

# Hospitality and Gaming

## Sector Profile

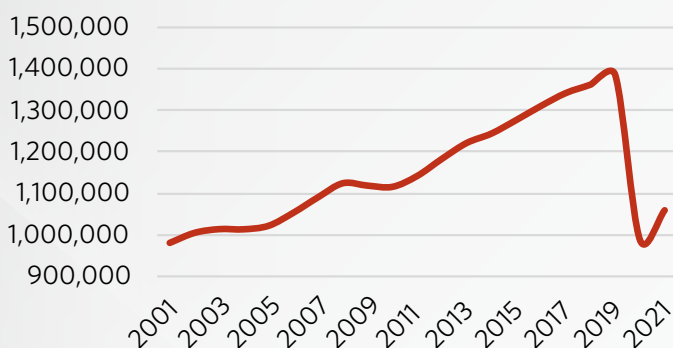
### Sector Facts and Figures

Total GDP <i>Share of Canadian GDP</i>	\$35.1 billion 1.78%
Total Employment (2021) <i>Change since 2011</i>	1,059,500 -7.2%
Real wage growth (2011-2019)	+5.9%
Labour Productivity (2019)	\$33.3/hr
Average Work Hours/Week (2019)	29.2
Greenhouse Gas Emissions (2019) <i>Change since 2009</i> <i>Share of Canadian industry total</i>	2,010kt +27.2% 0.32%
Union Coverage Rate	6%
Unifor Members in the Industry	22,000
Share of Total Unifor Membership	7%
Number of Unifor Bargaining Units	152
Average Bargaining Unit Size	158

## Current Conditions

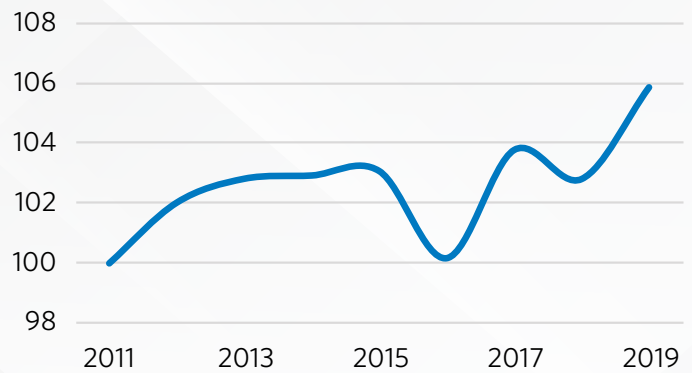
The hospitality and gaming sector was among the hardest hit by the COVID-19 pandemic, and any current snapshot of the sector must take this into account, especially in terms of employment, economic production, and labour productivity. While other economic sectors managed to weather the COVID-19 storm, or in some cases even thrive, the hospitality and gaming sector was the first hit, the hardest hit, and will likely take the longest to fully recover.

### Hospitality & gaming employment, 2001-2021



Overall, the hospitality and gaming sector in Canada adds \$35.1 billion to the Canadian GDP, or almost 1.8% of total economic productivity, and employs more than 1 million people, or 5.5% of the country's total workforce. These jobs numbers are misleading, however, since just before the pandemic, total employment in the sector had actually peaked at 1.4 million.

### Hospitality & gaming: Real wages (2011=100)



In terms of union coverage and job quality, workers in the three segments have a very different experience. In the gaming segment, around 30% of the overall workforce is a union member, and their wages, benefits and working conditions tend to be better than other those of other workers in the overall sector. In the accommodation segment, around 17% of the workforce is in a union, though union density is much higher in urban centres and resort destinations. In this segment, job quality and working conditions vary widely, mostly depending on union status. At 3% union density, the restaurant & food service segment has the lowest union coverage rate, and the lowest standards in terms of wages, benefits, and job quality.

## Unifor in the Hospitality & Gaming Industry

Select Unifor Employers	Approx. # Members
Fairmont	2,700
Caesars Windsor	2,300
Manitoba Liquor & Lotteries	1,000
White Spot	800

With 22,000 members from coast to coast, Unifor is the union for hospitality and gaming workers in Canada. Within the sector, Unifor's membership is divided into three segments: around 8,000 in accommodation (including hotels, motels and resorts), 4,100 in restaurants and food service, and more than 9,000 in gaming (including casino, racetrack, and other gaming services). Our gaming membership is concentrated in Ontario, BC and Manitoba, while our hospitality members are to be found across the country, with the highest numbers in BC and Ontario. The hospitality and gaming sector makes up about 7% of Unifor's total membership.

With almost 2,700 members in hotels and resorts from BC to Quebec, Fairmont is by far the largest single employer in the accommodation segment. Within the restaurant and food services segment, our larger employers include White Spot and KFC Soul Foods in BC, with 800 and 400 members respectively, and catering services at the University of Manitoba, where we have 380 members. Within our gaming segment – Unifor's largest segment in the sector, with a smaller number of large workplaces and more ownership concentration – the three largest employers account for almost 80% of our total membership. Our biggest employers include Caesars Windsor, Great Canadian Gaming, Gateway Casinos & Entertainment, and Manitoba Liquor & Lotteries. In Ontario especially, more casinos are expanding to become resort-style operations with on-site hotels, and this will increase our membership and reinforce the need to integrate our gaming, accommodation, and restaurant and food service segments.

## Moving Forward: Developing the Hospitality & Gaming Industry

The hospitality and gaming sector faces a number of opportunities and challenges looking ahead, ranging from sector-wide issues to segment-specific ones.

Technological change will affect all aspects of the sector, though each segment will feel the impacts differently. In the gaming segment, operators are experimenting with electronic table games, in a bid to lower labour costs.

At the same time, changes to federal and provincial legislation have allowed for the introduction of single-games sports betting and online gaming (called “iGaming” in Ontario’s new program), which so far seem to create little employment and generate lower revenues for governments and local communities. Online gaming operators, most of which are US-based or offshore companies, are piggy backing on single-game sports betting sites, and flooding the market with advertising as they battle for market share.

For the accommodation and restaurants & food service segments, technological change includes increasing automation and labour-saving measures such as keyless check-in and device-driven self-ordering for guests. Another labour-saving measure that is becoming more commonplace is the trend for room refreshes by request only for multiple night stays, a trend we must address in bargaining.

For the accommodation segment, short-term rental platforms like Airbnb continue to pose a threat to the regulated hotel industry, while also undermining the long-term rental market for residents. The problem of grey-market “ghost hotels,” where commercial operators buy up multiple units and offer them exclusively on STR platforms full-time, began primarily in urban centres, over time we have seen resort towns and smaller cities and tourism destinations experience the same negative impacts. These commercial STR operators compete unfairly with the regulated hotel industry, while also driving up rent and contributing to Canada’s housing crisis.

Unfortunately, the hospitality sector continues to be a purveyor of low-waged and generally low-quality jobs. As the post-COVID recovery continues to take hold, hospitality and gaming sector employers have complained that the pandemic worsened the labour shortage that already existed pre-2020. Unifor has an opportunity to help create good jobs across the overall hospitality and gaming sector on three fronts: first, we can more organize workplaces, building union density and worker power; second, we can continue to bargain strong contracts that improve industry standards and working conditions; and third, we can advocate with governments for improved labour laws and employment standards, including regarding wages, workload, scheduling, and a fairer process to join a union.

## Major Sector Development Issues

- In the gaming segment, negotiate common expiration dates to build bargaining power (multiple sites, single-employer bargaining).
- In the gaming segment, work to ensure that the trend of iGaming does not undermine employment, economic development, or government revenue streams.
- In the gaming segment, negotiate company-wide job postings and transfers to combat the increasing cannibalization of business (even between locations operated by the same company) as new locations continue to open or upgrade.
- In the hospitality segment, boost contract standards and job quality – in terms of wages, benefits, workload, health & safety, and sub-contracting protections.
- In the hospitality segment, continue to negotiate sector-wide health and welfare benefit plans to smooth out the costs for smaller sites.
- Regulatory reform needed to address the problem of short-term rental platforms like Airbnb, including strong enforcement measures and a primary residence requirement to keep commercial STR operators from undermining the long-term rental housing market and unfairly competing with hotels.
- Since technological change will continue to evolve and intensify across the entire sector, use collective bargaining, labour law reform, training and other means to mitigate employment impacts for workers.