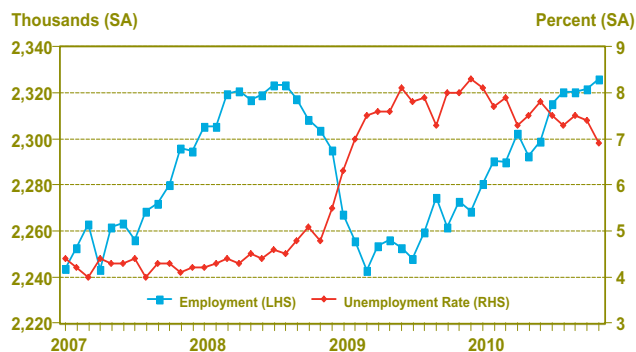


**Labour Market
B.C., Monthly**



Source: Statistics Canada and Central 1 Credit Union.

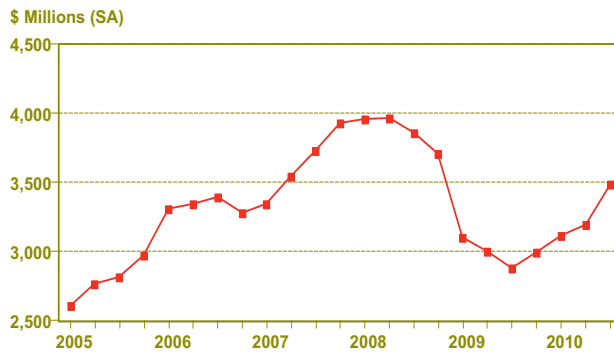
Employment Edges Up, Unemployment Rate Falls Below 7%

British Columbia observed a modest increase in employment levels in November. Estimated seasonally-adjusted employment rose by 4,300 individuals during the month: a gain of 0.3% from October. While the monthly change is statistically insignificant, the underlying trend in recent monthly data suggests that provincial employment continues to rise, albeit slowly. Part-time job gains in November were partly offset by declines in full-time employment.

A rise in employment and a drop in labour force participation pushed B.C.'s unemployment rate down to 6.9%, the lowest level since January 2009. The provincial labour force fell by an estimated 7,900 individuals during the month, which was entirely the result of lower youth participation.

The estimated labour force population in the 15 to 24 age group fell by 14,800 individuals in the month, which was only partly offset by gains in other age groups. The reasons behind such a steep November decline in the youth labour force are unclear. Youth employment levels have yet to show a significant

**Residential Investment
B.C., Quarterly**



Source: Statistics Canada and Central 1 Credit Union.

and sustained recovery from recession lows and unemployment rates remain very high relative to the 25 to 54 age group and may have led younger workers to drop out of the labour force for additional education or other reasons. However, this environment has persisted for more than a year and is an unlikely cause such a sharp single month contraction. It is foreseeable that a partial reversal in this figure will be observed in December which will put upward pressure on the unemployment rate.

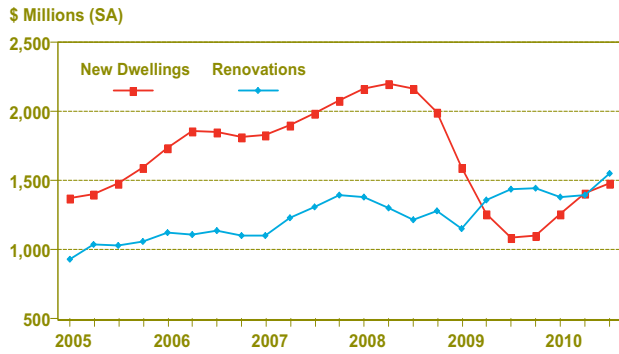
Employment gains and losses in most industries were statistically insignificant in November. Significant gains and losses were observed in the forestry/fishing/mining/oil and gas industry which added 2,900 jobs (7.6%) from October, and the profession/scientific/technical service sector which observed an employment decline of 7,400 individuals (-3.8%).

Residential Investment Rises in Third Quarter

Current dollar residential investment spending in British Columbia rose 9.2% in the third quarter on a seasonally adjusted basis, representing a fourth consecutive quarterly increase. Spending on new dwellings, which has made up about half of total



Residential Investment by Type B.C., Quarterly



Source: Statistics Canada and Central 1 Credit Union.

residential investment over the last decade, rose by a modest 5% in the third quarter, following gains of 15% and 11% in the previous two quarters. This slower growth trajectory reflects flatter housing starts in 2010, following a strong post-recession rebound in 2009.

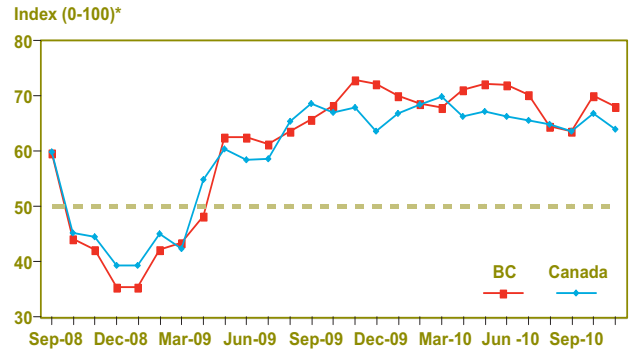
Meanwhile, renovation spending, which is the second largest component of residential investment, recorded its first significant increase in a year. Current dollar renovation spending rose 11% on a seasonally adjusted basis in the third quarter after three consecutive quarters of flat or negative growth. Early year sluggishness likely reflected the impact of the expiration of the federal Home Renovation Tax Credit, as some households did renovations in 2009 to take advantage of the program.

On a year-to-date basis, current dollar total residential investment is up 9.9% from the first nine months of 2009.

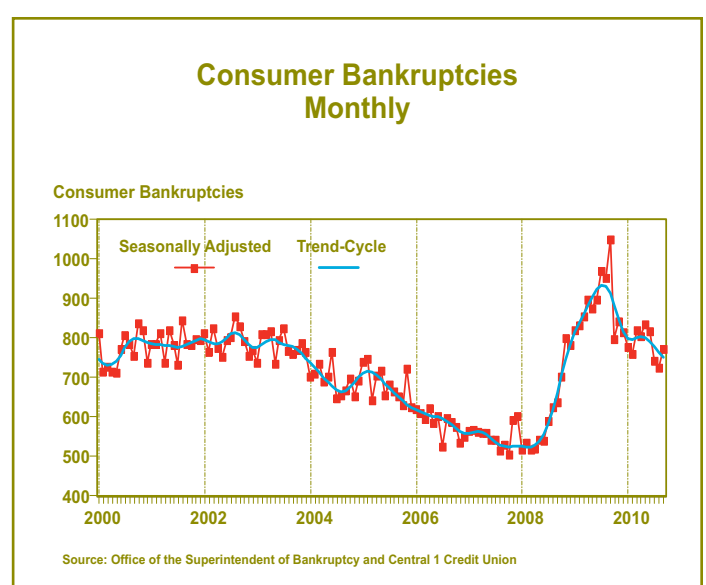
Business Confidence Edges Lower in November

As expected, small- and medium- sized business confidence pulled back in November after surging in October. According to this week's release of the CFIB Business Barometer® Index (BBI), business confidence in British Columbia edged lower from a reading of 70 in October to 68.1 in November, on a scale of 0 to 100. Despite the decline, the index remained higher than both August and September and suggests that there are more businesses expecting a stronger business performance over the next year relative to the number expecting a weaker

Business Barometer Index Monthly



Source: Canadian Federation of Independent Business and Central 1 Credit Union. Index value >50 denotes stronger business expectations; value <50 denotes weaker expectations



Source: Office of the Superintendent of Bankruptcy and Central 1 Credit Union

one. Current confidence levels are consistent with moderate growth levels in the economy.

Central 1 forecasts B.C.'s growth to slow in 2011 to 2.5%, down from 3.1% in 2010, reflecting the global economic slowdown, wind-down of fiscal stimulus spending, and absence of the 2010 Winter Olympic boost. In particular, modest economic growth in the U.S. and a high Canadian dollar will likely weigh on export demand moving forward.

Downward Trend in Bankruptcies Continues Despite September Rise

Seasonally adjusted consumer bankruptcies in British Columbia increased for the first time in four

months in September. Based on data adapted from the Office of the Superintendent of Bankruptcy, seasonally adjusted consumer bankruptcies increased 6% from August, but were 25% below the same month in 2009. Despite the monthly increase, the underlying trend in bankruptcies continues to decline, which will be further supported by employment gains, lower unemployment rates, and economic growth in 2011. On a per-capita basis, consumer bankruptcies remain lower than peak levels observed after the 2001 economic downturn.

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