



Labour Market Bulletin

Alberta

October 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 Province of Alberta introduced a proof of vaccine program which allowed many non-essential business to opt into to being exempt from the strict public health orders announced on September 20. Businesses such as restaurants, fitness centres, and entertainment venues were allowed to operate normally (except for mandatory masking) if they required patrons to present proof of vaccination or a negative COVID-19 test.

After rising for three consecutive months, employment slipped slightly in October (-9,000; -0.4%). A gain in full-time employment (+9,500) was offset by a decline in part-time employment (-18,500). In a piece of good news, the number of people who worked less than half of their usual hours fell by 26,100 (-22.7%) in October.

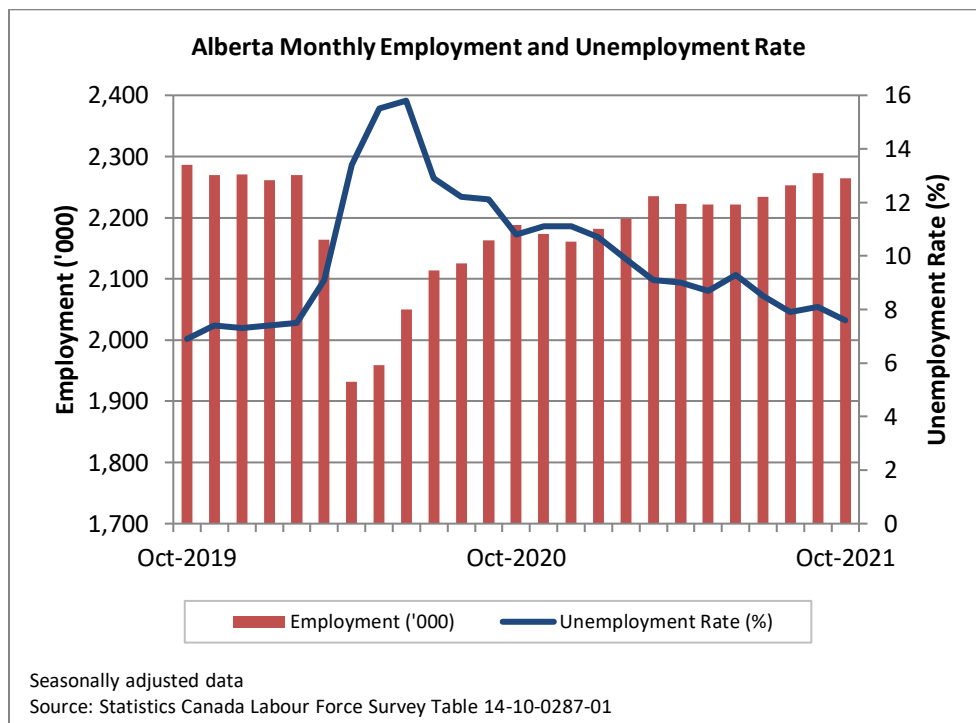
Despite this month's decline, employment has improved over the last year, adding 76,500 (+3.5%) jobs and bringing employment to just under its pre-pandemic (February 2020) level.

Alberta Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	October 2021	September 2021	October 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,556.1	3,550.2	3,518.7	5.9	0.2	37.4	1.1
Labour Force ('000)	2,449.8	2,474.0	2,453.1	-24.2	-1.0	-3.3	-0.1
Employment ('000)	2,263.9	2,272.9	2,187.7	-9.0	-0.4	76.2	3.5
Full-Time ('000)	1,852.7	1,843.3	1,764.5	9.4	0.5	88.2	5.0
Part-Time ('000)	411.1	429.6	423.2	-18.5	-4.3	-12.1	-2.9
Unemployment ('000)	185.9	201.2	265.5	-15.3	-7.6	-79.6	-30.0
Unemployment Rate (%)	7.6	8.1	10.8	-0.5	-	-3.2	-
Participation Rate (%)	68.9	69.7	69.7	-0.8	-	-0.8	-
Employment Rate (%)	63.7	64.0	62.2	-0.3	-	1.5	-

Note: Totals may not add due to rounding

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



The unemployment rate dropped in October by 0.5 percentage points (pp) to 7.6%. This is not the positive sign for the labour market that it appears to be, however. The decline was due to 24,200 people leaving the labour force between September and October, presumably because they were not optimistic about their prospects of finding employment. Nevertheless, the unemployment rate was the lowest recorded in Alberta since before the pandemic began, when it sat at 7.5% in February 2020. Still, it was 0.9 percentage points higher than the national unemployment rate, and the highest of all the Western provinces.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	October 2021 (%)	September 2021 (%)	October 2020 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	7.6	8.1	10.8	-0.5	-3.2
25 years and over	6.9	7.3	9.1	-0.4	-2.2
Men - 25 years and over	6.8	7.7	10.1	-0.9	-3.3
Women - 25 years and over	7.1	6.8	7.8	0.3	-0.7
15 to 24 years	12.1	13.7	21.9	-1.6	-9.8
Men - 15 to 24 years	15.7	19.7	23.1	-4.0	-7.4
Women - 15 to 24 years	8.4	7.0	20.6	1.4	-12.2

Note: Totals may not add due to rounding

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

The unemployment rate for young men (age 15 to 24) was 15.7% in October. Between September and October, young men had the largest decrease in the unemployment rate, down 4.0pp. However, this was due to 8,600 young men leaving the labour force—employment for young men was stagnant in October. At 15.7%, young men still had the highest unemployment rate of any demographic group.

Employment for young women increased in October, adding 2,700 (+1.8%) new jobs. However, the unemployment rate also increased to 8.4% (+1.4pp). This is not the bad news it seems, as it was due to an increase in the number of young women joining the labour force and actively looking for work.

For men and women 25 years of age and over, monthly changes in the unemployment rate were modest compared to their younger counterparts, with a 0.9pp drop for men and a 0.3pp increase for women. On an annual basis, the unemployment rate for women 25 years and over dropped by 0.7pp. The unemployment rate for men 25 years and over decreased by 3.3pp.

EMPLOYMENT BY INDUSTRY

Employment was stagnant in the **services-producing** sector, while employment in the **goods-producing** sector dropped (-9,300 or -1.7%) in October. On an annual basis, employment growth in the services-producing sector (+88,900 jobs or +5.4%) outpaced losses in the goods-producing sector (-12,700 jobs or -2.4%). The **trade** industry added the most jobs on a monthly basis, with an increase of 10,100 from September. Losses, meanwhile, were largest in the **accommodation and food services industries** on both a percentage (-7.7%) and an absolute basis (-10,000).

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	October 2021	September 2021	October 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,263.9	2,272.9	2,187.7	-9.0	-0.4	76.2	3.5
Goods-producing sector	526.4	535.7	539.1	-9.3	-1.7	-12.7	-2.4
Agriculture	33.2	35.5	36.9	-2.3	-6.5	-3.7	-10.0
Forestry, fishing, mining, quarrying, oil and gas	140.7	144.9	129.2	-4.2	-2.9	11.5	8.9
Utilities	18.8	19.7	24.5	-0.9	-4.6	-5.7	-23.3
Construction	213.5	214.6	219.7	-1.1	-0.5	-6.2	-2.8
Manufacturing	120.2	121.0	128.9	-0.8	-0.7	-8.7	-6.7
Services-producing sector	1,737.4	1,737.2	1,648.5	0.2	0.0	88.9	5.4
Trade	354.6	344.5	318.2	10.1	2.9	36.4	11.4
Transportation and warehousing	136.6	136.6	130.4	0.0	0.0	6.2	4.8
Finance, insurance, real estate and leasing	121.0	122.7	104.7	-1.7	-1.4	16.3	15.6
Professional, scientific and technical services	193.4	191.5	178.5	1.9	1.0	14.9	8.3
Business, building and other support services	71.6	69.0	72.5	2.6	3.8	-0.9	-1.2
Educational services	171.8	170.3	151.3	1.5	0.9	20.5	13.5
Health care and social assistance	299.6	299.6	298.3	0.0	0.0	1.3	0.4
Information, culture and recreation	70.0	71.2	74.9	-1.2	-1.7	-4.9	-6.5
Accommodation and food services	119.1	129.1	113.7	-10.0	-7.7	5.4	4.7
Other services	91.0	96.8	102.3	-5.8	-6.0	-11.3	-11.0
Public administration	108.8	105.9	103.7	2.9	2.7	5.1	4.9

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

While employment in the **resource extraction** industries (forestry, mining, and oil and gas) declined (-4,200 or -2.9%) in October, it was still up 8.9% compared to one year ago. Furthermore, it is the only goods-producing industry to have surpassed its pre-pandemic employment level, by 7.2%. The vast majority of Alberta's resource extraction jobs are related to the oil and gas extraction industry, which is particularly important to Alberta's economy. In 2020, despite the effect of the pandemic on oil prices, the oil and gas extraction industry generated approximately 25% of the provincial gross domestic product.¹ Alberta's economic recovery from COVID-19 is therefore largely dependent on the performance of the oil and gas extraction industry.

After their major crash due to the pandemic in early 2020, oil prices are moving in a positive direction: the price of Western Canadian Select has more than doubled over the past year, and increased by over 19% between September and October. It averaged US \$69.16 in October 2021.² With high prices came high production: total oil production over the first eight months of 2021 averaged 3.6 million barrels per day, the highest rate of production on record.³ Production in September (the most recent data available) was up by 12.8% on an annual basis.⁴ High levels of production require high takeaway capacity for oil to make it to market. The completion of the Line 3 pipeline in early October will help with this. By the end of October, the pipeline was expected to be operating at full capacity, carrying 760,000 barrels per day from Alberta to the United States.⁵

While monthly employment in **manufacturing** was down only 0.7% from September, the industry had the largest job losses of the goods-producing industries on an annual basis, with 8,700 fewer people employed compared to October 2020. There is still good news for the industry, however, as the Government of Alberta announced \$176M in funding through its Technology Innovation and Emissions Reduction (TIER) system and the federal Low Carbon Economy Leadership Fund for 16 projects.⁶ Most of the projects involve manufacturing to some extent. The Province expects the program to create up to 5,600 jobs, many of which will be in the manufacturing industry.

Seasonally adjusted employment in the **agriculture** fell by 6.5% (-2,300) in October, with losses concentrated in the animal production industry. Livestock producers in Alberta have faced and will continue to experience severe difficulties due to the drought conditions this past summer. The drought resulted in poor hay production, which in turn caused livestock feed shortages. As feed shortages are set to persist through the fall and into the winter months, the cost of feeding livestock has escalated. Many producers may be forced to cull their livestock if they cannot afford to feed them through the winter.⁷ There is help available to affected producers, as the Governments of Alberta and Canada are providing financial assistance through the 2021 Canada-Alberta Livestock Feed Assistance Initiative. As of November 5, the program had received 14,229 applications.⁸ The Canadian Federation of Agriculture is also supporting producers, through its Hay West initiative which involves shipping feed from the Maritime Provinces to drought-affected producers in the Prairies.⁹

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 among the most impacted during the height of COVID-19 related closures. While most industries have recovered or exceeded their pre-pandemic employment levels, others continue to struggle.

Accommodation and food services shed 10,000 jobs between September and October. This industry was one of the hardest hit initially by the COVID-19 pandemic and associated public health restrictions, and its recovery has progressed the slowest of any industry as public health restrictions have been periodically lifted and re-imposed over the past year and a half.

A recent labour shortage is further impeding the food service industry's recovery: as demand soars and labour supply is hindered by former workers' hesitation to return to an industry that was subject to frequent closures during the pandemic, restaurants have reported difficulties finding workers. In Restaurants Canada's third

quarter Restaurant Outlook Survey, 93% of respondents reported a shortage of workers, and half of all respondents reported significant staffing shortages.¹⁰

Alberta's accommodation and food services industry is recovering slowly compared both to other industries in Alberta, and compared to the national accommodation and food services recovery. Employment stood at 77.9% of its pre-pandemic level in October; meanwhile, employment in accommodation and food services nationally had recovered to more than 83% of its pre-pandemic level.

Though employment in the **transportation and warehousing** industry was stagnant between September and October, it has grown 4.8% since last year (+6,200). There is more good news on the horizon, as several airlines have announced extensive plans to restart their flight schedules in light of an improved COVID-19 situation. Calgary-based WestJet is restoring service to over 95 destinations this winter, including four new international routes from Edmonton and one from Calgary.¹¹ Flair Airlines is also expanding its schedule, and opening a base in Edmonton in December. Flair Airlines plans to offer multiple domestic and international flights from Edmonton, in addition to the flights to Edmonton that it currently provides.¹²

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.

Employment increased on an annual basis in nearly every economic region as the labour market has improved significantly since October 2020. **Camrose – Drumheller** had the largest employment gains, with 9.3% more people employed in October 2021 than in the same month last year. **Wood Buffalo – Cold Lake**, meanwhile, was the only economic region where employment decreased (-1.4%).

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	October 2021 ('000)	October 2020 ('000)	Yearly Variation (%)	October 2021 (%)	October 2020 (%)	Yearly Variation (% points)
Alberta	2,276.3	2,169.6	4.9	7.7	11.4	-3.7
Economic Regions						
Lethbridge - Medicine Hat	145.5	138.0	5.4	5.3	8.9	-3.6
Camrose - Drumheller	92.0	84.2	9.3	10.2	12.7	-2.5
Calgary	887.3	864.5	2.6	8.2	11.4	-3.2
Banff - Jasper - Rocky Mountain House and Athabasca - Grand Prairie - Peace River	175.9	170.7	3.0	7.1	10.9	-3.8
Red Deer	105.0	103.3	1.6	7.8	11.3	-3.5
Edmonton	799.5	737.0	8.5	7.7	11.8	-4.1
Wood Buffalo - Cold Lake	71.0	72.0	-1.4	6.2	10.0	-3.8

Note: Totals may not add due to rounding

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

Employment in **Lethbridge-Medicine Hat** increased by 5.4% on an annual basis in October. The regional unemployment rate dropped 3.6pp to 5.3%, by far the lowest rate of all Alberta's economic regions. In light of high demand for electricity, the City of Medicine Hat will conduct turbine maintenance at its main power plant one year ahead of schedule at a cost of \$3.2M. The City also plans to purchase and install new conversion equipment valued at \$4.0M.¹³

Year-over-year, employment in **Camrose – Drumheller** was up by 9.3%, the largest annual increase among economic regions. Although the unemployment rate was 10.2%, the highest of all Alberta's economic regions, it was 2.5pp lower than last October's rate. Furthermore, the number of people working or actively looking for work increased by 6.1% since last year, the most of any region. There was also good news for region's construction industry last month, as Versorium Energy Ltd. plans to build and operate a natural gas power plant near Kitscoty. Construction could start in spring 2022 with site work starting late this fall, pending regulatory approval. The construction phase is expected to create between 30 and 40 jobs.¹⁴

Banff – Jasper – Rocky Mountain House and **Athabasca – Grande Prairie – Peace River** had relatively small annual employment gains, at 3.0%. The unemployment rate dropped by 3.8pp to a relatively low 7.1%. As tourism returns to the Rocky Mountain region, the Province of Alberta is once again hiring for and investing in recreation in the area. The Province is spending \$15M for recreational infrastructure in Kananaskis Country, including upgrades to the Canmore Nordic Centre, the William Watson Lodge, and the Yamnuska Trail. The infrastructure spending is expected to create more than 330 direct jobs. The Province has also hired 20 additional conservation officers and created 32 new seasonal positions in the area.¹⁵

The unemployment rate in **Red Deer** was very close to the provincial-wide rate, at 7.8%. Year-over-year employment levels, however, have increased much less in the region than in Alberta as a whole (+1.6% compared to +4.9%). In an exciting piece of news about the construction and manufacturing industries in the region, More Than Protein Ingredients Ltd. has broken ground on its new \$100M pea protein processing plant near Bowden. The project is expected to create about 120 jobs during construction and 50 to 60 full-time jobs once production begins in fall 2023.¹⁶

To the north-east, employment in **Wood Buffalo – Cold Lake** decreased by 1.4% on an annual basis, though the unemployment rate still decreased. At 6.2%, it was the second lowest in the province. This is in part due to the 4,200 people who left the region's labour force since October 2020. Much of Alberta's oil and gas production is located in the Wood Buffalo – Cold Lake economic region, and the sector is reporting a shortage of workers. The tight labour market has prompted some companies to offer referring bonuses or other incentives to attract workers. The oil sands' upcoming maintenance season in early 2022 may be compromised by a lack of workers if the labour shortage persists.¹⁷

Calgary had relatively small annual employment gains, at 2.6%, and the unemployment rate was the second-highest of all Alberta's economic regions, at 8.2%. In upcoming major project news, construction on the Springbank Off-Stream Reservoir is scheduled to start in early 2022. The reservoir will provide flood protection along the Elbow River in Calgary and other downstream communities as part of an overall flood mitigation system. It will accommodate water volumes equal to those that caused the catastrophic flooding on the Elbow River in 2013.¹⁸

Employment in **Edmonton**, was up 8.5% from one year ago. The unemployment rate declined by 4.1pp from October 2020, to 7.7%. There was major news for Edmonton's manufacturing industry in October, when Dow, a US-based multinational chemical corporation, announced plans to build an ethylene and polyethylene complex at its Fort Saskatchewan facility. The project, which still needs to pass board and regulatory approval, would convert emitted gas into hydrogen fuel, and triple the site's ethylene and polyethylene production.¹⁹ There will likely be many more hydrogen projects announced for the province in the near future; the Alberta Government recently released its Hydrogen Roadmap, a plan to increase the production and use of hydrogen in Alberta.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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