



# Labour Market Bulletin

## British Columbia



January 2017

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

BC's employment numbers increased by 11,200 (+0.5%) in January 2017. With little change in labour force participation, the unemployment rate declined 0.2 percentage points from the previous month to 5.6%. The last time the unemployment rate was lower in BC was August 2016 when it was 5.5%. Significant gains among full-time workers (+25,400) more than offset declines in part-time workers (-14,200) for the month.

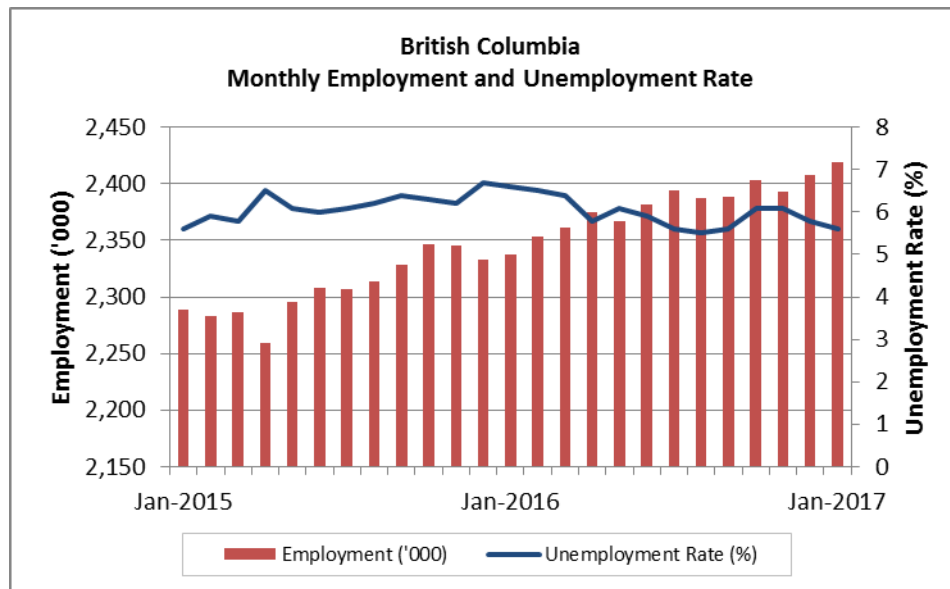
On a year-over-year basis, BC's employment increased by 82,300 in January, fuelled by both full-time and part-time employment.

### British Columbia Monthly Labour Force Statistics

| Seasonally Adjusted<br>Monthly Data | January 2017 | December 2016 | January 2016 | Monthly Variation |      | Yearly Variation |     |
|-------------------------------------|--------------|---------------|--------------|-------------------|------|------------------|-----|
|                                     |              |               |              | Number            | %    | Number           | %   |
| <b>Population 15 + ('000)</b>       | 3,955.7      | 3,952.8       | 3,905.9      | 2.9               | 0.1  | 49.8             | 1.3 |
| <b>Labour Force ('000)</b>          | 2,562.3      | 2,556.4       | 2,502.1      | 5.9               | 0.2  | 60.2             | 2.4 |
| <b>Employment ('000)</b>            | 2,419.4      | 2,408.2       | 2,337.1      | 11.2              | 0.5  | 82.3             | 3.5 |
| Full-Time ('000)                    | 1,892.8      | 1,867.4       | 1,843.1      | 25.4              | 1.4  | 49.7             | 2.7 |
| Part-Time ('000)                    | 526.6        | 540.8         | 494.0        | -14.2             | -2.6 | 32.6             | 6.6 |
| <b>Unemployment ('000)</b>          | 142.9        | 148.2         | 165.0        | -5.3              | -3.6 | -22.1            | -   |
|                                     |              |               |              |                   |      | 13.4             |     |
| <b>Unemployment Rate (%)</b>        | 5.6          | 5.8           | 6.6          | -0.2              | -    | -1.0             | -   |
| <b>Participation Rate (%)</b>       | 64.8         | 64.7          | 64.1         | 0.1               | -    | 0.7              | -   |
| <b>Employment Rate (%)</b>          | 61.2         | 60.9          | 59.8         | 0.3               | -    | 1.4              | -   |

Note: Totals may not add due to rounding

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



The unemployment rate declined across all age-cohorts in the 12-months leading up to January 2017. Youth aged 15 to 24 saw the largest decline of 2.6 percentage points to 9.9% in January. Workers 25 years and over had an unemployment rate of 4.8% in January.

Men 25 years and older saw a steeper drop in their unemployment rate compared to women, over the year. This pattern was even more pronounced among youths aged 15 to 24, with the unemployment rate for young men declining by 3.0 percentage points and for young women declining by 2.2 percentage point.

#### British Columbia Monthly Unemployment Rates, by Gender and Age

| Seasonally Adjusted Data  | January 2017 (%) | December 2016 (%) | January 2016 (%) | Monthly Variation | Yearly Variation |
|---------------------------|------------------|-------------------|------------------|-------------------|------------------|
|                           |                  |                   |                  | (% points)        | (% points)       |
| <b>Total</b>              | 5.6              | 5.8               | 6.6              | -0.2              | -1.0             |
| <b>25 years and over</b>  | 4.8              | 5.3               | 5.6              | -0.5              | -0.8             |
| Men - 25 years and over   | 4.8              | 5.6               | 6.2              | -0.8              | -1.4             |
| Women - 25 years and over | 4.8              | 5.0               | 4.8              | -0.2              | 0.0              |
| <b>15 to 24 years</b>     | 9.9              | 8.7               | 12.5             | 1.2               | -2.6             |
| Men - 15 to 24 years      | 11.9             | 8.9               | 14.9             | 3.0               | -3.0             |
| Women - 15 to 24 years    | 7.8              | 8.5               | 10.0             | -0.7              | -2.2             |

*Note: Totals may not add due to rounding*

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

## EMPLOYMENT BY INDUSTRY

Employment in BC's goods-producing sector increased by 12,400 (+2.7%) in the 12-months to January 2017, led by gains in construction and agriculture.

The construction industry is the third largest employer in BC, after trade and health care and social assistance. Over the year, construction has added an estimated 14,900 workers to their ranks, offsetting losses in

manufacturing and natural resources extraction. While Lower Mainland home sales fell 34 percent in November 2016, in year-over-year comparisons, demand for housing in Surrey, Langley and other growing municipalities in the Fraser Valley spurred construction activity.<sup>1</sup>

In January 2017, employment in BC's services-producing sector increased by 69,900 (+3.7%) compared with the previous 12 months. Increases were extensive in the services sector, led by growth in accommodation and food services, finance, insurance, real estate rental and leasing. Sales in BC restaurants, bars and other food services increased to \$889.6 million in November 2016 or 10 percent on a year-to-date basis,<sup>2</sup> the strongest performance in the country. An increase in tourism, business conferences and population growth all contributed to higher sales in food services.

Increased employment in banks and credit intermediaries in BC have driven finance, insurance, real estate, rental and leasing to achieve a 15.7% year-over-year growth for January 2017. This represents an increase of 20,000 workers in this industry compared to January 2016. A small but growing group of FinTech companies such as Moneris, Hyperwallet, Bench,<sup>3</sup> and Lendful<sup>4</sup> in BC are changing the way Canadians make financial payments, transfers or save and invest, by leveraging technology.<sup>5</sup>

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

| Seasonally Adjusted Data ('000)                   | January 2017 | December 2016 | January 2016 | Monthly Variation |      | Yearly Variation |      |
|---|--------------|---------------|--------------|-------------------|------|------------------|------|
|   |              |               |              | Number            | %    | Number           | %    |
| <b>Total employed, all industries</b>             | 2,419.4      | 2,408.2       | 2,337.1      | 11.2              | 0.5  | 82.3             | 3.5  |
| <b>Goods-producing sector</b>                     | 477.8        | 475.6         | 465.4        | 2.2               | 0.5  | 12.4             | 2.7  |
| Agriculture                                       | 27.4         | 29.7          | 18.5         | -2.3              | -7.7 | 8.9              | 48.1 |
| Forestry, fishing, mining, quarrying, oil and gas | 49.4         | 47.0          | 52.5         | 2.4               | 5.1  | -3.1             | -5.9 |
| Utilities   | 13.1         | 13.2          | 14.2         | -0.1              | -0.8 | -1.1             | -7.7 |
| Construction                                      | 217.6        | 215.5         | 202.7        | 2.1               | 1.0  | 14.9             | 7.4  |
| Manufacturing                                     | 170.5        | 170.3         | 177.4        | 0.2               | 0.1  | -6.9             | -3.9 |
| <b>Services-producing sector</b>                  | 1,941.6      | 1,932.6       | 1,871.7      | 9.0               | 0.5  | 69.9             | 3.7  |
| Trade   | 375.3        | 375.0         | 365.3        | 0.3               | 0.1  | 10.0             | 2.7  |
| Transportation and warehousing                    | 142.3        | 143.4         | 128.7        | -1.1              | -0.8 | 13.6             | 10.6 |
| Finance, insurance, real estate and leasing       | 147.7        | 144.5         | 127.7        | 3.2               | 2.2  | 20.0             | 15.7 |
| Professional, scientific and technical services   | 194.4        | 193.5         | 187.0        | 0.9               | 0.5  | 7.4              | 4.0  |
| Business, building and other support services     | 103.8        | 98.5          | 100.5        | 5.3               | 5.4  | 3.3              | 3.3  |
| Educational services                              | 163.8        | 160.0         | 168.6        | 3.8               | 2.4  | -4.8             | -2.8 |
| Health care and social assistance                 | 287.1        | 292.9         | 298.5        | -5.8              | -2.0 | -11.4            | -3.8 |
| Information, culture and recreation               | 127.4        | 125.6         | 125.2        | 1.8               | 1.4  | 2.2              | 1.8  |
| Accommodation and food services                   | 184.3        | 187.3         | 163.9        | -3.0              | -1.6 | 20.4             | 12.4 |
| Other services                                    | 113.5        | 110.3         | 108.0        | 3.2               | 2.9  | 5.5              | 5.1  |
| Public administration                             | 102.1        | 101.5         | 98.4         | 0.6               | 0.6  | 3.7              | 3.8  |

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

Employment increased in six of the seven economic regions in BC compared to January 2016.

The Lower Mainland-Southwest and Vancouver Island and Coast had the lowest unemployment rates in the province in January 2017, at 5.3% and 4.9% respectively. However, outside the southwest corner of the province, nearly all other economic regions saw their unemployment rates increase, except for the Kootenay.

The Northeast region's unemployment rate was 10.5% in January 2017, the highest in the province. It was also two percentage points higher compared to the previous 12-months. Natural resources extraction is crucial to many local economies in the northeast. For example Fort St. John, which was the top supplier of goods and services to the oil sands in 2016 (outside Alberta),<sup>6</sup> saw its job vacancy rates increase from 12.1% to 30.7% in October 2016<sup>7</sup> on a year-over-year basis, due to declining oil prices.

One bright spot for employment in the northeast region is the recent BC approval of the \$1.7 billion North Montney Mainline Pipeline project, which will increase BC's capacity to transport natural gas from the Northeast to the West Coast. The construction project is expected to create an estimated 2,500 jobs.<sup>8</sup>

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

| 3-Month Moving Averages<br>Seasonally Unadjusted Data | Employment                |                           |                            | Unemployment Rate      |                        |                                   |
|---|---------------------------|---------------------------|----------------------------|------------------------|------------------------|-----------------------------------|
|   | January<br>2017<br>('000) | January<br>2016<br>('000) | Yearly<br>Variation<br>(%) | January<br>2017<br>(%) | January<br>2016<br>(%) | Yearly<br>Variation<br>(% points) |
| <b>British Columbia</b>                               | 2,393.4                   | 2,325.7                   | 2.9                        | 5.8                    | 6.4                    | -0.6                              |
| <b>Economic Regions</b>                               |                           |                           |                            |                        |                        |                                   |
| Vancouver Island and Coast                            | 380.0                     | 360.3                     | 5.5                        | 5.3                    | 7.1                    | -1.8                              |
| Lower Mainland-Southwest                              | 1,528.5                   | 1,502.2                   | 1.8                        | 4.9                    | 5.6                    | -0.7                              |
| Thompson-Okanagan                                     | 250.5                     | 241.6                     | 3.7                        | 8.6                    | 8.3                    | 0.3                               |
| Kootenay  | 73.4                      | 65.4                      | 12.2                       | 7.7                    | 7.9                    | -0.2                              |
| Cariboo   | 80.3                      | 76.3                      | 5.2                        | 8.8                    | 7.9                    | 0.9                               |
| North Coast and Nechako                               | 40.7                      | 40.0                      | 1.8                        | 7.5                    | 7.0                    | 0.5                               |
| Northeast   | 39.9                      | 40.0                      | -0.3                       | 10.5                   | 8.5                    | 2.0                               |

*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. B.C. Economic Briefing. Volume 23, Issue 5. Week of January 30 – February 3, 2017. [https://www.central1.com/sites/default/files/uploads/files/analysis\\_report/report\\_file/2305%20BC.pdf](https://www.central1.com/sites/default/files/uploads/files/analysis_report/report_file/2305%20BC.pdf)

<sup>2</sup> Ibid.

<sup>3</sup> Newswire. May 3, 2016. Vancouver-based Bench Raises \$16 Million USD Series B. <http://www.newswire.ca/news-releases/vancouver-based-bench-raises-16-million-usd-series-b-577927101.html>

<sup>4</sup> <http://www.bctechnology.com/news/2016/1/6/Vancouver-based-FinTech-Company-Lendful-Raises-15-Million-Investment-From-Alterna-Bank.cfm>

<sup>5</sup> Business in Vancouver. January 5, 2016. Vancouver's emerging FinTech scene poised to push back against Canada's financial centre. <https://www.biv.com/article/2016/1/vancouvers-emerging-fintech-scene-poised-push-back/>

<sup>6</sup> Alaska Highway News. Dec 5, 2016. B.C. 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>

<sup>7</sup> The Mirror. Dawson Creek, Fort St. John top apartment vacancy rates. November 28, 2016. <http://www.dawsoncreekmirror.ca/regional-news/prrd/dawson-creek-fort-st-john-top-apartment-vacancy-rates-1.3327364>

<sup>8</sup> Alaska Highway News. January 26, 2017. B.C. gives \$1.7B North Montney Mainline environmental approval. <http://www.alaskahighwaynews.ca/regional-news/lng/b-c-gives-1-7b-north-montney-mainline-environmental-approval-1.9064682>