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YEAR 2020

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

Problem

In 2018, the unemployment rate for New Brunswick youth aged 15-24 was 12.8%, while the national rate was 11.1%. This represents a 1.7% gap, which was a decrease from the 1.9% gap in 2017. However, this drop is not necessarily a good thing.

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.

Importance

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

Recommendation

Youth employment in New Brunswick can be increased by growing the job market. This would result in a lower unemployment rate as more unemployed youth would find work. Youth employment can also be increased by reducing the number of unemployed youth who have been looking for work for a year or more. Furthermore, improving job quality can also increase youth employment. For example, by allowing more flexibility between part-time and full-time rolls.

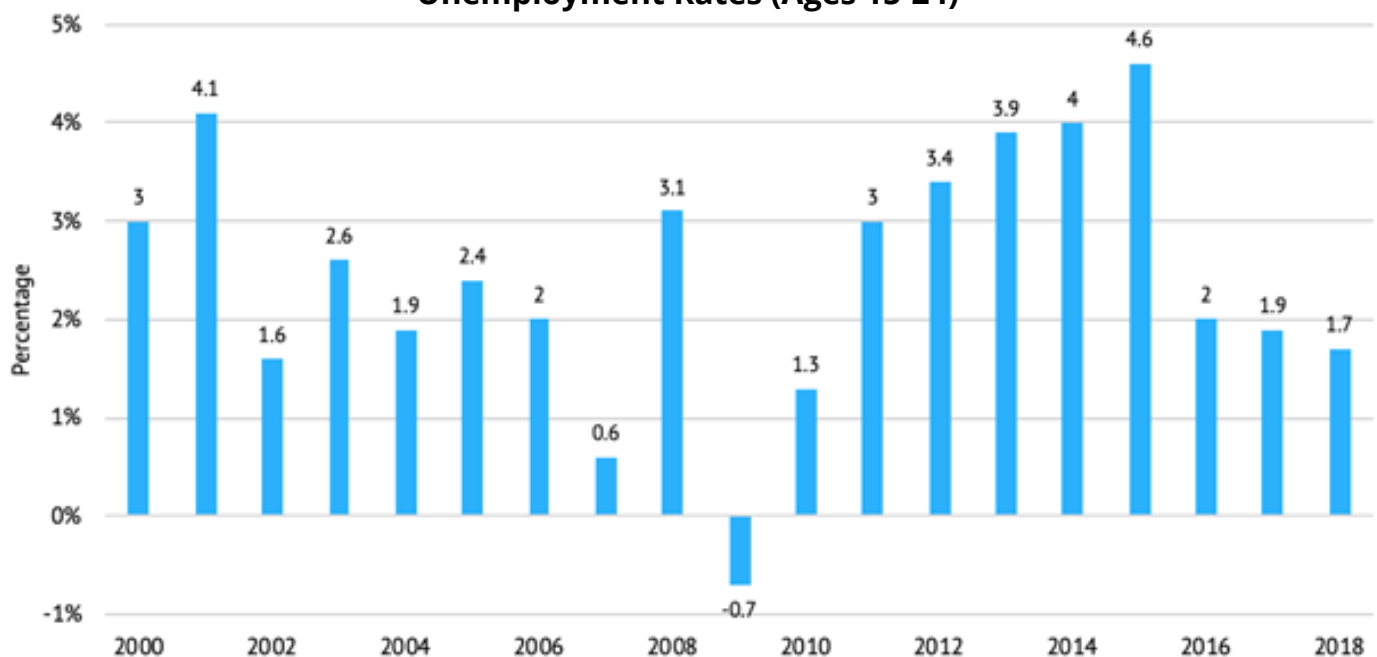
In the Numbers

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.

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 0.6%. Meanwhile, in 2008, there was a large number of unemployed youth looking for jobs in the province, raising the unemployment gap to 3.1%. In 2009, Canada's unemployment rate peaked at 15.4%, making it higher than that of New Brunswick, 14.7%. Therefore, that caused a dip in the 2009 employment gap, giving it a value of -0.7%.

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



(See full data set in Appendix A)

Since 2015, the unemployment gap has been decreasing, perhaps suggesting that youth employment is improving in the province. We take a closer look to see why this might not be the case.

A Closer Look

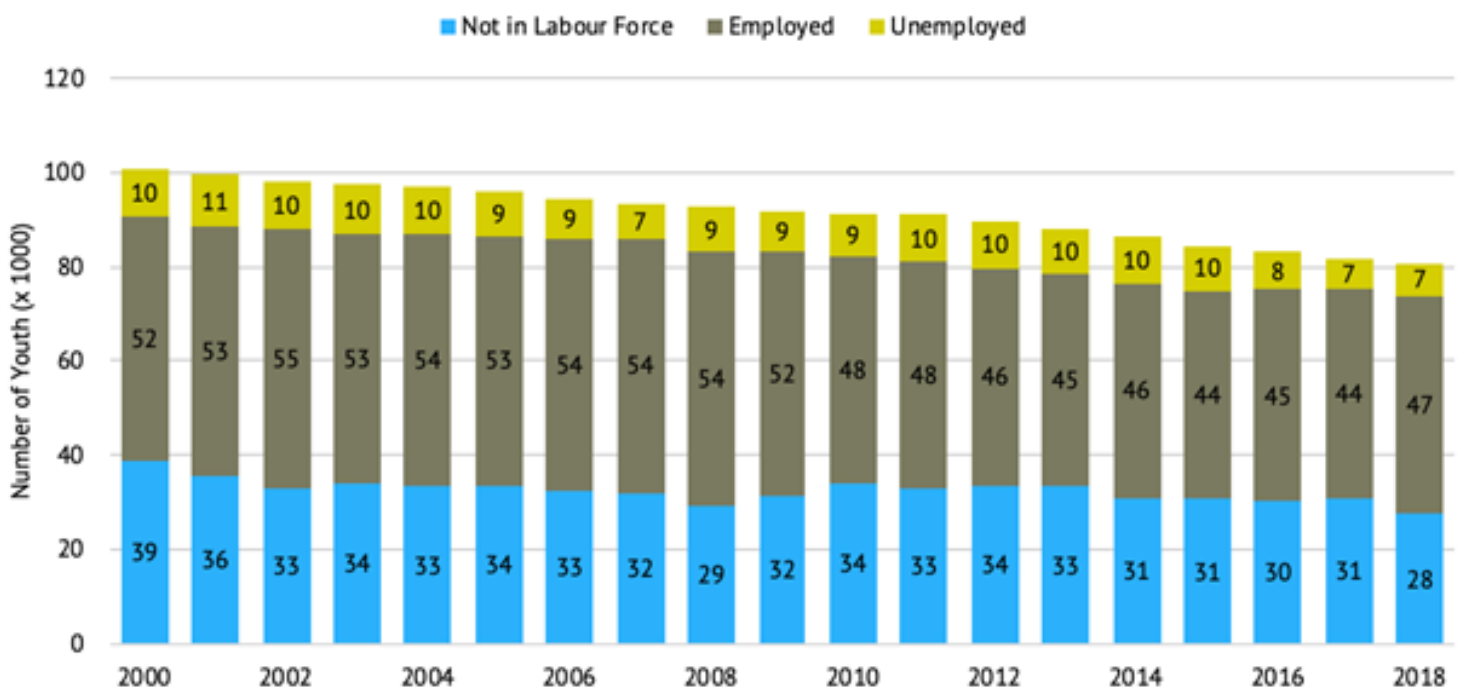
What does Youth Employment in New Brunswick Look Like?

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 47,000 in 2018. In addition, the number of unemployed youth seeking work declined from 10,000 in 2012 to 7,000 in 2018. This either refers to a discouraged workforce, resulting in youth leaving the labour market, or an increase in youth who have found a job.

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

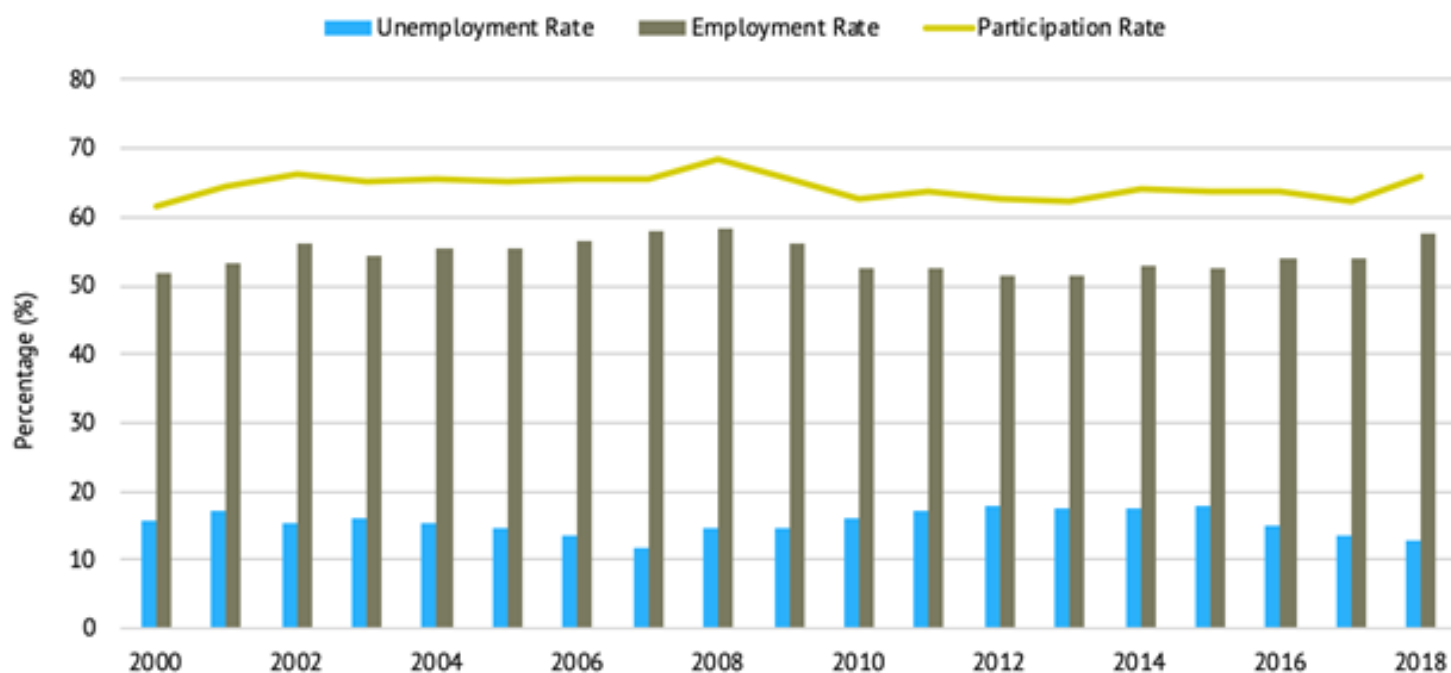


(See full data set in Appendix B)

As shown in Figure 3, between 2012 and 2018, New Brunswick's youth employment rate increased by 2.6%, while the youth labour force participation rate fell by only 0.3%. The participation rate represents the size of the labour force relative to the total population aged 15 and older. However, between 2016 and 2017, the employment rate remained constant at 54%, while the participation rate and unemployment rate fell (by 1.4% and 1.6%, respectively).

If the unemployment rate was decreasing because more New Brunswick youths 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)



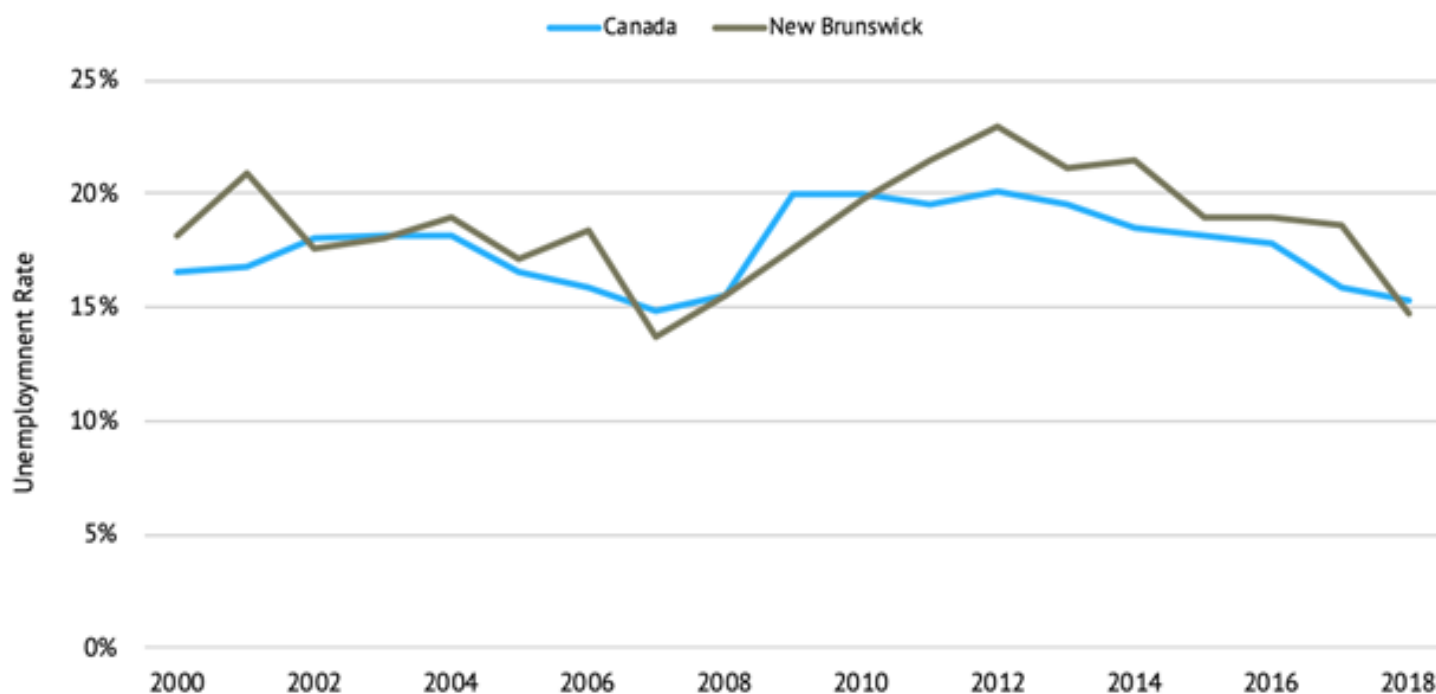
(See full data set in Appendix C)

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 13.7% in 2007 to 23% in 2012. As of 2018, youth unemployment is at 14.7%, and is on-track to return to pre-recession levels.

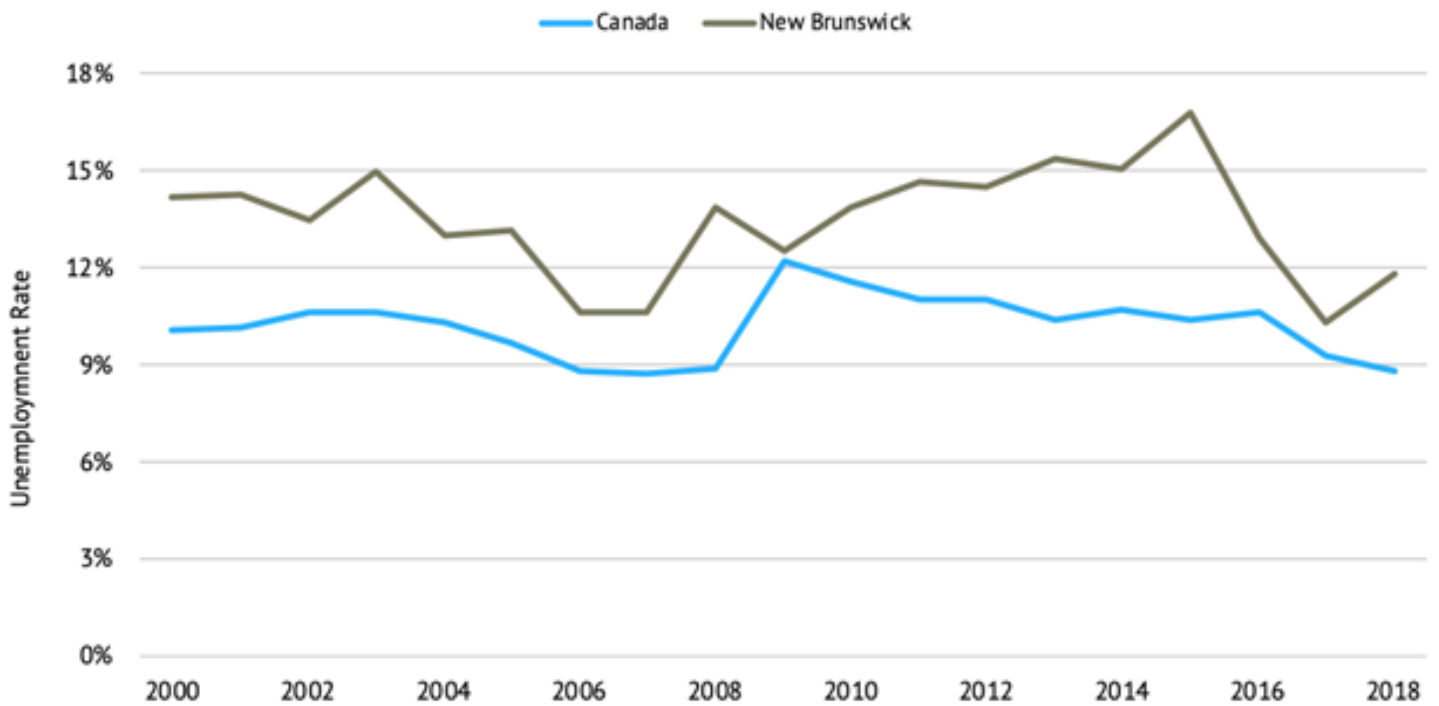
Figure 4: Youth Unemployment Rate (Ages 15-19)



(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 2000-2018 study period. As presented in Figure 5, the unemployment rate in ages 20-24 is higher than the national values. The unemployment rate is currently at 11.8% (2018) 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 2.6% 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.

Appendix A

Unemployment Gap - Age Group 15-24

Year	Canada Unemployment Rate (%)	New Brunswick Unemployment Rate (%)	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	20.0	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	3.0
1999	14.1	16.4	2.3
2000	12.7	15.7	3.0
2001	12.9	17.0	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	11.7	13.7	2.0
2007	11.2	11.8	0.6
2008	11.6	14.7	3.1
2009	15.4	14.7	-0.7
2010	14.9	16.2	1.3
2011	14.3	17.3	3.0
2012	14.4	17.8	3.4
2013	13.7	17.6	3.9
2014	13.5	17.5	4.0
2015	13.2	17.8	4.6
2016	13.1	15.1	2.0
2017	11.6	13.5	1.9
2018	11.1	12.8	1.7

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	Employment	Unemployment	Not in Labour Force
1976	64.70	13.10	61.40
1977	62.30	16.50	61.00
1978	64.60	15.50	59.90
1979	67.60	14.30	58.10
1980	66.20	14.20	58.60
1981	65.40	14.90	56.50
1982	59.50	17.40	57.40
1983	57.80	18.70	56.70
1984	58.70	17.20	55.60
1985	58.70	17.40	53.00
1986	57.60	16.90	51.80
1987	60.90	15.20	47.10
1988	61.10	13.50	45.30
1989	60.00	13.30	43.70
1990	57.60	13.40	44.00
1991	53.60	13.50	47.10
1992	53.30	14.00	46.00
1993	53.10	13.00	45.50
1994	51.50	11.90	46.80
1995	52.10	11.30	45.30
1996	49.90	11.30	45.60
1997	47.60	12.20	45.00
1998	50.00	11.20	41.60
1999	52.10	10.10	39.30
2000	52.10	9.80	38.70
2001	53.10	10.90	35.50
2002	55.10	10.00	33.10
2003	53.00	10.40	34.00
2004	53.90	9.70	33.30
2005	53.10	9.20	33.60
2006	53.50	8.50	32.50
2007	54.00	7.20	32.10
2008	54.10	9.30	29.20
2009	51.60	8.90	31.50
2010	48.00	9.30	34.10
2011	47.90	10.00	33.10
2012	46.20	10.00	33.60
2013	45.30	9.70	33.30
2014	45.60	9.70	31.00
2015	44.30	9.60	30.70
2016	44.90	8.00	30.20
2017	44.20	6.80	30.90
2018	46.50	6.80	27.50

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)

New Brunswick			
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	59.0
1987	20.0	49.4	61.8
1988	18.1	51.0	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	17.0	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	65.0
2006	13.7	56.6	65.6
2007	11.8	57.9	65.6
2008	14.7	58.4	68.5
2009	14.7	56.0	65.7
2010	16.2	52.5	62.7
2011	17.3	52.6	63.6
2012	17.8	51.4	62.6
2013	17.6	51.3	62.3
2014	17.5	52.8	64.1
2015	17.8	52.4	63.7
2016	15.1	54.0	63.7
2017	13.5	54.0	62.3
2018	12.8	57.5	66.0

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 Region	Unemployment Rate (%)			
	15-19 Canada	15-19 New Brunswick	20-24 Canada	20-24 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	16.0	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	19.0	14.4	18.6
1995	17.7	20.3	13.0	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	17.0
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	18.0	17.6	10.6	13.5
2003	18.1	18.0	10.6	15.0
2004	18.1	18.9	10.3	13.0
2005	16.5	17.1	9.7	13.2
2006	15.9	18.4	8.8	10.6
2007	14.8	13.7	8.7	10.6
2008	15.5	15.5	8.9	13.9
2009	20.0	17.6	12.2	12.5
2010	20.0	19.7	11.6	13.9
2011	19.5	21.5	11.0	14.7
2012	20.1	23.0	11.0	14.5
2013	19.5	21.1	10.4	15.4
2014	18.5	21.5	10.7	15.1
2015	18.2	19.0	10.4	16.8
2016	17.8	18.9	10.6	12.9
2017	15.9	18.6	9.3	10.3
2018	15.3	14.7	8.8	11.8

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