

Labour Force Statistics ♦ April 1999

HIGHLIGHTS

- **The unemployment rate for B.C. rose to 8.8 per cent in April from 8.4 per cent in March.** Seasonally adjusted employment in April fell by 12,700 (down 0.6 per cent) from March's estimate.
- **Strong employment gains of 40,100 in January and February 1999 were partially offset by decreases of 28,000 in March and April.** The employment level in April remains 5,000 above the highest monthly level attained in 1998 (November).
- **Actual average B.C. employment levels for April 1999 compared to April 1998 were up 49,700.** Net gains were split equally between men (25,000) and women (24,700).
- **The unemployment rate for Canada rose to 8.3 per cent April from 7.8 per cent in March.** Nationally, employment was little changed but there was a surge in the numbers of persons looking for work. Ontario accounted for 51,800 of the 81,100 net increase in unemployed persons in Canada.

Selected Statistics (SA)*	Apr 1998	Mar 1999	Apr 1998
B.C. Unemployment Rate	8.8%	8.4%	9.2%
Canada Unemployment Rate	8.3%	7.8%	8.4%
B.C. Help Wanted Index (1996=100)	119.0	119.0	117.0
B.C. Employment - Monthly Change	-0.6%	-0.8%	-
B.C. Labour Force - Monthly Change	-0.2%	-0.5%	-
B.C. Participation Rate	65.8%	66.0%	64.8%

* 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.

B.C. Public Sector Employment - 1988 to 1998

Introduction . . . With the release of January 1999 data, Statistics Canada's Labour Force Survey categorization of employment data between private sector employees and public sector employees was revised. This change brought the LFS definition of private vs. public sector into harmony with the System of National Accounts standards. Estimates of public sector employment are now based on "funding" of an establishment rather than on "ownership." For example, all employees in hospitals and universities are now fully classified in the public sector whereas many were formerly coded in the private sector. To ensure consistency, historical data have been revised back to 1987 using the new definition.

The first part of this article looks at how B.C. has fared compared to other provinces in the growth of public employees, private employees and the self-employed. The second part looks at how public sector employment has changed dynamically within selected industries in B.C.

Provincial Comparison . . . Figure 1 shows employment growth for private sector employees, public sector employees and the self-employed in Canada's four largest provinces between 1988 and 1998. Data shown is split into two five year segments over the period.

From 1988 to 1993, employment growth in B.C. was stronger in all classes of workers than other provinces. B.C.'s stronger growth in public sector employees compared to other provinces between 1988 and 1993 was in part due to increases in primary and secondary teachers. School enrolments rose in B.C. over this period, compared to decreases in Quebec and little change in Ontario. Ontario and Quebec experienced losses in private sector employees over the period due to the severity of the 1990/92 recession felt in central Canada.

In the five year period from 1993 to 1998, positive employment growth was seen in self-employment and private sector employees in all

LFS versus PID data

Statistics Canada also produces another estimate of public sector employment based on payroll records provided by federal, provincial and local governments and their agencies. This data is supplemented with information from other sources, the most important of which is tax data from the payroll deduction accounts of employers, supplied by Revenue Canada. These administrative data sources are the foundation for the estimates reported by Public Institutions Division (PID) of Statistics Canada.

The public sector employment estimates contained in this report come from Statistics Canada's Household Surveys Division. They are based on information from the Labour Force Survey (LFS), a survey of households. In this survey, individuals are asked to identify their employer, and which industry they work in. Their responses are then tabulated, and adjusted using sampling techniques so they represent the entire population. It should be noted that members of the military are not surveyed, so LFS employment estimates for the public sector do not include military personnel or civilian defense workers (military employment is included in the PID data).

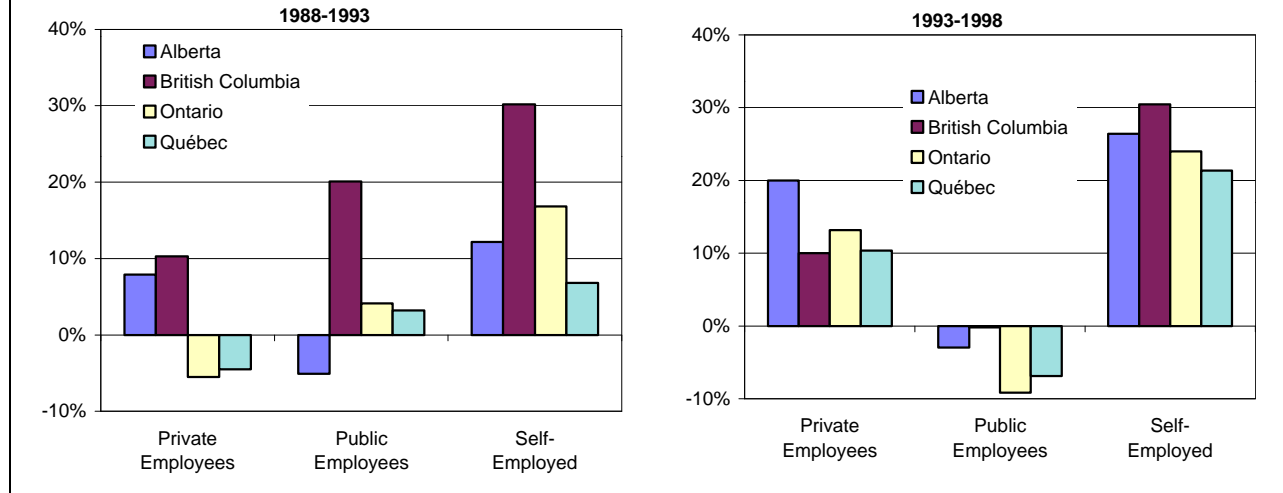
Because they are based on responses from a sample of Canadians chosen to participate in the survey, results from the LFS are subject to sampling variation. For example, if an unusually large number of people employed by the provincial government show up in the sample for a few months, this could boost the employment estimates for provincial public administration. When these people move out of the sample, the "increase" is wiped out. Sampling variation is not a significant problem at the provincial all-industry level, but it can affect data at the industry level, especially for some of the smaller industries.

For more information on public sector employment from these two sources, see the BC STATS April 1999 issue of the **Business Indicators** report.

four provinces, contrasting to declines in public sector employees.

Over the entire ten year period from 1988 to 1998 B.C. saw growth of 21.3 per cent in private sector employees (up 200,900), 19.8 per cent in public sector employees (up 53,900) and 69.9 per cent in the self-employed (up 161,300).

Figure 1: Employment Growth by Class of Worker for Selected Provinces - 1988 to 1998



Public Sector Employment in B.C. . . . Public sector employees represented 17.5 per cent of total employment in B.C. in 1998 down from 18.8 per cent in 1988. Figure 2(a) shows the level of public sector employees (indexed) compared to total population in B.C. Between 1988 and 1993 public sector employment grew by 20.2 per cent compared to population growth of 13.7 per cent. Between 1993 and 1998 the number of public sector employees was down 0.2 per cent, compared to population growth of 12.1 per cent over this period. Overall, the number of public sector employees (up 19.8 per cent) has not grown at the pace of B.C.'s population (up 28.8 per cent) between 1988 and 1998.

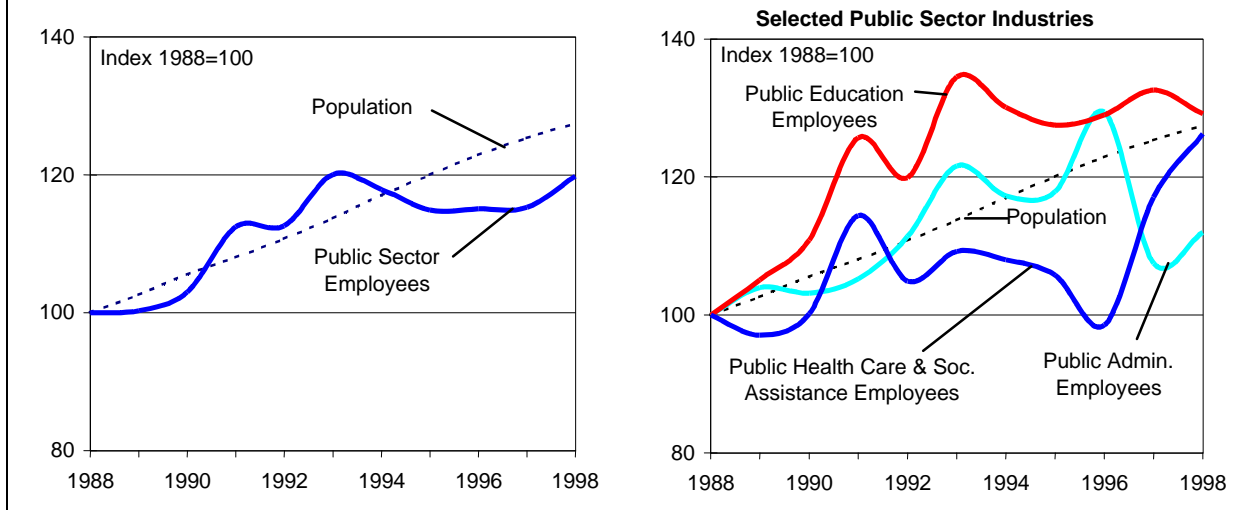
Public sector employment is derived from a variety of publicly funded activities. The majority of work in which public sector employees are engaged, is in providing services received directly by households. Education and health care/social assistance are two key areas. They accounted for 54.9 per cent of all public sector employees in 1998.

Public administration, which consists of all three levels of government administration (federal, provincial and municipal), accounted for 27.6 per cent of total public sector employment in 1998.

The remainder of public sector employees are found among several sectors including utilities and transportation, primarily in crown corporations engaged in various enterprises such as hydro electricity, bus and ferry transportation and construction and maintenance of publicly funded buildings and roads.

Generally the demand for services delivered by public employees grows as provincial population increases. Figure 2(b) looks at public sector employees in the education, health care/social assistance and public administration sectors. Over the 10 year period 1988 to 1998, public sector employees in education and health care/social assistance have grown about as fast as population. Public administration employment by 1998 is at a level well below population relative to 1988.

Figure 2: Public Sector Employment Growth in B.C.



Education and Health are both significant industries in terms of public sector employment. However, these industries also contain a growing number of private sector employees.

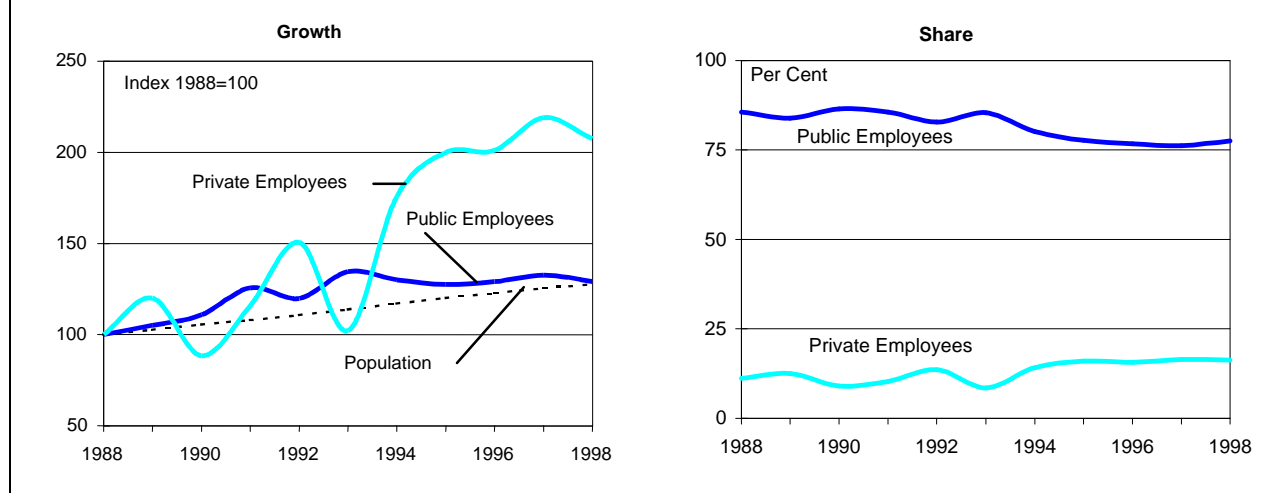
The education industry includes:

- Elementary and Secondary Schools
- Community Colleges and Universities
- Business and Secretarial Schools and Computer and Management Training
- Technical and Trade Schools
- Other Schools and Instruction (Fine Arts, Athletic, Language)

Figure 3 shows an indexed level of public and pri-

ivate employees in education services (self-employment in this industry is negligible). Growth of public employees in education increased faster than population in the early 1990's but has remained flat in the last five years. Private sector employee growth is seen to be most dramatic between 1993 and 1997 where it more than doubled. Employment rises in private post-secondary institutions and private K-12 schools have driven this growth. The share of private sector employees in the industry was 16.3 per cent in 1998, up from 11.2 per cent in 1988. Over 10,000 of the 36,300 net gain in education services employment over the ten year period was in private sector employees.

Figure 3: Education Services Employment by Class of Worker



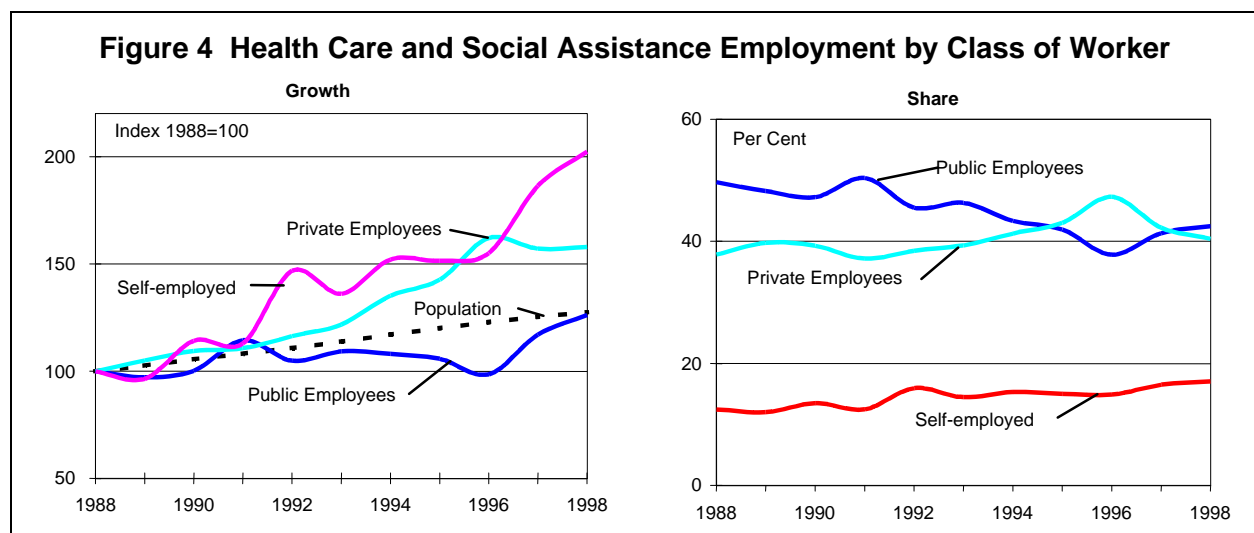
The health and social assistance industry includes:

- *Ambulatory Health Care Services* - (Offices of Physicians, Dentists, Chiropractors, Optometrists, Mental Health, Physical, Occupational and Speech Therapists), Out-Patient Care Centres, Medical and Diagnostic Laboratories, Home Health Care Services, Ambulance Services
- *Hospitals* - General Medical and Surgical Hospitals, Psychiatric and Substance Abuse Hospitals, Specialty Hospitals
- *Nursing and Residential Care Facilities* - Nursing Care Facilities, Residential Developmental handicap, Mental Health and Substance Abuse Facilities, Community Care Facilities for the Elderly, Other Residential Care Facilities (transition homes, homes for Emotionally ,Disturbed, Physically Handicapped or Disabled)
- *Social Assistance* - Individual and Family Services (Child & Youth, Elderly and Person with Disabilities), Community Food and Housing, and Emergency and Other Relief Services, Vocation Rehabilitation Services, Child Day-Care Services

Growth in public sector employment in the health care and social assistance industry has just kept pace with population growth in the ten year period shown in Figure 4(a). Stronger increases have occurred in both private sector employees and the self-employed in the health care/social assistance industry.

A good number of services covered in the health care and social assistance industry, are provided by the private sector. Rises in alternative and preventative health care by consumers and a growing population have helped drive these increases.

The share of public sector employment in the health care/social assistance services industry decreased from 49.7 per cent in 1988 to 42.5 per cent in 1998. The faster growth in private sector employees and the self-employed in the health care/social assistance industry accounted for almost three-quarters of the 64,700 net gain in employment over the period, see Figure 4(b).



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