

Payroll employment, earnings and hours, July 2020

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July data are now available from the Survey of Employment, Payrolls and Hours (SEPH), which provides monthly information on payroll employment, earnings and hours worked for Canada, the provinces and territories.

In July, businesses and workplaces across Canada were continuing to re-open, building on the resumption of economic activities that began in May and continued in June. Although public health restrictions had been substantially eased across the country, some measures remained in place, including physical distancing requirements and restrictions on large gatherings.

Since the beginning of the COVID-19 economic shutdown, Statistics Canada has been committed to capturing the impact of COVID-19 on the labour force. In conjunction with Labour Force Survey (LFS) data, SEPH data contribute to this understanding, in large part by providing detailed subsector and industry statistics.

SEPH provides an account of payroll employment, that is, the number of employees receiving pay or benefits (employment income) during a given month. The survey excludes the self-employed, owners and partners of unincorporated businesses and professional practices, and employees in the agricultural sector.

When used together to track trends in the labour market, SEPH and LFS provide valuable insights into the impact of COVID-19 on the labour market.

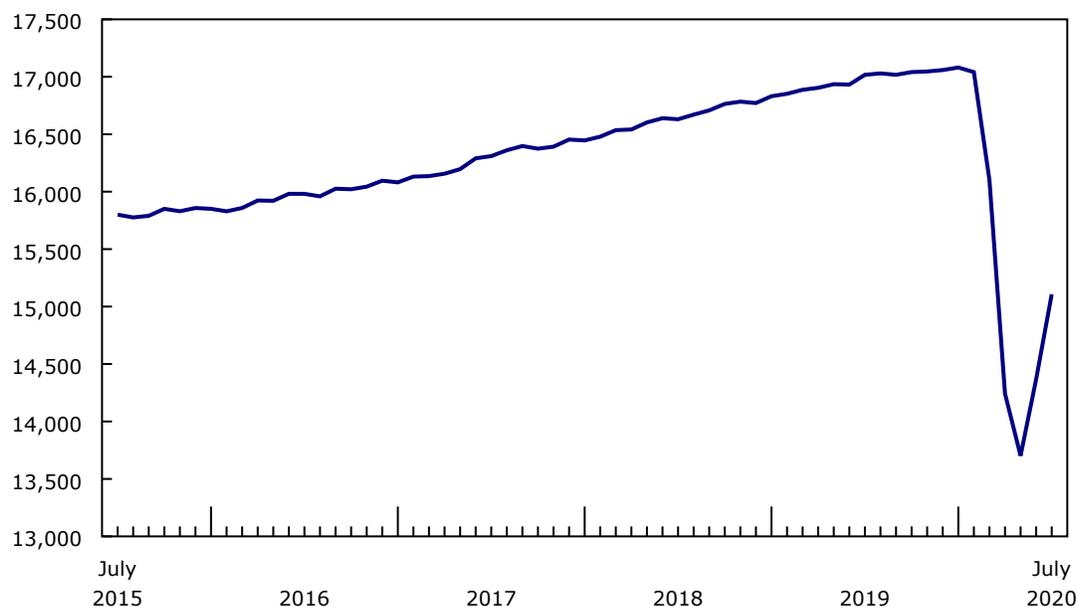
Payroll employment continues to rise in July

The number of employees receiving pay or benefits from their employer, measured in SEPH as payroll employment, rose by 739,700 (+5.1%) in July. This followed an increase of 665,500 (+4.9%) in June, and brought the total payroll employment change since February to a decrease of 1.9 million (-11.3%).



Chart 1 Payroll employment increases by nearly 740,000 in July

payroll employment (thousands)



Source(s): Survey of Employment, Payrolls and Hours, table [14-10-0220-01](#).

Following an increase of 953,000 (+5.8%) in June, total employment as measured by the LFS rose by 419,000 (+2.4%) in July. This brought the total employment change since February to a decrease of 1.3 million (-7.0%).

Since the beginning of the COVID-19 economic shutdown, the LFS has recorded a sizable increase in absences from work, as a large number of Canadians continue to have an attachment to a job but are not being paid by their employer. These people are unlikely to be included in SEPH payroll employment, which measures the number of people actually receiving pay or benefits. In July, the number of people who were employed but had been absent from work for more than four weeks, and were not paid during the LFS reference week, was more than 389,000 higher (not seasonally adjusted) than pre-COVID February levels.

Payroll employment up in all provinces for a second consecutive month

SEPH payroll employment rose in every province for a second consecutive month in July, with the fastest increases in Quebec (+6.3% or +207,200), Manitoba (+5.8% or +30,600), Ontario (+5.3% or +291,600) and Alberta (+5.1% or +84,800). Consistent with July LFS results, payroll employment levels were closest to pre-pandemic (February) levels in New Brunswick (94.7%) and furthest from recovery in Ontario (87.2%).

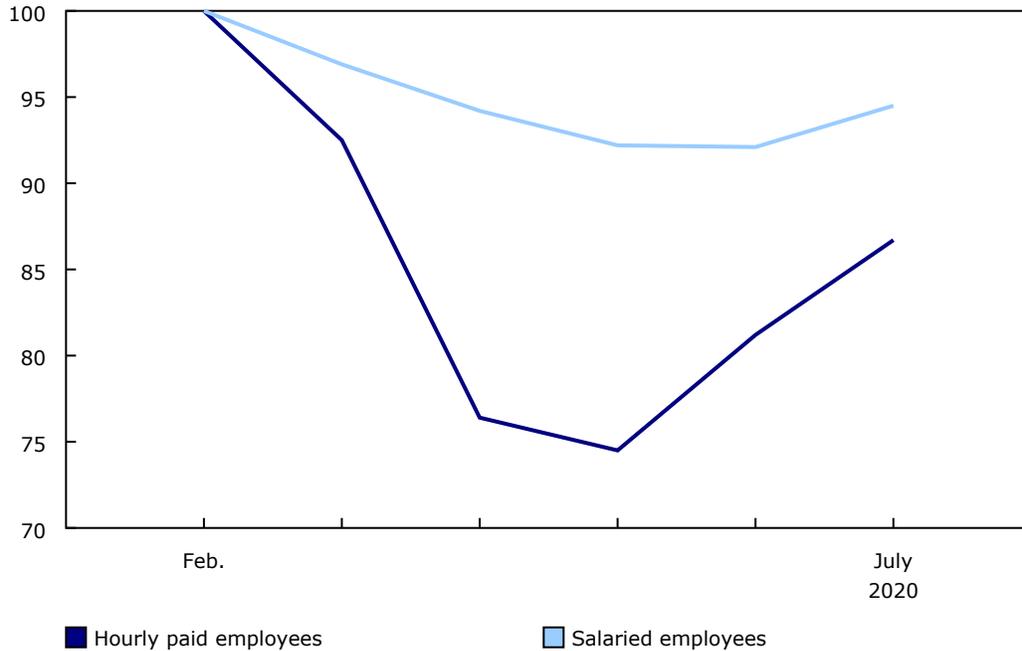
Hourly paid employees drive payroll employment rebound

Roughly three-quarters of the decline in payroll employment from February to May was among hourly paid employees, who represented less than 60% of all payroll employees in 2019. Hourly paid employees tend to earn significantly less than salaried employees; in February 2020, for example, salaried employees earned an average of \$1,410 per week, while hourly paid employees earned an average of \$800 per week.

In July, for a second consecutive month, payroll employment gains were led by hourly paid employees (+541,100 or +6.8%). The number of hourly paid employees reached 86.7% of its pre-COVID level in July, compared with 94.5% for salaried employees.

Chart 2 Payroll employment rebound driven by hourly paid employees

employment index (February 2020=100), %



Source(s): Survey of Employment, Payrolls and Hours, table 14-10-0222-01.

Average weekly earnings little changed

The total weekly payroll (including overtime) for all employees rose for a second consecutive month in July, up 5.0% compared with June. This brought the total weekly payroll to 95.1% of its pre-COVID level.

Average weekly earnings were little changed at \$1,118 in July. Year over year, however, earnings were up 8.7%, as lower-paid workers were harder hit by job losses throughout the COVID-19 economic shutdown. For comparison, year-over-year earnings growth averaged 2.7% in the months from January to December 2019.

Total hours worked continue to rise while average hours worked per week decline

In July, total hours worked rose 4.9%, reaching 90.7% of the February level. Accommodation and food services, and arts, entertainment and recreation remained the furthest from recovery in terms of total hours worked, at 62.8% and 65.0% of their pre-COVID levels, respectively.

Average weekly hours worked fell 0.9% (-0.3 hours) in July, bringing the average to 33.5 hours per week. Despite the decrease, average weekly hours worked remained higher than in February (33.0 hours per week).

Employment recovery continues at a slower pace in the goods-producing sector

After a strong month of employment growth in June (+6.3%), employment recovery in the goods-producing sector slowed to 2.4% (+64,200) in July. This brought payroll employment in the goods-producing sector to 90.9% of the February level, up from a low of 83.1% in April.

Rebound continues for transportation equipment manufacturing

In manufacturing, payroll employment increased by 42,300 (+3.0%) in July, led by gains in transportation equipment manufacturing (+13,200, or +7.5%) and more specifically, motor vehicle manufacturing (+6,800 or +21.5%). Based on recent results from the [Monthly Survey of Manufacturing](#), sales in the transportation equipment industry rose by almost one-quarter (+24.1%) to \$11.0 billion in July, mainly due to higher sales of motor vehicles and parts. Average weekly earnings in the manufacturing sector were \$1,149 in July, up 2.2% compared with 12 months earlier.

Construction increases for a third consecutive month

In construction, payroll employment rose for a third consecutive month, up 19,400 (+2.1%). By July, half of the employment lost in construction from February to April had been regained, bringing employment to 88.6% of the February level. Month-over-month gains were strongest in Newfoundland and Labrador (+6.5%), Manitoba (+5.7%) and New Brunswick (+5.1%). Quebec was the only province to see a decline in employment in construction in July (-2.5%). At the national level, most of the employment gain was among specialty trade contractors. Average weekly earnings in construction were \$1,321 in July, up 2.7% compared with 12 months earlier.

Pace of growth accelerates in services-producing sectors

Employment in services grew by 664,600 (+5.8%) in July, exceeding the 4.4% growth observed the previous month. Despite the strong growth, services employment reached 88.2% of its February level—lagging the recovery observed in goods-producing sectors over the same period.

Arts, entertainment and recreation, accommodation and food services furthest from recovery

Accommodation and food services grew at the fastest pace among all sectors in July (+166,100 or +23.5%). However, it remained the second-furthest from recovery (65.2%), due to a large drop during the initial COVID-19 shutdown. Of all subsectors in accommodation and food services, recreational vehicle parks and recreational camps remained the furthest from pre-COVID levels (35.3%), and was the only subsector in accommodation and food services to decline in July (-1,200 or -16.7%).

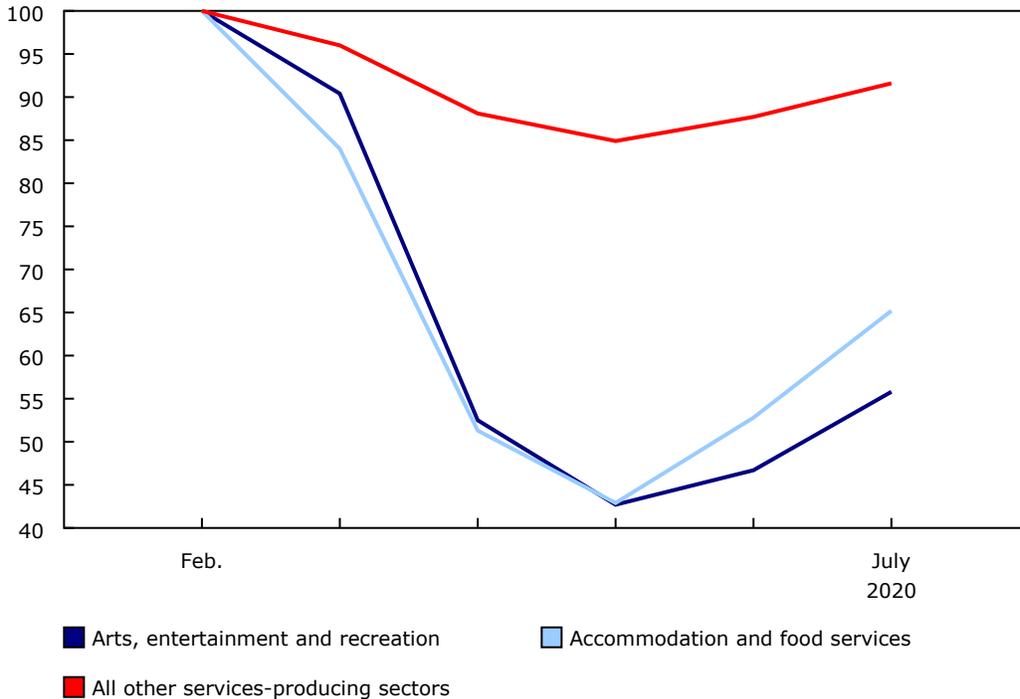
Full-service restaurants and limited-service eating places, the largest subsector within accommodation and food services, rose by 132,600 (+23.0%) in July as restrictions affecting this subsector continued to ease. The second-largest subsector, travel accommodations (which includes hotels), rose by 21,400 (+28.6%) in July, although employment was at 53.8% of its February level. Since travel restrictions were implemented in the spring of 2020, travel declined 97.8% from overseas and 96.6% from the United States, as reported in the June release for [Travel between Canada and other countries](#). Slow recovery in accommodation and food services disproportionately affects youth employment, as it is the industry in which they are most likely to be employed, according to results from the LFS. Average weekly earnings in accommodation and food services remained the lowest among all sectors at \$452 in July, up 7.6% compared with 12 months earlier.

Payroll employment in arts, entertainment and recreation grew by 28,500 (+19.4%) in July, the second highest rate of growth among all sectors. This sector had the greatest proportional employment losses from February to May (-57.3%), and as of July had recovered to 55.8% of its pre-COVID level. Most of the growth in July was in other amusement and recreation industries (including golf, fitness and sports clubs), which rose by 22,100 (+27.9%) as a result of the easing of restrictions affecting this industry. The only decline in the sector was in the promoters

(presenters) of performing arts, sports and similar events industry (-1,400 or -12.9%). Employment for this industry was around one-third of its pre-COVID level (35.0%). Average weekly earnings in arts, entertainment and recreation were \$734 in July, up 17.7% on a year-over-year basis.

Chart 3
Long road to recovery for some services sectors

employment index (February 2020=100), %



Source(s): Survey of Employment, Payrolls and Hours, table 14-10-0223-01.

Strong growth continues for retail trade, educational services as well as health care and social assistance

Employment in retail trade rose by 129,900 (+7.6%) in July, with gains spread across all subsectors. The largest growth was in clothing and clothing accessories stores, which rose by 32,800 (+23.1%). Average weekly earnings in retail trade were \$649 in July, up 4.6% compared with 12 months earlier. As reported in the release for [Retail trade](#), retail sales rose 0.6% in July, following an increase of 22.7% the previous month.

Payroll employment in educational services increased by 102,600 (+8.9%) in July, with most of the increase in elementary and secondary schools (+89,400 or +13.6%). Average weekly earnings were up 12.4% to \$1,180 in July on a year-over-year basis.

In health care and social assistance, employment was up by 87,900 (+4.7%), with the largest gains in ambulatory health care services such as offices of dentists and out-patient care centres. Average weekly earnings in health care and social assistance were \$1,006 in July, up 7.2% compared with 12 months earlier.

Highest rate of Canada Emergency Wage Subsidy use in accommodation and food services

The Canada Emergency Wage Subsidy (CEWS) program is designed to help employers experiencing declines in revenue resulting from COVID-19 to re-hire workers, prevent further job losses and ease back into normal operations.

The percentage of enterprises receiving CEWS benefits was 14.3% during the period from June 7 to July 4 and 9.5% for the period from July 5 to August 1. The percentage of enterprises using the CEWS is subject to revision as employers are able to apply for the CEWS retroactively.

The industry with the highest percentage of enterprises using the CEWS from July 5 to August 1 continued to be accommodation and food services, at 24.1% (30.9% in the previous period). Based on results from the July LFS, accommodation and food services was also the industry with the highest rate of beneficiaries for the Canada Emergency Response Benefit.

Manufacturing had the second highest percentage of enterprises using the CEWS during the weeks of July 5 to August 1, at 19.5%. This coincided with a 3.0% increase in payroll employment in July. In the previous period of June 7 to July 4, 27.6% of enterprises in manufacturing used the CEWS, coinciding with a 6.1% increase in employment in June. In July, payroll employment in manufacturing was at 92.0% of the February level, up from a low of 84.1% in May.

Looking ahead

August LFS results, which reflect labour market conditions for the week of August 9 to 15, showed that total employment continued to recover, though at a slower pace, through the second half of the summer. SEPH results for August—shedding further light on the summer labour market by providing detailed subsector and industry statistics—will be released on October 29.

Sustainable Development Goals

On January 1, 2016, the world officially began implementing the [2030 Agenda for Sustainable Development](#)—the United Nations' transformative plan of action that addresses urgent global challenges over the next 15 years. The plan is based on 17 specific sustainable development goals.

The Survey of Employment, Payrolls and Hours is an example of how Statistics Canada supports the reporting on the global sustainable development goals. This release will be used to measure the following goals:



Note to readers

The key objective of the Survey of Employment, Payrolls and Hours (SEPH) is to provide a monthly portrait of the level of earnings, employment and hours worked, by detailed industry, at the national, provincial and territorial levels.

SEPH estimates are produced by integrating information from three sources: a census of approximately 1 million payroll deduction records provided by the Canada Revenue Agency; the Business Payrolls Survey, which collects data from a sample of 15,000 establishments; and administrative records of federal, provincial and territorial public administration employment, provided by these levels of government.

Estimates of average weekly earnings and hours worked are based on a sample and are therefore subject to sampling variability. This analysis focuses on differences between estimates that are statistically significant at the 68% confidence level. Payroll employment estimates are based on a census of administrative records and are not subject to sampling variability.

With each release of SEPH data, data for the preceding month are revised. Users are encouraged to use the most up-to-date data available for each month.

Statistics Canada also produces employment estimates from its Labour Force Survey (LFS). The LFS is a monthly household survey, the main objective of which is to divide the working-age population into three mutually exclusive groups: the employed (including the self-employed), the unemployed and those not in the labour force. This survey is the official source for the unemployment rate, and it collects data on the sociodemographic characteristics of all those in the labour market.

As a result of conceptual and methodological differences, estimates of changes from the SEPH and LFS differ occasionally. However, the trends in the data are similar. For a more in-depth discussion of the conceptual differences between employment measures from the LFS and SEPH, refer to Section 8 of the Guide to the Survey of Employment, Payrolls and Hours ([72-203-G](#)).

Unless otherwise stated, this release presents seasonally adjusted data, which facilitate comparisons because the effects of seasonal variations are removed. For more information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

Non-farm payroll employment data are for all hourly and salaried employees, and for the "other employees" category, which includes piece-rate and commission-only employees.

Unless otherwise specified, average weekly hours data are for hourly and salaried employees only, and exclude businesses that could not be classified to a North American Industry Classification System (NAICS) code.

All earnings data include overtime and exclude businesses that could not be classified to a NAICS code. Earnings data are based on gross taxable payroll before source deductions. Average weekly earnings are derived by dividing total weekly earnings by the number of employees.

Real-time data tables

Real-time tables 14-10-0357-01, 14-10-0358-01, 14-10-0331-01 and 14-10-0332-01 will be updated on October 13.

Next release

Data on payroll employment, earnings and hours for August will be released on October 29.

Table 1
Average weekly earnings (including overtime) for all employees – Seasonally adjusted

	July 2019	June 2020 ^r	July 2020 ^p	June to July 2020	July 2019 to July 2020	June to July 2020	July 2019 to July 2020
	current dollars			change in current dollars		% change	
Sector aggregate¹	1,029.07	1,117.31	1,118.40	1.09	89.33	0.1	8.7
Forestry, logging and support	1,207.48	1,122.35	1,171.88	49.53	-35.60	4.4	-2.9
Mining, quarrying, and oil and gas extraction	2,057.79	2,169.56	2,134.58	-34.98	76.79	-1.6	3.7
Utilities	1,902.98	1,952.99	1,792.11	-160.88	-110.87	-8.2	-5.8
Construction	1,285.80	1,309.26	1,320.70	11.44	34.90	0.9	2.7
Manufacturing	1,124.10	1,131.15	1,148.62	17.47	24.52	1.5	2.2
Wholesale trade	1,224.49	1,297.44	1,332.96	35.52	108.47	2.7	8.9
Retail trade	620.30	672.33	649.08	-23.25	28.78	-3.5	4.6
Transportation and warehousing	1,104.46	1,170.68	1,177.20	6.52	72.74	0.6	6.6
Information and cultural industries	1,360.00	1,374.92	1,420.80	45.88	60.80	3.3	4.5
Finance and insurance	1,370.70	1,500.16	1,513.19	13.03	142.49	0.9	10.4
Real estate and rental and leasing	1,069.38	1,128.33	1,188.75	60.42	119.37	5.4	11.2
Professional, scientific and technical services	1,419.37	1,464.45	1,496.18	31.73	76.81	2.2	5.4
Management of companies and enterprises	1,541.41	1,419.59	1,585.40	165.81	43.99	11.7	2.9
Administrative and support, waste management and remediation services	820.39	895.86	907.42	11.56	87.03	1.3	10.6
Educational services	1,049.98	1,138.03	1,180.35	42.32	130.37	3.7	12.4
Health care and social assistance	937.99	1,019.09	1,005.83	-13.26	67.84	-1.3	7.2
Arts, entertainment and recreation	623.44	757.27	734.00	-23.27	110.56	-3.1	17.7
Accommodation and food services	419.93	444.01	452.03	8.02	32.10	1.8	7.6
Other services (excluding public administration)	865.72	954.21	916.31	-37.90	50.59	-4.0	5.8
Public administration	1,347.09	1,441.15	1,430.36	-10.79	83.27	-0.7	6.2
Provinces and territories							
Newfoundland and Labrador	1,062.46	1,114.71	1,113.91	-0.80	51.45	-0.1	4.8
Prince Edward Island	879.17	993.72	961.40	-32.32	82.23	-3.3	9.4
Nova Scotia	901.43	983.21	950.03	-33.18	48.60	-3.4	5.4
New Brunswick	940.70	1,015.53	1,004.02	-11.51	63.32	-1.1	6.7
Quebec	964.08	1,061.07	1,051.28	-9.79	87.20	-0.9	9.0
Ontario	1,052.92	1,150.10	1,160.70	10.60	107.78	0.9	10.2
Manitoba	951.46	1,006.37	1,008.54	2.17	57.08	0.2	6.0
Saskatchewan	1,035.16	1,103.42	1,083.66	-19.76	48.50	-1.8	4.7
Alberta	1,161.51	1,206.21	1,214.29	8.08	52.78	0.7	4.5
British Columbia	996.11	1,097.37	1,104.10	6.73	107.99	0.6	10.8
Yukon	1,172.71	1,265.07	1,241.11	-23.96	68.40	-1.9	5.8
Northwest Territories	1,458.68	1,536.60	1,556.35	19.75	97.67	1.3	6.7
Nunavut	1,425.94	1,497.66	1,487.15	-10.51	61.21	-0.7	4.3

^r revised

^p preliminary

1. Sector breakdown is based on the 2017 North American Industry Classification System Version 3.0.

Note(s): Earnings data are based on gross payroll before source deductions.

Source(s): Table 14-10-0223-01 (formerly CANSIM table 281-0063).

Table 2
Number of employees – Seasonally adjusted

	July 2019	June 2020 ^r	July 2020 ^p	June to July 2020	July 2019 to July 2020	June to July 2020	July 2019 to July 2020
	thousands			change in thousands		% change	
Sector aggregate¹	17,017.3	14,367.2	15,106.9	739.7	-1,910.4	5.1	-11.2
Forestry, logging and support	38.3	34.1	35.1	1.0	-3.2	2.9	-8.5
Mining, quarrying, and oil and gas extraction	202.0	179.2	179.7	0.4	-22.3	0.2	-11.1
Utilities	128.0	121.5	122.6	1.0	-5.4	0.9	-4.2
Construction	1,039.1	914.2	933.6	19.4	-105.5	2.1	-10.2
Manufacturing	1,583.1	1,393.3	1,435.7	42.3	-147.4	3.0	-9.3
Wholesale trade	823.1	736.3	754.7	18.4	-68.4	2.5	-8.3
Retail trade	2,007.6	1,708.4	1,838.3	129.9	-169.3	7.6	-8.4
Transportation and warehousing	777.7	706.4	719.5	13.1	-58.3	1.8	-7.5
Information and cultural industries	348.1	299.4	300.8	1.5	-47.3	0.5	-13.6
Finance and insurance	753.1	720.6	726.7	6.1	-26.4	0.9	-3.5
Real estate and rental and leasing	298.2	228.5	237.2	8.7	-60.9	3.8	-20.4
Professional, scientific and technical services	979.3	910.1	927.9	17.7	-51.5	1.9	-5.3
Management of companies and enterprises	109.5	104.5	106.4	1.9	-3.1	1.8	-2.9
Administrative and support, waste management and remediation services	830.2	686.2	714.5	28.3	-115.7	4.1	-13.9
Educational services	1,374.7	1,149.4	1,251.9	102.6	-122.7	8.9	-8.9
Health care and social assistance	2,035.2	1,888.7	1,976.5	87.9	-58.7	4.7	-2.9
Arts, entertainment and recreation	314.4	147.0	175.5	28.5	-138.9	19.4	-44.2
Accommodation and food services	1,353.4	708.1	874.3	166.1	-479.1	23.5	-35.4
Other services (excluding public administration)	558.9	416.1	453.7	37.6	-105.2	9.0	-18.8
Public administration	1,149.2	1,057.1	1,073.2	16.2	-75.9	1.5	-6.6
Provinces and territories							
Newfoundland and Labrador	217.4	188.7	191.5	2.8	-26.0	1.5	-11.9
Prince Edward Island	69.9	60.8	62.7	1.9	-7.3	3.1	-10.4
Nova Scotia	424.3	370.1	384.0	13.9	-40.3	3.7	-9.5
New Brunswick	326.7	296.1	307.4	11.2	-19.3	3.8	-5.9
Quebec	3,798.9	3,265.2	3,472.4	207.2	-326.5	6.3	-8.6
Ontario	6,631.0	5,505.5	5,797.0	291.6	-833.9	5.3	-12.6
Manitoba	615.8	528.1	558.7	30.6	-57.1	5.8	-9.3
Saskatchewan	483.5	422.3	436.3	14.0	-47.2	3.3	-9.8
Alberta	2,029.0	1,670.8	1,755.5	84.8	-273.5	5.1	-13.5
British Columbia	2,353.6	2,000.1	2,080.3	80.2	-273.2	4.0	-11.6
Yukon	22.3	19.3	20.0	0.7	-2.4	3.6	-10.7
Northwest Territories	26.5	22.6	23.0	0.4	-3.5	1.7	-13.3
Nunavut	18.3	17.6	18.1	0.5	-0.2	2.6	-1.1

^r revised

^p preliminary

1. Sector breakdown is based on the 2017 North American Industry Classification System Version 3.0.

Source(s): Table 14-10-0223-01 (formerly CANSIM table 281-0063).

Available tables: [14-10-0201-01](#), [14-10-0203-01](#), [14-10-0205-01](#), [14-10-0209-01](#), [14-10-0211-01](#), [14-10-0213-01](#), [14-10-0214-01](#), [14-10-0216-01](#), [14-10-0218-01](#), [14-10-0220-01](#) to [14-10-0223-01](#) and [14-10-0255-01](#).

Definitions, data sources and methods: survey number [2612](#).

More information about the concepts and use of the Survey of Employment, Payrolls and Hours is available in the *Guide to the Survey of Employment, Payrolls and Hours* ([72-203-G](#)).

The product "[Earnings and payroll employment in brief: Interactive app](#)" ([14200001](#)) is now available. This interactive data visualization application provides a comprehensive picture of the Canadian labour market using the most recent data from the Survey of Employment, Payrolls and Hours. The estimates are seasonally adjusted and available by province and largest industrial sector. Historical estimates going back 10 years are also included. The interactive application allows users to quickly and easily explore and personalize the information presented. Combine multiple provinces and industrial sectors to create your own labour market domains of interest.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).