



Tracking economic, social, and demographic trends from a Saskatchewan perspective.

LABOUR MARKET TRENDS IN SASKATCHEWAN

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OUTLINE

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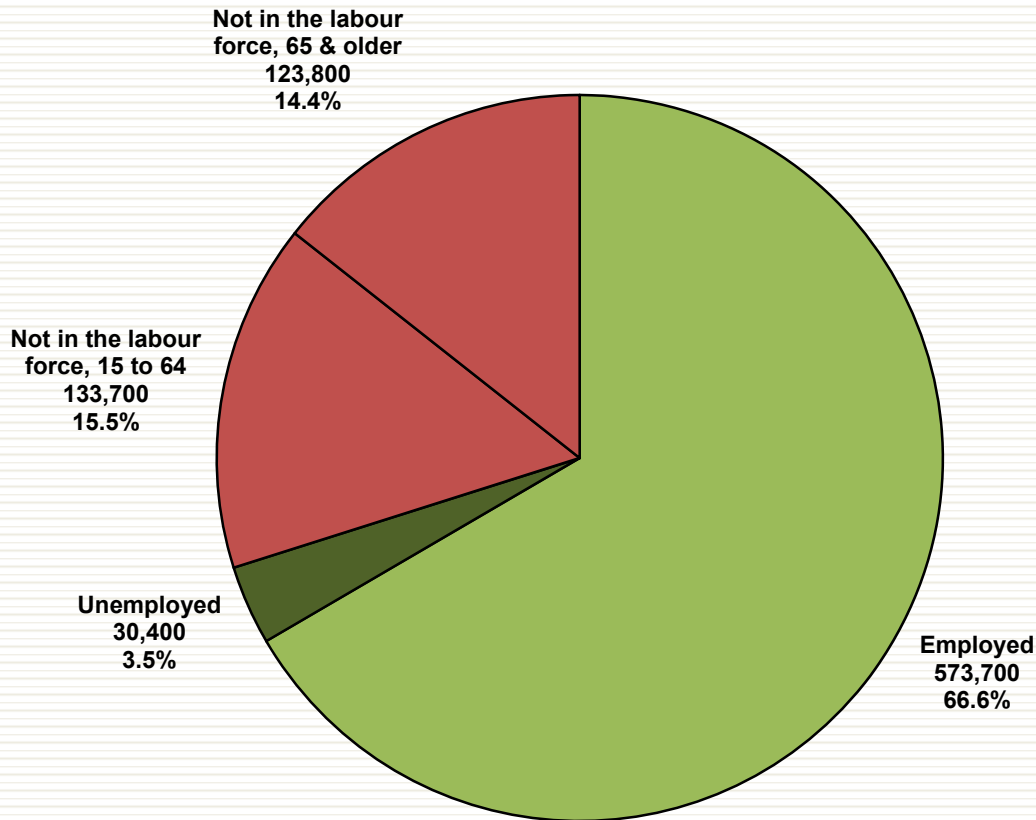
NOTES

- The material was prepared by Doug Elliott from *QED Information Systems Inc.*, a Regina based consulting firm and the publisher of *Sask Trends Monitor*.
- Unless otherwise indicated, these data are from Statistics Canada's monthly Labour Force Survey (LFS). The estimates and forecasts are the responsibility of *Sask Trends Monitor*.
- The LFS is Statistics Canada's flagship survey of the labour market. It is a large sample with reliable up-to-date information. The main issues with the LFS are:
 - the LFS is not conducted on Reserve;
 - there is limited information about multiple job holders – we only know about the "main" job; and
 - the LFS measures where you live, not where you work.
- The data are current as of September, 2016. Some figures will be revised in future releases.

GENERAL LABOUR MARKET TRENDS

THE LABOUR FORCE SURVEY

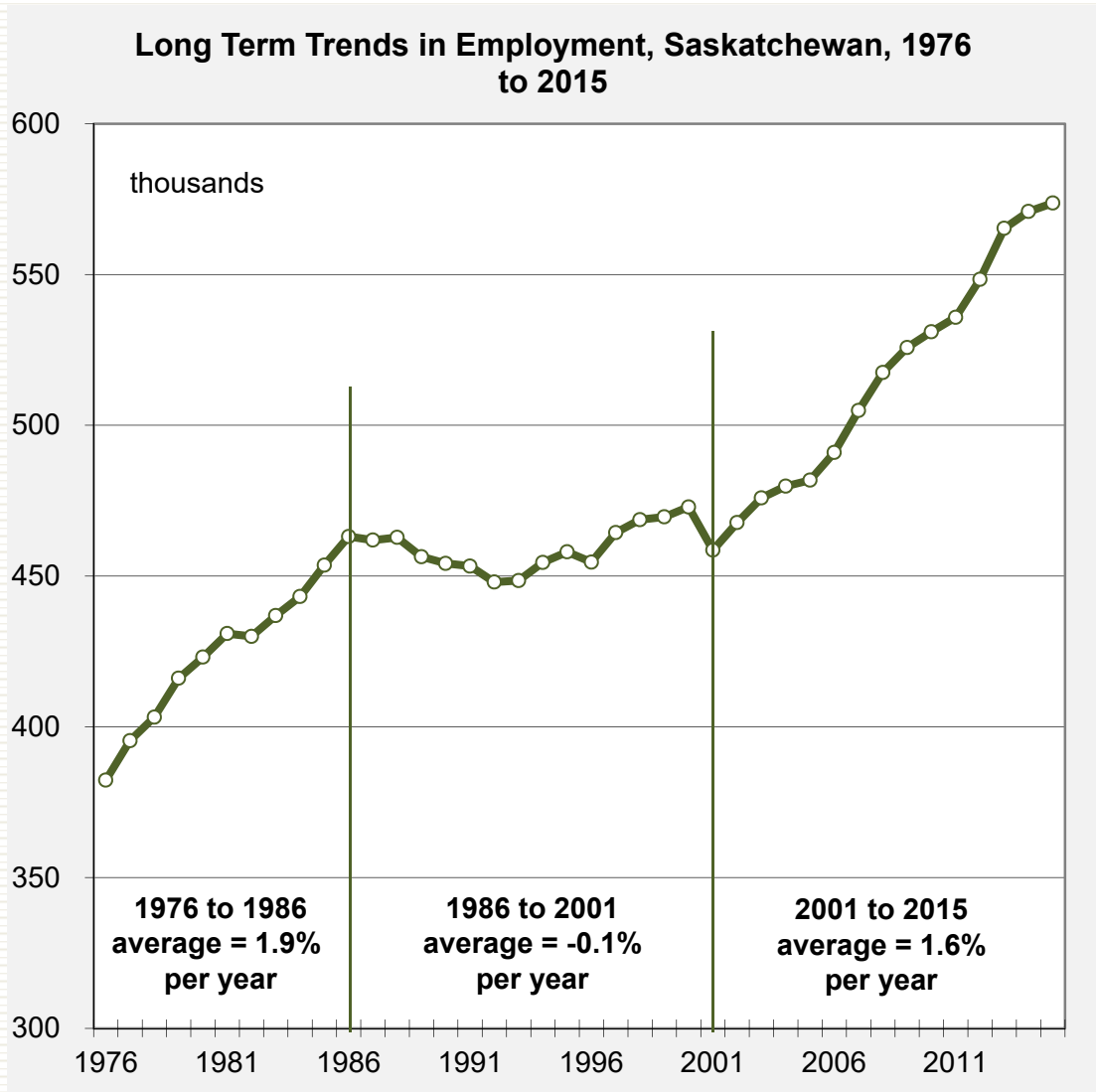
Labour Force Status of the Saskatchewan Population 15 & Older, 2015 (n=861,500)



employment rate = 66.6% unemployment rate = 5.0% participation rate = 70.1%

- The Statistics Canada Labour Force Survey (LFS) is a monthly panel survey.
- The sample size in Canada is over 50,000 households with about 4,000 in Saskatchewan. Depending on the number of individuals in the households, this yields labour market information for approximately 7,000 Saskatchewan adults every month.
- The labour force is the sum of the employed and the unemployed.
- The employment rate is the percentage of the population employed.
- The participation rate is the percentage of the population in the labour force.
- The unemployment rate is the percentage of the labour force who are unemployed.

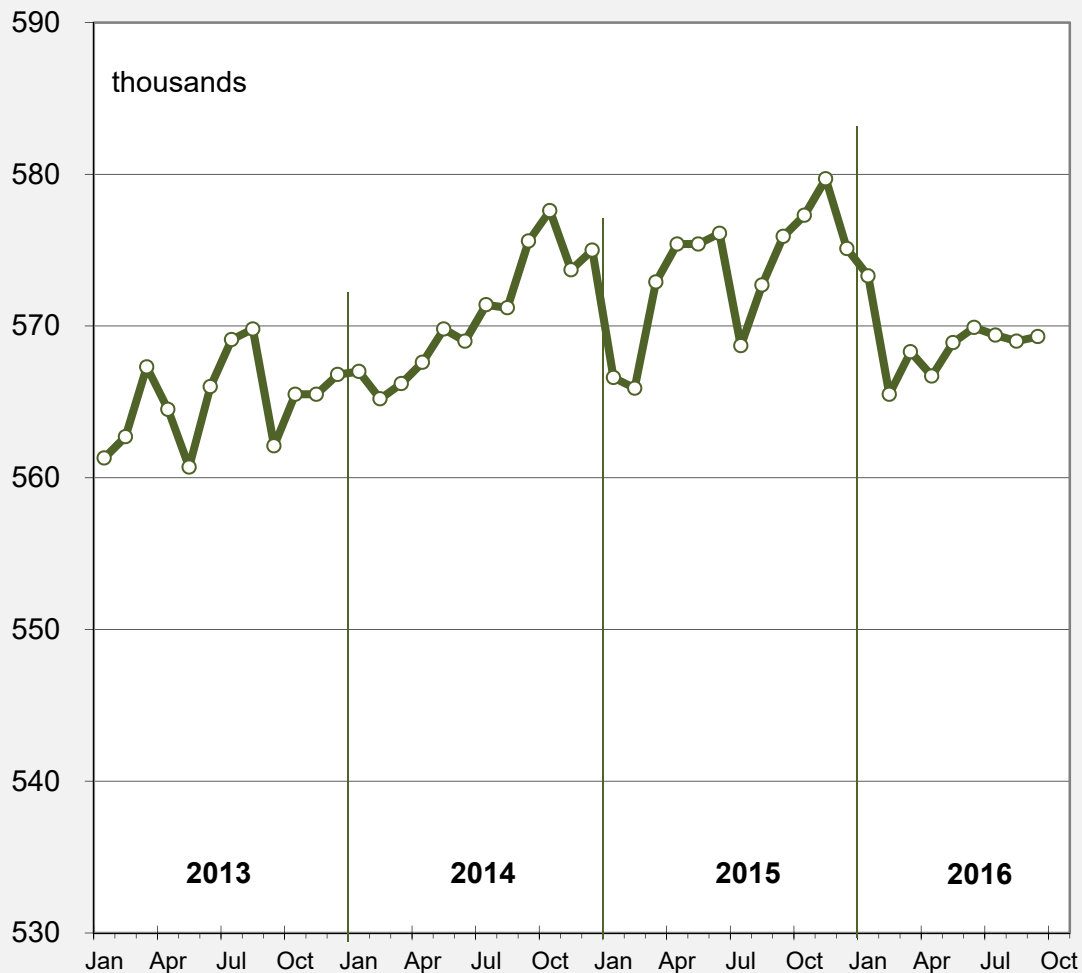
LONG TERM TRENDS IN SASKATCHEWAN EMPLOYMENT



- With the baby boomers entering the labour market and the resource-based economy doing well, employment grew by an average of 1.9% per year from 1976 to 1986.
- From 1986 to 2001, there was virtually no employment growth.
- After dropping sharply in 2001, employment has been growing in recent years at an average annual rate of 1.6%.
- This 1.6% annual increase translates into about 8,000 new jobs per year.
- Employment growth slowed in 2014 and 2015.

RECENT MONTHLY EMPLOYMENT TRENDS

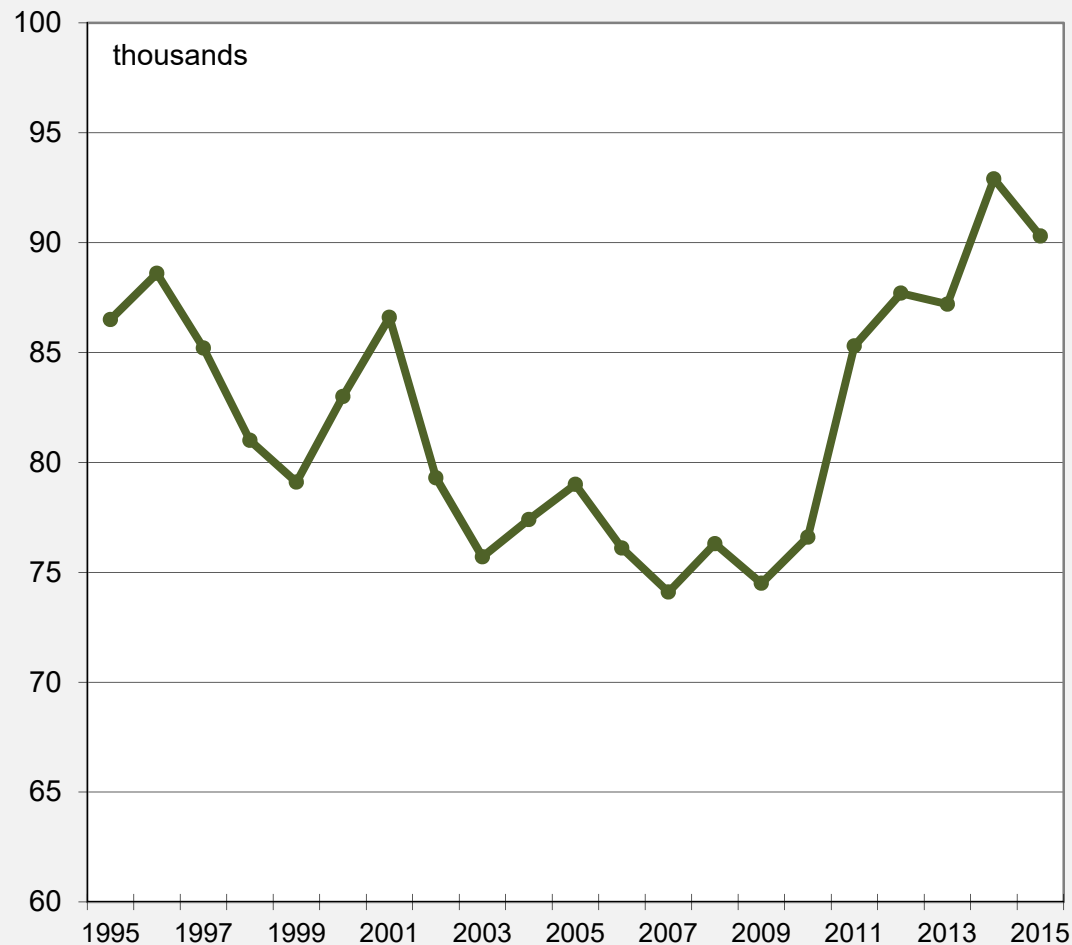
Monthly Employment, Seasonally Adjusted



- Adjusted for normal seasonal variation, employment stopped increasing in late 2014 when the price of oil fell from US\$100/bbl to \$US50/bbl.
- There have been the usual ups-and-downs since then but overall employment has not increased in the last 36 months.
- In effect, there are the same number of people employed in September 2016 as there was in the summer of 2013.

PERSONS NOT IN THE LABOUR FORCE

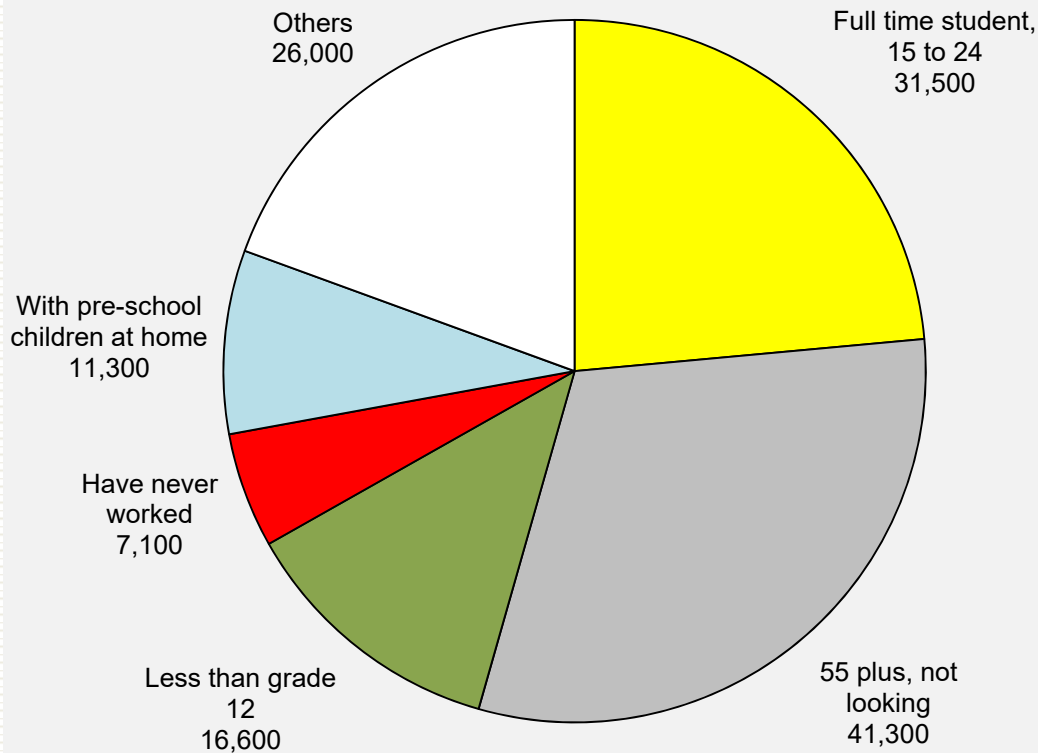
Persons Not in the Labour Force, 25 to 64 years of age, 1995 to 2015



- This is a count of the number of people in the primary labour market age group (25 to 64 years) but who are not in the labour force, that is, neither working nor looking for work.
- From the mid 1980s to the late 2000s, there were ups-and-downs within an overall declining trend.
- Since 2010 the number has increased sharply and it is not clear why.
- The number has continued to increase in the first part of 2016.

SELECTED CHARACTERISTICS OF THOSE NOT IN THE LABOUR FORCE

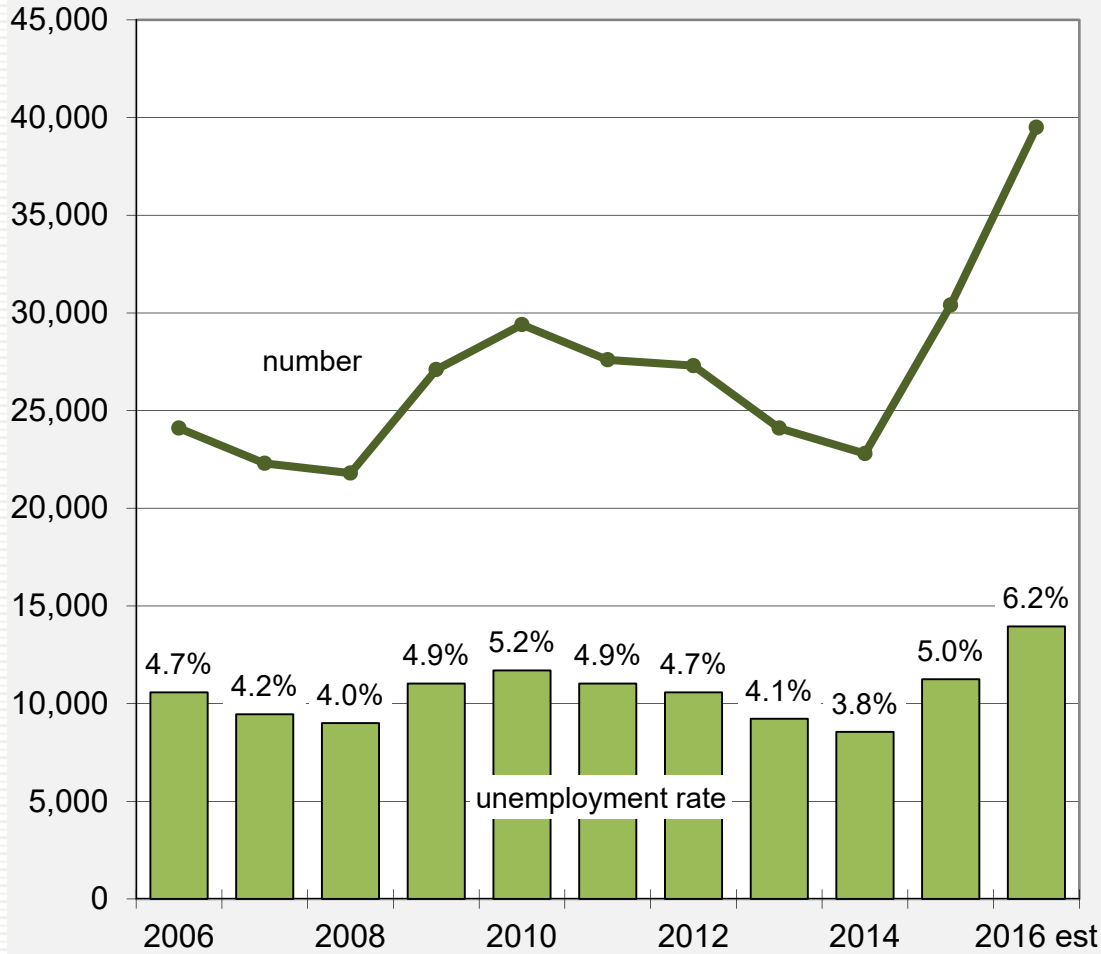
**Not in the Labour Force, 15 to 64 Years of Age, 2015
(total=133,700)**



- In 2015, there were 133,700 persons 15 to 64 years of age who were not in the labour force, that is, not working nor looking for work. This figure describes some of the characteristics of these individuals.
- About one-quarter (24%) were full-time students. Another third (31%) were 55 and older and presumably had retired early or were unable to work because of health problems.
- Among the remaining individuals (who were not full-time students) 5% had never worked and 12% had worked but had less than a grade 12 education. They would have trouble finding work.
- Another 8% had at least grade 12 and some work experience but, with young children at home, were presumably stay-at-home spouses.
- Many of the remaining 19% were in the older age groups. Some will have health problems.

THE UNEMPLOYED

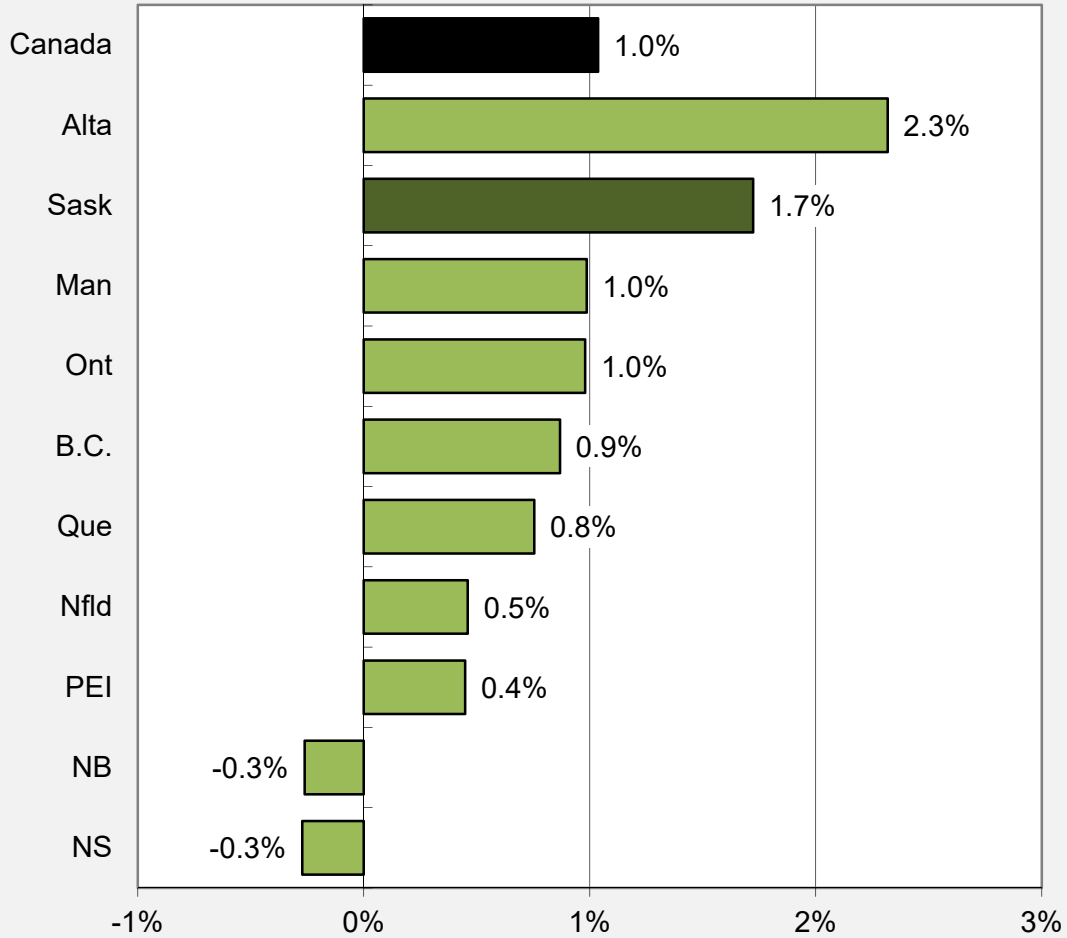
Unemployment in Saskatchewan, 2004 to 2016 (estimate)



- To be unemployed in the LFS, one needs to be available for work and actively seeking employment.
- In most of the recent past, Saskatchewan “exported” its unemployed in the sense that those who couldn’t find work moved to Alberta. This kept the unemployment rate artificially low, typically the lowest in Canada.
- With no Alberta “escape valve”, the number of unemployed and the unemployment rate in Saskatchewan have increased dramatically.

INTERPROVINCIAL COMPARISON OF EMPLOYMENT GROWTH

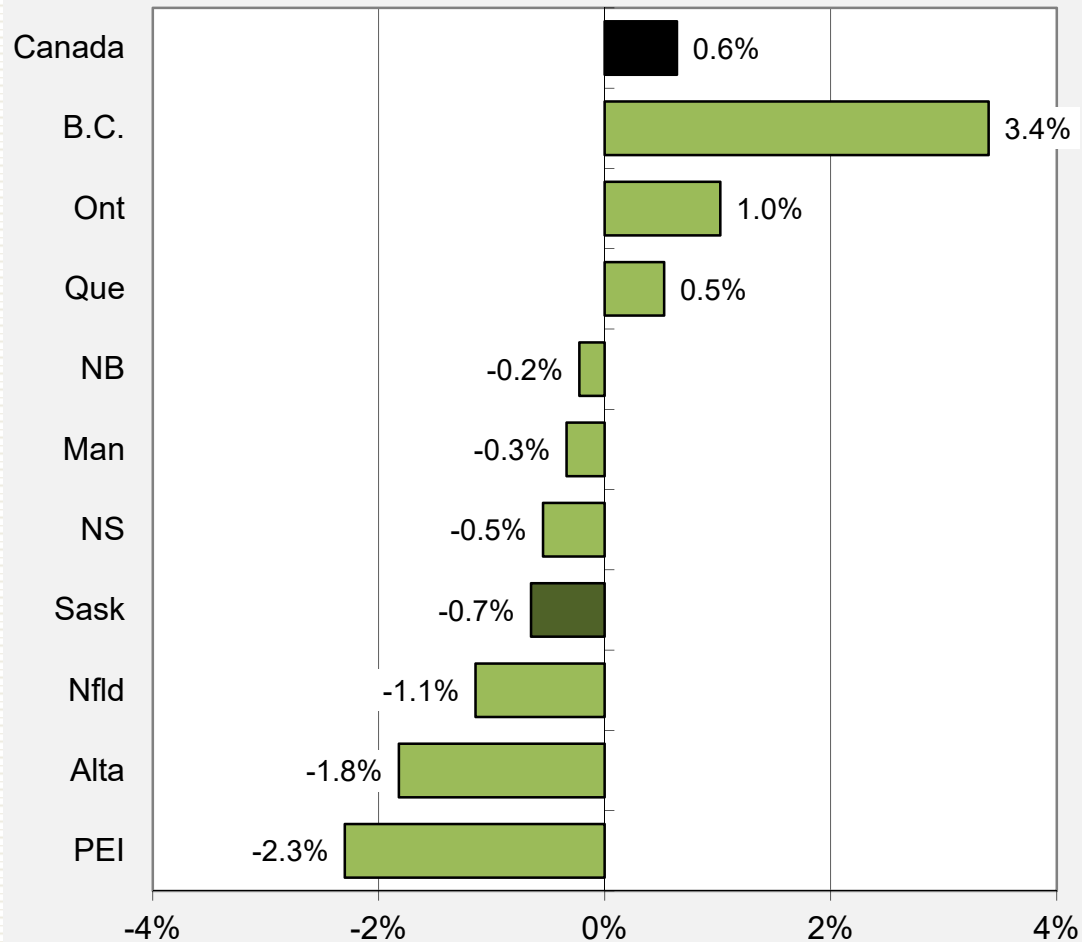
Average Annual Employment Growth, 2011 to 2015



■ During the period from 2011 to 2015, the average annual increase in employment was above the national average for the first time in decades.

INTERPROVINCIAL COMPARISON OF RECENT EMPLOYMENT GROWTH

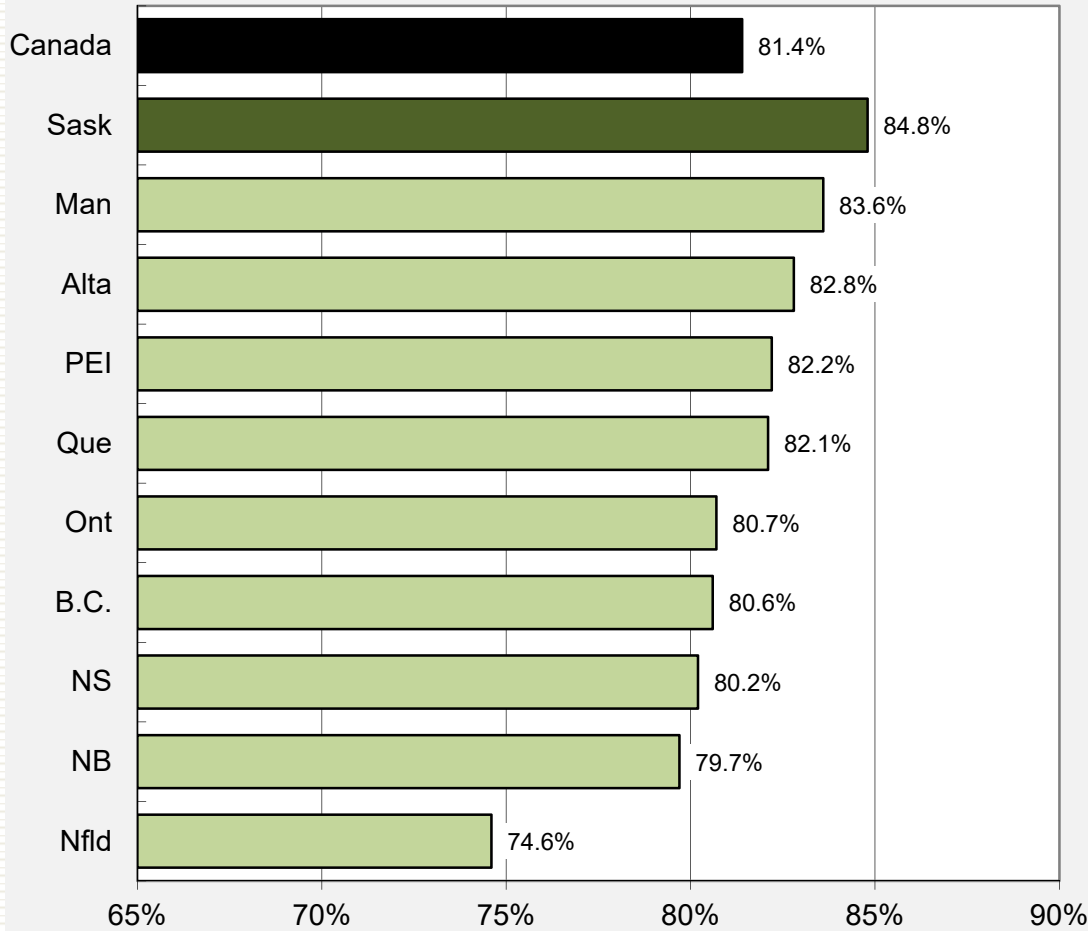
Employment Growth, 2016 Year-to-Date



- For the first nine months of 2016, employment is growing in four of the five large provinces – B.C., Quebec, and Ontario – and falling in the fourth – Alberta.
- The 0.7% decline in Saskatchewan is not as bad as the 1.8% drop in Alberta.

EMPLOYMENT RATES

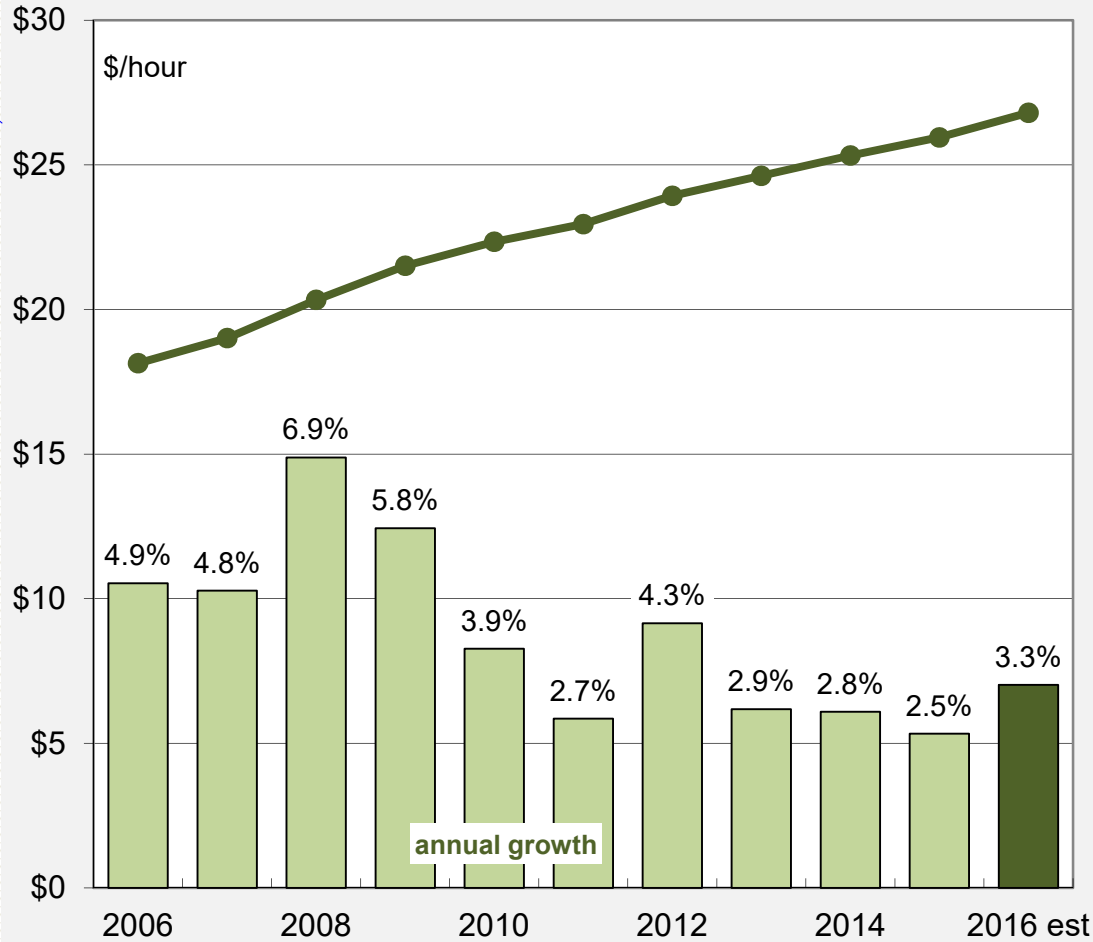
Employment Rates, 25 to 54 years of age, 2015, by Province



- This is the best evidence we have that, even with the recent weakness in the labour market, the province is still at risk for a labour shortage.
- The percentage of the working age population who are working (84.8%) is the highest among the provinces.
- This is probably near the maximum possible employment rate.

HOURLY WAGE RATES IN SASKATCHEWAN

Average Hourly Wage Rate (paid workers only), Saskatchewan



- The booming economy and shortage of workers has led to rapidly increasing wage rates.
- From 2011 to 2015, the increase has averaged 3.0% per year. This is equivalent to 1.1% per year after adjusting for inflation.
- In early 2016, the average increase in wage rates has been 3.3% which is still well above the rate of inflation.

SUMMARY

- Since 2001, Saskatchewan has had strong employment growth averaging 1.6% per year. This was above the national average for the first time in decades.
- Employment growth slowed in 2015 and will decline in 2016. This has resulted in a sharp jump in the number of unemployed and persons who have dropped out of the labour force.
- It will be harder for young people to find work now than it was a few years ago. They will be in competition with the large number of unemployed people. Turnover of existing employees, rather than growth, will be the main kind of job opportunities.
- Notwithstanding the weakness in the labour market, the percentage of the population in the primary labour market age group is still the highest in Canada. We are still close to having a labour shortage.
- Wage rates have been increasing rapidly in recent years with growth rates above the rate of inflation for ten consecutive years.
- The average wage rate is now above the national average. The gap between Alberta and Saskatchewan has narrowed.

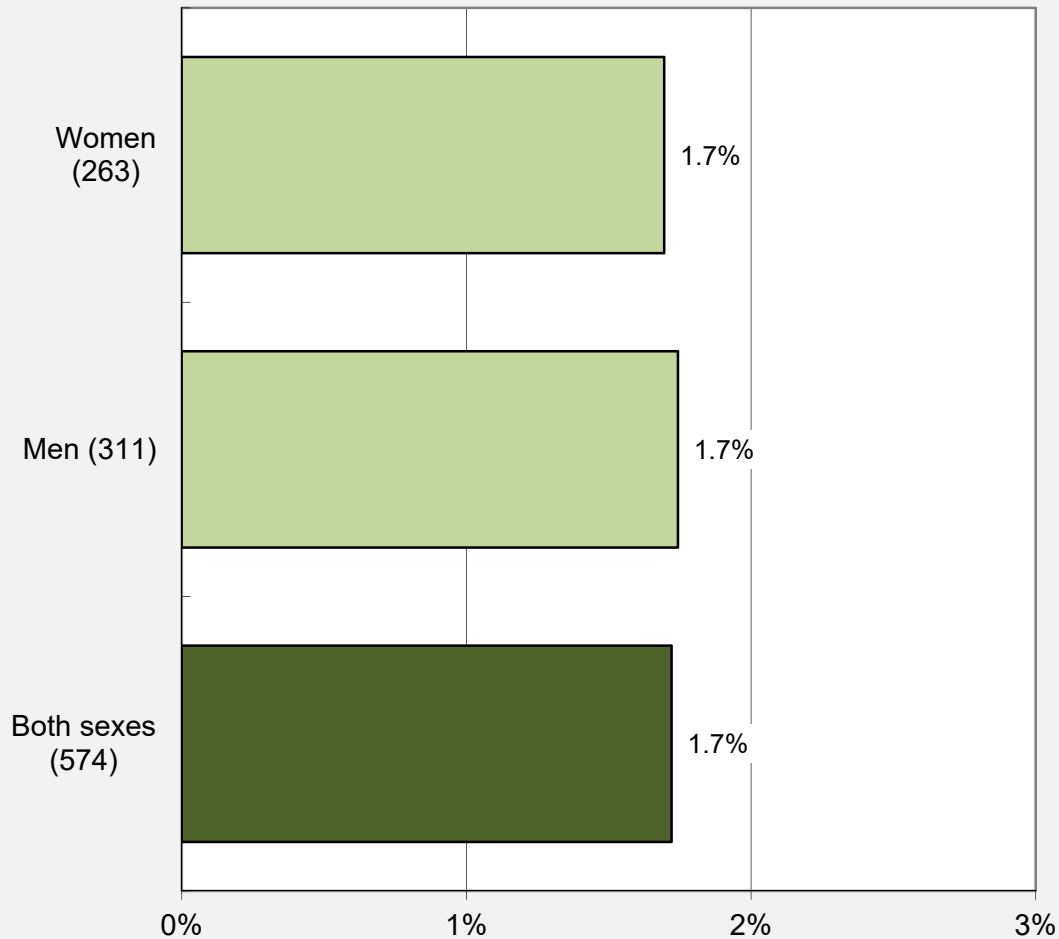
CHARACTERISTICS OF THE EMPLOYED

This is data from the LFS that describes trends over time in some of the personal characteristics of the employed and the positions they hold.

The period from 2011 to 2015 is used. This encompasses both the strong growth from 2011 to 2013 and the slowdown in 2014 and 2015.

EMPLOYMENT GROWTH BY SEX, 2011 TO 2015

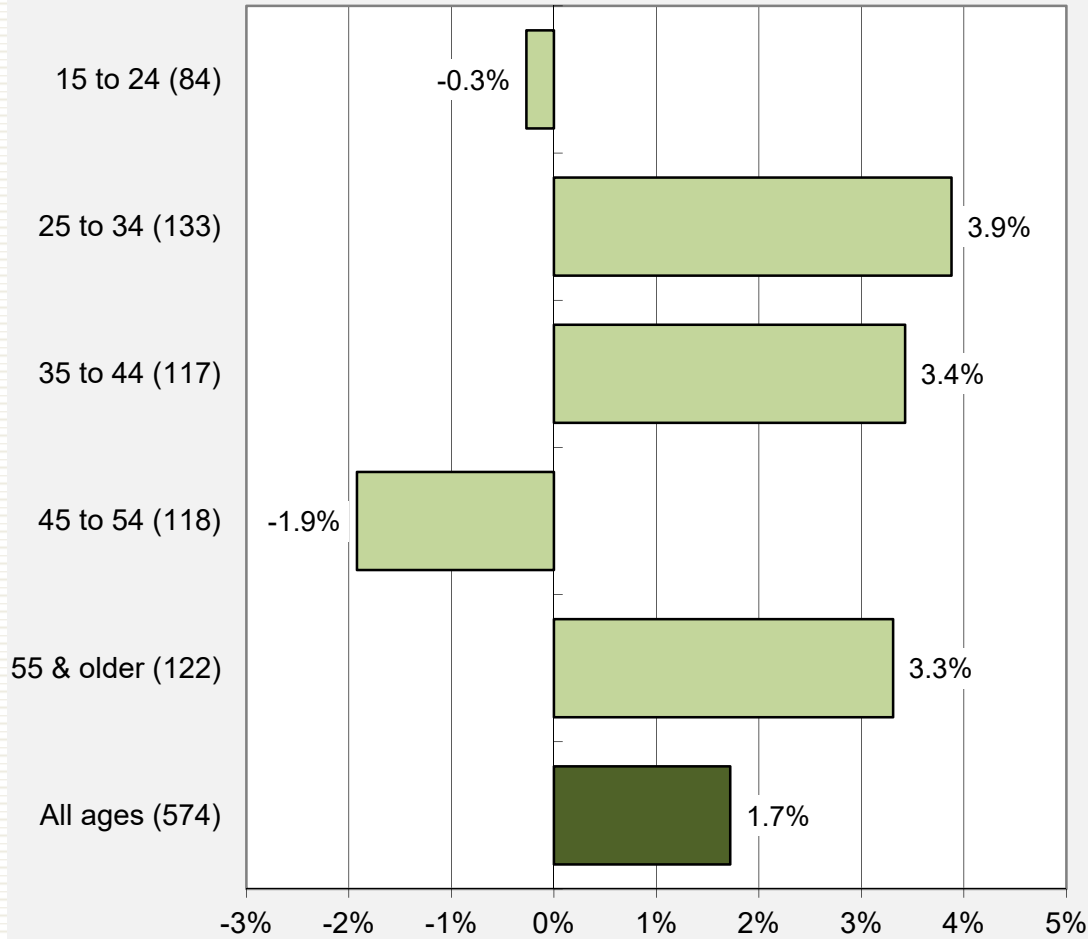
Employment Growth by Sex, 2011 to 2015 (showing 2015 employment in thousands)



- Employment had been growing more quickly among women than among men throughout most of the 1990s and 2000s.
- This long-standing trend has stopped in the past few years because more new jobs have been in industries which are dominated by men (e.g. construction and the resource sector).
- Men outnumber women in the labour market by a ratio of 54:46.
- In early 2016, employment is down 0.4% for men and 1.0% for women.

EMPLOYMENT GROWTH BY AGE GROUP, 2011 TO 2015

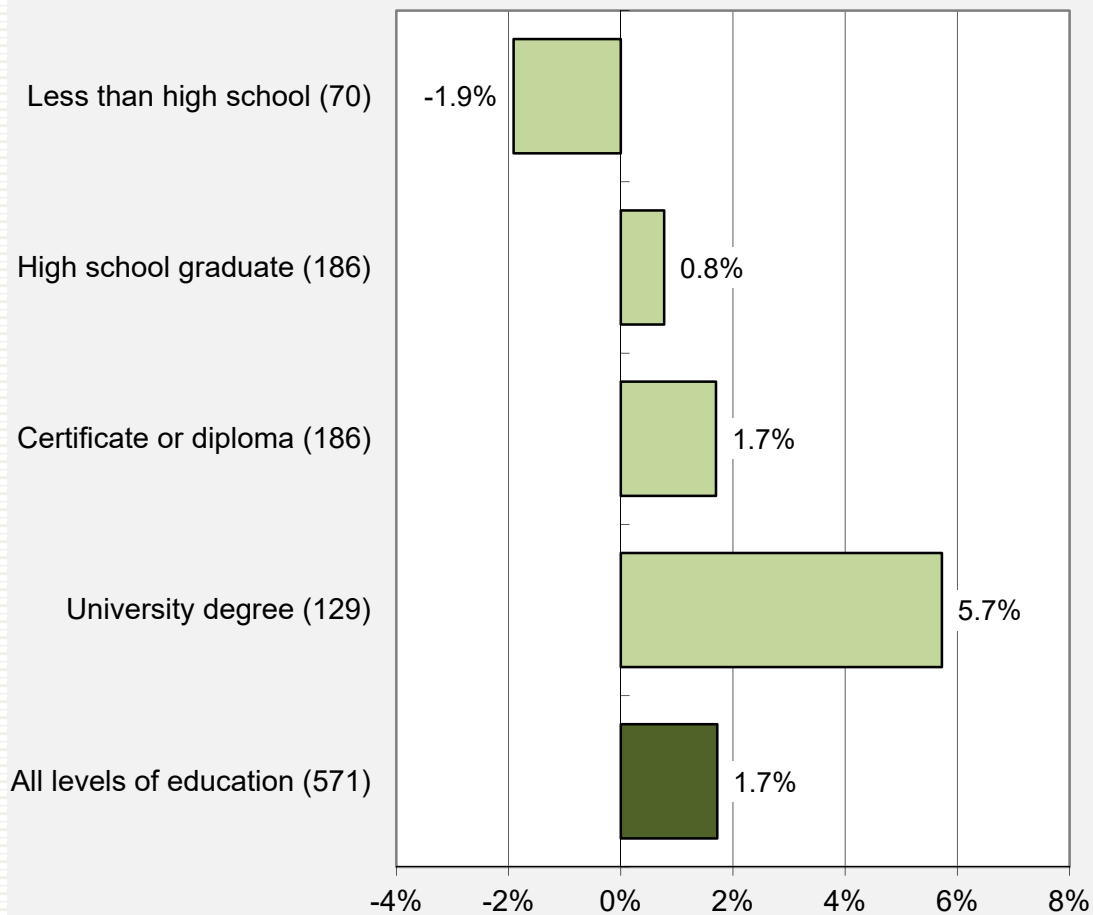
Employment Growth by Age Group, 2011 to 2015
(showing 2015 employment in thousands)



- Employment growth in the past five years has been most particularly pronounced among older workers.
- Youth employment fell from 2011 to 2015 even though the population in this age group increased.
- Some but not all of these changes are the result of demographics, that is, more or fewer people in the age group. The rest of the change is the result of higher participation rates, particularly among older workers.
- The growth among those 25 to 44 years of age is partly driven by demographic trends and partly by inter-provincial and international immigration.
- In the first part of 2016, employment is down 4.8% for 15 to 24 year olds.

EMPLOYMENT BY COMPLETED EDUCATION, 2011 TO 2015

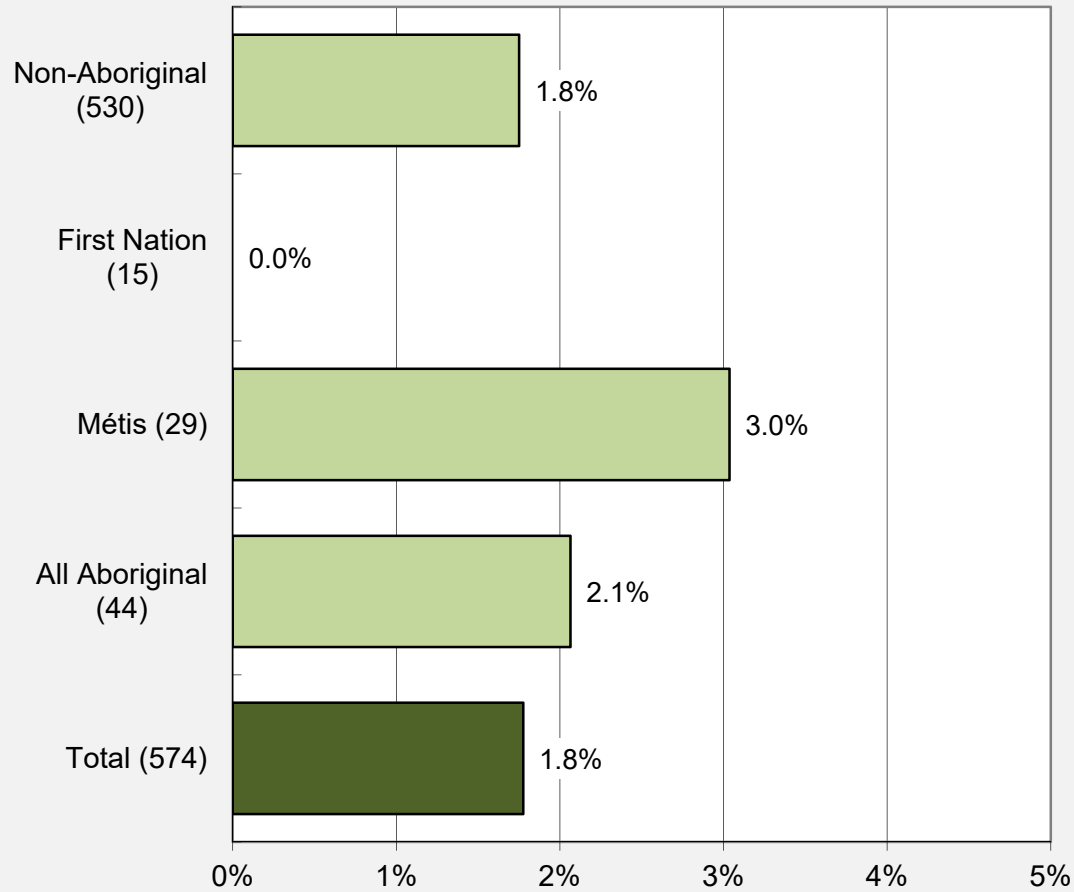
Employment Growth by Highest Level of Completed Education, 2011 to 2015 (showing 2015 employment in thousands)



- The highest rate of employment growth since 2011 has been among those with a university degree.
- The growth in employment among those with a certificate or diploma is lower than expected.
- This is a continuing pattern – all of the job growth in the future will be among those who have at least grade 12. Those with a post-secondary education will have the best prospects.

EMPLOYMENT AMONG ABORIGINAL PEOPLE OFF-RESERVE

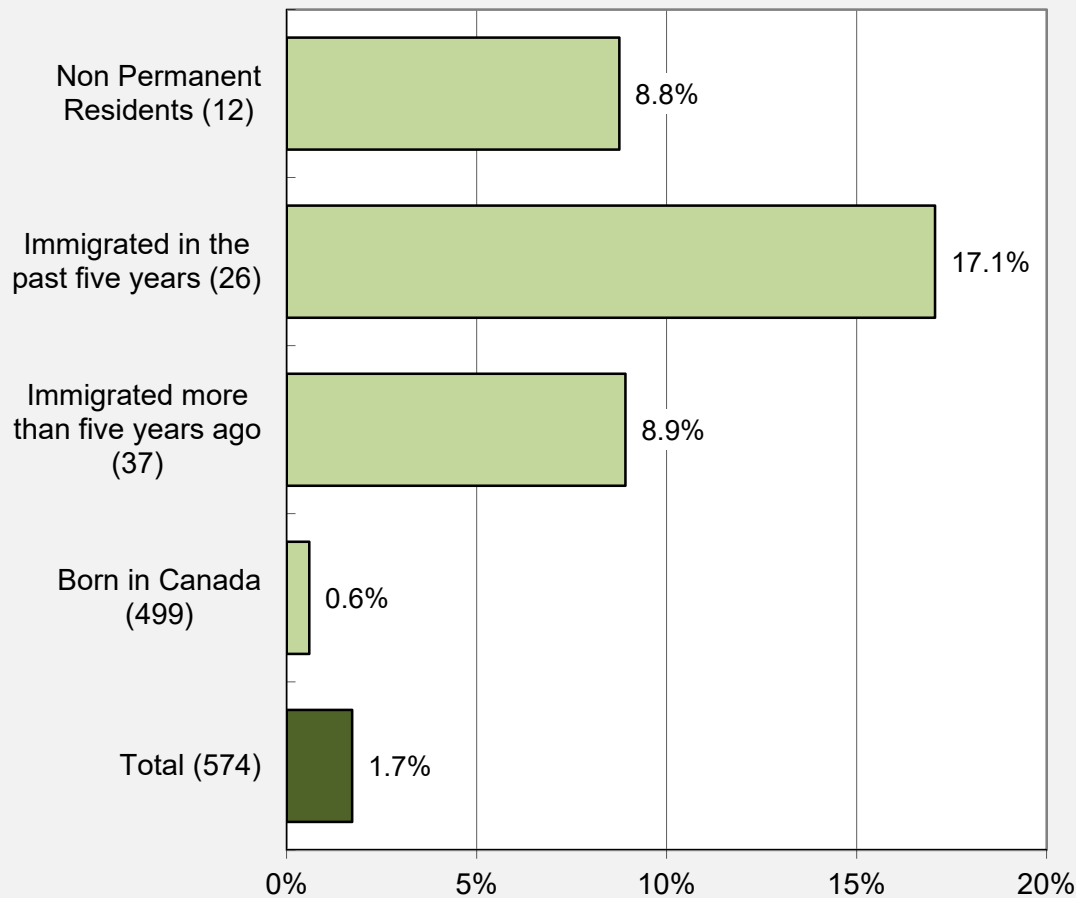
Employment Growth by Aboriginal Identity (off Reserve Only), 2011 to 2015 (showing 2015 employment in thousands)



- We only have Aboriginal employment data for the population living off-Reserve.
- Over the five years ending in 2015, Aboriginal employment has grown more quickly than non-Aboriginal employment.
- This is exclusively because of increases among the Métis.
- This trend has continued into early 2016.

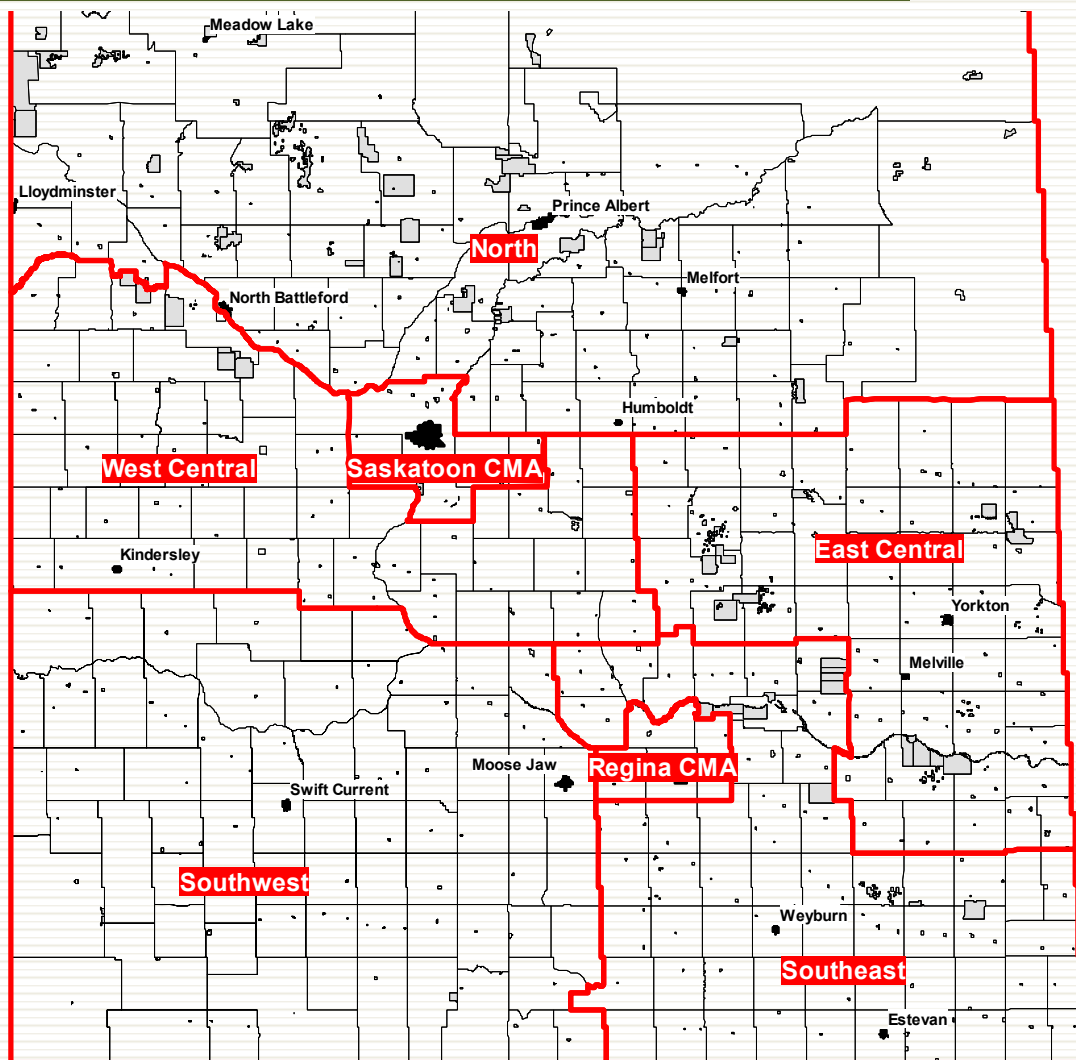
EMPLOYMENT GROWTH AMONG IMMIGRANTS, 2011 TO 2015

Employment Growth by Immigrant Status, 2011 to 2015
(showing 2015 employment in thousands)



- Although the numbers are small, the employment growth from 2011 to 2015 among immigrants and temporary foreign workers has been quite remarkable, averaging more than 10% per year.
- Notwithstanding the increase, recent immigrants still account for less than 5% of employment in the province. Temporary foreign workers account for 2.1%.
- This trend has continued into 2016.

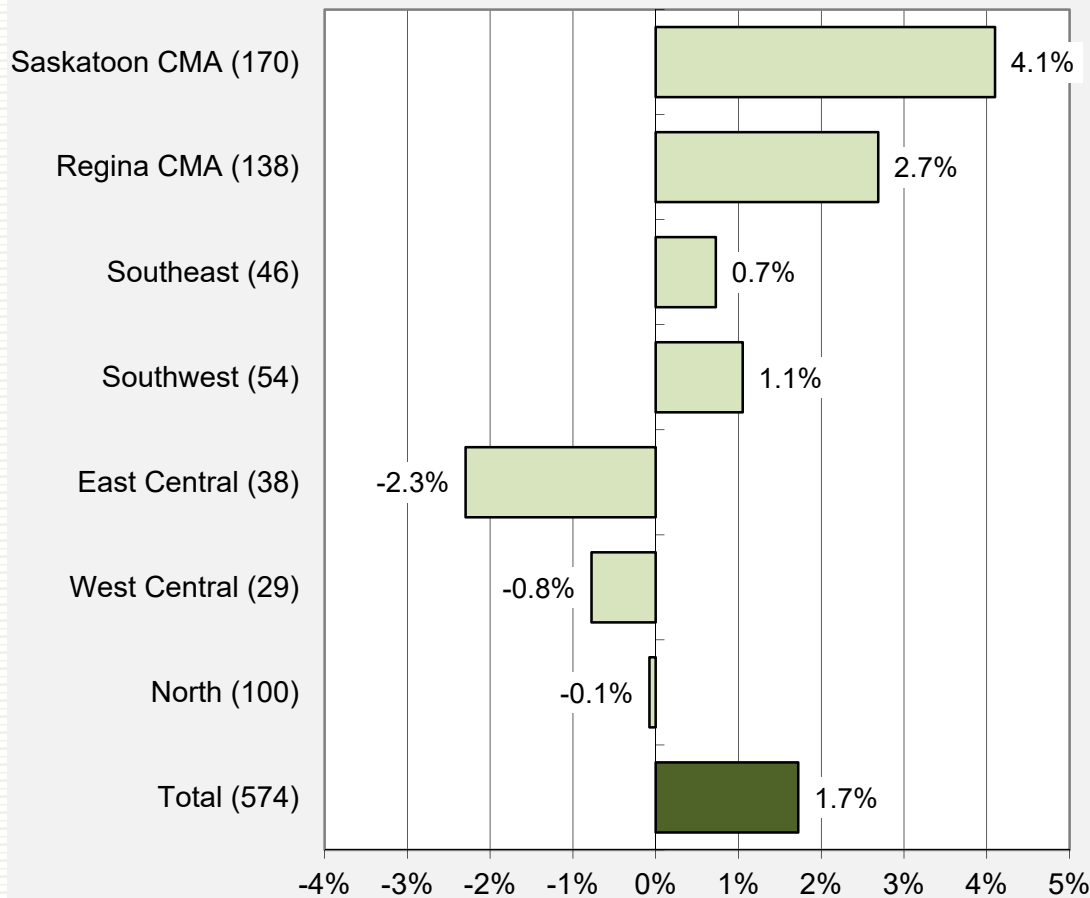
REGIONS IN THE LABOUR FORCE SURVEY



- The LFS has a large enough sample size to provide employment estimates for the seven regions in the province shown in the map.
- The LFS measures employment according to where you live not where you work.
- North Battleford is included in the “North” whereas Battleford is in the West Central region

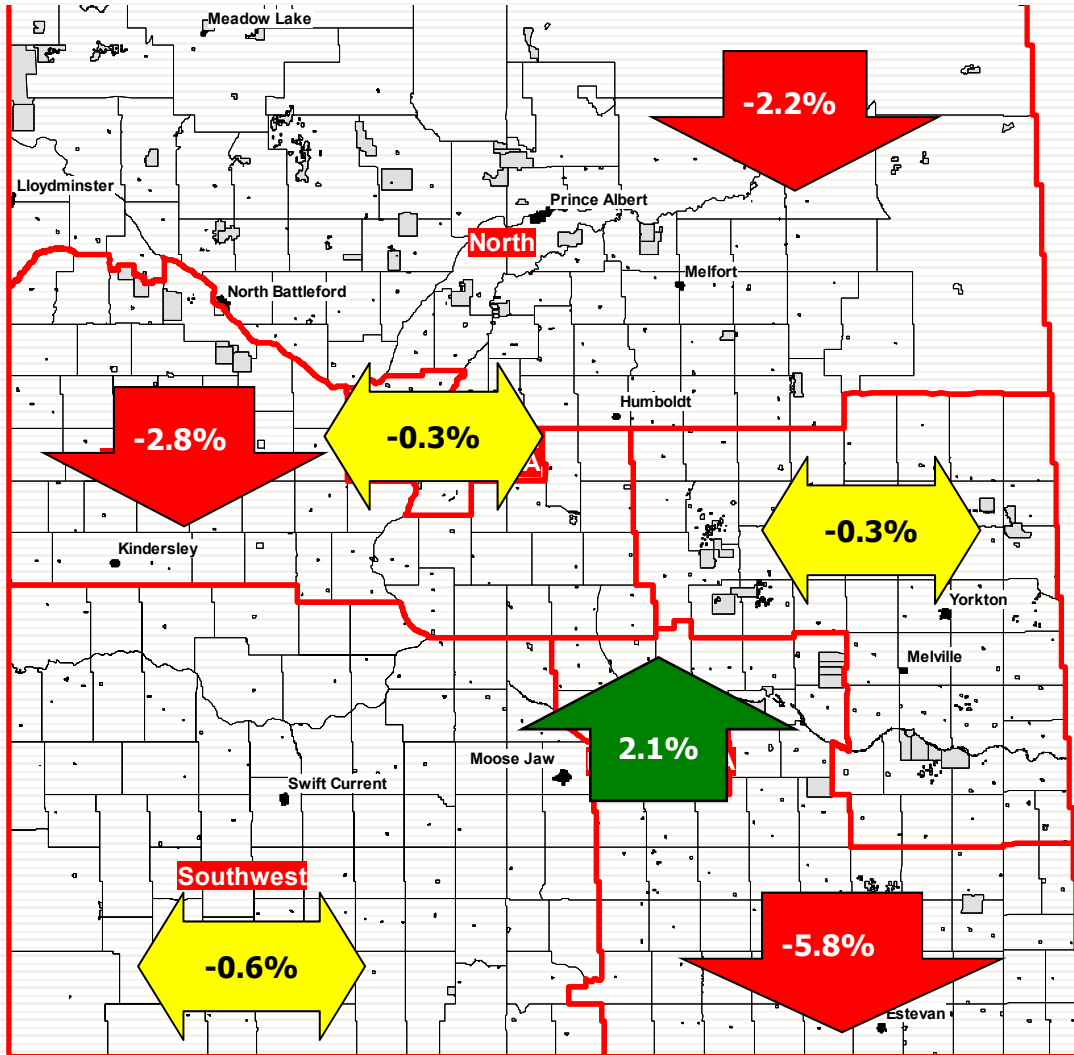
EMPLOYMENT GROWTH BY REGION, 2011 to 2015

Employment Growth by Economic Region, 2011 to 2015
(showing 2015 employment in thousands)



- From 2011 to 2015, employment grew substantially in the Regina and Saskatoon CMAs.
- Employment declined significantly in the East Central (Yorkton/Melville) region.

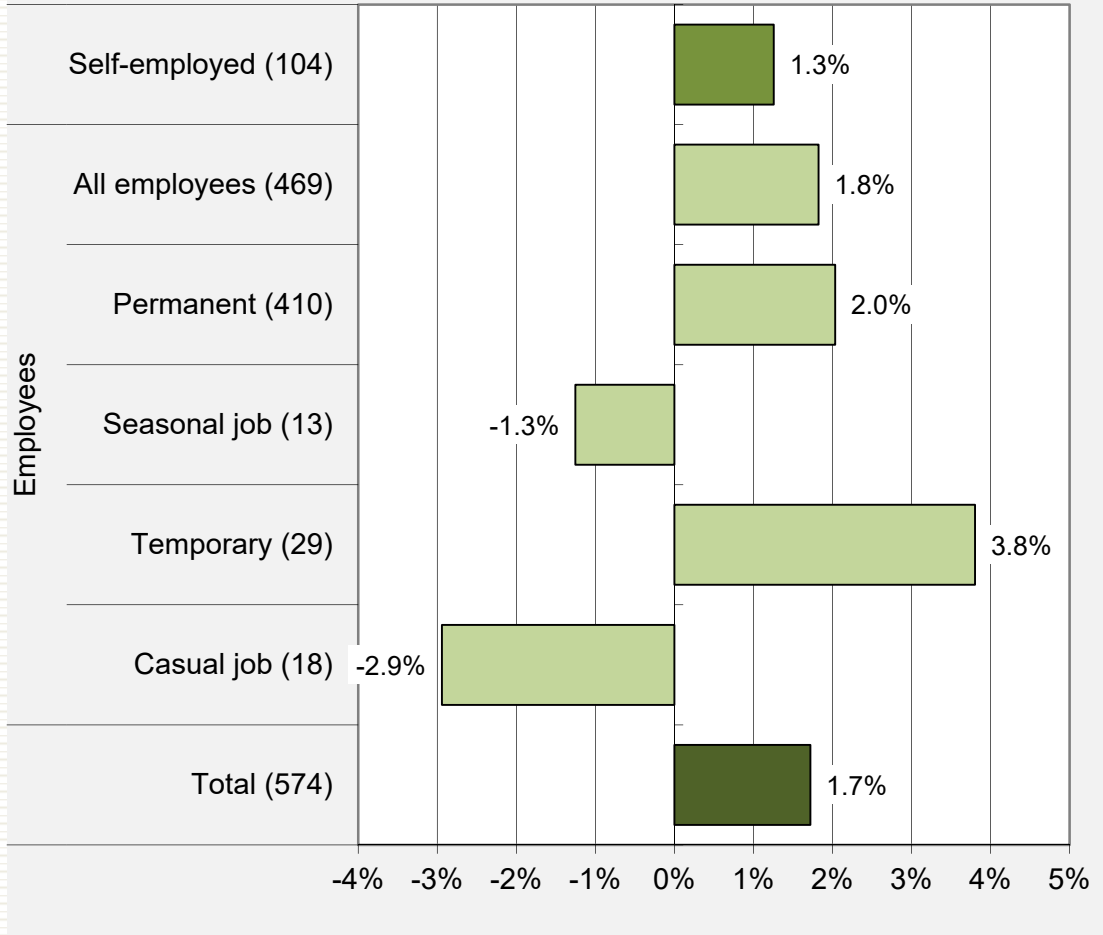
RECENT EMPLOYMENT GROWTH



- This is the employment change in the third quarter of 2016 compared with the third quarter of 2015.
- The Regina metropolitan area is the only part of the province showing any employment growth.

EMPLOYMENT GROWTH BY CLASS OF WORKER, 2011 TO 2015

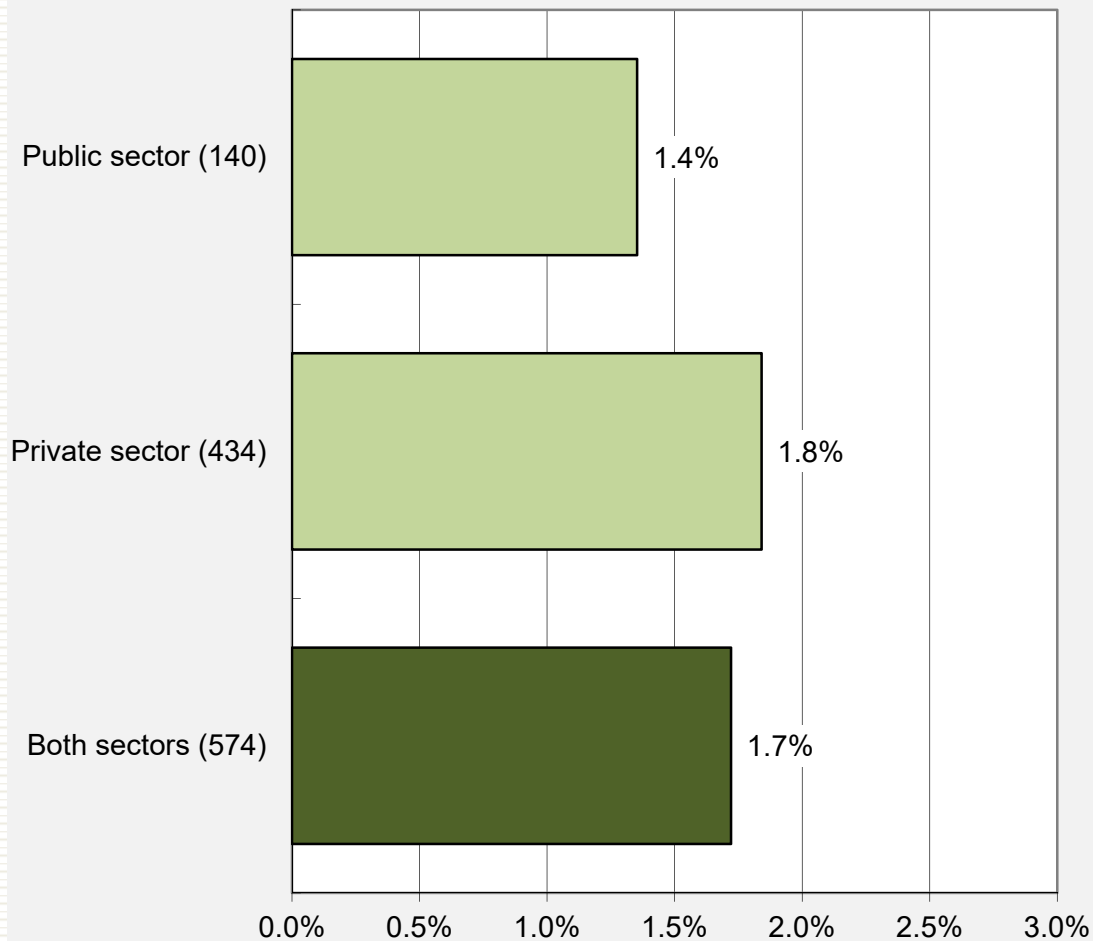
Employment Growth by Class of Worker, 2011 to 2015
(showing 2015 employment in thousands)



- From 2011 to 2015, the fastest growing class of worker was those in temporary positions. These individuals still account for only 5% of employment.
- Permanent paid positions still account for the vast majority (71%) of work in the province.

EMPLOYMENT GROWTH BY SECTOR, 2011 TO 2015

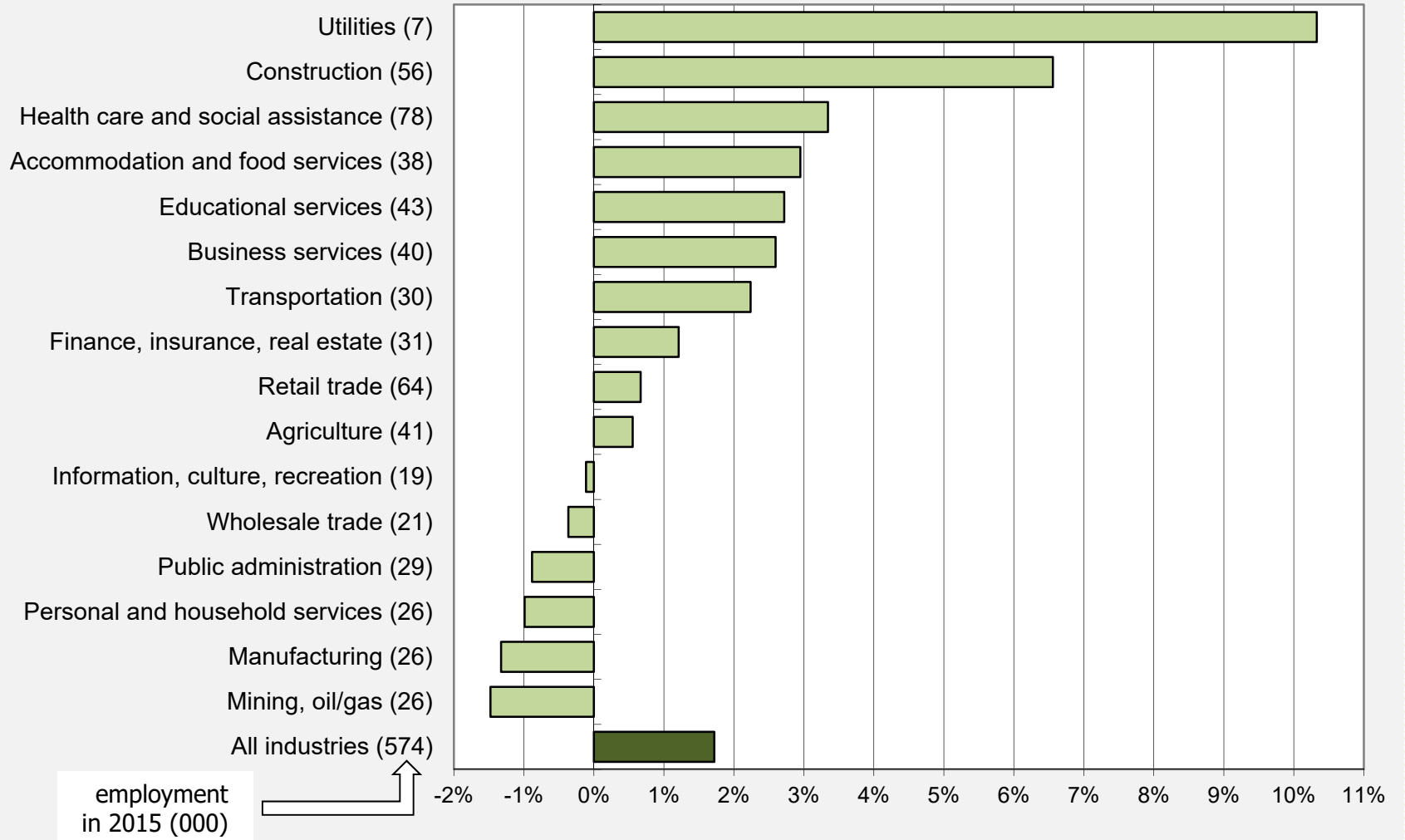
Employment Growth by Sector, 2011 to 2015 (showing 2015 employment in thousands)



- The public sector (broadly defined to include the crowns, health, education, and the three levels of government) accounts for 24% of employment in the province.
- Employment in the public sector is growing more slowly than in the private sector. During the period from 2011 to 2015, public sector employment increased by an average of 1.4% per year compared with 1.8% per year for the private sector.
- In the first part of 2016, public sector employment has declined by 1.4% whereas private sector employment has fallen by 0.4%.

EMPLOYMENT GROWTH BY INDUSTRY GROUP, 2011 TO 2015

Employment Growth by Industry Group, 2011 to 2015



SUMMARY

- From 2011 to 2015 employment has grown as quickly among men as among women but more quickly among:
 - older workers and those in 25 to 44 age group;
 - those with higher levels of education;
 - recent immigrants;
 - the Aboriginal population; and
 - those living in Regina and Saskatoon.

- From 2011 to 2015, employment has grown more quickly in the private sector than in the public sector. The fastest growing industry groups were:
 - utilities;
 - construction;
 - health care; and
 - accommodation and food services.

Employment declined in:

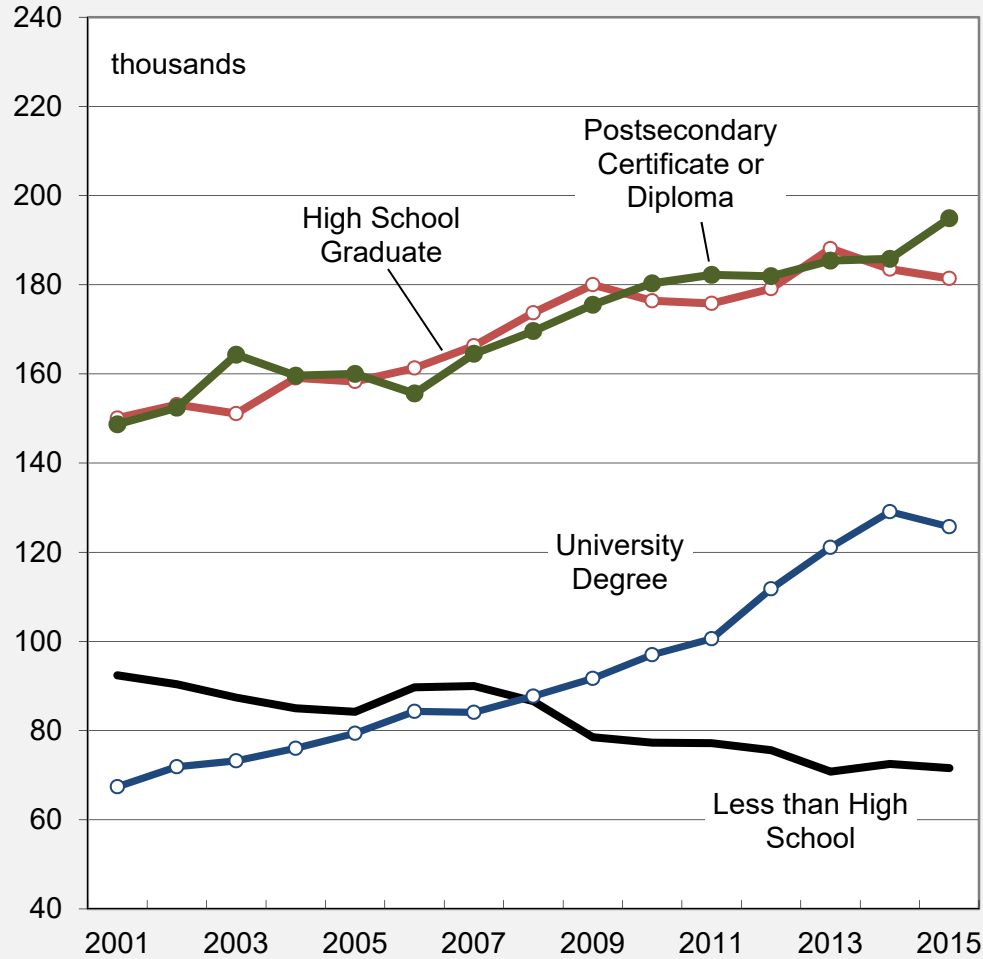
- public administration (the three levels of government);
- manufacturing; and
- the resource sector.

THE RELATIONSHIP BETWEEN COMPLETED EDUCATION AND EMPLOYMENT

Higher levels of education mean a better chance of finding a job and a higher wage rate.

EMPLOYMENT GROWTH BY LEVEL OF EDUCATION

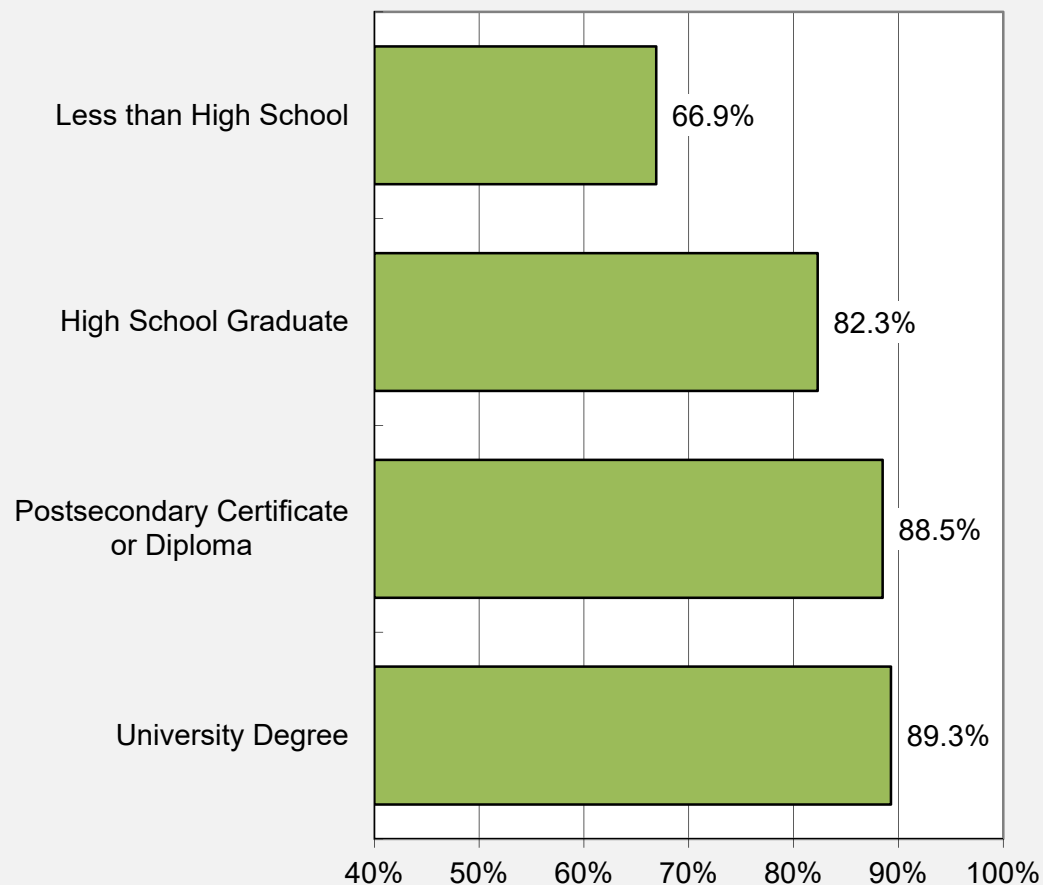
Employment by Educational Attainment, Saskatchewan



- All of the employment growth in the last fifteen years has been among those with at least a grade 12 level of education.
- The number of jobs held by those with less than a grade 12 education is 72,000 compared with 92,000 in 2001.
- The fastest growth is among those with a university degree.

EMPLOYMENT RATES BY LEVEL OF EDUCATION

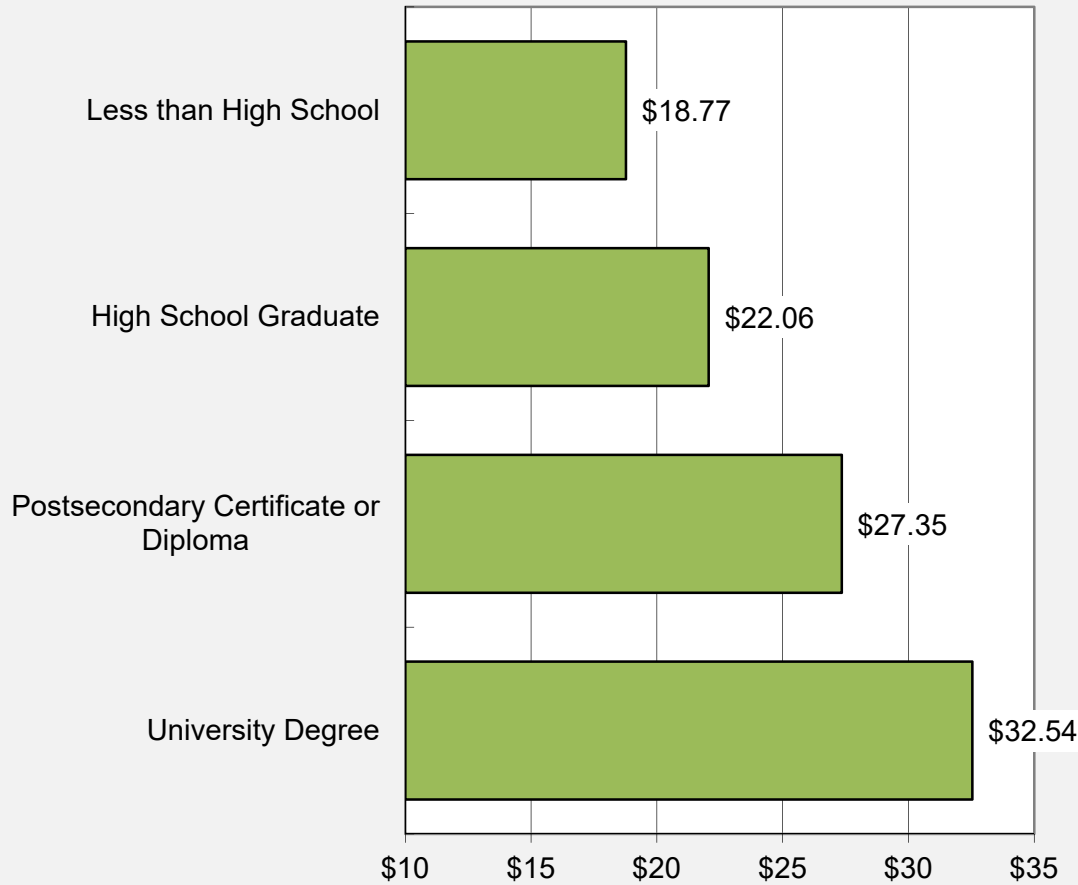
Employment Rates, by Level of Educational Attainment, Saskatchewan, 25 to 54 years of Age, 2015



- Graduating from high school increases your probability of finding a job from 67% to 82%.
- Those with a university degree and those with a certificate or diploma are equally likely to be working – 89% were doing so in 2015.

WAGE RATES BY LEVEL OF EDUCATION

Average Hourly Wage Rates, by Level of Educational Attainment, Saskatchewan, 2015



- The highest average wage rates are among those with a post-secondary education in general and a university degree in particular.

SUMMARY

- Grade 12 is becoming a minimum requirement for most jobs.
- Having a post-secondary certificate or diploma increases your odds of finding a job to nearly the same as having a university degree.
- Those with a degree have higher average wage rates than those with a certificate or diploma.

COMMENTS OR QUESTIONS?
