

Labour Force Survey Results April 2020: Manitoba

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Bottom Line

The extraordinary government monetary/fiscal policies deployed to address COVID-19, particularly CERB & CEWS, gives us a good shot at a 'Nike-swoosh' shaped recovery pattern. **A key part of the recovery strategy depends on following public health policy and minimizing further outbreaks.**

How employment continues to evolve compared to February 2020 will be a good leading indicator for the restoration of revenues, GDP, rents and taxes. Statistics Canada released the April 2020 Labour Force survey result for April 2020 on May 8, 2020. Manitoba data showed employment fell by 89,000 from the February 2020 report.¹ Manitoba had the second lowest decline in employment among Canadian provinces. **Our analysis shows that Manitoba's young people (15 to 24 years old) saw a disproportionate decline in employment.**

Considered the industry data,² we see a higher than average decline in employment in the services-producing industries. Goods-producing industries experienced a decline in employment well below the all-industries average. **Of the 8 industries with above average declines in employment, 6 of them were service industries, and 2 were goods producing industries.** The declines in employment by industry had differences when examined by age groups.

Governments have already aimed policy at hiring students. The large declines in employment among those 15 to 24 years old may have further policy implications.

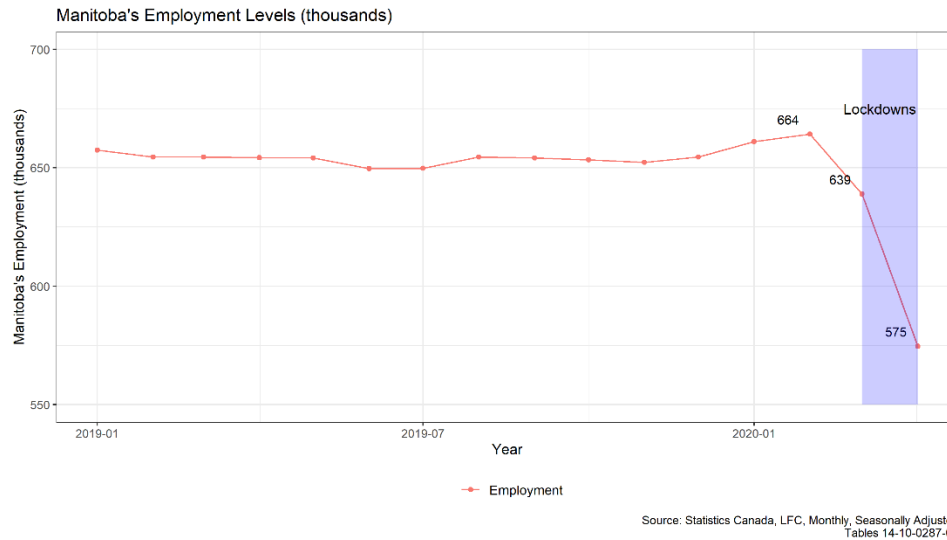
Analysis

Statistics Canada released the April 2020 labour force survey results for Canada, and the Provinces on May 8th. There is considerable slack in labour markets due to COVID-19, with people classified either as unemployed or not in the labour force due to the lockdown. Given the presence of the Canada Emergency Wage Subsidy (**CEWS**) and Canada Emergency Response Benefit (**CERB**), we view changes in employment as the more telling statistic at this time. Therefore, our analysis is focused on changes to employment. We are using February 2020 as our breakpoint for analyzing Manitoba's labour market, as this was the last full month before the lockdown began in Manitoba.

¹ We used the seasonally adjusted data from Table 14-10-0287-01 for this analysis.

² For industry employment analysis, we used not seasonally adjusted data from Table 14-10-0022-01.

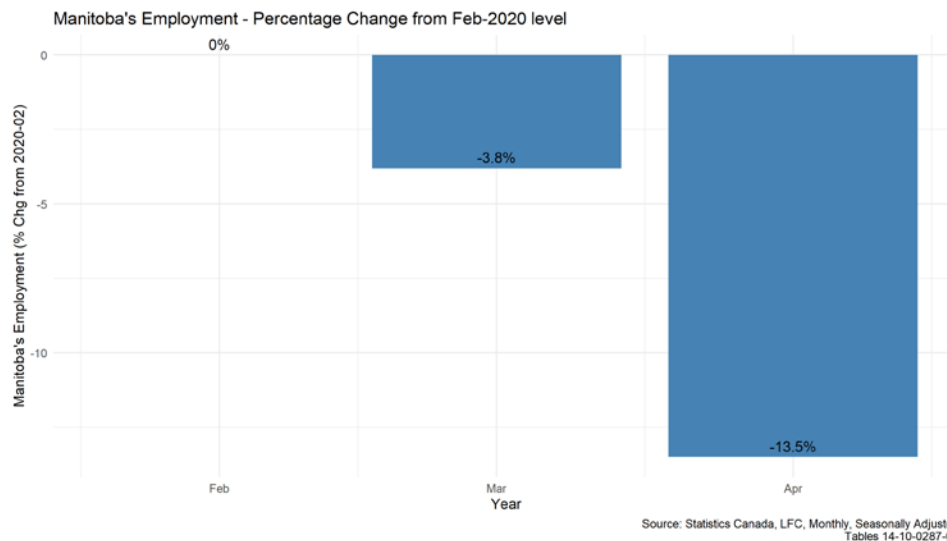
Figure 1: Manitoba's Employment (thousands)



Employment in Manitoba peaked at 664 thousand people in February 2020 (seasonally adjusted). The March 2020 results saw this drop to 639 thousand. This number further dropped to 575 thousand in April 2020. Manitoba's

lockdowns were during March and April 2020 (**Figure 1**).

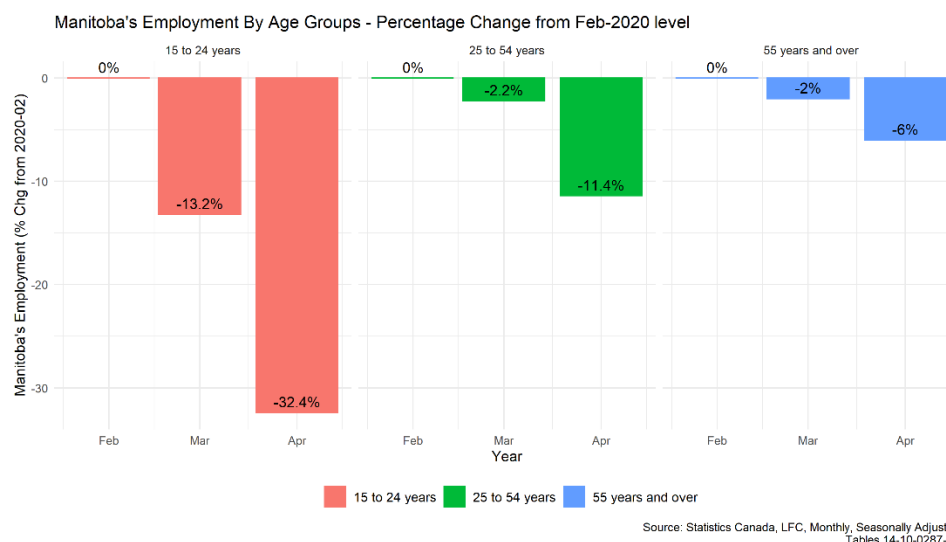
Figure 2: Manitoba Employment – Percentage Change from Feb 2020 level



The Mar/Feb percentage change in Manitoba's employment level was a decline of 3.8 per cent. The Apr/Feb percentage change in Manitoba's employment level was a decline of 13.5 per cent (**Figure 2**).

Using the seasonally adjusted data in table 14-10-0287-01, the decline in Canada at the same time was 15.7%. Manitoba had the second lowest percentage change in employment between April and February among all the provinces. Only Saskatchewan saw a lower drop in employment (-12.7%).

Figure 3: Manitoba's Employment by Age Group - Percentage Change from Feb 2020 level



The decline in employment from the Feb 2020 level was well above average for those aged 15 to 24 years old. Those aged 25 to 54 were below average, while those 55+ saw a decline well below average (**Figure 3**). The decline in employment being

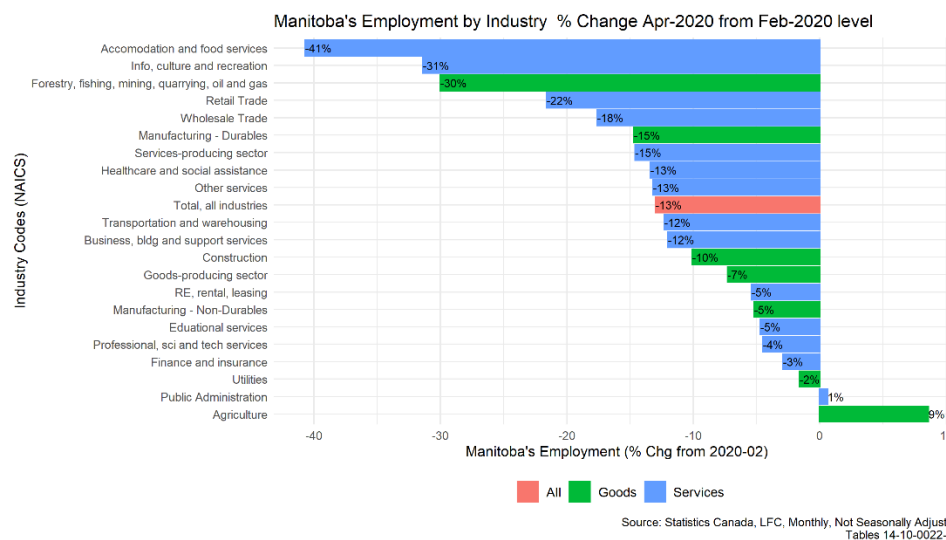
felt disproportionately by young people. Across Canada youth are seeing a higher than average decline in employment.

Which Industries Saw the Sharpest Decline in Employment?

To look at the change in employment by industry, we used Statistics Canada's Table 14-10-022-01, which is not seasonally adjusted. We consider only the percentage change of employment by industry between February 2020 and April 2020.

We can see that the decline in employment for all industries was around 13 per cent. The service-producing sector averages being down about 15 per cent, while goods producing industries are down about 7 per cent (**Figure 4**).

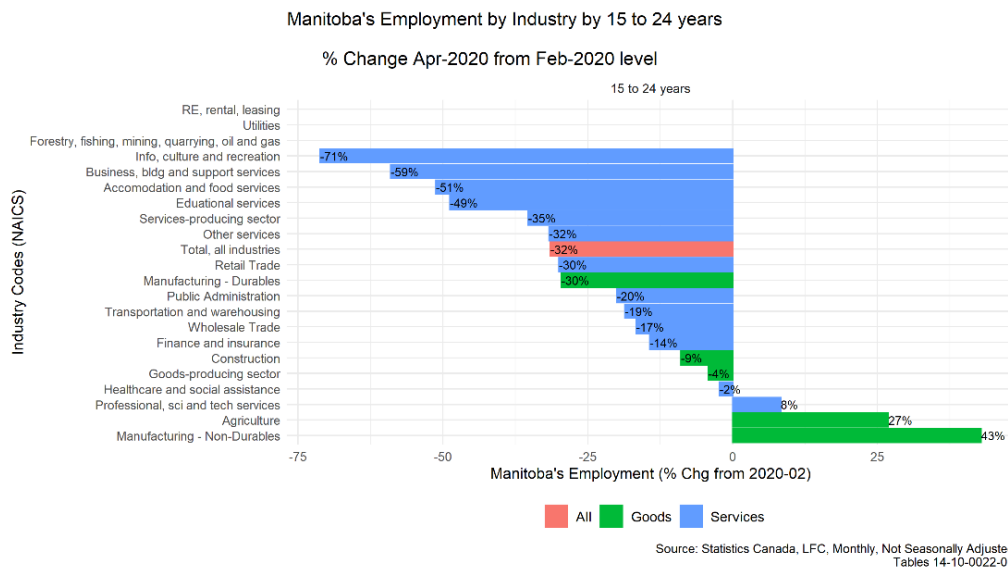
Figure 4: Manitoba's Employment by Industry - % Change Apr-2020 from Feb-2020 level



The 8 industries exceeding the all industries average include 6 service-producing sectors, and two goods producing industries. Only public administration and agriculture exhibited growth over Feb 2020.

We also looked at the declines in employment since Feb 2020 by industry and age groups. The averages by age group continue to hold. The mix of which industries seeing the largest drop or increase differs by age group.

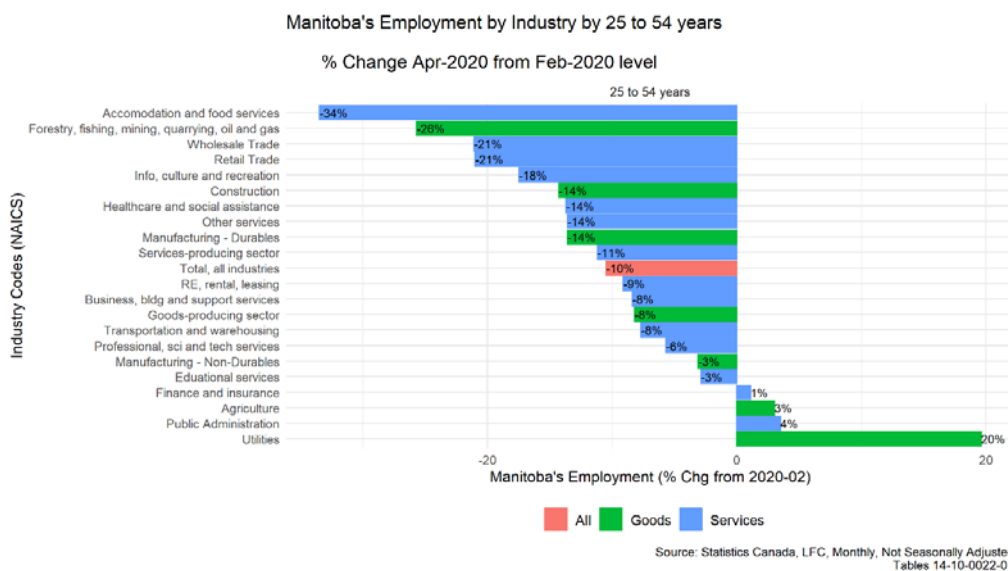
Figure 5: Manitoba's Employment by Industry, Age Group = 15 - 24 years - % Change Apr-2020 from Feb-2020 level



For those 15 to 24 (Figure 5), the average is about a 32 per cent decline in employment. All of the industries with above average declines in employment for people who are aged 15 to 24 years

old were service industries.

Figure 6: Manitoba's Employment by Industry, Age Group = 25 - 54 years - % Change Apr-2020 from Feb-2020 level

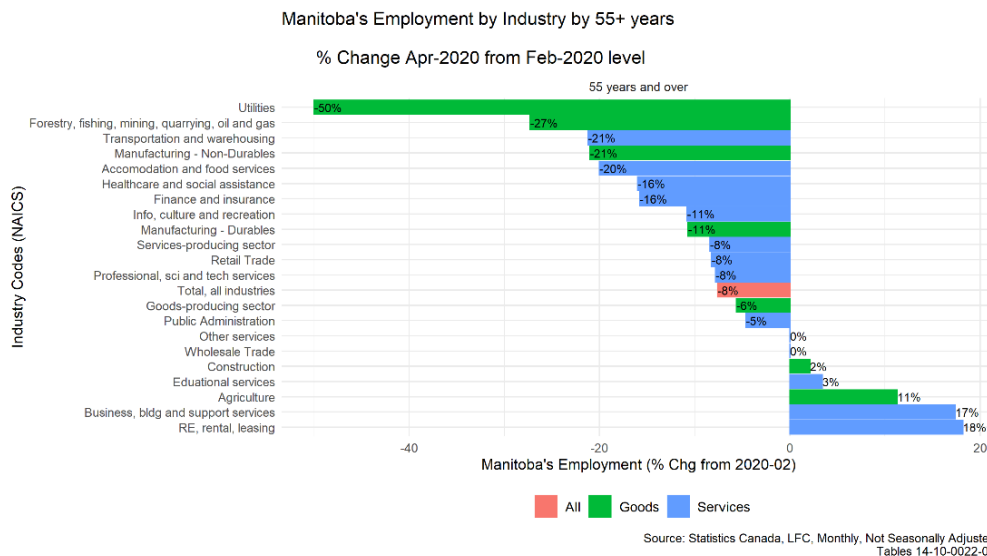


For those aged 25 to 54, the average decline in employment was about 10 per cent (Figure 6).

Six of the nine industries with above average declines in employment were service

industries.

Figure 7: Manitoba's Employment by Industry, Age Group = 55+ years - % Change Apr-2020 from Feb-2020 level



For those aged 55+, the average decline in employment was about 8 per cent (Figure 7). Seven of the eleven industries with above average declines in employment were service industries.

Keeping the Reopening and Recovery on Track

The strongest effect of COVID-19 on GDP is thought to have begun in March, and continued in April 2020. With provinces beginning phased in restarts to the economy (Manitoba began on May 4, 2020), our best case scenario would see a phased in recovery of GDP as well. Thus Q2-2020 is likely to have our largest decline in GDP as a best case, assuming no major backsliding between now and when a widespread vaccination program has been completed. So geometrically, we are unlikely to see a simple v-shaped recovery. Given that it will take some time to get people back to work due to phasing things back in, and not all provinces and countries will be in sync, we will have this drag out for more than the two months it took us to hit bottom (Mar/Apr).

Perhaps more of a Nike Swoosh shaped recovery.

A key part of the recovery strategy depends on following public health policy, & minimizing workplace outbreaks. **Workplaces will also need to implement workplace policies, movement flows and social distancing in spaces that are safe, and seen to be safe.** Each industry will differ in what it can and cannot do. **Confidence in the safety of our workplaces, our staff and customers is key to getting sales flowing again, supporting growth of revenues, GDP, and tax revenues.**

EDW Contacts for Assistance or Inquiries:

- For Winnipeg businesses looking for help accessing government programs, please reach out to our Yes! Winnipeg Team through our [Help us help you form](#) if you are not sure who to contact on the Y!W team.
- For general inquiries please email wpginfo@edwinnipeg.com.
- For Marketing & Communications Inquiries, please email marketingandbranding@edwinnipeg.com.