

Recent Trends in the Saskatchewan Labour Market

Presentation to the

Statistics Canada Conference on the
Saskatchewan Labour Force

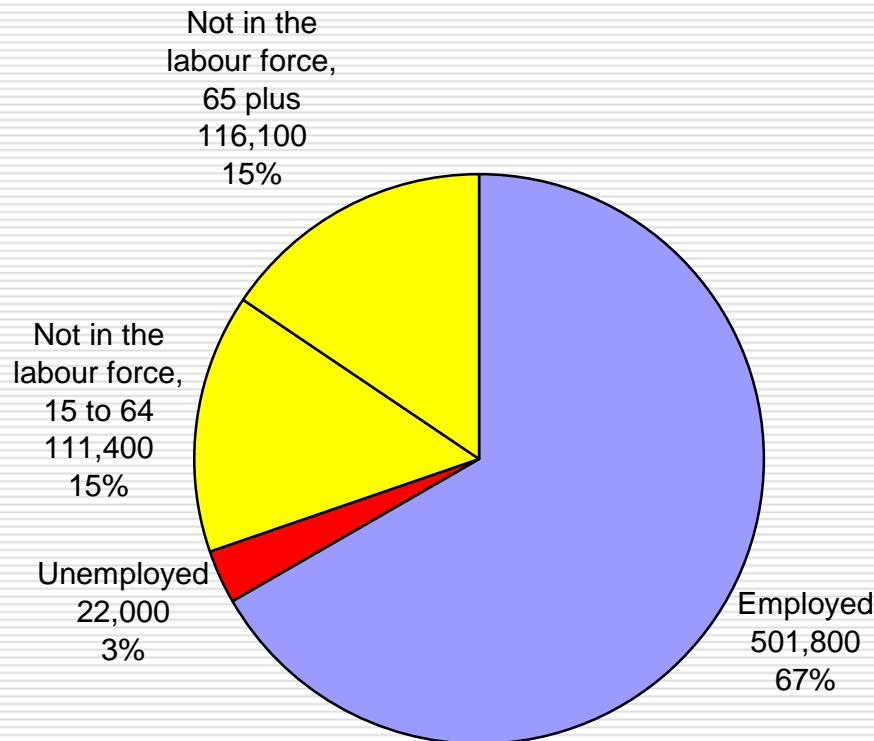
Is it Working?

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Main Data Source: The Labour Force Survey

Labour Force Status, Annual Averages
Saskatchewan, 2007 (adult population = 751,400)

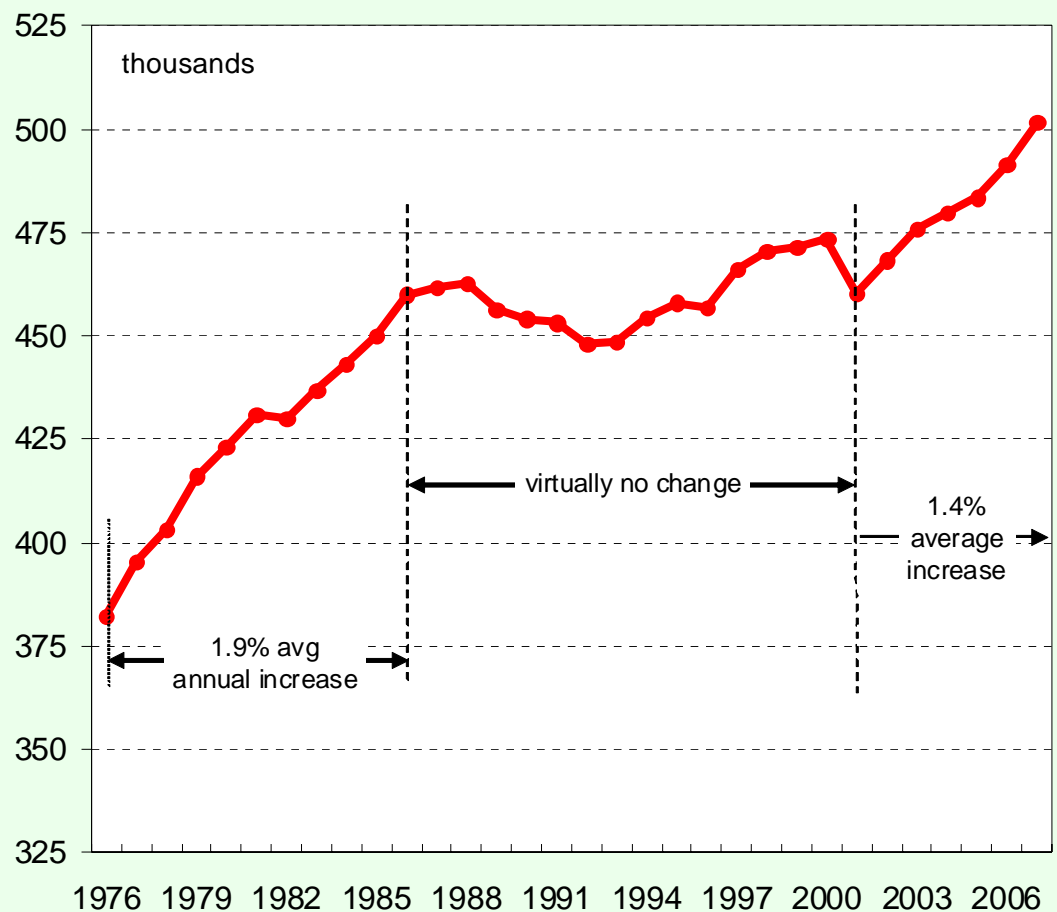


• employment rate is 67%
• participation rate is 70%

- The Statistics Canada Labour Force Survey (LFS) is a monthly survey that provides most of the current information about the labour market in Canada.
- 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 per month.
- The main weakness of the LFS is the exclusion of the on-Reserve population from the sample.
- Note that the LFS measures neither the supply nor the demand in the labour market.

Long Term Trends in Saskatchewan Employment

Total Employment in Saskatchewan



- After dropping sharply in 2001, employment has been growing at an average annual rate of 1.4%.
- This period of growth follows a stretch of about fifteen years from the mid 1980s to the turn of the decade with virtually no growth at all.
- The increase in 2007 was 2.1%.

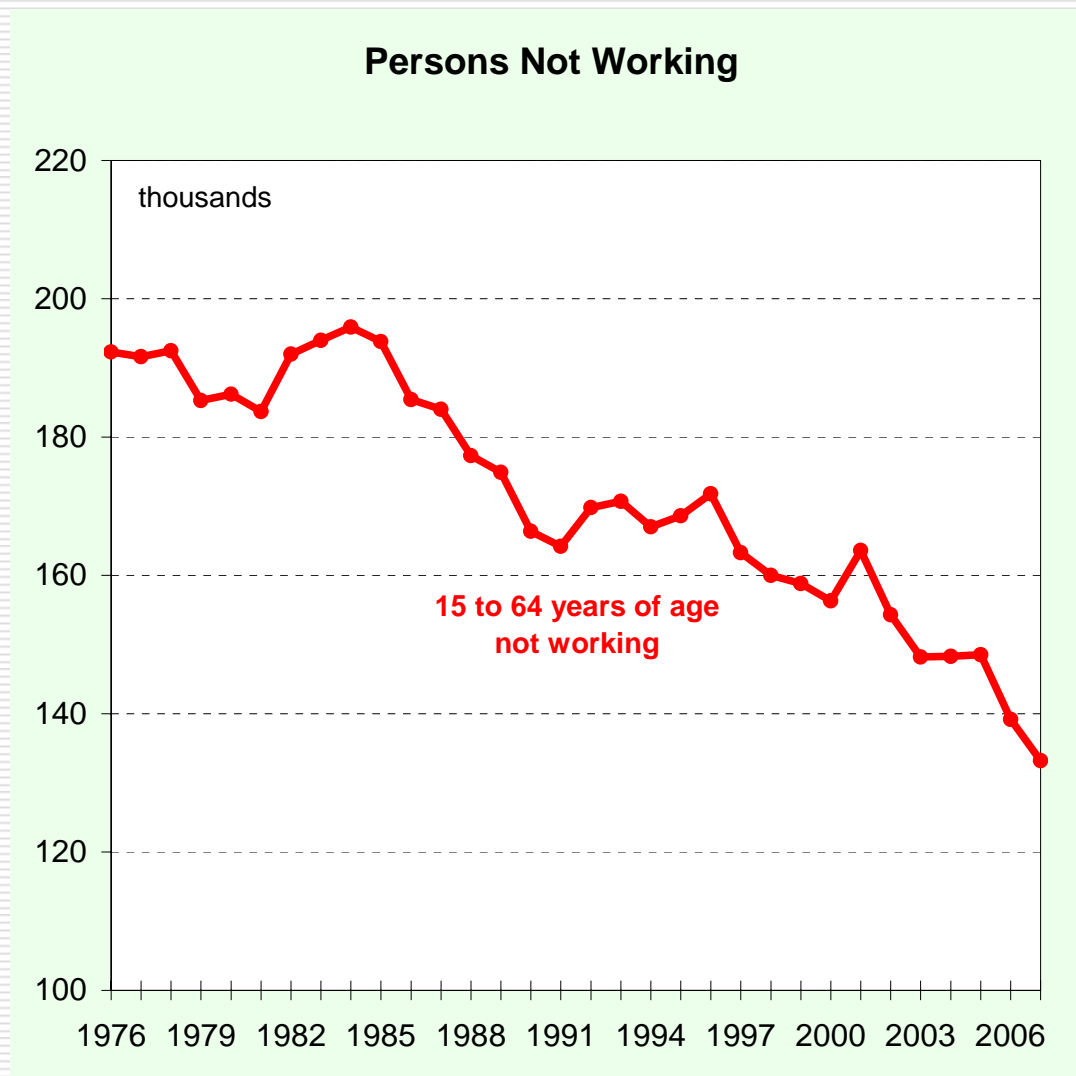
Monthly Employment Trends in Saskatchewan

Employment, Seasonally Adjusted, by Month



- The recent surge in employment started late in 2005 and continued until January 2007, generating an employment increase of approximately 25,000.
- The weakness early in 2007 reversed later in the year.
- The 2.1% increase in the annual average for 2007 is the largest increase since the mid 1980s. But most of the growth happened in 2006 rather than in 2007.

Long Term Trends in the Labour Force

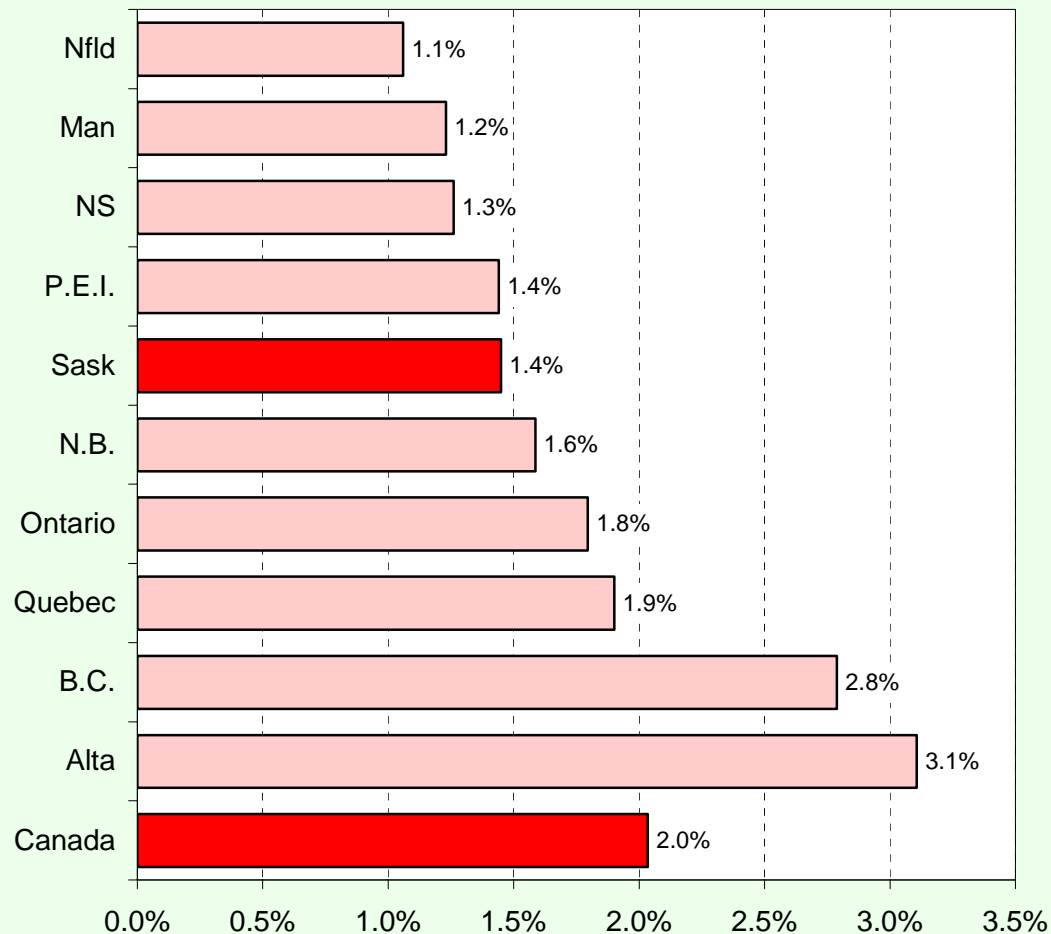


- The other long term trend occurring in the province is the gradual but steady decline in the number of those who are neither working nor looking for work.
- The number of non-seniors officially unemployed or “out of the labour force” has declined from a peak of 196,000 in 1984 to 133,000 in 2007.
- Included in these figures are students, stay-at-home spouses, “early” retirees, and those with a health problem or poor levels of education.

Interprovincial Comparisons

Employment Growth from 2001 to 2007

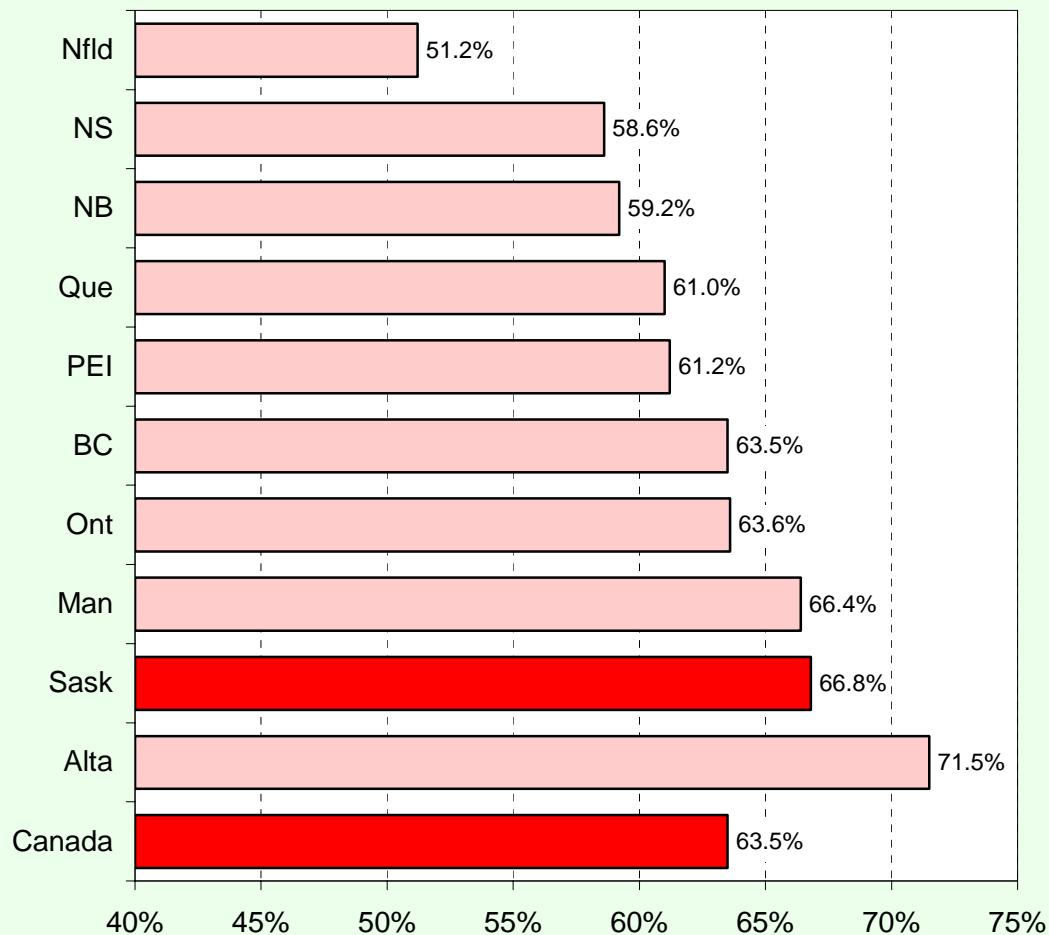
Average Annual Employment Growth, 2001 to 2007



- Saskatchewan's employment growth from 2001 to 2007 is well below the national average.
- Even in 2007, the 2.1% increase was fifth highest among the provinces, behind Alberta, B.C., New Brunswick, and Quebec.

Employment Rates in 2007

Employment Rates in 2007, 15 & Older

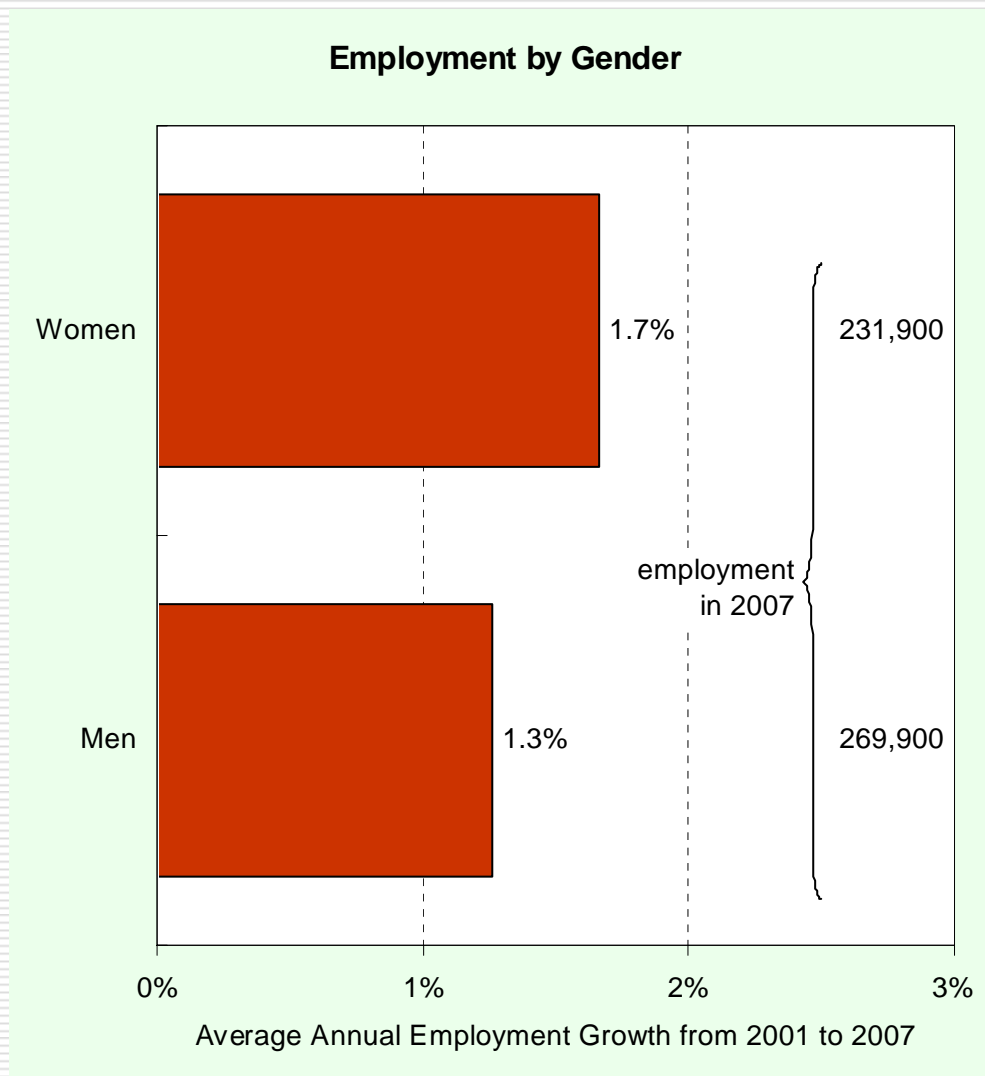


- One of the reasons for the lack of employment growth in Saskatchewan is a shortage of workers.
- This figure shows that the employment rate (the percentage of the adult population with a job) is the second highest in Canada.
- This is in spite of the fact that Saskatchewan has the second highest proportion of seniors in Canada.

Characteristics of the Employed

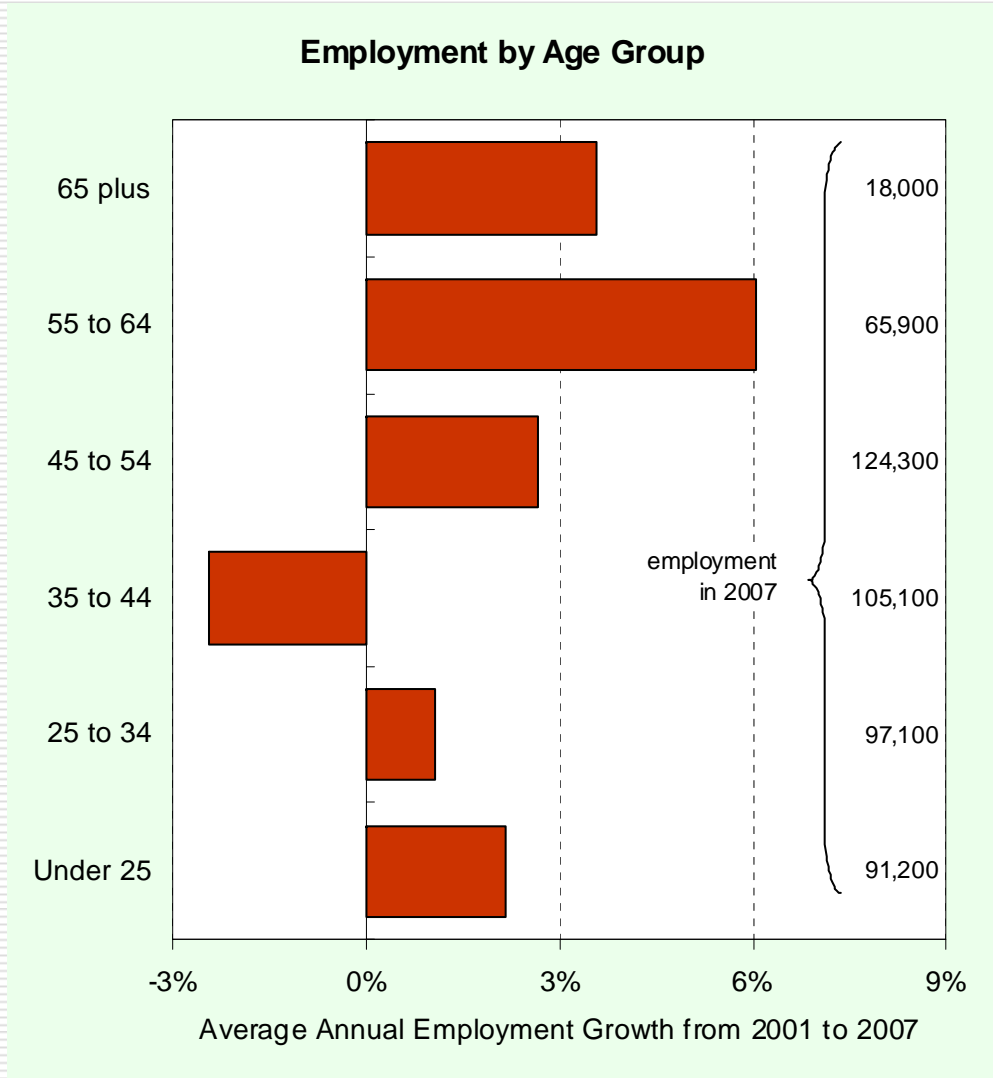
Employment Trends in Saskatchewan since 2001

Employment Growth by Gender, 2001 to 2007



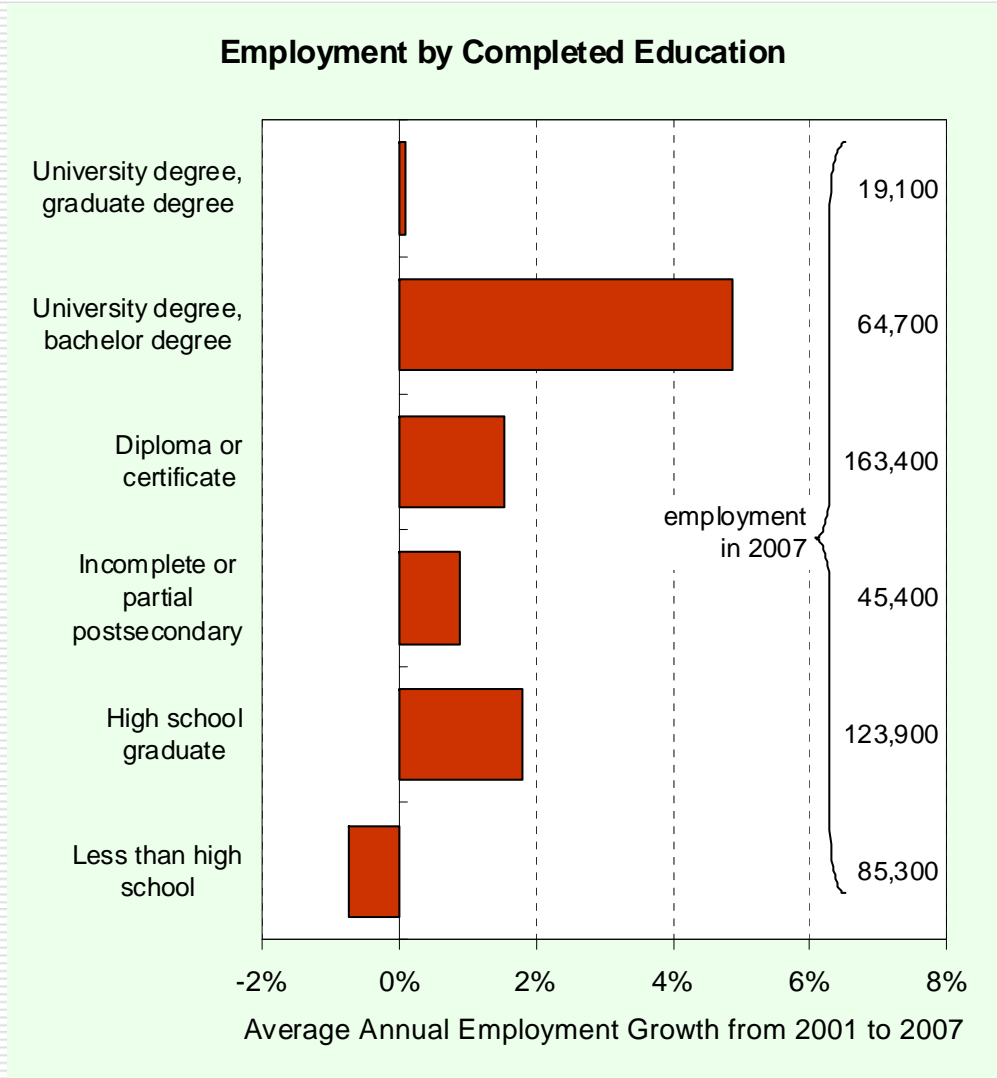
- Employment has been growing more quickly among women than among men in the past six years.
- This long standing trend reversed in 2007 but the normal pattern is expected to resume in 2008.
- Men still outnumber women in the labour market, however, by a ratio of 54:46.
- In 2007, 61% of employed persons were husbands or wives in two-earner families.

Employment Growth by Age Group, 2001 to 2007



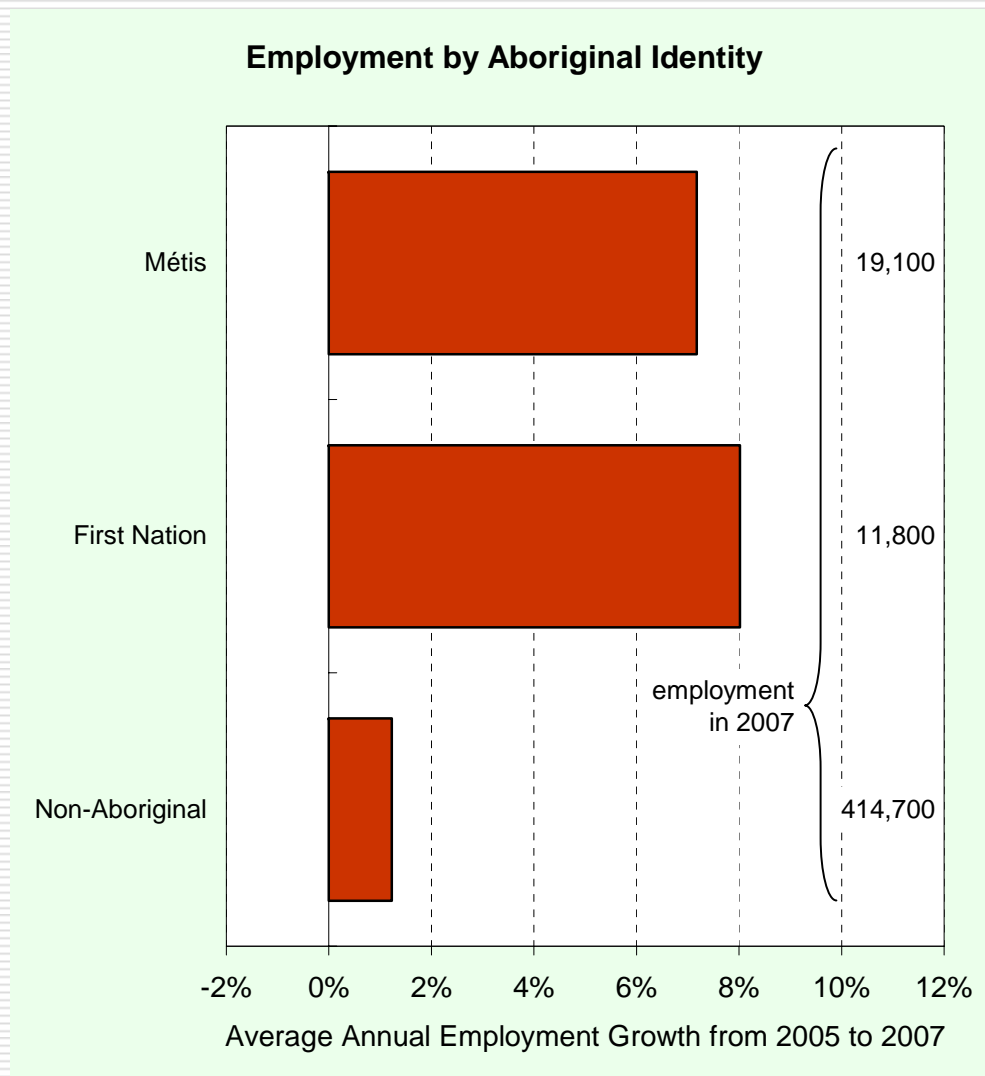
- Employment growth in the past six years has been most pronounced at the extremes of the age spectrum.
- Some but not all of the change is the result of demographics, that is, more or fewer people in the age group. The rest of the change is the result of higher participation rates.
- Anecdotally, the growth in older workers (55 plus) seems to be the result of recent “retirees” re-entering the labour market.
- The increase among youth has been accompanied by a decline in secondary and post-secondary school enrollments.

Employment by Completed Education, 2001 to 2007



- The highest rate of employment growth since 2001 has been among those who have an undergraduate university degree.
- Growth rates are lower than expected (or desirable) for those with a graduate degree and for those with a non-university post-secondary education, i.e., a diploma or certificate.

Employment Among Aboriginal People Off-Reserve

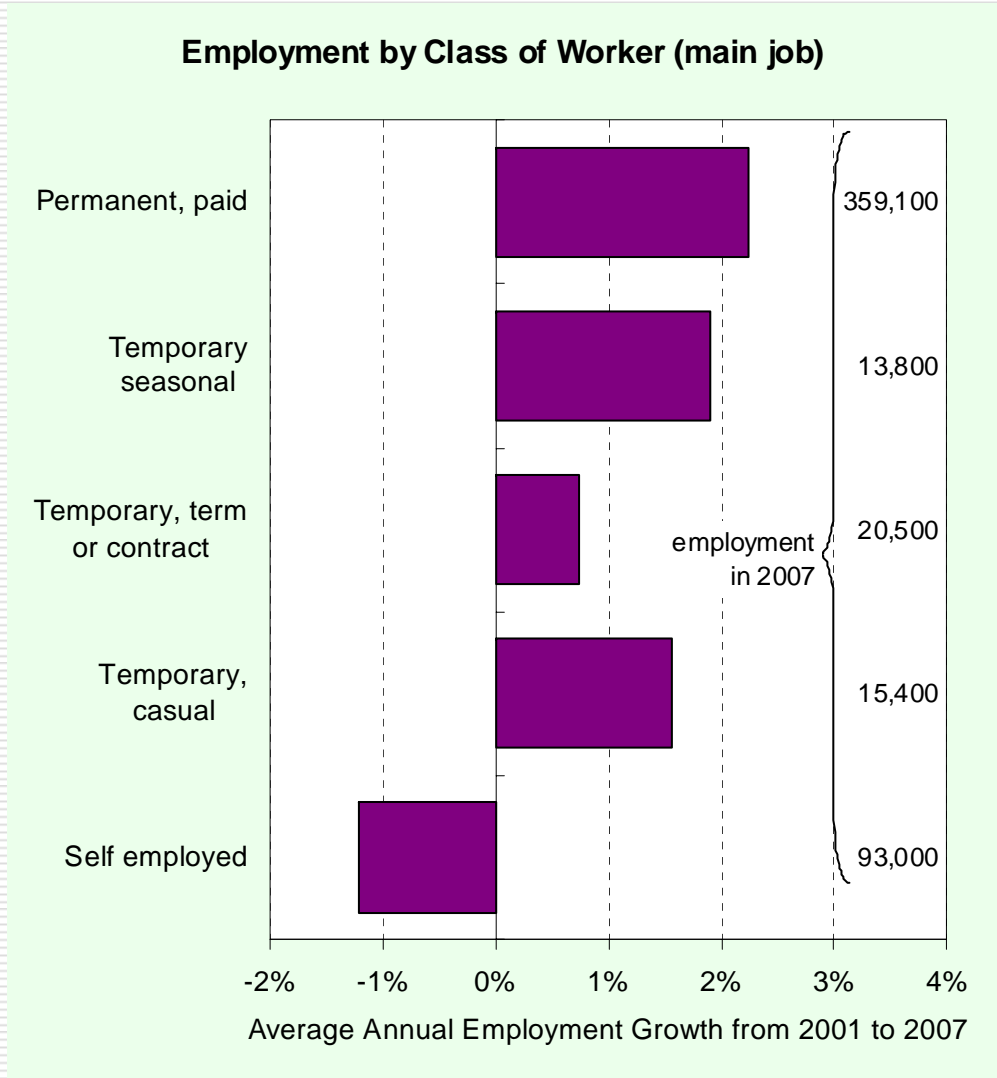


- We only have Aboriginal data for the past three years and only for the off-Reserve population.
- Employment growth was strong in both 2006 and 2007 with 30% of the provincial employment increase accounted for by people reporting an Aboriginal identity and living off Reserve.

Characteristics of the Job

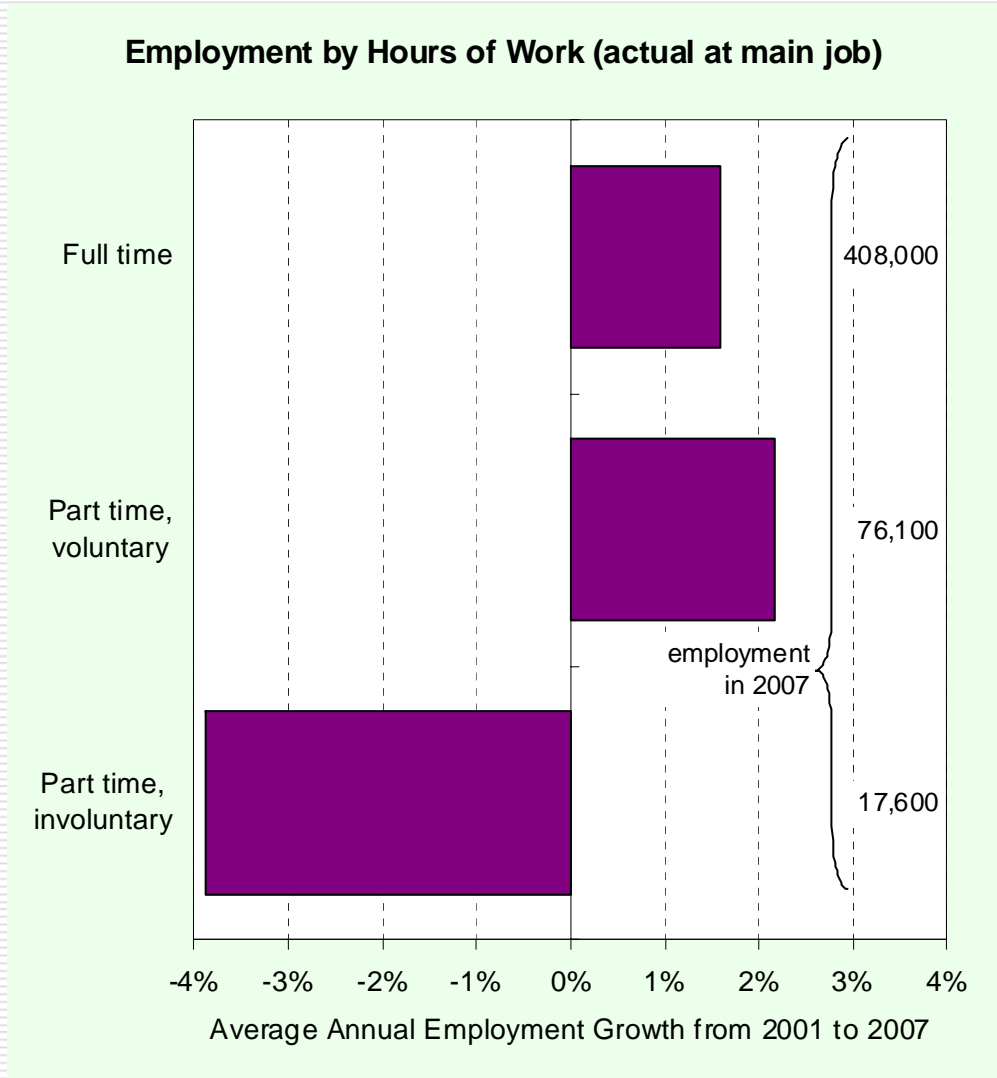
Employment Trends since 2001 according to the characteristics of the MAIN job

Employment Growth by Class of Worker



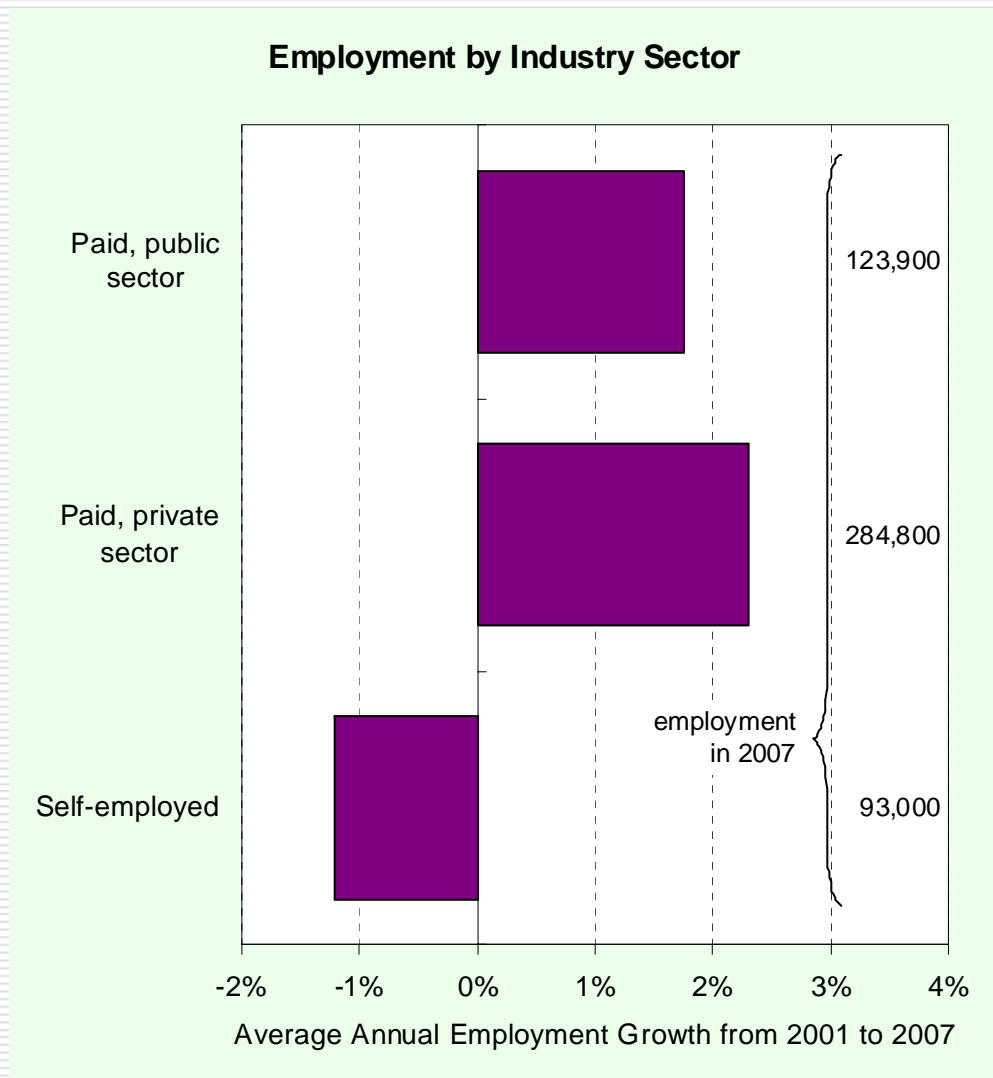
- The steady drop in agricultural employment is the main reason for the decline in the number of self-employed individuals. Still the number of self-employed outside of agriculture has declined since 2001.
- There is no sign of the widely anticipated shift to contract employment. Since 2001, the strongest rates of growth have, in fact, been in traditional permanent paid positions.
- In 2007, 8% of those who were working held two jobs simultaneously, called multiple job holders.

Employment Growth by Hours of Work



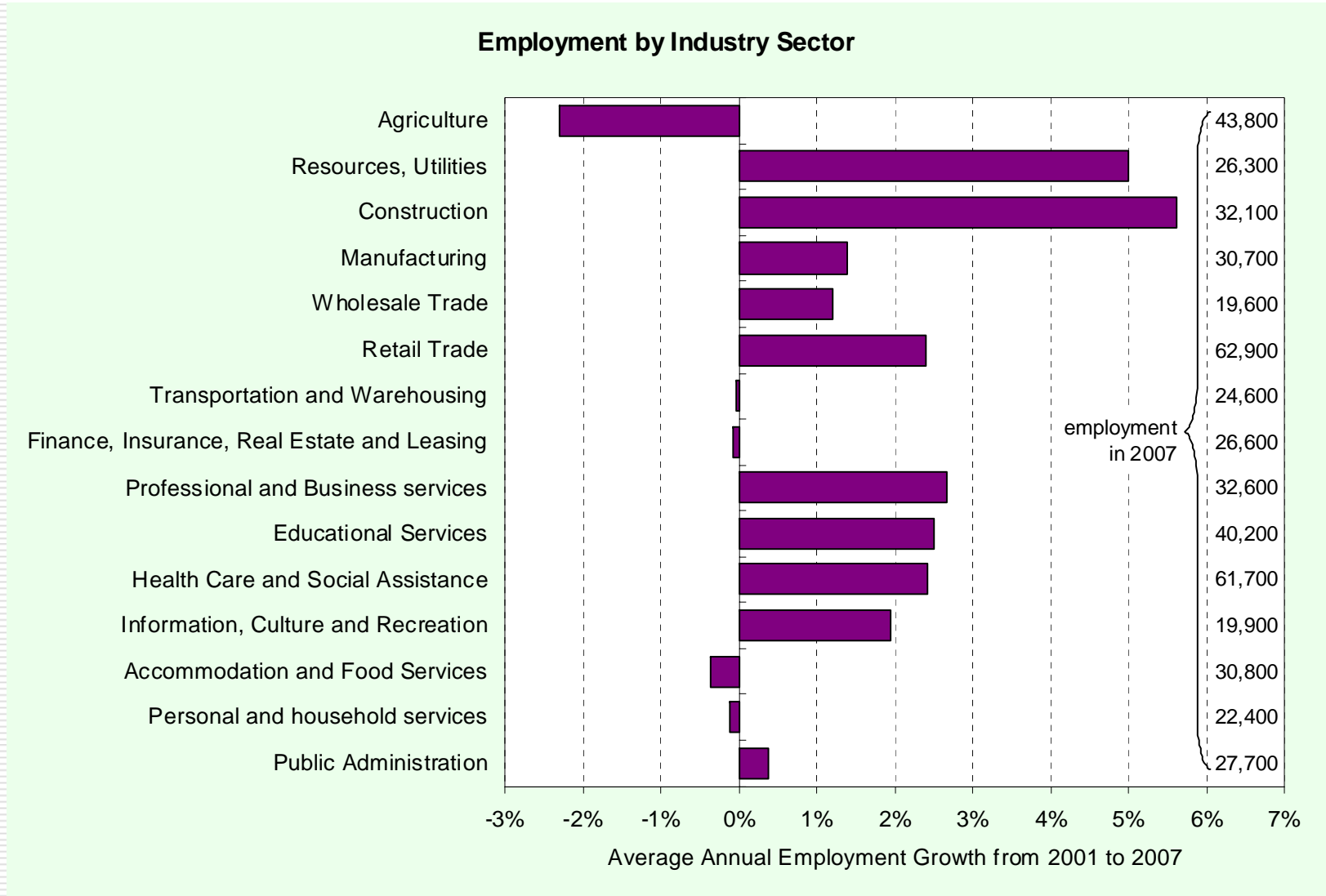
- Employment is growing more quickly among those who work full-time hours or who are voluntary part-timers. (Part time work is defined as those who normally work less than 30 hours/week at their main or only job.)
- In 2007 there was a reversal in this pattern with a shift from full-time to part-time employment.
- There is an increase in the number of persons working more than 40 hours/week but the average actual hours worked by employees is lower than it was five years ago.

Employment Growth by Sector

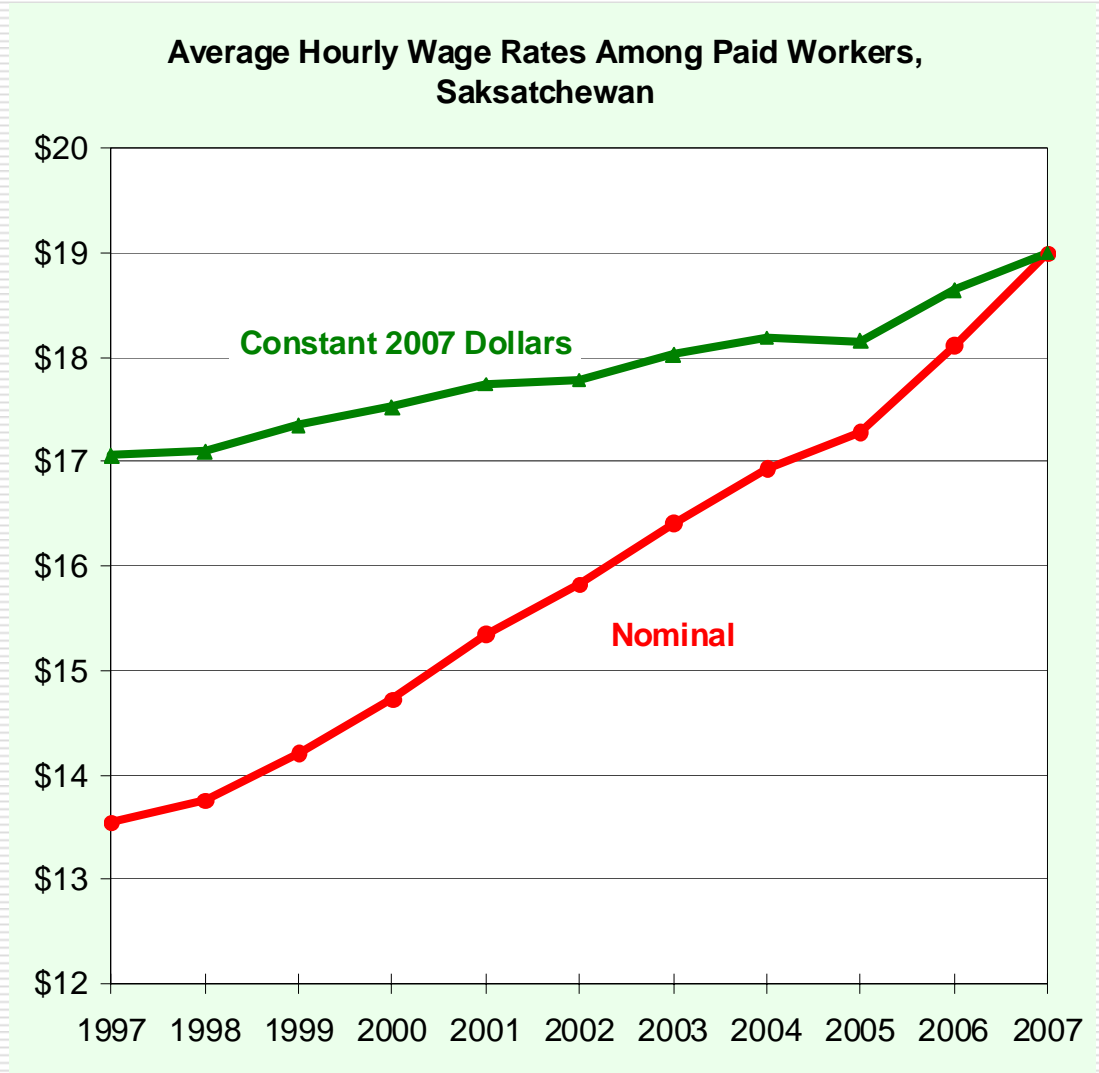


- From 2001 to 2005, the majority of the employment growth was in the public sector, broadly defined to include the crowns, health, and education as well as government proper.
- That changed in the past two years with stronger growth in the private sector – 3.5% compared with 1.9% per year.
- The majority of workers in the public sector are union members so the rate of growth in union positions has been near the rate of growth in non-union positions.

Employment Growth by Industry Group



Growth in Wage Rates (paid workers only)

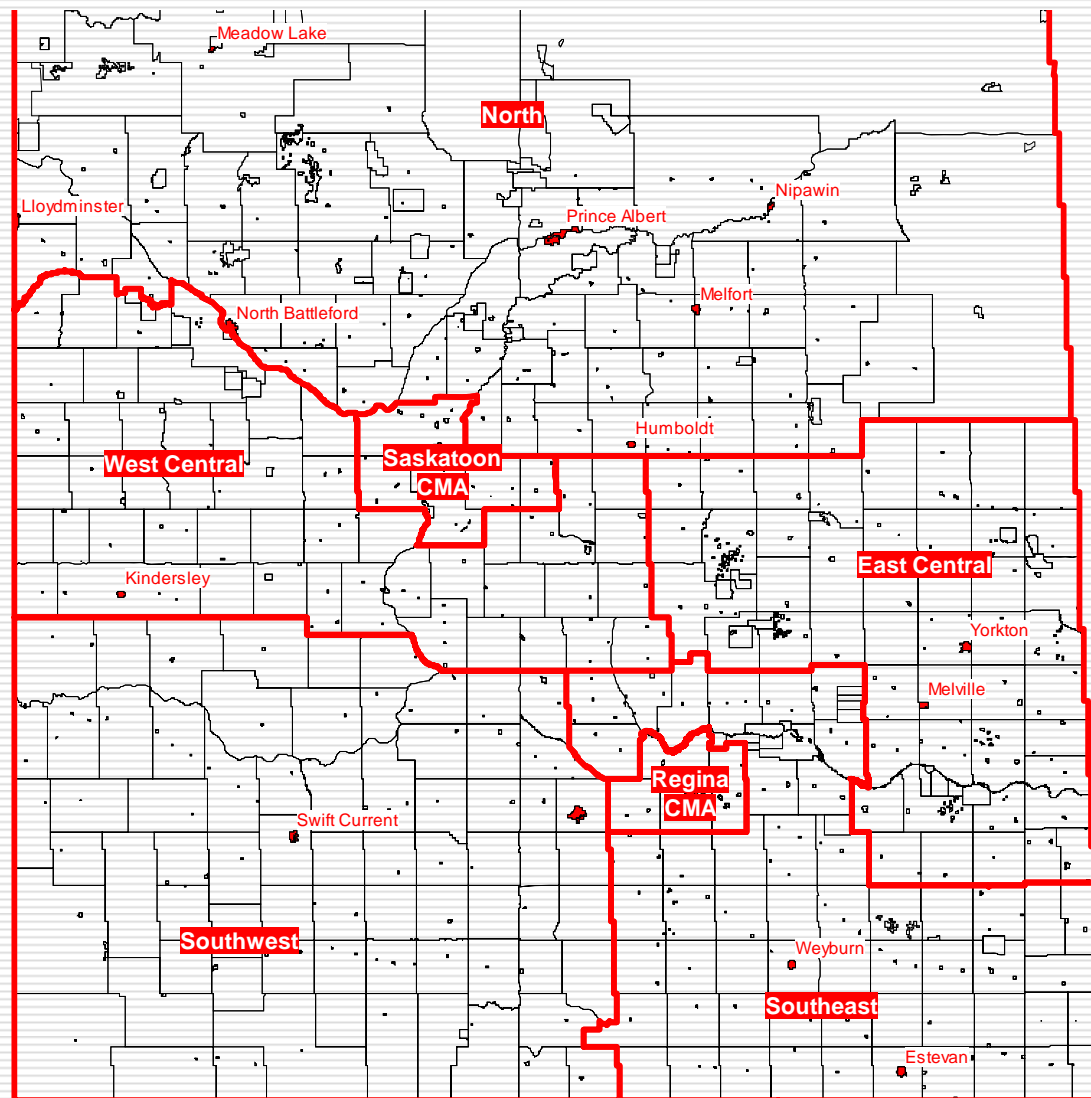


- Among paid workers, the past five years has shown a sharp increase in the number of paid workers with wage rates over \$30/hour (in 2007\$) and a decline among those with rates less than \$10.00 per hour.
- Adjusted for inflation, wage rates increased by 2.7% in 2006 and by another 1.9% in 2007.

Region

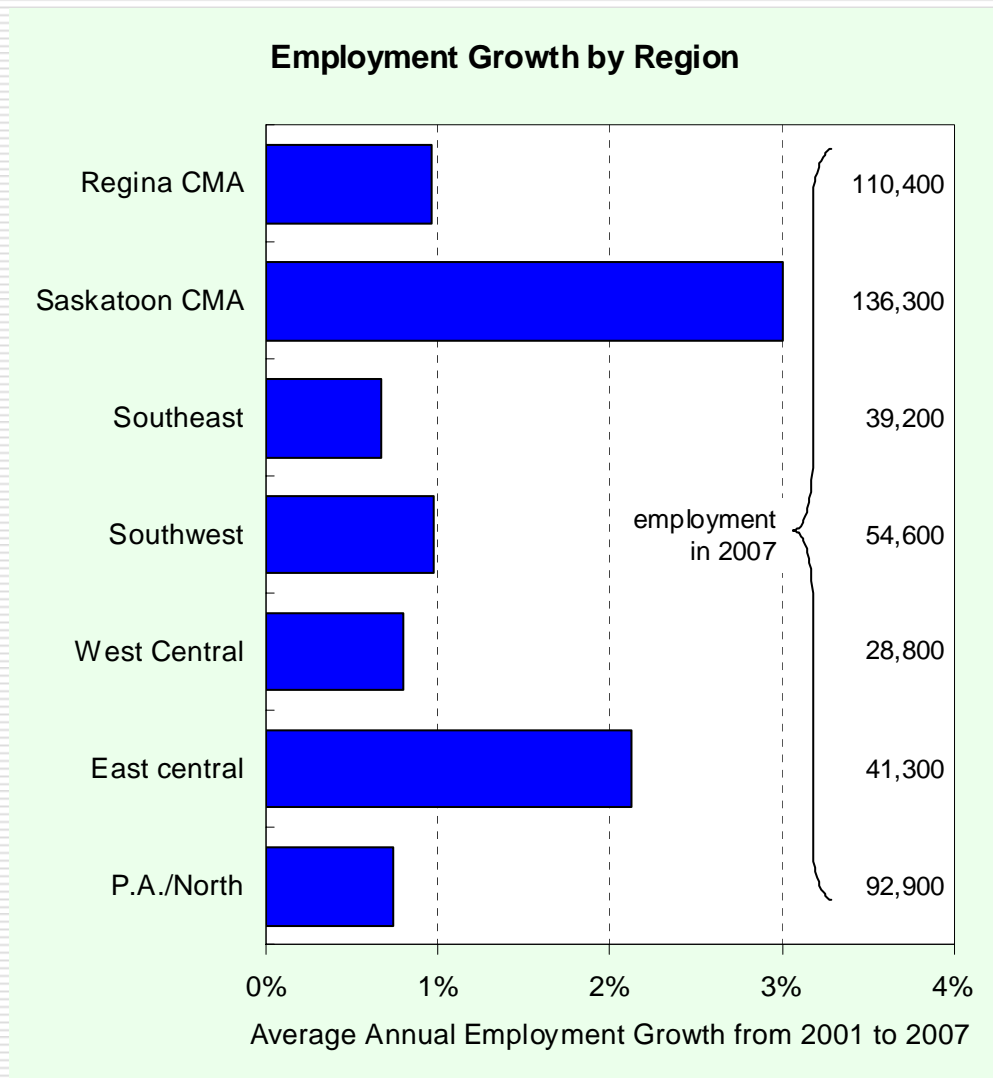


Regions in the Labour Force Survey



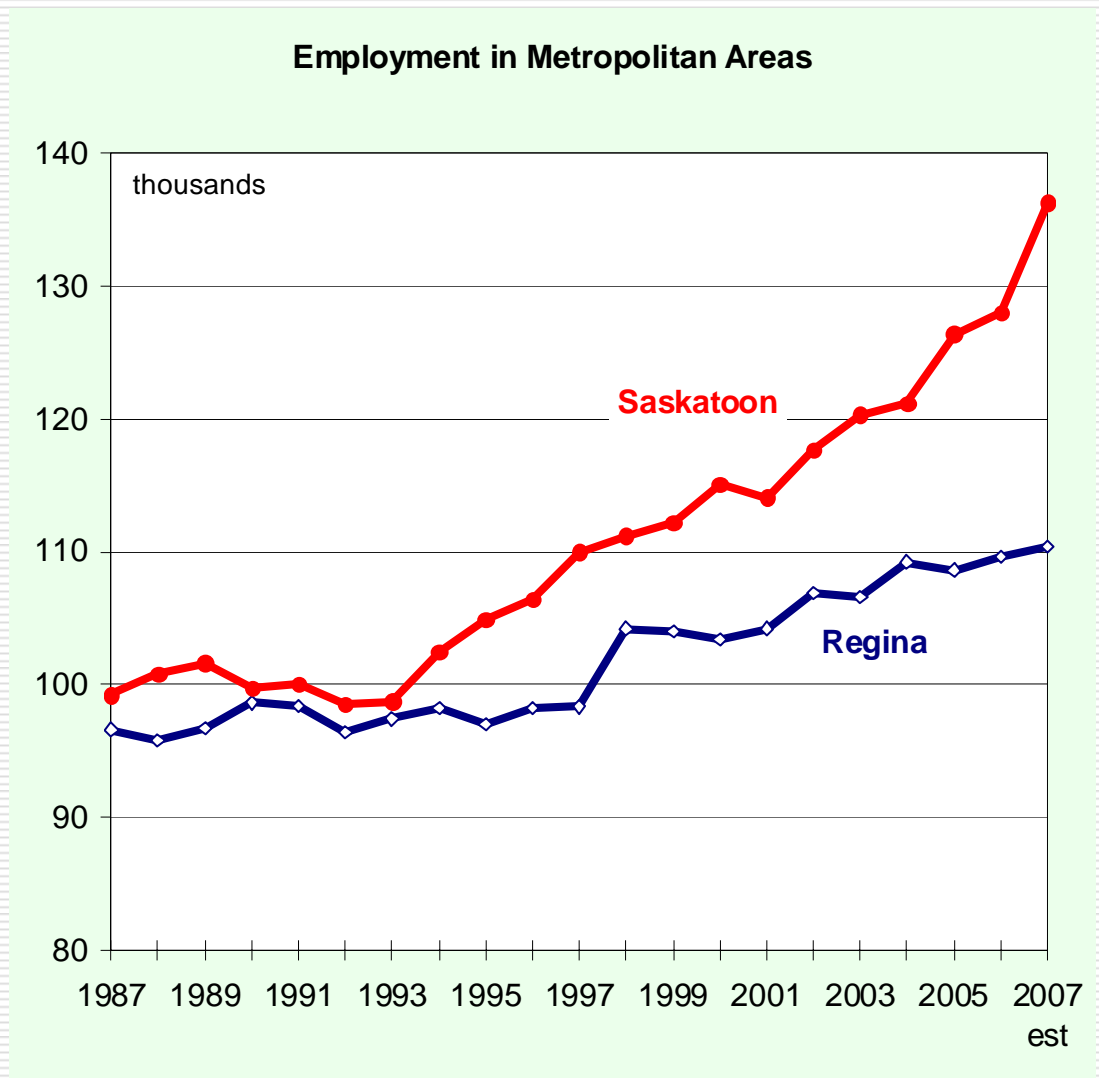
- The LFS has a large enough sample size to provide employment estimates for seven regions in the province including two “census metropolitan areas”.
- The LFS measures employment according to where you live not where you work.

Employment Growth by Region, 2001 to 2007



- Since 2001, employment has grown most quickly among residents of the Saskatoon metropolitan area and those who live in the East Central part of the province.

Employment Growth in Metropolitan Areas



- The two cities had similar employment levels in the late 1980s but Saskatoon has been growing much more quickly since then.
- This has been particularly true since 2004.

Employment Growth from 1987 to 2007



- With the strong growth in the two cities, employment is now almost equally split among those who live in or near Regina/Saskatoon and those who live in the rest of the province.

Summary



The “Labour Shortage”

- **There is no direct evidence of a “labour shortage” in Saskatchewan but lots of indirect and anecdotal evidence.**
 - **There is an abundance of help-wanted signs in store and restaurant windows.**
 - **The 2007 unemployment rate of 4.2% is the lowest on record.**
 - **The number of people collecting regular employment insurance benefits in 2007 was the lowest in recent history.**
 - **Hourly wage rates increased by nearly 5% in both 2006 and 2007 in spite of relatively low inflation.**
 - **Employment is growing among those who traditionally have trouble finding work including older workers and those with less than grade 12.**
 - **The number of involuntary part-timers is declining.**

- **The current “labour shortage” has been caused by the booming economy, not retiring baby boomers. It will get worse.**

Summary

The key trends in the past five to six years can be summarized as follows.

Employment is growing relatively more quickly:

- among women;
- among older and younger workers;
- among Aboriginal people living off Reserve;
- among lone parents; and
- among those living in East Central Saskatchewan or in Saskatoon.

Employment is growing relatively more quickly:

- in full-time permanent paid positions;
- among those who work longer hours;
- in the private sector (not counting the self-employed);
- in construction and the resource sector;
- among those earning \$30/hour or more.

Outlook

- The provincial economy is clearly in good shape with high and rising commodity prices, strong consumer confidence, and record high corporate profits. This alone isn't enough to guarantee continued employment growth but it is a necessary condition.
- With a couple of *caveats*, the outlook for employment growth is positive. The two cautionary notes are the shortage of skilled workers and the possibility of a recession in the USA. The former will limit employment growth and the latter will slow the economy and reduce export demand for both raw materials and manufactured goods.
- The recent influx of people moving to Saskatchewan from other provinces and countries means that the labour supply should be less of a problem than in the past. As for the second concern, even a downturn in the USA won't hurt as much as it would have a decade ago because the demand for commodities from Asia in general and China in particular is replacing demand from the USA.