



# Labour Market Bulletin

Nova Scotia

August 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

Labour market conditions in Nova Scotia were closer to normal in August as employment rose by 7,200 month-over-month. There was a pronounced shift toward part-time work, however: part-time employment comprised all of the overall job gains, while the number of full-time workers decreased slightly. Full-time employment losses in the midst of a recovery may reflect ongoing adjustments by businesses to adapt to uncertain and challenging conditions.

Positive labour force growth resumed following a small contraction in July, driving the participation rate above 60%. The unemployment rate declined for the third month in a row to 10.3%, but remained well above the 7.8% reported prior to the pandemic in February.

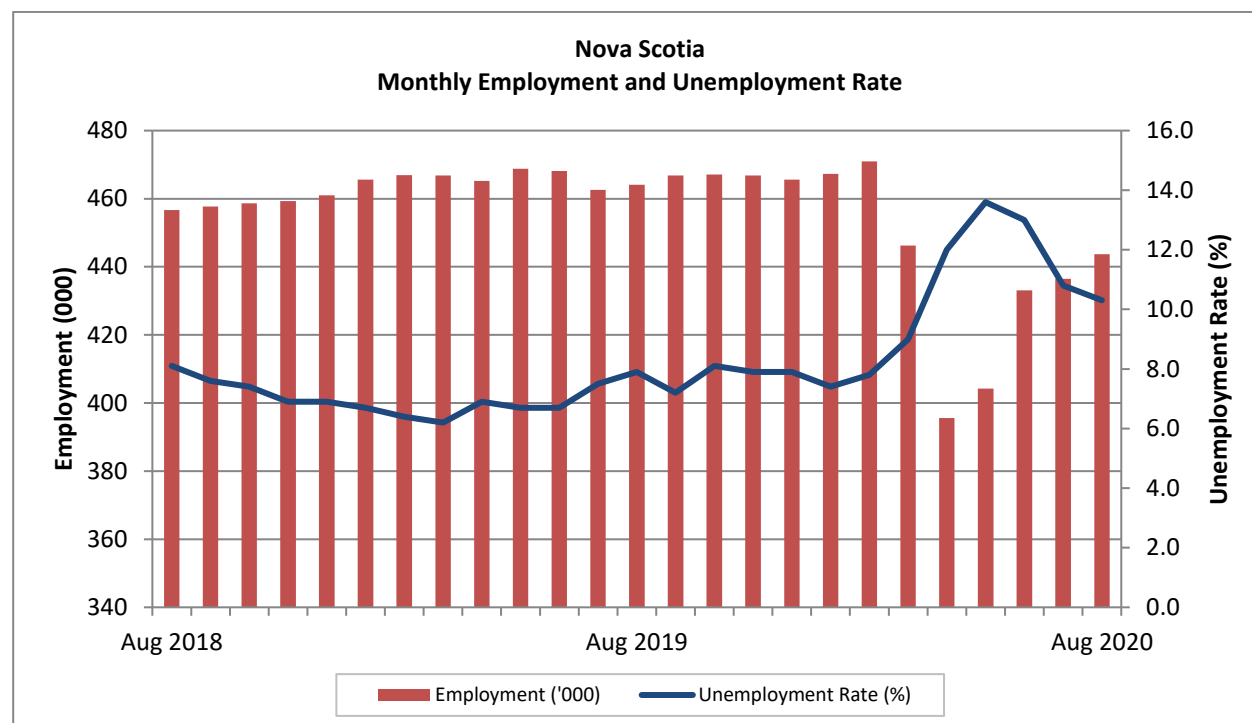
Nova Scotia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Aug 2020	July 2020	Aug 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	817.7	816.9	808.6	0.8	0.1	9.1	1.1
Labour Force ('000)	494.5	489.2	504.0	5.3	1.1	-9.5	-1.9
Employment ('000)	443.7	436.5	464.1	7.2	1.6	-20.4	-4.4
Full-Time ('000)	355.9	357.5	377.5	-1.6	-0.4	-21.6	-5.7
Part-Time ('000)	87.8	78.9	86.6	8.9	11.3	1.2	1.4
Unemployment ('000)	50.8	52.8	39.9	-2.0	-3.8	10.9	27.3
Unemployment Rate (%)	10.3	10.8	7.9	-0.5	-	2.4	-
Participation Rate (%)	60.5	59.9	62.3	0.6	-	-1.8	-
Employment Rate (%)	54.3	53.4	57.4	0.9	-	-3.1	-

Note: Totals may not add due to rounding

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

The level of employment was down by 4.4% on a year-over-year basis, with 20,400 fewer workers than in August 2019. A bit less than two-thirds of the job losses between February and April have since been recovered. The largest rise in employment occurred in June following the reopening of many hard-hit service sector businesses; subsequent increases have been more moderate as ongoing social distancing and travel restrictions continue to reverberate through the economy.



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

Seasonally Adjusted Data	Aug 2020	July 2020	Aug 2019	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	10.3	10.8	7.9	-0.5	2.4
<b>25 years and over</b>	8.9	9.1	6.6	-0.2	2.3
Men - 25 years and over	10.3	9.0	7.7	1.3	2.6
Women - 25 years and over	7.5	9.2	5.4	-1.7	2.1
<b>15 to 24 years</b>	18.9	20.8	15.3	-1.9	3.6
Men - 15 to 24 years	22.3	24.7	15.7	-2.4	6.6
Women - 15 to 24 years	15.1	16.7	15.0	-1.6	0.1

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

Of the three major age groups, youth (15 to 24 years of age) have experienced the greatest employment decline as a result of COVID-19. Year-over-year, youth employment was down by 13.9%, compared to decreases of 1.2% for prime working age individuals (25 to 54 years of age) and 7.4% for older workers (55 years and older). Nearly two-in-five youth were laid off between February and April, and as of July approximately half of this decrease had been regained. However, the recovery stalled in August as the number of workers in this age group went down again, by 2.2% (-1,200). This figure was surpassed by the number of youth who exited the labour force altogether—

3,300—possibly due to discouragement regarding current employment prospects. As a result, the youth unemployment rate went down to 18.9% despite the job losses.

Among prime working age individuals, conditions in August were quite positive. The number of workers in this age group surged by 3.4%, split evenly between full- and part-time work, which returned employment to a level comparable to the months before the pandemic. While the rebound of female employment lagged that of males in previous months, females accounted for nearly 90% of the gains in August, eliminating this disparity.

As with youth, employment growth faltered among older workers this month. Following a large gain in July, employment in this age group dipped by 1,000 (-1.0%), remaining well below pre-pandemic levels.

## EMPLOYMENT BY INDUSTRY

A wide range of employment outcomes by industry continued to be observed in August. While some industries have been able to adapt to social distancing regulations through measures such as telework, others have been severely impacted.

In the **goods-producing sector**, employment was down by 3.2% year-over-year. The **construction** industry has regained approximately two-thirds of the jobs lost in the spring, but remains 6.6% below the employment level recorded last August. This industry has been supported by several factors such as an array of provincial infrastructure projects, ongoing construction of large multi-unit residential buildings, steady demand for new detached dwellings amid a tight real estate market, and a surge in renovations by those spending the summer at home. In the **manufacturing** industry, employment was down by 0.9% year-over-year. Many manufacturing sub-industries have stabilized following an initial period of layoffs and uncertainty; while some have returned to normal operations, others have retooled to produce personal protective equipment. One exception to this trend is food manufacturing, in which the largest subset—seafood processing—has been negatively impacted by lower global demand for lobster.

The **services-producing sector** has experienced both a larger overall employment decline and greater variation among component industries than the goods-producing sector. Among all industries, **accommodation and food services** suffered the largest relative decrease, with 19.6% fewer workers in August than the same month of 2019. Employment in this industry fell by more than 50% between February and April as dining rooms were forced to close and a near-halt in travel caused vacancy rates in many hotels to reach 90%. Only half of the lost employment has since been re-gained, as restaurants have struggled to recover without the usual influx of seasonal tourists. **Wholesale and retail trade** has shed 14,900 workers on an annual basis, the largest absolute decrease by a significant margin. Many retailers experienced major declines in sales throughout the spring as stores closed and shoppers were urged to stay home. As of June, most types of retail had experienced a meaningful recovery in monthly sales, though the foregone revenue has prompted several chains to downsize or close permanently.

Other services-producing industries have fared somewhat better. **Other services** initially experienced a major drop in employment as many personal services which involve close physical contact (e.g. salons and tattoo and massage parlours) were ordered to close for an extended period of time. However, employment has since rebounded to a positive year-over-year change of 800 workers, exceeding expectations. Several predominantly office-based industries which were less affected by physical distancing requirements have managed to maintain or even add employment. Notable examples include: **finance, insurance, real estate, rental and leasing; professional, scientific and technical services; and public administration.**

Nova Scotia Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Aug 2020	July 2020	Aug 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	443.7	436.5	464.1	7.2	1.6	-20.4	-4.4
<b>Goods-producing sector</b>	83.6	82.6	86.4	1.0	1.2	-2.8	-3.2
Agriculture	4.9	5.5	5.9	-0.6	-10.9	-1.0	-16.9
Forestry, fishing, mining, quarrying, oil and gas	10.7	12.2	10.5	-1.5	-12.3	0.2	1.9
Utilities	3.8	3.4	3.4	0.4	11.8	0.4	11.8
Construction	32.8	31.1	35.1	1.7	5.5	-2.3	-6.6
Manufacturing	31.3	30.5	31.6	0.8	2.6	-0.3	-0.9
<b>Services-producing sector</b>	360.2	353.9	377.7	6.3	1.8	-17.5	-4.6
Trade	66.1	68.2	81.0	-2.1	-3.1	-14.9	-18.4
Transportation and warehousing	18.6	18.2	19.0	0.4	2.2	-0.4	-2.1
Finance, insurance, real estate and leasing	23.1	22.3	21.6	0.8	3.6	1.5	6.9
Professional, scientific and technical services	31.2	29.8	27.7	1.4	4.7	3.5	12.6
Business, building and other support services	16.4	17.8	17.0	-1.4	-7.9	-0.6	-3.5
Educational services	39.4	36.9	36.2	2.5	6.8	3.2	8.8
Health care and social assistance	71.8	73.1	74.3	-1.3	-1.8	-2.5	-3.4
Information, culture and recreation	16.2	16.0	18.6	0.2	1.3	-2.4	-12.9
Accommodation and food services	28.8	25.5	35.8	3.3	12.9	-7.0	-19.6
Other services	18.0	15.3	17.2	2.7	17.6	0.8	4.7
Public administration	30.5	30.8	29.5	-0.3	-1.0	1.0	3.4

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

In **Cape Breton**, the number of workers was down by 5.7% year-over-year, wiping out modest gains in 2019 which had seemed to signal a reprieve from long-term employment decline in the region. The labour force contracted by a smaller amount (2.4%) resulting in a higher number of unemployed job seekers. As a result, the unemployment rate rose to 15.9%, the highest in the province. Cape Breton, which hosts a large seasonal tourism industry, has been severely affected by travel restrictions, the cancellation of the 2020 cruise ship season, and the termination of some Air Canada flights to Sydney. However, non-residential **construction** is a bright spot in this region, with a variety of projects including new healthcare and community college facilities getting underway.

Among economic regions, the **North Shore** experienced the largest annual employment decline at -13.9%, while the unemployment rate increased to 11.4%. In addition to the impact of COVID-19, which appears to have hit **wholesale and retail trade** in this region particularly hard, the closure of the Northern Pulp mill in January has also eroded employment in **manufacturing** and **forestry, fishing, mining, quarrying, oil and gas**. Looking forward, the **construction** industry will be boosted for several years by a 38 kilometer highway twinning project between New Glasgow and Antigonish which began this summer.

There were 9.7% fewer workers in the **Annapolis Valley** than in August 2019, with the employment decline spread across multiple industries. Despite rising several percentage points to 10.2%, the unemployment rate was the lowest in the province. Employment in **agriculture** was comparable to last summer at approximately 3,000, despite concerns about a shortage of seasonal labour this spring. While the agriculture industry was spared the poor spring weather experienced in 2018 and 2019, prolonged dryness throughout the summer may have compromised some crops.

**Southern** Nova Scotia experienced an unusual 4.0% increase in employment year-over-year. This may reflect a return to more normal employment levels following a series of unusually low performances in 2019. Despite the employment growth, the unemployment rate rose to 11.6% as 3,500 more individuals entered the labour force. **Accommodations and food services** shed more than one-quarter of its employment base compared to last August, which may reflect the importance of the large tourism industry in this region. Another major economic concern for this part of the province is low global demand and prices for lobster; while fishers are currently in-between lobster fishing seasons, the effect of this trend is reportedly being felt by seafood processors.

Aside from the Southern region **Halifax** had the least severe year-over-year employment decline, at -4.6%. The working age population increased by 2.4% over the past year, with international and interprovincial migration continuing throughout the pandemic. Declines in **retail trade** and **accommodation and food services** have been comparable to elsewhere, and some downtown establishments have noted that former commuters now working from home have further eroded their usual revenue. However, the overall change in employment was limited somewhat by the large presence of industries with stable or even positive job growth, such as **public administration, professional, scientific, and technical services** and **business, building, and other support services**.

Nova Scotia 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 (%)
<b>Nova Scotia</b>	447.3	475.3	-5.9	11.2	7.1	4.1
<b>Economic Regions</b>						
Cape Breton	47.6	50.5	-5.7	15.9	13.1	2.8
North Shore	61.2	71.1	-13.9	11.4	6.9	4.5
Annapolis Valley	52.8	58.5	-9.7	10.2	6.7	3.5
Southern	49.1	47.2	4.0	11.6	9.1	2.5
Halifax	236.7	248.0	-4.6	10.3	5.7	4.6

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.

**Prepared by:** Labour Market Analysis Directorate, Service Canada, Atlantic Region

**For further information,** please contact the LMI team at:

[http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact\\_us.aspx?section=lmi](http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi)

**For information on the Labour Force Survey,** please visit the Statistics Canada Web site at: [www.statcan.gc.ca](http://www.statcan.gc.ca)

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2020, all rights reserved