



Labour Market Bulletin

British Columbia

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

On an annual basis, employment in British Columbia increased in 2016 by 73,300 (+3.2%), with the pace of growth almost twice that of 2015. Gains were shared equally between full-time (+38,500) and part-time (+34,800) workers, in contrast to the national trend of part-time led growth. A strong housing sector in the first half of the year, and a low Canadian dollar boosted the province's economic growth in 2016. Employment gains were particularly strong in construction, retail trade, and the film industries over the year.

In 2016, the unemployment rate edged down to 6.0%, from 6.2% in 2015. By the third quarter of 2016, BC's job market vacancy rate, which describes unfilled job openings as a share of all payroll positions, was the highest in the country at 3.6% and 0.2 percentage points higher compared to the third quarter of 2015.¹ Over the same period, the population in BC increased by 21,733 (+0.5%) in the third quarter of 2016, the fastest among the western provinces.² This fits in with the overall regional trend, where the rate of population growth from 2011 to 2016 in each of the western provinces outpaced the national average.³

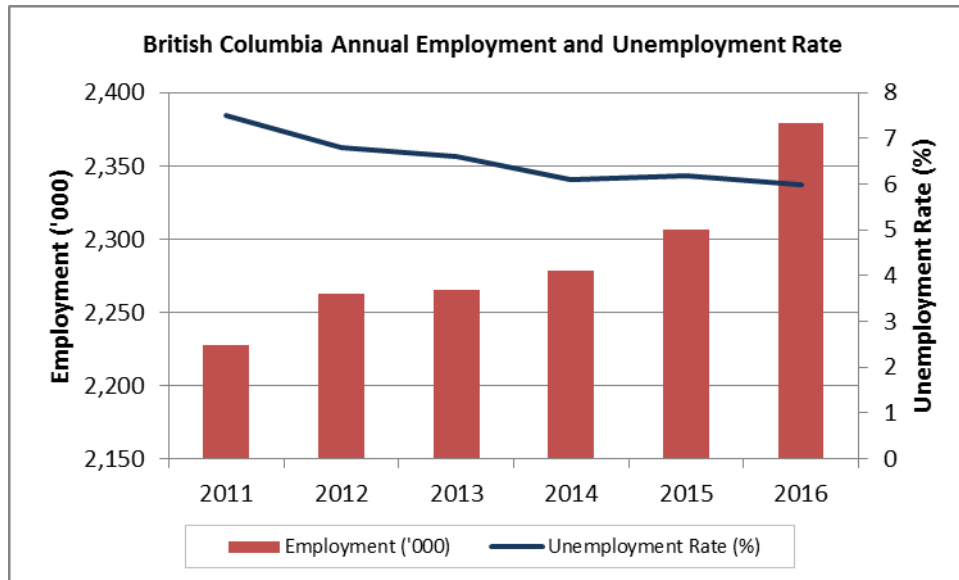
The Conference Board has forecasted a modest employment growth of 1.7% in 2017⁴ and expects real GDP growth in BC to moderate to 2.4% in 2017 and to 2.2% by 2018, as housing starts are predicted to decline. The introduction of new housing policies from all three levels of government, along with uncertainty over Canada-US trade in softwood lumber is expected to dampen economic output in the province.⁵

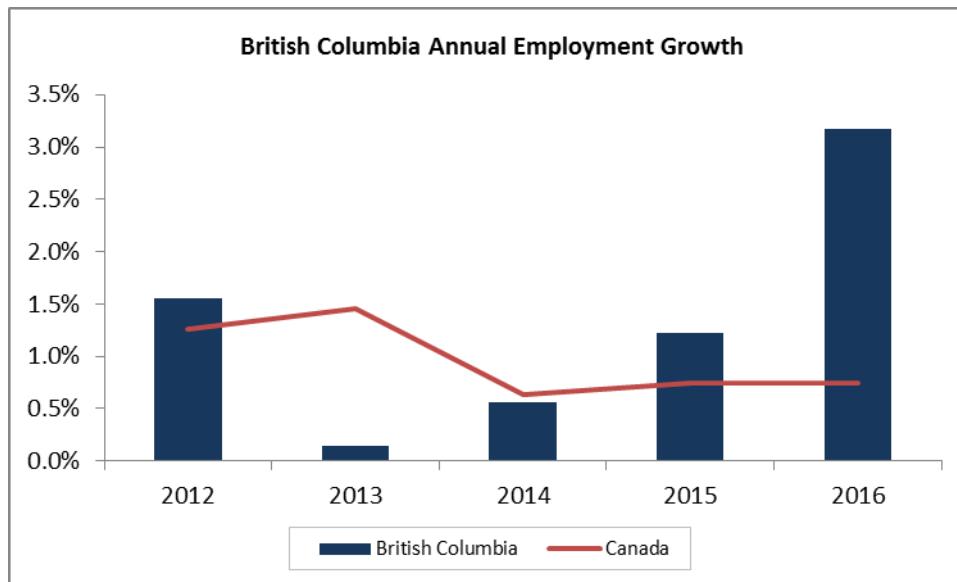
British Columbia Annual Labour Force Statistics

Labour Force Survey Estimates	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Population 15 + ('000)	3,930.7	3,877.1	3,829.6	53.6	1.4	47.5	1.2
Labour Force ('000)	2,532.3	2,457.6	2,425.4	74.7	3.0	32.2	1.3
Employment ('000)	2,379.5	2,306.2	2,278.4	73.3	3.2	27.8	1.2
Full-Time ('000)	1,862.5	1,824.0	1,781.9	38.5	2.1	42.1	2.4
Part-Time ('000)	517.0	482.2	496.6	34.8	7.2	-14.4	-2.9
Unemployment ('000)	152.8	151.4	146.9	1.4	0.9	4.5	3.1
Unemployment Rate (%)	6.0	6.2	6.1	-0.2	-	0.1	-
Participation Rate (%)	64.4	63.4	63.3	1.0	-	0.1	-
Employment Rate (%)	60.5	59.5	59.5	1.0	-	0.0	-

Note: Totals may not add due to rounding

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





In terms of the labour market demographics in BC, workers 55 years and older and youth aged 15 to 24 were the primary drivers of employment gains in 2016.

For older workers, employment gains were evenly split between full-time and part-time work. Ten years ago in 2006, workers 55 years and older made up 15% of all those employed in the province, since then their share has grown to 22% by 2016. The unemployment rate for workers 55 years and older was 5.3% in 2016. For women 55 years and older, their unemployment rate was slightly lower compared to their male counterparts.

For youth aged 15 to 24, employment gains were predominantly in part-time work. The overall unemployment rate for youth in BC declined to 10.3% in 2016, the lowest in Canada. For young men in particular, their unemployment rate dropped noticeably to 11.2% in 2016 from 13.7% in 2015, a decline of 2.5 percentage points. Young women aged 15 to 24 on the other hand saw a more modest decline in their unemployment rate of 0.2 percentage points to 9.3%.

British Columbia Annual Unemployment Rates, by Gender and Age

Labour Force Survey Estimates	2016	2015	2014	2015 to 2016	2014 to 2015
				(% points)	(% points)
Total	6.0	6.2	6.1	-0.2	0.1
25 years and over	5.3	5.2	5.1	0.1	0.1
Men - 25 years and over	5.7	5.5	5.2	0.2	0.3
Women - 25 years and over	4.8	4.8	5.0	0.0	-0.2
15 to 24 years	10.3	11.7	11.5	-1.4	0.2
Men - 15 to 24 years	11.2	13.7	12.8	-2.5	0.9
Women - 15 to 24 years	9.3	9.5	10.3	-0.2	-0.8

Note: Totals may not add due to rounding

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

EMPLOYMENT BY INDUSTRY

In 2016, employment in BC's services-producing sector grew at a faster rate (+3.4%) compared to the goods-producing sector (+2.4%).

The industries with the strongest employment growth in the goods sector were construction (+4.9%), forestry, fishing, mining, quarrying, oil and gas (+5.2%), and agriculture (+9.9%). Construction added an estimated 9,800 workers in 2016, as parts of the Lower Mainland experienced another record year in the value of building permits.⁶ Meanwhile, an increase in mining employment (outside oil and gas) along with their support activities added 2,500 workers to forestry, fishing, mining, quarrying, oil and gas. The Conference Board of Canada expects the mining sector to restrain BC's overall economic growth in 2017, mainly due to instability in prices for oil, natural gas and other natural resources.⁷

Manufacturing employment declined by an estimated 2,400 (-1.4%) in 2016, and the employment gains in food manufacturing were not enough to offset losses in wood product manufacturing. BC's top exports in 2016 were lumber (valued at \$6.9 billion), followed by coal, and copper ores and concentrates.⁸ Over two-thirds of BC's lumber exports were destined for the United States in 2016.⁹

On the services-producing side, wholesale and retail trade, BC's largest industry by workforce size, added an estimated 17,000 workers (+4.8%). Strong gains from the retail side were seen in general merchandise stores and food and beverage stores. Tsawwassen Mills shopping centre in the municipality of Delta, and McArthurGlen Designer Outlet in the City of Richmond, both opened their doors in 2016.¹⁰ However, the Conference Board of Canada predicts that BC's retail sales growth will dip from approximately 7.0% growth in 2016 to 3.9% in 2017, on account of slower job creation in the province.¹¹

After wholesale and retail trade, information, culture and recreation posted the second strongest employment growth of all services-producing industries, with the addition of 12,100 (+10.6 %) workers in 2016. The gains were driven by motion picture and sound recording industries and to a lesser extent performing arts, spectator sports and related industries. The BC film industry had another strong year of employment gains in 2016, spurred by a low Canadian dollar.¹²

Employment in professional, scientific and technical services increased by 7,400 (+3.9%) in 2016. According to the provincial government, employment in BC's tech industry rose by 2.9% in 2016 compared to the national average of 1.1%. BC's tech industry has more than 9,900 companies and employs about 4.9% of the province's workforce.¹³ The Microsoft Canada Excellence Centre, which opened in Vancouver in late 2015, is projected to deliver a \$90 million boost annually to BC's economy.¹⁴

Health care and social assistance added approximately 4,200 (+1.5%) workers in 2016, mostly at hospitals and nursing and residential care facilities in the province. Health care and social assistance represented the second largest employer in BC, after wholesale and retail trade, with 291,600 workers. BC signed a bi-lateral agreement with Ottawa in mid-February that would provide funding for home care, mental illness, and the opioid crises.¹⁵

British Columbia Annual Labour Force Statistics, by Industry

Labour Force Survey Employment Estimates ('000)	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Total employment, all industries	2,379.5	2,306.2	2,278.4	73.3	3.2	27.8	1.2
Goods-producing sector	470.1	459.1	449.9	11.0	2.4	9.2	2.0
Agriculture	24.4	22.2	24.3	2.2	9.9	-2.1	-8.6
Forestry, fishing, mining, quarrying, oil and gas	50.8	48.3	50.0	2.5	5.2	-1.7	-3.4
Utilities	13.5	14.5	13.7	-1.0	-6.9	0.8	5.8
Construction	211.3	201.5	200.5	9.8	4.9	1.0	0.5
Manufacturing	170.1	172.5	161.4	-2.4	-1.4	11.1	6.9
Services-producing sector	1,909.4	1,847.2	1,828.5	62.2	3.4	18.7	1.0
Wholesale and retail trade	369.9	352.9	358.0	17.0	4.8	-5.1	-1.4
Transportation and warehousing	137.9	140.0	133.8	-2.1	-1.5	6.2	4.6
Finance, insurance, real estate, rental and leasing	135.9	128.6	137.2	7.3	5.7	-8.6	-6.3
Professional, scientific and technical services	195.5	188.1	182.3	7.4	3.9	5.8	3.2
Business, building and other support services	104.7	93.5	87.9	11.2	12.0	5.6	6.4
Educational services	165.0	163.4	166.3	1.6	1.0	-2.9	-1.7
Health care and social assistance	291.6	287.4	269.8	4.2	1.5	17.6	6.5
Information, culture and recreation	126.6	114.5	107.7	12.1	10.6	6.8	6.3
Accommodation and food services	174.2	177.5	185.3	-3.3	-1.9	-7.8	-4.2
Other services (except public administration)	104.6	105.1	102.4	-0.5	-0.5	2.7	2.6
Public administration	103.7	96.1	97.9	7.6	7.9	-1.8	-1.8

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Estimates – CANSIM Table 282-0008

REGIONAL ANALYSIS

While BC led the country in employment growth, only two of the seven economic regions in the province experienced year-over-year increases in growth in 2016. This underscores the uneven distribution of employment gains at the regional levels.¹⁶

The Lower Mainland-Southwest (+4.7% or +69,100) and Vancouver Island and Coast (+2.6% or +9,200) regions were the primary drivers of employment growth for the province in 2016. Outside the southwest corner of the province, employment levels declined in 2016 compared to the previous year. Not only did these regions see an increase in unemployment rates, but they also recorded higher unemployment rates than the national average of 6.9%.

The Lower Mainland-Southwest has seen extensive employment gains in 2016, led by trade, information, culture, and recreation, business, building and other support services and construction. In November 2016, Vancouver recorded the largest increase in the value of building permits, among census metropolitan areas, driven largely by multi-family dwellings.¹⁷ The Conference Board of Canada predicts that Vancouver will be the only major metropolitan region in Canada to see economic growth above three percent in 2016.¹⁸

For Vancouver Island and Coast, public administration; business; building and other support services; and professional, and scientific and technical services led employment gains for the year. In Comox Valley on Vancouver Island, 19 Wing Comox was chosen as the new training centre for the Royal Canadian Air Force's Search and Rescue Replacement Project, a contract valued at an estimated \$3 billion.¹⁹

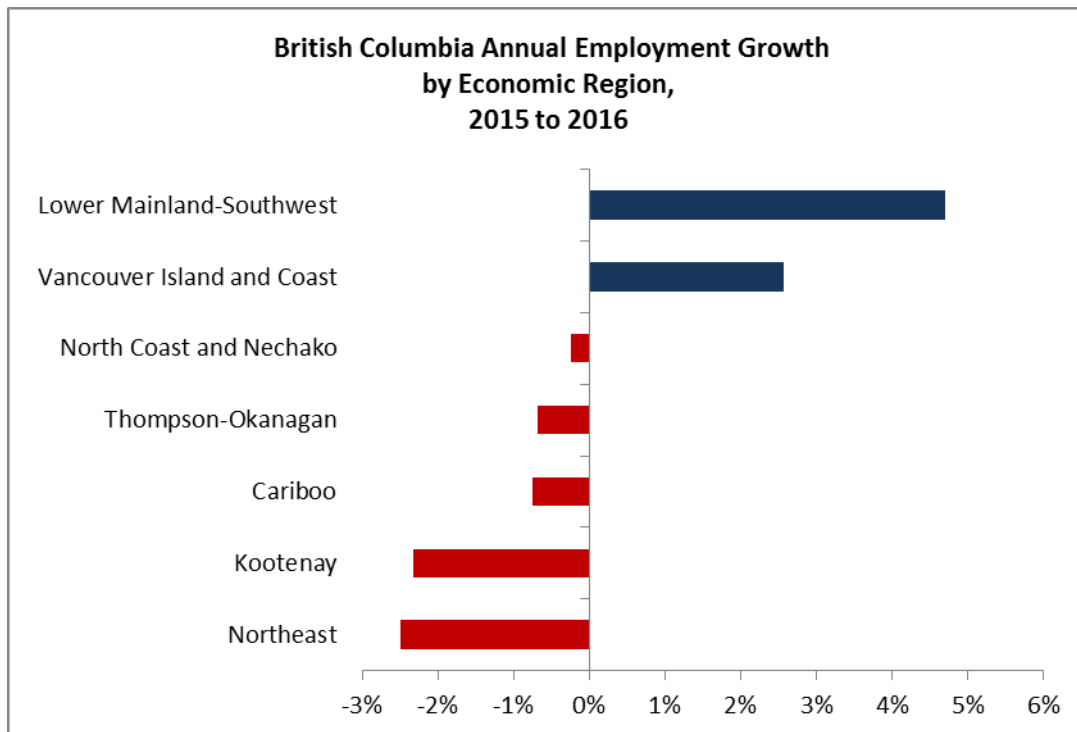
In 2016, the northeast region experienced the largest employment decline in the province at 2.5%, reversing over half the gains made during the 2014-2015 period. By industry, the largest employment losses occurred in construction, transportation and warehousing. Natural resources extraction is crucial to many local economics in the northeast. Fort St. John for example was the top supplier of goods and services to the oil sands in 2016 (outside Alberta).²⁰ In February of 2016, crude oil prices declined to a 10-year record low of \$26 a barrel, but have since returned to over \$50 a barrel.²¹ The government of BC approved the Kinder Morgan Trans Mountain pipeline expansion in January. The company expects the project to create 15,000 construction jobs in the next two years for this region.²²

British Columbia Annual Labour Force Statistics, by Economic Region

Labour Force Survey Estimates: Employment ('000)	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
British Columbia	2,379.5	2,306.2	2,278.4	73.3	3.2	27.8	1.2
Economic Regions							
Vancouver Island and Coast	366.5	357.3	352.0	9.2	2.6	5.3	1.5
Lower Mainland-Southwest	1,537.3	1,468.2	1,446.9	69.1	4.7	21.3	1.5
Thompson-Okanagan	248.3	250.0	249.0	-1.7	-0.7	1.0	0.4
Kootenay	67.4	69.0	67.5	-1.6	-2.3	1.5	2.2
Cariboo	78.8	79.4	85.3	-0.6	-0.8	-5.9	-6.9
North Coast and Nechako	42.1	42.2	39.1	-0.1	-0.2	3.1	7.9
Northeast	39.1	40.1	38.5	-1.0	-2.5	1.6	4.2

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0123



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: www.statcan.gc.ca

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