

GOAL 9: YOUTH EMPLOYMENT

New Brunswick will decrease its provincial youth unemployment rate so that it is equal to or less than the national rate by 2024.

Status: PROGRESSING (BUT FOR THE WRONG REASONS)

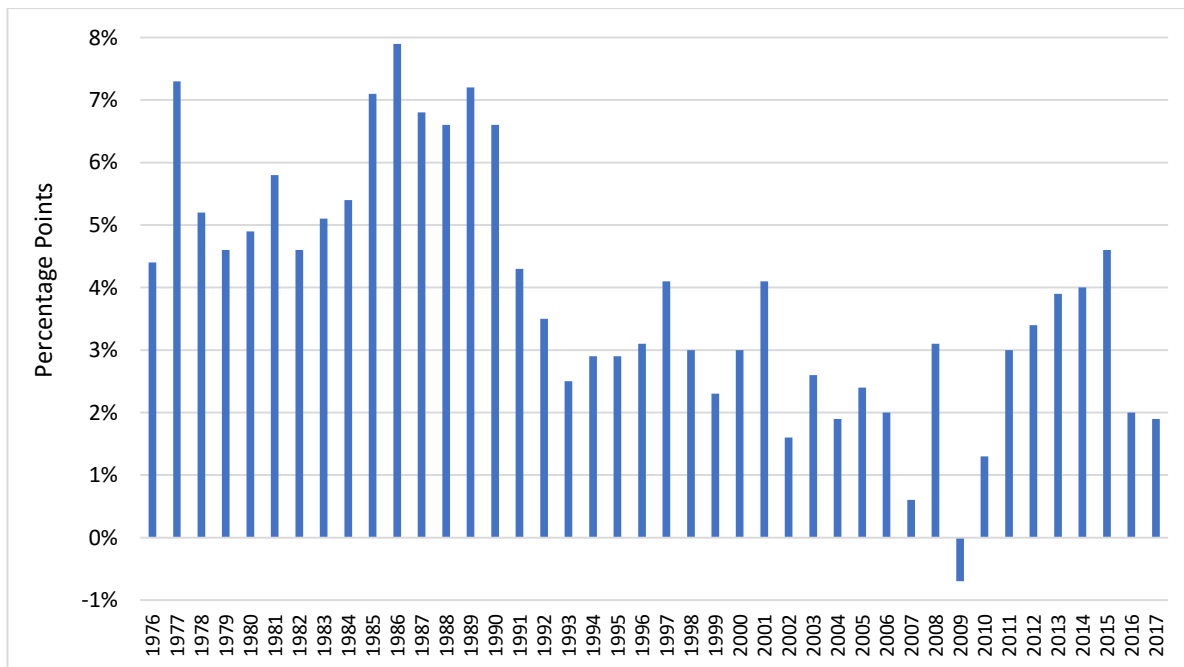
Current Situation

The province of Nova Scotia set a goal through *OneNS* of lowering its youth unemployment rate to match the Canadian rate. If New Brunswick adopts a similar goal, it should aim to lower its youth unemployment rate so that it is equal to, or lower than, the national rate by the year 2024. The province should aim to accomplish this specifically by increasing youth employment rates.

In 2017, the unemployment rate for New Brunswick's youth (aged 15-24) was 13.5%, (while the national rate was 11.6%), which is a significant improvement over the province's 2012 unemployment rate of 17.8%. The gap between the provincial and national rates has also recently been improving. The difference between the two decreased from 4.6% in 2015 to only 2% in 2016. Yet, because the national and provincial rates have been decreasing simultaneously, this gap only narrowed by an additional 0.1% between 2016 and 2017.

Given the recent fluctuation in youth unemployment trends, it is difficult to predict the eventual outcome of New Brunswick's youth unemployment rate. The existing gap between the national and provincial levels may continue to narrow, but the speed at which this may take place depends on whether the rates continue to decrease (or increase) together or separately.

Figure 1: Gap Between Youth Unemployment Rates (Canada and New Brunswick)



Data: Figure 1	Canadian Unemployment Rate	New Brunswick Unemployment Rate	Unemployment Rate Gap
1976	12.4%	16.8%	4.4%
1977	13.8%	21.1%	7.3%
1978	14.0%	19.2%	5.2%
1979	12.7%	17.3%	4.6%
1980	12.8%	17.7%	4.9%
1981	12.8%	18.6%	5.8%
1982	18.2%	22.8%	4.6%
1983	19.2%	24.3%	5.1%
1984	17.4%	22.8%	5.4%
1985	15.8%	22.9%	7.1%
1986	14.7%	22.6%	7.9%
1987	13.2%	20.0%	6.8%
1988	11.5%	18.1%	6.6%
1989	10.9%	18.1%	7.2%
1990	12.3%	18.9%	6.6%
1991	15.8%	20.1%	4.3%
1992	17.2%	20.7%	3.5%
1993	17.2%	19.7%	2.5%
1994	15.9%	18.8%	2.9%
1995	14.8%	17.7%	2.9%
1996	15.4%	18.5%	3.1%
1997	16.3%	20.4%	4.1%
1998	15.1%	18.1%	3.0%
1999	14.1%	16.4%	2.3%
2000	12.7%	15.7%	3.5%
2001	12.9%	17.0%	4.1%
2002	13.6%	15.2%	1.6%
2003	13.6%	16.2%	2.6%
2004	13.4%	15.3%	1.9%
2005	12.4%	14.8%	2.4%
2006	11.7%	13.7%	2.0%
2007	11.2%	11.8%	0.6%
2008	11.6%	14.7%	3.1%
2009	15.4%	14.7%	-0.7%
2010	14.9%	16.2%	1.3%
2011	14.3%	17.3%	3.0%
2012	14.4%	17.8%	3.4%
2013	13.7%	17.6%	3.9%
2014	13.5%	17.5%	4.0%
2015	13.2%	17.8%	4.6%
2016	13.1%	15.1%	2.0%
2017	11.6%	13.5%	1.9%

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)

What This Means

The youth unemployment rate measures the percentage of New Brunswickers (aged 15-24) who are looking for employment but are unable to find work. The current unemployment rates for New Brunswick and Canada suggest that youth unemployment is improving in the province and is approaching the national

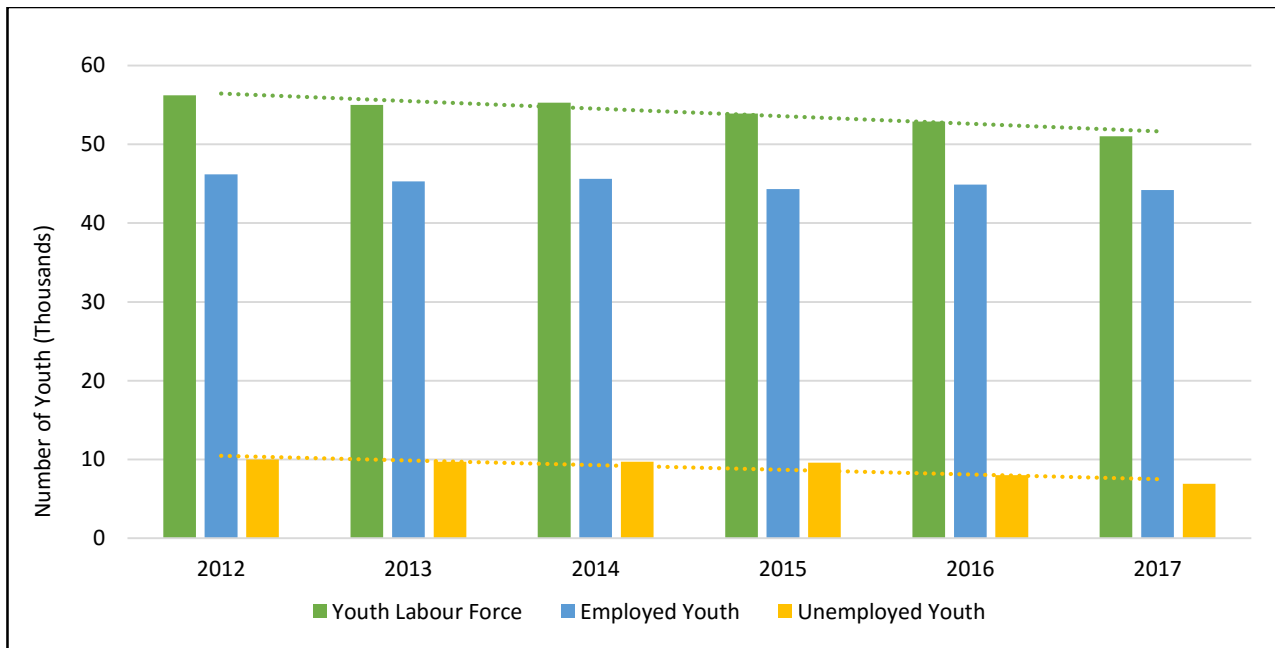
rate in a progressive manner. If this pattern continues, New Brunswick will be on track to achieve the suggested goal of reaching an unemployment rate equal to, or less than, that of Canada by the year 2024.

However, it should be noted that a decrease in the youth unemployment rate does not necessarily correspond with economic growth. A lower unemployment rate could also indicate a discouraged workforce in which more youth may have given up in their search for employment, removing themselves from the labour force. For New Brunswick to boost its economy, it should focus on achieving a lower unemployment rate specifically by improving youth employment and participation in the labour force.

DEEP DIVE

Changes in New Brunswick's unemployment rate are influenced by two factors: 1) the employment of people who are seeking work and 2) the number of people seeking employment. If fewer people are looking for work and/or more people successfully find employment, the unemployment rate will decrease.

Figure 2: Select New Brunswick Youth Labour Force Indicators (Ages 15-24)



Data: Figure 2	Youth Labour Force	Employed Youth	Unemployed Youth
2012	56,200	46,200	10,000
2013	55,000	45,300	9,700
2014	55,300	45,600	9,700
2015	53,900	44,300	9,600
2016	52,900	44,900	8,000
2017	51,100	44,200	6,900
5-Year Difference	-5,100 Youth	-2,000 Employed Youth	-3,100 Unemployed Youth

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)

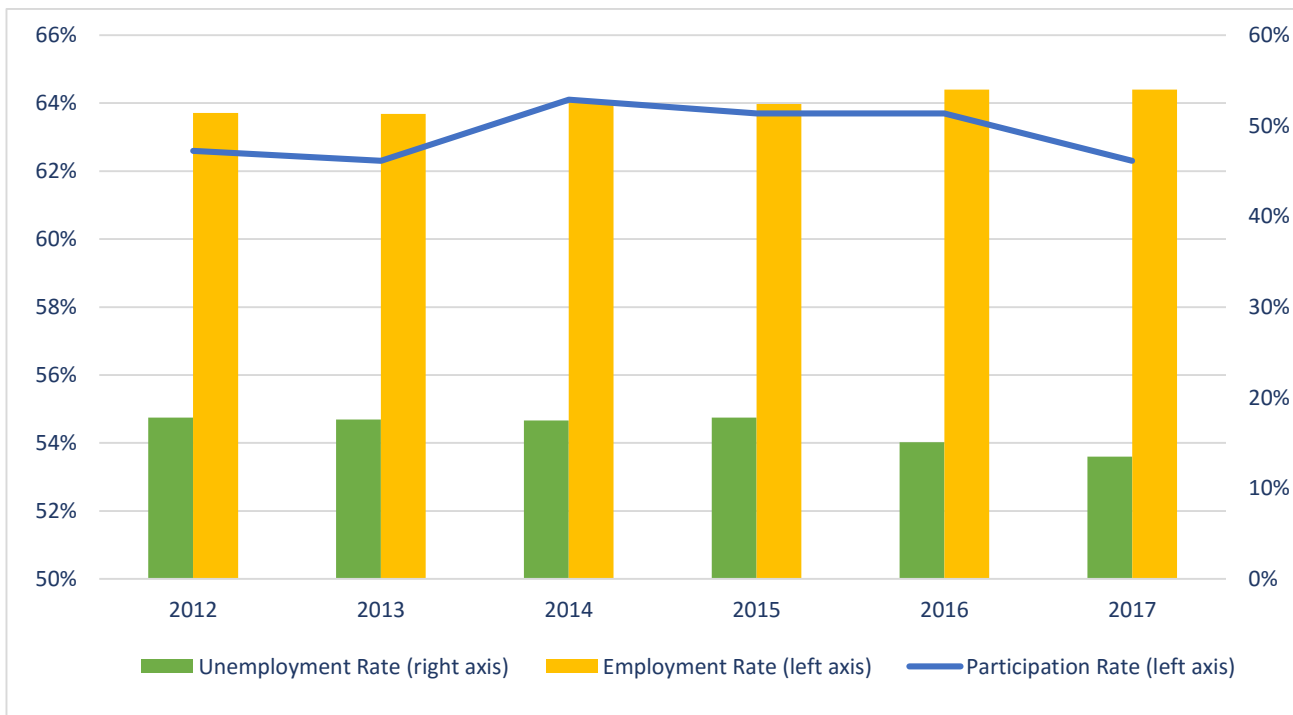
*Values are approximate and rounded by Statistics Canada to the nearest thousand.

New Brunswick's population is aging, and the number of youth in the province is decreasing. Since 2012, this has led to a decline in both the total youth labour force and the number of unemployed youth seeking work. The number of employed youth has also declined, though less significantly.

*The term **labour force** refers to the number of people actively seeking work—it is a total of unemployed and employed individuals. If a person is not seeking employment, that person is not participating in the labour force.*

Between 2012 and 2016, New Brunswick's youth employment rate increased by 2.6%, while the youth labour force participation rate fell by only 0.3%. However, between 2016 and 2017, the employment rate remained constant at 54%, while the participation rate and unemployment rate fell (by 1.4% and 1.6%, respectively). If the unemployment rate was decreasing because more New Brunswick youths were finding work, this would be reflected by an increase in the employment rate. However, the constant employment rate suggests that some youths left the labour force. In other words, the unemployment rate decreased because these workers were likely discouraged and no longer sought employment, not because they found a job.

Figure 3: Youth Labour Force Rates (Ages 15-24)



Data: Figure 3	Unemployment Rate (Ages 15-24)	Participation Rate (Ages 15-24)	Employment Rate (Ages 15-24)
2012	17.8%	62.6%	51.4%
2013	17.6%	62.3%	51.3%
2014	17.5%	64.1%	52.8%
2015	17.8%	63.7%	52.4%
2016	15.1%	63.7%	54%
2017	13.5%	62.3%	54%

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)

Since 2012, the youth unemployment rate for New Brunswick has improved significantly for both the 15-19 and 20-24 age groups. The unemployment rate for 15-19-year-olds has declined by 4.4%, and the unemployment rate for 20-24-year-olds has declined by 4.2%. While both groups have seen improvements, however, the declining provincial rate for the 15-19 age group has been mirroring the movements of the national rate since 2007, while the provincial rate for the 20-24 age group saw a sharp divergence from the national trend in 2010 and only began to closely follow the national rate once more in 2016.

Figure 4: Youth Unemployment Rates (Ages 15-19)

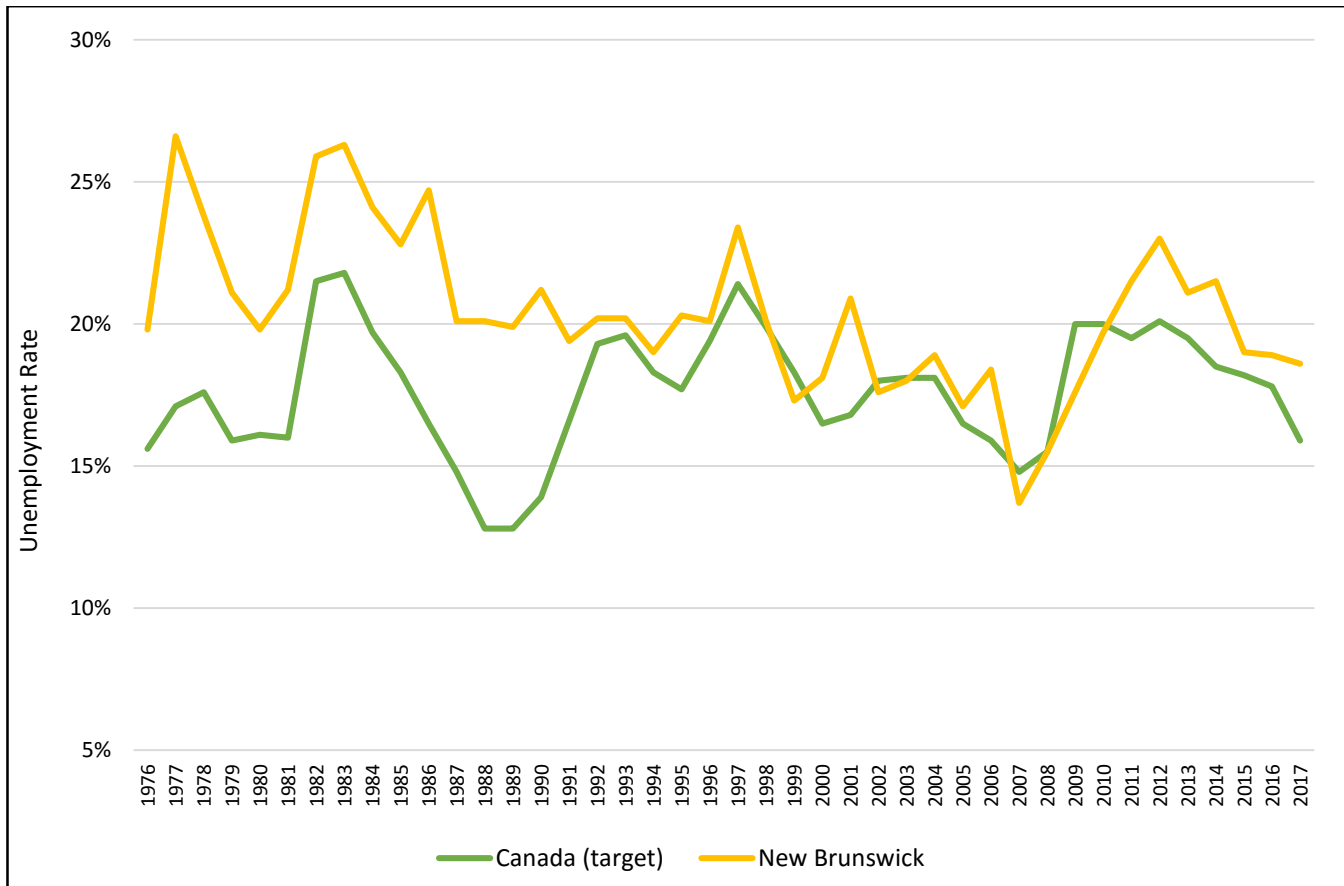
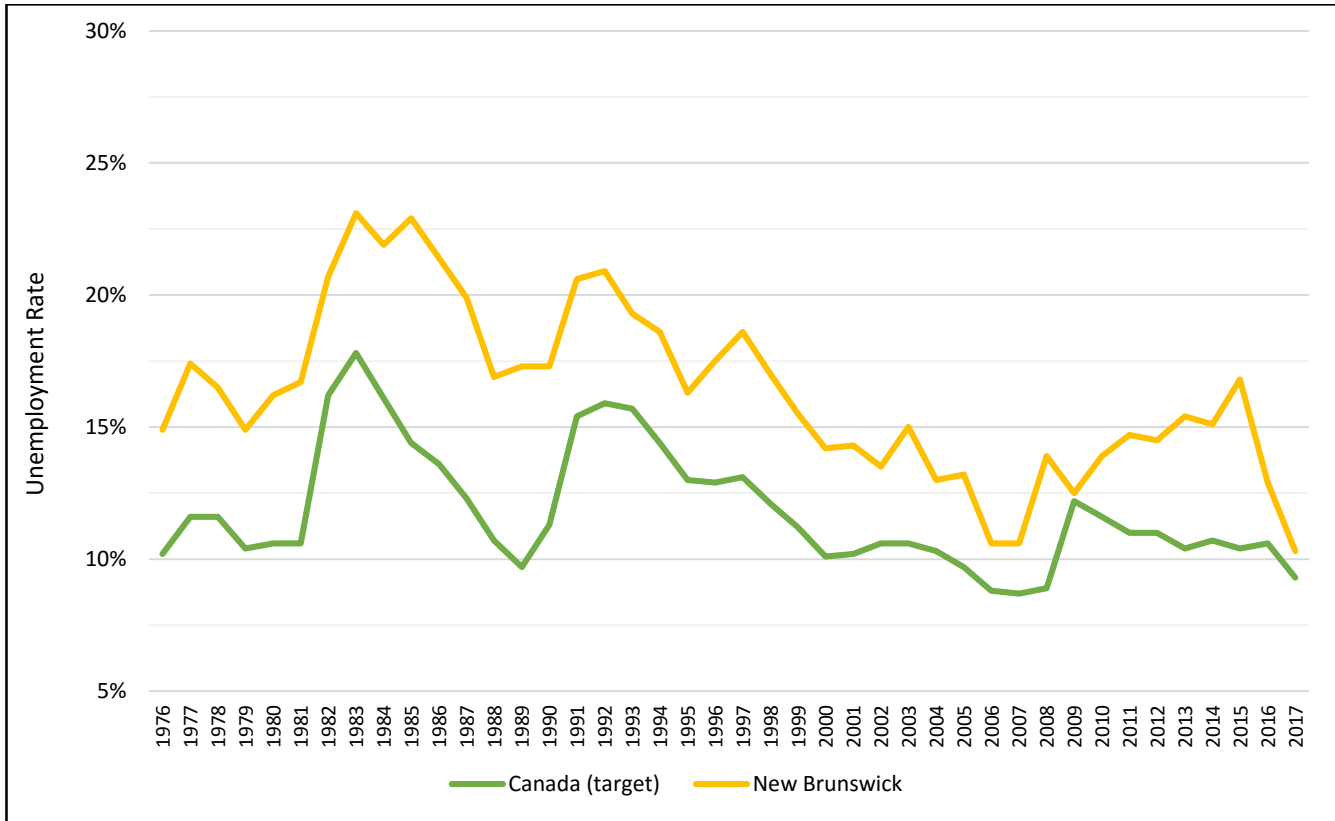


Figure 5: Youth Unemployment Rates (Ages 20-24)



Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)

Data: Figures 4-5	Canadian Unemployment Rate Ages 15-19	New Brunswick Unemployment Rate Ages 15-19	Canadian Unemployment Rate Ages 20-24	New Brunswick Unemployment Rate Ages 20-24
1976	15.6%	19.8%	10.2%	14.9%
1977	17.1%	26.6%	11.6%	17.4%
1978	17.6%	23.8%	11.6%	16.5%
1979	15.9%	21.1%	10.4%	14.9%
1980	16.1%	19.8%	10.6%	16.2%
1981	16.0%	21.2%	10.6%	16.7%
1982	21.5%	25.9%	16.2%	20.7%
1983	21.8%	26.3%	17.8%	23.1%
1984	19.7%	24.1%	16.1%	21.9%
1985	18.3%	22.8%	14.4%	22.9%
1986	16.5%	24.7%	13.6%	21.4%
1987	14.8%	20.1%	12.3%	19.9%
1988	12.8%	20.1%	10.7%	16.9%
1989	12.8%	19.9%	9.7%	17.3%
1990	13.9%	21.2%	11.3%	17.3%
1991	16.6%	19.4%	15.4%	20.6%
1992	19.3%	20.2%	15.9%	20.9%
1993	19.6%	20.2%	15.7%	19.3%
1994	18.3%	19.0%	14.4%	18.6%
1995	17.7%	20.3%	13.0%	16.3%
1996	19.4%	20.1%	12.9%	17.5%
1997	21.4%	23.4%	13.1%	18.6%

1998	19.9%	20.1%	12.1%	17.0%
1999	18.3%	17.3%	11.2%	15.5%
2000	16.5%	18.1%	10.1%	14.2%
2001	16.8%	20.9%	10.2%	14.3%
2002	18.0%	17.6%	10.6%	13.5%
2003	18.1%	18.0%	10.6%	15.0%
2004	18.1%	18.9%	10.3%	13.0%
2005	16.5%	17.1%	9.7%	13.2%
2006	15.9%	18.4%	8.8%	10.6%
2007	14.8%	13.7%	8.7%	10.6%
2008	15.5%	15.5%	8.9%	13.9%
2009	20.0%	17.6%	12.2%	12.5%
2010	20.0%	19.7%	11.6%	13.9%
2011	19.5%	21.5%	11.0%	14.7%
2012	20.1%	23.0%	11.0%	14.5%
2013	19.5%	21.1%	10.4%	15.4%
2014	18.5%	21.5%	10.7%	15.1%
2015	18.2%	19.0%	10.4%	16.8%
2016	17.8%	18.9%	10.6%	12.9%
2017	15.9%	18.6%	9.3%	10.3%

Source: Statistics Canada, Table 14-10-0018-01 (formerly CANSIM 282-0002)

When the Canadian and New Brunswick youth unemployment rates are divided into two age groups (15-19-year-olds and 20-24-year-olds), it becomes apparent that the province previously achieved an unemployment rate equal to or lower than the national rate. For the 15-19 age group, this occurred during 1999, 2002-2003, and 2007-2009. However, the 20-24 age group did not reach this goal even once during the 1976-2017 study period, though the entire provincial youth population (aged 15-24) *did* have a lower unemployment rate than the Canadian rate in 2009. It is recommended that New Brunswick aim to sustain its current trend of decreasing unemployment from 2017 onward and attempt to reach the suggested target by 2024 for both age groups.

Changes to the Baseline, Indicator, or Target

(The following information on changes has been collected directly from OneNS and is deemed relevant to the discussion for New Brunswick)

- Contextual numbers are not included in the statement of this goal. It is suggested that New Brunswick mirror Nova Scotia's goal (available at <https://onens.ca/goals/goal-9-youth-employment/>) of closing the gap between the provincial and national employment rates. This differs from the original goal of 14% outlined for Nova Scotia in the 2014 *Now or Never* report (found at <https://onens.ca/img/now-or-never.pdf>).