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AN OVERVIEW OF CANADA'S LABOUR MARKET FROM THE NHS

The second release from the 2011 National Household Survey (NHS) provided an update on the labour market outcomes of the Canadian population. Most of the information related to broad trends in the labour market can already be gleaned from the traditional sources of labour market information – Statistics Canada's monthly Labour Force Survey (LFS) and the survey of employment, payrolls, and hours. As such, this note will focus more on information unique to the NHS, including the labour market outcomes of women, Aboriginals and immigrants.

General overview

The survey enumerated just shy of 18 million labour market participants aged 15 years and over in 2011, 16.6 million of whom were employed. The employment rate (the employed share of the total population) was 60.9%. The impact of the 2008-09 financial crisis was evident here as the employment rate in the 2006 census was nearly 2 percentage points higher, at 62.6%. The highest rates of employment in 2011 were in Yukon (69.7%) and Alberta (69.0%). Among Canada's largest cities, Calgary (70.0%), Regina (69.1%), and Edmonton (69.0%) had the highest employment rates.

The NHS revealed several trends that have already been highlighted in the Labour Force Survey, including the rising share of older workers. Those aged 55 and over represented 18.7% of the workforce, compared with 15.5% in the 2006 census.

Women – the generational gap

The NHS pointed to a continued improvement in female representation in the labour market, but also that women are still lagging. The survey enumerated 8.6 million women in Canada's labour force, or 47.8% of the total in 2011. This represents a 0.4 percentage point improvement over 2006, but still below the 51.2% share of the population accounted for by women. Participation in the labour force was lower for women than men. The gap between participation rates did narrow between 2006 and 2011. However, this is mainly due to a 1.7 percentage point decline in the male participation rate – that of women remained constant between censuses. Unemployment was less prevalent for women than for men – 7.4% of the female labour force was unemployed in 2011 versus 8% for men. However, this is unsurprising given that women have categorically outperformed their male counterparts on this front since 1989, according to the LFS.

TABLE 1: FEMALE REPRESENTATION IN SELECTED OCCUPATIONS		
Occupation	All Ages	Ages 25-34 Years
Total employment	48.0%	48.2%
Senior government managers and officials	46.2%	51.5%
Legislators	33.7%	40.0%
Dentists	34.8%	57.8%
General practitioners and family physicians	42.3%	59.8%
Specialist physicians	37.0%	54.9%
Lawyers and Québec notaries	42.2%	57.7%
Engineers	13.1%	19.6%

Source: 2011 National Household Survey

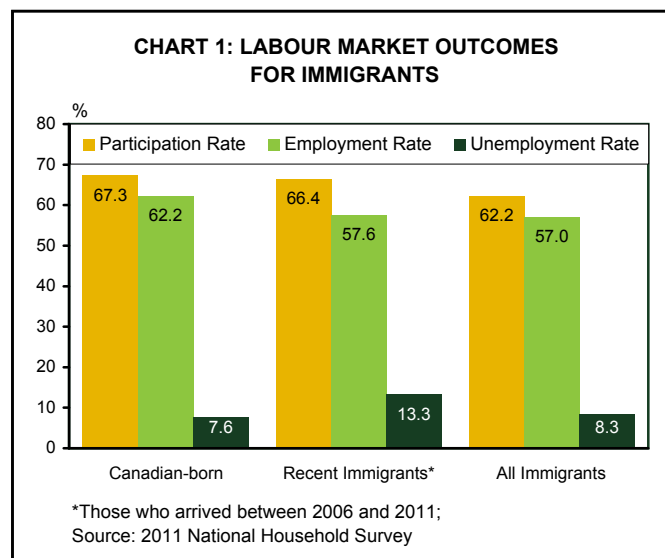
Of more interest was the breakdown of employment by occupation and skill level. Interestingly, there was a significant cohort effect when comparing female representation at all age levels versus looking solely at younger age cohorts. The occupations in which women of all ages were under-represented remained similar to previous research and census releases: senior managers, lawyers, doctors, engineers, computer scientists, etc. However, there were substantial improvements in female representation when only looking at 25-34 year olds. One of the most significant jumps occurred in the health-related sector. While 39.9% of all family and specialist doctors were female, among those aged 25-34 years, a shocking 57.5% were female. Substantial improvements were also recorded in several higher-profile occupations that have traditionally been male-dominated, such as dentists, engineers, lawyers, legislators, and senior government officials (Table 1).

To be clear, many occupations, including several in the few listed above, remain male-dominated. The female share of employment in those fields is still below both the 48.2% female share of total employment and the 51.2% share of the population. In addition, little improvement has been made in many other sectors, particularly in trades, manufacturing, and primary industries – such as forestry. In fact, for many of these sectors, female representation is declining as fewer young women are entering these fields.

This trend is consistent with a higher share of post-secondary degrees being obtained by women. Most of these degrees tend to lead away from such occupations, a move which is evident when jobs are broken down by skill level. Statistics Canada splits occupations into five skill categories aligned with different levels of educational attainment and

Occupational skill level	% share of employment (all ages)	% share of employment (25-34 years)
Level A Manager (university and above)	37.3%	41.4%
Level A Professional (university and above)	55.4%	58.9%
Level B (college and trades)	44.2%	42.7%
Level C (high school only)	52.0%	50.7%
Level D (on-the-job training)	48.4%	41.2%

Source: 2011 National Household Survey



training (Table 2). Women are overrepresented at job levels A (professional) and C, associated with university and high school degrees, respectively. The former is likely skewed by the 80.3% female share of employment in the health care sector, most of which requires some form of post-secondary training. For 25 to 34 year olds, however, female representation improves at both managerial and professional level A occupations, but falls for all other categories.

Immigrants – a persistent gap

As was the case in previous censuses, immigrants underperformed Canadian-born citizens in the labour market in 2011. Gaps pervaded every metric for immigrants relative to non-immigrants with fewer participating in the labour market, a lower employment rate and a higher unemployment rate (Chart 1). The outcomes were considerably worse for recent immigrants (those who arrived between 2006 and 2011) as their unemployment rate was a full 5 percentage points higher than for all immigrants and nearly twice the level for non-immigrants.

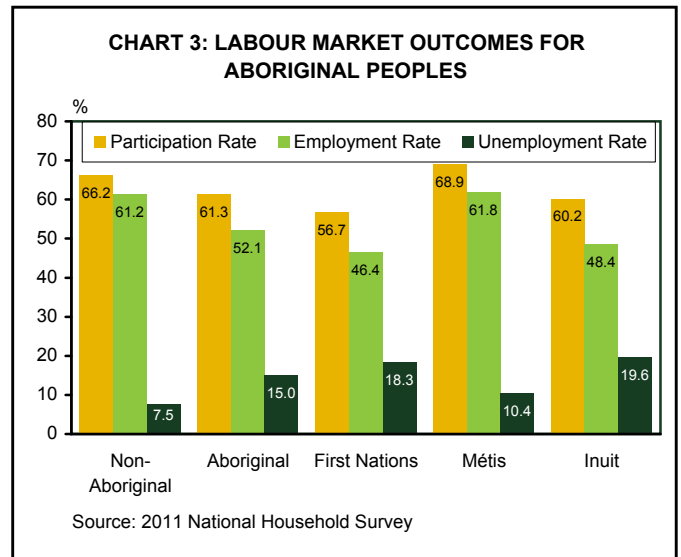
These gaps in labour market outcomes discouragingly widen the higher the education level. For university graduates, the unemployment rate for non-immigrants falls from 7.5% to just 4%. However, that for immigrants only falls from 8.3% to 7.2%. The unemployment rate faced by recent immigrant university graduates is more than three times the level of non-immigrants at 12.6% (Chart 2). These gaps underscore the significant barriers faced by new immigrants to Canada, particularly the difficulty related to credential

recognition. With an increasing share of immigration coming from non-traditional source regions such as Asia, the Middle East, and Africa, credential assessment has become a more difficult process. This has been especially the case for the nation’s small and medium-sized enterprises that have neither the tools nor the resources to conduct proper equivalency assessments.

Aboriginal Peoples – progress being made, but not for all

Like immigrants, Aboriginals tend to underperform in the labour market relative to non- Aboriginal peoples. The unemployment rate faced by Aboriginal peoples was 15%, twice that of the non-Aboriginal population. Participation and employment rates were also significantly lower. However, these outcomes were not even across the entire Aboriginal population, as Métis outperformed their First Nation and Inuit counterparts in 2011 (Chart 4). In fact, Métis peoples had labour market outcomes not too dissimilar from the non- Aboriginal population, with a lower unemployment rate and higher participation and employment rates relative to Inuit and First Nations peoples.

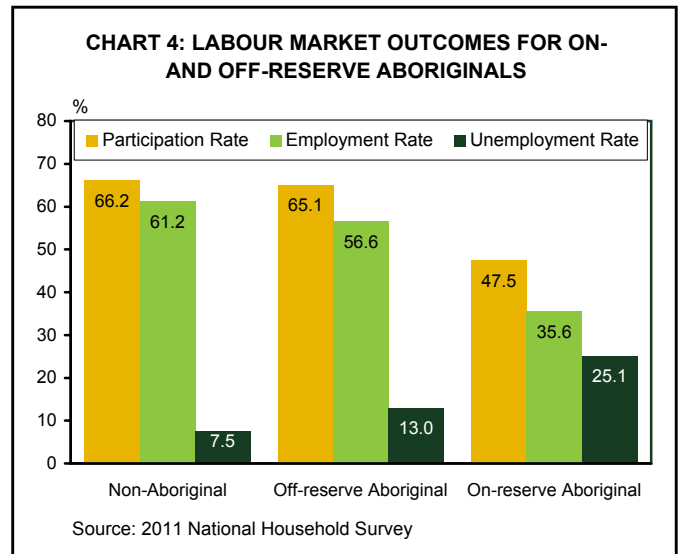
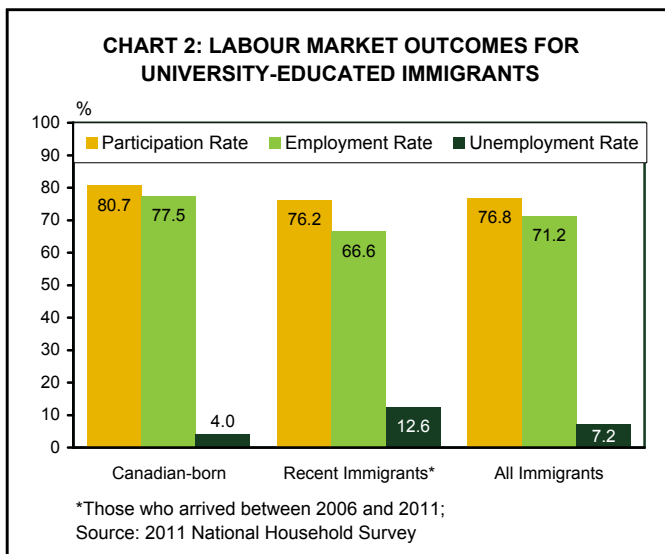
However, the most significant gaps revealed by the NHS were the differences in labour market outcomes between Aboriginal peoples on- and off-reserves. The unemployment rate faced by on-reserve Aboriginal peoples was a discouragingly high 25.1%, while that faced by off-reserve Aboriginal groups was a more moderate, but still elevated, 13.0%. For on-reserve Aboriginal peoples, the employment rate was a



shockingly low 35.6%, while the participation rate was just 47.5%, again below their off-reserve counterparts (Chart 5).

Concluding Remarks

The NHS confirmed that the 2008-09 financial crisis did have a substantial negative impact on the Canadian labour market and that it has yet to fully recover. The survey also revealed that progress has been made in terms of closing the gap between men and women, and that younger women are much better represented in the labour market. Meanwhile, the NHS continued to underscore the challenges faced by the immigrant and Aboriginal communities. While none of these findings are particularly new, they do underscore the continued challenges faced by the Canadian labour market.





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