



# Labour Market Bulletin

## New Brunswick

### November 2017



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of New Brunswick, including the regions of Campbellton—Miramichi, Edmundston—Woodstock, Fredericton—Oromocto, Moncton—Richibucto and Saint John—St. Stephen.

## OVERVIEW

The level of employment in New Brunswick declined by 2,700 on a month-over-month basis in November, more than reversing the 2,300 increase in October. Despite the decline, which was almost entirely concentrated in part-time work, the level of employment in November remained in line with its average for the year. Otherwise, the unemployment rate declined 0.5 percentage points in November.

**New Brunswick Monthly Labour Force Statistics**

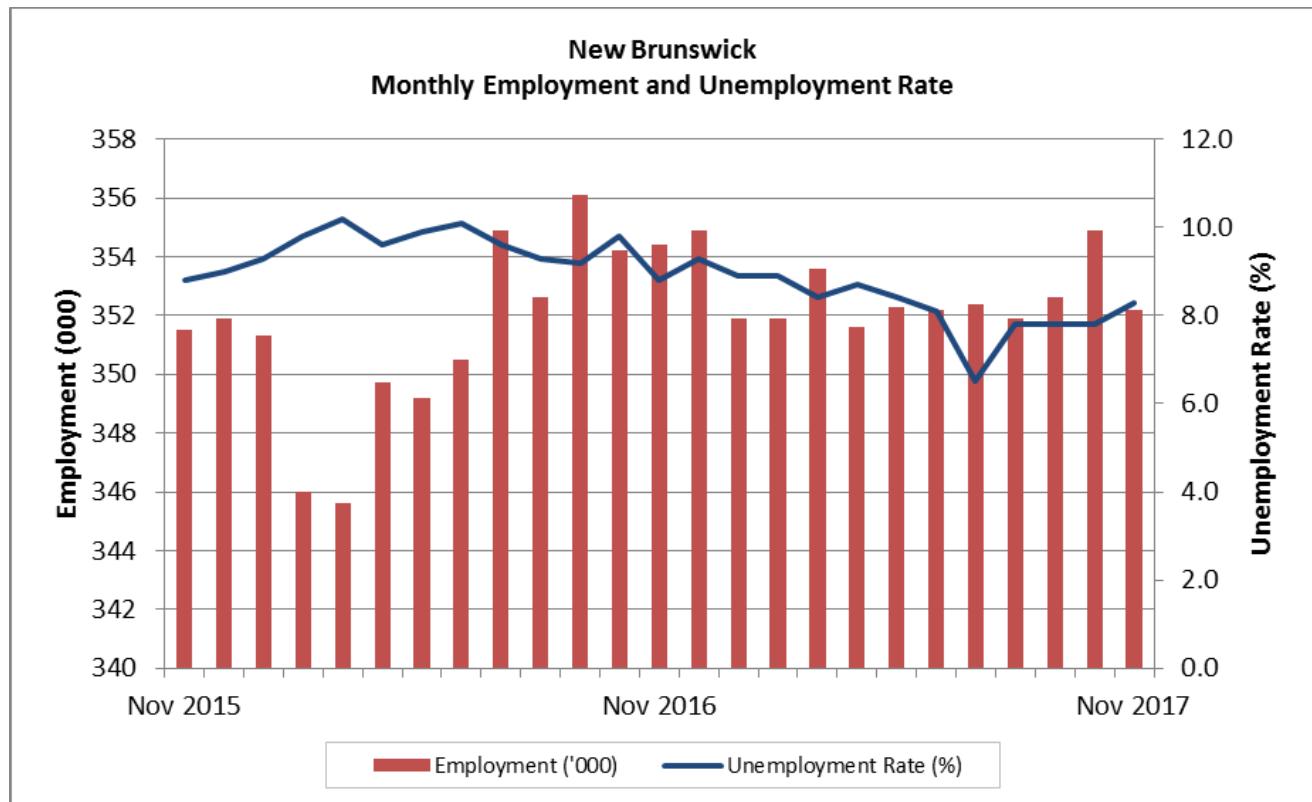
| Seasonally Adjusted<br>Monthly Data | Nov 2017 | Oct 2017 | Nov 2016 | Monthly Variation |      | Yearly Variation |       |
|-------------------------------------|----------|----------|----------|-------------------|------|------------------|-------|
|                                     |          |          |          | Number            | %    | Number           | %     |
| <b>Population 15 + ('000)</b>       | 625.5    | 625.4    | 623.8    | 0.1               | 0.0  | 1.7              | 0.3   |
| <b>Labour Force ('000)</b>          | 383.8    | 384.9    | 388.4    | -1.1              | -0.3 | -4.6             | -1.2  |
| <b>Employment ('000)</b>            | 352.2    | 354.9    | 354.4    | -2.7              | -0.8 | -2.2             | -0.6  |
| Full-Time ('000)                    | 302.7    | 302.9    | 297.7    | -0.2              | -0.1 | 5.0              | 1.7   |
| Part-Time ('000)                    | 49.5     | 52.0     | 56.6     | -2.5              | -4.8 | -7.1             | -12.5 |
| <b>Unemployment ('000)</b>          | 31.7     | 30.0     | 34.0     | 1.7               | 5.7  | -2.3             | -6.8  |
| <b>Unemployment Rate (%)</b>        | 8.3      | 7.8      | 8.8      | 0.5               | -    | -0.5             | -     |
| <b>Participation Rate (%)</b>       | 61.4     | 61.5     | 62.3     | -0.1              | -    | -0.9             | -     |
| <b>Employment Rate (%)</b>          | 56.3     | 56.7     | 56.8     | -0.4              | -    | -0.5             | -     |

Note: Totals may not add due to rounding

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

Labour market conditions in New Brunswick have been somewhat mixed in 2017. The average level of employment of 352,500 through the first eleven months of the year is 1,200 higher than it was during the same period last year. The strong 5,300 rise in full-time employment was entirely responsible for the overall increase in employment, more than offsetting the 4,100 decline in part-time work. Otherwise, despite a modest rebound in recent months after some sharp declines earlier in the year, the labour force has shrunk by 4,900 on average

so far this year. The latter reflects a falling participation rate, which in November was almost a full percentage point lower than it was during the same month a year prior.



The month-over-month decline in employment in November was concentrated almost entirely among prime-aged workers (25 to 54 years), where employment fell by 3,900 from the previous month. The youth cohort (aged 15 to 24) registered a modest 900 increase in November, erasing the 800 decline a month earlier. Despite the rise in employment, the youth unemployment rate remained relatively unchanged, as 1,100 workers belonging to this age cohort re-entered the labour force. Generally speaking, however, the labour pool of youth workers has been shrinking for several decades. Meanwhile, at 52,200 in November, the size of the youth labour force is not far removed from its record low in July of this year. The participation rate among youth workers, at 64.1% in November, is relatively in line with its long-term average. Indeed, the primary reason behind the shrinking of the youth labour force is the gradual decline in the youth population over the years, a reflection of lower fertility rates and out-migration (to a lesser extent).

**New Brunswick Monthly Unemployment Rates, by Gender and Age**

| Seasonally Adjusted Data  | Nov 2017 | Oct 2017 | Nov 2016 | Monthly Variation | Yearly Variation |
|---------------------------|----------|----------|----------|-------------------|------------------|
|                           | %        | %        | %        | (% points)        | (% points)       |
| <b>Total</b>              | 8.3      | 7.8      | 8.8      | 0.5               | -0.5             |
| <b>25 years and over</b>  | 7.4      | 6.9      | 8.0      | 0.5               | -0.6             |
| Men - 25 years and over   | 8.9      | 8.7      | 10.8     | 0.2               | -1.9             |
| Women - 25 years and over | 5.8      | 5.0      | 4.9      | 0.8               | 0.9              |
| <b>15 to 24 years</b>     | 13.6     | 13.5     | 13.5     | 0.1               | 0.1              |
| Men - 15 to 24 years      | 13.7     | 15.1     | 18.1     | -1.4              | -4.4             |
| Women - 15 to 24 years    | 13.5     | 11.8     | 8.6      | 1.7               | 4.9              |

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

In contrast, after being on a sharp upward trend for more than two decades, the participation rate among workers above 55 years of age has been relatively stable over the past 5 years. In November, the participation rate was down only moderately from a year earlier. Meanwhile, employment among seniors has risen by 3,500, which helped lower the unemployment rate by 3.1 percentage points to 8.2%.

## EMPLOYMENT BY INDUSTRY

The month-over-month decline in employment was driven by declines in the **Services-producing sector** (-1,900) and, to a lesser extent, the **Goods-producing sector** (-700).

The month-over-month employment declines in the **Services-producing sector** were most heavily concentrated in **Professional, scientific and technical services** (-1,600), **Education** (-900) and **Accommodation and food services** (-800). The latter, however, followed two consecutive months of healthy gains which combined to add 2,300 new jobs. Employment gains in the services-producing sector were mostly limited to **Transportation and Warehousing** (+800), **Information, culture and recreation** (+600) and **Trade** (+400).

During the first eleven months of the year, the level of employment in the **Goods-producing sector** averaged 73,300, which is only slightly higher than it was during the same 11-month period in 2016. For the most part, the average level of employment so far this year was higher in **Manufacturing** (+900), **Construction** (+400) and **Agriculture** (+200), which was enough to offset the 1,200 average decline in **Forestry, fishing, mining, quarrying, oil and gas**. The modest increase in Agriculture masks some very sharp declines in the more recent months. Since reaching a peak level of employment of 6,300 in March of this year, employment in Agriculture has fallen to 4,600, representing a 27% decline. Nevertheless, even though the industry has lost a quarter of its workforce since earlier this year, the level of employment in the sector still matches its three-year average. The opening of a new production line at McCain foods in the next few weeks should help increase demand for local potatoes in the near future. Increased allocation of crown land for blueberry production and public funding to support the establishment of new maple syrup operations should provide some support to the sector in the near future.

A breakdown of the **Services-producing sector** reveals that aside from the sharp increases in **Health care and social assistance** (+4,200) and, to a lesser extent, **Accommodation and food services** (+1,300); labour market conditions deteriorated overall this year. On average, during the first eleven months of the year, employment fell by 2,100 in **Transportation and warehousing**, 1,500 in **Information, culture and recreation** and 1,000 in both **Trade** and **Other services**. The deterioration in Trade could potentially be related to the recent appreciation in the Canadian dollar and increased uncertainty around international trade, particularly with the United States. It should be noted, however, that employment in trade grew very sharply for most of 2016, even reaching a record-high in October of the same year. As a result, although trade employment is down from that very strong period, at its current level, it remains only slightly below its long-term average.

New Brunswick Monthly Employed Labour Force, by Industry

| Seasonally Adjusted<br>Data ('000)                | Nov 2017 | Oct 2017 | Nov 2016 | Monthly Variation |       | Yearly Variation |       |
|---|----------|----------|----------|-------------------|-------|------------------|-------|
|   |          |          |          | Number            | %     | Number           | %     |
| <b>Total employed, all industries</b>             | 352.2    | 354.9    | 354.4    | -2.7              | -0.8  | -2.2             | -0.6  |
| <b>Goods-producing sector</b>                     | 72.7     | 73.4     | 72.0     | -0.7              | -1.0  | 0.7              | 1.0   |
| Agriculture                                       | 4.6      | 4.2      | 5.4      | 0.4               | 9.5   | -0.8             | -14.8 |
| Forestry, fishing, mining, quarrying, oil and gas | 8.4      | 8.3      | 8.9      | 0.1               | 1.2   | -0.5             | -5.6  |
| Utilities   | 2.9      | 2.9      | 4.1      | 0.0               | 0.0   | -1.2             | -29.3 |
| Construction                                      | 24.9     | 25.2     | 23.8     | -0.3              | -1.2  | 1.1              | 4.6   |
| Manufacturing                                     | 31.9     | 32.8     | 29.8     | -0.9              | -2.7  | 2.1              | 7.0   |
| <b>Services-producing sector</b>                  | 279.5    | 281.4    | 282.4    | -1.9              | -0.7  | -2.9             | -1.0  |
| Trade   | 54.8     | 54.4     | 59.0     | 0.4               | 0.7   | -4.2             | -7.1  |
| Transportation and warehousing                    | 18.8     | 18.0     | 17.7     | 0.8               | 4.4   | 1.1              | 6.2   |
| Finance, insurance, real estate and leasing       | 16.6     | 16.7     | 17.5     | -0.1              | -0.6  | -0.9             | -5.1  |
| Professional, scientific and technical services   | 14.3     | 15.9     | 15.3     | -1.6              | -10.1 | -1.0             | -6.5  |
| Business, building and other support services     | 17.4     | 17.6     | 15.1     | -0.2              | -1.1  | 2.3              | 15.2  |
| Educational services                              | 26.0     | 26.9     | 25.2     | -0.9              | -3.3  | 0.8              | 3.2   |
| Health care and social assistance                 | 58.9     | 59.2     | 54.7     | -0.3              | -0.5  | 4.2              | 7.7   |
| Information, culture and recreation               | 10.7     | 10.1     | 12.7     | 0.6               | 5.9   | -2.0             | -15.7 |
| Accommodation and food services                   | 25.0     | 25.8     | 22.8     | -0.8              | -3.1  | 2.2              | 9.6   |
| Other services                                    | 14.9     | 14.9     | 18.1     | 0.0               | 0.0   | -3.2             | -17.7 |
| Public administration                             | 22.2     | 22.0     | 24.2     | 0.2               | 0.9   | -2.0             | -8.3  |

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

The **Campbelton-Miramichi** economic region was one of two regions in the province to register an increase in employment over the past year. The 2.5% year-over-year gain helped generate a 2.6 percentage point decline in the unemployment rate, which, at 11.4%, is nonetheless relatively high and highest in the province.

Over the course of the past year, labour market conditions exhibited the most improvement in the **Moncton-Richibucto** economic region, as illustrated by the 4.3% rise (or, 4,500) in employment. Unlike all other economic regions in the province, this particular region registered an increase in the participation rate, as 2,300 workers re-entered the labour force. Despite the rebound in the labour force, the unemployment rate still fell by 1.8 percentage points during the past year, to 6.1%, leaving it well below its 10-year average of 7.8%. Generally speaking, the region is home to several small to medium size investment projects, which are anticipated to provide further support to the region's labour market in the near future. Construction activity has been underway for some time in the development of the \$104 million events centre in Moncton. The city is also preparing for the \$20 million Five Five Queen Street project, which includes construction of condominiums, a boutique hotel and a restaurant. The Richibucto region, meanwhile, is expected to benefit from the construction of a new facility that will process seafood waste into fertilizer. The new facility is expected to create 74 permanent jobs over the next two years.

The **Saint John-St. Stephen** economic region registered a 1.8% decline in employment over the past year. Compared to most other regions, however, the decline in the participation rate was fairly muted, which explains why the unemployment rate fell only slightly, to 6.5% during the same period. The presence of several investment projects in the region, including the revitalization of the Port of Saint John and the Saint John Safe Clean Drinking Water (SCDW) project continue to provide support to the region's job market.

Labour market conditions in the **Fredericton-Oromocto** economic region have arguably deteriorated more than any other region in the province over the past year. While the unemployment rate failed to decline (it remained

unchanged at 5.7%), nearly 5,000 workers left the labour force during the same period. The participation rate, which reached an all-time high of 68.6% as recently as August of 2016, has fallen considerably since then. During the past twelve months alone, the participation rate has fallen by 4.8 percentage points, settling in at 61.5%, just a tick above its record low a month earlier. The fact that the 4,500 decline in employment nearly matched the number of workers who left the labour force might suggest that many of those who left were “discouraged workers”. The city of Fredericton and surrounding region is home to several large employers, including many provincial and federal government offices, as well as two major universities. Recently, projects such as the \$17.6 million development of Kingswood Cambria Suites hotel and waterpark near Fredericton have provided a boost to the region’s labour market. The first phase of the project is currently underway, with completion expected around the fall of 2017. Once completed, the hotel is expected to employ 100 people. Construction of a new \$20 million Hilton Garden Inn hotel is also well underway in downtown Fredericton, with completion anticipated by early next year. Looking ahead, a \$200 million expansion of the Dr. Everett Chalmers hospital in Fredericton will begin in 2019, with expected completion around 2025.

The level of employment in the **Edmundston-Woodstock** economic region fell by 2.6% (or 1,100) over the past twelve months. A slightly smaller decline in the labour force helped moderate the decline in the unemployment rate to 1.1 percentage points, leaving it at 6.1% in November. The region’s relatively strong reliance on forestry-related employment does represent some downside risk to the labour market in the months ahead, as softwood lumber producers contend with countervailing and anti-dumping duties on shipments to the United States. On a more positive note, the region’s labour market should continue to benefit greatly from the stability associated with the presence of several large and successful employers, such as McCain Foods.

New Brunswick Monthly Labour Force Statistics, by Economic Region

| 3-Month Moving Averages<br>Seasonally Unadjusted Data | Employment         |                    |                            | Unemployment Rate |                 |                                   |
|---|--------------------|--------------------|----------------------------|-------------------|-----------------|-----------------------------------|
|   | Nov 2017<br>('000) | Nov 2016<br>('000) | Yearly<br>Variation<br>(%) | Nov 2017<br>(%)   | Nov 2016<br>(%) | Yearly<br>Variation<br>(% points) |
| <b>New Brunswick</b>                                  | 356.7              | 357.8              | -0.3                       | 7.0               | 8.0             | -1.0                              |
| <b>Economic Regions</b>                               |                    |                    |                            |                   |                 |                                   |
| Campbellton-Miramichi                                 | 61.5               | 60.0               | 2.5                        | 11.4              | 14.0            | -2.6                              |
| Moncton-Richibucto                                    | 109.8              | 105.3              | 4.3                        | 6.1               | 7.9             | -1.8                              |
| Saint John-St. Stephen                                | 83.2               | 84.7               | -1.8                       | 6.5               | 6.7             | -0.2                              |
| Fredericton-Oromocto                                  | 65.1               | 69.6               | -6.5                       | 5.7               | 5.7             | 0.0                               |
| Edmundston-Woodstock                                  | 37.1               | 38.1               | -2.6                       | 6.1               | 5.0             | 1.1                               |

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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