

# Measuring labour underutilisation in Canada during the COVID-19 pandemic

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# Anticipating the impact of COVID-19

- The social and economic impact of the virus accelerated during the LFS March 2020 reference and collection period:
  - March 11: World Health Organization declares COVID-19 a pandemic
  - March 13: Canadian parliament closes
  - March 14: Provinces begin declaring states of emergency, implementing various closures
  - March 16: Border restrictions begin (US/Canada border closed March 18)
  - March 23: Provinces begin to prohibit indoor gatherings and order all non-essential businesses to close
- As businesses began sending workers home, we expected unprecedented results
- Detailed supplemental indicators were needed to understand the full scope



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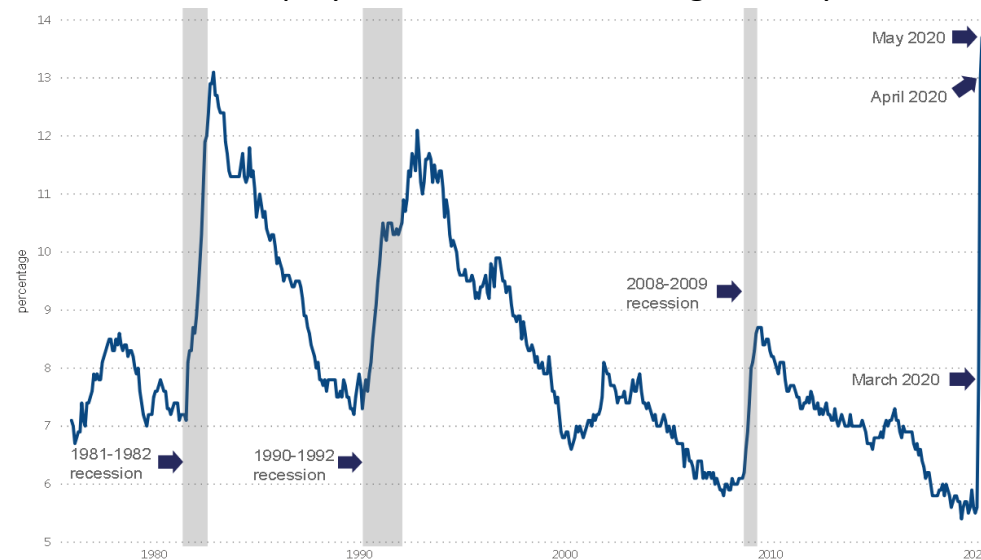
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# High level results were dramatic, but not detailed

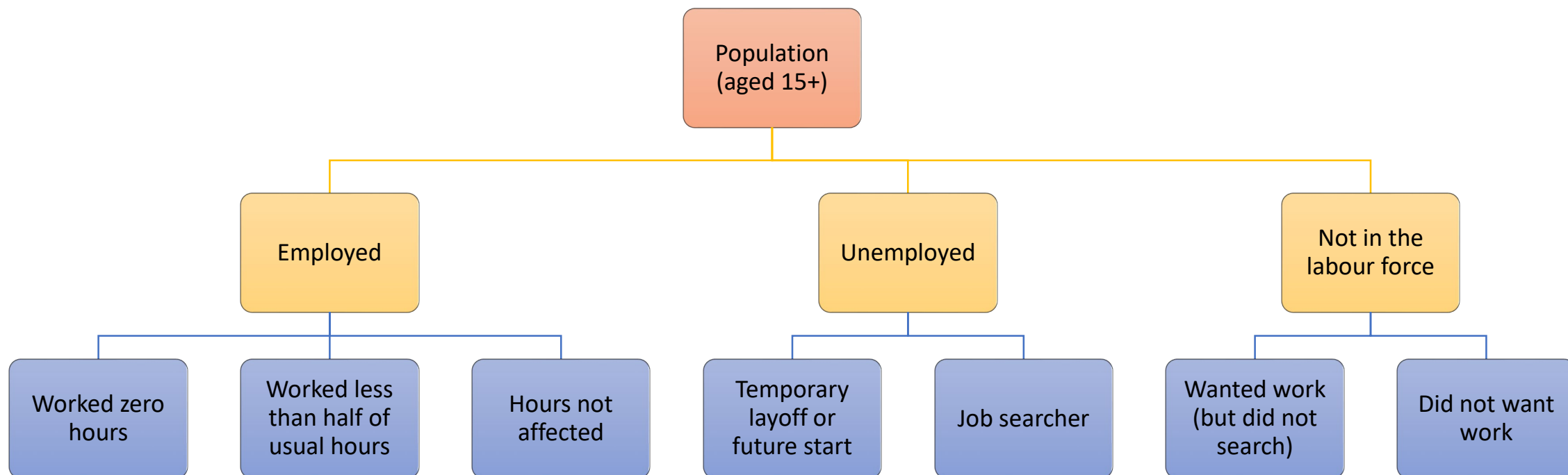
- In March 2020 employment fell by 1 million (-5%), unemployment rate increased 2.2pts to 7.8%
- Needed to go beyond headline indicators, since we expected increases in the number of:
  - jobless not looking for work, as well as many on temporary layoff
  - employed who worked few or zero hours

Chart: Unemployment rate hit record high in May 2020



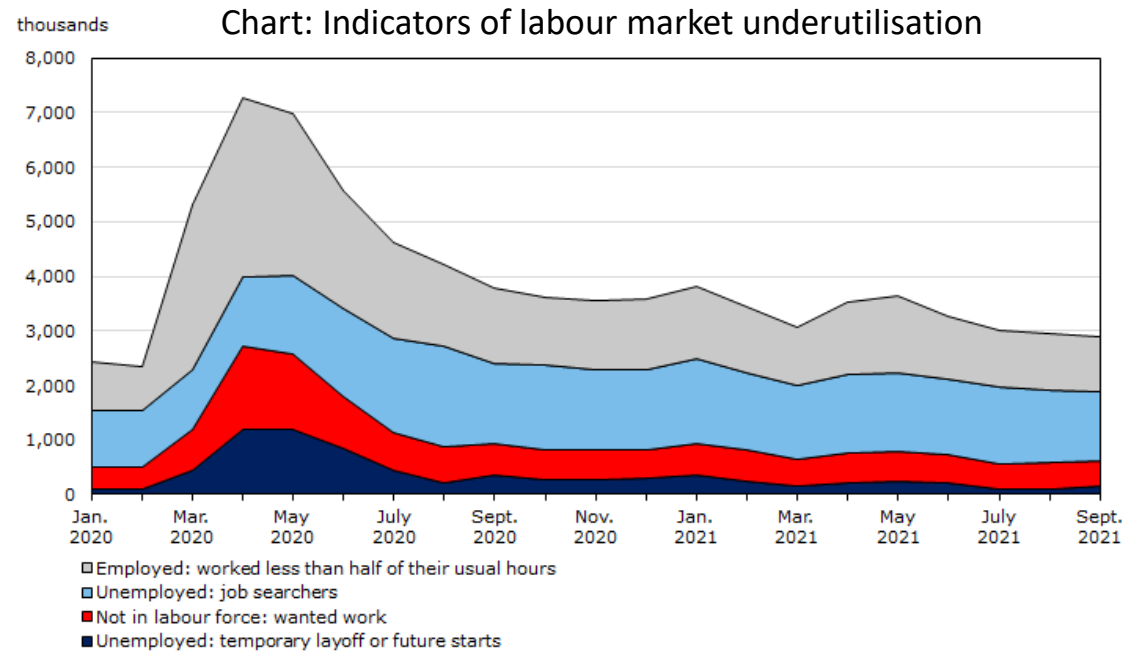
# Using existing variables to disaggregate categories

- Above and beyond net employment and unemployment, we defined labour underutilisation using readily-available variables



# Publishing timely results

- In time for the release of March 2020 data, we prepared seasonally adjusted time-series tables for dissemination and analysis
- Indicators were made available by age group, sex, province, and industry from 1997-present



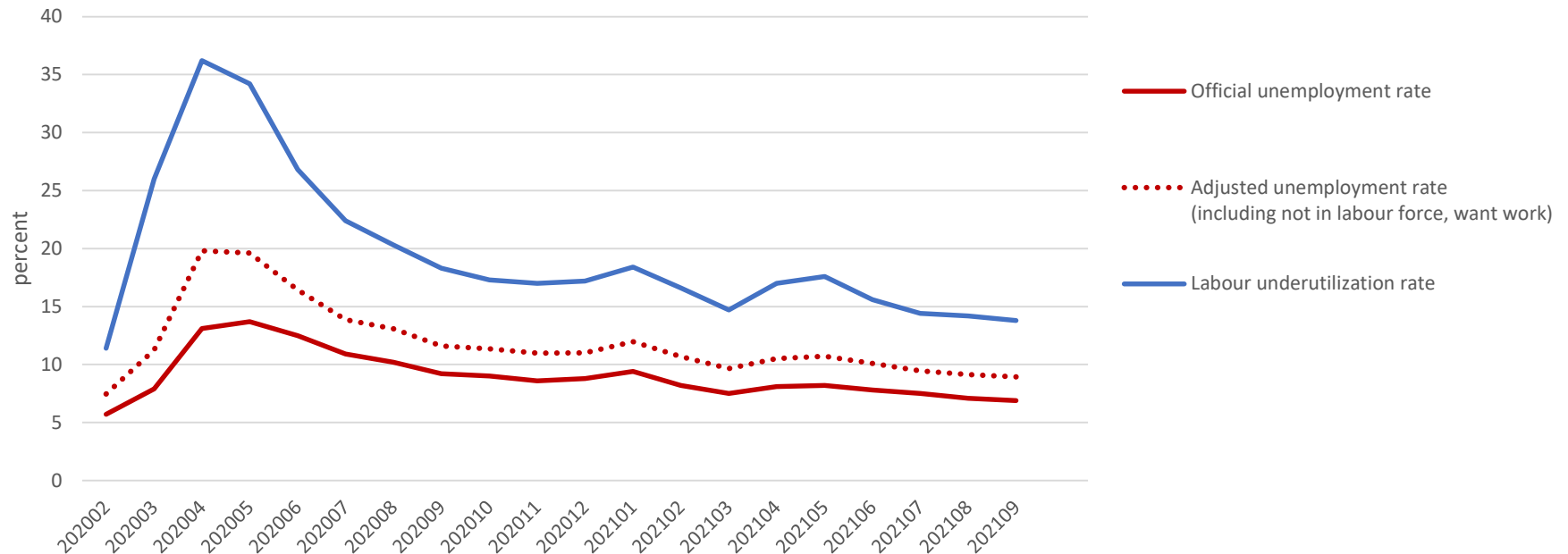
Source(s): Labour Force Survey (3701), custom tabulation, seasonally adjusted.



# Defining underutilisation rate

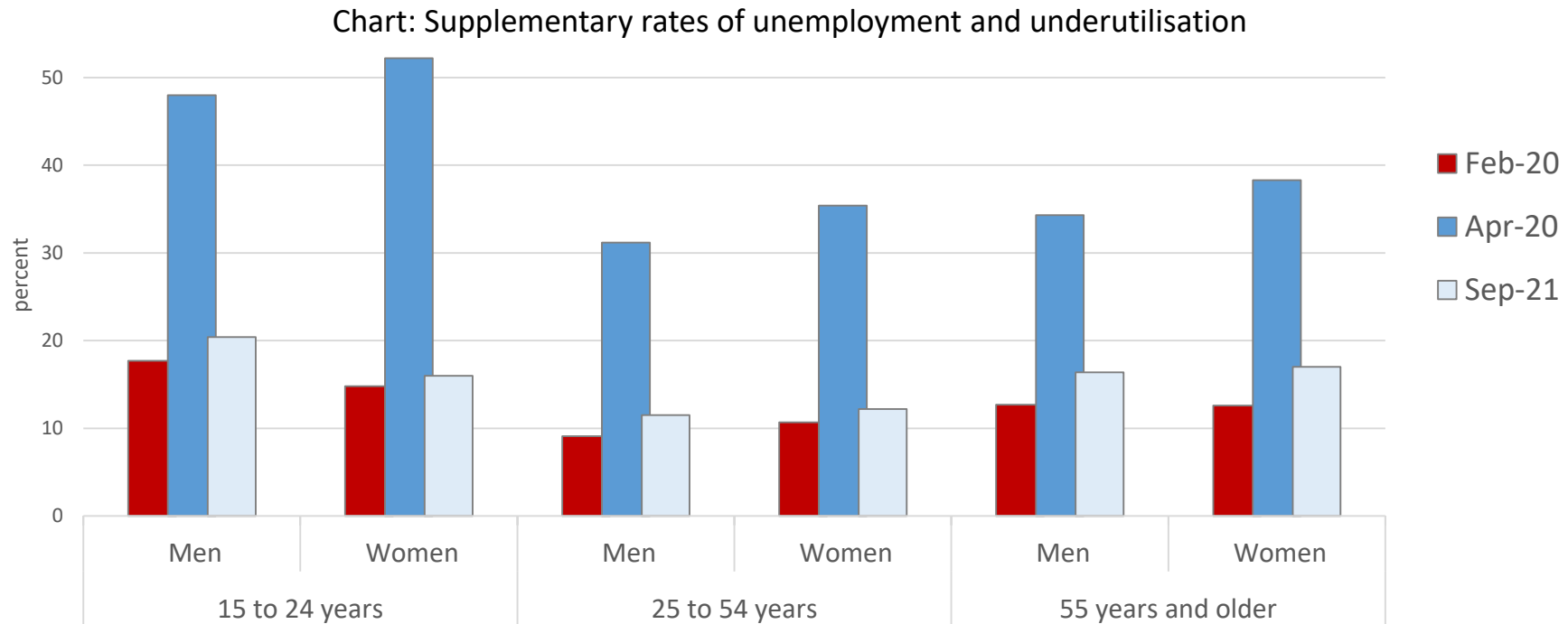
- Supplementary rates were also developed:
  - “Adjusted unemployment rate” (adding those not in labour force who wanted work)
  - “Labour underutilisation rate” (combining indicators as a proportion of the potential labour force)

Chart: Supplementary rates of unemployment and underutilisation



# Analysing underutilisation rate

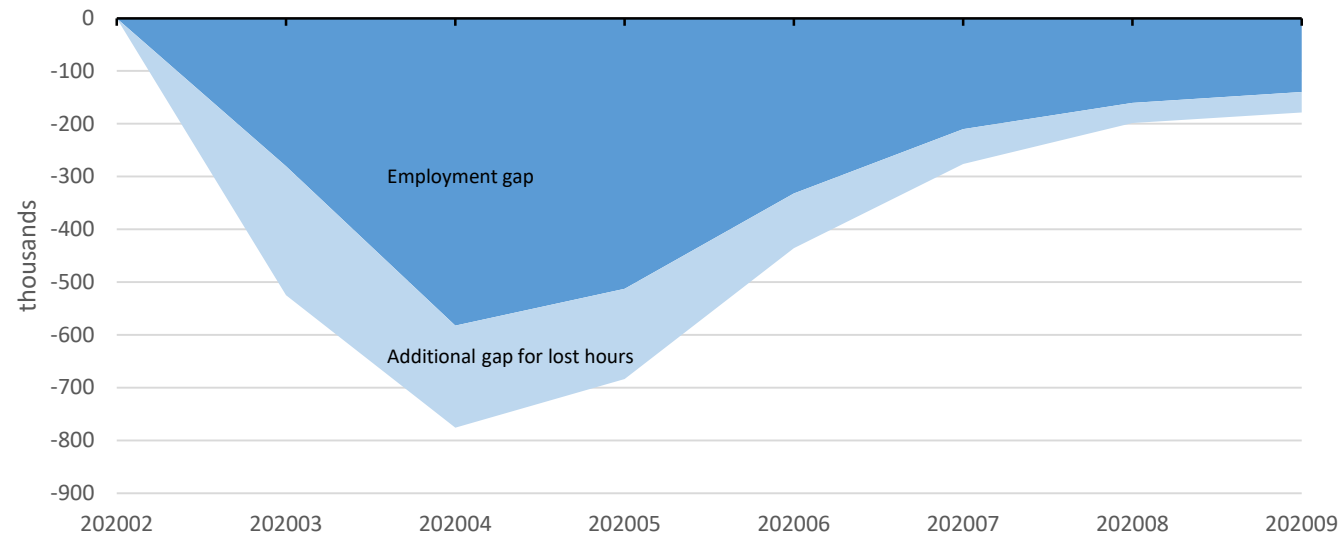
- Rate allows for easy comparison across groups
  - Youth were more likely to be underutilised compared with other age groups
  - Rate increase was more pronounced for women, remains elevated



# Combining indicators for other insights

- Adding those who lost majority of hours to the employment gap reveals dynamics by industries
  - In accommodation and food services, an equal amount of people lost their job as the number who worked less than half their usual hours in March 2020
  - Combined, over 40% (~500k) of the people working in that industry were impacted

Chart: Employment and lost hours gap for “Accommodation and Food Services” compared with February 2020 baseline







# Looking ahead

- The Centre for Labour Market Information continues to leverage its multi-faceted data products to provide a timely picture of the current labour market conditions
- As the economy opens and some government benefits end, our focus is turning to other timely trends:
  - Characteristics of the long-term unemployed
  - Telework
  - Quality of work
  - Compositional effects on wages
  - Dynamics using panel flows data (job “churn”)



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# Contact information

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