



RURAL RESEARCH NOTE

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Rural youth unemployment rates

Highlights

- The average unemployment rate for rural youth in 2005 was 12.5 percent, only 0.2 percentage points higher than the urban youth rate.
- The yearly average unemployment rate for rural youth has declined steadily from 1997 to 2005.
- Youth unemployment rates in both rural and urban settings are higher than adult rates by over 6 percentage points.
- Both young and older rural workers experience more variation in their unemployment rates than their urban counterparts: rural rates are generally higher during the winter months.

This note provides some basic information on youth unemployment rates in rural Canada, looking at differences and commonalities among provinces and trends over a ten-year period. Youth, in this research note, are defined as being the population aged 15 years to 24 years old and adults are those 25 years of age and older. The work uses Labour Force Survey estimates for the years 1996 to 2005.

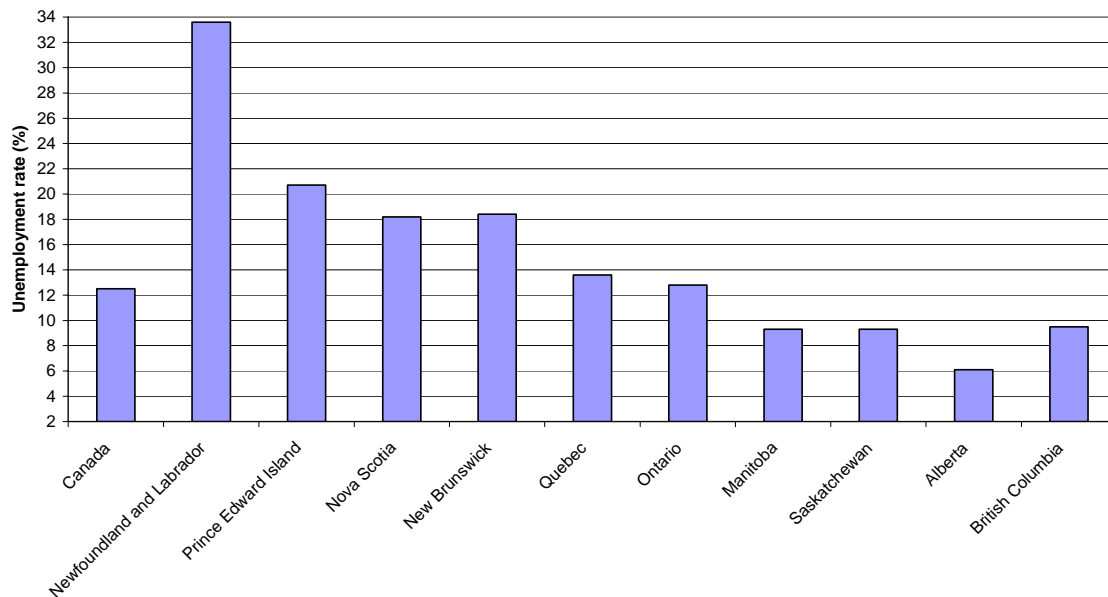
Examining the employment situation of youth living in rural Canada may help illustrate the connection that young rural Canadians feel to their community, and help inform policy makers on why many youth migrate to urban areas. Youth unemployment rates can show how well youth are attached to their local labour markets. Youth unemployment is a concern for governments, educators, and communities of all size.

2005 Overview

In 2005, approximately 730,700 Canadians¹ aged 15 to 24 years lived in rural areas². Of these, an average of 483,400 were active in the labour market and an average of 423,300 young people had either full-time or part-time jobs, leaving 60,100 young persons looking for work.

The average unemployment rate estimate for rural youth in 2005 was 12.5 percent, compared to 12.3 percent for urban youth. The rate for rural youth in Newfoundland and Labrador was the highest at 33.6 percent followed by the other Atlantic Provinces. The lowest rate observed was in Alberta at 6.1 percent, followed by the other Western Provinces (Figure 1).

Figure 1. Unemployment rate, rural youth (15 to 24 years of age) by province, 2005



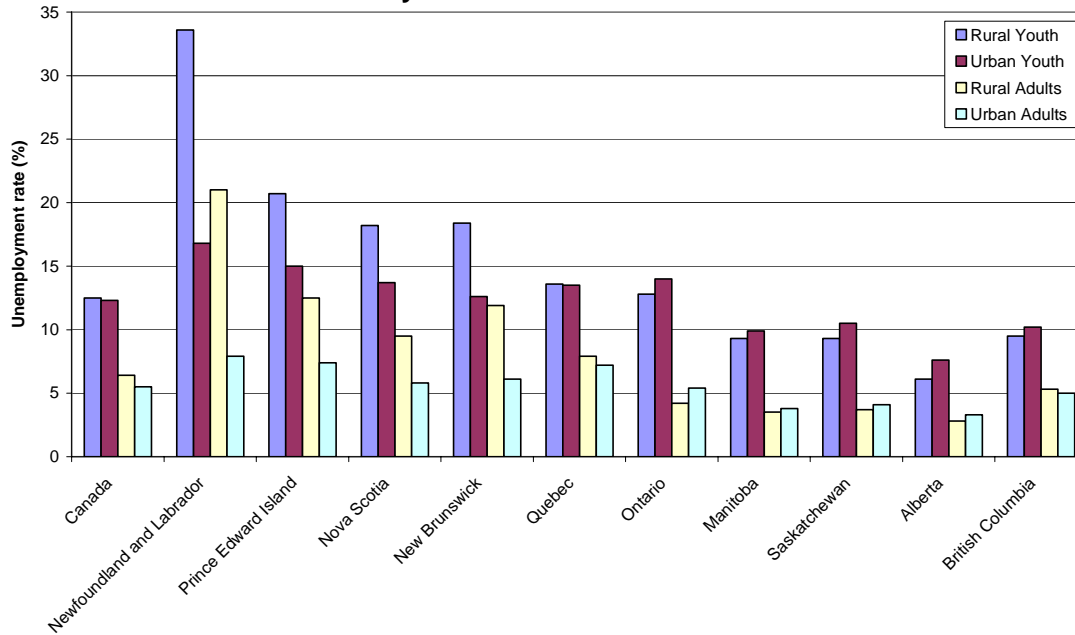
Source: Statistics Canada, Labour Force Survey, 2005

The average annual unemployment rate for rural adults was 6.4 percent, lower than the rural youth rate by 6.1 percentage points (Figure 2). This difference is also reflected in the urban unemployment rates: 12.3 percent for urban youth and, 5.5 percent for urban adults, a difference of 6.8 percentage points.

¹ The data in this paragraph are based on an annual average calculated from the Labour Force Survey monthly figures, 2005.

² Rural areas can be defined in a few different ways. In this work, the Rural and Small Town Canada definition of rural is used (Box 1).

Figure 2. Rural youth unemployment rates are higher than urban youth in Eastern Canada



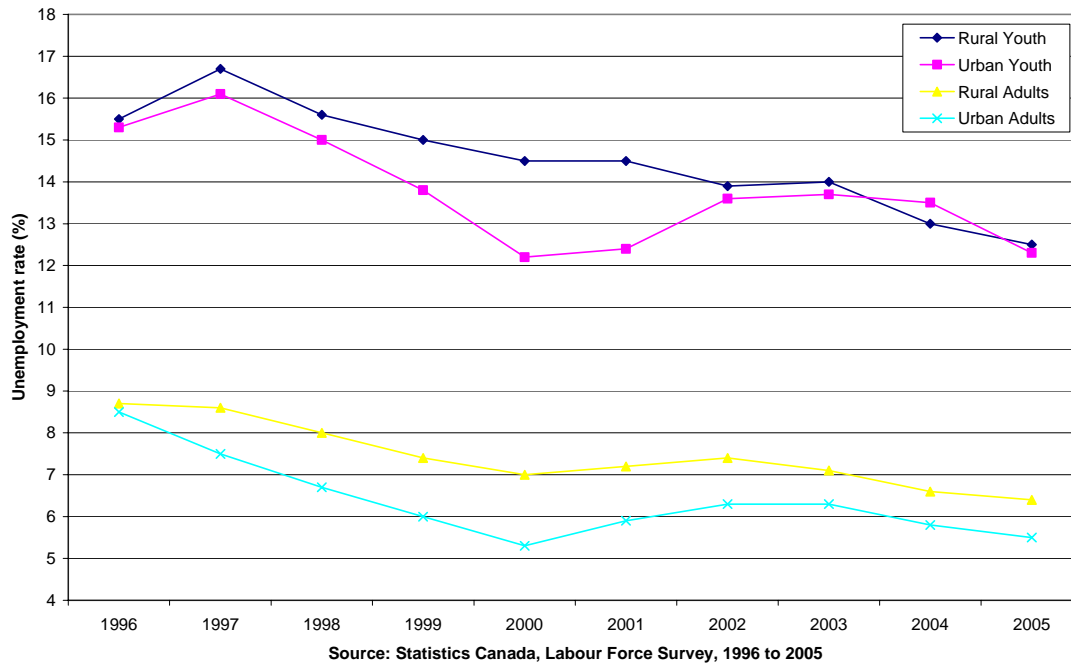
Source: Statistics Canada, Labour Force Survey, 2005

Comparing provinces in 2005, rural youth had comparable or lower unemployment rates than urban youth in all provinces except for the Atlantic provinces. Rural and urban youth had higher unemployment rates than rural and urban adults, with the exception of Newfoundland and Labrador. In Newfoundland and Labrador, the rural adult unemployment rate was higher than the rate for both youth and adult urban workers.

Ten-year overview (1996 to 2005)

The average annual unemployment rate for rural youth has been steadily decreasing since 1997. The yearly average ranges from a high of 16.7 percent in 1997 to a low of 12.5 percent in 2005, a difference of 4.2 percentage points (Figure 3).

Figure 3. Rural youth unemployment rates are declining



Youth unemployment rates are much higher than unemployment rates for adults. On average, rural youth rates were about 6.1 percentage points higher than rural adults in 2005 (6.4 percent). Urban youth rates were on average 6.8 percentage points higher than urban adult rates (5.5 percent) in 2005. Generally, a more experienced worker will have an easier time finding employment than a younger person.

Generally, rates of unemployment are higher in rural areas compared to urban Canada. Both youth and adult rural workers face a more variable employment environment and higher unemployment rates than their urban counterparts. However it is interesting to note, that the rural youth unemployment rate has been very similar to the urban youth unemployment rate since 2002, and in 2004 actually dropped below the urban youth rate for the first time in the ten-year period. Recent strong commodity growth in mining, oil and gas sectors in rural areas can explain some of the trends in lower unemployment rates.

Table 1. Rural youth unemployment rates (%)*

	Canada	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
1996	15.5	34.8	20.0	19.3	20.7	17.6	15.6	9.4	9.7	8.6	15.0
1997	16.7	36.5	24.0	23.2	22.5	20.3	17.1	8.9	8.3	8.1	14.2
1998	15.6	37.0	21.7	21.5	20.8	18.0	14.0	9.4	10.2	10.4	16.1
1999	15.0	34.0	24.5	17.3	20.1	17.8	12.2	9.6	10.1	11.4	17.8
2000	14.5	36.8	19.6	17.6	19.1	15.5	12.8	7.1	11.3	10.9	18.2
2001	14.5	31.7	20.8	18.5	20.1	15.4	13.5	9.7	11.1	8.2	16.7
2002	13.9	34.0	21.8	19.8	20.3	14.4	11.9	9.3	10.0	10.0	14.8
2003	14.0	31.4	16.7	19.7	20.3	14.7	12.8	9.3	9.3	9.4	17.5
2004	13.0	31.0	21.8	15.6	18.7	14.1	11.7	9.6	10.0	7.8	12.1
2005	12.5	33.6	20.7	18.2	18.4	13.6	12.8	9.3	9.3	6.1	9.5

Source: Statistics Canada, Labour Force Survey estimates, from 1996 to 2005

* This data series uses constant 1996 boundaries

When looking at the yearly average trend per province since 1996 (Table 1), it is interesting to note that the province of Manitoba has one of the most stable rural youth unemployment rates, varying only by 0.4 percentage points since 2001. Manitoba also has one of the lowest youth unemployment rates, while having the highest ratio of rural youth population (compared to the total rural population) amongst all provinces.³ Within the Western Provinces, British Columbia had the most variability in its unemployment rates.

Alberta has had the lowest unemployment rates for rural youth since 2004. Newfoundland and Labrador have consistently observed the highest rates of rural youth unemployment, their highest year being 1998 with 37 percent.

New Brunswick had the most stable rate amongst the Atlantic provinces while PEI and Nova Scotia managed to reduce their rate significantly in 2003 and 2004 respectively. Quebec had a steady decline in its rates since 1997 (except for the year 2003). The Quebec rural youth unemployment rate stood at 13.6 percent in 2005 compared to 20.3 percent in 1997. The year 1997 saw some of the highest unemployment rates for rural youth in Eastern Canada.

³ In December 2005 for example, Manitoba had the largest share of rural youth population (15 to 24 years of age) with 21 percent, followed by Alberta with 19.2 percent (see Table 2). Table 3 shows yearly average rural youth population data from 1996 to 2005.

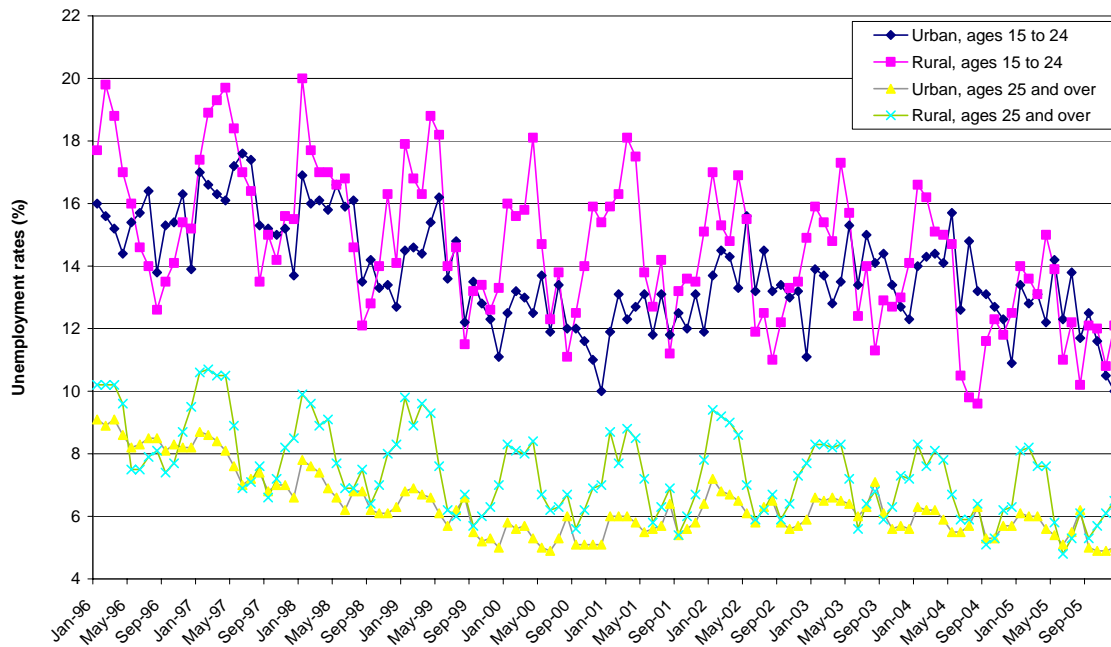
Seasonal variation of rural unemployment

There is more seasonality in rural unemployment rates than urban unemployment rates, for both the youth and the adult workforce. It should be noted that these seasonal effects have been less marked over the past year (Figure 4).

Rural youth unemployment rates are generally lowest in the summer months and highest in the winter and spring months. Urban youth unemployment rates follow a different pattern than that of rural youth, especially in the winter months where they observe some of their lowest rates. The seasonal fluctuation of rural youth rates follows that of the rural adult rates (Figure 4).

Some seasonal industries located in rural areas include agriculture, fishing, forestry, personal services and tourism. Manufacturing in rural areas is also seasonal.⁴

Figure 4. Rural youth unemployment rates are variable



Source: Statistics Canada, Labour Force Survey, January 1996 to December 2005

The unemployment rate for youth has greater volatility than the adult rate due to the number of times a youth may enter or exit the labour force. There is a

⁴ Neil Rothwell (April 2002) "Seasonal variation in rural employment", Rural and Small Town Canada Analysis Bulletin Catalogue no. 21-006-XIE Vol. 3, No. 8. <http://www.statcan.ca:8096/bsolc/english/bsolc?catno=21-006-X&CHROPG=1>

seasonal nature to youth unemployment, in that students are actively seeking work in the summer months and may not be in the fall or winter months.

The lowest recorded unemployment rate (since January 1996) for rural youth was in July and August 2004 with a rate of 9.8 percent and 9.6 percent respectively. For urban youth the lowest recorded unemployment rate over the same time period was in December 2005 at 10 percent.

Conclusion

The labour market for rural youth has improved in recent years, with rural youth unemployment rates becoming the same or better than urban youth unemployment rates in the last 4 years. However, youth still have a significantly higher unemployment rate than the 25 years of age and older segment of the population.

British Columbia and Alberta have had a big influence on the decline of the national youth unemployment rates. The rates in the Atlantic provinces remained relatively high but stable during the years.

One of the characteristics of the youth cohort is their participation in both the labour market and education systems simultaneously. This can be one explanation for the seasonal variation of their unemployment rates. In rural areas employment in seasonal industries also adds to the variability of the unemployment rates over the year.

BOX 1. Definitions

Rural and urban definitions

Rural areas refer to the population residing outside Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs). A CMA has an urban core of 100,000 or more and a CA has an urban core of 10,000 to 99,999. CMAs and CAs include all neighbouring municipalities where 50 percent or more of the workforce commutes into the urban core. Thus, rural areas represent the non-CMA and non-CA population.

Urban areas refer to the population residing in CMAs and CAs.

This data series uses constant 1996 boundaries.

Labour and employment definitions

Employed refers to those who, during the reference week of the survey, worked for pay or profit, or performed unpaid family work or who had a job but were not at work due to own illness or disability, personal or family responsibilities, labour dispute, vacation, or other reason. Those on layoff and those without work but who had a job to start in the future are not considered employed.

Employment rate is the number of employed persons within the relevant age group and geography expressed as a percent of the total population (excluding any institutionalized individuals) within that age group and geography.

Unemployed refers to those who, during the reference week, were without work, had actively looked for work in the past four weeks, and were available for work. Those persons on layoff or who had a new job to start in four weeks or less are considered unemployed. Estimates in thousands, rounded to the nearest hundred.

Labour force refers to the number of civilian, non-institutionalized persons 15 years of age and over who, during the reference week, were employed or unemployed. Estimates in thousands, rounded to the nearest hundred.

The participation rate is the number of labour force participants expressed as a percentage of the population 15 years of age and over. The participation rate for a particular group (age, sex, marital status) is the number of labour force participants in that group expressed as a percentage of the population for that group. Estimates are percentages, rounded to the nearest tenth.

Unemployment rate is the number of unemployed persons expressed as a percentage of the labour force. The unemployment rate for a particular group (age, sex, marital status) is the number unemployed in that group expressed as a percentage of the labour force for that group. Estimates are percentages, rounded to the nearest tenth.

Part-time employment consists of persons who usually work less than 30 hours per week at their main or only job.

Full-time employment consists of persons who usually work 30 hours or more per week at their main or only job.

Labour Force Survey background

The LFS covers the civilian, non-institutionalized population 15 years of age and over. Excluded from the survey's coverage are residents of the Yukon, Northwest Territories and Nunavut, persons living on Indian Reserves, full-time members of the Canadian Armed Forces and inmates of institutions. These groups together represent an exclusion of less than 2% of the population aged 15 and over. More details about the survey population can be found in the Guide to the Labour Force Survey, section 4.1- Population coverage. <http://www.statcan.ca/english/sdds/3701.htm>

Since July 1995, the monthly LFS sample size has been approximately 54,000 households, resulting in the collection of labour market information for approximately 100,000 individuals. It should be noted that the LFS sample size is subject to change from time to time in order to meet data quality or budget requirements.

Note: The data is based on the location of the individual's residence, not on the location of the individual's place of employment.

**Table 2. Youth (15 to 24 years of age) as a percent of Population,
December 2005***

	Rural Youth as a percent of the rural population	Urban Youth as a percent of the urban population	Total Youth
Canada	16.8	20.6	19.3
Newfoundland and Labrador	16.3	21.6	18.8
Prince Edward Island	17.8	24.6	21.5
Nova Scotia	18.3	19.9	19.4
New Brunswick	15.9	21.3	18.7
Quebec	15.3	18.8	18.0
Ontario	16.8	20.5	20.0
Manitoba	21.0	21.2	21.2
Saskatchewan	17.8	25.6	22.7
Alberta	19.2	23.9	22.9
British Columbia	15.0	20.5	19.8

Source: Statistics Canada, Labour Force Survey, December 2005

**This data series uses constant 1996 boundaries*

Table 3. Rural Youth Population⁵ (x1,000)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Canada	786.3	806.0	810.2	814.1	793.5	789.1	796.9	795.9	775.6	730.7
Newfoundland and Labrador	48.7	46.5	43.4	40.8	38.7	38.4	34.9	34.6	32.3	31.3
Prince Edward Island	8.0	8.1	7.8	7.6	7.8	7.4	8.3	8.4	8.2	8.1
Nova Scotia	46.6	47.2	46.0	46.5	45.7	45.6	46.7	45.2	40.6	39.4
New Brunswick	48.7	48.6	46.5	46.4	45.7	47.3	41.6	42.0	40.2	40.6
Quebec	196.5	208.7	207.5	203.9	205.7	208.9	204.4	197.5	194.8	177.1
Ontario	196.7	197.5	203.8	213.8	196.8	194.5	210.1	212.9	212.4	197.6
Manitoba	42.3	43.8	44.5	42.7	44.4	43.3	43.8	45.6	44.6	43.4
Saskatchewan	50.6	48.8	53.5	52.0	50.6	45.9	45.0	43.9	40.8	42.5
Alberta	86.3	91.4	95.3	100.1	99.2	96.4	101.7	102.8	96.5	89.5
British Columbia	61.9	65.6	62.0	60.4	58.8	61.3	60.4	63.1	65.3	61.3

Source: Statistics Canada, Labour Force Survey, 1996 to 2005

*This data series uses constant 1996 boundaries

⁵ Population represents an annual average calculated from monthly estimates.

Table 4. Participation rates from 1996 to 2005*

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Rural youth	60.2	59.1	60.2	62.4	61.9	62.1	65.5	65.2	67.2	66.1
Urban youth	62.8	62.0	62.3	63.8	65.0	65.3	66.6	67.5	67.0	65.4
Rural adults	61.2	61.8	62.2	63.1	62.7	61.7	62.9	64.0	64.1	62.9
Urban adults	66.2	66.6	66.7	66.8	67.1	67.4	68.1	68.5	68.6	68.6

Source: Statistics Canada, Labour Force Survey, 1996 to 2005

**This data series uses constant 1996 boundaries*

Table 5. Rural Youth Unemployment Rate (%) *

	Canada	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
Dec-03	14.1	30.1	19.5	13.6	20.3	16.2	11.4	11.0	10.6	11.3	17.6
Jan-04	16.9	35.5	31.8	20.2	22.3	19.3	11.6	9.1	12.0	12.6	30.0
Feb-04	16.6	38.0	30.2	17.9	24.5	18.2	16.3	6.8	9.3	9.9	20.1
Mar-04	15.4	36.9	30.8	19.0	25.1	15.9	13.7	11.0	13.5	10.3	14.1
Apr-04	15.4	38.4	29.4	19.1	22.6	18.1	13.8	12.8	8.9	8.0	14.6
May-04	15.0	38.0	18.9	18.7	19.0	14.4	15.3	11.3	8.8	10.9	13.8
Jun-04	10.5	30.2	13.0	10.7	16.1	9.8	9.4	10.5	8.2	6.3	13.7
Jul-04	9.8	19.4	18.4	12.0	15.2	9.4	9.3	8.8	12.7	4.0	10.5
Aug-04	9.6	23.4	9.6	11.2	15.2	10.2	8.2	7.9	9.1	6.8	9.2
Sep-04	11.6	27.2	11.1	16.5	15.1	10.2	12.4	10.4	11.9	6.7	12.9
Oct-04	12.3	30.5	21.3	13.3	18.3	12.7	11.4	11.6	9.7	6.4	14.5
Nov-04	11.8	29.1	22.4	15.0	18.1	14.8	11.6	6.7	9.0	3.2	10.0
Dec-04	12.5	25.2	20.0	15.7	16.9	16.1	8.8	9.8	9.5	7.7	17.0
Jan-05	14.0	29.9	36.4	21.6	17.8	14.2	14.0	13.7	7.2	6.9	15.4
Feb-05	13.6	35.0	32.6	24.3	21.1	13.1	14.1	13.8	6.4	6.7	9.1
Mar-05	13.1	28.6	25.6	17.5	20.9	11.6	14.9	14.3	8.8	5.2	14.9
Apr-05	15.0	29.8	27.3	21.4	21.7	15.6	14.0	13.9	13.7	8.5	14.4
May-05	13.9	28.6	19.6	17.9	17.0	15.6	15.4	8.4	10.9	4.8	12.8
Jun-05	11.0	22.0	17.5	18.7	17.1	11.2	11.7	6.6	8.2	5.8	8.9
Jul-05	12.2	26.6	16.9	15.7	18.4	13.2	13.0	5.2	9.0	5.7	9.6
Aug-05	10.2	28.7	10.4	13.1	11.9	12.1	10.7	4.8	10.0	4.8	6.2
Sep-05	12.1	28.8	11.9	22.9	15.6	13.6	11.6	6.4	11.2	7.9	8.0
Oct-05	12.0	38.9	19.5	18.0	25.2	14.9	11.9	5.4	6.3	4.9	6.9
Nov-05	10.8	39.1	15.4	12.2	18.3	12.1	11.2	8.5	10.5	5.5	0**
Dec-05	12.1	31.6	15.8	14.7	16.1	15.8	10.6	10.8	9.6	6.4	8.2

Source: Statistics Canada, Labour Force Survey, monthly from December 2003 to December 2005

*This data series uses constant 1996 boundaries

**A zero value indicates that the unemployment rate was suppressed because it was lower than 1.5 percent for that particular month.

Rural Research Notes

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