



# Labour Force Survey: Summary Report May 2021

The COVID-19 pandemic and the economic conditions that have resulted from it have had a profound impact on the lives and well-being of Ontarians. But this impact has not been felt evenly across all industries. Workers in the tourism and hospitality industry have been the hardest-hit group in Ontario's labour market. In May 2020, **the industry employed a little over half of the number of workers** it employed in May 2019, and employment levels have been slow to recover since this low point. Employers have also experienced serious challenges due to rapidly changing public health protocols, making it difficult to invest in safety measures and plan for the future.

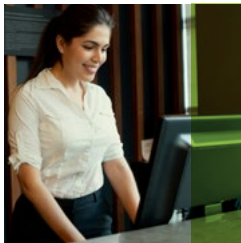
To address this situation, the [Ontario Tourism Education Corporation \(OTEC\)](#), in collaboration with [Blueprint](#), the Conference Board of Canada and the [Future Skills Centre](#), developed the [Tourism and Hospitality Emergency Response \(THER\)](#).

Blueprint led the design and execution of the research portion of the project. As an evidence-informed initiative, the research sought to understand the effects of displacement on workers and identify their needs to deliver a response that better serves this population.

This report provides a snapshot of key findings from the research and lessons to consider as THER moves into the response stage. As this work evolves, we will continue to support THER by engaging with displaced tourism and hospitality workers nationally and working with OTEC to expand THER to other provinces. It is worth noting that we are releasing this research under unprecedented historical circumstances. At the time of writing, the COVID-19 pandemic has taken the lives of over 24,000 Canadians, and it continues to test our social and economic resilience. Much is still uncertain, but we hope this report will give voice to the most affected industry in Ontario and provide some important considerations for a post-pandemic future.

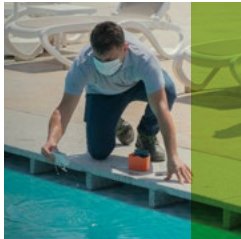
### **Key Data Sources**

The primary goals of the research were to understand the effects of the COVID-19 pandemic on displaced workers in Ontario's tourism and hospitality industry and to identify their needs so that it can inform the development of a targeted response. Over the course of the year, we analyzed three data sets:



**1**

the monthly Labour Force Surveys carried out by Statistics Canada



**2**

a panel survey of displaced workers within the tourism and hospitality industry



**3**

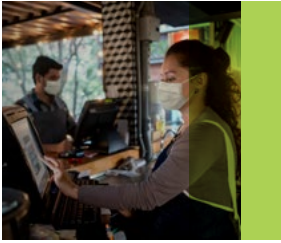
a longitudinal survey of displaced workers within OTEC's contact network

“

The economic and emotional toll of mandated business closures have negatively impacted workers and employers profoundly,” said Adam Morrison, President and CEO, OTEC. “This report examines these factors, helping to inform and direct workforce recovery as we work collaboratively to build back this critical sector.”

## Labour Force Survey

The Labour Force Surveys provide a comprehensive and timely picture of the major dynamics within the tourism and hospitality sector. The findings use data from Statistics Canada's Labour Force Survey (LFS) Public Use Microdata Files. The LFS data is released monthly, accordingly, we released monthly analyses of these data from March 2020 to March 2021, which included the first and second waves of the COVID-19 pandemic, as well as the beginning of the third wave.



### The pandemic impacted tourism and hospitality more than any other sector in Ontario

At the start of the pandemic, the tourism and hospitality industry experienced the sharpest decrease in employment from the previous year compared to all other industries. By April 2020, the industry employed 57% of the number of people it employed in April 2019. **In other words, well into the first wave of the COVID-19 pandemic, the industry employed just over half of the number of workers from the year before.** The figure below shows this dramatic decline between February and May of 2020 compared to all other industries.

**FIGURE 1 • Number of workers employed in 2020 relative to 2019**



The industry regained some employment after the first wave of the pandemic, when more businesses could operate, but the gap created in the initial wave never closed. **Throughout 2020, tourism and hospitality remained the single hardest-hit industry in Ontario.** Many other industries are now back to essentially 100% of last year's employment, with data indicating that 10 of the 19 industries employ at least 99% as many people than they did two years ago. Conversely, in March 2021, tourism and hospitality still employed 18% fewer people than it did in March 2019.



**Workers who were younger and in non-managerial positions were most impacted**

Throughout most of the pandemic, some types of tourism and hospitality workers are more likely to have remained jobless than others. **Those in service, salespersons and support occupations were significantly more likely to be displaced without having found subsequent employment than those in managerial, supervisory or professional occupations.** Workers under the age of 30 and workers without a postsecondary credential were significantly more likely to have remained jobless throughout most months.

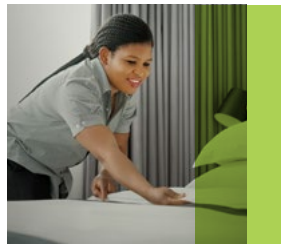


**Tourism and hospitality faced the greatest drop in employment at the onset of the pandemic in Ontario, losing nearly half of the workforce. While the sector has recovered partially since then, it still lags behind the rest of the economy in employment levels.**

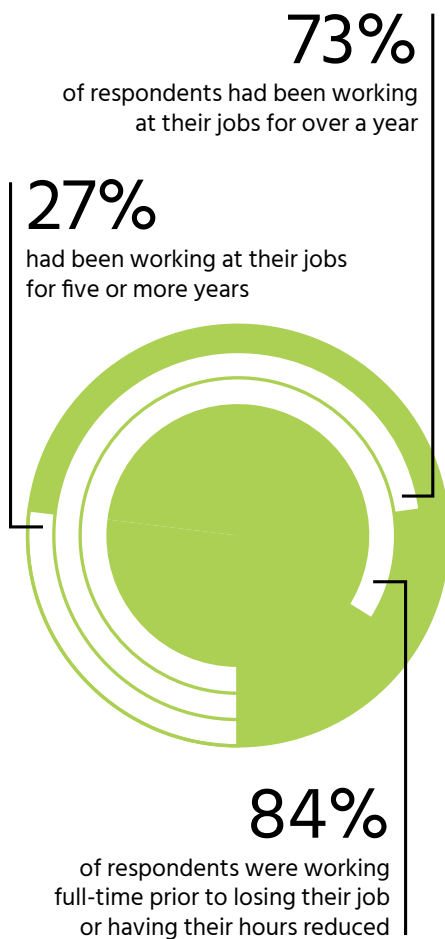
Training in Tourism and Hospitality is an evident opportunity for the industry. The vast majority of workers indicated that they would prefer a program that included a work placement and provided additional financial support. Almost 30% expressed an interest in training specifically to advance in the tourism and hospitality industry.

## PANEL SURVEY

While the LFS provides a precise and timely snapshot of overall trends in tourism and hospitality employment, we also deployed a panel survey to better understand the specific experiences and challenges of people displaced from the sector. This data provides key insights from a broad sample of the population of workers displaced from the tourism and hospitality industry in Ontario after the first wave of COVID-19. Between August 26 and September 7, 2020, 622 members of an online panel who had been displaced from the industry were invited to complete the full survey.

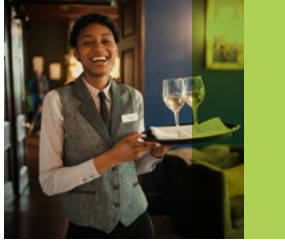


Displaced workers viewed their jobs as long-term and expected to return



In the beginning of the pandemic, displaced workers did not anticipate that they would lose their jobs for good. Most displaced tourism and hospitality workers saw their displacement as temporary and expected to return to work. **The majority (65%) of respondents expected to return to the job they held in January 2020 or to resume working their previous number of hours.** A somewhat smaller proportion (43%) of respondents believed that they would do the same type of work as they were doing in January 2020 for the rest of their career.

Prior to losing their jobs or having their hours reduced, many of these respondents were employed in relatively stable and sustainable jobs. We found that 84% of respondents were working full-time prior to losing their job or having their hours reduced. 73% of respondents had been working at their jobs for over a year and some (27%) had been working at their jobs for five or more years. Nearly all respondents did not view the job they lost or were working reduced hours in as short-term.



## Displaced workers are interested in training, but they need support

While a number of workers viewed their displacement as temporary, we found that there is substantial demand for training in the sector. **More than two thirds (77%) of the target population expressed interest in training.** Of these, approximately one third expressed interest in training that would help them advance specifically in tourism and hospitality.

We also found that workers perceived financial supports as an important complement of training. Roughly half (53%) of the group interested in training to advance in the sector said they would need financial assistance, while well over three quarters (80%) of those who wanted training to find jobs outside of the sector indicated the same.

The majority of displaced workers were employed in full-time, stable jobs and more than 40% believed they would be in tourism and hospitality for the rest of their careers.



## LONGITUDINAL SURVEY

Finally, we carried out an additional survey of workers in Ontario. This survey allowed us to understand how the experiences of workers evolved through the pandemic, and we also expect that this population more closely represents the population who can be effectively reached by OTEC and recruited into training programs. The survey was promoted by OTEC through social media, paid advertising, earned media and industry outreach, with 408 people completing the survey. A follow-up survey was conducted where 178 people completed it, representing 44% of those who completed the baseline survey.

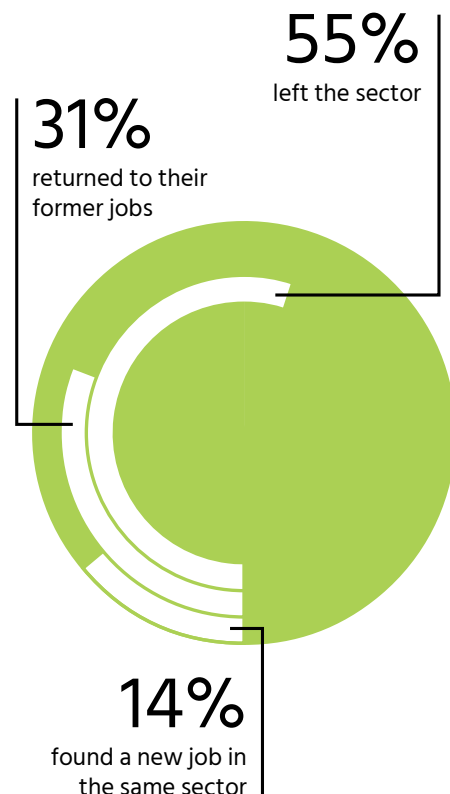
### Workers displaced by the pandemic still haven't returned to their jobs, with women, newcomers, single parents and racialized individuals disproportionately impacted

Despite their initial expectations, a number of workers still had not returned to their jobs well into the second wave of the pandemic. Nearly half (49%) of respondents were still out of work and had largely been out of work since the start of the pandemic.

**Almost two-thirds (62%) of those who remained unemployed were women, and just under half were newcomers to Canada (45%) - a greater proportion among those who had found new jobs or returned to their old ones.**

Among workers who were employed, only 31% of survey respondents had returned to their former jobs. Of these, workers tended to be male, university-educated, and many had high-quality jobs. Another 55% left the sector, and the remaining 14% found a new job in the same sector. Those who left the sector were more likely to be racialized individuals, single parents, newcomers and women. These respondents have largely found worse jobs than they had before with fewer benefits and lower earnings.

Half of workers displaced by the pandemic who we reached with our longitudinal survey remain unemployed, and among the employed half have left the sector. These workers are disproportionately women, newcomers, single parents and racialized individuals.



Most surveyed workers indicate they are facing challenges related to anxiety and/or depression, and for those who remained continually unemployed through the pandemic those challenges have often worsened. Similarly, most respondents faced financial struggles soon after losing their jobs, and for many these financial struggles have persisted through the pandemic.

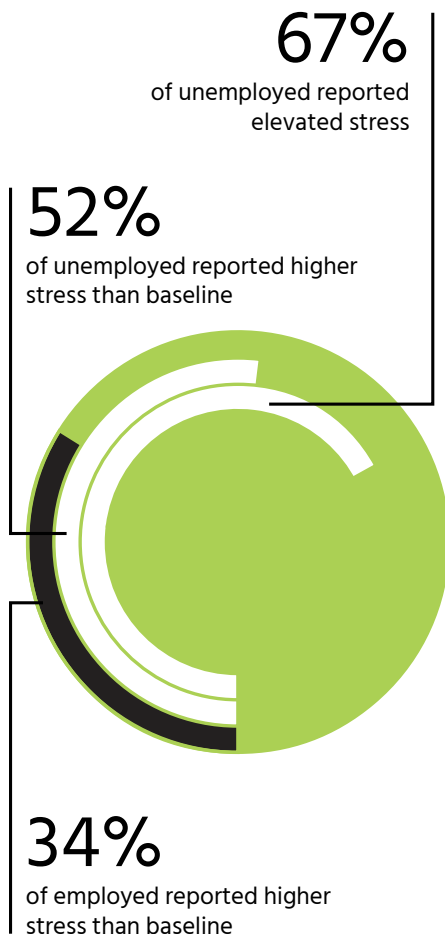


### Displaced workers struggled with mental health, stress and financial struggles

We found that workers displaced by COVID-19 struggled with mental health, stress and financial struggles. Seventy-three percent of respondents reported experiencing some level of mental health challenge related to anxiety and/or depression in the baseline survey. **A significant percentage (83%) reported experiencing an elevated level of stress, and many (61%) struggled to pay for at least one critical expense (medical, housing, food, loan payment, bill) in the past month.**

Findings from the follow-up survey suggest that displaced workers' difficulties have worsened over time. Thirty-four percent of employed respondents reported experiencing higher stress than at baseline. Two-thirds of unemployed respondents (67%) reported elevated stress, and over half (52%) were experiencing higher stress levels than at baseline.

Similarly, the financial situations of these survey respondents, regardless of employment status, have worsened since the start of the pandemic. Twenty-eight per cent of employed respondents reported experiencing financial struggles in more of the areas listed above than at baseline, while 58% of unemployed respondents were struggling financially in at least one area. Across employment groups, a significant proportion of displaced workers have seen their financial struggles worsen (28%) and many are working in jobs that offer them fewer benefits (51%), fewer hours (42%) and lower earnings (35%).





## Many displaced workers in the sector continue to see a future in the industry



By Ontario's second wave (December 2020-January 2021), displaced workers faced considerable uncertainty about the future. Based on data from the follow-up survey, we found that many unemployed workers did not have a clear idea about what type of work they would like to do next, and some had even less clarity when asked in the baseline survey. Relatively few had taken concrete steps toward a new career pathway, such as enrolling in education or training. Among those who did have a clear idea of what they want to do next, the majority (63%) wanted to do similar work to the job they were doing before the pandemic.

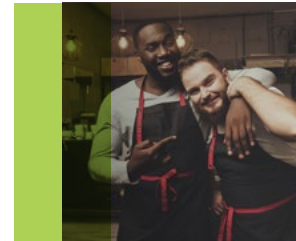
**The data suggest that those who left the sector did so out of necessity, rather than choice.** Many continued to see potential in the industry despite not having found employment. While the plurality (46%) didn't have a clear idea of what they wanted to do next, **the majority (70%) of those who did have clarity were interested in returning to their previous occupations.** This finding reinforces our earlier finding that offering financial support alongside training will increase interest and encourage participation.

## Summary

Workers in the tourism and hospitality industry have experienced some of the worst economic fallout from the experience of COVID-19 in Ontario. While most expected to return to their jobs at the beginning of the crisis, few have. Some were unemployed for months, while others lost jobs they saw as long-term and had to settle for work that was less relevant to their experience and offered lower earnings and benefits. Women and newcomers were disproportionately impacted by these economic shocks.

Unsurprisingly, displaced workers' stress levels have increased over time, and their mental health has suffered throughout the pandemic. Perhaps more surprisingly, even those who were able to return to their previous jobs or found new employment experienced higher levels of stress as we entered the third wave of the pandemic in Ontario. In addition to mental health challenges, workers have experienced significant financial struggles which have worsened over time.

Another important finding revealed significant gaps in equity among workers. Overall, managerial, supervisory, or professional occupations experienced some recovery, while those in service, salespersons, and support occupations continued to be displaced. These latter workers were significantly more likely to be displaced without having found subsequent employment. Workers who left the sector were also more likely to be racialized individuals, single parents, newcomers and women.



As the COVID-19 pandemic evolves into a recovery phase, workers face considerable uncertainty. While the industry appears to be rebounding, workers will need to navigate a new and unfamiliar employment landscape. Our findings reveal that workers want training, but very few have enrolled in courses, some citing finances as an obstacle. Without hands-on training and financial assistance, the industry may continue to lag behind others in pre-pandemic employment.

“

**We've really seen industry stakeholders in tourism and hospitality rally together during this period, lobbying day and night to support this sector, and their efforts have come to fruition. Just a few months into the pandemic, there was already a level of collaboration across different organizations and parts of the sector that we'd never seen before.”**

– Kim Marshall, Vice President  
Workforce Solutions at OTEC

## Opportunities and Next Steps

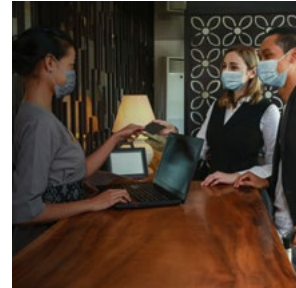
Despite these hardships, there is hope. Many workers still want to return to tourism and hospitality and would like to receive training and financial support to help them get back on their feet. The crisis has also forged a more collaborative and supportive sector.

As we enter the recovery phase, it's up to policymakers and industry leaders to ensure that these workers are supported and that we rebuild the industry in an equitable way. In Ontario, tourism and hospitality workers have borne the brunt of this profound economic crisis; in return, they deserve an extraordinary response.

Our findings suggest that there isn't a one-size-fits-all solution to this problem: we need a range of resources, including data and technology, to help address the real issues at the local and provincial levels. As tourism and hospitality recovers, there is a need for interventions for both employers and workers that can reduce labour market friction and ensure that those who want to return to the industry can do so. Our research provides some opportunities to consider for the future:

- Unemployment has taken a toll on workers in the industry, and financial and mental health supports are more critical than ever for supporting those who need them.
- The THER registry contains many workers who had a positive view of the industry before the COVID-19 pandemic and would like to return to it. This registry could be a valuable asset to match prospective employees with employers as the industry recovers and more jobs become available.
- There is still considerable unmet demand for training, particularly for training that includes on-the-job experience. There is an opportunity for organizations to help match displaced workers in the sector to existing training and to develop targeted interventions that meet this demand.
- Employers in the industry would benefit from initiatives that provide real-time data and visualizations that will help them create a recovery plan.

As this work evolves, OTEC will be expanding the THER initiative nationally. OTEC will invite workers to join the THER registry and to take the survey, building a broad understanding of the sector and its needs and creating a central point of communication with people in the industry. OTEC will also engage with provincial partners to adapt this response to other provinces to meet local worker, employer, and service provider needs. This national initiative will provide a platform for Tourism and Hospitality workers and employers across Canada to work together and identify responsive solutions to one of the most challenging periods for the industry.



**For more information about Tourism & Hospitality  
Emergency Recovery or this summary report,  
please contact us at [info@otec.org](mailto:info@otec.org)**



Canada

Ontario



Blueprint



**Tourism & Hospitality**  
Emergency Recovery