



# Labour Market Bulletin

Alberta

March 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

March marked both the anniversary of the declaration of COVID-19 as a pandemic by the World Health Organization and the virus's arrival in Alberta. Over the year, the on-and-off public health restrictions needed to battle COVID-19 have led to a long economic recovery process as employment crept back toward its pre-pandemic level. Employment in the first quarter of 2021 (January, February, and March) averaged just over 2.2 million, nearly 31,000 (+1.4%) higher than the previous quarter. However, compared to the same time last year, employment was down by roughly 26,300 (-1.2%). Employment gains between quarters were split almost evenly between part-time (+1.1%), and full-time jobs (+1.5%).<sup>1</sup>

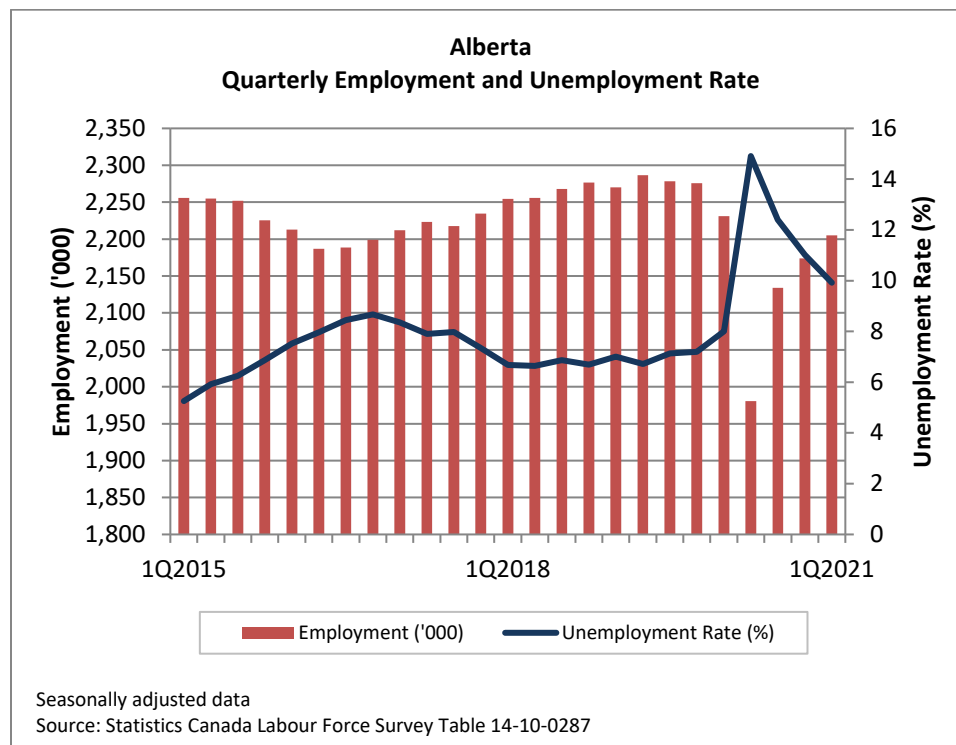
Alberta began to ease its public health measures during the first quarter. On February 8, the Province amended the orders to allow in-person restaurant dining to start again, as well as limited indoor fitness activity.<sup>2</sup> On March 8, Alberta further eased restrictions on retail, hotels and community halls, and various recreation activities.<sup>3</sup> As the quarter came to a close, however, variants of concern accounted for a high proportion of new COVID-19 cases in the province, prompting a return to stricter measures on April 6. The new restrictions include decreasing the capacity of retail stores and closing indoor dining at restaurants.<sup>4</sup> Data on the impacts of these restrictions on the labour market will not be available until the release of the April Labour Force Survey results in May.

## Alberta Quarterly Labour Force Statistics

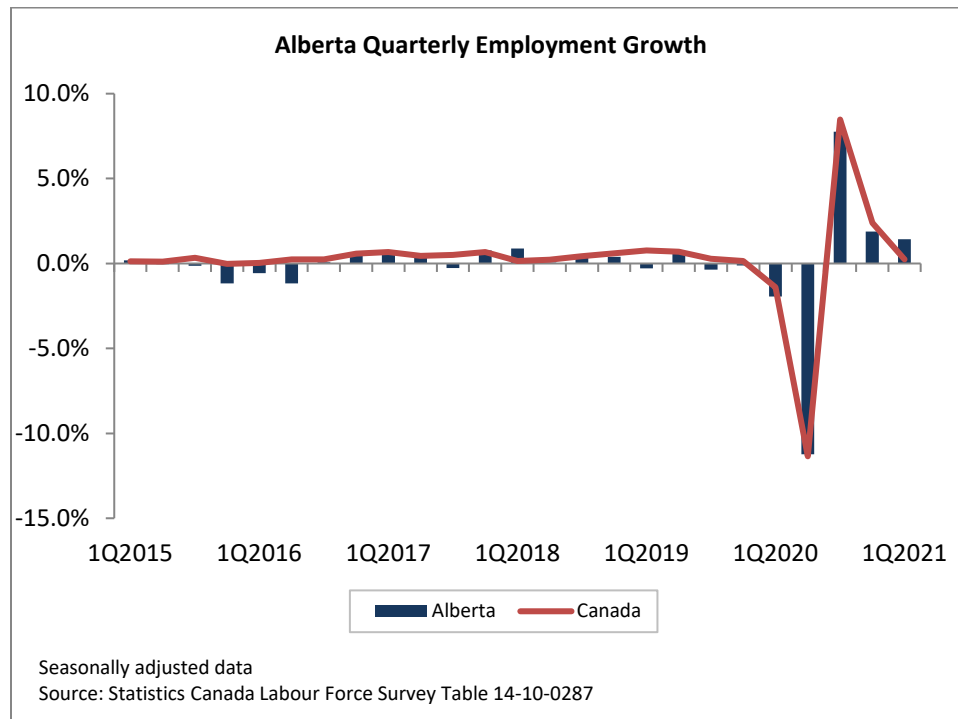
Seasonally adjusted data	1st Quarter 2021	4th Quarter 2020	1st Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,530.8	3,521.9	3,491.3	8.9	0.3	39.5	1.1
<b>Labour Force ('000)</b>	2,447.7	2,443.1	2,425.4	4.6	0.2	22.3	0.9
<b>Employment ('000)</b>	2,205.0	2,174.1	2,231.3	30.9	1.4	-26.3	-1.2
Full-Time ('000)	1,780.2	1,754.1	1,831.9	26.1	1.5	-51.7	-2.8
Part-Time ('000)	424.8	420.0	399.4	4.8	1.1	25.4	6.4
<b>Unemployment ('000)</b>	242.7	269.1	194.1	-26.4	-9.8	48.6	25.0
<b>Unemployment Rate (%)</b>	9.9	11.0	8.0	-1.1	-	1.9	-
<b>Participation Rate (%)</b>	69.3	69.4	69.5	-0.1	-	-0.2	-
<b>Employment Rate (%)</b>	62.5	61.7	63.9	0.8	-	-1.4	-

Note: Totals may not add due to rounding

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



Encouragingly, the number of people who were unemployed dropped by 26,400 (-9.8%) during the first quarter, while the labour force expanded slightly (+4,600). The quarterly unemployment rate fell 1.1 percentage points and averaged 9.9% over the first quarter. At 9.1%, the unemployment rate in March 2021 is exactly equal to what it was in March 2020 when the pandemic was declared. However, this unemployment rate is still higher than the pre-pandemic level of 7.5% in February 2020 and the third-highest in Canada, behind Newfoundland and Labrador and New Brunswick.



#### Alberta Quarterly Unemployment Rates, by Gender and Age

Seasonally adjusted data	1st Quarter 2021 (%)	4th Quarter 2020 (%)	1st Quarter 2020 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	9.9	11.0	8.0	-1.1	1.9
<b>25 years and over</b>	8.5	9.2	6.7	-0.7	1.8
Men - 25 years and over	8.4	9.9	6.5	-1.5	1.9
Women - 25 years and over	8.8	8.3	6.9	0.5	1.9
<b>15 to 24 years</b>	18.9	22.9	16.5	-4.0	2.4
Men - 15 to 24 years	19.2	22.7	18.4	-3.5	0.8
Women - 15 to 24 years	18.6	23.1	14.6	-4.5	4.0

*Note: Totals may not add due to rounding*

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

The most significant decline in unemployment rates during the first quarter was among young women (ages 15 to 24), for whom the unemployment rate dropped 4.5 percentage points. This may be partly due to a rebound in the accommodation and food services industry where women, particularly young women, make up a large proportion of employees. However, the unemployment rate for young women remains 4 percentage points above what it was one year ago in Q1 2020. In contrast, the unemployment rate for young men aged 15 to 24 was only up 0.8 of a percentage point year-over-year. Among men and women 25 years of age and over, changes from a year ago were equal, with both groups having a 1.9 percentage point increase in unemployment rates.

## EMPLOYMENT BY INDUSTRY

Employment in the goods-producing sector expanded more than in the services-producing sector, with quarterly increases of 2.0% and 1.2%, respectively. However, the goods-producing centre was down -3.6% annually, while the services-producing sector was only down -0.4%.

### Alberta Quarterly Labour Force Statistics, by Industry

Seasonally adjusted data ('000)	1st Quarter 2021	4th Quarter 2020	1st Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,205.0	2,174.1	2,231.3	30.9	1.4	-26.3	-1.2
<b>Goods-producing sector</b>	549.1	538.2	569.4	10.9	2.0	-20.3	-3.6
Agriculture	39.4	37.8	48.9	1.6	4.2	-9.5	-19.4
Forestry, fishing, mining, quarrying, oil and gas	138.4	133.5	136.1	4.9	3.7	2.3	1.7
Utilities	24.1	23.4	23.6	0.7	3.0	0.5	2.1
Construction	226.1	217.9	224.9	8.2	3.8	1.2	0.5
Manufacturing	121.2	125.5	136.0	-4.3	-3.4	-14.8	-10.9
<b>Services-producing sector</b>	1,655.8	1,635.8	1,662.0	20.0	1.2	-6.2	-0.4
Trade	335.5	322.4	321.7	13.1	4.1	13.8	4.3
Transportation and warehousing	130.4	129.5	123.1	0.9	0.7	7.3	5.9
Finance, insurance, real estate and leasing	108.0	108.5	98.9	-0.5	-0.5	9.1	9.2
Professional, scientific and technical services	177.4	175.3	181.2	2.1	1.2	-3.8	-2.1
Business, building and other support services	74.7	66.4	72.0	8.3	12.5	2.7	3.8
Educational services	165.1	150.8	155.7	14.3	9.5	9.4	6.0
Health care and social assistance	308.1	299.7	291.1	8.4	2.8	17.0	5.8
Information, culture and recreation	59.5	70.3	73.2	-10.8	-15.4	-13.7	-18.7
Accommodation and food services	98.0	110.0	139.4	-12.0	-10.9	-41.4	-29.7
Other services	98.3	99.8	101.6	-1.5	-1.5	-3.3	-3.2
Public administration	100.7	103.2	104.3	-2.5	-2.4	-3.6	-3.5

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table T14-10-0355, 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. Nevertheless, weak economic activity and persistent uncertainty weighed heavily on the sector.

The **resource extraction** industries (forestry, mining, and oil and gas) added 4,900 (+3.7%) jobs in the first quarter, up 1.7% compared to one year ago. The price of Western Canadian Select averaged \$45.75 in Q1 2021, a 45% increase from the average price in Q4 2020.<sup>5</sup> After steadily increasing since a low point in May, total oil production in February (the most recent data available) was down 5.7% from production levels one year ago, following a drop of nearly 13.7% between January and February.<sup>6</sup> In the medium term, the employment outlook for oil and gas is uninspiring. The Conference Board of Canada forecasts that employment in this sector will

remain below 2019 levels until at least the end of 2025 as companies focus on workforce efficiency, meaning fewer workers producing the same level of output.<sup>7</sup>

Employment in the **construction** industry stood at approximately 226,100 in the first quarter, up from the previous quarter (+8,200 or +3.8%) and very close (+0.5%) to Q1 2020 levels. In other positive news, Buildforce Canada forecasts that Alberta will lead the western provinces in non-residential construction job growth, with an increase of 10% over the next five years.<sup>8</sup> Major construction spending by the Government of Alberta will also benefit the industry, with \$21B over three years expected to support roughly 90,000 new jobs.<sup>9</sup>

**Manufacturing** accounted for 121,200 jobs in the first quarter, down 4,300 (-3.4%) from the third quarter and 14,800 (-10.9%) on a year-over-year basis. Still, there is reason to be optimistic about the sector, as several new projects are planned for the province. Exro Technologies Inc., a clean technology company, is opening a new manufacturing facility in Calgary. The company expects to hire 50 new employees and start production at the facility by the end of 2022.<sup>10</sup> Meanwhile, Inter Pipeline is receiving \$408M in cash grants for its \$4B Heartland Petrochemical Complex under the Alberta Petrochemicals Incentive Program. The grant will be spread out over three years once the facility, which will employ over 300 people, becomes operational.<sup>11</sup>

### 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 recover but still remains below levels one year ago.

Employment in **wholesale and retail trade** increased by 13,100 (+4.1%) in the first quarter and was up by 13,800 jobs compared to Q1 2020, when closures in March 2020 significantly reduced employment in the industry. Though retail stores were allowed to increase their customer capacity from 15% to 25% on March 8, this change was rolled back as of April 7.<sup>12</sup> Nevertheless, retail sales have been fairly resilient through the pandemic; spending was down only 2.3% in 2020 compared to 2019, and if motor vehicles and gas stations are excluded, retail spending actually increased by 2.7%.<sup>13</sup> Gains in household net savings experienced during the pandemic may also boost retail sales in 2021.

**Accommodation and food services** continue to be among the industries most impacted by COVID-19. In the first quarter, employment fell by 12,000 (-10.9%) and had the largest year-over-year gap among all the industries (-29.7%). Indoor restaurant dining was allowed for most of the first quarter, after public health restrictions eased on February 8. Still, the industry remained far from business as usual; tables could seat up to six people, provided they are from the same household, and bars and restaurants had to end liquor sales at 10PM and close by 11PM.<sup>14</sup> After the updated public health restrictions came into effect on April 9, however, indoor dining is once again suspended in the province. The employment impacts of this development will be reflected in the April Labour Force Survey results, released in May.

## 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 quarterly comparisons difficult.

In the first quarter, employment was down in every economic region except **Red Deer** and **Edmonton**, which both saw employment gains of around 1.7%. **Camrose - Drumheller** fared the worst with employment falling by 15.7% on a year-over-year basis. Despite the bleak statistics, there are signs of improvement. Compared to the fourth quarter, the rates of year-over-year declines shrank in six out of the seven economic regions. **Lethbridge - Medicine Hat** was the only economic region that saw its yearly variation stay roughly the same in Q1 2021 and Q4 2020, at -8.4% and -8.3% respectively.

**Alberta Quarterly Labour Force Statistics, by Economic Region**

Seasonally unadjusted data	Employment			Unemployment Rate		
	1st Quarter 2021 ('000)	1st Quarter 2020 ('000)	Yearly Variation (%)	1st Quarter 2021 (%)	1st Quarter 2020 (%)	Yearly Variation (% points)
<b>Alberta</b>	2,176.1	2,203.0	-1.2	10.5	8.3	2.2
<b>Economic Regions</b>						
Lethbridge - Medicine Hat	129.6	141.5	-8.4	9.5	5.3	4.2
Camrose - Drumheller	85.3	101.2	-15.7	9.1	7.6	1.5
Calgary	838.2	841.7	-0.4	10.4	8.9	1.5
Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River	176.6	183.2	-3.6	10.0	7.2	2.8
Red Deer	106.1	104.4	1.6	10.2	10.9	-0.7
Edmonton	771.1	757.9	1.7	11.3	8.4	2.9
Wood Buffalo - Cold Lake	69.3	73.2	-5.3	9.1	6.4	2.7

Note: Totals may not add due to rounding

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

In the first quarter, **Lethbridge-Medicine Hat** shed nearly 12,000 jobs from Q1 2020, and the unemployment rate jumped to 9.5%. Large-scale construction projects continue to be a bright spot in the region. Construction is underway on the new \$70.5M Agri-food Hub and Trade Centre in Lethbridge. The project is expected to create nearly 400 construction jobs over the next 20 months, and up to 50 new, full-time permanent positions on completion in 2023.<sup>15</sup> Capital Power also has major construction plans in the region, having recently received regulatory approval to proceed with a \$257M expansion of its Whitla Wind Farm. Construction is set to begin in May.<sup>16</sup>

Year-over-year, employment in **Camrose – Drumheller** fell by approximately 15,900 (-15.7%) in the first quarter to 85,300. The unemployment rate was 9.1%, and would have been higher were it not for the approximately 15,600 people who left the region's labour force since March 2020. There is some good news for the region,

however, as Great Plains MDF announced plans to build an \$850M medium density fibre board mill in Kneehill County starting in 2021. The project is expected to generate at least 1,380 direct jobs and 1,900 indirect jobs.<sup>17</sup>

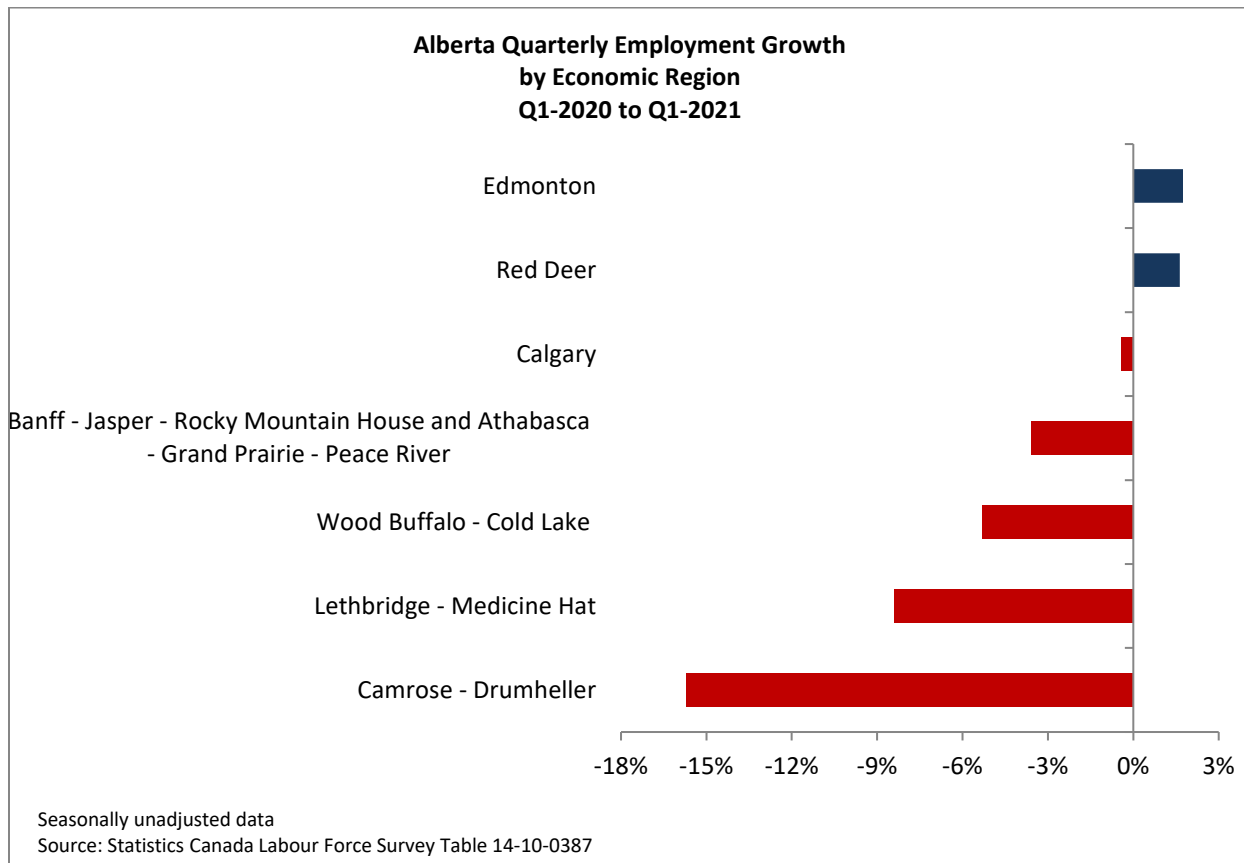
**Banff – Jasper – Rocky Mountain House and Athabasca – Grande Prairie – Peace River** saw employment fall 3.6% from last year to approximately 176,600. The unemployment rate also jumped by 2.8 percentage points to 10.0%. The region's resource extraction sector was dealt a blow when, in February, Bighorn Mining temporarily suspended operations at its Vista coal mine near Hinton and laid off 300 workers as it awaited a decision on its proposal to construct new tailings ponds.<sup>18</sup>

Employment in the **Red Deer** region was approximately 106,100, up 1.6% from one year ago. Meanwhile, the unemployment rate shrunk by 0.7 percentage points to 10.2%.

To the north-east, employment in **Wood Buffalo – Cold Lake** fell 3,900 (-5.3%) on a year-over-year basis and the unemployment rate increased by 2.7 percentage points to 9.1%. Construction on the new \$102 million, 108 bed Willow Square Continuing Care Centre in Fort McMurray was completed in January, and it is slated to open later this year. Alberta Health Services has started to install medical equipment and stock the facility with supplies to prepare for residents' arrival.<sup>19</sup>

Employment in the **Calgary** region saw little year-over-year change, with only a -0.4% drop in the first quarter of 2021. The unemployment rate was 10.4%, up 1.5 percentage points from last year. The city's oil and gas industry continues to face difficulties, as Cenovus Energy laid off an estimated 1,000 workers in March following its purchase of Husky Energy.<sup>20</sup> The office vacancy rate in the city is also a striking indicator of where the industry stands: in the fourth quarter of 2020, it set a new records at 26.9% in the downtown area and 24.1% overall.<sup>21</sup> However, increased office vacancy combined with the city's highly trained workforce could make Calgary an attractive location for companies in other sectors. Infosys, a major global IT company, is expanding to Calgary with a commitment of a minimum of 500 jobs over the next three years.

In **Edmonton**, approximately 771,100 people were employed in the first quarter, up 1.7% from one year ago. However, the unemployment rate still jumped 2.9 percentage points year-over-year to 11.3%, owing to a significant increase in the number of people in the region's labour force (+41,800). In a piece of good news, Chinese solar manufacturer WeFaces Technology Inc. plans to open its North American headquarters at Edmonton International's Airport City. The area's manufacturing sector will benefit from the company's plans to research, develop and produce advanced solar panel lighting systems starting this fall.<sup>22</sup>



**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](http://www.statcan.gc.ca)

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