

UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

January 2021



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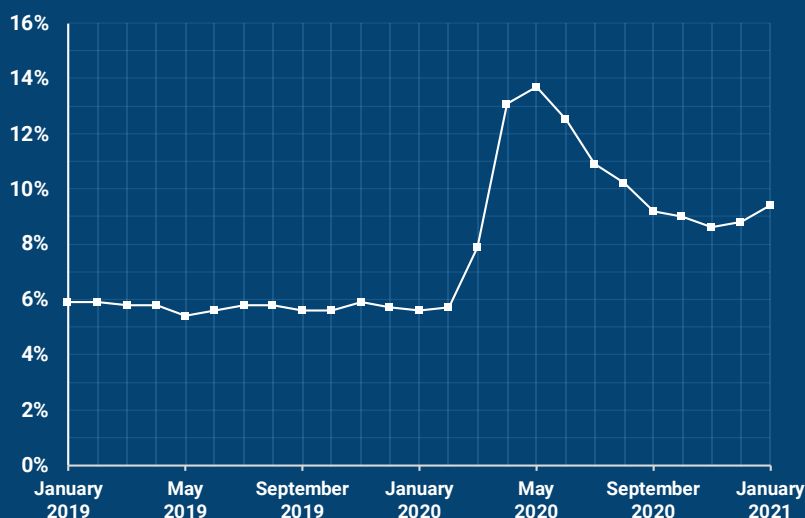
National Statistics

As the COVID-19 crisis continued into 2021, the economic impact of a second wave of lockdowns on the Canadian economy revealed itself in a sharp uptick in job losses during January. From December 2020 to January 2021, nearly 213,000 jobs were lost with the unemployment rate increasing 0.6 percentage points to 9.4%. Year over year, the unemployment rate remains nearly four percentage points higher compared to January 2020, with 834,000 fewer Canadians employed. Job losses were significantly greater for women (-485,400) compared to men (-348,700) and their unemployment rate was similarly higher (9.7% for women vs. 9.2% for men), reversing a well-established trend over the past decade when women tended to experience lower unemployment than men.

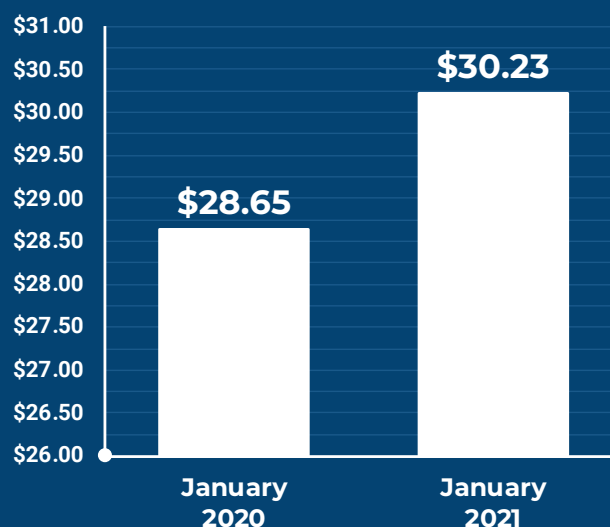
	5-year January avg. 2015–19	January 2020	January 2021	January 2020– January 2021 Change	December 2020–January 2021 Change
Total employment (#) ¹	18,188,780	19,106,100	18,272,000	-834,100 -4.4%	-212,800 -1.2%
Unemployment rate (%) ²	6.5	5.6	9.4	3.8 p.p.	0.6 p.p.
Participation rate (%) ³	65.6	65.5	64.7	-0.8 p.p.	-0.3 p.p.
Union coverage (%) ⁴	30.5	30.3	31.8	1.5 p.p.	0.3 p.p.
Average hourly wage (\$) ⁵	\$27.76	\$28.65	\$30.23	5.5%	1.5%
Average weekly hours (hrs.) ⁶	34.9	36.2	36.3	0.1%	0.9%

*p.p. refers to percentage points.

Unemployment Rate



Average Hourly Wage



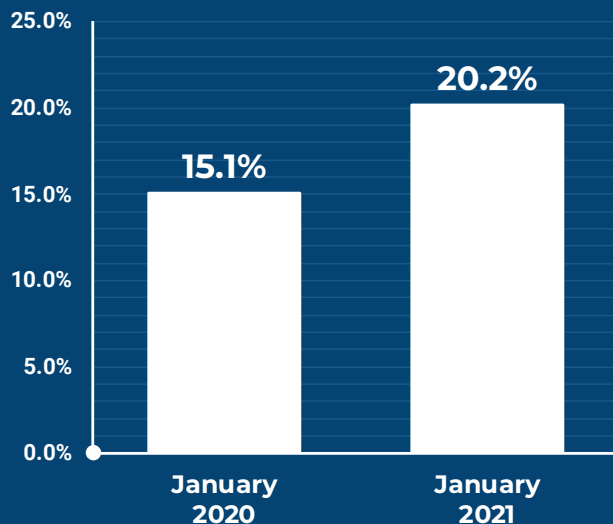
National Precarity Indicators

Starting in 2021, Unifor will be tracking the number of young Canadians aged 15 to 29 who are Not in Employment, Education or Training (NEET) as one of its precarity indicators. The NEET measure is commonly used to gauge the extent to which young people are successfully transitioning from education or vocational training into employment. The higher the number of NEETs, the more cause there is for concern that young people are failing to find jobs once they have finished schooling and are currently inactive or disengaged from both work and education.

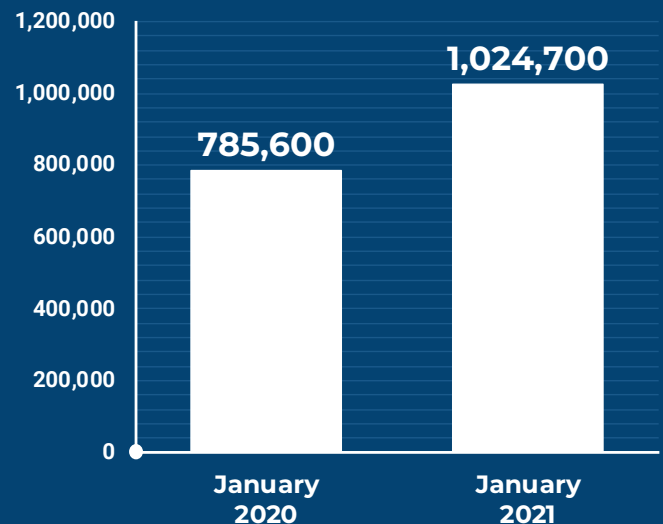
Studies from across the world have consistently shown that the NEET measure remained elevated after the 2008 financial crisis – including here in Canada – despite the following decade of economic recovery. Data from January reveals that the NEET measure significantly worsened during the COVID-19 crisis, with the number of NEETs in Canada surging to more than a million over the past year, an increase of 30%. Although women accounted for a lower number of NEETs (468,700 vs. 556,000 for men), they saw a higher increase year over year (+32.1% vs. +29.1% for men).

	Jan. 2020	Jan. 2021	Jan. 2020–Jan. 2021 Change (p.p.)
Part-time rate (%) ⁷	19.7	18.1	-1.6
Involuntary part-time (%) ⁸	40.6	46.8	6.2
Underutilization (R8) rate (%) ⁹	8.5	13.3	4.8
Underemployment rate (%) ¹⁰	15.1	20.2	5.1
Multiple job holders (%) ¹¹	5.6	4.3	-1.3
Temporary job holders (%) ¹²	11.6	10.5	-1.1
<i>Casual/other (%)</i>	3.8	2.9	-0.9
<i>Temporary/contract (%)</i>	6.5	6.7	0.2
<i>Seasonal (%)</i>	1.4	0.9	-0.5
Low wage incidence (%) ¹³	21.5	19.8	-1.7
Gender pay gap ¹⁴	\$3.65	\$3.48	-4.7%
NEETs (x1,000) ¹⁵	785.6	1,024.7	30.4%

Underemployment Rate



NEETs



Regional Statistics

Although the overall job numbers looked grim in January, there were significant regional differences in labour market outcomes. Atlantic Canada and British Columbia saw marginal job increases, while the Prairies experienced a fairly significant increase of nearly 30,000 jobs, resulting in a fall in the regional unemployment rate to 9.7%. While the participation rate decreased in most regions with many workers continuing to exit the labour market in January, a small but significant increase in the Prairies' participation rate indicates that there was an influx of workers returning to the labour force there.

Not surprisingly, Quebec and Ontario saw the worst labour market developments by far, likely due to the effects of the Quebec curfew and strengthened lockdown measures in Ontario. Ontario lost over 150,000 jobs in January while Quebec saw a decline of nearly 100,000 jobs, accounting for just over 2% of employment in both provinces. The unemployment rate in Ontario once again surpassed the 10% threshold and is now the highest in Canada, while Quebec's unemployment rate increased 2 percentage points to 8.8%.



Regional Statistics Continued

Atlantic

	January 2020	January 2021	Jan. 2020–2021 Change	Dec. 2020–Jan. 2021 Change
Total employment (#)	1,134,000	1,125,000	-9,000 -0.8%	7,100 0.6%
Unemployment rate (%)	8.6	9.3	0.7	-0.6
Participation rate (%)	61.0	60.7	-0.3	0.0
Union coverage (%)	31.0	33.1	2.1	0.2
Average hourly wage (\$)	\$24.54	\$25.79	5.1%	0.3%
Average weekly hours (hrs.)	37.1	36.6	-1.3%	-1.2%



Quebec

	January 2020	January 2021	Jan. 2020–2021 Change	Dec. 2020–Jan. 2021 Change
Total employment (#)	4,338,500	4,102,100	-236,400 -5.4%	-97,900 -2.3%
Unemployment rate (%)	5.1	8.8	3.7	2.0
Participation rate (%)	65.0	63.5	-1.5	-0.1
Union coverage (%)	38.8	41.3	2.5	1.4
Average hourly wage (\$)	\$27.34	\$28.94	5.8%	1.5%
Average weekly hours (hrs.)	35.4	35.6	0.5%	1.4%



Ontario

	January 2020	January 2021	Jan. 2020–2021 Change	Dec. 2020–Jan. 2021 Change
Total employment (#)	7,494,100	7,085,500	-408,600 -5.5%	-153,500 -2.1%
Unemployment rate (%)	5.3	10.2	4.9	0.5
Participation rate (%)	65.1	64.2	-0.8	-1.0
Union coverage (%)	26.1	28.1	2.0	0.1
Average hourly wage (\$)	\$29.25	\$31.08	6.3%	2.2%
Average weekly hours (hrs.)	36.2	36.5	0.8%	1.5%



Regional Statistics Continued

Prairies

	January 2020	January 2021	Jan. 2020–2021 Change	Dec. 2020–Jan. 2021 Change
Total employment (#)	3,495,200	3,359,800	-135,400 -3.9%	28,500 0.9%
Unemployment rate (%)	6.8	9.7	2.9	-0.4
Participation rate (%)	69.2	68.1	-1.1	0.2
Union coverage (%)	28.7	28.6	-0.1	-0.1
Average hourly wage (\$)	\$30.14	\$31.45	4.3%	0.6%
Average weekly hours (hrs.)	37.1	36.9	-0.7%	0.2%



British Columbia

	January 2020	January 2021	Jan. 2020–2021 Change	Dec. 2020–Jan. 2021 Change
Total employment (#)	2,644,200	2,599,600	-44,600 -1.7%	2,800 0.1%
Unemployment rate (%)	4.6	8.0	3.4	0.8
Participation rate (%)	64.8	65.4	0.6	0.6
Union coverage (%)	29.7	30.3	0.6	-0.1
Average hourly wage (\$)	\$28.96	\$30.38	4.9%	1.2%
Average weekly hours (hrs.)	35.5	35.6	0.2%	0.0%



Average Wages and Employment Gains/Losses by Industry

Average hourly wages in some industries continue to post impressive gains, although these numbers are distorted by the outsized impact of job losses on lower-waged workers. In general, the loss of lower-income wage earners has pulled average wages upwards across the entire economy, but particularly in lower wage sectors such as retail trade (+6.3%) and information/culture/recreation (+17.8%). Elsewhere, robust financial earnings along with a booming housing market across Canada helped to sustain significant real wage growth in the finance/insurance (+5.9%) and real estate/rental/leasing (+7.4%) industries, while blue collar industries such as durables manufacturing (-0.6%) and construction (+0.1%) continue to fall behind.

Looking at employment gains and losses, we see a sharp rise in year-over-year job losses for the retail trade industry, which was hit hard by renewed lockdown measures in recent months. From December 2020 to January 2021, employment losses in the industry jumped by more than 200,000

(from -27,300 to -231,800). Likewise, the accommodation and food services industry continues to experience enormous year-over-year losses (-388,300), accounting for 43% of all jobs lost in the labour market from January 2020 to January 2021.

Average Hourly Wages by Industry

Industry	January 2021	January 2020–January 2021 Change
Agriculture	\$20.45	-2.7%
Forestry	\$32.34	10.3%
Fishing, hunting, and trapping	\$19.89	-14.3%
Mining, oil, and gas	\$45.05	4.8%
Utilities	\$44.86	3.4%
Construction	\$31.57	0.1%
Manufacturing - durables	\$29.41	-0.6%
Manufacturing non-durables	\$27.60	3.7%
Wholesale Trade	\$29.53	2.4%
Retail Trade	\$21.07	6.3%
Transportation and Warehousing	\$28.21	2.5%
Finance and Insurance	\$37.15	5.9%
Real Estate and rental and leasing	\$28.08	7.4%
Professional, Scientific and Technical Services	\$36.84	1.9%
Business, building and other support	\$23.09	7.2%
Educational Services	\$35.97	3.8%
Health Care and Social Assistance	\$29.35	2.8%
Information, Culture and Recreation	\$32.28	17.8%
Accommodation and Food Services	\$17.26	1.9%
Other Services	\$26.61	5.0%
Public Administration	\$39.85	1.5%

Average Wages and Employment Gains/Losses by Industry Continued

Employment Change by Industry, January 2020 to January 2021

Agriculture	-29,323	
Forestry		5,966
Fishing, hunting, and trapping		1,167
Mining, oil, and gas	-392	
Utilities		4,913
Construction	-60,776	
Manufacturing - durables	-30,638	
Manufacturing non-durables		45,107
Wholesale Trade	-2,482	
Retail Trade	-231,797	
Transportation and Warehousing	-59,804	
Finance and Insurance		77,595
Real Estate and rental and leasing	-34,118	
Professional, Scientific and Technical Services		31,645
Business, building and other support	-59,067	
Educational Services		12,435
Health Care and Social Assistance	-17,662	
Information, Culture and Recreation	-109,511	
Accommodation and Food Services	-388,278	
Other Services	-71,388	
Public Administration		20,060



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 all 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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