



Labour Market Bulletin

Alberta

October 2020



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

Job growth in Alberta slowed slightly in October. After rising by 38,200 (+1.8%) in September, employment in the province increased by 23,400 (+1.1%). Job gains were spread fairly evenly over full-time and part-time employment. While full-time employment lagged behind levels one year ago, part-time employment was slightly higher. This may indicate that companies and organizations were only able to bring some employees back on reduced hours.

With the combined job gains over the last six months, Alberta is at about 95% (-125,500) of its pre-COVID employment levels one year ago, slightly behind the 97% rate nationally.¹

Alberta Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	October 2020	September 2020	October 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15+ ('000)	3,585.8	3,583.0	3,545.9	2.8	0.1	39.9	1.1
Labour Force ('000)	2,494.6	2,497.3	2,523.2	-2.7	-0.1	-28.6	-1.1
Employment ('000)	2,227.4	2,204.0	2,352.9	23.4	1.1	-125.5	-5.3
Full-Time ('000)	1,803.4	1,790.6	1,930.3	12.8	0.7	-126.9	-6.6
Part-Time ('000)	424.0	413.4	422.5	10.6	2.6	1.5	0.4
Unemployment ('000)	267.1	293.2	170.4	-26.1	-8.9	96.7	56.7
Unemployment Rate (%)	10.7	11.7	6.8	-1.0	-	3.9	-
Participation Rate (%)	69.6	69.7	71.2	-0.1	-	-1.6	-
Employment Rate (%)	62.1	61.5	66.4	0.6	-	-4.3	-

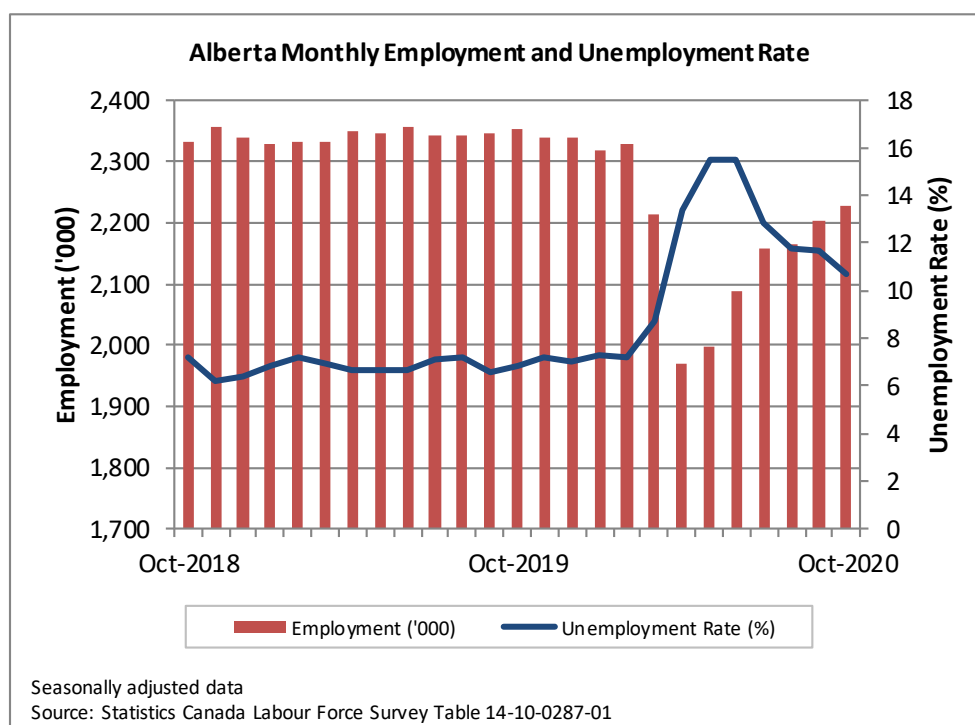
Note: Totals may not add due to rounding

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

The number of people who were unemployed fell by 26,100 (-8.9%) in October; however, the labour force also contracted slightly (-2,700). The combined effect still lead to the unemployment rate dropping to 10.7%. While this is a step in the right direction, the provincial unemployment rate remains 3.9 percentage points higher than one year ago, and second highest nationally, behind only Newfoundland and Labrador.

Of those employed in the province, there were approximately 175,500 people who had lost all or most of their typical hours worked in October. This is a significant improvement from the height of COVID related closures in April, but is still 50% higher than one year ago.

Alberta's labour underutilization rate² fell to 20.3% in October, down from 33.4% in April. While there has been improvement in the last six months, the road to a full recovery will be a long one. The Conference Board of Canada predicts that employment levels in the province will not be fully recovered until the end of 2021.³



Unemployment by major demographic grouping

After strong growth in September, employment stuttered for women in October increasing by only 3,900 (+0.4%) whereas employment among men grew by 19,500 (+1.6%). While employment for men has ground to make up, with the number of jobs down 4.7% from October 2019, employment for women (-6%) was even further from job levels of one year ago.

Among women, those under 25 have been hardest hit, with employment down 18.5% from one year ago and their unemployment rate rising significantly. Meanwhile, core aged women (25 to 54 years) and older women (55 years and over) are closer to their pre-pandemic employment levels one year ago, down 2.8% and 9.1%, respectively. However, job gains for core aged women have been uneven, with more job growth coming from

part-time employment, rather than full-time employment. Since the low point in April, part-time employment for core aged women grew by 37% while full-time employment increased by only 9%.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	October 2020 (%)	September 2020 (%)	October 2019 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	10.7	11.7	6.8	-1.0	3.9
25 years and over	8.9	9.8	5.8	-0.9	3.1
Men - 25 years and over	10.0	11.2	6.1	-1.2	3.9
Women - 25 years and over	7.5	8.1	5.3	-0.6	2.2
15 to 24 years	23.0	24.9	13.2	-1.9	9.8
Men - 15 to 24 years	23.4	24.8	16.6	-1.4	6.8
Women - 15 to 24 years	22.5	25.0	9.7	-2.5	12.8

Note: Totals may not add due to rounding

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

EMPLOYMENT BY INDUSTRY

On a percentage basis, job growth was stronger in the goods-producing sector (+1.5%) compared to the services-producing sector (+0.9%). However, the employment level of the services-producing sector is closer to what it was one year ago.

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	October 2020	September 2020	October 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,227.4	2,204.0	2,352.9	23.4	1.1	-125.5	-5.3
Goods-producing sector	542.0	533.9	586.9	8.1	1.5	-44.9	-7.7
Agriculture	37.1	41.1	51.8	-4.0	-9.7	-14.7	-28.4
Forestry, fishing, mining, quarrying, oil and gas	132.2	128.2	139.5	4.0	3.1	-7.3	-5.2
Utilities	23.9	23.2	24.9	0.7	3.0	-1.0	-4.0
Construction	222.2	220.5	236.1	1.7	0.8	-13.9	-5.9
Manufacturing	126.7	121.0	134.7	5.7	4.7	-8.0	-5.9
Services-producing sector	1,685.4	1,670.1	1,765.9	15.3	0.9	-80.5	-4.6
Trade	329.6	322.5	337.3	7.1	2.2	-7.7	-2.3
Transportation and warehousing	131.8	124.6	136.0	7.2	5.8	-4.2	-3.1
Finance, insurance, real estate and leasing	111.8	110.4	107.6	1.4	1.3	4.2	3.9
Professional, scientific and technical services	182.4	179.3	190.3	3.1	1.7	-7.9	-4.2
Business, building and other support services	71.8	72.8	80.9	-1.0	-1.4	-9.1	-11.2
Educational services	153.4	155.2	159.7	-1.8	-1.2	-6.3	-3.9
Health care and social assistance	311.0	302.5	305.0	8.5	2.8	6.0	2.0
Information, culture and recreation	77.1	84.3	75.6	-7.2	-8.5	1.5	2.0
Accommodation and food services	112.1	113.0	149.8	-0.9	-0.8	-37.7	-25.2
Other services	102.3	99.4	111.7	2.9	2.9	-9.4	-8.4
Public administration	102.0	106.1	112.0	-4.1	-3.9	-10.0	-8.9

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355, formerly CANSIM 282-0088

Goods-producing industries

Many industries and businesses in the goods-producing sector were deemed essential and permitted to continue operating through the peak of the pandemic.⁴ Nevertheless, weak economic activity and persistent uncertainty weighed heavy on the sector.

Employment in the **resource extraction** industries (forestry, mining, and oil and gas) increased by 4,000 (+3.1%) in October. On a year-over-year basis, employment is down by 7,300 (-5.2%). After hitting rock bottom in April, the price of oil rose through the spring, peaking in July. However, in October the price of Western Canadian Select fell for the third consecutive month and averaged US\$29.69.⁵ This is due in part to global oil demand continuing to be subdued and Albertan producers slowly increasing their production. Total production grew during three of

the past four months. However, production is still well below levels one year ago. In September (the most recent data available), total oil production in the province was down 10.6% from 2019.⁶

The industry is likely in for a long and winding recovery. Before COVID-19, the projected capital spending was roughly the same as 2019 at approximately \$23.6 billion, which was already significantly below (-39%) the ten year average. Now, capital spending on oil and gas extraction in the province is expected to be down roughly 30% from last year, to \$16.6 billion in 2020. This would be the lowest spending since 2006 and at least 58% lower than the ten year average. A slump in capital spending in oil and gas extraction, which accounted for about half of the total capital spending in the province over the last decade, means the entire provincial economy suffers because of reduced construction and midstream petrochemical projects.⁷ Additionally, companies are reducing their already lean workforce. After Canadian oil giant, Suncor Energy, announced that they will be cutting as much as 15% of their workforce over the next year and a half,⁸ Cenovus Energy Inc. said they plan to cut 20-25% of its workforce after it acquires Husky Energy Inc. The Cenovus/Husky merger could result in a loss of as much as 2,150 positions, primarily located in Calgary.⁹

Employment in the **construction** industry grew only slightly, adding 1,700 (+0.8%) in October. With the combined growth over the last five months, employment is within 5.6% of levels one year ago. In September, seasonally adjusted spending on building construction totaled nearly \$ 1.9 billion, down slightly from August. The slippage came from the non-residential side. The non-residential sector has struggled in recent years and was down by a fifth from the same time last year. Meanwhile the residential sector grew slightly in September. After a large drop in April (-38%) investment on the residential side increased by over \$600 million and has actually surpassed the pre-pandemic levels one year ago by 6% (\$74 million).¹⁰

Services-producing industries

The services-producing sector includes labour intensive and public-facing industries such as wholesale and retail trade, and food and accommodation. These industries were initially among the most impacted during the height of COVID-19 related closures. In recent months employment has begun to rebound but still remains well below levels one year ago.

Employment in **wholesale and retail trade** increased by 7,100 (+2.2%) in October, and is closing the gap on the year-over-year difference, which is now down to 7,700 (-2.3%). Retail sales fell significantly in March and April when the government ordered non-essential businesses to close. After re-opening in May, retail sales surged and surpassed the pre-pandemic-February levels by June. After three consecutive months of growth, sales declined slightly (-1.6%) in August to just over \$6.7 billion, which was nearly identical to the values one year ago.¹¹

The **accommodation and food services** industry was among the most impacted during the height of COVID-19 restrictions in April. Since then, the industry has only recovered about half the jobs lost, bringing employment to within 37,700 (-25.2%) of levels one year ago by October. Many restaurants have extended their patio season to accommodate for social distancing and allow as many people to safely dine-in as possible. The City of Edmonton has gone so far as to allow temporary patios to stay up through the winter. Many restaurant owners are hoping that patrons will embrace the soon-to-be frigid temperatures and enjoy a drink outside.¹² However, businesses

are still struggling. RestaurantsCanada says that up to 80% of restaurants in Alberta are breaking even or even losing money, with very few turning a profit.¹³

REGIONAL ANALYSIS

The statistics for the economic regions are not seasonally adjusted and should only be compared on a year-over-year basis. This is because employment is sometimes influenced by seasonal and calendar effects normally occurring at the same time every year, and in about the same magnitude, that can make quarterly comparisons difficult.

In October, employment was down in every economic region. Camrose-Drumheller fared the worst with employment falling by 15.7%, year-over-year. Meanwhile, Calgary fared the best, with employment down only 2.5%. Despite the bleak statistics, there are signs of improvement. Compared to the September, the rates of year-over-year declines shrank in five out of the seven economic regions. Camrose-Drumheller and Lethbridge-Medicine Hat were the only two economic regions that experienced larger annual variations in employment.

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	October 2020 ('000)	October 2019 ('000)	Yearly Variation (%)	October 2020 (%)	October 2019 (%)	Yearly Variation (% points)
Alberta	2,213.8	2,358.2	-6.1	11.2	6.8	4.4
Economic Regions						
Lethbridge - Medicine Hat	135.8	147.9	-8.2	8.7	6.4	2.3
Camrose - Drumheller	82.0	97.3	-15.7	12.6	4.3	8.3
Calgary	899.6	923.1	-2.5	11.3	7.4	3.9
Banff - Jasper - Rocky Mountain House and Athabasca - Grand Prairie - Peace River	168.7	188.8	-10.6	10.8	5.8	5.0
Red Deer	104.3	114.9	-9.2	11.1	7.3	3.8
Edmonton	748.5	804.1	-6.9	11.6	6.9	4.7
Wood Buffalo - Cold Lake	75.0	82.0	-8.5	9.9	5.1	4.8

Note: Totals may not add due to rounding

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

In October, employment in **Lethbridge-Medicine Hat** fell to 135,800 (-8.2%) and the unemployment rate jumped to 8.7%. The region, which has many existing and planned renewable energy projects, will be home to one more. Enbridge has started construction on its first Canadian solar power plant, in Forty Mile Country. The \$20 million solar project will produce power for the Alberta grid, offsetting some electricity required to run Enbridge's pipeline network. Construction on the project is expected to be complete in April 2021.¹⁴

Year-over-year employment in **Camrose – Drumheller** fell by approximately 15,300 (-15.7%) in the October to 82,000. The unemployment rate was 12.6%. After receiving regulatory approval, Calgary-based Acceleware Ltd. is moving ahead with its RF XL Marwayne Pilot project, located 44km North West of Lloydminster. Construction is set to begin January 2021. The company is a leading developer of technologies targeting low-cost and clean extraction of heavy oil and bitumen.

In October, employment in **Banff – Jasper – Rocky Mountain House and Athabasca – Grande Prairie – Peace River** fell 10.6% from one year ago to about 168,700. The unemployment rate increased to 10.8%, and would have been higher except for the 10,700 (-5.4%) people who left the labour force.

Employment in the **Red Deer** region was approximately 104,300, down 9.2% from one year ago. Meanwhile, the unemployment rate jumped to 11.1%. Although the recovery has been slow going in Red Deer, there are a number of planned construction projects. Among those includes a \$36 million condominium development in the Capstone area of the city. Calgary based developer, Brad Remington Homes, expects the 180 homes will be move-in ready by the spring of 2022.¹⁵

To the north-east, employment in **Wood Buffalo – Cold Lake** fell 7,000 (-8.5%) year-over-year and the unemployment rate increased to 9.9%. A new education opportunity is open to women in the Cold Lake area. Women Building Futures and Portage College are partnering to offer a tuition-free Driver and Operator training program. The program is funded by the Government of Canada's Women in Construction Fund and is available for 12 women. The application deadline is January 11, 2021.¹⁶

Compared with other parts of the province, employment in the **Calgary** region was the closest to the pre-pandemic level one year ago, down by 2.5%. In October, the unemployment rate was 11.3%, up 3.9 percentage points from last year. Suncor Energy announced that they would consolidate offices and move approximately 700 positions to Calgary from Mississauga and Oakville, Ontario in 2021. This news came three weeks after the company publicized their plan to cut company wide employment by up to 15%. The company said it is too early to determine what the impact this consolidation will have on total jobs in the Calgary office.¹⁷

In **Edmonton**, approximately 748,500 people were employed in the third quarter, down 6.9% from one year ago. The unemployment rate jumped 4.7 percentage points year-over-year to 11.6%. TransAlta Corp. announced that they will end operations at its Highvale coal mine west of Edmonton in 2021, four years ahead of schedule. The closure comes as TransAlta moves to switch all of its coal-fired plants to natural gas. The percentage of power in Alberta generated from coal has fallen from more than 80% in the 1980s to less than one-third now.¹⁸

***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.*

Prepared by: Labour Market Information (LMI) Directorate, Service Canada, Alberta

For further information, please contact the LMI team at: http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi

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, Labour force characteristics by province, monthly, seasonally adjusted; August 7, 2020. Accessed August 7, 2020

² The recent underutilization rate is defined as the total of those unemployed, employed but working less than 50% of their regular hours and those not in the labour force but want to be working, expressed as a percentage of the potential labour force.

³ The Conference Board of Canada, Pandemic and Oil Collapse Lead to Surging Deficits: Alberta's Two-Year Outlook – September 2020; September 29, 2020. Accessed October 12, 2020 <https://www.conferenceboard.ca/e-library/abstract.aspx?did=10802>

⁴ Government of Alberta, Essential Services; 2020. Accessed April 16, 2020 <https://www.alberta.ca/essential-services.aspx>

⁵ The Kent Group, Selected Crude Oil Prices – Monthly; September 3, 2020. Accessed September 3, 2020 <https://charting.kentgroup.com/>

⁶ Alberta Energy Regulator, ST3: Alberta Energy Resource Industries Monthly Statistics; October 27, 2020. Accessed November 5, 2020 <https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st3>

⁷ CBC, Capital spending in Alberta's oilpatch expected to fall by 30% this year; August 12, 2020. Accessed September 3, 2020 <https://www.cbc.ca/news/business/spending-on-oil-extraction-down-nearly-sixty-per-cent-1.5683318>

⁸ CBC, Suncor Energy to cut staff by up to 15% over next year and a half; October 2, 2020. Accessed October 7, 2020 <https://www.cbc.ca/news/business/energy-suncor-layoffs-1.5748212>

⁹ Financial Post, Cenovus to cut up to 25% of workforce after merger with Husky; October 27, 2020. Accessed November 5, 2020 <https://financialpost.com/commodities/energy/cenovus-to-cut-up-to-25-of-workforce-after-merger-with-husky>

¹⁰ Statistics Canada, Investment in Building Construction; October 7, 2020. Accessed October 7, 2020 <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3410017501>

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¹² Edmonton Journal, Edmonton extending temporary patio program until April 2021 to provide more room for business during the COVID-19 winter; October 15, 2020. Accessed November 10, 2020 <https://edmontonjournal.com/news/local-news/edmonton-extending-temporary-patio-program-until-april-2021-to-provide-more-room-for-businesses-during-the-covid-19-winter>

¹³ CTV News, Calgary businesses adapt to try to extend patio season as distancing rules restrict indoor capacity; October 13, 2020. Accessed November 10, 2020 <https://calgary.ctvnews.ca/calgary-businesses-adapt-to-try-to-extend-patio-season-as-distancing-rules-restrict-indoor-capacity-1.5144058>

¹⁴ Medicine Hat News, Enbridge breaks ground on solar play in Forty Mile County; October 23, 2020. Accessed November 9, 2020 <https://medicinehatnews.com/news/local-news/2020/10/23/enbridge-breaks-ground-on-solar-play-in-forty-mile-county/>

¹⁵ Red Deer Advocate, \$36M condo project on its way to Capstone development; October 29, 2020. Accessed November 9, 2020 <https://www.reddeeradvocate.com/news/red-deers-capstone-development-to-kick-off-with-36-million-condo-project/>

¹⁶ My Lakeland Now, Women Building Futures partnering with Portage for female drivers course; October 27, 2020. Accessed November 9, 2020 <https://www.mylakelandnow.com/27958/women-building-futures-partnering-with-portage-for-female-driver-course/>

¹⁷ Calgary Herald, Suncor to move Mississauga and Oakville office to Calgary in 2021; October 27, 2020. Accessed November 9, 2020 <https://calgaryherald.com/business/local-business/suncor-to-move-mississauga-and-oakville-offices-to-calgary-in-2021>

¹⁸ CBC, Hundreds of coal mining jobs to end as TransAlta switches to natural gas; November 4, 2020. Accessed November 9, 2020 <https://www.cbc.ca/news/canada/edmonton/transalta-coal-mine-highvale-1.5789197>