

UNIFOR RESEARCH DEPARTMENT

# LABOUR MARKET INSIGHTS

*A monthly review of labour market indicators*

June 2021



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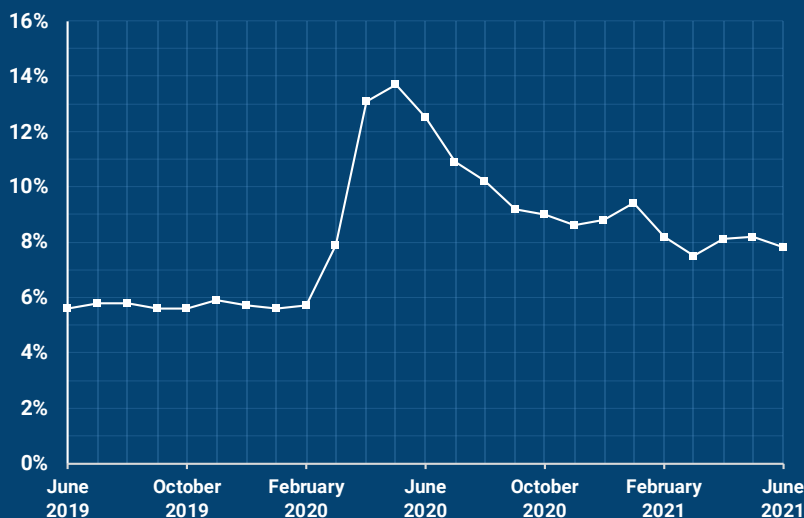
# National Statistics

As vaccination rates rapidly increased across Canada during the month of June, there were some promising signs of a renewed recovery in the labour market. More than 230,000 jobs were added and the unemployment rate dipped to 7.8%, the lowest level since March of this year and nearly five percentage points below the June 2020 level. However, most of the returning jobs were concentrated in part-time positions and filled by youth workers (aged 15 to 24) who re-entered the labour market in large numbers in June (see p. 3). This demographic shift was partially reflected in the declining rate of union coverage and falling real wages, since the vast majority of positions taken up by youth workers are non-unionized, lower paid positions. Real wages have also been impacted by rising prices, with the Consumer Price Index (CPI) increasing by 3.6% in May, the highest jump in inflation since May 2011.

	5-year June avg. 2015–19	June 2020	June 2021	June 2020–21 Change	May–June 2021 Change
Total employment (#) <sup>1</sup>	18,295,000	17,385,700	18,789,900	1,404,200 8.1%	230,700 1.2%
Unemployment rate (%) <sup>2</sup>	6.4	12.5	7.8	-4.7 p.p.	-0.4 p.p.
Participation rate (%) <sup>3</sup>	65.6	64.0	65.2	1.2 p.p.	0.6 p.p.
Union coverage (%) <sup>4</sup>	30.3	31.8	30.7	-1.1 p.p.	-0.5 p.p.
Average hourly wage (\$) <sup>5</sup>	\$27.38	\$30.55	\$29.70	-2.8%	-0.8%
Average weekly hours (hrs.) <sup>6</sup>	35.5	36.0	35.6	-1.1%	-0.3%

\*p.p. refers to percentage points.

## Unemployment Rate



## Average Hourly Wage



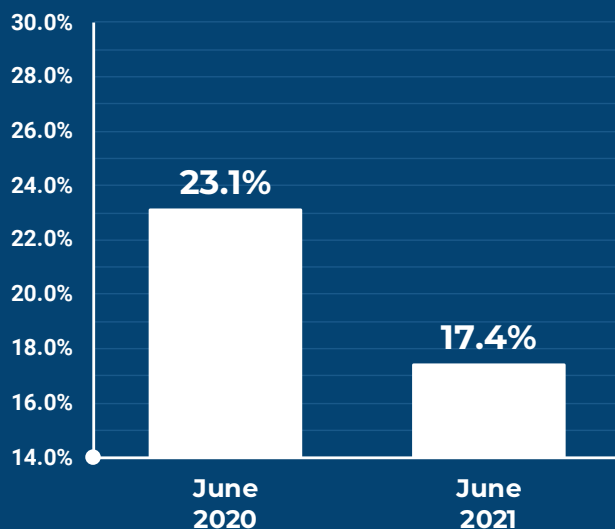
# National Precarity Indicators

As conditions in the economy normalize, there are troubling signs that the labour market is returning to a pre-pandemic status quo of precarity and insecurity, with greater proportions of part-time, temporary and low-wage jobs. The part-time rate increased to 18.1% in June, 1.6 percentage points higher than the same time last year, with nearly half of part-timers signalling that they preferred full-time work. Meanwhile, the proportion of temporary job holders in the labour market surged by nearly 2 percentage points year over year, reaching 13.6%. Most of this increase came in the form of a greater number of temporary

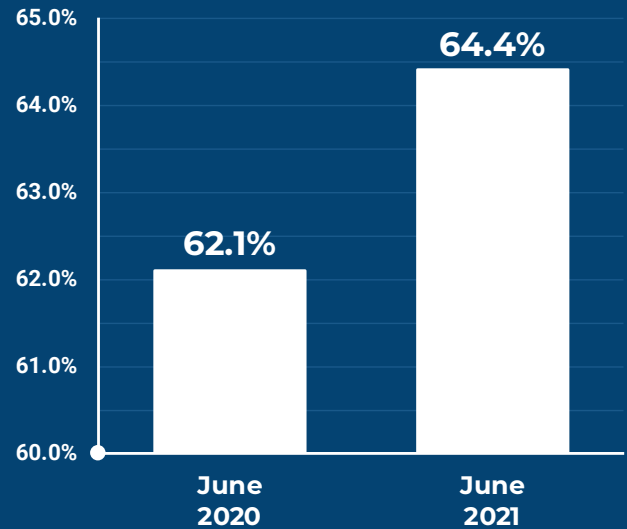
contract workers. However, there are some signs that young workers are beginning to make headway in the labour market, with the number of youths not in employment, education or training (NEETs) declining by 5% in June and the youth participation rate increasing by 2.3 percentage points annually.

	June 2020	June 2021	June 2020–21 Change (p.p.)	May–June 2021 Change (p.p.)
Part-time rate (%) <sup>7</sup>	16.5	18.1	1.6	0.5
Involuntary part-time (%) <sup>8</sup>	55.1	49.1	-6.0	1.4
Underutilization (R8) rate (%) <sup>9</sup>	15.6	10.1	-5.5	-1.2
Underemployment rate (%) <sup>10</sup>	23.1	17.4	-5.7	-0.8
Multiple job holders (%) <sup>11</sup>	3.8	5.1	1.3	0.0
Temporary job holders (%) <sup>12</sup>	11.7	13.6	1.9	1.0
<i>Casual/other (%)</i>	2.7	3.2	0.5	0.1
<i>Temporary/contract (%)</i>	6.0	7.5	1.5	0.2
<i>Seasonal (%)</i>	3.0	3.0	0.0	0.8
Low wage incidence (%) <sup>13</sup>	21.4	20.8	-0.6	0.8
Gender pay gap <sup>14</sup>	\$3.45	\$3.42	-0.9%	-0.2%
NEETs (x1,000) <sup>15</sup>	1,659.1	982.2	-40.8%	-5.1%

## Underemployment Rate



## Youth Participation Rate



# Regional Statistics

Across the country, the Quebec, Ontario and B.C. regions accounted for the bulk of jobs added in June, with the Prairies being the only region to see a net employment loss. Ontario led the way with nearly 117,000 jobs added to the province and the regional unemployment rate falling to 8.4%, a decline of nearly one percentage point. Quebec followed with 72,300 jobs added, which was proportionally the highest employment increase out of all the regions (+1.7%). B.C.'s monthly gain of 42,100 jobs in June was percentage-wise on par with the monthly employment increase in Ontario, at 1.6%.

Notably, despite the significant employment gains in four out of five regions, only Ontario saw a considerable decline in the unemployment rate, with the other three regions (Atlantic, Quebec and B.C.) experiencing a jump in regional participation rates. This suggests that the number of jobseekers returning to the labour force in these regions is partially offsetting the decline in unemployment. Ultimately, the labour market will have to increase the number of jobs it generates in the coming months to absorb the accelerating number of jobseekers returning to the labour force in most regions.





# Regional Statistics Continued

## Atlantic

	June 2020	June 2021	June 2020-21 Change	May-June 2021 Change
Total employment (#)	1,056,500	1,113,400	56,900 5.4%	12,300 1.1%
Unemployment rate (%)	13.4	10.2	-3.2	-0.1
Participation rate (%)	59.8	60.5	0.7	0.6
Union coverage (%)	32.2	31.1	-1.1	-1.1
Average hourly wage (\$)	\$26.44	\$25.84	-2.3%	-1.2%
Average weekly hours (hrs.)	37.4	37.0	-1.1%	0.1%



## Quebec

	June 2020	June 2021	June 2020-21 Change	May-June 2021 Change
Total employment (#)	4,012,000	4,291,600	279,600 7.0%	72,300 1.7%
Unemployment rate (%)	10.7	6.3	-4.4	-0.3
Participation rate (%)	63.7	64.5	0.8	0.9
Union coverage (%)	40.5	39.6	-0.9	-0.4
Average hourly wage (\$)	\$29.07	\$28.45	-2.1%	-0.2%
Average weekly hours (hrs.)	35.7	35.3	-1.1%	0.2%



## Ontario

	June 2020	June 2021	June 2020-21 Change	May-June 2021 Change
Total employment (#)	6,725,600	7,300,700	575,100 8.6%	116,900 1.6%
Unemployment rate (%)	12.2	8.4	-3.8	-0.9
Participation rate (%)	62.8	64.7	1.9	0.4
Union coverage (%)	27.6	26.1	-1.5	-1.1
Average hourly wage (\$)	\$31.75	\$30.55	-3.8%	-1.1%
Average weekly hours (hrs.)	36.4	36.0	-1.1%	-0.1%



# Regional Statistics Continued

## Prairies

	June 2020	June 2021	June 2020-21 Change	May-June 2021 Change
Total employment (#)	3,196,300	3,425,700	229,400 7.2%	-13,100 -0.4%
Unemployment rate (%)	14.1	8.6	-5.5	0.6
Participation rate (%)	68.4	68.4	0.1	0.1
Union coverage (%)	28.7	29.0	0.3	-0.1
Average hourly wage (\$)	\$32.20	\$30.31	-5.9%	-0.9%
Average weekly hours (hrs.)	36.8	36.5	-0.8%	-0.6%



## British Columbia

	June 2020	June 2021	June 2020-21 Change	May-June 2021 Change
Total employment (#)	2,395,200	2,658,300	263,100 11.0%	42,100 1.6%
Unemployment rate (%)	13.3	6.6	-6.8	-0.4
Participation rate (%)	64.3	65.6	1.2	0.7
Union coverage (%)	31.8	30.2	-1.6	0.7
Average hourly wage (\$)	\$30.66	\$30.40	-0.8%	-0.8%
Average weekly hours (hrs.)	35.2	34.8	-1.1%	-0.5%



# Average Wages and Employment Gains/Losses by Industry

While the vast majority of industries saw fairly significant year over year declines in real wages, the situation was slightly improved in June. Some industries like utilities and transportation/warehousing edged past parity compared to June 2020, while in other sectors such as manufacturing and retail/wholesale trade, wage declines were on a smaller magnitude compared to last month. Of some concern, however, are real wages in the public sector (e.g. public administration and educational services), which continue to post significant year over year declines. This suggests that public sector wages in a number of provinces are being significantly eroded by a combination of increased inflation and public sector wage freezes.

In terms of sectoral employment, the situation appeared to improve considerably in June, with most industries in a net positive position compared to the pre-pandemic month of February 2020. While accommodation and food services continued to account for the lion's share of jobs lost since the start of the pandemic, over 120,000 jobs were added to the industry in June. Likewise, both retail and wholesale trade inched closer towards pre-pandemic employment numbers.

## Average Hourly Wages by Industry

Industry	June 2021	June 2020–21 Change
Agriculture	\$20.62	2.4%
Forestry	\$28.78	-5.4%
Fishing, hunting, and trapping	\$23.85	7.7%
Mining, oil, and gas	\$43.38	-3.6%
Utilities	\$44.75	0.4%
Construction	\$31.28	-2.0%
Manufacturing - durables	\$29.83	-3.0%
Manufacturing non-durables	\$27.27	-4.2%
Wholesale Trade	\$29.95	-1.2%
Retail Trade	\$20.59	-3.6%
Transportation and Warehousing	\$29.84	3.4%
Finance and Insurance	\$36.48	-2.1%
Real Estate and rental and leasing	\$27.29	-8.3%
Professional, Scientific and Technical Services	\$36.43	-7.0%
Business, building and other support	\$22.37	-4.4%
Educational Services	\$35.81	-4.9%
Health Care and Social Assistance	\$29.45	-2.5%
Information, Culture and Recreation	\$29.93	-2.7%
Accommodation and Food Services	\$17.36	-0.3%
Other Services	\$26.43	-2.4%
Public Administration	\$38.96	-3.8%

# Average Wages and Employment Gains/Losses by Industry Continued

Employment Change by Industry, February 2020 to June 2021

Agriculture	-3,952	
Forestry		12,224
Fishing, hunting, and trapping		9,556
Mining, oil, and gas		10,767
Utilities		6,866
Construction		82,177
Manufacturing - durables		18,001
Manufacturing non-durables		24,313
Wholesale Trade	-5,034	
Retail Trade	-14,310	
Transportation and Warehousing	-33,328	
Finance and Insurance		50,583
Real Estate and rental and leasing		4,904
Professional, Scientific, Technical Services		162,889
Business, building and other support		8,326
Educational Services		25,777
Health Care and Social Assistance		61,858
Information, Culture and Recreation	-6,423	
Accommodation and Food Services	-205,683	
Other Services	-46,687	
Public Administration		79,687





# 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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