



Labour Market Bulletin

New Brunswick

July 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

In New Brunswick, a relatively sharp month-over-month decline in full-time work lowered the level of employment by 1,700 in July. A matching reduction in the size of the labour force, however, kept the unemployment rate unchanged from the previous month. Despite the monthly job losses, the bigger story remains that employment has been gradually trending upwards since the start of 2016.

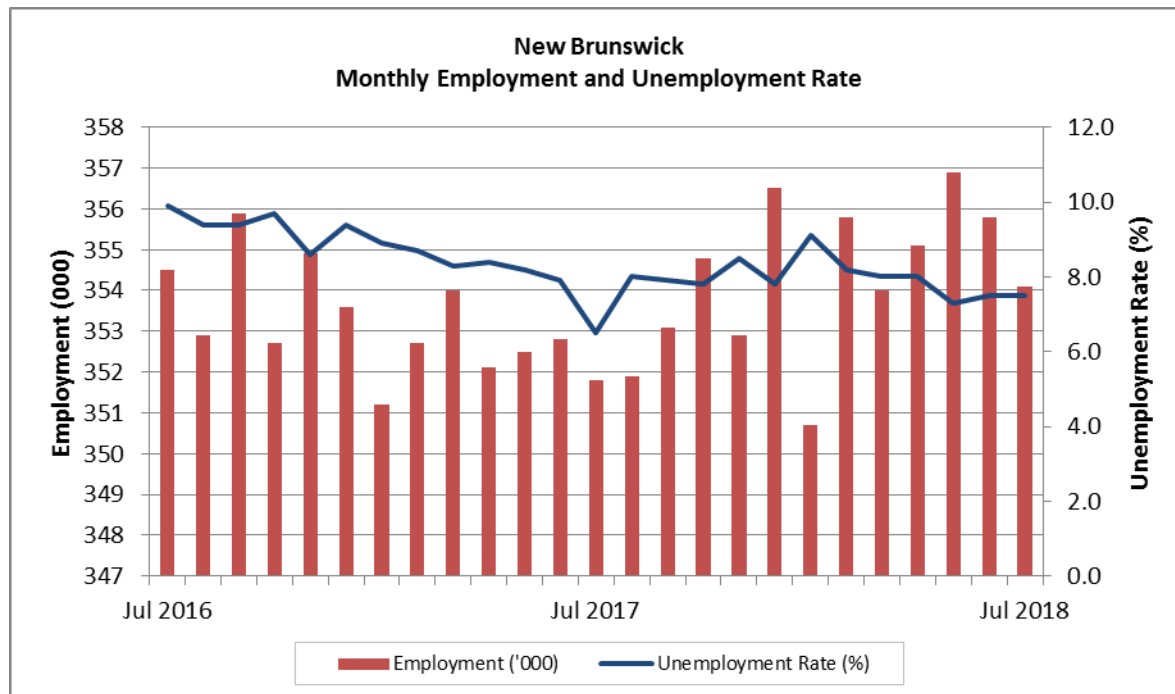
New Brunswick Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2018	June 2018	July 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	627.6	627.4	624.8	0.2	0.0	2.8	0.4
Labour Force ('000)	383.1	384.8	376.3	-1.7	-0.4	6.8	1.8
Employment ('000)	354.1	355.8	351.8	-1.7	-0.5	2.3	0.7
Full-Time ('000)	301.7	305.1	300.0	-3.4	-1.1	1.7	0.6
Part-Time ('000)	52.4	50.8	51.8	1.6	3.1	0.6	1.2
Unemployment ('000)	28.9	28.9	24.5	0.0	0.0	4.4	18.0
Unemployment Rate (%)	7.5	7.5	6.5	0.0	-	1.0	-
Participation Rate (%)	61.0	61.3	60.2	-0.3	-	0.8	-
Employment Rate (%)	56.4	56.7	56.3	-0.3	-	0.1	-

Note: Totals may not add due to rounding

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

Compared to twelve months earlier, the level of employment in the province grew by 2,300 in July. A rise in both the working age population and the rate of participation contributed to an influx of 6,800 workers into the labour force. The corresponding rise in the number of unemployed lifted the unemployment rate by one percentage point to 7.5% during the same period.



The month-over-month decline in the level of employment was spread across youth (aged 15 to 24 years) and, to a lesser extent, prime age (25 to 54 years) workers. The rise in employment among older (55 years and over) workers is encouraging following a sharp decline to start the year.

The dip in youth employment last month doesn't change the fact that labour market conditions have strengthened considerably in the past year for younger workers in the province. In fact, compared to a year earlier, there were 4,200 more youth employed in July of this year, which was more than enough to offset the 1,900 decline among prime age (25 to 54 years) workers. There was no change in the number of older workers employed during the past year.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2018	June 2018	July 2017	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	7.5	7.5	6.5	0.0	1.0
25 years and over	6.8	6.8	6.3	0.0	0.5
Men - 25 years and over	8.3	8.0	8.2	0.3	0.1
Women - 25 years and over	5.2	5.6	4.2	-0.4	1.0
15 to 24 years	12.3	11.6	8.1	0.7	4.2
Men - 15 to 24 years	16.1	15.9	8.7	0.2	7.4
Women - 15 to 24 years	8.1	6.8	8.0	1.3	0.1

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

Despite higher employment, the youth unemployment rate surged to 12.3% in July, from 8.1% a year earlier, as 6,900 re-entered the labour force. This could suggest that the improved labour market prospects have prompted many previously-discouraged younger workers to return to the labour force and search for work. Indeed, the participation rate among the youth population surged by a sizeable 9.4 percentage points during this period.

EMPLOYMENT BY INDUSTRY

The **Goods-producing sector** was responsible for two-thirds of the monthly decline in employment in July. Broken down, job losses within the broader sector were confined mainly to the **Construction** industry (-1,700), which was more than enough to offset an increase in **Manufacturing** (+1,100) employment. The month-over-month job losses within the **Services-producing sector** were essentially limited to **Health care and social assistance** (-1,200), **Information, culture and recreation** (-1,100) and **Educational services** (-700). These declines were partly countered by employment gains in **Accommodation and food services** (+1,100), **Other services** (+700), **Public administration** (+600) and **Trade** (+600).

Labour market conditions appear to have strengthened considerably over the past twelve months in the **Services-producing sector**, as suggested by the 4,900 rise in employment during the period. It should be noted that July of last year was marked by a year-over-year *decline* of very similar magnitude, which could suggest that the increase we are now seeing is more of a reflection of the low base. Nonetheless, job gains within the broader sector were evident in most industries, but most pronounced in **Public administration** (+3,000) and **Transportation and warehousing** (+2,200). Otherwise, both **Education** and **Professional, scientific and technical services** added 900 jobs to the labour market. While employment in **Health care and social assistance** (+500) remains slightly above the July 2017 level, it has declined significantly since the start of this year. Since January, employment in the sector has fallen by 2,800, which is a clear departure from the steady and significant gains in recent years.

Job losses in the **Goods-producing sector** over the past year were most pronounced in **Construction** (-3,700) and, to a much lesser extent, **Manufacturing**, which shed 900 jobs during the same period. The only other decline was in **Utilities**, where employment declined by 400 jobs. The 1,200 rise in employment across the **Forestry, fishing, mining, quarrying, oil and gas** sector is certainly encouraging, especially given that tariffs on softwood lumber have been in effect for several months. Near-record high softwood lumber prices are providing some support for now. Elsewhere, an increase in employment was also registered in the **Agriculture** sector, which added 1,100 jobs to the labour market over the past twelve months.

New Brunswick Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	July 2018	June 2018	July 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	354.1	355.8	351.8	-1.7	-0.5	2.3	0.7
Goods-producing sector	72.2	73.4	74.8	-1.2	-1.6	-2.6	-3.5
Agriculture	6.2	6.4	5.1	-0.2	-3.1	1.1	21.6
Forestry, fishing, mining, quarrying, oil and gas	9.6	10.0	8.4	-0.4	-4.0	1.2	14.3
Utilities	3.1	3.0	3.5	0.1	3.3	-0.4	-11.4
Construction	21.7	23.4	25.4	-1.7	-7.3	-3.7	-14.6
Manufacturing	31.6	30.5	32.5	1.1	3.6	-0.9	-2.8
Services-producing sector	281.9	282.5	277.0	-0.6	-0.2	4.9	1.8
Trade	53.0	52.4	56.0	0.6	1.1	-3.0	-5.4
Transportation and warehousing	18.6	18.2	16.4	0.4	2.2	2.2	13.4
Finance, insurance, real estate and leasing	17.5	17.5	16.7	0.0	0.0	0.8	4.8
Professional, scientific and technical services	16.4	17.1	15.5	-0.7	-4.1	0.9	5.8
Business, building and other support services	17.2	17.3	16.7	-0.1	-0.6	0.5	3.0
Educational services	25.3	26.0	24.4	-0.7	-2.7	0.9	3.7
Health care and social assistance	58.5	59.7	58.0	-1.2	-2.0	0.5	0.9
Information, culture and recreation	10.5	11.6	11.1	-1.1	-9.5	-0.6	-5.4
Accommodation and food services	23.9	22.8	23.5	1.1	4.8	0.4	1.7
Other services	15.2	14.5	15.9	0.7	4.8	-0.7	-4.4
Public administration	25.8	25.2	22.8	0.6	2.4	3.0	13.2

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

A breakdown of the various economic regions in the province reveals that labour market conditions were most improved in the Fredericton-Oromocto and Moncton-Richibucto economic regions. At the same time, the labour market in the Saint John-St. Stephen economic region appears to have weakened. Lastly, the July Labour Force Survey (LFS) figures suggest there has been little meaningful change across the labour markets in the remaining regions over the past twelve months.

There was no change in employment in the **Campbellton-Miramichi** economic region over the past year, but a modest decline in the number of active participants in the labour force triggered a slight decline in the unemployment rate to 10.3% in July, from 10.6% a year earlier.

The 2,000 increase in the level of employment in the **Moncton-Richibucto** economic region suggests that labour market conditions have improved over the past year. A modest increase in the unemployment rate was due to a rise in the number of people searching for work. More generally, labour market conditions continue to be among the strongest in the province and are supported by numerous investment projects currently in the works, including the \$104 million sports and entertainment centre in downtown Moncton as well as several multi-unit residential projects.

Most of the weakness in the provincial labour market over the past twelve months has been in the **Saint John-St. Stephen** economic region. There were 3,800 fewer people employed in July than there was the same month a year earlier. The nearly identical decline in the size of the labour force could suggest that many of these people have left the labour force altogether. Otherwise, the unemployment rate remained essentially unchanged.

Labour market conditions arguably strengthened the most in the **Fredericton-Oromocto** economic region over the past year, which is encouraging following a relatively lackluster year for much of 2017. Compared to July of last year, the level of employment grew by 3,700. The improved labour market prospects do not appear to have encouraged workers to re-enter the labour force, however, as even fewer people were searching for work. The

unemployment rate actually rose by 0.7 of a percentage point to 6.4%. The city of Fredericton is home to several large employers, including many provincial and federal government departments and two major universities. Meanwhile, new investment has also supported the local job market, including the \$17.6 million Kingswood Cambria Suites hotel and water park development near Fredericton. The region boasts the healthiest labour market in the province.

Labour market conditions have deteriorated over the past year in the **Edmundston-Woodstock** economic region. Admittedly, the unemployment rate fell by 1.7 percentage points to a province-low of 5.6%, and employment did not decline (or rise). The details behind the lower unemployment rate reveal a sharp drop off in the number of active participants in the labour force. This region is probably most susceptible to the softwood lumber and now newsprint dispute between Canada and the United States. 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		
	July 2018 ('000)	July 2017 ('000)	Yearly Variation (%)	July 2018 (%)	July 2017 (%)	Yearly Variation (% points)
New Brunswick	365.0	363.0	0.6	7.1	7.2	-0.1
Economic Regions						
Campbellton-Miramichi	66.8	66.7	0.1	10.3	10.6	-0.3
Moncton-Richibucto	109.0	107.1	1.8	6.4	6.1	0.3
Saint John-St. Stephen	82.1	85.9	-4.4	6.8	6.8	0.0
Fredericton-Oromocto	70.1	66.4	5.6	6.4	5.7	0.7
Edmundston-Woodstock	37.0	37.0	0.0	5.6	7.3	-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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