

Year 2021

GOAL 7: LABOUR FORCE PARTICIPATION RATE

NEW BRUNSWICK WILL HAVE A LABOUR
FORCE PARTICIPATION RATE EQUAL TO OR
HIGHER THAN THE NATIONAL RATE BY 2028.



STATUS: NOT PROGRESSING

Overview

Importance

The labour force participation rate refers to the percentage of the population that is currently working or actively seeking employment. Increasing labour force participation could introduce more permanent workers into New Brunswick's labour market while increasing overall employment rates for the province.

Problem

Currently, New Brunswick's labour force participation rate is below the national average.

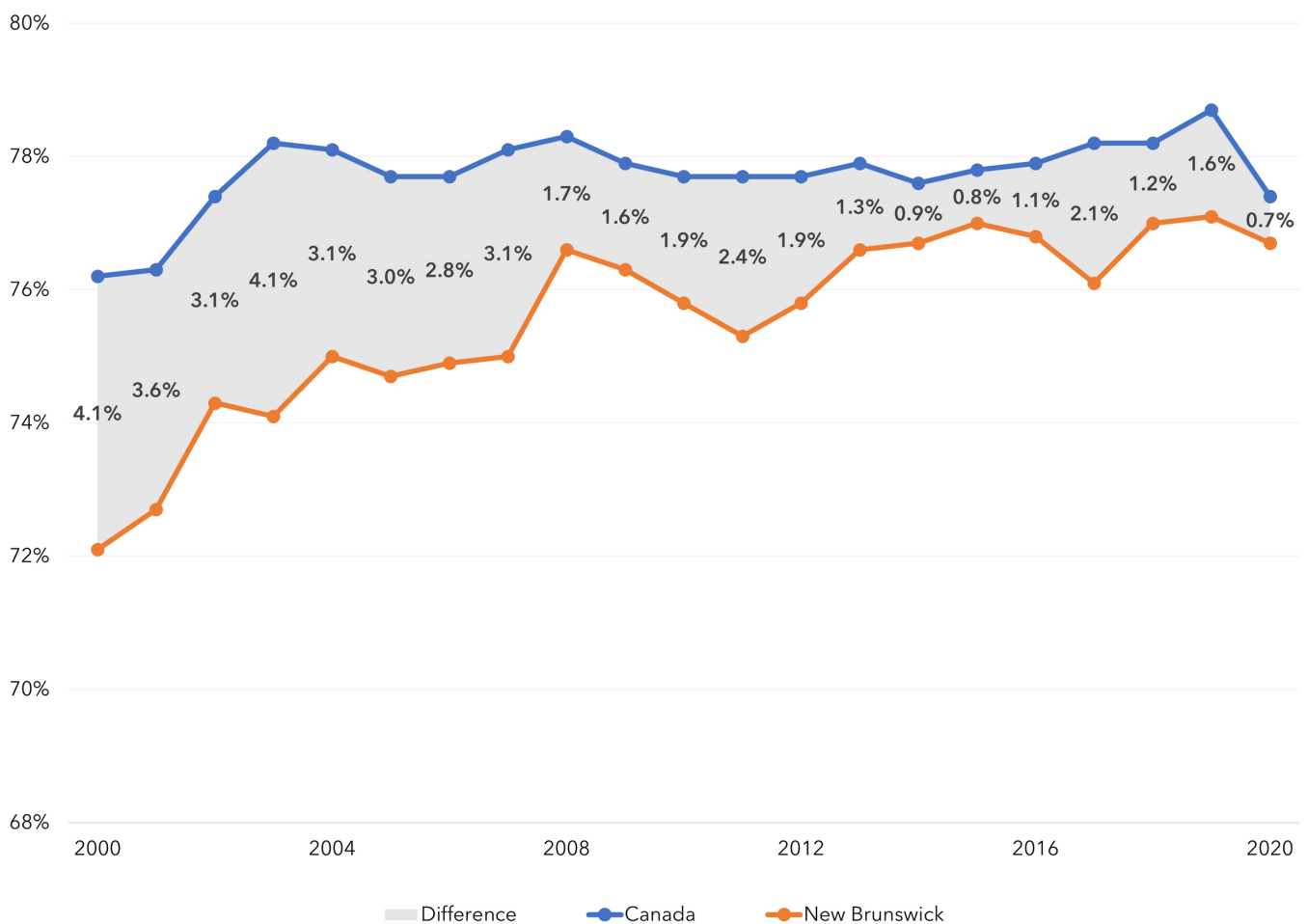
Cause

The participation rate refers to the active portion of an economy's labour force. Since it applies only to those of working age, an economy's labour force participation rate is affected by the age demographics of its population. Due primarily to an aging population, and concurrently a decreasing younger population, New Brunswick's participation rate has been stagnating/decreasing and, when increasing, appears higher for the wrong reasons.

In the Numbers

The labour force participation rate in New Brunswick was increasing and growing closer to the national average from 2000 until the 2008 recession. Afterwards, there were small fluctuations but an overall narrowing of the gap until 2020. Both the national and provincial labour force participation rates dropped in 2020 and resulted in a 0.7% net difference, which is the smallest gap seen since 2015 and may be regarded as progress towards our main goal. However, as this is due largely to a shrinking working-age population, this should not be viewed as an absolute positive.

Figure 1: Canada vs. New Brunswick Labour Force Participation Rate

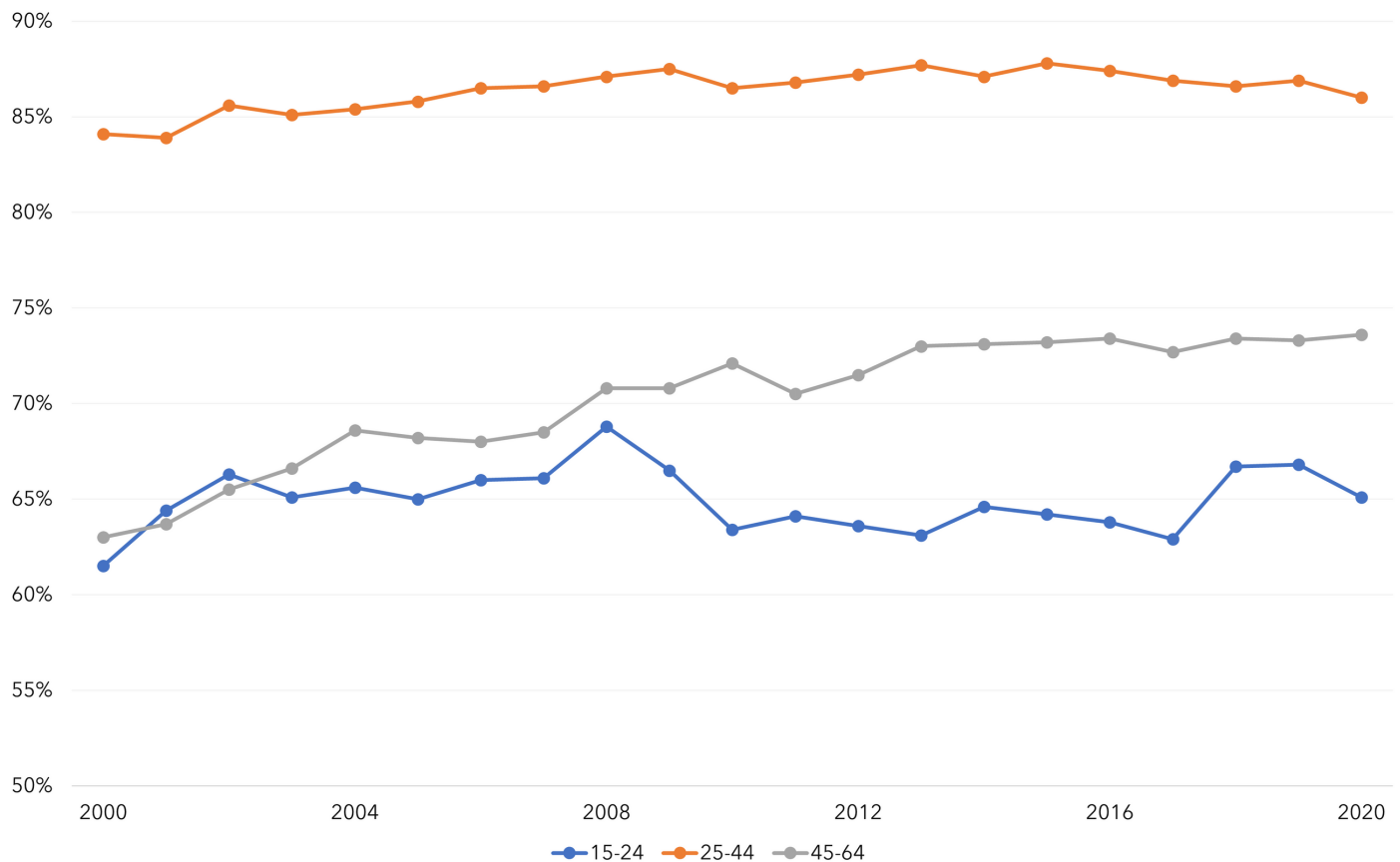


(See full data set in Appendix A)

A Closer Look

In New Brunswick, labour force participation rates among people aged 25-44 have been fairly consistent, with an overall slight rise since 2000. More notably, rates for those aged 15-24 saw an overall decrease to 65%, following a high of 69% in 2008, while rates for people aged 45-64 have seen a significant upward trend since 2000, increasing from 63%-74%.

Figure 2: New Brunswick Labour Force Participation Rates by Age



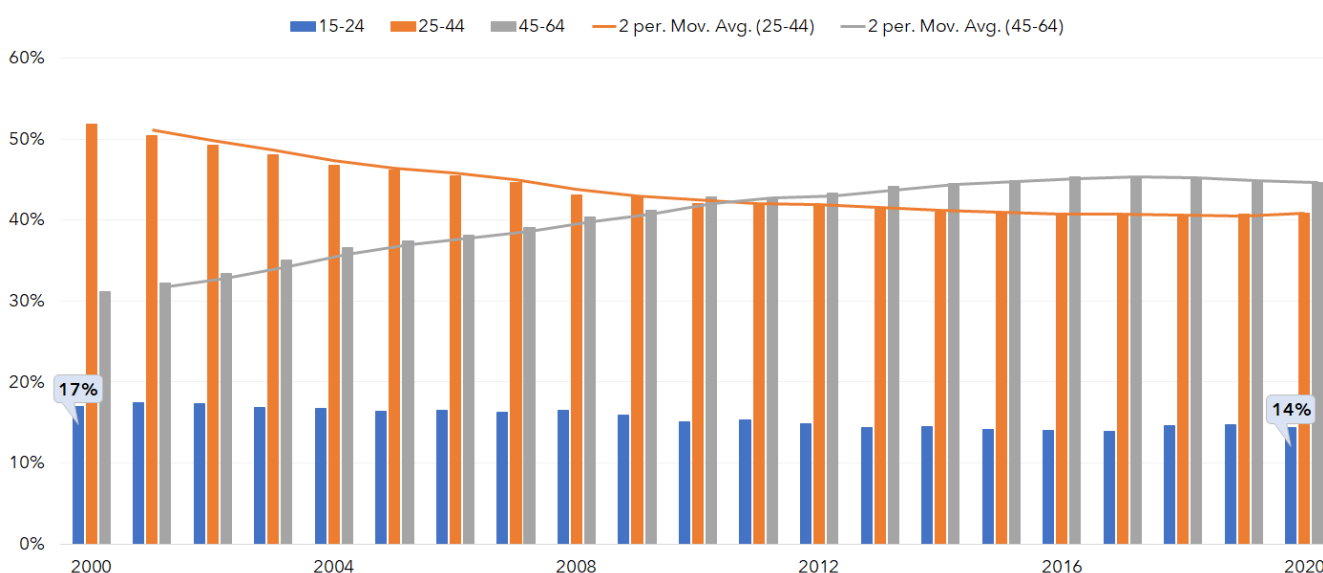
(See full data set in Appendix B)

Comparing to Canada

The following figures show the composition of the labour force by age group – first for New Brunswick and then for Canada. As can be seen, the declining percentage of young people is not an issue only in New Brunswick but for all of Canada (although New Brunswick dipped 3%, rather than the national dip of 2%). Canada is not as affected by an aging population as New Brunswick. New Brunswick’s proportion of people aged 45-64 surpassed its percentage of people aged 25-44 in 2010, whereas Canada’s percentage for people aged 25-44 began to increase again after the recession in 2008 (beginning in 2011), which kept this age group higher than the older population.

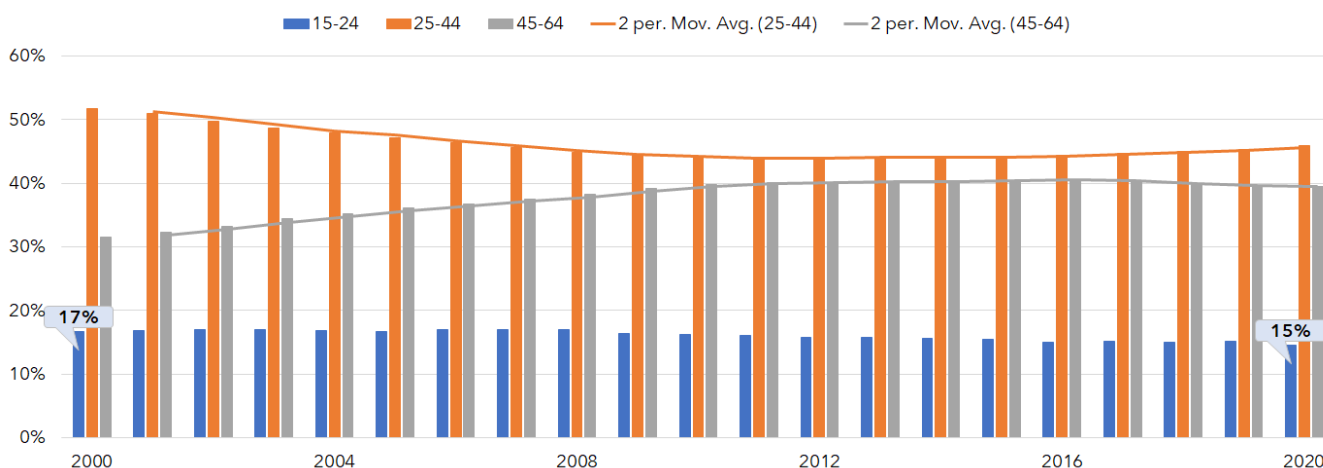
* 2 per. Mov. Avg. means 2% moving average and it represents the trendline.

Figure 3: New Brunswick Labour Force Composition by Age Group



(See full data set in Appendix C)

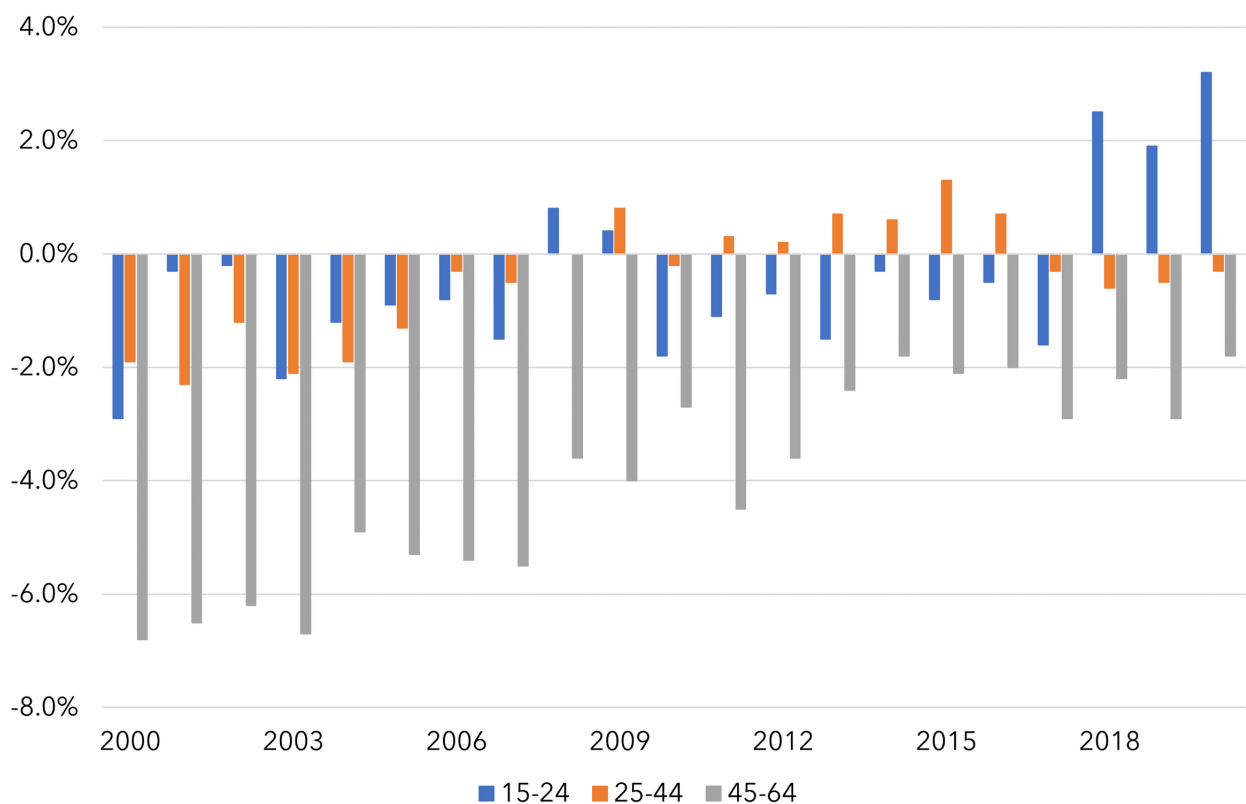
Figure 4: Canada Labour Force Composition by Age Group



(See full data set in Appendix D)

In the following figure, we can see when a decreasing young population began to affect New Brunswick the most. The overall difference between Canada and New Brunswick's labour force participation rates has been decreasing since 2000, even becoming positive for people aged 15–44 for some time after the recession. However, from 2018 onward, New Brunswick had a substantial spike in labour force participation rates among people aged 15–24 due to its decrease in population compared to the rest of Canada. Overall, there is a net positive decrease in the gap between provincial and national participation rates across all age groups, but it is important to note that the reason behind this is not fully positive.

Figure 5: Difference Between New Brunswick's and Canada's Labour Force Participation Rates by Age Group



(See full data set in Appendix E)

Summary

New Brunswick's labour force participation rate had been trending positively towards reaching the national average rate since the 2000s. However, most recently, that trend has not continued, and therefore this goal is not progressing. New Brunswick should explore ways to grow its labour force, as having more permanent workers in New Brunswick – especially younger and middle-aged people – can bring many benefits to economic growth.

Appendix A

| Year | Canada | New Brunswick | Difference |
|-------------|---------------|----------------------|-------------------|
| 2000 | 76.2% | 72.1% | 4.1% |
| 2001 | 76.3% | 72.7% | 3.6% |
| 2002 | 77.4% | 74.3% | 3.1% |
| 2003 | 78.2% | 74.1% | 4.1% |
| 2004 | 78.1% | 75.0% | 3.1% |
| 2005 | 77.7% | 74.7% | 3.0% |
| 2006 | 77.7% | 74.9% | 2.8% |
| 2007 | 78.1% | 75.0% | 3.1% |
| 2008 | 78.3% | 76.6% | 1.7% |
| 2009 | 77.9% | 76.3% | 1.6% |
| 2010 | 77.7% | 75.8% | 1.9% |
| 2011 | 77.7% | 75.3% | 2.4% |
| 2012 | 77.7% | 75.8% | 1.9% |
| 2013 | 77.9% | 76.6% | 1.3% |
| 2014 | 77.6% | 76.7% | 0.9% |
| 2015 | 77.8% | 77.0% | 0.8% |
| 2016 | 77.9% | 76.8% | 1.1% |
| 2017 | 78.2% | 76.1% | 2.1% |
| 2018 | 78.2% | 77.0% | 1.2% |
| 2019 | 78.7% | 77.1% | 1.6% |
| 2020 | 77.4% | 76.7% | 0.7% |

Source: Derived from Statistics Canada, Table: 14-10-0327-01

Appendix B

New Brunswick Labour Force Participation Rates by Age

| Year | 15-24 | 25-44 | 45-64 |
|-------------|--------------|--------------|--------------|
| 2000 | 62% | 84% | 63% |
| 2001 | 64% | 84% | 64% |
| 2002 | 66% | 86% | 66% |
| 2003 | 65% | 85% | 67% |
| 2004 | 66% | 85% | 69% |
| 2005 | 65% | 86% | 68% |
| 2006 | 66% | 87% | 68% |
| 2007 | 66% | 87% | 69% |
| 2008 | 69% | 87% | 71% |
| 2009 | 67% | 88% | 71% |
| 2010 | 63% | 87% | 72% |
| 2011 | 64% | 87% | 71% |
| 2012 | 64% | 87% | 72% |
| 2013 | 63% | 88% | 73% |
| 2014 | 65% | 87% | 73% |
| 2015 | 64% | 88% | 73% |
| 2016 | 64% | 87% | 73% |
| 2017 | 63% | 87% | 73% |
| 2018 | 67% | 87% | 73% |
| 2019 | 67% | 87% | 73% |
| 2020 | 65% | 86% | 74% |

Source: Derived from Statistics Canada, Table: 14-10-0327-01

Appendix C

New Brunswick Labour Force Composition by Age Group

| Year | 15-24 | 25-44 | 45-64 |
|-------------|--------------|--------------|--------------|
| 2000 | 17% | 52% | 31% |
| 2001 | 17% | 50% | 32% |
| 2002 | 17% | 49% | 33% |
| 2003 | 17% | 48% | 35% |
| 2004 | 17% | 47% | 37% |
| 2005 | 16% | 46% | 37% |
| 2006 | 16% | 45% | 38% |
| 2007 | 16% | 45% | 39% |
| 2008 | 16% | 43% | 40% |
| 2009 | 16% | 43% | 41% |
| 2010 | 15% | 42% | 43% |
| 2011 | 15% | 42% | 43% |
| 2012 | 15% | 42% | 43% |
| 2013 | 14% | 41% | 44% |
| 2014 | 14% | 41% | 45% |
| 2015 | 14% | 41% | 45% |
| 2016 | 14% | 41% | 45% |
| 2017 | 14% | 41% | 45% |
| 2018 | 15% | 40% | 45% |
| 2019 | 15% | 41% | 45% |
| 2020 | 14% | 41% | 45% |

Source: Derived from Statistics Canada, Table: 14-10-0327-01

Appendix D

Canada Labour Force Composition by Age Group

| Year | 15-24 | 25-44 | 45-64 |
|-------------|--------------|--------------|--------------|
| 2000 | 17% | 52% | 32% |
| 2001 | 17% | 51% | 32% |
| 2002 | 17% | 50% | 33% |
| 2003 | 17% | 49% | 34% |
| 2004 | 17% | 48% | 35% |
| 2005 | 17% | 47% | 36% |
| 2006 | 17% | 46% | 37% |
| 2007 | 17% | 46% | 37% |
| 2008 | 17% | 45% | 38% |
| 2009 | 16% | 44% | 39% |
| 2010 | 16% | 44% | 40% |
| 2011 | 16% | 44% | 40% |
| 2012 | 16% | 44% | 40% |
| 2013 | 16% | 44% | 40% |
| 2014 | 16% | 44% | 40% |
| 2015 | 15% | 44% | 40% |
| 2016 | 15% | 44% | 41% |
| 2017 | 15% | 45% | 40% |
| 2018 | 15% | 45% | 40% |
| 2019 | 15% | 45% | 39% |
| 2020 | 15% | 46% | 39% |

Source: Derived from Statistics Canada, Table: 14-10-0327-01

Appendix E

Difference Between New Brunswick's and Canada's Labour Force Participation Rates by Age Group

| Year | 15-24 | 25-44 | 45-64 |
|-------------|--------------|--------------|--------------|
| 2000 | -2.9% | -1.9% | -6.8% |
| 2001 | -0.3% | -2.3% | -6.5% |
| 2002 | -0.2% | -1.2% | -6.2% |
| 2003 | -2.2% | -2.1% | -6.7% |
| 2004 | -1.2% | -1.9% | -4.9% |
| 2005 | -0.9% | -1.3% | -5.3% |
| 2006 | -0.8% | -0.3% | -5.4% |
| 2007 | -1.5% | -0.5% | -5.5% |
| 2008 | 0.8% | 0.0% | -3.6% |
| 2009 | 0.4% | 0.8% | -4.0% |
| 2010 | -1.8% | -0.2% | -2.7% |
| 2011 | -1.1% | 0.3% | -4.5% |
| 2012 | -0.7% | 0.2% | -3.6% |
| 2013 | -1.5% | 0.7% | -2.4% |
| 2014 | -0.3% | 0.6% | -1.8% |
| 2015 | -0.8% | 1.3% | -2.1% |
| 2016 | -0.5% | 0.7% | -2.0% |
| 2017 | -1.6% | -0.3% | -2.9% |
| 2018 | 2.5% | -0.6% | -2.2% |
| 2019 | 1.9% | -0.5% | -2.9% |
| 2020 | 3.2% | -0.3% | -1.8% |

Source: Derived from Statistics Canada, Table: 14-10-0327-01

Note: Results from the Labour Force Survey are estimates and therefore will not necessarily match up with other numbers (i.e. annual population data).