

MB Check-Up 2006

WORK section

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Indicators

WORK

Educational attainment is expressed as the percentage of the labour force between ages 25-64 with post-secondary accreditation.¹

Unemployment rate is the number of unemployed persons as a percentage of the labour force (people aged 15 and older who are employed or actively looking for work).

Real average hourly wage captures labour force earnings, net of inflation.

Pay equality is represented by the female/male wage ratio for full-time workers in the labour force.

Job creation is represented by the annual change in the number of employed workers.

¹ Post-secondary accreditation is a post-secondary certificate, diploma, or higher. It includes diploma programs at colleges as well as trades and technical certification programs.

Work

Manitoba's work environment in 2005 improved on all fronts, except for the real wage rate but these improvements were not enough to lift it from its middle-of-the-pack status. Manitoba led the pack in pay equality (0.899) and had the second lowest unemployment rate (4.8%). Real wage rates decreased in 2005, moving Manitoba to last place (\$19.34) among the six regions reviewed. The province also had the lowest job creation (3,700 net new jobs) and lowest educational attainment (55.7%).

Comparing 2004 to 2005, educational attainment in Manitoba had a strong jump (2.6%) but not enough to move out of last place. The unemployment rate decreased slightly (-0.5 percentage points) but this was more a function of low labour force growth due to out-migration than to high job growth. The female/male wage ratio increased (1.0%). Real wages decreased (-0.4%) making them the lowest wages in the comparison jurisdictions. Job creation was up 0.6%, but this was the lowest rate of job growth across the six regions.

Table 2.1: Summary of WORK Key Indicators²

WORK Indicator	BC	AB	SK	MB	ON	CAN	
Educational Attainment	59.8%	61.0%	57.0%	55.7%	64.1%	63.1%	2005 Value
Unemployment Rate	5.9%	3.9%	5.1%	4.8%	6.6%	6.8%	
Real Wage Rate	\$21.05	\$21.97	\$19.85	\$19.34	\$21.93	\$21.02	
Female/Male Wage Ratio	0.845	0.801	0.884	0.899	0.860	0.856	
Job Creation	67,800	26,900	3,800	3,700	81,200	222,700	
Educational Attainment	0.8%	3.6%	1.6%	2.6%	2.2%	2.3%	2004-05 % Change
Unemployment Rate	-1.3 ppt	-0.7 ppt	-0.2 ppt	-0.5 ppt	-0.2 ppt	-0.4 ppt	
Real Wage Rate	-0.5%	1.0%	1.4%	-0.4%	0.1%	0.3%	
Female/Male Wage Ratio	-2.4%	1.5%	2.7%	1.0%	2.0%	0.7%	
Job Creation	3.3%	1.5%	0.8%	0.6%	1.3%	1.4%	
Educational Attainment	6.4%	7.0%	10.0%	6.7%	9.6%	9.4%	2000-05 % Change
Unemployment Rate	-1.2 ppt	-1.1 ppt	0.0 ppt	-0.2 ppt	0.8 ppt	0.0 ppt	
Real Wage Rate	-1.8%	-0.9%	-0.3%	0.4%	-2.9%	-1.8%	
Female/Male Wage Ratio	3.0%	4.4%	8.9%	10.2%	4.1%	4.4%	
Job Creation	10.3%	12.7%	2.1%	5.1%	10.0%	9.5%	

Manitoba Migration Trends

Manitoba gained just over 2,500 additional residents through migration in 2005, marking the third year in a row of net population gain. However, unlike the previous two years when the net gain was due to both increased international migration and a decline in inter-provincial outflow, 2005's performance was entirely due to an increase in international immigration.

Manitoba will continue to face stiff labour market competition from both Alberta and British Columbia, where job and economic growth are much stronger. Manitoba's GDP growth and job growth are forecast to improve this year, but GDP growth is still expected to fall short of the other western provinces and job growth is expected to be slower than in all other provinces except Saskatchewan. The challenge for Manitoba will be to reduce or stabilize inter-provincial population loss.

Table 2.2: Net Migration Components, Manitoba, 2000-2005

	2000	2001	2002	2003	2004	2005
Net Inter-provincial Migration	-3,456	-4,323	-4,344	-2,875	-2,565	-3,832
Net International Migration	2,574	3,230	3,584	3,616	6,090	6,349
Total: Net-Migration	-882	-1,093	-760	741	3,525	2,517

² Note: ppt=percentage point

Taking a Closer Look at Job Creation

Overall, Manitoba added 3,700 jobs to its economy in 2005. This represented a growth rate of only 0.6%, the lowest rate of job growth across the six regions reviewed.

The services sector drove Manitoba's job growth adding 3,800 new jobs while the goods-producing industries lost 100 workers in total. Employment growth in services was led by an outstanding 17.4% gain in finance and insurance, representing almost 30 percent of all new jobs in the province, and was followed by a 7.4% gain in accommodation and food services and a 7.3% gain in educational services.

While some service sectors saw strong job growth in 2005 other services experienced significant losses, representing 75% of the total jobs lost in the province. Health care & social assistance (-2,300) and public administration (-1,900) represented almost 50% of the downward pull. Employment in the goods-producing sector remained flat in 2005. However, within the sector there was a 2.2% increase in mining, oil & gas employment and a 1.8% increase in construction employment. The remainder of the goods-producing industries, for the most part, recorded either no change or a loss in employment numbers.

The finance and insurance business grew faster in Manitoba than elsewhere in the country last year. This industry added 3,700 new jobs, representing almost a third of all new jobs in Manitoba in 2005. In comparison to the other regions reviewed, Manitoba was the employment growth leader in this sector with an impressive increase of 17.4%.

Winnipeg is the headquarters for many national and international financial and insurance companies, including the head offices of two of Canada's major financial corporations – Great West Life and Investors Group – as well as National Leasing Group Inc. and Wawanesa Insurance.³ Despite the industry concentration in Winnipeg, Manitoba's total number of finance and insurance establishments (3,483) represented only 3.1% of the finance and insurance businesses in Canada in 2005.

As the central province, Manitoba is two time zones from BC and two time zones from Nova Scotia, ideally situated to conduct banking services within a reasonable daily time frame. In addition, it represents a central point of departure for U.S. commercial financing. As a result of free trade, Manitoba's focus is increasingly on the major centers to the south including Minneapolis, Denver, Kansas City and Chicago, all of which are closer than Ontario.⁴

With a diverse mix of goods-producing and service industries, and innovation within industries, economic health is forecast. Business growth in other areas will also drive the demand for financial services since most industries have a high degree of interdependence with the finance and insurance sector.

Table 2.3: Top 5 Job Growth and Top 5 Job Loss, Manitoba, 2005

Industry	New Jobs	Industry	Jobs Lost
1. Finance & Insurance	3,700	1. Health Care & Social Assistance	-2,300
2. Educational services	3,100	2. Public Administration	-1,900
3. Accommodation & Food Services	2,600	3. Business, Building & Other Support Services	-1,300
4. Other Services (auto repair, household services)	1,600	4. Wholesale Trade	-900
5. Construction	500	5. Non-durable Manufacturing	-700

Source: Labour Force Survey

³ Government of Manitoba, *Budget 2006 - at a Glance*, March 6th, 2006.

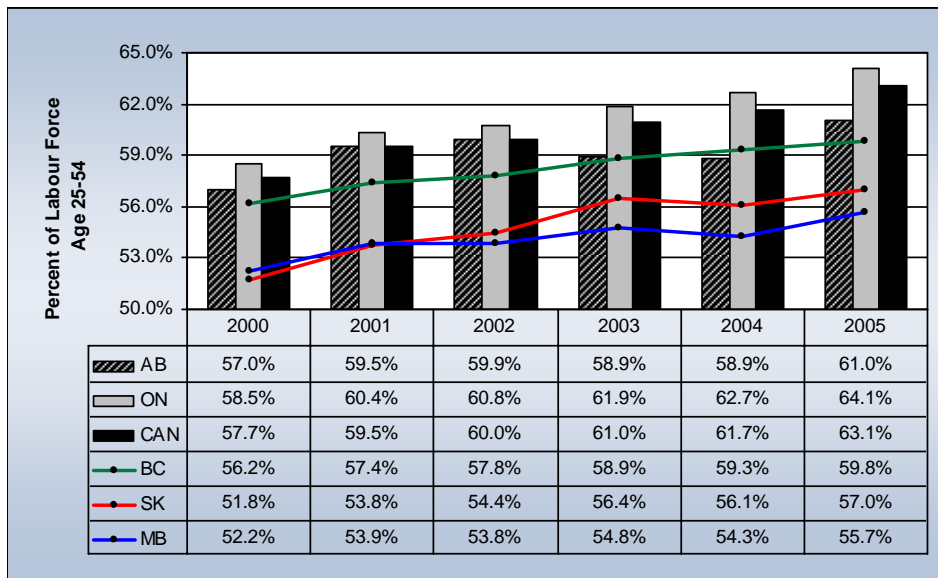
⁴ Business Council of Manitoba, *Conference Keynote Address by H. Sanford Riley*, November 2002.

Educational Attainment

Manitoba had the second largest increase in educational attainment (2.6%) last year, however the province continues to have the lowest level of all of the six regions reviewed at 55.7%.

The largest educational group to increase in Manitoba was people with a bachelor's degree (4,500). The province also gained 2,200 workers with post-secondary certificates or diplomas. However, Manitoba was the only region that decreased its number of workers with a masters or higher level education (-2,300), contrasting sharply with the 9.5 percent increase in 2004.

Figure 2-1: Percent of Labour Force Age 25-54 with a Post-Secondary Certificate/Diploma or Higher, 2000 to 2005



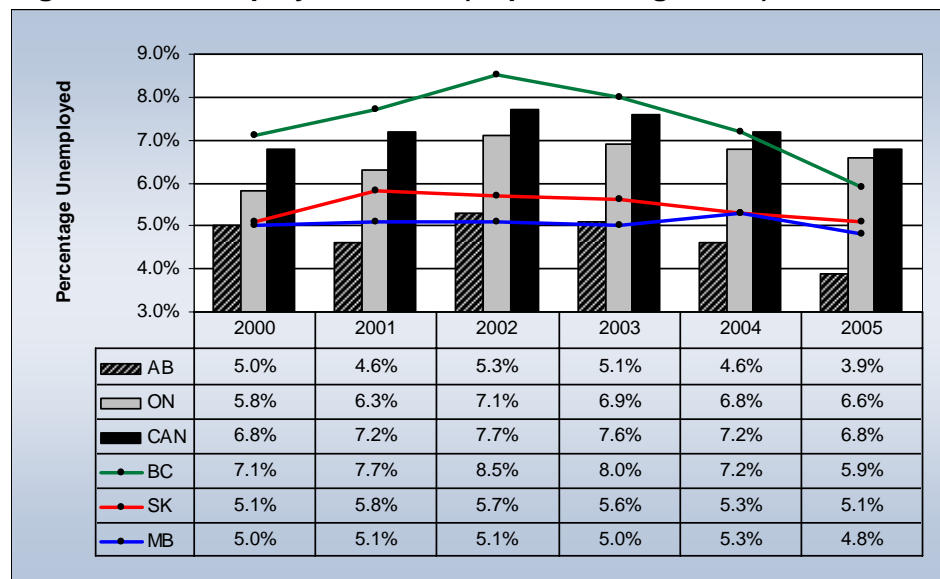
Source: Statistics Canada

Unemployment Rate

In 2005, Manitoba's unemployment rate averaged 4.8%, two percent below the national average and second only to Alberta (3.9%). It slightly decreased from the previous year (-0.5 percentage points) but this was more a function of low labour force growth due to out-migration than to high job growth. Since 2000, Manitoba's unemployment rate has decreased steadily as employment has grown across a wide range of mostly service sectors, resulting in one of the lowest unemployment rates in the country for the last decade.

The unemployment rate in Manitoba fell for most age categories in 2005. Youth (aged 15-24) unemployment decreased from 10.9% to 9.7%, the second lowest rate among the comparison jurisdictions. The rate for workers aged 60-64 fell from 3.8% to 3.3% and the unemployment rate for workers aged 50-54 dropped to 2.9%, its lowest level since 1976.⁵

Figure 2-2: Unemployment Rate (Population Aged 15+), 2000 to 2005



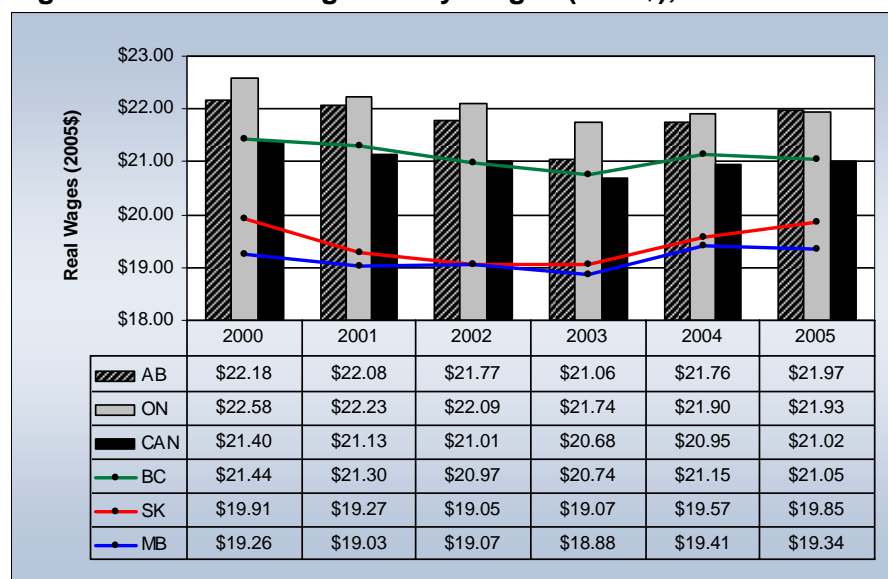
Source: Statistics Canada

⁵ Service Canada, *Labour Market Bulletin*, 2006.

Real Wages

Manitoba took last place with a real average hourly wage of \$19.34⁶ in 2005. The province's high rate of inflation (the highest of all regions reviewed) contributed to the net decrease in real wages. However, Manitoba's real wage position relative to the other regions improved as it was the only province whose real wages were higher in 2005 than they were in 2000 and the gap between Manitoba's real wages and the highest wage region has shrunk from \$3.32 per hour in 2000 to \$2.63 per hour in 2005.⁷

Figure 2-3: Real Average Hourly Wages (2005\$), 2000 to 2005



Source: Statistics Canada

⁶ Statistics Canada – Survey of Employers, Earning and Hours

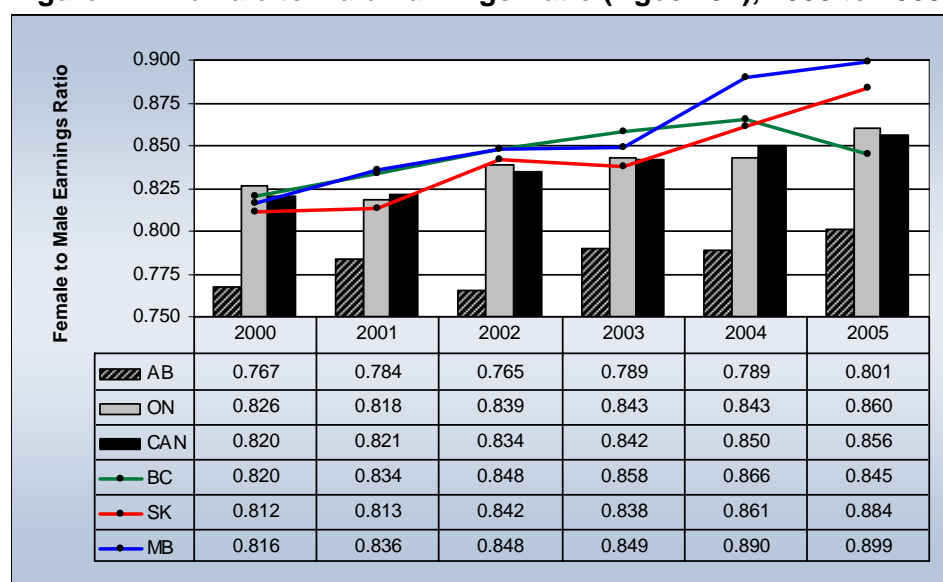
⁷ Statistics Canada, *Labour Force Survey*, 2005.

Pay Equality

Manitoba upheld its first place standing in 2005 among the comparison jurisdictions in pay equality, with female workers earning almost 90 percent as much as men in the province.⁸ Since 2000, this ratio has increased 10.2%, the highest rate of change of all regions reviewed.

Since 2000, wages for women have increased almost 22%, while men's average wages increased 10.5%. The narrowing gap between women's and men's wages in Manitoba arose from increases for women within female-dominated industries such as health care (81% female workers), the finance, insurance, real estate and leasing sector (employing 64% women), and education (62% women).

Figure 2-4: Female to Male Earnings Ratio (Ages 15+), 2000 to 2005



Source: Statistics Canada

⁸ Statistics Canada, *Labour Force Survey*, 2005.