



# Labour Market Bulletin

## Alberta



## December 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

Employment in Alberta dipped below 2.3 million during the fourth quarter of 2015, with 12,200 fewer people working than the previous quarter. This was the province's largest quarterly decrease in employment since the last recession. Overall employment was also down marginally year over year (-1,100).

Breaking down the fourth quarter results, employment fell by 3,900 positions during the month of December, following even larger losses in November (-14,900) and October (-10,800). As a result, the province ended the year with 14,600 fewer people working than in December 2014.

Alberta's employment decline was not unexpected, given the impact of low oil prices. The Conference Board of Canada's most recent estimate is that the provincial economy contracted 1.2% in 2015, as billions of dollars in energy-related investment were either cancelled or delayed.<sup>1</sup>

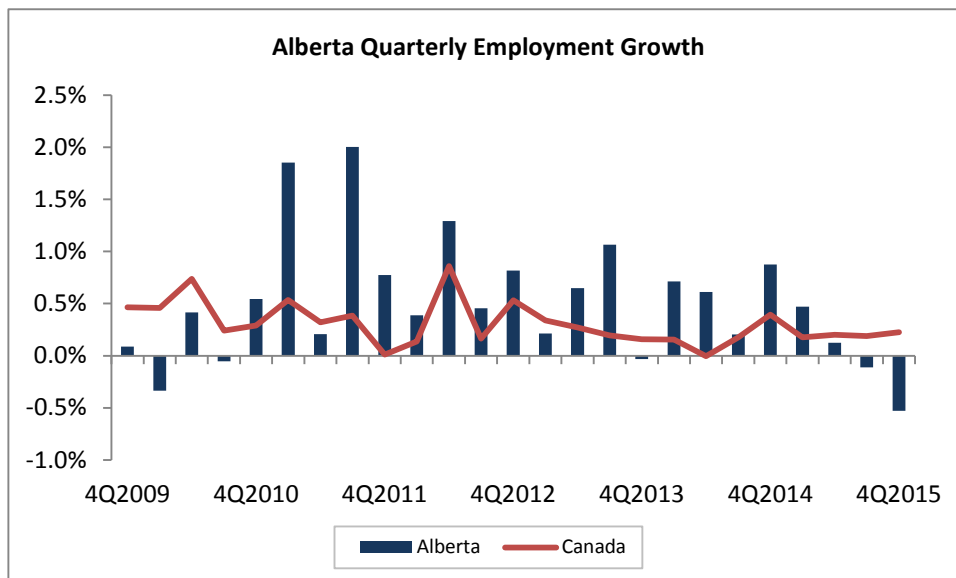
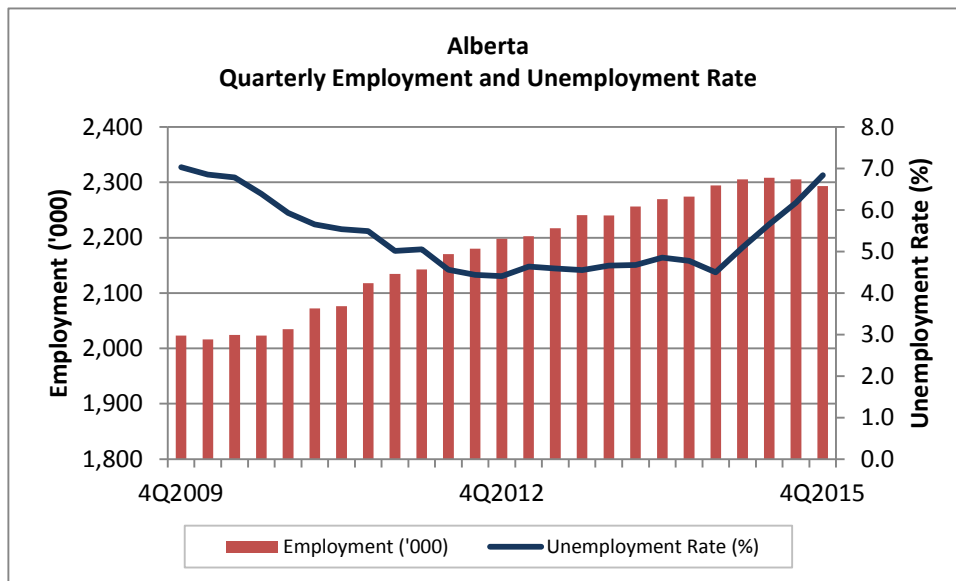
### Alberta Quarterly Labour Force Statistics

Seasonally Adjusted Data	4th Quarter 2015	3rd Quarter 2015	4th Quarter 2014	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,376.5	3,365.1	3,311.9	11.4	0.3	64.6	2.0
<b>Labour Force ('000)</b>	2,461.5	2,457.1	2,402.4	4.4	0.2	59.1	2.5
<b>Employment ('000)</b>	2,293.2	2,305.4	2,294.3	-12.2	-0.5	-1.1	0.0
Full-Time ('000)	1,892.5	1,918.1	1,919.4	-25.6	-1.3	-26.9	-1.4
Part-Time ('000)	400.7	387.3	375.0	13.4	3.5	25.7	6.9
<b>Unemployment ('000)</b>	168.3	151.7	108.0	16.6	10.9	60.3	55.8
<b>Unemployment Rate (%)</b>	6.8	6.2	4.5	0.7	-	2.3	-
<b>Participation Rate (%)</b>	72.9	73.0	72.5	-0.1	-	0.4	-
<b>Employment Rate (%)</b>	67.9	68.5	69.3	-0.6	-	-1.4	-

Note: Totals may not add due to rounding

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

Full-time employment declined significantly in the fourth quarter (-25,600), outweighing gains in part-time employment (+13,400). Looking at classes of workers, private sector employment dropped (-22,800) for a fourth consecutive quarter, but this was partly offset by increases in the number of public sector employees (+8,500) and self-employed individuals (+2,100).



Alberta's unemployment rate averaged 6.8% in the fourth quarter, up from 6.2% last quarter and 4.5% a year ago. As a result, Alberta had the highest unemployment rate of any western province and was only slightly below the national average of 7.1%. Compared to the same quarter in 2014, there were over 60,000 more unemployed individuals in Alberta, which accounts for the surge in Employment Insurance beneficiaries over the last twelve months.<sup>2</sup>

Looking at demographic groupings, unemployment rates doubled over the past year for both young and adult males in the province. This was due to falling employment among industries that are traditionally male-dominated (such as oil and gas, manufacturing, and transportation). At the same time, unemployment rates for women were comparatively stable. As a result, women in both age groups have had lower unemployment rates than their male counterparts for three consecutive quarters.

### Alberta Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	4th Quarter 2015	3rd Quarter 2015	4th Quarter 2014	Quarterly Variation	Yearly Variation
				(% points)	(% points)
<b>Total</b>	6.8	6.2	4.5	0.7	2.3
<b>25 years and over</b>	6.0	5.3	3.8	0.7	2.2
Men - 25 years and over	6.6	5.6	3.3	1.1	3.4
Women - 25 years and over	5.2	5.0	4.4	0.2	0.8
<b>15 to 24 years</b>	11.9	11.1	8.6	0.8	3.3
Men - 15 to 24 years	14.2	13.7	6.8	0.5	7.4
Women - 15 to 24 years	9.3	8.1	10.8	1.3	-1.5

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

## EMPLOYMENT BY INDUSTRY

### Alberta Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	4th Quarter 2015	3rd Quarter 2015	4th Quarter 2014	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,293.2	2,305.4	2,294.3	-12.2	-0.5	-1.1	0.0
<b>Goods-producing sector</b>	628.9	637.9	658.2	-9.0	-1.4	-29.3	-4.5
Agriculture	60.0	62.3	61.6	-2.3	-3.7	-1.6	-2.6
Forestry, fishing, mining, quarrying, oil and gas	152.4	156.9	172.1	-4.5	-2.9	-19.7	-11.4
Utilities	19.6	21.0	17.9	-1.4	-6.7	1.7	9.5
Construction	259.1	259.4	259.6	-0.3	-0.1	-0.5	-0.2
Manufacturing	137.8	138.3	146.9	-0.5	-0.4	-9.1	-6.2
<b>Services-producing sector</b>	1,664.3	1,667.5	1,636.2	-3.2	-0.2	28.1	1.7
Trade	326.0	323.7	314.0	2.3	0.7	12.0	3.8
Transportation and warehousing	130.8	136.7	139.6	-5.9	-4.3	-8.8	-6.3
Finance, insurance, real estate and leasing	102.2	105.3	104.3	-3.1	-2.9	-2.1	-2.0
Professional, scientific and technical services	175.8	173.9	182.8	1.9	1.1	-7.0	-3.8
Business, building and other support services	84.1	82.5	80.0	1.6	1.9	4.1	5.1
Educational services	143.8	137.5	132.2	6.3	4.6	11.6	8.8
Health care and social assistance	266.7	265.4	252.0	1.3	0.5	14.7	5.8
Information, culture and recreation	78.1	77.2	71.3	0.9	1.2	6.8	9.5
Accommodation and food services	147.9	153.3	155.2	-5.4	-3.5	-7.3	-4.7
Other services	110.8	115.4	120.8	-4.6	-4.0	-10.0	-8.3
Public administration	98.1	96.7	83.9	1.4	1.4	14.2	16.9

Note: Totals may not add due to rounding

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

Alberta's goods-producing sector employed significantly fewer people on both the quarter (-9,000) and year (-29,300). Meanwhile, services-sector employment fell slightly compared to the last quarter (-3,200), but remained up year-over-year (+28,100).

Employment in Alberta's resource extraction industries decreased again (-4,500), marking a fifth consecutive quarterly decline. Year-over-year, there were 19,700 fewer people working in these industries. A majority of these losses occurred in the energy services industry, including layoffs at oilfield drilling and maintenance firms such as Trican, Schlumberger, and Weatherford.<sup>3</sup> Falling commodity prices continued to negatively impact oil and gas producers, along with coal mining operations in the province. At the start of October, North American benchmark crude oil prices stood around \$47 US per barrel, but sank to \$37 US by the end of December.<sup>4</sup>

On both a quarterly and annual basis, employment declined in most other goods-producing industries. For example, there were 9,100 fewer people working in Alberta's manufacturing industry than a year earlier. Construction industry employment was largely unchanged on the year, as subdued building intentions likely limited job creation in most areas of the province.<sup>5</sup> Meanwhile, Alberta's utilities industry was the only goods-industry to post year-over-year employment gains (+1,700). However, the economic downturn is impacting this industry too, as demonstrated by TransAlta's decision to postpone construction of its Sundance 7 power plant.<sup>6</sup>

Turning to Alberta's service-industries, quarterly results were fairly mixed. Public-sector growth continued with higher employment in educational services (+6,300), health care and social assistance (+1,300), and public administration (+1,400). However, these gains were outweighed by combined losses in private-sector service like transportation and warehousing (-5,900), accommodation and food services (-5,400), and other services (-4,600).

## REGIONAL ANALYSIS

Annual employment growth was negative in five out of seven of Alberta's economic regions, while unemployment rates increased throughout the province.

### Alberta Quarterly Labour Force Statistics

Seasonally Unadjusted Data	Employment			Unemployment Rate		
	4th Quarter 2015 ( <sup>'000</sup> )	4th Quarter 2014 ( <sup>'000</sup> )	Yearly Variation (%)	4th Quarter 2015 (%)	4th Quarter 2014 (%)	Yearly Variation (% points)
<b>Alberta</b>	2,288.2	2,294.2	-0.3	6.4	4.2	2.2
<b>Economic Regions</b>						
Lethbridge-Medicine Hat	149.6	147.3	1.6	5.7	2.7	3.0
Camrose-Drumheller	103.8	109.3	-5.0	5.1	3.5	1.6
Calgary	857.3	864.6	-0.8	6.8	4.4	2.4
Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River	185.6	199.3	-6.9	7.5	3.8	3.7
Red Deer	112.7	120.4	-6.4	6.2	4.5	1.7
Edmonton	795.5	768.3	3.5	5.8	4.3	1.5
Wood Buffalo-Cold Lake	83.6	85.0	-1.6	8.6	4.6	4.0

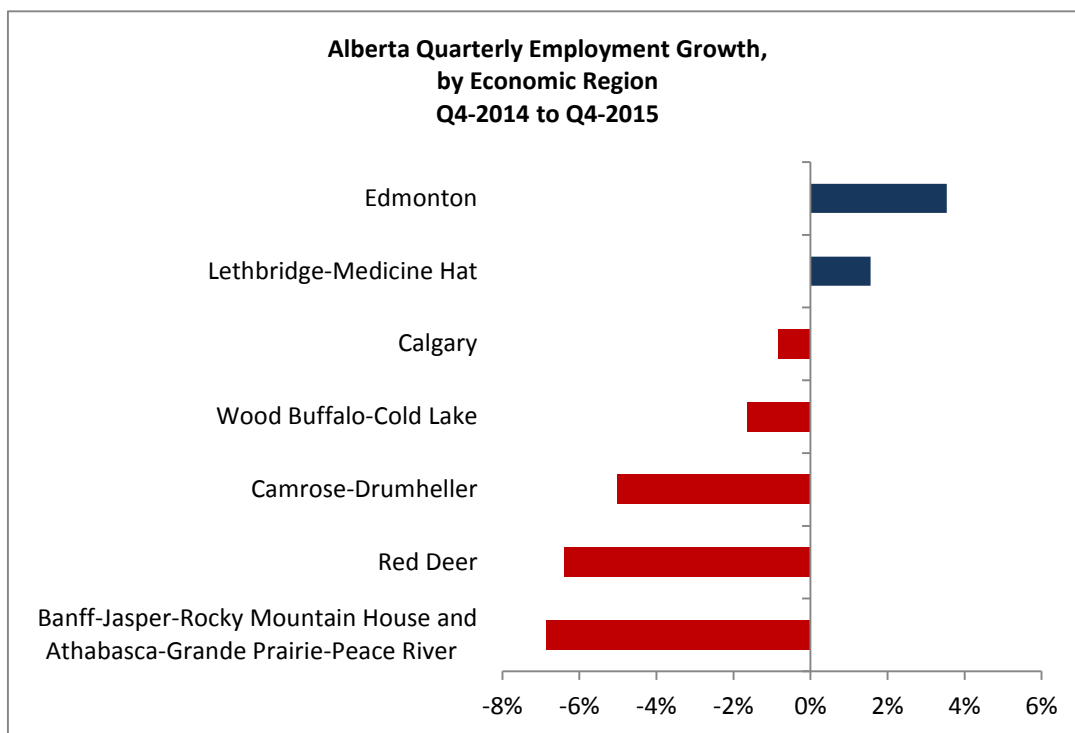
Note: Totals may not add due to rounding

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

Labour market conditions appeared particularly challenging in the combined region of Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River. Over the past year, this region had the largest drop in employment (-13,700), while its unemployment rate nearly doubled to 7.5%. Although the region is home to prospective energy and mining plays, there have been several major projects put on hold or cancelled over the past year.

Focusing on Alberta’s largest centres, Calgary and Edmonton posted very different results. Calgary’s employment growth trended downwards in 2015, and by the fourth quarter there were 7,300 fewer people working than a year earlier. As the corporate hub for Canada’s oil and gas industry, energy-related layoffs continued to be reported in the final months of the year. In addition, employment decreased significantly in the region’s manufacturing, construction, and transportation industries.

In contrast, Edmonton’s annual employment growth had improved significantly by the fourth quarter, with 27,200 more people working in the region year over year. This was the result of strong service-sector growth, while a flurry of projects in Edmonton’s downtown-core helped boost construction employment to a record high. Furthermore, this growth was the result of increased full-time employment, as opposed to the pullback that occurred in Calgary and most other regions in the province.



**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.

**Prepared by:** Labour Market Information (LMI) Directorate, Service Canada, Alberta

**For further information,** please contact the LMI team at: [NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca](mailto:NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca)  
[NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca](mailto:NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca)

**For information on the Labour Force Survey,** please visit the Statistics Canada Web site at: [www.statcan.gc.ca](http://www.statcan.gc.ca)

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<sup>1</sup> Conference Board of Canada. (December 2015). Provincial Outlook Executive Summary: Autumn 2015. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=7557> (Subscription Required)

<sup>2</sup> According to the latest statistics, there were 59,750 individuals receiving regular income benefits in Alberta during October 2015, compared to 29,580 a year earlier.

Statistics Canada. (December 2015). Employment Insurance program (EI), beneficiaries receiving regular income benefits by province, declared earnings, sex and age, seasonally adjusted, monthly. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?id=2760022&retrLang=eng&lang=eng>

<sup>3</sup> Geddes, Lisa (December 7, 2015). Timeline: Tracking the layoffs in Alberta's oilpatch. Global News Calgary. Retrieved from: <http://globalnews.ca/news/1889598/timeline-tracking-the-layoffs-in-albertas-oilpatch/>

<sup>4</sup> Nasdaq. (January 2015). Crude Oil: WTI (NYMEX) Price. Retrieved from <http://www.nasdaq.com/markets/crude-oil.aspx>

<sup>5</sup> The combined value for building permits issued in Alberta between January and November 2015 was down \$1 billion (-6.1%) compared to the same period in 2014.

Source: Statistics Canada. (December 2015). CANSIM Table 026-0003: Building permits, values by activity sector, monthly. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0260003>

<sup>6</sup> Ewart, Stephen. (October 30, 2015) TransAlta postpones Sundance 7 gas-fired power plant into next decade. Calgary Herald. Retrieved from: <http://calgaryherald.com/business/energy/transalta-postpones-sundance-7-gas-fired-power-plant-into-next-decade>