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This Week...

More older workers; union membership highest in Manitoba; residential construction booming

High school dropout rates low in B.C. but still too high on the prairies



By Doug Elliott, Editor

High School Dropout Rates

Dropout rates are difficult to measure because some

people can return to school after being away for quite a while. Statistics Canada uses a proxy to measure trends in the number of dropouts, namely the proportion of individuals 20 to 24 years of age who are not high school graduates and who are not going to school. Averaged over the three school years of 2007-08 to 2009-10, this "dropout rate" was 8.9% in Canada as a whole which is quite an improvement over the 15.8% in the early 1990s.

High school dropout rates are higher than the national average in the prairie provinces but noticeably lower in B.C. Averaged over the most recent three years, the rates were:

- 11.4% in Manitoba;
- 10.4% in Alberta;
- 9.4% in Saskatchewan; and
- 6.2% in B.C.

Over time, the dropout rates have improved the most for Saskatchewan and B.C.

The recent release from Statistics Canada notes that the dropout rates are typically higher for

the Aboriginal population¹, for those living in rural areas, and for men. They are lower for the immigrant population.

Union Membership

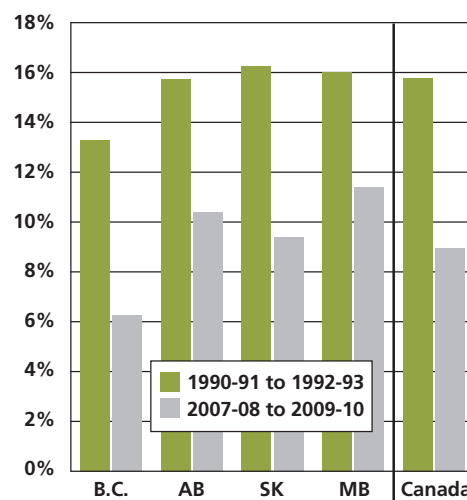
About one in four members of the workforce in the west is a union member², a bit below the national average. The proportion is higher in Manitoba (32%) and Saskatchewan (29%) and lower in B.C. (25%) and Alberta (21%). The figure shows that over the last five years the proportion has increased in Alberta and Saskatchewan and fallen in B.C.

Union membership is becoming more and more of a phenomenon of the public sector (broadly defined to include crown corporations, the health and education sectors, and government proper) with six out of ten union members in the west working in the public sector. In 2009, union members represented 74% of employment in the public sector and 16% of employment in the private sector. Among paid workers in the private sector, union membership is 15% in Manitoba, 13% in B.C. and Saskatchewan, and 10% in Alberta.

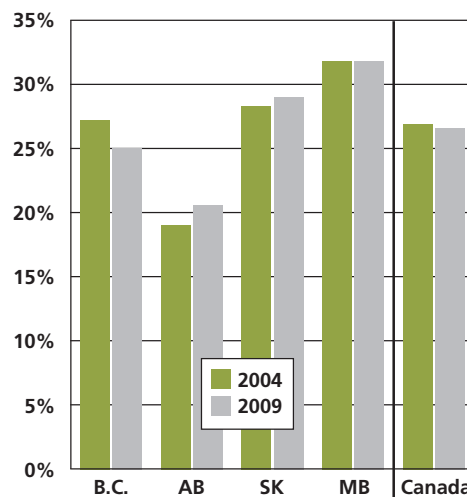
Labour Market

Employment in the west grew by 2.5% in October 2010 compared with the same month in 2009. This is the largest year-over-year

High School Dropout Rates



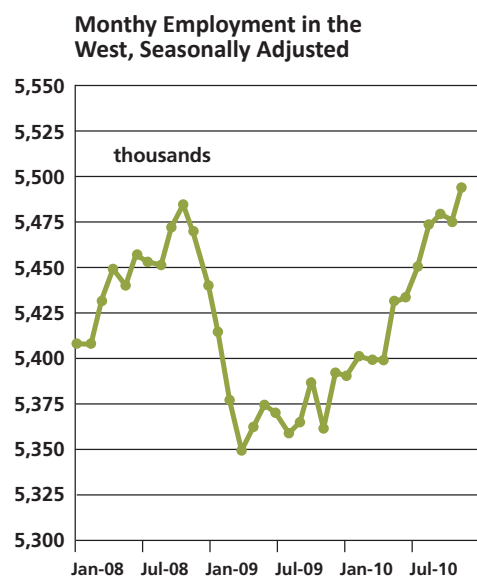
Union Members as a Percentage of Total Employment, 2004 and 2009



increase since the spring of 2008 and, taken together with the declining unemployment rates, is a sure sign that the labour market in the west has fully recovered from the 2009 recession. Employment growth is the highest in Manitoba (+3.2% on a year-over-year basis) and B.C. (+2.7%), lowest in Saskatchewan (+1.0%), and at the average of +2.5% in Alberta.

The labour market in the west has fully recovered from the 2009 recession.

One of the ongoing stories about the labour market is the ever-increasing number of older workers. Among individuals 55 years of age and older, employment in the west was 985,000 in October, a 6.6% increase from a year ago. In contrast, employment has grown by only 1.6% among those under 55 years of age. Looked at another way, older workers were responsible for one half of the employment growth in the past year. This aging of the workforce is even more pronounced in Saskatchewan where employment among older workers grew by 6.5% in October compared with a 0.6% drop among those under 55 years of age.



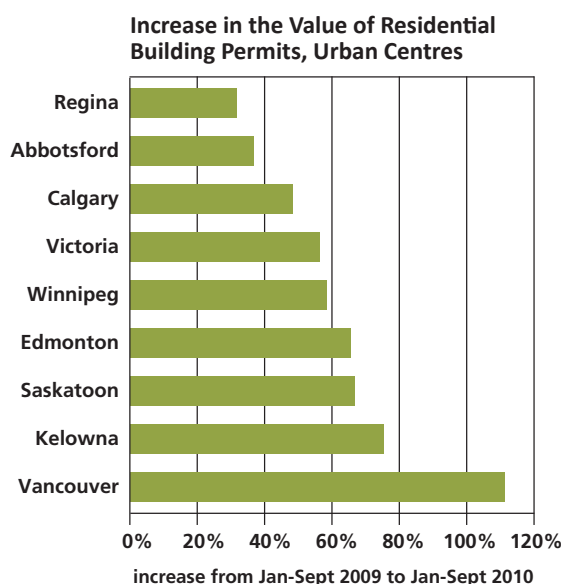
Residential Building Permits

Although the bursting of the recent USA housing bubble was anticipated by many forecasters, asset bubbles in general and housing bubbles in particular are usually only evident in hindsight. There is some

concern that a bubble is developing in Canada's housing market.

The value of residential building permits issued in the first three quarters of 2010 suggests that the housing market in Vancouver may be overheated. The value of permits has more than doubled this year. The markets in Kelowna and Saskatoon are also showing strong increases. In other cities, the value of permits has increased by "only" 30% to 70%.

At this stage, there should be no concern about a catastrophic drop in the west because these figures are simply measuring a return to normal levels after the particularly low 2009 levels. It will be time to start worrying, however, if the present pace continues much longer.



Upcoming Releases

In the next two weeks we will see releases from Statistics Canada describing:

- motor vehicle sales on November 15, wholesale trade on November 18, and retail trade on November 23;
- manufacturing shipments on November 16;
- the consumer price index on November 23; and
- 2009 farm income estimates on November 24.

Sources: The figures are adapted from the following sources.

High School Dropouts: Statistics Canada 81-004x

Union membership: Statistics Canada CANSIM Tables 081-0001 and 081-0011

Labour Force: Statistics Canada CANSIM Tables 282-0001 and 282-0087

Residential Permits: Statistics Canada 64-001x

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EDITOR
Doug Elliott

EDITORIAL BOARD
Peter Phillips
Lihui Zhang
Jim Marshall

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Johnson-Shoyama Graduate School of Public Policy
University of Saskatchewan campus
Diefenbaker Building
101 Diefenbaker Place
Saskatoon, SK. Canada
S7N 5B8
Tel: 306 966-8625
Fax: 306 966-1967
Email: public.policy@usask.ca

University of Regina campus
3737 Wascana Parkway
Regina, SK. Canada
S4S 0A2
Tel: 306 585-5460
Fax: 306 585-5461
Email: gspp@uregina.ca

Outreach and Training
University of Regina
College Avenue Campus, Gallery
Building, Second Floor
Regina, SK. Canada
S4S 0A2
Tel: 306 585-5777
Fax: 306 585-5780
Email: js_outreach@uregina.ca

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University
of Regina

www.schoolofpublicpolicy.sk.ca

¹ These figures are based on data from the Labour Force Survey which is not conducted on reserve so the dropout rates for Manitoba and Saskatchewan are probably understated.

² Those who are not union members but who are covered by a collective agreement are included as union members.