



# Labour Market Bulletin

British Columbia

May 2022



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

Labour Force Survey numbers in May reinforced the longer-term trend of steady month-over-month employment growth in the province (+5,100 jobs or 0.2%). Indeed, the monthly climb in employment has only been broken once since July 2021. There were 26,500 people who gained full-time employment since April 2022. More people came out of unemployment (-27,000 jobs or -17.4%), driving the unemployment rate down 0.9 percentage points to 4.5%; the lowest it has been in three years. The yearly numbers improved in every category including a 34.4% decrease (-67,400) in unemployment. These strong gains were tempered somewhat by a loss of 21,300 (-3.6%) part-time jobs from last month. However, there were 21,000 more part time jobs than there were in May of 2021 (+4.0%). Despite this performance, sharp declines in unemployment and an increase in job vacancies may point to further labour shortages moving forward.

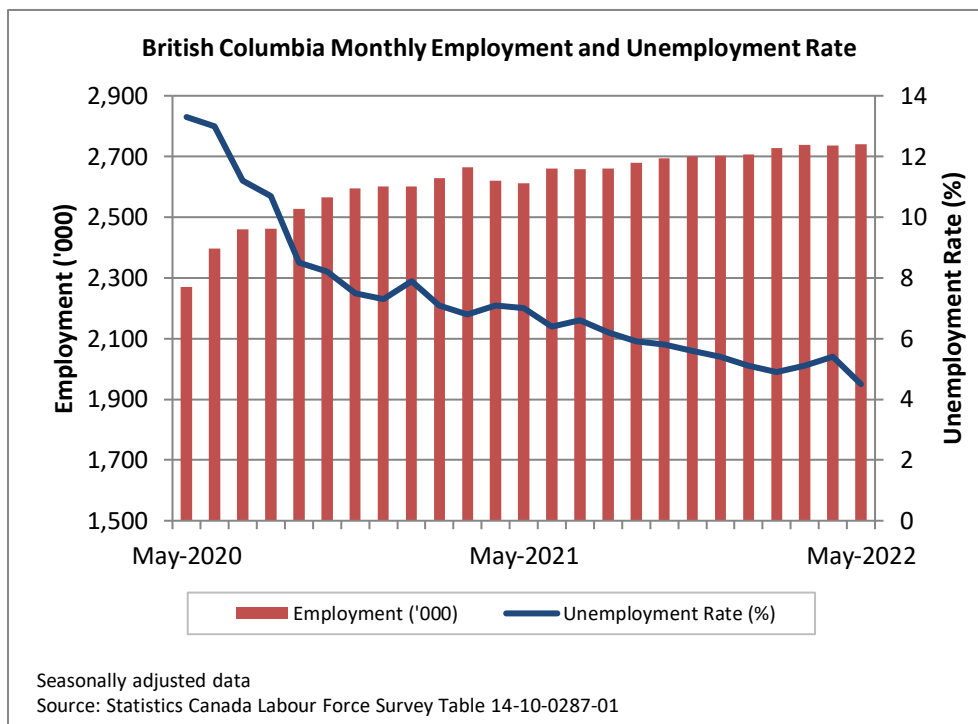
Job instability stemming from the pandemic prompted many individuals to leave the workforce or switch industries. Lower levels of immigration over the last two years also shrunk the pool of workers.<sup>1</sup> Combined with an aging workforce, labour scarcity has been the result. According to the Canadian Federation of Independent Business, 59% of small businesses in B.C. were experiencing a labour shortage, while 90% of small business members reported difficulties recruiting staff. Healthcare, education, transportation (including BC Ferries), restaurants, and tree planting businesses all reported province-wide labour shortages that resulted in reduced services.<sup>2, 3, 4, 5, 6</sup> Looking forward, economic growth may be constrained as the low unemployment rate suggests the pool of available workers is small compared with the number of anticipated job vacancies necessary to support growth.

**British Columbia Monthly Labour Force Statistics**

Seasonally Adjusted Monthly Data	May 2022	April 2022	May 2021	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	4,421.0	4,415.2	4,334.5	5.8	0.1	86.5	2.0
<b>Labour Force ('000)</b>	2,869.5	2,891.4	2,808.4	-21.9	-0.8	61.1	2.2
<b>Employment ('000)</b>	2,740.9	2,735.8	2,612.3	5.1	0.2	128.6	4.9
Full-Time ('000)	2,170.7	2,144.2	2,063.7	26.5	1.2	107.0	5.2
Part-Time ('000)	570.3	591.6	548.6	-21.3	-3.6	21.7	4.0
<b>Unemployment ('000)</b>	128.6	155.6	196.0	-27.0	-17.4	-67.4	-34.4
<b>Unemployment Rate (%)</b>	4.5	5.4	7.0	-0.9	-	-2.5	-
<b>Participation Rate (%)</b>	64.9	65.5	64.8	-0.6	-	0.1	-
<b>Employment Rate (%)</b>	62.0	62.0	60.3	0.0	-	1.7	-

Note: Totals may not add due to rounding

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



Unemployment in the 15-24 age demographic fell 3.7 percentage points in May to 7.0%. However, the numbers for men and women in this demographic contrasted starkly. The month-over-month unemployment rate fell 7.4 percentage points to 6.2% for men, and gained 0.1 percentage points to 7.8% for women. These differences may be due to the fact that women are over-represented in the industries that have already been recovering from the pandemic such as hospitality, food service, retail, and manufacturing; while men are over represented in construction and other seasonal businesses that increased their activities as spring started in earnest.<sup>7</sup> However, over the year unemployment for women has recovered more (9.5 percentage points) than for men (7.3 percentage points).

## British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2022 (%)	April 2022 (%)	May 2021 (%)	Monthly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	4.5	5.4	7.0	-0.9	-2.5
<b>25 years and over</b>	4.1	4.5	5.7	-0.4	-1.6
Men - 25 years and over	4.2	4.7	5.8	-0.5	-1.6
Women - 25 years and over	3.9	4.3	5.5	-0.4	-1.6
<b>15 to 24 years</b>	7.0	10.7	15.3	-3.7	-8.3
Men - 15 to 24 years	6.2	13.6	13.5	-7.4	-7.3
Women - 15 to 24 years	7.8	7.7	17.3	0.1	-9.5

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

Though employment was relatively unchanged over the month (0.2%), year-over-year employment growth was strong (4.9%). Annual employment gains in the **services-producing** sector (6.0% or +127,300) made up for a stagnant **goods-producing** sector (0.3% or +6,400).

## British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2022	April 2022	May 2021	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,740.9	2,735.8	2,612.3	5.1	0.2	128.6	4.9
<b>Goods-producing sector</b>	490.3	483.0	489.0	7.3	1.5	1.3	0.3
Agriculture	27.6	25.1	21.2	2.5	10.0	6.4	30.2
Forestry, fishing, mining, quarrying, oil and gas	45.1	43.6	54.0	1.5	3.4	-8.9	-16.5
Utilities	15.7	14.8	20.8	0.9	6.1	-5.1	-24.5
Construction	227.8	214.7	216.0	13.1	6.1	11.8	5.5
Manufacturing	174.1	184.8	177.0	-10.7	-5.8	-2.9	-1.6
<b>Services-producing sector</b>	2,250.6	2,252.8	2,123.3	-2.2	-0.1	127.3	6.0
Trade	433.2	430.7	392.6	2.5	0.6	40.6	10.3
Transportation and warehousing	137.5	151.8	139.4	-14.3	-9.4	-1.9	-1.4
Finance, insurance, real estate and leasing	164.5	167.5	168.0	-3.0	-1.8	-3.5	-2.1
Professional, scientific and technical services	261.1	261.2	260.2	-0.1	0.0	0.9	0.3
Business, building and other support services	100.4	97.3	107.0	3.1	3.2	-6.6	-6.2
Educational services	197.4	200.7	183.4	-3.3	-1.6	14.0	7.6
Health care and social assistance	388.9	380.3	345.9	8.6	2.3	43.0	12.4
Information, culture and recreation	142.2	134.8	127.8	7.4	5.5	14.4	11.3
Accommodation and food services	182.2	175.4	156.9	6.8	3.9	25.3	16.1
Other services	107.7	113.8	110.7	-6.1	-5.4	-3.0	-2.7
Public administration	135.4	139.3	131.6	-3.9	-2.8	3.8	2.9

Note: Totals may not add due to rounding

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

Employment in the province's **goods-producing sector** rose slightly in May (1.3%). Strong performances across the sector were all but erased by a 5.8% (-10,700) loss in **manufacturing**. **Construction** gained the most workers at +13,100 (6.1%) while **agriculture** had the highest percentage gain at 10.0% (+2,500).

**Construction** on newly funded projects and projects that were delayed by COVID-19 picked up in May. According to BuildForce, construction activity on major infrastructure projects increased in B.C. this year from last and surpassed pre-pandemic levels. New LNG projects, transportation projects, ongoing work on the Site C dam, new hospitals, water treatment plants, and infrastructure projects increased demand for non-residential construction jobs.<sup>8</sup>

The **agriculture** industry posted a strong month (+10.0%) as seasonal work on some farms began after cold weather had caused delays earlier this year. Cherry crops are particularly vulnerable to inclement weather. Cherry farmers postponed harvest due to the cold, and have expressed concerns that the cold weather would cause lower yields, affecting jobs.<sup>9,10</sup> Agriculture withstood labour shortages the past two years partly caused by processing backlogs and a smaller pool of workers through the Temporary Foreign Workers Program.<sup>11</sup> This year the process to bring in workers will be easier, but farmers are dealing with rising input costs.<sup>12</sup> These costs do not yet appear to be affecting job numbers as yearly employment is up 30.2% (+6,400 jobs), but may start to strain resources moving forward.

Forestry is a key economic driver in many B.C. interior, coastal, and northern communities. Employment in **forestry and logging and support activities for forestry** increased over the month while remaining down 16.5% (-8,900) year-over-year. The province's forestry sector continued to adapt to the ongoing challenges of a shrinking timber supply caused by clearcutting, wildfires, and measures to protect old-growth forest areas. Lumber prices declined over the last ten weeks as macro-economic conditions such as fewer housing starts, a change in retail consumer behaviour, and supply chain issues put pressure on demand and therefore jobs.<sup>13</sup> These factors were among the reasons cited by Canfor to extend the curtailment at the Taylor Pulp Mill, impacting approximately 80 workers until at least next fall.<sup>14</sup>

At the same time, companies such as Paper Excellence are having difficulties finding skilled labour in the province. The company has been dealing with delays at its Crofton facility due to a lack of pressure vessel welders, and shortages are slowing work on shutdowns at the Howe Sound and Skookumchuck facilities.<sup>15</sup>

Employment in the province's **services-producing sector** was unchanged over the month (-2,200 positions or +0.1%), but was still up significantly over the year (+127,300 or +6.0%). There were positive gains within the sector, driven by monthly employment boosts in **information, culture and recreation** (+5.5%), **accommodation and food services** (+3.9%), and **health care and social assistance** (2.3%). However, employment gains in these sectors were offset by losses in **transportation and warehousing** (-9.4%) and **other services** (-5.4%).

The province's employment in **health care and social assistance** increased in May (2.3% or 8,600 positions) and the industry employs approximately 43,000 (+12.4%) more people now than at the same time a year ago. The industry's employment has been supported by investments made since the launch of ChildCareBC in 2018. Since the program's implementation, British Columbia families have benefitted from the creation of approximately 35,000 new licensed childcare spaces, through provincial and federal support. The number of new licensed child care spaces created is expected to rise to approximately 70,000 by March 2028.<sup>16</sup>

While staff shortages caused closures in hospitals and clinics in recent months<sup>17</sup>, the provincial government is addressing shortages by adding 602 new nursing seats to post-secondary institutions<sup>18</sup>, and changing policy to make it easier and faster for internationally educated nurses to enter the healthcare system.<sup>19</sup>

Employment in **transportation and warehousing** fell 9.4% (-14,300 positions) in May, higher than the Canadian average of 2.4%. Yearly employment in the province was also down 1.4% (-1,900) from May 2021. The industry is uniquely vulnerable to high fuel prices, pandemic restrictions, and adverse weather, all of which were present in May. Fuel prices are driving down trucker compensation at a time when the industry is experiencing a shortage of drivers.<sup>20</sup> Trucking and airlines were both affected by heavy rains in May. Airlines have also been dealing with staff shortages due to COVID-19 infections, and bottlenecks that are blamed on international COVID-19 restrictions.<sup>21,22</sup> In fact, the entire transportation subsector has not been immune to the province's labour strain. For instance, a shortage of drivers has forced B.C. Transit to reduce service across the region. B.C. Transit is actively recruiting operators in a number of systems across the province.<sup>23</sup>

## REGIONAL ANALYSIS

The province's economic recovery from the COVID-19 pandemic remains ongoing in almost all economic regions. Compared to May 2021, the unemployment rate declined in **Vancouver Island and Coast** (-2.3 percentage points), **Lower Mainland and Southwest** (-2.3), **North Coast and Nechako** (-2.4) and **Kootenay** (-2.2) economic regions. Only the **Northeast** region has a higher unemployment rate than last year, up 0.5 percentage points to 5.0.

Please be aware that the statistics for the economic regions are not seasonally adjusted and should only be compared on a year-over-year basis. Employment is sometimes influenced by seasonal and calendar effects occurring at the same time and with the same magnitude every year, which can bring about changes in the data that complicate monthly comparisons.

**British Columbia Monthly Labour Force Statistics, by Economic Region**

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2022 ('000)	May 2021 ('000)	Yearly Variation (%)	May 2022 (%)	May 2021 (%)	Yearly Variation (% points)
<b>British Columbia</b>	2,732.1	2,618.9	4.3	5.0	7.1	-2.1
<b>Economic Regions</b>						
Vancouver Island and Coast	429.8	404.8	6.2	4.3	6.6	-2.3
Lower Mainland - Southwest	1,753.5	1,684.6	4.1	5.0	7.3	-2.3
Thompson - Okanagan	299.6	276.1	8.5	6.2	7.5	-1.3
Kootenay	81.9	83.1	-1.4	4.3	6.5	-2.2
Cariboo	91.7	87.0	5.4	5.2	6.5	-1.3
North Coast and Nechako	39.4	44.7	-11.9	4.1	6.5	-2.4
Northeast	36.2	38.6	-6.2	5.0	4.5	0.5

Note: Totals may not add due to rounding

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

The **Vancouver Island and Coast** economic region continued its recovery from challenges posed by the pandemic. The region recorded the province's second-highest employment increase over the year (+6.2%). Several industries are contributing to the region's growth. Construction workers will benefit from increased activity. The City of Victoria has approved building permits worth \$165.5M in March 2022, marking a 65.7% increase in the value of permits year-over-year.<sup>24</sup> Victoria's tourism industry is recovering to 2019 activity levels following a significant downturn caused by the COVID-19 pandemic. Restaurant, wedding, tour and travel bookings are up from the previous two years.<sup>25</sup>

The biggest strain on growth in the region moving forward may be the labour pool. Builders in Victoria report that the labour shortages in construction are exacerbated by a housing shortage.<sup>26</sup> Tourism operators are also having a hard time finding workers. Many workers have not returned to the industry after rolling pandemic layoffs created uncertain employment conditions.<sup>27</sup>

Employment in the **Lower Mainland – Southwest** region continued to rise. Year over year, more than 64,400 jobs (+3.8%) were added in the region, and the unemployment rate improved 2.3 percentage points to 5.0%. The region appears primed to continue this trajectory if workers are available. The transportation and warehousing industry will find support through approximately 250 new jobs at Walmart Canada's new \$175M warehouse in Surrey.<sup>28</sup> Amazon is also planning on hiring 500 additional workers in Vancouver for a variety of roles.<sup>29</sup>

Meanwhile, a number of large-scale projects may contribute to the region's employment. Construction is expected to last until 2024 on a new \$58.5M 12-storey rental building in Vancouver's Mount Pleasant neighbourhood.<sup>30</sup> University of Fraser Valley will begin an \$82.3M project to add student accommodation in 2023.<sup>31</sup> The province also announced a \$2.4B commitment to Translink for various transit improvements in Metro Vancouver.<sup>32</sup>

The province's largest annual percentage increase in employment was in the **Thompson – Okanagan** economic region for the second month in a row. Employment rose 8.5% over the year, while the unemployment rate improved by 1.3 percentage points to 6.2%. Employment gains coincided with farms increasing operations after a cold start to the year, and a strong start to the tourism season in the Okanagan.<sup>33</sup> Like the rest of the province, labour shortages were the story in May. Several hospitals were forced to temporarily close down departments due to a lack of staff.<sup>34,35,36</sup> Cherry farmers are calling for help to fill jobs.<sup>37</sup> Finally, tourism-related businesses such as Big White Ski Resort are offering incentives such as increased wages and subsidized housing to attract new employees.<sup>38</sup>

Employment in the **North Coast and Nechako** region dropped 11.9% compared to May 2021. However, the unemployment rate fell by 2.4 percentage points over the same period to 4.1%, the lowest in the province. Accordingly, northern BC is facing a significant labour shortage with employers facing difficulties recruiting enough workers. Compared to 2019, job vacancies were up 75% in Q3 2021.<sup>39</sup>

Prince Rupert welcomed the first cruise ship since 2019 this month. The Ruby Princess was one of 43 ships that are expected to stop in the coastal town this year. Tourism in the area will benefit from the increase in economic activity every 10 days or so through to September 30<sup>th</sup> when the last ship is expected.<sup>40</sup>

The **Northeast** region posted the second largest drop in employment (-6,200 jobs). Work is continuing on the Site C hydroelectric dam on the Peace River, southeast of Fort St. John. Four contracts on the project valued at \$181.5M were awarded by BC Hydro for architectural, fire detection and protection systems; heating and cooling systems; and a fishway for local species.<sup>41</sup> According to the most recent update, the project employed 4,659 workers in March 2022.<sup>42</sup>

Canfor will be continuing the curtailment of its Taylor mill, which could last into the fall. The curtailment has impacted around 80 workers. The company has cited supply chain and transportation issues for the decision.<sup>43</sup>

**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 Information (LMI) Directorate, Service Canada, British Columbia

**For further information,** please contact the LMI team at: [http://www.esdc.gc.ca/cqi-bin/contact/edsc-esdc/eng/contact\\_us.aspx?section=lmi](http://www.esdc.gc.ca/cqi-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)

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