



Labour Market Bulletin

New Brunswick

August 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

While the 2,300 increase in employment in August reversed only less than half the 4,800 decline a month earlier, it was driven by a healthy 4,700 gain in full-time work. Meanwhile, employment is up by 4,300 compared to August of last year, once again due to a noticeable gain in full-time work. On a year-to-date basis, the average level of employment through the first eight months of the year is still a respectable 2,800 higher than it was during the same January-August period in 2018.

New Brunswick Monthly Labour Force Statistics

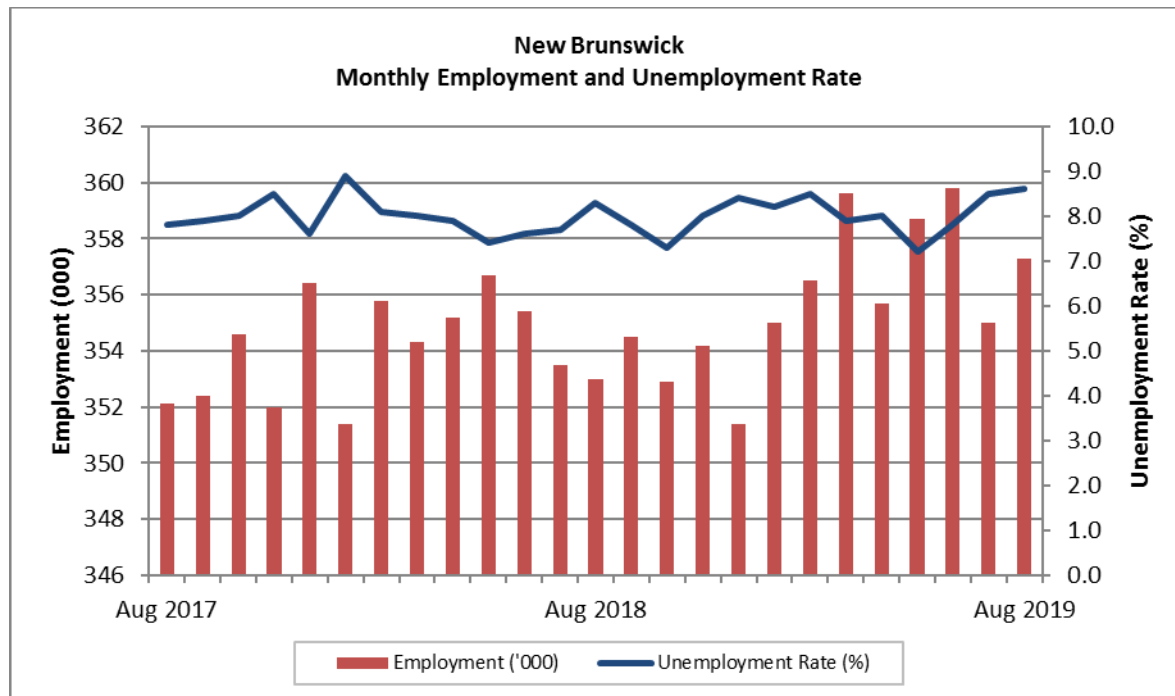
Seasonally Adjusted Monthly Data	Aug 2019	July 2019	Aug 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	632.4	631.7	627.8	0.7	0.1	4.6	0.7
Labour Force ('000)	390.9	388.1	385.0	2.8	0.7	5.9	1.5
Employment ('000)	357.3	355.0	353.0	2.3	0.6	4.3	1.2
Full-Time ('000)	303.8	299.1	300.1	4.7	1.6	3.7	1.2
Part-Time ('000)	53.5	55.9	52.9	-2.4	-4.3	0.6	1.1
Unemployment ('000)	33.6	33.1	32.0	0.5	1.5	1.6	5.0
Unemployment Rate (%)	8.6	8.5	8.3	0.1	-	0.3	-
Participation Rate (%)	61.8	61.4	61.3	0.4	-	0.5	-
Employment Rate (%)	56.5	56.2	56.2	0.3	-	0.3	-

Note: Totals may not add due to rounding

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

Despite the overall job gains last month, an accompanying influx of job seekers into the labour force has prevented the unemployment rate from experiencing any sort of decline whatsoever. As it turns out, the unemployment rate has actually risen modestly in recent months despite some unusually strong job gains. More generally, the unemployment rate has fluctuated around a fairly narrow range of between 8.0% and 9.0% for the past two years

as changes in employment have tracked relatively closely with movements in the labour force. For some added context, the unemployment rate is down noticeably from its 10% to 11% range between 2012 and 2015.



The labour force has been trending upwards for the most part this year. However, this had little to do with encouraged workers re-entering the labour force to search for work. The 5,900 additional labour force participants since August of last year was driven primarily by a 4,600 increase in the working age population. The participation rate, which rose by half a percentage point to 61.8%, remains relatively low by past standards.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Aug 2019	July 2019	Aug 2018	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	8.6	8.5	8.3	0.1	0.3
25 years and over	7.7	7.6	7.4	0.1	0.3
Men - 25 years and over	9.1	9.1	8.6	0.0	0.5
Women - 25 years and over	6.2	6.1	6.2	0.1	0.0
15 to 24 years	14.1	14.1	14.0	0.0	0.1
Men - 15 to 24 years	17.0	18.2	16.4	-1.2	0.6
Women - 15 to 24 years	10.9	9.5	11.4	1.4	-0.5

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

Labour market conditions strengthen for youth workers in August

Job gains were concentrated almost entirely among the core (aged 25 to 54 years) group in August, where employment grew by 3,400. While the strongest job gains registered compared to August of last year were among older workers (+2,300), youth workers (aged 15 to 24) were not far behind, registering a 1,900 increase and keeping the unemployment rate essentially flat at 14.1%.

- On a year-to-date basis, job gains are also the strongest among those in the older aged cohort. Through the first eight months of the year, the average level of employment among older workers is up by around 2,800 compared to the same period in 2018.
- Job gains for youth, however, have been minimal during the same period. For those in the core age group, the average level of employment between January and August is down slightly compared to the same period in 2018.

EMPLOYMENT BY INDUSTRY

While labour market conditions showed the most improvement in the services-producing sector in August, the goods-producing sector has been the lone job creator of job gains over the past twelve months. Since August of last year, employment in goods-related industries has grown by 4,300, matching the increase for the economy as a whole.

The 1,500 month-over-month increase in employment across the **services-producing sector** was led primarily by gains in **information, culture and recreation** (+1,100), although increases were also registered in **finance, insurance, real estate and leasing** along with **accommodation and food services**, both of which registered job gains of 500 between July and August. These were offset in part by declines in **health care and social assistance** and **trade**, which lost 900 and 700 jobs respectively.

- The monthly decline in **health care and social assistance** brings the year-over-year job gains in the industry to zero, which is notable given that the industry has been the primary source of job growth in recent years. The rapid slowdown in the pace of employment growth in the industry has been unique in the sense that demand for health care services in the province has shown no signs of slowing. One possible explanation for the gradual reversal in job creation could relate to skills shortages for some key occupations within the industry, including paramedics and registered and licensed practical nurses, particularly in the northern regions of the province.
- **Trade** employment has shrunk by 1,500 over the past twelve months, which could be one of the casualties of the increased uncertainty around foreign trade policy during the same period. More recently, trade relations between the U.S. and China have deteriorated steadily. The manufacturing sector in the U.S., meanwhile, is currently in recession, which poses a challenge to many domestic exporters in the province. On the bright side, a NAFTA panel recently stated in a ruling they could not agree with the U.S. International Trade Commission that there was evidence Canadian softwood lumber imports were causing injury to U.S. producers of softwood lumber.

Modest job gains in the **goods-producing sector** in August, led by healthy contributions from the **construction** (+1,000) and **manufacturing** (+500) industries, helped bring the year-over-year increase to 4,300. Conversely, the level of employment in forestry, fishing, mining, quarrying, oil and gas fell by 400 in August, bringing the total increase over the past twelve months to essentially zero.

- The primary contributor to the annual increase in goods-producing employment was an impressive 3,200 increase in **construction** (+14.2%). The strong year-over-year increase, however, masks the slowdown in construction employment in recent months. Taking the average level of employment between January and August of this year and comparing it to the average for the same period in 2018, we find that employment in construction is up by a more modest 1,000. This is more in line with recent economic indicators on construction activity. In particular, the number of permits is down by close to 9.0% during

the first half of the year, which could suggest that there is little scope for significant job gains occurring soon in the industry.

New Brunswick Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Aug 2019	July 2019	Aug 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	357.3	355.0	353.0	2.3	0.6	4.3	1.2
Goods-producing sector	76.0	75.3	71.7	0.7	0.9	4.3	6.0
Agriculture	6.0	6.3	5.7	-0.3	-4.8	0.3	5.3
Forestry, fishing, mining, quarrying, oil and gas	10.1	10.5	10.0	-0.4	-3.8	0.1	1.0
Utilities	3.6	3.6	3.1	0.0	0.0	0.5	16.1
Construction	25.7	24.7	22.5	1.0	4.0	3.2	14.2
Manufacturing	30.7	30.2	30.4	0.5	1.7	0.3	1.0
Services-producing sector	281.3	279.8	281.2	1.5	0.5	0.1	0.0
Trade	51.2	51.9	52.7	-0.7	-1.3	-1.5	-2.8
Transportation and warehousing	17.8	17.4	18.6	0.4	2.3	-0.8	-4.3
Finance, insurance, real estate and leasing	17.4	16.9	17.6	0.5	3.0	-0.2	-1.1
Professional, scientific and technical services	17.9	18.0	16.2	-0.1	-0.6	1.7	10.5
Business, building and other support services	15.5	15.4	15.9	0.1	0.6	-0.4	-2.5
Educational services	27.2	27.0	25.5	0.2	0.7	1.7	6.7
Health care and social assistance	60.7	61.6	60.7	-0.9	-1.5	0.0	0.0
Information, culture and recreation	13.3	12.2	10.9	1.1	9.0	2.4	22.0
Accommodation and food services	21.9	21.4	24.1	0.5	2.3	-2.2	-9.1
Other services	13.4	13.5	14.2	-0.1	-0.7	-0.8	-5.6
Public administration	24.9	24.5	24.9	0.4	1.6	0.0	0.0

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Broken down by Economic region (ER), there are no significant changes between the July and August LFS releases. The story remains relatively the same – labour market conditions have deteriorated over the past year in the **Campbellton-Miramichi** and **Edmundston-Woodstock** ERs, but strengthened in the **Saint John-St. Stephen** ER. Otherwise, labour market conditions remained broadly unchanged but strong in **Fredericton-Oromocto**.

Labour market conditions continue to deteriorate in the **Campbellton-Miramichi** ER. Compared to a year earlier, the level of employment had fallen by 4,300 in August. (In July, the year-over-year decline was slightly more modest at 4,000, which suggests that conditions deteriorated even further in August specifically). The unemployment rate rose only modestly during the same period, however, since there were nearly as many persons leaving the labour force as there were workers losing their job. At 11.4%, the unemployment rate in the economic region is the highest in the province by a wide margin.

In **Moncton-Richibucto**, the increase in the unemployment rate to 6.9% in August from 6.4% a year earlier overshadows the relatively encouraging 2,400 rise in employment during the same period. It appears as though the recent job gains may have prompted workers to re-join the labour force and search for work; the labour force grew by 3,000 during the past twelve months. At 6.9%, the unemployment rate is below the provincial average and in line with all regions except Campbellton-Miramichi.

The 5,100 increase in employment in the **Saint John-St. Stephen** ER since August of last year is encouraging, even if down from the year-over-year increase of 5,400 that was reported during the release of the July figures a month earlier. Similar to most of the other regions, the healthy job gains over the past year have occurred alongside a similar rebound in the number of job seekers, which explains why the unemployment rate remained at 7.3% instead of falling.

There has been very little change to speak of regarding labour market conditions in the **Fredericton-Oromocto** ER during the past year. Both the unemployment rate and the level of employment were basically unchanged in August compared to twelve months earlier. That said, one could argue that labour market conditions in the region are the healthiest in the province. Indeed, at 6.5%, the unemployment rate is lowest among all the economic regions in New Brunswick.

Labour market conditions deteriorated modestly in the **Edmundston-Woodstock** ER over the past year. The level of employment fell by around 1,000, which is more noticeable when there are only a little over 36,000 employed workers in the entire economic region as a whole. The unemployment rate shot up drastically over the past year, rising an almost unthinkable two full percentage points since August of 2018 to 6.8% this past August. Unlike the rest of the province, the decline in employment was met with a considerably larger drop in the size of the labour force.

New Brunswick Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Aug 2019 ('000)	Aug 2018 ('000)	Yearly Variation (%)	Aug 2019 (%)	Aug 2018 (%)	Yearly Variation (% points)
New Brunswick	369.3	366.0	0.9	7.7	7.3	0.4
Economic Regions						
Campbellton-Miramichi	62.2	66.5	-6.5	11.4	11.1	0.3
Moncton-Richibucto	111.4	109.0	2.2	6.9	6.4	0.5
Saint John-St. Stephen	88.3	83.2	6.1	7.3	7.3	0.0
Fredericton-Oromocto	70.6	69.5	1.6	6.5	6.6	-0.1
Edmundston-Woodstock	36.8	37.8	-2.6	6.8	4.8	2.0

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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