

- Unemployment rate edges down to 7.3% in July, but job growth is tepid
- BC forecast to lead the nation, with housing starts rising 21.1% in 2004
- Workplace injury rate falls slightly in 2003

Labour Force

- British Columbia's unemployment rate edged down 0.2 percentage points to 7.3% (*seasonally adjusted*) in July. The improvement in the jobless rate was due to marginal employment growth (+0.1%, a net gain of 1,200 jobs) combined with a decline (-0.2%, or 4,500 people) in the number of people in the labour force.

Employment in the goods sector was flat in July, as a 2.4% gain in the manufacturing sector was offset by job losses in construction (-1.7%), agriculture (-2.3%) and utilities (-12.0%). In the service sector, wholesale & retail trade (+1.4%), transportation (+2.5%) and professional & scientific services (+3.3%) took on more workers, but there were fewer jobs in most other industries. Overall, service sector employment edged up 0.1% during July.

There were fewer full-time (-0.6%), but more part-time (+2.6%), workers in July. The number of self-employed fell back 0.2%. A decline (-0.4%) in public sector employment was offset by job growth (+0.3%) in the private sector.

Canada's unemployment rate edged down to 7.2% in July, also reflecting weak job growth (+0.1%) combined with a shrinking labour force (-0.1%).

Data Source: Statistics Canada

- Among the regions, unemployment rates were lowest in Thompson/Okanagan (6.8%, 3-month moving average) and Mainland/Southwest (6.9%). North Coast/Nechako (13.0%) was the only region with a double-digit jobless rate. Rates in the rest of the province were all at or below nine percent.

Data Source: Statistics Canada

The Economy

- Canada Mortgage and Housing Corporation expects Canadian housing starts to reach a 17-

year high of 225,700 (+3.3%) in 2004, and BC is forecast to post the strongest gain in the country. The CMHC forecasts that starts in the province will increase 21.1% to 31,700 units this year. Starts are expected to slow in 2005, rising just 2.2% to a predicted total of 32,400. Quebec (+11.4%) is also expected to see particularly strong growth in 2004. However, starts are forecast to decline in five provinces, including Alberta (-6.3%) and Ontario (-0.8%).

Five-year mortgage rates hit a fifty-three-year low in March and although they have risen since then, the cost of borrowing money remains very affordable. At the same time, a relatively strong economy together with incentives that allow individuals to purchase a home with a 0% down payment have helped stimulate the demand for both new and existing housing. The new building activity will likely give a boost to BC's forest sector, which provides many of the raw materials used in new housing construction.

Data Source: CMHC

- Spending on renovations is expected to reach \$36.3 billion nationally in 2004, up 9.1% over 2003. As was the case for new housing construction, the largest gains are expected to be in BC and Quebec.
- The number of income assistance recipients continued to fall in May, with 2,500 fewer people collecting income support than in the month before (-1.5%). Compared to May of last year, the number of recipients has dropped by 17,500 (-9.8%).

Data Source: CMHC

The income assistance caseload has fallen steadily since the mid-1990s. The number of recipients peaked in 1995 at 371,000. By 2001, there were 122,000 fewer people collecting assistance (-33%). Since then, another 89,000 people are no

Did you know...

Fifteen per cent of British Columbians say that "getting sand in your bathing suit" is the thing that irks them the most.

longer collecting assistance (-36%).

Data Source: Ministry of Human Resources

Workplace Injuries

- **The workplace injury rate in BC was 3.1 per 100 workers in 2003, down slightly from 3.2 the year before.**

Young males (aged 15-24) have the highest workplace injury rate, at 5.1 per 100 workers. This is 65% higher than the BC average. Young females have the lowest injury rate (1.7 per 100 workers). Young males are three times as likely as young females to be injured at work.

Among males, older workers tend to have lower injury rates. Males aged 45 and older have a 37% lower injury rate than young males. For females, it is the opposite—older women have an injury rate 17% higher than young women.

Data Source: Workers Compensation Board of BC

Tourism

- **Room revenues in BC rose 3.5% (seasonally adjusted) in April, the first increase in room revenues seen since December.** Gains posted in April were more than enough to recover from the downturn in the first three months of the year. Mainland/Southwest was the major engine of revenue growth (+5.7%), supported by the much smaller Northern BC (+9.0%) and Kootenay regions (+6.1%). Thompson-Okanagan (-1.6%) and Cariboo (-4.4%) were the only two regions with falling revenues in April. In March, these two regions were the only places with growing revenues. *Data Source: BC Stats*

Industrial R&D

- **Industrial R&D expenditures in the province fell 8.1% during 2002, slipping to \$979 million after increasing at a similar rate (+9.7%) in the previous year.** The downturn in industrial R&D during 2002 was widespread, with total Canadian spending falling 10.6%. Most (84%) of the industrial R&D in Canada occurs in Ontario and Quebec, where research is concentrated in industries such as computer, electronic and aerospace manufacturing. Nationally, spending remained flat in 2003 (-0.3%) but is expected to increase 1.6% this year.

Data Source: SC, Catalogue 88-001-XIE Vol 28, No 9

International Cost of Living

- **Statistics Canada's Foreign Post Index shows the cost of living in over 150 cities around the world, and is used to help determine the pay of Canadian Foreign Service staff.** The index shows the cost of maintaining "a lifestyle comparable to that which would be enjoyed in Ottawa".

The city with the lowest cost of living is La Paz, Bolivia, where cost of living for Foreign Service staff is 22% lower than in Ottawa. Next lowest is Islamabad, Pakistan (18% lower), followed by Cairo, Egypt (-15%). The highest priced city is Copenhagen, Denmark (81% higher). Tokyo, Japan (+80%) has the second-highest cost of living. Reykjavik, Iceland (+76%) ranks third. London, England (+73%) and Oslo, Norway (+70%) round out the top five most expensive cities for Foreign Service staff.

Data Source: SC, Catalogue no. 62-013-XIE

Retirement Savings Plans

- **Canada's retirement savings plans held combined assets of over \$1.1 trillion in 2002.** The largest component of the retirement savings system is employer-sponsored pension plans, with assets of \$770 billion (70% of the total), covering some 40% of all paid workers. RRSPs are the second-largest component with \$302 billion (27%). Finally, assets held in the Canada and Quebec Pension Plans amounted to \$67 billion—only 3% of retirement savings assets. However, the CPP/QPP system is largely based on a "pay as you go" principle, so assets understate the importance of the program in maintaining retirement income.

Data Source: Statistics Canada

- **Battered by a plunge in the stock market, trusted employer pension funds posted record low profit margins in 2002.** Return on investment dropped to 1.7%, down sharply from the record-high return of 12.6% in 2000. In 2000, the purchase and sale of stocks yielded \$47 billion in profit. In 2002, stock market trading generated a loss of \$11 billion. Income from interest and dividends was \$21 billion, a much more modest decline of 12%. *Data Source: Statistics Canada*

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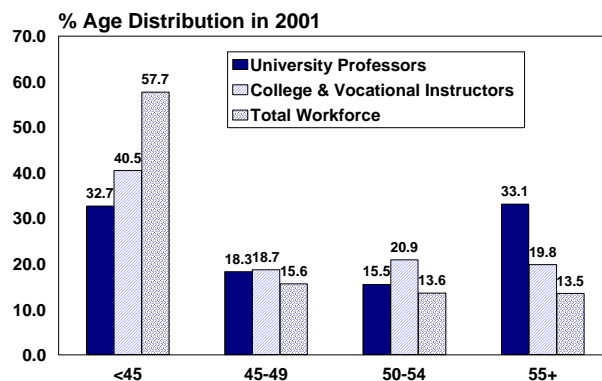
The Expansion of the College and University System in BC: The Impact on the Demand for Post Secondary Teachers

Over the next 6 years, the public post secondary sector in British Columbia will increase its number of student seats¹ by 25,000. This means that the number of students attending colleges, university-colleges and technical institutes will have increased by approximately 15 per cent by 2010.

More students means more teachers. Currently, the ratio of faculty to students in the public system ranges from approximately 1 for every 13 students in the colleges and one for every 20 students in the universities.² A ballpark estimate of the number of additional FTE teachers that will be required to teach the 25,000 additional FTE students ranges from 1,000 to 1,500.

Aside from the larger contingent of teachers required, there will also be teachers retiring who will have to be replaced. It is a well-known fact that the age structure of the BC population, means the labour force is set for a large outflow of retirees in the next 10 years. Post-secondary teachers are no exception, particularly university professors who have one of the oldest age profiles among occupational groups in the province.

Post secondary teachers are considerably older than the rest of the workforce. In fact, it is likely that almost one of every two University Professors who were working in 2000 will be retired by 2010.



Source: Statistics Canada, 2001 Census. Includes only those who worked full-time/full year in 2000.

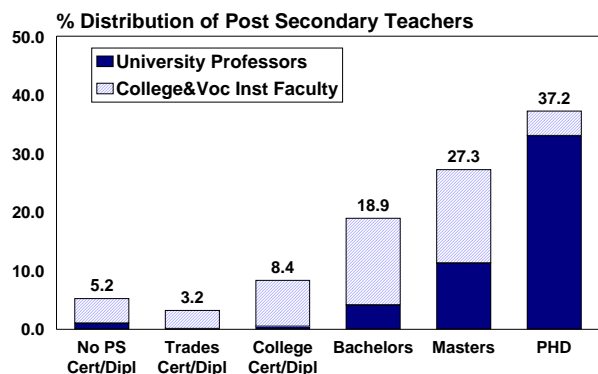
The age groupings in the chart above show that 67 per cent of professors and 59 per cent of college instructors in 2001 will be over the age of 54, by 2011. Not all of them will have retired by then but most likely all those who were in the age group 55+ and two-thirds of those aged 50-54 in 2001 will be retired 10 years later. This translates to a very conservative estimate of 45 per cent of the 3,275 full-time/full-year professors in 2000 (1,500) and 30 per cent of the 5,630 comparable college instructors (1,700) will have to be replaced. This along with the expansion-induced 1,000 to 1,500 new faculty, will result in approximately 4,500 full-time jobs in the post-secondary teaching profession opening up over the next 6 years. This means new job opportunities in the profession represent approximately one-half the current existing jobs.

The faculties of the universities and colleges are very highly skilled and most have very impressive academic qualifications.

¹ Full-time Equivalent (FTE) Students

² FTE Students divided by FTE Faculty

Profile of the Education Qualifications of BC's Post-Secondary Teachers



	University Faculty	College/Voc Inst Faculty
	% Distribution	
No Post Ssecondary Certificate/Diploma/Degree	2.0	8.4
Trades Certificate/Diploma	0.2	6.2
College/Other Technical Institute Certificate/Diploma	1.0	15.7
Bachelors Degree	8.3	29.5
Masters Degree	22.6	31.9
PHD	66.0	8.4

Source: Statistics Canada, 2001 Census

Nine out of 10 university professors have a post-bachelor degree and 7 out of 10 college teachers have at least a bachelors degree. Among those without a university degree teaching in the colleges many are likely in the trades and applied programs where practical experience is often accepted, or even preferred, over academic qualifications. This also holds true, to some extent, at the university level, for example in the creative arts.

So there will be considerable job opportunities opening up for highly qualified individuals in teaching at the college and university level. There does not seem to be any imminent danger of shortages of qualified persons who potentially could step into these jobs. One manpower source is the many post-secondary faculty who are not full time/full-year teachers, particularly in the college system. Census data show an additional 1,780 teachers at the university level and

6,355 at the college level who were not working full-time/full-year in 2000.³

There are also many unemployed or under-employed highly educated persons. In 2003, the Labour Force Survey showed that 6.8 per cent of persons with Bachelor degrees were unemployed and 3.9 per cent of those with Masters or PHDs. As well, the BC University Student Outcomes survey, produced by The University President's Council, shows that among the class who graduated with a Bachelors degree in 2000, 5.8 per cent were unemployed in 2002 and among those who had a job, 28 per cent were working in a job that was not very related, or not at all related, to their Bachelors degree. Some portion of that 28 per cent is likely under-employed and could potentially use their skills in a college teaching capacity.

At the university level, where faculty usually require a PHD, the National Graduate Survey, produced by Statistics Canada, noted a Canadian unemployment rate among 2000 grads of 5 per cent for Masters and 6 per cent for PHDs in 2002.

In short, the new job opportunities on the horizon for the highly educated in the province will be most welcome.

³ Census numbers are backed up by human resource administrative data from the colleges and universities.

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BC at a glance . . .

POPULATION (thousands)	Apr 1/04	% change on one year ago
BC	4,177.4	1.0
Canada	31,825.4	0.9
GDP and INCOME		% change on one year ago
<i>(BC - at market prices)</i>	2003	
Gross Domestic Product (GDP) (\$ millions)	142,418	5.1
GDP (\$ 1997 millions)	130,914	2.2
GDP (\$ 1997 per Capita)	31,572	1.4
Personal Disposable Income (\$ 1997 per Capita)	19,495	-0.4
TRADE (\$ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - May	3,550	3.9
Merchandise Exports - May	2,816	12.4
Retail Sales - May	3,882	-0.2
CONSUMER PRICE INDEX		12-month avg % change
<i>(all items - 1992=100)</i>	Jun '04	
BC	123.6	1.8
Canada	125.1	1.7
LABOUR FORCE (thousands)		% change on prev. month
<i>(seasonally adjusted)</i>	Jul '04	
Labour Force - BC	2,245	-0.2
Employed - BC	2,082	0.1
Unemployed - BC	163	-3.4
		Jun '04
Unemployment Rate - BC (percent)	7.3	7.5
Unemployment Rate - Canada (percent)	7.2	7.3
INTEREST RATES (percent)	Aug 4/04	Aug 6/03
Prime Business Rate	3.75	4.75
Conventional Mortgages - 1 year	4.60	4.55
- 5 year	6.55	6.35
US/CANADA EXCHANGE RATE	Aug 4/04	Aug 6/03
<i>(avg. noon spot rate) Cdn \$</i>	1.3155	1.4058
<i>US \$ (reciprocal of the closing rate)</i>	0.7601	0.7113
AVERAGE WEEKLY WAGE RATE		% change on one year ago
<i>(industrial aggregate - dollars)</i>	Jul '04	
BC	682.85	-0.7
Canada	678.57	2.4

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.bankofcanada.ca

Released this week by BC STATS

- Labour Force Survey, July 2004
- Earnings & Employment Trends, July 2004
- Tourism Sector Monitor, July 2004

Next week

- No subscription releases