



Labour Market Bulletin

Alberta

March 2019



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

Labour market conditions in Alberta deteriorated during the three months January to March 2019. Employment growth came in at -0.7%, down from +0.5% during Q4-2018. The results are in line with the on-going trials of the province's key oil and gas sector.

At 2.33 million, employment in the province is now 76,000 above Q2-2016, the low point for employment during the 2015 to 2016 provincial recession. In Q1-2019, full-time employment was little changed on the year (+900), while the number of people working part-time hours advanced by 8,700.

Average weekly hours (for hourly paid employees) were down 1.6% in January 2019 compared to the same month the previous year (January the most recent data available). At 30.9 hours, working hours in Alberta remain well above the current national average (29.9).¹ Meanwhile, at \$1,152 per week, average earnings in Alberta are still the highest among provinces.²

Turning to category of worker, private-sector employment was up 0.5% (+7,600) compared to Q4-2018. Public-sector employment also increased on the quarter, up 4,700 (+1.1%). All the losses on the quarter came from the self-employed, as their ranks declined by 7.4% (-29,300).³

At about 175,000, unemployment is down by over 40,000 from Q4-2016, the all-time high point for unemployment in Alberta. However, after falling to 162,000 in Q2-2018, it has since crept back up. Accordingly, the provincial unemployment rate which fell to 6.5% in Q2-2018 has since increased, sitting at 7.0% in Q1-2019.

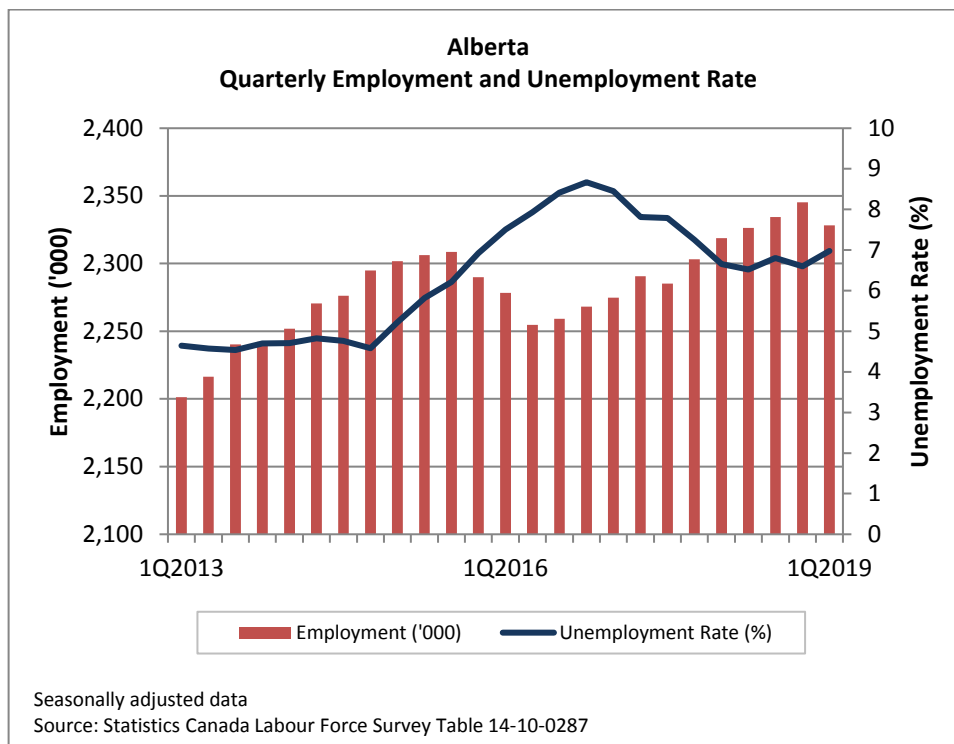
Between January 2018 and January 2019 (the most recent data available), the number of regular EI recipients in Alberta fell by 20% compared to a decline of 12% nationwide. In Alberta, however, October represented a low, and EI Beneficiaries have increased for the last three months.⁴

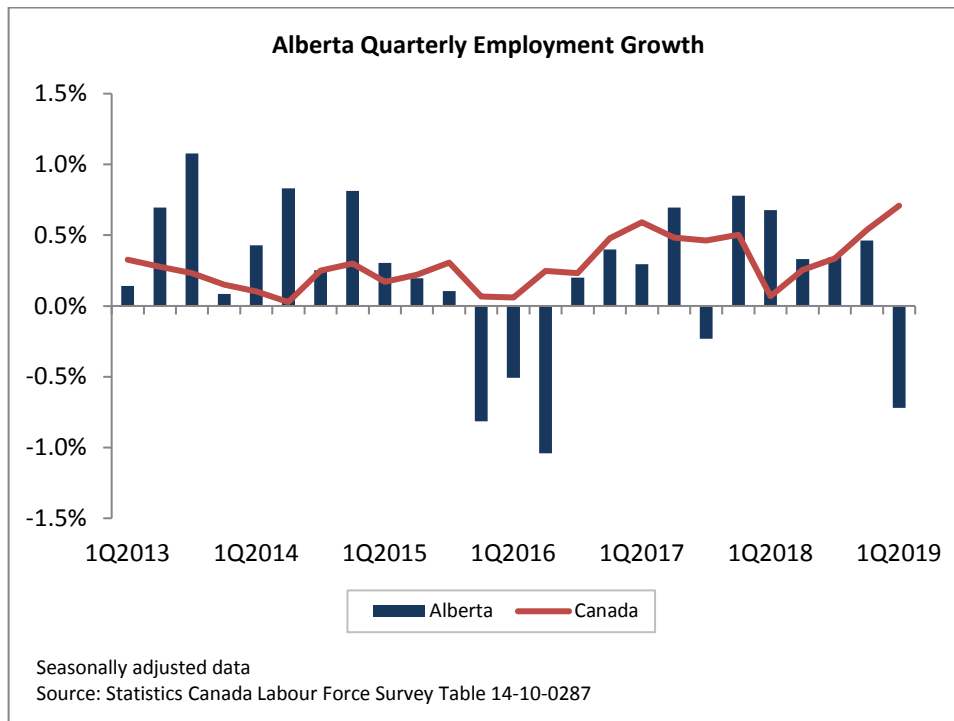
Alberta Quarterly Labour Force Statistics

Seasonally adjusted data	1st Quarter 2019	4th Quarter 2018	1st Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,501.9	3,490.1	3,450.5	11.8	0.3	51.4	1.5
Labour Force ('000)	2,502.9	2,510.9	2,484.0	-8.0	-0.3	18.9	0.8
Employment ('000)	2,328.3	2,345.2	2,318.7	-16.9	-0.7	9.6	0.4
Full-Time ('000)	1,911.7	1,931.4	1,910.8	-19.7	-1.0	0.9	0.0
Part-Time ('000)	416.6	413.9	407.9	2.7	0.7	8.7	2.1
Unemployment ('000)	174.6	165.7	165.3	8.9	5.4	9.3	5.6
Unemployment Rate (%)	7.0	6.6	6.7	0.4	-	0.3	-
Participation Rate (%)	71.5	71.9	72.0	-0.4	-	-0.5	-
Employment Rate (%)	66.5	67.2	67.2	-0.7	-	-0.7	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087





Unemployment by major demographic groupings

Alberta Quarterly Unemployment Rates, by Gender and Age

Seasonally adjusted data	1st Quarter 2019 (%)	4th Quarter 2018 (%)	1st Quarter 2018 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
Total	7.0	6.6	6.7	0.4	0.3
25 years and over	6.3	5.9	5.7	0.4	0.6
Men - 25 years and over	6.7	6.3	5.9	0.4	0.8
Women - 25 years and over	5.8	5.5	5.3	0.3	0.5
15 to 24 years	11.4	11.2	13.1	0.2	-1.7
Men - 15 to 24 years	12.2	13.5	15.4	-1.3	-3.2
Women - 15 to 24 years	10.7	8.7	10.5	2.0	0.2

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

Looking at unemployment rates for youth (15 to 24 years of age) and for workers in the 25 years and over age range, both men and women saw increased unemployment rates compared to Q4-2018, except for men aged 15 to 24 years. This comes as youth employment gains remain elusive across much of the country.

Labour Market Indicators for Indigenous People

In the first quarter (Q1) of 2019, the total population aged 15+ in Alberta was 3.5 million. The Indigenous population living off-reserve accounted for 4.9% of that, or 172,000 people. Employment among Indigenous people in Alberta stood at 101,500, representing a decrease of -4,000 (-3.8%) from a year earlier (Q1 2018). The decrease was entirely in full-time positions (-4,800 or -5.5%) that was offset in part by an increase in part-time employment (+800 or +4.6%).

The unemployment rate among the Indigenous population was 13.4% in Q1 2019, representing a significant increase of +4.6 percentage points (pp) from the previous year. The unemployment rate for the non-Indigenous population stood at 7.0% (+0.2pp). Between Q1 2018 and Q1 2019, the participation rate among the Indigenous population edged up to 68.1% (+0.2pp), while among the non-Indigenous population it decreased to 71.0% (-0.6pp). The employment rate of both the Indigenous population and non-Indigenous population decreased year-over-year to 59.0% (-2.9pp) and 66.1 (-0.6pp) respectively.

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 2019	Q1 2018	number	%	Q1 2019	Q1 2018	number	%
Population 15 + ('000)	172.0	170.3	1.7	1.0	3,330.0	3,280.2	49.8	1.5
Labour Force ('000)	117.2	115.6	1.6	1.4	2,364.8	2,347.9	16.9	0.7
Employment ('000)	101.5	105.5	-4.0	-3.8	2,200.4	2,189.0	11.4	0.5
Full-Time ('000)	83.2	88.0	-4.8	-5.5	1,791.6	1,787.4	4.2	0.2
Part-Time ('000)	18.3	17.5	0.8	4.6	408.8	401.6	7.2	1.8
Unemployment ('000)	15.7	10.1	5.6	55.4	164.4	159.0	5.4	3.4
Unemployment Rate (%)	13.4	8.8	4.6	-	7.0	6.8	0.2	-
Participation Rate (%)	68.1	67.9	0.2	-	71.0	71.6	-0.6	-
Employment Rate (%)	59.0	61.9	-2.9	-	66.1	66.7	-0.6	-

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

EMPLOYMENT BY INDUSTRY

In Q1-2019 employment in Alberta's goods-producing sector was down 1.4% compared to the January to March period one year earlier. Employment in the services-producing sector also declined over the same time period (-0.5%).

Alberta Quarterly Labour Force Statistics, by Industry

Seasonally adjusted data ('000)	1st Quarter 2019	4th Quarter 2018	1st Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,328.3	2,345.2	2,318.7	-16.9	-0.7	9.6	0.4
Goods-producing sector	593.3	601.8	595.5	-8.5	-1.4	-2.2	-0.4
Agriculture	45.9	47.7	51.3	-1.8	-3.8	-5.4	-10.5
Forestry, fishing, mining, quarrying, oil and gas	151.2	152.4	153.0	-1.2	-0.8	-1.8	-1.2
Utilities	22.6	24.3	21.8	-1.7	-7.0	0.8	3.7
Construction	236.5	245.9	240.3	-9.4	-3.8	-3.8	-1.6
Manufacturing	137.1	131.6	129.0	5.5	4.2	8.1	6.3
Services-producing sector	1,735.0	1,743.5	1,723.2	-8.5	-0.5	11.8	0.7
Trade	332.0	328.4	335.7	3.6	1.1	-3.7	-1.1
Transportation and warehousing	134.5	139.6	141.5	-5.1	-3.7	-7.0	-4.9
Finance, insurance, real estate and leasing	104.1	105.5	110.1	-1.4	-1.3	-6.0	-5.4
Professional, scientific and technical services	177.8	181.4	178.4	-3.6	-2.0	-0.6	-0.3
Business, building and other support services	92.5	90.8	83.6	1.7	1.9	8.9	10.6
Educational services	153.0	153.8	158.8	-0.8	-0.5	-5.8	-3.7
Health care and social assistance	284.5	286.2	273.3	-1.7	-0.6	11.2	4.1
Information, culture and recreation	74.7	77.8	75.8	-3.1	-4.0	-1.1	-1.5
Accommodation and food services	146.7	149.1	148.8	-2.4	-1.6	-2.1	-1.4
Other services	118.0	116.9	112.0	1.1	0.9	6.0	5.4
Public administration	117.4	114.0	105.1	3.4	3.0	12.3	11.7

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table T14-10-0355, formerly CANSIM 282-0088

Alberta's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas) lost an estimated 1,200 positions year over year. Employment in the overall industry, which peaked at 182,000 in Q3-2014, remains about 17% below that level.

The oil industry

World oil prices collapsed during the final three months of 2018, on fears of both overproduction and a slowing world economy. While Q4-2018 was bad for the price of U.S. benchmark crude oil (WTI), it was even worse for Alberta's benchmark Western Canada Select (WCS), which dropped below the cost of production.

WCS – which is essentially oilsands bitumen plus an ultra-thin diluent – regularly sells for at least \$12 U.S. less than WTI. That differential got completely out of hand during late 2018, ballooning to as much as \$52 U.S. per barrel. The massive differential largely stemmed from the fact that, due to on-going development of the oilsands, producers in Alberta can now churn out more oil than existing infrastructure can handle.

Export pipelines were frequently over-subscribed last year, with in-province storage – an estimated 35 million barrels in total – eventually becoming chock full as well. With pipeline transport – the safest and cheapest way of moving oil – more than spoken for, producers increasingly turned to shipments of oil by rail.

In late November, the Government of Alberta announced a plan to mass order rolling stock and locomotives in a bid to increase provincial take away capacity.⁵ However, in the face of impending job losses and bankruptcies, the government then took even more drastic action.

In December, Alberta announced a mandatory 8.7% oil production cut (curtailment), to be borne by the province's 28 largest producers. Well received by the public, the government intervention bitterly divided industry players between the few deep-pocketed firms having both upstream (extraction) and downstream (refining) operations, versus the many, mostly smaller firms, with little or no downstream capacity. Regardless, the share prices of some firms rose immediately – as did the price of WCS. In late January, the province reduced the overall curtailment by 75,000 barrels per day (bpd), then by an additional 25,000 bpd in February, on the basis that the in-province storage glut has been clearing more quickly than expected.⁶

With debate over the merits of the curtailment still ongoing, Alberta's energy sector received yet another setback. While both industry and the provincial government had been expecting Enbridge's Line 3 replacement-pipeline to be operational later this year, the Government of Minnesota appealed the project in early 2019, delaying its in-service date to late 2020 at the earliest. The \$9-billion project would replace an aging pipeline from Alberta to Wisconsin, restoring the pipeline's capacity from 370,000 bpd to 760,000 bpd.⁷

According to the Government of Alberta, provincial oil production in January 2019 was up 2.5% compared to January 2018, with oilsands production accounting for 83% of the total. Oil production in the province came to 1.274 billion barrels in 2018, up 9.7% on the year, thanks in no small part to Suncor's new \$16.5 billion Fort Hills oil sands mine, which began continuous production in January and reached design capacity in July, well ahead of schedule.⁸

Other goods-producing industries

Looking at Alberta's other goods-producing industries, year over year employment losses were seen across the board, except in manufacturing. Construction employment saw the steepest decline, with a loss of 9,400 jobs compared to Q4-2018. In February, municipalities in Alberta issued just under \$900 million worth of building permits, the lowest since December 2016. While residential permit values were essentially unchanged compared to January 2019, non-residential permit values were down over 10%.⁹

Services-producing industries

Turning to the services-producing sector, year over year employment gains were seen in Trade, Public administration, and Business, building and support services. Firms in this latter industry appear to be thriving – particularly those engaged in employment and security services.

REGIONAL ANALYSIS

Over the past year, employment increased in two of seven Economic Regions (ERs) in Alberta. On a percentage basis, Edmonton led the province in job growth (+4.1%), followed by Calgary (+0.5%).

Alberta Quarterly Labour Force Statistics, by Economic Region

Seasonally unadjusted data	Employment			Unemployment Rate		
	1st Quarter 2019 ('000)	1st Quarter 2018 ('000)	Yearly Variation (%)	1st Quarter 2019 (%)	1st Quarter 2018 (%)	Yearly Variation (% points)
Alberta	2,306.8	2,297.8	0.4	7.2	6.8	0.4
Economic Regions						
Lethbridge - Medicine Hat	136.5	141.7	-3.7	6.1	6.5	-0.4
Camrose - Drumheller	85.5	104.3	-18.0	9.7	3.9	5.8
Calgary	894.2	889.5	0.5	7.9	8.0	-0.1
Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River	189.9	191.2	-0.7	4.4	5.1	-0.7
Red Deer	113.7	115.0	-1.1	5.3	4.9	0.4
Edmonton	804.1	772.1	4.1	7.3	6.8	0.5
Wood Buffalo - Cold Lake	82.9	84.0	-1.3	6.1	5.7	0.4

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 282-0122

In **Lethbridge-Medicine Hat**, employment decreased 3.7% compared to Q1-2018. At the same time, the unemployment rate declined by 0.4 percentage points and at 6.1% is now the third lowest in the province. Of note, employment in construction should edge up on the year, as Pembina Pipeline Corp. works to build a \$120 million propane stripping plant and adjacent rail loading facility near Empress. Meanwhile, Federated Co-op is building a \$42 million fertilizer mixing facility in Grassy Lake. Construction is set to begin this spring on the rail-served location and could be in full operation in the summer of 2020.

Employment fell by 18.0% in **Camrose-Drumheller** year over year, as job losses were seen in both the goods-producing and services-producing sectors. At 9.7%, the area unemployment rate is now the highest in the province. On a more positive note, the National Energy Board approved TransCanada's request to begin work on the North Spread of its Keystone XL Project. The approval covers winter 2019 clearing of trees and shrubs along the pipeline route's north section, starting at Hardisty.¹⁰ Meanwhile, Inter Pipeline announced it is planning to build an 82-kilometre pipeline between Throne and an existing pipeline west of Halkirk later this year.

Overall employment decreased in **Banff-Jasper-Rocky-Mountain House and Athabasca-Grande Prairie-Peace River** (-0.7%). The region saw a downturn in every goods-producing industry except for construction.

In green energy news, an oil and gas focused group - Clean Resource Innovation Network (CRIN) - was awarded \$100 million from the Federal Government to develop and commercialize clean technologies in the region. Current areas of research for CRIN include digital oil and gas; hydrocarbon extraction; methane monitoring; low-carbon hydrocarbon end use; land and wellsite remediation; and water technology development.¹¹ This development comes a year after Calgary was passed over for supercluster funding.

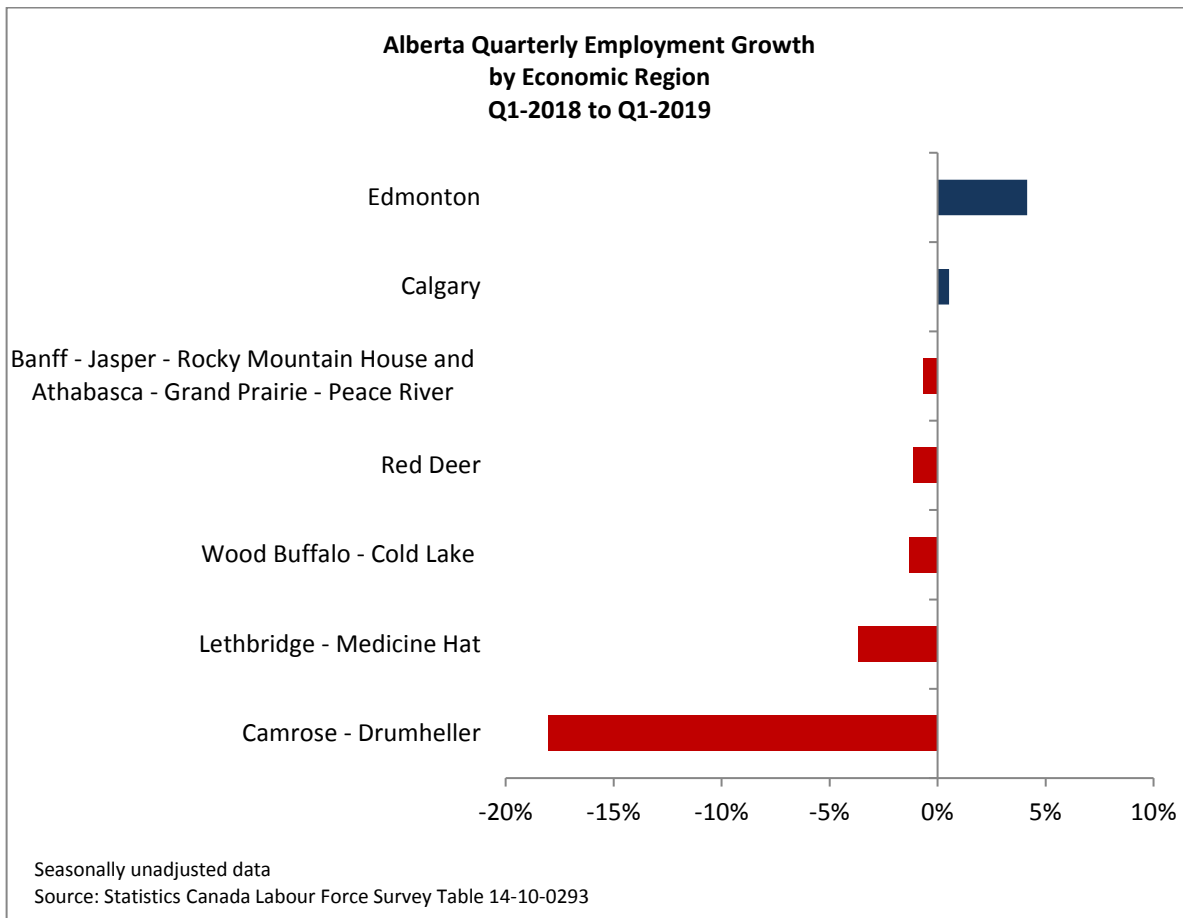
Red Deer also faced job losses in Q1-2019 (-1.1%), while unemployment climbed (+0.4 percentage points). Compared to Q1-2018, employment was down sharply in the goods-producing sector's resource extraction industry (forestry, fishing, mining, quarrying, oil and gas). On the services-producing side, employment losses were the most pronounced in Professional, scientific and technical services and Education services. Meanwhile, growth was strongest in Health care and social assistance. Looking ahead, the Government of Canada is contributing \$40 million to Evraz's three-year, \$112 million investment in the company's Regina and Red Deer facilities.

To the northeast, **Wood Buffalo-Cold Lake**'s Fort McMurray functions as the services hub for Alberta's oil sands operations. In Q1-2019 employment in the Wood Buffalo-Cold Lake region stood at 82,900, down 1.3 percentage points on the year. In a hit to the region's oil and gas industry, Imperial Oil announced it is slowing the pace of development of its Aspen in situ oil sands project given market uncertainty stemming from the Alberta government's oil production curtailment policies and other industry competitiveness challenges.¹² Despite the turmoil in Alberta's oilpatch, Suncor Energy is expected to soon start construction of a natural gas-fired cogeneration plant at its base mine in the region. The project is expected to cost \$1.0-\$1.5 billion, with production set to begin in 2022.

In Q1-2019 employment in the **Edmonton** region increased 4.1% year over year (+32,000) as job gains in the goods-producing sector were outpaced by hiring among services-producing industries. The regional labour market remains heavily dependent on the public sector service industries of health care, education, and public administration. Year over year job gains in the public sector were an estimated 26,100 in Q1-2019 – accounting for a substantial part of overall employment growth. The Federal Government has committed \$1.075 billion for Edmonton LRT projects. The federal money is in addition to about \$1.17 billion previously committed to the projects by the provincial government. Construction could begin as early as 2020.

In **Calgary**, employment was little changed in Q1-2018 compared to the same period last year (+0.5%). By major sector, job growth in services outpaced that in goods-production. Unemployment remains stubbornly high in the area, with the unemployment rate down just 0.1 percentage points on the year. During Q4-2018, Calgary CMA had the highest unemployment rate among Canada's 35 largest municipalities.

The federal government has committed \$166.6 million towards the BMO Centre expansion project in Calgary. The project is expected to create 1,800 construction jobs and 500 full-time positions on completion; as well as contribute \$223 million annually to the economy.



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, Table 14-10-0222-01 Employment, average hourly and weekly earnings (including overtime), and average weekly hours for the industrial aggregate excluding unclassified businesses, monthly, seasonally adjusted. Accessed January 4, 2019 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410022201>

² Ibid

³ Statistics Canada, Table 14-10-0288-01 Employment by class of worker, monthly, seasonally adjusted and unadjusted, last 5 months (x 1,000); Accessed Jan 4, 2019 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028801>

⁴ Statistics Canada, Table 14-10-0011-01 Employment insurance beneficiaries (regular benefits) by province and territory, monthly, seasonally adjusted; Accessed Jan 4, 2019 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410001101>

⁵ CBC News, Alberta announces deal with CN, CP to ship crude by rail; February 19, 2019. Accessed March 11, 2018 <https://www.cbc.ca/news/canada/edmonton/premier-notley-update-progress-rail-cars-crude-oil-1.5024665>

⁶ Financial Post, Alberta eases curtailment, amid continued criticism of plan; February 28, 2019. Accessed March 8, 2019. <https://calgaryherald.com/business/energy/alberta-eases-curtailment-amid-continued-criticism-of-plan>

⁷ Edmonton Journal, Delay to Line 3 will keep oilpatch spending stagnant; March 7, 2019. Accessed March 8, 2019 <https://edmontonjournal.com/business/energy/varcoe-line-3-delay-will-keep-oilpatch-spending-stagnant/wcm/15bcf3b3-0feb-4194-a156-f205abbdec6d>

⁸ Government of Alberta, Economic Dashboard; as of March 8, 2019. Accessed April 9, 2019 <http://economicdashboard.alberta.ca/OilProduction>

⁹ Statistics Canada, Table 34-10-0066-01 Building permits, by type of structure and type of work; Accessed April 9, 2019 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3410006601>

¹⁰ BOC Report, TransCanada's Keystone Pipeline GP Ltd. Authorized to begin additional construction activities on its Keystone XL Project in Canada; Accessed April 9, 2019 <https://boereport.com/2019/01/21/transcanadas-keystone-pipeline-gp-ltd-authorized-to-begin-additional-construction-activities-on-its-keystone-xl-project-in-canada/>

¹¹ Edmonton Journal, Federal budget earmarks \$100 million for oil and gas technology research; Accessed April 9, 2019 <https://edmontonjournal.com/business/energy/federal-budget-earmarks-100-million-for-oil-and-gas-technology-research/wcm/066fb581-ba75-4304-83ab-cd3b627613e8>

¹² Imperial Oil, Imperial ramps down Aspen oil sands project execution; Accessed April 9, 2019 <https://news.imperioil.ca/press-release/community/imperial-ramps-down-aspen-oil-sands-project-execution>