



# Labour Market Bulletin

Alberta

November 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

After three straight months of modest employment gains, Alberta's job market faltered in November. Employment dropped by 12,800 (-0.6%) compared to October, while remaining 29,600 (-1.3%) below the level of November last year.

The economic slump in Alberta is well into its second year, undermining the wellbeing of businesses and households alike. In November, 222,800 Albertans were unemployed, 11,300 more than in the previous month, and a new all-time high. Moreover, for those employed, average wages are in decline. Since peaking in January 2015, average weekly earnings in the province have fallen by 4.6%.<sup>1</sup> With lower earnings and higher unemployment, consumer insolvencies in Alberta are also on the rise. For the 12 months ending September 30, consumer insolvencies were up 33.3% compared to the corresponding period one year earlier.<sup>2</sup> On the mortgage front, CMHC reported that 1,685 mortgage loans were in arrears in Alberta as of the end of September, representing 20% of the national total.<sup>3</sup>

## Alberta Monthly Labour Force Statistics

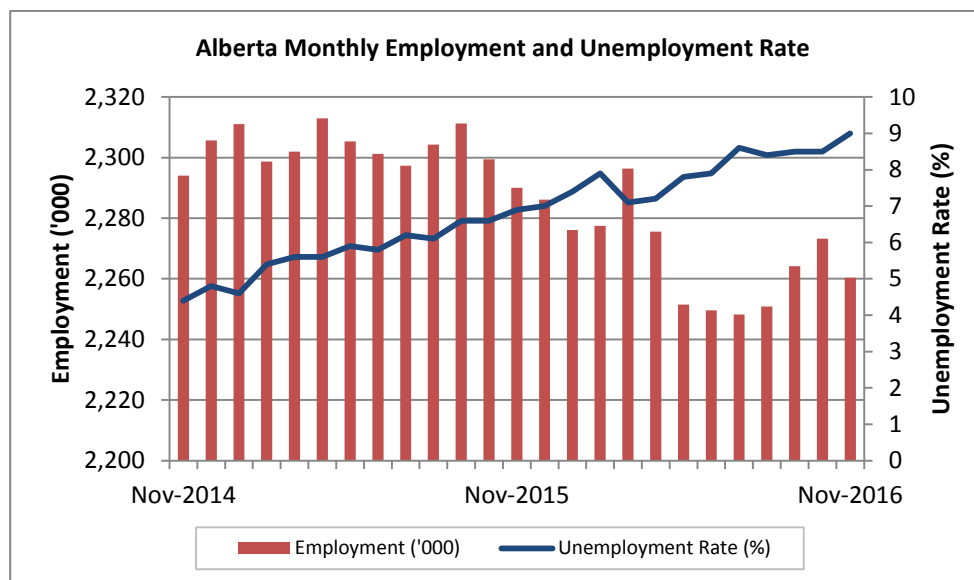
Seasonally Adjusted Monthly Data	November 2016	October 2016	November 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,408.3	3,408.1	3,377.0	0.2	0.0	31.3	0.9
<b>Labour Force ('000)</b>	2,483.1	2,484.8	2,460.6	-1.7	-0.1	22.5	0.9
<b>Employment ('000)</b>	2,260.4	2,273.2	2,290.0	-12.8	-0.6	-29.6	-1.3
Full-Time ('000)	1,827.6	1,841.2	1,901.4	-13.6	-0.7	-73.8	-3.9
Part-Time ('000)	432.8	432.0	388.6	0.8	0.2	44.2	11.4
<b>Unemployment ('000)</b>	222.8	211.5	170.6	11.3	5.3	52.2	30.6
<b>Unemployment Rate (%)</b>	9.0	8.5	6.9	0.5	-	2.1	-
<b>Participation Rate (%)</b>	72.9	72.9	72.9	0.0	-	0.0	-
<b>Employment Rate (%)</b>	66.3	66.7	67.8	-0.4	-	-1.5	-

Note: Totals may not add due to rounding

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

In November, Alberta's part-time employment swelled to 432,800, an increase of 11.4% (+44,200) on the year.

The number of private sector workers in an employer–employee relationship decreased by 0.6% on the month in November, remaining 1.4% lower than during November of last year. Public sector employment was little changed on the year (-0.5%), while self-employment dropped by 1.9%.



Alberta's unemployment rate increased to 9.0% on the month, over two percentage points higher than in November 2015 (6.9%).

Looking at major demographic groups, the unemployment rate for men aged 25 and over increased to 9.4% in November, up 2.8 percentage points on the year. The rate for younger men (aged 15 to 24) decreased to 14.8%, as 8,200 young men opted out of the labour market. Meanwhile, the unemployment rate for young women increased to 12.1% on the year.

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

Seasonally Adjusted Data	November 2016 (%)	October 2016 (%)	November 2015 (%)	Monthly Variation		Yearly Variation	
				(% points)	(% points)	(% points)	(% points)
<b>Total</b>	9.0	8.5	6.9	0.5	2.1		
<b>25 years and over</b>	8.2	7.8	6.0	0.4	2.2		
Men - 25 years and over	9.4	9.0	6.6	0.4	2.8		
Women - 25 years and over	6.7	6.4	5.1	0.3	1.6		
<b>15 to 24 years</b>	13.5	12.8	12.7	0.7	0.8		
Men - 15 to 24 years	14.8	11.5	15.1	3.3	-0.3		
Women - 15 to 24 years	12.1	14.1	9.9	-2.0	2.2		

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

## EMPLOYMENT BY INDUSTRY

In November, employment edged up in the services-producing sector (+2,100), while contracting sharply in the goods-producing sector (-14,900). Year over year employment losses in the goods-producing sector (-68,000) more than offset gains among services-producing industries (+38,400).

### Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	November 2016	October 2016	November 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,260.4	2,273.2	2,290.0	-12.8	-0.6	-29.6	-1.3
<b>Goods-producing sector</b>	565.1	580.0	633.1	-14.9	-2.6	-68.0	-10.7
Agriculture	51.7	51.1	60.7	0.6	1.2	-9.0	-14.8
Forestry, fishing, mining, quarrying, oil and gas	142.2	146.2	152.1	-4.0	-2.7	-9.9	-6.5
Utilities	18.5	18.9	19.6	-0.4	-2.1	-1.1	-5.6
Construction	240.2	251.1	261.2	-10.9	-4.3	-21.0	-8.0
Manufacturing	112.4	112.8	139.4	-0.4	-0.4	-27.0	-19.4
<b>Services-producing sector</b>	1,695.3	1,693.2	1,656.9	2.1	0.1	38.4	2.3
Trade	339.3	332.8	327.2	6.5	2.0	12.1	3.7
Transportation and warehousing	132.2	135.6	129.6	-3.4	-2.5	2.6	2.0
Finance, insurance, real estate and leasing	103.6	102.0	102.7	1.6	1.6	0.9	0.9
Professional, scientific and technical services	178.5	178.3	174.3	0.2	0.1	4.2	2.4
Business, building and other support services	75.9	79.3	84.1	-3.4	-4.3	-8.2	-9.8
Educational services	153.5	153.5	143.4	0.0	0.0	10.1	7.0
Health care and social assistance	268.0	266.5	266.0	1.5	0.6	2.0	0.8
Information, culture and recreation	72.3	71.9	73.4	0.4	0.6	-1.1	-1.5
Accommodation and food services	148.4	148.9	148.9	-0.5	-0.3	-0.5	-0.3
Other services	124.1	124.1	109.0	0.0	0.0	15.1	13.9
Public administration	99.5	100.3	98.3	-0.8	-0.8	1.2	1.2

Note: Totals may not add due to rounding

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

Employment in Alberta's key resource extraction industry (forestry, fishing, mining, quarrying, and oil and gas) also suffered a setback in November, down 4,000 on the month. At 142,200, employment remained 9,900 below the level of November 2015. Earlier in the year, oil and gas employment dropped precipitously on a temporary basis, due to the Fort McMurray wildfire. Despite November's losses, resource extraction employment is up 11.3% since July, as the first reports of firms re-hiring begin to emerge.<sup>4</sup>

Crude oil has been trading between \$42 and \$52 US per barrel since about March 2016, a price range high enough to keep the most efficient operators in business, but too low to encourage much reinvestment in the oil sands. For now at least, cheaper-to-deploy conventional drillers will be likely be the first beneficiaries of any price hikes.<sup>5</sup>

While the price range suggests a kind of stability, on a daily or weekly basis, the price of crude has been highly volatile. Prices immediately spiked following the November 30<sup>th</sup> meeting of OPEC (The Organization of Petroleum Exporting Countries), at which time the Saudi-led cartel surprised analysts by announcing the first negotiated production cuts in eight years.<sup>6</sup>

Still, Alberta's troubled energy sector received welcome news in October when Canadian Natural Resources (CNRL) announced that it will spend \$28 million on its Kirby North oil sands project in 2017. While modest by oil sands' standards, the spending will provide CNRL flexibility going forward. More good news came in November, when the Federal Cabinet approved Enbridge's Line 3 pipeline expansion into the US as well as the controversial Kinder Morgan Trans Mountain running from Edmonton to Burnaby BC.<sup>7</sup>

Beyond resource extraction, several other industries also showed large annual employment losses. Manufacturing industry employment decreased by 27,000, primarily due to weak demand for energy-related metal fabrication. There were also 21,000 fewer people working in construction, as investment levels declined for residential, non-residential, and civil-engineering based construction. Finally, agricultural employment continued its long slide (-9,000), as Bovine Tuberculosis was found in in a southeastern cattle herd. To limit the transmission of the disease, over 30,000 cattle have been quarantined, with 10,000 likely to be slaughtered.<sup>8</sup>

Year-over-year, employment gains by private sector services-producing industries were concentrated in wholesale and retail trade (+12,100), offsetting significant losses in business, building and other support services (-8,200).

Alberta's public sector has been a key source of employment growth throughout the downturn. On the year, employment gains in educational services (+10,100) were bolstered by gains in health care and social assistance gains (+2,000) and public administration (+1,200).

## REGIONAL ANALYSIS

Over the past year, employment in Alberta declined in three of seven economic regions: Edmonton (-28,200), Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River (-4,300), and Wood Buffalo – Cold Lake (-2,700). Sub-regional unemployment rates have increased in all but one area of the province.

November marked the second labour force survey results for Wood Buffalo-Cold Lake since the May 2016 wildfires. While the rebuilding of Fort McMurray is progressing slowly, employment across the region is 3.2% lower than in November 2015.

As mentioned, the Banff-Jasper-Rocky-Mountain House and Athabasca-Grande Prairie-Peace River area experienced employment losses (-2.3%) on the year. Despite reduced employment, the area's unemployment rate remains the lowest in Alberta (5.4%), as unemployment also declined (-2,100). On the year, a full 6,300 workers exited the labour force. Moreover, labour market conditions vary widely across this large combined region. For example, earlier this year tourism-dependant Banff-Jasper-Rocky Mountain House area had the highest job vacancy rate in Canada (4.5%), well above that of Athabasca-Grande Prairie-Peace River (2.6%).<sup>9</sup> The retention of employees in and around Banff-Jasper can be so challenging that town staff may be eligible for interest-free loans as an encouragement to put down roots.<sup>10</sup>

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

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	November 2016 ('000)	November 2015 ('000)	Yearly Variation (%)	November 2016 (%)	November 2015 (%)	Yearly Variation (% points)
<b>Alberta</b>	2,274.2	2,306.7	-1.4	7.8	6.1	1.7
<b>Economic Regions</b>						
Lethbridge-Medicine Hat	149.8	148.9	0.6	6.1	5.6	0.5
Camrose-Drumheller	105.2	105.1	0.1	7.1	4.0	3.1
Calgary	868.5	867.3	0.1	9.9	6.7	3.2
Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River	184.0	188.3	-2.3	5.4	6.3	-0.9
Red Deer	114.8	114.2	0.5	7.6	5.5	2.1
Edmonton	769.5	797.8	-3.5	6.4	5.8	0.6
Wood Buffalo-Cold Lake	82.2	85.1	-3.4	8.9	8.1	0.8

Note: Totals may not add due to rounding

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

Turning to the major centres of Calgary and Edmonton, both labour markets have suffered, although in slightly different ways. Edmonton's labour force declined on the year (-24,300), whereas Calgary's labour force expanded in size (+34,500).<sup>11</sup> These differences have led to markedly different unemployment rates: Edmonton's has barely budged, up 0.6 percentage points to 6.4%, while Calgary's has climbed 3.2 percentage points to 9.9%.

In fact, the official unemployment rate for the City of Calgary (Calgary CMA, 3 month moving average) is now sitting at 10.3%, which is the highest regional rate in the province and well above that of any other major Canadian city.<sup>12</sup>

**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> Statistics Canada, The Daily | Payroll employment, earnings and hours, September 2016 | November 24, 2016 | Accessed December 5, 2016 | <http://www.statcan.gc.ca/daily-quotidien/161124/dq161124a-eng.htm>

<sup>2</sup> Office of the Superintendent of Bankruptcy Canada, Insolvency Statistics in Canada—September 2016 | November 30, 2016 | Accessed December 5, 2016 | <https://www.ic.gc.ca/eic/site/bsf-osb.nsf/eng/br03663.html>

<sup>3</sup> Canadian Mortgage and Housing Corporation (CMHC), Mortgage Loan Insurance Business Supplement Q2 2016, June 2016 | A mortgage is in arrears when payment is three or more months overdue | Accessed December 5, 2016 | <https://www.cmhc-schl.gc.ca/en/corp/about/core/upload/mortgage-loan-insurance-business-supplement-september-2016.pdf>

<sup>4</sup> Essential Energy Services, an oilfield services company, is having a tough time finding enough employees to take advantage of increased activity | Calgary Herald, November 10, 2016 | Accessed December 5, 2016 | <http://calgaryherald.com/business/energy/essential-energy-services-says-it-cant-hire-enough-staff-to-cover-rising-activity>

<sup>5</sup> The Canadian Association of Oil Well Drilling Contractors is forecasting a 31% increase in drilling activity in 2017 | CAODC, November 22, 2016 | Accessed December 5, 2016 | <http://www.caodc.ca/caodc-forecast-2017>

<sup>6</sup> OPEC Seeks Cuts From Nations Pumping a Fifth of Oil | Bloomberg, December 5, 2016 | Accessed December 5, 2016 | <https://www.bloomberg.com/news/articles/2016-12-05/opec-seeks-cuts-from-nations-pumping-a-fifth-of-the-world-s-oil>

<sup>7</sup> Trudeau cabinet approves Trans Mountain, Line 3 pipelines, rejects Northern Gateway | CBC, November 29, 2016 | Accessed December 5, 2016 | <http://www.cbc.ca/news/politics/federal-cabinet-trudeau-pipeline-decisions-1.3872828>

<sup>8</sup> 40 cattle operations are affected, with 12 added to the 'high-risk' category | CBC, November 28, 2016 | Accessed December 2, 2016 | <http://www.cbc.ca/news/canada/calgary/bovine-tuberculosis-slaughter-expansion-1.3871845>

<sup>9</sup> Statistics Canada (October 26, 2016). The Daily: *Job Vacancy and Wage Survey*, second quarter 2016. Retrieved from: <http://www.statcan.gc.ca/daily-quotidien/161026/dq161026a-eng.htm>

<sup>10</sup> Town of Banff staff ask for interest-free loans to buy homes elsewhere | CBC, December 4, 2016 | Accessed December 5, 2016 | <http://www.cbc.ca/news/canada/calgary/banff-town-home-loans-1.3879768>

<sup>11</sup> The labour force is made up of those with jobs (the employed), as well as those without jobs but looking for them

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<sup>12</sup> ATB Financial’s Chief Economist, Todd Hirsch, suggests that one reason Calgary’s labour force may be growing is due to more household members being forced to look for work.

Hirsch, Todd (November 7, 2016). The Owl: Unemployment moving in opposite directions. ATB Economics. Retrieved from: <http://www.atb.com/learn/economics/Pages/the-owl.aspx?aid=627>