

# LABOUR MARKET OBSERVER

## Commentary on Labour Market Performance in Newfoundland and Labrador

### MAY 2019

A summary of the latest labour statistics for Newfoundland & Labrador (NL) is set out in **Table 1**. The Canada Labour Force Survey (LFS) estimates for May 2019 are compared to figures for April 2019 and May 2018. The figures indicate an improvement in the NL labour market over the year (May 2018 to May 2019) but a slight worsening over the month (April to May 2019). Despite the fall in labour force numbers by 2,800 persons (or 1.1%) between May 2018 and May 2019, employment increased by 2,600 persons (or 1.2%) and unemployment fell significantly by 5,400 persons (or 14.4%). Year-on-year, the unemployment rate dropped by 2 percentage points (p.p.) and the employment rate increased by 1 p.p., while the participation rate dropped by 0.2 p.p.. Between April and May 2019, the figures suggest that the NL labour market conditions have not improved over the month. The labour force fell by 1,000 persons, unemployment was up by 1,700 persons and there was a large drop in employment by 2,700 persons. In addition to this, there was a 0.6 p.p. decrease in the employment rate, a 0.1 p.p. decrease in the participation rate and the unemployment rate increased by 0.7 p.p.

**Table 1: Labour market characteristics, NL**

	Apr-19	May-19	Change		% Change	
			May-18 to May-19	Apr-19 to May-19	May-18 to May-19	Apr-19 to May-19
<b>Population</b>	441,200	440,900	-3,300	-300	-0.7	-0.1
<b>Labour force</b>	259,200	258,200	-2,800	-1,000	-1.1	-0.4
<b>Employment</b>	228,800	226,100	2,600	-2,700	1.2	-1.2
<b>Unemployment</b>	30,400	32,100	-5,400	1,700	-14.4	5.6
<b>Unemployment rate (%)</b>	11.7	12.4	-2.0	0.7	-	-
<b>Participation rate (%)</b>	58.7	58.6	-0.2	-0.1	-	-
<b>Employment rate (%)</b>	51.9	51.3	1.0	-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+.*

### EMPLOYMENT BY SECTOR

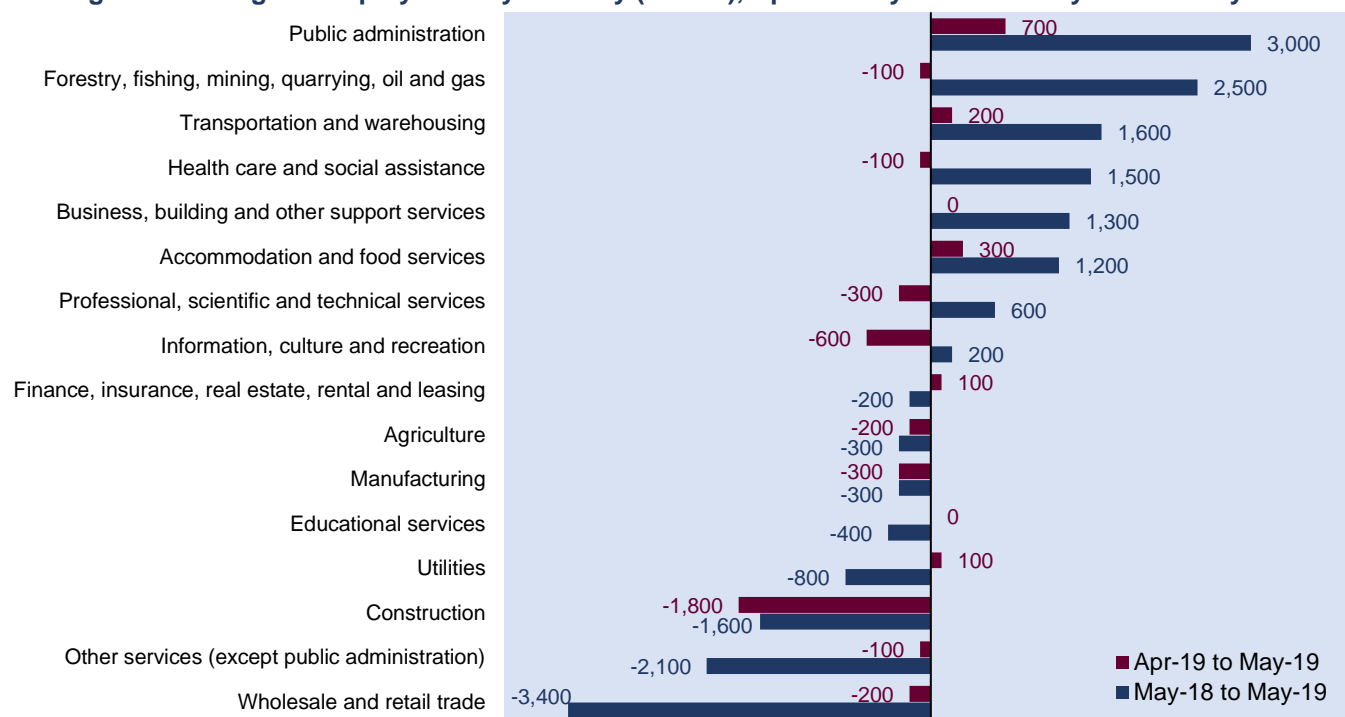
The 2,700 person decrease in total employment between April and May 2019 detailed in Table 1 can be further broken down into changes across different industries; these changes are shown in **Figure 1** (along with changes between May 2018 and May 2019). Over the month, the largest reductions in employment occurred in construction (1,800 persons) and manufacturing (600 persons). The drop in construction employment was equal to two-thirds of the overall net decrease in employment across all sectors. Over the same period, there were increases in employment in a few sectors, with the largest increases in employment observed in public administration (700 persons) and accommodation and food services (300).

Over the year from May 2018 to May 2019, there was an overall increase in employment of 2,600 persons. This comprised employment losses and gains in various sectors. The largest falls were in: wholesale and retail trade (3,400 persons); other services (2,100); construction (1,600); and, utilities (800). The largest gains in employment were in: public administration (3,000 persons); forestry, fishing, mining, quarrying, oil and gas (2,500); transportation and warehousing (1,600); health care and social assistance (1,500); business, building and other support services (1,300); and, accommodation and food services (1,200).

Authors: **Beatrix Abdul Azeez** and **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.

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



Source: Statistics Canada. Table 14-10-0355-01. Employment by industry, monthly, seasonally adjusted.

### CORE WORKING AGE BY SEX

**Table 2** provides an overview of several labour market indicators by sex in May 2018 and May 2019. The data shown are for the core working age population (aged 25-54 years) and are for NL and Canada as a whole. NL had higher unemployment rates and lower participation and employment rates than Canada as a whole in 2018 and 2019. The employment rate increased between 2018 and 2019 in NL and across Canada, for both sexes. The unemployment rate fell over the specified period. The Canada-wide unemployment rate (both sexes) fell by 0.6 percentage points (p.p.) while the NL rate fell by 2.2 p.p. between 2018 and 2019 (from 5.0% to 4.4% in Canada and 11.9% to 9.7% in NL). From May 2018 to May 2019, Canada saw a 0.7 p.p. increase in the participation rate (both sexes) while NL experienced a 0.3 p.p. drop. Unemployment rates are higher for males than females however this gender gap is larger in NL. In May 2018, the unemployment rate in NL was 4.6 p.p. higher for males than females (3.4 p.p. in May 2019). The participation rate is also higher for males than females. In NL in May 2019, participation rates were 86.2% and 80.1% for males and females, respectively, compared to 91.4% and 83.4% for Canada. The lower rates of employment and participation along with higher unemployment rates in NL compared to Canada shows that the NL labour market is relatively weak, even though (as shown in **Tables 1** and **2**) the NL labour market has shown some improvement over the past year.

**Table 2: Labour market indicators by sex, 25-54 year olds**

	Canada			NL		
	All	Male	Female	All	Male	Female
<b>Employment Rate (%)</b>						
May-18	82.4	86.0	78.8	73.5	74.9	72.3
May-19	83.5	87.0	80.0	75.0	76.4	73.7
<b>Unemployment Rate (%)</b>						
May-18	5.0	5.1	4.9	11.9	14.1	9.5
May-19	4.4	4.7	4.1	9.7	11.5	8.1
<b>Participation Rate (%)</b>						
May-18	86.7	90.6	82.8	83.4	87.2	79.8
May-19	87.4	91.4	83.4	83.1	86.2	80.1

Source: Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle. (25-54 year olds only)

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