

LABOUR MARKET OBSERVER

Commentary on Labour Market Performance in Newfoundland and Labrador

DECEMBER 2017

With 2018 well underway, the LMO this month reflects upon the year gone by. The latest Labour Force Survey (LFS) estimates are examined in order to see the state of the NL labour market at the end of 2017 and also to look at changes that have occurred over the year. Table 1 provides a summary of the main features of the NL labour market in December 2017 with comparison to December 2016 and November 2017. The number of people (age 15 years and older) in the labour force fell by 4,000 (1.5%) in the last year (from December 2016 to December 2017) with employment down by 2,300 and unemployment by 1,700. Though **Table 1** indicates that employment was up somewhat in December 2017 compared to November 2017, the overall picture is that labour market performance is still dragging and has not recovered to its position at the same time in 2016.

Table 1: Labour market characteristics, NL

	Dec-17	Nov-17	Change		% Change	
			Dec-16 to Dec-17	Nov-17 to Dec-17	Dec-16 to Dec-17	Nov-17 to Dec-17
Population	445,100	445,100	100	0	0.0	0.0
Labour force	263,600	261,600	-4,000	2,000	-1.5	0.8
Employment	224,800	223,800	-2,300	1,000	-1.0	0.4
Unemployment	38,800	37,800	-1,700	1,000	-4.2	2.6
Unemployment rate (%)	14.7	14.4	-0.4	0.3	-	-
Participation rate (%)	59.2	58.8	-0.9	0.4	-	-
Employment rate (%)	50.5	50.3	-0.5	0.2	-	-

Source: CANSIM Table 2820087- Labour force survey estimates (LFS), by sex and age group (15 years and older), seasonally adjusted, monthly (Persons unless specified)

EMPLOYMENT BY INDUSTRY

The overall change in employment shown in **Table 1** can be broken to consider how changes in employment were distributed across sectors. From 2016 to 2017 (December to December) employment increased in: transportation and warehousing (by 2,200 persons); agriculture (1,600); public administration (1,200); manufacturing (1,200); accommodation and food services (800); utilities (800); and, educational services (700). Over the same period, employment fell in: wholesale and retail trade (2,700); professional, scientific and technical services (2,400); health care and social assistance (1,900); construction (1,200); and, information, culture and recreation (900). Over the last month of 2017 (November to December), employment in Public administration increased by 1,500 but fell in wholesale and retail trade by 800 and in health care and social assistance by 700.

As noted in previous editions of the LMO, employment in the construction industry has continued to decline in this more recent period. In 2017, employment in construction fell by 1,300 between October and November and decreased by a further 1,200 between November and December. In December 2016, 21,200 people were

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employed in construction in NL. This compares to 20,500 in November 2017 and 20,000 in December 2017. Construction accounted for 10% of all employment in the Province in November 2016 but accounted for less than 9% in December 2017.

LABOUR MARKET PERFORMANCE BY AGE

With the end of the year just past, we look at the last quarter of 2017 and also the same quarter in 2016. **Table 2** provides a summary of labour market performance for three different age groups in 2016Q4, 2017Q3, and 2017Q4. From 2017Q3 to 2017Q4, the labour force grew by 3,100 persons (or 5.7%) amongst those aged 55 years and older. Over this same period, the labour force grew by 800 persons (or 2.4%) amongst 15 to 24 year olds. The labour force shrank by 900 (0.5%) for 25 to 54 year olds.

Table 2: Key labour market indicators and changes by age group, NL

	Age Group	2016Q4	2017Q3	2017Q4	Change (%)	
					2017Q3 to 2016Q4	2017Q4 to 2017Q3
Labour Force	15-24	35,900	33,000	33,800	2.4	-5.8
	25-54	171,400	171,900	171,000	-0.5	-0.2
	55+	61,000	54,600	57,700	5.7	-5.4
Employment	15-24	28,000	27,400	27,900	1.8	-0.4
	25-54	149,600	148,700	149,000	0.2	-0.4
	55+	50,500	44,000	47,400	7.7	-6.1
Unemployment	15-24	7,900	5,600	5,900	5.4	-25.3
	25-54	21,800	23,200	22,000	-5.2	0.9
	55+	10,500	10,600	10,400	-1.9	-1.0
Unemployment Rate (%) †	15-24	21.9	17.0	17.5	0.5	-4.4
	25-54	12.8	13.5	12.8	-0.7	0.0
	55+	17.2	19.3	17.9	-1.4	0.7

Note: † Changes in unemployment rate shown are percentage point changes.
 Source: CANSIM Table 282-0087

Comparing the fourth quarter of 2017 (2017Q4) to the same quarter in 2016 (2016Q4) it is observed that the labour force reduced in size for all age groups shown in **Table 2**. The overall reduction in the labour force was 5,800 persons (or just under 2.2%) with the greatest percentage reductions observed for the younger (15-24 years) and older (55+ years) groups. There are various explanations for why people might decide to leave the labour force including: becoming discouraged and giving up looking for work; moving out of the Province; illness or other life events; taking up education or training; retiring or death.

From 2017Q3 to 2017Q4, the level of unemployment increased all three age groups with the highest increase (in percentage terms) observed amongst the oldest group. Over the longer term (2016Q4 to 2017Q4) however, employment fell for all groups with the largest drop again found for the oldest age group. The number of unemployed persons grew for the youngest group between the third and fourth quarters of 2017 however, unemployment of 15-24 year olds was lower in the last quarter of 2017 than it was in the same quarter in 2016. Unemployment fell for 25-54 year olds and 55+ year olds from 2017Q3 to 2017Q4. While the level of unemployment amongst 55+ year olds fell from 2016Q4 to 2017Q4, the unemployment rate went increased from 17.2% to 17.9%.

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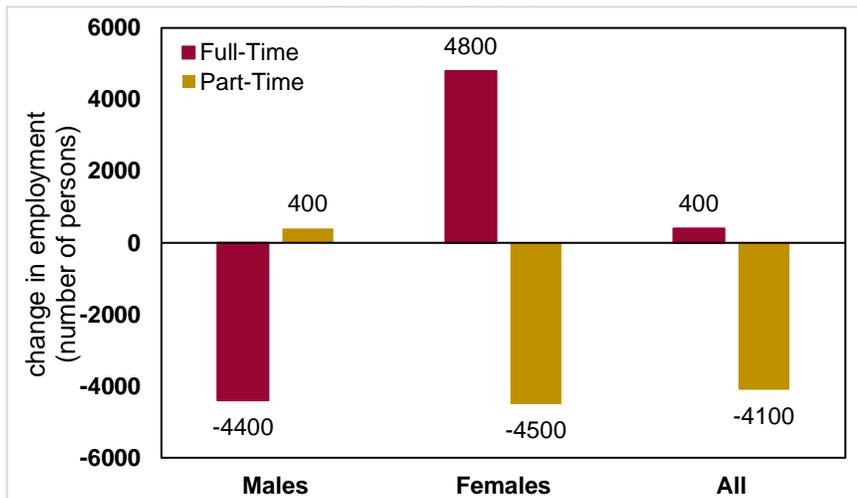
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FULL-TIME / PART-TIME EMPLOYMENT AND SEX

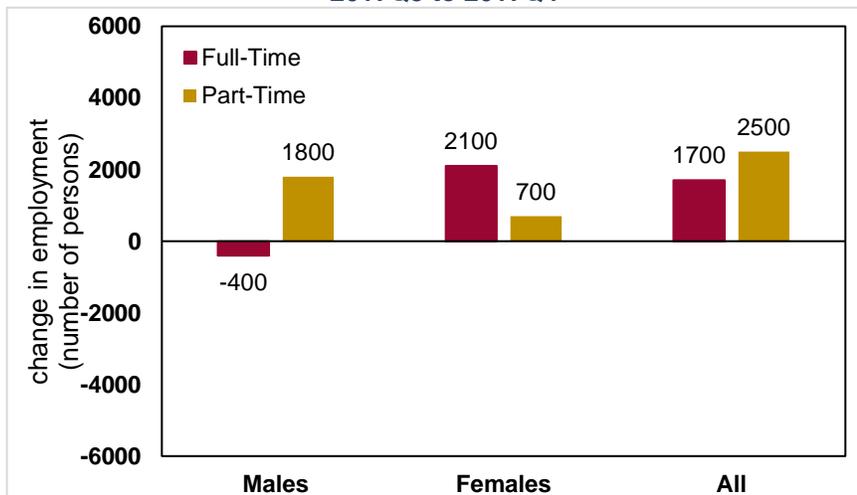
The difference between males and females in the province in terms of recent labour market performance is quite striking. Overall, women appear to have been faring better according to the LFS estimates of employment and unemployment. In December 2017, the overall unemployment rate for women (age 15+) was noticeably lower than that for men. For 25 to 54 year olds, the unemployment rate for women was 9.1% in December 2017 compared to 17.7% for men. In light of such observations, it is interesting to consider changes in employment by sex, too. **Figure 1** highlights changes in full-time employment by gender and age group between the fourth quarter of 2016 and the same quarter of 2017. **Figure 2** presents the same breakdown but shows changes between the third and fourth quarters of 2017.

Figure 1: Changes in full-time and part-time employment by sex, 2016Q4 to 2017Q4



Source: CANSIM Table 282-0087 – LFS estimates, by sex (age 15+ years), seasonally adjusted

Figure 2: Changes in full-time and part-time employment by sex, 2017Q3 to 2017Q4



Source: CANSIM Table 282-0087 – LFS estimates, by sex (age 15+ years), seasonally adjusted

Between 2016Q4 and 2017Q4, part-time employment went down overall but there was a small increase in the number of males working part-time. There was also a small increase in full-time employment overall but this was comprised of a drop of 4,440 males and an increase of 4,800 females working full-time. Between Q3 and Q4 of 2017, there was an overall increase in both full-time and part-time employment. While part-time employment increased amongst both men and women over this shorter period, the number of men working full-time decreased. These figures help to illustrate how different groups may be having different experiences in the Province’s labour market. Changes in full-time and part-time employment can indicate not only people’s changing patterns of work but can also provide some insight into business confidence. The balance of part-time and full-time work also has important implications workers’ attachment to the labour force and for worker’s incomes and living standards in the Province.

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