

Economic Development Winnipeg

# WEEKLY ECONOMIC DIGEST



## EMPLOYMENT EXCEEDS PRE-PANDEMIC LEVELS

MANITOBA'S UNEMPLOYMENT RATE IS LOWER THAN THE CANADIAN EQUIVALENT

*Chris Ferris, Senior Economist*

### Bottom Line

September 2021's unadjusted employment rose on the month. When compared to Feb'20, employment in Canada is up 2% and in Manitoba by 1 to 2%. Net unemployment rates fell in Canada and Manitoba, driven by lower unemployment rate of women (all ages) and men 25 or over. Even with population growth, Manitoba's participation rate has recovered to just shy of its Feb'20 participation rate of 66.9%.

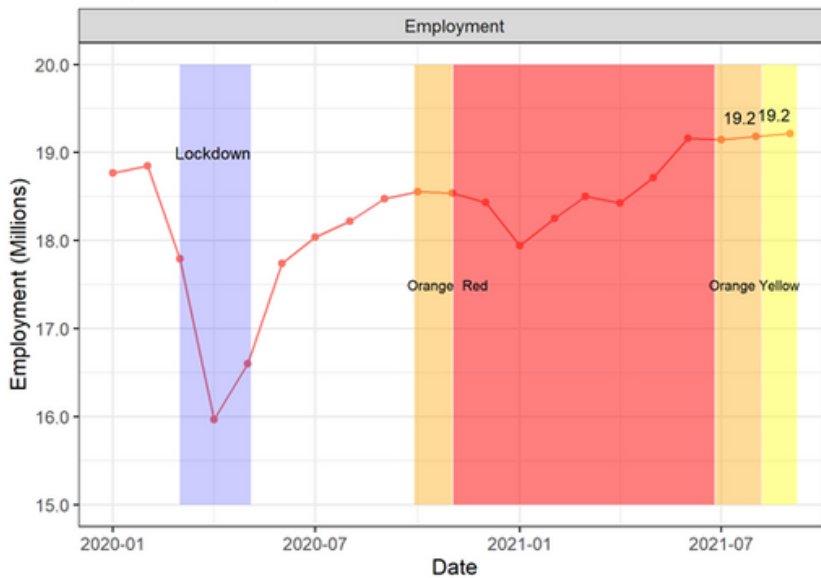
A review of the employment index of Sep'21 vs Feb'20 by industry, reveals the greatest gains in employment in the following industry categories: **wholesale trade, finance and insurance, and public administration.**

Considering employment by occupation, **Natural and Applied Science** related occupations continue their strong, long-term growth trend. This is particularly strong in Manitoba, rising 43% since Feb'20.

Some industries whose revenues are still directly affect by COVID-19 are likely to need support for some time yet. At the same time, the long-term unemployed will need assistance to return to the labour market. Together, these actions should help improve labour market matching.

# ANALYSIS OF LABOUR FORCE SURVEY

Canada's Employment Level  
Unadjusted (Millions)



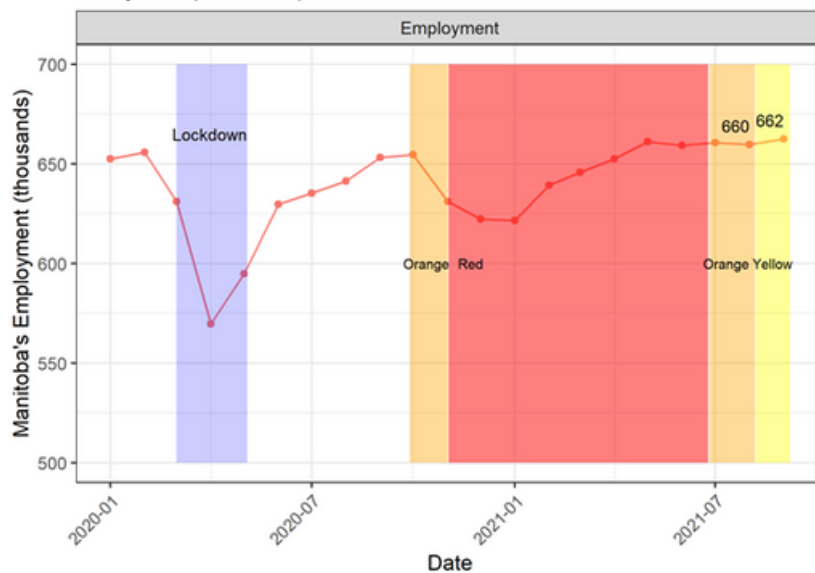
Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

## Canada and Manitoba Employment Level

Statistics Canada released the September 2021 Labour Force Survey on October 8, 2021. The unadjusted employment figures have Canadian employment at 19.2 million, which is about 2 per cent above its pre-pandemic levels.

Manitoba's unadjusted employment rose to 662 thousand, 1 to 2 per cent above its Feb'20 level. High vaccination rates enabled Manitoba to meet and exceed provincial targets set earlier in the year, which enabled easing of COVID-19 restrictions.

Manitoba's Employment Level  
Unadjusted (thousands)

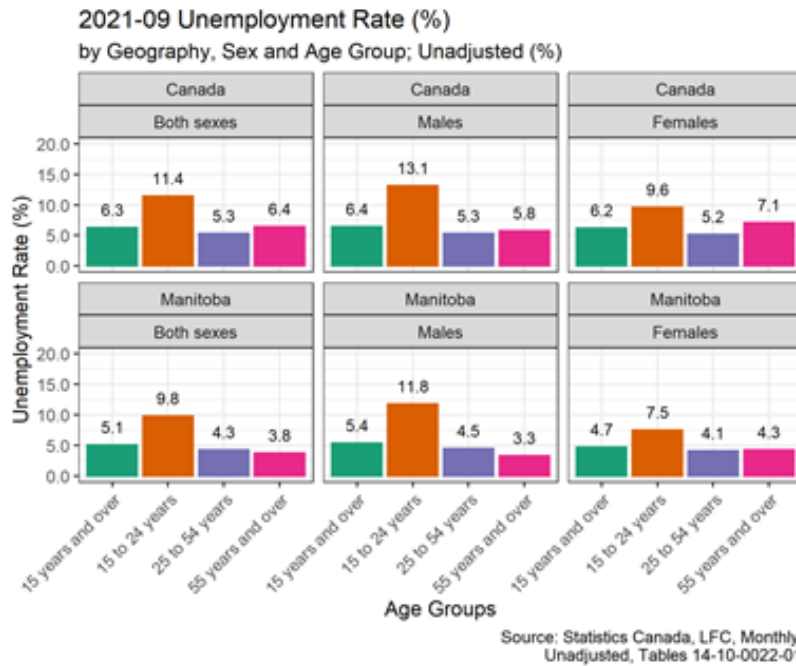


Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

The fourth wave continues to pose a risk to labour, and product/service markets in Manitoba as well as all other provinces. This is particularly true because school aged children aged 5 – 11 still not eligible for the COVID-19 vaccines, and various pockets of unvaccinated people 12+ out there also pose a health risk.

Source: Statistics Canada, Table 14-10-0022-01

# ANALYSIS OF LABOUR FORCE SURVEY

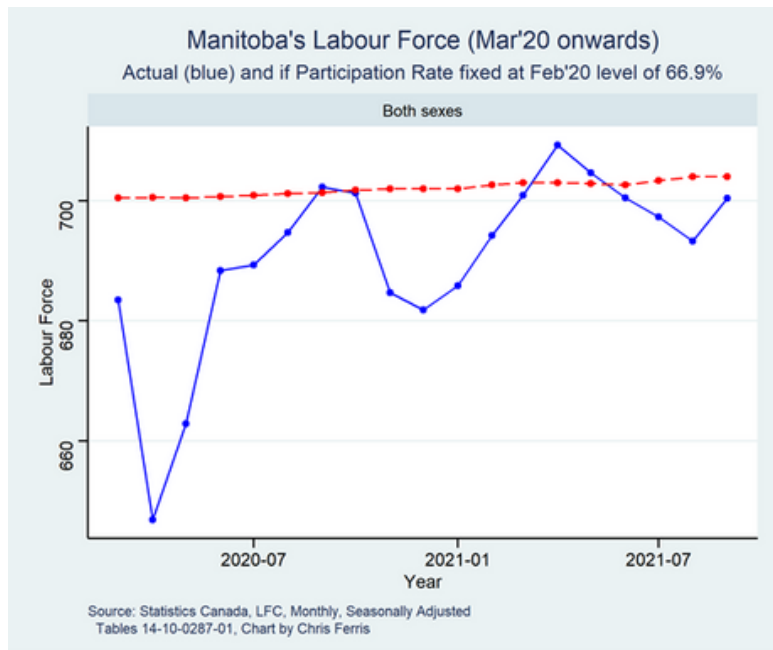


## Canada and Manitoba Employment Level

In every combination of sex and age group, Manitoba's unemployment rate is lower than the Canadian equivalent.

## Manitoba Labour Force Participation Rates

With employment levels returning to pre-pandemic levels, we decided to consider the effect of population growth on the labour force. In February 2020, Manitoba's seasonally adjusted labour-force participation rate was 66.9%, while in September 2021, it was 66.6%. We computed an implied labour force (Employed + Unemployed) using the Feb'20 participation rate of 66.9% (red dotted line).

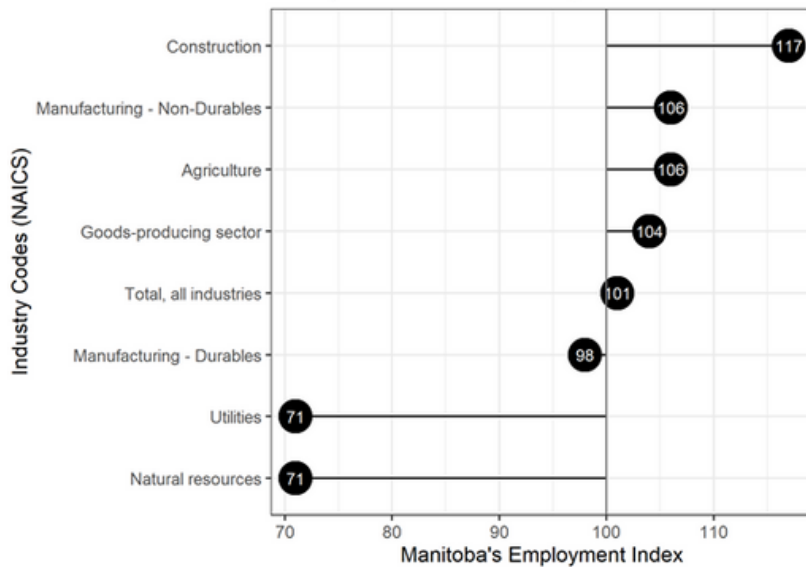


As of September 2021, these two figures are very similar. **Thus, Manitoba's labour market dynamics now has a high probability of being driven by technical change and other normal labour demand and supply changes.** The key is keeping COVID-19 contained so that consumer and worker confidence continues to build.

Source: Statistics Canada, Table 14-10-0287-01

# ANALYSIS OF LABOUR FORCE SURVEY

Manitoba's Goods Industries Employment Index (100 = same as Feb 2020)

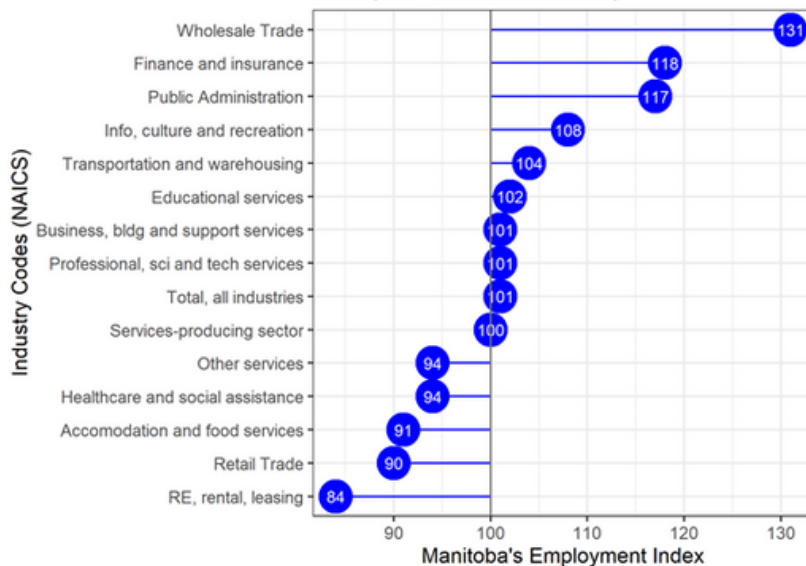


Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

## Industry Analysis

In Sep'21, the goods producing industries, the biggest gains compared to Feb'20 were in **construction** - up 17%, followed by the **manufacturing of non-durables** and **agriculture**, which were both up 6 per cent. **Utilities** and **natural resources** both remain down 29% over the same period. These two sectors are likely down due to longer-term structural or cyclical reasons. The [October 19 announcement](#) of Hudbay expanding operations in Manitoba should help boost the natural resources sector's activity and employment in the future.

Manitoba's Service Industries Employment Index (100 = same as Feb 2020)



Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

In Sep'21, the services producing industries, the biggest gainers compared to Feb'20 are the **wholesale trade** - up 31%, followed by **finance and insurance** - up 18%, and **public administration** - up 17%.

The effect of the COVID-19 pandemic continues to weigh on employment in several sectors. **Accommodation and food services** employment remains down 9%, **retail** down 10% and **real estate, rental and leasing** down 16 per cent over the same period.

Source: Statistics Canada, Table 14-10-0022-01

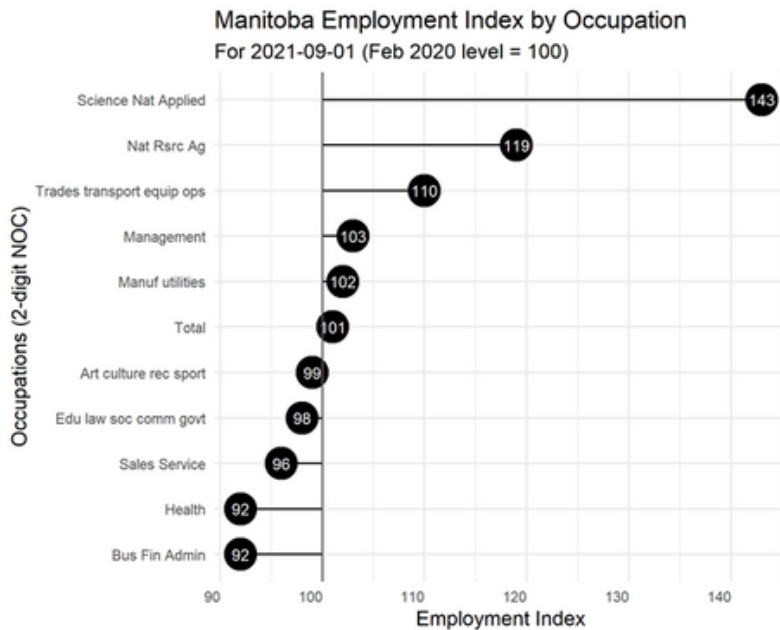
# ANALYSIS OF LABOUR FORCE SURVEY

## Occupation Analysis



Source: Statistics Canada, LFC by Occupation, Monthly, Not Seasonally adjusted, Table 14-10-0296-01

When we compare employment (not seasonally adjusted) by occupation in Sep'21 to Feb'20, we see that natural resource and agriculture occupations in Canada is up 20% over Feb'20 – this has a strong seasonal effect as noted in [WED Vol 2, Issue 34](#). **Science – Natural and Applied** related occupations are up 14%, part of strong long-term trend.



Source: Statistics Canada, LFC by Occupation, Monthly, Not Seasonally adjusted, Table 14-10-0296-01

When we compare employment (not seasonally adjusted) by occupation in Sep'21 to Feb'20, we see that natural resource and agriculture occupations in Manitoba is up 19% over Feb'20 – this has a strong seasonal effect as noted in [WED Vol 2, Issue 34](#). **Science – Natural and Applied** related occupations are up 43%, part of strong long-term trend.

Source: Statistics Canada, Table 14-10-0296-01



# ANALYSIS OF LABOUR FORCE SURVEY

## Concluding Remarks

Manitoba employment levels in September 2021 now exceed pre-pandemic levels. So long as we can keep COVID-19 contained, we look to be in reasonable shape at an aggregate level.

- **Some industries will require support for longer than others**, given that their revenues have not fully recovered.
- At the same time, with changes to business processes, and the difficulty of **helping the long-term unemployed get back into the labour market, some further supports will be needed.**
- These will help match labour supply and demand imbalances, since immigration may remain lower than normal for some time.
  - Immigration levels will be dependent on the restoration of international passenger flights, and international agreement on the handling of COVID-19 protocols.

## INQUIRIES AND CONTACTS

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

General inquires: [wpginfo@edwinnipeg.com](mailto:wpginfo@edwinnipeg.com)

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