

Labour Force Statistics ♦ September 2000

HIGHLIGHTS

- **B.C. seasonally adjusted employment increased by 11,000 in September from August.** Combined with a drop in the estimated number of unemployed persons, the provincial unemployment rate fell to 7.7 per cent from 7.9 per cent in August.
- **All of the employment rise in B.C. in September from August was in full-time work.** Goods-sector employment was up 1.1 per cent, while services grew by 0.6 per cent. Within goods, construction employment in September rose to its highest monthly level in over two years. Within services, gains in accommodation and food services and education, were partly offset by a decrease in retail & wholesale trade.
- **The seasonally adjusted youth unemployment rate stood at 15.1 per cent in the third quarter of 2000, up from 12.6 per cent in the second quarter of 2000.** This occurred due to declines in B.C. youth employment in July and August along with movement of youth from outside the labour force into active job search.
- **Seasonally adjusted employment in September for Canada overall grew by 0.4 per cent.** Net increases in employment in Ontario, Alberta and British Columbia accounted for most of Canada's overall employment expansion of 56,300 in September, with employment up in all other provinces.

Selected Statistics (SA)*	Sept. 2000	Aug. 2000	Sept. 1999
B.C. Unemployment Rate	7.7%	7.9%	7.9%
Canada Unemployment Rate	6.8%	7.1%	7.4%
B.C. Help Wanted Index (1996=100)	145.0	143.0	135.0
B.C. Employment - Monthly Change	0.6%	0.8%	-
B.C. Labour Force - Monthly Change	0.4%	1.6%	-
B.C. Participation Rate	65.3%	65.1%	65.1%

* 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 Youth and Labour Market Services 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 YLMS (250) 952-6776.

The British Columbia Labour Market - Third Quarter 2000

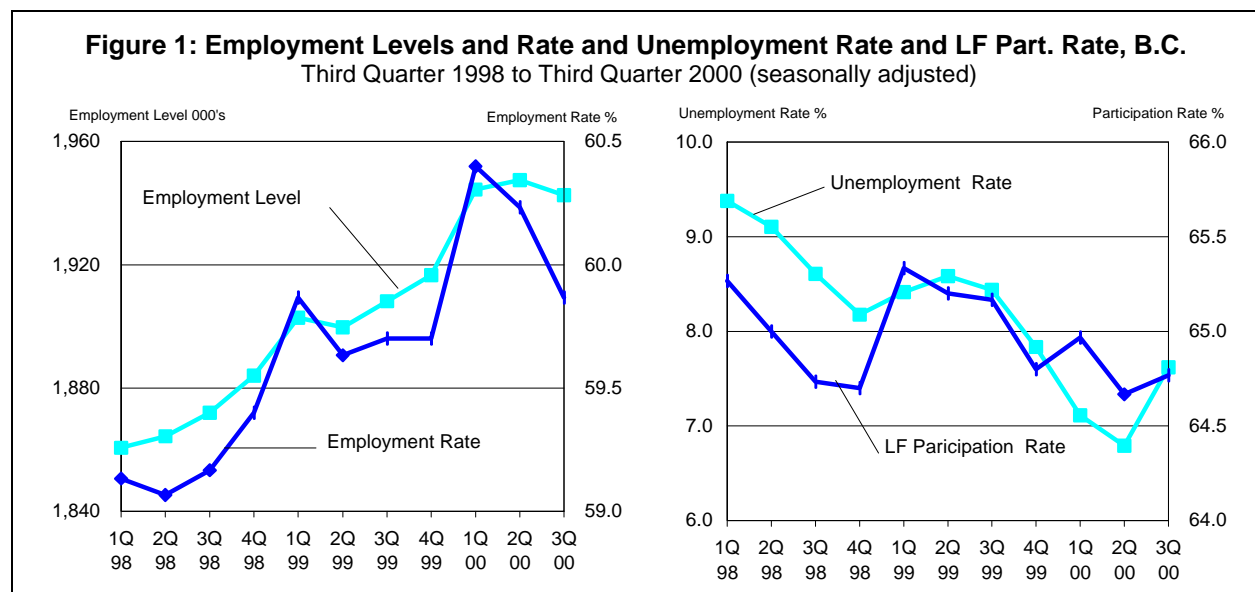
Summary . . . Seasonally adjusted employment in British Columbia in the third quarter of 2000 declined by 0.3 per cent compared to the second quarter of 2000. This is only the second pause in employment growth in B.C. over the last ten quarters. A sharp drop in employment in July pulled down the average employment level for the third quarter.

Strong movements of persons from outside the labour force into active job search in August and September increased the number of unemployed persons by 17,200 in the third quarter from the second quarter. This more than offset the decrease in employment and increased the overall size of the labour force by 10,000 from the second quarter. These changes pushed up the unemployment rate to 7.6 per cent from the recent low of 6.8 per cent in the second quarter of 2000.

Goods sector employment, which has paced employment growth over the last year, slowed in the second quarter and fell back slightly in the third quarter. Services showed a similar change. Regionally, employment gains in the Vancouver Metro area this quarter have been more than offset by a decrease in Victoria Metro and an aggregate decline in non-metro B.C.

Employment and Employment Rates . . . The left-hand graph in Figure 1 notes employment paused in the third quarter, after steady increases in the previous four quarters. The slight decrease in employment in the latest quarter were all sustained by women. Overall, employment in B.C. for the third quarter stood 4,900 below the level in the second quarter of 2000, but was 34,500 above the level seen in the third quarter of 1999. All of the decrease in employment in the third quarter was due to a lower proportion of persons aged 15 and older who were employed (employment rate).

Unemployment and Labour Force Participation . . . The number of unemployed persons rose to 159,100 in the third quarter, up from 141,900 in the second quarter of 2000, but still well below 175,900 one year ago. As seen in the right-hand graph in Figure 1, the labour force participation rate rose to 64.8 per cent in the third quarter. This breaks the consecutive downward trend seen in the previous five quarters. Overall, the third quarter unemployment rate averaged 7.6 per cent, up from 6.8 per cent in the second quarter 2000. The unemployment rate in the third quarter of 2000 was 8.0 per cent for men and 6.7 per cent for women.



Employment by Industrial Classification . . .

Figure 2 shows quarterly net changes in seasonally adjusted employment over the last four quarters. The final column notes the percentage change seen in average employment levels comparing the third quarter of 2000 to the third quarter of 1999.

Employment growth in the *goods sector* has weakened over the last two quarters following strong consecutive gains in the fourth quarter of 1999 and in the first quarter of 2000. A cooling off in employment in the latest quarter in other primary goods (which includes logging, mining, fishing and oil & gas) and manufacturing, may reflect in part the declines in the value to export shipments and overall manufacturing shipments seen in July (latest data). Some of the decrease in the third quarter data in the forestry components, however, was temporary due to impact of the collective agreement forestry sector work stoppage which has now been resolved.

Over the last year, employment in the goods sector was 5.5 per cent higher than the third quarter 1999, up in net terms by 21,700.

Employment in the *services sector* in the third quarter of 2000 from the second quarter was down slightly. Gains in finance, insurance & real estate, retail & wholesale trade, and management of companies, were more than offset by decreases in sectors such as transportation & warehousing, health & social assistance, and accommodation & food services.

Over the last year as measured from the third quarter of 1999 to the third quarter of 2000, services overall grew by 0.9 per cent. Most of this gain was realized in the first quarter of 2000. Accommodation and food services; information, culture and recreation; and the management of small companies sector have been driving the gains in services for the last three quarters.

Figure 2: B.C. Employment by Industrial Classification
Third Quarter 1999 to Third Quarter 2000 (seasonally adjusted)

	Employment Level 3Q00	Net Change from previous quarter				Per Cent Change 3Q99 to 3Q00
		4Q99	1Q00	2Q00	3Q00	
Total	1,942,600	8,500	27,900	3,000	-4,900	1.8%
Goods Sector	417,200	10,000	10,400	3,700	-2,400	5.5%
Agriculture	32,100	300	900	-1,100	3,000	10.6%
Other primary	55,200	5,300	1,600	4,600	-4,000	15.9%
Utilities	12,500	-1,200	700	400	800	5.6%
Construction	115,200	-400	2,400	-2,100	1,300	1.1%
Manufacturing	202,300	5,900	4,800	1,800	-3,400	4.7%
Service Sector	1,525,400	-1,400	17,500	-600	-2,500	0.9%
Retail & wholesale trade	305,500	-100	-300	-5,200	5,700	0.0%
Transportation & warehousing	111,000	-900	-300	500	-10,400	-9.1%
Finance, insur. & real estate	123,500	-2,600	-2,400	1,100	6,800	2.4%
Prof. Scientific & technical	135,600	-4,600	0	4,700	-1,200	-0.8%
Management of Companies	74,300	-2,300	4,200	1,500	4,800	12.5%
Education services	129,400	6,600	1,900	-5,500	-3,200	-0.1%
Health & social assistance	201,300	4,100	3,300	2,600	-4,600	2.8%
Information, culture & rec.	96,400	-1,100	4,000	600	1,300	5.2%
Accommodation & food	160,500	-1,500	7,500	7,800	-4,100	6.5%
Other services	99,700	-1,300	-1,800	-3,900	1,700	-5.1%
Public administration	88,200	-1,300	2,100	-4,900	700	-0.7%

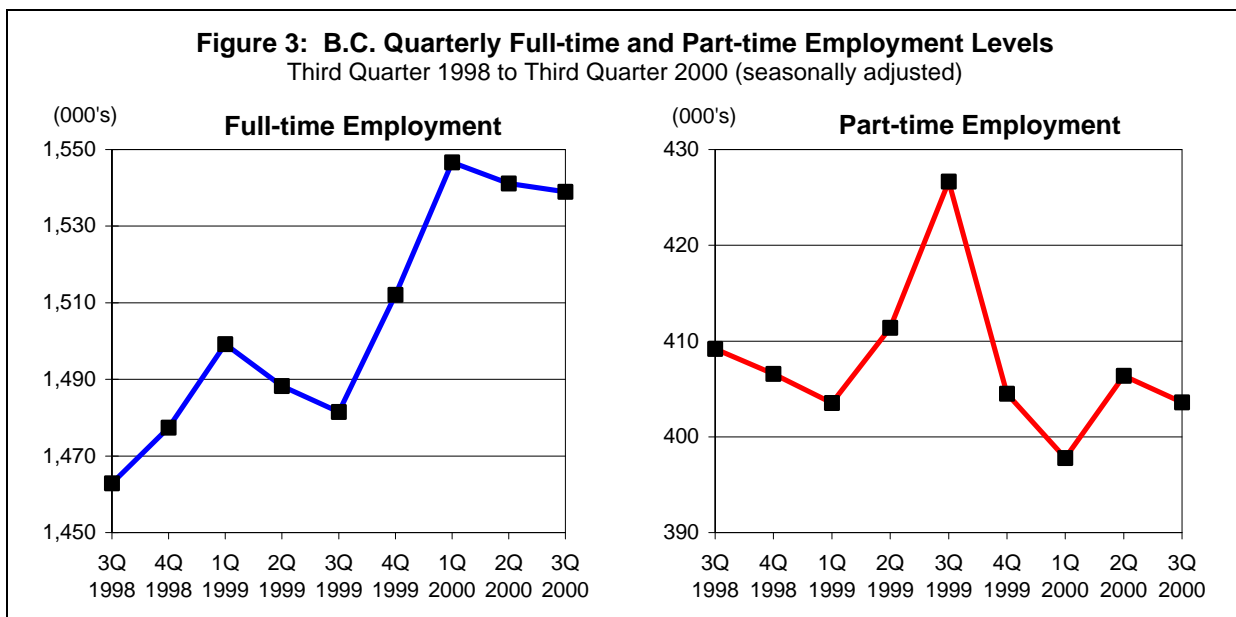
Full and Part-time Employment . . . Figure 3 shows that seasonally adjusted full-time employment declined slightly in the second and third quarters of 2000 after substantial increases in each of the previous two quarters.

Comparing the third quarter of 2000 to the second quarter of 2000, both men and women lost full-time employment, resulting in a small net decrease in overall full-time employment of 2,200. Overall part-time employment decreased by 2,800 in the third quarter of 2000 from the previous quarter. Part-time employment levels are well below the peak seen in the third quarter of 1999. Part-time work for men increased by

1,900 in the third quarter of 2000, and decreased for women by 4,600.

Over the past year, when comparing the latest quarter to the third quarter of 1999, full-time employment in B.C. is up by 57,500 (3.9 per cent) and part-time employment is down significantly by 23,100 (-5.4 per cent). Fully 26 per cent of the net gain in full-time work have been youth aged 15 to 24.

On this same year-over-year basis, full-time employment gains by men aged 15+ were 36,800 (4.2 per cent). Full-time work also saw growth by women of 20,800 (3.5 per cent).

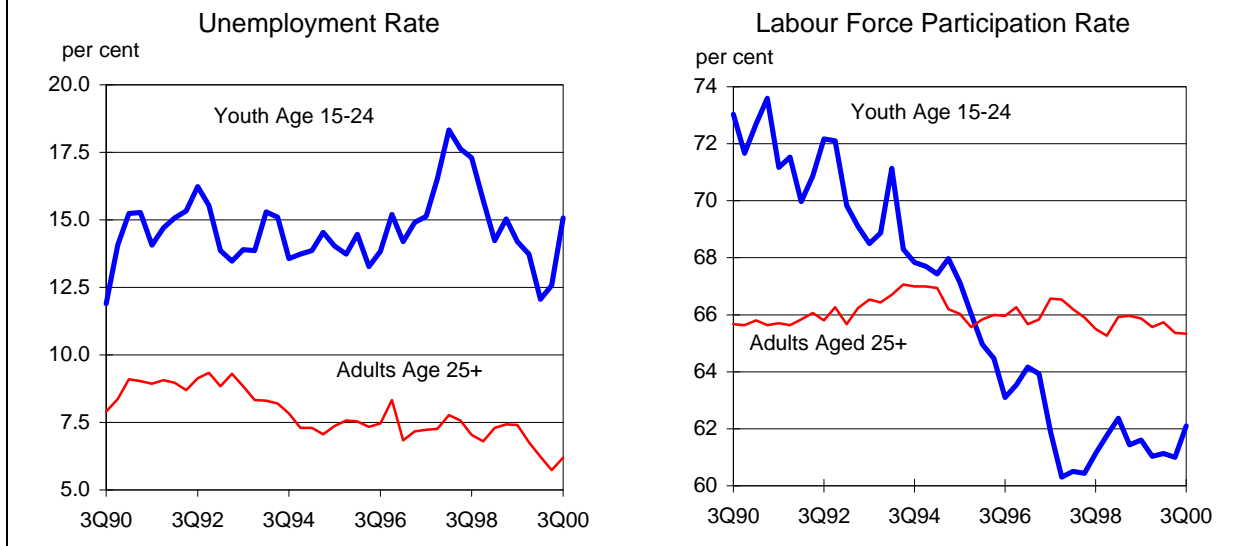


Youth and Adult Unemployment and Labour Force Participation . . . The seasonally adjusted unemployment rate for adults aged 25+ in the third quarter of 2000 rose to 6.2 per cent from 5.7 per cent in the previous quarter (see Figure 4a). Employment for persons aged 25 and older was flat while the estimated number who were unemployed rose. Over the last year, the adult unemployment rate has declined from the 7.4 per cent level seen in the third quarter of 1999 due to employment growth generally exceeding labour force growth. During this period, the adult labour force participation rate held steady in the 65 per cent range, and has done so over the last ten years (see Figure 4b).

The youth unemployment rate in B.C. rose to 15.1 per cent in the third quarter of 2000 from 12.6 per cent in the second quarter, but remains much improved from the 18.3 per cent level in the first quarter of 1998. The change in the latest quarter occurred as youth employment fell back slightly, but this was in combination with a large movement of youth from outside the labour force who entered into active job search (unemployed).

The growth in youth labour force participation in the latest quarter to 62.1 per cent and its stability in the last two years is encouraging in light of its dramatic drop during the 1990's and its low point of 60.3 per cent at the end of 1997.

Figure 4: B.C. Youth and Adult Unemployment Rates and Labour Force Participation Rates
Third Quarter 1990 to Third Quarter 2000 (seasonally adjusted)



Regional . . . Actual estimates for labour market levels and changes by development region are noted in Figure 5 which compares the average of the first nine months of 2000 to the same period in 1999. Provincial employment growth has been well dispersed on a regional basis so far this year as measured from the same period in 1999.

Above-average actual employment growth for the first three quarters of 2000 from the same period in 1999 was seen in the Kootenay, Northeast and Lower Mainland regions. Strength in the Northeast likely reflects direct and indirect activities relating to natural gas exploration and production, while the Lower Mainland appears to be benefiting from a diverse economic base and stronger economic growth than seen in 1998 or 1999. Only the Cariboo region saw an employment decrease.

Employment growth in all regions except the Cariboo exceeded the pace of growth in their working age populations (persons 15 and older) which boosted employment to population ratios (also called employment rate).

Actual average unemployment rates for the first nine months of this year fell in most regions of B.C. from levels seen in the first three quarters of 1999. The largest percentage point declines in the unemployment rate were seen in the Northeast, followed by the Cariboo and Lower Mainland-Southwest regions. In the case of the Cariboo, this decline occurred with a drop in employment, and their employment-to-population ratio and labour force participation rate also fell.

On the whole, the 0.5 percentage point rise in the B.C. employment-to-population ratio (employment rate) in the first three quarters of 2000 from the same period in 1999 reflect modest labour market gains. Little change in the Lower Mainland-Southwest employment rate relates in part to the moderation in service sector employment growth, which has provided the backbone of employment growth for B.C.'s largest urban centre in the past four years. The boost in the employment rates in the southern interior regions of the Kootenay and Thompson-Okanagan are encouraging, given that these regions have traditionally seen the lowest employment rates in B.C.

Figure 5: Regional Labour Market Changes									
First Three Quarters of 1999 average to First Three Quarters of 2000 average (actual data)									
Development Regions	Employment (000's)			Unemployment Rate			Employment/Pop. Ratio		
	1st Three Quarters 1999	1st Three Quarters 2000	% Change	1st Three Quarters 1999	1st Three Quarters 2000	Absolute Change	1st Three Quarters 1999	1st Three Quarters 2000	Absolute Change
Vancouver Island/Coast	327.1	330.9	1.1%	8.4%	7.7%	-0.7%	58.4%	58.9%	0.5%
Lower Mainland/S.W.	1,138.5	1,169.7	2.7%	8.1%	6.4%	-1.7%	60.8%	61.2%	0.5%
Thompson/Okanagan	208.3	212.3	1.9%	10.2%	9.6%	-0.6%	55.5%	55.9%	0.4%
Kootenay	70.3	72.0	2.5%	9.0%	9.8%	0.8%	57.4%	58.5%	1.1%
Cariboo	83.0	81.0	-2.4%	12.5%	10.0%	-2.5%	62.4%	60.4%	-1.9%
North Coast/Nechako	46.2	46.6	0.9%	8.9%	9.6%	0.8%	61.4%	62.4%	1.0%
Northeast	30.7	32.6	6.3%	9.1%	6.1%	-3.0%	64.3%	68.1%	3.8%
B.C. Total	1,904.1	1,946.1	2.1%	8.6%	7.3%	-1.3%	59.7%	60.2%	0.5%

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