

TRENDS ANALYSIS: UNEMPLOYMENT

FALL 2015



What does this measure & why is it important?

This indicator tracks the unemployment rate in Basin-Boundary Development Regions. The unemployment rate measures the percentage of the labour force (those over 15 and legally allowed to work) that is not able to find work. This analysis also presents data for the youth component of the population. Data for this indicator were sourced from Statistics Canada's [Labour Force Survey](#).

The unemployment rate is a strong indicator of economic health. If our economy's purpose is to allocate our resources to the best uses, then unemployment rates give us a good indication of how well the economy is using one of our most important resources—people.

Three Development Regions (DRs) are contained in whole or in part by the Basin-Boundary region. The Kootenay DR includes the Regional Districts of Kootenay Boundary, Central Kootenay, and East Kootenay. In our region, the Thompson-Okanagan DR is represented by the areas surrounding Golden and Revelstoke, and the Cariboo DR is represented by the village of Valemount.

What are the trends & current conditions?

The impact of the Great Recession is clearly seen in all of the unemployment graphs, below (Figures 1, 2 and 3). Unemployment remains higher than pre-recession levels in all three Basin-Boundary DRs; however, all Basin-Boundary DRs have seen unemployment rates generally fall since 2010. The reported estimates in the Kootenay DR showed a slight up-tick in unemployment in 2014 (see discussion on variability). The Thompson-Okanagan and Cariboo DRs reported rates very close to the BC average in 2014.

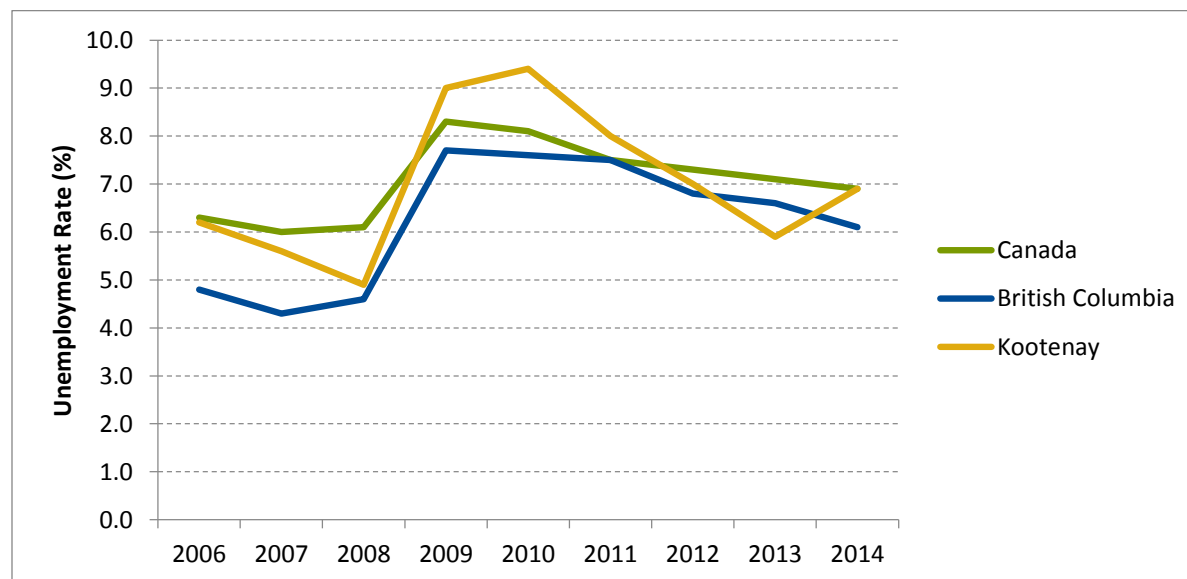


Figure 1: Total unemployment rate for Kootenay DR, BC and Canada, 2006-2014

Source: Statistics Canada, 2015

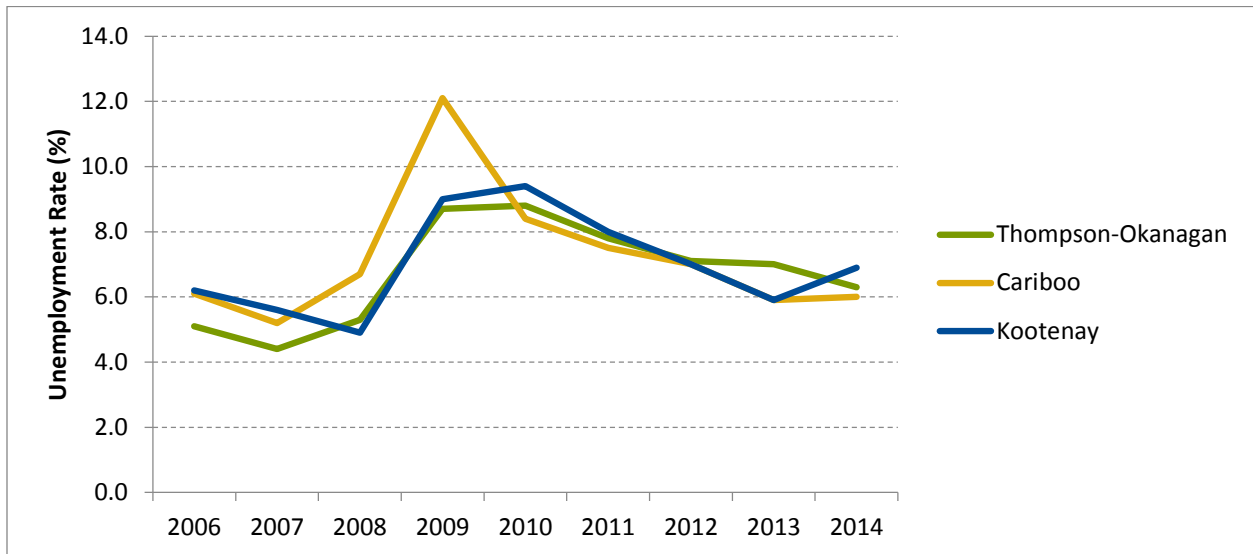


Figure 2: Total unemployment rate for Basin-Boundary Development Regions, 2006-2014
 Source: Statistics Canada, 2015

Variability

Labour Force Survey data are based on a survey of a sample of an area’s residents. Statisticians take the answers from the sample and, based on this information, make estimations of how the whole population would answer the same questions (Wooldridge, 2002). This process, or estimation, can be very accurate under favourable conditions. With smaller sample sizes, however, variability and the likelihood of estimation error increase. Please refer to the RDI’s report, *Understanding Labour Force Survey Variability for the Basin-Boundary Region*, for a complete discussion of this issue and resultant recommendations. To compensate for this level of variability, the RDI uses three-year moving averages for Labour Force Survey estimates with high variability.

Applying this technique to our constituent DRs shows a smoother post-Great Recession decline in Unemployment Rates. However, these results show that unemployment in the Basin-Boundary DRs have not yet dropped to levels equal with the province.

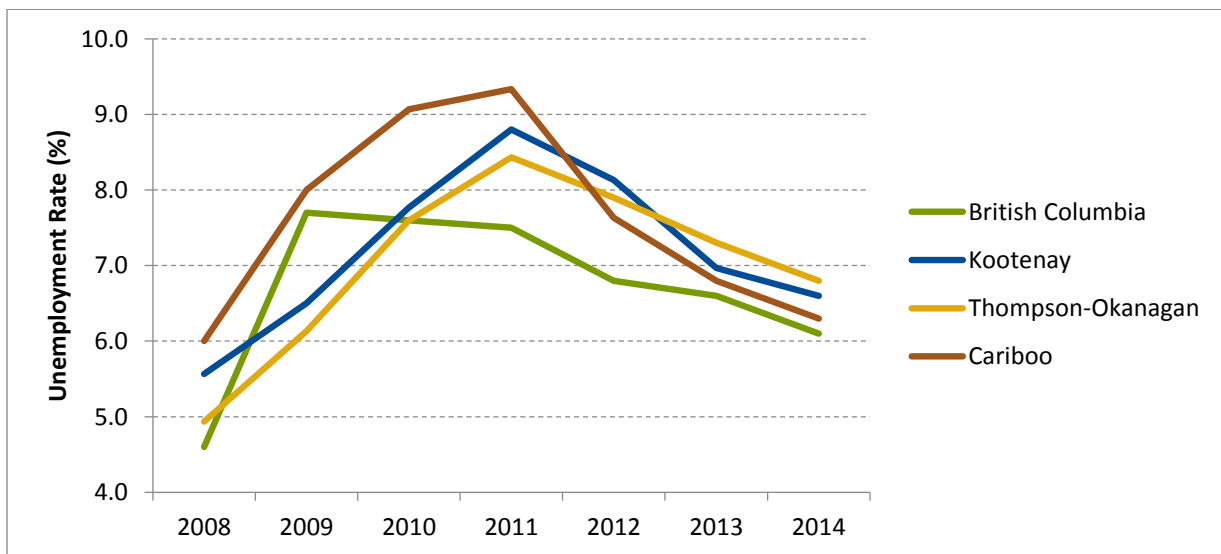


Figure 3: Total unemployment rates for Basin-Boundary Development Regions, 2008-2014 (DR rates are shown with a 3-year moving average applied)
 Source: Statistics Canada, 2015; moving averages calculated by the RDI

Youth Unemployment

The youth unemployment rate in our Development Regions is consistently much higher than the total unemployment rate (Table 1). However, estimates for youth unemployment are based on even smaller sample sizes than total unemployment figures. Variability issues are even more pronounced within this smaller demographic. Applying the three-year moving average technique (Table 2) shows far more moderate swings in the rate, and shows that youth unemployment, while still high, has been falling since 2011 across the entire region.

Youth (15-24) Unemployment Rate by Development Region											
Region	2006	2007	2008	2009	2010	2011	2012	2013	2014	5 Year Change	1 Year Change
British Columbia	6.4%	6.1%	6.9%	11.7%	11.3%	11.8%	11.3%	10.7%	9.2%	-21.3%	-14.1%
Kootenay (estimated)	13.9%	8.4%	11.8%	11.5%	13.9%	14.1%	11.9%	14.0%	7.5%	-34.6%	-46.2%
Cariboo	9.4	9.1%	14.9	21.3	15.1	12.7	16.5	13.2	11.6	-45.5%	-12.1%
Thompson-Okanagan	8.7	8.3	10.4	17.3	14.0	14.7	14.6	13.1	11.7	-32.4%	-10.7%

Table 1: Youth unemployment rate (figures in red are low-confidence estimates), 2006-2014

Source: Statistics Canada, 2015

Moving Average: Youth (15-24) Unemployment Rate by Development Region							
Region	2008	2009	2010	2011	2012	2013	2014
British Columbia	6.5%	8.2%	10.0%	11.6%	11.5%	11.3%	9.2%
Kootenay (estimated)	11.4%	10.6%	12.4%	13.2%	13.3%	13.3%	11.1%
Cariboo	11.1%	15.1%	17.1%	16.4%	14.8%	14.1%	13.8%
Thompson-Okanagan	9.1%	12.0%	13.9%	15.3%	14.4%	14.1%	13.1%

Table 2: Three year moving average of youth unemployment estimates

Source: Statistics Canada, 2015; moving averages calculated by the RDI

References

Columbia Basin Rural Development Institute. (2015). Understanding Labour Force Survey Variability for the Basin-Boundary Region. RDI, Castlegar, BC

Statistics Canada. (2014). Labour Force Survey [custom tables].

Wooldridge. (2002). *Introductory Econometrics: A Modern Approach*. South-Western College Pub.



The Columbia Basin Rural Development Institute, at Selkirk College, is a regional research centre with a mandate to support informed decision-making by Columbia Basin-Boundary communities through the provision of information, applied research and related outreach and extension support. Visit www.cbrdi.ca for more information.