

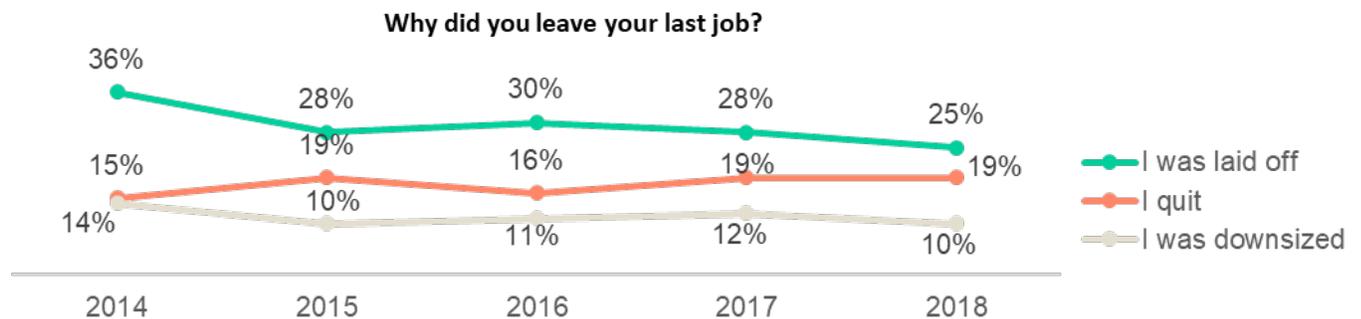
Date: May 9, 2018
 To: Express Employment Professionals
 From: The Harris Poll
 Subject: 2018 Survey of Unemployed Canadians

This study was conducted online by Harris Poll on behalf of Express Employment Professionals and included 1,510 Canadian adults aged 18 or older who are unemployed but capable of working. Excluded are those who are currently retired, choose to stay at home or are unable to work due to long-term disability. The survey was conducted between March 28 and April 10, 2018.

Results were weighted as needed for age by gender, education, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online. Totals may not equal the sum of their individual components due to rounding. No estimates of theoretical sampling error can be calculated; a full methodology is available upon request.

Economic Factors and Their Impact on Job Seekers

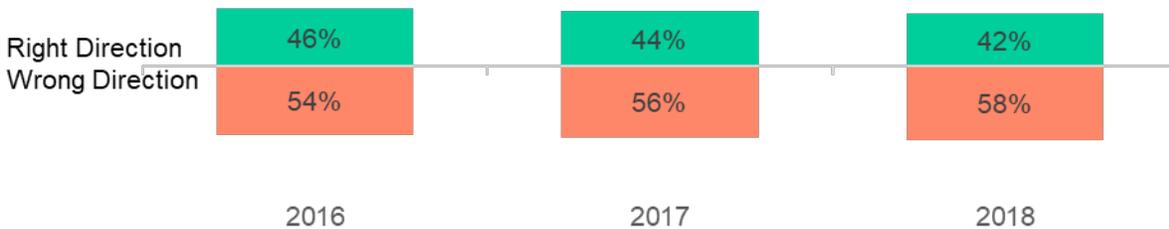
A positive trend continues among the Canadian unemployed whereby Canadians are leaving their last employment on their own terms. Since the unemployment study began back in 2014, the percent of those who were laid off has fallen by over 10 points. At the same time, those who quit their position has slightly risen, while the unemployed who have left their employment due to downsizing has remained relatively unchanged. While those who were laid-off and downsized represents a larger proportion than those who have quit, the gap has narrowed significantly since 2014 ((50% vs 15% laid off/downsized to quit in 2014) vs. (35% to 19% laid off/downsized to quit in 2018)).



Despite having more control over their own employment. Unemployed Canadians have a pessimistic (and declining) view on the direction of their country's economy. When asked which direction they believe the Canadian economy is moving, nearly six-in-ten stated they believe the

country is headed in the wrong direction. Notably, the unemployed with the lowest education tend to be most inclined to believe the country is headed in the wrong direction (63% among high school education or less, 59% some college experience/associates degree, 50% college/first professional degree, 39% some graduate school/graduate degree). For those who feel the country is headed in the wrong direction, the vast majority agree that the economy is set up to benefit the rich (91%).

Direction of the Country Regarding the Economy
(% Selected)



Demographics of the unemployed

The average age of unemployed Canadians has only slightly increased since 2017 (38.2 in 2017 vs. 39.5 in 2018) yet still over half of the Canadian unemployed are under the age of 40 (53%). Unemployed Canadians who have been unemployed 3 months or less tend to be younger (33.5 mean) while those who have been unemployed for more than a year are on average, older (44.5).

Similar to 2017, 2 in 5 (41%) of unemployed Canadian's have an education level of secondary school or less. Those who have a bachelors/first professional degrees or graduate degree and are unemployed is slightly increased from 2017 (14% in 2017 vs. 21% in 2018).

Slightly over half of the unemployed with a bachelor's degree (56%) agree with the statement "I wish I focused on a vocational career (e.g., automotive technology, electrician, plumber, HVAC specialist, dental assistant, medical assisting, etc.) rather than getting my college degree" – down slightly from 2016 the first year this question was asked (63% in 2016 and 62% in 2017).

The population of the long term unemployed is increasing as fewer Canadians have indicated that they have been unemployed for 3 months or less (25% in 2018 vs. 28% in 2017), while more Canadians have said they have been unemployed 24 months or more (29% in 2018 vs. 26% in 2017). These negative trends have led to lengthier periods of unemployment as the average length of unemployment is more than 6 months longer than it was in 2014.

Length of Unemployment (Mean Number of Months)



Attitudes of the unemployed

As seen in prior years, the unemployed continue to exhibit conflicting emotions regarding their unemployment. While most express varying levels of hope, those feelings are often offset by feelings of stress, anxiety, and desperation.

Feelings of hope towards finding employment remain high but have fallen slightly since 2017. Confidence remains high and in line with previous years with more than three-quarters of unemployed Canadians stating they are:

- Hopeful that they'll find a job they really want in the next six months (86% vs. 91% in 2017)
- Confident everything will turn out fine (90% similar to 2017)
- Confident they'll find a job in a reasonable amount of time (83% vs. 86% in 2017). Confidence in finding a job is universally high among those who have been unemployed for 3 months or less (94%)

At the same time feelings of despondency and anxiety are also evident and similar to last year as 7 in 10 or more say:

- They find being unemployed really stressful (86% vs. 89% in 2017)
- The longer they're unemployed, the harder they're finding it to keep working hard to find a job (79% vs. 78% in 2017)
- They feel like they don't know what they're doing with their life as a result of being out of work (77% similar year over year since 2016)
- They feel like people are judging them because they're still out of work (74% vs. 76% in 2017).
- They are becoming insecure about their ability to find a job the longer they're out of work (75% vs. 79% in 2017 and 2016)
- They are becoming more discouraged the longer they are unemployed (81% stable and in line with the historical high of 82% in 2014)
- They are angry about being out of work (71% vs. 72% in 2017)
- That being out of work makes them feel desperate (73% vs. 76% in 2017)

Nearly half of the Canadian unemployed say they do not have the resources to look for a job which has remained stable year over year (46% in 2018 vs. 47% in 2017). While four in ten

(38%) say they have completely given up looking for a job, up from 32% in 2017 - this is particularly true for those out of a job for more than 2 years (62%).

Optimally, feelings of confidence are vital to finding a job while unemployed. However there is a line between being confident in your abilities and having large expectations for your next position. While unemployed Canadians continue to have high expectations for their next employment, they also exhibit a measure of practicality by keeping their expectations in check as:

- Three-in-five say they would be willing to do any job that will help them pay the bills (59% vs. 60% in 2017) versus accepting only a job they would want to do. 18-29 year olds are most likely to accept any job to pay the bills (68%) while the unemployed who are 60+ would be least inclined to do so (51%).
- Two-thirds say they will only accept a job if it would allow them to use their education and skills (67% down from 69% in 2017). However, only two-in-ten (21%) agree either “a lot” or “completely” with this idea.
 - Notably, those who would be most inclined to want to use their education and skills are those who have been unemployed the shortest amount of time (76% among those unemployed 3 months or less), which is significantly higher than those who have been unemployed more than 24 months (58%).
- Seven-in-ten will not apply to minimum wage jobs because those jobs don't pay enough to pay their bills (72% vs. 74% in 2017).
 - The average annual income expectation among the Canadian unemployed is roughly \$47k per year which is roughly in line with the average Canadian income – annual income expectations is lowest among 18-29 year old's (\$36k).

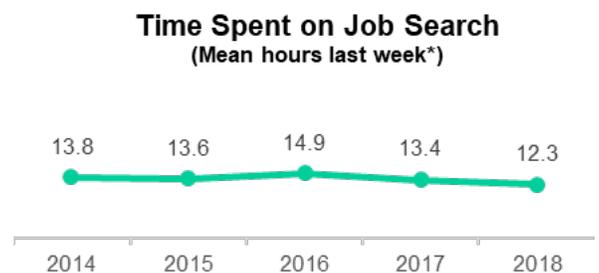
Steps towards employment

Obtaining interviews remains elusive for most unemployed Canadians with nearly 6 in 10 (58%) not having had an interview in the last month*. Notably, this figure is higher among females (64%) than males (53%)*.

**At the time of interviewing*

While eight-in-ten unemployed Canadians say there is no activity more important than finding a job (82%, down from 87% in 2017), their last week's job seeking efforts* do not match this sentiment as the unemployed put in one and a half full work days in looking for a job in the last week* (12.3 hours in one week), down over an hour from 2017, which was the lowest since we began tracking in 2014.

**At the time of interviewing*



When asked about the difficulty of their job search, nearly 9 in 10 unemployed Canadians say that in some form or facet their job search has been difficult (87%) with nearly four-in-ten saying that they *expected it to be difficult and it has been more difficult than they thought* (39%), an additional three in ten (28%) saying *it is as difficult as they thought*, and two-in-ten (20%) saying that they *thought it would be easy and it has been more difficult than they originally thought*.

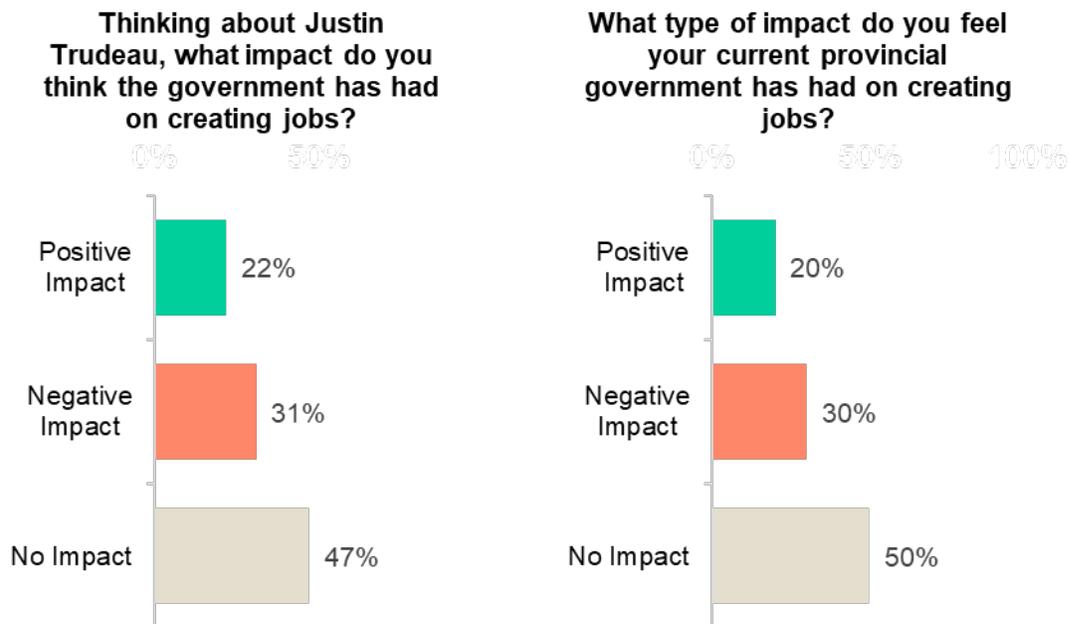
Outside of the job search, willingness to relocate remains a barrier among the unemployed as less than a third of unemployed Canadians would be willing to relocate to a new province for a job (28%). Additionally, less than half (44%) would be willing to even move to a new city or town.

The Trudeau Administration

Halfway through Prime Minister Trudeau's tenure as head of the Canadian government, a picture is being developed as to how the unemployed feel the government is moving. As stated earlier, six-in-ten (58%) unemployed Canadians feel the government is moving in the wrong direction. Reinforcing this pessimistic assessment, only two-in-ten feel the Trudeau government has had a positive impact on creating jobs (22%). This is down significantly from what was observed in 2017 (34%). Half say that the Trudeau government has had no impact on creating jobs.

Notably, unemployed Canadians hold similar feelings over their provincial governments as only two-in-ten feel they have had a positive impact on creating jobs (20% vs. 21% in 2017 and 24% in 2016). Similar to views about the Trudeau government, half of the unemployed believe that the provincial government has had no impact at all on creating jobs (50%).

When asked about President Trump's recently adopted trade and tax policy, there is an overwhelmingly belief that it will have a negative impact on job creation in Canada (50%). Only 6% of unemployed Canadians believe it will have a positive impact.



Unemployment Hope Index

The **Unemployment Hope Index** was created to quantify the emotional well-being that impacts the job search of the Canadian unemployed population over time – as an extension of the annual Study of the Unemployed.

The Index measures 22 different indicators of unemployed workers' hope that they'll find another job (in a reasonable amount of time) – where five attitudes were determined to be primary contributors:

- Whether or not they are confident that they will find a job in a reasonable amount of time
- Whether or not they are hopeful that they'll find a job they really want in the next 6 months
- Whether or not they agree that there is no activity that is more important than finding a job
- Whether or not they expected to find a job more quickly
- Whether or not they will only accept a job that allows them to use their education and skills

Three other areas were also identified as secondary contributors to how hopeful prospective employees are – which include:

- Whether or not they agreed that they have completely given up on looking for a job
- Whether or not they find being unemployed really stressful
- And the number of hours they spent in the last week (at the time of interviewing) looking for a job

The aggregate score of all included metrics reflects the overall hope of the unemployed population. On the scale of 0-100, less than 50 signals feelings towards hopelessness and greater than 50 indicates feelings towards hopefulness.

*In 2017, (the first year the index was formulated) the Index score was 52.6 indicating that the unemployed in Canada were showing signs of hope as they looked for employment opportunities. This year, the **Index score of 48.0** indicates there is less hope in the job search than one year ago and is trending toward hopelessness.*

By the Numbers: Length of Unemployment

By length of unemployment, as seen in 2017, those out of work for 1-2 months display the most signs of hope regarding their job search, while those out of work for more than 2 years are showing signs of hopelessness.

