



# Labour Market Bulletin

## Saskatchewan

July 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

There were 569,400 people employed in Saskatchewan in July 2016, as provincial employment fell slightly (-500). Slumping commodity prices and a weak resource sector is adversely affecting provincial economic growth. On a yearly basis, employment in Saskatchewan remains virtually unchanged (+100).

Monthly losses were exclusively in part-time employment (-600), as full-time employment was flat month-over-month. A similar trend can be seen on an annual basis, as the number of people employed part-time declined by 600 (-0.6%), while full-time employment climbed by 700 (+0.2%) during the past year.

Turning to classes of workers, employment in Saskatchewan's public sector is up 4,400 year-over-year. In contrast, the province's private sector shed 900 positions in July 2016, bringing total annual losses in the sector to 6,000. Meanwhile, the number of self-employed workers in Saskatchewan was down for a fifth consecutive month in July (-800).

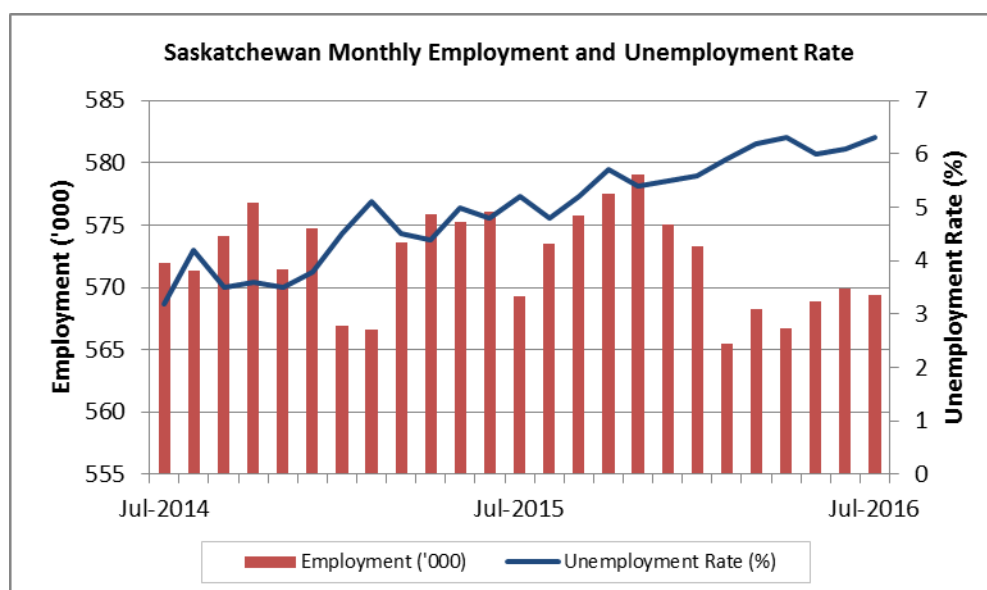
### Saskatchewan Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2016	June 2016	July 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	869.7	868.3	861.9	1.4	0.2	7.8	0.9
<b>Labour Force ('000)</b>	607.5	607.0	600.8	0.5	0.1	6.7	1.1
<b>Employment ('000)</b>	569.4	569.9	569.3	-0.5	-0.1	0.1	0.0
Full-Time ('000)	464.8	464.7	464.1	0.1	0.0	0.7	0.2
Part-Time ('000)	104.6	105.2	105.2	-0.6	-0.6	-0.6	-0.6
<b>Unemployment ('000)</b>	38.1	37.1	31.5	1.0	2.7	6.6	21.0
<b>Unemployment Rate (%)</b>	6.3	6.1	5.2	0.2	-	1.1	-
<b>Participation Rate (%)</b>	69.9	69.9	69.7	0.0	-	0.2	-
<b>Employment Rate (%)</b>	65.5	65.6	66.1	-0.1	-	-0.6	-

Note: Totals may not add due to rounding

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

The downturn in Saskatchewan's mining and energy industries is widely expected to limit both economic and employment growth in 2016. Overall, the provincial unemployment rate stood at 6.3% this month, up 1.1 percentage points compared to July 2015. Year-over-year, there were 6,600 more unemployed individuals (+21.0%), resulting in higher employment insurance (EI) program activity in the province.<sup>i</sup> Looking ahead, Conference Board of Canada expects Saskatchewan's economy to gradually start recovering by the end of this year, resulting in an average annual unemployment rate of 5.9% in 2016.<sup>ii</sup>



## Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2016	June 2016	July 2015	Monthly Variation	Yearly Variation
	(%)	(%)	(%)	(% points)	(% points)
<b>Total</b>	6.3	6.1	5.2	0.2	1.1
<b>25 years and over</b>	5.2	5.3	4.4	-0.1	0.8
Men - 25 years and over	5.7	5.5	5.1	0.2	0.6
Women - 25 years and over	4.6	5.1	3.7	-0.5	0.9
<b>15 to 24 years</b>	12.3	10.5	9.6	1.8	2.7
Men - 15 to 24 years	14.3	12.2	10.8	2.1	3.5
Women - 15 to 24 years	10.2	8.6	8.2	1.6	2.0

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

Youth unemployment remained high this month, with the unemployment rate for those aged 15 to 24 averaging 12.3%. This is more than double the rate of those aged 25 and older (5.2%) and 2.7 percentage points higher than the unemployment rate among youth in July 2015. Looking at results by gender, the unemployment rate among both young men and women increased from June to July – by 2.1 and 1.6 percentage points respectively. The monthly unemployment rate also rose for men aged 25 years and over (+0.2 percentage points), while the unemployment rate for women aged 25 years and over fell 0.5 percentage points to 4.6% in July.

## EMPLOYMENT BY INDUSTRY

Saskatchewan's goods-producing sector continued to shed positions in July, employing 5,100 fewer people compared to June. These losses were partially offset by gains in the province's services-producing sector, with employment increasing by 4,600 on a monthly basis.

**Saskatchewan Monthly Labour Force Statistics, by Industry**

Seasonally Adjusted Data ('000)	July 2016	June 2016	July 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	569.4	569.9	569.3	-0.5	-0.1	0.1	0.0
<b>Goods-producing sector</b>	146.3	151.4	152.0	-5.1	-3.4	-5.7	-3.7
Agriculture	40.6	42.8	40.4	-2.2	-5.1	0.2	0.5
Forestry, fishing, mining, quarrying, oil and gas	24.9	26.3	25.3	-1.4	-5.3	-0.4	-1.6
Utilities	7.1	7.1	7.2	0.0	0.0	-0.1	-1.4
Construction	49.5	50.1	52.9	-0.6	-1.2	-3.4	-6.4
Manufacturing	24.3	25.2	26.3	-0.9	-3.6	-2.0	-7.6
<b>Services-producing sector</b>	423.1	418.5	417.3	4.6	1.1	5.8	1.4
Trade	86.9	87.9	84.5	-1.0	-1.1	2.4	2.8
Transportation and warehousing	28.8	28.6	30.1	0.2	0.7	-1.3	-4.3
Finance, insurance, real estate and leasing	28.9	29.6	30.4	-0.7	-2.4	-1.5	-4.9
Professional, scientific and technical services	26.4	27.1	24.3	-0.7	-2.6	2.1	8.6
Business, building and other support services	13.2	12.5	14.3	0.7	5.6	-1.1	-7.7
Educational services	46.1	40.3	43.3	5.8	14.4	2.8	6.5
Health care and social assistance	77.6	77.5	78.2	0.1	0.1	-0.6	-0.8
Information, culture and recreation	20.3	20.4	18.5	-0.1	-0.5	1.8	9.7
Accommodation and food services	38.9	39.6	38.4	-0.7	-1.8	0.5	1.3
Other services	25.8	25.6	27.9	0.2	0.8	-2.1	-7.5
Public administration	30.1	29.5	27.4	0.6	2.0	2.7	9.9

Note: Totals may not add due to rounding

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

Within the goods-producing sector, the agriculture industry accounted for the largest proportion of employment losses over the past month (-2,200). Recent torrential rains caused flash flooding in parts of Saskatchewan, which resulted in a number of communities declaring local states of emergency. Moreover, standing water in fields and drowned crops in low spots has adversely affected crop growth. Farmers growing lentils, peas and other pulses in particular are concerned about excess moisture contributing to root rot, fungi, and diseases in crops.<sup>iii</sup>

Employment in the construction industry has declined by 3,400 (-6.4%) since July 2015. Residential construction activity is down significantly in the province, with the number of new housing starts falling from 572 units in June 2015 to 383 units in June 2016 – a drop of 33%.<sup>iv</sup> This is due in part to higher housing inventories in the province because of slowing demand for housing. In addition, a number of private sector projects are wrapping up in the province, while construction activity in Saskatchewan's mining and energy industry has stalled. As a result, Conference Board of Canada expects output from the province's construction industry to drop by 3.5% in 2016.<sup>v</sup>

The resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) also employs significantly fewer people (-1,400) than a month ago. Saskatchewan's economy continues to struggle due to weak commodity prices.

es. With the price of potash and uranium spiralling downward, mining companies are cutting back on production, spending and staff. For example, Mosaic Inc. recently halted production at its Colonsay mine until January 2017, temporarily laying off 330 employees in the process.<sup>vi</sup>

The downturn in the energy sector is hampering overall growth in the province's manufacturing industry. As a result, year-over-year employment in the industry is down by 2,000. For example, Evraz North America laid-off an additional 125 people at its Regina pipe plant in July. This was the third staffing action by the North American steel product manufacturer in 2016, after the company handed out nearly 200 layoff notices earlier this year.<sup>vii</sup> Similarly, Mitsubishi Hitachi Power Systems – a power generation technologies manufacturer – recently announced that it is ceasing operations at its Saskatoon plant and laying off 150 people.<sup>viii</sup>

Turning to the services-producing sector, monthly employment gains were led by Saskatchewan's public sector industries: educational services (+5,800); Public administration (+600); and health care and social assistance (+100). Focusing on the education industry, a projected increase in student enrollments has resulted in school divisions hiring staff for the upcoming school year. For example, the Saskatoon Public School division recently announced that it will add 30 full-time teacher positions and 10 full-time support positions for the current school year.<sup>ix</sup>

Employment in Saskatchewan's trade industry declined by 1,000 from June to July. Nonetheless, the industry has fared well over the past year and employs 2,400 more people compared to July 2015. A number of new retail stores have opened up in the province, including Lowe's. The home improvement store recently opened a location in Regina's Northgate Mall, hiring a total of 140 full-time, part-time and seasonal employees.<sup>x</sup>

Several other industries also registered large annual employment changes. Year-over-year employment declined in transportation and warehousing (-4.3%); finance, insurance, real estate, rental and leasing (-4.9%); and business, building and other support services (-7.7%). In contrast, employment was up 9.7% in the information, culture and recreation industry and by 8.6% in the professional, scientific and technical services industry over the same period.

## REGIONAL ANALYSIS

Employment growth varied across Saskatchewan, with annual employment declining in three 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		
	July 2016 ('000)	July 2015 ('000)	Yearly Variation (%)	July 2016 (%)	July 2015 (%)	Yearly Variation (% points)
<b>Saskatchewan</b>	578.7	582.4	-0.6	5.9	5.0	0.9
<b>Economic Regions</b>						
Regina-Moose Mountain	186.9	185.7	0.6	5.4	4.3	1.1
Swift Current-Moose Jaw	53.4	54.8	-2.6	3.4	4.4	-1.0
Saskatoon-Biggar	198.3	199.8	-0.8	5.5	5.4	0.1
Yorkton-Melville	38.5	38.3	0.5	5.2	4.3	0.9
Prince Albert and Northern	101.5	103.7	-2.1	8.8	6.1	2.7

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 Prince Albert and Northern region, where employment is down 2.1% (-2,200) compared to July 2015. This region is home to a number of Saskatchewan's mines, and low mineral commodity prices have forced some producers to suspend operations and cut staffing levels. For example, Cameco recently shuttered operations at its Rabbit Lake mine and laid-off 500 employees.<sup>xi</sup> Due in part to a growing labour force, Prince Albert and Northern's unemployment rate climbed to 8.8% — up 2.7 percentage points.

Focusing on Saskatchewan's major centres, the goods-producing sector is struggling both in Regina and Saskatoon, with industries such as construction and manufacturing experiencing significant employment losses. And with weak economic conditions persisting due to low commodities prices, the Conference Board of Canada expects neither metropolitan area to see significant economic or employment growth over the next two years.<sup>xii</sup>

In the other economic regions, year-over-year employment was down in Yorkton-Melville (-200) and Swift Current-Moose Jaw (-2,000). Yorkton-Melville region's unemployment rate is up 0.9 percentage points year-over-year, reaching 5.2% in July. In contrast, Swift Current-Moose Jaw was the only region in Saskatchewan to see a drop in its unemployment rate (-1.0 percentage points to 3.4%), partly due to a decline in its labour force (-2,000).

**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>i</sup> According to Statistics Canada's latest data, there were 16,120 individual receiving regular income benefits in Saskatchewan during May 2016. Compared to a year ago, the number of beneficiaries was up by 21.6%.

Statistics Canada (July 20, 2016). CANSIM 276-0022: Employment Insurance program (EI), beneficiaries receiving regular income benefits by province, declared earnings, sex and age, seasonally adjusted. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2760022>

<sup>ii</sup> Conference Board of Canada (June 13, 2016). Provincial Outlook Executive Summary (Spring 2016). Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8062>

<sup>iii</sup> Global News (July 21, 2016). Rain, hail having an adverse affect on Saskatchewan crops. Retrieved from: <http://globalnews.ca/news/2839408/rain-hail-having-an-adverse-affect-on-saskatchewan-crops/>;

CBC news (July 11, 2016). 'A disgusting mess': State of emergency declared in Estevan, Sask., after heavy rainfall. Retrieved from: <http://www.cbc.ca/news/canada/saskatchewan/state-of-emergency-declared-in-estevan-saskatchewan-1.3673282> ;

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The Western Producer (July 11, 2016). UPDATED: Heavy rain to cause headaches for farmers. Retrieved from: <http://www.producer.com/2016/07/heavy-rain-to-cause-headaches-for-farmers/>

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

<sup>v</sup> Conference Board of Canada (June 28, 2016). Provincial Outlook Economic Forecast for Saskatchewan (Spring 2016). Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8135>

<sup>vi</sup> CBC news (July 13, 2016). Hundreds laid off at Mosaic potash mine at Colonsay, Sask. Retrieved from: <http://www.cbc.ca/news/canada/saskatoon/layoffs-colonsay-potash-mine-1.3677166>

<sup>vii</sup> CBC news (May 2, 2016). Regina Evraz plant to lay off close to 200 steelworkers. Retrieved from: <http://www.cbc.ca/news/canada/saskatchewan/regina-evraz-plant-lay-off-1.3563067>

<sup>viii</sup> Saskatoon StarPhoenix (July 22, 2016). Mitsubishi Hitachi Power Systems to lay off 150 Saskatoon employees. Retrieved from: <http://thestarphoenix.com/business/local-business/mitsubishi-hitachi-power-systems-to-lay-off-150-saskatoon-employees>

<sup>ix</sup> Saskatoon StarPhoenix (June 30, 2016). Public School division pulls from reserves to balance 2016-17 budget. Retrieved from: <http://thestarphoenix.com/news/local-news/saskatoon-public-schools-pull-from-reserves-to-balance-2016-17-budget-2>

<sup>x</sup> 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>

<sup>xi</sup> CBC news (April 21, 2016). Cameco cutting 500 jobs at Rabbit Lake uranium mine. Retrieved from: <http://www.cbc.ca/news/canada/saskatoon/cameco-mine-suspension-1.3547816>

<sup>xii</sup> Conference Board of Canada. (May 31, 2016). Regina: Metropolitan Outlook 1, Spring 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8033> (subscription required)

Conference Board of Canada. (May 31, 2016). Saskatoon: Metropolitan Outlook 1, Spring 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8034> (subscription required)