



Labour Market Bulletin

New Brunswick

March 2021



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of New Brunswick, including the regions of Campbellton—Miramichi, Edmundston—Woodstock, Fredericton—Oromocto, Moncton—Richibucto and Saint John—St. Stephen.

OVERVIEW

The level of employment was relatively unchanged in New Brunswick during the first quarter of the year, as viral outbreaks and concerns regarding a more potent variant kept businesses from hiring. The unemployment rate diminished to 9% in the first quarter of the year, from 10% in fourth quarter of last year, as around 4,000 fewer persons were actively seeking work.

Unfortunately, employment has now remained flat for 5 consecutive months. By November of last year, employment had returned to within 1% of the pre-pandemic level in February. As of March, however, employment has diminished somewhat and is currently within 2% of the February figures, which means the provinces is slightly further away from a full jobs recovery.

Full-time work declined by 4,100 in the first quarter, which mirrors the steady decline in full-time work during the entire pandemic. Indeed, compared to the first quarter of last year, full-time employment is down by 8,300.

New Brunswick Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	1st Quarter 2021	4th Quarter 2020	1st Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	648.5	648.0	645.9	0.5	0.1	2.6	0.4
Labour Force ('000)	395.6	399.7	391.0	-4.1	-1.0	4.6	1.2
Employment ('000)	360.2	359.9	359.8	0.3	0.1	0.4	0.1
Full-Time ('000)	301.4	305.5	309.7	-4.1	-1.3	-8.3	-2.7
Part-Time ('000)	58.8	54.4	50.1	4.4	8.1	8.7	17.4

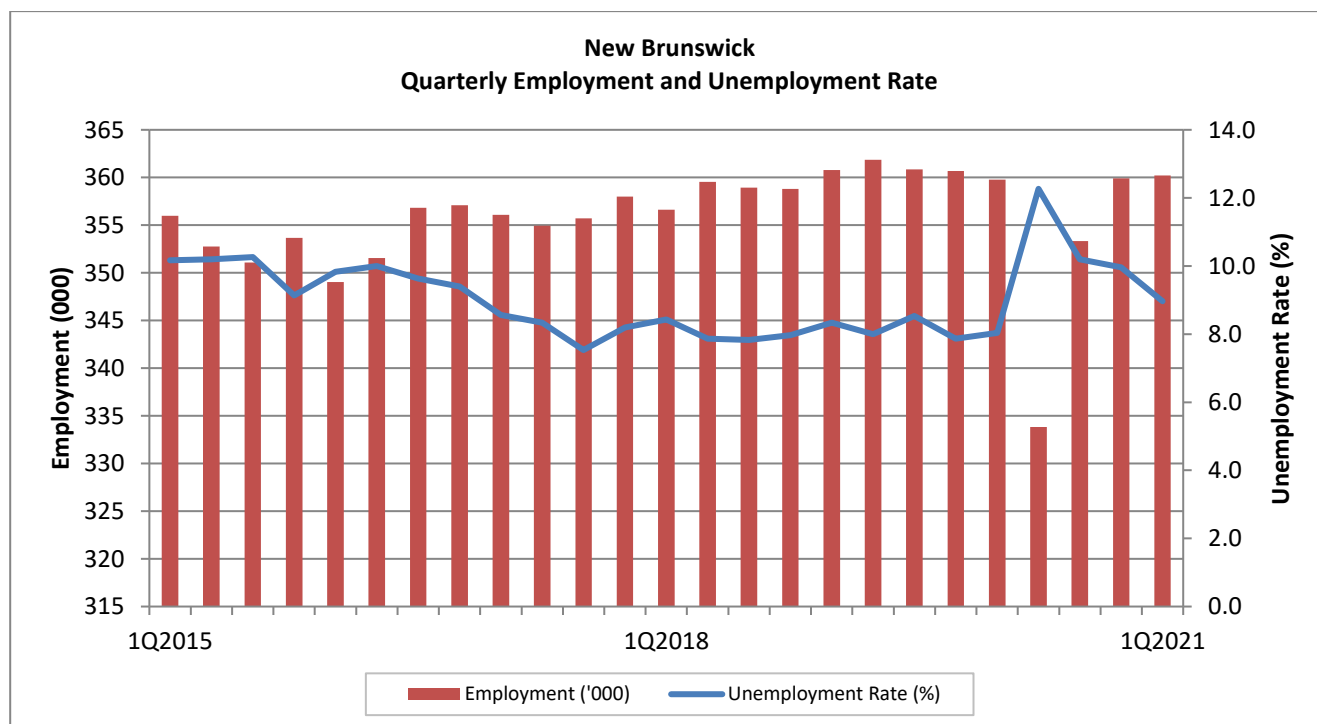
Unemployment ('000)	35.4	39.8	31.2	-4.4	-11.1	4.2	13.5
Unemployment Rate (%)	9.0	10.0	8.0	-1.0	-	1.0	-
Participation Rate (%)	61.0	61.7	60.5	-0.7	-	0.5	-
Employment Rate (%)	55.5	55.5	55.7	0.0	-	-0.2	-

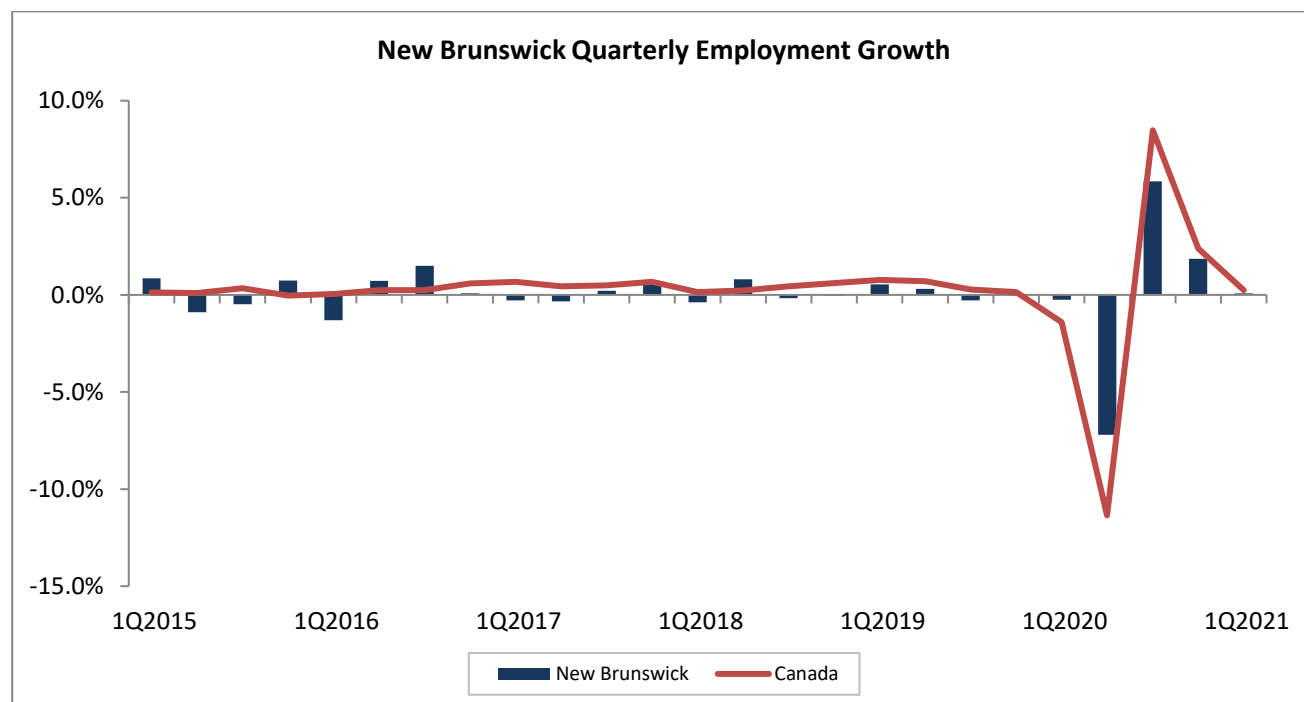
Note: Totals may not add due to rounding

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

Employment levels in New Brunswick during the quarter were essentially in line with its levels from the same quarter in 2020, which was being weighed down by the sharp 16,400 reduction in employment in March, when all non-essential businesses were closed in an effort to contain the spread of COVID-19.

The 0.7 percentage point (pp) decline in the first quarter brought the participation rate to 61%, which is nevertheless 0.5 pp higher than the same quarter the year before. The current economic recession has been unique in the sense that people have been more likely to enter the labour force than leave. This explains why there were 4,600 more people actively searching for work in Q1 relative to the same time last year.





Youth (aged 15 to 24) were disproportionately impacted by COVID-19, since they were most likely to be employed in the services-producing industries that were hardest hit by the pandemic. The recovery, however, has been an entirely different story, with labour market conditions among youth workers having improved at a much more rapid pace relative to the rest of the working-age population. (Employment in March had surpassed the February 2020 level by 1,100.) In the first quarter of the year, the youth unemployment rate fell by more than 4 percentage points to 14.4%, with the decline being comparable among both males and females.

New Brunswick Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	1st Quarter 2021 %	4th Quarter 2020 %	1st Quarter 2020 %	Quarterly Variation (% points)	Yearly Variation (% points)
Total	9.0	10.0	8.0	-1.0	1.0
25 years and over	8.0	8.5	7.4	-0.5	0.6
Men - 25 years and over	9.4	10.9	8.6	-1.5	0.8
Women - 25 years and over	6.6	6.0	6.1	0.6	0.5
15 to 24 years	14.4	18.5	11.8	-4.1	2.6
Men - 15 to 24 years	15.0	19.3	12.5	-4.3	2.5
Women - 15 to 24 years	13.8	17.5	11.1	-3.7	2.7

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

Although labour market conditions have improved more rapidly among the youth population, they continue to experience much higher rates of unemployment. At 14.4% in the first quarter of the year, the youth unemployment rate is well above the 8% rate of unemployment for those aged 25 and above.

EMPLOYMENT BY INDUSTRY

The COVID-19 pandemic has had an impact in essentially all industries across the province. In the first quarter, job gains in the **services-producing sector** (+2,000) were broadly offset by weaker employment in the **goods-producing sector** (-1,800). This in effect mirrors the trend over the past year, as services-producing sector employment in the first quarter is up by 7,400, whereas goods-producing sector employment is down by 7,100 during the same period.

From one quarter to the next, there were relatively few significant changes to highlight in the first quarter, with the exception of a 2,000 reduction in the **construction** industry among goods-producing industries. Among services-producing industries, any meaningful swings in employment in the first quarter were limited to a 1,100 increase in **finance, insurance, real estate and leasing** and a 1,000 decline in **public administration**.

Relative to the first quarter of last year, employment is down in essentially all of the goods-producing industries in the province. Job losses during this period in the sector have been especially pronounced in the **construction** industry, where employment was down by 3,200 in Q1 relative to a year earlier. Weakened activity in the non-residential sector would have undoubtedly contributed to this decline, as residential construction activity has been a bright spot, especially concerning renovations, where households allocated an increased share of spending last summer and fall. Employment was down from a year earlier in **forestry, fishing, mining, quarrying, oil and gas** (-1,600) and **agriculture** (-1,400). Subdued global demand for food continues to weigh on agriculture while additional layoffs at the Irving Oil Refinery early this year have compounded job losses at the refinery last summer.

Labour market conditions are generally stronger in the services-producing sector, with the exception of a small subset of industries that employed fewer workers in Q1 relative to a year earlier. For the most part, high-contact services industries such as **information, culture and recreation**, where employment was down by 1,900 from a year earlier, continue to struggle. The hospitality sector has been significantly impacted by travel restrictions over the past year. More recently, challenges to the airline industry are also weighing on employment conditions in **accommodations and food services**, which was relatively unchanged in the first quarter, both relative to the previous quarter and a year earlier. While modest job gains were spread across the majority of services-producing industries during the past year, the biggest year-over-year increases in employment were in **educational services** (+2,700) and **public administration** (+1,700), which are both in the public sector. The only meaningful increase in the private sector over the past year has been in trade (+2,000), which has recovered rapidly since last spring alongside a solid performance in retail sales, which surpassed pre-pandemic levels by the summer months.

New Brunswick Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	1st Quarter 2021	4th Quarter 2020	1st Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	360.2	359.9	359.8	0.3	0.1	0.4	0.1
Goods-producing sector	69.7	71.5	76.8	-1.8	-2.5	-7.1	-9.2
Agriculture	4.7	4.1	6.1	0.6	14.6	-1.4	-23.0
Forestry, fishing, mining, quarrying, oil and gas	9.1	9.3	10.7	-0.2	-2.2	-1.6	-15.0
Utilities	3.6	3.7	3.8	-0.1	-2.7	-0.2	-5.3
Construction	22.2	24.2	25.4	-2.0	-8.3	-3.2	-12.6

Manufacturing	30.1	30.2	30.8	-0.1	-0.3	-0.7	-2.3
Services-producing sector	290.4	288.4	283.0	2.0	0.7	7.4	2.6
Trade	56.1	56.9	54.1	-0.8	-1.4	2.0	3.7
Transportation and warehousing	19.2	18.3	18.6	0.9	4.9	0.6	3.2
Finance, insurance, real estate and leasing	17.7	16.6	16.8	1.1	6.6	0.9	5.4
Professional, scientific and technical services	18.3	18.7	17.1	-0.4	-2.1	1.2	7.0
Business, building and other support services	16.0	15.6	17.2	0.4	2.6	-1.2	-7.0
Educational services	28.3	28.3	25.6	0.0	0.0	2.7	10.5
Health care and social assistance	60.3	59.9	59.9	0.4	0.7	0.4	0.7
Information, culture and recreation	10.1	9.8	12.0	0.3	3.1	-1.9	-15.8
Accommodation and food services	21.2	20.5	20.9	0.7	3.4	0.3	1.4
Other services	15.0	14.4	14.2	0.6	4.2	0.8	5.6
Public administration	28.4	29.4	26.7	-1.0	-3.4	1.7	6.4

Note: Totals may not add due to rounding

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

REGIONAL ANALYSIS

The 4,600 increase in employment in the **Campbellton-Miramichi** Economic Region (ER) since the first quarter of last year is encouraging given that it has taken place against the backdrop of a global pandemic. Outbreaks in this part of the province have been modest and relatively well contained. On balance, disruptions to economic activity in the Campbellton-Miramichi ER have not been as severe as in other parts of the province. The unemployment rate fell by less than a percentage point over the past year, settling at 14.3% in the first quarter.

The level of employment diminished by 2,300 in the **Moncton-Richibucto** ER over the past year. The unemployment rate grew by a sizeable 2.8 p.p. to 10.6% in the first quarter. It is probable that the stricter health restrictions in the southeastern part of the province early this year in an effort to curb the spread of the virus have weighed on economic activity.

There were 2,600 fewer employed persons in the **Saint John-St. Stephen** ER in Q1 relative to a year earlier. The unemployment rate grew by nearly four percentage points during the same period, reaching 11.5% in the first quarter. A number of developments have contributed to reduced employment levels in the Saint John area. Last summer, Irving Oil laid off about 175 workers at its refinery in Saint John, blaming the pandemic and the resulting drop in oil prices for its decision. The company laid off an additional 60 workers at its refinery in January. The recent announcement from the Federal Government that cruise ship activity will remain cancelled until February of 2022 is a blow to the local economy and will likely weigh on employment for much of the year. Cruise ship activity is not only an important direct employer but also drives tourism activity, which coincidentally has been one of the most greatly impacted sectors during the COVID-19 pandemic.

Labour market conditions have recovered significantly in the **Fredericton-Oromocto** ER over the past year. In the first quarter, employment levels in January were up by 5,400 from a year earlier. The unemployment rate, however, diminished only modestly, from 7.8% to 7.5% in the first quarter. The adverse impact of the pandemic

has likely been moderated by the high concentration of workers in the public sector, which has traditionally been relatively sheltered from recessions in the past.

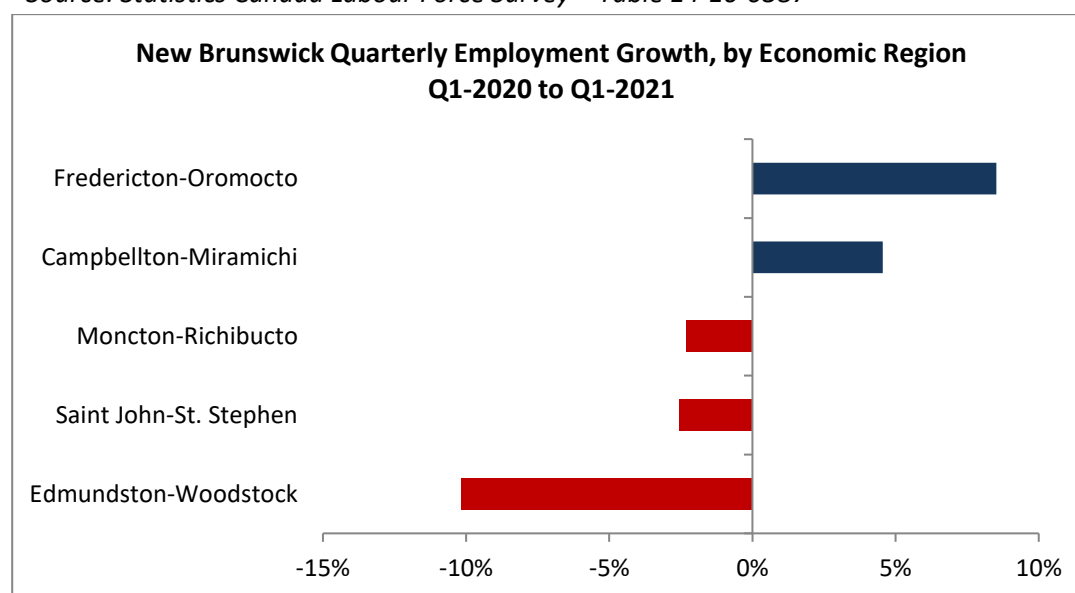
Of all the economic regions in the province, labour market conditions deteriorated the most in the **Edmundston-Woodstock** ER during the past year, where the level of employment diminished by 3,600 between the first quarter of 2020 and Q1 of this year. The unemployment rate edged up by a tenth of a percentage point to 8.4% in the first quarter. Health zone four of the province, which includes the Edmundston and Grand Falls region, has seen some tightened restrictions over the past few months due to Covid-19 outbreaks, including periodic lockdowns, which would have suppressed employment in the first quarter of the year.

New Brunswick Quarterly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	1st Quarter 2021 ('000)	1st Quarter 2020 ('000)	Yearly Variation (%)	1st Quarter 2021 (%)	1st Quarter 2020 (%)	Yearly Variation (%)
New Brunswick	345.9	346.1	-0.1	10.7	9.4	1.3
Economic Regions						
Campbellton-Miramichi	59.7	57.1	4.6	14.3	15.0	-0.7
Moncton-Richibucto	105.5	108.0	-2.3	10.6	7.8	2.8
Saint John-St. Stephen	80.1	82.2	-2.6	11.5	9.0	2.5
Fredericton-Oromocto	68.8	63.4	8.5	7.5	7.8	-0.3
Edmundston-Woodstock	31.8	35.4	-10.2	8.4	8.3	0.1

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0387



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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