

The pandemic rolled back women's employment rates in Ontario to 1994 levels, proof the she-cession is far from over ^[1]

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EXCERPTS

An unwanted federal election is over, with little change to show for it. You know what's not over, and even more unwanted? The she-cession.

It's a defining feature of the pandemic around the world, transforming societies and economies everywhere, and requiring a different approach than previous recovery plans. Yet you would have been hard-pressed to hear about it on the campaign trail or in the business news.

Instead, we heard about labour shortages.

Should we care? The latest Labour Force Survey results showed steady job growth throughout the summer months. Glowing headlines note Canada is now within 0.8 per cent of the pre-pandemic benchmark of employment of 19 million jobs.

But that's not as good as it sounds. The population has continued to grow during the pandemic, and when you look at the share of that growing population with a paid job, the numbers are less encouraging: They show that if the employment rate had fully returned to pre-pandemic levels, we'd have at least another 400,000 people working.

Indeed, employment rate trends reflect the story that people feared, not just in Canada and the U.S., but around the world: the pandemic would set back women's gains in employment equity by decades.

How far back did the pandemic set the clock? In Canada, women's average annual employment rate in 2020 fell to a level last seen in 1998. In Ontario, the nation's biggest labour market, the clock on women's employment rate was rolled back to 1994; in Alberta to 1985.

But we are now well into 2021. What's happened since?

Canada-wide, just 56.7 per cent of the population of women aged 15 and over have paid work, levels last seen in 2002. Almost 20 years ago.

Quebec and British Columbia are back to 2016 levels, but Ontario is back in 1999. Alberta's economy actually is near its 2019 level, but that's the same as it was in 1994. The province has taken a beating not just from the pandemic, but from collapsing global oil prices since 2015.

And that brings us to the man-demic. Yes, the she-cession has meant women are struggling to regain their foothold in the job market, even as they juggle new pandemic-triggered burdens of unpaid care. But what about the men?

Men's employment rates are at historic lows across the nation, a combination of the pandemic's impact and longer term trends. Even as women's employment rates have increased over time (less where child care services are chronically undersupplied), the share of men in the job market is shrinking. Why? More young men are choosing post-secondary education, more men are retiring earlier, and more men are taking time off to provide care for family members too young, too old and too sick to work. Addictions and incarceration has also increased over the long term.

While this decline appears to tell a daunting story, men's long-term employment rate trends involve more personal choice to opt out of paid work. Over time, more women have chosen to opt in. But, when COVID-19 hit, more women lost jobs than men; and ever since, more men saw more of a "return to normal" than women, using just about any labour market metric to measure change.

Why were women harder hit? The lockdowns that helped contain the contagion meant more jobs in hospitality, non-essential retail, travel and child care were put on pause. More of those jobs were held by women. Some of those jobs will come back when the pandemic is over, but some businesses will have shuttered for good. That includes some child care providers, which will accentuate the bottlenecks. It's the old chicken or egg story in economics: what comes first, changes in consumer behaviour, or changes in household purchasing power? At the end of the day, businesses don't create jobs. Customers do. Without more women working, there will be less purchasing power to support "non-essential" businesses, which often survive on thin margins.

While the last Labour Force Survey showed the she-cession was abating, it's far from over. Truth is, given the fourth wave, this is likely as good as it's going to get for a while. Simply reopening the economy or calling an election won't trigger the inclusive recovery we need. And we're going to need a full she-covery because, given population aging, we're going to need all hands on deck.

So save a little of your Election 2021 frustration, exhaustion and disappointment for this story, because the longer the she-cession goes on, the more it will shape your economic fortune. Even if you're not a woman.

Region: Ontario ^[3]

Tags: female labour force participation ^[4]

COVID-19 ^[5]

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