



Labour Market Bulletin

Alberta

August 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

Employment in Alberta rose to 2.29 million (+0.1%) in August. Compared to July 2017, full-time employment increased by 7,600, while part-time employment decreased by 5,400. Monthly results were steady, while year over year figures continue to show Alberta on the road to recovery. As their 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). Those losses subsequently narrowed, with April 2017 marking the first positive year-over-year employment growth in 18 months. In August, year over year employment was up 33,500 (+1.5%). Year to date, employment in the province is up about 0.9% compared to the same period last year.

As employment in the province strengthens, unemployment is beginning to ease. Since reaching an all-time high in August 2016, unemployment has drifted downward. On the month, unemployment rose further in August after also rising in July. However, on a year over year basis, unemployment is down by roughly 2,000.

At 8.1%, Alberta's unemployment rate is 0.3 percentage points lower than in August 2016.

Alberta Monthly Labour Force Statistics

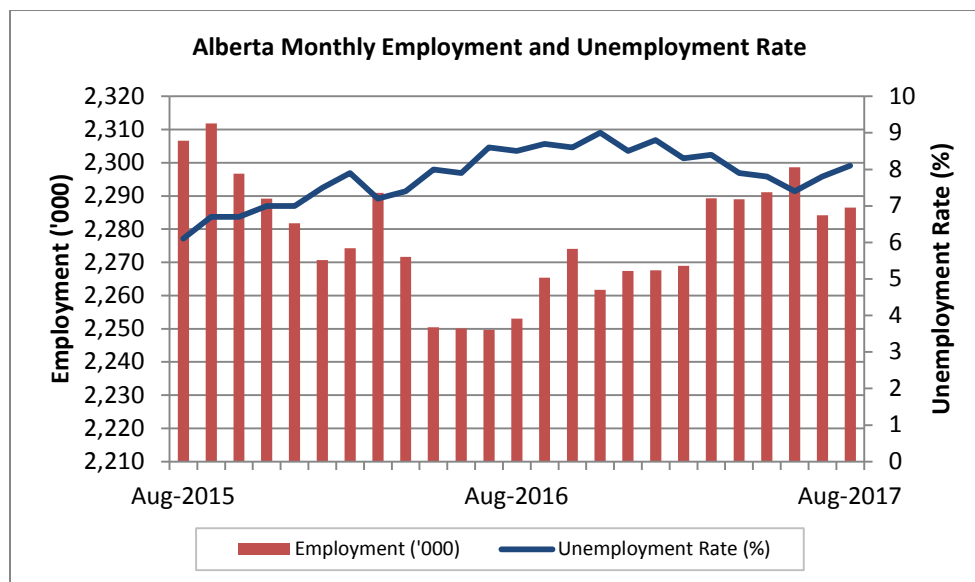
Seasonally Adjusted Monthly Data	August 2017	July 2017	August 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,434.5	3,431.2	3,405.2	3.3	0.1	29.3	0.9
Labour Force ('000)	2,488.9	2,477.2	2,461.2	11.7	0.5	27.7	1.1
Employment ('000)	2,286.5	2,284.2	2,253.0	2.3	0.1	33.5	1.5
Full-Time ('000)	1,867.6	1,860.0	1,836.0	7.6	0.4	31.6	1.7
Part-Time ('000)	418.8	424.2	417.0	-5.4	-1.3	1.8	0.4
Unemployment ('000)	202.4	193.1	208.2	9.3	4.8	-5.8	-2.8
Unemployment Rate (%)	8.1	7.8	8.5	0.3	-	-0.4	-
Participation Rate (%)	72.5	72.2	72.3	0.3	-	0.2	-
Employment Rate (%)	66.6	66.6	66.2	0.0	-	0.4	-

Note: Totals may not add due to rounding

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

In June 2017 (the most recent data available), average weekly earnings in the province were up 1.3% compared to June 2016. This was the third consecutive monthly increase after 22 months of year-over-year declines.¹ Over the same period, consumer insolvencies (bankruptcies and proposals) were 3.6% lower.² Meanwhile, CMHC (Canadian Mortgage and Housing Corporation) reports that 1,669 mortgage loans were in arrears in Alberta as of the end of June, representing almost a quarter of the national total.³

The number of private sector employees in Alberta was essentially unchanged in August compared to one year ago (+0.2%), while public sector employment and self-employment increased 2.2% and 5.3%, respectively.



Looking at major demographic groups on a year over year basis, the unemployment rate for men aged 25 and over increased to 6.8% in August, despite adult men accounting for most employment gains on the period. By contrast, the unemployment rate for women in this age group decreased to 7.4% after reaching a near 23-year high last month (7.9%), as both the labour force and unemployment of adult women decreased.

The unemployment rate for younger men (15 to 24 years) rose to 16.3%, as 4,500 young men joined the labour market. In comparison, while the unemployment rate for women aged 15 to 24 was lower relative to the same time last year, it grew to 12.6% from July on lower employment and as roughly 2,400 young women left the labour market.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	August 2017 (%)	July 2017 (%)	August 2016 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	8.1	7.8	8.5	0.3	-0.4
25 years and over	7.1	7.1	7.4	0.0	-0.3
Men - 25 years and over	6.8	6.4	8.1	0.4	-1.3
Women - 25 years and over	7.4	7.9	6.6	-0.5	0.8
15 to 24 years	14.6	12.2	14.8	2.4	-0.2
Men - 15 to 24 years	16.3	14.8	15.5	1.5	0.8
Women - 15 to 24 years	12.6	9.3	13.9	3.3	-1.3

Note: Totals may not add due to rounding

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

EMPLOYMENT BY INDUSTRY

Compared to July 2017, employment in Alberta's goods-producing sector was up by 5,500 (1.0%) in August. At the same time, employment in the province's services-producing sector contracted by 3,300 (-0.2%). Compared to August of last year, employment in the goods-producing sector is up by more than 14,000 – and up by 19,000 in the services-producing sector.

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	August 2017	July 2017	August 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,286.5	2,284.2	2,253.0	2.3	0.1	33.5	1.5
Goods-producing sector	581.4	575.9	567.0	5.5	1.0	14.4	2.5
Agriculture	49.0	53.3	51.6	-4.3	-8.1	-2.6	-5.0
Forestry, fishing, mining, quarrying, oil and gas	146.0	145.9	137.4	0.1	0.1	8.6	6.3
Utilities	22.0	22.8	18.8	-0.8	-3.5	3.2	17.0
Construction	240.4	233.8	246.3	6.6	2.8	-5.9	-2.4
Manufacturing	124.1	120.1	112.9	4.0	3.3	11.2	9.9
Services-producing sector	1,705.0	1,708.3	1,686.0	-3.3	-0.2	19.0	1.1
Trade	335.1	338.6	328.9	-3.5	-1.0	6.2	1.9
Transportation and warehousing	144.0	136.7	130.2	7.3	5.3	13.8	10.6
Finance, insurance, real estate and leasing	107.6	106.7	106.0	0.9	0.8	1.6	1.5
Professional, scientific and technical services	176.2	178.4	174.7	-2.2	-1.2	1.5	0.9
Business, building and other support services	83.6	86.5	77.2	-2.9	-3.4	6.4	8.3
Educational services	143.7	141.5	150.4	2.2	1.6	-6.7	-4.5
Health care and social assistance	269.1	278.6	270.7	-9.5	-3.4	-1.6	-0.6
Information, culture and recreation	72.0	73.2	71.1	-1.2	-1.6	0.9	1.3
Accommodation and food services	158.1	154.6	150.7	3.5	2.3	7.4	4.9
Other services	111.9	111.2	124.8	0.7	0.6	-12.9	-10.3
Public administration	103.6	102.3	101.4	1.3	1.3	2.2	2.2

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) was virtually unchanged in August, up 0.1% on the month. At 146,000, employment is up 6.3% since August of last year. Employment in the sector is rebounding as conventional (non-oil sand) drilling has accelerated in the province. This comes as a barrel of West Texas Intermediate (WTI), the benchmark North American crude oil, is currently trading in the \$45 to \$50 U.S. range, down from the start of the year. In its September forecast, the U.S. Energy Information Administration projects an average WTI price of \$49 U.S. per barrel in 2017, rising to \$50 next year.

Turning to agriculture, a hot, dry summer has crop yields in southern Alberta running well below the 10-year average. Employment in the industry is down 2.6% compared to this time last year.⁴

About a dozen forestry-dependent communities across the province are waiting on resolution of the Canada – U.S. softwood lumber dispute. During normal times, forestry and wood product manufacturing is a \$6 billion industry in Alberta.

Manufacturing employment was higher on the month (+3.3%) in August, while up 9.9% on the year. Wood product manufacturing was one of several sub-industries showing annual employment declines. By contrast, notable job gains were seen in metal fabrication and in machinery manufacture, increases which are consistent with the uptick in oil patch activity noted above.

Activity in Alberta's construction industry is picking up month-over-month in August (+2.8%), but is down roughly 5.9% compared to August 2016. While housing starts have increased year to date compared to the same period last year (+29%), the decline in major industrial projects has reduced the demand for construction labour in the province.⁵ Nonetheless, at a combined weighting of 31.4% between them, Calgary and Edmonton have contributed more to Canada's 2017 non-residential building construction price index than Toronto, Ontario (28.7%).⁶

In the services-producing sector, year over year employment gains were seen in transportation and warehousing (+13,800), accommodation and food services (+7,400), and business, building and other support services (+6,400). Employment in business, building, and other support services spiked in the month of July, led by job gains in building services, a sub-industry that includes janitorial and landscaping services, among others. In August, employment in the sub-industry declined (-2,900), while remaining well above last year's level (+6,400).

While the public sector has been a key source of employment stability throughout Alberta's recession, employment gains across education, health care, and public administration are now slowing. On monthly basis, the combined employment of the three industries fell by almost 6,000, similar to the year over year loss of about 6,100 (-1.2%).

REGIONAL ANALYSIS

In August, employment in Alberta increased in four of seven economic regions compared to a year ago. On a percentage basis, Calgary led the province in job growth at 3.6%. Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River was second, followed by Red Deer, and finally Edmonton. Because of the absence of data in the aftermath of 2016's Fort McMurray wildfire, a yearly gain or loss cannot be calculated for Wood Buffalo-Cold Lake.

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	August 2017 ('000)	August 2016 ('000)	Yearly Variation (%)	August 2017 (%)	August 2016 (%)	Yearly Variation (% points)
Alberta	2,307.6	2,271.3	1.6	8.1	8.6	-0.5
Economic Regions						
Lethbridge-Medicine Hat	144.5	150.7	-4.1	4.5	7.3	-2.8
Camrose-Drumheller	100.4	102.1	-1.7	8.0	8.7	-0.7
Calgary	898.2	867.1	3.6	8.6	9.3	-0.7
Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River	186.6	182.7	2.1	6.0	7.2	-1.2
Red Deer	115.0	113.4	1.4	5.6	9.6	-4.0
Edmonton	778.4	773.3	0.7	9.2	8.3	0.9
Wood Buffalo-Cold Lake*	84.5	-	-	7.7	-	-

*As a result of the wildfire affecting northern Alberta in 2016, LFS data for the census agglomeration of Wood Buffalo, which includes Fort McMurray, are not available for the period June 2016 through September 2016.

Note: Totals may not add due to rounding

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

In Lethbridge-Medicine Hat, employment fell by 4.1% compared to August 2016. At the same time, the unemployment rate also declined, as 11,200 people left 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 will see its Sears department store close in September, affecting 74 employees. Sears was one of the original tenants in Medicine Hat Mall.

Employment decreased by 1.7% in Camrose-Drumheller compared to August 2016, as job losses were seen in agriculture and in construction. Facilities targeting the area's farming community are under development in Vermilion, as Lakeland College continues construction of its \$9.5 million Dairy Learning Centre and \$7.1 million Animal Health Clinic. Turning to human care, CBI Health Group, the largest provider of community healthcare services in Canada, has opened a health clinic in Lloydminster. The company plans to hire between 15 to 18 professionals, as services grow over the next couple of years.⁷

The Banff-Jasper-Rocky-Mountain House and Athabasca-Grande Prairie-Peace River area saw a further year-over-year increase in resource extraction employment in August, offsetting a steep decline in accommodation and food services jobs. While parts of this large combined economic region are off limits to oil extraction, drilling is active to the northwest, where Alberta's share of the Montney shale formation is located. The Montney is being aggressively targeted by drillers as its geology is a good fit for the fracking (hydraulic fracturing) techniques that have proven so successful in the U.S. The tourism centres of Banff and Jasper are experiencing a boom in visitors, heightened by the free entry to National Parks granted in honour of Canada's 150th birthday.

The Red Deer area registered employment growth of 1.4% in August, as job gains in the goods-producing sector outweighed job losses among services-producing industries – and in wholesale and retail trade in particular. At 5.6%, the region's unemployment rate was well below the provincial average (8.1%), and a far cry from the

9.6% seen in August 2016. While lower unemployment rates are a good thing, the decline in Red Deer's unemployment rate comes about as 3,600 people opted out of the labour market.

To the northeast, Wood Buffalo-Cold Lake's Fort McMurray continues its recovery from the wildfire of May, 2016. Across Wood Buffalo-Cold Lake region employment stood at 84,500 during August 2017. The area's unemployment rate was 7.7%. It should be noted that no comparable data from 2016 is available due to the lingering after-effects of the fire. The population of Fort McMurray currently sits at about 73,500 people, 5,000 fewer than in 2015. Teck Resources, a partner in Suncor's Fort Hills project, has announced plans to build a \$20.6 billion oil sands mine north of Fort McMurray. Teck estimates the project would create 7,000 construction jobs, and 2,500 operational jobs with production slated for 2026, pending approvals.

Total employment in Edmonton edged up 0.7% in August compared to last year, as employment in the services-producing sector dropped by over 12,400 on the year, while rising by 17,400 in the goods-producing sector. Gains were entirely due to a rise in part-time jobs, as full-time employment remained steady on the year. Meanwhile, the ranks of the unemployment increased by 8,700 year over year, increasing the region's unemployment rate to 9.2%, the highest in the province. Capital Region Housing plans to start construction on a \$72M affordable housing project in Edmonton's Kilkenny neighborhood this fall. The buildings, facilitated by a tripling of zoning density, are expected to open in 2019.⁸

In Calgary, overall employment increased in August compared to the same period last year (+3.6%). Full-time employment increased by 25,500, with the region adding roughly 5,700 part-time jobs as well. At 84,100, unemployment remains elevated in the region and with slight decline in labour force and employment compared to last month, Calgary's unemployment rate increased to 8.6%.

While employment in the goods-producing sector declined from the same period last year (-12,500), strong job growth was seen across nearly the entire services-producing sector (+43,800), with the greatest increase in accommodation and food services (+14,800) and public administration (+11,000).

In July, the Government of Alberta committed up to \$1.53 billion over eight years towards the first phase of the Calgary Green Line public transit project. Construction is estimated to create more than 12,000 direct jobs and over 8,000 supporting jobs.⁹

The City of Calgary is spending an estimated \$90M to clean up two former industrial landfills along the proposed Green Line LRT route. The work could take up to three years to complete before actual construction starts in 2020.¹⁰

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 Statistics Canada, CANSIM Table 281-0049 ; Payroll employment, earnings and hours, June 2017; Accessed September 8, 2017 <http://www.statcan.gc.ca/daily-quotidien/170830/dq170830b-eng.htm>

² Office of the Superintendent of Bankruptcy Canada, Insolvency Statistics in Canada—June 2017; Accessed September 8, 2017 [https://www.ic.gc.ca/eic/site/bsf-osb.nsf/vwapi/Insolvency-Statistics-June-2017-EN.pdf/\\$file/Insolvency-Statistics-June-2017-EN.pdf](https://www.ic.gc.ca/eic/site/bsf-osb.nsf/vwapi/Insolvency-Statistics-June-2017-EN.pdf/$file/Insolvency-Statistics-June-2017-EN.pdf)

³ Canadian Mortgage and Housing Corporation (CMHC), Mortgage Loan Insurance Business Supplement Q2 2017; A mortgage is in arrears when payment is three or more months overdue. (Accessed September 8, 2017) https://www.cmhc-schl.gc.ca/en/corp/about/core/core_001.cfm

⁴ Scorching summer burning farmers; Calgary Herald, August 8, 2017; <https://www.pressreader.com/canada/calgary-herald/20170808/281479276508121>

⁵ Preliminary Housing Start Data, CMHC, Released September 2017. (Accessed September 11, 2017) <https://www03.cmhc-schl.gc.ca/hmiportal/en/#Profile/48/2/Alberta>

⁶ Statistics Canada, CANSIM 327-0052; Apartment and non-residential building construction price indexes, relative importance. (Accessed September 8, 2017) <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=3270052&&pattern=&stByVal=1&p1=1&p2=1&tabMode=dataTable&csid=>

⁷ CBI opens doors in Border City; Lloydminster Source, July 5, 2017. (Accessed August 4, 2017) <https://lloydminstersource.com/articles/article/2017-07-05-cbi-opens-doors-in-border-city>

⁸ Edmonton housing agency triples density of affordable housing with no opposition; Edmonton Journal, August 29, 2017. (Accessed September 12, 2017) <http://edmontonjournal.com/news/local-news/edmonton-housing-agency-triples-density-of-affordable-housing-with-no-opposition>

⁹ Province commits to the Calgary Green Line; Alberta Government press release, July 6, 2017. (Accessed August 4, 2017) <https://www.alberta.ca/release.cfm?xID=47232F4AA59E8-BEF5-44F7-ABA0E76007A8AC33>

¹⁰ Old landfills along Green Line LRT route to cost \$90M to clean up; CBC News Calgary, August 4, 2017. (Accessed September 12, 2017) <http://www.cbc.ca/news/canada/calgary/landfill-remediation-calgary-green-line-lrt-1.4235459>