

Work in progress: Women in Canada's changing post-pandemic labour market ^[1]

Bumpy Ride series, spring 2024 update: What's happened to women in the workforce since COVID-19

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Source: Canadian Centre for Policy Alternatives (CCPA)

Format: Report

Publication Date: 8 May 2024

AVAILABILITY

Access online ^[2]

Executive summary

The COVID-19 pandemic wiped out 35 years of women's economic gains in two short months. At the height of the lockdown, women were working 27 per cent fewer hours, in the aggregate, than in February 2020. In total, 2.8 million women lost their job or were working less than half of their regular hours because of the March 2020 economic lockdowns. This report examines what's happened to women in the workforce since. It finds mixed reviews: many women in higher-paying jobs are now doing better than before the pandemic. However, women in low-paying, pandemic-vulnerable jobs and in the care economy are still having a rough time of things.

Among the report's key findings:

Pandemic-vulnerable jobs took the biggest hit: The upheaval of the labour market was particularly challenging for the more than 2.5 million women working in front-facing, pandemic-vulnerable industries, including accommodation and food services; arts, entertainment and recreation; other services (e.g., hair salons, garages and laundries) and retail services. These four sectors experienced the largest percentage of declines in employment in the spring of 2020—accounting for one half (49.3 per cent) of total losses and an even larger share (56 per cent) of the losses reported by female workers. Canada's economy rebounded in 2021 and continued to grow through 2022 and 2023—but strong employment growth wasn't enough to boost the economic fortunes of all women. By the end of 2022, women's employment in vulnerable sectors was still 98,000 jobs short of pre-pandemic levels.

The situation of low-waged workers has not improved: The ongoing struggles of pandemic-vulnerable industries remain an important threat to women's economic security. These are among the lowest-paid jobs in the labour market, with some of the highest rates of part-time work and lowest rates of unionization and access to employer-provided benefits. The current situation of this largely female and racialized workforce is challenging, to say the least. As our case study of hotel workers in B.C. documents, the hotel industry used the crisis to cut costs to the bone by increasing flexibilization of labour and understaffing—even as industry revenues roared back in 2021. Expanded access to temporary foreign workers to address “labour shortages” has further undercut the position of existing workers seeking decent full-time employment, exploiting foreign workers desperate for paid work in the process. Established disparities between low-paid, precarious workers and those in permanent, well-paid jobs appear to be widening.

The care economy still struggles: Health care and social assistance, and educational services, also took a big hit in the spring of 2020, employment falling 446,000, women workers accounting for 82.6 per cent of these losses. By 2022, employment levels had rebounded—notably in hospitals and primary and secondary schools—together increasing by five per cent (or 193,000 jobs) between February 2020 and December 2022, women this time accounting for two-thirds of the gains. These new positions, however, did not begin to make a dent in the demand for care and support, reflected in record-high job vacancies posted over this same period in occupations such as nursing, early childhood education, and community services. Care economy vacancies reached a peak in the third quarter of 2022, averaging more than 166,000 over the year—more than twice the number than in 2019. Vacancies eased only slightly in 2023, even as the number of people employed in the care economy grew. The demand for registered nurses remains particularly high. Hospitals and other community services are still having tremendous difficulty recruiting and retaining staff.

Loss of capacity in health care and social services: What really stands out is the actual decline in the number of care workers in key areas since the pandemic. The number of staff working in nursing and residential facilities fell by -4.9 per cent, or 21,100 jobs between 2019 and 2022, some undoubtedly taking up better-paying offers from hospitals. Child care services have also experienced a large drop in their workforce. In 2022, employment levels were still more than 20,000 positions shy of pre-pandemic levels. Women account for all these employment losses. The churn of care workers is also extremely high in health care services. While the number of nurses, for instance, has increased, so, too, has the proportion of workers signalling their intention to leave the profession because of punishing working conditions. The high levels of stress associated with working beyond capacity since the beginning of the pandemic has been driving skilled care workers from their jobs. On top of that, wage gains have not kept up with inflation, further eroding the value of women's care labour. It is not surprising that highly skilled workers are turning to private agencies that offer sometimes six times the wage rate and control over

their working hours. There was a fleeting moment when care workers were held up as heroes. This moment has passed.

New employment opportunities in professional services: The experiences of workers in low-wage services stand in stark contrast to those of workers in sectors of the economy that were insulated, to a greater extent, from economic disruption. Except for administrative and support services, transportation and warehousing and agriculture, all other industries had fully recovered by 2022. Both male and female workers working in “the rest of the economy” experienced strong employment growth in 2021 and 2022. Among women, four “growth” industries led the way, driving aggregate gains in employment and pushing up wages: professional services employment, public administration, information and cultural industries, and finance and insurance. For example, the share of women working in professional services—such as computer systems design, legal services and accounting—increased by 1.7 percentage points between 2019 and 2022. The relative increase of women working in public administration was even larger, pushing women’s share of employment in this industry above the 50 per cent mark. The pandemic appears to be accelerating the shift away from high-contact, typically low-paid, personal and customer service work to better paying jobs in white collar service industries at a time of profound demographic change—opening up opportunities to diverse women workers who have historically faced employment barriers.

But...there’s always a but: A sizable group of female workers has moved up the wage grid from lower-paying jobs to higher-paying jobs since 2020—important progress. But many of these women have been channelled into lower-paying jobs within these fields. The gender pay gaps in professional services and in finance and insurance actually widened between 2019 and 2022 as male earnings growth outpaced that of women in these areas. For example, women working in professional services earned 78 cents, on average, for every dollar men earned in 2019. In 2022, the gap had widened, falling to 75 cents on the dollar. This is the definition of two steps forward, one step back. Lower employment rates, fewer working hours per week, substantial labour market segregation and persistent glass ceilings mean that women are still being paid considerably less than men. Rising living costs have been especially devastating for low-wage workers. There has been a drop in the proportion of women workers earning less than two-thirds of the median hourly wage, but the remaining workers are working for less. Restaurant workers and grocery store clerks, for instance, made less in 2023 than in 2019. Recent immigrants have been especially hard hit. Workers in the care economy also experienced real pay cuts, many subject to wage restraint through the pandemic and beyond. The pay gap between men and women in these services tends to be narrower than in the private sector but wages have fallen behind.

Huge toll on young people: The economic turmoil of the pandemic also exacted a huge toll on young people (aged 15 to 24 years), who make up roughly one in eight workers (13 per cent) but account for almost three in 10 workers in pandemic-vulnerable industries, the majority of whom are young women (54.7 per cent). When the economy shut down in March 2020, overall employment dropped by 35.2 per cent among young workers between February and April, more than twice the overall rate (15.9 per cent). The percentage decrease was predictably the highest among youth working in pandemic-vulnerable sectors, falling by almost half (45.8 per cent) over these two months. Employment levels among young people has oscillated since then, rising and falling as the recovery proceeded. In 2022, 2.6 million young people were engaged in paid employment, effectively the same number that were employed in 2019. But employment among youth in front-facing, personal service work was still lower than in 2019—reflecting the ongoing difficulties. There was no improvement in 2023 as employment growth started to slow in professional services and the financial sector. Youth unemployment rates are trending higher, notably among young women aged 20 to 24 years. Young people including students are having a harder time finding work, a challenge that has the potential of undermining their economic security for years to come.

Lessons learned? A question now hangs over the future of pandemic-vulnerable industries and the millions of women who work there. While the retail sector has fully recovered, we don’t yet know whether accommodation and food services, personal services, and others will follow suit, or when. The pandemic highlighted the crucial labour low-wage workers perform in sustaining our collective well-being and the substantial challenges these workers face. Yet, change does not appear imminent. The deep-seated divide between low-waged, precarious jobs and high-waged, permanent jobs persists as vulnerable temporary foreign workers swell the ranks of the low-waged workforce. The crisis in the care economy impacts millions of women workers and it has certainly not been resolved. The legacy of chronic underfunding, persistent devaluation, and offloading of responsibility for care onto private households—and the women within them—remains. While some women continue to find well-paid care-sector jobs, many others struggle on modest or low wages, piecing together work where they can, working under crushing conditions, every shift understaffed. The COVID-19 crisis illustrated both the shortcomings of existing policies and institutions and what’s possible with strong public leadership. The imperative now is to apply the lessons of COVID-19 in service of a more resilient and inclusive labour market and gender-just future. Institutional reforms and greater awareness of the damaging impacts of gender disparities may yet create opportunities for systemic change.

Related link: Juggling act: Women, work and closing the gaps with men ^[3]

The future of our economy hinges on valuing women’s care work ^[4]

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