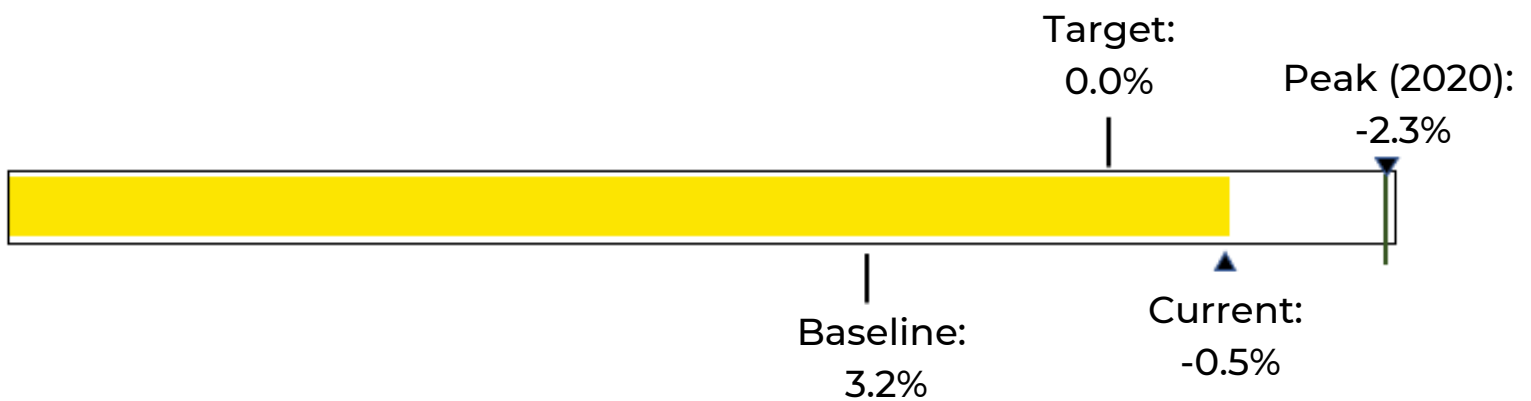




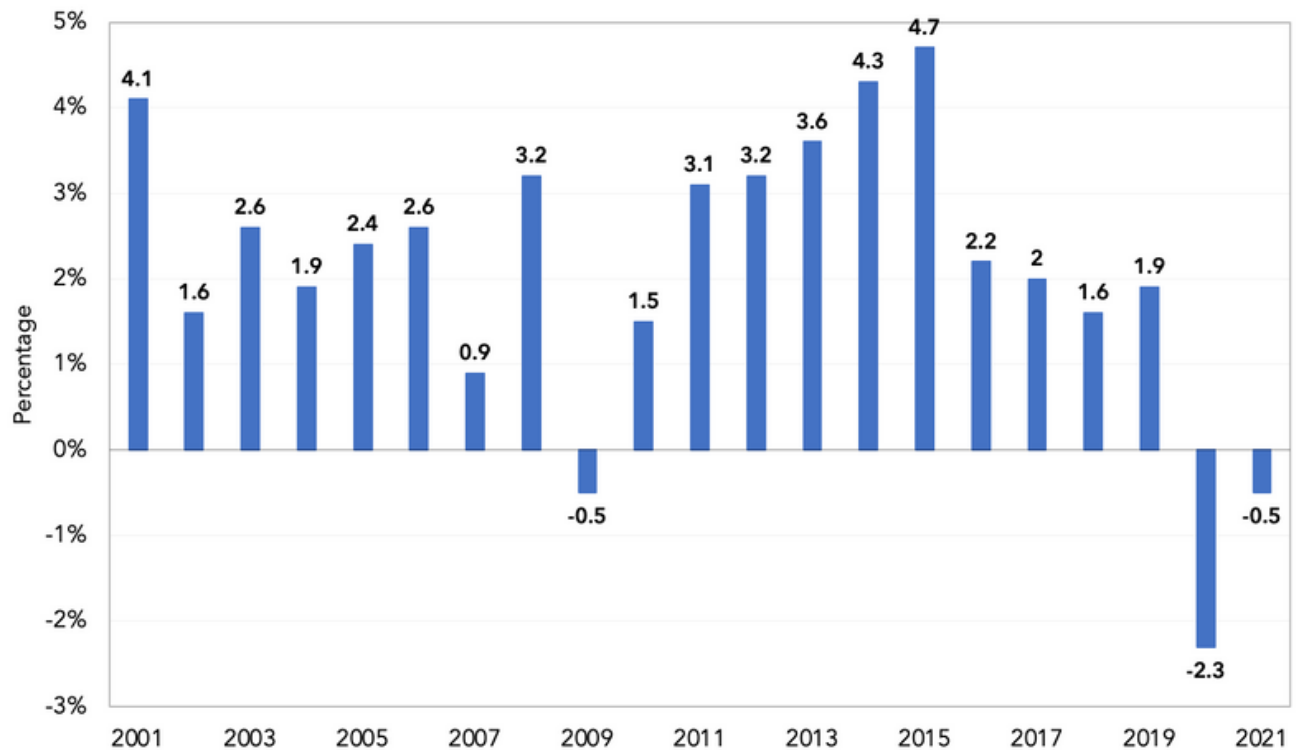
YOUTH EMPLOYMENT

STATUS: 🟡 Progressing, not on track



New Brunswick will decrease its provincial youth unemployment rate so that it is equal to or less than the national rate by 2024.

Figure 1: Gap Between Canada's and New Brunswick's Youth Unemployment Rates (Ages 15-24)



(See full data in Appendix A)

HIGHLIGHTS

- New Brunswick's youth typically experience 2% greater unemployment than the national average.
- In 2021 New Brunswick's youth experienced 0.5% less unemployment than the national average.
- New Brunswick's youth labour force is shrinking as a result of an aging population and declining birth rate[HE1] causing a smaller youth population.
- Progress in 2021 is influenced by temporary federal supports during COVID-19 such as CERB, early 2022 figures suggest that it has not lasted.

OVERVIEW

Importance

Youth employment is critically important to New Brunswick because of the provinces aging population. There needs to be growth in the workforce to replace retiring workers and to meet expansion of labour demand. As well, increasing youth employment will allow for the entry of skilled workers into productive divisions of the economy and improve population retainment. Youth employment also encourages social integration and inter-generational dialogue, influencing social development.

Problem

From 1980 to 2021 New Brunswick has experienced a youth unemployment rate an average of 3.5% greater than the national rate. This peaked in 1986 when New Brunswick's rate was 7.9% higher than the national rate during the recovery; New Brunswick's youth unemployment rate had reached 24% in 1984. Since the 1980's, the unemployment gap has had a primarily downward trend but reached another local peak in 2015 of 5%. The tapering off of the recession and the nationwide Covid-19 recession have created another downward trend since 2015, with New Brunswick having a lower unemployment rate than the national rate in the years 2020 and 2021.

Cause

Changes in the youth unemployment rate are a result of some combinations of changes in the number of youths employed and in

the number of youth looking for work. Declining birth rates have been the main driver of decreased youth employment, while more students in PSE also reduce the unemployment rate since youth in school are not included in the labour force. Based on the New Brunswick Labour Market Outlook 2018-2027, at current rates of both labour force participation and demographic trends, the aging workforce will result in 120,000 job openings within the coming decade. With young New Brunswickers leaving the province while already being numerically smaller than the aging population, there won't be enough labour to fill the available jobs. Further, various factors such as the pandemic as well as the financial assistance from the Canadian government should be considered. These factors may have caused a loss of employment in the province, while CERB, CESB, and CSB from the Canadian government may have played a role on the decreasing number of youths actively looking for employment. Also, permanent measures such as the availability of employment insurance benefits to New Brunswick students through the school year decreases their likelihood to seek employment.

IN THE NUMBERS

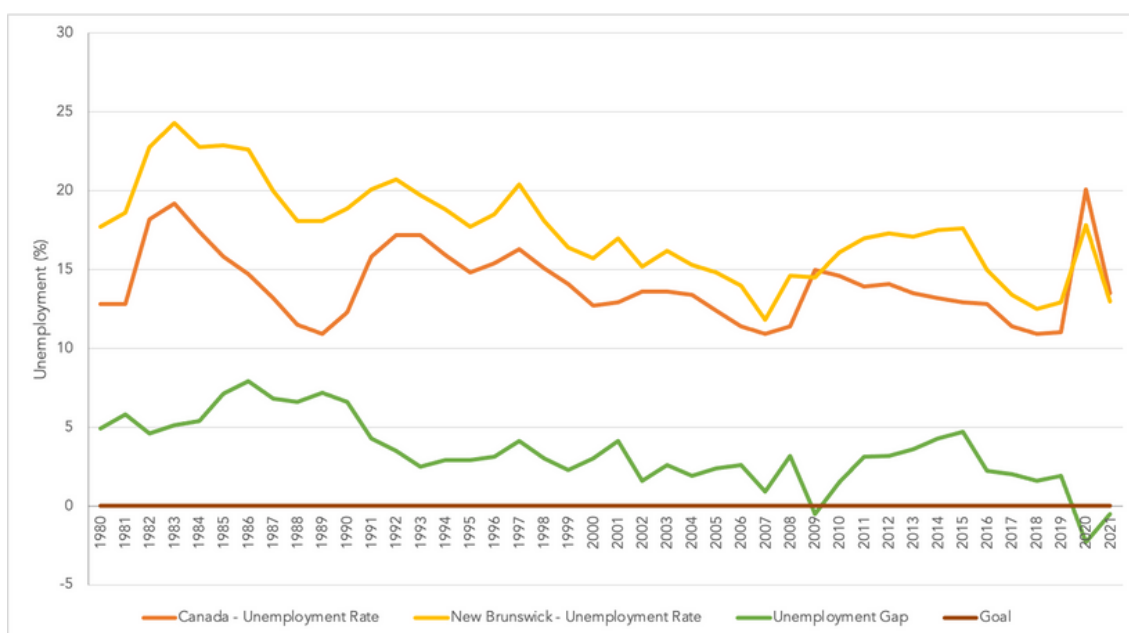
Youth Unemployment Gap

The youth unemployment rate measures the percentage of New Brunswickers aged 15-24 who are not currently employed but are actively seeking employment. The youth unemployment gap represents how far New Brunswick's unemployment rate is from the national level. Therefore, the lower the unemployment gap, the closer New Brunswick's unemployment rate is to the national unemployment rate; a negative

gap would indicate an unemployment rate better than the national rate. During to the pandemic, New Brunswick has had lower youth unemployment compared to national levels.

As shown in Figures 1 and 2, there was a substantial disparity from 2007 to 2008. This fluctuation represents the impact of the Great Recession on the youth unemployment rate. Due to the shortage of jobs, many unemployed youth in 2007 ceased their job search, lowering the New Brunswick unemployment rate from 13.7% to 11.8%, resulting in a low unemployment gap of 0.9%. Meanwhile, in 2008, there was many unemployed youths looking for jobs in the province, raising the unemployment gap to 3.2%. In 2020, Canada's unemployment rate peaked at 20.1%, making it higher than that of New Brunswick, at 17.8%. This caused a dip in the 2020 employment gap, giving it a value of -2.3%. In 2021 the employment gap has returned to a number that New Brunswick might hope to maintain at -0.5%.

Figure 2: Unemployment Rates and Unemployment Gap in Canada and New Brunswick (Ages 15-24)



(See full data in Appendix A)

A CLOSER LOOK

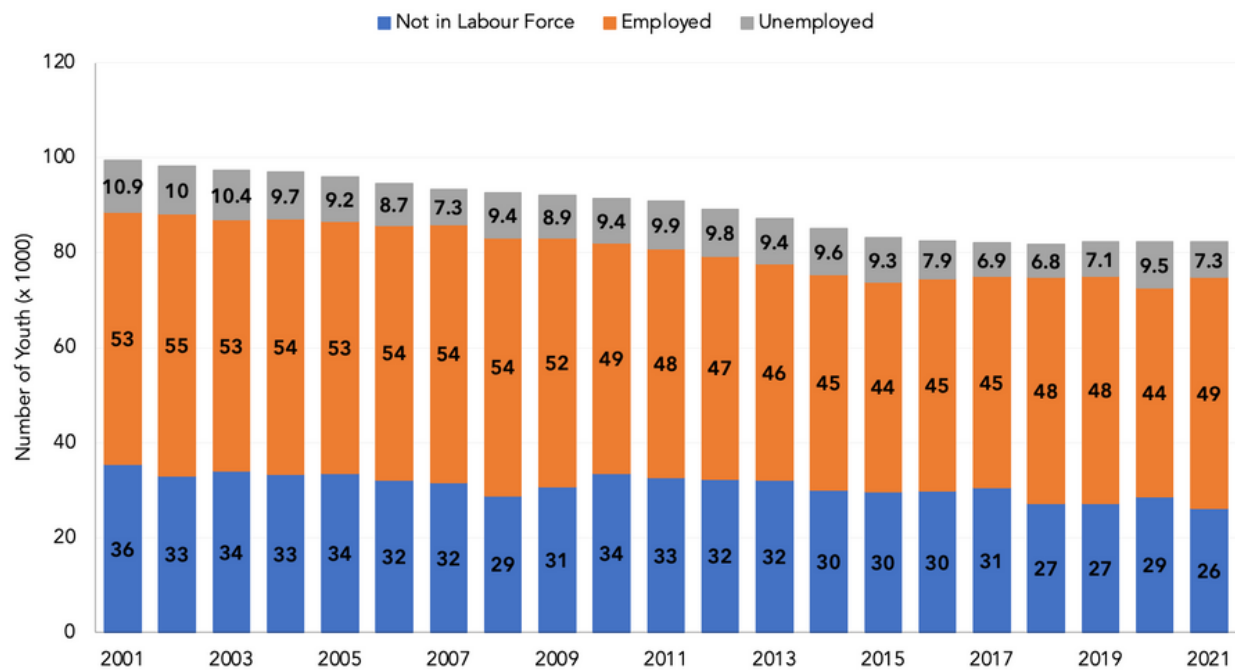
What does Youth Employment in New Brunswick Look Like?

New Brunswick's population is aging, and the number of youth in the province is decreasing. Since 2012, this has led to a decline in the New Brunswick youth labour force.

The term labour force refers to the aggregate of unemployed and employed individuals. If a person is not actively seeking employment, that person is considered out of the labour force.

As displayed in Figure 3, the number of employed youth dropped from a high of 54,000 in the pre-recession period to 44,000 in 2020. The past year has shown a recovery, with 4,800 more employed youth than the previous year, up to 48,800. In addition, the number of unemployed youth seeking work declined from 10,000 in 2012 to 7,300 in 2021. This refers to a decrease in the population of youth in the province. Despite a smaller youth population, New Brunswick employed more youths in 2021 than any year since 2009.

Figure 3: New Brunswick Youth Labour Force Indicators (Ages 15-24)



(See full data in Appendix B)

As shown in Figure 4, between 2012 and 2021, New Brunswick's youth employment rate increased by 6.8%, while the youth labour force participation rate increased by 4.6%. The participation rate represents the size of those working or actively seeking work relative to the total population aged 15-24.

In 2021 both the participation rate and the employment rate made modest gains, returning to near the pre-pandemic trend, but the youth labour force continued to shrink, signalling that despite these gains youth still see better opportunities elsewhere. New Brunswick will need to improve the quantity and quality of opportunities for youth to retain them.

Figure 4: Youth Labour Force Rates (Ages 15-24)



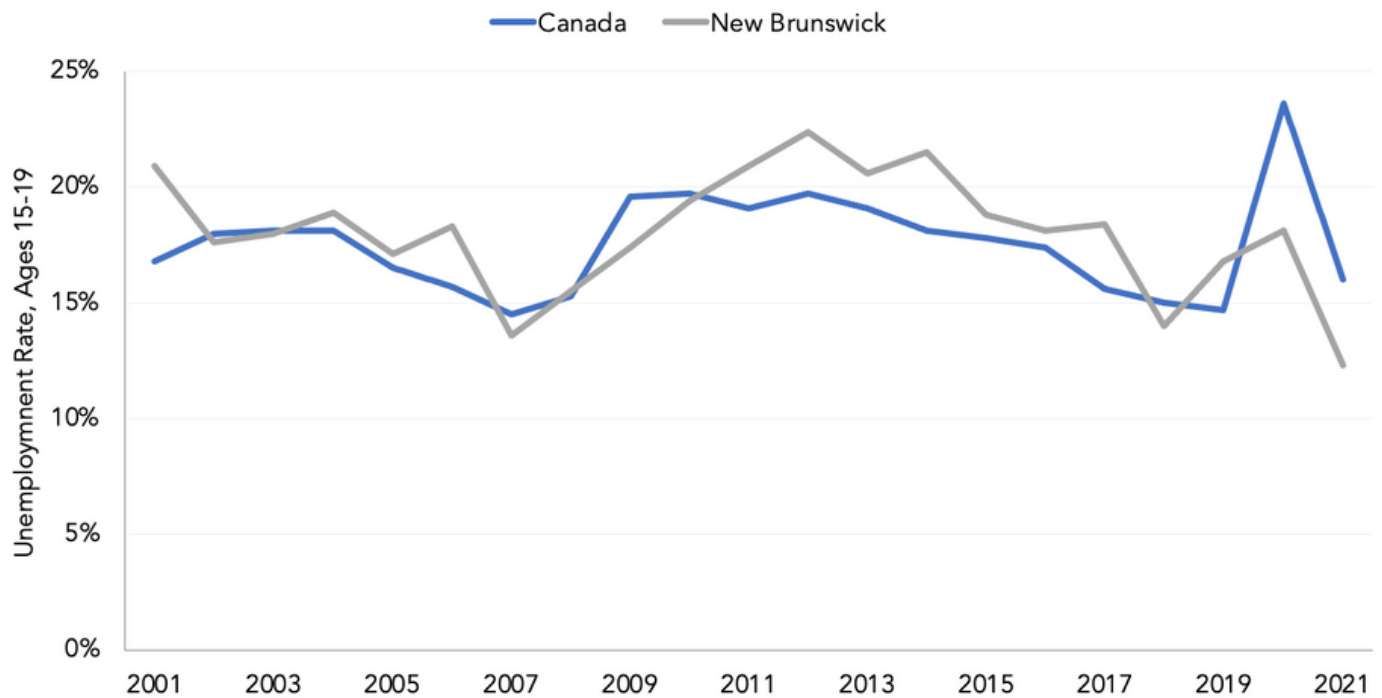
(See full data in Appendix C)

Youth and Young Adult Unemployment

When the youth unemployment rates are divided into two age groups (15-19 and 20-24), it becomes apparent that these two age groups perform quite differently when compared with the national averages.

As presented in Figure 5, the youth unemployment rate for ages 15-19 has remained comparable with the national standard. During the Covid-19 pandemic, this age group even outperformed the national average as more New Brunswick businesses were able to remain open due to low infection rates, this had a significant impact on this age group who tend to work in service industries.

Figure 5: Youth Unemployment Rate (Ages 15-19)

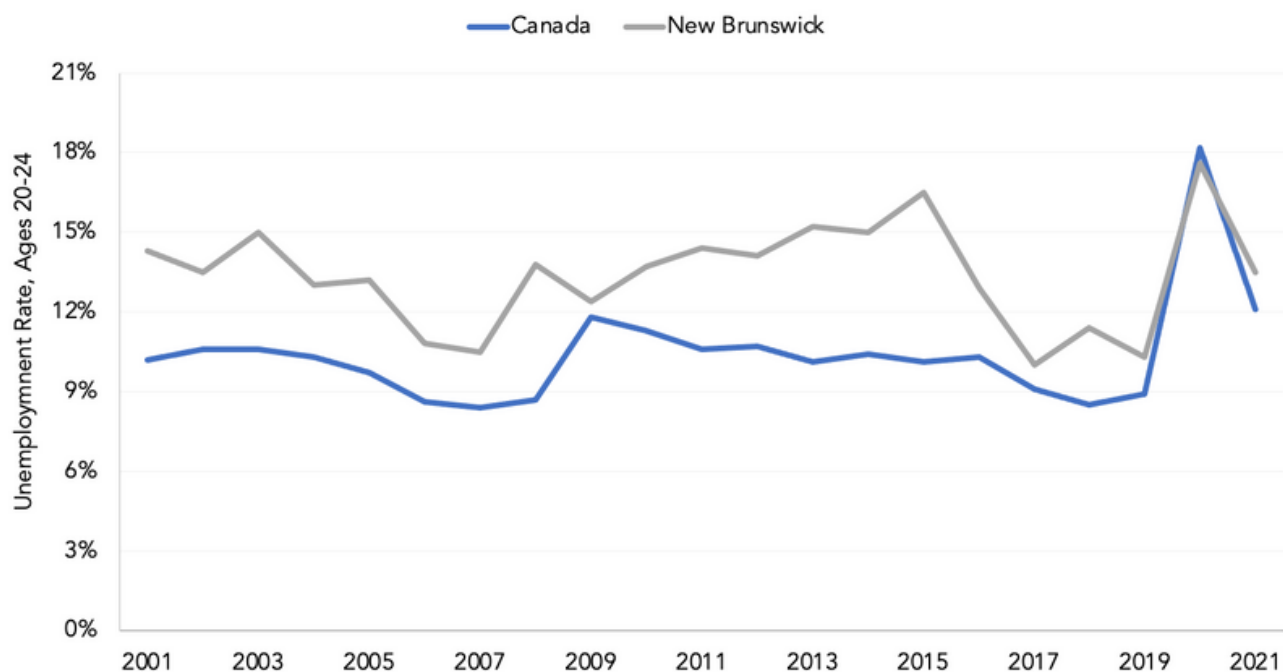


(See full data in Appendix D)

Although the provincial youth population (aged 15-19) did have a lower unemployment rate than the Canadian rate in 2009, 2020, and 2021, the 20-24 age group has only met this goal, once in the last twenty years (in 2020), due to the relative openness of New Brunswick throughout that year of the pandemic compared to other provinces. The worse performance of New Brunswickers in this age group can be attributed to their increased mobility above the younger group. New Brunswickers aged 20-24 have a high mobility rate and are found to be more likely to leave New Brunswick in search of better opportunities compared to their younger counterparts. Although this may not mean that all individuals leaving were considered to be participating in the labour force, it does reflect that an increasing amount of New Brunswickers are not finding work within the province. This could be a result of industries that only

seasonally employ workers, or simply that there are better job opportunities elsewhere.

Figure 5: Young Adult Unemployment Rate (Ages 20-24)



(See full data in Appendix E)

SUMMARY

Youth employment is important to New Brunswick to ensure the retainment of young New Brunswickers within the province. This age group will be required to offset the increasing proportion of older New Brunswickers retiring and fill the many job openings projected for the next decade. Youth employment also encourages social integration and inter-generational dialogue, influencing social development. The youth unemployment rate in New Brunswick has shown little progress since 2012 usually fluctuating around a middle value near 14%, meaning this goal is not progressing. As the Canadian economy recovers from the

Covid-19 pandemic, historical analysis suggests that the national unemployment rate will fall faster than the New Brunswick youth unemployment rate which will result in a return to a positive gap. Early monthly figures from 2022 show youth unemployment rates on average 2.6% higher through the month of April.

New Brunswick should aim to lower its youth unemployment rate so that it is equal to, or lower than, the national rate by the year 2024.

APPENDIX A

Employment by Sector

Year	Canada - Unemployment Rate	New Brunswick - Unemployment Rate	Unemployment Gap
1980	12.8	17.7	4.9
1981	12.8	18.6	5.8
1982	18.2	22.8	4.6
1983	19.2	24.3	5.1
1984	17.4	22.8	5.4
1985	15.8	22.9	7.1
1986	14.7	22.6	7.9
1987	13.2	20	6.8
1988	11.5	18.1	6.6
1989	10.9	18.1	7.2
1990	12.3	18.9	6.6
1991	15.8	20.1	4.3
1992	17.2	20.7	3.5
1993	17.2	19.7	2.5
1994	15.9	18.8	2.9
1995	14.8	17.7	2.9
1996	15.4	18.5	3.1
1997	16.3	20.4	4.1
1998	15.1	18.1	3
1999	14.1	16.4	2.3
2000	12.7	15.7	3
2001	12.9	17	4.1
2002	13.6	15.2	1.6
2003	13.6	16.2	2.6
2004	13.4	15.3	1.9
2005	12.4	14.8	2.4
2006	11.4	14	2.6
2007	10.9	11.8	0.9
2008	11.4	14.6	3.2
2009	15	14.5	-0.5
2010	14.6	16.1	1.5
2011	13.9	17	3.1
2012	14.1	17.3	3.2
2013	13.5	17.1	3.6
2014	13.2	17.5	4.3
2015	12.9	17.6	4.7
2016	12.8	15	2.2
2017	11.4	13.4	2
2018	10.9	12.5	1.6
2019	11	12.9	1.9
2020	20.1	17.8	-2.3
2021	13.5	13	-0.5

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)

APPENDIX B

Youth Labour Force Indicators - Age Group 15-24 (x1000)

Year	Labour force	Employed	Unemployed	Not in Labour Force
1976	77.8	64.7	13.1	61.4
1977	78.8	62.3	16.5	61
1978	80.1	64.6	15.5	59.9
1979	81.9	67.6	14.3	58.1
1980	80.4	66.2	14.2	58.6
1981	80.3	65.4	14.9	56.5
1982	76.9	59.5	17.4	57.4
1983	76.5	57.8	18.7	56.7
1984	75.9	58.7	17.2	55.6
1985	76.1	58.7	17.4	53
1986	74.5	57.6	16.9	51.8
1987	76.1	60.9	15.2	47.1
1988	74.6	61.1	13.5	45.3
1989	73.3	60	13.3	43.7
1990	71	57.6	13.4	44
1991	67.1	53.6	13.5	47.1
1992	67.3	53.3	14	46
1993	66.1	53.1	13	45.5
1994	63.4	51.5	11.9	46.8
1995	63.4	52.1	11.3	45.3
1996	61.2	49.9	11.3	45.6
1997	59.8	47.6	12.2	45
1998	61.2	50	11.2	41.6
1999	62.2	52.1	10.1	39.3
2000	61.9	52.1	9.8	38.7
2001	64	53.1	10.9	35.5
2002	65.1	55.1	10	33.1
2003	63.4	53	10.4	34
2004	63.6	53.9	9.7	33.3
2005	62.3	53.1	9.2	33.6
2006	62.3	53.6	8.7	32.2
2007	61.7	54.4	7.3	31.6
2008	63.7	54.3	9.4	28.9
2009	61.2	52.3	8.9	30.8
2010	57.9	48.5	9.4	33.5
2011	58.2	48.3	9.9	32.6
2012	56.7	46.9	9.8	32.4
2013	55	45.6	9.4	32.1
2014	55	45.4	9.6	30.1
2015	53.5	44.2	9.3	29.7
2016	52.5	44.6	7.9	29.9
2017	51.5	44.6	6.9	30.5
2018	54.5	47.7	6.8	27.2
2019	54.9	47.8	7.1	27.3
2020	53.5	44	9.5	28.7
2021	56.1	48.8	7.3	26.1

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)

*Values are approximate and rounded by Statistics Canada.

APPENDIX C

Youth Labour Force Rates (Ages 15-24)

Year	Unemployment Rate	Employment Rate	Participation Rate
1976	16.8	46.5	55.9
1977	21.1	44.5	56.3
1978	19.2	46.1	57.2
1979	17.3	48.3	58.5
1980	17.7	47.6	57.8
1981	18.6	47.8	58.7
1982	22.8	44.3	57.3
1983	24.3	43.4	57.4
1984	22.8	44.6	57.7
1985	22.9	45.5	58.9
1986	22.6	45.6	59
1987	20	49.4	61.8
1988	18.1	51	62.2
1989	18.1	51.3	62.6
1990	18.9	50.1	61.7
1991	20.1	46.9	58.7
1992	20.7	47.1	59.5
1993	19.7	47.6	59.2
1994	18.8	46.7	57.5
1995	17.7	47.9	58.3
1996	18.5	46.7	57.2
1997	20.4	45.4	57.1
1998	18.1	48.7	59.6
1999	16.4	51.3	61.3
2000	15.7	51.8	61.5
2001	17	53.4	64.4
2002	15.2	56.1	66.3
2003	16.2	54.4	65.1
2004	15.3	55.6	65.6
2005	14.8	55.4	65
2006	14	56.8	66
2007	11.8	58.3	66.1
2008	14.6	58.6	68.8
2009	14.5	56.8	66.5
2010	16.1	53.1	63.4
2011	17	53.2	64.1
2012	17.3	52.6	63.6
2013	17.1	52.4	63.1
2014	17.5	53.3	64.6
2015	17.6	53.1	64.2
2016	15	54.2	63.8
2017	13.4	54.5	62.9
2018	12.5	58.4	66.7
2019	12.9	58.2	66.8
2020	17.8	53.5	65.1
2021	13	59.4	68.2

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM282-0002)

APPENDIX D

Youth and Young Adult Unemployment Rates (Ages 15-19 and 20-24)

Age	15-19	15-19	20-24	20-24
Region	Canada	New Brunswick	Canada	New Brunswick
1976	15.6	19.8	10.2	14.9
1977	17.1	26.6	11.6	17.4
1978	17.6	23.8	11.6	16.5
1979	15.9	21.1	10.4	14.9
1980	16.1	19.8	10.6	16.2
1981	16	21.2	10.6	16.7
1982	21.5	25.9	16.2	20.7
1983	21.8	26.3	17.8	23.1
1984	19.7	24.1	16.1	21.9
1985	18.3	22.8	14.4	22.9
1986	16.5	24.7	13.6	21.4
1987	14.8	20.1	12.3	19.9
1988	12.8	20.1	10.7	16.9
1989	12.8	19.9	9.7	17.3
1990	13.9	21.2	11.3	17.3
1991	16.6	19.4	15.4	20.6
1992	19.3	20.2	15.9	20.9
1993	19.6	20.2	15.7	19.3
1994	18.3	19	14.4	18.6
1995	17.7	20.3	13	16.3
1996	19.4	20.1	12.9	17.5
1997	21.4	23.4	13.1	18.6
1998	19.9	20.1	12.1	17
1999	18.3	17.3	11.2	15.5
2000	16.5	18.1	10.1	14.2
2001	16.8	20.9	10.2	14.3
2002	18	17.6	10.6	13.5
2003	18.1	18	10.6	15
2004	18.1	18.9	10.3	13
2005	16.5	17.1	9.7	13.2
2006	15.7	18.3	8.6	10.8
2007	14.5	13.6	8.4	10.5
2008	15.3	15.5	8.7	13.8
2009	19.6	17.4	11.8	12.4
2010	19.7	19.4	11.3	13.7
2011	19.1	20.9	10.6	14.4
2012	19.7	22.4	10.7	14.1
2013	19.1	20.6	10.1	15.2
2014	18.1	21.5	10.4	15
2015	17.8	18.8	10.1	16.5
2016	17.4	18.1	10.3	12.9
2017	15.6	18.4	9.1	10
2018	15	14	8.5	11.4
2019	14.7	16.8	8.9	10.3
2020	23.6	18.1	18.2	17.6
2021	16	12.3	12.1	13.5

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)

APPENDIX E

Monthly Youth (15-24) Unemployment Rates

Labour force characteristics	Geography 4	January 2022	February 2022	March 2022	April 2022
	Canada	13.6	10.9	9.8	10.1
Unemployment rate 5	New Brunswick	19.6	14.6	8.8	11.9

Source: Statistics Canada, Table 14-10-0287-03, Labour force characteristics by province, monthly, seasonally adjusted.