



Labour Market Bulletin

British Columbia

July 2021



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of British Columbia (B.C.), including the regions of Northern B.C., Vancouver Island and Coast, Lower Mainland, Thompson–Okanagan and the Kootenays.

OVERVIEW

Employment was relatively unchanged (-3,100 or -0.1%) for the month of July. Though full-time employment increased slightly over the month (+3,300 or +0.2%), it was unable to offset the overall job losses in part-time employment (-6,500 or -1.1%).¹ The province's month-over-month change in unemployment rate was flat, remaining at 6.6 % for July, but still well below the national rate of 7.5%.

In the past year, recovery for most industries has been strong. Already employment across the province has increased by 5.9% (+149,100), offsetting the initial impact of the COVID-19 pandemic in March 2020. With such success, provincial employment is now slightly above (+0.5%) the pre-pandemic level of February 2020.²

Despite the pressure the pandemic measures had on the province's labour market, they appear have worked, as the number of COVID-19 case counts remained relatively flat for the month of July.³ However, cases are increasing, particularly in B.C.'s Interior, and a mask mandate and new restrictions are now in place for that region.⁴ For now, the rest of the province remains in Step 3 of its Restart plan, with the possibility to lift almost all restrictions by September 2021.⁵

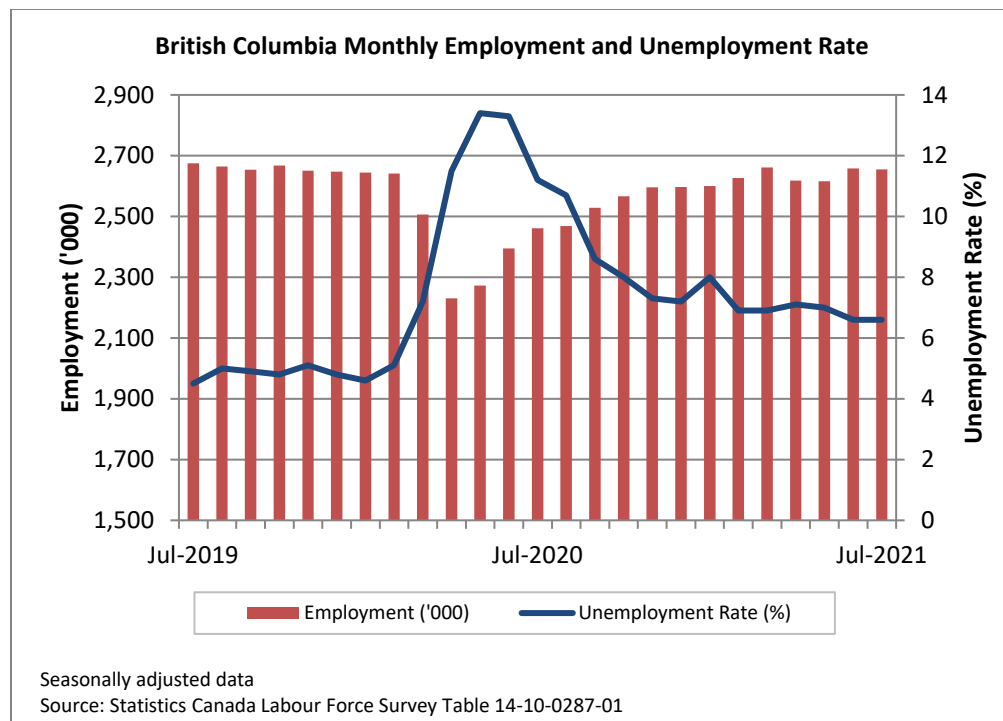
Meanwhile, parts of the province are receiving a most unwelcome summer as B.C.'s wildfire season is proving to be fierce this year. At the time of writing, roughly 263 wildfires are active across the province. Sadly, the White Rock Lake wildfire destroyed the community of Monte Lake in early August.

British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2021	June 2021	July 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,347.4	4,340.3	4,303.4	7.1	0.2	44.0	1.0
Labour Force ('000)	2,843.3	2,845.6	2,771.8	-2.3	-0.1	71.5	2.6
Employment ('000)	2,655.2	2,658.3	2,460.6	-3.1	-0.1	194.6	7.9
Full-Time ('000)	2,057.8	2,054.5	1,912.5	3.3	0.2	145.3	7.6
Part-Time ('000)	597.3	603.8	548.0	-6.5	-1.1	49.3	9.0
Unemployment ('000)	188.1	187.3	311.3	0.8	0.4	-123.2	-39.6
Unemployment Rate (%)	6.6	6.6	11.2	0.0	-	-4.6	-
Participation Rate (%)	65.4	65.6	64.4	-0.2	-	1.0	-
Employment Rate (%)	61.1	61.2	57.2	-0.1	-	3.9	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087



Unemployment in B.C. remained relatively flat over the month; yet, on a positive note, fewer people are unemployed compared to a year ago (-123,200). Over the year, the recovery has been predominantly among those who are 25 years and over, as their employment increased by roughly 6.7% (+144,100).⁶

The unemployment rate for B.C. youth (15 to 24 years) worsened to 10.5% in July, an increase of 1.7 percentage points from June. The lingering impact of the pandemic affected some young people, as the number of unemployed youth increased by 18.1% (+6,400) over the month.⁷ Yet compared to a year ago, the youth

unemployment rate has dropped 13.1 percentage points. Although slightly fewer young people were in the labour force (-2,500), more were able to find work (+50,500 employed).⁸

British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2021 (%)	June 2021 (%)	July 2020 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	6.6	6.6	11.2	0.0	-4.6
25 years and over	6.0	6.2	9.1	-0.2	-3.1
Men - 25 years and over	6.4	6.5	9.3	-0.1	-2.9
Women - 25 years and over	5.5	6.0	8.9	-0.5	-3.4
15 to 24 years	10.5	8.8	23.6	1.7	-13.1
Men - 15 to 24 years	9.2	7.8	21.1	1.4	-11.9
Women - 15 to 24 years	11.8	10.1	26.6	1.7	-14.8

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

EMPLOYMENT BY INDUSTRY

The province's goods producing sector decreased slightly (-2.8%) between June and July, with job losses predominantly in **utilities** (-16.6%), **agriculture** (-10.8%) and **manufacturing** (-6.2%). Over the month, only **construction** saw employment increase (+2.1%).⁹ Overall employment in the goods sector continues to recover with 5,900 fewer workers employed than a year ago. However, the sector remains well below pre-pandemic levels (-7.9%), with 40,100 fewer people working compared to February 2020.¹⁰

The **forestry** sector continues to adapt to ongoing challenges, including wildfires, trade tariffs from the United States (U.S.) and a shrinking timber supply. Recently, lumber prices declined as supplies increased and demand eased. However, prices may rebound as wildfires hamper the supply and distribution of B.C.'s lumber.

Indeed, West Fraser Timber¹¹, Canfor¹², and Interfor¹³ have announced that they will be curtailing production at their mills. Although no specifics are available, it is likely that operations within B.C.'s Interior will bare the brunt of the curtailments. Looking forward, some operations will be curtailed from August through September, and potentially longer depending on weather conditions.

The **construction** sector's recovery is ongoing, as employment increased for the month of July, yet still remains below last year's employment level (-2.9%), as employment in nearly all subsectors had declined, most notably among specialty trade contractors. July's employment gains may carry forward, due in part to the significant increase in housing starts for the month of June (+45.7%), particularly among multiples, including condominiums (+55.9%).¹⁴

Though housing demand has been high across the province, driving up sales and prices through the year, the market may cool in the second half of the year, as pandemic driven-demand may have mostly settled down.

Across the province, stimulus programs from all levels of government continue to support employment in the construction industry, particularly investments in the province's hospitals. For instance, work will soon begin on the \$1.4B upgrade to the Burnaby Hospital.¹⁵ In addition, the industry will benefit from the Government of British Columbia announcing multimillion-dollar projects to upgrade hospitals in Richmond¹⁶ and Terrace¹⁷.

Year-over-year, B.C.'s **services** sector recovery has been strong, as employment increased by 10.1% to nearly 2.2M jobs. The recovery was largely due to significant gains in industries that adapted to changes in some work environments due to past health restrictions; particularly, in **business, building and other support services** (+37.9%), **other services** (+17.0%), and **information, culture and recreation** (+16.6%). Meanwhile, **health care and social assistance** (+14.4%) has also grown.¹⁸

Though the sector has recovered over the year, overall employment for the month has been relatively flat as most gains were offset by significant losses in **information, culture and recreation** (-9.1%). Job losses were primarily among those employed in recreational activities, as some employers continue to face financial and operational challenges due to the pandemic.

While the **accommodations and food services** industry remained relatively unchanged (+0.7% over the month), demand for these services remains lower than normal due to the pandemic, largely due to fewer international travelers and the cancelation of the cruise season until November 1, 2021. In the near-term, the outlook is uncertain. Although local tourism activities may improve in the coming weeks with fully vaccinated American's now able to visit Canada, employment growth may be stunted in the coming months. Indeed, some employers have reported challenges in rehiring workers let go earlier during the pandemic. Because of these layoffs and an uncertain summer season, fewer people are returning to the industry as some have found alternative employment.

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	July 2021	June 2021	July 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,655.2	2,658.3	2,460.6	-3.1	-0.1	194.6	7.9
Goods-producing sector	462.5	476.0	468.4	-13.5	-2.8	-5.9	-1.3
Agriculture	19.9	22.3	25.0	-2.4	-10.8	-5.1	-20.4
Forestry, fishing, mining, quarrying, oil and gas	48.7	49.6	43.8	-0.9	-1.8	4.9	11.2
Utilities	18.6	22.3	19.4	-3.7	-16.6	-0.8	-4.1
Construction	211.6	207.3	217.9	4.3	2.1	-6.3	-2.9
Manufacturing	163.7	174.6	162.4	-10.9	-6.2	1.3	0.8
Services-producing sector	2,192.7	2,182.3	1,992.1	10.4	0.5	200.6	10.1
Trade	398.7	396.8	382.2	1.9	0.5	16.5	4.3
Transportation and warehousing	139.2	137.2	134.4	2.0	1.5	4.8	3.6
Finance, insurance, real estate and leasing	172.7	173.2	159.9	-0.5	-0.3	12.8	8.0
Professional, scientific and technical services	264.9	264.9	238.8	0.0	0.0	26.1	10.9
Business, building and other support services	114.7	109.1	83.2	5.6	5.1	31.5	37.9
Educational services	187.9	185.5	170.8	2.4	1.3	17.1	10.0
Health care and social assistance	366.3	358.6	320.2	7.7	2.1	46.1	14.4
Information, culture and recreation	120.7	132.8	103.5	-12.1	-9.1	17.2	16.6
Accommodation and food services	177.8	176.6	181.6	1.2	0.7	-3.8	-2.1
Other services	115.2	114.2	98.5	1.0	0.9	16.7	17.0
Public administration	134.6	133.5	118.9	1.1	0.8	15.7	13.2

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355, formerly CANSIM 282-0088

REGIONAL ANALYSIS

The impact of the COVID-19 pandemic remains, yet employment in all the regions has increased over the last year.¹⁹ This success likely reflects the unique approaches British Columbia has taken in response to the pandemic. Though restrictions have eased over the past few months, the province's outlook remains uncertain, as the number of COVID-19 cases continue to rise, possibly into a fourth wave due to the more transmissible Delta variant.

British Columbia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	July 2021 ('000)	July 2020 ('000)	Yearly Variation (%)	July 2021 (%)	July 2020 (%)	Yearly Variation (% points)
British Columbia	2,668.5	2,401.8	11.1	6.6	12.3	-5.7
Economic Regions						
Vancouver Island and Coast	412.7	393.6	4.9	5.0	11.3	-6.3
Lower Mainland - Southwest	1,712.7	1,487.2	15.2	7.4	13.0	-5.6
Thompson - Okanagan	293.4	285.2	2.9	5.1	10.2	-5.1
Kootenay	81.8	79.9	2.4	5.8	13.2	-7.4
Cariboo	88.2	81.3	8.5	6.0	10.5	-4.5
North Coast and Nechako	43.1	38.8	11.1	7.9	14.3	-6.4
Northeast	36.6	35.8	2.2	-	9.4	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0387, formerly CANSIM 282-0122

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Vancouver Island and Coast's employment increased by 4.9%, and the unemployment rate improved to 5.0% down from 6.3% compared to a year ago.²⁰ The outlook for the region's tourism sector is looking up, as more British Columbians are now looking for safer alternative destinations due to the wildfires across the rest of the province. For instance, the new \$17M Malahat Skywalk is such a location, now open to visitors.²¹

Looking ahead, the region's construction industry will be busy, as the Province announced \$42.9M to replace the Cedar Mill Middle school in Victoria, and the City of Campbell River approved a \$15.5 developmental permit for a new regional compost facility.²²

Year-over-year, the **Lower Mainland – Southwest** continues to lead the province's recovery, as employment increased by 15.2%.²³ Much like the Vancouver Island Coast, the region's tourism sector is optimistic, already several airlines, including Air Canada²⁴, and Air Transat²⁵ have resumed some domestic and international flights in anticipation of a return to normalcy for travelers. Unfortunately, Metro Vancouver will miss out again on another cruise season due to the pandemic. Prior to the pandemic, the Port of Vancouver welcomed nearly 520,000 visitors during the 2019 cruise season.²⁶ Yet, the recent opening of the border to fully vaccinated American tourists may help alleviate some of the financial strain on the sector.

Construction activity will also be picking up in Metro Vancouver, particularly on several public transit projects, including the \$2.8B Broadway Subway project, upgrades to the SkyTrain SkyBridge between New Westminster and Surrey²⁷, and the much anticipated Surrey Langley SkyTrain extension project.²⁸

Employment in **Thompson-Okanagan** improved by 2.9% over the year, and the unemployment rate decreased to 5.1%.²⁹ The outlook for the region's summer tourism season took a drastic turn for the worse as wildfires and smoke rage across the region. Wineries in the Okanagan Valley have been hurt financially by the surrounding wildfires. Some wineries have had to evacuate, while others cancelled future visits.³⁰ Unfortunately, there has also been a surge of COVID-19 cases. Already restrictions are in place for several communities within the region to help curb the current outbreak.³¹ As such, the economic recovery will be muted over the summer months.

Year-over-year, employment in **Cariboo** improved by 8.5%, and the unemployment rate fell to 6.0%.³² At the time of writing this report, the wildfire situation in the region appears to be not as bad as that of the Thompson-Okanagan region. However, just south of 100 Mile House, the Flat Lake wildfire remains a risk to several communities. As mentioned above, B.C.'s wildfire situation has led several forestry companies to curtail production at their mills, which may have an impact on employment across the region in the coming months.

Meanwhile, the Province of British Columbia has approved an early works permit for the Blackwater Project, a mining operation located to the west of Prince George. Site preparation and land clearing for the mine can now begin. The project is expected to create more than 450 jobs over the 23-year operating life of the mine, with roughly 825 jobs during the construction and expansion phases of the mine.³³

Over the year, employment in **North Coast and Nechako** increased by 11.1%, and the unemployment rate decreased to 7.9%.³⁴ The region's employment outlook is expected to improve over the coming months, as construction has begun on the new \$622.6M Mills Memorial Hospital in Terrace. The hospital will feature 78 beds and is expected to open in 2025.³⁵

Meanwhile, Pacific Northern Gas has been granted approval to begin its nearly three yearlong maintenance project on the Western Transmission Gas Line between Salvus and Galloway. Work is expected to begin this year, with a completion date sometime in 2023. More than 250 jobs are expected to be created over the duration of the project.³⁶

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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