
Labour Force Statistics December 2001

HIGHLIGHTS

- **The B.C. unemployment rate jumped to 9.7 per cent in December, over a percentage point higher than in November.** Employment fell by 10,700 from the previous month while the labour force increased by 15,200. This pushed the total number of unemployed up by 25,800, or 14.4 per cent.
- **December's employment losses were primarily men 25 years of age and older who worked full time.** Losses were also concentrated in the natural resources and construction industries. The unemployment rate for all men stood at 11.3 per cent in December compared to 7.9 percent for women.
- **On an annual average basis for 2001, employment dropped by 0.3 per cent compared to 2000.** Part-time employment expanded by 2.4 per cent (up 9,700). This was not enough to offset a 0.9 per cent decrease in full-time employment (down 14,000).
- **Alberta and Newfoundland saw the highest employment growth from 2000 to 2001, with increases of 3.3 and 2.8 per cent respectively.** Saskatchewan had the largest loss of employment on an annual basis (-2.6 percent), followed by B.C. (-0.3 per cent).

Selected Statistics (SA)*	Dec. 2001	Nov. 2001	Dec. 2000
B.C. Unemployment Rate	9.7%	8.5%	7.1%
Canada Unemployment Rate	8.0%	7.5%	6.8%
B.C. Help Wanted Index (1996=100)	99.0	105.0	142.0
B.C. Employment - Monthly Change	-0.6%	0.2%	-
B.C. Labour Force - Monthly Change	0.7%	0.5%	-
B.C. Participation Rate	64.2%	63.8%	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 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.

The B.C. Labour Market in 2001

Employment . . . In 2001, B.C. employment on average fell by 6,700 or 0.3 per cent from 2000. This is B.C.'s first decline in annual average employment since 1982 and 1983 when employment dropped a full percentage over those two years.

The goods sector experienced most of the job loss, down 5.4 per cent or 22,400. *Forestry and logging* was down the most due to the uncertainty of the softwood lumber agreement and the softening US economy. Some industries in the goods sector improved, for example, utilities and construction both saw employment gains.

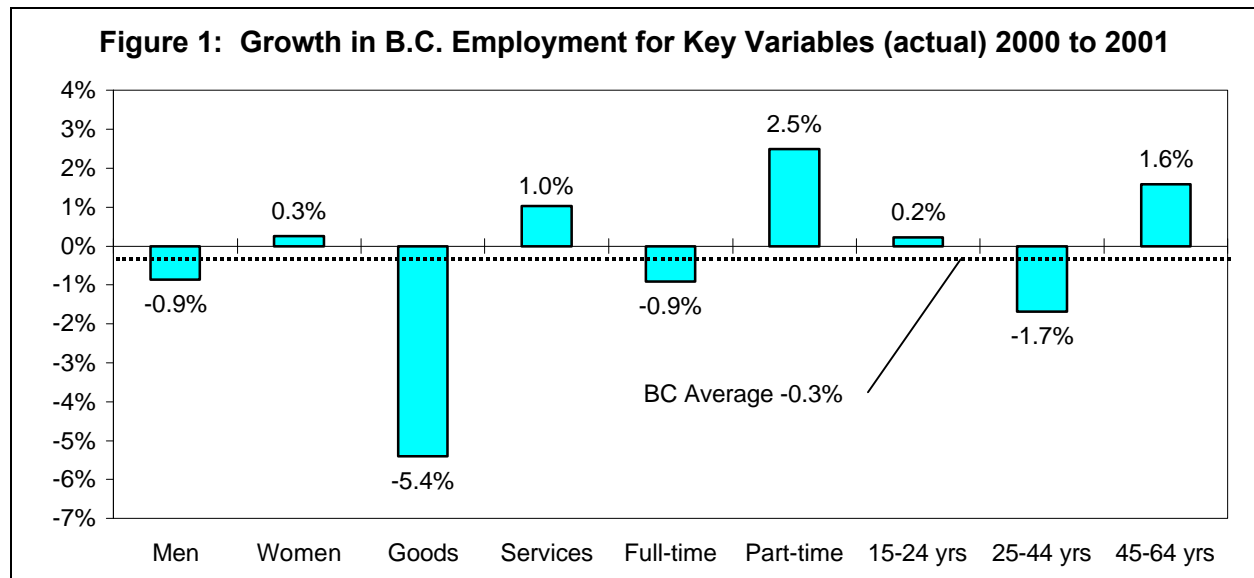
Employment in the services sector grew 1.0 per cent or 15,700. Most services industries saw little change, with most of the growth coming from *accommodation and food services* and *information, culture and recreation*. These gains were partially offset by employment losses in transportation and warehousing.

B.C.'s employment loss in 2001 was among full-time workers, who sustained a job loss of 0.9 per cent (down 14,400). This was partially offset the 2.4 per cent increase in part-time employment (up 9,400).

All of the full-time losses were among men (down 1.7 per cent) and these were offset partially by slight gains in full-time work for women (up 0.2 per cent). Men experienced almost all of the part-time job gains (up 6.7 per cent) with a slight increase among women (up 0.3 per cent).

The number of self-employed declined by 1.7 per cent, the largest loss by class of worker. Private sector employment grew by a modest 0.2 per cent while public sector employment remained almost unchanged (-0.1 per cent).

Employment growth of 1.6 per cent for persons aged 45 to 64 was bolstered in part by demographics, as the numbers of baby boomers entering this cohort strongly exceeded pre-baby boomers leaving the cohort. Female youth age 15 to 24 also saw their employment grow. This growth exceeded the job loss among male youth, leaving total youth employment up by 0.2 per cent. Those 25 to 44 years of age, both sexes, experienced most of the employment losses. Employment among this group was down 1.7 per cent compared to the provincial average loss of 0.3 per cent from 2000 to 2001.

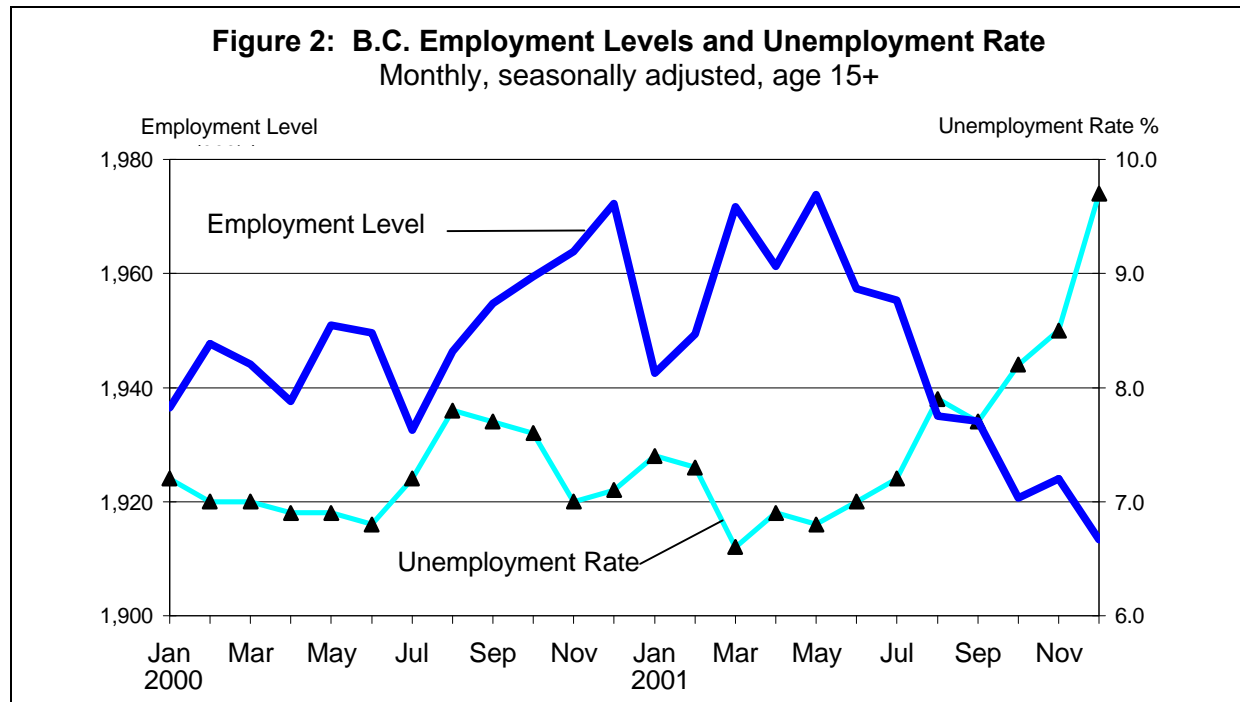


Employment and Unemployment Rates During 2001 . . . As noted in Figure 2, B.C. employment increased only in the first quarter of 2001, then paused and moved down for the rest of the year.

The unemployment rate dipped to a low in March and then pushed steadily up for the rest of the year with the biggest increase in December.

While September 11th obviously had an effect on the B.C. economy, employment during the year dropped more before this date than after it with job losses concentrated in first and the third quarters. In fact January had the biggest employment loss on a month over month basis.

The employment to population ratio dropped in 2001 to 59.2 per cent from 60.2 per cent. This is the lowest rate since 1987.



Unemployment Changes in 2001 . . . The provincial annual average unemployment rate increased to 7.7 per cent in 2001 from 7.2 per cent in 2000. The number of people unemployed increased by 10,400 to 161,100.

The average unemployment rate rose for men but remained little changed for women (see Figure 3). The unemployment rate for men increased by 0.9 percentage points to 8.5 per cent, up from 7.6 per cent in 2000. The biggest increase was among men 25 to 44 years of age and it rose to 8.0 per cent from 6.7 per cent.

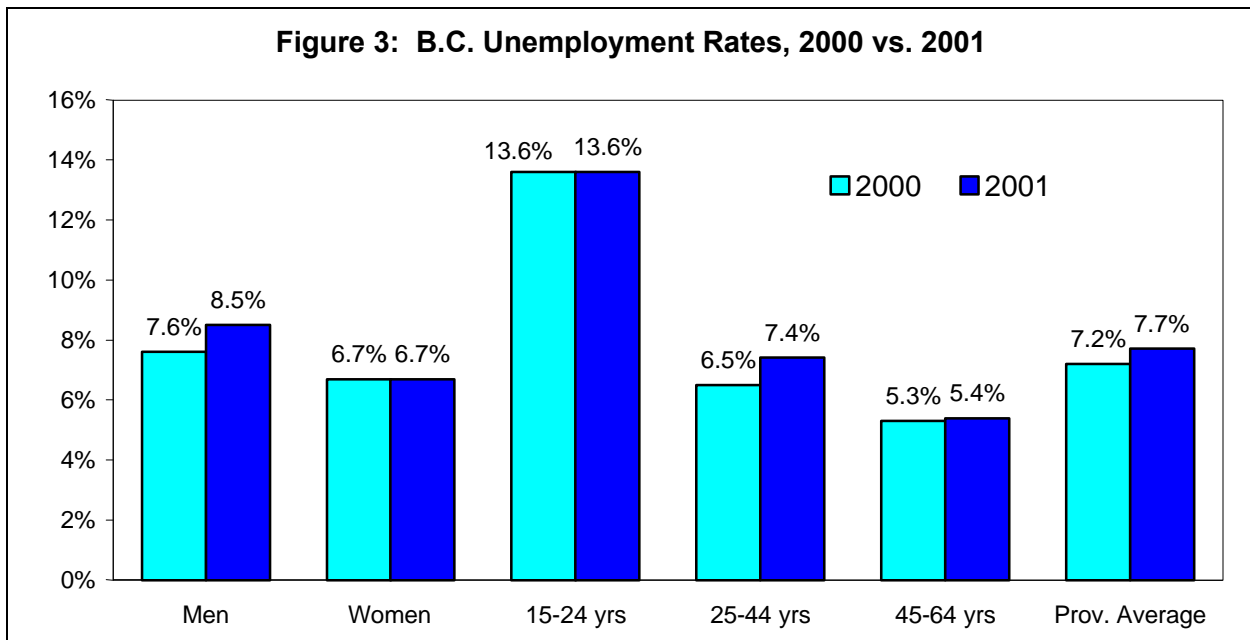
The average unemployment rate for women remained unchanged from 2000. A rate increase among women 25 to 44 years was offset by rate reductions among youth and older women.

There was no change in the average unemployment rate for youth in 2001. It held steady at 13.6 per cent, although it was down slightly for young women and up slightly for young men.

The highest annual unemployment rate increases were among workers 25 to 44 years of age, climbing from 6.5 per cent to 7.4 per cent. The rate increased for both men and women, up 1.3 percentage points for men and 0.3 percentage points for women. Note that this unemployment rate is still well below the average experienced during the 1990's for this age group.

Workers aged 45 to 64 continued to enjoy the lowest unemployment rate of the three groups at 5.4 per cent in 2001 up from 5.3 per cent in 2000.

Figure 3: B.C. Unemployment Rates, 2000 vs. 2001



Employment by Industry. . . B.C.'s goods sector lost 5.4 per cent or 22,400 workers in 2001 while the services sector saw an employment gain of 15,700 or 1.0 per cent. See Figure 4 for a detailed breakdown of employment by industry.

In the goods sector, *forestry and logging* accounted for the bulk of the losses, down 11,000 in 2001 or 29.6 per cent. (This doesn't include losses in forestry manufacturing.) Losses were also sustained in *agriculture* (3,800), *mining, oil and gas* (1,700), and *manufacturing* (9,200). *Utilities* and *construction* countered the trend with a slight growth in utilities and 2,400 increase (2.0 per cent) in construction. Note that this is the first annual employment increase in *construction* following three years of job losses and despite job loss in December.

In the services sector, most of the net 15,700 growth in jobs came from *information, culture and recreation* (6,800 or 6.8 per cent), *accommodation & food services* (6,600 or 4.0 per cent) and *retail and wholesale trade* (6,300 or 2.1 per cent). *Professional services* also increased significantly, up 4,700 or 3.4 per cent. The rest saw little growth or declined slightly. A notable exception was *transportation and*

warehousing which experienced substantial employment losses (7,500 or 6.5 per cent). Job loss in air transport and in forestry-related trucking contributed to returning the industry to 1998 employment levels. *Finance, insurance and real estate* also lost jobs, continuing a trend since 1997. Banking has changed rapidly in recent years with the adoption of automated systems that have replaced many jobs.

Figure 4 provides a long-term perspective on changes in industry employment with annual changes between 1991 and 2001. The services sector has seen much higher growth than the goods sector over this period. Within the goods sector, only manufacturing has averaged above one per cent annual growth since 1991.

Since 1991, the service sector has grown through a number of "new economy" and business services such as: *professional/scientific/technical services; management/administrative/other support; and information/culture/recreation*. By contrast traditional service industries, including the larger *retail & wholesale trade* and *transportation & warehousing* sectors, have grown slower than average. *Public administration* is the only component in the services sector that has seen average employment loss over the past ten years.

Figure 4: Industry Employment Levels and Growth in B.C.

	1991	1999	2000	2001	% Change 2000-2001	Average Annual % Change 1991- 2001
<i>thousands of persons</i>						
All Industries	1572.6	1906.4	1949.1	1942.4	-0.3%	2.4%
Goods-Producing Sector	377.6	396.5	414.4	392.0	-5.4%	0.4%
Agriculture	32.2	28.6	29.7	25.9	-12.8%	-2.0%
Forestry and Logging	27.5	30.2	37.1	26.1	-29.6%	-0.5%
Fishing, Hunting and Trapping	6.9	4.0	4.8	5.4	12.5%	-2.2%
Mining and Oil and Gas Extraction	17.5	14.8	13.4	11.7	-12.7%	-3.3%
Utilities	12.7	11.5	11.3	11.7	3.5%	-0.8%
Construction	112.1	115.3	112.5	114.9	2.1%	0.2%
Manufacturing	168.8	192.2	205.4	196.2	-4.5%	1.6%
Services-Producing Sector	1194.9	1509.8	1534.7	1550.4	1.0%	3.0%
Retail and Wholesale Trade	258.2	308.5	303.2	309.5	2.1%	2.0%
Transportation and Warehousing	95.4	117.9	114.4	106.9	-6.6%	1.2%
Finance, Insurance, Real Estate and Leasing	100.8	120.0	119.5	116.2	-2.8%	1.5%
Professional, Scientific and Technical Services	93.8	136.7	136.4	141.1	3.4%	5.0%
Management, Administrative and Other Support	37.5	64.1	71.9	73.9	2.8%	9.7%
Educational Services	98.2	127.5	134.9	135.7	0.6%	3.8%
Health Care and Social Assistance	154.6	195.3	202.1	203.8	0.8%	3.2%
Information, culture and recreation	67.1	91.7	99.3	106.1	6.8%	5.8%
Accommodation and food services	123.2	152.7	164.0	170.6	4.0%	3.8%
Other services	74.7	105.2	99.3	97.8	-1.5%	3.1%
Public administration	91.5	90.4	89.7	88.8	-1.0%	-0.3%

Regional Labour Markets . . . Despite net job loss in B.C. during 2001, there was employment growth in the large and diversified Lower Mainland/Southwest region. Employment in the region grew 10,000 or 0.8 per cent. Despite this the unemployment rate increased to 6.6 per cent from 6.2 per cent.

Employment growth also occurred in the Thompson/Okanagan (0.5 per cent), Kootenay, Cariboo (1.0 per cent) and Northeast regions (2.2 per cent). The unemployment rate in the Kootenay, Cariboo and Northeast regions also fell in 2001 but stayed the same in the Thompson/Okanagan.

Employment was down by 20,600 or 6.3 per cent in the Vancouver Island/Coast and this

included job loss in Victoria. It was also slightly down in the North Coast/Nechako regions.

These job losses more than offset the employment growth in the rest of the province.

This is the second year of net employment loss for Victoria and the Vancouver Island/Coast region. The similarities appear to end here, however. While the unemployment rate for Vancouver Island/Coast increased in 2001, by 1.3 percentage points to 9.1 per cent, as is expected with the job loss. However, the unemployment rate for Victoria actually dropped despite the job loss, by 0.6 percentage points to 6.1 per cent, as people withdrew from the labour force.

Figure 5: B.C. Regional Labour Market Changes, Annual Average 2000 and 2001

Development Region	Employment (000's)			Unemployment Rate (%)		Employment/Pop Ratio	
	2000	2001	% Chg.	2000	2001	2000	2001
Vancouver Island/Coast	325.9	305.3	-6.3%	7.8%	9.1%	57.9%	54.2%
Lower Mainland/S.W.	1,177.9	1187.9	0.8%	6.2%	6.6%	61.5%	60.7%
Thompson/Okanagan	212.7	213.7	0.5%	9.2%	9.2%	56.0%	54.4%
Kootenay	71.2	71.9	1.0%	10.1%	9.5%	57.8%	57.0%
Cariboo	81.5	83.0	1.9%	9.9%	9.6%	60.7%	61.5%
North Coast/Nechako	47.6	47.4	-0.3%	10.2%	11.0%	63.8%	63.4%
Northeast	32.5	33.2	2.2%	6.1%	5.8%	67.8%	68.0%
B.C.	1,949.1	1942.4	-0.3%	7.2%	7.7%	60.2%	60.0%

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