

COVID19 and the Canadian Labour Market: Lessons for Policy

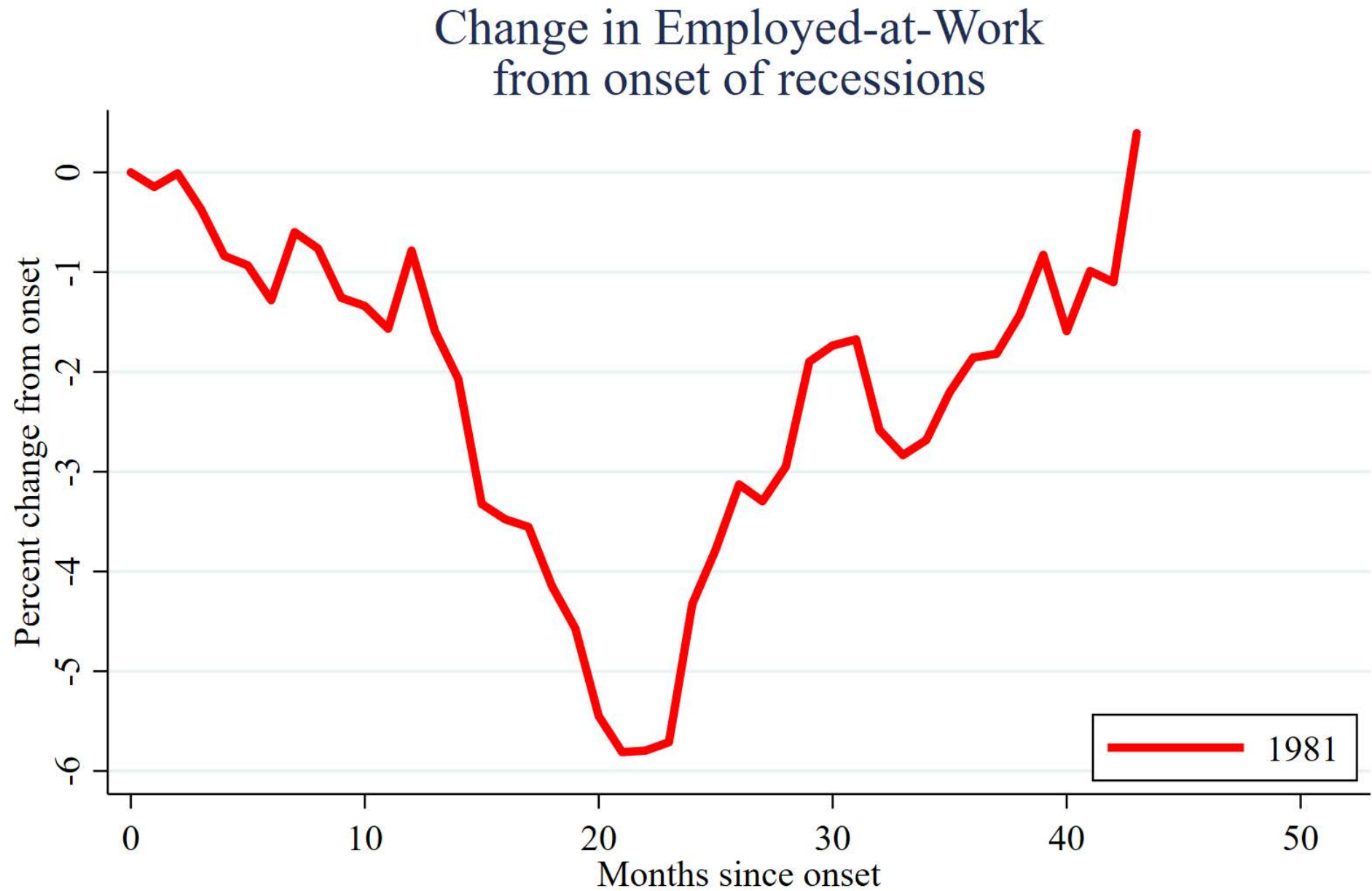
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COVID and the labour market

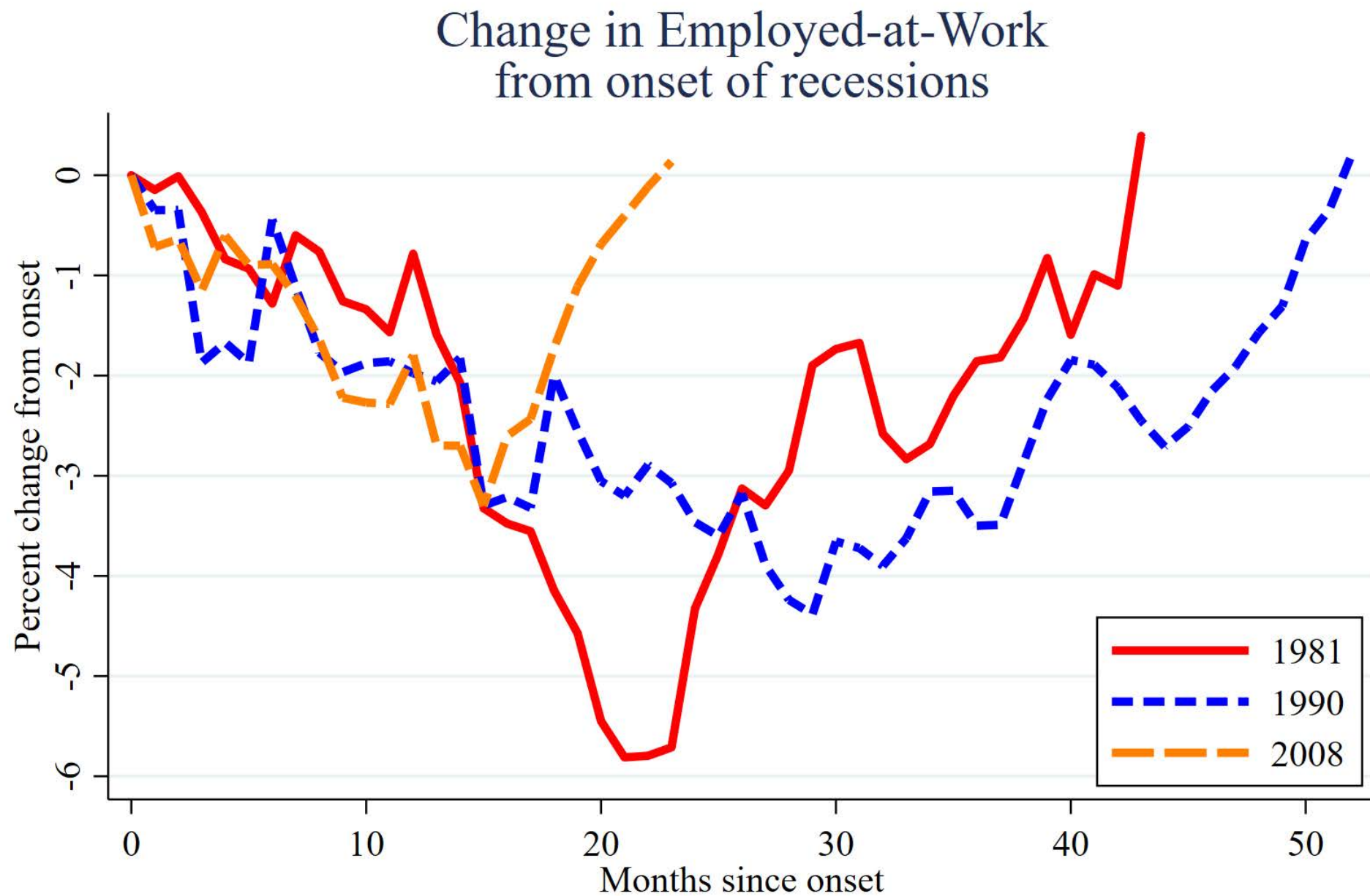
- Overview of the impact.
- Lessons for policy.

1981
recession



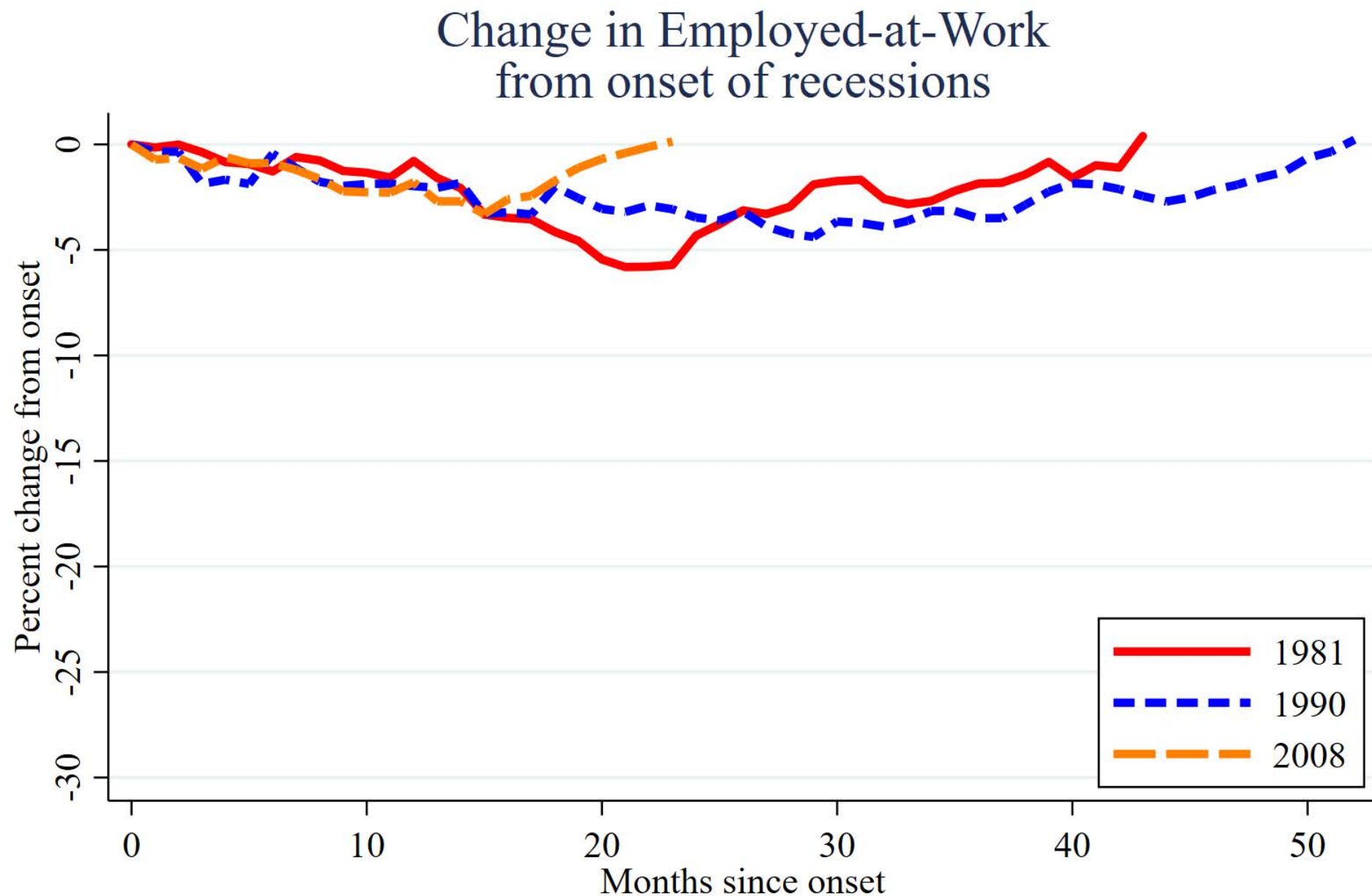
Source: Labour Force Survey
@kevinmilligan

1981
1990
2008
recessions



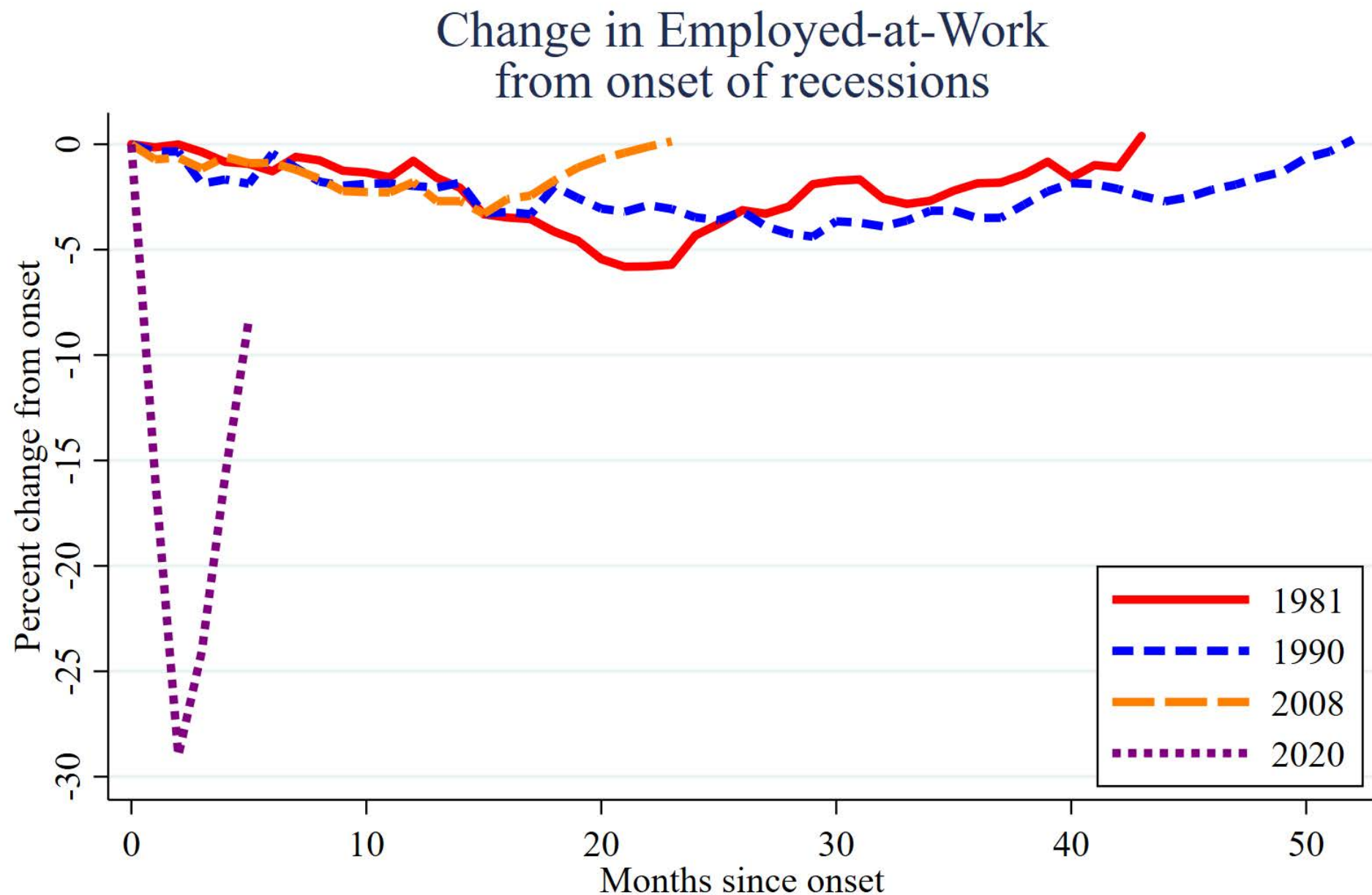
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1981
1990
2008
recessions



Source: Labour Force Survey
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1981
1990
2008
2020
recessions



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Who was
affected?

See Lemieux Milligan Schirle Skuterud (2020):

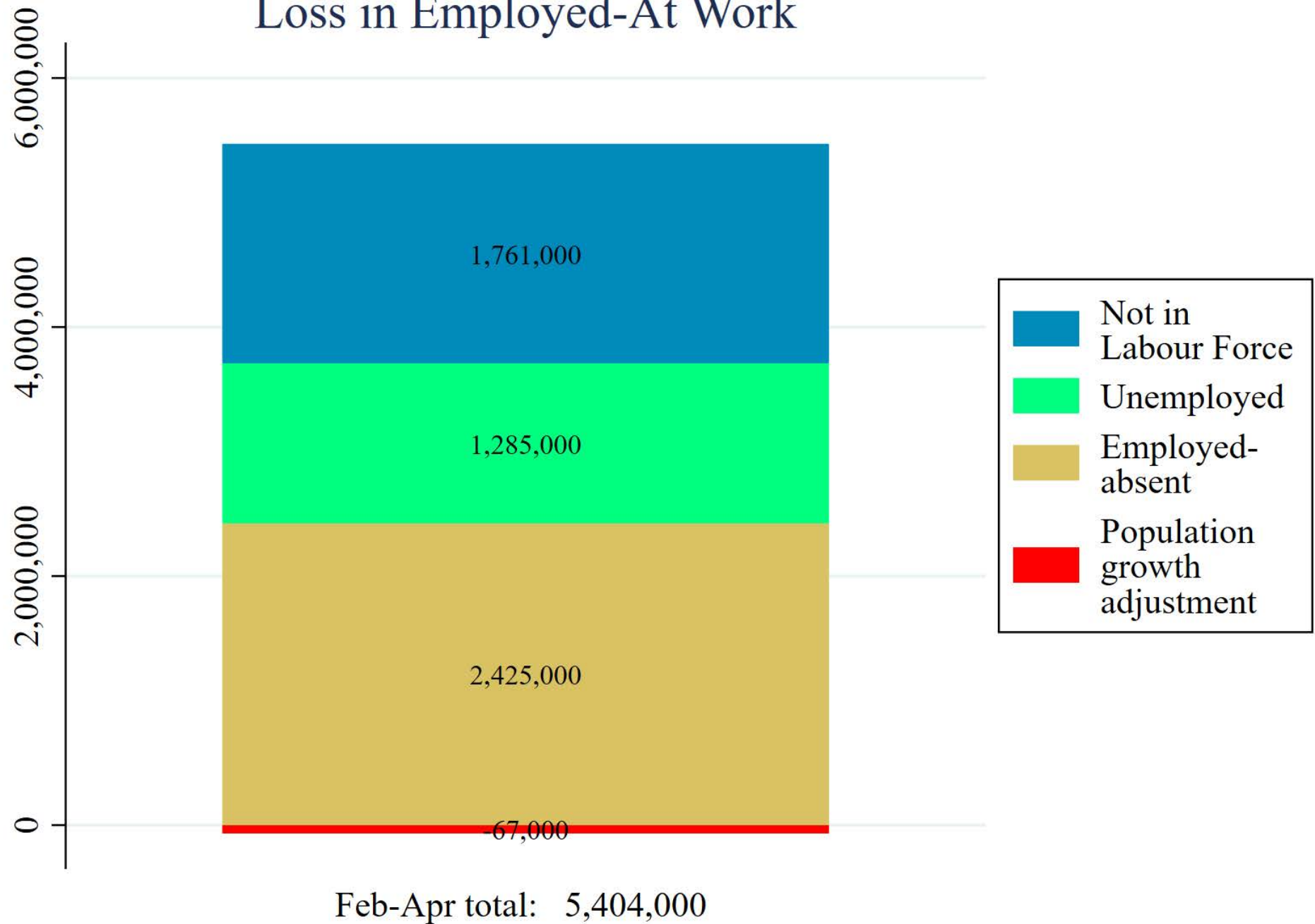
- Low-wage workers.
- Hourly vs salaried.
- Public-facing industry/occupations.
- Women more than men.
- Young.

How do
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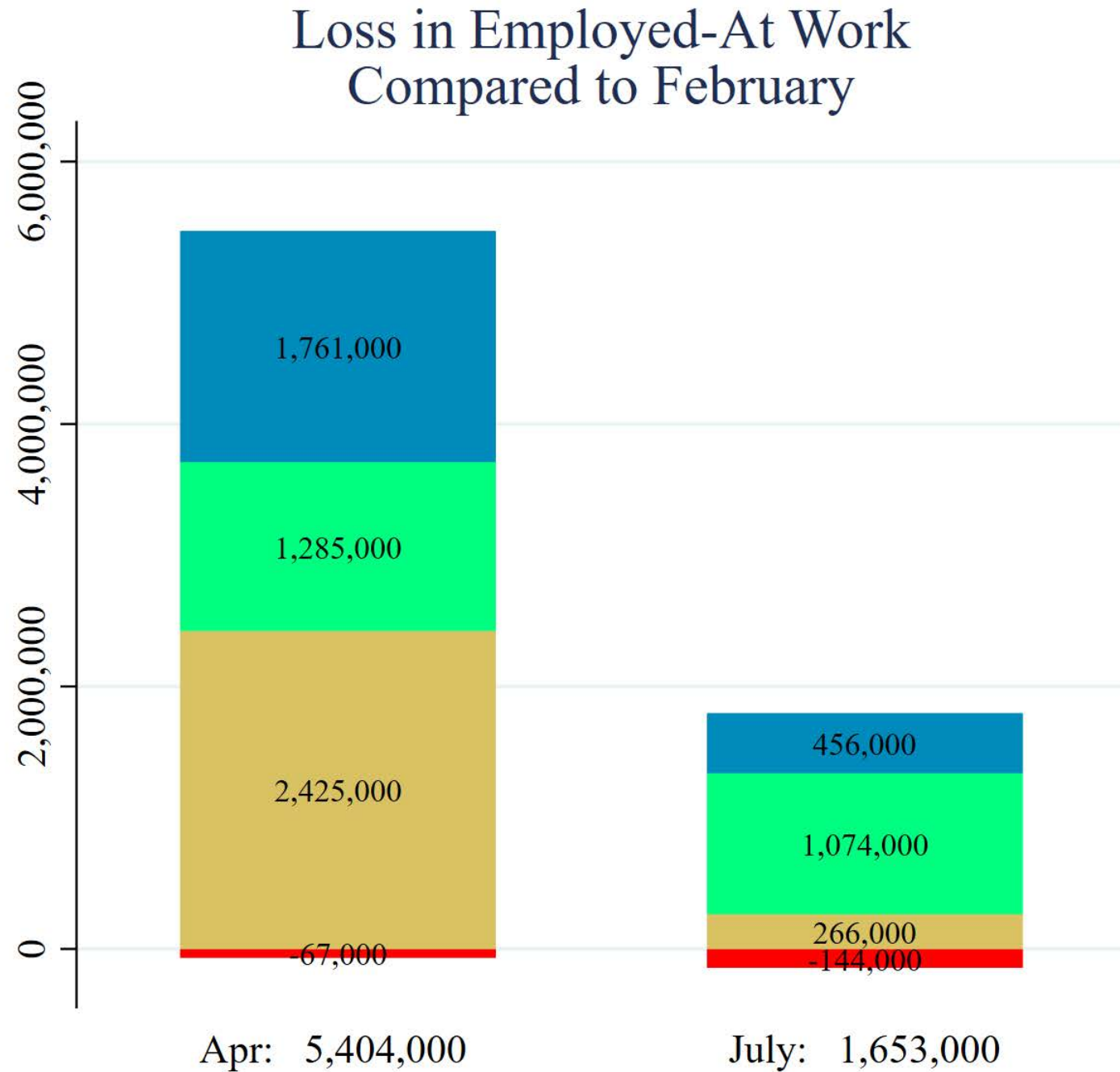
- Laid off: 'Unemployed' if searching.
- No search: Falls out of the labour force
- Furlough: Employed-absent

Loss in Employed-At Work



April
2020

July
2020



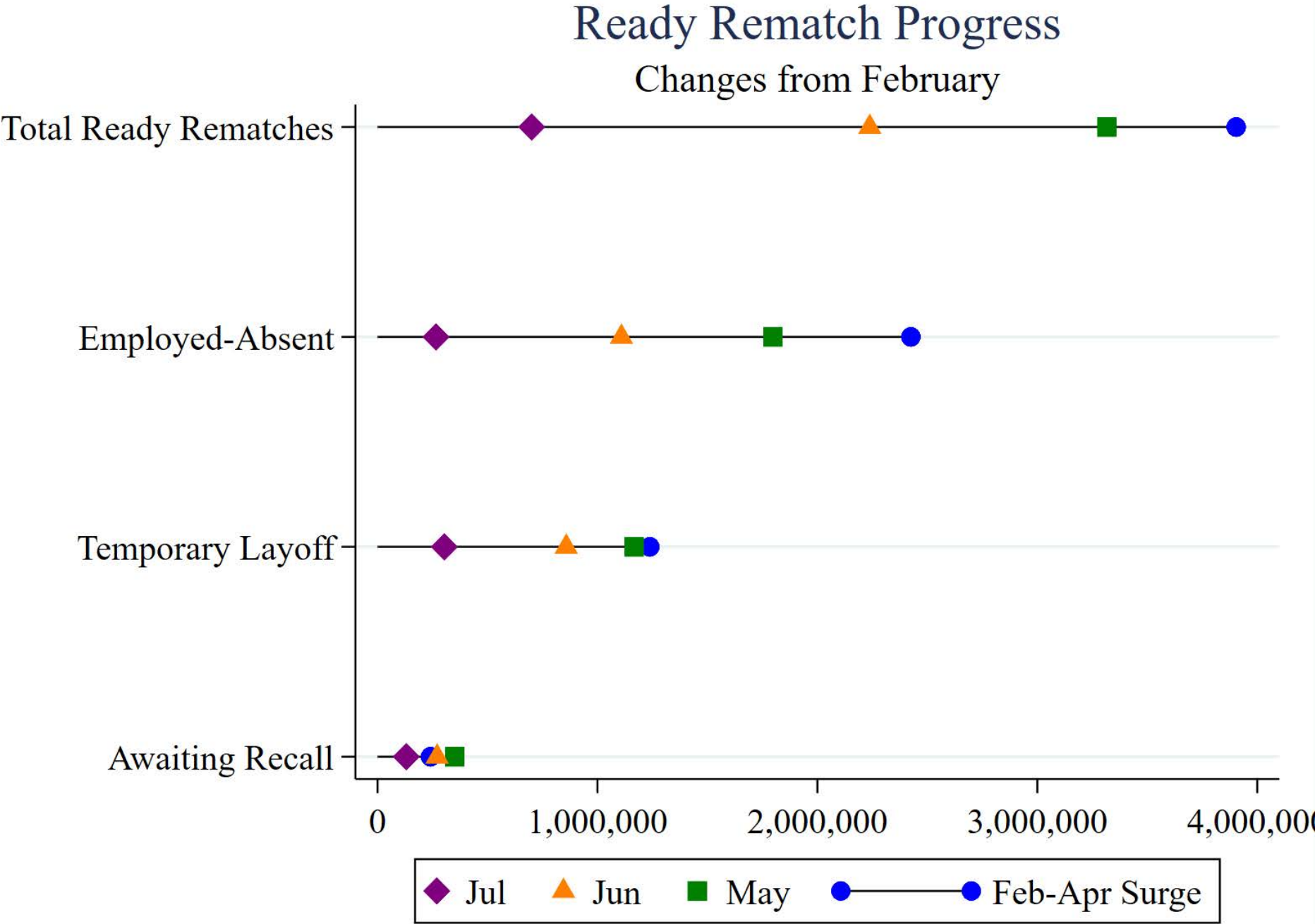
Ready
rematches

Many in LFS categories that indicate good likelihood of a ready rematch.

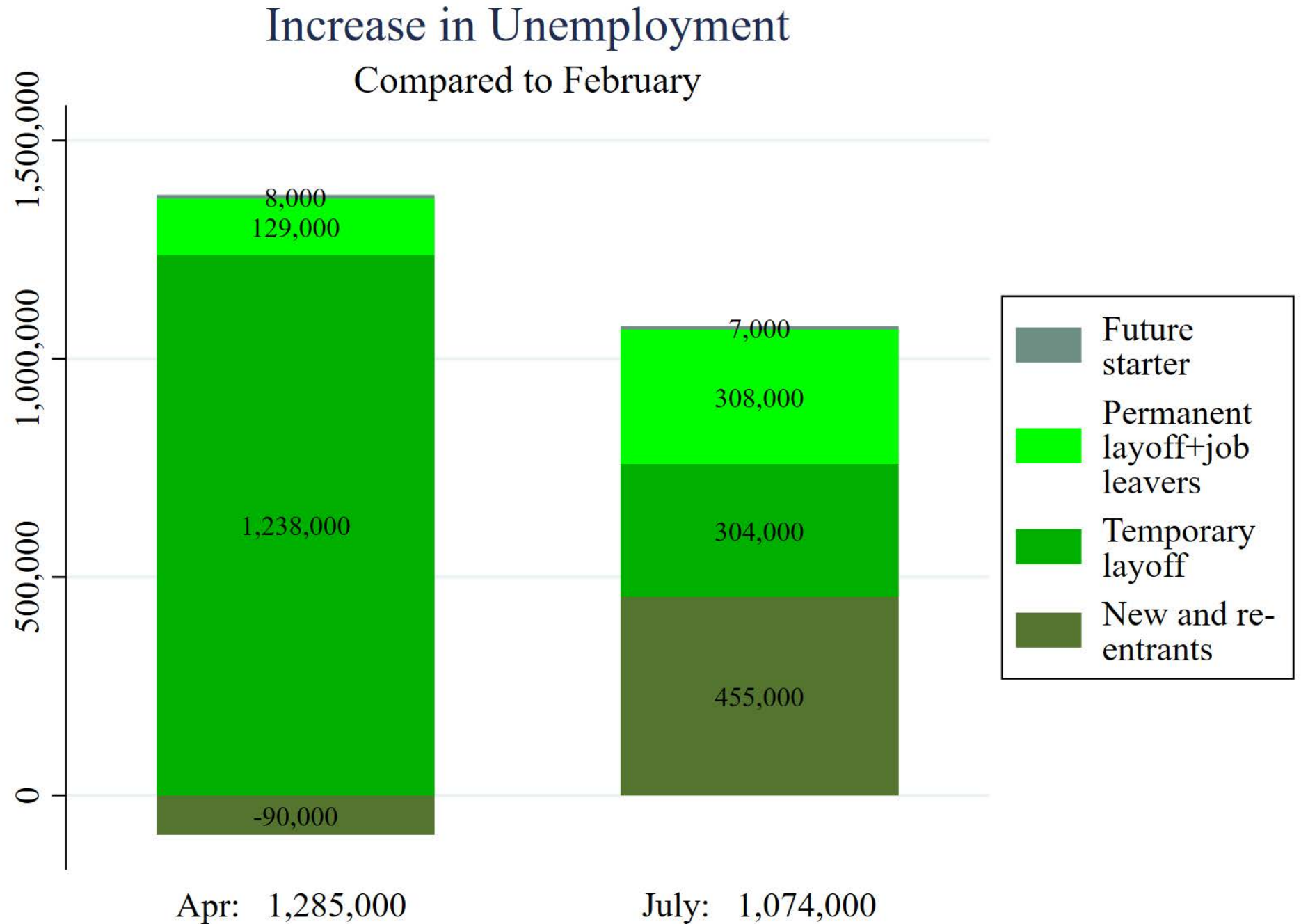
Ready rematches

- Employed-absent: get called back from furlough?
- Unemployed: temporary layoff
- Not in labour force: awaiting recall

Ready
rematches
recover
82% by
July



Seeking
new jobs



COVID Labour market summary

1. Impact: women, low-wage, hourly-paid, young, public facing.
2. Mostly temporary: Most “ready rematches” (+3.2 million: 82%) now returned to work.
3. Some longer term: Now seeing increase (760K) in ‘typical’ unemployment. Seek new jobs.

Lessons for Policy

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 - Self-employed; part-time.
 - Do they want coverage?
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 - Integrity / enforcement / public reactions to mistakes.

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 - Integrity / enforcement / public reactions to mistakes.
3. Benefit adequacy / timing.
 - Normal tradeoff: generosity vs search effort.
 - Obviously different tradeoff during COVID so far.
 - Macro impact of household expenditure maintenance.

Thank you!



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