

Full-year employment across the country

Susan Crompton

Are traditional work patterns breaking down? Certainly, "steady work," that is, full-time year-round employment, seems increasingly harder to find, while part-time work, temporary employment and irregular or casual work schedules have increased.¹ But has the economy really lost its capacity to generate enough steady employment to keep up with the growth in the working-age population?

The brief answer is ... maybe. Although the number of persons working full time and those working full year full time grew more rapidly than the working-age population during the 1983-89 economic expansion (see *Data source and definitions*), these gains were largely eliminated by the subsequent 1990-92 recession.

This article briefly examines full-time and full-year full-time employment rates in each province, from 1983 to 1993. Because the period encompasses a complete business cycle, the discussion is divided into two segments: recovery and expansion (1983 to 1989), and recession and initial recovery (1990 to 1993).

Full-time does not necessarily mean full-year

The proportion of the working-age population employed full time at any point in a calendar year will always be higher than the proportion employed full time throughout that year. There are several reasons for this. First, some persons are employed full time on a temporary basis; for example, people working

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Data source and definitions

Data were taken from "Key labour and income facts," a selection of labour and income indicators published regularly in *Perspectives* (see pages 44-47 in this issue). This study is based on the 10-year time series available on diskette. Data on full-time employment are collected by the monthly Labour Force Survey (LFS); as such, they constitute a snapshot of employment in a selected mid-month reference week. The annual estimates are averages of the 12 monthly snapshots. Data on full-year full-time employment are collected by the Survey of Consumer Finances (SCF), conducted each year in April as a supplement to the LFS. Respondents to this survey are asked to recall the number of weeks they were employed in the previous calendar year.²

Full-time and full-year full-time employment rates provide complementary information about labour market conditions. Because they are based on the LFS, full-time rates offer almost immediate information about monthly employment conditions. Full-year rates, based on the SCF, provide data that are less timely and less frequent; however, they reveal annual employment conditions that "flesh out" the monthly LFS snapshots. For example, the timing of the labour market effects of the 1990-92 recession varies for these two rates. Although both full-year and full-time employment rates began to fall in 1990 with the onset of the recession, and continued to fall each year thereafter, the greatest drop in the full-year rate occurred between 1989 and 1990 (going from 44.6% to 42.8%), while the drop in the full-time rate was steepest one year later (from 52.1% in 1990 to 49.7% in 1991).³ This pattern arises because full-year workers losing their jobs in 1990 exerted an immediate downward pressure on the full-year rate because they had not completed 49 to 52 weeks of employment; full-

time rates were slower to fall because these workers had been employed full time for part of that year.

Employment: Employment measures the number of people employed, not the number of jobs held. Because a small proportion of workers were multiple jobholders (only 5% in 1993), and these second jobs accounted for a small proportion of all jobs held, this article deals with the number of persons employed.

Full-time: Persons who were employed in the LFS reference week and who usually worked 30 or more hours per week were working full time. If a person held more than one job, all hours were counted in order to determine full-time status.

Full-year full-time (abbreviated to full-year): A full-year full-time worker was one who worked mostly 30 hours or more per week for 49 to 52 weeks in the calendar year preceding the SCF.

Working-age population: This refers to the Canadian population aged 15 years and over when the LFS was carried out (excluding members of the Armed Forces, residents of institutions, and persons living on Indian reserves or in the Yukon and Northwest Territories).

Full-time employment rate: This measure is calculated by dividing the annual average level of full-time employment by the annual average working-age population.

Full-year full-time employment rate: This rate represents the percentage of the working-age population (when the LFS was carried out) that was employed full year full time throughout the previous calendar year. Some workers may not have held the same job for the entire year, although they would have been continuously employed.

on contract or for temporary help agencies. Second, full-time employment may be temporarily or permanently reduced to part-time work (during a materials shortage or when downsizing, for instance). Third, most people beginning or leaving a full-time “permanent” job do so during the calendar year – not on January 1 or December 31; such workers are considered part-year workers for the calendar year in which they begin or end their employment.

Although movement into and out of the labour market occurs on an ongoing basis (for example, recent graduates looking for work, older workers retiring, women returning to work after maternity leave) and affects employment rates, the business cycle has a more profound impact. Temporary layoffs, job losses and bankruptcies account for a significant proportion of part-year workers in a recession, and hiring accounts for the majority of the increase in such workers during an expansionary period.⁴

In any given province, the difference between the proportion of the working-age population employed full time (both part and full year) and the proportion employed full time throughout the year reflects the extent to which employers provide steady employment. The degree of steady employment, in turn, depends on a number of factors. In addition to general economic conditions, one of the most important factors is the industry mix in that province. For example, provinces with a relatively high share of seasonal industrial activity tend to have a smaller proportion of their workforce employed full year. In contrast, provinces with a wider mix of industries where seasonality has less impact probably register a higher proportion of full-year employment.

The difference between full-time and full-year employment rates is consistent for all industries

combined, however, regardless of prevailing economic conditions (Chart A). From 1983 to 1993, the rates were separated by a fairly constant 8 to 10 percentage point gap at the Canada level; in each of the provinces, the size of the gap was also stable (Appendix).

Recovery and expansion, 1983 to 1989

Atlantic Canada

The Atlantic provinces are almost a textbook example of the impact of industry mix on employment, showing how a heavy reliance on seasonal industries can weaken steady employment opportunities, while a more balanced industry mix can improve them.

During the expansion, Newfoundland had the lowest full-time employment rates in Canada. On average, only 38% of the province’s working-age population was employed full time between 1983 and 1987, although a brief rally in

the late 1980s pushed the rate over 40%. The same is true for full-year full-time rates: throughout the expansion between 25% and 29% of the adult population worked full time year round (Appendix).

Nevertheless, employment growth in Newfoundland was able to keep pace with the national average. Between 1983 and 1989, the number of Newfoundlanders working full time grew by 15%, while the increase in full-year employment was even greater (Chart B).

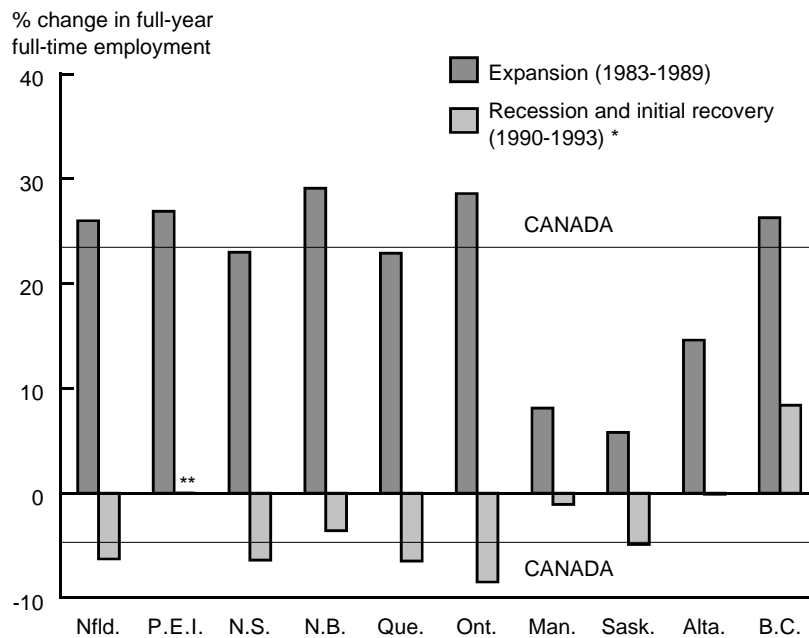
In contrast, Prince Edward Island’s full-time employment rates were the highest in the region, reaching 48% in 1988. Clearly, many of these full-time workers were employed in seasonal industries, since rates for full-year employment ran between 29% and 34% during the expansion. The province did, however, generate 12% more full-time and 27% more full-year employment during this period.

Chart A
The gap between full-time and full-year employment rates is quite consistent.



Source: Key labour and income facts in Perspectives on Labour and Income

Chart B
British Columbia fared the best throughout the business cycle in terms of growth in full-year employment.



Source: Key labour and income facts in Perspectives on Labour and Income
 * Percentage change using 1989 as the base year
 ** 1989-1993 percentage change equals zero

Nova Scotia's relatively diverse industry mix helped to support a higher rate of "steady work" in the province. It had the region's best full-year full-time employment rates during the 1980s, ranging from 32% to 37%; nevertheless, these rates were still six to eight percentage points below the national average. However, employment growth did match national averages: 16% more Nova Scotians worked full time in 1989 than in 1983, and 23% more worked full year.

In New Brunswick, full-time employment rates increased steadily as the expansion continued. Full-year rates rose more than six percentage points over the period: by 1989, 36% of working-age residents had full-time work year round. This province's great strides

in both full-time and full-year employment growth were not only the best in the region (at 17% and 29%, respectively, between 1983 and 1989), but among the best nationally.

Central Canada

Central Canada accounts for almost two-thirds of the country's workforce. But there are considerable differences between the labour markets of Quebec and Ontario.

In 1983, 46% of Quebec's working-age population was employed full time; by 1989, steady improvements had pushed the rate to 50%. The full-year employment rate also increased, to 42%. However, these rates were no match for those in Ontario, where the full-time rate reached a high of 56% in 1988 and

1989, and full-year employment rates, averaging 46%, were the country's best throughout most of the expansionary period.

Ontario's enviable job-creation performance – the second best in the country in terms of both full-time and full-year employment growth – enabled the province to employ an increasing proportion of its rapidly expanding working-age population. Specifically, the province generated employment for 22% more full-time and 29% more full-year workers between 1983 and 1989, which more than compensated for its 10% working-age population growth.⁵ In contrast, Quebec's record on employment growth was similar to that of the Atlantic provinces: full-time employment grew by 15% and full-year by 23%.

Western Canada

Compared with the widely varying employment conditions observed in Central and Atlantic Canada, the full-time employment rates of Manitoba and Saskatchewan were almost identical throughout the period (49% to 51%). Their full-year rates fluctuated around 42% and 41%, respectively. These provinces registered the lowest employment growth in the country (both full-time and full-year). The prominence of agriculture, an industry characterized by high self-employment, in combination with slow population growth, may have contributed to their consistently low growth.

If Manitoba and Saskatchewan are twins, Alberta and British Columbia are competitive cousins. Throughout the expansion, Alberta provided 54% to 57% of its working-age population with full-time employment (the highest rates in the country); British Columbia recorded rates six to ten percentage points lower. Alberta also excelled in full-year employment, ending the expansion with a full-year employment rate of 47%, compared

with 43% in British Columbia. Nevertheless, the latter province experienced more robust employment growth. Between 1983 and 1989, British Columbia created jobs for 24% more full-time – the best performance nationally – and 26% more full-year workers; in contrast, Alberta's full-time and full-year employment gains were only 9% and 15%, respectively.⁶

Perhaps British Columbia's more remarkable achievement, though, was its steady accumulation of employment gains from 1984 onwards, creating a momentum that was to insulate the province in the 1990-92 recession. In stark contrast, the other provinces suffered substantial setbacks in the early 1990s.

Recession and initial recovery⁷, 1990 to 1993

Atlantic Canada

After posting employment growth on a par with the national average during the expansion, Newfoundland reeled under the double blow of the recession and the collapse of the fishery. The province lost 10% of its full-time and 6% of its full-year full-time workers (Chart B). By 1993, only 36% of the working-age population had full-time work, the worst full-time employment rate in the study period, and only 27% had full-year work, the lowest full-year rate in the country (Appendix).

In Prince Edward Island, the proportion of the working-age population with full-time work declined from 48% in 1990 to 44% in 1993. However, full-year employment rates remained fairly stable, fluctuating around 33%, suggesting that seasonal industries took the brunt of the recession's impact.

During the recession, both full-time and full-year employment in Nova Scotia fell more than 6%. These losses were among the worst

in the country. By 1993, full-time employment rates had dropped to 42%, and full-year to 34%.

In contrast, New Brunswick's full-time workers lost ground in 1991, but by 1993 their numbers were back up, and exceeded 1989 peak levels. Full-year employment did not fare so well: New Brunswick initially won back the employment it lost at the start of the recession only to fall back again in 1993. Despite this setback, employment rates remained relatively stable at a time when they were dropping in many other provinces.

Central Canada

The full-time employment rate in Quebec dropped from 50% in 1989 to 46% in 1993. This decline reflects the loss of 5% of the province's full-time workers during the recession. Meanwhile, 7% of full-year workers disappeared, which pulled the full-year rate down to 38%.

Ontario's employment rates fell even further than Quebec's: both full-time and full-year rates dropped seven percentage points to 49% and 42%, respectively. The province suffered substantial employment declines as its stocks of full-time and full-year workers shrank 6% and 9%.

Western Canada

Manitoba and Saskatchewan each lost about 4% of their full-time (and 1% and 5%, respectively, of their full-year) workers during the recession, amounting to a combined reduction of almost 30,000 full-time (and 19,000 full-year) workers between 1989 and 1993. Consequently, the proportion of the working-age population employed full time was down to 49% in Manitoba and 50% in Saskatchewan in 1993; full-year full-time employment also slid marginally in each province.

By 1993, full-time employment had fallen to 54% of the working-

age population in Alberta (while remaining the highest in Canada), and to 49% in British Columbia; these declines were mirrored in the rates of full-year employment. Although employment rates in these provinces did not remain high enough during the recession and its aftermath to keep up with growth in the working-age population,⁸ between 1989 and 1993 the number of full-time workers actually rose 1% in Alberta and a substantial 7% in British Columbia. (The only other province to register an increase was New Brunswick.) British Columbia also benefited from an 8% gain in full-year workers.

Summary

The proportion of working-age Canadians employed full time was about the same in 1993 as in 1983, while the proportion steadily working full year full time increased marginally. However, this observation masks the substantial gains made during the expansionary period of the mid to late 1980s following the 1981-82 recession, and the subsequent loss of most of these gains in the recession of the early 1990s. Nevertheless, some provinces weathered the latter recession better than others. Both full-time and full-year employment rose in British Columbia, and full-time employment increased in Alberta and New Brunswick.

Employment rates varied from region to region, reflecting not only the business cycle but the industry mix of provincial economies. The Atlantic provinces, which are highly reliant on seasonal industries, suffered the lowest employment rates throughout the period studied; meanwhile, Alberta and Ontario experienced the highest rates.

Although full-time work and steady, year-round employment do not seem in danger of disappearing in this country, neither has gained firm ground in recent years. □

■ Notes

1 The Autumn 1994 issue of *Perspectives* contains five articles on the evolving work week covering such topics as hours worked, part-time jobs, and multiple jobholding. Three articles dealing with work schedules, based on the 1991 Survey of Work Arrangements, were published in the Autumn 1993 issue. Detailed statistical tables are available in the publication, *Work Arrangements* (Siroonian, 1993). A public-use microdata file containing survey results can be obtained for \$500. Contact Mike Sivyer at (613) 951-4598; fax (613) 951-0562.

2 Although LFS data rebased to the 1991 Census are now available, revised SCF data are not; therefore, this article uses unrevised LFS data in order to maintain comparability between the series.

3 These declines may seem small, but they represent 242,000 fewer full-year full-time workers in 1990 and 323,000 fewer full-time workers in 1991.

4 The small proportion of individuals who choose to work part year, for example, students and retirees, would also exert a downward pressure on the rates of full-year employment.

5 In fact, whenever there is an increase in an employment rate, employment growth has more than compensated for working-age population growth. The opposite effect occurs when the rate decreases.

6 The apparent contradiction between relatively low employment rates and high employment growth in British Columbia may be explained by the composition of its working-age population; that is, because a large proportion of its working-age population is aged

65 and over, the employment rate denominators include many retired individuals, which dilutes the rate.

7 This study uses the start date of 1990 to examine the impact of the most recent recession. Employment changes are calculated using 1989 as the base year, the last year in which the labour market was unaffected by recession. The recovery is dated on the basis of growth in aggregate economic output.

8 The working-age population grew 7% in Alberta and 11% in British Columbia (the greatest provincial increase) in the 1989-93 period.

■ Reference

Siroonian, J. *Work Arrangements*. Analytic Reports series. (Statistics Canada, Catalogue 71-535, no. 6), Ottawa, 1993.

Appendix

Full-time and full-year employment rates* by region, 1983 to 1993

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
All provinces											
Full-time	48.1	48.8	49.4	50.2	51.2	52.1	52.6	52.1	49.7	48.4	47.9
Full-year, full-time	38.6	39.1	41.1	41.6	42.1	43.6	44.6	42.8	41.2	40.4	40.0
Atlantic Canada											
Newfoundland											
Full-time	38.2	38.0	37.7	38.5	38.9	40.7	41.6	41.1	39.7	37.0	36.2
Full-year, full-time	24.6	26.3	26.1	25.5	26.7	28.8	29.4	28.6	25.9	25.7	26.7
Prince Edward Island											
Full-time	45.1	45.2	45.7	45.7	46.3	47.9	47.4	48.0	44.9	44.9	44.0
Full-year, full-time	28.6	31.2	31.9	33.0	30.5	33.3	34.0	33.7	31.6	32.7	33.0
Nova Scotia											
Full-time	42.2	43.7	42.9	43.5	44.1	46.1	46.3	46.8	44.8	42.9	42.0
Full-year, full-time	31.9	32.7	34.8	33.2	35.9	36.9	37.1	37.5	34.3	32.8	33.6
New Brunswick											
Full-time	39.7	39.8	40.8	41.5	43.0	43.8	44.2	44.8	43.3	43.5	43.3
Full-year, full-time	29.1	30.1	31.7	31.7	32.2	32.0	35.6	34.2	34.7	35.7	33.4
Central Canada											
Quebec											
Full-time	45.5	46.6	47.1	47.7	49.1	50.1	50.2	49.8	47.5	46.3	45.6
Full-year, full-time	35.9	35.7	38.0	39.0	39.3	40.0	42.2	40.1	38.9	38.1	37.6
Ontario											
Full-time	50.7	51.9	52.8	53.9	55.0	55.8	56.0	54.8	51.3	49.6	49.0
Full-year, full-time	41.8	43.7	45.5	44.8	47.0	48.9	48.8	45.9	43.6	43.2	41.6
Western Canada											
Manitoba											
Full-time	49.4	50.2	50.6	50.9	51.2	51.1	51.3	51.2	49.3	48.1	48.7
Full-year, full-time	41.7	40.6	42.1	42.4	40.7	43.0	43.3	42.1	39.0	40.9	42.4
Saskatchewan											
Full-time	50.1	49.5	50.8	51.0	51.2	51.0	51.1	51.5	51.2	49.9	49.9
Full-year, full-time	40.5	40.6	42.5	41.7	41.6	40.3	42.3	42.7	41.9	41.0	40.8
Alberta											
Full-time	54.4	54.3	54.7	55.2	55.0	56.3	56.9	57.0	56.4	54.4	53.6
Full-year, full-time	43.3	42.0	45.6	44.2	44.1	46.0	47.4	47.6	46.2	43.8	44.2
British Columbia											
Full-time	45.2	44.8	45.3	46.5	47.5	48.4	50.8	50.5	49.1	48.8	48.8
Full-year, full-time	37.2	35.5	37.4	38.6	39.7	42.5	42.7	41.6	41.6	40.2	41.6

Source: *Key labour and income facts in Perspectives on Labour and Income*

* Proportion of working-age population employed full time and full year