



Labour Market Bulletin

Saskatchewan

August 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

In August 2016, 569,000 people were employed in Saskatchewan; 400 fewer than the month before. This is the second consecutive month that employment has declined in the province, following significant employment gains in June. The number of individuals working full-time decreased by 2,100 on the month, which was partially offset by an increase in part-time employment (+1,700). Overall, year-over-year employment is down significantly in the province (-4,500).

Saskatchewan Monthly Labour Force Statistics

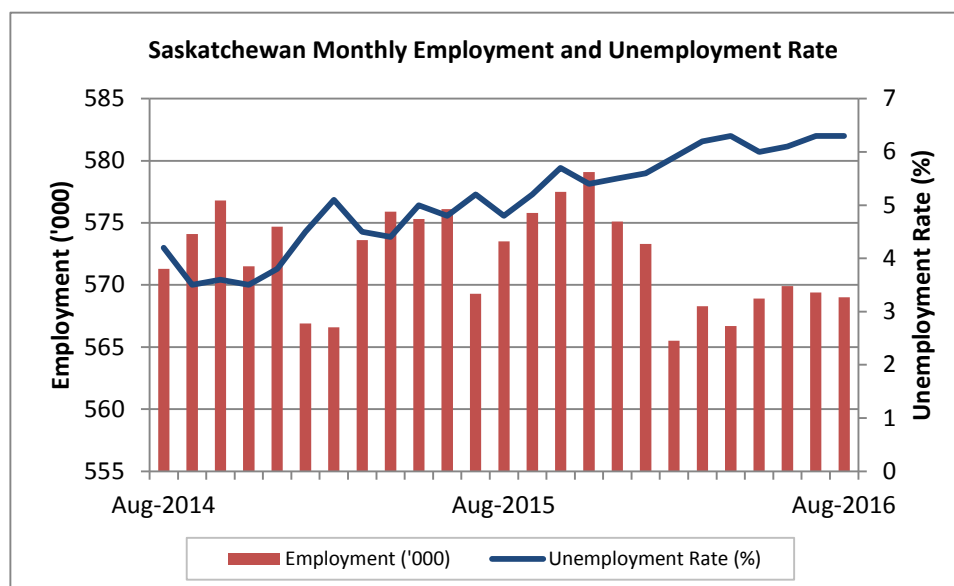
Seasonally Adjusted Monthly Data	August 2016	July 2016	August 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	870.7	869.7	862.8	1.0	0.1	7.9	0.9
Labour Force ('000)	607.4	607.5	602.6	-0.1	0.0	4.8	0.8
Employment ('000)	569.0	569.4	573.5	-0.4	-0.1	-4.5	-0.8
Full-Time ('000)	462.7	464.8	467.3	-2.1	-0.5	-4.6	-1.0
Part-Time ('000)	106.3	104.6	106.2	1.7	1.6	0.1	0.1
Unemployment ('000)	38.5	38.1	29.1	0.4	1.0	9.4	32.3
Unemployment Rate (%)	6.3	6.3	4.8	0.0	-	1.5	-
Participation Rate (%)	69.8	69.9	69.8	-0.1	-	0.0	-
Employment Rate (%)	65.3	65.5	66.5	-0.2	-	-1.2	-

Note: Totals may not add due to rounding

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

Looking at classes of workers, public sector employment is up 1,600 on a year-over-year basis, while private-sector employment (-7,600) declined significantly during the same period. Sluggish economic conditions caused by lower commodity prices have resulted in fewer private-sector employment opportunities in the province. According to Canadian Federation of Independent Businesses, Saskatchewan's private-sector job vacancy rate

totalled 1.8% (6,200 vacancies) in the second quarter of 2016 – down one percentage point (-3,400 vacancies) from the second quarter of 2015.¹



On a monthly basis, the number of unemployed individuals in Saskatchewan was virtually unchanged (+400), and the province's unemployment rate remained stable at 6.3% in August. The story is much different on an annual basis though, as the province's unemployment rate is up 1.5 percentage points from August 2015. Even so, the province still has one of the lowest unemployment rates nationwide, trailing only British Columbia (5.5%) and Manitoba (5.9%). Overall, the Conference Board of Canada expects the provincial unemployment rate to average 5.9% in 2016.²

Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	August 2016 (%)	July 2016 (%)	August 2015 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	6.3	6.3	4.8	0.0	1.5
25 years and over	5.2	5.2	3.9	0.0	1.3
Men - 25 years and over	5.6	5.7	4.6	-0.1	1.0
Women - 25 years and over	4.7	4.6	3.1	0.1	1.6
15 to 24 years	12.6	12.3	9.7	0.3	2.9
Men - 15 to 24 years	15.2	14.3	10.6	0.9	4.6
Women - 15 to 24 years	9.7	10.2	9.0	-0.5	0.7

Note: Totals may not add due to rounding

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

Turning to monthly labour force results for demographic groupings, the unemployment rate for youth (aged 15 to 24) was 12.6% in August, more than double the rate for adults aged 25 years and over (5.2%). On an annual basis, unemployment rates rose considerably for all demographic groups. However, the largest increase occurred for young men (aged 15 to 24), whose unemployment rate jumped from 10.6% in August 2015 to 15.2% in August 2016.

EMPLOYMENT BY INDUSTRY

Employment gains in Saskatchewan's goods-producing sector (+3,400) partially offset losses in services-producing industries (-3,900) during the month of August. However, compared to a year ago, employment is down considerably in both sectors.

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	August 2016	July 2016	August 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	569.0	569.4	573.5	-0.4	-0.1	-4.5	-0.8
Goods-producing sector	149.7	146.3	153.1	3.4	2.3	-3.4	-2.2
Agriculture	42.4	40.6	39.4	1.8	4.4	3.0	7.6
Forestry, fishing, mining, quarrying, oil and gas	24.9	24.9	25.4	0.0	0.0	-0.5	-2.0
Utilities	6.8	7.1	6.8	-0.3	-4.2	0.0	0.0
Construction	50.7	49.5	55.1	1.2	2.4	-4.4	-8.0
Manufacturing	24.9	24.3	26.4	0.6	2.5	-1.5	-5.7
Services-producing sector	419.2	423.1	420.4	-3.9	-0.9	-1.2	-0.3
Trade	89.2	86.9	85.4	2.3	2.6	3.8	4.4
Transportation and warehousing	27.7	28.8	30.4	-1.1	-3.8	-2.7	-8.9
Finance, insurance, real estate and leasing	26.7	28.9	30.7	-2.2	-7.6	-4.0	-13.0
Professional, scientific and technical services	29.0	26.4	25.0	2.6	9.8	4.0	16.0
Business, building and other support services	12.6	13.2	14.3	-0.6	-4.5	-1.7	-11.9
Educational services	38.6	46.1	43.8	-7.5	-16.3	-5.2	-11.9
Health care and social assistance	81.2	77.6	79.4	3.6	4.6	1.8	2.3
Information, culture and recreation	20.0	20.3	18.1	-0.3	-1.5	1.9	10.5
Accommodation and food services	39.3	38.9	39.3	0.4	1.0	0.0	0.0
Other services	25.6	25.8	27.0	-0.2	-0.8	-1.4	-5.2
Public administration	29.4	30.1	27.1	-0.7	-2.3	2.3	8.5

Note: Totals may not add due to rounding

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

At the industry level, the largest employment increase among goods-producing industries over the past month was in agriculture (+1,800). Warm temperatures and improved topsoil moisture conditions helped farmers during seeding of this year's crop. However, heavy rains in parts of the province during the growing season negatively impacted crops, causing some concern for producers. Nonetheless, the industry's prospects look positive with harvest operations already well underway in the province and yields estimated to be above the five and 10-year average for most crops.³

Construction employment increased by 1,200 in August, following four consecutive months of declining employment for the industry. A number of non-residential construction projects are underway in Saskatchewan, including work on drinking water and waste water infrastructure at Whitecap Dakota First Nation that has created over 300 positions.⁴ Meanwhile, residential construction activity also appears to be picking up in the

province. According to Canada Mortgage and Housing Corporation's (CMHCs) latest preliminary housing start data, new housing starts were up 13% in July 2016 compared to the same month last year.⁵

Monthly employment remained fairly stagnant in other goods-producing industries. Saskatchewan's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) saw no change in employment, as low commodity prices continue to challenge the mining industry. Meanwhile, manufacturing employment saw a minor increase (+600) and the number of people working in the utilities industry declined slightly (-300).

Turning to services-producing industries, education accounted for the largest proportion of employment losses in August (-7,500). Out of the 28 school divisions present in Saskatchewan, 13 saw a reduction in their provincial funding for the 2016-17 school year. As a result, some school divisions have been forced to cut staffing levels. For example, Prairie Sprit School Division laid-off 74 teachers and educational assistants in Saskatoon in June this year.⁶

Weakness in the oil, potash and uranium markets have forced mining companies to cut back on production, which has hampered growth in the transportation and warehousing industry. Year-over-year employment in the industry is down 2,700 (-8.9%). For example, Plains Midstream Canada recently shuttered operations at its brand new terminal in Kerrobert citing poor market conditions. The terminal was built to help transport Canadian crude oil to the US.⁷ Similarly, soft economic conditions are also negatively impacting employment in finance, insurance, real estate and leasing. There were 2,200 fewer individuals employed in this industry during the month of August compared to a month earlier.

Employment in professional, scientific and technical services grew by 2,600 in August. This industry is very diverse, encompassing professions in engineering, computer systems design, and scientific research and development services—all fields that serve the province's large agricultural and resource-based industries. A number of firms in this industry have been expanding operations and hiring staff in Saskatchewan. For example, DuPont Pioneer recently announced plans to expand its research centre in Saskatoon. Similarly, tech-companies such as 7Shifts, SkipTheDishes and Solido Design Automation are also thriving and hiring additional employees.⁸

Trade employment has fared well over the past year as the industry now employs 3,800 more people than it did in August 2015. Numerous retail companies are establishing new operations in Saskatchewan. For example, Nova Scotia-based Sobeys Inc. recently opened a new IGA store in Emerald Park, while BC-based Save-On-Foods is planning a major expansion in Saskatoon and intends to open three new stores in the next 18 months.⁹

REGIONAL ANALYSIS

Compared to the same period last year, employment is down in most regions of Saskatchewan, while unemployment rates have increased across the province.

Saskatchewan Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	August 2016 ('000)	August 2015 ('000)	Yearly Variation (%)	August 2016 (%)	August 2015 (%)	Yearly Variation (% points)
Saskatchewan	577.7	581.0	-0.6	6.2	5.2	1.0
Economic Regions						
Regina-Moose Mountain	186.8	185.2	0.9	5.3	4.2	1.1
Swift Current-Moose Jaw	52.9	53.8	-1.7	4.2	4.1	0.1
Saskatoon-Biggar	199.4	201.6	-1.1	6.2	5.6	0.6
Yorkton-Melville	37.8	37.5	0.8	6.2	5.6	0.6
Prince Albert and Northern	100.7	103.0	-2.2	8.9	6.6	2.3

Note: Totals may not add due to rounding

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

In Prince Albert and Northern region, there are 2,300 (-2.2%) fewer people employed compared to a year ago. 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. Weakness in the commodities market is also affecting other goods-producing industries and, as a result, manufacturing and construction activity is down significantly in the region.¹⁰ Not surprisingly, the region's unemployment rate climbed to 8.9% in August — up 2.3 percentage points on an annual basis.

Saskatoon-Biggar's labour market has also weakened significantly over the past year, with 2,200 (-1.1%) fewer people now employed in the region. The unemployment rate has risen to 6.2%, up 0.6 percentage points from August 2015. Soft resource prices have negatively impacted employment in Saskatoon's goods-producing sector — 3,200 fewer people are employed in this sector today compared to a year ago. For example, Mosaic Co. halted production at its Colonsay mine and temporarily laid-off 330 workers in July.¹¹ Looking ahead, Conference Board of Canada expects Saskatoon's challenges to continue over the next two years, with employment growth inching up only 0.2% in 2016, followed by a 0.8% increase in 2017.¹²

In the provinces other economic regions, year-over-year employment increased in Regina-Moose Mountain (+1,600) and Yorkton-Melville (+300). In contrast, Swift Current-Moose Jaw saw a slight drop in employment (-900). However, the unemployment rate is up in all three regions: Regina-Moose Mountain (+1.1 percentage points); Yorkton-Melville (+0.6 percentage points); and Swift Current-Moose Jaw (+0.1 percentage points).

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 Regina Leader-Post (August 31, 2016). Job vacancy rate hits 12-year low in Saskatchewan in Q2. Retrieved from: <http://leaderpost.com/business/local-business/job-vacancy-rate-hits-12-year-low-in-saskatchewan-in-q2>

² Conference Board of Canada (August 30, 2016). Provincial Outlook Economic Forecast for Saskatchewan: Summer 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8264> (subscription required)

³ Saskatoon StarPhoenix (August 23, 2016). Early signs positive for abundant harvest. Retrieved from: <http://thestarphoenix.com/news/local-news/early-signs-positive-for-abundant-harvest> ;

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⁶ Saskatoon Star-Phoenix (June 11, 2016). Cuts pending for almost half of Saskatchewan school division. Retrieved from: <http://thestarphoenix.com/business/almost-half-of-sask-school-divisions-see-cuts-in-2016-17-budget>

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⁷ Globe and mail (May 30, 2016). Oil industry woes bring an end to an almost-new rail terminal build to transport Canadian crude to the U.S. Retrieved from: <http://www.pressreader.com/canada/the-globe-and-mail-bc-edition/20160530/281857232787416>

⁸ The Western Producer (July 18, 2016). DuPont Pioneer expands Saskatoon research centre. Retrieved from: <http://www.producer.com/2016/07/duPont-pioneer-expands-saskatoon-research-centre/>

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⁹ Saskatoon StarPhoenix (July 26, 2016). Save-On-Foods plans three Saskatoon Stores, eyes additional opportunities. Retrieved from: <http://thestarphoenix.com/business/local-business/save-on-foods-plans-three-saskatoon-stores-eyes-additional-opportunities>;

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¹⁰ 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>

¹¹ The Globe and Mail (July 13, 2016). Mosaic temporarily cuts about 330 jobs at potash mine in Saskatchewan. Retrieved from: <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/mosaic-temporarily-cuts-about-330-jobs-at-potash-mine-in-saskatchewan/article30902501/>

¹² 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)