



## Introduction

### Labour Market Trends

In 2008, the collapse of financial markets around the world tipped country after country into recession. Canada was no exception. In a short eight-month period, hundreds of thousands of Canadians lost their jobs and the Employment Insurance and social assistance rolls started to climb. The proportion of part-time and temporary jobs increased as full-time employment disappeared. Canadians had to stretch their dollars further to pay for rising food costs and shelter, many turning to food banks – and credit cards – to make ends meet.

Before the recession hit, some economists were arguing that the days of boom and bust were over, that we had learned how to manage the business cycle as evidenced by over a decade of positive economic growth and rising average incomes. But the warning signs were there. Average incomes were rising, yes, but the very large increases of the top 1% of earners were driving the trend. Income inequality was increasing steadily in Canada as the gap between those at the top and those down the income ladder widened.

In 2009, Citizens for Public Justice (CPJ) launched the *Bearing the Brunt* project to try to capture and track the impact of the recession on Canadians and their families. Evidence from previous recessions demonstrated that economic downturns can have a long-term detrimental impact as good jobs are lost and governments cut back community supports and services. Economic and social divisions become entrenched. The bonds that tie communities together weaken. The most vulnerable are left behind.<sup>1</sup>

As part of the *Bearing the Brunt* project, CPJ released a *Poverty Trends Scorecard* in 2010 that highlighted poverty trends and several key factors related to family economic security. The *Scorecard* was based on a detailed research study: *Bearing the Brunt: How the 2008–2009 Recession Created Poverty for Canadian Families*.<sup>2</sup>

Updating the *Poverty Trends Scorecard* now affords an opportunity to not only assess how well Canadian families have done since the onset of the recession, but to turn our attention to the pressing problems of today.

The new *Scorecard* is organized around an expanded set of themes and indicators, based on the framework developed in 2010. This framework speaks to current trends influencing family economic security, highlighting the impact of growing income and wealth inequality and the high cost of poverty. The key themes are: Poverty Trends; Income, Wealth, and Inequality; Labour Market Trends; and Making Ends Meet.

A set of fact sheets is being prepared for each theme area, summarizing key trends through tables, charts, and text. The primary focus of the *Scorecard* project is the 2007 to 2012 period in order to track the progress of families since the 2008–09 recession. In this regard, 2007 is an important benchmark, marking a 30-year low in the Canadian poverty rate and a high in median family incomes.

The goal of the *Scorecard* initiative is to create an accessible set of materials that will support national and community-level anti-poverty work across the country, including CPJ's own outreach and engagement activities and those of *Dignity for All: the campaign for a poverty-free Canada*.

### **Poverty Trends Scorecard Project (Fact Sheet Series)**

- “Poverty Trends Scorecard – Canada 2012” (October 2012)
- “Income, Wealth and Inequality” (April 2013)
- “Poverty at Your Doorstep” Series (Montreal, Toronto, Hamilton, Winnipeg, Vancouver)
- “Labour Market Trends” (July 2013)
- “Making Ends Meet” (forthcoming)

In the aftermath of the global financial crisis which erupted in 2008, Canada has recovered some of the jobs lost – but the course of the economic recovery has been very uneven. Indeed, the rate of employment is still below pre-recession levels, as people have dropped out of the labour market altogether. Compared to 2007, there is now a “jobs deficit” of over 500,000.<sup>3</sup> The problem of unemployment among young people is particularly acute – here in Canada and around the world.

This report makes the case that significant action is needed to tackle labour market disparities and to improve job quality. The good news is that, unlike many other countries, Canada has the fiscal capacity to invest in well-designed measures to support employment that target those most in need. What we need now is the political will to move forward.

# Labour Market Trends

## Summary

Four years after the recession, the economic recovery remains modest and Canadians continue to report high levels of uncertainty about the future. The number of jobs has been increasing, notably in the past year. However, employment gains have not kept pace with population growth and unemployment levels are stuck at 1.4 million.

Overall, the labour market is much more volatile than it was before the recession: making gains one month, clawing them back the next. From a regional perspective, the western provinces, notably Alberta, Saskatchewan, and Manitoba, have experienced significant job growth, but employment levels are still depressed in New Brunswick and, to a lesser extent, in Nova Scotia.

There is also troubling evidence that the average duration of unemployment – and the number of long-term unemployed – is growing. This is part of a growing trend toward labour market polarization.

While some well-paid sectors such as natural resources, health care, and construction are doing well post-recession, the trend toward non-standard work continues with the increase in temporary work and the erosion of workplace benefits. The number

of people in temporary jobs, for instance, grew at more than triple the pace of permanent employment between 2009 and 2012 and now accounts for 14% of the labour force.

Those searching for work increasingly face the stark choice between precarious work – at lower levels of pay – or no work.

Groups such young people have been particularly hard hit. While young people have always struggled to establish themselves, times may well be harder now. Diminished job security, growth of temporary work, rising costs for the basics (education in particular), and record debt levels are threatening the economic security of a generation and could leave a permanent gouge in the national economy.

Information gathered for this report highlights the need for significant action to tackle labour market disparities and to improve job quality. The good news is that, unlike many other countries, Canada has the fiscal capacity to invest in well-designed measures to support employment that target those most in need. What we need now is the political will to move forward.

## Summary: Labour Market Trends, 2008 to 2012

Labour market indicators by selected characteristics, 2008–2012

	Employment Rate (%)					Unemployment Rate (%)				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Total Persons	63.5	61.6	61.6	61.8	61.8	6.1	8.3	8.0	7.4	7.2
<b>Province</b>										
Newfoundland & Labrador	51.6	49.8	51.2	52.6	53.9	13.2	15.5	14.4	12.7	12.5
Prince Edward Island	60.9	59.3	60.3	60.4	60.4	10.8	12.1	11.2	11.3	11.3
Nova Scotia	58.8	58.4	58.2	58.1	58.4	7.7	9.2	9.3	8.8	9.0
New Brunswick	58.8	58.6	57.7	56.8	56.6	8.5	8.8	9.3	9.5	10.2
Quebec	61.0	59.8	60.2	60.1	60.0	7.2	8.5	8.0	7.8	7.8
Ontario	63.5	61.1	61.3	61.6	61.3	6.5	9.0	8.7	7.8	7.8
Manitoba	66.4	65.5	65.9	65.5	65.4	4.2	5.2	5.4	5.4	5.3
Saskatchewan	66.8	66.7	66.3	65.7	66.2	4.1	4.8	5.2	5.0	4.7
Alberta	72.0	69.4	68.1	69.7	70.0	3.6	6.6	6.5	5.5	4.6
British Columbia	63.2	60.5	60.5	60.2	60.6	4.6	7.7	7.6	7.5	6.7
<b>Age</b>										
15 to 24 years	59.7	55.5	55.0	55.4	54.5	11.6	15.2	14.8	14.2	14.3
25 to 44 years	82.6	80.4	80.5	81.0	81.6	5.3	7.4	7.3	6.5	6.3
45 to 64 years	71.3	70.3	70.6	70.9	71.3	4.9	6.6	6.4	6.0	5.8
65 years and over	9.8	10.0	10.9	11.3	12.0	2.8	4.3	4.9	4.8	4.6
<b>Sex</b>										
Male	68.0	65.1	65.4	65.9	65.8	6.6	9.4	8.7	7.8	7.7
Female	59.1	58.1	57.9	57.9	57.9	5.7	7.0	7.2	7.0	6.8
<b>Vulnerable Groups</b>										
Recent Immigrants*	59.5	56.9	56.7	56.6	58.2	11.8	15.0	15.8	14.2	13.5
First Nations living off-reserve	55.2	51.6	50.5	52.7	na	na	na	na	na	na
	<b>Employment (x 1,000)</b>					<b>Unemployment (x 1,000)</b>				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Total Persons	17,087.4	16,813.1	17,041.0	17,306.2	17,507.7	1,116.5	1,516.0	1,484.1	1,393.1	1,368.4
<b>Province</b>										
Newfoundland & Labrador	218.7	212.3	219.4	225.4	230.5	33.3	39.0	36.9	32.7	32.8
Prince Edward Island	69.5	68.6	70.6	72.0	72.8	8.4	9.4	8.9	9.2	9.3
Nova Scotia	452.0	451.4	452.5	452.8	455.5	37.5	45.6	46.3	43.8	44.9
New Brunswick	359.1	359.5	356.1	352.0	351.4	33.5	34.6	36.4	37.1	40.0
Quebec	3,880.4	3,848.4	3,915.1	3,953.6	3,984.4	302.5	355.6	338.5	332.3	335.9
Ontario	6,666.3	6,502.0	6,610.0	6,731.3	6,783.7	466.3	645.3	626.6	570.4	573.5
Manitoba	608.5	608.3	619.8	624.5	630.1	26.5	33.6	35.1	35.7	35.3
Saskatchewan	512.8	519.5	524.3	525.9	537.1	21.7	26.1	28.7	27.6	26.7
Alberta	2,053.7	2,025.2	2,016.6	2,094.1	2,149.6	77.0	142.1	140.7	121.0	103.8
British Columbia	2,266.4	2,217.9	2,256.5	2,274.7	2,312.5	109.9	184.7	186.2	183.4	166.4
<b>Age</b>										
15 to 24 years	2,646.7	2,471.9	2,451.3	2,470.6	2,428.2	346.6	443.3	425.2	407.7	405.3
25 to 44 years	7,549.5	7,359.2	7,389.8	7,472.5	7,582.2	422.1	589.7	577.8	519.1	506.3
45 to 64 years	6,472.0	6,540.4	6,707.1	6,833.4	6,913.0	335.6	463.0	455.6	439.8	428.4
65 years and over	419.1	441.6	492.8	529.7	584.3	12.2	19.9	25.4	26.5	28.4
<b>Sex</b>										
Male	9,012.4	8,760.7	8,911.6	9,085.1	9,187.7	632.0	910.6	851.7	773.8	762.4
Female	8,075.1	8,052.4	8,129.5	8,221.1	8,320.0	484.5	605.4	632.4	619.3	606.0
<b>Vulnerable Groups</b>										
Recent Immigrants*	502.6	468.3	484.4	489.3	503.5	67.0	82.9	91.1	80.7	78.7
First Nations living off-reserve	na	na	na	na	na	na	na	na	na	na

**Note:** \* Recent immigrants living in Canada five years or less. Statistics Canada, Table 282-0002 – Labour force survey estimates (LFS), by sex and detailed age group, annual; Statistics Canada, Table 282-0014 – Labour force survey estimates (LFS), by immigrant status, sex, and detailed age group, Canada, annual