



Labour Market Bulletin

Alberta

June 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 COVID-19 pandemic worsened in the early weeks of the second quarter as variant cases of the virus took hold in Alberta. As a result, public health restrictions were tightened twice, in late April and early May. Towards the end of the second quarter, however, case counts had come down significantly and public health restrictions were once again rolled back.

June marked the start of Alberta's Open for Summer Plan, a guideline for easing public health restrictions in the province. Stage 1 began on June 1; Stage 2, on June 10; and as of July 1, Stage 3 is in effect.¹ Under this latest stage, all public health restrictions are lifted, with the exception of quarantine and isolation requirements for those who have symptoms of, or have been exposed to COVID-19, and mask requirements in healthcare facilities and on public transit.² The June Labour Force Survey reflects labour market conditions during the week of June 13 to 19, so the effects of Stage 3 on the labour market will not be shown in the data until the release of the July survey in August.

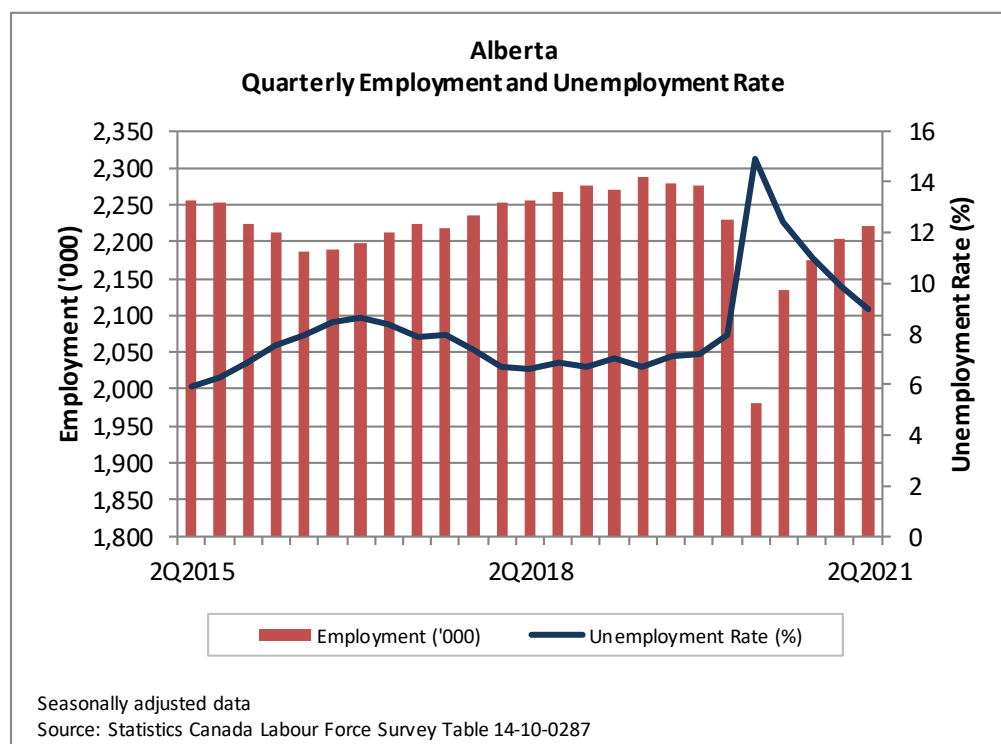
Employment in the second quarter of 2021 (April, May, and June) averaged around 2.22 million, representing an increase of 17,000 (+0.8%) jobs over the previous quarter. While full-time employment increased (+25,800 or +1.4%), part-time employment decreased (-8,800 or -2.1%).

Alberta Quarterly Labour Force Statistics

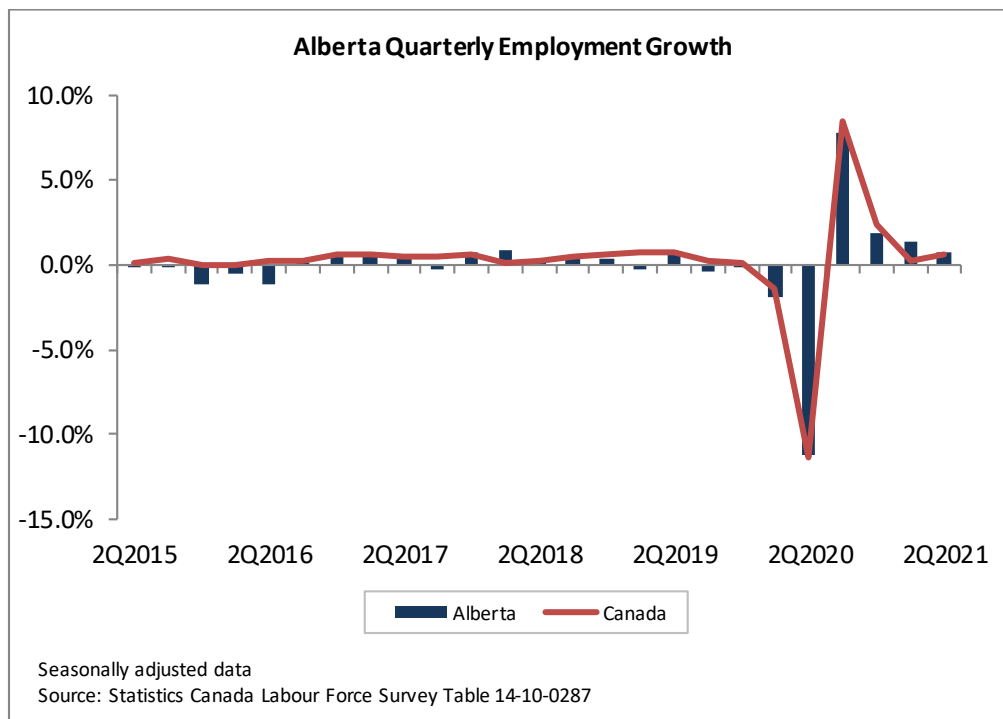
Seasonally adjusted data	2nd Quarter 2021	1st Quarter 2021	2nd Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,536.4	3,530.8	3,502.6	5.6	0.2	33.8	1.0
Labour Force ('000)	2,441.8	2,447.7	2,327.4	-5.9	-0.2	114.4	4.9
Employment ('000)	2,222.0	2,205.0	1,980.5	17.0	0.8	241.5	12.2
Full-Time ('000)	1,806.0	1,780.2	1,648.7	25.8	1.4	157.3	9.5
Part-Time ('000)	416.0	424.8	331.8	-8.8	-2.1	84.2	25.4
Unemployment ('000)	219.8	242.7	347.0	-22.9	-9.4	-127.2	-36.7
Unemployment Rate (%)	9.0	9.9	14.9	-0.9	-	-5.9	-
Participation Rate (%)	69.0	69.3	66.4	-0.3	-	2.6	-
Employment Rate (%)	62.8	62.5	56.5	0.3	-	6.3	-

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 22,900 (-9.4%) during the second quarter. The labour force shrunk slightly (-5,900), likely due to people exiting the labour force during the height of the third wave of the pandemic in April. On a monthly basis, however, the labour force actually expanded by 16,800 in June, as Alberta's economic reopening drew workers back to the job market. The quarterly unemployment rate fell 0.9 percentage points and averaged 9.0% over the second quarter. Though this is the lowest quarterly unemployment rate since the pandemic began, it is still higher than the Q1 2020 level (8.0%). Alberta is tied with Nova Scotia for the third-highest quarterly unemployment rate in Canada, behind Newfoundland and Labrador and Prince Edward Island.



Alberta Quarterly Unemployment Rates, by Gender and Age

Seasonally adjusted data	2nd Quarter 2021 (%)	1st Quarter 2021 (%)	2nd Quarter 2020 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
Total	9.0	9.9	14.9	-0.9	-5.9
25 years and over	7.8	8.5	12.6	-0.7	-4.8
Men - 25 years and over	7.6	8.4	13.0	-0.8	-5.4
Women - 25 years and over	8.1	8.8	12.1	-0.7	-4.0
15 to 24 years	16.8	18.9	30.7	-2.1	-13.9
Men - 15 to 24 years	19.3	19.2	29.8	0.1	-10.5
Women - 15 to 24 years	14.1	18.6	31.7	-4.5	-17.6

Note: Totals may not add due to rounding

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

Between the first and second quarters of 2021, young women had the most significant decline in the unemployment rate, dropping 4.5 percentage points (pp) for the second consecutive quarter. The unemployment rate for young women has improved the most of any group (-17.6pp) since the height of the pandemic's first wave in Q2 2020. Young men (aged 15 to 24) also saw significant improvement on an annual basis (-10.5pp). Among men and women 25 years of age and over, year-over-year changes have been smaller, with their unemployment rates decreasing -5.4pp and -4.0pp, respectively.

EMPLOYMENT BY INDUSTRY

Employment expanded slightly last quarter in both the goods-producing sector (+3,900 or +0.7%) and the services-producing sector (+13,200 or +0.8%). On an annual basis, the services-producing sector had larger employment gains than the goods-producing sector due to the significant retail, food service, and tourism closures during the first wave of the pandemic. The goods-producing sector was affected relatively less by public health restrictions, though weak economic activity still reduced employment. Employment in the services-producing sector in Q2 2021 was up 13.2% compared to the same quarter in 2020. By comparison, the goods-producing sector was up 9.2% on an annual basis.

Alberta Quarterly Labour Force Statistics, by Industry

Seasonally adjusted data ('000)	2nd Quarter 2021	1st Quarter 2021	2nd Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,222.0	2,205.0	1,980.5	17.0	0.8	241.5	12.2
Goods-producing sector	553.0	549.1	506.2	3.9	0.7	46.8	9.2
Agriculture	36.6	39.4	42.5	-2.8	-7.1	-5.9	-13.9
Forestry, fishing, mining, quarrying, oil and gas	142.3	138.4	126.2	3.9	2.8	16.1	12.8
Utilities	21.0	24.1	21.8	-3.1	-12.9	-0.8	-3.7
Construction	226.5	226.1	196.6	0.4	0.2	29.9	15.2
Manufacturing	126.6	121.2	119.2	5.4	4.5	7.4	6.2
Services-producing sector	1,669.0	1,655.8	1,474.3	13.2	0.8	194.7	13.2
Trade	331.7	335.5	273.2	-3.8	-1.1	58.5	21.4
Transportation and warehousing	122.3	130.4	108.0	-8.1	-6.2	14.3	13.2
Finance, insurance, real estate and leasing	116.5	108.0	104.2	8.5	7.9	12.3	11.8
Professional, scientific and technical services	184.1	177.4	162.1	6.7	3.8	22.0	13.6
Business, building and other support services	74.4	74.7	71.6	-0.3	-0.4	2.8	3.9
Educational services	171.2	165.1	138.1	6.1	3.7	33.1	24.0
Health care and social assistance	302.4	308.1	275.6	-5.7	-1.9	26.8	9.7
Information, culture and recreation	61.7	59.5	65.3	2.2	3.7	-3.6	-5.5
Accommodation and food services	107.7	98.0	87.2	9.7	9.9	20.5	23.5
Other services	97.7	98.3	87.9	-0.6	-0.6	9.8	11.1
Public administration	99.3	100.7	101.1	-1.4	-1.4	-1.8	-1.8

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 have weighed heavily on the sector.

The **resource extraction** industries (forestry, mining, and oil and gas) added 3,900 (+2.8%) jobs in the second quarter, and employment was up 12.8% compared to one year ago. Total oil production in May (the most recent

data available) was up 15.8% from the low point reached in May 2020.³ The price of Western Canadian Select averaged \$53.15 in Q2 2021, a 16.2% increase from the average price in Q1 2021.⁴ These strong oil prices have been instrumental in Alberta's ongoing economic recovery, but it isn't all good news for the sector. The Conference Board of Canada forecasts that oil and gas investment is likely to remain below its pre-pandemic level for the medium term, and employment in the sector will take until at least 2025 to recover to its pre-pandemic level.⁵

Employment in the **construction** industry stood at approximately 226,500 in the second quarter, roughly unchanged from the previous quarter. In major project news, Pembina Pipeline Corporation is reactivating its previously deferred Phase IX Peace Pipeline Expansion project. The project has a revised estimated cost of \$120M and is expected to be placed into service in the second half of 2022.⁶ Looking ahead, the Government of Canada has approved the \$509M NOVA Gas Transmission Ltd. Edson Mainline Expansion Project. The project will create up to 1,470 jobs during its construction,⁷ which the company anticipates will begin in Q3 2021.⁸

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 as public health restrictions have eased, but it still remains below pre-pandemic levels in most industries.

Employment in **wholesale and retail trade**, the largest employer of all the services-producing industries, increased by 58,500 (+21.4%) compared to Q2 2020, when closures during the first wave of the pandemic significantly reduced employment in the industry. Closures have since been replaced by limits on capacity, which stood between 15% and 25% for most of Q2 2021. When the data for the June labour force survey were collected, retail stores were limited under public health restrictions to 1/3 of their fire code capacity. As of July 1, retail stores may return to full capacity.⁹ The effect of this change will be reflected in the July labour force survey.

Accommodation and food services had the largest quarterly employment gains on both an absolute (+9,700 jobs) and percentage (+9.9%) basis. Restaurants are hiring again now that public health restrictions on the industry have eased. Outdoor dining has been allowed since June 1; indoor dining, since June 10; and as of July 1, there are no restrictions on capacity, table sizes, or who may dine together.¹⁰

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 second quarter, employment increased substantially on an annual basis in every economic region, as the labour market has improved significantly since Q2 2020 (the worst period of job losses in the pandemic). **Edmonton** had the largest employment gains on both an absolute and a percentage basis, with a remarkable 104,600 (+15.6%) more people employed in Q2 2021 than in the same quarter of 2020. The employment increase

in the Edmonton region accounts for over 43% of Alberta's total job gains, a disproportionate amount considering Edmonton contains less than 35% of the province's working-age population. Lethbridge – Medicine Hat, meanwhile, had the smallest employment gains. But, at +7.4% (+9,600), they are still substantial.

Alberta Quarterly Labour Force Statistics, by Economic Region

Seasonally unadjusted data	Employment			Unemployment Rate		
	2nd Quarter 2021 ('000)	2nd Quarter 2020 ('000)	Yearly Variation (%)	2nd Quarter 2021 (%)	2nd Quarter 2020 (%)	Yearly Variation (% points)
Alberta	2,232.4	1,992.6	12.0	9.0	14.9	-5.9
Economic Regions						
Lethbridge - Medicine Hat	139.9	130.3	7.4	5.7	9.8	-4.1
Camrose - Drumheller	101.3	93.2	8.7	6.5	12.8	-6.3
Calgary	851.0	774.5	9.9	9.1	15.1	-6.0
Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River	177.8	154.3	15.2	8.9	16.5	-7.6
Red Deer	112.3	101.2	11.0	10.2	13.6	-3.4
Edmonton	776.4	671.8	15.6	9.7	16.0	-6.3
Wood Buffalo - Cold Lake	73.6	67.5	9.0	6.6	11.5	-4.9

Note: Totals may not add due to rounding

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

Lethbridge-Medicine Hat gained 9,600 jobs (+7.4%) on an annual basis in Q2 2021. The regional unemployment rate dropped -4.1 percentage points (pp) to 5.7%, the lowest rate of all Alberta's economic regions. 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 jobs during construction, and up to 50 new, full-time permanent positions on completion in 2023.¹¹ Furthermore, work is underway for the \$65M Unit 17 power plant in Medicine Hat. The project is expected to be complete in early 2022.¹²

Year-over-year, employment in **Camrose – Drumheller** was up by 8,100 (8.7%). The unemployment rate was relatively low at 6.5%. In a major piece of news for the region, construction is underway on the \$700M Travis Solar Project in Vulcan County. The project is expected to create 500 jobs during construction and be fully operational by the end of 2022.¹³

Banff – Jasper – Rocky Mountain House and Athabasca – Grande Prairie – Peace River had the second largest employment gains in the province, at 15.2%. The unemployment rate dropped the most of any region, decreasing by -7.6pp to 8.9%. As public health restrictions in Alberta and neighbouring British Columbia are lifted, domestic tourism will return to Banff – Jasper – Rocky Mountain House. This will help the tourism-dependent region recover from the large employment losses it experienced during the pandemic, though the virtual absence of all international tourism will continue to weigh heavily.

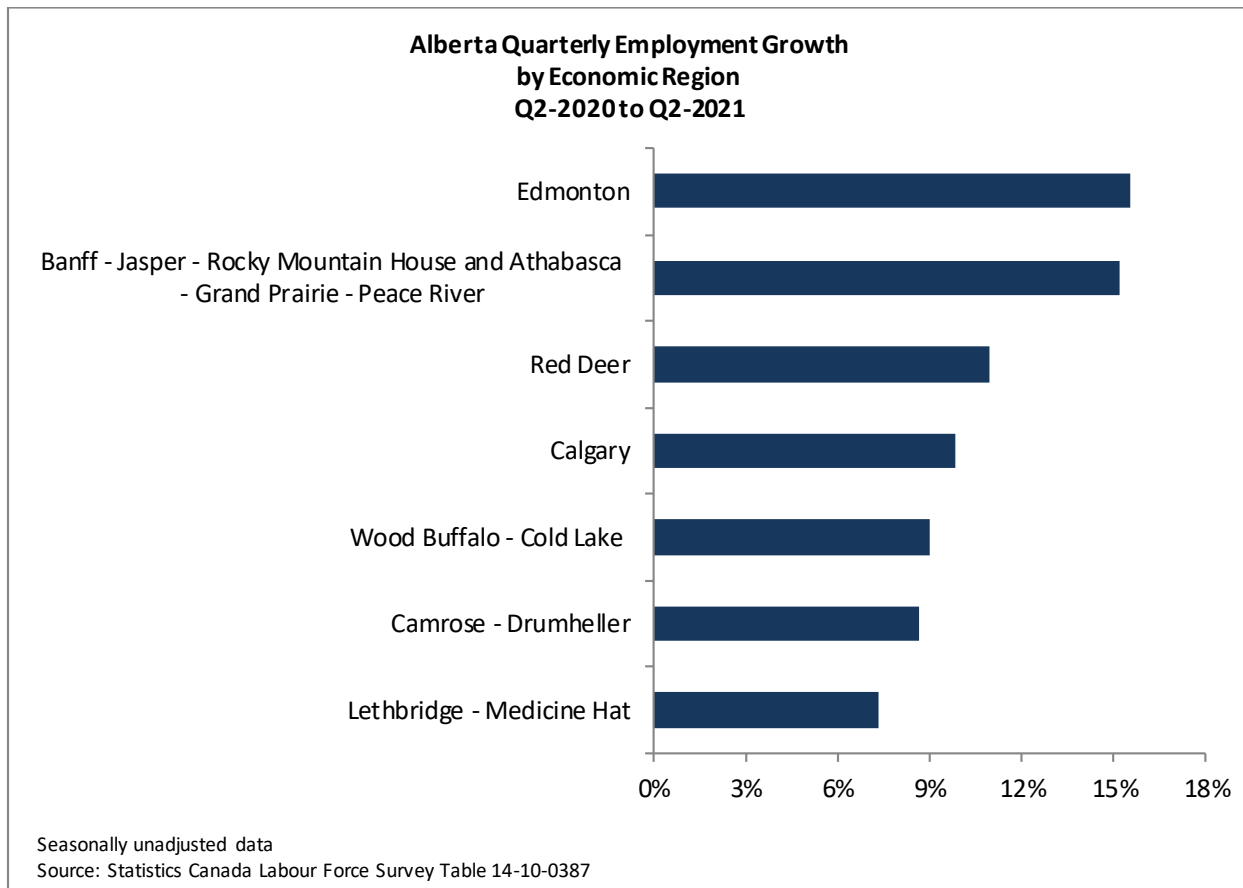
The unemployment rate in **Red Deer**, which was the highest of all Alberta's economic regions at 10.2%, has recovered the least of any region since last year, declining only -3.4pp since Q2 2020. Employment levels in the

region have increased only 11.0% since last year, while employment in Alberta as a whole increased 12.0%. In a piece of good news for Red Deer's economic recovery, TELUS is investing \$9M to bring 5G network speeds and new wireless infrastructure to the city.¹⁴

To the north-east, employment in **Wood Buffalo – Cold Lake** increased by 6,100 (+9.0%) on an annual basis, and the unemployment rate decreased by 4.9pp to a relatively low 6.6%. In more positive news for the region, work is underway on the Regional Municipality of Wood Buffalo's \$4.92M Franklin and Main Park Project in downtown Fort McMurray. The park is expected to be complete in fall 2021.¹⁵

Employment in the **Calgary** region increased by 9.9% on an annual basis. The unemployment rate was 9.1%, down -6pp from last year. There are a number of major construction projects planned for the city that are expected to create a large number of jobs. The ongoing \$62M expansion of the Vivo Centre is expected to create 320 jobs over the 18 to 20 months it is under construction.¹⁶ The BMO Centre expansion is underway and is expected to create 1,800 jobs during its construction, which is scheduled to finish in 2024.¹⁷ And finally, the City of Calgary is spending \$265M this year on critical infrastructure projects that are expected to create over 2,100 jobs.¹⁸

In **Edmonton**, approximately 776,400 people were employed in the second quarter, up 15.6% from one year ago. The unemployment rate declined by -6.3pp since last year, to 9.7%. While the return to normalcy after the COVID-19 pandemic is generally good for employment, it may negatively impact employment in settings that required increased staff numbers during the pandemic. For example, Edmonton Public Schools expects to cut 431 full-time equivalent positions next year, including 357 teachers, 85 support staff, and 37 maintenance positions. The staff were hired with \$38.5M in federal COVID-19 relief funds, and that money is not being renewed.¹⁹



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/cgi-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

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² Ibid.

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⁷ Government of Canada, NOVA Gas Transmission Ltd. – Edson Mainline Expansion Project; June 22, 2021. Accessed July 12, 2021. <https://mpmo.gc.ca/measures/nova-gas-transmission-ltd-%E2%80%93-edson-mainline-expansion-project/313>

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