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## Labour Force Statistics ♦ December 1998

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### HIGHLIGHTS

- **The unemployment rate for B.C. rose to 8.2 per cent in December from 7.9 per cent in November (seasonally adjusted).** The increase in the rate was due to a drop of 8,400 (-0.4 per cent) in employment levels over this period. December's employment decline broke the previous trend of six consecutive months of employment gains.
- **In December, Canada's level of employment increased by 0.2 per cent from November with the unemployment rate remaining unchanged at 8.0 per cent (seasonally adjusted).** Only two provinces experienced unemployment rate declines in December - Alberta and Nova Scotia.
- **Comparing annual results, B.C. average employment grew by 1.2 per cent in 1998 over 1997.** Growth was primarily in part-time work (+4.1 per cent), among women (+ 3.3 per cent), among older workers (+3.5 per cent) and in the service sector (+2.0 per cent).
- **B.C. Labour force growth (+1.5 per cent) exceeded employment growth in 1998, pushing up the annual unemployment rate to 8.9 per cent from 8.7 per cent in 1997.** Rates declined in only three regions in 1998: Mainland/Southwest, Thompson/Okanagan, and the Northeast.

	Dec 1998	Nov 1998	Dec 1997
B.C. Unemployment Rate	8.2%	7.9%	8.6%
Canada Unemployment Rate	8.0%	8.0%	8.6%
B.C. Help Wanted Index (1996=100)	118.0	117.0	124.0
B.C. Employment - Monthly Change	-0.4%	1.1%	-
B.C. Labour Force - Monthly Change	-0.1%	0.9%	-
B.C. Participation Rate	65.2%	65.3%	64.2%

- 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 Research, Evaluation and Accountability 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 R,E&A (250) 952-6111.*

## BC Labour Market in 1998

**Mixed Employment Gains . . .** The mixed state of British Columbia’s labour market in 1998 is not one that can be easily categorized. The services sector, women, part-time workers and older workers saw job growth despite concerns that the B.C. economy slowed in 1998 and despite an increase in the annual unemployment rate.

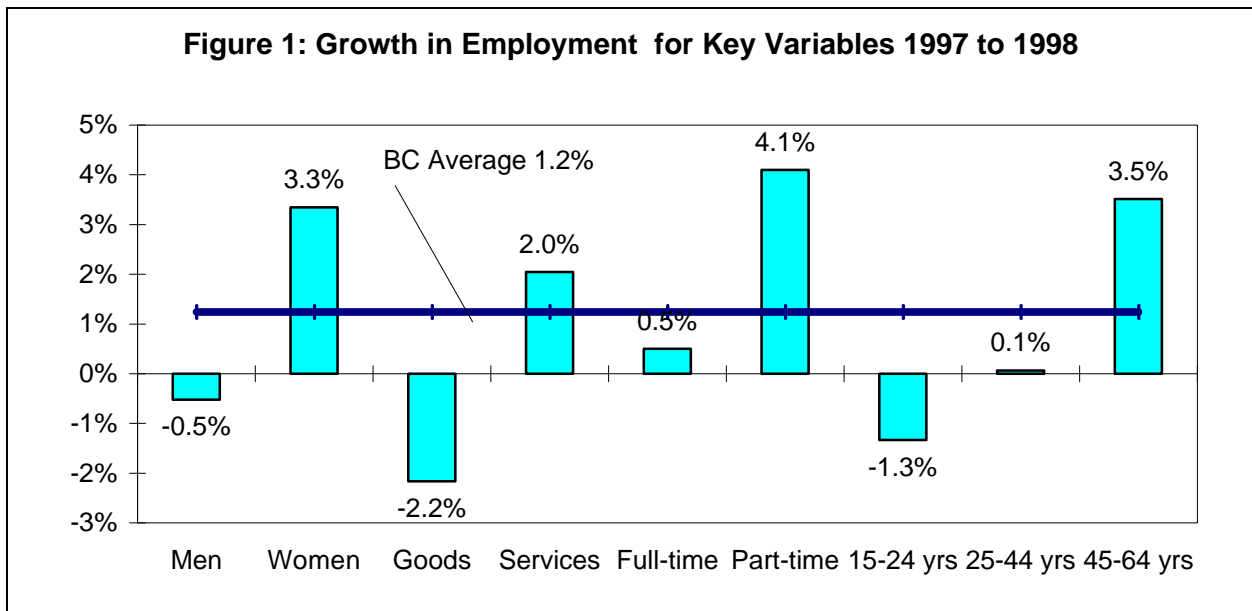
It is very clear that some parts of B.C.’s economy are not doing well, and particularly hard hit are the agriculture, forestry, fishing and construction industries where job losses have been well documented in the media. Despite this situation, the labour market enjoyed overall employment growth in all but the first quarter of 1998. This resulted in total employment for the year increasing by an average of 22,800 or 1.2 per cent from 1997.

Net employment growth was concentrated in the services sector (+2.0 per cent) including commercial services and some government funded services. There was also some job

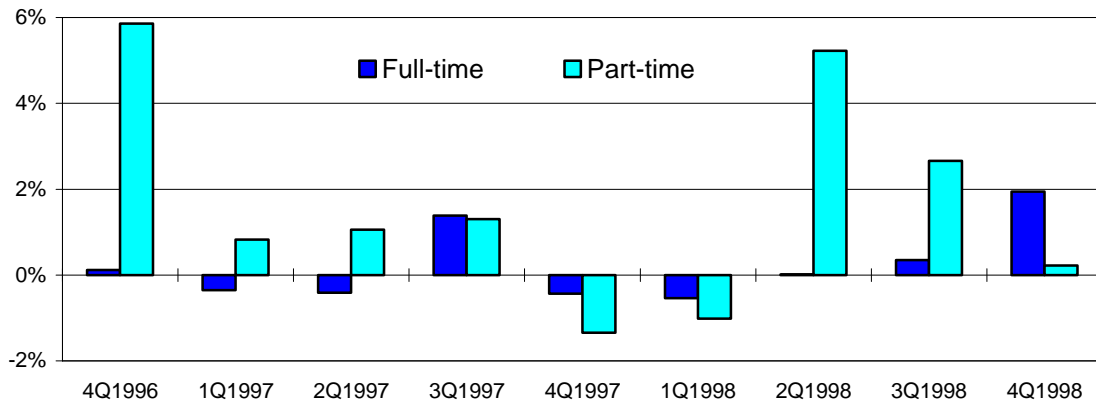
growth in the goods sector, specifically in non-resource manufacturing.

The mixed state of the labour market in 1998 wasn’t only with respect to the goods and the services sectors. Major differences in 1998 among groups are apparent when looking at the employment situation for men and women, for age groups and for hours of work.

- Women saw a net employment gain of 3.3 per cent compared to a 0.5 per cent job loss for men.
- Those from 45 to 64 years of age saw the biggest employment gain, up 3.5 per cent, compared to only a 0.1 per cent gain for those aged 25 to 44 years, and net job loss of 1.3 per cent for those aged 15 to 24 years.
- Part-time employment increased by 4.1 per cent from 1997 to 1998. Full-time employment grew as well but at a much lower rate of 0.5 per cent over this period.



**Figure 2: Full-Time and Part-Time Employment Growth by Quarter  
(seasonally adjusted)**



### Quarterly Employment Results . . .

Total annual employment for the year was positive, up 1.2 per cent, and this was despite a first quarter decline in full-time and part-time employment which were down 0.5 per cent and 1.0 per cent respectively (seasonally adjusted data).

Employment in B.C. declined slightly in the month of December compared to one month earlier. Despite this one-month dip, the results for the fourth quarter 1998 remained positive, up 1.6 per cent from the third quarter.

The employment gains in the fourth quarter were primarily in full-time employment, up 2.0 per cent, with some part-time gains as well, but at a much lower rate, up 0.2 per cent. This followed two quarters of strong part-time growth, up 5.2 per cent in the second quarter and up 2.7 per cent in the third quarter and weak full-time growth (seasonally adjusted data).

Differences were also seen in the fortunes of women and men when looking at the quarterly growth patterns in 1998. Women

as a whole had solid employment gains in each quarter, peaking in the last quarter at 2.2 per cent. Men suffered significant net job loss in the first quarter of 1998 (- 2.8 per cent). Subsequent quarterly employment gains ranging from 0.7 to 1.3 per cent were not enough to offset the first quarter loss, leaving men with an annual loss of 0.5 per cent compared to 1997.

**Youth . . .** Annual data for 1998 show that labour market conditions for B.C. youth deteriorated. There was a 1.3% drop in employment levels from 1997, erasing the employment gains achieved from 1996 to 1997. With this, the youth unemployment rate increased to 17.3 per cent from 16.0 per cent in 1997. It remains at more than twice the rate of those in the 25 to 64 year age group, a group that enjoyed most of the employment growth in 1998.

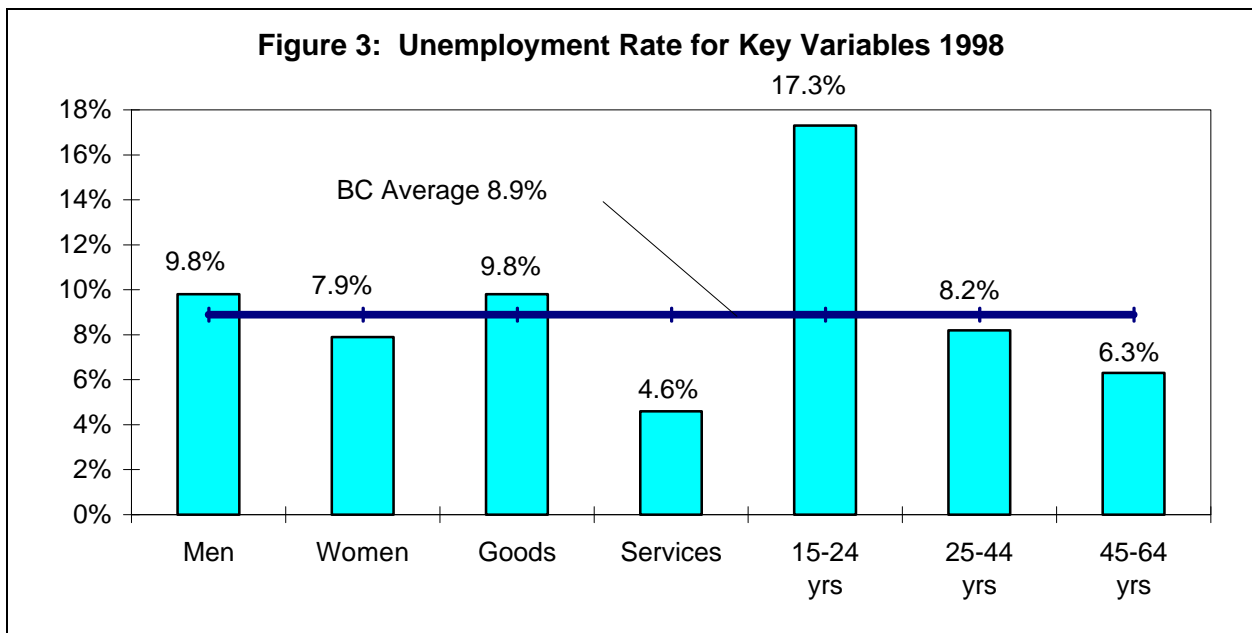
The youth participation rate declined to 61.4 per cent from 61.7 per cent indicating that the unemployment rate would have been worse if some youth had not dropped out of the labour market.

B.C.'s 1998 deterioration in youth employment is also in contrast to national trends where net employment for youth grew by 3.8 per cent from 1997 to 1998 and the unemployment rate dropped to 15.3 per cent from 16.3 per cent.

**Unemployment Changes . . .** While the overall employment growth for 1998 was positive for B.C., net job loss in January and December combined with higher labour force growth throughout the year pushed the unemployment rate up in 1998. It increased to 8.9 per cent, from 8.7 per cent in 1997. Here, too, the mixed situation for the B.C. labour market was apparent. Reflecting women's positive annual employment

growth in 1998, the unemployment rate for women declined to 7.9 per cent, from 8.4 per cent in 1997, a 17 year low. Men's unemployment rate also reflected the net job loss experienced in 1998 and increased to 9.8 per cent from 8.9 per cent in 1997. This increase in men's unemployment rate was primarily due to double-digit rates experienced in the first half of the year when most of the job loss for men occurred.

The lowest unemployment rate (6.3 per cent) was among those aged 45 to 64 years with youth having the highest rate (17.3 per cent).

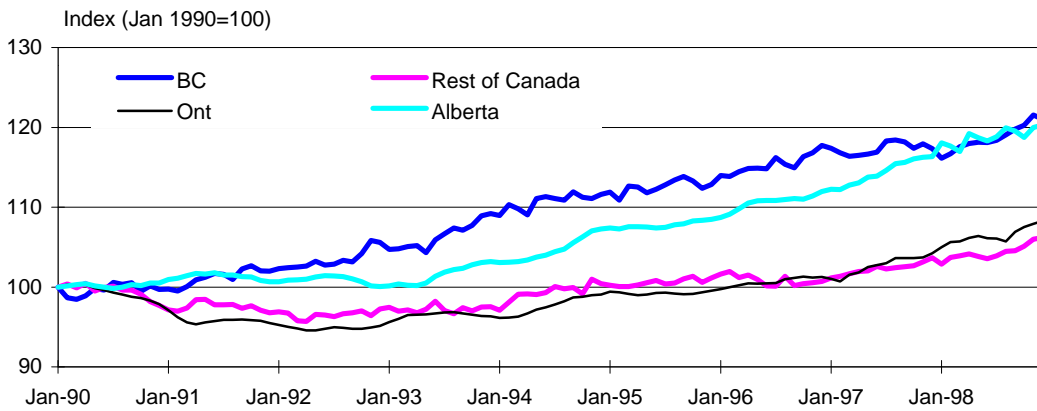


**Trends in the Rest of Canada . . .**

Employment grew from 1997 to 1998 at an average rate of 1.2 per cent in B.C. Most other provinces had better results and B.C. ended up below the national growth rate of 2.8 per cent. Only Saskatchewan and Prince Edward Island had lower growth rates on an annual 1998 over 1997 basis.

B.C.'s 1998 employment growth was lower than the Canada average, but through the 1990's B.C. has maintained steady growth and still leads in growth over the last nine years. Figure 3 on the following page shows employment levels indexed to Jan 1990. B.C. remains well above Ontario and the rest of Canada and slightly ahead of Alberta.

**Figure 4: Indexed Seasonally Adjusted Employment Levels**

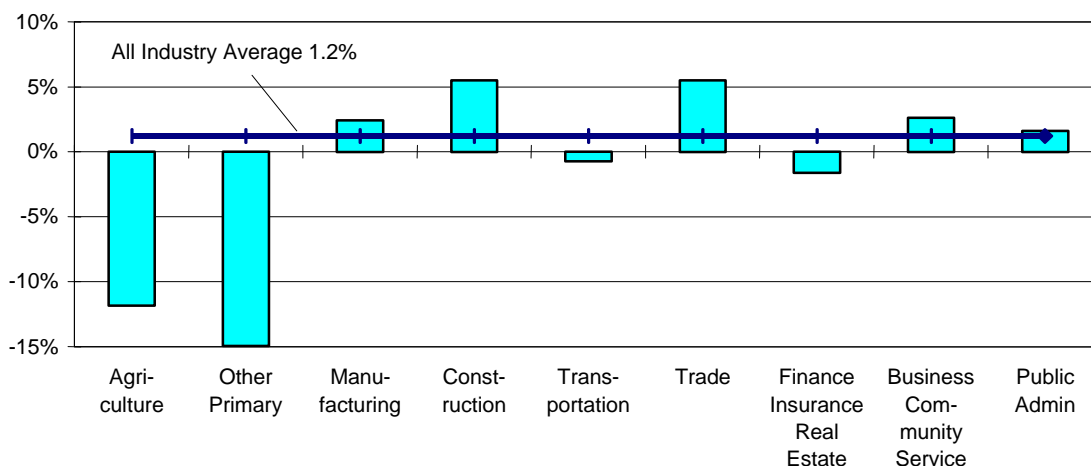


**Industry Changes. . .** The clear differences from 1997 to 1998 in the fortunes of workers in services compared to those in goods suggest a division of the province into two economies. Services sector employment was up 2.4 per cent in contrast to a decline of 2.7 per cent for the goods sector.

The three major components of the goods sector (Primary Industry, Manufacturing and Construction) all saw net employment losses. Despite overall good results in

services there was employment loss in the Finance Insurance and Real Estate sector (down 1.6 per cent from 1997) due to declines in the Banks, Trust Companies and Credit Unions component. Service sector employment was also down in the Transportation, Communication and Storage sector (down 0.7 per cent) due to losses in the Transportation component.

**Figure 5: Industry Employment Growth 1997 to 1998**



Net employment growth was seen primarily in the following components of industry groups:

- business services (up 13.8 per cent),
- retail trade (up 8.9 per cent),
- non-resource manufacturing (estimated up 4.5 per cent),
- health and social services (up 4.2 per cent),
- communications (up 3.8 per cent),
- personal & household services (up 3.3 per cent), and
- public administration (up 1.6 per cent).

The unemployment rate shows a similar division between the two sectors with the rate improving in 1998 for the services sector and deteriorating for the goods sector. The unemployment rate for workers in services was 4.6 per cent, down from 4.7 per cent in 1997, in contrast to 9.8 per cent for goods workers, up from 8.4 per cent in 1997.

Industry unemployment rates by major industry group ranged as low as 1.8 per cent in Finance, Insurance and Real Estate, and 3.3 per cent in Public Administration. They were as high as 16.2 per cent in the Other Primary, a grouping that includes forestry and mining.

**Figure 6: B.C. Regional Labour Market Changes, Annual Average 1997 and 1998**

Development Region	Employment (000's)			Unempl. Rate (%)		Employment/Pop Ratio	
	1997	1998	% Chg.	1997	1998	1997	1998
Vancouver Island/Coast	326	323	-0.8%	9.0%	9.8%	56.9%	56.1%
Mainland/S.W.	1,071	1,092	2.0%	8.5%	8.2%	60.3%	60.3%
Thompson/Okanagan	210	212	1.2%	8.6%	8.3%	55.7%	55.6%
Kootenay	64	70	8.4%	9.5%	12.1%	53.5%	57.4%
Cariboo	79	80	1.2%	10.3%	14.7%	63.0%	62.6%
North Coast/Nechako	53	50	-6.5%	9.2%	9.8%	67.2%	62.1%
Northeast	35	34	-3.1%	4.9%	3.9%	69.2%	66.2%
<b>B.C.</b>	<b>1,838</b>	<b>1,861</b>	<b>1.2%</b>	<b>8.7%</b>	<b>8.9%</b>	<b>59.3%</b>	<b>59.1%</b>

**Regional Labour Markets . . .** The regional results for 1998 reflected the industries dominant in the regions. Those regions that are heavily dependent on fishing, forestry, agriculture and mining fared poorly.

Most B.C. employment growth in 1998 was in the most diversified Mainland/ Southwest region (up 21,000 or +2.0 per cent). This region experienced employment growth in each quarter of 1998. The region had the second lowest unemployment rate in the

province and was one of only three regions which saw a drop in unemployment rates in 1998.

The Thompson/Okanagan also has a fairly diversified economy and it experienced employment growth in 1998 (up 2,000 or +1.2 per cent). The region also saw a drop in their unemployment rate to 8.3 per cent from 8.6 per cent in 1997, and this was despite an increase in their labour force.

Employment growth was concentrated in the first three quarters of the year with a drop experienced in the fourth quarter.

In 1998, the employment level in the Northeast region began to be impacted by the downturn in the oil and gas industry. As a result, employment in the region declined by 3.1 per cent from 1997. Despite this decline in employment, the unemployment rate dropped to 3.9 per cent from 4.9 per cent in 1997, due to people withdrawing from the labour market. The Northeast region continues to have the lowest unemployment rate of all the regions in B.C. and among the lowest rates in Canada.

Changes to employment levels in the North Coast/Nechako (-6.5 per cent) and on Vancouver Island/Coast (-0.8 per cent) were

impacted by the double downturns in forestry and fishing. Unemployment rates increased to 9.8 per cent for both of these regions in 1998.

The Kootenay region had the highest rate of employment growth from 1997 to 1998, up 8.4 per cent. Unfortunately labour force growth exceeded this (+11.5 per cent) with the result that unemployment increased to the second highest level for a region, 12.2 per cent.

The highest regional unemployment rate continues to be in the Cariboo, at 14.7 per cent in 1998, up from 10.3 per cent in 1997. This increase reflected little employment growth, combined with higher labour force growth.

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