

Canadians young and old left behind in pandemic jobs recovery

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By Craig Lord Global News

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The latest jobs numbers from Statistics Canada showed the country passed a significant milestone in February: the unemployment rate had dropped back to lows not seen since the COVID-19 pandemic knocked the labour force down to size two years ago.

But while Canadian employment appears to have recovered to pre-pandemic levels overall, today's labour force is fundamentally different from two years ago, and shows fresh gaps that experts say could threaten the country's long-term recovery from COVID-19.

Statistics Canada said in its latest report that the unemployment rate dropped to 5.5 per cent last month, below the 5.7 per cent rate observed in February 2020.

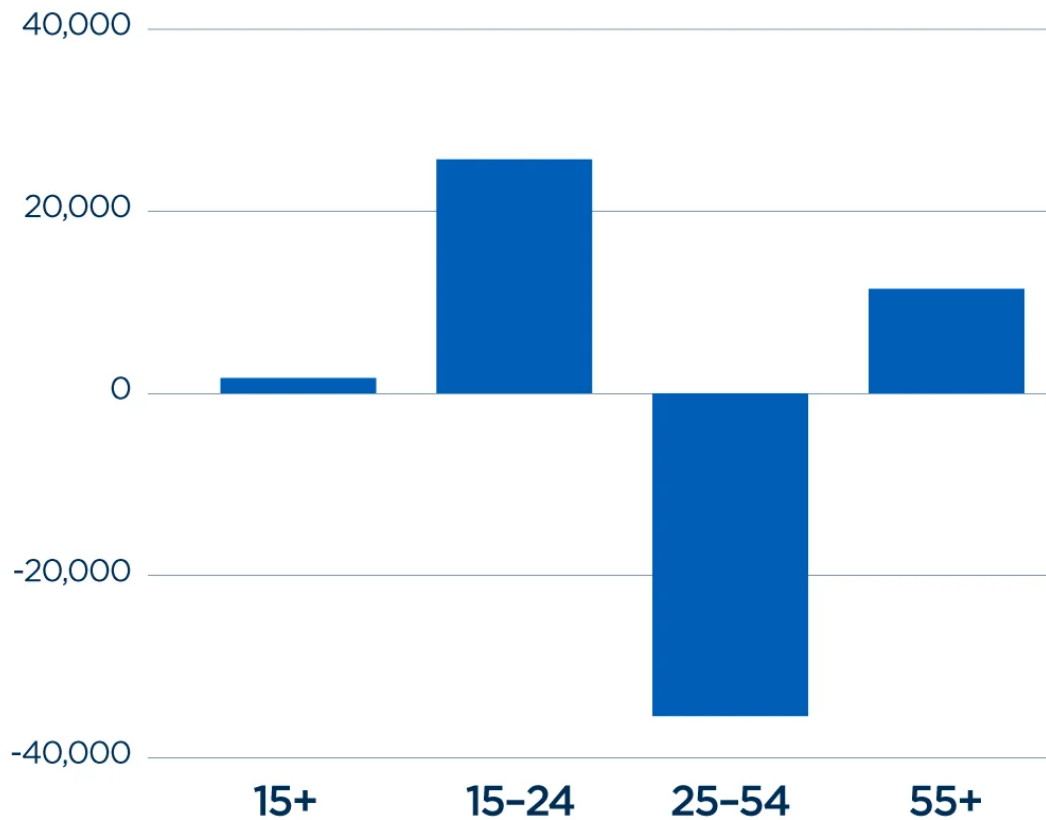
Unemployment is a measure of not just how many people are out of work, but specifically includes those looking for a job as well. The rate of unemployment is measured against the size of Canada's entire labour force.

Unemployment as a standalone figure actually rose slightly in February 2022 when compared to two-years previous, but shows a general return to pre-pandemic levels.

Looking closer at employment by demographic, however, reveals an uneven recovery.

Changes in Unemployment Feb. 2020-22

Change in number of unemployed people vs. age group



Source: Statistics Canada, Labour Force Survey

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Note that with unemployment, negative values reflect job gains. *Statistics Canada*

Strong job growth driven by the so-called “core age” Canadians — those aged 25 to 54 — was dampened by a lagged return to the workforce among youth and older adults.

Comparing the latest StatCan figures to February 2020, unemployment last month was up 8.8 per cent in the 15-24 age group and 5.1 per cent higher for those aged 55 and older.

Economist Brittany Feor with the Labour Market Information Council (LMIC) says it’s too early to declare the pandemic job recovery complete when gaps remain across the board.

“It’s easy to forget that there’s a lot more going on,” she says.

Women bounce back, but long-term recovery in question

The LMIC published a report earlier this month that, on the face of it, showed some positive developments for women rejoining the workforce.

While the early days of the pandemic saw women account for 51 per cent of job losses — public-facing and lower paying jobs took hard hits from COVID, and women are overrepresented in these fields, Feor notes — female recovery has been strong especially over the past year.

Feor says core-age women were the “stars” of the latest jobs report as the employment rate in this cohort reached new highs of 81 per cent. Historical trends pre-dating the pandemic persist, however, among visible minority women — the employment rate among this group was still lower at 75.6 per cent.

A remaining unknown for Feor and the LMIC is where these job gains are focused.

The bulk of female employment growth over the past two years has been concentrated in medium and higher-earning occupations, raising the question of whether those who lost lower paying jobs are returning to the workforce at higher pay, or whether newcomers to the labour force are the ones entering at those positions.

The latter option would suggest those who initially lost their jobs are being kept out of the workforce, but Statistics Canada data does not allow for such close analysis.



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Higher youth unemployment can also have long-term implications for women in the labour force, Feor says.

Gaining early work experience can be critical for all youth, but especially so for young women on the cusp of entering the core-age demographic and hoping to start families.

If those women are unable to get opportunities before potentially taking a career break to raise children, it can affect their prospects in returning to the labour force down the road, Feor says.

“It’s something that we might not actually see the impact of right now. It might be a long-term thing,” she says.

The months ahead might be critical to youth unemployment recovery as the food and accommodations sector — where many youth find summer jobs — gears up for a seasonal boom. Pandemic recovery to date has been slower here, too, with employment still down 17.4 per cent from February 2020 levels.

“It’ll be important to keep an eye on whether or not (youth) are working at the same rate as they were before and what happens with key sectors like accommodation and food services,” Feor says.

Keeping older Canadians in the labour market key to recovery

The question around lagging employment in older adults is a difficult one to answer, says Lisa Taylor, associate fellow at the National Institute for Ageing.

The 55-and-older category that Statistics Canada uses in its monthly Labour Force Survey treats a person aged 56 the same as someone who’s 78, she tells Global News.

This groups together workers with very distinct challenges in the labour force, Taylor says.

“It does require a little bit of deeper analysis to actually understand who’s making what choices and why,” she says, adding that the pandemic had varying effects on older Canadians.

The shift to remote work, for example, suited some older workers well and saw them push back an eventual retirement as the strain of commuting and other lifestyle factors abated. Others who felt they were close to retiring already might have decided to take a break from the workforce over the past two years — whether that break becomes permanent remains to be seen in many cases, Taylor says.

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But the lingering effect of the pandemic can discourage a rapid return to the workforce for older Canadians.

Public-facing sectors that saw month-to-month jumps in the last employment report, including retail, hospitality and food services, might not be as appealing to older Canadians managing their personal risks with COVID-19 exposure, Taylor says.

But the pandemic aside, any gap in the resume becomes more detrimental the longer a worker is unemployed, Taylor notes.

“When older workers are displaced from the workplace, when they become unemployed or they lose their job, it takes them many times longer than the average Canadian to find another job, if they ever find another job,” she says.

Many older Canadians who are out of a job might not think about retraining or pursuing opportunities outside the industry where they spent most of their career, Taylor says.

Before the pandemic, data shows some candidates also saw their age as a barrier to getting hired. Eight out of 10 people surveyed by Express Employment Professionals (EEP) in January 2020 felt their age was a consideration in the hiring process.

At the same time, nearly one in five of all human rights claims filed in Ontario alleged age discrimination, EEP said.

Taylor puts the onus on employers themselves to consider candidates above a certain age band when recruiting for open positions.

As employers across Canada reckon with a talent crunch, an accelerated effort to get older Canadians back into the labour force could help companies meet these demands in a tight talent market.



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“We need to separate out what actually is age and what is performance, and we need to stop making assumptions that age leads to poorer performance. The data does not show that,” Taylor says.

“It causes bad decisions to be made when recruitment teams are looking at, who’s the profile of the person that we want to hire?”

Taylor also argues that filling the unemployment gap for older Canadians does not have to come at the expense of opportunities for younger workers. While she acknowledges that it's "counterintuitive," she says that veteran employees tend to tap extensive networks to "pull their juniors in" to work with them.

As Canada's core age group bears the brunt of the COVID-19 employment recovery, Taylor argues the healthiest labour market includes representation from across demographics.

"If we're worried about what's happening with younger workers, one of the fastest ways to get more younger workers into the workplace is to make sure we have more older workers in the workplace."

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