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Aboriginal Labour Market Performance in Canada Deteriorates Since 2007

The Centre for the Study of Living Standards today released a major study entitled “Aboriginal Labour Market Performance in Canada: 2007-2011”, posted at <http://www.csls.ca/reports/csls2012-04.pdf>. The study was funded by the Métis National Council. Using Statistics Canada’s Labour Force Survey (which excludes Aboriginal Canadians living on-reserve), the report provides a portrait of the Aboriginal labour market in 2011 and compares Aboriginal labour market performance to non-Aboriginal Canadians over the 2007-2011 period at the national level, and also by gender, age group, province, and main heritage group (First Nations or Métis). The report also discusses the implications of future labour market developments for Aboriginal Canadians and for the labour market policies and programs that support their labour market performance. Key findings from the study are highlighted below.

- In 2011, the labour market performance of Aboriginal Canadians, excluding those living on-reserve, was considerably worse than that of non-Aboriginal Canadians. The unemployment rate was 5.6 percentage points higher (12.9 per cent versus 7.3 per cent), the employment rate was 6.2 percentage points lower (55.8 per cent versus 62.0 per cent), and the participation rate 2.8 percentage points lower (66.9 per cent versus 64.1 per cent). These figures would be worse if data for people living on-reserve were available from the Labour Force Survey.
- Between 2007 and 2011 the labour market performance of Aboriginal Canadians deteriorated in absolute terms and relative to non-Aboriginal Canadians. The unemployment rate of Aboriginal Canadians rose 2.2 percentage points, the employment rate fell 2.2 percentage points, and the participation rate declined 0.9 percentage points. All these changes were worse than those experienced by non-Aboriginal Canadians.
- The Métis greatly outperformed First Nations people living off-reserve on labour market indicators over the 2007-2011 period. Indeed, employment for Métis rose 7.4 per cent between 2007 and 2011, while it fell 2.7 per cent for First Nations people.
- Aboriginal women perform much better on labour market indicators than men. Their unemployment rate in 2011 was 11.0 per cent compared to 14.7 per cent for men while

employment for Aboriginal women rose 4.5 per cent between 2007 and 2011, compared to only 0.5 per cent for men.

- Perhaps the most important factor for future Aboriginal labour market performance is the state of the Canadian economy. If the Canadian economy thrives, then Aboriginal labour market performance will be strong. On the other hand, if the Canadian economy enters another downturn, then the Aboriginal labour market will also suffer.
- Approximately 60 per cent of working age Aboriginal Canadians live in the West, compared to 30 per cent of working age non-Aboriginal Canadians. Since natural resource production is concentrated in this region, the outlook for the Aboriginal labour market will depend on commodity prices. From this geographical perspective, Aboriginal people may be well-positioned for future employment growth if commodity prices are strong.

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The Centre for the Study of Living Standards (CSLS) is a national, independent, Ottawa-based not-for-profit research organization. Its primary objective is to contribute to a better understanding of trends and determinants of productivity, living standards, and economic well-being in Canada through research.