labour data

BCGEU Research and Campaigns

July 2011

A summary of labour-related statistics compiled by BCGEU Research and Campaigns from various sources, including Statistics Canada, BC Stats, the Ministry of Labour, and the BC Labour Relations Board.

EMPLOYMENT

B.C.'s unemployment rate was at 7.3% in June, down 0.3 percentage points from the previous month.[1] The rate of unemployment has declined steadily in B.C. since February (8.8%), while employment has seen four consecutive monthly increases (ending in June, when employment slipped 0.4%).

Unemployment rate (%) – B.C. and Canada

	British Columbia				Canada
	Overall	**Women**	**Men**	**Youth (15-24 yrs)**	**Overall**
Jun-11	7.3	7.7	6.9	12.9	7.4
Mar-11	8.1	7.6	8.6	15.2	7.7
Jun-10	7.8	6.9	8.6	15.1	7.9

B.C.'s jobless rate fell in June because of a contraction in the size of the labour force (-0.7%), as opposed to improved labour market conditions.

- **REGIONAL UNEMPLOYMENT RATES** (*3-month moving average, unadjusted*):

The unemployment rate in Victoria hit a yearly low in June (5.8%). Vancouver's jobless rate has been declining since March, and fell to 7.3% in June. Across the province, unemployment rates ranged from 4.0% in the Northeast region to 8.3% in the Kootenay region. Rates of unemployment in the regions are lower than they were in March.

Unemployment rate (%) – by Region

	Van. Island/ Coast	**Mainland/ Southwest**	**Thompson/ Okanagan**	**Kootenay**	**Cariboo**	**North Coast & Nechako**	**Northeast**
Jun-11	7.7	7.3	8.1	8.3	7.4	7.0	4.0
Mar-11	9.1	8.5	9.3	9.4	7.6	9.1	8.1
Jun-10	5.5	7.9	8.4	7.6	7.1	11.9	7.7

[1] Employment data is seasonally adjusted, unless otherwise indicated.

INFLATION

Inflation in B.C. in June was at 2.7%.[2] Substantial increases in the price of gasoline (+19.6%) and the cost of restaurant meals (+8.8%) were the main reasons for the increase in the overall price level. The rise in restaurant bills included the effects of the Harmonized Sales Tax (HST) introduced in July 2010.

CPI – Consumer Price Index (% change, all items)[3]

	Canada	British Columbia	Vancouver	Victoria
Jun-10 to Jun-11	3.1	2.7	2.6	2.6
May-10 to May-11	3.7	3.1	3.0	3.0

Consumer prices in every province rose at a slower (year-over-year) rate in June compared to May. At the national level, inflation was at 3.1%. This follows a 3.7% increase in prices in May, which was the largest increase since March 2003.

- **TWELVE-MONTH AND ANNUAL AVERAGES:**

Average inflation in B.C. over the 12 months ending in June (2.3%) was substantially greater than the comparable figure for 2010 (0.0%).

CPI – Consumer Price Index (average % change, all items)[4]

	Canada	British Columbia	Vancouver	Victoria
Latest 12 months (ending Jun-11)	2.5	2.3	2.5	2.1
12 months ending Jun-10	0.7	0.0	0.3	0.0
2010 annual	1.8	1.3	1.8	1.1

Nationally, average inflation was 2.5% for the 12 months ending in June, compared to 0.7% over the comparable period last year.

WAGES

The latest BC Stats data (June 2011) put the average hourly wage in B.C. at $23.17, an increase of 1.3% over the last year.[5] For the same time period, StatsCan put the national average hourly wage at $22.72, a 2.0% increase over last year.

[2] Inflation data is not seasonally adjusted.

[3] The inflation measurements in this table, known as "year-over-year" inflation (or "twelve-month percent changes"), are calculated and released on a monthly basis, comparing prices for a given month to prices for the same month of the previous year. They are the most widely reported inflation measures. However, as they compare two points in time, they are influenced by unusual or temporary events and may be somewhat volatile.

[4] The inflation measurements in this table average the year-over-year inflation figures for the most recent 12 months (first row), the comparable 12-month period last year (second row), and the 12 months of the most recent calendar year (third row). Compared to the year-over-year inflation figures above, these average measurements give a better representation of long-term price behaviour. The use of averages is considered a preferred option for indexing purposes (see, *e.g.,* the Canadian Pension Plan and the Public Service Pension Plan).

[5] Wage data is unadjusted.

Average hourly wage rate ($) – B.C. and Canada

	British Columbia			Canada
	Overall	**Women**	**Men**	**Overall**
Jun-11	23.17	21.09	25.22	22.72
Mar-11	23.14	21.27	25.02	23.06
Jun-10	22.87	20.78	25.04	22.28

According to StatsCan (June 2011), on average, men in B.C. earn $4.13 per hour more than women, and unionized employees average $6.07 more per hour than non-union employees.

In its latest quarterly information (running totals, April 2011), the BC Bargaining Database reports that the average first-year increase for contract settlements in B.C. in the first quarter of 2011 was 0.54% (0.32% for public sector, 1.21% for private sector). The all-industry average first-year increase for the latest 12 months (second quarter 2010 to first quarter 2011) was 0.80%. Note that these numbers reflect the wage increase negotiated for the first year of the contract, regardless of the effective date of the increase.

CERTIFICATIONS

The BC Labour Relations Board's most recent year-to-date summary of certification applications granted in 2011 reports 26 certifications granted between January and June, covering over 800 employees in the public and private sectors.

According to the Board's first quarterly report for 2011, over half of the employees (310 out of 549) covered under the 12 certification applications granted in the first quarter of this year fall under a single certification in the mining sector.

Certification applications granted, by industry (First Quarter 2011)

Industry	Applications	
	Applications granted	**# of employees**
Health and Social Services	4	85
Manufacturing	1	7
Mining (including Milling), Quarrying & Oil Wells	1	310
Transportation and Storage	3	36
Other Services	3	111
Total	**12**	**549**

ECONOMY

Several recent forecasts of Canadian economic growth in 2011 have been revised downward; some changes to 2012 forecasts have also been negative. For B.C., recent 2012 growth forecasts from Global Insight have been revised downward, while the company's inflation projections for BC (2011 and 2012) have jumped significantly, reflecting national inflation projection trends.

Economic forecasts (most recent, as of June 2011)[6]

	Real GDP growth (%)			Unemployment rate (%)		CPI (% change)	
	2010	2011	2012	2011	2012	2011	2012
British Columbia							
Central 1	3.6	2.9	3.1	7.3	6.7	2.1	1.7
Scotiabank	3.1	2.8	-	7.3	-	-	-
TD	3.6	2.6	2.3	7.3	6.5	1.7	1.8
CIBC	3.2	2.7	3.0	7.2	6.7	2.0	2.2
Global Insight	4.0↑	2.8	2.8↓	7.8↑	6.8	2.7↑	2.9↑
Canada							
Scotiabank	3.2↑	2.8↓	2.6	7.6	7.3↓	3.0↑	2.4↑
TD	3.2↑	2.8↓	2.5	7.6↓	7.4	2.8↑	2.2↑
CIBC	3.2↑	2.7↑	2.6↓	7.5↓	7.3	2.8↑	1.7↓
Global Insight	3.2↑	2.8↓	2.8↓	7.5↓	7.1↓	2.8↑	2.2↑
United States							
Scotiabank	2.9	2.6	2.8	8.7	8.2	2.9	2.1
TD Bank	2.9	2.5	3.0	8.9	8.6	3.1	2.2
CIBC	2.9	2.4	2.4	9.1	8.9	3.0	2.2
Global Insight	2.9	2.5	2.7	8.8	8.4	3.0	1.7

IN BRIEF

Pension plans in Canada

Information from StatsCan's most recent annual survey of registered pension plans (RPPs) in Canada (January 1, 2010) indicates that growth in RPP membership in 2009 was at its slowest rate in four years (+0.2%, to nearly 6,024,000). All growth came from the public sector; private sector membership declined. Although 75% of individuals with an RPP were in defined benefit (DB) plans, the rate of participation in these plans has declined from more than 85% a decade ago, while membership in defined contribution (DC) plans (16% of all RPP membership as of January 1, 2010) continues to rise. Most DC plan members are in the private sector.

Income in Canada

According to economist Armine Yalnizyan, StatsCan's most recent *Income in Canada* report (June 2011) "reveals important stories about the winners and losers since the recession." Among other things, Yalnizyan notes that three provinces – Ontario, Alberta and B.C. – were particularly hard hit by the 2008-09 global economic crisis. In each of these "bust provinces," average and median incomes have dropped, while the shares of after-tax income of the richest 20% are at or near peak highs. B.C.'s richest 20% held the largest share of total after-tax income of any jurisdiction in 2009 (44.8%), while the poorest 20% held the smallest share (4.5%). The opposite trends occurred in the provinces that saw growth through the recession (Newfoundland and Labrador, Saskatchewan and Quebec).

[6] Some financial institutions have revised their forecasts since the last edition of BCGEU Labour Data; some have not. For those forecasts that have been revised, arrows (↑, ↓) indicate the change, if any, in the forecasted figure, compared to the figure in the previous edition. United States figures are new to this edition of BCGEU Labour Data, and are not compared to previously forecasted figures.

Inequality in Canada
In mid-July the Conference Board of Canada confirmed what unions and progressive economists have been saying for years; namely, that income inequality in Canada has increased over the last two decades, and personal income taxes and government transfers (e.g. income assistance, employment insurance, child benefits, old age security) are effective mechanisms for reducing income inequality. Data released by the Conference Board indicates that the percentage of people living in low income was higher in B.C. in 2009 (13%) than in most other provinces (only Nova Scotia, 13.1%, and Newfoundland and Labrador, 13.2%, posted higher rates), and Vancouver had the highest low-income rate in 2009 (16.5%) among Canada's largest cities.

Taxes in B.C.
A June 2011 study from the Canadian Centre for Policy Alternatives (CCPA) examines changes to the overall tax system in B.C. during the last decade, comparing the total provincial tax rate (including provincial income tax, Medical Service Plan premiums, and consumption and property taxes) for households at different income levels. The study finds that the richest 20% of British Columbians pay a lower total tax rate than everyone else. According to the CCPA, as a result of provincial tax cuts and changes between 2000 and 2010, the provincial government has $3.4 billion less to spend on public services today.

Cost of poverty in B.C.
A ground-breaking new report from the CCPA (July 2011) provides the first ever B.C. analysis comparing the economic costs of poverty with the cost of implementing a provincial poverty reduction plan. The report estimates that the total cost of poverty in B.C. is $8.1 to $9.2 billion per year, the largest component ($6.2 to $7.3 billion) of which comes in the form of lost productivity and foregone earnings due to unemployment, underemployment and low wages. In contrast, according to the report, the estimated cost of implementing a provincial poverty reduction plan is $3 to $4 billion per year.

Labour market in B.C.
The B.C. government recently released the second annual BC Labour Market Outlook (2010-2020) report. The report provides labour market supply and demand projections for the province and its regions from 2010 to 2020. Highlights of the report include projections of tight labour market conditions (i.e. demand for workers exceeding supply) at the provincial level by 2016, and slower growth in both demand for and supply of workers by the latter half of the forecast period – reflecting global economic uncertainty and the impacts of an aging population. Health occupations are expected to experience the strongest growth in demand in B.C. (2.4% annual average growth), while occupations unique to primary industries (e.g. farming, fishing, forestry) are expected to have the lowest growth in demand (0.8% annual average growth) at the provincial level.

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