

UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

December 2020



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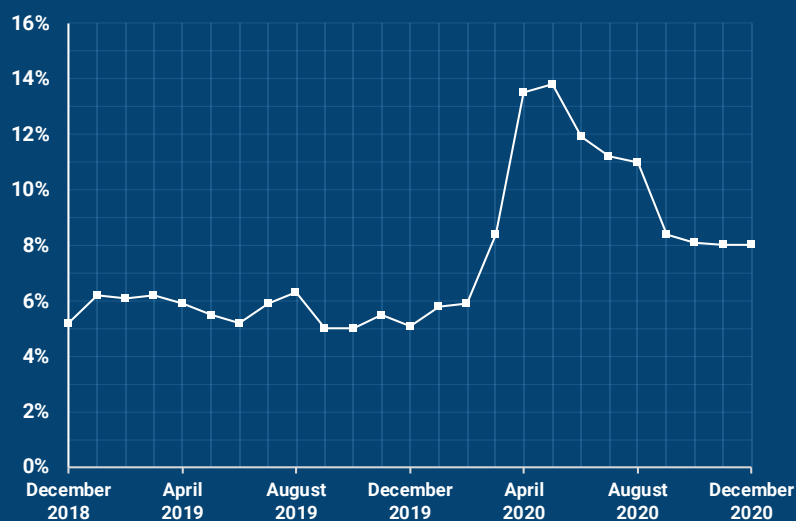
National Statistics¹

As 2020 drew to a close, the COVID-19 crisis continued to grip the Canadian labour market. The early economic recovery of the summer months ground to a halt as the second wave of the pandemic led to renewed lockdowns and restrictions. Although there were over 100,000 fewer jobs in December, the unemployment rate remained level due to the number of workers leaving the labour market entirely, with the participation rate falling 0.5%. On a yearly basis, the total number of Canadians employed remained almost 600,000 lower compared to December 2019. The real hourly wage and rate of union coverage continued to increase, but much of this can be attributed to the greater likelihood of lower-waged, non-unionized workers becoming unemployed due to the crisis.

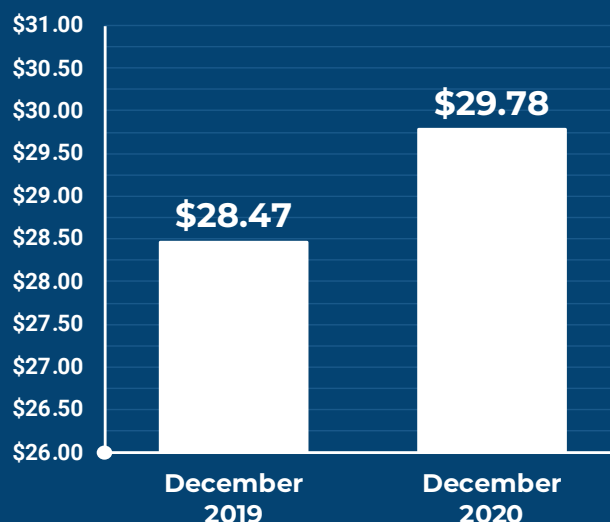
	5-year December avg. 2014–18	December 2019	December 2020	December 2019–December 2020 Change	November 2020–December 2020 Change
Total employment (#) ²	18,228,485	19,096,363	18,503,257	-593,106 -3.1%	-113,792 -0.6%
Unemployment rate (%) ³	6.0	5.1	8.0	2.9	0.0
Participation rate (%) ⁴	65.1	65.0	64.2	-0.8	-0.5
Union coverage (%) ⁵	30.5	30.2	31.5	1.3	0.2
Average hourly wage (\$) ⁶	\$27.82	\$28.47	\$29.78	4.6%	0.3%
Average weekly hours (hrs.)	36.3	36.2	35.9	-0.8%	0.0%

*p.p. refers to percentage points.

Unemployment Rate



Average Hourly Wage



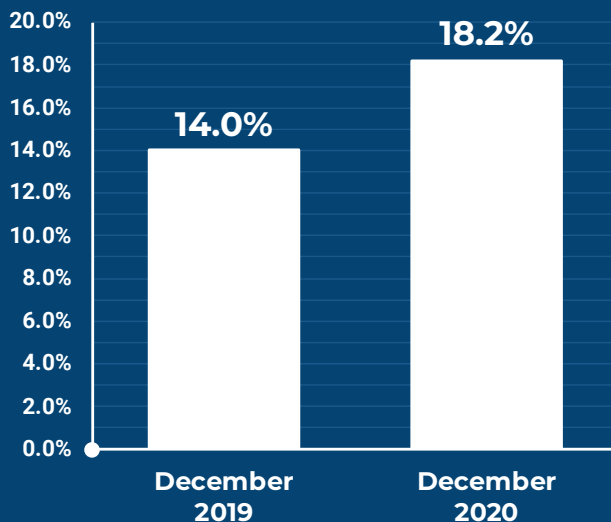
National Precarity Indicators

Our precarity indicators reveal that despite the unchanged unemployment rate, labour market prospects worsened for many workers in December. The proportion of involuntary part-timers (part-time workers who would prefer a full-time job) increased by half a percentage point from November to December. Likewise, the underutilization rate (which partially measures the percentage of discouraged job-seekers) saw a monthly increase and remains nearly 4 percentage points higher than in December 2019.

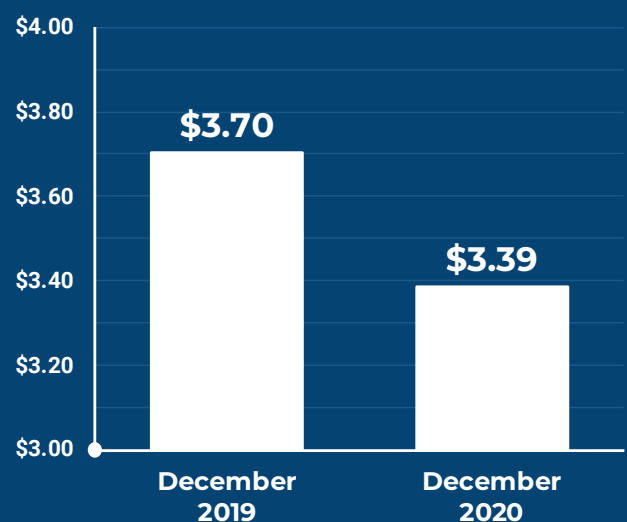
The proportion of temporary job holders continued its monthly decline due to the expected fall in seasonal work, but significantly, the rate of temporary/contract and casual work both saw a monthly uptick. While the incidence of low wage work and the gender pay gap fell on both a monthly and yearly basis, these declines reflect the disproportionate impact of the recession on women and low-waged workers.

	Dec. 2019	Dec. 2020	Dec. 2019– Dec. 2020 Change (p.p.)	Nov. 2020– Dec. 2020 Change (p.p.)
Part-time rate (%) ⁷	19.7	19.0	-0.7	-0.2
Involuntary part-time (%) ⁸	39.0	45.8	6.8	0.5
Underutilization (R8) rate (%) ⁹	7.3	11.1	3.8	0.1
Underemployment rate (%) ¹⁰	14.0	18.2	4.2	0.0
Multiple job holders (%) ¹¹	5.8	4.5	-1.3	0.1
Temporary job holders (%) ¹²	12.1	11.0	-1.1	-0.3
<i>Casual/other (%)</i>	3.9	3.1	-0.8	0.1
<i>Temporary/contract (%)</i>	6.6	6.7	0.1	0.1
<i>Seasonal (%)</i>	1.6	1.2	-0.4	-0.5
Low wage incidence (%) ¹³	21.4	20.5	-0.9	-0.2
Gender pay gap ¹⁴	\$3.70	\$3.39	-8.6%	-1.2%

Underemployment Rate



Gender Pay Gap



Regional Statistics

While three out of five regions actually saw employment increases in November, the situation took a turn for the worse in December with all regions posting employment declines. In absolute terms, the Prairies were the hardest hit, with close to 36,000 jobs lost in December, followed by Quebec (-32,279) and Ontario (-24,473). Despite the monthly job losses in Quebec, the unemployment rate in fact decreased due to the number of workers leaving the labour market, with the participation rate falling by 0.7%. A similar situation was found in the Prairies where the decline in labour market participation kept the unemployment rate level.

Year over year, all regions continued to post gains in both average hourly wages and union coverage, with regions seeing at least a 4% yearly increase in real wages (i.e. adjusted for inflation) while the percentage of workers covered by a collective bargaining agreement increased across the board (ranging from +0.3% in the Prairies to +1.8% in Ontario). These numbers reflect both an absolute increase in unionized workers over the past year and the fact that unions were able to protect their members from the worst economic impacts of the crisis. As noted above, the average wage increases are potentially misleading, however, given the disproportionate impact of the crisis on lower-waged workers.



Regional Statistics Continued

Atlantic

	December 2019	December 2020	Dec. 2019–2020 Change	Nov. 2020–Dec. 2020 Change
Total employment (#)	1,110,523	1,103,855	-6,668 -0.6%	-19,422 -1.7%
Unemployment rate (%)	8.3	9.3	1.0	0.8
Participation rate (%)	60.1	59.9	-0.2	-0.6
Union coverage (%)	31.4	32.9	1.5	0.5
Average hourly wage (\$)	\$24.35	\$25.70	5.6%	0.7%
Average weekly hours (hrs.)	37.4	37.1	-0.9%	-0.1%



Quebec

	December 2019	December 2020	Dec. 2019–2020 Change	Nov. 2020–Dec. 2020 Change
Total employment (#)	4,338,416	4,231,741	-106,675 -2.5%	-32,279 -0.8%
Unemployment rate (%)	4.8	6.5	1.7	-0.2
Participation rate (%)	64.4	63.3	-1.1	-0.7
Union coverage (%)	38.5	39.9	1.4	-0.4
Average hourly wage (\$)	\$27.23	\$28.50	4.7%	-0.9%
Average weekly hours (hrs.)	35.3	35.1	-0.7%	-0.2%



Ontario

	December 2019	December 2020	Dec. 2019–2020 Change	Nov. 2020–Dec. 2020 Change
Total employment (#)	7,545,744	7,295,039	-250,705 -3.3%	-24,473 -0.3%
Unemployment rate (%)	4.7	8.5	3.8	0.2
Participation rate (%)	64.7	64.4	-0.3	-0.1
Union coverage (%)	26.2	28.0	1.8	0.3
Average hourly wage (\$)	\$29.00	\$30.40	4.9%	1.1%
Average weekly hours (hrs.)	36.4	36.0	-1.0%	-0.4%



Regional Statistics Continued

Prairies

	December 2019	December 2020	Dec. 2019–2020 Change	Nov. 2020–Dec. 2020 Change
Total employment (#)	3,567,114	3,377,075	-190,039 -5.3%	-35,966 -1.1%
Unemployment rate (%)	6.0	9.2	3.2	0.0
Participation rate (%)	69.1	67.2	-1.9	-0.7
Union coverage (%)	28.4	28.7	0.3	0.7
Average hourly wage (\$)	\$30.03	\$31.27	4.1%	0.1%
Average weekly hours (hrs.)	37.1	36.8	-0.8%	0.9%



British Columbia

	December 2019	December 2020	Dec. 2019–2020 Change	Nov. 2020–Dec. 2020 Change
Total employment (#)	2,534,566	2,495,547	-39,019 -1.5%	-1,652 -0.1%
Unemployment rate (%)	4.3	6.7	2.4	-0.5
Participation rate (%)	64.0	63.8	-0.2	-0.4
Union coverage (%)	29.5	30.4	0.9	0.8
Average hourly wage (\$)	\$28.77	\$30.01	4.3%	0.2%
Average weekly hours (hrs.)	35.8	35.6	-0.4%	0.3%



Average Wages and Employment Gains/Losses by Industry

Yearly wage gains across major industries continue to be driven by the unequal impact of the COVID-19 crisis on both economic sectors and different classes of workers. The housing and stock market booms, which have been sustained by record low interest rates, are reflected in robust wage increases in the real estate/rental/leasing (+9.4%) and finance/insurance (+6.6%) industries. On the other hand, the slowdown in manufacturing during the pandemic contributed to the decline in wages for both the transportation/warehousing (-0.5%) and manufacturing-durables (-1.0%) industries.

In terms of employment numbers, the accommodation and food services industry continues to bear the brunt of the labour market fallout from the crisis, with the industry accounting for over half of all jobs lost between December 2019 and December 2020. Unsurprisingly, the impact of renewed lockdowns has also suppressed the return of jobs to the information, culture and recreation (-86,221) and retail trade (-27,315) industries. On the other hand, a number of industries where working from home has become widespread (e.g. public administration, finance/insurance, and professional/scientific/technical services) showed strong annual employment growth.

Average Hourly Wages by Industry

Industry	December 2020	December 2019–December 2020 Change
Agriculture	\$20.92	-2.8%
Forestry	\$30.67	6.7%
Fishing, hunting, and trapping	\$25.64	8.1%
Mining, oil, and gas	\$45.14	7.0%
Utilities	\$46.83	3.3%
Construction	\$31.69	1.9%
Manufacturing - durables	\$29.13	-1.0%
Manufacturing non-durables	\$27.72	5.3%
Wholesale Trade	\$29.75	4.7%
Retail Trade	\$20.61	4.1%
Transportation and Warehousing	\$27.58	-0.5%
Finance and Insurance	\$36.90	6.6%
Real Estate and rental and leasing	\$28.93	9.4%
Professional, Scientific and Technical Services	\$36.78	2.7%
Business, building and other support	\$22.29	2.0%
Educational Services	\$35.42	3.4%
Health Care and Social Assistance	\$29.27	3.2%
Information, Culture and Recreation	\$31.01	11.4%
Accommodation and Food Services	\$17.22	1.4%
Other Services	\$27.06	8.6%
Public Administration	\$39.13	0.0%

Average Wages and Employment Gains/Losses by Industry Continued

Employment Change by Industry, December 2019 to December 2020

Agriculture	-11,752	
Forestry		10,850
Fishing, hunting, and trapping		869
Mining, oil, and gas	-6,271	
Utilities		7,900
Construction	-86,028	
Manufacturing - durables	-57,416	
Manufacturing non-durables		87,967
Wholesale Trade		3,698
Retail Trade	-27,803	
Transportation and Warehousing	-60,136	
Finance and Insurance		62,194
Real Estate and rental and leasing	-27,315	
Professional, Scientific and Technical Services		60,613
Business, building and other support	-65,203	
Educational Services		38,926
Health Care and Social Assistance	-38,862	
Information, Culture and Recreation	-86,221	
Accommodation and Food Services	-333,454	
Other Services	-80,216	
Public Administration		14,554



NOTES

1. In order to accurately track monthly trends in labour market in- and out-flows, Unifor does not adjust headline labour market indicators for seasonal patterns. Non-seasonally adjusted numbers are critical for determining whether workers are becoming more dependent on seasonal and other forms of cyclical, precarious employment.
2. Total employment counts all working age individuals (15 years old and above) who are currently employed.
3. 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.
4. 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.
5. 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.
6. The average hourly wage is adjusted for inflation and is expressed in current dollars.
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.





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