

Niagara Workforce Planning Board Presents

The Eye on Employment: September 2019 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	July 2018	August 2018	2018	June 2019	July 2019	August 2019
Labour force	221,300	221,600	215,800	207,000	210,600	214,100
Employment	206,100	205,400	201,700	196,000	199,200	202,000
Full-time employment	156,500	157,000	153,100	152,100	155,800	158,900
Part-time employment	49,600	48,400	48,600	43,900	43,400	43,100
Unemployment	15,300	16,200	14,200	11,100	11,400	12,100
Unemployment rate	6.9%	7.3%	6.6%	5.4%	5.4%	5.7%
Participation rate	62.8%	62.8%	61.2%	58.0%	59.0%	59.9%
Employment rate	58.5%	58.2%	57.2%	55.0%	55.8%	56.5%

Month-over-month, we can see 3,500 more people either working or looking for work (an increase in the labour force) between July 2019 and August 2019. There were 3,100 more people in full-time employment. This is the third consecutive month to see growth in full-time employment exceeding 3,000 people. Compared to this time last year, August 2019 reports 3,400 fewer people reporting employment than was observed in August 2018. This change is

attributed to decreases in part-time employment. Specifically, August 2019 saw an increase of 1,900 people employed in a full-time capacity compared to August 2018. With respect to part-time employment, there were 5,300 fewer people employed part-time in August 2019 than in August 2018.

Niagara's unemployment rate increased from 5.4% in July to 5.7% in August 2019. This occurred alongside month-over-month increases in the employment rate (from 55.8% to 56.5%) and participation rate (from 59.0% to 59.9%). Though the unemployment rate rose 0.3%, this is to be expected given the simultaneous participation rate increase. It can often take some time for people new to the labour force to find work, which means that an increase in the participation rate can lead to a short-term increase in the unemployment rate.

It is also important to keep in mind that the data in Table 1 are **seasonally unadjusted** figures. That means factors like holidays, expected employment slowdowns or pickups due to weather, 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

Labour Force Characteristics	July 2018	August 2018	2018	June 2019	July 2019	August 2019
Labour force	217,200	216,700	215,800	207,100	207,000	209,200
Employment	201,700	200,500	201,700	195,300	195,300	197,100
Unemployment	15,400	16,200	14,200	11,800	11,700	12,100
Unemployment rate	7.1%	7.5%	6.6%	5.7%	5.7%	5.8%
Participation rate	61.7%	61.4%	61.2%	58.1%	58.0%	58.5%
Employment rate	57.3%	56.8%	57.2%	54.8%	54.7%	55.1%

Table 2 shows that there were 1,800 more people employed in Niagara between July 2019 and August 2019, which is similar in trend to the unadjusted pattern, which saw an increase of 2,800 people employed. The seasonally adjusted data show that changes in the unemployment, participation, and employment rates are similar to the unadjusted data, with all three indicators rising slightly month-over-month. The adjusted data indicate that the participation and employment rates had increases of 0.5% and 0.4%, respectively. The unemployment rate also rose, though by only 0.1% from July to August, 2019.

Though the trends are similar, given some of the minor differences in magnitude between the adjusted and unadjusted datasets, 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, even when we adjust for seasonal strengths, we are still seeing increases in employment and labour force participation. Therefore, the gains we are seeing are not just summer students or similar seasonal changes but rather an overall increase.

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	July 2018	August 2018	2018	June 2019	July 2019	August 2019
Labour force	39,500	40,100	34,300	33,700	36,200	37,500
Employment	33,800	34,500	29,900	29,600	31,900	33,700
Full-time employment	18,100	20,000	15,400	12,100	15,700	19,300
Part-time employment	15,700	14,400	14,500	17,500	16,200	14,400
Unemployment	5,700	5,600	4,400	4,100	4,300	3,900
Unemployment rate	14.4%	14.0%	12.8%	12.2%	11.9%	10.4%
Participation rate	78.2%	78.2%	68.7%	71.1%	74.6%	75.8%
Employment rate	66.9%	67.3%	59.9%	62.4%	65.8%	68.1%

Here we see 1,800 additional youth working in August 2019 compared to July 2019. There were 3,600 more youth working in a full-time capacity, though the number of youth working in a part-time capacity decreased by 1,800. August saw the youth unemployment rate decrease from 11.9% in July to 10.4%, while the participation rate increased from 74.6% to 75.8%. Similarly, the employment rate increased from 65.8% in July to 68.1% in August. Compared to this time last year, August 2019 reports 700 fewer youth employed in a full-time capacity but the same number of youth working in a part-time capacity.

These data should be seen as positive month-over-month changes. A rise in the participation and employment rates with a concurrent decrease in the



unemployment rate is considered a positive outcome, as it shows that youth are actively engaged and finding work.

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