



# Labour Market Bulletin

## Newfoundland and Labrador

November 2020



This Labour Market Bulletin is a report providing an analysis of Labour Force Survey results for the province of Newfoundland and Labrador, including the regions of Avalon Peninsula, West Coast—Northern Peninsula—Labrador, Notre Dame—Central Bonavista Bay and South Coast—Burin Peninsula.

### OVERVIEW

In November, employment in the province increased by 2,300 jobs compared to the previous month, resulting in a drop in the unemployment rate. Labour market conditions have improved since April, when the economy virtually closed due to the COVID-19 pandemic. In fact, employment and labour force levels were slightly higher than in February, before the effects of the pandemic started.

Newfoundland and Labrador Monthly Labour Force Statistics

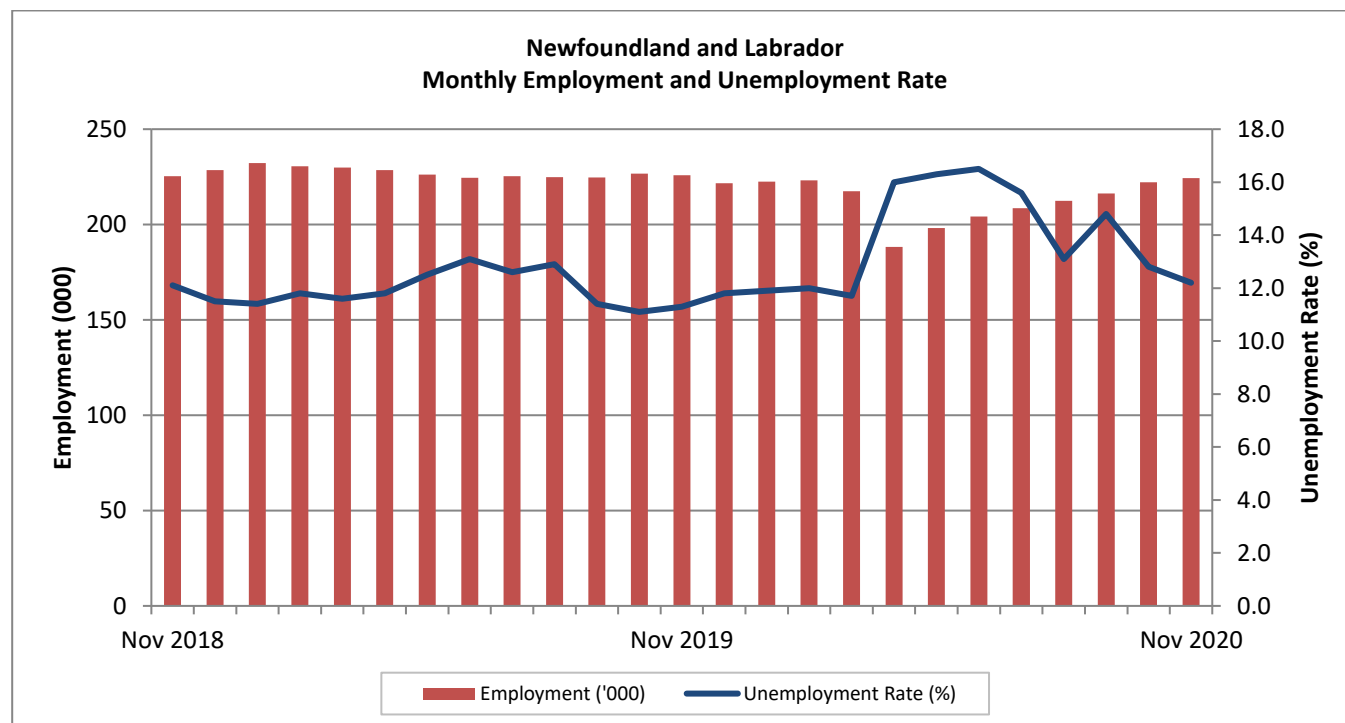
| Seasonally Adjusted Monthly Data | Nov 2020 | Oct 2020 | Nov 2019 | Monthly Variation |      | Yearly Variation |      |
|----------------------------------|----------|----------|----------|-------------------|------|------------------|------|
|                                  |          |          |          | Number            | %    | Number           | %    |
| <b>Population 15 + ('000)</b>    | 439.4    | 439.3    | 439.9    | 0.1               | 0.0  | -0.5             | -0.1 |
| <b>Labour Force ('000)</b>       | 255.6    | 254.7    | 254.7    | 0.9               | 0.4  | 0.9              | 0.4  |
| <b>Employment ('000)</b>         | 224.4    | 222.1    | 225.8    | 2.3               | 1.0  | -1.4             | -0.6 |
| Full-Time ('000)                 | 186.5    | 185.5    | 188.7    | 1.0               | 0.5  | -2.2             | -1.2 |
| Part-Time ('000)                 | 37.9     | 36.5     | 37.1     | 1.4               | 3.8  | 0.8              | 2.2  |
| <b>Unemployment ('000)</b>       | 31.3     | 32.7     | 28.8     | -1.4              | -4.3 | 2.5              | 8.7  |
| <b>Unemployment Rate (%)</b>     | 12.2     | 12.8     | 11.3     | -0.6              | -    | 0.9              | -    |
| <b>Participation Rate (%)</b>    | 58.2     | 58.0     | 57.9     | 0.2               | -    | 0.3              | -    |
| <b>Employment Rate (%)</b>       | 51.1     | 50.6     | 51.3     | 0.5               | -    | -0.2             | -    |

Note: Totals may not add due to rounding

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

In April, the number of workers directly affected by the economic shutdown peaked at 60,200, including a 35,000 drop in employment and a 25,200 increase in those who remained employed but worked less than half their usual hours. By November, the number of people affected by the shutdown had dropped considerably to 2,100. Total

employment was 1,200 higher than pre-pandemic levels, while the increase in those who remained employed but worked less than half their usual hours was only 3,300.



Prior to April, the unemployment rate was generally stable, near 12% since the fall of 2018. This was because the size of the labour force moved in line with changing employment levels over this time. However, employment declined by nearly 30,000 jobs in April, raising the unemployment rate considerably. Since April, employment has increased by 36,200 jobs, rising slightly faster than the labour force. This has lowered the unemployment rate to its lowest since March.

**Newfoundland and Labrador Monthly Unemployment Rates, by Gender and Age**

| Seasonally Adjusted Data  | Nov 2020 | Oct 2020 | Nov 2019 | Monthly Variation | Yearly Variation |
|---------------------------|----------|----------|----------|-------------------|------------------|
|                           | %        | %        | %        | (% points)        | (% points)       |
| <b>Total</b>              | 12.2     | 12.8     | 11.3     | -0.6              | 0.9              |
| <b>25 years and over</b>  | 11.9     | 12.9     | 10.9     | -1.0              | 1.0              |
| Men - 25 years and over   | 14.4     | 17.2     | 13.6     | -2.8              | 0.8              |
| Women - 25 years and over | 9.2      | 8.3      | 8.0      | 0.9               | 1.2              |
| <b>15 to 24 years</b>     | 14.2     | 11.7     | 13.9     | 2.5               | 0.3              |
| Men - 15 to 24 years      | 12.8     | 12.4     | 15.6     | 0.4               | -2.8             |
| Women - 15 to 24 years    | 16.5     | 11.6     | 12.2     | 4.9               | 4.3              |

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

Males accounted for the monthly employment gain for people ages 25 years and older, rising by 3,400 jobs, nearly all in full-time positions. This was the highest employment level for this group since February of 2019. However,

employment among females of this age group declined for the first time in five months, raising the unemployment rate.

While youth (ages 15 to 24 years) employment increased by 1,100 jobs over the previous month, the unemployment rate increased since labour force growth was stronger. Also of note, youth employment has increased for seven consecutive months to reach its highest level in over four years.

## EMPLOYMENT BY INDUSTRY

The **goods-producing sector** increased for the third consecutive month. **Construction** employment (1,500) rose to its highest level since the start of the pandemic. Despite the improvement, this industry reported significantly fewer jobs than a year earlier (-1,900). While **forestry, fishing, mining, quarrying, and oil and gas** (800) showed a gain over the previous month, employment remained lower than a year ago (-900). This decline has been mainly in oil and gas and related support services. Global factors, such as a reduced demand for oil, have resulted in lower prices. Oil producers have started to conduct global reviews of their operations, focusing on cost reduction and assessing which assets are to be given priority. One immediate impact was a halt on construction related to the West White Rose Oil Project.

The **services-producing sector** (200) showed little change from October, with higher employment (2,400) than pre-pandemic levels in February. **Wholesale and retail trade** (-2,100) lost most of its gain from the previous month. **Educational services** added jobs for the third time in four months, resulting in higher employment than a year ago (1,300). **Health care and social assistance** (-600) had a small monthly decline, but employment remained much higher than a year ago (4,000) with the industry's second-highest employment level on record. **Information, culture and recreation** rose to its highest level in over a year, led by growth in **amusement, gambling and recreation industries**. This part of the industry would include fitness centres and recreation facilities.

Newfoundland and Labrador Monthly Employed Labour Force, by Industry

| Seasonally Adjusted<br>Data ('000)                | Nov<br>2020 | Oct<br>2020 | Nov 2019 | Monthly Variation |       | Yearly Variation |       |
|---|-------------|-------------|----------|-------------------|-------|------------------|-------|
|   |             |             |          | Number            | %     | Number           | %     |
| <b>Total employed, all industries</b>             | 224.4       | 222.1       | 225.8    | 2.3               | 1.0   | -1.4             | -0.6  |
| <b>Goods-producing sector</b>                     | 43.3        | 41.1        | 45.6     | 2.2               | 5.4   | -2.3             | -5.0  |
| Agriculture                                       | 0.9         | 1.0         | 1.4      | -0.1              | -10.0 | -0.5             | -35.7 |
| Forestry, fishing, mining, quarrying, oil and gas | 12.6        | 11.8        | 13.5     | 0.8               | 6.8   | -0.9             | -6.7  |
| Utilities   | 2.9         | 3.0         | 2.4      | -0.1              | -3.3  | 0.5              | 20.8  |
| Construction                                      | 17.4        | 15.9        | 19.3     | 1.5               | 9.4   | -1.9             | -9.8  |
| Manufacturing                                     | 9.4         | 9.5         | 9.1      | -0.1              | -1.1  | 0.3              | 3.3   |
| <b>Services-producing sector</b>                  | 181.1       | 180.9       | 180.2    | 0.2               | 0.1   | 0.9              | 0.5   |
| Trade   | 34.5        | 36.6        | 36.2     | -2.1              | -5.7  | -1.7             | -4.7  |
| Transportation and warehousing                    | 10.4        | 10.3        | 11.4     | 0.1               | 1.0   | -1.0             | -8.8  |
| Finance, insurance, real estate and leasing       | 7.9         | 8.1         | 6.3      | -0.2              | -2.5  | 1.6              | 25.4  |
| Professional, scientific and technical services   | 9.8         | 9.8         | 9.9      | 0.0               | 0.0   | -0.1             | -1.0  |
| Business, building and other support services     | 5.9         | 5.8         | 7.4      | 0.1               | 1.7   | -1.5             | -20.3 |
| Educational services                              | 17.9        | 17.3        | 16.6     | 0.6               | 3.5   | 1.3              | 7.8   |
| Health care and social assistance                 | 42.3        | 42.9        | 38.3     | -0.6              | -1.4  | 4.0              | 10.4  |

|                                     |      |      |      |      |      |      |       |
|-------------------------------------|------|------|------|------|------|------|-------|
| Information, culture and recreation | 7.2  | 5.9  | 6.7  | 1.3  | 22.0 | 0.5  | 7.5   |
| Accommodation and food services     | 16.1 | 15.4 | 16.8 | 0.7  | 4.5  | -0.7 | -4.2  |
| Other services                      | 10.0 | 10.4 | 11.6 | -0.4 | -3.8 | -1.6 | -13.8 |
| Public administration               | 19.2 | 18.4 | 19.1 | 0.8  | 4.3  | 0.1  | 0.5   |

Note: Totals may not add due to rounding

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

## REGIONAL ANALYSIS

Compared to a year ago, the unemployment rate in two of the three economic regions showed a slight change, but was notably higher on the Avalon Peninsula. Employment losses on the Avalon Peninsula outweighed gains elsewhere.

The **Avalon Peninsula** economic region had a higher unemployment rate than a year ago. This has been the case since February. Employment was lower (-7,600) than a year earlier, mainly in full-time positions. While the loss was deep, it was less than in June, when employment was down by 14,800 compared to twelve months earlier. Aside from continued losses in the oil and gas industry, November's employment decline was spread through many services-producing industries. Accommodation and food services remained quite weak, due to the pandemic and related restrictions. Losses have also continued in transportation and warehousing, as a struggling economy has weakened activity and travel restrictions have affected the airline industry. However, health care and social assistance produced a gain for the fifth consecutive month.

The unemployment rate was slightly higher than a year ago in the **South Coast–Burin Peninsula and Notre Dame–Central-Bonavista Bay** region, as a strong employment gain was outpaced by labour force growth. November was the second consecutive month with an employment gain. This has been a change in direction following nineteen months of losses. Most of November's employment gain was part-time in nature. Increases in services-producing industries such as education and wholesale and retail trade were larger than losses in goods-producing industries, mainly in construction. Grieg Seafood Newfoundland recently suspended the construction of a building in Marystown, as the global economic decline caused by the pandemic lowered salmon prices.

Employment growth in the **West Coast-Northern Peninsula-Labrador** economic region outweighed an increase in labour force size, lowering the unemployment rate slightly. Full-time employment growth was strong. The goods-producing sector declined, mainly in construction. Employment in the services-producing sector increased, led by transportation and warehousing, health care and social assistance, and public administration. However, it is notable that wholesale and retail trade losses have been deepening over the past four months.

Newfoundland and Labrador Monthly Labour Force Statistics, by Economic Region

| 3-Month Moving Averages<br>Seasonally Unadjusted Data | Employment         |                    |                         | Unemployment Rate |                 |                         |
|---|--------------------|--------------------|-------------------------|-------------------|-----------------|-------------------------|
|   | Nov 2020<br>('000) | Nov 2019<br>('000) | Yearly<br>Variation (%) | Nov 2020<br>(%)   | Nov 2019<br>(%) | Yearly<br>Variation (%) |
| <b>Newfoundland and Labrador</b>                      | 224.1              | 228.0              | -1.7                    | 11.7              | 10.2            | 1.5                     |
| <b>Economic Regions</b>                               |                    |                    |                         |                   |                 |                         |
| Avalon Peninsula                                      | 130.7              | 138.3              | -5.5                    | 9.8               | 7.5             | 2.3                     |

|  |      |      |     |      |      |      |
|--|------|------|-----|------|------|------|
| South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay | 50.8 | 48.7 | 4.3 | 16.2 | 15.2 | 1.0  |
| West Coast-Northern Peninsula-Labrador                           | 42.6 | 41.1 | 3.6 | 11.6 | 12.6 | -1.0 |

*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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