

## highlights

a weekly digest of recently released British Columbia statistics

### *The Economy*

- **Wages, salaries and benefits earned by BC workers rose modestly (+0.2%, seasonally adjusted) in the second quarter.** Nationally, labour income was up 1.2%, led by strong gains in Alberta (+1.7%), Ontario (+1.5%) and Quebec (+1.2%). Workers in NWT/Nunavut (+3.0%) also saw their pay packets increase substantially. Yukon (-2.9%), PEI (0.0%) and Saskatchewan (+0.1%) were the only regions where labour income was flat or declined in the second quarter.

*Source: Statistics Canada*

- **The number of Employment Insurance (EI) recipients in the province increased 1.9% (seasonally adjusted) between May and June, rising to 65,770.** Nationally, the number of EI recipients dropped 0.5%, with declines posted in every region except BC, the North, and Atlantic Canada, where Nova Scotia (-1.1%) was the only province with fewer EI recipients in June than in the previous month.

*Source: Statistics Canada*

- **Food service and drinking places in BC had a slow month in June, with receipts edging down 0.1% (seasonally adjusted) from the May level.** The decline in receipts was the fourth in the last six months. Receipts at drinking places continued to slump, dropping 2.6% after declining 2.9% in May and 8.0% in April. Restaurants and other food services providers fared somewhat better, with revenues remaining unchanged between May and June. Nationally, the trend was more positive, with overall receipts rising 1.0% despite a drop (-1.5%) in revenues at drinking places. Food service revenues were up 1.2% from May.

*Source: Statistics Canada & BC STATS*

### *Agriculture*

- **Cash receipts from farming operations in the province edged up 0.5% in the second quarter (relative to the same period last year).** Livestock receipts were weak (-4.7%), reflecting substantial declines in revenues from sales of cattle (-11.5%) and turkeys (-16.5%). Crop producers (+5.3%) fared much better, largely because sales of strawberries (+24.4%) and other berries and grapes (+12.4%) rose sharply. However, receipts from apple sales (-15.8%) continued a two-year-long tumble, while producers of other tree fruits saw sales drop 19.2%. The Canadian farm sector continued to reel from the effects of bad weather conditions during the 2001 growing season. Crop receipts (-0.7%) dropped to a seven-year low, while livestock receipts (-5.8%) fell after three consecutive years of increase. The extreme weather conditions this year—with parts of the prairies experiencing severe drought conditions while other regions suffered from flooding—will not be fully reflected in the crop receipt data until the third quarter. While prairie farmers have been watching their crops shrivel, feed shortages have forced some ranchers to sell off their livestock, flooding the market with cattle.

*Source: Statistics Canada data*

### *Liquor Sales*

- **The value of alcohol sales made by the Liquor Distribution Branch increased 3.9% in the second quarter, when compared to the same period last year.** Sales of spirits (+5.9%), wine (+3.2%), and beer (+2.6%) were all up from the second quarter of last year. Beer drinkers downed substantially more imported beer than they did a year earlier, with the value of sales increasing a hefty 17.3%. Most popular were German (+35.3%), American (+33.4%) and

**Did you know...**

**Flowers and nursery products accounted for \$401 million of the \$1.0 billion in crop receipts received by BC farmers in 2001.**

Mexican (+15.3%) beers, with sales increases that were well into the double digits.

*Source: Liquor Distribution Branch data*

**The Health of Off-Reserve Aboriginals**

- **In 2000/01, nearly a quarter (23%) of Aboriginal people living off reserve rated their health as either fair or poor, a level 1.9 times higher than for the non-Aboriginal population.** Sixty percent of the off-reserve Aboriginal population reported having at least one chronic condition. This compares to 50% of the non-Aboriginal population. Arthritis (26%), high blood pressure (15%) and diabetes (9%) are three conditions that are more common in the Aboriginal population than among non-Aboriginals. Some of the health problems may be related to lifestyle factors that are known to have an effect on health. More than half (51%) of Aboriginals living off-reserve were smokers, nearly double the rate for other Canadians. They were also twice as likely to be obese (25%, compared to 14%), and 23% were heavy drinkers, compared to 16% of the non-Aboriginal population. However, there was little difference in participation rates for leisure time physical activities between the Aboriginal and non-Aboriginal populations. In both cases, about 55% of the population was inactive.

*Source: Statistics Canada, Catalogue 82-0003*

**Unionization and Fringe Benefits**

- **In 1999, more than half of all Canadian employees were covered by a medical (57%), dental (53%) or life/disability insurance (53%) program.** About 43% were covered by an employer-sponsored pension plan. In general, unionized workers were twice as likely to have coverage as non-unionized workers were. Coverage differences were especially notable in the case of pension plans, with 80% of unionized workers, but just 27% of those in non-union jobs, having this benefit. While Americans were less likely to have dental coverage than Canadians (75% for unionized workers here, compared to 52% in the US), employer pension plans were more prevalent in the US (79%) than in Canada (72%). Among non-unionized workers, 44% of Americans, and 25% of Canadians, had employer-sponsored pension plans.

*Source: Statistics Canada, Catalogue 75-001-XIE*

**The Nation**

- **Operating profits of Canadian businesses increased 10.7% (seasonally adjusted) between the first and second quarters, as profits rose in most industries.** Manufacturers posted their third straight gain (+6.1%). Retail profits (+11.8%) were fueled by strong consumer spending while the transportation sector (+10.1%) rode on the back of strong activity in the goods industries and higher profits in the airline sector.

*Source: SC, The Daily*

- **Canada's economy advanced 1.1% (seasonally adjusted) in the second quarter, with GDP growth driven largely by domestic demand for goods and services (+0.9%).** Consumer spending posted strong gains for the third straight quarter (+0.7%) despite a slackening in purchases of durable goods (-0.2%). Business investment in fixed capital rose 1.9%, driven by purchases of machinery and equipment (+4.8%). Spending on residential structures slumped (-0.5%), ending a nearly year-long upsurge that saw increases as high as 7.9% in the first quarter of the year. Investment in non-residential structures (+0.1%) was also flat. Government spending on wages, salaries and other operating costs rose marginally (+0.3%), while investment in structures and machinery provided a substantial boost to the economy (+3.2%). The balance of trade fell to an annualized total of \$51.7 billion in the second quarter, down from a high of \$64.4 billion that was reached at the beginning of the year. Exports were up (+0.4%) for the second quarter in a row. At the same time, the value of goods and services imported into the country rose 4.0%. Strong demand for machinery and equipment almost certainly contributed to the import growth.

On the income side, corporation profits remained strong (+9.8%). The second quarter increase, coming on the heels of an 11.7% advance at the beginning of the year, suggests that the business sector is beginning to pick up speed after spending most of 2001 in the doldrums. Investment income grew 4.2%, partly in response to higher interest rates.

*Source: Statistics Canada*

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## Student Summer Labour Market Conditions, July 2002

**Summary** . . . This article focuses upon recent labour force activity of full-time students aged 15 to 24 in B.C. during the month of July who plan on returning to school in the fall. Overall, summer student labour market conditions were down in July 2002 from July 2001, particularly for younger students aged 15 to 19. The overall B.C. summer student unemployment rate rose to 19.1 per cent in July 2002 from 15.8 per cent in July 2001, the highest rate seen among the provinces. This was chiefly due to an upward jump in the unemployment rate of younger students. Older students aged 20 to 24 saw a positive rise in their employment rate (employment to population ratio) to 64.3 per cent, up from 61.2 per cent in July 2001. This gain by older students pushed up the overall student employment rate, though it fell slightly for younger students this July.

**Introduction** . . . The monthly Labour Force Survey conducted by Statistics Canada provides information on labour market characteristics of full-time students in B.C. A supplement to the Labour Force Survey conducted in the months of May to September focuses on the labour market performance of recent full-time students during the summer months.

Many post-secondary students are available for summer employment (especially full-time work) from May through August, while secondary school students will more likely be available for jobs (especially full-time work) in only July and August. This article focuses upon the month of July only, a period when most students are available for summer work.

### **Definitions and issues associated with student labour force data** . . .

*Full-time students* - Youths (aged 15 to 24) are given the status of "full-time student" if they reported that they were attending school full-time in March of the current calendar year when they are surveyed in the summer months.

*Returning and not returning students* - Students are further categorised by their intentions to return or not return to school full-time in the Fall or if they are unsure of their intentions. There was little change in levels of students during the 1980's as higher school participation rates offset a fall in youth population. The number of total full-time students aged 15 to 24 has risen substantially since the early 1990s, from 229,700 in July 1990 to 332,700 in July 2002, an increase of 45 per cent. The number of returning students grew over this period by 50 per cent, and students who were not returning (including students who are not sure if they are returning) grew by 24 per cent. The returning students category remains significantly larger in numbers and proportion than the "not sure/not returning" category. The proportion of returning students to total students stood at 83 per cent in July 2002.

*Age of students surveyed* - The two age groups of full-time students (returning or not) covered include those aged 15 to 19 (a good portion of whom would be secondary school students) and those aged 20 to 24 (most likely all attending either a public or private post-secondary institution). In terms of relative size, the age 15 to 19 group of full-time students (229 thousand in July 2002) is just over twice as large as the age 20 to 24 group (104 thousand).

*Older students not covered in survey* - Full-time students covered in the Statistics Canada supplemental summer survey are limited to students between the ages of 15 to 24. However, persons aged 25 and older are a growing and significant component of overall full-time post-secondary students in B.C. For example, the estimated number of full-time students in B.C. aged 25 to 29 more than doubled from 9,300 in November 1990 to 21,900 in November 2000.

*Part-time students not covered in survey* - Students aged 15 to 24 who attend, or recently attended, school part-time are not reported in the

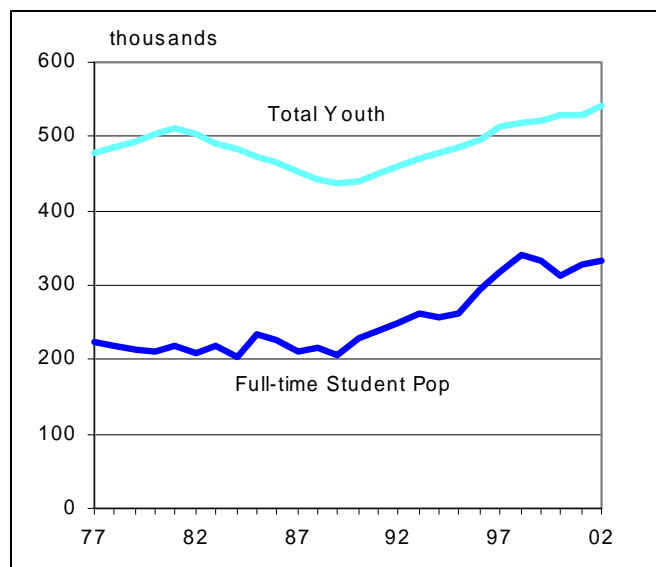
summer student data published by Statistics Canada. However, it should be noted that there are significant and growing numbers of part-time students of all ages. In November 2000 there were 33,300 part-time students aged 15 to 24 compared to 17,300 in November 1990.

*Semester systems and co-op programs* may also complicate generalisations about the length and timing of the school year for those in post-secondary studies. Those on different semester systems who are not attending school full-time in March or are on a work placement program, may not be covered by the survey.

**Growth in the student population . . .**

Figure 1 shows that the estimated number of full-time students aged 15 to 24 in B.C. (both those returning and those not returning or undecided), remained relatively unchanged during the 1980s. While the population of this age group fell during the 1980s, student numbers held as participation rates in education rose.

**Figure 1: All Full-time Students and Youth Population, Age 15-24, 1977-2002**



The number of full-time students during the 1990s rose steadily due to both increased population and education participation increases. This large increase in numbers of stu-

dents since the early 1990s has increased the competitiveness of the summer student job market relative to the situation in the late 1980s.

After decreasing slightly in 1999 and 2000, the number of full-time students in B.C. aged 15 to 24 rose in July 2001 and again in July 2002. All of the increase in student population in July 2002 was due to an increase in those students not returning or undecided about returning, as the number of returning students was actually down from July 2001.

**Employment for returning students . . .**

Employment levels in the month of July for returning students in B.C. during the 1980s saw slow but steady increases (see Figure 2). In part, this reflected the extended recovery of the economy from the 1981/82 recession.

Beginning in 1991, the number of employed summer students aged 15 to 19 started declining back to levels seen in the mid 1980s. By contrast, employment for returning students aged 20 to 24 has generally been rising since 1987.

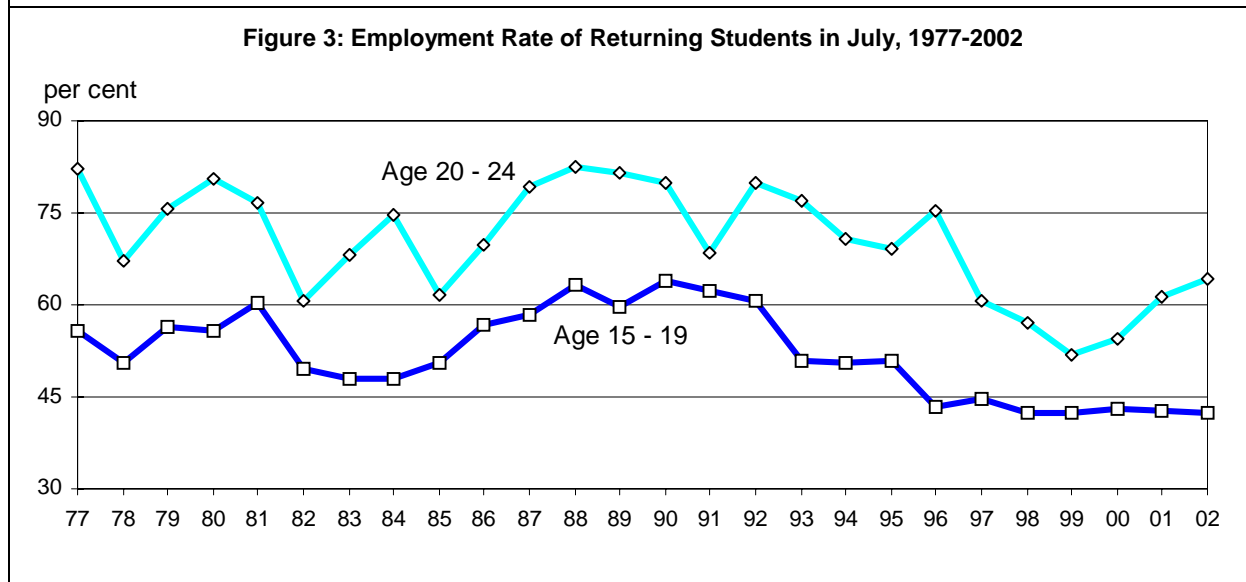
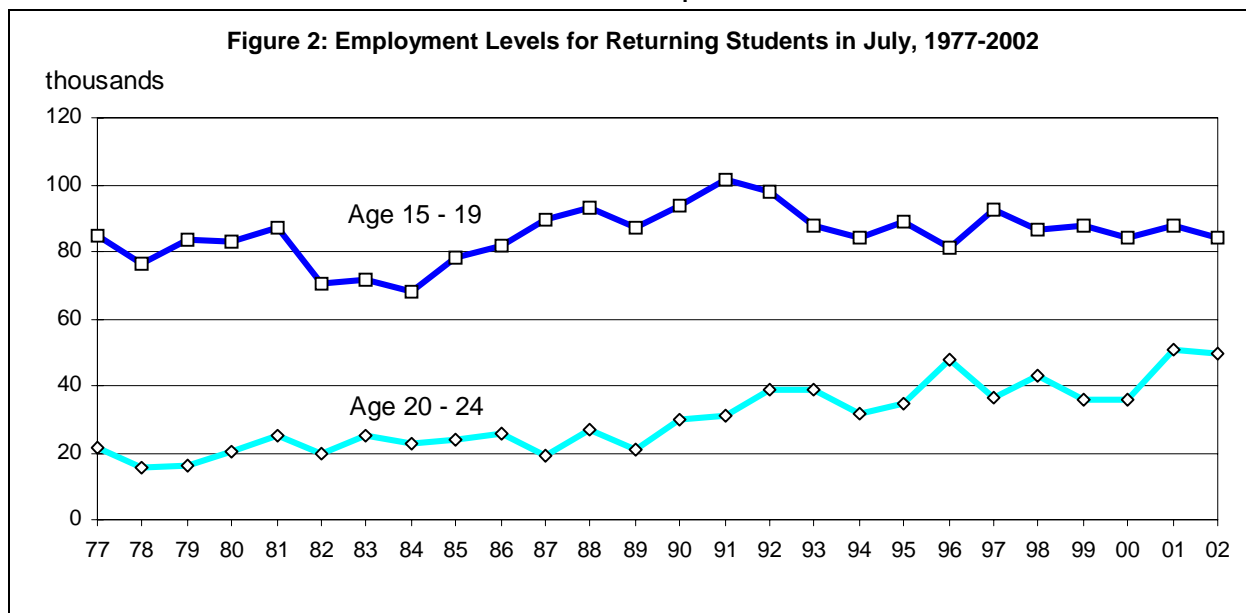
More recently, the employment level for returning students overall aged 15 to 24 in July 2002 was down by 5,000 from July 2001. This result is less discouraging than it appears since the population of full-time returning students fell by 12,200 from July 2001.

Employment levels for returning students aged 15 to 19 fell to 84,200 in July 2002, down by 3,500 from July 2001. Summer employment of younger returning students remains well below their high of 102,000 in 1991, despite the fact the population of younger returning students has expanded by 36,000 since that time.

Employment levels for returning students aged 20 to 24 fell slightly in July 2002, down by 1,500 from July 2001; yet, the population of older returning students fell by 6,200 from July 2001, resulting in a rise in the proportion of older students employed (employment rate) this July from July 2001. However, the employment rate for older returning students is well below levels

seen in the early 1990s. Employment level changes alone provide insufficient information to gauge summer student labour market changes. Both population changes and focus upon those participating in the labour force also need to be considered. Employment rates (also called employment to population ratios) and unemployment rates incorporate these factors and are reviewed next.

**Employment rates for returning students ...**  
 Figure 3 displays the employment rate (employment-to-population ratio) for returning full-time students in the month of July. This measure declined for both age groups in the first half of the 1990s, particularly for those aged 15 to 19. While it continued to edge lower for those aged 20 to 24 in the second half of the 1990s, it has seen some ongoing improvement since its low point in 1999



The employment rate for full-time returning students overall aged 15 to 24 was 48.4 per cent in July 2002, up slightly from a year ago and well up from 44.7 per cent in July 1999; yet, this remains significantly lower than the employment rate of 55.0 per cent for all returning students in July 1995 and well below levels just over 60 per cent in the early 1990s.

The proportion of B.C. returning students aged 15 to 19 who were employed (employment rate) was 42.3 per cent in July 2002, little changed from July 2001 and well below the 50.9 per cent level seen in July 1995. The employment rate of returning students aged 20 to 24 rose to 64.3 per cent in July 2002, up from the 61.2 per cent in July 2001. However, it also remains well below the employment rates of the early to mid-1990's.

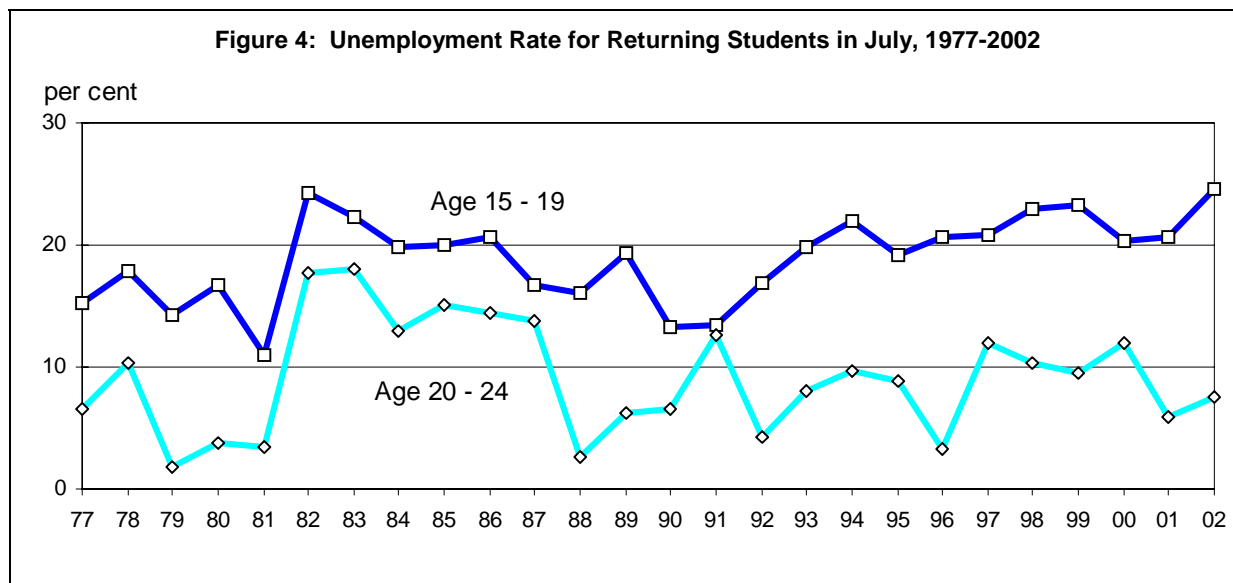
**Unemployment rates for returning students**

Figure 4 shows the unemployment rate for full-time returning students aged 15 to 19 rose sharply in the early 1990s, and has remained at or above 20 per cent since 1993. For older students, unemployment rates have fluctuated since 1990, and stand at less than half of the level of full-time students aged 15 to 19 in recent years.

The overall unemployment rate for returning students aged 15 to 24 stood at 19.1 per cent in July 2002, up from 15.8 per cent in July 2001. This was the highest overall returning student unemployment rate of any of the ten provinces in July 2002. The second highest was 17.8 per cent in Nova Scotia, the third highest was 17.1 per cent in Ontario, while the lowest rate was 11.2 per cent in Prince Edward Island.

The unemployment rate for returning students aged 15 to 19 in July 2002 stood at 24.6 per cent, up from 20.6 per cent in July 2001. Unemployment rates for this younger group in B.C. had remained near the 20 per cent level in July for the previous eight years until this year. By comparison, the unemployment rates for returning younger students in July 2002 in other large provinces stood at 18.4 per cent in Alberta, 20.1 per cent in Ontario, and 20.7 per cent in Quebec.

The unemployment rate for the older group of students aged 20 to 24 rose slightly to 7.6 per cent in July 2002 from 5.9 per cent in July 2001. This increase occurred due to a contraction in employment that was greater in percentage terms than the contraction in the labour force for older returning students.



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## BC at a glance . . .

<b>POPULATION (thousands)</b>	Apr 1/02	% change on one year ago
BC	4,118.1	0.9
Canada	31,260.4	0.9
<b>GDP and INCOME</b>	2001	% change on one year ago
<i>(BC - at market prices)</i>		
Gross Domestic Product (GDP) (\$ millions)	130,396	2.2
GDP (\$ 1997 millions)	125,534	0.9
GDP (\$ 1997 per Capita)	30,648	-0.1
Personal Disposable Income (\$ 1997 per Capita)	19,177	0.8
<b>TRADE (\$ millions)</b>		
Manufacturing Shipments (seas. adj.) Jun	2,781	-3.4
Merchandise Exports (raw) Jun	2,269	-10.6
Retail Sales (seasonally adjusted) Jun	3,401	6.4
<b>CONSUMER PRICE INDEX</b>	Jul '02	% change on one year ago
<i>(all items - 1992=100)</i>		
BC	118.5	1.9
Canada	119.6	2.1
<b>LABOUR FORCE (thousands)</b>	Jul '02	% change on one year ago
<i>(seasonally adjusted)</i>		
Labour Force - BC	2,162	2.7
Employed - BC	1,985	1.8
Unemployed - BC	178	14.7
		Jul '01
Unemployment Rate - BC (percent)	8.2	7.4
Unemployment Rate - Canada (percent)	7.6	7.1
<b>INTEREST RATES (percent)</b>	Aug 28/02	Aug 29/01
Prime Business Rate	4.50	5.75
Conventional Mortgages - 1 year	5.35	6.20
- 5 year	6.80	7.60
<b>US/CANADA EXCHANGE RATE</b>	Aug 28/02	Aug 29/01
<i>(avg. noon spot rate) Cdn \$</i>	1.5597	1.5460
<i>US \$ (reciprocal of the closing rate)</i>	0.6412	0.6471
<b>AVERAGE WEEKLY WAGE RATE</b>	Jul '02	% change on one year ago
<i>(industrial aggregate - dollars)</i>		
BC	663.53	3.9
Canada	648.92	2.8
<b>SOURCES:</b>		
Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate		} Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics		
For latest Weekly Financial Statistics see <a href="http://www.bankofcanada.ca">www.bankofcanada.ca</a>		

On our Web Site!

### SOCIO-ECONOMIC INDICES

... providing comparisons across regions of the province on indicators of human economic hardship, crime, health problems, education concerns, and for two target groups - children at risk and youth at risk. The indices have been designed to aid analysts in their knowledge and understanding of regional conditions. Regional Districts and Local Health Areas are compared on maps and graphs, with supporting and supplementary data in table format.

Also on our site are Socio-Economic Profiles, each a 9 page presentation in table and graph format of indicators for Regional Districts, Local health Areas and College regions are available.

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### Regional Economic Indicators

in the **NEW** section.

#### Released this week by BC STATS

- Tourism Sector Monitor, August 2002

#### Next week

- Business Indicators, August 2002
- Current Statistics, August 2002
- Quarterly Regional Statistics, 2<sup>nd</sup> Quarter 2002