



Labour Market Bulletin

Nova Scotia

January 2021



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 in Nova Scotia went up by 1.7% in January, hitting 462,700 for the second time in three months. Employment previously reached this level in November, but decreased in December as restrictions were placed on certain types of business in the Halifax region amid a second wave of COVID-19 cases. Despite accounting for less than half of the added jobs this month, full-time employment reached its highest level on record.

While employment increased by 7,800, the number of unemployed jobseekers shrank by just 1,700 as several thousand people entered the labour force. The net effect of these changes was a 0.5 percentage point (pp) decline of the unemployment rate, to 8.3%. The labour force expanded to its fourth-largest recorded size and the participation rate approached 62% for the first time since the pandemic started.

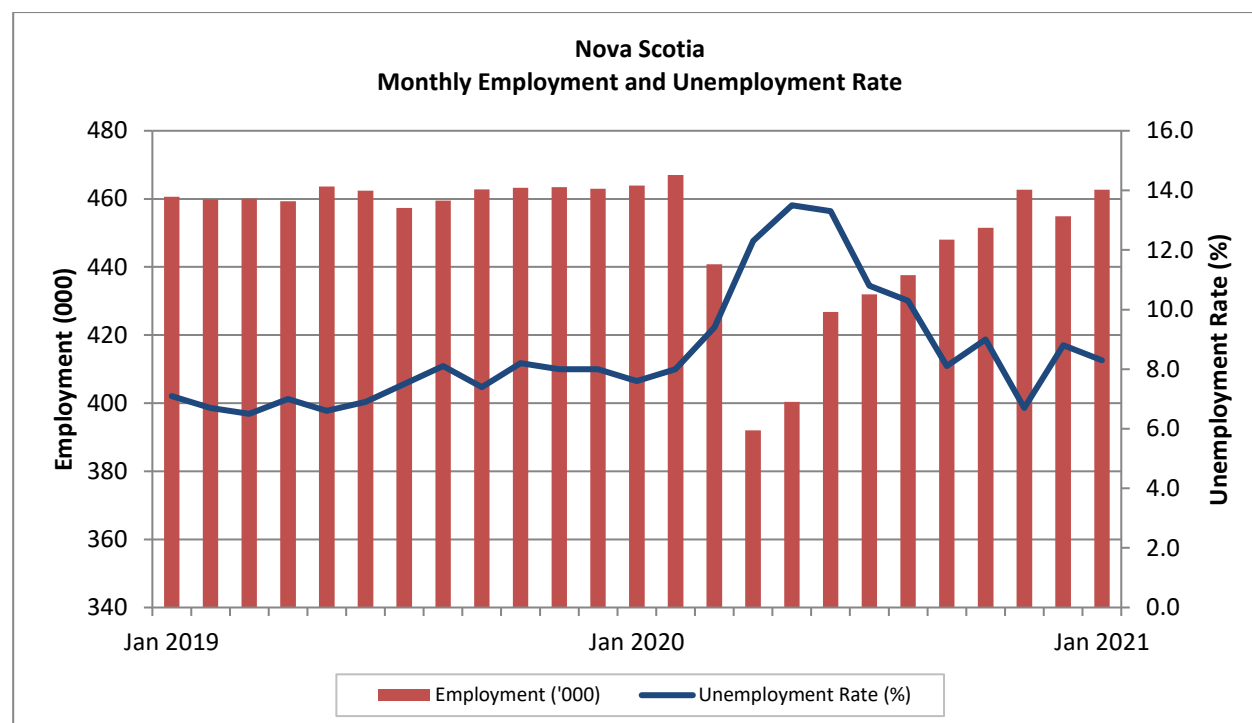
Nova Scotia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Jan 2021	Dec 2020	Jan 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	817.2	817.0	811.5	0.2	0.0	5.7	0.7
Labour Force ('000)	504.8	498.7	502.0	6.1	1.2	2.8	0.6
Employment ('000)	462.7	454.9	463.9	7.8	1.7	-1.2	-0.3
Full-Time ('000)	381.1	377.4	378.4	3.7	1.0	2.7	0.7
Part-Time ('000)	81.7	77.5	85.6	4.2	5.4	-3.9	-4.6
Unemployment ('000)	42.1	43.8	38.1	-1.7	-3.9	4.0	10.5
Unemployment Rate (%)	8.3	8.8	7.6	-0.5	-	0.7	-
Participation Rate (%)	61.8	61.0	61.9	0.8	-	-0.1	-
Employment Rate (%)	56.6	55.7	57.2	0.9	-	-0.6	-

Note: Totals may not add due to rounding

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

On a year-over-year basis, total employment was 0.3% lower than in January 2020, though there has been a shift toward full-time work. The unemployment rate went up by 0.7pp over the same period, due in large part to the greater number of people in the labour force. The working-age population also posted a notable increase over the past year as net gains from interprovincial migration continued unabated throughout the pandemic.



Though overall employment has largely recovered, outcomes have varied significantly by age group. Youth (15 to 24 years of age) experienced the largest relative employment decline during the beginning of the pandemic and have since recovered the smallest proportion of lost jobs—approximately three-quarters. The net result is an 8.3% decline in the number of workers in this age group year-over-year—most of whom were in part-time positions—and a substantial increase in the unemployment rate.

Nova Scotia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Jan 2021	Dec 2020	Jan 2020	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	8.3	8.8	7.6	-0.5	0.7
25 years and over	6.7	8.2	6.7	-1.5	0.0
Men - 25 years and over	8.4	9.6	7.4	-1.2	1.0
Women - 25 years and over	5.0	6.7	5.9	-1.7	-0.9
15 to 24 years	17.4	12.7	12.5	4.7	4.9
Men - 15 to 24 years	19.1	13.3	14.8	5.8	4.3
Women - 15 to 24 years	15.6	12.0	10.0	3.6	5.6

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

The prime working age group (25 to 54 years of age) fared well by all indicators. Employment in this age group increased by 1.5% over the past year, all full-time. The number of prime working age individuals in the labour force also went up, pushing the participation rate to 88%. Among older workers (55 years of age and older), outcomes were mixed: while there were more females employed than one year earlier, these gains were mostly cancelled out by job losses among males. The unemployment rate for this cohort also went up.

EMPLOYMENT BY INDUSTRY

Though overall employment has returned to pre-pandemic levels, the recovery has not occurred evenly across all industries. Some remain well below values recorded one year ago, while strong growth has occurred in others.

Nova Scotia Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Jan 2021	Dec 2020	Jan 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	462.7	454.9	463.9	7.8	1.7	-1.2	-0.3
Goods-producing sector	92.5	89.1	88.8	3.4	3.8	3.7	4.2
Agriculture	7.8	8.4	5.2	-0.6	-7.1	2.6	50.0
Forestry, fishing, mining, quarrying, oil and gas	10.3	8.8	10.4	1.5	17.0	-0.1	-1.0
Utilities	4.3	4.5	3.3	-0.2	-4.4	1.0	30.3
Construction	36.6	35.3	35.3	1.3	3.7	1.3	3.7
Manufacturing	33.4	32.2	34.5	1.2	3.7	-1.1	-3.2
Services-producing sector	370.3	365.8	375.2	4.5	1.2	-4.9	-1.3
Trade	72.2	71.4	80.7	0.8	1.1	-8.5	-10.5
Transportation and warehousing	22.7	19.5	19.1	3.2	16.4	3.6	18.8
Finance, insurance, real estate and leasing	22.6	23.4	22.2	-0.8	-3.4	0.4	1.8
Professional, scientific and technical services	34.0	33.1	27.5	0.9	2.7	6.5	23.6
Business, building and other support services	17.8	18.4	19.2	-0.6	-3.3	-1.4	-7.3
Educational services	40.6	40.2	35.2	0.4	1.0	5.4	15.3
Health care and social assistance	74.7	73.3	71.0	1.4	1.9	3.7	5.2
Information, culture and recreation	15.4	13.6	16.8	1.8	13.2	-1.4	-8.3
Accommodation and food services	24.4	25.5	37.7	-1.1	-4.3	-13.3	-35.3
Other services	14.7	16.5	16.0	-1.8	-10.9	-1.3	-8.1
Public administration	31.1	30.9	29.8	0.2	0.6	1.3	4.4

Note: Totals may not add due to rounding

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

On an annual basis, the **goods-producing sector** expanded by 4.2%. The **agriculture** industry led job growth in this sector, adding 2,600 workers in spite of a dry growing season and challenges bringing Temporary Foreign Workers to the province due to COVID-19 travel restrictions. Employment in **construction** went up by 3.7% to 36,600, one of the highest figures on record. Activity in this industry has been supported by strong demand for residential dwellings, as well as exceptionally high capital spending by the provincial government on highways, healthcare facilities, and schools. These increases were offset somewhat by a moderate decline in **manufacturing**, though the number of workers in this industry remains within its usual range.

Changes among **services-producing industries** were more varied. The **accommodation and food services** industry experienced the largest contraction, with 13,300—or more than one third—fewer workers than one year prior. Establishments in this industry have been negatively impacted by both a mandatory dining room closure from March until June and a severe decline in the number of out-of-province tourists. In Halifax, these effects have been compounded by fewer commuters working in the downtown core and a second dining room closure from late November through early January. The employment decline in **wholesale and retail trade** amounted to 8,500. Though most types of retail have returned to normal sales levels, the number of workers remains about one-tenth below pre-pandemic levels. **Information, culture, and recreation** also experienced a moderate number of job losses, but has largely rebounded from the widespread employment declines that took place last March and April.

Other services-producing industries were less affected by public health restrictions. **Professional, scientific, and technical services** posted the largest employment increase, expanding by nearly one-quarter year-over-year amid reports of strong hiring activity in the growing technology sector. The number of workers in **transportation and warehousing** also went up as consumers have increasingly turned to e-commerce during the pandemic. Other services-producing industries that experienced employment increases were **educational services, health care and social assistance, and public administration**.

REGIONAL ANALYSIS

Among the five economic regions in the province, **Cape Breton** experienced the largest job decline over the past year, at -10.1% (or -5,300). Approximately two-in-five of the positions shed were full-time. The effect on the unemployment rate was somewhat limited, however, as 5,000 workers exited the labour force. As a result, the unemployment rate rose from 12.1% to 13.8%. The majority of the employment decrease was in **wholesale and retail trade** and **accommodation and food services**, while the number of workers in **construction, professional, scientific and technical services, and health care and social assistance** went up.

Employment also went down in the **North Shore** economic region, albeit to a lesser degree than in Cape Breton. The number of workers was 1.8% lower than in January 2020, with the entirety of the decrease occurring among full-time employees. The labour force contracted at an even faster pace than employment, causing the unemployment rate to decline from 8.9% to 6.5% despite the job loss. Strong growth occurred in the **goods producing sector**, driven by **agriculture and manufacturing**. These gains were more than offset by decreases in most services-producing industries; two exceptions were **educational services** and **professional, scientific and technical services**, in which employment went up.

As in the three other predominantly rural economic regions, employment in the **Annapolis Valley** went down year-over-year. Just under two-thirds of the positions lost were full-time in nature. Despite this change, the unemployment rate went down from 6.5% to 5.8%, as 1,800 people left the labour force. On a more positive note, this region had the second-highest participation rate in the province (after Halifax). Like elsewhere, the two hardest-hit industries in the Annapolis Valley were **wholesale and retail trade** and **accommodation and food services**. Large increases occurred in **agriculture, professional, scientific and technical services, and educational services**.

The employment decrease in the **Southern** economic region was fairly limited, at just -0.4%, all in full-time work. The unemployment rate slipped from 10% to 9.1% as several hundred individuals exited the labour force. Large employment increases occurred in **construction, transportation and warehousing, and finance, insurance, real estate, rental and leasing** while the largest job losses were in **professional, scientific and technical services** and **accommodation and food services**.

Halifax was the sole economic region in the province to experience job growth year-over-year, adding 4,600 workers (+2.0%), all of whom were in full-time positions. Despite this strong showing, the unemployment rate went up from 6.5% to 7.4% as the number of individuals in the labour force rose by 7,600. The region appears to be the main beneficiary of migration to Nova Scotia, as it accounted for nearly all of the increase in the working age population. While the **trade** and **accommodation and food services** industries experienced severe declines, large increases occurred in several other industries. Examples include: **professional, scientific and technical services**; **finance, insurance, real estate, rental and leasing**; **construction**; and **transportation and warehousing**.

Nova Scotia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	Jan 2021 ('000)	Jan 2020 ('000)	Yearly Variation (%)	Jan 2021 (%)	Jan 2020 (%)	Yearly Variation (%)
Nova Scotia	454.1	457.4	-0.7	8.0	7.9	0.1
Economic Regions						
Cape Breton	47.0	52.3	-10.1	13.8	12.1	1.7
North Shore	66.5	67.7	-1.8	6.5	8.9	-2.4
Annapolis Valley	56.4	57.7	-2.3	5.8	6.5	-0.7
Southern	46.8	47.0	-0.4	9.1	10.0	-0.9
Halifax	237.3	232.7	2.0	7.4	6.5	0.9

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.

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

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