

Intelligence MEMOS



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To: Canadians Concerned about the Labour Market

Date: April 14, 2020

Re: **DIGGING ONE LEVEL DEEPER INTO MARCH'S WORKFORCE NUMBERS**

The Canadian workforce tumbled historically in March. The Labour Force Survey revealed one million fewer people were employed compared to the previous month. Another 1.2 million who kept their jobs saw their hours reduced; often to zero.

Overall, aggregate hours worked dropped by an unprecedented 18.3 percent compared to February. How historic is this drop? In the onset of the financial crisis from October 2008 to April 2009, hours worked dropped by only 2.4 percent.

In this Intelligence Memo we go beyond the aggregate data to uncover who was affected and by how much. This analysis is crucial to building policy to bridge our economy over the crisis and to forming an understanding of how to bring the economy back when the health threat of COVID-19 diminishes.

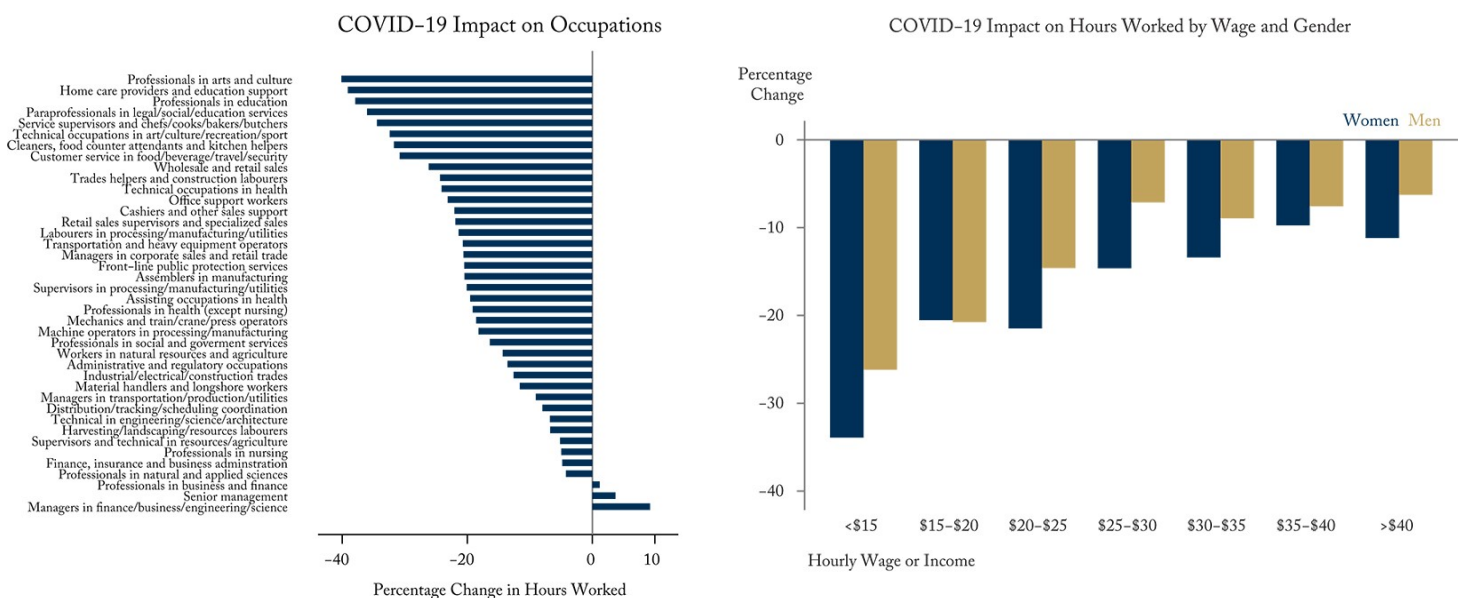
What kind of workers were hurt most so far? Public-facing workers, low-wage earners, and women.

Perhaps predictably, public-facing jobs endured the largest reductions in hours. For example, the hours of professionals in art and culture and in education, as well as home care providers, fell by nearly 40 percent. On the other hand, some occupations by their nature afford opportunities to work from home or alter work arrangements to ensure employee safety. These workplace adjustments offer an important buffer to absorb the COVID-19 shock to our workforce. For this reason, occupations such as sales support and manufacturing jobs experienced a more modest reduction. Those deemed essential, such as nurses or police, continue with relatively stable work hours overall. Some workers, such as those in senior management or specialized middle management, have actually seen their aggregate work hours increase.

Beyond occupations, we can also sort jobs by gender, age, and pay to assess the impact of COVID-19. The decline in hours is larger for lower-wage workers, as the hours for those earning \$15 per hour or less fell by more than 25 percent. At almost every wage level, the impact on hours has been larger for women than men. Overall, aggregate weekly hours for women fell 52 percent more than for men. The impact also appeared larger for youth (age 15–24), who are prominently employed in the service industries forced to shut down for COVID-19. These remarkable impacts on lower-wage workers underscore the importance of the Canadian Emergency Response Benefit, available to those workers least likely to be retained by their employers.

An upside to the March data comes from so many workers maintaining attachment to their employers, even with drastically reduced hours. This attachment should ease the transition back into work when less-restrained economic activities resume. However, the results from the March LFS are unfortunately only the beginning of the labour market crunch, as layoffs and furloughs have deepened since the LFS was in the field from March 15 to 21.

The full extent of the pandemic's impact on the work of Canadians will come into clearer focus with the release of the April numbers on May 8.



Notes: Hours are actual weekly hours on main job. Values are the double-difference: $(\text{March}2020 - \text{February}2020) / \text{February}2020 - (\text{March}2019 - \text{February}2019) / \text{February}2019$.
Source: Labour Force Survey (PUMFs).

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