

UNIFOR RESEARCH DEPARTMENT

# LABOUR MARKET INSIGHTS

*A monthly review of labour market indicators*

July 2021



**UNIFOR**  
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# National Statistics

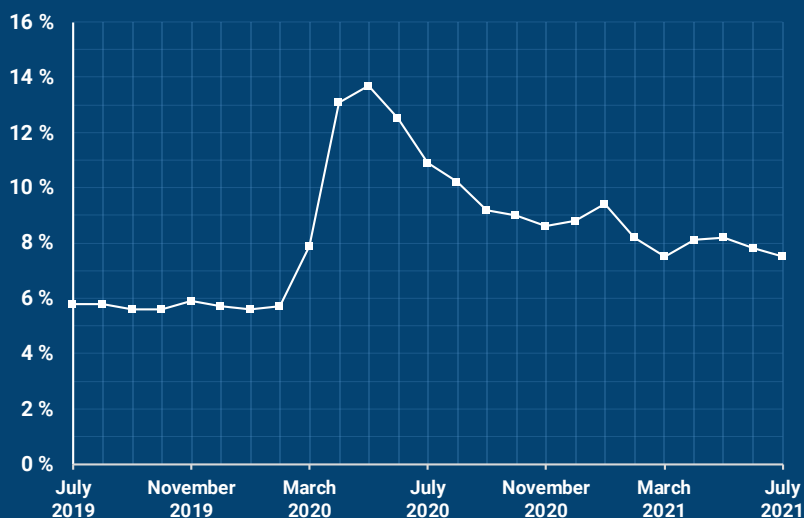
Although Canada's employment numbers continued to move in a positive direction in July, there were signs that the economic recovery is beginning to slow down. There were 94,000 jobs added to the labour market last month, which saw the unemployment rate drop further to 7.5% – the lowest level since March of this year. However, this continues to be significantly higher than pre-pandemic levels and a five-year average unemployment rate of 6.4% for the month of July from 2015 until 2019.

Real wages also continued to decline, with average hourly wages falling further by 0.4% in July and down 2.5% from July 2020. While the rate of union coverage tends to be lower in July due to the large number of teachers on summer break, a significant year-over-year decline of 0.7 percentage points is further cause for concern.

|  | 5-year July avg.<br>2015–19 | July 2020  | July 2021  | July 2020–21<br>Change | June–July<br>2021 Change |
|--|-----------------------------|------------|------------|------------------------|--------------------------|
| Total employment (#) <sup>1</sup>        | 18,312,580                  | 17,802,600 | 18,883,900 | 1,081,300<br>6.1%      | 94,000<br>0.5%           |
| Unemployment rate (%) <sup>2</sup>       | 6.4                         | 10.9       | 7.5        | -3.4 p.p.              | -0.3 p.p.                |
| Participation rate (%) <sup>3</sup>      | 65.5                        | 64.3       | 65.2       | 0.9 p.p.               | 0.0 p.p.                 |
| Union coverage (%) <sup>4</sup>          | 29.2                        | 30.2       | 29.5       | -0.7 p.p.              | -1.2 p.p.                |
| Average hourly wage (\$) <sup>5</sup>    | \$27.23                     | \$30.35    | \$29.59    | -2.5%                  | -0.4%                    |
| Average weekly hours (hrs.) <sup>6</sup> | 36.0                        | 35.9       | 35.9       | 0.0%                   | 0.8%                     |

\*p.p. refers to percentage points.

## Unemployment Rate



## Average Hourly Wage



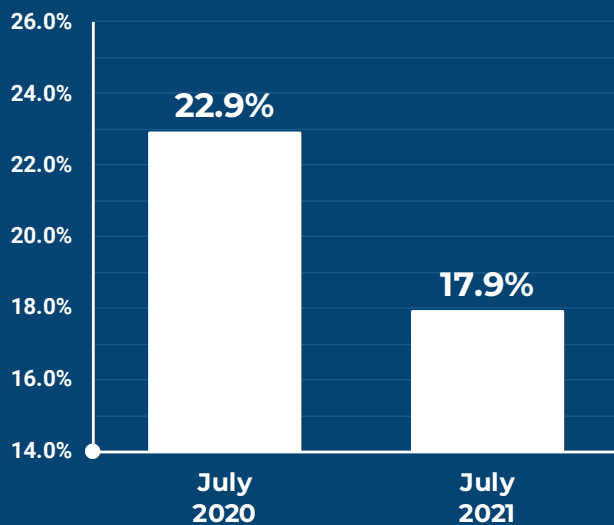
# National Precarity Indicators

The precarity indicators for the month of July reveal continuing weaknesses in the labour market, despite improvements over the past year. In particular, the involuntary part-time, underutilization, and underemployment rates increased from last month, while the multiple job and temporary job holder rates were higher, both on a monthly and an annual basis. In other words, while some Canadians returning to the labour market have been able to find work, it would appear that many are finding it difficult to secure long-term, permanent positions and are being forced to work multiple jobs to make ends meet.

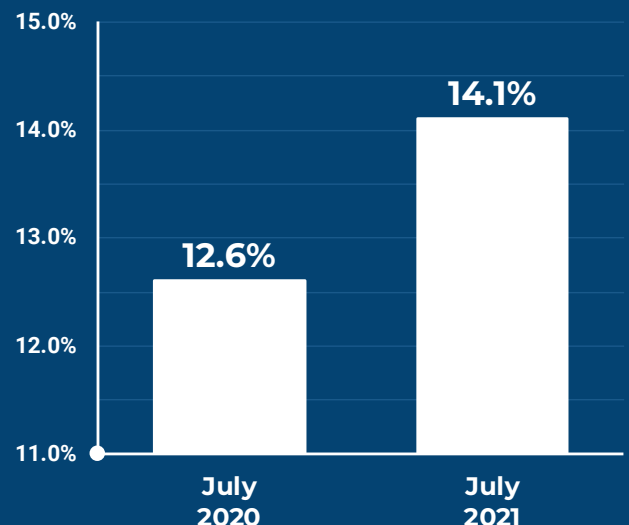
One of the few bright spots has been the fall in the low wage incidence, suggesting that returning workers at the bottom end of the wage scale have seen some improvements in their hourly pay.

|   | July 2020 | July 2021 | July 2020–21 Change (p.p.) | June–July 2021 Change (p.p.) |
|---|-----------|-----------|----------------------------|------------------------------|
| Part-time rate (%) <sup>7</sup>             | 17.1      | 17.2      | 0.1                        | -0.9                         |
| Involuntary part-time (%) <sup>8</sup>      | 59.1      | 53.0      | -6.1                       | 3.9                          |
| Underutilization (R8) rate (%) <sup>9</sup> | 15.7      | 11.0      | -4.7                       | 0.9                          |
| Underemployment rate (%) <sup>10</sup>      | 22.9      | 17.9      | -5.0                       | 0.5                          |
| Multiple job holders (%) <sup>11</sup>      | 3.9       | 5.4       | 1.5                        | 0.3                          |
| Temporary job holders (%) <sup>12</sup>     | 12.6      | 14.1      | 1.5                        | 0.5                          |
| <i>Casual/other (%)</i>                     | 3.0       | 3.0       | 0.0                        | -0.2                         |
| <i>Temporary/contract (%)</i>               | 6.1       | 7.4       | 1.3                        | -0.1                         |
| <i>Seasonal (%)</i>                         | 3.5       | 3.6       | 0.1                        | 0.6                          |
| Low wage incidence (%) <sup>13</sup>        | 19.8      | 18.9      | -0.9                       | -1.9                         |
| Gender pay gap <sup>14</sup>                | \$3.64    | \$3.46    | -4.9%                      | 1.2%                         |
| NEETs (x1,000) <sup>15</sup>                | 2,097.4   | 1,623.4   | -22.6%                     | 65.3%                        |

## Underemployment Rate



## Temporary Job Holders



# Regional Statistics

Regionally, most of the jobs created in the month of July came in Ontario, where the employment figures were up 1.0% from June, with nearly half a million more jobs than a year ago. The Atlantic, Quebec and Prairies regions all saw a marginal uptick in employment, while there was a slight decline in B.C. The participation rate was level across the country, with small monthly declines in the Atlantic, Prairies and B.C. regions being offset by an increase in Ontario.

Average hourly wages continued to fall in most regions, with the Prairies being the only region to post a monthly increase (+0.2%). However, on an annual basis, wages in the Prairies were nearly 5% lower compared with July 2020. B.C. was the only region to see a year-over-year increase in wages (+1.3%).

The rate of union coverage was also down across the board. While monthly changes during the summer months are skewed due to the number of teachers on break, union coverage rates were down year-over-year, with the Atlantic region seeing the largest decline at -1.5 percentage points. This suggests that many workers returning to the labour market are not returning to jobs covered by collective agreements.



# Regional Statistics Continued

## Atlantic

|                             | July 2020 | July 2021 | July 2020-21 Change | June-July 2021 Change |
|-----------------------------|-----------|-----------|---------------------|-----------------------|
| Total employment (#)        | 1,067,800 | 1,115,500 | 47,700<br>4.5%      | 2,100<br>0.2%         |
| Unemployment rate (%)       | 11.8      | 9.6       | -2.1                | -0.5                  |
| Participation rate (%)      | 59.4      | 60.2      | 0.9                 | -0.3                  |
| Union coverage (%)          | 31.3      | 29.8      | -1.5                | -1.3                  |
| Average hourly wage (\$)    | \$26.20   | \$25.65   | -2.1%               | -0.7%                 |
| Average weekly hours (hrs.) | 37.4      | 37.2      | -0.6%               | 0.5%                  |



## Quebec

|                             | July 2020 | July 2021 | July 2020-21 Change | June-July 2021 Change |
|-----------------------------|-----------|-----------|---------------------|-----------------------|
| Total employment (#)        | 4,100,100 | 4,299,100 | 199,000<br>4.9%     | 7,500<br>0.2%         |
| Unemployment rate (%)       | 9.4       | 6.1       | -3.3                | -0.2                  |
| Participation rate (%)      | 64.2      | 64.5      | 0.3                 | 0.0                   |
| Union coverage (%)          | 39.1      | 38.1      | -1.0                | -1.5                  |
| Average hourly wage (\$)    | \$29.08   | \$28.42   | -2.3%               | -0.1%                 |
| Average weekly hours (hrs.) | 35.7      | 35.6      | -0.3%               | 0.8%                  |



## Ontario

|                             | July 2020 | July 2021 | July 2020-21 Change | June-July 2021 Change |
|-----------------------------|-----------|-----------|---------------------|-----------------------|
| Total employment (#)        | 6,884,500 | 7,373,100 | 488,600<br>7.1%     | 72,400<br>1.0%        |
| Unemployment rate (%)       | 11.3      | 8.0       | -3.3                | -0.4                  |
| Participation rate (%)      | 63.5      | 65.0      | 1.5                 | 0.3                   |
| Union coverage (%)          | 26.1      | 25.5      | -0.6                | -0.6                  |
| Average hourly wage (\$)    | \$31.64   | \$30.43   | -3.8%               | -0.4%                 |
| Average weekly hours (hrs.) | 36.0      | 36.1      | 0.3%                | 0.3%                  |





# Regional Statistics Continued

## Prairies

|                             | July 2020 | July 2021 | July 2020-21 Change | June-July 2021 Change |
|-----------------------------|-----------|-----------|---------------------|-----------------------|
| Total employment (#)        | 3,289,500 | 3,440,900 | 151,400<br>4.6%     | 15,200<br>0.4%        |
| Unemployment rate (%)       | 11.5      | 7.8       | -3.6                | -0.8                  |
| Participation rate (%)      | 68.2      | 68.1      | -0.1                | -0.3                  |
| Union coverage (%)          | 27.6      | 27.5      | -0.1                | -1.5                  |
| Average hourly wage (\$)    | \$31.89   | \$30.36   | -4.8%               | 0.2%                  |
| Average weekly hours (hrs.) | 36.8      | 36.8      | 0.0%                | 0.8%                  |



## British Columbia

|                             | July 2020 | July 2021 | July 2020-21 Change | June-July 2021 Change |
|-----------------------------|-----------|-----------|---------------------|-----------------------|
| Total employment (#)        | 2,460,600 | 2,655,200 | 194,600<br>7.9%     | -3,100<br>-0.1%       |
| Unemployment rate (%)       | 11.2      | 6.6       | -4.6                | 0.0                   |
| Participation rate (%)      | 64.4      | 65.4      | 1.0                 | -0.2                  |
| Union coverage (%)          | 29.2      | 28.4      | -0.8                | -1.8                  |
| Average hourly wage (\$)    | \$29.66   | \$30.04   | 1.3%                | -1.2%                 |
| Average weekly hours (hrs.) | 34.8      | 35.1      | 0.9%                | 0.9%                  |



# Average Wages and Employment Gains/Losses by Industry

Looking at sectoral wages compared to the same time last year, some of the largest declines continue to be experienced by workers in traditional blue-collar jobs such as mining, oil, and gas along with manufacturing. Real wages in the public sector are also falling, likely due to higher inflation and the increased cost of living eating away at wages that have been frozen in a number of provinces. However, real wages in retail and wholesale trade along with accommodation and food services appear to be stabilizing, indicating that some employers are having to bid up wages in those industries to entice workers to return.

Indeed, comparing employment numbers by industry, we see that there has been significant job growth in retail trade and accommodation and food services, which were two of the hardest hit industries during the pandemic. While the accommodation and food services industry continues to experience a shortfall of nearly 149,000 jobs and retail trade a shortfall of 11,000 jobs compared to February 2020, there are promising signs that reduced lockdown measures and the return of tourism to Canada are boosting job prospects in those industries.

## Average Hourly Wages by Industry

| Industry  | July 2021 | July 2020–21 Change |
|---|-----------|---------------------|
| Agriculture                                     | \$20.62   | -0.5%               |
| Forestry  | \$28.78   | -0.3%               |
| Fishing, hunting, and trapping                  | \$23.85   | 8.8%                |
| Mining, oil, and gas                            | \$43.38   | -4.1%               |
| Utilities                                       | \$44.75   | -1.7%               |
| Construction                                    | \$31.28   | -1.4%               |
| Manufacturing - durables                        | \$29.83   | -4.0%               |
| Manufacturing non-durables                      | \$27.27   | -4.2%               |
| Wholesale Trade                                 | \$29.95   | -1.8%               |
| Retail Trade                                    | \$20.59   | -2.8%               |
| Transportation and Warehousing                  | \$29.84   | 0.6%                |
| Finance and Insurance                           | \$36.48   | -3.0%               |
| Real Estate and rental and leasing              | \$27.29   | -1.3%               |
| Professional, Scientific and Technical Services | \$36.43   | -5.1%               |
| Business, building and other support            | \$22.37   | -6.7%               |
| Educational Services                            | \$35.81   | -7.5%               |
| Health Care and Social Assistance               | \$29.45   | -2.7%               |
| Information, Culture and Recreation             | \$29.93   | 2.5%                |
| Accommodation and Food Services                 | \$17.36   | -0.3%               |
| Other Services                                  | \$26.43   | -0.5%               |
| Public Administration                           | \$38.96   | -3.2%               |

# Average Wages and Employment Gains/Losses by Industry Continued

Employment Change by Industry, July 2020 to July 2021

|  |         |         |
|--|---------|---------|
| Agriculture                                  | -22,650 |         |
| Forestry                                     | -9,372  |         |
| Fishing, hunting, and trapping               | -2,424  |         |
| Mining, oil, and gas                         |         | 34,261  |
| Utilities                                    |         | 7,277   |
| Construction                                 |         | 49,930  |
| Manufacturing - durables                     |         | 44,370  |
| Manufacturing non-durables                   |         | 48,543  |
| Wholesale Trade                              |         | 424     |
| Retail Trade                                 |         | 93,065  |
| Transportation and Warehousing               |         | 67,717  |
| Finance and Insurance                        |         | 39,725  |
| Real Estate and rental and leasing           |         | 42,159  |
| Professional, Scientific, Technical Services |         | 162,185 |
| Business, building and other support         |         | 47,177  |
| Educational Services                         |         | 120,072 |
| Health Care and Social Assistance            |         | 128,883 |
| Information, Culture and Recreation          |         | 46,611  |
| Accommodation and Food Services              |         | 75,418  |
| Other Services                               |         | 32,810  |
| Public Administration                        |         | 68,126  |





# 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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