



Labour Market Bulletin

Alberta

May 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

The outbreak of the novel coronavirus (COVID-19) has had widespread and unprecedented impacts on the global, Canadian and provincial economy and labour market. To curb the spread and ensure the health care system is not overwhelmed, the provincial government declared a state of emergency on March 17, 2020 and closed all non-essential businesses on March 27, 2020.¹ On May 14, 2020, the Province entered the first phase of their relaunch strategy where restrictions on retail businesses (clothing, furniture, book stores, etc.), hairstyling and barber shops, restaurants, cafes, bars, and museums and art galleries were eased.²

Employment in Alberta increased 28,200 (+3.9%) in May, following two months of historic declines. However, this no way makes up for the losses caused but COVID-19; employment remains down 14.9% on a year-over-year basis. The unemployment rate rose 2.1 percentage points to 15.5%, an all-time high in the province. However, this can be seen as an indication of optimism from the public, as the increase was caused by an expansion of the labour force, up 3.9%. This means that previously discouraged job seekers are returning to the labour market.³

Alberta Monthly Labour Force Statistics

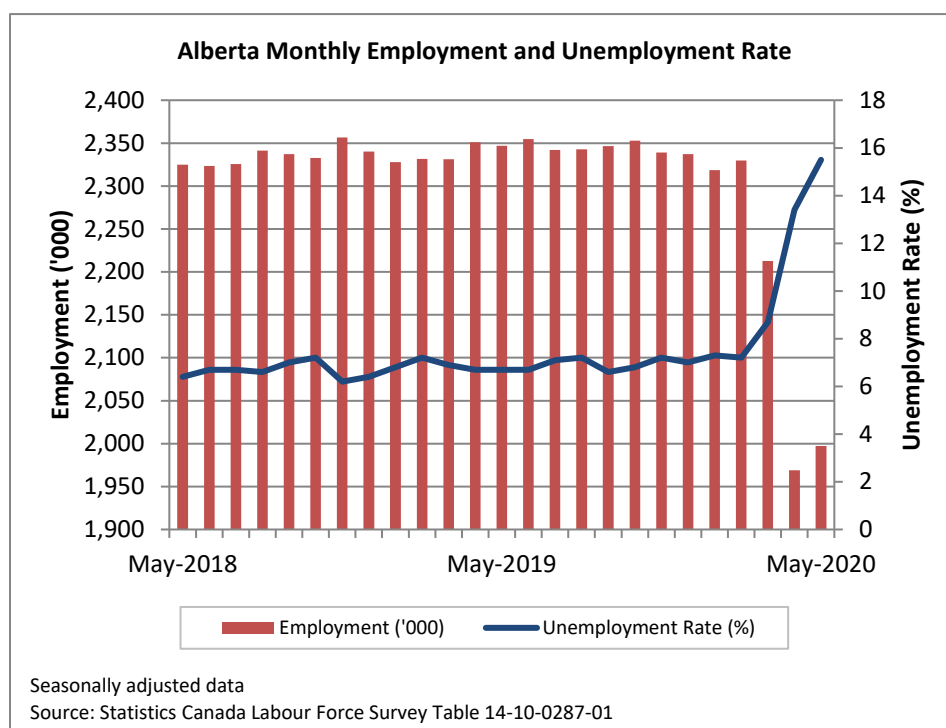
Seasonally Adjusted Monthly Data	May 2020	April 2020	May 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,571.9	3,569.5	3,516.2	2.4	0.1	55.7	1.6
Labour Force ('000)	2,362.3	2,273.3	2,516.0	89.0	3.9	-153.7	-6.1
Employment ('000)	1,997.2	1,969.0	2,346.9	28.2	1.4	-349.7	-14.9
Full-Time ('000)	1,645.5	1,672.3	1,912.9	-26.8	-1.6	-267.4	-14.0
Part-Time ('000)	351.7	296.7	434.0	55.0	18.5	-82.3	-19.0
Unemployment ('000)	365.1	304.3	169.0	60.8	20.0	196.1	116.0
Unemployment Rate (%)	15.5	13.4	6.7	2.1	-	8.8	-
Participation Rate (%)	66.1	63.7	71.6	2.4	-	-5.5	-
Employment Rate (%)	55.9	55.2	66.7	0.7	-	-10.8	-

Note: Totals may not add due to rounding

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

All new jobs came from part-time employment, which increased 55,000 (+18.5%) in May. Part-time workers were particularly impacted by COVID-19 closures; part-time employment remains 19% below levels one year ago. Meanwhile, full-time employment fell 26,800 (-1.6%) and was 14% lower on a year-over-year basis.⁴

The private sector led all job gains, adding 29,800 (+2.5%) positions in May. Self-employment increased 12,800 (+3.55%) on a monthly basis. Meanwhile, public sector employment contracted by 14,300 (-3.4%) in May.⁵



The number of people unemployed in the province increased by 20% in May, to 365,100. This can be attributed to the fact that 89,000 people entered the labour market, but were unsuccessful in finding a job. Nonetheless, it shows that workers are beginning to be optimistic about job prospects as the economy reopens.

Of those employed in the province, there were approximately 317,600 people who had lost all or most of their typical hours worked in May. This a small improvement from the peak in April, however it is still 174.5% higher than February 2020.

Unemployment by major demographic grouping

Young people have been significantly impacted by COVID-19 closures, with the youth unemployment rate coming in at 31.6%, an increase of 20.2 percentage points annually. However, young women have been particularly impacted, with their unemployment rate increasing 23.8 percentage points to 32.7% year-over-year.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2020 (%)	April 2020 (%)	May 2019 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	15.5	13.4	6.7	2.1	8.8
25 years and over	13.3	11.5	6.0	1.8	7.3
Men - 25 years and over	13.7	11.0	6.4	2.7	7.3
Women - 25 years and over	12.6	12.0	5.6	0.6	7.0
15 to 24 years	31.6	29.0	11.4	2.6	20.2
Men - 15 to 24 years	32.9	25.6	14.0	7.3	18.9
Women - 15 to 24 years	29.9	32.7	8.6	-2.8	21.3

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

After two months of deep losses, employment in the services-producing sector began to rebound, adding 33,000 (+2.3%) jobs in May. On a year-over-year basis employment is down 264,300 (-15.1%). Meanwhile, the goods-producing sector was little changed on the month, losing 4,800 (-12%) jobs.⁶

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2020	April 2020	May 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	1,997.2	1,969.0	2,346.9	28.2	1.4	-349.7	-14.9
Goods-producing sector	509.1	513.9	594.5	-4.8	-0.9	-85.4	-14.4
Agriculture	43.6	44.3	48.5	-0.7	-1.6	-4.9	-10.1
Forestry, fishing, mining, quarrying, oil and gas	129.0	133.0	150.9	-4.0	-3.0	-21.9	-14.5
Utilities	21.1	21.2	23.2	-0.1	-0.5	-2.1	-9.1
Construction	194.3	197.5	234.2	-3.2	-1.6	-39.9	-17.0
Manufacturing	121.1	117.9	137.8	3.2	2.7	-16.7	-12.1
Services-producing sector	1,488.1	1,455.1	1,752.4	33.0	2.3	-264.3	-15.1
Trade	269.5	260.2	346.7	9.3	3.6	-77.2	-22.3
Transportation and warehousing	116.4	109.2	140.5	7.2	6.6	-24.1	-17.2
Finance, insurance, real estate and leasing	105.9	102.9	103.8	3.0	2.9	2.1	2.0
Professional, scientific and technical services	169.7	169.3	182.3	0.4	0.2	-12.6	-6.9
Business, building and other support services	73.9	69.3	85.1	4.6	6.6	-11.2	-13.2
Educational services	141.9	147.7	152.7	-5.8	-3.9	-10.8	-7.1
Health care and social assistance	275.2	271.0	289.7	4.2	1.5	-14.5	-5.0
Information, culture and recreation	59.0	63.1	74.0	-4.1	-6.5	-15.0	-20.3
Accommodation and food services	85.2	77.5	141.3	7.7	9.9	-56.1	-39.7
Other services	92.2	80.2	119.3	12.0	15.0	-27.1	-22.7
Public administration	99.2	104.9	117.0	-5.7	-5.4	-17.8	-15.2

Note: Totals may not add due to rounding

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

Services-producing industries

The services-producing sector includes labour intensive and public-facing industries such as wholesale and retail trade, food and accommodation, and information culture and recreation. These industries have been particularly impacted by COVID-19.

Employment in **wholesale and retail trade** increased 9,300 (+3.6%) in May, but remains down 77,200 (-22.3%) on a year-over-year basis. After being closed for over six weeks, retail businesses were permitted to open in the first phase of the provincial relaunch strategy on May 14, 2020.⁷ Although businesses are permitted to open with enhanced health and safety protocols, many stores have remained closed. Because of closures and job losses causing a drop in discretionary spending, retail sales in Alberta's two largest urban centres is forecasted to fall by approximately 5.8% in 2020.⁸

Employment in the food and accommodation industry was 85,200 in May, up 9.9% from the previous month. On a year-over-year basis employment is down approximately 56,100, or 39.7%. Restaurants and cafes were able to allow dine-in services in most of the province on May 14, 2020 with 50% seating capacity and additional health and safety measures. However, many restaurants have opted to remain closed, or only offer take out and delivery, until capacity can be increased.⁹

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.¹⁰ However, as economic activity declined and uncertainty increased, employment in the industry declined.

Employment in **forestry, fishing, mining, oil and gas** fell 4,000 (-3%) in May and 21,900 (-14.5%) on a year-over-year basis. Demand for oil has plummeted because of reduced economic activity and travel around the world. It is estimated that global oil consumption will be nearly nine percent lower in the first half of 2020 compared to the same time last year. As global restrictions ease and businesses resume operations, demand for oil will slowly rise. In May, world oil consumption is estimated to have increased by almost 5% from the April average. However, global demand is not forecasted to resume to pre-COVID levels until the second half of 2021.¹¹ In part due to the drop in demand caused by the pandemic, the price of oil has been hit hard. In May, the North American benchmark, WTI, averaged just US\$28.17. Although it is an improvement from April, it is a far cry from former levels, down 53.8% from one year ago.¹²

As a result, Canadian oil and gas companies have reduced their 2020 spending forecasts by more than \$7 billion since the pandemic began. As low oil prices persist there is an increased risk that small- and medium-sized oil producers will fail, and bankruptcies rise.¹³

Employment in the **construction** industry was 194,900 (-1.6%) in May. On a year-over-year basis employment shrank by 39,000 (-17%). Many large projects are still proceeding with social distancing and extra safety protocols in place. Among those is Inter Pipeline Ltd.'s Heartland Petrochemical Complex; however, it is expected that COVID-19 will push its service date from late 2021 to early 2022, and increase costs by \$500 million to a total of \$4 billion.¹⁴ Meanwhile, thousands of construction jobs have been deferred as oil companies put off planned maintenance and turnaround projects in an effort to reduce capital spending and keep workers safe. When the turnaround work does take place, it is likely that the timelines will be drawn out to minimize the number of personnel on site, helping to ensure social distancing restrictions and enhanced worker safety conditions are met.¹⁵

Turning to building activity, the seasonally adjusted value of building permits came in at just over \$799 million in April (the most recent data available), which is 19.2% lower than April 2019.¹⁶ Meanwhile, there were 1,601 housing starts in May, an 11% year-over-year decrease.¹⁷ Looking ahead, it is forecasted that Alberta's annual housing starts will fall by 14.7% in 2020 before rebounding in 2021.¹⁸

REGIONAL ANALYSIS

Employment fell in six of the seven economic regions with Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River posting the largest percentage decline on a year-over-year basis.

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2020 ('000)	May 2019 ('000)	Yearly Variation (%)	May 2020 (%)	May 2019 (%)	Yearly Variation (% points)
Alberta	2,052.1	2,339.8	-12.3	13.0	6.8	6.2
Economic Regions						
Lethbridge - Medicine Hat	126.8	139.0	-8.8	9.0	6.5	2.5
Camrose - Drumheller	95.5	89.1	7.2	10.4	8.9	1.5
Calgary	809.7	919.9	-12.0	13.2	6.8	6.4
Banff - Jasper - Rocky Mountain House and Athabasca - Grand Prairie - Peace River	160.1	190.4	-15.9	14.1	5.7	8.4
Red Deer	103.4	109.0	-5.1	12.7	7.5	5.2
Edmonton	684.4	807.4	-15.2	13.8	7.0	6.8
Wood Buffalo - Cold Lake	72.2	85.0	-15.1	9.9	6.0	3.9

Note: Totals may not add due to rounding

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

In May, employment in **Lethbridge-Medicine Hat** was 126,800 (-8.8%) and the unemployment rate jumped to 9%. The region has a number of large construction projects set to begin in the coming years, some which could be delayed because of current market conditions. These include Suncor's Forty Mile wind farm. In an announcement to their investors, the company announced the project may be delayed by up to two years.¹⁹

Following a strong 2019, **Camrose – Drumheller** posted sizeable year-over-year employment gains despite ongoing COVID-19 closures. Employment is up 7.2% annually to 95,500. However, the unemployment rate increased 1.5 percentage points to 10.4% amid an expansion of the labour force.

Banff – Jasper – Rocky Mountain House and Athabasca – Grande Prairie – Peace River has been severely impacted by COVID-19, with employment falling nearly 16% from May 2019 and the unemployment rate increasing to 14.1%, the highest of any economic region in the province. Many mountain communities rely on travel and tourism, but with travel restrictions in place because of COVID-19, localized unemployment rates have climbed to over 50% in some areas.²⁰ As National Parks open and tourism resumes, it is expected that there will be some relief. In construction news, Turning Point Generation is moving ahead with the Cannon Creek Project, a pumped hydro energy-storage facility near Hinton, Alberta. Construction on the \$200 million project is expected to begin in 2020.²¹

Employment in the **Red Deer** region is down 5.1% from one year ago. Looking ahead, the city of Lacombe, 25km north of Red Deer, has a number of shovel ready capital construction projects set to start in the coming months. The city is plans to spend \$5.4 million on six projects that include road reconstruction and storm sewer improvements as a part of the 2020/2021 Capital Works Program.²²

To the north-east, employment in **Wood Buffalo – Cold Lake** fell 12,800 on a year-over-year basis and the unemployment rate increased to 9.9%. The region is home to most of Alberta's oil production and has therefore been severely hurt by the downturn in price. In April (the most recent data available), oil production was down 13% compared to April 2019 to 14.8 million cubic metres.²³ In addition, a major flood in Fort McMurray at the end of April forced up to 13,000 people to evacuate the urban centre. While most business activity was restored by May 17 (not including provincial COVID-19 restrictions), it is estimated that there is over \$100 million in residential damage.²⁴

Employment in the **Calgary** region fell 110,200 on a year-over-year basis to 809,700 and the unemployment rate increased to 13.2%. The south has had the majority of COVID-19 cases in the province, and because of that, relaunch plans were delayed compared to other regions. Calgary moved into stage one of the relaunch on May 25, 2020, over a week and a half after the rest of the province.²⁵

In **Edmonton**, approximately 684,400 people were employed in May, down 15.2% from one year ago. The unemployment rate jumped 6.8 percentage points to 13.8%. Despite recent hardships, there is lots of activity in the construction sector. One notable project is the construction of Misericordia Community Hospital's emergency room. Demolition on to make room for the expansion has begun, and is expected to be completed in June. When the emergency department is open in 2023, it will be able to accept 60,000 patients annually.²⁶

***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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