



Labour Market Bulletin

Alberta



October 2015

This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Alberta, including the regions of Calgary, Edmonton, Central Alberta and Mountain Parks, Southern Alberta, and Northern Alberta.

OVERVIEW

The number of people working in Alberta decreased in October 2015 (-10,800), reversing most of the employment gains that occurred in September (+12,300). While there were 13,400 (+0.6%) more people working than a year earlier, this was the lowest rate of annual growth in more than a year.

Low oil prices are challenging Alberta's economy, but the province's labour market is still on track to post overall employment growth this year. However, the energy sector's slump has led to significant employment losses in key industries, along with rising unemployment and weaker earnings.¹

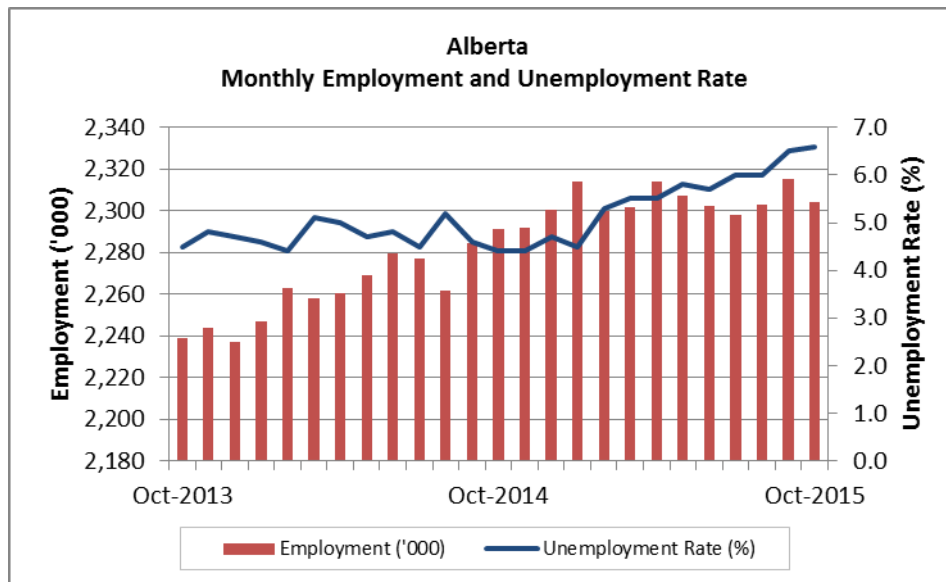
Alberta Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	October 2015	September 2015	October 2014	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,373.5	3,369.7	3,306.8	3.8	0.1	66.7	2.0
Labour Force ('000)	2,466.5	2,475.8	2,396.4	-9.3	-0.4	70.1	2.9
Employment ('000)	2,304.4	2,315.2	2,291.0	-10.8	-0.5	13.4	0.6
Full-Time ('000)	1,893.6	1,905.2	1,915.7	-11.6	-0.6	-22.1	-1.2
Part-Time ('000)	410.8	410.0	375.3	0.8	0.2	35.5	9.5
Unemployment ('000)	162.2	160.6	105.4	1.6	1.0	56.8	53.9
Unemployment Rate (%)	6.6	6.5	4.4	0.1	-	2.2	-
Participation Rate (%)	73.1	73.5	72.5	-0.4	-	0.6	-
Employment Rate (%)	68.3	68.7	69.3	-0.4	-	-1.0	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Compared to the previous month, there were 11,600 fewer full-time positions in October, while part-time employment was largely unchanged (+800). Moderate public-sector hiring (+6,400) partially offset lower private-sector employment (-17,800). Meanwhile, the number of self-employed individuals remained fairly stable (+400).



Alberta’s unemployment rate was 6.6% in October—2.2 percentage-points higher than a year earlier. The province’s unemployment rate remains slightly below the national average (7.0%). However, for the past two months, Alberta has had the highest provincial unemployment rate in the West for the first time in several decades.

Looking at major demographic groupings, unemployment rates have risen disproportionately for males over the past year. The sharpest increase occurred for young men, whose unemployment rate jumped from 6.8% to 13.4%. Meanwhile, unemployment rates for adult males doubled to 6.3%. In contrast, unemployment rates for both young and adult women have remained fairly stable. The sharp increases for men reflect falling employment in industries that have traditionally been male-dominated, such as resource extraction and manufacturing.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	October 2015	September 2015	October 2014	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	6.6	6.5	4.4	0.1	2.2
25 years and over	5.7	5.6	3.6	0.1	2.1
Men - 25 years and over	6.3	5.8	3.1	0.5	3.2
Women - 25 years and over	5.0	5.4	4.2	-0.4	0.8
15 to 24 years	11.6	11.8	9.0	-0.2	2.6
Men - 15 to 24 years	13.4	14.2	6.8	-0.8	6.6
Women - 15 to 24 years	9.6	8.9	11.5	0.7	-1.9

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

EMPLOYMENT BY INDUSTRY

As has been the case for most of 2015, employment fell in Alberta's goods-producing sector both on the month (-9,800) and year (-26,700). Meanwhile, the province's service-producing sector employed slightly fewer people than the previous month (-1,000), but substantially more than a year earlier (+40,100).

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	October 2015	September 2015	October 2014	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,304.4	2,315.2	2,291.0	-10.8	-0.5	13.4	0.6
Goods-producing sector	629.0	638.8	655.7	-9.8	-1.5	-26.7	-4.1
Agriculture	60.7	61.8	59.3	-1.1	-1.8	1.4	2.4
Forestry, fishing, mining, quarrying, oil and gas	152.9	157.4	174.5	-4.5	-2.9	-21.6	-12.4
Utilities	20.1	20.4	17.7	-0.3	-1.5	2.4	13.6
Construction	259.0	260.7	256.5	-1.7	-0.7	2.5	1.0
Manufacturing	136.3	138.5	147.7	-2.2	-1.6	-11.4	-7.7
Services-producing sector	1,675.4	1,676.4	1,635.3	-1.0	-0.1	40.1	2.5
Trade	326.4	330.0	315.2	-3.6	-1.1	11.2	3.6
Transportation and warehousing	135.5	131.8	136.2	3.7	2.8	-0.7	-0.5
Finance, insurance, real estate and leasing	104.8	102.8	104.7	2.0	1.9	0.1	0.1
Professional, scientific and technical services	173.8	174.1	184.1	-0.3	-0.2	-10.3	-5.6
Business, building and other support services	85.5	86.4	80.3	-0.9	-1.0	5.2	6.5
Educational services	140.6	141.1	133.1	-0.5	-0.4	7.5	5.6
Health care and social assistance	266.0	266.6	250.0	-0.6	-0.2	16.0	6.4
Information, culture and recreation	77.5	79.5	71.7	-2.0	-2.5	5.8	8.1
Accommodation and food services	154.3	150.5	154.9	3.8	2.5	-0.6	-0.4
Other services	112.1	116.6	121.2	-4.5	-3.9	-9.1	-7.5
Public administration	98.9	97.0	84.0	1.9	2.0	14.9	17.7

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

Employment in Alberta's resource extraction sector decreased again in October (-4,500), reflecting the continuing impact of low oil prices. This industry has lost more positions over the past year (-21,600) than any other industry, and its short-term outlook remains challenging. Observers expect that the slump in conventional drilling activity will continue into at least next year.² At the same time, development of the oil sands has also slowed. For example, Shell Canada recently announced that it would indefinitely stop work on its Carmon Creek project near Peace River.³

All other goods-producing industries employed fewer individuals this month, led by losses in manufacturing (-2,200) and construction (-1,700). Meanwhile, results varied among service-industries, ranging from decent gains in accommodation and food services (+3,800) and transportation and warehousing (+3,700) to substantial declines in other services (-4,500) and retail and wholesale trade (-3,600).

Turning to public-sector industries, employment increased in public administration in October (+1,900) but was largely unchanged in health care and social assistance (-600) and educational services (-500). On an annual basis, combined gains in these three industries (+38,400) have bolstered overall employment growth in Alberta. Despite tumbling energy royalties, the recently released provincial budget anticipates moderately higher funding and staffing in both education and healthcare.⁴

REGIONAL ANALYSIS

Year-over-year employment growth varied widely across Alberta. The number of people working declined significantly in two regions: Red Deer (-6,200) and Camrose-Drumheller (-5,600). Employment also decreased in Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River (-2,100), due to particularly large losses in the resource sector. This region is home to many of Alberta's mines and low mineral commodity prices have led producers to suspend operations and postpone expansions. For example, Grande Cache Coal recently announced it would cease coal production at its mine, putting approximately 220 staff out of work by the end of the year.⁵ In Wood Buffalo-Cold Lake, overall employment is largely unchanged from a year ago (+800) but the region's unemployment rate (7.3%) is now the highest in the province.

Meanwhile, positive employment growth continued in Lethbridge-Medicine Hat (+1,500), Calgary (+14,900), and Edmonton (+24,100)—although their respective unemployment rates have also climbed over the past year. Focusing on the larger centres, Calgary's employment growth is estimated to have slowed in recent months, while Edmonton's is actually increasing. The Conference Board of Canada does not expect either city to experience lower overall employment this year. However, the forecast does indicate that the Calgary-area could see a modest decline in 2016, as service-sector growth gives way to losses.⁶

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	October 2015 ('000)	October 2014 ('000)	Yearly Variation (%)	October 2015 (%)	October 2014 (%)	Yearly Variation (% points)
Alberta	2,318.4	2,290.9	1.2	6.2	4.7	1.5
Economic Regions						
Lethbridge-Medicine Hat	147.1	145.6	1.0	5.8	3.1	2.7
Camrose-Drumheller	105.3	110.9	-5.0	3.0	2.8	0.2
Calgary	876.0	861.1	1.7	6.7	4.7	2.0
Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River	192.4	194.5	-1.1	5.7	4.8	0.9
Red Deer	115.5	121.7	-5.1	6.6	4.3	2.3
Edmonton	795.8	771.7	3.1	6.0	5.2	0.8
Wood Buffalo-Cold Lake	86.3	85.5	0.9	7.3	5.3	2.0

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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¹ According to the most recent Statistics Canada release, Alberta still has the highest average weekly employment earnings of any other province. However, this average has declined for seven consecutive months, dropping approximately \$40 per week from January to August.

Statistics Canada. (October 2015). Survey of Employment, Payrolls and Hours (SEPH), employment, average hourly and weekly earnings (including overtime), and average weekly hours for the industrial aggregate excluding unclassified businesses, seasonally adjusted, monthly. Retrieved from:

<http://www5.statcan.gc.ca/cansim/a26?id=2810049&retrLang=eng&lang=eng>

² Healing, Dan. (October 19, 2015). Oilpatch spending slump could be longest since '50s, Peters predicts. *Calgary Herald*. Retrieved from: <http://calgaryherald.com/business/energy/oilpatch-spending-slump-could-be-longest-since-50s-peters-predicts>

³ Shell Canada. (October 27, 2015). News Release: Shell to halt Carmon Creek in situ project. Retrieved from: <http://www.shell.ca/en/aboutshell/media-centre/news-and-media-releases/2015/oil-sands/shell-to-halt-carmon-creek-in-situ-project.html>

⁴ While overall staffing in provincial ministries and agencies is expected to remain essentially unchanged in 2015/16, rising provincial funding is projected to create over 530 new position at local school boards and nearly 700 full-time equivalencies at Alberta Health Services.

Alberta Treasury Board and Finance. (October 27, 2015). Budget 2015: Fiscal Plan Tables. Retrieved from:

<http://finance.alberta.ca/publications/budget/budget2015-october/fiscal-plan-tables.pdf>

⁵ CBC News Edmonton. (November 3, 2015). Grande Cache Coal closes mine, lays off 220 employees. Retrieved from: <http://www.cbc.ca/news/canada/edmonton/grande-cache-coal-closes-mine-lays-off-220-employees-1.3301619>

⁶ Conference Board of Canada. (September 2015). Calgary: Metropolitan Outlook 1, Autumn 2015. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=7391>

Conference Board of Canada. (September 2015). Edmonton: Metropolitan Outlook 1, Autumn 2015. Retrieved from:

<http://www.conferenceboard.ca/e-library/abstract.aspx?did=7392>