



Labour Market Bulletin

New Brunswick

December 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

Labour market conditions in New Brunswick have improved during the final months of 2017. Employment grew by 2,200 on a quarter-over-quarter basis in the fourth quarter, with gains concentrated entirely in full-time work. The unemployment rate increased modestly, but only because the employment gain was met with a more sizeable increase in the labour force. Indeed, the participation rate registered a rare increase in the final quarter of the year, increasing by 0.7 percentage points.

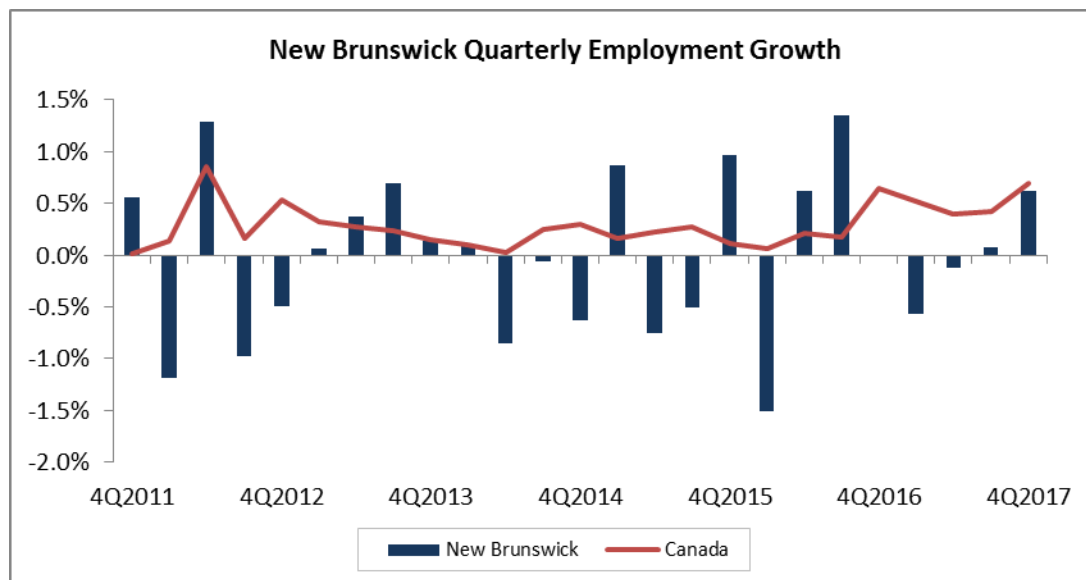
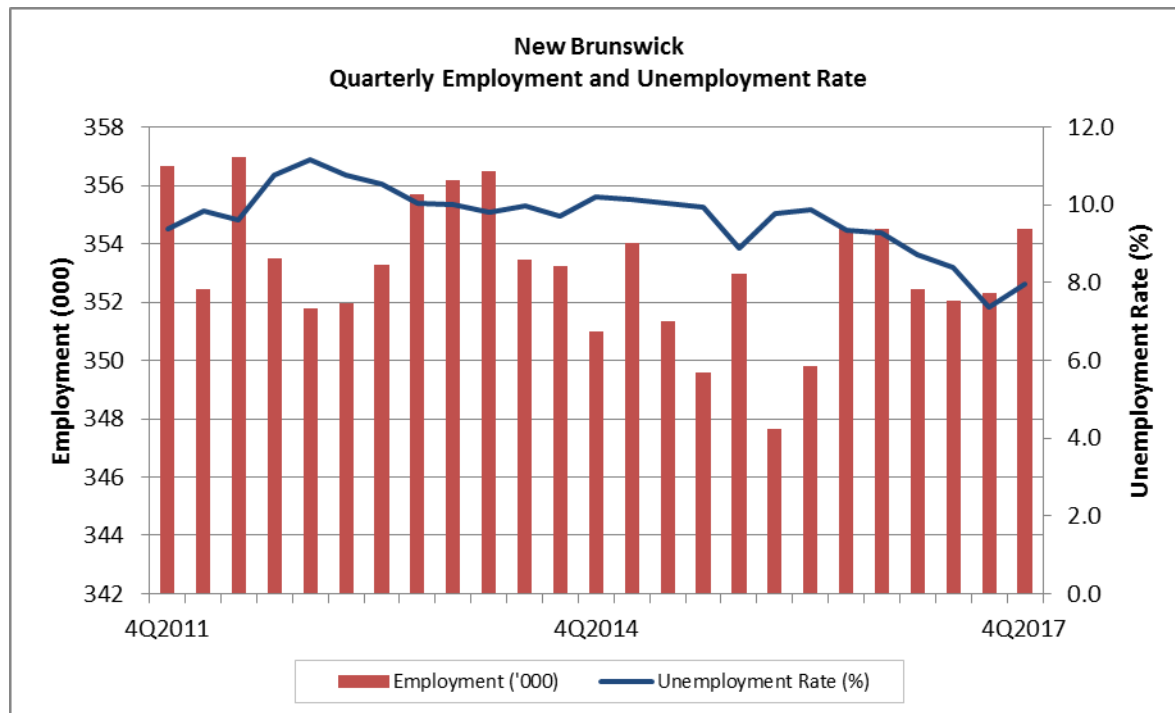
New Brunswick Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	4th Quarter 2017	3rd Quarter 2017	4th Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	625.5	625.0	623.8	0.5	0.1	1.7	0.3
Labour Force ('000)	385.1	380.3	390.9	4.8	1.3	-5.8	-1.5
Employment ('000)	354.5	352.3	354.5	2.2	0.6	0.0	0.0
Full-Time ('000)	303.7	300.3	298.1	3.4	1.1	5.6	1.9
Part-Time ('000)	50.9	52.0	56.4	-1.1	-2.1	-5.5	-9.8
Unemployment ('000)	30.7	28.0	36.4	2.7	9.6	-5.7	-15.7
Unemployment Rate (%)	8.0	7.4	9.3	0.6	-	-1.3	-
Participation Rate (%)	61.6	60.9	62.7	0.7	-	-1.1	-
Employment Rate (%)	56.7	56.4	56.8	0.3	-	-0.1	-

Note: Totals may not add due to rounding

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

Once viewed over a slightly longer time frame, the labour market picture is not quite as encouraging. Indeed, compared to a year earlier, the level of employment registered zero gains in the fourth quarter. The good news is that the weakness was concentrated entirely among part-time employment (-5,500), which was completely offset by a matching rise in full-time work. Otherwise, despite a moderate rise in the working population, the active labour force fell by nearly 6,000, which extends a downward trend that began around the start of 2017.



Broken down by demographics, the quarter-over-quarter increase in employment was strongest among those belonging to the 15 to 24 age cohort (+3.2%), which added 1,400 jobs to the economy. The recent strength in the fourth quarter, however, contrasts with the longer-term trend, which is characterised by falling employment and a shrinking labour force. Compared to the final quarter of 2016, the level of employment among the youth population declined by 2,500. Compounding matters, 3,300 youth left the labour force during the same period, as the participation rate fell a considerable 3.3 percentage points.

The level of employment also grew among those aged 55 and over (+1.1%) between the third and fourth quarter of this year. Employment gains have been much more significant when viewed over a longer period. Over the past year alone, the level of employment among older workers has grown by 4.7%, adding 3,800 jobs to the labour market. Compared to the younger demographics, those belonging to this age cohort have seen their participation rate decline much less rapidly. As a result, the size of the labour force actually rose, albeit very modestly, over the past year. Lastly, at 8.0%, the unemployment rate within this age cohort in the fourth quarter was 3.7 percentage points lower than a year earlier and at its lowest level in seven years.

New Brunswick Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	4th Quarter	3rd Quarter	4th Quarter	Quarterly	Yearly
	2017 (%)	2017 (%)	2016 (%)	Variation (% points)	Variation (% points)
Total	8.0	7.4	9.3	0.6	-1.3
25 years and over	7.1	6.6	8.6	0.5	-1.4
Men - 25 years and over	8.6	8.6	11.3	0.0	-2.7
Women - 25 years and over	5.6	4.5	5.6	1.1	0.0
15 to 24 years	13.1	12.1	13.8	1.0	-0.7
Men - 15 to 24 years	14.4	13.5	17.8	0.9	-3.4
Women - 15 to 24 years	11.7	10.6	9.6	1.1	2.1

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

Labour market conditions have been far less encouraging among those in the 15 to 24 age cohort. Admittedly, on a quarter-over-quarter basis, job losses for those belonging to the youth cohort were limited in the third quarter of 2017. Compared to the third quarter of last year, however, employment fell 3,500. At the same time, nearly 4,000 left the labour force, which reflects almost entirely a significant 6.2 percentage point decline in the participation rate. At 57.8% in the third quarter, the youth rate of participation was at its lowest level since the first quarter of 1998.

Atlantic - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q4 2017	Q4 2016	number	%	Q4 2017	Q4 2016	number	%
Population 15+ ('000)	68.8	66.9	1.9	2.8%	1,921.1	1,914.1	7.0	0.4%
Labour Force ('000)	42.0	39.4	2.6	6.6%	1,172.7	1,175.4	-2.7	-0.2%
Employment ('000)	35.2	33.6	1.6	4.8%	1,068.1	1,066.9	1.2	0.1%
Full-Time ('000)	28.7	26.6	2.1	7.9%	889.4	873.9	15.5	1.8%
Part-Time ('000)	6.4	6.9	-0.5	-7.2%	178.7	193.0	-14.3	-7.4%
Unemployment ('000)	6.8	5.8	1.0	17.2%	104.6	108.6	-4.0	-3.7%
Unemployment Rate (%)	16.2	14.7	1.5	-	8.9	9.2	-0.3	-
Participation Rate (%)	61.0	58.9	2.1	-	61.0	61.4	-0.4	-
Employment Rate (%)	51.1	50.2	0.9	-	55.6	55.7	-0.1	-

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 the fourth quarter (Q4) of 2017, the total population aged 15+ in the Atlantic Provinces was around 2 million. The Indigenous population living off-reserve accounted for 3.5% of that, or 68,800 people. Employment among

Indigenous people in the Atlantic provinces was 35,200, representing an increase of 1,600 (+4.8%) from a year earlier (Q4 2016). The increase was primarily driven by full-time positions (+2,100 or +7.9%).

The unemployment rate among the Indigenous population was 16.2% in Q4 2017, representing an increase of 1.5 percentage points (pp) from the previous year. For the non-Indigenous population, the unemployment rate decreased of -0.3 percentage points compared to this time last year at 8.9%. Between Q4 2016 and Q4 2017, the participation rate of Indigenous people increased to 61% (+2.1pp) while among non-Indigenous population, it was relatively unchanged at 61% (-0.4pp). The employment rate of Indigenous people increased year-over-year to 51.1% (+0.9pp); for the non-Indigenous population, it was 55.6% (-0.1pp).

EMPLOYMENT BY INDUSTRY

A quarter-over-quarter increase in **Services-producing sector** employment (+1,800) drove most of the gains in the fourth quarter. Despite the rebound, however, Services-producing sector employment declined by 0.3% (-1,000) from the final quarter of 2016. Comparatively speaking, labour market conditions have exhibited more improvement in the **Goods-producing sector**, where employment rose strongly through the entirety of 2017. Compared to the last quarter of 2016, the level of employment among Goods-producing industries has grown by 1.3% (+900).

The quarter-over-quarter gains in Services-producing sector employment were concentrated primarily in **Transportation and warehousing** (+1,600), **Accommodation and food services** (+1,500) and **Health Care and social assistance** (+1,000). Employment declines, meanwhile, were mostly limited to **Public Administration** (-1,200) and **Professional, scientific and technical services** (-600).

The increase Transportation and warehousing employment extends an upward trend in the sector which began around 2010. Over the past year, specifically, employment in the sector grew by 1,000 (5.5%). Similarly, the quarter-over-quarter increase in Health Care and social assistance employment is also nothing new, as it brings the year-over-year gains to 4,600. Since 2010, the latter has seen its level of employment increase by nearly 4,000, as the rapidly aging population continues to raise demand for health care services. Otherwise, job losses within the Services-producing sector over the past year were greatest in **Trade** (-3,700), which is somewhat curious given that retail sales have grown sharply for much of 2017. Employment declines in the sector were also registered in **Other services** (-2,800), **Information, culture and recreation** (-2,300) and **Public administration** (-2,000).

After remaining relatively stable for the past few years, labour market conditions in the goods-producing sector have improved modestly over the past year, as illustrated by the 1.3% (900) rise in employment since the final quarter of 2016. A breakdown of the various industries reveals healthy employment gains in **Construction** (+8.5%) and **Manufacturing** (+6.6%), which each added 2,000 jobs to the economy. Partially offsetting these strong gains were lower levels of employment in **Agriculture** (-1,200), **Utilities** (-1,100) and **Forestry, fishing, mining, quarrying, oil and gas** (-800).

New Brunswick Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	4th Quarter	3rd Quarter	4th Quarter	Quarterly Variation		Yearly Variation	
	2017	2017	2016	Number	%	Number	%
Total employed, all industries	354.5	352.3	354.5	2.2	0.6	0.0	0.0
Goods-producing sector	73.6	73.2	72.6	0.4	0.5	0.9	1.3
Agriculture	4.5	4.9	5.6	-0.5	-9.5	-1.2	-20.7
Forestry, fishing, mining, quarrying, oil and gas	8.4	8.1	9.1	0.2	2.9	-0.8	-8.4
Utilities	2.9	3.3	4.0	-0.4	-11.2	-1.1	-28.1
Construction	25.2	25.1	23.2	0.0	0.1	2.0	8.5
Manufacturing	32.7	31.7	30.6	1.0	3.2	2.0	6.6
Services-producing sector	280.9	279.1	281.9	1.8	0.6	-1.0	-0.3
Trade	55.6	55.7	59.2	-0.1	-0.2	-3.7	-6.2
Transportation and warehousing	18.5	16.8	17.5	1.6	9.7	1.0	5.5
Finance, insurance, real estate and leasing	16.5	16.8	17.5	-0.3	-1.8	-1.0	-5.9
Professional, scientific and technical services	14.9	15.6	14.8	-0.6	-4.1	0.2	1.1
Business, building and other support services	17.4	17.3	15.1	0.1	0.4	2.3	15.0
Educational services	26.3	25.9	25.6	0.4	1.5	0.7	2.7
Health care and social assistance	59.3	58.3	54.8	1.0	1.8	4.6	8.3
Information, culture and recreation	10.5	10.7	12.8	-0.2	-2.2	-2.3	-17.8
Accommodation and food services	25.2	23.7	22.8	1.5	6.5	2.4	10.5
Other services	14.9	15.2	17.7	-0.3	-2.0	-2.8	-15.8
Public administration	22.0	23.2	24.1	-1.2	-5.2	-2.2	-9.0

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Despite some recent deterioration, labour market conditions in the **Campbelton-Miramichi** economic region have nevertheless demonstrated some improvement over the past year. As one of only two regions to register employment gains over the past year, the 1.7% increase was easily outmatched by the 5.8% gain observed in the Moncton-Richibucto region. At the same time, the unemployment rate fell by 2.3 percentage points in the fourth quarter. Nonetheless, at 12.3%, the unemployment rate still remains the highest among all regions in the province.

Labour market conditions in the **Moncton-Richibucto** economic region have arguably registered the most improvement over the past year. As previously mentioned, employment growth led all regions and contributed to the 2.3 percentage point decline in the unemployment rate. A rare rebound in the size of the labour force helped moderate the downward movement in the unemployment rate. Nevertheless, at 6.1%, the latter is the lowest among all regions in the province. More generally, the region's healthy labour market continues to be supported by a number of investment projects, which are also anticipated to provide support to the labour market in the medium-term. Construction activity has been underway in the development of the \$104 million events centre in Moncton for some time. Meanwhile, the \$20 million Five Five Queen Street project, which includes construction of condominiums, a boutique hotel and a restaurant, has officially begun. The Richibucto region, meanwhile, is expected to benefit from the construction of a new facility that will process seafood waste into fertilizer. The latter is expected to create 74 permanent jobs over the next two years.

In the **Saint John-St. Stephen** economic region, despite a 2.5% decline in the level of employment over the past year, the unemployment rate fell by a little more than one full percentage point over the same period. The latter was made possible by a fairly significant shrinking of the labour force, which itself was a function of a declining participation rate. Otherwise, there is little reason to expect any permanent deterioration in the region's labour market. The presence of several investment projects in the region, including the revitalization of the Port of Saint John and the various wastewater projects, continue to provide support to the region's job market.

Labour market conditions have deteriorated quite considerably in the **Fredericton-Oromocto** economic region over the past year, as illustrated by the 6.6% (-4,600) decline in the level of employment since the final quarter

of 2016. Against this backdrop, the 0.6 percentage point increase in the unemployment rate seems a little on the light side. In what has been an increasingly common theme this year, the labour force shrank significantly in the region. In many instances, this is because youth are leaving the labour force. Overall, 3,700 people left the labour force, despite a modest increase in the working population. The 5.9 percentage point drop in the participation rate during the past twelve months was by far the sharpest decline in the province. More generally, the recent weakness in the labour market is difficult to explain. 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 water park 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.

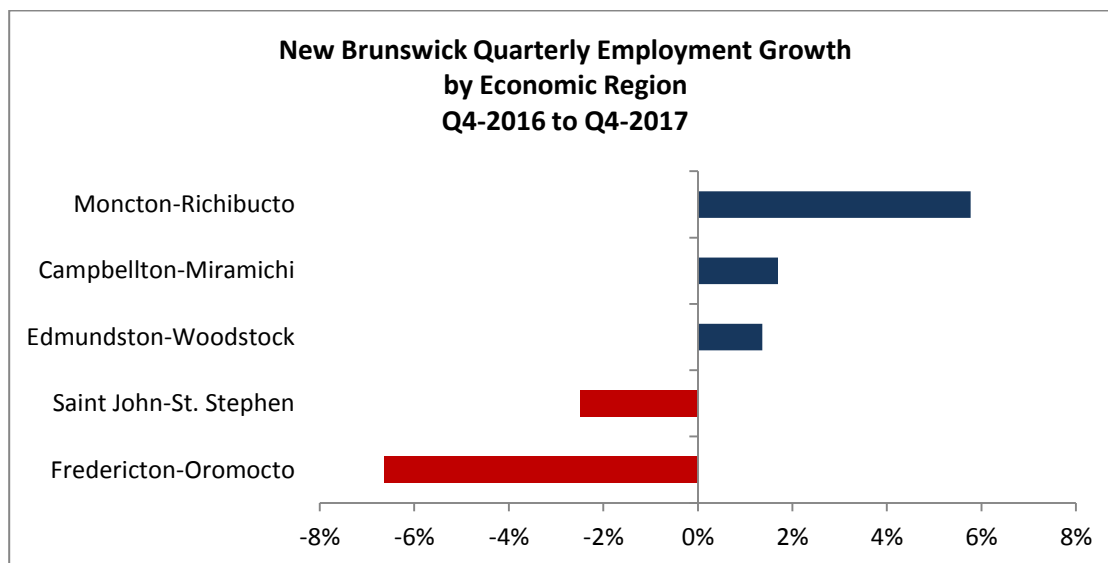
The level of employment in the Edmundston-Woodstock economic region grew by 500 (or 1.4 %) over the past twelve months. A moderate rebound in the labour force helped raise the unemployment rate by 1.3 percentage points to 6.5% in the fourth quarter. The region’s relatively strong reliance on forestry-related employment does leave the job market susceptible to further weakness in the months ahead, as softwood lumber producers increasingly feel the effect of countervailing duties on shipments to the United States. On a more positive note, the region’s labour market depends greatly on the presence of large and successful employers, such as McCain Foods.

New Brunswick Quarterly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	4th Quarter 2017 ('000)	4th Quarter 2016 ('000)	Yearly Variation (%)	4th Quarter 2017 (%)	4th Quarter 2016 (%)	Yearly Variation (% points)
New Brunswick	354.2	353.2	0.3	7.3	8.4	-1.1
Economic Regions						
Campbellton-Miramichi	59.9	58.9	1.7	12.3	14.6	-2.3
Moncton-Richibucto	110.0	104.0	5.8	6.1	8.4	-2.3
Saint John-St. Stephen	82.4	84.5	-2.5	6.2	7.3	-1.1
Fredericton-Oromocto	64.7	69.3	-6.6	6.2	5.6	0.6
Edmundston-Woodstock	37.1	36.6	1.4	6.5	5.2	1.3

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.

Prepared by: Labour Market Analysis Directorate, Service Canada, Atlantic Region

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

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