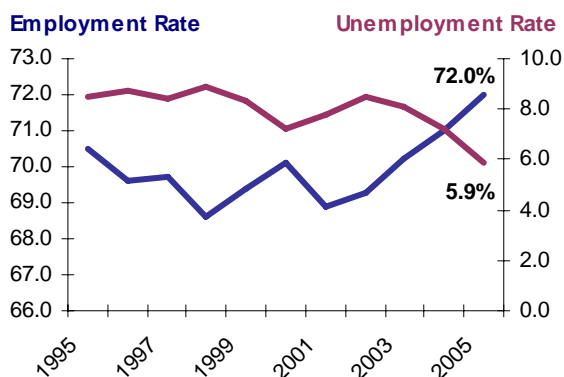


Recent Trends in Off-reserve Aboriginal Labour Force Participation

Over the past five years British Columbia's employment rate¹ has shown steady growth while at the same time unemployment² rates have shown a general decline. In 2005, British Columbia experienced the highest employment rate since comparable data have been collected³ (1976).

Labour market conditions continue to improve: in the first 10 months of 2006, the employment rate has averaged 73% and the unemployment rate has fallen below 5% for the 15 to 64 year olds



In a period when the BC labour market has been performing extremely well, to what extent has BC's off-reserve Aboriginal population participated in this labour market improvement?

Initial indications are that labour market conditions have improved for not only the overall population, but also for BC's off-reserve Aboriginal population.⁴ The Aboriginal employment rate has increased by more than 10 percentage points from 55.2% in the first

¹ The employment rate is the ratio of employment to population. This is limited to the population 15 to 64 as the employment rates drops dramatically after age 64.

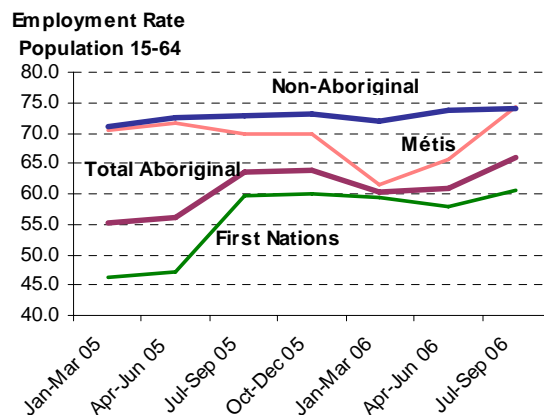
² The unemployment rate is the percentage of the unemployed over the labour force i.e. employed plus unemployed.

³ Source: Statistics Canada, Labour Force Survey

⁴ An increased sample in the Labour Force Survey since the beginning of 2005 has provided reliable quarterly estimates for this population

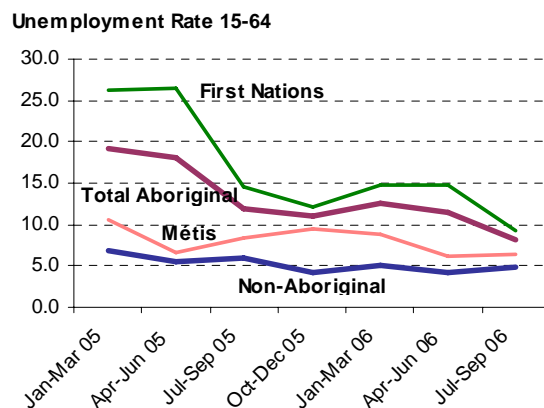
quarter of 2005 to 66.0% by the third quarter of 2006. This change is largely driven by an increase in employment among First Nations⁵.

Just over half of employed off-reserve Aboriginal persons are First Nations; the largest gains have been among this group.



An increasing share of the Aboriginal population has found work, while the number of people who are unemployed i.e. available for work and seeking work, has declined. The labour force in total has remained fairly constant over this two year period.

Less than half the number of unemployed off-reserve Aboriginal people were looking for work in the third quarter 2006 than in the first quarter of 2005



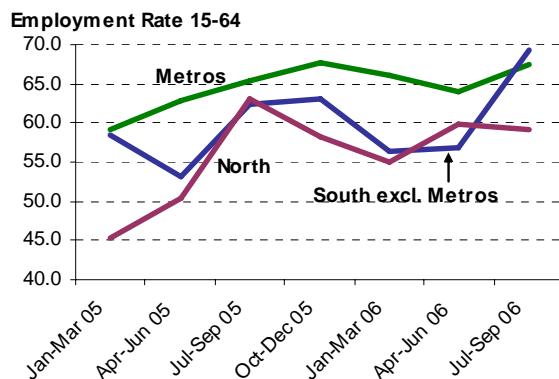
⁵ First Nations as used here is synonymous with North American Indian.

First Nations unemployment rates fell from 26.2% at the beginning of 2005 to 9.3% by the third quarter of 2006, while rates for Métis fell from 10.5% to 6.3%.

Regional Differences

The off-reserve Aboriginal population is more highly concentrated in the rural areas of the province. Approximately 70% of the adult (15+) non-Aboriginal population of BC lives in the metropolitan areas of Vancouver, Victoria, Abbotsford and Kelowna, while only 40% of the off-reserve Aboriginal population live in these areas. And, while less than 7% of the non-Aboriginal population lives in the North, the North is home to a quarter of BC's Aboriginal off-reserve population.

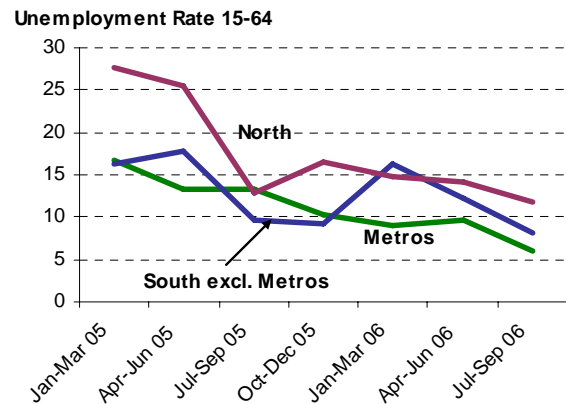
The Northern off-reserve Aboriginal employment rate has increased 14 percentage points but the non-Aboriginal rate was still 16 percentage points higher in the 3rd Quarter 2006



Employment rates are highest for Aboriginal persons living in the metropolitan areas, but Aboriginal people living in the North have seen the greatest employment gains. The employment rate is up by 13.8 percentage points from 45.3% in the first quarter of 2005 to 59.1% in the third quarter of 2006.

Given the increase in employment opportunities experienced by Aboriginal peoples in the North, it's not surprising to see to see that unemployment rates for Northern off-reserve Aboriginal people have dropped significantly.

Unemployment rates are highest in the North but are converging for the off-reserve Aboriginal population



Education Differences⁶

Participation and success in the labour market tends to be correlated with the level of education. Therefore, It's not surprising that people without any educational credentials have the lowest employment rates and the highest unemployment rates. However, with improving labour market conditions, non-Aboriginal persons in this group increased their participation in the labour force by 7 percentage points from the first quarter of 2005 to the third quarter of 2006.

Among the off-reserve Aboriginal population, the number of persons with no credentials who were employed did not increase, and, although unemployment rates declined for this group, it was due to people dropping out of the labour force as opposed to an expansion in jobs.

The greatest gains in the employment rate were made by the Aboriginal population with high school graduation. The employment rate for this group went from 56% to 73% over the period from the first quarter of 2005 to the third quarter of 2006, and the unemployment rate fell from 25% to 10% during the same period. At the same time, there was no real change in the

⁶ Figures quoted in this section are based on the population aged 25-64; previous data covered the population aged 15-64

employment rate (74% to 75%) of the non-Aboriginal population with high school graduation. As a result, the gap between the rates for Aboriginal and non-Aboriginal populations for these more highly educated groups has narrowed to 2 percentage points.

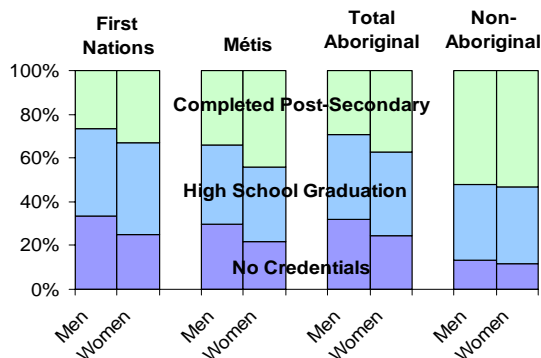
Among the well educated segment of the population (those who had completed post-secondary education), employment rates were high—about 80% for the non-Aboriginal population and ranging from 72% to 80% for the Aboriginal population. Unemployment rates were correspondingly low. Within the non-Aboriginal population, the unemployment rate was one percentage point lower in the third quarter compared the third quarter of 2005 with a year ago (3.7% versus 4.7%); while within the Aboriginal population, unemployment rates dropped by 5 percentage points from 9% to 4%.

Gender Differences

Across the population groups, a greater proportion of women have higher levels of education, either high school graduation and or completed post-secondary, than do men. Among Aboriginal persons, 3 in 4 women have achieved these levels while only 2 in 3 men are similarly qualified. Proportions are slightly higher for Métis than First Nations. Despite the higher education level of Aboriginal women, the gap is still considerable when compared with the non-Aboriginal population.

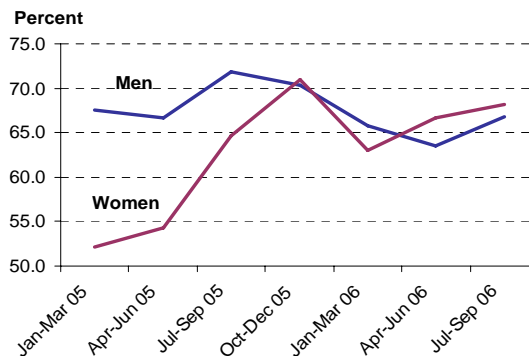
The employment rate for Aboriginal women, while 15 percentage points less than that of Aboriginal men in the first quarter of 2005 (52% and 68% respectively), had reached the men's level by the third quarter of 2006 with some seasonal fluctuation.

Women 25-64 have higher levels of education than men



Comparing the third quarter of 2005 with that of 2006, the unemployment rate for off-reserve Aboriginal women fell from 10% to below 6%, while for men it moved from 10% to 12%.

Employment rates for off-reserve Aboriginal women have shown significant increase, perhaps as a consequence of the improved labour market and higher educational skills



With the strong labour market, the gap between the off-reserve Aboriginal and non-Aboriginal populations has narrowed, and for some segments of the Aboriginal population such as those that are well educated, the gap in labour market outcomes are almost non-existent. If the improvements that are evident during relatively strong economic times are to hold during the weak times, the level of education among the non-Aboriginal populations must continue to improve. The challenge will be to persuade youth to remain in school to reap the labour market benefits of a higher education.