 2022 Change |
|-----------------------------|-----------|-----------|---------------------------|-----------------------------|
| Total employment (#) | 2,681,900 | 2,752,300 | 70,400 2.6% | 32,900 1.2% |
| Unemployment rate (%) | 5.9 | 4.3 | -1.7 | -0.5 |
| Participation rate (%) | 65.3 | 64.8 | -0.5 | 0.4 |
| Union coverage (%) | 29.5 | 30.0 | 0.5 | 0.6 |
| Average hourly wage (\$) | \$32.83 | \$32.18 | -2.0% | 0.6% |
| Average weekly hours (hrs.) | 34.9 | 35.4 | 1.3% | -0.7% |



Average Wages and Employment Gains/Losses by Industry

Despite the moderation in inflation during August, real wages in some industries continue to suffer from the impacts of higher costs, with most sectors seeing a year-over-year decline. Yet, lower real wages in traditional blue-collar industries and public sectors with relatively high rates of collective bargaining coverage may reflect a time lag, depending on the proportion of workplaces eligible to bargain wage increases in recent months. As more workplaces begin to bargain new agreements over the next year, we should expect to see this gap decline. The lack of bargaining flexibility during unexpected spikes in inflation underscores the importance of including cost-of-living adjustment (COLA) clauses in collective bargaining agreements, which automatically adjust wages to counteract the effects of higher than usual inflation.

The employment figures for September continue to reflect a strong jobs market, with year-over-year employment gains in the vast majority of industries, led by professional, scientific, technical services (+99,700), construction (+81,000), and retail trade (+64,000). Manufacturing, however, was down as a whole, with a monthly decline of 57,500 and a year-over-year decline of 15,000 (concentrated in non-durables manufacturing). With manufacturing sales on a downward trend in recent months, these losses could deepen in the coming months.

Real Average Hourly Wages by Industry

| Industry | Sep. 2022 | Sep. 2021 – 2022 Change |
|---|-----------|-------------------------|
| Agriculture | \$21.19 | -6.1% |
| Forestry | \$35.78 | 6.8% |
| Fishing, hunting, and trapping | \$21.24 | -8.3% |
| Mining, oil, and gas | \$44.56 | -4.5% |
| Utilities | \$47.76 | -5.5% |
| Construction | \$33.77 | 0.6% |
| Manufacturing – durables | \$31.46 | -2.0% |
| Manufacturing – non-durables | \$29.47 | -2.2% |
| Wholesale Trade | \$32.31 | -0.1% |
| Retail Trade | \$22.00 | 0.5% |
| Transportation and Warehousing | \$30.49 | -4.6% |
| Finance and Insurance | \$38.66 | -4.8% |
| Real Estate and rental and leasing | \$29.76 | 2.4% |
| Professional, Scientific and Technical Services | \$40.96 | 2.1% |
| Business, building and other support | \$25.02 | 0.3% |
| Educational Services | \$37.17 | -2.2% |
| Health Care and Social Assistance | \$30.91 | -1.7% |
| Information, Culture and Recreation | \$30.80 | -4.4% |
| Accommodation and Food Services | \$18.89 | 1.8% |
| Other Services | \$27.94 | -2.7% |
| Public Administration | \$40.46 | -3.1% |

Average Wages and Employment Gains/Losses by Industry Continued

Employment Change by Industry, September 2021 to September 2022

| | | |
|--|---------|--------|
| Agriculture | | 17,609 |
| Forestry | -12,471 | |
| Fishing, hunting, and trapping | | 1,806 |
| Mining, oil, and gas | | 13,906 |
| Utilities | | 15,349 |
| Construction | | 81,020 |
| Manufacturing - durables | | 22,589 |
| Manufacturing - non-durables | -37,658 | |
| Wholesale Trade | | 7,970 |
| Retail Trade | | 63,980 |
| Transportation and Warehousing | -23,037 | |
| Finance and Insurance | -7,398 | |
| Real Estate and rental and leasing | | 32,370 |
| Professional, Scientific, Technical Services | | 99,722 |
| Business, building and other support | -16,171 | |
| Educational Services | -1,846 | |
| Health Care and Social Assistance | | 45,182 |
| Information, Culture and Recreation | | 54,297 |
| Accommodation and Food Services | | 19,844 |
| Other Services | | 19,418 |
| Public Administration | | 17,355 |



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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