



Highlights

- B.C. payroll counts edge down in January amidst slump in other provinces
- Average weekly earnings trend higher but loss of jobs in lower wage occupations inflate headline numbers
- Number of active businesses continues recovery trend in December

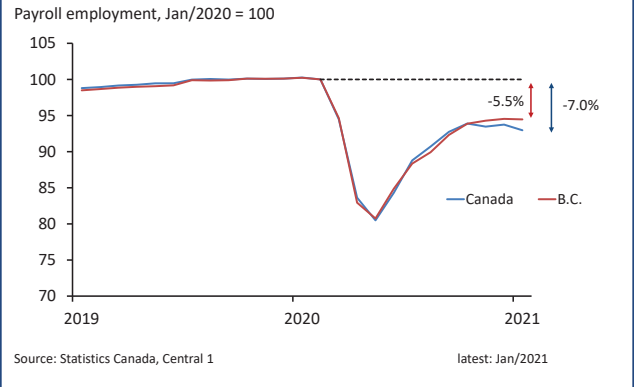
January payroll counts steady in B.C. as provincial peers shed workers

B.C. non-farm payroll counts softened slightly in January in contrast to a deeper national contraction. Payroll employment came in at nearly 2.23 million persons, marking a dip of 0.1 per cent (1,700 positions) from December. In comparison, national payrolls slumped 0.8 per cent. This divergence reflects the impact of extended second wave health restrictions in provinces such as Ontario and Quebec curfews and closure of non-essential retailers. Measures also persisted in some Prairie provinces.

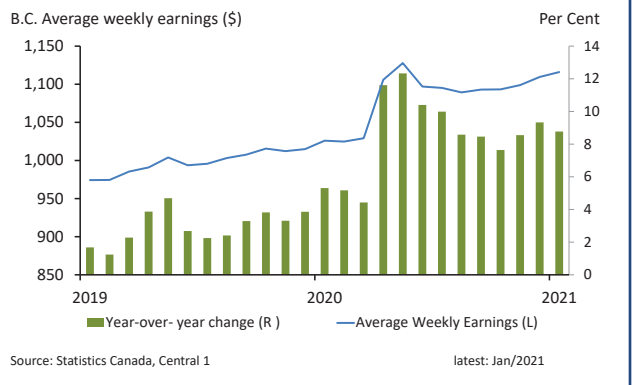
Despite a flat headline performance, 15 of 20 B.C. industry sectors added employees during the month as a strong housing market and growing professional services and tech sectors continued to lift employment. Professional/scientific/technical services added 4,300 positions (3.1 per cent), while real estate/rental/leasing gained 1,021 positions (2.5 per cent). Broadly, gains in other sectors were mild. Offsetting these increases were sharper declines in arts/entertainment/recreation (down 12 per cent or 4,561 positions), retail trade (down 4,812 or 1.7 per cent), suggesting a further post-holiday slump.

On a 12-month basis, payroll counts remained sharply below year ago levels by 5.8 per cent. This compares to a corresponding decline of 1.7 per cent in the Labour Force Survey (LFS). This gap could reflect issues related timing and sampling of the LFS survey, while multi-job holders may be working in few locations and hence factor into fewer jobs in the payroll survey. Nevertheless, key trends continue. Tourism and hospitality sectors

B.C. drop in payroll counts shallower than peer, wide gap persists from pre-pandemic levels



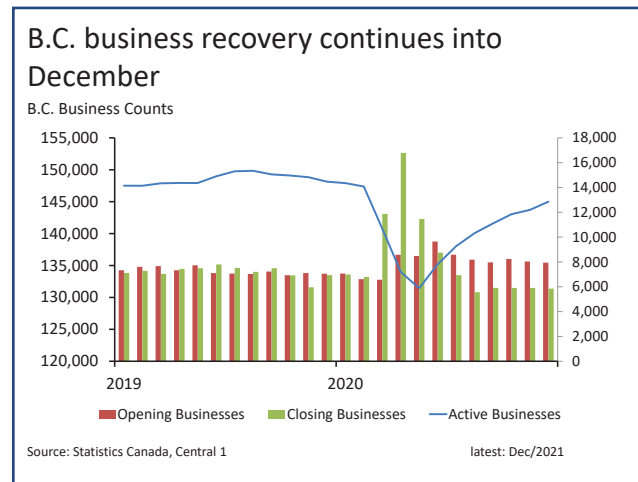
Average weekly earnings remain inflated by job cuts in lower wage occupations



remain the hardest hit with accommodations/food-services down 25 per cent, and arts/entertainment/recreation sectors down 40 per cent. More modest losses persist in other sectors but gaps are narrowing. Strong year-over-year gains persist in forestry and other resources, technology and professional services. While overall employment will improve with vaccines and broader economic growth, short-term trends will likely soften given the third wave of the pandemic underway.

Average weekly earnings continued trend higher, climbing 0.6 per cent to \$1,116, and 8.8 per cent year-over-year increase. However, this continues to reflect fewer jobs in lower paid occupations and industries, skewing the overall average to higher income earning positions. However, wage pressures continue to rise in some higher demand sectors such as technology.

Business counts hold steady in December



The recovery in active B.C. businesses further improved into December as more businesses re-opened following pandemic closures and more new businesses took root despite (or perhaps triggered by) the pandemic economy. A total of 144,998 businesses were deemed active during the month (employing one or more employees), which was 0.9 per cent higher than November. This mild uptick reflected steady openings at 7,944 businesses that outnumbered closures (5,852).

Relative to pre-pandemic February, active businesses were down a modest 1.6 per cent, which was the shallowest contraction among provinces. Nationally, active business counts fell 3.5 per cent over the same period as more stringent economic restrictions due to waves of the pandemic have hampered recoveries.

On an industry-basis there remains a range of experiences. Consistent with labour market information, business counts in arts/entertainment/recreation (-4.8 per cent), accommodation/foodservices (-4.6 per cent), and education (-5.2 per cent) remain some of the hardest hit since February amidst decimation of the tourism industry and effects of physical distancing measures on on-campus learning. Retail and wholesale trade business counts are down more than three per cent. On the bright side, knowledge sectors continue to grow with professional/scientific/technical services (up 2.1 per cent), and information/culture industry business counts up 1.2 per cent.

Among metro areas, active businesses in the Vancouver Census Metropolitan Area, where 56 per cent of provincial businesses reside, were 2.1 per cent lower than recorded in February. Levels were down 1.2 per cent in Victoria, while holding steady in Abbotsford-Mission and rising one per cent in Kelowna

New data on business entrants provides additional optimism that the business environment is not only recovering but also adapting during the pandemic, with more entrepreneurs finding opportunity amidst the uncertainty. While re-opening businesses represent the bulk of openings (share of more than 65 per cent), the number of new businesses has also climbed to 2,739 businesses in December to climb 20 per cent above February's level. The pandemic has opened up more opportunities for technology enablers, logistic companies and other sectors despite the general contraction.

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