



Niagara Workforce Planning Board Presents

The Eye on Employment: March 2020 Edition

The Eye on Employment is NWPB's monthly breakdown of the latest data from Statistics Canada's Labour Force Survey. In this document, we will provide you with a summary of changes in local labour market indicators, offer comparisons to historical benchmarks, and show how seasonality affects employment in Niagara.

First, a foreword on our source: Statistics Canada's Labour Force Survey or LFS. The LFS is a robust tool that provides us with a considerable amount of data. At its core, however, it exists to sort Canadians into one of three groups: people who are employed, people who are not employed but are looking for work, and people who are not in the labour force. **People might do a job, either for an employer or through self-employment, but the LFS is counting the people, not the job.** Bearing this in mind, let's turn our eye toward employment.

Monthly and Yearly Overview

Table 1: Niagara – Current and Historical Trends – Seasonally Unadjusted

| Labour force characteristics | January 2019 | February 2019 | 2019 | December 2019 | January 2020 | February 2020 |
|------------------------------|--------------|---------------|---------|---------------|--------------|---------------|
| Labour force | 213,000 | 212,200 | 211,800 | 217,000 | 215,100 | 211,600 |
| Employment | 199,100 | 197,400 | 199,600 | 206,800 | 203,400 | 199,200 |
| Full-time employment | 154,000 | 153,200 | 154,700 | 158,800 | 156,200 | 152,900 |
| Part-time employment | 45,100 | 44,100 | 44,900 | 48,000 | 47,200 | 46,400 |
| Unemployment | 13,900 | 14,800 | 12,200 | 10,300 | 11,700 | 12,400 |
| Unemployment rate | 6.5% | 7.0% | 5.8% | 4.7% | 5.4% | 5.9% |
| Participation rate | 60.1% | 59.8% | 59.3% | 60.4% | 59.8% | 58.8% |
| Employment rate | 56.1% | 55.6% | 55.8% | 57.5% | 56.5% | 55.3% |

Source: Statistics Canada Labour Force Survey, Table: 14-10-0095-01 (formerly CANSIM 282-0128)

Month-over-month, we can see 3,500 fewer people either working or looking for work (a decrease in the labour force) between January 2020 and February 2020. There were 3,300 fewer people in full-time employment, and 800 fewer people in part-time employment. Compared to this time last year, February 2020 reports 1,800 more people reporting employment than was observed in

February 2019. This change is attributed to increases in part-time employment, which saw an additional 2,300 people employed in a part-time capacity in February 2020 compared to the month in 2019.

Niagara's unemployment rate increased from 5.4% in January 2020 to 5.9% in February 2020. This occurred alongside month-over-month decreases in the employment rate (from 56.5% to 55.3%) and the participation rate (from 59.8% to 58.8%). This month-over-month change is generally indicative of fewer people in employment, and more people actively looking for work. These data continue the trend seen between December 2019 to January 2020. However, employment slowdowns in the winter months are typical of the Niagara region's seasonal economy. NWPB will continue to monitor this trend and provide an in-depth analysis in the April Eye on Employment should it continue for a third month.

It is important to keep in mind that the data in Table 1 are **seasonally unadjusted** figures. That means factors such as holidays - and other factors that can be reasonably predicted to influence employment - are not accounted for in these data. Table 2 shows what the labour force looks like when we adjust for seasonality.

Table 2: Niagara – Current and Historical Trends – Seasonally Adjusted

| Seasonal Labour Force Characteristics | January 2019 | February 2019 | 2019 | December 2019 | January 2020 | February 2020 |
|---------------------------------------|--------------|---------------|---------|---------------|--------------|---------------|
| Labour force | 213,500 | 214,300 | 211,800 | 217,000 | 216,200 | 214,600 |
| Employment | 199,100 | 199,800 | 199,600 | 206,500 | 205,000 | 202,900 |
| Unemployment | 14,400 | 14,500 | 12,200 | 10,500 | 11,200 | 11,700 |
| Unemployment rate | 6.7% | 6.8% | 5.8% | 4.8% | 5.2% | 5.5% |
| Participation rate | 60.2% | 60.4% | 59.3% | 60.4% | 60.1% | 59.6% |
| Employment rate | 56.1% | 56.3% | 55.8% | 57.5% | 57.0% | 56.4% |

Source: Statistics Canada Labour Force Survey, Table: 14-10-0294-01 (formerly CANSIM 282-0135)

Table 2 shows that there were 2,100 fewer people employed in Niagara between January 2020 and February 2020, which is similar in trend, though smaller in scope to the unadjusted pattern, which saw 4,200 people exiting employment. The seasonally adjusted data show that changes in the unemployment rate (5.2% in January compared to 5.5% in February),

participation rate (60.1% in January compared to 59.6% in February) and employment rate (57.0% in January compared to 56.4% in February) are similar to the unadjusted data, with unemployment increasing and participation and employment decreasing.

As the trends are similar, one might ask which of these figures is correct and/or should be used when reporting these statistics. The answer is that both are equally valid. Both measures are essential tools to understanding labour force trends in Niagara. In this case, when we account for predictable seasonal effects, we still see decreases in employment and participation, and an increase in unemployment.

The Youth Lens

LFS data also allow us a snapshot of youth (defined as people age 15 to 24) employment in Niagara. Once again these data do not account for seasonality.

Table 3: Niagara – Current and Historical Trends – Youth Age 15 to 24 – Seasonally Unadjusted

| Labour force characteristics | January 2019 | February 2019 | 2019 | December 2019 | January 2020 | February 2020 |
|------------------------------|--------------|---------------|--------|---------------|--------------|---------------|
| Labour force | 35,800 | 34,900 | 33,500 | 31,600 | 31,500 | 30,400 |
| Employment | 32,100 | 31,000 | 29,300 | 26,600 | 26,400 | 26,100 |
| Full-time employment | 18,400 | 17,200 | 14,500 | 12,300 | 12,100 | 12,100 |
| Part-time employment | 13,700 | 13,800 | 14,800 | 14,300 | 14,300 | 14,000 |
| Unemployment | 3,700 | 3,900 | 4,200 | 5,000 | 5,200 | 4,400 |
| Unemployment rate | 10.3% | 11.2% | 12.5% | 15.8% | 16.5% | 14.5% |
| Participation rate | 63.3% | 62.9% | 68.0% | 67.5% | 67.7% | 65.4% |
| Employment rate | 56.7% | 55.9% | 59.4% | 56.8% | 56.8% | 56.1% |

Source: Statistics Canada Labour Force Survey, Table: 14-10-0095-01 (formerly CANSIM 282-0128)

Statistics Canada reports 300 fewer youth working in February 2020 compared to January 2020. There number of youth working in a full-time capacity did not change, but the number of youth working in a part-time capacity decreased by 300. In other words, all decline in youth employment between January and February 2020 can be attributed to fewer youth working in a part-time capacity.

February 2020 saw the youth unemployment rate decrease from 16.5% in January 2020 to 14.5%. This figure is still above the 2019 annual average of 12.5% for youth unemployment. The youth employment rate decreased from 56.8% to



56.1% between January and February 2020, and the participation rate decreased from 67.7% in January to 65.4% in February.

One additional note can be made about the change in the size of the youth labour force between February 2019 and February 2020. The 2020 figure is 12.9% lower than what was reported in 2019. The February 2020 figure is similarly lower than the 2019 average for the youth labour force. Students moving into and out of full-time education can lead to significant month-over-month changes in this indicator. Given the scope of this particular change, NWPB will continue to monitor this trend.

Would you like to know more? NWPB is ready for your questions. Reach out to Vivian Kinnaird, NWPB's CEO (vivian@niagaraworkforceboard.ca).