



Labour Market Bulletin

New Brunswick

May 2020



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 reopening of the economy, along with the gradual easing of restriction measures, helped generate a pick up in hiring activity in May. Nevertheless, the 16,800 rebound in employment, spread between full-time and part-time work, reversed close to half of the jobs that were lost a month earlier in April. After taking into consideration the job losses in March, the level of employment in New Brunswick remains close to 30,000 below both its pre-COVID level in February and May of last year.

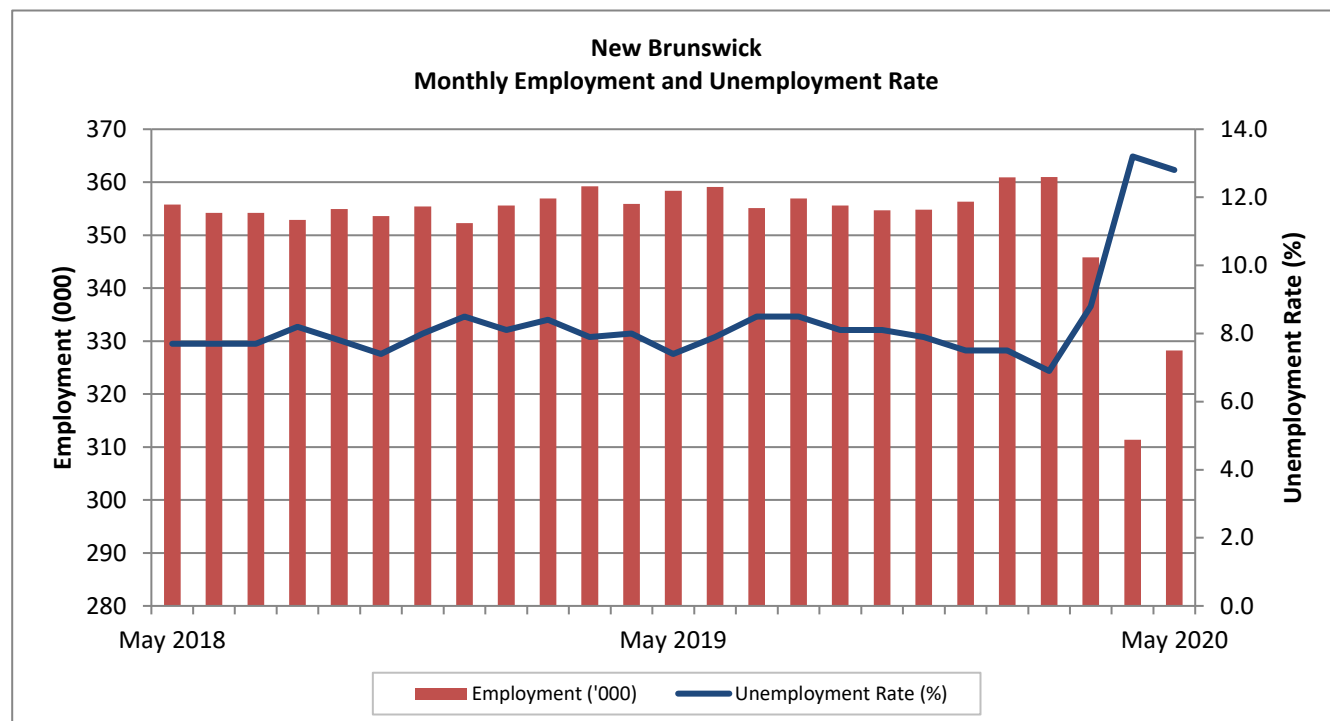
New Brunswick Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2020	April 2020	May 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	636.0	635.7	630.3	0.3	0.0	5.7	0.9
Labour Force ('000)	376.3	358.7	386.9	17.6	4.9	-10.6	-2.7
Employment ('000)	328.2	311.4	358.4	16.8	5.4	-30.2	-8.4
Full-Time ('000)	282.9	272.2	303.8	10.7	3.9	-20.9	-6.9
Part-Time ('000)	45.3	39.3	54.5	6.0	15.3	-9.2	-16.9
Unemployment ('000)	48.2	47.2	28.6	1.0	2.1	19.6	68.5
Unemployment Rate (%)	12.8	13.2	7.4	-0.4	-	5.4	-
Participation Rate (%)	59.2	56.4	61.4	2.8	-	-2.2	-
Employment Rate (%)	51.6	49.0	56.9	2.6	-	-5.3	-

Note: Totals may not add due to rounding

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

The unemployment rate declined slightly last month, as the increase in employment occurred alongside an even greater rebound in the labour force (+17,600). At 12.8% in May, the rate of unemployment is down slightly from the month before and down a sizeable 5.4 percentage points from May of 2019. **Employment is likely to rebound again in June, as further restrictions on economic activity are removed, though it will be some time before conditions return to normal.** As for the more immediate future, it is important to remember that June is the final month in which the near 48,000 New Brunswickers out of work will be eligible for CERB payments.



The physical distancing requirements and disruptions to economic activity through the closure of non-essential businesses have had the greatest impact on low-paying industries, where youth employment is generally more prevalent. COVID-19 has had a disproportionate impact on youth workers (15-24 years), where job losses have been significant in March and April.

Unfortunately, labour market conditions recovered only slightly among youth in May, as employment grew by 700, following a 7,400 decline a month earlier. The majority of job gains in May were concentrated among core age (25-54 years) workers, where employment grew by 11,400, reversing around half of the decline a month earlier. Among seniors (55 years and over), employment rebounded by 4,600, following a 4,300 decline in April.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2020 %	April 2020 %	May 2019 %	Monthly Variation (% points)	Yearly Variation (% points)
Total	12.8	13.2	7.4	-0.4	5.4
25 years and over	10.8	12.1	6.7	-1.3	4.1
Men - 25 years and over	11.0	12.5	7.9	-1.5	3.1
Women - 25 years and over	10.5	11.6	5.5	-1.1	5.0
15 to 24 years	26.6	21.1	11.4	5.5	15.2
Men - 15 to 24 years	24.6	21.9	16.7	2.7	7.9
Women - 15 to 24 years	28.8	20.1	4.9	8.7	23.9

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

The youth unemployment rate registered another sizeable increase in May, this time soaring from 21% in April to 26.2% last month. For context, the unemployment rate among younger workers stood at 11.4% in May of last year, which underscores the extent to which youth workers have been disproportionately impacted by the COVID-19 pandemic. There were substantially more younger workers actively searching for work last month, as the youth participation rate rebounded by 4.4 percentage points to 61%, which is nevertheless still below the May of 2019 figure of 63%.

EMPLOYMENT BY INDUSTRY

The Labour Force Survey (LFS) results for May reflect labour market conditions as of the week of May 10 to May 16, by which time the province had already begun to gradually remove some of the physical distancing requirements and restrictions to non-essential business activity. On March 19, the provincial government had declared a state of emergency and ordered all non-essential businesses to close.

The re-opening of many non-essential businesses has allowed employment to rebound across many sectors of the economy. Job gains were most pronounced in the **Services-producing sector** (+13,600) in May, reversing a little more than half of the 24,500 decline a month earlier.

Most services-producing industries registered a rebound in employment in May, as most sectors of the economy began to operate at a higher capacity. Job gains were greatest in **wholesale and retail trade** (+6,200), though only sufficient to offset part of the decline a month earlier, which explains why the level of employment still remains well below year-earlier levels. The next largest rebound in services-related employment was registered in **accommodation and food services** (+3,700) last month, offsetting close to half the combined job losses in March and April. Employment in **educational services** rose by 2,200 in May, recovering most of the losses a month earlier, the full month after all public schools were told to close. The **health care and social assistance** industry, one of only three industries in the services-producing sector to register a decline in employment, suffered its third consecutive monthly decline.

Turning to the **goods-producing sector**, employment grew by 3,000 in May, recovering less than a third of the 9,800 decline the month before. Broken down, job gains in the goods-producing sector were confined mostly to

the **construction** industry (+2,800), which recovered nearly two thirds of its April layoffs, as restrictions to non-essential activity were gradually lifted and the province moved to the next phase in its recovery process. Following a meaningful 3,700 reduction in April, employment in the **manufacturing** industry edged up only slightly in May.

Agriculture employment declined somewhat in May (-600), leaving the level of employment down slightly from the same period a year earlier. The agriculture industry is currently facing labour shortage issues due to the temporary restriction of temporary foreign workers entering the province. The ban was lifted late last month, however, which should be beneficial to the industry. Otherwise, there have been reports, according to the Conference Board of Canada, regarding COVID-related decline in purchases of agricultural products, such as potatoes, which poses an added challenge for potato farmers in the province.

New Brunswick Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	May 2020	April 2020	May 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	328.2	311.4	358.4	16.8	5.4	-30.2	-8.4
Goods-producing sector	67.1	64.1	75.5	3.0	4.7	-8.4	-11.1
Agriculture	4.9	5.5	5.4	-0.6	-10.9	-0.5	-9.3
Forestry, fishing, mining, quarrying, oil and gas	10.6	10.1	10.6	0.5	5.0	0.0	0.0
Utilities	3.4	3.5	3.2	-0.1	-2.9	0.2	6.2
Construction	23.0	20.2	25.5	2.8	13.9	-2.5	-9.8
Manufacturing	25.3	24.8	30.8	0.5	2.0	-5.5	-17.9
Services-producing sector	261.0	247.4	282.9	13.6	5.5	-21.9	-7.7
Trade	52.1	45.9	53.4	6.2	13.5	-1.3	-2.4
Transportation and warehousing	15.6	16.3	17.9	-0.7	-4.3	-2.3	-12.8
Finance, insurance, real estate and leasing	16.0	15.7	16.4	0.3	1.9	-0.4	-2.4
Professional, scientific and technical services	16.9	15.8	18.4	1.1	7.0	-1.5	-8.2
Business, building and other support services	14.0	13.3	16.7	0.7	5.3	-2.7	-16.2
Educational services	25.6	23.4	26.6	2.2	9.4	-1.0	-3.8
Health care and social assistance	54.6	56.8	60.2	-2.2	-3.9	-5.6	-9.3
Information, culture and recreation	9.4	9.7	12.8	-0.3	-3.1	-3.4	-26.6
Accommodation and food services	17.2	13.5	21.5	3.7	27.4	-4.3	-20.0
Other services	12.3	11.2	14.3	1.1	9.8	-2.0	-14.0
Public administration	27.1	25.9	24.8	1.2	4.6	2.3	9.3

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

Labour market conditions across all Economic Regions (ER) of the province have been impacted, in some way or another, by COVID-19, over the past few months. Despite the gradual easing of restrictions and physical distancing requirements and the re-opening of non-essential businesses, employment remains down considerably from the same period last year.

Using year-over-year comparisons as a benchmark, it appears that the more populated economic regions in the province have been impacted the most by the pandemic. In the more rural **Edmundston-Woodstock ER**, for instance, employment was down only slightly from a year earlier in May. By comparison, employment remains down significantly elsewhere in the province.

In the **Campbellton-Miramichi ER**, the level of employment in May had fallen by 6,100 from a year earlier, mostly in full-time work, raising the unemployment rate by 5.4 percentage points to a provincial-high of 18.8%. The labour force shrank by 3,000 during the past year, owing entirely to a 2.3 percentage point reduction in the participation rate, which settled at 51.1% in May.

Turning to the **Moncton-Richibucto ER**, job losses were below the provincial average in percentage terms (-10.4%). Nevertheless, given that the economic region boasts the largest employment base in the province, that decline still amounted to 6,600 job losses. The upwards movement in the unemployment rate was moderated somewhat by a reduction in the labour force during the same period, settling at 10.7% in May, lowest among any other economic region in the province.

Job losses during the past year have been the greatest in the **Saint John-St. Stephen ER**, where the level of employment has fallen by 10,700 since May of 2019, the majority of which have been in full-time (-7,800) work. The unemployment rate has nearly doubled during the same period, settling at 12.7% in May. The drop in employment during the past year has been coupled with a 5,800 decline in the labour force, as fewer individuals actively searched for work.

Labour market conditions have also deteriorated noticeably in the **Fredericton-Oromocto ER**, as reflected by the 6,600 drop in employment since May of last year. Two thirds of the job losses were registered in full-time work. Despite the magnitude of the job losses, the number of unemployed persons grew by a more modest 2,300, as 4,300 workers decided to leave the workforce altogether and stop searching for work. Altogether, the unemployment rate rose by 4.0 percentage points to 11.6% in May.

In the **Edmundston-Woodstock ER**, labour market conditions deteriorated only slightly since May of last year. The level of employment has diminished by 1,200 during the past twelve months, all of which was in full-time work. The unemployment rate, however, has risen by 4.1 percentage points, as the labour force *increased* slightly from May of 2019. The growth in the labour force was a function of a 0.5 percentage point increase in the participation rate.

New Brunswick Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2020 ('000)	May 2019 ('000)	Yearly Variation (%)	May 2020 (%)	May 2019 (%)	Yearly Variation (%)
New Brunswick	321.5	352.7	-8.8	12.9	8.6	4.3
Economic Regions						
Campbellton-Miramichi	52.7	58.8	-10.4	18.8	13.4	5.4
Moncton-Richibucto	102.3	108.9	-6.1	10.7	8.1	2.6
Saint John-St. Stephen	74.5	85.2	-12.6	12.7	6.5	6.2
Fredericton-Oromocto	58.8	65.4	-10.1	11.6	7.6	4.0
Edmundston-Woodstock	33.2	34.4	-3.5	12.4	8.3	4.1

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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