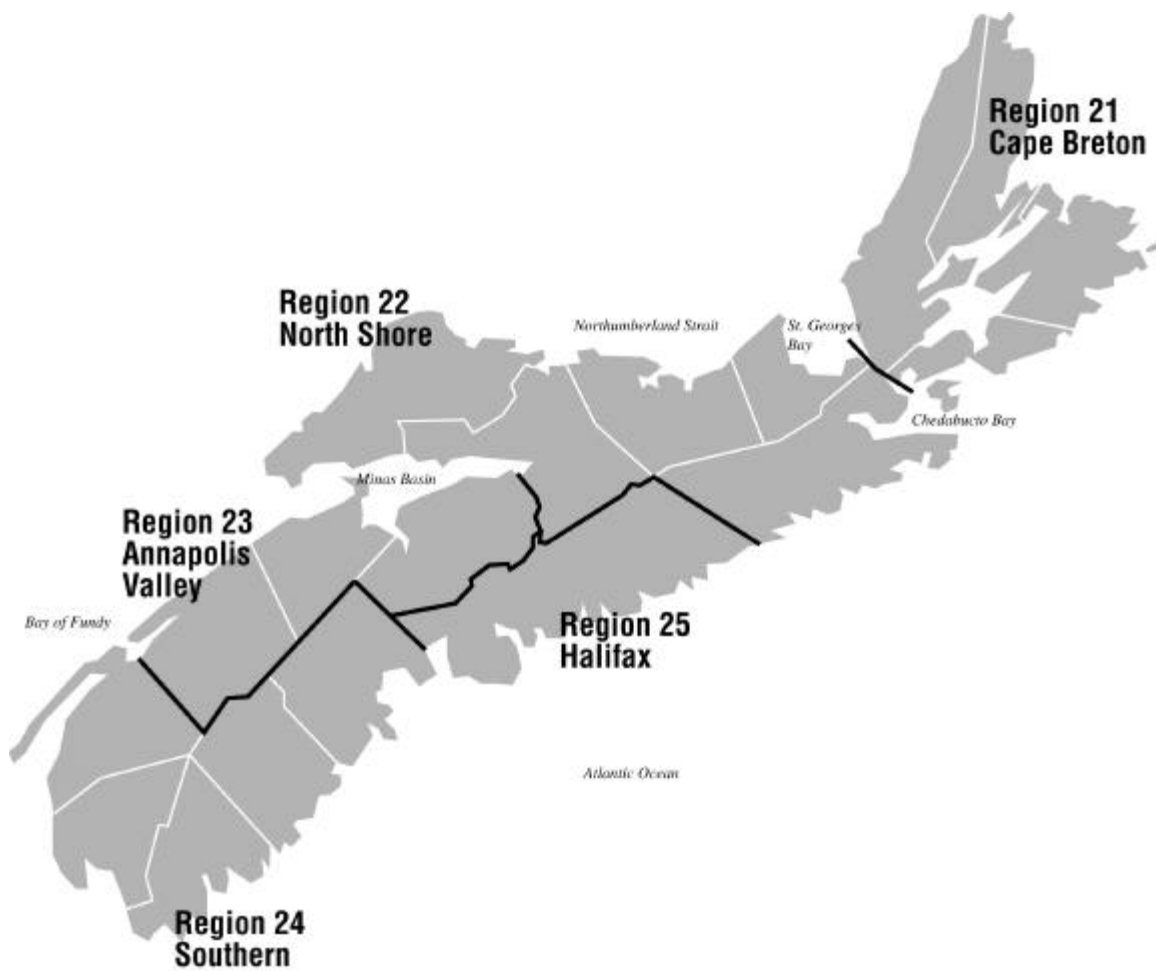


Nova Scotia Labour Market October 2005



Labour Force Survey - Nova Scotia

(November will be released December 2, 2005)

HIGHLIGHTS - LFS Release October 2005

On a seasonally adjusted basis the provincial employment level in October 2005 increased by 5,000 persons over September 2005 to 445,200 employees. The size of the labour force increased 1.1% and the number of unemployed persons increased 2.0 per cent when compared to the previous month. As a result, the monthly unemployment rate increased 0.1 percentage points to 8.5 per cent. When compared to October 2004, the employment level increased 0.4 per cent while the unemployment rate decreased 0.1 percentage points. The participation rate increased 0.6 percentage points since last month at 63.8 per cent in October 2005, and decreased 0.1 percentage points from October 2004.

Based on unadjusted three month moving averages, the unemployment rate decreased in three of the five regions in the province since October 2004. The unemployment rate decreased 2.3 percentage points in the North Shore region, 1.7 percentage points in the Cape Breton region and 0.8 percentage points in the Halifax region, while it increased 2.0 percentage points in the Southern region and 0.3 percentage points in the Annapolis Valley region.

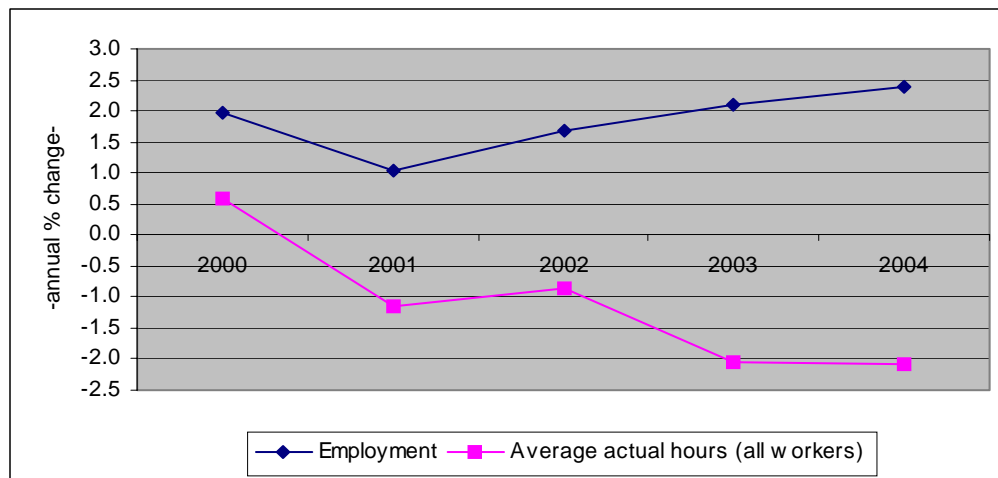
On a seasonally adjusted three month moving average basis, the unemployment rate for the Halifax Census Metropolitan Area (CMA) was 5.2 per cent in October 2005, a decrease of 0.6 percentage points from October 2004. In October 2005, the Halifax CMA rate stood as the lowest rate east of Winnipeg.

Source: Statistics Canada, Catalogue No. 71-001

Average Actual Hours (all workers) vs. Employment, Nova Scotia 2000 to 2004

As employment increases, a corresponding increase in hours worked can usually be expected. However, data from the Statistics Canada Labour Force Survey (LFS) indicates that, in the past five years, there has been an increasing gap in Canada between employment and average actual hours worked. Average actual hours worked are the sum of usual and overtime hours (paid or otherwise), minus hours of absence for any reason (e.g., illness, vacation, statutory holidays, personal or family responsibilities, maternity leave). Usual hours of work are generally more stable, while hours actually worked can vary from week to week. In Nova Scotia, the average actual hours worked have gradually declined from 34.8 hours per week in 2000 to 32.7 hours per week in 2004, while employment has shown an annual growth from 411,100 to 441,600 people. As a result, average actual hours worked declined by 6.0 per cent or 2.1 hours per week from 2000 to 2004, while employment increased by 7.4 per cent or 30,500 persons during the same period.

Annual Percentage Change, Employment and Average Actual Hours (all workers), Nova Scotia
2000 to 2004



In a Statistics Canada study¹, a number of factors were cited for this occurrence, e.g.,

- Survey methodology/framework
 - an under-representation of some statutory holidays led to an overestimation of average annual hours worked in 2000
 - not all reference weeks are comparable. A reference week usually includes the 15th of the month and some of these fluctuate in including or excluding statutory holidays, school breaks, vacations set by specific industries/companies. These

¹Statistics Canada, Perspectives, Whither the Workweek?, Catalogue No. 75-001-XIE, June 2005.

- inconsistencies may affect all of Canada or select areas in the reference week.
- changes to the collection of data, e.g., introduction of a new computer-assisted interview system (CATI) in 2000 allowed interviewers to electronically capture respondent information facilitating the interviewer's task and reduced transcription errors.
- Aging workforce
 - a major portion of the increase in lost hours was attributable to an increase among workers aged 45 and over who are generally with an organization longer and thus entitled to more leave.
- Employees seeking better balance between work and personal life
 - it is evident that there is an increase in time off for vacation and for personal or family responsibilities.
- Legislative/union changes
 - changes to Employment Insurance that resulted in more weeks of maternity, parental and adoption benefits as of December 31, 2000.
 - union demands have resulted in improvements to vacation leave
- Increase in part time work
 - more pronounced occurrence of part time among men
 - many young people hold only part-time jobs and they are remaining students longer
- Natural disasters
 - events such as Hurricane Juan and White Juan cause unexpected disruptions in usual workforce activities
- The economy
 - the substantial appreciation of the Canadian dollar has led to an increase in work absences for other reasons
 - shifts in industrial structure and business cycle.

Because of these many factors, estimate of hours actually worked often introduces a bias that can distort interpretation of labour market conditions. A comprehensive adjustment is produced regularly at Statistics Canada in the Canadian Productivity Accounts program².

Source: Statistics Canada, Labour Force Historical Review, 2004, Catalogue No. 71F0004XCD; Perspectives, Whither the Workweek?, Catalogue No. 75-001-XIE, June 2005.

² Statistics Canada, The Canadian Productivity Accounts Data, Catalogue No. 15-003-XIE.

Key Employment Indicators

November 4, 2005

Along with the monthly Labour Force Survey, several other data sources help view changes occurring in the labour market of the province. The following tables reflect some of those activities:

Total Wages & Salaries (Source: Statistics Canada, Catalogue No. 13F0016XPB)
(July-September 2005 will be released November 30, 2005)

From 2003 to 2004, the annual growth in total wages and salaries stood at 2.9 per cent in Nova Scotia reaching \$13,368.9 million and rose 4.0 per cent in Canada to \$563,149.2 million. Total wages and salaries increased 5.0 per cent in Nova Scotia during January to June 2005 as compared to January to June 2004 reaching \$6,898.3 million and during the same period rose 4.5 per cent in Canada to \$290,747.4 million.

Total Wages & Salaries, Nova Scotia

(\$millions - Actual)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	Jan-June <u>2005</u>
Total Wages & Salaries	11,508.3	11,947.3	12,539.6	12,997.2	13,368.9	6,898.3

Beginning with March 2001 data, the labour income estimates has been based on the North American Industry Classification (NAICS). NAICS based historical series were released for the period January 1997 through March 2001. Also beginning with the March 2001 data, the monthly estimates of labour income has become a quarterly release in conjunction with the National Income and Expenditure Accounts estimates.

Average Weekly Earnings (Source: Statistics Canada, Catalogue No. 72-002-XPB)
(September 2005 will be released November 29, 2005)

In 2004 the average earnings for all employees—incl. overtime (industrial aggregate) in Nova Scotia of \$611.93^r per week increased \$14.85, up 2.5 per cent from 2003, while the Canadian figure of \$705.68^r represented an increase of \$15.33 or 2.2 per cent. In August 2005 Nova Scotia's average weekly earnings (industrial aggregate) increased 4.8 per cent over August 2004 to \$639.06 compared to a 4.3 per cent increase in Canada to \$733.98. The August 2005 average weekly earnings in Nova Scotia were 87.1 per cent of the Canadian average.

Average Weekly Earnings, Nova Scotia

NAICS-based(including overtime)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	August <u>2005^p</u>
Average Weekly Earnings (\$)	574.14	590.68	597.08	611.93	639.06

^r - revised data

^p - preliminary data

Employment Insurance

(September 2005 will be released November 29, 2005)

There were 30,160 beneficiaries (seasonally adjusted) in Nova Scotia that received regular Employment Insurance benefits in August 2005. This figure was 0.8 per cent higher than last month and represented an increase of 0.3 per cent over August 2004. Nationwide there were 528,790 beneficiaries, an increase of 7.7 per cent over last month and a decline of 4.0 per cent from August 2004. Compared to August 2004, change in the number of beneficiaries ranged from -18.7 per cent in Alberta to +5.7 per cent in Newfoundland and Labrador.

Number of Beneficiaries Receiving Regular EI Benefits

(Seasonally Adjusted)

	<u>August 2005^p</u>	<u>% Change August 2004 - August 2005</u>
Canada	528,790	-4.0
Newfoundland & Labrador	39,790	5.6
Prince Edward Island	8,590	1.9
Nova Scotia	30,160	0.3
New Brunswick	34,660	0.6
Quebec	176,610	-3.2
Ontario	137,570	-0.5
Manitoba	13,250	-5.3
Saskatchewan	11,490	-4.9
Alberta	23,910	-18.7
British Columbia	51,090	-13.5
Yukon	940	2.2
Northwest Territories and Nunavut	790 370	-3.7 0.0

Employment Insurance Statistics Program data are produced from an administrative data source and may, from time to time, be affected by changes to the Employment Insurance Act or administrative procedures. The number of beneficiaries is a measure of all persons who received Employment Insurance benefits for the week containing the fifteenth day of the month. The regular benefit payments series measures the total of all monies received by individuals for the entire month.

Public Sector Employment - Nova Scotia

(Source: Statistics Canada, Public Institutions Division, Public Sector FMS Reports (CANSIM retrieval Tables 183-0002 and 183-0004)

(3rd Quarter 2005 will be released November 29, 2005)

	<u>2000*</u>	<u>2001*</u>	<u>2002*</u>	<u>2003*</u>	<u>2004*</u>	Apr-June <u>2005**</u>	% Change 2 nd Q 2004- <u>2nd Q 2005</u>
Federal Government (includes military)	22,592	22,709	23,146	23,480	23,396	23,875	2.0
Military	10,814	10,391	10,526	10,599	10,696	11,023	2.8
Provincial General	11,615	11,303	11,108	11,288	11,082	11,592	4.7
Universities & Colleges	8,877	8,280	7,986	7,388	7,636	7,936	7.4
Health & Social Services Institution	27,501	28,155	29,070	30,324	27,738	29,217	4.0
Local General Government	9,212	9,490	10,228	11,031	11,068	10,073	-12.6
School Boards	16,933	16,468	15,797	16,375	16,127	16,315	-4.3
Total Government	96,731	96,404	97,334	99,885	97,046	99,008	0.5
Government Business Enterprises	6,825	6,396	6,479	6,738	7,011	7,307	4.1
Federal GBE	4,050	3,738	3,809	4,022	4,246	4,503	5.6
Provincial GBE	2,290	2,172	2,183	2,229	2,277	2,315	2.1
Local GBE	485	486	486	487	487	489	0.2
Total Public Sector	103,556	102,800	103,812	106,623	104,056	106,316	0.7

* Figures by jurisdiction do not always add to published totals.

** Quarterly data is not comparable to annual data due to normal seasonal changes in some groups, e.g., universities, schools.