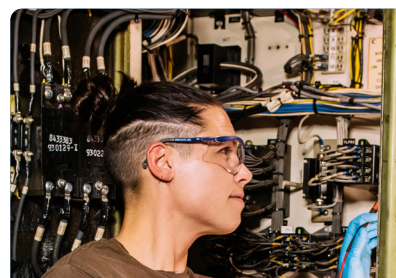


UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

June 2024



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July 5, 2024

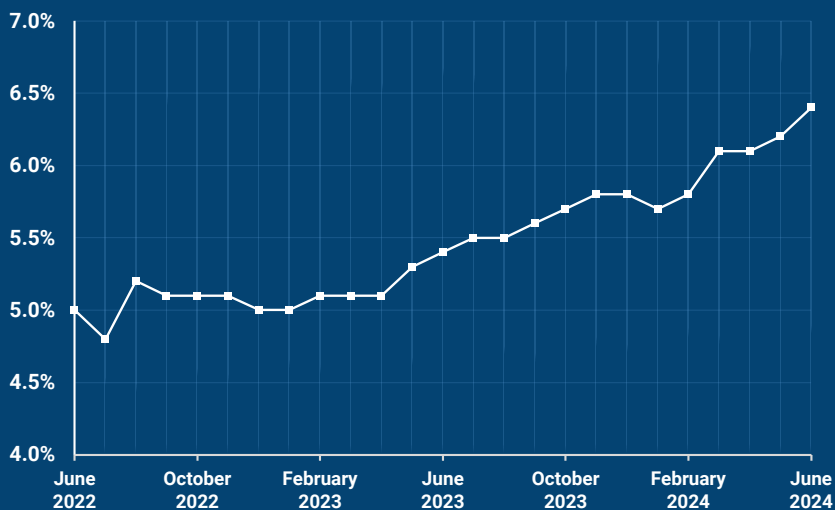
National Statistics

The month of June saw more evidence of systemic weakness in Canada's labour market, as employment growth ground to a halt (-1,400; -0.0%) and the unemployment rate jumped by 0.2 percentage points to 6.4%. Discounting the COVID-19 pandemic period from March 2020 until January 2022, this is the highest unemployment rate observed since October 2017. With Canada seeing an influx of 99,000 working age individuals last month, tens of thousands of new jobs were needed simply to keep the unemployment rate level.

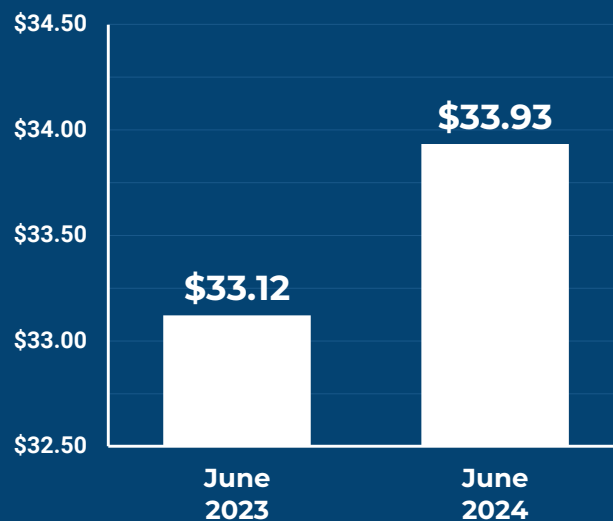
The fierce competition for a declining pool of jobs led some jobseekers to leave the labour force entirely. As a result, the participation rate fell to 65.3% – well below the June 2023 level, and slightly below the 2018-2022 average, which includes pandemic months. Wage growth remained robust at 5.4% year-over-year, although hourly wages have declined slightly since April of this year.

| | June 2018–22 average | June 2023 | May 2024 | June 2024 | Year-over-year (Y/Y) change | Monthly (M/M) change |
|--|----------------------|------------|------------|------------|-----------------------------|----------------------|
| Total employment (#) ¹ | 18,768,920 | 20,173,000 | 20,517,800 | 20,516,400 | 343,400 1.7% | -1,400 0.0% |
| Unemployment rate (%) ² | 7.3 | 5.4 | 6.2 | 6.4 | 1.0 | 0.2 |
| Participation rate (%) ³ | 65.4 | 65.7 | 65.4 | 65.3 | -0.4 | -0.1 |
| Union coverage (%) ⁴ | 30.4 | 29.9 | 30.0 | 30.2 | 0.3 | 0.2 |
| Average hourly wage (\$) ⁵ | \$29.61 | \$33.12 | \$34.94 | \$34.91 | 5.4% | -0.1% |
| Real average hourly wage (\$) ⁶ | \$34.21 | \$33.12 | \$34.16 | \$33.93 | 2.5% | -0.7% |

Unemployment Rate



Real Average Hourly Wage

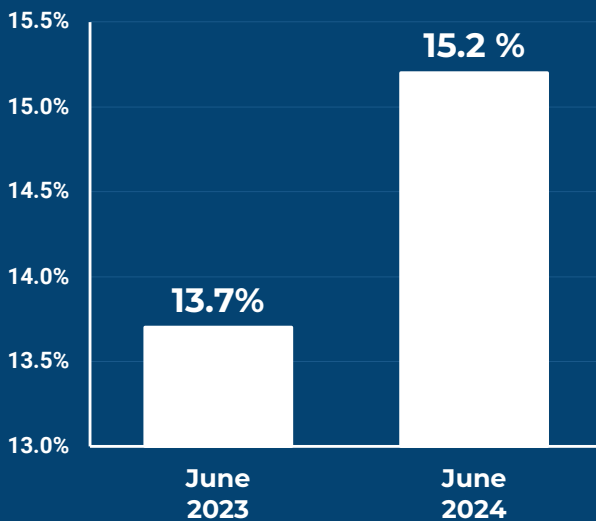


National Precarity Indicators

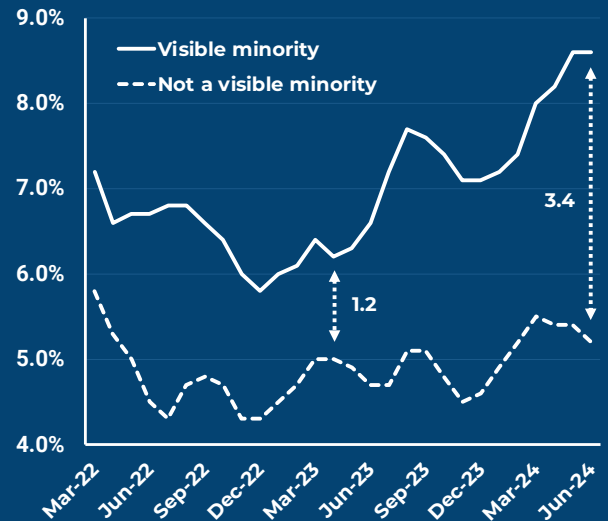
Unifor's precarity indicators reveal worsening labour market conditions across most fronts. Measures of underemployment are notably higher since June 2023, including the involuntary part-time rate (+0.8) and underutilization rate (+0.8) and underemployment rate (+1.5), suggesting that it has been increasingly difficult to secure full-time work. A particularly alarming dimension of the recent employment slowdown has been its disproportionate impact on racialized Canadians. While the unemployment rate for non-visible minorities has been trending slightly higher, it remains below its March 2022 level, at 5.2% in June. In stark contrast, the unemployment rate for visible minorities has surged, reaching 8.6% in May and June (see chart below), with the gap nearly tripling since April 2023.

| | June 2023 | May 2024 | June 2024 | Y/Y change | M/M change |
|---|-----------|----------|-----------|------------|------------|
| Part-time rate (%) ⁷ | 17.1 | 18.4 | 17.8 | 0.7 | -0.6 |
| Involuntary part-time (%) ⁸ | 43.7 | 42.8 | 44.5 | 0.8 | 1.7 |
| Underutilization (R8) rate (%) ⁹ | 7.1 | 8.5 | 8.3 | 1.2 | -0.2 |
| Underemployment rate (%) ¹⁰ | 13.7 | 15.1 | 15.2 | 1.5 | 0.1 |
| Multiple job holders (%) ¹¹ | 5.7 | 5.5 | 5.8 | 0.1 | 0.3 |
| Temporary job holders (%) ¹² | 12.6 | 12.2 | 12.9 | 0.3 | 0.7 |
| Casual/other (%) | 3.2 | 3.4 | 3.3 | 0.1 | -0.1 |
| Temporary/contract (%) | 6.5 | 6.4 | 6.6 | 0.1 | 0.2 |
| Seasonal (%) | 3.0 | 2.5 | 2.9 | -0.1 | 0.4 |
| Low wage incidence (%) ¹³ | 18.7 | 22.4 | 19.1 | 0.4 | -3.3 |
| Gender wage gap ¹⁴ | \$4.26 | \$4.78 | \$4.55 | 6.7% | -4.7% |
| NEETs (x1,000) ¹⁵ | 882.8 | 1,001.4 | 1,008.6 | 14.3% | 0.7% |

Underemployment Rate



Unemployment Rate by Visible Minority Status



Regional Statistics

Although there was effectively no employment change at the national level, June's labour market data reveals divergent regional trends. Employment increased by nearly 10,000 in Ontario, which constituted a marginal increase of 0.1%, while employment growth was proportionally larger in Atlantic Canada (+4,500; +0.4%) and the Prairie region (+11,600; +0.3%).

There is growing evidence that workers on the East and West coasts are faring relatively better during this recent employment downturn. The unemployment rate in the Atlantic region has increased by just 0.6 percentage points since June 2023 (to 7.6%) and British Columbia's unemployment rate fell by 0.4 percentage points (to 5.2%) over the same period of time. The participation rate in the Atlantic region has also seen tremendous growth, increasing by one full percentage point since last June, although it remains lower than other regions (at 61.3%).

Employment losses last month were concentrated in Quebec (-17,700; -0.4%) and B.C. (-9,700; -0.3%). Quebec's unemployment rate increased by 0.6 percentage points although it continues to be the second lowest in the country (at 5.6%). Despite a marginal jobs gain in June, Ontario's unemployment rate also increased, reaching 7.0% (+0.3) as more people were looking for work.



Regional Statistics Continued

Atlantic

| | June 2023 | June 2024 | Y/Y change | M/M change |
|----------------------------|-----------|-----------|----------------|---------------|
| Total employment (#) | 1,201,700 | 1,250,000 | 48,300 4.0% | 4,500 0.4% |
| Unemployment rate (%) | 7.0 | 7.6 | 0.5 | 0.1 |
| Participation rate (%) | 60.3 | 61.3 | 1.0 | 0.1 |
| Union coverage (%) | 31.4 | 31.9 | 0.5 | -0.1 |
| Average hourly wage (\$) | \$28.81 | \$30.69 | 6.5% | 0.1% |
| Real avg. hourly wage (\$) | \$28.81 | \$29.83 | 3.5% | -0.5% |



Quebec

| | June 2023 | June 2024 | Y/Y change | M/M change |
|----------------------------|-----------|-----------|----------------|------------------|
| Total employment (#) | 4,498,200 | 4,514,600 | 16,400 0.4% | -17,700 -0.4% |
| Unemployment rate (%) | 4.4 | 5.7 | 1.3 | 0.6 |
| Participation rate (%) | 64.9 | 64.5 | -0.4 | 0.0 |
| Union coverage (%) | 38.7 | 39.1 | 0.4 | 0.2 |
| Average hourly wage (\$) | \$32.17 | \$33.76 | 4.9% | -0.5% |
| Real avg. hourly wage (\$) | \$32.17 | \$32.82 | 2.0% | -1.0% |



Ontario

| | June 2023 | June 2024 | Y/Y change | M/M change |
|----------------------------|-----------|-----------|-----------------|---------------|
| Total employment (#) | 7,951,300 | 8,054,800 | 103,500 1.3% | 9,800 0.1% |
| Unemployment rate (%) | 5.7 | 7.0 | 1.4 | 0.3 |
| Participation rate (%) | 65.9 | 65.3 | -0.6 | 0.1 |
| Union coverage (%) | 25.7 | 26.3 | 0.6 | 0.6 |
| Average hourly wage (\$) | \$34.02 | \$35.87 | 5.4% | 0.4% |
| Real avg. hourly wage (\$) | \$34.02 | \$34.87 | 2.5% | -0.1% |



Regional Statistics Continued

Prairies

| | June 2023 | June 2024 | Y/Y change | M/M change |
|----------------------------|-----------|-----------|-----------------|----------------|
| Total employment (#) | 3,743,300 | 3,843,400 | 100,100 2.7% | 11,600 0.3% |
| Unemployment rate (%) | 5.3 | 6.5 | 1.2 | 0.0 |
| Participation rate (%) | 68.7 | 68.5 | -0.1 | -0.1 |
| Union coverage (%) | 27.7 | 27.0 | -0.7 | 0.0 |
| Average hourly wage (\$) | \$33.08 | \$34.50 | 4.3% | -0.3% |
| Real avg. hourly wage (\$) | \$33.08 | \$33.54 | 1.4% | -0.9% |



British Columbia

| | June 2023 | June 2024 | Y/Y change | M/M change |
|----------------------------|-----------|-----------|----------------|-----------------|
| Total employment (#) | 2,778,200 | 2,853,600 | 75,400 2.7% | -9,700 -0.3% |
| Unemployment rate (%) | 5.6 | 5.2 | -0.4 | -0.4 |
| Participation rate (%) | 65.2 | 64.6 | -0.6 | 0.7 |
| Union coverage (%) | 29.5 | 30.3 | 0.8 | -0.2 |
| Average hourly wage (\$) | \$34.21 | \$35.54 | 3.9% | -3.7% |
| Real avg. hourly wage (\$) | \$34.21 | \$34.54 | 1.0% | -4.2% |



Average Hourly Wages by Industry

Nominal vs. Inflation-Adjusted Wage Growth

| Industry | June 2023 | June 2024 | Y/Y change | Y/Y inflation-adjusted change |
|---|-----------|-----------|------------|-------------------------------|
| Agriculture | \$23.60 | \$23.42 | -0.8% | -2.1% |
| Forestry | \$32.06 | \$34.06 | 6.2% | 3.2% |
| Mining, oil and gas | \$49.11 | \$53.58 | 9.1% | 5.7% |
| Utilities | \$48.65 | \$53.35 | 9.7% | 6.2% |
| Construction | \$34.49 | \$35.97 | 4.3% | 1.4% |
| Manufacturing: durables | \$33.67 | \$35.28 | 4.8% | 1.8% |
| Manufacturing: non-durables | \$31.36 | \$32.61 | 4.0% | 1.1% |
| Wholesale Trade | \$34.74 | \$36.04 | 3.8% | 0.9% |
| Retail Trade | \$23.16 | \$24.35 | 5.2% | 2.2% |
| Transportation and Warehousing | \$31.85 | \$33.19 | 4.2% | 1.3% |
| Finance and Insurance | \$42.34 | \$44.76 | 5.7% | 2.7% |
| Real Estate and Rental and Leasing | \$34.77 | \$35.89 | 3.2% | 0.3% |
| Professional, Scientific and Technical Services | \$43.19 | \$46.88 | 8.5% | 5.2% |
| Business, building and other support | \$25.83 | \$26.27 | 1.7% | -1.1% |
| Educational Services | \$38.07 | \$40.12 | 5.4% | 2.4% |
| Health Care and Social Assistance | \$31.68 | \$33.38 | 5.4% | 2.4% |
| Information, Culture and Recreation | \$31.28 | \$31.48 | 0.6% | -2.2% |
| Accommodation and Food Services | \$19.56 | \$20.55 | 5.1% | 2.1% |
| Other Services | \$28.34 | \$29.79 | 5.1% | 2.1% |
| Public Administration | \$42.24 | \$44.28 | 4.8% | 1.9% |

Average hourly wage results for the month of June show robust wage growth across nearly all industries, translating into real wage increases for the majority of workers. The information, culture and recreation industry continues to be a laggard in this regard, with average wages over the past year increasing by just 0.6%, amounting to a real wage loss of 2.2%.

Information, culture and recreation is also one of the few service sector industries to have observed employment losses over the past year, with the total number of industry jobs falling by 11,000 in June (-1.3%) and 24,000 (-2.8%) over the past year. The only other service sector industry to have experienced an employment decline since June 2023 is wholesale and retail trade (-83,200; -2.8%).

Monthly Employment Gains and Losses by Industry and Sector

Employment Change by Industry/Sector, May to June 2024

| | | |
|---|---------|---------|
| GOODS-PRODUCING SECTOR | | 12,600 |
| Agriculture | | 12,300 |
| Forestry, fishing, mining, quarrying, oil and gas | | 3,000 |
| Utilities | -3,000 | |
| Construction | -3,800 | |
| Manufacturing | | 4,200 |
| SERVICES PRODUCING SECTOR | | -14,100 |
| Wholesale and retail trade | -10,300 | |
| Transportation and warehousing | -11,700 | |
| Finance, insurance, real estate, rental and leasing | | 3,800 |
| Professional, scientific and technical services | -10,000 | |
| Business, building and other support services | -1,400 | |
| Educational services | | 8,000 |
| Health care and social assistance | | 2,600 |
| Information, culture and recreation | -11,000 | |
| Accommodation and food services | | 17,200 |
| Other services (except public administration) | | 7,500 |
| Public administration | -8,800 | |



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 people 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 people 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 calculated using usual wages or salaries reported by employees for their main job.
6. The real average hourly wage adjusts wages to account for the impact of inflation and is reported in dollars from the corresponding month of the previous year. Since CPI data is unavailable for the current month prior to the release of the Labour Force Survey, the previous month's CPI level is used to estimate real wages for the current period.
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 people 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 people aged 15 to 29 who are not in employment, education or training.





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