A Human Resources Study of the Home Building and Renovation Sector for Newfoundland and Labrador Phase III

Secondary Data Report

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1.0 Labour Force Profile

1.1 The Construction Trades Labour Force in 2001

According to the 2001 Census, there were 11,745 workers in the construction trades labour force in Newfoundland.[1]

Trades making up the largest portion of the construction labour force were carpenters (3,975) and construction trades helpers and labourers (3,810). Together these trades accounted for about two-thirds of the construction trades labour force. The number of workers in the labour force by trade according to the 1991 and 2001 Census is shown in Table 1 below.

Table 1

NEWFOUNDLAND AND LABRADOR, LABOUR FORCE, 2001	
	Total Labour Force
All Occupations	**232,215**
H015.7215 Contractors, Carpentry Trades	280
H111.7251 Plumbers	340
H121.7271 Carpenters	3,975
H122.7272 Cabinetmakers	205
H131.7281 Bricklayers	195
H132.7282 Concrete Finishers	100
H133.7283 Tilesetters	20
H134.7284 Drywall Installers and Finishers	210
H141.7291 Roofers and Shinglers	180
H142.7292 Glaziers	100
H143.7293 Insulators	185
H144.7294 Painters and Decorators	600
H145.7295 Floor Covering Installers	175
H211.7241 Construction Electricians	955
H413.7313 Refrigeration and AC Mechanics	135
H531.7441 Residential and Commercial Installers	280
H821.7611 Construction Trades Labourers	3,810
Total - Designated Construction Trades	11,745

Source: 2001 Census

[1] Much of the data on construction trades is available by occupation, not industry. Many occupations are typically associated with residential construction but not all construction trades workers work in residential construction. Many work in non-residential building construction and other industries. In addition, the residential construction industry may employ people outside these occupations, for example, accountants and secretaries. For the purpose of this report, a group of occupations often used in building construction has been identified as "construction trades." This group is used as a basis for all analysis where data are available by occupation.

1.2 Gender Profile of the Labour Force

The labour force of the construction industry in Newfoundland and Labrador (NL) is 95% male as shown in Table 2. Painters and decorators and construction trades helpers and labourers are the trades with the largest female percentage.

Table 2

Labour Force by Sex, Selected Construction Trades		
	Percent Male	Percent Female
H015 Contractors and Supervisors, Carpentry Trades	98%	0%
H111 Plumbers	96%	4%
H121 Carpenters	99%	1%
H122 Cabinetmakers	93%	5%
H131 Bricklayers	103%	0%
H132 Concrete Finishers	100%	0%
H133 Tile-Setters	100%	0%
H134 Plasterers, Drywall Installers, Finishers and Lathers	98%	5%
H141 Roofers and Shinglers	100%	0%
H142 Glaziers	95%	0%
H143 Insulators	97%	0%
H144 Painters and Decorators	87%	12%
H145 Floor Covering Installers	100%	0%
H211 Construction Electricians	98%	1%
H531 Residential and Commercial Installers	98%	4%
H821 Construction Trades Labourers	89%	11%
All Construction Trades	89%	11%
Total Labour Force	53%	47%

Source: 2001 Census

1.3 Age Profile of Workers

Table 3 shows that the age profile of the construction trades labour force in Newfoundland was slightly older than that of all occupations in Newfoundland and Labrador in 2001. The proportion of construction trades workers in the 15-24 age group (10%) was slightly below that for the overall workforce (12%). About 41% of construction trades workers were over 45 years of age compared to 36% of the overall workforce.

Within selected individual trades, construction trades labourers are the youngest group, with 21% under 25 years old. By contrast, only 4% of carpenters, 5% of plumbers, 6% of construction electricians and 9% of cabinet-makers were under 25. The proportion of the carpentry labour force under age 25 was only one-third that for all occupations (12%).

Table 3

AGE PROFILE OF CONSTRUCTION WORKERS, NEWFOUNDLAND						
	15-19 Years	20-24 Years	25-34 Years	35-44 Years	45-54 Years	55 Years and over
H015.7215 Contractors, Carpentry Trades	0%	0%	10%	33%	33%	23%
H111.7251 Plumbers	0%	5%	16%	22%	36%	14%
H121.7271 Carpenters	1%	3%	23%	31%	32%	11%
H122.7272 Cabinetmakers	0%	9%	29%	29%	12%	15%
H131.7281 Bricklayers	0%	0%	17%	11%	33%	33%
H132.7282 Concrete Finishers	0%	0%	0%	44%	0%	44%
H133.7283 Tilesetters	67%	67%	0%	0%	0%	67%
H134.7284 Plasterers, Drywall Installers and Finishers and Lathers	0%	10%	19%	48%	19%	10%
H141.7291 Roofers and Shinglers	0%	18%	35%	35%	12%	0%
H142.7292 Glaziers	18%	0%	0%	36%	0%	18%
H143.7293 Insulators	0%	16%	12%	24%	36%	0%
H144.7294 Painters and Decorators	0%	4%	26%	39%	25%	7%
H145.7295 Floor Covering Installers	0%	8%	27%	38%	23%	0%
H211.7241 Construction Electricians	2%	4%	22%	22%	41%	11%
H531.7441 Residential and Commercial Installers	0%	19%	42%	25%	6%	11%
H821.7611 Construction Trades Labourers	7%	14%	22%	26%	21%	9%
All Construction Trades	3%	7%	21%	28%	29%	12%
All Occupations	4%	8%	22%	29%	26%	10%

Source: 2001 Census

1.4 Class of Worker

Table 4 shows that wage earners made up more than 90% of the labour force overall for the designated construction occupations in 2001. Self-employed workers accounted for over 10% of the workforce in the following trades: contractors in the carpentry trades, construction electricians, cabinet-makers, glaziers, painters and decorators and floor covering installers.

Table 4

Class of Worker for Labour Force 15 Years and Over Newfoundland Region - Census 2001		
	Percentage of Wage Earners	Percentage of Self-Employed
H015 Contractors, Carpentry Trades	89%	11%
H111 Plumbers	100%	0%
H121 Carpenters	100%	0%
H122 Cabinetmakers	100%	0%
H131 Bricklayers	100%	0%
H132 Concrete Finishers	100%	0%
H133 Tile-Setters	100%	0%
H134 Drywall Installers and Finishers	95%	5%
H141 Roofers and Shinglers	94%	6%
H142 Glaziers	90%	10%
H143 Insulators	100%	0%
H144 Painters and Decorators	90%	10%
H145 Floor Covering Installers	57%	43%
H211 Construction Electricians	57%	43%
H531 Residential and Commercial Installers	100%	0%
H821 Construction Trades Labourers	99%	1%
All Construction Trades	91%	9%
Total Labour Force	89%	7%

Source: 2001 Census

1.5 Education

The 2001 Census indicates that electricians, carpentry contractors and plumbers have the highest levels of education among the construction trades. Ninety-five percent of electricians had either a trades certificate or a non-university certificate or diploma. For plumbers and carpentry contractors this rate was 74% and 69% respectively. All other trades had a minority of labour force with a trades certificate or diploma.

Several trades had significant numbers with less than a high school education. About half of the glaziers and trades labourers had less than high school. By comparison, 19% of the entire

Newfoundland workforce had less than a high school education. These data are presented in Table 5.

Table 5

EDUCATION LEVELS TOTAL NON-STUDENT POPULATION 15 YEARS AND OVER WHO WORKED FULL-TIME/FULL YEAR				
	Less than High School	Secondary (High) School Graduation Certificate	Trades Certificate or Diploma	Non-University Certificate or Diploma
H015.7215 Contractors, Carpentry Trades	0%	0%	67%	0%
H111.7251 Plumbers	6%	0%	74%	0%
H121.7271 Carpenters	19%	11%	60%	10%
H122.7272 Cabinetmakers	26%	42%	26%	0%
H142.7292 Glaziers	50%	0%	0%	0%
H144.7294 Painters and Decorators	35%	32%	32%	0%
H145.7295 Floor Covering Installers	53%	32%	0%	0%
H211.7241 Construction Electricians	4%	0%	78%	18%
H531.7441 Residential and Commercial Installers	43%	0%	0%	0%
H821.7611 Construction Trades Labourers	47%	20%	22%	8%
All Construction Trades	22%	14%	44%	11%
Total Labour Force	19%	14%	27%	19%

Source: 2001 Census

2.0 The Labour Market

2.1 The Labour Force

2.1.1 The Construction Trades Labour Force – Changes from 1991 to 2001

Table 6 shows that the labour force in construction trades declined by 25% from 1991 to 2001 compared to a 10% decline in all occupations in Newfoundland and Labrador. The labour force for carpenters declined by 27% and that for trades labourers dropped by 33%. The decline in these two trades accounted for most (86%) of the total decline in the construction trades labour force. A number of trades, notably construction electricians, experienced increases in the labour force between 1991 and 2001.

Table 6

Newfoundland and Labrador, Labour Force				
	1991 Total Labour Force	2001 Total Labour Force	2001 Compared to 1991	% Change 1991 to 2001
All Occupations	**258,535**	**232,215**	**-26,320**	**-10%**
H015.7215 Contractors, Carpentry Trades	470	280	-190	-40%
H111.7251 Plumbers	405	340	-65	-16%
H121.7271 Carpenters	5,445	3,975	-1,470	-27%
H122.7272 Cabinetmakers	175	205	30	17%
H131.7281 Bricklayers	255	195	-60	-24%
H132.7282 Concrete Finishers	105	100	-5	-5%
H133.7283 Tilesetters	35	20	-15	-43%
H134.7284 Drywall Installers and Finishers	310	210	-100	-32%
H141.7291 Roofers and Shinglers	220	180	-40	-18%
H142.7292 Glaziers	60	100	40	67%
H143.7293 Insulators	105	185	80	76%
H144.7294 Painters and Decorators	760	600	-160	-21%
H145.7295 Floor Covering Installers	200	175	-25	-13%
H211.7241 Construction Electricians	845	955	110	13%
H413.7313 Refrigeration and AC Mechanics	140	135	-5	-4%
H531.7441 Residential and Commercial Installers	415	280	-135	-33%
H821.7611 Construction Trades Labourers	5,675	3,810	-865	-33%
Total - Designated Construction Trades	15,620	11,745	-3,875	-25%

Source: 1991 and 2001 Census

2.2 Employment

2.2.1 Employment in the Construction Trades – Changes from 1991 to 2001

Table 7 shows that employment in designated construction trades declined by 6% from 1991 to 2001, according to the Census. By comparison, employment for all occupations dropped by 2% from 1991 to 2001. There was significant variation in employment changes with some trades, including construction electricians and plumbers, experiencing employment growth while others, including carpenters and trades labourers, experienced employment declines.

Table 7

Newfoundland and Labrador, Labour Force				
	1991 Employed Labour Force	2001 Total Labour Force	2001 Compared to 1991	% Change 1991 to 2001
All Occupations	192,890	188,775	-4,115	-2%
H015.7215 Contractors, Carpentry Trades	305	150	-155	-51%
H111.7251 Plumbers	225	290	65	29%
H121.7271 Carpenters	2,580	2,225	-355	-14%
H122.7272 Cabinetmakers	145	175	30	21%
H131.7281 Bricklayers	105	85	-20	-19%
H132.7282 Concrete Finishers	65	45	-20	-31%
H133.7283 Tilesetters	10	20	10	100%
H134.7284 Drywall Installers and Finishers	90	105	15	17%
H141.7291 Roofers and Shinglers	125	90	-35	-28%
H142.7292 Glaziers	40	55	15	38%
H143.7293 Insulators	50	125	75	150%
H144.7294 Painters and Decorators	295	345	50	17%
H145.7295 Floor Covering Installers	130	130	-	0%
H211.7241 Construction Electricians	445	740	295	66%
H413.7313 Refrigeration and AC Mechanics	110	125	15	14%
H531.7441 Residential and Commercial Installers	235	185	-50	-21%
H821.7611 Construction Trades Labourers	2,160	1,765	-395	-18%
Total - Designated Construction Trades	7,115	6,665	-460	-6%

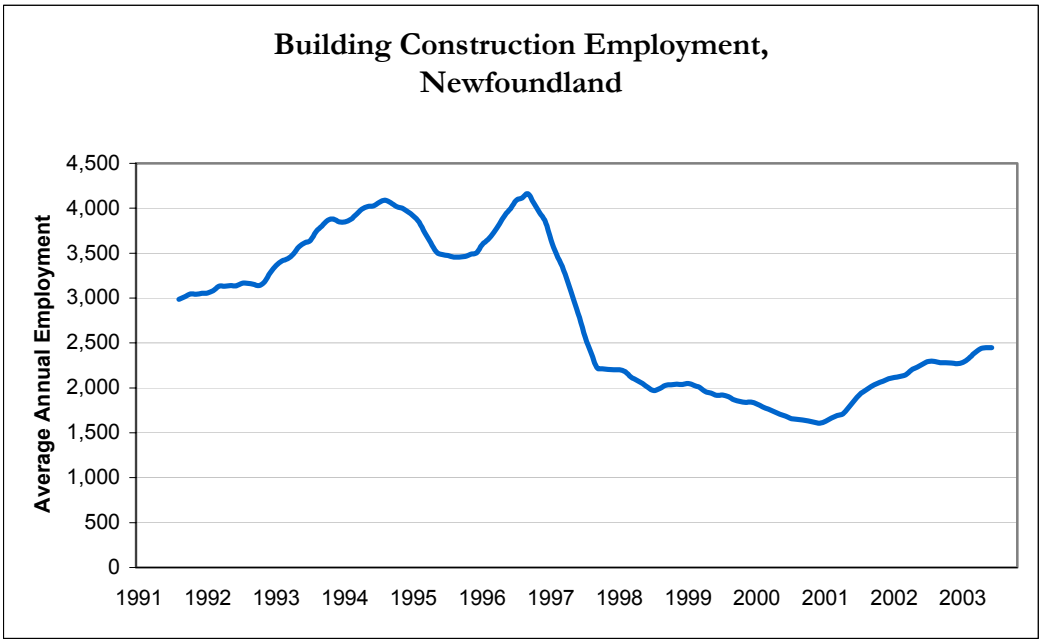
Source: 1991 and 2001 Census

2.2.2 Employment in the Building Construction Industry, 1991-2003

Yearly data on employment in the building construction industry is found in the *Survey of Employment, Payroll and Hours* (SEPH) from Statistics Canada. In interpreting these data it is important to know that building construction includes both residential and non-residential building. For this reason, the SEPH data cannot be used to draw conclusions about the residential construction industry.

The survey indicates that the years 1993-1996 were periods of relatively high levels of employment, with a steady decline from 1997 to 2001. Employment levels have been increasing since 2001, but have yet to reach the levels of the early-to-mid 1990s. These trends are illustrated in Figure 1.

Figure 1



2.2.3 Seasonality of Employment in the Building Construction Industry

The building construction industry[2] is a highly seasonal, with much of its activity concentrated in the summer months. *The Stats Can Survey of Employment, Payroll and Hours* provides estimates of the number of employees on a monthly basis. As shown in Figure 2 below, this number increases every summer and decreases every winter. These seasonal peaks are higher when overall construction activity is at a cyclical peak.

Figure 2

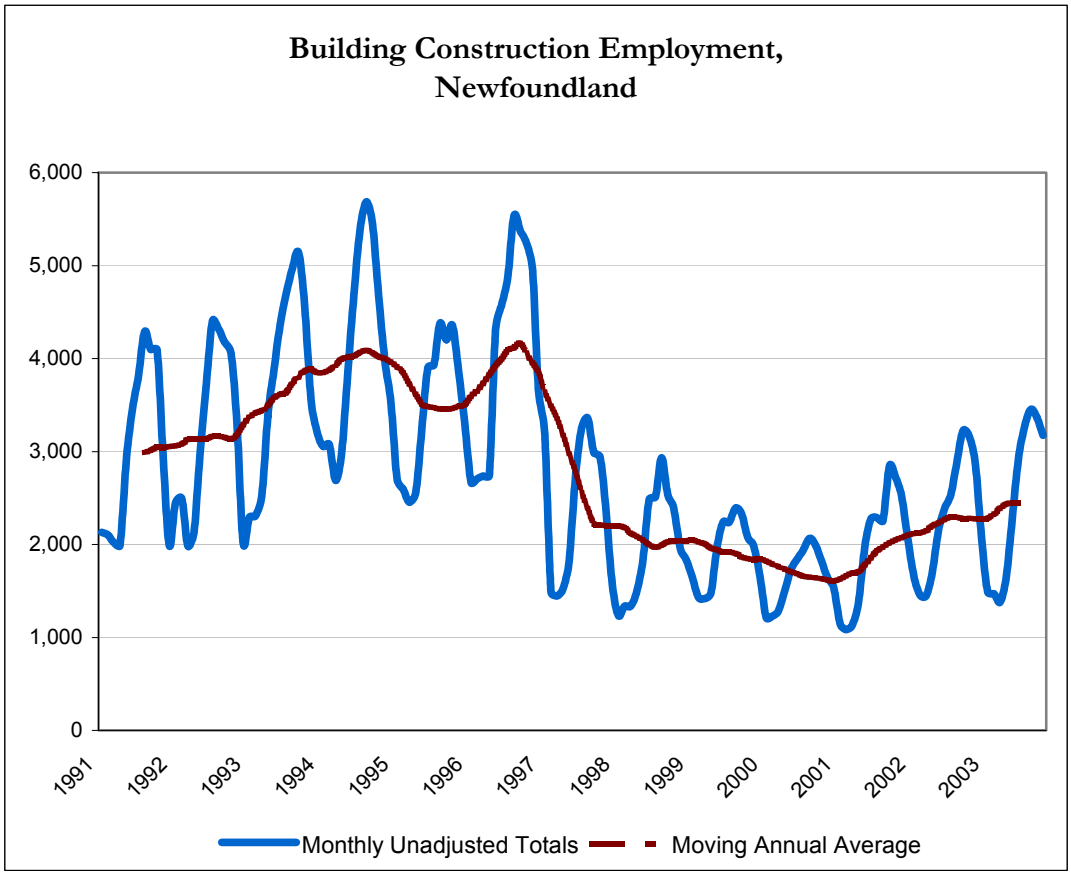


Table 8 shows that on average, since 1991, the most active month in terms of employment for the building construction activity has been August, when employment averages 33% higher than the annual

[2] Building construction includes both residential and non-residential building.

average. Over this same time period, March has been the month with the least activity, with employment at 66% of annual averages. The ratio of peak activity to low activity is just over two; in other words, there is more than twice the number of workers in the industry in August as there are in March in a typical year.

Table 8

MONTHLY EMPLOYMENT AS PERCENTAGE OF ANNUAL AVERAGE EMPLOYMENT,
BUILDING CONSTRUCTION INDUSTRY
NEWFOUNDLAND AND LABRADOR
1991-2003

Month	Percentage
January	73%
February	67%
March	66%
April	74%
May	96%
June	115%
July	123%
August	133%
September	131%
October	125%
November	107%
December	85%

Source: Statistics Canada Survey of Employment, Payroll and Hours

2.3 Unemployment

2.3.1 Unemployment in the Construction Trades – Changes from 1991 to 2001

Table 9 shows that the unemployment rate for the designated construction trades was 43% in 2001, down from 54% in 1991. The unemployment rate for all occupations in Newfoundland and Labrador in 2001 was 19%. Census data reflect labour force activity in the week before Census day in May. For this reason, unemployment rates may reflect the degree of seasonality in occupations being examined.

There is a very high degree of error in the unemployment rates by trade due to the small numbers of unemployed at the trade level. The data do indicate, however, that unemployment dropped for most trades. Rates for plumbers, construction electricians and refrigeration and air conditioning mechanics appear to have experienced significant declines.

Table 9

UNEMPLOYMENT RATES, NEWFOUNDLAND AND LABRADOR

	1991	2001
All Occupations	25%	19%
H015.7215 Contractors, Carpentry Trades	36%	46%
H111.7251 Plumbers	44%	15%
H121.7271 Carpenters	53%	44%
H122.7272 Cabinetmakers	17%	15%
H131.7281 Bricklayers	59%	56%
H132.7282 Concrete Finishers	38%	55%
H133.7283 Tilesetters	71%	0%
H134.7284 Drywall Installers and Finishers	71%	52%
H141.7291 Roofers and Shinglers	43%	50%
H142.7292 Glaziers	42%	40%
H143.7293 Insulators	52%	35%
H144.7294 Painters and Decorators	61%	43%
H145.7295 Floor Covering Installers	33%	26%
H211.7241 Construction Electricians	47%	22%
H413.7313 Refrigeration and AC Mechanics	18%	7%
H531.7441 Residential and Commercial Installers	43%	37%
All occupations	62%	54%
Totals	54%	43%

Source: 1991 and 2001 Census

2.3.2 Trends in Unemployment for the Construction Trades, 1987-2002

According to the Labour Force Survey, the unemployment rate for construction trades is both higher and more variable than unemployment rates for the entire labour force. Table 10 shows that between 1987 and 2002, the unemployment rate for construction trades varied from 29% to 46%, compared to 16% to 20% for all occupations. The average unemployment rate from 1987 to 2002 was over twice the average for all occupations.

The construction trades unemployment rate fell to lows in 1989, 1994, and in 2001, but Labour Force Survey data show the rate climbing again in 2002 at 39% of the workforce. The average unemployment rate for construction trades for the past five years is three percentage points lower than the average since 1987.

Table 10

Unemployment Rates, Newfoundland 1987-2002			
Year	Total, All Occupations	Trades, Transport and Equipment Operators and Related Occupations	Construction Trades
1987	18%	22%	37%
1988	16%	20%	33%
1989	16%	22%	29%
1990	17%	23%	38%
1991	18%	24%	40%
1992	20%	26%	44%
1993	20%	27%	46%
1994	20%	25%	34%
1995	18%	20%	39%
1996	19%	25%	43%
1997	19%	23%	41%
1998	18%	22%	37%
1999	17%	22%	34%
2000	17%	20%	35%
2001	16%	21%	32%
2002	17%	23%	39%
1987-2002 average	18%	23%	38%
1998-2002 average	17%	22%	35%

Source: Statistics Canada, LFS

2.3.3 Employment Insurance Beneficiaries in 2001

Another indicator of unemployment is the number of employment insurance (EI) claims filed by workers. According to HRDC, there were 8,438 Employment Insurance beneficiaries in construction trades examined in Newfoundland in 2001. This amounts to over two-thirds the Census labour force in these occupations in that year. By comparison, the number of EI beneficiaries as a proportion of the overall labour force was 15% in 2001. In other words, a construction worker was over four times more likely to apply for Employment Insurance than other members of the labour force.

Table 11 shows that trades labourers had more beneficiaries in 2001 than the number of people in the Census labour force in 2001. Other occupations with relatively high levels of beneficiaries include: roofers and shinglers, bricklayers, concrete finisher and tile-setters. Most of the construction trades examined had levels of beneficiaries as a proportion of the labour force that was over twice as high as the provincial average.

Table 11

EMPLOYMENT INSURANCE BENEFICIARIES
NEWFOUNDLAND AND LABRADOR CONSTRUCTION TRADES

Code	Occupations	Number of Beneficiaries, 2001	Percent of Census Labour Force, 2001
7215	Contractors, Carpentry Trades	108	39%
7251	Plumbers	69	20%
7271	Carpenters	1,425	36%
7272	Cabinet-makers	17	8%
7281	Bricklayers	65	33%
7282	Concrete Finishers	40	40%
7283	Tile-setters	5	26%
7284	Drywall Installers and Finishers	117	56%
7291	Roofers and Shinglers	106	59%
7292	Glaziers	12	12%
7293	Insulators	88	47%
7294	Painters and Decorators	194	32%
7295	Floor Covering Installers	21	12%
7241	Construction Electricians	317	33%
7441	Residential and Commercial Installers	81	29%
7611	Construction Trades Labourers	5,773	152%
	All Construction Trades Examined	8,438	72%
	All Newfoundland Occupations	33,839	15%

Source: 2001 Census, HRDC

2.3.4 Trends Employment Insurance Beneficiaries, 1995-2002

Table 12 shows that the number of Employment Insurance (EI) beneficiaries in construction trades dropped from 12,601 in 1995 to 8,608 in 1996. It remained in the 8,000 – 10,000 range from 1997 to 2002.

Table 12

NUMBER OF EI BENEFICIARIES
NEWFOUNDLAND AND LABRADOR CONSTRUCTION TRADES

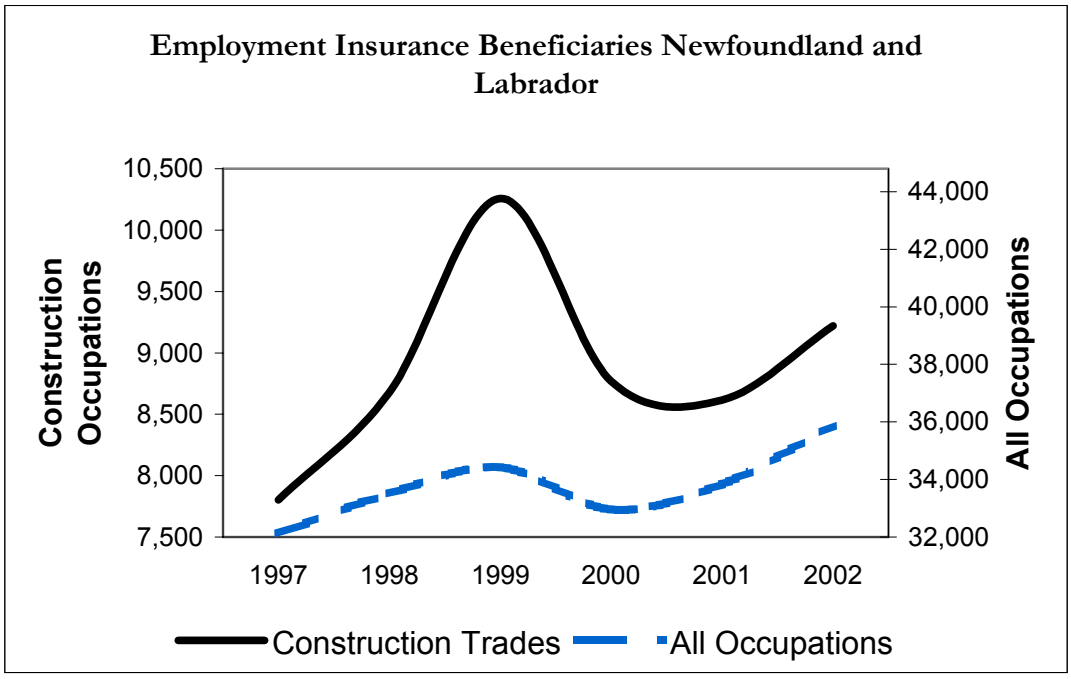
Year	Number of EI Beneficiaries
1995	12,601
1996	8,608
1997	7,803
1998	8,678
1999	10,257
2000	8,770
2001	8,438
2002	9,220

Source: HRDC

The pattern for EI beneficiaries for all occupations in Newfoundland was similar to that of the construction trades. However, the changes in the rates for construction occupations were relatively larger. The number of EI beneficiaries for construction trades, for example, was 31% higher in 1999 than 1997, compared to 7% for all occupations. Between 1999 and 2000, construction beneficiaries fell by 14% compared to all occupations falling 4%.

Overall, EI beneficiaries in construction trades rose by 18% between 1997 and 2002, while all beneficiaries rose by 12%. The trend in the number of EI beneficiaries in construction trades compared to all occupations is illustrated in Figure 3.

Figure 3



2.4 Job Vacancies

2.4.1 Job Vacancies in 2001

One indicator of the demand for workers in various trades is found in the number of job orders placed by employers with HRDC. Table 13 shows that there were 3,105 job orders placed for construction trades with HRDC in 2001. Overall, there were 12,574 orders placed for all occupations in Newfoundland in 2001. Job orders represented 26% of the labour force for construction trades and 5% of the labour force for all occupations.

Carpenters and construction trades labourers had the largest number of job orders. Although these groups also have relatively large numbers of workers, the job orders also were large when expressed as a portion of the labour force.

Table 13

JOB ORDERS, NEWFOUNDLAND CONSTRUCTION TRADES, 2001			
Code	Occupations	Number of Job Orders, 20013	Percent of Census Labour Force, 2001
7215	Contractors, Carpentry Trades	369	132%
7251	Plumbers	19	6%
7271	Carpenters	721	18%
7272	Cabinetmakers	4	2%
7281	Bricklayers	5	3%
7282	Concrete Finishers	0	0%
7283	Tile-setters	1	5%
7284	Drywall Installers and Finishers	44	21%
7291	Roofers and Shinglers	5	3%
7292	Glaziers	2	2%
7293	Insulators	5	3%
7294	Painters and Decorators	32	5%
7295	Floor Covering Installers	4	2%
7241	Construction Electricians	44	5%
7441	Residential and Commercial Installers	33	12%
7611	Construction Trades' Helpers and Labourers	1,817	48%
	All Construction Trades Examined	3,105	26%
	All Newfoundland Occupations	12,574	5%

Source: HRDC, 2001 Census

[3] Data covers November 2000 to October 2001

2.4.2 Trends in Job Vacancies, 1998-2001

Table 14 shows that job orders for construction trades workers placed by employers with HRDC averaged about 3,150 between 1998 and 2001. Job orders peaked at 4,747 in 1999, declined to 2,564 in 2000 rose again to 3,105 in 2001.

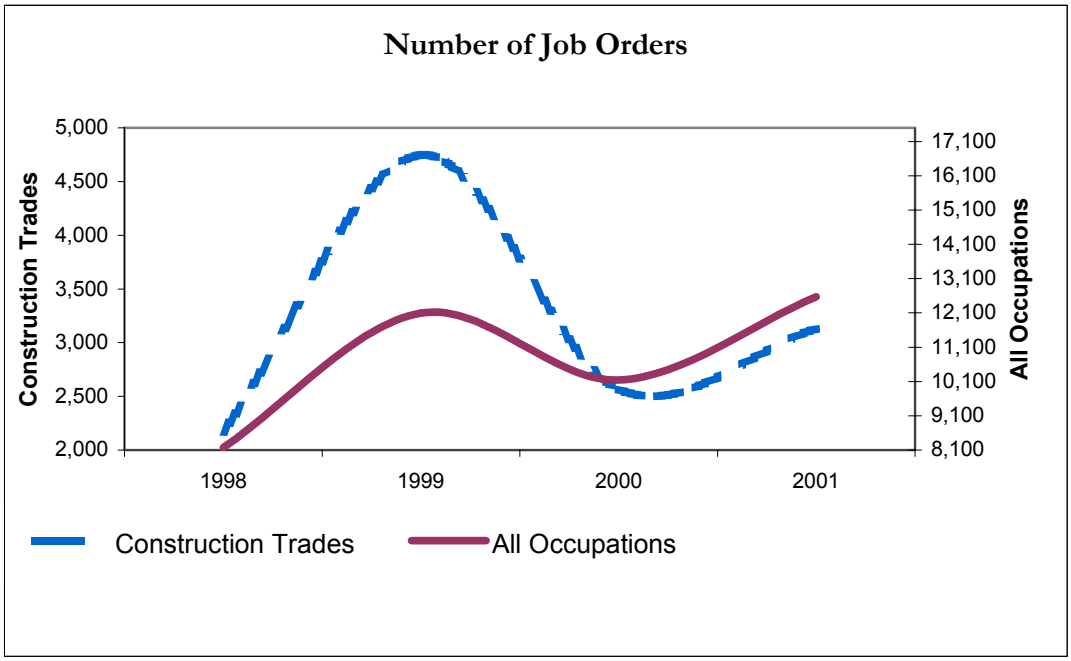
Table 14

Number of Job Orders, Newfoundland and Labrador Construction Trades	
Year	**Number of Job Orders**
1998	2,169
1999	4,747
2000	2,565
2001	3,105

Source: HRDC, PRAXIS Research

As in the Employment Insurance Beneficiary data, the pattern in the growth of job orders for construction trades between 1998 and 2001 was similar to that for all occupations. As with the EI beneficiaries, however, the relative changes were larger for the construction occupations examined. Between 1998 and 1999, for example, the number of job orders more than doubled compared to 50% increase percent for all occupations. These patterns are illustrated in Figure 4.

Figure 4

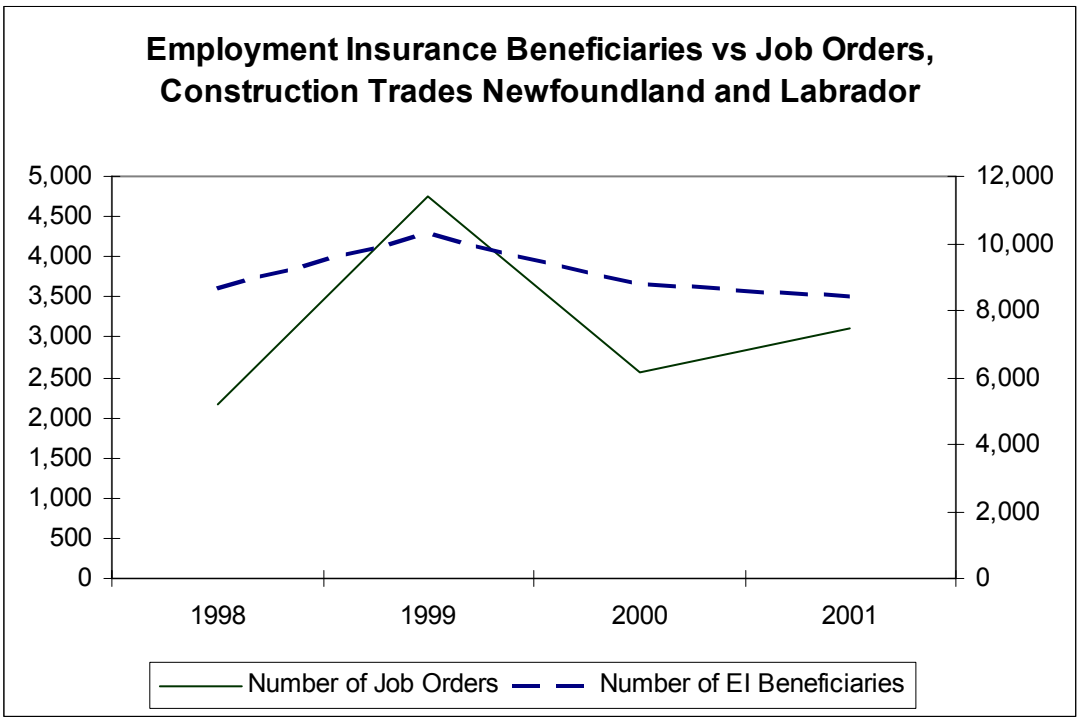


2.5 Comparative Trends in Job Vacancies and Employment Insurance Beneficiaries, 1995-2002

It is interesting to compare the changes in the number of EI beneficiaries over time to the number of job orders over the same time period. As shown in Figure 5, the two indicators have tended to rose and fell together in 1999 and 2000 although the proportional change in the number of job orders was much larger than that in the number of EI beneficiaries.

The number of job orders increased in 2001 while the number of EI beneficiaries decreased. The fact that the indicators moved in the same direction in two out of three years may indicate that periods of increased construction activity may result in increases in the number of employers looking for workers and the number of construction workers becoming eligible for EI after finding short term work assignments.

Figure 5



The ratio of EI beneficiaries to job orders may provide an indication of the balance between the demand for and supply of labour. Table 15 shows that no obvious trend is apparent over the four years for which both Job Order and EI Beneficiary data are available. In 1998 and 2000, the ratio of EI beneficiaries to Job Orders was relatively high compared to the years 1999 and 2001. When this ratio is high, employers may find it easier to find qualified workers, and/or there may be less upward pressure on wages than when this ratio is low.

Table 15

EI Beneficiaries/Job Orders, Newfoundland and Labrador Construction Trades	
1998	4.0
1999	2.2
2000	3.4
2001	2.7

Source: HRDC, PRAXIS Research

The ratio of EI beneficiaries in relation to Job Orders for the labour force as whole from 1998 to 2001 was compared to the ratio for construction trades as a whole and for two key occupations: carpenters and trades labourers. EI beneficiaries and Job Orders accounted for a much smaller proportion of the labour force for all occupations in Newfoundland and Labrador compared to construction trades in all years.

The ratio of EI beneficiaries and Job Orders for these four groups was, however, very similar through the entire 1998-2001 period. This may indicate that the balance between demand and supply in all of these groups was similar from 1998 to 2001. These trends are illustrated in Figure 6 below.

Figure 6

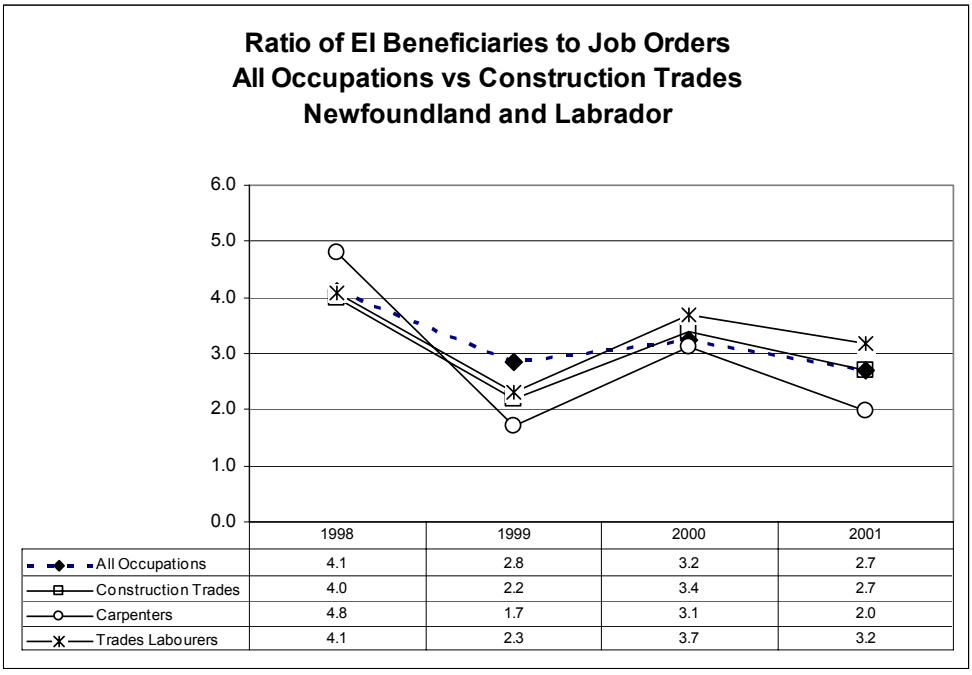


Figure 6 shows that the four groups experienced a similar trend from 1998 to 2001. The ratios for all groups dropped significantly[4] over the period with the entire decline occurring in 1999. This implies that the demand for labour may have increased relative to the supply after 1998 and that labour market conditions may have tightened of for all occupational groupings[5]. The data indicate that the tightening may have been greatest for carpenters with the ratio for this occupation declining by about 60% and least for trades labourers for which the ratio dropped by 22%.

[4] The weighted average decline for all four groups was 38%.

[5] These data should be interpreted cautiously for a number of reasons. First, the numbers are small and statistical error will be high. Second, the proportion of HRDC job orders to actual vacancies may vary by occupation. Third, the time series only covers four years and the decline occurred in only one of these years. A longer time series would have supported more definite conclusions about the balance of the labour market.

3.0 Industry Growth and Seasonality

3.1 Growth in Gross Domestic Product (GDP)

Table 16 shows that real (inflation adjusted) Gross Domestic Product (GDP) for the residential construction industry has grown by over 50% since 1981, for an average annual growth rate of approximately 2%. Growth has not been steady, however. GDP in residential construction climbed to a peak of $723 million in 1989, fell to $415 million in 1995 and rose to $706 million in 2002. Industry growth rates have averaged 8% annually since 1995 and 7% annually over the past five years.

Table 16

GDP ESTIMATES FOR RESIDENTIAL STRUCTURES
NEWFOUNDLAND AND LABRADOR, MILLIONS OF CONSTANT 1997 $

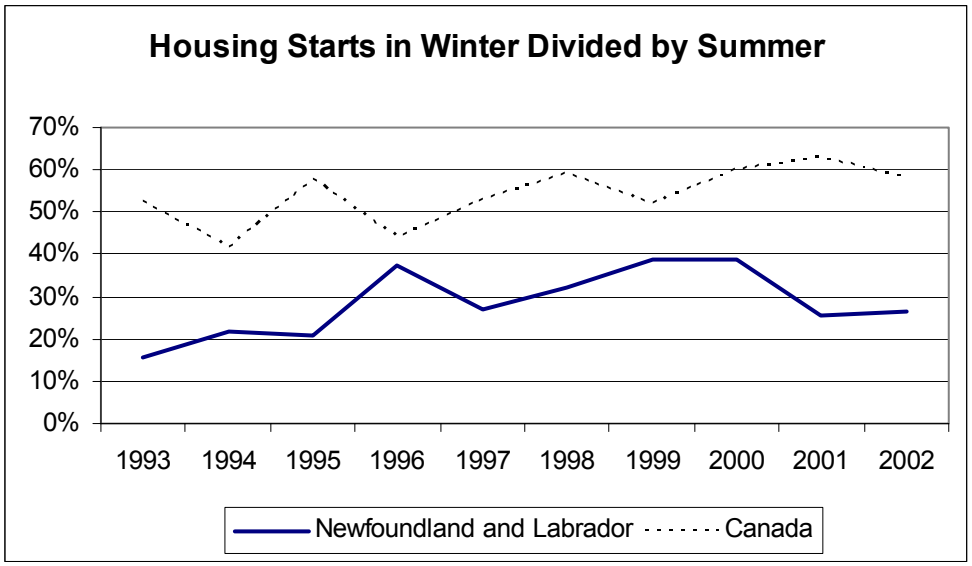
Year	GDP Estimates
1981	451
1982	433
1983	498
1984	477
1985	513
1986	530
1987	510
1988	639
1989	723
1990	690
1991	580
1992	488
1993	495
1994	517
1995	415
1996	433
1997	498
1998	503
1999	509
2000	552
2001	614
2002	706

Source: Statistics Canada

3.2 Seasonality

Monthly data on single detached housing starts were examined to assess the degree of seasonality in the residential construction industry and changes in seasonality over the last ten years. Average monthly starts in the winter months of December through March were divided by average starts in the summer months of May through August. A percentage of winter activity to summer activity is calculated from this division. An increasing percentage over time would indicate a decrease in seasonality. Monthly housing starts in Newfoundland and Labrador, and for Canada as a whole, were examined over the period 1993-2002. The trends in seasonality are illustrated in Figure 6.

Figure 7



Source: Statistics Canada, CANSIM Table 027-00011

The data shows that seasonality was almost twice as high in Newfoundland and Labrador than for Canada as a whole over the 1993-2002 period. Housing starts in winter in Canada over the entire ten-year period were 54% of those in the summer for Canada as a whole compared to 28% for Newfoundland and Labrador.

The degree of seasonality in Newfoundland and Labrador declined significantly in the mid to late 1990s compared to earlier in the decade. Housing starts in winter rose from 24% of those in the summer from 1993-1996 to 35% from 1997-2000. The degree of seasonality seems to have increased again in 2001 and 2002 when housing starts in winter were 26% of those in the summer.

4.0 Wages and Earnings

4.1 HRDC Wage Survey

HRDC regularly researches wage rates paid for selected occupations in Newfoundland and Labrador, through examination of union contracts, job postings, surveys of employers and union officials. According to HRDC, wage rates for construction occupations varied from $9.35 per hour for floor covering installers at the low end of the scale to $18.61 per hour for plumbers at the high end of the scale. HRDC reports a range of wages for each occupation analyzed, indicating differences in pay rates among individual employers.

The wage rates for selected occupations as of the summer of 2003 are presented in Table 17.

Table 17

CURRENT WAGE RATES, SELECTED CONSTRUCTION OCCUPATIONS

NOC Code	Occupation Title	High Wage	Low Wage
7241	Electricians (Except Industrial and Power System)	$17.73	$10.62
7251	Plumbers	$18.61	$9.76
7271	Carpenters	$14.92	$11.36
7281	Bricklayers	$14.87	$12.93
7295	Floor Covering Installers	$10.80	$9.35

Source: Human Resources Development Canada

4.2 Employment Income

Table 18 shows that, according to the 2001 Census, the average employment income for all workers over the age of 15 in Newfoundland was $24,575. Three construction trades exceeded this average: construction electricians, plumbers and insulators. All other trades earned incomes in 2000 that were below the provincial average. Construction trades labourers earned the lowest average annual incomes at $13,304 while carpenters earned $18,139.

The Census employment income data include income earned by individuals from all occupations that they may have worked in at some point in 2000.

Table 18

POPULATION 15 YEARS AND OVER WHO WORKED IN 2000 NEWFOUNDLAND AND LABRADOR 2000 AVERAGE EMPLOYMENT INCOME	
Category	**Average Employment Income**
H015.7215 Contractors, Carpentry Trades	$22,479
H211.7241 Construction Electricians	$32,407
H111.7251 Plumbers	$28,266
H121.7271 Carpenters	$18,139
H122.7272 Cabinetmakers	$14,884
H131.7281 Bricklayers	$16,359
H132.7282 Concrete Finishers	$21,768
H133.7283 Tile-setters	$22,482
H134.7284 Drywall Installers and Finishers	$16,861
H141.7291 Roofers and Shinglers	$15,101
H142.7292 Glaziers	$17,089
H143.7293 Insulators	$32,541
H144.7294 Painters and Decorators	$17,255
H145.7295 Floor Covering Installers	$20,977
H531.7441 Residential and Commercial Installers	$14,838
H821.7611 Construction Trades Labourers	$13,304
Total Labour Force	$24,575

Source: 2001 Census

4.3 Wage Rate Trends

Table 19 shows that wages in the building construction industry[6] increased in the last couple of years, reversing a downward trend in wages that occurred over the 1995-2000 period. The Survey of Employment Payroll and Hours conducted by Statistics Canada shows that hourly wage rates in the building construction industry declined from $17.74 per hour in 1995 to the $13.50 per hour range in 1999 to 2001 before jumping to $15.43 per hour in 2002.

Wages in building construction dropped relative to those in forestry and manufacturing over the 1995-2002 period. In 1995, wages in forestry were $18.23 per hour – slightly (3%) higher than in building

[6] Building construction includes both residential and non-residential building. Wage rates reflect therefore aggregate levels for both sectors of the building construction industry.

construction. By 2002, wages in forestry were $26.07 per hour or 69% higher than in building construction.

Wages in manufacturing averaged $12.47 per hour in 1995 or 30% below those in building construction. By 2002, wages in manufacturing increased to $14.01 per hour – 9% above those in building construction.

These data indicate that, despite increases in the past couple of years, wage rates in the building construction industry in Newfoundland and Labrador decreased since the mid-1990s, both in an absolute sense and relative to those in other important industries.

Table 19

AVERAGE HOURLY EARNINGS FOR EMPLOYEES PAID BY THE HOUR ANNUAL (DOLLARS)
NEWFOUNDLAND AND LABRADOR

Year	Forestry and Logging [113]	Building Construction [2312]	Manufacturing [31-33]
1993	$18.12	$16.09	$13.52
1994	$19.48	$15.58	$13.26
1995	$18.23	$17.74	$12.47
1996	$21.59	$16.55	$13.50
1997	$19.53	$15.74	$14.11
1998	$17.46	$15.27	$14.26
1999	$18.63	$13.41	$13.78
2000	$22.33	$13.50	$13.68
2001	$23.05	$13.53	$14.15
2002	$26.07	$15.43	$14.01

Source: Statistics Canada, Survey of Employment, Payroll and Hours

4.4 Construction Wages vs. Wages in Other Provinces

Table 20 shows that building construction wages in Newfoundland and Labrador were higher than those in three other provinces chosen for comparison from 1991-1996. In 1997, wages in Newfoundland and Labrador fell below those in Alberta and in 1998 they fell below those in PEI. Wages in Newfoundland and Labrador were the lowest of any of the provinces shown in the table over the 1999-2002 period. In 2002, wages in Newfoundland were 2% below those in PEI, 8% below Nova Scotia and 26% below those in Alberta.

Table 20

Average Hourly Earnings for Employees Paid by the Hour Building Construction Industry				
Year	Newfoundland & Labrador	Prince Edward Island	Nova Scotia	Alberta
1991	$ 13.89	$ 14.19	$ 13.80	$ 14.97
1992	$ 16.03	$ 13.87	$ 14.18	$ 13.63
1993	$ 16.09	$ 14.00	$ 14.32	$ 14.32
1994	$ 15.58	$ 14.45	$ 13.46	$ 14.77
1995	$ 17.74	$ 13.70	$ 13.73	$ 14.79
1996	$ 16.55	$ 14.63	$ 13.79	$ 14.99
1997	$ 15.74	$ 15.07	$ 14.45	$ 17.36
1998	$ 15.27	$ 17.50	$ 14.77	$ 17.06
1999	$ 13.41	$ 16.57	$ 15.07	$ 18.89
2000	$ 13.50	$ 17.57	$ 15.41	$ 19.60
2001	$ 13.53	$ 14.68	$ 15.93	$ 20.17
2002	$ 15.43	$ 15.76	$ 16.83	$ 20.91

Source: Statistics Canada