Tourism & Hospitality
Emergency Recovery

iOTEC **Blueprint**

Labour Force Survey:
Summary Report
January 2021

The COVID-19 crisis has had a strong, negative effect on Ontario's economy, and the tourism and hospitality industry has been especially hard hit. In response, the Ontario Tourism Education Corporation (OTEC), in collaboration with the Future Skills Centre (FSC), is leading a response directed at the tourism and hospitality industry. Blueprint, the Conference Board of Canada, and Magnet (Co-founded by Ryerson and the Ontario Chamber of Commerce) are also partners in this Tourism & Hospitality Emergency Recovery (THER) project.

This summary report, based on a comprehensive analysis provided by Blueprint of data from Statistics Canada's Labour Force Survey (LFS) and Public Use Microdata Files.

It describes the effect of the COVID-19 crisis on the tourism and hospitality industry in Ontario and the workers in this industry, as well as how this impact is evolving month-to-month. It aims to provide an understanding of the current status of employment compared to last year and compared to other industries to assess how healthy the industry is and how well it recovers over time. It also aims to provide an understanding of the impact on tourism and hospitality workers and the makeup of the group of workers who lost their tourism and hospitality jobs due to the COVID-19 pandemic. This information will help design responses that are appropriate to the scale of the impact and the characteristics of workers impacted.

Key Findings from January 2021

- The labour market conditions for the tourism and hospitality industry have deteriorated again since last month. Conditions for the tourism and hospitality industry are about as bad as they were in July and August 2020.

- The number of people working in the tourism and hospitality industry decreased from December 2020 to January 2021.

- Tourism and hospitality remains the single hardest-hit industry. Tourism and hospitality employs 32% fewer people in January 2021 than it did in January 2020.

- Tourism and hospitality has seen a larger deterioration since December compared to the rest of the economy. Tourism and hospitality employed 79% as many people in December 2020 compared to one year before, and this has fallen to 68% in January 2021.

- Roughly 172,000 people lost their jobs in tourism and hospitality due to COVID-19 since the pandemic began and are jobless in January 2021.

- Younger workers, workers in service, sales, and support jobs, and workers without postsecondary credentials are at greater risk of having lost their tourism and hospitality job due to COVID-19.

Our analysis considers both people who are unemployed and people who are not in the labour force (i.e., are not actively seeking employment), but appear to have lost their job due to COVID-19, and who appear to want paid employment. We believe that considering only the unemployed—roughly, the jobless who are actively seeking employment—understates the number of people who have lost their job from COVID-19 because many people who are not actively seeking employment actually want employment while COVID-19 restrictions are in place.

We estimate that roughly 172,000 people lost their jobs in tourism and hospitality due to COVID-19 since the beginning of the pandemic and are jobless in January 2021. There are roughly 33,000 more people in this situation than in December 2020, when 139,000 had lost their jobs in tourism and hospitality and were without work. It is possible that some of these workers became employed since COVID-19 began, but have now lost their job again.

Figure 3: Estimated job loss due to COVID-19 among tourism and hospitality workers by demographic characteristics and characteristics of last job (N = 747)

- With respect to having lost a job due to COVID-19, the disadvantages associated with being young, not having a postsecondary credential, and being in a service, sales, or support occupation have increased since last month.

- People in Toronto are no longer more likely to have lost their job than people outside of Toronto.

- Immigrants are less likely to have lost their job.

Figure 4: Characteristics of job losers, January 2021 (N = 276)
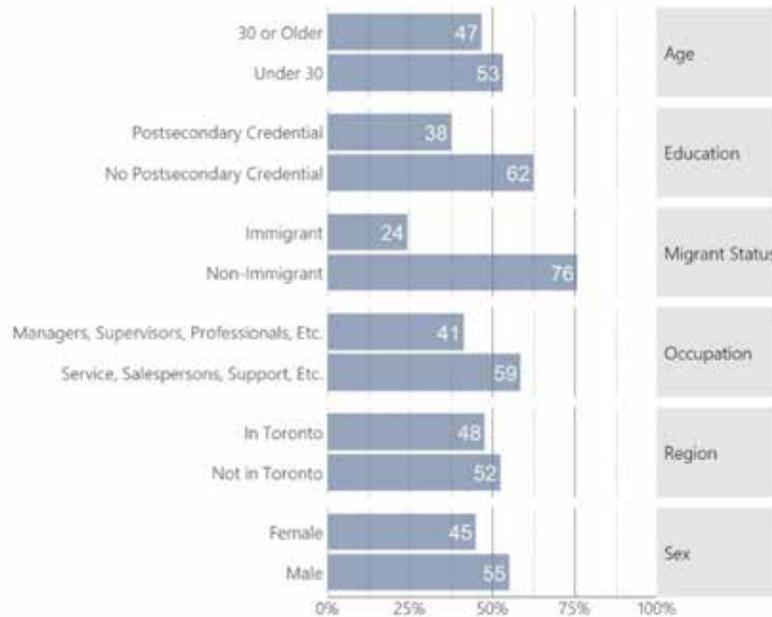
- January 2021 results the same as December 2020 results in terms of which groups are in the majority, except that people in Toronto were in the majority in December 2020 and they are in the minority in January 2021.

Respondents are classified as being in or having been in the tourism and hospitality industry if their current or most recent job was:
- In the industry Accommodation and food services or
- In the industry Information, culture, and recreation,
<u>and</u> they were in an occupation in which a majority of respondents are in tourism and hospitality, according to our analysis of the 2016 Census data, as described below.

Specifically, respondents are included in the hospitality and tourism industry in our analysis if their current or most recent job is in the Information, culture and recreation industry, and their occupation is one of the following:
- Middle management occupations in trades, transportation, production and utilities
- Administrative and financial supervisors and administrative occupations
- Professional occupations in health (including nursing)
- Technical and assisting occupations in health or in support of health services

- Paraprofessional occupations in legal, social, community and education services
- Public protection, care providers, educational, legal and protection support occupations
- Professional and technical occupations in art, culture, recreation and sport
- Service supervisors and specialized service occupations
- Service representatives and other customer and personal services occupations
- Sales support occupations
- Service support and other service occupations, n.e.c.
- Maintenance and equipment operation trades
- Trade helpers, construction labourers, installers, repairers and related occupations
- Transport and heavy equipment operation and related maintenance occupations
- Supervisors, technical occupations and workers in natural resources, agriculture and related production
- Assemblers and labourers in processing, manufacturing and utilities
- Occupation not available

Some occupations—such as assemblers and labourers in processing, manufacturing and utilities—seem like a poor fit for the tourism and hospitality industry. But there are very few of these people. The vast majority of people from Information, culture, and recreation who are classified as tourism and hospitality are in sales and service occupations or management occupations.

We classify respondents as having lost their tourism and hospitality job due to COVID-19 in the December 2020 LFS if their last job was in tourism and hospitality AND:

- They have been unemployed for 47 or fewer weeks and left their last job: because the business was sold or closed down (self-employed only); because the company moved or went out of business; because of business conditions; or due to dismissal or other, unspecified reasons.
OR
- They are not in the labour force and have been without a job for 11 or fewer months and left their job because of the same reasons listed above.

We coded respondents as having kept their tourism and hospitality jobs through the COVID-19 crisis if they were currently employed (including people who did not work in the reference week) in tourism and hospitality and had a tenure of 11 or more months. This was done to avoid the rare cases when someone started a new tourism and hospitality job during the COVID-19 crisis.

For more information about Tourism & Hospitality Emergency Recovery or this summary report, please contact us at info@otec.org