

# AN UNEVEN RECOVERY

April 2021

It has been a little over a year since the COVID-19 pandemic hit New Brunswick. During the first wave (between February and April 2020), employment in New Brunswick dropped by 50,100 and the unemployment rate reached a high of 13.3% in April[1]. Both the federal and provincial governments quickly put supports in place to help workers when they needed it most and as of October 4<sup>th</sup>, 2020, 167,360 New Brunswickers applied for CERB or EI[2]. While there continues to be waves of COVID-19 cases in the province, our government has implemented a recovery plan that allows many New Brunswickers to continue working and ultimately allows our economy to begin recovery.

Overall, New Brunswick's labour force recovery looks promising; according to the Labour Force Survey (LFS) February 2021's employment rate was only 1.2 percentage points below where it was last February, which was the last "pre-pandemic" month in the survey. The unemployment rate is only 1.6 percentage points higher than in February 2020 and the labour force participation is only 0.2 percentage points lower than the pre-pandemic level.

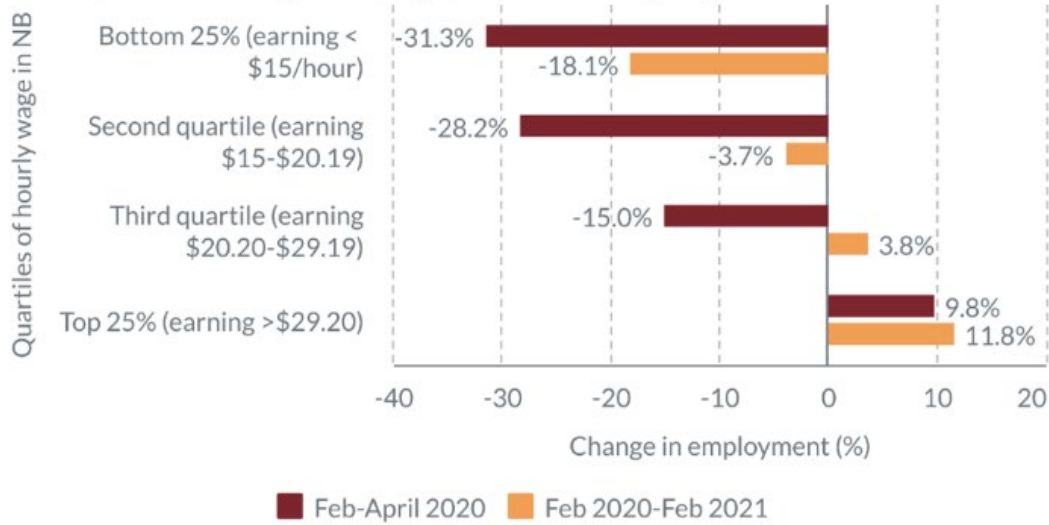
However, the recovery has not been shared evenly among all workers. We took a deep dive into the LFS data to see who has been most impacted, and a few trends emerged. The data shows that low wage workers (those earning less than \$15/hour), mothers with children under 12, and lone parent families were hit hard during the first wave and are also slow to recover.

## Low-wage workers

When looking at changes in employment by hourly wage in New Brunswick there was a significant drop in employment during the first wave for all but the top 25% of wage earners. Those in the bottom 25% were hit the hardest (see Figure 1). Nearly one-third of workers earning less than \$15/hour lost their job during the first wave. Retail, as well as accommodation and food services were among some of the hardest hit industries, and many workers in these sectors are low-wage workers. According to the LFS, New Brunswick's median wage in February 2020 for those in the retail and accommodation/food industry was \$14.00 and \$12.50 respectively.

The recovery for low wage workers has also been uneven. In February 2021, employment among those earning less than \$15/hour is still 18.1% below the pre-pandemic level. Those earning \$15/hour or more have more or less recovered.

**FIGURE 1: Changes in employment (%) for April 2020 and February 2021 (base: February 2020) by quartile of hourly wage in New Brunswick**



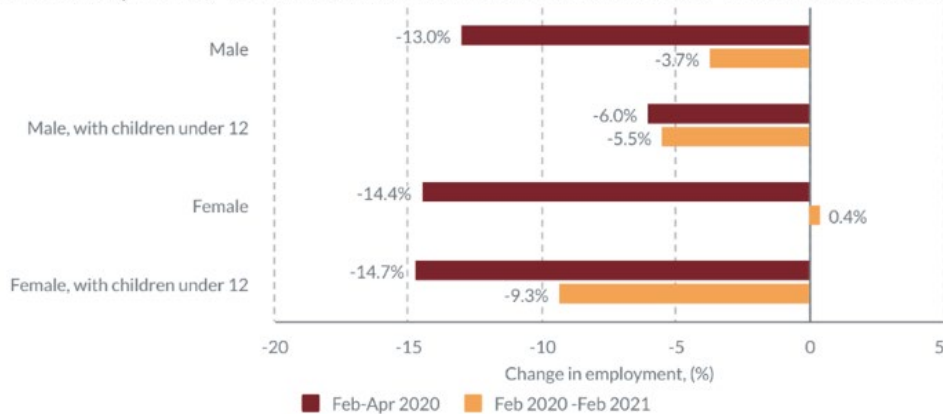
Calculations by the Human Development Council using data from the Labour Force Survey PUMF. Excludes self-employed. Adjusted for seasonality using 2017-2019 average.

## Women and working mothers

The pandemic has also disproportionately impacted more women than men across Canada. A recent study highlighted that employment losses among women across Canada in March and April 2020 erased 15 years of employment gains<sup>[3]</sup>. While it does not appear that there are dramatic discrepancies between men and women in New Brunswick (see Figure 2), working mothers with children under 12 have been adversely impacted.

Between February and April 2020 employment among women with children under 12 dropped by 14.7%, compared to a drop of 6.0% for men with children under 12. During these months, schools and daycares were closed, causing many women whose jobs could not be done from home to leave the workforce to stay home with their children. Not only is there a significant difference between working mothers and fathers with children under 12 during the first wave, but mothers have been slower to recover. As of February 2021, only employment for working mothers with children under 12 was still 9.3% below the pre-pandemic level.

**FIGURE 2: Changes in employment (%) for April 2020 and February 2021 (base: February 2020) for Males and Females with children under 12 in New Brunswick**



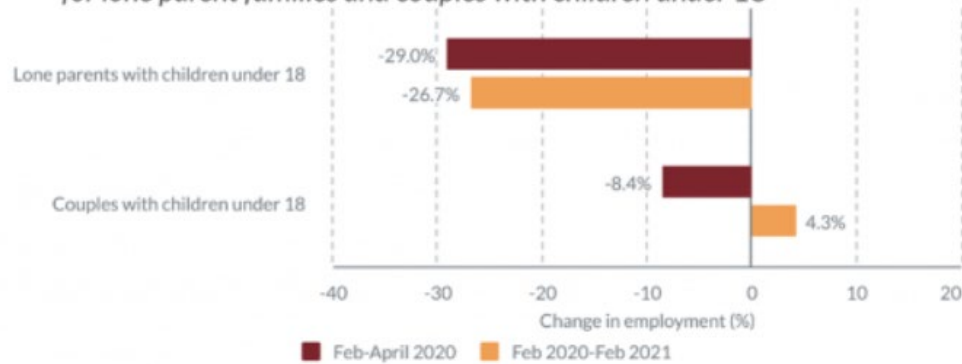
Calculations by the Human Development Council using data from the Labour Force Survey PUMF. Adjusted for seasonality using 2017-2019 average.

## Lone parent families

Another cohort that is being left behind during the recovery is lone parent families. Between February and April 2020 employment among lone parent families dropped by 29% (see Figure 3). By comparison, employment among couple families with children dropped by 8.4%.

Lone parents have also been slow to recover compared to couples with children under 18. In February 2021, employment among lone parents was still 26.7% below the February 2020 level, whereas employment among couples with children under 18 was 4.3% higher. Nearly 4 out of 5 lone parent families are female led in New Brunswick<sup>[4]</sup>; just another example of how the pandemic has disproportionately impacted women.

**FIGURE 3: Changes in employment (%) for April 2020 and February 2021 (base: February 2020) for lone parent families and couples with children under 18**



Calculations by the Human Development Council using data from the Labour Force Survey PUMF. Adjusted for seasonality using 2017-2019 average.  
Note, due to sample size differences between male and female lone parent families could not be reliably reported.

## What does this mean going forward?

This uneven recovery highlights several concerns for low wage workers, mothers with children under 12, and lone parents. Many of these workers would have been protected by the Canada Emergency Response Benefit (CERB), however, there are other negative impacts aside from financial stability that job loss and economic insecurity cause. Knowing that certain populations are still without employment there is a real threat that they will be left behind. We need to ensure that New Brunswick's economic recovery plan focuses on low wage workers, working mothers and lone parents. Failure to account for our most vulnerable workers could have long-term consequences leading to rising poverty rates, an influx into homelessness and increasing food insecurity to name a few, all of which could have lasting impacts on generations to come.

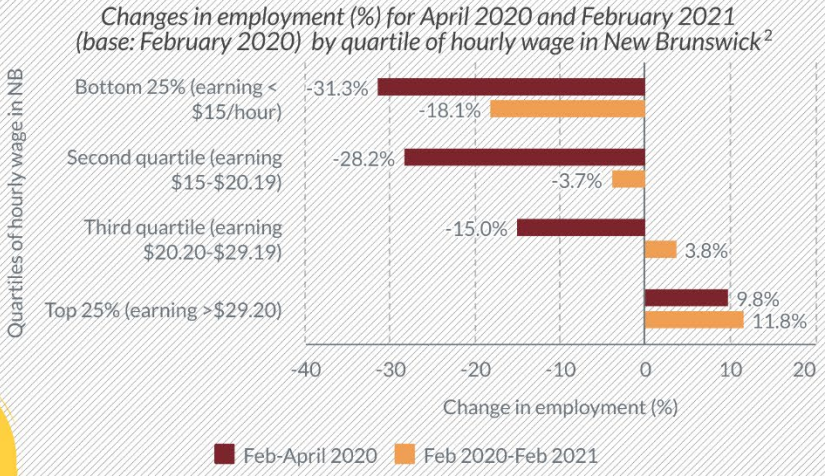
# ECONOMIC INDICATORS IN NEW BRUNSWICK

## Employment Statistics for Vulnerable Populations



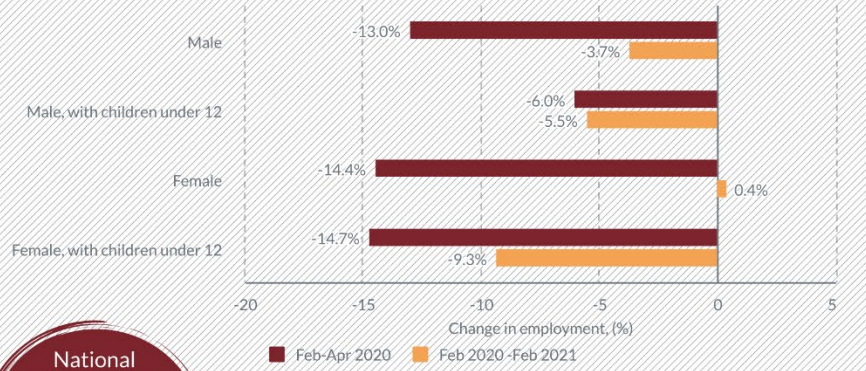
### LOW WAGE WORKERS

- During the first wave of the pandemic (Feb-April) employment dropped by 50,100.<sup>1</sup>
- In February 2021 there were 6,200 fewer people employed than in February 2020.<sup>1</sup>
- Retail and accommodation/food industry were two of the hardest hit industries during the first wave.<sup>2</sup>
- In February 2020 the median wage in NB in the retail and accommodation/food industry was \$14.00 and \$12.50 respectively.<sup>2</sup>



### WOMEN AND FAMILIES WITH CHILDREN

Changes in employment (%) for April 2020 and February 2021 (base: February 2020) for Males and Females with children under 12 in New Brunswick<sup>6</sup>

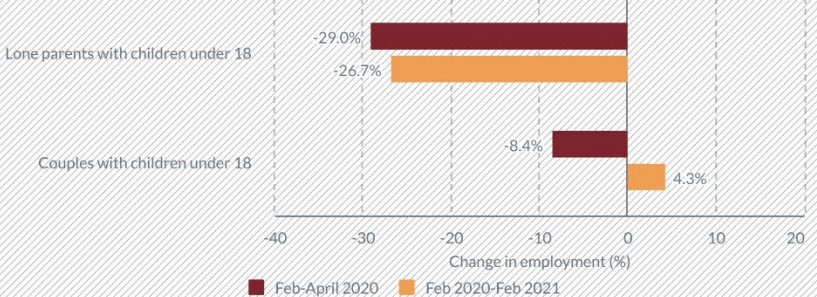


- During the first wave of the pandemic (Feb-April) employment among women dropped by 25,700.<sup>1</sup>
- In Dec 2020, NB women were working approximately 10% fewer hours than they were prior to the pandemic.<sup>3</sup>

- National employment losses among women in March and April 2020 erased 15 years of employment gains.<sup>4</sup>

- Between March 15 and October 3, 2020 167,360 New Brunswickers applied for CERB or EI.<sup>5</sup>

Changes in employment (%) for April 2020 and February 2021 (base: February 2020) for lone parent families and couples with children under 18<sup>6</sup>



Sources:  
 1. Statistics Canada, Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle, last 5 months  
 2. Calculations by the Human Development Council using data from the Labour Force Survey PUMF. Excludes self-employed. Adjusted for seasonality using 2017-2019 average.  
 3. Scott, K. (2021). Women, work and COVID-19: Canadian Centre for Policy Alternatives. <https://www.policyalternatives.ca/publications/reports/women-work-and-covid19>  
 4. LMI Insights Report 39: Women in Recession: What makes COVID-19 Different? March 2021. <https://lmi-siml.ca/publications-all/lmi-insight-report-no-39/>  
 5. Statistics Canada, Canada Emergency Response Benefit and EI statistics. <https://www.canada.ca/en/services/benefits/ei/claims-report.html>  
 6. Calculations by the Human Development Council using data from the Labour Force Survey PUMF. Adjusted for seasonality using 2017-2019 average.

[1] Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle, last 5 months.

[2] Government of Canada. Total Canada Emergency Response Benefit (delivered by Service Canada and Canada Revenue Agency, combined) and EI benefits as of October 4th, 2020. Table 1: Total unique applicants by province/territory and age group.  
<https://www.canada.ca/en/services/benefits/ei/claims-report.html>

[3] LMI Insights Report 39. Women in Recessions: What makes COVID-19 Different? March 2021. <https://lmi-cimt.ca/publications-all/lmi-insight-report-no-39/>

[4] Census 2016.