

YEAR 2021

GOAL 9: YOUTH EMPLOYMENT

NEW BRUNSWICK WILL DECREASE ITS
PROVINCIAL YOUTH UNEMPLOYMENT
RATE SO THAT IT IS EQUAL TO OR LESS
THAN THE NATIONAL RATE BY 2024.



STATUS: NOT PROGRESSING

Overview

Importance

Youth employment is important to New Brunswick because it allows for the entry of skilled workers into productive divisions of the economy. Youth employment also encourages social integration and inter-generational dialogue, influencing social development.

Problem

In 2019, the unemployment rate for New Brunswick youth aged 15-24 was 13%, while the national rate was 11%. This represents a 2% gap, which was an increase from the 1.6% gap in 2017. In 2020, due to the pandemic the number of people unemployed on national levels exceeded that of New Brunswick's.

Cause

A decrease in unemployment rate may be the result of an increase in youth employment, a decrease in unemployed youth who are looking for work, or a combination of both. Currently, a large number of unemployed youth are leaving the province due to a shortage of work. This takes them out of the labour market, effectively lowering the unemployment rate. In the year 2020, it is important to consider various factors such as the pandemic as well as the financial assistance from the Canadian government. These factors may have caused loss of employment in the province. The CERB, CESB, CSB from the Canadian government may have played role in decreasing number of youth actively looking for employment.

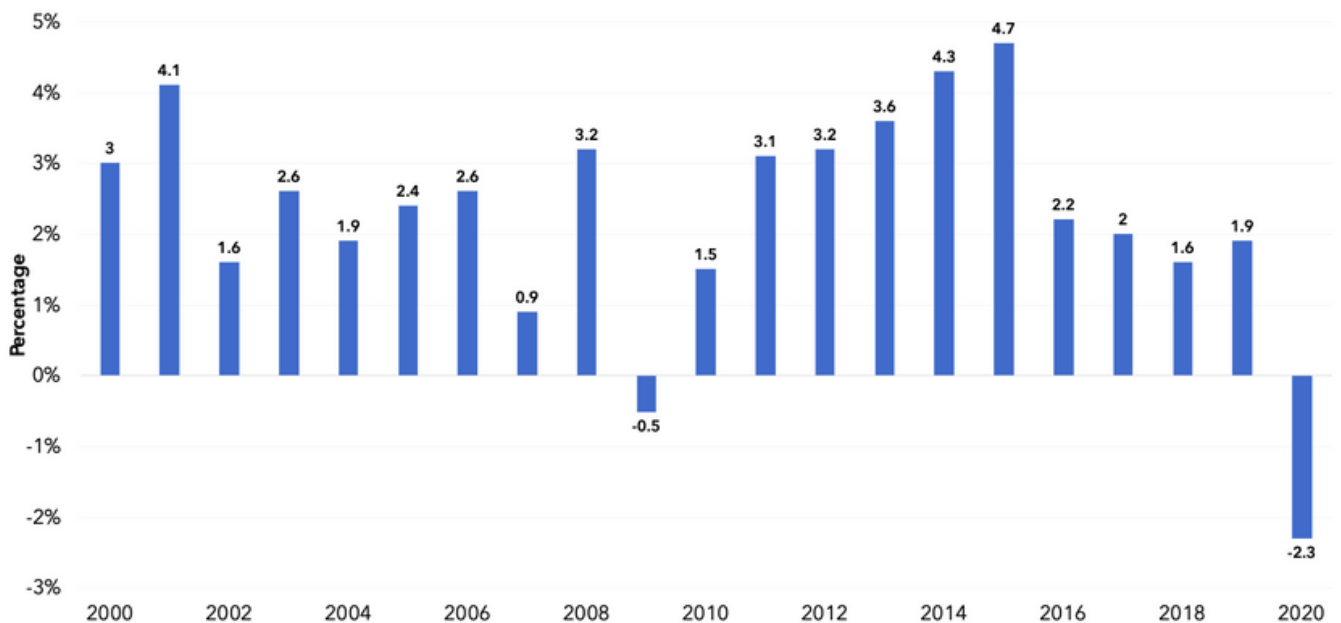
In the Numbers

Youth Unemployment Gap

The youth unemployment rate measures the percentage of New Brunswickers aged 15-24 who have actively been seeking employment but have been unsuccessful. The youth unemployment gap represents how far New Brunswick's unemployment rate is from the national level. Therefore, the lower the unemployment gap, the closer New Brunswick's unemployment rate is to the national unemployment rate. Due to the pandemic, New Brunswick may have had lower unemployment compared to national levels.

As shown in Figure 1, there was a substantial disparity from 2007 to 2008. This fluctuation represents the impact of the Great Recession on the youth unemployment rate. Due to the shortage of jobs, unemployed youth in 2007 ceased their job search, lowering the New Brunswick unemployment rate from 13.7% to 11.8%. resulting in a low unemployment gap of 0.9%. Meanwhile, in 2008, there was a large number of unemployed youth looking for jobs in the province, raising the unemployment gap to 3.2%. In 2020, Canada's unemployment rate peaked at 20.1% surpassing the 2009 unemployment peak, making it higher than that of New Brunswick, 17.8%. Therefore, that caused a dip in the 2020 employment gap, giving it a value of -2.3%.

Figure 1: Gap Between Canada's and New Brunswick's Youth Unemployment Rates (Ages 15-24)



(See full data set in Appendix A)

A Closer Look

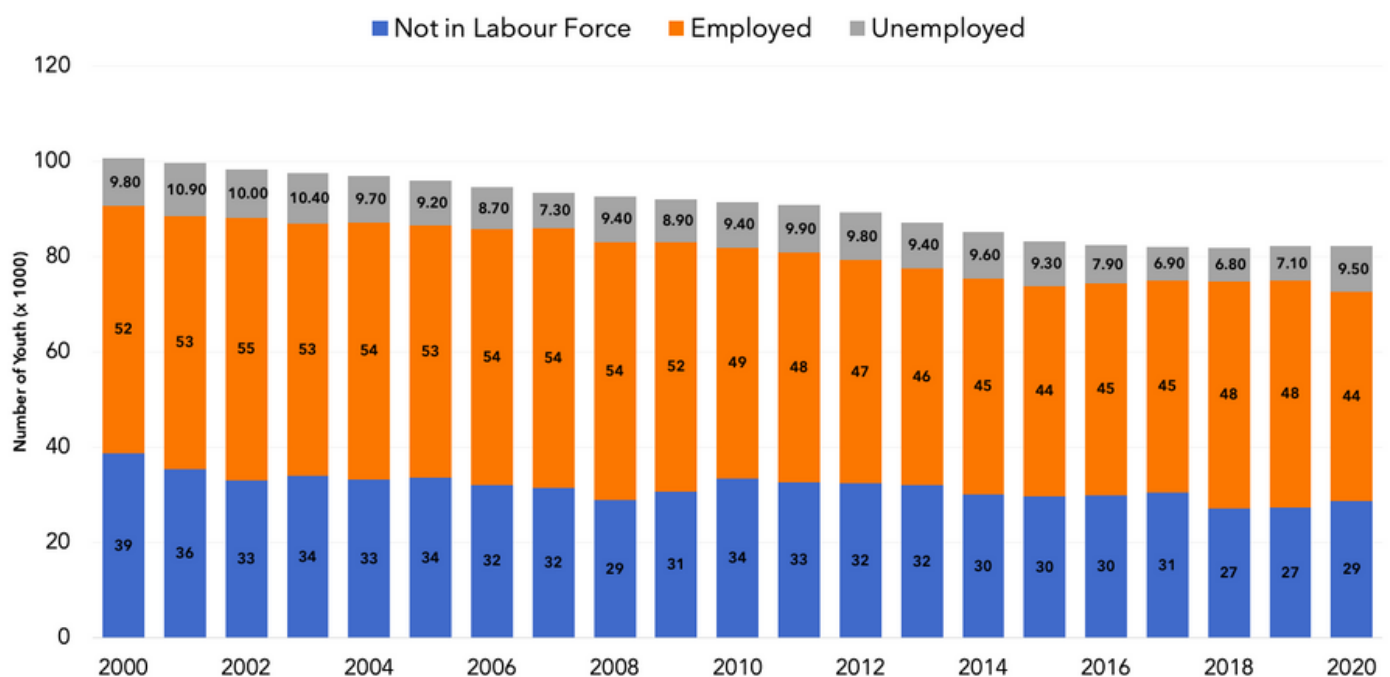
What does Youth Employment in New Brunswick Look Like?

New Brunswick's population is aging, and the number of youth in the province is decreasing. Since 2012, this has led to a decline in both the number of employed youth and unemployed youth seeking work.

The term labour force refers to the aggregate of unemployed and employed individuals. If a person is not seeking employment, that person is out of the labour force.

As displayed in Figure 2, the number of employed youth dropped from a high of 54,000 during the recession period to 44,000 in 2020. In addition, the number of unemployed youth seeking work declined from 10,000 in 2012 to 9,500 in 2020. This either refers to a discouraged workforce, resulting in youth leaving the labour market, or an increase in youth who have found a job. Another factor to consider is the pandemic that may have caused loss of jobs along with financial assistance from the government that may have allowed people youth to stay at home and not actively look for employment.

Figure 2: New Brunswick Youth Labour Force Indicators (Ages 15-24)

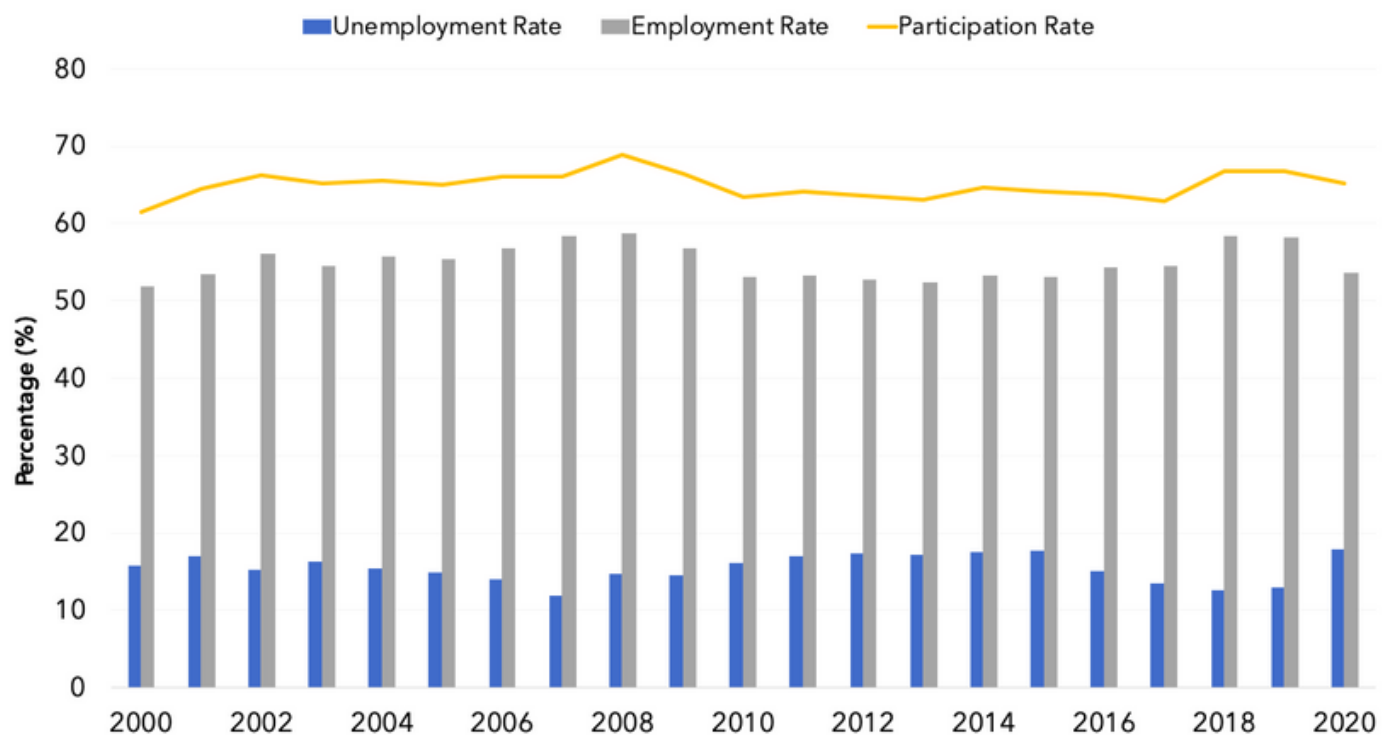


(See full data set in Appendix B)

As shown in Figure 3, between 2012 and 2020, New Brunswick's youth employment rate increased by 1.7%, while the youth labour force participation rate also increased by only 2.4%. The participation rate represents the size of the labour force relative to the total population aged 15 and older. However, between 2018 and 2019, the employment rate remained constant at 58%, the participation rate and unemployment rate also remained constant.

If the unemployment rate was decreasing because more New Brunswick youth were finding work, this would be reflected by an increase in the employment rate. However, the constant employment rate suggests that youth left the labour force. In other words, the unemployment rate decreased because these workers no longer sought employment, not because they found a job.

Figure 3: Youth Labour Force Rates (Ages 15-24)



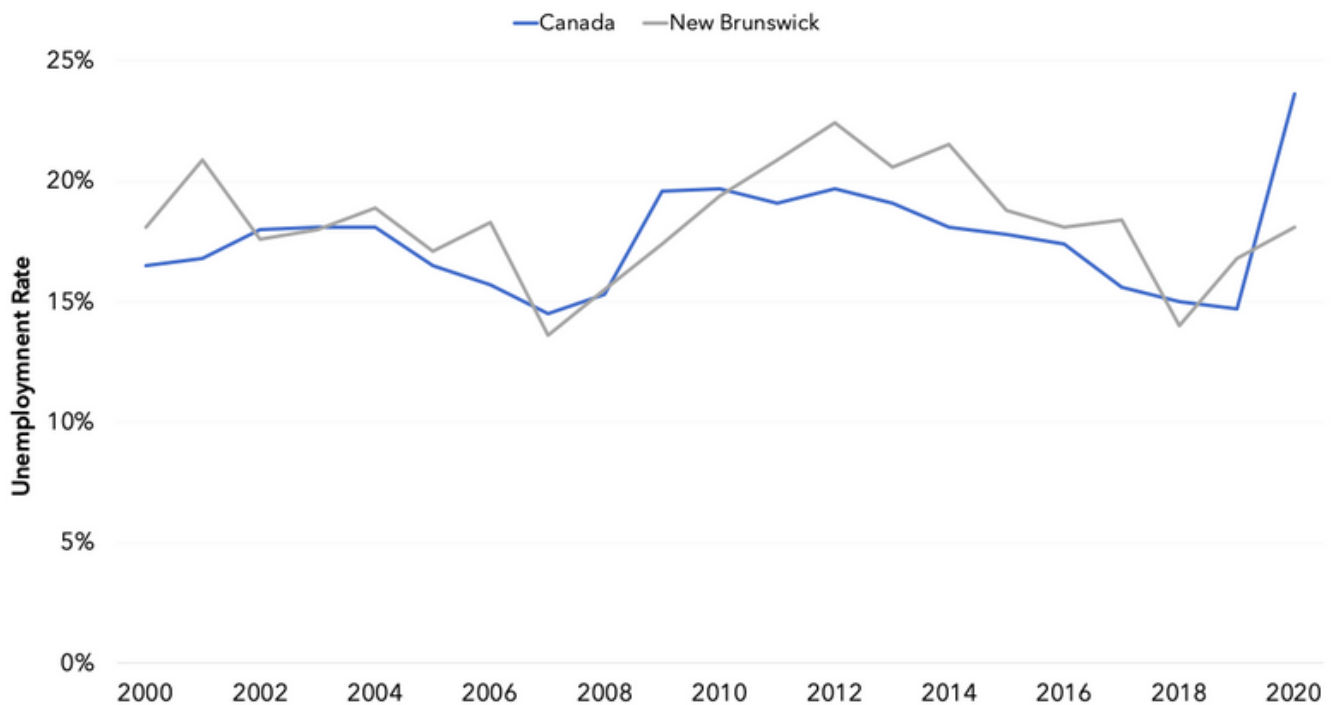
(See full data set in Appendix C)

Youth and Young Adult Unemployment

When the Canadian and New Brunswick youth unemployment rates are divided into two age groups (15-19 and 20-24), it becomes apparent that the province previously achieved an unemployment rate equal to or lower than the national rate.

As presented in Figure 4, the youth unemployment rate for ages 15-19 corresponds with the national rate. The youth unemployment rate was at its lowest just prior to the recession, which caused a notable increase from 13.6% in 2007 to 22.4% in 2012. As of 2020, youth unemployment is at 18.1%, and is not on track to return to pre-recession levels.

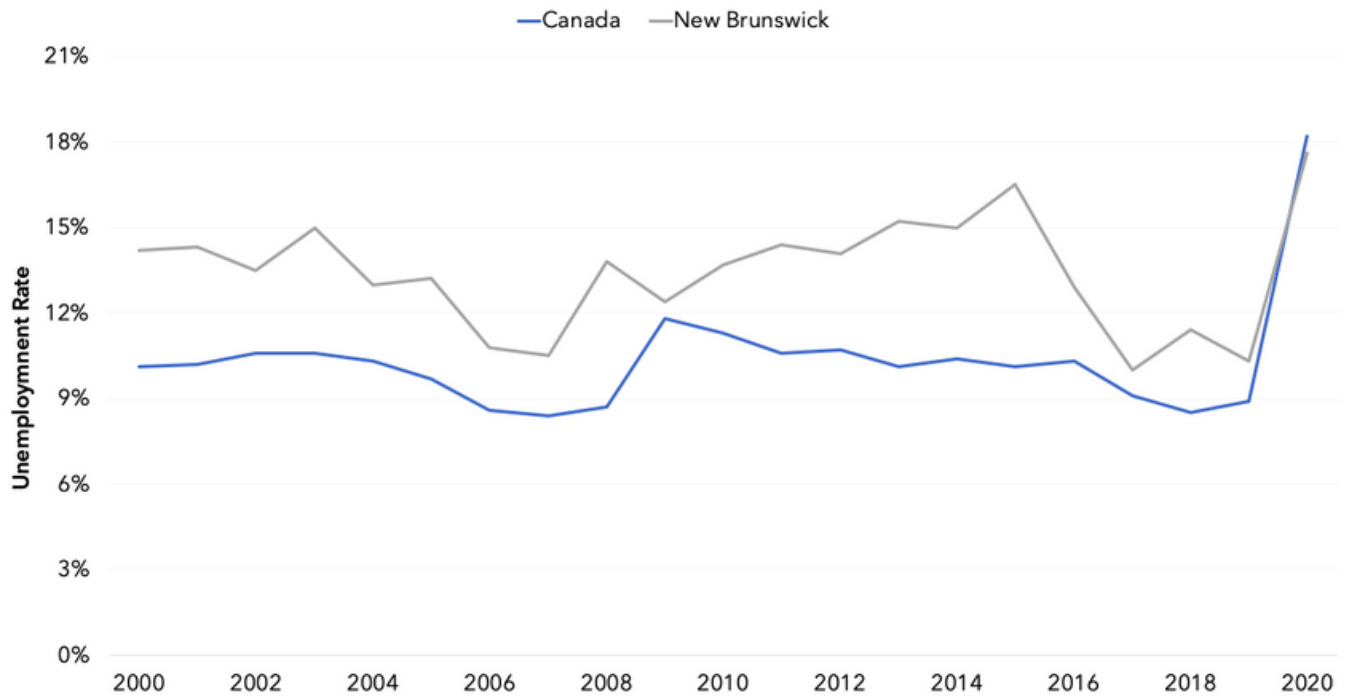
Figure 4: Youth Unemployment Rate (Ages 15-19)



(See full data set in Appendix D)

Although the provincial youth population (aged 15-24) did have a lower unemployment rate than the Canadian rate in 2009, the young adult unemployment rate for ages 20-24 did not meet this goal during the 2000-2020 study period. As presented in Figure 5, the unemployment rate in ages 20-24 has been higher than the national values, but decreased in 2020. The unemployment rate is currently at 17.6% and seems to be increasing, making it difficult to return to pre-recession levels.

Figure 5: Young Adult Unemployment Rate (Ages 20-24)



(See full data set in Appendix D)

Summary

Youth employment is important to New Brunswick because it enables the entry of skilled workers into productive divisions of the economy. It encourages social integration and inter-generational dialogue, influencing social development. The youth unemployment rate in New Brunswick increased by 2.9% since 2012, meaning this goal is not progressing. New Brunswick should aim to lower its youth unemployment rate so that it is equal to, or lower than, the national rate by the year 2024. The Covid-19 pandemic may have played a part in the decrease of youth employment in New Brunswick and may have affected the national rates as well.

Appendix A

Unemployment Gap - Age Group 15-24

Year	Canada Unemployment Rate	New Brunswick Unemployment Rate	Unemployment Gap
1980	12.8	17.7	4.9
1981	12.8	18.6	5.8
1982	18.2	22.8	4.6
1983	19.2	24.3	5.1
1984	17.4	22.8	5.4
1985	15.8	22.9	7.1
1986	14.7	22.6	7.9
1987	13.2	20	6.8
1988	11.5	18.1	6.6
1989	10.9	18.1	7.2
1990	12.3	18.9	6.6
1991	15.8	20.1	4.3
1992	17.2	20.7	3.5
1993	17.2	19.7	2.5
1994	15.9	18.8	2.9
1995	14.8	17.7	2.9
1996	15.4	18.5	3.1
1997	16.3	20.4	4.1
1998	15.1	18.1	3
1999	14.1	16.4	2.3
2000	12.7	15.7	3
2001	12.9	17	4.1
2002	13.6	15.2	1.6
2003	13.6	16.2	2.6
2004	13.4	15.3	1.9
2005	12.4	14.8	2.4
2006	11.4	14	2.6
2007	10.9	11.8	0.9
2008	11.4	14.6	3.2
2009	15	14.5	-0.5
2010	14.6	16.1	1.5
2011	13.9	17	3.1
2012	14.1	17.3	3.2
2013	13.5	17.1	3.6
2014	13.2	17.5	4.3
2015	12.9	17.6	4.7
2016	12.8	15	2.2
2017	11.4	13.4	2
2018	10.9	12.5	1.6
2019	11	12.9	1.9
2020	20.1	17.8	-2.3

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)

Appendix B

Youth Labour Force Indicators - Age Group 15-24 (x1000)

New Brunswick				
Year	Labour force	Employed	Unemployed	Not in Labour Force
1976	77.8	64.7	13.1	61.4
1977	78.8	62.3	16.5	61
1978	80.1	64.6	15.5	59.9
1979	81.9	67.6	14.3	58.1
1980	80.4	66.2	14.2	58.6
1981	80.3	65.4	14.9	56.5
1982	76.9	59.5	17.4	57.4
1983	76.5	57.8	18.7	56.7
1984	75.9	58.7	17.2	55.6
1985	76.1	58.7	17.4	53
1986	74.5	57.6	16.9	51.8
1987	76.1	60.9	15.2	47.1
1988	74.6	61.1	13.5	45.3
1989	73.3	60	13.3	43.7
1990	71	57.6	13.4	44
1991	67.1	53.6	13.5	47.1
1992	67.3	53.3	14	46
1993	66.1	53.1	13	45.5
1994	63.4	51.5	11.9	46.8
1995	63.4	52.1	11.3	45.3
1996	61.2	49.9	11.3	45.6
1997	59.8	47.6	12.2	45
1998	61.2	50	11.2	41.6
1999	62.2	52.1	10.1	39.3
2000	61.9	52.1	9.8	38.7
2001	64	53.1	10.9	35.5
2002	65.1	55.1	10	33.1
2003	63.4	53	10.4	34
2004	63.6	53.9	9.7	33.3
2005	62.3	53.1	9.2	33.6
2006	62.3	53.6	8.7	32.2
2007	61.7	54.4	7.3	31.6
2008	63.7	54.3	9.4	28.9
2009	61.2	52.3	8.9	30.8
2010	57.9	48.5	9.4	33.5
2011	58.2	48.3	9.9	32.6
2012	56.7	46.9	9.8	32.4
2013	55	45.6	9.4	32.1
2014	55	45.4	9.6	30.1
2015	53.5	44.2	9.3	29.7
2016	52.5	44.6	7.9	29.9
2017	51.5	44.6	6.9	30.5
2018	54.5	47.7	6.8	27.2
2019	54.9	47.8	7.1	27.3
2020	53.5	44	9.5	28.7

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)

*Values are approximate and rounded by Statistics Canada to the nearest thousand.

Appendix C

Youth Labour Force Rates (Ages 15-24)

Year	Unemployment Rate (%)	Employment Rate (%)	Participation Rate (%)
1976	16.8	46.5	55.9
1977	21.1	44.5	56.3
1978	19.2	46.1	57.2
1979	17.3	48.3	58.5
1980	17.7	47.6	57.8
1981	18.6	47.8	58.7
1982	22.8	44.3	57.3
1983	24.3	43.4	57.4
1984	22.8	44.6	57.7
1985	22.9	45.5	58.9
1986	22.6	45.6	59
1987	20	49.4	61.8
1988	18.1	51	62.2
1989	18.1	51.3	62.6
1990	18.9	50.1	61.7
1991	20.1	46.9	58.7
1992	20.7	47.1	59.5
1993	19.7	47.6	59.2
1994	18.8	46.7	57.5
1995	17.7	47.9	58.3
1996	18.5	46.7	57.2
1997	20.4	45.4	57.1
1998	18.1	48.7	59.6
1999	16.4	51.3	61.3
2000	15.7	51.8	61.5
2001	17	53.4	64.4
2002	15.2	56.1	66.3
2003	16.2	54.4	65.1
2004	15.3	55.6	65.6
2005	14.8	55.4	65
2006	14	56.8	66
2007	11.8	58.3	66.1
2008	14.6	58.6	68.8
2009	14.5	56.8	66.5
2010	16.1	53.1	63.4
2011	17	53.2	64.1
2012	17.3	52.6	63.6
2013	17.1	52.4	63.1
2014	17.5	53.3	64.6
2015	17.6	53.1	64.2
2016	15	54.2	63.8
2017	13.4	54.5	62.9
2018	12.5	58.4	66.7
2019	12.9	58.2	66.8
2020	17.8	53.5	65.1

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)

Appendix D

Youth and Young Adult Unemployment Rates (Ages 15-19 and 20-24)

Age	Unemployment Rate (%)			
	15-19	15-19	20-24	20-24
Region	Canada	New Brunswick	Canada	New Brunswick
1976	15.6	19.8	10.2	14.9
1977	17.1	26.6	11.6	17.4
1978	17.6	23.8	11.6	16.5
1979	15.9	21.1	10.4	14.9
1980	16.1	19.8	10.6	16.2
1981	16	21.2	10.6	16.7
1982	21.5	25.9	16.2	20.7
1983	21.8	26.3	17.8	23.1
1984	19.7	24.1	16.1	21.9
1985	18.3	22.8	14.4	22.9
1986	16.5	24.7	13.6	21.4
1987	14.8	20.1	12.3	19.9
1988	12.8	20.1	10.7	16.9
1989	12.8	19.9	9.7	17.3
1990	13.9	21.2	11.3	17.3
1991	16.6	19.4	15.4	20.6
1992	19.3	20.2	15.9	20.9
1993	19.6	20.2	15.7	19.3
1994	18.3	19	14.4	18.6
1995	17.7	20.3	13	16.3
1996	19.4	20.1	12.9	17.5
1997	21.4	23.4	13.1	18.6
1998	19.9	20.1	12.1	17
1999	18.3	17.3	11.2	15.5
2000	16.5	18.1	10.1	14.2
2001	16.8	20.9	10.2	14.3
2002	18	17.6	10.6	13.5
2003	18.1	18	10.6	15
2004	18.1	18.9	10.3	13
2005	16.5	17.1	9.7	13.2
2006	15.7	18.3	8.6	10.8
2007	14.5	13.6	8.4	10.5
2008	15.3	15.5	8.7	13.8
2009	19.6	17.4	11.8	12.4
2010	19.7	19.4	11.3	13.7
2011	19.1	20.9	10.6	14.4
2012	19.7	22.4	10.7	14.1
2013	19.1	20.6	10.1	15.2
2014	18.1	21.5	10.4	15
2015	17.8	18.8	10.1	16.5
2016	17.4	18.1	10.3	12.9
2017	15.6	18.4	9.1	10
2018	15	14	8.5	11.4
2019	14.7	16.8	8.9	10.3
2020	23.6	18.1	18.2	17.6

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)