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A TALE OF TWO PROVINCES: JOB CHANGES IN THE LAST DECADE

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Introduction

Alberta and British Columbia, provincial neighbors, have had close trade, investment and social ties for many generations. Over the past decade their residents have learned together that job markets can change abruptly. Ten years ago, it was hardly anticipated that within a few years these provinces would experience a boom in employment opportunities that rivaled the conditions of the late 1970s and was followed by a decline comparable to the bust in the early 1980s.

The job outlook shapes the expectations of households. As job openings multiply, people's firmly held beliefs are continuously revised as households embrace more risk. After all, accelerated employment growth means higher rates of migration to the province, so why not invest in a second housing unit that can be flipped when the 'inevitable' rise in housing prices occurs? But when the boom ends and jobs evaporate, households revamp their thinking. Preserving what one has trumps expansion; and general caution rules the day.

Job growth and employment levels are often measured by monthly surveys. Typically the surveys measure responses from households or, alternatively, the information can come from a survey of employers. In the US, the American Bureau of Labor Statistics evaluates monthly changes in the US labour market using both tools: it uses the unemployment rate measured at the household level and changes in employment from the establishment survey.

In Canada the survey of households, known as the Labour Force Survey (LFS), receives the most press in part because of its timeliness; it is released the first or second Friday of each month and reports on job markets for the previous month. In contrast the survey of employers, known as the Survey of Employment Payroll and Hours (SEPH), is released during the last week of the month and reports on employment two months earlier. (See Appendix 1 for more detail.)

This Report uses data provided by employers through SEPH supplemented in certain instances by data from the LFS to see how the provincial employment scene has evolved. To do this, the decade is separated into three sub-periods: (1) Job Growth from 2000 to August 2008; (2) Job Loss from August 2008 to August 2009; and (3) the continual Job Recovery from August 2009.

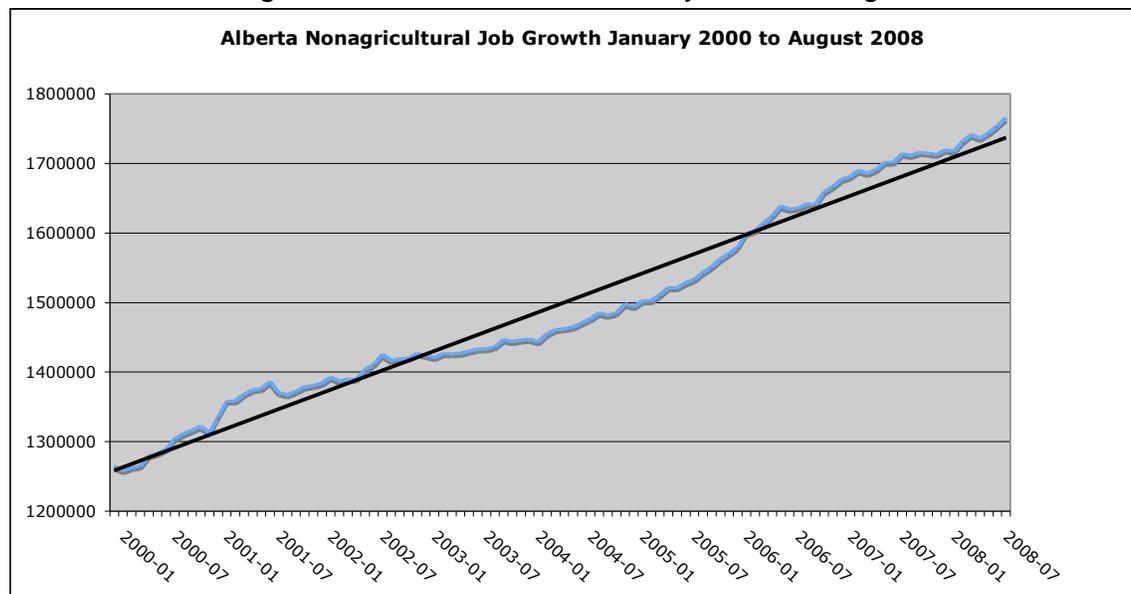
The Period of Job Growth

The years of job growth during the decade are taken from 2000 through the peak in the total job cycle in August of 2008. In this time frame, the two Western provinces together created approximately 900,000 jobs—an impressive average of 100,000 per year, with all that implies in terms of demographic and social change.

Figure 1, below, records Alberta non-agricultural job growth together with a fitted trend line. The linear trend amounting to a monthly growth in jobs of some 4,500 fits the data quite well. However, there were months of growth above trend, most notably in 2001 and again from the beginning of 2006 to the peak, while in 2003 and 2004 growth was below trend but accelerated in 2005. With respect to the composition of growth, the rate in the Alberta non-agricultural Goods sector was more rapid than in Services so that by the cyclical peak, the Goods sector share had actually increased. This contrasts markedly with the experience of increasing Service shares in British Columbia and, for comparison, also in Ontario, while the Service sector remained a constant share in Saskatchewan.

Alberta and British Columbia experienced contrasting Service employment growth: Alberta Goods sector employment increased at an annual rate of 4.9% or four times the British Columbia rate of 1.2%; the Service sector in Alberta grew at a rate of 3.4%, slightly above British Columbia's rate of 2.8.

Figure 1. Alberta Non-agricultural Job Growth, January 2000 to August 2008



Source: Adapted from Cansim II, Table 2810025.

Job Growth: The Goods Sector

The growth in the Alberta Goods sector amounted to 148,000 jobs. When this job gain is multiplied by Goods sector average weekly earnings in August 2008 (including overtime) of \$1,286, an additional \$9.9 billion was added to wage and salary related spending power in the economy annually.

Rates of annual growth across the Goods sector and the absolute increases in employment during this period are displayed in Table 1, below. Construction and the Mining, Oil and Gas sectors accounted for the great bulk of job growth. Most of the rest was accounted for by Non-durable manufacturing.

Table 1: Alberta Goods Sector Employment Growth, January 2000 to August 2008

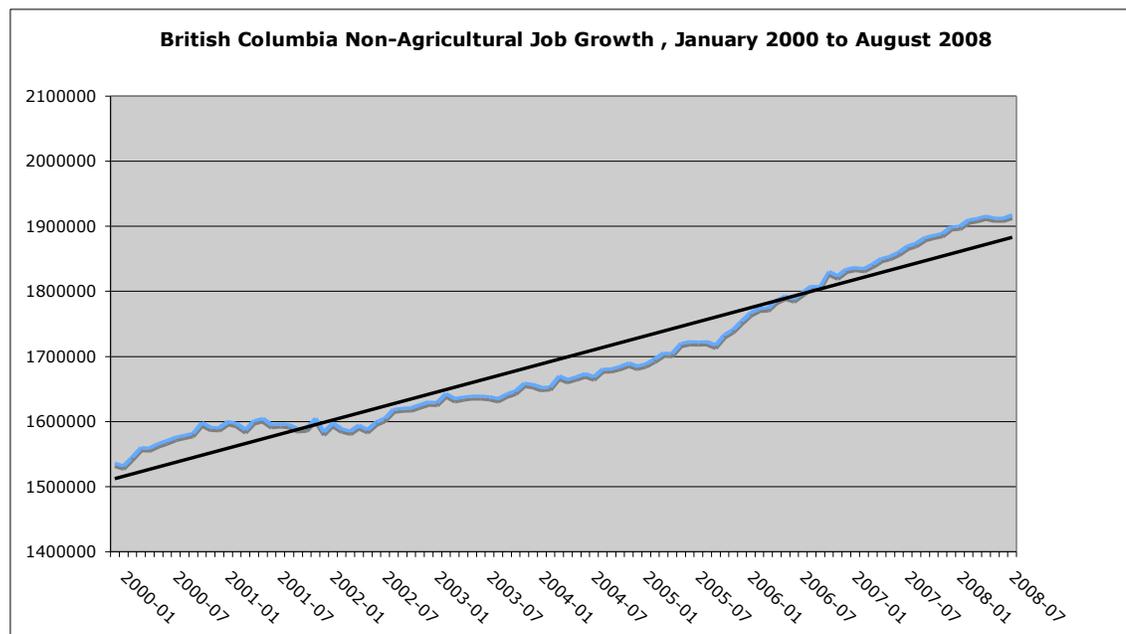
Alberta	% Rate of Growth	Jobs Created, (thousands)
Forestry*	2.3	-0.2
Mining, Oil & Gas	3.1	54.7
Utilities	7.8	3.3
Construction	1.4	79.8
Durable Manufacturing	0.4	5.6
Non-durable Manufacturing	2.2	14.8

*The peak employment in forestry employment was reached a year earlier and coincided with collapse in the US housing market.

Source: Adapted from Cansim II, Table 2810025.

Figure 2, below, records growth in British Columbia together with a fitted trend line which implies a monthly growth in jobs of some 3,600. As in Alberta, there were months of growth above trend, most notably in 2006 and again from the beginning of 2006 to the peak. In the 18 months commencing in 2001, growth was flat, while in 2003 and 2004 growth was below trend but accelerated in 2005. In fact, the profile of total employment growth looks remarkably similar for the two provinces.

Figure 2. British Columbia Non-Agricultural Job Growth, January 2000 to August 2008



Source: Adapted from Cansim II, Table 2810025.

The similarity in the growth profile is largely because of expansion in the highly dominant Service sector in British Columbia, which offset an initial loss of 35,000 jobs through the summer of 2003 before a gain of 60,000 over the ensuing years. The experience within the Goods component was very diverse with two sectors—Mining, Oil and Gas and Construction—recording steady growth while Durable and Non-durable Manufacturing, Forestry and Utilities accounted for the 2003-2004 aggregate decline. In fact, job loss occurred in the Forestry sector throughout the entire period. The job change rate and the change in the number of jobs within the British Columbia Goods sector over the period is shown in Table 2, below. Whatever growth occurred is attributable mainly to Construction and, to a lesser extent, Mining, Oil and Gas, effectively bringing about a reorientation of the sector.

Table 2: British Columbia Goods Sector Employment Growth, January 2000 to August 2008

British Columbia	% Rate of Growth	Jobs Created, (thousands)
Construction	7.4	54.1
Mining, Oil, & Gas	7.1	7.0
Utilities	1.0	0.3
Durable Manufacturing	-0.7	-17.0
Non-durable Manufacturing	-1.4	-12.2
Forestry	-9.1	-17.2

Source: Adapted from Cansim II, Table 2810025.

Job Growth: The Service Sector

Considering the Alberta Service sector, the number of jobs grew by 352,000 amounting to an annual rate of 3.4%. The distribution of this growth across fourteen Service sectors is shown in Table 3, below.

Table 3: Alberta Service Employment Growth, January 2000 to August 2008

Alberta	% Rate of Growth	Jobs Created, (thousands)
Management of Companies	7.3	9.3
Admin. Support, Waste Mgt., Remedial	5.4	32.8
Professional, Scientific, Technical	5.0	41.1
Retail	4.0	70.3
Finance, Insurance, Real Estate	3.8	25.8
Other Services	3.7	18.5
Public Administration	3.7	32.7
Accommodation, Food Services	2.6	32.3
Health and Social Assistance	2.5	21.1
Education	2.5	33.6
Transport and Warehousing	2.2	12.4
Wholesale	2.0	14.8
Information and Cultural	2.0	7.4
Arts, Entertainment, Recreation	1.4	0.7

Source: Adapted from Cansim II, Table 2810025

Two service sector activities, Retail and Professional, Scientific and Technical Services, had growth rates above the service sector average and created the most jobs. These activities were followed by several others where job growth was almost as striking. In fact, then, when Service sector growth is coupled with the Goods sector, 500,000 Service jobs were created over this

period, a growth rate far in excess of the Canadian average and first among the provinces.

In British Columbia, almost all paid employment growth was in Services, with total numbers amounting to 366,000 at an annual average growth rate of 2.8%. Sectoral growth is shown in Table 4, below. Several sectors recorded job increases of more than 40,000 with Retail far the largest.

A comparison with Alberta shows that in both provinces certain components grew strongly including Retail, Administrative Support, and Public Administration. Sectors below average growth in both provinces were Education, Health and Social Assistance, Information and Cultural Activities, Transport and Warehousing and Wholesaling. Some of these sectors provide essential infrastructure which is subject to increased pressure in a rapidly growing economy.

Table 4: British Columbia Service Employment Growth, January 2000 to August 2008

British Columbia	% Rate of Growth	Jobs Created (thousands)
Admin. Support, Waste Mgt, Remedial	7.4	40.4
Public Administration	4.9	46.9
Retail	4.2	87.0
Arts, Entertainment, Recreation	3.8	9.9
Accommodation, Food Services	2.9	43.8
Professional, Scientific, Technical	2.6	26.2
Transport and Warehousing	1.9	17.0
Management of Companies	1.9	4.3
Wholesale	1.8	12.6
Other Services	1.8	7.1
Health and Social Assistance	1.6	29.9
Finance, Insurance, Real Estate	1.6	13.5
Education	1.3	12.8
Information and Cultural	1.2	5.2

Source: Adapted from Cansim II, Table 2810025

Job Growth: Establishment Sizes: How They Grew

A further perspective on job growth is its distribution across enterprises of different sizes. For this purpose, three classes of establishment were used: small units with less than 100 employees; medium sized units of from 100 up to 299 workers; and large establishments with 300 or more employees. Table 5, below, reports the trend rate of growth in employees in the respective establishments together with the total increase in jobs offered in the period from the first quarter of 2000 to the third quarter of 2008.

Employee growth rates in medium and larger size enterprises were substantially higher than in smaller units. However, these smaller units did account for just under one-third of the some half million jobs that were created.

Table 5: Alberta Growth and Job Change by Selected Enterprise Size from 2000 (Quarter 1) to 2008 (Quarter 3)

	% Rate of Growth	Jobs Created (thousands)
Less than 100 employees	2.9	156.8
100-299 employees	4.2	55.3
300 or more employees	4.3	284.0

Source: Adapted from Cansim II Table 2810041 with data seasonally adjusted by the Western Centre for Economic Research.

The British Columbia experience is shown in Table 6, below, where rates of growth were more uniform than in Alberta and larger size enterprises accounted for less than half of the growth that occurred.

Table 6: British Columbia Growth and Job Change by Selected Enterprise Size from 2000 (Quarter 1) to 2008 (Quarter 3)

	% Rate of Growth	Jobs Created (thousands)
Less than 100 employees	2.5	152.8
100-299 employees	3.1	43.4
300 or more employees	2.4	180.2

Source: Adapted from Cansim II Table 2810041 with data seasonally adjusted by the Western Centre for Economic Research.

The Period of Job Loss: Recession

From the peak of the employment cycle in August 2008 to its bottom in the latter half of 2009, Alberta and British Columbia shared the pain experienced by other jurisdictions in North America. The low point in employment was reached in August in Alberta where Service employment fell by 5.7%, a loss of 98,000 jobs, and in November in British Columbia where the decline was 4.9%, in total 92,000 jobs. In Alberta, the Goods sector was disproportionately affected as is usually the case in a recession; two of every three jobs lost, 61,000 in all, were in Goods production but in British Columbia, where Services account for a full 85% of employment, the loss on that account amounted to 52,000 or well over half of those lost. The sum total job loss of 190,000 was equivalent to carving two years out of the jobs created during the previous expansion. A summary of what happened provincially in the respective sectors follows in Tables 7 through 10.

In Alberta, the Goods sector job losses during the twelve months amounted to 15% with their distributions found in Table 7. Job losses in manufacturing were heaviest followed by construction and the oil and gas industries. Note that these are generally high paying jobs with Goods sector pay scales about one and a half times those in the Service sector. Also, Goods sector jobs are predominantly held by males, so layoffs there have a clear gender bias.

Table 7: Alberta Goods Sector Employment Change, August 2008 to August 2009

	% Change	Jobs Lost (thousands)
Forestry	-6.7	-0.1
Mining, Oil & Gas	-12.9	-14.2
Utilities	-8.5	-0.6
Construction	-14.1	-18.2
Durable Manufacturing	-13.8	-6.8
Non-durable Manufacturing	-22.8	-18.6

Source: Adapted from Cansim II Table 2810025.

The British Columbia Goods sector experience in Table 8 shows that job losses were dominated by layoffs in construction and durable manufacturing. In total the Goods sector lost fewer jobs than the Services sector, nevertheless, the total amounted to 13.3% of peak employment.

Table 8: British Columbia Goods Sector Employment Change, August 2008 to November 2009

British Columbia	% Change	Jobs Lost/Gained (thousands)
Construction	-12.7	-15.2
Mining, oil, gas	-33.2	-5.3
Utilities	5.6	0.5
Durable Manufacturing	-17.7	-15.3
Non-durable manufacturing	-7.1	-4.1
Forestry	-17.2	-2.5

Source: Adapted from Cansim II Table 2810025.

That the Service sector has a moderating effect on bad economic times is apparent in Table 9, below, which shows how selected industries in Alberta weathered the decline. For the sector as a whole the decline in employment from August 2008 to August 2009 was 2.8% or over 37,000 jobs. A few sectors added jobs, notably those reflecting public spending such as Health and Social Services, Public Administration and the Arts; losses were concentrated in management related sectors and Scientific and Technical Services.

Table 9: Alberta Service Employment Change August 2008 to August 2009

Alberta	% Change	Jobs Lost/Gained (thousands)
Arts, Entertainment, Recreation	10.6	3.2
Health and Social Assistance	3.7	5.1
Public Administration	2.5	2.6
Transport and Warehousing	0.6	0.5
Retail	-1.9	-4.3
Accommodation, Food Services	-3.0	-4.2
Education	-3.3	-4.1
Wholesale	-4.3	-3.6
Other Services	-4.7	-3.2
Finance, Insurance & Real Estate	-5.8	-5.4
Professional, Scientific, Technical	-6.5	-7.4
Management of Companies	-7.8	-1.4
Admin. Support, Waste Mgt., Remedial	-12.2	-9.6
Information and Cultural	-20.5	-5.8

Source: Adapted from Cansim II Table 2810025.

Table 10, below, reveals what happened to the Service sector in British Columbia where job losses amounted to 52,000, a 3.3% decline. As in Alberta, declines were spread across a broad range of Services with Management and Administrative jobs most poorly affected but also distribution activities such as Transport, Wholesale and Retail were hard hit, while Health and Social Assistance, Arts and Entertainment and Public Administration worked against the trend.

Table 10: British Columbia Service Employment Change August 2008 to November 2009

British Columbia	% Change	Jobs Lost/Gained (thousands)
Health and Social Assistance	5.7	11.8
Arts, Entertainment, Recreation	5.6	2.1
Public Administration	0.7	0.8
Accommodation, Food Services	-1.1	-2
Information and Cultural	-2.7	-1.1
Other Services	-2.8	-1.9
Education	-3.3	-4.6
Professional, Scientific, Technical	-4.4	-4.5
Finance, Insurance, Real Estate	-5.7	-6.4
Transport and warehousing	-5.9	-5.9
Retail	-6.0	-15.4
Wholesale	-10.1	-9.2
Admin. Support, Waste Mgt, Remedial	-10.9	-10.5
Management of Companies	-14.6	-2.1

Source: Adapted from Cansim II Table 2810025

Table 11, below, contains a summary of the percentage job loss for the two provinces in small, medium and large enterprises. The job loss for Alberta is measured from the third quarter in 2008 to the third quarter in 2009 and for British Columbia from the third quarter in 2008 to the bottom in fourth quarter in 2009. During the recession the rate of job loss in Alberta small and medium sized enterprise was more than twice that in larger establishments. This is in contrast to British Columbia where there was a more equal impact of the decline across establishment sizes.

Table 11: Alberta and British Columbia Employment Change by Establishment Size

	AB % change*	BC % change**
Less than 100 employees	-5.5	-4.7
100-299 employees	-5.6	-4.5
300 or more employees	-2.1	-4.1

*measured from the third quarter 2008 to the third quarter in 2009.

** measured from the third quarter in 2008 to the fourth 2009.

Source: Adapted from Cansim II Table 2810041 with data seasonally adjusted by the Western Centre.

There are other data that increase understanding of what occurred during the decline. The two provinces experienced a gender bias in the distribution of job losses with unemployment for males rising at more than double the rate for females. Added to this, in British Columbia there was a decline of 30,000 in the size of the labour force and an increase in those on part-time who sought full-time work.

Comparison with Previous Recessions

To provide some perspective on the recent declines, Tables 12 and 13, below, compare the decline in employment reported for 2008-09 with the experience in previous recessions. The comparisons are proximate because they rely on the LFS in the absence of consistent and accessible SEPH data prior to 1991, and for British Columbia in 1974-75 on a discontinued provincial index of employment. Table 13, identifying periods of cyclical decline in employment covering three prior recessions in Alberta, show that the most recent decline ranks below that of 1991-92, and only one-third the severity of the 1981-84 decline which also had a much longer duration.

Table 12: Alberta Percent Decline in Employment in Recent Recessions

November 1981 to June 1984	-17.1
January 1986 to August 1986	-2.7
January 1991 to March 1993	-8.9
August 2008 to August 2009	-5.7

Source: Western Centre for Economic Research

British Columbia losses are shown in Table 13, below. Recessions, though they frequently overlap, do not coincide precisely either in timing or in incidence with those in Alberta. The current losses are relatively larger than those in 1990-91 but fall short of both the 1974-75 decline and the devastating recession of 1981-84.

Table 13: British Columbia Percent Decline in Employment in Recent Recessions

August 1974 to August 1975	-9.6
September 1981 to February 1984	-19.9
September 1990 to April 1991	-3.8
August 2008 to November 2009	-4.9

Source: Western Centre for Economic Research

Job Recovery

In the year from August 2009 to August 2010, there was some recovery in the Alberta job market with a gain in non-agricultural employment of 2.3% or 39,000 jobs. In British Columbia, the first eleven months of recovery brought back 13,000 jobs, an increase of less than 0.8%, signaling a sluggish recovery at best. The following Tables reveal the distribution of these gains and compare these twelve months with those of earlier recessions.

Table 14, below, shows that just over 25,000 jobs were added to the Alberta Goods sector while Table 14, below, reveals a mixed experience in the British Columbia Goods sector.

Gains in Alberta were shared across all the selected sectors, an encouraging development, though most of the increase in jobs was accounted for by construction (very much a beneficiary of the federal anti-recession program) and Mining, Oil and Gas. More than half of the jobs lost in these two sectors were restored in the first year of recovery.

Table 14: Alberta Job Change in Selected Alberta Goods Sectors, August 2009 to August 2010

Alberta	% Change	Jobs Lost/Gained (thousands)
Forestry	20.9	0.7
Mining, Oil & Gas	8.2	8.4
Utilities	3.4	0.5
Construction	8.1	12.0
Durable Manufacturing	4.5	2.1
Non-durable Manufacturing	2.7	1.9

Source: Adapted from Cansim II, Table 2810025.

British Columbia shows a more mixed picture with positive developments in Mining, Oil and Gas, contrasted with declines continuing in Manufacturing and added to by Utilities.

Table 15: British Columbia Job Change in Selected Alberta Goods Sectors, November 2009 to October 2010

British Columbia	% Change	Jobs Lost/Gained (thousands)
Mining, Oil, Gas	20.3	3.0
Construction	1.7	1.9
Forestry	1.3	0.2
Durable Manufacturing	-0.2	-0.1
Non-durable		
Manufacturing	-1.7	-0.9
Utilities	-10.1	-1.0

Source: Adapted from Cansim II, Table 2810025

In Alberta, the Service sector employment rose by 1.1% or a gain of 14,000 jobs. The distribution of gains for selected sectors is shown in Table 16, below, where it is clear the results are more mixed than in the Goods sector with an equal number of sectors experiencing gains and losses though there was a net gain in total. The gains were led by Education, Health and Social Assistance (which sustained its rise in job openings), Administrative Support activities, Finance, Insurance and Real Estate, and Information and Cultural jobs (where the rebound from the prior job loss was substantial).

Table 16: Alberta Service Sector Change in Jobs, August 2009 to August 2010

Alberta	% Change	Jobs Lost/Gained (thousands)
Information and Cultural	12.8	3.4
Education	5.5	7.0
Admin. Support, Waste Mgt., Remedial	5.3	4.0
Finance, Insurance and Real Estate	4.2	3.8
Management of Companies	3.4	0.6
Health and Social Assistance	3.2	4.4
Arts, Entertainment, Recreation	0.8	0.2
Public Administration	-0.3	-0.3
Other Services	-0.4	-0.3
Accommodation, Food Services	-0.8	-1.2
Professional, Scientific, Technical	-0.8	-0.9
Retail	-1.0	-2.2
Wholesale	-2.1	-1.7
Transport and Warehousing	-2.1	-1.7

Source: Adapted from Cansim II, Table 2810025

In British Columbia, the majority of Service producing components gained jobs, led by Health and Social Assistance and by Finance and Professional and Technical. The biggest loser in this recovery period, and by a large measure, was Public Administration. Overall, the sector added 10,000 jobs making up a fifth of those lost during the recession.

Table 17: British Columbia Service Employment Change November 2009 to October 2010

British Columbia	% Change	Jobs Lost/Gained (thousands)
Health and Social Assistance	3.8	8.3
Information and Cultural	3.4	1.4
Management of Companies	2.6	0.3
Finance, insurance and Real Estate	2.5	2.8
Professional, Scientific, Technical	2.4	2.4
Transport and Warehousing	1.6	1.6
Wholesale	1.0	0.9
Admin. Support, Waste Mgt., Remedial	0.9	0.8
Education	0.5	0.7
Retail	-0.4	-1.0
Other Services	-0.6	-0.4
Accommodation, Food Services	-1.1	-1.9
Arts, Entertainment, Recreation	-3.0	-1.1
Public Administration	-4.9	-5.8

Source: Adapted from Cansim II, Table 2810025

Comparison with the First Twelve Months of Previous Recoveries

There is always an interest in how the extent of job recovery in the current cycle compares with the twelve months following the bottoming out in recent recessions. That comparison is found in Table 18. These results show that the recovery has been more sluggish than in 1984-85 and in 1986-87 but somewhat better than the experience of the early 1990s.

In British Columbia the recovery has been the slowest after the four most recent recessions, even more tepid than 1991-92. The absence of more vigorous job recovery explains why there remains some concern and hesitation across many households in the two provinces.

Table 18: Comparison of the Percent Gain in Employment in the Twelve Month Following Recent Recessions

Alberta	% Gain
August 2009 to August 2010	2.3
February 1992 to February 1993	1.2
August 1986 to August 1987	2.9
June 1984 to June 1985	7.3
British Columbia*	
November 2009 to October 2010	0.7
April 1991 to March 1992	0.9
February 1984 to January 1985	5.4
August 1975 to July 1976	7.9

*data covers eleven months

Source: Western Centre for Economic Research

Conclusion

Changes in non-agricultural employment in this Report are based on monthly surveys of employers. The record shows during most of the recent decade a sustained and strong growth in job opportunities in Alberta and in British Columbia, one that saw an increase in the relative job share of the Goods sector in the former province but a continuing rise in the Service sector share in the latter province. During the period of job growth almost 900,000 jobs were created. The recession saw the combined loss of 190,000 of those jobs.

Not much imagination is required to recognize the impact on households of that kind of reversal of fortune. The effect is readily apparent in other data such as retail sales and the housing market. The recession, though sharp, was of limited duration and in the first twelve months of recovery some jobs were regained though the rate of improvement is somewhat more sluggish than in some recent episodes of early periods of recovery.

What do these findings on recent employment dynamics tell us about possible directions for public policy? One lesson that can be drawn is that people need to moderate their expectations. Public policy can and should provide an effective means of muting exuberant behaviour where personal finances are concerned. Far from constraining market-based activity, educating people about the risks of debt and credit would be a good start.

Another lesson, particularly relevant to Alberta, is that government itself should avoid incentives that encourage unsustainable rates of growth. And for British Columbia, where the service sector already plays an overwhelmingly dominant role, there should be some effort to enhance a more robust goods producing sector.

Appendix 1. SEPH vs. LFS

Briefly stated, the primary difference between the SEPH and the LFS is that the former measures the job market from the employers' side while the latter surveys households to obtain an employment estimate. There is also a distinction in residence: the LFS counts people where they usually reside while The SEPH counts people where they work. The target employer population of the SEPH *excludes* agriculture, fishing and trapping, as well as religious organizations, the armed forces and those working in private households.

The SEPH is drawn from the Business Register (BR) maintained by the Business Register Division of Statistics Canada and from a list of all businesses registered in Canada Revenue Agency's Business Number program with one or more active payroll deduction accounts. (That leads to another exclusion—those self-employed without a business number). Data are drawn from a census of all businesses included from which gross monthly payrolls and the total employees for the last pay period of the month are derived.

In contrast the LFS estimates are based on a sample survey of households. The LFS uses a rotating panel sample design so that selected dwellings remain in the LFS sample for six consecutive months. Each month about 1/6th of the LFS sampled dwellings are in their first month of the survey, 1/6th are in their second month of the survey, and so on. Within selected dwellings, basic demographic information is collected for all household members. Labour force information is collected for all civilian household members who are aged 15 and over. Since July 1995, the monthly LFS sample size has been approximately 54,000 households, resulting in the collection of labour market information for approximately 100,000 individuals.

Other information obtained from the SEPH and not available from administrative sources, such as hours worked, is obtained from a stratified random sample of 15,000 establishments taken from the Business Register. One twelfth of the sample is rotated each month.

The SEPH and the LFS estimates of employment may differ and most of the difference is due to the SEPH's exclusion of the self-employed and the other groups mentioned above. Next, the reference periods are different with the LFS referring to activity in the week following the 15th of the month. The SEPH covers the entire month. Finally, multiple job holders are considered employed only once in the LFS, while in The SEPH each job is counted separately.