



# Labour Market Bulletin

Alberta

August 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

Employment in August averaged around 2.25 million, an increase of 19,500 jobs (+0.9%) over the previous month. This is the first notable increase in employment since March 2021. The survey reflects labour market conditions for the week of August 15 to 21, which was shortly after Canada reopened its border with the United States to fully vaccinated recreational travellers on August 9, bringing a partial return of international tourism.<sup>1</sup>

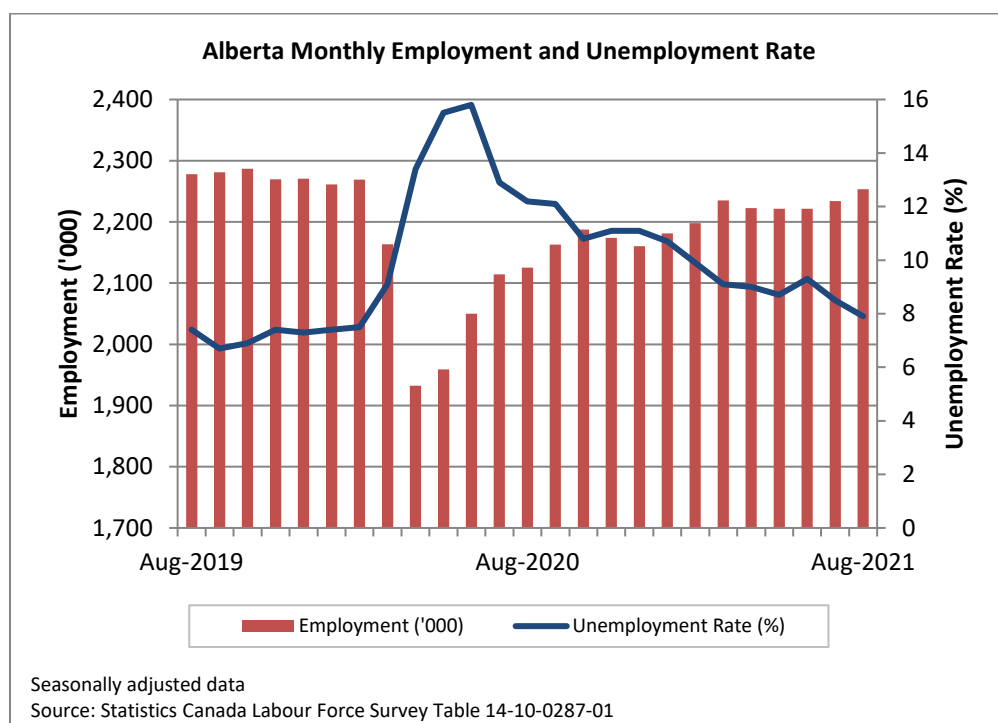
Both full-time and part-time employment increased in August, with full-time employment adding 16,300 jobs (+0.9%) and part-time employment adding 3,100 (+0.7%). Though total employment stood less than 16,000 jobs below its pre-pandemic (February 2020) level in August, it's important to note that there is also over a year and a half of lost job growth to make up for, beyond simply recovering to where job numbers stood before the pandemic.

### Alberta Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	August 2021	July 2021	August 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,545.5	3,540.8	3,511.8	4.7	0.1	33.7	1.0
<b>Labour Force ('000)</b>	2,446.7	2,442.2	2,421.7	4.5	0.2	25.0	1.0
<b>Employment ('000)</b>	2,253.3	2,233.8	2,125.2	19.5	0.9	128.1	6.0
Full-Time ('000)	1,817.5	1,801.2	1,724.7	16.3	0.9	92.8	5.4
Part-Time ('000)	435.7	432.6	400.5	3.1	0.7	35.2	8.8
<b>Unemployment ('000)</b>	193.4	208.4	296.5	-15.0	-7.2	-103.1	-34.8
<b>Unemployment Rate (%)</b>	7.9	8.5	12.2	-0.6	-	-4.3	-
<b>Participation Rate (%)</b>	69.0	69.0	69.0	0.0	-	0.0	-
<b>Employment Rate (%)</b>	63.6	63.1	60.5	0.5	-	3.1	-

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 August by 0.6 percentage points (pp) to 7.9%. This is entirely due to an increase in employment, as the size of the labour force was roughly unchanged between July and August. The unemployment rate is the lowest recorded in Alberta since before the pandemic began, when it sat at 7.5% in February 2020. Still, it was a 0.8 percentage points higher than the Canada-wide unemployment rate, and the highest of all the Western provinces.

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

Seasonally Adjusted Data	August 2021 (%)	July 2021 (%)	August 2020 (%)	Monthly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	7.9	8.5	12.2	-0.6	-4.3
<b>25 years and over</b>	6.9	7.7	9.9	-0.8	-3.0
Men - 25 years and over	6.6	7.3	10.8	-0.7	-4.2
Women - 25 years and over	7.1	8.2	8.8	-1.1	-1.7
<b>15 to 24 years</b>	14.7	13.9	26.8	0.8	-12.1
Men - 15 to 24 years	18.6	15.0	27.4	3.6	-8.8
Women - 15 to 24 years	10.5	12.7	26.2	-2.2	-15.7

*Note: Totals may not add due to rounding*

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

Between July and August, young women (age 15 to 24) had the most significant decrease in the unemployment rate, with a 2.2pp drop. The unemployment rate for young women has also improved the most of any group on an annual basis, with a 15.7pp decrease. Though young men have also seen a significant (-8.8pp) decrease in their unemployment rate since August of last year, their rate increased by 3.6pp on a monthly basis. The biggest job losses for this group were in the agricultural sector, where 3,200 fewer young men were employed in August than in July. Among men and women 25 years of age and over, year-over-year changes have been smaller than those of their younger counterparts, with their unemployment rates decreasing 4.2pp and 1.7pp, respectively.

## EMPLOYMENT BY INDUSTRY

Monthly employment gains in August were entirely concentrated in the services-producing sector (+26,300 or +1.6%). Meanwhile, the goods producing sector shed 6,700 jobs (-1.2%) between July and August. On an annual basis, employment in both sectors was up, by 3.5% in the goods-producing sector and 6.8% in the services-producing sector. Recent gains were larger in the services-producing sector due to the significant toll that public health restrictions took on employment in industries such as accommodation and food services over the past year. By comparison, the goods-producing industries were much less affected.

**Alberta Monthly Labour Force Statistics, by Industry**

Seasonally Adjusted Data ('000)	August 2021	July 2021	August 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,253.3	2,233.8	2,125.2	19.5	0.9	128.1	6.0
<b>Goods-producing sector</b>	539.8	546.5	521.5	-6.7	-1.2	18.3	3.5
Agriculture	34.0	36.0	37.7	-2.0	-5.6	-3.7	-9.8
Forestry, fishing, mining, quarrying, oil and gas	144.3	147.7	121.8	-3.4	-2.3	22.5	18.5
Utilities	19.3	17.3	22.3	2.0	11.6	-3.0	-13.5
Construction	219.7	220.6	218.1	-0.9	-0.4	1.6	0.7
Manufacturing	122.5	124.9	121.6	-2.4	-1.9	0.9	0.7
<b>Services-producing sector</b>	1,713.5	1,687.2	1,603.7	26.3	1.6	109.8	6.8
Trade	329.4	327.8	312.2	1.6	0.5	17.2	5.5
Transportation and warehousing	137.9	126.3	119.0	11.6	9.2	18.9	15.9
Finance, insurance, real estate and leasing	120.1	122.0	103.8	-1.9	-1.6	16.3	15.7
Professional, scientific and technical services	189.7	185.5	180.6	4.2	2.3	9.1	5.0
Business, building and other support services	68.5	72.3	71.9	-3.8	-5.3	-3.4	-4.7
Educational services	172.7	172.7	140.4	0.0	0.0	32.3	23.0
Health care and social assistance	295.0	292.3	287.4	2.7	0.9	7.6	2.6
Information, culture and recreation	71.8	65.4	74.8	6.4	9.8	-3.0	-4.0
Accommodation and food services	131.8	126.5	118.1	5.3	4.2	13.7	11.6
Other services	95.8	96.8	97.9	-1.0	-1.0	-2.1	-2.1
Public administration	100.9	99.8	97.7	1.1	1.1	3.2	3.3

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 considered essential and allowed 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) shed 3,400 jobs (-2.3%) in August, though employment was still up 18.5% compared to one year ago. Total oil production in July 2021 (the most recent data available) was up 17.9% from July 2020.<sup>2</sup> The price of Western Canadian Select fell by about 6% between

July and August, though it was still up nearly 59% from one year ago.<sup>3</sup> As a result of these relatively strong oil prices, capital spending in the industry has improved significantly: seasonally adjusted spending by oil and gas companies in the second quarter of 2021 was over 46% higher than it was in the same period of 2020. Still, oil and gas capital spending remains below pre-pandemic levels and it is unlikely to return to those levels in the short-term.<sup>4</sup>

Seasonally adjusted employment in the **agriculture** industry fell by 5.6% (-2,000) in August. Farmers and livestock producers in Alberta are facing severe difficulties due to the drought conditions seen this summer, with at least 18 municipalities having declared states of agricultural disaster.<sup>5</sup> According to the Alberta government's August 31 crop report (the most recent available), roughly half of the province's pasture is reported to be in poor condition, more than double the five-year average of 22.1%. Only 0.2% of pasture is rated as excellent, far below the five-year average of 10.8%.<sup>6</sup> This is a significant concern for the province's livestock producers who are struggling to feed their stock. In response, the 2021 Canada-Alberta Livestock Feed Assistance Initiative will provide \$340M of financial support to livestock producers to help cover feed and water costs.<sup>7</sup> The province's crop producers are also struggling, with only 19.4% of crops rated in good to excellent condition as of the August 24 crop report (the most recent crop quality data available). By comparison, the five-year average is 67.8%.<sup>8</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 among the most impacted during the height of COVID-19 related closures. In recent months employment has largely recovered as public health restrictions have eased.

**Information, culture and recreation** had the largest percentage increase in employment of any services-producing industry for the second consecutive month, at 9.8% (+6,400). This industry was severely impacted by COVID-19 restrictions which placed limitations or closures on travel, fitness activities, spectator sports, performing arts, and casinos. Now that these activities are once again allowed, the industry is recovering quickly. Still, information, culture and recreation has a ways to go in its recovery; as of August 2021, employment levels were 4% below those of August 2020 and even further below February 2020 (-11.5%).

Employment in **transportation and warehousing** increased significantly between July and August, adding the most jobs of any industry (+11,600). The industry also had the second-largest annual employment gains of all the service-producing industries, at 18,900 jobs (+15.9%). Decreased public health restrictions have allowed tourist-focused sub-sectors, such as the scenic and sightseeing transportation industry, to recover, contributing to the sector's large uptick in employment in August.

**Accommodation and food services** employment increased between July and August, adding 5,300 jobs (+4.2%). Restaurants began hiring again, since public health restrictions on the industry have been lifted. Since July 1, there are no restrictions on capacity, table sizes, or who may dine together, though as of September 4, alcohol services must end by 10 p.m.<sup>9</sup> Some restaurants have even reported difficulties finding workers, as demand soars and labor supply is hindered by former workers' hesitation to return to an industry that was subject to frequent closures during the pandemic. Employment in accommodation and food services remains the furthest below

pre-pandemic (February 2020) levels of all the service-producing industries. Employment stood at 86.2% of its pre-pandemic level in August.

## 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 substantially on an annual basis in every economic region, as the labour market has improved significantly since August 2020. **Edmonton** had the largest employment gains on both an absolute and a percentage basis, with an impressive 69,200 (+9.6%) more people employed in August 2021 than in the same month last year. **Red Deer**, meanwhile, had the smallest employment gains on a percentage basis at 3.6% (+3,700).

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

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	August 2021 ('000)	August 2020 ('000)	Yearly Variation (%)	August 2021 (%)	August 2020 (%)	Yearly Variation (% points)
<b>Alberta</b>	2,258.0	2,116.5	6.7	8.8	13.7	-4.9
<b>Economic Regions</b>						
Lethbridge - Medicine Hat	147.2	136.2	8.1	4.9	8.5	-3.6
Camrose - Drumheller	96.6	90.6	6.6	8.8	13.4	-4.6
Calgary	861.5	828.7	4.0	10.0	14.3	-4.3
Banff - Jasper - Rocky Mountain House and Athabasca - Grand Prairie - Peace River	179.2	163.9	9.3	7.5	12.3	-4.8
Red Deer	107.2	103.5	3.6	9.8	13.2	-3.4
Edmonton	792.9	723.7	9.6	8.4	14.3	-5.9
Wood Buffalo - Cold Lake	73.4	70.0	4.9	6.4	11.8	-5.4

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 11,000 jobs (+8.1%) on an annual basis in August. The regional unemployment rate dropped 3.6pp to 4.9%, by far the lowest rate of all Alberta's economic regions. With increasing vaccination rates and the reopening of the Canada-US border comes the gradual return of international and domestic tourism. In a display of their optimism for the upcoming tourist season, Castle Mountain Resort in southern Alberta is spending over \$1.5M on several major upgrades to its ski facilities, including lift and lodge upgrades, and the addition of more snow making equipment.<sup>10</sup>

Year-over-year, employment in **Camrose – Drumheller** was up by 6,000 (6.6%). The unemployment rate was 8.8%, 4.9pp lower than last August's rate. Much of Alberta's agricultural employment is concentrated in the Camrose – Drumheller region, which has suffered from the drought conditions seen this summer. The region's Wheatland County and Vulcan County have both declared agricultural disasters in response to the drought.<sup>11</sup>

**Banff – Jasper – Rocky Mountain House and Athabasca – Grande Prairie – Peace River** had the second largest employment gains in the province, at 9.3%. The unemployment rate dropped by 4.8pp to a relatively low 7.5%. In a major piece of news for the region, the Government of Canada has released its final decision on the Grassy Mountain Coal Project proposed for Crowsnest Pass: the project cannot proceed due to likely adverse environmental effects.<sup>12</sup>

The unemployment rate in **Red Deer**, which was relatively high at 9.8%, has recovered the least of any region since last year, declining only 3.4pp since August 2020. Employment levels have increased much less in the region than in Alberta as a whole (+3.6% compared to +6.7%). While the province's rural communities face an ongoing physician shortage, a new health centre recently opened in the Red Deer region, in Blackfalds. The clinic is still waiting for full-time doctors to join the family medical practice, though incentives for doctors to move to Blackfalds are in place.<sup>13</sup>

To the north-east, employment in **Wood Buffalo – Cold Lake** increased by 3,400 (+4.9%) on an annual basis, and the unemployment rate decreased by 5.4pp to 6.4%, the second lowest in the province. The region's labour market is so tight currently that a recent survey determined about a third of businesses in Wood Buffalo are struggling to recruit new staff. The highest position vacancy rate was in the food and accommodation services, where nearly one in five positions need to be filled.<sup>14</sup>

Employment in **Calgary** increased by 4.0% on an annual basis, the least of any region, and the unemployment rate was the highest of all Alberta's economic regions, at 10.0%. Nevertheless, Calgary continues to prove itself as a top destination for the technology sector in Canada. Waterloo-based software company Magnet Forensics recently announced plans to open an office in Calgary. Approximately 50 jobs will be created at the new office.<sup>15</sup>

In **Edmonton**, approximately 792,900 people were employed in August, up 9.6% from one year ago. The unemployment rate declined by 5.9pp since last year, to 8.4%. In another positive development for the city's thriving manufacturing sector, Labatt Breweries of Canada has completed expansion work on a production facility and warehouse in Edmonton. The facility is now able to produce a wider variety of products, and will increase its staff as a result.<sup>16</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.*

**Prepared by:** Labour Market Information (LMI) Directorate, Service Canada, Alberta

**For further information,** please contact the LMI team at: [http://www.esdc.gc.ca/cqi-bin/contact/edsc-esdc/eng/contact\\_us.aspx?section=lmi](http://www.esdc.gc.ca/cqi-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](http://www.statcan.gc.ca)

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