

LABOUR MARKET OBSERVER

Commentary on Labour Market Performance in Newfoundland and Labrador

FEBRUARY 2020

The latest figures summarizing the labour market in Newfoundland & Labrador (NL) are set out in **Table 1**. The Canada Labour Force Survey (LFS) estimates for February 2020 are compared to figures for January 2020 and February 2019. The figures suggest deterioration in the NL labour market over the year (February 2019 to February 2020) but a slight improvement over the month (January to February 2020). The fall in labour force numbers by 8,000 persons (or 3.1%) between February 2019 and February 2020 was accompanied by a significant decline in employment of 7,400 persons (or 3.2%) and an increase in unemployment of 600 persons (or 1.9%).

The year-on-year comparisons reveal that the unemployment rate rose by 0.2 percentage points (p.p.) and the participation rate fell by 1.5 p.p.. The male participation rate fell by 2.4 p.p. while the female participation rate fell by 0.7 p.p.. The overall employment rate fell by 1.4 p.p. between February 2019 and February 2020. Between January and February 2020,

the labour force expanded slightly by 1,000 persons (or 0.4%) with employment increasing by 700 persons (or 0.3%) and unemployment increasing going up by 300 persons (or 1.0%). Additionally, the participation rate rose by 0.3 p.p., the employment rate rose by 0.2 p.p. and the unemployment rate rose by 0.1 p.p. These changes over the month however are not statistically significant at the 95% level thus the changes observed may simply be due to chance rather than any real change in the labour market indicators between these two months. It is still worth monitoring month-to-month changes on a regular basis to help identify if and when real changes occur.

EMPLOYMENT BY SECTOR

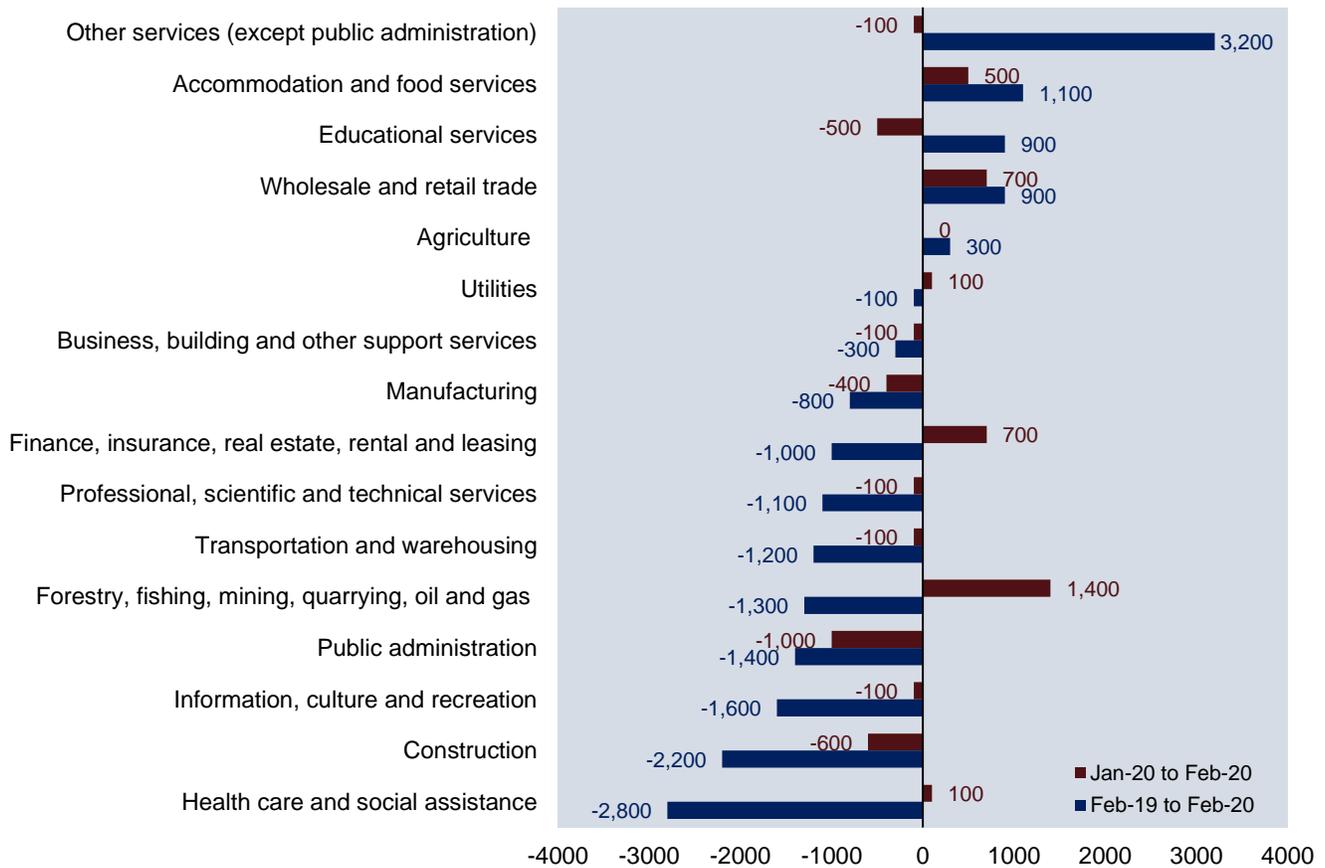
Figure 1 shows changes in employment within sectors (NAICS) between January and February 2020 and between February 2019 and February 2020. Over the month, though the change in employment overall was not statistically significant, there were statistically significant increases in employment in forestry, fishing, mining, quarrying, oil and gas (increase of 1,400 employed persons) and in finance, insurance, real estate, rental and leasing (700 persons). Year-on-year, from February 2019 to February 2020, the overall change in employment was a loss of 7,400 persons however within industries, there were gains and losses of employment. There was an increase in the number of persons employed in other services (except public administration) of 7,400 however there were estimated losses of 1,000 or more in eight of the industrial categories shown in **Figure 1** with the largest loss in health care and social assistance (reduction of 2,800 persons).

Table 1: Labour market characteristics, NL

	Jan-20	Feb-20	Change		Change (%)	
			Feb-19 to Feb-20	Jan-20 to Feb-20	Feb-19 to Feb-20	Jan-19 to Feb-20
Population	439,800	439,700	-2,000	-100	-0.5	0.0
Labour force	252,500	253,500	-8,000	1,000	-3.1	0.5
Employment	222,500	223,200	-7,400	700	-3.2	0.3
Unemployment	30,000	30,300	-600	300	-1.9	1.0
Unemployment rate (%)	11.9	12.0	0.2	0.1	-	-
Participation rate (%)	57.4	57.7	-1.5	0.3	-	-
Employment rate (%)	50.6	50.8	-1.4	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+.

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

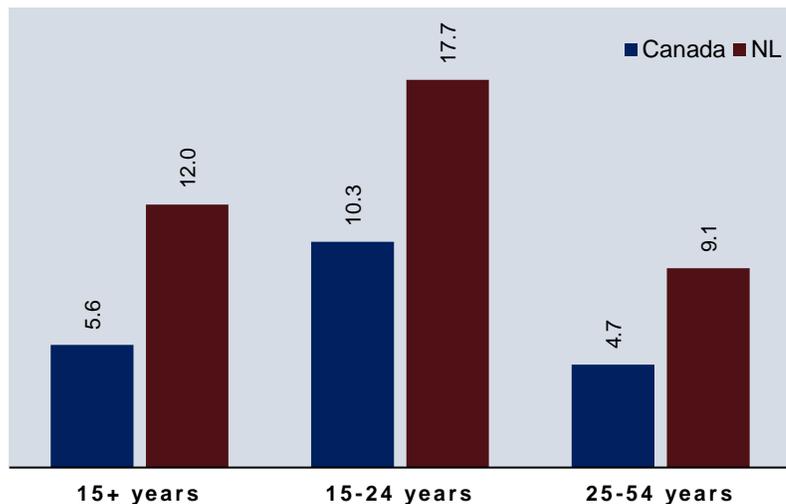


Source: Statistics Canada. Table 14-10-0355-01 Employment by industry, monthly, seasonally adjusted. Number of adults age 15+.

UNEMPLOYMENT BY AGE: CANADA & NL

Figure 2 illustrates unemployment rates for three age group: all adults (age 15 years and over), youth (15 to 24 years) and core working age (25 to 54-year olds) in NL and Canada as a whole in February 2020. There is a striking difference between the national labour market and that of NL. The overall unemployment rate for all adults in NL was more than twice the national rate (12% vs. 5.6%). The youth unemployment was higher than the all adult rate and was 17.7% in NL compared to 10.3% nationally. The core working age group unemployment rate was just 4.7% nationally compared to 9.1% in the Province in February 2020.

Figure 2: Unemployment rates by age group, Canada & NL, February 2020



Source: Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted. Adults aged 15+, 15-24years, 25-54 years.

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Note: All opinions expressed in commentary are those of the author(s) and do not represent those of Memorial University of Newfoundland nor CARE.