



# Labour Market Bulletin

Nova Scotia

July 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 continued to recover in Nova Scotia in July, rising by 3,600 workers (+0.8%). However, this increase was significantly slower than in June, and employment remains 7.3% below the pre-pandemic level in February 2020. All of the increase this month was among part-time workers, who were disproportionately affected by layoffs in March and April.

The number of people in the labour force declined this month following two months of large increases. It is possible that jobseekers hoping to return to work in industries which are still affected by social distancing and travel restrictions became discouraged and left the labour force. The growth in employment combined with the contraction of the labour force caused the unemployment rate to drop by 2.2 percentage points (pp) to 10.8%.

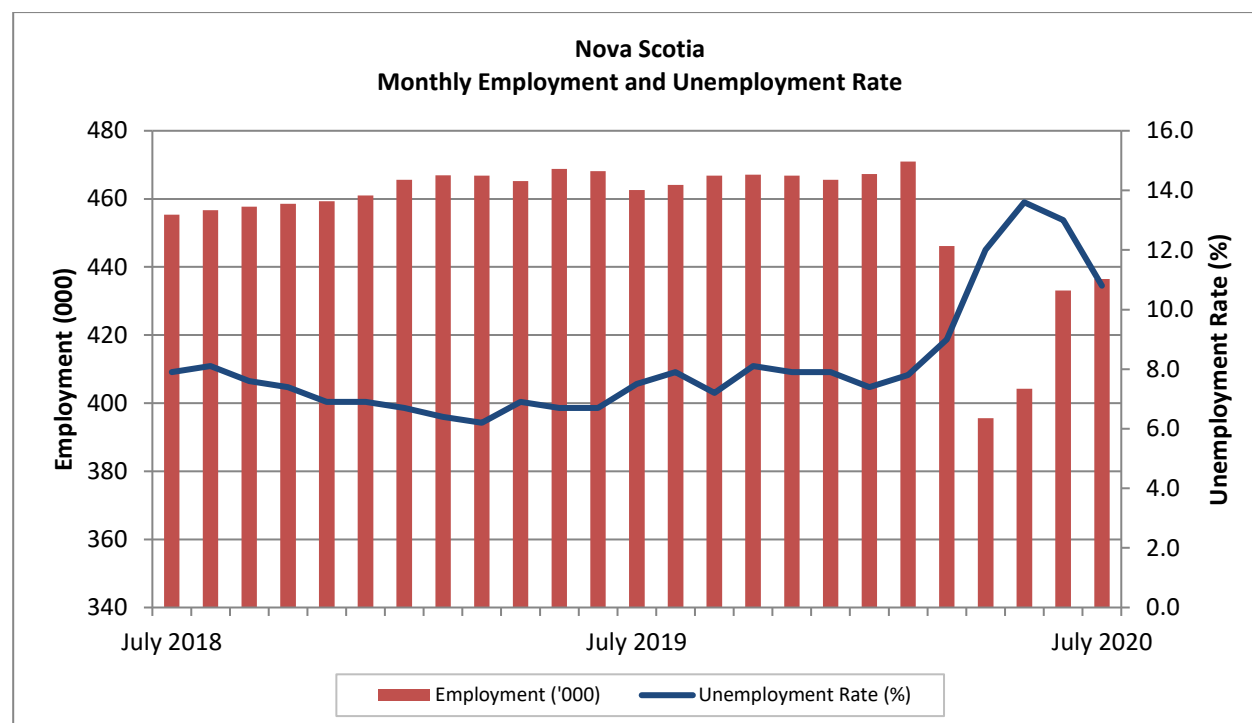
Nova Scotia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2020	June 2020	July 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	816.9	816.1	807.4	0.8	0.1	9.5	1.2
<b>Labour Force ('000)</b>	489.2	497.7	499.9	-8.5	-1.7	-10.7	-2.1
<b>Employment ('000)</b>	436.5	433.1	462.6	3.4	0.8	-26.1	-5.6
Full-Time ('000)	357.5	358.2	377.8	-0.7	-0.2	-20.3	-5.4
Part-Time ('000)	78.9	74.9	84.8	4.0	5.3	-5.9	-7.0
<b>Unemployment ('000)</b>	52.8	64.6	37.3	-11.8	-18.3	15.5	41.6
<b>Unemployment Rate (%)</b>	10.8	13.0	7.5	-2.2	-	3.3	-
<b>Participation Rate (%)</b>	59.9	61.0	61.9	-1.1	-	-2.0	-
<b>Employment Rate (%)</b>	53.4	53.1	57.3	0.3	-	-3.9	-

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 went down by 5.6% while the labour force contracted by 2.1%. This overall employment decline encompasses a modest improvement in labour market conditions between July 2019 and February 2020, two months of severe employment decline in March and April, followed by an incomplete recovery. As of July, a bit more than half of the employment lost in the spring had been recovered.



**Nova Scotia Monthly Unemployment Rates, by Gender and Age**

Seasonally Adjusted Data	July 2020 %	June 2020 %	July 2019 %	Monthly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	10.8	13.0	7.5	-2.2	3.3
<b>25 years and over</b>	9.1	10.7	6.2	-1.6	2.9
Men - 25 years and over	9.0	10.7	7.3	-1.7	1.7
Women - 25 years and over	9.2	10.7	5.0	-1.5	4.2
<b>15 to 24 years</b>	20.8	26.2	14.9	-5.4	5.9
Men - 15 to 24 years	24.7	25.3	14.4	-0.6	10.3
Women - 15 to 24 years	16.7	27.2	15.5	-10.5	1.2

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

Of the major age groups, youth (15 to 24 years of age) experienced the largest increase in employment this month, adding 2,000 workers. However, youth have also been more severely affected by pandemic-related layoffs than other age groups by a substantial margin. From February to April, more than one in three employed youth were laid off, of which approximately half have since returned to work, yielding an 18.4% year-over-year employment decline. A major factor behind this trend is the overrepresentation of youth in industries hit hard by social-

distancing requirements, such as retail trade, food services, and information, culture and recreation. Prior to the COVID-19 outbreak, youth had benefited significantly from recent labour market improvements in Nova Scotia.

For the prime working age and older worker groups, the employment decline and rebound associated with COVID-19 have been less pronounced than among youth. From February to April, these age groups shed approximately one in eight jobs, of which slightly more than half has been recovered. In July, the year-over-year rate of employment growth stood at -5.2% for the prime working age group and -6.1% for older workers.

In general, unemployment rates for females in Nova Scotia tend to be a few percentage points lower than their male counterparts. However, females are moderately overrepresented in some of the industries with the most severe layoffs. As a result, there has been a larger year-over-year employment decline for females (-7.2% compared to -4.1%) and the usual unemployment rate gap has narrowed substantially.

## EMPLOYMENT BY INDUSTRY

Overall, employment in the **goods-producing sector** has been less affected by COVID-19 than in the services-producing sector. While the number of workers in **construction** was down by 7.4% year-over-year, several trends bode well for the industry. Capital expenditures by the provincial government will top \$1B this fiscal year, which includes several school and highway projects, the construction of a new NSCC campus, and the beginning of the multi-year healthcare redevelopment project. On the residential side, renovation projects have been popular among those stuck at home for the summer, while detached housing starts remained high as limited realty listings forced home shoppers to consider building instead.

Employment in **manufacturing** was nearly unchanged from July 2019. While many manufacturers temporarily laid off workers during the first few weeks of the pandemic, most have since returned to normal or near-normal staffing levels. Some businesses in this industry have adapted to produce personal protective equipment. It is important to note that outcomes vary by type of manufacturer. For example, lobster processors have been negatively impacted by the crash in demand for lobster, while the number of alcoholic beverage manufacturers continues to expand.

The **forestry, fishing, mining, oil and gas** industry reported a surprising 17.3% year-over-year gain in employment. While low lobster prices and the closure of both the Northern Pulp mill and Donkin mine are expected to weigh heavily on this industry, a bright spot is activity at the Touquoy gold mine and plans for other gold mine sites along the Eastern Shore.

In the context of COVID-19, outcomes are mixed among **services-producing industries**. In total, the number of workers in this sector is down by nearly 25,000 since July 2019. Five industries remain well below normal levels of employment due to social-distancing regulations or restrictions on travellers from outside of Atlantic Canada.

Much of the decline in this sector is in two of the province's largest industries: **accommodation and food services** and **wholesale and retail trade**. Many establishments in both of these industries were closed for several weeks in the spring. While the majority have since reopened, some which are particularly reliant on seasonal tourist demand have opted to remain closed for the season while others have shut their doors permanently. In percentage terms, **information, culture, and recreation** suffered the worst year-over-year employment decline, at nearly 30%. Many cultural and sporting events are rendered impractical by the space required for physical distancing, and the province's motion picture industry has been affected by limitations on international travellers.

Certain **transportation** industries have been hit harder than others. Major air carriers have laid off staff and cancelled certain routes to and from Halifax, and some tour bus operators have hired several hundred fewer employees than usual this year.

At the same time, several industries in the service sector have experienced positive employment growth. Many of these are characterized by an ability to comply with social distancing requirements by operating virtually and having employees work from home. In particular, **professional, scientific, and technical services** saw very little employment change at any point during the pandemic. The outlook for this industry remains bright in general: the Halifax Partnership recently announced that seven information technology (IT) companies will set up operations in the city, creating several hundred positions. Other industries which also added more than thousand workers over the past year include: **finance, insurance, real estate, and leasing; business, building, and other support services; and educational services.**

Nova Scotia Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	July 2020	June 2020	July 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	436.5	433.1	462.6	3.4	0.8	-26.1	-5.6
<b>Goods-producing sector</b>	82.6	83.3	84.0	-0.7	-0.8	-1.4	-1.7
Agriculture	5.5	6.0	5.7	-0.5	-8.3	-0.2	-3.5
Forestry, fishing, mining, quarrying, oil and gas	12.2	11.6	10.4	0.6	5.2	1.8	17.3
Utilities	3.4	3.6	3.7	-0.2	-5.6	-0.3	-8.1
Construction	31.1	31.8	33.6	-0.7	-2.2	-2.5	-7.4
Manufacturing	30.5	30.3	30.6	0.2	0.7	-0.1	-0.3
<b>Services-producing sector</b>	353.9	349.8	378.7	4.1	1.2	-24.8	-6.5
Trade	68.2	67.3	80.0	0.9	1.3	-11.8	-14.8
Transportation and warehousing	18.2	18.9	19.5	-0.7	-3.7	-1.3	-6.7
Finance, insurance, real estate and leasing	22.3	21.6	21.1	0.7	3.2	1.2	5.7
Professional, scientific and technical services	29.8	28.7	28.2	1.1	3.8	1.6	5.7
Business, building and other support services	17.8	16.4	16.6	1.4	8.5	1.2	7.2
Educational services	36.9	34.3	35.7	2.6	7.6	1.2	3.4
Health care and social assistance	73.1	73.7	74.9	-0.6	-0.8	-1.8	-2.4
Information, culture and recreation	16.0	15.5	19.1	0.5	3.2	-3.1	-16.2
Accommodation and food services	25.5	28.0	36.2	-2.5	-8.9	-10.7	-29.6
Other services	15.3	14.7	18.0	0.6	4.1	-2.7	-15.0
Public administration	30.8	30.7	29.3	0.1	0.3	1.5	5.1

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

Employment in **Cape Breton** was down by 10.3% year-over-year, which was midpack among the province's five economic regions. Prior to COVID-19, labour market and demographic indicators suggested that a long-term population and employment decline on the island had lessened. Cape Breton University has aggressively expanded international enrolment in recent years, bringing thousands of temporary residents and an influx of demand for

consumer goods and housing. However, the university will switch to mostly online learning this academic year, which will likely reduce the number of students moving to the area in the near term. An additional challenge for this region relates to the closure of the Donkin Mine. The mine shut down permanently in February, just three years after opening, due to geological conditions.

The **North Shore** has experienced the most severe deterioration in labour market outcomes over the past year, as employment went down by 15.2% and the unemployment rate more than doubled. The closure of the Northern Pulp mill resulted in not just the direct loss of employment at the facility, but also created unfavourable conditions for woodlot owners and truck drivers in this region. Looking forward, optimism around the major Goldboro LNG construction project in Guysborough County has also been tempered as Pieridae Energy has pushed their final investment decision from fall 2020 to June 2021.

Labour market developments in the **Annapolis Valley** resembled those elsewhere in the province, with employment down by 12.9% year-over-year, lower labour force participation, and higher unemployment. For farmers, the beginning of the growing season was overshadowed by uncertainty around the availability of temporary foreign workers. Fewer workers have come than usual, resulting in a shortage of labour.

Employment in **Southern** Nova Scotia went up slightly year-over-year, an anomaly among the economic regions. The Labour Force Survey indicated much lower than usual employment in this region throughout 2019, so it is possible that the return to normal employment levels and layoffs related to COVID-19 have effectively canceled each other out. This region is disproportionately experiencing the effect of both lower global lobster demand and restrictions on travel from other countries and provinces. However, some tourism operators have reported better-than-expected conditions due to more travellers originating inside Atlantic Canada.

The loss of employment in **Halifax** over the past year was somewhat less severe than in most of the other economic regions. Halifax accounted for most of the province's COVID-19 cases, which may have had a stronger effect on consumer behaviour than in rural areas. However, this region also hosts much of the employment in public administration and other professional office-based industries which were able to continue operating throughout the pandemic.

**Nova Scotia 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 (%)
<b>Nova Scotia</b>	434.7	477.1	-8.9	11.8	6.4	5.4
<b>Economic Regions</b>						
Cape Breton	45.5	50.7	-10.3	16.8	12.1	4.7
North Shore	60.7	71.6	-15.2	12.9	6.3	6.6
Annapolis Valley	51.2	58.8	-12.9	10.5	5.9	4.6
Southern	49.0	48.4	1.2	12.2	7.5	4.7
Halifax	228.3	247.6	-7.8	10.7	5.0	5.7

*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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