



COVID-19 and Employment Loss in the Accommodation and Food Services Sector

Spotlighting economic impacts on women and immigrants during the pandemic



Key findings:

- Employment in accommodation and food services declined by 20.8% (252,000 fewer total workers) between 2019 and 2021. Women's employment in accommodation and food service fell by 143,100 (21 percent below 2019) whereas men's employment fell by 108,900 (20 percent below 2019).
- Analysis based on median weekly wages from Labour Force Survey data for 2019, 2020, and 2021 shows that women accommodation and food services sector workers earn 9.1 percent less than men.
- Average hourly wage rates for women workers in the accommodation and food services sector is the lowest, averaging \$18.6 an hour in 2021; \$11.6 less than the average for all sectors in Canada.
- Immigrants make up 26% of overall employment in Canada but represent 35% of employment in the sector.
- Immigrants were disproportionately impacted by unemployment during the pandemic compared to residents born in Canada. Recent immigrants were more impacted than longer-term immigrants; women immigrants than men immigrants; and racialized immigrants than Caucasian immigrants.
- Recent immigrant women workers in the food and accommodation sector had significantly lower rates of transition from non-employment to employment at the start of partial recovery in 2020 at 4% compared to 72% among their Canadian-born women workers colleagues.
- Employment of women with young children was affected because limited childcare options during the pandemic, with some resigning or reducing their work hours.

Background

The COVID-19 pandemic and subsequent government response policies have significantly impacted the Canadian economy and lives of individuals. However, losses have not been equally felt. This brief spotlights the accommodation and food services (AFS) sector, particularly focusing on the impacts on women and immigrant workers.

The accommodation and food services (AFS) sector is an important player in the Canadian economy representing over 5% of the country's employment share. The sector is, however, vulnerable to economic downturn, often being one of the most economically impacted during recessions, as has been the case during the COVID-19 pandemic. Women, and particularly recent immigrant women and mothers, working in the sector were disproportionately impacted by these effects in terms of employment loss.

The purpose of this policy brief is to provide an analysis of the accommodation and food services sector's gendered workforce dynamics, including the gender wage gap, and with a particular focus on immigrant women.

Methods

Our quantitative analysis is based on data and statistics from Statistics Canada's Labour Force Survey. This report largely compares data for 2019, 2020, and 2021. The employment data is for women and men aged 15 years and over. Employment numbers include both full-time and part-time workers. The wage data is for the full-time accommodation and food services sector workers. Where data spans beyond these perimeters, this is highlighted. Alternative data sources used are referenced. Our focus on

women and men, as opposed to diverse gender identities, reflects the limited availability of data and that what is available is segregated by binary gender identities.

As most of this data is also not disaggregated further by factors such as citizenship and race, we utilize qualitative data from interviews with recent immigrant women to particularly highlight experiences of a demographic that is overrepresented in the accommodation and food services sector, and one that continues to be disproportionately impacted by the pandemic. Interviews were facilitated virtually using Zoom between September and December 2021. Participants were women who had arrived in Canada 10 years or less prior to the pandemic (in 2009 or later). Informed consent was received from all participants and ethics approval was granted by Simon Fraser University.

1. Overview of the Accommodation and Food Services Sector in Canada

The accommodation and food services (AFS) sector comprises of:

1. Establishments primarily engaged in providing short-term lodging and complementary services to travelers, vacationers, and others, in facilities such as hotels, motor hotels, resorts, motels, casino hotels, bed and breakfast accommodations, housekeeping cottages, and cabins, recreational vehicle parks and campgrounds, hunting and fishing camps, and various types of recreational and adventure camps (accommodation services subsector).
2. Establishments primarily engaged in preparing meals, snacks and beverages, to customer orders, for immediate consumption on and off the premises (food services and drinking places subsector)¹



The sector is an important player in Canada's economy. It accounted for 5.1% of total employment in Canada in 2021. A high proportion of workers in the sector are women, youth, immigrants and/or part-time or temporary workers. The AFS sector is seen as a source of entry-level jobs for immigrants and youth, and offers flexible jobs for women with unpaid care responsibilities.

Wages are on average lower than in any other sector in Canada. Jobs in this sector are notably precarious, with competition driving downward pressure on employee wages, hours, and conditions of work². The AFS sector is one of the three sectors responsible for increases in contract, temporary, and part-time employment in the country (between 1993 and 2016)³. The sector's workers were overrepresented among the 90% of one million Canadians working in low wage, non-unionized hourly paid jobs outside the home in April 2020⁴.

Table 1: Employment and Unemployment, 2021

Canada Total, all industries	2021	Accommodation and food services
18,865,400	Total Employment	957,700
NA	Employment Share	5.1%
7.5%	Unemployment Rate	8.9%

Data Source: Statistics Canada, Labour Force Characteristics by Industry, annual (x 1,000) Table 14-10-0023-01, 2022

2. Women's Employment in Accommodation and Food Service Sector

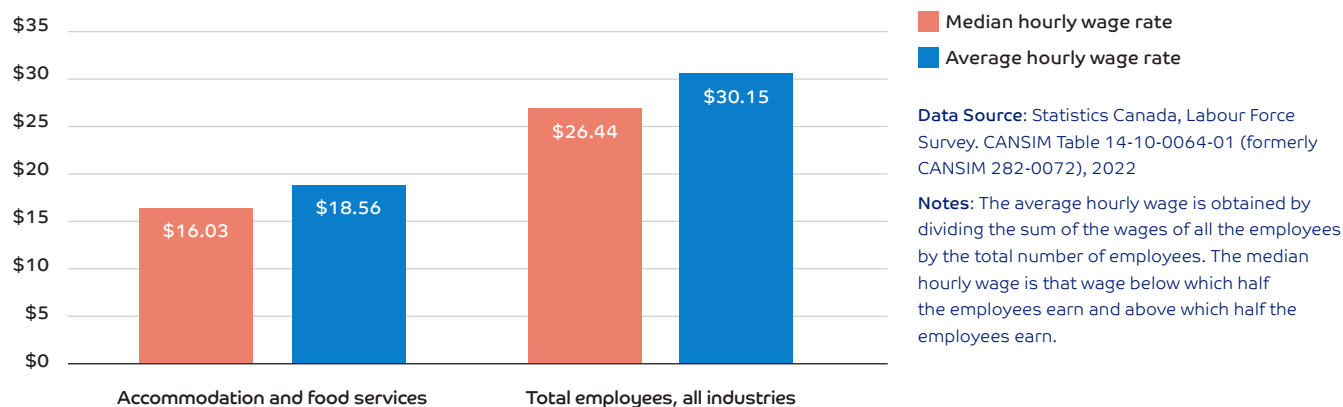
Majority of workers in the AFS sector are women. Below is a gender breakdown of workers in the sector in 2021 according to the Labour Force Survey:

Women employed in Accommodation and Food Services sector 537,400 (56.1%)

Men employed in Accommodation and Food Services sector 420,300 (43.9%)

The AFS sector pays the lowest incomes in Canada. Subsequently, women workers in the sector earn the lowest average hourly wages across sectors, averaging \$18.6 an hour in 2021. This is \$11.6 less than the average for women across all sectors in Canada and \$26.6 less than the average in the sector with highest average hourly wage for women workers (utilities sector).

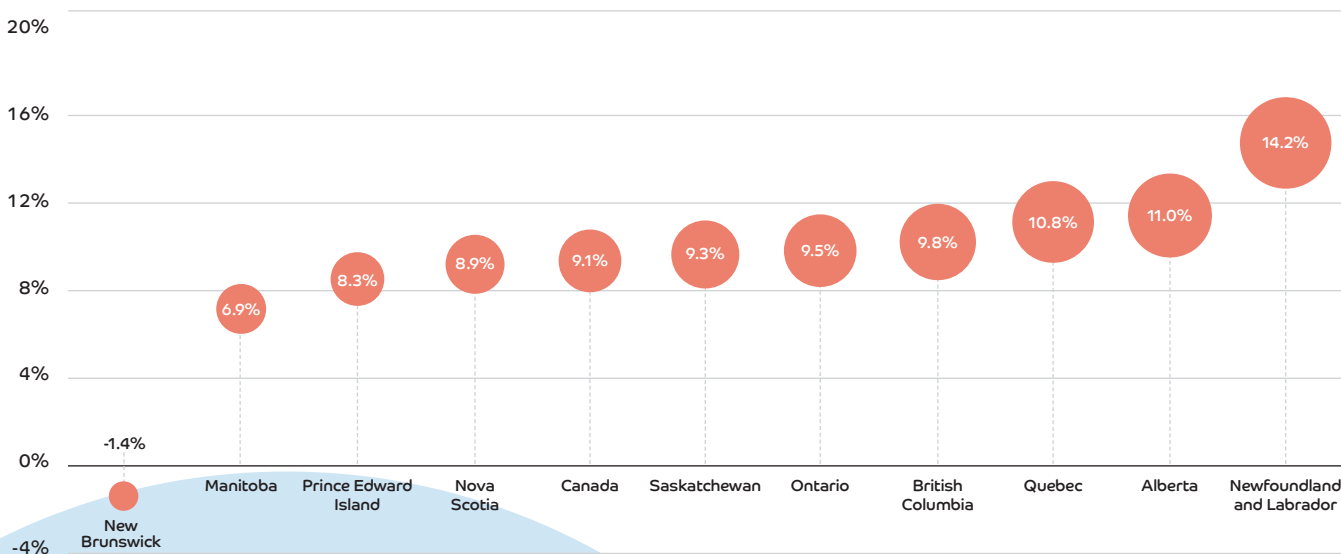
Figure 1: Hourly Wage of Women Workers in Accommodation and Food Services Sector, 2021



The Gender Wage Gap in the Accommodation and Food Services Sector, 2019-2021

Within the accommodation and food services sector, women earn less than their men colleagues. The gender wage gap in the accommodation and food services sector is 9% (based on median weekly wage) nationally. Figure-2 shows the gender wage gap of full-time employees in accommodation and food services sector in period 2019-2021 across provinces in Canada. Across every province except one (New Brunswick), women's accommodation and food services sector worker's wage rates are lower than men's wages in 2021.

Figure 2: Gender Wage Gap among Accommodation and Food Services Workers, 2019-2021



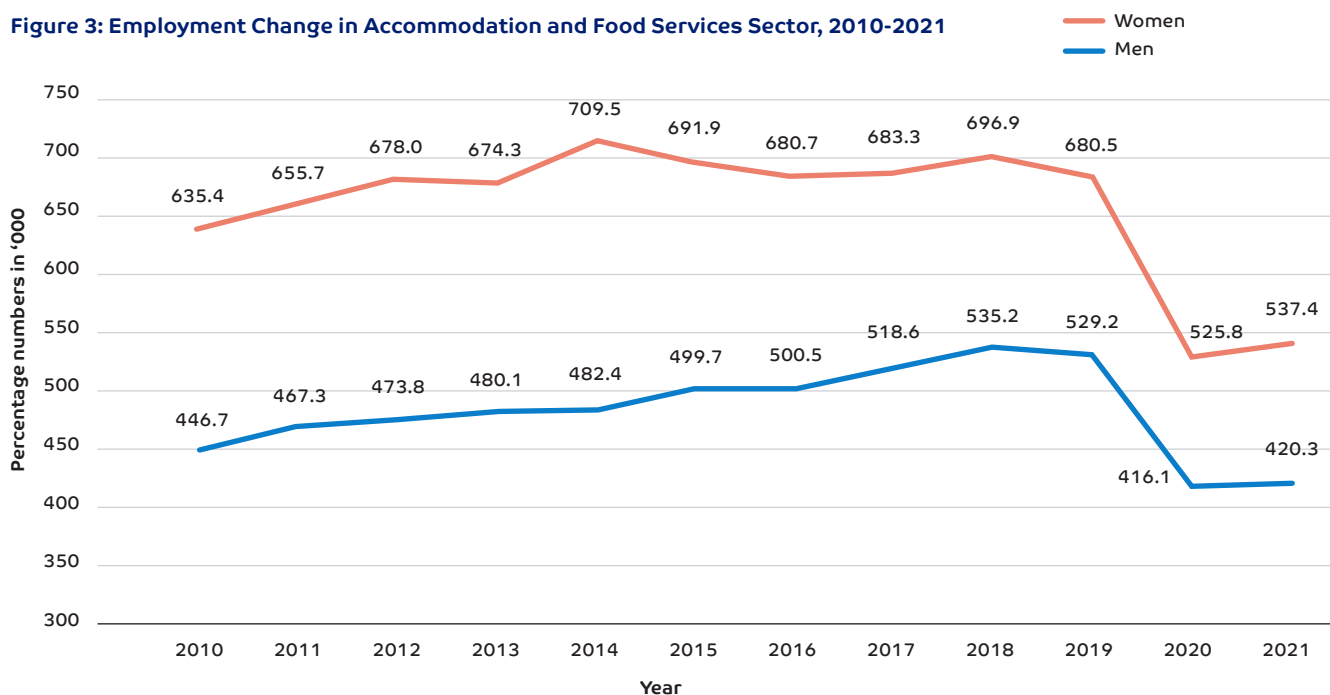
Data Source: Statistics Canada, Labour Force Survey. Table 14-10-0064-01 Employee wages by industry, annual. Authors' calculations.

Notes: The gender wage gap represents the three-year moving average (2019-2021), as the wage gap was volatile due to large-scale employment loss during 2020 and 2021. These numbers represent the uncontrolled — or 'raw' gender wage gap, which looks at the median weekly wage for men and women in accommodation and food services sector occupation regardless of worker seniority. The gender wage gap is calculated as the difference between the median wage of men and women relative to the median wage of men. Data refer to full-time employees in the age group (15 years and above).

Gendered impact of the pandemic on the sector

While the sector was hardest hit by pandemic-related lockdown and closures, losses were not equally distributed. While men's employment fell by 108,900, women's employment fell by 143,100 during the same period. Total women's employment in the accommodation and food services sector (of employees 15 years and over) in 2021 was 21 % below its level in 2019.

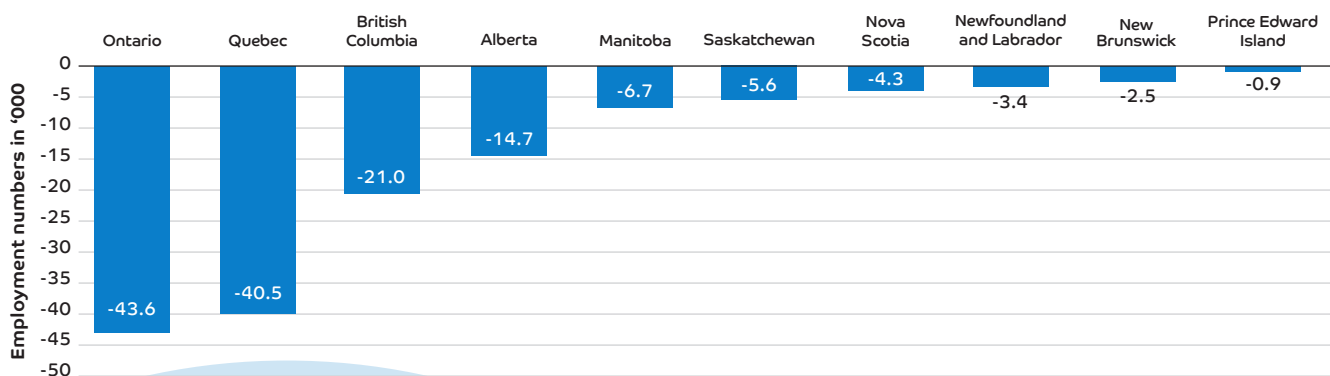
Figure 3: Employment Change in Accommodation and Food Services Sector, 2010-2021



Source: Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual (x 1,000)

Figure-4 shows the change in women's employment in the accommodation and food services sector after two years of pandemics across every province in Canada. Across every province, women's employment in the sector was negatively impacted. The highest employment losses were recorded in Ontario, Quebec, and British Columbia.

Figure 4: Women's Employment Change in Accommodation and Food Services Sector by Province, 2019-2021

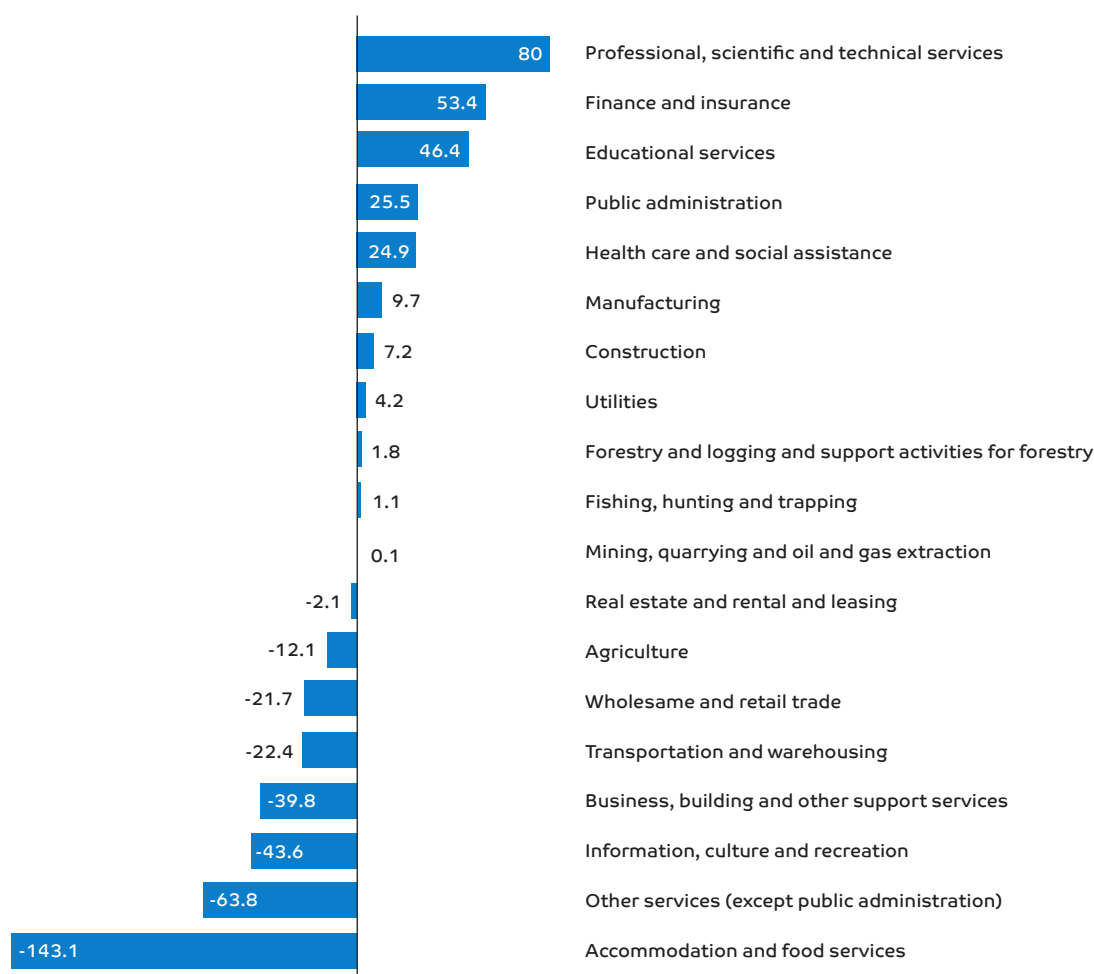


Notes: North American Industry Classification System (NAICS)

Source: Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual (x 1,000)

Figure-5 shows the impact of the COVID-19 pandemic on women's employment across different sectors of the Canadian economy. The accommodation and food sector has consistently been the most economically impacted sector since the pandemic started, with women's employment in the sector being particularly impacted, at 143,100 below pre-pandemic levels in 2021.

Figure 5: Women Employment Change by Industry Classifications, 2019-2021



Notes: North American Industry Classification System (NAICS)

Source: Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual (x 1,000)

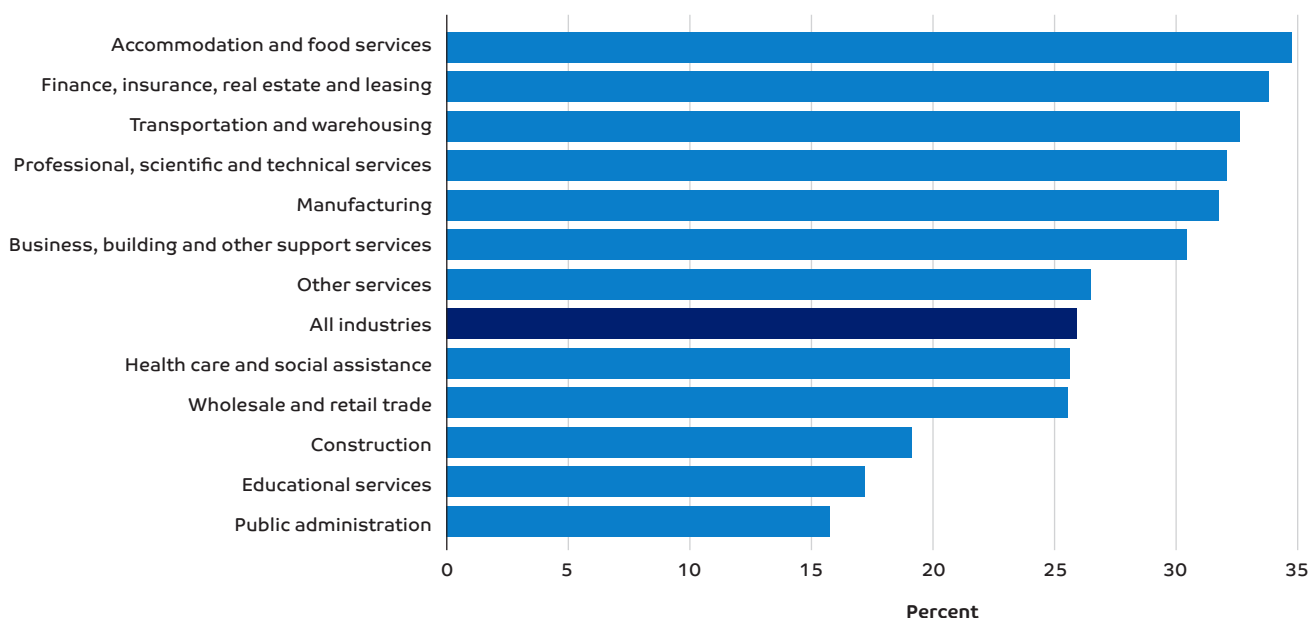
3. Immigrant Employment in Accommodation and Food Service Sector

Overview of immigrant workers

Immigrants face diverse challenges when they move to Canada. Subsequently, many recent immigrants find it difficult to integrate into Canadian society and labour market. Immigrants who are also visible minorities are more likely to face greater difficulties because of systemic racism and societal biases.

Immigrants make up 26% of overall employment in Canada but represent 35% of employment in the AFS sector⁶. In the food services and drinking places subsector, one in every four workers is an immigrant. The subsector employed 11% of all working immigrants who arrived in Canada between 2011 and 2016⁷.

Figure 6: Employment Pattern of Immigrants as a Share of Total Employment, 2017



Notes: Employment pattern of core-aged immigrants as a share of total employment in select industries accounting for 92% of total employment, 2017.

Source: Figure obtained from Labour Force Survey analysis by Yssaad and Fields (Statistics Canada, 2018)⁶.

Immigrants are employed in the AFS sector regardless of their educational or professional backgrounds due to barriers to accessing other employment such as unrecognised credentials, language, stigma and discrimination based on race, limited social networks, economic vulnerability, and, for some, precarious immigration status. Overqualification among immigrants is a persistent challenge in the Canadian labour market more generally. Immigrant who are recent, women, and older, and those who have studied outside Canada (except United States, Western Europe, and Oceania), are more likely to be in jobs they are overqualified for; a situation that is characterised by lower life satisfaction and incomes⁸. Recent immigrant women we interviewed shared how they felt like had to start their careers over when they arrived in Canada.

“You know, as a new immigration in Canada, it’s not – I think it’s not easy. In Shanghai we had a comfortable life. We [interviewee and spouse] all did senior office jobs. But now if you came here, you must learn the English language, and all that you did before. You become zero. So maybe to a newcomer it’s not easy...I have a master’s degree in my country... I have a CPA license in my country. So next year I will take some tests and go to the Canada CPA. So, I think I will start from zero, step by step.”

Recent immigrant woman

“[When I immigrated to Canada], I felt like I was born again but I am 34 years old. I should try to study again. I should try to find job. I was working in my country for 14 years. For 14 years I was working and here everything you should do it again”

Recent immigrant woman

Immigrant women workers interviewed by the Gender and COVID-19 Project explained how the accommodation and food services sector offered an entry point into the labour market as barriers of entry were low. The flexible work schedules also offered them time and space to pursue other career and personal goals, such as learning English, going back to school to obtain Canadian credentials, and caring for their children. Others took night classes so that they could take on full-time employment to cope with high cost of living.

Women we interviewed who worked in the AFS sector at the time of the pandemic noted how part-time and casual employment offered them the flexibility to care for their children. They shared struggles of finding accessible and affordable childcare as they earned low wages. Single mothers and immigrant women who did not have family in Canada particularly highlighted these struggles.

"It's like the restaurant job, the cashier, basic thing. You don't want to do it for your whole life. So, I just left for the better opportunities to move my career a step forward. It was my first job. People said you won't get a good job if you don't have a Canadian experience, so I just started going there just to gain the Canadian experience.... I have been working in Sri Lanka too, like, for five years, but they don't count that in. So, I said, 'Ok, let's go to an Indian restaurant to gain experience'."

Recent immigrant woman

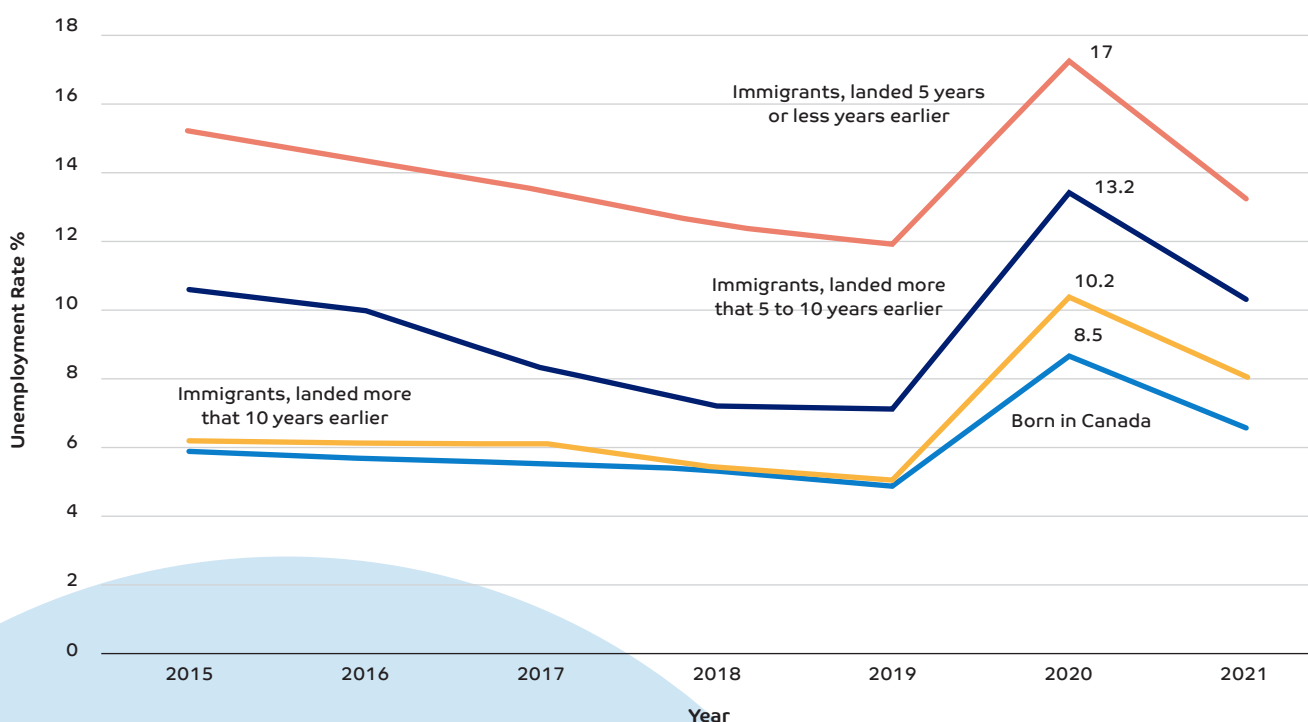
"Because the kids before are still young, so I will work part time. And then now, the old one is ten years and more. I will keep working part-time and then the kid will turn to the high school. I can turn to the full-time."

Recent immigrant woman, married and mother of two

Impact of the pandemic on immigrant women

As demonstrated by Figure-7, immigrant women were disproportionately impacted by unemployment during the pandemic compared to residents born in Canada. As indicated, immigrants were not impacted equally. Recent immigrants (particularly those who landed five years or less earlier), were more impacted compared to long-term immigrants who have been in Canada for 10 years or more. Immigrants women were disproportionately impacted compared to immigrant men¹⁰. In addition, data based on immigrants' continent of birth indicate that racialized immigrants were disproportionately impacted compared to Caucasian immigrants¹⁰.

Figure 7: Unemployment Rate for Immigrants and Canadian-born Women Workers, 2015-2021



Source: Statistics Canada. Table 14-10-0087-01 Labour force characteristics of immigrants by educational attainment, annual DOI: <https://doi.org/10.25318/1410008701-eng>



Recent immigrant women were particularly impacted by the pandemic due to their intersecting identities as women and as recent immigrants. Recent immigrant women experience the highest employment losses following the initial lockdowns of March 2020. Almost 20% of those employment in March 2020 were unemployed in April 2020, 7% points higher than among Canadian-born women workers⁹. Further, those working in sectors disproportionately impacted by the pandemic, such as AFS, were likely the most economically impacted by the pandemic. Recent immigrant women workers in the Accommodation and Food Services (AFS) sector had significantly lower rates of transition from non-employment to employment at the start of partial recovery, in August 2020, compared to Canadian-born women workers (4% versus 72%)⁹.

4. Lack of childcare and precarious work as a determinants of unemployment

As childcare access became limited during the pandemic, gendered roles came to play as some mothers left the labour market to care for their children. Mothers likely to have young children lost more of their work hours for family and health reasons compared to fathers¹⁴. A crowdsourcing survey by Statistics Canada during the pandemic revealed that for 88% of parents, childcare is a prerequisite to participation in the labour market; affordability and schedules that do not match work or school scheduled were important challenges to access^{15,16}.

A single mother who used to rely on neighbors for childcare, was unable to do this during the pandemic due to physical distancing policies. Consequently, she resigned from her work to care for her child. At the time of the interview (October 2021) she was still unable to find childcare she could afford. Without access to childcare, this woman is unable to return to the labour market.

“I had a really bad COVID experience because I got my first job [right before the pandemic and] I was so excited. But because I had the little one [2-year-old son] and because of COVID, so I didn’t get many hours, right? Because I’m a mum and COVID. And then the person who accepted to help me about babysitting, so, they were really fearful. So, I went through a lot. I used to work and then after I said ‘no, I can’t sacrifice my son because there is not anyone who will take care of him’. I always gave him to neighbours. They really help me [but] it’s not fair for my child to be babysat with more people. Like today’s this one, today’s this one, so it’s really affected me mentally, emotionally. So, I said ‘ok’, I will stop [working], and then I will wait for God’s grace’. If COVID comes down, and then I will go back to work.”

Recent immigrant woman, single mother

Women are over represented in part-time and casual positions within the accommodation and food services sector. In sectors across Canada, 24.4 % of women workers are part-time workers compared to 13% of men workers¹¹. Caring for children is the biggest driver to taking on part-time jobs among women aged 30 and 39, particularly for those with young children¹². The AFS sector is predominantly staffed through these arrangements, with almost half of employment (43.1%) being part-time pre-pandemic¹³. Women are overrepresented among part-time workers in the sector. Despite them making up 56.1% of workers in the sector, they represented 61.5% of all part-time workers in 2019¹³. These employment arrangements made them more vulnerable to income loss during the pandemic. According to a key informant who advocates for rights of restaurant workers, casual workers were more likely to lose employment at the height of the pandemic and were less likely to be recalled when their places of employment reopened.

“Before the COVID she was working in that restaurant, but she was on call. And after COVID they had to close the restaurant for more than six months. And when it opened again, it was very, very slow. Like, they did not even call her.”

Recent immigrant woman, married and mother of two (as interpreted)





Conclusion

Data presented in this brief illustrates how three intersecting vulnerabilities interacted to structure economic inequities during the COVID-19 pandemic. First, AFS, as a sector was disproportionately affected by the economic downturn, resulted in high rates of job loss with workers in the sector at heightened risk of economic hardship due to low wages and high rates of precarity. Second, within the sector, women workers faced higher rates of job loss, likely due to their over representation in part-time and casual positions, as well as lack of access to affordable childcare. Third, immigrants, who are over represented in the AFS due to barriers accessing other sectors, were disproportionately impacted by unemployment and faced barriers transitioning back to employment following the lockdown. Consequently, persistent inequities, such as a gender wage gap and high unemployment among recent immigrants were exacerbated by the pandemic, with long term effects still being experienced by immigrant women working in the AFS sector.

Recommendations

For the COVID-19 recovery:

- Continued progress on implementing Nationwide Childcare Strategy and action on provincial commitments to improve access to and affordability of childcare for all.
- Loans and other supports to revitalize the AFS that include conditions regarding hiring back those who lost work during the pandemic and improving employment conditions, including addressing the gender wage gap.
- Reduce barriers to employment for immigrants, such as accepting international educational and professional credentials, and reducing barriers to obtaining Canadian credentials.
- Creating training programs specifically for immigrant women to support transitions to higher wage sectors such as Information Technology and Healthcare.

In the event of future health crisis

- Recognition of the particularly vulnerability of the AFS sector to economic crisis, as well as economic insecurities experienced by workers in the sector, and tailored mitigation strategies.
- Economic relief and employment supports tailored to the particular needs of immigrant women and mothers.
- Ensuring access to safe, flexible childcare during emergencies



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