

May Labour Market Report for Saskatchewan

This report was prepared by the Sask Trends Monitor for the Saskatchewan Construction Association on June 9, 2017

Provincial Employment

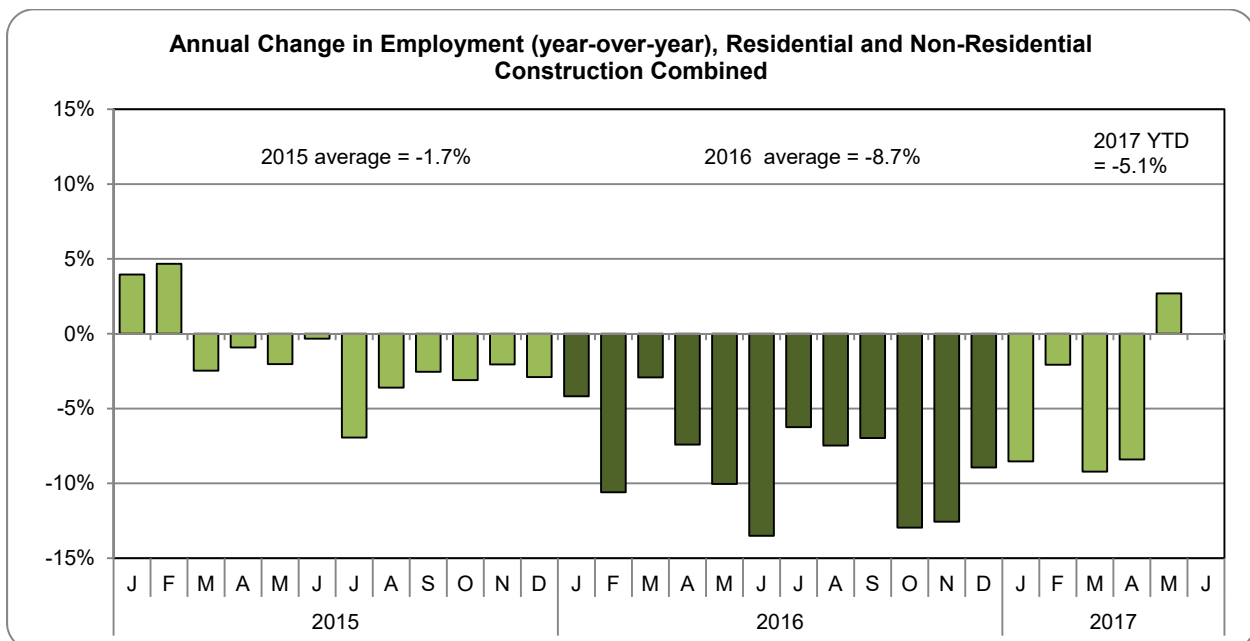
The Saskatchewan labour market is showing some signs of life as the spring numbers roll in. Total employment in May was up by 0.2% from a year ago, a tenth of the 2% to 3% pace set during by boom years but, at least, on the positive side of zero. Almost all of the growth is in part-time jobs which is normal during the early stages of a recovery.

Counting heavy construction and both the residential and non-residential building sectors, construction employment in May was 53,400 which is 2.7% higher than a year ago. This is the first year-over-year increase in twenty-six months and the equivalent of 1,400 new jobs. The year-to-date figures for the first five months of 2017 show a 5.1% decline in employment because of weakness earlier in the year.

The turnaround is mainly in building construction. Compared with May a year ago employment is:

- down 10% in heavy and engineering construction;
- up 30% in residential and non-residential building construction; and
- down 5% in trade contracting firms.

The increase was only evident among paid workers (+6%). Self-employment declined by 5%. The average hours fell by 5% to an average of 37.7 hours/week.

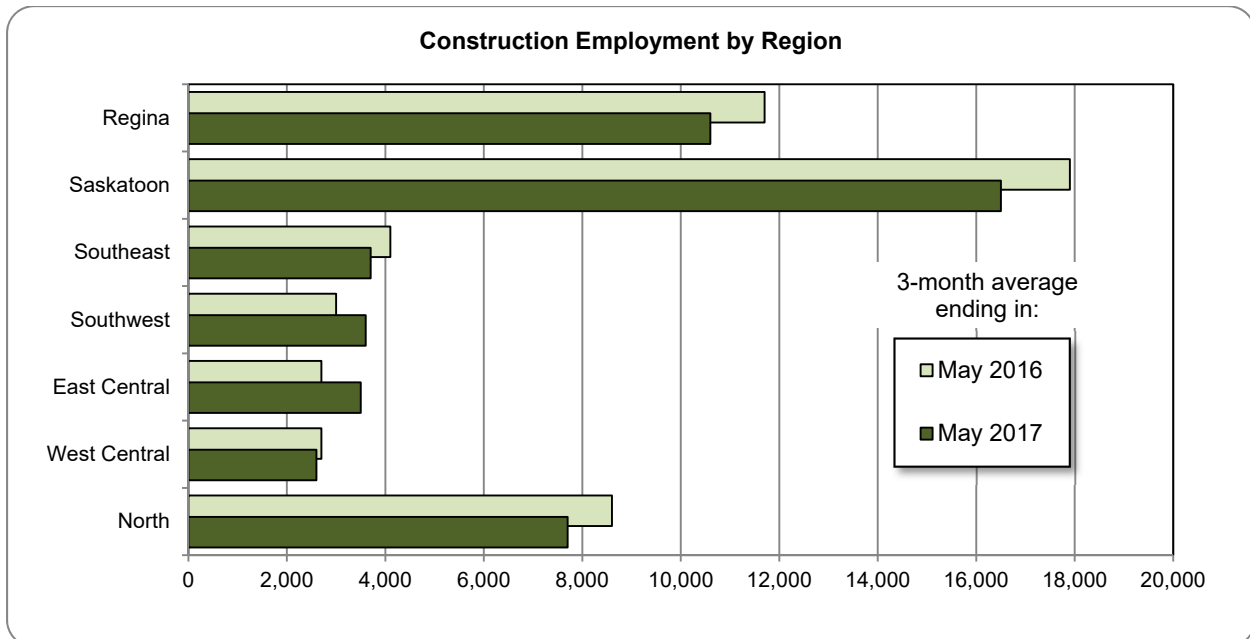


Regional Employment¹

The weakness in construction employment in the early 2017 was widespread across the province with declines in five of the seven sub-provincial regions used in the Labour Force Survey including both Regina and Saskatoon.

In absolute numbers, the largest declines were in the northern part of the province which lost 900 construction jobs in the last twelve months.

The only parts of the province showing a substantial increase are on the east side (Melville/Yorkton) where employment in the three months ending in May 2017 was 30% higher than a year ago and in the southwest corner where the increase is 20%.



¹ In the Labour Force Survey, the regional data measure where you live not where you work.

Construction Wage Rates

After three consecutive years of wage increases that were well above the rate of inflation, the May figures confirm that the weak labour market is exerting downward pressure on construction wages. On a year-over-year basis, construction wage rates in May were down for the fifth consecutive month. The same restraint in wage growth is evident in other sectors and in the province as a whole.

In May 2017, the average hourly wage rate among paid workers in construction was \$29.48. This is 5.4% lower than in May 2016 and brings the year-to-date decline to 4.2%.

