



Labour Market Bulletin

Saskatchewan

June 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 reached 568,500 in Saskatchewan during the second quarter of 2016, down slightly (-500) from the first quarter. This is the second consecutive quarter that employment has declined, after significant gains were made during the fourth quarter of 2015. Overall, year-over-year employment is down significantly in the province (-7,300).

Saskatchewan Quarterly Labour Force Statistics

Seasonally Adjusted Data	2nd Quarter 2016	1st Quarter 2016	2nd Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	867.7	865.9	860.3	1.8	0.2	7.4	0.9
Labour Force ('000)	605.6	604.7	604.1	0.9	0.1	1.5	0.2
Employment ('000)	568.5	569.0	575.8	-0.5	-0.1	-7.3	-1.3
Full-Time ('000)	467.7	468.9	476.9	-1.2	-0.3	-9.2	-1.9
Part-Time ('000)	100.8	100.1	98.9	0.7	0.7	1.9	1.9
Unemployment ('000)	37.1	35.7	28.4	1.4	3.9	8.7	30.6
Unemployment Rate (%)	6.1	5.9	4.7	0.2	-	1.4	-
Participation Rate (%)	69.8	69.8	70.2	0.0	-	-0.4	-
Employment Rate (%)	65.5	65.7	66.9	-0.2	-	-1.4	-

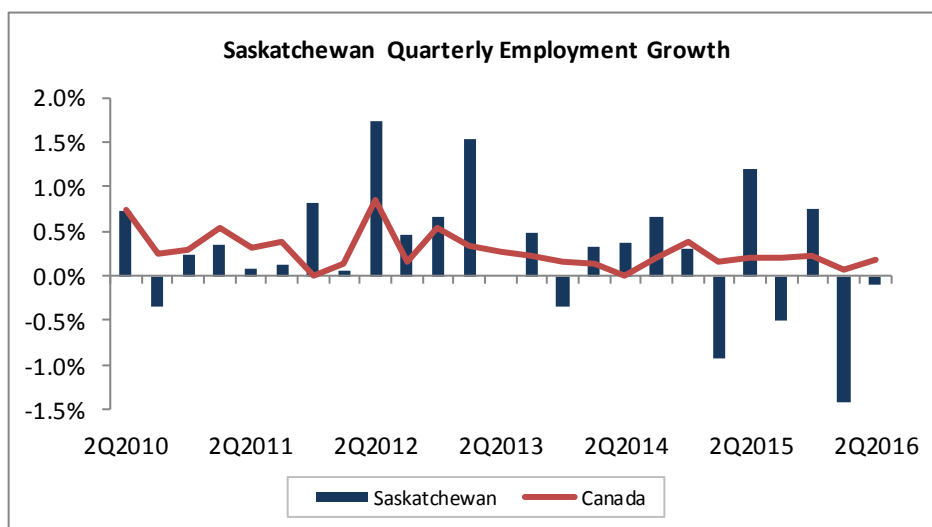
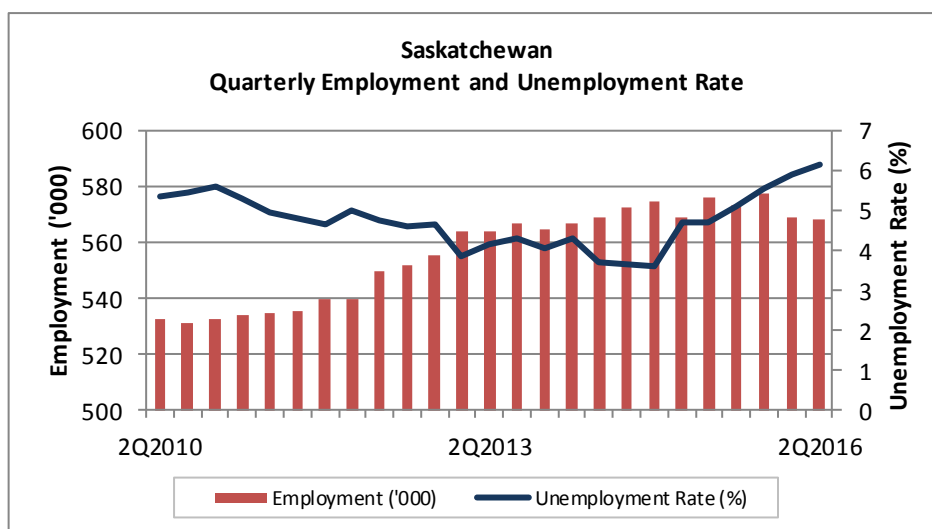
Note: Totals may not add due to rounding

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

On a quarterly basis, full-time employment declined by 1,200 in the second quarter, outweighing minor gains in part-time employment (+700). Looking at classes of workers, private sector employment is up 2,800, following a significant drop in the previous quarter. Meanwhile, public sector employment edged up by 900. In contrast, the number of self-employed individuals in the province declined significantly (-4,200) during the second quarter.

Low oil and commodity prices remain a significant challenge for Saskatchewan's economy. Saskatchewan's unemployment rate averaged 6.1% in the second quarter of 2016, up from 5.9% last quarter and 4.7% a year ago. This is the province's highest quarterly unemployment rate since 1999. As a result, Saskatchewan no longer has the lowest unemployment rate in the West.

According to the Conference Board of Canada, Saskatchewan is expected to lose approximately 5,000 jobs in 2016, as soft economic conditions persist in the province. Meanwhile, the province's annual unemployment rate is anticipated to average 5.9% in 2016. Nonetheless, the economy is expected to gradually recover over the next two years as production begins at new potash mines and services sector activity improves. This should result in modest real GDP growth of 1.1% in 2017, compared to 0.2% in 2016.¹



Saskatchewan Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	2nd Quarter 2016 (%)	1st Quarter 2016 (%)	2nd Quarter 2015 (%)	Quarterly Variation	Yearly Variation
				(% points)	(% points)
Total	6.1	5.9	4.7	0.2	1.4
25 years and over	5.2	4.9	3.8	0.3	1.4
Men - 25 years and over	5.2	5.2	4.1	0.0	1.1
Women - 25 years and over	5.1	4.6	3.5	0.5	1.6
15 to 24 years	11.5	11.4	9.5	0.1	2.0
Men - 15 to 24 years	14.2	13.0	8.7	1.2	5.4
Women - 15 to 24 years	8.5	9.6	10.4	-1.2	-1.9

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

Turning to quarterly labour force results for demographic groupings, the unemployment rate for youth (aged 15 to 24) was 11.5% in the second quarter, more than double that of adults aged 25 years and over (5.2%). On an annual basis, unemployment rates rose considerably for most demographic groups. However, the largest increase occurred for young men (aged 15 to 24), whose unemployment rate jumped from 8.7% in the second quarter of 2015 to 14.2% in the second quarter of 2016.

Saskatchewan - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q2 2016	Q2 2015	Number	%	Q2 2016	Q2 2015	Number	%
Population 15 + ('000)	80.8	77.2	3.6	4.7	786.9	783.1	3.8	0.5
Labour Force ('000)	52.4	51.1	1.3	2.5	558.3	558.1	0.2	0.0
Employment ('000)	44.2	44.8	-0.6	-1.3	529.1	535.2	-6.1	-1.1
Full-Time ('000)	35.9	36.6	-0.7	-1.9	435.1	443.4	-8.3	-1.9
Part-Time ('000)	8.4	8.3	0.1	1.2	93.9	91.9	2.0	2.2
Unemployment ('000)	8.2	6.3	1.9	30.2	29.2	22.8	6.4	28.1
Unemployment Rate (%)	15.6	12.3	3.3	-	5.2	4.1	1.1	-
Participation Rate (%)	64.9	66.2	-1.3	-	71.0	71.3	-0.3	-
Employment Rate (%)	54.7	58.1	-3.4	-	67.2	68.3	-1.1	-

Notes: The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

Source: Statistics Canada Labour Force Survey – ESDC custom table

In the second quarter (Q2) of 2016, the total population aged 15+ in Saskatchewan was 867,700. The Indigenous population living off-reserve accounted for 9.3% of that, or 80,800 people. Employment among the Indigenous population stood at 44,200 representing a decline of -600 (-1.3%) from a year earlier. Full-time positions accounted for the decline (-700 or -1.9%), which was partially offset by an increase in part-time employment (+100 or +1.2%).

The unemployment rate among the Indigenous population was 15.6% in Q2 2016, an increase of +3.3 percentage points (pp) from the previous year. Among the non-Indigenous population, the unemployment rate also increased year-over-year (+1.1pp), and stood at 5.2% in Q2 2016. Between Q2 2015 and Q2 2016, the participation rate among the Indigenous population declined to 64.9% (-1.3pp), and a smaller decline occurred amongst the non-Indigenous population which stood at 71.0% (-0.3pp). The Indigenous population also experienced a decline in the employment rate year-over-year (54.7% or -3.4pp), and the non-Indigenous population experienced a smaller decline over the same time period (67.2% or -1.1pp).

EMPLOYMENT BY INDUSTRY

Saskatchewan's goods-producing sector continues to shed jobs, with employment declining by 1,600 on the quarter and 4,900 on the year. Meanwhile, employment in the services-producing sector is up 1,100 on a quarterly basis, but down by over 2,000 positions year-over-year.

Saskatchewan Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	2nd Quarter 2016	1st Quarter 2016	2nd Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	568.5	569.0	575.8	-0.5	-0.1	-7.3	-1.3
Goods-producing sector	152.5	154.1	157.4	-1.6	-1.0	-4.9	-3.1
Agriculture	42.4	42.5	41.2	-0.1	-0.2	1.2	2.9
Forestry, fishing, mining, quarrying, oil and gas	26.0	25.3	26.7	0.7	2.8	-0.7	-2.6
Utilities	7.3	6.9	6.6	0.4	5.8	0.7	10.6
Construction	51.8	53.8	57.1	-2.0	-3.7	-5.3	-9.3
Manufacturing	25.1	25.6	25.9	-0.5	-2.0	-0.8	-3.1
Services-producing sector	416.0	414.9	418.3	1.1	0.3	-2.3	-0.5
Trade	87.4	85.0	83.3	2.4	2.8	4.1	4.9
Transportation and warehousing	27.7	27.3	30.7	0.4	1.5	-3.0	-9.8
Finance, insurance, real estate and leasing	29.9	30.4	30.6	-0.5	-1.6	-0.7	-2.3
Professional, scientific and technical services	27.2	27.0	24.4	0.2	0.7	2.8	11.5
Business, building and other support services	12.5	13.3	14.9	-0.8	-6.0	-2.4	-16.1
Educational services	40.1	40.1	44.9	0.0	0.0	-4.8	-10.7
Health care and social assistance	78.0	79.5	78.4	-1.5	-1.9	-0.4	-0.5
Information, culture and recreation	20.2	20.9	18.3	-0.7	-3.3	1.9	10.4
Accommodation and food services	38.5	37.5	37.4	1.0	2.7	1.1	2.9
Other services	25.5	25.8	25.9	-0.3	-1.2	-0.4	-1.5
Public administration	29.0	28.0	29.5	1.0	3.6	-0.5	-1.7

Note: Totals may not add due to rounding

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

At the industry level, the construction industry accounted for the majority of employment losses in the goods-producing sector during the second quarter (-2,000). Low commodity prices are negatively impacting Saskatchewan's labour market, which in turn, is reducing housing demand in the province. According to Canada

Housing and Mortgage Corporation's (CMHC) latest preliminary housing start data, new housing starts were down by 33% in May 2016 compared to the same month last year.²

Year-over-year, employment in agriculture is up 1,200 (+2.8%) in June. According to the Conference Board of Canada, the agriculture industry will fare much better this year, with output expected to grow by 11.1% in 2016. Warm temperatures and improved topsoil moisture conditions helped farmers during seeding of this year's crop. Moreover, crops that have emerged in the province are in good to excellent condition.³

Looking at the resource extraction industry (forestry, fishing, mining, quarrying, oil and gas), there were 700 (+2.8%) more people employed in the industry in the second quarter. However, on an annual basis, employment in the industry is still down by 2.6% as Saskatchewan's economy continues to struggle due to soft commodity prices. Nonetheless, with the price of oil reaching \$50 US per barrel in recent weeks, investor interest and optimism is rebounding in provincial oilfields. For example, Penn West and Husky Energy recently sold off land at higher than expected prices, which is an encouraging sign for the energy services industry.⁴ In addition, new oilfield projects are also proceeding in the province. In fact, construction of Husky Energy's three new thermal plants is nearly complete in the Lloydminster region, which will result in 90 permanent positions being created once the plants are operational.

Saskatchewan manufacturers have also been adversely affected by weak commodity prices. Year-over-year employment in the industry declined by 500 (-2.0%) during the second quarter. Manufacturers that access the majority of their inputs from the United States are being negatively impacted by the low Canadian dollar, while others that manufacture products for the oil and gas industry are suffering due to low oil prices.

Turning to service-producing industries, employment in the transportation and warehousing industry grew by 400 in the second quarter, ending three consecutive quarters of employment losses. However, year-over-year employment in the industry has tumbled and is now down by 3,000 compared to the same period last year.

Lower revenues from the province's resource sector have pushed the provincial budget into deficit. Budget cuts by the provincial government have forced public sector employers to reduce spending and cut jobs. As a result, year-over-year employment is down in all three public sector industries; educational services (-4,800), healthcare and social assistance (-400) and public administration (-500).

Employment in Saskatchewan's trade industry has increased substantially (+4,100) over 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. Similarly, Lowe's Canada recently opened a new store in Regina's Northgate Mall, hiring a total of 140 full-time, part-time and seasonal employees.⁵

Several other industries also registered annual employment increases. Year-over-year employment is up by 11.5% in the professional, scientific and technical services industry; by 10.4% in the information, culture and recreation industry; and by 2.9% in the accommodation and food services industry.

REGIONAL ANALYSIS

On an annual basis, employment is down in four out of five regions in Saskatchewan, while the unemployment rate has risen significantly in most parts of the province.

Saskatchewan Quarterly Labour Force Statistics, by Economic Region

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	2nd Quarter 2016 ('000)	2nd Quarter 2015 ('000)	Yearly Variation (%)	2nd Quarter 2016 (%)	2nd Quarter 2015 (%)	Yearly Variation (% points)
Saskatchewan, Saskatchewan	573.4	580.4	-1.2	6.1	4.8	1.3
Economic Regions						
Regina - Moose Mountain	185.5	183.4	1.1	5.7	4.0	1.7
Swift Current - Moose Jaw	53.6	55.6	-3.6	3.4	4.6	-1.2
Saskatoon - Biggar	195.0	199.9	-2.5	6.0	5.0	1.0
Yorkton - Melville	37.9	38.5	-1.6	5.7	3.0	2.7
Prince Albert and Northern	101.4	103.1	-1.6	8.6	6.2	2.4

Note: Totals may not add due to rounding

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

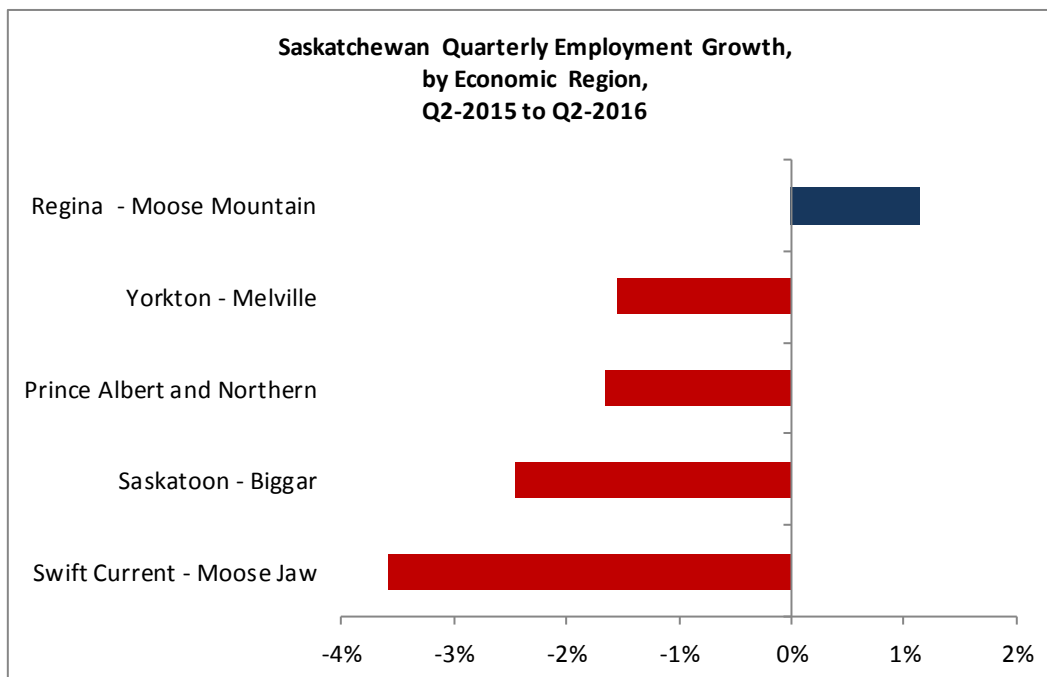
The largest percentage drop in employment was in the Swift Current-Moose Jaw region, where annual employment growth declined by 3.6% in the second quarter of 2016. However, the region's unemployment rate is down by 1.2 percentage points, due in part to a decline in the region's labour force (-2,500).

Year-over-year employment was down in the Yorkton-Melville (-600) and the Prince Albert and Northern (-1,700) regions during the second quarter of 2016. Meanwhile, unemployment is also up significantly in both of these regions. Yorkton-Melville's unemployment rate is up 2.7 percentage points to 5.7%, while Prince Albert and Northern's rate increased by 2.4 percentage points to reach 8.6% in the second quarter.

Regina-Moose Mountain is the only region in Saskatchewan to see an increase in annual employment (+2,100). Employment growth in the region was led by service-producing industries, including: information, culture and recreation (+1,800 positions); professional, scientific and technical services (+2,000 positions); and wholesale and retail trade (+3,600 positions). A number of professional, scientific and technical services firms are expanding their operations in Regina, for example, Vancouver-based iQmetrix opened a new office in Regina in May and employs about 150 staff.⁶ Nonetheless, labour force expansion has outpaced employment growth over the past year, which has pushed the unemployment rate higher from 4.0% in the second quarter of 2015 to 5.7% in the second quarter of 2016.

Finally, employment in the Saskatoon-Biggar region is down 4,900 on an annual basis, while the region's unemployment rate has climbed to 6.0%. Soft resource prices have negatively impacted employment in Saskatoon's goods-producing sector— 4,600 fewer people are employed in this sector today compared to a year ago. For example, Saskatoon-based Cameco halted production at its Rabbit Lake Mine in April 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 this year. Moreover, tepid economic conditions and a rapidly expanding labour force are expected to keep the unemployment rate relatively steady at 6.1% in 2016.⁷



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 Conference Board of Canada: Provincial Outlook Executive Summary (Spring 2016). Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8062>

² Prairie Housing Starts to Decline in 2016, and Rise in 2017 (May 18, 2016). Retrieved from: <http://www.marketwired.com/press-release/prairie-housing-starts-to-decline-in-2016-and-rise-in-2017-2126180.htm>

³ Crops in the province are in excellent condition despite rains (June 30, 2016). Retrieved from: <http://leaderpost.com/business/agriculture/crops-in-the-province-are-in-excellent-condition-despite-rains;>

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>

⁴ Saskatchewan a hot market as oilpatch recovers (July 4, 2016). Retrieved from: <http://www.cbc.ca/news/business/saskatchewan-oilpatch-predatordrilling-1.3659930>

⁵ Save-On-Foods officially opens today in Regina (April 1, 2016). Retrieved from: <http://leaderpost.com/business/localbusiness/save-on-foods-officially-opens-today-in-regina;>

Lowe's opens second Regina store at Northgate Mall with official 'board cutting' (June 9, 2016). Retrieved from: <http://leaderpost.com/business/local-business/lowes-opens-second-regina-store-at-northgate-mall-with-official-board-cutting;>

⁶ 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;>

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

⁷ 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;>

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