



# Labour Market Bulletin

Alberta

May 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 May (+0.1%). Compared to April 2017, full-time employment increased by almost 19,000, while part-time employment decreased by roughly the same amount. While the overall monthly change was unremarkable, the year over year change was a different story. As the name might suggest, year over year changes compare a given month with the same month a year earlier, which often helps to clarify the bigger picture.

During the recession of 2015 and 2016, year over year job losses were at their worst in May and June of 2016 (-56,000). These losses subsequently narrowed, with April 2017 marking the first positive year-over-year employment growth in 18 months. In May, year over year employment was up 40,700 (+1.8%). Year to date, employment in the province is up 0.7% compared to 2016's annual figure.

As employment in the province is improving, unemployment is also beginning to ease. Since reaching an all-time high in November 2016, unemployment has drifted downward. In fact, on a year over year basis, the number of unemployed in the province decreased for the first time in 30 months in May. At 7.8%, Alberta's unemployment rate is 0.2 percentage points lower than in May 2016, marking the first year over year decline in the unemployment rate since January 2015.

## Seasonally adjusted Monthly Labour Force Statistics

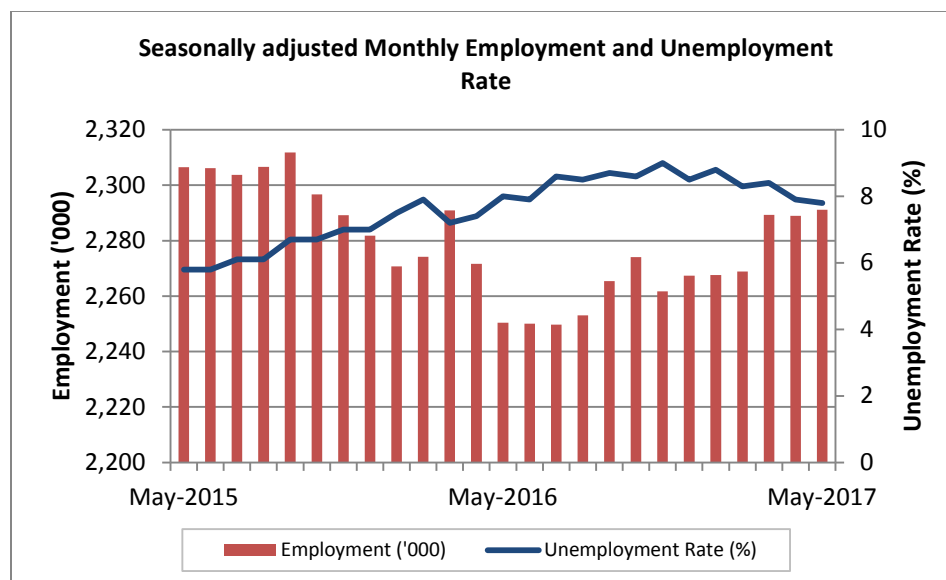
Seasonally Adjusted Monthly Data	May 2017	April 2017	May 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,425.5	3,421.4	3,396.4	4.1	0.1	29.1	0.9
<b>Labour Force ('000)</b>	2,484.2	2,485.9	2,444.9	-1.7	-0.1	39.3	1.6
<b>Employment ('000)</b>	2,291.1	2,289.0	2,250.4	2.1	0.1	40.7	1.8
Full-Time ('000)	1,883.6	1,864.7	1,828.8	18.9	1.0	54.8	3.0
Part-Time ('000)	407.6	424.3	421.7	-16.7	-3.9	-14.1	-3.3
<b>Unemployment ('000)</b>	193.1	196.9	194.5	-3.8	-1.9	-1.4	-0.7
<b>Unemployment Rate (%)</b>	7.8	7.9	8.0	-0.1	-	-0.2	-
<b>Participation Rate (%)</b>	72.5	72.7	72.0	-0.2	-	0.5	-
<b>Employment Rate (%)</b>	66.9	66.9	66.3	0.0	-	0.6	-

Note: Totals may not add due to rounding

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

As seen in the above labour force statistics, Alberta is transitioning out of the two-year economic slump that has strained most aspects of provincial life. As of March 2017, average weekly earnings in the province were still trending down on a year over year basis, off about 5% from their all-time high of January 2015.<sup>1</sup> With lower earnings and high unemployment, consumer insolvencies (bankruptcies and proposals) are still elevated. During the first quarter of 2017, consumer insolvencies were up 4.8% compared to the corresponding period in 2016.<sup>2</sup> CMHC (Canadian Mortgage and Housing Corporation) reports that 1,829 mortgage loans were in arrears in Alberta as of the end of March, representing almost a quarter of the national total.<sup>3</sup>

The number of private sector workers in Alberta increased 1.6% in May, compared to May 2016. Public sector employment increased 3.1% on the year, while self-employment increased by about half that.



Looking at major demographic groups, the unemployment rate for men aged 25 and over decreased to 6.9% in April, mostly due to employment gains. The unemployment rate for women in this age group increased to 6.8%, entirely due to employment losses. The rate for younger men (15 to 24 years) increased to 18.3%, also entirely due to employment losses. By contrast, the unemployment rate for women aged 15 to 24 dropped to 8.2%, as 1,400 young women opted out of the labour force.

### Seasonally adjusted Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2017 (%)	April 2017 (%)	May 2016 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
<b>Total</b>	7.8	7.9	8.0	-0.1	-0.2
<b>25 years and over</b>	6.9	7.0	7.1	-0.1	-0.2
Men - 25 years and over	6.9	7.4	7.8	-0.5	-0.9
Women - 25 years and over	6.8	6.5	6.4	0.3	0.4
<b>15 to 24 years</b>	13.5	13.4	13.0	0.1	0.5
Men - 15 to 24 years	18.3	17.6	14.2	0.7	4.1
Women - 15 to 24 years	8.2	8.8	11.5	-0.6	-3.3

Note: Totals may not add due to rounding

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

## EMPLOYMENT BY INDUSTRY

Compared to April 2017, employment in Alberta's goods-producing sector expanded by almost 2,000 in May. At the same time, employment remained virtually unchanged in the province's services-producing sector (+300). Compared to May 2016, employment in the goods-producing sector is up by about 9,000 – and up by more than 32,000 in the services-producing sector.

## Seasonally adjusted Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2017	April 2017	May 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,291.1	2,289.0	2,250.4	2.1	0.1	40.7	1.8
<b>Goods-producing sector</b>	579.3	577.4	570.6	1.9	0.3	8.7	1.5
Agriculture	53.2	52.9	49.6	0.3	0.6	3.6	7.3
Forestry, fishing, mining, quarrying, oil and gas	145.6	141.2	132.5	4.4	3.1	13.1	9.9
Utilities	21.8	19.9	20.3	1.9	9.5	1.5	7.4
Construction	236.3	242.0	253.7	-5.7	-2.4	-17.4	-6.9
Manufacturing	122.2	121.5	114.6	0.7	0.6	7.6	6.6
<b>Services-producing sector</b>	1,711.9	1,711.6	1,679.8	0.3	0.0	32.1	1.9
Trade	332.9	335.9	330.9	-3.0	-0.9	2.0	0.6
Transportation and warehousing	142.1	140.0	131.6	2.1	1.5	10.5	8.0
Finance, insurance, real estate and leasing	109.2	110.2	108.0	-1.0	-0.9	1.2	1.1
Professional, scientific and technical services	176.7	172.2	177.4	4.5	2.6	-0.7	-0.4
Business, building and other support services	77.9	74.8	82.5	3.1	4.1	-4.6	-5.6
Educational services	154.7	159.9	148.7	-5.2	-3.3	6.0	4.0
Health care and social assistance	275.2	278.0	263.3	-2.8	-1.0	11.9	4.5
Information, culture and recreation	74.5	74.7	78.0	-0.2	-0.3	-3.5	-4.5
Accommodation and food services	149.2	147.5	141.4	1.7	1.2	7.8	5.5
Other services	119.7	118.3	123.3	1.4	1.2	-3.6	-2.9
Public administration	99.8	99.9	94.9	-0.1	-0.1	4.9	5.2

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 3.1% on the month. At 145,600, employment is up almost 10% since May of last year. Employment in the sector is rebounding as conventional (non-oil sand) drilling has accelerated in the province.

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.<sup>4</sup>

In May, manufacturing employment increased, up 6.6% 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 are being planned this year.<sup>5</sup>

Activity in Alberta's construction industry continues to slow, with employment down roughly 7% compared to May 2016. While housing starts increased year to date compared to the same period last year, the decline in major projects has reduced the demand for construction labour in the province.<sup>6</sup>

Employment in agriculture increased in May, despite challenging conditions for the industry. Early snowfalls last fall and intermittent snow in April meant an unprecedented area of last year's crop went unharvested.<sup>7</sup>

Year over year, employment gains in the services-producing sector were seen in transportation and warehousing (+10,500), and accommodation and food services (+7,800). The uptick in transportation employment was mostly related to pipeline transportation. Consumer confidence may still be an issue in the province. After increasing for seven consecutive months, retail sales in Alberta fell for the first time since mid-2016.<sup>8</sup>

Alberta's public sector has been a key source of employment stability throughout the downturn. On the year, employment gains in educational services, health care and social assistance, and public administration amounted to 22,800 between them (+4.5%).

## REGIONAL ANALYSIS

Over the past year, employment in Alberta increased in four of seven economic regions.

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

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2017 ('000)	May 2016 ('000)	Yearly Variation (%)	May 2017 (%)	May 2016 (%)	Yearly Variation (% points)
<b>Alberta</b>	2,278.5	2,257.7	0.9	8.4	8.0	0.4
<b>Economic Regions</b>						
Lethbridge-Medicine Hat	144.2	148.4	-2.8	5.9	7.4	-1.5
Camrose-Drumheller	99.9	93.2	7.2	8.8	8.3	0.5
Calgary	880.9	852.1	3.4	9.1	8.4	0.7
Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River	180.9	178.9	1.1	6.8	7.8	-1.0
Red Deer	110.8	112.6	-1.6	9.0	8.5	0.5
Edmonton	779.5	791.3	-1.5	8.4	7.4	1.0
Wood Buffalo-Cold Lake	82.2	81.2	1.2	8.3	9.5	-1.2

Note: Totals may not add due to rounding.

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

In Lethbridge-Medicine Hat, employment fell 2.8% compared to May 2016. At the same time, the unemployment rate also declined, as over 6,000 people opted out of the labour market. Construction activity should remain a relative bright spot in the region, as multiple contracts have been awarded for road, sewage, and other infrastructure upgrades. The City of Medicine Hat has started construction on a new \$8.25M fire station, expected to be completed by the fall 2018.

Employment increased sharply in Camrose-Drumheller in May, as job gains were seen in wholesale and retail trade and in educational services. In the oil and gas sector, service companies in the Lloydminster area reported having difficulty finding experienced workers. Construction employment could receive a boost this summer, as the Lloydminster Husky Upgrader comes off-line for a seven-week maintenance turnaround.<sup>9</sup>

The Banff-Jasper-Rocky-Mountain House and Athabasca-Grande Prairie-Peace River area again saw an increase in resource extraction employment in May. The gains, primarily in oil and gas, outweighed the combined

declines of several services-producing industries. While parts of this large combined economic region are off limits to oil extraction, drilling is picking up to the northwest, where Alberta's share of the Montenay shale formation is located. The Montenay is being aggressively targeted by oil and gas firms, as its geology is a good fit for the advanced drilling techniques that have been so successful in the United States. The increase comes as forest-dependent communities in the area begin to feel the impacts of recent US softwood lumber tariffs.

The Red Deer area saw employment fall back slightly in April, as full-time job gains in construction and manufacturing failed to offset part-time job losses in services-producing industries. At 8.5%, the region had the second highest unemployment rate in the province. Innisfail's Agrocrop Processing Ltd. is spending \$6.5M to expand its grain and pulse handling facility in the municipality, with construction set to be completed this fall.

To the northeast, Wood Buffalo-Cold Lake's Fort McMurray continues its slow recovery from the wildfire in May, 2016. Employment increased by an estimated 1.2% compared to May of last year. However, it should be noted that no LFS sampling took place in the area's only major urban centre that month due to the devastation from the fire. As of March 2017, almost 700 local businesses had received grants totalling \$4.6 million from the Red Cross-funded Small Business Workforce Support Program.<sup>10</sup> Population in the city currently sits at about 73,500 people, 5,000 fewer than in 2015.

Turning to the two major centres of Edmonton and Calgary, Edmonton had a dismal month in May. Total employment declined by 1.5%, as construction employment dropped by almost 9,000 on the year. Alberta's Industrial Heartland (an area immediately to the northeast of the City of Edmonton) is looking at reduced activity this year, as major construction projects, such as the Redwater Refinery, begin to wind down. Meanwhile, unemployment in the Edmonton Economic Region rose again in May, with the area's unemployment rate approaching – but not equalling – that of Calgary's.

In Calgary, overall employment increased in May compared to the same month last year (+2.6%). Strong job growth was seen in transportation and warehousing, due in large part to staffing up by Calgary's pipeline transportation firms. Incremental hiring in educational services and in health care and also contributed to a stronger labour market.

In April, Tourism Calgary reported that visitors to the city declined by 800,000 in 2016 compared to the previous year. While international recreational travel – particularly from the US – is up, business travel is markedly down.<sup>11</sup>

At over 88,000, unemployment remains stubbornly high in the Calgary region. At 9.1%, Calgary had the highest unemployment rate in the province.

**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, February 2017 ; Accessed May 9, 2017

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<sup>2</sup> Office of the Superintendent of Bankruptcy Canada, Insolvency Statistics in Canada—Q1 2017; Accessed June 9, 2017

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<sup>3</sup> Canadian Mortgage and Housing Corporation (CMHC), Mortgage Loan Insurance Business Supplement Q1 2017; A mortgage is in arrears when payment is three or more months overdue; Accessed June 9, 2017

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<sup>4</sup> Alberta forestry communities brace for uncertainty with new round of U.S. softwood import duties; CBC News, April 25, 2017; Accessed April 27, 2017

<http://www.cbc.ca/news/canada/edmonton/alberta-softwood-lumber-tariff-1.4085368>

<sup>5</sup> Alberta's craft breweries have tripled in 3 years — with dozens more on tap; CBC, March 30, 2017 ; Accessed May 8, 2017

<http://www.cbc.ca/news/canada/calgary/craft-beer-boom-alberta-1.4046807>

<sup>6</sup> Preliminary Housing Start Data, CMHC, Released June 2017; Accessed June 12, 2017

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<sup>7</sup> Unharvested crops, wet spring causing headaches for Alberta farmers; John Cotter, The Canadian Press; May 1, 2017; Accessed May 8, 2017

<http://calgaryherald.com/business/unharvested-crops-wet-spring-causing-headaches-for-prairie-farmers>

<sup>8</sup> Statistics Canada, Retail trade, March 2017; Retail sales by province and territory – seasonally adjusted; Accessed June 8, 2017; CANSIM Table 080-0020

<http://www.statcan.gc.ca/daily-quotidien/170519/dq170519b-eng.htm>

<sup>9</sup> Turnarounds feed economy; The Lloydminster Source, March 30, 2017; Accessed June 9, 2017

<http://www.lloydminstersource.com/articles/article/2017-03-30-turnarounds-feed-economy>

<sup>10</sup> Wildfire Rebuild – Economy Pillar Progress Updates; Regional Municipality of Wood Buffalo, March 24, 2017; Accessed June 12, 2017

<http://www.rmwb.ca/News-Room/RMWB-Wildfire-Information/Recovery-Progress-Updates/Economy-Pillar-Progress.htm>

<sup>11</sup> Report to council says economy to blame for Calgary tourism down \$100 million last year ; Ryan Rumbolt, Calgary Herald, April 24, 2017 ; Accessed April 24, 2017

<http://calgaryherald.com/news/local-news/report-to-council-says-economy-to-blame-for-calgary-tourism-down-100-million-last-year>