

## Labour Force Statistics ♦ September 2001

### HIGHLIGHTS

- **Despite a small decrease in employment (down by 900) in September, a larger movement of persons out of the labour force caused the B.C. unemployment rate to fall to 7.7 per cent in September from 7.9 per cent in August.** The estimated number of unemployed persons fell by 4,500 in September from August.
- **Goods sector employment in B.C. rose slightly (up 2,000) in September, but is down by 25,000 from September 2000.** Service sector employment fell slightly in September (down 3,000), but is up by 4,800 over the same month a year ago.
- **Full-time employment in September was little changed from August, but it has fallen in each of the last three quarters.** Comparing the third quarter of 2001 to the same quarter a year ago, full-time employment in B.C. is down by 13,200, while part-time employment is up by 10,200.
- **Employment for Canada rose slightly in September (up 20,000) after three consecutive months of small declines. Overall it now stands near the same level as seen in April.** Provincial seasonally adjusted employment in September fell in Ontario, but was up in Quebec, Manitoba and Alberta.

<b>Selected Statistics (SA)*</b>	<b>Sep. 2001</b>	<b>Aug. 2001</b>	<b>Sep. 2000</b>
B.C. Unemployment Rate	7.7%	7.9%	7.7%
Canada Unemployment Rate	7.2%	7.2%	6.9%
B.C. Help Wanted Index - (1996=100)	120.0	123.0	147.0
B.C. Employment - Change from prev. mo.	0.0%	-1.0%	-
B.C. Labour Force - Change from prev. mo.	-0.3%	-0.3%	-
B.C. Participation Rate	63.7%	63.9%	65.2%

\* 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 Management Services 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 - Third Quarter 2001

**Summary . . .** Seasonally adjusted employment in British Columbia fell in the third quarter of 2001 by 1.1 per cent from the second quarter of 2001. Full-time employment has fallen in each of the past three quarters.

The drop in employment triggered an increase in the unemployment rate, which rose to 7.6 per cent from 6.9 per cent in the second quarter of 2001. This marked only the second rise in the B.C. unemployment rate over the past nine quarters.

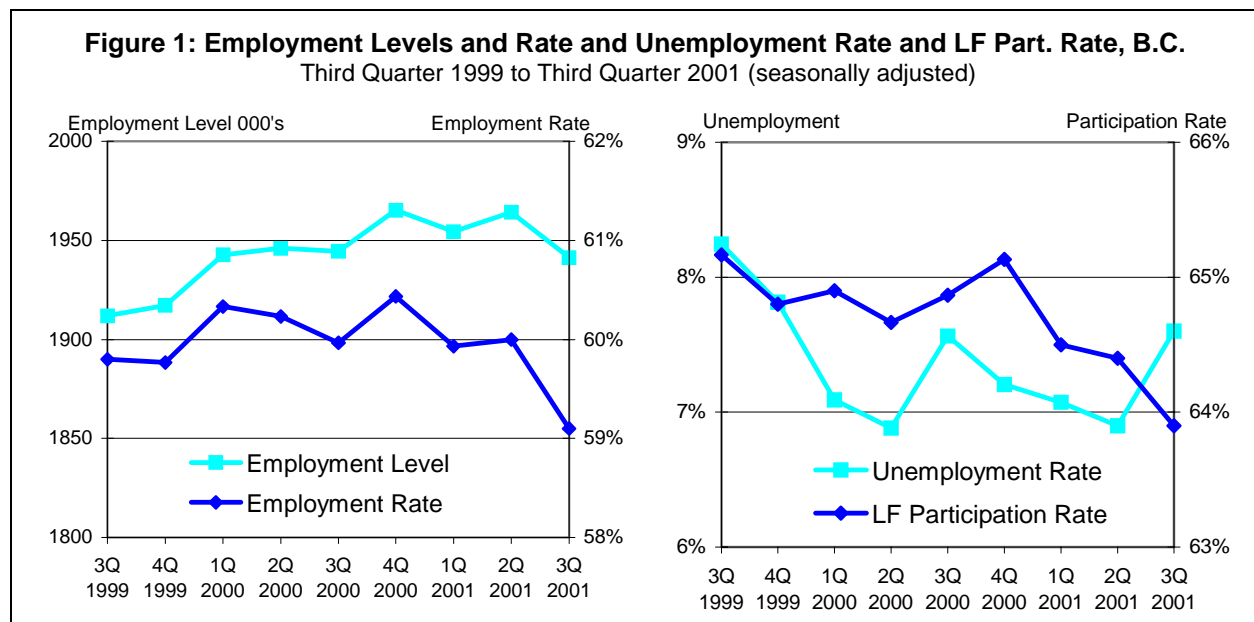
Goods sector employment decreased in the last quarter (its fourth consecutive quarterly drop), and is down 5.4 per cent from the third quarter of 2000. Services employment was also down in the latest quarter, but is up 1.3 per cent over the same quarter a year ago. Regionally, actual data for the first three quarters of 2001 compared to the same period in 2000 shows labour market improvement in the Thompson-Okanagan, Lower Mainland/Southwest and Northeast regions, but generally weaker labour market conditions for the Vancouver/Island Coast region.

**Employment and Employment Rates . . .** The left hand graph in Figure 1 notes employment has decreased in the third quarter back to levels seen in early 2000 after three consecutive

quarters of the highest employment levels in B.C. history. Employment by men accounted for over half of the decrease in employment in the latest quarter (down 12,800) while employment for women decreased by 9,900. The proportion of persons aged 15 and older who were employed (employment rate) dropped to 59.1 per cent from 60.0 per cent in the second quarter of 2001. This brings the employment rate back to the rate seen in early 1998. The employment rate peaked at 60.4 per cent in the fourth quarter of 2000.

### Unemployment and Labour Force

**Participation . . .** The number of unemployed persons rose to 159,500 in the third quarter from 145,600 in the second quarter of 2001. As seen in the right-hand graph in Figure 1, the labour force participation rate declined to 63.9 per cent from 64.4 per cent in the second quarter. This measure has fallen by 1.3 percentage points from the third quarter of 1999. The increase in the overall B.C. unemployment rate in the latest quarter to 7.6 per cent from 6.9 per cent in the second quarter was caused by a combination of employment declines and increases in unemployed persons. The unemployment rate in the third quarter of 2001 was 8.1 per cent for men and 7.0 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 third quarter of 2001 to the third quarter of 2000.

Employment in the *goods sector* has fallen in each of the last four quarters. The Other Primary sub-sector (logging, fishing, mining, oil and gas) and Agriculture were the only sectors that showed a net increase in employment in goods in the third quarter. These were more than offset by declines in Manufacturing and Construction in the third quarter.

On a year-over-year basis, employment in the goods sector was down by 5.4 per cent from the third quarter 2000, which in net terms represented an employment decrease of 22,600. Within goods,

only Construction employment increased over the last year.

The *services sector* also lost employment in the third quarter, down 14,200 from the second quarter of 2001. Gains in Trade, Transportation and Health failed to offset losses in all other service sector industries.

Over the last year, from third quarter 2000 to third quarter 2001, net employment in the services sector overall grew by 1.3 per cent or 19,500. Most of this gain was seen in the fourth quarter of 2000. Information, Culture & Recreation, Professional, Scientific & Technical Services, Accommodation & Food, and Health & Social Assistance sectors have seen the strongest growth amongst services over the last year. By contrast, Finance, Insurance & Real Estate is down nearly seven per cent from the third quarter of 2000.

**Figure 2: B.C. Employment by Industrial Classification**

Fourth Quarter 2000 to Third Quarter 2001 (seasonally adjusted)

	Employment Level 3Q01 (000's)	Net Change from previous quarter				Per Cent Change 3Q00 to 3Q01
		4Q00	1Q01	2Q01	3Q01	
<b>Total</b>	<b>1,941.5</b>	<b>29,700</b>	<b>-10,700</b>	<b>9,600</b>	<b>-22,700</b>	<b>-0.2</b>
<b>Goods Sector</b>	<b>394.2</b>	<b>-10,800</b>	<b>-600</b>	<b>-2,700</b>	<b>-8,500</b>	<b>-5.4</b>
Agriculture	25.6	-4,500	400	-2,500	300	-19.6
Other Primary	44.6	-1,900	-6,200	-5,200	3,100	-18.6
Utilities	12.5	-2,700	600	2,600	-500	-0.3
Construction	117.4	-8,200	3,200	10,000	-2,200	2.4
Manufacturing	193.2	6,500	1,500	-7,600	-10,200	-4.8
<b>Service Sector</b>	<b>1,547.2</b>	<b>31,500</b>	<b>-10,100</b>	<b>12,300</b>	<b>-14,200</b>	<b>1.3</b>
Retail & Wholesale Trade	309.3	-2,900	1,700	800	3,700	1.1
Transportation & Warehousing	107.3	-4,200	2,500	-2,100	400	-3.0
Finance, Insur. & Real Estate	114.9	-1,400	-800	-1,400	-5,100	-6.9
Prof. Scientific & Technical	143.0	-5,400	-2,500	7,100	-2,600	5.5
Management of Companies	74.5	700	-4,700	5,000	-900	0.3
Education Services	133.3	9,700	-5,700	-400	-400	2.6
Health & Social Assistance	208.5	-3,000	-2,400	10,700	2,000	3.6
Information, Culture & rec.	103.6	12,800	1,200	-3,800	-3,600	6.7
Accommodation & Food	166.6	12,600	3,500	-5,800	-4,700	3.5
Other Services	96.9	-700	1,000	-2,600	-300	-2.7
Public Administration	89.1	2,700	-4,200	4,800	-2,700	1.6

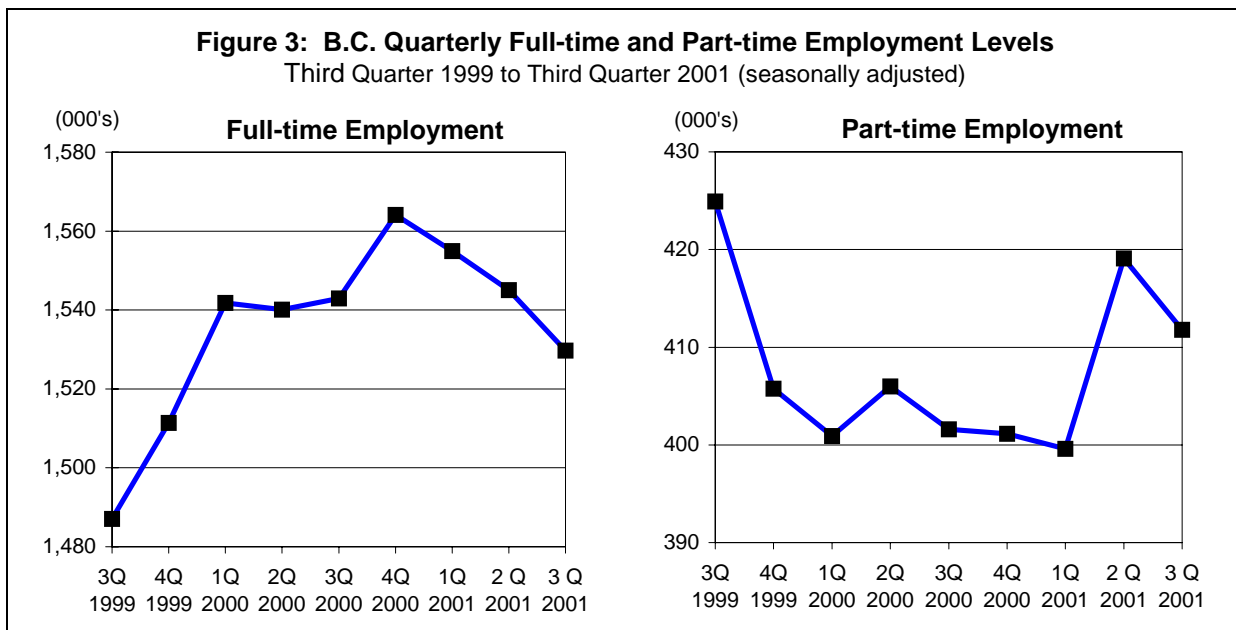
**Full and Part-time Employment . . .** Figure 3 shows that seasonally adjusted full-time employment declined for the third consecutive quarter, partly offsetting substantial increases going back to the third quarter of 1999.

Comparing the third quarter to the second quarter of 2001, women accounted for over 75 per cent of the full-time employment losses, resulting in a net decrease in overall full-time employment of 15,400.

Overall part-time employment decreased by 7,300 in the third quarter of 2001 following a major upswing in the second quarter. Men were

responsible for all of the part-time employment losses in the third quarter while women experienced a slight increase in part-time employment (-9,200 and 1,900 respectively).

Over the past year, when comparing the latest quarter to the third quarter of 2000, full-time employment in B.C. was down by 13,200 (-0.9 per cent) and part-time employment was up 10,200 (2.5 per cent). On this same year-over-year basis, men accounted for 83 per cent of the full-time employment losses, while women accounted for almost three-quarters of the part-time employment gains.



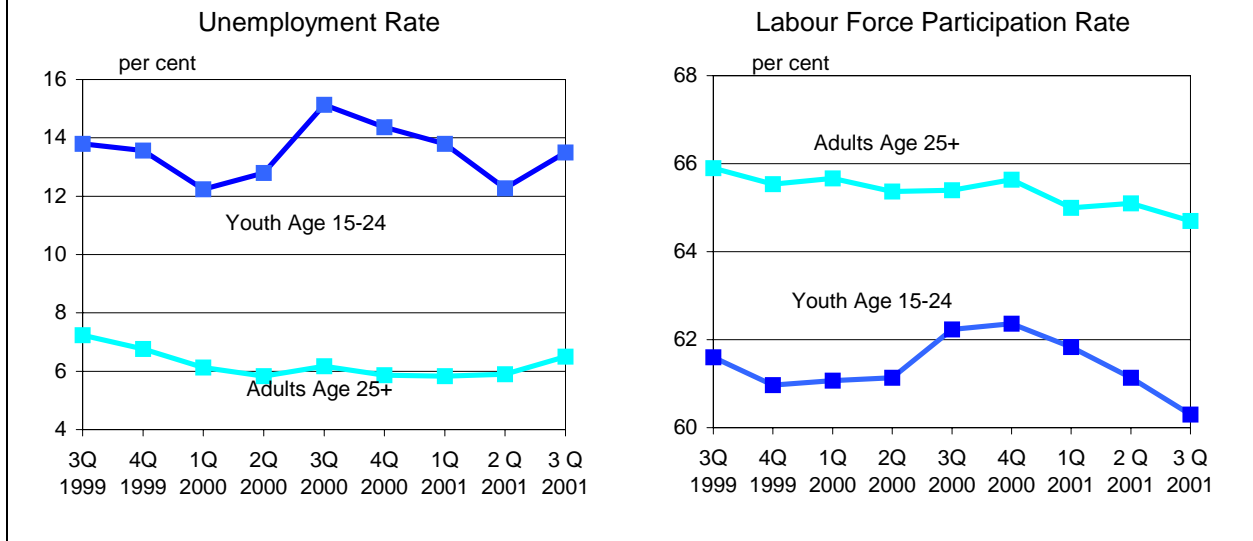
**Youth and Adult Unemployment and Labour Force Participation . . .** The seasonally adjusted unemployment rate for adults aged 25+ (see Figure 4 left-hand graph) rose to 6.5 per cent after remaining relatively flat for the past six quarters averaging just under 6.0 per cent. The youth unemployment rate in B.C. rose to 13.5 per cent in the third quarter 2001 reversing a downward trend seen in the last three consecutive quarters. It remains much improved from the 17.7 per cent seen in the second quarter of 1998.

Over the past two years the adult labour force participation rate has declined by about 1.2

percentage points, to 64.7 per cent in the latest quarter (see Figure 4 right-hand graph). The drop in youth labour force participation in the latest quarter to 60.3 per cent is the third consecutive quarterly decline and has erased all of the gains seen during the year 2000.

Rises in the unemployment rate and a fall in labour force participation rates for both youth and adults in the third quarter suggest labour market conditions have weakened considerably from the start of the year.

**Figure 4: B.C. Youth and Adult Unemployment Rates and Labour Force Participation Rates**  
Third Quarter 1999 to Third 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 three quarters 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 three quarters 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 much of the increases in other regions resulting in provincial employment growth of 0.4 per cent over this time period. The Lower Mainland/Southwest region appears to be benefiting from ongoing gains in business, technical and administrative services, a diverse economic base and strengthened international in-migration of population in 2001, with employment up by 24,400 for the first three quarters of 2001 from the same period a year ago. By contrast, the Vancouver Island/Coast region saw a decrease of 26,000 in employment over the same period.

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

Actual average unemployment rates for the first three quarters of this year compared to the same period in 2000 fell in all regions except Vancouver Island/Coast and North Coast/Nechako. The increased unemployment in these two regions offset declines in the other 5 regions.

The rise in the 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 Vancouver Island/Coast region with notable drops in the proportion of the working age population who were employed, a fall in employment level, and a higher unemployment rate. 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**

Average First Three Quarters of 2000 vs. First Three Quarters of 2001 (actual data)

Development Regions	Employment (000's)			Unemployment Rate			Employment/Pop. Ratio		
	1 <sup>st</sup> Three Quarters 2000	1 <sup>st</sup> Three Quarters 2001	% Change	1 <sup>st</sup> Three Quarters 2000	1 <sup>st</sup> Three Quarters 2001	Absolute Change	1 <sup>st</sup> Three Quarters 2000	1 <sup>st</sup> Three Quarters 2001	Absolute Change
Vancouver Island/Coast	330.9	304.9	-7.8%	7.7%	8.9%	1.3%	58.9%	54.5%	-4.4%
Lower Mainland/S.W.	1169.7	1194.1	2.1%	6.4%	6.2%	-0.2%	61.2%	61.6%	0.4%
Thompson/Okanagan	212.3	216.9	2.2%	9.6%	9.4%	-0.2%	55.9%	56.4%	0.5%
Kootenay	72.0	72.0	-0.1%	9.8%	9.1%	-0.7%	58.5%	57.4%	-1.1%
Cariboo	81.0	82.7	2.1%	10.0%	9.7%	-0.4%	60.4%	61.8%	1.3%
North Coast & Nechako	46.6	48.0	3.1%	9.6%	10.5%	0.9%	62.4%	64.5%	2.0%
Northeast	32.6	33.6	3.0%	6.0%	5.8%	-0.3%	68.1%	69.9%	1.8%
<b>B.C. Total</b>	<b>1945.1</b>	<b>1952.2</b>	<b>0.4%</b>	<b>7.3%</b>	<b>7.4%</b>	<b>0.1%</b>	<b>60.2%</b>	<b>59.6%</b>	<b>-0.6%</b>

Note: A follow-up to August's article on Post-Secondary Education Participation in B.C. will appear next month. It will examine post-secondary participation by type of schooling (college vs. university).

### Recent Feature Articles

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