



# Labour Market Bulletin

Alberta

September 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 third quarter began on July 1, the same day that the Province of Alberta lifted nearly all COVID-19-related public health orders in the province under the third stage of its “Open for Summer” plan. This was the status quo for most of the quarter, until certain restrictions, including mandatory masking for all indoor public spaces, were reinstated on September 4 in light of record hospitalization and ICU admissions.

On September 15, the Province once again declared a public health emergency, and announced a new set of public health orders that took effect between September 16 and 20. In a major development, certain non-essential businesses were given the option of either complying with public health orders or joining the newly introduced Restrictions Exemption Program. The Program allows businesses to operate as normal, provided all patrons present either proof of vaccination, proof of a negative COVID-19 test taken within the previous 72 hours, or documentation of a valid medical exemption.<sup>1</sup>

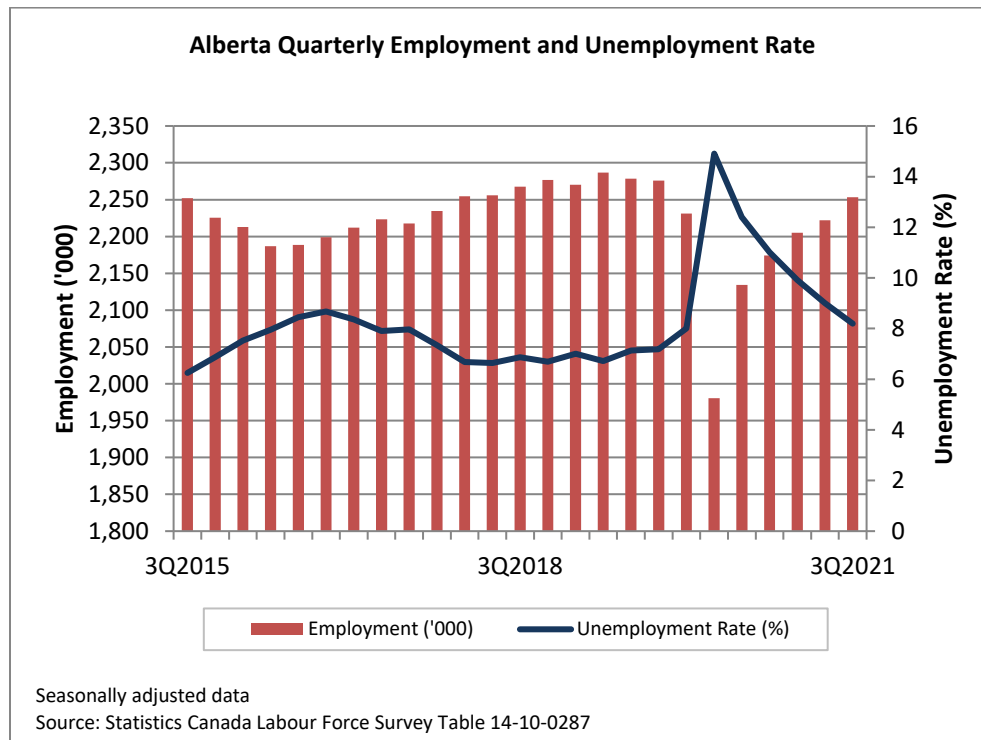
Employment in the third quarter of 2021 (July, August, and September) averaged around 2.25 million, representing an increase of 31,300 (+1.4%) jobs over the previous quarter, and 119,200 jobs (+5.6%) more than the third quarter of 2020. While full-time employment increased slightly from the previous quarter (+14,700 or +0.8%), part-time employment had more significant gains (+16,600 or +4%).

## Alberta Quarterly Labour Force Statistics

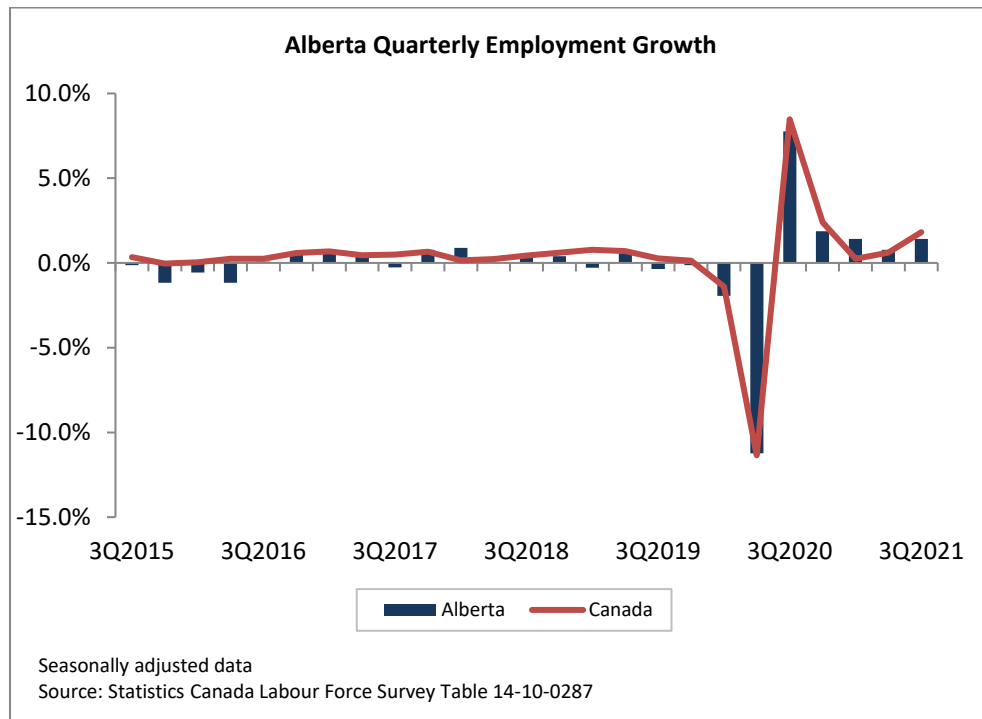
Seasonally adjusted data	3rd Quarter 2021	2nd Quarter 2021	3rd Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	3,545.5	3,536.4	3,512.1	9.1	0.3	33.4	1.0
<b>Labour Force ('000)</b>	2,454.3	2,441.8	2,436.1	12.5	0.5	18.2	0.7
<b>Employment ('000)</b>	2,253.3	2,222.0	2,134.1	31.3	1.4	119.2	5.6
Full-Time ('000)	1,820.7	1,806.0	1,731.4	14.7	0.8	89.3	5.2
Part-Time ('000)	432.6	416.0	402.7	16.6	4.0	29.9	7.4
<b>Unemployment ('000)</b>	201.0	219.8	302.0	-18.8	-8.6	-101.0	-33.4
<b>Unemployment Rate (%)</b>	8.2	9.0	12.4	-0.8	-	-4.2	-
<b>Participation Rate (%)</b>	69.2	69.0	69.4	0.2	-	-0.2	-
<b>Employment Rate (%)</b>	63.6	62.8	60.8	0.8	-	2.8	-

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 18,800 (-8.6%) during the third quarter. The labour force grew slightly (+12,500), due in part to the more relaxed state of public health restrictions in the third quarter compared to the quarter prior. The quarterly unemployment rate fell 0.8 percentage points and averaged 8.2% over the third quarter. This is the lowest quarterly unemployment rate recorded in Alberta since the pandemic began, but it is still slightly higher than it was in the first quarter of 2020 (8.0%). The unemployment rate was also a full percentage point higher than the Canada-wide unemployment rate, the fourth-highest in Canada, and the highest in the Western provinces.



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

Seasonally adjusted data	3rd Quarter 2021 (%)	2nd Quarter 2021 (%)	3rd Quarter 2020 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	8.2	9.0	12.4	-0.8	-4.2
<b>25 years and over</b>	7.3	7.8	10.3	-0.5	-3.0
Men - 25 years and over	7.2	7.6	11.3	-0.4	-4.1
Women - 25 years and over	7.4	8.1	9.0	-0.7	-1.6
<b>15 to 24 years</b>	14.1	16.8	25.9	-2.7	-11.8
Men - 15 to 24 years	17.8	19.3	26.3	-1.5	-8.5
Women - 15 to 24 years	10.1	14.1	25.5	-4.0	-15.4

*Note: Totals may not add due to rounding*

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

Between the second and third quarters of 2021, young women had the most significant decline in the unemployment rate, with a four percentage point (pp) drop. The unemployment rate for young women has also improved the most of any group (-15.4pp) on an annual basis. Young men (aged 15 to 24) also experienced a significant improvement on an annual basis (-8.5pp), though they still had the highest unemployment rate of any demographic (17.8%) in the third quarter of 2021. Among men and women 25 years of age and over, year-over-year changes have been smaller, with their unemployment rates decreasing 4.1pp and 1.6pp, respectively.

## EMPLOYMENT BY INDUSTRY

Employment last quarter in the services-producing sector increased (+43,600 or +2.6%), while employment in the goods-producing sector dropped (-12,300 or -2.2%). On an annual basis, employment in both sectors was up, but the services-producing sector had larger employment gains than the goods-producing sector. This is due to the significant recovery that the retail, food service, and tourism industries have undergone in the last year, particularly in periods when public health orders were more relaxed. The goods-producing sector was affected relatively less by public health restrictions, though employment still dropped substantially between 2019 and 2020 and weak economic activity has slowed subsequent employment growth. Employment in the services-producing sector in Q3 2021 was up 6.7% compared to the same quarter in 2020, while the goods-producing sector was up 2.2% on an annual basis. This is lackluster growth for the goods-producing compared to other recent years, especially considering how far the industry had to go in recovering from its pandemic-related employment losses.

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

Seasonally adjusted data ('000)	3rd Quarter 2021	2nd Quarter 2021	3rd Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,253.3	2,222.0	2,134.1	31.3	1.4	119.2	5.6
<b>Goods-producing sector</b>	540.7	553.0	528.9	-12.3	-2.2	11.8	2.2
Agriculture	35.2	36.6	41.0	-1.4	-3.8	-5.8	-14.1
Forestry, fishing, mining, quarrying, oil and gas	145.6	142.3	125.2	3.3	2.3	20.4	16.3
Utilities	18.8	21.0	22.6	-2.2	-10.5	-3.8	-16.8
Construction	218.3	226.5	218.0	-8.2	-3.6	0.3	0.1
Manufacturing	122.8	126.6	122.3	-3.8	-3.0	0.5	0.4
<b>Services-producing sector</b>	1,712.6	1,669.0	1,605.2	43.6	2.6	107.4	6.7
Trade	333.9	331.7	309.6	2.2	0.7	24.3	7.8
Transportation and warehousing	133.6	122.3	119.9	11.3	9.2	13.7	11.4
Finance, insurance, real estate and leasing	121.6	116.5	104.4	5.1	4.4	17.2	16.5
Professional, scientific and technical services	188.9	184.1	173.9	4.8	2.6	15.0	8.6
Business, building and other support services	69.9	74.4	71.9	-4.5	-6.0	-2.0	-2.8
Educational services	171.9	171.2	142.6	0.7	0.4	29.3	20.5
Health care and social assistance	295.6	302.4	290.3	-6.8	-2.2	5.3	1.8
Information, culture and recreation	69.5	61.7	76.9	7.8	12.6	-7.4	-9.6
Accommodation and food services	129.1	107.7	116.0	21.4	19.9	13.1	11.3
Other services	96.5	97.7	99.4	-1.2	-1.2	-2.9	-2.9
Public administration	102.2	99.3	100.4	2.9	2.9	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.

**Resource extraction** (forestry, mining, and oil and gas) was the only industry in the goods-producing sector to see an increase in employment between the second and third quarters of 2021 (+3,300 or +2.3%). Total oil production in August (the most recent data available) was up 18.5% from August 2020.<sup>2</sup> The price of Western Canadian Select averaged \$57.02 in Q3 2021, a 7% increase from the average price in Q2 2021 and an 83% increase from the average price in Q3 2020.<sup>3</sup> Though the oil and gas subsector had a good quarter overall, in the mining subsector, there was some bad news: the federal government announced in August that it had determined that the proposed Grassy Mountain Coal Project in southwest Alberta cannot proceed due to likely adverse environmental effects.<sup>4</sup>

Employment in the **construction** industry was at approximately 218,300 in the third quarter, 3.6% lower (-8,200) than the previous quarter and roughly the same as the previous year. Job losses mainly occurred at the end of the quarter; there were 5,100 fewer people employed in September compared to August. Most of the losses were in the residential construction industry, partly due to a 7% decrease in the value of residential building permits between July and August.<sup>5</sup> In major project news, the Province of Alberta awarded a \$300 million public-private partnership contract to Concert-Bird Partners to build five new high schools across the province and maintain the schools for 30 years. School planning and design work for the schools is underway, with construction on the Edmonton southeast high school scheduled to begin this fall. Construction on the other schools is set to begin by summer 2022. The work is expected to support 1,678 construction-related jobs.<sup>6</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 as public health restrictions have eased, but it still remains below pre-pandemic levels in most industries.

Employment in **wholesale and retail trade** increased very slightly on a quarterly basis, adding 2,200 jobs (+0.7%). For most of the quarter, there were no COVID-19-related public health restrictions on the industry. Effective September 20, however, retail establishments are restricted to one third of their fire code capacity, and shoppers must be with household members only, or a maximum of two close contacts if they live alone.<sup>7</sup>

**Accommodation and food services** had the largest quarterly employment gains on both an absolute and percentage basis (+21,400 jobs or +19.9%). Like the retail trade industry, the food service industry had few restrictions in place until nearly the end of the quarter. As of September 20, restaurants in Alberta were given the option to either join the Restrictions Exemption Program, which requires patrons to wear a mask and present either proof of vaccination or a negative COVID-19 test result, or to comply with COVID-19 public health restrictions. If restaurants do not join the Restrictions Exemption Program, they are prohibited from offering indoor dining, outdoor dining is limited to 6 people/one household per table, and liquor sales must end by 11PM.<sup>8</sup>

## 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 third quarter, employment increased on an annual basis in every economic region, as the labour market has improved significantly from the same period last year. **Edmonton** had the largest employment gains on both an absolute and a percentage basis, with 70,500 (+9.7%) more people employed in the third quarter of 2021 than in the same quarter of 2020. The employment increase in the Edmonton region accounts for nearly 58% of Alberta's total job gains, a disproportionate amount considering Edmonton contains less than 35% of the province's working-age population. **Wood Buffalo – Cold Lake**, meanwhile, had the smallest employment gains, at 1.4% (+1,000).

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

Seasonally unadjusted data	Employment			Unemployment Rate		
	3rd Quarter 2021 ('000)	3rd Quarter 2020 ('000)	Yearly Variation (%)	3rd Quarter 2021 (%)	3rd Quarter 2020 (%)	Yearly Variation (% points)
<b>Alberta</b>	2,267.4	2,145.6	5.7	8.4	12.4	-4.0
<b>Economic Regions</b>						
Lethbridge - Medicine Hat	146.5	138.2	6.0	5.7	8.6	-2.9
Camrose - Drumheller	95.7	89.1	7.4	9.2	12.5	-3.3
Calgary	872.5	850.4	2.6	9.2	12.7	-3.5
Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River	178.6	167.7	6.5	7.1	11.3	-4.2
Red Deer	105.6	103.2	2.3	9.0	12.4	-3.4
Edmonton	796.3	725.8	9.7	8.3	13.2	-4.9
Wood Buffalo - Cold Lake	72.2	71.2	1.4	6.1	11.4	-5.3

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 6.0% (+8,300) on an annual basis in the third quarter. The regional unemployment rate dropped 2.9 percentage points (pp) to 5.7%, the lowest rate of all Alberta's economic regions. Looking ahead, two new fuel manufacturing facilities, expected to support roughly 170 local jobs, are slated for the region. Firstly, the Government of Alberta is providing \$4.7M towards a \$28.6M renewable fuel production facility in Lethbridge County. The new Canary Biofuels facility is expected to support up to 130 local jobs and be operational by fall 2021.<sup>9</sup> The other project is Cielo Waste Solutions' \$50M renewable diesel refinery near Medicine Hat, which is expected to employ 40 full-time staff. Construction of the refinery is planned to start in early 2022, with operations set to begin in March 2023.<sup>10</sup>

Year-over-year, **Camrose – Drumheller** had the second-largest employment gains in the province, at 7.4% (+6,600). However, the unemployment rate was tied with Calgary for the highest in the province, at 9.2%. Much of Alberta's agricultural employment is concentrated in this region, which has suffered from the drought conditions seen in the third quarter. The region's Wheatland County and Vulcan County both declared agricultural disasters in response to the drought.<sup>11</sup>

Employment in **Banff – Jasper – Rocky Mountain House** and **Athabasca – Grande Prairie – Peace River** increased by 6.5%, and the unemployment rate dropped by 4.2 percentage points to 7.1%. The Canadian border reopened to international tourists this quarter, which is positive news for the Banff – Jasper – Rocky Mountain House region, whose economy relies on international tourism. The tourism industry still faces difficulties, however, now in the form of staffing shortages. Hospitality businesses in Banff, Canmore, and Lake Louise are understaffed in spite of wage increases and bonuses, partly due to worldwide COVID-19 protocols and a lack of international workers. Public health restrictions are still tight in countries such as Australia, which typically supplies many of the region's hospitality workers.<sup>12</sup>

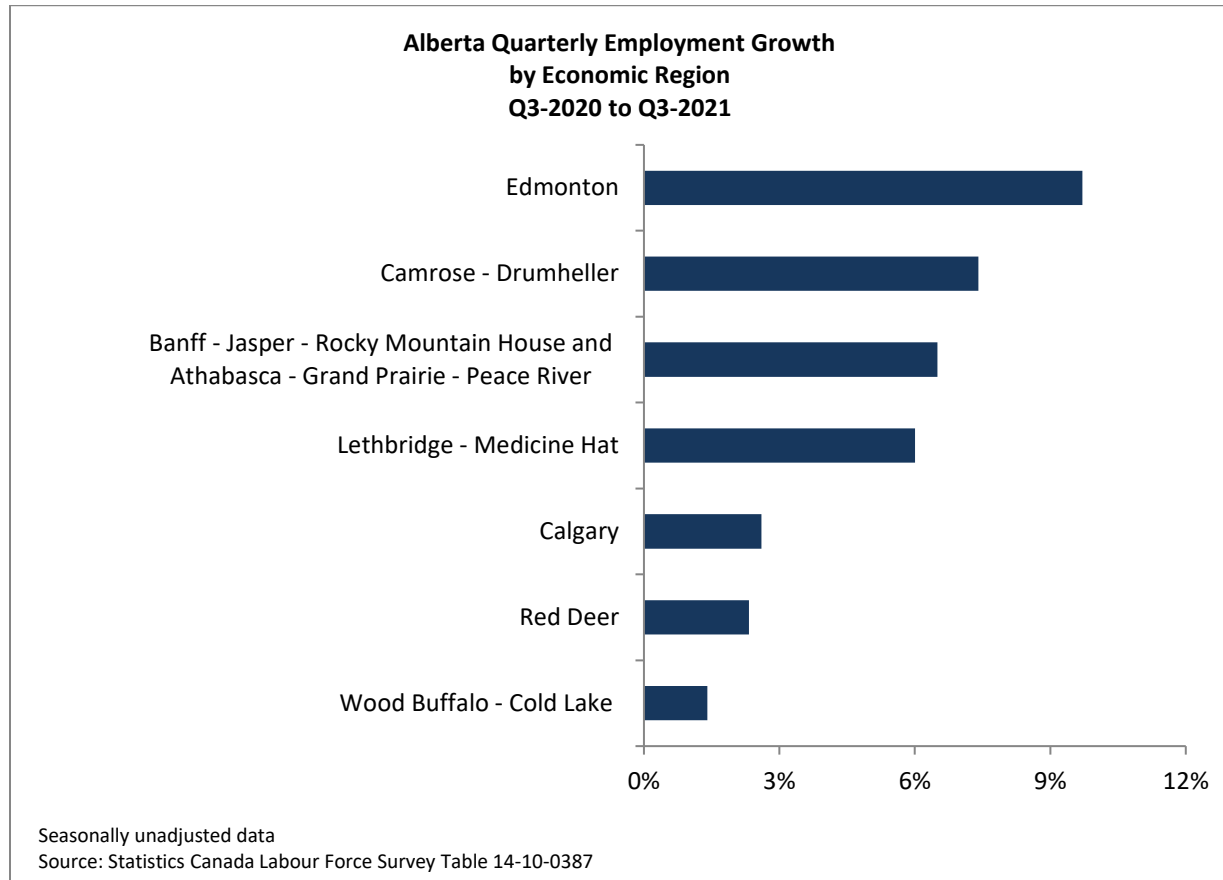
The unemployment rate in **Red Deer** was relatively high in the third quarter, at 9.0%. Employment levels in the region have increased only 2.3% since last year, while employment in Alberta as a whole increased 5.7%. In light of this, there are some initiatives underway that aim to advance the region's economic recovery. Cosmos Employment Connection, a program to help get people facing barriers back to work, has launched in response to the economic effects of the COVID-19 pandemic. The program is open to individuals who self-identify as facing barriers to employment.<sup>13</sup> Furthermore, Lacombe County has hired an Economic Development Officer to develop partnerships and drive economic development activities to attract new business and retain and grow existing ones.<sup>14</sup>

To the north-east, employment in **Wood Buffalo – Cold Lake** had the smallest annual increase of any region, at 1.4% (+1,000). The unemployment rate had decreased by 5.3pp to a relatively low 6.1%; however, this was mainly due to drop in the labour force, which presumably occurred because workers were not optimistic about their prospects of finding employment. In a piece of good news for the region, the Regional Municipality of Wood Buffalo and Telus are partnering on a \$21 million infrastructure project to bring high-speed internet to homes, businesses and most rural communities in the region. Construction is expected to start in spring 2022 and be complete by the end of 2023.<sup>15</sup>

Employment in the **Calgary** region increased by 2.6% on an annual basis. The unemployment rate was 9.2%, down 3.5pp from last year, though still tied with Camrose – Drumheller for the highest in the province. Even so, the labour market may soon improve. Thirty-seven per cent of Calgary employers plan to hire for the fourth quarter of 2021, according to a recent survey from ManpowerGroup, a multinational staffing firm. Another 38% of employers plan to maintain their current staffing levels.<sup>16</sup>

In **Edmonton**, approximately 796,300 people were employed in the third quarter, up 9.7% from one year ago. The unemployment rate improved the most of any region, dropping by 4.9pp to 8.3%. There were several positive developments in the region's manufacturing sector in recent months. Firstly, Labatt Breweries of Canada has completed expansion work on a production facility and warehouse in Edmonton. The expansion will increase production and create jobs, by allowing the production of products that haven't been produced locally before.<sup>17</sup> Polykar Inc., a plastic fabrication company, has broken ground on a new manufacturing plant in south Edmonton.

Construction of the facility is phase one of what is expected to be a \$40 million investment.<sup>18</sup> And finally, Dow, a US-based multinational chemical corporation, plans to build an ethylene and polyethylene complex at its Fort Saskatchewan facility. The project will convert emitted gas into hydrogen fuel, and triple the site's ethylene and polyethylene production.<sup>19</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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