

LABOUR MARKET OBSERVER

Commentary on Labour Market Performance in Newfoundland and Labrador

JUNE 2019

A summary of the Newfoundland & Labrador (NL) labour market is set out in **Table 1** where Labour Force Survey (LFS) estimates for June 2019 are compared to figures for May 2019 and June 2018. Between May and June 2019, there was little to no change in the size of the Province's labour force and its participation rate but, there were some indications of worsening labour market conditions: employment fell by 2,000 persons (or 0.9%) and

Table 1: Labour market characteristics, NL

	May-19	19-Jun	Change		Change (%)	
			Jun-18 to Jun-19	May-19 to Jun-19	Jun-18 to Jun-19	May-19 to Jun-19
Population	440,900	440,400	-3,500	-500	-0.8	-0.1
Labour force	258,200	258,400	-5,200	200	-2.0	0.1
Employment	226,100	224,100	800	-2,000	0.4	-0.9
Unemployment	32,100	34,300	-5,900	2,200	-14.7	6.9
Unemployment rate (%)	12.4	13.3	-2.0	0.9	-	-
Participation rate (%)	58.6	58.7	-0.7	0.1	-	-
Employment rate (%)	51.3	50.9	0.6	-0.4	-	-

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

unemployment was up by 2,200 persons (or 6.9%). Over the month, the unemployment rate rose by 0.9 percentage points (p.p.) (from 12.4% to 13.3%) and the employment rate fell by 0.4 p.p..

Compared to June 2018, figures for June 2019 suggest slightly better conditions in the NL labour market: employment rose by 800 persons (or 0.4%); unemployment fell by 5,900 persons (or 14.7%) and the unemployment rate fell by 2 p.p.. At the same time, however, the labour force contracted by 5,200 persons (or 2%) and the participation rate fell by 0.7 p.p..

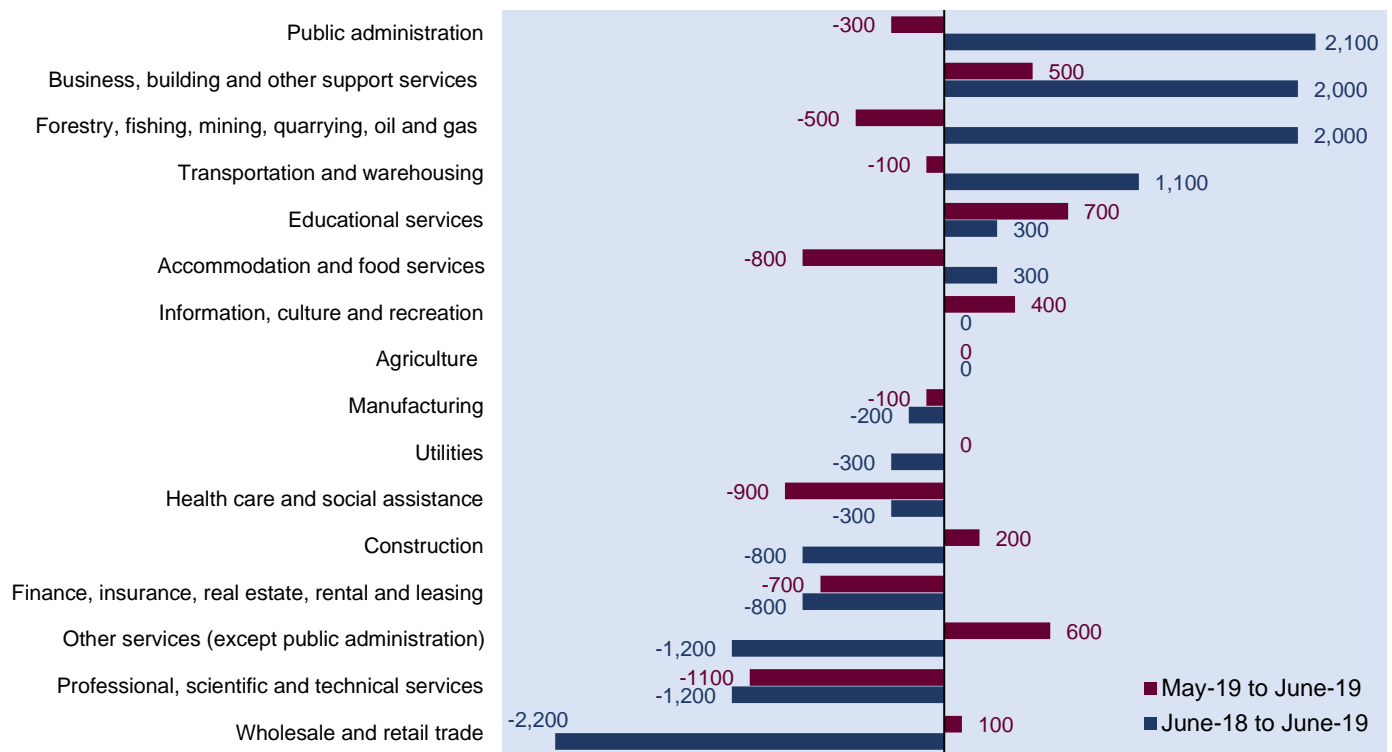
EMPLOYMENT BY SECTOR

The year-on-year and month-to-month changes in NL employment are explored by industry (NAICS) in **Figure 1**. From June 2018 to June 2019, there were several large changes in employment in a number of industries. The largest reductions in employment occurred in wholesale and retail trade (2,200 persons), professional, scientific and technical services (1,200 persons), and other services (except public administration). The largest increases were in public administration (2,100 persons), business, building and other support services (2,000 persons), and forestry, fishing, mining, quarrying oil and gas (2,000 persons). Employment also grew by 1,100 persons in transportation and warehousing, but there was an 800 person drop in Construction. Over the shorter term (May to June 2019), most industries experienced declining employment with the largest reductions in professional, scientific and technical services (1,100 persons); health care and social assistance (900 persons), and accommodation and food services (800 persons). Six industries saw growth in employment, the largest gains being in educational services (700 persons), other services (except public administration) (600), and business, building and other support services (500).

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Figure 1: Change in employment by industry (NAICS), May to June 2019 and June 2018 to June 2019



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

FULL TIME / PART TIME BY SEX AND AGE

There are various reasons why people may choose to work part-time rather than full-time. A concern however, is that there can be little real ‘choice’ between full or part-time hours as economic conditions may restrict the hours available for work in different jobs and for different people. Personal circumstances (e.g. childcare requirements or other family responsibilities) may also impose constraints on the hours that people may be willing or able to pursue. **Tables 2** and **3** summarize full-time and part-time employment by sex and for two age groups: younger workers (15-24 year olds) and the core working age group (25-54 years). These tables reveal some interesting differences in part-time/full-time employment by age and sex.

Younger workers are typically new entrants into the labour force and many may still be completing their education thus they may be more inclined to work part-time. Some may work part-time whilst in education or training programs and others may take part-time work as a first or early entry into the labour market. As shown in **Table 2**, a much lower share of younger workers work full-time compared to core working age people. In June 2019, less than 60% of 15-24 year old workers in NL worked full-time compared to more than 90% of 25-54 year olds.

Table 2: Full-time employment share by sex and age group

	15-24 year olds			25-54 year olds		
	All	Males	Females	All	Males	Females
Jun-19	59%	71%	47%	91%	96%	87%
May-19	58%	64%	52%	91%	95%	88%
Jun-18	53%	64%	42%	90%	95%	85%

Source: Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle, last 5 months. (NL only)

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Also notable is a divide between the sexes. In both age groups shown, a greater share of females work part-time than their male counterparts. Amongst young workers in June 2019, less than half (47%) of females but more than 70% of males worked full-time. The proportion of both males and females that work full-time is higher for the older group (96% of males and 87% of females in June 2019) but a gender gap remains. It is important to note that the core working age range is one within which life cycle decisions concerning starting a family and child rearing are often made and this drives much of the gender divide between part-time and full-time work.

Whilst any increase in employment in the economy is viewed positively, gains in full-time rather than part-time work would suggest a stronger labour market. **Table 3** shows changes in employment between June 2018 and June 2019 and between May and June 2019 in NL by age group and sex. Between May and June 2019, employment fell overall however, there were some differences by age and sex. For 15-24 year olds, an increase in full-time employment amongst males was outweighed by a decrease in the number of people in part-time positions. The reverse was found for females: the increase in part-time employment was larger than the drop in full-time. For the core working age group, full-time employment increased by 1% but part-time employment fell by 11.1%, resulting in an overall increase in employment of just 0.3% (or 200 persons). For women, the overall reduction in employment (1,700

persons) was comprised of a loss of 2,200 persons (or 3.4%) in full-time employment and a small increase of 300 persons (or 3.3%) part-time. Year-on-year (June 2018 to June 2019) for all groups shown in Table 3 except 25-54 year old males (decrease of 700 persons). For younger workers, both males and females experienced declines in full-time employment (600 males, 500 females) but for the older group, there full-time employment fell for males (1,500 persons) and increased for females (600). Part-time employment increased for all groups shown.

The growth in employment observed between June 2018 and June 2019 was driven largely by gains in part-time work rather than full-time. Overall, for workers aged 15-54 years old, there was an increase of around 2,600 employed persons however, this was made up of an increase of around 3,700 persons in part-time employment but a drop of around 2,000 persons working full-time. So whilst at first glance, employment growth may paint a favourable picture of the NL labour market, examining the data further tempers this impression. Of further importance is what drives changes in the balance between full-time and part-time employment, as well as total employment; do we see increases in part-time employment because workers are freely choosing their hours to accommodate their personal lives? Or is there is weaker labour demand reflecting weak economic conditions and lower business confidence? Or is it something else?

Table 3: Full-time employment share by sex and age group

June 18 to June 19	15 to 24 years			25 to 54 years		
	All	Males	Females	All	Males	Females
Change (number of persons)						
Employment	500	400	200	2,100	-700	2,800
Full-time	-1,200	-600	-500	-800	-1,500	600
Part-time	1,700	1,000	700	3,000	700	2,300
Change (%)						
Employment	1.9%	3.0%	1.5%	1.4%	-1.0%	3.7%
Full-time	-8.6%	-7.0%	-9.1%	-0.6%	-2.2%	0.9%
Part-time	13.7%	20.8%	9.3%	19.4%	17.9%	19.8%
May 19 to June 19	15 to 24 years			25 to 54 years		
	All	Males	Females	All	Males	Females
Change (number of persons)						
Employment	-100	-300	100	-1,500	200	-1,700
Full-time	100	700	-600	-1,400	700	-2,200
Part-time	-200	-1,000	700	-100	-400	300
Change (%)						
Employment	-0.4%	-2.3%	0.8%	-1.0%	0.3%	-2.3%
Full-time	0.7%	8.2%	-9.1%	-1.0%	1.0%	-3.4%
Part-time	-1.8%	-20.8%	11.5%	-0.8%	-11.1%	3.3%

Source: Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle, last 5 months. (NL only).

Note: Rounding of figures may result in sums not corresponding across age/sex groups.

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