



Labour Market Bulletin

Nova Scotia

January 2020



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Nova Scotia, including the regions of Annapolis Valley, Cape Breton, Southern, Halifax and North Shore.

OVERVIEW

Employment in Nova Scotia was up slightly in January, rebounding from a small decline in December. All of the job gains occurred among part-time workers. The higher level of employment caused the unemployment rate to go down by half of a percentage point (pp) to 7.4%. The participation rate declined by 0.1pp as the labour force contracted slightly.

Nova Scotia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Jan 2020	Dec 2019	Jan 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	813.0	812.4	803.0	0.6	0.1	10.0	1.2
Labour Force ('000)	504.5	505.4	499.2	-0.9	-0.2	5.3	1.1
Employment ('000)	467.3	465.6	465.6	1.7	0.4	1.7	0.4
Full-Time ('000)	382.3	382.6	381.1	-0.3	-0.1	1.2	0.3
Part-Time ('000)	85.0	83.0	84.6	2.0	2.4	0.4	0.5
Unemployment ('000)	37.2	39.7	33.6	-2.5	-6.3	3.6	10.7
Unemployment Rate (%)	7.4	7.9	6.7	-0.5	-	0.7	-
Participation Rate (%)	62.1	62.2	62.2	-0.1	-	-0.1	-
Employment Rate (%)	57.5	57.3	58.0	0.2	-	-0.5	-

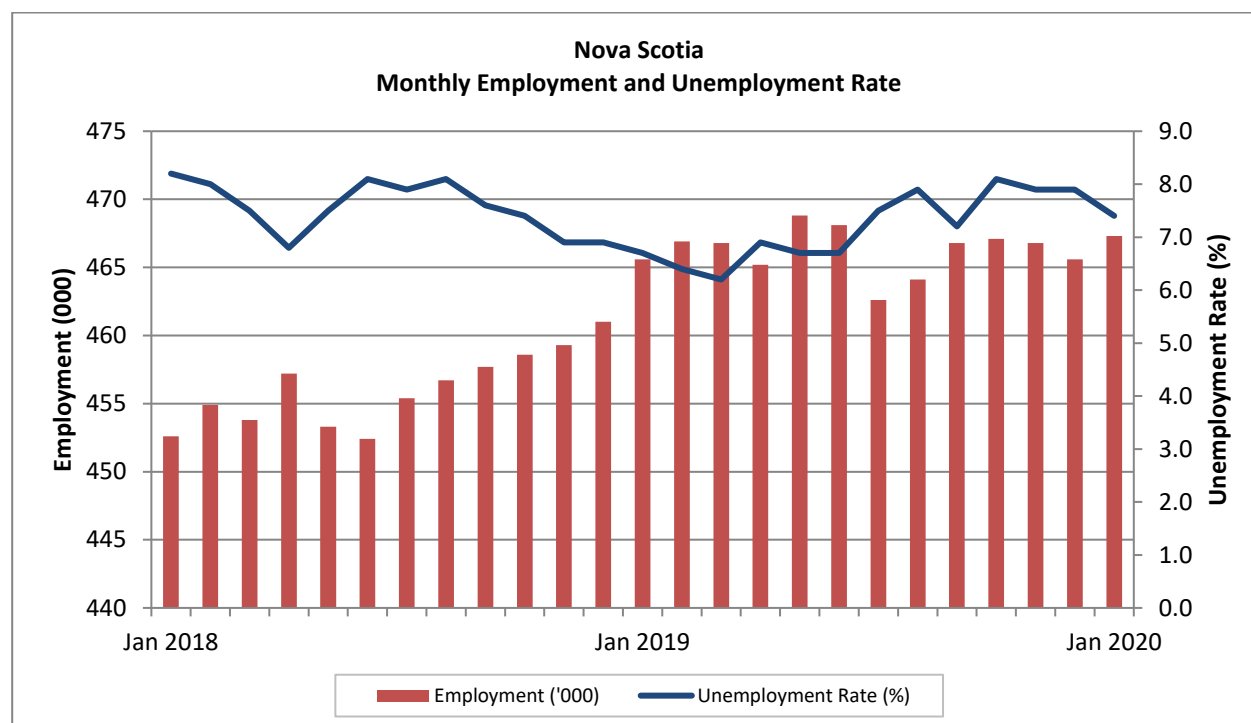
Note: Totals may not add due to rounding

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

On an annual basis, there was a modest increase in employment, the slowest rate since September 2017, while labour force and population growth remained solid. While the level of employment remains historically high, the rapid growth experienced throughout 2017 and 2018 appears to have leveled off in 2019. Over the past year, the

labour force expanded at a quicker pace than employment, causing the pool of unemployed job-seekers to grow, and pushing up the unemployment rate.

All of the job gains over the past year occurred in private sector employment, which was up by 10,000. This was mostly offset by declines in public-sector employment and self-employment, continuing a trend which has persisted throughout the past year.



Of the broad age groups in the labour force, youth (15 to 24 years of age) experienced the greatest improvement in labour market conditions over the past year. Youth employment was up by 5% (or 3,200 workers) over January 2019 continuing a strong upward trend which began in January 2018. The increases were split between males and females; among males the additional employment was divided between full- and part-time work, while among females they were entirely in full-time jobs. Both the labour force participation and unemployment in this age group have also improved substantially in the past year, and population growth became positive in 2019 following 15 years of decline.

The prime working-age group (25-54 years of age) posted a slower rate of employment growth over the past year, all of which were part-time jobs. However, outcomes varied by sex: the number of prime working-age females went up by 1,800 while the number of employed males declined by 1,000. Females account for more than half of employment in this age group and have a lower unemployment rate than males, but are much more likely to work part-time.

The population of the older worker category (55 years of age and older) continued to increase at a quick pace, and comprising a growing share of the total working age population. Despite this, the number of individuals in this age group who were employed was 2.1% lower in January 2020 than one year prior. The labour force participation rate for males in this age group was 38.6%, approximately 10pp higher than for females.

Nova Scotia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Jan 2020 %	Dec 2019 %	Jan 2019 %	Monthly Variation (% points)	Yearly Variation (% points)
Total	7.4	7.9	6.7	-0.5	0.7
25 years and over	6.5	7.2	5.7	-0.7	0.8
Men - 25 years and over	7.3	7.9	6.8	-0.6	0.5
Women - 25 years and over	5.6	6.4	4.4	-0.8	1.2
15 to 24 years	12.3	11.7	12.9	0.6	-0.6
Men - 15 to 24 years	15.1	14.3	13.3	0.8	1.8
Women - 15 to 24 years	9.3	9.1	12.8	0.2	-3.5

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

EMPLOYMENT BY INDUSTRY

Since January 2019, employment in **goods-producing industries** increased by 3,900 while the number of workers in the **services-producing sector** went down by 2,300.

Within the **goods-producing sector**, gains were concentrated in **construction** and **manufacturing**. Employment in **construction** was up by 2,000 over the previous January due in large part to a housing construction boom. The value of building permits issued for residential structures during the January to November period was 27% higher in 2019 than in 2018, with multiple unit dwellings comprising an outsized share. Furthermore, the provincial government is undertaking several highway expansion projects and is redeveloping major medical facilities in Halifax and Cape Breton Regional Municipality. The number of workers in **manufacturing** went up by 3,000, or nearly 10%. High demand and prices for lobster have affected certain manufacturing sub-industries, such as seafood product preparation, frozen food manufacturing, and shipyards. Exports of other types of manufactured goods such as tires, aerospace products, and technical instruments have also been trending higher. However, the closure of the Northern Pulp at the end of January will weigh on employment in this industry, as well as in forestry, fishing, mining, quarrying, oil and gas, and transportation and warehousing.

In the **services-producing sector**, there was a mixture of large increases and large declines. The bright spots included **finance, insurance, real estate, rental and leasing** and **business, building and other support services**, with year-over-year employment increases of 9.0% and 10.3% respectively. The real estate industry has been quite active due to the higher rate of population growth, particularly in Halifax. This has led to a rapid expansion of the stock of multi-unit buildings (and the workforce required to manage them), low vacancy rates, and rising housing prices. **Health care and social assistance** also reported large employment increases over the past year. Amid a national shortage of health care professionals, a high attrition rate, and growing demand for healthcare services due to the increasing number of seniors, the provincial government has increased international recruitment initiatives and improved compensation for physicians and specialists. The number of workers in **wholesale and retail trade** went down considerably compared to a year ago. It is important to note that employment in this industry trended higher than usual throughout the first half of 2019, possibly buoyed by wage and population growth; thus this decrease puts the employment level closer to its long-term average. Other industries which posted large declines were **educational services** and **information, culture, and recreation**.

Nova Scotia Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Jan 2020	Dec 2019	Jan 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	467.3	465.6	465.6	1.7	0.4	1.7	0.4
Goods-producing sector	88.9	88.1	85.0	0.8	0.9	3.9	4.6
Agriculture	5.5	5.6	6.2	-0.1	-1.8	-0.7	-11.3
Forestry, fishing, mining, quarrying, oil and gas	10.1	9.9	10.4	0.2	2.0	-0.3	-2.9
Utilities	3.5	3.6	3.7	-0.1	-2.8	-0.2	-5.4
Construction	35.6	34.3	33.6	1.3	3.8	2.0	6.0
Manufacturing	34.2	34.8	31.2	-0.6	-1.7	3.0	9.6
Services-producing sector	378.4	377.5	380.7	0.9	0.2	-2.3	-0.6
Trade	79.9	79.7	82.5	0.2	0.3	-2.6	-3.2
Transportation and warehousing	19.1	19.1	20.0	0.0	0.0	-0.9	-4.5
Finance, insurance, real estate and leasing	22.9	22.4	21.0	0.5	2.2	1.9	9.0
Professional, scientific and technical services	27.7	27.0	27.5	0.7	2.6	0.2	0.7
Business, building and other support services	19.3	19.3	17.5	0.0	0.0	1.8	10.3
Educational services	35.7	36.4	38.6	-0.7	-1.9	-2.9	-7.5
Health care and social assistance	72.3	75.3	70.5	-3.0	-4.0	1.8	2.6
Information, culture and recreation	17.3	16.3	19.6	1.0	6.1	-2.3	-11.7
Accommodation and food services	38.4	37.1	36.4	1.3	3.5	2.0	5.5
Other services	16.6	15.5	17.8	1.1	7.1	-1.2	-6.7
Public administration	29.2	29.6	29.1	-0.4	-1.4	0.1	0.3

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

All of the economic regions (ERs) in the province except for Southern Nova Scotia experienced broad labour force improvements over the past year, continuing a trend which has been observed for the past several months.

In **Cape Breton**, the rate of population decline has slowed considerably. Since January 2019 there were 2,300 labour market entrants (+4.2%) and employment was up by nearly 10%. The majority of this employment growth was accounted for by **wholesale and retail trade** and **accommodations and food services**, though **forestry, fishing, mining, oil and gas** also experienced an increase. As a result of these improvements, the participation rate went up by 2.4pp to 54.6%, narrowing the gap between this ER and the provincial average. Similarly, while Cape Breton still has the highest unemployment rate in the province, the margin narrowed considerably as this measure went down by 4.5pp to 12.2%.

Employment in the **North Shore** region increased by a robust 5.4% over the past year, all of which were full-time jobs. The labour force grew at an even faster rate (+7.9%), so the number of unemployed job-seekers went up despite the large gains in employment. As a result, the unemployment rate and participation rates both increased.

Large employment gains occurred in **manufacturing, transportation and warehousing**, and **health care and social assistance**. However, the closure of the Northern Pulp mill in Pictou is expected to have a severe negative effect on employment in several industries in this region throughout 2020.

The labour force in the **Annapolis Valley** also improved over the past year, though to a more moderate extent than Cape Breton and the North Shore economic regions. The labour force expanded by 1.7%, exceeding the rate of population growth and causing the participation rate to edge upward. In turn, employment growth outpaced the labour force somewhat, drawing a few hundred unemployed job-seekers into the workforce. This reduced the unemployment rate to 6.5%, the lowest among the predominantly rural economic regions. While there were no notable employment increases among **goods-producing industries** in this ER, there were sizeable gains in **educational services, health care and social assistance**, and **accommodation and food services**.

Southern Nova Scotia was the sole ER in which most labour market indicators worsened during the past year, though this deterioration appears to have leveled out during the second half of 2019. The labour force participation rate declined to 53.2% as 5,000 individuals exited the labour force. The reduction of employment was even more severe, at 6,400, pushing the unemployment rate up to 9.8%. The tourism season in 2019 was negatively affected by the suspension of the Maine-Yarmouth ferry; while the direct effect on employment in the off season is likely limited, the smaller influx of tourist spending last summer likely had a lasting effect on consumer spending. Additionally, the closure of the Web.com location in Yarmouth put approximately 200 workers out of work in December. The bright spot for the region, (booming seafood exports and the secondary demand for seafood processing and boatbuilding) appears to have been jeopardized as exports to China have been paused due to the coronavirus outbreak.

The population and labour force in **Halifax** continued to grow at a solid pace (2.4% and 2.9% respectively). However, employment growth slowed somewhat and fell short of absorbing all of the additional jobseekers. As a result, the unemployment rate increased from 4.5% to 6.5%, though the participation rate remains the highest in the province by a substantial margin. There was broad improvement in the **goods-producing sector**, with employment gains occurring several industries, led by **manufacturing**. The large increases in the number of workers in the province in **finance, insurance, real estate, rental and leasing** and **business, building and other support services** were concentrated in Halifax. However, many other services-producing industries posted employment declines, leading to fewer workers overall in the **services-producing sector**.

Nova Scotia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Jan 2020 ('000)	Jan 2019 ('000)	Yearly Variation (%)	Jan 2020 (%)	Jan 2019 (%)	Yearly Variation (%)
Nova Scotia	461.4	456.5	1.1	7.8	6.7	1.1
Economic Regions						
Cape Breton	49.8	45.3	9.9	12.2	16.7	-4.5
North Shore	68.2	64.7	5.4	8.7	6.5	2.2
Annapolis Valley	57.3	55.9	2.5	6.5	7.3	-0.8
Southern	47.0	53.4	-12.0	9.8	6.5	3.3
Halifax	239.0	237.2	0.8	6.5	4.5	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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