



# Labour Market Bulletin

## Alberta

### February 2017



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

At 2.27 million, employment in Alberta was little changed in February. Compared to January 2017, full-time employment increased by about 20,000, while part-time employment decreased by roughly the same amount. Overall, employment in the province is close to what it was in February 2016.

While employment has been flat, unemployment grew rapidly last year, reaching an all-time high in November 2016. In February 2017, fewer Albertans looked for work, with a significant number opting out of the labour market instead. With fewer people looking for work, unemployment declined and the provincial unemployment rate dropped 0.5 percentage points to 8.3%, still 0.4 percentage points higher than in February one year prior.

**Alberta Monthly Labour Force Statistics**

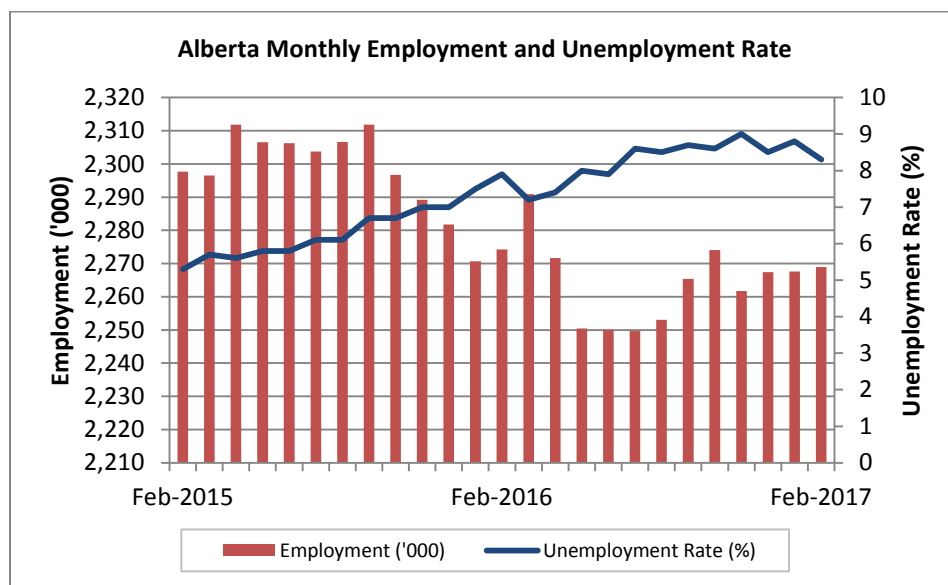
Seasonally Adjusted Monthly Data	February 2017	January 2017	February 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,414.2	3,411.4	3,385.6	2.8	0.1	28.6	0.8
<b>Labour Force ('000)</b>	2,473.7	2,487.8	2,468.1	-14.1	-0.6	5.6	0.2
<b>Employment ('000)</b>	2,268.9	2,267.6	2,274.2	1.3	0.1	-5.3	-0.2
Full-Time ('000)	1,841.1	1,821.8	1,864.2	19.3	1.1	-23.1	-1.2
Part-Time ('000)	427.8	445.8	410.0	-18.0	-4.0	17.8	4.3
<b>Unemployment ('000)</b>	204.8	220.1	193.9	-15.3	-7.0	10.9	5.6
<b>Unemployment Rate (%)</b>	8.3	8.8	7.9	-0.5	-	0.4	-
<b>Participation Rate (%)</b>	72.5	72.9	72.9	-0.4	-	-0.4	-
<b>Employment Rate (%)</b>	66.5	66.5	67.2	0.0	-	-0.7	-

Note: Totals may not add due to rounding

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

Alberta is now transitioning out of the extended economic slump that has severely strained business, household, and government coffers alike. However, the financial stress on Alberta’s citizens is still apparent. Average weekly earnings in the province, which peaked in January 2015, remain 3.6% below their all-time high.<sup>1</sup> With lower earnings and high unemployment, consumer insolvencies (bankruptcies and proposals) in Alberta have also been climbing. For the 12 months ending December 2016, consumer insolvencies were up one-third compared to the corresponding period one year prior.<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>

The number of private sector workers in Alberta was unchanged month over month in, and about 2% below the employment levels of February 2016. Public sector employment increased 3.5% on the year, while self-employment increased by a lesser amount.



Looking at major demographic groups, the unemployment rate for men aged 25 and over decreased to 8.0% in February, as about 5,000 adult men stepped out of the labour market. The rate for younger men (15 to 24 years) increased to 17.0%. By contrast, the unemployment rate for women aged 15 to 24 dropped to 9.2%, as the number of young women in the labour force abruptly declined in February.

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

Seasonally Adjusted Data	February 2017 (%)	January 2017 (%)	February 2016 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
<b>Total</b>	8.3	8.8	7.9	-0.5	0.4
<b>25 years and over</b>	7.5	8.1	7.1	-0.6	0.4
Men - 25 years and over	8.0	8.9	7.4	-0.9	0.6
Women - 25 years and over	6.7	7.0	6.9	-0.3	-0.2
<b>15 to 24 years</b>	13.4	13.5	12.1	-0.1	1.3
Men - 15 to 24 years	17.0	16.4	14.2	0.6	2.8
Women - 15 to 24 years	9.2	10.5	9.9	-1.3	-0.7

Note: Totals may not add due to rounding

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

## EMPLOYMENT BY INDUSTRY

In February, employment in the goods-producing sector expanded by 3,400, while contracting by roughly an equal amount in the services-producing sector. Compared to last February, employment in the goods-producing sector is down almost 40,000 – offsetting widespread gains among services-producing industries.

### Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	February 2017	January 2017	February 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,268.9	2,267.6	2,274.2	1.3	0.1	-5.3	-0.2
<b>Goods-producing sector</b>	562.4	559.0	601.5	3.4	0.6	-39.1	-6.5
Agriculture	49.9	50.5	51.4	-0.6	-1.2	-1.5	-2.9
Forestry, fishing, mining, quarrying, oil and gas	142.3	141.0	146.9	1.3	0.9	-4.6	-3.1
Utilities	20.2	19.7	20.8	0.5	2.5	-0.6	-2.9
Construction	241.4	242.1	258.3	-0.7	-0.3	-16.9	-6.5
Manufacturing	108.6	105.7	124.2	2.9	2.7	-15.6	-12.6
<b>Services-producing sector</b>	1,706.5	1,708.7	1,672.7	-2.2	-0.1	33.8	2.0
Trade	328.7	331.3	326.0	-2.6	-0.8	2.7	0.8
Transportation and warehousing	140.7	138.4	129.0	2.3	1.7	11.7	9.1
Finance, insurance, real estate and leasing	103.4	100.7	107.4	2.7	2.7	-4.0	-3.7
Professional, scientific and technical services	182.5	183.2	182.2	-0.7	-0.4	0.3	0.2
Business, building and other support services	76.7	80.2	79.7	-3.5	-4.4	-3.0	-3.8
Educational services	156.9	155.3	147.4	1.6	1.0	9.5	6.4
Health care and social assistance	274.9	278.2	269.9	-3.3	-1.2	5.0	1.9
Information, culture and recreation	76.3	72.1	80.6	4.2	5.8	-4.3	-5.3
Accommodation and food services	144.9	143.8	136.1	1.1	0.8	8.8	6.5
Other services	120.7	123.6	119.3	-2.9	-2.3	1.4	1.2
Public administration	100.7	101.9	95.2	-1.2	-1.2	5.5	5.8

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) increased in February, up 1,300 on the month. At 142,000, employment remains about 4,500 below levels from a year ago. Employment in the industry spiralled downward throughout 2015 before dropping precipitously in May 2016 due to the Fort McMurray wildfire. Since then, resource employment has slowly strengthened as conventional (non-oil sand) activity has started to recover in the province.

With OPEC (The Organization of Petroleum Exporting Countries) coordinating production cuts, benchmark North American crude oil traded above \$52 US per barrel for several consecutive months. That price was high enough to spur new drilling in favourable locations, but too low to encourage new oil sands investment.<sup>4</sup> Now, oil markets may have entered a new period of volatility, as rising US shale oil production threatens to undo OPEC curbs.

The most recent news regarding the oil sands is the sale of Shell's extensive holdings to Calgary-based Canadian Natural Resources Ltd. (CNRL). The sale pushes CNRL into the ranks of the 'one-million-barrels-a-day' producers, as the firm doubles down on its stake in the oil sands. At the same time, the sale continues a pattern of divestment by major international oil producers with Shell following in the footsteps of France's Total and Norway's Statoil.<sup>5</sup>

Beyond resource extraction, several other industries also showed large annual employment declines. Manufacturing employment decreased by 21,800, due in part to uncertainty regarding the future sale of wood products to the United States. There were also 12,000 fewer people working in construction, as weaker population growth and ongoing economic uncertainty put a damper on housing starts in the province.

Employment in agriculture continued to trend downward in February, as conditions remain challenging for the industry. In the fall of 2016, Bovine Tuberculosis was discovered in a southeastern cattle herd. Over 30,000 cattle have been quarantined to prevent transmission of the disease, with many pre-emptively slaughtered. In December, the Alberta government officially declared the situation a disaster, thereby freeing up additional aid.<sup>6</sup>

Year over year, employment gains in the services-producing sector were seen in transportation and warehousing (+11,700), and accommodation and food services (+8,800). Consumer confidence remains fragile as December year over year retail sales increased an anemic 1.8%.<sup>7</sup>

Alberta's public sector has been a key source of employment growth throughout the downturn. On the year, employment gains in educational services, public administration, and health care and social assistance amounted to 20,000 between them.

## REGIONAL ANALYSIS

Over the past year, employment in Alberta declined in five of seven economic regions. Sub-regional unemployment rates increased in four areas of the province: Camrose-Drumheller, Edmonton, Red Deer, and Calgary, while remaining unchanged in Lethbridge Medicine Hat.

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

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	February 2017 ('000)	February 2016 ('000)	Yearly Variation (%)	February 2017 %	February 2016 %	Yearly Variation (% points)
<b>Alberta</b>	2,248.8	2,257.7	-0.4	8.6	7.6	1.0
<b>Economic Regions</b>						
Lethbridge-Medicine Hat	144.9	148.0	-2.1	6.6	6.6	0.0
Camrose-Drumheller	97.8	101.0	-3.2	9.7	6.3	3.4
Calgary	870.1	847.5	2.7	9.1	8.5	0.6
Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River	180.9	181.4	-0.3	7.7	7.9	-0.2
Red Deer	111.2	107.7	3.2	9.0	8.3	0.7
Edmonton	762.8	790.1	-3.5	8.4	6.8	1.6
Wood Buffalo-Cold Lake	81.1	82.0	-1.1	9.1	9.3	-0.2

Note: Totals may not add due to rounding

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

In Lethbridge-Medicine Hat, job losses across a large number of industries were offset by an employment surge in resource extraction. In February, the Government of Alberta provided \$350,000 over two years for the Apex business incubator in Medicine Hat, the first to be approved under the Alberta Entrepreneurship Incubator Program.

While overall employment declined in Camrose Drumheller, job gains were seen both in construction and in wholesale and retail trade. Looking forward, GrainsConnect Canada is planning to build a \$30M grain terminal near Vegreville to be completed in 2018.

For the third month in row, the Banff-Jasper-Rocky-Mountain House and Athabasca-Grande Prairie-Peace River area saw a substantial increase in resource extraction employment. While parts of this large combined economic region are off limits to oil extraction, the Grand Prairie area is ground zero for new oil and gas drilling in the province.

Red Deer realized the highest net job growth in the province in February, as employment losses in the goods-producing sector were more than offset by services-producing gains. While Red Deer's municipal government is trimming staff, the Government of Alberta is providing \$4.8M to Red Deer College to build a new Alternative Energy Innovation Lab and for energy improvements on campus.

To the northeast, Fort McMurray continues its slow recovery from the 2016 wildfire. While many are hopeful that rebuilding will pick up come springtime, the Regional Municipality of Wood Buffalo is pre-emptively cutting 168 staff positions, citing slow oil sands growth and the disruptive effects of the fire.<sup>8</sup>

Turning to the two major centres of Edmonton and Calgary, Edmonton had a dismal month in February. Employment dropped by 27,000, with the largest losses occurring in the goods-producing sector, particularly in manufacturing. For 2017, Alberta's Industrial Heartland Association is forecasting reduced activity levels, as a number of major construction projects wind down. Nevertheless, Pembina Pipeline Corp. and Inter Pipeline have pending projects in the area worth about \$7B combined. Unemployment in the Edmonton area increased sharply in February, approaching – but not equalling – unemployment in Calgary.

Despite ongoing job losses among its goods-producing industries, overall employment in Calgary increased in February. Among private sector employers, job gains in transportation and warehousing that were noted provincially can be largely attributed to Calgary area businesses. Incremental hiring in educational services and in health care also contributed to a stronger labour market. However, at over 80,000, unemployment remains high in the Calgary region.

**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, CANSIM Table 281-0049 ; Payroll employment, earnings and hours, December 2016 ; Accessed March 13, 2017  
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<sup>2</sup> Office of the Superintendent of Bankruptcy Canada, Insolvency Statistics in Canada—December 2016 ; Accessed March 13, 2017  
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<sup>3</sup> Canadian Mortgage and Housing Corporation (CMHC), Mortgage Loan Insurance Business Supplement Q3 2016, September 2016 ; A mortgage is in arrears when payment is three or more months overdue ; Accessed March 13, 2017  
<https://www.cmhc-schl.gc.ca/en/corp/about/core/upload/mortgage-loan-insurance-business-supplement-september-2016.pdf>

<sup>4</sup> In February 2017, the number of oil and gas rigs drilling Canada-wide was up 47% compared to February one year ago, running slightly ahead of the CAODC (Canadian Association of Oil Drilling Contractors) 2017 forecast. ; CAODC, accessed March 13, 2017  
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<sup>5</sup> Shell sells out of the oilsands. Was it climate or costs? ; Tracy Johnson, CBC News, Mar 9, 2017 ; Accessed March 13, 2017  
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<sup>6</sup> Bovine TB outbreak declared a disaster by Alberta government ; Global, December 15, 2016 ; Accessed February 12, 2017  
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<sup>7</sup> Statistics Canada, Retail trade, December 2016 ; Retail sales by province and territory – seasonally adjusted ; Accessed March 13, 2017  
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<sup>8</sup> Municipality cuts jobs citing oil sector woes, wildfire recovery ; Fort McMurray Today, January 31, 2017 ; Accessed February 13, 2017  
<http://www.fortmcmurraytoday.com/2017/01/31/wood-buffalo-municipality-chopping-jobs-citing-oil-sector-woes-wildfire-recovery>