



Labour Market Bulletin

Alberta

January 2021



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 New Year brought along a more positive direction for employment numbers. After falling for two consecutive months, Alberta added 20,800 (+1%) jobs in January. Part-time employment fared better, increasing by 5.4% while full-time employment fell slightly. Employment was within 3.5% (-78,300) of employment one year ago when the first COVID-19 case was detected in Canada, well above the pace of the national recovery as Ontario and Quebec reported the largest job losses since April.¹

New and active cases of COVID-19 fell significantly through December and January following additional restrictions in November that ended dine-in service at restaurants; closed gyms, hair salons and other personal services; and limited retail capacity. In response to this positive trend, the provincial government will begin easing restrictions on February 8, when restaurants will be allowed to resume in-person service and gyms will be allowed to open with strict safety measures. The phased re-opening will be gradual, and largely based on the number of people hospitalized with COVID-19.²

Alberta Monthly Labour Force Statistics

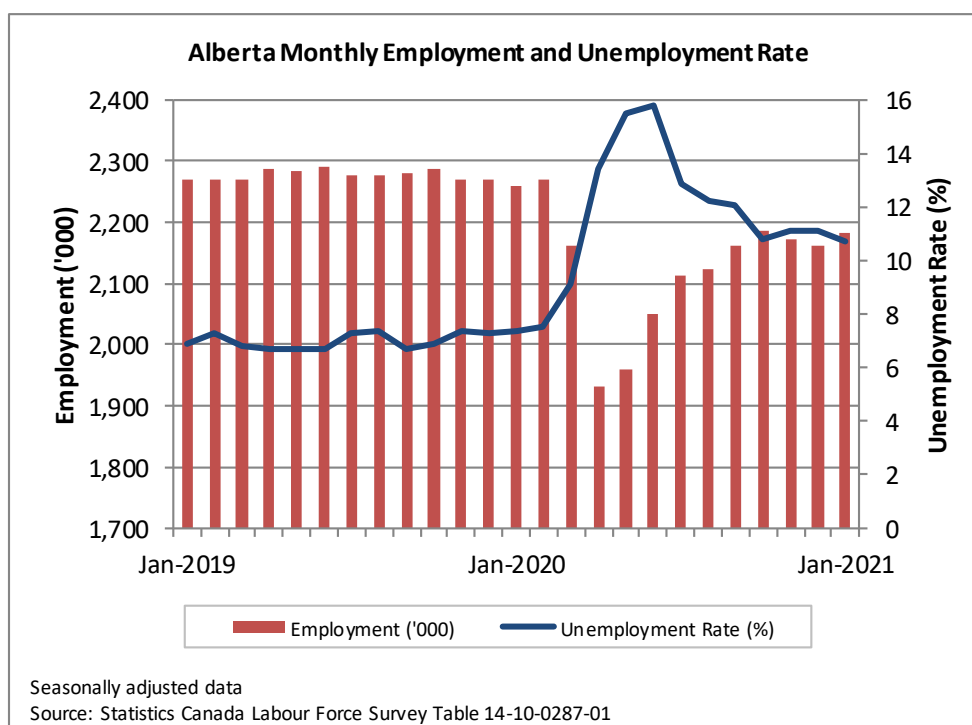
Seasonally Adjusted Monthly Data	January 2021	December 2020	January 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,527.7	3,524.9	3,487.0	2.8	0.1	40.7	1.2
Labour Force ('000)	2,444.1	2,430.1	2,442.8	14.0	0.6	1.3	0.1
Employment ('000)	2,181.4	2,160.6	2,261.0	20.8	1.0	-79.6	-3.5
Full-Time ('000)	1,766.7	1,767.0	1,845.0	-0.3	0.0	-78.3	-4.2
Part-Time ('000)	414.7	393.6	415.9	21.1	5.4	-1.2	-0.3
Unemployment ('000)	262.7	269.5	181.9	-6.8	-2.5	80.8	44.4
Unemployment Rate (%)	10.7	11.1	7.4	-0.4	-	3.3	-
Participation Rate (%)	69.3	68.9	70.1	0.4	-	-0.8	-
Employment Rate (%)	61.8	61.3	64.8	0.5	-	-3.0	-

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 6,800 (-2.5%) in January. This decline, together with an expansion of the labour force, reduced the unemployment rate for the month. At 10.7%, the provincial unemployment rate was 3.3 percentage points higher than one year ago, and remained second highest nationally, behind only Newfoundland and Labrador.³

Of those employed in the province, there were approximately 165,600 people who had lost all or most of their typical hours worked in the January. While the number of people who have lost hours during the pandemic has fallen steadily through most of 2020, it is nearly 25% higher than what it was one year ago. The number of people who were not in the labour force also improved dramatically, from the low point in April. This resulted in Alberta's labour underutilization rate⁴ falling to 20% in January. While there has been an overall improvement in labour market conditions compared to March and April last year, the road to recovery will be a long one. The Conference Board of Canada predicts that employment levels in the province will not fully recover until early 2022.⁵



There was a significant difference in unemployment rates among visible minority groups (including Indigenous populations) and their non-visible minority counterparts in January. Visible minorities in Alberta had an unemployment rate of approximately 12.5% while people who were not Indigenous or a visible minority had a much lower unemployment rate of 10.7%.

Women under the age of 25 have been among the hardest hit by COVID-19, with employment falling for the fourth consecutive month and down nearly 18% from one year ago. Meanwhile, core aged women (25 to 54 years) and older women (55 years and over) are closer to or have exceeded their pre-pandemic employment levels one year ago, down 3.4% and up 3%, 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 27.3% while full-time employment increased by only 7.3%.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	January 2021 (%)	December 2020 (%)	January 2020 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	10.7	11.1	7.4	-0.4	3.3
25 years and over	8.9	9.0	6.4	-0.1	2.5
Men - 25 years and over	8.4	9.6	6.2	-1.2	2.2
Women - 25 years and over	9.6	8.3	6.7	1.3	2.9
15 to 24 years	22.3	24.6	13.9	-2.3	8.4
Men - 15 to 24 years	21.7	23.1	16.3	-1.4	5.4
Women - 15 to 24 years	23.2	26.0	11.4	-2.8	11.8

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, the goods-producing sector outperformed the services-producing sector, growing by 3.2%. Job growth in the services-producing sector was stagnant in January, only increasing by 0.2%.

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	January 2021	December 2020	January 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,181.4	2,160.6	2,261.0	20.8	1.0	-79.6	-3.5
Goods-producing sector	552.4	535.2	566.2	17.2	3.2	-13.8	-2.4
Agriculture	40.0	37.9	50.1	2.1	5.5	-10.1	-20.2
Forestry, fishing, mining, quarrying, oil and gas	139.5	137.1	134.8	2.4	1.8	4.7	3.5
Utilities	23.5	22.9	23.0	0.6	2.6	0.5	2.2
Construction	226.5	211.2	223.3	15.3	7.2	3.2	1.4
Manufacturing	123.0	126.1	135.0	-3.1	-2.5	-12.0	-8.9
Services-producing sector	1,628.9	1,625.5	1,694.8	3.4	0.2	-65.9	-3.9
Trade	331.3	327.6	326.8	3.7	1.1	4.5	1.4
Transportation and warehousing	130.6	128.2	125.1	2.4	1.9	5.5	4.4
Finance, insurance, real estate and leasing	107.2	108.7	100.7	-1.5	-1.4	6.5	6.5
Professional, scientific and technical services	176.1	173.7	183.8	2.4	1.4	-7.7	-4.2
Business, building and other support services	73.4	66.5	71.7	6.9	10.4	1.7	2.4
Educational services	160.9	152.1	158.4	8.8	5.8	2.5	1.6
Health care and social assistance	305.8	302.5	293.7	3.3	1.1	12.1	4.1
Information, culture and recreation	59.3	63.0	77.4	-3.7	-5.9	-18.1	-23.4
Accommodation and food services	85.3	103.2	153.9	-17.9	-17.3	-68.6	-44.6
Other services	96.0	96.7	99.6	-0.7	-0.7	-3.6	-3.6
Public administration	103.2	103.3	103.9	-0.1	-0.1	-0.7	-0.7

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.⁶ Nevertheless, weak economic activity and persistent uncertainty weighed heavily on the sector.

The **resource extraction** industries (forestry, mining, and oil and gas) added 2,400 (+5.5%) jobs in January and was 3.5% higher compared to January 2020. The price of Western Canadian Select continued its rally and increased for the fourth consecutive month, averaging \$38.31 in January.⁷ Global oil prices are expected to continue their recovery in 2021 as excess supply from last year is used and countries increase their economic output.⁸ Total oil production in Alberta has also been steadily increasing since the low point in May, and in December (the most recent data available) was 1.8% higher than production levels one year ago. The recent recovery was not enough to offset the drop in production earlier in the year; total production in 2020 was down 5.1% from 2019.⁹

In December, the province suspended the production curtailment policy, allowing companies to increase their production without the constraint of quotas, once the market is favourable. However, oil production is not expected to surpass the average production in 2019 until late 2022. This means that producers are unlikely to exceed current pipeline export capacity as work on the Trans Mountain Expansion (TMX) and Enbridge Line 3 Replacement pipeline projects continue.¹⁰ However, in a blow to the province, President Biden issued an executive order cancelling the cross-border permit for the Keystone XL pipeline, in what is seemingly the final nail in the coffin for the project that has been battling regulatory hurdles and legal action for over a decade. Work on the Canadian portion of the pipeline began in 2020, on the assumption that the permit would remain in place after the presidential election in the United States. TC Energy, the company building the pipeline, has laid off approximately 1,000 employees working on the project.¹¹

In some positive news, it is expected that investment in Canadian oil and gas will increase by 12% in 2021 from the level last year. Western Canada should expect a bump of \$2 billion, signalling some needed stability in the energy sector.¹²

After a months of slow growth, employment in the **construction** industry increased significantly in January. Employment in the industry was up 15,300 (+7.2%) to 226,500. The industry has surpassed employment levels one year ago by 1.4%. However, before the pandemic hit, industrial construction, which is closely tied with the oil and gas industry, was suffering. As uncertainty increased and economic activity decreased through 2020, projects were cancelled or put on hold indefinitely. In addition to the cancellation of Keystone XL, Pembina's \$4.5 billion petrochemical project north of Edmonton has been suspended. The company, which owns a 50/50 stake in the project with Kuwait's Petrochemical Industries Co., cited significant risks arising from the ongoing pandemic, most notably with respect to costs, as a key factor in the suspension of the project.¹³

The suspension of the petrochemical facility will also hurt the **manufacturing** industry, where employment was down 12,000 (-8.9%) from one year ago. In a piece of good news, Calgary based Inter Pipeline is entering their final year of construction on Canada's first integrated propane dehydrogenation and polypropylene complex. Once complete, the \$4 billion project will turn propane into a high-value plastic used in the manufacturing of a wide range of products such as, consumer packaging, textiles and medical equipment. Operations are expected to begin early 2022.¹⁴

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 are among the most impacted by COVID-19 and the related restrictions. Rising case numbers and new restrictions caused employment across many industries to fall in January.

Employment in **wholesale and retail trade** increased by 3,700 (+1.1%) in January and was up 4,500 jobs compared to the same period one year ago. Retail sales fell significantly in March, April, and May when the government ordered non-essential businesses to close. After re-opening later in May, retail sales surged and surpassed the February pre-pandemic levels by July. In November, total retail sales came in at just over \$7.1 billion, up 7.5% from 2019. Not all retail stores have seen the same surge. Sales in clothing and accessory stores were down over 17%, and sales from gas stations were down nearly 15% as fewer people commute to work and

travel less in general. Meanwhile, sporting goods, hobby, book and music stores have seen a boost, with sales up 36% from last year as people looked to entertain themselves during a winter with prohibited social gatherings.¹⁵

Accommodation and food services continue to be among the industries most impacted by COVID-19. In January, employment fell by 17,900 (-17.3%) and had the largest year-over-year gap among industries (-44.6%). Restaurants, which have been closed for dine-in service since December 8, will be allowed to offer in-person service during the first phase of the province's plan for gradual reopening. After being closed for two months, this will be a breath of fresh air for many struggling business owners, who typically operate on thin profit margins. However, it will not be anywhere close to business-as-usual, as patrons will be limited to dine with only their immediate household, up to a limit of six people. In addition, bar sales must end by 10p.m. and restaurants must close by 11p.m.¹⁶

REGIONAL ANALYSIS

The statistics for the economic regions are not seasonally adjusted and should only be compared on a year-over-year basis. Employment is sometimes influenced by seasonal and calendar effects occurring at the same time and with the same magnitude every year, which can bring about changes in the data that make monthly comparisons difficult.

In January, employment was down in every economic region. Camrose - Drumheller fared the worst with employment falling by 20.7% on a year-over-year basis. Meanwhile, Calgary managed the best, with employment down only 1.7%.

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	January 2021 ('000)	January 2020 ('000)	Yearly Variation (%)	January 2021 (%)	January 2020 (%)	Yearly Variation (% points)
Alberta	2,160.4	2,256.6	-4.3	10.6	7.1	3.5
Economic Regions						
Lethbridge - Medicine Hat	133.4	144.2	-7.5	11.4	4.6	6.8
Camrose - Drumheller	80.3	101.3	-20.7	10.0	5.2	4.8
Calgary	856.4	871.3	-1.7	10.3	7.0	3.3
Banff - Jasper - Rocky Mountain House and Athabasca - Grand Prairie - Peace River	172.6	180.6	-4.4	9.9	6.6	3.3
Red Deer	99.3	104.5	-5.0	9.1	7.9	1.2
Edmonton	748.7	781.6	-4.2	11.5	8.1	3.4
Wood Buffalo - Cold Lake	69.6	73.2	-4.9	9.4	5.4	4.0

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0387, formerly CANSIM 282-0122

In January, employment in **Lethbridge-Medicine Hat** was 113,400 and the unemployment rate came in at 11.4%, up 6.8 percentage points from last year. Although employment in the private sector has been disproportionately impacted, the public sector has not been immune to job losses. The Medicine Hat Fire Service is looking to find cost reduction opportunities that could lead to a reduction in the number of firefighters on staff. The number of

potential jobs lost and the timeline for when they might happen was not yet been disclosed.¹⁷ In addition, Medicine Hat College has cut two and a half full-time positions (three people), and between eight and 10 people in part-time and contract positions, due to the recent cancellation of provincial government grant funding.¹⁸

Year-over-year employment in **Camrose – Drumheller** fell by approximately 21,000 (-20.7%) in January to 80,300. The unemployment rate was 10% and would have been higher if it wasn't for the nearly 18,000 people that left that labour force.

Banff – Jasper – Rocky Mountain House and Athabasca – Grande Prairie – Peace River was not spared by the impacts of COVID-19 on the labour market. In the January, employment fell 8% from last year to approximately 172,600. The unemployment rate also jumped to 9.9%. In a piece of good news, work to get the new Grande Prairie Regional Hospital commissioned and operational is well underway. Once it is open later this year, the hospital is expected to add 500 new positions for a total of 1,500 health care workers in the area.¹⁹

Employment in the **Red Deer** region was approximately 99,300, down 5% from one year ago. Meanwhile, the unemployment rate jumped to 9.1%. Red Deer County approved a developer permit for a new agricultural supply depot to be opened by Cervus Equipment. The new business would provide sales and service for agricultural equipment and will be located on a 13-acre site once home to a seed cleaning plant.²⁰

To the north-east, employment in **Wood Buffalo – Cold Lake** was 3,600 (-5%) lower on a year-over-year basis to 69,600. The unemployment rate increased to 9.4%. The region is home to the majority of the province's oil production operations, which has been struggling to contain COVID-19. As of January 27, there were eleven sites listed on the provincial outbreak list.²¹

Employment in the **Calgary** region was the closest to the pre-pandemic level one year ago, down by only 1.7% to 856,400. In January, the unemployment rate was 10.3%, up 3.3 percentage points from last year. In an additional blow to the city and oil and gas industry, Cenovus is planning to lay off upwards of 2,000 employees after closing the deal on the \$3.8 billion acquisition of Husky Energy; most of jobs are located in Calgary. The first round of layoffs is expected in early February with more to follow in later in February and March.²²

In **Edmonton**, approximately 748,700 people were employed in January, down 4.2% from one year ago. Recent announcements held a couple of good news items for the area. Jobber, an Edmonton-based technology company, plans to hire 200 more staff over the next year following a US\$60M funding investment.²³ In addition, Edmonton-based Flair Airlines has added 13 Boeing 737 Max 8 aircrafts to their fleet, in a move contrary to other carriers that are cutting routes and workforces due to pandemic related challenges. Once leisure travel is encouraged again, the ultra low-cost carrier will be prepared to offer an expanded network across Canada.²⁴

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 14-10-0287-03 Labour force characteristics by province, monthly, seasonally adjusted; February 5, 2021. Accessed February 5, 2021 <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410028703>

² Government of Alberta, Stronger public health measures; 2021. Accessed February 1, 2021 <https://www.alberta.ca/enhanced-public-health-measures.aspx>

³ Statistics Canada, Table 14-10-0287-03 Labour force characteristics by province, monthly, seasonally adjusted; February 5, 2021. Accessed February 5, 2021 <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410028703>

⁴ 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.

⁵ The Conference Board of Canada, Pandemic leads to leaner industries, fewer workers: Alberta's two-year outlook – December 2020; January 11, 2021. Accessed February 1, 2021 <https://www.conferenceboard.ca/e-library/abstract.aspx?did=10960>

⁶ Government of Alberta, Essential Services; 2020. Accessed April 16, 2020 <https://www.alberta.ca/essential-services.aspx>

⁷ Selected Crude Oil Prices – Monthly, Kent Group Ltd.; 2021. Accessed February 1, 2021 <https://charting.kentgroupltd.com/>

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⁹ Alberta Energy Regulator, ST3: Alberta Energy Resource Industries Monthly Statistics; January 27, 2021. Accessed February 1, 2021 <https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st3>

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