### **Economic Insights**

# **Changing Characteristics of Canadian Jobs, 1981 to 2018**

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# Changing Characteristics of Canadian Jobs, 1981 to 2018

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This article in the *Economic Insights* series provides users with an integrated summary of long-term changes in several characteristics of the jobs held by Canadian employees. The article assesses the evolution of median real hourly wages in all jobs, full-time jobs and part-time jobs, as well as the evolution of layoff rates. It also examines changes in the percentage of jobs that are full-time; permanent; full-time and permanent; unionized; in public administration, educational services, health care and social assistance; covered by a registered pension plan (RPP); and covered by a defined-benefit RPP. Unless otherwise noted, statistics are shown for the main job held by employees aged 17 to 64 in May of each year and cover the period from 1981 to 2018. The main job is the job with the most weekly work hours. Full-time jobs involve 30 hours or more per week (see the Data appendix).

#### Introduction

Over the past four decades, jobs held by Canadian employees have changed along several dimensions. Overall, compared with the early 1980s, proportionately fewer of these jobs are now full-time, permanent (i.e., without a specific end date), unionized, or covered by a registered pension plan (RPP) or a defined-benefit RPP.

From the early 1980s to the early 2000s, median real hourly wages displayed little growth, rising by about 2% overall and by roughly 6% in full-time jobs. Wage growth was faster in subsequent years—especially from 2001 to 2008—and overall median real hourly wages ended up being 13% higher in 2018 than they were in 1981. The corresponding number for full-time jobs was 16%.

While the downward trends in full-time employment, permanent employment, unionization and pension coverage are all observed for men, some are not observed for women. Since the early 1980s, the percentage of female employees with full-time jobs or unionized jobs has, in the aggregate, remained virtually unchanged. The percentage of female workers with an RPP has increased, while the percentage of female employees with jobs that are both full-time and permanent is similar to what it was in the late 1980s.<sup>1</sup>

#### Job types

Aggregate paid employment has moved away from full-time jobs since the early 1980s. The percentage of employees aged 17 to 64 with a full-time job fell from 87% in 1981 to 84% in 2018 (Table 1). This downward trend was observed for men aged 17 to 64, and for those aged 25 to 54 (Table 2). In contrast, the proportion of female employees working full time showed little change among women aged 17 to 64, and rose among those aged 25 to 54.<sup>2</sup>

The drop in the overall relative importance of full-time jobs occurred in conjunction with a decline in permanent employment. From 1989—the first year Statistics Canada collected data on permanent jobs—to 2018, the percentage of men and women with permanent jobs fell by roughly 6 percentage points among workers aged 17 to 64, and by about 5 percentage points among those aged 25 to 54. As a result, the percentage of employees with jobs that were both full-time and permanent fell by roughly 4 percentage points overall, and by 7 percentage points for men. For women, the drop in permanent employment was offset by the growing share of permanent jobs that were full-time. As a result, the percentage of female employees with permanent full-time jobs was similar in 1989 and 2018.

As overall unionization rates fell, the percentage of men aged 17 to 64 who belonged to unions dropped from 42% in 1981 to 26% in 2018. In contrast, there was little change to the unionization rate of women in that age group. Similar sexspecific patterns were observed among workers aged 25 to 54.

#### **Employer-sponsored pension coverage**

Changes in job types were associated with overall declines in employer-sponsored pension coverage. From 1981 to 2016—the most recent year for which data on RPP coverage are currently available—the percentage of employees with an RPP fell by 7 percentage points, from 45% to 38%.

Furthermore, the decline in RPP coverage was accompanied by a shift away from defined-benefit plans. In 2016, only one-quarter of employees were covered by such plans, down from 42% in 1981.

<sup>1.</sup> The overall trends shown in this article do not necessarily apply to all groups of employees. For example, different trends might be observed for young workers. For an analysis of the youth labour market, see Morissette (2016).

<sup>2.</sup> For an analysis of full-time employment rates since the mid-1970s, see Morissette, Schellenberg and Hou (2015).



Trends in pension coverage differed for men and women. The growing presence of women in public administration, educational services, health care and social assistance mitigated the downward pressures on defined-benefit RPP coverage.<sup>3</sup> While men's coverage by such plans fell by more than 25 percentage points since the early 1980s, women's coverage dropped by only 4 percentage points. As a result, proportionately more women (29%) than men (22%) were covered by defined-benefit RPPs in 2016 (Chart 1). Considering all types of RPPs, pension coverage grew from 35% to 40% for women, but fell from 51% to 36% for men during the period from 1981 to 2016.

#### **Wages**

The 1980s and 1990s were periods of slow wage growth. From 1981 to 2001, median real hourly wages in full-time jobs held by workers aged 17 to 64 increased by about 6%. Partly as a result of the oil boom that took place from 2001 to 2008, subsequent wage growth was more robust. The end result was a 16% increase in median real hourly wages in full-time jobs from 1981 to 2018 (Chart 2). Considering all jobs, median real hourly wages grew 13% during that period. As women moved toward better-paid occupations and experienced larger gains in educational attainment and job tenure than men, they experienced faster wage growth over that period. Median real hourly wages of male and female full-time employees aged 17 to 64 grew 9% and 29%, respectively, from 1981 to 2018 (Table 1).4

Median real hourly wages in part-time jobs evolved differently. Overall, they fell from the early 1980s to the late 1990s and started increasing after the mid-2000s. By 2018, median hourly real wages in part-time jobs held by employees aged 17 to 64 were very similar to their 1981 values (Chart 2).

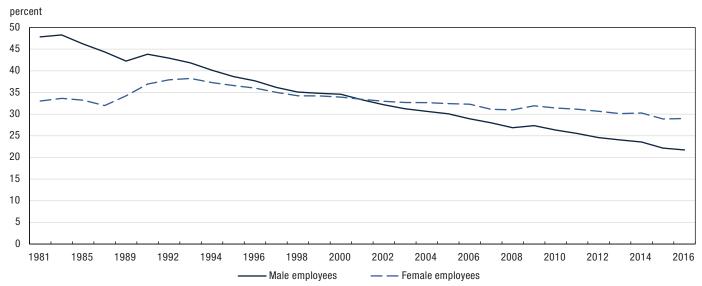
#### Layoffs

Given the movement away from full-time employment and permanent employment documented above, one might expect the likelihood of workers losing their jobs to have increased over the past four decades. However, the data do not support this contention. Regardless of sex and of age group studied, layoff rates were no higher in recent years than they were during the early 1980s. Therefore, there is no evidence that the likelihood of workers losing their jobs has trended upward over the past four decades.

#### Summary

The jobs held by Canadians today differ from those held by Canadians in the early 1980s in several respects. These changes in job characteristics reflect technological and institutional changes; movements in international trade; changes in the degree of competition that employers face in the product and labour market; and movements in the labour supply of specific groups such as youth, women and immigrants. While downward trends in full-time employment, permanent employment, unionization and pension coverage

Chart 1
Percentage of male and female employees with defined-benefit registered pension plans, 1981 to 2016



Source: Statistics Canada, Pension Plans in Canada database

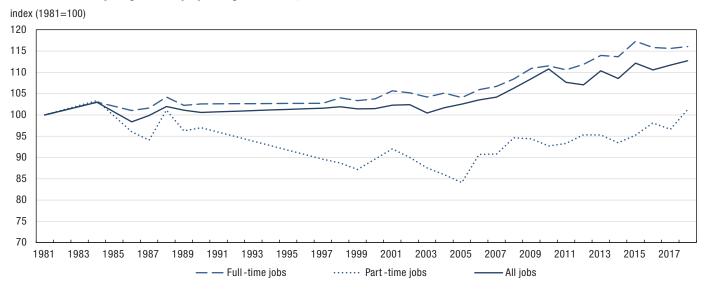
<sup>3.</sup> In 2018, 40% of female employees aged 17 to 64 were employed in these sectors with high RPP coverage, up from 33% in 1981 (Table 1).

<sup>4.</sup> See Morissette, Picot and Lu (2013) for a detailed analysis of wage trends from 1981 to 2011.

<sup>5.</sup> Morissette, Qiu and Chan (2013) analyzed the evolution of layoff rates from 1978 to 2008.

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Chart 2 Median real hourly wages of employees aged 17 to 64, 1981 to 2018



Note: Main job held in May (December for 1984) by employees aged 17 to 64. Estimates for 1982, 1983, 1985 and 1991 to 1996 are based on interpolations of data. Sources: Statistics Canada, 1981 Survey of Work History, 1984 Survey of Union Membership, 1986-to-1990 Labour Market Activity Survey, 1997-to-2018 Labour Force Survey.

are all observed for men, some of these trends are not observed for women.

#### Data appendix

This article documents the evolution of several characteristics of the jobs held by Canadian employees from 1981 to 2018:

- (1) the percentage of full-time jobs held by employees
- (2) the percentage of permanent jobs held by employees
- (3) the percentage of full-time permanent jobs held by employees
- the percentage of unionized jobs held by employees (4)
- the percentage of jobs in public administration, edu-(5) cational services, health care and social assistance
- the percentage of employees with a registered pen-(6)sion plan (RPP)
- (7) the percentage of employees with a defined-benefit
- median real hourly wages in all jobs (8)
- median real hourly wages in full-time jobs (9)
- (10) median real hourly wages in part-time jobs
- (11)layoff rates.

The indicators shown in Tables 1 and 2 are obtained as follows.

Indicators 1 and 5 were obtained from the Labour Force Survey (LFS). Indicators 2 and 3 were obtained from the 1989 General Social Survey (GSS) and from the LFS (for the years 1997 onward). Indicators 4, 8, 9 and 10 were obtained from the 1981 Survey of Work History, the 1989 Labour Market Activity Survey and the LFS (for the years 1997 onward).

Indicators 6 and 7 were obtained from the Pension Plans in Canada (PPIC) database and refer to all employees, regardless of their age.6

Indicator 11 was obtained by dividing the number of jobs that ended with a permanent layoff in a given year (obtained from the Longitudinal Worker File) by average annual paid employment (obtained from the LFS). A job ended with a permanent layoff when the laid-off worker did not return to the firm in the year of the layoff or the following year.

While indicators 6 and 7 refer to all employees, regardless of their age, other indicators refer to employees aged 17 to 64 or aged 25 to 54. For all indicators except 6, 7 and 11, the samples consist of the main jobs held by employees in May. Indicators 2 and 3 for 1989 are one exception, since they are drawn from the 1989 GSS. Indicator 4 refers to employees who are members of a union.

Median real hourly wages were computed using the annual allitems Consumer Price Index (CPI) defined at the Canada level. The CPI for 2018 was estimated by multiplying the 2017 value by the growth in the monthly CPI (not seasonally adjusted) observed from May 2017 to May 2018.

Full-time jobs involved 30 hours of work or more per week. Permanent jobs were jobs without a specific end date. The main job was the job with the most weekly work hours. Selfemployed individuals were excluded from the analysis.



Table 1 Selected characteristics of jobs held by employees aged 17 to 64, 1981 to 2018

	Percentage of employees with:							Median real hourly wages in:			
	Full-time jobs			Unionized jobs	Jobs in PEHS	RPPs	Defined- benefit RPPs	All jobs	Full-time jobs	Part-time jobs	Layoff rates
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11
				percent					2018 dollars		percent
Both sexes											
1981	87.4			37.6	23.6	44.6	41.8	20.65	21.54	14.81	10.1
1989	85.8	92.9	79.7	35.9	24.5	42.7	38.7	20.89	22.03	14.26	9.1
1997	82.5	89.0	75.5	31.6	25.6	41.5	35.6	20.98	22.13	13.27	9.4
2001	83.7	87.3	75.5	30.4	24.7	40.2	33.3	21.13	22.76	13.63	8.4
2007	83.9	86.7	74.9	30.3	25.9	38.4	29.5	21.52	22.99	13.45	6.5
2014	82.9	86.4	74.2	29.0	27.0	38.1	26.8	22.42	24.49	13.84	7.1
2016	83.4	86.5	74.6	28.7	27.6	37.5	25.2	22.84	24.96	14.53	
2018	84.3	86.4	75.2	28.3	27.5			23.28	25.00	15.00	
Men											
1981	94.9			42.1	17.0	51.4	47.8	23.56	24.24	13.46	12.9
1989	94.0	93.6	87.7	39.2	16.6	46.9	42.2	24.18	24.95	12.06	12.0
1997	91.1	89.4	83.2	32.9	16.6	42.8	36.2	23.55	24.70	11.80	12.2
2001	91.3	88.1	82.5	31.1	14.7	41.0	33.3	23.85	24.64	11.93	11.0
2007	91.4	87.3	81.6	30.0	15.1	37.8	28.0	23.91	24.71	11.96	8.5
2014	89.8	86.8	80.0	27.6	15.0	36.7	23.6	24.57	26.21	12.78	9.3
2016	89.7	87.0	80.1	26.7	15.3	35.6	21.7	24.96	26.23	12.98	
2018	90.5	86.9	80.8	26.0	14.9			25.00	26.50	14.00	
Women											
1981	77.2			31.4	32.6	34.8	33.0	17.50	17.99	15.08	6.1
1989	76.2	92.2	70.6	32.1	33.9	37.3	34.2	17.82	18.64	14.70	5.6
1997	73.1	88.6	67.0	30.1	35.5	39.9	35.0	18.43	20.07	14.23	6.5
2001	75.6	86.4	68.1	29.7	35.4	39.4	33.4	19.08	20.31	14.24	5.7
2007	76.2	86.0	68.1	30.6	36.8	39.0	31.1	19.70	21.02	14.35	4.4
2014	75.9	86.0	68.4	30.5	39.2	39.7	30.3	21.29	22.89	14.91	4.9
2016	77.0	86.0	69.0	30.6	39.9	39.5	29.0	21.29	22.97	15.57	
2018	78.1	85.8	69.5	30.7	40.2			21.63	23.17	15.38	

<sup>..</sup> not available for a specific reference period

**Note:** See the Data appendix for definitions. For 1989, Columns 2 and 3 refer to employees aged 15 to 64. Columns 6 and 7 refer to all employees, regardless of their age. PEHS refers to public administration, educational services, health care and social assistance. RPPs refers to registered pension plans.

Sources: Statistics Canada, 1981 Survey of Work History, 1989 Labour Market Activity Survey, 1989 General Social Survey, 1997-to-2018 Labour Force Survey, Pension Plans in Canada database, and Longitudinal Worker File.

Table 2 Selected characteristics of jobs held by employees aged 25 to 54, 1981 to 2018

		Percentage of employees with:					Median real hourly wages in:			
	Full-time jobs	Permanent	Full-time permanent jobs	Unionized jobs	Jobs in PEHS	All jobs	Full-time jobs	Part-time jobs	Layoff rates	
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	
			percent				2018 dollars		percent	
Both sexes										
1981	89.8			40.9	26.4	22.89	23.24	17.48	8.7	
1989	89.1	94.7	85.5	39.8	27.6	22.88	23.47	17.82	8.3	
1997	87.1	91.4	81.1	35.0	28.3	22.86	23.70	17.02	8.7	
2001	88.3	90.7	81.4	33.5	27.0	23.18	24.19	17.72	7.7	
2007	89.1	90.0	81.5	33.1	28.1	23.91	24.14	17.93	6.0	
2014	89.1	89.7	81.5	31.0	28.9	25.02	25.74	18.10	6.5	
2016	89.3	89.8	81.6	31.0	29.7	25.95	26.62	18.69		
2018	89.9	89.6	81.9	30.5	29.8	25.64	26.50	18.75		
Men										
1981	98.2			45.2	19.1	25.83	25.83	F	11.2	
1989	97.9	95.8	94.1	43.0	18.7	26.48	26.73	F	11.1	
1997	95.7	92.0	89.3	36.4	18.2	25.66	25.95	F	11.4	
2001	96.0	91.6	88.7	34.3	16.2	26.21	26.21	F	10.1	
2007	96.4	90.8	88.3	32.7	16.3	26.28	26.30	F	8.0	
2014	95.4	90.3	87.2	28.9	15.6	26.72	27.64	F	8.5	
2016	95.4	90.6	87.4	28.6	16.3	27.95	28.26	F		
2018	95.7	90.5	87.5	27.3	16.1	28.00	28.41	F		
Women										
1981	77.6			34.8	36.8	18.85	19.36	16.97	5.0	
1989	78.7	93.4	75.5	36.2	38.0	19.44	19.87	17.82	5.0	
1997	77.8	90.8	72.3	33.6	39.0	20.48	21.26	17.21	5.8	
2001	80.2	89.7	73.9	32.6	38.4	20.44	21.55	17.72	5.3	
2007	81.8	89.3	74.7	33.5	39.9	21.52	22.33	17.93	4.1	
2014	82.6	89.0	75.8	33.1	42.4	23.03	24.06	18.63	4.4	
2016	83.1	88.9	75.8	33.4	43.2	23.48	24.76	18.69		
2018	84.0	88.8	76.2	33.7	43.7	24.00	24.94	19.10		

<sup>..</sup> not available for a specific reference period

Sources: Statistics Canada, 1981 Survey of Work History, 1989 Labour Market Activity Survey, 1989 General Social Survey, Labour Force Survey, and Longitudinal Worker File.

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