



# Labour Market Bulletin

## Saskatchewan

May 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

The number of people employed in Saskatchewan increased by 2,200 (+0.4%) in May. These monthly employment gains are due entirely to an increase in part-time positions (+2,700), while full-time employment declined slightly (-500) from April to May. Turning to the class of workers, more people were employed in the province's public (+300) and private (+2,300) sectors on a month-over-month basis, whereas the number of self-employed fell (-400) over the same period.

#### Saskatchewan Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2016	April 2016	May 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	867.7	867.0	860.2	0.7	0.1	7.5	0.9
<b>Labour Force ('000)</b>	605.0	604.8	605.4	0.2	0.0	-0.4	-0.1
<b>Employment ('000)</b>	568.9	566.7	575.3	2.2	0.4	-6.4	-1.1
Full-Time ('000)	468.9	469.4	477.7	-0.5	-0.1	-8.8	-1.8
Part-Time ('000)	100.0	97.3	97.5	2.7	2.8	2.5	2.6
<b>Unemployment ('000)</b>	36.1	38.1	30.1	-2.0	-5.2	6.0	19.9
<b>Unemployment Rate (%)</b>	6.0	6.3	5.0	-0.3	-	1.0	-
<b>Participation Rate (%)</b>	69.7	69.8	70.4	-0.1	-	-0.7	-
<b>Employment Rate (%)</b>	65.6	65.4	66.9	0.2	-	-1.3	-

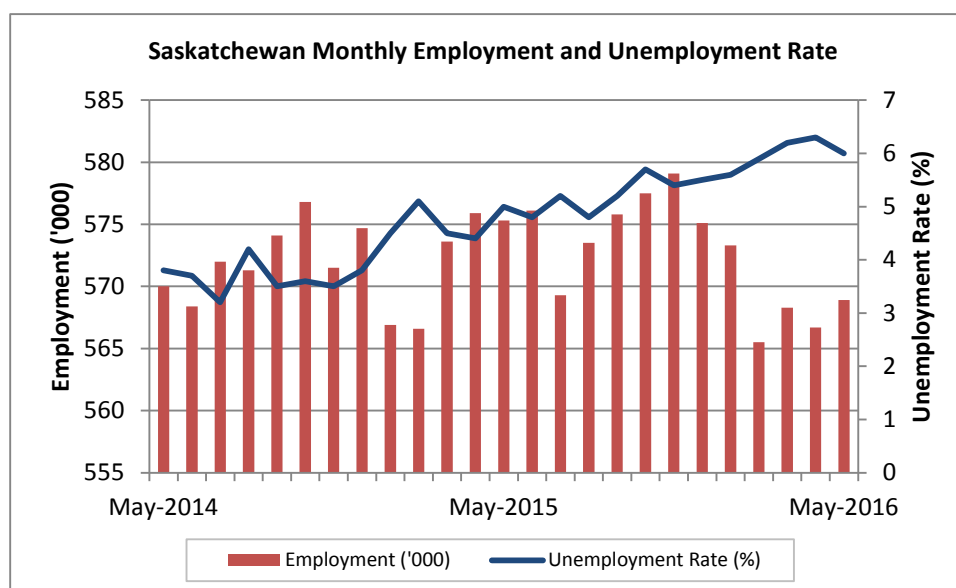
Note: Totals may not add due to rounding

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

Low oil and commodity prices remain a significant challenge for Saskatchewan's economy. On an annual basis, there are 6,400 (-1.1%) fewer people employed in the province in May compared to the same period last year. In addition, the unemployment rate in Saskatchewan climbed to 6.0% (+1.0 percentage point) during this period.

At the same time, the provincial job vacancy rate has fallen and wage growth has edged downwards – evidence that Saskatchewan’s labour market is being impacted by economic uncertainty.<sup>1</sup>

Looking ahead, the Conference Board of Canada expects job creation in Saskatchewan to lag this year due to persistently low commodity prices and economic uncertainty. Employment growth is anticipated to increase only by 0.2% in 2016, similar to the modest (0.6%) growth experienced in 2015.<sup>2</sup>



**Saskatchewan Monthly Unemployment Rates, by Gender and Age**

Seasonally Adjusted Data	May 2016 (%)	April 2016 (%)	May 2015 (%)	Monthly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	6.0	6.3	5.0	-0.3	1.0
<b>25 years and over</b>	5.0	5.2	4.2	-0.2	0.8
Men - 25 years and over	5.1	5.1	4.5	0.0	0.6
Women - 25 years and over	4.8	5.4	3.7	-0.6	1.1
<b>15 to 24 years</b>	11.6	12.4	9.5	-0.8	2.1
Men - 15 to 24 years	14.1	16.2	6.6	-2.1	7.5
Women - 15 to 24 years	8.5	8.1	12.7	0.4	-4.2

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

Saskatchewan’s youth unemployment rate increased by 2.1 percentage points year-over-year to 11.6% in May. The unemployment rates among Saskatchewan’s young men (14.1%) and women (8.5%) though were still lower than the equivalent national rates of 15.3% and 11.2%, respectively. The year-over-year unemployment rate for adults aged 25 and over also increased (by +0.8 percentage points) in May.

## EMPLOYMENT BY INDUSTRY

Employment in Saskatchewan's services-producing sector increased significantly (+4,000) this month, led by gains in accommodation and food services (+2,900) and information, culture and recreation (+1,500). However, the story is much different on a year-over-year basis, as services-producing employment has declined since last May (-1,300) with significant employment losses in transportation and warehousing (-3,200) and business, building and other support services (-2,800).

On an annual basis, there are 5,100 less people employed in Saskatchewan's educational services industry, while employment in healthcare and social assistance declined by 700. In fact, budgetary pressures have forced a number of schools and hospitals across the province to cut staff. For example, Prairie Spirit School Division, which serves communities surrounding Saskatoon, recently laid-off 60 educational assistants and 14 teachers due to a \$3 million budgetary deficit.<sup>3</sup>

The trade industry includes both retail and wholesale trade. Employment in Saskatchewan's trade industry has fared well over the past year and the industry employs 5,500 more people compared to the past year. A number of new retail stores have opened up in the province, including Save-On-Foods. The supermarket chain recently opened a store in Regina, employing 190 people, and plans on expanding its presence across the province by opening multiple stores in other Saskatchewan cities.<sup>4</sup>

Employment in professional, scientific and technical services fell slightly in May (-300), but despite this monthly decline, year-over-year employment is up 3,400. This industry generally has high wages and is very diverse, encompassing professions in law, architecture and engineering—all fields that serve Saskatchewan's large resource-based industries.

## Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2016	April 2016	May 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	568.9	566.7	575.3	2.2	0.4	-6.4	-1.1
<b>Goods-producing sector</b>	152.2	154.0	157.3	-1.8	-1.2	-5.1	-3.2
Agriculture	42.1	42.2	41.3	-0.1	-0.2	0.8	1.9
Forestry, fishing, mining, quarrying, oil and gas	25.6	26.0	26.9	-0.4	-1.5	-1.3	-4.8
Utilities	7.4	7.4	6.7	0.0	0.0	0.7	10.4
Construction	52.0	53.4	56.7	-1.4	-2.6	-4.7	-8.3
Manufacturing	25.1	25.1	25.7	0.0	0.0	-0.6	-2.3
<b>Services-producing sector</b>	416.7	412.7	418.0	4.0	1.0	-1.3	-0.3
Trade	87.1	87.1	81.6	0.0	0.0	5.5	6.7
Transportation and warehousing	27.4	27.0	30.6	0.4	1.5	-3.2	-10.5
Finance, insurance, real estate and leasing	30.2	30.0	30.9	0.2	0.7	-0.7	-2.3
Professional, scientific and technical services	27.1	27.4	23.7	-0.3	-1.1	3.4	14.3
Business, building and other support services	12.1	12.9	14.9	-0.8	-6.2	-2.8	-18.8
Educational services	40.0	40.0	45.1	0.0	0.0	-5.1	-11.3
Health care and social assistance	78.1	78.5	78.8	-0.4	-0.5	-0.7	-0.9
Information, culture and recreation	20.8	19.3	18.4	1.5	7.8	2.4	13.0
Accommodation and food services	39.4	36.5	38.1	2.9	7.9	1.3	3.4
Other services	25.5	25.5	26.5	0.0	0.0	-1.0	-3.8
Public administration	29.0	28.4	29.2	0.6	2.1	-0.2	-0.7

Note: Totals may not add due to rounding

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

Turning to the goods-producing sector, employment fell by 1,800 in May, and remains well below levels of one year ago (-5,100). Saskatchewan's construction industry accounted for most of the employment losses in this sector over the past month (-1,400) and the year (-4,700). Overall, residential construction activity is down significantly in the province, and according to the Canada Housing and Mortgage Corporation (CMHC), the number of new housing starts declined from 435 units in May 2015 to 292 units in May 2016 – a drop of 33%.<sup>5</sup> This is due to higher housing inventories in Regina and Saskatchewan, which has slowed demand in these two large urban centres.

The resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) also employed significantly fewer people (-1,300) than a year ago, while month-over-month employment is also down by 400. Saskatchewan's economy continues to struggle due to soft commodity prices. This has forced mining companies to cut production, spending and staff. For example, Potash Corp. of Saskatchewan temporarily curtailed production at its Allan and Lanigan mines in March 2016 for four weeks.<sup>6</sup>

The agriculture industry employed more people (+800) in May than the previous year. Seeding of 2016's crop has been completed in the province and crops that have emerged are in good to excellent condition.<sup>7</sup> The outlook for the agriculture industry looks bright for this year as precipitation in the fall of 2015 improved topsoil moisture

conditions. The Conference Board of Canada forecasts that output from the agriculture industry will grow by 11.1% in 2016, after the industry went through a drought-stricken year in 2015.<sup>8</sup>

## REGIONAL ANALYSIS

Year-over-year employment growth varied across Saskatchewan, with annual employment declining in four out of five regions. Meanwhile, the unemployment rate has risen significantly in most parts of the province.

**Saskatchewan Monthly Labour Force Statistics, by Economic Region**

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2016 ('000)	May 2015 ('000)	Yearly Variation (%)	May 2016 (%)	May 2015 (%)	Yearly Variation (% points)
<b>Saskatchewan</b>	565.7	572.2	-1.1	6.6	5.0	1.6
<b>Economic Regions</b>						
Regina-Moose Mountain	183.9	180.9	1.7	5.9	4.4	1.5
Swift Current-Moose Jaw	53.5	55.4	-3.4	3.8	5.0	-1.2
Saskatoon-Biggar	191.6	196.3	-2.4	6.7	5.1	1.6
Yorkton-Melville	36.8	38.3	-3.9	7.1	3.0	4.1
Prince Albert and Northern	99.9	101.3	-1.4	8.9	6.5	2.4

*Note: Totals may not add due to rounding*

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

Since May 2015, Swift Current-Moose Jaw (-3.4%), Yorkton-Melville (-3.9%) and Prince Albert and Northern (-1.4%) faced declining levels of year-over-year employment. Falling employment in these regions can likely be attributed to reduced drilling activities in the oil and gas industry and to declining construction activity. In addition, the unemployment rate increased in both Yorkton-Melville (+4.1 percentage points) and Prince Albert (+2.4 percentage points). Swift Current-Moose Jaw was the only region in Saskatchewan that experienced a decline (-1.2 percentage points) in its unemployment rate.

Year-over-year, Regina-Moose Mountain led the way in employment gains (+3,000) due to strong growth in the services-sector. Employment in the sector is up 5,600 over the year, thanks to substantial gains in health care and social assistance as well as professional, scientific and technical services industries.<sup>9</sup> For example, Vancouver-based iQmetrix opened a new office in Regina in May, which employs about 150 staff. Moreover, Regina-Moose Mountain's unemployment rate rose to 5.9% (+1.5 percentage point) in May, partly due to an increase the region's labour force (+6,200) and participation rate (+1.4 percentage point).

Employment for Saskatoon-Biggar fell by 2.4% compared to last May (2015) and the region's unemployment rate is up 1.6 percentage points over the same period. Employment losses in this region have been concentrated in the region's resource extraction and manufacturing related industries, which suggests that Saskatoon-Biggar is being negatively impacted by the energy downturn. In April, Saskatoon-based Cameco halted production at its Rabbit Lake Mine and announced that it was launching a review of its staffing levels at its corporate headquarters. Due to continued economic weakness, the Conference Board of Canada forecasts that Saskatoon

will experience a modest 0.2% increase in employment in 2016. Tepid economic conditions coupled with a rapidly expanding labour force is expected to keep the unemployment rate relatively steady at 6.1% this year.<sup>10</sup>

**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](http://www.statcan.gc.ca)

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<sup>1</sup> Sask. labour market among tightest in Canada: CFIB (June 7, 2016). Retrieved from: <http://thestarphoenix.com/business/local-business/sask-labour-market-among-tightest-in-canada-cfib/>

Average weekly earnings fall \$10 to \$986 in March (May 26, 2016). Retrieved from: <http://leaderpost.com/business/money/average-weekly-earnings-fall-10-to-986-in-march>

<sup>2</sup> Conference Board of Canada: Economic Insights Into 13 Canadian Metropolitan Economies, Spring 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8034>

<sup>3</sup> Prairie Spirit School Division facing additional cuts (March 22, 2016). Retrieved from: <http://www.cbc.ca/news/canada/saskatoon/prairie-spirit-facing-cuts-1.3502554>

<sup>4</sup> Save-On-Foods officially opens today in Regina (April 1, 2016). Retrieved from: <http://leaderpost.com/business/local-business/save-on-foods-officially-opens-today-in-regina>;

<sup>5</sup> Canada Mortgage and Housing Corporation: Preliminary Housing Start Data (June 2016). Retrieved from: <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?cat=58&itm=1&lang=en&fr=1465594484014>

<sup>6</sup> PotashCorp to temporarily cut production at two Saskatchewan mines (February 28, 2016). Retrieved from: <http://thestarphoenix.com/business/local-business/potashcorp-to-temporarily-cut-production-at-two-saskatchewan-mines>

<sup>7</sup> Seeding of the 2016 Saskatchewan crop nears completion (June 2, 2016). Retrieved from: <http://globalnews.ca/news/2737563/seeding-of-the-2016-saskatchewan-crop-nears-completion/>

<sup>8</sup> Conference Board of Canada: Economic Insights Into 13 Canadian Metropolitan Economies, Spring 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8034>

<sup>9</sup> Statistics Canada. (May2016). CANSIM 282-0124: Labour force survey estimates (LFS), employment by economic region based on 2011 Census boundaries and North American Industry Classification System (NAICS), 3-month moving average, unadjusted for seasonality. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820124&&pattern=&stByVal=1&p1=1&p2=31&tabMode=dataTable&csid=> ;

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iQmetrix opens new Regina office downtown (May 12, 2016). Retrieved from: <http://leaderpost.com/business/local-business/iqmetrix-opens-new-regina-office-downtown>

<sup>10</sup> Cameco to conduct staffing review at corporate HQ (April 29, 2016). Retrieved from: <http://thestarphoenix.com/business/local-business/cameco-to-conduct-staffing-review-at-corporate-hq>;  
Conference Board of Canada: Economic Insights Into 13 Canadian Metropolitan Economies, Spring 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8034>