

highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **British Columbia's all-items consumer price index (CPI) was 2.5% higher in May than the same month in 2000.** This was the biggest year-over-year increase since January, but compared to the rest of the country, the May inflation rate was the lowest of all the provinces. Prices increased all across the country, with the largest rises recorded in Alberta (+5.7%) and Ontario (+4.2%). Nationally, the CPI jumped 3.9%.

Source: Statistics Canada

- **Higher energy costs pushed up inflation across the country.** The national CPI for energy rose 16.0% in May year-over-year, slightly more than the BC increase of 13.1%. Energy costs in the province were pushed up largely by the price of natural gas which continued to rise strongly (+54.0%), although fuel oil and other fuels (+5.9%) and gasoline (+7.9%) also contributed to the increase. Electricity prices however, were almost flat (+0.4%) as the BC Hydro rate freeze continued to have an impact.

Inflation in BC was also driven by increased prices in almost all of the major components of the CPI. Food prices rose 4.4% as the cost of fresh fruit (+15.8%) and vegetables (+15.2%) increased. Rises in the price of both owned (+1.5%) and rented (+1.0%) accommodation, resulted in a 1.0% jump in the cost of shelter. Other areas to experience price inflation included health and personal care (+2.4%), alcohol, beverages and tobacco (+2.1%), transportation (+1.6%), recreation, education and reading (+1.5%). These increases were partly offset by reduced prices of clothing and footwear (-0.3%).

Source: Statistics Canada

- **The number of new motor vehicles sold in BC and the north rose 3.3% (seasonally adjusted) between March and April.** The actual number of

units sold was 14,093. April was the second consecutive month to see an increase. Sales rose in all parts of the country except Newfoundland where there was a small (-0.4%) drop. The largest rises were seen in Manitoba (+16.6%) and New Brunswick (+11.8%). Nationally, sales were up 5.9%, the greatest monthly increase since December 1999.

Source: Statistics Canada

Public Sector Employment

- **The number of public sector jobs in the province increased slightly (+0.5%) to 352,105 in 2000.** Employment decreased in the local (-0.4%) sector, but this was more than offset by gains in the number of people working in both the federal (+1.5%) and provincial (+1.2%) government sectors. The increase in provincial government employment was due to more workers in all three major areas: government ministries and agencies (+1.8%), universities and colleges (+1.3%), and health and social services (+0.8%). However, federal, provincial and local crown corporations (-1.2%) in BC decreased the size of their workforce in 2000.

Source: Statistics Canada

- **The number of public sector jobs per 1,000 population remained unchanged in BC last year.** There were 87 employees per 1,000 population, the same number as in 1998 and 1999. Along with BC, Ontario (83) and Alberta (89) were the only provinces where the public sector employment rate was below the Canadian average (92) in 2000. The highest employment to population ratios were found in Manitoba (122), PEI (118) and Saskatchewan (111).

Source: Statistics Canada

Public Sector Revenue & Expenditure

- **Financial Management System (FMS) statistics indicate that BC's provincial general government registered a \$681 million surplus in the 2000-2001 fiscal year.** This was the third

Did you know...

In 1998-99, 122 per 100,000 youths (age 15-19) were admitted to custody in BC. This was an 11% reduction from the previous year and lower than the national rate of 164 per 100,000.

largest of the provinces and territories, behind Alberta (\$7.8 billion) and Quebec (\$2.4 billion). The surplus was due in part to increased royalties from natural resources, which boosted investment income in the province. Oil and gas royalties in 2000/01 reached \$1.8 billion, up 166.0%, and water royalties rose \$609 million. Local government in the province posted a \$5 million deficit on an FMS basis.

Source: Statistics Canada

FMS statistics are compiled from public accounts and estimates reported by the 3 levels of government. The data have been restated to conform to Statistics Canada's definitions of the government sector.

Housing

- **New housing prices in BC's largest city continued to decline in April.** The cost of new housing in Vancouver fell to 0.2% below the April 2000 level, continuing the downward trend which began in June 1994. The decrease occurred as a drop in the cost of contractor's selling prices for housing (-0.3%) offset unchanged land prices. The price of land in Vancouver has been falling each month (year-over-year) since June 1994. New housing in Victoria increased (+0.1%) for the second consecutive month, halting the declining trend seen in the city since May 1994.

Of the 21 urban centres surveyed in Canada, only 4 saw a fall in the cost of new housing in April. The largest decrease was in the Sudbury-Thunder Bay area (-1.7%), followed by Saint John-Moncton-Fredericton (-1.5%), and Windsor (-0.1%). The largest increase occurred in Ottawa-Hull (+15.0%). Nationally, the cost of new housing rose 2.7% compared to the previous year.

Source: Statistics Canada

Education

- **The number of children estimated to have enrolled in BC's elementary/secondary schools increased from 636,215 in 1999-2000, to 646,160 in the present academic year.** Along with the rise in enrolments, the number of elementary/secondary schools in the province expanded by 31 to 2,134 over the period. Enrolments in pre-elementary schools also increased slightly from 48,618 to 48,669. The number of full-time elementary and secondary teachers increased by 510 to 34,895. Total education expenditure is estimated to have risen 3.5% to \$8.6 billion in 2000-2001,

with increased revenue from all sources except the federal government. Most (60%) is spent on elementary/secondary education, with a further 19% spent on universities, 15% on trade or vocational schools, and 7% on community colleges.

Source: SC, Catalogue 81-003

Youth Delinquency

- **BC children, aged 12 and 13, are less likely to have been involved in delinquent acts involving property than children in other regions of the country.** Self-reported data, collected in 1994-95 and 1996-97, as part of the National Longitudinal Survey of Children and Youth, showed that 69% of children in BC reported no delinquent behaviour towards property, while 32% admitted to some or a lot of delinquent acts. The highest level of delinquency towards property was reported in the prairie provinces (39%). Children living in the prairies were also the most likely to self-report acts of aggressive behaviour (53%), compared to 40% of BC's 12 and 13 year olds. Quebec youths reported the lowest level of aggressive behaviour (32%).

Source: SC, Catalogue 85-002

Industrial Capacity Use

- **Canadian goods-producing industries operated at 84.1% of their full capacity in the first quarter of this year, down one percentage point on the previous quarter.** The decline was partly due to a strong contraction in the telecommunications equipment industry, but lower rates were also seen across many other industries, including logging and forestry, and electric power and gas distribution systems. The fall in the first quarter of this year marked the third consecutive decrease in production capacity, reducing levels to their lowest point since the second quarter of 1999.

Source: Statistics Canada

highlights, Issue 01-24
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Infoline Report: B.C. Labour Market Update for Youth Aged 15 to 24

Contact: Stephen Pal, Min. of Advanced Education, Training and Technology (250) 952-6111
 Originally published in April 2001 issue, *Labour Force Statistics* Annual subscription \$60 plus GST

Introduction

Youth labour market conditions between mid-1998 and the present have generally shown some improvements. Employment has been rising and the unemployment rate has been falling. Yet this recent improvement followed a period between early-1995 and mid-1998 where the B.C. youth labour market saw considerable challenges. Examination of labour market changes and conditions between younger youth and older youth by student status highlights some notable differences, and provides a better understanding of the aggregate youth labour market data.

Overall Youth Labour Market Conditions

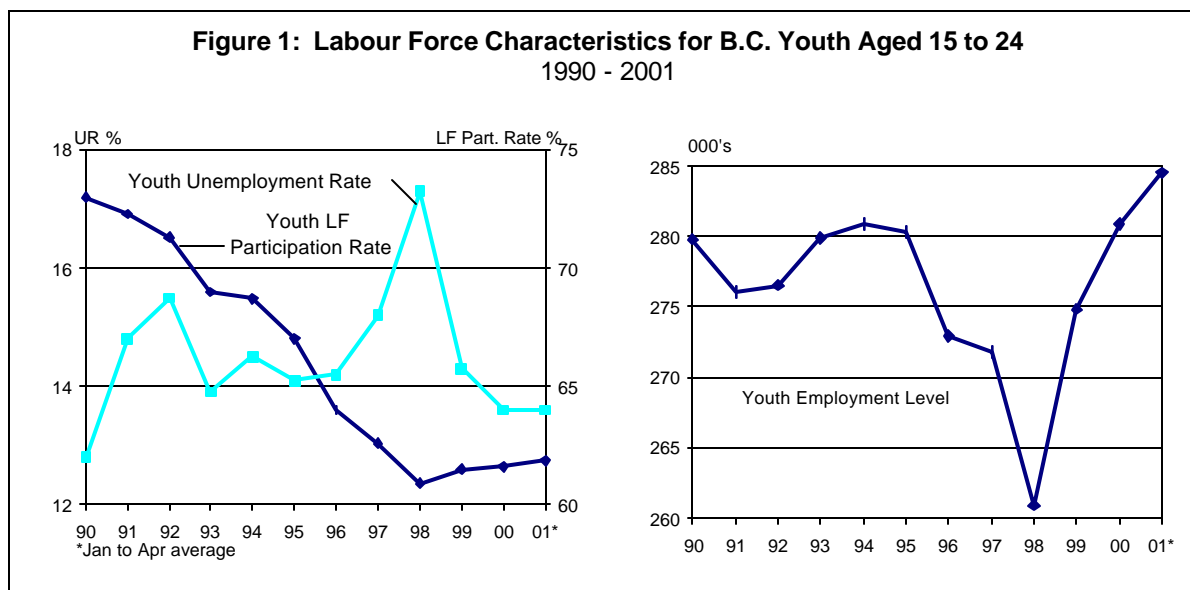
Figure 1 displays the annual unemployment rate, labour force participation rate and employment by B.C. youth. From early-1997 to mid-1998, B.C. youth labour market conditions deteriorated considerably as employment levels fell by some 27,000 and unemployment rates rose from just under 14 per cent to a peak of 19.4 per cent. This rise in the youth unemployment rate was of particular concern since it occurred in an environ-

ment where the proportion of youth participating in the active labour force was falling.

Since mid-1998, youth labour market conditions in B.C. have improved considerably. Employment levels have risen by almost 34,000, while the unemployment rate has dropped to 13.0 per cent in April 2001.

The fall in the B.C. youth labour force participation rate seen during most of the 1990s halted in mid-1998. Since then it has shown some modest growth, but remains well below levels seen in the mid-1990s.

Part of the decline in the overall youth labour force participation rate since the mid-1990s is due to structural and compositional changes in the youth population. Structurally, the proportion of B.C. youth who are engaged in schooling (either secondary or post-secondary) has risen. Students, especially full-time students, are less likely to be in the labour force than non-students. Compositionally, the proportion of the overall youth population who are younger (aged 15 to 19) is



higher today than in 1995 due to the demographic impact of the baby echo generation who are now entering their mid-teens.

Yet much of the overall drop in youth labour force participation appears to be due to worsening youth labour market conditions at the end of the 1990s compared to the start. As we will examine below, labour force participation rates fell for non-students and students alike, for both younger youth aged 15 to 19 and older youth aged 20 to 24.

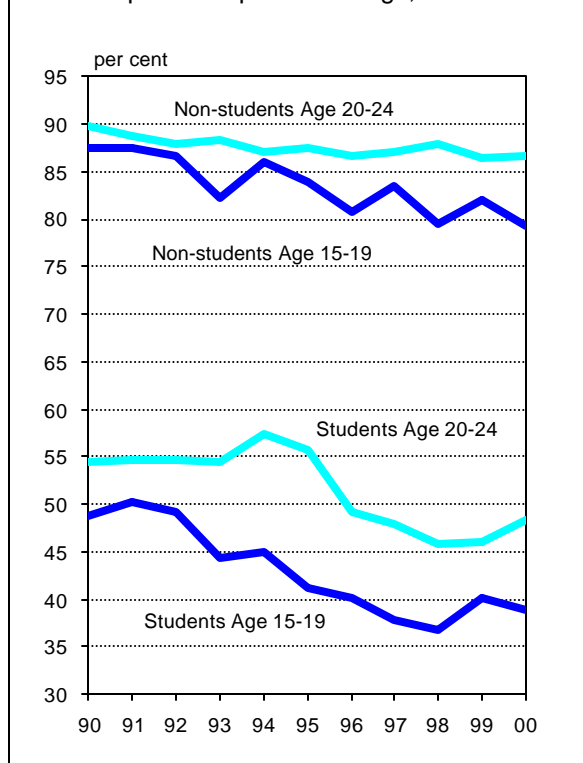
Labour Force Participation by Student Status for Younger and Older Youth

Figure 2 shows labour force participation rates for youth sub-groups taken during the main school year (January-April and September-December). By the year 2000, student and non-student youth, both those aged 15-19 and 20-24, had lower labour force participation rates than the early-1990s. Clearly the decline in the overall youth labour force participation rate noted earlier in Figure 1, was driven by more than just the structural impact of increased youth schooling participation and the age compositional change.

For non-student youth overall, the decline in their labour force participation suggests they continue to face labour market challenges. The percentage of youth aged 15 to 19, who are not in school and neither employed nor actively looking for work has increased from 12.6 per cent in 1990 to 20.7 per cent in 2000. The participation rate in the labour force for older non-student youth aged 20-24 has remained fairly stable since the mid-1990s.

Student youth have seen some improvement in their labour force participation since 1998, but continue to have much lower labour force participation than non-students.

Figure 2: B.C. Youth Labour Force Participation Rates
Jan-Apr and Sep-Dec Average, 1990-2000



Unemployment Rates by Student Status for Younger and Older Youth

Figure 3 shows unemployment rates for four youth sub-groups taken during the main school year (January-April and September-December).

Non-student youth represent just 17 per cent of the 265,000 youth aged 15 to 19 in B.C. Of these 46,000 individuals, about 6,000 were unemployed in 2000. Unemployment rates for this group have been improving the most in recent years, falling from 25 per cent in 1998 to around 17 per cent in 2000, yet their unemployment rates remain well above any of the other three sub-groups. About one in five individuals in this sub-group were neither in school nor in the work force in 2000.

Non-students represent the largest segment of the older youth cohort aged 20-24 at 63 per cent. Their unemployment rates have remained steady throughout most of the 1990s at just under 15 per cent, but have shifted down to the 12 per cent range in 1999 and 2000.

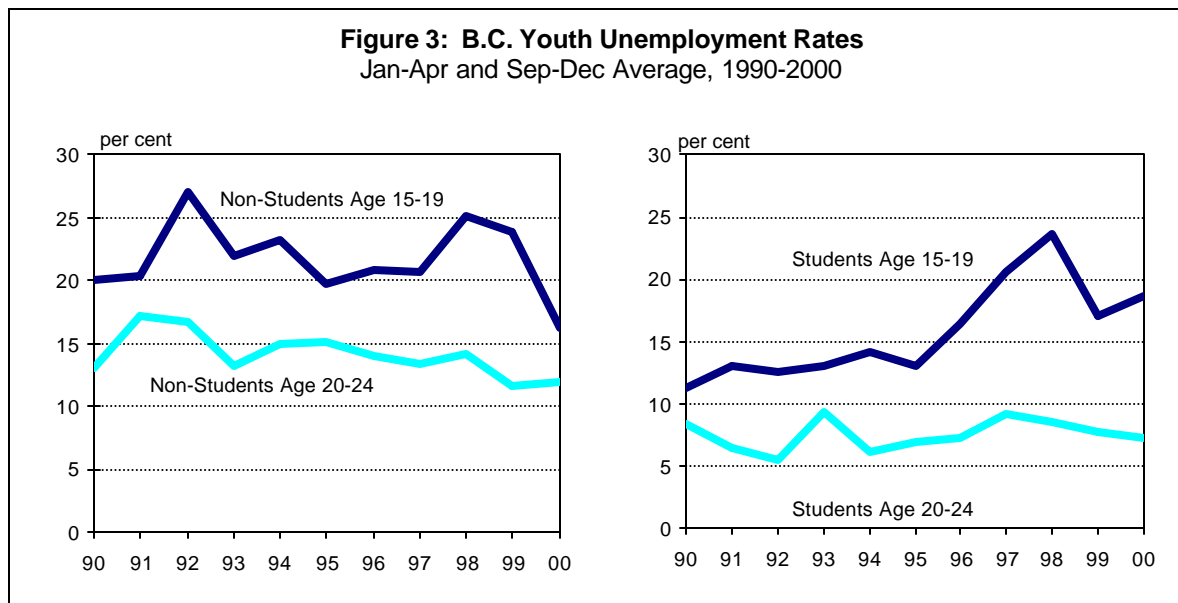
Students are understandably the largest segment of the 15-19 year old group representing almost 83 per cent of this age cohort. About two fifths of these students participate in the labour force during the school year, but their unemployment rates have remained high in the last few years.

Students aged 20-24 have the lowest unemployment rates of the four groups, remaining below 10 per cent throughout the 1990s and declining to 7.2 per cent in 2000. About half of all older students are in the labour force during the school year, and they enjoy the highest employment rate of all youth.

The recent "improvements" in youth unemployment rates for these four sub-groups of B.C. youth must be tempered when considered in light of how their labour force participation rates have decayed since 1990.

Youth Across Canada

Figure 4 shows a comparison of overall labour force participation and unemployment rates for youth by province for the year 2000 compared to 1990. As with Figures 2 and 3 the data are averages of the main schooling months (January-April and September-December). For context, the proportion of youth engaged in schooling by province is also included in Figure 4. Youth unemployment rates for Canada overall changed very little when comparing 1990 to 2000, and remained in the double digits. On a provincial basis, youth unemployment rates increased in half the provinces and decreased in the other half over this time period. However, during the same period, the proportion of youth participating in the labour force declined in all provinces except P.E.I. Labour force participation rates fell the most in Ontario, Quebec and B.C. with B.C.'s youth labour force participation rate declining over 11.4 percentage points between 1990 and 2000, compared to an average drop of 5.3 percentage points for Canada overall.





Differences in provincial declines in youth labour force participation can be explained in part by looking at the proportion of youth who are engaged in school by province. Students, as seen in Figure 2, are less likely to participate in the labour force than non-students. Looking at schooling participation in Figure 4, there has been an increase in the proportion of youth who were engaged in school over the last ten years in every province in Canada. The four provinces that had the greatest increase in schooling participation were B.C., Newfoundland, Ontario, and Quebec. Canada's three largest provinces experienced the largest drops in labour force participation while Newfoundland continued to have the lowest youth labour force participation rate of all provinces.

Ontario continued to see the highest youth participation in schooling, in part due to their Grade 13 system (which ends this June). Most of the rise in schooling participation in all provinces over the period was due to the rise in post-secondary participation by 18 to 24 year olds.

Figure 4: Labour Force Characteristics of Youth Aged 15-24 by Province

	<i>Unemployment Rate</i>		<i>LF Participation rate</i>		<i>Proportion of Youth in School</i>		
	1990	2000	1990	2000	1990	2000	Change
Canada	12.4%	12.6%	69.7%	64.4%	53.0%	60.4%	7.4
Newfoundland	24.6%	25.7%	50.5%	47.8%	51.8%	62.3%	10.5
Prince Edward Island	18.7%	14.7%	68.0%	68.7%	50.8%	57.1%	6.3
Nova Scotia	15.3%	15.6%	65.2%	62.8%	54.6%	61.9%	7.3
New Brunswick	18.9%	15.8%	61.6%	61.3%	50.7%	56.1%	5.3
Quebec	14.7%	13.9%	66.0%	61.1%	53.1%	60.8%	7.7
Ontario	10.0%	11.8%	72.9%	66.1%	55.8%	63.4%	7.6
Manitoba	12.6%	9.3%	72.9%	71.6%	50.0%	54.6%	4.6
Saskatchewan	11.9%	10.6%	67.6%	66.2%	52.1%	55.8%	3.8
Alberta	10.5%	10.7%	72.0%	70.3%	48.5%	53.5%	5.0
British Columbia	12.8%	13.6%	73.0%	61.6%	48.6%	59.9%	11.3

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BC at a glance . . .		
POPULATION (thousands)	Jan 1/01	% change on one year ago
BC	4,077.4	0.7
Canada	30,714.7	0.9
GDP and INCOME	1999	% change on one year ago
<i>(BC - at market prices)</i>		
Gross Domestic Product (GDP) (\$ millions)	118,783	4.2
GDP (\$ 1992 millions)	104,323	2.1
GDP (\$ 1992 per Capita)	25,899	1.3
Personal Disposable Income (\$ 1992 per Capita)	16,700	0.0
TRADE (\$ millions)		
Manufacturing Shipments (seas. adj.) Dec	3,155	-4.9
Merchandise Exports (raw) Mar	2,973	9.5
Retail Sales (seasonally adjusted) Mar	3,099	5.8
CONSUMER PRICE INDEX	May '01	% change on one year ago
<i>(all items - 1992=100)</i>		
BC	115.6	2.5
Canada	117.4	3.9
LABOUR FORCE (thousands)	May '01	% change on one year ago
<i>(seasonally adjusted)</i>		
Labour Force - BC	2,118	1.0
Employed - BC	1,974	1.2
Unemployed - BC	144	-0.7
		May '00
Unemployment Rate - BC (percent)	6.8	6.9
Unemployment Rate - Canada (percent)	7.0	6.7
INTEREST RATES (percent)	June 13/01	June 14/00
Prime Business Rate	6.25	7.50
Conventional Mortgages - 1 year	6.70	8.10
- 5 year	7.75	8.45
US/CANADA EXCHANGE RATE	June 13/01	June 14/00
<i>(avg. noon spot rate)</i> Cdn \$	1.5181	1.4694
US \$ <i>(reciprocal of the closing rate)</i>	0.6597	0.6813
AVERAGE WEEKLY WAGE RATE	May '01	% change on one year ago
<i>(industrial aggregate - dollars)</i>		
BC	649.78	2.2
Canada	635.08	3.8
SOURCES:		
Population, Gross Domestic Product, Trade,	} Statistics	
Prices, Labour Force, Wage Rate		} Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics		
For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm		

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- Labour Force Statistics, May 2001

Next week

- Consumer Price Index, May 2001
- Immigration Highlights, First Quarter 2001