

# Labour Market Information Monthly

January 2012 Edition

Issue 1 Volume 9

## Risk of layoff and earnings losses associated with layoffs \*

Canadian workers aged 25 to 54 were less likely to lose their job during the mid-2000s than they were in the late 1970s.

In addition, those who were laid off from a job in industries other than manufacturing experienced smaller short-term earnings losses from 2005 to 2007 than their counterparts did in the late 1970s.

However, men aged 25 to 54 who were laid off in manufacturing from 2005 to 2007 experienced larger short-term earnings losses than their counterparts did in the late 1970s.

### This Month

- Risk of layoff and earnings losses associated with layoffs
- Key Labour Force Statistics
- The Industry Report



Between 1978 and 1980, 8.3% of jobs held by workers aged 25 to 54 ended with a permanent layoff, compared with 6.1% between 2005 and 2007. A permanent layoff occurs when the employee does not return to his or her employer in the year of the layoff or the following year.

Falling layoff rates were observed in manufacturing and outside manufacturing. For instance, permanent layoff rates in manufacturing averaged 6.6% during the late 1970s and 5.4% during the mid-2000s.

In industries other than manufacturing, laid-off workers experienced smaller short-term earnings losses from 2005 to 2007 than in the late 1970s.

In the late 1970s, men who were laid off from industries other than manufacturing received 12% lower earnings one year after being displaced compared with the year preceding displacement. From 2005 to 2007, men who were laid off had lost 4% of their pre-displacement earnings a year later.

For women, earnings fell 29% in the year after displacement in the late 1970s. For those laid off between 2005 and 2007, however, earnings had declined 11% a year later.

Different patterns were observed in the manufacturing sector, especially for men. During the late 1970s, men who were laid

\* From *The Daily*, December 15, 2011, Statistics Canada

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off from manufacturing jobs lost 12% of their pre-displacement earnings. However, men who were laid off between 2005 and 2007 lost 18% of their pre-displacement earnings. Earnings losses of their female counterparts were little changed.

Earnings losses of displaced manufacturing workers increased substantially between the late 1990s and mid-2000s.

For instance, from 1998 to 2000, earnings for women who were laid off declined 17% in the year following displacement. From 2005 to 2007, their earnings fell 35% in the following year. The corresponding numbers for men are 7% and 18%. This increase in earnings losses coincided with the sharp decline in employment observed in manufacturing since 2004.

**Note: The study "How Have the Risk of Layoff and Earnings Losses of Laid-off Workers Evolved since the Late 1970s in Canada?" analyzes permanent layoff rates and short-term earnings losses following displacement for the period from 1978 to 2007, the year preceding the most recent economic slowdown. Short-term earnings losses are defined as the percentage change in total earnings observed from the year preceding displacement to the year following displacement. Data came from the Longitudinal Worker File.**

The research paper "How Have the Risk of Layoff and Earnings Losses of Laid-off Workers Evolved since the Late 1970s in Canada?," part of *Analytical Studies Branch Research Paper Series* ([11F0019M2011339](http://www150.statcan.gc.ca/n1/pub/11F0019M2011339), free), is now available from the Key resource module of Statistics Canada's website under *Publications*.



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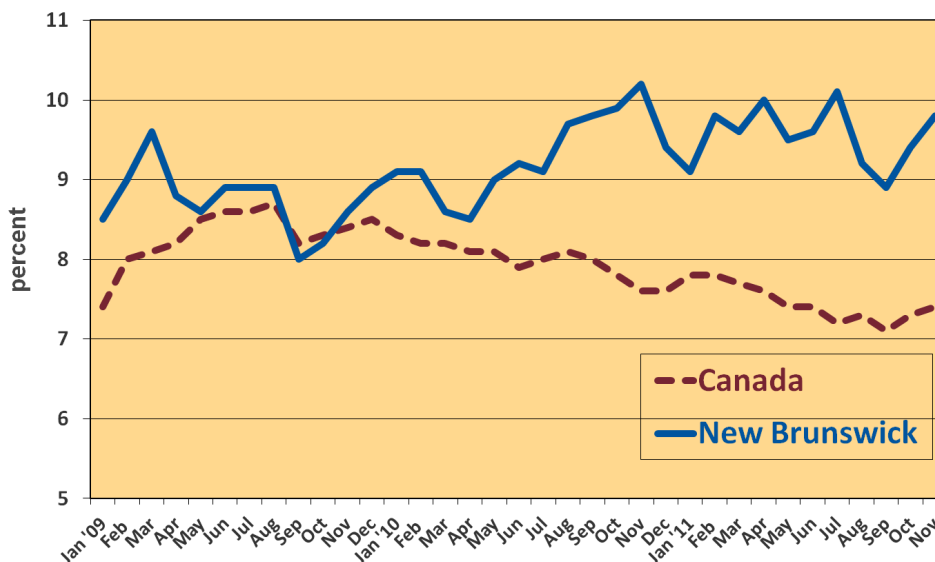
## KEY LABOUR FORCE STATISTICS FOR NEW BRUNSWICK (Source: Statistics Canada, Labour Force Survey)

New Brunswick	Year-to-Date	December '11	November '11	December '10
Labour Force	389,200	390,700	389,400	391,000
Employed	352,000	354,100	351,200	354,100
Unemployed	37,100	36,600	38,200	36,900
Unemployment Rate	9.5%	9.4%	9.8%	9.4%
Participation Rate	62.8%	63.0%	62.8%	63.2%
Employment Rate	56.8%	57.1%	56.6%	57.3%

### CANADA COMPARED TO NEW BRUNSWICK

In December, Canada's unemployment rate was 7.5%, 0.1 of a percentage point higher than last month but 0.1 of a percentage point lower than the same month last year. New Brunswick's rate of 9.4% was 0.4 of a percentage point lower than last month but unchanged compared to the same month last year.

UNEMPLOYMENT RATES IN NEW BRUNSWICK AND CANADA



Source: Statistics Canada, Labour Force Survey

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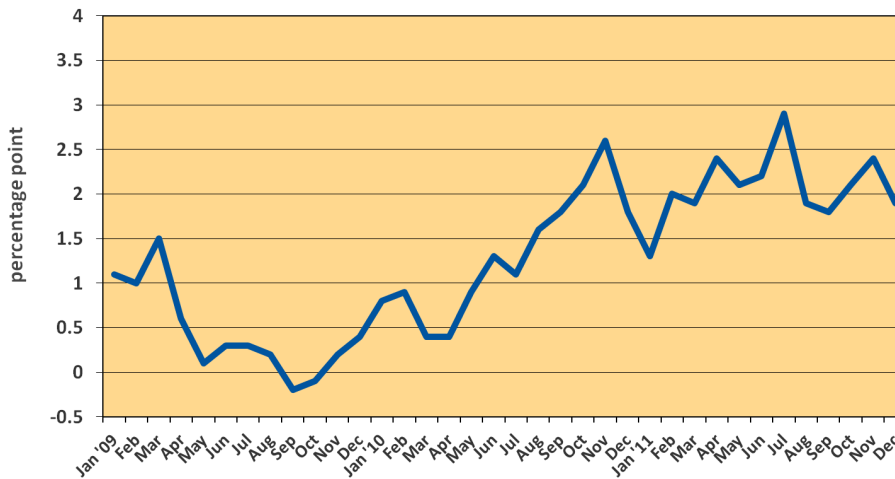
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## CANADA COMPARED TO NEW BRUNSWICK (continued)

The gap between the national and provincial rates was 1.9 percentage points in December.

### DIFFERENCE IN UNEMPLOYMENT RATES IN NEW BRUNSWICK AND CANADA



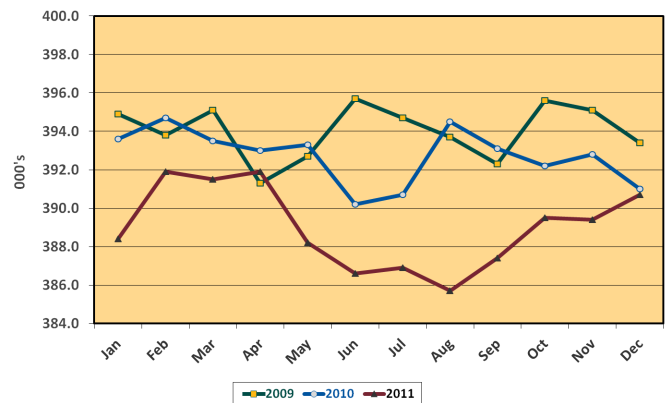
Source: Statistics Canada, Labour Force Survey

## THE LABOUR FORCE

New Brunswick's labour force was 390,700 in December. This was an increase of 1,300 over the previous month, but a decrease of 300 over the same month last year.



### THE SIZE OF THE LABOUR FORCE



Source: Statistics Canada, Labour Force Survey

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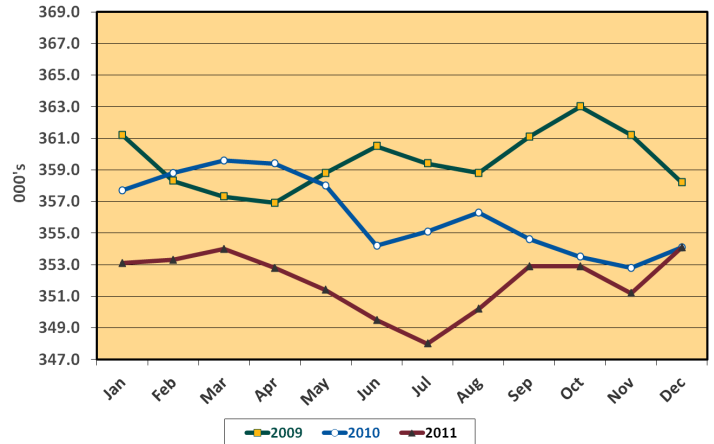
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## EMPLOYMENT

There were 354,100 people working in December. This was 2,900 more than the previous month but unchanged over the same month last year.



## EMPLOYMENT IN NEW BRUNSWICK

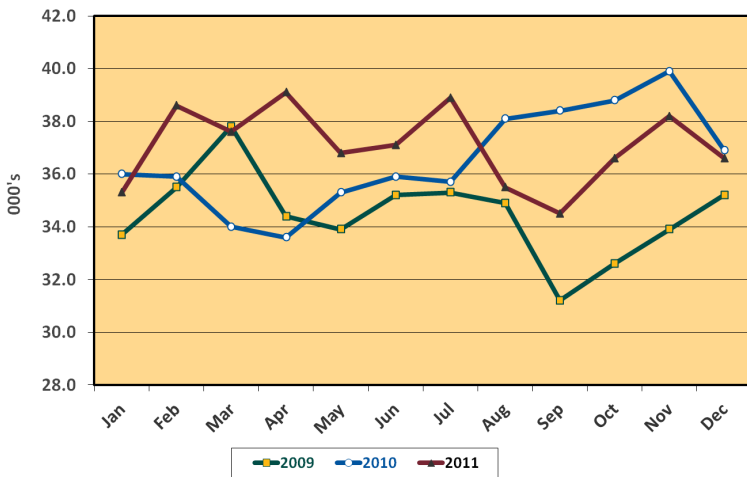


Source: Statistics Canada, Labour Force Survey

## UNEMPLOYMENT

There were 36,600 people unemployed and seeking work in December. This was 1,600 more than what was recorded the previous month and 300 less than the same month last year.

## UNEMPLOYMENT IN NEW BRUNSWICK



Source: Statistics Canada, Labour Force



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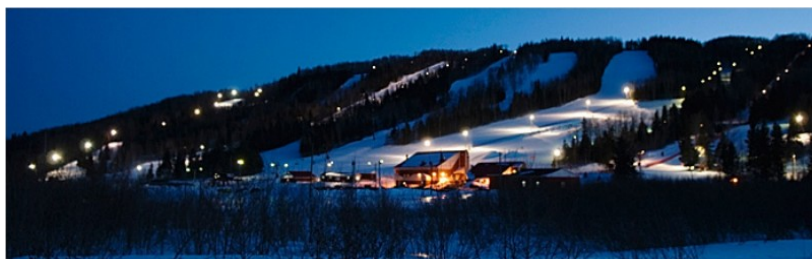
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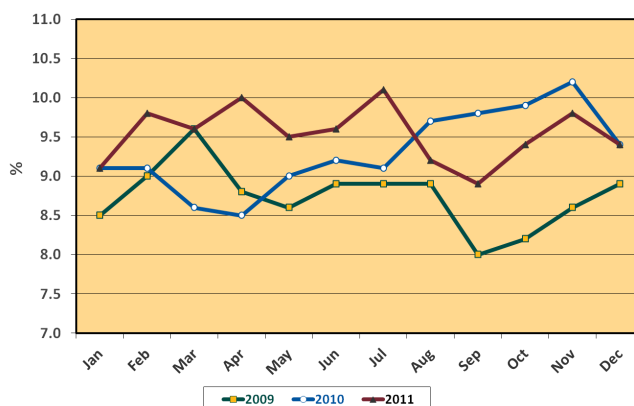
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## THE UNEMPLOYMENT RATE

New Brunswick's unemployment rate of 9.4% in December was 0.4 of a percentage point lower than the previous month but unchanged over the same month last year.



THE UNEMPLOYMENT RATE IN NEW BRUNSWICK



Source: Statistics Canada, Labour Force Survey

## THE ECONOMIC REGIONS

Statistics Canada reports labour force statistics for the economic regions as three month moving averages of actual (not seasonally adjusted) data.

December '11	Economic Regions				
	Northeast	Southeast	Southwest	Central	Northwest
Labour Force	68,600	113,900	92,000	71,800	39,500
Employment	59,300	105,500	85,500	66,200	35,900
Unemployment	9,300	8,400	6,500	5,600	3,600
Unemployment Rate	13.6%	7.4%	7.1%	7.8%	9.1%
Participation Rate	53.3%	66.0%	63.7%	65.5%	61.0%

Economic Regions	Year-to-Date		December '11		December '10	
	Employment	Unemployment Rate	Employment	Unemployment Rate	Employment	Unemployment Rate
Northeast	60,800	15.8%	59,300	13.6%	58,000	17.1%
Southeast	102,500	8.7%	105,500	7.4%	100,700	8.4%
Southwest	87,200	7.2%	85,500	7.1%	87,100	5.4%
Central	66,200	7.8%	66,200	7.8%	70,200	6.4%
Northwest	35,300	9.5%	35,900	9.1%	36,300	8.8%

On a year-over-year basis (December 2011 compared to December 2010), employment increased in the Southeast (+4,800) and Northeast (+1,300) regions, while it decreased in the Central (-4,000), Southwest (-1,600) and Northwest (-400) economic regions.

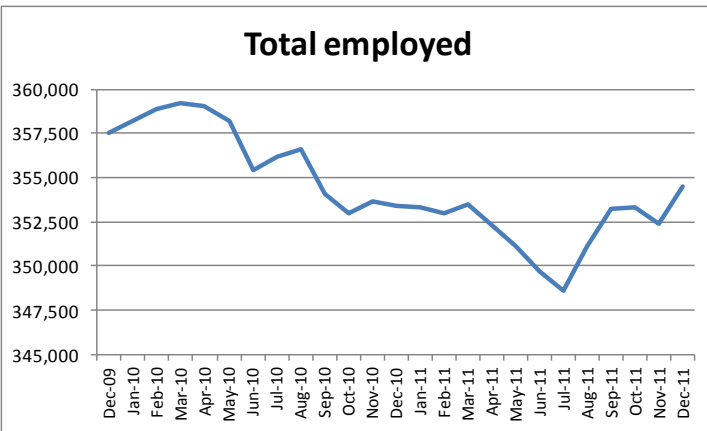
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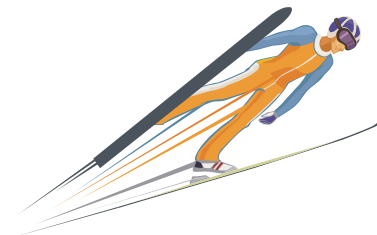
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THE INDUSTRY REPORT—January 2012 Labour Force Survey Release for December 2011

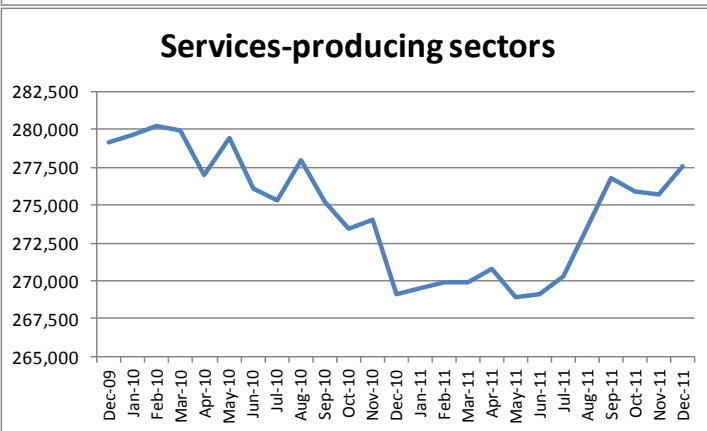


**Total employment** bottomed out in July 2011 at 348,600; since then, employment has increased by 1.7%, adding 5,900 jobs to the overall economy. In December 2011, total employment was 354,500, which is 4,700 lower than the peak recorded in March 2010, when employment reached 359,200.



Employment in the **goods-producing sectors\*** peaked in December 2010 at 84,300; since then, employment has declined by 8.9%, or 7,400 jobs overall, in these sectors. As of December 2011, there were 76,900 people employed in these sectors.

\* The **goods-producing sectors** in the LFS include all North American Industry Classification System (NAICS) sectors from 11-33. For more information go to: <http://www.statcan.gc.ca/subjects-sujets/standard-norme/special/labour2007-travail2007/lfs-epa-07code-eng.htm>



Employment in the **services-producing sectors\*\*** bottomed out in May of 2011 at 268,900; since then, employment has grown by 3.2%, adding 8,700 jobs to these sectors. As of December 2011, there were 277,600 people employed in these sectors.

\*\* The **service-producing sectors** include all North American Industry Classification System (NAICS) sectors from 41-91.

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## THE INDUSTRY REPORT—continued

The five sectors registering the largest employment growth are:

### Information, culture and recreation

- Current employment level (as of December 2011): **12,800**
- Record employment level (September 1999): **15,300**
- Employment in the *Information, culture and recreation* sector bottomed out in December 2010 at 10,400; since then, employment has grown by 23.1%, adding 2,400 net new jobs to the sector.



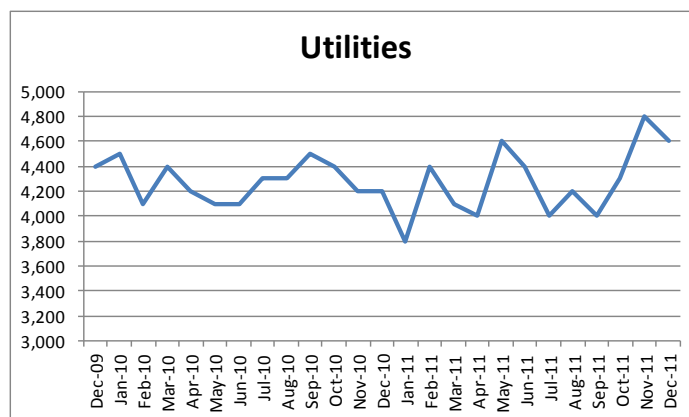
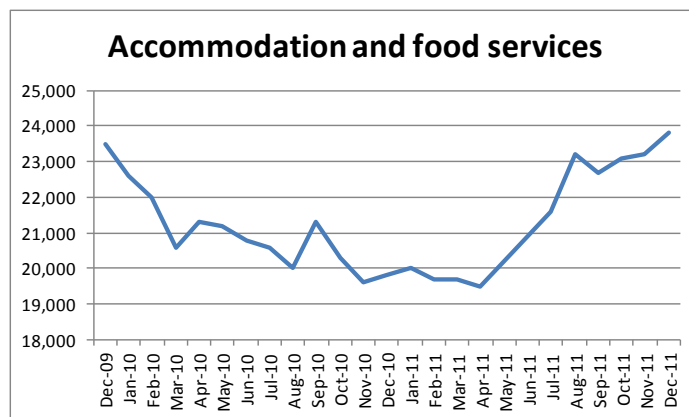
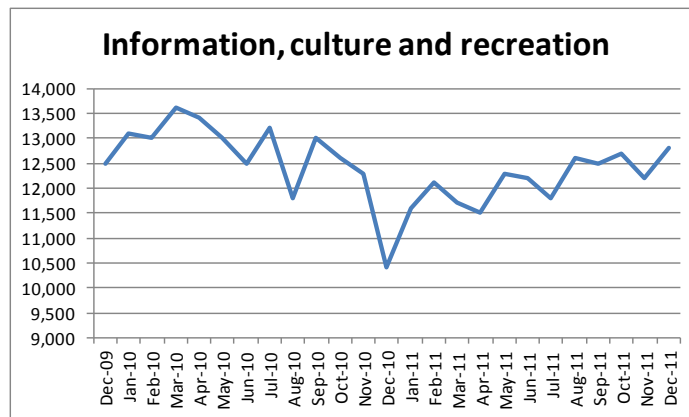
### Accommodation and food services

- Current employment level (as of December 2011): **23,800**
- Record employment level (May 2006): **26,500**
- Employment in the *Accommodation and food services* sector bottomed out in April 2011 at 19,500; since then, employment has grown by 22.1%, adding 4,300 net new jobs to the sector.



### Utilities

- Current employment level (as of December 2011): **4,600**
- Record employment level (July 2008): **5,500**
- Employment in the *Utilities* sector bottomed out in January 2011 at 3,800; since then, employment has grown by 17.4%, adding 800 net new jobs to the sector.



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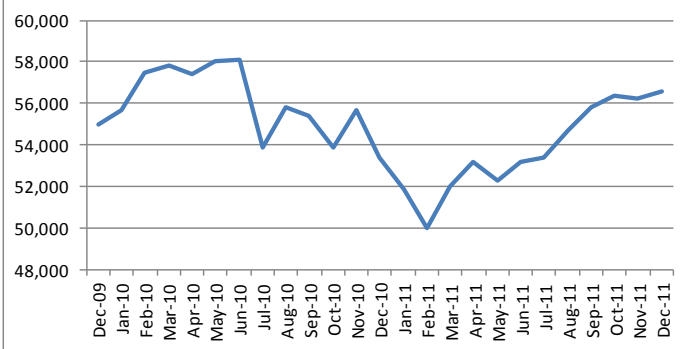
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## THE INDUSTRY REPORT—continued

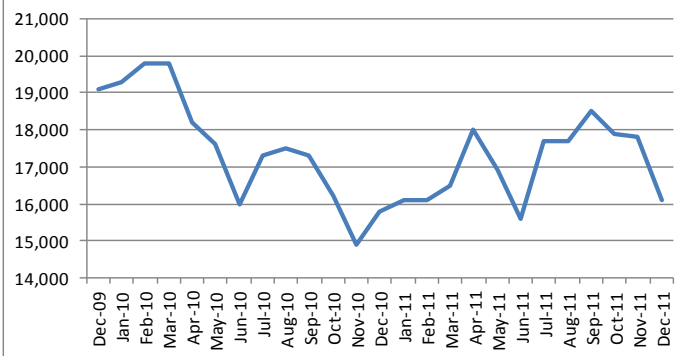
**Retail and Wholesale Trade**



### Retail and wholesale trade

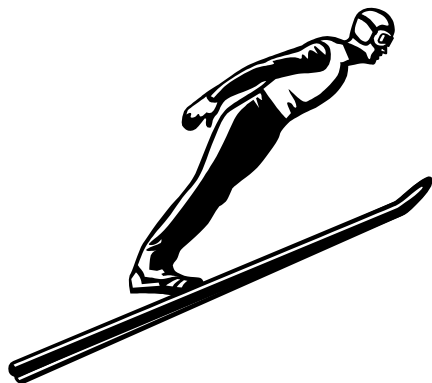
- Current employment level (as of December 2011): **56,600**
- Record employment level (August 2010): **60,100**
- Employment in the *Retail and wholesale trade sector* bottomed out in February 2011 at 50,000; since then, employment has grown by 13.2%, adding 6,600 net new jobs.

**Business, building and other support services**



### Business, building and other support services

- Current employment level (as of December 2011): **16,100**
- Record employment level (April 2004): **23,000**
- Employment in the *Business, building and other support services sector* bottomed out in November 2010 at 14,900; since then, employment has grown by 8.1%, adding 1,200 net new jobs to the sector.



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## THE INDUSTRY REPORT—continued

The five sectors registering the largest employment losses over the last two years are:

### Agriculture

- Current employment level (as of December 2011): **3,800**
- Record employment level (July 2005): **7,800**
- The most recent peak in employment in the *Agriculture* sector was in December 2009, at 6,600; since then, employment has declined by 46.7%, recording a net loss of 2,800 jobs from this sector.



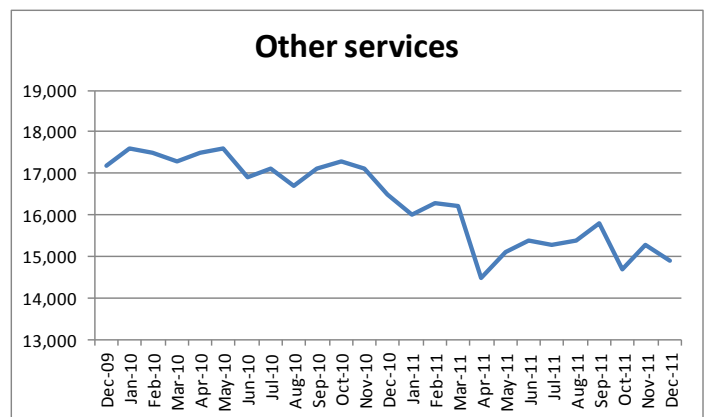
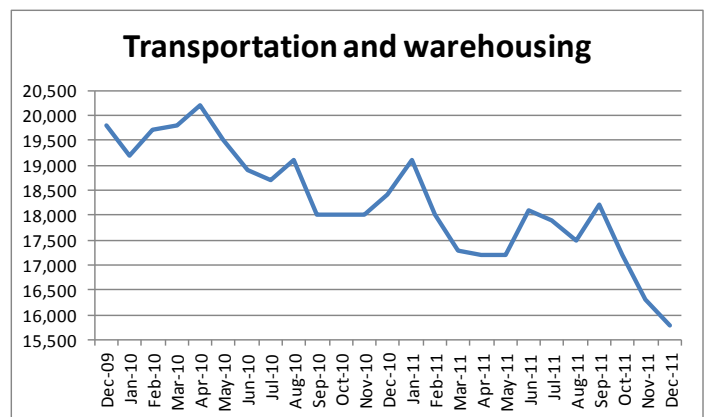
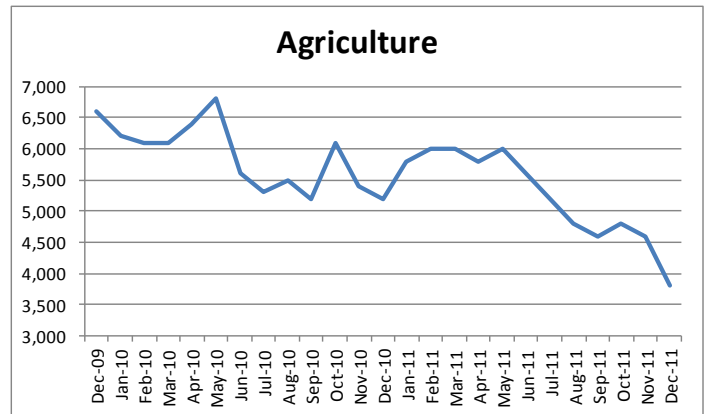
### Transportation and Warehousing

- Current employment level (as of December 2011): **15,800**
- Record employment level (June 2005): **22,000**
- The most recent peak in employment in the *Transportation and warehousing* sector was in April 2009, at 20,200; since then, employment has declined by 27.2%, recording a net loss of 4,700 jobs from this sector.



### Other Services

- Current employment level (as of December 2011): **14,900**
- Record employment level (March 1999): **19,800**
- The most recent peak in employment in the *Other Services* sector was in May 2010, at 17,600; since then, employment has declined by 18.6%, recording a net loss of 2,700 jobs from this sector.



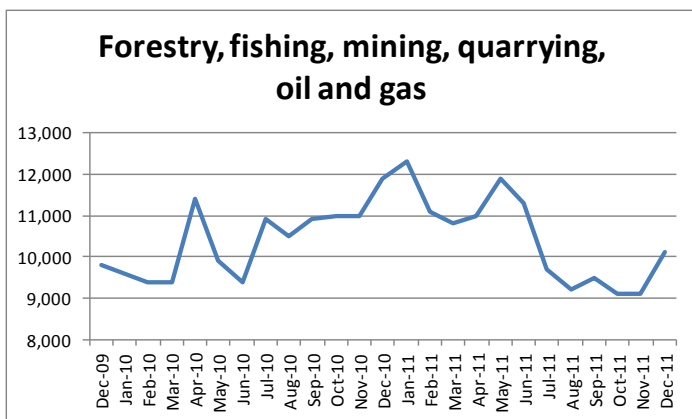
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## THE INDUSTRY REPORT—continued



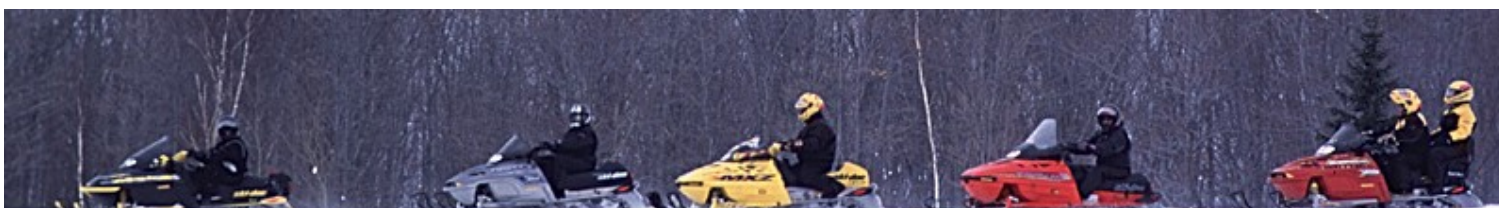
### Forestry, fishing, mining, oil and gas

- Current employment level (as of December 2011): **10,100**
- Record employment level (December 1994): **14,600**
- The most recent peak in employment in the *Forestry, fishing, mining, oil and gas* sector was in January 2011, at 12,300; since then, employment has declined by 17.9%, recording a net loss of 2,200 jobs from this sector..



### Manufacturing

- Current employment level (as of December 2011): **30,400**
- Record employment level (January 2004): **43,000**
- The most recent peak in employment in the *Manufacturing* sector was in May 2011 at 33,700; since then, employment has declined by 9.8%, recording a net loss of 3,300 jobs from this sector..



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