



# Labour Market Bulletin

## New Brunswick

September 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 deteriorated slightly in recent months. Although employment grew marginally on a quarter-over-quarter basis in the third quarter, the unemployment rate fell by a full percentage point to 7.4%, as 7,000 people left the labour force. While the working age population increased slightly, the participation rate fell to its lowest level since early 2000.

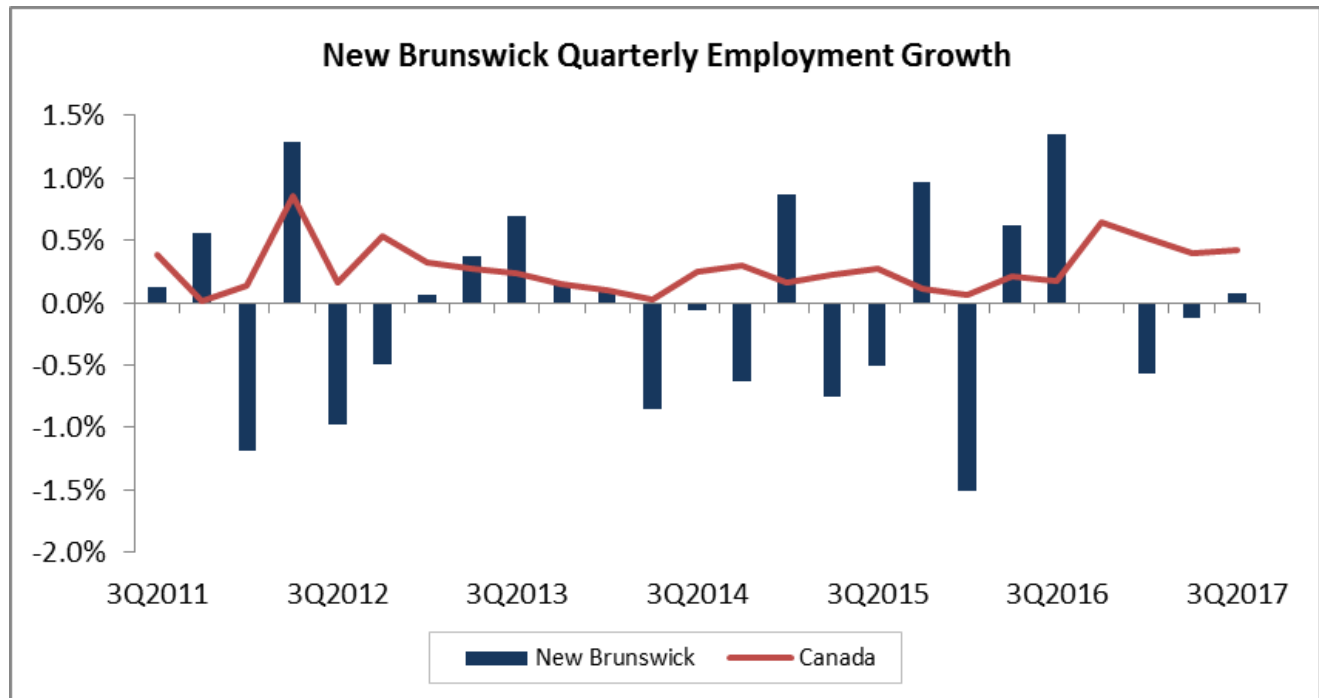
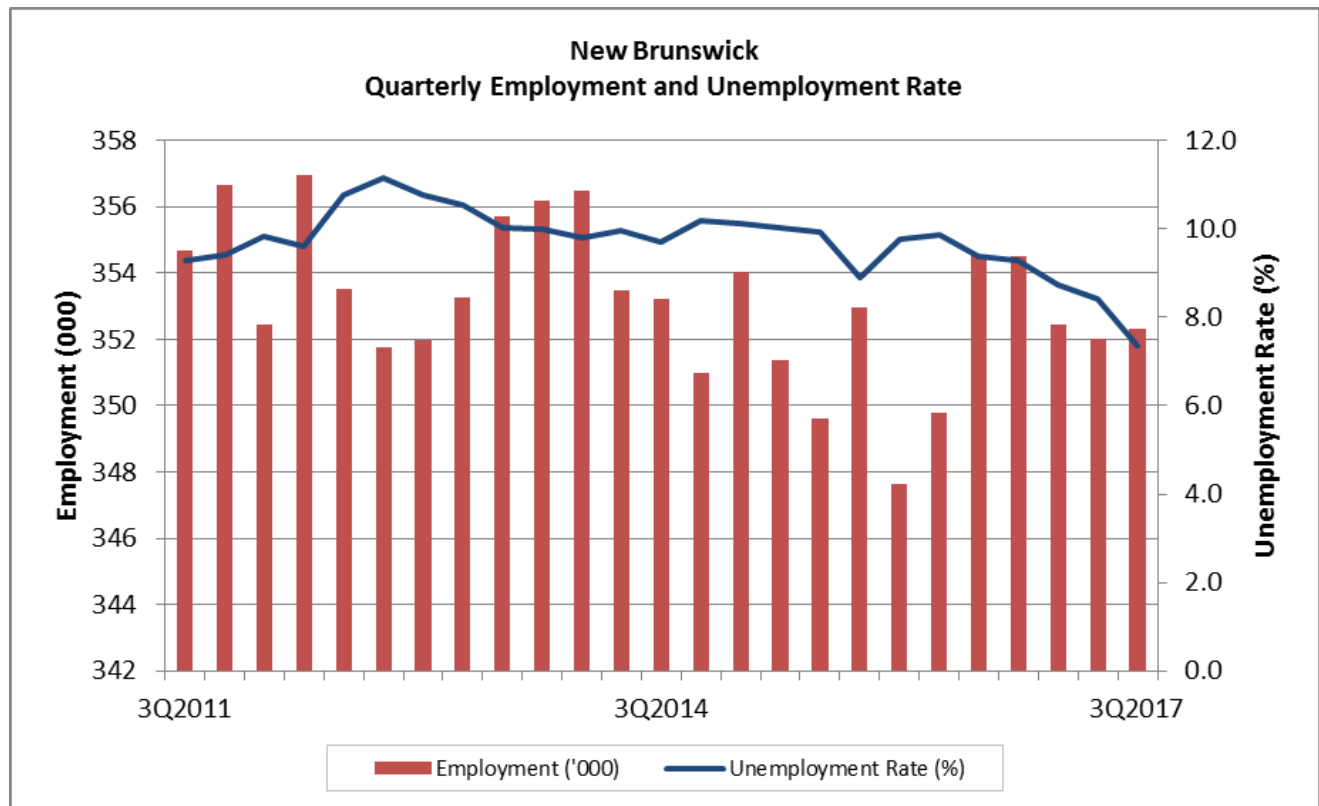
New Brunswick Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	3rd Quarter 2017	2nd Quarter 2017	3rd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	625.0	624.4	623.6	0.6	0.1	1.4	0.2
<b>Labour Force ('000)</b>	380.3	384.3	391.3	-4.0	-1.0	-11.0	-2.8
<b>Employment ('000)</b>	352.3	352.0	354.5	0.3	0.1	-2.2	-0.6
Full-Time ('000)	300.3	302.6	297.8	-2.3	-0.8	2.5	0.8
Part-Time ('000)	52.0	49.5	56.7	2.5	5.1	-4.7	-8.3
<b>Unemployment ('000)</b>	28.0	32.3	36.7	-4.3	-13.3	-8.7	-23.7
<b>Unemployment Rate (%)</b>	7.4	8.4	9.4	-1.0	-	-2.0	-
<b>Participation Rate (%)</b>	60.9	61.6	62.8	-0.7	-	-1.9	-
<b>Employment Rate (%)</b>	56.4	56.4	56.8	0.0	-	-0.4	-

Note: Totals may not add due to rounding

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

In general, labour market conditions weakened somewhat during the past year. The level of employment fell by 2,200, as a gain in full-time work (+2,500) was more than offset by drop in part-time employment (-4,700). Despite the fact that there were fewer people working, the unemployment rate fell by a meaningful two percentage points over the past year. The primary reason behind the lower unemployment rate was a 11,000 decline in the size of the labour force, triggered by a big decline in the participation rate. For the most part, the latter has remained a downward structural trend since the start of 2009.



Broken down by demographics, the quarter-over-quarter increase in employment was limited to those belonging to the 55 and older age cohort (+2,000). Labour market conditions among this group have, for the most part, exhibited the most improvement over the past few years. During the past year alone, employment among the 55

and older category rose by 5,300 (or 6.8%). Meanwhile, the unemployment rate shrank by a significant 6.8 percentage points over the same period, bringing it to its lowest level in almost six years<sup>1</sup>.

#### New Brunswick Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation (% points)	Yearly Variation (% points)
	2017 (%)	2017 (%)	2016 (%)		
<b>Total</b>	7.4	8.4	9.4	-1.0	-2.0
<b>25 years and over</b>	6.6	7.6	9.0	-0.9	-2.4
Men - 25 years and over	8.6	9.1	11.3	-0.5	-2.7
Women - 25 years and over	4.5	5.9	6.4	-1.4	-1.9
<b>15 to 24 years</b>	12.1	13.8	12.0	-1.7	0.1
Men - 15 to 24 years	13.5	17.6	15.8	-4.1	-2.3
Women - 15 to 24 years	10.6	10.3	8.1	0.3	2.5

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)	
	Q3 2017	Q3 2016	number	%	Q3 2017	Q3 2016	number	%
<b>Population 15 + ('000)</b>	68.4	66.8	1.6	2.4%	1,919.5	1,912.8	6.7	0.4%
<b>Labour Force ('000)</b>	44.5	43.9	0.6	1.4%	1,194.4	1,209.1	-14.7	-1.2%
<b>Employment ('000)</b>	38.5	36.8	1.7	4.6%	1,090.2	1,104.3	-14.1	-1.3%
<b>Full-Time ('000)</b>	32.3	30.8	1.5	4.9%	928.9	934.5	-5.6	-0.6%
<b>Part-Time ('000)</b>	6.1	6.0	0.1	1.7%	161.3	169.8	-8.5	-5.0%
<b>Unemployment ('000)</b>	6.1	7.1	-1.0	-14.1%	104.2	104.8	-0.6	-0.6%
<b>Unemployment Rate (%)</b>	13.6	16.2	-2.6	-	8.7	8.7	0.0	-
<b>Participation Rate (%)</b>	65.1	65.7	-0.6	-	62.2	63.2	-1.0	-
<b>Employment Rate (%)</b>	56.2	55.1	1.1	-	56.8	57.7	-0.9	-

**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 third quarter (Q3) of 2017, the total population aged 15+ in the Atlantic Provinces was around 2 million. The Indigenous population living off-reserve accounted for 3.4% of that, or 68,400 people. Employment among Indigenous people in the Atlantic provinces was 38,500, representing an increase of 1,700 (+4.6%) from a year earlier (Q3 2016). The increase was primarily driven by full-time positions (+1,500 or +4.9%). Part-time positions also saw an increase over the same time period (+100 or +1.7%).

<sup>1</sup> At 8.0% in the third quarter of 2017, the unemployment rate is at its lowest level since the fourth quarter of 2011, when it was 7.4%.

The unemployment rate among the Indigenous population was 13.6% in Q3 2017, representing a decrease of -2.6 percentage points (pp) from the previous year. For the non-Indigenous population, the unemployment rate remained the same as this time last year at 8.7%. Between Q3 2016 and Q3 2017, the participation rate of Indigenous people stood at 65.1% (-0.6pp) while among non-Indigenous population, it was 62.2% (-1.0pp). The employment rate of Indigenous people increased year-over-year to 56.2% (+1.1pp); for the non-Indigenous population, it was 56.8% (-0.9pp).

## EMPLOYMENT BY INDUSTRY

A modest quarter-over-quarter increase in **Services-producing sector** employment (+1,100) was barely enough to offset a reduction in the **Goods-producing sector** (-700). Despite the slight rebound, however, services-sector employment remained 1,300 lower than a year earlier.

The quarter-over-quarter gains in services-sector employment growth was concentrated primarily in **Business, building and other support services** (+2,600), although gains were also registered in **Health care and social assistance** (+1,300), **Accommodation and food services** (+600) and **Information, culture and recreation** (+400). The increase in Business, building and other support services is not surprising given the surge in sales that sector has recorded so far in 2017<sup>2</sup>.

The increase in Health Care and social assistance employment, meanwhile, brought the total number of job gains since the start of 2015 to nearly 7,000. More than 5,000 jobs were generated over the past year alone, as the rapidly aging population continues to raise demand for health care services. Otherwise, job losses within the service sector were mostly limited to **Trade** (-3,400) and **Transportation and warehousing** (-2,400), both of which could be related to the appreciation in the Canadian dollar and the increased uncertainty surrounding trade.

On average, labour market conditions in the goods-producing sector have remained relatively stable over the past few years. In fact, the level of employment has shown little change over the past two-and-a-half years. A breakdown of the various sub-sectors reveals moderate employment gains in **Construction** (+800) and **Manufacturing** (+500). In contrast the **Forestry, fishing, mining, quarrying, oil and gas** (-1,000), **Agriculture** (-700) and **Utilities** (-500) sectors all registered declines over the past year.

The recent declines in Agriculture employment follow some relatively strong gains earlier this year. The recent implementation of a new production line at McCain should help increase demand for local potatoes in the near future, which could boost agricultural employment. 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.

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<sup>2</sup> Through the first seven months of the year, sales in building material and garden equipment are nearly 15% higher than they were during the same period in 2016.

New Brunswick Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter 2017	2nd Quarter 2017	3rd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	352.3	352.0	354.5	0.3	0.1	-2.2	-0.6
<b>Goods-producing sector</b>	73.2	73.9	74.1	-0.7	-1.0	-0.9	-1.3
Agriculture	4.9	5.6	5.6	-0.7	-11.9	-0.7	-12.4
Forestry, fishing, mining, quarrying, oil and gas	8.1	8.3	9.2	-0.2	-2.4	-1.0	-11.3
Utilities	3.3	3.9	3.7	-0.6	-15.5	-0.5	-12.5
Construction	25.1	25.0	24.4	0.2	0.7	0.8	3.1
Manufacturing	31.7	31.3	31.2	0.3	1.1	0.5	1.5
<b>Services-producing sector</b>	279.1	278.1	280.4	1.1	0.4	-1.3	-0.5
Trade	55.7	57.0	59.0	-1.3	-2.3	-3.4	-5.7
Transportation and warehousing	16.8	16.9	19.3	-0.1	-0.4	-2.4	-12.6
Finance, insurance, real estate and leasing	16.8	16.9	17.5	-0.1	-0.6	-0.8	-4.4
Professional, scientific and technical services	15.6	16.0	14.7	-0.4	-2.5	0.8	5.7
Business, building and other support services	17.3	14.8	16.5	2.6	17.4	0.9	5.3
Educational services	25.9	26.5	26.2	-0.7	-2.5	-0.4	-1.4
Health care and social assistance	58.3	57.0	52.9	1.3	2.2	5.4	10.1
Information, culture and recreation	10.7	10.3	12.2	0.4	4.2	-1.4	-11.8
Accommodation and food services	23.7	23.1	21.6	0.6	2.6	2.1	9.7
Other services	15.2	15.5	16.7	-0.4	-2.4	-1.6	-9.4
Public administration	23.2	24.1	23.8	-0.9	-3.9	-0.6	-2.7

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

Labour market conditions in the **Campbelton-Miramichi** economic region showed the most improvement over the past year. As one of only two regions to register employment gains over the past year, the 4.6% increase easily surpassed the 1.8% gain observed in the Saint John-St. Stephen region. At the same time, the unemployment rate fell by 2.8 percentage points in the third quarter. Nonetheless, at 11.1%, the unemployment rate still remains the highest among all regions in the province.

Despite a slight decline in the level of employment in the **Moncton-Richibucto** economic region, the unemployment rate fell by 2.1 percentage points to 6.0% over the same period, due to a sharp decline in the rate of participation among the working age population. More generally, labour market conditions remain relatively healthy and a number of investment projects are anticipated to provide support to the labour market in the near future. Construction activity is already underway 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.

In the **Saint John-St. Stephen** economic region, the 1.8% increase in employment, coupled with a falling participation rate helped lower the unemployment rate by 2.1 percentage points over the past year. 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 in the **Fredericton-Oromocto** economic region over the past year, as illustrated by the near 4,000 (or 6.6%) decline in the level of employment during the period. Admittedly, at 5.2% in the third quarter, the unemployment rate was the lowest in the province and fell by 1.5 percentage points over the past year. The catalyst behind the decline, however, was a near 10,000 drop in the labour force, which occurred 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.

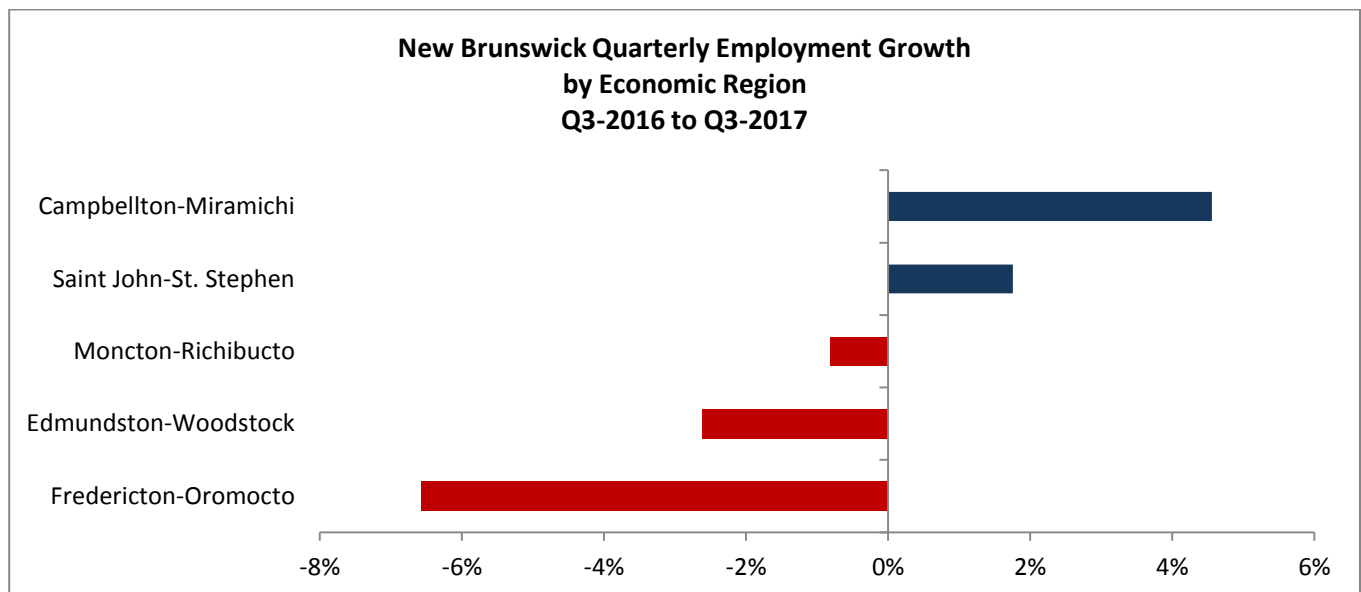
The level of employment in the **Edmundston-Woodstock** economic region declined by 1,200 (or 2.6 %) over the past twelve months. A slightly sharper 1,300 (or 2.4%) decline in the labour force helped lower the unemployment rate by 0.8 percentage points to 5.8% in the third quarter. The region’s relatively 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		
	3rd Quarter 2017 ('000)	3rd Quarter 2016 ('000)	Yearly Variation (%)	3rd Quarter 2017 (%)	3rd Quarter 2016 (%)	Yearly Variation (% points)
<b>New Brunswick</b>	363.6	365.8	-0.6	6.8	8.6	-1.8
<b>Economic Regions</b>						
Campbellton-Miramichi	64.2	61.4	4.6	11.1	13.9	-2.8
Moncton-Richibucto	109.7	110.6	-0.8	6.0	8.1	-2.1
Saint John-St. Stephen	86.9	85.4	1.8	6.3	7.8	-1.5
Fredericton-Oromocto	65.5	70.1	-6.6	5.2	6.7	-1.5
Edmundston-Woodstock	37.3	38.3	-2.6	5.8	6.6	-0.8

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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