

Ministry of Forests, Lands, Natural Resource Operations and Rural Development

Multiple Employment Estimates

There are three main types of employment estimates¹ for the forest sector: Labour Force Survey (LFS), Survey of Employment Payrolls and Hours (SEPH), and System of National Accounts (SNA).

The LFS is a monthly survey of roughly 6,500 B.C. households out of nearly 2 million (0.3%). It is released near the start of each month.

- It "provides a broader picture of employment, including employment in agriculture and the number of self employed." (Source). It also measures unemployment.
- Since it is the timeliest release on employment, it tends to be most widely quoted. This timeliness also makes it a useful leading indicator.
- The LFS offers employment by Development Region and industry. However, the more detailed the estimates are by Development Region and industry, the less reliable they become.
- The LFS tends to be the upper estimate of the three employment estimates as it reflects all employment.

The SEPH is also a monthly survey. Compared to LFS, SEPH is delayed roughly by two months. SEPH captures only payroll employees and excludes self-employed and agriculture. This could potentially be a major setback for employment estimates forestry and logging, but probably less of an issue for most forest product manufacturing. SEPH is usually the lowest employment estimate.

SNA estimate is based on multiple employment sources, including the LFS and SEPH, and is part of the Canadian System of Macroeconomic Accounts (CSMA). SNA is considered the most robust estimate since it is based on multiple sources and incorporates cross sector checks. SNA estimate is released annually in the following year, making it the least timely source.

- "Because these accounts [CSMA] all use a common set of definitions, concepts and classifications, and are explicitly
 related to each other, they form an integrated system. As a result, the economic stories assembled from the CSMA
 statistics are coherent and credible. The latter reflects the enhanced quality inherent in an integrated system"
 (Source).
- This is the data source that forms the foundation of Input-Output Models, including BC's model.

Based on the SNA, B.C. forest sector employment decreased to 51,835 in 2019. In the 2019 data release there was a downward revision to historical data (~700 for 2018).



Figure 1: B.C. Forest Sector Direct Employment: System of National Accounts

Source: Statistics Canada System of National Accounts (SNA); Table 14-10-0202-01.

¹ Source: Statistics Canada -Comparing SEPH and LFS, System of National Accounts.



According to the SEPH, B.C. forest sector direct employment decreased to 50,599 in 2019. As explained above, the SEPH survey only covers employees on payrolls, and omits self-employed people.





Source: Statistics Canada Survey of Employment, Payrolls and Hours (SEPH): Table 36-10-0489-01.

In contrast to both the SNA and SEPH employment estimates, which show that forest employment decreased by roughly 2,000 jobs from 2018 to 2019, the LFS reports a larger decline (~4,000 jobs) in forest employment in 2019 at 46,100 jobs.



Figure 3: B.C. Forest Sector Direct Employment: Labour Force Survey

Source: Statistics Canada Labour Force Survey (LFS) data via <u>B.C. Stats</u> (British Columbia Employment by Detailed NAICS Industry). The LFS samples 6,500 of B.C.'s roughly 2 million households (0.3% of households).

https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/forest-industry-economics