



Labour Market Bulletin

New Brunswick

August 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

After recovering more than half of the job losses that occurred in the aftermath of the pandemic this spring, employment has now declined for two consecutive months, which is another indication that it will be some time until employment returns to normal. For the second consecutive month, New Brunswick, which was the first province to remove restrictions associated with COVID-19, was the sole province not to register a rise in employment.

The underlying details of the report were not entirely negative. The good news is that the decline of 700 in August was much less pronounced than the 1,800 decline a month earlier. Furthermore, the job losses last month was concentrated entirely among part-time work; full-time work edged up modestly. The unemployment rate declined for the fourth consecutive month, declining by four tenths of a percentage point in August to 9.4%, as 2,500 workers decided to leave the labour force. The reduction in the labour force is concerning, especially in sectors that have struggled with unfilled vacancies due to labour shortages. As it stands, employment is at 96.4% of its pre-COVID February level in August, down slightly from 96.6% from a month earlier, among the most complete recovery of all provinces thus far.

More generally, the reversal in momentum following the rapid rebound in employment in May and June is a strong indication that job gains will be very gradual for the remainder of the year. Many businesses, especially those in public facing sectors, have been operating at well below capacity, unsustainable in the longer term and layoffs were always a possibility.

New Brunswick Monthly Labour Force Statistics

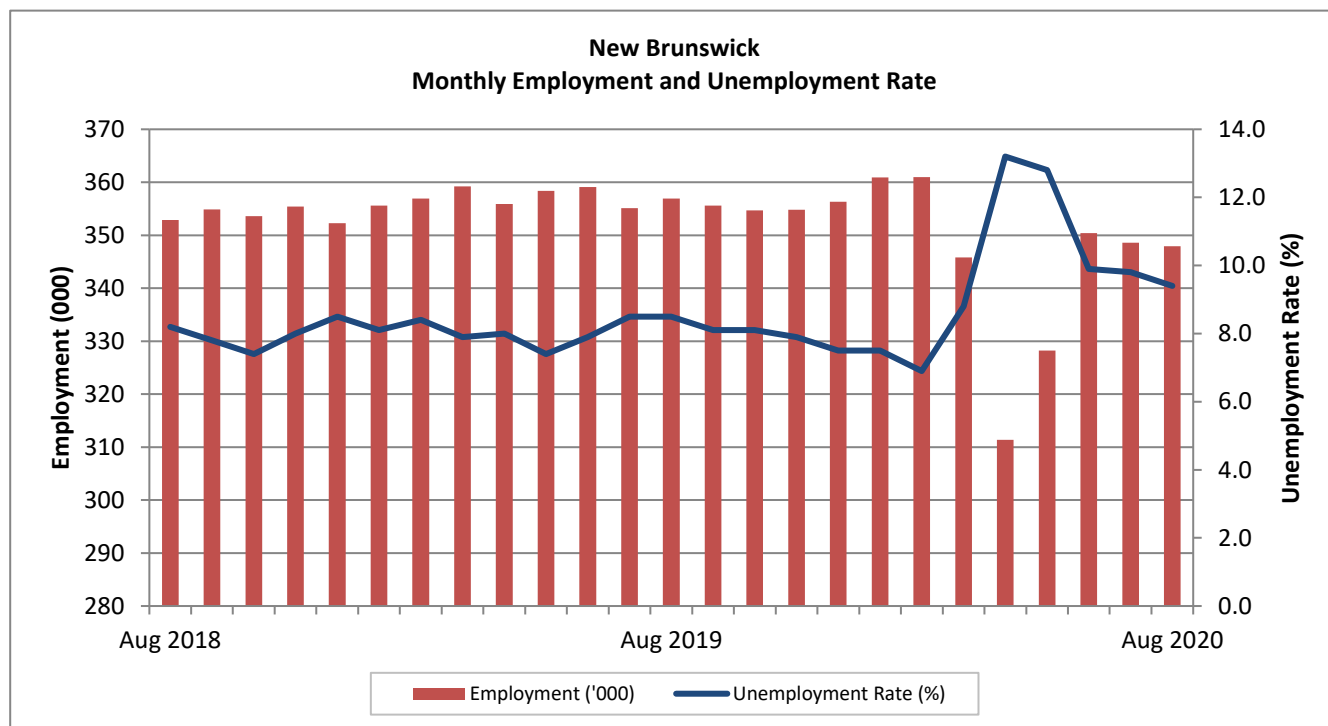
Seasonally Adjusted Monthly Data	Aug 2020	July 2020	Aug 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%

Population 15 + ('000)	637.0	636.7	632.4	0.3	0.0	4.6	0.7
Labour Force ('000)	384.1	386.6	390.1	-2.5	-0.6	-6.0	-1.5
Employment ('000)	347.9	348.6	356.9	-0.7	-0.2	-9.0	-2.5
Full-Time ('000)	293.1	292.7	303.4	0.4	0.1	-10.3	-3.4
Part-Time ('000)	54.7	55.9	53.5	-1.2	-2.1	1.2	2.2
Unemployment ('000)	36.2	38.0	33.2	-1.8	-4.7	3.0	9.0
Unemployment Rate (%)	9.4	9.8	8.5	-0.4	-	0.9	-
Participation Rate (%)	60.3	60.7	61.7	-0.4	-	-1.4	-
Employment Rate (%)	54.6	54.8	56.4	-0.2	-	-1.8	-

Note: Totals may not add due to rounding

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

On a year-over-year basis, employment in the province is down 9,000 from August of last year. The unemployment rate has grown by less than a percentage point to 9.4%. The number of unemployed has increased by a smaller 3,000 as 6,000 workers left the labour force altogether. The participation rate has now declined by 1.4 percentage point to 60.3%.



Younger workers have been among the most affected segment of the working age population since the onset of the COVID-19 pandemic earlier this year. As such, the near-1,000 increase in youth employment last month is

encouraging, following a 2,300 decline in July. Relative to workers in the core age group (25 to 54 years), youth employment remains well below pre-COVID-19 levels. As of August, the level of employment among younger workers stood at 89% of its February level, up from 87.4% the month before. The increase in employment last month, combined with a 2,200 decline in the youth labour force, lowered the unemployment rate by almost 5 percentage points to 11.7%.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Aug 2020 %	July 2020 %	Aug 2019 %	Monthly Variation (% points)	Yearly Variation (% points)
Total	9.4	9.8	8.5	-0.4	0.9
25 years and over	8.6	8.4	7.6	0.2	1.0
Men - 25 years and over	10.9	10.6	9.0	0.3	1.9
Women - 25 years and over	6.0	6.1	6.1	-0.1	-0.1
15 to 24 years	15.4	19.5	14.2	-4.1	1.2
Men - 15 to 24 years	17.8	21.6	16.6	-3.8	1.2
Women - 15 to 24 years	12.8	16.9	11.2	-4.1	1.6

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

EMPLOYMENT BY INDUSTRY

The decline in employment in August was driven by job losses in the **Services-producing sector** (-1,400), which followed an even larger 2,500 decline a month earlier. The **Goods-producing sector**, however, added 700 jobs to the labour market in August, matching the increase in July.

Among goods-producing industries, employment grew across all industries in August, with the exception of agriculture, which shed 1,000 jobs in the month. Until that point, however, the industry had been performing reasonably well, although it is likely that the effects of COVID-19 on tourism and spending at restaurants and bars is beginning to spill over into agricultural activity. Elsewhere in the **Goods-producing sector**, job gains were all relatively modest, with increases ranging between 300 and 600.

In the much larger **Services-producing sector**, employment fell by 1,400 in August, as physical distancing requirements continue to affect a range of sub-sectors in the economy.

- Within services-producing industries, labour market conditions were relatively mixed in August. Employment was down in six of the the eleven sub-sectors. Outside of **trade**, where employment fell by 1,100 in August, and Information, culture and recreation (-800), job losses were latively modest during the month. Similarly, job gains were limited mostly to other services (+1,300) and, to a lesser extent, **accommodation and food services** (+400).

New Brunswick Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Aug 2020	July 2020	Aug 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	347.9	348.6	356.9	-0.7	-0.2	-9.0	-2.5
Goods-producing sector	72.7	72.0	75.7	0.7	1.0	-3.0	-4.0
Agriculture	4.6	5.6	6.0	-1.0	-17.9	-1.4	-23.3
Forestry, fishing, mining, quarrying, oil and gas	10.8	10.2	10.0	0.6	5.9	0.8	8.0
Utilities	3.5	3.2	3.6	0.3	9.4	-0.1	-2.8
Construction	24.1	23.7	25.5	0.4	1.7	-1.4	-5.5
Manufacturing	29.7	29.2	30.6	0.5	1.7	-0.9	-2.9
Services-producing sector	275.2	276.6	281.3	-1.4	-0.5	-6.1	-2.2
Trade	55.3	56.4	51.2	-1.1	-2.0	4.1	8.0
Transportation and warehousing	16.2	16.0	17.9	0.2	1.3	-1.7	-9.5
Finance, insurance, real estate and leasing	16.1	16.3	17.3	-0.2	-1.2	-1.2	-6.9
Professional, scientific and technical services	17.8	17.7	17.9	0.1	0.6	-0.1	-0.6
Business, building and other support services	14.0	14.1	15.7	-0.1	-0.7	-1.7	-10.8
Educational services	27.1	27.5	27.1	-0.4	-1.5	0.0	0.0
Health care and social assistance	58.3	58.2	60.5	0.1	0.2	-2.2	-3.6
Information, culture and recreation	9.6	10.4	13.3	-0.8	-7.7	-3.7	-27.8
Accommodation and food services	20.4	20.0	21.7	0.4	2.0	-1.3	-6.0
Other services	13.6	12.3	13.6	1.3	10.6	0.0	0.0
Public administration	26.8	27.7	25.1	-0.9	-3.2	1.7	6.8

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

It appears that COVID-19 has had a disproportionate impact at the sub-provincial level over the past year, as job losses have been mostly confined to two of the largest Economic Regions (ER), Saint John-St. Stephen and Fredericton-Oromocto. Despite having the highest rate of infections since the onset of COVID-19, the Campbellton-Miramichi ER has actually posted some relatively strong job gains.

In the Campbellton-Miramichi ER, the level of employment has risen by 1,700 since August of last year. Unfortunately, these job gains were unable to generate any downward movement in the unemployment rate, which fell to 12.2% in August, from 11.4% a year earlier. There were far fewer persons actively searching for last month relatively to a year earlier, which could possibly be a reflection of surge in Canadian Emergency Response Benefit (CERB) recipients, which would obviously not be actively searching for employment and therefore not counted in the labour force.

Labour market conditions in the Moncton-Richibucto ER are relatively unchanged relative to August of last year. The level of employment increased marginally in the twelve-month period leading up to August. Nevertheless, the

unemployment rate increased a full percentage point to 7.9% during the same period, as fewer persons were actively searching for work.

In the Saint John-St. Stephen Economic Region, deteriorating economic conditions contributed to a 6,300 decline in employment since August of last year, by far the largest drop in the province. The job losses lifted the unemployment rate by 1.9 percentage points to 9.2% in August, now second highest in the province behind only the Campbellton-Miramichi ER.

Job losses were also notable in the Fredericton-Oromocto ER, as the level of employment diminished by 3,800 during the past twelve months. The reduction in employment was the primary contributor behind the material increase in the unemployment rate, from a provincial low of 6.5% in August of last year to 9.1% this August.

The level of employment in the Edmundston-Woodstock ER in August was relatively unchanged from a year earlier. Nevertheless, a surge in the size of the labour force during the same period resulted in a rapid increase in the number of persons officially counted as unemployed. The rate of unemployment in the ER rose close to two full percentage points since August of 2019 to 8.7%.

New Brunswick Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Aug 2020 ('000)	Aug 2019 ('000)	Yearly Variation (%)	Aug 2020 (%)	Aug 2019 (%)	Yearly Variation (%)
New Brunswick	361.3	369.3	-2.2	9.3	7.7	1.6
Economic Regions						
Campbellton-Miramichi	63.9	62.2	2.7	12.2	11.4	0.8
Moncton-Richibucto	112.0	111.4	0.5	7.9	6.9	1.0
Saint John-St. Stephen	82.0	88.3	-7.1	9.2	7.3	1.9
Fredericton-Oromocto	66.8	70.6	-5.4	9.1	6.5	2.6
Edmundston-Woodstock	36.7	36.8	-0.3	8.7	6.8	1.9

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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