

Labour Force Statistics ♦ June 2001

HIGHLIGHTS

- **B.C. seasonally adjusted employment fell by 16,400 in June offsetting the increase of 12,500 in May.** Lower employment along with an increase in the number of unemployed persons, pushed up the unemployment rate to 7.0 per cent from 6.8 per cent.
- **Goods-sector employment in June was down 1.0 per cent, and services were down by 0.8 per cent.** Within goods, an exception was Construction, where employment rose 1.2 per cent in June, its highest monthly level since September 2000. Within services, most sectors were down, except Professional Scientific and Technical Services (up 6.9 per cent).
- **The employment decreases in B.C. in June from May were all accounted for by part-time work (down 19,600) while full-time work increased by 3,200.** Women accounted for most of the full-time job gains, but also all of the estimated part-time decreases.
- **Seasonally adjusted employment in June for Canada was little changed.** Employment growth in June was noted in Alberta (up 0.5 per cent) and Newfoundland (up 0.4 per cent), in contrast to the 0.8 per cent decrease in B.C. with little change in other provinces.

Selected Statistics (SA)*	Jun. 2001	May 2001	Jun. 2000
B.C. Unemployment Rate	7.0%	6.8%	6.8%
Canada Unemployment Rate	7.0%	7.0%	6.6%
B.C. Help Wanted Index - (1996=100)	126.0	130.0	145.0
B.C. Employment - Change from prev. mo.	-0.8%	0.6%	-
B.C. Labour Force - Change from prev. mo.	-0.6%	0.5%	-
B.C. Participation Rate	64.2%	64.7%	64.7%

* 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 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 - Second Quarter 2001

Summary . . . Seasonally adjusted employment in British Columbia rose in the second quarter of 2001 by 0.5 per cent from the first quarter of 2001. Employment on a quarterly basis has risen steadily for the past twelve quarters pausing only twice in its upward trend.

The rise in employment triggered a further drop in the unemployment rate, which fell to 6.9 per cent from 7.1 per cent in the first quarter of 2001. The B.C. unemployment rate has fallen in each of the last three quarters.

Goods-sector employment decreased in the last quarter, and is down 3.7 per cent from the second quarter of 2000. Services employment was up in the latest quarter, and is up 2.2 per cent over the same quarter a year ago.

Regionally, actual data for the first half of 2001 compared to the same period in 2000 shows labour market improvement in the Cariboo, Lower Mainland/Southwest and Northeast regions, but generally weaker labour market conditions for the Vancouver/Island Coast region, notably outside the Victoria Metro area.

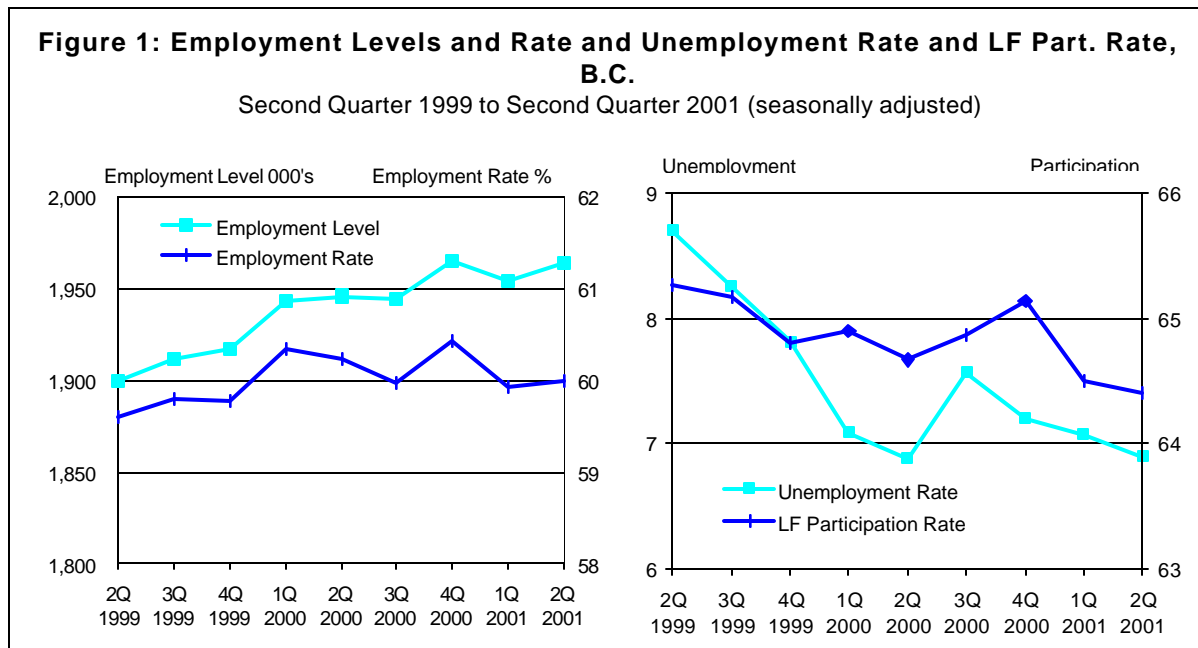
Employment and Employment Rates . . .

The left hand graph in Figure 1 notes employment has recovered in the second quarter, after a drop in the first quarter of 2001.

Employment by women accounted for most of the increase in employment in the latest quarter (up 7,600) while employment for men increased by 2,000. The proportion of persons aged 15 and older who were employed (employment rate) rose slightly to 60.0 from 59.9 per cent in the second quarter of 2001, but remains below the 60.4 per cent level in the fourth quarter of 2000.

Unemployment and Labour Force Participation

Participation . . . The number of unemployed persons fell to 145,600 in the second quarter from 148,800 in the first quarter of 2001. As seen in the right-hand graph in Figure 1, the labour force participation rate remained virtually unchanged at 64.4 per cent, down only slightly from 64.5 per cent in the first quarter. This measure has been on a downward trend over the past eight quarters dropping 0.7 percentage points from the second quarter of 1999. An encouraging development in the latest quarter with the participation rate holding steady was the fall in the unemployment rate to 6.9 per cent from 7.1 per cent. The unemployment rate in the second quarter of 2001 was 7.7 per cent for men and 6.0 per cent for women.



Employment by Industrial Classification . . .

Figure 2 shows quarterly net changes by industry in seasonally adjusted employment over the last four quarters. The final column notes the percentage change seen in average employment levels comparing the second quarter of 2001 to the second quarter of 2000.

Employment in the *goods sector* has weakened over the last four quarters following slight gains in the second quarter of 2000. The Other Primary sub-sector (logging, fishing, mining, oil and gas) is down notably from a year ago. Declines are also seen in Agriculture and Manufacturing.

Construction and Utilities saw increases in employment in the second quarter. For construction, the sharp gains in the second quarter added to increases seen in the first quarter. Overall construction employment is up 5.6 per cent from a year ago.

Over the last year, employment in the goods sector was down by 3.7 per cent from the second

quarter 2000, which in net terms represented an employment decrease of 15,500. Within goods, only utilities and construction employment increased over the last year.

All of the employment gains in the second quarter were in the *services sector*, up by 12,300 from the first quarter 2001. Gains in Health, Management of Companies, and Professional, Scientific & Technical services more than offset decreases in six other service sector industries. The increase in Public Administration employment was temporary and occurred in May due to both the 2001 Federal Census and the provincial general election.

Over the last year, from second quarter 2000 to second quarter 2001, net employment in the services sector overall grew by 2.2 per cent or 33,600. Most of this gain was seen in the fourth quarter of 2000. Information, Culture & Recreation and Management of Companies sectors have seen the strongest growth amongst services over the last year.

Figure 2: B.C. Employment by Industrial Classification

Third Quarter 2000 to Second Quarter 2001 (seasonally adjusted)

Net Change from previous quarter

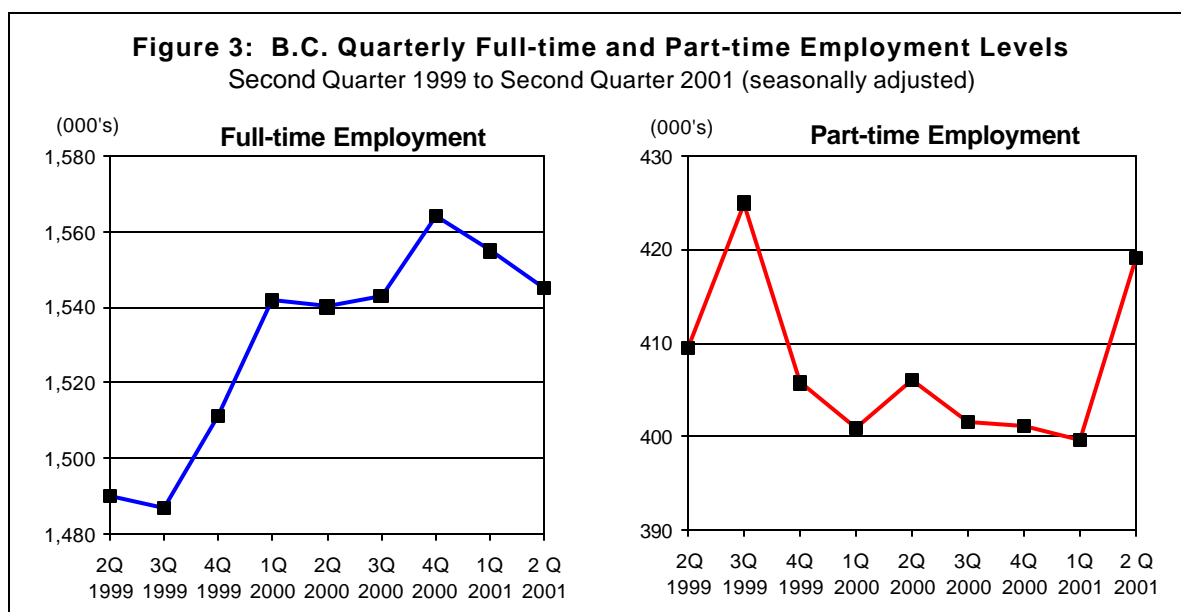
	<i>Employment Level 2Q01</i>	<i>3Q00</i>	<i>4Q00</i>	<i>1Q01</i>	<i>2Q01</i>	<i>Per Cent Change 2Q00 to 2Q01</i>
Total	1,964.2	-1,500	20,700	-10,700	9,600	0.9
Goods Sector	402.7	-1,400	-10,800	-600	-2,700	-3.7
Agriculture	25.3	2,800	-4,500	400	-2,500	-13.0
Other primary	41.5	-4,000	-1,900	-6,200	-5,200	-29.5
Utilities	13.0	800	-2,700	600	2,600	11.1
Construction	119.6	1,400	-8,200	3,200	10,000	5.6
Manufacturing	203.3	-2,400	6,500	1,500	-7,600	-1.0
Service Sector	1,561.4	-100	31,500	-10,100	12,300	2.2
Retail & wholesale trade	305.7	5,800	-2,900	1,700	800	1.8
Transportation & warehousing	106.9	-9,500	-4,200	2,500	-2,100	-11.0
Finance, insur. & real estate	120.0	6,800	-1,400	-800	-1,400	2.8
Prof. Scientific & technical	145.6	-1,200	5,400	-2,500	7,100	6.5
Management of Companies	75.3	4,400	700	-4,700	5,000	7.9
Education services	133.7	-2,700	9,700	-5,700	-400	0.7
Health & social assistance	206.6	-4,600	-3,000	-2,400	10,700	0.4
Information, culture & rec.	107.4	1,700	12,800	1,200	-3,800	12.4
Accommodation & food	171.4	-3,600	12,600	3,500	-5,800	4.1
Other services	97.2	1,700	-700	1,000	-2,600	-0.6
Public administration	91.8	900	2,700	-4,200	4,800	4.7

Full and Part-time Employment . . . Figure 3 shows that seasonally adjusted full-time employment declined for the second quarter in a row after substantial increases going back to the third quarter of 1999. Comparing the second quarter to the first quarter of 2001, both men and women lost full-time employment, resulting in a net decrease in overall full-time employment of 9,800. It should be noted however that the drop in full-time work halted in June, 2001 and registered a slight increase from May.

Overall part-time employment increased by 19,500 in the second quarter of 2001 from the previous quarter. This almost brings part-time employment levels back to the high seen in the

third quarter 1999. Men and women shared increases in part-time employment in the second quarter 2001 (11,800 and 7,600 respectively.)

Over the past year, when comparing the latest quarter to the second quarter of 2000, full-time employment in B.C. was up by 5,000 (0.3 per cent) and part-time employment was up 13,100 (3.2 per cent). On this same year-over-year basis, full-time work for women grew by 13,000 (2.1 per cent) while full-time employment for men was down by 8,000 (-0.9 per cent). In part, the decline in full-time work for men reflects employment decreases in the goods sector, which is overly represented by men.



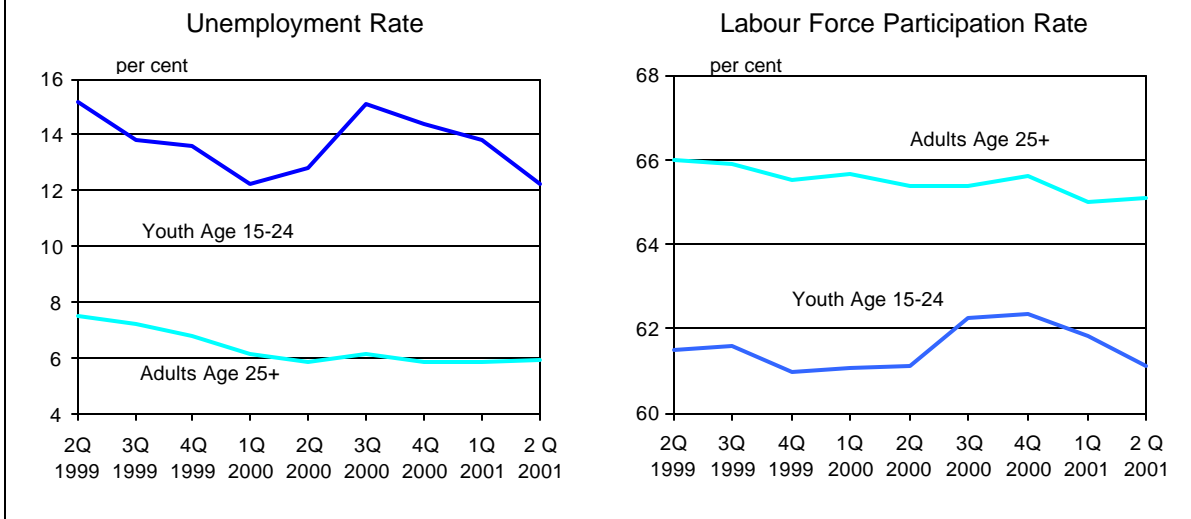
Youth and Adult Unemployment and Labour Force Participation . . . The seasonally adjusted unemployment rate for adults aged 25+ (see Figure 4 left-hand graph) has remained relatively flat for the past five quarters averaging just under 6.0 per cent as employment and the labour force have grown at nearly the same pace. The youth unemployment rate in B.C. fell for the third consecutive quarter to 12.3 per cent in the latest quarter from 13.8 per cent in the first quarter of 2001. It remains much improved from the 17.7 per cent seen in the second quarter of 1998, but has still not fallen

back or below the 12.2 per cent seen in the first quarter of 2001.

Over the past two years the adult labour force participation rate has declined by about 1 percentage point to 65.1 per cent (see Figure 4 right-hand graph). The drop in youth labour force participation in the latest quarter to 61.2 per cent is the second quarterly decline and has erased all of the gains seen in each of the prior four quarters. The recent downward movement in youth labour force participation somewhat clouds the fall in the youth unemployment rate over the past two quarters.

Figure 4: B.C. Youth and Adult Unemployment Rates and Labour Force Participation Rates

Second Quarter 1999 to Second Quarter 2001 (seasonally adjusted)



Regional . . . Actual estimates for labour market levels and changes by development region are noted in Figure 5 which compares the first half of 2001 to the same period in 2000. Seasonally adjusted data is not available on a regional basis from Statistics Canada. Provincial employment change has varied on a regional basis over the past year.

Above-average actual employment growth for the first half of 2001 from the same period in 2000 was seen in five of the seven reported regions of B.C. Decreases in employment in the Vancouver Island/Coast and Kootenay regions offset most of the increases in other regions resulting in provincial employment growth of 0.7 per cent over this time period. The Lower Mainland/Southwest appears to be benefiting from ongoing gains in business and computer related services, a diverse economic base and strengthened international in-migration of population in 2001, with employment up by 37,900 for the first half of 2001 from the same period a year ago. By contrast, the Vancouver Island/Coast region saw a decrease of 31,600 in employment over the same period. Three-

quarters of this decrease has been felt outside the Victoria Metro area.

Actual average unemployment rates for the first half of this year fell in three regions of B.C. (Thompson/Okanagan, Northeast and Lower Mainland/Southwest). The unemployment rate rose in the other four regions.

The rise in unemployment rate for North Coast/Nechako should not be viewed necessarily as a negative sign, as employment and the employment rate were both up. The labour force simply expanded faster than employment. Of more concern was the Kootenay and Vancouver Island/Coast regions with notable drops in the proportion of the working age population who were employed, a fall in employment level, and higher unemployment rates. Weakness in goods sector employment as well as ancillary service sectors dependent on the goods sectors appears to have negatively impacted labour market conditions in the Kootenay region and much of the Vancouver Island/Coast region.

Figure 5: Regional Labour Market Changes
First Half of 2000 vs. First Half of 2001 (actual data)

Development Regions	Employment (000's)			Unemployment Rate			Employment/Pop. Ratio		
	1 st Half 2000	1 st Half 2001	% Change	1 st Half 2000	1 st Half 2001	Absolute Change	1 st Half 2000	1 st Half 2001	Absolute Change
Vancouver Island/Coast	334.4	303.8	-9.2%	7.1%	8.9%	1.8%	59.5%	54.6%	-4.9%
Lower Mainland/S.W.	1156.5	1194.4	3.3%	6.4%	6.0%	-0.4%	60.7%	61.9%	1.2%
Thompson/Okanagan	211.4	214.6	1.5%	10.0%	9.1%	-1.0%	55.7%	56.0%	0.3%
Kootenay	71.7	70.8	-1.2%	10.0%	10.5%	0.5%	58.2%	56.2%	-2.0%
Cariboo	80.2	81.8	2.0%	9.7%	9.9%	0.2%	59.8%	61.4%	1.6%
North Coast & Nechako	47.3	48.2	1.8%	8.3%	10.7%	2.4%	63.3%	64.6%	1.3%
Northeast	31.9	33.5	6.0%	5.5%	5.1%	-0.5%	66.6%	69.9%	3.3%
B.C. Total	1933.2	1946.9	0.7%	7.2%	7.2%	0.0%	59.9%	59.5%	-0.4%

Recent Feature Articles

June 2000	The British Columbia Labour Market - 2nd Quarter 2000	December 2000	The British Columbia Labour Market in 2000
July 2000	British Columbia Summer Student labour Market - July 2000	January 2001	Demand and Supply Indicators for Workers with Post-Secondary Education
August 2000	B.C. Employment by Industry - A Ten Year Perspective	February 2001	Earnings Premium for Younger Workers with Post-Secondary Education
September 2000	The British Columbia Labour Market 3 rd Quarter, 2000	March 2001	The British Columbia Labour Market – 1 st Quarter 2001
October 2000	Labour Market Demand in British Columbia 1998-2008	April 2001	BC Labour Market Update for Youth Aged 15 to 24
November 2000	Trends in Full-time and Part-time Employment in British Columbia	May 2001	BC Regional Labour Market Trends – 1995 to 2000