

October Labour Market Report for Saskatchewan

This report was prepared by the Sask Trends Monitor for the Saskatchewan Construction Association on November 3, 2017

Provincial Employment

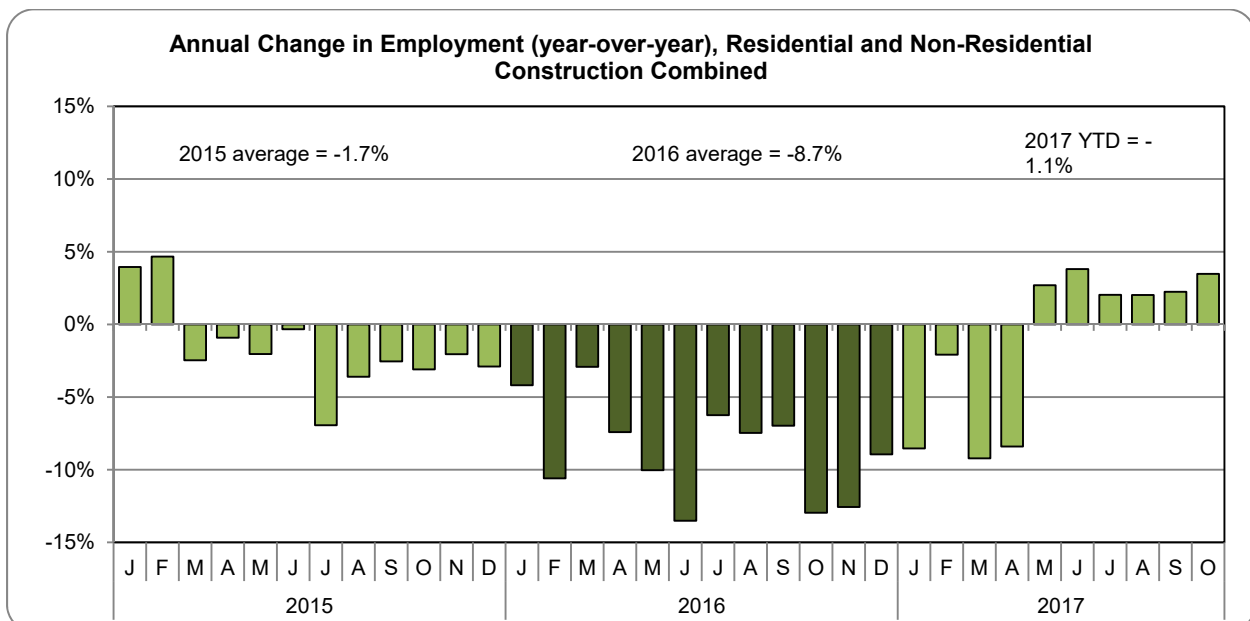
The provincial labour market has been effectively stagnant since early 2016 and the October figures show no sign of a turnaround. In October, employment declined by 0.6% from October 2016 – the fifth year-over-year decline in as many months.

Construction was one of the sectors that contributed to the slowdown in 2016 but it is now showing an increase in employment. Counting heavy construction and both the residential and non-residential building sectors, construction employment in October was 53,500 which is 3.5% higher than a year ago. This is the sixth consecutive monthly increase. If present trends continue construction employment will end 2017 near the 2016 average.

The October increase is mainly evident among heavy/engineering construction firms. Compared with October a year ago employment is:

- down 1% in residential and non-residential building construction;
- up 15% in heavy and engineering construction; and
- up 2% in trade contracting firms.

The increase was exclusively among the self-employed (+14%) – employment among paid workers was down 0.5% from October 2016. The hours worked increased by 1% to an average of 37.3 hours/week.

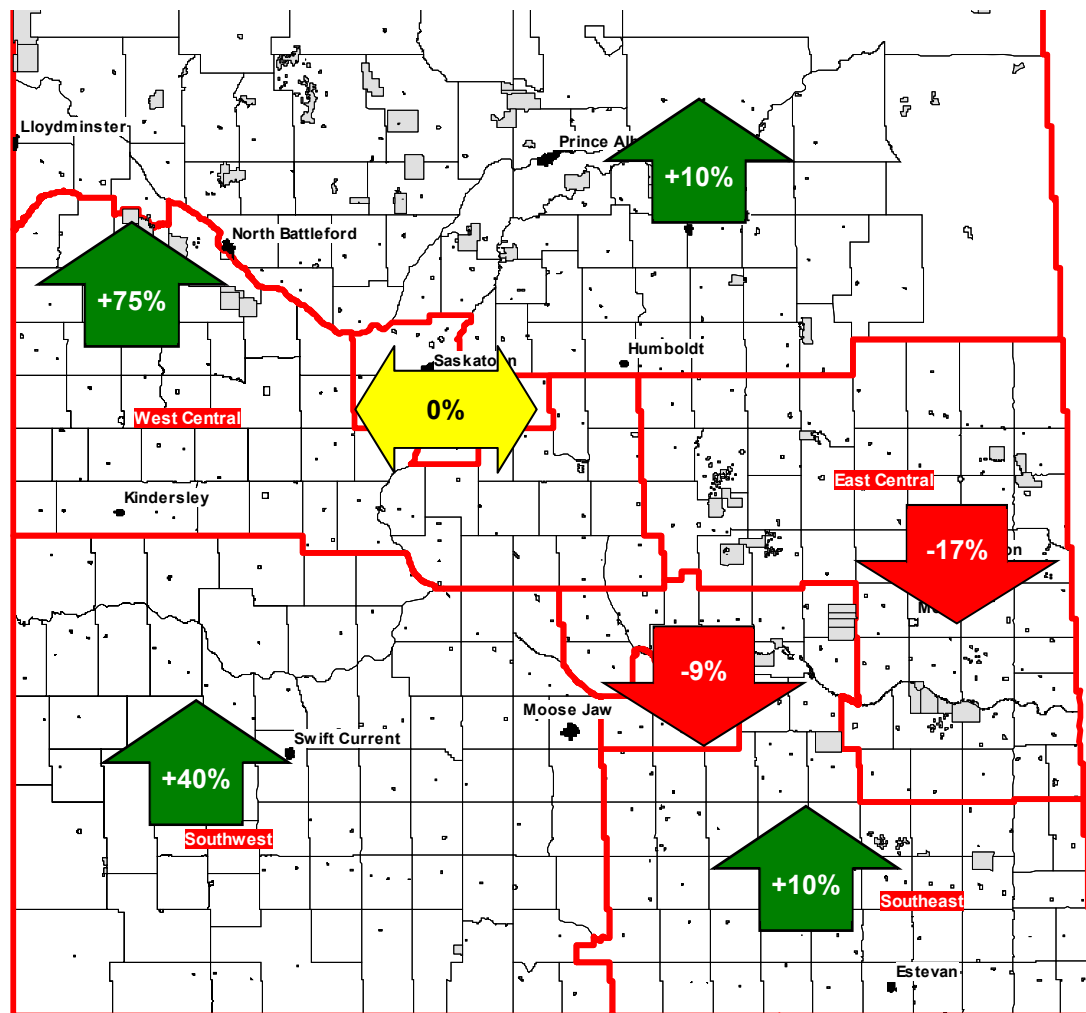


Regional Employment¹

From a regional perspective, the turnaround in construction employment in mid-2017 is broadly based. Employment in the three months ending in October 2017 increased in four of the seven sub-provincial regions used in the Labour Force Survey.

The parts of the province still showing a decline are the Regina Metropolitan Area and the East Central (Yorkton/Melville) region. In percentage terms, the strongest growth is in the West Central region. In absolute terms, the employment increase is most pronounced in the Saskatoon Metropolitan Area.

Construction Employment Change, Three Months Ending in October 2017 Compared with October 2016



¹ In the Labour Force Survey, the regional data measure where you live not where you work. The figures for Regina and Saskatoon include the surrounding "bedroom communities" such as Lumsden, Emerald Park, Martensville and Warman.

Construction Wage Rates

After three consecutive years of wage increases that were well above the rate of inflation, the average wage rate in the construction industry declined in early 2017. After increasing slightly in September, construction wage rates in October were down 1.3% from a year ago.

In October 2017, the average hourly wage rate among paid workers in construction was \$29.36. This is 1.3% lower than in October 2016 and brings the year-to-date decline to 2.8%. With inflation in the 1%-2% range this year, this decline will translate into a significant loss in the purchasing power of the wage for the average construction worker.

