



BC STATS

Ministry of Finance and
Corporate Relations

Contact: BC STATS
Tel: (250) 387-0327
Release: Mar. 1, 2001
Issue: 2001-1 R

Labour Force Statistics ♦ January 2001

HIGHLIGHTS

- **B.C.'s seasonally adjusted employment levels declined in January 2001 from December 2000 by 29,800.** This contrasts with employment increases seen in each of the previous five months which totalled 39,800.
- **January's decrease in employment reflects a larger than usual drop in actual employment that typically occurs between December and January.**

Selected Statistics (SA)*	Jan 2001	Dec 2000	Jan 2000
B.C. Unemployment Rate	7.4%	7.1%	7.2%
Canada Unemployment Rate	6.9%	6.8%	6.8%
B.C. Help Wanted Index (1996=100)	145.0	153.0	144.0
B.C. Employment - Change From		-1.5%	0.3%
B.C. Labour Force – Change From		-1.2%	0.5%
B.C. Participation Rate	64.4%	65.2%	64.9%

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

PLEASE RECYCLE THIS PAPER

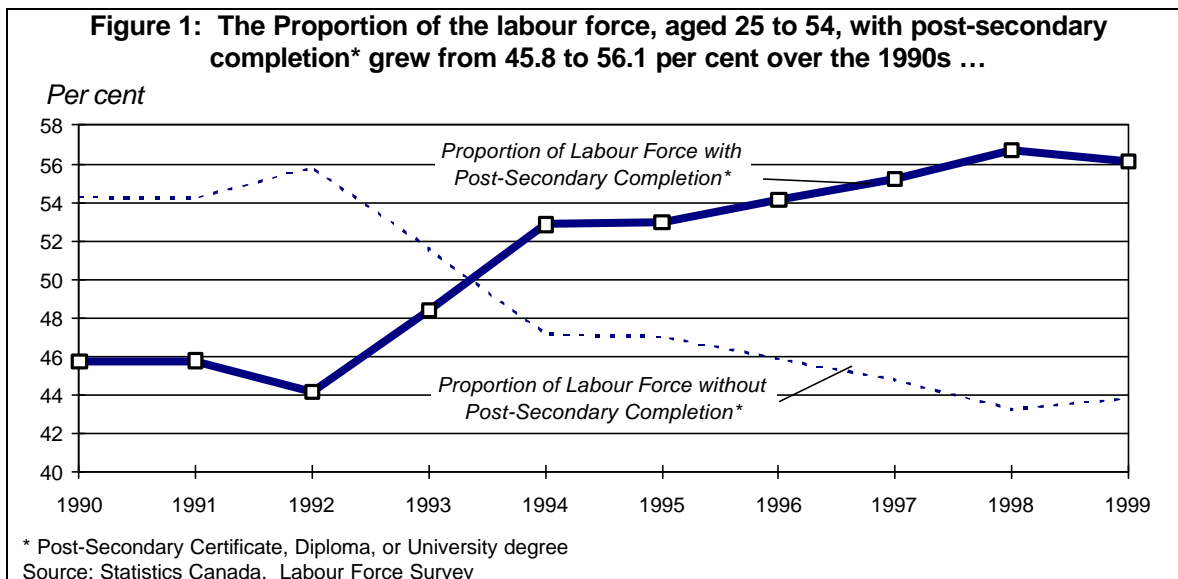
Demand and Supply Indicators For Workers with Post-Secondary Education

The labour force monthly survey provides B.C. labour force statistics by educational attainment or the highest level of schooling completed. The categories used are:

- Grade 8 or lower
- Some secondary education
- Graduated from high school
- Some post-secondary
- Post-secondary certificate or diploma (includes trades certificate)
- University degree

Education of B.C.'s Labour Force is Growing . . .

Over the 1990s, the relative supply of workers with post-secondary completion grew rapidly but was still out-paced by the growth in their relative demand. Figure 1 shows that the relative supply of core working age B.C. workers with post-secondary completion grew from 45.8 to 56.1 per cent as a proportion of the labour force. In absolute numbers, their supply grew to 865,100 in 1999, a 55 per cent increase from the 558,800 level seen in 1990.

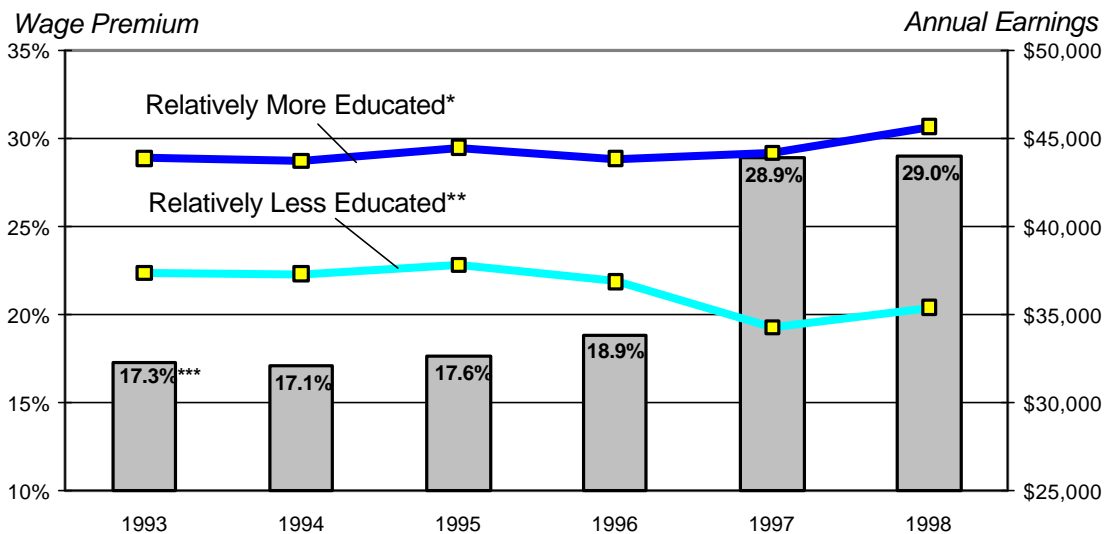


The Earnings Gap is Widening . . .

In addition to this rapid growth in the supply of relatively educated workers, their labour market outcomes have actually improved relative to their less educated counterparts. Figure 2 shows that the earnings gap between those with post-secondary completion and those without post-secondary completion

grew from 17 per cent in 1993 to 29 per cent in 1998. This comparison looks at earnings for only those working full-time and full-year. This controls for the fact that those with less education are more likely to work either part-year or part-time than those with more education.

Figure 2: Average Full-Time, Full-Year Earnings of the Core Working Age Population Aged 25-54, and Their Wage Premium*, for Those Holding a Post-Secondary Certificate, Diploma or University Degree, 1993 to 1998**



* Persons possessing a Post-Secondary Certificate, Diploma or University degree.

** Persons with some post-secondary education or less.

*** The extent that average earnings wages are higher for those who possess a Post-Secondary Certificate, Diploma or University degree.

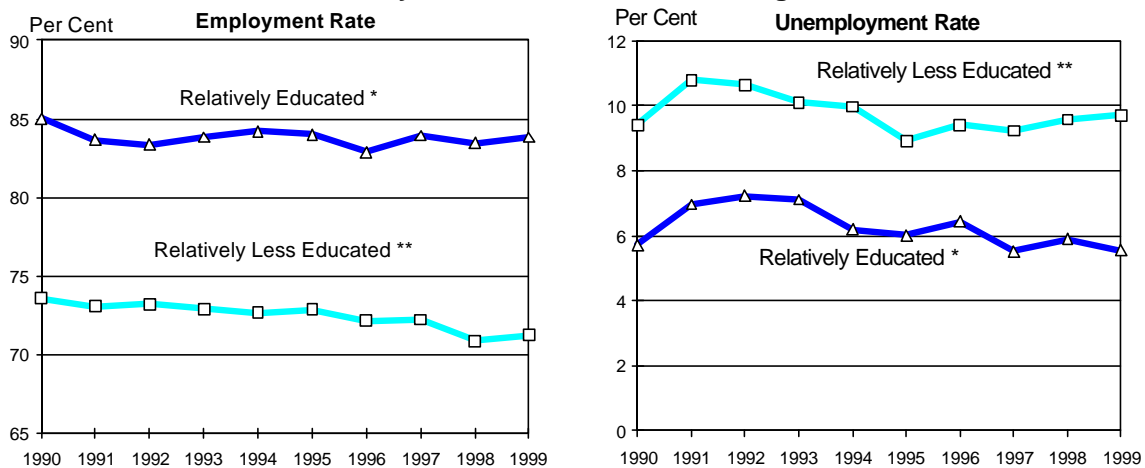
Source: Statistics Canada, Survey of Labour and Income Dynamics

Other Labour Force Characteristics . . .

Employment rates and unemployment rates also continue to be more favourable for post-secondary completers as seen in Figure 3.

As with earnings, the gap in these labour market indicators between those with and without post-secondary completion has shown no signs of decline during the 1990s.

Figure 3: BC Employment Rates and Unemployment Rates for the Relatively Educated* and Relatively Less Educated Persons Aged 25 to 54**



* Persons possessing a Post-Secondary Certificate, Diploma or University Degree.

** Persons with some post-secondary education or less.

Source: Statistics Canada, Labour Force Survey

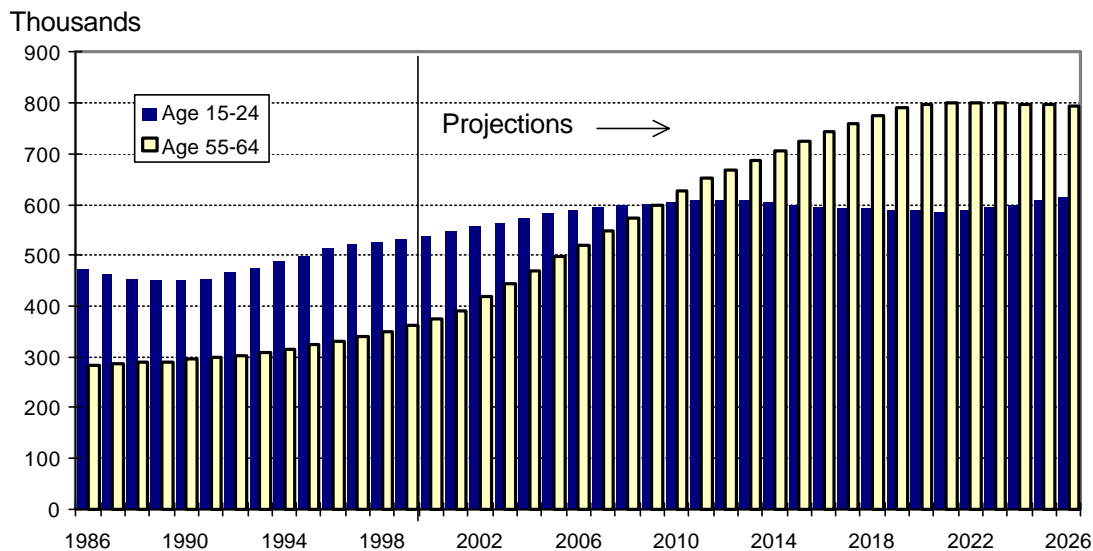
The fact that relative employment outcomes have not diminished (and appear to have improved) for relatively educated workers strongly suggests that the rapid growth in their supply has been very much driven by demand for such workers. This adds to the body of evidence that suggests that the emergence of the knowledge-based economy has been occurring.

Projections of occupational employment by educational requirements suggest that the high growth in demand for post-secondary completers will continue through to 2008. Employment projections from the Canadian Occupational Projection Model show that about 72.4 per cent of projected job openings

between 1998 and 2008 in B.C. are in occupations requiring post-secondary, trades or industry training beyond high school.

The retiring of the baby-boom cohort over the next 25 years also points to the critical need to increase the supply of relatively well educated workers. Through the next decade, most (57 per cent) projected job openings are to satisfy replacement needs due to retirement attrition. Figure 4 below shows that the pre-retiree population is growing relative to the youth population. The accelerated annual number of retirements that this will inevitably cause will open many job opportunities for youth, particularly for those with relatively high levels of education.

Figure 4: The pre-retiree population in BC is quickly overtaking the potential flow into the workforce...



Source: BC Stats, P.E.O.P.L.E. 25

Education Level of Those Leaving the Workforce will Rise Notably this Decade and Next . . .

Figure 5 notes the proportion of the B.C. population with some post-secondary education has been rising for all age groups since 1976. By 1996, fully 44 per cent of the age 55 to 64 cohort had some post-secondary education, up from 28 per

cent in 1976. Those aged 45 to 54 in 1996 included 60 per cent with some post-secondary education. In the year 2006, this group will be the age 55 to 64 cohort and, unlike in the past, will have an educational attainment rate nearly as high as the younger age cohorts either just entering or having recently entered the labour market. What

will also be different, and was noted in Figure 5, is that the size of the pre-retirement population will soon be equal to and then exceed the youth population (a proxy for the size of those entering the labour market). One implication of these combined demographic and education changes is that

post-secondary education participation of younger persons will need to continue to rise, both to continue to meet the demands of an evolving knowledge-based economy, and also to replace a large and educated group of retiring workers.

Figure 5: Proportion of B.C. Population with Some Post-Secondary Education by Selected Age Group

	Age 20-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64
1976	44.1%	52.2%	40.2%	32.8%	27.9%
1981	46.7%	57.0%	52.1%	38.6%	32.6%
1986	52.9%	56.8%	59.1%	45.3%	35.6%
1991	59.3%	60.3%	61.3%	53.3%	38.6%
1996	63.5%	66.9%	62.4%	60.2%	44.1%

Source: Census of Canada

Recent Feature Articles

January 2000	Revisions to the Labour Force Survey	July 2000	British Columbia Summer Student labour Market - July 2000
February 2000	BC Educational Attainment and Labour Market Outcomes of Persons Aged 25-54	August 2000	B.C. Employment by Industry - A Ten Year Perspective
March 2000	The British Columbia Labour Market - 1 st Quarter 2000	September 2000	The British Columbia Labour Market 3 rd Quarter, 2000
April 2000	BC Labour Market Update for Youth Aged 15 to 24	October 2000	Labour Market Demand in British Columbia 1998-2008
May 2000	Labour Force Participation Rates of B.C. Women, 1976 to 1999	November 2000	Trends in Full-time and Part-time Employment in British Columbia
June 2000	The British Columbia Labour Market - 2 nd Quarter 2000	December 2000	The British Columbia Labour Market in 2000