

Are wages or collective bargaining affected by a labour shortage in Canada?

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Two questions

- Is there a correlation between change in job vacancy rates or average offered hourly wages?
- Is collective bargaining affected by a labour shortage?

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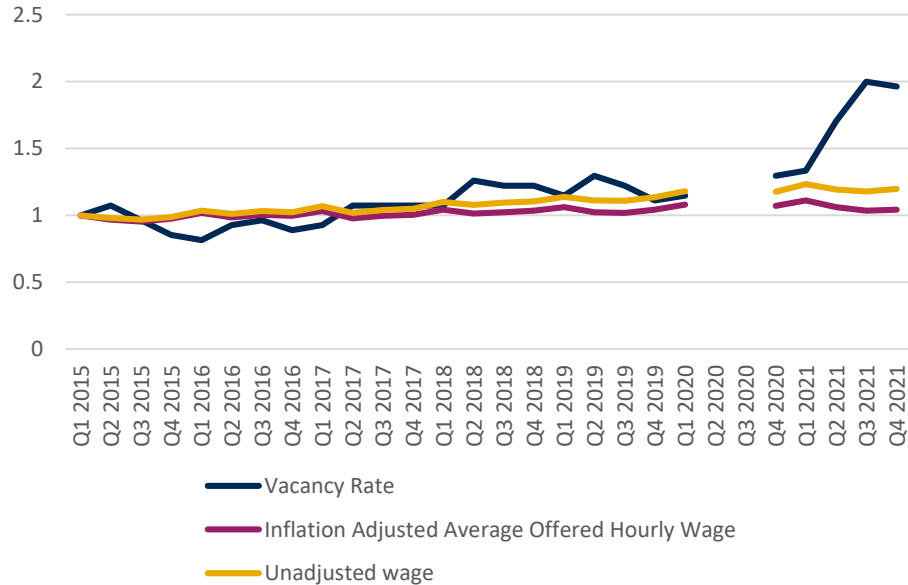
Is there a correlation between change in job vacancy rates or average offered hourly wages?



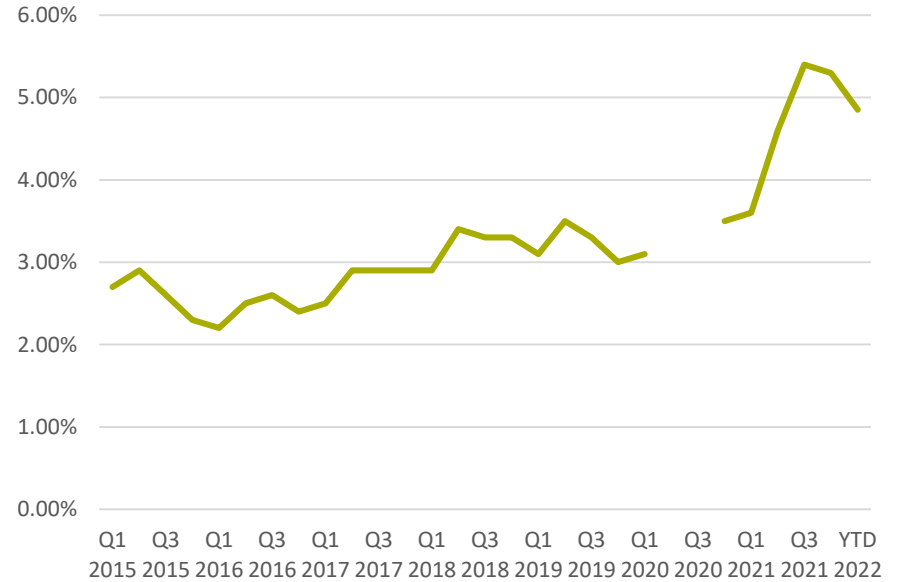
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Job Vacancy rate skyrocketed in 2021

Job Vacancy Rate and Inflation Adjusted Wage, Indexed to 1, 2015 - 2021

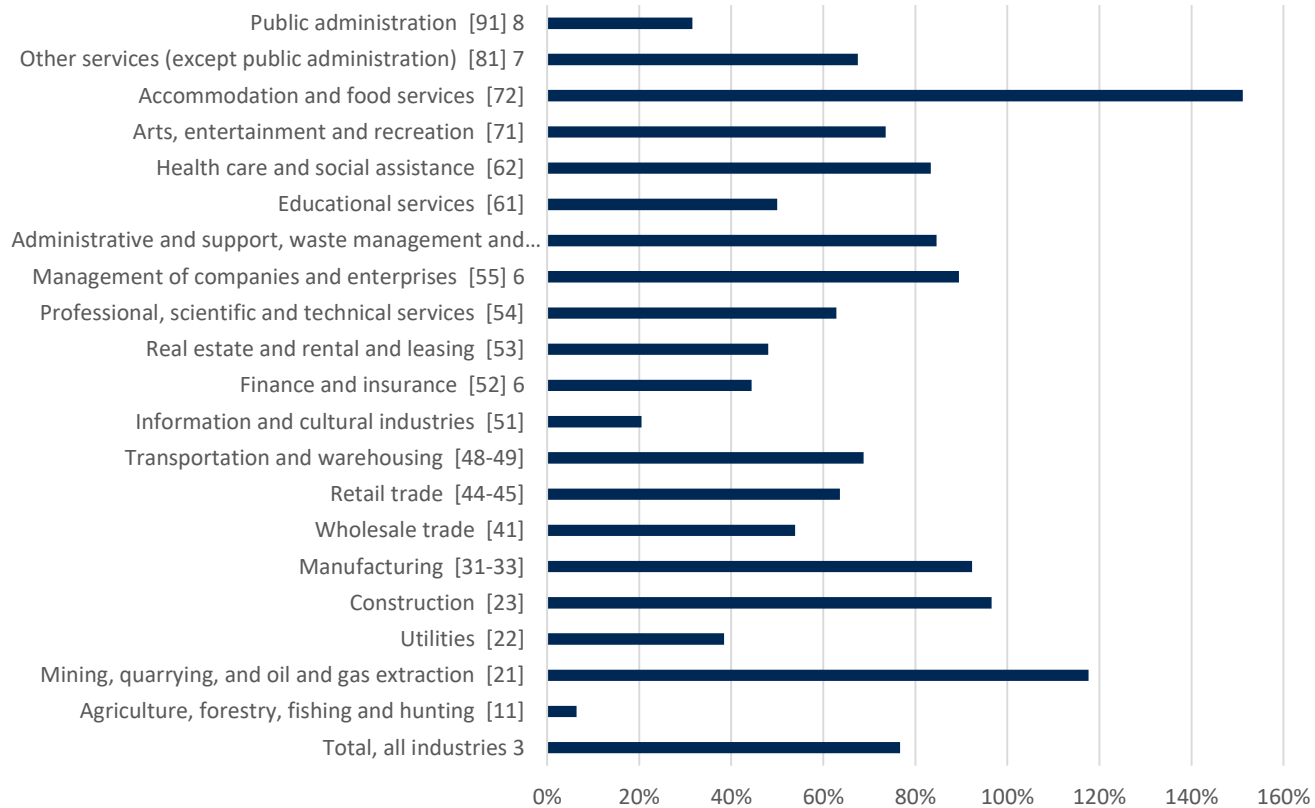


Jab Vacancy Rate Canada 2015-2021



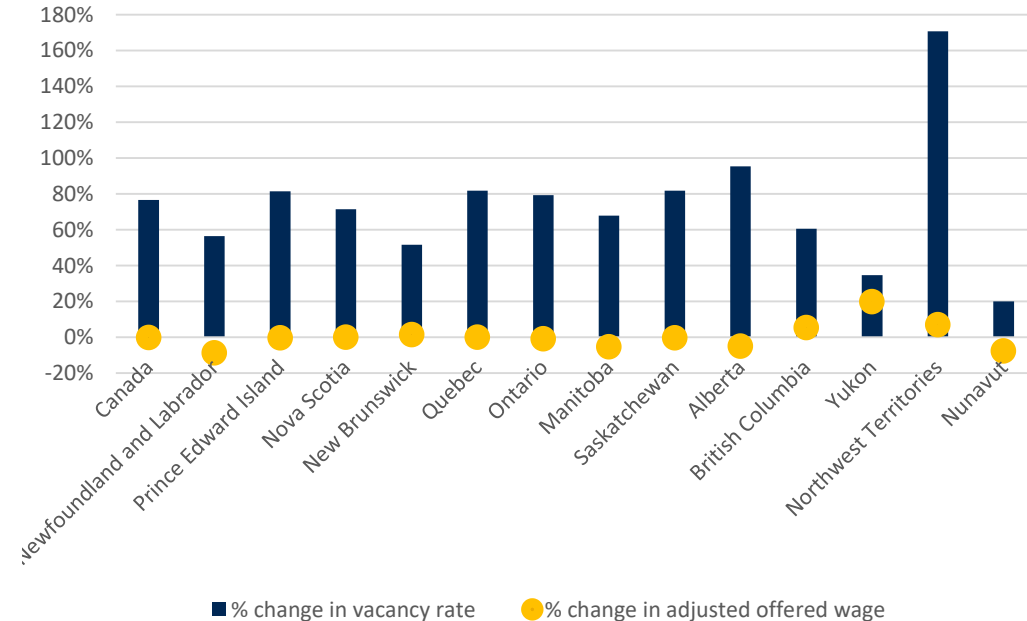
Source: Statistics Canada Table 14-1003-26-01

% Change in Job Vacancy Rate (Q4 2019-Q42021)



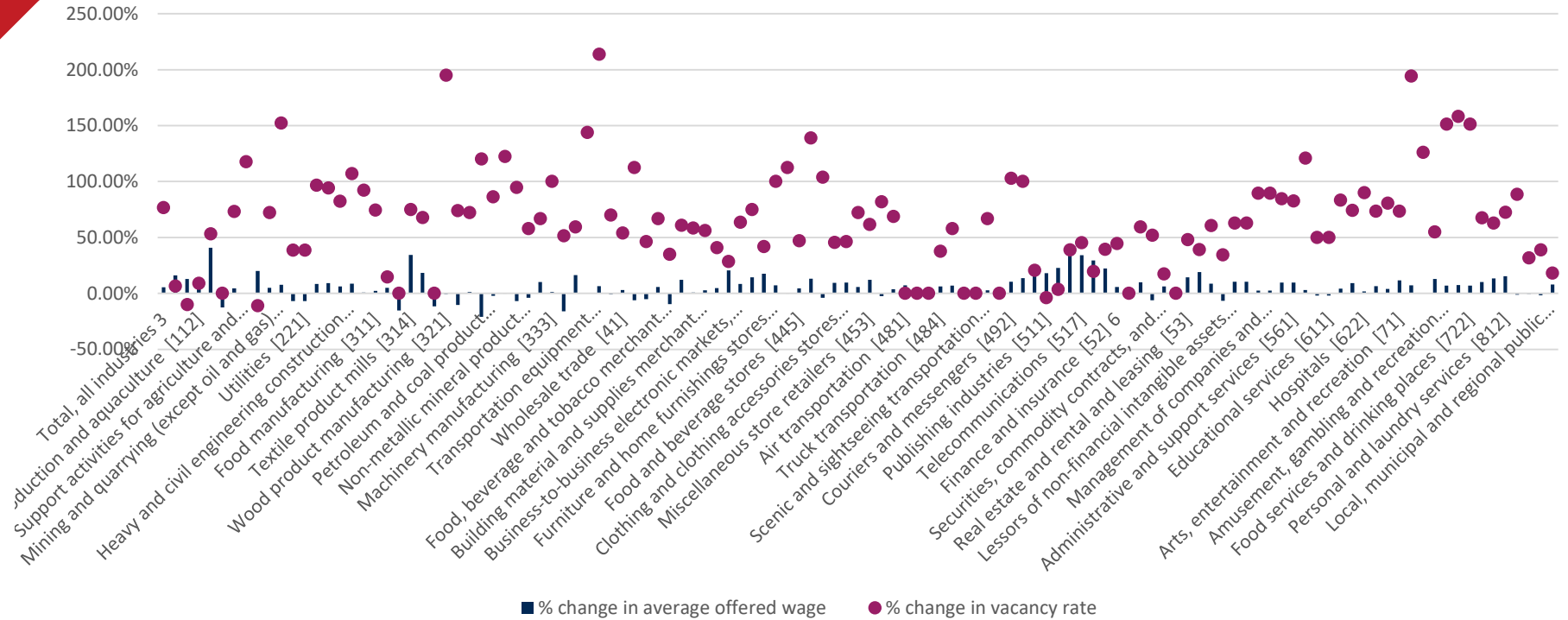
Is there a pattern by province?

% change in average offered wage and vacancy rate,
2019-2021



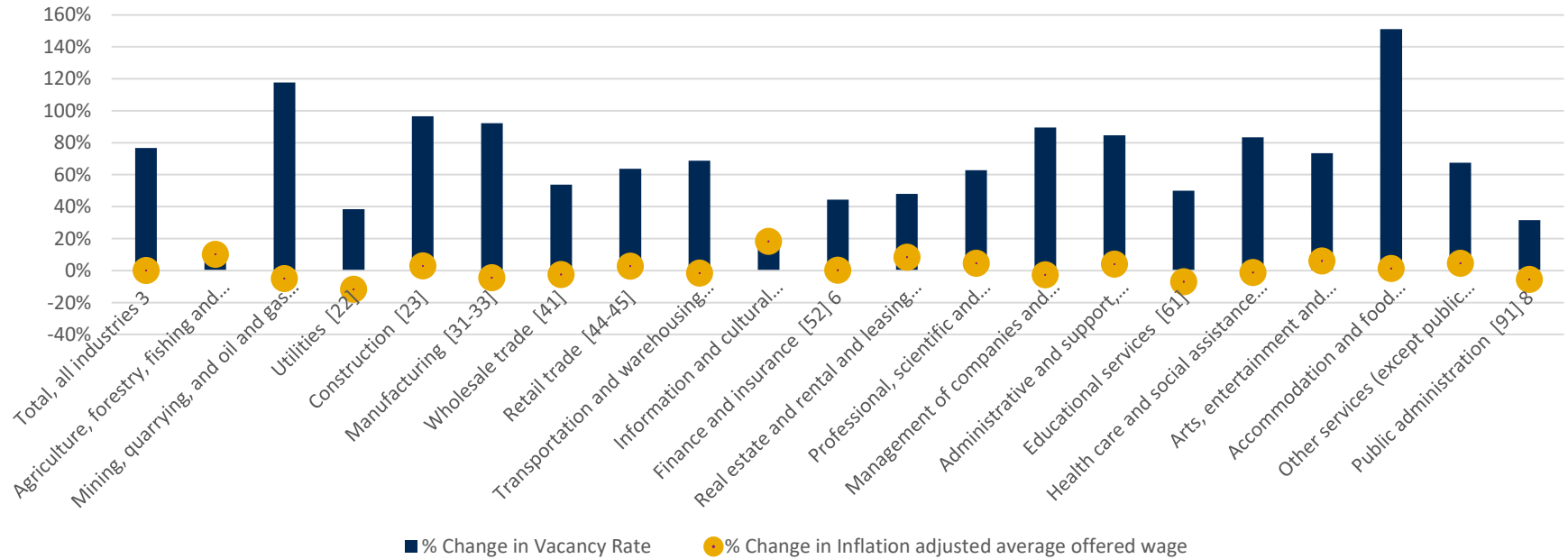
- No clear pattern in relationship between change in vacancy rate and change in wage
- Yukon? Could the significant wage increase have reduced the vacancy rate?
- NU, AB, MN and NL offered wages have dropped. Why?

No clear pattern by occupation

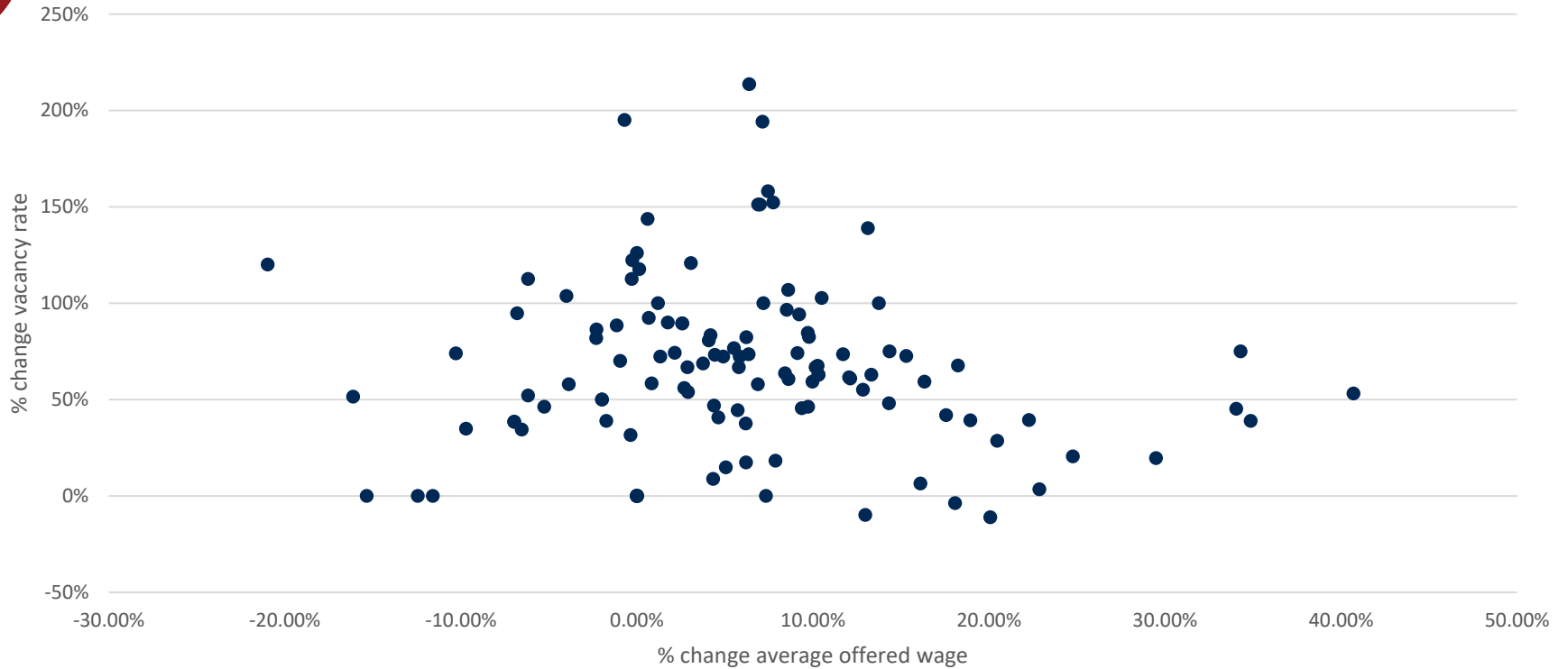


No clear pattern by industry

% change in average offered hourly wage and vacancy rate, 2019-2021



Comparing Changes in Vacancy Rate and Average Offered Hourly Wage, 2019-2021



A decorative red ribbon graphic on the left side of the slide, curving from the top left towards the bottom left.

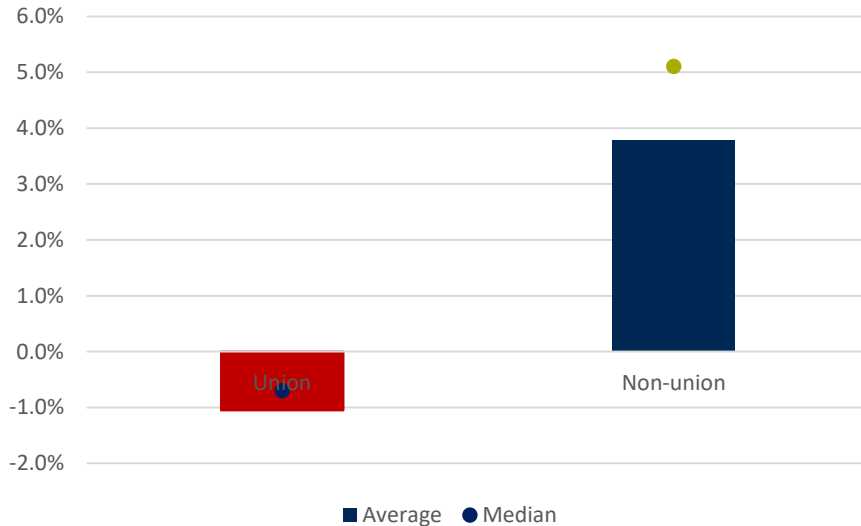
Is collective bargaining affected by a labour shortage?



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Hourly Wages by Union coverage, 3 yr change

Change in hourly wage, Mar 2019-Mar 2022,
Union and Non-union coverage



- 2021 increase in average nominal wage:
 - Total: 3% (median=4%)
 - Union: 2% (3%)
 - Non-union: 4% (4%)

Response to shortage or retention strategy?

- A few agreements have seen big increases due to inability to attract workers:
 - AJAX Loblaws (opened early)
 - Sea-to-Sky Corridor – up to 20% increase over agreement
 - Shoreline Casino (Belleville) – up to 24% increase
 - Metro Distribution Centre - 15% increase over agreement, 8% in first year
 - Resolute Forest Products – 20% - 24% increase over 4 year agreement
 - 2021 increase in average wage of unionized worker – 2%

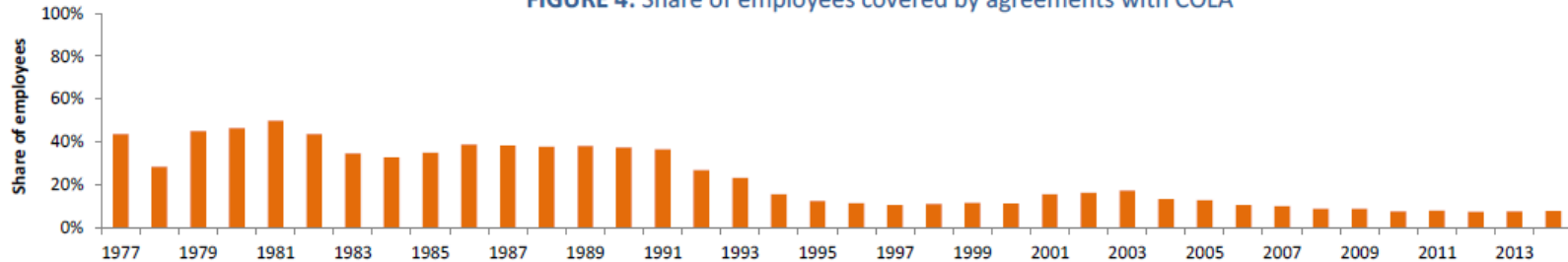
Response to shortage or retention strategy?

- Public Sector response:
 - Nova Scotia – 23% wage increase for continuing care workers
 - Ontario - \$2-\$3 permanent increase for PSWs & DSWs
 - \$5,000 bonus for nurses
 - Saskatchewan – money to attract care workers from abroad
 - Newfoundland and Labrador – didn't cut health care funding
 - Federal – hoping for a pointed strategy but was disappointed

Inflation Protection in Collective Agreements?

- COLA (cost-of-living-adjustment) clauses:
 - 1980's nearly half of all unionized workers with a contract settled in the 80's had a COLA clause
 - By 2014 only 1% had a COLA clause
 - Many are inactive

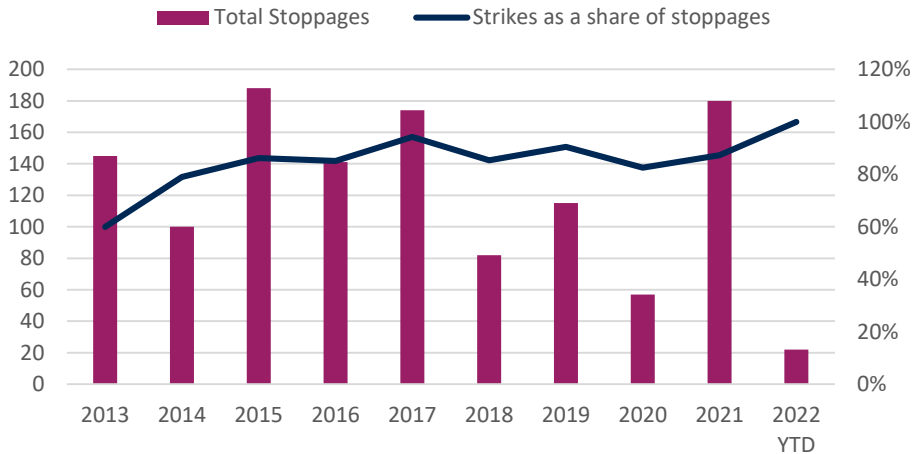
FIGURE 4: Share of employees covered by agreements with COLA



Source: Role of COLA clauses during low inflation times. ESDC (2015)

Work stoppages and strikes as an indicator of worker power

Work stoppages and share that are strikes in Canada, 2013-YTD 2022



Source: <https://www.canada.ca/en/employment-social-development/services/collective-bargaining-data/work-stoppages/work-stoppages-year-sector.html>

- YTD stoppages relatively low
- No lockouts so far in 2022
- On track for lower than 2018 strike level
- Length of workstoppages on the low side
- What about strike mandates?



Flipping “shortage” on it’s head.

Labour shortage is someone else’s problem

“The labour shortage will never go away”

Culture of Constant Learning – everyone’s problem

“If my company is to grow, I need to create a culture of constant learning for my employees”



Thank you.