

Labour Force Statistics ♦ November 2001

HIGHLIGHTS

- **Despite a small increase in employment (up 3,400), the rising number of people looking for work pushed the B.C. unemployment rate up to 8.5 per cent in November from 8.2 per cent in October.** The estimated number of unemployed persons rose by 7,100 in November from October.
- **Goods sector employment in B.C. fell 13,100 in November with the bulk of the losses were in manufacturing.** Service sector employment rose by 16,400 in November offsetting the goods sector losses but is still below the employment level seen in November 2000. Over half of the employment gains in the service sector this month were in retail and wholesale trade.
- **Full-time employment declined over the last two months (down 21,100) while part-time employment increased (up 8,800).** Comparing November 2001 with November 2000, full-time employment declined by 53,800 and part-time employment has increased by 13,900.
- **Employment in Canada was unchanged from October but an increase in people looking for work pushed the unemployment rate to 7.5 per cent in November from 7.3 per cent in October, the highest unemployment rate since August 1999.** Unemployment rates rose in all provinces except Manitoba, Nova Scotia and P.E.I. in November.

Selected Statistics (SA)*	Nov. 2001	Oct. 2001	Nov. 2000
B.C. Unemployment Rate	8.5%	8.2%	7.0%
Canada Unemployment Rate	7.5%	7.3%	7.9%
B.C. Help Wanted Index - (1996=100)	105.0	112.0	145.0
B.C. Employment - Change from prev. mo.	0.2%	-0.7%	-
B.C. Labour Force - Change from prev. mo.	0.5%	-0.1%	-
B.C. Participation Rate	63.8%	63.5%	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 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.

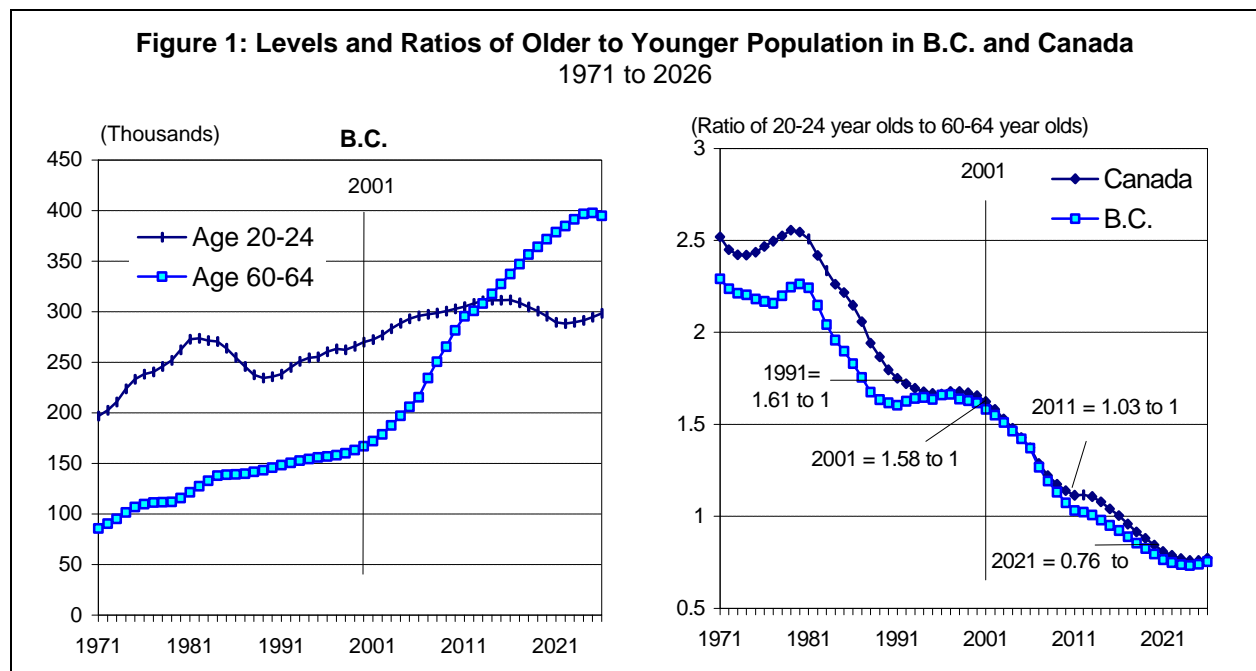
Older Workers in the Labour Market

Introduction . . . While there is no general definition for “older worker,” for the purposes of this article the focus is placed on persons aged 50 to 69. This report provides an overview of labour market characteristics of older workers in B.C. over the past twenty-five years. It also highlights what might be in store in the short term in light of upcoming demographic changes. The term “older” is simply used in a relative sense. (Note the *working age population* is defined as all persons aged 15 and older).

Labour market characteristics differ considerably among older workers. In 2000, three quarters of those aged 50 to 54 were employed. More diverse characteristics were found in the next two groups of older workers, aged 55 to 59 and 60 to 64. Those aged 65 to 69 were primarily retired, with only a small portion still active in the labour force. Within these age groups, differences between men and women were also evident and are explored later in the article.

Population . . . Figure 1 (left graph) shows the estimated and projected population levels of those between the ages of 20 and 24, and those between the ages of 60 and 64, from 1971 through to 2026. The younger cohort corresponds to the inflow of prime entrants into the labour force, while the prime retirement cohort corresponds to the outflow. The main retiree population is rapidly catching up in size to the main labour force entry population. Currently the population of 60 to 64 year olds is about 100,000 smaller than those 20 to 24 years old. The two cohorts are projected to be equal by the year 2011. After this point the retiree population will grow to exceed the younger cohort through to the year 2026. For many occupations, the number of retiring workers are projected to exceed the in-flow of young worker entrants. This will contribute to occupational skill shortages.

Unless birth rates rise significantly (which is unlikely), in-migration levels increase significantly, labour force participation rates increase, or older workers stay in the labour force longer, competition by employers for skilled workers in B.C will increase considerably over the next ten years.



Canada overall will also experience the demographic challenge of a prime retirement aged population exceeding the labour force entry level population. B.C. appears poised to see a slightly more problematic situation than faced by Canada overall.

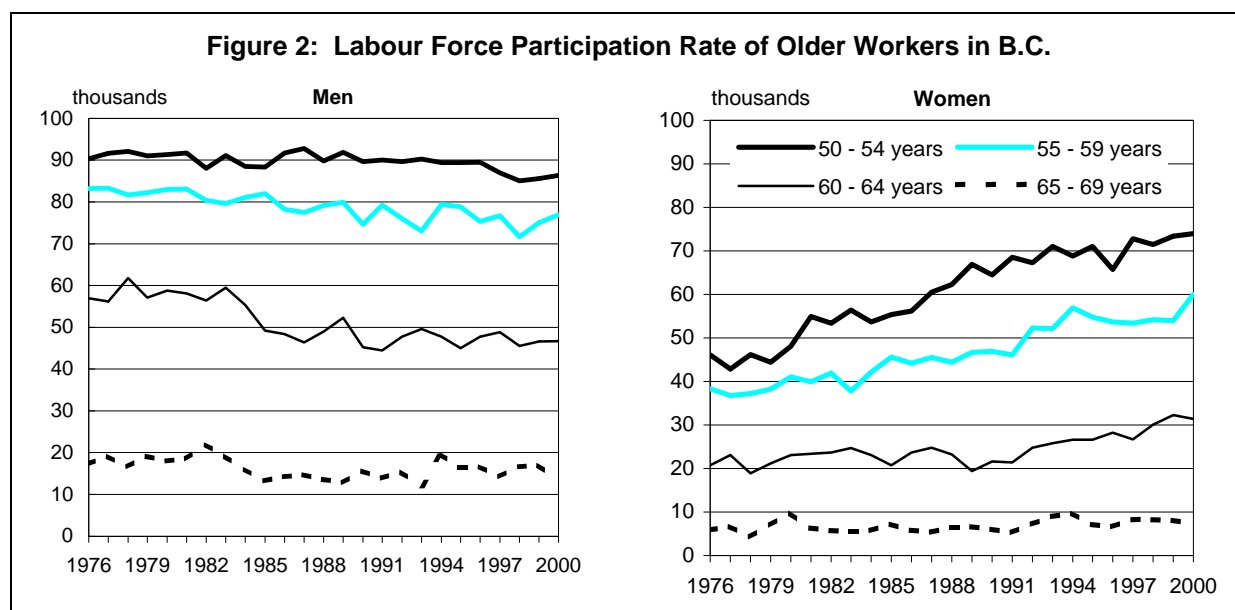
Figure 1 (right graph) illustrates that Canada now has some 1.6 persons aged 20 to 24 for every 1 person aged 60 to 64. This ratio will be 1 to 1 by the start of the next decade, and fall to about 0.76 to 1 by 2026.

The share of B.C. population aged 50 and older is expected to continue to increase in the coming years due largely to the aging of the “baby boom” group. The oldest were born in 1946 and entered the 50 to 54 age cohort in 1996. They are reflected in the increased numbers seen in the labour force for this age group since then. The last of the baby boomers, born in 1963, will enter the 50 to 54 age cohort in 2013.

Labour Force Participation . . . Labour force participation for those aged 50 to 54 and 55 to 59 have seen slight increases in their participation rates while the two older groups (60 to 64 and 65 to 69) have remained relatively

flat over the past 24 years. However, when participation rates are looked at separately for men and women a different story emerges. Figure 2 shows that while labour force participation for men is close to 90% in the 50 to 54 age cohort, participation starts to fall off in the older groups where retirements start occurring. For men in the 60 to 64 age group participation fell to 47 per cent from 57 per cent over the past 24 years. There is still a relatively active labour force in the 65 to 69 age group with an average participation rate of over 15 per cent but even it is lower than 1976.

By contrast, women have seen labour force gains in all older age groups over this period. This reflects the surge of women into the work force in the 1960’s and 1970’s who established careers and are now entering the older age cohorts. Men have traditionally participated in the labour force in larger numbers than women in all age groups. However, with the decline in labour force participation rate for older men and the increase for older women, the participation gap is narrowing. In 2000 the gap between men and women aged 50 to 54 was only 12 percentage points compared to a 44 percentage points in 1976.



Participation in Other Provinces . . .

Comparing labour force participation rates of older workers in Alberta, Ontario and Canada as a whole, we see a similar pattern. Participation is increasing rapidly for 50 to 54 year olds and more slowly for 55 to 59 year olds.

Participation for 60 to 64 year olds is declining across Canada while participation for those aged 65 to 69 has remained low and is slowly declining over the period 1976 to 2000.

In all older workers age groups, Alberta has the highest participation rate compared to B.C., Ontario and Canada as a whole. This may be due in part by Alberta's low unemployment rate and healthy economy. In the 50 to 54 and 55 to 59 age groups B.C., Alberta and Ontario have higher participation rates than the Canadian average. For those aged 60 to 64 the same holds true since 1992 when participation in B.C. rose to exceed the Canadian average. For those aged 65 to 69, B.C. participation rose to meet the Canadian average by 1994. Participation in the two older age groups is considerably higher in the prairie provinces than in Ontario and B.C. This may be due in part to farmers who continue to work on family farms well into old age.

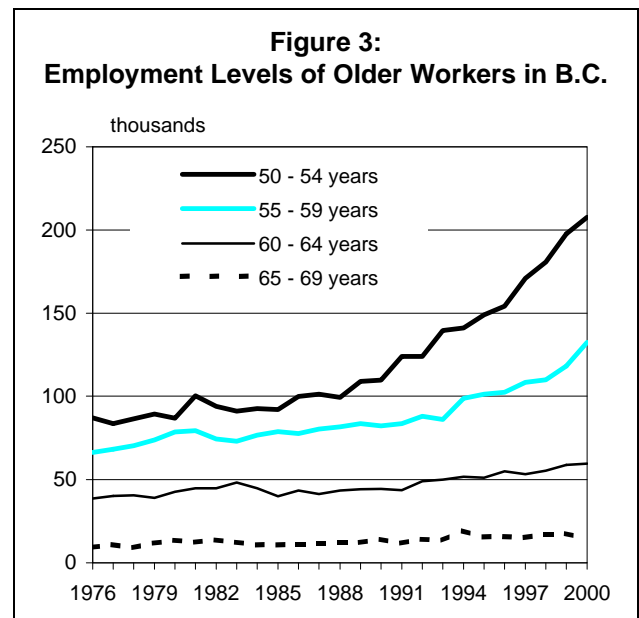
It will be interesting to see what the next ten years will bring. On the one hand, the trend for increased labour force participation for older workers, particularly women may continue as more baby boomers enter the older worker categories. On the other hand, there has been a trend in recent years for workers to retire earlier, which may partially offset this increase in participation. The changing economy which may make it less favourable to retire early, plus shortages of younger skilled workers which may make retaining older workers desirable, could have a dampening effect on early retirement trends.

For those past the traditional retirement age, those aged 65 to 69, participation in the labour force is much lower than other older workers at just over 10 per cent. This has remained relatively unchanged since 1976. This contrasts with a recent perception that more people in this age group are continuing to work past the age of 65 or returning to work after temporarily retiring. While this may be true for some, its

impact on participation is likely more than offset by other factors. For example, employer pensions and RRSPs which provide economic security, and as well as lifestyle choices are likely contributing to the low participation rate for persons aged 65 and older.

Employment . . . A look at employment levels tells a different story. Older workers between the ages of 50 and 69 account for about 21 per cent of all employed persons in 2000, up only slightly from 19 per cent in 1976. This share of employment is poised to increase significantly in the coming years as more baby boomers enter this age group.

This is illustrated in Figure 3, where employment for both men and women aged 50 to 54 has risen sharply over the past five years. The leading-edge baby boomers left the 45 to 49 age category and entered the 50 to 54 age category starting in 1996. Those aged 50 to 54 now represent half of older workers compared to about 40 per cent twenty years ago.



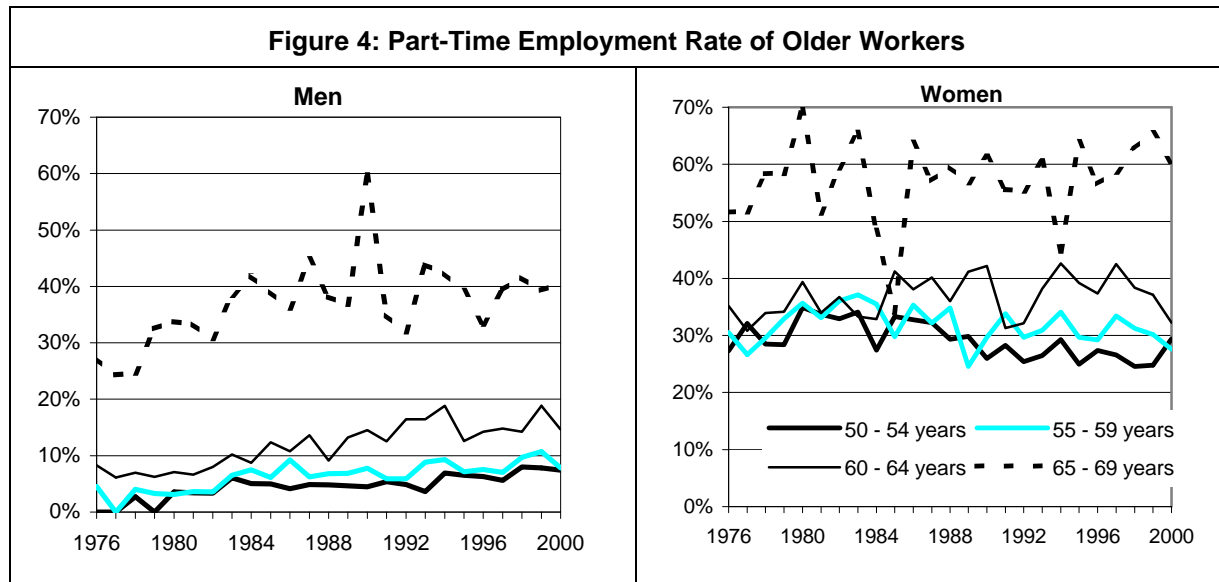
Part-time Employment Rate . . . Figure 4 shows the share of part-time employment as a share of total employment by older age categories. Part-time employment for older men is relatively low, representing 10.0 per cent of all employment by older men. However, this

has more than doubled from 4.5 per cent in 1976. All age groups have seen an increase. For men age 65 to 69 part-time employment represents a significant proportion of their employment at 40 per cent, up from 27 per cent in 1976.

The share of older women working part-time is traditionally higher than for men but hasn't changed much over time. It represents 30.1 per cent of all employment for older women in 2000 compared to 28.7 per cent in 1976. Part-time employment is declining for women aged 50 to 54 and 55 to 59, but is relatively flat for the two older categories. The Baby Boom generation of women are more likely to have careers and work

full time. These women are entering the older worker age categories and driving the part-time rate down. Women who work over the age of 65 are few in number and as such, the statistics should be viewed with caution.

Summary . . . We have seen declining labour force participation rates for older men but not for older women. This took place in an era of relatively high unemployment rates. If unemployment rates continue to decline over the longer term, and skills and occupational shortages arise, the participation rates for older workers may stabilize and may even increase as opportunities draw older workers into the labour market.



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