



Labour Market Bulletin

Ontario

March 2020



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Ontario, including the regions of Hamilton—Niagara Peninsula, Kingston—Pembroke, Kitchener—Waterloo—Barrie, London, Muskoka—Kawarthas, Northeast, Northwest, Ottawa, Stratford—Bruce Peninsula, Toronto and Windsor—Sarnia.

OVERVIEW

Labour Force Trends

- Employment in the province fell sharply by 402,800 (-5.3%) in March, as restrictions aimed at slowing the spread of the coronavirus (COVID-19) outbreak began to affect the labour market
- Unemployment in Ontario rose by 149,200 (+34.2%) from February to March
- The Ontario unemployment rate climbed up from 5.5% to 7.6% in March
- Employment in Ontario's goods-producing sector fell by 52,800 (-3.5%) in March, while the services-producing sector fell by 350,000 (-5.8%)
- The unemployment rate in the Windsor-Sarnia economic region (ER) increased by 3.0 percentage points from March 2019 to March 2020 to 9.5%, the largest increase among Ontario ERs

According to Statistics Canada's Guide to the Labour Force Survey (LFS), people who are on temporary layoff due to business conditions, such as the global COVID-19 pandemic, with an expectation of recall, and were available for work, are considered unemployed. This is different from people who had a job but were not at work due to illness or disability, personal or family responsibilities, vacation or labour dispute, who are all considered employed.¹

Between February 2020 and March 2020, employment in Ontario fell sharply by 402,800 (-5.3%) to 7.15 million, as restrictions aimed at slowing the spread of the coronavirus (COVID-19) outbreak began to affect the labour market. This is the largest single-month decline on record for the province. The previous largest decrease in Ontario employment was in January 2009, when it fell by 95,000 (-1.4%). Full-time employment decreased by 248,500 (-4.0%) in March, while part-time employment fell by 154,300 (-11.3%).

¹ Statistics Canada Staff. (2018, September 7). Guide to the Labour Force Survey, 2018. *Statistics Canada*. Retrieved from <https://www150.statcan.gc.ca/n1/pub/71-543-g/71-543-g2018001-eng.htm>

Correspondingly, unemployment in Ontario climbed up by 149,200 (+34.2%) in March, representing the sharpest increase in comparable LFS data. Previously, the largest provincial increase in unemployment was in February 2009, when it rose by 50,000 (+8.7%).

As a result of increased unemployment in March, the unemployment rate rose from 5.5% to 7.6%, also representing the largest jump in comparable LFS data. The increase in the unemployment rate could have been even larger, except for the fact that a number of laid off people were counted as having exited the labour force altogether rather than being counted as unemployed in March. These individuals were not even able to actively seek and search for employment, due to labour market conditions and social distancing and self-isolation restrictions.² Consequently, the Ontario participation rate fell from 65.1% to 63.0% in March, while the employment rate fell from 61.6% to 58.2%.

Youth in Ontario aged 15 to 24 were disproportionately impacted in the labour market in March, with youth employment falling by 158,800 (-15.8%) and youth unemployment rising by 34,400 (+27.6%). In addition, labour force figures for Ontario youth fell by 124,500 (-11.0%), compared to 3.2% for the Ontario general population, signifying that a large number of youths dropped out of the labour force in March, as they were not able to seek employment due to COVID-19-related restrictions.

Between March 2019 and March 2020, employment in Ontario decreased by 227,600 (-3.1%), with losses being observed in both full-time (-74,400; -1.2%) and part-time employment (-153,300; -11.3%). The unemployment rate rose by 1.7 percentage points (p.p.) when compared to a year ago, while the employment rate decreased by 3.0 p.p. during this period.

Total Canadian employment fell by 1.0 million (-5.3%) from February to March 2020 to reach 18.2 million, the largest recorded decrease. Full-time employment fell by 474,000 (-3.0%), while part-time employment fell by 536,700 (-15.0%). Across Canada, the national unemployment rate rose from 5.6% to 7.8% from February to March, as unemployment grew by 413,200 (+36.4%).

Employment fell in all provinces, with the sharpest employment losses observed in Quebec (-264,000; -6.0%), Ontario, and Nova Scotia (-24,800; -5.3%).

From March 2019 to March 2020, the unemployment rate in Canada increased by 2.1 percentage points (p.p.), as national unemployment expanded by 33.9%, and employment fell by 4.0%.

The United States (U.S.) total nonfarm payroll employment fell by 701,000 (-0.5%) in March to reach 151.8 million, while the unemployment rate jumped up from 3.5% to 4.4%.³

² Statistics Canada Staff. (2020, April 9). Labour Force Survey, March 2020. *Statistics Canada*. Retrieved from <https://www150.statcan.gc.ca/n1/daily-quotidien/200409/dq200409a-eng.htm>

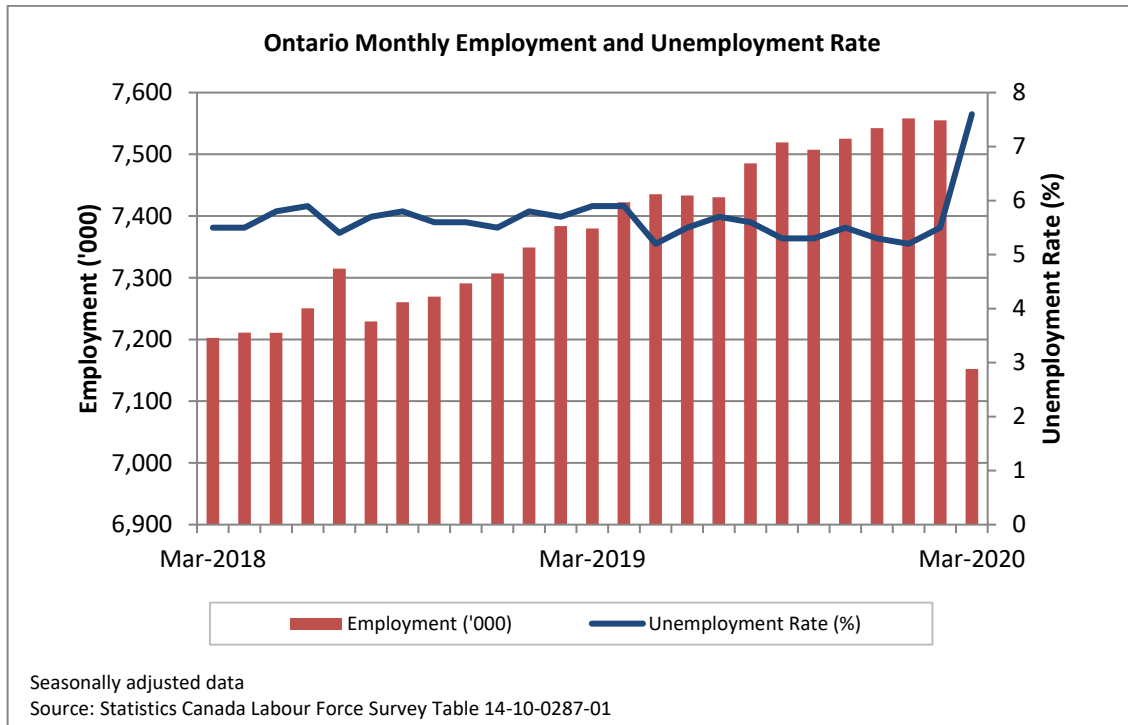
³ Bureau of Labor Statistics Staff. (2020, April 3). The Employment Situation – March 2020. *U.S. Department of Labor*. Retrieved from <https://www.bls.gov/news.release/pdf/empsit.pdf>

Ontario Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	March 2020	February 2020	March 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	12,289.1	12,267.5	12,052.1	21.6	0.2	237.0	2.0
Labour Force ('000)	7,737.9	7,991.5	7,839.2	-253.6	-3.2	-101.3	-1.3
Employment ('000)	7,152.3	7,555.1	7,379.9	-402.8	-5.3	-227.6	-3.1
Full-Time ('000)	5,945.5	6,194.0	6,019.9	-248.5	-4.0	-74.4	-1.2
Part-Time ('000)	1,206.8	1,361.1	1,360.1	-154.3	-11.3	-153.3	-11.3
Unemployment ('000)	585.6	436.4	459.3	149.2	34.2	126.3	27.5
Unemployment Rate (%)	7.6	5.5	5.9	2.1	-	1.7	-
Participation Rate (%)	63.0	65.1	65.0	-2.1	-	-2.0	-
Employment Rate (%)	58.2	61.6	61.2	-3.4	-	-3.0	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087



EMPLOYMENT BY INDUSTRY

Employment in Ontario's **goods-producing sector** decreased by 52,800 (-3.5%) in March 2020. The biggest losses were in manufacturing (-31,600; -4.2%), utilities (-7,700; -14.2%) and agriculture (-6,500; -8.1%), while employment in the construction industry remained relatively flat.

Ontario's **manufacturing** industry was strongly impacted by the global response to the COVID-19 pandemic, which has slowed demand for goods, and disrupted various supply chain routes. All large automakers across North America began temporarily and voluntarily shuttering their manufacturing plants in March in an abundance of caution and the need for social distancing and self-quarantines, after a number of auto workers tested positive for COVID-19 in various pockets across the continent.⁴ In addition, the Ontario **agriculture** industry was impacted by the border closure to all foreigners (with the exception of Americans on essential travel) as of March 16, as the industry is heavily reliant on temporary foreign workers.⁵ This decision was partially reversed on March 20, as exemptions were allowed for seasonal agricultural workers and fish/seafood workers, with all individuals entering from abroad required to self-isolate for 14 days upon their arrival to Canada.⁶ Ontario's **construction** industry employment figures remained stable in March as it was originally deemed an essential service in the initial shutdown of non-essential businesses on March 25. However, as of April 4, only construction deemed specifically essential in the infrastructure, industrial and residential sectors is allowed to continue,⁷ which will likely lead to a decrease in construction employment figures in April.

Services-producing sector employment in Ontario decreased by 350,000 (-5.8%) in March, with the biggest losses in accommodation and food services (-119,600; -26.7%), wholesale and retail trade (-87,600; -7.9%), health care and social assistance (-56,100; -6.1%), and information, culture and recreation (-30,200; -9.8%).

The Ontario **accommodation and food services** industry has been severely impacted by the global COVID-19 pandemic. Tourism has come to a standstill, enforced strictly by both international and domestic travel bans and border closures. Hotel occupancy rates are hovering at less than 10%,⁸ with closures and layoffs by the thousands at hotels and airlines, while revenues have dropped by anywhere from 50% to 75% for the major global hotel and airline chains,⁹ and the Hotel Association of Canada estimating 250,000 eventual hotel job losses nationally.¹⁰ The

⁴ Krisher, T. (2020, March 18). Coronavirus: Automakers shut North American plants over COVID-19 fears. *Global News*. Retrieved from <https://globalnews.ca/news/6698021/coronavirus-ford-gm-factories-close-virus/>

⁵ Kirkup, K. (2020, April 13). Ottawa to provide \$50-million to ensure temporary foreign workers complete self-isolation period. *Globe and Mail*. Retrieved from <https://www.theglobeandmail.com/politics/article-ottawa-to-provide-50-million-to-ensure-temporary-foreign-workers/?cmpid=rss>

⁶ Immigration, Refugees and Citizenship Canada Staff. (2020, March 20). Canada provides update on exemptions to travel restrictions to protect Canadians and support the economy. *Government of Canada Newsroom*. Retrieved from <https://www.canada.ca/en/immigration-refugees-citizenship/news/2020/03/canada-provides-update-on-exemptions-to-travel-restrictions-to-protect-canadians-and-support-the-economy.html>

⁷ CityNews Toronto Staff. (2020, April 3). Ontario to halt all non-critical industrial construction to fight coronavirus spread. *CityNews Toronto*. Retrieved from <https://toronto.citynews.ca/2020/04/03/province-construction-coronavirus-spread/>

⁸ Dunne, J. (2020, March 21). Canada's hotel industry hammered by COVID-19. *CBC News*. Retrieved from <https://www.cbc.ca/news/business/canada-s-hotel-industry-hammered-by-covid-19-1.5505693?cmp=rss>

⁹ Dunne, J. (2020, March 21). Canada's hotel industry hammered by COVID-19. *CBC News*. Retrieved from <https://www.cbc.ca/news/business/canada-s-hotel-industry-hammered-by-covid-19-1.5505693?cmp=rss>

¹⁰ Dunne, J. (2020, March 21). Canada's hotel industry hammered by COVID-19. *CBC News*. Retrieved from <https://www.cbc.ca/news/business/canada-s-hotel-industry-hammered-by-covid-19-1.5505693?cmp=rss>

restaurant sector has also been hit hard, as most businesses are heavily reliant on in-person dining, which has been banned in Ontario with the closure of non-essential businesses as of March 25. Establishments are permitted to offer takeout and delivery services, which has allowed them to continue to employ a portion of their staff. The Ontario **wholesale and retail trade** and **information, culture and recreation** industries have also been impacted with the large majority of businesses having been deemed non-essential. Lower employment figures in Ontario's **health care and social assistance** industry reflects the mandated closure of all licensed child care centres, which are a large component of this industry.

Ontario Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	March 2020	February 2020	February 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	7,152.3	7,555.1	7,379.9	-402.8	-5.3	-227.6	-3.1
Goods-producing sector	1,440.8	1,493.6	1,460.9	-52.8	-3.5	-20.1	-1.4
Agriculture	73.4	79.9	69.2	-6.5	-8.1	4.2	6.1
Forestry, fishing, mining, quarrying, oil and gas	32.9	35.1	35.8	-2.2	-6.3	-2.9	-8.1
Utilities	46.5	54.2	56.7	-7.7	-14.2	-10.2	-18.0
Construction	558.2	563.1	534.8	-4.9	-0.9	23.4	4.4
Manufacturing	729.8	761.4	764.4	-31.6	-4.2	-34.6	-4.5
Services-producing sector	5,711.5	6,061.5	5,919.0	-350.0	-5.8	-207.5	-3.5
Trade	1,028.3	1,115.9	1,102.5	-87.6	-7.9	-74.2	-6.7
Transportation and warehousing	393.0	401.7	401.2	-8.7	-2.2	-8.2	-2.0
Finance, insurance, real estate and leasing	598.0	604.2	582.0	-6.2	-1.0	16.0	2.7
Professional, scientific and technical services	684.9	687.2	667.9	-2.3	-0.3	17.0	2.5
Business, building and other support services	329.4	326.9	308.3	2.5	0.8	21.1	6.8
Educational services	523.1	547.9	546.3	-24.8	-4.5	-23.2	-4.2
Health care and social assistance	868.7	924.8	884.2	-56.1	-6.1	-15.5	-1.8
Information, culture and recreation	278.6	308.8	298.6	-30.2	-9.8	-20.0	-6.7
Accommodation and food services	328.9	448.5	450.4	-119.6	-26.7	-121.5	-27.0
Other services	287.2	300.8	301.8	-13.6	-4.5	-14.6	-4.8
Public administration	391.4	394.7	375.8	-3.3	-0.8	15.6	4.2

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355, formerly CANSIM 282-0088

REGIONAL ANALYSIS

The unemployment rate increased in most of the Ontario economic regions (ERs) between March 2019 and March 2020, measured on a year-over-year, seasonally unadjusted, 3-month moving average basis.

The largest increases in the regional unemployment rates were in Windsor-Sarnia (6.5% to 9.5%; +3.0%), Hamilton-Niagara Peninsula (4.7% to 6.7%; +2.0%), and Kingston-Pembroke (5.5% to 7.1%; +1.6%).

The Toronto ER saw its unemployment rate remain relatively flat at 6.2%, while the Ottawa ER's unemployment rate hovered around 5.0%. The relative stability in the regional unemployment rates partly reflect the fact that these figures are 3-month smoothed moving average numbers.

Ontario Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	March 2020 ('000)	March 2019 ('000)	Yearly Variation (%)	March 2020 (%)	March 2019 (%)	Yearly Variation (% points)
Ontario	7,317.0	7,268.2	0.7	6.2	5.9	0.3
Ottawa	720.7	715.3	0.8	5.0	5.1	-0.1
Kingston - Pembroke	206.9	216.3	-4.3	7.1	5.5	1.6
Muskoka - Kawarthas	165.7	168.8	-1.8	9.5	8.1	1.4
Toronto	3,603.6	3,563.5	1.1	6.2	6.4	-0.2
Kitchener - Waterloo - Barrie	761.6	733.8	3.8	5.3	5.0	0.3
Hamilton - Niagara Peninsula	737.9	748.1	-1.4	6.7	4.7	2.0
London	344.8	333.6	3.4	5.5	5.3	0.2
Windsor - Sarnia	276.8	302.3	-8.4	9.5	6.5	3.0
Stratford - Bruce Peninsula	156.8	136.5	14.9	5.9	6.9	-1.0
Northeast	246.5	250.2	-1.5	6.1	6.3	-0.2
Northwest	95.5	99.8	-4.3	6.7	5.9	0.8

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 282-0122

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

Prepared by: Labour Market Information (LMI) Directorate, Service Canada, Ontario

For further information, please contact the LMI team at: NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2020, all rights reserved