

- BC's unemployment rate fell 0.5 percentage points to 6.4%, the lowest rate in two decades
- There were 0.5% fewer British Columbians receiving EI benefits in September
- Canadian GDP climbed 0.8% in the third quarter

## Labour Force

- **British Columbia's unemployment rate fell 0.5 percentage points in November to 6.4% (seasonally adjusted), its lowest point since 1981.** The decline was due to a combination of a slight expansion in employment (+0.1%, or 1,200 net new jobs) and a drop in the number of participants in the labour force (-0.5%, or 10,600 people). The employment increase was a result of a boost in part-time jobs, which offset a fall in full-time positions. Year-to-date to November, BC's unemployment rate has averaged 7.4%, well below an average rate of 8.2% in the first eleven months of 2003.

For Canada as a whole, there was a 0.2 percentage point rise in the unemployment rate to 7.3% as the labour force grew 0.2% while employment remained virtually unchanged. Rates ranged from a low of 4.6% in Alberta to a high of 16.5% in Newfoundland and Labrador.

*Data Source: Statistics Canada*

- **Women were the main contributors to the falling unemployment rate in BC, as female unemployment dropped 0.9 percentage points to 6.0% (seasonally adjusted).** By comparison, the unemployment rate for men dropped 0.2 percentage points to 6.8%. In both cases, falling labour force participation rates were a factor in the change, but for women, there was also an increase in employment. *Data Source: Statistics Canada*
- **The job growth in BC was concentrated in the goods industries (+0.1%, seasonally adjusted) as service sector employment remained flat.** The manufacturing sector rebounded in November, posting a 1.4% increase in jobs, recovering most of the employment lost a month earlier. The construction industry continued to add to its ranks of workers, with a 0.7% boost,

marking the fourth straight month that employment in construction in BC has grown. The utilities sector continued to shed employees, with employment in that sector falling 10.2% to its lowest level since at least January 1987 (the earliest period for which there is data).

In the service sector, there were significant gains in employment in professional, scientific and technical services (+4.2%), and accommodation, food and beverage services (+2.8%). On the other hand, transportation and warehousing (-2.3%), public administration (-3.0%) and "other" services (-3.3%) all experienced considerable job loss.

*Data Source: Statistics Canada*

## The Economy

- **The number of British Columbians receiving regular employment insurance (EI) benefits declined -0.5% (seasonally adjusted) between August and September, falling to 58,340.** There was a much steeper decline nationally, as the number of EI beneficiaries dropped 2.4%. *Data Source: Statistics Canada*
- **Residential construction investment in British Columbia climbed 25.0% in the third quarter of 2004 compared to the same quarter a year earlier.** This was the 18<sup>th</sup> consecutive quarterly increase in residential construction investment in the province. Historically low mortgage rates are driving much of the investment, as demand for new housing is strong. As a result, investment in new dwellings has risen 35.7%, and acquisition costs (such as sales tax, service charges and other fees associated with the sale of new dwellings) have increased 11.5%. Investment in renovations (+13.5%) has also experienced strong growth. Across the country, investment was up 14.5% in the third quarter.

*Data Source: Statistics Canada*

## Did you know...

In a recent Ipsos-Reid poll, BC led the country with 22% of British Columbians expressing anti-American feelings, compared to only 15% of all Canadians

### Health

- **In 2003, 12.3% of British Columbians experienced difficulties accessing routine or ongoing health care, compared to 15.8% of all Canadians.** The percentage having trouble getting health information or advice was even higher, at 16.2%, which was identical to the national average. For those in need care for a minor health problem, 20.8% of British Columbians and 24.2% of Canadians in general experienced problems accessing immediate care. Overall, 81.4% of people in BC were satisfied with health care received in the past year, which was the lowest rate of satisfaction in any province in the country. Only the Northwest Territories (81.1%) and Nunavut (74.9%) had lower rates. The Canadian average was 85.3%.

*Data Source: SC, Catalogue 82-401*

### Air Carrier Traffic

- **The number of passengers getting on or off planes in airports in BC edged down 0.4% in 2003.** Ontario (-3.1%) was the only other province to see a decline in air carrier traffic. Coincidentally, Ontario and BC ranked one-two in terms of number of passengers with 29.1 million and 17.3 million respectively. Alberta, with 11.8 million, ranked third. Vancouver International was the second busiest airport in the country after Pearson International in Toronto.

*Data Source: SC, Catalogue 51-203*

### The Nation

- **The Canadian economy grew 0.8% (seasonally adjusted) in the third quarter, although the quarter ended on a weak note with GDP growth stalling in September.** Both goods (+1.4%) and services (+0.8%) industries contributed to the economic expansion. The manufacturing sector led the way with robust growth of 2.0%. Other notable increases occurred in retail (+1.5%) and wholesale (+1.9%) trade industries, health care and social assistance (+1.7%), agriculture, forestry, fishing and hunting (+2.5%) and utilities (+2.0%). The only major industry group to experience a decline in third quarter GDP was mining and oil and gas extraction (-0.4%), although several industry

groups showed weakness in September, including manufacturing (-0.2%).

*Data Source: Statistics Canada*

- **For the fourth time in five months, prices charged by manufacturers in Canada fell as the Industrial Product Price Index (IPPI) slipped 0.5% from September to October.** However, over the 12-month period from October 2003, there has been a 5.4% increase in the IPPI. Petroleum and coal prices have led the way with a 38.6% jump over the last year, including a 5.3% expansion from September to October, the only significant monthly increase among the major commodity groups. Other substantial increases over the year include a 21.1% climb in prices of primary metal products, likely resulting from heavy demand from China. Metal fabricated products (+12.9%) and miscellaneous non-manufactured products (36.1%) also saw double-digit growth over the 12-month period. Motor vehicles and other transport equipment bucked the inflationary trend, posting a 3.2% decline in prices. The monthly data uncovers an area of concern for BC lumber producers as lumber and other wood products experienced a substantial 7.6% drop in prices from September to October.

Prices for raw materials climbed 3.8% from September to October due mostly to an 8.3% jump in prices for mineral fuels. Excluding mineral fuels, prices for raw materials slipped 0.8%. Over a 12-month period, the overall raw materials price index expanded 28.0%. With mineral fuels excluded, there was still 8.8% growth.

*Data Source: Statistics Canada*

- **Canada saw its current account surplus drop by \$1.8 billion (seasonally adjusted) in the third quarter to \$9.4 billion.** The change was largely due to the commodity trade balance, where the surplus dropped \$1.8 billion. There was some improvement in trade in services, where the deficit receded by \$0.3 billion, but declining profits for Canadians investing abroad increased the investment income deficit by an equal amount.

*Data Source: Statistics Canada*

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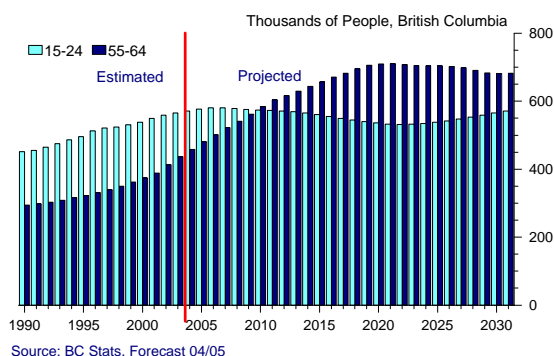
Contact: Dan Schrier (250) 387-0376

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## Small Business and Older Workers

As the baby boom generation ages, the talk about impending labour shortages increases. The problem is particularly acute for small businesses. In the latest *Business Conditions Survey*,<sup>1</sup> 20% of companies with annual shipments valued at under \$10 million were experiencing a skilled labour shortage, a complaint that has been common over the last several years. For those companies shipping in excess of \$10 million per year, 8% were having difficulty finding skilled labour. As the first wave of baby boomers reaches retirement age, this situation may be exacerbated.

Workers getting ready to leave the workforce will soon outnumber those coming into the workforce



One option for employers having trouble finding qualified help is to look at hiring from groups that are under-represented in the labour force, such as seniors. However, according to a member survey by the Canadian Federation of Independent Business conducted in November 2002,<sup>2</sup> even though 52% of respondents in BC believed it would be harder to find employees in the next three years, almost three-quarters of them had no experience in hiring seniors. In addition, only

<sup>1</sup> The *Business Conditions Survey* is a quarterly survey of manufacturers done by Statistics Canada. The latest results from this survey were from July 2004.

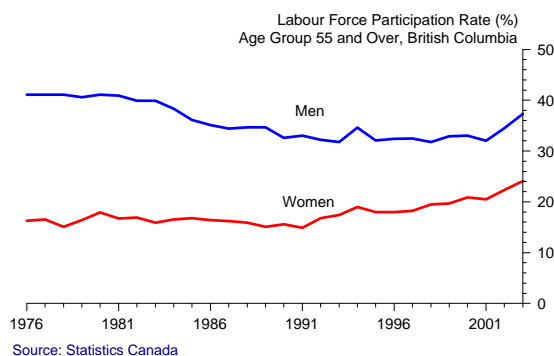
<sup>2</sup> Canadian Federation of Independent Business, *Availability of Labour and Training Survey*, November 2002.

11% suggested pursuing under-represented groups in the labour market as a possible method of reducing the shortage of labour.

Some companies may hesitate to hire older workers because of misconceptions regarding their ability to work and worries over lost time due to illness. However, according to Statistics Canada's *Labour Force Survey* (LFS), in 2003, in British Columbia, total days of work lost for workers 55 and over averaged only slightly higher than the average for workers of all ages (13.1 days versus 12.8 days for all ages).<sup>3</sup>

Ageing baby boomers are generally healthier than were the cohort preceding them and, as a result, many are working longer, even past the traditional age of retirement. Labour force participation rates for those aged 55 and over have risen significantly in the last few years. This is true even for men, who had been experiencing a slow decline in participation rates over the last couple of decades.

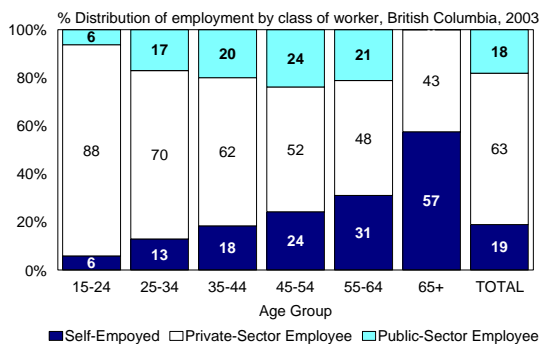
Participation rates for those aged 55 and over are on the rise



<sup>3</sup> Although, for older workers, more days lost were due to illness. Excluding maternity leave, the average days lost for workers of all ages were 9.5.

Self-employment is the route taken by many of these older workers, whether by choice or through necessity because no other employment is available. In fact, the likelihood of being self-employed increases with age. In 2003, in British Columbia, 19% of the labour force was self-employed, compared to 31% of those aged 55 to 64 and 57% of those aged 65 and over.

### The likelihood of self-employment increases with age



Source: Statistics Canada

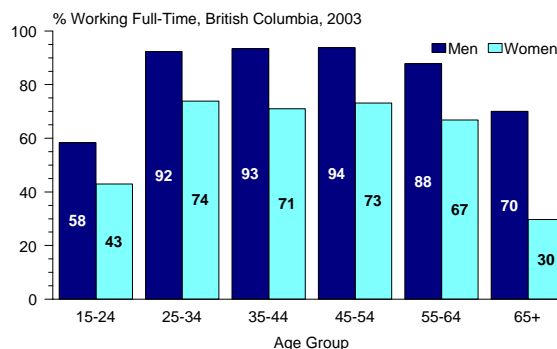
For businesses with employees, there is not much difference between small and large businesses in the percentage of employees comprised of workers aged 55 and over, although smaller businesses do tend to employ more seniors (65 and over).

Although there may still be a hesitance on the part of employers to hire older workers, some businesses are coming to the realization that these older employees offer potential benefits, mainly in the form of flexibility. Many older workers, particularly seniors, are not looking for full-time, permanent employment; rather, they prefer part-time employment. Seniors, especially women, are the least likely to be working full-time. For the large majority of these (81%), the reason for working part-time is a personal preference. Many are also willing to take temporary work, such as seasonal employment, allowing businesses to hire additional staff when needed (such as during the Christmas rush), without having to retain them during the slow times. Of BC workers aged 65 and over in 2003, 20% worked in temporary jobs, almost twice the ratio for all employees (12%). Only young workers aged 15 to 24 had a higher proportion of tempo-

rary workers (29%), which is not all that surprising considering that many students work in summer jobs to put themselves through school.

As with the employed labour force in general, seniors in BC work mostly in the service sector (77%), although 10% of employees 65 and over work in the construction industry, which com-

### Older workers, particularly women, are less likely to be working full-time



Source: Statistics Canada

pares to only 5% of employees as a whole. This may be because the construction industry offers more flexibility in terms of working hours. Seniors are also over-represented in finance, insurance and real estate (15% compared to 6% of all employees) and 'other services' (11% versus 4% for all employees).<sup>4</sup>

The choice of industry is due to a number of factors, including physical and educational requirements. In general, those who are more highly educated are also more likely to continue working beyond age 65 than those with less schooling.<sup>5</sup> As such, seniors are probably more disposed to work in jobs that have higher educational qualifications. This, combined with physical abilities that wane with age, steers seniors away from labour-intensive jobs (although the significant percentage of seniors in construction seems to belie that fact). Another determinant of where seniors work is mandatory retirement

<sup>4</sup> 'Other services' include repair and maintenance, personal and laundry services, religious and civic organizations, for example.

<sup>5</sup> Duchesne, Doreen, "More Seniors at Work," *Perspectives, Statistics Canada catalogue no. 75-001-XPE* (Spring 2004).

restrictions. Most public sector jobs, for example, are off limits to seniors due to enforced retirement at age 65.

With people living longer<sup>6</sup> and healthier lives, perhaps the time has come to reconsider the concept of mandatory retirement. If some people wish to keep working beyond the age of 65 and the labour shortage continues to become more pronounced, it seems foolish to arbitrarily prevent those people from continuing to work.

One thing that is certain is that the leading edge of the baby boom generation will soon reach retirement age. If most choose to retire at, or before, age 65, the annual number of workers leaving the labour force will be far in excess of anything experienced to date. While hiring, or retaining older workers is only one of the options available to deal with the possible labour shortage that could result, it is certainly one worth considering.

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<sup>6</sup> In BC, the life expectancy of a man at age 65 in 1950 was under 14 years, but by 2003 that had increased to over 18 years. The comparable numbers for women are just under 16 years in 1950 and over 21 years in 2003.

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## BC at a glance . . .

<b>POPULATION (thousands)</b>	Jul 1/04	% change on one year ago
BC	4,196.4	1.1
Canada	31,825.4	0.9
<b>GDP and INCOME</b>		% change on one year ago
<i>(BC - at market prices)</i>	2003	
Gross Domestic Product (GDP) (\$ millions)	145,550	5.2
GDP (\$ 1997 millions)	133,600	2.5
GDP (\$ 1997 per Capita)	32,175	1.6
Personal Disposable Income (\$ 1997 per Capita)	19,758	0.3
<b>TRADE (\$ millions, seasonally adjusted)</b>		% change on prev. month
Manufacturing Shipments - Sep	3,669	0.9
Merchandise Exports - Sep	2,791	-1.4
Retail Sales - Sep	4,001	1.4
<b>CONSUMER PRICE INDEX</b>		12-month avg % change
<i>(all items - 1992=100)</i>	Oct '04	
BC	123.5	1.9
Canada	125.2	1.7
<b>LABOUR FORCE (thousands)</b>		% change on prev. month
<i>(seasonally adjusted)</i>	Nov '04	
Labour Force - BC	2,237	-0.5
Employed - BC	2,093	0.1
Unemployed - BC	144	-7.6
		Oct '04
Unemployment Rate - BC (percent)	6.4	6.9
Unemployment Rate - Canada (percent)	7.3	7.1
<b>INTEREST RATES (percent)</b>	Dec 1/04	Dec 3/03
Prime Business Rate	4.25	4.50
Conventional Mortgages - 1 year	5.00	4.75
- 5 year	6.30	6.50
<b>US/CANADA EXCHANGE RATE</b>	Dec 1/04	Dec 3/03
<i>(avg. noon spot rate)</i> Cdn \$	1.1858	1.2996
US \$ <i>(reciprocal of the closing rate)</i>	0.8448	0.7695
<b>AVERAGE WEEKLY WAGE RATE</b>		% change on one year ago
<i>(industrial aggregate - dollars)</i>	Nov '04	
BC	701.27	2.7
Canada	687.28	2.9

### 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](http://www.bankofcanada.ca)

### New on our site!



Statistical Profiles by College Region  
 With Emphasis on Labour Market and  
 Post-Secondary Education Issues

These profiles provide comparisons of the socio-economic conditions of the on-reserve and off-reserve aboriginal populations as well as the non-aboriginal population by College Region. Data are from the 1996 and 2001 Census, Statistics Canada.

[http://www.bcstats.gov.bc.ca/...  
 data/cen01/abor/ap\\_main.htm](http://www.bcstats.gov.bc.ca/...data/cen01/abor/ap_main.htm)

### Released this week by BC STATS

- Quarterly Regional Statistics, 3<sup>rd</sup> Quarter 2004

### Next week

- Labour Force Statistics, November 2004
- Earnings & Employment Trends, November 2004
- Tourism Sector Monitor, November 2004