



# Labour Market Bulletin

Alberta

December 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

There were positive signs in the provincial labour market in the beginning of the fourth quarter (October – December) of 2021. High energy prices helped to strengthen economic recovery as oil production increased to record rates. Construction related activity also remained high, and retail sales increased as the holiday season approached.<sup>1</sup> However, renewed uncertainty and newly implemented public health restrictions put in place to limit the spread of the highly transmissible Omicron variant will likely impact Alberta’s labour market in the coming months.

Alberta introduced new public health measures at midnight on December 24<sup>th</sup> to limit the spread of the Omicron variant. Pubs and restaurants that had previously signed on to the province’s Restriction Exemptions Program were required to limit guests to 10 people per table and not allow interactive social activities such as billiards, darts or dancing. Drink service was required to be cut off at 11 p.m. and venues to close 90 minutes after that. Venues that seat more than 1,000 people were limited to half capacity, a restriction that affected numerous National Hockey League games in Calgary and Edmonton.<sup>2</sup>

The province has taken steps to limit labour impacts associated with the Omicron variant in key industries. As of January 3, 2022, people in Alberta with at least two doses of a vaccine who test positive for COVID-19 will only need to isolate for five days instead of ten. Unvaccinated Albertans must continue to isolate for 10 days.<sup>3</sup> The policy is meant to prevent disruptions in the workforce, especially for those who deliver important services. The province also directed Alberta Health Services to allow any unimmunized physicians and staff who want to return to work to do so, with participation in a temporary testing program.<sup>4</sup>

Employment in the fourth quarter of 2021 averaged around 2.27 million, representing an increase of 24,600 (+1.1%) jobs over the previous quarter, and 103,800 (+4.8%) more than the fourth quarter of 2020. While full-

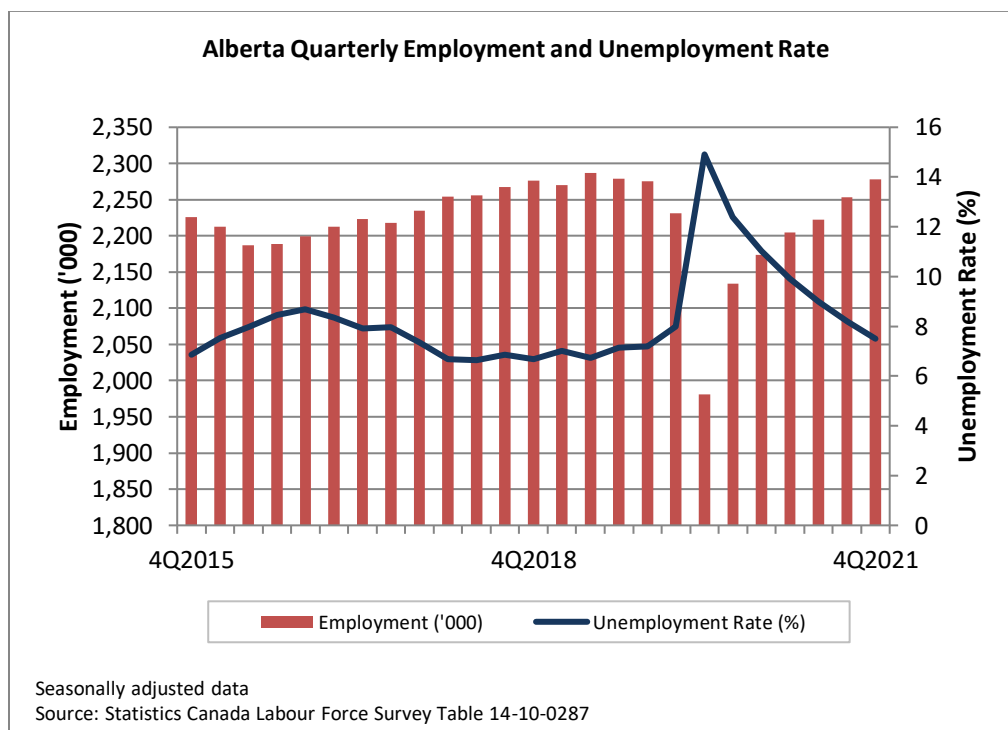
time employment increased from the previous quarter (+34,800 or +1.9%), part-time employment decreased significantly (-10,300 or -2.4%).

### Alberta Quarterly Labour Force Statistics

Seasonally adjusted data	4th Quarter 2021	3rd Quarter 2021	4th Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,562.1	3,545.5	3,521.9	16.6	0.5	40.2	1.1
Labour Force ('000)	2,462.4	2,454.3	2,443.1	8.1	0.3	19.3	0.8
Employment ('000)	2,277.9	2,253.3	2,174.1	24.6	1.1	103.8	4.8
Full-Time ('000)	1,855.5	1,820.7	1,754.1	34.8	1.9	101.4	5.8
Part-Time ('000)	422.3	432.6	420.0	-10.3	-2.4	2.3	0.5
Unemployment ('000)	184.5	201.0	269.1	-16.5	-8.2	-84.6	-31.4
Unemployment Rate (%)	7.5	8.2	11.0	-0.7	-	-3.5	-
Participation Rate (%)	69.1	69.2	69.4	-0.1	-	-0.3	-
Employment Rate (%)	63.9	63.6	61.7	0.3	-	2.2	-

Note: Totals may not add due to rounding

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



On a positive note, the percentage of people who were unemployed dropped slightly (-0.7%) during the fourth quarter. This is the lowest quarterly unemployment rate recorded in Alberta since the pandemic began. High energy prices, record oil production, strong demand in construction and robust retail sales have supported job growth in province in the fourth quarter.



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

Seasonally adjusted data	4th Quarter 2021 (%)	3rd Quarter 2021 (%)	4th Quarter 2020 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	7.5	8.2	11.0	-0.7	-3.5
<b>25 years and over</b>	6.7	7.3	9.2	-0.6	-2.5
Men - 25 years and over	6.6	7.2	9.9	-0.6	-3.3
Women - 25 years and over	6.8	7.4	8.3	-0.6	-1.5
<b>15 to 24 years</b>	12.7	14.1	22.9	-1.4	-10.2
Men - 15 to 24 years	14.5	17.8	22.7	-3.3	-8.2
Women - 15 to 24 years	10.8	10.1	23.1	0.7	-12.3

Note: Totals may not add due to rounding

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

Between the third and fourth quarters of 2021, young men (aged 15-24 years) had the most significant decline in the unemployment rate, with a -3.3 percentage point drop. On an annual basis, the unemployment rate for young women improved the most of any group (-12.3 percentage points). Young men (aged 15 to 24) also experienced a significant improvement on an annual basis (-8.2 percentage points), though they still had the highest unemployment rate of any demographic (14.5%) in the fourth 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 by -3.3 and -1.5 percentage points respectively.

## EMPLOYMENT BY INDUSTRY

Employment last quarter in the services-producing sector increased by +34,800 jobs (+2.0%), while employment in the goods-producing sector dropped by -10,200 jobs (-1.9%). Compared to last year, employment in the services-producing sector was up substantially by +111,600 jobs (+6.8%) whereas employment in the goods-producing sector was down by -7,700 (-1.4%). 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 in periods when public health orders were more relaxed. The goods-producing sector was affected relatively less by public health restrictions since the beginning of the pandemic, though periods of weak economic activity have slowed subsequent employment growth.

### Alberta Quarterly Labour Force Statistics, by Industry

Seasonally adjusted data ('000)	4th Quarter 2021	3rd Quarter 2021	4th Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	2,277.9	2,253.3	2,174.1	24.6	1.1	103.8	4.8
<b>Goods-producing sector</b>	530.5	540.7	538.2	-10.2	-1.9	-7.7	-1.4
Agriculture	33.1	35.2	37.8	-2.1	-6.0	-4.7	-12.4
Forestry, fishing, mining, quarrying, oil and gas	140.9	145.6	133.5	-4.7	-3.2	7.4	5.5
Utilities	18.4	18.8	23.4	-0.4	-2.1	-5.0	-21.4
Construction	219.0	218.3	217.9	0.7	0.3	1.1	0.5
Manufacturing	119.1	122.8	125.5	-3.7	-3.0	-6.4	-5.1
<b>Services-producing sector</b>	1,747.4	1,712.6	1,635.8	34.8	2.0	111.6	6.8
Trade	357.5	333.9	322.4	23.6	7.1	35.1	10.9
Transportation and warehousing	137.6	133.6	129.5	4.0	3.0	8.1	6.3
Finance, insurance, real estate and leasing	119.9	121.6	108.5	-1.7	-1.4	11.4	10.5
Professional, scientific and technical services	194.2	188.9	175.3	5.3	2.8	18.9	10.8
Business, building and other support services	70.7	69.9	66.4	0.8	1.1	4.3	6.5
Educational services	167.3	171.9	150.8	-4.6	-2.7	16.5	10.9
Health care and social assistance	304.7	295.6	299.7	9.1	3.1	5.0	1.7
Information, culture and recreation	69.1	69.5	70.3	-0.4	-0.6	-1.2	-1.7
Accommodation and food services	120.5	129.1	110.0	-8.6	-6.7	10.5	9.5
Other services	97.4	96.5	99.8	0.9	0.9	-2.4	-2.4
Public administration	108.6	102.2	103.2	6.4	6.3	5.4	5.2

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.

Increased demand, high energy prices and record levels of oil production have supported an annual increase of employment in the **resource extraction (forestry, mining, and oil and gas)** of +7,700 jobs (+5.5%). However, employment since the last quarter ending in September was down by -4,700 jobs (-3.2%). Total oil production in Alberta was 18.9 million cubic metres in October 2021, up 15.0% compared to October 2020.<sup>5</sup> The price of Western Canadian Select averaged \$62.27 USD in Q4 2021, a +8.5% increase from the average price in Q3 2021 and a +49% increase from the average price in Q4 2020.<sup>6</sup> In a sign of good news for the industry, production limits that were introduced in January 2019 to align production with export capacity were allowed to expire on December 31, 2021, as oil production has reached pre-pandemic levels, but is within export capacity.<sup>7</sup>

**The construction** industry was the only industry in the goods-producing sector to see an increase in employment between the third and fourth quarters of 2021, although that increase was very slight (+0.3%). The construction industry also posted an annual employment increase of +1,100 (+0.5%) from Q4 2020 to Q4 2021, driven by what appears to be robust demand in the short term for construction in the province. The seasonally adjusted value of building permits issued by Alberta municipalities in October 2021 was 11% higher than in October 2020 and 10% above October 2019.<sup>8</sup> The value of building permits issued in Alberta increased by 21% and drove over 30% of the overall increase in Canada in November 2021. Also in November 2021, non-residential permits nearly doubled in value and commercial permits surged 140% to a 5-year high.<sup>9</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, especially during periods when public health orders were more relaxed. However employment still remains below pre-pandemic levels in most industries.

Employment in **wholesale and retail trade** increased substantially on a quarterly basis, adding +23,600 jobs (+7.1%). Employment in the sector also increased on an annual basis by +35,100 jobs (+10.9%). Seasonally adjusted retail sales increased by +4% in October compared to September (the most recent data available), and likely remained robust during the holiday shopping season.<sup>10</sup>

**Accommodation and food services** had the largest quarterly employment losses on both an absolute and percentage basis decreasing by -8,600 jobs (-6.7%). As of September 20, restaurants in Alberta were given the option to either join the Restrictions Exemption Program, which requires customers 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 did not join the Restrictions Exemption Program, they were prohibited from offering indoor dining, outdoor dining was limited to 6 people/one household per table, and liquor sales were to end by 11PM. As the Omicron variant surged in late December, restaurants, pubs and bars participating in the Restrictions Exemption program were also required to limit table capacity to 10 people, prohibit mingling between tables and prohibit interactive activities (e.g., dancing, darts, and billiards). All restaurants, pubs, and bars are also to stop liquor service at 11 pm, and close by 12:30 am, regardless of whether or not they joined the Restrictions Exemption Program.<sup>11</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 fourth quarter, employment increased on an annual basis in every economic region, as the labour market improved significantly from the same period last year. **Camrose-Drumheller and Edmonton** had the largest employment gains on a percentage basis, +10.6% and +8.6% respectively. **Wood Buffalo – Cold Lake**, meanwhile, had the smallest employment gains, at + 0.4%

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

Seasonally unadjusted data	Employment			Unemployment Rate		
	4th Quarter 2021 ('000)	4th Quarter 2020 ('000)	Yearly Variation (%)	4th Quarter 2021 (%)	4th Quarter 2020 (%)	Yearly Variation (% points)
<b>Alberta</b>	2,281.0	2,177.7	4.7	6.9	10.2	-3.3
<b>Economic Regions</b>						
Lethbridge - Medicine Hat	138.5	135.2	2.4	6.5	10.7	-4.2
Camrose - Drumheller	88.7	80.2	10.6	8.8	10.2	-1.4
Calgary	885.4	869.4	1.8	7.6	10.2	-2.6
Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River	177.7	172.7	2.9	6.4	9.7	-3.3
Red Deer	105.8	99.8	6.0	6.5	9.5	-3.0
Edmonton	813.7	749.4	8.6	6.1	10.6	-4.5
Wood Buffalo - Cold Lake	71.2	70.9	0.4	6.9	8.5	-1.6

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 +2.4% (+3,300 jobs) on an annual basis in the fourth quarter. The regional unemployment rate dropped by -4.2% percentage points to 6.5%. There are some projects getting under way in the region which should create employment in key sectors. In November, the Pembina Pipeline Corporation announced that it was ready to kick off formal construction of its \$120 million Empress co-generation power plant toward an expected completion date late in 2022. The 45-megawatt gas-fired power plant and heat recovery unit would fulfil about 90% of the power needs at the gas straddle plant located in northeast Cypress County.<sup>12</sup> Also, Lethbridge County has approved a 2022 capital budget of approximately \$9.8M. Most of the capital is directed towards road improvements, water and wastewater system upgrades and two bridge replacements.<sup>13</sup>

Year-over-year, **Camrose – Drumheller** had the largest employment gains in the province, at +10.6% (+8,500). However, the unemployment rate was also the highest in the province, at 8.8%. Looking forward, there have been recent project announcements that should help support the labour market in the region. Pattern Energy Group LP has started construction of its \$350M Lanfine Wind power project near Oyen. The project is expected to create up to 200 construction jobs and enter full commercial operation by the end of 2022.<sup>14</sup> Additionally, 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 30-40 jobs.<sup>15</sup>

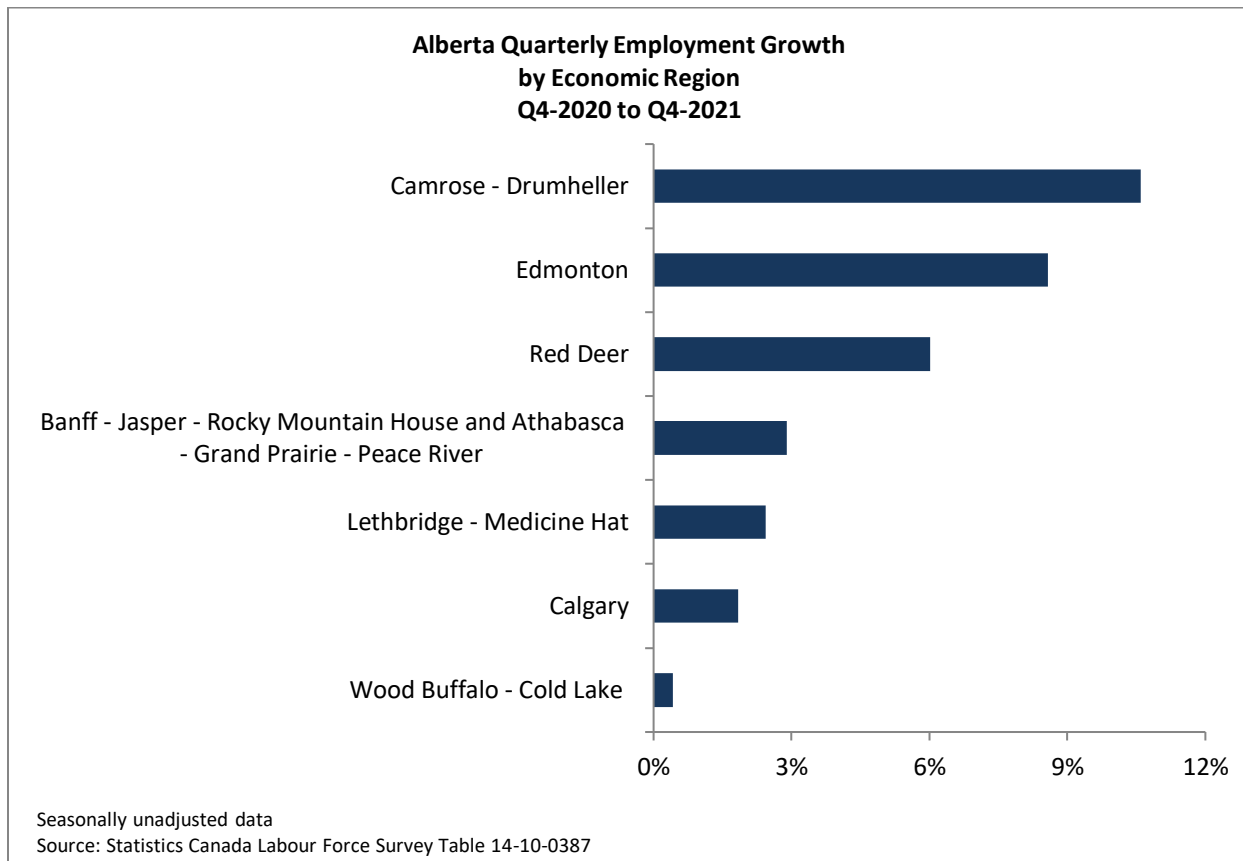
Employment in **Banff – Jasper – Rocky Mountain House** and **Athabasca – Grande Prairie – Peace River** increased by +2.9% (+5,000 jobs) and the unemployment rate dropped by -3.3 percentage points to 6.4%. The Omicron variant has introduced new obstacles to the recovery of the tourism sector, which the region depends on. The number of COVID cases in the Bow Valley is at a record high, with numerous outbreaks being declared at hotels.<sup>16</sup> However, there has also been positive news for job growth in the region during the quarter. The town of Edson is currently experiencing an economic boost from three major energy projects underway nearby. Currently under construction are sections of the Trans Mountain pipeline expansion, another pipeline project from TC Energy, and the \$1.5-billion Cascade Energy Project power plant. Edson typically has a population of around 8,400 people but the three projects have brought about 2,000 additional workers into the area.<sup>17</sup>

The unemployment rate in **Red Deer** was at 6.5%, which is about the provincial average. Employment levels in the region have increased by +6.0% (+6,000 jobs) since last year. In a piece of good news, in November the provincial government announced that construction has started on the \$20M Red Deer recovery community, a residential treatment centre for addiction and mental health challenges. The project is expected to create 136 construction jobs and be completed in fall 2022. The facility will have more than 100 permanent employees once it becomes operational.<sup>18</sup>

Employment in **Wood Buffalo – Cold Lake** had the smallest annual increase of any region, at 0.4% (+300). The unemployment rate has decreased by -1.6 percentage points to 6.9%. In the short term, infrastructure spending by municipalities will likely support job growth in the construction industry. The Municipal District of Bonnyville has approved a 2022 capital budget of approximately \$51M which will pay for road construction, equipment replacement, and building new infrastructure.<sup>19</sup> The City of Cold Lake has approved a 2022 capital budget of just under \$24.6M that includes road repairs and major construction of facilities.<sup>20</sup>

Employment in the **Calgary** region increased by +1.8% on an annual basis. The unemployment rate was at 7.6%, down -2.6 percentage points from last year. There were some high-profile projects in multiple sectors that were announced in the fourth quarter in Calgary. In November, Amazon Web Services announced that it is opening a new cloud-computing hub in Calgary. Amazon will invest over \$4B in the hub by 2037, which it states will create over 950 full-time direct and indirect jobs. It is set to open in late 2023, and hiring is underway.<sup>21</sup> GoodLeaf Farms, a commercial vertical farming company, announced in November that it is expanding to Calgary with a 74,000 square foot indoor farm. The project will create 50 jobs during construction and 70 permanent jobs upon start up.<sup>22</sup>

In **Edmonton**, employment was up by +8.6% (+64,300 jobs) compared to a year ago. The unemployment rate improved the most of any region, dropping by -4.5 percentage points to 6.1%. There were several positive developments in the region's construction and air transportation sectors in recent months. In November, Alpin Sun announced that it will start construction in 2022 on Airport City Solar at the Edmonton International Airport, the largest solar farm at an airport anywhere in the world, pending regulatory approval of the project.<sup>23</sup> In November, Swoop Airlines announced that it was introducing new non-stop flights out of Edmonton to nine locations starting next year. The airline expects that the additional flights will support the creation of 140 additional direct and spin-off jobs, and anticipates \$120M of economic activity in 2022.<sup>24</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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