



Labour Market Bulletin

Alberta

September 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

The third quarter of 2016 was another dismal period for Alberta's labour market, as employment in the province declined for the fifth consecutive quarter (-4,500). At 2.25 million, employment in the province was 49,900 lower than during the July to September period last year. Full-time employment was even harder hit, down 13,000 on the quarter and 84,500 on the year, with such losses only partially offset by part-time gains. Average hours worked in the province declined by 3.1% between July 2015 and July 2016, the most recent data available.¹

Looking at classes of workers, private-sector employment was 3.3% lower (-50,500) compared to Q3-2015. On the year, both public-sector employment and self-employment were largely unchanged.²

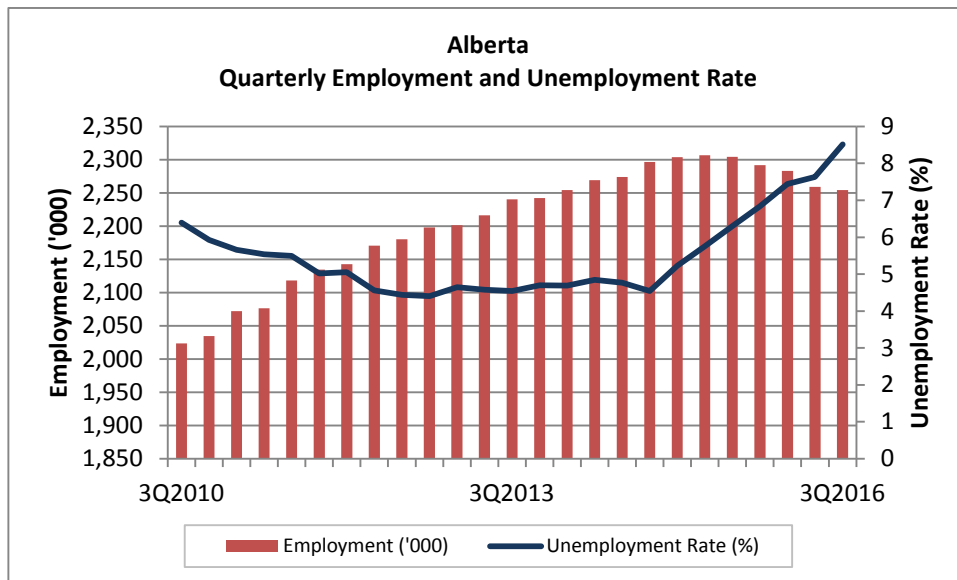
While Q3-2016 was bad, job losses on the period were the smallest in four quarters. In this vein, current forecasts predict that Alberta will return to positive economic growth in 2017. Even so, a full recovery of the labour market may lag further.³

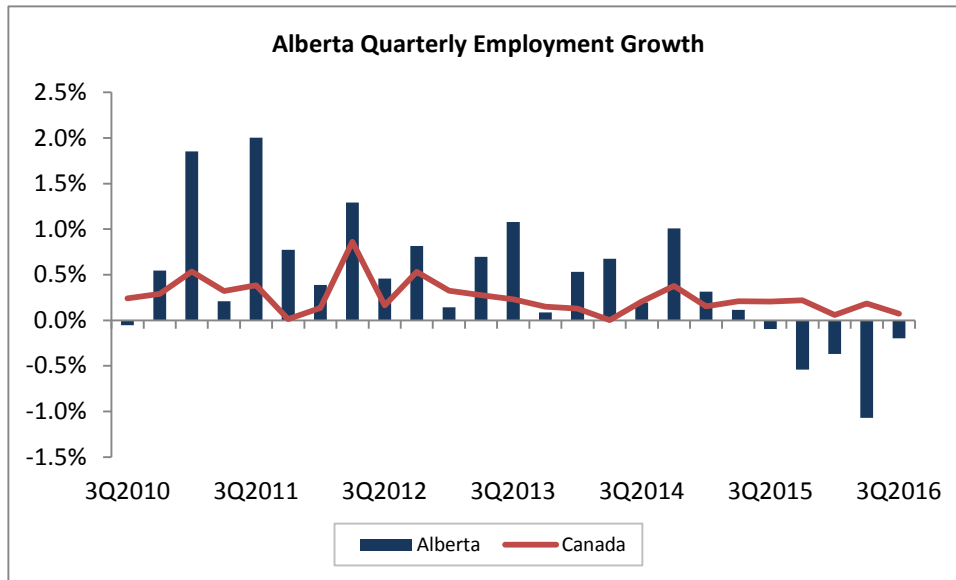
Alberta Quarterly Labour Force Statistics

Seasonally Adjusted Data	3rd Quarter 2016	2nd Quarter 2016	3rd Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,405.1	3,396.0	3,365.1	9.1	0.3	40.0	1.2
Labour Force ('000)	2,464.2	2,445.6	2,459.4	18.6	0.8	4.8	0.2
Employment ('000)	2,254.4	2,258.9	2,304.3	-4.5	-0.2	-49.9	-2.2
Full-Time ('000)	1,830.5	1,843.5	1,915.0	-13.0	-0.7	-84.5	-4.4
Part-Time ('000)	423.9	415.4	389.3	8.5	2.0	34.6	8.9
Unemployment ('000)	209.8	186.6	155.0	23.2	12.4	54.8	35.4
Unemployment Rate (%)	8.5	7.6	6.3	0.9	-	2.2	-
Participation Rate (%)	72.4	72.0	73.1	0.4	-	-0.7	-
Employment Rate (%)	66.2	66.5	68.5	-0.3	-	-2.3	-

Note: Totals may not add due to rounding

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





Alberta Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation (% points)	Yearly Variation (% points)
	2016 (%)	2016 (%)	2015 (%)		
Total	8.5	7.6	6.3	0.9	2.2
25 years and over	7.5	6.9	5.5	0.7	2.1
Men - 25 years and over	8.3	7.4	5.7	0.9	2.5
Women - 25 years and over	6.6	6.2	5.1	0.4	1.5
15 to 24 years	14.4	12.3	11.2	2.1	3.2
Men - 15 to 24 years	14.8	13.5	13.7	1.2	1.1
Women - 15 to 24 years	13.9	10.9	8.3	3.0	5.6

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

Alberta's unemployment rate increased to 8.5% in the third quarter. This was the highest provincial rate in the West and well above the national average of 7.0%. According to the latest data, the number of individuals in the province receiving regular Employment Insurance benefits continues to grow as well.⁴

Breaking down results for major demographic groupings, the largest unemployment rate increase (10.9% to 13.9%) occurred for young women. The unemployment rate for young men increased by less than half that, from 13.5% to 14.8%.

Unemployment rates for adults also edged up, but the rate for men (8.3%) continued to be higher than for women (6.6%). In fact, among Albertans aged 25 years and older, men consistently have higher unemployment rates than women, although the variation between them tends to increase during recessionary times.

Alberta - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q2 2016	Q2 2015	Number	%	Q2 2016	Q2 2015	Number	%
Population 15 + ('000)	158.3	150.7	7.6	5.0	3,237.7	3,195.3	42.4	1.3
Labour Force ('000)	113.4	108.5	4.9	4.5	2,345.6	2,352.1	-6.5	-0.3
Employment ('000)	97.0	97.1	-0.1	-0.1	2,164.3	2,216.7	-52.4	-2.4
Full-Time ('000)	73.7	84.6	-10.9	-12.9	1,767.2	1,836.6	-69.4	-3.8
Part-Time ('000)	23.4	12.5	10.9	87.2	397.2	380.1	17.1	4.5
Unemployment ('000)	16.4	11.4	5.0	43.9	181.2	135.4	45.8	33.8
Unemployment Rate (%)	14.4	10.5	3.9	-	7.7	5.8	1.9	-
Participation Rate (%)	71.6	72.0	-0.4	-	72.4	73.6	-1.2	-
Employment Rate (%)	61.3	64.5	-3.2	-	66.8	69.4	-2.6	-

Notes: The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

Source: Statistics Canada Labour Force Survey – ESDC custom table

In the third quarter (Q3) of 2016, the total population aged 15+ in Alberta was 3.4 million. The Indigenous population living off-reserve accounted for 4.7% of that, or 161,200 people. Employment among the Indigenous population stood at 99,300 representing a slight increase of +4,600 (+4.9%) from a year earlier. The increase was all in part-time positions (+7,800 or +65.5%), but this was partially off-set by a decline in full-time employment (-3,200 or -3.9%).

The unemployment rate among the Indigenous population was 12.2% in Q3 2016, representing an increase of +1.7 percentage points (pp) from the previous year. There was also an increase amongst the non-Indigenous population whose unemployment rate stood at 8.4% (+2.3pp) in Q3 2016. Between Q3 2015 and Q3 2016, the participation rate among the Indigenous population edged upward to 70.2% (+0.6pp), and the non-Indigenous participation rate stood at 73.9% declining by -0.9pp. The employment rate among the Indigenous population declined to 61.6% (-0.7pp), while that of the non-Indigenous population declined by a larger margin year-over-year to 66.9% (-2.5pp).

EMPLOYMENT BY INDUSTRY

For the sixth consecutive quarter, employment decreased in Alberta's goods-producing sector (-7,900). Compared to Q2-2016, job growth in the services-producing sector was relatively modest (+3,400).

Alberta Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation		Yearly Variation	
	2016	2016	2015	Number	%	Number	%
Total employed, all industries	2,254.4	2,258.9	2,304.3	-4.5	-0.2	-49.9	-2.2
Goods-producing sector	567.1	575.0	636.8	-7.9	-1.4	-69.7	-10.9
Agriculture	51.5	49.8	62.0	1.7	3.4	-10.5	-16.9
Forestry, fishing, mining, quarrying, oil and gas	134.7	132.9	156.4	1.8	1.4	-21.7	-13.9
Utilities	19.3	20.5	21.0	-1.2	-5.9	-1.7	-8.1
Construction	248.3	256.0	259.1	-7.7	-3.0	-10.8	-4.2
Manufacturing	113.3	115.8	138.4	-2.5	-2.2	-25.1	-18.1
Services-producing sector	1,687.3	1,683.9	1,667.5	3.4	0.2	19.8	1.2
Trade	327.8	330.5	324.3	-2.7	-0.8	3.5	1.1
Transportation and warehousing	133.6	130.6	135.9	3.0	2.3	-2.3	-1.7
Finance, insurance, real estate and leasing	107.8	108.1	104.2	-0.3	-0.3	3.6	3.5
Professional, scientific and technical services	177.1	179.8	174.5	-2.7	-1.5	2.6	1.5
Business, building and other support services	78.8	81.8	82.7	-3.0	-3.7	-3.9	-4.7
Educational services	150.9	147.5	138.8	3.4	2.3	12.1	8.7
Health care and social assistance	269.5	266.0	265.5	3.5	1.3	4.0	1.5
Information, culture and recreation	74.2	79.3	77.4	-5.1	-6.4	-3.2	-4.1
Accommodation and food services	149.1	143.0	152.4	6.1	4.3	-3.3	-2.2
Other services	121.7	121.7	114.9	0.0	0.0	6.8	5.9
Public administration	97.0	95.6	96.9	1.4	1.5	0.1	0.1

Note: Totals may not add due to rounding

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

The province's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) shed an estimated 21,700 positions year over year, with most of these losses occurring in the oil and gas sub-sector. Employment in the overall industry peaked at 181,300 during Q3-2014, but has since fallen by 46,600. Benchmark North American oil prices traded at \$45 to \$50 US for most of the third quarter and are now expected to move up in the near term at least.⁵ However, there are few indications that the provincial industry will fully rebound to its pre-2014 level. In fact, the Canadian Association of Petroleum Producers' recently downgraded its long-term growth forecast, citing slower expansion in the oil sands and transportation constraints.⁶

Looking at Alberta's other goods-producing industries, sizeable employment losses also occurred this quarter in both the construction (-7,700) and manufacturing (-2,500) industries. Meanwhile, agricultural employment increased on the quarter (+1,700), while still posting a significant year-over-year decline (-10,500). Crop production has tended to be more profitable than animal production for farmers. In September, Alberta-based Western Feedlots announced it will wind up its feedlot operations while continuing other farm activity.⁷

Turning to the services sector, employment gains were seen in two of eight private-sector industries: transportation and warehousing (+3,000) and accommodation and food services (+6,100).

Employment in retail and wholesale trade dipped on the quarter (-2,700) as the value of receipts in both subsectors continued to fall. In July, wholesale sales declined for the third time in four months, down 2.5% to \$6.1 billion, on lower sales in machinery, equipment and supplies. Meanwhile, retail receipts in Alberta (-0.8%) declining for the third consecutive month in July. Combined, industry receipts were down \$1.6 billion compared to July 2014.

In Q3-2016, Alberta continued to rely on public sector service industries for employment growth. There were 3,500 more people working in Alberta's health care and social assistance industry on the quarter, while, employment nudged up in educational services (+3,400) and public administration (+1,400). After pausing in Q2-2016, public sector employment continues to offset private sector losses, as was the case last year.

REGIONAL ANALYSIS

Alberta Quarterly Labour Force Statistics, by Economic Region

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	3rd Quarter 2016 ('000)	3rd Quarter 2015 ('000)	Yearly Variation (%)	3rd Quarter 2016 (%)	3rd Quarter 2015 (%)	Yearly Variation (% points)
Alberta	2,272.6	2,325.9	-2.3	8.6	6.3	2.3
Economic Regions						
Lethbridge-Medicine Hat	151.8	147.8	2.7	6.7	5.2	1.5
Camrose-Drumheller	103.9	105.1	-1.1	8.4	3.8	4.6
Calgary	867.4	886.7	-2.2	9.7	6.9	2.8
Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River	183.4	193.9	-5.4	6.6	5.5	1.1
Red Deer	114.1	116.5	-2.1	8.7	7.0	1.7
Edmonton	770.2	789.0	-2.4	8.0	6.1	1.9
Wood Buffalo-Cold Lake*	-	86.9	-	-	7.5	-

*As a result of the wildfire affecting northern Alberta, 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 in August. Data for this area are reflected in the national and Alberta estimates published in August and September. Separate estimates for the economic region of Wood Buffalo-Cold Lake, which are published as three-month moving averages, are not available for June to September 2016.

Note: Totals may not add due to rounding

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

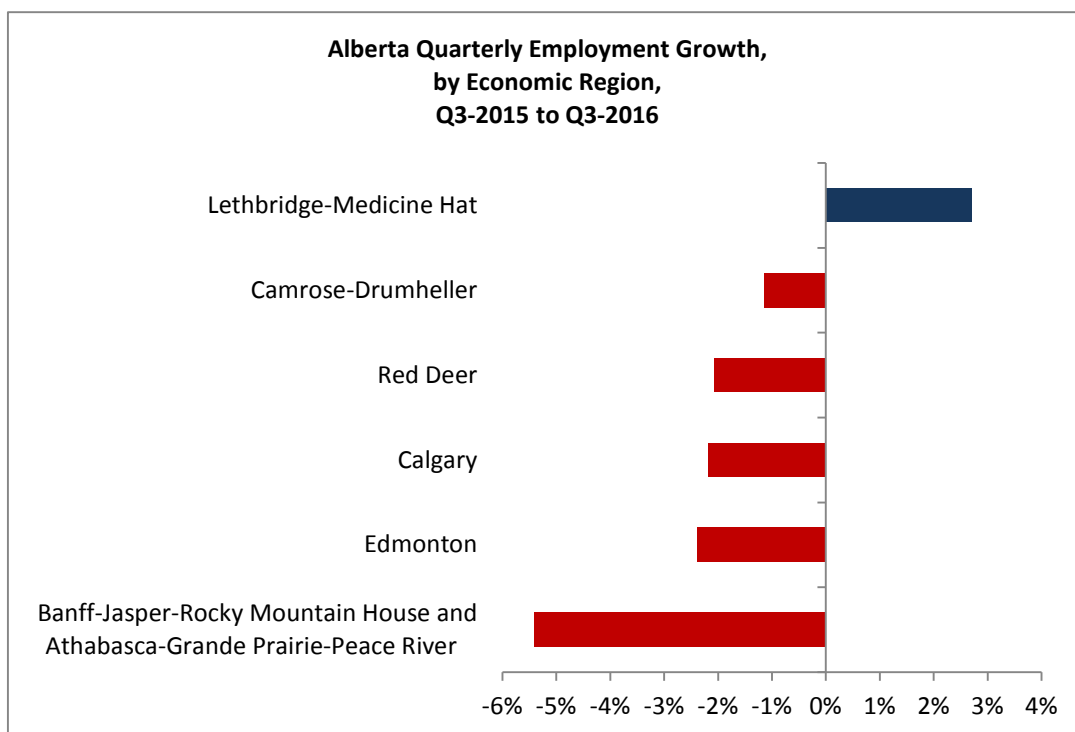
Over the past year, employment declined in all regions of Alberta, except for Lethbridge-Medicine Hat (+4,000). Not surprisingly, the largest absolute losses occurred in Calgary (-19,300) and Edmonton (-18,800). On a percentage basis, Banff-Jasper-Rocky Mountain House saw the steepest drop (-5.4%). Unemployment rates were higher without exception across the province.

In the aftermath of May's Fort McMurray wildfire, Statistics Canada did not resume local data collection in Wood Buffalo-Cold Lake until August. As a result, quarterly employment statistics for Wood Buffalo-Cold Lake will not

be available until Q4-2016. Of note, the wildfire led to a loss of \$1 billion in planned capital spending in the oil sands for 2016, according to Alberta's chief energy economist.⁸

Returning to Alberta's largest centres, Calgary's health care and social assistance industry shed workers over the past year (-11,500) adding to losses across a broad range of industries. In contrast, the number of people working in educational services climbed significantly (+12,800) — growth that is at least partly attributable to a number of schools opening in the region.⁹ Meanwhile, the office vacancy rate in downtown Calgary approached 25% according to one estimate.¹⁰

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 (8.0%) is now the highest since Q3-1996. 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.¹¹



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 Average weekly hours worked (including overtime) declined from 32.4 hours in July 2015, to 31.4 hours in July 2016. CANSIM Table 281-0032, Statistics Canada, The Daily (September 29, 2016) <http://www.statcan.gc.ca/daily-quotidien/160929/t001a-eng.htm>

² Statistics Canada, CANSIM Table 282-0089 | Retrieved from <http://www5.statcan.gc.ca/cansim/a26?id=2820089>

³ TD Economics is forecasting real GDP in Alberta to shrink by 3.2% in 2016, before increasing by 2.2% and 2.3% in 2017 and 2018, respectively. The turnaround in employment is expected to lag another year, however, with annual average employment set to decline by 1.7% in 2016 and by a further 0.2% in 2017.

Toronto Dominion Economics (September 29, 2016). PROVINCIAL ECONOMIC FORECAST. Retrieved from https://www.td.com/document/PDF/economics/gef/ProvincialEconomicForecast_Sep2016.pdf

⁴ In July 2016, there were 99,320 regular EI beneficiaries in the province (seasonally adjusted). Beneficiaries increased dramatically in May (+12.5%) due to the Fort McMurray wildfire, and then again in July (+23.6%) due to eligibility extensions mandated by the Federal government.

Statistics Canada (June 2016). CANSIM 276-0022. Employment Insurance program (EI), beneficiaries receiving regular income benefits by province, declared earnings, sex and age, seasonally adjusted. Retrieved from: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2760022>

⁵ Nasdaq (October 10, 2016). Crude Oil: WTI (NYMEX). Retrieved from: <http://www.nasdaq.com/markets/crude-oil.aspx?timeframe=6m>

Bloomberg (October 11, 2016). *IEA Sees Oil Market Rebalancing Faster If OPEC Respects Deal* | Retrieved from <http://www.bloomberg.com/news/articles/2016-10-11/iea-sees-oil-market-rebalancing-faster-if-opec-implements-deal>

⁶ Canadian Association of Petroleum Producers (June 2016). *2016 Crude Oil Forecast, Markets & Transportation*. Retrieved from: <http://www.capp.ca/publications-and-statistics/publications/284950>

⁷ *Alberta's Western Feedlots to close cattle operations, citing poor market conditions* | Reuters/BNN | Retrieved from <http://www.bnn.ca/alberta-s-western-feedlots-to-close-cattle-operations-citing-poor-market-conditions-1.571583>

⁸ Dan Healing, The Canadian Press/Calgary Herald (September 7, 2016). Retrieved from <http://calgaryherald.com/business/energy/alberta-estimates-wildfire-put-1-billion-dent-in-2016-oilsands-spending-plans>

⁹ CBC (August 18, 2016) | Accessed September 12, 2016 | Retrieved from <http://www.cbc.ca/news/canada/calgary/new-schools-calgary-opening-september-1.3727337>

¹⁰ CBC (September 28, 2016). Retrieved from <http://www.cbc.ca/news/canada/calgary/calgary-office-vacancy-25-percent-july-remax-1.3781916>

¹¹ 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)