

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

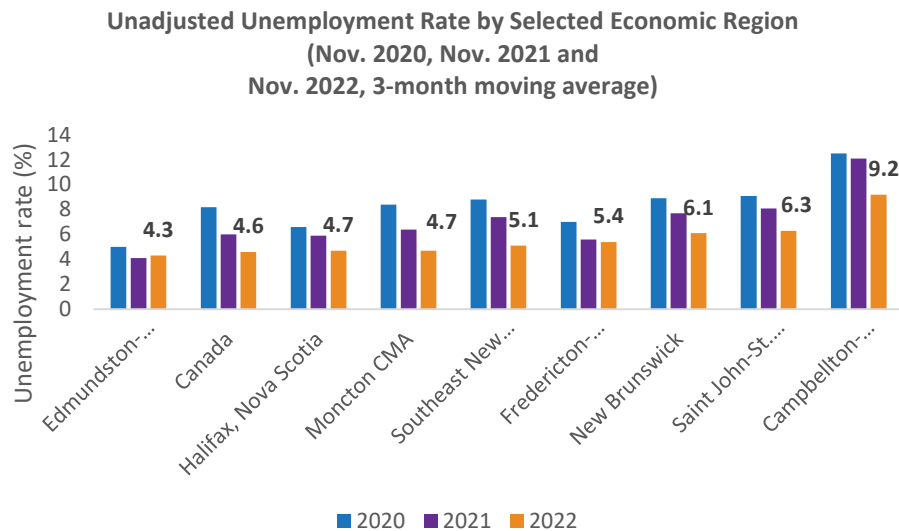
November 2022

Unemployment Comparison

Greater Moncton and Southeast New Brunswick's **unemployment rate**¹ dropped 2.3 percentage points year-over-year in November 2022. The region's unemployment rate is currently 5.1%, a 0.4 percentage points decrease from last month's rate, and 0.5 percentage points above the national average. Also, it is 1 percentage point lower than the provincial average.

Meanwhile, the Greater Moncton CMA's unemployment rate is again at 4.7% (as in August 2022). It is now the third lowest rate compared to all other regions' rates. It is also slightly lower than the Canadian average which is 4.6%, and the same rate as Halifax's. 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 unemployment in the region's main urban center is lower than in the rest of the Southeast.



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

Canada and the region continue to see historical low unemployment rates. In November the unemployment rate of both, the Moncton CMA's and that of Southeast of New Brunswick came down again. This is good news from a recession point of view, given that this shows strong employment opportunities in both regions.

**Southeast NB
Unemployment Rate:**

5.1%

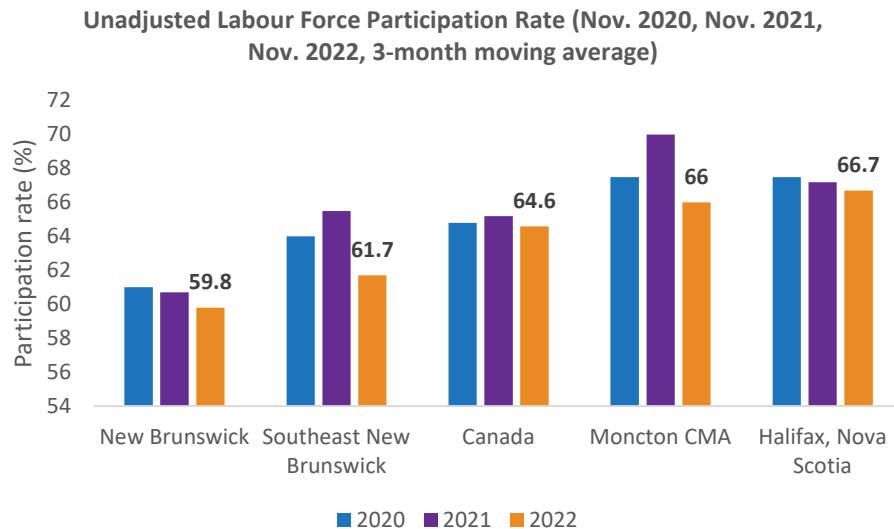
-2.3% YOY
-0.4% MOM

November 2022, unadjusted

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.

Labour Force Participation Rate

Greater Moncton and Southeast New Brunswick's **labour force participation rate** decreased 0.9 percentage points from October to September 2022 and decreased 3.8 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 is currently higher than the New Brunswick's average and lower than the Canadian average. The Greater Moncton CMA's labour force participation rate increased marginally from last month's and is 1.4 percentage points higher than the national average.

Southeast NB Labour
Force Participation Rate:

61.7%

-3.8% YOY
-0.6% MOM

November 2022, unadjusted



Number of People Employed

There are currently 115,800 **people employed** in Greater Moncton and Southeast New Brunswick, the same number as a year ago. This is an important change in trend, given that the previous months the region was losing around 2,000 jobs compared to the same month the previous year, which could mean that the level of employment is stabilizing. In contrast, comparing the number of employed people in the region to last month's number, the region lost 200 jobs.

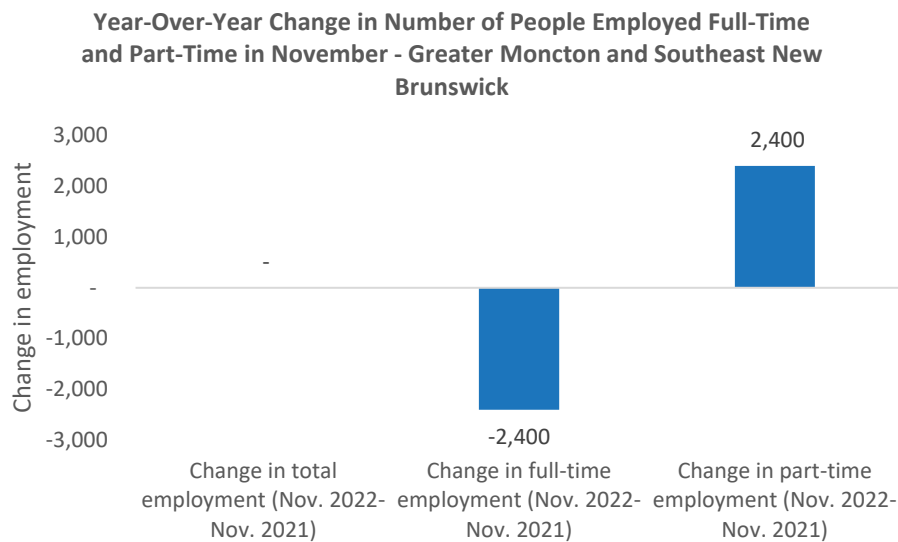
Southeast NB Number
of People Employed:

115,800

No change YOY
-0.17% MOM
November 2022,
unadjusted

Full-Time vs. Part-Time Employment Trends

Greater Moncton and Southeast New Brunswick lost 200 jobs in November, compared to October 2022. The region lost 2,400 Full-time jobs in November 2022 compared to November 2021 but gained the same number of Part-time jobs in the same period, meaning that there was not change in total employment year-over-year in November.

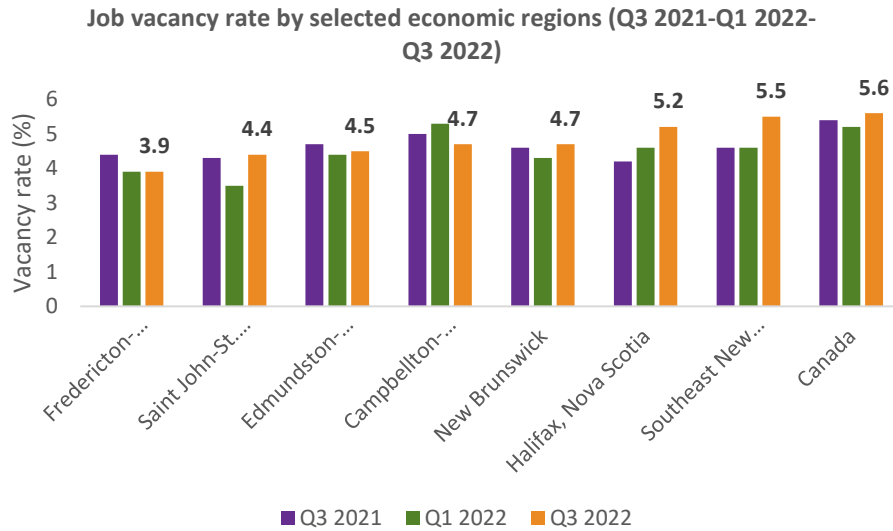


Data from: Statistics Canada. Table 14-10-0387-01

Vacancy rate

The total number of job vacancies in Greater Moncton and Southeast New Brunswick in the third quarter of 2022 was 6,485 jobs, up 755 vacant jobs since the third quarter 2021. The vacancy rate in the region in the third quarter of 2022 has been increasing 0.9 percentage points year-over-year, to 5.5% the third quarter of 2022. Given that the unemployment rate has been decreasing since 2020, this is additional evidence of the rising need of labour in the economy, with employers having more difficulty to fill the jobs they have available.





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

**Southeast NB Labour
Vacancy rate:**

5.5%

0.9% YOY
0.9% 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

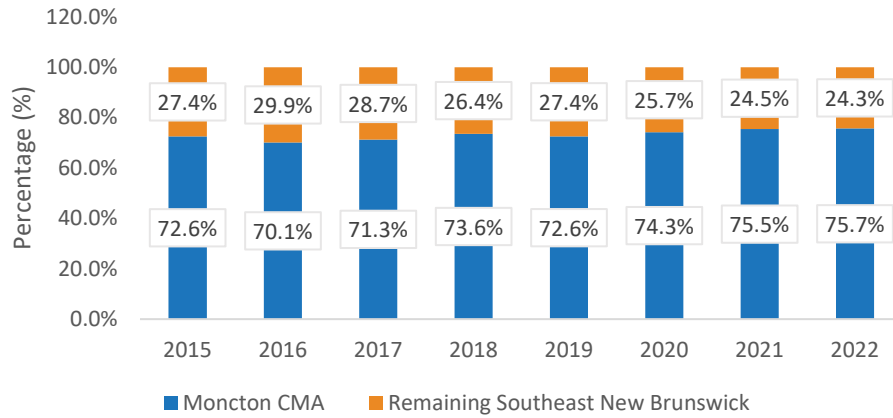
Labour Force participation

In the last monthly Labour Market Information report, we saw that the Moncton CMA includes almost three quarters (75.7%) of the total Southeastern New Brunswick labour force, with the remaining quarter located in the rest of the Southeast.

To evaluate if this percentage has been changing over time, we continue with the historical analysis on the percentage of the Southeast labour force shared between the Moncton CMA and the rest of Southeast New Brunswick. Like previous analysis, the Moncton CMA had 72.6% of the region's labour force in 2015, and this participation increased more than 3 percentage points in 2022 at 75.7%. This reinforces the conclusions proposed on last month's report, where the rest of the Southeast is seeing a faster rate of retirements than the urban center, and more people are moving to the urban center to work, concentrating the labour force in the Moncton CMA.



Percentage of the region's labour force in the Moncton CMA and the rest of Southeast New Brunswick (Nov. 2015-2022, 3-month moving average, unadjusted)

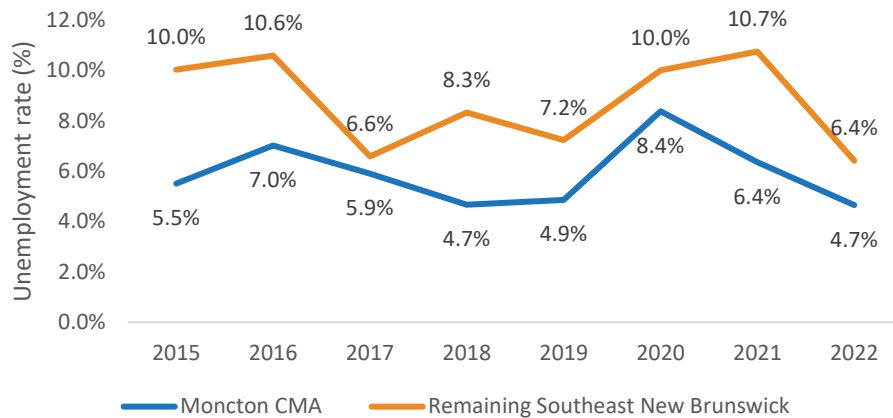


Data from: Statistics Canada. Table 14-10-0387-01

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).

Looking at other labour market indicators, the Moncton CMA unemployment rate in the month of November is on average 2 percentage points lower than the unemployment rate in the remaining Southeast New Brunswick, except for the years 2017 and 2020, where the unemployment rate in both areas had a lower gap. Also, the unemployment rate in both areas has been decreasing in the last 8 years at an average rate of 0.28 percentage points per year.

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

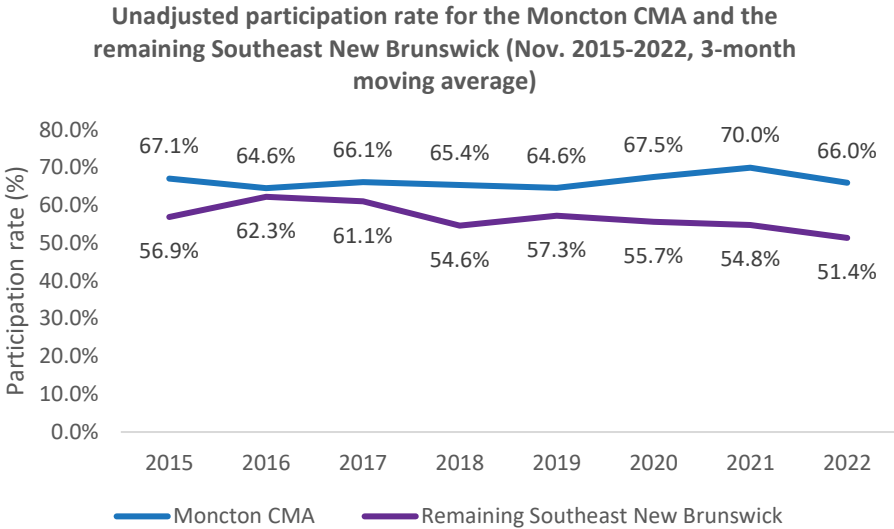


Data from: Statistics Canada. Table 14-10-0387-01



Again, the historical **participation rate** for the month of December shows that the Moncton CMA has a higher participation rate than the remaining Southeast New Brunswick, and that the participation rate has been decreasing more slowly in the CMA than in the rest of the Southeast. This is possibly due to a higher number of people retiring from the labour force in rural Southeast New Brunswick.

Since total population has been increasing in both areas, this points to a tighter labour market in the remaining Southeast New Brunswick, with higher unemployment rates and an increasingly lower labour force participation than in the CMA.

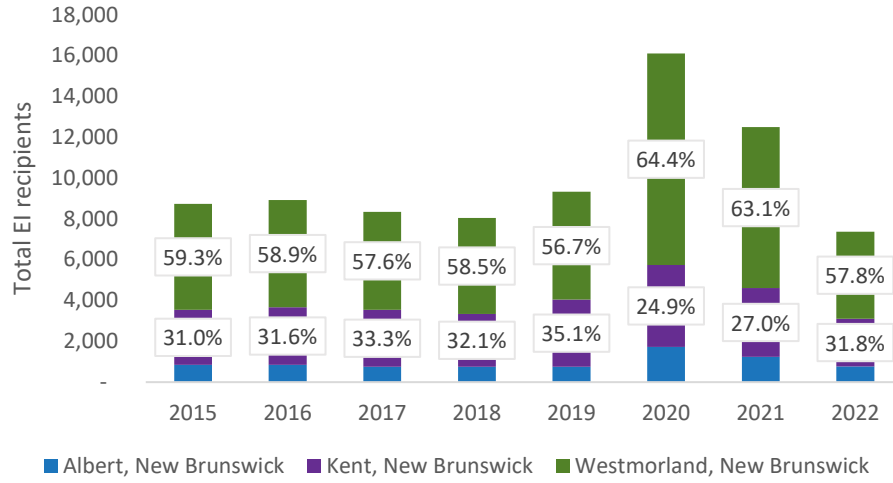


Data from: Statistics Canada. Table 14-10-0387-01

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 8,000 EI recipients in the region each October. In October 2021, there were 16,110 recipients. By October 2022, the number of recipients declined to pre-pandemic levels at 7,370.

EI Recipients in October by County - Southeast New Brunswick



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>

