

Economic Development Winnipeg

WINNIPEG ECONOMIC DIGEST



MANITOBA AND CANADA'S LABOUR MARKET: A DEEP DIVE INTO EMPLOYMENT RATES AND JOB VACANCIES

JUNE 2022 DEMAND FOR WORKERS ACROSS INDUSTRIES CONTINUED TO GROW

Chris Ferris, Senior Economist

Bottom Line

In this issue of the Winnipeg Economic Digest, we reviewed Statistics Canada's **payroll employment, earnings and hours, and job vacancies report** for June 2022, which was just released in late August 2022. This is important when looking at developing trends when it comes to the demand for labour. We learned that the number of employees who are employed had continued to rise, exceeding the pre-pandemic level from February 2020 by two per cent for both Canada and Manitoba. There is considerable variation across industries.

Weekly average earnings in June 2022 were up 11 per cent compared to February 2020 for both Canada and Manitoba, but the numbers vary across industries. The only industry that saw a decline in its weekly average earnings for both Canada and Manitoba was **management of companies**.

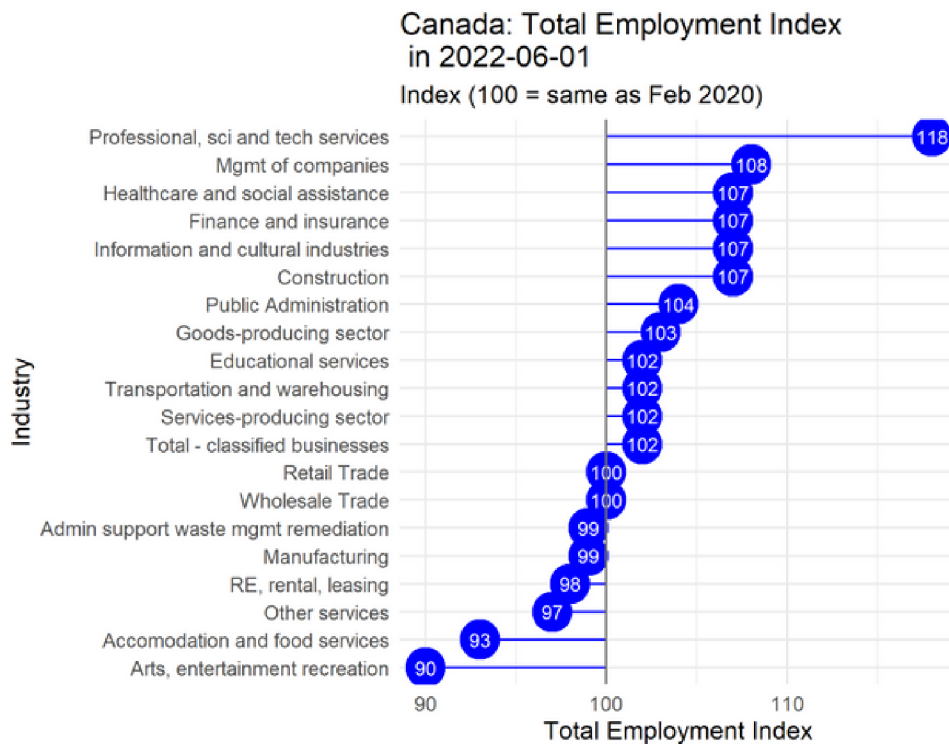
Canada's job vacancy level was just over one million listings for a job vacancy rate (**JVR**) of 5.9 per cent. Manitoba's job vacancies were approximately 29,000 for a JVR of 4.7 per cent. At a Canadian level, the highest JVR continues to be the **accommodations and food services** industry at 12.2 per cent. The lowest JVR is that of **educational services** at 1.7 per cent.

Bottom Line (continued)

While Manitoba has long been preparing for the retirement of the Baby Boomers (the tail-end of which will likely retire in the next five years) through boosting immigration, the COVID-19 pandemic has exacerbated the employee shortage problem in the short term.

Manitoba's **unemployment-to-job-vacancy** (U/V) ratio in June 2022 was 0.9, which means there were fewer unemployed people than unfilled job listings. Quebec, British Columbia, and Saskatchewan all had even lower U/V ratios than Manitoba. Attracting more people to the Manitoba labour force, including students, immigrants and migrants from other provinces will have to play a role in filling these jobs. Upskilling workers through education and training will also play a role to help workers increase their productivity, boost their wages and prepare for job advancements.

ANALYSIS



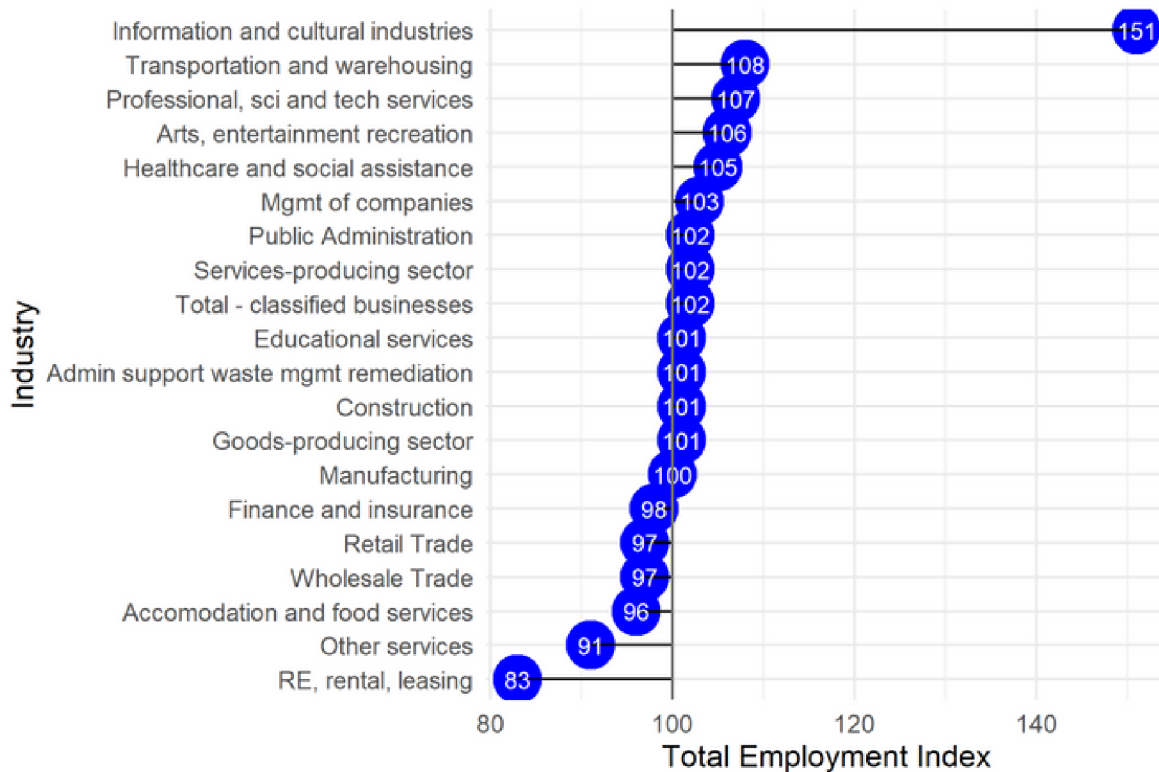
Source: Statistics Canada, Payroll employment, earnings and hours by Industry Tables 14-10-0223-01 Chart by Chris Ferris

When we compare Canada's employment by industry in June 2022 versus February 2020, we see that **all businesses** are up two per cent. **Professional, scientific, and technical companies** are up 18 per cent compared to the February 2020 level, which is the largest increase. **Management of companies** is up eight per cent, just edging out four other industries. **Arts, entertainment, and recreation** was still down 10 per cent vs Feb 2020, with **accommodation and food services** employment still down seven per cent.

ANALYSIS

Manitoba: Total Employment Index in 2022-06-01

Index (100 = same as Feb 2020)



Source: Statistics Canada, Payroll employment, earnings and hours by Industry
Tables 14-10-0223-01 Chart by Chris Ferris

Now looking at Manitoba's employment by industry in June 2022 compared to February 2020, we see that **all businesses** are also up by two per cent.

Information and cultural industries are up 51 per cent compared to February 2020.

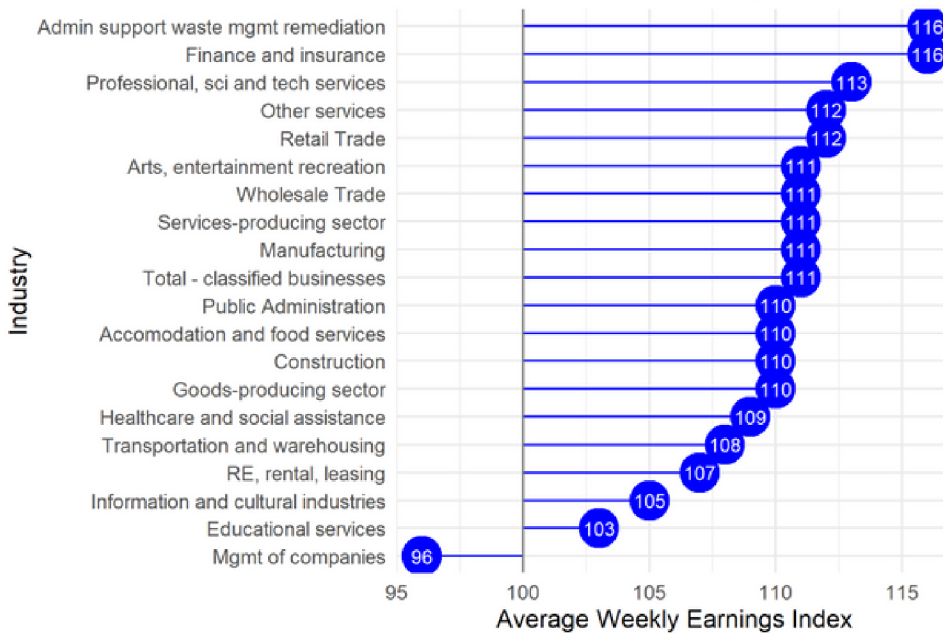
Transportation and warehousing is up eight per cent.

Real estate, rental and leasing was still down by 17 per cent versus February 2020, while **other services** is still down nine per cent.

ANALYSIS

Canada: Average Weekly Earnings Index in 2022-06-01

Index (100 = same as Feb 2020)



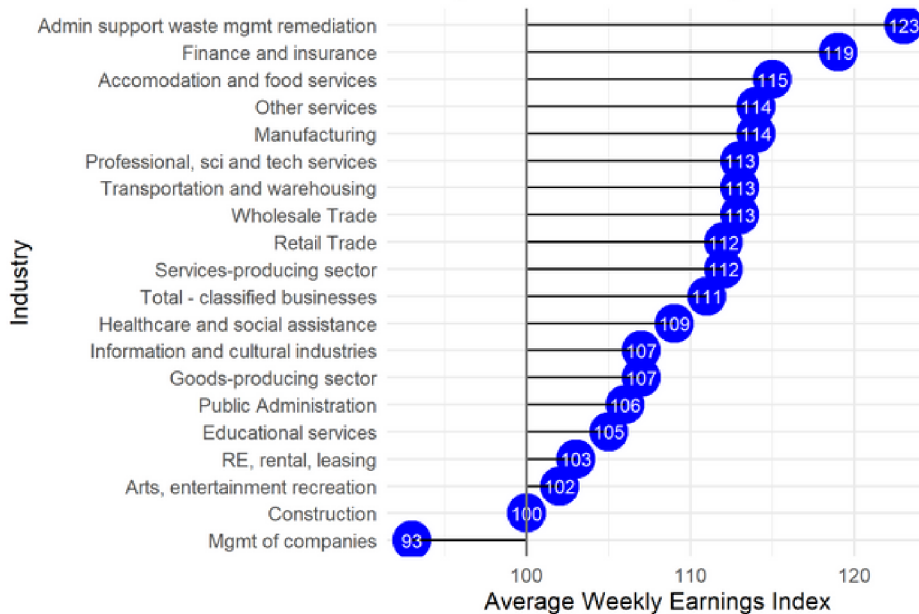
Source: Statistics Canada, Payroll employment, earnings and hours by Industry Tables 14-10-0223-01 Chart by Chris Ferris

Average Weekly Earnings Index

Comparing Canada's average weekly earnings for June 2022 to the February 2020 level shows **all industries** are up by 11 per cent. At the same time, **admin support, waste management, and finance and insurance services** saw average weekly earnings go up by 16 per cent. Average weekly earnings for **management of companies** went down by four per cent.

Manitoba: Average Weekly Earnings Index in 2022-06-01

Index (100 = same as Feb 2020)



Source: Statistics Canada, Payroll employment, earnings and hours by Industry Tables 14-10-0223-01 Chart by Chris Ferris

Manitoba's average weekly earnings in comparison with the February 2020 findings shows **all industries** are up 11 per cent. **Admin support, waste management**, saw an increase with average weekly earnings that went up by 23 per cent. **Finance and insurance** went up 19 per cent, while the average weekly earnings for **management of companies** were down seven per cent.

BOX 1: HOW CAN CHANGES IN EMPLOYMENT DIVERGE FROM CHANGES IN WEEKLY AVERAGE EARNINGS?

While the combination of increased employment and decreasing weekly average earnings for an industry can seem counter intuitive, it really is not.

An industry's earning bill applies across multiple occupations and levels of experience. If your new hires average lower weekly earnings than the average weekly earnings that existed before, then your new average earnings bill per week will decrease.

$$\overline{Wkly_{earnings_{Bill}}} = \sum_{j=1}^N \left[\frac{L_j * Earnings_j}{L_j} \right],$$

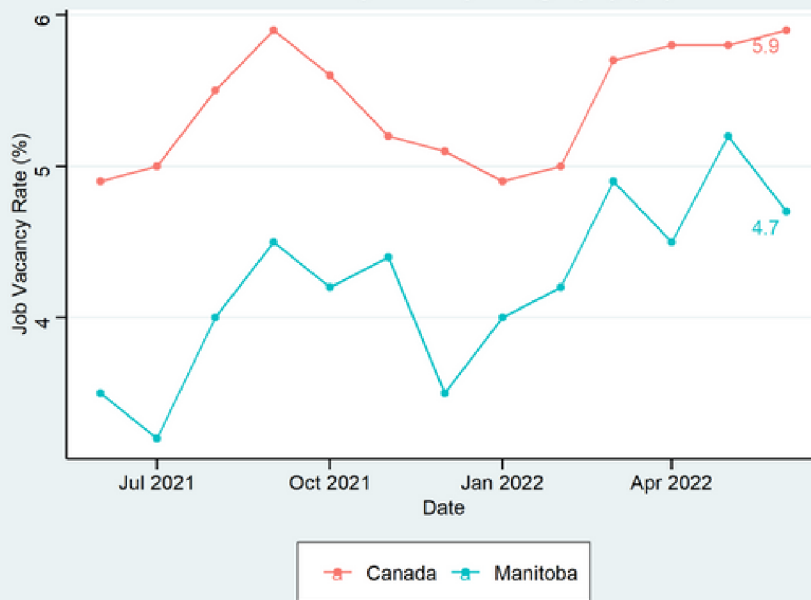
where L_j is the worker count by occupation category.

It is also possible to see an increase in weekly average earnings with an increase in employment in a different industry.

The increase in earnings can happen if an industry is expanding its demand for higher-paid, skilled individuals. This is particularly true if there is a shortage of these skilled workers.

ANALYSIS

Job Vacancy Rate by Geography (%)



Source: Statistics Canada, Job vacancies, payroll employees and job vacancy rates
Tables 14-10-0371-01 Chart by Chris Ferris

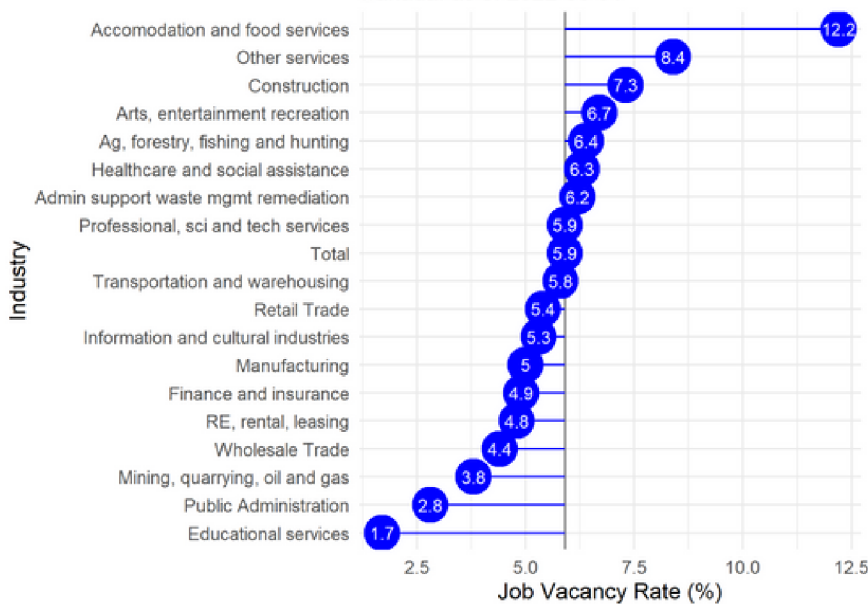
Job Vacancy Rate:

The June 2022 job vacancy rate [1] in Canada rose slightly to 5.9 per cent, while it fell to 4.7 per cent in Manitoba.

This is more than one million vacancies in Canada, and 29,000 vacancies in Manitoba.

Canada's JVR by industry in June 2022 was highest in **accommodation and food services** at 12.2 per cent, which is more than double the average 5.9 per cent JVR for **all industries**. The lowest JVR was registered in **educational services** at 1.7 per cent.

Job Vacancy Rate by Industry (%)
Canada: as of 2022-06-01



Source: Statistics Canada, Job vacancies, payroll employees and job vacancy rates
Tables 14-10-0372-01 Chart by Chris Ferris

While Manitoba has long been preparing for the retirement of the Baby Boomers [2] through boosting immigration, the COVID-19 pandemic has exacerbated the problem in the short term.

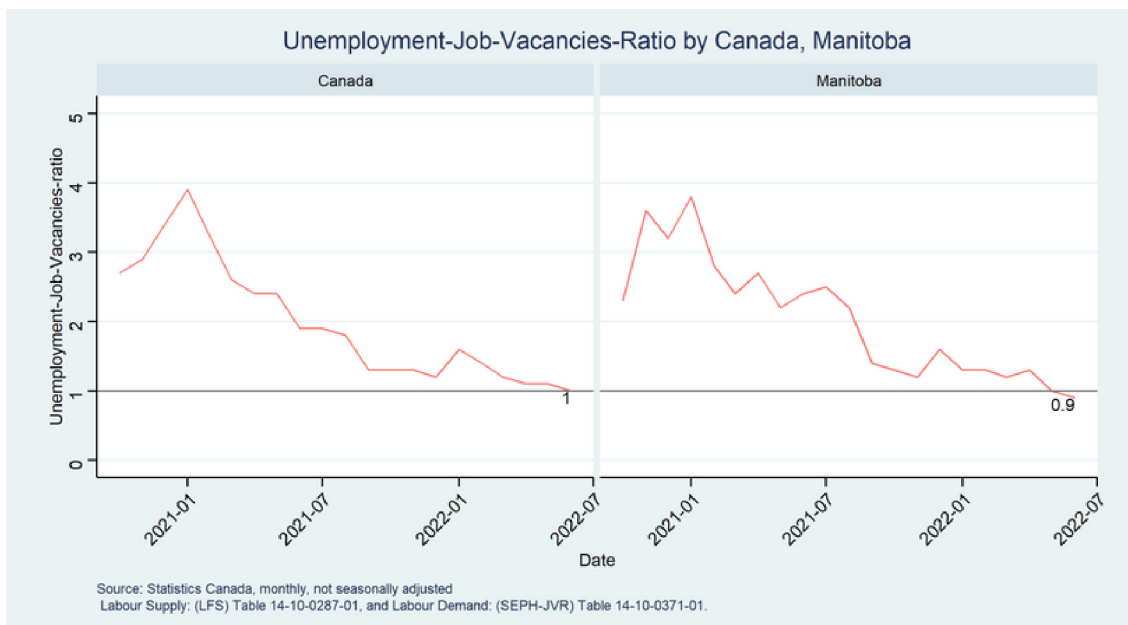
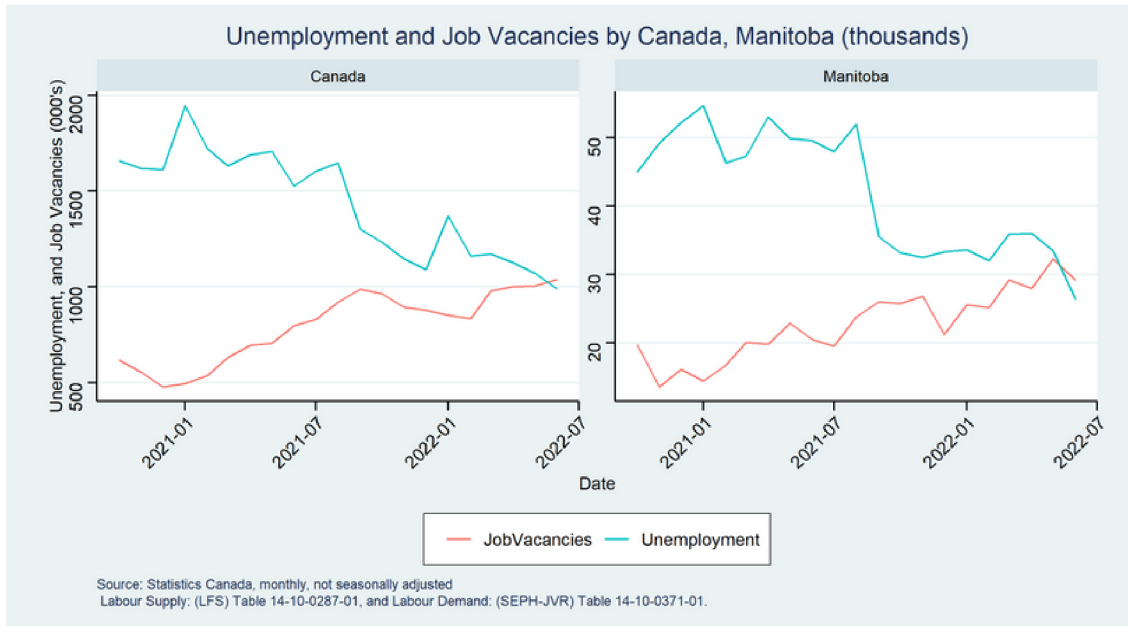
[1] Job vacancy Rate = (vacancies) / (employed + vacancies)

[2] The tail-end of the Baby Boomers will likely retire over the next five years.

ANALYSIS

Unemployment, Job Vacancies and the U/V ratio:

Since October 2020 to June 2022, we can see that unemployment has fallen for Canada and Manitoba, while job vacancies have primarily been on the upswing. In June 2022 labour supply (unemployed) has slipped slightly below labour demand (job vacancies) in Canada and Manitoba.



[3] Unemployment-Job-Vacancy-Rate = Unemployment/Job-Vacancy. From monthly data and not seasonally adjusted.

ANALYSIS

The unemployment-to-job-vacancy-ratio (continued)

The payroll employment, earnings and hours, and job vacancies June 2022 report noted that the unemployment-to-job-vacancy ratio in June 2022 was below 1.0 in four provinces: Quebec (0.6), BC (0.7), Saskatchewan (0.8), and Manitoba (0.9), while the rest have more unemployed than vacant positions.

This means there were fewer officially unemployed people than job vacancies in provinces like Manitoba. For example, in a scenario where there were one hundred job vacancies, there were only ninety unemployed people available to fill those jobs.

Manitoba may resolve this discrepancy by:

- Attracting more people to join Manitoba's labour force including those unrepresented, the long-term unemployed, boosting participation rates by high school students and domestic and international university students [3].
- Attracting talent from other provinces to move to Manitoba.
- Boosting net immigration to help fill roles. This can occur through the Manitoba Provincial Nominee Program and with international university students working part time while studying.
- The temporary foreign workers program may play a role as well.
- Upskilling workers through education and training will also play a role. For example, see Karima-Catherine Goundiam's September 8, 2022 diversity hiring opinion piece, "[How to Create a pipeline for a diverse workforce](#)," in the Global and Mail.

We continue to see initiatives in Manitoba to better match workers with employers, including efforts from Economic Development Winnipeg's [Talent team](#), along with partners in government, and industry.

[4] Within current regulations for international post-secondary students working in Manitoba.

INQUIRIES AND CONTACTS

If you require help accessing government programs, contact our YES! Winnipeg team through the [Help us help you form](#).

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