



# Labour Market Bulletin

## British Columbia



## September 2016

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

### OVERVIEW

Employment in British Columbia continued to trend upwards in the third quarter of 2016, although at a decelerating pace. There were 15,400 more people working in the province between July and September, with part-time employment gains (+17,100) entirely offsetting a drop in full-time positions (-1,800). Despite this quarter’s seemingly weaker results, the province’s economic performance remains solid. On a year-over-year basis, employment growth advanced by 3.1%, the fastest in Canada. This has helped pull the unemployment rate down to 5.6%, the province’s lowest rate since 2008.

British Columbia’s strong job creation over the last few quarters, and historically low unemployment rates, have placed upward pressure on wages and continued to draw more people to the province. The provincial working-age population expanded 0.3% to reach a new all-time high of more than 2.53 million participants. According to forecasters, annual employment growth is expected to average 3.5% this year, with an average unemployment rate hovering around 6%.<sup>1</sup>

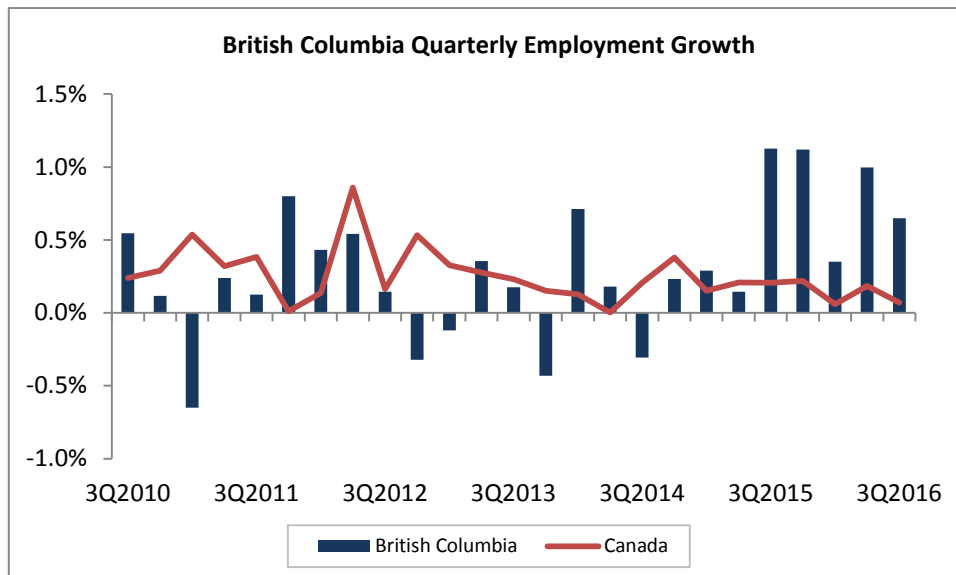
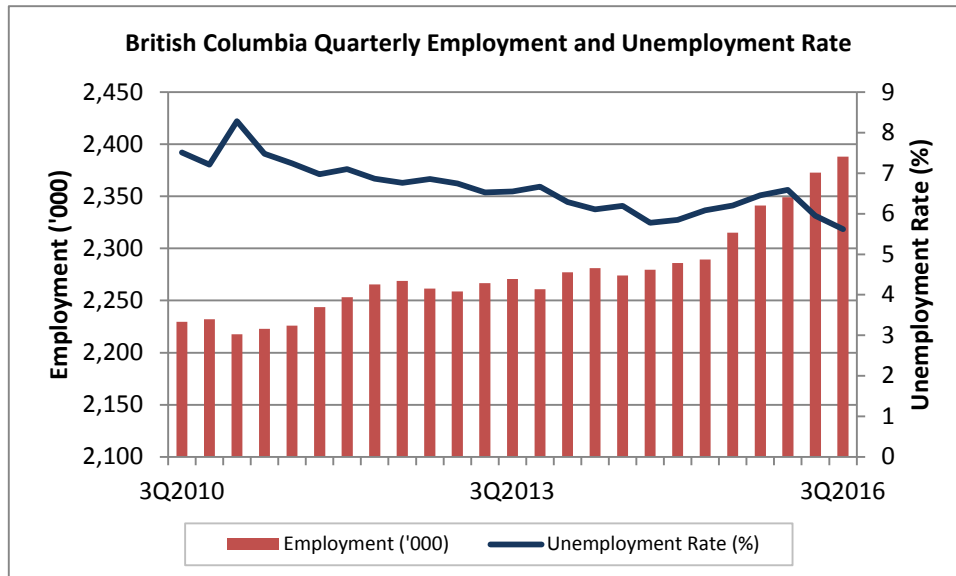
**British Columbia Quarterly Labour Force Statistics**

Seasonally Adjusted Data	3rd Quarter 2016	2nd Quarter 2016	3rd Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,939.3	3,923.5	3,884.5	15.8	0.4	54.8	1.4
<b>Labour Force ('000)</b>	2,530.2	2,522.8	2,468.3	7.4	0.3	61.9	2.5
<b>Employment ('000)</b>	2,388.1	2,372.7	2,315.2	15.4	0.6	72.9	3.1
Full-Time ('000)	1,867.8	1,869.6	1,835.6	-1.8	-0.1	32.2	1.8
Part-Time ('000)	520.2	503.1	479.5	17.1	3.4	40.7	8.5
<b>Unemployment ('000)</b>	142.1	150.1	153.1	-8.0	-5.3	-11.0	-7.2
<b>Unemployment Rate (%)</b>	5.6	5.9	6.2	-0.3	-	-0.6	-
<b>Participation Rate (%)</b>	64.2	64.3	63.5	-0.1	-	0.7	-
<b>Employment Rate (%)</b>	60.6	60.5	59.6	0.1	-	1.0	-

Note: Totals may not add due to rounding

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

On a quarterly basis, self-employment in the province showed impressive gains, rising by 13,900 between July and September 2016, compared to a more muted 1,400 private and public sector jobs. Despite this notable quarterly gain, year-over-year, private sector job creation outpaced all other forms of employment. The province has 65,000 more private sector employees compared to the same time period last year.



The number of unemployed people in B.C. dropped in the third quarter (-8,000). The unemployment rate both for men and for women (aged 15+) saw quarterly decreases, falling to 6.1% and 5.1% respectively. Youth (aged 15 to 24) unemployment saw similar decreases, dropping from 10.8% to 8.4%, quarter-over-quarter. Young women fared better than their male counterparts. The unemployment rate for young men sits at 9.2%, while the rate for young women declined to 7.6%. Overall gains in youth employment occurred predominantly in manufacturing, education and healthcare and social assistance. Youth unemployment rates in BC continue to impress as they remain well below the Canadian average (13.2%).

**British Columbia Quarterly Unemployment Rates, by Gender and Age**

Seasonally Adjusted Data	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly	Yearly
	2016 (%)	2016 (%)	2015 (%)	Variation (% points)	Variation (% points)
<b>Total</b>	5.6	5.9	6.2	-0.3	-0.6
<b>25 years and over</b>	5.1	5.1	5.1	0.0	0.0
Men - 25 years and over	5.6	5.5	5.3	0.0	0.3
Women - 25 years and over	4.7	4.7	4.9	0.0	-0.3
<b>15 to 24 years</b>	8.4	10.8	12.5	-2.4	-4.1
Men - 15 to 24 years	9.2	11.9	14.3	-2.8	-5.2
Women - 15 to 24 years	7.6	9.5	10.5	-1.9	-2.9

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

On annual basis, gains in part-time employment have outpaced full-time positions due partly to a growing number of older workers (aged 55 and over) opting to remain or re-enter the workforce. There were 53,800 more older workers in the workforce in the third quarter of 2016 compared to a year earlier, representing an overall increase of 10.7%. Part-time work among this cohort increased faster than full-time employment. While adjustments in the count of full-time versus part-time employment are usually an indication of a shift in the number of hours worked, this quarter, the shift is also the result of a change in industry composition.

In contrast, there has been little employment growth among core age workers (aged 25 to 54). Year over year, the group held fewer full-time jobs (-11,900), while posting an increase in part-time positions (+11,300).

**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)	
	Q3 2016	Q3 2015	Number	%	Q3 2016	Q3 2015	Number	%
<b>Population 15+ ('000)</b>	159.5	155.2	4.3	2.8	3,779.8	3,729.3	50.5	1.4
<b>Labour Force ('000)</b>	112.9	101.2	11.7	11.6	2,444.6	2,388.6	56.0	2.3
<b>Employment ('000)</b>	101.3	85.4	15.9	18.6	2,308.3	2,248.0	60.3	2.7
Full-Time ('000)	79.3	65.0	14.3	22.0	1,834.0	1,815.2	18.8	1.0
Part-Time ('000)	22.0	20.4	1.6	7.8	474.2	432.8	41.4	9.6
<b>Unemployment ('000)</b>	11.6	15.8	-4.2	-26.6	136.4	140.7	-4.3	-3.1
<b>Unemployment Rate (%)</b>	10.3	15.6	-5.3	-	5.6	5.9	-0.3	-
<b>Participation Rate (%)</b>	70.8	65.2	5.6	-	64.7	64.1	0.6	-
<b>Employment Rate (%)</b>	63.5	55.0	8.5	-	61.1	60.3	0.8	-

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 third quarter (Q3) of 2016, the total population aged 15+ in British Columbia was 3.9 million. The Indigenous population living off-reserve accounted for 4.0% of that, or 159,500 people. Employment among the Indigenous population stood at 101,300 representing an increase of +15,900 (+18.6%) from a year earlier.

The majority of the gains were in full-time positions (+14,300 or +22.0%), and a smaller portion of the gains were in part-time positions (+1,600 or +7.8%).

The unemployment rate among the Indigenous population was 10.3% in Q3 2016, having declined by -5.3 percentage points (pp) from the previous year. The unemployment rate among the non-Indigenous population also declined, but by a smaller margin year-over-year to 5.6% (-0.3 pp). Between Q3 2015 and Q3 2016, the participation and employment rates among the Indigenous population increased considerably to 70.8% (+5.6 pp) and 63.5% (+8.5pp), respectively. The non-Indigenous population saw smaller increases in the participation and employment rates over this time period which stood at 64.7% (+0.6pp) and 61.1% (+0.8pp), respectively.

## EMPLOYMENT BY INDUSTRY

BC's services-producing sector drove employment creation in the third quarter, employing 20,300 more people between July and September. Gains were led by growth in business, building and other support services, where employment is up 7.6% (+7,800) on the quarter. There were also sizeable quarterly gains for information, culture and recreation (+7,500) and finance, insurance, real estate and leasing (+6,300) industries. Meanwhile, there was a decline this quarter in trade (-8,100), although employment is up in this industry compared to the same period last year. Educational services also posted a decline both on the quarter (-6,300) and on the year (-3,300).

BC's goods-producing sector had marginal losses in the third quarter, with employment decreasing 1.1% (-5000). Employment is down in virtually every industry in the sector, led by manufacturing (-2,700), construction (-2,500) and resource extraction (-800). The net impact of these quarterly losses was somewhat offset by a gain in agriculture (+1,400).

A number of interesting developments have taken place in BC's housing market this quarter. In July, the provincial government enacted a 15% tax on foreign buyers in an effort to quell Vancouver's housing market, and make homes more affordable to British Columbians. Shortly after, in early October, the federal government moved to further slowdown home sales activity through tighter mortgage insurance requirements. All federal government insured mortgages must now qualify at the five-year, fixed rate term, in effect, reducing buyers' purchasing power. The move is expected to slow down demand for housing, and reduce or maintain current levels of household debt. Another related development involved the tightening of tax loopholes related to capital gains exemptions for non-resident homeowners. Foreign buyers who are not residents at the time a home is bought will no longer be able to claim a principal residence exemption and consequently, must pay a capital gains tax if the value of the home has increased from the time of purchase.<sup>2</sup> These developments come only two weeks before the Bank of Canada is set to issue its next interest-rate decision.

Meanwhile, in oil and gas, the federal government provisionally approved an \$11 billion LNG plant to be located near Prince Rupert, British Columbia. Led by Malaysian state oil firm Petronas, the project's proponents will be reviewing the 190 attached environmental conditions prior to making a final investment decision.<sup>3</sup> Pacific NorthWest LNG represents one of Canada's largest resource developments. Valued at \$36 billion, the project is projected to export 19.68 million tonnes of LNG a year and create 4,500 construction jobs and 630 operational jobs. Receiving the go-ahead from Petronas will come as good news for BC's Peace Region, which

has lost many jobs in recent years due to the downturn in oil and gas. Weighing down on Petronas' decision though, is the glut of LNG capacity currently on world markets.

### British Columbia Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation		Yearly Variation	
	2016	2016	2015	Number	%	Number	%
<b>Total employed, all industries</b>	2,388.1	2,372.7	2,315.2	15.4	0.6	72.9	3.1
<b>Goods-producing sector</b>	467.2	472.2	456.8	-5.0	-1.1	10.4	2.3
Agriculture	24.8	23.4	21.5	1.4	6.0	3.3	15.3
Forestry, fishing, mining, quarrying, oil and gas	50.8	51.6	48.6	-0.8	-1.6	2.2	4.5
Utilities	13.3	13.7	14.1	-0.4	-2.9	-0.8	-5.7
Construction	212.2	214.7	202.0	-2.5	-1.2	10.2	5.0
Manufacturing	166.1	168.8	170.6	-2.7	-1.6	-4.5	-2.6
<b>Services-producing sector</b>	1,920.9	1,900.6	1,858.3	20.3	1.1	62.6	3.4
Trade	362.3	370.4	354.4	-8.1	-2.2	7.9	2.2
Transportation and warehousing	139.2	137.7	140.0	1.5	1.1	-0.8	-0.6
Finance, insurance, real estate and leasing	137.5	131.2	126.3	6.3	4.8	11.2	8.9
Professional, scientific and technical services	199.1	197.3	187.2	1.8	0.9	11.9	6.4
Business, building and other support services	110.4	102.6	97.0	7.8	7.6	13.4	13.8
Educational services	163.0	169.3	166.3	-6.3	-3.7	-3.3	-2.0
Health care and social assistance	292.5	290.6	296.3	1.9	0.7	-3.8	-1.3
Information, culture and recreation	129.9	122.4	114.3	7.5	6.1	15.6	13.6
Accommodation and food services	175.8	172.8	177.3	3.0	1.7	-1.5	-0.8
Other services	105.3	102.4	102.3	2.9	2.8	3.0	2.9
Public administration	106.0	103.9	97.0	2.1	2.0	9.0	9.3

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

Year-over-year employment trends varied across BC's seven economic regions. Employment is up in the urban centers of Lower Mainland-Southwest and Vancouver Island and Coast. In Lower Mainland-Southwest, 82,300 more people held jobs in the third quarter of 2016 compared to one year prior. The region's unemployment rate declined 0.8 percentage points over the same time period. Similarly, in Vancouver Island and Coast, 12,400 more people held jobs in the third quarter of 2016, pushing the unemployment rate down 1.2 percentage points.

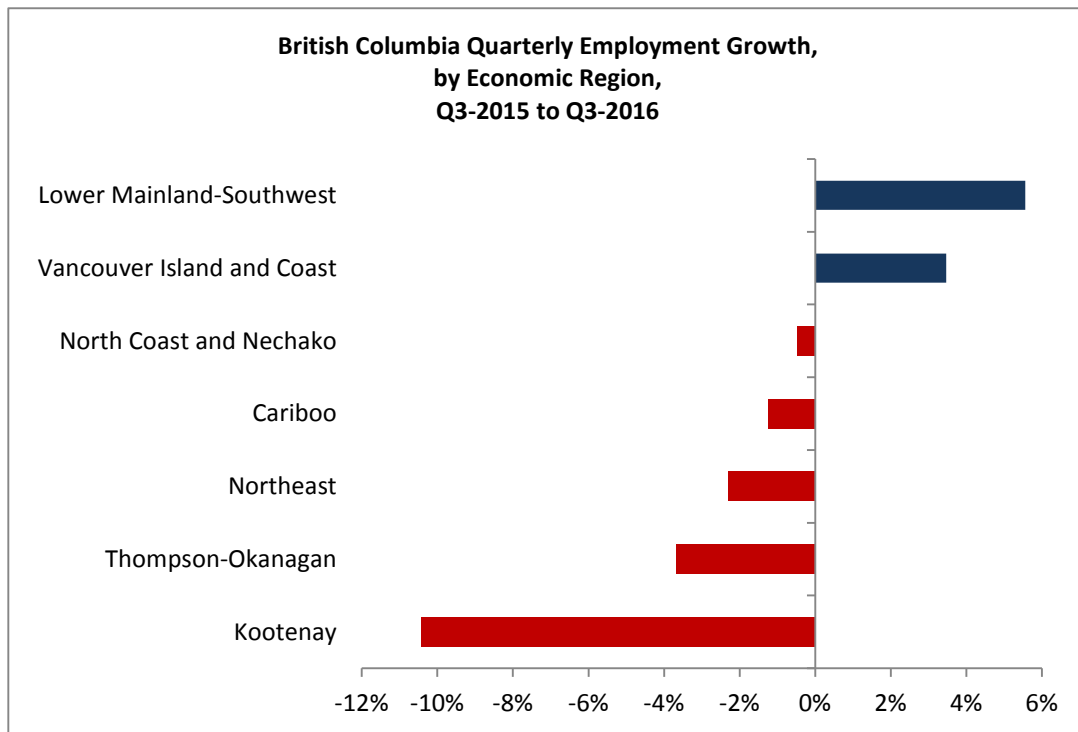
Meanwhile, employment declined in all other economic regions across the province, with the sharpest contraction occurring in the Kootenay. This is not surprising, and has been the norm for BC's more remote economic regions which are typically commodity-based economies and have a higher reliance on the Albertan economy. Low commodity prices and Alberta's recession have sent many workers, including a sizeable fly in-fly out population, home. Looking forward, weak investment in both mining and natural gas is likely to continue to negatively affect BC's more remote regions. One bright spot in terms of employment involves the potential advancement of BC Hydro's Site C dam in the Northeast.

**British Columbia Quarterly Labour Force Statistics, by Economic Region**

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	3rd Quarter 2016 ('000)	3rd Quarter 2015 ('000)	Yearly Variation (%)	3rd Quarter 2016 (%)	3rd Quarter 2015 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,410.6	2,335.3	3.2	5.8	6.3	-0.5
<b>Economic Regions</b>						
Vancouver Island and Coast	370.4	358.0	3.5	5.4	6.6	-1.2
Lower Mainland-Southwest	1,563.7	1,481.4	5.6	5.3	6.1	-0.8
Thompson-Okanagan	250.5	260.1	-3.7	6.7	5.7	1.0
Kootenay	65.3	72.9	-10.4	8.5	8.0	0.5
Cariboo	79.6	80.6	-1.2	7.4	7.7	-0.3
North Coast and Nechako	42.8	43.0	-0.5	7.8	7.7	0.1
Northeast	38.3	39.2	-2.3	9.4	5.5	3.9

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](http://www.statcan.gc.ca)

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<sup>1</sup> Central 1 Credit Union. BC Economic Briefing. Retrieved from

[https://www.central1.com/sites/default/files/uploads/files/analysis\\_report/report\\_file/2240%20BC.pdf](https://www.central1.com/sites/default/files/uploads/files/analysis_report/report_file/2240%20BC.pdf)

<sup>2</sup> Financial Post. Federal government closes tax loophole used by foreign home buyers, hikes mortgage scrutiny. Retrieved from <http://business.financialpost.com/personal-finance/mortgages-real-estate/federal-government-closing-tax-loophole-used-by-foreign-home-buyers>

<sup>3</sup> CBC News. Federal government approves liquefied natural gas project on B.C. coast with 190 conditions. Retrieved from <http://www.cbc.ca/news/politics/pacific-northwest-lng-project-1.3780758>