

# Working Hours in Canada

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Statistics  
Canada

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# Outline

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- ◆ What Explains Differences in Provincial Working Hours?
- ◆ How Stable are Working Hours, What are the Consequences of Unstable Working Hours?



# Data

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- ◆ Survey of Labour and Income Dynamics
- ◆ Asks respondents how many paid hours worked over various work schedules
- ◆ Hours worked per year, including overtime and paid absences
- ◆ Only current source of data in Canada which allows for the examination of annual work hours at the individual level

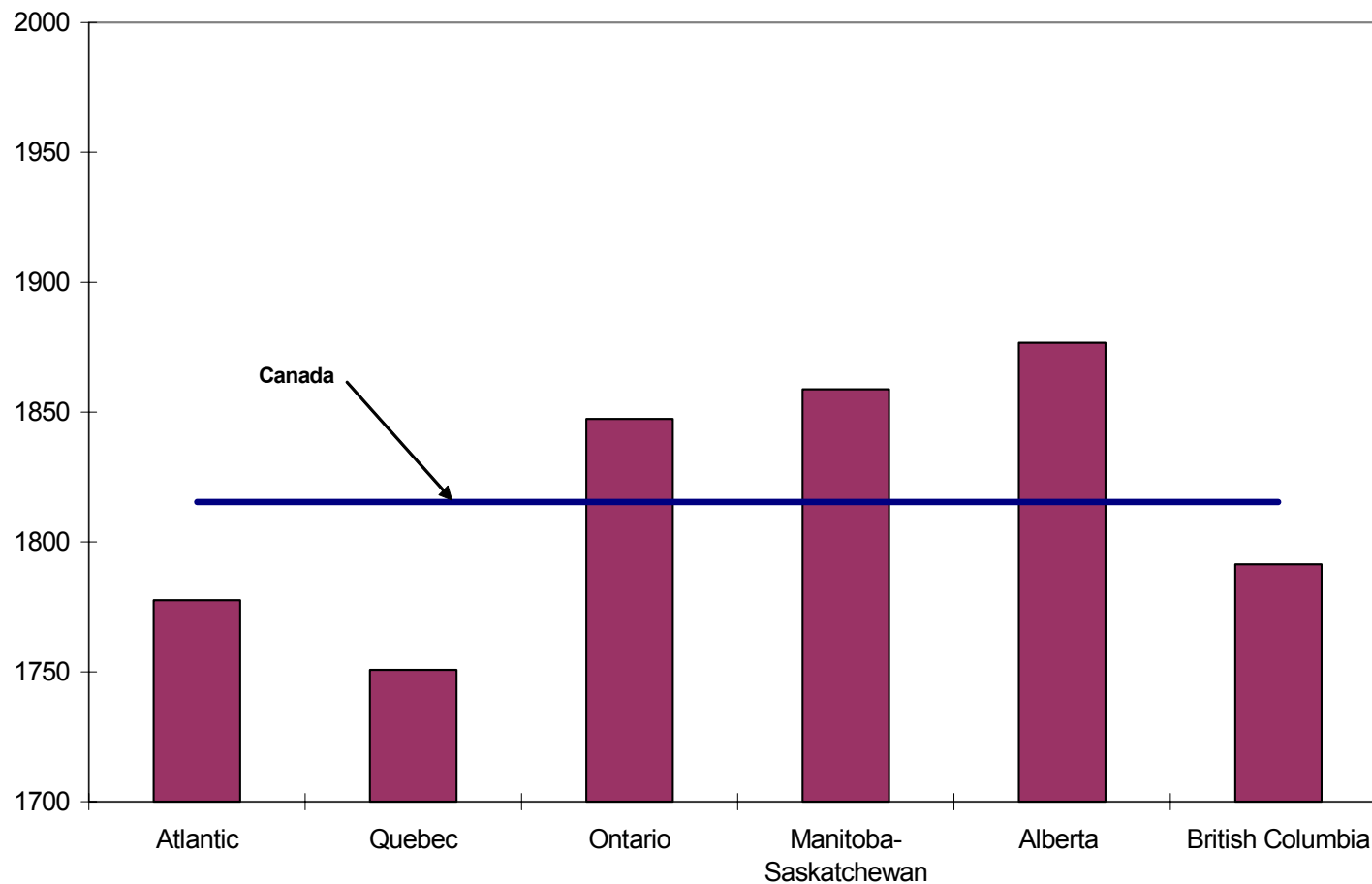


# What Explains Differences In Provincial Working Hours?

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# Provincial work hours differ widely

Average Annual Work Hours by Region, 2004



Source: Survey of Labour and Income Dynamics (2004)



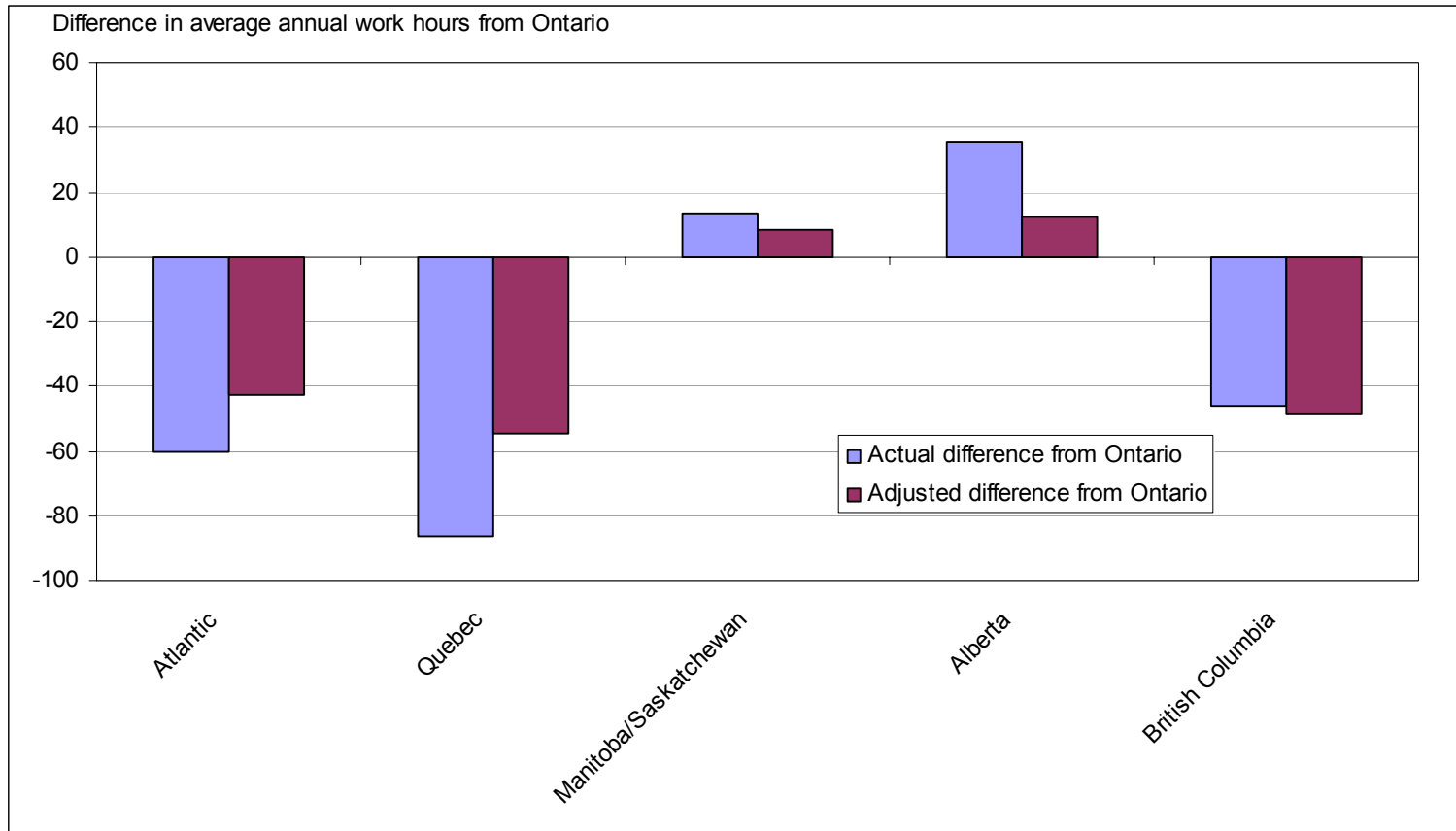
# What might explain differences?

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- ◆ Explanations can be divided into
  - observable by household surveys
    - » unionization
    - » industrial structure
    - » labour market
    - » demographic factors
  - not observed (or difficult to observe) in household surveys
    - » tastes for work and leisure
    - » spillover/non-direct effects
    - » influences of taxes/ incentives of govt. programs



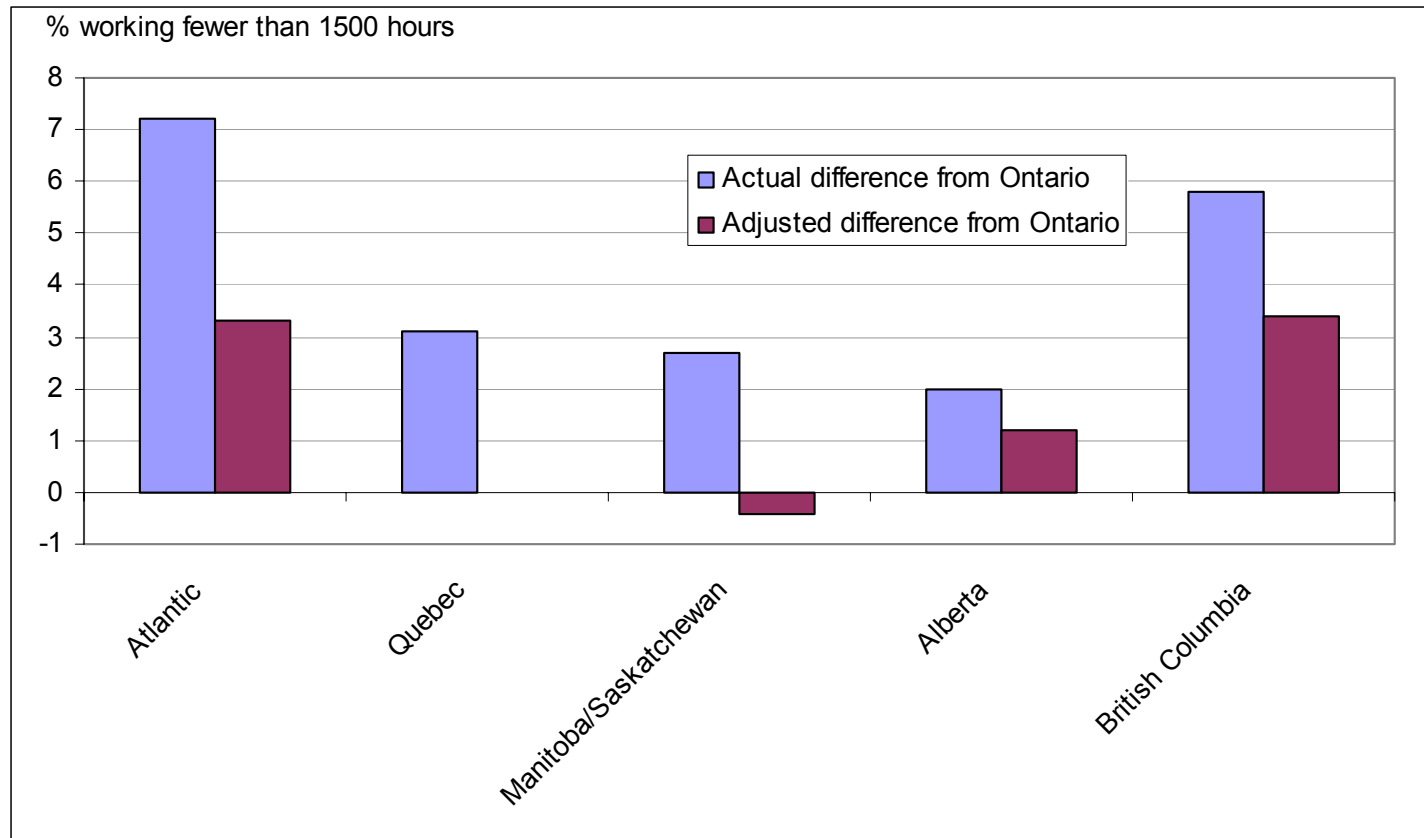
# We conduct a decomposition to see what portion could be attributed to observable differences



Depending on the region, none to two thirds of the differences are attributable to observables



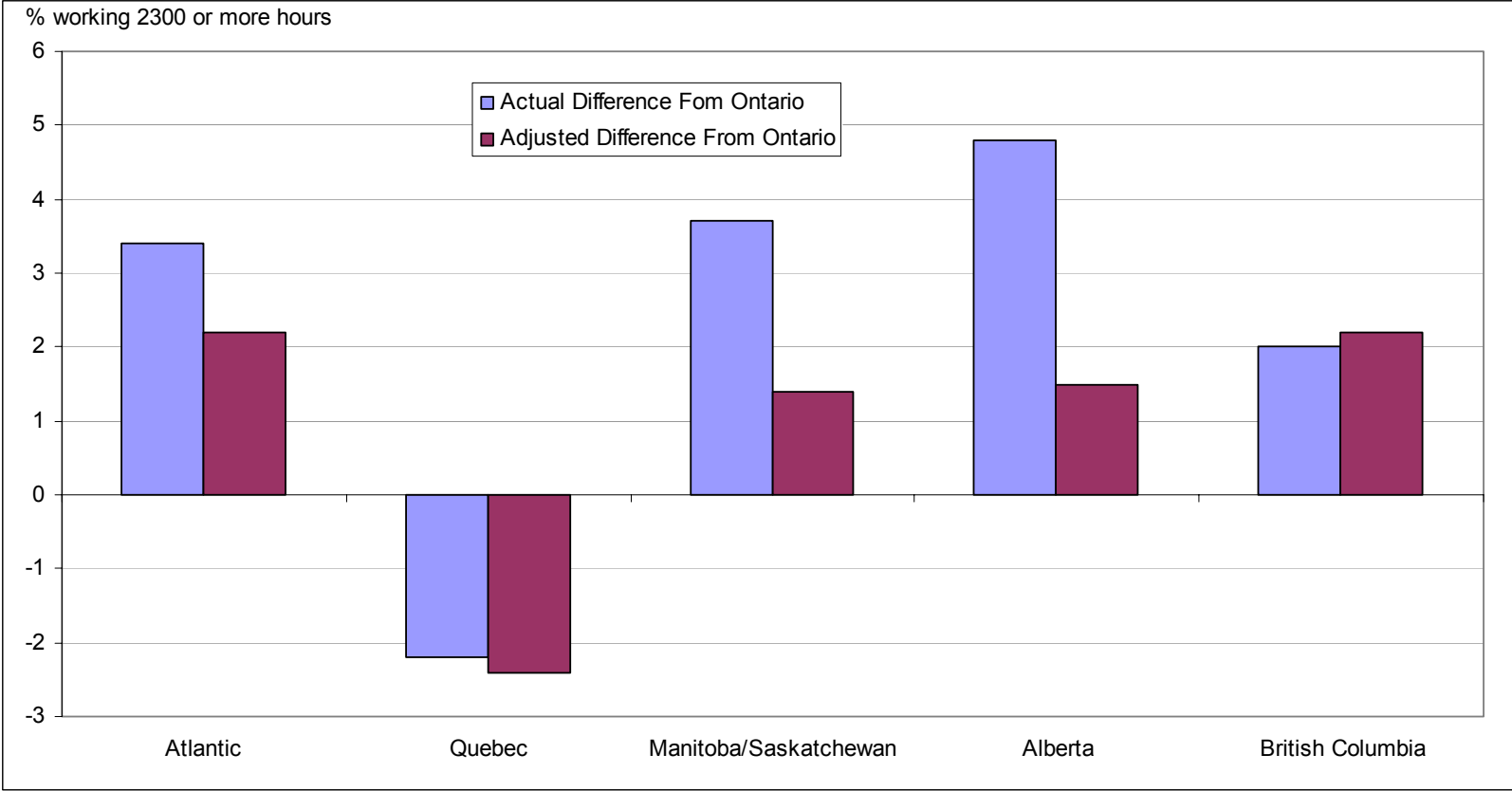
# Observables explain large differences in low-work hours



Depending on the region, one third to all of the differences are attributable to observables. Observables explain entirely why Quebec workers work more short years.



# Observables explain large differences in high-work hours between some regions



Observables help to explain why some regions work more long hours than Ontario, but do not explain why Quebec works fewer long hours



# What Explains Differences In Provincial Working Hours? Conclusions:

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- ◆ The share of overall differences explained by “observable factors” varied by region.
- ◆ Overall observables explained only about 20% of the *distributional* difference between Ontario and Quebec, and less between Ontario and BC
- ◆ Observables explained about half of the *distributional* differences between Ontario and the other regions.
- ◆ Of the observables, typically:
  - differences in union status, industrial structure and demographics explained little of the hours worked differences
  - differences in local labour market strength and worker wages explained more of the differences



# How Stable are Working Hours, What are the Consequences of Unstable Working Hours?

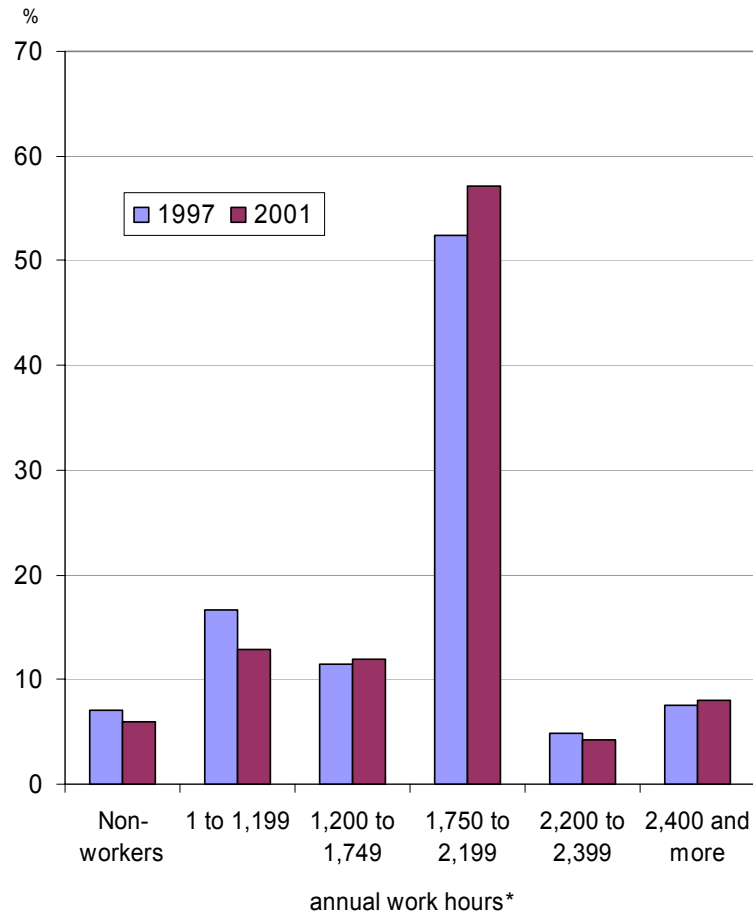
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# In the cross section, annual work hours look stable



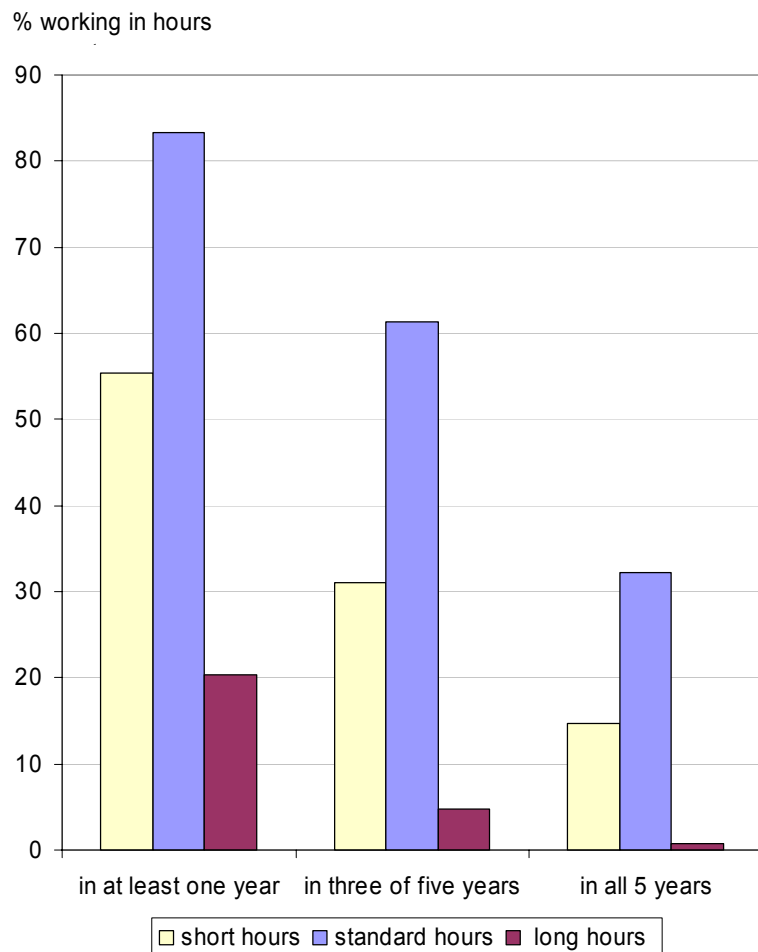
- ◆ Most workers work full-year full-time hours
- ◆ A significant minority work long hours of 2400 or more (46+ hours per week)

\* Population aged 25-54 in 1996, worked at some time between 1997 and 2001

Source: Survey of Labour and Income Dynamics (1997, 2001)



# But in fact, only a minority work in the same hours category year after year; Many workers have a brush with long hours, but “chronic” long hours is rare



- ◆ While 55% of workers work short hours in at least one year between 1997 and 2001, only 14.7% worked short hours in all 5 years
- ◆ While 20.3% of workers worked long hours in at least one year, only 0.7% worked long hours in all years
- ◆ Just 47.6% of workers worked in the same broad hours category for 5 straight years
- ◆ More men have a brush with long hours than women, but “chronic” long hours remains rare



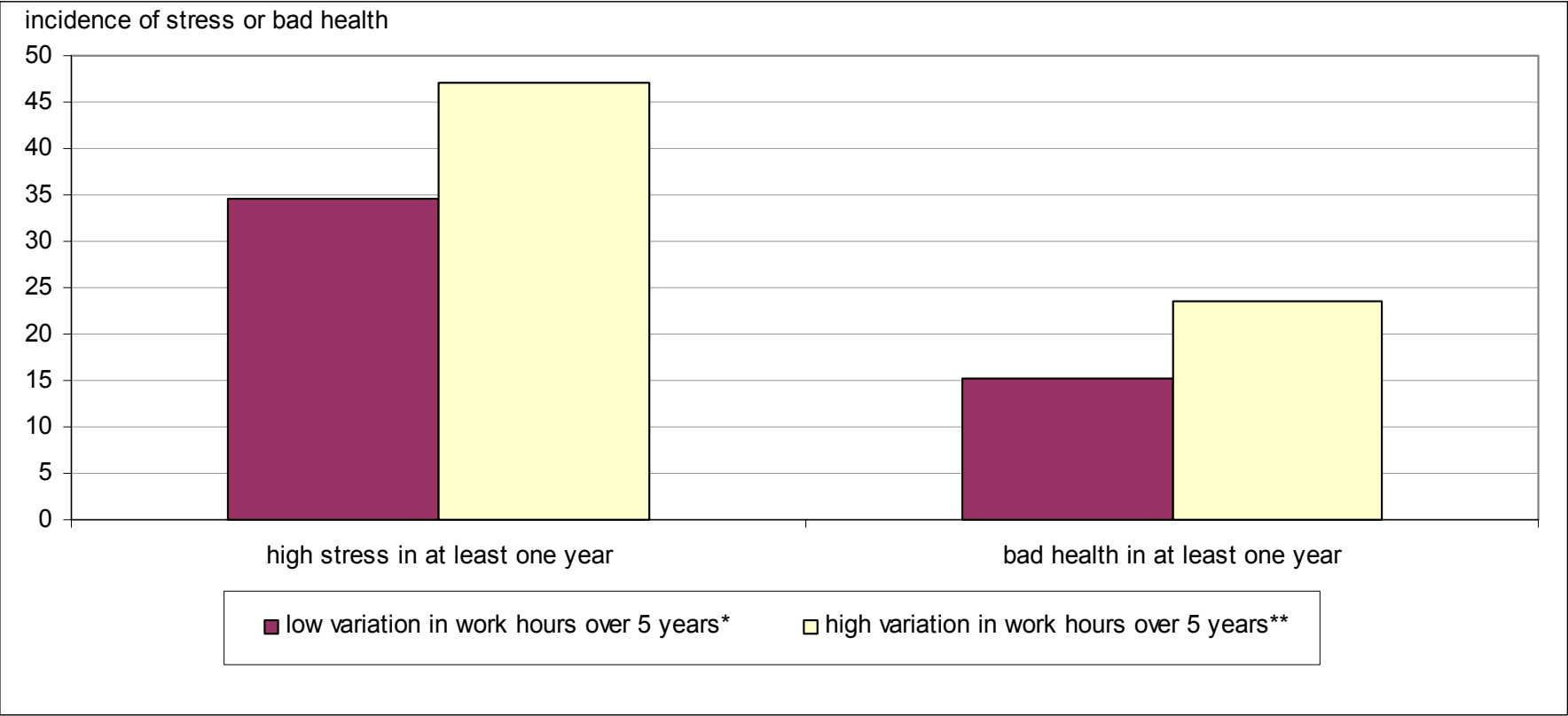
# Highly variable work hours are associated with:

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- ◆ Poor job quality
  - less likely to be unionized
  - less likely to have a pension plan
  - more likely to work at a small firm
- ◆ Low wages



# Workers with highly variable work hours report more stress and bad health



\*mean absolute deviation of less than 60 hours per year

\*\* mean absolute deviation of more than 320 hours per year

# How Stable are Working Hours, What are the Consequences of Unstable Working Hours? Conclusions:

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- ◆ Stable work hours year after year are the norm for only about half of workers
- ◆ Unstable work hours are associated with poor job quality and lower quality of life
- ◆ Implications for policy:
  - presents a challenge to work hours regulation or work hours redistribution policy
- ◆ Implications for research:
  - research on well-being and work life balance usually focuses on the quantity of work, not the stability of work.



# More information

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Understanding Regional Differences in Work Hours:  
forthcoming - [www.statcan.ca](http://www.statcan.ca)

Work Hours Instability in Canada:  
<http://www.statcan.ca/english/research/11F0019MIE/11F0019MIE2006278.pdf>

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