



Policy Commentary

THE IMPACT OF THE COVID-19 PANDEMIC
ON WOMEN IN THE WORKFORCE



Given the uncertainty of the pandemic in the coming months, we will continue to monitor the impact on women in the workforce both nationwide and in Alberta.

Summary

CONTEXT

A focus on Alberta is especially relevant for this topic given its resource-reliant economy; whereas past recessions disproportionately affected men in the province, this pandemic has significantly impacted women, likely due to the precautionary closures of service sector jobs in which a greater share of women are employed as well as additional unpaid household duties.



THE POLICIES

The federal government's launched financial assistance programs in response to the financial impact of the pandemic on Canadians, specifically with respect to employees and businesses.



OPPORTUNITIES & RECOMMENDATIONS

Despite the numerous financial assistance programs introduced by the government in an effort to assist workers and businesses, there remains a role for the private sector, specifically credit unions, to play a role in filling in the gaps to ensure the targeted and successful delivery of programs.



On October 9, 2020, Statistics Canada released its most recent Labour Force Survey data set. As the first set of data shared since the reopening of schools and daycares, the initial numbers are encouraging. A few relevant findings include:

- The employment for women in between 25 and 54 years of age grew at a faster pace than their male counterparts, with an increase of 2.3% in September;
- After a fifth month in a row of increases, employment for this segment of the population is only 2.1% below its level pre-pandemic figures, the lowest gap compared to other demographics;
- Compared to September of last year, women employed in the accommodation and food services sector were the most negatively impacted;
- At 83.7%, the participation rate for this segment nationwide has surpassed its pre-pandemic rate
- In Alberta, the participation rate for women in between 25 and 54 years of age was 83%, thereby exceeding the pre-COVID rate of 82.5% in February 2020.
- Despite a drop in the unemployment rate for this group in Alberta, at 7.4%, it still exceeds the February 2020 rate of 5.7%.

Given the uncertainty of the pandemic in the coming months, we will continue to monitor the impact on women in the workforce both nationwide and in Alberta.

Introduction

According to the most recent Organization for Economic Co-operation and Development (OECD) Labour Force Statistics report,¹ the participation rate for women in Canada in 2019 was 75.6% (15-64 year old); this rate was higher than other G20 countries such as Australia (73.9%), France (68.2%), Germany (74.9%), Italy (56.5%), the United Kingdom (74.4%) or the United States (68.9%). However, concerns have recently arisen of the toll of the pandemic and its aftermath on the progress of women in the workforce.

Recently released research and statistics offer insight into the immediate financial impact of precautionary measures to avoid the spread of the virus on women business owners and employees alike. By analyzing these statistics, a comparison between the months preceding the pandemic and now offer greater insight into the extent of the impact on women.



¹ "OECD Labour Force Statistics 2020: READ Online." *OECD Library*, read.oecd-ilibrary.org/employment/oecd-labour-force-statistics-2020_5842cc7f-en#page56.

Women Business Owners and Employees: Pre- Pandemic + Now

Majority-women owned businesses were among the highest (34%) among its counterparts to offer altered products or services offered to customers and introduced additional methods for customer interaction and sales (55%) in response to the pandemic.

In the State of Women's Entrepreneurship in Canada by the Women Entrepreneurship Knowledge Hub,² a federally funded initiative in partnership with Ryerson University, some key findings regarding women entrepreneurship may offer additional insight on the impact of the pandemic on businesses with women as majority owners. Some examples include:

- These businesses are mostly in the retail, services and accommodation sectors;³
- Start-up businesses with majority women owners are less likely than start-ups with no women as owners to receive credit from financial institutions (32.6% vs. 38%);
- Compared to their male counterparts, women have a higher likelihood of being "discouraged borrowers";
- The strain of unpaid work affects over 60% of women entrepreneurs;
- Women entrepreneurs are oft ignored regarding existing programs and not taken into consideration regarding business recovery.

Additionally, in July, Statistics Canada released the Canadian Survey on Business Conditions: Impact of COVID-19 on businesses in Canada.⁴ From a business owner perspective, this data provides interesting insight into businesses with women as majority owners pre- and during the pandemic which may be useful to credit unions to assist this segment of business owners in Alberta – the province with the second highest rate of businesses per one thousand adult individuals.⁵

- Some of the most relevant findings include:
- Over 40% of majority-women owned businesses did not have remote sales or orders (via phone or online resources) before February 1, 2020;
- Businesses with women as majority ownership reported the highest share of businesses that expect to continue to operate for less than

² Cukier, W. (2020, August 11). The State of Women's Entrepreneurship in Canada. Retrieved from https://wekh.ca/wp-content/uploads/2020/08/SOWE2020_PPT.pdf

³ According to recent [Statistics Canada data](https://www150.statcan.gc.ca/n1/daily-quotidien/200714/dq200714a-cansim-eng.htm) (Government of Canada, S. (2020, July 14). Canadian Survey on Business Conditions: Impact of COVID-19 on businesses in Canada, May 2020. Retrieved from <https://www150.statcan.gc.ca/n1/daily-quotidien/200714/dq200714a-cansim-eng.htm>), these industries were among those in which businesses had laid off their entire staff and had the highest share of reduced hours or shifts compared to other industries.

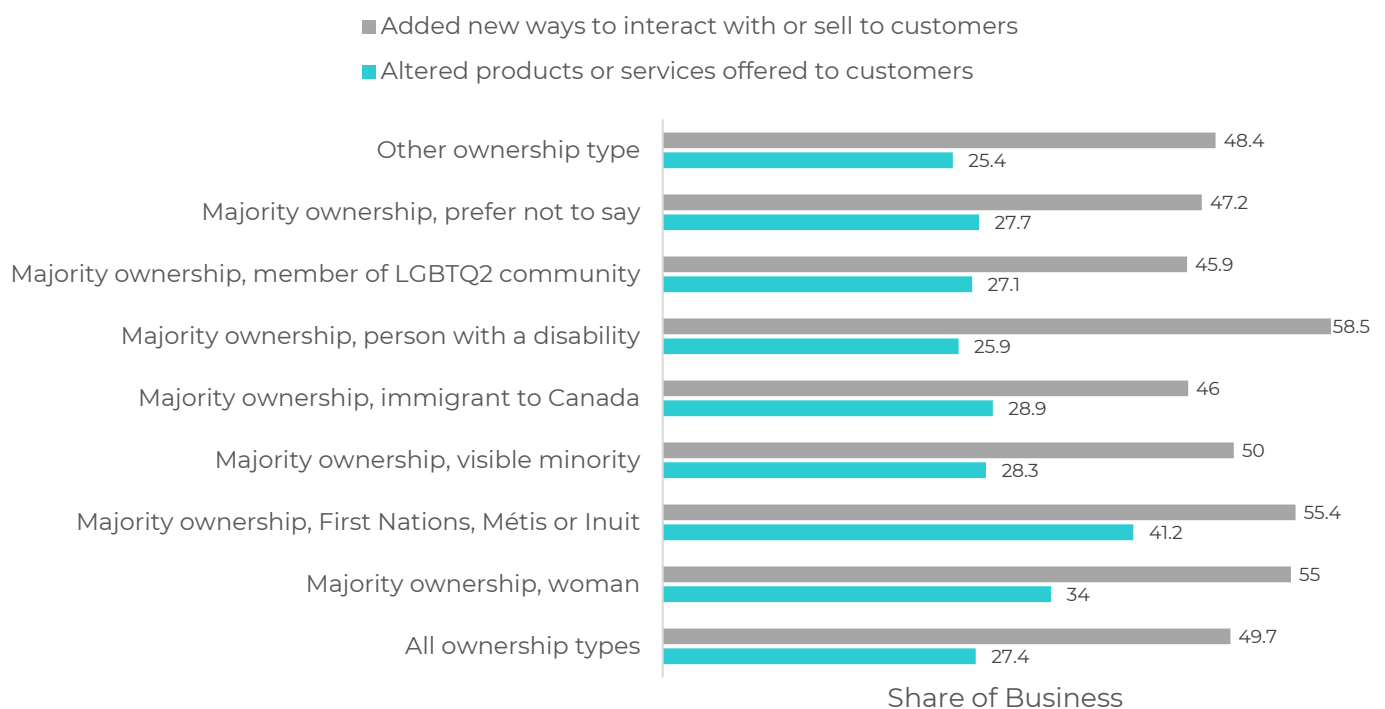
⁴ Ibid.

⁵ Services, S. (2019, December 10). Key Small Business Statistics - November 2019. Retrieved from https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03114.html

three months while maintaining the same revenue and expenses before contemplating additional measures, such as bankruptcy (11%);

- Majority-women owned businesses were among the highest (34%) among its counterparts to offer altered products or services offered to customers and introduced additional methods for customer interaction and sales (55%) in response to the pandemic, as shown in the figure below:

Figure 1: Business Ownership Type, altered products or services and added new ways to interact with or sell to customers



- 9% of all majority-woman owned businesses were forced to lay off their entire workforce due to the pandemic, the highest among its counterparts,⁶ and;
- Businesses with majority women as owners were the most likely to receive funding in the form of the Canada Emergency Commercial Rent Assistance (CECRA) – more than double the average for all ownership types (6.7% vs. 3.3%);
- With 45.7%, these businesses are among the highest recipients of the Canada Emergency Business Account (CEBA).

⁶ Among all ownership types, the share of businesses that had to lay off staff was 28.4% and the share of businesses that had to lay off all staff was 7%.

Despite the high adaptability of majority women-owned businesses – although a significant share of these businesses did not offer remote sales or orders prior to the pandemic, these businesses were the most likely to modify their products, services and approaches – these statistics highlight the specific challenges of these types of businesses. Specifically, their relatively higher expectations to cease business within the next 90 days, high share of layoffs and high demand for funding for rent costs. The monitoring of this data set in the future months may be useful for credit unions to understand the resiliency and challenges of businesses owned mostly by women.

On the employment side, Statistics Canada's Labour Force Survey (LFS) offers insights into women in the workforce in Alberta as well as nationwide. According to August's LFS, the most recent available data, the increase in employment for women was higher than that for men (+1.8% vs. 1.0%) for the third month in a row.⁷ Another encouraging statistic is that the unemployment rate for women between the ages 25 to 54 years of age was the lowest for all age groups; Statistics Canada notes that this lower unemployment is due to higher employment, as the labour force participation rate remained constant from the month prior.

However, compared to pre-pandemic levels, the labour force, employment, participation rate, employment rate and unemployment rate for prime working-age women in Alberta evolved as follows (February 2020 to August 2020):⁸

For women between the ages of 25 to 54 years of age, the labour force declined by 2%;

- The employment numbers for this segment decreased by 7%;
- The participation rate fell by 1.8%;
- The employment rate decreased by 5.8%, and;
- The unemployment rate increased by 5.1%.

For comparison purposes, the corresponding figures for men are:

- Labour force: (-0.01%)
- Employment: (-2.9%)
- Participation rate: (-0.1%)

Women age 25 to 54 years



The unemployment rate for women between the ages 25 to 54 years of age was the lowest for all age groups.

⁷ Government of Canada, S. (2020, September 04). Labour Force Survey, August 2020. Retrieved from <https://www150.statcan.gc.ca/n1/daily-quotidien/200904/dq200904a-eng.htm>

⁸ Government of Canada, Statistics Canada. (2020, September 04). Labour force characteristics by sex and detailed age group, monthly, unadjusted for seasonality. Retrieved from <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410001701>

- Employment rate: (-2.6%)
- Unemployment rate: 2.7%

Using February 2020 as the base period, the figure below visualizes the lagging employment levels for women in the months following compared to their male counterparts.

Figure 2: Men and women (25 to 54 years of age) employment levels pre-pandemic to now (February 2020=100)



A deeper dive into the available data from February 2020 to August 2020 enables a comparison between Alberta and Canada. Specifically, were women workers in Alberta impacted to a greater extent than women nationwide? A few insights are highlighted below:

- With respect to the labor force, women employees in Alberta had the second highest decrease in the labour force (-3.5%) compared to other provinces (Figure 3);
- Regarding part-time employees, women employees in Alberta had the highest decrease in workers (-11.1%) compared to other provinces (Figure 4);
- The unemployment rate for women in Alberta is equal to the unemployment rate nationwide (4.2%) (Figure 5);

- At -5.1%, the decrease in employment rate for women in Alberta is the highest nationwide (Figure 6);
- After Prince Edward Island, women employees in Alberta had the most significant decrease in participation rate (-2.6%) (Figure 7).

Figure 3: Change in Labour Force, Men vs. Women, Canada and Provinces, February 2020 to August 2020



Figure 4: Change in Part-time Employees, Men vs. Women, Canada and Provinces, February 2020 to August 2020

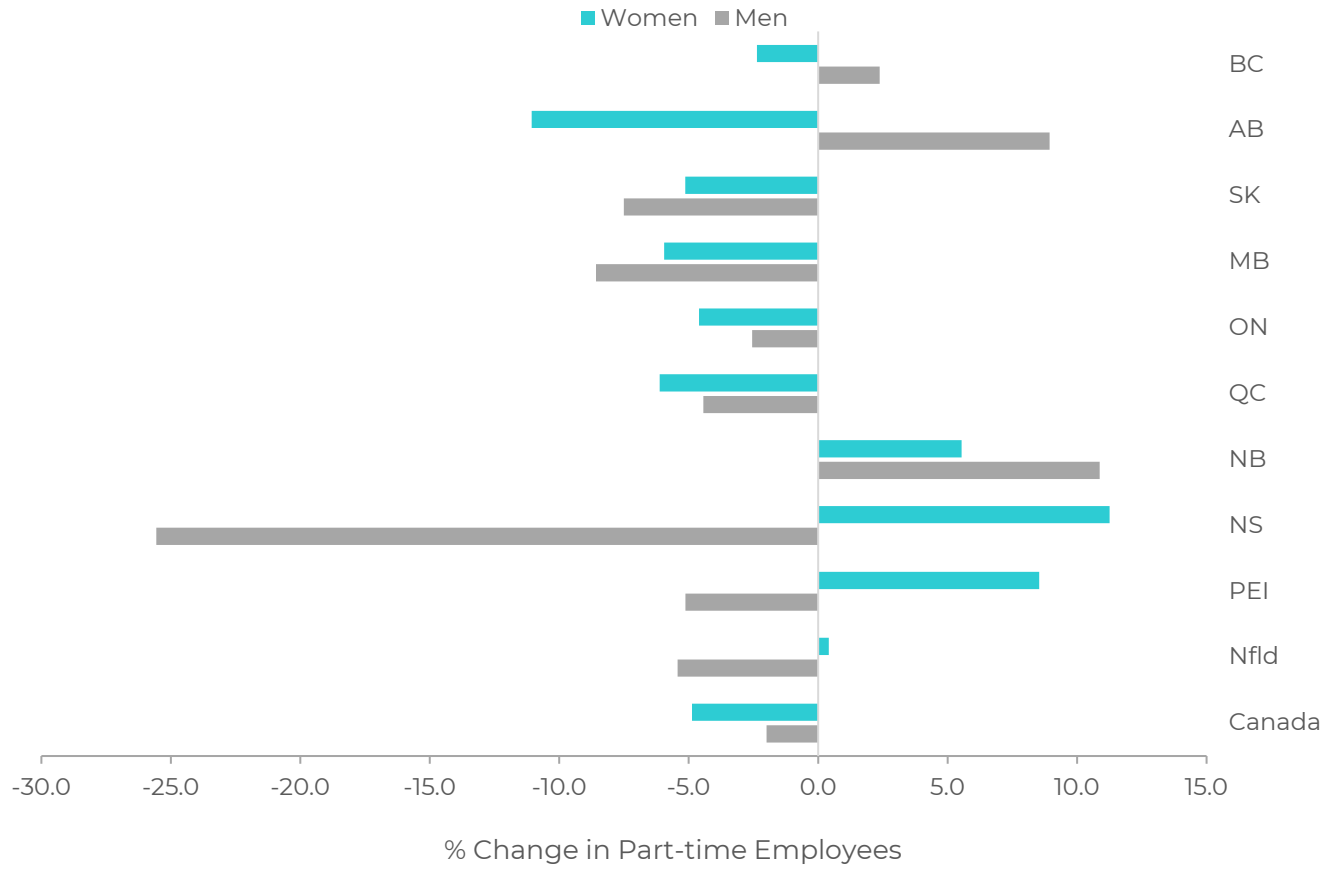


Figure 5: Unemployment Rate, Men vs. Women, Canada and Provinces, February 2020 to August 2020

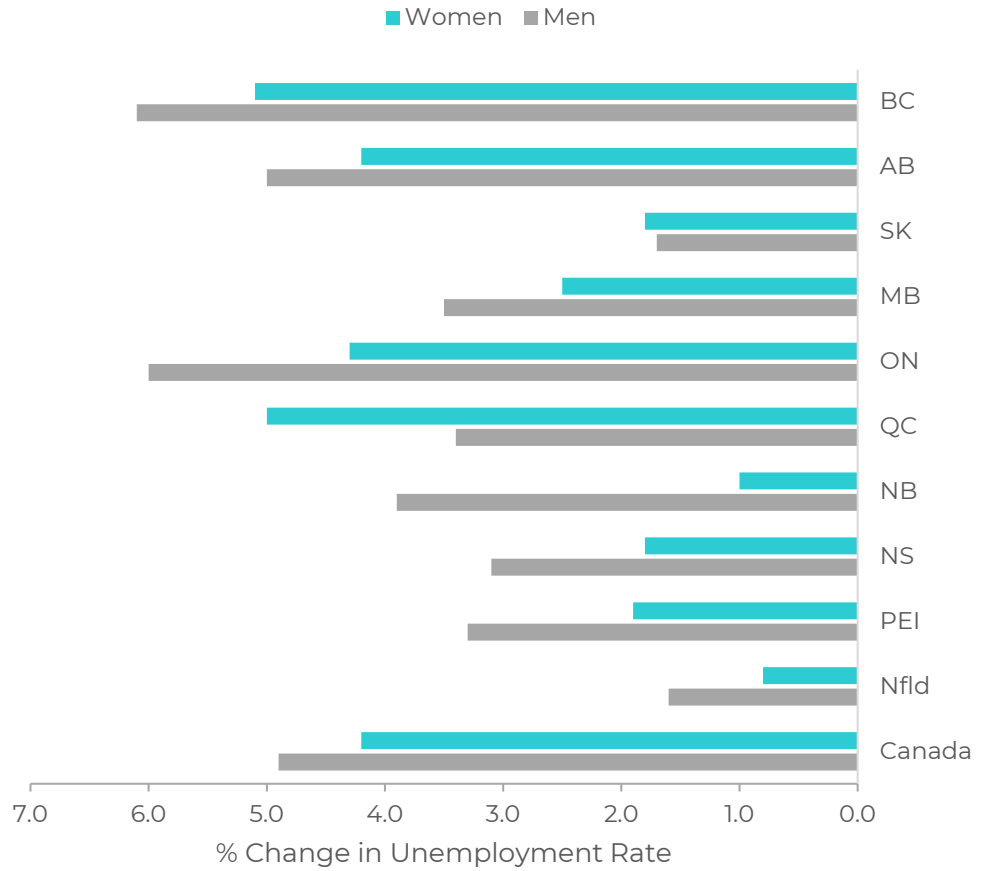


Figure 6: Change in Employment Rate, Men vs. Women, Canada and Provinces, February 2020 to August 2020

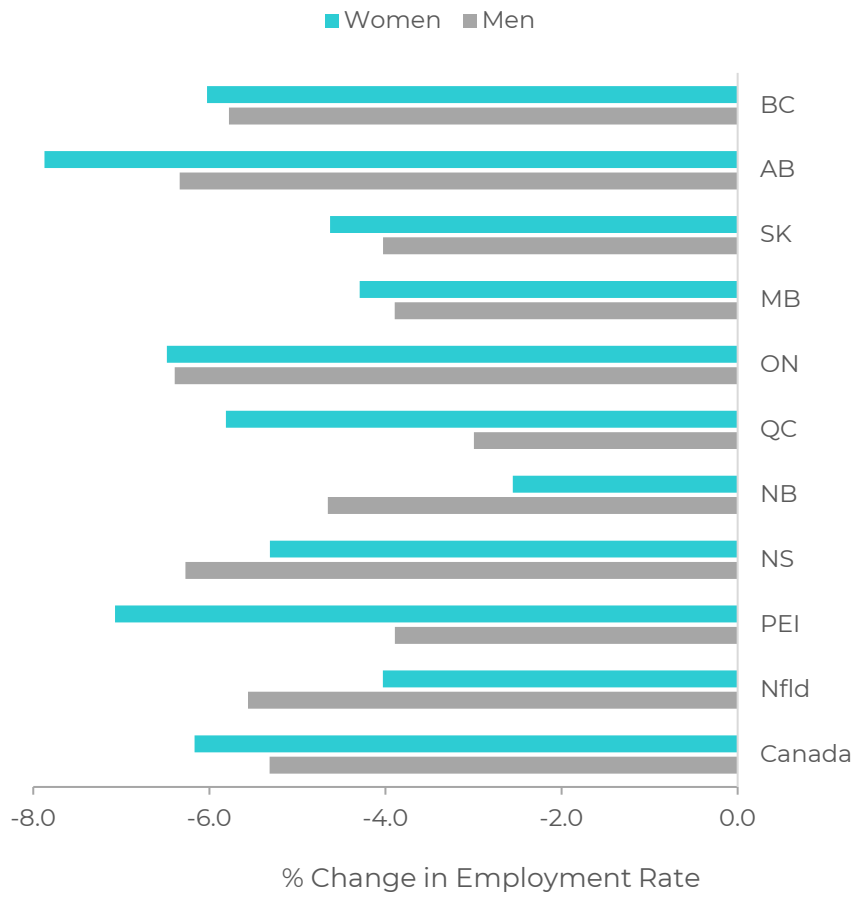
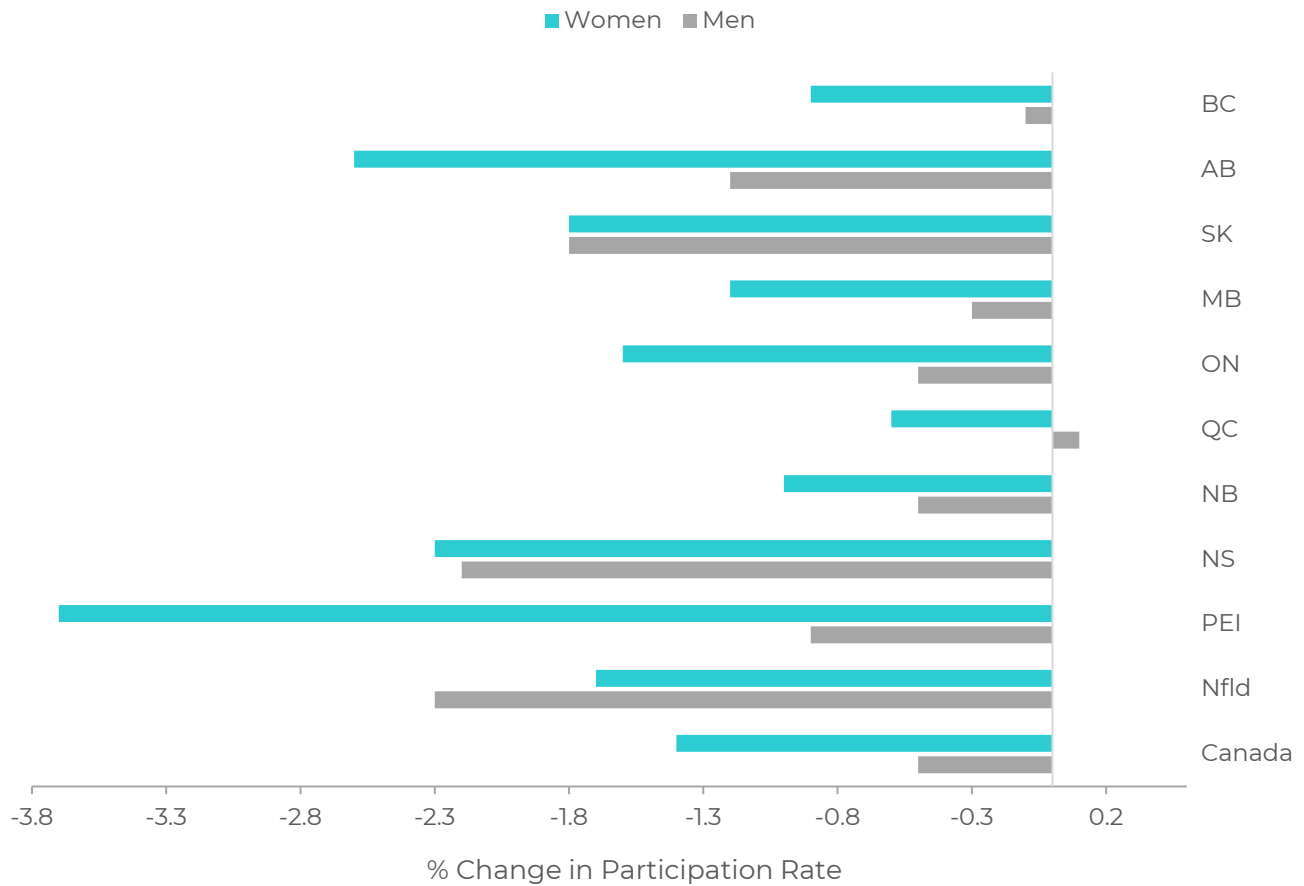


Figure 7: Change in Participation Rate, Men vs. Women, Canada and Provinces, February 2020 to August 2020

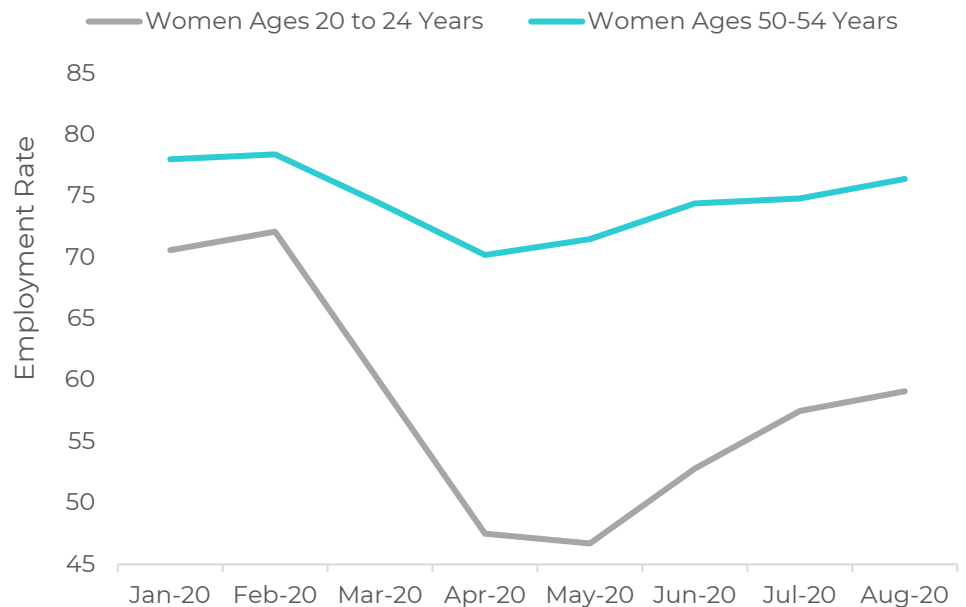


In analysis of these findings, it may be concluded that although the unemployment rate for women workers in Alberta is the same as the nationwide average, this may be the result of more women exiting the workforce instead of a greater share of working women. More details on this in the **Beyond the Numbers** section.

In addition to a regional focus regarding women workers, are there any significant discrepancies between women with respect to age groups pre-pandemic to now?

Figure 8: Women's Employment Rates, Canada, Ages 20 to 24 vs. Ages 50 to 54, 2020

Young women from the ages 20 to 24 across the country suffered a relatively greater shock to their employment levels from February 2020 to April 2020 compared to women in between the ages 50 to 54 years of age during the same period

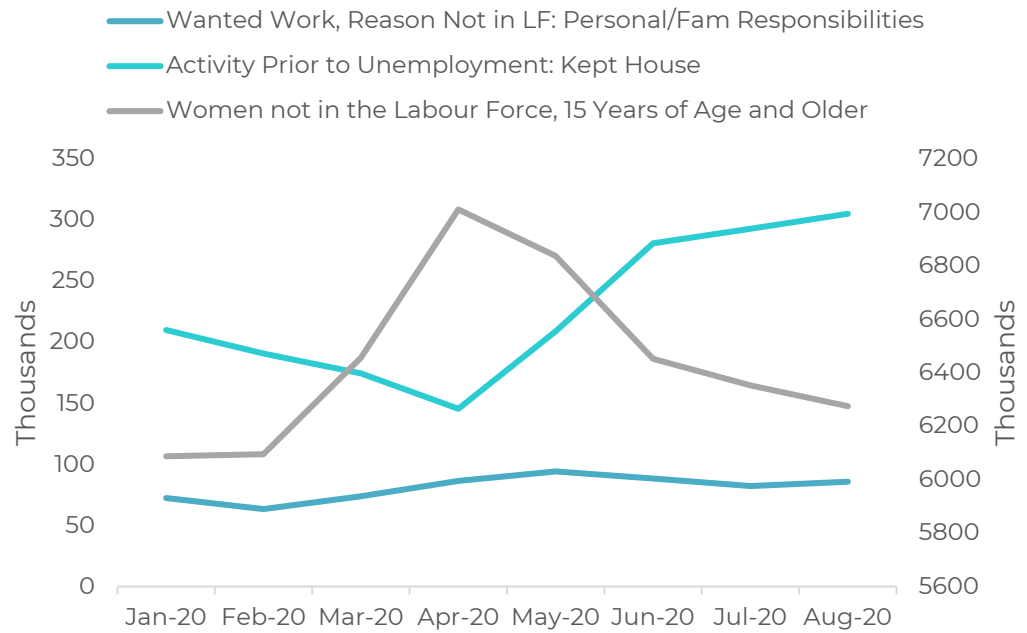


In analysis of this snapshot of findings, it may be concluded that young women from the ages 20 to 24 across the country suffered a relatively greater shock to their employment levels from February 2020 to April 2020 compared to women in between the ages 50 to 54 years of age during the same period. Furthermore, it appears as though this younger age group is struggling to reach pre-pandemic levels of employment months later, resulting in a greater gap in employment levels between the two age groups compared to earlier this year.

Additionally, the rise in women not in the labour force, the growing number of individuals that wanted to work but cited personal reasons or family responsibilities as their reason for not participating in the workforce, and the staggering number of respondents that identified keeping house as their activity prior to unemployment ([Figure 9](#)) emphasizes the importance of greater research on the external factors that may present barriers for Canadians – especially women who often

bear the brunt of household and childcare duties⁹ – to enter or return to the workforce.¹⁰

Figure 9: Women and the Workforce, Canada, January 2020 to August 2020



⁹ Moyser, M., & Burlock, A. (2018, July 30). Time use: Total work burden, unpaid work, and leisure. Retrieved from <https://www150.statcan.gc.ca/n1/pub/89-503-x/2015001/article/54931-eng.htm>

¹⁰ As the upcoming monthly data will include the month of September, this will be the first data set since the start of the pandemic to reflect any changes in women's return to the workforce following the reopening of schools.

Beyond the Numbers

In YWCA Canada's *A Feminist Economic Recovery Plan for Canada: MAKING THE ECONOMY WORK FOR EVERYONE*,¹¹ the authors reaffirm the view that as the existing unequal division of household, child and elder care duties between men and women has carried on during the pandemic, this may contribute to a slower economic recovery unless there are suitable care options available. By focusing on childcare, this may provide additional insight on the impact of external factors – specifically childcare responsibilities faced by women and available and affordable resources for caretakers – on women's return to the workforce.



During the federal government's throne speech on September 23, Governor General Julie Payette said, "It has been nearly 50 years since the Royal Commission on the Status of Women outlined the necessity of child care services for women's social and economic equality. We have long understood that Canada cannot succeed if half of the population is held back. Canadians need more accessible, affordable, inclusive, and high-quality childcare."¹²

As childcare in Canada is under a provincial mandate, a comparison of women in the workforce across provinces may be valuable, specifically Quebec, which has been at the forefront of universal and affordable childcare for decades. Therefore, are women in Quebec faring better than women in Alberta and nationwide? In analysis of the comparative statistics shown in the figures below, a few insights include:

Among women in their prime age working years (from 25 to 55 years of age), the participation rate for women in Quebec was higher than both the national average and Alberta, pre- and during the pandemic, and is closest to reaching its pre-pandemic rate [\(Figure 10\)](#);

Although women's employment rates are the highest in Quebec pre- and during the pandemic, the gap has since narrowed [\(Figure 11\)](#).

¹¹ YWCA Canada & THE INSTITUTE FOR GENDER AND THE ECONOMY (GATE). (2020, July 28). *A Feminist Economic Recovery Plan for Canada: MAKING THE ECONOMY WORK FOR EVERYONE*. Retrieved from <https://ywcacanada.ca/news/canadas-first-feminist-economic-recovery-8-point-plan-provides-roadmap-to-address-depression-era-economic-lows-new-report-by-gate-and-ywca-canada/>

¹² Office, P. (2020, September 23). 2020 Speech from the Throne. Retrieved from <https://www.canada.ca/en/privy-council/campaigns/speech-throne/2020/speech-from-the-throne.html>

Figure 10: Women's Participation Rate, Canada, Alberta and Quebec, January 2020 to August 2020

Among women in their prime age working years (from 25 to 55 years of age), the participation rate for women in Quebec was higher than both the national average and Alberta, pre- and during the pandemic, and is closest to reaching its pre-pandemic rate

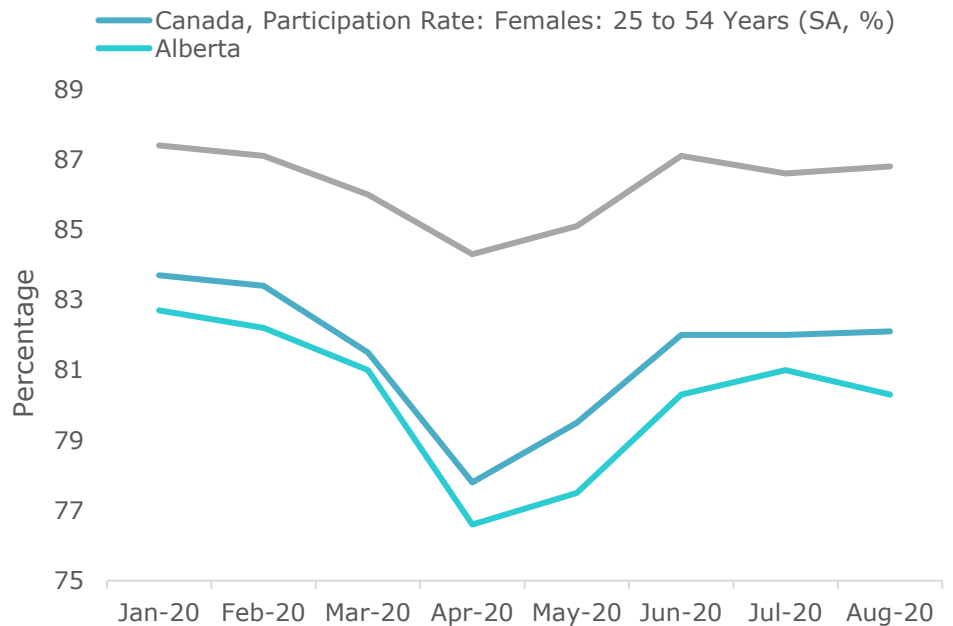
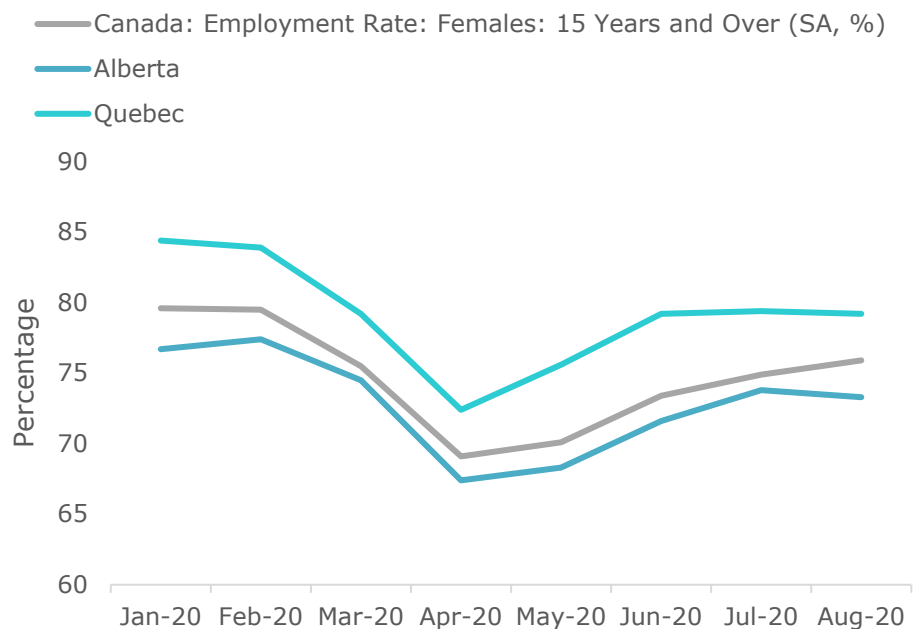


Figure 11: Women's Employment Rate, Canada, Alberta and Quebec, January 2020 to August 2020



The strain of unpaid work affects over

60%

of women entrepreneurs;

Interestingly, this snapshot of data suggests that perhaps due to the more extensive childcare resources available, women in Quebec have a higher participation rate than women across Canada and in Alberta; furthermore, the participation rate for women in Quebec was negatively affected to a lesser extent and appears to be reaching its pre-pandemic participation rates at a faster pace compared to its counterparts. Also, the employment rates for women in Quebec exceeds the national average and women Alberta before the pandemic and in the recovery phase; however, Quebec is furthest from reaching its pre-pandemic employment rates. In sum, although the more comprehensive childcare options available in Quebec minimizes one of the barriers for entry or re-entry into the workforce for women, apparent by the greater resiliency for women workers in the province, childcare appears to be only one piece of the puzzle regarding the external factors that may hinder or assist in the full inclusion of women in the economic recovery.



Opportunities for Credit Unions

Recently launched as well as existing targeted government initiatives for businesses and workers offer a number of opportunities for credit unions to bridge the gap between policy responses and deliverables, specifically with respect to women business owners and employees. For example, a number of shortcomings of programs with respect to women entrepreneurs are highlighted in *The Impact of COVID-19 on Women Entrepreneurs* report.



Access to resources + education + community, may offer an opportunity for collaboration between credit unions and government bodies.

Most relevant to credit unions, a few examples include:

- Program eligibility requirements for financial assistance that require businesses to employ workers present a barrier for small and medium women business owners as these business owners have a higher likelihood of having no employees;
- The emphasis of government programs on loans may present a barrier for women due to their existing views and past experiences with debt, and;
- The significance of technological innovation disregards a high number of women owned businesses.

With respect to specific programs, the report highlights the following areas of strengths and improvement:

- Although the Canada Emergency Commercial Rent Assistance (CECRA) program is helpful for small and medium businesses that are ineligible for other types of financial assistance but must still pay rent, the difficult process and reduction in revenue required for approval may be a barrier for some businesses in need;¹³
- As the Business Credit Availability Program (BCAP) is unappealing to women business owners that do not wish to acquire more debt and negatively impacts credit scores, the report recommends greater emphasis on financial literacy, among other topics relevant to ownership;

¹³ Although this program ended on September 30, these considerations may be useful in the formulation of its replacement.



Women entrepreneurs are more likely to use government funding for their businesses compared to their male counterparts.

- The Canada Emergency Business Account (CEBA) program presents similar challenges due to the reluctance of women business owners to assume greater debt, as well as reported discriminatory practices with respect to interactions with financial institutions;
- As women entrepreneurs are more likely to use government funding for their businesses compared to their male counterparts, micro grants of \$5,000 to \$10,000 are a good alternative for these businesses that are reluctant to take on greater debt; as such, the recommendation for partnerships between the public and private sector to match funding, in addition to “access to resources + education + community” may offer an opportunity for collaboration between credit unions and government bodies.



In sum, the identified shortcomings and suggestions for improvement present an opportunity for credit unions to customize and broaden their existing supports to business owners, specifically women, to help ensure their continued survival and future success.

Final Comments

Although federal government officials launched a number of programs with the goal of assisting negatively affected business owners and workers during the pandemic and, at the provincial level, historic infrastructure spending worth billions was recently announced, there are a number of factors that may hinder the full potential of these efforts. Specifically, in regards to women, a greater understanding of the external factors that may play a role in taking advantage of these initiatives and the presence – or lack thereof- of women in targeted sectors for recovery may help in their full participation in the full economic recovery of the country.

In addition to the swift response of credit unions in the province and nationwide to meet the needs of members throughout the pandemic, adopting a gender lens with respect to existing and future supports may enable credit unions to be pioneers in their roles as financial experts in their respective communities as well as industry-wide.



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