



## Eye on Employment: June 2020 Edition

This edition of the Eye on Employment once again occurs alongside singular times. NWPB has attempted to offer as much context as possible on the scope and impact of the COVID-19 pandemic on Niagara. All of our insights and efforts to support Niagara during these times can be found through our COVID-19 portal – [www.niagaraworkforce.ca/COVID-19](http://www.niagaraworkforce.ca/COVID-19).

Across Canada, May of 2020 saw **620,500 more** employed individuals than in April of 2020. This is the first national employment gain since the beginning of the pandemic. At this time, it remains important to understand that changes in employment **not directly correlate** job creation. Data from the labour force survey measures employment changes within the workforce, itself. The extent to which COVID-19 created job losses or gains, be they temporary or permanent cannot be determined from this data.

Despite the positive national indicator, Niagara remains heavily impacted by the COVID-19 pandemic. May's data report another 9,500 individuals having lost employment. Support for employers and individuals can be accessed through Niagara's Employment Ontario network. [Please click this link for a list of Niagara's employment service providers.](#)

Table 1: Niagara – Current and Historical Trends – Seasonally Unadjusted

| Labour force characteristics | 2019    |         | 2020    |         |
|------------------------------|---------|---------|---------|---------|
|                              | April   | May     | April   | May     |
| Labour force                 | 204,900 | 204,500 | 199,000 | 193,300 |
| Employment                   | 190,200 | 191,900 | 177,700 | 168,200 |
| Full-time employment         | 146,600 | 148,200 | 138,700 | 132,600 |
| Part-time employment         | 43,600  | 43,600  | 39,000  | 35,600  |
| Unemployment                 | 14,700  | 12,600  | 21,300  | 25,100  |
| Unemployment rate            | 7.2%    | 6.2%    | 10.7%   | 13.0%   |
| Participation rate           | 57.6%   | 57.4%   | 55.2%   | 53.6%   |
| Employment rate              | 53.5%   | 53.9%   | 49.3%   | 46.6%   |

Source: Statistics Canada Labour Force Survey, Table: 14-10-0095-01 (formerly CANSIM 282-0128)

A note on our data source: Statistics Canada uses a three-month floating average to produce its monthly data at a regional level. This process typically controls for the volatility inherent to small sample sizes. Ideally, it ensures that an anomaly in a single employment sector in a single month does not have a disproportionate impact on all regional data. May's data represents the first month where Niagara's three-month floating average has not included any pre-COVID-19 data. As such, these data offer us a key insight on the overall impact of COVID-19 on Niagara while accounting for employment changes that quite likely played out, in part, over the preceding months.

Month-over-month data show that 9,500 fewer people were working in May of 2020 compared to April 2020. This decrease in employment occurred alongside 3,800 more unemployed individuals actively looking for work. These changes account for decreases in Niagara's employment rate (49.3% in April down to 46.6% in May) and an increase in the unemployment rate (10.7% in April rising to 13.0% in May). This increase in the number of unemployed job seekers combined with people exiting the labour market amid sectoral shutdowns is what accounts for a decreasing participation rate (55.2% in April to 53.6% in May).

Comparing May 2020 to May 2019 shows the full impact of the COVID-19 pandemic on the local labour force. Compared to this time last year, there are 23,700 fewer people in employment – 15,600 of those individuals were in full-time

work and 8,000 were in part time work. Similarly, there are 12,500 more unemployed individuals in May of 2020 compared to May of 2019.

It is important to keep in mind that the data in Table 1 are **seasonally unadjusted** figures. That means factors such as holidays and other factors that can be reasonably predicted to influence employment are not accounted for in these data. Accounting for seasonality shows that there were 12,000 fewer people employed in Niagara between April 2020 and May 2020. This is substantially higher than what we see in the seasonally unadjusted data, which saw 9,500 people exiting employment. Since we generally see local employment increase in May, the large employment decrease seen in the seasonally adjusted data demonstrate how the consequences of COVID-19 is suppressing what would be an expected seasonal strength.

## The Youth Lens

LFS data also allow us a snapshot of youth (defined as people age 15 to 24) employment in Niagara. Once again these data do not account for seasonality.

Table 2: Niagara – Current and Historical Trends – Youth Age 15 to 24 – Seasonally Unadjusted

| Labour force characteristics | 2019   |        | 2020   |        |
|------------------------------|--------|--------|--------|--------|
|                              | April  | May    | April  | May    |
| Labour force                 | 32,100 | 32,200 | 29,200 | 28,200 |
| Employment                   | 28,000 | 28,200 | 21,800 | 19,100 |
| Full-time employment         | 12,800 | 11,700 | 11,900 | 11,600 |
| Part-time employment         | 15,200 | 16,600 | 9,800  | 7,500  |
| Unemployment                 | 4,100  | 3,900  | 7,400  | 9,100  |
| Unemployment rate            | 12.8%  | 12.1%  | 25.3%  | 32.3%  |
| Participation rate           | 64.2%  | 68.2%  | 57.6%  | 56.9%  |
| Employment rate              | 56.0%  | 59.7%  | 43.0%  | 38.5%  |

Source: Statistics Canada Labour Force Survey, Table: 14-10-0095-01 (formerly CANSIM 282-0128)

Statistics Canada reports 2,700 fewer youth working in May 2020 compared to April 2020. May saw 300 fewer youth working in a full-time capacity and 2,300 fewer youth working in a part-time capacity. (note here that Statistics Canada rounds to the nearest hundred; this accounts for what might present as irregular math on the part of the total employment changes). In other words, most of the

decline in youth employment between April and May 2020 can be attributed to fewer youth working in a part-time capacity.

May 2020 saw a dramatic increase in youth unemployment, rising from 25.3% in April to 32.3% in May. This figure is well above the 2019 annual average of 12.5% for youth unemployment. The youth employment rate expectedly decreased from 43.0% in April 2020 to 38.5% in May of 2020.

## Sectoral Shifts

Table 3 offers additional insight into changing employment patterns within Niagara's major industry sectors. These data demonstrate that the services-producing sector saw 7,700 fewer people in employment in May 2020 compared to April 2020. The goods-producing sector saw 1,800 fewer people in employment during the same time period.

Table 3: Niagara – Employment Sectors – Monthly and Annual Data

| Industry sector           | 2019           |                | 2020           |                |
|---------------------------|----------------|----------------|----------------|----------------|
|                           | April          | May            | April          | May            |
| Goods-producing sector    | 40,400         | 40,200         | 37,400         | 35,600         |
| Services-producing sector | 149,800        | 151,700        | 140,300        | 132,600        |
| <b>Total employment</b>   | <b>190,200</b> | <b>191,900</b> | <b>177,700</b> | <b>168,200</b> |

Source: Statistics Canada Labour Force Survey, Table: 14-10-0097-01 and Table: 14-10-0098-01



Recognizing that monthly industry data from the labour force survey can be volatile and prone to shifts, the May 2020 data continue to show that *accommodation and food service, wholesale and retail trade, and information, culture and recreation* are among Niagara's most impacted sectors. Moreover, these are three employment sectors are pillars in Niagara's overall tourism economy.

Between April of 2020 and May of 2020, 3,600 people lost employment in *accommodation and food services; wholesale and retail trade* saw 2,300 individuals lose employment; *information, culture and recreation* saw 1,900 people lose employment. Since February of 2020, these three sectors accounted for 23,400 of Niagara's employment losses. In terms of goods production, Manufacturing reported 1,800 fewer people employed in May 2020 compared to April. Since February 2020, local data for this sector indicates 5,300 employment losses accounting for an overall employment decline of 25.0%.

Table 4: Niagara – Detailed Employment Sectors – Monthly Data

| Industry  | 2019           |                | 2020           |                |
|---|----------------|----------------|----------------|----------------|
|   | April          | May            | April          | May            |
| Agriculture                                       | 3,700          | 3,500          | 5,300          | 5,800          |
| Forestry, fishing, mining, quarrying, oil & gas   | NA             | NA             | NA             | NA             |
| Utilities   | 1,500          | 1,600          | NA             | NA             |
| Construction                                      | 19,100         | 18,500         | 13,200         | 12,900         |
| Manufacturing                                     | 15,500         | 16,200         | 17,700         | 15,900         |
| Wholesale & retail trade                          | 28,700         | 29,700         | 27,900         | 25,600         |
| Transportation & warehousing                      | 9,100          | 8,500          | 6,600          | 6,500          |
| Finance, insurance, real estate, rental & leasing | 7,900          | 8,000          | 7,800          | 8,900          |
| Professional, scientific & technical services     | 9,100          | 8,500          | 5,200          | 5,200          |
| Business, building & other support services       | 8,500          | 7,400          | 8,700          | 9,200          |
| Educational services                              | 13,600         | 14,000         | 18,100         | 17,300         |
| Health care & social assistance                   | 28,100         | 29,700         | 25,800         | 25,800         |
| Information, culture & recreation                 | 7,200          | 7,700          | 6,500          | 4,600          |
| Accommodation & food services                     | 21,600         | 21,700         | 18,100         | 14,500         |
| Other services (except public administration)     | 8,700          | 8,100          | 9,800          | 9,400          |
| Public administration                             | 7,400          | 8,400          | 5,900          | 5,600          |
| <b>Total employed, all industries</b>             | <b>190,200</b> | <b>191,900</b> | <b>177,700</b> | <b>168,200</b> |

Source: Statistics Canada Labour Force Survey, Table: 14-10-0097-01 and Table: 14-10-0098-01, N/A reflects industries where employment activity exists but is suppressed by Statistics Canada.

This report provides a general overview of the employment data released on June 5, 2020 for the month of May and highlights how Niagara is positioned within the wider Canadian context and how the impacts of COVID-19 are impacting employment. We are able to take deeper demographic and sectoral analyses and will seek to provide details as they emerge in our work.

If you would like to know more, NWPB is ready for your questions. Reach out to Vivian Kinnaird, NWPB's CEO ([vivian@niagaraworkforceboard.ca](mailto:vivian@niagaraworkforceboard.ca)).