

Monthly Greater Moncton and Southeast New Brunswick's Labour Market Update

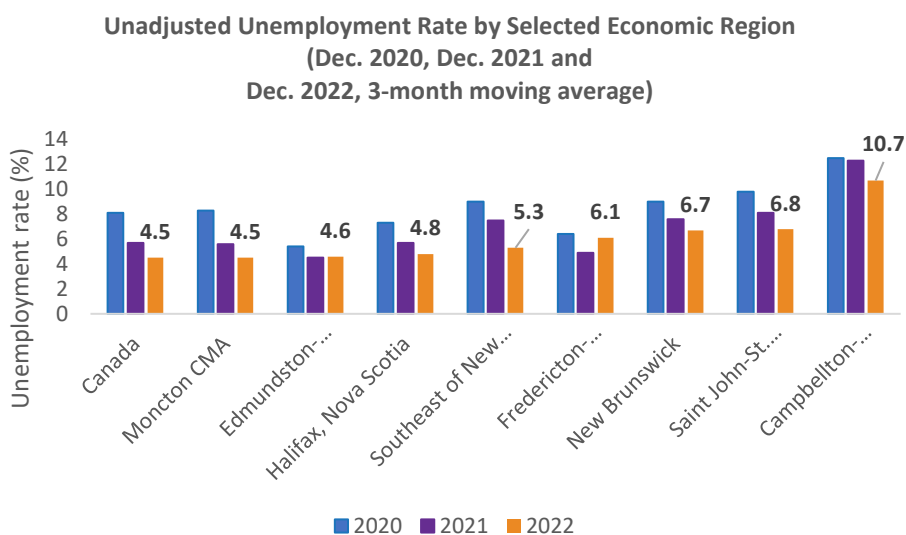
December 2022

Unemployment Comparison

Greater Moncton and Southeast New Brunswick's **unemployment rate**¹ dropped 2.2 percentage points year-over-year in December 2022. The region's unemployment rate is currently 5.3%, a 0.2 percentage points increase from last month's rate, and 0.8 percentage points above the national average. Also, it is 1.4 percentage points lower than the provincial average.

Greater Moncton CMA's unemployment rate is at 4.5%, the second lowest level of 2022 with the rate being the highest in June and July at 4.2% respectively. Unemployment rate decreased 0.2 percentage points from last month's rate which is now the same level as the Canadian average of 4.5%, and 0.3 percentage points lower than Halifax's. Compared to all other observed regions' rates, Moncton had the lowest unemployment rate in December. The CMA is a smaller area centered around Moncton, Riverview, and Dieppe that excludes most rural areas in the Southeast.

Comparing Moncton CMA's unemployment rate to the one in Southeast New Brunswick indicates that rural unemployment continues to be higher than urban unemployment.



Data from: Statistics Canada. Tables 14-10-0387-01

¹ Southeastern New Brunswick includes Kent, Westmorland and Albert Counties. The CMA includes the cities of Moncton and Dieppe, the Town of Riverview and several communities in close proximity. See 'Notes and Definitions' for explanation of bolded terms:



Canada and the regions observed continue to see historical low unemployment rates. Despite a slight uptick from November, the unemployment rate in Southeast New Brunswick remains historically low, suggesting a thriving and growing economy with employment opportunities.

**Southeast NB
Unemployment Rate:**

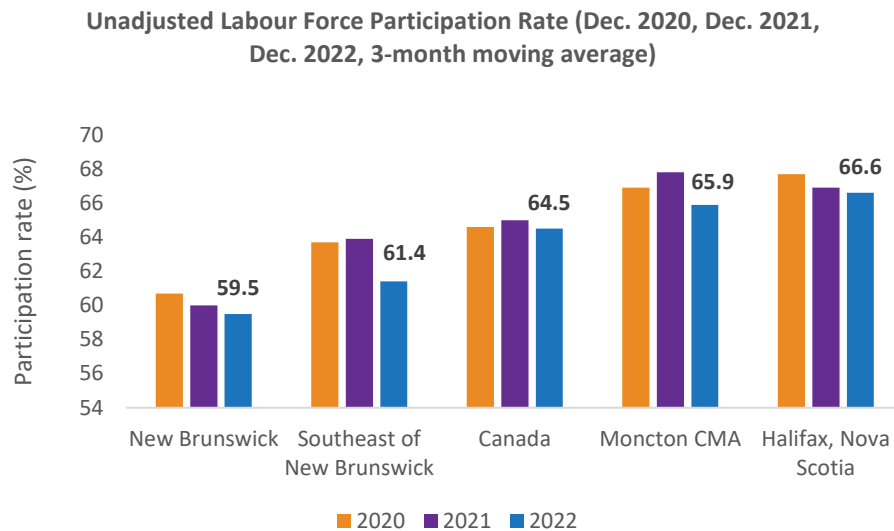
5.3%

-2.2% YOY
0.2% MOM

December 2022, unadjusted

Labour Force Participation Rate

Greater Moncton and Southeast New Brunswick’s **labour force participation rate** decreased 0.3 percentage points from November to December 2022 and decreased 2.5 percentage points year-over-year. The participation rate represents the share of the 15+ population either working or looking for work.



Data from: Statistics Canada. Table 14-10-0387-01

Greater Moncton and Southeast New Brunswick’s labour force participation rate remains higher than New Brunswick’s; however Southeast New Brunswick’s labour force participation rate is lower than the Canadian average. The Moncton CMA’s labour force participation rate decreased by 0.1 percentage points, 1.4 percentage points higher than the national average and 0.7 percentage points behind Halifax.

**Southeast NB Labour
Force Participation Rate:**

61.4%

-2.5% YOY
-0.3% MOM

December 2022, unadjusted

Number of People Employed

There are currently 115,400 **people employed** in Greater Moncton and Southeast New Brunswick. The region lost 400 jobs since last month which follows suit with the trend observed in 2022. When compared to December 2021, there were 2,400 more persons working, a 2.13 percentage point rise in the number of people who were employed year over year. However, the region continues to lose jobs, a tendency that may partly be attributed to the fact that more individuals are retiring from the workforce than the market can absorb.

Southeast NB Number
of People Employed:

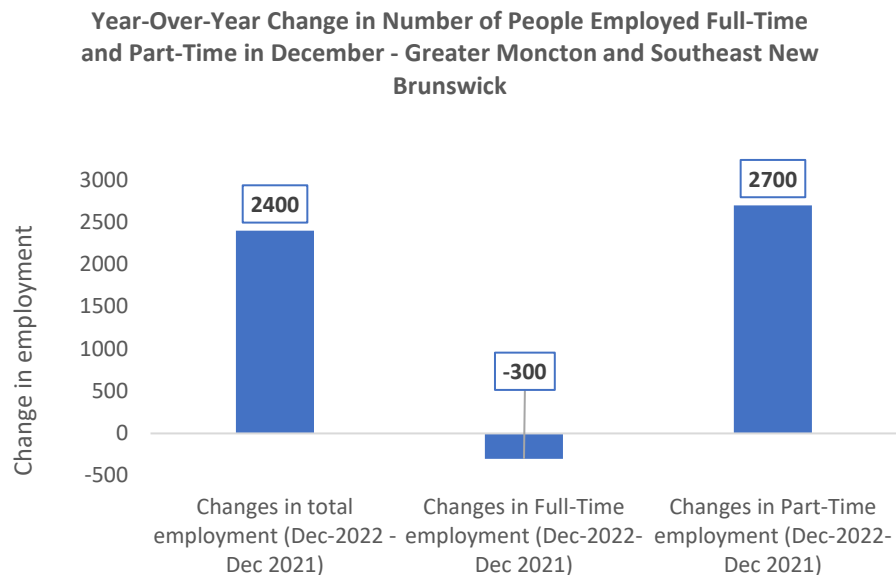
115,400

2.13% YOY
-0.34% MOM

December 2022, unadjusted

Full-Time vs. Part-Time Employment Trends

Greater Moncton and Southeast New Brunswick lost 2,400 jobs in November 2022. The region lost 300 Full-time jobs in December 2022 compared to December 2021 which is very low based on figures from previous months. At least 2,700 Part-time jobs were also gained during same period resulting in a net-gain of 2,400 jobs.



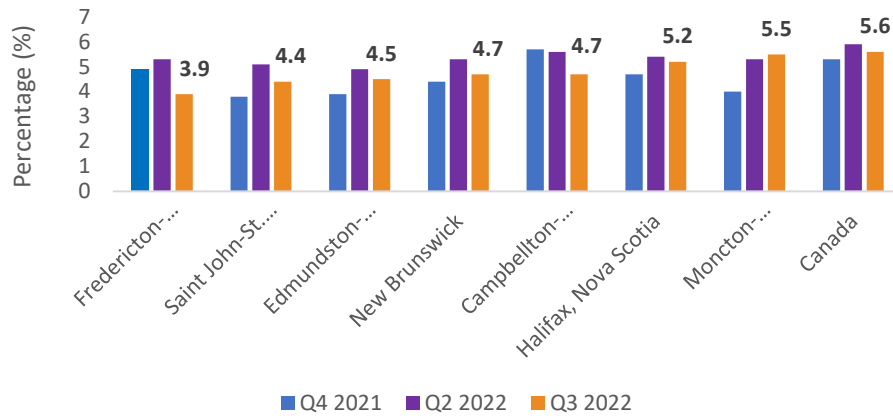
Data from: Statistics Canada. Table 14-10-0387-01

Vacancy rate

The vacancy rate in Greater Moncton and Southeast New Brunswick in the third quarter of 2022 has been increasing year-over-year and is at 5.5%. The vacancy rate in the region increased 0.9 percentage points year-over-year, and 0.2 percentage points since the last quarter. The fact that the unemployment rate has also been falling since 2020 is more proof of the market's growing need for workers, as employers are finding it more challenging to fill positions available.



Job vacancy rate by selected economic regions (Q4 2021-Q2 2022-Q3 2022)



Data from: Statistics Canada. Table 14-10-0325-01

Southeast NB Labour Vacancy rate:

5.5%

0.9% YOY
0.2% QOQ
Q3 2022, unadjusted

As in Q2 2022, occupations with the higher number of job postings in the region in Q3 2022, were (Source: Vicinity jobs):

1. Sales and Service occupations with 2,164 (30.4%)
2. Business, finance, and administration occupations with 1,022 postings (14.4%)
3. Trades, transport and equipment operators and related occupations with 873 postings (12.3%)

Southeast New Brunswick LMI without the Moncton CMA

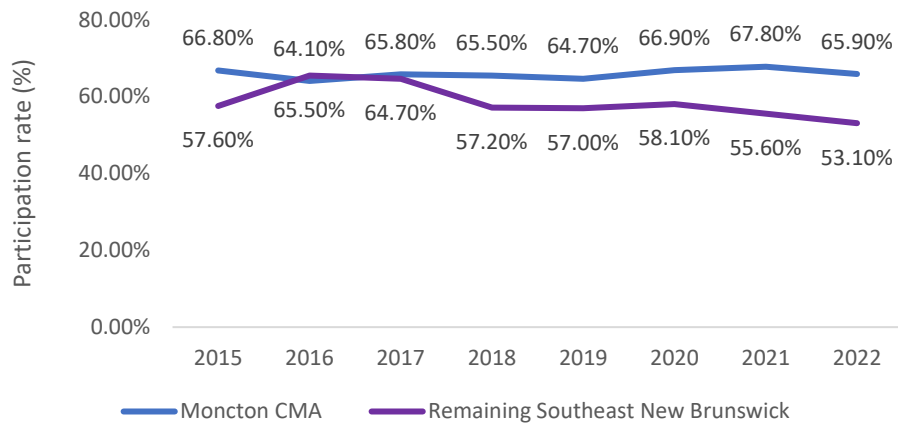
Labour Force participation

In the last monthly Labour Market Information report, we saw that the Moncton CMA includes almost three quarters (74%) of the Southeastern New Brunswick labour force, with the remaining quarter located in the rest of the Southeast.

An historical analysis of the labour force participation in the Moncton CMA and the remainder of Southeast New Brunswick from 2015 to 2022 was conducted to determine whether this involvement has changed over time. The Moncton CMA's overall labour force participation in December 2015 was 66.8%, as can be seen, and has remained almost the same when we compare the December averages across our observation years. However, as mentioned in previous reports, southeast New Brunswick is seeing a gradual decline in participation rates especially since the peak in 2016 with participation rate at 65.5% (higher than Moncton CMA) and has declined to 53.10% as of December 2022. This indicates that the urban area has a higher concentration of adults who are actively seeking employment than the rest of the Southeast.



Unadjusted participation rate for the Moncton CMA and the remaining Southeast New Brunswick (Dec. 2015-2022, 3-month moving average)

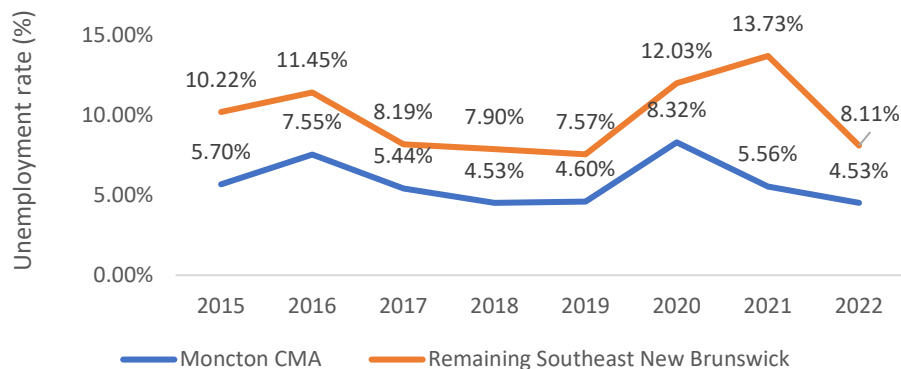


Data from: Statistics Canada. Table 14-10-0387-01

This concentration of economic activity in urban centers, which also impacts the concentration of labour, is well known in regional economics and is an important driver of Economic Developmentⁱ. Unfortunately, this can also have negative effects on the rural areas surrounding the urban center unless an integrated urban-rural development approach is implemented (OECD, 2013ⁱⁱ).

As for other labour market indicators, there are also differences. The Moncton CMA unemployment rate in the month of December is 3.5 percentage points lower than the unemployment rate in the remaining Southeast New Brunswick. The unemployment of the remaining Southeast area rose quite dramatically from 7.57% in Dec. 2019 to a peak of 13.73% in Dec. 2021. The good news is that the number declined by about 5 percentage points to 8.11% in Dec. 2022. It is worth noting that unemployment rate for both areas in the month of December 2022 is lower than December 2015 which signals a tight labour market.

Unadjusted unemployment rate for the Moncton CMA and the remaining Southeast New Brunswick (Dec. 2015-2022, 3-month moving average)

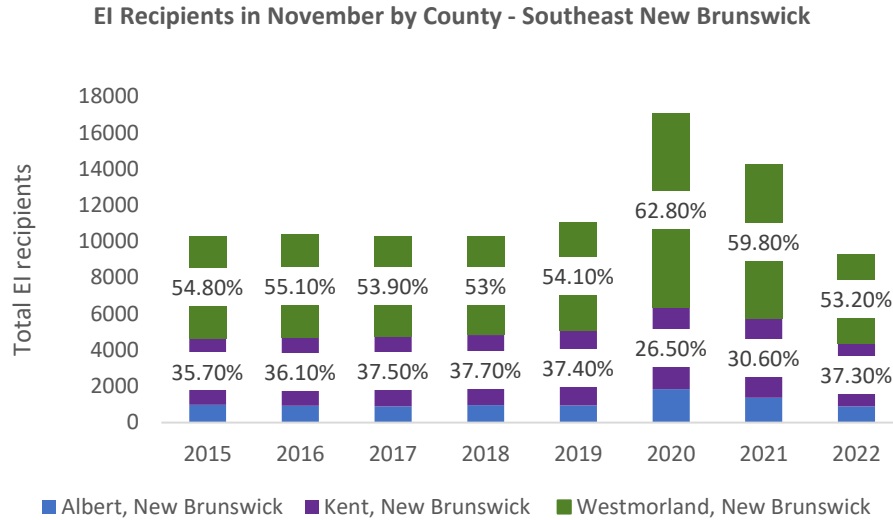


Data from: Statistics Canada. Table 14-10-0387-01



Employment Insurance

The number of regular **employment insurance (EI)** recipients nearly doubled in Greater Moncton and Southeast New Brunswick during the COVID-19 pandemic. Prior to COVID-19, there were typically 10,000 EI recipients in the region each November. In November 2020, there were 17,080 recipients. By November 2022, the number of recipients declined to pre-pandemic levels at 9,330. This is the lowest EI recipients in the month of November since 2015.



Source: Statistics Canada. Table 14-10-0323-01



Notes and Definitions:

Unemployment rate²: 'Number of unemployed persons expressed as a percentage of the labour force.'

Labour force: 'Civilian non-institutional population 15 years of age and over who, during the survey reference week, were employed or unemployed'

Employment: 'Employed persons are those who, during the reference week did any work for pay or profit, or had a job and were absent from work'

Unemployment: 'Unemployed persons are those who, during the reference week, were available for work and were either on temporary layoff, had looked for work in the past four weeks or had a job start within the next four weeks'

$$\text{Unemployment Rate} = (\text{Number of unemployed people}) / (\text{number of unemployed people} + \text{number of employed people})$$

Stated otherwise: $(\text{number of unemployed people}) / (\text{total labour force})$

Participation rate: 'Total labour force expressed as a percentage of the population aged 15 years and over.'

Vacancy rate: The job vacancy rate is the number of job vacancies expressed as a percentage of labour demand; that is, all occupied and vacant jobs.

Seasonal adjustment: 'Fluctuations in economic time series are caused by seasonal, cyclical and irregular movements. A seasonally adjusted series is one from which seasonal movements have been eliminated. Seasonal movements are defined as those which are caused by regular annual events such as climate, holidays, vacation periods, and cycles related to crops, production and retail sales associated with Christmas and Easter. It should be noted that the seasonally adjusted series contain irregular as well as longer-term cyclical fluctuations'.

Linear regression: Linear regression analysis is explaining or predicting one variable based on the observed values of another variable using a linear relationship. Just as you use the average to summarize a single variable, you can use a straight line to summarize a linear relationship between two variables³.

R²: There are two measures of the performance of a regression analysis: the standard error of estimate will tell you the typical size of the prediction errors, whereas the coefficient of determination or R² (equal to the square of the correlation r) tells you the percentage of the variability of the Y variable that is "explained by" the X variable³.

Employment Insurance: The Employment Insurance (EI) program provides temporary income support to unemployed workers while they look for employment or to upgrade their skills. The EI program also provides special benefits to workers who take time off work due to specific life events: illness, pregnancy, caring for a newborn or newly adopted child, caring for a critically ill or injured person,

² All definitions are quoted directly from Statistics Canada

³ Andrew F. Siegel, Michael R. Wagner. Chapter 11 - Correlation and Regression: Measuring and Predicting Relationships. Editor(s): Andrew F. Siegel, Michael R. Wagner. Practical Business Statistics (Eighth Edition). Academic Press, 2022, Pages 313-370, ISBN 9780128200254. <https://doi.org/10.1016/B978-0-12-820025-4.00011-7> (<https://www.sciencedirect.com/science/article/pii/B9780128200254000117>)



caring for a family member who is seriously ill with a significant risk of death. Workers receive EI benefits only if they have paid premiums in the past year and meet qualifying and entitlement conditions. Self-employed workers may participate in EI and receive special benefits. The number of beneficiaries represents a count of persons who qualified for employment insurance benefits during the Labour Force Survey reference week, usually containing the 15th day of the month.

ⁱ See for example 1) Marshall A. (2013). *Principles of Economics*. Springer. 731p. 2) Combes PP, Gobillon L (2015) The empirics of agglomeration economies. In: Duranton G, Henderson V, Strange W (eds), *Handbook of Regional and Urban Economics*, Volume 5. Elsevier, Oxford. 3) Amiti M, Cameron L (2007) Economic geography and wages. *The Review of Economics and Statistics* 89[1]: 15–29. 4) Duranton G (2016) Agglomeration effects in Colombia. *Journal of Regional Science* 56[2]: 210–238.

ⁱⁱ OECD. 2013. Rural-Urban Partnerships, an Integrated Approach to Economic Development. *OECD Rural Policy Reviews*. <https://doi.org/10.1787/9789264204812-en>

