

Labour Force Statistics ♦ June 2002

HIGHLIGHTS

- **B.C. seasonally-adjusted employment rose by 27,200 in June from May, and now stands close to its historical peak seen in March, 2001.** Job gains were accompanied by a decrease in the number of unemployed persons, which pulled down the provincial unemployment rate to 8.7 per cent in June from 9.5 per cent in May.
- **B.C. full-time employment increased by 13,800 in June, while part-time employment rose by 13,400.** Goods-sector employment was up overall in June led by growth in agriculture and manufacturing, while the service sector also saw an overall increase led by job growth in the finance, insurance, real estate and leasing sector.
- **B.C. employment posted average gains of 18,200 and 18,300 in the first two quarters of the year.** This gain in the first half of 2002 nearly offset the fall in employment of 40,000 seen in the last half of 2001.
- **Canadian employment in June grew by 66,000 from May, led by the large net gain in B.C., with notable growth also seen in the other three Western provinces.** So far this year as measured from December 2001, Canadian employment is up by 303,400 of which 56,000 has been registered in B.C.

Selected Statistics (SA)*	Jun. 2002	May 2002	Jun. 2001
B.C. Unemployment Rate	8.7%	9.5%	7.2%
Canada Unemployment Rate	7.5%	7.7%	7.1%
B.C. Help Wanted Index - (1996=100)	96.4	94.6	121.1
B.C. Employment - Change from prev. mo.	1.4%	-0.6%	-
B.C. Labour Force - Change from prev. mo.	0.6%	0.3%	-
B.C. Participation Rate	64.9%	64.6%	64.1%

* 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 Accountability 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 Accountability (250) 952-6776.

The British Columbia Labour Market - Second Quarter 2002

Summary . . . Seasonally-adjusted employment in British Columbia rose 18,300 in the second quarter of 2002 from the first quarter of 2002. This is the second consecutive quarterly employment increase, reversing the fall in employment seen throughout most of 2001.

The rise in employment was slightly out-paced by labour force growth, which nudged up the unemployment rate to 9.0 per cent for the second quarter of 2002 from 8.9 per cent in the previous quarter. The unemployment rate has risen two percentage points since the first half of 2001.

Goods-sector employment was down 3.3 per cent from the second quarter of 2001. Services-sector employment was up slightly from the same quarter a year ago (up 0.6 per cent).

Regionally, actual data for the second quarter of 2002 compared to the same period in 2001 showed some improvement for the Vancouver Island/Coast region but generally weaker labour market conditions for most other regions on this year-over-year basis.

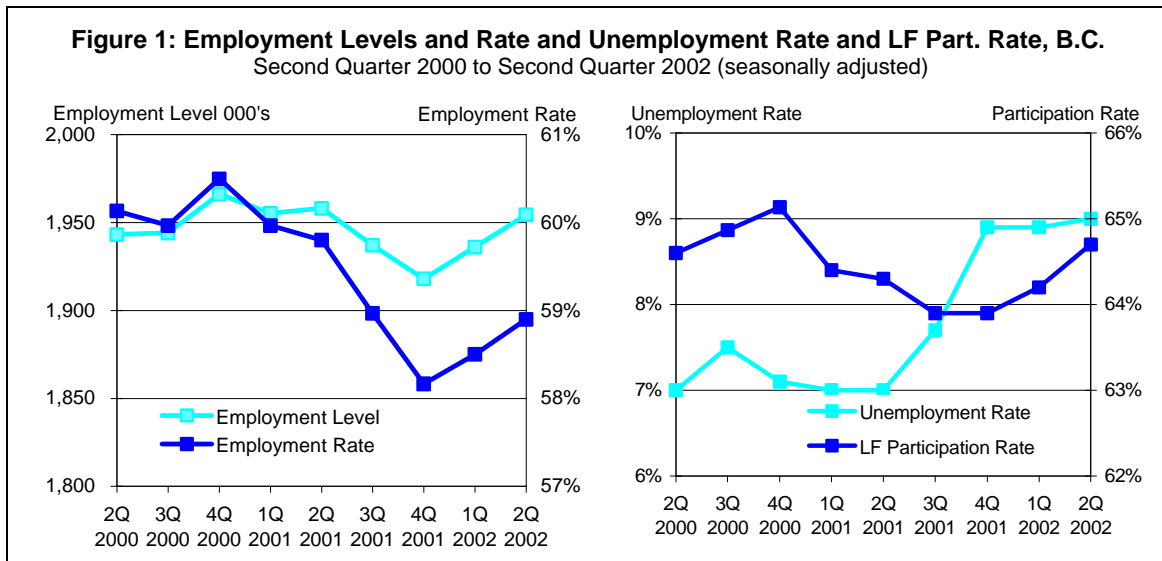
Employment and Employment Rates . . . The left hand graph in Figure 1 notes employment increased by 18,300 in the second quarter following the 18,200 increase in the first quarter. This brings

employment back to near the level seen a year ago. Employment for women increased 10,900 in the latest quarter while employment for men increased by 7,400. The proportion of persons aged 15 and older who were employed (employment rate) rose to 58.9 per cent from 58.5 per cent in the first quarter of 2002, but remains down from 60.5 per cent in the fourth quarter of 2000.

Unemployment and Labour Force

Participation . . . The unemployment rate remained relatively steady at 9.0 per cent in the second quarter of 2002. This represents a pause in the latest three quarters after a jump of two percentage points in mid-2001 (see Figure 1 right-hand graph). The unemployment rate in the second quarter of 2002 was 9.6 per cent for men and 8.3 per cent for women.

The right-hand graph also shows that the labour force participation rate rose to 64.7 per cent in the latest quarter, from 64.2 per cent in the first quarter 2002. The rise in labour force participation along with higher employment and a flattening unemployment rate suggest improving labour market conditions.



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 in average employment levels comparing the second quarter of 2002 to the second quarter of 2001.

Employment in the *goods sector* continued to have positive growth for the second quarter in a row, reversing the declining trend seen in the previous six quarters. For the latest quarter, employment increases in agriculture, construction and manufacturing more than offset declines in other primary products (which includes the logging, fishing, mining, oil and gas sub-sectors).

On a year-over-year basis, employment in the goods sector was down 3.3 per cent from the second quarter 2001, which in net terms represented an employment decrease of 13,100.

Within goods, only agriculture employment increased over the last year.

Employment change in the *services sector* was also positive (up 13,900) in the second quarter 2002 from the first quarter 2002. Retail and wholesale trade recorded the most significant employment increase in the second quarter offsetting a decrease in the previous quarter.

Over the last year, services-sector employment gains in three of the last four quarters resulted in a net four-quarter gain of 9,400. The education and health sectors saw the strongest percentage growth among services over the last year. By contrast, the public administration sector saw the greatest percentage decrease in service sector employment over the last year and is the only services sector industry which sustained an employment loss in each of the last four quarters.

Figure 2: B.C. Employment by Industrial Classification
Second Quarter 2001 to Second Quarter 2002 (seasonally adjusted)

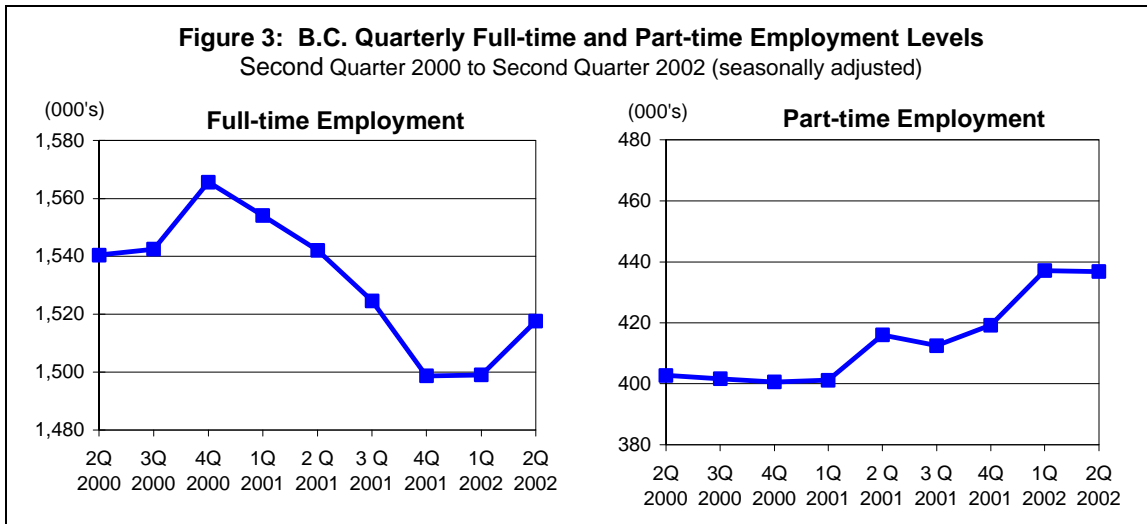
	Employment Level 2Q02 (000's)	Net Change from previous quarter				Per Cent Change 2Q01 to 2Q02
		3Q01	4Q01	1Q02	2Q02	
Total	1,954.4	-21,000	-19,100	18,200	18,300	-0.2%
Goods Sector	386.7	-8,100	-21,300	11,900	4,400	-3.3%
Agriculture	27.8	400	-200	-300	2,700	10.3%
Other Primary	36.2	2,600	-3,400	-1,400	-3,100	-12.9%
Utilities	13.0	-500	-1,600	1,200	1,000	0.0%
Construction	116.2	-2,300	-4,700	2,800	1,500	-2.3%
Manufacturing	193.4	-8,400	-11,300	9,600	2,400	-3.8%
Service Sector	1,567.8	-12,900	2,200	6,300	13,900	0.6%
Retail & Wholesale Trade	318.8	3,700	7,700	-9,500	10,800	4.0%
Transportation & Warehousing	106.2	700	-2,700	1,200	600	-0.2%
Finance, Insur. & Real Estate	112.9	-5,100	-6,300	3,800	400	-5.9%
Prof. Scientific & Technical	136.1	-2,600	-6,000	900	-1,800	-6.5%
Management of Companies	77.3	-2,300	1,100	-500	3,100	1.8%
Education Services	141.2	600	7,900	-4,200	3,500	5.8%
Health & Social Assistance	216.2	2,000	-4,400	8,200	3,900	4.7%
Information, Culture & rec.	102.6	-2,900	500	1,600	-2,800	-3.4%
Accommodation & Food	175.9	-3,900	4,600	6,400	-800	3.7%
Other Services	98.9	-100	1,200	3,100	-2,200	2.0%
Public Administration	81.7	-3,000	-1,300	-4,700	-800	-10.8%

Full and Part-time Employment . . . Figure 3 shows that seasonally-adjusted full-time employment rose in the latest quarter and has stabilized after four consecutive quarterly declines in 2001. *Full-time employment* is down by 48,000 from its peak in the fourth quarter of 2000. Comparing the second quarter to the first quarter of 2002, full-time employment increases of 18,600 were shared by men (up 12,700) and women (up 5,900).

Overall *part-time employment* (those working less than 30 hours per week) was flat in the second quarter of 2002 breaking an upward

trend over the last four quarters. Men were responsible for the decrease in part-time employment in the second quarter offsetting an almost equal increase for women.

When comparing the second quarters of 2002 and 2001, full-time employment in B.C. was down by 24,800 (1.6 per cent) while part-time employment was up by 20,800 (5.0 per cent). On this same year-over-year quarterly basis, men accounted for two-thirds of the full-time employment losses, and half of the part-time employment gains.



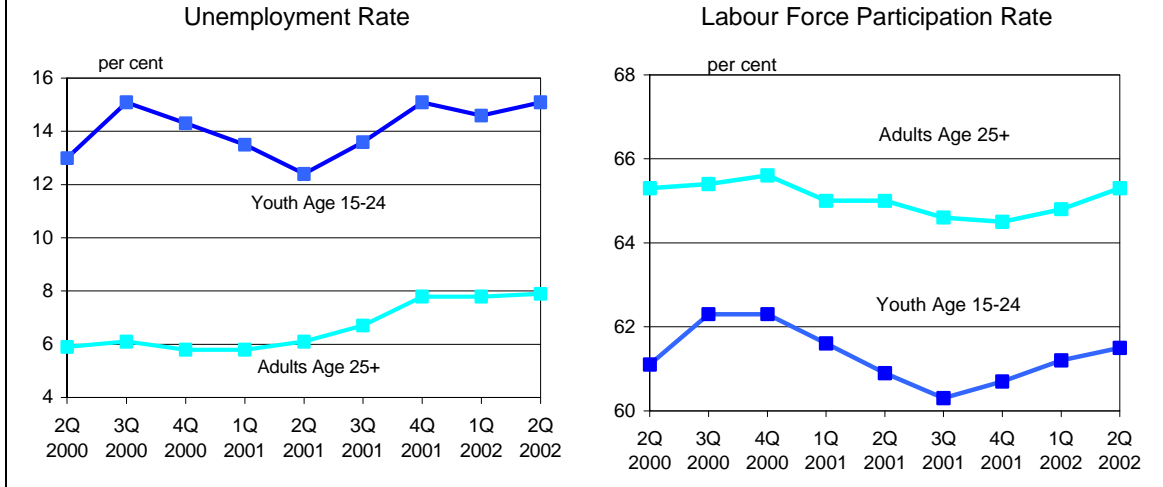
Youth and Adult Unemployment and Labour Force Participation . . . The seasonally-adjusted unemployment rate for adults aged 25+ (see Figure 4 left-hand graph) remained relatively flat at 7.9 per cent in the second quarter of 2002. Until early 2001, adult unemployment rates had been holding steady at an average of about 6.0 per cent since early 2000. The youth unemployment rate in B.C. has also leveled out in 2002. After a dip in 2001, youth unemployment rates have returned to levels seen in mid-2000.

The adult labour force participation rate has remained relatively level in the past two years (see

Figure 4 right-hand graph). The youth labour force participation rate has been rising over the last three quarters but has yet to regain levels seen in mid-2000.

An increase in the labour force participation rate by both youth and adults along with stabilization in unemployment rates over the last two quarters suggest labour market conditions have started to recover following a difficult year in 2001.

Figure 4: B.C. Youth and Adult Unemployment Rates and Labour Force Participation Rates
Second Quarter 2000 to Second Quarter 2002 (seasonally adjusted)



Regional . . . Actual estimates for labour market levels and changes by development region are noted in Figure 5 which compares the second quarter of 2002 to the same period in 2001. Seasonally-adjusted data is not available on a regional basis from Statistics Canada.

Positive actual *employment* growth for the second quarter of 2002 from the same period in 2001 was strongest in the Vancouver Island/Coast region of B.C. Employment was also up moderately in the Mainland/Southwest and Cariboo regions. This was offset by decreases in the other four regions, resulting in an actual increase in provincial employment of 0.1 per cent over this time period.

Employment in the Vancouver Island/Coast region for the latest quarter was up by 7,200 from the second quarter in 2001. However, in spite of this recovery, employment in the region is still down by 15,800 from two years ago. Over 73 per cent of this decrease over the last two years was felt outside the Victoria Metro area. Employment in the Mainland/Southwest region is up by 10,600 (0.8 per cent) since the second quarter of 2001.

Actual average *unemployment rates* for the second quarter of 2002 compared to the same quarter in 2001 rose in all regions of B.C. except Vancouver Island/Coast. Unemployment rates are considerably higher in the northern regions of B.C. and have experienced the most change over the past four quarters.

With the exception of Vancouver Island/Coast, all regions experienced a drop in the proportion of the working age population who were employed (employment/population ratio). The Kootenay region experienced the greatest decline in employment rate with about 53 per cent of the population employed compared to a B.C. average of 59.3 per cent.

While the actual data by region for the latest quarter suggest conditions remain down from the second quarter of 2001, the aggregate data reviewed earlier on a seasonally-adjusted basis suggest a number of regions have likely seen improvements since the fourth quarter of 2001.

Figure 5 - Regional Labour Market Changes
Second Quarter 2001 vs. Second Quarter 2001, Actual

Development Regions	Employment (000's)			Unemployment Rate			Employment/Population Ratio		
	2nd Quarter 2001	2nd Quarter 2002	% Change	2nd Quarter 2001	2nd Quarter 2002	Absolute Change	2nd Quarter 2001	2nd Quarter 2002	Absolute Change
Vancouver Island/Coast	309.9	317.1	2.3%	8.5%	8.4%	-0.1%	54.9%	55.7%	0.8%
Mainland/Southwest	1205.2	1214.8	0.8%	5.7%	8.0%	2.3%	62.0%	61.5%	-0.5%
Thompson/Okanagan	218.7	212.8	-2.7%	8.5%	10.1%	1.6%	56.9%	54.4%	-2.5%
Kootenay	72.0	66.5	-7.7%	9.2%	9.9%	0.7%	58.1%	53.0%	-5.1%
Cariboo	80.4	80.8	0.5%	10.5%	13.6%	3.1%	59.6%	59.4%	-0.2%
North Coast/Nechako	48.3	45.4	-6.1%	10.0%	15.1%	5.1%	65.1%	60.8%	-4.3%
Northeast	34.5	32.8	-4.9%	5.7%	11.7%	6.0%	71.7%	68.1%	-3.6%
B.C. Total	1969.1	1970.2	0.1%	6.9%	8.8%	1.9%	60.1%	59.3%	-0.8%

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