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Releases

Study: Cyclical changes in output and employment

Employment and output have generally changed at the same time and speed in Canada during cyclical downturns over the past three decades.

A comparison of year-over-year growth of monthly real gross domestic product (GDP) and employment since 1982 shows the two change direction in tandem most of the time.

More specifically, turning points in the growth of output and employment appear to have been virtually the same during this period.

There is a slight lag of employment in Canada early in a recession, especially after a period when employers have faced labour shortages.

In the United States, however, there was clearly a lag between output and jobs, especially in recoveries. However, during the current downturn that started in 2008, jobs led output into recession.

American firms have consistently cut jobs faster than output as a result of downturns since the Second World War. There was no clear evidence in either country that employers hoard labour during downturns.

There is also little evidence from past cycles that jobs languish in Canada when output recovers significantly.

Turning points

Since 1976, there have been two complete cycles when both GDP and jobs contracted in absolute terms. The quarterly turning points for output and employment were close in both the 1981/1982 and 1990/1991 recessions.

In Canada, the initial drop in GDP in the third quarter of 1981 was accompanied by no change in employment, while the 0.3% fall in output in the second quarter of 1990 slowed employment growth to 0.1%.

This suggests a slight lag of employment behind output during the onset of a recession. Thereafter, output and employment both fell in every quarter of these recessions before turning up in unison, in the first quarter of 1983 and the second quarter of 1991.

Note to readers

A recurring question during cyclical downturns is the relationship between output and employment. Do changes in employment lag output growth? Do employers cut output faster than jobs during recessions? And have these relationships changed over time?

This paper attempts to answer these questions by comparing data on monthly and quarterly gross domestic product and employment from the Labour Force Survey. It also compares Canadian results with the United States.

While the turning points were almost identical, the initial contractions in real GDP were more pronounced than for employment. In the first two quarters of recession in 1981, real GDP declined 1.2%, double the 0.6% drop in jobs over the same period.

And in the first two quarters of the 1990 downturn, real GDP fell 0.8% compared with a 0.1% dip in employment. However, employment contracted nearly as fast as, or even faster than, output for the duration of these recessions.

A similar pattern has occurred so far in the current cycle, with a sharper retreat in GDP than jobs late in 2008. However, job losses matched the drop in output early in 2009.

GDP and jobs in the United States

In the United States, the timing between turning points in output and employment is different. Changes in non-farm payroll growth in the United States clearly lag turning points in output.

Moreover, the lag between quarterly changes in output and employment in the United States has increased over time, from less than one quarter before 1973 to 4.1 quarters since.

Indeed, in the previous two cycles in 1991 and 2001, jobs did not begin to recover until a year after GDP started to rebound, although it began to decline soon after GDP receded.

Again, the US experience is different than that in Canada, where there was little or no lag. The greater lag in the American data, which is widely scrutinized, may explain why some analysts persist in believing there is a definitive lag in Canada.

Definitions, data sources and methods: survey numbers, including related surveys, 1901 and 3701.

The study "Cyclical changes in output and employment" is included in the May 2009 Internet edition of *Canadian Economic Observer*, Vol. 22, no. 5 (11-010-X, free), now available from the *Publications* module of our website. The monthly paper version of *Canadian Economic Observer*, Vol. 22, no. 5 (11-010-X, \$25/\$243), will be available on May 21.

For more information about the *Canadian Economic Observer*, click on our banner ad from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Philip Cross (613-951-9162; ceo@statcan.gc.ca), Current Economic Analysis Division. ■

Non-residential Building Construction Price Index

First quarter 2009

The composite price index for non-residential building construction decreased 4.2% to 145.1 (2002=100) in the first quarter compared with the previous quarter. The quarterly decrease was mostly the result of declines in construction material prices and competitive conditions due to a weaker non-residential building construction market, most notably in Western Canada.

Among census metropolitan areas (CMAs), Vancouver (-10.7%) recorded the largest quarterly decrease while Montréal (+0.4%) had the only increase of the seven CMAs surveyed.

Year-over-year, the composite price index for non-residential building construction was up 1.0%. Decreases were recorded in only two CMAs, Vancouver (-9.1%) and Edmonton (-4.7%), while Montréal (+6.2%) recorded the largest increase.

Note: In the fourth quarter of 2008, the five building models used in the calculation of non-residential building construction price indexes were replaced with updated models. Also, the base year was changed to 2002=100.

The Non-residential Building Construction Price Index provides an indication of the changes in new construction costs in six CMAs (Halifax, Montréal, Toronto, Calgary, Edmonton and Vancouver) and the Ottawa part of the Ottawa–Gatineau CMA.

Three construction categories (industrial, commercial and institutional buildings) are represented by selected models (a light factory building, an office building, a warehouse, a shopping centre and a school). Besides the CMA and composite indexes, a further breakdown of the changes in costs is available by trade group (structural, architectural, mechanical and electrical) within the building types.

These price indexes are derived from surveys of general and special trade group contractors. They report data on various categories of costs (material, labour, equipment, taxes, overhead and profit) relevant to the detailed construction specifications included in the surveys.

Available on CANSIM: tables 327-0043 and 327-0044.

Definitions, data sources and methods: survey numbers, including related surveys, 2317 and 2330.

The first quarter 2009 issue of *Capital Expenditure Price Statistics* (62-007-X, free) will be available in July.

For more information or to enquire about the concepts, methods and data quality of this release, contact Client Services (toll-free 1-866-230-2248; 613-951-9606; fax: 613-951-3117; prices-prix@statcan.gc.ca), Producer Prices Division.

Non-residential building construction price indexes¹

	First quarter 2009	First quarter 2008 to first quarter 2009	Fourth quarter 2008 to first quarter 2009
	(2002=100)	% change	
Composite	145.1	1.0	-4.2
Halifax	135.5	4.8	-0.6
Montréal	134.1	6.2	0.4
Ottawa–Gatineau, Ottawa part	140.7	5.0	-0.8
Toronto	144.6	4.5	-1.6
Calgary	169.9	2.7	-4.6
Edmonton	156.7	-4.7	-7.9
Vancouver	140.4	-9.1	-10.7

1. Go online to view the census subdivisions that comprise the census metropolitan areas.

Salary and salary scales of full-time teaching staff at Canadian universities

2008/2009 (preliminary)

Information is now available on the salaries of full-time teaching staff at 65 Canadian universities, for the 2008/2009 academic year. The institutions that are included are all those that have completed the survey by the beginning of April 2009.

This bulletin presents information on the salaries of full-time teaching staff at 27 Canadian universities for 2008/2009. The institutions that are included are those who completed the survey by the beginning of April and who have more than 100 staff. In 2006/2007 (the last year for which final data on full-time teaching staff is available) these 27 institutions accounted for 41% of the full-time teaching staff of the 116 institutions that were included in the survey.

In addition, information on the 2008/2009 salary scales for full-time university teachers is also presented in this report and includes all those institutions (regardless of size) who provided this information by the beginning of April 2009.

This information is collected annually under the "Universities and Colleges Academic Staff System."

Definitions, data sources and methods: survey number 3101.

The report "Salaries and salary scales of full-time teaching staff at Canadian universities, 2008/2009: Preliminary report" is now available as part of the *Culture, Tourism and the Centre for Education Statistics: Research Papers* (81-595-M2009076, free) series from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-800-307-3382; 613-951-7608; fax: 613-951-4441; educationstats@statcan.gc.ca), Tourism and the Centre for Education Statistics. ■

Steel pipe and tubing

March 2009

Data on the production and shipments of steel pipe and tubing are now available for March.

Available on CANSIM: table 303-0046.

Definitions, data sources and methods: survey number 2105.

The March 2009 issue of *Steel, Tubular Products and Steel Wire* (41-019-X, free) will soon be available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; manufact@statcan.gc.ca), Manufacturing and Energy Division. ■

Steel wire and specified wire products

March 2009

Data on steel wire and specified wire products production are now available for March.

Available on CANSIM: table 303-0047.

Definitions, data sources and methods: survey number 2106.

The March 2009 issue of *Steel, Tubular Products and Steel Wire* (41-019-X, free) will soon be available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; manufact@statcan.gc.ca), Manufacturing and Energy Division. ■

Survey of Staffing: Candidates

2009

Data from the Survey of Staffing: Candidates, 2009, Cycle 1 are now available.

Definitions, data sources and methods: survey number 5147.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Client Services (613-951-3321; toll-free 1-800-461-9050; fax: 613-951-4527; ssd@statcan.gc.ca), Special Surveys Division. ■

New products

Canadian Economic Observer, May 2009, Vol. 22, no. 5

Catalogue number 11-010-X (HTML, free)

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

New Motor Vehicle Sales, March 2009, Vol. 81, no. 3

Catalogue number 63-007-X (PDF, free; HTML, free)

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette; -XCB or -XCE are electronic versions on compact disc; -XVB or -XVE are electronic versions on DVD and -XBB or -XBE a database.

Culture, Tourism and the Centre for Education Statistics: Research Papers: "Salaries and salary scales of full-time teaching staff at Canadian universities, 2008/2009: Preliminary report", no. 76
Catalogue number 81-595-M2009076 (PDF, free; HTML, free)

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