

The labour market in the week of September 11

Geoff Bowlby

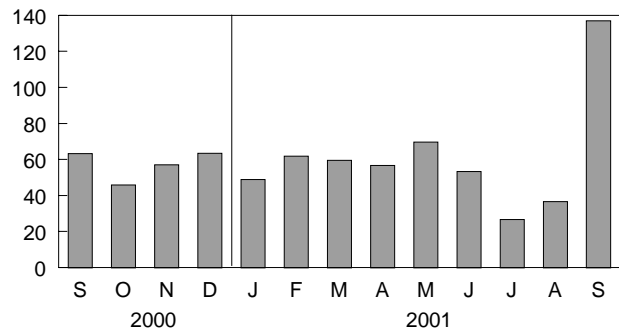
THE SEPTEMBER 11 TERRORIST ATTACKS in New York and Washington occurred during the Labour Force Survey (LFS) reference week of September 9 to 15. The data collected allow an early but incomplete look at how the Canadian labour market and economy were affected in the days immediately following the attacks.

It is not possible to quantify the effect of the attacks on overall levels of employment and unemployment. The LFS considers people who worked at any time during the reference week to be employed, even if they were laid off at some point during the week. Therefore, those who worked early in the week but were told not to come into work following the attacks would be considered employed. As a result, most of the effect on employment and unemployment is not reflected in the September estimates.

The effect of the attacks was more evident in a sharp increase in days lost, particularly in certain industries. Over 136,000 employees missed part of the work week for 'other' reasons—about 83,000 more than the average month over the last year. The industries in which most time was lost tended to be concentrated in downtown locations (for example, banking) or near airports (air transportation).

Employee absences for part of the week for 'other' reasons jumped in September 2001.

Part-week absences for 'other' reasons ('000)



Source: Labour Force Survey

Even though hours were lost in many industries, some workers worked longer-than-normal hours. As well, full-time job gains were made in other parts of the economy. As a result, there was a slight increase in total actual hours worked in Canada that week (+0.4%, seasonally adjusted).

Geoff Bowlby is with the Labour Statistics Division. He can be reached at (613) 951-3325 or geoff.bowlby@statcan.ca.

Industries losing work hours

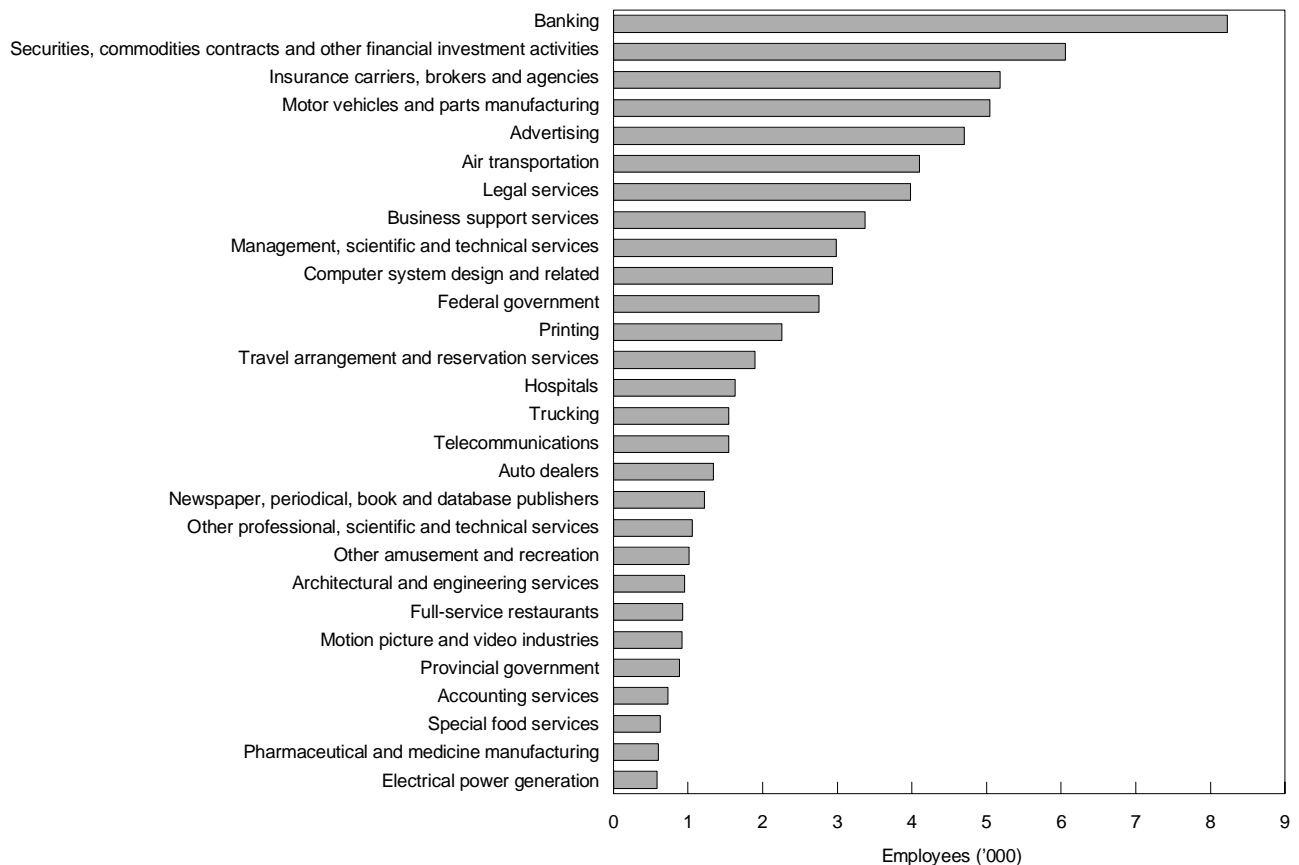
Most employees absent from work during the week of September 9 to 15 were working in banking, investment activities and insurance. As expected, a very large number of people in the air and truck transportation industries also lost hours.

In total, an estimated 1.4 million hours were lost by people who missed part of the week for 'other' reasons—approximately 841,000 hours more than normal. This was the largest loss of hours caused by extraordinary events since the 1998 ice storm in

eastern Canada. At that time, about 150,000 more people than normal could not make it in to work for the entire reference week, and another 390,000 attended for only part of the week; the result was about 10.4 million hours lost. The number of hours lost during the week of September 9 was similar to the number lost following the Mississauga, Ontario, train derailment in 1979.

Almost all of the lost hours occurred in less than 30 industries. By far the largest loss came from investment activities, where more than 100,000 hours were lost as a result of the closing of the Toronto Stock

A wide range of industries had increases* in part-week absences for 'other' reasons.



Source: Labour Force Survey
 * Compared with the average for September 2000 to August 2001.

Exchange and other stock markets across the country. The loss amounted to over 20 hours per absent employee.

Air transportation experienced the next largest loss. In this industry, which includes airlines and airport support workers, about 75,000 hours were lost when air traffic was grounded—over 18 hours per absent employee. A very large number of hours were also lost in the banking sector—72,000 hours or 8.8 hours per absent employee.

About 5,000 more employees than normal were absent from work in the motor vehicle and parts manufacturing industry for 'other' reasons, resulting in 61,000 hours lost. During the week of the attacks, some manufacturers reported not having received enough materials to keep plants open. In motor-vehicle manufacturing, an additional 3,400 people lost part of the week because of material shortages at the plants—3,000 more than the average in the previous 12 months. In total, approximately 8,000 people lost hours in the manufacturing sector.

Employment and actual hours worked in disaster-affected industries, September 2001

	Increased hours lost* for 'other' reasons		Abnormal change**	
	Total	Per absent employee	Actual hours	Employment
	'000			'000
Disaster-affected industries	718.6	10.4	-3,894.1	-60.5
Securities, commodities contracts and other financial investment activities	122.6	20.2	-202.6	6.3
Air transportation	74.7	18.2	162.7	4.8
Banking	72.4	8.8	-626.4	-6.5
Business support services	60.7	18.0	-92.2	-4.1
Motor vehicles and parts manufacturing	60.6	12.0	-463.9	2.1
Computer system design and related	39.8	13.6	-430.0	-21.7
Insurance carriers, brokers and agencies	34.7	6.7	-318.0	-2.9
Trucking	26.8	17.3	-520.3	-2.9
Advertising	26.8	5.7	301.7	9.8
Legal services	21.7	5.4	235.7	-0.1
Federal government	17.7	6.4	-453.0	-2.2
Architectural and engineering services	15.4	16.2	453.4	8.0
Full-service restaurants	15.3	16.4	-645.2	-35.9
Provincial government	15.2	17.1	170.0	11.1
Management, scientific and technical services	14.8	4.9	161.4	5.0
Other professional, scientific and technical services	14.2	13.4	-98.5	-1.2
Telecommunications	11.5	7.4	-558.9	-7.9
Travel arrangement and reservation services	10.7	5.7	-90.4	-5.3
Printing	9.7	4.3	-15.5	-0.1
Auto dealers	9.7	7.2	3.0	1.6
Motion picture and video industries	7.8	8.4	393.6	2.6
Hospitals	6.4	3.9	656.8	-3.4
Special food services	6.3	9.9	86.4	4.1
Other amusement and recreation	6.0	5.9	-1,350.0	-23.5
Electrical power generation	5.8	9.9	-539.1	-6.6
Newspaper, periodical, book and database publishers	4.2	3.5	29.3	-1.4
Accounting services	3.5	4.9	-151.2	4.2
Pharmaceutical and medicine manufacturing	3.5	5.8	7.2	5.5

Source: Labour Force Survey

* Compared with the average for September 2000 to August 2001.

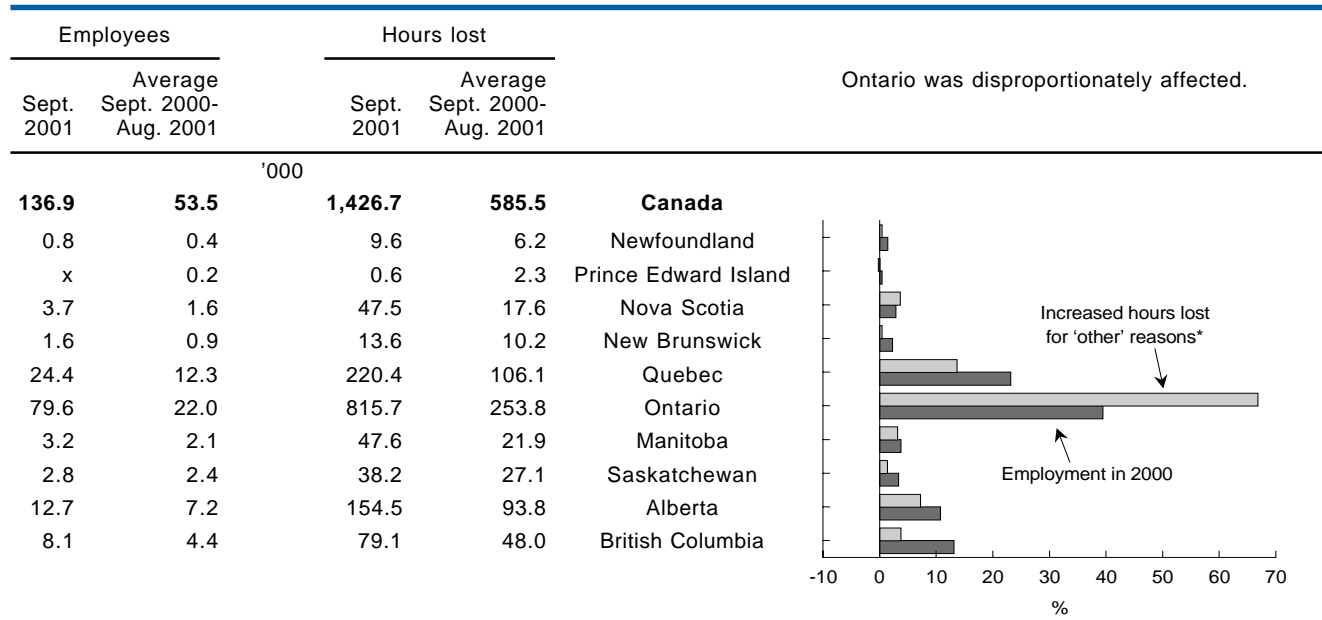
** Compared with the three-year average August to September change for 1998 to 2000.

Where were the hours lost?

About 4 in 10 employed people in Canada live in Ontario; however, two of every three hours lost were in that province, making it disproportionately affected

by the September 11 events. Given that the affected industries are concentrated in Ontario, it comes as no surprise that the province was the most affected of all the provinces.

Part-week absences for 'other' reasons



Source: Labour Force Survey

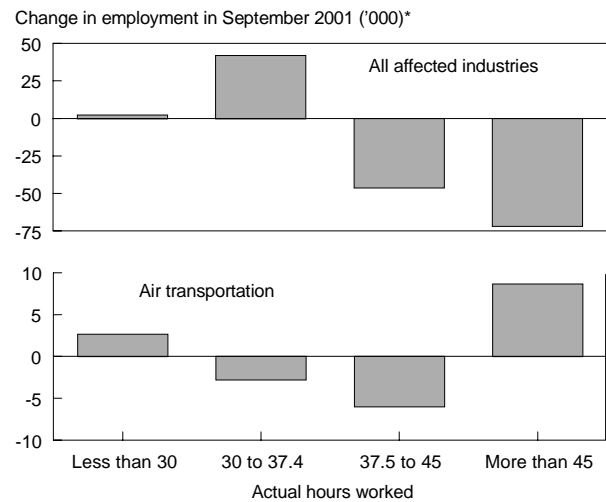
* Compared with the average for September 2000 to August 2001.

Incidence of extra hours

In some of the disaster-affected industries, more people worked longer hours, even as others lost some days of the week. The most obvious example was the air transportation industry. While there was a large drop in the number of people putting in a standard 37.5 to 40-hour workweek, more people worked longer hours and more worked shorter hours. Although this was true for air transportation and a few other industries (hospitals and auto dealers), most other industries showed more people working shorter hours and fewer people working longer hours.

In total, the extra hours worked in the disaster-affected industries did not make up for the hours lost because of absences. As well, a few disaster-affected industries (full-service restaurants and 'other' amusement and recreation), had an unusually large drop in employment. As a result, the number of actual hours worked in the disaster-affected industries fell 3.9 million hours from the normal.

Downward shift in hours worked in disaster-affected industries.

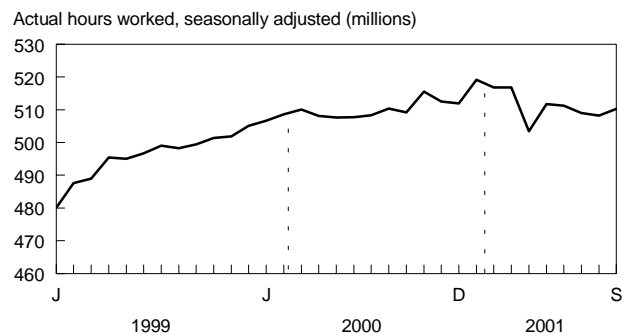


Source: Labour Force Survey
 * Compared with the three-year average August to September change for 1998 to 2000.

Overall actual hours worked

Even though actual hours fell in the disaster-affected industries, other parts of the economy experienced large gains in full-time work. As a result, total actual hours worked rose 0.4%, or about 2 million.

Despite the drop in disaster-affected industries, overall actual hours worked rose in September 2001.



Source: Labour Force Survey