



Labour Market Bulletin

Saskatchewan

August 2017



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 and Northern economic regions.

OVERVIEW

There were 568,100 people employed in Saskatchewan in August 2017, as provincial employment remained virtually unchanged on the month (+100). Full-time employment declined for a second consecutive month (-1,200); however, these losses were overshadowed by significant gains in part-time employment (+1,300). All told, the number of people employed in Saskatchewan dropped 1,000 (-0.2%) on an annual basis.

Saskatchewan Monthly Labour Force Statistics

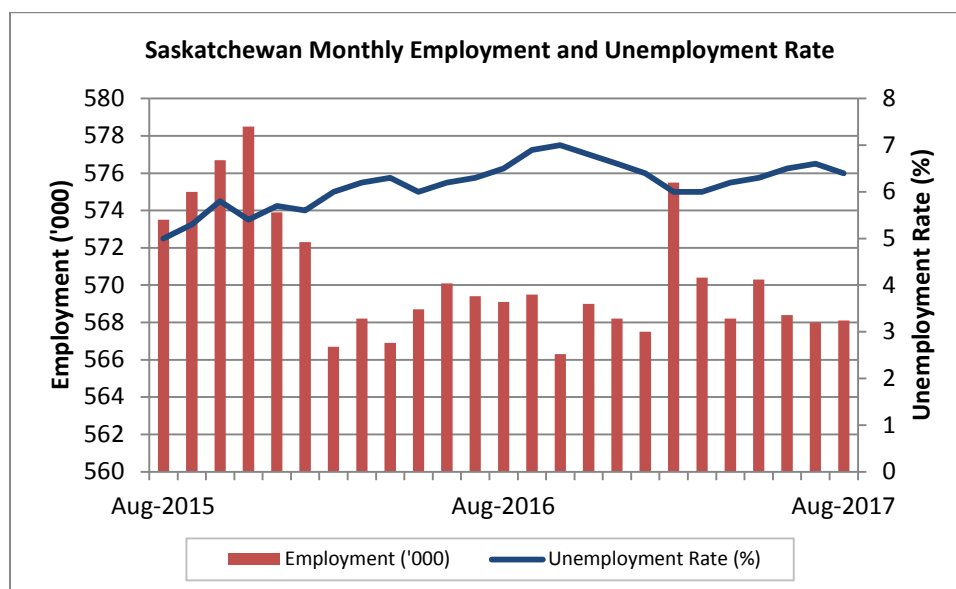
Seasonally Adjusted Monthly Data	August 2017	July 2017	August 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	878.0	877.5	870.7	0.5	0.1	7.3	0.8
Labour Force ('000)	607.0	608.2	608.4	-1.2	-0.2	-1.4	-0.2
Employment ('000)	568.1	568.0	569.1	0.1	0.0	-1.0	-0.2
Full-Time ('000)	464.8	466.0	462.6	-1.2	-0.3	2.2	0.5
Part-Time ('000)	103.3	102.0	106.5	1.3	1.3	-3.2	-3.0
Unemployment ('000)	39.0	40.2	39.3	-1.2	-3.0	-0.3	-0.8
Unemployment Rate (%)	6.4	6.6	6.5	-0.2	-	-0.1	-
Participation Rate (%)	69.1	69.3	69.9	-0.2	-	-0.8	-
Employment Rate (%)	64.7	64.7	65.4	0.0	-	-0.7	-

Note: Totals may not add due to rounding

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

Both public and private sector employment edged up in August, by 300 and 2,600 respectively. Meanwhile, the number of self-employed Saskatchewanians decreased 2,900 during the same period. According to Canadian Federation of Independent Businesses latest survey, optimism among Saskatchewan's small business owners stood at an index of 52.9 on a scale of zero and 100 – close to seven points below the national average of 59.8 points. Insufficient domestic demand was the main operating challenge for the businesses surveyed, followed

by shortage of skilled labour and management skills. Hiring plans also remained weak in August, as 13% of Saskatchewan's small business owners stated that they plan to cut jobs over the next three to four months. Meanwhile, only eight percent of business owners stated that they plan to increase full-time employment during the same period.¹



After four consecutive monthly increases, Saskatchewan's unemployment rate declined in August and now sits at 6.4% - down 0.2 percentage points from July. Despite the drop in unemployment rate, the provincial rate remains above the national level of 6.2%. Overall, there are currently 39,000 Saskatchewan residents actively seeking employment in the province, down three percentage points (-1,200 positions) from the previous month.

The Conference Board of Canada anticipates that Saskatchewan's economy will emerge out of a two-year recession in 2017, posting a real gross domestic product (GDP) growth of 2.7%. Employment conditions are also anticipated to improve over the short-term, with the number of people employed in the province expected to increase by 1,000 positions in 2017 and by another 4,000 positions in 2018.²

Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	August 2017 (%)	July 2017 (%)	August 2016 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	6.4	6.6	6.5	-0.2	-0.1
25 years and over	5.3	5.6	5.4	-0.3	-0.1
Men - 25 years and over	5.1	6.0	5.9	-0.9	-0.8
Women - 25 years and over	5.6	5.1	4.7	0.5	0.9
15 to 24 years	12.9	12.3	12.6	0.6	0.3
Men - 15 to 24 years	15.1	13.3	15.4	1.8	-0.3
Women - 15 to 24 years	10.5	11.3	9.5	-0.8	1.0

Note: Totals may not add due to rounding

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

Turning to labour force results for different age groups, the unemployment rate for youth (15 to 24 years) was 12.9% in August, more than double the rate for those aged 25 years and over (5.3%). From July to August 2017, the youth unemployment rate increased by 0.6 percentage points, while the rate among those aged 25 and older decreased slightly over the same period (-0.3 percentage points).

While overall youth unemployment is up on an annual basis, the unemployment rate among young men actually decreased between August 2016 and August 2017 – by 0.3 percentage points to 15.1%. Conversely, the unemployment rate for young women rose during this period (+1.0 percentage point) and now sits at 10.5%.

EMPLOYMENT BY INDUSTRY

Saskatchewan's goods-producing sector was responsible for all employment gains in August, adding 1,000 persons on the month. Meanwhile, employment in the services-producing sector declined 900 over the same period.

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	August 2017	July 2017	August 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	568.1	568.0	569.1	0.1	0.0	-1.0	-0.2
Goods-producing sector	148.9	147.9	149.9	1.0	0.7	-1.0	-0.7
Agriculture	37.0	37.3	42.0	-0.3	-0.8	-5.0	-11.9
Forestry, fishing, mining, quarrying, oil and gas	24.5	24.2	24.9	0.3	1.2	-0.4	-1.6
Utilities	6.9	6.9	6.8	0.0	0.0	0.1	1.5
Construction	52.1	51.2	51.0	0.9	1.8	1.1	2.2
Manufacturing	28.5	28.3	25.2	0.2	0.7	3.3	13.1
Services-producing sector	419.2	420.1	419.2	-0.9	-0.2	0.0	0.0
Trade	91.8	90.4	89.4	1.4	1.5	2.4	2.7
Transportation and warehousing	28.3	29.1	27.7	-0.8	-2.7	0.6	2.2
Finance, insurance, real estate and leasing	27.7	27.8	26.7	-0.1	-0.4	1.0	3.7
Professional, scientific and technical services	29.6	30.4	29.1	-0.8	-2.6	0.5	1.7
Business, building and other support services	14.2	14.5	12.6	-0.3	-2.1	1.6	12.7
Educational services	40.1	40.0	38.6	0.1	0.3	1.5	3.9
Health care and social assistance	74.8	76.5	81.0	-1.7	-2.2	-6.2	-7.7
Information, culture and recreation	21.1	20.7	20.0	0.4	1.9	1.1	5.5
Accommodation and food services	37.6	36.8	39.1	0.8	2.2	-1.5	-3.8
Other services	24.7	24.9	25.6	-0.2	-0.8	-0.9	-3.5
Public administration	29.4	29.0	29.3	0.4	1.4	0.1	0.3

Note: Totals may not add due to rounding

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

Looking at individual goods-producing industries, agriculture employment dropped for a fourth successive month in Saskatchewan. There are 300 fewer workers employed in the industry in August compared to July. According to Saskatchewan Agriculture's weekly crop report, 26% of the crop in Saskatchewan has been

harvested – well ahead of the five-year average of 16% for this time of the year. Warm temperatures and lack of rainfall has damaged crops and resulted in deteriorating topsoil moisture conditions across the province.³

The number of people employed in the province's manufacturing industry increased on the month (+200) as well as on the year (+3,300). This momentum is expected to continue in the near-term as work on major projects move forward. Evraz's steelmaking plant in Regina, for example, is supplying the majority of the steel required for Enbridge's \$5.3 billion Line 3 Replacement project, which transports Western Canadian crude oil to refinery markets in the United States and Canada. The project will replace over 1,600kms of pipeline between Hardisty, Alberta through Saskatchewan and Superior, Wisconsin.⁴

Employment in Saskatchewan's construction industry is up 1,100 from a year ago. Work on a number of large-scale commercial projects is currently underway, including Enbridge Inc.'s Line 3 Replacement project, Saskatchewan Indian Gaming Authority's \$100 million casino and SaskPower's \$680 million Chinook power station. The Line 3 project is expected to create more than 7,800 direct and indirect jobs in the province, while the casino and natural gas facility are expected to employ 500 workers each during the construction phase.⁵ In addition, construction is also progressing on public infrastructure projects such as the \$1.9 billion Regina Bypass and the \$285.2 million Jim Pattison Children's Hospital in Saskatoon.⁶

Employment increased in the resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) for a third consecutive month (+300). The mining industry is in a stronger position as prices and demand for potash pick up. PotashCorp's expanded Rocanville mine and K+S Potash's Bethune mine will be ramping up production in the coming months, which will help increase output in Saskatchewan's non-metal mining industry. In addition, the oil industry is benefiting from new cost-effective thermal extraction technology that is anticipated to boost investment over the next few years. Recovery in oil along with the mining industry is expected to help growth in Saskatchewan's domestic economy.⁷

Turning to the services-producing sector, the largest annual decline in employment occurred in Saskatchewan's healthcare and social assistance industry (-6,200). The Province is aiming to reduce its budget shortfall by the end of this fiscal year, and as a result, has undertaken a number of initiatives to reduce service costs. On the healthcare front, the provincial government has amalgamated the province's 12 health regions into one – creating the new Saskatchewan Health Authority. The new health authority will be headquartered in Saskatoon and is expected to save the Province between \$10 and \$20 million by 2018-19.⁸

Employment in education services edged up slightly on the month (+100). The 2017-18 school year has commenced, and 20 new schools have opened their doors across the province. Eighteen of the new public-private partnership schools are built on joint-use sites, and include four locations in Saskatoon, three in Regina and one each in Martensville and Warman. Most of the teachers and staff at the new schools are existing employees of the public and catholic school divisions.⁹

In August, the professional, scientific and technical services industry added 500 positions on an annual basis. With an increasing number of firms using technology to deliver services to the public and internet-based services rising in general, the tech-industry in Saskatchewan is booming. For instance, Saskatoon-based 7Shifts Inc. recently received \$4.5M in venture capital funding from Tandem Capital, a US institutional investor and intends to triple its current workforce of about 40 employees this year.¹⁰ Other technology start-ups that are

expanding operations in the province include: Vendasta, Noodlecake Studios Inc. and Solido Design Automation.¹¹

REGIONAL ANALYSIS

Mixed employment results were observed across Saskatchewan, with employment advancing in two out of five economic regions on a yearly basis. Meanwhile, unemployment rates have increased in two of the five regions during the same period.

Saskatchewan Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	August 2017 ('000)	August 2016 ('000)	Yearly Variation (%)	August 2017 (%)	August 2016 (%)	Yearly Variation (% points)
Saskatchewan	575.7	577.7	-0.3	6.5	6.2	0.3
Economic Regions						
Regina-Moose Mountain	183.3	186.8	-1.9	5.4	5.3	0.1
Swift Current-Moose Jaw	50.7	52.9	-4.2	4.2	4.2	0.0
Saskatoon-Biggar	204.2	199.4	2.4	7.6	6.2	1.4
Yorkton-Melville	40.1	37.8	6.1	4.3	6.2	-1.9
Prince Albert and Northern	97.4	100.7	-3.3	7.9	8.9	-1.0

Note: Totals may not add due to rounding

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

Employment in the Saskatoon-Biggar region is up significantly, increasing by nearly 4,800 since last August. Employment gains over the past year were led by wholesale and retail trade (+2,900) and construction (+2,100) industries. Retail development has been thriving with new stores popping up around the city. Saskatoon's second Costco opened its doors at the end of last year, while Starbucks and FatBurger just opened new locations in Preston Crossing. Meanwhile, construction employment has been buoyed by major projects including the \$252.6 million North Commuter Parkway and Traffic Bridge, and Jim Pattison Children's Hospital.¹²

There were 3,500 fewer individuals employed in Regina-Moose Mountain this month compared to the same period last year. Services-producing industries were responsible for all employment losses in August with the largest declines in healthcare and social assistance (-1,800) and transportation and warehousing (-1,500). In contrast, the number of people employed in the goods-producing sector edged up slightly, owing to significantly higher manufacturing employment (+3,700). Overall, the Conference Board of Canada expects that Regina's economy will begin recovering this year, and will post a real GDP growth of 1.5%.¹³

Meanwhile, employment in Swift Current-Moose Jaw fell 2,200 year over year due to considerably lower employment in agriculture and accommodation and food services. Farming operations are struggling in Swift Current and Moose Jaw, as hot, dry weather conditions have damaged this year's crop.¹⁴ Nonetheless, the unemployment rate in Swift Current-Moose Jaw remained unchanged at 4.2% on an annual basis.

Employment continues to slump further in Prince Albert and Northern region, with 3,300 fewer people working in the region compared a year ago. Weakness in the global uranium market continues to hamper growth in a region that is home to a number of uranium mines. Besides mining, this year's wildfires, although not significant, have affected four northern communities of Sandy Bay, Jan Lake, Birch Portage and Pelican Narrows. Over 2,700 people had been evacuated from these four communities due to the wildfires until September 9, 2017.¹⁵

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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