The Canadian workforce tumbled even further in April with a speed never seen before in the Canadian economy.

The Labour Force Survey revealed three million people have lost their jobs since February. Another 2.5 million who kept their jobs saw their hours significantly reduced, often to zero. These losses reflect both the loss of public-facing jobs that dominated the March job loss figures, and spillovers into construction and manufacturing as shutdowns and interruptions affected workers in these sectors.

Which workers has the COVID-19 crisis affected most so far? The brunt of the impact is on hourly-paid workers, with a much softer blow on those who are salaried.

Women paid hourly lost nearly 40 percent of their work hours between February and April, reflecting job losses more than just a reduction of their hours at work. Women who were salaried lost 12 percent of their work hours, with a minority of this loss representing job loss.

Those losing work since February also tended to be lower-wage, non-union, working with temporary contracts, and relatively low seniority. Combined, these characteristics describe workers with the least bargaining power in the labour market. This type of worker is most reliant on government to frame their relationship with their employer, through employment standards legislation and other government policy.

The current economic downturn is clearly different from past recessions in Canada in many ways, but a particularly stark difference is the impact of this recession on the lowest-wage workers. Looking back at the 2008-09 recession, we see a slightly smaller impact on those with higher-wage jobs, but the impact showed no consistent pattern across wage levels.

In contrast, the COVID-19 shutdowns have clearly affected those with the lowest wages. Among those earning $15 per hour or less, hours worked fell by more than 50 percent. On the other end of the wage spectrum, those earning $40 per hour or more experienced only a six percent reduction in hours since February.

What is in store for the Canadian labour market in the months to come? The May Labour Force Survey is in the field this week, and few provinces have relaxed shutdown conditions yet. So, while we do not expect a further large deterioration in the May numbers, it is unlikely to reveal much sign of recovery.

Looking forward to June, the re-opening plans announced by most provinces show substantial relaxation of formal health-related constraints by mid-month. For this reason, barring further resurgence of COVID-19 cases, we expect the labour market to begin its recovery in June.

Our expectations for the form of the labour market recovery are driven by the data we have observed so far – impact has been highest on low-wage earners, women, and public-facing occupations. These facts suggest three necessary factors to spark the labour market recovery.

First, we need to contain the outbreak and prevent further spread of the virus as much as possible. Without confidence in public health, consumers and workers will be held back by fear of infection.

Second, labour standards around safe work and sick leave need to be optimized for the world with COVID-19. Both workers and employers benefit from clear rules that produce safe workplaces and a healthy workforce.

Third, the influence of home life on work must be addressed. For example, life with COVID-19 means that childcare responsibilities curtail the ability of many productive workers to contribute their full efforts to work. Such barriers impede the work of women more than men, and a COVID-19 recovery should not leave productive workers behind.

COVID-19 hurt the Canadian labour market like nothing seen before. But a recovery from the depths of the labour market crisis is possible if policy makers get these data-driven responses in place quickly.

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**COVID-19 Impact on Aggregate Hours Worked**

*Hours are actual weekly hours on all jobs. Changes are from February to April 2020. Source: Labour Force Survey (PUMFs).*

**Change in Aggregate Weekly Hours worked**

*Hours are actual weekly hours on the main job. 2008 recession is September 2008 to April 2009. COVID-19 shutdown is February to April 2020. Earnings are adjusted for inflation. Source: Labour Force Survey (PUMFs).*