



# Publication

## BC ECONOMIC SNAPSHOT

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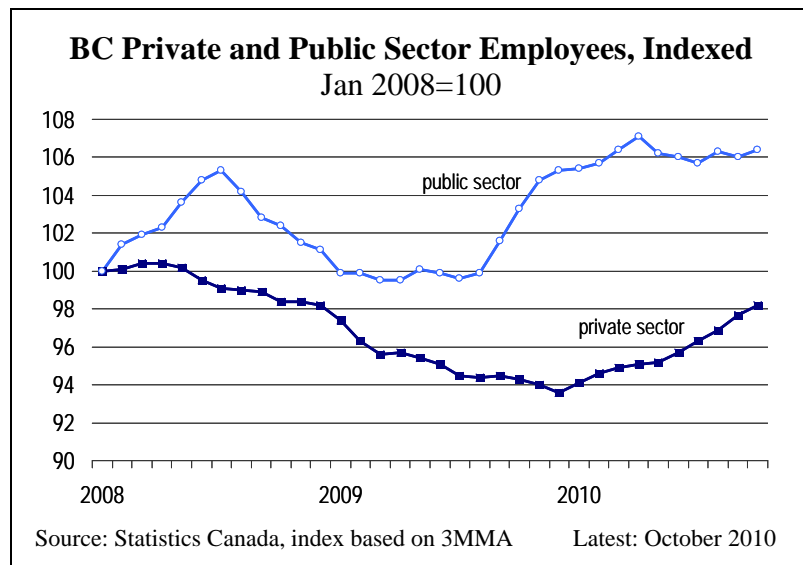
### BC EMPLOYMENT GROWTH SLOWS, BUT PRIVATE SECTOR HIRING A BRIGHT SPOT

The job market in BC is in reasonably good shape. The number of jobs in the province has been on an upward trend since mid 2009, with total employment nearly returning to its pre-recession peak. At 7.4%, the unemployment rate has come down almost a full percentage point from its high. However, employment growth has subsided recently, with no overall increase in jobs during the past two months. This points to continued sluggishness in the labour market into 2011.

While the pause in job growth is a bit concerning amid the still fragile economic recovery, the headline employment number obscures the fact that private sector payrolls are climbing. In the early stages of the economic recovery job growth was driven by public sector hiring (including health care and education) as well as self-employment while

hiring in the private sector was elusive. Fortunately, private sector hiring strengthened over the past eight months and remains on an upward track. From our perspective this is a crucial element of a sustainable economic recovery. As is evident in the accompanying figure, hiring in the public sector has levelled off, which is one of the reasons overall employment growth has stalled. The other reason is a sharp drop in the number of self-employed individuals.

The bottom line is that despite a slowing in the headline number for monthly job growth, the ongoing expansion of private sector payrolls is good news. Note, however, that the absolute number of private sector employees is still below the peak reached in early 2008, so there is still ground to make up. In contrast, the number of public sector employees is 6% higher than at its 2008 peak.

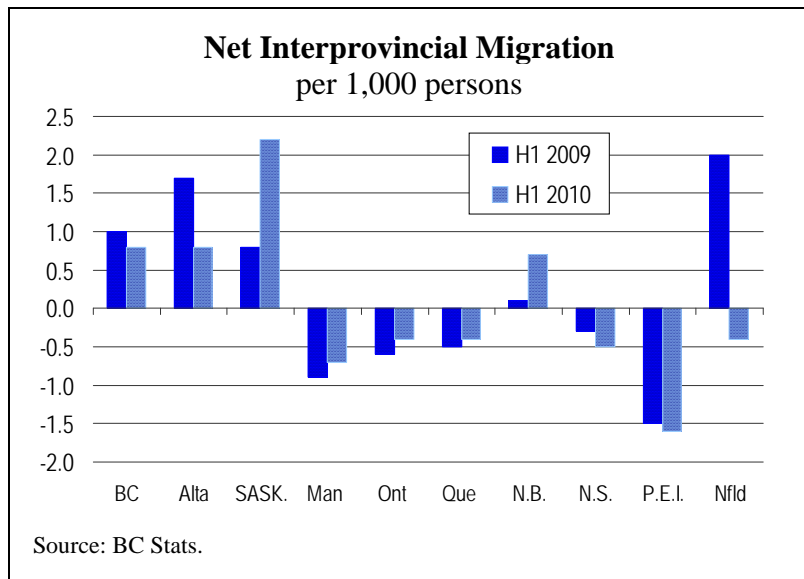
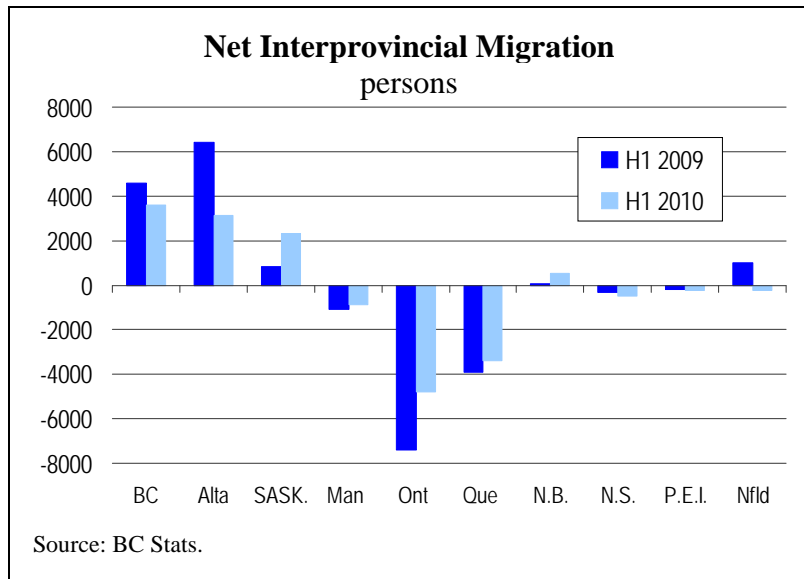




Within Canada people are moving west. This likely reflects the fact that job prospects are seen as better in the western provinces than in the rest of Canada. In BC's case many people also come here to retire (or semi-retire). The adjacent figure shows the net flow of people into or out of the various provinces in the first half of 2009 and 2010. It is clear that in both years Canadians flowed into the three western-most provinces in both years. The recent slowing in Alberta is noteworthy, as net interprovincial migration went from 6,400 in 2009 to 3,100 this year.

The lower graph shows the same information adjusted for size of population. Taking into account the population of each province, in 2010 the impact of

interprovincial migration is largest in Saskatchewan. Proportionally, in the first half of the year Saskatchewan received almost three times as many people from other parts of Canada as did BC. Saskatchewan had the lowest unemployment rate in 2009 and has retained that status so far this year. BC's average unemployment rate for 2010 is 7.6% (slightly higher than 7.4% in October), the fourth lowest rate among the provinces.



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