



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

# Recent Trends in the Saskatchewan Labour Market

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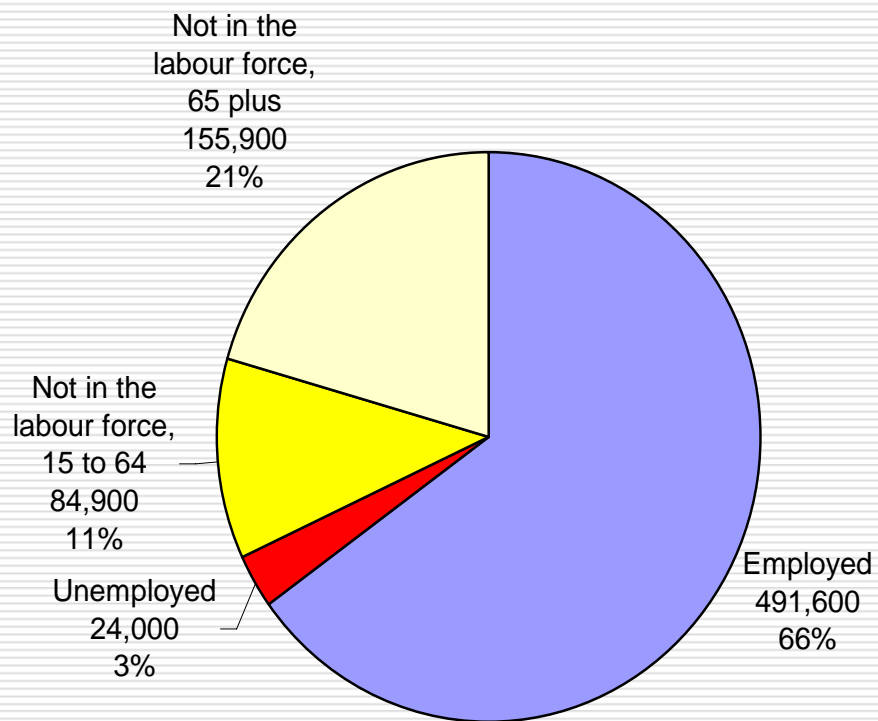
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# The Labour Force Survey

**Labour Force Status, Annual Average,  
Saskatchewan, 2006** (adult population = 756,400)

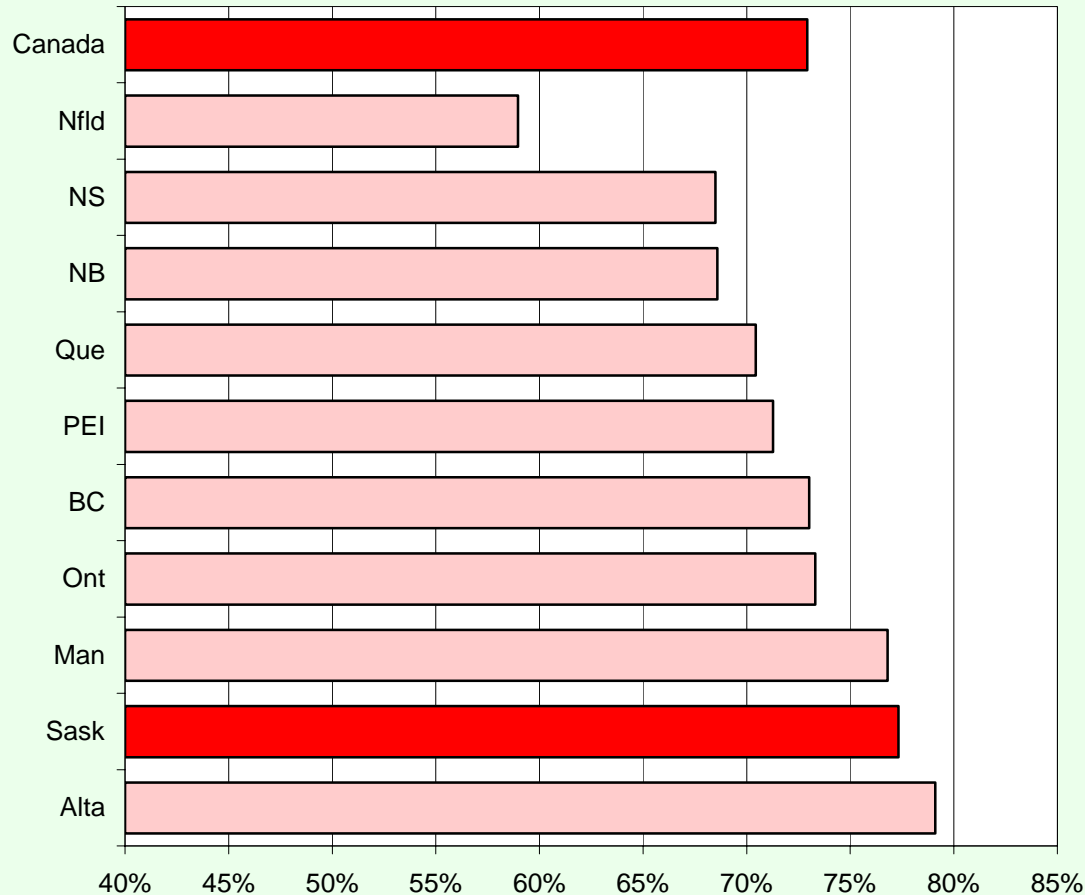


- employment rate is 66%
- participation rate is 69%

- 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 a sample size of approximately 7,000 Saskatchewan adults per month.
- The main weakness of the LFS from Saskatchewan's point of view is the exclusion of the on-Reserve population from the sample.

# Interprovincial Comparison of Employment Rates

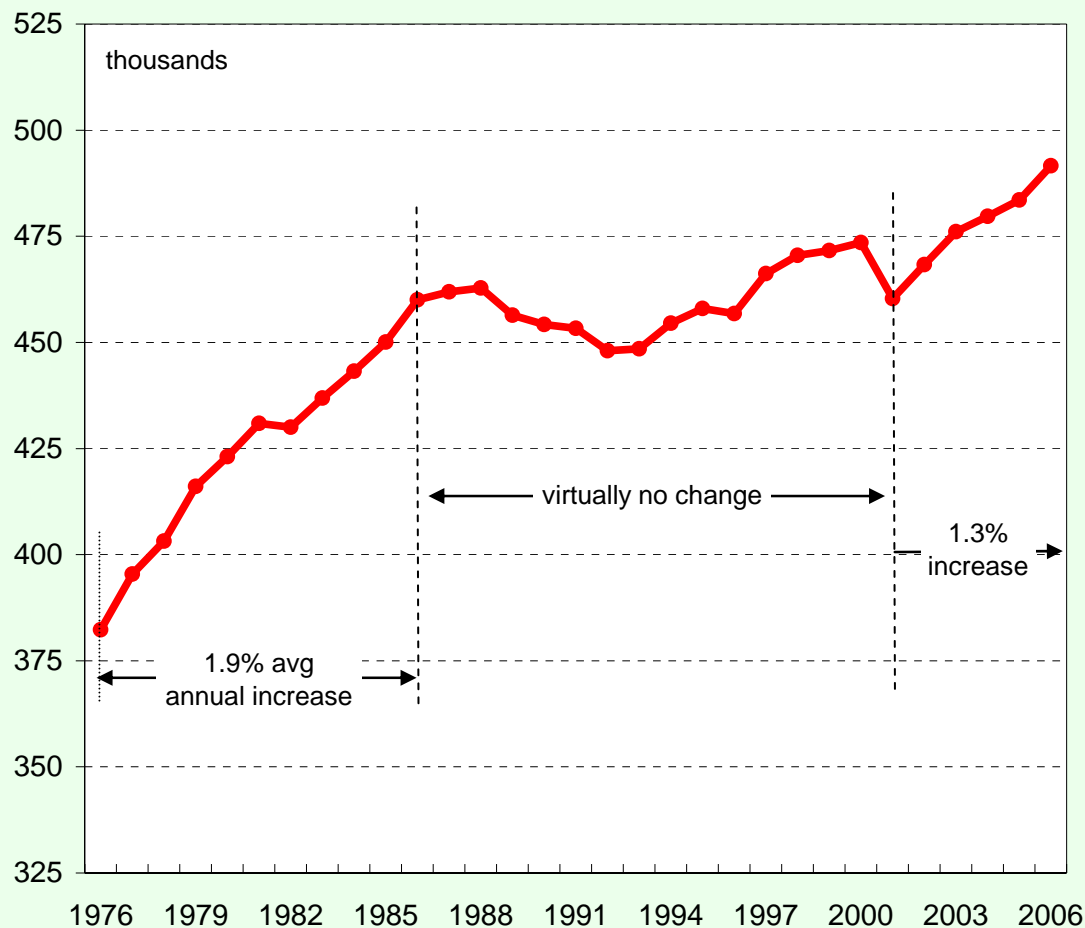
Employment Rates in 2006, 15 to 64 Years



- The employment rate among adults under 65 years of age is second highest after Alberta. Among those in the primary labour market age group (25 to 54 years) Saskatchewan is the highest.
- There are several possible explanations for the traditionally high rates in the province.
  - Provinces with a large agriculture sector tend to have high rates.
  - A mobile labour force means that those who can't find work tend to leave.
  - The province may have a stronger "work ethic".
  - This is evidence of a labour "shortage".

# 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 1.3%.
- This follows a period of about fifteen years with no growth at all.
- The rate of increase in 2007 will be well above the trend line. In the first nine months, the increase has been 2.5%.

# Monthly Employment Trends in Saskatchewan

Employment, Seasonally Adjusted, by Month

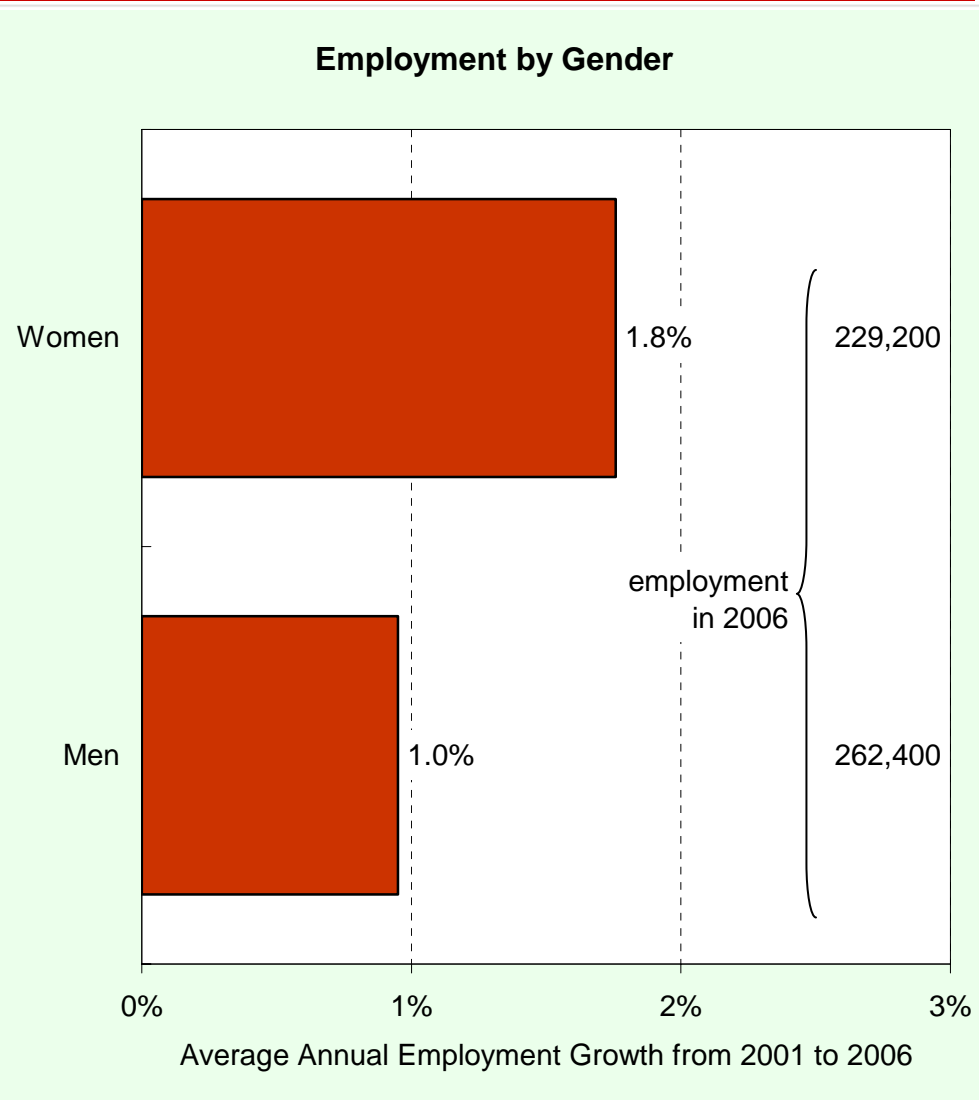


- The recent surge in employment started late in 2005 and continued until January 2007.
- The weakness early in 2007 reversed abruptly in September.

# Characteristics of the Employed

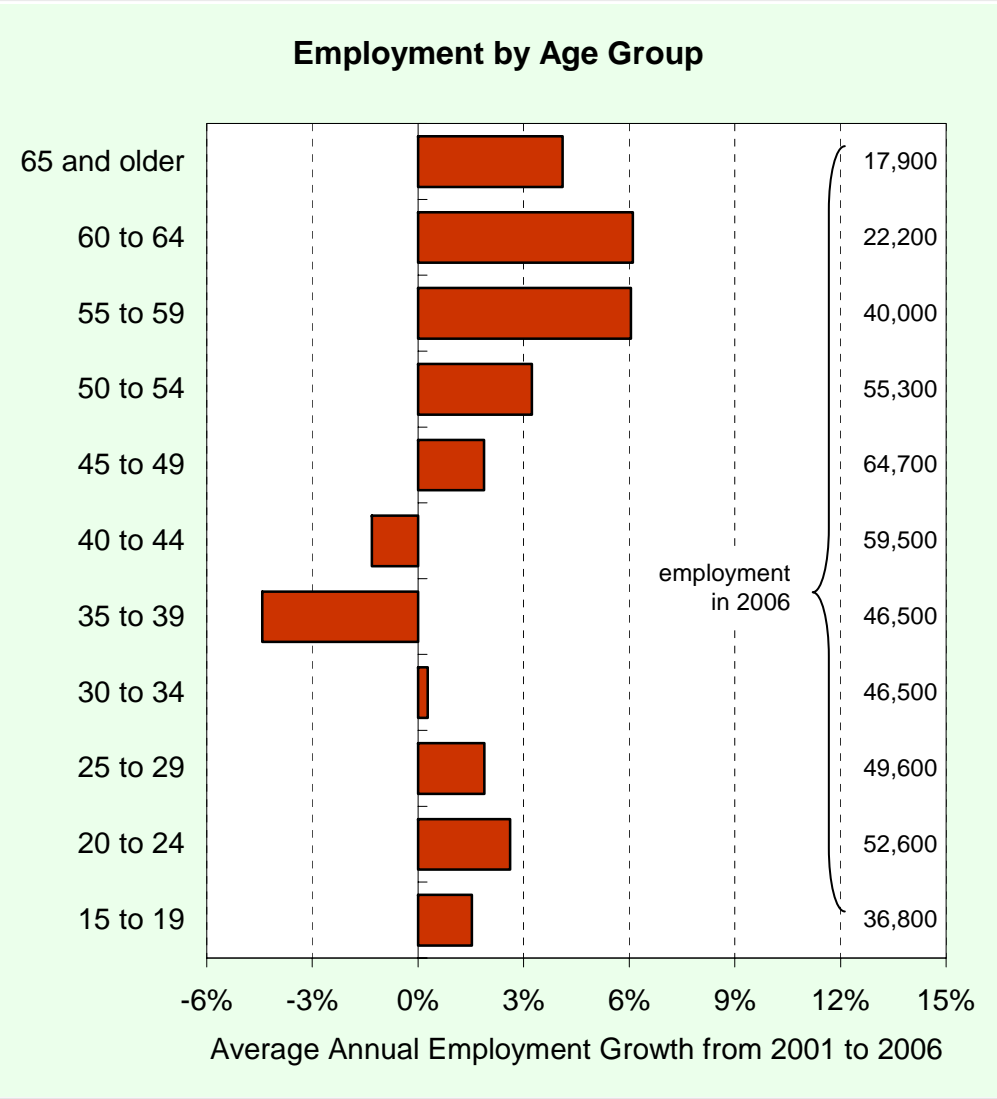
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# Employment Growth by Gender, 2001 to 2006



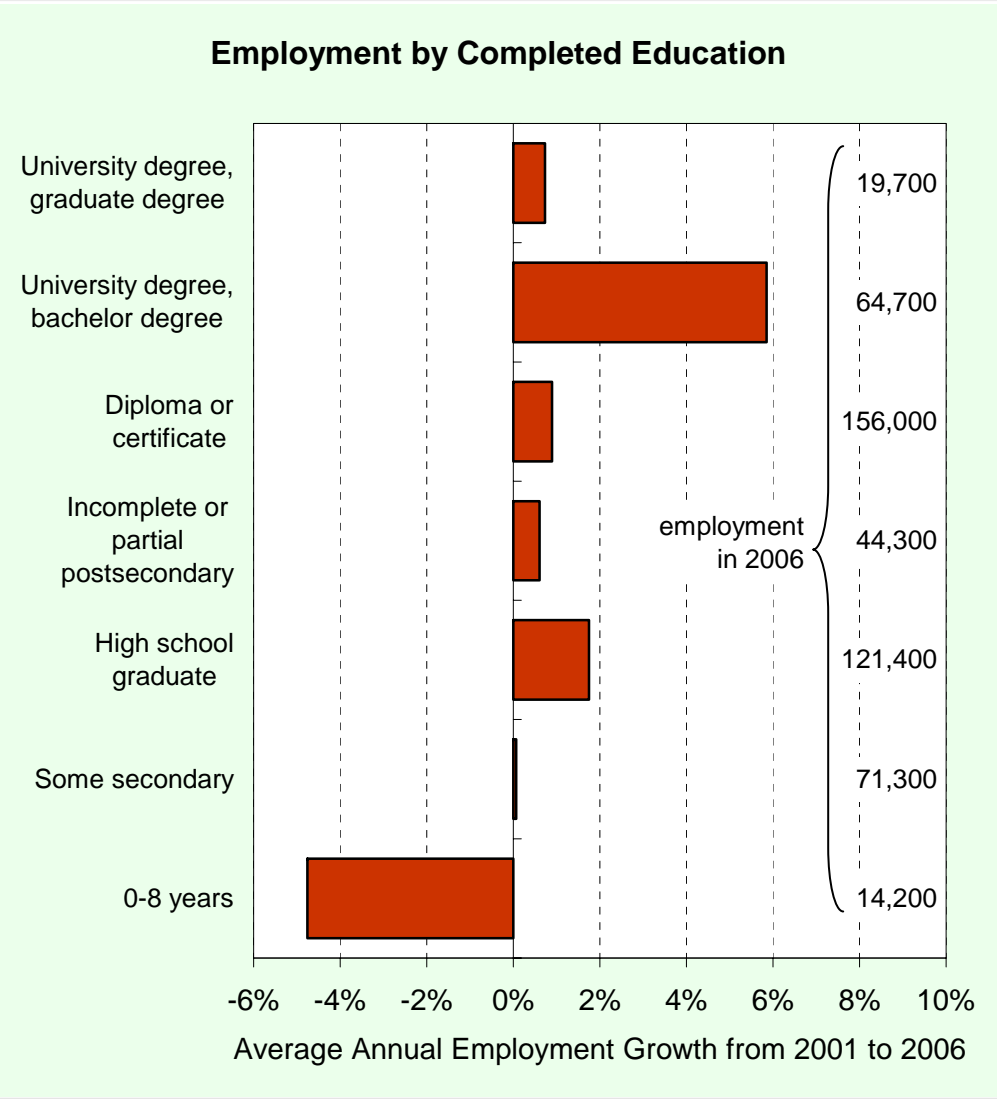
- Employment is growing more quickly among women than among men in the past five years.
- This long standing trend reversed in 2006 and will probably do so again in 2007.
- Men still outnumber women in the labour market, however, by a ratio of 53:47.

# Employment Growth by Age Group, 2001 to 2006



- Employment growth in the past five years has been concentrated at the extremes of the age spectrum – those under 30 or over 45 years of age.
- 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 to 64) seems to be the result of recent “retirees” re-entering the labour market.
- This pattern has continued in the first part of 2007.

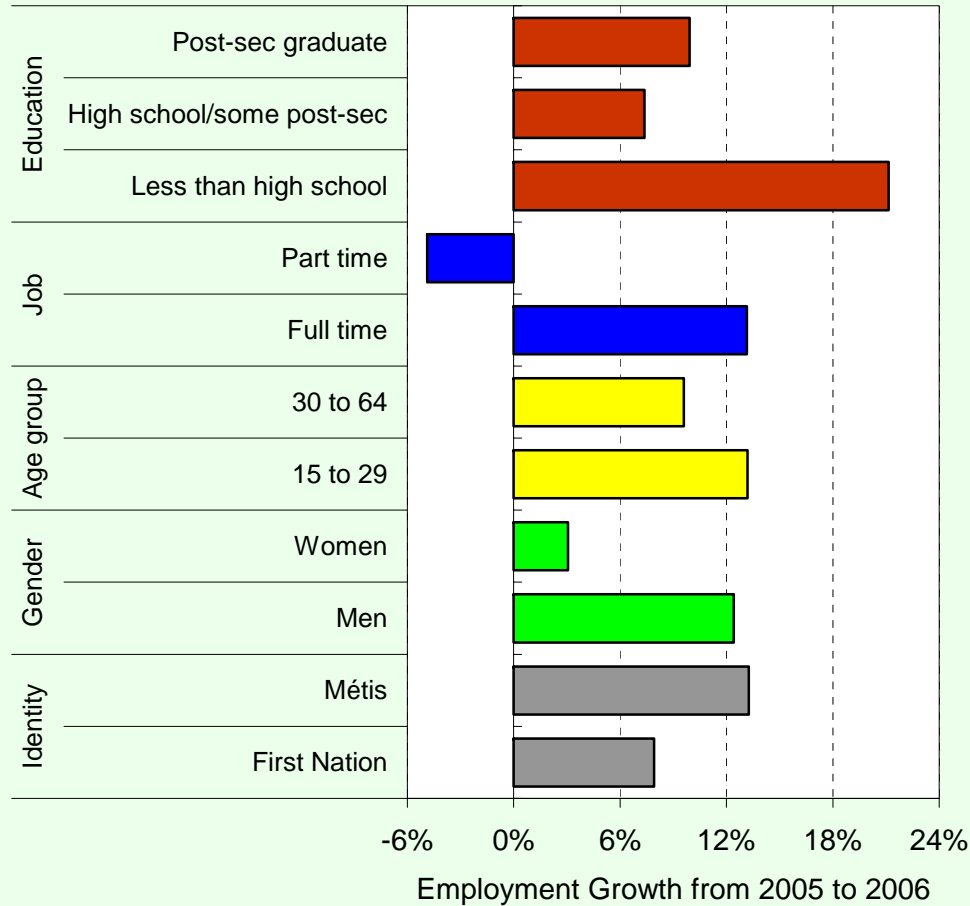
# Employment by Completed Education, 2001 to 2006



- The highest rate of increase 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 diploma or certificate.
- In 2006, this trend reversed with the largest increases among those who had not completed high school.
- The normal pattern should reassert itself this year.

# Employment Among Off-Reserve Aboriginals

Off Reserve Employment (15 to 64 only) by Aboriginal Identity



- We only have Aboriginal data for the past three years and only for the off-Reserve population.
- Growth has been strong in 2006 with two-thirds of the employment growth accounted for by people reporting an Aboriginal identity and living off Reserve.
- Growth has been stronger among the Métis than among First Nation members and stronger among men than women.
- In the first part of 2007, Aboriginal employment growth has continued to be higher than non-Aboriginal employment growth.

# Characteristics of the Job

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# Employment Growth by Class of Worker, 2001 to 2006

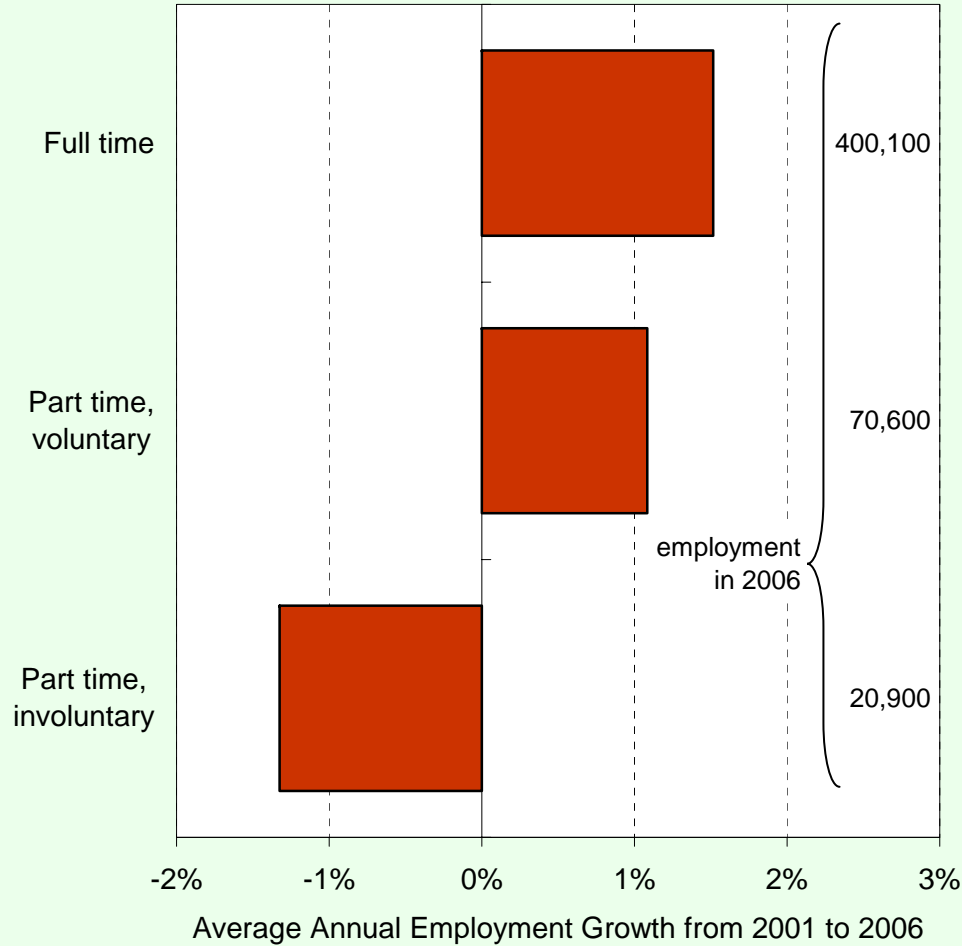
Employment by Class of Worker (main job)



- The steady decline in agricultural employment is partly responsible for the decline in the number of self-employed individuals.
- Over the five years, there has been average annual employment growth of:
  - 2.4% in the number of multiple job holders compared with 1.2% among single job holders; and
  - 2.0% among paid workers in the private sector compared with 1.6% in the public sector.
- So far in 2007, self-employment has continued to drop but the private sector is growing more quickly than the public sector.

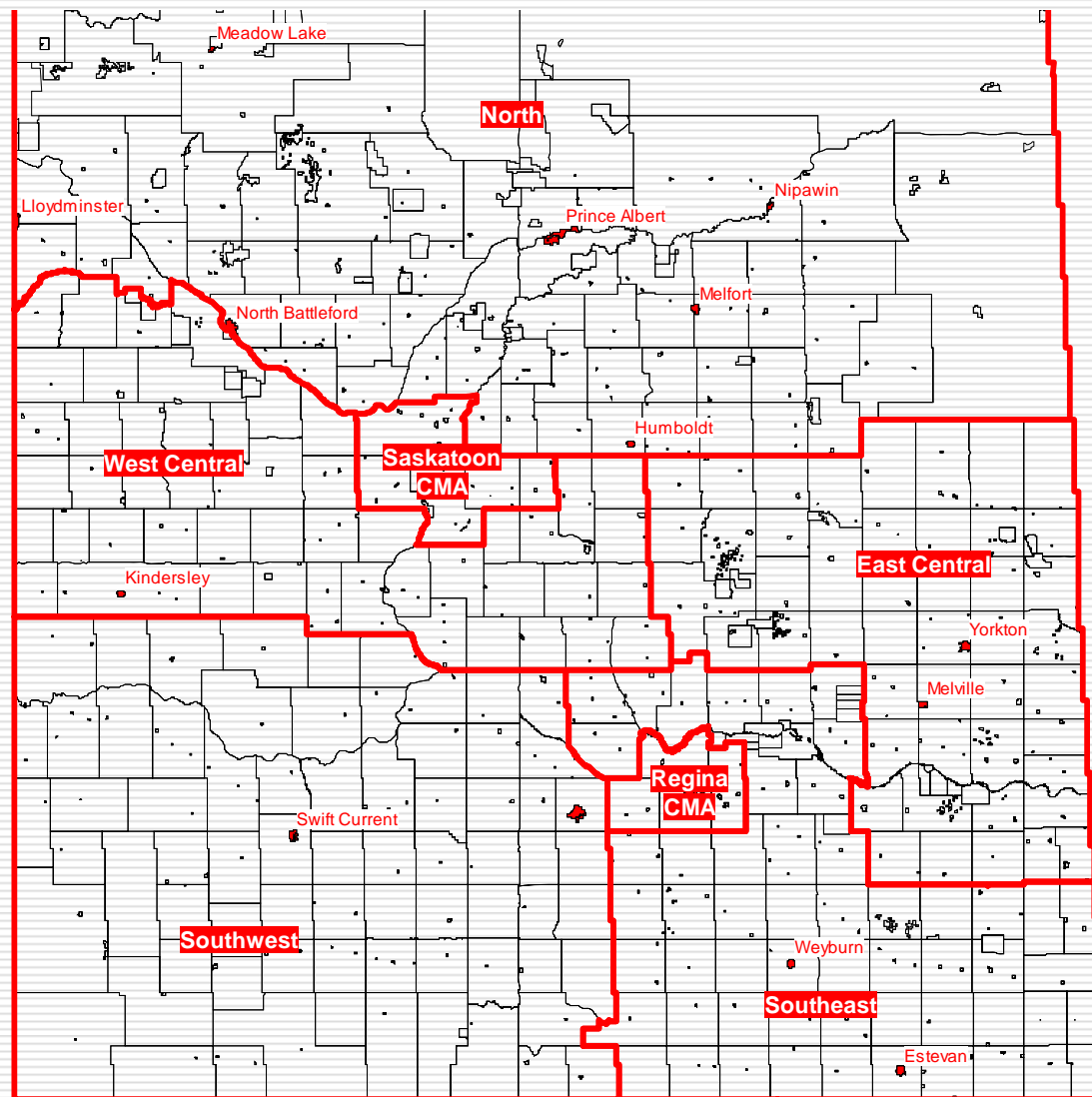
# Employment Growth by Hours of Work, 2001 to 2006

Employment by Hours of Work (actual at main job)



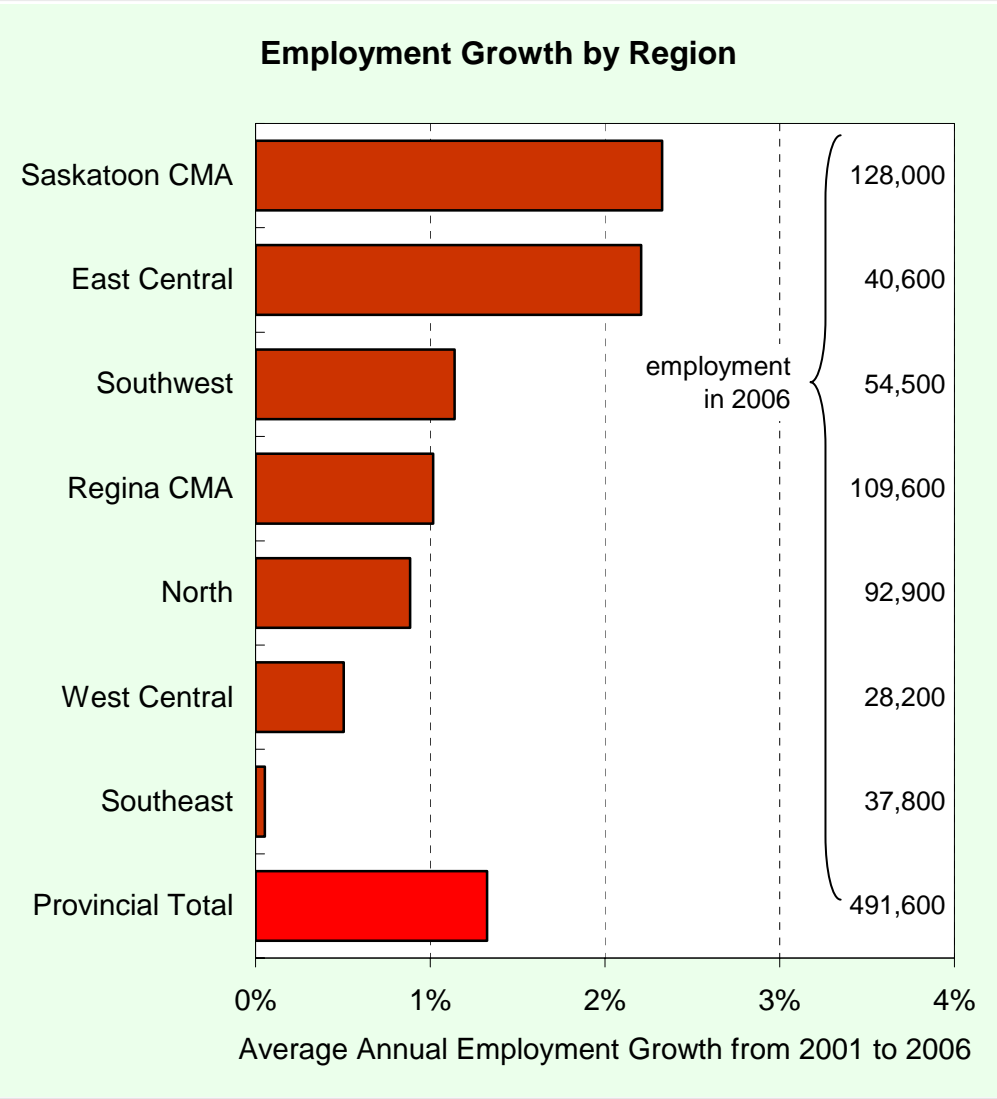
- Employment is growing more quickly among those who work full-time hours or who are voluntary part-timers. (Part time work is defined as those who normally work less than 30 hours/week at their main or only job.)
- Actual hours of work are declining in spite of the fact that there is an increasing number of people working long hours (more than 40/week). Health problems (the aging workforce) and more vacations (higher tenure) are probably the reason.
- So far in 2007, there has been a reversal with a shift from full-time to part-time employment.

# Regions in the Labour Force Survey



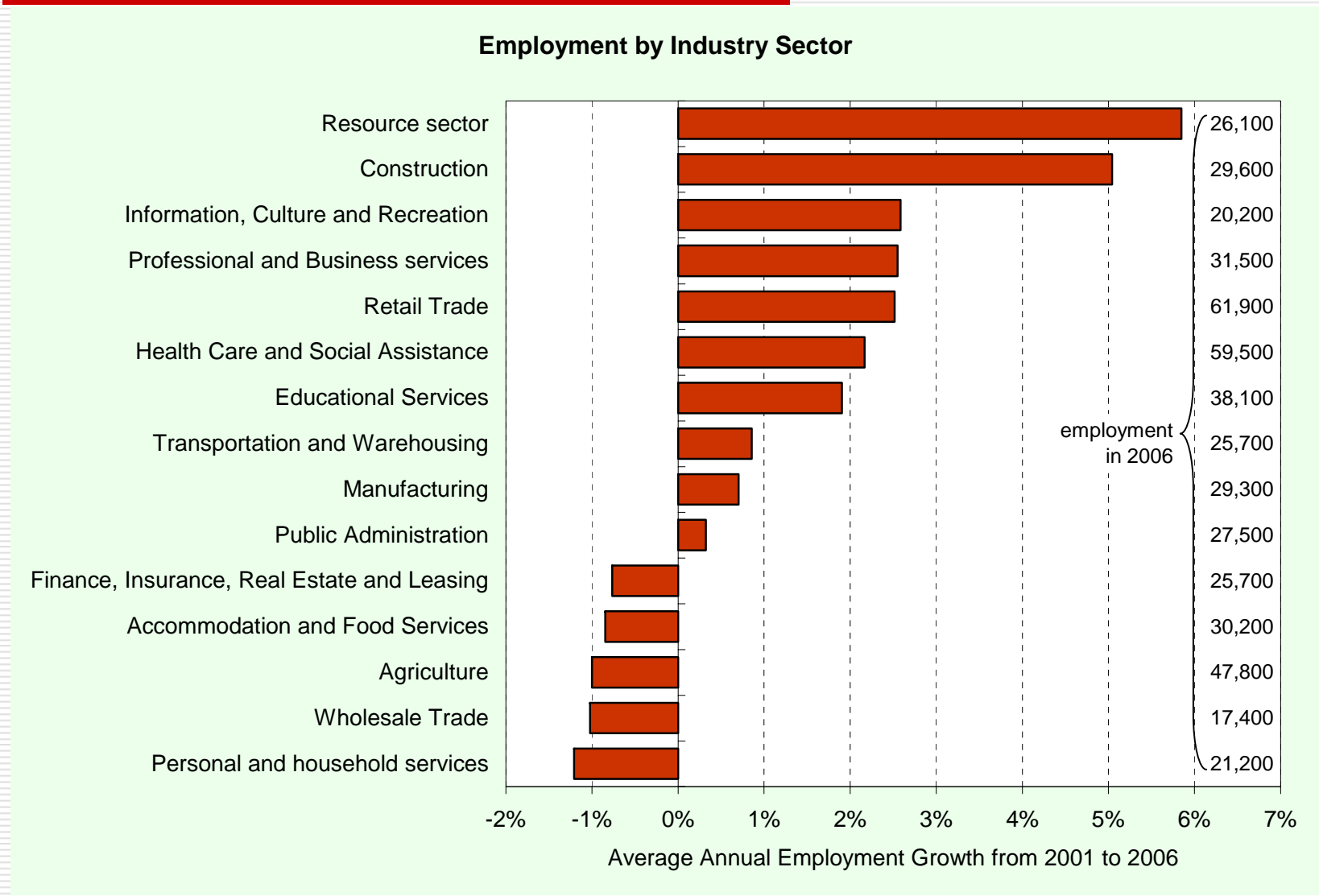
- The LFS has a large enough sample size to provide employment estimates for seven regions in the province including two “census metropolitan areas”.

# Employment Growth by Region



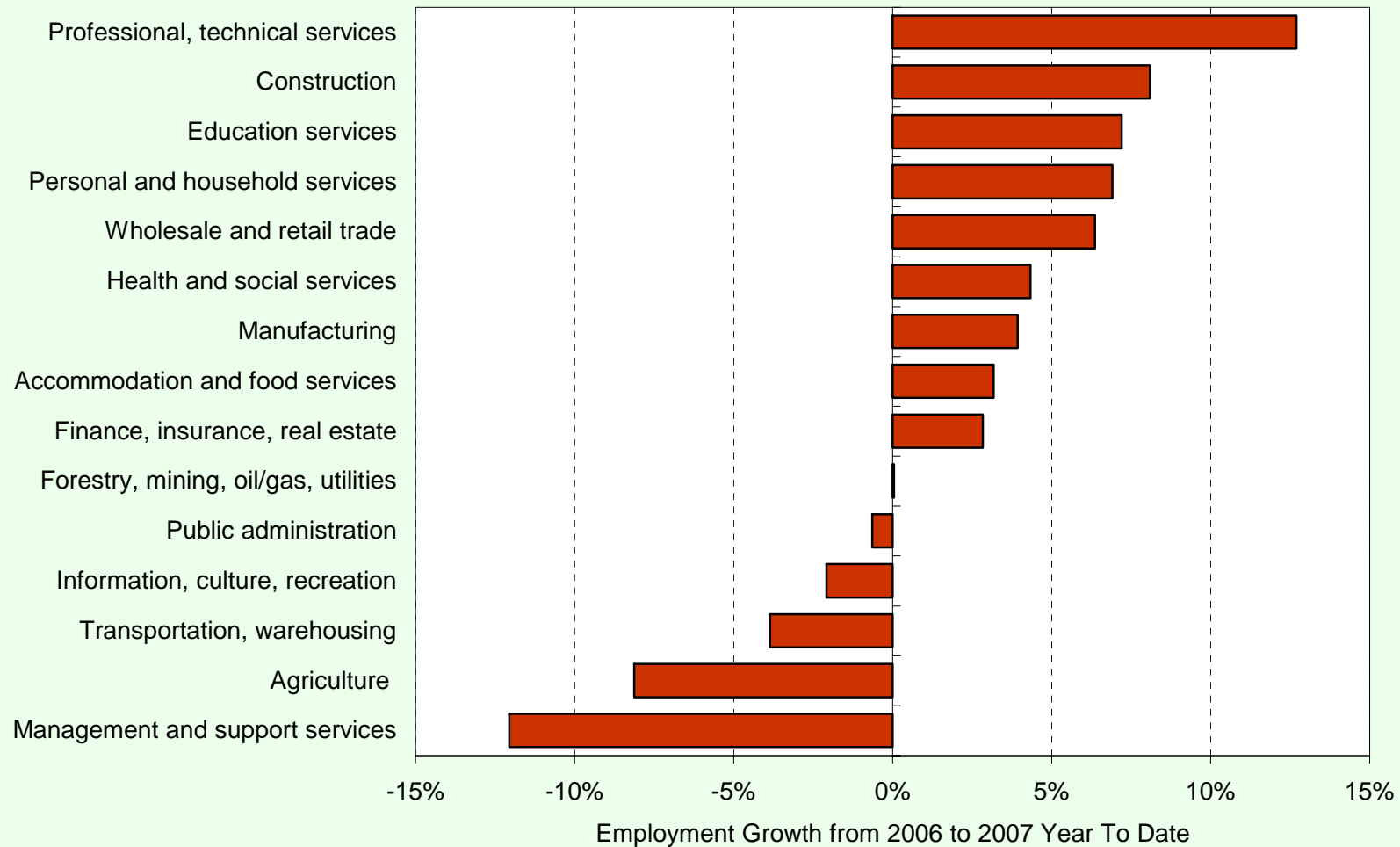
- Employment among residents of the two metropolitan areas (regardless of where the job is) account for just under one half (48%) of employment.
- Since 2001, employment has grown more quickly in the East Central and Southwest areas than in the Regina CMA.
- The lack of growth in the Southeast is thought to be caused by a shortage of labour rather than a shortage of jobs.
- So far in 2007, Saskatoon and the Southeast have shown the strongest growth.

# Employment Growth by Industry Sector, 2001 to 2006



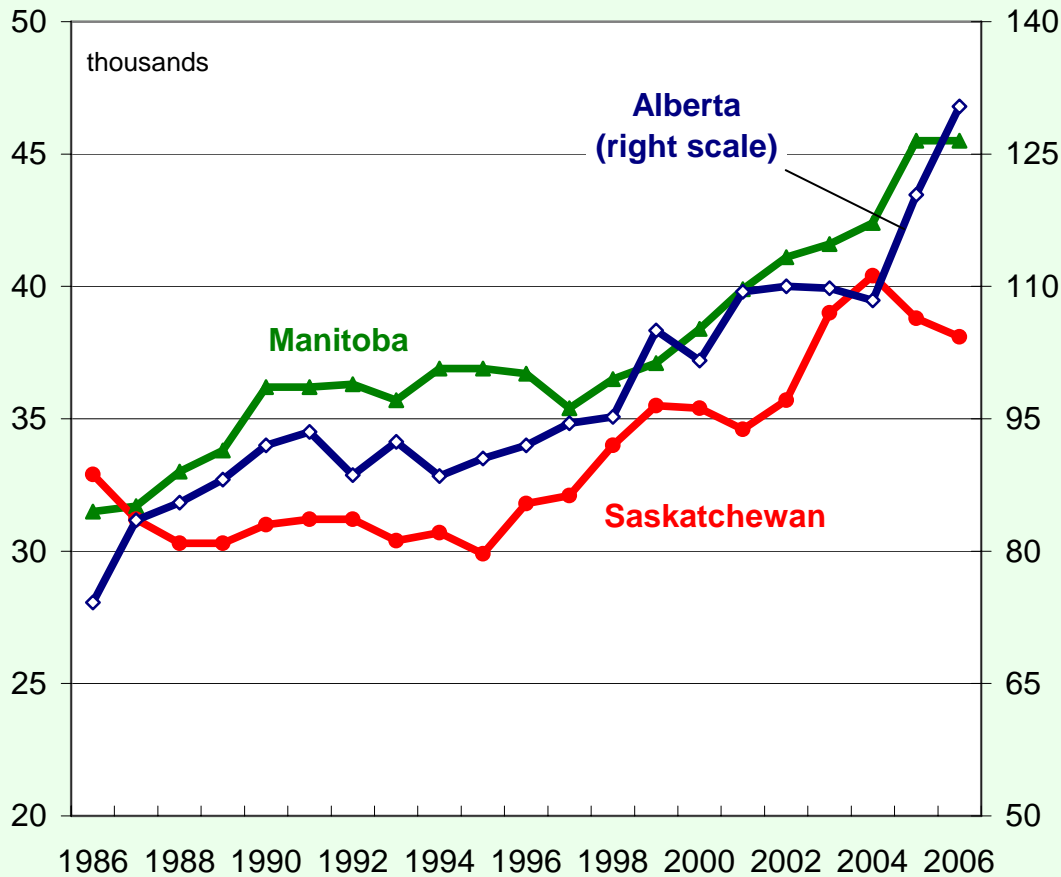
# Employment Growth by Industry Sector, 2007 YTD

Employment Growth by Industry Sector, 2007 YTD



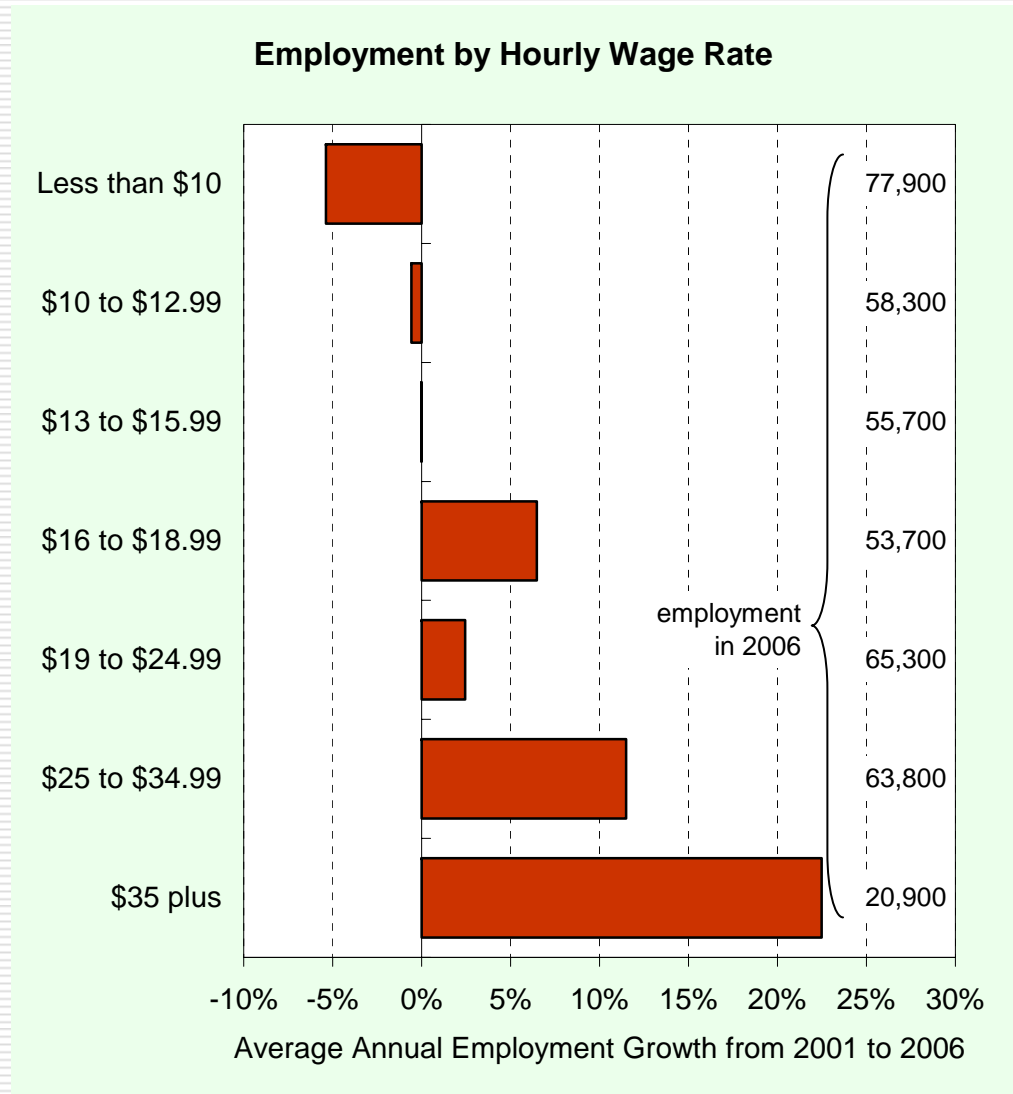
# Employment in the Education Sector

Employment in Education Services, Prairie Provinces



- Until recently, educational employment in the three prairie provinces moved in a similar trajectory.
- In the last two years, however, employment has dropped in Saskatchewan and increased sharply in Alberta.
- Note that this industry category includes the K-12 system as well as the post-secondary system, public and private.

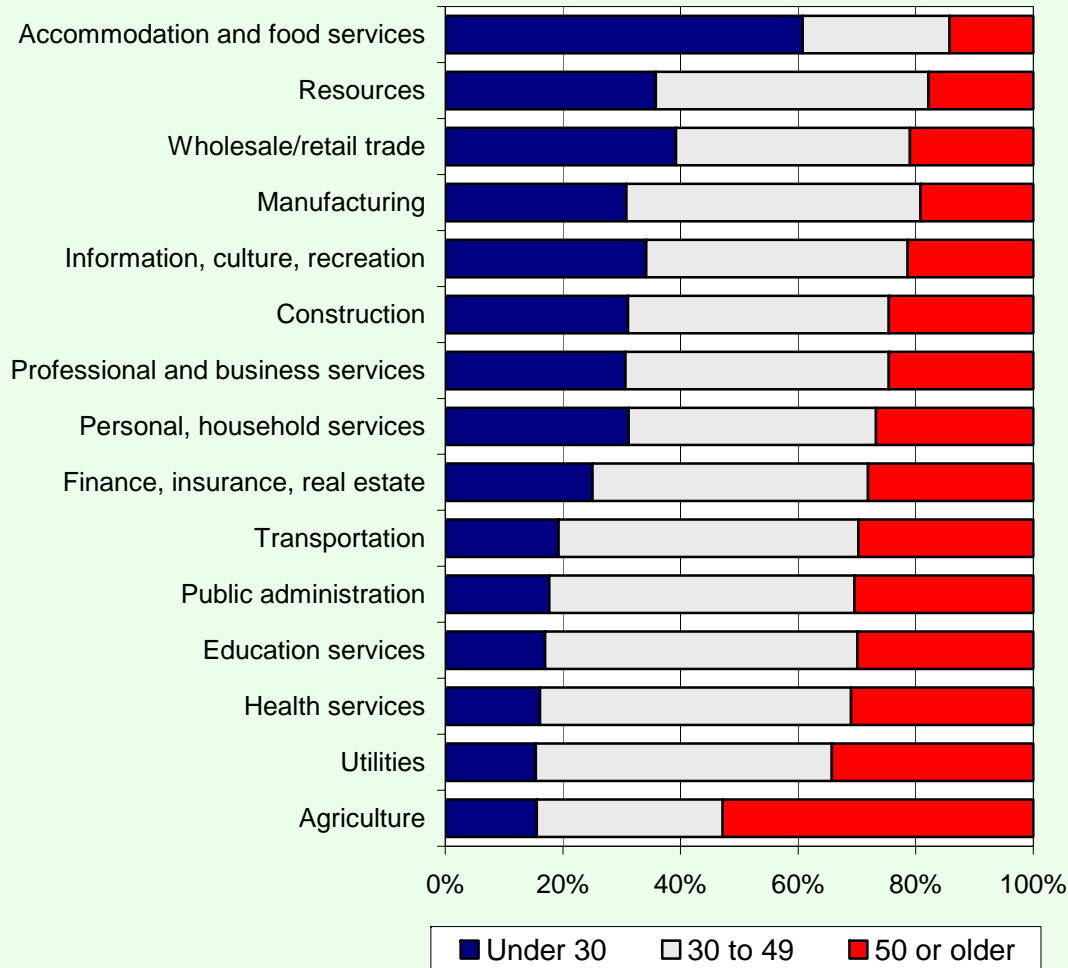
# Employment Growth by Wage Rates (paid workers only)



- Among paid workers, there has been a 20%+ increase in the relatively few paid workers with wage rates over \$35/hour.
- Some of these increases will be simply because of the natural growth in wage rates. But there is evidence of growing inequality in wage rates.
- The largest increases in the past five years have been in public administration (the three levels of government), the crowns, and those industries with a high proportion of minimum wage earners.

# Age Structure of Employment by Industry Group

Employment by Age Group, 2006, Saskatchewan



- Besides agriculture, the industry groups that have:
  - the highest proportion of older workers combined with
  - the lowest proportion of younger workers
 tend to be in the public sector, broadly defined. That is, the four industry groups near the bottom of the chart – utilities, health, education, and government proper.
  
- These sectors will have to deal with the tight labour market sooner than others. Some are already doing so.

# The “Labour Shortage”

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- 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 windows.
  - The unemployment rate is the lowest on record.
  - The number of people collecting regular employment insurance benefits in 2006 was the lowest in recent history.
  - Hourly wage rates increased by 4.8% in 2006 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 people working full-time and the number of multiple job holders is increasing.
  
- The current “labour shortage” has been caused by the booming economy, not retiring baby boomers. It will get worse.

# The Impact of a Tight Labour Market

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- Economists disagree on the impact of the baby boom generation reaching normal retirement age. Some expect that any shortage will be mitigated by higher participation rates among older workers, increases in productivity, and higher immigration into the country. For those who feel otherwise, a combination of strategies is required.
- Recruitment of workers will become more difficult because of competition. This often means that employers, particularly those with a union, will need a “youth-friendly” workplace that is tolerant of diversity in both work arrangements and employee differences.
- Retention of workers is important in the short term. This can mean adding more flexibility to work arrangements for older workers.
- In any case, retention and recruitment difficulties will lead to higher wage rates because the labour market is becoming a “seller’s market” with increasing competition from other provinces (i.e. Alberta) and other firms.