

# The economic impact of COVID-19 on Niagara women in the workforce

September 2020

*The impact of the COVID-19 pandemic has been devastating not only in its health and physical toll but also in the havoc it has wreaked on the economic, emotional, and social lives of individuals and nations around the world. Amidst this perturbation unleashed by the crisis, local communities have been at the frontlines of these unprecedented seismic tremors. They have emerged as critical sites of crisis management as they struggle to navigate the economic and social tidal waves of the pandemic. However, some groups have taken a harder hit than others. This report focuses on the gender contours of the pandemic's economic devastation. The discussion examines recent employment data to highlight the disproportionate impact that the crisis has had on the job and income security of women relative to men. While the report focuses the lens on Niagara, the implications bear significance for other communities since regions are at the frontline of efforts to navigate this crisis and enhance the resilience of individuals, families and communities.*

As the economic shutdown continued during the COVID-19 pandemic, it became apparent to economists in Canada that the impacts of COVID-19 on employment were not equal between men and women. Women were bearing the brunt of employment losses and there would be no true recovery unless they were able to get back to work. The national discussion transformed into why this might be happening, from how household roles may impact work, to the characteristics of the employment sectors in which women tend to dominate.

In this report, the Niagara Community Observatory has partnered with the Niagara Workforce Planning Board to look specifically into the employment numbers for women and men over the course of the pandemic in an attempt to examine the local impact from a gendered perspective. Using this information, policy-makers in

municipal government can bring the broader national and provincial conversation to the local level.

We know, for example, that in general women dominate the workforce in some of the hardest hit sectors, such as accommodation and food service, and retail trade. These are also sectors that are top areas of employment in Niagara and are pillars of the region's tourism infrastructure, an at-risk industry due to the call for people around the world to limit travel. In fact, in March the Conference Board of Canada (Sonmez 2020) forecast that the St. Catharines-Niagara Census Metropolitan Area (CMA) would be the "most at risk" economically from the lockdown – compared to any other area in the country — due to its reliance on the accommodation and food sector (12 per cent of the CMA's total workforce in 2019, according to our most recent data).

At the peak of this spring's economic shutdown due to the pandemic (i.e., May), Niagara experienced significant employment decreases across the board with 31,000 fewer people reporting employment between February and May. While more than half of those have since recovered as the economy re-opened, certain sectors have yet to rebound and Niagara's unemployment rate, which peaked in May at 13 per cent, had improved to just 11.3 per cent by August.

Employment decreases during the shutdown bottomed out for both men and women in May. But, as the data in Tables 1 and 2 indicate, the number of men reporting employment is increasing much faster than women. For example, numbers from Statistics Canada's *Labour Force Survey* show that **women have overwhelmingly borne the brunt of employment losses in Niagara since the pandemic shutdown in March and continue to do so.**

**Table 1: Labour Market Indicators, St. Catharines-Niagara CMA<sup>1</sup>, seasonally unadjusted, February to August, Men.**

Indicator	2020 - Men						
	February	March	April	May	June	July	August
Labour force	107,500	106,800	105,400	104,400	105,300	109,300	114,500
Employment	100,600	96,900	92,900	89,900	90,800	96,500	101,500
Full-time employment	85,300	82,400	79,400	77,200	78,800	84,600	88,700
Part-time employment	15,400	14,500	13,500	12,700	12,000	11,800	12,800
Unemployment	6,800	9,900	12,500	14,500	14,500	12,800	13,000
Not in labour force	71,700	72,700	74,500	75,800	74,500	71,900	67,100
Unemployment rate	6.3%	9.3%	11.9%	13.9%	13.8%	11.7%	11.4%
Participation rate	60.0%	59.5%	58.6%	57.9%	58.6%	60.3%	63.1%
Employment rate	56.2%	54.0%	51.6%	49.9%	50.5%	53.3%	55.9%

Statistics Canada. Table 14-10-0095-01 Labour force characteristics by census metropolitan area, three-month moving average, unadjusted for seasonality.

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410009501>

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**Table 2: Labour Market Indicators, St. Catharines-Niagara CMA, seasonally unadjusted, February to August, Women.**

Indicator	2020 - Women						
	February	March	April	May	June	July	August
Labour force	104,100	99,100	93,600	88,900	89,400	92,100	95,000
Employment	98,600	91,300	84,800	78,300	79,000	80,300	84,400
Full-time employment	67,600	63,200	59,300	55,400	56,900	57,200	60,500
Part-time employment	31,000	28,000	25,400	22,900	22,200	23,100	23,900
Unemployment	5,600	7,900	8,900	10,600	10,300	11,800	10,700
Not in labour force	76,600	81,600	87,000	91,600	91,700	87,800	84,700
Unemployment rate	5.4%	8.0%	9.5%	11.9%	11.5%	12.8%	11.3%
Participation rate	57.6%	54.8%	51.8%	49.3%	49.4%	51.2%	52.9%
Employment rate	54.5%	50.5%	46.9%	43.4%	43.6%	44.6%	47.0%

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<sup>1</sup> All Labour Force Survey numbers are for the St. Catharines-Niagara Census Metropolitan Area, which does not include Grimsby or West Lincoln.

- Between June and July, 82.6 per cent of employment gains in Niagara were among men; 18.8 per cent were among women. Employment increases tracked closer to provincial trends between July and August where, locally, 54.3 per cent of employment gains were by men and 44.6 per cent were by women.

- Women's employment numbers had decreased by 20,300 from February to May and the subsequent employment increase has been slow with 6,100 more women reporting employment between May and August. The decrease in women's employment between February and May was largely attributed to those aged 25-54 while just over two thirds of women's employment increases between May and August were experienced by women aged 55-64. Full-time employment is recovering slowly for Niagara women while changes in part-time employment appears to have stalled since May. Between February and August, women accounted for 73.2 per cent of all part-time employment decreases during the shutdown. It is worth noting that women's proportion of part-time employment prior to the pandemic was 66.8 per cent.

- Men's employment numbers had decreased by 10,700 from February to May and increased by 11,600 between May and August. This change was driven by gains in full-time employment. Part-time employment for men in August was still down near May levels. The decreases in men's employment between February and May and the increases in employment between May and August were largely experienced by men aged 25-54.

- Employment in sales and service occupations across all sectors was still down by 12,500 in August compared to February. At a provincial level, we see that this sector is dominated by women (53.8 per cent of people reporting employment in this industry).

- Throughout the pandemic, more women reported being not in the labour force than men (i.e., they were not working or actively looking for work). Between February and May, the number of men that were not in the labour force had increased by approximately 4,100 compared to an increase of 15,000 women. By July, the number of men not in the labour force had rebounded to pre-pandemic numbers (71,700 in February, 71,900 in July) and by August had noticeably improved over February (67,100 in August). The number of women not in the labour force has improved

but not recovered: from 76,000 in February to a peak of 91,700 in June and now 84,700 in August (difference of 8,100 since pre-pandemic). **Of women that exited the labour force between February and August, just over 80 per cent were 65 years and older and around 11 per cent were aged 25-54.**

- Women dominate the health care and social assistance sector, accounting for 80.8 per cent of employment in this sector across Ontario in 2019. Employment in health care and social assistance continued to increase during the shutdown in Niagara with an additional 2,000 individuals reporting employment by August.

- The sectors with employment losses from February to August in the St. Catharines-Niagara CMA are:

1. Accommodation and food services  
(-10,900 employed individuals)
2. Wholesale and retail trade  
(-7,000 employed individuals)
3. Information, culture and recreation  
(-4,400 employed individuals)
4. Educational services  
(-3,600 employed individuals)
5. Transportation and warehousing  
(-1,500 employed individuals)
6. Public administration  
(-100 employed individuals)
7. Agriculture  
(-1,200 employed individuals)

Employment by industry cannot be broken down by gender at the local level. However, we can see the percentage of women in the workforce of each sector across Ontario, and those numbers suggest the two sectors driving employment decreases in Niagara (accommodation and food services; and wholesale and retail trade) are dominated by women. Table 3 illustrates industry gains and losses during the pandemic in St. Catharines-Niagara as well as workforce gender composition across Ontario.

<sup>2</sup> The data used throughout this report are unadjusted data which means these effects do not account for seasonal employment effects that we typically expect. Statistics Canada also uses a 3-month floating average to produce monthly data at a regional level. This controls for any data volatility that is inherent to small sample sizes. It also ensures that anomalies in single employment sectors in a single month do not disproportionately impact all regional-level data. Given small sample sizes, data breakdowns into gender and age are extrapolated to reflect the larger population.

**Table 3: Employment by Industry, St. Catharines-Niagara CMA, February and August 2020.  
Annual Employment for Men and Women, Ontario, 2019.**

Industry	2020 Employment - St. Catharines-Niagara CMA			2019 Annual Employment - Ontario	
	February	August	Feb-Aug Change	Men %	Women %
Agriculture	5,400	4,200	-1,200	64.1%	35.9%
Forestry, fishing, mining, quarrying, oil and gas	NA	NA	NA	86.7%	13.3%
Utilities	1,700	NA	NA	78.4%	21.6%
Construction	14,400	17,500	3,100	88.3%	11.7%
Manufacturing	21,200	22,100	900	70.0%	30.0%
Wholesale and retail trade	32,300	25,300	-7,000	52.6%	47.4%
<i>Wholesale trade</i>	NA	NA	NA	66.8%	33.2%
<i>Retail trade</i>	NA	NA	NA	48.3%	51.7%
Transportation and warehousing	8,600	7,100	-1,500	76.2%	23.8%
Finance, insurance, real estate, rental and leasing	7,200	13,000	5,800	48.3%	51.7%
Professional, scientific and technical services	5,500	8,200	2,700	57.9%	42.1%
Business, building and other support services	8,400	9,000	600	53.6%	46.4%
Educational services	17,100	13,500	-3,600	30.7%	69.3%
Health care and social assistance	25,300	27,300	2,000	19.2%	80.8%
Information, culture and recreation	9,700	5,300	-4,400	51.8%	48.2%
Accommodation and food services	26,100	15,200	-10,900	45.6%	54.4%
Other services (except public administration)	10,300	10,800	500	42.4%	57.6%
Public administration	5,900	5,800	-100	50.6%	49.4%
<b>Total employed, all industries</b>	<b>199,200</b>	<b>185,900</b>	<b>-13,300</b>	<b>52.3%</b>	<b>47.7%</b>

Statistics Canada. Table 14-10-0097-01 Employment by industry, three-month moving average, unadjusted for seasonality, census metropolitan areas (x 1,000)

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410009701>

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NA indicate suppressed or unavailable data

Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual (x 1,000)

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410002301>

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While the *Labour Force Survey* illustrates where the pandemic has impacted women more than men in Niagara, it does not give us an explanation. Two questions come from the numbers:

First, why are the employment numbers for women not rebounding as quickly as those for men; and second, why are more women dropping disproportionately out of the labour force?

Local-level *Labour Force Survey* data do not speak to why these changes are occurring; however, the demographic nuances in these indicators do point towards trends for certain segments of Niagara's population. With regard to changes in employment for women, much of the February to May decrease was experienced by women aged 25-54 while subsequent increases in employment were experienced by those aged 55-64. For men, both employment decreases and subsequent increases were largely experienced by men aged 25-54.

In terms of changes in the number of people not in the labour force (i.e., neither working nor looking for work), between February and August the number of men reporting this labour force status decreased by 4,600 while this number increased by 8,100 for women. Diving deeper into these trends indicate that the vast majority of the increase in women was for individuals aged 65 years and older (increasing from 41,900 in February to 48,400 in August). The reasons for these trends locally, however, is unknown and could be due to a variety of factors.

Provincially, there was an overall decrease of 116,100 individuals reporting that they were not in the labour force between February and August (despite an initial increase between February and May); however, three demographic cohorts saw increases of individuals reporting being not in the labour force; men and women aged 65+ years old and women aged 25 to 54.

## WHY IS THIS HAPPENING? A NATIONAL DISCUSSION

The broader national discussion on why the pandemic has hit women the hardest economically centres on two themes: the characteristics of the jobs sectors in which they dominate, and their role in childcare and household duties.

As mentioned earlier in the introduction, women dominate the workforce in some of the hardest hit sectors, such as accommodation and food service, and retail trade.

Jobs in these particular service sectors are known to be low-wage and part-time, often seasonal and sometimes with no guarantee of hours, so women may be more willing to opt out due to family responsibilities and health risk – especially with CERB supports (RBC 2020). In addition, RBC reported that 47 per cent of the women laid off across the country between February and June had been earning less than the CERB's \$2,000 a month. These jobs are also in the sectors recovering slowly due to consumer confidence, public health regulations, and business closures (Renner 2020, RBC 2020).

One issue gaining momentum at the national level is motherhood and the role of women in the household. There are four million mothers of young children in Canada and 75 per cent of them were in the workforce prior to the pandemic (Fournier-Tombs 2020).

While the economy has slowly re-opened across the country during the summer months, children were still at home and research consistently shows women are most likely to bear the increased burden of childcare responsibilities. In one recent study, employed mothers with young children were found to have reduced their work hours four to five times more than men from February to April (Collins et al. 2020).

A Statistics Canada survey found women spent at least 28 hours per week on unpaid work before the pandemic (50-per-cent more than men) and were more likely to "take the lead on child-related tasks" such as meal prep and playtime (Fournier-Tombs 2020). Under the current circumstances, children require at least 40 hours of childcare from their parents per week (Fournier-Tombs 2020).

While childcare centres have been given the go-ahead to open to more than essential workers, they may be operating at reduced capacity due not only to public health regulations, but also because families are keeping their children home for reasons such as affordability, flexibility and safety (RBC 2020, Collins et al. 2020, Fournier-Tombs 2020). Research shows that this overwhelmingly affects women, even in dual-income households where only 29 per cent are the primary earners (RBC 2020).

Since women are more likely to earn the lesser of the two in dual-income households, they are therefore more likely to be the ones to drop work in order to take care of the children.

The *Labour Force Survey* doesn't tell us whether decisions made by people in Niagara follow these national trends.

**What we are seeing in Niagara is that employment increases for women tend to lag behind increases for men, and the largest share in the increase of individuals that reported being not in the labour force are women age 65 years and older.** This should be the focus of future research in Niagara, as well as a closer look at how Niagara's demographics, beyond gender, are playing out.

The solutions to easing the pandemic impact on the female labour force are complex. But what we are seeing at a broader level is the recognition of the important role accessible childcare plays in the economy, the acknowledgement that flexible hours and paid sick leave are necessary for a productive workforce moving forward, and that the lower and part-time wages that have become associated with occupations dominated by women – including those that were deemed essential during the shutdown — need to be revisited.

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