

LABOUR MARKET OBSERVER

Commentary on Labour Market Performance in Newfoundland and Labrador

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While an on-target Cupid's arrows may make hearts race on Valentine's Day, the performance of the Newfoundland & Labrador labour market in February 2019 was less likely to have quickened pulses. Based on Labour Force Survey estimates, **Table 1** highlights key features of the NL labour market in February 2019 along with comparisons to January 2019 and February 2018. In February 2019, the overall unemployment rate was

11.8% and the participation rate was 59.3%. Compared to the previous month, the level of unemployment was up (by 800 persons or 2.7%) in February 2019 but this was a marked improvement compared to February 2018 as unemployment fell by 6,200 persons (or 16.8%) over the year. The unemployment rate changed little between January and February 2019 but showed an improvement of 2.4 percentage points from February 2018 to February 2019. Employment was also up over the year (by 7,500 persons or 3.4%).

Table 1: Labour market characteristics, NL

	Feb-19	Jan-19	Change		% Change	
			Feb-18 to Feb-19	Jan-19 to Feb-19	Feb-18 to Feb-19	Jan-19 to Feb-19
Population	441,700	441,900	-3,000	-200	-0.7	0.0
Labour force	261,900	262,400	1,300	-500	0.5	-0.2
Employment	231,100	232,500	7,500	-1,400	3.4	-0.6
Unemployment	30,800	30,000	-6,200	800	-16.8	2.7
Unemployment rate (%)	11.8	11.4	-2.4	0.4	-	-
Participation rate (%)	59.3	59.4	0.7	-0.1	-	-
Employment rate (%)	52.3	52.6	2.0	-0.3	-	-

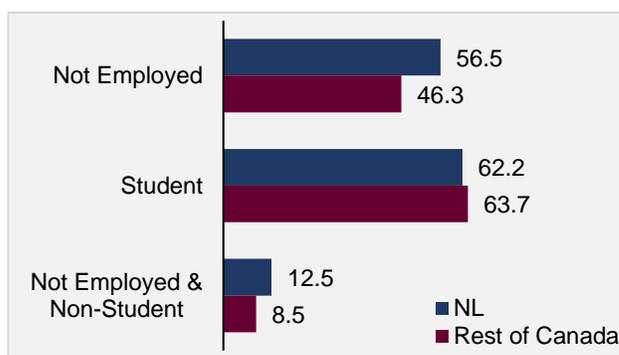
Source: Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted (number of persons unless otherwise stated). Adults age 15+.

YOUNG PEOPLE NOT IN WORK OR EDUCATION

In February 2019, around 12% of all adults (aged 15 years and older) in NL were 15-24 years old. This is a smaller proportion than in Canada as a whole (14%). **Figure 1** compares the shares of 15-24 year olds in NL and in the rest of Canada reporting various activities in February 2019. A large proportion of this age bracket would be expected to be in education. This is observed both within NL (62.2%) and across the rest of Canada (63.7%). In NL, less than half of 15-24 year olds (43.5%) reported that they were employed compared to more than half (53.7%) in the rest of Canada.

A sub-group of younger adults that is particularly noteworthy is those who report that they are not employed (either inactive or unemployed) and not in education. This group accounted for 12.5% of 15-24 year olds in NL and 8.5% in the rest of Canada in February 2019. Being out of work and not in education may suggest low levels, or even deterioration of, skills amongst these individuals. A related concern is that difficulties in the first or early transitions of young people into the labour market can have detrimental longer term effects on their lifetime employment and earnings and hence further implications for the costs of various social programs.

Figure 1: Employment and labour status of 15-24 year olds (%), February 2019



Source: Canada Labour Force Survey, February 2019 (weighted).
 Author's calculations.

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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.