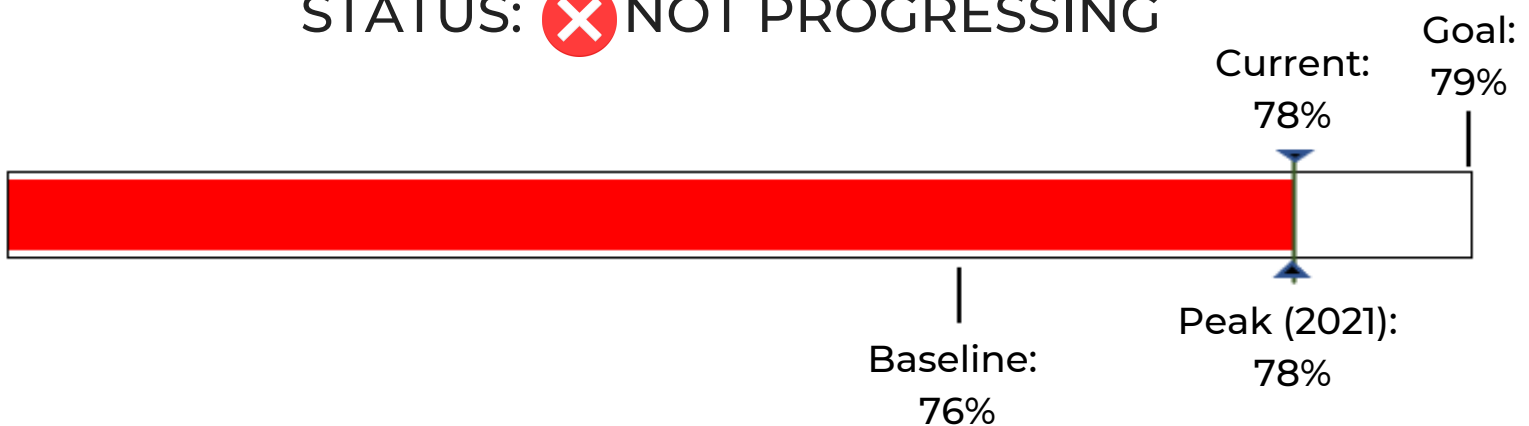




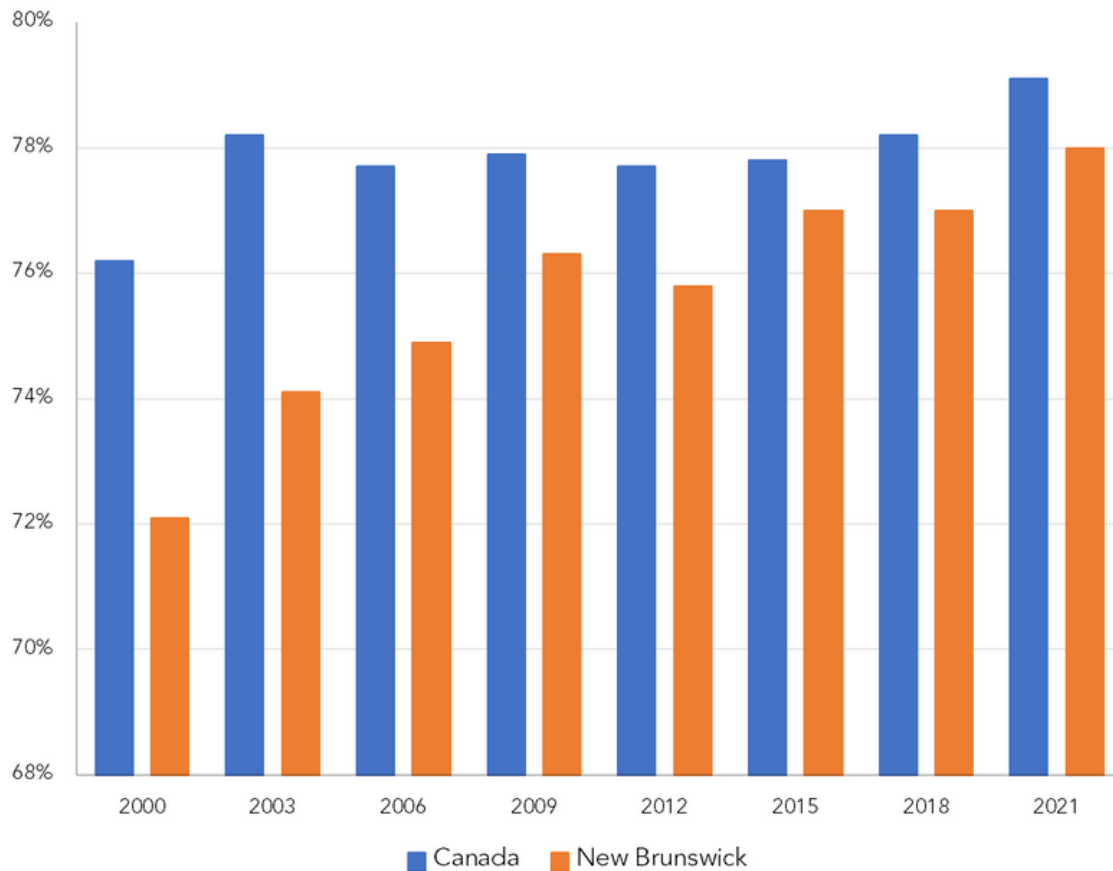
LABOUR FORCE PARTICIPATION RATE

STATUS:  NOT PROGRESSING



New Brunswick will have a labour force participation rate equal to or higher than the national rate by 2028.

Figure 1: Canada vs. New Brunswick Labour Force Participation Rate



(See full data in Appendix A)

HIGHLIGHTS

- New Brunswick had a participation rate 1.1% lower than the Canadian average in 2021. Over the past ten years, this number has been an average of 1.3%.
- New Brunswick's labour force is significantly older than Canada's as a whole. Those aged 45-64 make up the largest portion of the labour force in New Brunswick but across Canada, the 25-44 age group is the largest.
- Since 2019 New Brunswickers in the age group of 15-24 years have participated at a significantly higher rate than Canada as a whole, but those aged 45-64 continue to display much lower participation rates than their cohort across Canada.

OVERVIEW

Importance

The labour force participation rate refers to the percentage of the population that is currently working or actively seeking employment. Increasing labour force participation could introduce more permanent workers into New Brunswick's labour market while increasing overall employment rates for the province.

Problem

Currently, New Brunswick's labour force participation rate is below the national average and has been for decades.

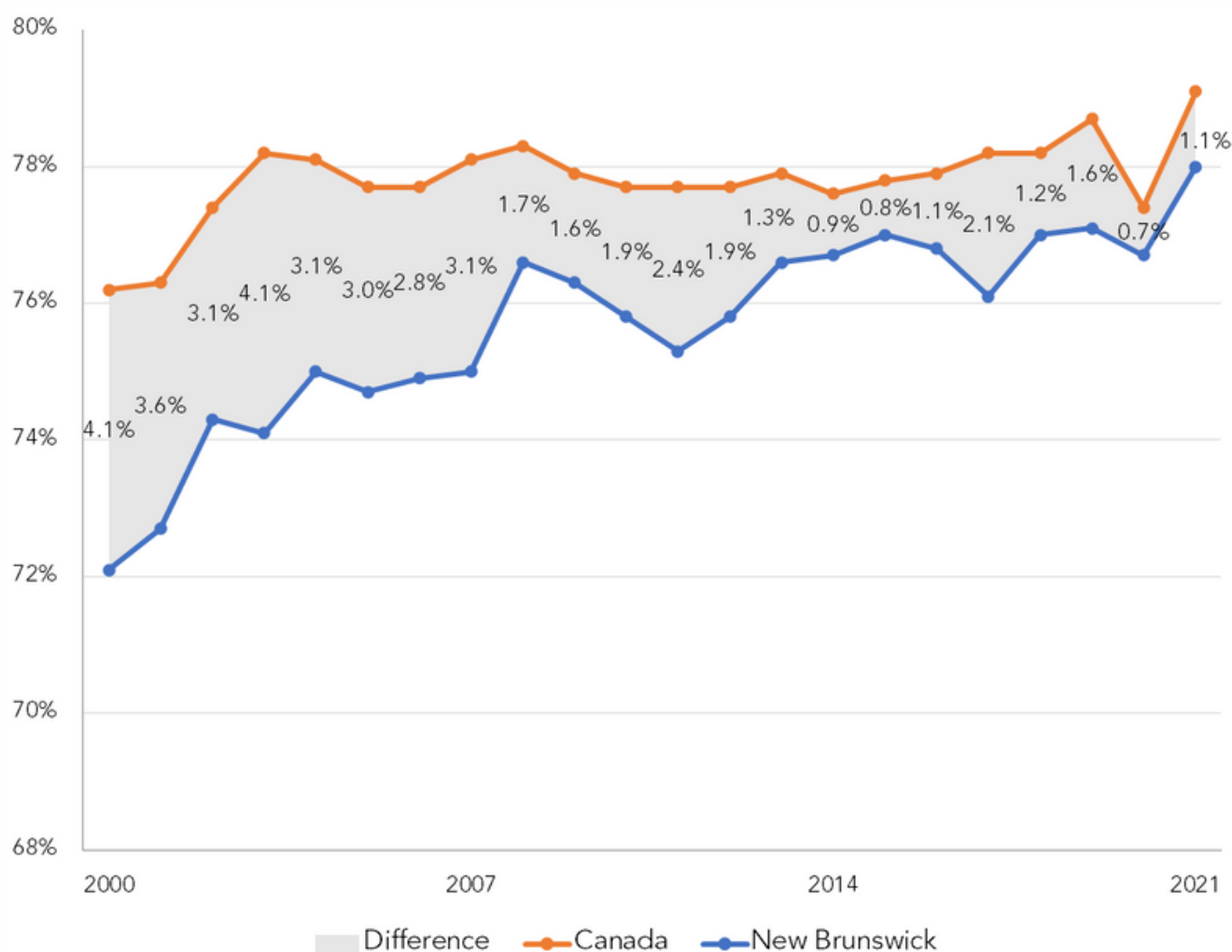
Cause

The participation rate refers to the active portion of an economy's labour force. Since it applies 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 a discouraging workforce and an aging population New Brunswick's participation rate has not grown at the same rate as the rest of the country. New Brunswick's participation rate when increasing, appears higher because of a shrinking working-age population.

IN THE NUMBERS

The labour force participation rate in New Brunswick was increasing and growing closer to the national average from 2000 until the 2008 recession when the gap increased until 2011. Afterward, the gap narrowed until 2015. There have since been small fluctuations but overall very little sustained change. Both the national and provincial labour force participation rates dropped in 2020 and resulted in a 0.7% net difference, which is the smallest gap seen since 2015 but these gains were largely lost as 2021 saw a gap of 1.1%.

Figure 2: Canada vs. New Brunswick Labour Force Participation Rate with Difference

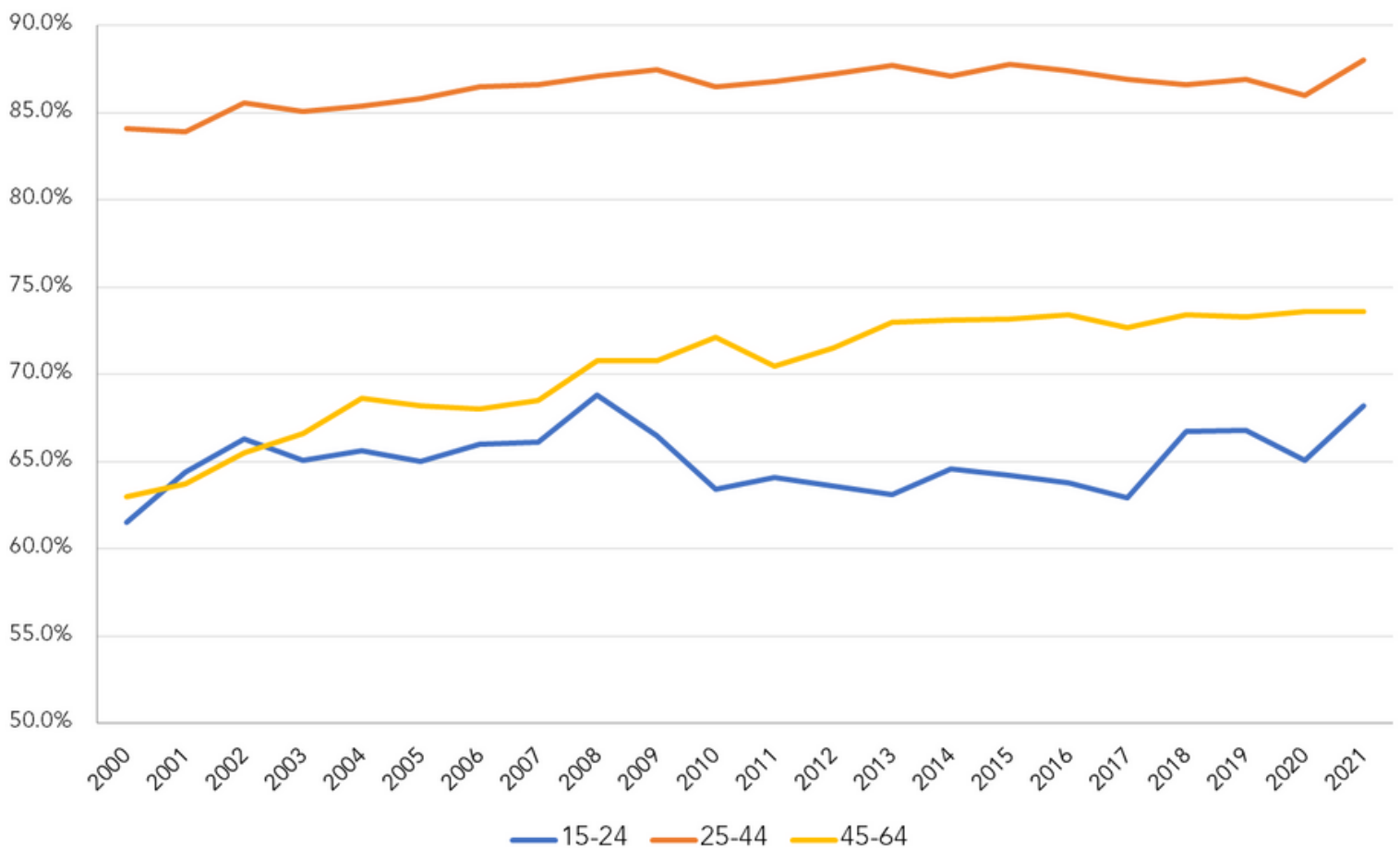


(See full data in Appendix A)

A CLOSER LOOK

In New Brunswick, participation rates in every age group have seen an increase since 2000 but to varying degrees. Labour force participation rates among people aged 25-44 have remained fairly consistent, with an overall rise since 2000 from 84% to 88%. Those aged 15-24 reached 68% in 2021, nearing their high of 69% set in 2008, while rates for people aged 45-64 have seen a significant upward trend since 2000, increasing from 63% to 74% although this number has remained essentially unchanged for much of the last decade.

Figure 3: New Brunswick Labour Force Participation by Age Group



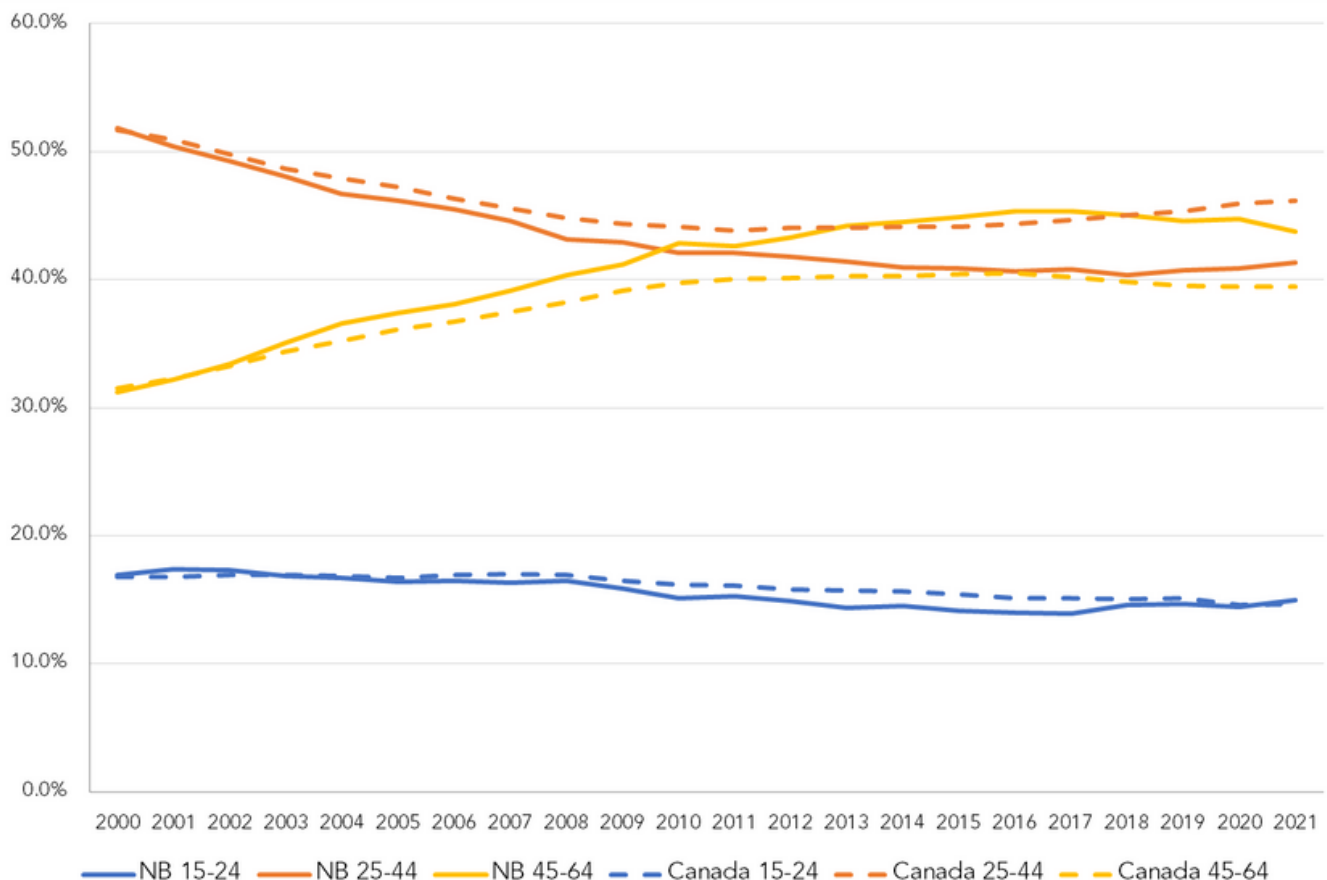
(See full data in Appendix B)

A CLOSER LOOK

Comparing to Canada

The following figure show the composition of the labour force by age group for New Brunswick and Canada. As can be seen, the declining percentage of young people (15-24) is not an issue only in New Brunswick but for all of Canada. Canada is not as affected by an aging population in the same way as New Brunswick. New Brunswick's proportion of people aged 45-64 surpassed its percentage of people aged 25-44 in 2010, whereas Canada's percentage of people aged 25-44 began to increase again after the recession in 2008 (beginning in 2011), which kept this age group higher than the older population.

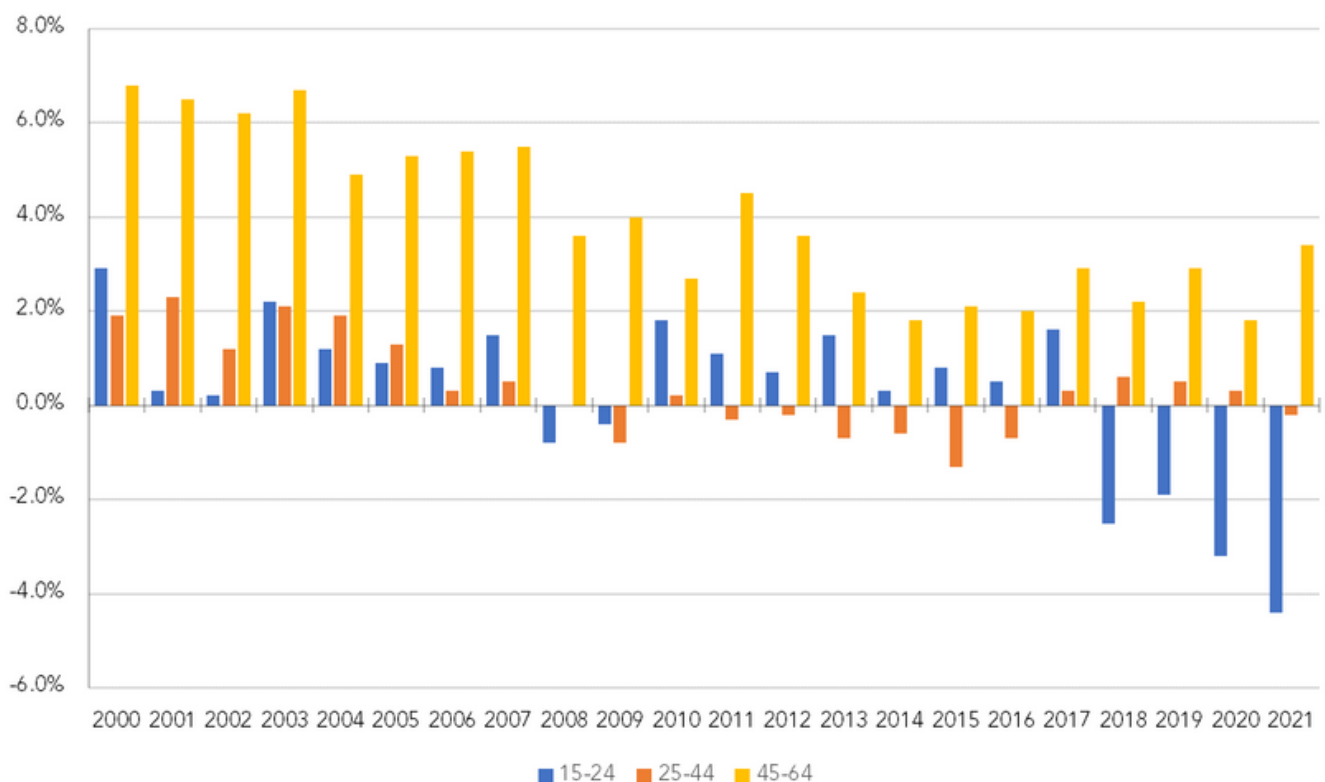
Figure 4: New Brunswick and Canada Labour Force Composition by Age Group



(See full data in Appendix C)

In the following figure, we can see when a decreasing young population began to affect New Brunswick the most. This graph shows the Canadian participation rate within an age group minus the New Brunswick rate, if the number is positive, it shows how far below national average Canada's rates are. The overall difference between Canada and New Brunswick's labour force participation rates has been decreasing since 2000, even becoming negative for people aged 15-44 for some time after the recession. However, from 2018 onward, New Brunswick had a substantial spike in labour force participation rates among people aged 15-24 due to its decrease in population compared to the rest of Canada. Overall, there is a net increase in the provincial participation rates, but it is important to note that some of this improvement should be attributed to a shrinking working-age population.

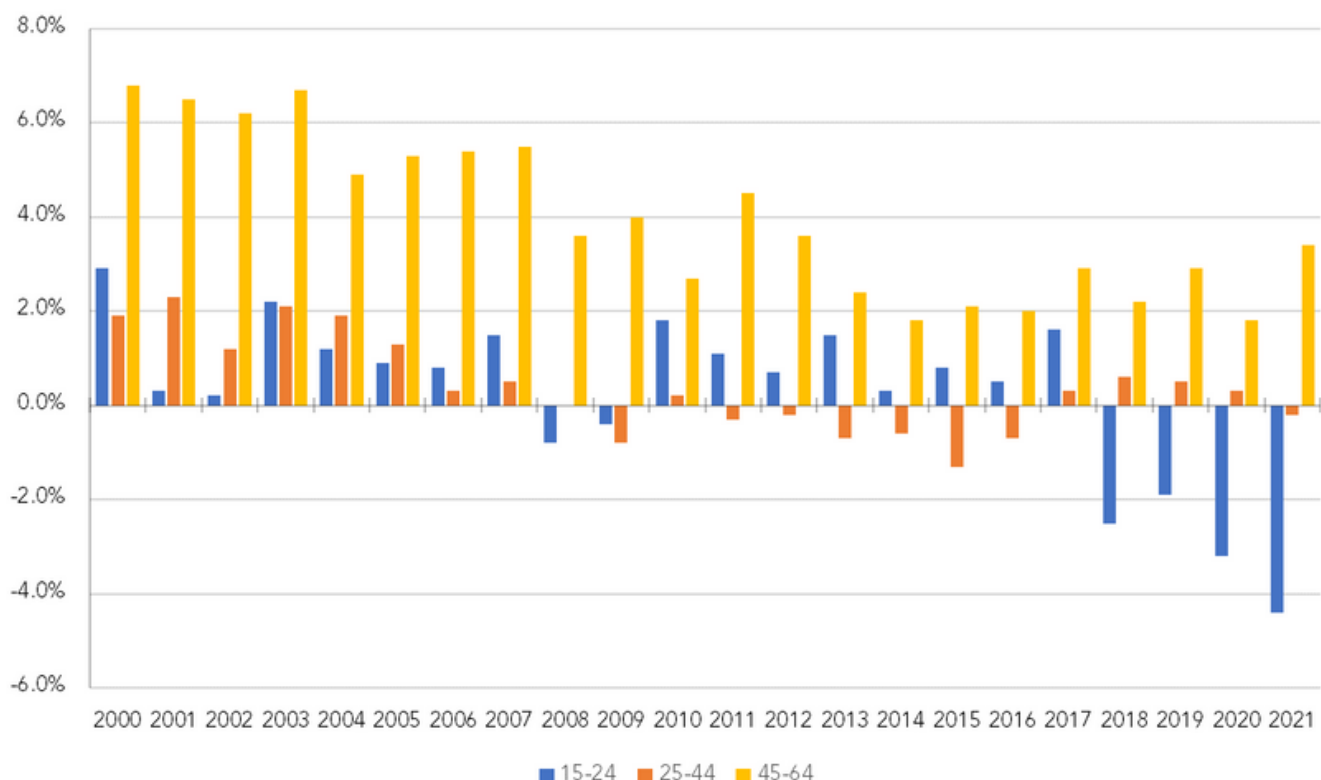
Figure 5: Difference Between New Brunswick's and Canada's Labour Force Participation Rates by Age Group



(See full data in Appendix D)

In the following figure, we can see when a decreasing young population began to affect New Brunswick the most. This graph shows the Canadian participation rate within an age group minus the New Brunswick rate, if the number is positive, it shows how far below national average Canada's rates are. The overall difference between Canada and New Brunswick's labour force participation rates has been decreasing since 2000, even becoming negative for people aged 15-44 for some time after the recession. However, from 2018 onward, New Brunswick had a substantial spike in labour force participation rates among people aged 15-24 due to its decrease in population compared to the rest of Canada. Overall, there is a net increase in the provincial participation rates, but it is important to note that some of this improvement should be attributed to a shrinking working-age population.

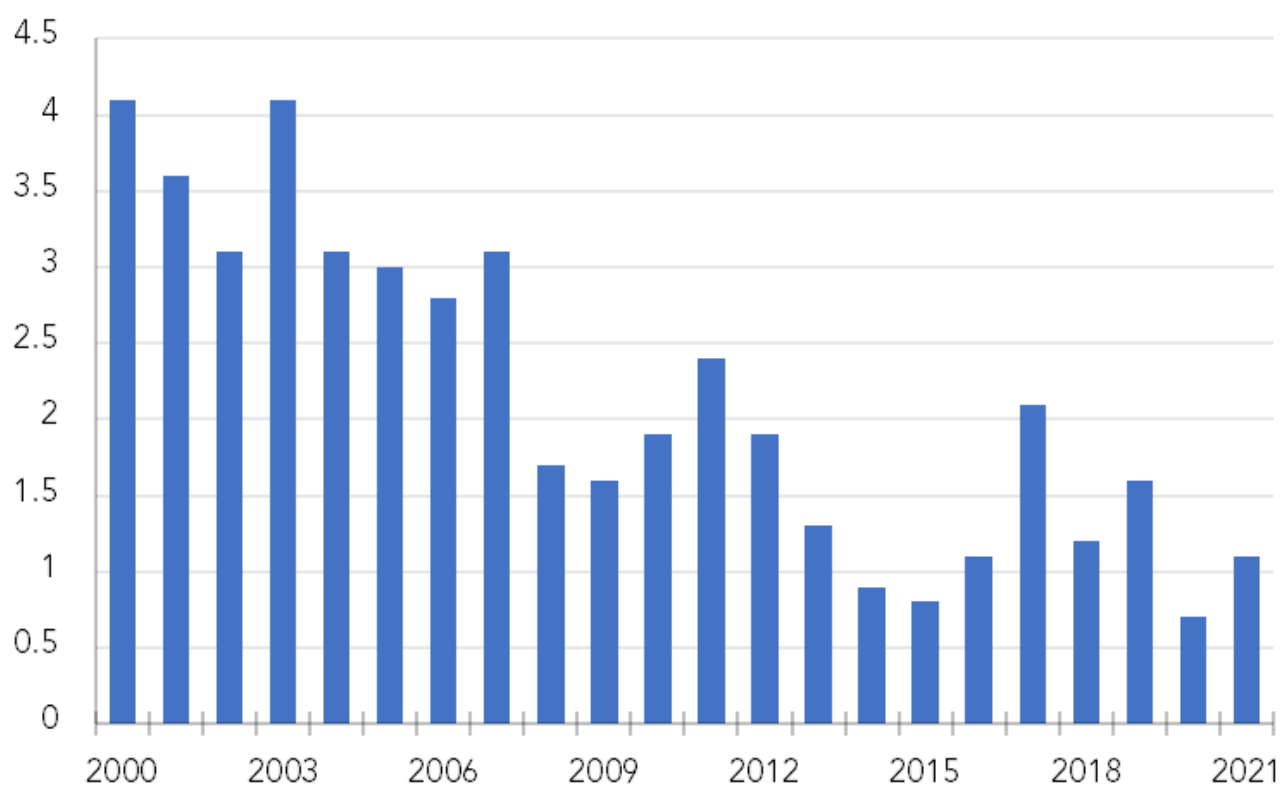
Figure 5: Difference Between New Brunswick's and Canada's Labour Force Participation Rates by Age Group



(See full data in Appendix D)

Without breaking the labour force down into age groups, New Brunswick's performance in relation to the nation is shown again in Figure 6. The decreasing values of the bars show an approach toward the national rate, but no progress since 2014.

Figure 6: Difference Between New Brunswick's and Canada's Labour Force Participation Rates, All Age Groups



(See full data in Appendix D)

SUMMARY

- New Brunswick's labour force participation rate had been trending positively towards reaching the national average rate since the 2000s but has not shown progress in the last number of years.
- This trend was not entirely positive because some of this was due to fewer working-age people in New Brunswick, which has negative effects on the economy.
- Even with the shrinking workforce, New Brunswick has only shown moderate progress since 2015 in its participation rates and has not been keeping pace with the national average, causing us to label the goal as not progressing.

APPENDIX A

New Brunswick and Canada's Labour Force Participation Rate

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%	74.9%	2.8%
2007	78.1%	75.0%	3.1%
2008	78.3%	76.6%	1.7%
2009	77.9%	76.3%	1.6%
2010	77.7%	75.8%	1.9%
2011	77.7%	75.3%	2.4%
2012	77.7%	75.8%	1.9%
2013	77.9%	76.6%	1.3%
2014	77.6%	76.7%	0.9%
2015	77.8%	77.0%	0.8%
2016	77.9%	76.8%	1.1%
2017	78.2%	76.1%	2.1%
2018	78.2%	77.0%	1.2%
2019	78.7%	77.1%	1.6%
2020	77.4%	76.7%	0.7%
2021	79.1%	78.0%	1.1%

Source: Derived from Statistics Canada, Table: 14-10-0327-01

APPENDIX B

New Brunswick Labour Force Participation Rates by Age

Year	15-24	25-44	45-64
2000	61.5%	84.1%	63.0%
2001	64.4%	83.9%	63.7%
2002	66.3%	85.6%	65.5%
2003	65.1%	85.1%	66.6%
2004	65.6%	85.4%	68.6%
2005	65.0%	85.8%	68.2%
2006	66.0%	86.5%	68.0%
2007	66.1%	86.6%	68.5%
2008	68.8%	87.1%	70.8%
2009	66.5%	87.5%	70.8%
2010	63.4%	86.5%	72.1%
2011	64.1%	86.8%	70.5%
2012	63.6%	87.2%	71.5%
2013	63.1%	87.7%	73.0%
2014	64.6%	87.1%	73.1%
2015	64.2%	87.8%	73.2%
2016	63.8%	87.4%	73.4%
2017	62.9%	86.9%	72.7%
2018	66.7%	86.6%	73.4%
2019	66.8%	86.9%	73.3%
2020	65.1%	86.0%	73.6%
2021	68.2%	88.0%	73.6%

Source: Derived from Statistics Canada, Table: 14-10-0327-01

APPENDIX C

New Brunswick Labour Force Composition by Age Group

Year	15-24	25-44	45-64
2000	17.0%	51.8%	31.2%
2001	17.4%	50.4%	32.2%
2002	17.3%	49.3%	33.4%
2003	16.9%	48.1%	35.1%
2004	16.7%	46.7%	36.6%
2005	16.4%	46.1%	37.4%
2006	16.5%	45.5%	38.1%
2007	16.3%	44.6%	39.1%
2008	16.5%	43.2%	40.4%
2009	15.9%	42.9%	41.2%
2010	15.1%	42.1%	42.9%
2011	15.3%	42.1%	42.6%
2012	14.9%	41.8%	43.3%
2013	14.4%	41.4%	44.2%
2014	14.5%	41.0%	44.5%
2015	14.2%	40.9%	44.9%
2016	14.0%	40.7%	45.3%
2017	13.9%	40.8%	45.3%
2018	14.6%	40.4%	45.1%
2019	14.7%	40.8%	44.6%
2020	14.4%	40.9%	44.7%
2021	14.9%	41.3%	43.7%

Source: Derived from Statistics Canada, Table: 14-10-0327-01

APPENDIX D

Difference Between New Brunswick's and Canada's Labour Force Participation Rates by Age Group

Year	15-24	25-44	45-64	15-64
2000	2.9%	1.9%	6.8%	4.1%
2001	0.3%	2.3%	6.5%	3.6%
2002	0.2%	1.2%	6.2%	3.1%
2003	2.2%	2.1%	6.7%	4.1%
2004	1.2%	1.9%	4.9%	3.1%
2005	0.9%	1.3%	5.3%	3.0%
2006	0.8%	0.3%	5.4%	2.8%
2007	1.5%	0.5%	5.5%	3.1%
2008	-0.8%	0.0%	3.6%	1.7%
2009	-0.4%	-0.8%	4.0%	1.6%
2010	1.8%	0.2%	2.7%	1.9%
2011	1.1%	-0.3%	4.5%	2.4%
2012	0.7%	-0.2%	3.6%	1.9%
2013	1.5%	-0.7%	2.4%	1.3%
2014	0.3%	-0.6%	1.8%	0.9%
2015	0.8%	-1.3%	2.1%	0.8%
2016	0.5%	-0.7%	2.0%	1.1%
2017	1.6%	0.3%	2.9%	2.1%
2018	-2.5%	0.6%	2.2%	1.2%
2019	-1.9%	0.5%	2.9%	1.6%
2020	-3.2%	0.3%	1.8%	0.7%
2021	-4.4%	-0.2%	3.4%	1.1%

Source: Derived from Statistics Canada, Table: 14-10-0327-01

Note: Results from the Labour Force Survey are estimates and therefore will not necessarily match up with other numbers (i.e. annual population data).