



Highlights

- Non-farm payroll employment continued to grow in services-producing sectors as public health measures ease.
- Average weekly earnings rose 2.4 per cent in July.
- B.C. population growth in Q2 surpassed same-quarter growth in 2019.

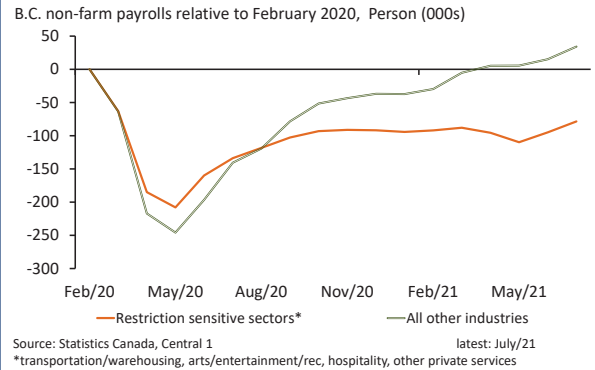
Non-farm payroll employment continued to recover

Ivy Ruan, Economics Research Associate

By July, most of the public health measures implemented against the third wave of the COVID-19 pandemic were lifted in B.C., aside from some masking requirements in select settings. This contributed to an increase in non-farm payroll counts of 1.4 per cent from last month or 32,729 positions according to Statistics Canada’s Survey of Employment, Payroll and Hours (SEPH). This followed a 1.2 per cent increase in June and moved directionally with recovery (0.5 per cent) reported in the Labour Force Survey (LFS) in July.

With the latest gains in June and July, B.C.’s non-farm payroll counts reached the highest level since pandemic started, reporting 1.9 per cent below pre-COVID February 2020 level. Growth momentum was consistent with the results in LFS report, yet the SEPH figures had not captured a full recovery of the labour market in B.C. The difference between the two reports reflected factors such as exclusion of the self-employed and agriculture workers in SEPH, and fewer multi-job holders.

Non-farm payrolls continued strong recovery



Higher payroll counts are anticipated to continue in August as reopening plans continued. Meanwhile, starting August 9, Canada began allowing fully vaccinated Americans to enter Canada again without needing to quarantine. As a popular tourism designation, B.C.’s service sectors likely expanded during this summer.

On an industry basis, payroll employment continued to grow in services-producing sectors as public health measures eased. in the Arts/entertainment/recreation employment rose 12.8 per cent in July. Accommodation/food services sector also kept up the growing momentum, up 5.8 per cent or 10,147 positions. Transportation/warehouse sector had little increase from last month, but it has gradually recovered from the impact of the third wave of the COVID-19.

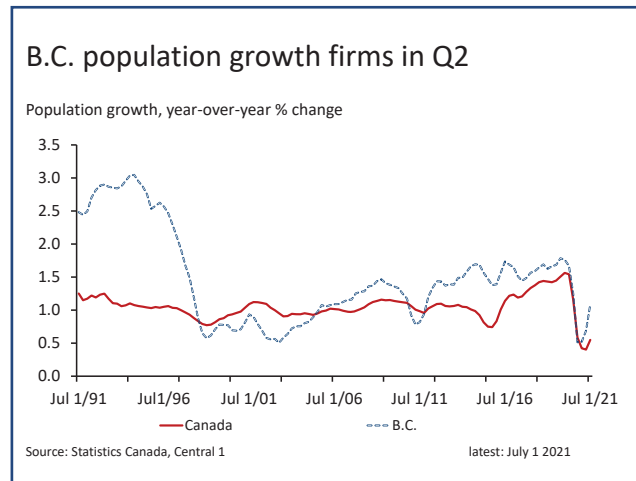
Professional/scientific/technical services sector had the seventh consecutive increase in July, up 1.8 per cent or 2,674 positions from last month. Both educational services and health care/social assistance sectors had consistently increased hiring since April as well. Construction sector in B.C. remained robust and reported another 1.2 per cent growth since last month, while manufacturing sector saw small declines (0.3 per cent).

Average weekly earnings increased by 2.4 per cent to \$1,143 from June to July, partly reflecting an increase in provincial minimum wage taking effective in June.

B.C. population growth boosted in Q2 from interprovincial migration

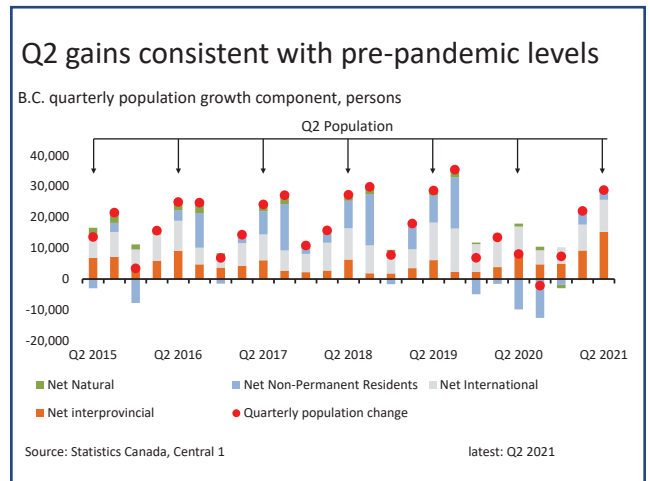
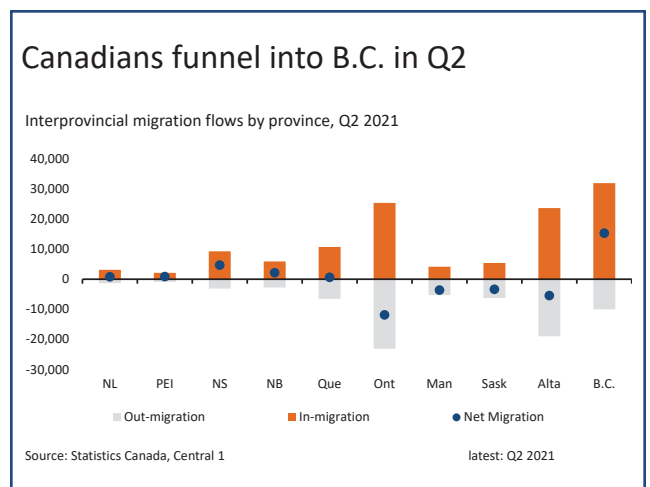
Bryan Yu, Chief Economist

B.C.'s economy and housing markets received a boost during the second quarter as a swell of Canadians relocated to the province and international immigration rebounded. According to the latest Statistics Canada estimate, the provincial population reached 5.21 million persons as of July 1. This marked an increase of 28,815 residents during the quarter. Year-over-year population growth accelerated to 1.1 per cent (56,077 persons) from 0.7 per cent three months earlier and was second only to Prince Edward Island among provinces.



While four-quarter growth still lags the pre-pandemic pace due to weak expansion in prior quarters the trend accelerated. The increase in Q2 residents was stronger than same-quarter population growth in 2019.

A surge in interprovincial migration was a key driver for population in the quarter. Net inflows increased to 15,290 persons. This was 80 per cent higher than the corresponding quarter in 2020 and 150 per cent above same- quarter 2019. B.C. has found itself in an enviable position as Canadians flocked to the province amidst increased remote work opportunities, early retirements, and a lighter touch on public health orders due compared to other provinces. Expected re-opening of post- secondary campuses also lifted inflows. Given typical interprovincial patterns, disproportionate increases were likely observed in the interior and Vancouver Island markets. B.C. was a beneficiary of inflows from the Prairies and Ontario.



Excluding non-permanent residents, net international immigration reached 10,381 persons which doubled year-ago levels. While still 15 per cent lower same-quarter 2019, levels compared favourably to earlier years. Relatively modest public health restrictions in B.C. may have contributed to increased inflows while more temporary residents already in the country transitioned to permanent residency as the government loosened qualification criteria to meet immigration targets. The flow of net non-permanent residents was positive in the latest quarter at more than 2,500 persons as more students and workers gained entry but remained a third of corresponding quarters in 2018 and 2019 when students and temporary workers fueled population growth before trending negative from Q4 2019 through Q4 2020.

Population growth is expected to firm over the next two years as border restriction ease, the pandemic fades and federal immigration targets are boosted to make up for pandemic weakness.

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