



Labour Market Bulletin

British Columbia

July 2020



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of British Columbia (B.C.), including the regions of Northern B.C., Vancouver Island and Coast, Lower Mainland, Thompson–Okanagan and the Kootenays.

OVERVIEW

The province's labour market continues to recover from the impact of the novel coronavirus (COVID-19) outbreak as employment increased slightly (+70,200) in July. Between June and July of 2020, the gains in part-time employment (+48,500) outpaced that of full-time employment (+21,700).¹ After significant job losses earlier this year, employment growth was led by gains in the private sector (+72,700). In comparison, self-employment remained relatively unchanged (+600), and employment in the public sector declined slightly (-6,100).²

Looking forward, there is increasing risk to the economy as the number of COVID-19 cases continue to rise. Though most British Columbians continue to practice social distancing, the unemployment rate remains very high (11.1%).³

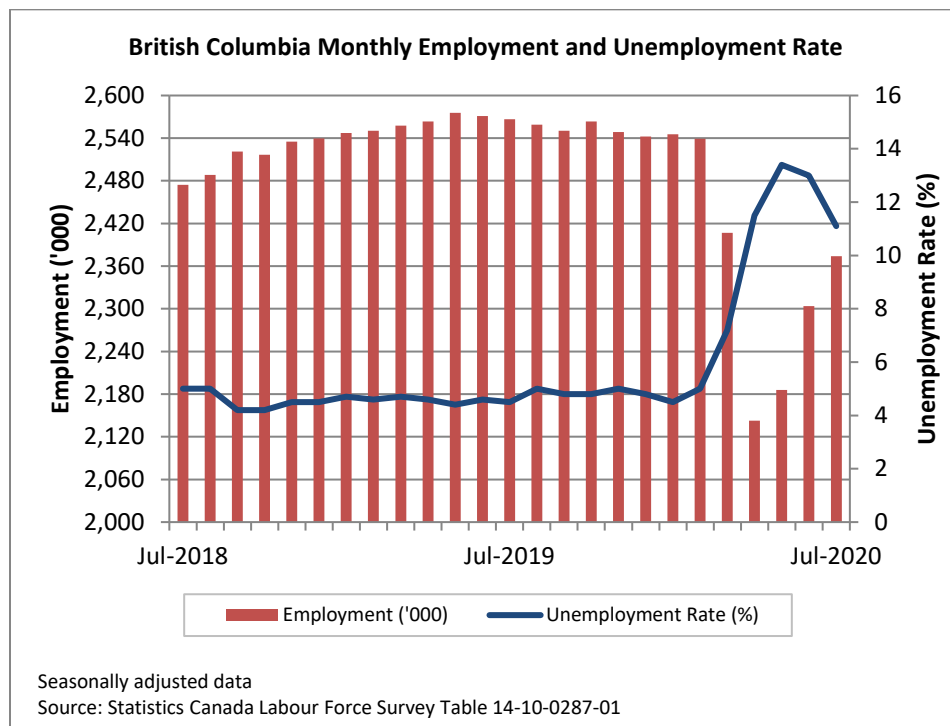
To limit the spread of COVID-19, the Government of Canada first implemented a 30-day restriction on all non-essential travel at the Canada-U.S. border on March 21.⁴ The two countries have since agreed several times to extend the closure of the borders, now until August 21.⁵ Though employment increased by roughly 70,000 in July,⁶ the outbreak and border closure continues to affect the provincial economy, particularly the tourism sector,^{7,8} as well as the retail industry.

British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2020	June 2020	July 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,175.6	4,169.0	4,100.6	6.6	0.2	75.0	1.8
Labour Force ('000)	2,669.5	2,649.5	2,686.5	20.0	0.8	-17.0	-0.6
Employment ('000)	2,374.2	2,304.0	2,566.4	70.2	3.0	-192.2	-7.5
Full-Time ('000)	1,835.9	1,814.2	1,998.6	21.7	1.2	-162.7	-8.1
Part-Time ('000)	538.3	489.8	567.8	48.5	9.9	-29.5	-5.2
Unemployment ('000)	295.3	345.5	120.1	-50.2	-14.5	175.2	145.9
Unemployment Rate (%)	11.1	13.0	4.5	-1.9	-	6.6	-
Participation Rate (%)	63.9	63.6	65.5	0.3	-	-1.6	-
Employment Rate (%)	56.9	55.3	62.6	1.6	-	-5.7	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087



The unemployment rate for B.C. youth (15 to 24 years) decreased by 5.0 percentage points in July, even as their unemployment rate remained elevated (24.1%).⁹ Meanwhile, among those aged 25 years and older, unemployment decreased substantially (by 33,400), albeit at a slightly slower pace to reach an unemployment rate of 8.8%.¹⁰

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2020 (%)	June 2020 (%)	July 2019 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	11.1	13.0	4.5	-1.9	6.6
25 years and over	8.8	10.3	3.7	-1.5	5.1
Men - 25 years and over	8.9	9.3	3.4	-0.4	5.5
Women - 25 years and over	8.7	11.4	3.9	-2.7	4.8
15 to 24 years	24.1	29.1	9.2	-5.0	14.9
Men - 15 to 24 years	22.0	32.3	10.3	-10.3	11.7
Women - 15 to 24 years	26.5	25.5	8.1	1.0	18.4

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

EMPLOYMENT BY INDUSTRY

The pandemic took a toll on the province's **goods** producing sector, as employment remains well below that of July of 2019, (-7.0 %) at 448,600. Though employment losses were predominantly in **construction** (-27,100) and **manufacturing** (-9,500), the industries are slowly recovering. In contrast, employment increased in **utilities** (+7,400)¹¹ as the recent economic shock has not adversely affected this industry.

As work continues on several major **construction** projects, including BC Hydro's Site C hydroelectric project, the provincial and federal governments are investing heavily into new infrastructure projects to help stimulate B.C.'s economy. Earlier this year, the provincial government identified the construction industry as a non-health essential service¹²; however, employment still declined sharply during the height of the pandemic. Though the challenges of more stringent safety standards remain, the industry is starting to recover as new and existing projects move forward.

Though employment in B.C.'s **services** sector showed signs of a slow recovery in July (+60,800), it remains well below than what it was a year ago due to the impact of the pandemic. Recovery across the services sector will take time, as each industry continues to face its own challenges. Year-over-year, employment losses were predominantly in **information, culture and recreation** (-36,400), **business, building and other support services** (-27,500), and **other services** (-26,600).¹³

The B.C. **tourism** sector employed thousands of people across the province.¹⁴ The global pandemic has since decimated the sector—air travel is sparse and cruise ships of more than 100 passengers are not allowed in Canadian waters until October 31, 2020.¹⁵ As a result, there is immense pressure on communities that rely on tourism activities. However, the sector is showing signs of improvement as British Columbians are planning staycations, and some hotels have now reopened with limited vacancy, along with new preventative guidelines and safety measures.¹⁶

Meanwhile, more employees in the **food service** industry are finding work, as provincial guidelines now allow restaurants to offer dine-in service with limited seating capacity.¹⁷ Even with fewer restrictions, the challenges for some restaurants were still too much, and more have since closed due to the financial burdens created by

the pandemic. With the recent spike in COVID-19 cases, the provincial health officer's order was amended to further reduce transmission.¹⁸

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	July 2020	June 2020	July 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,374.2	2,304.0	2,566.4	70.2	3.0	-192.2	-7.5
Goods-producing sector	448.6	439.2	482.3	9.4	2.1	-33.7	-7.0
Agriculture	24.5	26.3	25.3	-1.8	-6.8	-0.8	-3.2
Forestry, fishing, mining, quarrying, oil and gas	38.5	39.1	42.3	-0.6	-1.5	-3.8	-9.0
Utilities	18.8	19.3	11.4	-0.5	-2.6	7.4	64.9
Construction	211.6	206.6	238.7	5.0	2.4	-27.1	-11.4
Manufacturing	155.2	147.9	164.7	7.3	4.9	-9.5	-5.8
Services-producing sector	1,925.6	1,864.8	2,084.1	60.8	3.3	-158.5	-7.6
Trade	379.8	355.6	394.4	24.2	6.8	-14.6	-3.7
Transportation and warehousing	125.5	119.5	137.0	6.0	5.0	-11.5	-8.4
Finance, insurance, real estate and leasing	154.7	152.2	162.3	2.5	1.6	-7.6	-4.7
Professional, scientific and technical services	233.0	235.3	218.6	-2.3	-1.0	14.4	6.6
Business, building and other support services	85.6	84.5	113.1	1.1	1.3	-27.5	-24.3
Educational services	166.0	173.3	185.2	-7.3	-4.2	-19.2	-10.4
Health care and social assistance	301.4	303.8	315.6	-2.4	-0.8	-14.2	-4.5
Information, culture and recreation	99.0	90.0	135.4	9.0	10.0	-36.4	-26.9
Accommodation and food services	174.3	150.2	186.3	24.1	16.0	-12.0	-6.4
Other services	94.1	88.8	120.7	5.3	6.0	-26.6	-22.0
Public administration	112.2	111.7	115.5	0.5	0.4	-3.3	-2.9

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355, formerly CANSIM 282-0088

REGIONAL ANALYSIS

The impact of the Covid-19 pandemic is widespread, as all the regions experienced significant job losses compared to July 2019. Despite a portion of the workforce able to either work from home, or on the job under tougher health and safety measures, the regions remain under immense pressure as key industries suffered from closures and layoffs.¹⁹ Yet at this time, the regions are showing signs of an economic recovery with the provincial government continuing under Phase 3 of its reopening plan.²⁰

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	July 2020 ('000)	July 2019 ('000)	Yearly Variation (%)	July 2020 (%)	July 2019 (%)	Yearly Variation (% points)
British Columbia	2,314.0	2,599.4	-11.0	12.1	4.3	7.8
Economic Regions						
Vancouver Island and Coast	370.9	399.1	-7.1	11.1	4.1	7.0
Lower Mainland - Southwest	1,461.9	1,681.0	-13.0	12.8	4.3	8.5
Thompson - Okanagan	262.6	280.2	-6.3	10.3	4.4	5.9
Kootenay	71.6	72.2	-0.8	12.9	4.7	8.2
Cariboo	74.7	84.3	-11.4	10.2	5.4	4.8
North Coast and Nechako	36.9	43.5	-15.2	14.2	4.8	9.4
Northeast	35.4	39.2	-9.7	9.5	4.9	4.6

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 282-0122

When compared to the same time last year, employment decreased by 7.1% to 370,900 in **Vancouver Island and Coast**, while the unemployment rate increased to 11.1%.²¹ Looking forward, the outlook for the construction sector may improve, as the provincial government announced several new affordable and supportive housing projects across the region, including one in Nanaimo²², and another in Campbell River²³. In addition, The Governments of Canada and B.C. announced funding for 22 projects on Vancouver Island under the Investing in Canada Infrastructure Plan. The funding will support a variety of projects, including improvements to community centres, health centres, and drinking water and wastewater facilities.²⁴

Despite employment slowly recovering in July across the **Lower Mainland – Southwest**, year-over-year, it has declined 13.0% to 1,461,900.²⁵ After experiencing the most job losses across the province, it will likely take months to recover, as COVID-19 lingers. As such, the outlook for the region's retail, entertainment, and food service sectors remains poor in the short term, despite easing restrictions. Restaurants continue to face a challenging time, as they are required to implement social distancing measures for dine-in.²⁶ In addition, some retailers have since closed permanently due to financial hardship, while others are now open with new health and safety guidelines.

To ease the pressure from COVID-19 outbreak, the Government of Canada is providing over \$28M for three projects to increase transport capacity and efficiency at trade facilities in Richmond, Delta, and North Vancouver. The projects will sustain an estimated 520 jobs during construction.²⁷ In addition, the Governments of Canada and B.C. announced funding for 21 projects in the Lower Mainland under the Investing in Canada Infrastructure

Plan. The funding will support a variety of projects, including the construction of a new sea dyke in the District of Squamish.²⁸

In the past year, employment in **Thompson-Okanagan** decreased by 6.3% to 262,600 and the unemployment rate increased to 10.3%.²⁹ Looking forward, the region will likely recover, though it will take time due to the lingering presence of COVID-19 cases. On a positive note, the Province of B.C. has awarded a \$25.9M contract to Dawson Civil Limited for the Highway 1 four-laning project near Chase. Construction is expected to begin this summer, with the hiring of local workers prioritized through a Community Benefits Agreement.³⁰

In addition, construction on the Trans Mountain pipeline is ramping in Kamloops, as a work crew is preparing the area to install the new pipeline.³¹ Once complete, the pipeline will transport around 890,000 barrels of oil a day from Edmonton to Trans Mountain's port in Burnaby.

Employment in **North Coast and Nechako** declined by 15.2% to 36,900 since July of 2019, as the unemployment rate spiked to 14.2%.³² Looking forward, several multi-million dollar infrastructure projects have begun, including the \$32.1M Walnut Park Elementary School replacement project in Smithers. A new daycare facility and neighbourhood learning centre will also be built alongside the school.³³ In addition, work on Rio Tinto's Kemano T2 project near Kitimat is expected to restart in the coming months after shutting down temporarily due to the pandemic.³⁴ Meanwhile, construction is anticipated to resume on the Nations Cannabis cultivation facility in Burns Lake. The company recently signed an agreement with the Association of Canadian Cannabis Retailers to supply its product to 65 private stores in B.C.³⁵

Year-over-year, employment within **Northeast** declined by 9.7% to 35,400, and the unemployment rate increased to 9.7%.³⁶ After several months of job losses due to the pandemic, employment edged up in July. Employment within the region is likely to regain ground in the short-term due in part to several major construction projects. For instance, Surerus Murphy Joint Venture has installed the first pipe section of the \$6.6B Coastal GasLink project in the Peace region. Crews are continuing to clear the right-of-way to Kitimat and build work camps as part of the project's summer construction program.³⁷ Additionally, construction has ramped up on BC Hydro's Site C hydroelectric project, after work was scaled back at the height of the pandemic.³⁸ According to most current information, there were more than 4,300 workers on the Site C project in June 2020.³⁹

***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 Information (LMI) Directorate, Service Canada, British Columbia

For further information, please contact the LMI team at: http://www.esdc.gc.ca/cqi-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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