



Labour Market Bulletin

Alberta

April 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 2.29 million, employment in Alberta was essentially unchanged in April. Compared to March 2017, full-time employment increased by about 3,000, while part-time employment decreased by roughly the same amount. On an annual basis, April marked the first growth in provincial employment since September 2015.

While employment has been flat, unemployment grew rapidly last year, reaching an all-time high in November 2016. In April 2017, fewer Albertans looked for work, with a significant number opting out of the labour market instead. As a consequence, unemployment declined and the provincial unemployment rate dropped 0.5 percentage points. Still, at 7.9%, Alberta's unemployment rate is 0.5 percentage points higher than in April 2016.

Alberta Monthly Labour Force Statistics

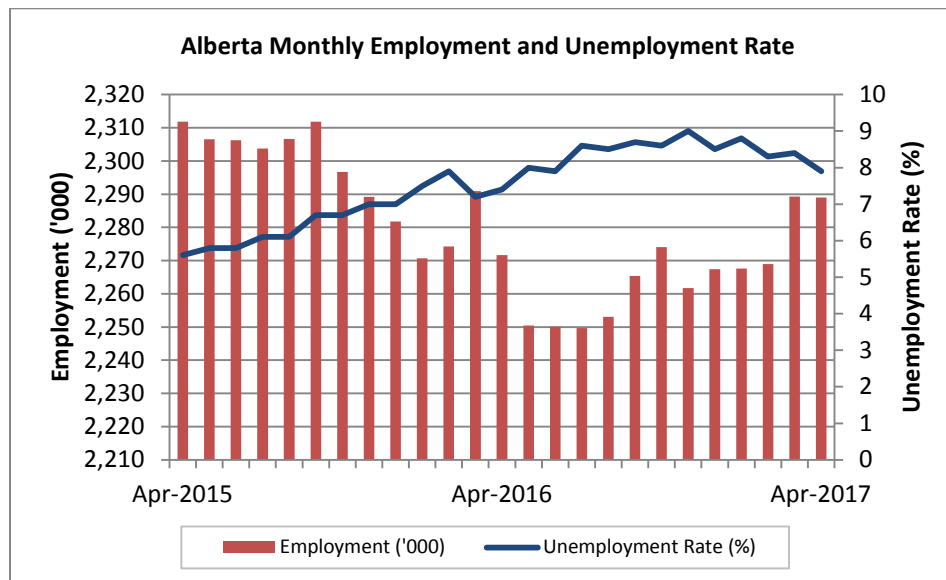
Seasonally Adjusted Monthly Data	April 2017	March 2017	April 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,421.4	3,417.6	3,392.4	3.8	0.1	29.0	0.9
Labour Force ('000)	2,485.9	2,498.6	2,452.5	-12.7	-0.5	33.4	1.4
Employment ('000)	2,289.0	2,289.3	2,271.6	-0.3	0.0	17.4	0.8
Full-Time ('000)	1,864.7	1,861.8	1,867.5	2.9	0.2	-2.8	-0.1
Part-Time ('000)	424.3	427.5	404.1	-3.2	-0.7	20.2	5.0
Unemployment ('000)	196.9	209.3	180.9	-12.4	-5.9	16.0	8.8
Unemployment Rate (%)	7.9	8.4	7.4	-0.5	-	0.5	-
Participation Rate (%)	72.7	73.1	72.3	-0.4	-	0.4	-
Employment Rate (%)	66.9	67.0	67.0	-0.1	-	-0.1	-

Note: Totals may not add due to rounding

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

Alberta continues to transition out of the two-year economic slump that has strained most aspects of provincial life. Average weekly earnings in the province, which peaked in January 2015, fell again in February, and are now almost 6% below their all-time high.¹ With lower earnings and high unemployment, consumer insolvencies (bankruptcies and proposals) in Alberta are also higher. For the 12 months ending February 2017, consumer insolvencies were up 27% compared to the corresponding period ending one year earlier.² CMHC (Canadian Mortgage and Housing Corporation) reports that 1,763 mortgage loans were in arrears in Alberta as of the end of December 2016, representing 22% of the national total.³

The number of private sector workers in Alberta was little changed on a monthly basis in April, while tracking about 2.5% below the employment levels of April 2016. Public sector employment increased 6.4% on the year, while self-employment increased by about 7%.



Looking at major demographic groups, the unemployment rate for men aged 25 and over decreased to 7.4% in April, as about 5,000 adult men stepped out of the labour market. The rate for younger men (15 to 24 years) was little changed at 17.6%. By contrast, the unemployment rate for women aged 15 to 24 dropped to 8.8%, as more young women found work.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	April 2017 (%)	March 2017 (%)	April 2016 (%)	Monthly Variation (% points)	Yearly Variation (% points)
	Total	7.9	8.4	7.4	-0.5
25 years and over	7.0	7.5	6.7	-0.5	0.3
Men - 25 years and over	7.4	8.0	7.0	-0.6	0.4
Women - 25 years and over	6.5	6.8	6.2	-0.3	0.3
15 to 24 years	13.4	14.1	11.6	-0.7	1.8
Men - 15 to 24 years	17.6	18.2	12.8	-0.6	4.8
Women - 15 to 24 years	8.8	9.5	10.4	-0.7	-1.6

Note: Totals may not add due to rounding

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

EMPLOYMENT BY INDUSTRY

On a monthly basis, employment expanded by almost 10,000 in the goods-producing sector, while contracting by roughly an equal amount in the services-producing sector. Compared to April 2016, employment in the goods-producing sector is down about 12,000 – more than offset by widespread gains among many services-producing industries.

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	April 2017	March 2017	April 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,289.0	2,289.3	2,271.6	-0.3	0.0	17.4	0.8
Goods-producing sector	577.4	567.7	589.5	9.7	1.7	-12.1	-2.1
Agriculture	52.9	52.1	50.0	0.8	1.5	2.9	5.8
Forestry, fishing, mining, quarrying, oil and gas	141.2	139.6	140.4	1.6	1.1	0.8	0.6
Utilities	19.9	21.0	21.0	-1.1	-5.2	-1.1	-5.2
Construction	242.0	241.4	263.5	0.6	0.2	-21.5	-8.2
Manufacturing	121.5	113.6	114.6	7.9	7.0	6.9	6.0
Services-producing sector	1,711.6	1,721.6	1,682.1	-10.0	-0.6	29.5	1.8
Trade	335.9	335.0	331.7	0.9	0.3	4.2	1.3
Transportation and warehousing	140.0	139.2	131.3	0.8	0.6	8.7	6.6
Finance, insurance, real estate and leasing	110.2	110.5	108.6	-0.3	-0.3	1.6	1.5
Professional, scientific and technical services	172.2	180.0	181.3	-7.8	-4.3	-9.1	-5.0
Business, building and other support services	74.8	76.2	80.3	-1.4	-1.8	-5.5	-6.8
Educational services	159.9	159.3	146.8	0.6	0.4	13.1	8.9
Health care and social assistance	278.0	276.4	267.8	1.6	0.6	10.2	3.8
Information, culture and recreation	74.7	76.1	78.2	-1.4	-1.8	-3.5	-4.5
Accommodation and food services	147.5	146.4	140.8	1.1	0.8	6.7	4.8
Other services	118.3	121.2	119.8	-2.9	-2.4	-1.5	-1.3
Public administration	99.9	101.2	95.5	-1.3	-1.3	4.4	4.6

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) increased in April, up 1,600 on the month. At 141,200, employment is also up slightly from a year ago. Employment in the industry dropping precipitously last May 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. In April, however, benchmark West Texas Intermediate (WTI) fell below \$50 per barrel, signalling that oil markets may have entered a new period of volatility, as rising US shale oil production threatens to undo OPEC curbs.

Another trend in the oil sands is the on-going divestment by foreign-owned international oil companies. In late March, Calgary-based Cenovus bought ConocoPhillips oil and gas holdings in western Canada for \$17.7 billion. The sale continues the foreign retreat from Alberta's oil patch, with US-based ConocoPhillips following the lead of Netherland's Shell, France's Total, and Norway's Statoil.⁴

The recent imposition of US tariffs on Canadian softwood threatens at least a dozen smaller communities across the province. In total, forestry and wood product manufacturing is a \$6 billion industry in Alberta. Without a swift resolution to the dispute, job losses will almost certainly follow.⁵

In April, manufacturing employment surged sharply, pushing job gains up 6% on a year over year basis. Notable gains were seen in food manufacturing, and in chemical manufacturing as well. On the food manufacturing side, the Alberta Small Brewers Association reports that at least 30 new breweries being planned in Alberta this year.⁶

Activity in Alberta's construction industry continues to slow, with employment down roughly 8% compared to April 2016. While housing starts increased modestly in April compared to the same month last year, the decline in major projects has reduced the demand for construction labour in the province.⁷

Employment in agriculture increased in April, despite challenging conditions for the industry. Early snowfalls last fall and intermittent snow in April have meant an unprecedented number of hectares going unharvested.⁸

Year over year, employment gains in the services-producing sector were seen in transportation and warehousing (+8,700), and accommodation and food services (+6,700). The uptick in transportation employment was mostly related to pipeline transportation. Consumer confidence remains an issue in the province, as retail sales stalled in February after a series of monthly gains.⁹

Alberta's public sector has been a key source of employment growth throughout the downturn. On the year, employment gains in educational services, health care and social assistance, and public administration amounted to about 28,000 between them.

REGIONAL ANALYSIS

Over the past year, employment in Alberta increased at least marginally, in five of seven economic regions. At the same time, unemployment rates increased in four areas of the province: Camrose-Drumheller, Edmonton, Red Deer, and Calgary.

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	April 2017 ('000)	April 2016 ('000)	Yearly Variation (%)	April 2017 (%)	April 2016 (%)	Yearly Variation (% points)
Alberta	2,258.2	2,251.8	0.3	8.7	8.1	0.6
Economic Regions						
Lethbridge-Medicine Hat	142.8	146.9	-2.8	6.8	7.2	-0.4
Camrose-Drumheller	98.4	95.2	3.4	9.6	8.2	1.4
Calgary	870.9	849.0	2.6	9.0	8.6	0.4
Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River	181.8	180.8	0.6	7.3	7.5	-0.2
Red Deer	109.7	109.2	0.5	9.7	9.1	0.6
Edmonton	773.4	790.0	-2.1	8.6	7.5	1.1
Wood Buffalo-Cold Lake	81.4	80.7	0.9	8.6	10.2	-1.6

Note: Totals may not add due to rounding

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

In Lethbridge-Medicine Hat, job losses in the services-producing sector more than offset employment gains in construction and resource extraction. Construction activity should remain a bright spot in the region, as multiple contracts have been let for road, sewage, and other infrastructure upgrades.

Employment increased in Camrose Drumheller in April, as job gains were seen in wholesale and retail trade and in educational services. In the key oil and gas sector, service companies in the Lloydminster area report having difficulty finding experienced workers.¹⁰

The Banff-Jasper-Rocky-Mountain House and Athabasca-Grande Prairie-Peace River area again 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. The increase comes as forest-dependent communities in the region brace themselves for the effects of new US softwood lumber tariffs.

Red Deer saw little net job growth in April, as full-time employment gains in the goods-producing sector were roughly offset by part-time job losses in services-producing industries. At 9.7%, the region had the highest unemployment rate in the province. Red Deer-based Parkland Fuel Corporation announced the acquisition of Chevron Canada's fuel business for \$1.5 billion in April. The transaction includes 129 Chevron-branded service stations and three marine-fueling locations, among other properties.¹¹

To the northeast, Fort McMurray continues its slow recovery from the May 2016 wildfire. The city has issued 645 development permits with the pace of reconstruction varying greatly between neighbourhoods.

Population in the city currently sits at about 73,500 people, 5,000 fewer than in 2015. Construction employment is up compared to April of last year, while employment in many other industries is down, reflecting an uneasy return to normal life.

Turning to the two major centres of Edmonton and Calgary, Edmonton had a dismal month in April. Employment dropped by about 2%, with the largest losses occurring in construction and manufacturing. Alberta's Industrial Heartland (the area immediately to the north of Edmonton) is looking at reduced activity this year, as major construction projects continue to wind down. Major projects do remain on the books, however, as Pembina Pipeline Corp. and Inter Pipeline have pending projects in the area worth about \$7B combined. Unemployment in the Edmonton area rose again in April, approaching – but not equalling – unemployment in Calgary.

Despite ongoing job losses among its goods-producing industries, overall employment in Calgary increased in April (+2.6%) compared to the same month last year. Strong job growth was seen in transportation and warehousing, attributable in part to the staffing up of Calgary's new air terminal. Incremental hiring in health care and in educational services also contributed to a stronger labour market.

Tourism Calgary reports that visitors to the city declined by 800,000 in 2016 compared to the previous year, with revenue down 6%. While international recreational travel – particularly from the US – is up, business travel is markedly down.¹²

At over 85,000, unemployment remains stubbornly 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

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