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## Labour Force Statistics ♦ January 1999

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### HIGHLIGHTS

- **Seasonally adjusted employment in January rose by 32,100 (up 1.7 per cent) from December's estimate.** The labour force rose at almost the same rate leaving little change in the unemployment rate.
- **The actual B.C. unemployment rate for youth aged 15 to 24 in January 1999 was 14.7 per cent, down from 20.6 per cent in January 1998.** Youth employment levels were up 29,500 (13 per cent) over the same period.
- **Full-time seasonally adjusted employment on a three month moving average basis, rose by 16,700 (up 1.1 per cent) in January from December.** Part-time employment fell by 2,800 (down 0.7 per cent).
- **The unemployment rate for Canada fell to 7.8 per cent in January from 8.0 per cent in December.** Over one-third of the estimated net gain of 87,000 in Canadian employment was in B.C.

Selected Statistics (SA):*	Jan 1999	Dec 1998	Jan 1998
B.C. Unemployment Rate	8.1%	8.2%	9.5%
Canada Unemployment Rate	7.8%	8.0%	8.8%
B.C. Help Wanted Index (1996=100)	120.0	118.0	119.0
B.C. Employment - Monthly Change	1.7%	-0.4%	--
B.C. Labour Force - Monthly Change	1.6%	-0.1%	--
B.C. Participation Rate	66.2%	65.2%	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.*

## Changes to Labour Force Survey Data for Industry, Occupation and Class of Worker

**1. Introduction . . .** With the release of January 1999 data, Statistics Canada's Labour Force Survey (LFS) has changed to different classification systems for reporting industry and occupational data. Categorization of employment data into "private" vs. "public" sector is also revised. Industrial and occupational employment levels in the attached Tables 8 and 9 show data back to 1989 using the new classification structures.

- **Estimates by Class of Worker** now use a revised definition of public and private sector employees so that all employees in hospitals and universities are now fully classified in the public sector.
- **Estimates by Occupation** changed from the 1980 Standard Occupation Classification (SOC80) to the 1991 Standard Occupation Classification (SOC91).
- **Estimates by Industry** are no longer classified using the 1980 Standard Industrial Classification (SIC80) but instead use the North American Industry Classification System (NAICS).

These changes by Statistics Canada are designed to better reflect the labour market of the 1990's and aim to improve the relevance of the LFS data. Revised historical data on industry and occupation is available back to January 1987, and back to 1976 for Class of Worker. This article provides an overview of the changes. Next month's article will explore some numerical impacts on the data.

**2. Changes to Class of Worker . . .** The distinction between public and private sector employment is often used in the analysis of employment growth. The LFS had been using a different definition of "public" and "private" sectors than that used by the System of National Accounts (SNA) Data.

Beginning in January 1999, LFS data for the public and private sectors are harmonized with the SNA standard which is used by other divisions of Statistics Canada, such as the Public

Institutions Division. Estimates of public sector employment are now based on "funding" of an establishment rather than on "ownership." Historical data has been revised back to 1976.

This change shifts the classification of all hospital workers to the public sector where formerly they were coded partly in the public sector (40 per cent) and partly in the private sector (60 per cent). The other major change is a shift of all university workers formerly coded in the private sector to the public sector.

The impact of this change in definition is quite large. For example, in 1998 for B.C. the reclassification results in an increase in the employment base of public sector employees by 26 per cent, and a decrease of 6 per cent in the base level of private sector employees.

### **3. Changes to Estimates by Occupation . . .**

The LFS has changed from the 1980 Standard Occupation Classification (SOC80) to the **1991 Standard Occupation Classification (SOC91)**. SOC91 provides an overall structure for classifying occupations according to **the kind of work performed** and is similar, to and compatible with, the National Occupational Classification (NOC) system that is now widely used. SOC91 is fundamentally different from SOC80 and so there are very few unit groups that are exactly the same. Even though labels of various levels of aggregation may have the same name, the data found within may be very different. For instance, unit group C021 Biologists and Related Scientists has the identical label in the SOC80 and SOC91 but these groups do not have identical content. Biochemists were classified as biologists in SOC80 but are classified as chemists in SOC91.

Table 1 provides a contrast of the major occupational aggregates between SOC80 and SOC91. SOC80 tended to group very diverse knowledge-intensive occupations together, and also aggregated them with Management occupations.

Table 1: Level of Occupational Detail For Seasonally Adjusted Monthly LFS Data

SOC80	SOC91
<b>All Occupations</b>	<b>All Occupations</b>
Managerial, professional, etc.	Management
Clerical	Business, finance and administration
Sales	Natural & applied sciences
Service	Health
Primary	Social science, education, gov. service & religion
Processing	Art, culture, recreation and sport
Construction	Sales and service
Transportation	Trades, transport and equipment operators
Materials handling and other crafts	Occupations unique to primary
	Occupations unique to processing, manufacturing and utilities

#### 4. Changes to Estimates by Industry . . .

Canada, the United States and Mexico have created a new common industry classification system - *North American Industrial Classifications System (NAICS)*. This replaces the former industry classifications in each country. NAICS provides enhanced industry comparability among the three NAFTA trading partners, while increasing compatibility with the two-digit level of the International Standard Industrial Classification (ISIC Rev.3) of the United Nations.

This is a new and unique classification system that has been designed for statistical purposes and is based on the principal that economic units (businesses and other organizations engaged in the production of goods and services) that use similar production processes, should be grouped together.

**Features of NAICS . . .** NAICS is a comprehensive system encompassing all economic activities. The criteria used to group establishments into industries are similarity of input structures, labour skills or production processes used. It can be used to classify units engaged in market and non-market production and own-account production such as the unpaid work of households.

NAICS has a hierarchical structure. The numbering system is a six-digit code, of which the first five digits are used to describe the

NAICS levels that will be used by the three countries to produce comparable data. The sixth digit is used to designate national industries. NAICS Canada divides the economy into 20 sectors, 99 sub-sectors, 321 industry groups, 734 industries and 921 national industries. NAICS Canada will replace both the 1980 Standard Industrial Classification and the 1980 Classification of Companies and Enterprises.

The new classification system differs in a number of ways from the Standard Industrial Classification system (SIC80) which was adopted by the LFS in 1984. NAICS groups industries in terms of common inputs and processes rather than outputs, the basis of SIC80. The new system includes a number of new industries that have emerged since 1970 and has expanded the service industries which account for about three-quarters of employment and play a more prominent role in the Canadian economy than in the past.

**Impacts to the LFS. . .** At the highest level of aggregation, NAICS has 20 sectors compared with 18 divisions in the SIC classification. The LFS has regrouped some of the sectors for monthly, seasonally adjusted publication. While the titles of some of these groupings have not changed, the detailed industries that they represent have. As a result, exact direct comparisons cannot be made (see Table 2).

For instance, the label “construction” is used in both systems but in SIC80 it includes the inspection of buildings and landscaping activities and excludes street and highway repairs. Using NAICS, “construction” excludes building and landscaping inspection, but includes street and highway repairs. Another example is “utilities”, a sub-division in SIC80 and a sector in NAICS. The SIC80 “utilities” includes garbage collection and excludes irrigation systems, while it is the reverse in the

“utilities” sector in NAICS. Given the differences, Statistics Canada has constructed a historical series of LFS data for NAICS sectors back to 1987 to support time series analysis.

Table 3 highlights new NAICS sectors which did not exist in SIC80. Table 4 illustrates differences in the numbers of detailed industries that go to make up similarly named NAICS sectors versus SIC80 divisions.

*Table 2: Level of Industry Detail For Seasonally Adjusted Monthly LFS Data*

<b>SIC80</b>	<b>NAICS</b>
<b>All industries</b>	<b>All industries</b>
<b>Good-Producing Sector</b>	<b>Goods-Producing Sector</b>
Agriculture	Agriculture
Other Primary	Forestry, fishing, mining, oil and gas
Fishing	Utilities
Logging and forestry	Construction
Mining, quarries and oil wells	Manufacturing
Utilities	<b>Service-Producing Sector</b>
Construction	Trade
Manufacturing	Transportation and warehousing
<b>Services-Producing Sector</b>	Finance, insurance, real estate & leasing
Transportation, storage and communication	Professional, scientific & technical services
Trade	Management, administrative and other support
Wholesale	Educational services
Retail	Health care and social assistance
Finance, insurance and real estate	Information, culture and recreation
Community, business and personal services	Accommodation and food services
Education	Public administration
Health and social services	
Business and personal services	
Public administration	

*Table 3: NAICS Canada Sectors that did not Exist as Divisions in the 1980 SIC*

<b>New NAICS Sectors</b>	<b>No. of Cdn Industries</b>
Information and cultural industries	30
Real estate, rental and leasing	21
Professional, scientific and technical services	40
Management of companies and enterprises	2
Administration and support, waste management and remedial services	34
Arts, entertainment and recreation	31

*Table 4: Number of Industries in Similarly Named NAICS Sectors and 1980 SIC Divisions*

<b>NAICS Sector and SIC80 Division Title</b>	<b>NAICS Ind.</b>	<b>SIC80 Ind.</b>
Agriculture, forestry, fishing and hunting	48	46
Mining and oil and gas extraction	27	29
Utilities	10	4
Construction	36	66
Manufacturing	259	236
Wholesale trade	78	78
Retail trade	69	73
Transportation, warehousing and storage	58	45
Finance and insurance	44	38
Educational services	12	6
Health care and social assistance	37	59
Accommodation and food services	18	13
Other services (except public admin)	38	67
Public administration	29	69

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