



Labour Market Bulletin

Alberta

March 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

Alberta’s labour market continued to recover during the first quarter of 2017, as employment in the province increased for a second consecutive quarter. Nevertheless, at 2.28 million, total employment remained below the January to March period of 2016. Full-time employment contracted during the year, with part-time employment offsetting most of the shortfall. As per the relative shift to part-time work, average hours worked in the province declined by 1.3% between January 2016 and January 2017, the most recent data available. Nevertheless, at 30.6 hours, weekly working hours in Alberta remain well above the current national average (29.4).¹

Looking at category of worker, private-sector employment was 1.5% lower (-22,200) compared to Q1-2016. By contrast, both the public-sector and the self-employed saw job growth on the period.²

Alberta Quarterly Labour Force Statistics

Seasonally Adjusted Data	1st Quarter 2017	4th Quarter 2016	1st Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,414.4	3,408.7	3,385.6	5.7	0.2	28.8	0.9
Labour Force ('000)	2,486.7	2,484.3	2,463.6	2.4	0.1	23.1	0.9
Employment ('000)	2,275.3	2,267.7	2,278.6	7.6	0.3	-3.3	-0.1
Full-Time ('000)	1,841.6	1,837.7	1,865.0	3.9	0.2	-23.4	-1.3
Part-Time ('000)	433.7	430.0	413.6	3.7	0.9	20.1	4.9
Unemployment ('000)	211.4	216.6	185.0	-5.2	-2.4	26.4	14.3
Unemployment Rate (%)	8.5	8.7	7.5	-0.2	-	1.0	-
Participation Rate (%)	72.8	72.9	72.8	-0.1	-	0.1	-
Employment Rate (%)	66.6	66.5	67.3	0.1	-	-0.7	-

Note: Totals may not add due to rounding

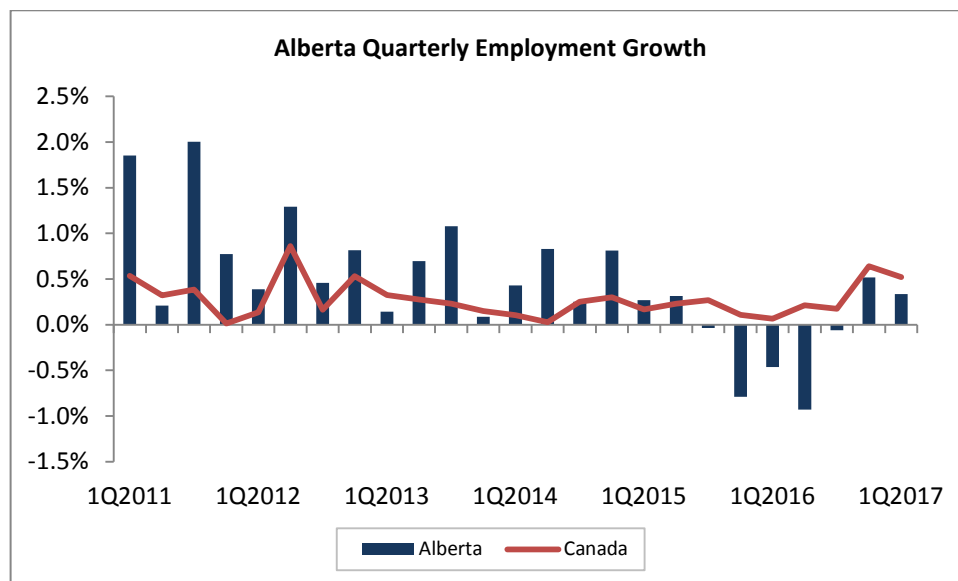
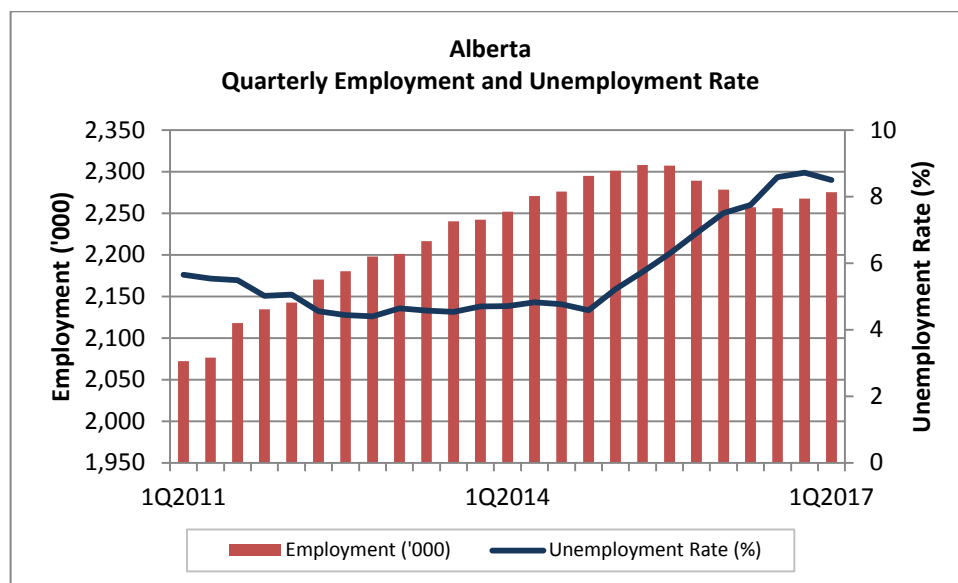
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Of note, Q1-2017 saw a quarter-to-quarter decline in the ranks of the unemployed, the first such pullback in over two years. Still, unemployment remained 26,400 above the level of Q1-2016.

Alberta’s unemployment rate decreased to 8.5% in the first quarter. This was the highest provincial rate in the West and well above the national figure of 6.7%.

While down from its mid-2016 peak, regular Employment Insurance beneficiaries were over 40% higher in January than during the same month last year. While representing 45% of Alberta’s labour force, women account for 38% of provincial unemployment and just over 30% of Alberta’s regular EI beneficiaries.³

Current forecasts predict that Alberta will return to positive economic growth in 2017, (+2.8%). Even so, a full recovery of the labour market may lag further yet. The tepid employment growth (+0.6%) expected this year will likely be accompanied by increased unemployment, as well.⁴



Alberta Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	1st Quarter 2017 (%)	4th Quarter 2016 (%)	1st Quarter 2016 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
	Total	8.5	8.7	7.5	-0.2
25 years and over	7.7	8.0	6.8	-0.4	0.9
Men - 25 years and over	8.3	9.0	7.3	-0.7	1.0
Women - 25 years and over	6.9	6.7	6.2	0.1	0.7
15 to 24 years	13.7	13.0	11.9	0.7	1.8
Men - 15 to 24 years	17.2	14.1	14.0	3.1	3.2
Women - 15 to 24 years	9.7	11.8	9.5	-2.1	0.2

Note: Totals may not add due to rounding

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

Looking at the results by major demographic grouping, the largest quarterly unemployment rate increase (14.1% to 17.2%) occurred among young men aged 15 to 24, as employment fell and unemployment rose. By contrast, the unemployment rate for young women decreased from 11.8% to 9.7%.

The unemployment rate for women aged 25 years and older edged up 0.1 percentage point to 6.7%. Nevertheless, the gap between the unemployment rates of men and women in the 25 years and older cohort is 1.4 percentage points. 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 periods.

Alberta - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q1 2017	Q1 2016	Number	%	Q1 2017	Q1 2016	Number	%
Population 15 + ('000)	166.1	155.4	10.7	6.9	3,248.3	3,230.2	18.1	0.6
Labour Force ('000)	113.9	107.8	6.1	5.7	2,352.9	2,339.5	13.4	0.6
Employment ('000)	98.2	89.6	8.6	9.6	2,151.2	2,161.4	-10.2	-0.5
Full-Time ('000)	80.8	68.8	12.0	17.4	1,726.8	1,759.8	-33.0	-1.9
Part-Time ('000)	17.4	20.8	-3.4	-16.3	424.4	401.6	22.8	5.7
Unemployment ('000)	15.7	18.2	-2.5	-13.7	201.7	178.1	23.6	13.3
Unemployment Rate (%)	13.8	16.9	-3.1	-	8.6	7.6	1.0	-
Participation Rate (%)	68.6	69.3	-0.7	-	72.4	72.4	0.0	-
Employment Rate (%)	59.1	57.6	1.5	-	66.2	66.9	-0.7	-

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 first quarter (Q1) of 2017, the total population aged 15+ in Alberta was 3.4 million. The Indigenous population living off-reserve accounted for 4.9% of that, or 166,100 people. Employment among Indigenous people in Alberta stood at 98,200, representing an increase of +8,600 (+9.6%) from a year earlier (Q1 2016). The

increase was all in full-time positions (+12,000 or +17.4%), partially offset by decreases in part-time employment (-3,400 or -16.3%).

The unemployment rate among the Indigenous population was 13.8% in Q1 2017, representing a decrease of -3.1 percentage points (pp) from the previous year. The unemployment rate for the non-Indigenous population stood at 8.6% (+1.0pp). Between Q1 2016 and Q1 2017, the participation rate among the Indigenous population edged down to 68.6% (-0.7pp), but remained unchanged amongst the non-Indigenous population at 72.4%. The employment rate of the Indigenous population increased year-over-year to 59.1% (+1.5pp), while for the non-Indigenous population, it decreased to 66.2% (-0.7pp).

EMPLOYMENT BY INDUSTRY

In Q1-2017 employment in Alberta's goods-producing sector declined 1.5%, the seventh such decrease in eight quarters. Goods-producing employment was almost 40,000 below the level of Q1-2016. Meanwhile, employment in the services-producing sector increased, both on a quarterly and on an annual basis.

Alberta Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	1st Quarter	4th Quarter	1st Quarter	Quarterly Variation		Yearly Variation	
	2017	2016	2016	Number	%	Number	%
Total employed, all industries	2,275.3	2,267.7	2,278.6	7.6	0.3	-3.3	-0.1
Goods-producing sector	563.0	571.3	602.6	-8.3	-1.5	-39.6	-6.6
Agriculture	50.8	51.5	50.2	-0.7	-1.4	0.6	1.2
Forestry, fishing, mining, quarrying, oil and gas	141.0	142.8	149.7	-1.8	-1.3	-8.7	-5.8
Utilities	20.3	19.6	21.0	0.7	3.6	-0.7	-3.3
Construction	241.6	246.0	258.9	-4.4	-1.8	-17.3	-6.7
Manufacturing	109.3	111.4	122.9	-2.1	-1.9	-13.6	-11.1
Services-producing sector	1,712.3	1,696.4	1,676.0	15.9	0.9	36.3	2.2
Trade	331.7	332.6	329.3	-0.9	-0.3	2.4	0.7
Transportation and warehousing	139.4	133.7	130.1	5.7	4.3	9.3	7.1
Finance, insurance, real estate and leasing	104.9	102.5	108.6	2.4	2.3	-3.7	-3.4
Professional, scientific and technical services	181.9	180.0	179.7	1.9	1.1	2.2	1.2
Business, building and other support services	77.7	77.5	78.9	0.2	0.3	-1.2	-1.5
Educational services	157.2	153.1	147.0	4.1	2.7	10.2	6.9
Health care and social assistance	276.5	271.0	269.9	5.5	2.0	6.6	2.4
Information, culture and recreation	74.8	72.5	79.2	2.3	3.2	-4.4	-5.6
Accommodation and food services	145.0	148.2	137.5	-3.2	-2.2	7.5	5.5
Other services	121.8	124.4	120.5	-2.6	-2.1	1.3	1.1
Public administration	101.3	100.9	95.2	0.4	0.4	6.1	6.4

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, oil and gas) shed an estimated 8,700 positions year over year, with most of these losses occurring in the oil and gas sub-sector. Employment in the overall industry peaked at 182,000 during Q3-2014 but has since fallen by 41,000. Benchmark North American oil, which averaged a price of \$43.33 U.S. per barrel in 2016, has, for the most part, traded above \$50 US since

December 2016.⁵ This price momentum is widely expected to continue throughout 2017, with the US Energy Information Agency forecasting an annual 2017 price of \$53.50 U.S. at the time of writing.⁶

However, there are few indications that Alberta's industry will fully rebound to its 2014 level. For example, provincial revenue from oil and gas land auctions, which peaked at \$3.5 billion in 2011, fell to just \$137 million in 2016, the lowest level on record.⁷ Notwithstanding, the industry did receive a welcome boost in January when the long dormant Keystone XL pipeline received U.S. Federal approval. A month later, Calgary-based TransCanada Corp, refiled its Keystone XL application with the State of Nebraska, expecting to receive a decision by the end of 2017.⁸

Major Canadian firms, such as Suncor and Cenovus, have increased their stakes in the oil sands, buying out the holdings of foreign owners. Still, for the next several years, renewed growth in Alberta's oil and gas sector will likely bypass the oil sands and refocus on shale and tight-oil plays within the Grande Prairie area.⁹

Looking at Alberta's other goods-producing industries, notable year over year employment losses occurred in both the construction (-17,300) and manufacturing (-13,600) industries. Construction job losses were seen across a variety of sub-industries, including non-residential (commercial) building construction. Meanwhile, the manufacturing industry saw job gains in food and in chemical manufacturing. These gains, while welcome, were overwhelmed by job losses in other sub-industries, including the manufacture of fabricated metal products and wood products as well.

Turning to the services-producing sector, quarterly employment gains were seen in most industries, notably in transportation and warehousing (+5,700) and in finance, insurance, real estate, and leasing (+2,400).

Employment in accommodation and food services dipped on the quarter (-3,200) while still showing a strong annual gain (+7,500). Employment in this industry peaked at about 158,000 in Q1-2015, but has since fallen by 13,000. Although international tourism has been an economic bright spot, booming activity in the premium resorts of Banff and Jasper has not offset the loss of business travellers and industrial lodgings province-wide.

In Q1-2017, hiring in the public sector continued to keep pace with on-going population growth and provincial demographic needs. There were 5,500 more people working in Alberta's health care and social assistance industry on the quarter, with employment up in educational services (+4,100) and in public administration as well. At about one-third the employment base, Alberta's public sector hiring (+10,000) more than accounted for total employment gains on the period.

REGIONAL ANALYSIS

Alberta Quarterly Labour Force Statistics, by Economic Region

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	1st Quarter 2017 ('000)	1st Quarter 2016 ('000)	Yearly Variation (%)	1st Quarter 2017 (%)	1st Quarter 2016 (%)	Yearly Variation (% points)
Alberta	2,251.9	2,253.7	-0.1	8.8	8.0	0.8
Economic Regions						
Lethbridge-Medicine Hat	143.3	146.4	-2.1	6.9	7.2	-0.3
Camrose-Drumheller	98.3	98.1	0.2	9.9	7.1	2.8
Calgary	867.6	847.8	2.3	9.1	8.8	0.3
Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River	181.4	182.1	-0.4	7.8	7.2	0.6
Red Deer	111.1	107.3	3.5	9.5	8.5	1.0
Edmonton	769.5	790.5	-2.7	8.8	7.2	1.6
Wood Buffalo-Cold Lake*	80.8	81.6	-1.0	9.1	9.8	-0.7

Note: Totals may not add due to rounding

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

Over the past year, employment increased in three of seven Alberta regions. On a percentage basis, Red Deer led the province in job growth (+3.5%), followed by Calgary and Camrose-Drumheller. A few years back, it would not be surprising to see Calgary at or near the top of the job creation pack (+2.3%). Now, however, the region is also seeing rising unemployment, up a further 5.6% on the year.

The reason that both employment and unemployment can rise at the same time, is because of a burgeoning labour force, i.e. the total of those working and those looking for work. Population growth in the Calgary region has now settled down to about 1.3% annually, but the region's labour force increased by twice that (+2.6%) between Q1-2016 and Q1-2017.

While Edmonton generally outperformed provincial results during the depth of the recession, this has changed in recent months. Employment dropped by 21,000 on the year, dead last province-wide. Moreover, at 8.8%, the region's unemployment rate is now above the provincial average and approaching that of Calgary. Looking forward, RBC is opening a banking centre in the Edmonton Tower in fall 2017. Gateway Newstands and Tim Hortons are also expected to open their doors in the building this summer.

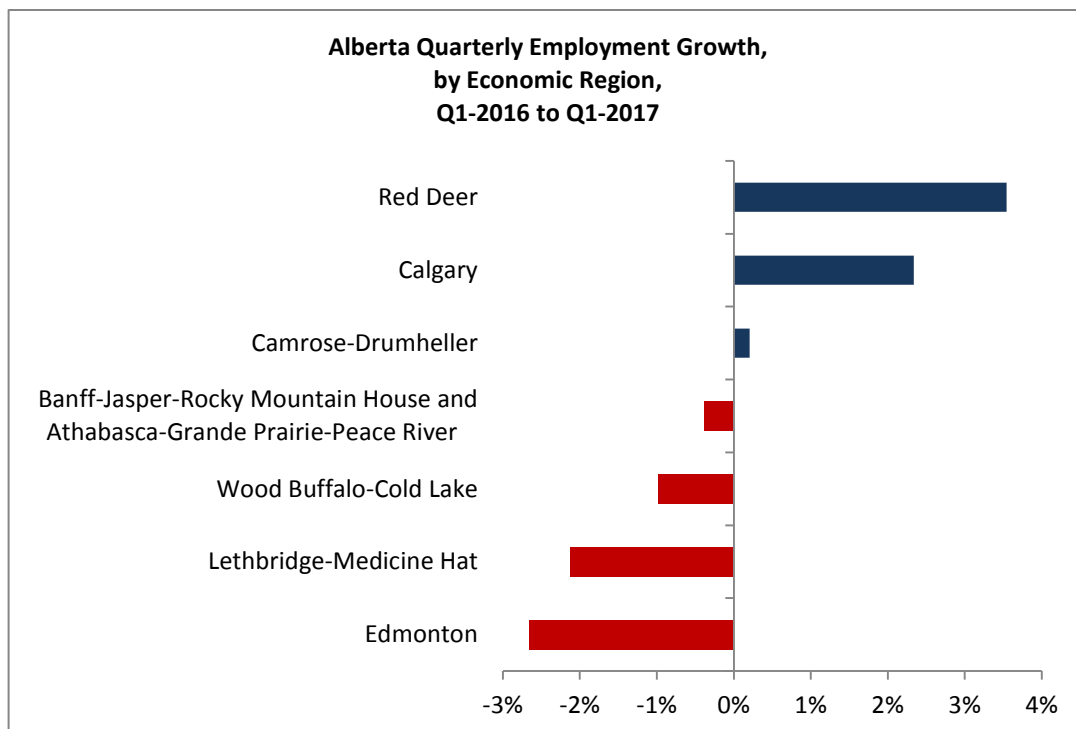
In Lethbridge-Medicine Hat, job losses across a large number of industries were partially offset by an employment surge in resource extraction. In March, the City of Medicine Hat evaluated construction bids for the \$9.9M Veiner Centre, which was severely damaged in a 2013 flood. Construction is expected to start in spring 2017 with completion projected by summer 2018.

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

Employment in the Banff-Jasper-Rocky-Mountain House and Athabasca-Grande Prairie-Peace River area was largely unchanged despite a substantial increase in resource extraction jobs. While parts of this large combined economic region are off limits to oil extraction, the Grand Prairie area is front and centre for new oil and gas drilling in the province.

Red Deer realized the highest job growth rate in the province in the first quarter, 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 in the coming months, the Regional Municipality of Wood Buffalo is pre-emptively cutting 168 staff positions, citing slow oil sands growth and the disruptive effects of last year’s fire.¹⁰ In March, the Government of Alberta pledged \$20M to the Regional Municipality of Wood Buffalo through the Disaster Recovery Program. The money is intended to help with uninsurable costs such as repairs to public infrastructure damaged by the wildfire.



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 31.0 hours in January 2016, to 30.6 hours in January 2017. CANSIM Table 281-0032, Statistics Canada, The Daily (March 31, 2017) | Retrieved from <http://www.statcan.gc.ca/daily-quotidien/170331/dq170331b-eng.htm>

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

³ In October 2016, there were 93,180 regular EI beneficiaries in the province (seasonally adjusted). Beneficiaries increased dramatically in May (+12.6%) due to the Fort McMurray wildfire, and then again in July (+28.4%) due to eligibility extensions mandated by the Federal government. While down from their July peak, EI beneficiaries in the province were 56% higher than in October 2015.

Statistics Canada (March 23, 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://www.statcan.gc.ca/daily-quotidien/170323/dq170323a-eng.htm>

⁴ The Conference Board is forecasting real GDP in Alberta to increase by 2.8% and 1.9% in 2017 and 2018, respectively. The turnaround in employment is expected to be much slower: 0.6% in 2017 and 1.0% in 2018. With Alberta's working age population likely to grow more quickly than employment, rising unemployment is almost certain to follow.

Conference Board of Canada (February 7, 2017). PROVINCIAL OUTLOOK EXECUTIVE SUMMARY Winter 2017 | Retrieved from <http://conferenceboard.ca>

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

⁶ Energy Information Agency (EIA) Short Term Energy Outlook (STEO), March 7, 2017 forecast | Retrieved from <https://www.eia.gov/outlooks/steo/report/>

⁷ Petroleum and Natural Gas Sales Statistics, Alberta Energy | Retrieved from <http://www.energy.alberta.ca/Tenure/834.asp>

⁸ *TransCanada refiles application in Nebraska for Keystone XL pipeline route* | CBC, February 16, 2017 | Retrieved from <http://www.cbc.ca/news/canada/calgary/keystone-application-nebraska-xl-trump-trans-canada-1.3985885>

⁹ *Electric cars, oil price rebounds and Grande Prairie: What one energy expert will be watching in 2017* | CBC, January 3, 2017 | Retrieved from <http://www.cbc.ca/news/canada/calgary/peter-tertzakian-oil-gas-2017-1.3918909>

¹⁰ *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>