

2023

# Pandemic in Labour

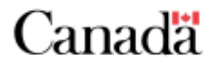


Prepared by: Durham Workforce Authority

## Disclaimer

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## Introduction and Project Overview

### Background

When 2022 began there was a clear trend of an increasingly tight labour market.

Several factors have played a role in the shortage of labour. Demographic shifts, migration flows, and immigration reductions are some factors. The fastest growing age group are those aged 65 and over. This trend is not pandemic-related but reflects the aging baby boomer generation. Those over 65 tend to have the lowest labour force participation rate, and that has been pulling down the growth of Canada's labour force. In addition, there was an increase in retirements early in the pandemic that further reduced labour force growth.

Immigration has historically helped Canada's labour force grow; the pandemic has caused significant disruptions to immigration flows. Borders were closed, and Canada fell short of its 2020 immigration target by approximately 156,000 people.

In Oshawa Census Metropolitan Area (CMA), the unemployment rate fell to 4.3 per cent in December 2022, down from 6.3 per cent in January 2022 and this is down from 7.1 per cent in February 2020

(Statistics Canada, February 2023). Between January and December 2022, the Oshawa CMA economy added 6,300 jobs, with employment climbing +2.9 per cent to 227,100 in December 2022, compared to 220,800 in January 2022 (Statistics Canada, February 2023).

### Project Scope

The Pandemic in Labour report presents trends in the national, provincial, and regional labour market in 2022, including economic trends, technological advancements, that may result in shifts in employment rates, job opportunities, and working conditions. The report tracks supply and demand shocks, analyzes supply/demand data, and identifies industry- and occupation-specific opportunities and challenges in the post-pandemic world.

Employers across all sectors have expressed concerns that they cannot hire workers in all sectors and occupation profiles.

### Project Objective

- Report to understand supply and demand shocks of the COVID-19 pandemic and their implications for the local labour market in the post-pandemic world.
- Qualitative content analysis on labour market issues and trends faced by both employees and employers in Durham Region.

### Methodology

The Pandemic in Labour report used several methods to develop a better understanding of the labour market trends and workforce emerging challenges, including:

#### 1. Environmental Scan/Literature Review

A comprehensive environmental scan was conducted to collect labour market and workforce information. The environmental scan focused on labour market trends and challenges, including workforce shortages, job vacancies, recruitment and retention challenges, hybrid working, and skills gaps.

#### 2. Ad hoc Committee

In late 2022, the Durham Workforce Authority (DWA) convened an ad hoc committee to make recommendations on developing and implementing the Pandemic in Labour outline, environmental scan, and data gathering. The Committee, comprised of Durham Region community members, service providers, and stakeholders, met two times twice during the research period. We are grateful to the ad hoc committee for their invaluable input and commitment which enabled us to create the Pandemic in Labour Report.

#### 3. Data Analysis

The data analysis was based on Statistics Canada's data programmes:

- Census of Population (2011, 2016 and 2021),
- Labour Force Survey,
- Canadian Survey on Business Conditions,
- Job Vacancy and Wage Survey,
- the Canadian Survey Disability.
- Job First Durham (JFD) tool.

The Census of Population is conducted every four years. The Labour Force Survey is a monthly survey which measures the current state of the Canadian labour market and is used, to calculate the national, provincial, territorial, and regional employment and unemployment rates.

### **Sex at Birth and Gender:**

It is important to note that Men+ and Women+ are new categories Statistics Canada used when breaking down data by gender; the (+) symbol refers to non-binary persons. This is primarily due to the latest statistical standards on gender and sex at birth that Statistics Canada published in April 2018, and used in the 2021 Census.

Based on this new standard, the 2021 Census collected data on sex at birth and gender. Sex at birth refers to the sex assigned at birth. Gender refers to an individual's personal and social identity as a man, woman or non-binary person (a person who is not exclusively a man or a woman). It is important to note that previous versions of the classification of gender did not include the distinction between men, women and non-binary distinction between cisgender, transgender and non-binary people until 2021.

The DWA will continue to work to report more diverse data as it becomes available.

### *Oshawa Census Metropolitan Area (CMA)*

Durham Region's geography is limited. The Oshawa CMA includes Clarington, Whitby, and Oshawa. While Ajax, Pickering and Uxbridge are part of the Toronto Census Metropolitan Area – which also includes York Region, and areas of Peel Region. Brock and Scugog are statistically too small to be included in the Statistics Canada's monthly Surveys. The DWA utilizes data for the Oshawa CMA as a proxy for Durham Region given that it includes the highest proportion of Durham Region residents and provides the best depiction of the labour market in the Region as a whole.

## Environmental Scan (Canada, Ontario, and Durham Region)

Environmental scans aim to understand context, collect information, and identify resources, links, and gaps - which is seen as a useful method in strategic planning and project development. For this reason, a comprehensive environmental scan was conducted to collect national, provincial, and regional information and data on the labour market trends and workforce emerging challenges. This environmental scan includes.

- Overview of labour market conditions, including business conditions, challenges facing the labour force, and emerging trends in the labour market.
- Overview of the labour force characteristics, including employment and unemployment trends.
- Overview of diversity and inclusion in the labour market, including a snapshot of diversity in Durham Region, labour market outcomes, wage gaps, and educational attainment for underrepresented groups
- Analysis data from Job First Durham, including labour demand, job postings by occupation, and job postings by industry.
- Overview of job vacancies trends, including the actual number and rate of vacancies, vacancies by industry and occupation, and characteristics of job vacancies.

- Overview of the retirement trends, including the change in median retirement age and retirement expectations.

## Labour Market Conditions

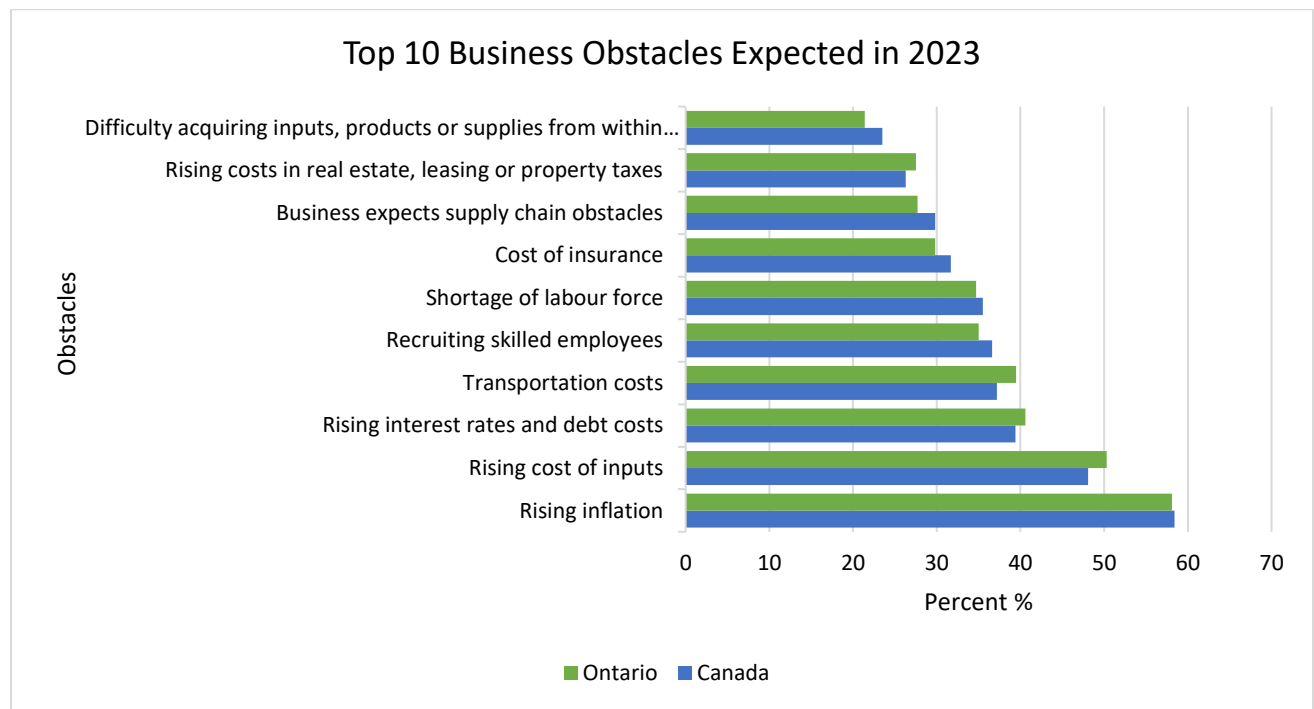
The pandemic has severely disrupted the labour market, and policy makers, employers, and job seekers need to have a firm grasp of the current conditions to make informed decisions. A thorough understanding of current labour market conditions will be essential to our collective success in a post-pandemic period.

### 1. Businesses Conditions

In the Spring of 2020, Statistics Canada, in partnership with the Canadian Chamber of Commerce, introduced the Canadian Survey on Business Conditions (CSBC), to provide timely, relevant data on business conditions in Canada, as well as business expectations and views on emerging issues. The data of this survey can only be derived at the national, provincial and territorial levels. Durham Region data from this survey is included in the provincial data.

At the time of writing this report, the most recent available quarterly CSBC data was the fourth quarter of 2022, collected from October 3 to November 7, 2022. The results of this iteration (Q4) of the survey were based on responses from 17,363 businesses or organizations.

Figure 1: Top 10 Business Obstacles Expected in 2023



Source: Statistics Canada, Canadian Survey on Businesses Condition, Table 33-10-0603-01

Examining Figure 1, the top near-term obstacles for Canadian companies in 2023 can be broken down into three categories:



## Labour challenges

According to the CSBC data, although improvements have been observed over the past year, labour shortages, and recruitment and retention employee continue to be significant concerns for businesses. Further analysis of these labour challenges will be presented in the following section.

## 2. Labour Force Challenges

At the beginning of 2022, employers' need for labour was outpacing the labour market's ability to supply it. This has been characterized by low unemployment rates and high labour force participation among those in the core working ages of 25 to 54. This section examines the labour force challenges including labour shortages, and recruitment and retention challenges.

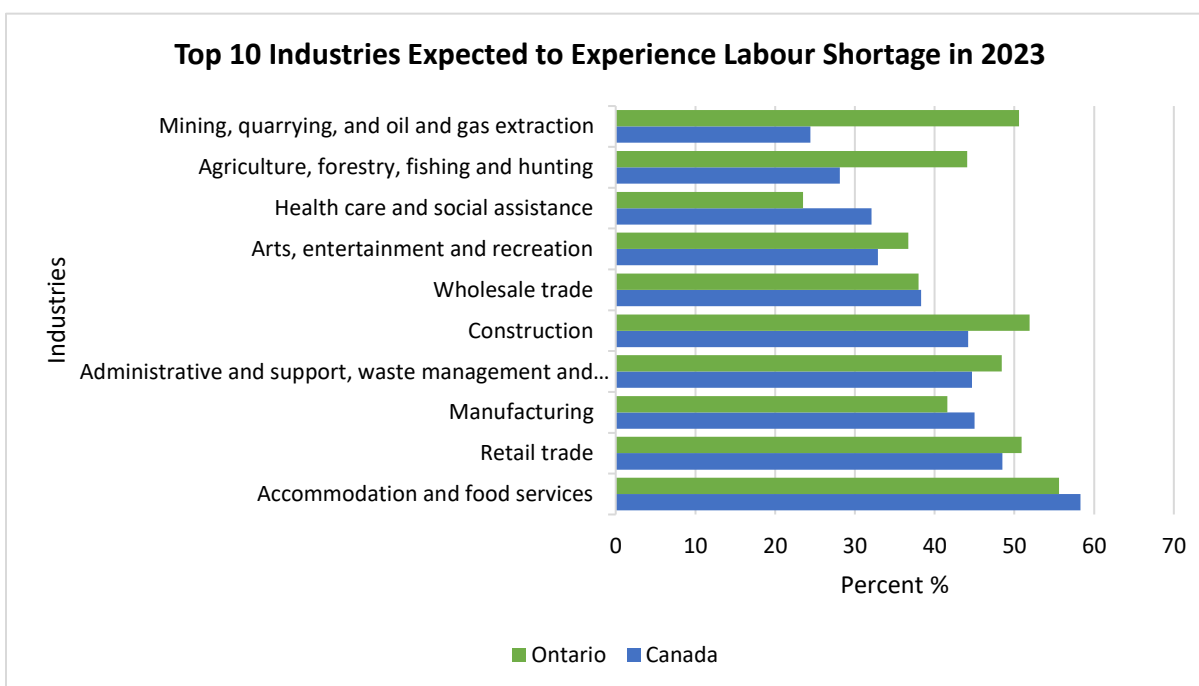
### 2.1 Labour Shortage

The term "labour shortage" refers to a situation where the demand for labour exceeds the supply of labour in a particular place and occupation (Durham Workforce Authority, 2020). According to the CSBC data, since the Q1 of 2021, the proportion of businesses expecting a labour shortage to be an obstacle grew steadily from 19.5 per cent, to 35.5 per cent in Q4 of 2022, but is down by 1.6 per cent compared to 37.1 in the Q3 of 2022 (Statistics Canada, 2022a).

To cope with this challenge, businesses are rethinking their strategies and prioritizing recruiting and retention, as well as adjusting their operating procedures to manage rising labour shortages (Canadian Chamber of Commerce, 2022). This presents an opportunity for businesses to consider hiring people from underrepresented groups, including Indigenous people, visible minorities, immigrants, women, persons with disabilities, and the 2SLGBTQI+ community.

According to CSBC, businesses across all sectors expect to face a workforce shortage in the post-pandemic world.

Figure 2: Top 10 Industries Expected to Experience Labour Shortage in 2023



The talent competition, and the labour force shortages driven by several factors, including:

#### Demographic shifts

In Canada, the fastest growing age group was aged 65 and over. Those over 65 tend to have the lowest labour force participation rate, and that has been pulling down the growth of Canada's labour force in recent years (Macklem, 2022).

Statistics Canada reports that this shift will have far-reaching effects on employment, health and home care services, housing, transportation, and consumption patterns. Additionally, this change will impact younger generations and spouses who are typically responsible for providing care to the elderly. This is especially true for women, who tend to take on caregiving roles in families, which may result in more working-age women caring for their parents and children (Statistics Canada, April 2022).

#### Immigration Slowdown

Labour shortages may have been magnified by immigration flows disturbance due to the COVID-19 pandemic. The pandemic led to border closings, resulting in Canada falling short of its immigration target for 2020 by approximately 156,000 individuals, which includes an estimated 100,000 workers, according to Macklem (2022).

#### Retirements

COVID-19 prompted many people approaching retirement age to exit a few years earlier than planned. An increase in retirements early in the pandemic has reduced labour force growth. In this context, the National Professional Services Firm, MNP, projected a significant number of retirements over the next few years (MNP, October 2022).

At the onset of the pandemic, workers were laid off, turned to self-employment or retired early. When the economy reopened, organizations could not find enough workers to meet pent-up demand for goods and services (Wilson, in October 2022).

## 2.2 Recruiting and Retaining Skilled Employees

The CSBC's Q4 results indicated that recruiting skilled employees was expected to be an obstacle for 36 per cent of all businesses, while retaining skilled employees was expected to be an obstacle for 26 per cent.

Skilled workers refer to highly trained, educated, or experienced segments of the workforce that can complete more complex mental or physical tasks. The DWA, defines "skilled workers" as workers who possess the skills outlined in the Skills for Success Framework, formerly known as Essential Skills, which was introduced by the Office of Literacy and Essential Skills (OLES) in May 2021. These skills, which are necessary for learning, work, and life, include foundational skills for building new skills and knowledge, as well as important skills for effective social interaction. These skills overlap and interact with each other and with other technical and life skills and can be adapted to different contexts. (See Appendix 3)

#### Recruiting skilled employees

The CSBC's Q4 results indicated that the proportion of businesses expecting recruiting skilled labour to be an obstacle declined by 2.3 per cent, from 38.9 per cent in the Q3 of 2022, to 36.6 per cent in Q4 of 2022, but it is still 1.2 per cent higher than the same period last year (Statistics Canada, 2022b).

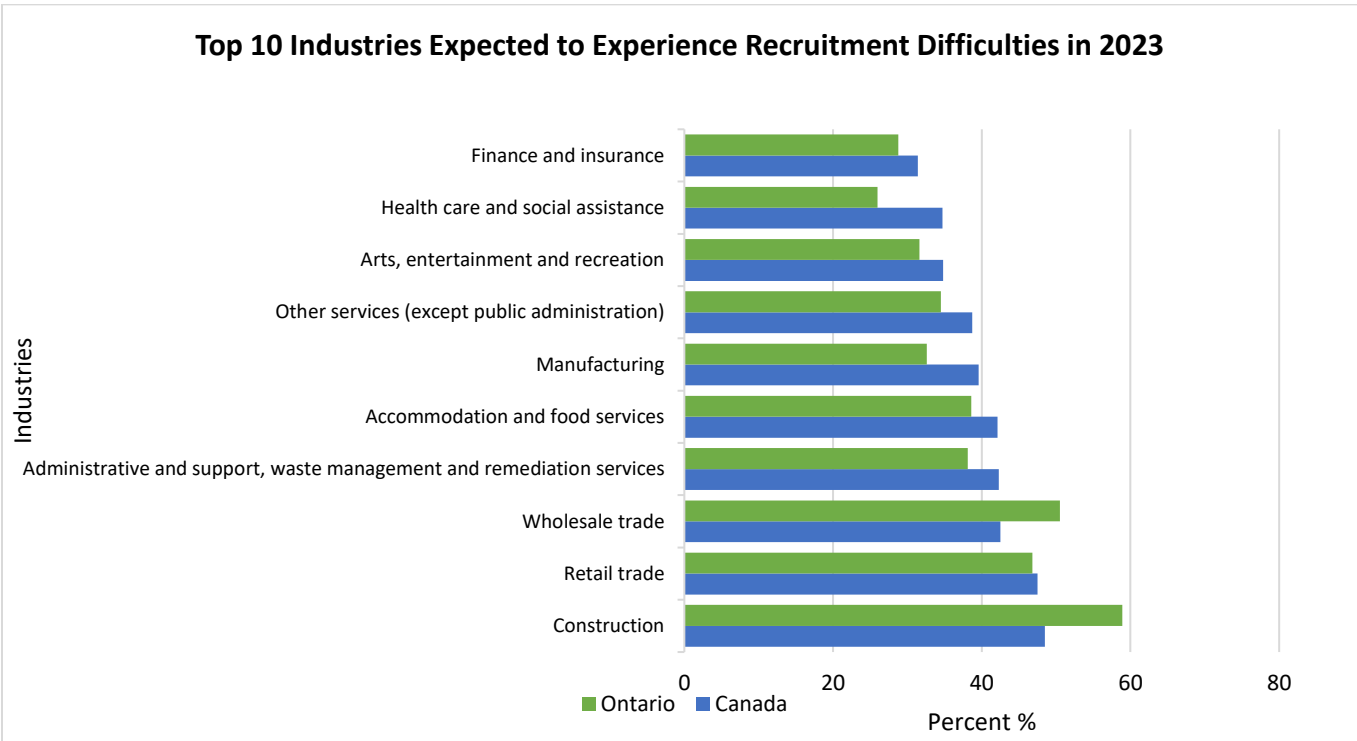
The term “recruitment difficulties” refers to situations when employers cannot fill vacancies despite an adequate supply of workers in the labour market. Recruitment difficulties is often linked to reasons other than inadequate skills supply, such as the job's work conditions, geographical location, lack of interest in the job, and remuneration conditions.

The Determinants of Skill Gaps in the Workplace and Recruitment Difficulties in Canada, a report issued by Statistics Canada in November 2022 found that 55.4 per cent of businesses reported the primary reason for recruiting difficulties was not enough people interested in doing the type of work. A smaller proportion of businesses reported lower wages and compensation as compared to other organizations as the primary reason (Fissuh et al, 2022).

Data from Statistics Canada reports the leading factor contributing to recruitment challenges was due to talent competition. By May 2022, job vacancies in Canada reached a record high, with employers actively seeking to fill over one million vacant positions across Canada (Statistics Canada, January 2023). The unemployment rate reached a record low of 4.5 per cent in December 2022 (Statistics Canada, January 19, 2023). The low unemployment rates and the growing demand for labour are clear indicators that companies are competing to attract talent, making it difficult to find the right candidates.

According to CSBC, employers across all sectors are expected to face recruitment difficulties in 2023. This is supported by Statistics Canada data as Figure 3 illustrates the percentage of businesses expecting recruiting skilled employees to be an obstacle in 2023, by industry, in Canada and Ontario.

Figure 3: Top 10 Industries Expected to Experience Recruitment Difficulties in 2023



Source: Statistics Canada, Canadian Survey on Businesses Condition, Table 33-10-0534-01

### Retaining skilled employees

The CSBC's Q4 results indicated that the proportion of businesses expecting retaining skilled labour to be an obstacle declined by 4.3 per cent, from 30.9 per cent in the Q3 of 2022, to 26.6 per cent in Q4 of 2022, but it is still 0.5 per cent higher than the same period last year. (Statistics Canada, 2022b)

According to CSBC, employers across all sectors are expected to face retention difficulties in 2023. This is supported by Statistics Canada data as Figure 4 illustrates the percentage of businesses expecting retaining skilled employees to be an obstacle in 2023, by industry, in Canada and Ontario.

Figure 4: Top 10 Industries Expected to Experience Retention Difficulties in 2023



Source: Statistics Canada, Canadian Survey on Businesses Condition, Table 33-10-0534-01

### 3. New Trends in the Labour Market

This section examines new trends in the labour market, including the great resignation in the USA/the great retirement in Canada, hybrid working, and skills and competencies gap.

### 3.1 The Great Resignation in the USA / The Great Retirement in Canada

Researchers have described the Great Resignation as a wave of workers quitting across industries began in 2021 in the United States after easing the first pandemic restrictions (Kuzior, 2022). In 2021, the United States experienced the so-called “Great Resignation,” with many American employees voluntarily resigning from their jobs. The resignations peaked in September 2021, with 4.4 million American workers quitting their jobs (Tessema et al., 2022), an increase of 2 per cent compared to pre-pandemic rates, and close to double the rates that prevailed a decade ago (Tombe, 2022).

The Great Resignation was mainly the consequence of the COVID-19 pandemic. Employees either left the workforce or searched for job opportunities that offered them more flexibility. A Scientific Research Publishing (SCIRP) report identified several reasons for the Great Resignation. These reasons include: (Tessema et al., 2022).

- The pandemic allowed employees to think about their careers, explore entrepreneurship, and save more money (e.g., through reduced spending during the lockdown, federal stimulus checks, and suspension of student loan payments). Many employees realized that their jobs were not fulfilling. Therefore, when many employees decided to spend their time differently than before the pandemic, their thoughts on the risk of resignation were reshaped.
- The fear of COVID-19 is one of the many factors that influenced employees’ decisions to resign. When COVID-19-related infections and deaths increased, many employees began to fear COVID-19. Many employees who were asked to return to the workplace opted to resign.
- The pandemic increased the stress level of American employees in that most of them reported an uncertain economic future (81 per cent) and the coronavirus pandemic (80 per cent) as significant sources of stress in their lives. Thus, these factors had an impact on their intention to resign.

Canada appears to be avoiding the Great Resignation, there is another potentially more serious source of concern. Over the past year, 1.5 per cent of Canada’s workforce retired. This is one-third above the roughly 1 per cent that retired a decade ago. (Tombe, 2022).

This will have significant implications for Canada’s economic future. With a smaller share of its population working, overall productivity will be lower. For context, according to Tombe (2022), the latest projections suggest the national working-age population share may fall from its current 66 per cent to 62 per cent by 2040. This would reduce the average annual economic growth rate over this time by over 0.3 percentage points (Tombe, 2022).

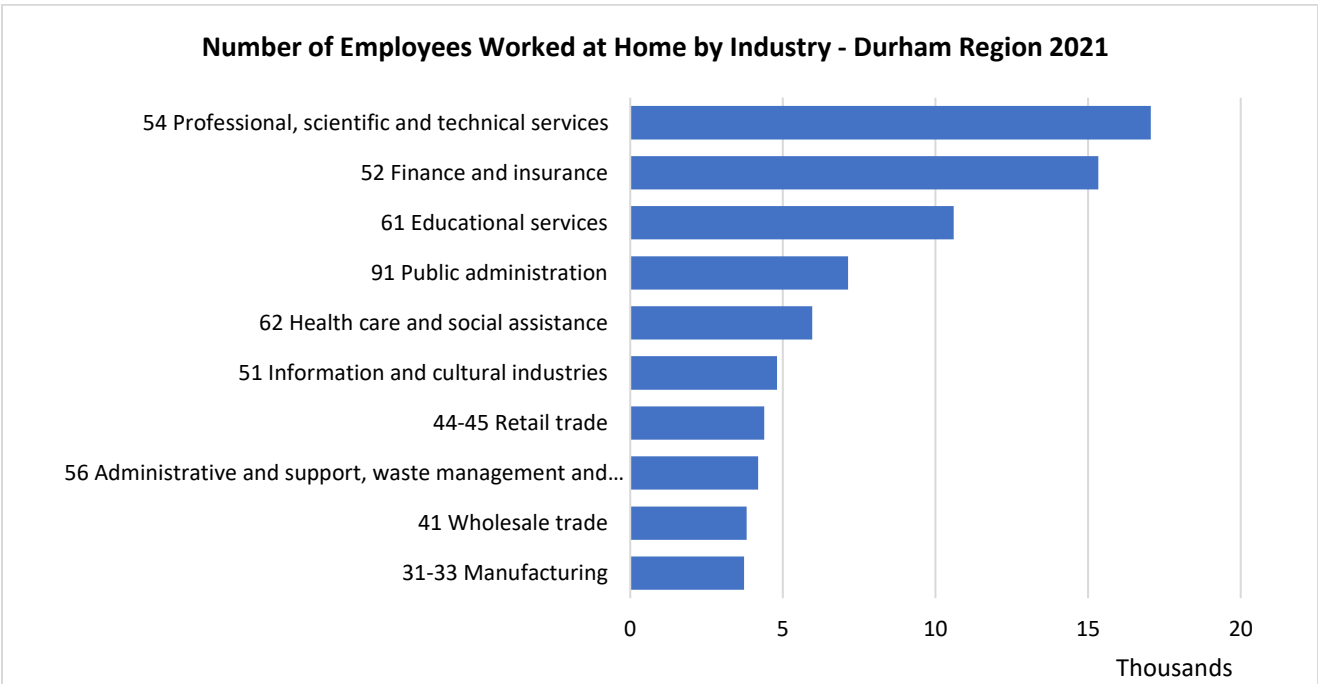
### 3.2 Hybrid Working

Many employers and businesses in Canada shifted to teleworking very quickly in the early spring of 2020. By the end of March 2020, 39 per cent of Canadian workers were teleworking. (Saba et al., 2021). In December 2022, 9.6 per cent of workers had a hybrid work arrangement—that is, they usually worked partly at home and partly in locations other than home. This is up 6.0 per cent compared with January 2022 (Statistics Canada, December 2022).

Industries with the highest rates of work-from-home tend to be professional services, such as educational services; professional and technical services; financial activities; information, culture and recreation; and public administration. In these sectors, employees can still perform their jobs outside the workplace. The ability to work from home is lower in industries requiring more person-to-person contact, such as accommodation, food services, and retail trade. Capital-intensive sectors such as manufacturing, resource

extraction and transportation services that require working with large machinery, have a limited scope for home-based work, certainly at the production level (Clarke and Hardy, 2022).

Figure 5: Number of Employees Worked at Home by Industry - Durham Region, 2021



Source: Statistics Canada, 2021 Census, Table 98-10-0456-01

In 2022 Statistics Canada, issued a report “Working from Home During The COVID-19 Pandemic”, noting that women employees tended to work from home more than men employees (Clarke and Hardy, 2022). Based on data from the 2021 Census, in Durham Region, 34.2 per cent of employed women worked from home, while 25.1 per cent of men employees did so. (Statistics Canada, November 2022). Some

differences between the rates for men and women can be explained by the relative concentration of women in industries where working from home is more practical.

Additionally, while core working-age employees, those aged 25 to 54, were more likely to work from home during the pandemic than employees in other age groups, younger employees were the least likely to work from home (Clarke and Hardy, 2022). According to the 2021 Census, in Durham Region, 74.5 per cent of employees who worked from home were within this core age group. In contrast, only 5.2 percent of employees aged 15 to 24 years worked from home (Statistics Canada, November 2022a). This may be because the nature of work for younger employees often requires them to be physically present, such as those in retail or hospitality, which cannot be performed remotely.

### 3.3 Skills and Competencies Gap

A skills gap refers to the difference between the skills that employers need from employees and the skills that employees currently possess. It is typically caused by changes in technology, shifts in industry needs, and changing job roles. A skills gap emerges when employers face challenges in filling vacancies despite reasonable recruitment efforts, wages, and training prospects. This may result in the employer allocating inadequately skilled workers to avoid vacant positions.

In November 2022, Statistics Canada issued a report indicating that more than 56.1 per cent of businesses in Canada have skills gaps in their workforce. This report also found that 78.8 per cent of businesses in accommodation and food services reported skills gaps in their workforce, followed closely by manufacturing 67.3 per cent, and construction 63.6 per cent. According to this report, businesses also reported that the skills needed the most improvement are: (Fissuh et al., 2022)

- Technical, practical, or job-specific skills 57.5 per cent
- Problem-solving skills 46.2 per cent
- Customer service 34.3 per cent
- Critical thinking skills 33.4 per cent
- Team working 27.8 per cent
- Oral and written communication 24.2 per cent
- Basic math and calculating skills 6.8 per cent, and
- Reading comprehension 3.6 per cent.

The Durham Workforce Authority (DWA) has created the Job First Durham (JFD) tool, which is used, among other things, to calculate in-demand skills mentioned in the local job postings. The JFD Skill Demand Report, provides monthly data on the skills, knowledge, tools and technology that employers are recruiting for, in job postings. The data in Skill Demand Report is tabulated by sector and occupation.

Figure 6: Top In-Demand Skills, Mentioned in Job Postings in Durham Region, 2021 - 2022

Skills mentioned in job postings in Durham Region	2021 %	2022 %
Management	32	34
Customer Service	28	31
Sales	20	21
Organization	16	18
Interpersonal Skills	15	16

Operations	16	16
Attention to Detail	13	13
Leadership	11	13
Planning	9	11
Work Independently	7	9
Time Management	8	8
Innovation	5	8
Teamwork	5	7
Problem Solving	7	7
Written Communication	6	7
Organizational Skills	7	7
Microsoft Office	6	6

Source: Durham Workforce Authority- Job First Durham - Skill Demand Report

Figure 7: Top Five In-Demand Skills by Industry, Mentioned in Local Job Postings in 2022

North American Industry Classification System (NAICS)	Skills, knowledge, Tools and Technology Mentioned in Local Job Postings	Percentage (%)
Agriculture, forestry, fishing and hunting	Cooking	27
	Customer Service	27
	Management	20
	Hospitality	18
	Food preparation	17
Construction	Construction Experience	28
	Driver	26
	Management	21
	Interpersonal Skills	15
	Attention to Detail	15
Manufacturing	Management	36
	Organization	25
	Operations	23
	Attention to Detail	21
	Interpersonal Skills	19
Transportation and warehousing	Driver	42
	Driving	28
	Customer Service	22
	Management	20
	Attention to Detail	16



Health care and social assistance	Management	32
	Interpersonal Skills	22
	Customer Service	20
	Organization	17
	Written Communication	14

Source: Durham Workforce Authority- Job First Durham - Skill Demand Report

## Labour Force Characteristics

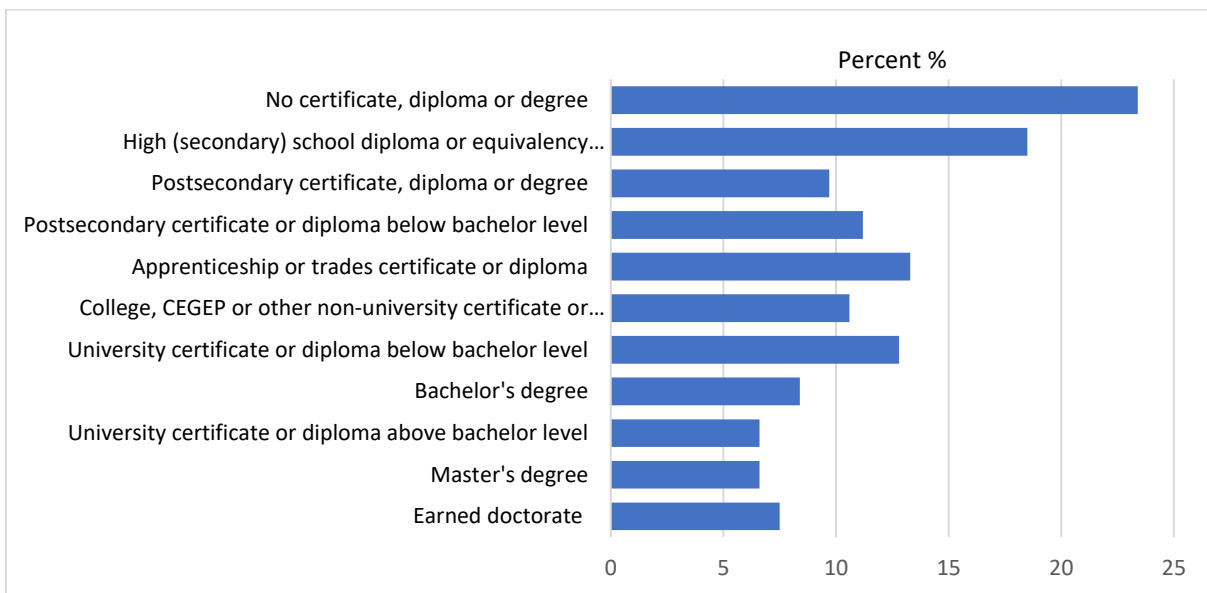
### 1. Unemployment Trends

Individuals who are unemployed are defined as those individuals who can work and are actively seeking employment during a survey recruitment period. Currently, much of Ontario is experiencing historical low unemployment rates.

#### 1.1 Unemployment Rate by Education Attainment

As shown in the chart, there is an inverse relationship between the level of education and the unemployment rate, meaning that as the level of education increases, the unemployment rate decreases.

Figure 8: Unemployment Rate by Education Attainment – Oshawa CMA, 2021



Source: Statistics Canada, 2021 Census of Population, Table 98-10-0445-01

## Diversity and Inclusion in the Labour Market

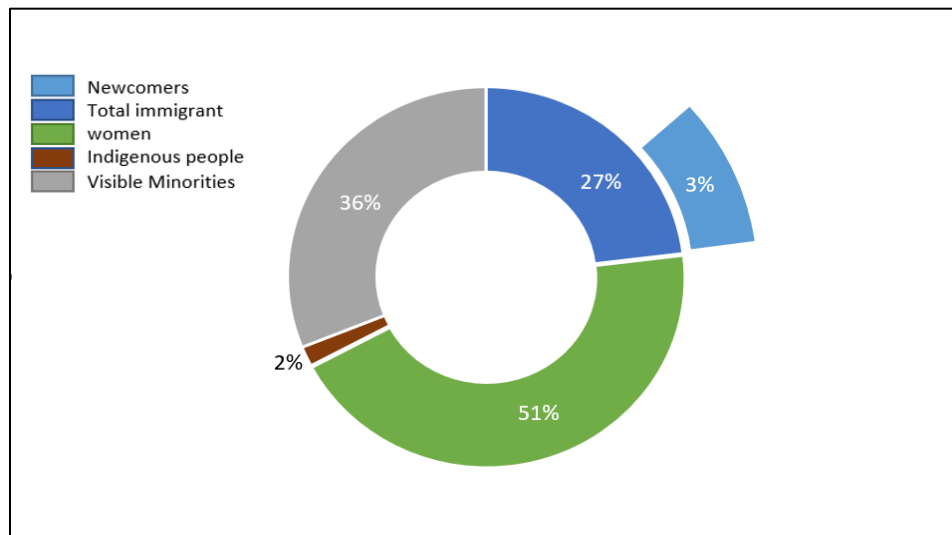
The Canadian labour market is made up of a variety of people with different backgrounds, skills, and experiences. Immigrants, Indigenous peoples, racialized women, persons with disabilities, and 2SLGBTQI+ people are not receiving the same opportunities as their peers.

## 1. A Snapshot of Diversity in the Durham Region

Using data from the 2021 Census, 36 per cent of Durham residents in private households identify as a visible minority, 2 per cent as Indigenous, and 27 per cent are immigrants to Canada (either landed immigrants or permanent residents), of these nearly 3 per cent are newcomers who landed in Canada between 2016 and 2021.

In Durham Region, there is limited data and information available on 2SLGBTQI+ people and persons with disabilities. The 2017 Canadian Survey on Disabilities (CSD)<sup>1</sup> estimated that there were 28 per cent people with one or more disabilities in Oshawa CMA.

Figure 9: Diversity in Durham Region



Source: Statistics Canada, 2021 Census of Population

## 2. Labour Market Outcomes for Underrepresented Groups

Canada faces labour shortages due to a declining birth rate and aging population, many Canadians, especially underrepresented groups, experience obstacles to employment and are underemployed relative to their educational and professional backgrounds.

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1- The Canadian Survey on Disability is a national survey developed by Statistics Canada. It is based on a sample of 50,000 people across Canada who reported having difficulty on the Activities of Daily Living question from the 2016 Census long-form questionnaire. These respondents were at least 15 years of age on the Census Day and were living in private dwellings

The 2021 Census of Population revealed that in Oshawa CMA, which is used as a proxy for Durham Region, since data is not available for the Region, underrepresented groups have lower labour market participation and employment rates, as well as a much higher unemployment rate than their non-equity-seeking counterparts.

This subsection uses the 2021 Census to examine the labour market experience and outcomes (participation, employment, and unemployment rates) for Underrepresented groups including (Indigenous people, newcomers, immigrants, visible minorities, and racialized women). Data on labour market outcomes at the local level for other racialized groups, such as 2SLGBTQI+ people and persons with disabilities, is not available, and will be later in 2023 as noted by the federal government as a result these groups are not included in this subsection.

## 2.1 Participation Rate

The labour market participation rate is the percentage of the population aged 15 and over who are either employed or actively looking for work. The rate can be calculated by dividing the number of people in the labour force (those employed or actively looking for work) by the total population aged 15 and over.

In Oshawa CMA, newcomers and racialized women have lower labour market participation rates (57.9 per cent, 64.5 per cent) than non-immigrants/newcomers and non-racialized women (68.7 per cent, and 67 per cent). In contrast, Indigenous and visible minorities have a slightly higher participation rate (67.3 per cent, and 86.2 per cent) than non-Indigenous and non-visible minorities (66.3 per cent, and 65.9 per cent).

## 2.2 Employment Rate

The employment rate is the percentage of people in the labour force who are employed. It is calculated by dividing the number of employed people by the total number of people in the labour force. The employment rate is an important economic indicator, as it reflects the health of the labour market and the overall economy.

According to the 2021 Census, in the Oshawa CMA, visible minorities have the highest labour market employment rate among underrepresented groups at 59.4 per cent, while racialized women have the lowest rate at 52 per cent. The labour market employment rate for visible minority (59.4 per cent) indigenous (54.2 per cent) and immigrants (53 per cent).

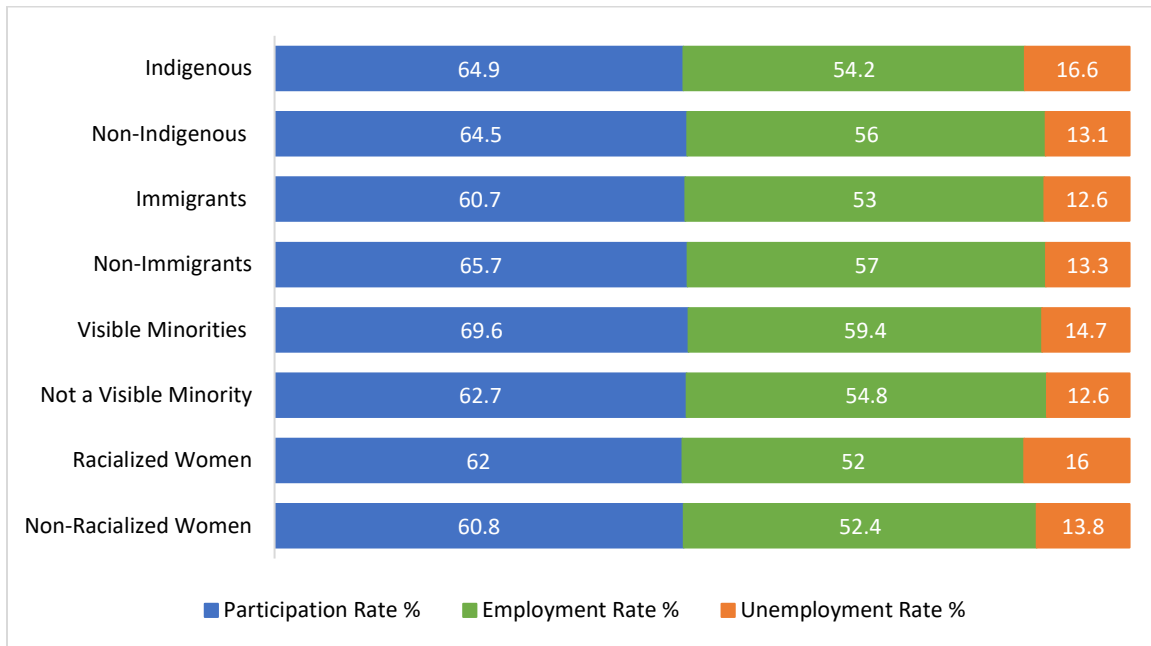
## 2.3 Unemployment Rate

The unemployment rate is a measure of the percentage of people in the labour force who are unemployed and actively seeking employment. It is calculated by dividing the number of unemployed people by the total number of people in the labour force.

Based on data from the 2021 Census, in the Oshawa CMA, Indigenous people have the highest unemployment rate at (16.6 per cent), followed by racialized women at (16 per cent), visible minorities at (14.7 per cent), and immigrants at (12.6 per cent).

Further, according to the 2021 Census, underrepresented groups have a much higher unemployment rate than their non-equity seeking counterparts. For example, Indigenous people have an unemployment rate of 16.6 per cent, which is significantly higher than the 13.1 per cent rate for non-Indigenous people.

Figure 10: Labour Force Characteristics for Underrepresented groups, Oshawa CMA, 2021



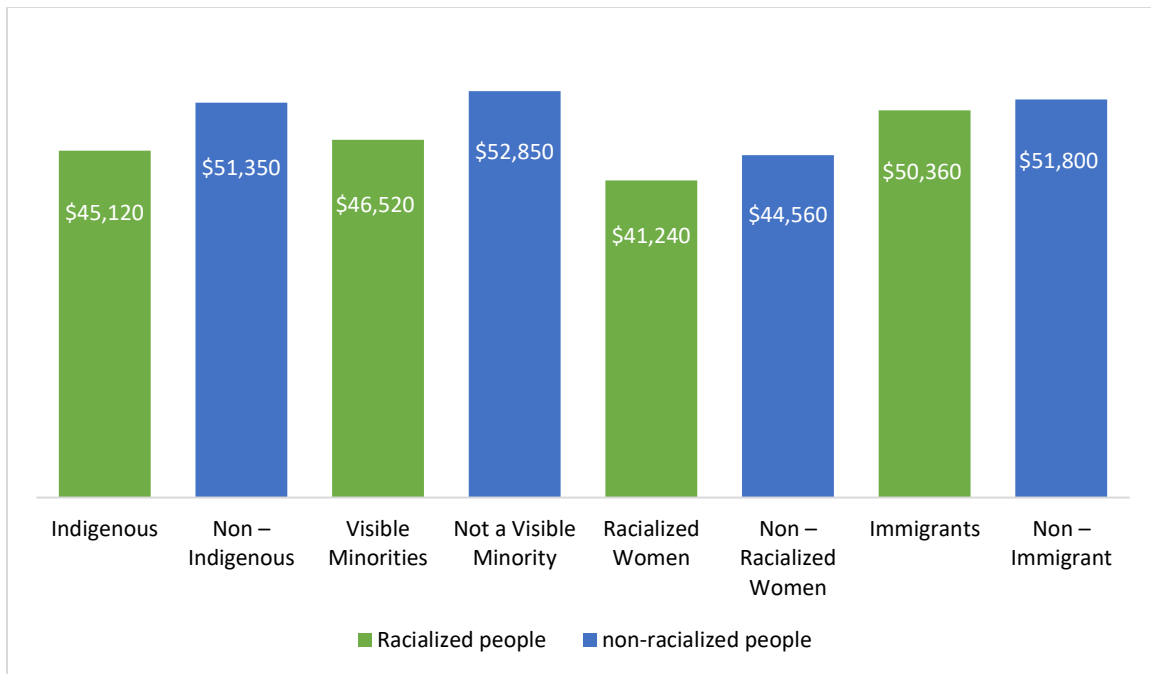
Source: Statistics Canada, 2021 Census of Population, Table 98-10-0446-01 and 98-10-0446-01

### 3. Wage Gap for Underrepresented Groups

In addition to differences in employment rates, a wage gap exists for all underrepresented groups in the labour force. The wage gap refers to the difference in pay underrepresented groups receive when they have the same pay-determining characteristics as non-racialized people (Gunderson & Lee, 2016). The wage gap is also defined as the difference between the average employment income of racialized people and non-racialized counterparts (Longhi, 2017).

Figure 11 illustrates the wage gap between racialized people and their non-racialized counterparts in Oshawa CMA, using data from the 2021 census of population.

Figure 11: Average Employment Income, Racialized and Non-Racialized Population, Oshawa CMA, 2021



Source: Statistics Canada, 2021 Census of Population, Table 98-10-0439-01 and 98-10-0439-01

Figure 11 shows that in 2021, among underrepresented groups, racialized women earned the lowest average employment income at \$41,240. This was followed by Indigenous people \$45,120, visible minorities \$46,520, and immigrants \$50,630.

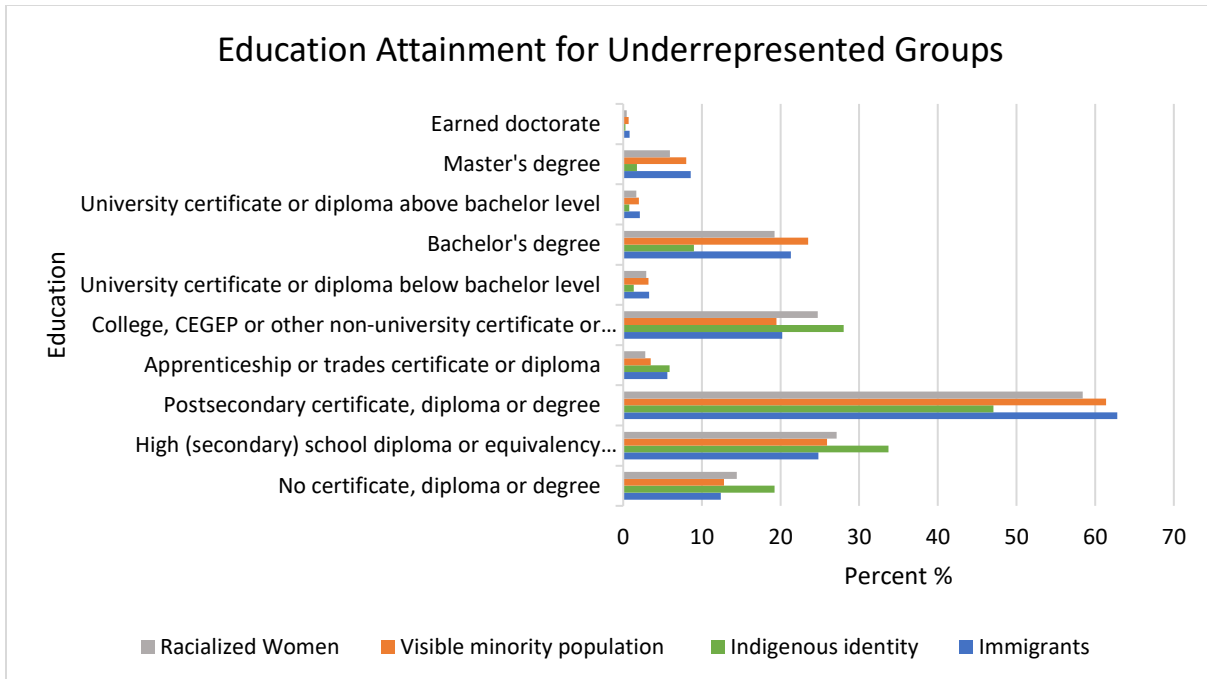
Additionally, figure 11 notes that, a wage gap exists between racialized and non-racialized people. In 2021, the income gap between:

- Visible minorities and not a visible minority was \$6,330
- Indigenous and non-Indigenous people was \$6,230
- Racialized and non-racialized women was \$3320
- Immigrants and non-immigrants were \$2,444

#### 4. Education Attainment for Underrepresented Groups

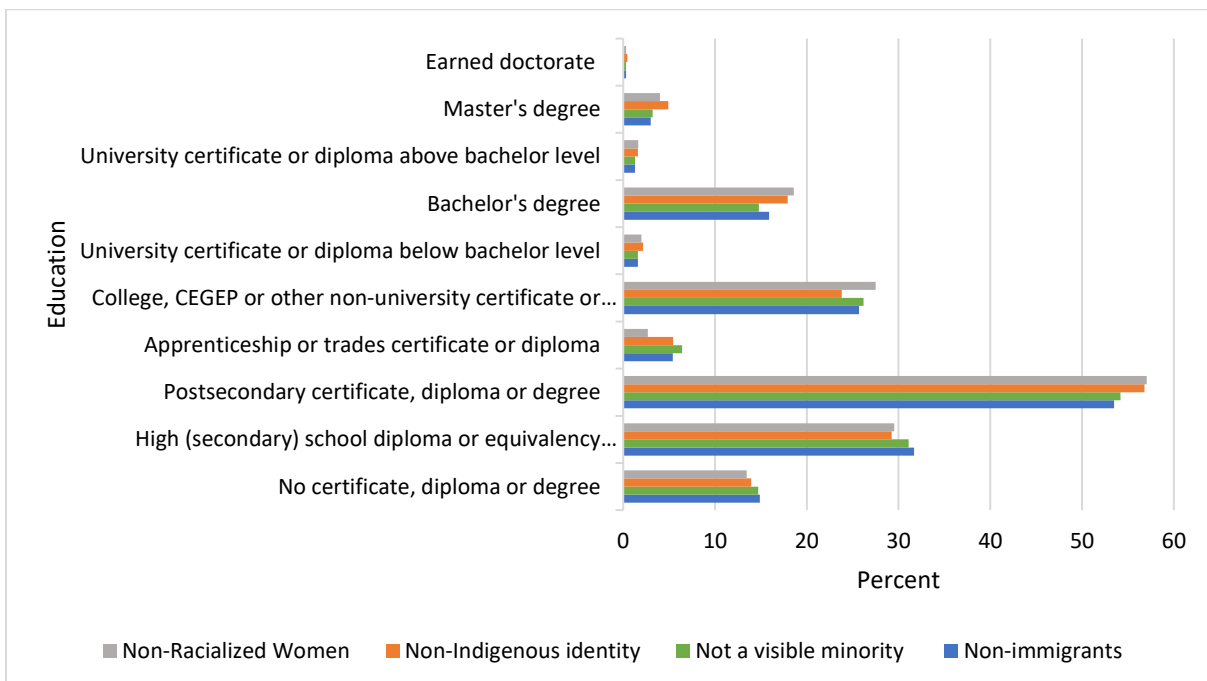
Despite similar or greater levels of educational attainment, however, the disparity between education and employment outcomes including unemployment, underemployment and wage gaps persist for underrepresented groups. This is often due to several systemic factors such as discrimination, lack of access to resources, and various forms of bias.

Figure 12: Education Attainment for Underrepresented groups – Durham Region, 2021



*Source: Statistics Canada, 2021 Census of Population, Table: 98-10-0432-01 and 98-10-0415-01*

Figure 13: Education Attainment for Non-Racialized Groups – Durham Region, 2021

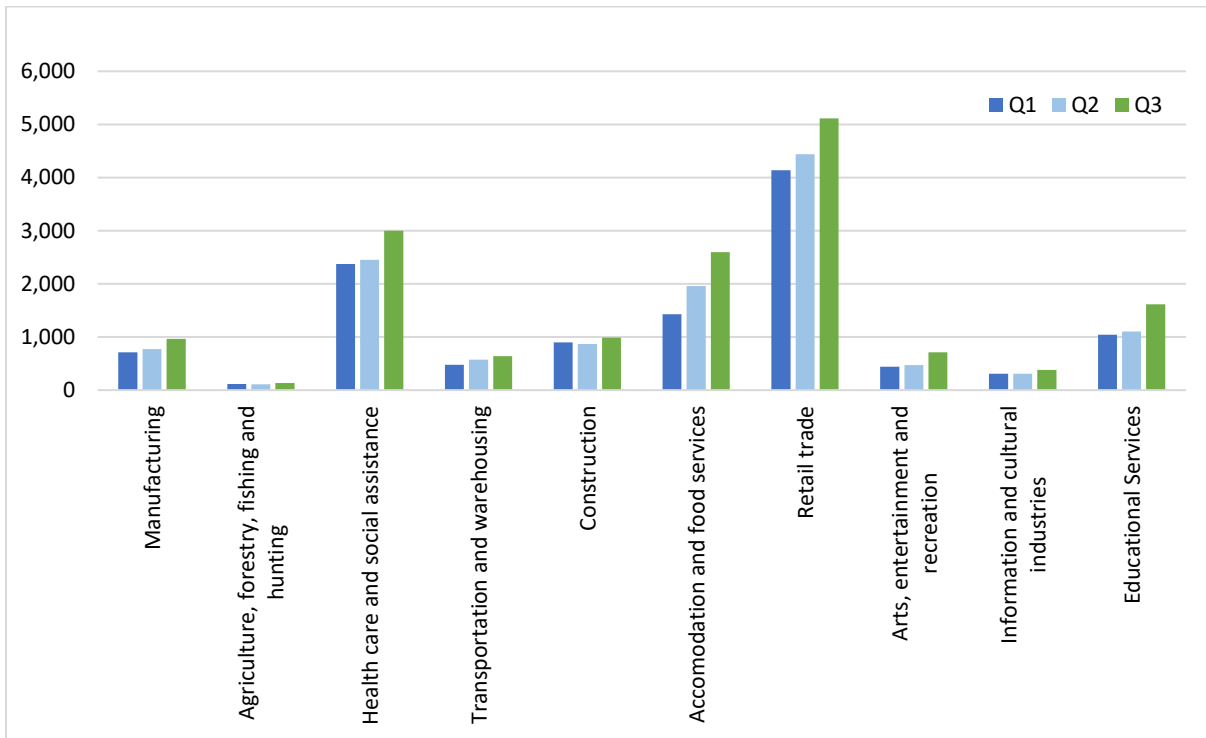


*Source: Statistics Canada, 2021 Census of Population, Table: 98-10-0432-01 and 98-10-0415-01*

## Job First Durham

Jobs First Durham (JFD) is an online job search tool and self-serve data portal consisting of over 897 data points.

Figure 14: Labour Demand by Key Sectors – Durham Region, 2022

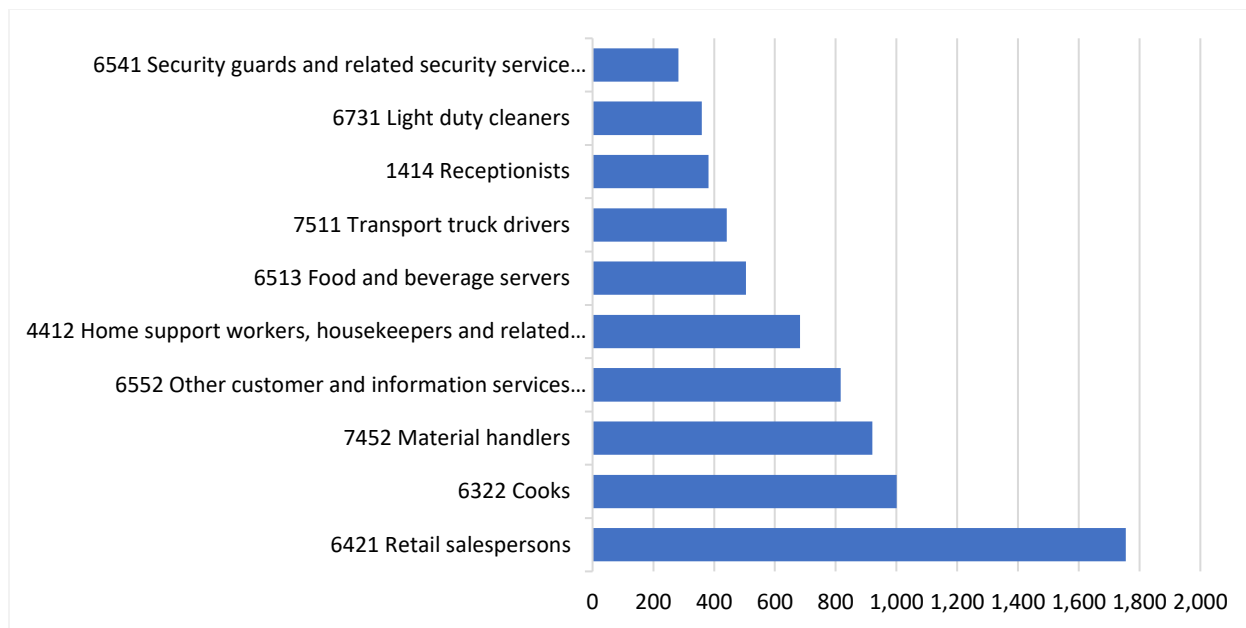


Source: [Durham Workforce Authority, Job Demand Report \(2022\)](#)

### 1. Job Postings by Occupation

Retail salespersons, cooks, and material handlers' occupations were by far the hardest occupation to fill or the most in-demand occupations in Durham Region. In the third quarter of 2022, there were approximately 1,755 jobs posted for retail salespersons, 1,001 jobs for cooks, and 921 for material handlers. National Occupation Classification (NOC) provides a national organizational framework for classifying occupations in the Canadian labour market. The basic principle for classification of the occupations is the nature of the work. Occupational groups are determined according to the tasks performed, duties and responsibilities in the job description. It has a five-level hierarchical arrangement. The NOCs contains broad occupational categories (one-digit), major (two-digit), minor (three-digit), unit groups (four-digit), and another unit group (five-digit).

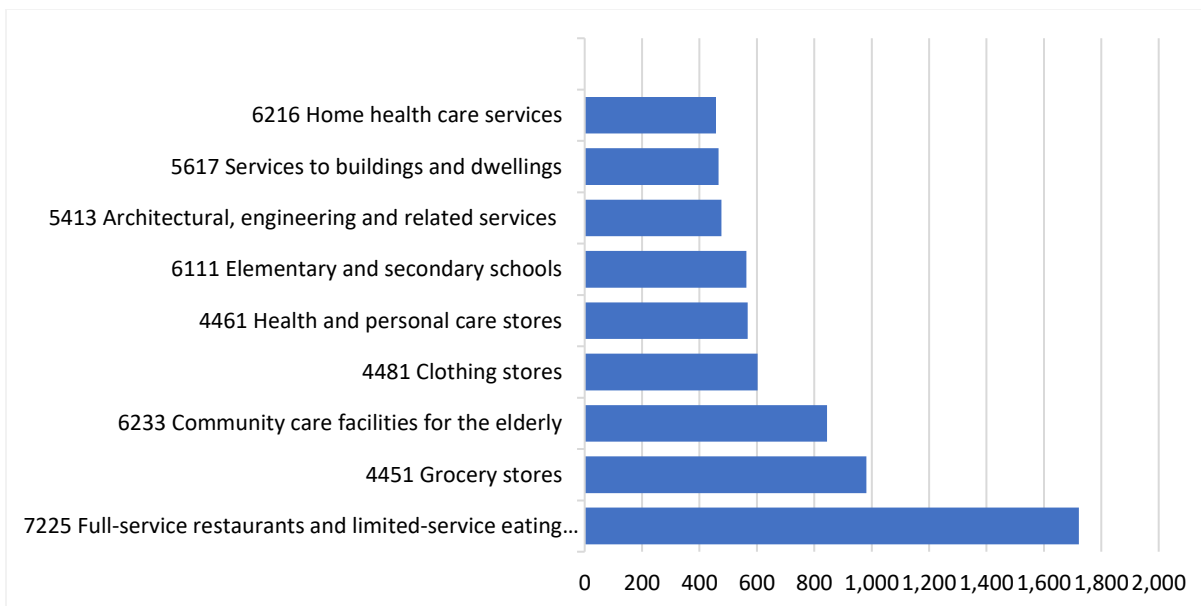
Figure 15: Top Ten In-Demand Occupations and/or Hard to Fill by 4-digit NOC – Durham Region, Third Quarter of 2022



Source: [Durham Workforce Authority, Job Demand Report \(2022\)](#)

## 2. Job Postings by Industry

Figure 16: Top Ten Hiring Sectors by 4-Digit NAICS – Durham Region, Fourth Quarter of 2022



Source: [Durham Workforce Authority, Job Demand Report \(2022\)](#)

## Job Vacancy

The Job Vacancy and Wage Survey (JVWS) is the primary data source by which Statistics Canada measures the national, provincial, and territorial job vacancy levels and rates. Prior to October 2020, data from the JVWS was reported by quarter only and was typically available the following quarter. Starting in October 2020, job vacancy estimates are reported at both monthly and quarterly time frames.



According to the JVWS Guide, the job vacancy rate is measured as the proportion of vacant positions to all positions (vacant and filled), expressed as a per centage of labour demand, which includes all occupied and vacant jobs (Statistics Canada, December 2020).

Based on the JVWS Guide, the term "job vacancy" refers to the number of vacant jobs on the first day of the month and those that will become vacant during the month. This Guide also indicates that a job is considered vacant if it meets all three of the following conditions:

- It is vacant on the first day of the month or will become vacant during the month,
- There are tasks to be carried out during the month for the job in question, and
- The employer actively seeks a worker outside the organization to fill the job.

Durham Region data from the JVWS was included as part of the Toronto Economic Region. In this instance, the national and provincial data will be provided.

1. Job Vacancy (Actual Number & Rate)

Using data from the JVWS, across Canada, job vacancies declined by 69,175 from 823,485 in November 2022, to 754,310 in December 2022 (Statistics Canada, February 2022).

The job vacancy rate was 4.2 per cent in December 2022, down from 4.6 in November 2022. The job vacancy rate has been trending upward since the first quarter of 2016 (Statistics Canada, January 2023). It increased sharply from 3.6 per cent in the first quarter of 2021, to 5.3 in the fourth quarter of the same year (Statistics Canada, January 2023).

2. Job Vacancy by Industry

In JVWS, job vacancy estimates are tabulated by industry based on the 2017 North American Industry Classification System (NAICS) Version 3.0.

In November 2022, the industries with the highest number of vacancies in Canada were health care and social assistance with 134,040 vacancies, followed by accommodation and food services with 107,535 vacancies, and retail trade with 101,465 vacancies (Statistics Canada, January 26, 2023).

Figure 17: Job Vacancy Rate by Industry and 3-Digit NAICS – Canada, Q3 2022

North American Industry Classification System (NAICS)	Canada
---	--------

	%
[722] Food services and drinking places	10.5
[812] Personal and laundry services	8.9
[484] Truck transportation	8.7
[721] Accommodation services	8.3
[236] Construction of buildings	8.2
[811] Repair and maintenance	8
[442] Furniture and home furnishings stores	7.8
[623] Nursing and residential care facilities	7.7
[155] Support activities for agriculture and forestry	7.7
[448] Clothing and clothing accessories stores	7.5

*Source: Statistics Canada, Job Vacancy and Wage Survey, Table 14-10-0326-01*

**Figure 18: Job Vacancy Rate by Industry and 3-Digit NAICS - Ontario, Q3 2022**

North American Industry Classification System (NAICS)	Ontario %
[722] Food services and drinking places	10.2
[442] Furniture and home furnishings stores	9
[623] Nursing and residential care facilities	8.5
[811] Repair and maintenance	8
[484] Truck transportation	8
[812] Personal and laundry services	7.9
[711] Performing arts, spectator sports and related industries	7.8
[236] Construction of buildings	7.7
[721] Accommodation services	7.7
[448] Clothing and clothing accessories stores	7.6

*Source: Statistics Canada, Job Vacancy and Wage Survey, Table 14-10-0326-01*

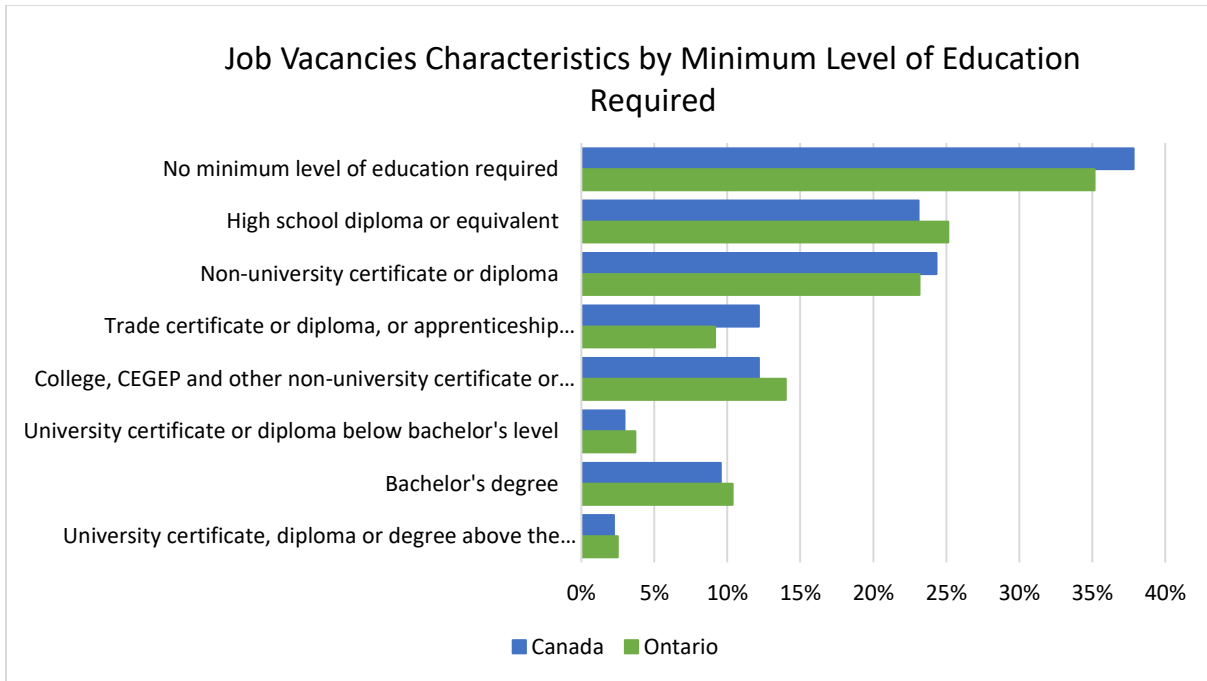
### 3. Job Vacancy Characteristics

Job vacancy characteristics refer to various features or attributes of job openings, such as the required qualifications, experience, and many more. Analyzing job vacancy characteristics can provide valuable insights into the current labour market and help identify trends and opportunities for job seekers and employers.

#### Job Vacancies Characteristics by Minimum Level of Education Required

Figure 19 indicates that there are more job vacancies on the national and provincial levels for positions that require no minimum level of education than for those that require post secondary education.

**Figure 19: Job Vacancies by Minimum Level of Education Required - Canada and Ontario, Q3 2022**

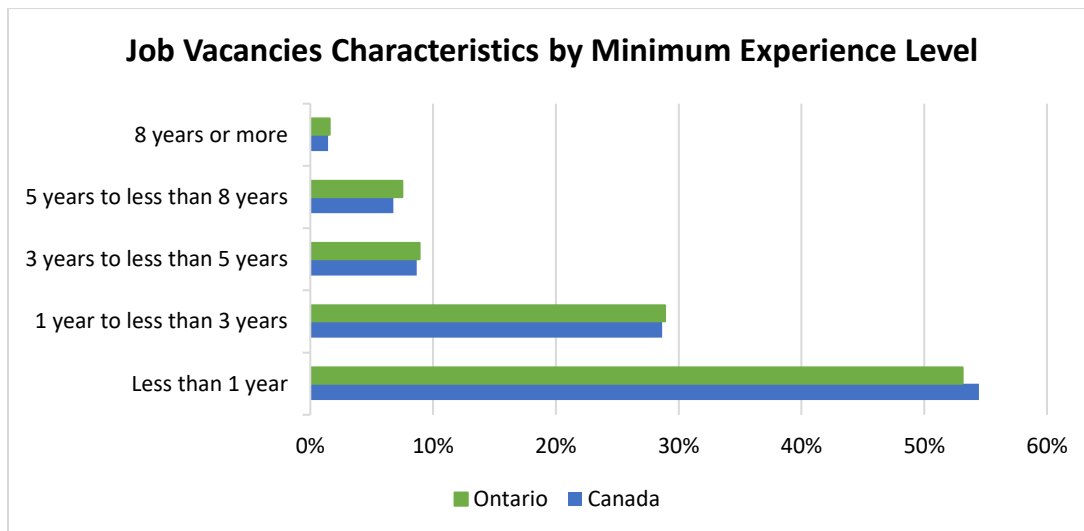


*Source: Statistics Canada, Job Vacancy and Wage Survey, Table 14-10-0328-01*

### 3.1 Job Vacancies Characteristics by Minimum Experience Level

There are significantly more job vacancies for employment opportunities that require less than one year experience on both the national and provincial levels than those positions that require a year or more experience.

Figure 20: Job Vacancies by Minimum Experience Level - Canada and Ontario, Q3 2022



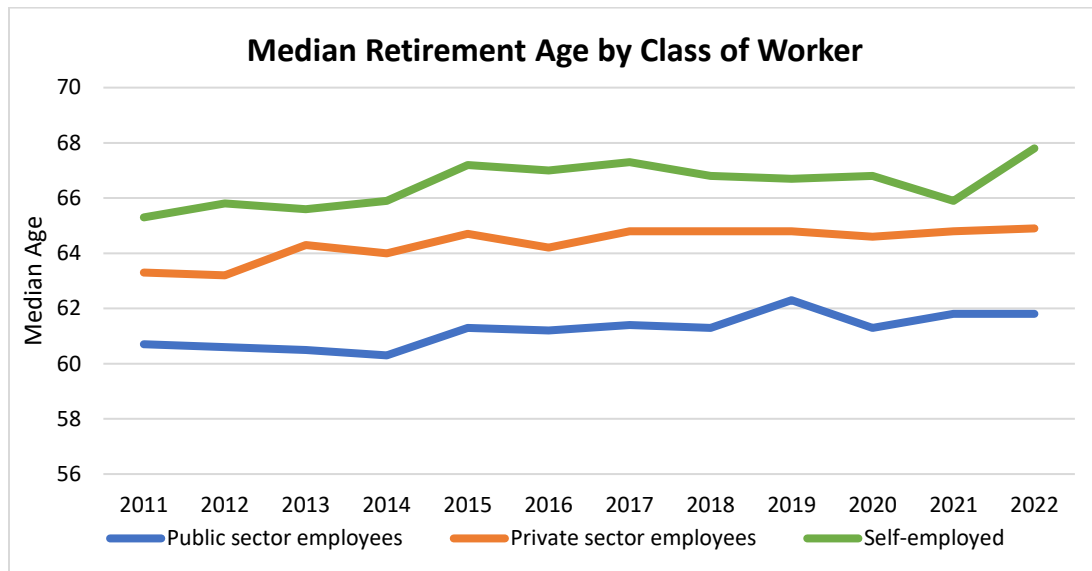
*Source: Statistics Canada, Job Vacancy and Wage Survey, Table 14-10-0328-01*

## Retirement

### 1. Median Retirement Age

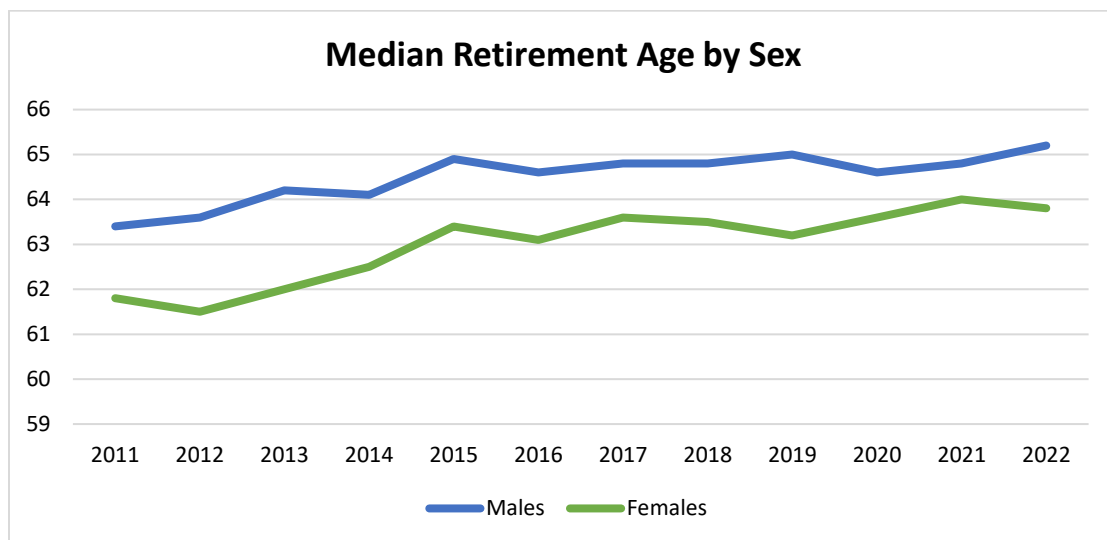
The median retirement age from the years 2011-2022 for those who are self-employed in Canada is significantly higher at 65+ than that of private sector employees at 63+. Both are higher on average than that of those employed in the public sector, 60+. From figure 24 we can conclude that persons who identify as male tend to retire on average in Canada later than females.

Figure 21: Median Retirement Age by Class of Worker – Canada, 2011-2022



Statistics Canada, Labour Force Survey, Table 14-10-0060-01

Figure 22: Median Retirement Age by Sex – Canada, 2011-2022



Statistics Canada, Labour Force Survey, Table 14-10-0060-01

## Conclusion

This report has examined the post-pandemic labour market situation and found that labour market challenges led to increased labour market tightness. Several factors have played a role in the shortage of labour. Demographic shifts, migration flows, and immigration reductions are some factors. The fastest growing age group in recent years are those aged 65 and over. This trend is not pandemic-related but reflects the aging baby boomer generation. Those over 65 tend to have the lowest labour force participation rate, and that has been pulling down the growth of Canada's labour force in recent years. In addition, there was an increase in retirements early in the pandemic that further reduced labour force growth.

Immigration has historically helped Canada's labour force grow; the pandemic has caused significant disruptions to immigration flows. Borders were closed, and Canada fell short of its 2020 immigration target by approximately 156,000 people.

This report, combined with the DWA's EDI report, illustrate a tight labour market that could be addressed by exploring improving labour market outcomes for underrepresented groups.

### **The high demand for labour and skills led to:**

- High job vacancies rates where employers were unable to fill over 300,000 vacant positions across Ontario.
- Low unemployment rates: the unemployment rate was a record low of 5 per cent in Oshawa CMA.
- High employment rate: In December 2022, the employment rate was 63.9 per cent in Oshawa CMA.
- Increase wages: In December 2022, the average weekly earnings increased by 5.7 per cent in Ontario.

### **The shortage of labour supply has been driven by:**

- Aging population: In Canada, the age group that grew the fastest in recent years was those aged 65 and over, which has been pulling down the growth of Canada's labour force in recent years.
- Retirement/migration flows: The increase in retirements and less immigration early in the pandemic have also reduced labour force growth.
- Technological change increases the level of required skills for some jobs and renders some others obsolete. Employers find it hard to recruit employees with the required skills and may be forced to hire less qualified employees, causing skills gaps in their workforce.

Between January and December 2022, the Oshawa CMA economy added 6,300 jobs, with employment climbing +2.9 per cent to 227,100 in December 2022, compared to 220,800 in January 2022 (Statistics Canada, February 2023).

# Bibliography

## Appendix 1: Glossary of Terms

**Labour Shortage** is the excess of labour demand in the labour supply in each occupation.

**Job Vacancy** is an unfilled position within an organization for which the employer is looking to hire. Labour demand is commonly defined as the sum of met demand (i.e., number of employed) and unmet demand (i.e., number of job vacancies). Job Vacancy occurs when a specific position exists, work could start within 30 days and the employers is actively seeking workers from outside the organisation to fill the position.

**Skilled Workers** refers to highly trained, educated, or experienced segments of the workforce that can complete more complex mental or physical tasks on the job.

**Skill Gaps** refer to situations where existing or potential employees do not have the required skills and experience to meet the employers' skills needs. At the micro-level skills gap may refer to the lack of a particular skill within a candidate pool, for example, a business owner/employer may be looking to recruit an employee with good communication skills, but the available candidates are not adequately skilled in communicating effectively. Skills gaps may also refer to a macro-level gap in the skills of available workforce in the broader economy, in very simple terms, when there is an abundance of engineers, but the economy requires more doctors, there is a skills gap in the economy.

**Labour Force (LF)** is the number of civilian, non-institutionalized persons 15 years of age and over who, during the reference week, were employed or unemployed. Put differently, it is the sum of those persons deemed either employed or unemployed.

**Labour Force Status** explains whether an individual is employed, unemployed or not in the labour force.

**Participation Rate** refers to the number of labour force participants (those deemed employed or unemployed) expressed as a percentage of the population aged 15 years and over.

**Not in the Labour Force (NILF)** refers to members of the working age population who are neither employed nor unemployed. Retired individuals and "stay-at-home" moms and dads, or other caregivers may be examples of those not in the labour force.

**Employment** refers to the number of people who are employed in return for wages and other benefits. In addition, there are two broad categories of workers; those who work for themselves (self employed) and those who work for others (employees).

**Employment Rate** is the number of employed people as a percentage of the working age population. The rate for a particular group; for example, youth aged 15 to 24, is the number employed in that group as a percentage of the population for that group.

**Unemployment:** A Persons in unemployment are defined as all those of working age who were not in employment, carried out activities to seek employment during a specified recent period and were currently available to take up employment given a job opportunity.

**Unemployment Rate** is the number of unemployed persons expressed as a percentage of the labour force. The unemployment rate for a particular group is the number of unemployed persons in that group expressed as a percentage of the labour force for that group

**Census Metropolitan Area** is an area consisting of one or more adjacent municipalities centered on a population core. It has a population of at least 100,000, of which 50,000 or more live in the core.

**National Occupation Classification (NOC)** provides a national organizational framework for classifying occupations in the Canadian labour market. The basic principle for classification of the occupations is the nature of the work. Occupational groups are determined according to the tasks performed, duties and responsibilities in the job description. It has a five-level hierarchical arrangement. The NOCs contains broad occupational categories (one-digit), major (two-digit), minor (three-digit), unit groups (four-digit), and another unit group (five-digit).

**North American Industry Classification System (NAICS)** is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States. NAICS is a comprehensive system encompassing all economic activities in Canada and is important to the study of the labour market. NAICS also has a hierarchical structure. At the highest level, NAICS divides the economy into 20 sectors. At lower levels, it further distinguishes the different economic activities in which businesses are engaged. The NAICS numbering system has adopted a six-digit code. The first two digits designate the sector, the third digit designates the subsector, the fourth digit designates the industry group, and the fifth digit designates the industry. The sixth digit is used to designate national industries. A zero as the sixth digit indicates that there is no further national detail.

**Immigrants:** According to Statistics Canada, immigrants refer to persons who are or have been landed immigrants or permanent residents, including those who obtained Canadian citizenship by naturalization (Statistics Canada, October 2022).

A landed immigrant is a person who has been granted the right to live in Canada permanently by immigration authorities. Canadian citizens by birth and non-permanent residents (persons from another country who live in Canada and have a work or study permit, or are claiming refugee status, as well as family members living here with them) are not landed immigrants.

**Indigenous People:** The term Indigenous used on the Statistics Canada website refers to individuals identifying themselves as “First Nations people, Métis or Inuit” (Statistics Canada, January 2023). A person may be included in more than one of these three specific groups. Aboriginal peoples of Canada (referred to here as Indigenous peoples) are defined in the Constitution Act, 1982, Section 35 (2) as including Indian, Inuit and Métis peoples (Statistics Canada, April 2021).

**Visible Minority:** The Employment Equity Act defines “visible minorities” as persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour”. The visible minority population mainly consists of South Asian, Chinese, Black, Filipino, Latin American, Arab, Southeast Asian, West Asian, Korean and Japanese (Statistics Canada, November 2021). The visible minority population includes South Asian, Chinese, Black, Filipino, Arab, Latin American, Southeast Asian, West Asian, Korean and Japanese.

In 2021 Census analytical and communications products, the term "visible minority" has been replaced by the terms "racialized population" or "racialized groups", reflecting the increased use of these terms in the public sphere.

**Racialized Women** In this report, the term "racialized women" encompasses (visible minority women, immigrant women, and Indigenous women). Those women typically experience multiple barriers and challenges in the workplace environment.

**Persons with Disabilities:** The 2017 Canadian Survey on Disability uses the social model of disability, where (CSD) refers to disability because of the interaction between a person's functional limitations and barriers in the environment, including social and physical barriers that make it harder to function day-to-day. Further, the Employment and Social Development Canada (ESDC) defines disability as a social disadvantage that an unsupportive environment imposes on top of an individual's impairment" (Burlock, 2017).

**2SLGBTQI+ Community:** 2SLGBTQI+ refers to a community united by their sexual orientation and gender identity. The acronym covers Two-Spirit, Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, Intersex and different sexual orientations and gender identities.



## Appendix 2: Literature Review:

The purpose of this review is to explore how the pandemic has impacted the labour market in Canada. In addition, this review provides an overview of the challenges faced by the Canadian workforce by focusing on some demographic characteristics, and by some specific sectors.

### 2.1 The Impacts of COVID-19 on Labour Markets

The COVID-19 pandemic has significantly affected economic activities in Canada for the past two years, as public health interventions aimed at controlling the spread of the virus, such as border closures, lockdowns, and social distancing, have significantly reduced economic activity. In this context, several researchers and organizations have conducted essential studies to explore the impact of the pandemic on the labour market in Canada; for example, a report by Boissay (2021) examined the labour markets and inflation in the wake of the pandemic by reviewing the global labour market developments since the start of the pandemic and examining whether the resulting shifts in labour demand and supply, along with other pandemic-induced changes, would put upward pressure on wages and inflation. This study found that labour markets have bounced back faster than after recent recessions, albeit unevenly. Even in countries with high unemployment rates, job vacancies have risen, including in the sectors hardest hit by the pandemic. Additionally, a generalized pickup in wage growth still seems unlikely, even though some countries and sectors have seen increases. However, a retreat in globalization could make inflation more responsive to labour market pressures.

Similarly, an insights article by Wang (2021) shed light on the growth in labour productivity in Canada and its sources, by industry, during the COVID-19 pandemic. According to this article, in 2020, labour productivity can be visualized in the shape of an inverted V. In the early months of the pandemic, hours worked declined more rapidly than output, and when the economy reopened, hours worked rose faster than output. Industries with large gains in productivity during the lockdowns in the early months of the pandemic also experienced large losses when the economy reopened. This article revealed that one possible permanent change associated with the pandemic is the widespread adoption of work-from-home arrangements. However, no conclusive evidence was found to show that working from home increases or reduces industry productivity performance.

Similarly, a report by Wang (2022) analyzed the trends in Canada's gross domestic product (GDP) per capita and its sources and examined how the COVID-19 pandemic influences these trends. This report found that while the gross domestic product (GDP) had recovered mainly to pre-pandemic levels by the end of 2021, GDP per capita had not. Since 2020, Canada's GDP per capita growth has averaged a decrease of 1.3 per cent per year, down from its long-term annual average of 1.2 per cent from 1981 to 2019 and 1.0 per cent per year from 2010 to 2019. The decline in GDP per capita was driven by drops in work intensity, employment, and participation rates. Young people and seniors largely drove the drop in participation and employment rates, and male workers mainly moved the drop in work intensity.

### 2.2 The Impact of Covid-19 on the Workforce by Demographic Characteristics

The COVID-19 pandemic affected Canadians from all backgrounds and age groups, but not everyone was involved in the same way. Several necessary research has examined the impact of the pandemic on specific population groups. For example, study by Laura and colleagues (2021) researched older workers' transitions out of employment and into retirement before and during the pandemic, using the monthly Current Population Survey. This research also examined whether the effect of the pandemic was particularly acute for workers with specific demographic characteristics and working conditions and for

those who faced different local public health and economic conditions. This research found that among workers ages 55 and older, the likelihood of leaving work over a year rose by 7.6 percentage points, a 50-percent increase over the pre-pandemic rate. In addition, women without a college degree, Asian Americans, and those in occupations less amenable to remote work saw disproportionate impacts. Moreover, the likelihood of retiring increased by only one percentage point, with retirements concentrated among those over 70. Accordingly, workers were less likely to claim Old-Age and Survivor Insurance benefits.

Furthermore, research by Grekou and Lu (2021) studied the patterns in employment by gender, industrial sector and firm size, using data from the Labour Force Survey (LFS). This study found that women tended to be more affected by the COVID-19 pandemic than their male counterparts. Over the study period, women accounted for 53.7 per cent of the year-over-year employment losses. Employment changes in the services sector disproportionately drove the differences by gender. For example, of the 2.7 million employment losses in April 2020 relative to April 2019, 75.6 (over 2 million) were in the services sector. Additionally, this study found that, within the services sector, employment losses among small firms were disproportionately high. That female employees in small firms were more severely hit than their male counterparts. Hence, women employed in small firms represented 23.6 per cent of pre-COVID-19 total employment but accounted for 37.9 per cent of the year-over-year decline in employment. In comparison, their male counterparts represented 21.9 per cent and 23.6 per cent, respectively.

Similarly, the Impact of the Pandemic on Young Adults in Canada, a report issued by the Future Skills Centre in 2021, this report focuses primarily on the experiences of Canadians between the ages of 18 and 34, in comparison with older age groups, to develop specific policies that can help younger Canadians benefit as fully and quickly as possible from a post-pandemic recovery. This report found that younger Canadians have been adversely affected by the pandemic, from the loss of employment and earnings to the disruptions to their plans for education or training to the decline in their mental health. While Canadians in all age groups have been impacted, in many cases, negative experiences have been felt most acutely and persistently by those under the age of 35, particularly those under the age of 24. This includes young adults who have recently completed their postsecondary education.

### 2.3 The Impact of Covid-19 on the Workforce by Sector

Recently, a host of studies revealed that workers in every industry, occupation, and sector had experienced multiple challenges during the pandemic. For example, research by Chemali et al. (2022) identified factors affecting Healthcare workers' experiences and their support needs during the pandemic by reviewing qualitative studies published during the first year of the COVID-19 pandemic. This research found that the COVID-19 pandemic has challenged HCWs, with multiple contextual factors impacting their experiences and needs. It also recommended that to understand HCWs' experiences better, comparative investigations are needed, which analyze differences across and within countries, including differences in the institutional, community.

Child care workers have also faced multiple challenges during the pandemic. Research by Uppal and Savage (2021) examined the changes in employment among child care workers since the start of the COVID-19 pandemic, using data from the 2016 Census of Population and the 2019 Labour Force Survey. Uppal and Savage found that in February 2021, a year after the pandemic hit Canada, employment among child care workers was 21 per cent below that in February 2020. The closure of schools and child care

centres and their subsequent reopening is likely to affect the employment of child care workers disproportionately.

Like Uppal and Savage (2021), the Early Childhood Educator Workforce Strategy, a report commissioned by the Department of Education and Early Childhood Development in 2021, stated that during the COVID-19 crisis, the province of New Brunswick in Canada had seen an average of close to 40 per cent of staff turnover - which affected the capacity for service providers to deliver high-quality services.

Even though, the logistics supporting the supply chain did not shut down completely, workers in this sector have also been affected by the pandemic. A report by Adediji and colleagues (2022) sheds light on how the pandemic impacted the logistics sector. This report found that the pandemic had a mixed impact on the industry, with an overall decline in industry activity but a significant increase in demand and productivity for services associated with certain classes of goods whose demand increased. Additionally, the response to the pandemic highlighted skills deficiencies in management, learning, communication, and worker interaction. These skills, such as numeracy and literacy, became more important during the pandemic than others.

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