



Labour Market Bulletin

Alberta

July 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

Employment in Alberta rose by 67,300 (+3.2%) in July, compared with 91,600 (+4.6%) in June. The province added 187,000 jobs between May and July, bringing employment to within 173,800 (-7.5%) of the pre-COVID February level, which is slightly below the pace of national recovery. In July, employment across Canada remained down by 7% compared to February.¹

Alberta Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2020	June 2020	July 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,578.0	3,576.2	3,528.8	1.8	0.1	49.2	1.4
Labour Force ('000)	2,472.2	2,471.3	2,520.4	0.9	0.0	-48.2	-1.9
Employment ('000)	2,156.1	2,088.8	2,342.0	67.3	3.2	-185.9	-7.9
Full-Time ('000)	1,747.9	1,717.5	1,915.5	30.4	1.8	-167.6	-8.7
Part-Time ('000)	408.2	371.3	426.5	36.9	9.9	-18.3	-4.3
Unemployment ('000)	316.1	382.5	178.4	-66.4	-17.4	137.7	77.2
Unemployment Rate (%)	12.8	15.5	7.1	-2.7	-	5.7	-
Participation Rate (%)	69.1	69.1	71.4	0.0	-	-2.3	-
Employment Rate (%)	60.3	58.4	66.4	1.9	-	-6.1	-

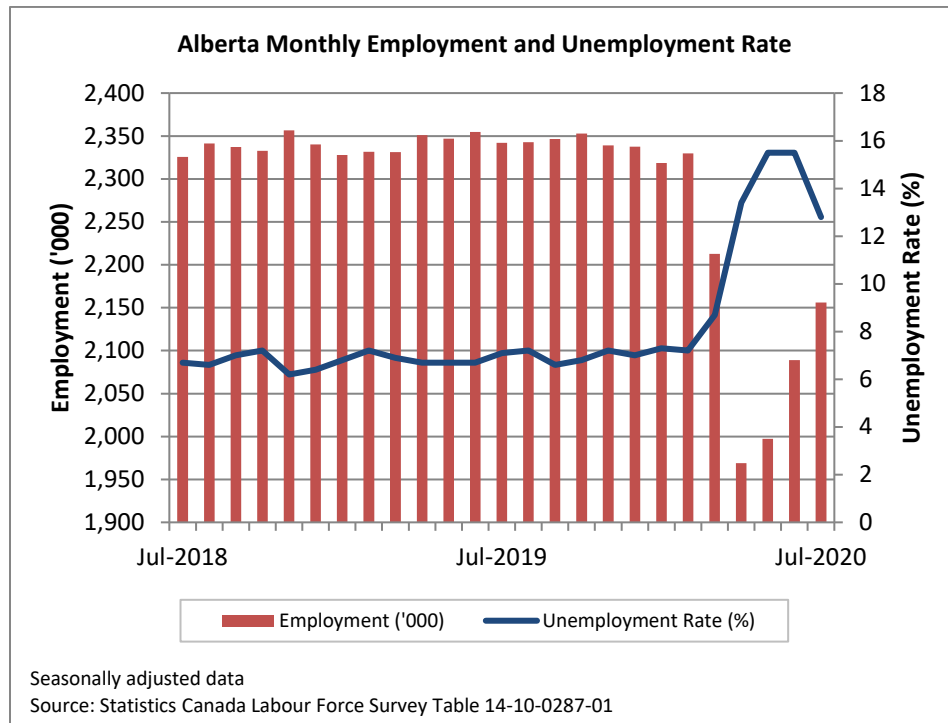
Note: Totals may not add due to rounding

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

For the first time since February, the number of people unemployed in the province decreased (-66,400; -17.4%). Meanwhile, the labour force grew only slightly (+900). Combined with gains in May and June, this brought the labour force to within 38,000 (-1.5%) of the level in February.

The unemployment rate in the province fell for the first time since the pandemic, coming in at 12.8% in July. Although it is an improvement of 2.7 percentage points, it remains the second highest in the country, behind only Newfoundland and Labrador.²

Of those employed in the province, there were approximately 201,900 people who had lost all or most of their typical hours worked in July. This was down significantly from the peak in April; however, it is more than double the level in February when COVID-19 was hardly a blip on most people’s radar. Alberta’s labour underutilization rate³ was 23.6% in July, up from 13.3% in February. While there has been improvement in the last three months, the road to a full recovery will be a long one.



Unemployment by major demographic grouping

Youth unemployment remains persistently high at 27%. In July, the unemployment rate among young women improved more than men of the same age group, but a full recovery will not occur for some time. On a year-over-year basis, the unemployment rate for men and women aged 15 to 24 years is higher by 14.5 and 13 percentage points, respectively.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2020 (%)	June 2020 (%)	July 2019 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	12.8	15.5	7.1	-2.7	5.7
25 years and over	10.7	13.2	6.2	-2.5	4.5
Men - 25 years and over	11.4	14.2	6.9	-2.8	4.5
Women - 25 years and over	9.8	11.9	5.2	-2.1	4.6
15 to 24 years	27.0	30.7	13.2	-3.7	13.8
Men - 15 to 24 years	28.6	30.9	14.1	-2.3	14.5
Women - 15 to 24 years	25.3	30.6	12.3	-5.3	13.0

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

Both the goods-producing sector (+3.5%) and the services-producing sector (+3.1%) experienced job growth in July. Despite initially being hardest hit, the services-producing sector has had a stronger rebound and is within 7.3% of the employment levels one year ago, while the goods-producing sector is down by 9.7%.

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	July 2020	June 2020	July 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,156.1	2,088.8	2,342.0	67.3	3.2	-185.9	-7.9
Goods-producing sector	536.6	518.4	594.3	18.2	3.5	-57.7	-9.7
Agriculture	44.7	43.1	50.8	1.6	3.7	-6.1	-12.0
Forestry, fishing, mining, quarrying, oil and gas	131.7	127.5	143.3	4.2	3.3	-11.6	-8.1
Utilities	21.0	20.2	24.1	0.8	4.0	-3.1	-12.9
Construction	219.6	210.8	241.5	8.8	4.2	-21.9	-9.1
Manufacturing	119.6	116.9	134.5	2.7	2.3	-14.9	-11.1
Services-producing sector	1,619.5	1,570.3	1,747.7	49.2	3.1	-128.2	-7.3
Trade	310.3	295.7	338.9	14.6	4.9	-28.6	-8.4
Transportation and warehousing	121.4	116.3	139.4	5.1	4.4	-18.0	-12.9
Finance, insurance, real estate and leasing	109.4	111.7	107.1	-2.3	-2.1	2.3	2.1
Professional, scientific and technical services	171.3	163.8	185.7	7.5	4.6	-14.4	-7.8
Business, building and other support services	74.6	78.5	83.7	-3.9	-5.0	-9.1	-10.9
Educational services	142.0	138.4	158.0	3.6	2.6	-16.0	-10.1
Health care and social assistance	303.8	298.3	291.6	5.5	1.8	12.2	4.2
Information, culture and recreation	74.5	73.3	74.7	1.2	1.6	-0.2	-0.3
Accommodation and food services	111.4	97.1	137.9	14.3	14.7	-26.5	-19.2
Other services	101.3	96.2	117.2	5.1	5.3	-15.9	-13.6
Public administration	99.6	101.0	113.6	-1.4	-1.4	-14.0	-12.3

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 had weighed heavy on the sector and employment.

Employment in the **resource extraction**⁵ industries grew by 4,200 (+3.3%) to 131,700. After hitting rock bottom in April, the price of oil has begun to rebound. In July, the average price of Western Canadian Select was \$32.10. This is in part due to an increase in demand for oil nationally and globally. Albertan producers have also reduced their production, which has helped prevent a supply glut and stabilize prices. In May (the most recent data available), oil production in the province was down 14.6% on a year-over-year basis.

Alberta's oil and gas firms have been struggling due to market access issues, capital investment challenges, pipeline constraints, and weak international oil prices. With the COVID-19 pandemic, reduced global economic activity led to plummeting demand and prices. While many large firms have weathered the crisis relatively well due to their already lean workforces created by pre-COVID market downturns, the limited borrowing capacity of smaller companies will put them most at risk of having cash-flow problems in the short term. Overall, oil and gas capital spending in the province is projected to fall to between \$14.1 billion and \$16.4 billion in 2020, from \$24.2 billion last year.⁶⁷

Employment in the **construction** industry was approximately 219,600 in July, up 8,800 (4.2%) from June but still remains down by 9.1% on a year-over-year basis. In an effort to spur job growth, the Government of Alberta is spending more than \$10 billion on projects across the province, creating an estimated 32,000 jobs. At least \$600 million of that will be spent this summer on a series of large-scale projects creating approximately 2,500 jobs.⁸

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.

Employment in **wholesale and retail trade** increased by 14,600 (+4.9%) in July, however it remains down by 28,600 on a year-over-year basis. After stores were closed for six weeks to prevent the spread of COVID-19, retail sales rose by 15.8% in May (the most recent data available) as the province entered phase one of the relaunch plan. Despite the monthly uptick, retail sales remain down by nearly 16% on a year-over-year basis.⁹

In July, employment in the **food and accommodation** industry was 111,400, up 14.7% from June. The industry still has a long road to recovery ahead of it; on a year-over-year basis employment is down by 19.2%. Restaurants and cafes were allowed to continue operating through the height of the pandemic in March and April, provided they only provided take-out and delivery services. Despite being allowed to stay open, many restaurants closed amid health and safety concerns and falling demand. It is estimated that the number of active businesses in the industry fell by 14% between April and February.¹⁰ Since April, the province has gradually allowed businesses, including restaurants and cafes, to resume more normal operations and some businesses may have reopened. However, ongoing challenges caused by COVID-19 will likely keep some shut permanently and dampen the creation of new businesses.

REGIONAL ANALYSIS

On an annual basis, employment is down in every economic region in Alberta. Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Piece River (-17.5%) and Wood Buffalo-Cold Lake (-15.3%) saw the largest year-over-year percentage declines in employment. Meanwhile, Edmonton had the highest unemployment rate (15.5%) among all Alberta regions.

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	July 2020 ('000)	July 2019 ('000)	Yearly Variation (%)	July 2020 (%)	July 2019 (%)	Yearly Variation (% points)
Alberta	2,103.0	2,370.5	-11.3	14.5	6.8	7.7
Economic Regions						
Lethbridge - Medicine Hat	131.5	146.0	-9.9	9.5	6.4	3.1
Camrose - Drumheller	91.5	94.1	-2.8	13.1	6.4	6.7
Calgary	838.9	938.2	-10.6	14.9	6.5	8.4
Banff - Jasper - Rocky Mountain House and Athabasca - Grand Prairie - Peace River	157.7	191.1	-17.5	14.4	5.2	9.2
Red Deer	104.1	111.3	-6.5	14.0	7.4	6.6
Edmonton	707.3	804.7	-12.1	15.5	7.7	7.8
Wood Buffalo - Cold Lake	72.1	85.1	-15.3	12.0	5.9	6.1

Note: Totals may not add due to rounding

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

In July, employment in **Lethbridge-Medicine Hat** was 131,500 (-9.9%) and the unemployment rate jumped to 9.5%. In August, Calgary-based TransAlta Corp. will flip the switch on Alberta's first utility-scale, lithium-ion battery storage facility, known as the WindCharger project. The development, about the size of a soccer pitch, could increase the viability of renewable energy projects by fixing charging issues related to the intermittent nature of wind and solar resources. When the sun is shining or wind is blowing, the energy generated will charge three Tesla batteries to be available for later use.¹¹ The region has a number of renewable energy projects planned and in progress.

Year-over-year employment in **Camrose – Drumheller** has been relatively resilient (-2,600) despite the ongoing pandemic. However, the unemployment rate increased 6.7 percentage points to 13.1% amid an expansion of the labour force. Looking ahead, the construction industry will likely be a source of employment with new projects nearing shovel ready status. Of those includes the Alberta portion of the long awaited Keystone XL pipeline. The contract was awarded to Michels Canada. The company expects to start construction on the 260 km pipeline this summer near Oyen and hire approximately 1,000 people.¹²

Banff – Jasper – Rocky Mountain House and **Athabasca – Grande Prairie – Peace River** has been severely impacted by COVID-19, with employment falling 17.5% from one year ago to about 157,700. The unemployment rate increased to 14.4%.

Employment in the **Red Deer** region was approximately 104,100, down 6.5% from one year ago. Meanwhile, the unemployment rate jumped to 14%. The Government of Alberta announced a project to twin and divide 66

kilometres of Highway 11 from Sylvan Lake to Rocky Mountain House. Construction on the \$120 million project, part of Alberta's Recovery Plan, is set to begin in the summer of 2021 and take approximately four years. Government officials estimate that it will create about 580 jobs.¹³

To the north-east, employment in **Wood Buffalo – Cold Lake** fell 13,000 (-15.3%) on a year-over-year basis and the unemployment rate increased to 12%. The region is home to most of Alberta's oil production and has been severely hurt by the downturn in price. On top of that, it is estimated that the devastating flood at the end of April caused more than \$520 million in insured damage.¹⁴ This has caused the Wood Buffalo council to reassess what to do about flood mitigation in Fort McMurray's flood zone as the cost of private insurance skyrockets or becomes unattainable all together. There is a worry that if homeowners and businesses cannot get flood insurance, it will be more difficult to develop the urban centre's downtown.¹⁵

Employment in the **Calgary** region dropped 99,300 on a year-over-year basis to 838,900 and the unemployment rate increased to 14.9%. Calgary City Council recently approved stage one of the \$5.5 billion Green Line LRT project. The first segment from the Elbow River to Shepard is shovel ready and construction is set to begin in 2021. Once complete in 2026, stage one, from 16 Avenue North to Shepard in the southeast, is expected to serve 65,000 customers daily and shave up to 25 minutes off transit users' commutes, while saving 30,000 tons of greenhouse gas emissions per year and creating 20,000 jobs.¹⁶

In **Edmonton**, approximately 707,300 people were employed in July, down 15.5% from one year ago. The unemployment rate jumped 7.8 percentage points year-over-year to 15.5%. Despite recent hardships, there is lots of activity in the region. Notably, the City of Edmonton was chosen as one of the two hub cities for the NHL to complete their 2019-20 hockey season. The amended playoffs began August 1 and will likely last through to October. Although there will be no fans in Rogers Place, provincial and city officials are hoping the buzz will help the food and accommodation industry, which has been hard hit by COVID-19 closures.¹⁷

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/cqi-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

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2020, all rights reserved

¹ Statistics Canada, Labour force characteristics by province, monthly, seasonally adjusted; August 7, 2020. Accessed August 7, 2020

² Ibid.

³ 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.

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

⁵ Forestry, fishing, mining, oil and gas

⁶ CBC, Oil and gas spending estimates adjusted lower as uncertainties persist; June 8, 2020. Accessed August 9, 2020 <https://www.cbc.ca/news/canada/calgary/oil-gas-energy-spending-capp-aer-alberta-1.5603706>

⁷ Alberta Energy Regulator, Capital Expenditures; June 22, 2020. Accessed August 9, 2020 <https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st98/prices-and-capital-expenditure/capital-expenditures.html>

⁸ Government of Alberta, Alberta's Recovery Plan; June 2020. Accessed August 9, 2020 <https://www.alberta.ca/assets/documents/alberta-recovery-plan.pdf>

⁹ Statistics Canada, Retail trade sales by province and territory (x1,000); July 21, 2020. Accessed August 9, 2020 <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=2010000801>

¹⁰ Statistics Canada, Experimental estimates for business openings and closures for Canada, provinces and territories, census metropolitan areas, seasonally adjusted; August 10, 2020. Accessed August 10, 2020 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3310027001>

¹¹ Calgary Herald, Varcoe: TransAlta set to flip switch on Alberta's first large-scale battery storage project, using technology from Tesla; August 5, 2020. Accessed August 10, 2020 <https://calgaryherald.com/opinion/columnists/varcoe-transalta-set-to-flip-switch-on-albertas-first-large-scale-battery-storage-project/wcm/5ed4d25f-8340-4d62-895d-4818d852598b/>

¹² Michels Canada will ramp up hiring to complete Keystone XL contract; June 23, 2020. Accessed August 10, 2020 <https://www.cbc.ca/news/canada/calgary/nisku-michels-canada-hiring-keystone-xl-pipeline-alberta-1.5624354>

¹³ Government of Alberta, Improving David Thompson Highway and creating jobs; July 17, 2020. Accessed August 10, 2020 <https://www.alberta.ca/release.cfm?xID=72841A6405827-C26F-AC33-6EA9E2E81A787EF1>

¹⁴ CBC, Fort McMurray spring flood caused \$522 million in damage, insurance bureau says; August 4, 2020. Accessed August 10, 2020 <https://www.cbc.ca/news/canada/edmonton/fort-mcmurray-flood-damage-1.5673962>

¹⁵ CBC, Plummeting property values, rising insurance costs: Flood victims caught in new wave of grief; July 30, 2020. Accessed August 10, 2020 <https://www.cbc.ca/news/canada/edmonton/fort-mcmurray-insurance-condo-flood-1.5667903>

¹⁶ City of Calgary, Council approves Green Line program; June 16, 2020. Accessed August 10, 2020 <https://www.calgary.ca/transportation/green-line/article-engine/jun-16-2020-council-approves-green-line-program.html>

¹⁷ CBC, NHL players begin acclimatizing to hub life in Edmonton, Toronto bubbles; July 27, 2020. Accessed August 10, 2020 <https://www.cbc.ca/sports/hockey/nhl/hockey-hub-city-bubbles-edmonton-toronto-1.5665037>