



Labour Market News

October 07, 2011

Jobs Overview — Third Quarter 2011

This issue:

- Gradual improvement in Canada's labour market continues
- Employment fell in SWO cities, leading to uptick in local unemployment rate

Special feature:

- Men and the Recession

Labour Market News is published quarterly, providing an economist's view of labour market trends and policy issues.

Canada's labour market continued its gradual recovery in September, with Ontario roughly following suit despite a drop in its employment rate. The cities of South-West Ontario (SWO) saw an uptick in their unemployment rate, leaving it higher than the Canadian average for the first time since December 2010. This was mostly due to higher unemployment rates in Kitchener-Waterloo-Cambridge (KWC) and Windsor, up 0.3% pts and 1.5% pts respectively. KWC's job losses were in both full-time jobs and part-time jobs. Both sexes contributed to full-time job losses (2400 jobs for men and 2400 for women), while women comprised the

bulk of the 2300 part-time jobs lost.

SWO cities have had quite diverse labour market experiences recently. Guelph had relatively good employment outcomes throughout the recession, and its unemployment rate in September of just 4.3% is the lowest of any Canadian city. It is less than half the unemployment rate in London, Windsor, and Brantford, all of which have unemployment rates over 9%, higher than any cities in Canada except Barrie and Peterborough. Brantford's employment rate has consistently improved relative to the Canadian average in the past decade, while London's and Windsor's have fallen.

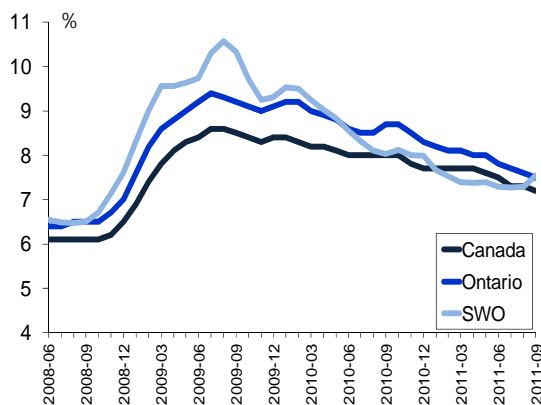


Fig 1. Unemployment rate trends

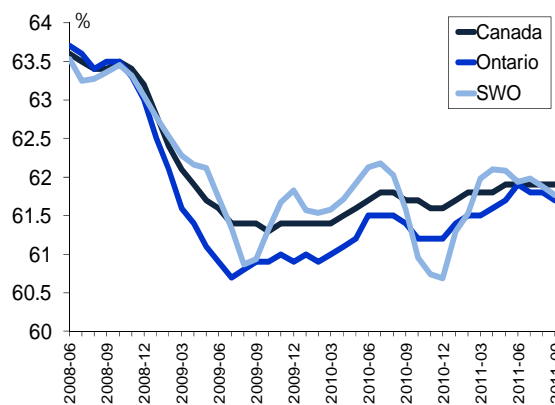


Fig 2. Employment rate trends

South-Western Ontario: Jobs Recovery Stalling?

Compared to September 2010, 12,600 jobs were added in net terms in SWO's cities, a 1.1% increase. The biggest job-creating sectors were information, culture and recreation (+15,300), public admin (+13,000) and professional, scientific and technical services (+10,000). Public admin jobs increased for all the cities in SWO. These increases were offset by employment losses in business services (-17,700), manufacturing (-7,300) and finance, insurance and real estate (-6,600). Hamilton and KWC were the major contributors to manufacturing job losses. In terms of growth rates, the sectors that added the most jobs also grew the most rapidly proportionately. Informa-

tion, culture and recreation jobs grew 30.9%, and public administration by 27.6%. Business services jobs were down 27.3% compared with last year, the highest rate among the industries, followed by finance at 7.6%.

In KWC, there have been concerns this quarter about jobs at RIM, which in July announced it would reduce its workforce by around 11%. RIM's local workforce is reported to be around 9000, which is just over 3% of the KWC labour force. A layoff of 11% locally could then increase the KWC unemployment rate by 0.33% – a substantial effect, but not enough by itself to overwhelm the economy.

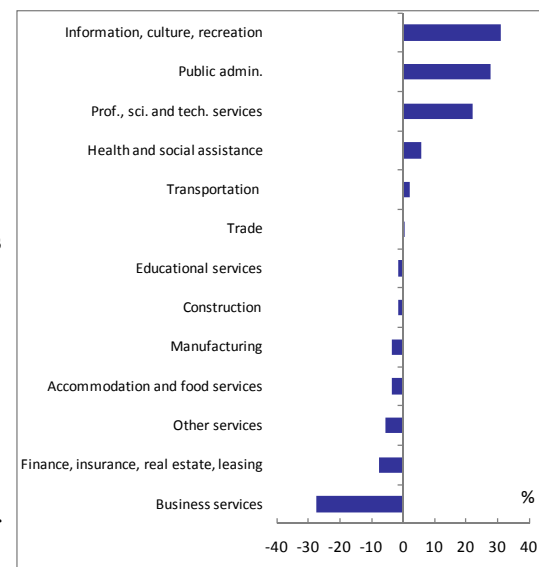


Fig 3. SWO employment change by industry, Sept 2010-2011

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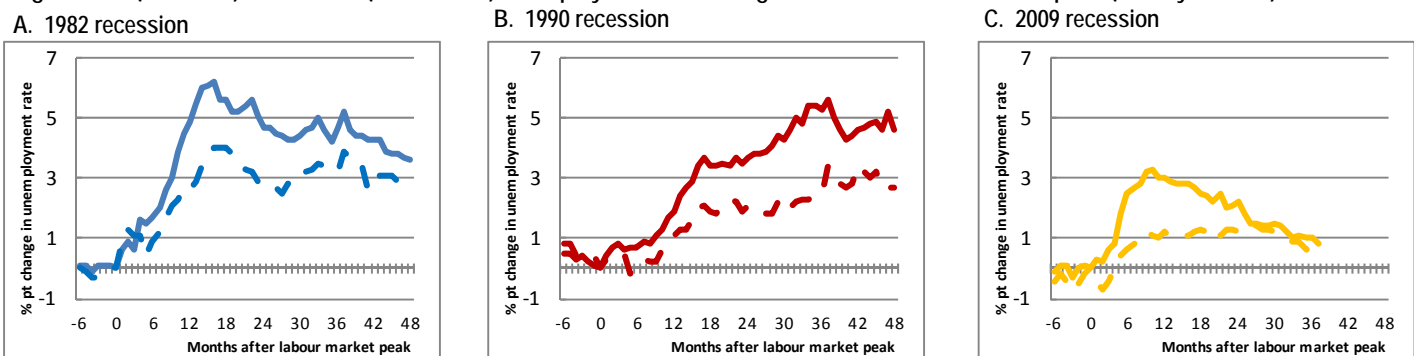
Men and the Recession

The 2009 recession was kinder to men than the two previous recessions

There has been much discussion in the Canadian and US media of the disparate impact of the recession on men, leading to the coining of the term ‘mancession’. But the 2009 recession has actually been less costly to men than previous recessions – the unemployment rate for prime-age males rose less and recovered more rapidly than in the previous two recessions (Fig 1).

So was the ‘mancession’ about men doing worse than women? Somewhat, but men also did worse than women in the previous recessions. Prior to the 1982 and 1990 recessions, women’s unemployment rate was higher than men’s, but in both recessions men lost more jobs than women, reducing that gap.

Fig 1. Male (solid line) and female (dashed line) unemployment rate changes relative to labour market peak (25-54 year olds)



Men’s higher employment in the goods sector contributed to their bigger job losses

Men’s greater job losses in the recession were partly because they are more likely to be employed in the hard hit goods sector. Of the 1.8% net loss in jobs between the first nine months of 2008 and the same period in 2009, 1.76% pts (98%) were in the goods sector, and men made up the bulk of those losses. But women working in the goods sector were actually *more* likely than men to lose their job – female employment in that sector dropped 7.6% compared with 6.8% for men. The reason for this apparent discrepancy is that more men than women work in the goods sector, so though they lost jobs at a lower rate than women, they made up the bulk of the job losses. If men had the same pattern of employment by sector as women, their job losses through Sept 2009 would have been just under 2% rather than 3%. The goods industry continues to struggle. It accounted for 97% of all jobs lost, but only 15% of job gains so far. For men, 80% of all jobs lost were in goods, and 80% of job gains in services. Continuing employment gains for men will likely entail further switching into services.

Men lost more jobs than women, but also gained more jobs in the recovery

By Sept 2008, women’s unemployment (4.8%) was just below men’s (5.2%). When the recession hit, men again lost jobs faster than women, accounting for almost 90% of the net drop in jobs through Sept 2009. But unlike in previous recessions, male employment recovered quickly — 75% of the increase in jobs since the trough have gone to men. By mid 2011, both men and women had unemployment rates about 1% point higher than prior to the recession, with a further slow drift downwards since then. If anything, then, the 2009 recession has been kinder to men than were the earlier recessions. The greater similarity of men’s and women’s labour market experiences at the close of the 2009 recession may reflect three decades of growing female participation in the labour market.

Table 1. Contributions to changes in employment by sex and sector

	2008 to 2009		2009 to 2011	
	Male	Female	Male	Female
Total (%)	-1.80		1.73	
Contribution (% pts) from:				
Goods	-1.31	-0.46	0.26	-0.02
Manufacturing	-0.77	-0.26	-0.27	-0.10
Construction	-0.33	-0.13	0.61	0.09
Other goods	-0.20	-0.06	-0.07	-0.01
Services	-0.29	0.25	1.03	0.46
Trade	0.10	-0.29	-0.07	-0.10
Transport	-0.17	-0.06	0.00	0.06
Prof./Scien.	0.00	-0.07	0.46	0.06
Health/Soc. Assist.	0.00	0.36	0.16	0.59
Public admin	0.07	-0.17	0.03	0.27
Other services	-0.29	0.47	0.46	-0.43

Note: Figures show the contributions by sector and sex to the total percentage change in employment (shown in the top line) between the first 9 months of the calendar years indicated.