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## Labour Force Statistics ♦ January 2000

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### HIGHLIGHTS

- **B.C.'s seasonally adjusted unemployment rate fell to 7.3 per cent in January from 7.8 per cent in December, and now stands at the lowest monthly level recorded since August, 1981.** The unemployment rate for B.C. youth aged 15-24 dropped over 2 percentage points from December to sit at 11.7 per cent in January.
- **New seasonally adjusted statistics released for the Metropolitan area of Vancouver shows labour market improvements have occurred both in Metro Vancouver and the rest of the province.** Over the past 6 months employment in Metro Vancouver was up 18,700, accounting for about half of the net gains for B.C.
- **B.C. employment gains in January from December were all accounted by increases in full-time work (up by 13,300) as part-time work contracted.** January's employment increase was concentrated in most goods sectors except construction, as well as the transportation, education and health services sectors.
- **Unemployment rates fell or remained unchanged in the four Western Provinces, New Brunswick and P.E.I. in January.** Unemployment rates in January ranged from 5.7 per cent or lower in Ontario and the Prairies, to a high of 17.0 per cent in Newfoundland.

Selected Statistics (SA)*	Jan 2000	Dec 1999	Jan 1999
B.C. Unemployment Rate	7.3%	7.8%	8.3%
Canada Unemployment Rate	6.8%	6.8%	7.9%
B.C. Help Wanted Index (1996=100)	142.0	136.0	121.0
B.C. Employment - Monthly Change	0.4%	0.6%	-
B.C. Labour Force - Monthly Change	-0.2%	0.4%	-
B.C. Participation Rate	64.9%	65.1%	65.3%

\* Unless otherwise indicated, all labour force variables are seasonally adjusted.

*Labour Force Statistics is a joint compilation and review by BC STATS of the Ministry of Finance and Corporate Relations and the Research, Evaluation and Accountability Branch of the Ministry of Advanced Education, Training and Technology of the results of the monthly Labour Force Survey conducted by Statistics Canada. For more information, call BC STATS (250) 387-0327 or R,E&A (250) 952-6111.*

## Revisions to the Labour Force Survey

**Introduction . . .** The Labour Force Survey (LFS) has undergone a major revision which includes two important changes. First, all LFS estimates have been “re-based” to reflect population counts from the 1996 Census instead of the 1991 Census. Second, a new method of estimation called “composite estimation” has been adopted. This new more statistically efficient method of estimation used in producing results for the survey responses reduces the sample error and hence reduces the volatility of the month-to-month changes for a number of variables published by the LFS.

**Population Re-basing . . .** The Labour Force Survey uses estimates of population as benchmarks for producing survey estimates of labour force characteristics. The population estimates start with a Census base and are updated using administrative data to reflect the current population of Canada. Having a good population base is crucial for a sample survey like the LFS because the responses from the sample each month must then be weighted to represent the correct portion of the working age population of Canada that will be assigned to each labour force variable, whether it be employed, unemployed, or not in the labour force.

### *A Note to Readers*

*All previously published LFS estimates have changed and been revised back to January 1976 to reflect the Census 1996 re-basing and introduction of “composite estimation”.*

*Analysis and comparisons of labour market variables from the LFS must now only be made with the revised historical data released by Statistics Canada on February 1<sup>st</sup>, 2000. All LFS data has been revised in Statistics Canada’s CANSIM databases. Additional detailed historical data will be released at the end of February, 2000.*

*B.C. STATS has updated historical databases with LFS data using the revised data made available by Statistics Canada. Please note that the data tables accompanying this “Labour Force Statistics” publication reflect the revised historical data. This revised data replaces all prior published data reported in the December 1999 issue of “Labour Force Statistics” (issue 1999-12) and previous issues.*

*For those interested in additional information on these revisions to the LFS, please see “Improvements in 2000 to the LFS” found on the Statistics Canada’s Web site at:  
<http://www.statcan.ca/english/concepts/method.htm>*

Beginning with the data for January 2000 from the LFS survey released today, population estimates used by the LFS have changed from a 1991 Census base to a 1996 Census base. All prior historical data have also been re-based to the 1996 Census and been revised. The impact for most provinces from this change has reduced aggregate historical levels of working age population, employment and unemployed persons, but in B.C.’s case it has raised them. Lesser change has occurred for employment rates, labour force participation rates and unemployment rates due to the re-basing.

Estimates of net Census undercoverage (those persons who at the time of the Census were missed and not enumerated by the Census) have been made by Statistics Canada to supplement the accuracy of 1991 and the 1996 Census data. (Note that in the 1986 Census and prior Censuses, no population undercoverage estimates were undertaken.) To create a stable and consistent population base on which to calculate labour force characteristics data, these undercoverage adjustments to the 1996 Census have also been reflected in the rebasing of the LFS estimates. By necessity, all labour force data in the LFS have been revised back to January, 1976.

**Composite Estimation . . .** A new more statistically efficient method for estimation of the LFS results has been adopted which yields reduced sample error. This has the effect of enhancing data reliability and reducing volatility in the data series. The new “composite estimation” technique changes the degree of emphasis on the LFS sample to weight more upon the existing 5/6<sup>th</sup> of the sample rotation from the previous month and less on the 1/6<sup>th</sup> of the sample which changes each month. Statistics Canada found a higher non-response bias for key members of the sample the first month they enter the survey, but this reduces considerably as they participate in the sample over their final five months of participation in the survey.

All LFS data for January 2000 for both actual and seasonally adjusted estimates are based on this composite estimation. For consistency, all historical monthly and annual data have been re-estimated and revised using this composite estimation technique back to 1976.

A key advantage of the new published LFS data at the provincial level is that Statistics Canada now provides seasonally adjusted **monthly** data for men, women, youth (15-24), adults (25+), full-

time and part-time employment, and employment by industry. This is a useful change and replaces the often confusing seasonally adjusted estimates for these variables which previously were published on a **three month moving average** basis.

**Revised versus Unrevised LFS Data . . .** To illustrate the impact of the Census re-basing and composite estimation which are reflected in the revised LFS data, Figure 1(a) shows monthly employment levels in B.C. from January 1990 to December 1999. The general upward movement in B.C. employment level reflects the re-basing to the 1996 Census, while the smoother appearance of the revised employment data is due to the composite estimation.

Figure 1(b) shows the revised and unrevised estimates of the B.C. employment rate (employment/population ratio). Again, though fluctuations from month to month still appear in the revised series, they are notably less volatile than with the unrevised data.

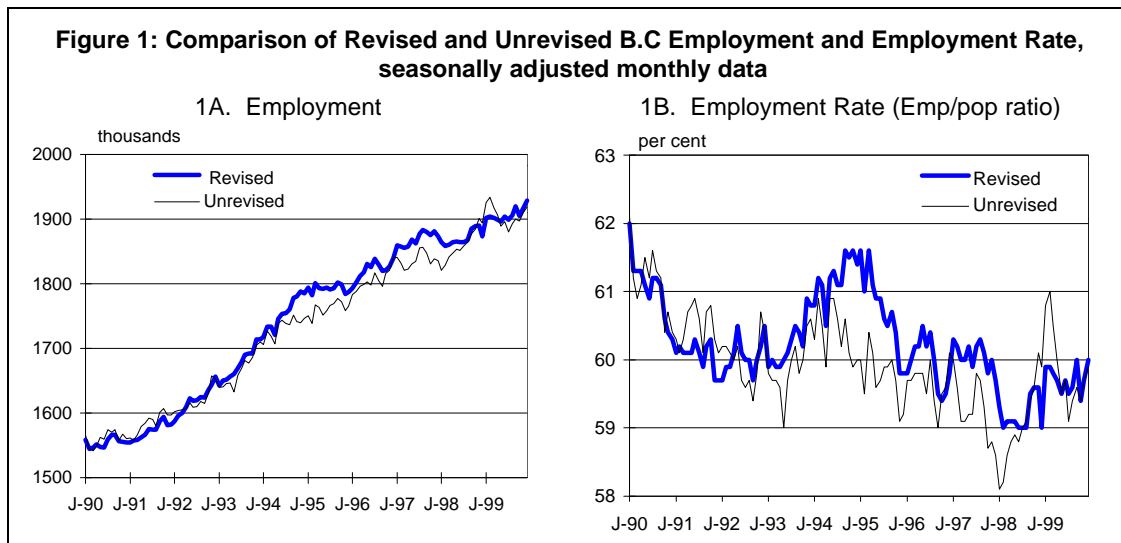


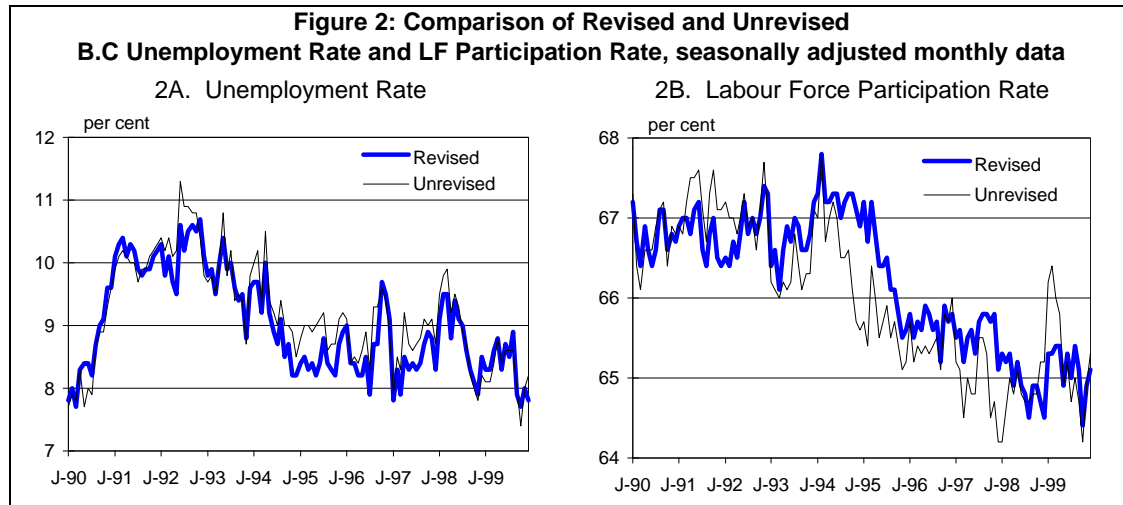
Figure 2(a) below shows revised and unrevised unemployment rates for B.C. The revised unemployment rate sees less of a change

difference in level than with either employment or the employment rate.

Figure 2(b) shows the labour force participation rate (the percentage of the working age population aged 15 and older that is participating in the labour market either by working or looking for work).

On a monthly basis, the unrevised labour force participation rate for B.C. appears to be

significantly more volatile in month to month movements. The composite estimation technique used for the revised labour force participation rate series has provided some considerable smoothing in the data over time.



### Recent Feature Articles

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<b>February 1999</b>	Changes in BC Employment by Industry, Occupation and Class of Workers	<b>August 1999</b>	Labour Market Changes: Women in the 1990's
<b>March 1999</b>	The British Columbia labour market - 1st Quarter 1999	<b>September 1999</b>	The British Columbia labour Market - 3 <sup>rd</sup> Quarter 1999
<b>April 1999</b>	BC Public Sector Employment - 1988 to 1998	<b>October 1999</b>	B.C. Full-time and Part-time Employment in the 1990's
<b>May 1999</b>	BC Labour Market Update for Youth Aged 15 to 24	<b>November 1999</b>	Measuring Changes in BC Labour Market Conditions
<b>June 1999</b>	BC Labour Market - Second Quarter 1999	<b>December 1999</b>	The BC Labour Market in 1999