



Labour Market Bulletin

Nova Scotia

June 2020



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Nova Scotia, including the regions of Annapolis Valley, Cape Breton, Southern, Halifax and North Shore.

OVERVIEW

Employment in Nova Scotia plunged by 10.9% in the second quarter (Q2 2020) as restrictions aimed at slowing the spread of COVID-19 shocked the labour market. This was the lowest quarterly level of employment recorded in 19 years, and was accompanied by a nearly five percentage point (pp) increase in the unemployment rate. The labour force contracted by 6% as many laid-off workers waited for temporary restrictions on their industry or occupation to be lifted without seeking other employment.

Nova Scotia Quarterly Labour Force Statistics

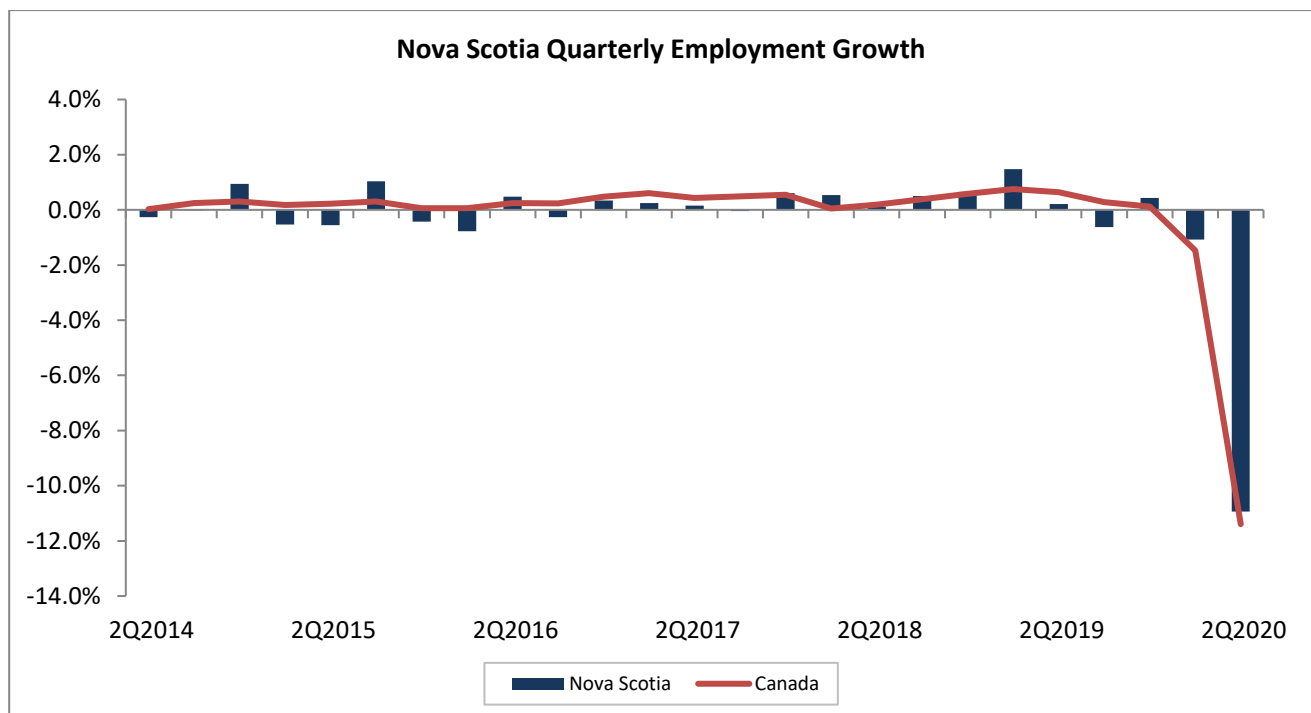
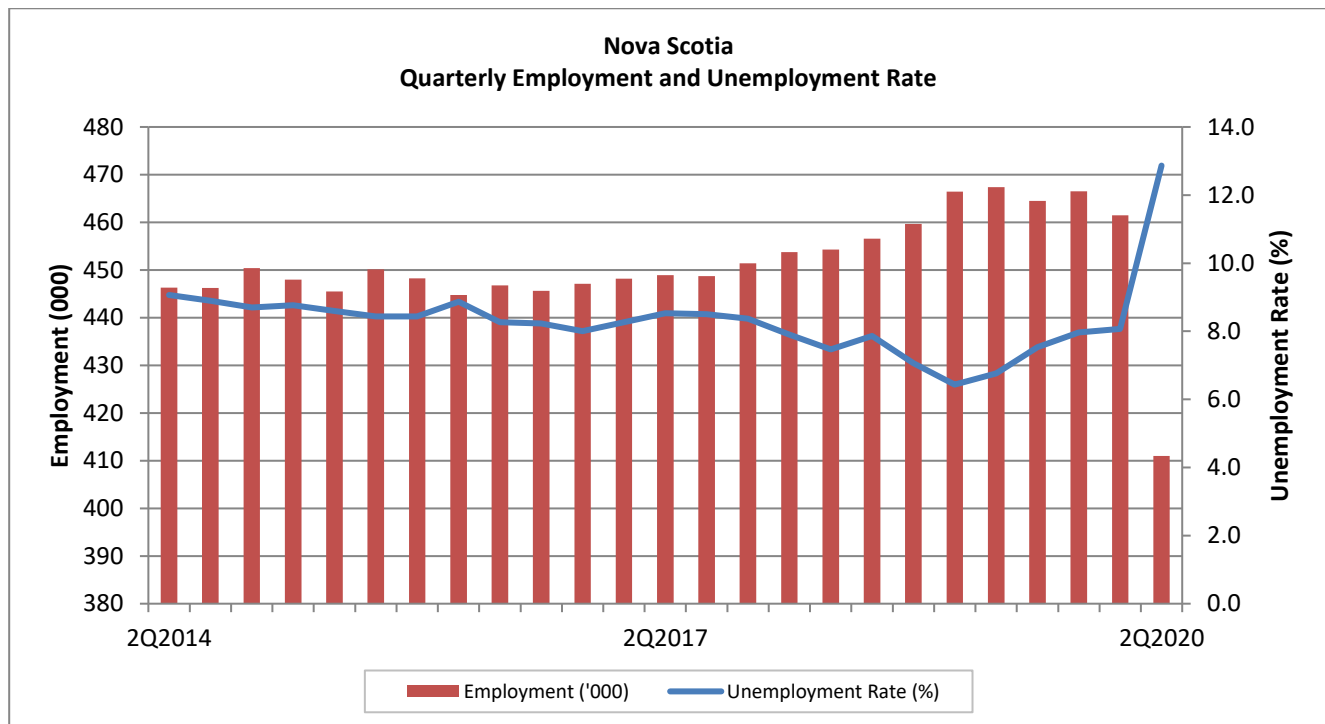
Seasonally Adjusted Quarterly Data	2nd Quarter 2020	1st Quarter 2020	2nd Quarter 2019	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	815.4	813.6	805.2	1.7	0.2	10.1	1.3
Labour Force ('000)	471.6	501.9	501.4	-30.3	-6.0	-29.8	-5.9
Employment ('000)	411.0	461.5	467.4	-50.5	-10.9	-56.4	-12.1
Full-Time ('000)	342.1	378.4	379.3	-36.3	-9.6	-37.2	-9.8
Part-Time ('000)	68.9	83.1	88.1	-14.2	-17.1	-19.2	-21.8
Unemployment ('000)	60.7	40.4	34.0	20.3	50.3	26.7	78.4
Unemployment Rate (%)	12.9	8.1	6.8	4.8	-	6.1	-
Participation Rate (%)	57.8	61.7	62.3	-3.9	-	-4.4	-
Employment Rate (%)	50.4	56.7	58.0	-6.3	-	-7.6	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

The quarterly employment level reflects a major drop in employment followed by a partial recovery. In April, the number of workers in Nova Scotia bottomed out 16% below the last pre-COVID-19 measurement in February. Employment edged up slightly in May, but many closures remained in place. On June 5, many major provincial

restrictions were eased, allowing businesses such as dining rooms, salons, and health practitioners to reopen. Employment began to rebound more quickly as a result; as of June, approximately half of lost jobs had been regained.



Part-time employment suffered a disproportionately large decline. Part-time positions make up a relatively large share of total employment in some of the industries which were subject to the most stringent operating restrictions or full closures. There was little difference between the year-over-year and quarterly changes

observed, as the scale of layoffs related to COVID-19 eclipsed the modest labour market improvements that happened between Q2 2019 and Q1 2020.

Private-sector employment declined by 17.4% compared to the previous quarter, accounting for more than nine out of ten job losses. Private-sector businesses comprise most of the industries which were subject to operating restrictions or were affected by a loss in revenue as consumers stayed home or practiced social distancing. Public sector employment declined comparatively little, at -2.4%, while the number of self-employed workers dipped by 2.1%.

The impact of COVID-19 on the labour market has been highly unequal by sex and age group. Youth (15 to 24 years of age) have been the most negatively impacted. The number of workers in this age group declined by more than 25% on both a quarterly and annual basis, while the unemployment rate rose from 11.7% one year ago to 25.5%. Youth are over-represented in part-time employment and in three of the industries which have suffered the largest lay-offs: accommodation and food services; information, culture and recreation; and retail trade. Throughout 2018 and 2019, youth were the main beneficiaries of broad labour market improvements in Nova Scotia, much of which has been reversed by the recent layoffs.

The employment decline among prime working-age individuals (25 to 54 years of age) was the smallest of the three main age groups, but still severe at -9.3% year-over-year. The decline for older workers was somewhat worse, at -11.9%. Among all three groups, the participation rate decreased while the unemployment rate climbed.

Nova Scotia Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	2nd Quarter 2020 %	1st Quarter 2020 %	2nd Quarter 2019 %	Quarterly Variation (% points)	Yearly Variation (% points)
Total	12.9	8.1	6.8	4.8	6.1
25 years and over	10.8	7.0	5.9	3.9	4.9
Men - 25 years and over	10.5	7.7	7.3	2.8	3.2
Women - 25 years and over	11.2	6.1	4.5	5.1	6.7
15 to 24 years	25.5	14.4	11.7	11.1	13.9
Men - 15 to 24 years	23.6	16.6	13.1	7.0	10.5
Women - 15 to 24 years	27.3	12.2	10.2	15.1	17.1

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

In all three age groups, females experienced larger proportional employment decreases than males. As with youth, this was partially due to the industries they are found working in, often involving part-time or casual positions. While females account for half of all employment, they comprise more than half of workers in the most-impacted industries and approximately two-thirds of all part-time employment. Typically, females in Nova Scotia report lower rates of unemployment than their male counterparts, however this trend is presently reversed for all age groups.

EMPLOYMENT BY INDUSTRY

Changes in employment by industry varied widely this quarter. Losses were shaped largely by the extent to which businesses were able to meet social-distancing requirements or were affected by changes in consumer behaviour and travel restrictions.

Nova Scotia Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	2nd Quarter 2020	1st Quarter 2020	2nd Quarter 2019	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	411.0	461.5	467.4	-50.5	-10.9	-56.4	-12.1
Goods-producing sector	80.7	88.7	86.2	-8.0	-9.1	-5.5	-6.3
Agriculture	5.6	5.6	6.1	0.0	0.0	-0.5	-8.2
Forestry, fishing, mining, quarrying, oil and gas	10.7	10.2	11.6	0.5	5.2	-0.9	-7.7
Utilities	3.5	3.6	3.7	-0.1	-2.8	-0.2	-4.5
Construction	31.1	34.8	33.8	-3.7	-10.6	-2.8	-8.2
Manufacturing	29.8	34.5	30.9	-4.7	-13.5	-1.1	-3.5
Services-producing sector	330.2	372.7	381.2	-42.5	-11.4	-51.0	-13.4
Trade	62.5	76.6	82.3	-14.1	-18.4	-19.8	-24.1
Transportation and warehousing	17.9	19.7	19.7	-1.8	-9.0	-1.8	-9.1
Finance, insurance, real estate and leasing	22.1	22.9	21.0	-0.8	-3.5	1.0	4.9
Professional, scientific and technical services	28.6	28.3	28.2	0.3	0.9	0.4	1.3
Business, building and other support services	16.4	18.4	17.4	-2.0	-11.0	-1.0	-5.6
Educational services	33.5	35.0	38.3	-1.5	-4.2	-4.8	-12.5
Health care and social assistance	69.7	73.3	73.4	-3.6	-4.9	-3.7	-5.0
Information, culture and recreation	13.5	17.8	19.7	-4.3	-24.3	-6.2	-31.5
Accommodation and food services	22.0	35.4	34.7	-13.4	-37.8	-12.7	-36.6
Other services	13.1	16.0	17.3	-2.9	-18.3	-4.3	-24.6
Public administration	31.1	29.4	29.2	1.7	5.7	1.9	6.5

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355

In the **goods-producing sector**, the **manufacturing** industry saw employment rise prior to COVID-19 before dropping sharply this quarter. This resulted in a large drop compared to the previous quarter but a comparatively minor year-over-year change. Two of the largest manufacturers in the province, Michelin and the Halifax Shipyard, temporarily laid off hundreds of workers while some establishments such as Stanfield's were able to mitigate employment losses by shifting production to fill tenders for healthcare supplies. The **construction** industry also posted a large decrease as contractors at private worksites adjusted to social-distancing requirements. However, this industry has been supported by both exceptionally high provincial capital spending on highway and hospital projects as well as a surge in demand for residential construction caused by a shortage of realty listings. Despite a brief period of uncertainty around the viability of the Temporary Foreign Worker program this year, employment in **agriculture** held steady from the first quarter, albeit at a lower level than the same time last year.

Accommodation and food services experienced the largest percentage drop in employment of any industry. Dining rooms were ordered to close from mid-March until early June, while international and interprovincial travel restrictions resulted in numerous hotels reporting 90% vacancy rates. Dining rooms were permitted to reopen

subject to social-distancing requirements on June 5, but employment levels in this industry remained one-quarter below their usual levels during the month of June. The recovery of this industry is expected to be compromised by the lack of travellers from other parts of Canada and other countries during the crucial tourism season.

Three other services-producing industries had double-digit employment decreases on both a quarterly and annual basis. **Wholesale and retail trade**, typically the largest industry by number of workers, accounted for more than one-quarter of all layoffs in the province. While Nova Scotia did not mandate the closure of non-essential retail, many stores opted to close voluntarily as shoppers were encouraged to stay home as much as possible. Many establishments in **information, culture, and recreation** such as casinos, cinemas, museums, and venues for live sports and performances were forced to suspend operations due to the impracticality of meeting social distancing and sanitation requirements. Finally, employment in **other services** went down as personal care service providers (e.g. salons) were ordered to shut down during the same timeframe as dining rooms.

A few services-producing industries which were required to provide essential services or were able to transition to a work-from-home setup did not experience large declines. These included **professional, scientific and technical services, public administration, and health care and social assistance**.

REGIONAL ANALYSIS

Employment in **Cape Breton** went down by 14.6% year-over-year, which was comparable to the change in most other economic regions in Nova Scotia. The participation rate was the lowest in the province at just 50.8%. Prior to COVID-19, this region had experienced gains in employment which provided some relief to its typically challenging labour market conditions, however whether these improvements will be recovered is uncertain. In addition to pandemic-related layoffs, 150 were laid off at the end of March when the Donkin coal mine closed permanently as a result of poor geological conditions. This region has a relatively large percentage of workers in the **healthcare and social assistance** industry, in which employment has held steady.

The number of workers in the **North Shore** region declined by 14.8% on an annual basis, while the unemployment rate went up by more than three percentage points. The **forestry** and **manufacturing** industries in this region are experiencing lasting effects from the closure of the Northern Pulp mill in January. **Wholesale and retail trade**, which accounts for a larger share of total employment in this region than other parts of the province, shed two-in-five position since Q2 2019, accounting for a large portion of total job losses in the region.

The largest employment loss in the province occurred in the **Annapolis Valley**, where employment went down by 17.3% over the past year. The Labour Force Survey indicates that job losses were spread widely across several industries. However, a bright spot for this region was an increase in the number of workers in the **agriculture** industry, which is a major employer in the area.

Of the five economic regions in the province, the **Southern** region experienced the smallest drop in employment since Q2 2019 at just 2.9%. Employment in this region trended much lower than usual last year; as such, it is possible that the full extent of layoffs related to COVID-19 was overshadowed by a rebound to more normal levels in some industries. Furthermore, this region has had relatively few cases of COVID-19, which may have had less of an impact on consumer retail spending than areas where viral spread was more prevalent. Industries in the Southern region which are highly reliant on tourism, such as **accommodation and food services**, will be challenged for a second year in a row by the cancellation of the Yarmouth-Maine ferry.

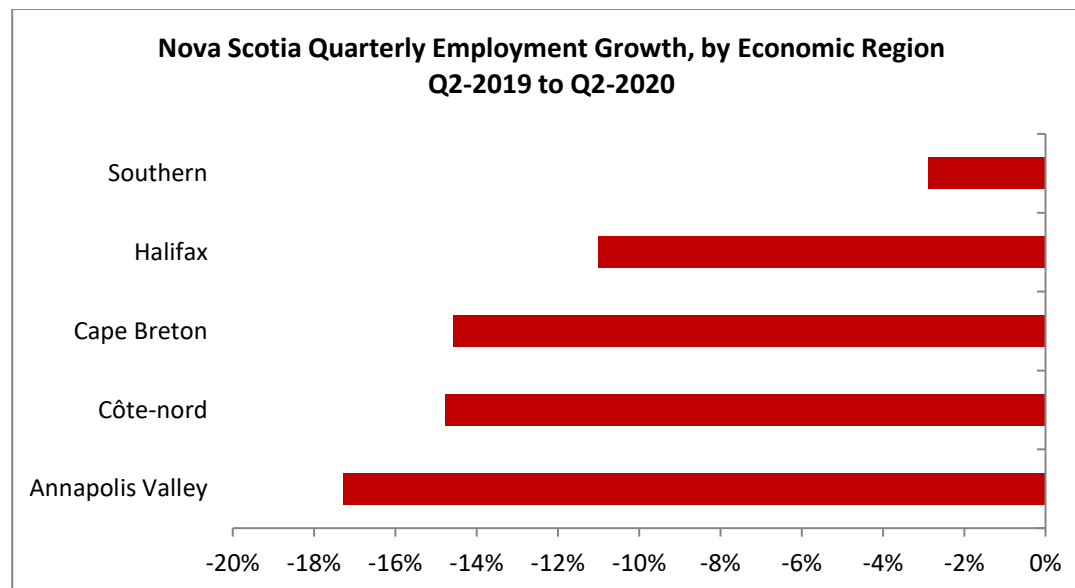
Employment in Halifax went down by 11% year-over-year, the second-smallest decrease in the province, while the unemployment rate more than doubled to 11.7%. Despite declining, the participation rate remained high relative to the other economic regions, at 64.4%. This region has benefited from the relative stability of employment in the **professional, scientific and technical services, healthcare, and public administration** industries, which account for a larger than share of the labour market than in other economic regions. Conversely, recovery for Halifax's **accommodation and food services** industry will be difficult without the usual number of tourists. Several businesses in this industry have announced that they will be closing permanently.

Nova Scotia Quarterly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	2nd Quarter 2020 ('000)	2nd Quarter 2019 ('000)	Yearly Variation (%)	2nd Quarter 2020 (%)	2nd Quarter 2019 (%)	Yearly Variation (%)
Nova Scotia	415.5	471.6	-11.9	12.7	6.6	6.1
Economic Regions						
Cape Breton	42.8	50.1	-14.6	18.6	13.5	5.1
North Shore	60.0	70.4	-14.8	12.9	6.9	6.0
Annapolis Valley	48.3	58.4	-17.3	11.7	5.5	6.2
Southern	47.0	48.4	-2.9	12.3	7.3	5.0
Halifax	217.4	244.3	-11.0	11.7	5.1	6.6

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293



Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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