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Poverty Trends Scorecard

Fact Sheet Series

Labour Market Trends

July 2013

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“Labour Market Trends” is the third report in the *Poverty Trends Scorecard* series. Visit www.cpj.ca to learn more about the *Scorecard* and about Citizens for Public Justice, an organization inspired by faith to work for justice in Canadian public policy.

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July 2013



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.¹

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*.²

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 500,000.³ 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
Province										
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
Age										
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
Sex										
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
Vulnerable Groups										
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
	Employment (x 1,000)					Unemployment (x 1,000)				
	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
Province										
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
Age										
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
Sex										
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
Vulnerable Groups										
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

Fact Sheet #1

Canada's Slow Job Recovery Grinds On

Four years after the recession, the economic recovery remains modest. 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. The western provinces, notably Alberta, Saskatchewan, and Manitoba, have experienced significant job growth, while employment levels are still depressed in New Brunswick and, to a lesser extent, in Nova Scotia. Overall, the labour market is much more volatile than it was before the recession: making gains one month, clawing them back the next.

Job creation finally picked up in 2012...

- More than 400,000 jobs were lost in the nine months following the economic crash in October 2008. By January 2011, total employment levels had recovered this ground.
- Employment continued to rise until September 2011, stalled through the fall and early winter of 2012, and then picked up through the remainder of the year, for a total annual increase of 310,000.⁴
- Employment retrenched early in 2013, however, as the economy lost 26,000 jobs in the first quarter.⁵

But the number of unemployed is stuck at 1.4 million

- The number of unemployed has been trending down from the peak recorded in August 2009 of 1.6 million, but remains above pre-recession levels. In March 2013, 1,374,700 Canadians were out of work, 23.4% higher than the 1,113,800 recorded in October 2008.

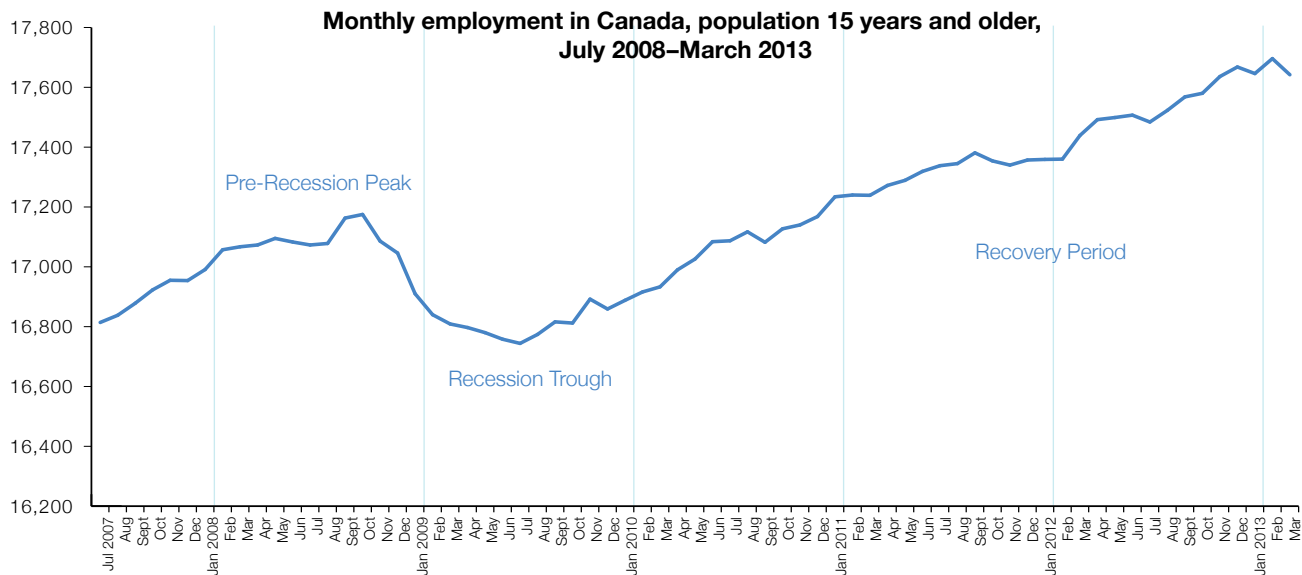
And many more have left the labour force altogether

- There has also been significant growth in the number of people who are not engaged in the labour force (the NILFs: Not-in-Labour-Force). This figure rose by almost 500,000 between October 2008 and December 2010, and then by another 200,000 between December 2010 and December 2012.
- Detailed analysis shows that students, who represented just 16% of the NILF population at the beginning of the recession, accounted for more than 50% of the increase in non-participation, as young people turned to education in the face of a hostile labour market.⁶

Post-recession employment growth has been highest in Newfoundland, lowest in New Brunswick and Nova Scotia

- Alberta, Ontario, and Newfoundland and Labrador experienced the greatest job losses over the 2008–09 recession. Manitoba and Saskatchewan, by contrast, were relatively sheltered, experiencing the smallest proportional losses.
- Since July 2009, Newfoundland and Labrador, Prince Edward Island, and Alberta have led the way in percentage gains in employment.
- New Brunswick's economy has struggled since the recession; indeed, employment levels have deteriorated, falling by 3.6% between December 2008 and December 2012. Employment levels in Nova Scotia fell by 0.5% over this same period.

Employment on the rise since the recession



Statistics Canada, Table 282-0087 – Labour force survey estimates (LFS), by sex and age group, seasonally adjusted and unadjusted, monthly Note: Population age 15 and older

Labour force trends, population 15 years and older, 2007–2012

	Population	NILF	Labour Force	Employed	Unemployed
Number x 1,000 (Monthly Average for December)					
2007	26,690.7	8,655.6	18,035.1	16,954.4	1,080.7
2008	27,090.0	8,797.4	18,292.6	17,045.5	1,247.0
2009	27,469.7	9,047.7	18,422.0	16,858.6	1,563.4
2010	27,814.8	9,229.5	18,585.3	17,167.5	1,417.8
2011	28,130.8	9,369.2	18,761.6	17,357.3	1,404.3
2012	28,468.6	9,442.6	19,026.0	17,667.6	1,358.4
Percentage Change by Period					
2008–2010	2.7	4.9	1.6	0.7	13.7
2010–2012	2.4	2.3	2.4	2.9	-4.2

Statistics Canada, Table 282-0087 - Labour force survey estimates (LFS), by sex and age group, seasonally adjusted and unadjusted, monthly. NILF = Not in Labour Force

Fact Sheet #2

Employment Rate Still below Pre-Recession Levels

Despite positive job reports through 2012, Canadians continue to report high levels of uncertainty about the economic future. This reflects the fact that while the number of jobs has increased, the rate of employment creation has not kept pace with population growth. Looking at Canada's rate of employment (the proportion of working-age Canadians engaged in paid employment) is a very important indicator of the strength of the labour market, and by this measure, Canada has yet to recoup the damage done during the recession.

Job growth is not keeping pace with population growth

- The employment rate peaked at 63.8% of the working-age population in February 2008. During the next 17 months, the employment rate fell by 2.5 percentage points, reaching a trough of 61.3% in July 2009.⁷
- Between July 2009 and May 2010, the employment rate increased to 61.7%. Since that time, however, it has stagnated, moving up and down by a fraction of a percentage point with the ups and downs of the economy.
- According to recent data, the rate of employment was 61.8% in March 2013 – two full percentage points below pre-recession levels. This represents an employment deficit of 500,000 jobs. That is to say, we would need 500,000 new jobs to have the same employment rate as before the recession.

Young workers and Aboriginal workers were hard hit by the recession

- The economic downturn was particularly hard on Aboriginal people.⁸ From 2008 to 2010, their rate of employment fell by 5.6 percentage points, from 60.0% to 54.4%, widening the gap with the non-Aboriginal population. In 2011, employment rates finally started to increase again, reaching 57.1%.
- Young workers aged 15 to 24 also continue to struggle. Their rate of employment fell further behind in 2012, reaching 54.5%, five percentage points below pre-recession levels (see Fact Sheet #6).⁹

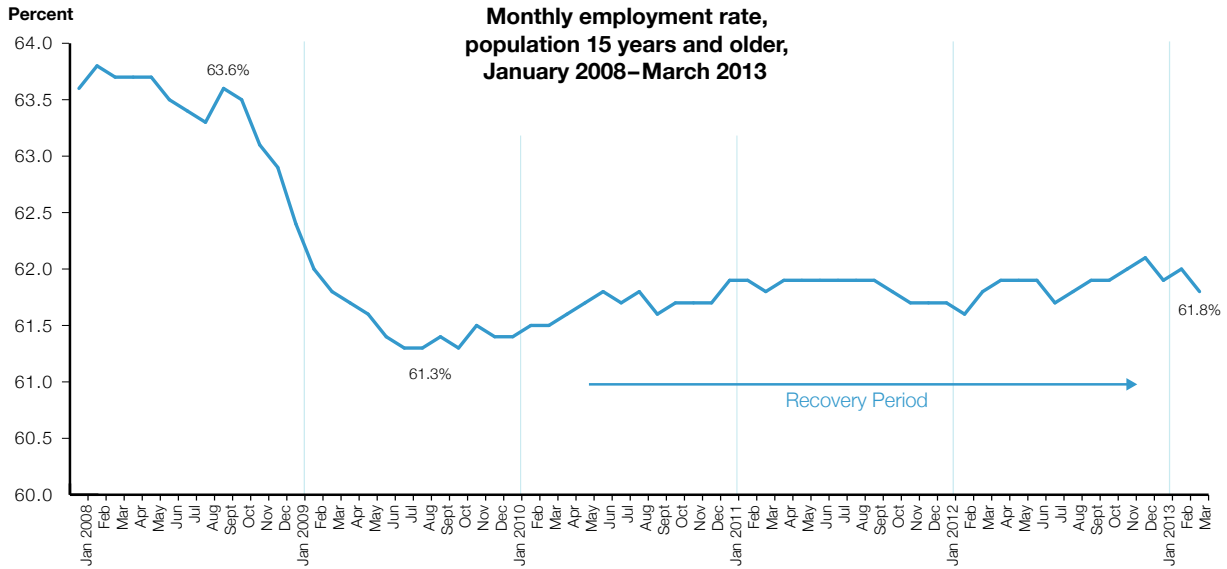
Immigrants are making some economic progress

- There is a significant gap between the employment rates of immigrants and Canadian-born workers. In 2012, 57.5% of immigrants over age 15 were engaged in the paid labour force, compared to 63.3% of Canadian-born.¹⁰
- The employment gap has begun to narrow, notably in the past year, as employment levels among immigrant workers have improved, and those of Canadian-born have stagnated.
- New immigrants, in particular, posted positive employment gains, with their rate of employment rising from 56.9% in 2009 to 58.2% in 2012. Their rate of unemployment, however, is still almost twice the average for Canadian-born people.

Difficult economic conditions are driving many from the labour market

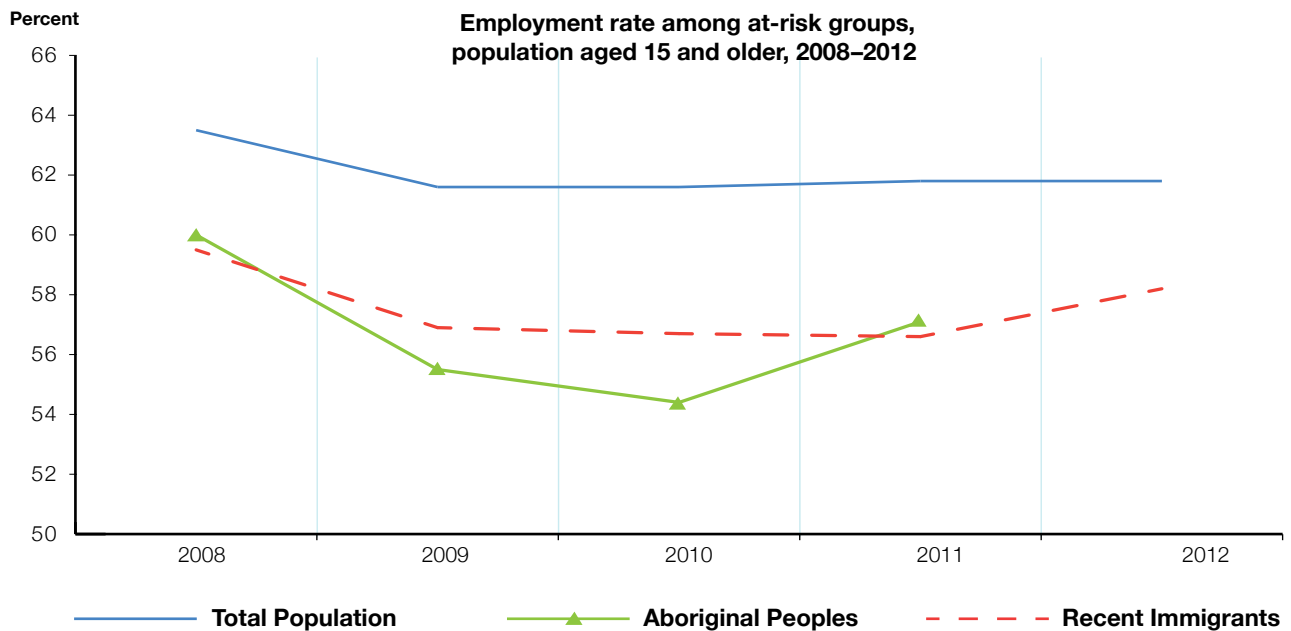
- We are also seeing a decline in the overall labour force participation rate. The pre-recession peak was 67.8% (in spring 2008), and has since fallen to 66.6% in March 2013. This represents the exit of almost 330,000 workers from Canada's labour force.¹¹

Employment rate still below pre-recession levels



Statistics Canada, Table 282-0087 – Labour force survey estimates (LFS), by sex and age group, seasonally adjusted and unadjusted, monthly

The employment gap persists among at-risk groups



Statistics Canada Table 282-0104 – Labour force survey estimates (LFS), by immigrant status, sex and detailed age group, Canada, annual; Statistics Canada, Labour Force Survey. Wannell and Usalcas (2012), “Labour Force Survey: 2011 Year-End Review,” *Perspectives on Labour and Income*, Catalogue no. 75-001-X.

Fact Sheet #3

Unemployment Stalled, Average Duration Increasing

It has been four years since the end of the recession and the unemployment rate is still stuck above pre-recession levels. Late-year gains in 2012 almost managed to bring unemployment below 7%. But progress was short-lived as the first quarter of 2013 saw an uptick in the unemployment rate. One step forward, one step back. 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.

Unemployment rate is stuck above 7%

- The unemployment rate has been trending down slowly since the end of the recession. In 2012, the annual unemployment rate was 7.2%, down from 8.3% in 2009. The monthly Labour Force Survey, however, reveals that progress has stalled over the past year.¹²
- In March 2013, 7.2% of the labour force was unemployed, representing 1.4 million Canadians. The number of unemployed is still 23% higher than the level recorded in October 2008, before the onset of the recession.

Taking discouraged workers into account, one in ten is searching for work

- If discouraged searchers – those waiting to hear from potential employers or for a job to start in several weeks and those who are involuntarily working part-time – were included in the calculation, then the unemployment rate in 2012 would have been 10.3% instead of the official rate of 7.2%.¹³

Unemployment is lower in the west, higher in the east

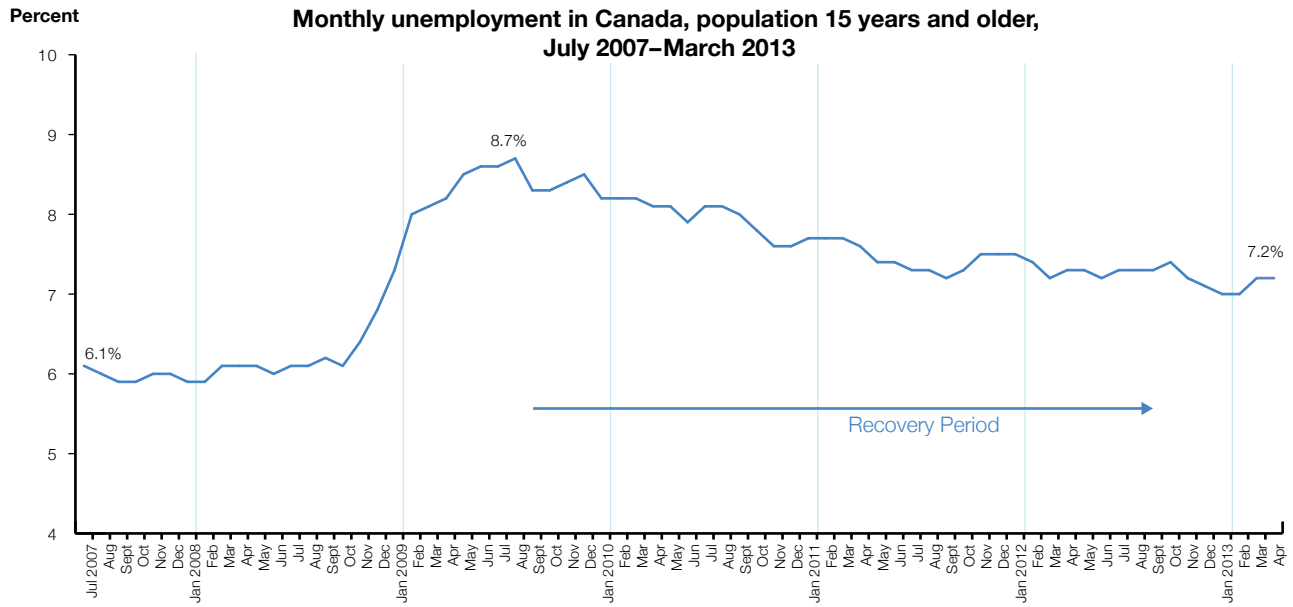
- There is a clear divide in Canada along the Ontario-Manitoba border with regard to unemployment. All of the western provinces have unemployment rates below the national average, while those east of Manitoba have rates above the national average.
- Only Newfoundland and Labrador has recouped the employment losses associated with the 2008–09 recession and experienced an increase in their rate of employment and a decrease in their rate of unemployment.¹⁴

- Unemployment rates have fallen in the other provinces since peaking after the recession but remain higher than pre-recession levels, notably in British Columbia (by 2.1 percentage points), New Brunswick (by 1.7 percentage points), and Nova Scotia and Ontario (by 1.3 percentage points each.)

Long-term unemployment has been rising

- Another troubling sign has been the rise in long-term unemployment. The proportion of the unemployed who have been looking for work for over a year almost doubled between 2007 and 2011, rising from 7.1% to 13.0%. In 2012, the rate fell back to 11.9%, reflecting the more positive employment situation.¹⁵
- The average duration of unemployment is also much longer than it was before the recession, rising from 14.8 weeks in 2008 to 20.2 weeks in 2012, an increase of 36.5%.
- Long-term unemployment is strongly associated with social exclusion and growing income inequality. It is especially significant for vulnerable workers who are at high risk of losing marketable skills and dropping out of the labour market altogether.

Unemployment has been slow to fall



Statistics Canada, Table 282-0087 – Labour force survey estimates (LFS), by sex and age group, seasonally adjusted and unadjusted, monthly

Rates of long-term unemployment have risen



Statistics Canada Table 282-0048 – Labour force survey estimates (LFS), duration of unemployment by sex and age group, annual

Fact Sheet #4

Quality of Employment a Growing Concern

The quality of employment is another important labour market indicator.¹⁶ New research is highlighting the role of economic downturns in fuelling job polarization through elimination of middle-income, skilled jobs.¹⁷ This was certainly the case in Canada in the early 1990s and more recently, in 2008–09. While some well-paid sectors such as natural resources, health care, and construction have bounced back, the trend toward non-standard work continues with the increase in temporary work and the erosion of workplace benefits – especially for young workers. Those searching for work increasingly face the stark choice between precarious work – at lower levels of pay – or no work.

Growth in temporary employment driving job gains

- The growth of temporary employment – contract, casual, or temporary – has dominated job statistics since the end of the recession. In 2011, about 219,000 more Canadians were employed than in 2008, but the number of permanent jobs was still 50,000 less.¹⁸
- These numbers reflect a modest increase in self-employment of almost 50,000¹⁹ and a large increase in temporary employment of over 220,000.
- 2012 was a much more positive year with a significant rise in permanent employment of 185,000, regaining the ground lost as a result of the recession.

Rate of temporary employment has been trending up over time

- Overall, the rate of temporary employment has been increasing steadily over several years. The rate has increased by 23.3% since 1997 – and by 10.9% since 2008 – reaching 11.5% in 2012.²⁰
- There have been large increases in temporary employment in many industrial sectors over the 1997–2012 period, notably in services such as education (100.5%), health care (92.1%), and professional, scientific, and technical services (83.5%), and goods-producing sectors such as utilities (91.9%) and construction (57.2%).
- On average, temporary employees earn less than permanent employees (\$19.28/hour compared to \$23.94/hour in December 2012).²¹ Temporary employees also do not have the same access to employment benefits such as health insurance and employee pension plans.

Employment by class of worker and job permanency, population aged 15 years and over, 2008–2012

	2008	2009	2010	2011	2012
Number (x 1,000)					
Total Employed	17,087	16,813	17,041	17,306	17,508
Employees	14,464	14,124	14,371	14,636	14,841
Permanent Employees	12,687	12,355	12,449	12,637	12,821
Temporary Employees	1,777	1,769	1,922	1,999	2,020
Self-employed	2,623	2,689	2,670	2,670	2,667
Share of Total Employment (%)					
Employees	84.6	84.0	84.3	84.6	84.8
Permanent Employees	75.2	72.1	73.9	74.2	74.1
Temporary Employees	10.5	10.3	11.4	11.7	11.7
Self-employed	15.4	16.0	15.7	15.4	15.2

Statistics Canada, Table 282-0012 – Labour force survey estimates (LFS), employment by class of worker, North American Industry Classification System (NAICS) and sex; Table 282-0080 - Labour force survey estimates (LFS), employees by job permanency, North American Industry Classification System (NAICS), sex and age group, annual

Largest increases in temporary work among older workers

- Like part-time work, temporary work is concentrated among young workers. Three in ten workers aged 15 to 24 (29.8%) are engaged in temporary work compared to less than 10% of workers over 25.²²
- However, the greatest increase in temporary work since 2008 has been among older workers. The number of temporary jobs has grown by 16.5% among workers aged 25 to 54 years and by 33.8% among workers aged 55 and older.

Self-employment stable at 15% of labour market

- Self-employment is another form of precarious employment. After an increase in the number of self-employed between 2008 and 2009, the level fell back to 2008 levels. In 2012, 15.2% of all workers were self-employed.²³ On average, the self-employed earn less than 80% of the income of paid employees.

CIBC Employment Quality Index confirms rise in precarious employment

- The CIBC produces an Employment Quality Index (EQI) that combines three measures of quality: the part-time/full-time distribution (see Fact Sheet #5); the composition of paid employment and self-employment; and the relative compensation of a full-time paid employment job.
- Since 1988, the EQI has been on a steady downward course.²⁴ The post-recessionary period has been marked with gains one year and losses the next with the ebbs and flows of the labour market. The slowing global economy and impact of public sector downsizing are two significant barriers to further improvement in the quality of employment in Canada.²⁵

Temporary employment continues to rise after recession

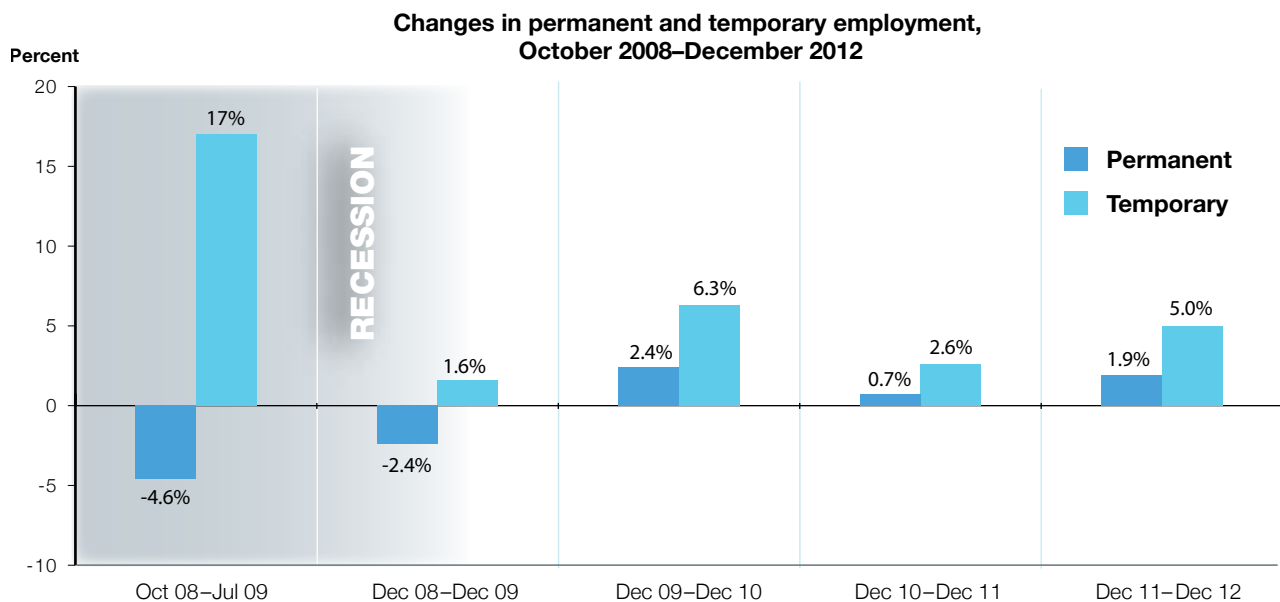


Table 282-0073 Labour force survey estimates (LFS), wages of employees by job permanence, union coverage, sex and age group, unadjusted for seasonality, monthly (data in thousands)

Fact Sheet #5

Part-time Work Growing Trend among Older Workers

With Canada's changing labour market, part-time work has become more common, increasing from 14.8% of total employment in 1981 to a post-recession high of 19.4% in 2010, and slightly dropping to 18.8% in 2012. Part-time employment has increased most notably among youth aged 15 to 24 but the largest increases are among older workers, those aged 55 and over in particular.

Full-time work on the rise in last two years

- Between October 2008 and July 2009, 483,000 full-time jobs were lost in Canada. It took two and a half years to recoup these losses. Full-time employment has since grown to 14.3 million in March 2013, roughly 374,000 above pre-recession levels.²⁶
- Part-time employment, as a share of all employment, increased from 18.5% in 2008 to 19.4% in 2010, and then fell back to 18.8% in 2012.²⁷ As of March 2013, part-time jobs numbered 3.3 million, 93,000 above pre-recession levels.²⁸
- The highest rate of part-time work is in British Columbia, the lowest in Newfoundland and Labrador.

Part-time work increasing among working-age men

- The overall increase in part-time jobs, while consistent across all demographics, has not impacted each group equally.
- Almost half (47.3%) of the employed 15- to 24-year-olds worked part-time in 2012, compared with only one in four (24.9%) in 1981. This trend reflects both the increase in young people pursuing post-secondary education and changing labour market opportunities.²⁹
- More recently, young people have seen their rate of part-time employment increase from 44.8% in 2007 to 47.3% in 2012.
- Men over age 25, however, have seen the largest increase in part-time work since the recession, with the number of jobs rising by 114,000 between 2007 and 2012, an increase of 23.2%. Women over age 25 have seen a 9.2% increase in the number of part-time jobs over this period.

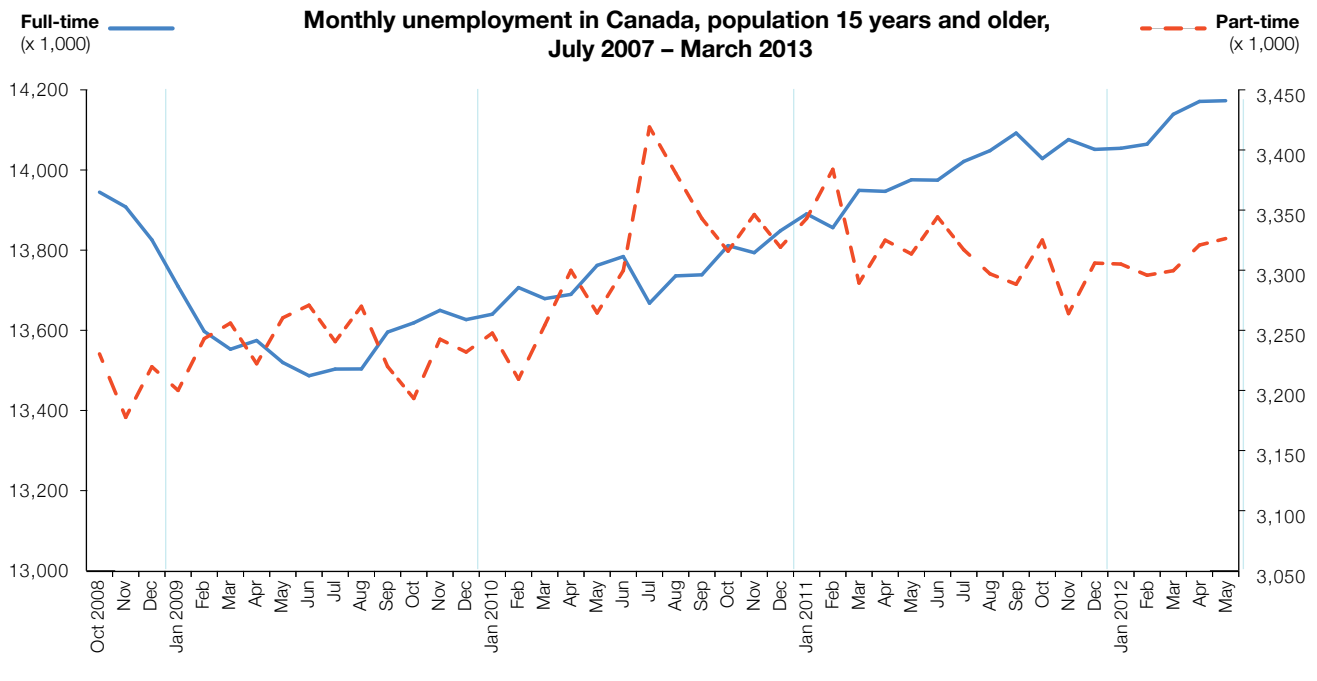
Highest rates of part-time employment in British Columbia

- British Columbia has the highest rate of part-time employment among the provinces, followed by Nova Scotia and Manitoba (21.8%, 19.6%, and 19.3%, respectively).

Rate of involuntary part-time employment remains high four years after end of recession

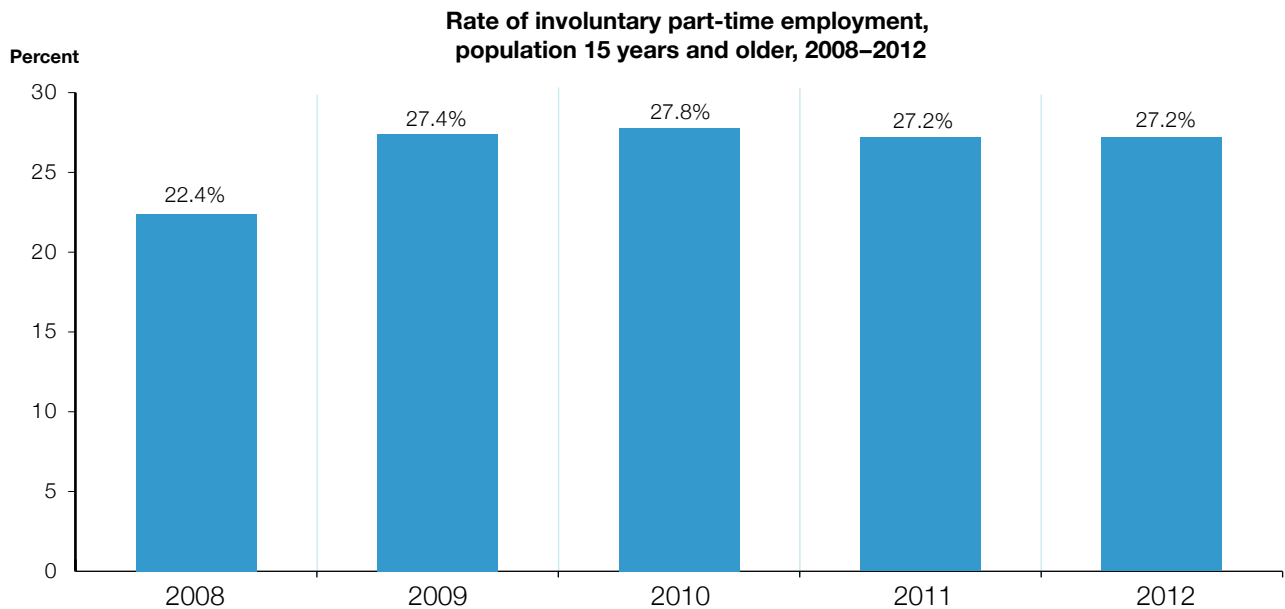
- The number of Canadians who are working part-time involuntarily has grown in lock-step with the rise in part-time jobs. In 2012, 27.2% of part-time workers in Canada stated that they would prefer to work full-time but full-time jobs weren't available. This is well above the pre-recession level of 22.0% in 2007.³⁰
- Defining these people as "unemployed" would have brought the 2012 unemployment rate to 9.6% in 2012 – 2.4 percentage points above the official level at 7.2%.³¹

Steady growth in the number of full-time jobs



Statistics Canada, Table 282-0087 – Labour force survey estimates (LFS), by sex and age group, seasonally adjusted and unadjusted, monthly (persons x 1,000)

Involuntary part-time employment five percentage points above pre-recession levels



Statistics Canada, Table 282-0014 – Labour force survey estimates (LFS), part-time employment by reason for part-time work, sex and age group, annual

Fact Sheet #6

Younger Workers Continue to Struggle

This give and take in the economic data reveals that the recovery has yet to firmly take hold in many sectors of the economy. 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.

Employment situation continues to deteriorate

- Young people have yet to recover from the recession's job losses – and the situation is getting worse. They accounted for more than half of all net job losses during the recession and employment still stands some 212,000 below its pre-recession peak.³²
- In 2012, employment rates for youth slipped to 54.5%, the lowest rate since 2000. Unemployment is still over 14%, where it has been since the beginning of 2009.³³ The unemployment figure rises to 19.8% if we take into account “discouraged” workers and part-time workers who would prefer full-time employment.³⁴

There is a high level of churn in the youth labour market

- Overall, there is a great deal of turnover in the youth labour market as evidenced by high rates of temporary employment and the movement of young people in and out of the labour market.
- The proportion of 20- to 24-year-olds in temporary positions, for example, has risen by 6.6 percentage points since 1997, reaching 29.8% in 2012.³⁵
- As well, the unemployment “inflow” rate and “outflow” rate are both higher among young people than workers 25 years and older, and as a consequence, spells of unemployment tend to be shorter.³⁶

Many young people are in school, others are waiting on the sidelines

- Students, who represented just 16% of the “not-in-the-labour-force” population at the beginning of the recession, accounted for more than half of the growth of this group between October 2008 and October 2010.³⁷

- The uptick in post-secondary attendance and the increase in the number of discouraged workers are driving down the labour force participation rate among youth. The rate has fallen from 67.7% in October 2008 to 64.0% in March 2013. In total, roughly 160,000 young people have left the labour market since the recession began.³⁸

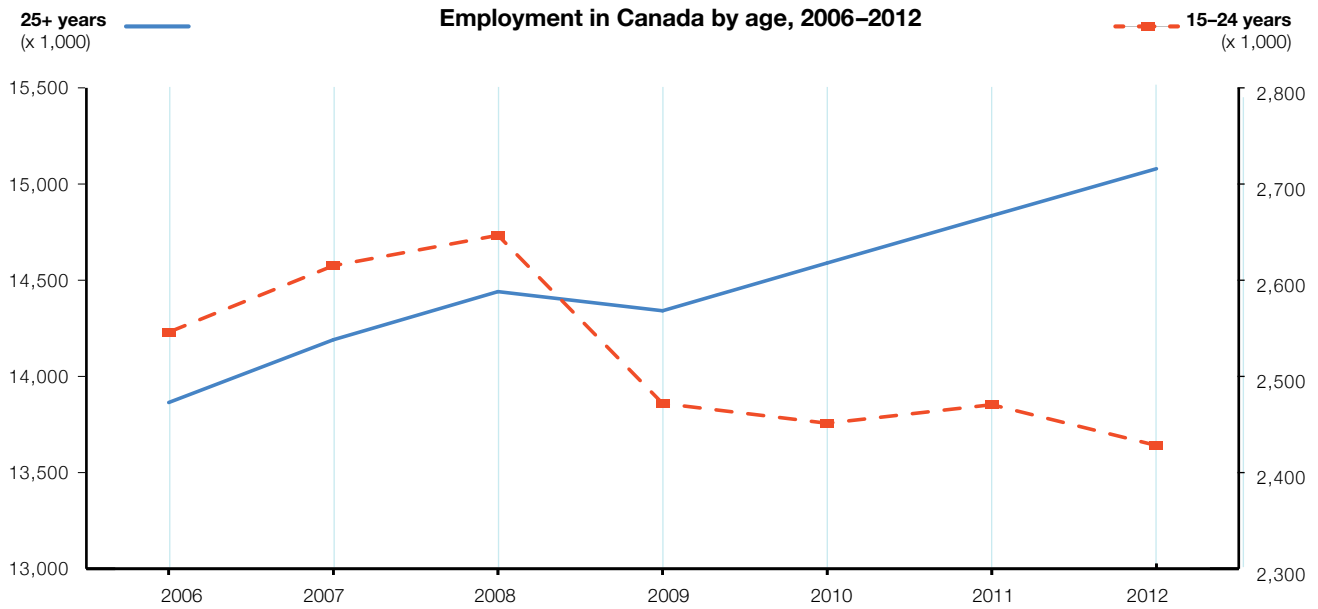
Disengaged from education and the labour market

- One group of particular concern is young people who are Not in Education, Employment, or Training (NEET). Canada's NEET rate is relatively low compared with many European countries, ranging between 12% and 14% over the past decade.
- In 2011, 13.3% of youth were NEET – 5.7% unemployed and 7.5% not in the labour force – with the remainder students (43.7%) or employed (43.0%). However, the NEET rate has increased, by two percentage points since 2008.³⁹

Significant long-term consequences for young people and economy

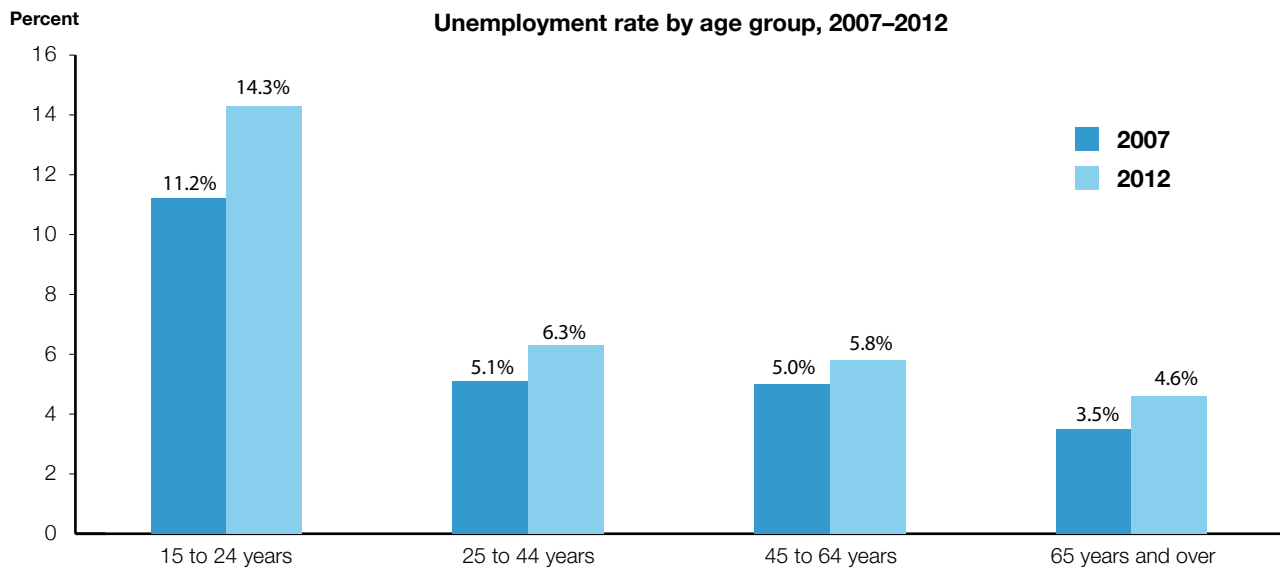
- The impact of today's economic situation will be uneven. Young people with higher levels of education and skill working in growth sectors of the economy will likely do well. Others will struggle in Canada's polarized job market with unemployment and underemployment.
- Today's graduates will likely experience a significant reduction in income over their lifetimes. Known as “wage scarring,” graduates receive fewer job opportunities during the first critical years of their careers, opening up a wage gap that can take years to close – if ever.⁴⁰
- TD Bank has estimated that the rise in youth unemployment in Canada during the recession will cost Canadian youth in excess of \$23.1 billion in lost wages over the 2008–2026 period.⁴¹

Employment is still depressed among Canadian youth



Statistics Canada, Table 282-0080 Labour force survey estimates (LFS), employees by job permanency, North American Industry Classification System (NAICS), sex and age group, annual (persons x 1,000)

Youth unemployment rate remains very high



Statistics Canada, Table 282-0002 – Labour force survey estimates (LFS), by sex and detailed age group, annual

Glossary⁴²

Discouraged workers

Discouraged workers or searchers are defined as those persons who reported wanting to work at a job or business during the survey reference week and were available but who did not look for work because they believed no suitable work was available.

Duration of unemployment

Number of continuous weeks during which a person has been on temporary layoff or without work and looking for work.

Employee

A person who works for others in the public or private sector.

Employment

Employed persons are those who, during the survey reference week, did any work for pay or profit, or had a job and were absent from work.

Employment rate

Number of employed persons expressed as a percentage of the population 15 years of age and over.

Full-time employment

Persons who usually work 30 hours or more per week at their main or only job.

Involuntary part-time employment

Part-time workers who would like to work 30 or more hours per week but report that they are unable to do so because of “business conditions” or because they cannot find full-time work.

Labour force

Civilian non-institutional population 15 years of age and over who, during the survey reference week, were employed or unemployed.

Not in the labour force (NILF)

Persons not in the labour force are those who, during the survey reference week, were unwilling or unable to offer or supply labour services under conditions existing in their labour markets. That is, they were neither employed nor unemployed.

Participation rate

The participation rate is the total labour force expressed as a percentage of the population aged 15 years and over.

Part-time employment

Persons who usually work less than 30 hours per week at their main or only job.

Permanent employment

A permanent job is expected to last as long as the employee wants it, given that business conditions permit, with no pre-determined termination date.

Self-employment

Working owners of an incorporated business, farm, or professional practice, or working owners of an unincorporated business, farm, or professional practice. The latter group also includes self-employed workers who do not own a business (such as babysitters and newspaper carriers). Self-employed workers are subdivided into those with or without paid help.

Temporary employment

A temporary job has a predetermined end date, or will end as soon as a specified project is completed. Information on four types of temporary work is collected: seasonal; temporary, term, or contract, including work done through a temporary help agency; casual; and other temporary work.

Unemployment

Unemployed persons are those who, during the survey reference week, were available for work and were either on temporary layoff, had looked for work in the past four weeks, or had a job to start within the next four weeks.

Unemployment rate

Number of unemployed persons expressed as a percentage of the labour force.



Endnotes

1. Recessions create poverty. In the 1981–1983 recession, Canada’s poverty rate rose by 2.4 percentage points, reaching 14%. In the 1990–1993 recession, the poverty rate rose by 4.1 percentage points, reaching 14.1%. It then continued to rise, peaking in 1996 and only declining to its pre-recession rate 14 years after the recession ended. See Jean-François Arsenault and Andrew Sharpe (2009), *The Economic Crisis through the Lens of Economic Wellbeing*. A special report for the Canadian Index of Wellbeing. https://uwaterloo.ca/canadian-index-wellbeing/sites/ca.canadian-index-wellbeing/files/uploads/files/TheEconomic_Crisis_FullReport.sflb_.pdf
2. See Chandra Pasma (2010), *Bearing the Brunt: How the 2008–2009 Recession Created Poverty for Canadian Families, Citizens for Public Justice*. www.cpj.ca/en/content/bearing-brunt
3. International Labour Organization (2013), *World of Work 2013: Snapshot of Canada*. www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_214524.pdf
4. The analysis in Fact Sheet #1 is based on Statistics Canada, Table 282-0087 – Labour force survey estimates (LFS), by sex and age group, seasonally adjusted and unadjusted, monthly (persons unless otherwise noted).
5. Cyndi Blossie and Guy Gellatly (2013), “Recent Developments in the Canadian Economy: Spring 2013,” *Economic Insights*, No. 023, April 2013, Statistics Canada, Catalogue no. 11-626-X. www.statcan.gc.ca/pub/11-626-x/11-626-x2013023-eng.pdf
6. Jason Gilmore and Sébastien LaRoche-Côté (2011), “Inside the labour market downturn,” *Perspectives on Labour and Income*, Statistics Canada, Catalogue no. 75-001-X. www.statcan.gc.ca/pub/75-001-x/2011001/pdf/11410-eng.pdf
7. Statistics Canada, Table 282-0087.
8. See: Jeannine Usalcas (2011), “Aboriginal People and the Labour Market: Estimates from the Labour Force Survey, 2008–2010,” Statistics Canada, Aboriginal Labour Force Analysis Series, Catalogue no. 71-588-X, no. 3. www.statcan.gc.ca/pub/71-588-x/71-588-x2011003-eng.pdf
9. Statistics Canada, Table 282-0087.
10. Statistics Canada, Table 282-0104 – Labour force survey estimates (LFS), by immigrant status, sex and detailed age group, Canada, annual (persons unless otherwise noted).
11. Statistics Canada, Table 282-0087.
12. Statistics Canada, Table 282-0087.
13. Statistics Canada, Table 282-0086 – Labour force survey estimates (LFS), supplementary unemployment rates by sex and age group, annual.
14. Statistics Canada, Table 282-0002 – Labour force survey estimates (LFS), by sex and detailed age group (percentage change (period-to-period)), annual.
15. Statistics Canada, Table 282-0048 – Labour force survey estimates (LFS), duration of unemployment by sex and age group, annual (persons unless otherwise noted).

16. "Precarious work" is a term used to describe non-standard employment which is poorly paid, insecure, and unprotected. Precarious forms of work have been growing in response to demands for greater workplace flexibility, the growth in low-wage service sector employment, and the spread of information technology. See Leah Vosko, Nancy Zukewick, and Cynthia Cranford (2003), "Precarious Jobs: A New Typology of Employment," *Perspectives on Labour and Income*, Vol. 4, No.104, Catalogue no. 75-001-XIE. www.statcan.gc.ca/pub/75-001-x/01003/6642-eng.html
17. Nir Jaimovich and Henry Siu (2012), "The Trend is the Cycle: Job Polarization and Jobless Recoveries," NBER Working Paper No. 18334. www.nber.org/digest/feb13/w18334.html
18. Statistics Canada, Table 282-0080 – Labour force survey estimates (LFS), employees by job permanency, North American Industry Classification System (NAICS), sex and age group, annual (persons).
19. Statistics Canada, Table 282-0012 – Labour force survey estimates (LFS), employment by class of worker, North American Industry Classification System (NAICS), and sex.
20. Statistics Canada, Table 282-0080.
21. Statistics Canada, Table 282-0073 – Labour force survey estimates (LFS), wages of employees by job permanence, union coverage, sex and age group, unadjusted for seasonality.
22. Statistics Canada, Table 282-0080.
23. Statistics Canada, Table 282-0012.
24. Benjamin Tal (2012), "Quantity and Quality of Job Falling in Tandem," *Canadian Employment Quality Index*, January 2012. http://research.cibcwm.com/economic_public/download/eqi-cda-20120125.pdf
25. Benjamin Tal (2012), "More and Better Jobs... For Now," *Canadian Employment Quality Index*, July 2012. http://research.cibcwm.com/economic_public/download/eqi-cda-20120712.pdf
26. Statistics Canada, Table 282-0087.
27. Statistics Canada, Table 282-0002.
28. Statistics Canada, Table 282-0087.
29. Statistics Canada, Table 282-0002.
30. Statistics Canada, Table 282-0014 – Part-time employment by reason for part-time work, sex and age group, annual.
31. Statistics Canada, Table 282-0086.
32. Statistics Canada, Table 282-0087.
33. Francis Fong (2012), "The plight of younger workers," *Observation*, TD Economics. www.td.com/document/PDF/economics/special/ff0312_younger_workers.pdf
34. Statistics Canada, Table 282-0086.
35. Statistics Canada, Table 282-0080.
36. André Bernard (2013), "Unemployment Dynamics among Canada's Youth," *Economic Insights*, Statistics Canada, Catalogue no. 11 626 X, No. 024. www.statcan.gc.ca/pub/11-626-x/11-626-x2013024-eng.pdf
37. Jason Gilmore and Sébastien LaRoche-Côté (2011), "Inside the labour market downturn," *Perspectives on Labour and Income*, Statistics Canada, Catalogue no. 75-001-X. www.statcan.gc.ca/pub/75-001-x/2011001/pdf/11410-eng.pdf
38. Statistics Canada, Table 282-0087.
39. Katherine Marshall (2012), "Youth neither enrolled nor employed," *Perspectives on Labour and Income*, Statistics Canada, Catalogue no. 75-001-X. www.statcan.gc.ca/pub/75-001-x/2012002/article/11675-eng.pdf
40. Philip Oreopoulos, Till von Wachter, and Andrew Heisz (2006), "The Short- and Long-Term Career Effects of Graduating in a Recession: Hysteresis and Heterogeneity in the Market for College Graduates and Heterogeneity in the Market for College Graduates," NBER Working Paper No. 12159. http://www.nber.org/papers/w12159.pdf?new_window=1
41. Martin Schwerdtfeger (2013), "Assessing the Long Term Cost of Youth Unemployment," Special Report, TD Economics. www.td.com/document/PDF/economics/special/ms0113_YouthUnemp.pdf
42. Please see Statistics Canada (2012), *Guide to the Labour Force Survey 2012*, Catalogue no. 71-543-G. www.statcan.gc.ca/pub/71-543-g/71-543-g2012001-eng.pdf

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