



WORKFORCE RESET

Surrey Labour Market Intelligence and Impact Reports

January 2021 LMI Report #5

****THE ONLY SURREY-FOCUSED LABOUR MARKET REPORT****

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Surrey Board of Trade COVID-19 Surrey Labour Market Intelligence Report #5 January 2021 (including results of Statistics Canada's December 2020 Labour Force Survey)

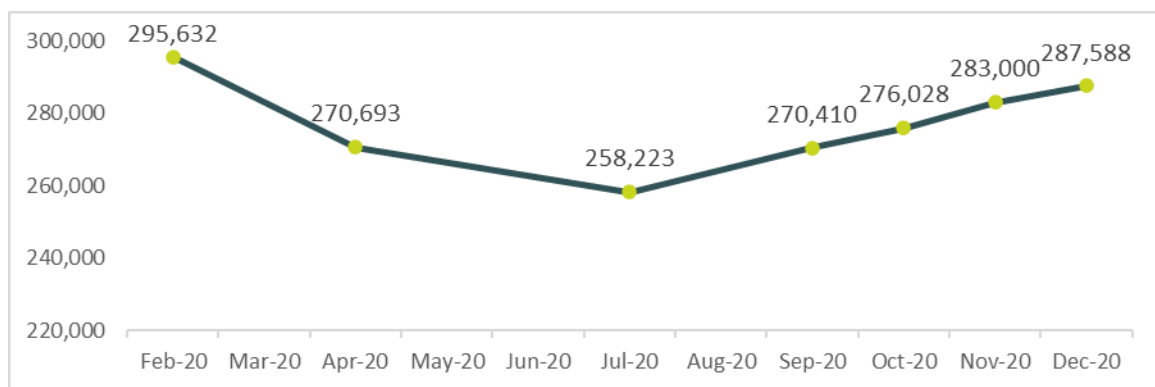
****THE ONLY SURREY-FOCUSED LABOUR MARKET REPORT****

For the first time, there is up-to-date and regular Surrey-specific labour market data.

This is the fifth in a series of monthly SBOT Surrey Labour Market Intelligence Reports on COVID-related impacts on the Surrey labour market, including the best available quantitative, qualitative and anecdotal information on implications for Surrey employers, workers and service providers. This includes a brief baseline summary on how Surrey's labour market looked during 2020, today, and how it is evolving during the pandemic, particularly from a business and workforce perspective, to inform decision-making and planning on recovery and resilience.

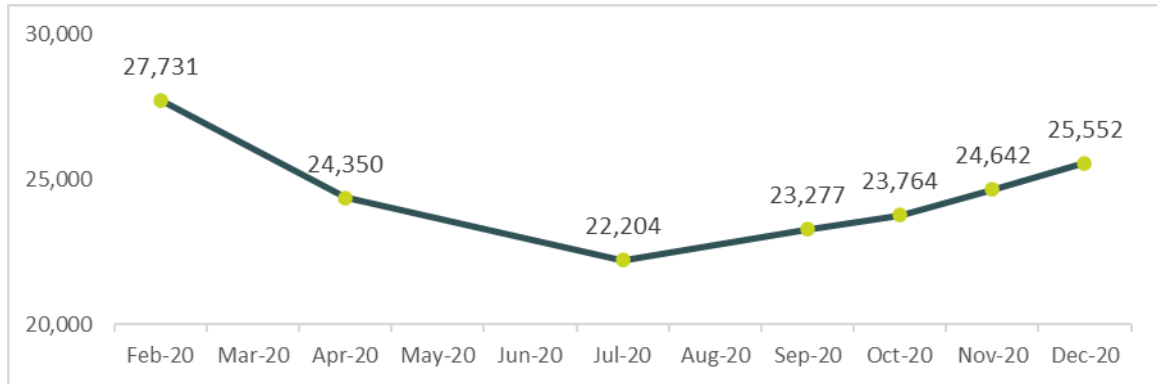
HIGHLIGHTS

- The total estimated net deficit of jobs in Surrey since February 2020 is now just over 8,000 jobs, down from a peak of over 37,000 jobs lost.
- Since the end of July 2020, Surrey has recovered over 29,000 jobs (over 78% of the jobs lost between March and July 2020) with over 4,500 of these recovered jobs being attributed to the month of December. In the last half of 2020, the number of jobs has been on a steady incline.



Employment in Surrey (Feb 2020 – Dec 2020)
Adapted from Table 14-10-0097-01, Statistics Canada

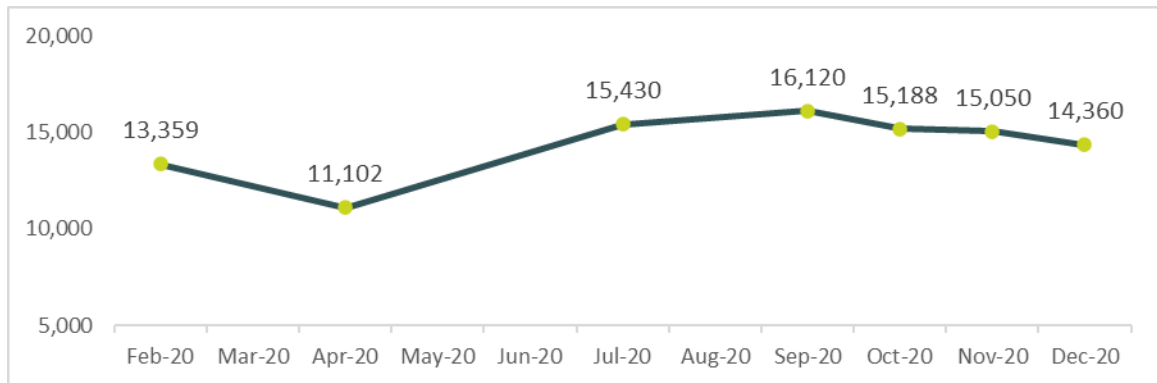
- The Utilities industry is the only industry in Surrey that has trended in the opposite direction of overall jobs, with significant gains in the first half of 2020 (over 1,000 jobs gained) and consistent losses in the second half (over 750 jobs lost).
- The industries that have seen the strongest recovery, in terms of number of jobs recovered since July, include: Accommodation & Food Services (almost 7,000 jobs); Business, Building & Other Support Services (over 4,100 jobs); and Transportation & Warehousing (over 3,300 jobs).



Gain/Loss of Jobs in Transportation & Warehousing in Surrey (Feb 2020 - Dec 2020)

Adapted from Table 14-10-0097-01, Statistics Canada

- Employment losses by occupation in December 2020 were seen in Manufacturing & Utilities Occupations (approximately 690 jobs), Health occupations (approximately 400 jobs), and Art, Culture, Recreation & Sport occupations (approximately 187 jobs) in Surrey.
- Though Sales & Services occupations have seen a steady increase in jobs since July (over 1,000 jobs gained in December 2020), these occupations have seen the greatest overall loss in Surrey (over 10,000 jobs lost) since the beginning of the pandemic.
- Manufacturing & Utilities occupations show an overall net gain of jobs when compared to February 2020 (approximately 1,000 jobs), however these occupations have continually posted a job loss in every month of Q4 2020.



Gain/Loss of Jobs in Manufacturing & Utilities Occupations (Feb 2020 - Dec 2020)

Adapted from Table: 14-10-0313-01, Statistics Canada

- Though in December, some jobs were recovered in both of the following industries, they have seen the greatest overall losses since February 2020: Wholesale & Retail (over 5,700 or 11.3% of jobs lost); followed by Construction (over 5,500 or 17.3% of jobs lost); Other Services (almost 4,100 or 26.9% of jobs lost); and Transportation & Warehousing (almost 2,200 or 7.9% of jobs lost).
- 17% of businesses in BC expect 100% of their staff to continue primarily tele-working or working remotely, even after the pandemic.
- McKinsey Global Institute (MGI) found that the Finance, Management, Professional Services and IT sectors have the greatest potential for remote work, with more than 50% of employee time being spent on activities that can be done remotely without productivity loss.

- MGI projects a shift from roughly 5-7% percent of employees regularly working from home in advanced economies before the pandemic to 15-20% spending more time at home, after the pandemic. This is expected to have a profound impact on urban economies and businesses.
- December marks the ninth consecutive month where the mental health of Canadians has been significantly lower than prior to the pandemic. In December, the overall Mental Health Index score for Canadians was reported to be -11.8 (or 11.8 points lower than the pre-pandemic benchmark), the lowest it has been since the beginning of the pandemic.



Overall Mental Health Index April 2020 to December 2020
 Morneau Shepell 'The Mental Health Index Report' – Canada December 2020

- Morneau Shepell reports that 28% of individuals surveyed indicated that they have considered leaving their job since the beginning of 2020. Of those who indicated that they have considered leaving their job in 2020, 53% reported their reason for leaving is mental stress and strain at work.

Sources:

BC Stats – *Statistics Canada, Labour Force Survey, December 2020*. Released January 8, 2021. Retrieved from <https://www2.gov.bc.ca/gov/content/data/statistics/employment-labour/labour-market-statistics>.

Morneau Shepell 'The Mental Health Index Report' – Canada December 2020. Retrieved from <https://www.morneaushepell.com/sites/default/files/assets/paragraphs/resource-list/canadaengmhidecember2020final.pdf>

Susan Lund, Anu Madgavakar, James Manyika and Sven Smit. "What's next for remote work: An analysis of 2,000 tasks, 800 jobs and nine countries?" *McKinsey Global Institute*. November 2020.

Statistics Canada. [Table 14-10-0097-01 Employment by industry, three-month moving average, unadjusted for seasonality, census metropolitan areas \(x 1,000\)](#)

Statistics Canada. [Table 14-10-0313-01 Employment by census metropolitan areas and occupation, three-month moving average, unadjusted for seasonality \(x 1,000\)](#)

Statistics Canada. [Table 33-10-0274-01 Percentage of workforce teleworking or working remotely, and percentage of workforce anticipated to continue primarily teleworking or working remotely after the pandemic, by business characteristics](#)

1. COVID-19 Employer, Labour Force and Workforce Impacts in December 2020

Surrey Employer COVID-19 Employment Impacts: Estimates extrapolated from Statistics Canada's 2016 Census and 2020 Statistics Canada Labour Force Survey (December 2020)

This is the only Surrey-specific labour market data. This section compares employment changes in Surrey from 2019 and for each month from February through December 2020 to show the employment impacts of COVID-19.

This report is prepared by Human Capital Strategies in conjunction with SBOT.

Surrey Employment COVID-19 Impacts BY INDUSTRY – 2019 to December 2020

Based on estimates from the *Labour Force Survey* (LFS), the table below shows the structure of the Surrey labour market in 2019 with almost 300,000 employed, and employment being led by service industries such as Wholesale & Retail Trade (over 48,000), Health Care & Social Services (over 33,000) and Transportation & Warehousing (almost 29,000). Strong goods industries in Surrey are Construction (over 32,000) and Manufacturing (almost 27,000). The smallest employment sectors, but nevertheless important, are Utilities (over 1,300) and Agriculture & Natural Resources (over 4,000). While some of these industries grew or contracted from 2019 to February 2020, all of these industries were impacted (to varying degrees) by COVID-19 between March and December 2020.

Table 1 shows employment change between February 2020 (Pre-COVID) and December 2020 in Surrey, by Industry.

North American Industry Classification System (NAICS)	2019	Feb 2020	April 2020	Change Feb to April		July 2020	Change April to July		Sept 2020	Change July to September		October 2020	Change Sept to October		Nov 2020	Change October to November		Dec 2020	Change Nov to December		Change Feb to December	
				Jobs	%		Jobs	%		Jobs	%		Jobs	%		Jobs	%		Jobs	%	Jobs	%
Total Employed (all industries)	297,895	295,632	270,693	-24,939	-8.4%	258,223	-12,470	-4.6%	270,410	12,187	4.7%	276,028	5618	2.1%	283,000	6972	2.5%	287,588	4,588	1.6%	-8,044	-2.7%
Agriculture, Forestry, Fishing, Mining, Quarrying, Oil & Gas	4,185	2,963	4,338	1,375	46.4%	5,102	764	17.6%	3,544	-1,558	-30.5%	3,361	-183	-5.2%	3,819	458	13.6%	4,613	794	20.8%	1,650	55.7%
Utilities	1,361	1,691	2,255	564	33.4%	2,586	331	14.7%	2,742	156	6.0%	2,683	-58	-2.1%	2,372	-311	-11.6%	1,983	-389	-16.4%	292	17.3%
Construction	32,331	32,567	30,078	-2,489	-7.6%	29,973	-105	-0.3%	29,397	-576	-1.9%	27,405	-1991	-6.8%	26,148	-1258	-4.6%	27,039	891	3.4%	-5,528	-17.0%
Manufacturing	26,657	26,934	25,604	-1,330	-4.9%	24,191	-1,413	-5.5%	25,493	1,302	5.4%	26,491	998	3.9%	26,463	-28	-0.1%	26,713	249	0.9%	-221	-0.8%
Wholesale & Retail Trade	48,589	50,571	45,364	-5,207	-10.3%	43,572	-1,792	-3.9%	44,500	928	2.1%	43,762	-738	-1.7%	44,078	316	0.7%	44,837	759	1.7%	-5,734	-11.3%
Transportation & Warehousing	28,739	27,731	24,350	-3,381	-12.2%	22,204	-2,146	-8.8%	23,277	1,073	4.8%	23,764	488	2.1%	24,642	878	3.7%	25,552	910	3.7%	-2,179	-7.9%
Finance, Insurance, Real Estate (rental & leasing)	21,170	18,545	16,806	-1,739	-9.4%	16,000	-806	-4.8%	16,680	680	4.2%	17,407	727	4.4%	18,245	838	4.8%	18,040	-206	-1.1%	-505	-2.7%
Professional, Scientific & Technical Services	19,396	19,321	19,183	-138	-0.7%	19,822	639	3.3%	19,797	-25	-0.1%	19,709	-88	-0.4%	19,885	175	0.9%	20,261	376	1.9%	940	4.9%
Business, Building & Other Support Services	16,729	13,904	13,543	-361	-2.6%	9,946	-3,597	-26.6%	12,408	2,462	24.8%	13,760	1352	10.9%	14,219	459	3.3%	14,098	-121	-0.8%	194	1.4%
Educational Services	15,652	16,495	15,446	-1,049	-6.4%	13,915	-1,531	-9.9%	12,954	-961	-6.9%	14,005	1051	8.1%	15,746	1741	12.4%	16,437	690	4.4%	-58	-0.4%
Health Care & Social Assistance	33,453	33,328	32,286	-1,042	-3.1%	32,078	-208	-0.6%	31,870	-208	-0.6%	32,411	542	1.7%	32,765	354	1.1%	33,890	1,125	3.4%	562	1.7%
Information, Culture & Recreation	10,921	9,564	8,144	-1,420	-14.8%	7,811	-333	-4.1%	8,181	370	4.7%	8,860	679	8.3%	9,761	901	10.2%	9,822	62	0.6%	258	2.7%
Accommodation & Food Services	18,964	19,642	14,141	-5,501	-28.0%	14,214	73	0.5%	19,735	5,521	38.8%	20,688	954	4.8%	21,147	459	2.2%	21,055	-92	-0.4%	1,413	7.2%
Other Services (except public administration)	13,926	15,134	11,510	-3,624	-23.9%	8,120	-3,390	-29.5%	10,414	2,294	28.3%	10,820	406	3.9%	11,084	264	2.4%	11,064	-20	-0.2%	-4,071	-26.9%
Public Administration	10,422	9,778	8,671	-1,107	-11.3%	8,631	-40	-0.5%	9,255	624	7.2%	9,838	583	6.3%	10,321	483	4.9%	10,422	101	1.0%	644	6.6%

Table 1: Estimated Employment by Industry¹ – 2019, February 2020 through December 2020

Adapted from Table 14-10-0097-01, Statistics Canada

¹ Estimates based on Surrey share of Metro Vancouver (Census Metropolitan Area) by Industry in 2016.

The key information to note from this table is as follows:

- Since the end of July 2020, Surrey has recovered over 29,000 jobs (over 78% of the jobs lost between March and July 2020) with over 4,500 of these recovered jobs being attributed to the month of December. In the last half of 2020, the number of jobs has been on a steady incline.
- The total net deficit since February is now just over 8,000 jobs.

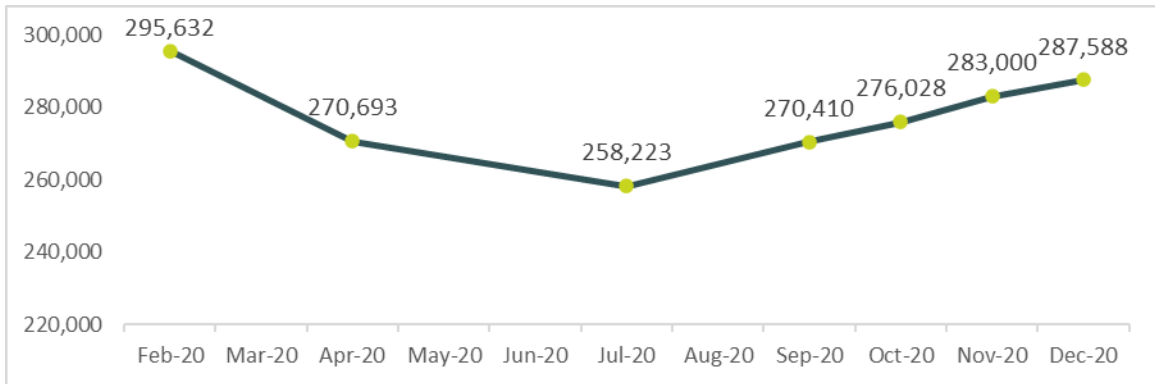


Figure 1: Employment in Surrey (Feb 2020 – Dec 2020)
Adapted from Table 14-10-0097-01, Statistics Canada

- The Utilities industry is the only industry in Surrey that has trended in the opposite direction of overall jobs, with significant gains in the first half of 2020 (over 1,000 jobs gained) and consistent losses in the second half (over 750 jobs lost).

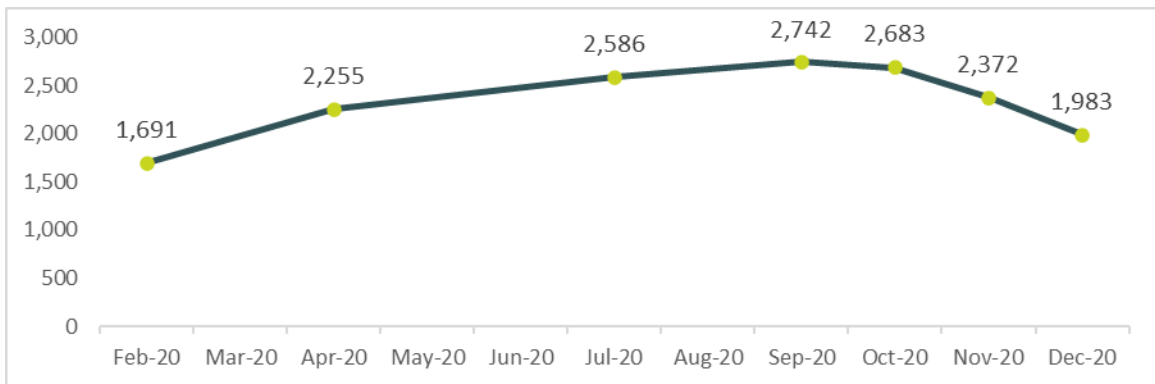


Figure 2: Gain/Loss of Jobs in Utilities in Surrey (Feb 2020 - Dec 2020)
Adapted from Table 14-10-0097-01, Statistics Canada

- The greatest gains in the number of jobs recovered in December 2020 were seen in Health Care & Social Assistance (approximately 1,125 jobs); followed by Transportation & Warehousing (approximately 910 jobs); and Construction (approximately 891 jobs). These three industries made up for more than 60% of the job gains in December 2020.
- The industries that have seen the strongest recovery, in terms of number of jobs recovered since July, include: Accommodation & Food Services (almost 7,000 jobs); Business, Building & Other Support Services (over 4,100 jobs); and Transportation & Warehousing (over 3,300 jobs).

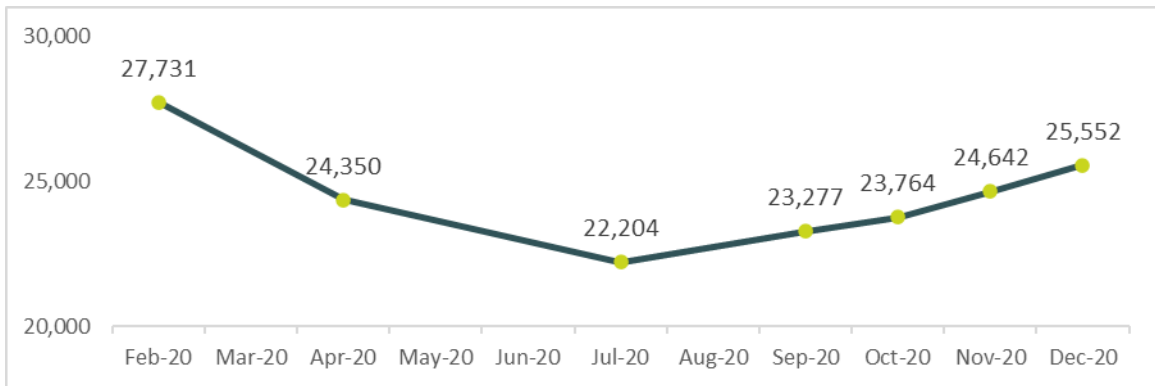


Figure 3: Gain/Loss of Jobs in Transportation & Warehousing in Surrey (Feb 2020 - Dec 2020)
Adapted from Table 14-10-0097-01, Statistics Canada

- Though in December, some jobs were recovered in all of the following industries, they have seen the greatest overall losses since February 2020: Wholesale & Retail (over 5,700 or 11.3% of jobs lost); followed by Construction (over 5,500 or 17.3% of jobs lost); Other Services (almost 4,100 or 26.9% of jobs lost); and Transportation & Warehousing (almost 2,200 or 7.9% of jobs lost).

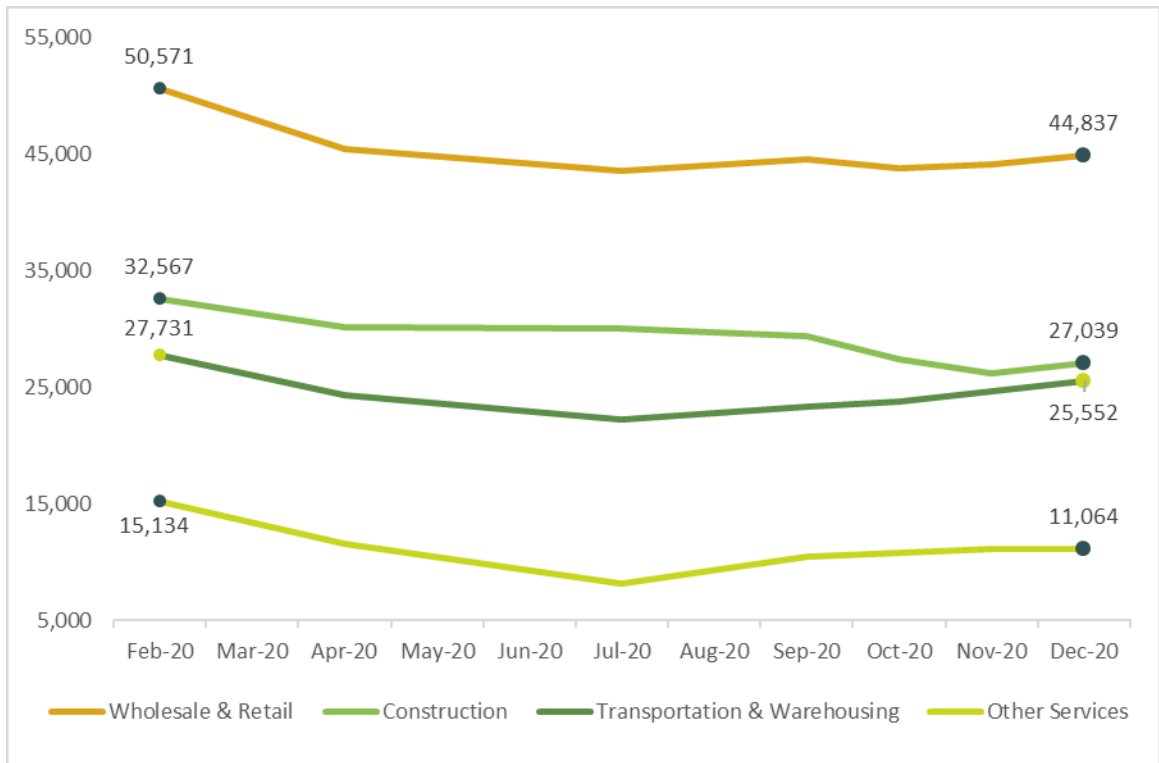


Figure 4: Industries with the Greatest Overall Job Loss Since February 2020
Adapted from Table 14-10-0097-01, Statistics Canada

- Though still the most tumultuous industry, Wholesale & Retail Trade jobs did see gains in the last two months of 2020, likely due to the holiday season.

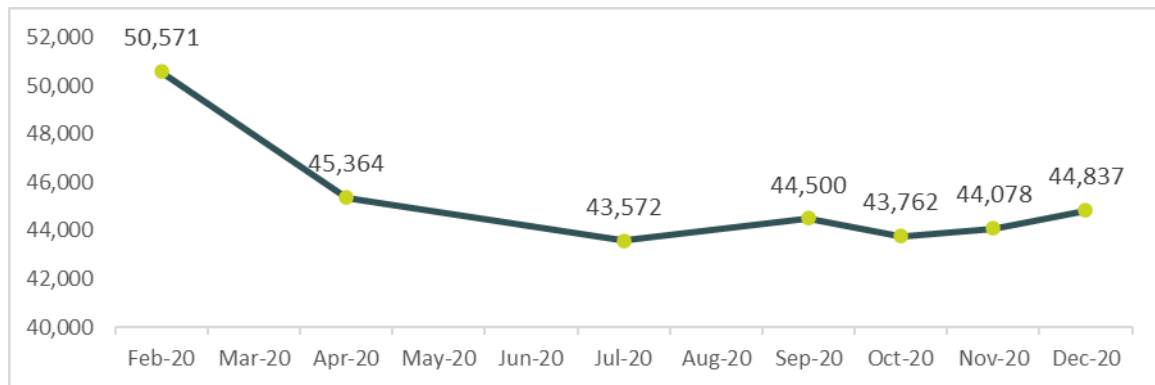


Figure 5: Gain/Loss of Jobs in Wholesale & Retail Trade in Surrey (Feb 2020 - Dec 2020)

Adapted from Table 14-10-0097-01, Statistics Canada

Surrey Employment COVID-19 Impacts BY OCCUPATION – 2019 to December 2020

When we consider employment by occupation in Surrey and impacts by occupation, Table 2 below shows the greatest number of positions were in Sales & Services (over 83,000); Trades, Transport & Equipment Operators (over 55,000); Business, Finance & Administration (over 44,500); Education, Law, Social, Community & Government Services (almost 26,000); and Management Occupations (over 23,500) as of 2019.

National Occupational Classification One-Digit Categories	2019	2020		Change February to April		July		Change April to July		Sept 2020		Change July to September		October		Change Sept to October		Nov 2020		Change October to November		Dec 2020		Change November to December		Change Feb to December	
		Feb 2020	April 2020	Jobs	%	Jobs	%	Jobs	%	Jobs	%	Jobs	%	Jobs	%	Jobs	%	Jobs	%	Jobs	%	Jobs	%	Jobs	%	Jobs	%
Total Employed (all occupations)	297,895	295,632	270,693	-24,939	-8.4%	258,223	-12,470	-4.6%	270,410	12,187	4.7%	276,028	5,618	2.1%	283,000	6,972	2.5%	287,588	4,588	1.6%	-8,044	-2.7%					
Management	23,521	22,572	22,688	116	0.5%	22,855	167	0.7%	21,655	-1,200	-5.3%	21,888	233	1.1%	22,405	517	2.4%	23,588	1,184	5.3%	1,016	4.5%					
Business, Finance & Administration	44,567	41,700	40,535	-1,165	-2.8%	40,947	412	1.0%	43,420	2,473	6.0%	43,151	-269	-0.6%	43,778	627	1.5%	43,778	0	0.0%	2,078	5.0%					
Natural & Applied Sciences and related	19,276	19,670	17,729	-1,941	-9.9%	17,898	169	1.0%	20,330	2,432	13.6%	21,722	1,392	6.8%	23,156	1,434	6.6%	23,719	562	2.4%	4,049	20.6%					
Health	19,511	20,733	20,206	-527	-2.5%	23,388	3,182	15.7%	21,892	-1,496	-6.4%	20,881	-1,011	-4.6%	19,364	-1,517	-7.3%	18,963	-400	-2.1%	-1,770	-8.5%					
Education, Law & Social, Community and Government Services	25,946	26,195	24,584	-1,611	-6.1%	21,945	-2,639	-10.7%	21,015	-930	-4.2%	22,642	1,627	7.7%	24,833	2,191	9.7%	25,780	946	3.8%	-415	-1.6%					
Art, Culture, Recreation & Sport	6,715	6,557	5,305	-1,252	-19.1%	4,960	-345	-6.5%	5,956	996	20.1%	6,064	108	1.8%	5,729	-335	-5.5%	5,542	-187	-3.3%	-1,015	-15.5%					
Sales & Services	83,179	82,882	68,403	-14,479	-17.5%	56,387	-12,016	-17.6%	65,049	8,662	15.4%	67,788	2,739	4.2%	71,184	3,397	5.0%	72,310	1,125	1.6%	-10,572	-12.8%					
Trades, Transport & Equipment Operators & related	55,223	58,549	55,680	-2,869	-4.9%	49,609	-6,071	-10.9%	49,456	-153	-0.3%	50,616	1,159	2.3%	50,494	-122	-0.2%	52,050	1,556	3.1%	-6,499	-11.1%					
Natural Resources, Agriculture & related Production	4,150	3,368	4,992	1,624	48.2%	5,533	541	10.8%	4,511	-1,022	-18.5%	3,909	-601	-13.3%	3,879	-30	-0.8%	4,330	451	11.6%	962	28.6%					
Manufacturing & Utilities	14,982	13,359	11,012	-2,347	-17.6%	15,430	4,418	40.1%	16,120	690	4.5%	15,188	-932	-5.8%	15,050	-138	-0.9%	14,360	-690	-4.6%	1,001	7.5%					

Table 2: Estimated Employment by Occupation² – 2019, February 2020 and December 2020 Surrey, BC

Adapted from Table: 14-10-0313-01, Statistics Canada

Table 2 above shows employment change between February 2020 and December 2020 in Surrey, by occupation.

² Estimates based on Surrey share of Metro Vancouver (Census Metropolitan Area) by Industry in 2016.

The key information to note from this table is as follows:

- Employment losses by occupation in December 2020 were seen in Manufacturing & Utilities occupations (approximately 690 jobs), Health occupations (approximately 400 jobs) and Art, Culture, Recreation & Sport occupations (approximately 187 jobs) in Surrey.
- Though Sales & Services occupations have seen a steady increase in jobs since July (over 1,000 jobs gained in December 2020), these occupations have seen the greatest overall loss in Surrey (over 10,000 jobs lost) since the beginning of the pandemic.

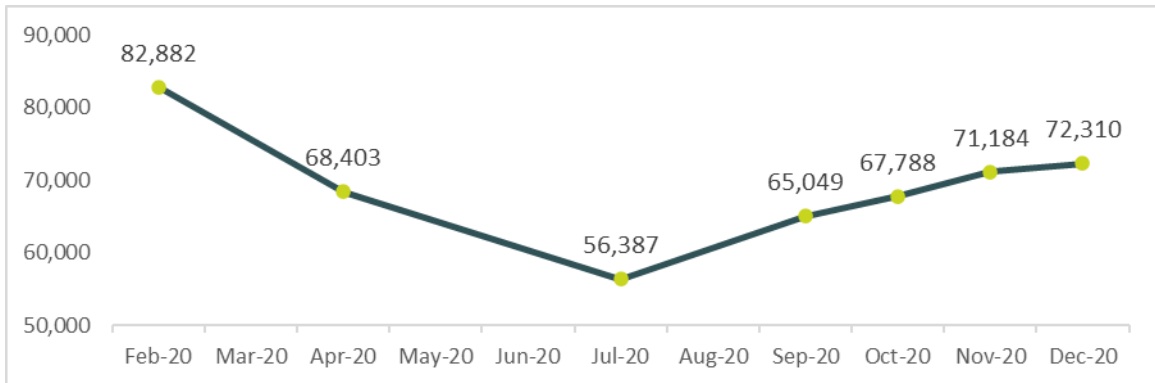


Figure 6: Gain/Loss of Jobs in Sales & Services Occupations (Feb 2020 - Dec 2020)
Adapted from Table: 14-10-0313-01, Statistics Canada

- Manufacturing & Utilities occupations show an overall net gain of jobs when compared to February 2020 (approximately 1,000 jobs), however these occupations have continually posted a job loss in every month of Q4 2020.

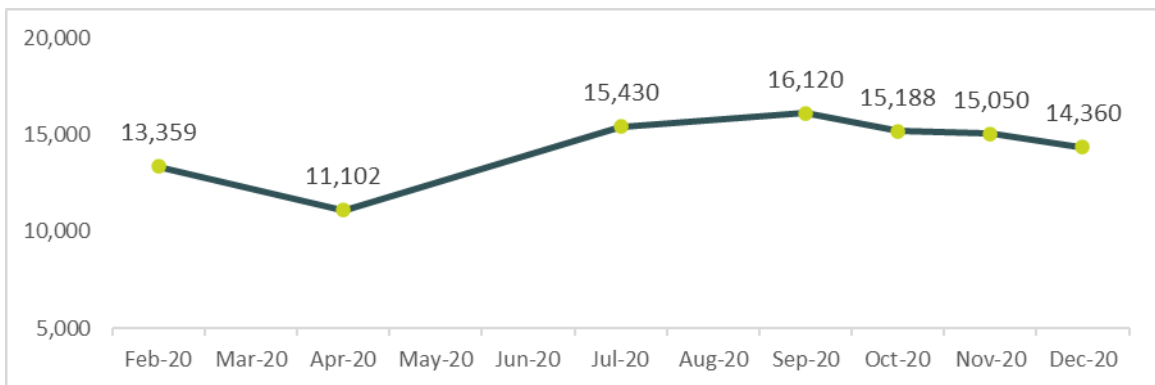


Figure 7: Gain/Loss of Jobs in Manufacturing & Utilities Occupations (Feb 2020 - Dec 2020)
Adapted from Table: 14-10-0313-01, Statistics Canada

- The following classifications of occupations have seen a net gain in jobs when compared to February 2020 (pre-pandemic): Natural & Applied Sciences occupations (over 4,000 jobs); Business, Finance & Administration occupations (over 2,000 jobs); and Management (over 1,000 jobs).

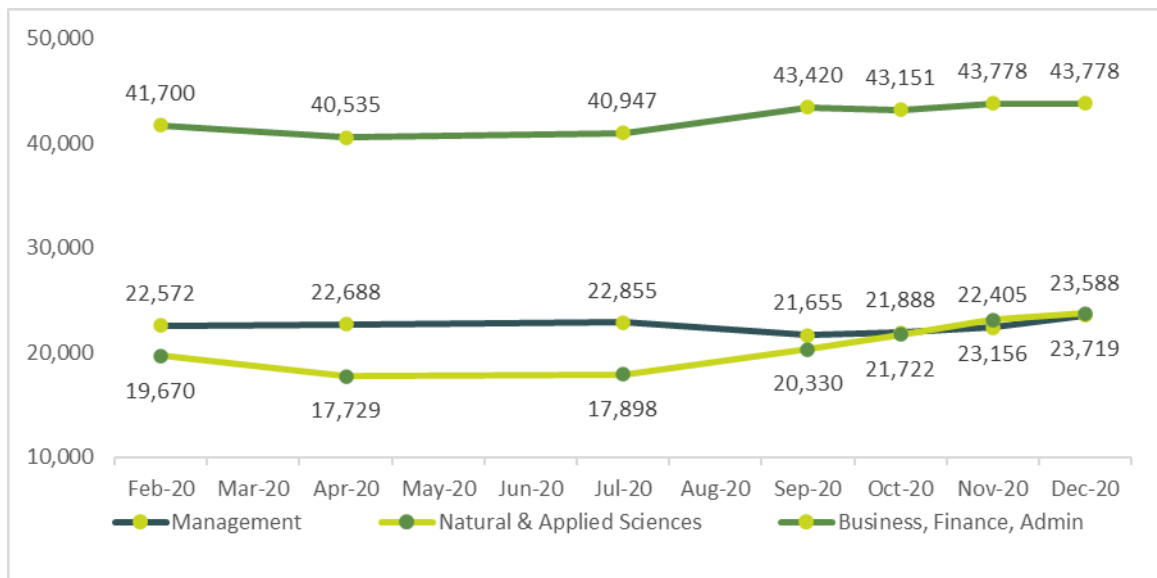


Figure 8: Gain/Loss of Jobs in Management, Natural & Applied Sciences and Business, Finance & Administration Occupations (Feb 2020 - Dec 2020)
Adapted from Table: 14-10-0313-01, Statistics Canada

- Occupations in Education, Law and Social, Community and Government Services continued to see an upward trend, with an increase of more than 20% since September 2020.

2. COVID-19's Impact on Remote Working

Surrey and BC businesses in general have identified significant remote work trends during the pandemic, some which are expected to continue, perhaps more modestly, after COVID-19. Before looking at the BC and Surrey situations in this regard, we put this in the context of the global labour market.

According to a McKinsey Global Institute (MGI) analysis³, COVID-19 has broken through cultural and technological barriers, ensuring remote work, at least for some, will continue on post-pandemic.

MGI indicates that the potential for remote work is based on tasks and activities and not necessarily on occupation. Specifically, "The potential for remote work depends on the mix of activities undertaken in each occupation and on their physical, spatial, and interpersonal context."

Based on US data, the MGI analysis found that the activities with the highest potential for remote work were updating knowledge and learning, interacting with computers, thinking creatively, communicating with and guiding colleagues or clients, and processing, analyzing and interpreting data. MGI assessed that at least 43% of an employee's time could be spent remotely on these activities without productivity loss. The following figure shows the potential for remote work for key activities, as assessed by the study on the following page.

³ Susan Lund, Anu Madgavakar, James Manyika and Sven Smit. "What's next for remote work: An analysis of 2,000 tasks, 800 jobs and nine countries?" McKinsey Global Institute. November 2020.

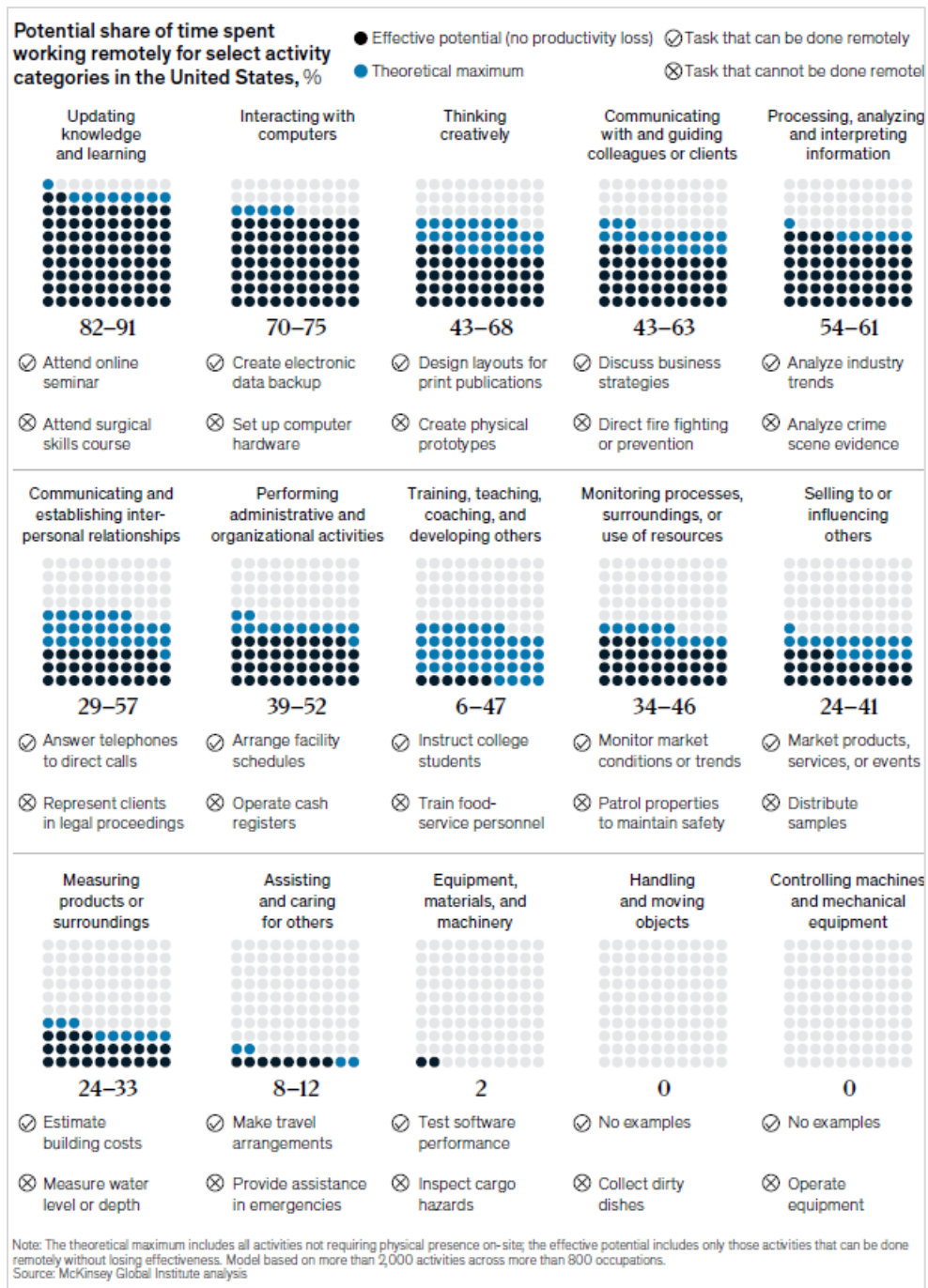


Figure 9: Potential share of time spent working remotely for select activity categories in the United States, %

McKinsey Global Institute also found that the Finance, Management, Professional Services and IT sectors have the greatest potential for remote work, with more than 50% of employee time being spent on activities that can be done remotely without productivity loss.

The following figure shows the effective potential of employee work by industry:

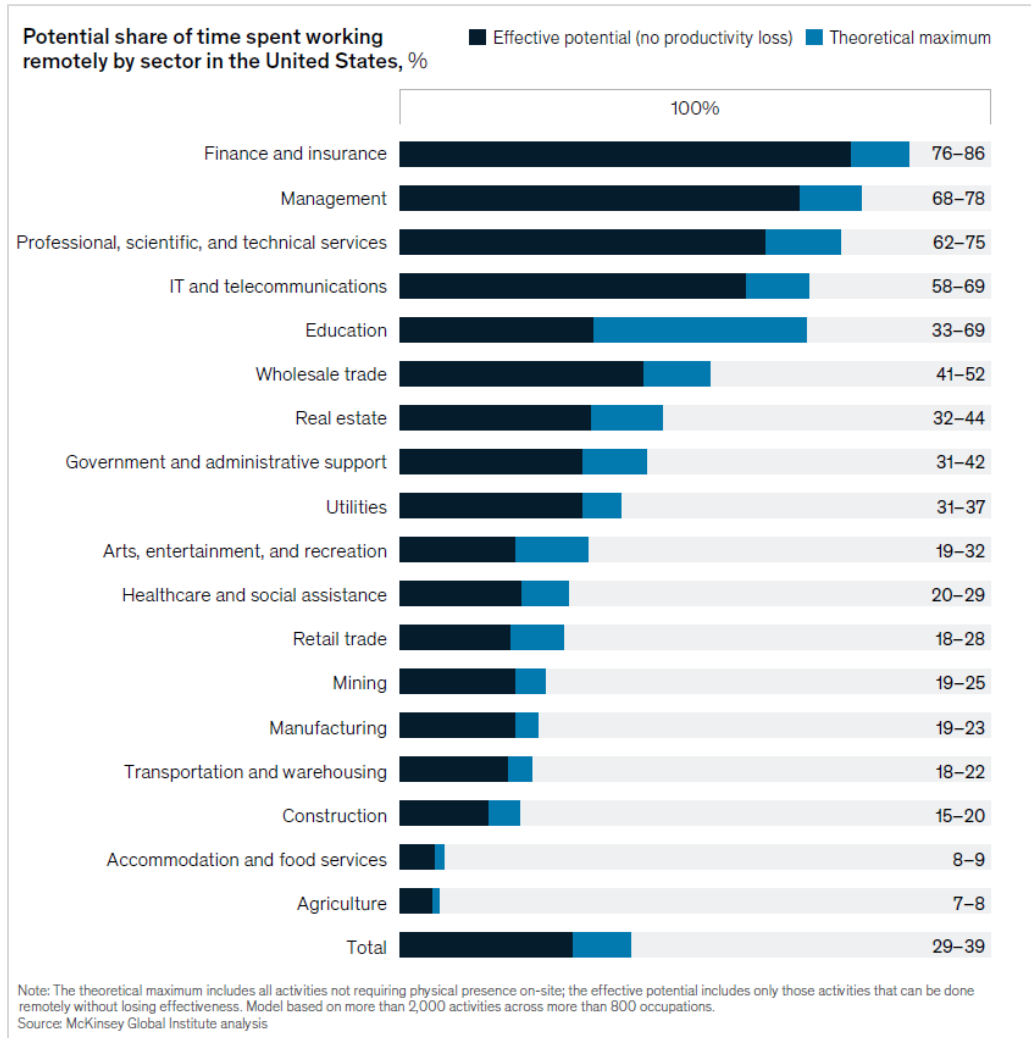


Figure 10: Potential for remote work by sector in the United States, %

Similarly, in November 2020, Statistics Canada published data on the anticipated rate of remote work post-pandemic. Table 3 examines the percentage of the workforce anticipated to continue primarily tele-working or working remotely after the pandemic in BC, by industry.

North American Industry Classification System	0% - 1%	1% - 9%	10% - 19%	20% - 29%	30% - 39%	40% - 49%	50% - 59%	60% - 69%	70% - 79%	80% - 89%	90% - 99%	100%
All Industries	39%	6%	7%	11%	4%	2%	10%	1%	1%	2%	0%	17%
Agriculture, Forestry, Fishing & Hunting		7%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Mining, Quarrying and Oil & Gas extraction	42%	7%	2%	3%	3%	0%	22%	0%	0%	0%	0%	21%
Construction		15%	0%	1%	0%	0%	11%	0%	0%		0%	0%
Manufacturing	47%	23%	0%	8%	5%	0%	11%	0%	0%	0%	0%	6%
Wholesale Trade	49%	5%	10%	6%	8%	0%	2%	0%	6%	2%	0%	13%
Retail Trade		0%	0%	12%	0%	11%	0%	0%	2%	11%	0%	2%
Transportation & Warehousing		30%	4%		1%	0%	6%	0%	0%	0%	0%	0%
Information & Culture	28%	9%	12%	2%	9%	0%	11%	2%	0%	5%	8%	15%
Finance & Insurance	36%	9%	3%	18%	2%	0%	15%	0%	1%	0%	0%	16%
Real Estate, Rental, Leasing	46%	1%	4%	5%	0%	0%	6%	6%	1%	2%	0%	30%
Professional, Scientific & Technical Services	23%	5%	7%	18%	0%	1%	11%	0%	0%	1%	0%	34%
Administrative and Support, Waste Management and Remediation	24%	1%	15%	16%	3%	0%	25%	2%	2%	0%	0%	13%
Health Care & Social Assistance	42%	9%	8%	7%	19%	3%	9%	0%	2%	0%	0%	2%
Arts, Entertainment & Recreations	55%	4%	12%	4%	7%	0%	2%	2%	0%	0%	0%	13%
Accommodation & Food Services		5%	0%	0%	11%	0%		0%		0%	0%	0%
Other Services (except public admin)	70%	2%	15%	2%	3%	5%	5%	0%	0%	0%	0%	0%

Table 3: Anticipated Tele-work or Remote Work Post-Pandemic in BC by Industry (2020)⁴

Adapted from Table: 33-10-0274-01, Statistics Canada

The data table shows that 17% of BC businesses across all industries expect 100% of their staff to continue primarily tele-working or working remotely, even after the pandemic. More than 30% of businesses in the Real Estate, Rental & Leasing Industry, and 34% of businesses in the Professional, Scientific & Technical Services industry, expect that 100% of their staff will continue to primarily tele-work or work remotely after the pandemic.

According to the MGI analysis, in advanced economies such as the US and Canada, more than 25% percent of their workforce time could be dedicated to working remotely without losing productivity. In the US, 39% of the workforce could work remotely at least one day of the week without losing productivity.

This shift from roughly 5-7% percent of employees regularly working from home before the pandemic to a 15-20% spending more time at home, after the pandemic, is expected to have profound impact on urban economies. Specifically, businesses in commercial real estate, residential real estate and transportation are expected to see the affects quickly. It is also expected that these changes will have a trickledown effect on food services, clothing, digital technology businesses and more.

3. A Focus on Mental Health and the Labour Force

As the seasons have turned and the dark, dreary days of winter take over, mental health is normally expected to decline for Canadians. This year, with a pandemic and continued restrictions to battle the second wave, this decline is intensified.

According to the Mental Health Index⁵ published by Morneau Shepell each month, December marks the ninth consecutive month where the mental health of Canadians has been significantly lower than prior to the pandemic. In December, the overall Mental Health Index for Canadians was reported to be -11.8 (or 11.8 points lower than the pre-pandemic benchmark), the lowest it has been since the beginning of the pandemic.

⁴ Blank cells indicate that data quality was too unreliable to be published.

⁵ <https://www.morneaushepell.com/sites/default/files/assets/paragraphs/resource-list/canadaengmhidecember2020final.pdf>



Figure 11: Overall Mental Health Index April 2020 to December 2020
Morneau Shepell ‘The Mental Health Index Report’ – Canada December 2020

The Mental Health sub-scores, for almost all key risk areas, declined from November to December 2020, including work productivity, which dropped to -12.4 in December from -11.1 in November.

MHI sub-scores ²	December 2020	November 2020
Optimism	-14.1	-12.9
Depression	-13.9	-12.5
Anxiety	-13.0	-12.5
Work productivity	-12.4	-11.1
Isolation	-12.0	-11.1
Psychological health	-3.6	-3.2
Financial risk	3.2	2.9

Table 4: Mental Health Index Sub-Indicators November 2020 vs December 2020
Morneau Shepell ‘The Mental Health Index Report’ – Canada December 2020

Though declining from November to December, overall, British Columbians have indicated a slightly better Mental Health Index score (-11.5 in December 2020) when compared to Canada as a whole.

Employment and Mental Health

Based on employment status, the report states that those who were still employed but saw a reduction in salary indicated the lowest score (-22.5), while those who had a reduction in their number of working hours indicated a score of -17.5, and those who were not employed have a mental health score of -19.0 in December 2020. Those who were self-employed had the highest mental health score of employees, at -6.1.

When broken down by employer size, with those working for mid-sized companies showed the lowest mental health scores: 51-100 employees (-15.4) and 101 – 500 employees (-13.2).

The Morneau Shepell Mental Health Index breaks down changes in mental health score by industry in the following table:

Industry	December 2020	November 2020	Improvement
Information and Cultural Industries	-16.8	-20.4	3.6
Construction	-9.1	-11.9	2.8
Arts, Entertainment and Recreation	-13.2	-15.6	2.4
Other services (except Public Administration)	-10.4	-11.2	0.8
Other	-7.6	-8.2	0.6
Transportation and Warehousing	-10.2	-10.8	0.5
Educational Services	-13.0	-13.1	0.1
Real Estate, Rental and Leasing	-6.9	-7.0	0.1
Public Administration	-10.0	-10.0	0.0
Management of Companies and Enterprises	-17.5	-17.4	-0.1
Full-time student	-24.9	-24.3	-0.6
Wholesale Trade	-11.5	-10.7	-0.8
Manufacturing	-10.9	-9.7	-1.2
Professional, Scientific and Technical Services	-9.3	-7.9	-1.3
Retail Trade	-13.6	-11.8	-1.8
Agriculture, Forestry, Fishing and Hunting	-9.3	-7.4	-1.9
Health Care and Social Assistance	-12.8	-10.7	-2.1
Finance and Insurance	-14.9	-12.1	-2.8
Accommodation and Food Services	-15.5	-12.3	-3.2
Utilities	-14.0	-10.6	-3.5
Automotive Industry	-13.1	-9.1	-4.0
Mining and Oil and Gas Extraction	-12.0	-7.7	-4.3

Table 5: Change in Mental Health Index Score by Industry November to December 2020
Morneau Shepell 'The Mental Health Index Report' – Canada December 2020

Those working in the Accommodation and Food Services industries indicated a sharp decline in mental health score, going from industry with the greatest improvement in mental health from October to November, to one of the greatest declines from November to December, with current Mental Health Score of -15.5. Full-time students continue to post the lowest score at -24.9, for the seventh consecutive month. Mining and Oil and Gas Extraction saw the greatest decline last month with Mental Health Index dropping from -7.7 to -12.0.

The highest mental health scores in December are stated among those in Real Estate, Rental and Leasing (-6.9); Constructions (-9.1); Professional, Scientific and Technical Services (-9.3); and Agriculture, Forestry, Fishing and Hunting (-9.3).

What Does this Mean?

The long-term impact of continued mental health concerns means lower productivity, higher health and disability costs for businesses, and a decline in the available labour force.

Morneau Shepell reports that 28% of individuals surveyed indicated that they have considered leaving their job since the beginning of 2020. Of those who indicated that they have considered leaving their job in 2020, 53% reported their reason for leaving is mental stress and strain at work.

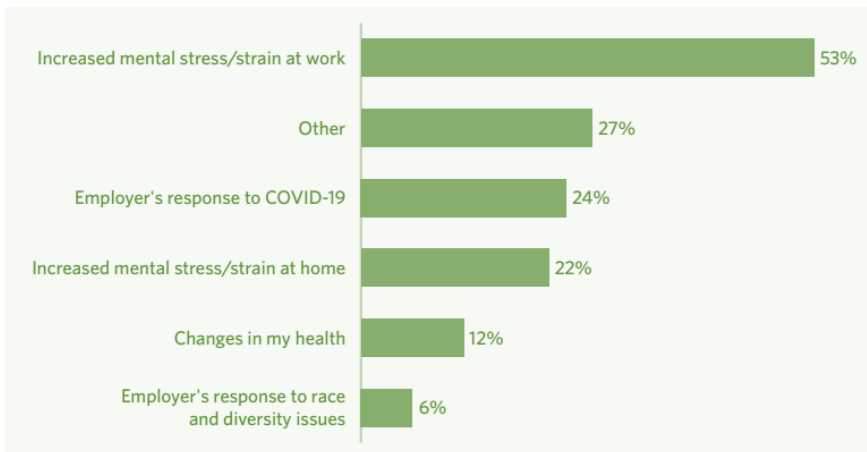


Figure 12: Reasons employees are thinking about leaving their jobs
Morneau Shepell 'The Mental Health Index Report' – Canada December 2020

Figure 13, below, shows the Mental Health Index score by reasons employees are thinking about leaving their job.

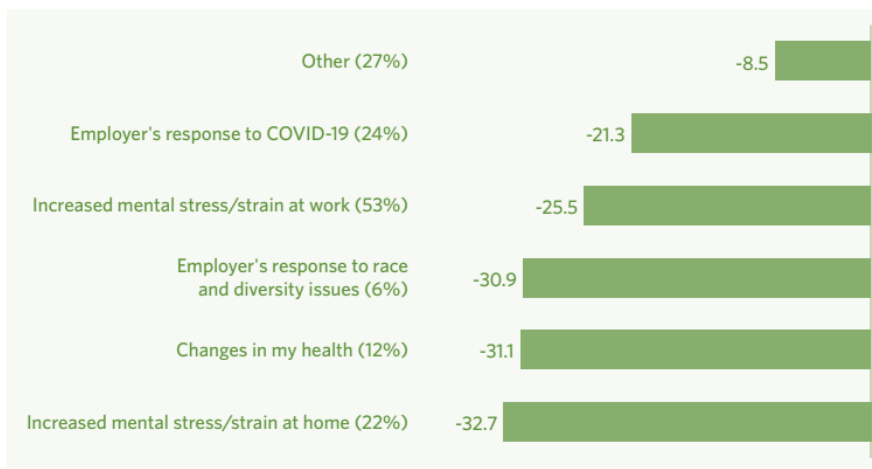


Figure 13: MHI Score by reason for employees considering leaving their job
Morneau Shepell 'The Mental Health Index Report' – Canada December 2020

Expanding mental health support and shifting your business to offer greater flexibility can help navigate the many challenges associated with mental health in the labour force. More resources on mental health in the workplace can be found in the [Workforce Reset Playbook](#). As part of the [Workforce Reset](#) Labour Market Partnership project funded by the BC Ministry of Social Development and Poverty Reduction, the Surrey Board of Trade released the first COVID-19 Playbook for Workforce and Employer Resilience. The Playbook is a digital document produced through a collaboration of Surrey service providers, the Surrey Board of Trade, employers, and industry groups, working together in a coordinated and collaborative approach on workforce priorities in a real-time, rapid-response structure to help with economic recovery.

4. URGENT POST-SCRIPT: Statistics Canada’s December 2020 Labour Force Survey Results

SURREY BUSINESS LEADERSHIP PERSPECTIVE

BC Labour Force Survey Data

Statistics Canada Labour Force Survey, December 2020 (Released January 8, 2021)

VACCINES WILL LEAD TO ECONOMIC RECOVERY BUT DECEMBER 2020 LABOUR FORCE STATISTICS STILL PRESENT A DISMAL ECONOMIC FUTURE

The Surrey Board of Trade, in conjunction with Human Capital Strategies, through the Surrey Pandemic Rapid Response Business Centre, releases our latest ‘Surrey Business Leadership Perspective on the BC Labour Force Survey’ for December 2020.

“Now that vaccines are being rolled out in BC and Canada, we must work to understand and anticipate the implications for businesses, workforces and communities. Businesses will need to look at how they can help expedite employee vaccination, develop policies that reflect this new reality and effectively manage a mixed workforce of vaccinated and non-vaccinated,” said Anita Huberman, CEO, Surrey Board of Trade.

CANADA:

Employment recovery slowed or reversed across the country in December 2020. All provinces except BC (see below) and Nova Scotia (+400) lost jobs since November, with the biggest losers being the prairie provinces and Quebec. Only Newfoundland and Labrador have recovered to February 2020 employment levels.

BC:

BC’s job recovery slowed in December by a growth of 3,800 jobs or a +0.15% increase. While the net job growth was small, full-time employment grew by 24,000 or +1.2% in December and part-time dropped by over 20,000 (-3.6%), similar to the national trend.

GENERAL:

BC remains well positioned fiscally, economically and public health-wise to survive any further adverse labour market impacts of this pandemic. However, our economy and labour market continue to be in a volatile period of uncertainty with this COVID-19 ‘second wave’ surge (exacerbated by increased holiday risk-taking), health care pressures and more pressures on high-touch and service businesses, households and social networks to double-down. Records in new cases and hospitalizations continue to be set in some of Canada’s larger provinces.

We must keep in mind that these statistics reflect labour market behaviour in mid-December. With further restrictions on the movement, socializing, operations and behaviour of businesses, workers and consumers in the last month (and extended to February 5) due to the implications of the holiday season that has just ended, business and job growth may further be threatened.

MORE INFORMATION:

SURREY BUSINESS LEADERSHIP PERSPECTIVE

BC Labour Force Survey Data

Statistics Canada Labour Force Survey, December 2020 (Released January 8, 2021)

<p>Overall – Canada</p>	<ul style="list-style-type: none"> • Employment recovery slowed or reversed across the country in December 2020. All provinces except BC (see below) and Nova Scotia (+400) lost jobs since November, with the biggest losers being the prairie provinces and Quebec. Only Newfoundland and Labrador have recovered to February 2020 employment levels. • Canada dropped -62,600 jobs between November and December 2020, a -0.3% decrease compared to a monthly average of +2.7% since May. Full-time employment in Canada increased by 36,500, but part-
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	<p>time jobs decreased by -99,000. The back to work trend has increased employment by 2.37 million jobs for a +14.6% increase since April.</p> <ul style="list-style-type: none"> • The unemployment rate rose slightly from 8.5% in November to 8.6% in December, remaining appreciably higher than the 5.6% in February 2020. • Employment in Canada still remains over 636,000 or -3.3% lower than pre-pandemic levels in February 2020. • Employment decreased in accommodation and food services; other services; and information, culture and recreation services – all impacted by public health measures. Service-producing sector jobs level declined by -74,000 or -0.5% in December, the first drop since April. • Employment in the goods-producing sector changed little in December in Canada, however, manufacturing jobs increased by 15,000 or almost +1.0%. • Total hours worked declined by 0.3% in December for the first time since April 2020.
Overall - BC	<ul style="list-style-type: none"> • BC's job recovery slowed in December by a growth of 3,800 jobs or a +0.15% increase. While the net job growth was small, full-time employment grew by 24,000 or +1.2% in December and part-time dropped by over 20,000 (-3.6%), similar to the national trend. • This means BC had an increase in employment of almost 363,000 jobs (or +16.9%) since the BC recovery started in April, a monthly average of over 2.1% over 8 months. • BC's unemployment rate increased to 7.2% in December from 7.1% in November; it remains higher than the rate of 5% in February 2020, but substantially lower than the peak of 13.4% in May 2020. • Other provinces either saw slight drops or small increases in unemployment rates in December. Most significant drop was in Quebec (5 percentage points to 6.7%) and biggest increases in the unemployment rate were in Saskatchewan, Manitoba, Ontario and Nova Scotia (+2.2 percentage points to 8.6%). • Employment in BC remains down by -33,600 jobs since February, a -1.3% deficit.
Goods-Producing Industries	<ul style="list-style-type: none"> • Bucking a national trend, BC's goods-producing sector is mostly a good story in December 2020. • Overall, goods-producing industries in BC saw a +1.7% gain of 8,100 jobs in December 2020. • Collectively goods industries have gained over 46,800 jobs since April and now slightly exceed February 2020 employment levels by 400 jobs. All goods industries in BC exceeded February employment in December 2020, except for construction which remains -27,800 or -11.6% lower than pre-pandemic levels. However, for the second month in a row, BC's construction saw significant gains, 6,600 or +3.2% in December. • Manufacturing also increased since November with a 3,300 or +2.0% job increase. While agriculture, natural resources and utilities all shed jobs slightly in December, they are exceeding February 2020 employment significantly – agriculture by 3,300 or +12.2% above pre-pandemic levels; natural resources by 8,400 or +22%; utilities by 3,500 or +23.6%; and manufacturing by 12,800 or +8.0%. • The above four goods-producing industries have recovered 34,100 jobs since April and now exceed February 2020 employment by 28,000 jobs.
Service-Producing Industries	<ul style="list-style-type: none"> • Employment in the service sector in BC dropped by 4,300 jobs (0.2%) in December, delaying recovery but meaning a total recovery of over 316,200 (+18.5%) since April. However, employment in the sector remains -34,000 lower than in February 2020 (-1.7%). • In December, all but three of the service industries saw employment increases since November. Accommodation and food services dropped by -7,400 (-3.9%) negating its 7,300 increase in the previous month. Other services and finance and related dropped by -1,300 (-0.4%) and 5,700 (-3.5%) jobs in December. • Biggest job increases in December were seen in transportation and warehousing (4,900 or +0.7%); retail and wholesale trade (4,600 or +0.2%); professional, scientific and technical services (PSTS) (2,600 or +1.2%); public administration (2,600 or +2.2%) and health care and social assistance (2,400 or +0.8%). • Some bright news in service industry employment is the fact that PSTS, educational services and health care and social assistance all had employment levels in December that exceed February 2020's pre-pandemic levels, collectively by 36,000 jobs. • Also, despite slowed growth recently, since April 2020 some hard-hit industries have recovered a large number of jobs: <ul style="list-style-type: none"> - By December 2020, accommodation and food services increased by 97,500 (+117%) since April - Other services increased by 64,100 (+25.4%)

	<ul style="list-style-type: none"> - Retail and wholesale trade grew by 49,700 (+15.2%) - Health care and social assistance recovered 32,400 (+11.3%) - Education services increased by 24,400 (+15.2%) - PSTS grew by 19,200 (+8.8%) - Transportation and warehousing, finance and related and public administration also contributed to the net recover of jobs since April • Lastly, four service-producing industries remain well below full-recovery of jobs: <ul style="list-style-type: none"> - Other services (high touch and hard to physically distance) is -26,100 or -7.6% below February levels; - Retail and wholesale is still down 25,900 or -6.4%; - Accommodation and food services jobs remain -14,600 (-7.5%) below employment in February 2020; and, - Public administration and transportation and warehousing remain -8,900 (-7.9%) and -6,800 (-4.9%) lower than February job levels in December 2020.
Occupations	<ul style="list-style-type: none"> • Employment growth and changes in unemployment rates were mixed in occupational categories in BC. The BC unemployment rate has increased to 7.2% but 5 of 10 occupational categories experienced reductions in this rate in December, led by a 2.0-point drop in manufacturing to 2.9% in December, a 1.7-point drop in trades, transport and equipment operator jobs, and a 1.6-point drop in education, law, social, community and government job categories. • Biggest unemployment rate increases in December were in art, culture, recreation and sport (ACRS) from 5.6% to 6.8%; and in health, still very low at 2.1% but up from the November 1.0% rate. • The biggest gains in jobs over the last month were in: natural and applied sciences (15,600 or +6.5%); management positions (2,300 or +0.9%); and health jobs (1,200 or +0.7%). • The biggest employment losses in December were in a number of occupational categories: business, finance and admin (-14,900 or -3.7%); sales and service jobs (-10,700 or -1.8%); and natural resources and agriculture (-7,500 or -12.2%). • Employment in five occupational categories in BC are now at levels above February 2020 (pre-pandemic) and totaling 101,300 jobs above pre-pandemic levels: <ul style="list-style-type: none"> - Natural resources and agriculture: Over +27% above pre-pandemic levels or 11,400 additional jobs; - Manufacturing & utilities: Up +24.3% or 15,700 above February job levels; - Natural & applied sciences: Almost +30% or 59,100 jobs more in December than in February; - Education, law, social, community & government: A +3.2% or 8,500 increase over pre-pandemic levels (ELSCG); and, - Management: 6,600 or +2.7% more jobs last month than in February 2020. • Two job categories account for a deficit of just over -93,000 jobs lost since February. Sales and service employment is still down by over -68,400 jobs (-10.4%) and trades, transport and equipment operators are down by over -24,600 (-6.7%). The former driven by the -high-touch- and big-event services and the latter by trades outside of construction. • Jobs in the ACRS and business, finance and admin categories are also down since February by 10,900 or -12.4% and 18,600 or -4.6%, respectively.
Regions	<ul style="list-style-type: none"> • The unemployment rate declined in BC's urban areas and more of the rural regions except in Thompson-Okanagan and Kootenay. The lowest rates in the province in December are in the Northeast (4.3%), Greater Kelowna (4.7%), Greater Victoria (5.6%) and North Coast & Nechako (5.6%). • The biggest employment changes in December were in Vancouver Metro (21,200 or +1.3%), Kelowna (1,700 or +1.6%) and Abbotsford-Mission (2,600 or +2.7%). Modest job level drops were experienced in Vancouver Island/Coast region (-1.5% or 5,600) and a few of the rural regions. • All development regions in BC had December employment levels higher than in February 2020 except Mainland/Southwest (-36,500 or -2.2%) and Kootenay (-400 or -0.6%).
Age, Gender and Other	<ul style="list-style-type: none"> • The youth (15-24) unemployment rate in BC dropped very slightly in December from 14.1% to 14.0%. Female youth unemployment rate increased back to at 13.2% in December, still appreciably higher than 6.8% rate for female youth in February; and the male youth rate decreased to 14.6% from 16.8% and it is still much higher than the 11.2% pre-pandemic rate. The rate for all ages of women (7.3%) was higher than men of all ages (7.1%) in December. • Overall, over 31,600 less youth are employed in BC now compared to February (-9,900 males and -21,800 females); and there 18,100 more unemployed youth (6,000 males and 12,100 females) since the

	<p>pandemic started. Unemployed increased and employment decreased more for women than men in December.</p> <ul style="list-style-type: none"> • Part-time employment as a percentage of total jobs in December was 21.7% overall, 30.2% for women and 14.0% for men in BC. These ratios are similar to pre-pandemic levels in February. • Full-time employment in BC grew by 24,000 jobs in December while part-time dropped by -20,300. Full-time jobs are still -32,900 below February levels while part-time jobs are -800 below that period. • In terms of 'class of worker', a significant increase was experienced self-employment in December, rising by 14,600 jobs (+3.5%). However, such jobs are still down -13,600 (-3.0%) from February 2020. Private sector jobs dropped -1.2% or 19,200 in December and are down by -50,200 since before the pandemic. Conversely, public sector jobs rose 8,200 in December and are up over 30,000 above February levels.
<p>Summary</p>	<ul style="list-style-type: none"> • The job recovery in Canada and BC since April 2020 has continued but has tapered off in October and November and essentially stalled in December, with less growth in jobs than in previous months. • BC's economy has recovered a massive amount of jobs (363,000) since April but remains -1.3% or -33,600 jobs down since before the pandemic. • BC's goods-producing sector has recovered almost 47,000 jobs since April and collectively now employs slightly more people than in February 2020. • While construction is still a concern having lost a net of 28,000 jobs since February, it has gained over 12,000 jobs since October and hopefully will continue to recover. • The other four goods-producing industries have employment that exceeds pre-COVID by 28,000 jobs and led by manufacturing, natural resources, utilities and agriculture. • While the BC service-producing sector slightly declined by 4,300 jobs in December and accommodation and food services, other services and retail continue to be worrisome in recovery, there are bright spots among service industries. PSTS, educational services and health industries are now at job levels above February 2020, combining for 36,000 jobs above pre-COVID levels. • The BC labour market picture is also showing recovery in some key occupational categories. Employment in five occupational categories in BC are now at levels above February 2020 (pre-pandemic) and totaling 101,300 jobs above pre-pandemic levels: natural resources and agriculture; manufacturing and utilities; natural and applied sciences; education, law, social, community and government; and management. • However, sales and service jobs and trades, transport and equipment operator jobs are still down -93,000 jobs in December compared to February 2020. • BC remains well-positioned fiscally, economically and public health-wise to survive any further adverse labour market impacts of this pandemic. However, our economy and labour market continue to be in a volatile period of uncertainty with this COVID-19 'second wave' surge (exacerbated by increased holiday risk-taking), health care pressures and more pressures on high-touch and service businesses, households and social networks to double-down. Records in new cases and hospitalizations continue to be set in some of Canada's larger provinces. • We must keep in mind that these statistics reflect labour market behaviour in mid-December. With further restrictions on the movement, socializing, operations and behaviour of businesses, workers and consumers in the last month (and extended to February 5) due to the implications of the holiday season that has just ended, business and job growth may further be threatened. • Governments, employers and employees, consumers and parents, students and educators, households, extended families and social groups all have important roles in mitigating COVID-19 impacts and averting an economic and employment contraction. • The December 2020 LFS data provides a picture of continued negative employment impacts and continued recovery in certain sectors, but as our October analysis warned, "economic recovery that will require effective public policies and support, innovative business practices, increased digital transformation, business resilience and a collaborative approach to economic recovery among governments, businesses, workers and public sector service providers." • Now that vaccines are being rolled out in BC and Canada, we must work to understand and anticipate the implications for businesses, workforces and communities. Businesses will need to look at how they can help expedite employee vaccination, develop policies that reflect this new reality and effectively manage a mixed workforce of vaccinated and non-vaccinated, etc.

Source: BC Stats – *Statistics Canada, Labour Force Survey, December 2020*. Released January 8, 2021. Retrieved from https://www2.gov.bc.ca/assets/gov/data/statistics/employment-labour-market/lfs_data_tables.pdf.

Composed by:

Kerry Jothen, B.A., M.A.

CEO + Principal, HUMAN CAPITAL STRATEGIES

kjothen@humancapitalstrategies.ca

and

Anita Huberman

CEO, Surrey Board of Trade

anita@businessinsurrey.com

Source: BC Stats – *Statistics Canada, Labour Force Survey, December 2020*. Released January 8, 2021. Retrieved from <https://www2.gov.bc.ca/gov/content/data/statistics/employment-labour/labour-market-statistics>.



WORKFORCE RESET

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