



labour data

BCGEU Research and Campaigns

January 2012

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

EMPLOYMENT¹

BC's unemployment rate was 7.0% in December, the same rate as the previous month. Until November, when the unemployment rate jumped by 0.4 percentage points, the province's unemployment rate had been falling steadily since February, when the rate was 8.8%. Employment increased slightly in December, after back-to-back declines in each of the two previous months. However, the jobless rate held steady because there were more people looking for work. Growth in the number of part-time jobs (+1.6%) was the main reason for the increase in employment, with full-time work increasing only marginally (+0.1%).

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

	British Columbia				Canada
	Overall	Women	Men	Youth (15-24 yrs)	Overall
Dec-11	7.0	6.0	7.9	13.8	7.5
Sep-11	6.7	6.3	7.2	14.1	7.1
Jun- 11	7.3	7.7	6.9	12.9	7.4
Dec- 10	7.6	7.1	8	12.2	7.6

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

Compared to November, unemployment rates increased in all B.C. of B.C.'s development regions except the Thompson/ Okanagan (-0.3 percentage points) and Vancouver Island/ Coast (-0.1 percentage points). The unemployment rate in the Northeast was not available. North Coast & Nechako continues to have the highest regional rate at 9.8%; the lowest rates were in the Mainland/ Southwest (6.3%) and Vancouver Island/Coast.

Unemployment rate (%), by Region

	Van.Island/ Coast	Mainland/ Southwest	Thompson/ Okanagan	Kootenay	Cariboo	North Coast & Nechako	Northeast
Dec-11	6.3	6.3	6.6	6.8	7.3	9.8	n/a
Sep-11	7.6	7.2	7.3	8.1	8.1	8.6	4.3
Jun- 11	7.7	7.3	8.1	8.3	7.4	7.0	4.0
Dec- 10	5.9	7.0	8.0	8.7	7.0	7.1	7.1

¹ Employment data is seasonally adjusted, unless otherwise indicated.

INFLATION²

➤ MONTHLY ("year-over-year")

Consumer prices in B.C. were 2.3% higher in November compared to the same month a year ago. This is lower than the national figure of 2.9%, and the lowest of any province. Energy prices (+8.9%) continued to play a significant role in the increase, with people paying 12.8% more for gasoline compared to last year.

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

	CANADA	British Columbia	Vancouver	Victoria
Oct-10 to Oct-11	2.9	2.3	2.1	2.1
Nov-10 to Nov-11	2.9	2.3	2.3	2.1

➤ TWELVE-MONTH AND ANNUAL AVERAGES:

Average inflation in B.C. has picked up significantly. Average inflation over the 12 months ending in October (2.4%) was higher than the comparable figure for 2010 (1.8%). Nationally, average inflation was 2.8% for the 12 months ending in October, compared to 1.8% over the comparable period last year.

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

	Canada	British Columbia	Vancouver	Victoria
Latest 12 months (ending Oct-11)	2.8	2.4	2.4	2.2
12 months ending Oct-10	1.8	1.3	1.8	1.1
2010 annual	1.8	1.3	1.8	1.1

WAGES

The latest BC Stats data (December 2011) put the average hourly wage in B.C. at \$23.51, an increase of 3.1 % over the same month last year.⁵ The national average hourly wage was slightly lower at \$23.39, a 2.2% increase over last year. According to StatsCan (December 2011), on average men in B.C. earn \$4.75 per hour more than women, and unionized employees average \$4.96 more per hour than non-union employees.

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

	Canada	British Columbia		
	Overall	Overall	Men	Women
Jun-11	\$22.72	\$23.17	\$25.22	\$21.09
Sep-11	\$23.05	\$23.27	\$25.50	\$21.07
Dec- 11	\$23.39	\$23.51	\$25.92	\$21.17
Dec-10	\$22.88	\$22.80	\$24.71	\$20.89

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.

➤ **BC WAGE SETTLEMENTS**

In its latest quarterly information, the BC Bargaining Database reports that the average first-year increase for contract settlements in B.C. in the third quarter of 2011 was 1.05% (0.59% for public sector, 1.17% for private sector). The all-industry average first- year increase for the latest 12 months (4th quarter 2010 to 3rd quarter 2011) was 0.89%.

Quarterly Wage Settlements in BC (November 2010 to October 2011)⁶

Quarter	# of Contracts	Number of Employees			First-Year Wage Increases		
					First-Year Increase Weighted Average		First-Year % Increase
		Public Sector	Private Sector	All industries	Public Sector	Private Sector	All industries
4 th quarter, 2010	23	11,114	2,587	13,701	1.60	1.29	1.54
1 st quarter, 2011	35	24,520	8,163	32,683	0.32	1.21	0.54
2 nd quarter, 2011	34	4,337	13,183	17,520	1.27	0.77	0.89
3 rd quarter, 2011	23	3,299	11,809	15,108	0.59	1.17	1.05
12-month total	115	43,270	35,742	79,012	0.77	1.04	0.89

➤ **WAGE SETTLEMENTS ACROSS CANADA**

Nationally, so far in 2011 annual wage settlements in the public sector have averaged 1.6%. Private sector wage adjustments were slightly higher, averaging 2.1%.

Average annual percentage wage adjustments – Canada, by year

	2008	2009	2010	2011
Public Sector	3.5	2.5	1.6	1.6
Private Sector	2.5	1.8	2.1	2.1

CERTIFICATIONS

The BC Labour Relations Board's most recent year-to-date summary of certification applications granted in 2011 reports 44 certifications granted between January and September, covering over 1100 employees in the public and private sectors.

Industry	Applications Granted	# Employees
Business Services	2	23
Construction	8	112
Educational Services	1	31
Government Services	2	13
Health and Social Services	9	219
Manufacturing	7	173
Mining	1	310
Retail	1	21
Transportation	5	72
Other Services	8	191
Total	44	1165

⁶ Note that these numbers reflect the wage increase negotiated for the first year of the contract, regardless of the effective date of the increase.

ECONOMY

➤ ECONOMIC & LABOUR MARKET OUTLOOK

Most recent forecasts for economic growth in 2011 and 2012 have been revised downward. For B.C., private sector growth forecasts are calling for the Canadian economy to expand slowly (1.7%- 2.8% GDP growth) over the near-term. Overall government spending is expected to be flat or decline as a result of austerity measures and public spending cuts. Predictions are that employment growth will barely keep up with labour force expansion, leaving the jobless rate high. Inflation is expected to subside towards about 2% with declines or slower increases in fuel, food and housing prices.

➤ ECONOMIC FORECASTS

Economic forecasts (most recent, as of December 2011)⁷

	Real GDP Growth (%)			Unemployment Rate (%)		CPI (% change)	
	2011	2012	2013	2011	2012	2011	2012
British Columbia							
Central 1	2.4 ↓	2.8 ↓		7.7 ↑	7.3 ↑	2.3 ↑	1.7
Scotiabank	2.3 ↓	2.0	2.8	7.6 ↑	7.4	-	-
TD Bank	1.9 ↓	1.9 ↓	2.5	7.6 ↑	7.6 ↑	2.4 ↑	1.6 ↓
CIBC	2.5 ↓	2.6 ↓		7.7 ↑	7.2 ↑	2.4 ↑	1.9 ↓
Global Insight	2.5 ↓	1.7 ↓	2.3	7.7 ↑	6.7 ↓	2.5 ↓	1.7 ↓
Canada							
Scotiabank	2.3 ↓	1.8 ↓	2.4	7.4 ↓	7.3	3.0	1.8 ↑
TD Bank	2.4 ↓	1.7 ↓	2.2	7.4 ↓	7.6 ↑	2.9 ↑	1.7 ↑
CIBC	2.4 ↓	2.0 ↓	2.1	7.5	7.6 ↑	3.0 ↑	1.9 ↑
Global Insight	2.3 ↓	1.9 ↓	2.6	7.5	7.2 ↑	3.1 ↑	1.5 ↑
United States							
Scotiabank	1.8 ↓	1.8 ↓	2.2	9.0 ↑	8.9 ↑	3.2 ↑	1.8 ↑
TD Bank	1.8 ↓	1.9 ↓	2.3	9.0 ↑	8.8 ↑	3.2 ↓	1.7 ↑
CIBC	1.8 ↓	1.9 ↓	1.9	9.0 ↓	9.0 ↑	3.2 ↑	1.8 ↑
Global Insight	1.7 ↓	1.8 ↓	2.4	9.0 ↑	9.0 ↑	3.1 ↑	1.5 ↑

IN BRIEF

Pension plans

A December 2011 report from the Canadian Centre for Policy Alternatives (CCPA) examines the federal government's proposed Pooled Registered Pension Plan (PRPP) program. The report finds that the program will do nothing to solve Canada's pension crisis. Further, author Monica Towson concludes that rather than proposing yet another voluntary savings scheme, the government should instead focus on expanding the Canada Pension Plan (CPP). Improving CPP benefits would address the two key issues in the pension system causing concern: the lack of coverage in workplace pension plans; and the fact that individuals are not saving for retirement on their own. An expanded CPP would provide better retirement pensions to virtually all Canadians. The full report is available at <http://www.policyalternatives.ca/publications/reports/pension-breakdown>.

⁷ These financial institutions have revised their forecasts since the last edition of BCGEU Labour Data. 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. 2013 figures are new to this edition of BCGEU Labour Data, and are not compared to previously forecasted figures.

Inequality in Canada

A December 2011 OECD report called *Divided We Stand: Why Inequality Keeps on Rising* tackled the problem of growing inequality around the world. According to the report, inequality in Canada is above the OECD average, but still below levels in the US. The rise in inequality in Canada is largely due to increased disparities in labour earnings, but also due to less redistribution through taxes and benefits. In Canada, prior to the mid-1990s, taxes and benefits offset more than 70% of the rise in market income inequality while today it is less than 40%. The report calls for a focus on more and better jobs, investing in human capital, starting at early childhood level and with more life-long learning, reforming tax and benefit systems with an increase in the share paid by wealthier individuals and providing free and high quality public services. The main report also notes that declining coverage of unions and collective bargaining, as well as more precarious work has also contributed to rising earnings inequality. The full report, and the country note for Canada, are available at http://www.oecd.org/document/51/0,3746,en_2649_33933_49147827_1_1_1_1,00.html.

Public Sector Wages

CUPE released a comprehensive study of wages in the public and private sectors in December 2011. The study shows that there is no evidence public sector workers are paid consistently more than those in similar jobs in the private sector. Instead, overall average pay in the public sector is remarkably similar when compared against similar jobs in the private sector: only 0.5 per cent higher. This public sector pay premium can be entirely explained by a smaller pay gap for women in the public sector, partly because of stronger pay equity rules in the public sector. Pay in the public sector isn't just more equitable for women: public sector pay scales are more equitable in other dimensions including age, occupational group, and region. These results were consistent for all levels of government. Differences are especially significant at the top and bottom of the pay scales. The report also includes a critique of the CFIB's Wage Watch report, some information on the relative costs of pensions and benefits, and a set of recommendations to reduce wage inequality. The report can be downloaded from <http://cupe.ca/economics/battle-wages-paid-more-public-private>.

B.C.'s Economic Performance

In December, the B.C. Progress Board released its last annual benchmark report. The report shows a decline in BC's standing in Canada in many important areas in the last 10 years. B.C. has gone from 4th to 5th place in the economy, from 3rd to 4th in personal income and from 5th to 7th in jobs. In terms of social conditions, BC sits in 9th place among the 10 provinces. BC sits in last place in terms of people in poverty, and is second worst in terms of long term unemployment. Some of the information is surprising given 10 years of very business friendly government. Business productivity grew by 6.3% between 1997 and 2000 and by about 3% in the next ten years. More surprising was that BC ranks 25th out of 34 OECD jurisdictions when it comes to exports per capita. B.C. ranked 4th in Canada on per capita spending on research and development. The report can be found at <http://www.bcprogressboard.com/2011Report/BCPB2011intro.html>.

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