

UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators
May 2021



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National Statistics

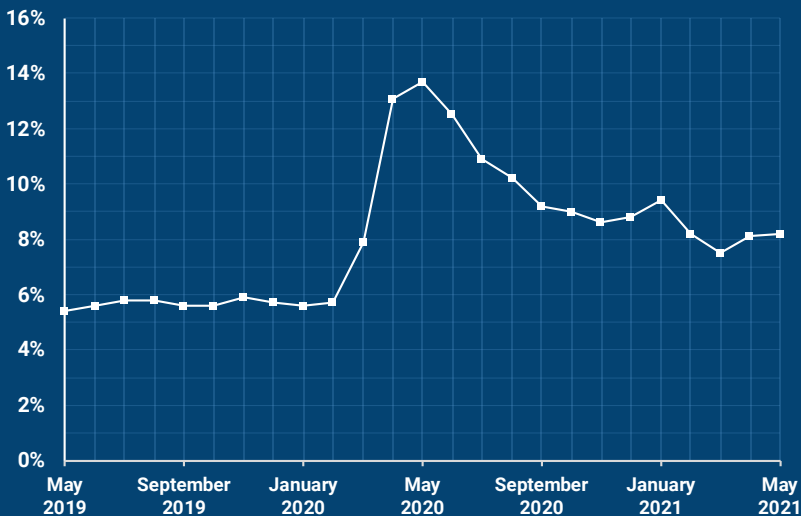
The Canadian labour market moved into a holding pattern for the month of May, with most headline indicators effectively unchanged from April. The number of employed Canadians declined by 68,000 (-0.4%), with the majority of these individuals having left the labour market as reflected in a drop in the participation rate (-0.3 p.p.). The unemployment rate was essentially unchanged at 8.2%, a marginal increase of 0.1 percentage points from April.

Year over year, the unemployment rate is significantly lower, having fallen 5.5 percentage points from 13.7% in May 2020. Likewise, the participation rate is trending closer to the 2015-19 average, up 3.2 percentage points from a year earlier. Significantly, however, real hourly wages have seen a notable decline, down 4.6% from May 2020.

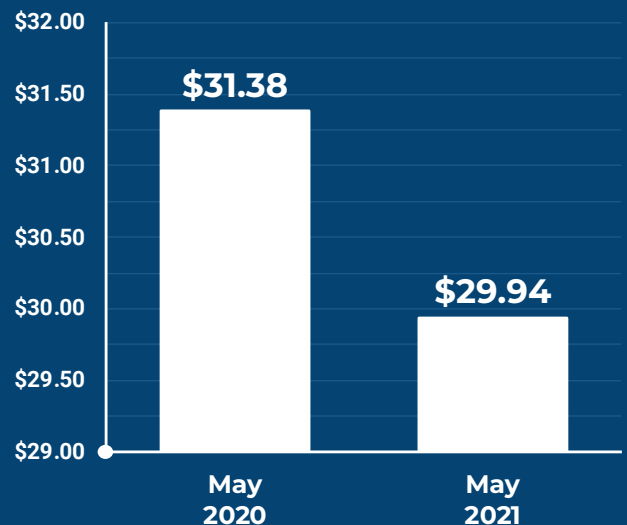
	5-year May avg. 2015-19	May 2020	May 2021	May 2020-21 Change	April-May 2021 Change
Total employment (#) ¹	18,273,960	16,444,000	18,559,200	2,115,200 12.9%	-68,000 -0.4%
Unemployment rate (%) ²	6.4	13.7	8.2	-5.5 p.p.	0.1 p.p.
Participation rate (%) ³	65.6	61.4	64.6	3.2 p.p.	-0.3 p.p.
Union coverage (%) ⁴	30.3	32.9	31.2	-1.7 p.p.	-0.3 p.p.
Average hourly wage (\$) ⁵	\$27.39	\$31.38	\$29.94	-4.6%	-0.4%
Average weekly hours (hrs.) ⁶	35.3	36.1	35.7	-1.1%	1.1%

*p.p. refers to percentage points.

Unemployment Rate



Average Hourly Wage



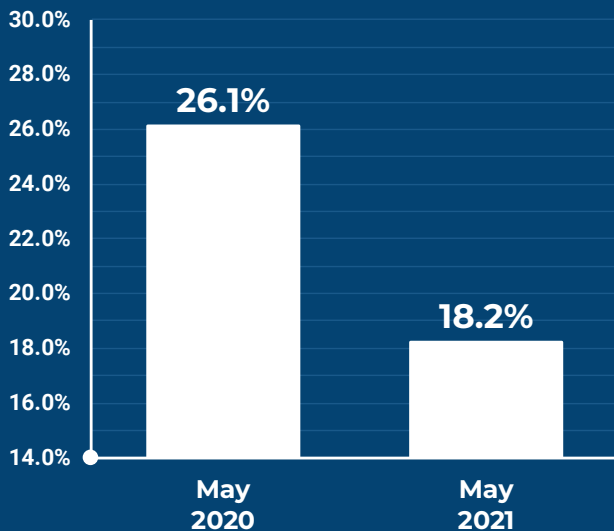
National Precarity Indicators

Compared with April, our precarity indicators show little change. There was a significant decline in the number of part-timers; however, this positive trend was partially offset by a 1.2 percentage point increase in the proportion of involuntary part-timers. Meanwhile, the underemployment rate continues to trend in the right direction, falling 0.4 percentage points from the previous month, and down nearly 8 percentage points from May 2020.

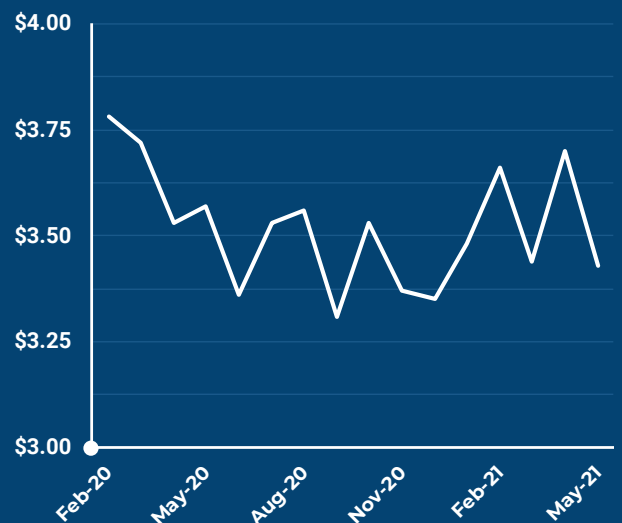
Yet, there continue to be signs that the labour market is returning to the pre-pandemic status quo of precarity, with multiple job holders continuing to inch upwards and temporary job holders climbing by 1.8 percentage points, year over year. Most of this increase comes from a greater proportion of temporary/contract workers. Meanwhile, the number of NEETs increased significantly from April, likely due to the start of the summer break for post-secondary students, but is significantly lower than May 2020 (-44.6%).

	May 2020	May 2021	May 2020–21 Change (p.p.)	Apr.–May 2021 Change (p.p.)
Part-time rate (%) ⁷	15.5	17.6	2.1	-1.0
Involuntary part-time (%) ⁸	53.5	47.7	-5.8	1.2
Underutilization (R8) rate (%) ⁹	18.3	11.3	-7.0	-0.4
Underemployment rate (%) ¹⁰	26.1	18.2	-7.9	-0.4
Multiple job holders (%) ¹¹	3.5	5.1	1.6	0.2
Temporary job holders (%) ¹²	10.8	12.6	1.8	1.2
<i>Casual/other (%)</i>	2.7	3.1	0.4	0.0
<i>Temporary/contract (%)</i>	6.0	7.3	1.3	0.3
<i>Seasonal (%)</i>	2.0	2.2	0.2	0.8
Low wage incidence (%) ¹³	20.3	20.0	-0.3	0.2
Gender pay gap ¹⁴	\$3.57	\$3.42	-4.1%	-7.4%
NEETs (x1,000) ¹⁵	1,867.1	1,035.2	-44.6%	23.4%

Underemployment Rate



Gender Pay Gap



Regional Statistics

The labour market trends at the national level were largely reflected in our regional statistics, which similarly show little change from April. Quebec, Ontario, and B.C. all saw marginal declines in regional employment numbers, with the Prairies effectively unchanged. As a proportion of the employed, the Atlantic region saw the greatest fall in employment, with a decline of 2.4% (-26,700). As a result, the unemployment rate in the Atlantic region increased nearly a full percentage point to 10.3%, the highest in Canada.

Year over year, there were significant declines in the regional unemployment rates, with Quebec leading the way at -7.1 percentage points from May 2020, followed by B.C. (-6.4 p.p.) and the Prairies (-6.2 p.p.). Both the Ontario (-4.2 p.p.) and Atlantic (-3.9 p.p.) regions lagged behind, which is consistent with their unemployment levels being substantially higher than the other regions. Notably, real hourly wages were lower across the board compared to the same time last year. The Prairies saw the greatest decline (-7.1%) while the smallest decrease came in B.C. (-3.1%), with the remaining regions hovering at around 4-5% lower than May 2020. The increased annual pace of inflation (3.4% in April 2021, up from 2.2% in March) likely accounts for some of the fall in real wages, which could indicate the start of a troubling new trend.



Regional Statistics Continued

Atlantic

	May 2020	May 2021	May 2020-21 Change	Apr.-May 2021 Change
Total employment (#)	1,001,300	1,101,100	99,800 10.0%	-26,700 -2.4%
Unemployment rate (%)	14.2	10.3	-3.9	0.9
Participation rate (%)	57.3	60.0	2.7	-0.9
Union coverage (%)	34.0	32.2	-1.8	-0.5
Average hourly wage (\$)	\$27.19	\$26.15	-3.8%	0.7%
Average weekly hours (hrs.)	37.7	37.0	-1.9%	2.3%



Quebec

	May 2020	May 2021	May 2020-21 Change	Apr.-May 2021 Change
Total employment (#)	3,765,100	4,219,300	454,200 12.1%	-8,000 -0.2%
Unemployment rate (%)	13.6	6.6	-7.1	0.0
Participation rate (%)	61.9	63.7	1.8	-0.1
Union coverage (%)	41.5	40.0	-1.5	-0.6
Average hourly wage (\$)	\$29.79	\$28.50	-4.3%	-0.4%
Average weekly hours (hrs.)	35.8	35.2	-1.6%	0.5%



Ontario

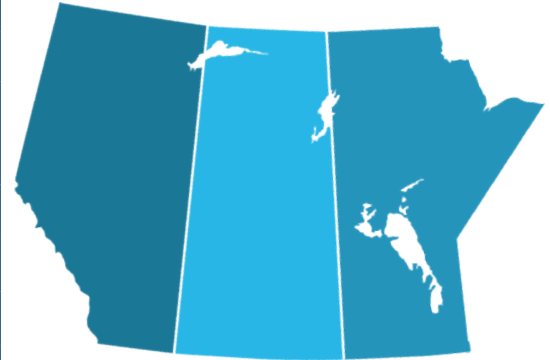
	May 2020	May 2021	May 2020-21 Change	Apr.-May 2021 Change
Total employment (#)	6,356,400	7,183,800	827,400 13.0%	-31,600 -0.4%
Unemployment rate (%)	13.5	9.3	-4.2	0.2
Participation rate (%)	60.2	64.3	4.0	-0.2
Union coverage (%)	27.9	27.2	-0.7	-0.4
Average hourly wage (\$)	\$32.57	\$30.88	-5.2%	-0.6%
Average weekly hours (hrs.)	36.5	36.0	-1.3%	0.9%



Regional Statistics Continued

Prairies

	May 2020	May 2021	May 2020-21 Change	Apr.-May 2021 Change
Total employment (#)	3,048,600	3,438,800	390,200 12.8%	200 0.0%
Unemployment rate (%)	14.2	8.0	-6.2	-0.3
Participation rate (%)	65.4	68.3	2.9	-0.2
Union coverage (%)	30.7	29.1	-1.6	0.5
Average hourly wage (\$)	\$32.91	\$30.57	-7.1%	-1.2%
Average weekly hours (hrs.)	36.9	36.7	-0.5%	1.3%



British Columbia

	May 2020	May 2021	May 2020-21 Change	Apr.-May 2021 Change
Total employment (#)	2,272,600	2,616,200	343,600 15.1%	-1,900 -0.1%
Unemployment rate (%)	13.4	7.0	-6.4	-0.1
Participation rate (%)	61.2	64.9	3.7	-0.2
Union coverage (%)	34.8	29.5	-5.3	-1.0
Average hourly wage (\$)	\$31.63	\$30.64	-3.1%	0.4%
Average weekly hours (hrs.)	35.8	35.0	-2.4%	0.4%



Average Wages and Employment Gains/Losses by Industry

Consistent with our observations above, the vast majority of industries saw a significant year over year drop in the real hourly wage, with manufacturing and professional, scientific and technical services leading the way with wage declines of 8-9%. Even sectors that have traditionally seen stable wage growth such as educational services and public administration experienced a notable fall in wages (-5.7% and -5.5%, respectively). The only industries that saw significant real wage growth were finance and insurance (+3.8%) and real estate and rental and leasing (+1.4%).

Compared to February 2020, most industries have recovered the employment losses caused by the COVID-19 pandemic, with manufacturing – durables (+46,965) and construction (+59,168) having shown a remarkable turnaround in the past few months. Unsurprisingly, continued lockdown measures in a number of provinces meant that retail trade (-100,468) and accommodation and food services (-326,890) continue to account for the lion's share of employment losses since the start of the pandemic. These numbers should improve as first dose vaccination rates near 60% across the country and lockdown measures are gradually loosened.

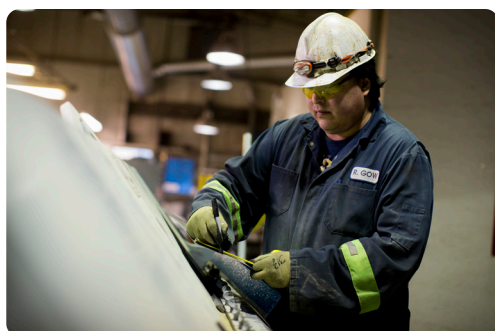
Average Hourly Wages by Industry

Industry	May 2021	May 2020–21 Change
Agriculture	\$20.24	-1.9%
Forestry	\$30.22	-4.1%
Fishing, hunting, and trapping	\$23.26	-2.1%
Mining, oil, and gas	\$43.97	-4.4%
Utilities	\$45.40	-3.2%
Construction	\$32.05	-1.7%
Manufacturing - durables	\$29.50	-8.2%
Manufacturing non-durables	\$27.18	-8.3%
Wholesale Trade	\$29.58	-3.8%
Retail Trade	\$20.91	-4.3%
Transportation and Warehousing	\$30.02	0.4%
Finance and Insurance	\$37.41	3.8%
Real Estate and rental and leasing	\$27.87	1.4%
Professional, Scientific and Technical Services	\$35.84	-8.9%
Business, building and other support	\$22.31	-5.0%
Educational Services	\$35.52	-5.7%
Health Care and Social Assistance	\$29.29	-4.0%
Information, Culture and Recreation	\$31.83	-2.0%
Accommodation and Food Services	\$17.00	-5.0%
Other Services	\$25.98	-6.8%
Public Administration	\$39.39	-5.5%

Average Wages and Employment Gains/Losses by Industry Continued

Employment Change by Industry, February 2020 to May 2021

Agriculture	-2,878	
Forestry		10,799
Fishing, hunting, and trapping		10,622
Mining, oil, and gas		7,923
Utilities		6,366
Construction		59,168
Manufacturing - durables		46,965
Manufacturing non-durables	-5,532	
Wholesale Trade	-2,495	
Retail Trade	-100,468	
Transportation and Warehousing	-32,778	
Finance and Insurance		47,167
Real Estate and rental and leasing		5,160
Professional, Scientific, Technical Services		118,149
Business, building and other support	-19,671	
Educational Services		9,310
Health Care and Social Assistance		26,804
Information, Culture and Recreation	-51,133	
Accommodation and Food Services	-326,890	
Other Services	-66,362	
Public Administration		58,613



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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