



# Labour Market Bulletin

## Newfoundland and Labrador

May 2020



This Labour Market Bulletin is a report providing an analysis of Labour Force Survey results for the province of Newfoundland and Labrador, including the regions of Avalon Peninsula, West Coast—Northern Peninsula—Labrador, Notre Dame—Central Bonavista Bay and South Coast—Burin Peninsula.

### OVERVIEW

Employment and the size of the labour force both increased in May as some employers reopened in a limited capacity after closing due to the COVID-19 pandemic. While some people returned to work and rejoined the labour force, it only partially reversed the large declines of March and April. Employment in May was 28,000 lower than a year earlier, mainly in full-time positions. May's unemployment rate was the highest for the province since the 2009 recession.

Newfoundland and Labrador Monthly Labour Force Statistics

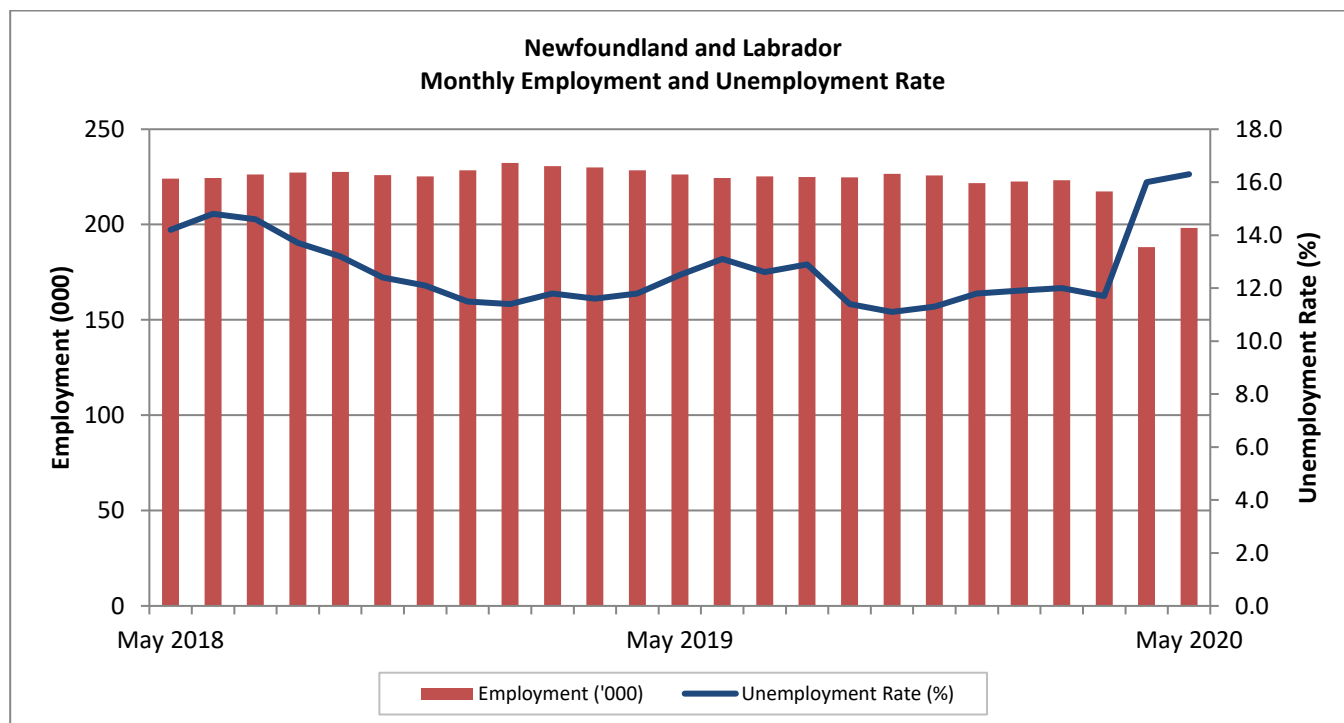
Seasonally Adjusted Monthly Data	May 2020	April 2020	May 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	439.4	439.7	440.9	-0.3	-0.1	-1.5	-0.3
<b>Labour Force ('000)</b>	236.9	224.1	258.4	12.8	5.7	-21.5	-8.3
<b>Employment ('000)</b>	198.2	188.2	226.2	10.0	5.3	-28.0	-12.4
Full-Time ('000)	168.7	159.6	194.5	9.1	5.7	-25.8	-13.3
Part-Time ('000)	29.5	28.7	31.8	0.8	2.8	-2.3	-7.2
<b>Unemployment ('000)</b>	38.7	35.8	32.2	2.9	8.1	6.5	20.2
<b>Unemployment Rate (%)</b>	16.3	16.0	12.5	0.3	-	3.8	-
<b>Participation Rate (%)</b>	53.9	51.0	58.6	2.9	-	-4.7	-
<b>Employment Rate (%)</b>	45.1	42.8	51.3	2.3	-	-6.2	-

Note: Totals may not add due to rounding

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

Since it is unknown when closures related to the pandemic will end, most of those who lost their jobs due to the COVID-19 pandemic have no clear return date to go back to work. As a result, the Labour Force Survey (LFS) considers them to be out of the workforce. This explains why the labour force was 21,500 lower than a year ago.

Until April, the unemployment rate was generally stable, near 12% since the fall of 2018. This was because the size of the labour force moved in line with changing employment levels over this time. However, since March, employment has declined faster than labour force size, raising the unemployment rate to 16.3% in May.



The average hours worked per week for those who did not lose their jobs was among the lowest on record. Other than the record low set in April, total hours worked in the province in May was the lowest since April, 2004.

There were 34,100 employed people who did not work any hours during the LFS reference week in May, compared to 11,600 in February. Using data since 1997, the underutilization of potential labour<sup>1</sup> has not been higher than in April and May. May’s rate of 40.7% was nearly twice as high as in February. These measures show the effect of COVID-19 on the labour market, with high numbers of people waiting to return to their jobs, working far less than usual, or without a job at all.

Among major age and gender groups, youth (ages 15 to 24 years) employment increased slightly after two months of record-setting losses. While this lowered the unemployment rate from April, it remained much higher than a

<sup>1</sup> Labour underutilization rate (specific definition to measure the COVID-19 impact) combines all those who were unemployed with those who were not in the labour force but wanted a job and did not look for one; as well as those who remained employed but lost all or the majority of their usual work hours for reasons likely related to the COVID-19 as a proportion of the potential labour force. The potential labour force (specific definition to measure the COVID-19 impact) includes people in the labour force (all employed and unemployed people), and people not in the labour force who wanted a job but didn't search for reasons such as 'waiting for recall (to former job),' 'waiting for replies from employers,' 'believes no work available (in area, or suited to skills),' 'long-term future start,' and 'other.'

year ago. In addition, with more youth out of the labour force, participation rates for this group over the past three months have not been this low since 2006.

For males 25 years and older, the unemployment rate was the second highest on record. While April's results raised the rate significantly, it climbed even higher in May as the labour force grew faster than employment. For females of the same age group, the unemployment rate was much lower than for males. Females also had a smaller yearly increase in the unemployment rate compared to males of the same age group.

Newfoundland and Labrador Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2020	April 2020	May 2019	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	16.3	16.0	12.5	0.3	3.8
<b>25 years and over</b>	15.4	14.7	11.6	0.7	3.8
Men - 25 years and over	21.2	19.3	13.7	1.9	7.5
Women - 25 years and over	9.1	9.6	9.3	-0.5	-0.2
<b>15 to 24 years</b>	23.7	25.5	18.7	-1.8	5.0
Men - 15 to 24 years	27.3	31.3	20.2	-4.0	7.1
Women - 15 to 24 years	20.5	21.1	16.9	-0.6	3.6

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

## EMPLOYMENT BY INDUSTRY

The **goods-producing sector** (1,400) increased from April's record low. **Forestry, fishing, mining, quarrying, and oil and gas** (3,800) rebounded from its sharp decline in April. **Manufacturing** (1,300) employment also increased from its record low in April. **Construction** (-2,600) had a large loss for the second consecutive month to its lowest level in 16 years. Work stopped on a number of sites throughout the province due to COVID-19. In addition, low oil prices have dampened the economic landscape. Construction related to the West White Rose oil project has been suspended until at least 2021.

Most of May's employment growth was in the **services-producing sector** (8,700). Despite this improvement, there was still 17,900 fewer jobs in the sector than a year ago. Nearly every industry in the sector gained jobs. **Wholesale and retail trade** (2,900) regained some of April's record loss. However, with the exception of April, employment in this industry has not been this low since 1996. Much of the industry remained closed due to the public health emergency. Following its lowest employment level in nearly three years, public administration (1,700) increased in May, but remained lower than a year ago. While **accommodation and food services** (700) gained jobs in May, it remains significantly lower than the record high reached only three months earlier. Bars and most restaurants were closed due COVID-19, while out-of-province visits to the province has virtually stopped due to the pandemic, affecting hotels, bed and breakfast operations and other operations reliant on this market.

## Newfoundland and Labrador Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	May 2020	April 2020	May 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	198.2	188.2	226.2	10.0	5.3	-28.0	-12.4
<b>Goods-producing sector</b>	35.2	33.8	45.2	1.4	4.1	-10.0	-22.1
Agriculture	0.7	1.8	1.4	-1.1	-61.1	-0.7	-50.0
Forestry, fishing, mining, quarrying, oil and gas	12.8	9.0	14.4	3.8	42.2	-1.6	-11.1
Utilities	2.4	2.4	2.7	0.0	0.0	-0.3	-11.1
Construction	11.5	14.1	18.6	-2.6	-18.4	-7.1	-38.2
Manufacturing	7.8	6.5	8.1	1.3	20.0	-0.3	-3.7
<b>Services-producing sector</b>	163.1	154.4	181.0	8.7	5.6	-17.9	-9.9
Trade	31.8	28.9	34.6	2.9	10.0	-2.8	-8.1
Transportation and warehousing	10.0	9.1	12.6	0.9	9.9	-2.6	-20.6
Finance, insurance, real estate and leasing	6.5	5.9	7.4	0.6	10.2	-0.9	-12.2
Professional, scientific and technical services	9.1	8.8	9.9	0.3	3.4	-0.8	-8.1
Business, building and other support services	6.3	6.7	7.5	-0.4	-6.0	-1.2	-16.0
Educational services	16.9	16.3	15.7	0.6	3.7	1.2	7.6
Health care and social assistance	37.5	37.1	40.3	0.4	1.1	-2.8	-6.9
Information, culture and recreation	5.2	5.0	7.2	0.2	4.0	-2.0	-27.8
Accommodation and food services	13.3	12.6	17.6	0.7	5.6	-4.3	-24.4
Other services	9.5	8.7	9.2	0.8	9.2	0.3	3.3
Public administration	17.0	15.3	18.9	1.7	11.1	-1.9	-10.1

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

Compared to a year ago, the unemployment rate increased for all three economic regions. Throughout the province, employment losses were deeper than the declines in labour force size.

In the **Avalon Peninsula** economic region, the increase in the unemployment rate has been growing since the onset of COVID-19. May's employment losses were the deepest of any month going back to 1987. Most of the decline was in the services-producing sector in a variety of key industries such as accommodation and food services. Educational services was an exception, increasing for each of the past 16 months. The goods-producing sector also employed fewer people. Oil and gas as well as construction employment have declined due to COVID-19 and weak oil prices.

The unemployment rate increased by nearly two percentage points in the **South Coast–Burin Peninsula and Notre Dame–Central-Bonavista Bay** region. Declines in labour force size and employment were among the largest on record, with employment dropping slightly deeper. The job losses were in full-time positions, mostly in the goods-producing sector. Construction and manufacturing employment lost a combined 2,900 jobs. In the services-producing sector, wholesale and retail trade also fell by 2,900 jobs. In the **West Coast–Northern Peninsula–Labrador** economic region, the unemployment rate rose by nearly seven points from a year ago. Employment

declined by a record 7,300 jobs. Most of May's losses were in the services-producing sector, led by health care and social services. Construction had its largest loss on record in this economic region. Staffing levels at the Muskrat Falls Hydroelectric Project shrank due to COVID-19 concerns.

#### Newfoundland and Labrador 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 (%)
<b>Newfoundland and Labrador</b>	196.8	224.6	-12.4	16.1	12.8	3.3
<b>Economic Regions</b>						
Avalon Peninsula	120.7	134.6	-10.3	13.1	10.3	2.8
South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay	42.6	49.1	-13.2	19.9	18.0	1.9
West Coast-Northern Peninsula-Labrador	33.5	40.8	-17.9	21.4	14.5	6.9

*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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