Canadian Centre for Policy Alternatives
December 2021

A Disproportionate Burden

COVID-19 labour market impacts on Indigenous and racialized workers in Canada

Angele Alook, Sheila Block, and Grace-Edward Galabuzi

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ISBN 978-1-77125-582-0

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ACKNOWLEDGMENTS

The authors would like to thank Alicia Massie for her excellent research assistance, and David Macdonald and Ricardo Tranjan for their thoughtful comments on an earlier version of this paper.

This research was funded by the Canadian Race Relations Foundation (www.crrf-fcrr.ca) as part its research mandate in support of the elimination of racism and all forms of racial discrimination in Canadian society.

A Disproportionate Burden

Executive Summary

THIS PAPER ANALYZES the labour market impacts of the pandemic on Indigenous and racialized workers in Canada and compares those impacts with non-Indigenous and white workers.

Among the findings in this report:

A disproportionate burden: The economic and health impacts of COVID-19 were not randomly distributed and did not affect everyone equally. The impacts were more severe for marginalized people. At all times during the pandemic, a larger share of Indigenous and racialized households faced economic hardship compared to white households. Figure 1 shows the shares of the population living in households that found it difficult or very difficult to meet basic financial commitments. On average, over the period July 2020 to June 2021, 28% of Indigenous Peoples and 31% of racialized households lived with economic insecurity compared to 16% of white households.

Employment in industries at risk of job losses: During the pandemic period studied, three industries accounted for 80% of job losses in Canada: accommodation and food services; information, culture and recreation; and wholesale and retail trade. Racialized workers were over-represented in these industries both in 2016 and during the pandemic and were, therefore, at greater risk of job loss due to COVID-19.

Employment in occupations at risk of infection: Throughout the pandemic, workers in some occupations have faced a higher risk of contracting COVID-19 at work. Indigenous women had the highest share of employment in occupations ranked in the top quartile for physical proximity, at 30.2%.

Next were non-Indigenous women at 28%, followed by Indigenous men at 14.6%, and then non-Indigenous men at 12.5%. The data that was available for racialized workers was less detailed but even that data showed the unequal exposure to risk. It showed that 56% of racialized and white women worked in close proximity to others; 33% of racialized men and 28% of white men worked in those occupations.

Indigenous and non-Indigenous workers' employment and unemployment gap: The gap in the average employment rate between Indigenous men and non-Indigenous men changed only slightly during the pandemic, rising from 11.3 percentage points pre-pandemic to 11.5 percentage points over the first year of the pandemic, and decreasing to an average of 9.3 percentage points in the three months ending at June 2021, the end date of the study. Non-Indigenous women's employment rate was 8.8 percentage points higher than that of Indigenous women in the 12 months before the pandemic, and it averaged 9.4 percentage points higher over the first year of the pandemic, dropping slightly to 8 percentage points in the three months ending June 2021. When the pandemic began, non-Indigenous women's employment rate plunged sharply, nearly falling to the level of Indigenous women. But while employment for non-Indigenous women began to recover early in the pandemic, beginning an upward climb in May 2020, it was February 2021 before Indigenous women's employment rate began to improve in earnest. By June 2021, both Indigenous men and Indigenous women saw employment numbers exceed their pre-pandemic levels. Indigenous men saw a 6.8% increase in overall employment; Indigenous women saw an increase of 0.6%. This is a hopeful sign that the gap between Indigenous and non-Indigenous labour market outcomes will narrow.

The unemployment rate gap between Indigenous and non-Indigenous women widened slightly, from 3.1 percentage points in the 12 months preceding the pandemic to 3.4 percentage points over the first 12 months of the pandemic, widening further to 3.9 percentage points by the end June 2021. The unemployment rate gap was unchanged at 6.1 percentage points in the 12 months preceding the pandemic and in the first 12 months of the pandemic, despite rising unemployment rates for both Indigenous and non-Indigenous men. The gap shrunk to 5.4 percentage points by the end of June 2021.

Racialized and white workers' unemployment and employment gap: During the pandemic period studied (July 2020 to June 2021), the gap in the unemployment rate between racialized and white workers increased compared to the rates in the 2016 census (the most recent pre-pandemic data available for racialized workers). For racialized women, the gap increased

from 3.2 percentage points in 2016 to an average of 5 percentage points for the period July 2020 to June 2021, to an average of 4.7 percentage points between April and June 2021. For racialized men, the gap increased from 0.6 percentage points in 2016, to an average of 2.8 percentage points for the period July 2020 to June 2021, to an average of 2.5 percentage points between April and June 2021. There was a similar increase in the gap between unemployment rates for youth aged 15–24.

At the same time, there was a sharp decrease in the employment rate gap for racialized and white youth, from 16.1 in 2016 to an average 12.7 percentage points for the period July 2020 to June 2021. For prime-age workers, the employment gap between racialized and non-racialized workers grew between the 2016 census and the pandemic, from 6 percentage points to 6.5.

Introduction

THE PHRASE "COVID-19 does not discriminate" was widely used at the start of the pandemic. As the pandemic wore on, however, it became increasingly clear that the economic and health impacts of COVID-19 were not randomly distributed and did not affect everyone equally. The impacts were much more severe for marginalized people.

The fault lines of the pandemic have been drawn between low-wage and high-wage workers,[1] between women and men,[2] between those who could safely work from home and those who risked infection at work,[3] between Indigenous Peoples and settlers,[4] and between racialized and white Canadians.[5]

Far from being a "great equalizer," the COVID-19 pandemic has exposed and widened underlying structural inequality in Canada. Billionaires' wealth has increased,[6] as have the savings of those high-wage workers who safely worked from home but had fewer things to spend their money on during repeated lockdowns. Meanwhile, low-wage workers have lost their job in higher numbers than high-wage workers, while other low-wage workers had no choice but to continue to work, even when they might have been ill or exposed to COVID-19, because of the unwillingness of governments to legislate paid sick days. While federal government spending did much to mitigate the unequal impacts of the pandemic,[7] it did not eliminate them.

This paper analyzes the employment impacts of the pandemic on Indigenous and racialized workers in Canada and compares them with the impacts of the pandemic on non-Indigenous and white workers.

Data considerations

AFTER THE PANDEMIC began, and with increased awareness of racism in the spring of 2020, Statistics Canada began, for the first time, to collect Labour Force Survey (LFS) data for racialized Canadians. Previously, the only source of data about the labour market experience or economic situation of racialized people was the census, which is produced every five years. As a result, it was impossible to track changes in the racialized labour force between censuses. The Statistics Canada data for the racialized population is for the population 15–69 years of age. Unless otherwise noted, that is the population used throughout this paper.

While increased data availability is welcome and important, large gaps remain: we do not have immediate pre-pandemic data for racialized workers. As a result, we used the 2016 census for pre-pandemic comparators. This is a major limitation, as there is a four-year gap between the two sets of data and significant changes in the labour market have happened in that time. Nonetheless, we chose to use this data despite its limitations: it is the only data available.*

Much more detailed LFS data is available for Indigenous Peoples than for the racialized population. While data on the off-reserve Indigenous labour market experience had been collected in the LFS prior to the pandemic, Statistics Canada took steps in 2020 to make that data more widely available.

* As we used publicly available census data for the pre-pandemic comparator, the 2016 data includes Indigenous Peoples in the population that we identify as "white." The Indigenous population is small enough that this does not affect the overall results.

For Indigenous workers, the LFS provides an immediate pre-pandemic comparator. As a result, we could more effectively chart the course of the pandemic for Indigenous Peoples and the impact it has had on the structure of employment. That being said, Statistics Canada does not collect data about the experience of Indigenous Peoples on reserves nor in the territories. A report from the Future Skills Centre, which surveyed workers about their labour market experiences during the pandemic, found that the negative impact of the pandemic was particularly pronounced for Indigenous workers, and that Indigenous Peoples living in their traditional communities were even more negatively affected.[8] This analysis does not capture those impacts.

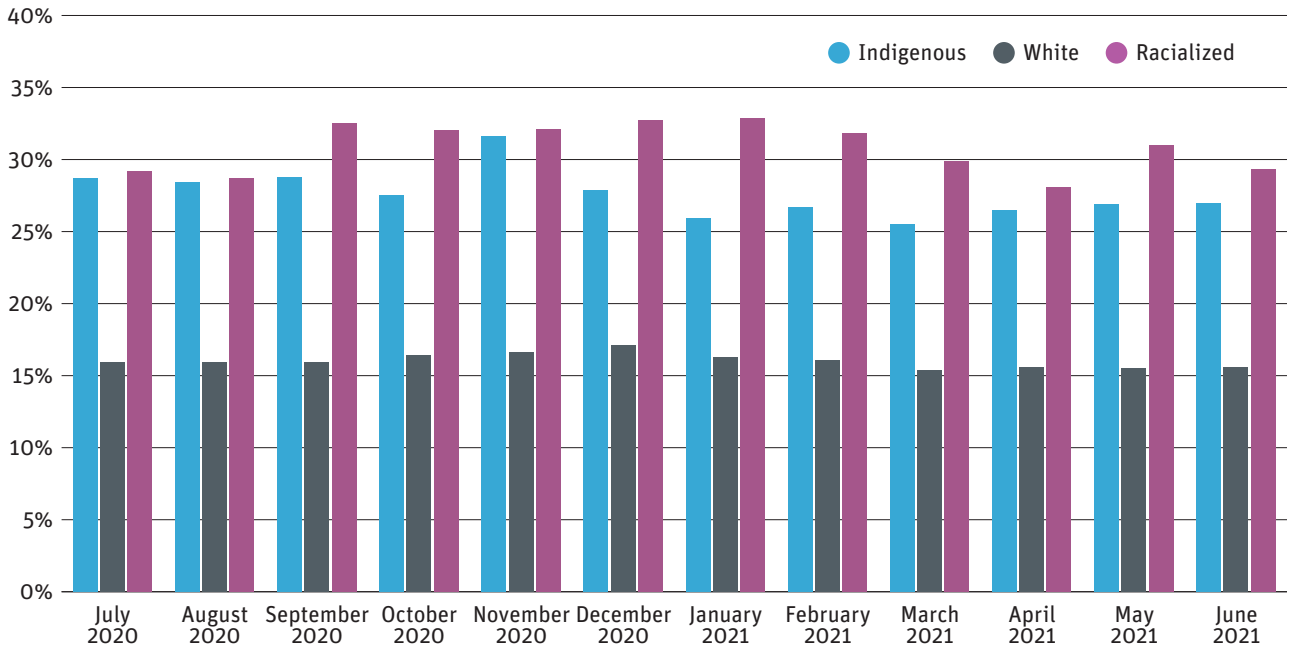
Indigenous and racialized households faced greater economic hardship

INDIGENOUS AND RACIALIZED individuals had lower income, higher poverty rates, and higher unemployment rates long before the pandemic began.

At all times during the pandemic, a larger share of Indigenous and racialized households faced economic hardship compared to white households. Figure 1 shows the shares of the population living in households that found it difficult or very difficult to meet basic financial commitments. On average, over the period July 2020 to June 2021, 28% of Indigenous Peoples and 31% of racialized households lived with economic insecurity compared to 16% of white households.

There are differences in the timing of these experiences of economic hardship. For racialized and white households, economic insecurity was highest between December 2020 and February 2021. For Indigenous Peoples, economic insecurity was highest between July and November 2020.

FIGURE 1 People living in households with financial difficulties



Source Statistics Canada, Labour Force Survey Supplement, July 2020 to June 2021.

Indigenous labour market outcomes during the pandemic

Employment

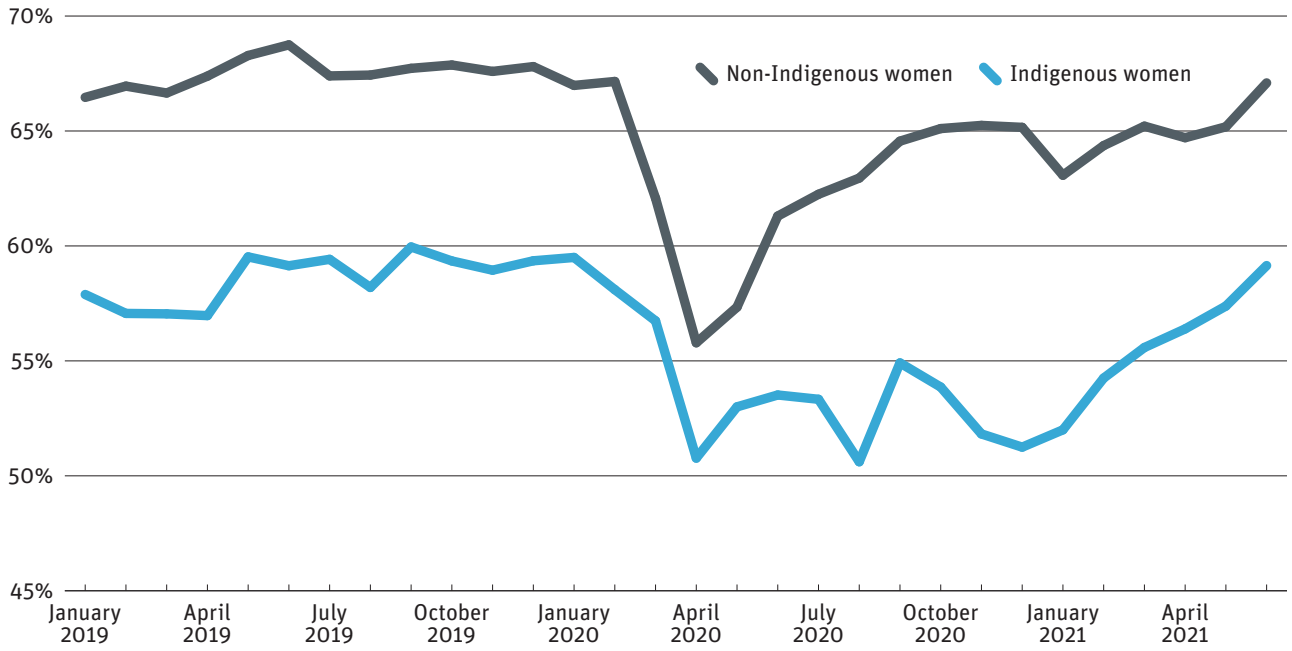
The impacts of racism and colonialism have been evident in the labour market experience of Indigenous Peoples long before the pandemic.[9,10] Indigenous Peoples entered the pandemic with lower employment rates[11] and higher unemployment rates[12] than the non-Indigenous population.

Due to small sample sizes and the fact that this data is not seasonally adjusted, we focus our analysis on the 12 months before the start of the pandemic (March 2019 to February 2020, called here "pre-pandemic 12 months"), the first 12 months of the pandemic (March 2020 to February 2021, called here "pandemic 12 months"), and the three-month period at the end of our analysis (April to June 2021).

Figure 2 shows employment rates for Indigenous and non-Indigenous women from January 2019 to June of 2021. Figure 3 shows employment rates for Indigenous and non-Indigenous men. Indigenous Peoples have had much lower employment rates than non-Indigenous Peoples at every point over the past two years.

The pattern of employment losses for Indigenous women differs from that of non-Indigenous women. At the start of the pandemic, there was a sharper

FIGURE 2 Employment rate: Indigenous and non-Indigenous women



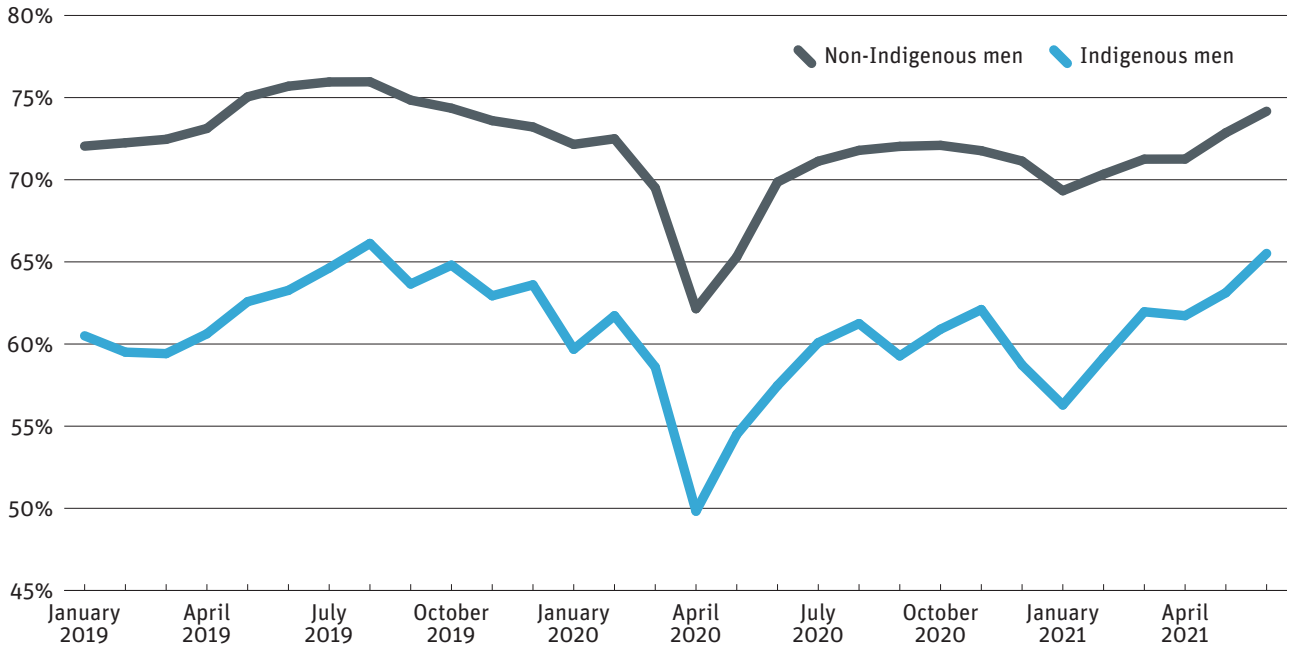
Source Statistics Canada, Custom tabulation 2021, based on Labour Force Survey, 2019–21.

drop in the employment rate for non-Indigenous women. As a result, their employment rate nearly fell to the level of Indigenous women. However, non-Indigenous women saw an earlier and more consistent recovery in their employment rate from its April 2020 low. The recovery for Indigenous women did not begin in earnest until February 2021.

The employment rate for Indigenous women in the 12 months before the pandemic averaged 58.8% compared to 67.6% for non-Indigenous women, dropping to 53% and 62.4%, respectively, for the first 12 months of the pandemic. As a result, the gap in the employment rate between Indigenous and non-Indigenous women widened from an average of 8.8 percentage points in the 12 months preceding the pandemic to 9.4 percentage points over the first 12 months of the pandemic, narrowing slightly to 8 percentage points for the three months ending at June 2021.

Changes in employment rates for Indigenous and non-Indigenous men followed a different pattern. The employment rate for Indigenous men in the 12 months before the pandemic averaged 62.8% compared to 74.1% for non-Indigenous men, dropping to 58.2% and 69.7% respectively for the first 12 months of the pandemic. In the first year of the pandemic, employment

FIGURE 3 Employment rate: Indigenous and non-Indigenous men



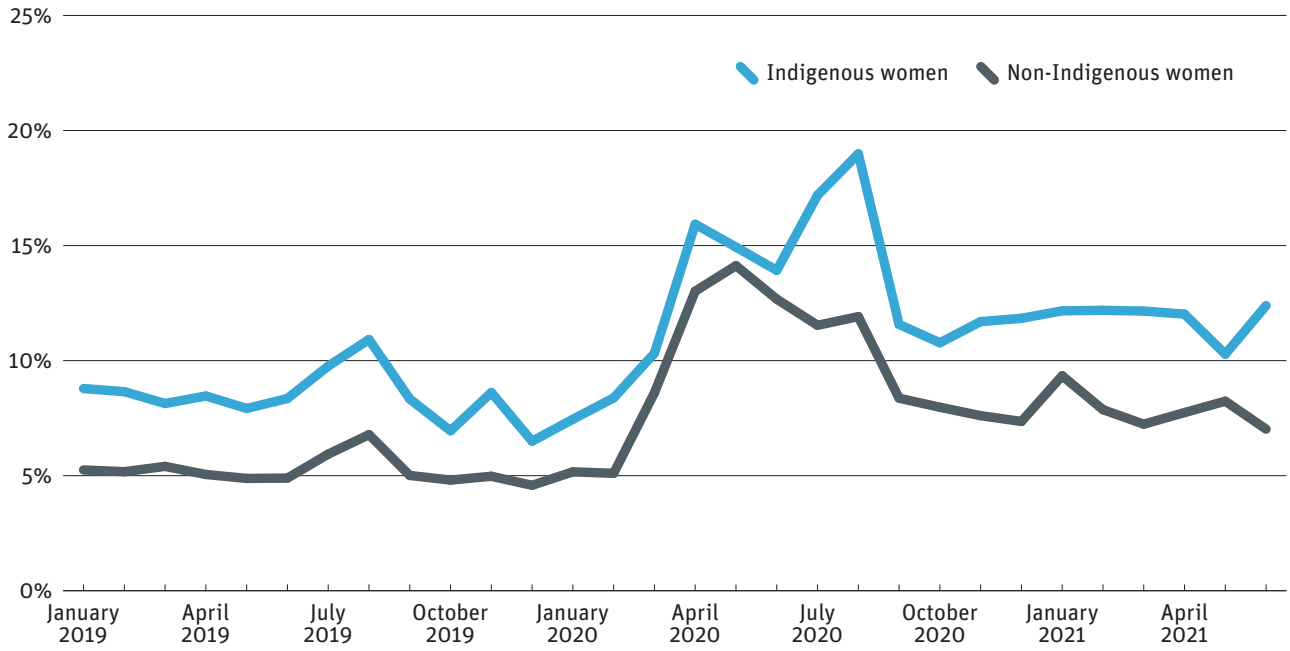
Source Statistics Canada, Custom tabulation 2021, based on Labour Force Survey, 2019–21.

losses for Indigenous men mirrored that of non-Indigenous men. The gap in the average employment rate between Indigenous and non-Indigenous men increased by only 0.2 percentage points, from 11.3 percentage points in the 12 months before the pandemic to 11.5 percentage points over the first 12 months of the pandemic. The gap shrunk to 9.3 percentage points for the average of the three months ending in June of 2021.

Unemployment

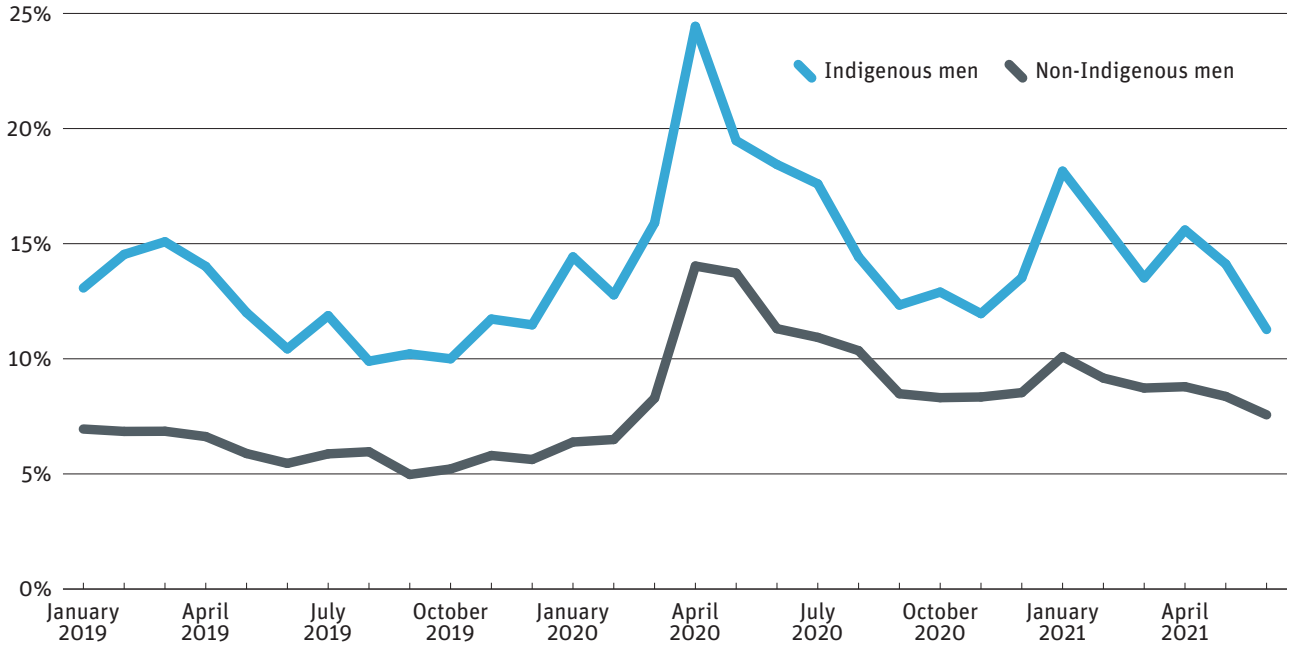
The unemployment rate for Indigenous women in the 12 months before the pandemic averaged 8.3% as compared to 5.2% for non-Indigenous women, rising to 13.5% and 10% respectively for the first 12 months of the pandemic. As a result, the gap in the unemployment rate between Indigenous and non-Indigenous women narrowed between March and July of 2020, then began to widen again. Comparing the three months prior to the start of the pandemic to the first three months of the pandemic, the gap in unemployment rates between Indigenous and non-Indigenous women narrowed from 2.5 to 1.8 percentage points. Comparing the pre-pandemic annual

FIGURE 4 Unemployment rate: Indigenous and non-Indigenous women



Source Statistics Canada, Custom tabulation 2021, based on Labour Force Survey, 2019–21.

FIGURE 5 Unemployment rate: Indigenous and non-Indigenous men



Source Statistics Canada, Custom tabulation 2021, based on Labour Force Survey, 2019–21.

average of March 2019 to February 2020 to the average over March 2020 to February 2021, the gap in the unemployment rate between Indigenous and non-Indigenous women widened slightly, from 3.1 percentage points in the 12 months preceding the pandemic to 3.4 percentage points over the first 12 months of the pandemic, widening further to 3.9 percentage points for the three months ending at June of 2021.

The pattern for the gap in the unemployment rate between Indigenous and non-Indigenous men differed from that of women. The unemployment rate for Indigenous men in the 12 months before the pandemic averaged 12% compared to 5.9% for non-Indigenous men, rising to 16.2% and 10.1% respectively for the first 12 months of the pandemic. The gap widened in the first three months of the pandemic compared to the previous three months, from 6.8 to 7.9 percentage points. Comparing annual averages, despite rising unemployment rates for both populations, the unemployment rate gap was unchanged, at 6.1 percentage points in the 12 months preceding the pandemic and in the first 12 months of the pandemic. The gap shrunk to 5.4 percentage points for the three months ending at June of 2021.

Changes in employment by industry

Table 1 compares average employment by industry for Indigenous women in the 12 months prior to the start of the pandemic, the first 12 months of the pandemic, and April to June 2021. Over those first 12 months, average total employment dropped by 8.7%. The largest drop in employment—as would be expected—was in accommodation and food services. But employment dropped in a wide range of services, including health care, social assistance, education, administrative support, and waste management (which includes many low-paid jobs, like cleaners). Unlike for other populations, there was a decrease in employment of Indigenous women in public administration, health care and social services. Indigenous women's employment in retail rose over this period.

Average employment for Indigenous women in April to June 2021 was slightly above the pre-pandemic average, an increase of 0.6%. The largest increase in employment was in retail, followed by manufacturing and then by professional and scientific services. The more than 20% increase in Indigenous women's employment in retail trade is in sharp contrast to total employment levels in that industry, remaining 2.2% below the pre-pandemic levels. Similarily, the rise in Indigenous women's employment in

TABLE 1 Indigenous women's employment by industry

	Average employment (000s)			Change (000s)		Change %	
	Pre-pandemic 12 months	Pandemic 12 months	April–June 2021	Pre-pandemic 12 months vs. pandemic 12 months	Pre-pandemic 12 months vs. April–June 2021	Pre-pandemic 12 months vs. pandemic 12 months	Pre-pandemic 12 months vs. April–June 2021
Total	315.3	287.7	317.1	-27.6	1.9	-8.7	0.6
Agriculture, forestry, fishing & hunting	2.6	2.8	2.2	0.1	-0.4	5.6	-15.7
Mining, quarrying, & oil and gas	4.3	2.2	2.0	-2.0	-2.3	-47.5	-53.8
Utilities	x	1.7	x	x	x	x	x
Construction	7.8	4.6	5.4	-3.2	-2.4	-41.2	-31.1
Manufacturing	10.6	12.1	15.6	1.5	5.1	14.1	47.8
Wholesale trade	5.3	4.4	5.1	-0.9	-0.2	-17.1	-3.9
Retail trade	37.9	42.0	46.0	4.1	8.1	10.9	21.5
Transportation & warehousing	8.9	7.3	7.8	-1.6	-1.1	-17.4	-12.2
Information & culture	2.8	3.9	2.1	1.1	-0.7	38.7	-26.2
Finance & insurance	8.9	10.6	9.7	1.7	0.8	18.5	9.1
Real estate, rental & leasing	4.3	3.1	x	-1.1	x	-26.3	x
Professional, scientific & technology	12.2	12.6	16.4	0.4	4.2	3.6	34.7
Management of companies	x	x	x	x	x	x	x
Administration, support, waste management	12.2	7.4	14.8	-4.8	2.6	-39.1	21.6
Educational services	29.9	26.6	29.5	-3.4	-0.4	-11.2	-1.4
Health care & social services	83.1	77.4	84.9	-5.7	1.8	-6.8	2.2
Arts, entertainment & recreation	9.9	6.0	8.7	-3.8	-1.2	-38.9	-12.2
Accommodation & food services	33.5	24.7	30.2	-8.8	-3.3	-26.3	-9.7
Other services	15.5	18.7	12.4	3.2	-3.1	20.3	-20.0
Public administration	26.1	22.0	24.2	-4.1	-1.9	-15.7	-7.2

Note x=data is suppressed due to confidentiality
Source Statistics Canada, custom tabulation, based on Labour Force Survey, 2019–21.

manufacturing was sharper than for the industry as a whole. In contrast, Indigenous women's growth in employment in professional and scientific services was below that of the total population. Further research will be required to understand these divergences in employment patterns and to determine whether they continue.

While employment in health care and social services rose slightly above pre-pandemic levels, employment in public administration remained slightly

TABLE 2 Indigenous men's employment by industry

	Average employment (000s)			Change (000s)		Change %	
	March 2019–Feb 2020	March 2020–Feb 2021	April–June	Pre-pandemic 12 months vs. pandemic 12 months	Pre-pandemic 12 months vs. April-June 2021	Pre-pandemic 12 months vs. pandemic 12 months	Pre-pandemic 12 months vs. April–June 2021
Total	315.8	301.4	337.2	-14.4	21.4	-4.6	6.8
Agriculture, forestry, fishing & hunting	9.4	10.0	10.5	0.6	1.0	6.3	11.1
Mining, quarrying, & oil and gas	16.0	17.0	18.6	0.9	2.6	5.9	16.0
Utilities	3.4	3.7	7.3	0.3	3.9	9.8	114.2
Construction	59.2	53.5	58.3	-5.7	-0.9	-9.7	-1.6
Manufacturing	29.7	30.7	38.1	1.0	8.5	3.4	28.5
Wholesale trade	12.3	10.3	14.6	-2.0	2.3	-16.1	18.6
Retail trade	33.6	37.7	39.2	4.1	5.5	12.2	16.5
Transportation & warehousing	28.0	24.4	23.3	-3.6	-4.8	-12.8	-17.0
Information & culture	3.7	3.5	6.4	-0.2	2.6	-5.2	70.2
Finance & insurance	3.0	3.1	5.8	0.1	2.8	3.7	96.1
Real estate, rental & leasing	6.4	4.3	7.6	-2.1	1.2	-32.8	18.6
Professional, scientific & technology	12.7	10.3	12.0	-2.4	-0.7	-19.1	-5.8
Management of companies	x	x	x	x	x	x	x
Administration, support, waste management	15.0	14.4	17.1	-0.6	2.1	-4.2	14.2
Educational services	8.5	8.9	11.4	0.3	2.9	3.8	33.5
Health care & social services	13.0	15.6	12.4	2.6	-0.6	19.7	-4.9
Arts, entertainment & recreation	8.7	5.4	4.2	-3.3	-4.5	-38.3	-51.6
Accommodation & food services	19.1	13.6	14.9	-5.5	-4.2	-28.8	-22.1
Other services	14.7	15.1	17.8	0.4	3.2	2.8	21.7
Public administration	19.3	21.8	17.8	2.6	-1.4	13.2	-7.5

Note x=data suppressed for confidentiality
Source Statistics Canada, custom tabulation, based on Labour Force Survey, 2019–21.

lower. The two industries where employment remained the furthest from pre-pandemic levels were accommodation and food services and other services.

Table 2 compares average employment by industry for Indigenous men in the 12 months prior to the start of the pandemic, the first 12 months of the pandemic and April to June 2021. Over those first 12 months, average employment dropped by 4.6%, just over half the rate of Indigenous women. The industries with the two largest drops in employment were construction and accommodation and food services. As with Indigenous women, there

was an employment increase in retail, but Indigenous men saw a slight increase in employment in public administration, health care and social assistance—industries in which Indigenous women saw their employment decline.

Average employment from April-June 2021 was 6.8% higher for Indigenous men than it was pre-pandemic. The industries with the two largest employment increases were manufacturing and retail trade. The more than 12.2% increase in Indigenous men's employment in retail trade is in sharp contrast to total employment levels in that industry, remaining 2.2% below the pre-pandemic levels. Similarly, the rise in Indigenous men's employment in manufacturing was sharper than for the industry as a whole.

The increases in employment were not uniform across all industries: employment remained below pre-pandemic levels in transportation and warehousing, arts, entertainment and recreation, and accommodation and food services.

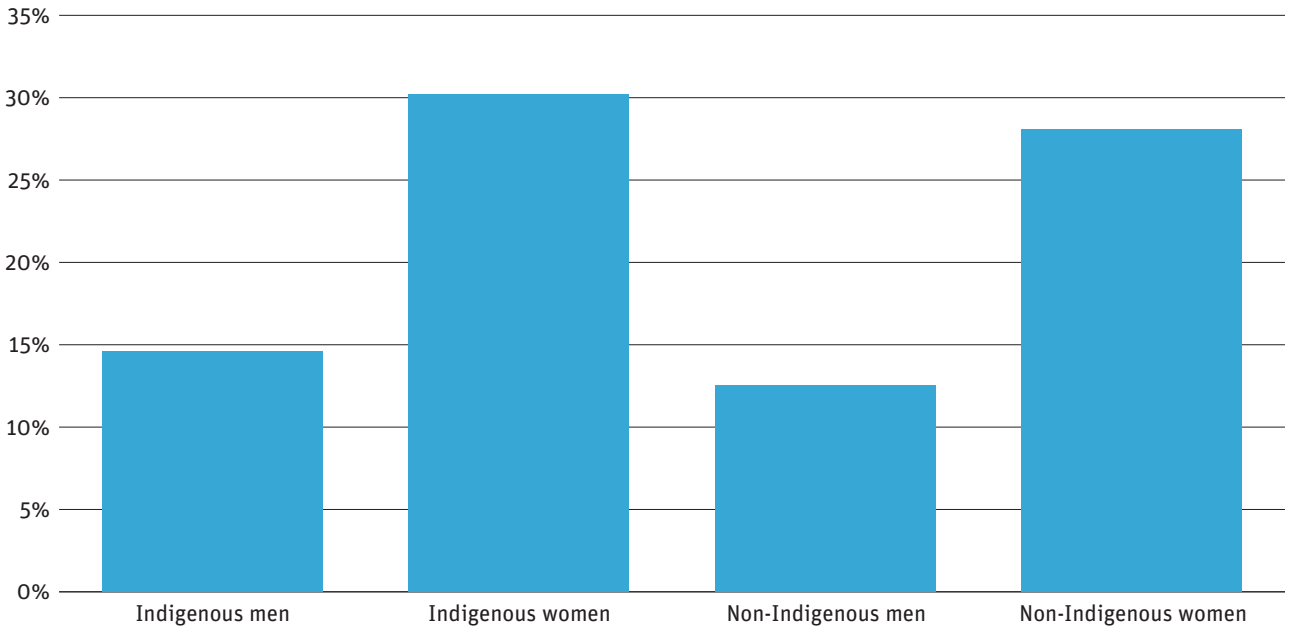
Total employment for both Indigenous men and women recovered to pre-pandemic levels before it did for non-Indigenous populations. While the change was more pronounced for men—6.8% above the pre-pandemic level—women's employment was 0.6% above the pre-pandemic level. This is a hopeful sign that the gap between Indigenous and non-Indigenous labour market outcomes will narrow.

Employment in occupations at risk of exposure

We used a Canadian adaptation of the ONet index of physical proximity, which provides a score (out of 100) for how close workers in different occupations get to customers, clients or other workers.[13] We calculated the share of total employment by occupation for Indigenous men and women as well as non-Indigenous men and women in occupations that were ranked by their physical proximity, averaged over the first 12 months of the pandemic (March 2020 to February 2021).

Figure 6 shows that Indigenous women had the highest share of employment occupations ranked in the top quartile for physical proximity, at 30.2%. Next were non-Indigenous women, ranked at 28%, followed by Indigenous men, ranked at 14.6%, and then non-Indigenous men, ranked at 12.5%.

FIGURE 6 Share of employment in occupations in the top quartile at risk of exposure



Source Statistics Canada. 2021. Special tabulation, based on Labour Force Survey, Onet proximity index, and authors' calculations.

Comparing racialized and white labour market outcomes during the pandemic

Unemployment

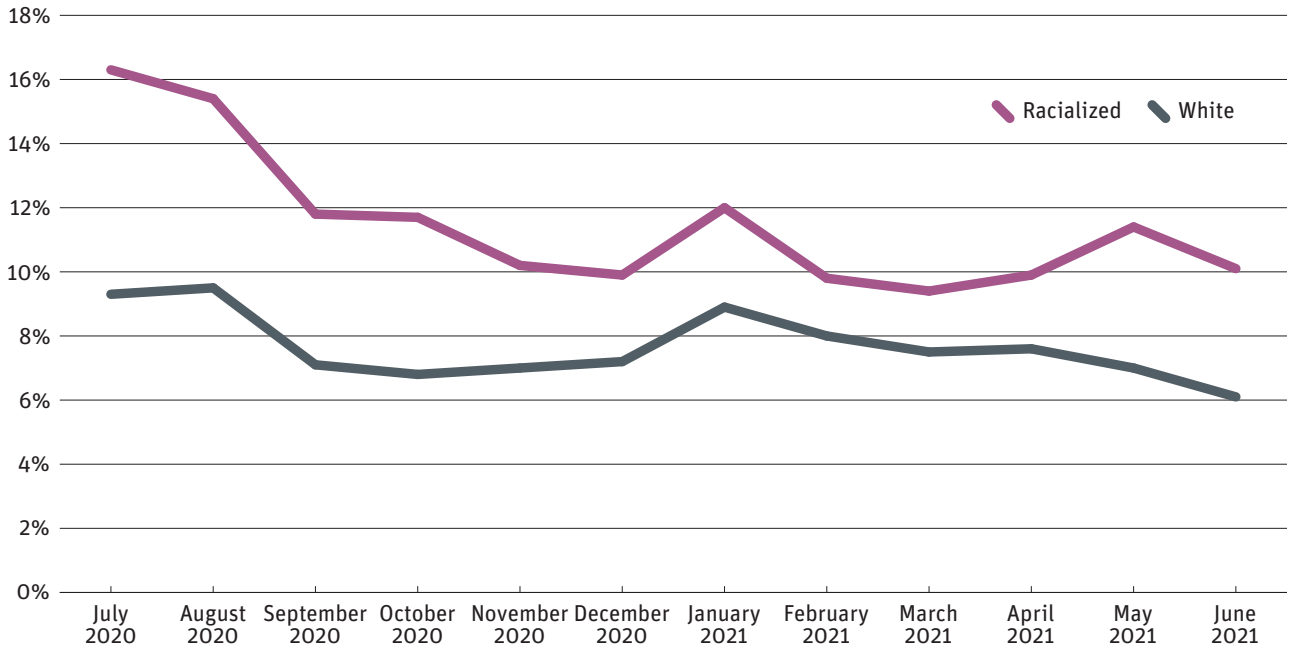
Figure 7 compares the unemployment rate for racialized and white workers. The racialized unemployment rate was 7 percentage points higher than white workers in July 2020, the first month that this data was collected. The gap narrowed to 1.8 percentage points in February 2021 and then widened to 4 percentage points in June 2021.

Employment

Figure 8 shows the employment rate, with a similar pattern of a wider gap between racialized and white populations in July 2020, at 5.1 percentage points, narrowing to 0.7 percentage points in March 2021, and widening slightly between April and June of 2021.

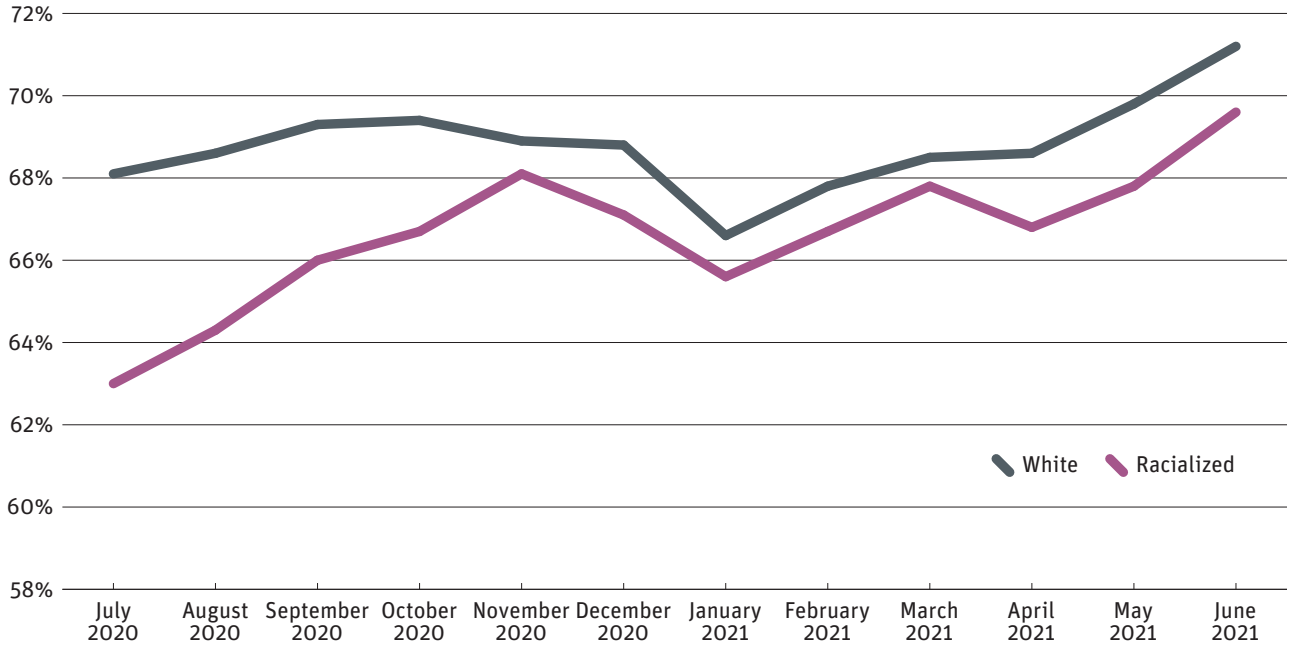
These data show the gap in labour market outcomes between racialized and white workers closing over the 12-month period.

FIGURE 7 Unemployment rate, racialized and white population, 15–69 years old



Source Labour Force Survey supplement

FIGURE 8 Employment rate, racialized and white population, 15–69 years old



Source Labour Force Survey supplement

TABLE 3 Unemployment rates

		Average	
	2016	July 2020–June 2021	April–June 2021
Women (15–69)			
Racialized	9.6	12.1	11.1
White	6.4	7.1	6.4
Percentage point difference	3.2	5.0	4.7
Men (15–69)			
Racialized	8.8	11.0	9.9
White	8.2	8.1	7.4
Percentage point difference	0.6	2.8	2.5
Youth (15–24)			
Racialized	18.9	22.9	20.7
White	14.6	15.6	14.3
Percentage point difference	4.2	7.4	6.4
Prime Age (25–54)			
Racialized	7.6	9.3	8.3
White	6.0	6.0	5.1
Percentage point difference	1.6	3.3	3.2

Source Statistics Canada Census PUMF, 2016 census. Catalogue Number 98-400-X2016286, Labour Force Survey Supplement.

Comparing pandemic data to the 2016 census

We compared the average unemployment and employment rates over the first 12 months in which racialized data were collected (July 2020 to June 2021) and for the three months ending in June 2021 to the rates in the 2016 census.* These averages smooth out the month-to-month variations in data that result from both small sample sizes and the impact of the data not being seasonally adjusted. They give us an indication of the cumulative effect of the pandemic.

Compared to the 2016 census, the gap between racialized and white unemployment rates has widened, as Table 3 shows. The gap between

* There are limitations to these comparisons. First, there is a four-year gap between the census data and the pandemic data. Second, the census data refer to one reference week in May 2016, while the LFS averages that we use are over periods of months. Third, there are also differences in sampling and the size of the sample. The differences in these estimates will reflect demographic and labour market changes between 2016 and 2020 that are not related to the pandemic; unfortunately, there are no other reference points available.

TABLE 4 Employment rates

		Average	
	2016	July 2020–June 2021	April–June 2021
Women (15–69)			
Racialized	60.3	61.8	63.5
White	66.0	65.8	66.6
Percentage point difference	-5.7	-4.0	-3.1
Men (15–69)			
Racialized	69.3	71.6	72.9
White	71.1	71.8	73.0
Percentage point difference	-1.9	-0.2	-0.2
Youth (15–24)			
Racialized	40.1	43.6	46.6
White	56.3	56.3	58.5
Percentage point difference	-16.1	-12.7	-11.9
Prime Age (25–54)			
Racialized	75.9	77.2	78.2
White	81.9	83.6	84.6
Percentage point difference	-6.0	-6.5	-6.4

Source Statistics Canada Census PUMF, 2016 census. Catalogue Number 98-400-X2016286, Labour Force Survey Supplement

racialized and white men varied from 0.6 percentage points in 2016 to 2.8 percentage points over the 12-month average, to 2.5 percentage points over the three-month average. The gap between racialized and white women widened from 3.2 percentage points in 2016 to 5 percentage points over the 12-month average, and 4.7 percentage points over the three-month average. For youth, aged 15–24, the gap widened from 4.2 percentage points in 2016, to 7.4 percentage points over the 12-month average, and 6.4 percentage points over the three-month average.

Comparisons with the 2016 census show a different pattern for the employment rate. Table 4 shows the gap in employment rates narrowed for both men and women. However, the employment rates by age show that this change was driven by a sharp decrease in the gap in employment rates for racialized and white youth. The gap has narrowed for youth, aged 15–24, from 16.1 percentage points in 2016 to 12.7 percentage points over the 12-month average, to 11.9 percentage points over the three-month average. The gap has slightly widened for the prime-age population, from 6 percent-

age points in 2016 to 6.5 percentage points over the 12-month average, to 6.4 percentage points over the three-month average. This is concerning, especially since the prime-age population likely has greater caregiving and financial responsibilities for both children and seniors. Racialized workers, with lower average income to begin with, would be particularly negatively affected by this loss of employment.

Employment in industries that lost jobs

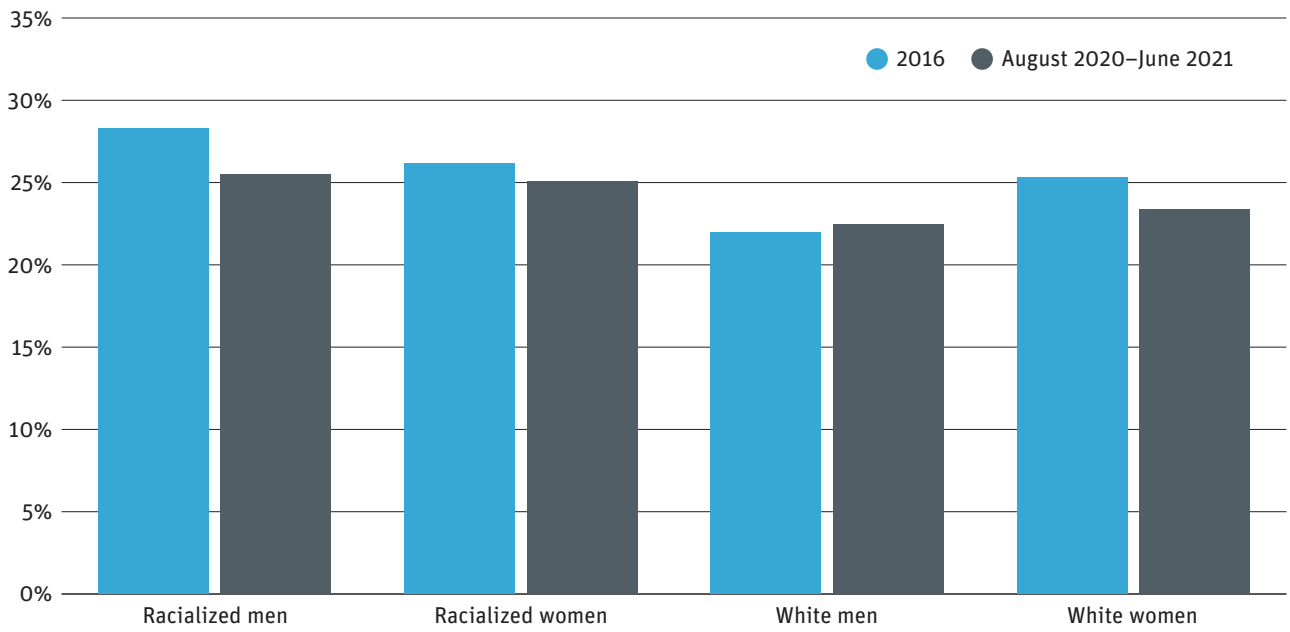
Racialized workers bore a disproportionate burden during the pandemic in two ways: they were more concentrated in industries that were most likely to suffer job losses from the pandemic and they were more concentrated in frontline occupations at high risk of infection.

As mentioned earlier, Statistics Canada began publishing monthly data on employment and unemployment rates for racialized workers in July 2020. A custom order starting in August 2020 provided us with data on employment by occupation and by industry. This provided current information on the structure of employment during the pandemic, which was not previously available.

Comparing average employment by industry for the pre-pandemic period of March 2019 to February 2020 to the period of August 2020 to June 2021 shows that the largest employment losses were in (1) accommodation and food services, (2) information, culture and recreation, and (3) wholesale and retail trade. These three industries accounted for 80% of total job losses over this period.

Figure 9 shows the share of employed workers that were in these three industries in 2016 and average employment from August 2020 to June 2021 during the pandemic. Over both periods, there were more racialized people concentrated in these vulnerable industries, with racialized men and women at similar rates. On the other hand, there were fewer white people in these industries, particularly fewer white men. Racialized workers and white women's employment were slightly more concentrated in these industries in 2016, compared to the period during the pandemic. This left racialized workers, particularly racialized women, more vulnerable to job loss during the pandemic.

FIGURE 9 Share of employment in 3 industries* that lost the most jobs: 2016 and average August 2020–June2021



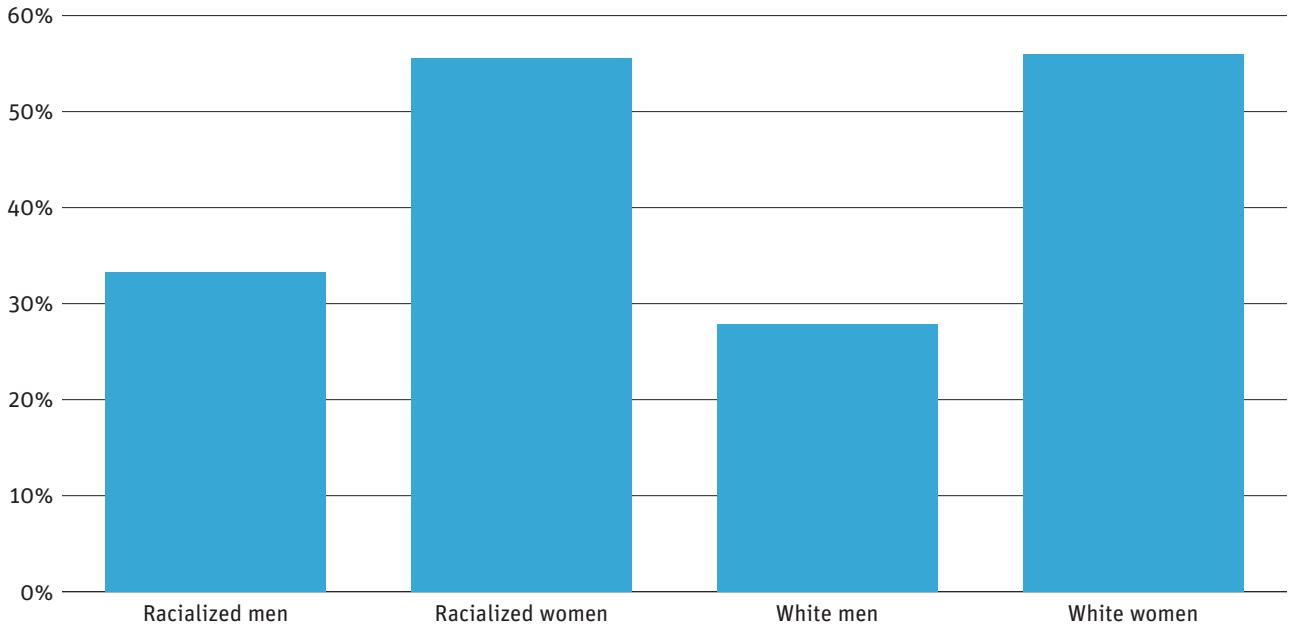
Source Statistics Canada, Labour Force Survey Supplement, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016360.
* (1) accommodation and food services, (2) information, culture and recreation, and (3) wholesale and retail trade.

Employment in occupations at risk of exposure

Throughout the pandemic, there has been a divide between those who can safely work at home and those who have had to put their health and the health of their family at risk in order to continue earning. In March 2020, using 2016 census data, we described the outsized role of racialized workers in frontline services: working in grocery stores, in delivery services, warehousing and storage, and food manufacturing.[14] We also outlined the role of racialized women as personal support workers in long-term care in Ontario.[15] These were dangerous, low-paid jobs yet they were essential to allow the majority of the population to obey public health orders by sheltering at home and prevent the spread of the virus. It is important to remember that these workers were operating without the benefit of vaccination over much of this period, with evolving knowledge of how the virus spread, and often without adequate personal protective equipment.

Like we did in the Indigenous section of this report, we used a Canadian adaptation of the ONet index of physical proximity, which provides a score (out of 100) for how close workers in different occupations get to customers,

FIGURE 10 Employment by occupation with highest risk of infection



Source Labour Force Survey Supplement, Onet Proximity Index, and authors' calculations.

clients or other workers.[16] We calculated the share of total employment by occupation for racialized men and women as well as white men and women in occupations that were ranked by their physical proximity.* We used the data on employment by occupation during the pandemic to produce an estimate of the share of racialized and non-racialized workers who worked in the top 30% of occupations that were at risk of infection over the period August 2020 to June 2021. Figure 10 shows the outsized impact of gender: 56% of racialized and white women, 33% of racialized men, and 28% of white men work in the riskiest top 30% of occupations. This speaks to the value of an intersectional analysis of the impact of the pandemic on the labour market.

* Because racialized data is only available for 1-digit occupational codes, we aggregated it further, from 40 to 10 occupational groups. This likely obscured some of the differences between groups.

Conclusion

THE LFS DATA provide us with a reminder of the important role that Indigenous and racialized workers have played as essential, frontline workers during the pandemic. They were more likely to work in occupations that were at greater risk of infection and in roles that allowed public health orders to be obeyed by the majority of the population and helped to contain infection rates.

At the same time, the overall labour market experience gap between racialized and non-racialized workers has widened. The enhanced racialized LFS data provides us with a window into the differential experience of racialized workers during the pandemic. We will continue to need this data—as well as enhanced data—in order to understand and address the differential impact of the aftermath of the pandemic and the effectiveness of policies to address it.

The much richer data available for Indigenous Peoples provided us with a clearer understanding of what occurred over the course of the pandemic for Indigenous workers. The Indigenous data points to the importance of an intersectional analysis, as there were divergences in the experience of Indigenous men and women. We saw a widening of the gap between Indigenous and non-Indigenous workers when comparing the annual averages of employment and unemployment rates (pre-pandemic and during). However, in the three months between April and June 2021, we saw the Indigenous labour market rebound more quickly than the non-Indigenous labour market.

While this paper provides an overview of the impact of the pandemic, much more research needs to be done to fully understand its impact and to identify which policies need to be put in place in order to address the ongoing problem of racism in Canada's labour market.

Notes

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11 Statistics Canada defines the "employment rate" as "the number of persons employed expressed as a percentage of the population 15 years of age and over. The employment rate for a particular group (age, sex, marital status, etc.) is the number employed in that group expressed as a percentage of the population for that group."

12 Statistics Canada defines "unemployment rate" as "number of unemployed persons expressed as a percentage of the labour force. The unemployment rate for a particular group (for example, age, sex, marital status) is the number unemployed in that group expressed as a percentage of the labour force for that group."

13 Macdonald, David. May 15, 2020. "Between a Rock and a Hard Place: Which workers are most vulnerable when their workplaces reopen during COVID-19?" *The Monitor.* Canadian Centre for Policy Alternatives. Accessed from https://monitormag.ca/articles/between-a-rock-and-a-hard-place-which-workers-are-most-vulnerable-when-their-workplaces-re-open-amid-covid-19.

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