



Labour Market Bulletin

New Brunswick

October 2018



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 1,800 between September and October. The unemployment rate, however, declined from 7.9% to 7.2%, as 4,500 workers left the labour force. The participation rate, which has been trending down for some time, declined from 61.3% to 60.6% in October.

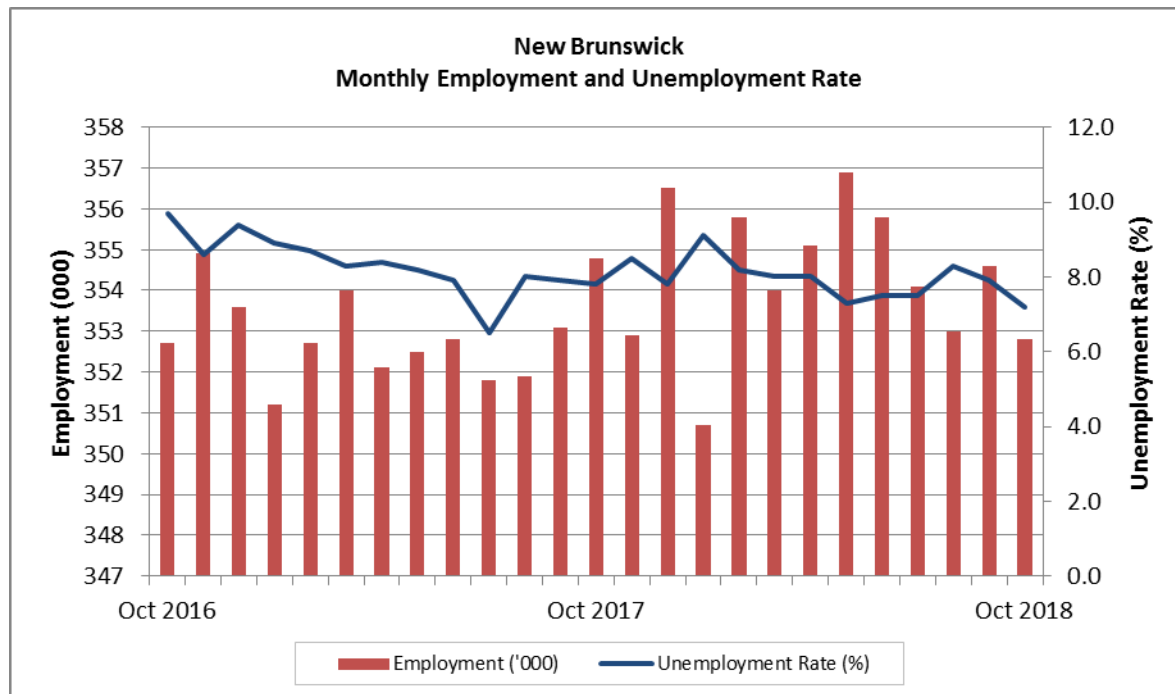
New Brunswick Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Oct 2018	Sept 2018	Oct 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	628.1	628.0	625.4	0.1	0.0	2.7	0.4
Labour Force ('000)	380.4	384.9	384.9	-4.5	-1.2	-4.5	-1.2
Employment ('000)	352.8	354.6	354.8	-1.8	-0.5	-2.0	-0.6
Full-Time ('000)	300.8	301.5	302.5	-0.7	-0.2	-1.7	-0.6
Part-Time ('000)	52.0	53.0	52.3	-1.0	-1.9	-0.3	-0.6
Unemployment ('000)	27.5	30.3	30.2	-2.8	-9.2	-2.7	-8.9
Unemployment Rate (%)	7.2	7.9	7.8	-0.7	-	-0.6	-
Participation Rate (%)	60.6	61.3	61.5	-0.7	-	-0.9	-
Employment Rate (%)	56.2	56.5	56.7	-0.3	-	-0.5	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

One of the key developments regarding the New Brunswick labour market in recent years has been the shrinking labour force, primarily a result of a diminishing rate of participation among those in the working age population (i.e. above 15 years of age). Over the past year, the number of people belonging to the labour force has diminished by 4,500, even though the population has risen during the same period. The participation rate has fallen by nearly a full percentage point during the past year. The shrinking labour force is the reason that the unemployment rate declined during the past year, despite the 2,000 jobs that were lost.



Labour market conditions have become worse for those in the prime (25 to 54 years) age cohort, as the majority of all job losses during the past year belonged to this age group. In contrast, labour market conditions have shown the most improvement among those in the youth (aged 15 to 24 years) category, as shown by the 2,200 rise in youth employment since October of last year. This increase in employment helped lower the youth unemployment from 13.6% in October of 2017 to 9.9% this past month.

It should be noted that the rise in employment among youth workers over the past year was essentially confined to young women. Since October of last year, the number of employed women between the ages of 15 and 24 grew by 2,400. By comparison, the number of males of the same age employed last month was relatively unchanged from a year earlier. The youth unemployment rate declined relatively sharply for both men and women since October 2017. As 7.3% in October, the youth unemployment rate for females is considerably lower than the 12.5% rate for men.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Oct 2018	Sept 2018	Oct 2017	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	7.2	7.9	7.8	-0.7	-0.6
25 years and over	6.8	7.0	7.0	-0.2	-0.2
Men - 25 years and over	7.5	7.9	8.6	-0.4	-1.1
Women - 25 years and over	6.1	6.0	5.2	0.1	0.9
15 to 24 years	9.9	13.2	13.6	-3.3	-3.7
Men - 15 to 24 years	12.5	17.3	15.4	-4.8	-2.9
Women - 15 to 24 years	7.3	8.8	11.7	-1.5	-4.4

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

Overall, labour market conditions have worsened for those in the prime (25 to 54 years) age cohort over the past year, as employment fell by 4,100 in October. Conditions among older workers, who account for less than a third of the employed workforce, remained relatively the same.

EMPLOYMENT BY INDUSTRY

The month-over-month decline in employment was concentrated primarily in Services-producing industries, where job losses were especially large in **Public administration** (-1,600), **Other services** (-1,300), and **Finance, insurance, real estate and leasing** (-1,200). These job losses were partially offset by some relatively healthy gains in **Health care and social assistance** (+1,300) and **Information, culture and recreation** (+1,100). In the broader **Goods-producing sector**, employment was broadly unchanged between September and October. At the sub-sectoral level, a relatively strong increase in **Agriculture** employment was more than offset by an even bigger decline in **Construction**. Otherwise, employment was broadly unchanged among the remaining Goods-producing industries between September and October.

On an annual basis, labour market developments have been a little less discouraging for the overall **Services-producing sector**. The year-over-year decline in employment, in fact, was driven by the **Goods-producing sector**, where the number of people employed declined by 1,500 since October of 2017. The latter was concentrated mainly in **Manufacturing** and **Construction**, which registered job losses of 3,300 and 3,000, respectively. On a more encouraging note, employment grew relatively strongly in **Forestry, fishing, mining, quarrying, oil and gas** (+2,300) and **Agriculture** (+2,200).

The increase in **Forestry, fishing, mining, quarrying, and oil and gas** is especially encouraging in light of the anti-dumping and countervailing duties imposed on shipments of softwood lumber to the United States. In addition, after reaching records high this past Spring, the price of softwood lumber has fallen considerably, making conditions more difficult for producers in the province. This could potentially explain why the volume of softwood lumber has declined somewhat over the past few months after growing sharply for much of the year. Otherwise, the strong job gains in **Agriculture** could possibly coincide with the rising cannabis production in anticipation of the decriminalization of recreational use of marijuana in October.

Although employment was essentially unchanged in the broader **Services-producing sector** over the past year, labour market conditions within the sub-industries vary significantly. At one extreme, there were a handful of industries that showed strong gains. These include **Public administration** (+2,800), **Information, culture and recreation** (+2,000), and **Health care and social assistance** (+1,800). At the other extreme, employment fell rather sharply in **Accommodation and food services** (-2,200), **Trade** (-1,400), **Other services** (-1,400), and **Business, building and other support services** (-1,300). The key takeaway is that aside from health care and government, job gains have been essentially null.

New Brunswick Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Oct 2018	Sept 2018	Oct 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	352.8	354.6	354.8	-1.8	-0.5	-2.0	-0.6
Goods-producing sector	71.8	72.1	73.3	-0.3	-0.4	-1.5	-2.0
Agriculture	6.5	5.6	4.3	0.9	16.1	2.2	51.2
Forestry, fishing, mining, quarrying, oil and gas	10.4	10.6	8.1	-0.2	-1.9	2.3	28.4
Utilities	3.2	3.2	2.9	0.0	0.0	0.3	10.3
Construction	22.2	23.3	25.2	-1.1	-4.7	-3.0	-11.9
Manufacturing	29.5	29.4	32.8	0.1	0.3	-3.3	-10.1
Services-producing sector	281.0	282.5	281.5	-1.5	-0.5	-0.5	-0.2
Trade	52.8	52.9	54.2	-0.1	-0.2	-1.4	-2.6
Transportation and warehousing	18.0	18.3	18.2	-0.3	-1.6	-0.2	-1.1
Finance, insurance, real estate and leasing	16.8	18.0	16.7	-1.2	-6.7	0.1	0.6
Professional, scientific and technical services	15.6	15.2	15.9	0.4	2.6	-0.3	-1.9
Business, building and other support services	16.3	15.8	17.6	0.5	3.2	-1.3	-7.4
Educational services	26.4	26.9	26.8	-0.5	-1.9	-0.4	-1.5
Health care and social assistance	61.2	59.9	59.4	1.3	2.2	1.8	3.0
Information, culture and recreation	12.2	11.1	10.2	1.1	9.9	2.0	19.6
Accommodation and food services	23.5	23.2	25.7	0.3	1.3	-2.2	-8.6
Other services	13.5	14.8	14.9	-1.3	-8.8	-1.4	-9.4
Public administration	24.8	26.4	22.0	-1.6	-6.1	2.8	12.7

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355

REGIONAL ANALYSIS

Labour market conditions have shown the most improvement in the **Campbellton-Miramichi** economic region (ER) over the past year. Otherwise, conditions remained relatively unchanged in most other economic regions across the province, with the exception of the **Moncton-Richibucto** ER, where employment declined moderately over the past twelve months.

The number of people who held a job in the **Campbellton-Miramichi** ER rose by 2,300 during the past year. Since almost as many people entered the labour force during the same period, the unemployment rate edged down by a relatively modest 0.5 of a percentage point, settling at 11% in October. While relatively lower compared to past years, the unemployment rate remains significantly higher than any other in the province. Just as importantly, the lower rate of unemployment is as much a function of a shrinking labour force as it is a rise in employment.

The level of employment has declined by 2,200 over the past year in the **Moncton-Richibucto** ER. The unemployment rate, however, remained unchanged at 5.6% because the decline in employment was coupled with an identical decline in the labour force. Overall, the economic region boasts the second lowest unemployment rate in the province, and labour market conditions continue to be among the healthiest, with numerous investment projects currently in the works.

Labour market conditions have been remarkably stable over the past year in the **Saint John-St. Stephen** ER. The level of employment as well as the unemployment rate were both essentially unchanged in October compared to a year earlier. At 6.9% in October, the unemployment rate is in line with the provincial average.

In the **Fredericton-Oromocto** ER, while the level of employment was essentially unchanged, the unemployment rate grew from 5.2% to 6.6% since October of last year as fewer people were looking for work. More generally, the region boasts one of the healthiest labour markets in the province. The city of Fredericton is home to several large employers, including many provincial and federal government departments and two major universities.

Looking at the **Edmundston-Woodstock** ER, the level of unemployment has remained fairly steady since October of 2017. A significant reduction in the size of the labour force, however, lowered the unemployment rate in the region by 1.7 percentage points to 4.4% in October, which is significantly lower than any other region in the province. It is important to remember that a shrinking labour force (which has resulted from an aging population that is in steady decline) rather than employment growth, has been responsible for the unemployment rate's overall decline in recent years. Job gains have been essentially limited over the past decade and the region is probably most susceptible to challenges facing the softwood lumber industry. Some of this region's largest employers have ties to the forest sector, including Twin Rivers Paper Company with its Edmundston pulp mill.

New Brunswick Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Oct 2018 ('000)	Oct 2017 ('000)	Yearly Variation (%)	Oct 2018 (%)	Oct 2017 (%)	Yearly Variation (% points)
New Brunswick	361.3	361.4	0.0	7.0	6.9	0.1
Economic Regions						
Campbellton-Miramichi	65.4	63.1	3.6	11.0	11.5	-0.5
Moncton-Richibucto	108.5	110.7	-2.0	5.6	5.6	0.0
Saint John-St. Stephen	85.5	85.2	0.4	6.9	6.7	0.2
Fredericton-Oromocto	64.7	65.2	-0.8	6.6	5.2	1.4
Edmundston-Woodstock	37.3	37.2	0.3	4.4	6.1	-1.7

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293

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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