

Economic Development Winnipeg

WEEKLY ECONOMIC DIGEST



MANITOBA'S LABOUR FORCE: CLOSING OUT 2021, AND A LOOK INTO THE FUTURE

MANITOBA'S UNEMPLOYMENT RATE REMAINS BELOW THE CANADIAN AVERAGE

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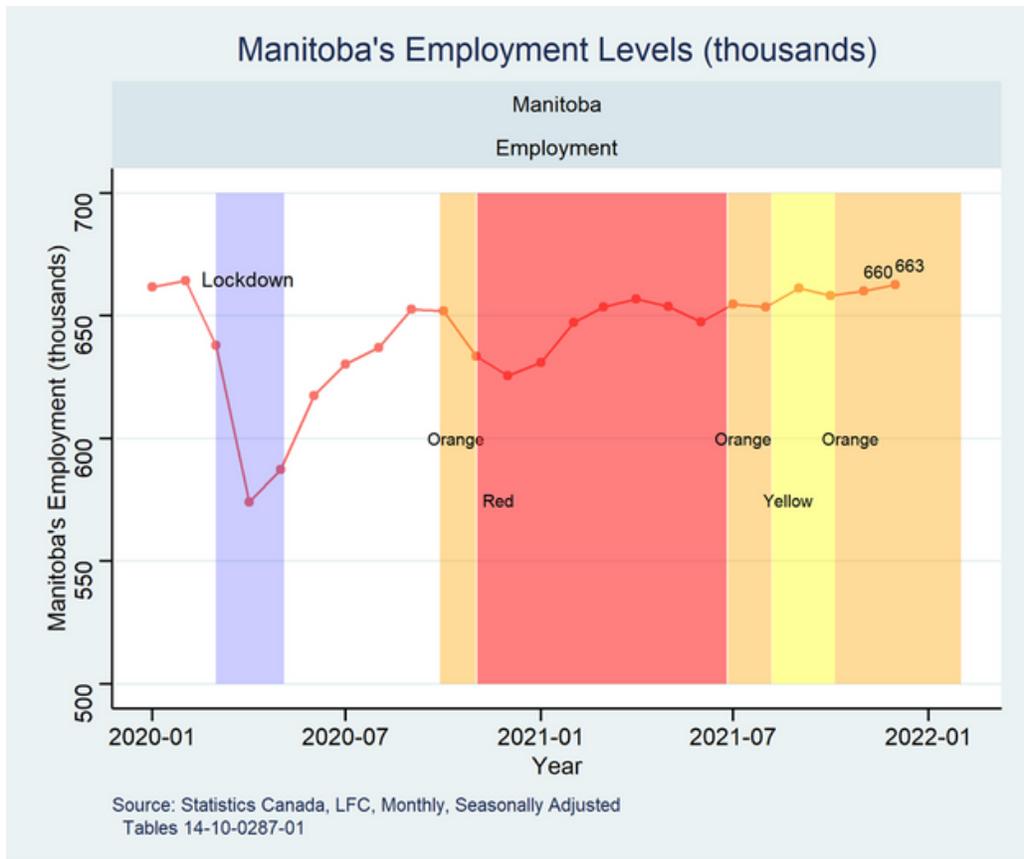
Bottom Line

In Canada and Manitoba's employment continued to slowly expand on a seasonally adjusted basis, with Manitoba's unemployment rate lower than Canada's overall.

- **Agriculture** industry employment has weakened compared to February 2020, due to the severe drought that hit crop and livestock production, particularly in Western Canada.
- High-contact industries are getting hit by second-order effects of COVID-19 (work from home effects in particular), which is keeping employment down in industries such as: **Real estate, rental and leasing, Business, building, support services, and Accommodation and food services.**
- For those aged 55+ the share of those unemployed who have been unemployed for six months or more is rising.

With the COVID-19 Omicron variant spreading rapidly, we expect to see reduced work hours. We may also see a decline in new hiring or possibly some new layoffs – particularly in high-contact industries in January and February 2022.

ANALYSIS



Labour Force Survey - December 2021

The [December 2021 Labour Force Survey \(LFS\)](#) was released January 7, 2022. On a **seasonally-adjusted basis**,^{/1} Manitoba's employment in December 2021 rose to 663,000, up from 660,000 in November. Canada's December 2021 employment rose to 19.4 million, up from 19.3 in November.

Manitoba's seasonally adjusted unemployment rate in December 2021 was 5.2 per cent, while Canada's was 5.9 per cent.^{/2} Thus a larger share of Manitoba's labour force is employed than that of the national average.

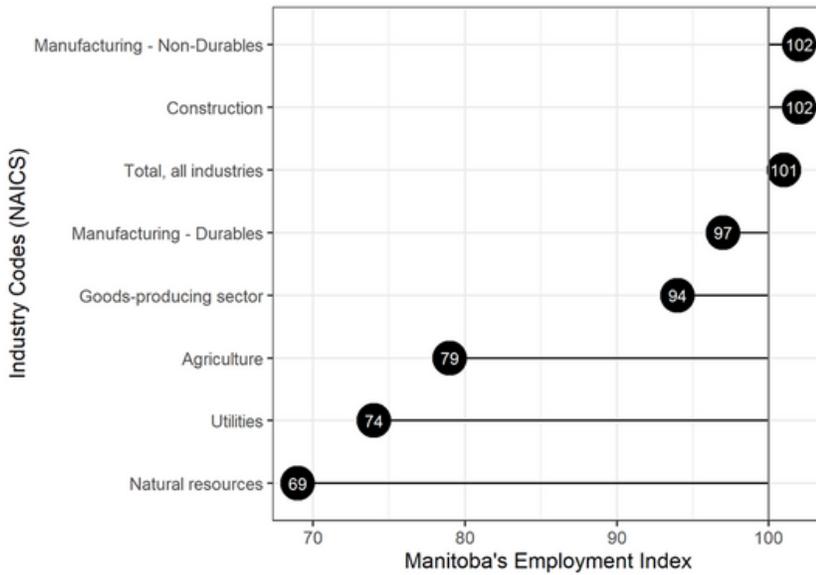
^{/1} Some time series data has a strong seasonal pattern, due to natural or other reasons. Temperature, agriculture employment, grass cutting employment are examples of nature driven causes. Others have strong seasonal patterns that are driven by holidays, or something else. Example strong retail sales associated with Christmas. For an in-depth discussion of seasonal adjustment, see <https://www150.statcan.gc.ca/n1/dai-quo/btd-add/btd-add-eng.htm>.

^{/2} Manitoba's labour force in December 2021 is estimated to be 699 thousand, which is only 6 thousand below what it would have been if the labour force participation rate was held constant at its February 2020 66.9 per cent value. Canada's labour force participation rate is 65.3 per cent, virtually the same as before the pandemic. So, in both cases, the low unemployment rate is not artificially low due to people dropping out of the labour force – at least on an aggregate level.

Labour force participation rate = ((Employed + Unemployed)/(Employed + Unemployed + Not In Labour Force)).

LFS BY INDUSTRY

Manitoba's Goods Industries Employment Index (100 = same as Feb 2020)

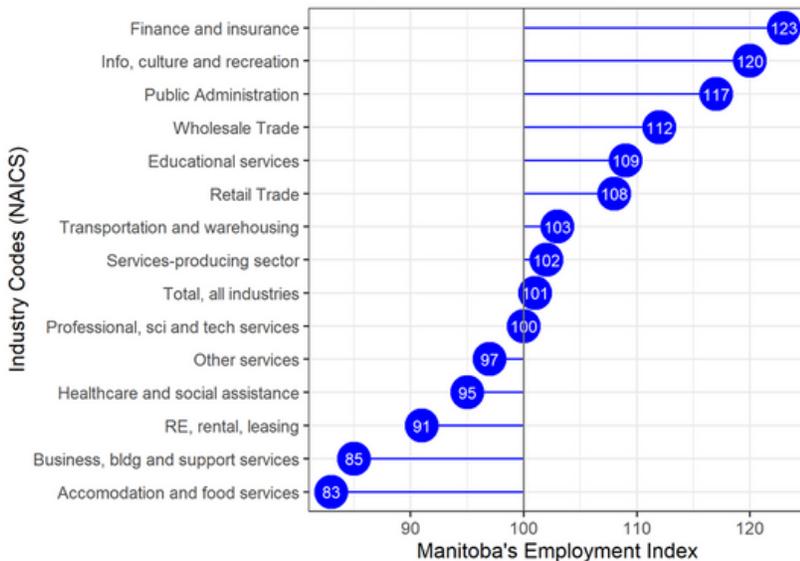


Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

Goods-Producing: The drought Manitoba experienced in the spring/summer of 2021 is weighing on the **agriculture** industry's employment. We can expect a recovery in agriculture employment in the spring, assuming we get sufficient moisture to recharge soil for crops and pastures.

Utilities and natural resources continue to be below February 2020 levels. This is due to longer-term structural adjustments or commodity cyclical reasons. For example, mining activity may have declined due to reduced commodity prices, mines reaching end-of-life or other factors.

Manitoba's Service Industries Employment Index (100 = same as Feb 2020)



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

Investments such as Hudbay Minerals' Snow Lake, Manitoba expansion, [announced](#) in mid-October 2021, should begin to reverse the trend.

Services Producing: Compared to February 2020 employment level, the following industries are the top gainers:

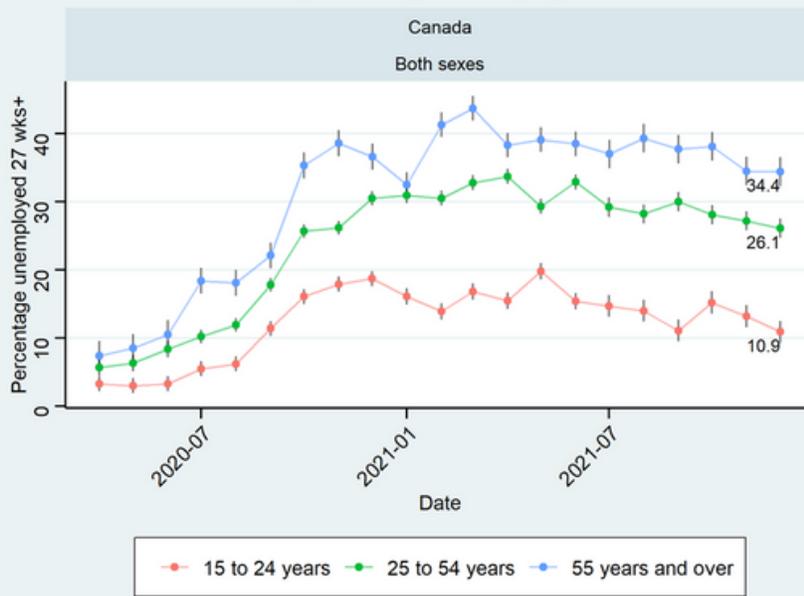
- **Finance and insurance** are up 23 per cent,
- **Information, culture and recreation** are up 20 per cent, and
- **Public administration** is up 17 per cent.

Employment levels in the following service-producing industries have declined the most:

- **Real estate, rental and leasing** are down 9 per cent,
- **Business, building and support services** are down 15 per cent, and
- **Accommodation and food services** are down 17 per cent.

LONG TERM UNEMPLOYMENT

Canada - percentage unemployed 27 wks+



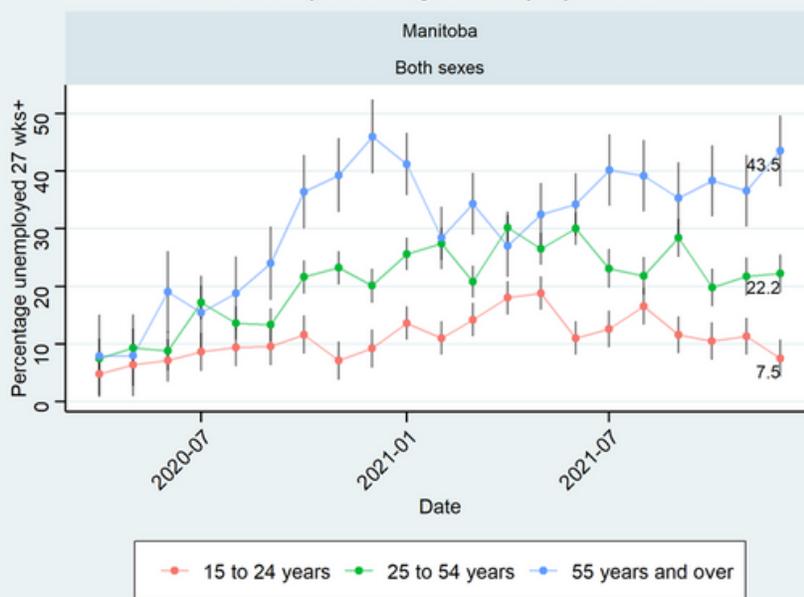
Source: Statistics Canada, Duration of unemployment, Monthly, Seasonally adjusted Tables 14-10-0342-01, Chart by Chris Ferris

Long-term Unemployment

While For both Canada and Manitoba, unemployed workers who are aged 55+ have a higher share of being unemployed for 27 weeks or more.

The long-term unemployed share of those aged 55+ in Manitoba is rising. The other age groups are lower in Manitoba than Canada overall.

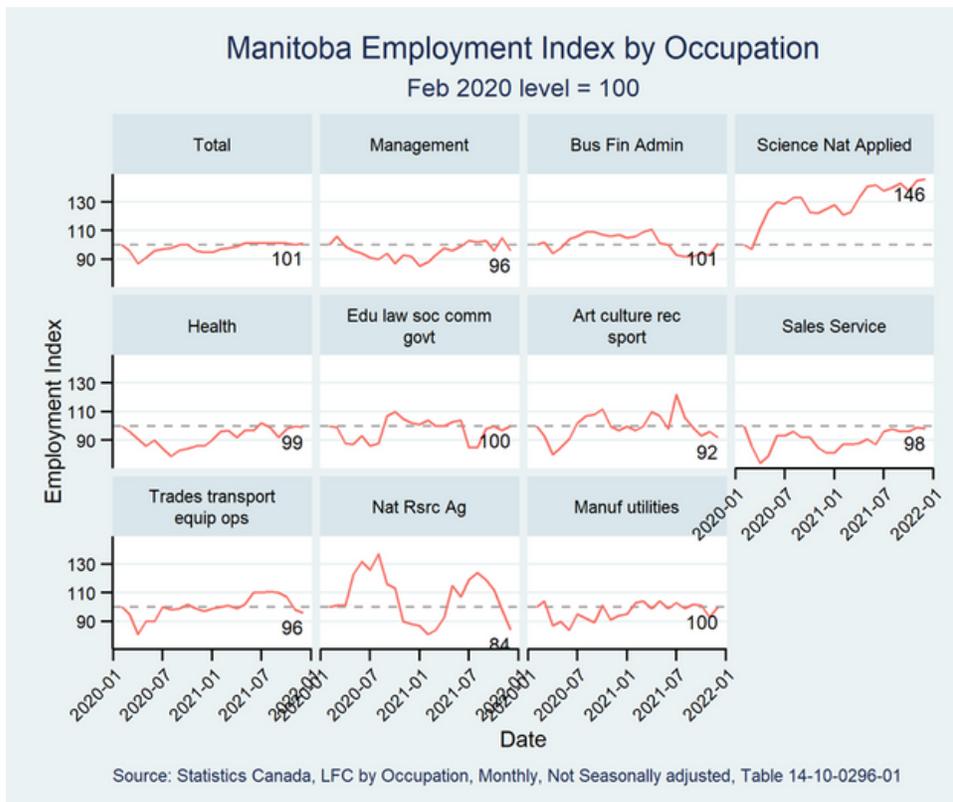
Manitoba - percentage unemployed 27 wks+



Source: Statistics Canada, Duration of unemployment, Monthly, Seasonally adjusted Tables 14-10-0342-01, Chart by Chris Ferris

We may need targeted policies and programs to help the long-term unemployed to get back into the workforce, particularly for those aged 55+.

EMPLOYMENT BY OCCUPATION



Employment in the **natural and applied sciences** continues to rise in Manitoba compared to February 2020, following a long-term upward trend. **Art, culture, recreation and sports** occupations continue to be weak in fall 2021 compared to Feb 2020, just prior to the initial COVID-19 lockdown. **Natural resources agriculture** related occupations are down, but this is strongly cyclical.

Omicron Variant of Concern (VOC)

The Omicron VOC is spreading very rapidly worldwide, causing COVID-19 cases to surge wherever it has hit. This is consistent with early data from South Africa and other countries where it has hit. VOX's January 4, 2022, [article](#) indicates less severe illness, but rapid spread.

In Manitoba, we first had [confirmation](#) that the COVID-19 Omicron VOC arrived in Manitoba on December 7, 2021. This has led to several adjustments to public health restrictions, including the [January 7, 2022](#) announcement of code orange restrictions extension to February 1, 2022.

OMICRON VOC - CONTINUED

The rapid spread of Omicron means more of the population simultaneously can become ill. This can lead to more simultaneous people seeking COVID-19 tests, calling in sick for work, possibly being hospitalized or possibly requiring admission in Intensive Care Units (ICU). The risk of requiring Hospitalization or ICU care is higher for those without COVID-19 vaccinations. This was noted on Premier Stephanson's January 12, 2022, [press conference](#) with Health and Seniors Care Minister Gordon, Dr. Jazz Atwal and Dr. Joss Reimer.

COVID-19 Vaccine Status	Hospitalizations (per 100k)	Compare hospitalization risk of not vaccinated vs vaccinated by number of doses
Not vaccinated	229.7	1
Vaccinated, 1 dose	78.1	3X
Vaccinated, 2 doses	35.8	6X
Vaccinated, 3 doses	8.8	26X
<i>Interpreting hospitalization risk by vaccine doses: After contract of COVID-19, those Manitoban's who are unvaccinated against COVID-19 are 26 times more likely to require hospitalization than those who have received three doses of a COVID-19 vaccine.</i>		

Table source: Dr. Reimer, Manitoba Government. Age-standardized rates – Data is from Nov 22, 2021 – Jan 3, 2022. [Jan 12, 2022](#), press conference. Hospitalization and other COVID-19 risks (3 doses vs not vaccinated). Get updates on the Manitoba COVID-19 [webpage](#).

From a **healthcare system demand** perspective, getting vaccinated, getting booster shots, following the fundamentals (e.g., masks, social distancing, good hygiene), and following public health orders will help people reduce their risks. At the same time, managing healthcare **system load**, boosting testing capacity (including rapid tests) and boosting the capacity to deliver vaccines are important from a **healthcare system supply side**.

On Friday, January 14, 2022, [Dr. Theresa Tam](#) gave a [presentation](#) that includes a PHAC-McMaster model that estimates the current wave is likely to peak in January and ease in February 2022.

LOOKING FORWARD

Given the mask mandates and vaccination requirements for select in-person activities, and people following the fundamentals, we are less likely to see a full-on lockdown like what we had earlier in the pandemic.

So, from a labour market perspective for January 2022 and into February 2022, we are likely to see:

- Somewhat fewer hours being worked in aggregate due to people being off sick or isolating.
- Perhaps some further layoffs (or a least slowed hiring) in sectors where in-person demand has waned:
 - due to increased restrictions, or
 - from people switching to substitute marketing channels for in-person goods and services acquisition (take-out, pickup, delivery, or ecommerce delivery vs in-store in-person).

INQUIRIES AND CONTACTS

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