



Labour Market Bulletin

Alberta

May 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 dropped sharply in May 2016 (-24,100), extending the downward trend of the past year. The beleaguered oil and gas sector continues to struggle despite the partial recovery of oil prices in recent months. The sector's woes have spread throughout Alberta's economy, leading to job losses in a broad range of industries. Compared to a year earlier, there are 53,800 fewer people working in the province.

Alberta Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2016	April 2016	May 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,396.4	3,392.4	3,345.4	4.0	0.1	51.0	1.5
Labour Force ('000)	2,443.0	2,452.3	2,449.0	-9.3	-0.4	-6.0	-0.2
Employment ('000)	2,251.5	2,275.6	2,305.3	-24.1	-1.1	-53.8	-2.3
Full-Time ('000)	1,832.5	1,872.6	1,921.0	-40.1	-2.1	-88.5	-4.6
Part-Time ('000)	419.1	403.0	384.3	16.1	4.0	34.8	9.1
Unemployment ('000)	191.4	176.6	143.7	14.8	8.4	47.7	33.2
Unemployment Rate (%)	7.8	7.2	5.9	0.6	-	1.9	-
Participation Rate (%)	71.9	72.3	73.2	-0.4	-	-1.3	-
Employment Rate (%)	66.3	67.1	68.9	-0.8	-	-2.6	-

Note: Totals may not add due to rounding

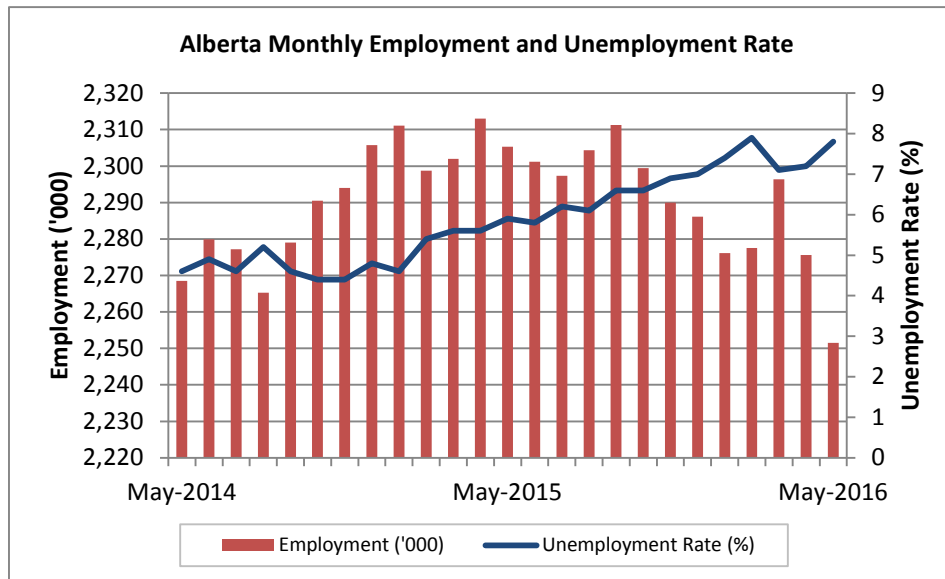
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Full-time employment decreased by 40,100 positions on the month, only partially offset by part-time gains (+16,100).

The Fort McMurray fire, which led to the evacuation of 80,000 people, made it impossible for Statistics Canada to conduct the Labour Force Survey in the area. So, for the most part, May's figures do not include direct employment losses due to the fire. On the other hand, the secondary effects of the fire are almost certainly

included in job losses recorded throughout the rest of the province (principally in Edmonton and Calgary). In any case, the full employment effects of the Fort McMurray wildfire may not be known for some time.

Looking at classes of workers, employment in the private sector retreated sharply in May (-40,500). However, public sector employment and self-employment in the province increased on the month, narrowing the cumulative job loss.



Between April and May, Alberta’s unemployment rate rose from 7.2% to 7.8%. The labour force dropped by 6,000, a better showing than the previous month when it declined by 18,800, the largest one-month decline in Alberta’s history.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2016 (%)	April 2016 (%)	May 2015 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	7.8	7.2	5.9	0.6	1.9
25 years and over	7.1	6.5	5.0	0.6	2.1
Men - 25 years and over	7.7	6.8	5.2	0.9	2.5
Women - 25 years and over	6.3	6.2	4.7	0.1	1.6
15 to 24 years	12.5	11.2	10.9	1.3	1.6
Men - 15 to 24 years	13.7	12.4	11.6	1.3	2.1
Women - 15 to 24 years	11.0	9.9	10.0	1.1	1.0

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

Looking at major demographic groups, the unemployment rate for men aged 25 and over increased to 7.7% in May, while the rate for younger men increased to 13.7%. Meanwhile, the unemployment rate for women aged 25 and over ticked up slightly to 6.3%, while for younger women it increased to 11.0%.

EMPLOYMENT BY INDUSTRY

On a monthly basis, employment declined in both the goods-producing (-20,100) and the services-producing (-4,000) sectors. However, substantial year-over-year losses in goods-sector employment (-76,200) continue to outweigh subdued growth in the services-sector (+22,300).

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2016	April 2016	May 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,251.5	2,275.6	2,305.3	-24.1	-1.1	-53.8	-2.3
Goods-producing sector	570.2	590.3	646.4	-20.1	-3.4	-76.2	-11.8
Agriculture	49.5	49.8	65.1	-0.3	-0.6	-15.6	-24.0
Forestry, fishing, mining, quarrying, oil and gas	129.3	140.8	160.2	-11.5	-8.2	-30.9	-19.3
Utilities	20.8	21.5	20.9	-0.7	-3.3	-0.1	-0.5
Construction	256.3	263.7	261.0	-7.4	-2.8	-4.7	-1.8
Manufacturing	114.4	114.5	139.1	-0.1	-0.1	-24.7	-17.8
Services-producing sector	1,681.3	1,685.3	1,659.0	-4.0	-0.2	22.3	1.3
Trade	331.7	332.1	317.0	-0.4	-0.1	14.7	4.6
Transportation and warehousing	130.4	130.7	141.4	-0.3	-0.2	-11.0	-7.8
Finance, insurance, real estate and leasing	108.1	108.9	105.1	-0.8	-0.7	3.0	2.9
Professional, scientific and technical services	177.7	182.9	168.9	-5.2	-2.8	8.8	5.2
Business, building and other support services	83.2	80.4	79.8	2.8	3.5	3.4	4.3
Educational services	148.7	146.5	137.8	2.2	1.5	10.9	7.9
Health care and social assistance	263.2	269.2	265.3	-6.0	-2.2	-2.1	-0.8
Information, culture and recreation	78.4	78.5	74.1	-0.1	-0.1	4.3	5.8
Accommodation and food services	141.1	141.0	156.7	0.1	0.1	-15.6	-10.0
Other services	123.7	119.4	121.3	4.3	3.6	2.4	2.0
Public administration	95.1	95.7	91.6	-0.6	-0.6	3.5	3.8

Note: Totals may not add due to rounding

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

Alberta's resource extraction industry (forestry, fishing, mining, quarrying, and oil and gas) had the largest decrease in employment on the month (-11,500). North American benchmark crude oil prices averaged around \$46.75 US per barrel in May, up 50% from February's 13-year low.¹ Nonetheless, prices still remain too low for energy producers and service companies to reverse layoffs and cutbacks in spending. On an annual basis, there are 30,900 fewer people working in Alberta's resource extraction industry.

Several other industries also registered large annual employment losses. Agricultural employment is down by 15,600 positions, amid challenging conditions for livestock producers. Employment in the province's manufacturing industry has decreased by 24,700, due to lower prices for petroleum products and weak demand for energy-related fabrication and machinery. There are also 11,000 fewer people working in the transportation and warehousing industry, due in large part to employment declines in truck transportation and courier services. Meanwhile, the accommodation and food services industry shed significant employment (-15,600), with most of

these job losses occurring in the food services sub-industry. In March, sales at Albertan eating and drinking establishments were down 1.9% compared to March 2015.²

Over the past year, Alberta's public sector industries have been a key source of employment growth. However, in May, employment losses in health care and social assistance (-6,000) and in public administration (-600), outweighed increases in educational services (+2,200).

REGIONAL ANALYSIS

Compared to the same period last year, employment is down in most regions of Alberta, and unemployment rates are higher without exception. As noted above, this month's employment figures do not reflect direct job losses resulting from the Fort McMurray wildfire. However, the secondary effects of the fire have undoubtedly contributed to the poor results seen through much of the province.

Looking across Alberta, annual employment losses in Camrose-Drumheller (-9,400) and Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River (-12,300) are very steep especially considering the relatively small populations of these economic regions.

Calgary's labour market also weakened significantly over the past year, with 32,400 fewer people working in May. The region's 8.4% unemployment rate is a slight decrease from the previous month and one of the few bright spots in this month's results. Calgary-based energy firms continue to make staffing cuts to their head-office operations, while hotel occupancy rates in Alberta's largest city are down 10.3% year-to-date.³ The city's manufacturing and transportation industries have also shed a significant number of jobs. Looking forward, the Conference Board of Canada expects Calgary's challenges to continue, as its economy contracts for a second year in a row and employment losses mount.⁴

Meanwhile, Edmonton continues to experience strong annual employment growth (+29,500) as a result of gains in a number of service-industries, particularly wholesale and retail trade. However, falling construction and manufacturing activity, as well as decreased business and consumer spending, are expected to lead to marginal employment losses over the course of 2016.⁵

In April, Wood Buffalo-Cold Lake, which is home to the province's oil major sands operations, had the highest regional unemployment rate in the West and the only one in double digits (10.2%). This was before the catastrophic wildfires of May that decimated the hub city of Fort McMurray and caused the evacuation of 90,000 people. The Conference Board now expects the wildfire to further weaken provincial GDP for 2016.⁶

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2016 ('000)	May 2015 ('000)	Yearly Variation (%)	May 2016 (%)	May 2015 (%)	Yearly Variation (% points)
Alberta	2,257.7	2,290.2	-1.4	8.0	6.1	1.9
Economic Regions						
Lethbridge-Medicine Hat	148.4	146.8	1.1	7.4	4.3	3.1
Camrose-Drumheller	93.2	102.6	-9.2	8.3	4.7	3.6
Calgary	852.1	884.5	-3.7	8.4	5.8	2.6
Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River	178.9	191.2	-6.4	7.8	6.2	1.6
Red Deer	112.6	118.3	-4.8	8.5	6.2	2.3
Edmonton	791.3	761.8	3.9	7.4	6.8	0.6
Wood Buffalo-Cold Lake	81.2	85.0	-4.5	9.5	8.6	0.9

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 Energy Information Administration (March 2016). Short term energy outlook (STEO): Monthly WTI Price. Retrieved from: <http://www.eia.gov/forecasts/steo/query/>

² Statistics Canada, The Daily, April 29, 2016. Food services and drinking places – Seasonally adjusted. Retrieved from: <http://www.statcan.gc.ca/daily-quotidien/160531/dq160531c-eng.htm>

³ Alberta Culture and Tourism. (February 2016). Alberta Tourism Market Monitor workbook (May 2016 Edition). Retrieved from: <http://culture.alberta.ca/tourism/research-and-statistics/statistics/alberta-tourism-market-monitor/>

⁴ The Conference Board of Canada's latest forecast shows Calgary Census Metropolitan Area's (CMA) economy contracting by 1.2% in 2016 and approximately 17,000 (-2.1%) fewer people employed year-over-year.

Conference Board of Canada. (March 4, 2016). Calgary: Metropolitan Outlook 1, Winter 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=7799> (subscription required)

⁵ Conference Board of Canada. Ibid

⁶ Conference Board of Canada. (May 10, 2016). Provincial Outlook Executive Summary, Spring 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8062> (subscription required)