

# BC Labour Market Hot Sheet

May 14, 2020

[www.LabourMarketOnline.com](http://www.LabourMarketOnline.com)

## WORST UNEMPLOYMENT IN NEARLY 40 YEARS

### Three million Canadians are unemployed

#### Research / Labour Force Survey

Statistics Canada's latest **Labour Force Survey** paints a detailed and startling picture of our Labour Market. Following a drop of over one million in March, employment fell by nearly two million in April, bringing the total employment decline since the beginning of the COVID-19 economic shutdown to over three million.

In addition, the number of people who were employed but worked less than half of their usual hours for reasons related to COVID-19 increased by 2.5 million from February to April. As of the week of April 12, the cumulative effect of the COVID-19 economic shutdown—the number of Canadians who were either not employed or working substantially reduced hours—was 5.5 million, or more than one-quarter of February's employment level.

In April, both full-time (-1,472,000; -9.7%) and part-time (-522,000; -17.1%) employment fell. Cumulative losses since February totaled 1,946,000 (-12.5%) in full-time work and 1,059,000 (-29.6%) in part-time employment.

The magnitude of the decline in employment since February (-15.7%) far exceeds declines observed in previous labour market downturns. For example, the 1981-1982 recession resulted in a total employment decline of 612,000 (-5.4%) over approximately 17 months.

The unemployment rate rose 5.2 percentage points in April to 13.0%. This followed an increase of 2.2 percentage points in March. Over the period since comparable data became available in 1976, the April unemployment rate was second only to the 13.1% observed in December 1982.

The April unemployment rate would be 17.8%, when adjusted to reflect those who were not counted as unemployed for reasons specific to the COVID-19 economic shutdown. During the week of April 12, 1.1 million people were not in the labour force but had worked recently (in March or April) and wanted to work. They were not counted as unemployed but were counted as not in the labour force because they did not look for work, presumably due to ongoing business closures and very limited opportunities to find new work.

This document is just a sample of this week's **BC Labour Market Report 'Hot Sheet'**. To view the complete report, with links to items such as job postings and events, please review this week's email.

### Job Postings

To post a job here, please email: [BCLMR@Outlook.com](mailto:BCLMR@Outlook.com) (When you write your cover letter, please mention you saw this advertisement in the BC Labour Market Report.)

**Employment Counsellor \*NEW\***  
S.U.C.C.E.S.S.  
Port Moody, British Columbia  
Closes: June 7, 2020

**Summer Employment Counsellor | Temporary \*NEW\***  
Developmental Disabilities Association  
Vancouver, British Columbia  
Closes: Unknown

**Virtual Employment Counsellor \*NEW\***  
ETHOS Career Management Group Ltd.  
Vancouver Island, British Columbia  
Closes: Unknown

Total unemployment grew by 1,285,000 (+113.3%) from February to April. By comparison, during the 1981-1982 recession unemployment rose by 763,000 (+88.6%) over the course of 16 months. In April, almost all (97.0%) of the newly-unemployed were on temporary layoff (not seasonally adjusted), indicating that they expected to return to their former employer as the shutdown is relaxed.

In any given month, the net change in unemployment is the result of the difference between the number of people becoming unemployed and those leaving unemployment. Since the start of the COVID-19 economic shutdown, inflows into unemployment have been increasing sharply, due largely to a rise in the number of people moving from employment to unemployment (+1.1 million since February).

In April, outflows from unemployment also grew as the number of people moving from unemployment to being out of the labour force increased (+214,000). This includes people who wanted a job but stopped looking for one—including those who did not think that work was available—and those who assumed new pursuits, such as caring for family members.

Employment dropped sharply from February to April in each of Canada's three largest **census metropolitan area (CMAs)**. As a proportion of February employment, Montréal recorded the largest decline (-18.0%; -404,000), followed by Vancouver (-17.4%; -256,000) and Toronto (-15.2%; -539,000).

In the CMA of Montréal, the unemployment rate was 18.2% in April, an increase of 13.4 percentage points since February. In comparison, the unemployment rate in Montréal peaked at 10.2% during the 2008/2009 recession. In Toronto, the unemployment rate was 11.1% in April (up 5.6 percentage points since February) and in Vancouver it was 10.8% (up 6.2 percentage points).

## Employment losses spread to construction and manufacturing

### Industry Research / Unemployment

Employment in the construction sector declined by 314,000 or 21.1% in April, after being virtually unchanged in March. Construction in Quebec was particularly impacted, with employment in the sector declining by 38.6% in April.

Compared with February, employment in manufacturing decreased by 302,000 or 17.3% with almost all of the decline happening in April. Employment in transportation equipment, machinery and fabricated metal products decreased the most since February, hinting at bottlenecks in the supply chain and lower demand for some products. At the same time, employment in food manufacturing was relatively stable.

Employment in accommodation and food services declined by 50.0% (-615,000) from February to April. Employment in occupations such as food and beverage services, as well as kitchen staff, decreased the most. The number of managers declined to a lesser degree. The number of hours worked in accommodation and food services in April declined a further 38.6% after having declined in March. Since February, the number of hours worked in the sector decreased by 63.8%.

Employment in wholesale and retail trade fell by 582,000 or 20.2% in the two months to April. The number of hours worked declined by 31.0% over the same

period. Employment in subsectors related to food and beverages has decreased since February, but proportionally less than in subsectors that were not deemed to be essential services.

Despite the considerable challenges facing health care workers on the front lines of treating COVID-19 patients, employment has remained stable in hospitals and nursing and residential care facilities since February. However, declines have been observed in other health care sectors, including ambulatory care, which includes offices of physicians and dentists as well as medical and diagnostic laboratories. Substantial declines have also been observed in social assistance, which includes day care facilities, bringing net employment declines in the health care and social assistance industry grouping to 129,000 (-5.3%) since March and 229,000 (-9.1%) since February.

In March and April, domestic and international demand for oil dropped significantly, resulting in record-low prices. As of the week of April 12, employment in the capital-intensive oil and gas industry had proven to be resilient to these price shocks. Impacts may be observed in the coming months. Since February, employment in the broader natural resources sector has declined 7.4%, with mining and quarrying responsible for the largest variation in both employment and hours worked.

## Youth and recent immigrants hit hardest by job loss

### Demographics / Job Loss

COVID-19 has disproportionately affected Canada's youth (aged 15 to 24). As a group, they are more likely to hold less secure jobs in hard-hit industries such as accommodation and food services. From February to April, employment among youth declined by 873,000 (-34.2%), while an additional 385,000 (or one in four) who remained employed in April lost all or the majority of their usual hours worked (not adjusted for seasonality). Employment declined faster among those aged 15 to 19 (-40.4%) than among those aged 20 to 24 (-31.1%), reflecting the less secure jobs held by those in the younger age category.

Among students aged 15 to 24 in April, the unemployment rate increased to 31.7% (not adjusted for seasonality), signalling that many could face difficulties in continuing to pay for their studies. Among non-student youth, a little more than half were employed in April, down from three-quarters in February (data not seasonally adjusted).

Employment among very recent immigrants (five years or less) fell more sharply from February to April (-23.2%) than it did for those born in Canada (-14.0%). This is partly because this group is more likely than people born in Canada to work in industries which have been particularly affected by the COVID-19 economic shutdown, such as accommodation and food services, and less likely to work in less severely-impacted industries, such as public administration.

Employment among the total landed immigrant population declined by 18.0% from February to April (not adjusted for seasonality), as established immigrants (10 years or more) (-17.0%) and recent immigrants (more than 5 but less than 10 years) (-17.4%) fared better than their very recently-arrived counterparts.

### BC Labour Market Report

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