

Labour Force Statistics ♦ April 2001

HIGHLIGHTS

- **B.C. seasonally adjusted employment fell by 10,400 in April partially offsetting the net gain of 22,300 seen in March.** The unemployment rate in April rose to 6.9 per cent, driven by an increase in the estimated number of unemployed persons.
- **There was little change in overall goods sector employment in April.** Gains in construction and utilities employment in April were offset by decreases in manufacturing and other goods sector employment.
- **Services sector employment fell by 10,000 in April.** Decreases in employment in accommodation, food & beverage services and health services, more than offset gains in finance, insurance & real estate, and professional, scientific and technical services.
- **Seasonally adjusted employment in April for Canada overall grew by 25,000, half of which was accounted for by youths aged 15 to 24.** Youth employment in B.C. in April was unchanged from March.

Selected Statistics (SA)*	Apr. 2001	Mar. 2001	Apr. 2000
B.C. Unemployment Rate	6.9%	6.6%	6.9%
Canada Unemployment Rate	7.0%	7.0%	6.8%
B.C. Help Wanted Index - (1996=100)	132.0	135.0	145.0
B.C. Employment - Change from prev. mo.	-0.5%	1.1%	-
B.C. Labour Force - Change from prev. mo.	-0.2%	0.4%	-
B.C. Participation Rate	64.4%	64.6%	64.5%

* 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) 952-6111.

B.C. Labour Market Update for Youth Aged 15 to 24

Introduction . . . Youth labour market conditions between mid-1998 and the present have generally shown some improvements. Employment has been rising and the unemployment rate has been falling. Yet this recent improvement followed a period between early-1995 and mid-1998 where the B.C. youth labour market saw considerable challenges. Examination of labour market changes and conditions between younger youth and older youth by student status highlights some notable differences, and provides a better understanding of the aggregate youth labour market data.

Overall Youth Labour Market Conditions

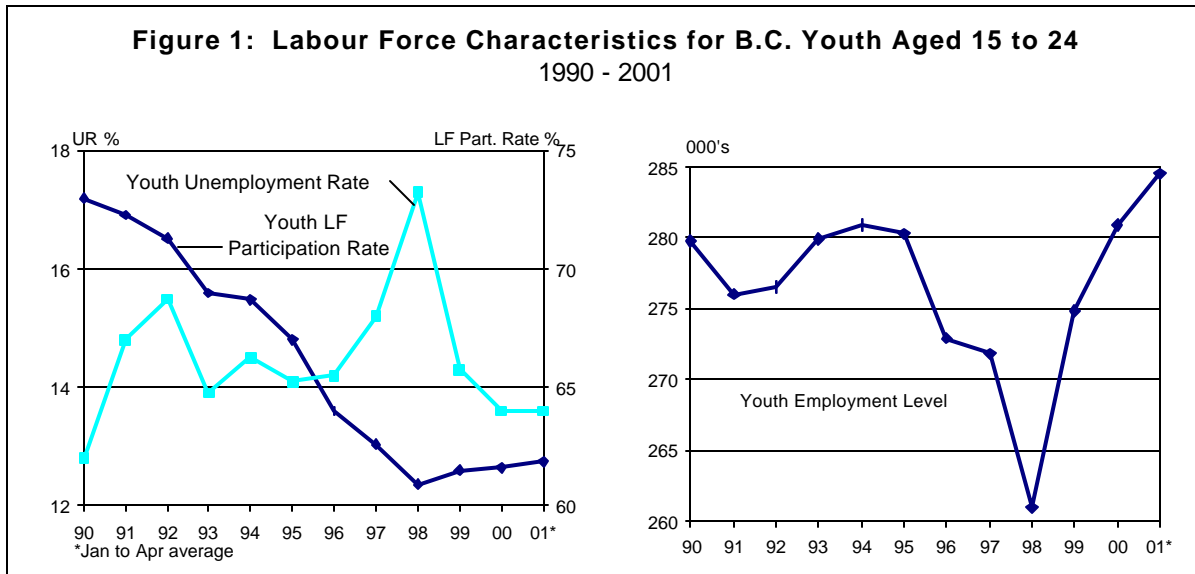
. . . Figure 1 displays the annual unemployment rate, labour force participation rate and employment by B.C. youth. From early-1997 to mid-1998, B.C. youth labour market conditions deteriorated considerably as employment levels fell by some 27,000 and unemployment rates rose from just under 14 per cent to a peak of 19.4 per cent. This rise in the youth unemployment rate was of particular concern since it occurred in an environment where the proportion of youth participating in the active labour force was falling.

Since mid-1998, youth labour market conditions in B.C. have improved considerably. Employment levels have risen by almost 34,000, while the unemployment rate has dropped to 13.0 per cent in April 2001.

The fall in the B.C. youth labour force participation rate seen during most of the 1990's halted in mid-1998. Since then it has shown some modest growth, but remains well below levels seen in the mid-1990's.

Part of the decline in the overall youth labour force participation rate since the mid-1990's is due to structural and compositional changes in the youth population. Structurally, the proportion of B.C. youth who are engaged in schooling (either secondary or post-secondary) has risen. Students, especially full-time students, are less likely to be in the labour force than non-students. Compositionally, the proportion of the overall youth population who are younger (aged 15 to 19) is higher today than in 1995 due to the demographic impact of the baby echo generation who are now entering their mid-teens.

Yet much of the overall drop in youth labour force participation appears to be due to worsening youth labour market conditions at the end of the 1990's compared to the start. As we will examine below, labour force participation rates fell for non-students and students alike, for both younger youth aged 15 to 19 and older youth aged 20 to 24.



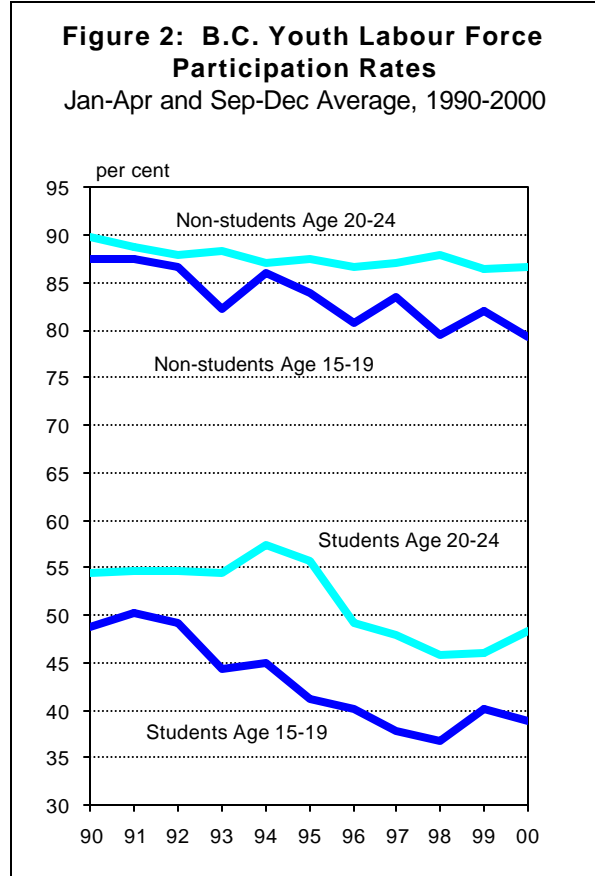
Labour Force Participation by Student Status for Younger and Older Youth . . .

Figure 2 shows labour force participation rates for youth sub-groups taken during the main school year (January-April and September-December). By the year 2000, student and non-student youth, both those aged 15-19 and 20-24, had lower labour force participation rates than the early-1990's. Clearly the decline in the overall youth labour force participation rate noted earlier in Figure 1, was driven by more than just the structural impact of increased youth schooling participation and the age compositional change.

For non-student youth overall, the decline in their labour force participation suggests they continue to face labour market challenges. The percentage of youth aged 15 to 19, who are not in school and neither employed nor actively looking for work has increased from 12.6 per cent in 1990 to 20.7 per cent in 2000. The participation rate in the labour force for older non-student youth aged 20-24 has remained fairly stable since the mid-1990's.

Student youth have seen some improvement in their labour force participation since 1998, but continue to have much lower labour force participation than non-students.

Unemployment Rates by Student Status for Younger and Older Youth. . . Figure 3 shows unemployment rates for four youth sub-



groups taken during the main school year (January-April and September-December). Non-student youth represent just 17 per cent of the 265,000 youth aged 15 to 19 in B.C. Of

these 46,000 individuals, about 6,000 were unemployed in 2000. Unemployment rates for this group have been improving the most in recent years, falling from 25 per cent in 1998 to around 17 per cent in 2000, yet their unemployment rates remain well above any of the other three sub-groups. About one in five individuals in this sub-group were neither in school nor in the work force in 2000.

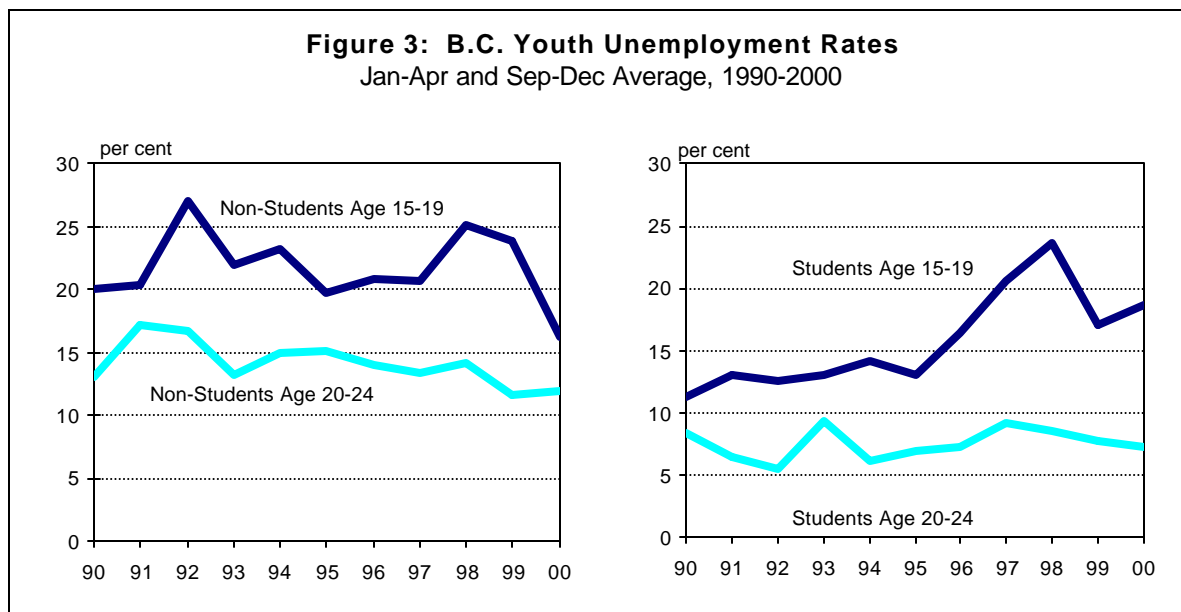
Non-students represent the largest segment of the older youth cohort aged 20-24 at 63 per cent. Their unemployment rates have remained steady throughout most of the 1990's at just under 15 per cent, but have shifted down to the 12 per cent range in 1999 and 2000.

Students are understandably the largest segment of the 15-19 year old group representing almost 83 per cent of this age cohort. About two fifths

of these students participate in the labour force during the school year, but their unemployment rates have remained high in the last few years.

Students aged 20-24 have the lowest unemployment rates of the four groups, remaining below 10 per cent throughout the 1990's and declining to 7.2 per cent in 2000. About half of all older students are in the labour force during the school year, and they enjoy the highest employment rate of all youth.

The recent "improvements" in youth unemployment rates for these four sub-groups of B.C. youth must be tempered when considered in light of how their labour force participation rates have decayed since 1990.



Youth Across Canada . . . Figure 4 shows a comparison of overall labour force participation and unemployment rates for youth by province for the year 2000 compared to 1990. As with Figures 2 and 3 the data are averages of the main schooling months (January-April and September-December). For context, the proportion of youth engaged in schooling by province is also included in Figure 4. Youth unemployment rates for Canada overall changed

very little when comparing 1990 to 2000, and remained in the double digits. On a provincial basis, youth unemployment rates increased in half the provinces and decreased in the other half over this time period. However, during the same period, the proportion of youth participating in the labour force declined in all provinces except P.E.I. Labour force participation rates fell the most in Ontario, Quebec and B.C. with B.C.'s youth labour force

participation rate declining over 11.4 percentage points between 1990 and 2000, compared to an average drop of 5.3 percentage points for Canada overall.

Differences in provincial declines in youth labour force participation can be explained in part by looking at the proportion of youth who are engaged in school by province. Students, as seen in Figure 2, are less likely to participate in the labour force than non-students. Looking at schooling participation in Figure 4, there has been an increase in the proportion of youth who were engaged in school over the last ten years in every province in Canada. The four provinces that had the greatest increase in schooling participation were B.C., Newfoundland, Ontario,

and Quebec. Canada's three largest provinces experienced the largest drops in labour force participation while Newfoundland continued to have the lowest youth labour force participation rate of all provinces.

Ontario continued to see the highest youth participation in schooling, in part due to their Grade 13 system (which ends this June). Most of the rise in schooling participation in all provinces over the period was due to the rise in post-secondary participation by 18 to 24 year olds.

Figure 4: Labour Force Characteristics of Youth Aged 15-24 by Province							
	<i>Unemployment Rate</i>		<i>LF Participation rate</i>		<i>Proportion of Youth in School</i>		
	1990	2000	1990	2000	1990	2000	Change
Canada	12.4%	12.6%	69.7%	64.4%	53.0%	60.4%	7.4
Newfoundland	24.6%	25.7%	50.5%	47.8%	51.8%	62.3%	10.5
Prince Edward Island	18.7%	14.7%	68.0%	68.7%	50.8%	57.1%	6.3
Nova Scotia	15.3%	15.6%	65.2%	62.8%	54.6%	61.9%	7.3
New Brunswick	18.9%	15.8%	61.6%	61.3%	50.7%	56.1%	5.3
Quebec	14.7%	13.9%	66.0%	61.1%	53.1%	60.8%	7.7
Ontario	10.0%	11.8%	72.9%	66.1%	55.8%	63.4%	7.6
Manitoba	12.6%	9.3%	72.9%	71.6%	50.0%	54.6%	4.6
Saskatchewan	11.9%	10.6%	67.6%	66.2%	52.1%	55.8%	3.8
Alberta	10.5%	10.7%	72.0%	70.3%	48.5%	53.5%	5.0
British Columbia	12.8%	13.6%	73.0%	61.6%	48.6%	59.9%	11.3

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