

LABOUR MARKET OBSERVER

Commentary on Labour Market Performance in Newfoundland and Labrador

JANUARY 2020

Table 1 provides a summary of labour statistics for Newfoundland & Labrador (NL) from the Canadian Labour Force Survey (LFS). The data are for January 2020 with comparisons to the previous month (December 2019) and year (January 2019).

The data summarized in Table 1 reveals discouraging results for the when considering the year-on-year figures (January 2019 to January 2020) but a small improvement from December 2019 to the first month of 2020. Between January 2019 and January 2020 there was a sizeable contraction in the labour force which impacted all other indicators. The 9,700-person drop in the labour force was accompanied by a large fall in employment (9800 persons or 3.7%) and a small rise in unemployment (100 persons or 0.3%). The unemployment rate increased by 0.5 percentage points (p.p.), the participation rate fell by 1.9 p.p. and the employment rate fell by 2.0 p.p..

Table 1: Labour market characteristics, NL

			Change		Change (%)	
	Dec-19	Jan-20	Jan-19 to Jan-20	Dec-19 to Jan-20	Jan-19 to Jan-20	Dec-19 to Jan-20
Population	439,800	439,800	-2,100	0	-0.5	0.0
Labour force	251,300	252,500	-9,700	1,200	-3.7	0.5
Employment	221,700	222,500	-9,800	800	-4.2	0.4
Unemployment	29,600	30,000	100	400	0.3	1.4
Unemployment rate (%)	11.8	11.9	0.5	0.1	-	-
Participation rate (%)	57.1	57.4	-1.9	0.3	-	-
Employment rate (%)	50.4	50.6	-2.0	0.2	-	-

Source: Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted (number of persons unless otherwise stated). Adults age 15+.

The month-to-month changes are small in magnitude; however, they indicate that a slight improvement of the labour market. Although the LFS estimates indicate no change in the Province's population between December 2019 and January 2020, the labour force grew by 1,200 persons (0.5%). Consequently, the participation rate increasing by 0.3 p.p.. Employment increased by 800 persons (0.4%) but unemployment also increased by 400 persons (1.4%). The unemployment rate and employment rate increased slightly, by 0.1 p.p. and 0.3 p.p., respectively.

EMPLOYMENT BY SECTOR

Figure 1 breaks down the changes in employment summarized in Table 1 into industry level changes. From January 2019 to January 2020, employment fell by a total of 9,800 persons which represents a drop of 4.2% on the level of employment in January 2019. Though the overall decline in the level of employment was substantial, this masks employment growth in some sectors. Employment grew by 3,800 persons in Other services (except public administration) and by 1,700 persons in Educational services. Smaller increases were found year-on-year in Manufacturing (600 persons), Accommodation and food services (500), and Agriculture (400). Employment fell in all other sectors with the biggest losses in Forestry, fishing, mining, quarrying, oil and gas, and Health care

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and social assistance (employment fell by 3,400 persons in each of these sectors). Substantial reductions in employment occurred in: Finance, insurance, real estate, rental and leasing (fall of 1,900 persons); Construction (1,700); Information, culture and recreation (1,700); Transportation and warehousing (1,300); and, Professional, scientific and technical services (1,000).

Figure 1: Change in employment by industry (NAICS), Dec-2019 to Jan-2020 and Jan-2019 to Jan-2020



Source: Statistics Canada. Table 14-10-0355-01 Employment by industry, monthly, seasonally adjusted. Number of adults age 15+.

Between December 2019 and January 2020, total, all industry, employment increased by 800 persons. The largest gain was in Educational services where employment went up by 1,800 persons month-to-month. Employment also went up by 500 persons in Transportation and warehousing and there were smaller gains in other sectors. Month-to-month, employment fell in some sectors, too. The most notable decreases in employment were in Public administration (700 persons); Wholesale and retail trade (500); and, Professional, scientific and technical services (500).