Labour Statistics at a Glance

Labour market characteristics of persons with and without disabilities, 2023

by Daniel Vergara and Vincent Hardy

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Note to readers

The Labour Force Survey (LFS) and Canadian Survey on Disability (CSD) both collect data using the Disability Screening Questions (DSQ), which allows these surveys to identify 11 disability types and their severity. For more information on how the severity of disabilities is derived, please see <u>A New Survey Measure of Disability: the Disability Screening Questions (DSQ).</u>

The LFS program includes the LFS as the main questionnaire, as well as supplemental questionnaires on specialized topics each month, asked on a rotating basis. From 2014 to 2021, the DSQ were asked as part of the Canadian Income Survey (CIS), a supplemental survey to the LFS, for a partial period of each year. For the first time in 2022, the LFS program collected 12 months of data using the DSQ, through a combination of the CIS as well as the Labour Market and Socio-economic Indicators supplement.

For more information on the LFS, see the *Guide to the Labour Force Survey* (71-543-G).

The CSD is the official source of information on the prevalence of persons with disabilities in Canada. Results from the 2022 CSD are now available in the article <u>Canadian Survey on Disability</u>, 2017 to 2022. For methodological details on the CSD see <u>Surveys and statistical programs - Canadian Survey on Disability</u> (CSD).

Indicators from the LFS complement those from the CSD and provide more frequent estimates on the labour force characteristics of persons with and without disabilities. LFS-based indicators for persons with a disability also complement labour market information available for other population groups.

All estimates reflect the situation of the population residing in the provinces, excluding people living on Indigenous reserves, full-time members of the regular armed forces and people living in institutions.

This analysis focuses on differences between estimates that are statistically significant at the 68% confidence level.

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Highlights

- From 2022 to 2023, the employment rate held steady among persons with a disability (47.1%), but declined among persons without disabilities (-0.8 percentage points to 66.9%).
- While the employment rate of persons with a disability fell among those aged 55 to 64 (-1.8 percentage points to 49.3%), it increased among those aged 65 and over (+1.1 percentage points to 10.0%).
- The employment rate of core-aged men (aged 25 to 54) with a disability was 17.0 percentage points lower than the rate of core-aged men without disabilities. At the same time, there was an 11.3 percentage points gap between the employment rates of core-aged women with and without disabilities.
- The unemployment rate remained higher among persons with a disability (7.6%) compared with their counterparts without disabilities (4.6%).
- In 2023, the employment rate of persons with a disability was 60.4% among Filipino Canadians, 57.0% among Latin American Canadians and 52.2% among South Asian Canadians.
- Employees with a disability earned \$31.95 an hour on average compared with \$33.86 for employees without disabilities.

Introduction

Canadians with a disability represent a growing share of the population. According to the 2022 Canadian Survey on Disability (CSD),¹ 27% of Canadians – or 8.0 million people – had one or more disabilities, a 5 percentage points increase compared with 2017.

In recent years, new policies and legislation, such as the *Accessible Canada Act* and the *Canada Disability Benefit Act* have been introduced. The purpose of the *Canada Disability Benefit Act* is to reduce poverty and support the financial security of working-age persons with disabilities. The purpose of the *Accessible Canada Act* is to make Canada barrier-free by January 1, 2040. This involves identifying, removing and preventing barriers across several priority areas, including employment.

Results from the CSD indicate that disability prevalence and types of disability vary by age group, presenting different challenges for labour market integration. Disability prevalence among youth aged 15 to 24 rose 7.0 percentage points to 20.1% from 2017 to 2022, and the most common disability types within this age group were mental health-related and learning disabilities.

Among persons aged 25 to 64 years, 24.1% had a disability in 2022, up 4.1 percentage points compared with 2017. Within the age group, pain-related and mental health-related disabilities were the most common disability types. Among persons aged 65 and older, who represented close to 1 in 5 Canadians (18.9%) in 2022, the proportion with a disability reached 40.4%, an increase of 2.6 percentage points. The most prevalent disability types in this age group were pain-related and flexibility disabilities.

Since 2022, information on disability has been collected every month through supplements to the Labour Force Survey (LFS). This enables the production and analysis of annual labour market indicators for persons with and without disabilities, such as the employment, unemployment and labour force participation rates, as well as hourly wages and work hours.

This article examines trends in these indicators for the year 2023, and explores how disability intersects with age, sex, educational attainment, and racialized groups to influence labour market outcomes.

Unless otherwise noted, all estimates are for the population aged 15 and older.

^{1.} Canadian Survey on Disability, 2017 to 2022.

Employment rate holds steady among persons with a disability in 2023

Following a period of record-high job vacancies and a record-low unemployment rate in 2022, overall labour market conditions eased in 2023, with the unemployment rate rising from 5.1% to 5.8% nationally from April to December 2023. Recently released population estimates show that Canada's population grew at a rapid pace in 2023,² driven almost entirely by international migration. As a result of employment gains (+2.1%) being outpaced by population growth (+3.0%), the overall employment rate fell 0.5 percentage points to 61.7% from December 2022 to December 2023.

From 2022 to 2023, total employment edged up (+1.6%) among persons with a disability and the number of persons with a disability rose by 1.5%. The employment rate — the proportion of the population aged 15 and older who are employed — held steady at 47.1%.

Among persons without disabilities, employment gains (+2.3%) were outpaced by population growth (+3.5%), leading to a decline in the employment rate from 67.7% in 2022 to 66.9% in 2023. Population growth among Canadians without disabilities is largely due to international migration. Recent immigrants, who are younger than persons born in Canada, are less likely to have a disability. According to results from the CSD, 21.5% of immigrants had a disability in 2022, compared with 29.8% of non-immigrants.

In 2023, the unemployment rate remained higher among persons with a disability (7.6%) compared with their counterparts without disabilities (4.6%). It increased at a similar pace from 2022 to 2023 for both groups (+0.8 percentage points for persons with a disability and +0.7 percentage points for persons without disabilities).

Consistent with the results observed in 2022, in 2023, persons with a disability were more likely to be working in the health care and social assistance industry (14.4% vs. 12.9% for those without disabilities) and in public administration (6.8% vs. 5.7% for those without disabilities). At the same time, they were less likely to work in professional, scientific, and technical services (7.9% vs. 10.3% for those without disabilities).

Disability and labour force characteristics

The Disability Screening Questions (DSQ) measure disability relative to the difficulties that people may have in doing certain tasks, as well as the frequency at which these difficulties limit their daily activities. According to the social model of disability, disability is the result of the interaction between a person's functional limitations and barriers in the environment, including social and physical barriers that make it harder to function day-to-day. Variations in the labour market outcomes of persons with disabilities can be the result of changes in the disability status of individuals or changes in their labour force status. Three types of changes which impact labour market statistics are:

- Changes in disability status (e.g., the onset or a change in the severity of a disability) among
 persons whose labour force status is unchanged (e.g., persons who are employed who continue
 to be employed).
- Changes in labour force status among persons whose disability status is unchanged.
- Changes in labour force status among persons whose disability status also changes.

The LFS is a cross-sectional survey and cannot be used to measure the onset of disability and its subsequent impact on the labour force status of a particular person. LFS estimates offer a snapshot that is representative of the labour market situation of those with, and without disabilities.

The CSD offers additional measures such as the age of onset of disabilities that can be used to perform more in-depth analysis related to how and when disability occurs.

Furthermore, the CSD is the official source of information on the prevalence of disability in Canada. The CSD provides insights into topics such as workplace accommodations, which increase the potential for employment among persons with a disability.

^{2.} The Daily: Canada's population estimates: Strong population growth in 2023.

Employment rate holds steady among youth and core-aged persons with a disability, declines among their counterparts aged 55 to 64

In 2023, the employment rate of youth with a disability was lower than the rate of youth without disabilities. In addition, youth with a disability who were in the labour force (either by working or looking for work) remained more likely to be unemployed than their counterparts without disabilities.

Among youth with a disability, the employment rate was 51.9% in 2023, virtually unchanged from 2022. Meanwhile, the unemployment rate for this group increased by 2.4 percentage points to 15.8% in 2023. In comparison, among youth without disabilities, the employment rate fell 4.4 percentage points to 57.7% in 2023, while the unemployment rate rose by 2.5 percentage points to 10.0%.

According to results from the 2022 CSD, more than two-thirds of disabilities among youth were mental health-related.³ In 2023, the employment rate of youth with a mental health-related disability was 46.8%, 5.1 percentage points below the average for all youth with a disability.

Table 1
Employment and unemployment rates of persons with and without disabilities by age group, Canada, 2022 and 2023

		Employment rate			Unemployment rate		
	2022	2023	Change from 2022 to 2023	2022	2023	Change from 2022 to 2023	
		percent					
15 years and over							
Persons with a disability	47.1	47.1	0.0	6.8	7.6	0.8*	
Persons without disabilities	67.7	66.9	-0.8*	3.9	4.6	0.7*	
15 to 24 years							
Persons with a disability	52.6	51.9	-0.7	13.4	15.8	2.4*	
Persons without disabilities	62.1	57.7	-4.4*	7.5	10.0	2.5*	
25 to 54 years							
Persons with a disability	73.9	73.4	-0.5	5.7	6.5	0.8*	
Persons without disabilities	88.4	87.8	-0.6*	3.1	3.7	0.6*	
55 to 64 years							
Persons with a disability	51.1	49.3	-1.8*	6.4	6.4	0.0	
Persons without disabilities	68.1	69.6	1.5*	3.6	3.9	0.3	
65 years and over							
Persons with a disability	8.9	10.0	1.1*	6.0 ^E	3.9 ^E	-2.1*	
Persons without disabilities	15.7	17.4	1.7*	4.0	3.7	-0.3	

^{*} indicates a statistically significant change from 2022 to 2023

Sources: Labour Force Survey (3701), Canadian Income Survey (5200) and Labour Market and Socio-economic Indicators (5377), custom tabulation.

The employment rate of core-aged persons (aged 25 to 54) with a disability was 73.4% in 2023, little changed from 2022. Among their counterparts without disabilities, the employment rate declined by 0.6 percentage points to 87.8% in 2023. At the same time, the unemployment rate increased among core-aged persons both with a disability (+0.8 percentage points to 6.5%), and without disabilities (+0.6 percentage points to 3.7%).

For persons aged 55 to 64, the employment rate decreased by 1.8 percentage points to 49.3% among those with a disability, while it rose 1.5 percentage points to 69.6% for those without disabilities. The unemployment rate was virtually unchanged in both groups – it was 6.4% for persons with a disability and 3.9% for those without disabilities in 2023.

The transition to retirement is a key component of labour force participation among 55- to 64-year-olds, and having a disability can be important factor in the decision to retire. LFS data collected in June 2023 showed that among Canadians who reported being completely retired, close to one quarter cited issues related to health or disability – either their own or their spouse's – as the main factor which pushed them to retire at a younger age than they would have otherwise chosen.⁴

 $^{^{\}rm E}$ use with caution

^{3.} Canadian Survey on Disability, 2017 to 2022.

^{4.} The Daily: Majority of people planning to retire would continue working longer if they could reduce their hours and stress

Seniors with a disability more likely to be employed in 2023

Compared with younger Canadians, seniors (aged 65 and older) are more likely to have a disability. Their labour force participation rate is also lower, as many of them are retired.

From 2022 to 2023, the employment rate of seniors increased among persons both with a disability (+1.1 percentage points to 10.0%) and without disabilities (+1.7 percentage points to 17.4%).

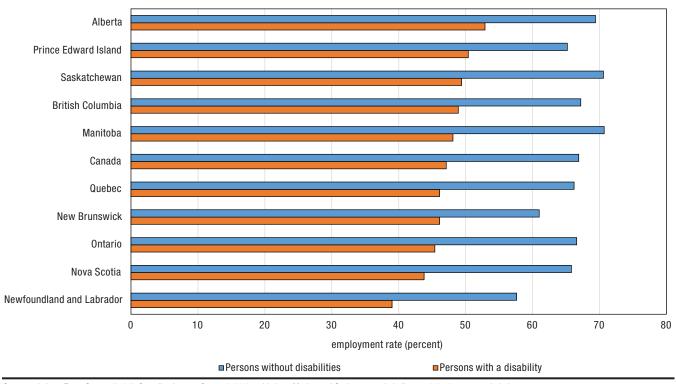
With a rising cost of living, having a job can become a necessity for some seniors. In 2023, 52.9% of workers aged 65 and older with a disability indicated that they were working by necessity rather than choice, compared with 36.2% among their counterparts without disabilities. Compared with 2022, the proportion of workers aged 65 and older who were working by necessity was up by 7.5 percentage points among persons with a disability, but was little changed among persons without disabilities.

Alberta records the highest employment rate among persons with a disability in 2023

In 2023, Alberta (52.9%) had the highest employment rate among persons with a disability. Persons with a disability in Prince Edward Island (50.4%), Saskatchewan (49.4%) and British Columbia (48.9%) also recorded employment rates above the national average (47.1%). At the same time, persons with a disability in Newfoundland and Labrador (39.0%), Nova Scotia (43.8%) and Ontario (45.4%) had employment rates below the national average.

Larger gaps between the employment rates of persons with and without disabilities were observed in Manitoba (22.6 percentage points), Nova Scotia (22.0 percentage points), as well as Ontario and Saskatchewan (21.2 percentage points each).

Chart 1
Employment rates for persons with and without disabilities by province, 2023



Sources: Labour Force Survey (3701), Canadian Income Survey (5200) and Labour Market and Socio-economic Indicators (5377), custom tabulation.

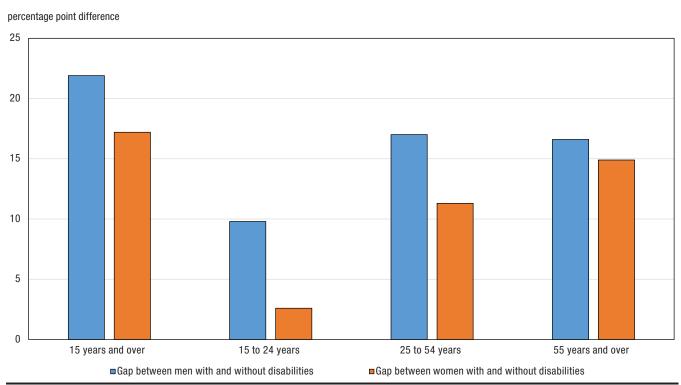
Employment rate gap between persons with and without disabilities larger among men

In 2023, there was a 19.8 percentage point gap between the employment rates of persons with (47.1%) and without (66.9%) disabilities. The gap was wider among men (21.9 percentage points) than women (17.2 percentage points), indicating that disability tends to have a larger impact on the employment rate of men. This larger gap was more pronounced among youth and core-aged persons.

Among youth aged 15 to 24, the employment rate of men with a disability (47.5%) was 9.8 percentage points lower than the rate of their counterparts without disabilities (57.3%). In contrast, there was little difference in the employment rates of young women with and without disabilities (55.5% vs. 58.1%).

Similarly, the employment rate of core-aged men with a disability (74.4%) was 17.0 percentage points lower than the rate of core-aged men without disabilities (91.4%). In comparison, there was an 11.3 percentage points gap between the employment rates of core-aged women with a disability (72.5%) and without disabilities (83.8%).

Chart 2
Employment rate gaps between men with and without disabilities and between women with and without disabilities by age group, Canada, 2023



Sources: Labour Force Survey (3701), Canadian Income Survey (5200) and Labour Market and Socio-economic Indicators (5377), custom tabulation.

In 2022, there were similar differences in the employment rates of persons with and without disabilities among core-aged men (74.4% vs. 92.7%), core-aged women (73.4% vs. 83.9%) and young women (58.0% vs. 61.6%). However, from 2022 to 2023, the gap in the employment rate of young men with and without disabilities decreased (from 16.4 to 9.8 percentage points) due a notable decline in the employment rate of young men without disabilities, which fell from 62.5% to 57.3%.

Mental health-related disabilities have a larger impact on men's employment rate

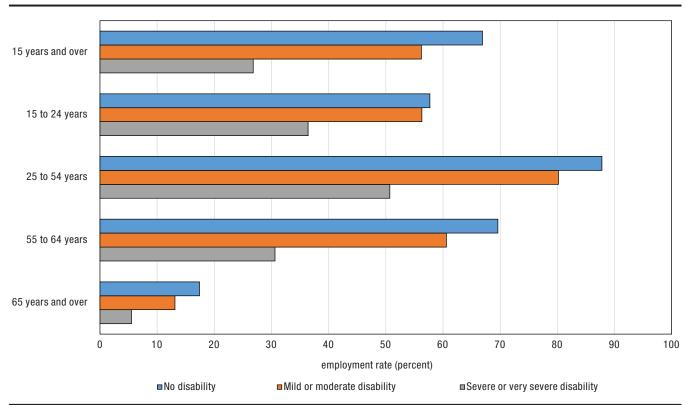
The larger effect of disability on the employment rates of men was more evident for specific types of disability. Notably, the employment rate of men with a mental health-related disability (52.6%) was 18.2 percentage points

lower than the rate of men without disabilities (70.8%), while women with mental health-related disabilities had an employment rate 7.0 percentage points lower than the rate of their counterparts without disabilities. For other types of disabilities, such as flexibility, seeing and hearing disabilities, the impact on the employment rate was similar for men and women. For example, the employment rate of men with flexibility-related disabilities (30.8%) was 40.0 percentage points lower than the rate of those without disabilities, similar to the difference between women with a flexibility disability and women without disabilities (40.2 percentage points).

Employment rate lower for persons with more severe disabilities

The impact of disability on the likelihood of being employed increases with the severity of the disability. In 2023, the employment rate of persons with a more severe disability (26.8%) was 40.1 percentage points lower than the rate for persons without disabilities (66.9%). In comparison, the employment rate of Canadians with a less severe disability (56.2%) was 10.7 percentage points lower than the rate of persons without disabilities.

Chart 3
Employment rate by severity of disabilities and age group, Canada, 2023



Sources: Labour Force Survey (3701), Canadian Income Survey (5200) and Labour Market and Socio-economic Indicators (5377), custom tabulation.

From 2022 to 2023, the employment rate increased slightly among persons with a more severe disability (+1.7 percentage points) but was little changed among persons with a milder disability.

Both milder and more severe disabilities had a larger impact on the employment rates of men compared with women.

Higher educational attainment is associated with a smaller employment rate gap between persons with and without disabilities

While disability represents an important barrier to employment, among core-aged workers, higher educational attainment increases the likelihood that a person with a disability will be employed, reducing the employment

rate gap between persons with and without disabilities. This pattern may be due to different factors, including the accessibility of education for persons with certain types of disabilities or with more severe disabilities, as well as the accessibility of jobs for persons with a disability.

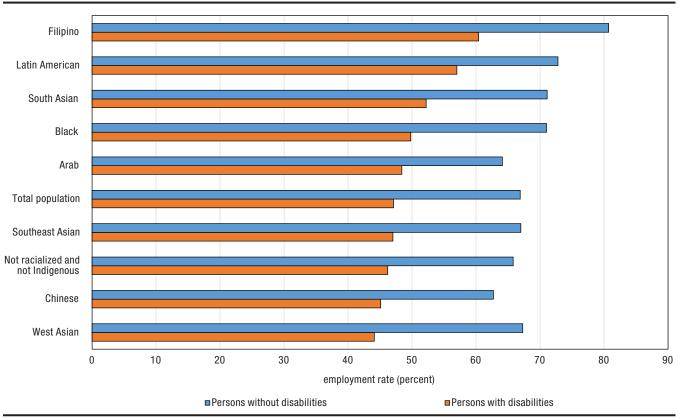
Among persons with a disability aged 25 to 54, those with a high school diploma or a lower level of education had a much lower employment rate (52.5%) than persons with post-secondary education below the bachelor's degree (76.7%) and persons with a bachelor's degree or a higher level of education (85.8%)

Furthermore, at higher levels of educational attainment, the gap between the employment rates of persons with and without disabilities tended to be lower. It was 28.6 percentage points among core-aged persons with at most a high school diploma, compared with 13.0 percentage points for those with post-secondary education below the bachelor's degree, and 3.1 percentage points for those with a bachelor's degree or a higher level of education.

Disability associated with a lower employment rate among all racialized groups

As in 2022, persons with a disability in 2023 had lower employment rates than their counterparts without disabilities across all racialized groups. In line with their overall employment rate⁵, Filipino (60.4%), Latin American (57.0%) and South Asian (52.2%) Canadians with a disability had employment rates above the national average for persons with a disability (47.1%).

Chart 4
Employment rate of persons with and without disabilities by racialized group, Canada, 2023



Sources: Labour Force Survey (3701), Canadian Income Survey (5200) and Labour Market and Socio-economic Indicators (5377), custom tabulation.

The employment rate gap between persons with and without disabilities was 20.3 percentage points among Filipino Canadians, 15.8 among Latin American Canadians and 18.9 among South Asian Canadians.

At the same time, the employment rate of non-racialized and non-Indigenous people with a disability (46.2%) was 19.6 percentage point lower than the rate for their counterparts without disabilities (65.8%).

^{5.} Based on LFS data for December 2023 (Labour force characteristics by visible minority group, three-month moving averages, monthly, unadjusted for seasonality), Filipino (73.9%) and Latin American (70.3%) Canadians had the highest employment rates among racialized populations, while South Asians had the fourth-highest rate (67.7%).

Persons with a disability have lower average hourly earnings and usually work fewer hours per week

In 2023, the gap between the average weekly earnings of paid employees with and without disabilities was \$99.43 (\$1,146.05 compared with \$1,245.48), reflecting both lower average usual hours worked per week (34.5h vs 35.6h) and lower average hourly earnings (\$31.95 vs \$33.86) among employees with a disability.

Across all age groups, employees with a disability earned less per hour than employees without disabilities. Among employees aged 25 to 54, on average women with a disability earned \$1.38 (4.1%) less per hour than women without disabilities. The gap between core-aged men with and without disabilities was \$1.06 (2.7%).

Employees with a disability usually worked fewer hours per week than employees without disabilities. The gap between the average usual hours of core-aged employees with and without disabilities was about the same for men (-0.93 hours) and women (-1.10 hours).

Looking ahead

In 2023 and into 2024, labour market conditions eased and the unemployment rate trended upwards, affecting both persons with and without disabilities.

In the context of rapid growth in the population, the employment rate trended down among persons without disabilities. However, the employment rate held steady among those with a milder disability and increased for persons with more severe disabilities.

As was observed in 2022, the impacts of disability on labour market outcomes in 2023 differed by sex, educational attainment, and the severity of the disability. Notably, the gap between the employment rates of persons with and without disabilities remained much greater among those with lower levels of education. Further, the gap between the employment rates of persons with and without disabilities remained larger for men than for women.

Data collection on the labour market characteristics of persons with disabilities continues in 2024, enabling Statistics Canada to monitor and report on the labour force characteristics of persons with and without disabilities, as labour market conditions continue to evolve.