



Labour Market Bulletin

Newfoundland and Labrador

September 2017



This Labour Market Bulletin is a report providing an analysis of Labour Force Survey results for the province of Newfoundland and Labrador, including the regions of Avalon Peninsula, West Coast—Northern Peninsula—Labrador, Notre Dame—Central Bonavista Bay and South Coast—Burin Peninsula.

OVERVIEW

Between the second and third quarter of 2017 the unemployment rate rose to 15.2%, the highest provincial rate since the first quarter of 2010. The trend has been generally upward since the end of 2013. There was a decline in the level of employment and a subsequent rise in unemployment but a reduction in the labour force softened the increase in the unemployment rate. Three of every four net lost jobs during this period were full-time.

Newfoundland and Labrador Quarterly Labour Force Statistics

| Seasonally Adjusted Quarterly Data | 3rd Quarter 2017 | 2nd Quarter 2017 | 3rd Quarter 2016 | Quarterly Variation | | Yearly Variation | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|------|------------------|-------|
| | | | | Number | % | Number | % |
| Population 15 + ('000) | 445.7 | 445.8 | 444.7 | -0.1 | 0.0 | 1.0 | 0.2 |
| Labour Force ('000) | 259.5 | 264.3 | 268.5 | -4.8 | -1.8 | -9.0 | -3.4 |
| Employment ('000) | 220.1 | 225.8 | 233.5 | -5.7 | -2.5 | -13.4 | -5.7 |
| Full-Time ('000) | 188.9 | 193.2 | 195.4 | -4.3 | -2.2 | -6.5 | -3.3 |
| Part-Time ('000) | 31.2 | 32.6 | 38.2 | -1.4 | -4.3 | -7.0 | -18.3 |
| Unemployment ('000) | 39.4 | 38.5 | 35.0 | 0.9 | 2.3 | 4.4 | 12.6 |
| Unemployment Rate (%) | 15.2 | 14.6 | 13.0 | 0.6 | - | 2.2 | - |
| Participation Rate (%) | 58.2 | 59.3 | 60.4 | -1.1 | - | -2.2 | - |
| Employment Rate (%) | 49.4 | 50.6 | 52.5 | -1.2 | - | -3.1 | - |

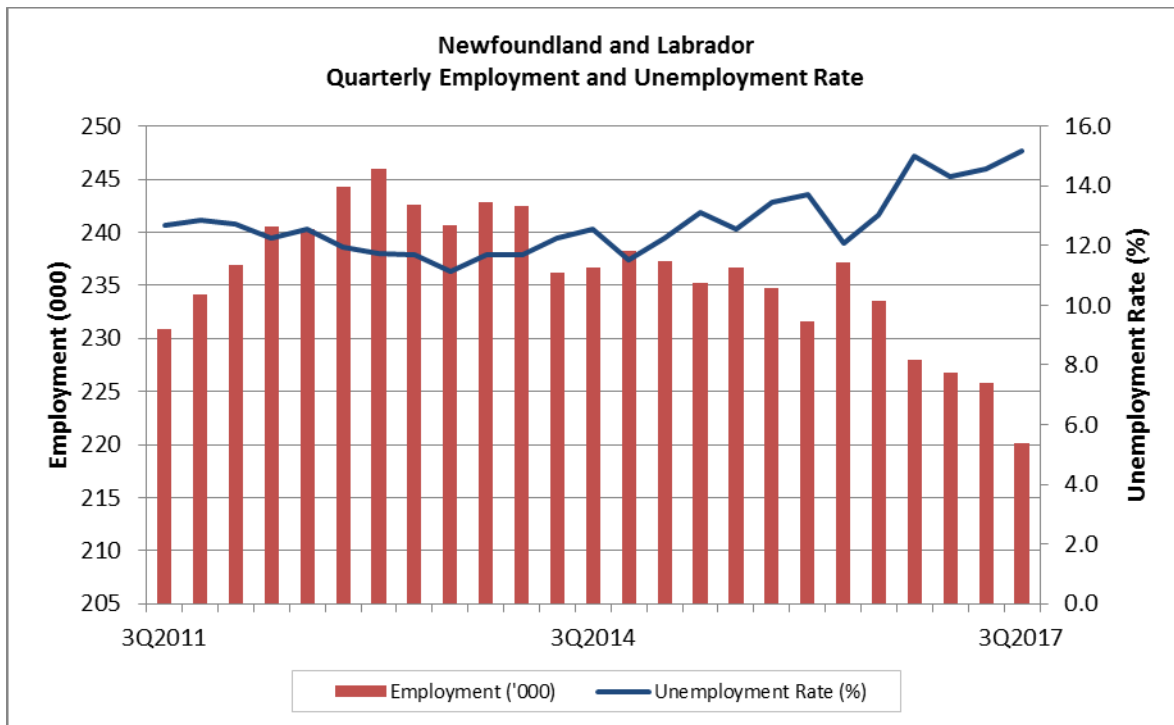
Note: Totals may not add due to rounding

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

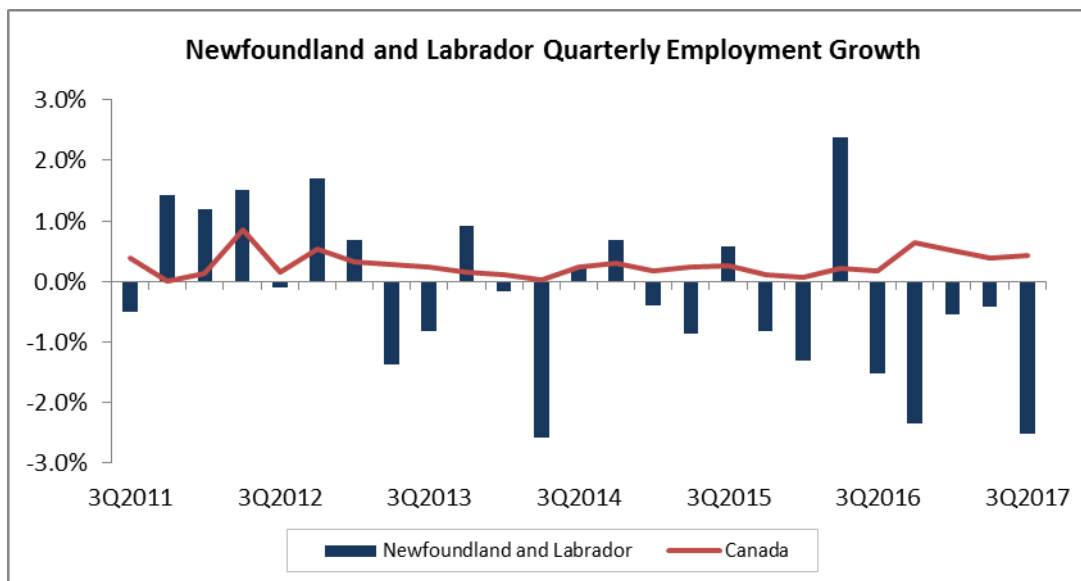
Despite some small increases in individual quarters, the employment level for the province has been clearly trending downward since the first quarter of 2013. The labour force remained relatively stable in 2014 and 2015, but started to trend downwards since the beginning of 2016. Every major industry group with the exception of **Wholesale & Retail Trade; Professional Scientific and Technical Services; and Business, Building & Other Support Services**, all had average quarterly employment declines.

Since reaching a minimum (11.1%) in the third quarter of 2013, the unemployment rate has trended upward reaching 15.2% by the third quarter of 2017, nearly matching the rate at the beginning of 2010. Since the start of 2013, employment in Newfoundland and Labrador has decreased by nearly 26,000 workers. Net full-time

employment reductions have accounted for over 21,000 of the total loss. Unemployment fell by less than 7,000 principally because over 19,000 people left the labour force.



Since the beginning of 2013 Newfoundland and Labrador has had an average quarterly employment decline of 0.6% as compared to slight growth for the country as a whole. The decline in Newfoundland and Labrador was the largest decline in Atlantic Canada for this period. Employment has dropped in thirteen of the last



eighteen quarters in Newfoundland and Labrador. Employment in Canada as a whole has experienced at least some growth in every quarter since the beginning of 2013.

The unemployment rate for those 25 and over has increased since the third quarter of 2016. Over the same period the decline in employment for this group (11,700) was mostly in part-time employment and the labour force also showed a decline during this period.

The vast majority of the net employment loss for those 25 years and older in Newfoundland and Labrador between the third quarter of 2016 and the third quarter of 2017 was for males (76%). Males lost mostly full-time employment but also had a drop in part-time employment. Females, 25 years and older, experienced increased full-time employment that was more than offset by a decrease in part-time employment. Females had slightly larger employment levels by the third quarter of 2017 and significantly lower unemployment rates, 10.9% as compared to 18.6% for their male counterparts. Females, however, still have more part-time employment than males.

Newfoundland and Labrador 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 (%) | | |
| Total | 15.2 | 14.6 | 13.0 | 0.6 | 2.1 |
| 25 years and over | 14.9 | 14.3 | 12.5 | 0.6 | 2.5 |
| Men - 25 years and over | 18.6 | 18.1 | 15.2 | 0.5 | 3.4 |
| Women - 25 years and over | 10.9 | 10.3 | 9.3 | 0.7 | 1.6 |
| 15 to 24 years | 17.0 | 16.1 | 16.9 | 0.9 | 0.1 |
| Men - 15 to 24 years | 20.9 | 20.2 | 20.0 | 0.7 | 0.9 |
| Women - 15 to 24 years | 13.2 | 11.1 | 13.7 | 2.1 | -0.4 |

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

In Newfoundland and Labrador, between the third quarter of 2016 and the third quarter of 2017, youth employment (15 to 24 years old) fell by 1,800 but the labour force declined by an even larger amount. Full-time employment decreased but was offset by a small increase in part-time employment. Lower labour force levels kept the increase in the unemployment rate to a very small 0.1 percentage points (17%).

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

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

In the third quarter of 2017, the **Goods-producing sector** lost 300 jobs compared to the previous quarter. This was only a small portion of the overall net employment loss during this period. Employment in the **Forestry, fishing, mining, oil & gas** industry and the **Construction** industry lost a thousand jobs but these losses were partially offset by employment increases in the **Utilities** and **Manufacturing** industries. **Agriculture** and **Utilities** were the only industry in the **Goods-producing sector** which had positive average quarterly growth since the beginning of 2016.

Newfoundland and Labrador 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 | % |
| Total employed, all industries | 220.1 | 225.8 | 233.5 | -5.7 | -2.5 | -13.4 | -5.8 |
| Goods-producing sector | 46.3 | 46.6 | 50.7 | -0.3 | -0.6 | -4.4 | -8.6 |
| Agriculture | 1.7 | 1.8 | 1.7 | -0.1 | -5.6 | 0.0 | 2.0 |
| Forestry, fishing, mining, quarrying, oil and gas | 12.0 | 12.8 | 14.1 | -0.7 | -5.7 | -2.1 | -14.7 |
| Utilities | 3.0 | 2.6 | 3.1 | 0.4 | 16.7 | -0.1 | -3.2 |
| Construction | 20.6 | 20.8 | 22.4 | -0.2 | -1.0 | -1.8 | -8.0 |
| Manufacturing | 9.0 | 8.7 | 9.4 | 0.3 | 3.8 | -0.3 | -3.6 |
| Services-producing sector | 173.8 | 179.2 | 182.9 | -5.4 | -3.0 | -9.1 | -5.0 |
| Trade | 40.6 | 41.8 | 43.9 | -1.1 | -2.7 | -3.3 | -7.4 |
| Transportation and warehousing | 11.3 | 10.9 | 9.8 | 0.4 | 4.0 | 1.5 | 15.7 |
| Finance, insurance, real estate and leasing | 5.8 | 6.3 | 7.7 | -0.4 | -6.9 | -1.8 | -23.9 |
| Professional, scientific and technical services | 9.5 | 10.2 | 10.2 | -0.6 | -6.2 | -0.7 | -6.8 |
| Business, building and other support services | 7.4 | 6.8 | 6.4 | 0.6 | 8.8 | 1.0 | 16.2 |
| Educational services | 15.5 | 14.7 | 14.1 | 0.8 | 5.4 | 1.4 | 9.7 |
| Health care and social assistance | 38.6 | 40.9 | 39.5 | -2.3 | -5.6 | -0.9 | -2.4 |
| Information, culture and recreation | 5.9 | 6.3 | 7.0 | -0.5 | -7.4 | -1.1 | -16.2 |
| Accommodation and food services | 14.9 | 14.3 | 16.8 | 0.6 | 4.2 | -1.9 | -11.1 |
| Other services | 10.2 | 11.5 | 11.9 | -1.3 | -11.3 | -1.7 | -14.2 |
| Public administration | 14.0 | 15.5 | 15.6 | -1.6 | -10.1 | -1.7 | -10.7 |

Note: Totals may not add due to rounding

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

The bulk of employment loss between the second and third quarters of 2017 in Newfoundland and Labrador was in the **Services-producing sector** (5,400). By far, the largest employment loss within this sector was in the **Health Care & Social Services** industry. Employment in this industry has been increasing and reached near record levels (40,900) by the second quarter of 2017 but fell sharply by the third quarter. However, the drop in **Health Care & Social Services** employment is not exceptionally low, having remained above the average employment level for the industry since the start of 2010. The **Public Administration**, **Other Services**, and **Wholesale & Retail Trade** industries also had employment losses in excess of 1,000 during this period. **Public Administration** was stable but experienced a sharp drop from the last quarter. **Other Services** fell in two consecutive quarters after reaching a high point at the start of 2017. **Wholesale and Retail Trade** employment has been falling since the summer of 2016. No one industry in the Service-producing sector experienced employment gains at or above 1,000.

REGIONAL ANALYSIS

The unemployment rate on the **Avalon Peninsula** increased by 1.1 percentage points to 11% between the third quarter of 2016 and the third quarter of 2017. Prior to this time, the unemployment rate had remained below 11% since the first half of 2010. There was a large decline in the labour force over the past year due to a decline of 13,100 in employment and a rise of only 300 in the level of unemployment. The share of employment decline was only slightly larger for full-time employment when compared to part-time employment. The largest employment decline was in the **Services-producing sector** which fell by 10,100 while the **Goods-producing sector** only had a 3,000 drop in employment. More than half of the total employment decline in the Services-producing sector came from the **Wholesale and Retail Trade** industry, while the remainder of the industries in the sector experienced mostly small changes. General declines in employment have likely limited the amount of spending by households, leading to the decline in employment in the trade industry. The Avalon Peninsula was the only economic region in the province where **Health Care and Social Assistance** employment rose from the third quarter of 2016. Employment in all of the industries in the Goods-producing sector fell or remained stable except for a small increase in **Manufacturing** employment in the region.

The **South Coast – Burin Peninsula and Notre Dame – Central Bonavista Bay** economic region experienced a 5.2 percentage point increase in the unemployment rate (18.4%) between the third quarters of 2016 and 2017. However, the third quarter 2016 unemployment rate (13.2%) was exceptionally low for a region which regularly has unemployment rates above 20%. Employment, mostly full-time, fell by nearly 3,000, while unemployment increased by an even greater amount leading to an increase in both the labour force and the unemployment rate. There was a slightly larger decline in employment in the **Goods-producing sector** when compared with the decline in the **Services-producing sector**. **Forestry, fishing, mining, oil & gas** and **Manufacturing** had the largest employment declines in the Goods sector, while **Construction** and **Agriculture** experienced very minor increases in their employment levels. **Health Care & Social Assistance** and **Accommodations & Food Services** had the largest employment declines for the Services sector. **Wholesale and Retail Trade** and **Transportation & Warehousing** had the largest employment increases but not enough to offset the overall employment loss.

Newfoundland and Labrador Quarterly Labour Force Statistics, by Economic Region

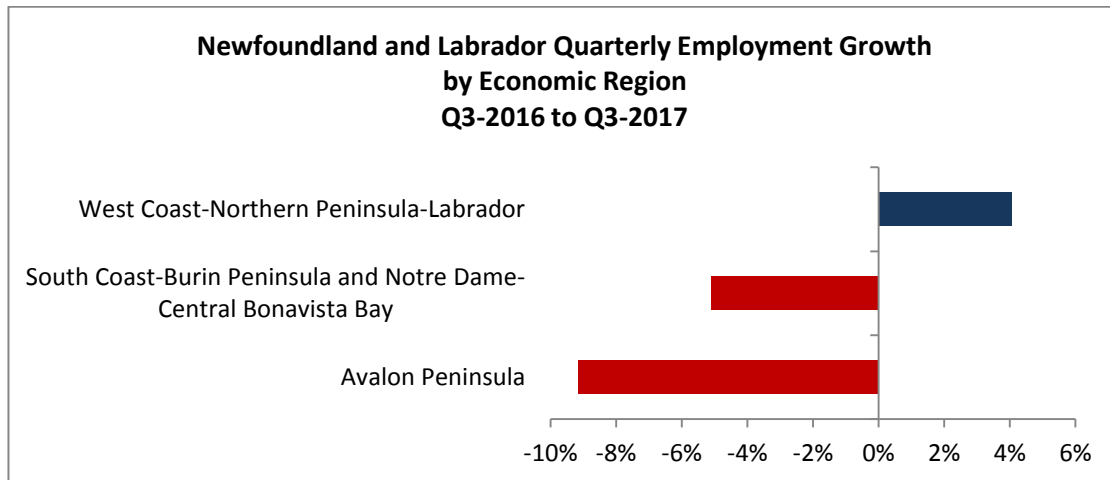
| 3-Month Moving Averages Seasonally Unadjusted Data | Employment | | | Unemployment Rate | | |
|---------------------------------------------------------------------|-------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|-----------------------------------|
| | 3rd Quarter 2017 ('000) | 3rd Quarter 2016 ('000) | Yearly Variation (%) | 3rd Quarter 2017 (%) | 3rd Quarter 2016 (%) | Yearly Variation (% points) |
| Newfoundland and Labrador | 229.8 | 244.1 | -5.9 | 13.5 | 11.5 | 2.0 |
| Economic Regions | | | | | | |
| Avalon Peninsula | 130.1 | 143.2 | -9.1 | 11.0 | 9.9 | 1.1 |
| South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay | 53.8 | 56.7 | -5.1 | 18.4 | 13.2 | 5.2 |
| West Coast-Northern Peninsula-Labrador | 46.0 | 44.2 | 4.1 | 14.2 | 14.2 | 0.0 |

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

The unemployment rate has demonstrated a tendency to vary significantly in the **West Coast – Northern Peninsula – Labrador** economic region. In four of the last seven quarters (since the beginning of 2016) the unemployment rate was below 15% but twice it was above 20%. The change between the third quarter of 2016 and 2017 hides this volatility. The unemployment rate remained unchanged between these two periods. The labour force increased during this period as a result of an increase in employment along with a slight increase in unemployment. However, the small increase in the number of unemployed was not enough to change the rate of unemployment. The employment gain was all in full-time employment but a part-time employment decrease

lowered the overall employment gain. The employment gain was mostly in the **Services-producing sector** with a small contribution from the **Goods-producing sector**. Service sector gains were mostly in the **Education and Transportation & Warehousing** industries.



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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