



Labour Market Bulletin

Alberta

September 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

During the three months July through September (Q3 2017), employment in Alberta averaged 2.28 million, down 9,800 from Q2-2017, but well ahead of the same period last year (+27,100). Full-time employment expanded during the year (+35,300), while part-time jobs declined both on a quarterly and year over year basis.

Alberta Quarterly Labour Force Statistics

Seasonally Adjusted Data	3rd Quarter 2017	2nd Quarter 2017	3rd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,434.1	3,425.1	3,405.1	9.0	0.3	29.0	0.9
Labour Force ('000)	2,479.7	2,484.2	2,467.8	-4.5	-0.2	11.9	0.5
Employment ('000)	2,283.1	2,292.9	2,256.0	-9.8	-0.4	27.1	1.2
Full-Time ('000)	1,865.8	1,873.5	1,830.5	-7.7	-0.4	35.3	1.9
Part-Time ('000)	417.3	419.4	425.5	-2.1	-0.5	-8.2	-1.9
Unemployment ('000)	196.6	191.3	211.8	5.3	2.8	-15.2	-7.2
Unemployment Rate (%)	7.9	7.7	8.6	0.2	-	-0.7	-
Participation Rate (%)	72.2	72.5	72.5	-0.3	-	-0.3	-
Employment Rate (%)	66.5	66.9	66.3	-0.4	-	0.2	-

Note: Totals may not add due to rounding

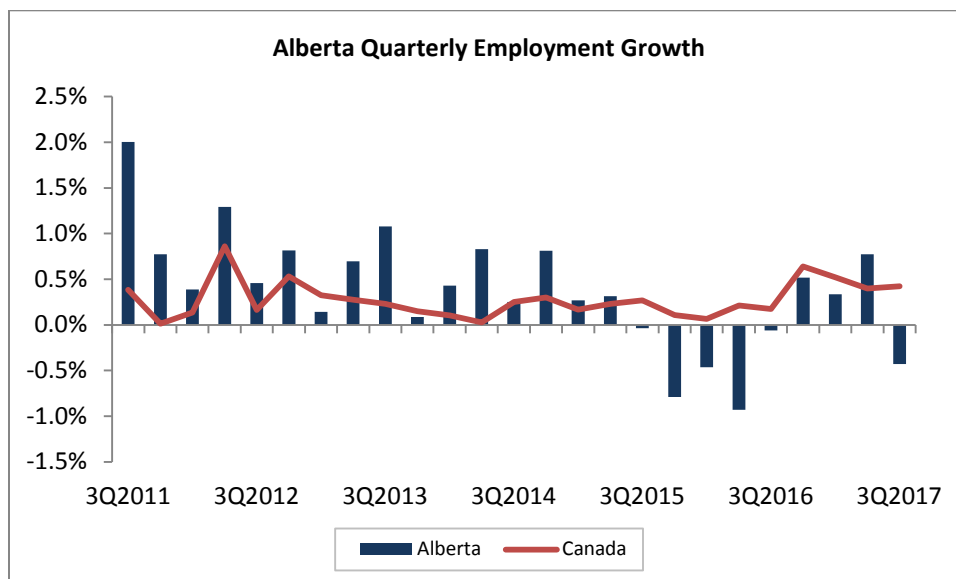
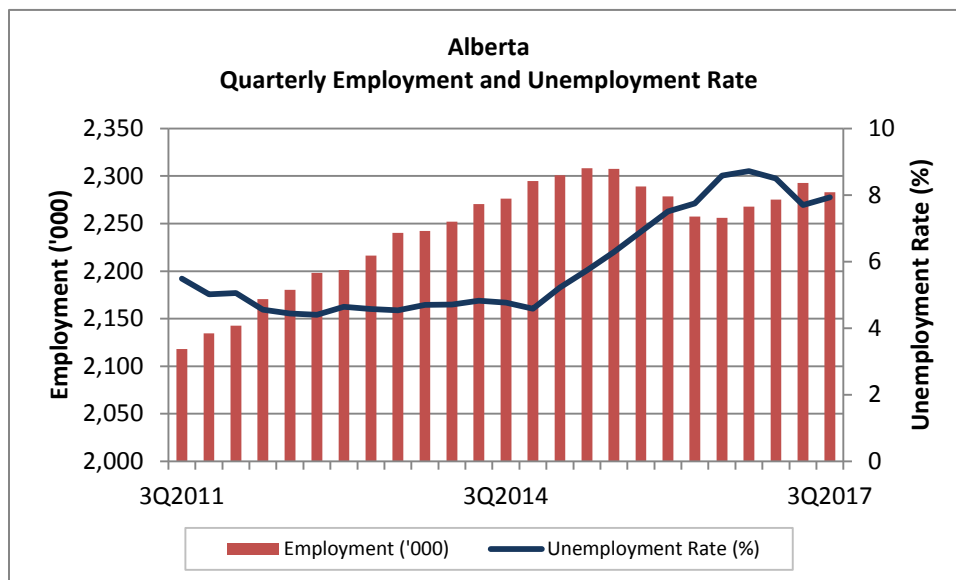
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Alberta's unemployment rate increased to 7.9% in the third quarter, the highest rate among western provinces, and well above the national figure of 6.2%.

At 31.1 hours, Alberta's average work week declined in July (the most recent data available). Still, this was well ahead of the corresponding figure nationwide (30.0 hours).¹ Meanwhile, at \$1,125 per week, average earnings in Alberta remained the highest among provinces.²

According to the most recent data available, Employment Insurance (EI) beneficiaries in Alberta inched up 0.2% in July compared to the previous month. On a year over year basis the number of regular beneficiaries in the province was down by a third compared to July 2016’s record level. Women comprised 37% of regular EI beneficiaries in July, a relatively low figure, given that women currently make up 45% of the provincial labour force and represent 44% of provincial unemployment.³

The number of private sector employees in Alberta was essentially unchanged in Q3-2017 compared to one year earlier (+0.1%), while public sector employment and self-employment increased 3.7% and 2.7%, respectively.⁴



Looking at the results by major demographic grouping, most unemployment rates were lower during Q3-2017 than they were one year ago. Only adult women aged 25 years and over and younger men aged 15 to 24 saw increases in their quarterly unemployment rates. The increase for adult women was quite stark, up a full

percentage point on the quarter. As Alberta fell into recession in 2015, job cuts were deepest among men in the goods-producing sector. Now, in Q3-2017, as the province emerges from recession, the unemployment rate for adult women exceeded that of adult men for the first time since Q4-2014.

Alberta Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	3rd Quarter 2017 (%)	2nd Quarter 2017 (%)	3rd Quarter 2016 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
Total	7.9	7.7	8.6	0.2	-0.7
25 years and over	7.2	6.8	7.6	0.4	-0.4
Men - 25 years and over	6.8	7.0	8.4	-0.2	-1.6
Women - 25 years and over	7.6	6.6	6.6	1.0	1.0
15 to 24 years	12.9	13.4	14.4	-0.5	-1.5
Men - 15 to 24 years	14.9	17.5	14.5	-2.6	0.4
Women - 15 to 24 years	10.7	8.8	14.4	1.9	-3.7

Note: Totals may not add due to rounding

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

Alberta - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q3 2017	Q3 2016	number	%	Q3 2017	Q2 2016	number	%
Population 15+ ('000)	168.7	161.2	7.5	4.7	3,265.4	3,243.9	21.5	0.7
Labour Force ('000)	115.2	113.2	2.0	1.8	2,379.1	2,369.2	9.9	0.4
Employment ('000)	99.2	99.3	-0.1	-0.1	2,194.2	2,169.5	24.7	1.1
Full-Time ('000)	78.8	79.6	-0.8	-1.0	1,819.9	1,784.8	35.1	2.0
Part-Time ('000)	20.4	19.7	0.7	3.6	374.2	384.8	-10.6	-2.8
Unemployment ('000)	16.0	13.8	2.2	15.9	184.9	199.6	-14.7	-7.4
Unemployment Rate (%)	13.9	12.2	1.7	-	7.8	8.4	-0.6	-
Participation Rate (%)	68.3	70.2	-1.9	-	72.9	73.0	-0.1	-
Employment Rate (%)	58.8	61.6	-2.8	-	67.2	66.9	0.3	-

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 third quarter (Q3) of 2017, the total population aged 15+ in Alberta was about 3.4 million. The Indigenous population living off-reserve accounted for 4.9% of that, or 168,700 people. Employment among Indigenous people in Alberta stood at 99,200, showing little change (-100 or -0.1%) from a year earlier (Q3 2016). There was an increase in part-time employment (+700 or +3.6%) that was more than offset by a decrease in full-time employment (-800 or -1.0%).

The unemployment rate among the Indigenous population was 13.9% in Q3 2017, representing an increase of +1.7 percentage points (pp) from the previous year. The unemployment rate for the non-Indigenous population

was 7.8% (-0.6pp). In Q3 2017, the participation rate of Indigenous people declined to 68.3% (-1.9pp from Q3 2016) while among the non-Indigenous population, it stood at 72.9% (-0.1pp). The employment rate of Indigenous people also decreased year-over-year to 58.8% (-2.8pp) and the non-Indigenous population saw a slight increase to 67.2% (+0.3pp).

EMPLOYMENT BY INDUSTRY

In Q3-2017 employment in Alberta's goods-producing sector ticked up 0.5% compared to the previous quarter, while it also increased on an annual basis (+2.3%). In contrast, employment in the services-producing sector declined on a quarterly basis (-0.7%), while increasing modestly year over year (+0.8%).

Alberta Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter 2017	2nd Quarter 2017	3rd Quarter 2016	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,283.1	2,292.9	2,256.0	-9.8	-0.4	27.1	1.2
Goods-producing sector	580.5	577.6	567.5	2.9	0.5	13.0	2.3
Agriculture	51.2	53.7	51.7	-2.5	-4.7	-0.5	-1.0
Forestry, fishing, mining, quarrying, oil and gas	146.4	143.0	135.0	3.4	2.4	11.4	8.4
Utilities	22.2	21.5	19.2	0.7	3.3	3.0	15.6
Construction	239.2	238.0	248.4	1.2	0.5	-9.2	-3.7
Manufacturing	121.7	121.4	113.3	0.3	0.2	8.4	7.4
Services-producing sector	1,702.6	1,715.3	1,688.5	-12.7	-0.7	14.1	0.8
Trade	336.1	334.0	328.9	2.1	0.6	7.2	2.2
Transportation and warehousing	141.6	139.9	133.5	1.7	1.2	8.1	6.1
Finance, insurance, real estate and leasing	107.3	108.8	106.8	-1.5	-1.4	0.5	0.5
Professional, scientific and technical services	176.3	175.6	177.4	0.7	0.4	-1.1	-0.6
Business, building and other support services	84.5	77.5	78.6	7.0	9.0	5.9	7.5
Educational services	143.7	158.2	151.5	-14.5	-9.2	-7.8	-5.1
Health care and social assistance	273.5	279.4	269.5	-5.9	-2.1	4.0	1.5
Information, culture and recreation	71.3	75.1	73.8	-3.8	-5.1	-2.5	-3.4
Accommodation and food services	154.3	149.1	148.9	5.2	3.5	5.4	3.6
Other services	111.2	117.1	121.7	-5.9	-5.0	-10.5	-8.6
Public administration	102.7	100.7	97.9	2.0	2.0	4.8	4.9

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, and oil and gas) gained an estimated 8,400 positions year over year, with most increases occurring in the oil and gas sub-sector. Employment in the broader industry, which peaked at 182,000 during Q3-2014, remains 20% below that level. The price of benchmark North American crude oil (WTI), which averaged a price of \$43.33 U.S. per barrel in 2016, is up roughly 13% year-to-date (January through August). The increase comes as world-wide oil production has eased, lowering the oversupply that has squeezed prices for the past three years.⁵

Production has eased, primarily because OPEC (Organization of Petroleum Exporting Countries) and Russia have instituted voluntary production cuts currently scheduled through to March 2018. However, these efforts are being undermined by increased oil extraction in other countries, notably the United States. U.S. crude oil

production is forecast to average 9.3 million barrels per day (b/d) in 2017 and 9.9 million b/d in 2018. The 2018 forecast exceeds the previous record of 9.6 million b/d set in 1970, prior to the advent of shale oil.⁶

While U.S. drillers are ramping up, 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. At \$288 million year to date (January through September), 2017 sales are well ahead of last year's pace.⁷

Progress on export pipelines to the U.S. remains elusive. In October, TransCanada cancelled its proposed Energy East project, citing changed circumstances.⁸ TransCanada Corp.'s long dormant Keystone XL pipeline received U.S. Federal approval early in 2017. Nevertheless, the Calgary-based firm awaits approval from the State of Nebraska, with a decision slated for the end of the year.⁹ More recently, Enbridge began work on the Canadian side of its Line 3 replacement project later. However, the line, which runs 1,650 kilometres from Hardisty, Alberta to Superior Wisconsin, faces unexpected resistance in Minnesota.¹⁰

Over the last year, major Canadian firms such as Suncor and Cenovus, have increased their stakes in Alberta's oil sands, buying out the holdings of foreign owners. Still, for the next several years, renewed employment growth in Alberta's oil and gas sector will likely be tied to shale and tight-oil plays within the Grande Prairie area.¹¹

Looking at Alberta's other goods-producing industries, year over year employment losses were seen in construction (-9,200) as the downturn in large scale energy projects outweighed housing starts in Edmonton and Calgary. Meanwhile, the manufacturing industry (+7,400) saw job gains in fabricated metal products and in printing.

The imposition of U.S. tariffs on Canadian softwood threatens about a dozen smaller communities across the province. In June, the U.S. added anti-dumping duties such that total penalties for most producers are close to 30%.¹² Overall, forestry and wood product manufacturing is a \$6 billion industry in Alberta. Employment in wood product manufacturing was sharply lower during Q3-2017 compared to the same quarter last year.

Turning to the services-producing sector, significant employment gains were seen in transportation and warehousing (+8,100), largely due to the upturn in the transit and sightseeing transportation sub-industry. Employment in accommodation and food services also increased on the year (+5,400). Employment in this industry peaked at about 158,000 in Q1-2015, but has yet to return to that level. Although international tourism has been an economic bright spot, booming activity in the premium resorts of Banff and Jasper has not fully offset reduced business travel province-wide.

In Q3-2017, hiring in the public sector slowed after having strongly supported employment levels throughout the provincial recession. Notably, employment in educational services pulled back sharply on the quarter (-14,500), while employment in healthcare and social assistance declined as well (-5,900). Because women account for most positions in these industries, it is likely that these reductions are responsible for the sharp jump in the unemployment rate of adult women noted earlier.

REGIONAL ANALYSIS

Over the past year, employment increased in three of seven Alberta regions. On a percentage basis, Calgary led the province in job growth (+2.7%), followed by Edmonton and then Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River. 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 Quarterly Labour Force Statistics, by Economic Region

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	3rd Quarter 2017 ('000)	3rd Quarter 2016 ('000)	Yearly Variation (%)	3rd Quarter 2017 (%)	3rd Quarter 2016 (%)	Yearly Variation (% points)
Alberta	2,297.2	2,272.6	1.1	8.0	8.6	-0.6
Economic Regions						
Lethbridge-Medicine Hat	142.6	151.8	-6.1	5.1	6.7	-1.6
Camrose-Drumheller	99.4	103.9	-4.3	8.0	8.4	-0.4
Calgary	890.7	867.4	2.7	8.6	9.7	-1.1
Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River	183.8	183.4	0.2	5.8	6.6	-0.8
Red Deer	114.0	114.1	-0.1	5.7	8.7	-3.0
Edmonton	781.9	770.2	1.5	8.7	8.0	0.7
Wood Buffalo-Cold Lake*	84.7	-	-	7.3	-	-

*Due to the wildfires that occurred in Fort McMurray in 2016, 3rd quarter comparison data for Wood Buffalo are not available.

Note: Totals may not add due to rounding

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

In Lethbridge-Medicine Hat, employment fell 6.1% compared to Q3-2016. At the same time, the unemployment rate also declined, as the area's labour force shrank by 12,000. Despite these declines, employment in the oil and gas extraction industry jumped sharply compared to the same period one year prior. Prominent events during Q3-2017 included: the Kenow wildfire sweeping through Waterton Lakes National Park; the Swedish energy firm International Petroleum Corporation (IPC) purchasing Cenovus-owned oil and gas interests adjacent to the Suffield Canadian Forces Base; and the opening of Cavendish Farm's new potato processing plant.

A similar pattern was seen in Camrose-Drumheller, as employment contracted (-4.3%), and the unemployment rate declined (-0.4%). However, unlike in Lethbridge – Medicine Hat, job losses were concentrated in the goods producing sector, notably agriculture. Meanwhile, employment increased sharply across the services-producing sector, led by job gains in educational services. Construction employment should receive a boost going forward as funding has been confirmed for several local major projects. Pegged at a cost of \$20.4 million, the Morrin Bridge replacement project in Starland County is set to be completed by the fall of 2020. Additionally, the Reynolds-Alberta Museum is scheduled to see upgrades valued at \$39.5 million over three years.

The Banff-Jasper-Rocky-Mountain House and Athabasca-Grande Prairie-Peace River area continued to see job growth in oil and gas extraction during the July to September period. Concentrated in the Grande Prairie portion, the increase in resource-based hiring offset a generalized weakness across many services-producing

industries. Oil and liquid-rich natural gas drilling has been on a tear throughout much of 2017. Alberta's share of the Montenay shale formation 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 Texas and North Dakota to the south. The tourism centres of Banff and Jasper enjoyed a successful summer season in 2017, although the expected flood of visitors associated with Canada's 150th birthday never fully materialized.

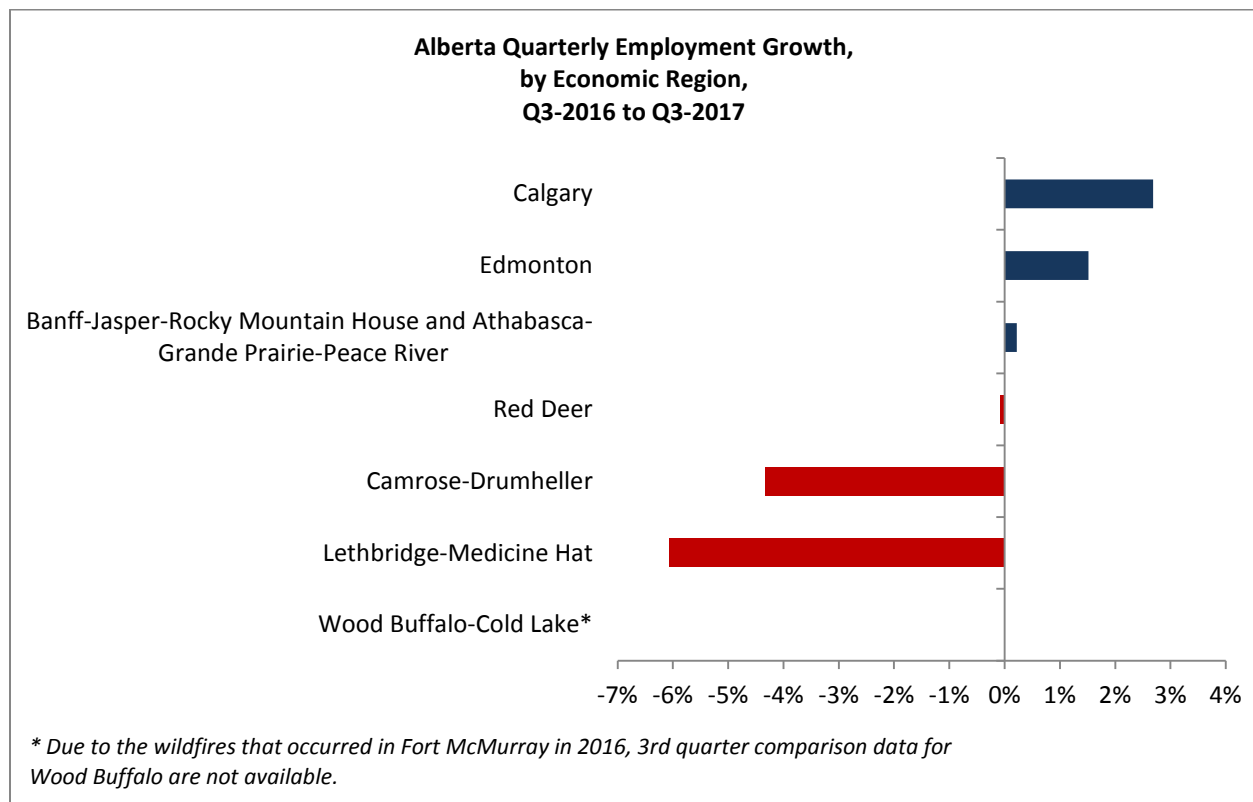
Employment in the Red Deer area was little changed in Q3-2017, as job gains in resource extraction largely cancelled out job losses in wholesale and retail trade. At 5.7%, the region's unemployment rate was well below the provincial average. While lower unemployment rates are a good thing, the decline in Red Deer's unemployment rate came about as 4,000 people opted out of the labour market. Looking forward, Sundial Growers expects to hire 200 people in total for its \$110M cannabis growing operation in Olds. The first phase, currently under construction, is expected to support 60 employees by early 2018.

To the northeast, Wood Buffalo-Cold Lake's Fort McMurray continues its recovery from the wildfire of May 2016. As of Q3-2017, employment in the Wood Buffalo-Cold Lake region stood at 84,700 and its unemployment rate at 8.7%. It should be noted that no comparable data from 2016 is available due to the after-effects of the fire. Through the first six months of 2017, housing starts in Fort McMurray were double the last two years combined. In a sign of the times, Cenovus Energy Inc. sold its Pelican Lake heavy oil operations to Canadian Natural Resources for \$975 million. The asset sale was intended to calm investor concerns regarding the firm's large debt load.

Employment in the Edmonton area increased by 1.5% compared to Q3-2016, as employment in the services-producing sector eased by about 3,500. Alberta's Industrial Heartland (an area immediately to the northeast of the City of Edmonton) is looking at reduced activity for the balance of the year, as major construction projects, such as the Redwater Refinery, wind down. Meanwhile, unemployment in the Edmonton Economic Region continues to rise. At 8.8%, the region's unemployment rate was the highest in the province during Q3-2017.

In Calgary, overall employment grew at a healthy clip during the third quarter (+2.7%), despite moderately heavy job losses in the goods-producing sector (-3.2%). Job growth among services-producing industries (+4.5%) was led by accommodation and food services (+15,000). While Calgary's unemployment rate exceeded Edmonton's throughout most of the recession, the provincial capital region now holds that dubious honour.

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 2020.¹³ In the private sector, WestJet has started construction on a new \$50M hangar at the Calgary International Airport. The hangar will have two floors of office space and room to service one Boeing Dreamliner 787.



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, July 2017; Accessed October 6, 2017 <http://www.statcan.gc.ca/daily-quotidien/170928/dq170928a-eng.htm>

² Ibid

³ Statistics Canada, CANSIM Table 276-0022; Employment Insurance program (EI), beneficiaries receiving regular income benefits by province, declared earnings, sex and age, seasonally adjusted, July 2017. Accessed October 6, 2017 <http://www.statcan.gc.ca/daily-quotidien/170323/dq170323a-eng.htm>

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- ⁴ Statistics Canada, CANSIM Table 282-0089; Labour force survey estimates (LFS), employment by class of worker and sex, seasonally adjusted and unadjusted, September 2017; Accessed Oct 10, 2017 <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820089>
- ⁵ Energy Information Agency (EIA) Short Term Energy Outlook (STEO) Data, September 12, 2017 forecast; Accessed October 10, 2017 <https://www.eia.gov/outlooks/steo/data.cfm?type=figures>
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- ⁷ Alberta Energy, Petroleum and Natural Gas Sales Statistics; 2017 Calendar Year File; Accessed October 10, 2017 <http://www.energy.alberta.ca/Tenure/877.asp>
- ⁸ The Globe and Mail, How Donald Trump killed the Energy East pipeline, October 10; Accessed October 10, 2017 <https://beta.theglobeandmail.com/report-on-business/rob-commentary/how-donald-trump-killed-the-energy-east-pipeline/article36527153>
- ⁹ CBC News, TransCanada refiles application in Nebraska for Keystone XL pipeline route; February 16, 2017; Accessed October 6, 2017 <http://www.cbc.ca/news/canada/calgary/keystone-application-nebraska-xl-trump-trans-canada-1.3985885>
- ¹⁰ The Associated Press, Fate of Enbridge Line 3 pipeline in Minnesota goes to public hearings; September 24, 2017; Accessed October 10, 2017 <http://www.cbc.ca/news/canada/calgary/enbridge-line-3-minnesota-debate-1.4304852>
- ¹¹ The Financial Post, Deep in the Montney, Grande Prairie first to emerge from brutal recession; July 20, 2017; Accessed October 10, 2017 <http://business.financialpost.com/commodities/energy/deep-in-the-montney-grande-prairie-is-first-to-emerge-from-albertas-brutal-recession>
- ¹² The Financial Post, U.S. slaps more duties on Canadian lumber shipments; June 26, 2017; Accessed Oct 10, 2017 <http://business.financialpost.com/news/economy/u-s-slaps-more-duties-on-canadian-lumber-shipments/wcm/390653ed-2379-4a98-b072-b2d4407b41fa>
- ¹³ CBC News Calgary; Old landfills along Green Line LRT route to cost \$90M to clean up; August 4, 2017. Accessed October 12, 2017 <http://www.cbc.ca/news/canada/calgary/landfill-remediation-calgary-green-line-lrt-1.4235459>