

September Labour Market Report for Saskatchewan

This report was prepared by the Sask Trends Monitor for the Saskatchewan Construction Association on October 6, 2017

Provincial Employment

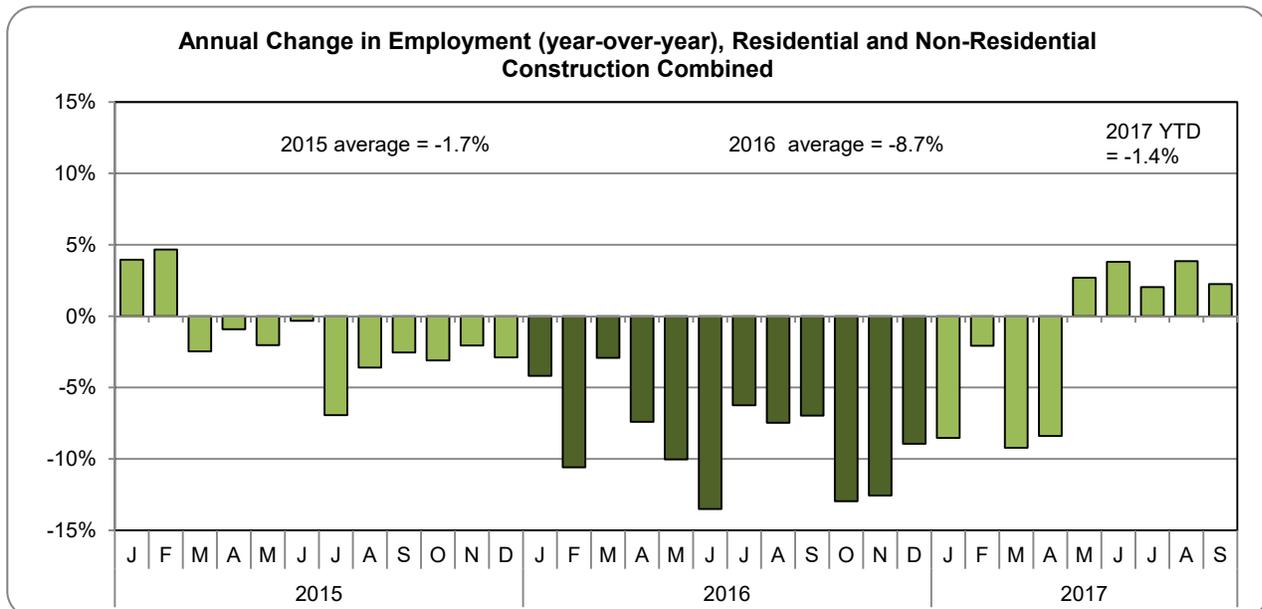
The provincial labour market has been effectively stagnant since early 2016. In an average month in the first three quarters of 2017, employment has been 569,100 persons. This is the same as the average for the first three quarters of 2016.

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 September was 54,600 which is 2.2% higher than a year ago. This is the fifth increase in as many months. If present trends continue construction employment will fall in 2017, albeit modestly, but the third consecutive annual drop.

The September increase is evident among both heavy/engineering and among building construction firms. Compared with September a year ago employment is:

- up 7% in residential and non-residential building construction;
- up 11% in heavy and engineering construction; and
- down 3% in trade contracting firms.

The increase was exclusively among the self-employed (+14%) – employment among paid workers was down 1.5% from September 2016. The hours worked fell by 3% to an average of 41.1 hours/week.

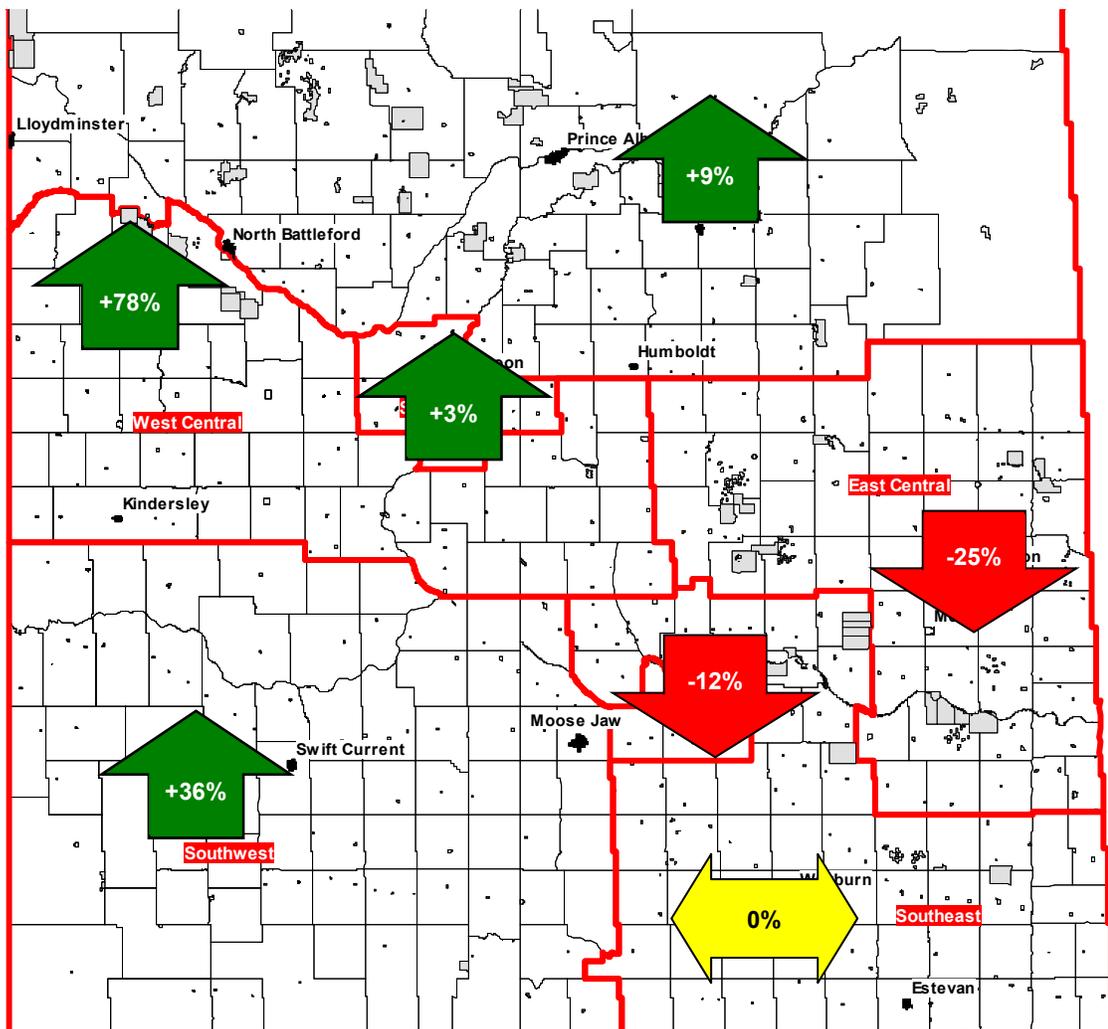


Regional Employment¹

From a regional perspective, the turnaround in construction employment in mid-2017 is broadly based. Employment in the three months ending in September 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.

Employment in Construction, Three Months Ending in September 2017 Compared with Three Months Ending in September 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. The September figures confirm that the downward pressure has eased. On a year-over-year basis, construction wage rates in September were effectively unchanged from a year ago, ending eight consecutive months of year-over-year declines.

In September 2017, the average hourly wage rate among paid workers in construction was \$29.34. This is 0.4% higher than in September 2016 and brings the year-to-date decline to 3.0%. With inflation in the 1%-2% range this year, this 3.0% decline translates into a significant loss in the purchasing power of the average wage.

