

LABOUR MARKET OBSERVER

Commentary on Labour Market Performance in Newfoundland and Labrador



View of The Narrows from Harbourside Park.

APRIL 2016

The Canadian labour market surged in March as April's Labour Force Survey reported an increase of 40,600 employed persons, driving Canada's unemployment rate down by 0.2 percentage points to 7.1% (See *Figure 1*). The unemployment rate also fell in Newfoundland and Labrador by 1 percentage point to 13.1%. This however is not all good news for the Province:

the drop was not due to increases in employment (which fell slightly over the month by 400 jobs), but due to a significant fall in those looking for work. Although a fall in the unemployment rate is a positive labour market indicator, the decline in NL's labour force of 3,600 persons may not be a sign of strength or sustainability for the economy.

Figure 1

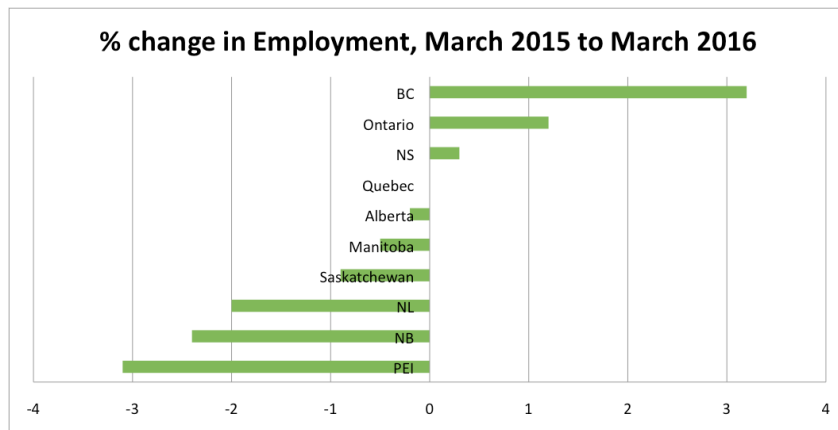
Geography	Labour force characteristics	2016		
		January	February	March
Canada	Labour force (x 1,000) ³	19,395.5	19,413.3	19,428.4
	Employment (x 1,000) ⁴	18,005.2	18,002.9	18,043.5
	Unemployment rate (percent) ⁸	7.2	7.3	7.1
Newfoundland and Labrador	Labour force (x 1,000) ³	269.2	269.6	266.0
	Employment (x 1,000) ⁴	230.4	231.5	231.1
	Unemployment rate (percent) ⁸	14.4	14.1	13.1

Source: CANSIM Table 2820087- Labour force survey estimates (LFS), by sex and age group, seasonally adjusted and unadjusted, monthly (Persons unless otherwise noted).

March's lower unemployment rate in Newfoundland and Labrador seems more driven by a lower labour force than by higher employment. Over the year, employment losses were seen in full-time jobs, but balanced with gains in part-time employment. This may be explained by examining the employment activity in our other provinces.

While the year-over-year percentage point declines in employment is disappointing in our Province (down 2%), the drop is not as bad as in New Brunswick or Prince Edward Island (down 2.4% and 3.1%, respectively). Monthly percentage change in employment in the Province is also disappointing, as NL drops 0.2%, only better than Quebec and PEI (down 0.3% and 1%, respectively). *Figure 2* and *3* allows us to compare our Province with the rest of Canada; and more specifically, allowing us to observe how Alberta, for example, is bouncing back from a significant fall in employment at the beginning of the year.

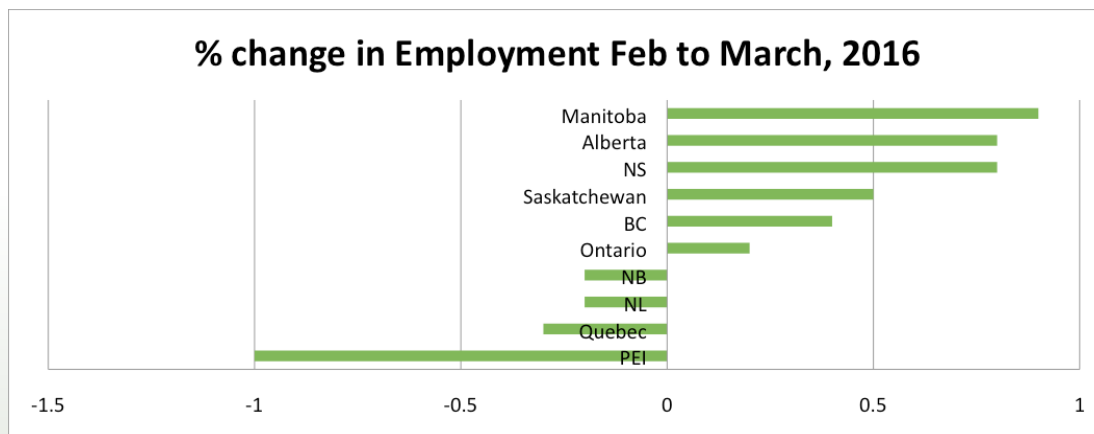
Figure 2



Source: Statistics Canada, *The Daily*, April 8, 2016.

Although employment in Alberta is often critiqued in the media, the province had one of the largest employment gains this month – a sign of strength for the economy as 19,000 jobs were created (See *Figure 3*). That being said, should Canada be worried about Alberta?

Figure 3



Source: Statistics Canada, *The Daily*, April 8, 2016.

In relation to Newfoundland and Labrador, the January payroll employment results from the CRA SEPH census (*Survey of Employment, Payrolls, and Hours*) suggests that it may be most of our out-of-province workers who have lost their jobs this year.

The employment picture has the potential of changing dramatically, and potentially for the worse, as a result of this week's release of the Provincial Budget.