

Labour Market Bulletin

British Columbia

June 2018



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

There were 50,000 more people aged 15 years and older residing in BC in the second quarter of 2018 compared to the same period in 2017 (+1.3%). Almost 80% of this increase is attributed to a greater number of British Columbians aged 55 years and older while core-aged workers (aged 15 to 54) only accounted for 20% of the population increase. This growth pattern is consistent with BC's aging population trend. In fact, the percentage of BC's population considered core-aged workers has decreased from 46.2% in 1997 to 44.5% in 2017 and is projected to diminish to 40.4% by 2037.¹

The number of British Columbians aged 15 and over increased by almost 16,000 between the first and second quarter of 2018, however, the provincial labour force diminished by 4,400 while employment was also down (-11,700). Part-time employment losses (-26,400) outpaced full-time employment gains (14,600) in the province during this period. These employment losses were concentrated in two categories of workers; private sector employees (-8,600) and self-employed individuals (-7,500). Meanwhile, the number of public sector employees in BC increased during the second quarter of 2018 (+4,300).²

The number of unemployed individuals in BC edged up 6.1% (+7,500), contributing to a 0.3 percentage point increase in the quarterly unemployment rate. However, at 5.0%, BC's unemployment rate remains the lowest of any province in Canada and well below the national average (5.9%). BC's unemployment rate for the second quarter of 2018 was 0.3 percentage points lower than for the same period last year. The most recent Employment Insurance data indicates the number of BC claimants declined by 21.9% between April 2017 and April 2018 — the 12th consecutive month of year-over-year declines in Employment Insurance recipients residing in the province.³

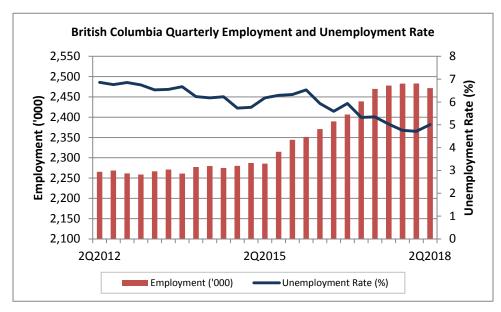


British Columbia Quarterly Labour Force Statistics

Seasonally Adjusted	2nd Quarter	1st Quarter 2018	2nd Quarter	Quarterly \	/ariation	Yearly Variation	
Data	2018		2017	Number	%	Number	%
Population 15 + ('000)	4,023.7	4,007.9	3,973.7	15.8	0.4	50.0	1.3
Labour Force ('000)	2,601.7	2,606.1	2,609.0	-4.4	-0.2	-7.3	-0.3
Employment ('000)	2,471.5	2,483.2	2,469.6	-11.7	-0.5	1.9	0.1
Full-Time ('000)	1,954.3	1,939.7	1,936.9	14.6	0.8	17.4	0.9
Part-Time ('000)	517.1	543.5	532.7	-26.4	-4.9	-15.6	-2.9
Unemployment ('000)	130.3	122.8	139.4	7.5	6.1	-9.1	-6.5
Unemployment Rate (%)	5.0	4.7	5.3	0.3	-	-0.3	-
Participation Rate (%)	64.7	65.0	65.7	-0.3	-	-1.0	-
Employment Rate (%)	61.4	62.0	62.1	-0.6	-	-0.7	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey - Table 14-10-0287, formerly CANSIM 282-0087







In the second quarter of 2018, the unemployment rates for most major demographic groups were lower than in the second quarter of 2017. The annual variation was minimal for those aged 25 years and older, only a 0.3 percentage points drop for both men and women in this age group. The most significant changes occurred among young men and women aged 15 to 24 years. The unemployment rate for young men decreased by 1.7 percentage points year-over-year. Meanwhile, young women were the only major demographic group in BC to have an increase in their unemployment rate for this period (+ 1.4 percentage points).

Although the population of young men in BC remained relatively unchanged between the second quarter of 2017 and 2018 (-700), there were much fewer young men in BC's labour force (-13,200). Similarly, while the population of young women increased in BC (+800), there were also significantly fewer young women in the labour force during this period (-6,500).

British Columbia Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	2nd Quarter 2018 (%)	1st Quarter 2018 (%)	2nd Quarter 2017 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
Total	5.0	4.7	5.3	0.3	-0.3
25 years and over	4.4	4.3	4.7	0.1	-0.3
Men - 25 years and over	4.7	4.3	5.0	0.4	-0.3
Women - 25 years and over	4.1	4.2	4.4	-0.1	-0.3
15 to 24 years	8.6	7.4	8.8	1.2	-0.2
Men - 15 to 24 years	9.1	9.2	10.8	-0.1	-1.7
Women - 15 to 24 years	8.0	5.6	6.6	2.4	1.4

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey - Table 14-10-0287, formerly CANSIM 282-0087

Labour market indicators for Indigenous people

In the second quarter of 2018, the total population aged 15 and over in BC was approximately 4.0 million. The Indigenous population living off-reserve accounted for 4.2% of that or 170,500 people. Employment among the Indigenous population in BC stood at 966,300, representing a decrease of 10,000 (-9.4%) from a year earlier (the second quarter of 2017). Most of the reductions were in part-time positions (-6,800 or -25.6%), but full-time positions also went down during the same period (-3,200 or -4.0%).

The unemployment rate among Indigenous people was 11.4% in the second quarter of 2018, having increased by 1.5 percentage points from the previous year. The unemployment rate among the non-Indigenous population was 4.6% (-0.3 percentage points). Between the second quarter of 2017 and the second quarter of 2018, the participation rate of Indigenous people decreased significantly to 63.7% (-8.4 percentage points) while among the non-Indigenous population, it was 64.9% (-0.7 percentage points). The employment rate for Indigenous people decreased year-over-year to 56.5% (-8.5 percentage points), and the non-Indigenous population also saw a decrease to 61.9% (-0.5 percentage points).



British Columbia - Labour market indicators for Indigenous People

3-month moving averages	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non- Indigenous)	
Seasonally unadjusted data	Q2 2018	Q2 2017	number	%	Q2 2018	Q2 2017	number	%
Population 15 + ('000)	170.5	163.6	6.9	4.2	3,853.2	3,810.2	43.0	1.1
Labour Force ('000)	108.6	118.0	-9.4	-8.0	2,500.1	2,501.3	-1.2	0.0
Employment ('000)	96.3	106.3	-10.0	-9.4	2,383.9	2,377.8	6.1	0.3
Full-Time ('000)	76.5	79.7	-3.2	-4.0	1,882.3	1,865.1	17.2	0.9
Part-Time ('000)	19.8	26.6	-6.8	-25.6	501.6	512.8	-11.2	-2.2
Unemployment ('000)	12.4	11.7	0.7	6.0	116.2	123.5	-7.3	-5.9
Unemployment Rate (%)	11.4	9.9	1.5	-	4.6	4.9	-0.3	-
Participation Rate (%)	63.7	72.1	-8.4	-	64.9	65.6	-0.7	-
Employment Rate (%)	56.5	65.0	-8.5	-	61.9	62.4	-0.5	-

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

EMPLOYMENT BY INDUSTRY

On a quarterly basis, employment was down in BC's goods-producing sector (-6,200) as well as the services-producing sector (-5,500). Year-over-year, employment gains in the goods-producing sector (+9,800) outpaced losses in the services-producing sector (-8,000).

Despite a loss of 5,600 positions between the first and second quarter in 2018, BC's construction industry gained 8,800 positions year-over-year. According to BuildForce Canada, the unemployment rate as of May in the BC construction industry was at 4.0% which is well below historical norms of 8.0% to 10.0%. BuildForce also indicates high workloads in BC in non-residential construction.⁴

Looking ahead, Trans Mountain recently filed a six-month construction schedule with the National Energy Board outlining pipeline construction activity in Alberta and BC — confirming the pipeline expansion will now proceed in time for the 2018 construction season. Construction activity will begin in BC in July to develop the Westridge Marine Terminal tunnel portal at Burnaby Mountain and relocate existing infrastructure to expand the Burnaby Terminal. More work will begin on the BC portion of the pipeline project in September in North Thompson between Mt. Robson Provincial Park and Blue River.⁵

In May 2018, the Government of Canada announced plans to purchase the existing Trans Mountain pipeline, and infrastructure related to the Trans Mountain Expansion Project for \$4.5 billion to ensure the construction of the project. The federal government deems this a crucial infrastructure project which will enable transport of Canadian oil resources to world markets and support Canadian employment.⁶ The Government of BC



remains opposed to the project citing concerns over the increased tanker traffic the pipeline expansion would create and the damage a diluted bitumen spill would cause to BC's economy and environment.⁷

In the services-producing sector, only four of the 11 major industries in this sector had annual employment growth. The most significant gains were in professional, scientific and technical services (+12,000) and health care and social assistance (+21,400). The provincial government has made several spending commitments towards increasing the available qualified labour pool in both these industries. For instance, in Budget 2018, the Government of BC allocated \$11 million in funding towards boosting computer sciences, information technology and engineering skills training in colleges, universities and vocational institutes throughout the province.⁸

The Province also recently announced it is spending \$111,000 to help the University of the Fraser Valley add 12 new seats to its toddler educator program. This funding is part of the Government of BC's plan to spend \$7.4 million over the next three years to add 620 new early childhood educator (ECE) graduates throughout the province in better meet local demand. The provincial government estimates BC will need 9,100 more ECEs by 2027. Recruiting and retaining ECEs is part of the government of B.C.'s childcare plan outlined in Budget 2018. Child Care BC is a three year, \$1 billion plan intended as a first step towards a universal child care program for the province. 10

The largest employment gain by industry in the second quarter of 2018 was in the accommodation and food services industry (+9,900). Employment in this industry also increased on an annual basis (+3,100), reflecting BC's expanding tourism industry. In fact, 5.7 million international visitors arrived in the province in 2017, a 3.3% increase compared to 2016. 11

Despite annual employment losses (-5,300), the transportation and warehousing industry had the second highest number of employment gains of any services-producing industry in BC for the second quarter in 2018 (+5,500). This industry employs 136,300 British Columbians who play a significant role in the province's supply chain. Earlier this year, a breakdown of rail deliveries caused a backlog of ships waiting to load at the Port of Vancouver. Efforts to avoid further delays have led Canadian National Railway to increase its workforce by 20% by the end of 2018 while also offering signing bonuses for experienced workers. An expanded workforce is needed to support the growing cargo volumes passing through the Port of Vancouver. Cargo volumes at the port reached 142.1 million tonnes in 2017, up 5% from 2016. 13



British Columbia Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	2nd Quarter	1st Quarter	2nd Quarter	Quarterly Variation		Yearly Variation	
	2018	2018	2017	Number	%	Number	%
Total employed, all industries	2,471.5	2,483.2	2,469.6	-11.7	-0.5	1.9	0.1
Goods-producing sector	501.6	507.8	491.8	-6.2	-1.2	9.8	2.0
Agriculture	23.4	25.7	27.3	-2.3	-8.9	-3.9	-14.3
Forestry, fishing, mining, quarrying, oil and gas	49.5	49.4	50.8	0.1	0.2	-1.3	-2.6
Utilities	14.2	13.6	12.6	0.6	4.4	1.6	12.7
Construction	236.8	242.4	228.0	-5.6	-2.3	8.8	3.9
Manufacturing	177.7	176.8	173.1	0.9	0.5	4.6	2.7
Services-producing sector	1,969.9	1,975.4	1,977.9	-5.5	-0.3	-8.0	-0.4
Trade	365.0	379.6	368.9	-14.6	-3.8	-3.9	-1.1
Transportation and warehousing	136.3	130.8	141.6	5.5	4.2	-5.3	-3.7
Finance, insurance, real estate and leasing	146.7	153.4	159.2	-6.7	-4.4	-12.5	-7.9
Professional, scientific and technical services	205.4	200.5	193.4	4.9	2.4	12.0	6.2
Business, building and other support services	97.5	100.5	104.2	-3.0	-3.0	-6.7	-6.4
Educational services	167.2	164.5	164.8	2.7	1.6	2.4	1.5
Health care and social assistance	324.7	322.8	303.3	1.9	0.6	21.4	7.1
Information, culture and recreation	124.4	127.4	140.1	-3.0	-2.4	-15.7	-11.2
Accommodation and food services	185.6	175.7	182.5	9.9	5.6	3.1	1.7
Other services	115.5	118.9	117.1	-3.4	-2.9	-1.6	-1.4
Public administration	101.6	101.4	102.9	0.2	0.2	-1.3	-1.3

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey - Table 14-10-0355, formerly CANSIM 282-0088

REGIONAL ANALYSIS

While total employment for the province of BC decreased between the second quarter in 2017 and 2018, four out of BC's seven economic regions registered employment gains; Northeast, North Coast and Nechako, Cariboo and Vancouver Island and Coast.

The largest annual employment increase was in the economic region of Vancouver Island and Coast (+16,600). Greater Victoria, the region's most populated centre, continues to have one of the lowest unemployment rates in Canada — tied with Oshawa, Ontario for third place for June (4.2%).¹⁴

The Lower Mainland-Southwest economic region had the lowest unemployment rate among economic regions in BC for the second quarter in 2018. Although employment dipped down year-over-year (-17,800), large infrastructure projects continue to fuel labour demand in this region. For instance, the federal government recently announced \$167 million in funding for three infrastructure projects meant to improve the movement of goods to and from the Port of Vancouver. The funding is part of the \$2 billion National Trade Corridors Fund (NTCF), a merit-based program designed to make Canada's trade corridors more efficient and reliable. In May, another \$55.8 million was granted through the NTCF for four other critical infrastructure projects in Greater Vancouver.



The unemployment rate in the Kootenay economic region decreased 2.6 percentage points between the second quarter in 2017 and 2018 — the most significant change of any region in BC for this period. While the number of employed individuals decreased year-over-year in this region, a greater proportion of people were employed in the Kootenay labour force. Looking ahead, a new high-tech data hub and training centre is scheduled to open in October 2018 in the community of Canal Flats located in the East Kootenay region. The Columbia Lake Technology Centre (CLTC) already employs 20 people and is expected to have 100 electricians, IT professionals and other skilled tradespeople employed on location by the end of the year. CLTC cites three key benefits to choosing Canal Flats for the new high-tech hub; an abundance of hydroelectric power, the presence of a fibre optic cable network and affordable housing to attract skilled tech workers.¹⁷

The centre will be built on the 405-hectare site where the Canfor sawmill once stood. In November 2015, the sawmill shut down, affecting 170 people in total, in a community of fewer than 700 people. ¹⁸ The new property will allow CLTC to build large computer servers to process massive amounts of data — a growing demand for this service has been fueled by the rise in automated vehicles, artificial intelligence and digital currency. ¹⁹

Looking towards BC's northern regions, there were annual employment gains in the region of North Coast and Nechako (+3,300). This region houses BC's only aluminum smelter located in Kitimat. Approximately 1,000 people are employed at the Rio Tinto Alcan smelter which is an important economic driver for the North Coast.²⁰ While the United States Department of Commerce recently imposed tariffs of 10% on Canadian imported aluminum, there is uncertainty regarding the long term effects of these tariffs on the smelter and the community. In the meantime, a final investment decision by LNG Canada for a new liquefied natural gas plant in Kitimat is expected by the end of 2018. Workforce accommodation contracts have already been awarded in anticipation of the \$40 billion project, all contingent upon a final investment decision.²¹

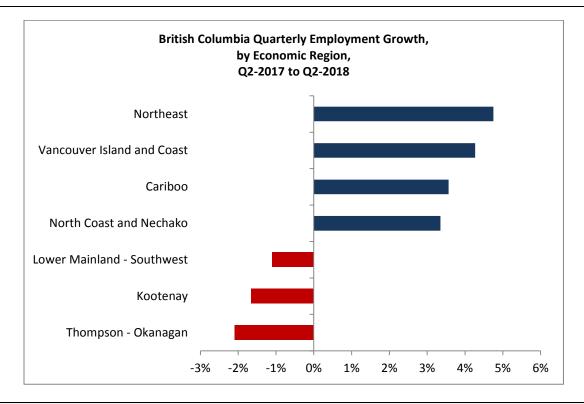
British Columbia Quarterly Labour Force Statistics, by Economic Region

		Employment		Unemployment Rate			
Not Seasonally Adjusted Data	2nd Quarter 2018 ('000)	2nd Quarter 2017 ('000)	Yearly Variation (%)	2nd Quarter 2018 (%)	2nd Quarter 2017 (%)	Yearly Variation (% points)	
British Columbia	2,483.8	2,485.6	-0.1	4.9	5.1	-0.2	
Economic Regions							
Vancouver Island and Coast	405.5	388.9	4.3	4.9	4.3	0.6	
Lower Mainland - Southwest	1,583.7	1,601.5	-1.1	4.4	5.0	-0.6	
Thompson - Okanagan	256.2	261.7	-2.1	6.6	5.7	0.9	
Kootenay	71.2	72.4	-1.7	4.9	7.5	-2.6	
Cariboo	84.2	81.3	3.6	5.5	6.9	-1.4	
North Coast and Nechako	43.2	41.8	3.3	7.3	5.9	1.4	
Northeast	39.7	37.9	4.7	7.0	7.3	-0.3	

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 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.

Prepared by: Labour Market Information (LMI) Directorate, Service Canada, British Columbia **For further information**, please contact the LMI team at: http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2017, all rights reserved

Statistics Canada. Table 17-10-0005-01 (formerly CANSIM 051-0001) Population estimates on July 1st, by age and sex. Accessed on July 6, 2018. Retrieved from: https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000501

² Statistics Canada. Table 14-10-0288-01 (formerly CANSIM 282-0089) Employment by class of worker, monthly, seasonally adjusted and unadjusted, last 5 months (x 1,000). Accessed on July 6, 2018. Retrieved from: https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028801



¹ Statistics Canada. Table 17-10-0057-01 (formerly CANSIM 052-0005) Projected population, by projection scenario, age and sex, as of July 1 (x 1,000). Accessed on July 6, 2018. Retrieved from: https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710005701

https://www.bnnbloomberg.ca/trans-mountain-outlines-construction-plans-for-next-six-months-in-alberta-b-c-1.1102663

 $\underline{https://www.canada.ca/en/department-finance/news/2018/05/agreement-reached-to-create-and-protect-jobs-build-trans-mountain-expansion-project.html$

https://news.gov.bc.ca/releases/2018PREM0080-001060

https://news.gov.bc.ca/releases/2018AEST0092-001310

https://workingforyou.gov.bc.ca/childcare/

 $\underline{https://business.financialpost.com/transportation/rail/canadian-railways-offer-15000-signing-bonuses-to-woo-workers-amid-labour-shortage$

 $\frac{\text{https://www.portvancouver.com/news-and-media/news/record-year-for-overall-cargo-movement-through-the-port-of-vancouver/}{}$

https://www.portvancouver.com/news-and-media/news/vancouver-to-benefit-from-more-than-200-million-in-federal-funding-for-key-goods-movement-infrastructure-projects/



³ Statistics Canada (June 21, 2018). Employment Insurance, April 2018. Retrieved from: https://www150.statcan.gc.ca/n1/daily-quotidien/180621/dq180621b-eng.htm

⁴ Daily Commercial News (July 3, 2018). Constructors working full out, StatsCan says. Retrieved from: https://canada.constructconnect.com/dcn/news/economic/2018/07/constructors-working-full-statscan-says

⁵ BNN Bloomberg (July 3, 2018). Trans Mountain outlines construction plans for next six months in Alberta, B.C. Retrieved from:

⁶ The Government of Canada (May 29, 2018). Agreement reached to create and protect jobs, build Trans Mountain Expansion Project. Retrieved from:

⁷ BC Gov News (May 29, 2018). Premier's statement on proposed purchase of the Trans Mountain Pipeline. Retrieved from:

⁸ BC Budget. Budget 2018, Working for you. Accessed July 6, 2018. Retrieved from: http://www.bcbudget.gov.bc.ca/2018/highlights/2018 Highlights.pdf

⁹ BC Gov News (June 29, 2018). More Fraser Valley learners welcomed into early childhood education specialization program. Retrieved from:

¹⁰ British Columbia Budget 2018. Child Care BC; caring for kids, lifting up families. Accessed on July 4, 2018. Retrieved from:

¹¹ BC Gov News (June 1, 2018). New tourism council will work with governments on sustainable growth. Retrieved from: https://news.gov.bc.ca/releases/2018TAC0041-001095

 $^{^{12}}$ Financial Post (June 7, 2018). Canadian railways offer \$15,000 signing bonuses to woo workers amid labour shortage. Retrieved from:

¹³ Port of Vancouver (March 1, 2018). Record year for overall cargo movement through the Port of Vancouver. Retrieved from:

¹⁴ Times Colonist (July 7, 2018). Capital region's jobless rate sees small bump in June. Retrieved from: http://www.timescolonist.com/business/capital-region-s-jobless-rate-sees-small-bump-in-june-1.23360829

¹⁵ Transport Canada. Trade and Transportation Corridors Initiatives. Accessed on July 5, 2018. Retrieved from: https://www.tc.gc.ca/eng/trade-transportation-corridors-initiative.html

¹⁶ Port of Vancouver (June 22, 2018). Vancouver to benefit from more than \$200 million in federal funding for key goods-movement infrastructure projects. Retrieved from:

https://kootenaybiz.com/east kootenay/article/from sawdust to siliconwhy canal flats is now the envy of every ru ral commu



¹⁷ Kootenay Business. From sawdust to silicon – why Canal Flats is now the envy of every rural community in B.C. Accessed on July 5, 2018. Retrieved from:

¹⁸ Statistics Canada. Census Profile 2016 Census. Accessed on July 5, 2018. Retrieved from: <a href="https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=5901043&Geo2=CD&Code2=5901&Data=Count&SearchText=canalw20flats&SearchType=Begins&SearchPR=01&B1=All&TABID=1

¹⁹ CBC (June 17, 2018). Big data, bright future: new tech centre aims to revitalize former B.C. mill town. Retrieved from: http://www.cbc.ca/news/canada/british-columbia/big-data-bright-future-new-tech-centre-aims-to-revitalize-former-b-c-mill-town-1.4705332

²⁰ Prince George Citizen (June 4, 2018). Kitimat watches, hopes it won't be bitten by U.S. aluminum tariffs. Retrieved from: http://www.princegeorgecitizen.com/news/local-news/kitimat-watches-hopes-it-won-t-be-bitten-by-u-s-aluminum-tariffs-1.23324179

²¹ CBC News (July 6, 2018). LNG Canada pipeline picks up steam as work camp contract awarded. Retrieved from: https://www.cbc.ca/news/canada/british-columbia/lng-canada-pipeline-picks-up-steam-as-work-camp-contract-awarded-1.4737423