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## Labour Force Statistics ♦ November 1999

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### HIGHLIGHTS

- **B.C.'s seasonally adjusted level of employment grew by 1.2 per cent in November from October.** Employment in November stood 29,100 higher than the July 1999 level, and the B.C. employment rate (employment to population ratio) was 59.7 per cent compared to 59.1 per cent in July.
- **The rise in the B.C. labour force participation rate reflects an increase in both the estimated number of employed and unemployed persons.** The significant movement of additional persons from outside the labour force actively searching for work (unemployed), pushed up the unemployment rate in November.
- **Canada's seasonally adjusted unemployment rate of 6.9 per cent in November represented a 18 year low.** The Canadian employment rate (employment to population ratio) in November was 60.9 per cent, up from the 59.0 rate in November 1997.
- **Seasonally adjusted employment growth in Canada in November was paced by a gain of 36,800 in Quebec (up 1.0 per cent) and a gain of 12,800 in B.C. (up 1.2 per cent).** Employment growth in Ontario paused in November; however, on a year-to-date basis, Ontario had the strongest employment growth in Canada.

<b>Selected Statistics (SA)*</b>	<b>Nov 1999</b>	<b>Oct 1999</b>	<b>Nov 1998</b>
B.C. Unemployment Rate	8.0%	7.4%	7.8%
Canada Unemployment Rate	6.9%	7.2%	8.0%
B.C. Help Wanted Index (1996=100)	132.0	133.0	120.0
B.C. Employment - Monthly Change	0.7%	-0.1%	-
B.C. Labour Force - Monthly Change	1.2%	-0.7%	-
B.C. Participation Rate	64.9%	64.2%	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 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.*

## Measuring Changes in B.C. Labour Market Conditions

**Introduction . . .** There are alternative ways to measure changes in labour market conditions, particularly to control for seasonal fluctuations. Seasonally adjusted data examined on a monthly basis allows insight into month to month changes. A second technique to remove seasonal impacts is to look at actual data estimates over a period of time and compare these to the identical but previous period of time. For example, the year-to-date average or an annual average for actual employment is often compared to employment for the same period in the previous year. Both ways of measuring changes are useful and complementary in providing better understanding into how labour market conditions are changing.

**Employment and Employment/Population Ratio . . .** Figure 1 on the following page shows B.C.'s monthly seasonally adjusted employment level and employment to population ratio (also called the employment rate) for persons aged 15+ since January 1998.

*Employment.* During 1998, the provincial estimated employment level climbed fairly steadily. A very large estimated increase occurred in the data between December 1998 and January 1999, followed by a lesser but additional significant increase in February 1999. Part of this two month rise may in fact have been caused by allowable statistical sample error within the Labour Force Survey. Estimates from the survey in the near future will be derived from an improved "composite estimation" technique which will reduce sample error and hence variability in provincial data estimates from the Labour Force Survey (see adjacent topic box).

Following employment increases in February 1999, B.C. employment during the remaining months of the first half of 1999 appear to have backtracked somewhat. However, since July 1999, employment in B.C. has again been trending upward. The employment level for November 1999 is higher than any single month recorded during 1998.

### Note to Readers on Upcoming Changes to the Labour Force Survey

Beginning in the year 2000, Statistics Canada will make two major revisions to the Labour Force Survey (LFS). First, all LFS estimates will be adjusted to reflect 1996 Census population counts including post-censal adjustments which adjust for Census undercoverage. This rebasing of survey population estimates to results of the 1996 Census will provide a more accurate set of Labour Force Survey estimates.

Second, composite estimation of labour force variables will be adopted. This new method of estimation has the advantage of reducing the volatility of month-to-month changes for a number of variables, reduce sampling error and clarify seasonal patterns to improve seasonal adjustment. Therefore on a provincial level, **monthly** seasonally adjusted estimates will now be available for those variables that are currently published by Statistics Canada as **three-month moving average** seasonally adjusted estimates. For example, Table 8 in this publication on Employment by Industry, will this change.

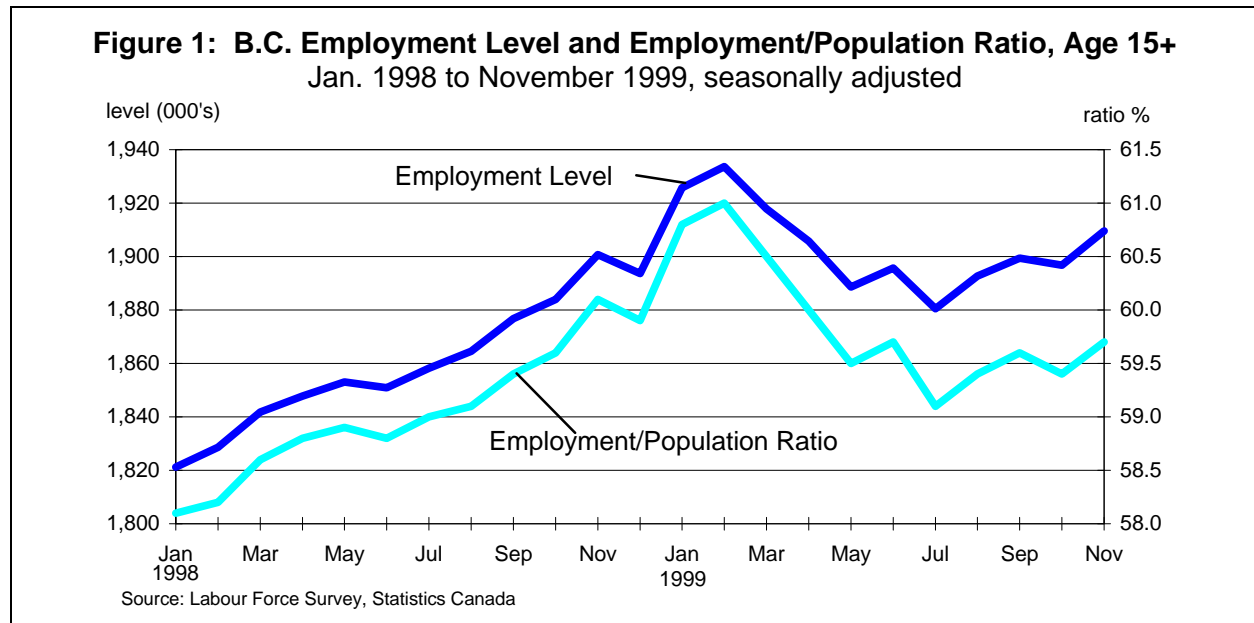
As a result of these two changes, all LFS estimates will be revised back to January 1976. Estimates starting with January 2000 data (released February 4) will not be comparable with currently published data, and in future, comparisons should only be made with the revised historical data. This publication will provide a feature article on February 4, 2000 detailing the changes and revised estimates.

*Employment to population ratio (employment rate).* This indicator provides an alternative to the more widely used unemployment rate which measures the proportion of unemployed persons to the size of the labour force (employed + unemployed). The employment rate does not distinguish between those actively looking for work (unemployed) versus those not actively looking for work (those not in the labour force). Rather, the employment rate is simply the proportion of the population aged 15 and older

who are in paid employment. While this provides an alternative way of gauging labour market performance, it does not reflect relative changes or movements for those not employed in terms of those actively looking for work and those who are not. For example, the upward trend in the proportion of persons aged 18 to 29 engaged in post-secondary education programs in the 1990's has dampened the overall B.C.

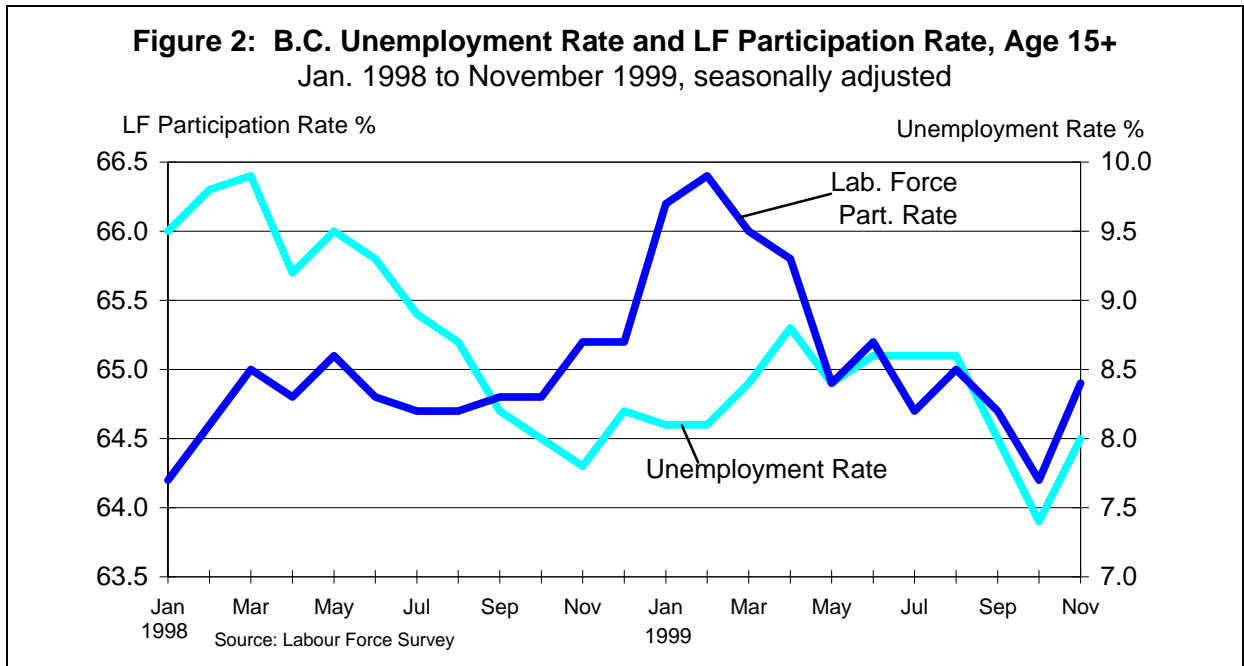
employment rate. Persons engaged in post-secondary programs are less likely to be employed or looking for work for the 8 to 9 months of the year when they are in school versus non-students of the same age group.

As measured on a monthly seasonally adjusted basis, the B.C. employment rate has again been trending upward since July 1999.



**Unemployment Rate and Labour Force Participation . . .** Figure 2 on the following page shows the seasonally adjusted unemployment rate and labour force participation rate for persons in B.C. aged 15 and older. From January 1998 to November 1998, the B.C. monthly unemployment rate generally trended downward. This decline was driven by increases in the estimated number of employed persons and decreases in the estimated number of unemployed persons. While this was occurring there was a relatively modest upward movement in the labour force participation rate. The estimated labour force participation rate jumped up in January 1999 and February 1999 and then fell back in March, April and May. Since July 1999 the B.C. labour market has appeared to strengthen with rising employment and falling numbers of unemployed persons.

One issue that is difficult to interpret are the volatile fluctuations in both the B.C. labour force participation rate and employment rate on a month to month basis since July 1999. It appears that a number of those on the margins of the labour force are alternating between being unemployed versus not in the labour force. Some analysts take the view that employment often lags economic growth, and have suggested we may currently have employers remaining positive but still cautious with respect to additional hires. As part of this, employers may be increasing work hours of current employees as well as expanding new hires as part of their human resource strategies. Average full-time employment levels (seasonally adjusted) for the latest three months ending in November have risen by 26,000 over the previous three month period ending in July, while part-time employment declined by 14,000.



**Year-to-date Changes in B.C. Labour Market Variables . . .** Figures 1 and 2 examine selected major labour force variables monthly over time. A complementary way of examining labour market data is noted in Figure 3, which shows actual year-to-date averages for January to November 1999, and compares these to the same period in 1998 and 1997. This data suggests the B.C. labour market has seen

considerable improvement in 1999 compared to 1998. Employment growth in 1999 to date has been twice that of 1998's, the unemployment rate lower, and the employment rate higher. These year to date average comparisons suggest that labour market conditions in B.C. in 1999 are stronger than the month to month changes in seasonally adjusted data alone would suggest.

**Figure 3: B.C. Labour Force Characteristics for Persons Aged 15+**  
Actual Average for Jan. - Nov. in 1997, 1998 and 1999

data in 000's except where otherwise indicated

	1997	1998	1999	Change 1997 to 1998	Change 1998 to 1999
Labour Force	2,015.8	2,043.9	2,075.6	1.4%	1.6%
Employment	1,840.2	1,859.7	1,902.5	1.1%	2.3%
Unemployed	175.7	184.3	173.1	4.9%	-6.1%
Unemployment rate	8.7%	9.0%	8.3%		
Participation rate	65.1%	64.9%	65.3%		
Employment rate	59.4%	59.0%	59.8%		

Source: Labour Force Survey, Statistics Canada

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## Recent Feature Articles

<b>November 1998</b>	Post-Secondary Education Participation Trends by "Type"	<b>May 1999</b>	BC Labour Market Update for Youth Aged 15 to 24
<b>December 1998</b>	The BC Labour Market 1998	<b>June 1999</b>	BC Labour Market - Second Quarter 1999
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<b>April 1999</b>	BC Public Sector Employment - 1988 to 1998	<b>October 1999</b>	B.C. Full-time and Part-time Employment in the 1990's