

# HOSPITALITY

## Sector Profile



### Sector Facts and Figures, 2016

Total Sales*	\$80 billion
Total GDP <i>Share of Canadian GDP</i>	\$35 billion 2.1%
Total Employment <i>Change since 2007</i>	1.27 million +21%
Average Hourly Wage (Excluding overtime) <i>Inflation-adjusted change since 2007</i>	\$14.98 +7%
Productivity Growth 2007-2016	10%
Average Work Hours/Week (Excluding overtime)	24
Average Overtime Hours/Year	13
Union Coverage Rate (Approximate)	6%
Unifor Members in the Industry	10,100
Share of Total Unifor Membership	3%
Number of Unifor Bargaining Units	117
Average Bargaining Unit Size	86

Source: Cansim; Unifor Research Department.

\*2015 operating revenue.



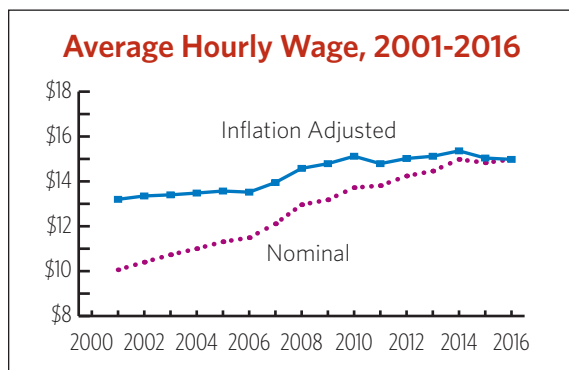
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## Current Conditions

Hospitality is one of the largest employers in Canada, with more than 1.2 million people—one-in-twelve Canadian workers—employed in a hospitality establishment. This puts hospitality on par with manufacturing in terms of its employment significance. The hospitality industry racks up \$80 billion in annual sales and adds \$35 billion to Canadian GDP. Despite being one of the fastest growing industries in the country—employment is up 21 per cent over the past decade—this industry has many of the lowest-paying occupations in Canada.

Average hourly earnings are just shy of \$15, which is 35 per cent below the industrial average and which represents a slight premium over most provincial minimum wages. Compounding the problem of low hourly compensation is the problem of under-employment, with the average person working just 24 hours a week, which is far below the overall average of 30 hours per week.



Workers in the hospitality sector often fight to get enough paid hours of employment. Over 40 per cent work part-time hours (in comparison with 20 per cent of all workers), and seven per cent of hospitality workers are employed in at least one other job to make ends meet. The precariousness in this industry is explained in part by the very low levels of union representation. Just six per cent of hospitality workers are covered by a collective agreement, while average union density in the service sector is 30 per cent. Workplaces in the industry are often small and fragmented, which makes them more difficult to organize.

## Unifor in the Canadian Hospitality Industry

Unifor's 10,000 or so hospitality members make up three per cent of our organization's overall size and are distributed among 117 bargaining units. Many of Unifor's hospitality members work in hotels and resorts, though a fair number work in food services and drinking establishments.

Unlike other industries, which are heavily concentrated in central Canada, Unifor's hospitality membership is concentrated in the West, with nearly 60 per cent of the membership working in the Prairie Provinces or British Columbia. One-third of the membership is employed in Ontario or Quebec and ten per cent are employed in Atlantic Canada.

Select Unifor Employers	Approx. # Members
Fairmont	2,300
White Spot	800
Delta	600
University of Manitoba	425
KFC (Soul Restaurants Canada)	400

The five largest employers in Unifor's hospitality industry account for nearly 50 per cent of the membership. The Fairmont Hotel chain is far and away the largest

employer, accounting for nearly one-quarter of Unifor's hospitality membership. Another 20 per cent of the membership are employed with White Spot, the Delta Hotel chain, the University of Manitoba or KFC (Soul Restaurants Canada).

## Moving Forward: Developing the Hospitality Industry

The hospitality industry covers a diverse range of workplaces and can be broken into two segments: (i) food services—including restaurants and bars, and (ii) accommodation, including hotels, resorts and inns. As the tourism market grows in Canada and around the world, employment in the hospitality industry is predicted to expand at a relatively rapid rate. Some predict the tourism industry will face a labour shortage in coming years. This presents a unique opportunity to improve the standards in the industry. If labour shortages do present themselves, competition for top talent will be fierce and the hospitality industry will be compelled to deal with questions of training, retention and compensation.

The hospitality industry continues to be a purveyor of low-waged and generally low-quality jobs. Unifor can work to boost the quality of employment on two fronts: first, it can organize workplaces and improve standards, particularly when it comes to wages and fair scheduling practices; and second, it can advocate on behalf

of its membership with governments across the country about employment standards, including labour code provisions and employment standards around the minimum wage, scheduling and union coverage.

In larger urban centres, platform services such as Airbnb are commercializing and growing the home-sharing accommodations market. These businesses face few, if any, regulatory requirements and they end up pitting hotels in unfair competition with a sub-industry that has yet to be well understood by regulators. The increased supply and uneven playing field creates a competitive environment that puts downward pressure on wages and working conditions in the hospitality industry. This must change. Unifor is committed to advocating for fair regulations in this sector.

## Major Sector Development Issues

- Boost employment quality in terms of compensation, hours and scheduling, either through greater union representation or through minimum wage laws and employment standards.
- Regulatory reform needed to address the unfair competition practices of home-sharing providers like Airbnb. Regulations should ensure that, among other things, Airbnb clients occupy the units they rent and they must collect tourism and urban renewal taxes, to create a level playing field with hotels.



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