

Out of Service: Hospitality sector sheds employees of all ages during COVID-19 while migration to tech surged

Managerial level also experienced significant loss with retirements and departures

October 19, 2022 – Canada's dramatic labour market transition, driven by an aging population, and exacerbated by a global pandemic that has shifted the priorities of some workers, has left policy makers and consumers alike asking, "where have the workers gone"?

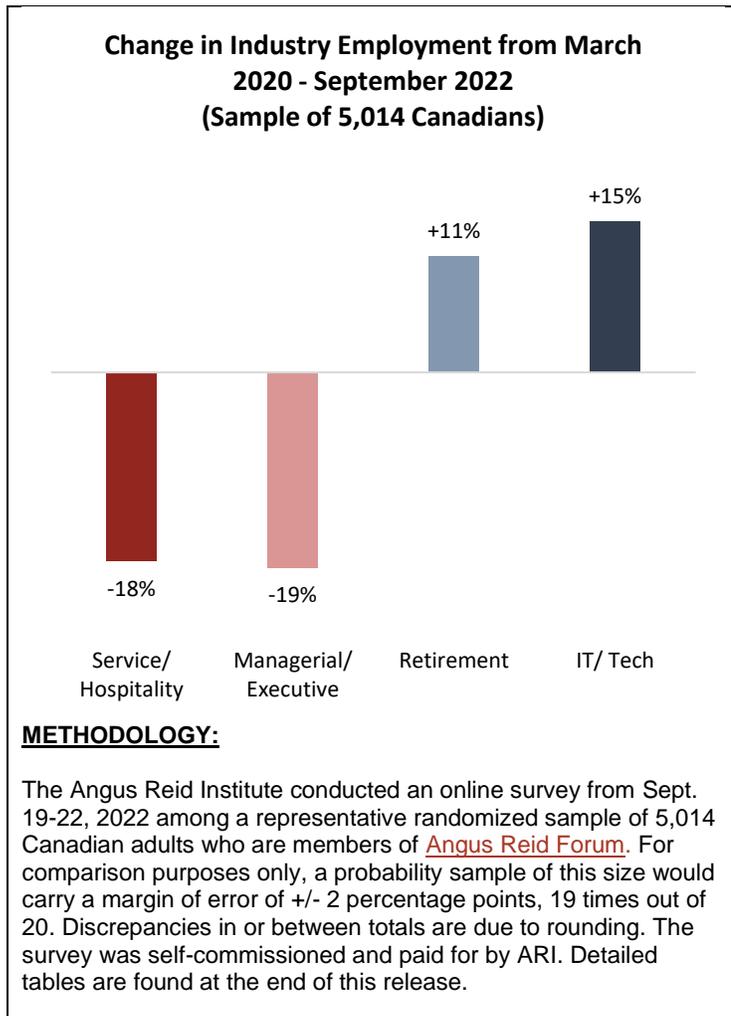
As help wanted signs appear in the windows of hotels, restaurants, and others business across the country, a new study of more than 5,000 Canadians from the non-profit Angus Reid Institute helps illuminate a shift in the labour market.

These data show an 18 per cent decline in the number of workers in the service sector over the last two and a half years. This includes a 22 per cent decline among 18- to 24-year-olds and a drop of 15 per cent among 25- to 34-year-olds.

While the service sector has experienced significant attrition, a corresponding boost is noted for the tech industry. The proportion of workers involved in tech and information technology has increased 15 per cent during the same period, with a 36 per cent increase among 18- to 24-year-old workers.

Another notable aspect of these data are the movements of older workers. As COVID-19 shut down huge swaths of the country, many older Canadians chose not to return to work. That said, six per cent of workers who were retired in 2020 have returned to work, perhaps beckoned back by employers [hoping to fill vacancies](#) with experienced staff. Overall, the trend has been [toward retirement](#), however, rather than away from it. Among those who are 55 to 64 years of age, there has been a 27 per cent increase in retirement, despite those individuals remaining below retirement age.

The loss of older workers means a diminishing white collar managerial and executive class. The number of Canadians employed in that sector has dropped 19 per cent, led by a 26 per cent drop among 55- to 64-year-olds and a 41 per cent drop among workers of retirement age.



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More Key Findings:

- Four-in-five full-time workers (78%) say they are satisfied with their employment currently, alongside seven-in-ten who are working part time.
- Satisfaction is highest among professionals (87%), tech workers (84%), and those in the creative or knowledge industry (83%). Satisfaction is lowest among the service sector (72%), office workers (70%), and labour workers (65%).
- Just two-in-five Canadians who rely on gig work for their primary income say they are satisfied with their employment (39%), while 52 per cent are dissatisfied.

About ARI

The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research foundation established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.

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Part One: Work force changes over the past two years

In February 2020, approaching two-thirds (65.6%) of Canadians over the age of 15 were part of the labour force. That figure has declined to **64.7 per cent**. While the decrease in Canada's participation rate may seem small, the effect on the labour market has been large. This year, many of the country's businesses have struggled to fill job openings. Earlier this year, the unemployment to job vacancy ratio **hit a historic low**. Despite a **looming recession**, a shortage of workers in Canada, partially driven by **lower immigration levels** during COVID-19, **is expected to be a long-term problem**.

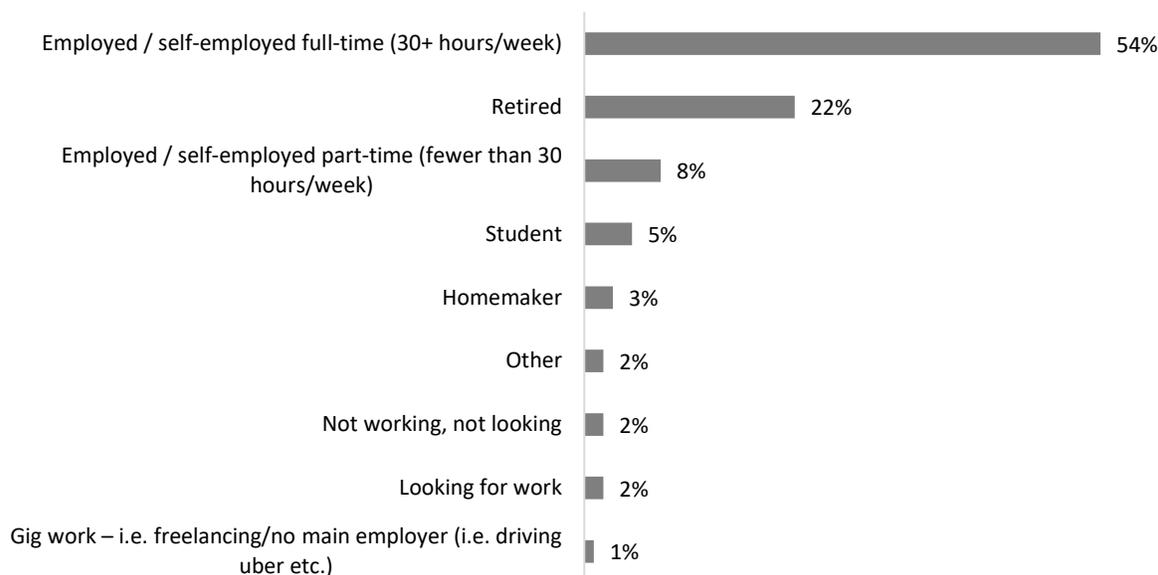
To explore this shift in the labour market, the Angus Reid Institute surveyed more than 5,000 Canadians on how their employment status has changed over the last two years. Approaching two-thirds of Canadians report being participants in the labour market in March 2020, prior to the onset of the COVID-19 pandemic. Of those, more than half (54%) were employed full time, one-in-ten (8%) were employed

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part time, two per cent were looking for work and one per cent were working some sort of gig employment:

**What were Canadians doing in March 2020?
(n=5,014)**



Of those working either part time or full time in March 2020, two-thirds (64%) were in the private sector and three-in-ten (31%) in the public. One-in-20 say they were working for a non-for-profit prior to the pandemic ([see detailed tables](#)).

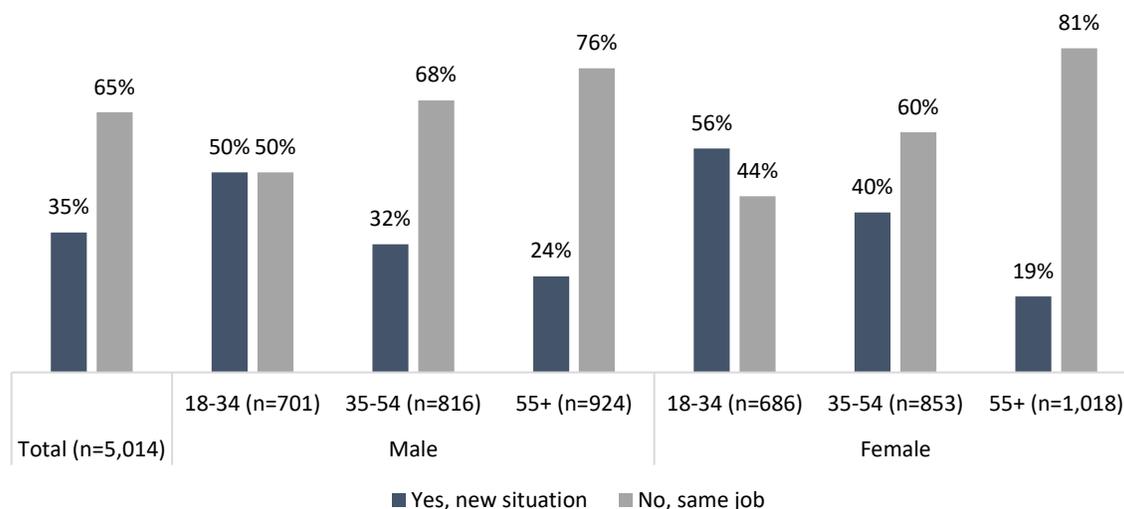
One-third have changed their working status since pandemic began

In the intervening two years, the country’s economy has experienced waves of COVID-19 infections, government-mandated closures, the push to work from home, and the pull back to the office. Overall, one-third (35%) say the last two years has brought change to their working status. A change in job is much more common for younger Canadians than older ones. Half of 18- to 34-year-old men and a majority (56%) of women that age say their job or working status has changed since the beginning of the pandemic:

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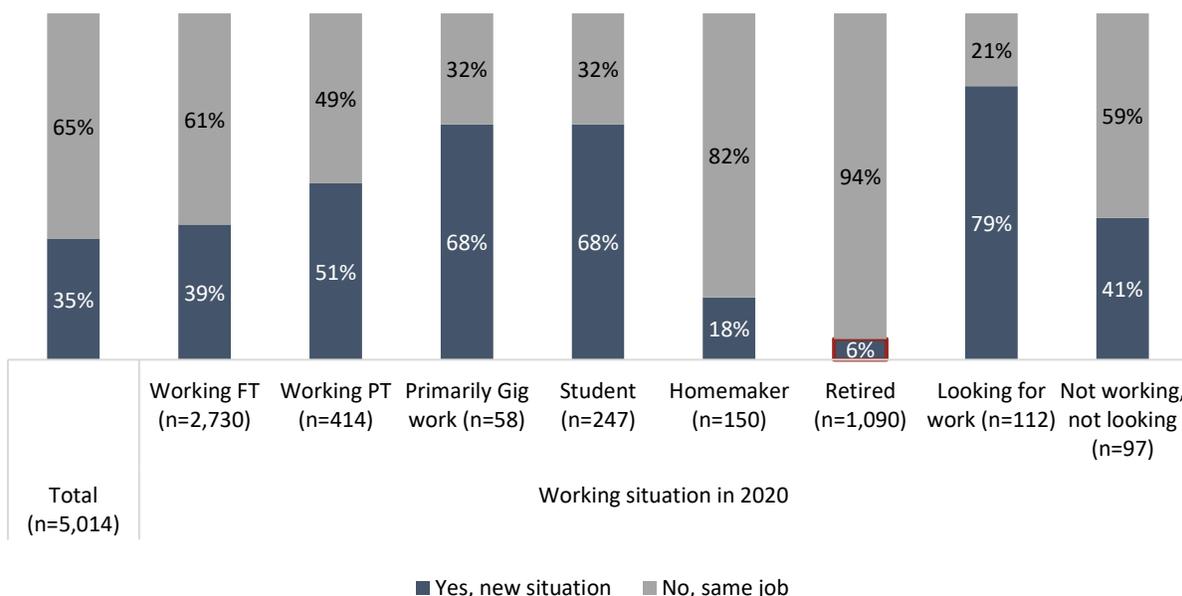
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And has your job or working status changed since March 2020?



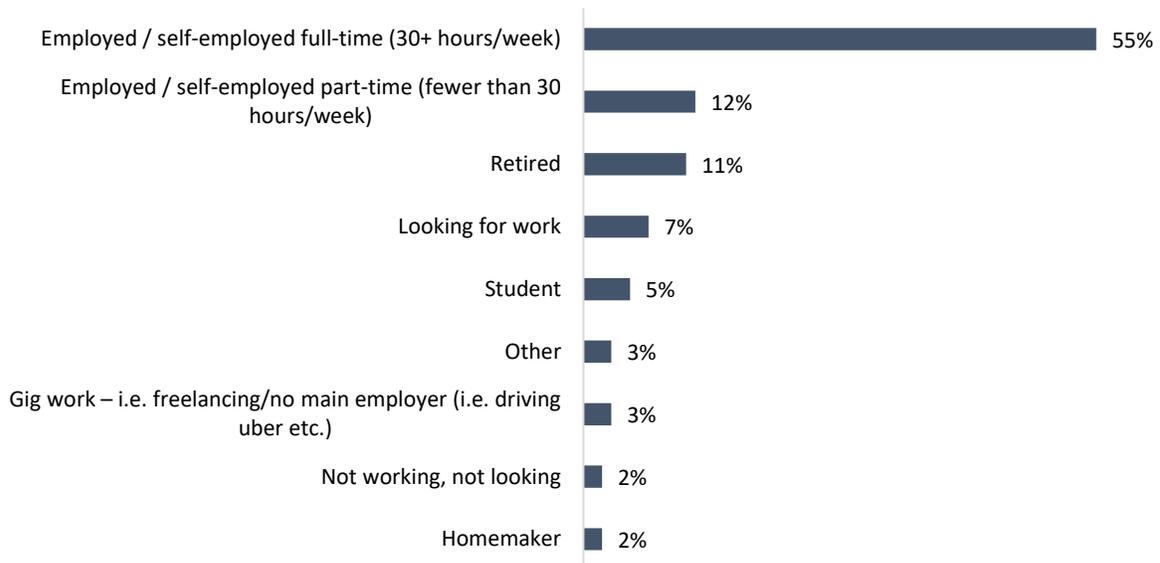
Two-in-five of those who were working full-time in March 2020 say their employment status is different – whether that is finding a new job, going back to school, cutting back their hours or retiring. While nearly all (94%) of those who say they were retired before the pandemic remained that way, notably six per cent did not, representing perhaps [the call to return to work](#) as companies struggled to fill vacancies.

And has your job or working status changed since March 2020?



For those who changed jobs, more than half (55%) are working full-time today. Another one-in-eight (12%) are working part time and seven per cent are looking for work. One-in-ten (11%) retired:

Which of the following currently describes your working status today? Are you...? (Working situation has changed since March 2020, n=1,753)



One-in-three full time workers from 2020 no longer working full-time

Those whose employment statuses changed over the last two years provide a window into the shift in the labour market. Among those who were working full-time in March 2020, one-third are no longer doing so. That includes 10 per cent of full-time workers who retired, and seven per cent who changed to part-time status. Further, more than one-in-eight (14%) part-time workers retired.

Among those over the age of 64, there was a significant exodus from the workforce. Of Canadians that age who say their employment status changed in the last two years, three-in-five (57%) say they retired. Younger Canadians, too, report retiring in the last two years. One-third of Canadians aged 55- to 64-years old who are in a different work situation say they are now retired. Notably, one-in-five young people have chosen to go back to school, rather than enter the workforce:

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Which of the following currently describes your working status today? Are you...? (Working situation has changed since March 2020, n=1,753)							
	New working situation compared to 2020 (n=1,753)	Age					
		18-24	25-34	35-44	45-54	55-64	65+
Employed / self-employed full-time (30+ hours/week)	55%	46%	71%	64%	61%	30%	12%
Employed / self-employed part-time (fewer than 30 hours/week)	12%	20%	11%	11%	10%	12%	15%
Retired	11%	0%	0%	0%	5%	33%	57%
Looking for work	7%	6%	4%	7%	10%	9%	9%
Student	5%	21%	4%	4%	2%	1%	0%
Gig work – i.e. freelancing/no main employer (i.e. driving uber etc.)	3%	4%	2%	3%	2%	5%	2%
Homemaker	2%	0%	3%	6%	2%	0%	0%
Not working, not looking	2%	1%	1%	3%	2%	5%	2%

Changes in sector and industry

The overall change in employment for this two-year period has been negative, which helps to explain current labour challenges. Among the more than 5,000 Canadians surveyed, there has been a three per cent decline in employment. There was a larger decrease in the number of Canadians employed in the private sector than in the public sector in the sample, but both sectors saw decreases since the beginning of the pandemic:

Workforce Changes: Sample of 5,014 Canadians			
	2020 Total # of individuals employed in each	2022 Total # of individuals employed in each	Change in employment rate
Employed FT or PT	3144	3041	-3%
Public sector	988	969	-2%
Private sector	1997	1904	-5%
Not-for-profit/charitable	159	168	+6%

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The last two years have caused trials and tribulations for every sector of the economy, but perhaps none more so than hospitality. Public health restrictions over the last two-and-a-half years have put up significant and frequent barriers to operations for restaurants as COVID-19 cases waxed and waned.

Perhaps the result of these regular breaks in employment, there are fewer workers who say they work in retail and hospitality now than in 2020. The decline seen is 18 per cent. A large decline of 19 per cent is also seen in the total number of respondents who say they are employed in managerial or executive positions.

Much of this migration, aside from those retiring, appears to be toward the tech sector. The data note a 15 per cent increase in the number of workers who say they are involved in tech:

Workforce Changes: Sample of 5,014 Canadians			
	2020 Total # of individuals employed in each	2022 Total # of individuals employed in each	Change in employment rate
Employed in private sector	1997	1904	-5%
Professional	269	281	4%
Sales & Service/Retail/Hospitality	300	245	-18%
Skilled Trade	247	244	-1%
Labour	239	222	-7%
Office work/Admin	204	219	7%
Manager/Executive	264	214	-19%
“Knowledge/Creative” occupations	181	180	-1%
IT/Information Technology	116	133	15%
Other, please specify:	175	166	-5%

Service sector lost workers across all age groups, tech sector gained

The sector-to-sector shift is further illuminated when the data is separated by age. The total number of workers of all ages in the service sector declined, led by those younger than 35 and older than 64.

Tech, meanwhile, now has a larger pool of early career employees than it did in 2020, buoyed by young people entering that sector.

The managerial and executive class has seen among the largest relative drops in employment for workers over the age of 54, many of whom have left or retired:

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Change in industry over two-year period. Sample of 5,014 Canadian adults						
	Total employed in Service Sector	Age				
		18-34	35-44	45-54	55-64	65+
2020	300	111	59	53	45	33
2022	245	87	50	43	42	23
Rate	-18%	-22%	-15%	-19%	-7%	-30%
	Total employed in Tech/IT	Age				
		18-34	35-44	45-54	55-64	65+
2020	116	36	31	27	20	3
2022	133	49	34	24	22	3
Rate	15%	36%	10%	-11%	10%	0%
	Total employed in Knowledge/Creative	Age				
		18-34	35-44	45-54	55-64	65+
2020	181	59	42	24	41	16
2022	180	73	36	27	30	14
Rate	-1%	24%	-14%	13%	-27%	-13%
	Total employed in Managerial/ Executive	Age				
		18-34	35-44	45-54	55-64	65+
2020	264	47	53	80	57	29
2022	214	42	45	68	42	17
Rate	-19%	-11%	-15%	-15%	-26%	-41%
	Total Retired	Age				
		18-34	35-44	45-54	55-64	65+
2020	1090	5	8	31	245	801
2022	1213	5	8	45	312	843
kRate	11%	0%	0%	45%	27%	5%

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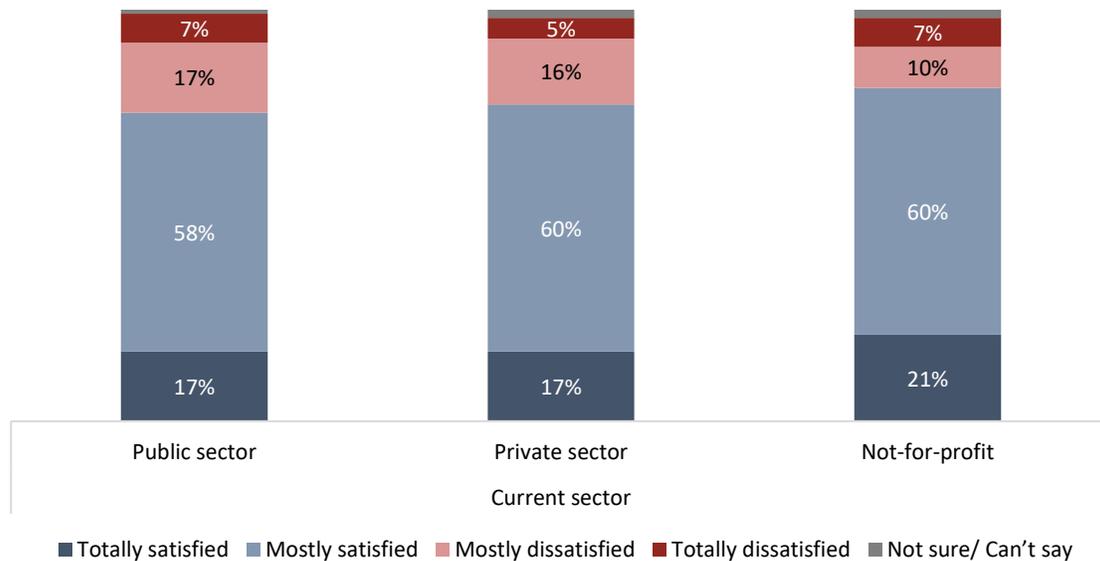
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Part Two: Current worker satisfaction

One-in-five unsatisfied – highest levels among workers in labour, office work, service sectors

As employers continue to seek to fill positions, and debates over work from home continue, worker satisfaction is being discussed regularly in boardrooms and Zoom chats. At least 17 per cent of workers say they are dissatisfied with their current employment, but dissatisfaction rises to one-quarter among public sector workers:

**And thinking about your current employment situation, how happy are you, overall?
(Employed, n=3,041)**

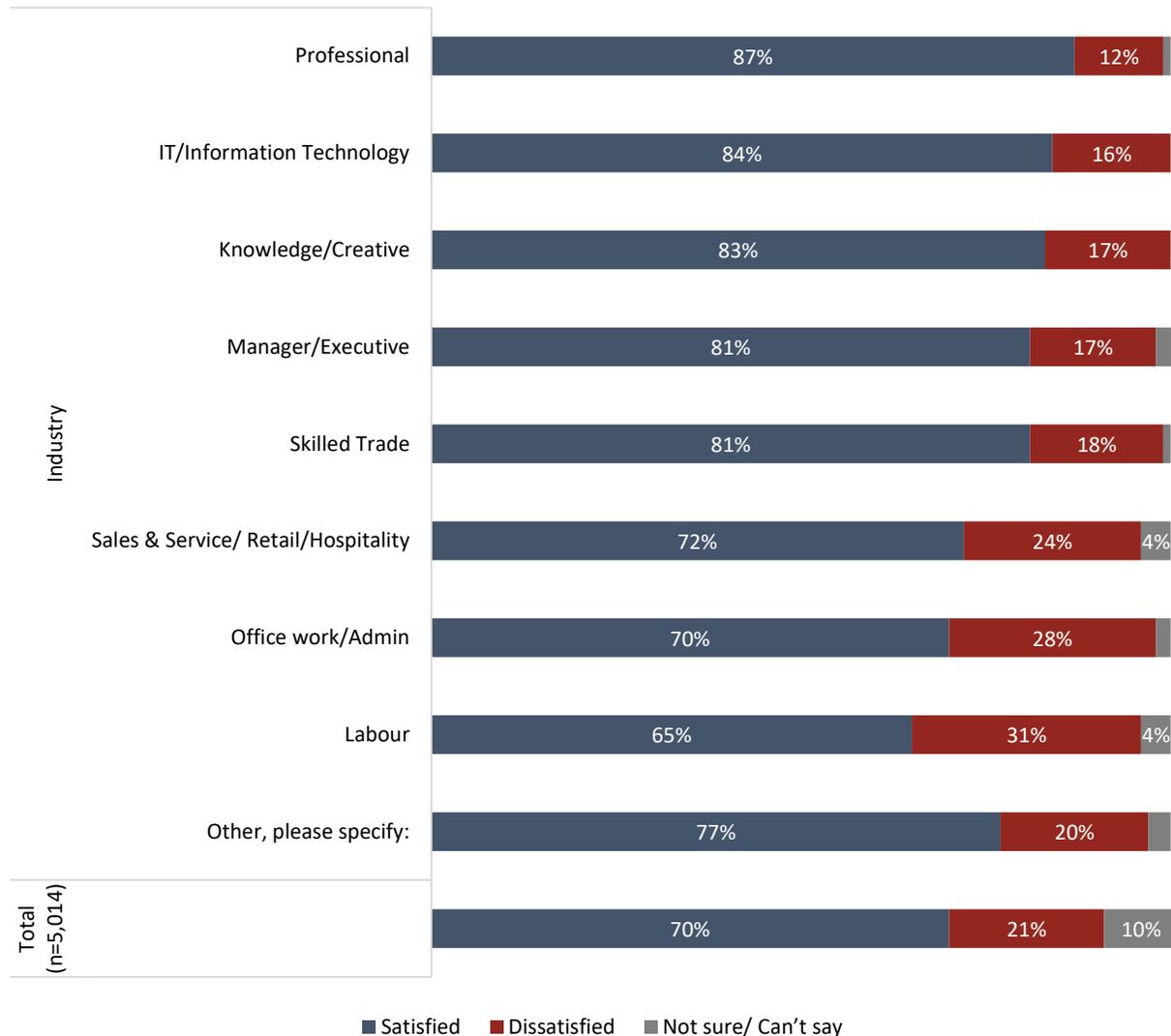


Workers in the professional class, alongside tech and knowledge workers, tend to show the highest levels of satisfaction in their employment. Those working in labour jobs are most likely to voice dissatisfaction, and importantly, one-quarter of service and hospitality workers join them:

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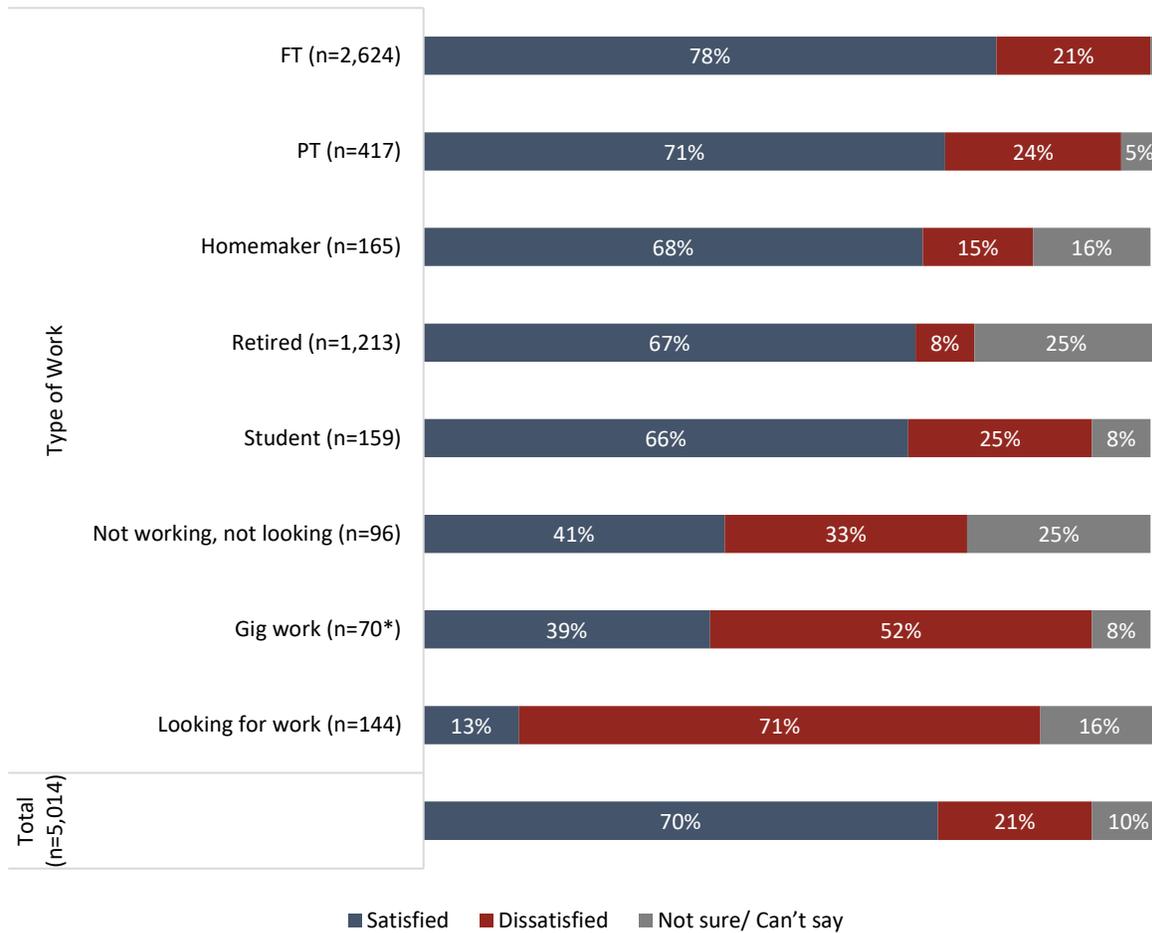
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Gig workers particularly unsatisfied

While gig work has been advertised as an avenue to freedom and flexibility, those who are relying on it for their primary source of income are not feeling the benefits. Half (52%) say they are unsatisfied, while two-in-five (39%) feel the opposite.

And thinking about your current employment situation, how happy are you, overall?



**Smaller sample size, interpret with caution*

For detailed results by age, gender, region, education, and other demographics, [click here.](#)

For detailed results by 2020 working status, industry, and sector, [click here.](#)

For detailed results by 2022 working status, industry, and sector, [click here.](#)

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