



# Labour Market Bulletin

Alberta

January 2016



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 declined for a fourth consecutive month in January 2016, with an estimated 10,000 (-0.4%) fewer people working than in December 2015. Year-over-year, overall employment decreased by 35,000 (-1.5%), primarily as a result of losses in full-time positions in the province's goods-producing sector. Looking at classes of workers, private sector employment declined significantly this month (-25,900), but was partially offset by a higher number of public sector employees (+8,400) and self-employed individuals (+7,400).<sup>1</sup>

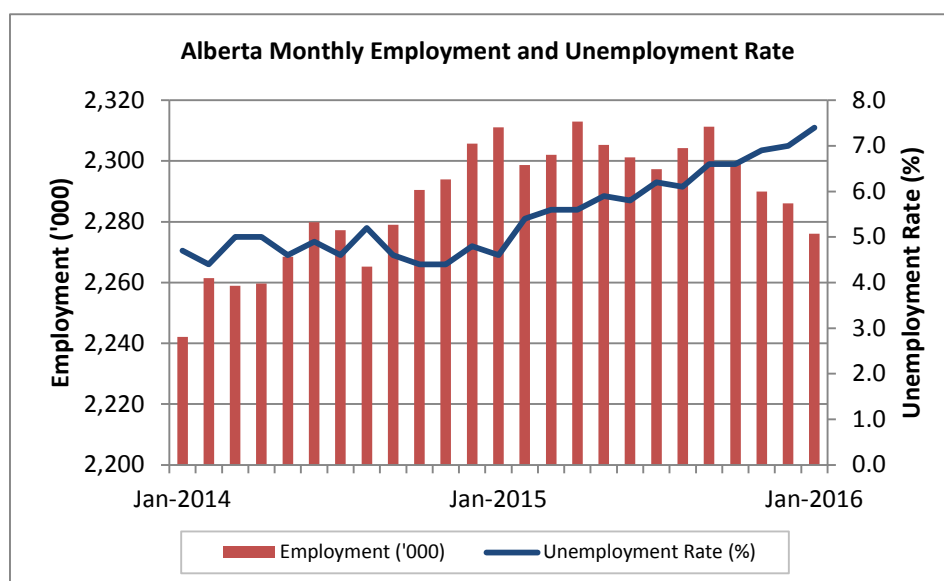
These weaker employment results demonstrate how Alberta's labour market continues to slow amid low oil prices. As the Bank of Canada suggests, results are increasingly split along two different tracks, with energy producers like Alberta experiencing declines, while labour markets in provinces such as B.C. and Ontario have improved.<sup>2</sup>

### Alberta Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	January 2016	December 2015	January 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,381.7	3,379.0	3,323.0	2.7	0.1	58.7	1.8
<b>Labour Force ('000)</b>	2,457.8	2,457.1	2,423.6	0.7	0.0	34.2	1.4
<b>Employment ('000)</b>	2,276.1	2,286.1	2,311.1	-10.0	-0.4	-35.0	-1.5
Full-Time ('000)	1,859.0	1,880.9	1,932.0	-21.9	-1.2	-73.0	-3.8
Part-Time ('000)	417.1	405.2	379.1	11.9	2.9	38.0	10.0
<b>Unemployment ('000)</b>	181.7	171.0	112.5	10.7	6.3	69.2	61.5
<b>Unemployment Rate (%)</b>	7.4	7.0	4.6	0.4	-	2.8	-
<b>Participation Rate (%)</b>	72.7	72.7	72.9	0.0	-	-0.2	-
<b>Employment Rate (%)</b>	67.3	67.7	69.5	-0.4	-	-2.2	-

Note: Totals may not add due to rounding

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



Alberta's unemployment rate increased from 7.0% to 7.4% between December and January—surpassing the national average (7.2%) for the first time since 1988. The number of unemployed individuals in the province rose by 10,700 on the month and 69,200 on the year. While unemployment rates increased for all of Alberta's main demographic groupings, rates for men continued to climb faster than those for women.

Rising unemployment in the province has understandably led to a spike in Employment Insurance (EI) program activity. According to the latest statistics, the number of individuals receiving regular EI benefits in Alberta has doubled in the span of a year.<sup>3</sup>

**Alberta Monthly Unemployment Rates, by Gender and Age**

Seasonally Adjusted Data	January 2016	December 2015	January 2015	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	7.4	7.0	4.6	0.4	2.8
<b>25 years and over</b>	6.6	6.3	4.1	0.3	2.5
Men - 25 years and over	7.4	7.0	4.0	0.4	3.4
Women - 25 years and over	5.6	5.4	4.1	0.2	1.5
<b>15 to 24 years</b>	12.1	11.1	7.9	1.0	4.2
Men - 15 to 24 years	14.8	13.6	7.5	1.2	7.3
Women - 15 to 24 years	9.1	8.2	8.4	0.9	0.7

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

## EMPLOYMENT BY INDUSTRY

Alberta's goods-producing sector continued to shed positions in January, employing 15,500 fewer people on the month and 57,400 less on the year. These losses were partially offset by gains in the province's services-producing sector, where employment increased by 5,500 from the previous month and 22,400 year over year.

## Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	January 2016	December 2015	January 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,276.1	2,286.1	2,311.1	-10.0	-0.4	-35.0	-1.5
<b>Goods-producing sector</b>	607.6	623.1	665.0	-15.5	-2.5	-57.4	-8.6
Agriculture	50.2	58.0	64.0	-7.8	-13.4	-13.8	-21.6
Forestry, fishing, mining, quarrying, oil and gas	155.8	151.8	170.9	4.0	2.6	-15.1	-8.8
Utilities	20.6	19.4	19.3	1.2	6.2	1.3	6.7
Construction	255.1	256.2	261.3	-1.1	-0.4	-6.2	-2.4
Manufacturing	125.9	137.7	149.5	-11.8	-8.6	-23.6	-15.8
<b>Services-producing sector</b>	1,668.5	1,663.0	1,646.1	5.5	0.3	22.4	1.4
Trade	324.1	323.9	311.1	0.2	0.1	13.0	4.2
Transportation and warehousing	129.0	127.5	147.0	1.5	1.2	-18.0	-12.2
Finance, insurance, real estate and leasing	103.6	102.0	102.0	1.6	1.6	1.6	1.6
Professional, scientific and technical services	175.6	180.1	175.4	-4.5	-2.5	0.2	0.1
Business, building and other support services	78.4	82.3	81.8	-3.9	-4.7	-3.4	-4.2
Educational services	148.8	148.1	126.9	0.7	0.5	21.9	17.3
Health care and social assistance	273.3	268.1	256.7	5.2	1.9	16.6	6.5
Information, culture and recreation	80.1	83.0	73.7	-2.9	-3.5	6.4	8.7
Accommodation and food services	138.0	140.8	157.5	-2.8	-2.0	-19.5	-12.4
Other services	120.5	110.3	126.8	10.2	9.2	-6.3	-5.0
Public administration	97.2	96.8	87.2	0.4	0.4	10.0	11.5

Note: Totals may not add due to rounding

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

Alberta's manufacturing industry registered the largest drop in employment in January (-11,800), pushing annual losses (-23,600) above those of any other industry. This downward trend is consistent with lower manufacturing sales over the past year, as well as widely reported layoffs in sub-industries related to the energy sector. For example, numerous machining shops serving oil and gas clients have cut staff, reduced shifts and wages, and attempted to diversify their range of products.

Employment varied significantly in several other industries, including a sizeable monthly decrease in agricultural employment (-7,800). Moderate declines also occurred in a number of services-producing industries, including fewer people working in professional, scientific and technical services (-4,500) and business, building, and other support services (-3,900).

In contrast, the number of people working in the province's other services industry rebounded sharply (+10,200), reversing most of the losses that occurred in the second half of 2015. Employment in Alberta's resource extraction industry also increased in January (+4,000); however, year-over-year losses remain high (-15,100) and oil and gas producers continue to cut spending. Meanwhile, public-sector employment growth continued, thanks to strong gains in the province's healthcare and social assistance industry (+5,200).

## REGIONAL ANALYSIS

Annual employment decreased in most of Alberta's regions, including significant declines in Calgary (-19,400), Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River (-16,900), and Red Deer (-10,000). Meanwhile, unemployment rates increased across the province. In fact, Wood Buffalo-Cold Lake, which is home to a majority of Alberta's oil sands developments, has the highest unemployment rate (9.0%) of any region across the western provinces.

In Lethbridge-Medicine Hat, there were 4,500 more people working year over year. However, this was still less than half the rate of annual employment growth reported one year earlier (+3.4% compared to +7.8%). The southern region continues to experience consequences stemming from falling commodity prices, including closures and layoffs at numerous energy service firms. Several major industrial projects also appear to be on hold, such as the proposed \$1 billion expansion of a methanol plant in Medicine Hat.<sup>4</sup>

Edmonton was the only other region in Alberta to post positive employment growth (+26,100, +3.4%). Local officials attribute these gains to the region's diversified economy, but acknowledge that low energy prices are proving challenging for industries like manufacturing and professional services.<sup>5</sup> The impact appears to be even greater for several surrounding communities that are more dependent on the oil and gas sector. For example, the Leduc-Nisku Economic Development Association estimates that up to 8,000 oil-patch jobs have been lost in the area over the past 18 months.<sup>6</sup>

**Alberta Monthly Labour Force Statistics, by Economic Region**

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	January 2016 ('000)	January 2015 ('000)	Yearly Variation (%)	January 2016 (%)	January 2015 (%)	Yearly Variation (% points)
<b>Alberta</b>	2,269.8	2,291.6	-1.0	7.0	4.4	2.6
<b>Economic Regions</b>						
Lethbridge-Medicine Hat	148.8	144.3	3.1	5.8	3.7	2.1
Camrose-Drumheller	101.9	106.3	-4.1	6.2	4.1	2.1
Calgary	851.7	871.1	-2.2	7.6	4.4	3.2
Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River	182.3	199.2	-8.5	7.9	3.7	4.2
Red Deer	110.7	120.7	-8.3	6.7	4.9	1.8
Edmonton	791.4	765.3	3.4	6.2	4.5	1.7
Wood Buffalo-Cold Lake	83.0	84.8	-2.1	9.0	5.4	3.6

*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](http://www.statcan.gc.ca)

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<sup>1</sup> This was the largest monthly drop in private sector employment on record, and follows declines through most of last year. In contrast, the number of public sector employees and self-employed individuals has trended upwards.

Statistics Canada. (February 2016). Labour force survey estimates (LFS), employment by class of worker and sex, seasonally adjusted, monthly. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820089>

<sup>2</sup> Bank of Canada. (January 20, 2016). Monetary Policy Report – January 2016.  
Retrieved from: <http://www.bankofcanada.ca/2016/01/mpr-2016-01-20/>

<sup>3</sup> As of November 2015, there were 61,300 individuals receiving regular benefits in Alberta, up from 30,270 one year earlier. Trades, transport and equipment operators continued to make up the largest group of regular beneficiaries. However, smaller occupational groupings associated with the energy sector grew at even faster rates. For example, the number of regular beneficiaries for natural and applied sciences, and processing, manufacturing, and utilities occupations nearly tripled.

Statistics Canada. (January 2016). Employment Insurance program (EI), beneficiaries receiving regular income benefits by province and National Occupational Classification for Statistics (NOC-S), seasonally adjusted.  
Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2760041>

<sup>4</sup> Gallant, Collin. (January 30, 2016). Methanex expansion unlikely for now. Medicine Hat News.  
Retrieved from: <http://medicinehatnews.com/news/local-news/2016/01/30/methanex-expansion-unlikely-for-now/>

<sup>5</sup> City of Edmonton. (February 5, 2016). Economic Indicators: Labour Force Report, February 2016.  
Retrieved from: [http://www.edmonton.ca/business\\_economy/documents/PDF/LFS%20-%20Feb%202016.pdf](http://www.edmonton.ca/business_economy/documents/PDF/LFS%20-%20Feb%202016.pdf)

<sup>6</sup> Hampshire, Gareth. (Jan 14, 2016). Oil and gas collapse leaves drilling companies on life-support. CBC News Edmonton.  
Retrieved from: <http://www.cbc.ca/news/canada/edmonton/oil-and-gas-collapse-leaves-drilling-companies-on-life-support-1.3402818>