



Labour Market Bulletin

New Brunswick

May 2019



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 release of the Labour Force Survey for May reveals the third consecutive large monthly swing in employment. After falling by close to 4,000 a month earlier, employment rebounded by around 3,000. Once we look past the normal volatility, we notice that employment is now up noticeably from the start of the year and within touching distance of the record high around the time of the 2008-2009 Great Recession. One of the more encouraging aspects of the job gains in May is that they were exclusively in full-time work (+5,700). After trending downwards for close to a decade the participation rate has remained essentially flat for a little over two years. Last month was no exception

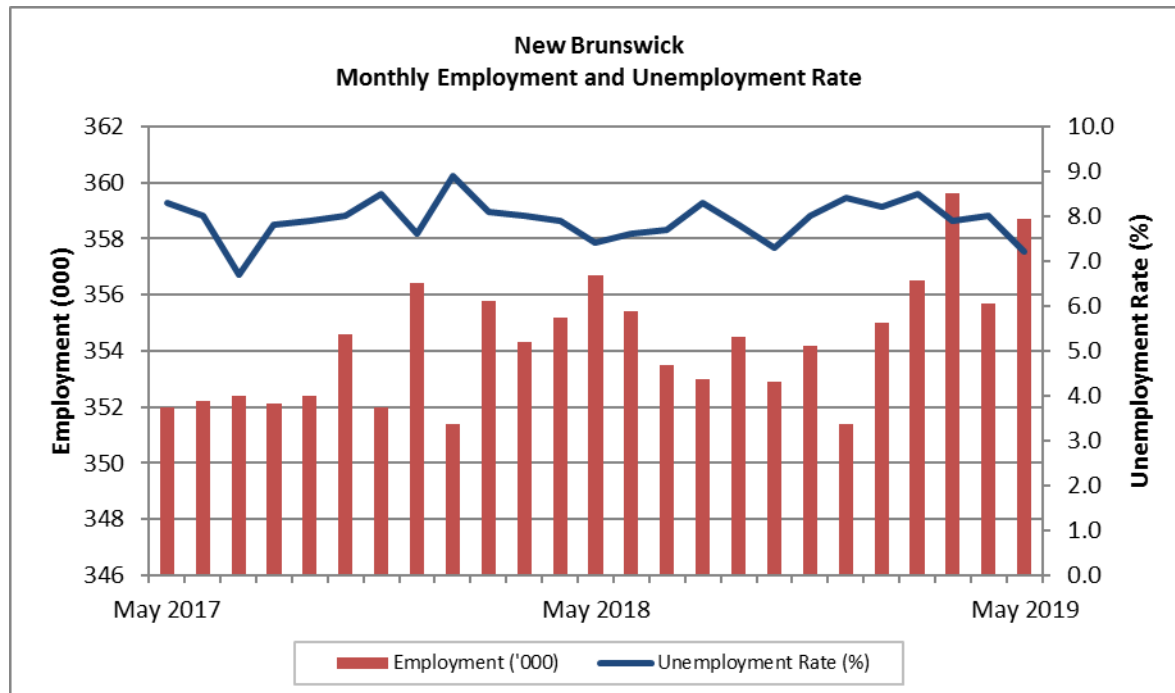
New Brunswick Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2019	Apr 2019	May 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	630.3	629.9	627.2	0.4	0.1	3.1	0.5
Labour Force ('000)	386.6	386.6	385.3	0.0	0.0	1.3	0.3
Employment ('000)	358.7	355.7	356.7	3.0	0.8	2.0	0.6
Full-Time ('000)	304.3	298.6	306.7	5.7	1.9	-2.4	-0.8
Part-Time ('000)	54.4	57.1	49.9	-2.7	-4.7	4.5	9.0
Unemployment ('000)	27.9	30.9	28.6	-3.0	-9.7	-0.7	-2.4
Unemployment Rate (%)	7.2	8.0	7.4	-0.8	-	-0.2	-
Participation Rate (%)	61.3	61.4	61.4	-0.1	-	-0.1	-
Employment Rate (%)	56.9	56.5	56.9	0.4	-	0.0	-

Note: Totals may not add due to rounding

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

Since the labour force was unchanged in May, there were 3,000 fewer unemployed New Brunswickers last month than there was in April, another indication that labour market conditions have strengthened. At 7.2% in May, the unemployment rate is close to a two-year low.



On a month-over-month basis, job gains were strongest among the older cohort (aged 55 and over), which registered an increase in employment of 1,800, surpassing the 1,200 increase among the core (25 to 54 years) working age cohort. Employment was unchanged among youth (15 to 24 years).

On a year-over-year basis, the strengthening of labour market conditions was mostly limited to older workers, who account for less than a quarter of the employed population. The 3,100 rise in employment among seniors was entirely due to a rise in part-time work; full-time employment actually fell by close to a thousand in May from a year earlier. Otherwise, employment fell modestly for both youth and core aged groups since May of last year.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2019	Apr 2019	May 2018	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	7.2	8.0	7.4	-0.8	-0.2
25 years and over	6.6	7.4	6.9	-0.8	-0.3
Men - 25 years and over	7.8	8.5	7.8	-0.7	0.0
Women - 25 years and over	5.3	6.2	6.0	-0.9	-0.7
15 to 24 years	10.9	11.7	10.6	-0.8	0.3
Men - 15 to 24 years	16.7	14.1	13.9	2.6	2.8
Women - 15 to 24 years	4.1	9.0	6.9	-4.9	-2.8

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

The story surrounding the provincial labour market is not much different when viewed on a year-to-date basis. The average level of employment among core aged workers between January and May is down slightly from the same period in 2018, reflecting a 1,200 drop in full-time work. Youth employment, by comparison, is up slightly compared to the first five months of last year, reflecting gains in part-time work. The youth unemployment rate edged up modestly over the past year to 10.9% in May as fewer younger workers were searching for work. While the youth jobless rate might seem somewhat elevated compared to other age groups, it is relatively low by past

standards. Additionally, youth employment continues to gradually regain the losses that occurred around the time of the Great Recession.

EMPLOYMENT BY INDUSTRY

The 3,000 increase in employment during the month of May received similar contributions from both the goods and services providing sectors. The majority of the 1,600 job gains in the **goods-producing sector** between April and May were in **forestry, fishing, mining, quarrying, oil and gas**. Otherwise, small contributions came from **utilities, construction** and **manufacturing**. The 1,400 job gains in the services-producing sector was almost entirely driven from **professional, scientific and technical services**, where employment grew by 2,300. A similar increase occurred five years ago in May of 2014 but was subsequently erased over the following twelve months to the point where the level of employment in May of 2015 was unchanged from a year earlier. It will be interesting to see if this is just unexplained variability within the labour force survey sample and the figure gets back to normal, or if it reflects real expansion in the sector.

On a year-to-date basis, that is, when we compare the first five months of this year to the first five months of 2018, we see that most of the 2,400 rise in employment was driven by job gains in the **services-producing sector**. This has been part of a broader trend that began around the middle of 2011, where employment in the services sector grew by around 11,500. While still encouraging, that pace of growth was nevertheless only a little over a third of that seen during a similar eight-year period between early 2000 and early 2008, where job gains totalled over thirty thousand.

Looking at the components, we observe that year-to-date job gains in the **services-producing sector** were particularly strong in **information, culture and recreation** (+2,200), **public administration** (+1,900) and **transportation and warehousing** (+1,000). Since reaching a record low of 9,500 close to two years earlier, the level of employment in information, culture and recreation rebounded to an all-time high in April of 2019 and averaging an encouraging 13,000 between January and May. Employment in public administration has begun to retreat somewhat in the last two months after an unsustainable 18-percent surge in employment in the first three quarters of last year.

After being the largest source of employment gains in recent years, the **health care and social assistance** industry contributed very little job gains to the labour market thus far in the year. In fact, the average level of employment through the January to May period is actually down slightly from the same five-month period in 2018. It would seem unlikely that the sudden halt in job growth in the industry is reflecting reduced demand for health care workers given the growing need for services. A plausible explanation for perhaps part of the weaker pace of job growth could be related to what appears to be difficulties in finding workers in some parts of the province. The rapid increase in the job vacancy rate in health care services over the past year seems to suggest that it could be a factor.

There has been little change in labour market conditions overall in the **goods-producing sector** thus far in 2019. On average, between January and May of this year, the level of employment in the goods-related sector is essentially unchanged from the same period in 2018. Additionally, with the exception of two industries, employment was also unchanged in the remaining others. The one encouraging development within the sector is the year-to-date job gain of 1,200 in **forestry, fishing, mining, quarrying and oil and gas**, which was basically offset by an 1,100 reduction in **manufacturing** employment.

New Brunswick Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	May 2019	Apr 2019	May 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	358.7	355.7	356.7	3.0	0.8	2.0	0.6
Goods-producing sector	75.6	74.0	74.1	1.6	2.2	1.5	2.0
Agriculture	5.3	5.3	6.7	0.0	0.0	-1.4	-20.9
Forestry, fishing, mining, quarrying, oil and gas	10.7	9.7	9.5	1.0	10.3	1.2	12.6
Utilities	3.2	3.0	2.9	0.2	6.7	0.3	10.3
Construction	25.6	25.3	24.2	0.3	1.2	1.4	5.8
Manufacturing	30.8	30.6	30.8	0.2	0.7	0.0	0.0
Services-producing sector	283.1	281.7	282.5	1.4	0.5	0.6	0.2
Trade	53.7	53.1	53.3	0.6	1.1	0.4	0.8
Transportation and warehousing	17.8	18.7	17.7	-0.9	-4.8	0.1	0.6
Finance, insurance, real estate and leasing	16.3	16.0	16.8	0.3	1.9	-0.5	-3.0
Professional, scientific and technical services	18.4	16.1	16.7	2.3	14.3	1.7	10.2
Business, building and other support services	16.8	16.5	17.3	0.3	1.8	-0.5	-2.9
Educational services	26.5	25.9	26.5	0.6	2.3	0.0	0.0
Health care and social assistance	60.1	60.6	59.6	-0.5	-0.8	0.5	0.8
Information, culture and recreation	12.7	13.3	12.1	-0.6	-4.5	0.6	5.0
Accommodation and food services	21.7	22.5	23.5	-0.8	-3.6	-1.8	-7.7
Other services	14.4	14.3	14.6	0.1	0.7	-0.2	-1.4
Public administration	24.7	24.8	24.4	-0.1	-0.4	0.3	1.2

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

While the 3,000 rise in employment across the province as a whole is encouraging, the regional details paint a picture that is not quite as flattering. It was more a story of two extremes. Assessed purely on the metric of job gains/losses, labour markets deteriorated in three of the five Economic Regions (ER) over the past full year. Altogether, the job losses in these three regions amounted to 8,200 positions, roughly half of which were in the Campbellton-Miramichi ER. The good news, however, is that labour market conditions have strengthened considerably elsewhere in the province. Job gains were especially pronounced in Saint John-St. Stephen, enough to perfectly offset the 8,200 decline in the three aforementioned regions. Though not quite to the same degree, employment still grew by a respectable 3,000 in the Moncton-Richibucto ER, effectively matching the provincial gain.

Labour market conditions in the **Campbellton-Miramichi ER** deteriorated noticeably in the twelve-month period leading up to May of this year, as revealed by a 4,400 decline in employment during the time span. The overall pulse of the labour market in this economic region underperforms the others across the province by a fairly large margin. Indeed, the unemployment rate grew by almost a full percentage point to settle at 13.4% in May, easily the highest in the province. The latter would have risen even further if not for a reduction in the labour force.

Moncton-Richibucto has been one of two economic regions to register job gains since May of last year. Despite the 3,000 jump in employment, the unemployment rate remained essentially the same as more workers joined the labour force. The unemployment rate edged down slightly and remains in line with the provincial average.

Labour market conditions have returned to normal in the **Saint John-St. Stephen ER** during the past year. Following a considerable decline during the year prior, employment rebounded by 10,600 since May of 2018. The unemployment rate, meanwhile, fell from 7.1% in May of last year to 6.5% in the same month this year, making it the lowest among all economic regions in the province. Given the magnitude of the job gains, the unemployment

rate could have fallen even lower, if not for the comparable surge in the labour force. The latter was driven by a strong rebound in the participation rate.

A 2,500 decline in employment in the **Fredericton-Oromocto ER** helped contribute to a modest increase in the unemployment rate from 7.4% in May of 2018 to 7.6% in the same month of this year. Despite the job losses, labour market conditions remain relatively healthy in Fredericton and the number of people currently employed is very much in line with its longer-term figure.

The labour market in the **Edmundston-Woodstock** economic region has lost 1,300 jobs over the past year. The number of workers who left the labour force, however, diminished further, lowering the unemployment rate to a still-respectable 8.3% in May. The participation rate shrank considerably through the same period and remains well below its historical average. With the working age population also in decline, the labour force is shrinking at a particularly fast pace in this part of the province. According to the 2016 Census, the median age in this economic region is among the highest in the province.

New Brunswick Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2019 ('000)	May 2018 ('000)	Yearly Variation (%)	May 2019 (%)	May 2018 (%)	Yearly Variation (% points)
New Brunswick	352.7	349.7	0.9	8.6	8.6	0.0
Economic Regions						
Campbellton-Miramichi	58.8	63.2	-7.0	13.4	12.6	0.8
Moncton-Richibucto	108.9	105.9	2.8	8.1	8.2	-0.1
Saint John-St. Stephen	85.2	77.0	10.6	6.5	7.1	-0.6
Fredericton-Oromocto	65.4	67.9	-3.7	7.6	7.4	0.2
Edmundston-Woodstock	34.4	35.7	-3.6	8.3	8.5	-0.2

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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