



2020 Labour Force Survey: May-July 2020

Hamilton & Ontario

Each month we use the Labour Force Survey (LFS) to analyze what is happening in our local and provincial labour market and use the information to update our community. We have been including important information in our newsletter regarding information from the May and June 2020 LFS and below you will find a more detailed report regarding Hamilton and Ontario labour market information including analysis of employment, demographics, sectors and industries.

We will continue to update this report as time goes on to provide a detailed insight to our labour market information.

If you have any questions regarding the information please do not hesitate to contact the Workforce Planning Hamilton team - michelle.garofalo@workforceplanninghamilton.ca and your enquires will be passed on.

JULY 2020

March, April and May saw employment declines but now Ontario has seen two consecutive months of job growth in the province in both June and July. However, the gains in July have slowed down remarkably from the previous month. In June there were 377, 900 job gains while in July there was an increase of 150,700 jobs. By July, only 46% of the jobs have been recovered that were lost due to the economic lockdowns and the pandemic.

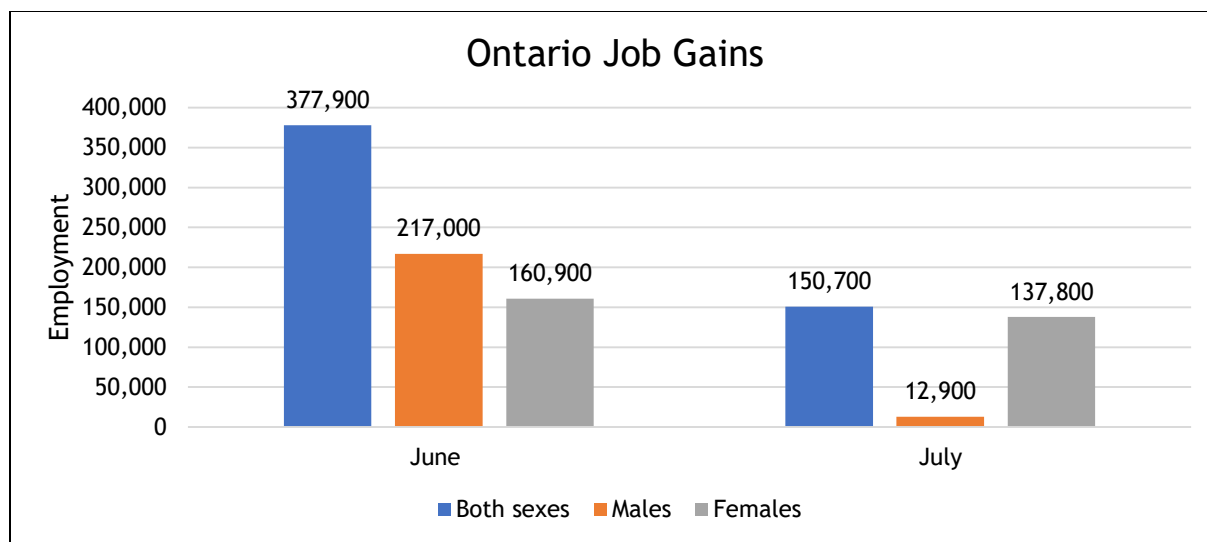
July showed the unemployment rate in Ontario decreased to 11.3% but the decline was at a slower rate than in June. The participation and employment rates are 63.4% and 56.2%, respectively. Further, the supplementary unemployment rates, which indicate the labour underutilization¹, actually increased in July from 16.4% to 17.1%.

Hamilton

In Hamilton, we saw the first month of job increases since February². There was an increase of 9,300 jobs (3%) in July, and the unemployment rate is now at the same rate as Ontario, 11.3%. Hamilton saw a decline of 56,900 jobs between March and June, so there is still a long road to recover all the jobs lost.

¹ The "labour underutilization rate" combines those who were unemployed; those who were not in the labour force, who wanted a job, but did not look for one; and those who were employed but worked less than half of their usual hours

² This is most likely attributed to the Hamilton survey methodology being different than Ontario's. There is a three-month lag at local level data to deal with suppression.



Source: Labour Force Survey

Demographics

The above chart shows there has been a noticeable decrease in job growth occurring from males. In June there were 217,000 job gains for males, while in July there were only 12,900 jobs gains. Females also saw a small increase but not to the same degree. The male unemployment rate actually increased in July to 11.6% from 11.2% in the previous month.

All age groups saw an increase in employment but there was a remarkable slow down among core age workers. Employment increased in June among core-aged workers by 248,400 and in July it only increased by 60,600. There was still a decrease in the unemployment rates among all age groups, but the youth unemployment rate, those ages 15 to 24 years, is still at historic highs at 28.4%. There was an increase in the number of youth entering the labour force but there is still significant job creations need to lower the unemployment rate.

Industries

Top 5 Month-Over-Month Growth in Employment

Ontario		Hamilton	
Industries	Month-Over-Month Change (thousands)	Industries	Month-Over-Month Change (thousands)
Retail trade	35	Wholesale and retail trade	5.2
Health care and social assistance	28.1	Construction	4.8
Information, culture and recreation	26.5	Manufacturing	1.7
Other services (except public administration)	20.9	Accommodation and food services	1.6
Wholesale trade	19.4	Public administration	1.3

Source: Labour Force Survey



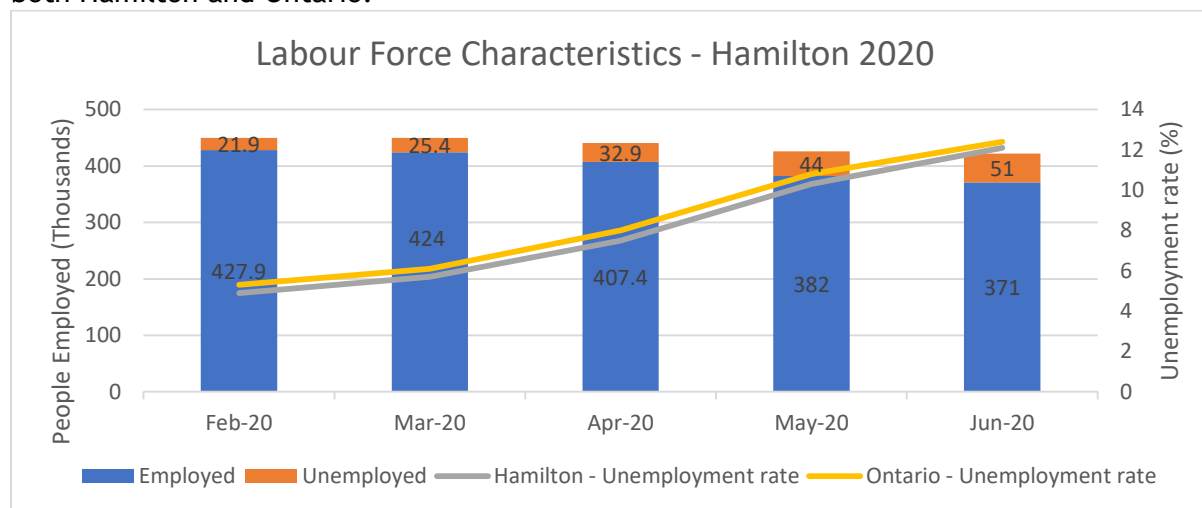
The top industries in Ontario and Hamilton differ but both had Retail trade at the top. However, none of the other industries aligned. The top 5 industries with the most gains for females reflected the same industries in the overall top five industries growing. Industries that have predominately male employees such as Construction and Manufacturing were not in the top five industries for growth. Professional, scientific, and technical services is another industry that has higher male employment and it also did not grow much over the recovery.

JUNE 2020

Across Canada, there has been two consecutive months of employment growth as businesses begin to reopen. In June, Canada saw job gains of nearly one million (41% of jobs returning). June showed the first increases in jobs in Ontario since the pandemic started four months ago - an increase of 377,900 jobs. At this point only one-third of the jobs have been recovered. In Hamilton, there was still a decrease in employment in June (four straight months). It was a smaller decrease than previous months with a loss of 11,000 jobs. In total Hamilton has seen a decline of 56,900 jobs since the pandemic started, a decrease of 13%, and the number of unemployed have increased to from 21,900 to 51,000.

The unemployment rates are still very high. The jobless rates in Ontario are 12.2% and 12.1% in Hamilton, near historic highs. Ontario has seen an increase in the labour force and employment rates as people are starting to enter the labour force. In Hamilton the labour force is still in decline so the participation and employment rates both continued to fall to their lowest levels.³ Additionally, the supplementary unemployment rates which indicates the labour underutilization⁴, is still high at 16.5%. So roughly 1 in 6 workers are not working or being utilized to their full potential across Ontario, showing there is still much slack in the labour market.

The chart below depicts the labour force characteristics since the beginning of the pandemic for both Hamilton and Ontario.



³ During June Ontario started Phase 2 of its economic openings but Hamilton did not enter until later in the month and the survey may have been conducted before Hamilton entered Phase 2

⁴ The "labour underutilization rate" combines those who were unemployed; those who were not in the labour force, who wanted a job, but did not look for one; and those who were employed but worked less than half of their usual hours



Industries

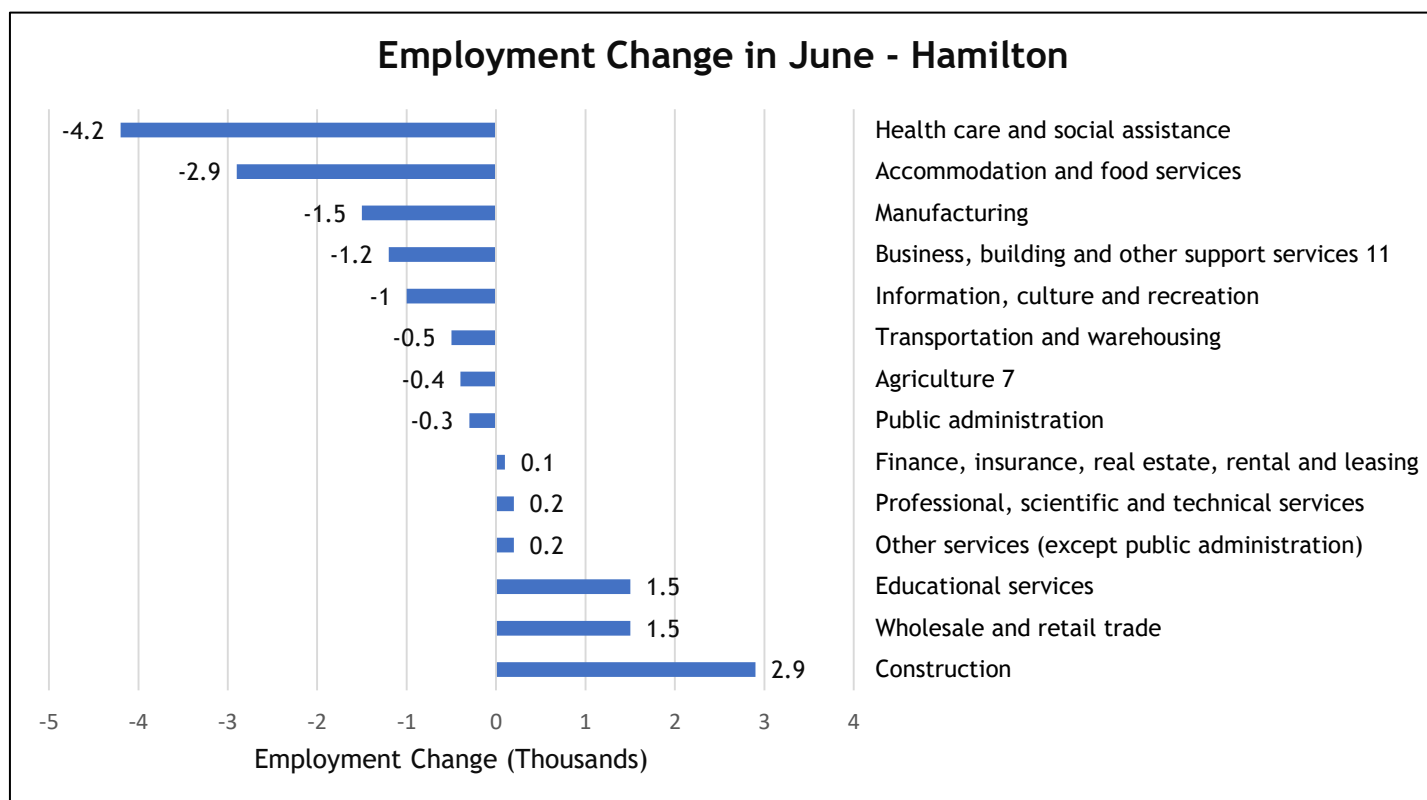
In June, lockdowns started lifting across Ontario, which led to an increase in employment in all industries. Wholesale and retail trade saw the largest increase in employment, increasing by 109,100 jobs. Manufacturing and Construction saw the next two biggest job gains, 74,700 and 56,300 respectively. Retail trade and Accommodation and food services were in the top four of job gains in June, but they still account for the largest decreases since the pandemic started.

Hamilton was delayed in entering phase 2 of the economic openings and as a result, nearly half the industries saw declines. The following industries saw the largest declines: Health care and social assistance (4,200 job decrease); Accommodation and food services (2,900 job decrease); and Manufacturing (1,500 job decrease). This is different than the numbers seen across Ontario.

Manufacturing and Health care and social assistance, two of the three large industries in Hamilton have seen large decreases in employment since the pandemic started. Manufacturing has lost 11,300 jobs (-23%), and Health care and social assistance has lost 13,700 (-21%). For the unemployment rate to recover to where it was prior to the economic lockdown, these industries will need to help lead the recovery.

Additionally, the smallest company's, size 1 to 20 employees, saw the largest gains in terms of total employment and percent growth. Since the start of the pandemic mid-sized companies, 20 to 99 employees, have lost the most workers.

The chart below depicts Employment Changes in June in Hamilton organized by industries.



Source: Labour Force Survey

Occupations & Skill Levels

All Canadian occupations are categorized into a skill level.

- **Skill Level A:** professional jobs that usually call for a degree from a university
- **Skill Level B:** technical jobs and skilled trades that usually call for a college diploma or training as an apprentice
- **Skill Level C:** intermediate jobs that usually call for high school and/or job-specific training
- **Skill Level D:** labour jobs that usually give on the job training

In Hamilton, jobs in skill level C saw the largest declines in June and since the start of the pandemic have had the largest declines. In percentage terms skill level C has declined by 28% and D by 18%. Both A and B declined by 7%.

Service representatives and other customer and personal services occupations declined the most in June, and this occupation has also seen the largest decline since the pandemic started. This occupation is related to the Accommodation and food services and Retail trade industries. Natural and applied sciences and related occupations saw the largest decline in terms of 1-digit NOC in June. Occupations in this group include: life science professionals, engineers, IT professionals, user support technicians.

Other installers, repairers and servicers and material handlers and Service supervisors and specialized service occupations saw the largest increases in Hamilton, both gaining 1,800 jobs

Additionally, temporary jobs saw the largest increase in June in terms of percentage increase. Permanent jobs had the largest increase in total jobs.

Top 5 Employment Gains Month-Over-Month, Hamilton

Skill Level	Occupations	Total Employment (Thousands)	Month-Over-Month Change (Thousands)
	Total employed, all occupations	368.4	-5.6
C	Service representatives and other customer and personal services occupations	12.3	-3.6
B	Administrative and financial supervisors and administrative occupations	21.5	-2.4
D	Service support and other service occupations, n.e.c.	16.6	-2.2
A	Professional occupations in natural and applied sciences	16.4	-1.9
C	Office support occupations	11.9	-1.7

Source: Labour Force Survey



Top 5 Employment Declines Month-Over-Month, Hamilton

Skill Level	Occupations	Total Employment (Thousands)	Month-Over-Month Change (Thousands)
C	Other installers, repairers and servicers and material handlers	8.1	1.8
B	Service supervisors and specialized service occupations	7.1	1.8
B	Retail sales supervisors and specialized sales occupations	15.9	1.4
B	Maintenance and equipment operation trades	17.2	1.4
C	Care providers and educational, legal and public protection support occupations	5.2	1.1

Source: Labour Force Survey

MAY 2020

Employment

The month of May showed employment increasing in Canada. However, Ontario was the only province to see a decline in jobs - a total decline of 64,500 jobs compared to the previous month. Over the last three months, employment has declined by 1,156,500 jobs in Ontario, a 15.3% decline. This led to the unemployment rate increasing to its highest point ever recorded, 13.6%. While the number of employed decreased the number of people looking for jobs and entering the labour force went up. The participation (LFPR) and employment rates (ER) are still at historical lows, 60.1% for LFPR and 52% ER.

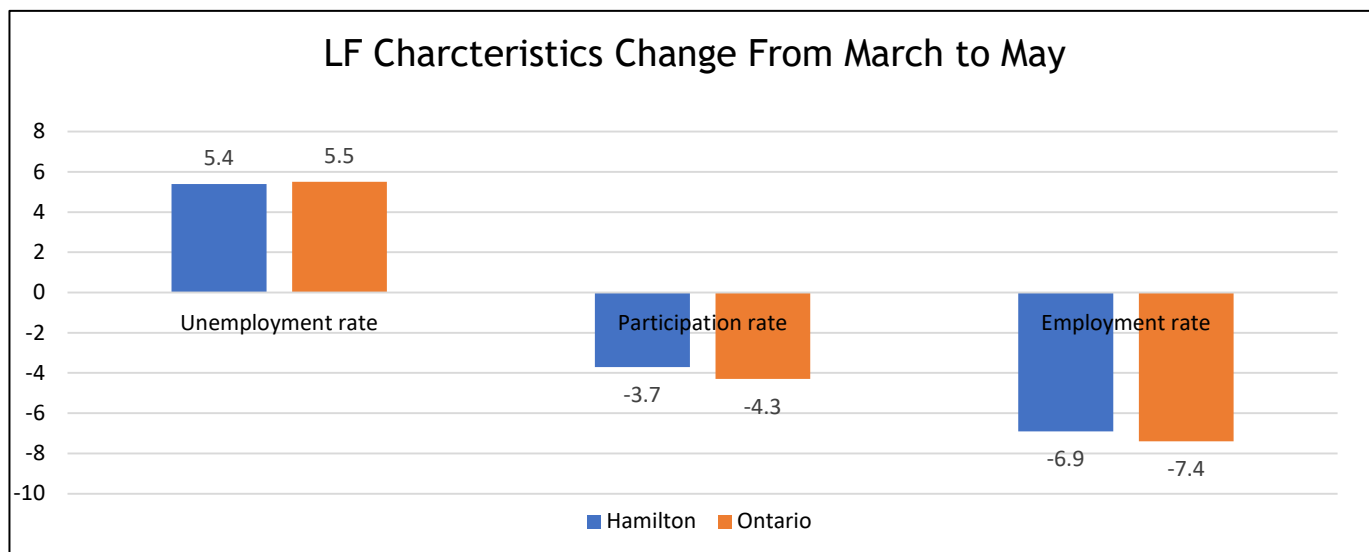
Hamilton

Employment in Hamiltonⁱ decreased by 25,400 jobs in May.ⁱⁱ Over the last three months, employment has decreased by 45,900 jobs, a decline of 10.7%. The unemployment rate raised to 10.3% an increase of 2.3 percentage points from the previous month. There was not an increase in people entering the labour force in Hamilton as the LFPR and ER both declined to 62.1% and 55.7% respectively.

The chart below shows that Hamilton may be weathered the storm better than Ontario. The unemployment rate did not increase as much, and the labour force participation rate and employment rate did not decrease as much as Ontario's.ⁱⁱⁱ

Geography	Labour force characteristics	Feb-20	May-20	Difference
Hamilton	Unemployment rate	4.9	10.3	5.4
	Participation rate	65.8	62.1	-3.7
	Employment rate	62.6	55.7	-6.9
Ontario	Unemployment rate	5.3	10.8	5.5
	Participation rate	65.1	60.8	-4.3
	Employment rate	61.6	54.2	-7.4

Source: Labour Force Survey



Source: Labour Force Survey

Demographics

Age

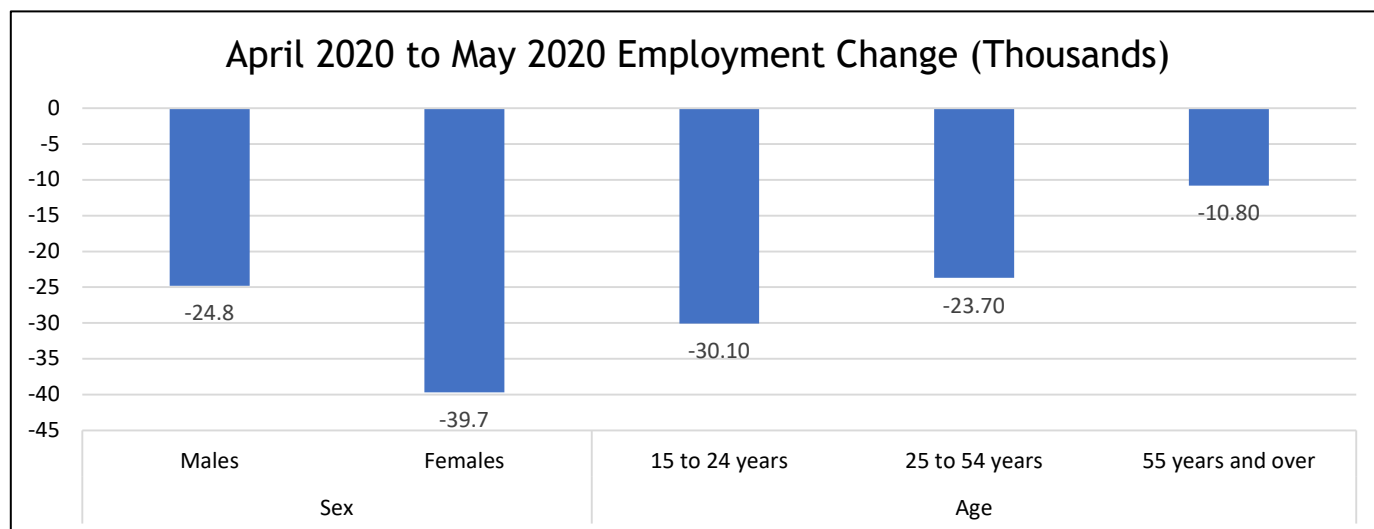
In May, the most job losses occurred among the youngest age cohort aged 15 to 24.^{iv} This age cohort saw employment declined by 30,100 jobs - seeing the largest decline in employment by percent declining by 35% since the pandemic began. The age cohort between 25 to 54 years of age has seen a 12% decline and the cohort of people aged 55 years and older has seen a 13% decrease in employment since the pandemic started.

The 15 to 24 age cohort's unemployment rate is now 30% but the employment rate decreased to 35.2% percent. This means that just over a third of people aged 15 to 24 are working. This rate was over 55 percent at the beginning of the year.

Gender

In May, female workers saw a greater decline in employment than males. Female employment declined by 39,700 jobs, and by 24,800 jobs for males - continuing the same trend which has occurred since the beginning of the pandemic of females seeing a greater decline in employment. Overall, female employment has declined by 17.2% and 13.6% for males over the last three months.

Both males and females saw declines in part-time and full-time jobs declining by about 28% in part-time jobs but female workers saw a greater decrease in full-time jobs declining by 13.6%, while males saw a decline of 11.6%.



Source: Labour Force Survey

Sectors

Sector Losses

The sectors that saw the largest declines in May were Accommodation and food services and Manufacturing, both declining by 6,000 jobs. Since the pandemic began, these two sectors have also seen the largest total job declines: Accommodation and food services, 13,400 (-46%); and Manufacturing 9,800 (-20%). Healthcare and social assistance has also seen large declines with 9,500 jobs lost (-14%).

The largest decline by percent over the last three months are Accommodation and food services, 46% decrease and Information, culture and recreation, declining by 35% (6,300 jobs). It is clear that service industry particularly food services have suffered major declines in Hamilton and across the province.

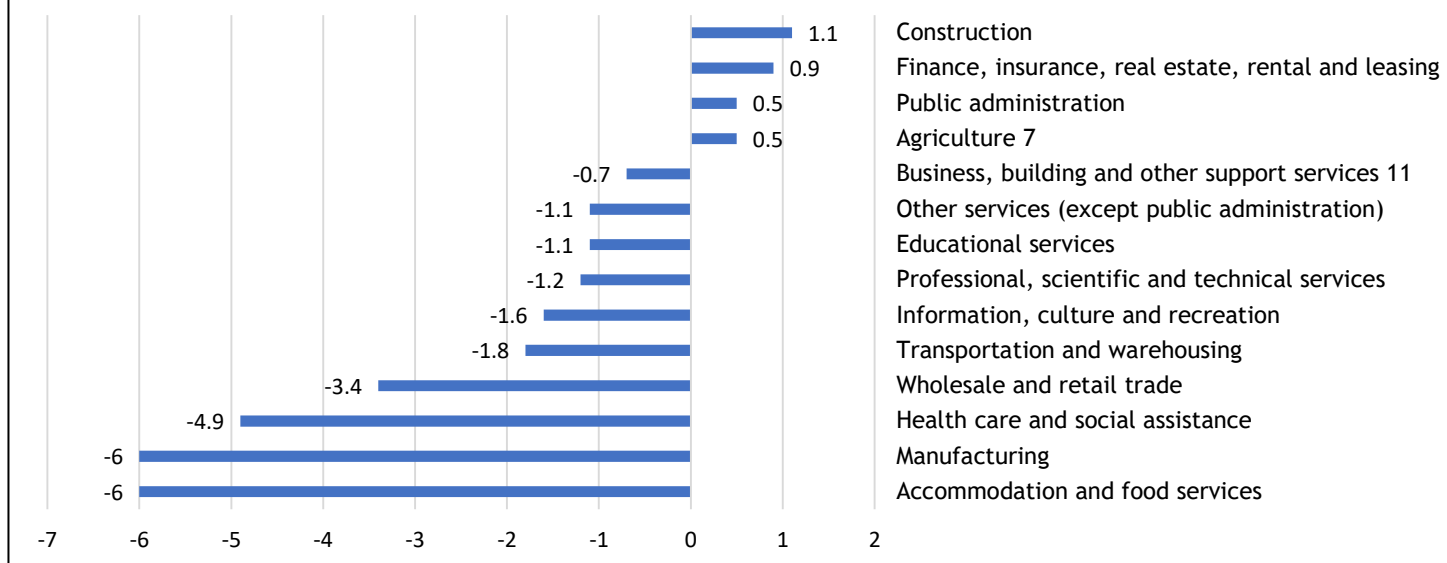
Sector Gains

May showed the first signs of Phase 1 of the Ontario government restrictions beginning to lift. Four industries saw increases in May in Hamilton. Construction saw the largest increases in employment, increasing by 1,100 jobs 3%. This was followed by Finance, insurance, real estate, rental and leasing (+900 jobs) and Public administration (+500 jobs). Agriculture interestingly has seen consistent job increases in Hamilton over the last three months, employing 3,800 workers in May.

The only sectors that have seen increases since the start of the pandemic are: Public administration (+2,800 jobs); Business, building and other support services (+1,400 jobs); Agriculture (+1,200 jobs); and Finance, insurance, real estate, rental and leasing (+1,000 jobs).



Change in Employment (Thousands) April 2020 to May 2020

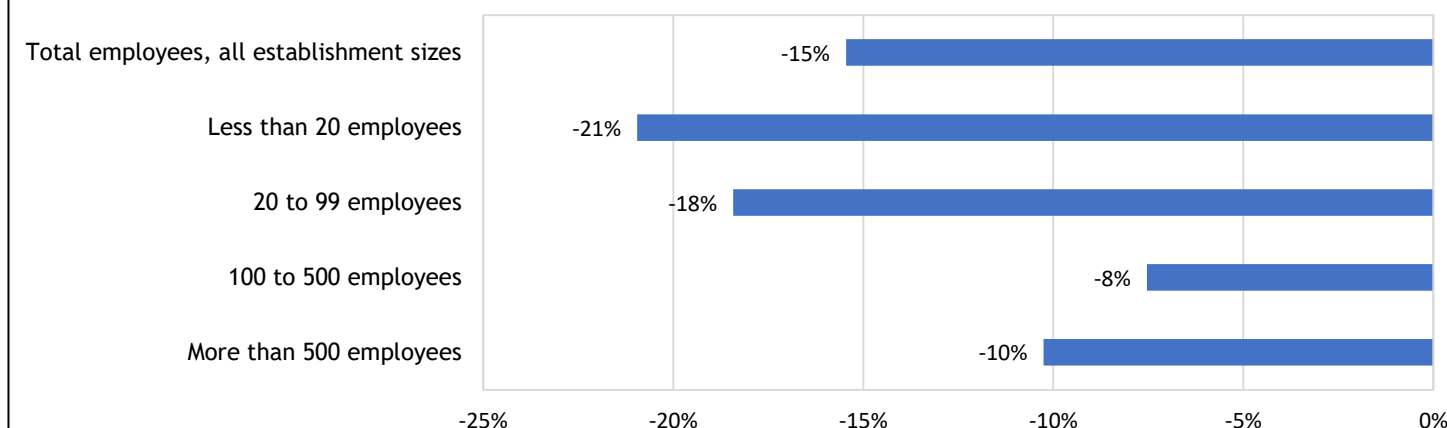


Source: Labour Force Survey

Company Sizes

The smallest companies saw the largest increase in May, increasing by 73,500 jobs or 5%. Companies with 100 to 500 employees also saw a small increase in employment by 2%. In the early stages of the re-opening, small businesses have benefitted the most. However, over the last three months, it is still the smallest employers that saw the largest declines. Businesses with less than 20 employees have declined by 21%, and businesses with 20 to 99 employees have declined by 18%.

% Change in Employment March 2020 to May 2020



Source: Labour Force Survey

Occupations & Skills

All Canadian occupations are categorized into a skill level.

- **Skill Level A:** professional jobs that usually call for a degree from a university
- **Skill Level B:** technical jobs and skilled trades that usually call for a college diploma or training as an apprentice
- **Skill Level C:** intermediate jobs that usually call for high school and/or job-specific training
- **Skill Level D:** labour jobs that usually give on the job training

Since the pandemic began, Hamilton has shown a decline in employment across all skill levels. Skill levels C and D saw the largest declines by percent 24% and 18% respectively. However, when Phase 1 was introduced, in Ontario, and government restrictions began to lift, only skill level B showed job gains.

Two occupations have shown growth in Hamilton during May and throughout the last three months. Administrative and financial supervisors and administrative occupations increased by 2,900 jobs and Maintenance and equipment operation trades increased by 2,400 jobs. These two occupations are both part of skill level B showing the largest increases. However, only 22% of occupational groups (8 out of 36) saw increases since the start of the pandemic

The largest decreases were service type jobs in Hamilton. Service supervisors have seen a decline of 9,000 occupations and specialized service occupations have lost 5,300 jobs. Transport and heavy equipment operation and related maintenance occupations also saw a large decrease with 5,200 job losses.

May also showed an increase in temporary jobs. However, over the course of the pandemic temporary jobs still saw a larger decline in percentage terms, decreasing by 24%, compared to permanent jobs which decreased by 14%.

Top 5 Job Gains in Hamilton since Pandemic Started

Skill Level	Occupations (2-digit NOC)	Feb-20 (Thousands)	May-20 (Thousands)	Change (Thousands)	% Change
B	Maintenance and equipment operation trades	8.8	15.8	7.00	80%
B	Administrative and financial supervisors and administrative occupations	17.9	23.9	6.00	34%
A	Professional occupations in natural and applied sciences	14.2	18.3	4.10	29%
D	Sales support occupations	8.1	10.5	2.40	30%
B	Occupations in front-line public protection services	2.2	3.2	1.00	45%

Source: Labour Force Survey

Top 5 Job Loses in Hamilton Since Pandemic Started

Skill Level	Occupations (2-digit NOC)	Feb-20 (Thousands)	May-20 (Thousands)	Change (Thousands)	% Change
B	Service supervisors and specialized service occupations	14.3	5.3	-9.00	-63%
C	Service representatives and other customer and personal services occupations	21.2	15.9	-5.30	-25%
C	Transport and heavy equipment operation and related maintenance occupations	16.9	11.7	-5.20	-31%
C	Care providers and educational, legal and public protection support occupations	8.8	4.1	-4.70	-53%
B	Technical occupations related to natural and applied sciences	15.4	11.2	-4.20	-27%

Source: Labour Force Survey

As the pandemic continues and our economy slowly begins to reopen, we will continue to monitor the labour force information and provide updates to our community. For more information, please contact info@workforceplanninghamilton.ca

Footnotes:

ⁱ Hamilton data is based on the geography of Hamilton Census Metropolitan Area. This includes Hamilton, Burlington, and Grimsby.

ⁱⁱ There was a three-month lag in Hamilton Census Metropolitan Area's data. Because of the way Statistics Canada compiles the data, May is the first month that we can see the impact of the pandemic at the local level.

ⁱⁱⁱ Ontario's data is a monthly figure that is seasonally adjusted. Hamilton Census Metropolitan Area's data is a three-month lag to deal with data suppression and inaccuracies. This is why the Ontario data in the table could be slightly different than the official rate mentioned. The goal of the comparison is to compare Ontario and Hamilton with the same survey methodology to compare trends.

^{iv} Demographic information is only available for Ontario. It is only released in Hamilton on an annual basis