

December Labour Force Survey: Future Effects of Vaccine Roll-out

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January 15, 2021

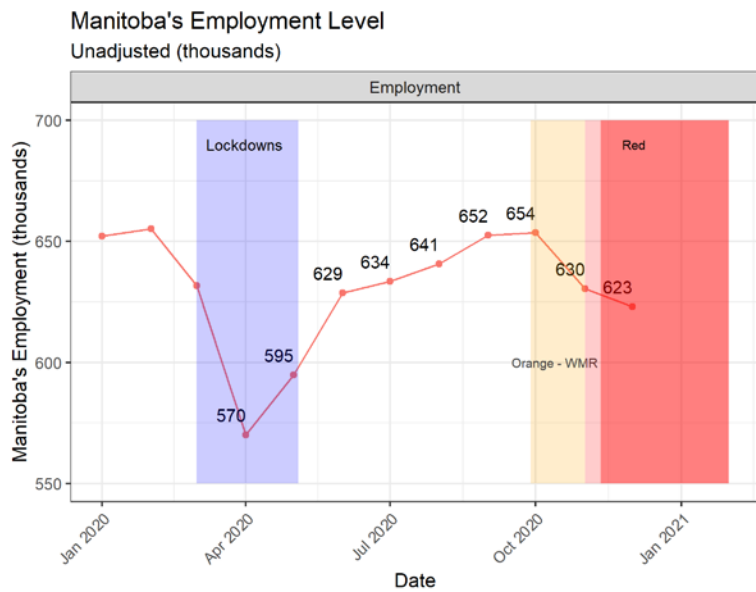
Bottom Line

Statistics Canada released the December 2020 Labour Force Survey on Friday, January 8, 2021. As expected, employment levels dropped in December 2020, in both Canada and Manitoba. This was due to (tightened) restrictions¹ in place throughout December 2020.

The COVID-19 vaccination programs had not launched at the time of the December 2020 labour force survey. It will take some time for the vaccination program to have a significant impact on the labour market, however it is likely that the effect of immunization will start to produce a positive effect on labour statistics towards the start of 2021-Q2. This effect will show up in parts of the labour market where COVID-19 is the primary driver of weakness. In the meantime, support for business and individuals needs to continue.

Analysis of December 2020 Labour Statistics

Figure 1: Manitoba's Employment by Month (000's)



Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

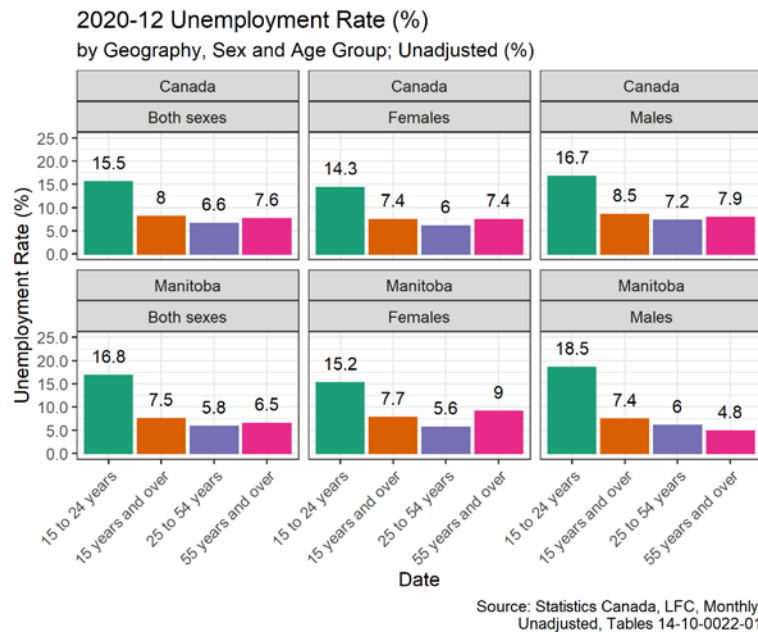
As expected in [WED # 43](#), Manitoba's employment levels dropped in December.² Manitoba's unadjusted employment level in December 2020 was 623 thousand, down 7 thousand from November 2020 (**Figure 1**). In the coming months we expect to see COVID-19 restrictions ease, with corresponding improvements in employment.

Canada's unadjusted employment numbers in December 2020 (18.5 million) dropped from 18.62 million in November 2020.

¹ Manitoba's code red restrictions include a variety of non-pharmaceutical interventions (NPI).

² This was due to continued code red restrictions that had broadened and deepened.

Figure 2: December 2020 Unemployment Rate (%)

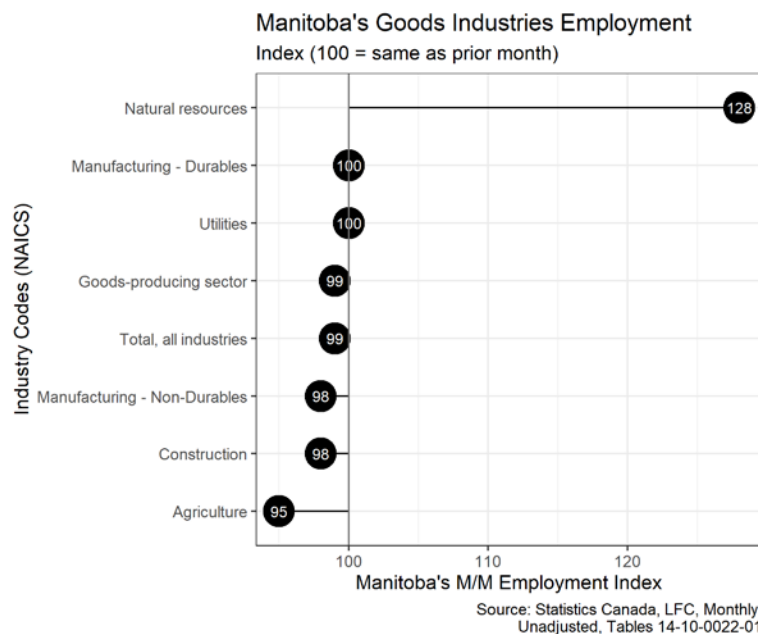


Considering unemployment rates in December 2020, we saw Manitoba's average unemployment rate climbing to 7.5 per cent. This remains below the Canadian average, which has continued to hover around 8 per cent (**Figure 2**).

Manitoba's unemployment rate for those 15 to 24 was higher across the board (men, women, and both) than the Canadian average (**Figure 2**). Otherwise, unemployment rates for Manitoba men have remained lower than the Canadian average by age group.

The unemployment rate among women of all ages, 15 to 24 and those aged 55+ was higher in Manitoba than the Canadian average.³

Figure 3: Month-over-month: MB's Goods Industries Employment Index (100 = same as last month)

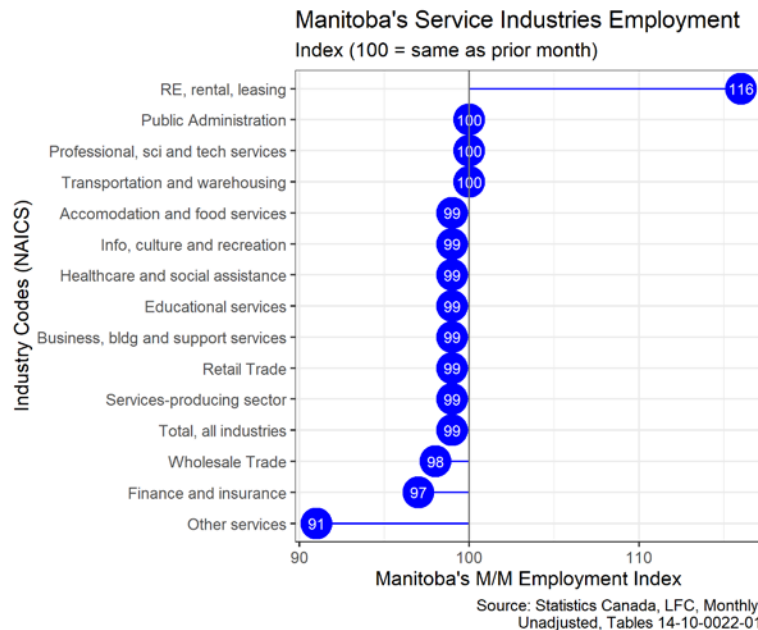


On a month-over-month (m/m) basis, **natural resources** employment saw the biggest gains, up 28 per cent over November 2020 (**Figure 3**).

Most other industries saw only minor decreases m/m.

³ Elevated unemployment amongst women due to COVID-19 – e.g., due to childcare demands, higher shares of women in industries hard-hit by COVID-19 - remains a significant concern for policy makers and labour force researchers in Canada.

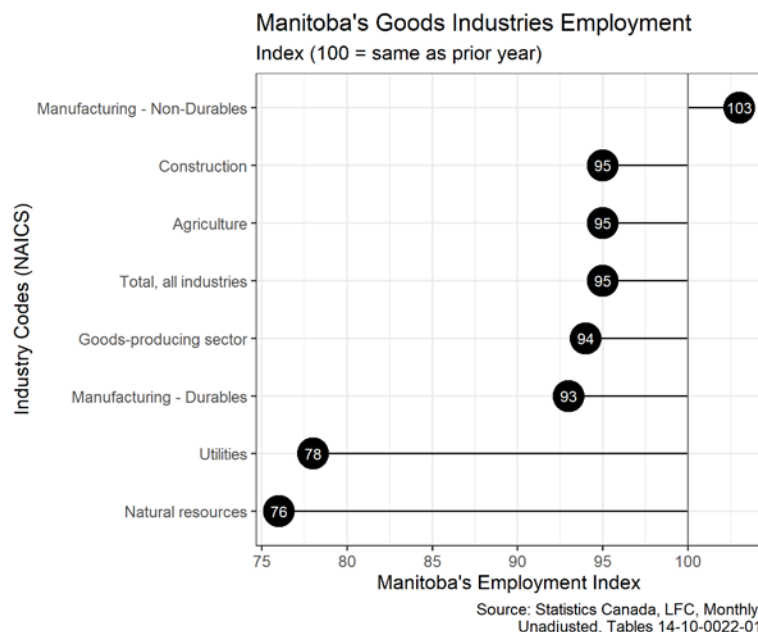
Figure 4: Month-over-month: MB's **Services** Industries Employment Index (100 = same as last month)



When we consider the m/m changes in services sector employment, we saw a 16 per cent increase in the **real estate, rental and leasing** industry employment (**Figure 4**).

Most other industries experienced only minor employment decreases m/m.

Figure 5: Year-over-Year: MB's **Goods** Industries Employment Index (100 = same as last year)



Continuing the trend from November for goods industries employment, on a year-over-year (y/y) basis **manufacturing of non-durable goods** employment is up 3 per cent (**Figure 5**).

The two goods subsectors with the greatest decline in employment y/y continue to be:

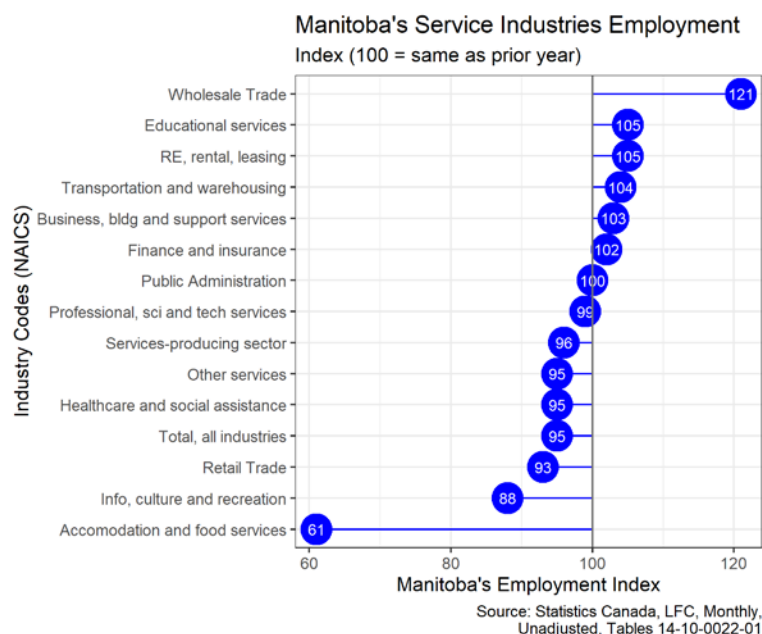
- **Utilities** (index of 78), and
- **Natural resources** (index of 76).

On a y/y basis, Manitoba's services producing sectors continued to follow the employment trend from November. Employment in the **wholesale trade** was up 21 per cent over the year prior (**Figure 6**).

The two services sub-sectors down the most were:

- **Information, culture and recreation** (Index of 88), and
- **Accommodation and foodservices** (index of 61).

Figure 6: Year-over-Year: MB's **Services Industries Employment Index** (100 = same as last year)



Looking Forward to Future Effects on the Labour Market

The federal government's [vaccine rollout](#) is expected to be substantially complete by the end of December 2021, according to their [plan](#).

The COVID-19 vaccination program - a pharmaceutical intervention (PI) - represents a light at the end of the tunnel. Up until now, we have been relying upon a variety of Non-pharmaceutical interventions

(NPI) to control COVID-19, complemented by a variety of fiscal, financial, and monetary interventions (FFMI) to support people and businesses.

As more of the [Manitoba](#) and Canadian populations are immunized against COVID-19, we will be able to coevolve the PI, NPI, and FFMI measures.⁴ The expectation is that as more of the population is immunized, this will enable the easing of a selection of NPI restrictions,⁵ conditional on keeping the outbreak under control.⁶ This in turn will help ease pressure on labour and product/service markets over time, which would mean fewer individuals and businesses will need to rely on FFMI's.⁷ Watching this will be part of our monitoring activities in 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 whom to contact on the YW team.
- For general inquires please email wpginfo@edwinnipeg.com.
- For Marketing & Communications Inquiries, please email: marketingandbranding@edwinnipeg.com.

⁴ The main caution around easing NPI is that COVID-19 spreads at an exponential rate if left unchecked. Thus, we will require a selection of NPIs longer than a simpler linear model would imply. Thus, I defer to the better judgement of epidemiologists/public health professionals on the timing of NPI easing.

⁵ In terms of [MB's pandemic response system](#), this would mean easing back from a code red to a code orange or even a code yellow at some point. Getting back to a code green would likely have to wait until the immunization program is substantially complete.

⁶ I.e., we need to keep following the fundamentals until MB Public Health views it safe to do otherwise.

⁷ Note: On January 12, 2021, the provincial government extended the protection for small businesses via the [Manitoba Bridge Grant](#). They extended the application deadline to January 31, 2021, and expanded eligibility.