



Labour Market Bulletin

Saskatchewan

February 2016



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Saskatchewan, including Regina-Moose Mountain, Swift Current-Moose Jaw, Saskatoon-Biggar, Yorkton-Melville and Prince Albert & Northern economic regions.

OVERVIEW

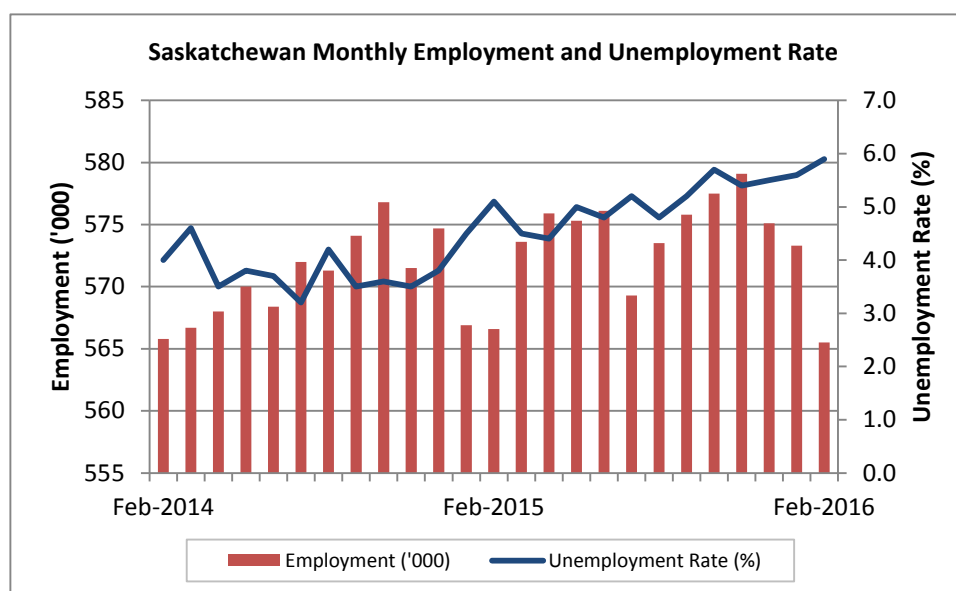
Employment in Saskatchewan fell significantly between January and February 2016, in effect, reversing employment gains accumulated over the previous year. There were 7,800 fewer people employed in February - the largest decline of any of the resource-dependent provinces. This is attributed to a reduction both in full-time (-5,800) and in part-time employment (-2,000). On a year-over-year basis, the provincial unemployment rate edged up 0.8 percentage points to 5.9%, as more people joined the labour force in search for work. Despite this increase, Saskatchewan still has the lowest unemployment rate in the country. Nationally, the unemployment rate climbed to 7.3% for the first time in three years, amid flat overall job growth.

Saskatchewan Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	February 2016	January 2016	February 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	865.8	865.2	858.4	0.6	0.1	7.4	0.9
Labour Force ('000)	601.1	607.0	597.0	-5.9	-1.0	4.1	0.7
Employment ('000)	565.5	573.3	566.6	-7.8	-1.4	-1.1	-0.2
Full-Time ('000)	467.1	472.9	469.5	-5.8	-1.2	-2.4	-0.5
Part-Time ('000)	98.4	100.4	97.1	-2.0	-2.0	1.3	1.3
Unemployment ('000)	35.6	33.7	30.4	1.9	5.6	5.2	17.1
Unemployment Rate (%)	5.9	5.6	5.1	0.3	-	0.8	-
Participation Rate (%)	69.4	70.2	69.5	-0.8	-	-0.1	-
Employment Rate (%)	65.3	66.3	66.0	-1.0	-	-0.7	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087



Declining monthly employment affected every age group of workers in the province. However, youth (aged 15 to 24) were hit harder than other groups. This is not surprising, as youth are more commonly employed in entry-level jobs and often are among the first to be impacted during an economic downturn. There were 2,900 fewer youth employed in the province in February compared to a month earlier. Youth unemployment (12.1%) remains more than two and a half times higher than the rate of those aged 25 and older (4.8%).

Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	February 2016	January 2016	February 2015	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	5.9	5.6	5.1	0.3	0.8
25 years and over	4.8	4.6	4.1	0.2	0.7
Men - 25 years and over	5.2	5.0	4.4	0.2	0.8
Women - 25 years and over	4.4	4.2	3.7	0.2	0.7
15 to 24 years	12.1	10.7	10.2	1.4	1.9
Men - 15 to 24 years	14.3	10.9	11.9	3.4	2.4
Women - 15 to 24 years	9.5	10.2	8.1	-0.7	1.4

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

EMPLOYMENT BY INDUSTRY

Employment losses in February were the result of declines both in the goods-producing sector and in the services-producing sector. Employment in the goods-producing sector fell by 1.0% in February, led by a fairly significant decline in construction (-2,600). This decline was partially offset by employment gains in agriculture (+1,800) and in utilities (+300).

Year-over-year employment in Saskatchewan's agriculture industry is up nearly 5.0%. Dry conditions across much of the province during the 2015 growing season resulted in a drop in overall crop production. However, a lower loonie has made Canadian agricultural products more competitive on the international market, given that commodities are priced in US dollars. According to the 2016 Canadian Agricultural Outlook, Saskatchewan's total net income from agriculture is expected to rise from \$3.4B in 2015 to \$3.6B in 2016.¹

Employment in the construction industry was down 9.5% in February on an annual basis, as 5,500 fewer people were employed in construction compared to a year earlier. This drop is due in part to declining housing starts throughout the province. Compared to the same month in 2015, Saskatchewan's housing starts were down more than 22% in February.² A high inventory of homes for sale on the market, slowing demand, and weak economic conditions have placed downward pressure on prices. According to a report by the Canadian Real Estate Association, average home prices are expected to decline by an additional 1.2% in 2016.³

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	February 2016	January 2016	February 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	565.5	573.3	566.6	-7.8	-1.4	-1.1	-0.2
Goods-producing sector	153.3	154.9	156.3	-1.6	-1.0	-3.0	-1.9
Agriculture	43.3	41.5	41.3	1.8	4.3	2.0	4.8
Forestry, fishing, mining, quarrying, oil and gas	25.6	25.7	26.0	-0.1	-0.4	-0.4	-1.5
Utilities	6.8	6.5	6.4	0.3	4.6	0.4	6.2
Construction	52.1	54.7	57.6	-2.6	-4.8	-5.5	-9.5
Manufacturing	25.5	26.5	25.0	-1.0	-3.8	0.5	2.0
Services-producing sector	412.2	418.4	410.3	-6.2	-1.5	1.9	0.5
Trade	84.3	85.2	83.7	-0.9	-1.1	0.6	0.7
Transportation and warehousing	27.0	27.7	28.1	-0.7	-2.5	-1.1	-3.9
Finance, insurance, real estate and leasing	30.1	31.0	31.4	-0.9	-2.9	-1.3	-4.1
Professional, scientific and technical services	27.0	27.1	25.0	-0.1	-0.4	2.0	8.0
Business, building and other support services	12.7	14.1	14.4	-1.4	-9.9	-1.7	-11.8
Educational services	39.2	40.7	43.2	-1.5	-3.7	-4.0	-9.3
Health care and social assistance	79.6	79.6	74.9	0.0	0.0	4.7	6.3
Information, culture and recreation	20.9	21.7	17.5	-0.8	-3.7	3.4	19.4
Accommodation and food services	36.6	38.3	36.6	-1.7	-4.4	0.0	0.0
Other services	27.0	25.0	24.5	2.0	8.0	2.5	10.2
Public administration	27.8	28.0	31.0	-0.2	-0.7	-3.2	-10.3

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

Provincial employment losses in February were primarily the result of falling employment in the services-producing sector (-6,200). The largest declines came in accommodation and food services (-1,700), educational services (-1,500), as well as business, building and other support services (-1,400). On a year-over-year basis, employment in the services-sector is up by just 0.5%, led by gains in healthcare and social assistance (+4,700), and information, culture and recreation (+3,400).

While employment in trade was essentially flat on a year-over-year basis (+600), a weaker loonie and better economic conditions south of the border are likely to lead to improved outcomes for Saskatchewan's trade industry this year, buoyed by demand for the province's agriculture products. In 2015, Saskatchewan exports reached \$32.7 billion – the province's second highest amount ever.⁴ Asian economies now represent three of the top five export destinations for the province, with Saskatchewan producing 16% of Canada's total exports to China.⁵

REGIONAL ANALYSIS

Employment growth is mixed across the province. On a year-over-year basis, employment is down in three of the province's sub-regions. Yorkton-Melville, Swift Current-Moose Jaw and Saskatoon-Biggar had year-over-year employment declines. Meanwhile, Regina-Moose Mountain and Prince Albert & Northern continued to post annual gains.

Prince Albert & Northern had by far the strongest employment growth of all economic regions. Year-over-year, there were 4,500 more people working in the region, representing more than half of Saskatchewan's employment growth during the past year. However, the region's unemployment rate is still up as labour force expansion (+7,100) has outpaced employment growth (+4,500). Projects such as the construction of North Battleford's new 284-bed hospital, which is already underway, and Husky Energy's three new thermal oil plants in Lloydminster, should provide a boost to employment in the region.

In contrast, year-over-year employment is down considerably in Yorkton-Melville (-10.8%). The region's labour force continues to contract, as job seekers end their search prematurely. There are 4,000 fewer people employed in Yorkton-Melville in February 2016 compared to the same month last year. The region's year-over-year employment losses are the result of declines both in the goods-producing sector and in the services-producing sector, with the biggest decline occurring in agriculture (-1,700).

Saskatchewan Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	February 2016 ('000)	February 2015 ('000)	Yearly Variation (%)	February 2016 (%)	February 2015 (%)	Yearly Variation (% points)
Saskatchewan	563.1	562.6	0.1	5.9	4.6	1.3
Economic Regions						
Regina-Moose Mountain	183.0	180.1	1.6	4.5	4.2	0.3
Swift Current-Moose Jaw	52.2	53.4	-2.2	4.0	2.7	1.3
Saskatoon-Biggar	192.7	194.4	-0.9	6.3	5.0	1.3
Yorkton-Melville	34.8	39.0	-10.8	7.4	3.2	4.2
Prince Albert and Northern	100.3	95.8	4.7	8.1	6.2	1.9

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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¹ The Western Producer (February 24, 2016). A look at income numbers by sector tells tale. Retrieved from <http://www.producer.com/2016/02/a-look-at-income-numbers-by-sector-tells-tale/#respond>

² Statistics Canada. Table 027-0001: Canada Mortgage and Housing Corporation, housing starts, under construction and completions in centres 10,000 and over, Canada, provinces, selected census metropolitan areas.

³ The Canadian Real Estate Association (December 2015). Quarterly Forecast. Retrieved from <http://www.crea.ca/housing-market-stats/quarterly-forecasts/>

⁴ Government of Saskatchewan (March 7, 2016). Saskatchewan Records Second Largest Exports Ever in 2015. Retrieved from <http://www.saskatchewan.ca/government/news-and-media/2016/march/07/exports-for-2015>

⁵ Innovation, Science and Economic Development Canada (2016). Trade Data Online. Retrieved from <http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/Home?OpenDocument#tag>