



Labour Market Bulletin

Alberta

August 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

In August, employment in Alberta was little changed from the previous month (+2,700), while down significantly from July of last year (-53,400). Since January, employment in Alberta has fallen by 25,200.

Alberta's labour market slump is well into its second year, with the recession now threatening the financial stability of businesses and households alike. In August, over 50,000 Albertans were unemployed, the largest number since December 1984. Moreover, for those employed, average wages are in decline. Since peaking in January 2015, average weekly earnings in the province have fallen by 4.5%.¹ With lower earnings and higher unemployment, consumer insolvencies in Alberta are also on the rise. For the 12 months ending May 31, 2016, consumer insolvencies were up 35% compared to the same period in 2014-2015.² On the mortgage front, CMHC reports that almost 1,500 mortgages were in arrears in Alberta as of the end of June, a 52% increase from the same time last year.³

Economy-wide, full-time employment increased by 21,500 positions on the month, more than offsetting part-time job losses (18,700).

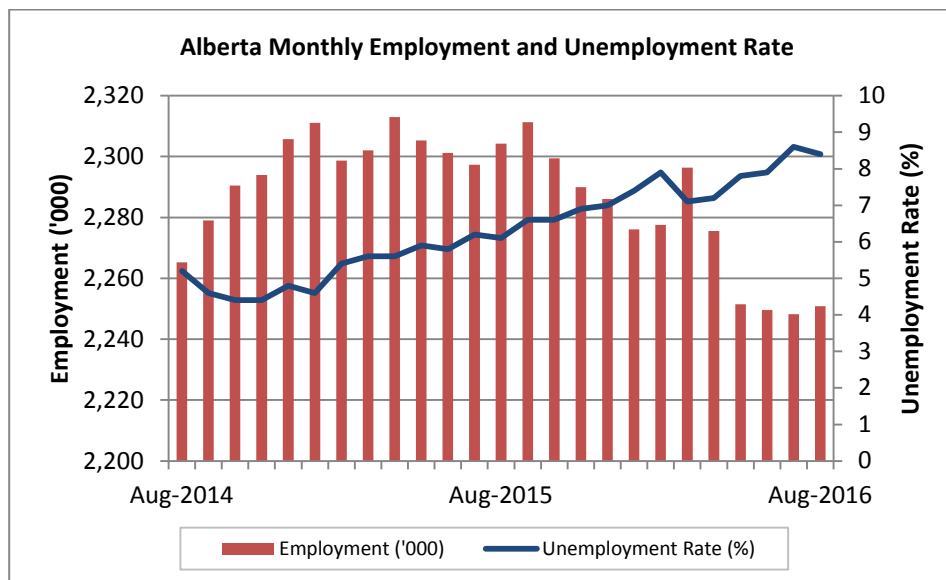
Alberta Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	August 2016	July 2016	August 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,405.2	3,402.8	3,365.1	2.4	0.1	40.1	1.2
Labour Force ('000)	2,457.8	2,459.0	2,455.1	-1.2	0.0	2.7	0.1
Employment ('000)	2,250.9	2,248.2	2,304.3	2.7	0.1	-53.4	-2.3
Full-Time ('000)	1,836.3	1,814.8	1,927.2	21.5	1.2	-90.9	-4.7
Part-Time ('000)	414.6	433.3	377.1	-18.7	-4.3	37.5	9.9
Unemployment ('000)	206.9	210.8	150.8	-3.9	-1.9	56.1	37.2
Unemployment Rate (%)	8.4	8.6	6.1	-0.2	-	2.3	-
Participation Rate (%)	72.2	72.3	73.0	-0.1	-	-0.8	-
Employment Rate (%)	66.1	66.1	68.5	0.0	-	-2.4	-

Note: Totals may not add due to rounding

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

The number of private sector workers in an employer–employee relationship increased by 0.4% on the month in August, 3.0% lower than the previous year. Public sector employment was unchanged on the year, but down 7,600 (-1.8%) since January 2016. Self-employment dropped 6.7% year-to-date.



Between July and August, Alberta’s unemployment rate eased downward from 8.6% to 8.4%. In August 2015, Alberta’s unemployment rate stood at 6.1%.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	August 2016 (%)	July 2016 (%)	August 2015 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	8.4	8.6	6.1	-0.2	2.3
25 years and over	7.3	7.6	5.4	-0.3	1.9
Men - 25 years and over	7.9	8.2	5.6	-0.3	2.3
Women - 25 years and over	6.6	6.8	5.2	-0.2	1.4
15 to 24 years	15.1	14.8	10.5	0.3	4.6
Men - 15 to 24 years	16.1	16.5	12.8	-0.4	3.3
Women - 15 to 24 years	13.9	12.8	7.7	1.1	6.2

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

Looking at major demographic groups, the unemployment rate for men aged 25 and over decreased to 7.9% in August. The rate for younger men (aged 15 to 24) was double that, at 16.1%. Meanwhile, the unemployment rate for women aged 25 and over ticked down to 6.6%, increasing for younger women to 13.9%.

EMPLOYMENT BY INDUSTRY

On a monthly basis, employment edged up in the goods-producing sector (+6,700), more than offsetting the decline in services (-4,600). On an annual basis, however, sharply lower employment in the goods-producing sector (-10.5%), outweighed modest growth in the services-producing sector (+0.8%).

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	August 2016	July 2016	August 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,250.9	2,248.2	2,304.3	2.7	0.1	-53.4	-2.3
Goods-producing sector	566.2	559.5	632.8	6.7	1.2	-66.6	-10.5
Agriculture	51.4	51.9	62.4	-0.5	-1.0	-11.0	-17.6
Forestry, fishing, mining, quarrying, oil and gas	137.6	127.8	156.1	9.8	7.7	-18.5	-11.9
Utilities	18.7	19.3	20.5	-0.6	-3.1	-1.8	-8.8
Construction	245.9	247.9	258.2	-2.0	-0.8	-12.3	-4.8
Manufacturing	112.5	112.6	135.6	-0.1	-0.1	-23.1	-17.0
Services-producing sector	1,684.7	1,688.7	1,671.5	-4.0	-0.2	13.2	0.8
Trade	328.2	323.8	324.6	4.4	1.4	3.6	1.1
Transportation and warehousing	130.3	137.1	137.3	-6.8	-5.0	-7.0	-5.1
Finance, insurance, real estate and leasing	106.6	109.5	105.4	-2.9	-2.6	1.2	1.1
Professional, scientific and technical services	173.9	178.3	172.3	-4.4	-2.5	1.6	0.9
Business, building and other support services	77.1	80.5	81.9	-3.4	-4.2	-4.8	-5.9
Educational services	149.5	150.2	139.4	-0.7	-0.5	10.1	7.2
Health care and social assistance	271.2	269.1	266.6	2.1	0.8	4.6	1.7
Information, culture and recreation	71.3	78.2	76.4	-6.9	-8.8	-5.1	-6.7
Accommodation and food services	151.2	145.3	154.1	5.9	4.1	-2.9	-1.9
Other services	125.3	122.3	113.8	3.0	2.5	11.5	10.1
Public administration	100.3	94.5	99.7	5.8	6.1	0.6	0.6

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) declined by 18,500 on the year. Employment in the industry dropped precipitously in May, due in large part to the Fort McMurray wildfire. In the fire's aftermath, employment in the industry has recovered somewhat, while remaining well below its level at the start of the year. Crude oil has generally been trading between \$40 and \$50 US per barrel for the past six-months, a price range considered high enough to keep the best operators in business, but too low to encourage needed reinvestment in the industry.

Several other industries are showing large employment losses on an annual basis. For example, employment in the manufacturing industry decreased by 23,100, due to weak demand for energy-related metal fabrication and machinery. There were also 12,300 fewer people working in construction, as investment levels declined for both residential and non-residential construction.

Year-over-year, the eight private sector services-producing industries were evenly split between those showing employment losses and those showing employment gains.

Over the past two years, Alberta's public sector has been a key source of employment growth. On the year, employment gains in public administration (+600) were bolstered by increases in health care and social assistance (+4,600) and educational services (+10,100).

REGIONAL ANALYSIS

Compared to the same period last year, employment is down in all regions of Alberta, except for Lethbridge-Medicine Hat (+1.9%). Unemployment rates are higher without exception across the province.

After three straight months of omission due to the wildfires, Statistics Canada did include residents of Fort McMurray in its labour force sampling in August. However, because sub-provincial figures are three-month moving averages, labour force survey results for the Wood Buffalo-Cold Lake area will not be available again until early November.

Annual employment losses in Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River (-15,200) were again notable, given its modest population size.

Looking at Alberta's largest centres, employment is down significantly in both Calgary (-21,400) and Edmonton (-13,500) compared to a year ago. Unlike the rest of the province, Calgary's health care and social assistance industry has shed workers over the past year, adding to losses in its manufacturing, oil and gas, and transportation sectors. In contrast, the number of people working in educational services has climbed significantly—growth that is partly attributable to the high number of schools opening in the region.⁴

While Edmonton has generally outperformed provincial results over the past year, its labour market has slowed in recent months. In fact, the region's unemployment rate (8.3%) is now higher than it has been in decades. As noted by Edmonton officials, employment in the region's manufacturing and resource sectors may be stabilizing, but losses are now occurring in key service industries.⁵

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	August 2016 ('000)	August 2015 ('000)	Yearly Variation (%)	August 2016 (%)	August 2015 (%)	Yearly Variation (% points)
Alberta	2,271.3	2,329.7	-2.5	8.6	6.2	2.4
Economic Regions						
Lethbridge-Medicine Hat	150.7	147.9	1.9	7.3	4.6	2.7
Camrose-Drumheller	102.1	105.0	-2.8	8.7	3.6	5.1
Calgary	867.1	888.5	-2.4	9.3	6.9	2.4
Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River	182.7	197.9	-7.7	7.2	5.1	2.1
Red Deer	113.4	117.1	-3.2	9.6	7.9	1.7
Edmonton	773.3	786.8	-1.7	8.3	5.8	2.5
Wood Buffalo-Cold Lake*	-	86.6	-	-	7.6	-

*As a result of the wildfire affecting northern Alberta, Labour Force Survey (LFS) data for the census agglomeration of Wood Buffalo, which includes Fort McMurray, were not collected from May to July 2016. Collection resumed in Wood Buffalo with the August LFS and data for this area are reflected in the national and Alberta estimates published this month. **Separate estimates for the economic region of Wood Buffalo–Cold Lake, which are published as three-month moving averages, are not available for June, July or August 2016**

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 Statistics Canada, The Daily; Payroll employment, earnings and hours, June 2016; August 25, 2016; Accessed September 9, 2016; <http://www.statcan.gc.ca/daily-quotidien/160825/dq160825a-eng.htm>

² Office of the Superintendent of Bankruptcy Canada, Insolvency Statistics in Canada—May 2016; July 28, 2016; Accessed September 9, 2016; <https://www.ic.gc.ca/eic/site/bsf-osb.nsf/eng/br03620.html>

³ 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 September 9, 2016; <https://www.cmhc-schl.gc.ca/en/corp/about/core/upload/second-quarter-mortgage-loan-insurance-business-supplement.pdf>

⁴ CBC, August 18, 2016; Accessed September 12, 2016; <http://www.cbc.ca/news/canada/calgary/new-schools-calgary-opening-september-1.3727337>

⁵ City of Edmonton, Economic Indicators, September 9, 2016; Accessed September 12, 2016;
[https://www.edmonton.ca/business_economy/documents/PDF/EdmontonLabourForceStatisticsReportAugust2016%20\(2\).pdf](https://www.edmonton.ca/business_economy/documents/PDF/EdmontonLabourForceStatisticsReportAugust2016%20(2).pdf)