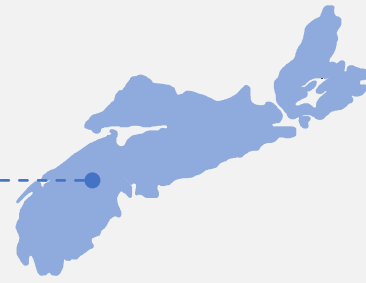


Quarterly

Labour Market Bulletin

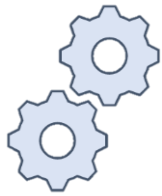
Nova Scotia



An in-depth look at the latest quarterly labour market trends

JAN - MAR 2023

Spotlight



Construction

Employment

+2.1% (y/y)

41,100 (Q1)

Job growth in construction has slowed, but employment in the sector remains at historically high levels.

Unmet demand for housing has encouraged the construction of thousands of dwellings, while multi-year provincial government infrastructure projects have sustained non-residential building activity.



Halifax

Employment

+7.1% (y/y)

258,600 (Q1)

Halifax's labour market has boomed over the past year, posting improvements in all labour market metrics.

The number of workers in the region increased by 17,100 on an annual basis, as thousands of new residents bolstered the supply of labour. The region boasts the province's lowest unemployment rate, at 4.8%, as well as its highest participation rate.

Key Indicators



Population

+2.6% (y/y)

853,600 (Q1)

Employment

+4.0% (y/y)

498,200 (Q1)

Unemployment Rate

-1.2pp (y/y)

5.5% (Q1)

Labour Force Participation Rate

+0.1pp (y/y)

61.8% (Q1)

Job Vacancy Rate

+0.1pp (y/y)

4.9% (Q4)

Weekly Wages

5.7% (y/y)

\$1,043.29 (Q1)

Note: Y/Y is a year-over-year change; pp is a percentage point change; Q1 stands for the 1st quarter of the calendar year

Nova Scotia has experienced robust employment growth over the past year, and the number of workers is approaching the half-million mark. Even with a large influx of new working-age residents joining the province's labour force, the unemployment rate has declined to its lowest quarterly average ever.

The number of job vacancies remains historically high, but in most industries the number of recent hires far exceeds the number of new unfilled openings. Even so, certain sectors like health care continue to see the number of vacant positions mount.

Feature Article

The tight labour market has encouraged employers to try a variety of recruitment and retention incentives, which are captured by the Canadian Survey of Business Conditions. The survey indicates that while many incentives, such as higher pay and the option to work remotely, were offered with increasing frequency over the course of 2022, employers subsequently dialed back such measures in Q1 2023.

Sources: Unless stated otherwise, all data sourced from Statistics Canada's Job Vacancy and Wage Survey (JVWS) and Labour Force Survey (LFS).

Note: Quarterly LFS estimates are based on three-month average seasonally-adjusted data, except for sub-provincial regions where monthly data are unadjusted.



Employment and Social Development Canada

Emploi et Développement social Canada

Canada

Industries

Economic Regions



Recent Trends

Working Age Population

Growth of the working age population has accelerated since mid-2021 due to a surge of in-migration to Nova Scotia from other provinces and countries. The province has gained 22,000 working age individuals since Q1 2022 (+2.5%), the largest annual increase since the LFS began in 1976, and more than two-thirds of whom were under the age of 55. This is a notable change from nearly two decades of decline of this age group. Growth may be slowing as a pandemic-related immigrations backlog clears; on a quarterly basis, the 4,500-person gain observed in Q1 2023 was slightly lower than during the same quarter one year prior.

Employment

Employment in the province rose by 7,900 (+1.6%) in Q1 2023, reaching an all-time high and falling just short of the half-million mark. While part-time workers comprise around one-fifth of the province’s total employment, nearly 85% of this quarter’s job gains were part-time in nature.

Year-over-year, the number of workers went up by 19,300 (+4.0%), outpacing the growth of the labour force and working age population.

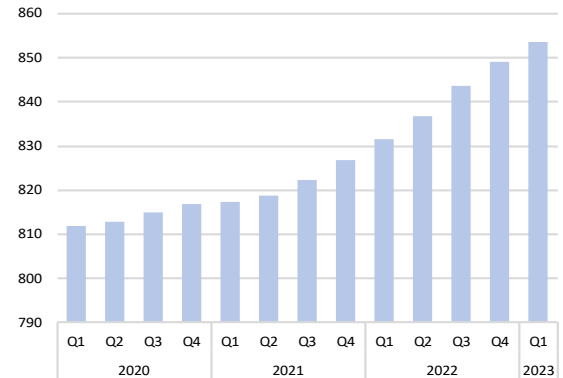
Unemployment

As in other provinces, the labour market has tightened significantly in Nova Scotia since the elimination of pandemic containment measures. The long-term aging of the population is constraining growth in labour supply, and two years of rapid job growth have drawn down the pool of unemployed jobseekers. As a result, the provincial unemployment rate fell by 0.8 percentage points (p.p.) to 5.5% in Q1 2023, the lowest quarterly average observed since the inception of the Labour Force Survey. Further, the gap between the provincial and national unemployment rates has narrowed to just 0.5 p.p., the closest they have ever been outside of periods of stringent pandemic measures.

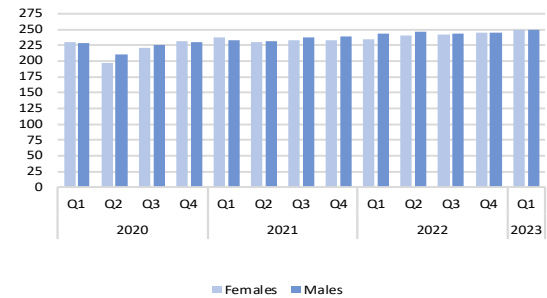
Labour Force Participation

The labour force participation rate edged up by 0.2 p.p. in Q1 2023 to 61.8%. Labour force participation has trended downward over the past decade as the share of the working age population comprised by retirees has increased, though recent migration trends have caused this phenomenon to slow. Age-specific participation rates have remained relatively stable, fluctuating between 86% and 88% for the prime working-age population (25 to 54 years of age). Within this age group, the gap between males and female labour force participation fell to just 1.8 p.p. in Q1 2023, the lowest discrepancy on record.

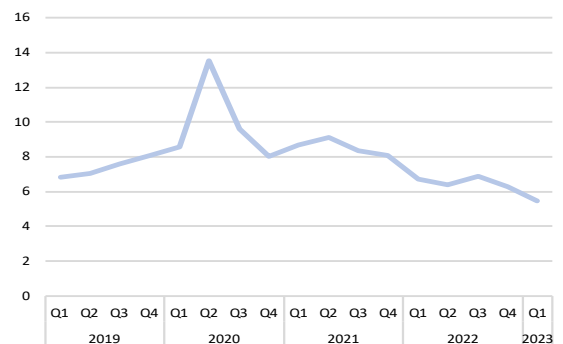
Nova Scotia, Population ('000s), Both sexes, 15 years and over, Average Value



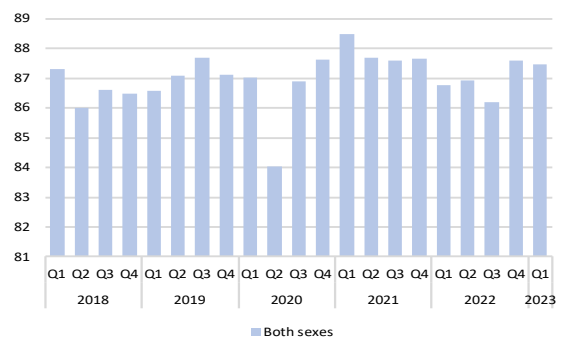
Nova Scotia, Employment ('000s), 15 years and over, Average Value



Nova Scotia, Unemployment rate (%), Both sexes, 15 years and over, Average Value



Nova Scotia, Participation rate (%), Both sexes, 25 to 54 years, Average Value





Age Groups

The prime working age group (25 to 54 years of age) had the greatest year-over-year improvements in labour market outcomes. This cohort accounted for nearly nine-tenths of job growth over the past year, as well as all of the added full-time employment. In comparison, employment gains among youth (15 to 24 years of age) and older workers (55 years and up) were all part-time in nature.

Among the prime working age group, the unemployment rate has sunk to a record low of 3.9%. Though the youth unemployment rate has trended slightly lower than before the pandemic, it remained relatively high in Q1 2023 at 12.5%.

Sex

Female employment increased by 13,800 (+5.9%) year-over-year, accounting for more than 70% of all job growth and eliminating a gap between male and female employment that emerged in mid-2021. Though employment by sex is equivalent, females have a lower rate of labour force participation (59.3% vs. 64.3%) and a lower unemployment rate (4.7% vs. 6.3%).

The percentage of females workers in full-time positions has been trending slowly upward over time—exceeding 75% during much of the past decade—but remains well below that of males (77.6% vs. 86.7%).

Wages

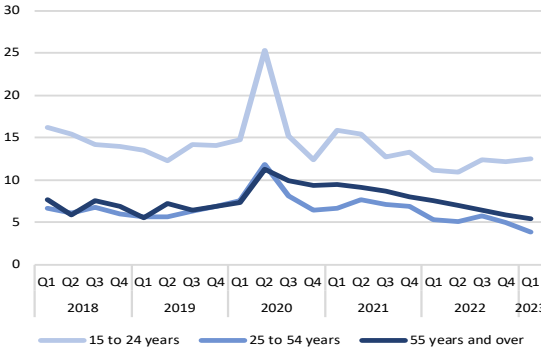
Average weekly wages have risen by 5.7% on a year-over-year basis. Since the easing of pandemic containment measures, wages have trended upward at a faster pace than prior to 2020. Competitive hiring conditions in the tight labour market are exerting upward pressure on compensation. However, “real” wage growth, i.e. gains in purchasing power, has been largely negated by inflation. For example, the Consumer Price Index rose by 6.0% between Q1 2022 and Q1 2023—slightly faster than wages.

Hours Worked

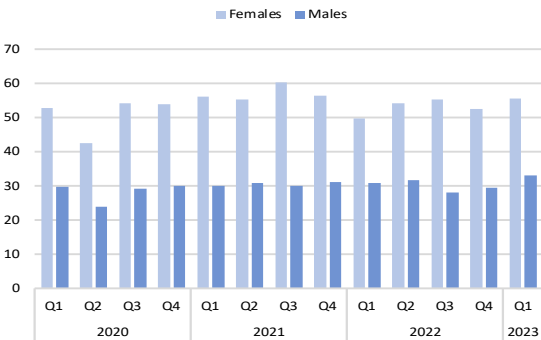
The average number of actual hours worked per week in Q1 2023 was 31.3, down slightly (0.6) from one year earlier. The share of workers who are in part-time positions has increased over the past year, accounting for some of this change.

Employee absences have been elevated since the onset of the pandemic, though causes have shifted in recent quarters. From 2020 through 2022, this trend was driven primarily by illness-related absences. Over the past year, however, the number of workers absent and hours lost due to illness have declined substantially, while personal reasons and vacations have increased.

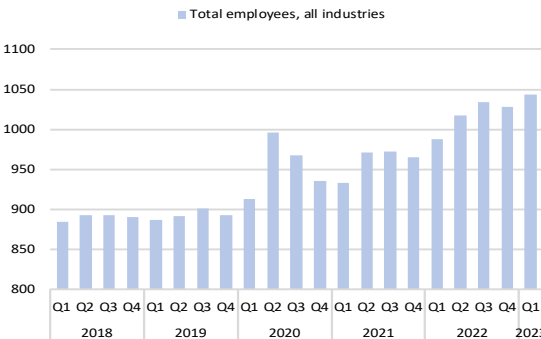
Nova Scotia, Unemployment rate (%), Both sexes, Average Value



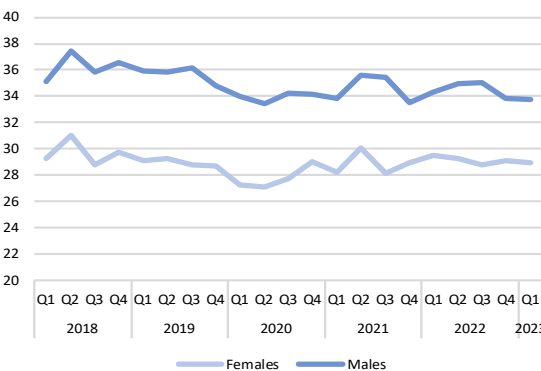
Nova Scotia, Part-time employment ('000s), 15 years and over, Average Value



Nova Scotia, Average weekly wage, Total employees, all industries, Average Value



Nova Scotia, Total employees, all occupations, Average actual hours (all workers, main job), Average Value



Industries

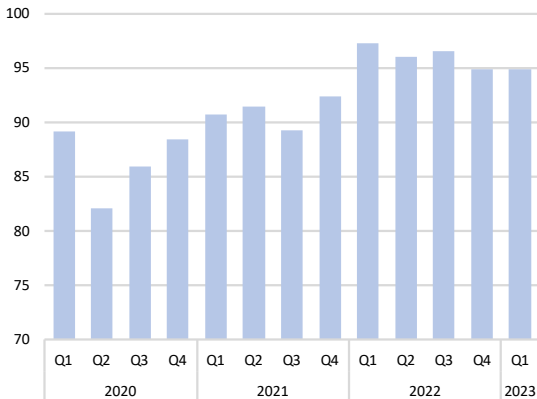
Goods-producing Sector

The goods-producing industry employed 94,900 workers in Q1 2023, a decrease of 2,400 (-2.5%) compared to one year prior. Employment in this sector has been high from a historical perspective since early 2022.

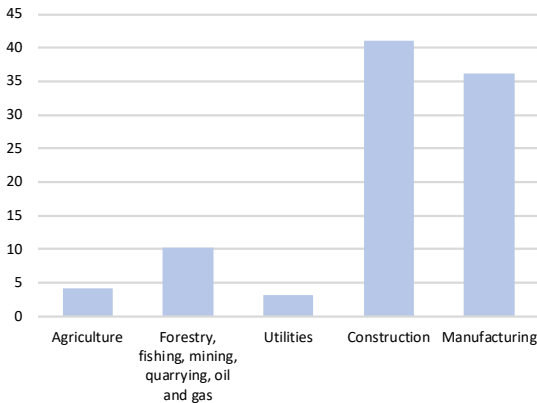
The construction industry has accounted for an outsized share of jobs in this sector recently, employing over 40,000 workers during the past five quarters. This represents a more-than-25% increase over the years leading up to the pandemic. Much of this growth occurred in 2021 before levelling off; the supply of labour in the sector may be constraining further gains. Demand for construction workers has been supported by both residential and non-residential building activity. Capital spending by the provincial government on major highway and health care facility projects is expected to exceed \$1B for the fourth consecutive year. On the residential side, the number of dwellings under construction has reached historically high levels amid population growth and a low rental vacancy rate.

Employment in the second-largest goods-producing industry, manufacturing, was little-changed year-over-year. Recent positive developments in this industry have occurred in a variety of sub-industries, such as ship and boat building, food and beverage manufacturing, rubber products, and electrical equipment.

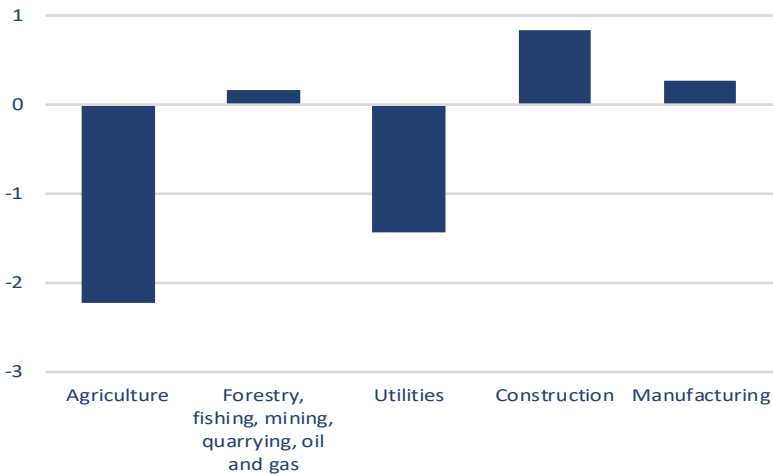
Employment (000's), Nova Scotia, Goods-producing sector, Average Value



Employment (000's), Nova Scotia, Average Value, Q1 2023



Employment (000's), Nova Scotia, Annual Change, Q1 values



Employment in the goods-producing sector has reached relatively high levels due to elevated construction activity.





Services-producing Sector

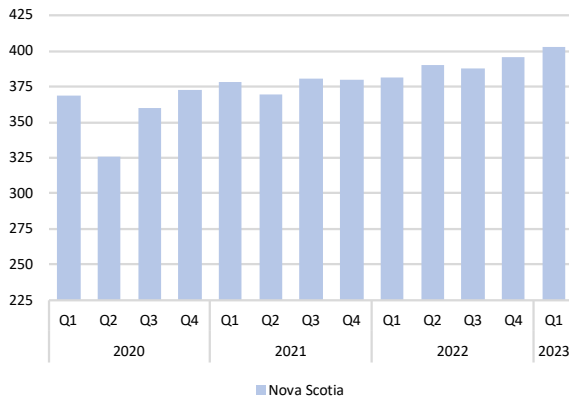
The number of workers employed in the services-producing sector increased by 21,700 (+5.7%) year-over-year, surpassing the 400,000 threshold for the first time. Gains occurred in all but two industries: transportation and warehousing; and business, building, and other support services.

Growth was led by the information, culture, and recreation industry, which added 4,900 workers over the past four quarters. Employment in this industry remained low for two years following the onset of the pandemic, but has rebounded over the past three quarters following the elimination of containment measures and the recovery of the tourism industry.

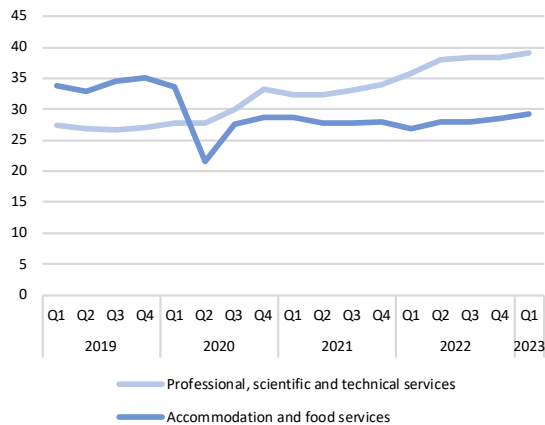
Strong job growth was also observed in the public administration (+3,600) and professional, scientific, and technical services (+3,400) industries. Employment in the latter has expanded by 10% annually on average for the past several years, due in large part to the growth of the province’s IT sector.

Certain industries continue to be constrained by a shortage of job applicants, despite strong demand for services. Employment in the accommodation and food services industry remains well below pre-pandemic levels, with many establishments’ opening hours limited by staff shortages. Further, the health care and social assistance industry has seen little employment growth for two years amid an unprecedented array of new recruitment and retention strategies.

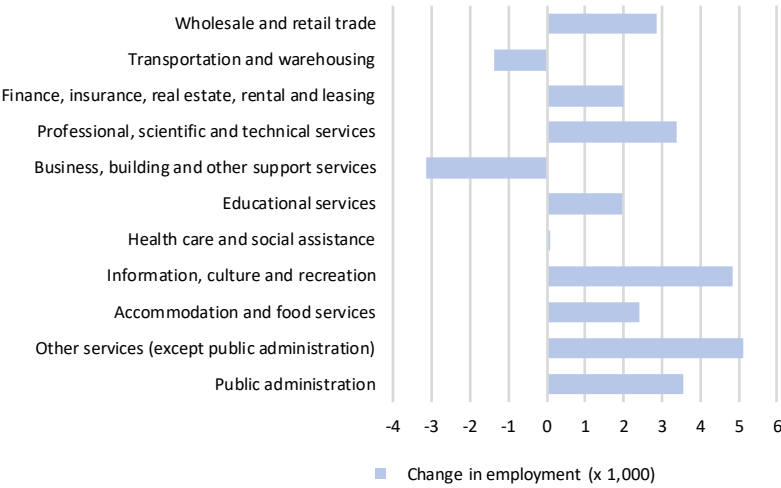
Employment (000's), Nova Scotia, Services-producing sector, Average Value



Employment (000's), Nova Scotia, Average Value



Employment (000's), Nova Scotia, Annual Change



Most services-producing industries experienced solid employment growth over the past year.

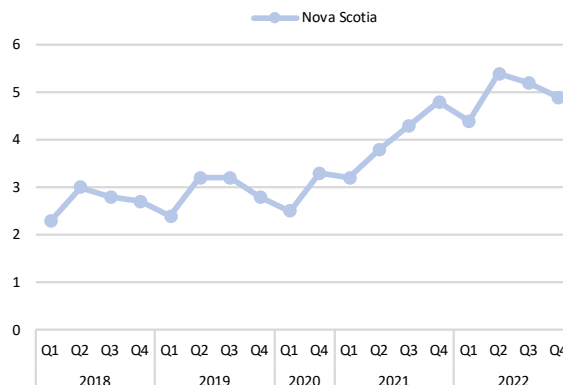
Job Vacancies

The number of job vacancies in Nova Scotia rose by 1,370 on an annual basis to 21,700. Though the increase pushed the number of vacancies to the highest fourth quarter level on record, it was substantially smaller than the 7,305-vacancy change observed over the previous year-long period. The job vacancy rate edged up by just 0.1p.p. to 4.9%.

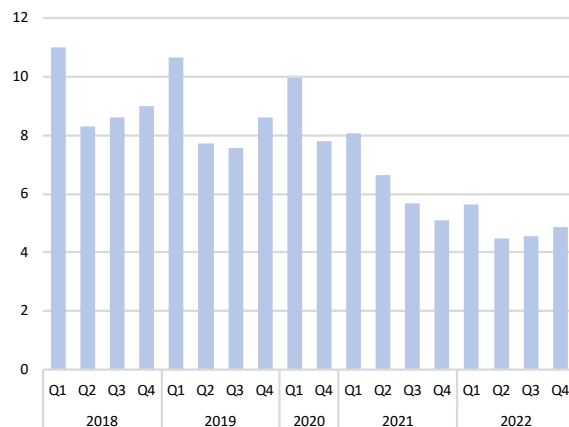
By industry, health care and social assistance had the highest number of vacant positions (4,780), the largest annual increase in vacancies (+1,315), and the largest change in the job vacancy rate, which went up by 1.7 p.p. to 6.4%. The aging of the population continues to drive up the amount of labour needed to staff the sector, while the number of unfilled positions has been compounded by a high rate of attrition.

The growth of vacancies in some other sectors and occupational groups has slowed or reversed, however. The number of vacancies went down year-over-year in nine industries, most of which also posted a sizeable increase in payroll employment, suggesting that the supply of labour may be catching up to demand in certain sectors. At the same time, industries and occupational groups in which vacancies have plateaued without appreciable employment gains may indicate uncertainty about economic conditions or discouragement from several consecutive quarters of inability to fill openings.

Nova Scotia, Job vacancy rate, Average Value



Nova Scotia, Unemployment-to-Job-Vacancies Ratio

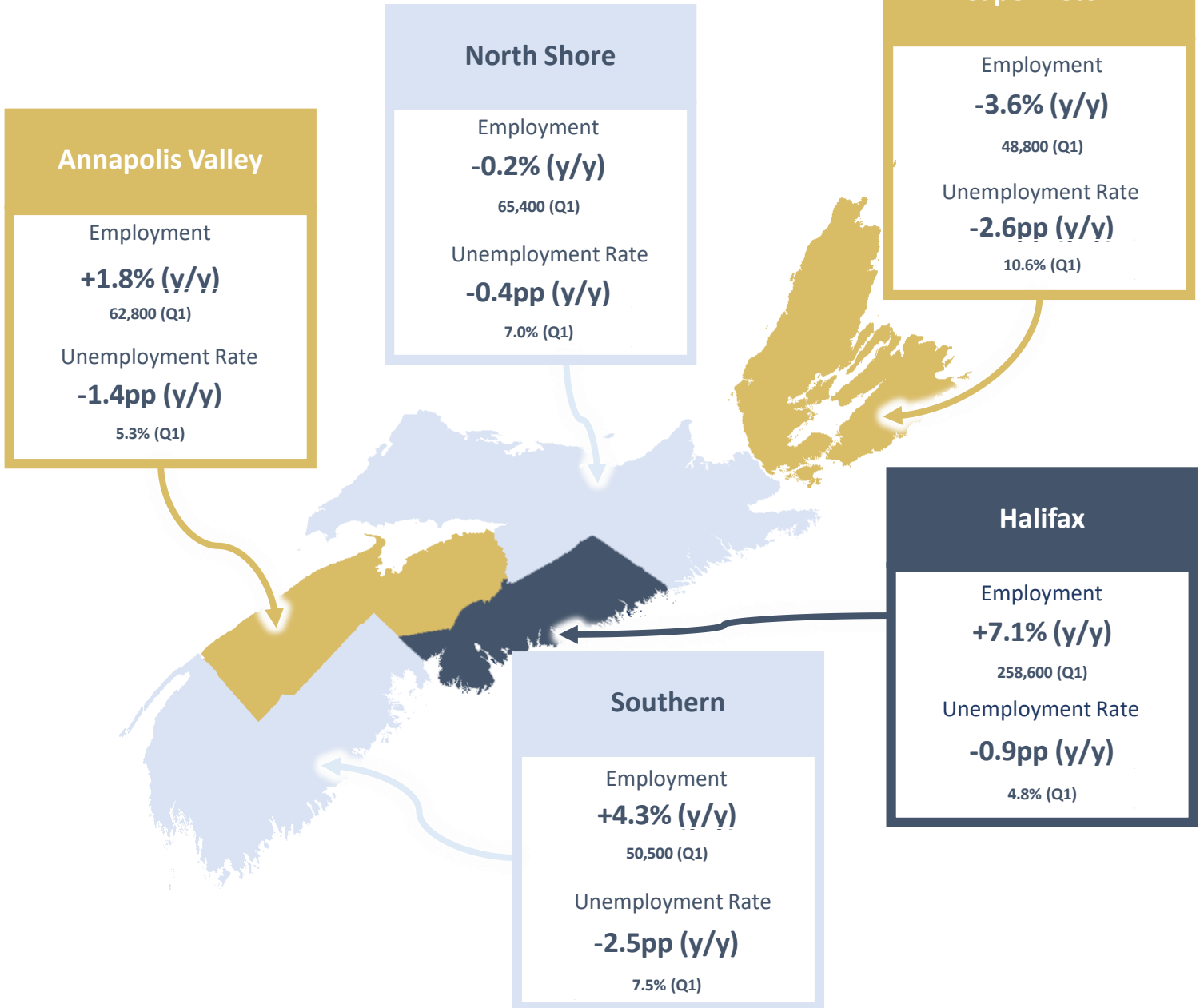


Job Vacancies by Occupation Group (1 Digit NOC)	Q4 2022	Yr/Yr Change
Management occupations	780	-0.6%
Business, finance and administration occupations	2,045	17.5%
Natural and applied sciences and related occupations	870	-7.9%
Health occupations	3,165	38.2%
Occupations in education, law and social, community and government services	2,170	20.6%
Occupations in art, culture, recreation and sport	290	34.9%
Sales and service occupations	7,520	0.3%
Trades, transport and equipment operators and related occupations	3,380	2.4%
Natural resources, agriculture and related production occupations	460	-2.1%
Occupations in manufacturing and utilities	1,020	-19.7%
Total employees, all occupations	21,700	6.7%

Job vacancies have begun to decline in some industries, but continue to climb in health care.



Economic Regions



Halifax: The region accounted for much of the job growth in the province, adding 17,100 workers year-over-year. Gains were well-distributed across most services-producing industries.

Annapolis Valley: Moderate job growth occurred in the Annapolis Valley over the past year, but was all part-time in nature. Further, the number of prime working age individuals not in the labour force increased by 8%.

North Shore: The overall level of employment was nearly unchanged from one year prior, but there were more workers in full-time roles and fewer part-time.

Southern: The unemployment rate fell considerably as job growth outpaced the expansion of the labour force. Wholesale and retail trade and accommodation and food services each added more than 1,000 workers.

Cape Breton: The labour force in Cape Breton contracted by 3,800 individuals, causing the unemployment rate go down despite a significant decrease in employment.



Feature Article

Recruitment and retention strategies in Nova Scotia’s tight labour market

The labour market has experienced an unprecedented tightening in recent years, both in Nova Scotia and across the country. This has been evidenced by falling unemployment rates, climbing job vacancy rates, and widespread anecdotal reports of worker shortages. Job vacancy data suggests that in recent quarters, however, hiring in some industries has begun to keep up—or even catch up—with demand for workers, while in others it remains more challenging.

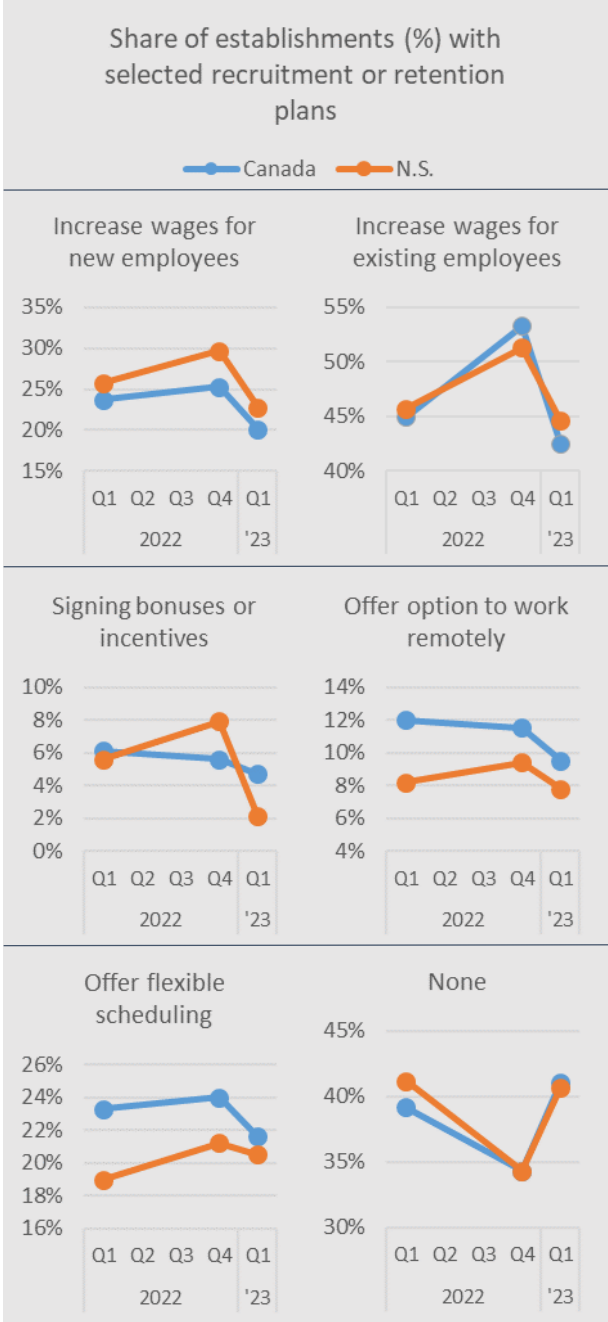
Against this backdrop, recruiting and retaining employees has become more competitive. Statistics Canada’s Canadian Survey on Business Conditions periodically surveys employers on which actions related to recruitment, retention and training they plan to take during the next 12 months.

Broadly, the share of employers taking measures to improve recruitment and retention rose from 59% in Q1 2022 to 66% in Q4 2022, before falling again to 59% in Q1 2023. The recent decline may reflect the improvement of hiring conditions in certain subsets of the labour market.

The most commonly planned actions relate to compensation. In Q1 2023, four out of nine businesses in N.S. indicated that they would offer increased wages to existing employees, while two out of nine stated they would offer increased wages to new employees— both slightly higher shares than at the national level. Planned wage increases for existing employees were more common among employers in certain sectors with more acute worker shortages, such as accommodation and food services.

Remote work, which became more common at the onset of the pandemic, remains an option utilized by a minority of businesses to appeal to workers. In Nova Scotia, 7.8% plan to allow remote work, 1.7 pp. lower than the national average. This option appears to be becoming less popular over time, having declined by 1.6 p.p. from last quarter, and by 0.4 p.p. from one year earlier. Employers in professional, scientific, and technical services are most likely to allow remote work (35.3%), followed by other primarily office-based industries such as finance and insurance.

Business size is a major correlate of recruitment, retention, and training plans. In general, the share of employers offering a specific plan is inversely related with business size. For instance, 25% of medium and large employers (100+ workers) plan to allow remote work, and 61% to offer increased wages for existing employees, compared to just 7% and 34% respectively for businesses employing fewer than 5 workers. It is likely that larger employers are more able to afford potentially costly recruitment, retention, and training plans.



	Change			Estimate	
	Latest Quarter Q1 2023	Vs. Previous Quarter	Vs. Quarter Year Prior	Latest Quarter Q1 2023	Vs. Prev Quart
	853.6	0.5%	2.6%	32,137.4	
	527.0	0.7%	2.7%	21,113.5	
	498.2	1.6%	4.0%	20,058.4	
('000)	409.4	0.3%	2.8%	16,464.0	
t ('000)	88.7	8.2%	10.1%	3,594.4	
	28.8	-12.1%	-16.2%	1,055.1	
)	5.5	-0.8pp	-1.2pp	5.0	
	61.8	0.1pp	0.1pp	65.7	
	58.4	0.6pp	0.8pp	62.4	
	66.8	0.6%	0.7%	2,700.3	
	312.7	1.8%	5.8%	13,008.0	
	118.6	1.7%	1.3%	4,350.1	
	248.9	1.4%	5.9%	9,572.5	
	249.2	1.8%	2.2%	10,485.9	
or	94.9	0.0%	-2.5%	4,138.9	
	4.2	2.5%	-34.9%	262.6	
ng, oil and gas	10.2	-2.5%	1.7%	324.2	
	3.2	-18.5%	-30.7%	154.3	
	41.1	-2.7%	2.1%	1,603.6	
	36.1	5.8%	0.7%	1,794.3	
tor	403.3	2.0%	5.7%	15,919.5	
trade	76.4	0.0%	3.9%	2,957.4	
warehousing	21.1	8.2%	-6.1%	985.0	
al estate, and other	28.7	3.5%	7.5%	1,395.0	
c and technical srv.	39.2	2.2%	9.4%	1,867.1	
l other s.s.	17.2	-3.0%	-15.4%	708.1	
	37.7	6.8%	5.5%	1,476.0	
l assistance	79.8	-0.7%	0.1%	2,643.4	
nd recreation	18.8	1.1%	34.7%	834.7	
food services	20.2	2.8%	8.0%	1,118.4	