

Labour Force Survey Results; Considering the Way Forward

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Bottom Line:

It is crucial to keep agriculture, food and medical supply chains functioning well during the COVID-19 pandemic. To do this means taking care of issues that are slowing down the fluidity of **supply chain** networks (see [WED issue 8](#), April 9) and ensuring that businesses in these sectors have **enough staff** to produce food commodities. In some cases, this staffing includes temporary foreign workers. It also means **changing workplaces and workplace safe work processes** to enable public health compliance and reduce the chance of further outbreaks.

The Labour Force Survey (LFS) results for March 2020 were released by Statistics Canada on Friday last week. For Manitoba this showed a reduction in employed people by 23.1 thousand, mostly in the service sector. The consensus expectation for April is a further drop, due to the need to close the workplaces of non-essential business until April 28 and possibly longer.

The federal government's launch of the Canada Emergency Wage Subsidy (CEWS), and the EDC's Business Credit Availability Program (BCAP) guarantee in particular mean that employers have begun recalling people from layoffs. It is anticipated that rehiring will start showing up in the April and May Labour Force Survey results, even if we need to continue the lockdowns into May or later.

In combination with labour support, monetary policy and financing policy, governments are building a solid springboard for a restart of the economy. Some industry sectors may take longer, depending on how quickly that they can adapt their businesses to public health requirements, such as some form of social distancing. Some form of social distancing will be needed until we have a vaccine, to protect our most vulnerable against COVID-19.

Analysis: Agribusiness Considerations

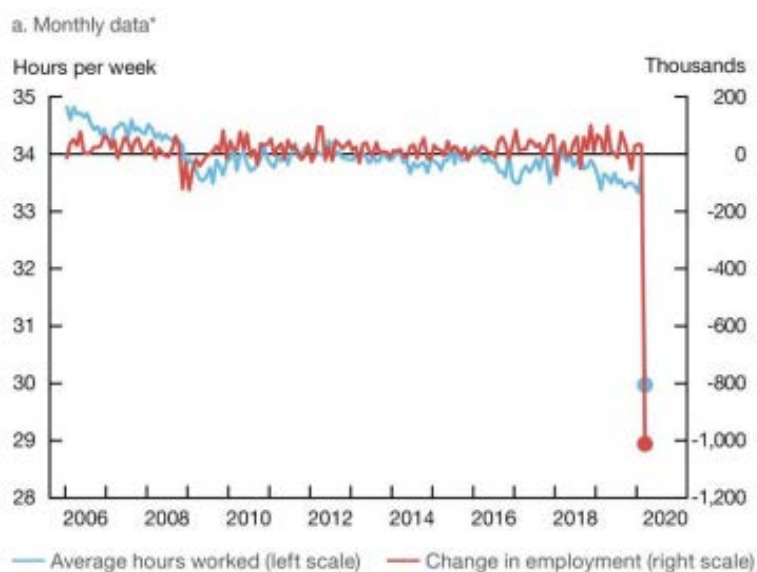
It is crucial to keep agriculture, food and medical supply chains functioning well during the COVID-19 pandemic. This means taking care of issues that are slowing down the fluidity of supply chain networks (see [WED issue 8](#), April 9). In addition, we must ensure that these businesses have enough staff, including temporary foreign workers, to produce agricultural commodities and food. See D.C. Fraser's April 14, Western Producer article "[Farm leaders welcome increased federal support for temporary foreign workers](#)," and Stephanie Levitz's April 14 Financial Post article "[Farmers to get \\$1,500 in federal funds per foreign worker to help cover quarantine costs](#)".

Foreign workers are important in greenhouses and [horticultural](#) sectors, crop planting/harvest, along with concerns for [bee-keeping](#). So a lack of temporary foreign workers will affect these sectors in Canada and the US. The lack of jobs for some university students and otherwise furloughed workers may make these jobs sufficiently attractive to help fill the demand for this seasonal work.

It also means changing workplaces and safe work processes to enable public health compliance and reduce the chance of further outbreaks. The **Canadian Manufacturers & Exporters (CM&E)** and Made Safe released such a guide yesterday. **Food and Beverage Manitoba** is also working with members on similar issues.

Analysis: March 2020 Labour Force Survey

Figure 1: Bank of Canada April 2020, MPR chart 7.a., on [Page 10](#) of the April 2020 MPR.

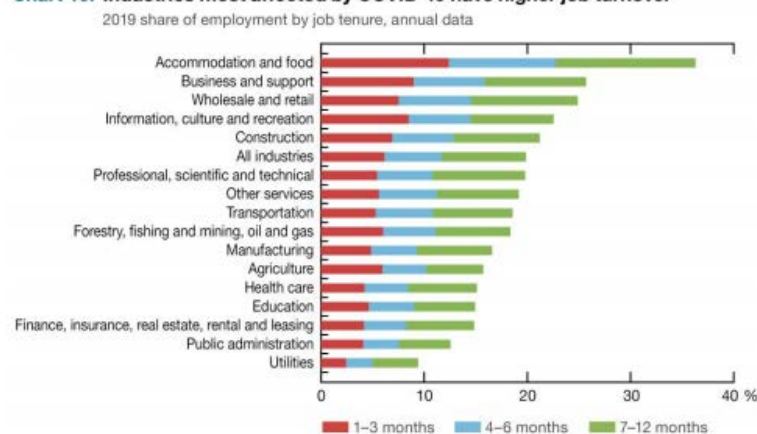


Due to the COVID-19 pandemic, most economists were predicting March to have an unprecedented drop in employment.

The Labour Force Survey (LFS) results for March 2020 were released by [Statistics Canada](#) on Friday last week.

The [Bank of Canada's](#) April 2020 [Monetary Policy Report](#) focused on COVID-19. The Bank's chart (**Figure 1**) shows the effect that COVID-19 and the oil price shock had on reducing hours and laying off workers, based on the March LFS.

Chart 10: Industries most affected by COVID-19 have higher job turnover



Note: The shares represent the proportion of workers with a given job tenure as a share of employment in an industry. Job tenure is measured in months. The larger the share of short tenures, the higher the expected turnover.

Sources: Statistics Canada and Bank of Canada calculations

Last observation: 2019

The Bank of Canada's chart 10 ([on page 17 of the MPR](#)) indicates that the industries most affected by COVID-19 have higher job turnover.

The Bank considered two scenarios for how Canada comes out COVID-19 (pages 16 – 18). One scenario would

be a quick recovery (more like a *V-shape*), while a second scenario would see a recovery taking longer.

According to data from the March 2020 Labour Force Survey ([Table 14-10-0022-01](#)), the number of Manitobans employed in March 2020 fell 3.6 per cent from February 2020. The services industries saw employment fall 4.3 per cent, while goods producing industries fell 0.9 per cent. As **Table 1** shows, Manitoba saw a month-over-month reduction of employed people by 23.1 thousand. Manitoba's service industries saw a drop of 22.1 thousand people, while the goods sectors saw a drop of 1.3 thousand employees. More detailed numbers are listed in **Table 1** below.

Table 1: Manitoba Employment, both genders, those aged 15 years and over

Industries	Feb-20 (000's)	Mar-20 (000's)	Change (000's)	% Change
Total, all industries	655.1	631.8	-23.3	-3.6
Goods-producing sector	143.3	142.0	-1.3	-0.9
Agriculture	25.6	25.9	0.3	1.2
Forestry, fishing, mining, quarrying, oil and gas	5.0	5.2	0.2	4
Utilities	6.4	6.4	0	0
Construction	43.6	42.9	-0.7	-1.6
Manufacturing - Durables	36.0	37.1	1.1	3.1
Manufacturing - Non-durables	26.7	24.5	-2.2	-8.2
Services-producing sector	511.8	489.7	-22.1	-4.3
Wholesale trade	18.8	18.6	-0.2	-1.1
Retail trade	74.9	68.3	-6.6	-8.8
Transportation and warehousing	40.8	40.5	-0.3	-0.7
Finance and insurance	24.1	23.7	-0.4	-1.7
Real estate and rental and leasing	9.3	9.2	-0.1	-1.1
Professional, scientific and technical services	31.1	32.0	0.9	2.9
Business, building and other support services	21.6	20.6	-1.0	-4.6
Educational services	56.9	55.1	-1.8	-3.2
Health care and social assistance	107.9	104.5	-3.4	-3.2
Information, culture and recreation	21.0	18.2	-2.8	-13.3
Accommodation and food services	42.7	37.0	-5.7	-13.3
Other services (except public administration)	28.8	27.0	-1.8	-6.3
Public administration	33.9	34.9	1.0	2.9

Source: Statistics Canada. Table 14-10-0022-01 Labour force characteristics by industry, monthly, unadjusted for seasonality (x 1,000)

Services:

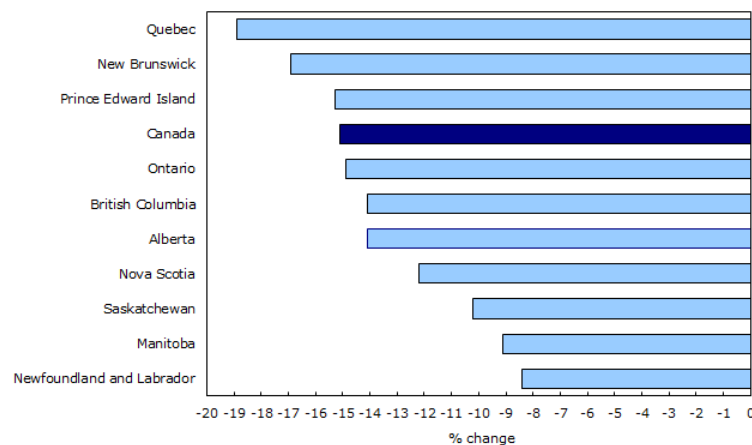
- **Information, culture, and recreation** saw a decline of 13.3 per cent,
- **Accommodation, and food services** also declined 13.3 per cent,
- **Retail trade** saw a decline of 8.8 per cent.

Goods:

- **Non-Durable manufacturing** saw a fall of 8.2 percent, and
- **Construction** a decline of 1.6 percent.

The [labour force survey report](#) and the C.D. Howe Institute April 14, 2020 [Intelligence Memo](#) by Professors Schirle, Milligan and Skuterud, **made it clear that the number of hours worked by those employed fell significantly.** Figure 2 is sourced from Statistics Canada’s [March 2020 Labour Force Survey](#).

Figure 2: Month-over-month change in total hours worked, March 2020 by Geography



Source(s): Labour Force Survey (3701).

The consensus expectation for April is a further drop in employment, due to the closure of non-essential workplaces for all of April.

Analysis: Considering the Way Forward

The extraordinary fiscal and monetary policies rolled-out over the last few weeks are helping families and businesses through this challenging time. **The federal government’s launch of the Canada Emergency Wage Subsidy (CEWS), and the EDC’s Business Credit Availability Program (BCAP) guarantee in particular mean that employers have begun recalling some people from layoffs. For example, [Air Canada](#).** Some of this rehiring will start showing up in the April and May LFS numbers, even if we need to continue the lockdowns into May or later.

In combination with labour support, monetary policy, and financing policy, governments are building a solid springboard for a restart for the economy.

Some industry sectors may take longer, depending on how quickly that they can adapt their businesses to public health requirements, such as some form of social distancing. The **Canadian Manufacturers & Exporters (CM&E)** and Made Safe released their guide: "[COVID-19: Social Distancing in the Manufacturing Workplace, Protocols and Guidelines](#)" yesterday.

Even after we eventually emerge from the current lockdown, some form of social distancing (physical distancing) will likely be required until we have a vaccine against COVID-19. While researchers worldwide have been working on a vaccine for months, the widely held assumption of time it takes to develop this type of vaccine is 12 – 18 months. This best-case estimate would fall between January 2021 and July 2021.

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 inquires please email wpginfo@edwinnipeg.com.
- For Marketing & Communications Inquiries, please email marketingandbranding@edwinnipeg.com.