



Labour Market Bulletin

British Columbia

December 2016



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of British Columbia (B.C.), including the regions of Northern B.C., Vancouver Island and Coast, Lower Mainland, Thompson-Okanagan and the Kootenays.

OVERVIEW

In the fourth quarter of 2016, employment in British Columbia increased by 0.5% (+11,800). Gains were nearly all in part-time employment from October to December 2016. In the last quarter of 2016, the number of labour force participants increased 0.9% (+23,300) to reach a record 2.55 million; this is reflected in the higher participation rate of 64.6%. For Canada overall, employment grew 1.0% (+108,900) in Q4, this was the largest increase since Q2 of the 2010.¹

On a year-over-year basis, employment in B.C. grew by 2.5% (+58,800) in Q4. It was the fastest employment growth among western provinces. Private sector workers in an employer-employee relationship were driving gains, and year-over-year they saw an increase of 4.7% (+70,300), in contrast to the decline of 3.5% (-15,200) for public sector employees and the uptick of 0.9% (+3,700) for the self-employed. Over the year, part-time employment gains of 32,700 (+6.6%) were slightly higher than for the full-time gains of 26,100 (+1.4%) in British Columbia. In contrast, for Canada overall, employment gains in 2016 were dominated by part-time.²

In B.C. the unemployment rate increased 0.4 percentage points to 6.0% in the fourth quarter of 2016. On a year-over-year basis however, the unemployment rate declined from 6.5% in the fourth quarter of 2015.

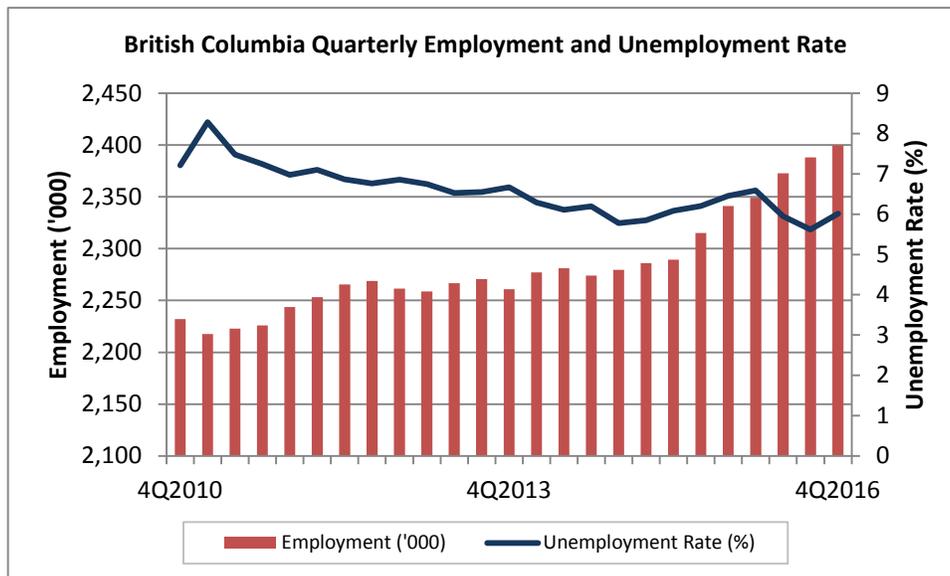
With the introduction of new municipal, provincial and federal taxes and policies aimed at cooling an overly hot housing market in Metro Vancouver, and uncertainty following the expiry of the US-Canada softwood lumber agreement³, 2017 is predicated to be a more moderate year for economic growth for the province. According to the Royal Bank of Canada Provincial Outlook, real GDP in B.C. is forecasted to increase by a moderate 1.7% in 2017, and 1.8% in 2018, compared with 3.3% for 2016.⁴

British Columbia Quarterly Labour Force Statistics

Seasonally Adjusted Data	4th Quarter 2016	3rd Quarter 2016	4th Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,950.0	3,939.3	3,899.4	10.7	0.3	50.6	1.3
Labour Force ('000)	2,553.5	2,530.2	2,502.5	23.3	0.9	51.0	2.0
Employment ('000)	2,399.9	2,388.1	2,341.1	11.8	0.5	58.8	2.5
Full-Time ('000)	1,868.3	1,867.8	1,842.2	0.5	0.0	26.1	1.4
Part-Time ('000)	531.6	520.2	498.9	11.4	2.2	32.7	6.6
Unemployment ('000)	153.6	142.1	161.5	11.5	8.1	-7.9	-4.9
Unemployment Rate (%)	6.0	5.6	6.5	0.4	-	-0.4	-
Participation Rate (%)	64.6	64.2	64.2	0.4	-	0.5	-
Employment Rate (%)	60.8	60.6	60.0	0.1	-	0.7	-

Note: Totals may not add due to rounding

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





Older workers (55 years and over) saw an employment increase of 6,700 (+1.3%) in their ranks in the fourth quarter of 2016, predominantly in full-time work. Core-age people (aged 25 to 54 years) also saw an increase in their employment levels, with a quarterly gain of 4,600 (0.3%), also driven by gains in full-time work. Yearly gains mirrored this quarterly pattern, with workers 55 years and over expanding their numbers by 34,000 (+6.9%) and core-age workers increasing by 17,200 (+1.1%). This is similar to the national trend of older workers 55 years and over leading employment growth for 2016.⁵

For B.C. youth aged 15 to 24 years, their unemployment rate stood at 9.8% in the last quarter of 2016, a decline of 1.8 percentage points from the same period in 2015. In particular, young men, aged 15 to 24 years saw a more remarkable 3.8 percentage point decrease in their unemployment rate from 13.6% in Q4 of 2015.

British Columbia Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	4th Quarter 2016 (%)	3rd Quarter 2016 (%)	4th Quarter 2015 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
Total	6.0	5.6	6.5	0.4	-0.4
25 years and over	5.4	5.1	5.6	0.2	-0.2
Men - 25 years and over	5.6	5.6	6.0	0.1	-0.3
Women - 25 years and over	5.1	4.7	5.1	0.4	-0.1
15 to 24 years	9.8	8.4	11.6	1.4	-1.8
Men - 15 to 24 years	9.8	9.2	13.6	0.6	-3.8
Women - 15 to 24 years	9.8	7.6	9.3	2.2	0.5

Note: Totals may not add due to rounding

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

British Columbia - Labour market indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q4 2016	Q4 2015	Number	%	Q4 2016	Q4 2015	Number	%
Population 15 + ('000)	160.5	156.2	4.3	2.8	3,789.6	3,743.1	46.5	1.2
Labour Force ('000)	110.5	102.8	7.7	7.5	2,436.6	2,391.2	45.4	1.9
Employment ('000)	95.9	89.7	6.2	6.9	2,305.1	2,253.8	51.3	2.3
Full-Time ('000)	71.7	68.5	3.2	4.7	1,790.5	1,770.1	20.4	1.2
Part-Time ('000)	24.2	21.1	3.1	14.7	514.6	483.7	30.9	6.4
Unemployment ('000)	14.6	13.2	1.4	10.6	131.6	137.4	-5.8	-4.2
Unemployment Rate (%)	13.2	12.8	0.4	-	5.4	5.7	-0.3	-
Participation Rate (%)	68.9	65.8	3.1	-	64.3	63.9	0.4	-
Employment Rate (%)	59.8	57.4	2.4	-	60.8	60.2	0.6	-

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 fourth quarter (Q4) of 2016, the total population aged 15+ in British Columbia was 3.9 million. The Indigenous population living off-reserve accounted for 4.1% of that, or 160,500 people. Employment among the Indigenous population stood at 95,900 representing an increase of +6,200 (+6.9%) from a year earlier. The employment gains were in both in full-time positions (+3,200), and part-time positions (+3,100).

The unemployment rate among the Indigenous population was 13.2% in Q4 2016, having declined by -0.4 percentage points (pp) from the previous year, and the unemployment rate among the non-Indigenous population (5.4%) also declined, by a similar margin (-0.3 pp). Between Q4 2015 and Q4 2016, the participation and employment rates among the Indigenous population increased to 68.9% (+3.1 pp) and 59.8% (+2.4pp), respectively. The non-Indigenous population saw smaller increases in the participation and employment rates over this time period which stood at 64.3% (+0.4pp) and 60.8% (+0.6pp), respectively.

EMPLOYMENT BY INDUSTRY

Employment in B.C.'s goods-producing sector increased by 6,700 (+1.4%) in the fourth quarter of 2016, from a year earlier. The construction sub-sector added 14,000 (+6.9%) more workers while manufacturing saw a decline of 9,800 (-5.5%) workers.

In B.C.'s services-producing sector, employment increased by 52,000 (+2.8%), on a year-over-year basis. Finance, insurance, real estate and leasing (+19,900 or +16.1%), trade (+9,900 or +2.8%), and business, building and other support services (+8,300 or +8.6%) were among several sub-sectors that added more workers in Q4 of 2016, compared to the same period in 2015. Employment declines were reported in educational services (-5,300 or -3.2%) as well as health care and social assistance (-4,500 or -1.5%). One bright spot on the horizon for

education: In early 2017, the B.C. government reached an agreement with the BCTF to provide funding to hire up to 1,100 classroom teachers and specialists like librarians and counsellors.⁶

Construction employment in B.C. accounted for an estimated 46% of the total goods-producing sector in the last quarter of 2016. Real estate activity in B.C. has spurred increases in construction employment and a number of other industries; however with the introduction of new government policies at the federal, provincial and municipal level to address housing affordability and debt-risk, the province's economic output is expected to slow in 2017.

British Columbia Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	4th Quarter 2016	3rd Quarter 2016	4th Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,399.9	2,388.1	2,341.1	11.8	0.5	58.8	2.5
Goods-producing sector	474.3	467.2	467.6	7.1	1.5	6.7	1.4
Agriculture	27.2	24.8	22.3	2.4	9.7	4.9	22.0
Forestry, fishing, mining, quarrying, oil and gas	48.8	50.8	49.4	-2.0	-3.9	-0.6	-1.2
Utilities	13.4	13.3	15.2	0.1	0.8	-1.8	-11.8
Construction	216.1	212.2	202.1	3.9	1.8	14.0	6.9
Manufacturing	168.8	166.1	178.6	2.7	1.6	-9.8	-5.5
Services-producing sector	1,925.6	1,920.9	1,873.4	4.7	0.2	52.2	2.8
Trade	368.8	362.3	358.9	6.5	1.8	9.9	2.8
Transportation and warehousing	142.0	139.2	140.1	2.8	2.0	1.9	1.4
Finance, insurance, real estate and leasing	143.5	137.5	123.6	6.0	4.4	19.9	16.1
Professional, scientific and technical services	195.1	199.1	189.0	-4.0	-2.0	6.1	3.2
Business, building and other support services	104.9	110.4	96.6	-5.5	-5.0	8.3	8.6
Educational services	159.8	163.0	165.1	-3.2	-2.0	-5.3	-3.2
Health care and social assistance	293.1	292.5	297.6	0.6	0.2	-4.5	-1.5
Information, culture and recreation	127.5	129.9	120.3	-2.4	-1.8	7.2	6.0
Accommodation and food services	178.1	175.8	174.6	2.3	1.3	3.5	2.0
Other services	108.4	105.3	107.9	3.1	2.9	0.5	0.5
Public administration	104.3	106.0	99.7	-1.7	-1.6	4.6	4.6

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Employment growth was extensive across the province for the period Q4 2015 to Q4 2016, led by strong expansion in the Kootenay (+6.8%), Vancouver Island and Coast (+3.7%) and Thompson-Okanagan (+3.5%) regions. The only economic region to see employment contract in the last quarter of 2016, on a year-over-year basis was the Northeast region (-2.5%).

The Lower Mainland-Southwest region posted the lowest unemployment rate in B.C. in the fourth quarter of 2016 at 5.0%, a decline of 0.6 percentage point from the same period of 2015. Year-over-year, employment grew at a rate of 2.0% (+30,500) in last quarter of 2016, compared with 12 months earlier. In the Vancouver Island and Coast region, the unemployment rate also declined, to 5.4%, one-percentage point lower from 2015. On a

year-over-year basis, the unemployment rate increased for all other regions of the province, as more people participated in the labour force.

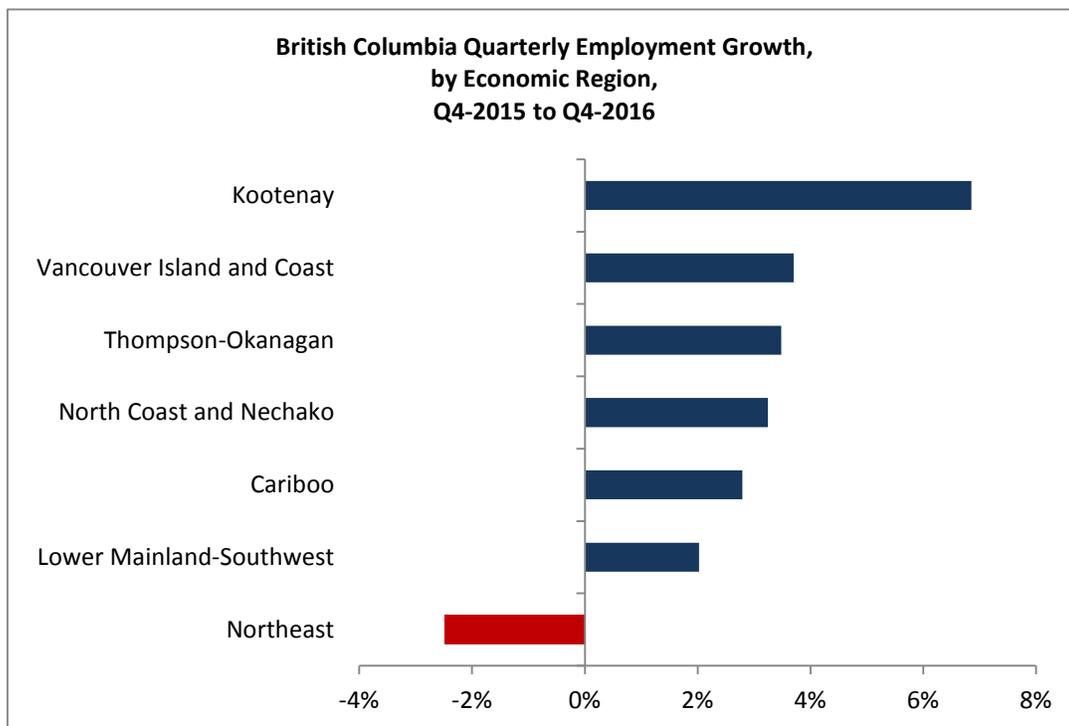
The Northeast region of B.C. is an economy strongly linked to natural resource extraction, and it has seen employment decline with low oil prices. The city of Fort St. John for example was the top supplier of goods and services to the oil sands in 2016 (outside Alberta).⁷ The unemployment rate in the Northeast region was 10.5% in the fourth quarter of 2016, nearly three percentage points higher compared with a year earlier. However, the planned construction of BC Hydro's Site C hydro-electric dam is expected to increase jobs, housing and economic activity in this region⁸ and the recent announcement by Conuma Coal Resources Ltd. of reopening the Wolverine mine in northeast B.C. is expected to create 220 jobs.

British Columbia Quarterly Labour Force Statistics, by Economic Region

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	4th Quarter 2016 ('000)	4th Quarter 2015 ('000)	Yearly Variation (%)	4th Quarter 2016 (%)	4th Quarter 2015 (%)	Yearly Variation (% points)
British Columbia	2,402.6	2,343.3	2.5	5.7	6.0	-0.3
Economic Regions						
Vancouver Island and Coast	378.5	365.0	3.7	5.4	6.4	-1.0
Lower Mainland-Southwest	1,539.5	1,509.0	2.0	5.0	5.6	-0.6
Thompson-Okanagan	252.8	244.3	3.5	8.2	7.3	0.9
Kootenay	70.2	65.7	6.8	8.8	7.2	1.6
Cariboo	81.0	78.8	2.8	7.4	7.2	0.2
North Coast and Nechako	41.4	40.1	3.2	7.6	7.0	0.6
Northeast	39.3	40.3	-2.5	10.5	7.6	2.9

Note: Totals may not add due to rounding

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



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 Statistics Canada. Labour Force Survey, December, 2016. Retrieved from <http://www.statcan.gc.ca/daily-quotidien/170106/dq170106a-eng.htm?HPA=1>

² Ibid.

³ CBC news. December 20, 2016. Softwood lumber dispute: U.S. commerce department officially launches investigation. <http://www.cbc.ca/news/politics/softwood-lumber-commerce-investigation-launched-1.3904753>

⁴ Hogue, Robert. (December 2016). Provincial Outlook: December 2016: British Columbia. RBC Economics Research. Retrieved from: <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/bc.pdf>

⁵ Statistics Canada. Labour Force Survey, December, 2016. Retrieved from <http://www.statcan.gc.ca/daily-quotidien/170106/dq170106a-eng.htm?HPA=1>

⁶ Globe and Mail, January 5, 2017. B.C. reaches agreement with teachers' union to fund hiring of up to 1,100 full-time employees. <http://www.theglobeandmail.com/news/british-columbia/bc-reaches-deal-with-teachers-to-settle-fallout-from-court-case/article33518039/>

⁷ Alaska Highway News. Dec 5, 2016. BC top supplier to oil sands, CAPP survey finds. <http://www.alaskahighwaynews.ca/business/b-c-top-supplier-to-oil-sands-capp-survey-finds-1.3784728>

⁸ Vancouver Sun. October 19, 2016. BC Hydro opens \$470-million, town-sized camp for Site C construction workers. <http://vancouversun.com/business/local-business/b-c-hydro-opens-470-million-town-sized-camp-for-site-c-construction-workers>