

GOAL 7: LABOUR FORCE PARTICIPATION

NEW BRUNSWICK WILL HAVE A LABOUR FORCE PARTICIPATION RATE EQUAL TO OR HIGHER THAN THE NATIONAL RATE BY 2028.



STATUS: NOT PROGRESSING



Overview

Problem

Currently, New Brunswick's labour force participation rate is below the national average.

Cause

The participation rate refers to the active portion of an economy's labour force. In other words, the term applies to the portion of the working-age population that is working or is actively seeking work. Because it refers only to those of working age, an economy's labour force participation rate is affected by the age demographics of its population. Due primarily to an aging Maritime population, and concurrently a decreasing younger aged population, New Brunswick's participation rate has been stagnating/decreasing or increasing for the wrong reasons.

Importance

Increasing labour force participation could introduce more permanent workers into New Brunswick's labour market while increasing overall employment rates for the province.

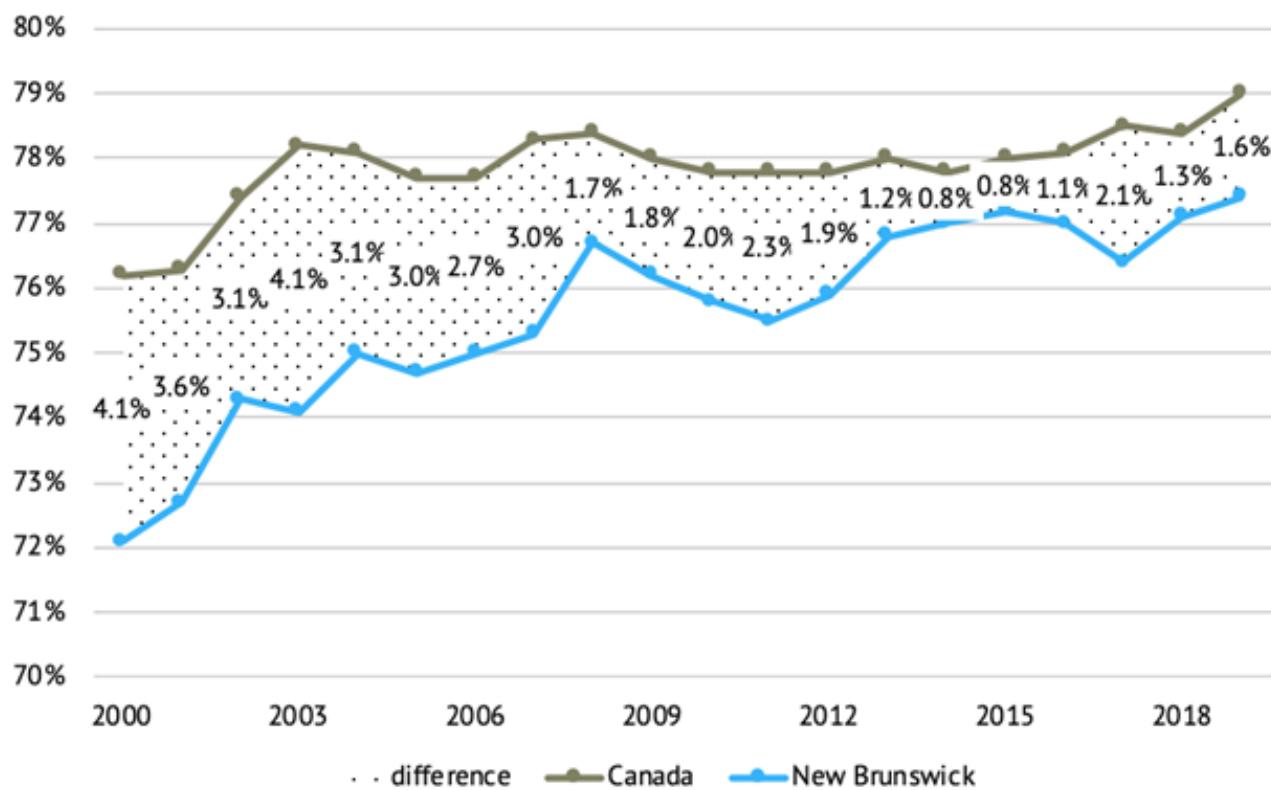
Recommendation

If the differences between New Brunswick's and Canada's demographic compositions persist, it is unlikely that New Brunswick will be able to achieve a labour force participation rate as high as the Canadian rate. However, if younger aged people in New Brunswick become more inclined to stay (or go abroad and return for employment), and if the province focuses efforts on attracting workers with skills needed to fill job shortages, New Brunswick may attain the goal of the Canadian average, and not simply because of a decreasing labour force overall.

In the Numbers

The labour force participation rate in New Brunswick was increasing and getting closer to the national average from 2000 until the recession in 2008. Afterwards, there were small fluctuations but overall still a small increase until 2019. However, as this is due largely to a decreasing working age population, this should not be viewed as an absolute positive. The smallest gap between the national and provincial rates was 0.8% in 2015 and has since not been able to progress any closer.

Figure 1: Canada vs. New Brunswick labour force participation rate

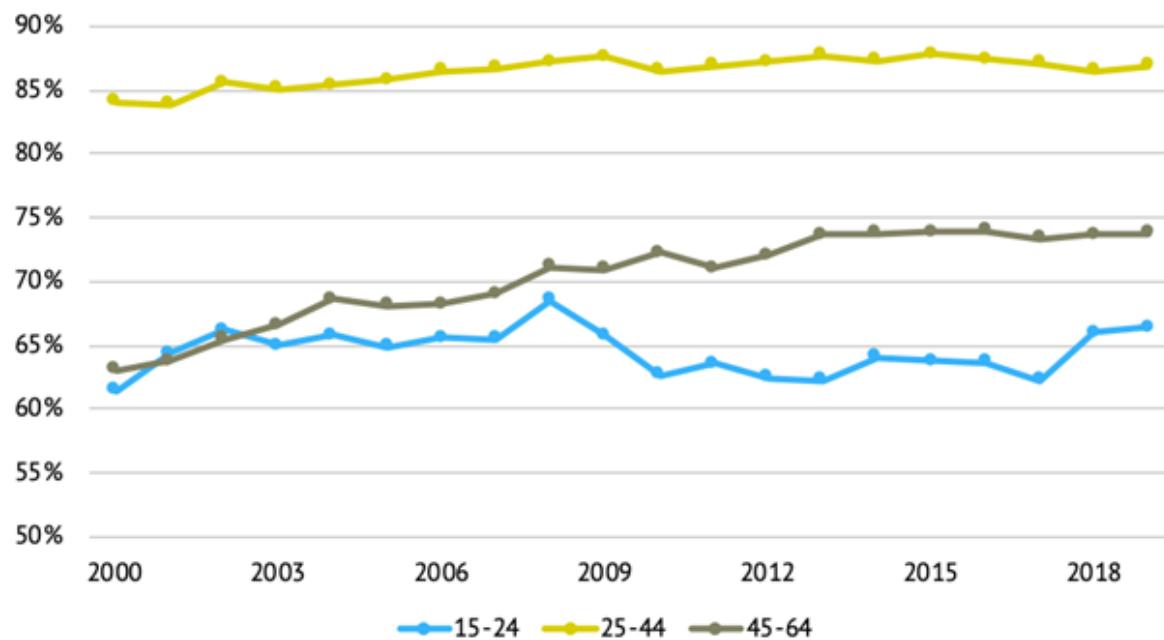


(See full data set in Appendix A)

A Closer Look

In New Brunswick, labour force participation rates among people aged 25-44 have been fairly consistent with an overall slight rise since 2000. More notably, rates for people aged 15-24 has seen an overall decrease to 66% since a high in 2008 of 69%, while rates for people aged 45-64 has seen a significant increase since 2000, increasing from 63%-74%.

Figure 2: New Brunswick labour force participation rates by age

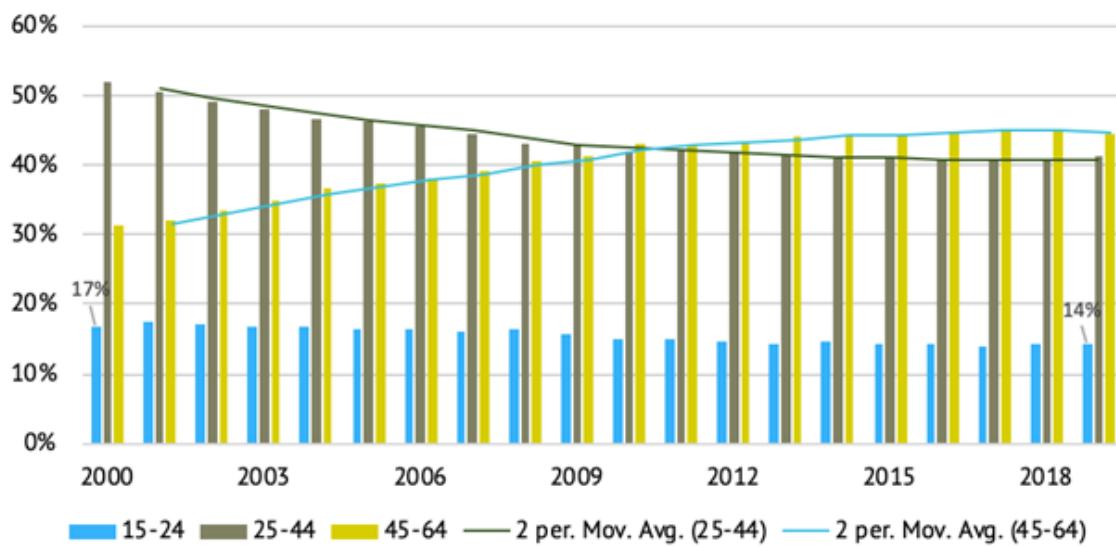


(See full data set in Appendix B)

Comparing to Canada

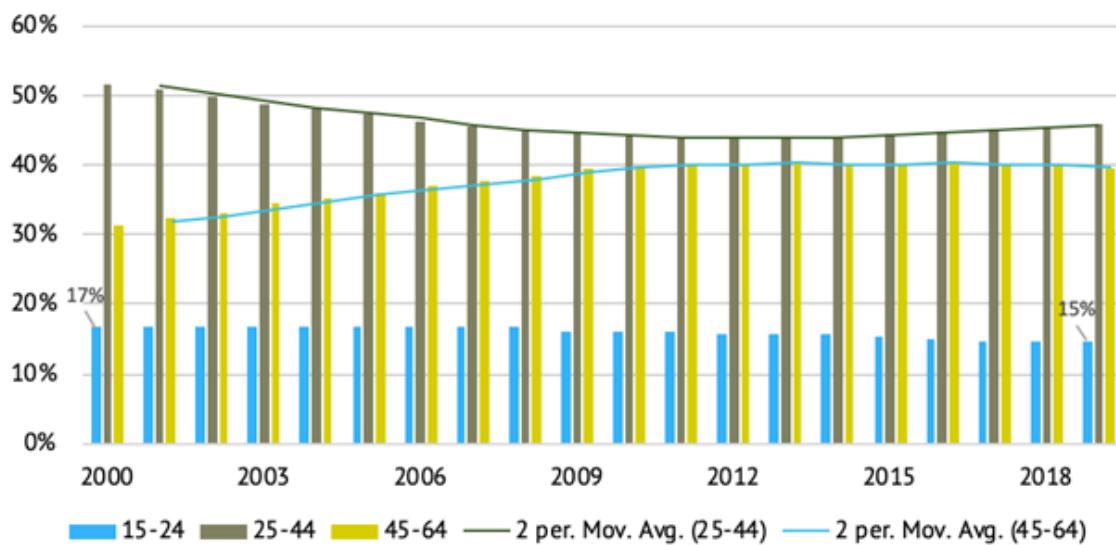
The following figures show the composition of the labour force, by age group, one for New Brunswick and one for Canada. As can be seen, the loss on percentage of young people is not an issue only in New Brunswick but for all of Canada (although New Brunswick dipped 3%, rather than the national dip of 2%). Not only that, but Canada is not affected by an aging population as much as New Brunswick. New Brunswick's percentage for people aged 45-64 surpassed its percentage of people aged 25-44 in 2010, whereas Canada's percentage for people aged 25-44 began to increase again after the recession in 2008, beginning in 2011, which kept it higher than the older aged population.

Figure 3: Mining and quarrying exports



(See full data set in Appendix C)

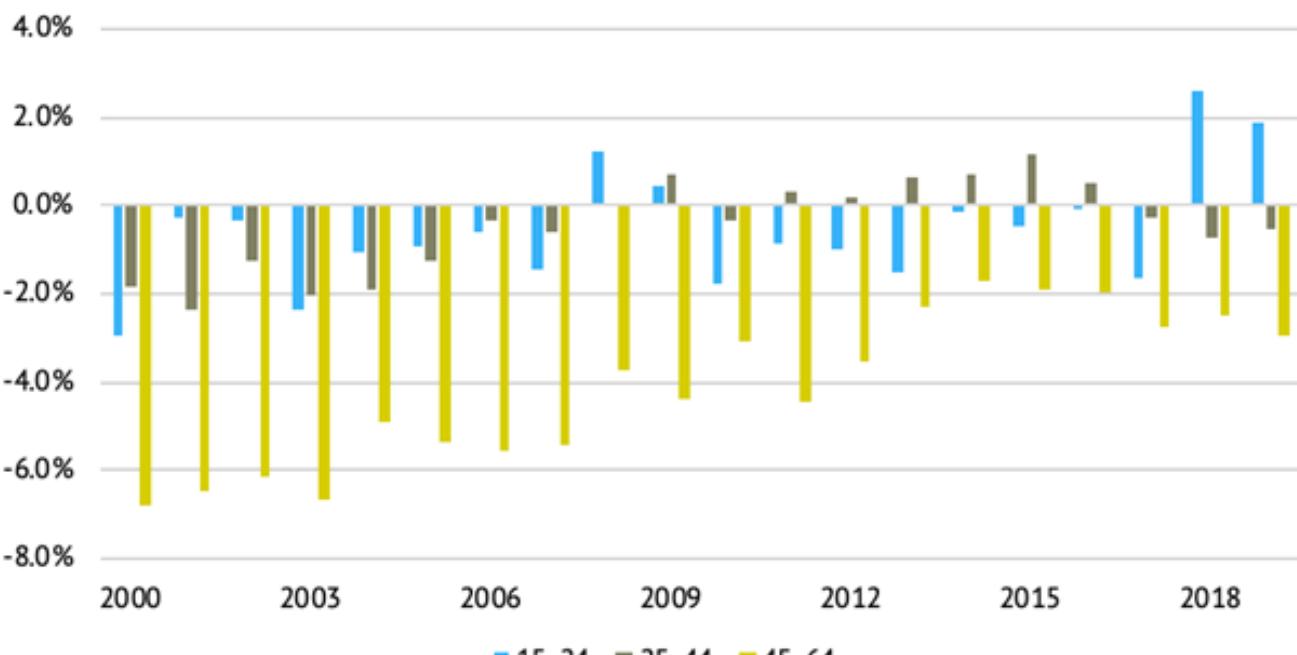
Figure 4: Canada labour force composition by age group



(See full data set in Appendix D)

In the next figure it is very clear to see when the decreasing young population began to affect New Brunswick the most. The overall difference between Canada and New Brunswick has been decreasing since 2000, even going positive for people aged 15-44 for some years after the recession. However, from 2018 onward, New Brunswick had a substantial spike in its rates for people aged 15-24 due to the decrease in population compared to the rest of Canada. Overall, there is a net positive on the decrease in difference for all age groups, but it is important to bear in mind that the reason behind it in recent years is not fully positive.

Figure 5: Difference between New Brunswick and Canada labour force participation rates by age



(See full data set in Appendix E)

Summary

New Brunswick's labour force participation rate had been trending positively towards reaching the national average rate since the 2000s. However, most recently, that trend has not continued, and therefore this goal is not progressing. New Brunswick should explore ways to grow the labour force as having more permanent workers in New Brunswick, especially younger and middle-aged people, can bring many benefits to economic growth.

Appendix A

Year	Canada	New Brunswick	Difference
2000	76.2%	72.1%	4.1%
2001	76.3%	72.7%	3.6%
2002	77.4%	74.3%	3.1%
2003	78.2%	74.1%	4.1%
2004	78.1%	75.0%	3.1%
2005	77.7%	74.7%	3.0%
2006	77.7%	75.0%	2.7%
2007	78.3%	75.3%	3.0%
2008	78.4%	76.7%	1.7%
2009	78.0%	76.2%	1.8%
2010	77.8%	75.8%	2.0%
2011	77.8%	75.5%	2.3%
2012	77.8%	75.9%	1.9%
2013	78.0%	76.8%	1.2%
2014	77.8%	77.0%	0.8%
2015	78.0%	77.2%	0.8%
2016	78.1%	77.0%	1.1%
2017	78.5%	76.4%	2.1%
2018	78.4%	77.1%	1.3%
2019	79.0%	77.4%	1.6%

Source: Derived from Statscan Table: 14-10-0327-01

Appendix B

Year	15-24	25-44	45-64
2000	61%	84%	63%
2001	64%	84%	64%
2002	66%	86%	66%
2003	65%	85%	67%
2004	66%	85%	69%
2005	65%	86%	68%
2006	66%	87%	68%
2007	66%	87%	69%
2008	69%	87%	71%
2009	66%	88%	71%
2010	63%	87%	72%
2011	64%	87%	71%
2012	63%	87%	72%
2013	62%	88%	74%
2014	64%	87%	74%
2015	64%	88%	74%
2016	64%	87%	74%
2017	62%	87%	73%
2018	66%	87%	74%
2019	66%	87%	74%

Source: Derived from Statscan Table: 14-10-0327-01

Appendix C

Year	15-24	25-44	45-64
2000	17%	52%	31%
2001	17%	50%	32%
2002	17%	49%	33%
2003	17%	48%	35%
2004	17%	47%	37%
2005	16%	46%	37%
2006	16%	45%	38%
2007	16%	45%	39%
2008	16%	43%	41%
2009	16%	43%	41%
2010	15%	42%	43%
2011	15%	42%	43%
2012	15%	42%	43%
2013	14%	41%	44%
2014	15%	41%	44%
2015	14%	41%	45%
2016	14%	41%	45%
2017	14%	41%	45%
2018	14%	41%	45%
2019	14%	41%	44%

Source: Derived from Statscan Table: 14-10-0327-01

Appendix D

Year	15-24	25-44	45-64
2000	17%	52%	32%
2001	17%	51%	32%
2002	17%	50%	33%
2003	17%	49%	34%
2004	17%	48%	35%
2005	17%	47%	36%
2006	17%	46%	37%
2007	17%	46%	38%
2008	17%	45%	38%
2009	16%	44%	39%
2010	16%	44%	40%
2011	16%	44%	40%
2012	16%	44%	40%
2013	16%	44%	40%
2014	16%	44%	40%
2015	15%	44%	40%
2016	15%	45%	40%
2017	15%	45%	40%
2018	15%	46%	40%
2019	15%	46%	39%

Source: Derived from Statscan Table: 14-10-0327-01

Appendix E

Year	15-24	25-44	45-64
2000	-2.9%	-1.9%	-6.8%
2001	-0.3%	-2.3%	-6.4%
2002	-0.3%	-1.2%	-6.1%
2003	-2.3%	-2.0%	-6.7%
2004	-1.0%	-1.9%	-4.9%
2005	-0.9%	-1.2%	-5.4%
2006	-0.6%	-0.3%	-5.6%
2007	-1.5%	-0.6%	-5.5%
2008	1.2%	0.0%	-3.8%
2009	0.5%	0.7%	-4.4%
2010	-1.8%	-0.3%	-3.1%
2011	-0.9%	0.3%	-4.5%
2012	-1.0%	0.2%	-3.5%
2013	-1.5%	0.7%	-2.3%
2014	-0.1%	0.7%	-1.7%
2015	-0.4%	1.2%	-1.9%
2016	-0.1%	0.5%	-2.0%
2017	-1.6%	-0.3%	-2.7%
2018	2.6%	-0.8%	-2.5%
2019	1.9%	-0.5%	-2.9%

Source: Derived from Statscan Table: 14-10-0327-01

**To Note: Labour force Survey is all estimates and will not necessarily match up with other numbers (i.e. annual population data)