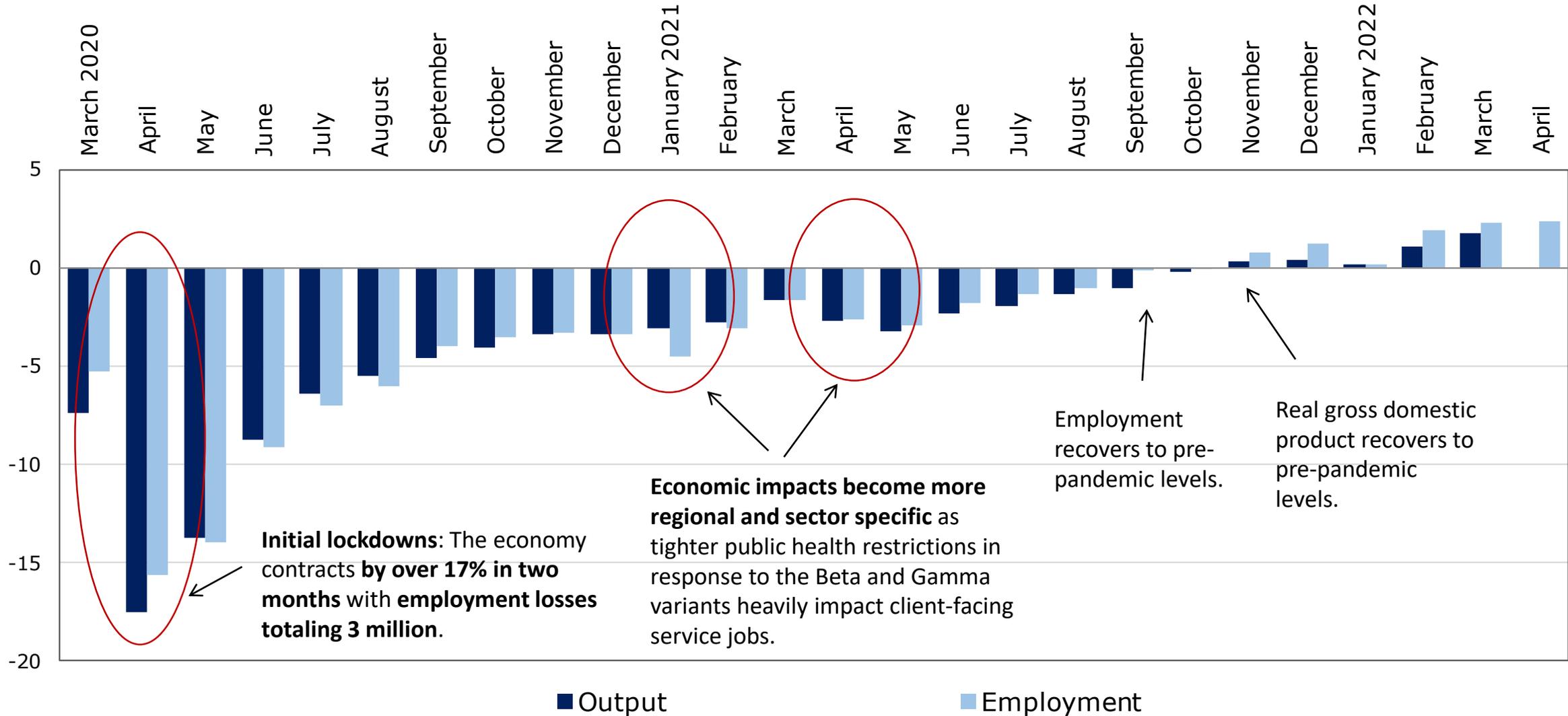


# COVID-19 in Canada: A Two-year Update on Social and Economic Impacts

Presentation to the Community Data Program  
June 7, 2022

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Statistics Canada

# Cumulative percentage change in output and employment since February 2020



Sources: Statistics Canada, Tables 36-10-0434-01 and 14-10-0287-01.

# COVID-19 in Canada: Health, Social and Economic Impacts

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## Health and Social Impacts

### **The pandemic has had significant indirect health impacts that will affect the future health of Canadians**

- Excess mortality (direct and indirect impacts of COVID-19)
- Missed or delayed medical interventions
- Mental health challenges

### **The pandemic has impacted public safety and social cohesion**

- Police-reported hate crimes
- Civil disorder
- Trust in institutions

### **Canadian demographics were hit by the pandemic, but are recovering quickly**

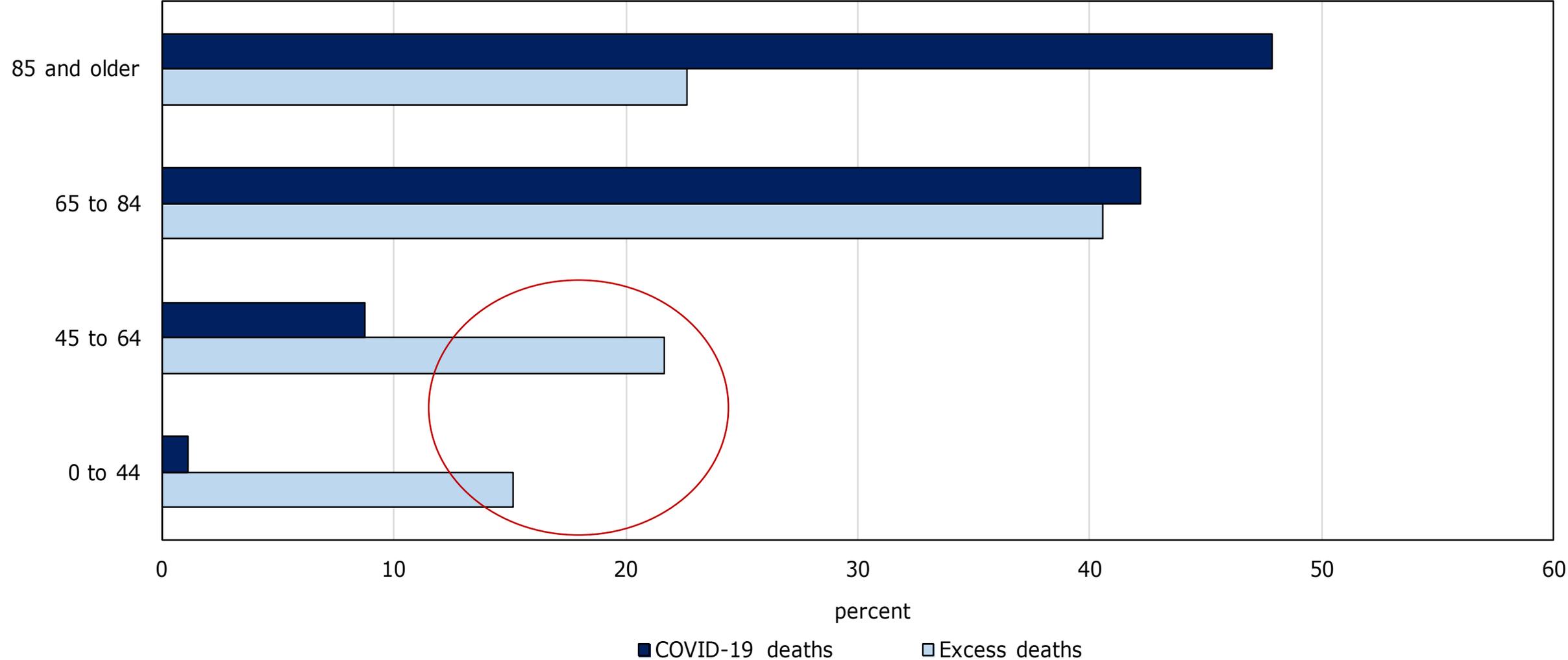
- Population growth (immigration and natural increase)

# The pandemic has had significant indirect health impacts that will affect the future health of Canadians

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- An estimated **26,248 excess deaths** were reported in Canada from March 2020 to mid-October 2021—**5.8% more deaths** than would be expected with no pandemic.
- Early in the pandemic, **excess deaths** occurred mainly among seniors with COVID-19, but later there was **an increase among younger Canadians as well, with many deaths caused by unintentional poisonings and overdoses.**
- **Health impacts will be felt for a long time.** Modelling projections show that a six-month delay in colorectal cancer screening could increase cases by 2,800 and deaths by 1,300, between the years 2020 and 2050 (The Lancet, April 2021).
- **Mental health declines have not recovered to pre-pandemic levels.** As of June 2021, 61% of Canadians reported very good or excellent mental health, compared with 67% in 2019. The decline is greater among women (-7.5 percentage points) compared with men (-4.0 percentage points).

# Estimated percentage of excess and COVID-19 deaths, by age group, Canada, March 28, 2020, to October 16, 2021



Source: Statistics Canada, special tabulations.

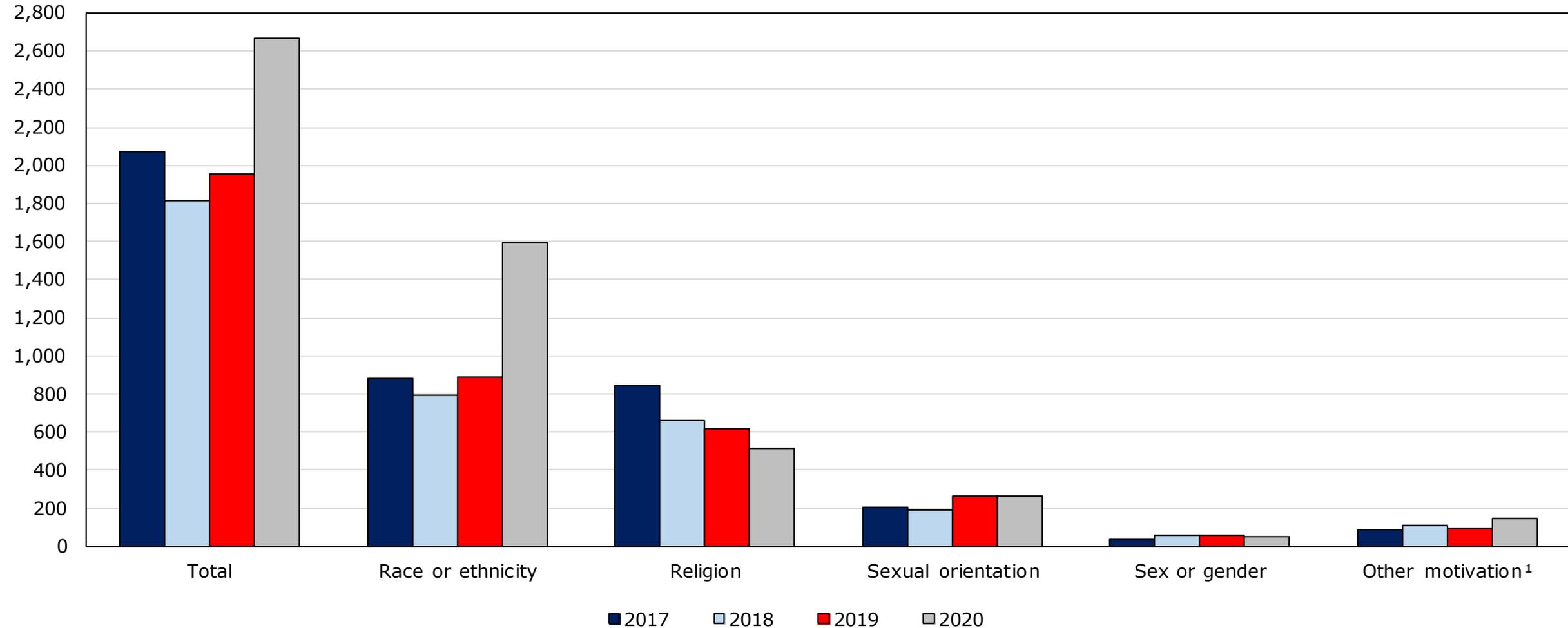
# The pandemic has impacted public safety and social cohesion

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- While overall crime levels decreased during the pandemic, there was a 7% increase between 2020 and 2021 in selected crimes (i.e., assault, sexual assault, uttering threats, robbery, motor vehicle theft and shoplifting).
- **There was a 37% increase in police-reported hate crimes**—718 more in 2020 compared with 2019. This is the highest number since comparable data have been available, and it reflects crimes targeting Black, Asian and Indigenous populations.
- Social unrest has been linked to income inequality. **In March and April 2020, 40% of Canadians were very or extremely concerned about the possibility of civil disorder.** Concern was much higher among those expecting that the pandemic would impact their finances, compared with those anticipating no impact (61% vs. 32%).

## Number of police-reported hate crimes, by type of motivation, Canada, 2017 to 2020

number



1. Includes mental or physical disability, language, age and other similar factors (e.g., occupation or political beliefs).

**Notes:** Hate crime counts from the Uniform Crime Reporting Survey include both confirmed and suspected hate crime incidents. Information in this chart reflects data reported by police services covering 99.7% of the population of Canada. The total includes incidents where hate motivation was unknown.

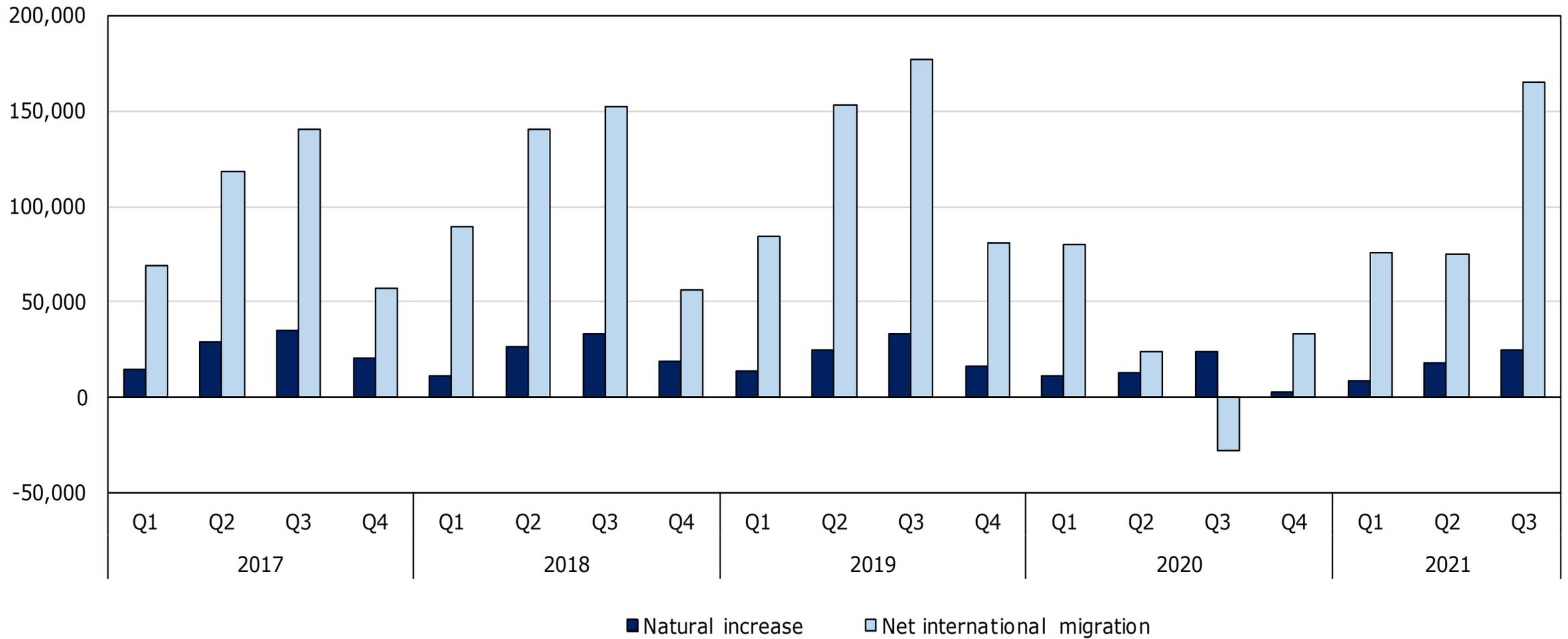
**Source:** Statistics Canada, Canadian Centre for Justice and Community Safety Statistics, Incident-Based Uniform Crime Reporting Survey.

## Canadian demographics were hit by the pandemic, but are recovering quickly

- In 2020, **population growth (+0.4%) fell to levels not seen since the First World War** and annual deaths surpassed 300,000 for the first time (+8%)
- the percentage of population growth from international migration was 68%, down from a record high of 85% in 2019
- **life expectancy went down by 0.6 years**—the largest single-year decline since 1921
- one in five Canadian adults said the pandemic made them delay having children or choose to have fewer
- more Canadians returned to live, rather than leaving the country—net emigration was negative (-13,997) for the first time since comparable records have been available.

# Factors of population growth, Canada, first quarter of 2017 to third quarter of 2021

persons



**Source:** Statistics Canada, tables 17-10-0059-01 and 17-10-0040-01.

# COVID-19 in Canada: Health, Social and Economic Impacts

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## Economic Impacts

### **Impact of COVID-19 emergency support programs on financial conditions in the household sector:**

Notable increases in disposable income, saving and wealth as support programs more than offset declines in market income. All income and age groups benefited from these emergency programs, especially lower income and younger households.

## Challenges related to living costs and affordability

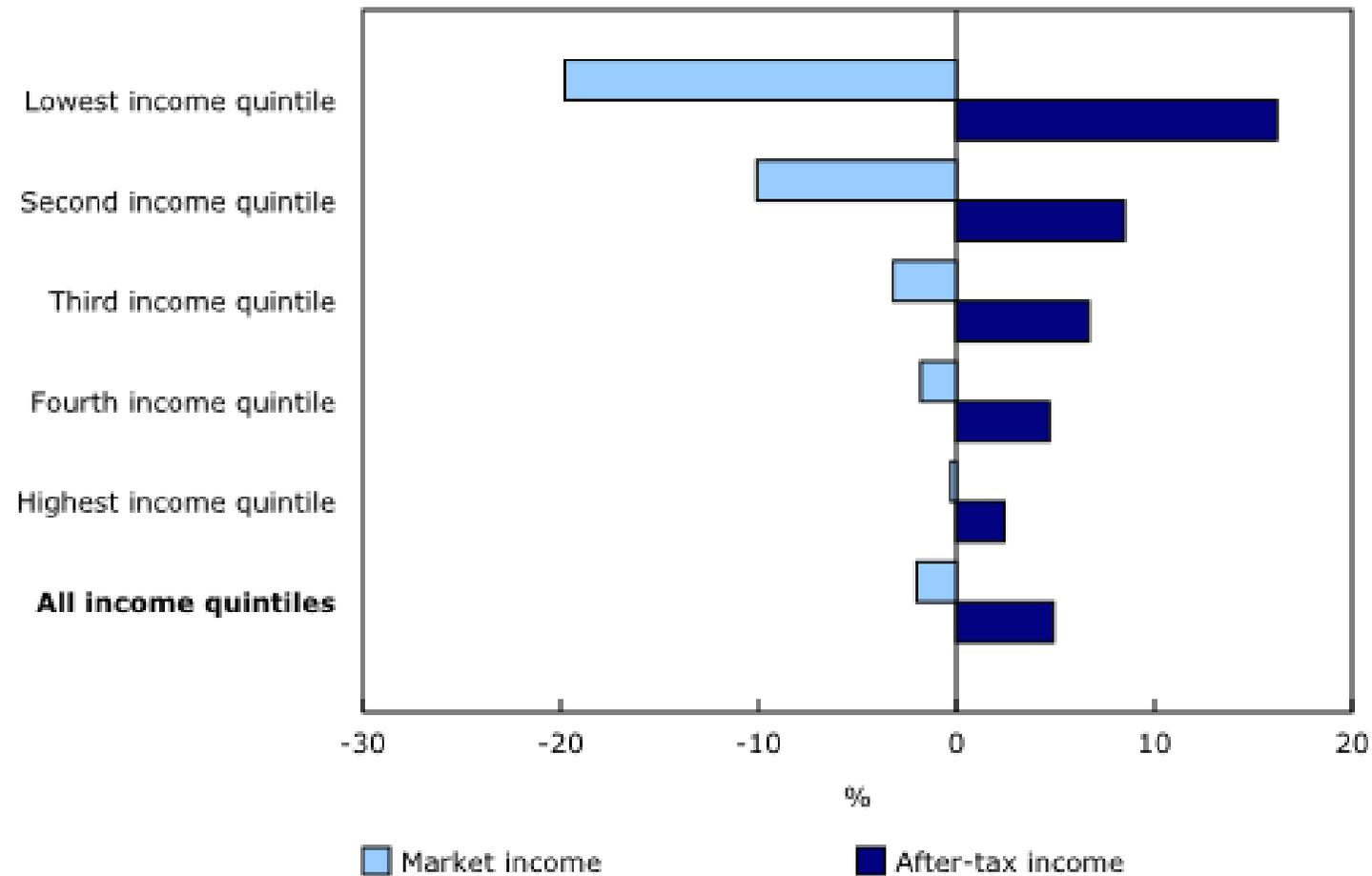
### **More stress on pocketbooks as supply disruptions and strong demand continue to fuel consumer inflation....**

- Consumer inflation and wage growth

### **...while housing prices continue to surge**

- Housing affordability
- Housing and wealth accumulation

## Percentage change in average market income and average after-tax income by income quintile, 2019 to 2020



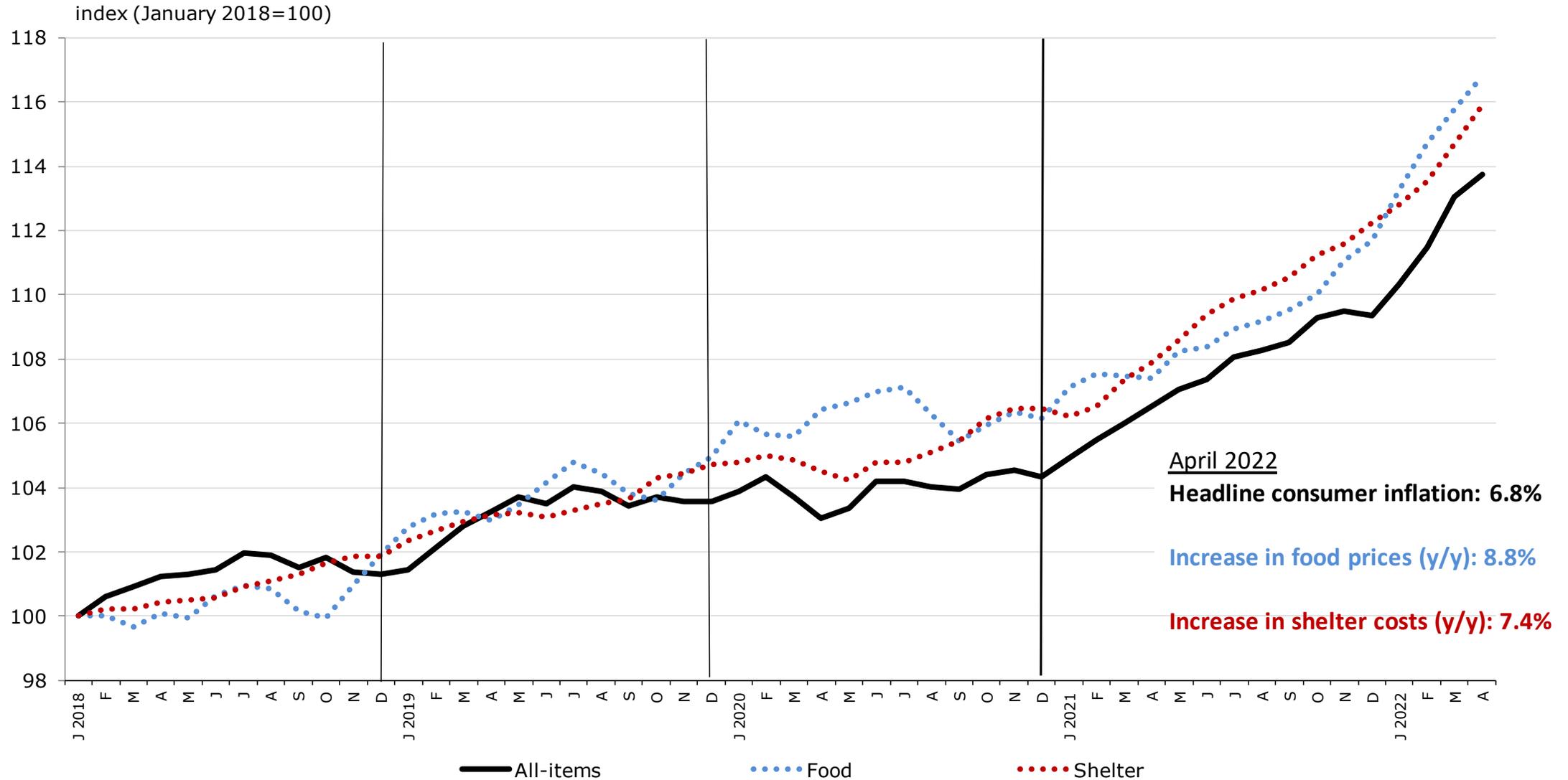
Sources: Statistics Canada tables, 17-10-0059-01 and 17-10-0040-01.

# More stress on pocketbooks as supply disruptions and strong demand continue to fuel consumer inflation

100

- Headline consumer inflation accelerated to **6.8%** in April 2022, the largest yearly increase in over three decades.
- Prices for food and shelter has risen steadily over the last year. In April, annual price increases for both food (**+8.8%**) and shelter (**+7.4%**) were above the headline rate. Grocery prices rose at their fastest yearly pace (**+9.7%**) since September 1981.
- Excluding gasoline, consumer price growth was **5.8%** in April, the largest yearly increase since this index became available in 1999.
- **Consumer inflation has outpaced average wage growth** since the spring of 2021.
- The annual increase in average hourly wages was **3.3%** in April.

# Consumer price index, selected commodities



Source: Statistics Canada table, 18-10-0004-01.

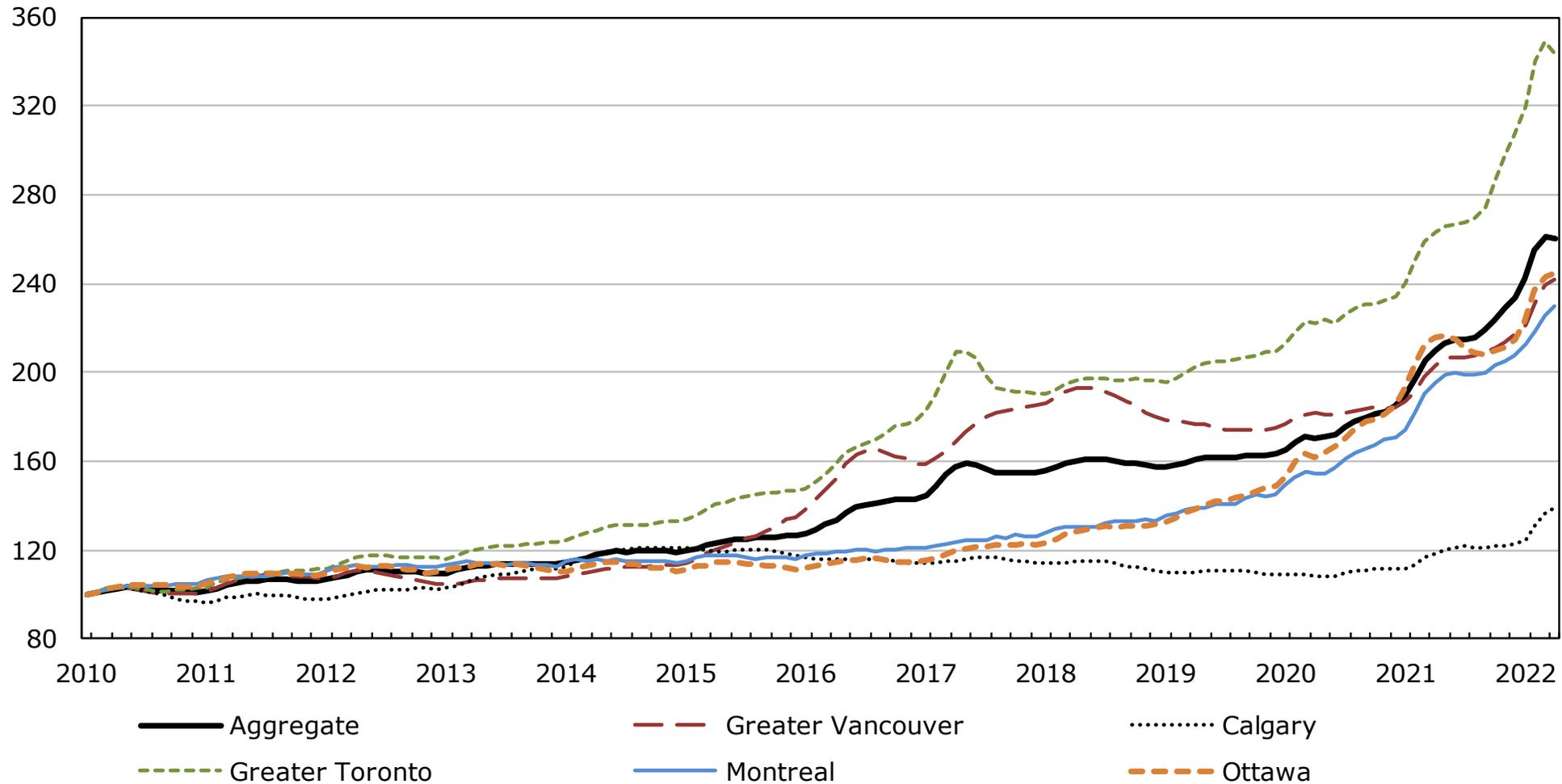
# The costs of middle-class membership rise as home prices continue to surge across the country

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- Homebuilders in a majority of census metropolitan areas reported double-digit increases in new home prices during 2021. Annual increases exceeded 20% in Windsor, Winnipeg, Ottawa and London, and 30% in Kitchener–Cambridge–Waterloo.
- The [Canadian Real Estate Association's Multiple Listing Service Home Price Index](#) was up 26.6% on a year-over-year basis in December 2021. Home prices in the Greater Toronto Area were up over 30%.
- Analysis at the [Bank of Canada](#) indicates that the share of home purchases accounted for by first-time buyers has continued to edge down during the pandemic, while the shares for repeat buyers and investors have risen.
- According to [RBC Economics](#), housing affordability in the third quarter of 2021 was at a 31-year low. [CIBC Economics](#) has reported that about 30% of first-time buyers have received down payment gifts.
- **Financial barriers to homeownership may have lasting impacts on social and economic mobility.** On a per-household basis, homeowners have seen their wealth rise by over \$260,000 during the pandemic, while renters have seen gains of \$50,000.

# Multiple listing service home price index, selected cities

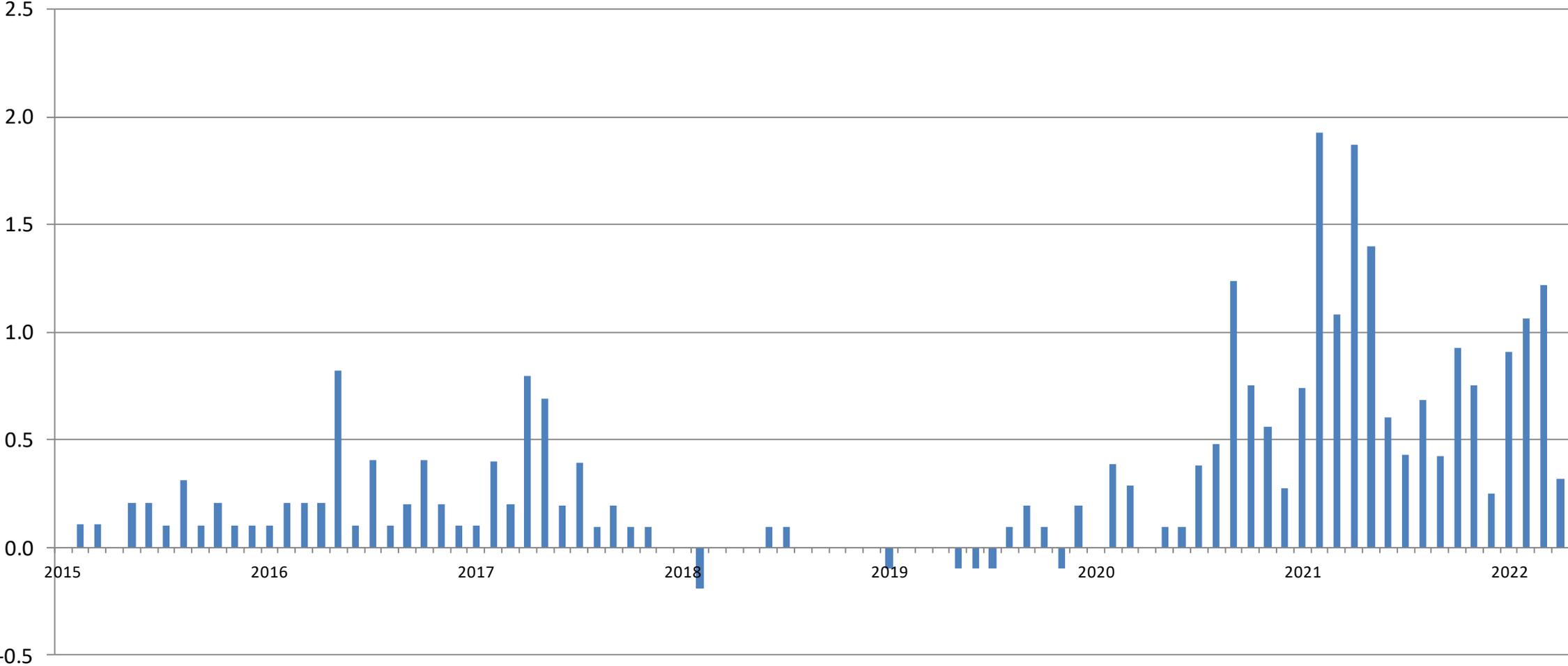
index (January  
2010=100)



**Notes:** Data for the time period above are MLS home price index values expressed using January 2010 as the base period.

**Source:** The Canadian Real Estate Association.

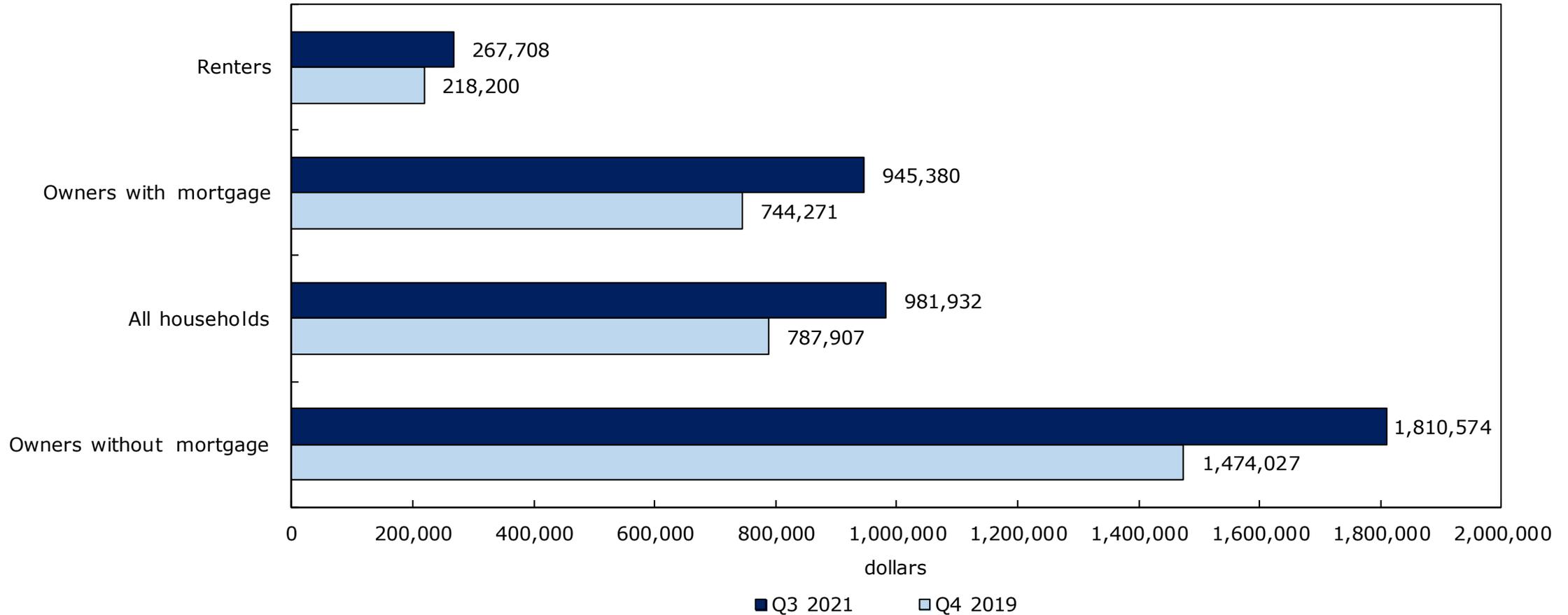
# New housing prices, percentage change, month-over-month



Source: Statistics Canada, table 18-10-0205-01.

# Financial barriers to homeownership may have lasting impacts on social and economic mobility

## Net worth per household, fourth quarter of 2019 and third quarter of 2021



Source: Statistics Canada, table 36-10-0660-01.

# COVID-19 in Canada: Social, Economic and Health Impacts

## Economic Impacts

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**Labour market conditions (including among those hardest hit by lockdowns ) have substantially improved...**

- A broad-based employment recovery (during the second half of 2021 and early 2022)

**.... but labour market imbalances (labour and skill shortages) are likely to persist as workers and employers continue to adjust**

**Longer-lasting impacts of the pandemic on the labour market are likely to exacerbate existing inequalities**

- triple-protected jobs and employment security

**Financial uncertainties deepen for many businesses as emergency support programs wind down**

- Short-run impact of emergency support programs
- Current obstacles facing businesses

# Strong employment growth as economic activity ramped up after the pandemic's third wave

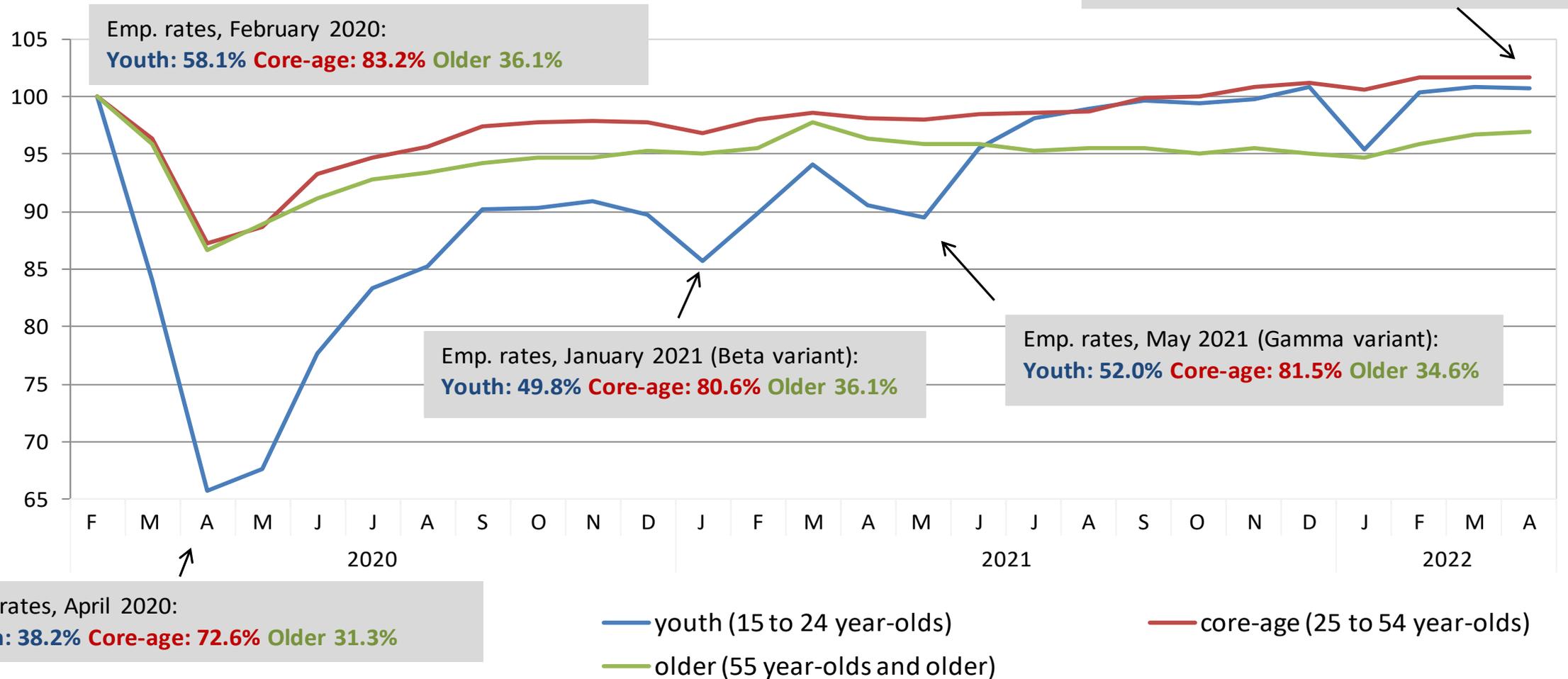


- Employment rose markedly during the second half of 2021 as unemployment and labour underutilization trended back toward pre-pandemic levels.
- Net employment gains from May to December totaled nearly 800,000 as economic activity ramped up in the wake of tighter restrictions related to the Gamma variant in the spring of 2021.
- Total employment essentially rebounded to its pre-COVID baseline in September, and then rose by an additional quarter of a million in the fourth quarter.

## More recently:

- Omicron's impact on the labour market was short-lived.
- The unemployment rate fell to 5.2% in April, while the rate among core-age workers declined to 4.3% (both record lows).
- The employment rate among core-age women and core-age men are at or near record highs.
- Total employment in April was over 450,000 above pre-pandemic levels.

## Employment rates by age group, relative to pre-COVID baselines (index, February 2020=100)



# Labour market conditions improved for diverse Canadians in the second half of 2021

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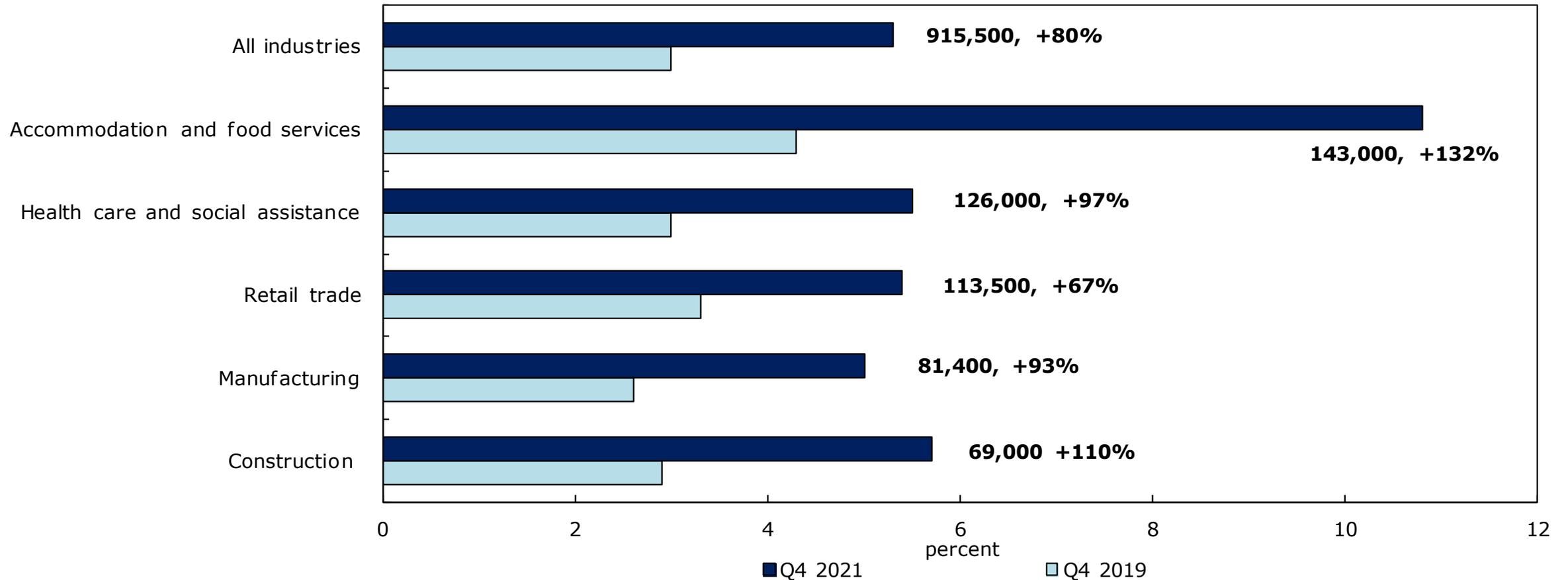
- Lockdown measures earlier in the pandemic disproportionately impacted diverse Canadians—including newcomers and many Canadians in racialized communities—who are more likely to work in high-contact settings. The job recovery strengthened for many diverse groups in the second half of 2021.
- Employment rates among many groups designated as visible minorities, including Southeast Asian, Black and Filipino Canadians, rose notably during 2021.
- The share of very recent immigrants of core working age who were working was almost 8 percentage points higher in December 2021 than in December 2019
- Employment among Indigenous people in Canada in December was up 10% year over year.

# Labour market imbalances will persist as employers and workers continue to adjust

- **Demand for workers accelerated to record levels during the second half of 2021.** Job vacancies in the fourth quarter were 80% higher than pre-pandemic levels, reflecting increases in all provinces and most industrial sectors.
- **No “Great Resignation” in Canada:** In late 2021, the number of job-leavers and job-changers remained comparable to pre-pandemic levels, as did the share of unemployed workers who returned to work in the same industry as their last job (about 50%). In January 2022, fewer than 1 in 10 workers were planning to leave their job over the next 12 months.
- **Businesses are adjusting their hiring strategies**—employers appear to be lowering educational requirements to attract workers. In late 2021, about 10% of workers who had a high school diploma or less had recently started jobs that typically require university education, up from 4.0% in late 2019.

**Businesses are adjusting their wage plans**—in the two years leading up to November 2021, wages among new hires rose by **10%**, compared with **6.4%** for established employees. In the fourth quarter of 2021, **almost half of businesses reported that they planned to raise wages for existing employees over the coming year, while one-quarter planned to increase wages offered to new employees.**

## Job vacancy rates, fourth quarter of 2019 and fourth quarter of 2021



**Note:** The numbers in bold are the number of reported job vacancies in Q4 2021 and the percentage increase since Q4 2019.

**Source:** Statistic Canada, table 14-10-0326-01.

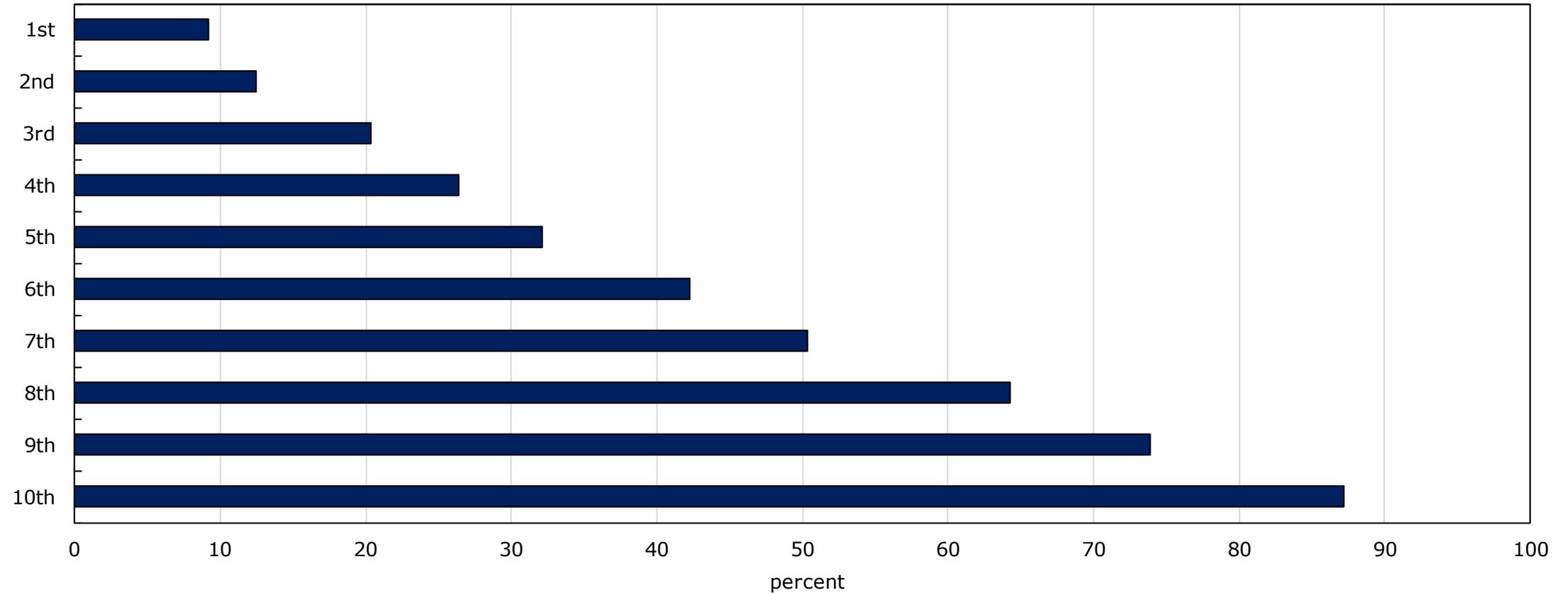
# Longer-lasting impacts of the pandemic on work are likely to exacerbate existing inequalities

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- About 40% of Canadians hold permanent, pandemic-resilient jobs that are less likely to be impacted by automation (triple-protected jobs). Higher-paid, more educated workers are far more likely to hold these jobs.
  - Couples in the top 10% of the earnings distribution were **about 20 times more likely** to have triple-protected jobs than couples in the bottom 10%.
  - Couples with postsecondary degrees were **seven times more likely** to hold triple-protected jobs than couples without postsecondary credentials.
- Challenges to job and income stability continue to persist in lower-paying, high-contact sectors.
- While **total employment in April 2022 was 457,000 higher than its pre-pandemic baseline**:
  - employment in accommodation and food services remained 191,000 below levels observed in February 2020. At the same time, employment in professional, scientific and technical services ( a sector with some of the highest levels of job flexibility and telework capacity) has risen by 231,000.

## Job is triple protected, by wage decile

Wage decile



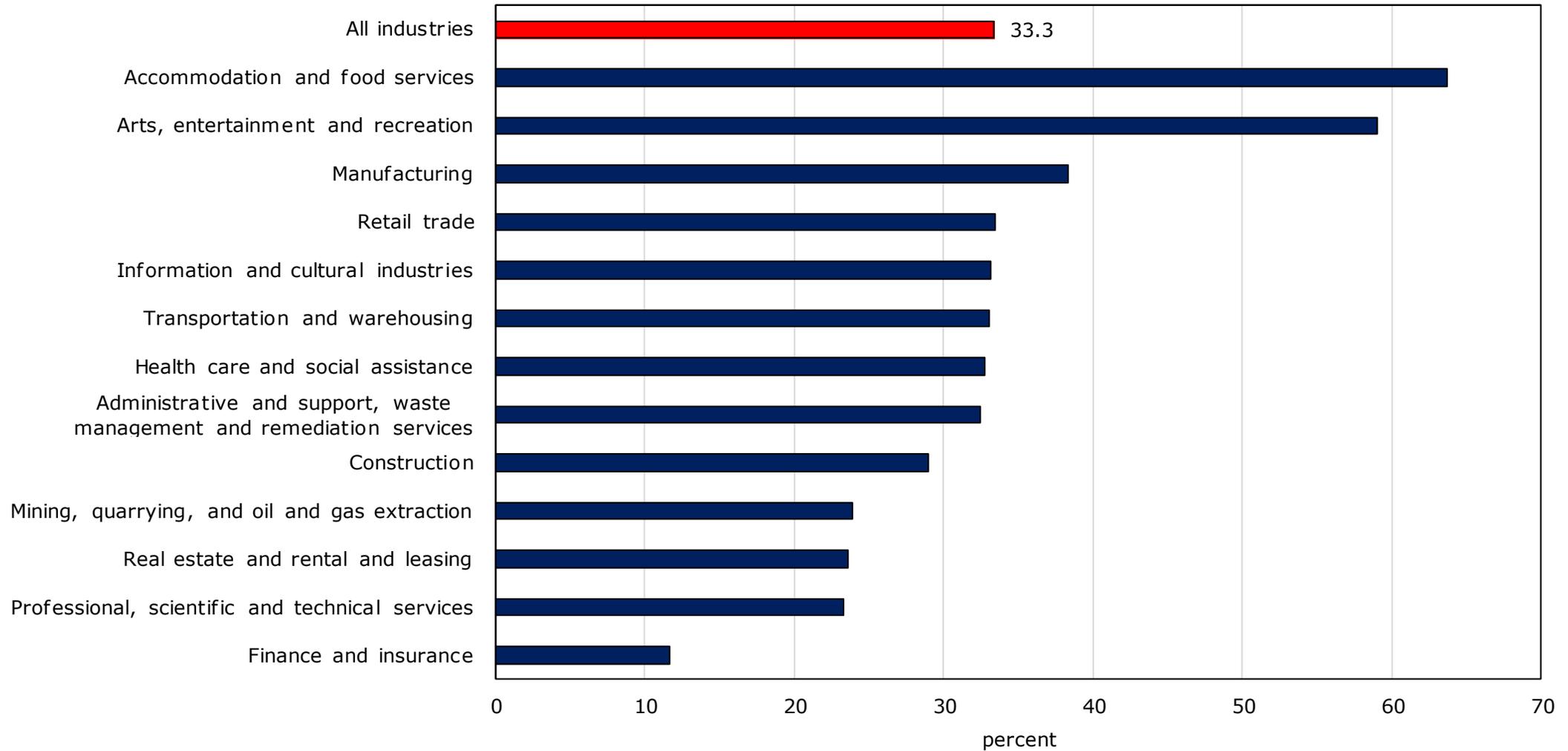
**Source:** Frenette, M. and R. Morissette. 2021. "Job security in the age of artificial intelligence and potential pandemics." Economic and Social Reports. Statistics Canada Catalogue no. 36-28-0001.

# Financial uncertainties deepen for many businesses as emergency support programs wind down

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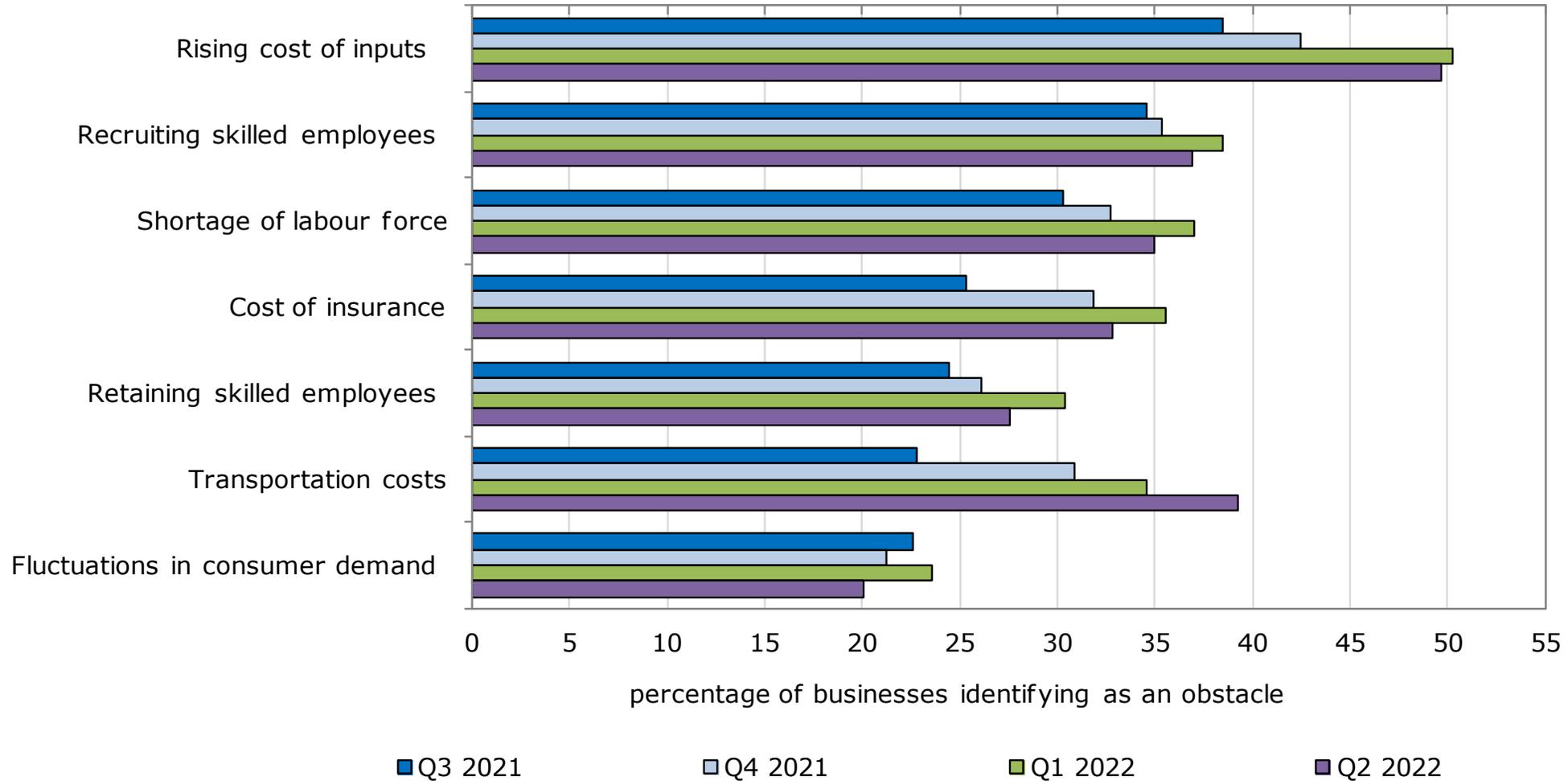
- Emergency programs have been a critical lifeline for many businesses during the pandemic. **Business insolvencies** have remained below pre-COVID-19 levels, but rose **37%** in the fourth quarter of 2021. During the fourth quarter of 2021, **one-third** of businesses reported that the absence of government support programs over the next 12 months would have a medium-to-high impact on their survival.
  - This includes almost **two-thirds** of those in accommodation and food services, and **40%** of businesses with 5 to 19 employees.
- About **15%** of all businesses reported that it would be a major challenge to pay off funding received from repayable government support programs over the next 12 months, including almost **40%** of those in accommodation and food services.
- Financial stresses may become more acute as cost pressures continue to rise. In the first quarter of 2022, **one half** of businesses expected rising input costs to be an obstacle in the coming months, including **74%** of manufacturers and **71%** of businesses in accommodation and food services.

## Share of businesses reporting that the absence of government support programs in the next 12 months would have a medium-to-high impact on their business survival, fourth quarter of 2021



Source: Statistics Canada, table 33-10-0417-01.

# Anticipated business obstacles over the next three months



**Source:** Survey on Business Conditions. See Statistics Canada tables 33-10-0338-01, 33-10-0364-01 and 33-10-0504-01.

# Looking forward

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- The unintended health impacts of COVID-19 restrictions, along with the impacts of post COVID-19 condition, will be felt for years and will continue to strain health care resources.
- Recent protests against pandemic restrictions are indicative of growing divisions among Canadians, and the potential long-term impacts on social cohesion are difficult to predict.
- Canada's population grew at almost twice the pace of other G7 countries from 2016 to 2021, primarily from immigration prior to the pandemic. Lower immigration during COVID-19, coupled with structural pressures related to population aging, will continue to impact labour market imbalances.
- To what extent will the accelerated shift towards automation and digital technologies in low-wage sectors create new employment opportunities?
- High inflation and modest wage gains suggest that pressures related to affordability will worsen in the near term—especially if prices for food and shelter continue to rise.
- Financial barriers to homeownership may have lasting impacts on social and economic mobility, especially for new Canadians and younger families.
- As targeted wage subsidies and lockdown supports wind down, businesses in high-contact sectors face continued uncertainty as input costs rise and vacancies remain near record levels.
- Will digitalization and working from home lead to permanent increases in businesses productivity?

## COVID-19: Selected data and information sources

Canadian Survey on Business Conditions, quarterly

<https://www150.statcan.gc.ca/n1/daily-quotidien/220225/dq220225b-eng.htm>

Canadian Social Survey, quarterly

<https://www150.statcan.gc.ca/n1/daily-quotidien/220221/dq220221a-eng.htm>

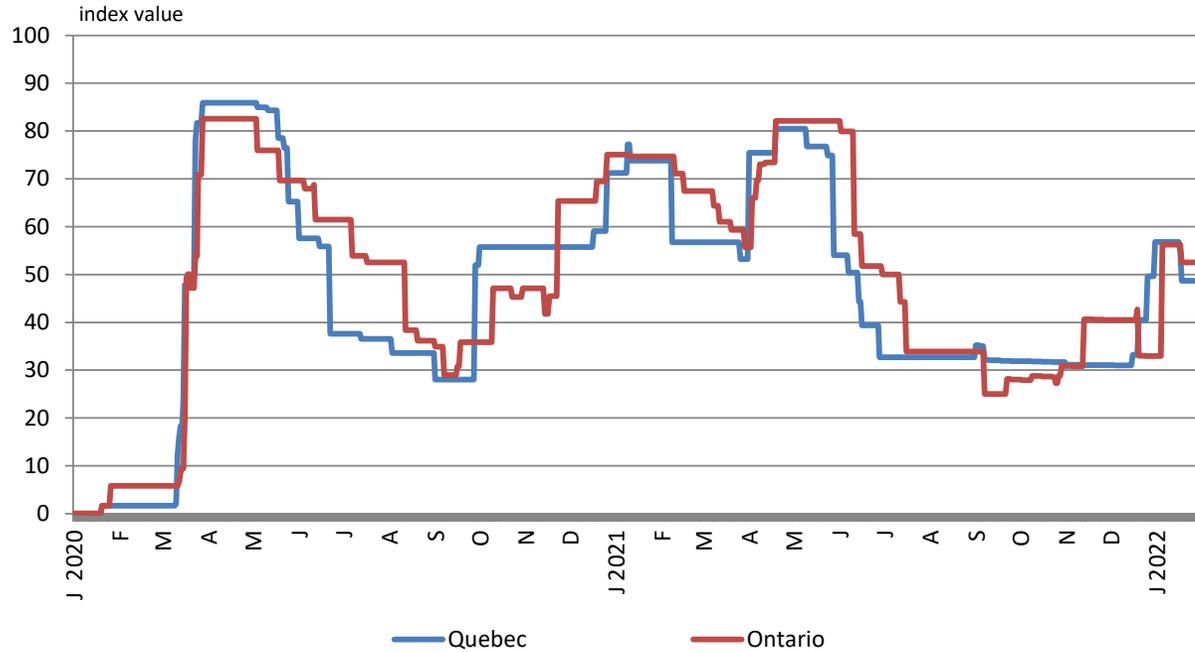
COVID-19: A data perspective

<https://www.statcan.gc.ca/en/covid19?HPA=1>

COVID-19 Provincial Restrictions Indexes, Daily and Monthly

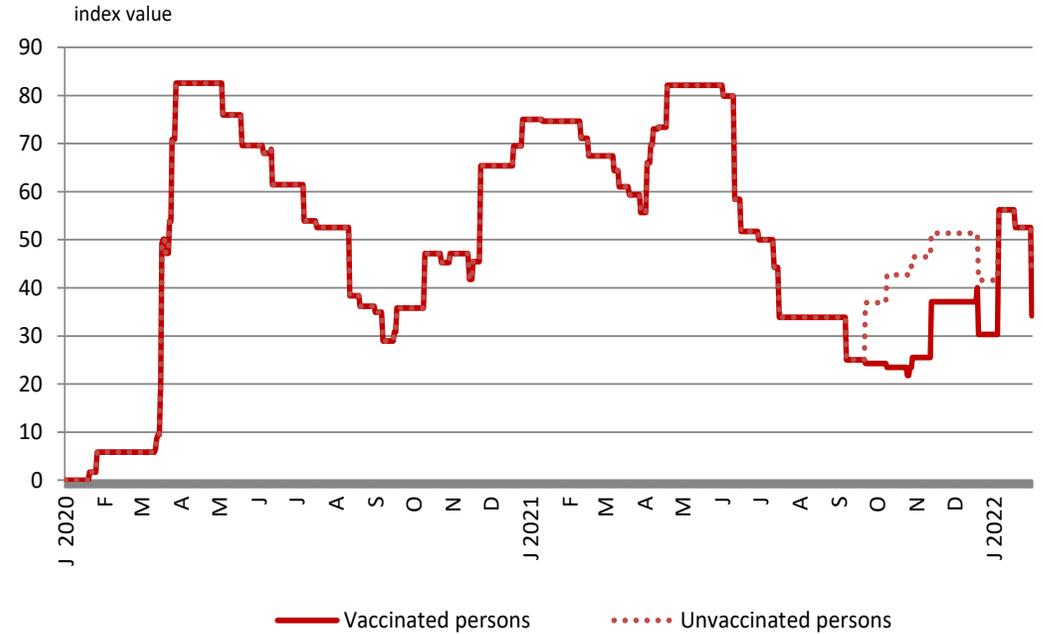
<https://www150.statcan.gc.ca/n1/daily-quotidien/220328/dq220328d-eng.htm>

### Daily COVID-19 Restrictions Index, Quebec and Ontario

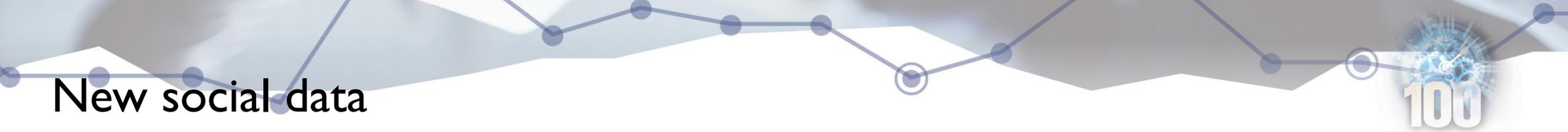


Source: Statistics Canada, table 33-10-0496-01.

### Daily COVID-19 Restrictions Index, by vaccination status, Ontario



Source: Statistics Canada, table 33-10-0496-01.



## New social data

- **New geographic classification to measure health and social inequalities: the Canadian Social Environment Typology (CanSET)**
  - Each neighbourhood type is a group of dissemination areas having similar social characteristics, and can be used to measure health and social inequalities by comparing outcomes among (similar or different) types of neighbourhoods, either within a city or across cities.

Release date: May 9, 2022

- **New data on social inclusion: Social, political and economic participation of racialized groups**
  - Data can be used to examine differences in civic engagement across racialized groups (participation in groups, organizations or associations). Also examines representation of racialized groups in senior decision-making positions, and differences in political participation.

Release date: May 17, 2022



## About the Data Service Centre...

The Data Service Centre (DSC) offers to data users a complete range of services. The DSC assists data users:

- With simple and free data requests, technical and methodological questions;
- With complex requests requiring research, extraction or customization of data from multiple sources;
- By producing customized reports, analyses and maps;
- By offering standard and customized workshops for data users of all levels of expertise;
- Through various outreach activities such as webinars, newsletters, presentations, information sessions and open houses.

For any questions, contact us:

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