

LABOUR MARKET OBSERVER

Commentary on Labour Market Performance in Newfoundland and Labrador

DECEMBER 2018

This edition of the Labour Market Observer considers the latest estimates from the Labour Force Survey (LFS) for Newfoundland and Labrador and takes a closer look at levels of educational attainment within the labour force.

Table 1 highlights key features of the NL labour force in December 2018 and provides comparison to the previous month (November 2018) and previous year (December 2017). Over the year (December 2017 to December 2018), the number of people (ages 15 years and older) in the labour force fell by 6,100 (2.3%). Over this same period, the employment level increased by 2,600

Table 1: Labour market characteristics, NL

	Dec-18	Nov-18	Change		% Change	
			Dec-17 to Dec-18	Nov-18 to Dec-18	Dec-17 to Dec-18	Nov-18 to Dec-18
Population	442200	442400	-2900	-200	-0.7	0.0
Labour force	257900	256400	-6100	1500	-2.3	0.6
Employment	227700	225000	2600	2700	1.2	1.2
Unemployment	30200	37700	-8700	-1200	-22.4	-3.8
Unemployment rate (%)	11.7	12.2	-3.0	-0.5	-	-
Participation rate (%)	58.3	58.0	-1.0	0.3	-	-
Employment rate (%)	51.5	50.9	0.9	0.6	-	-

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

(1.2%) and unemployment fell by 8,700 (22.4%). Whilst the significant decrease in the number of unemployed adults is striking, the overall picture shows that most of the decrease likely came from unemployed people leaving the labour force rather than moving into employment. The unemployment rate fell by 3 percentage points to 11.7% in December 2018 compared to 14.7% in December 2017 however, the participation rate also fell by 1 percentage point to 58.3% in December 2018. Compared to the previous month, November 2018, the December 2018 figures suggest increases in the size of the labour force (1,500 persons or 0.6%) and employment (2,700 or 1.2%) and a decrease in unemployment (1,200 or 3.8%).

EDUCATIONAL ATTAINMENT

Educational attainment is often used as an indicator of the level of skills within the labour force. Education is generally agreed to be an important factor that can affect productivity and growth potential for economies and higher levels of education have been found to be associated with more positive economic and social outcomes for individuals (including, better health, higher earnings, lower crime, etc.). **Figure 1** focuses on the core working age (25-54 years) group, breaking down the Province's labour force by highest level of education in December 2018 compared to the same month in 1998 and 2008. In the latest LFS figures, less than 5% of the core working age labour force had attained less than a high school diploma. This compares to 11.6% in 2008 and more than 21% in 1998. The proportion with some form of post-secondary qualification has increased over the time periods shown. More than 28% of the labour force had a Bachelor's degree or higher in 2018 compared to just over 15%

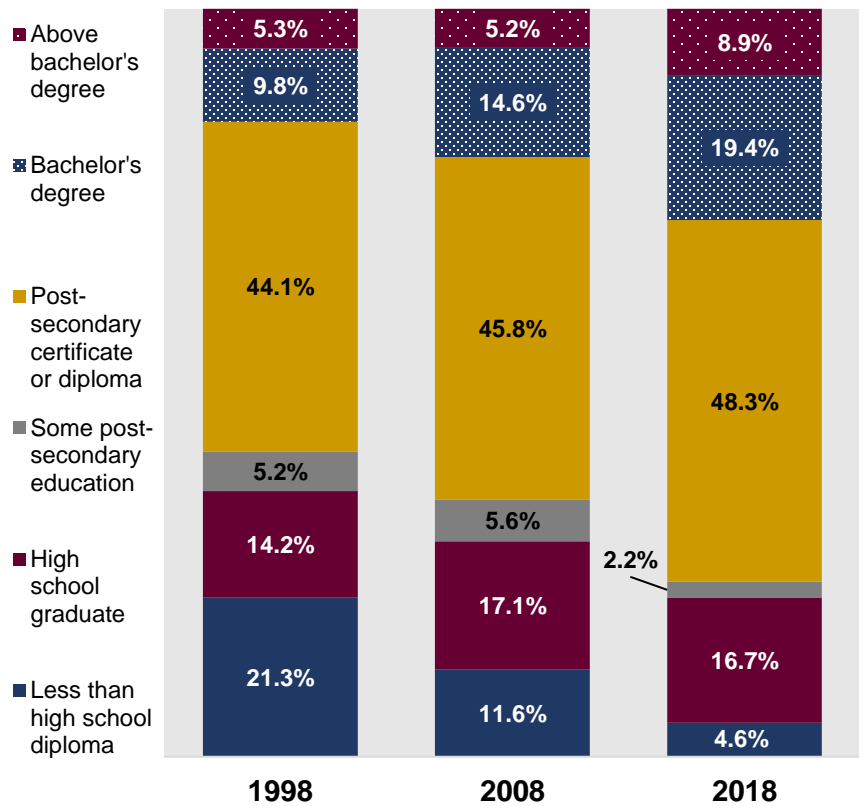
Author: **Dr Lynn Gambin**

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

in 1998 and just under 20% in 2008. As shown in Figure 2, a large proportion of the labour force in NL holds a post-secondary certificate or diploma and this too has increased over time - from 44% in 1998 to more than 48% in 2018. The changes in the educational attainment of the labour force over the periods shown in reflect various factors including cohort succession (i.e. the aging of different generational groups with different patterns of educational attainment and labour market participation) and migration.

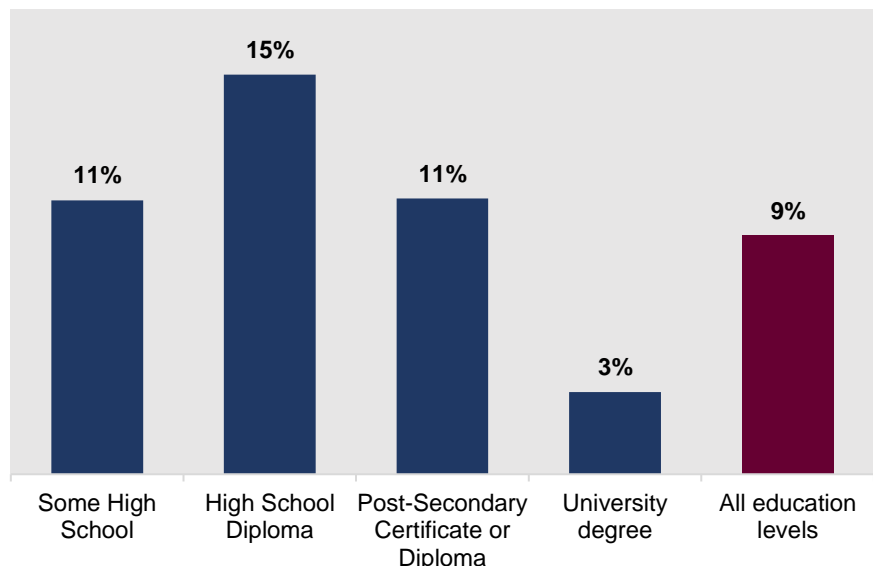
Figure 2 shows the unemployment rate for the core working age group by level of educational attainment. Due to data constraints, figures are not shown for all educational categories. Overall, across all education levels, the unemployment rate in December 2018 for this age group was 9%. This varied by educational level however, with the highest unemployment rate (15%) found for those with a high school diploma as their highest level of educational qualification. The lowest rate (3%) was amongst those with a Bachelor's degree or higher level of education. For those with some high school, but not holding a high school diploma, the unemployment rate was higher than the overall average at 11%. The same figure is estimated for those with a post-secondary certificate or diploma (including skilled trades). This relatively high unemployment rate for those with post-secondary qualifications, but not a university degree, at least in part, reflects recent changes in employment prospects for skilled trades in the Province.

Figure 1: Core working age (25-54 years old) labour force by educational attainment, December 1998, 2008, 2018



Source: Statistics Canada. Table 14-10-0019-01 Labour force characteristics by educational attainment, monthly, unadjusted for seasonality (x 1,000)

Figure 2: Unemployment rate by educational attainment for core working age (15-54 years), December 2018



Source: Statistics Canada. Table 14-10-0019-01 Labour force characteristics by educational attainment, monthly, unadjusted for seasonality (x 1,000)

Author: **Dr Lynn Gambin**

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