



Labour Market Bulletin

Alberta

November 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

After six months of gains, employment fell (-10,800) in November. The fall in employment coincided with a rapid rise in active COVID-19 cases. By the end of November, the number of active cases in the province surpassed the peak of the first wave of the pandemic in the spring. This resulted in the Government of Alberta imposing additional measures to slow the spread in regions with high rates of transmission. These included limiting all social gathering to a single household, capping capacity at restaurants and making it mandatory for them to close by 11pm, as well as imposing a 25% capacity on stores and gyms.¹ Since these restrictions came in at the end of the month, the full impacts on employment will not be apparent until December.

With the recent decline in employment, Alberta is at about 95% (-122,500) of its pre-COVID employment levels one year ago, the largest gap among provinces. Notably, Alberta also had the second highest number of total COVID-19 cases per capita in the country, behind only Quebec.²

Alberta Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	November 2020	October 2020	November 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,588.7	3,585.8	3,550.8	2.9	0.1	37.9	1.1
Labour Force ('000)	2,493.4	2,494.6	2,521.6	-1.2	0.0	-28.2	-1.1
Employment ('000)	2,216.6	2,227.4	2,339.1	-10.8	-0.5	-122.5	-5.2
Full-Time ('000)	1,774.0	1,803.4	1,919.5	-29.4	-1.6	-145.5	-7.6
Part-Time ('000)	442.6	424.0	419.6	18.6	4.4	23.0	5.5
Unemployment ('000)	276.7	267.1	182.5	9.6	3.6	94.2	51.6
Unemployment Rate (%)	11.1	10.7	7.2	0.4	-	3.9	-
Participation Rate (%)	69.5	69.6	71.0	-0.1	-	-1.5	-
Employment Rate (%)	61.8	62.1	65.9	-0.3	-	-4.1	-

Note: Totals may not add due to rounding

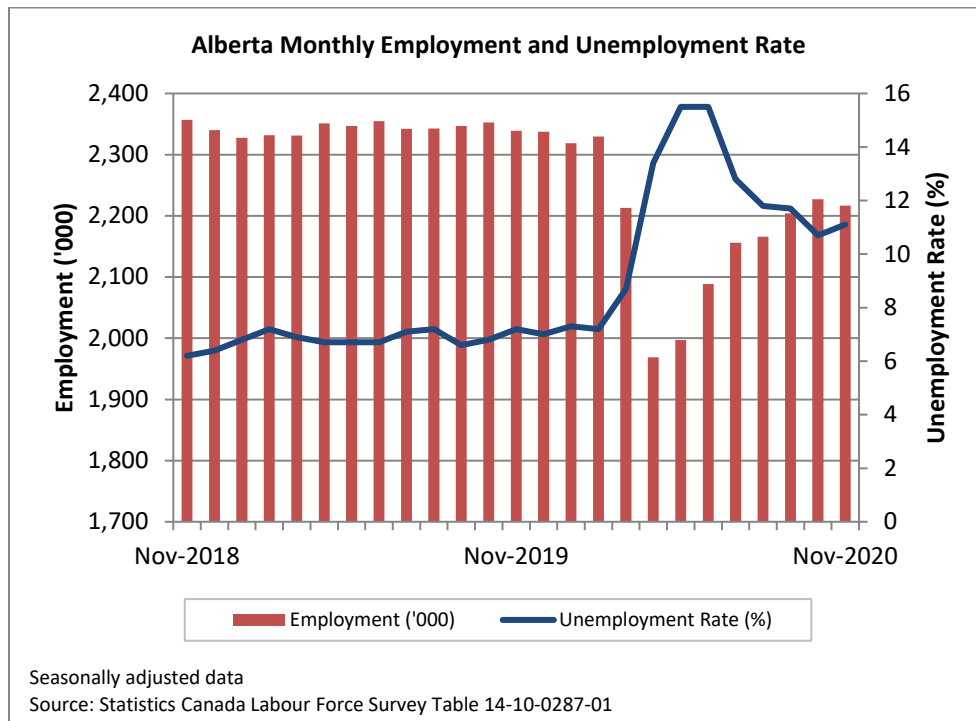
Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

The number of people who were unemployed increased by 9,600 (+3.6%) in November and the labour force also contracted slightly (-1,200). The combined effect caused the unemployment rate to rise to 11.1%, 3.9 percentage points higher than one year ago, and second highest nationally, behind only Newfoundland and Labrador.

There was a significant difference in unemployment rates among visible minority groups (including Indigenous populations) and their non-visible minority counterparts in November. Visible minorities in Alberta had an unemployment rate of approximately 12.9%, while people who were not Indigenous or a visible minority had a much lower unemployment rate of 9%.

Despite the deteriorating labour market conditions, the number of people who were employed but worked less than half of their regular hours fell for the eighth consecutive month after peaking in March. After rising in October, the number of people not technically in the labour force but still interested in work also fell in November, another optimistic sign.

Alberta's labour underutilization rate³ fell to 20.1% in November, down from 33.4% in April. While there has been improvement in the last seven 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 2022.⁴



Unemployment by major demographic grouping

Youth (those 15 to 24 years) have been significantly impacted by the pandemic, with employment down 13% compared to November 2019. This has caused the unemployment rate for youths to increase to 23.6%. Among youth, women have been disproportionately impacted, with their employment falling 18.6% from the same time last year, while employment among men in the same age group dropped 7.3%. One reason for this situation is likely the high representation that young women have in the accommodation and food services industry, which has been the most impacted by COVID-19. The unemployment rate for young women was 24.7% in November, up 13.9 percentage points from one year ago. While men are not far behind with an unemployment rate of 22.5%, the year-over-year difference was much smaller, up only 3.1 percentage points.

Core aged individuals (25 to 54 years) and older workers (55 years and over) have been less impacted, with year-over-year employment down 4% and 4.7%, respectively.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	November 2020 (%)	October 2020 (%)	November 2019 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	11.1	10.7	7.2	0.4	3.9
25 years and over	9.2	8.9	6.0	0.3	3.2
Men - 25 years and over	9.9	10.0	6.2	-0.1	3.7
Women - 25 years and over	8.4	7.5	5.7	0.9	2.7
15 to 24 years	23.6	23.0	15.2	0.6	8.4
Men - 15 to 24 years	22.5	23.4	19.4	-0.9	3.1
Women - 15 to 24 years	24.7	22.5	10.8	2.2	13.9

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

All of the job losses came from the services-producing sector (-0.8%), while the goods-producing sector added jobs (+0.6%). However, the goods-producing sector is farthest from its pre-pandemic employment (-6.4%) one year ago, while the services-producing sector is down 4.8%.

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	November 2020	October 2020	November 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,216.6	2,227.4	2,339.1	-10.8	-0.5	-122.5	-5.2
Goods-producing sector	545.2	542.0	582.7	3.2	0.6	-37.5	-6.4
Agriculture	39.5	37.1	50.1	2.4	6.5	-10.6	-21.2
Forestry, fishing, mining, quarrying, oil and gas	136.9	132.2	138.1	4.7	3.6	-1.2	-0.9
Utilities	22.8	23.9	24.3	-1.1	-4.6	-1.5	-6.2
Construction	224.4	222.2	235.6	2.2	1.0	-11.2	-4.8
Manufacturing	121.7	126.7	134.7	-5.0	-3.9	-13.0	-9.7
Services-producing sector	1,671.5	1,685.4	1,756.5	-13.9	-0.8	-85.0	-4.8
Trade	331.6	329.6	333.1	2.0	0.6	-1.5	-0.5
Transportation and warehousing	131.3	131.8	135.0	-0.5	-0.4	-3.7	-2.7
Finance, insurance, real estate and leasing	118.4	111.8	106.5	6.6	5.9	11.9	11.2
Professional, scientific and technical services	178.8	182.4	192.8	-3.6	-2.0	-14.0	-7.3
Business, building and other support services	60.0	71.8	78.1	-11.8	-16.4	-18.1	-23.2
Educational services	150.6	153.4	161.7	-2.8	-1.8	-11.1	-6.9
Health care and social assistance	307.7	311.0	304.0	-3.3	-1.1	3.7	1.2
Information, culture and recreation	75.4	77.1	75.7	-1.7	-2.2	-0.3	-0.4
Accommodation and food services	112.5	112.1	153.1	0.4	0.4	-40.6	-26.5
Other services	102.2	102.3	107.8	-0.1	-0.1	-5.6	-5.2
Public administration	102.8	102.0	108.8	0.8	0.8	-6.0	-5.5

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.⁵ Nevertheless, weak economic activity and persistent uncertainty have weighed heavily on the sector.

The **resource extraction** industries (forestry, mining, and oil and gas) added 4,700 (+3.6%) jobs in November and is within one percent of employment one year ago. After falling for three months, the price of Western Canadian Select rose and averaged US\$31.28 in November. Total oil production has been increasing steadily since the low point in May, and in October (the most recent data available) was above the pre-pandemic level in February. Total production was nearly 16.5 million barrels and was only 3.5% lower compared to one year ago.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. 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 and 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 was up by only 2,200 (+1%) in November. With its growth over the last six months, employment is within 4.8% of the level one year ago. In October, seasonally adjusted investment in building construction fell slightly and totaled just over \$1.8 billion. Most of the monthly losses were in the residential sector, which contracted after five months of steady gains but remains up from the same time last year, an optimistic sign. Investment in non-residential buildings also fell in October and was down by over a fifth from the same time last year, a trend the industry has struggled with in recent years.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.

Despite being among the most impacted industries early in the pandemic, employment in **wholesale and retail trade** has recovered well and is within 1,500 (-0.5%) of the level one year ago, even though the industry added only 2,000 (+.08%) jobs in November. Retail sales have also recovered since non-essential stores were forced to close for six weeks in March and April. Sales edged up in September (the most recent data available) and totalled nearly \$7 billion, 3.8% higher than September 2019.¹¹

The **accommodation and food services** industries were 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 40,600 (-23.2%) of levels one year ago by November. To curb the spread of COVID-19, the province made it mandatory for all restaurants, bars, pubs and lounges to stop serving alcohol and to close by 11pm. At the end of the month the province extended the restrictions to limit people to be seated with only members of their household.¹² The full effects of the new restrictions on employment will be better understood when Statistics Canada reports on December's job numbers.

Business, building and other support services accounted for the majority of the jobs lost in Alberta in November, with employment falling 11,800 (-16.4%). On a year-over-year basis employment was down by nearly a quarter. This industry, which includes travel arrangement and reservation services, and services to buildings and dwellings, has been significantly impacted by the pandemic. Services to building and dwellings is the largest sub-

industry within the sector and had demand slashed by the move of many employees to remote work. The pandemic also drove down the office vacancy rate. In Calgary, it is estimated that nearly 30% of all office space in the downtown core was vacant in the third quarter of 2020.¹³

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, and that can make quarterly comparisons difficult.

In November, employment was down in every economic region. Camrose-Drumheller fared the worst with employment falling by 18.6%, year-over-year. Meanwhile, Calgary fared the best, with employment down only 1.6%. Despite the bleak statistics, there are signs of improvement. Compared to the October, the rates of year-over-year declines shrank in every economic region, except for Camrose-Drumheller.

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	November 2020 ('000)	November 2019 ('000)	Yearly Variation (%)	November 2020 (%)	November 2019 (%)	Yearly Variation (% points)
Alberta	2,227.4	2,352.8	-5.3	10.4	6.4	4.0
Economic Regions						
Lethbridge - Medicine Hat	137.0	146.1	-6.2	9.6	4.9	4.7
Camrose - Drumheller	79.2	97.3	-18.6	11.4	3.7	7.7
Calgary	909.3	924.3	-1.6	10.4	6.7	3.7
Banff - Jasper - Rocky Mountain House and Athabasca - Grand Prairie - Peace River	170.6	186.4	-8.5	10.3	5.7	4.6
Red Deer	102.0	111.7	-8.7	10.4	6.5	3.9
Edmonton	754.6	806.8	-6.5	10.6	7.0	3.6
Wood Buffalo - Cold Lake	74.7	80.2	-6.9	8.8	4.3	4.5

Note: Totals may not add due to rounding

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

In November, employment in **Lethbridge-Medicine Hat** fell to 137,000 (-6.2%) and the unemployment rate jumped to 9.6%. 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 18,100 (-18.6%) in November to 79,200. The unemployment rate was 11.4%, the highest among economic regions. Despite the bleak labour market conditions, there is reason to be optimistic. 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 November, employment in **Banff – Jasper – Rocky Mountain House and Athabasca – Grande Prairie – Peace River** fell 8.5% from one year ago to about 170,600. The unemployment rate increased to 10.3%. The Town of Banff brought in a number of new bylaws and health measures as it copes with the second highest number of COVID-19 cases per capita in Alberta. These include reducing restaurant capacity by 50%, requiring liquor and cannabis stores to close by 10pm and expanding the outdoor area where masks must be worn.¹⁵ Parks Canada is also taking measures to limit the spread within Banff National Park. These include closing the in-person visitor centres in Banff and Lake Louise and the Cave and Basis National Historic Site as well as closing the Bow Valley Parkway to public traffic. However, layoffs are expected to take place.¹⁶

Employment in the **Red Deer** region was approximately 102,000, down 8.7% from one year ago. Meanwhile, the unemployment rate jumped to 10.4%. The City of Red Deer has delayed recreation and culture programs registration until next year, amid a rise in active COVID-19 cases and new enhanced public health measures. Pending no more restrictions, it is expected that registration and programming will start in January 2021.¹⁷

To the north-east, employment in **Wood Buffalo – Cold Lake** fell 5,500 (-6.9%) year-over-year and the unemployment rate increased to 8.8%. Three Nations Energy, a joint venture of the Mikisew Cree First Nation, Athabasca Chipewyan First Nation and the Fort Chipewyan Métis Association, celebrated the opening of its solar farm near Fort Chipewyan. The solar farm will supply the remote community with about 25% of its energy needs, replacing 800,000 litres of diesel a year. The project is also being celebrated as the largest Indigenous-owned solar facility in Canada. Three Nations Energy doesn't plan to stop with the solar farm. The company is looking to add a wood-fuel heating business and sustainable hydroponics food production in the community.¹⁸

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 1.6%. In November, the unemployment rate was 10.4%, up 3.7 percentage points from last year. The city's film industry will be getting a boost. The latest installment of 1980s puppet TV series, *Fraggle Rock*, will be filmed entirely at the Calgary Film Centre. Sets are currently being built, with cameras expected to roll in mid-January. At this time, it is not known how many local workers will be hired, but it is expected that the major production will be in town until late May or early June 2021.¹⁹

In **Edmonton**, approximately 754,600 people were employed in November, down 6.5% from one year ago. The unemployment rate jumped 3.6 percentage points year-over-year to 10.6%. 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.²⁰

***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 Government of Alberta, Enhanced public health measures; 2020. Accessed December 4, 2020 <https://www.alberta.ca/enhanced-public-health-measures.aspx#toc-4>

² New York Times, Canada coronavirus map and case count; December 4, 2020. Accessed December 4, 2020 <https://www.nytimes.com/interactive/2020/world/canada/canada-coronavirus-cases.html>

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 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>

⁵ Government of Alberta, Essential Services; 2020. Accessed April 16, 2020 <https://www.alberta.ca/essential-services.aspx>

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>

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¹¹ Statistics Canada, Retail trade sales by province and territory (x 1,000); August 21, 2020. Accessed September 4, 2020 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2010000801>

¹² Government of Alberta, Enhanced public health measures; 2020. Accessed December 6, 2020 <https://www.alberta.ca/enhanced-public-health-measures.aspx>

¹³ CTV News, More than 20 per cent of Calgary's downtown office space is vacant: CBRE; September 30, 2020. Accessed December 6, 2020 <https://calgary.ctvnews.ca/more-than-28-per-cent-of-calgary-s-downtown-office-space-is-vacant-cbre-1.5127020#:~:text=CALGARY%20%2D%20Calgary%20is%20leading,27%20per%20cent%20last%20quarter.>

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