



Labour Market Bulletin

Newfoundland and Labrador

June 2017



This Labour Market Bulletin is a report providing an analysis of Labour Force Survey results for the province of Newfoundland and Labrador, including the regions of Avalon Peninsula, West Coast—Northern Peninsula—Labrador, Notre Dame—Central Bonavista Bay and South Coast—Burin Peninsula.

Labour market conditions in Newfoundland and Labrador worsened somewhat in the second quarter of 2017, whether we compare our results to those of the previous quarter or to the second quarter of 2016. On a quarter-over-quarter basis, the labour force shed 200 people, while there were 1,000 fewer people employed. With heavier losses to employment, the unemployment rate increased from 14.3% to 14.6%. The decline in the number employed resulted solely from part-time job losses (-3,400), while the number of full-time jobs actually increased (+2,400) from the level observed in the first quarter.

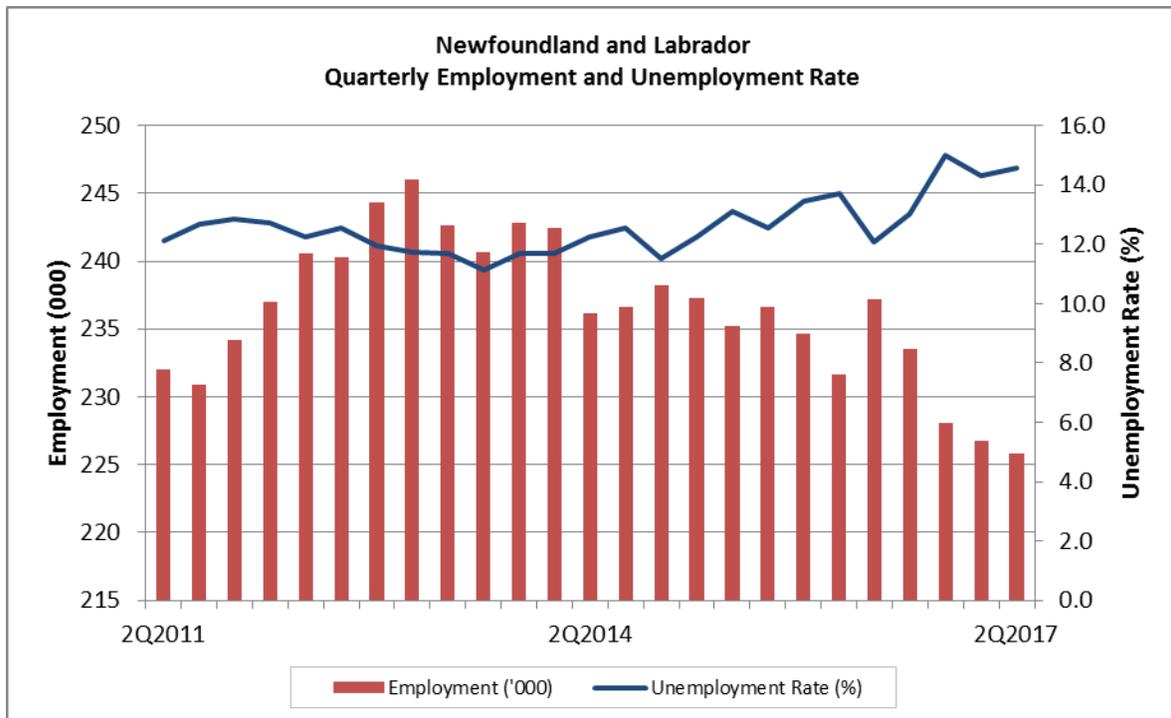
Newfoundland and Labrador Quarterly Labour Force Statistics

| Seasonally Adjusted Quarterly Data | 2nd Quarter 2017 | 1st Quarter 2017 | 2nd Quarter 2016 | Quarterly Variation | | Yearly Variation | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|------|------------------|-------|
| | | | | Number | % | Number | % |
| Population 15 + ('000) | 445.8 | 445.4 | 444.2 | 0.4 | 0.1 | 1.6 | 0.4 |
| Labour Force ('000) | 264.3 | 264.5 | 269.9 | -0.2 | -0.1 | -5.6 | -2.1 |
| Employment ('000) | 225.8 | 226.8 | 237.2 | -1.0 | -0.4 | -11.4 | -4.8 |
| Full-Time ('000) | 193.2 | 190.8 | 198.9 | 2.4 | 1.3 | -5.7 | -2.9 |
| Part-Time ('000) | 32.6 | 36.0 | 38.3 | -3.4 | -9.4 | -5.7 | -14.9 |
| Unemployment ('000) | 38.5 | 37.8 | 32.7 | 0.7 | 1.9 | 5.8 | 17.7 |
| Unemployment Rate (%) | 14.6 | 14.3 | 12.1 | 0.3 | - | 2.5 | - |
| Participation Rate (%) | 59.3 | 59.4 | 60.8 | -0.1 | - | -1.5 | - |
| Employment Rate (%) | 50.6 | 50.9 | 53.4 | -0.3 | - | -2.8 | - |

Note: Totals may not add due to rounding

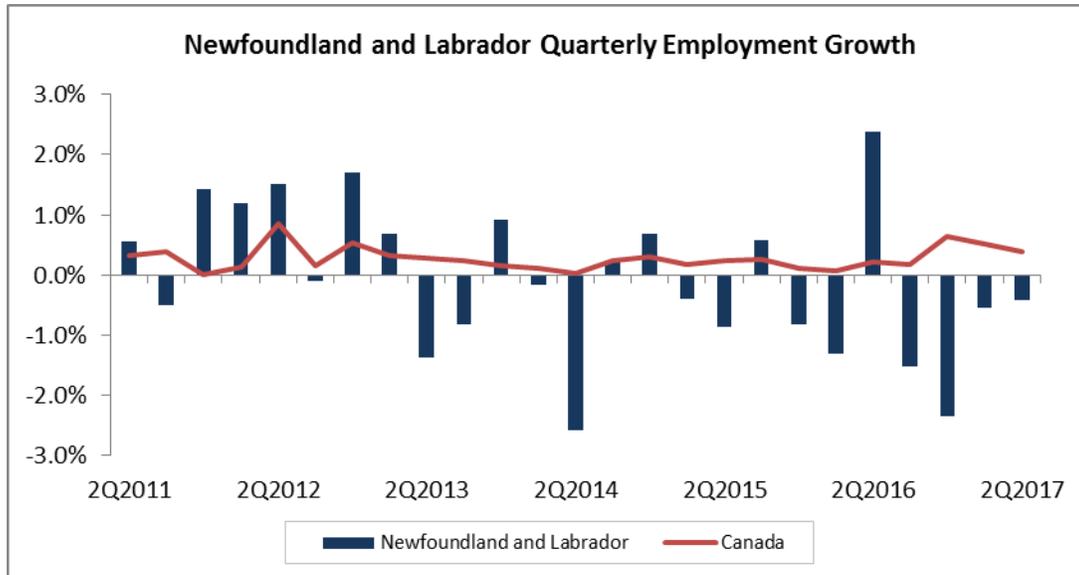
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

More generally, labour market conditions have been worsening since 2013, when both the number participating in the labour force and the number employed reached their highest levels of 278,600 and 246,000, respectively. Since then, 14,300 people have dropped out of the labour force and 20,200 jobs have been shed. This trend continues to weigh on the Newfoundland and Labrador economy. On a year-over-year basis, 5,600 people dropped out of the labour force between the second quarters of 2016 and 2017. An even greater number of employed workers were lost (-11,400), resulting in a significant jump in the unemployment rate (from 12.1% to 14.6%).



While population has steadily increased over the past couple years, this has not helped to stem the tide of people exiting the labour force. Newfoundland and Labrador holds the lowest participation rate of all provinces. At 59.3%, it is well below the national average (65.8%). While participation in the labour force has always trailed the other provinces, it has further weakened of late, with declines observed in five of the past six quarters. Losses have been felt, to varying degree, by both sexes and across all major age groupings. However, it is notable that of the 5,600 people who dropped out of the labour force since one year ago, nearly two thirds were from the cohort comprised of working aged (25 to 54 years) males.

Since the second quarter of 2013, the pace of employment growth in the province has generally lagged the rest of the country. More recently, employment declines have been observed for four consecutive quarters. On a year-over-year basis, losses were spread evenly over full-time (-5,700) and part-time (-5,700) positions. Employment losses were concentrated more heavily among males (-8,800) than females (-2,600). Mirroring the situation observed with respect to the labour force, working aged (25 to 54 years) males accounted for nearly two-thirds (-6,800) of the total. Losses in this age group accounted for the majority of female job losses as well, though the absolute impact was more modest.



With employment declining at a greater pace than the labour force, the unemployment rate jumped from 12.1% to 14.6% between the second quarters of 2016 and 2017. The unemployment rate for males (18.4%) was significantly higher than that for females (10.4%), with the former having steadily increased over the past few years. Unemployment rate increases were felt across age groups. Youth – those aged 15 to 24 years – possess the highest unemployment rates, though the spread between this cohort and older age groups (24 to 54 years and 55 years and over) is less pronounced in Newfoundland and Labrador than in other provinces.

Newfoundland and Labrador Quarterly Unemployment Rates, by Gender and Age

| Seasonally Adjusted Data | 2nd Quarter | 1st Quarter | 2nd Quarter | Quarterly | Yearly |
|---------------------------|-------------|-------------|-------------|------------|------------|
| | 2017 (%) | 2017 (%) | 2016 (%) | (% points) | (% points) |
| Total | 14.6 | 14.3 | 12.1 | 0.3 | 2.5 |
| 25 years and over | 14.3 | 13.6 | 12.0 | 0.7 | 2.3 |
| Men - 25 years and over | 18.1 | 17.2 | 14.2 | 0.8 | 3.9 |
| Women - 25 years and over | 10.3 | 9.7 | 9.7 | 0.5 | 0.6 |
| 15 to 24 years | 16.1 | 18.5 | 12.5 | -2.4 | 3.6 |
| Men - 15 to 24 years | 20.2 | 21.8 | 14.7 | -1.5 | 5.5 |
| Women - 15 to 24 years | 11.1 | 15.2 | 10.5 | -4.1 | 0.6 |

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

In the second quarter (Q2) of 2017, the total population aged 15+ in the Atlantic Provinces was around 2 million. The Indigenous population living off-reserve accounted for 3.4% of that, or 67,900 people. Employment among Indigenous people in the Atlantic provinces was 37,600, representing an increase of 4,400 (+13.3%) from a year earlier (Q2 2016). The increase was primarily driven by full-time positions (+4,000 or +14.9%). Part-time positions also saw an increase over the same time period (+500 or +7.9%).

The unemployment rate among the Indigenous population was 12.0% in Q2 2017, representing a decrease of -7.8 percentage points (pp) from the previous year. For the non-Indigenous population, the unemployment rate was 9.6% (+0.3pp). Between Q2 2016 and Q2 2017, the participation rate of Indigenous people stood at 63.0% (+1.0pp) while among non-Indigenous population, it was 62.0% (-0.5pp). The employment rate of Indigenous people increased year-over-year to 55.5% (+5.8pp); for the non-Indigenous population, it was 56.7% (-0.7pp).

Atlantic - Labour Market Indicators for Indigenous People

| 3-month moving averages Seasonally unadjusted data | Indigenous | | Yearly variation (Indigenous) | | Non-Indigenous | | Yearly variation (non-Indigenous) | |
|---|------------|---------|----------------------------------|--------|----------------|---------|--------------------------------------|-------|
| | Q2 2017 | Q2 2016 | number | % | Q2 2017 | Q2 2016 | number | % |
| Population 15 + ('000) | 67.9 | 66.7 | 1.2 | 1.8% | 1,917.5 | 1,910.7 | 6.8 | 0.4% |
| Labour Force ('000) | 42.8 | 41.4 | 1.4 | 3.4% | 1,188.2 | 1,194.4 | -6.2 | -0.5% |
| Employment ('000) | 37.6 | 33.2 | 4.4 | 13.3% | 1,074.1 | 1,083.1 | -9.0 | -0.8% |
| Full-Time ('000) | 30.9 | 26.9 | 4.0 | 14.9% | 901.8 | 901.9 | -0.1 | 0.0% |
| Part-Time ('000) | 6.8 | 6.3 | 0.5 | 7.9% | 172.3 | 181.3 | -9.0 | -5.0% |
| Unemployment ('000) | 5.1 | 8.2 | -3.1 | -37.8% | 114.1 | 111.3 | 2.8 | 2.5% |
| Unemployment Rate (%) | 12.0 | 19.8 | -7.8 | - | 9.6 | 9.3 | 0.3 | - |
| Participation Rate (%) | 63.0 | 62.0 | 1.0 | - | 62.0 | 62.5 | -0.5 | - |
| Employment Rate (%) | 55.5 | 49.7 | 5.8 | - | 56.0 | 56.7 | -0.7 | - |

Notes: The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

Source: Statistics Canada Labour Force Survey - ESDC custom table.

EMPLOYMENT BY INDUSTRY

On a year-over-year basis, employment losses were spread fairly evenly over the **Goods-producing** (-6,100) and **Services-producing** (-5,300) sectors. Both have lost significant ground since achieving record-highs in 2013.

Employment in the **Goods-producing sector** averaged 46,600 during the second quarter of 2017, which is 11.6% lower than the rate observed one year ago. The only gain was observed in **Agriculture** (+500), though this industry represents only a small share of the overall workforce. The most significant losses were observed in **Forestry, fishing, mining, quarrying, oil and gas** (-2,300), **Manufacturing** (-2,000) and **Construction** (-1,900). These have been the three primary loss drivers for the past few years. **Manufacturing** employment is at its lowest level on record (going back to 1976). Some of these losses may be attributable to layoffs in petroleum manufacturing, as well as a slowdown in fish processing due to cuts to shrimp and crab fishing quotas. **Forestry, fishing, mining, quarrying, oil and gas** has also lost significant ground.

Employment in the **Services-producing sector** averaged 179,200 during the second quarter of 2017, which is 2.9% lower than the rate observed one year ago. The most significant losses were observed in **Accommodation and food services** (-2,400), Wholesale and retail trade (1,900) and **Finance, insurance, real estate, rental and leasing** (-1,800). Jobs in the services sector are heavily linked to the health of the broader economy. In the midst of a general slowdown, there are fewer dollars to spend on such services. A noteworthy bright spot was **Health care and social assistance** (+1,700), which employed 40,900 and has improved during each of the past eight quarters, on a year-over-year basis. The industry has added 4,100 jobs since it began its upward climb and is likely driven by an ageing population.

Newfoundland and Labrador Quarterly Employed Labour Force, by Industry

| Seasonally Adjusted Data ('000) | 2nd Quarter 2017 | 1st Quarter 2017 | 2nd Quarter 2016 | Quarterly Variation | | Yearly Variation | |
|---|---------------------|---------------------|---------------------|---------------------|-------|------------------|-------|
| | | | | Number | % | Number | % |
| Total employed, all industries | 225.8 | 226.8 | 237.2 | -1.0 | -0.4 | -11.4 | -4.8 |
| Goods-producing sector | 46.6 | 47.2 | 52.7 | -0.5 | -1.1 | -6.1 | -11.5 |
| Agriculture | 1.8 | 1.7 | 1.3 | 0.1 | 5.9 | 0.5 | 35.0 |
| Forestry, fishing, mining, quarrying, oil and gas | 12.8 | 12.6 | 15.1 | 0.1 | 1.1 | -2.3 | -15.5 |
| Utilities | 2.6 | 2.8 | 2.8 | -0.2 | -8.2 | -0.2 | -8.2 |
| Construction | 20.8 | 21.3 | 22.7 | -0.5 | -2.5 | -1.9 | -8.5 |
| Manufacturing | 8.7 | 8.7 | 10.7 | 0.0 | 0.4 | -2.0 | -18.9 |
| Services-producing sector | 179.2 | 179.6 | 184.5 | -0.4 | -0.2 | -5.4 | -2.9 |
| Trade | 41.8 | 41.3 | 43.7 | 0.5 | 1.2 | -1.9 | -4.4 |
| Transportation and warehousing | 10.9 | 10.7 | 10.1 | 0.1 | 1.2 | 0.8 | 7.6 |
| Finance, insurance, real estate and leasing | 6.3 | 6.8 | 8.1 | -0.5 | -7.4 | -1.9 | -23.0 |
| Professional, scientific and technical services | 10.2 | 10.5 | 10.1 | -0.4 | -3.5 | 0.1 | 1.0 |
| Business, building and other support services | 6.8 | 6.3 | 7.1 | 0.5 | 7.9 | -0.3 | -4.2 |
| Educational services | 14.7 | 14.3 | 14.3 | 0.4 | 2.6 | 0.4 | 2.8 |
| Health care and social assistance | 40.9 | 40.1 | 39.2 | 0.8 | 2.0 | 1.7 | 4.2 |
| Information, culture and recreation | 6.3 | 7.8 | 7.1 | -1.5 | -18.8 | -0.7 | -10.4 |
| Accommodation and food services | 14.3 | 14.1 | 16.7 | 0.2 | 1.4 | -2.4 | -14.2 |
| Other services | 11.5 | 12.2 | 12.5 | -0.6 | -5.2 | -1.0 | -7.7 |
| Public administration | 15.5 | 15.5 | 15.7 | 0.0 | 0.2 | -0.1 | -0.9 |

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

REGIONAL ANALYSIS

The **Avalon Peninsula** boasts the province's lowest unemployment rate. At 9.6%, it is relatively unchanged (+0.3 percentage points) from the level observed one year ago. However, this lack of change came about as a result of near-equal but sizeable losses in both the labour force (-7,400) and employment (-7,200). Employment losses were observed in both full-time (-2,200) and part-time (-5,100) employment and spread fairly evenly across the **Goods-producing** (-3,700) and **Services-producing** (-3,500) sectors. On an industry basis, losses were the most pronounced in **Construction** (-3,000), **Wholesale and retail trade** (-2,200) and **Finance, insurance, real estate, rental and leasing** (-1,600).

The **South Coast–Burin Peninsula and Notre Dame–Central–Bonavista Bay** region boasted the nation's highest unemployment rate, in the second quarter of 2017, at 21.7%. This represented a 5.3 percentage point increase from a year ago and was due to significant job losses (-3,100). The labour force held fairly stable (+300) over this same period. The majority of job losses were observed in full-time employment (-2,900) and spread between the **Goods-producing sector** (-2,200) and **Services-producing sector** (-1,000). On an industrial basis, losses were the most pronounced in **Manufacturing** (-2,200), **Health care and social assistance** (-1,100) and **Accommodation and food services** (-800).

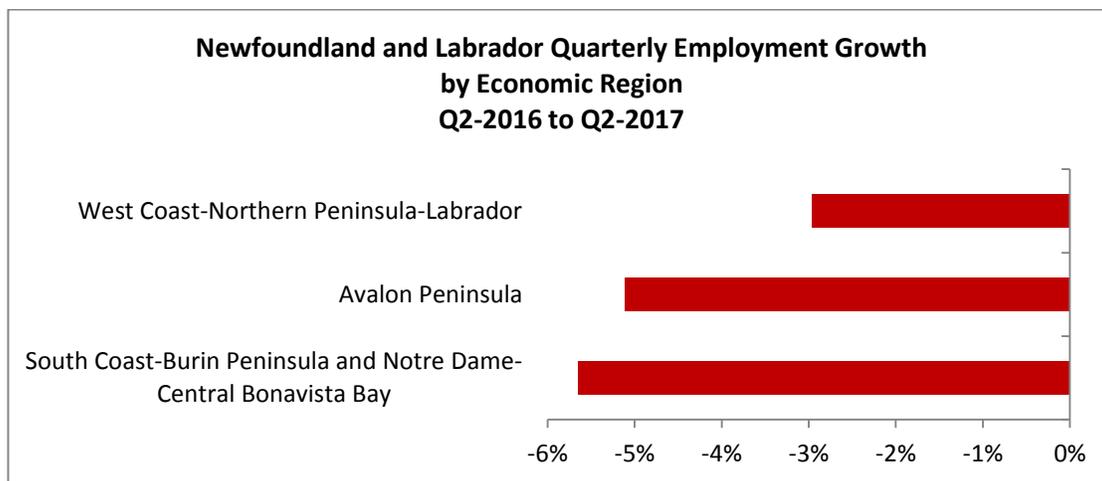
In the **West Coast–Northern Peninsula–Labrador** region, the unemployment rate increased to 18.7% in the second quarter of 2017, up 4.1 percentage points from a year earlier. While the labour force expanded by 1,000, 1,300 jobs were shed over this same period. Job losses were more heavily concentrated in part-time work (-1,000) and spread between the **Goods-producing sector** (-800) and **Services-producing sector** (-400). On an industry basis, the heaviest losses were observed in **Forestry, fishing, mining, quarrying, oil and gas** (-1,300), **Manufacturing** (-600) and **Other services (except public administration)** (-600).

Newfoundland and Labrador Quarterly Labour Force Statistics, by Economic Region

| 3-Month Moving Averages Seasonally Unadjusted Data | Employment | | | Unemployment Rate | | |
|---|-------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|-----------------------------------|
| | 2nd Quarter 2017 ('000) | 2nd Quarter 2016 ('000) | Yearly Variation (%) | 2nd Quarter 2017 (%) | 2nd Quarter 2016 (%) | Yearly Variation (% points) |
| Newfoundland and Labrador | 227.8 | 239.5 | -4.9 | 14.4 | 12.0 | 2.4 |
| Economic Regions | | | | | | |
| Avalon Peninsula | 133.5 | 140.7 | -5.1 | 9.6 | 9.3 | 0.3 |
| South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay | 51.8 | 54.9 | -5.6 | 21.7 | 16.4 | 5.3 |
| West Coast-Northern Peninsula-Labrador | 42.6 | 43.9 | -3.0 | 18.7 | 14.6 | 4.1 |

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122



Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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