



Labour Market Bulletin

British Columbia

March 2017



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 first quarter of 2017, British Columbia (BC) has continued to lead the country in employment growth. Employment in BC grew 1.3% (+32,200) from the fourth quarter of 2016, continuing an upward trend that began in 2015. Gains in 2017 have been in full-time employment (+44,800 or 2.4%), while part-time employment fell (-12,700 or -2.4%) in the first quarter. This marks a change from the end of 2016. Over the same period, Canada's overall employment grew 0.5% (+83,000).¹

BC's labour force also grew in early 2017 (+16,200 or 0.6%), reaching 2.57 million, and the participation rate increased to 64.9%.

On a year-over-year basis (March 2016 to March 2017), employment in BC grew by 3.5% (+83,000) – the fastest employment growth in Canada. Private sector workers in an employer-employee relationship were driving these gains. Year-over-year private sector employment increased 5.9% (+89,900). In contrast, public sector employment decreased 0.4% (-1,700) and self-employment fell 0.9% (-6,400) over the same period.² Meanwhile, gains in full-time employment (73,500 or +4.0%) were considerably higher than gains in the part-time employment (9,500 or +1.9%).

BC's unemployment rate dropped 0.6 percentage points to 5.4% in the first quarter of 2017. On a year-over-year quarterly basis the unemployment rate declined 1.1% in March 2017.

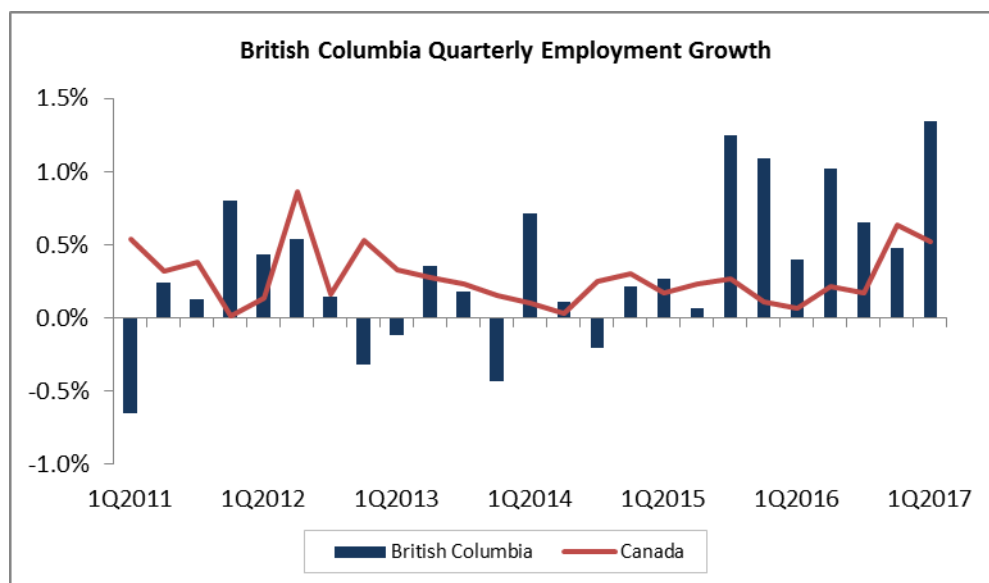
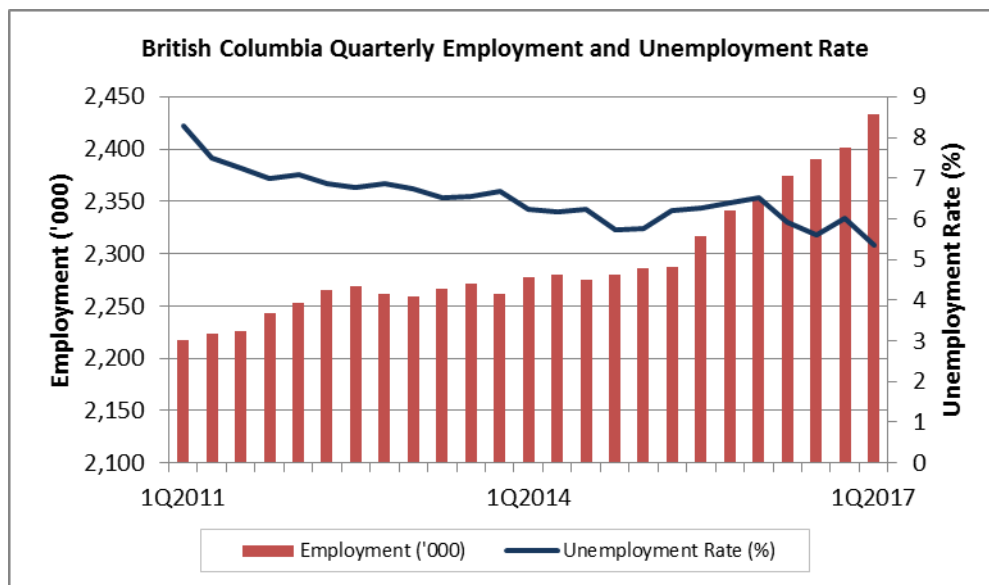
In 2016, all three levels of government took measures to cool down the overheated housing market and to manage risks in Metro Vancouver. While these actions did indeed temper housing demand, the effect on such a key sector of the BC economy will also likely slow the province's economic growth in 2017. According to the Royal Bank of Canada Provincial Outlook, real GDP in BC is forecasted to increase by a moderate 1.9% in 2017, and 1.8% in 2018, compared with 3.3% in 2016.³

British Columbia Quarterly Labour Force Statistics

Seasonally Adjusted Data	1st Quarter 2017	4th Quarter 2016	1st Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,959.6	3,950.0	3,909.9	9.6	0.2	49.7	1.3
Labour Force ('000)	2,571.3	2,555.1	2,514.5	16.2	0.6	56.8	2.3
Employment ('000)	2,433.7	2,401.5	2,350.7	32.2	1.3	83.0	3.5
Full-Time ('000)	1,914.3	1,869.5	1,840.8	44.8	2.4	73.5	4.0
Part-Time ('000)	519.4	532.1	509.9	-12.7	-2.4	9.5	1.9
Unemployment ('000)	137.6	153.6	163.8	-16.0	-10.4	-26.2	-16.0
Unemployment Rate (%)	5.4	6.0	6.5	-0.7	-	-1.2	-
Participation Rate (%)	64.9	64.7	64.3	0.3	-	0.6	-
Employment Rate (%)	61.5	60.8	60.1	0.7	-	1.3	-

Note: Totals may not add due to rounding

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



BC saw an increase in older workers (7,400 or +1.4%) in the first quarter of 2017, predominantly in full-time work. The number of core-age workers (aged 25 to 54 years) also grew, with a quarterly gain of 16,300 (1.1%). Yearly gains mirrored this quarterly pattern, with the number of BC workers 55 years and over increasing 30,800 (+6.1%) and core-age workers increasing 35,000 (+2.3%). This is similar to the national trend of older workers leading employment growth rates from the 1st quarter of 2016 to Q1 2017.⁴

In BC, the unemployment rate for youth aged 15 to 24 years stood at 9.5% in the first quarter of 2017, a decline of 2.9 percentage points from the first quarter of 2016. In particular, young men saw a more remarkable 3.4 percentage point decrease in their unemployment rate from 14.6% in Q1 last year, while women saw an equally impressive 2.5 percentage point decrease for the same period.

British Columbia Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	1st Quarter 2017 (%)	4th Quarter 2016 (%)	1st Quarter 2016 (%)	Quarterly Variation	Yearly Variation
				(% points)	(% points)
Total	5.4	6.0	6.5	-0.7	-1.2
25 years and over	4.6	5.4	5.5	-0.7	-0.8
Men - 25 years and over	4.8	5.6	6.1	-0.9	-1.3
Women - 25 years and over	4.5	5.1	4.8	-0.6	-0.3
15 to 24 years	9.5	9.8	12.4	-0.3	-2.9
Men - 15 to 24 years	11.2	9.6	14.6	1.6	-3.4
Women - 15 to 24 years	7.6	9.9	10.1	-2.3	-2.5

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)	
	Q1 2017	Q1 2016	Number	%	Q1 2017	Q1 2016	Number	%
Population 15 + ('000)	161.8	157.4	4.4	2.8	3,798.0	3,752.6	45.4	1.2
Labour Force ('000)	109.8	107.3	2.5	2.3	2,440.9	2,384.6	56.3	2.4
Employment ('000)	94.8	96.5	-1.7	-1.8	2,309.6	2,222.3	87.3	3.9
Full-Time ('000)	71.5	70.9	0.6	0.8	1,804.0	1,726.0	78.0	4.5
Part-Time ('000)	23.3	25.6	-2.3	-9.0	505.6	496.3	9.3	1.9
Unemployment ('000)	15.0	10.8	4.2	38.9	131.3	162.3	-31.0	-19.1
Unemployment Rate (%)	13.7	10.1	3.6	-	5.4	6.8	-1.4	-
Participation Rate (%)	67.9	68.2	-0.3	-	64.3	63.5	0.8	-
Employment Rate (%)	58.6	61.3	-2.7	-	60.8	59.2	1.6	-

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 Q1 of 2017, the total 15+ aged population in BC was 3.9 million. Indigenous people living off-reserve accounted for 4.1% (161,800) of BC's population. Employment among BC's Indigenous population stood at 94,800, a decrease of 1,700 (-1.8%) from a year earlier. Losses were in part-time positions (-2,300).

The unemployment rate for the Indigenous population in BC was 13.7% in Q1 2017, an increase of 3.6 percentage points from the previous year, even as unemployment rate for the non-Indigenous population (5.4%) declined. Between Q1 2016 and Q1 2017, the participation and employment rates for the Indigenous population decreased to 67.9% (-3.1%) and 58.6% (-2.7%), respectively. Meanwhile, participation and employment rates for non-Indigenous persons increased to 64.3% (+0.8%) and 60.8% (+1.6%), respectively.

EMPLOYMENT BY INDUSTRY

Employment in BC's goods-producing sector increased by 11,100 (+2.4%) in the first quarter of 2017 compared to Q1 2016. This was led by gains in the agriculture (+28.6%) and construction (+7.8%) sub-sectors, while utilities and manufacturing declined 7.2% and 3.7%, respectively.

In BC's services-producing sector, employment increased by 72,000 (+3.8%) on a year-over-year basis. Finance, insurance, real estate and leasing (+15.3%), accommodation and food (+9.1%), and other services (+11.3%) were some of sub-sectors that added more workers.

Employment declines were in educational services (-1.4%), health care and social assistance (-1.5%) and trade (-0.9%). However, the BC 2017 budget has allocated substantial funding education, health care and social assistance over the next three years.⁵

As noted earlier, the introduction of government taxes and policies aimed at cooling BC's lower mainland real estate market are expected to slow real estate and construction growth 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 strong across the province for the period Q1 2016 to Q1 2017, led by strong gains in the Kootenay (+11.5%), Vancouver Island and Coast (+7.0%) and Thompson-Okanagan (+5.8%) regions. The only economic region to see contraction in employment was North Coast and Nechako (-1.0%).

The Lower Mainland-Southwest region posted the lowest unemployment rate in B.C. in the first quarter of 2017 at 5.0%, a huge decline of 1.4 percentage points (pp) from the same period of 2016. Vancouver Island and Coast region posted the largest quarterly year-over-year decline (-1.7 pp) in unemployment rate among regions standing at 5.6%. Indeed, Greater Victoria posted the lowest unemployment rate in Canada at an astonishing 3.8% in March – the lowest it's been in Victoria since 2008 and down 0.6% from last month.^{6,7} Sectors in Victoria vying for workers include tourism, technology and construction sectors.⁸ Vancouver posted a 4.7% unemployment rate for a third-place in Canada in March 2017.

In BC's Northeast region, Prince Rupert and Pembina Pipelines have signed a letter of intent to construct a liquid propane export terminal at an investment cost of between \$125M to \$175M on a former mill site on Watson Island. The project will have a two year construction timeline from final investment decision.⁹ Aside from the Northeast region, there has been net job loss post-recession for BC's northern economic regions.¹⁰

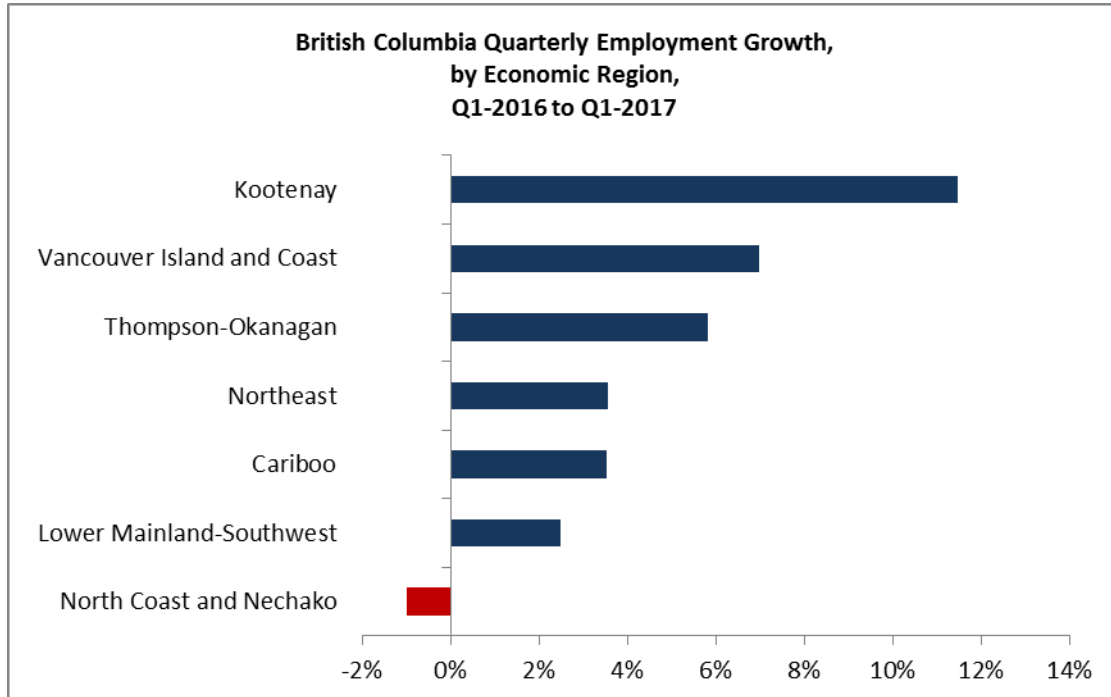
However, on a year-over-year basis, the unemployment rate decreased in every BC region with the exception of the Cariboo region.¹¹ The Cariboo region, in BC's north interior, is primarily resource-based. As the forest sector has struggled to make operations more efficient there has been a steady loss of forest jobs. Furthermore, most recently, a fire destroyed a saw mill in McBride impacting over 5% of the small community's workforce.¹² A decline in commodity prices has also taken the wind out of Cariboo's mining sector.

British Columbia Quarterly Labour Force Statistics, by Economic Region

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	1st Quarter 2017 ('000)	1st Quarter 2016 ('000)	Yearly Variation (%)	1st Quarter 2017 (%)	1st Quarter 2016 (%)	Yearly Variation (% points)
British Columbia	2,406.2	2,318.4	3.8	5.7	7.0	-1.3
Economic Regions						
Vancouver Island and Coast	380.1	355.3	7.0	5.6	7.3	-1.7
Lower Mainland-Southwest	1,537.9	1,500.4	2.5	5.0	6.4	-1.4
Thompson-Okanagan	252.5	238.6	5.8	8.3	9.4	-1.1
Kootenay	74.9	67.2	11.5	6.4	7.3	-0.9
Cariboo	79.4	76.7	3.5	10.0	6.7	3.3
North Coast and Nechako	40.7	41.1	-1.0	6.4	6.8	-0.4
Northeast	40.6	39.2	3.6	6.5	9.7	-3.2

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, March 2017. <http://www.statcan.gc.ca/daily-quotidien/170407/dq170407a-eng.htm>

² Statistics Canada Table 282-0089. Labour force survey estimates (LFS), employment by class of worker and sex, seasonally adjusted and unadjusted.

³ Hogue, Robert. (March 2017). Provincial Outlook: March 2017: British Columbia. RBC Economics Research. <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/bc.pdf>

⁴ Statistics Canada. Statistics Canada Table 282-0087. Labour force survey estimates (LFS), by sex and age group, seasonally adjusted and unadjusted.

⁵ CBC News. February 21, 2017. B.C. budget brings nearly \$3 billion in new social spending over the next 3 years. <http://www.cbc.ca/news/canada/british-columbia/b-c-budget-brings-nearly-3-billion-in-new-social-spending-over-the-next-3-years-1.3993131>

⁶ Statistics Canada. Cansim Table 282-0135. Labour force characteristics, seasonally adjusted, by census metropolitan area (3 month moving average). <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfss03l-eng.htm>

⁷ Times Colonist. April 8, 2017. Greater Victoria leads Canada with lowest unemployment rate. <http://www.timescolonist.com/business/greater-victoria-leads-canada-with-lowest-unemployment-rate-1.14592018>

⁸ Times Colonist. April 8, 2017. Greater Victoria leads Canada with lowest unemployment rate. <http://www.timescolonist.com/business/greater-victoria-leads-canada-with-lowest-unemployment-rate-1.14592018>

⁹ Northern View. April 11, 2017. City inks deal with Pembina for Watson Island propane terminal. http://www.thenorthernview.com/breaking_news/419095994.html

¹⁰ Business Vancouver. January 13, 2017. Job generation remains bleak in B.C.'s vast rural regions. <https://www.biv.com/article/2017/1/job-generation-remains-bleak-bcs-vast-rural-region/>

¹¹ Statistics Canada. Cansim Table 282-0135. Labour force characteristics, seasonally adjusted, by census metropolitan area (3 month moving average). <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfss03l-eng.htm>

¹² BC Local News. April 9, 2017. Fire destroys McBride cedar mill. <http://www.bclocalnews.com/news/418766984.html>