



# labour data

BCGEU Research and Campaigns

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

## EMPLOYMENT

BC's unemployment rate dropped by 0.5 percentage points in November, down to 6.9%.<sup>1</sup> However, this improvement in the jobless rate was primarily the result of people leaving the labour market (-7,900; -0.3%), rather than job growth (+4,300; +0.2%). In contrast, a 0.7 percentage point jump in the unemployment rate in December, up to 7.6%, resulted from a loss of 22,500 jobs during the month (-1.0%). The jump in December brought BC's unemployment rate up to the national average (7.6%) for the first time since February 2005.

### Unemployment rate (%) – December 2010

British Columbia				Canada
Overall	Women	Men	Youth (15-24 yrs)	Overall
7.6	7.1	8.0	12.3	7.6

On average, BC's unemployment rate hovered at 7.5% in 2010.

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

The unemployment rate in Vancouver has been falling since August (7.8%), and reached a yearly low in December (6.7%). Victoria's jobless rate increased slightly to 5.9% in December, which, on average, is where it sat in 2010. Across the province, unemployment rates have fallen since September. In December they ranged from a low of 5.8% in the Vancouver Island/Coast region to a high of 8.6% in the Kootenay region; the rates in most of the other regions were pegged at around 7%.

## INFLATION

Consumer prices were up across the country in December. Inflation in BC and at the national level was at 2.4%.<sup>2</sup> The main factor behind the increase in consumer prices was gasoline.

### CPI – Consumer Price Index (% change, December 2009 to December 2010, all items)

Canada	British Columbia	Vancouver	Victoria
2.4	2.4	2.5	2.0

<sup>1</sup> Employment data is seasonally adjusted, unless otherwise indicated.

<sup>2</sup> Inflation data is not seasonally adjusted.

BC's annual average inflation was 1.3% in 2010 (compared to 0.0% in 2009). Energy prices were the main contributors to BC's 2010 annual inflation.

## WAGES

The latest BC Stats data (December 2010) put the average hourly wage in BC at \$22.81, an increase of 0.8% over the last year, but down from \$23.02 in September.<sup>3</sup> This marks the first time in the past two years that the average hourly wage in BC has been below the national average (\$22.88; 2.4% increase over the last year).

According to StatsCan (December 2010), on average, men in BC earn \$3.85 per hour more than women, and unionized employees average \$5.34 more per hour than non-union employees.

In its latest quarterly information, the BC Bargaining Database reports that the average first-year increase for contract settlements in BC in the second quarter of 2010 was 0.61% (0.40% for public sector, 0.82% for private sector). The all-industry average first-year increase for the latest 12 months (fourth quarter 2009 to third quarter 2010) was 1.06%. 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 reports five certifications granted in BC in December, covering 43 employees, most in the Lower Mainland. Almost half of the certification applications granted during the first three quarters in 2010 (22 out of 56, covering 1181 out of 2289 employees) were in health and social services.

### Certification applications granted, by industry (First Three Quarters, 2010)

Industry	Applications	
	Applications granted	# of employees
Accommodation, Food & Beverage Services	1	75
Business Service	1	8
Construction	9	282
Educational Services	2	32
Government Services	1	4
Health and Social Services	22	1181
Manufacturing	5	309
Mining (incl. Milling), Quarrying & Oil Wells	1	250
Retail Trade	5	69
Transportation and Storage	6	67
Other Services	3	12
<b>Total</b>	<b>56</b>	<b>2289</b>

<sup>3</sup> Wage data is unadjusted.

## ECONOMY

Reports indicate that the Canadian economy continued to lose steam in the third quarter of 2010. According to BC Stats (*Business Indicators*, December 2010), economic growth in the third quarter "was a modest 0.3%, and monthly industry data suggest that the economy shrank in September (-0.1%), marking the first monthly decline since August 2009." The situation was similar in BC, and the economic outlook remains uncertain:

Despite robust growth earlier in the year, some key economic indicators remain well below pre-recession levels. The confidence of consumers and businesses in the economy still seems fragile, and could easily be shaken by external shocks. The world economic and financial situation remains a cause for concern. It is possible that BC, along with the rest of Canada, could find itself on a somewhat bumpy economic road in the coming months.

On the jobs front, although "full-time employment is rising, the number of people with part-time jobs has grown much more rapidly since the beginning of the year." Moreover, BC's "unemployment rate remains well above levels seen in the recent past, and has declined only modestly from its peak of just over eight percent in late 2009."

### Economic forecasts

	Real GDP growth (%)			Unemployment rate (%)		CPI (% change)	
	2010	2011	2012	2011	2012	2011	2012
<b>British Columbia</b>							
Central 1	3.1	2.4	3.3	7.3	6.8	1.5	1.7
Scotiabank	3.1	2.8	-	7.3	-	-	-
TD	3.5	2.4	2.3	7.0	6.7	2.2	1.8
CIBC	3.2	2.4	-	7.4	-	2.1	-
Global Insight	2.9	2.3	-	7.0	-	2.1	-
<b>Canada</b>							
Scotiabank	2.9	2.2	2.7	7.8	7.5	2.0	2.0
TD	2.9	2.6	2.5	7.5	7.2	2.3	2.0
CIBC	2.9	2.2	2.8	7.7	7.4	1.9	2.3
Global Insight	2.9	2.4	-	7.7	-	2.1	-

## IN BRIEF

### Unionization up

A recent StatsCan report (October 2010) indicates that the number of unionized workers increased by 64,000 (to 4.2 million) during the first half of 2010. Union membership rose slightly more rapidly than employment; as a result, the unionization rate edged up from 29.5% in 2009 to 29.6% in 2010. Women experienced disproportionately more gains in unionized jobs than men. British Columbia recorded the largest increase in its unionization rate of any province.

### Wages down

The International Labour Organization's second *Global Wage Report* (December 2010) finds that the recent economic collapse cut global growth in wages by half. The report suggests a link between growing

income inequality and the economic crisis, and calls for more effective collective bargaining and higher minimum wages to help achieve a balanced and equitable economic recovery.

### **Inequality up**

A recent report by the Canadian Centre for Policy Alternatives (December 2010) finds that Canada's richest 1% are taking more of the gains from economic growth than ever before in recorded history. According to the report, Canada's richest 1% took almost a third of all growth in incomes between 1997 and 2007, and since the late 1970s, they have almost doubled their share of Canada's total income. In terms of the drivers of these trends, the report notes that the top marginal income tax rate has been cut almost in half since 1948, from 80% down to 42.9% in 2009.

### **Welfare rules keep people down**

A recent report from the National Council of Welfare (December 2010) shows that welfare is harder to get today than 20 years ago. As a result, more people were forced into extreme poverty in 2009 just to qualify for benefits. The report illustrates that the combination of low asset limits, low earning exemptions, and low welfare rates trap people in poverty.

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