

The impact of COVID-19 on **employment** in the Guelph Region

COVID-19 in the Guelph CMA**

Work is an important part of people’s lives. It helps to provide money, stability and meaning. Employment impacts due to COVID-19 have not been felt equally among individuals in our community.

We are all impacted by COVID-19

The COVID-19 pandemic has wide-reaching effects on all aspects of our work, family, and social lives. We all experience and cope with the COVID-19 pandemic in our own way. The Vital Focus series examines the impacts of measures in place to control COVID-19 on health and wellbeing in our community.

This Vital Focus report looks at the effects of COVID-19 on employment during the first wave of the pandemic.*

What is employment?

Employment refers to those persons who did any work at a job or business for pay or who were self-employed. It also includes “persons who did unpaid family work for a farm, business or professional practice that is owned and operated by a member of the same household”. People who have a job but were unable to work due to illness, disability or other reasons are also considered ‘employed’.^{5.1}

Some people may face a greater risk of having their employment status or their ability to seek employment be negatively impacted by COVID-19, including:

- Low-wage workers^{5.2}
- Part-time and/or temporary workers^{5.2}
- Youth and students (15-24)^{5.3}
- Women^{5.4}
- Single parents with children^{5.4}
- Low-income families^{5.4}
- Recent immigrants (five years or less in Canada)^{5.4}
- Accommodation and food service workers^{5.3}
- Wholesale and retail workers^{5.3}
- Manufacturing workers^{5.3}
- Construction workers^{5.3}
- Individuals in jobs that cannot be done remotely/from home^{5.2}



Some workers have been more affected than others by COVID-19.

How has COVID-19 impacted employment?

During the initial months of the pandemic, employment was impacted in a variety of ways, including:

- Temporary layoffs left workers still employed but without an income.^{5.2}
- Permanent layoffs that resulted from business closures/ revenue loss left workers unemployed and without an income.^{5.2}
- Workers remained employed but saw a significant reduction in the hours worked.^{5.2}
- Many individuals started working from home/remotely, rather than from their usual place of work.^{5.2}
- Students and youth entering the workforce had greater difficulty finding employment.^{5.2}

Jobs are being recovered, however it is disproportionately in favour of men and those earning higher wages. This is in part due to the recovery of the manufacturing sector.^{5.2}

What do employment statistics tell us?

National Snapshot

From February to April 2020, **5.5 million** Canadian workers were affected by the COVID-19 economic shutdown.^{5,2}



February to April 2020

3 million

Canadians lost their employment

2.5 million

Canadians who were employed worked less than half of their usual hours

Nearly **5 million** Canadians were working most of their hours from home by April 2020, including more than 3 million for which their home is not their usual place of work.^{5,2}

400,000 Canadians who were working from home, returned to their usual place of work in June.

Local Snapshot

From February to June 2020, **9,900 residents** in the Guelph Census Metropolitan Area (CMA)^{5,5}, which includes the City of Guelph, Guelph/Eramosa and Puslinch, became unemployed. During this time^{5,6}:

5,000

residents lost their job (either permanently or temporarily)

4,900

residents entered the labour force looking for employment

14.9% unemployment rate

The combination of those who lost their jobs and those who were looking for work, pushed the unemployment rate to 14.9% in June 2020 (before COVID-19, the highest unemployment rate was in February 2010 at 7.6%).

The industry sectors that experienced the most significant employment losses in the Guelph CMA were^{5,7}:

- **Manufacturing** ~2,800 jobs
- **Professional, Science, and technical services** ~2,000 jobs
- **Educational Services** ~1,800 jobs
- **Health Care** ~1,300 jobs
- **Wholesale and Retail Trade** ~1,000 jobs

The occupations that experienced the most significant employment losses in the Guelph CMA were^{5,8}:

- **Sales and service** ~5,400 jobs
- **Business, finance and administration** ~2,800 jobs
- **Natural and applied science** ~1,800 jobs
- **Trades, transport and operators** ~1,300 jobs

Focus on women



The impacts of COVID-19 have had a disproportionate economic impact on women.^{5,10} Women were harder hit by employment losses at the beginning of the shutdown, although women and men experienced similar total losses by April. This is due to the disproportionate number of women in service sectors such as accommodation and food services, and retail and wholesale trades.^{5,2}

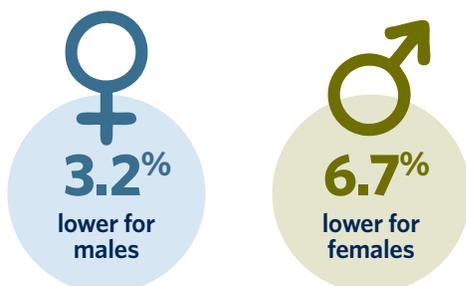
Across Canada in June, 2020:

- Men's employment reached 92.3% of pre-COVID levels compared with 89.2% for women.
- The unemployment rate for women (12.7%) was slightly higher than the rate for men (12.1%), mostly due to a higher proportion of women on temporary layoff.
- Historically, the unemployment rate among men is typically higher than among women, and also tends to increase more among men during recessions.^{5,2}

Even more so than at the national level, females living in the Guelph CMA have had their employment status disproportionately impacted by COVID-19.

- From February 2020 to April 2020,^{5,9} the employment rate for males declined by 3.2 percentage points (from 68.8% to 63.6%), while for females it declined by 6.7 percentage points (from 59.4% to 52.7%).
- In June 2020, the unemployment rate in the Guelph CMA was 15% for males and 15.3% for females.
- The employment losses for females were roughly equally spread across full-time and part-time employment.^{5,9}

Decline in employment rate



February to April 2020

Focus on low-wage employees

From February to April 2020, employment among low-wage employees (people that made less than \$16.03 per hour) fell by 38.1% across Canada, compared with a decline of 12.7% for all other paid employees^{5,2}:

- In June, employment among low-wage workers had recovered to 78.8% of the February level, compared to 96.7% for other paid employees.
- This was again tied to the service sector, as a larger number of jobs in food and accommodation services, and wholesale and retail trade are low wage occupations.

Focus on youth



From February to April 2020 across Canada, youth (15 to 24 years old) employment fell by 873,000 persons (-34.2%), the fastest decrease of any age group^{5,2}:

- The unemployment rate in June 2020 was 33.1% for returning student youth, up from 12.7% in June 2019, and 20.6% for non-student youth, up from 8.5%.
- By June, employment was down 22.7% (-580,000 persons) compared to February, with the deficit being larger for young women (-26.4%) than young men (-19.1%).

Like national trends, youth in Guelph CMA experienced a sharp decline in employment from February to April 2020^{15,9}:

- 1,000 individuals (-9.8%) between the ages of 15 to 24 years old lost their employment, compared to 2,300 individuals (-2.9%) over the age of 25 years old.
- For youth, these losses were mainly felt in part-time employment, while it was full-time employment for those over the age of 25 that was the main driver of job losses.
- Since then, youth have recovered half (500) of the jobs, while individuals over the age of 25 years old have lost a further 3,200 jobs.
- In June 2020, the youth unemployment rate in the Guelph CMA reached 28.4%, while the unemployment rate for those aged 25 years and older was 13.1%.

Focus on recent immigrants

Nationally, employment among very recent immigrants (people who have been in Canada five years or less) fell more sharply from February to April (-23.2%) than it did for those born in Canada (-14.0%).

- This is partly because this group is more likely than people born in Canada to work in industries which have been particularly affected by the COVID-19 economic shutdown, such as accommodation and food services.

Recommendations

What can community organizations, governments, and funders do to support employment growth and stability in Guelph?

Beyond the programs and financial support initiated by the Government of Canada, there are a number of ways that community organizations, municipalities, governments, and funders can support workers whose employment has been impacted by COVID-19:

- **Continue** to approach school reopenings with a focus on safety and health, and supporting families. Workers can now take job-protected paid leave to support their child being home sick
- **Advocate** for changes to the Employment Insurance (EI) program, as unemployed persons are transitioned out of the CERB. This includes changes such as:
 - Wage replacement rate of 75%, rather than the current 55%
 - Investigate having a minimum amount for benefits that ensures people have enough money to cover the cost of all basic needs
 - Allow workers to earn additional income while on EI
 - Reduce hours needed to qualify for EI
 - Develop a sector-specific approach to length of time a person is eligible for benefits, as some sectors will not recover at the same rate (e.g., accommodation and food services workers, compared to manufacturing)
- **Ensure** that cuts or stoppages do not occur in City, County and social services that are crucial to vulnerable populations (e.g., transit, shelters, cooling centres, food banks etc.)
- **Advocate** for the temporary wage top-up for low-income essential workers to be made permanent .
- **Advocate** for transit supports for essential and low income workers
- **Resume** seasonal hiring where possible
- **Support** businesses to adhere to most current public health guidance to keep employees and customers safe



If you or someone you know is struggling with finding employment or accessing support programs, please visit Toward Common Ground for income supports and employment services.

The most recent Government of Canada's COVID-19 support programs can be found [here](#).

* The above assessment of employment impacts in Canada and in the Guelph CMA, examines how employment had been impacted by the initial closure and downturn in the economy from the first wave of COVID-19. According to Statistics Canada this time period occurred from February 2020 to June 2020, where in July 2020 signs of recovery began to emerge. This analysis is intended to explore which individuals were most impacted in our community by the initial shutdown and gradual reopening.

** The Guelph Region is defined by the Guelph CMA, which includes the City of Guelph, the Township of Puslinch, and the Township of Guelph/Eramosa.

Note: There are limitations associated with the data and research sources included in this Vital Focus. For more information about sources and citations, please go to [Toward Common Ground](#). If you know of research or data about diverse communities not represented in this Vital Focus, please contact us at sarahh@towardcommonground.ca

Footnotes and references are available at [Toward Common Ground](#).

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