

# Labour Market Notes

## Employment recovery slows

### Alberta

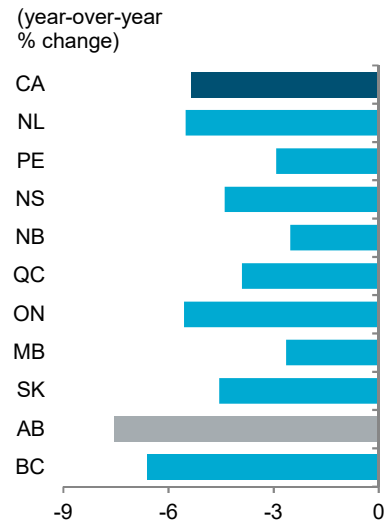
- **Employment recovery continues at a slower pace.** Employment grew 9,700 in August compared to a monthly average gain of about 62,000 in the previous three months. Alberta has now recovered 55 per cent (196,800) of the jobs lost since February.
- **Strong gain in full-time.** The monthly job gains were almost entirely in full-time work (+8,200), but there was modest growth in part-time positions (+1,500).
- **Recovery continues to be led by the services sector.** The service sector (+20,500) accounted for all the gains. The largest increase was in professional, scientific and technical services (+13,000). Meanwhile, jobs gains in the service industries most affected by public health measures have also slowed.
- **Goods sector lagging.** The goods sector gave back some of its recent gains as declines forestry, mining, oil and gas (-6,600) and agriculture (-6,100) overwhelmed modest gains in the manufacturing and utilities industries.
- **Private sector regains more ground.** The private sector has accounted for the majority of job losses and gains related to the pandemic. The private sector added another 11,200 jobs in August while both self-employment (-800) and public sector (-800) employment was little changed.
- **Unemployment rate falls.** The unemployment rate declined 1.0 percentage point to 11.8%, as the labour force participation rate reversed course and declined from 69.1 to 68.6.
- **Employment remains below pre-COVID-19 levels.** Despite the gains over the past four months, employment in 14 of 16 industries remains below February levels.
- **A lot of employed Albertans still missing work.** In August, there were 149,200 Albertans who were employed but did not work during the reference week. This was down from the high of 248,800 in April, but still 71,700 more than a year ago.
- **Many are still reluctant to look for work.** In August, 84,600 Albertans wanted a job but did not search for work. While this was down from over 220,000 in April, it was significantly more than the 49,500 last August.
- **Earnings fall back.** Average weekly earnings (AWE) decreased 3.6% June to \$1,205. Even with the recent pullback, earnings continued to be higher than in February and were up 3.5% from a year ago.

### Canada

- **Employment recovery continues to slow.** A total of 245,800 jobs were added in August following gains of more than 400,000 in July and one million in June. Employment increased in nine of the ten provinces.
- **Unemployment rate falls.** The national unemployment rate fell for the third month in a row. It declined 0.7 percentage points to 10.2% in August.
- **Earnings remain elevated.** AWE in Canada eased 1.8% to \$1,119 in June, but were up significantly from February and were up 9.4% year-over-year.

### EMPLOYMENT GROWTH BY PROVINCE

August 2020 vs. August 2019



Source: Statistics Canada

### ALBERTA LABOUR MARKET INDICATORS

Indicator	Latest*
Employment	2,165,800
month-over-month change	9,700
year-over-year % change	-7.6%
Alberta Unemployment Rate (UR)	11.8%
Edmonton UR**	13.6%
Calgary UR**	14.4%
Participation Rate	68.6%
Average Weekly Earnings (AWE)	\$1,205.07
year-over-year % change	3.5%
Average Hourly Wage	\$32.81
year-over-year % change	5.0%
Job Vacancy Rate***	2.6%

Source: Statistics Canada

\* All data is from the August 2020 Labour Force Survey, except AWE which is the June 2020 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate which is the third quarter 2019 Job Vacancy and Wage Survey.

\*\* This indicator is calculated as a three month moving average and is seasonally adjusted.

\*\*\* This indicator is reported quarterly.

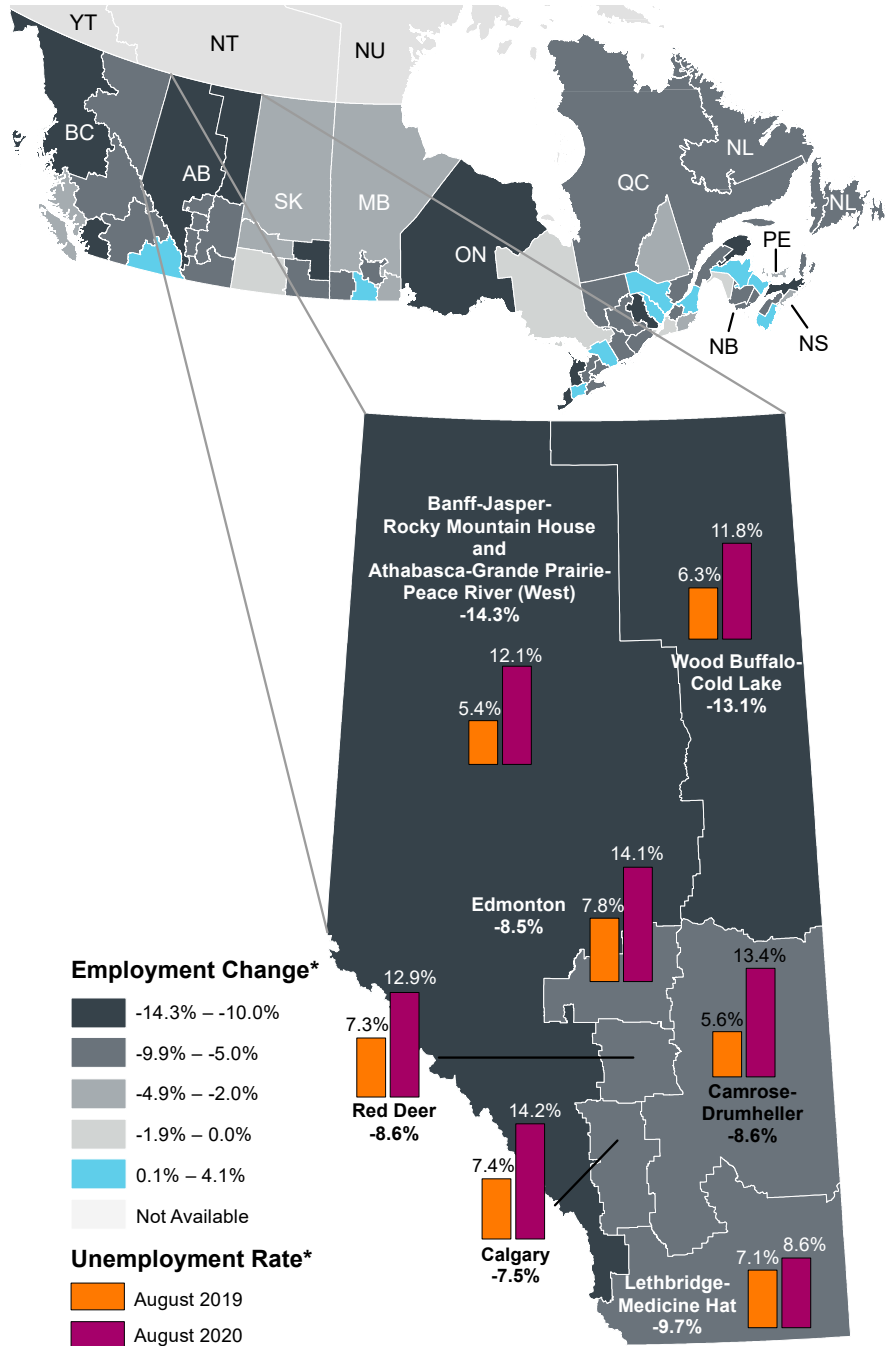
# Regional labour market indicators

	2017	2019	2020 YTD
<b>Alberta</b>			
Population	1.2	1.6	1.6
Labour Force	0.5	0.9	-2.8
Employment	1.9	0.5	-7.1
Unemployment Rate	6.6	6.9	11.0
<b>Calgary</b>			
Population	1.8	2.3	2.4
Labour Force	0.0	2.5	-2.0
Employment	0.9	3.0	-6.5
Unemployment Rate	7.6	7.1	11.4
<b>Edmonton</b>			
Population	1.8	2.1	2.2
Labour Force	0.7	1.7	-3.8
Employment	2.6	0.7	-8.4
Unemployment Rate	6.4	7.3	11.6
<b>West</b>			
Population	-0.4	-0.4	-0.5
Labour Force	2.9	-1.2	-4.8
Employment	3.9	-1.1	-10.5
Unemployment Rate	5.6	5.5	11.0
<b>Lethbridge - Medicine Hat</b>			
Population	0.4	1.0	0.9
Labour Force	-0.6	0.1	-3.5
Employment	0.0	-0.8	-4.5
Unemployment Rate	5.1	6.0	7.3
<b>Red Deer</b>			
Population	0.6	0.9	0.8
Labour Force	3.1	-4.8	-1.9
Employment	4.8	-6.2	-7.1
Unemployment Rate	5.5	6.7	11.3
<b>Camrose - Drumheller</b>			
Population	-0.6	-0.3	-0.3
Labour Force	-0.2	-7.1	7.3
Employment	2.8	-8.4	5.2
Unemployment Rate	5.1	6.5	9.8
<b>Wood Buffalo - Cold Lake</b>			
Population	-2.1	-2.3	-2.4
Labour Force	-2.0	-0.9	-8.2
Employment	-0.2	-0.6	-11.0
Unemployment Rate	5.9	5.6	8.8

Source: Statistics Canada  
All number are percent growth, except unemployment rates.

## EMPLOYMENT GROWTH BY ECONOMIC REGION

Per cent change in year-over-year employment



\*Based on three-month moving averages.

# Labour market continues to adjust to COVID-19 impacts

The impact of COVID-19 on the labour market has been far-reaching but uneven. While employment has rebounded quickly in some industries, it has remained weak or been slower to recover in others. This Labour InSight examines the disparities in the employment recovery.

## Strong rebound in services

The rebound in employment has been led by service-sector industries that were most impacted by the COVID-19 disruptions. Overall employment has rebounded by more than 196,800 since the April low, with retail and wholesale trade, accommodation and food services, health and social assistance, and other services accounting for nearly three-quarters of the gains. The rebound comes as the province entered stage 1 of the reopening in May and stage 2 in June. Despite the substantial recovery, employment in many service industries remains well below pre-COVID levels.

## Goods sector lagging

Although Alberta's goods-producing sector was not directly impacted by COVID-19 health measures, the collapse in global demand, confidence and oil prices brought renewed weakness to the sector. Goods sector employment peaked in March, and although the declines were not as severe compared with services, they continued into May. The recovery has been more muted, as subdued oil prices and elevated uncertainty continues to weigh on investment. With a decline in August, the goods sector has recovered 22% of the peak-to-trough declines, compared with 61% in the services sector. While the goods sector is 8% below February, the service sector is down 7% (Chart 1).

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## Rebalancing

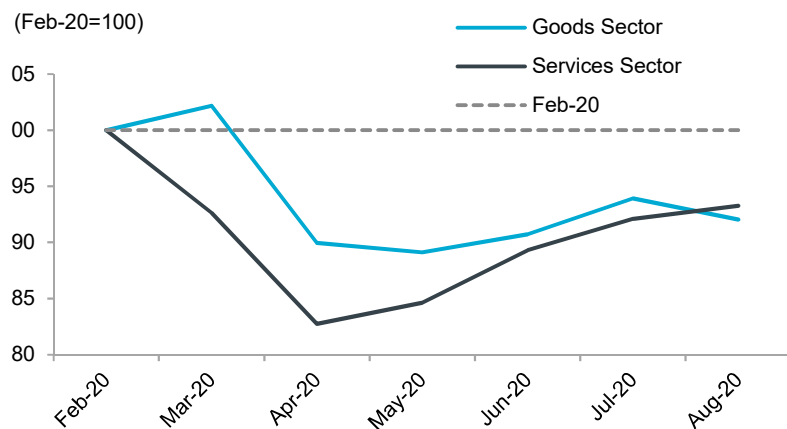
With the strong rebound in the services and lagging recovery in the goods sector, the employment losses have become more evenly split between gender and positions. While the initial losses from COVID-19 were felt disproportionately by female and part-time workers, recoveries by these groups have been stronger. The declines in female and male employment are now similar, and the percentage decline in part-time positions is now smaller the decline full-time (Chart 2).

## Young and 65+ falling behind

Young workers (aged 15-24) and older workers (65+) remain disproportionately impacted. The uneven recovery within the service sector and a lack of seasonal jobs have limited the recovery in youth employment, which on a seasonally adjusted basis is still down 16% from February (Chart 2). Compared with young workers, the initial job losses among those 65+ were not as deep, but jobs in this cohort have retreated further since April and are down 15% from February.

**CHART 1: HARD HIT SERVICES SECTOR RECOVERING MORE STRONGLY THAN THE GOODS SECTOR**

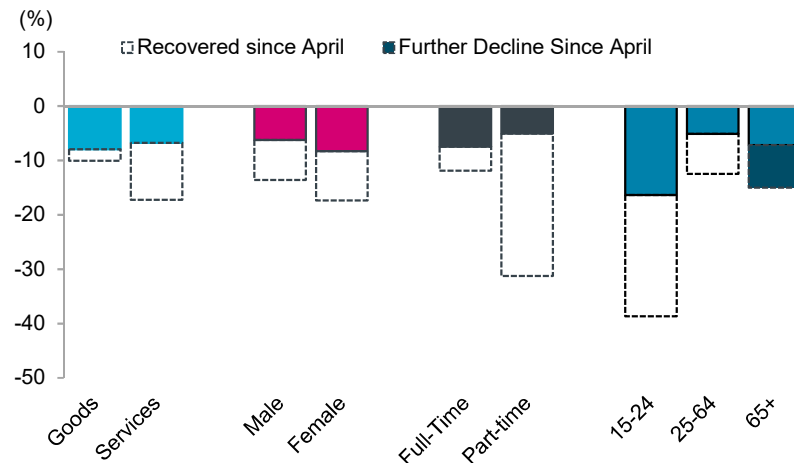
Employment by sector index to February 2020 levels



Source: Statistics Canada

**CHART 2: IMPACTS OF COVID-19 ON EMPLOYMENT MORE EVENLY SPREAD**

Percentage change in employment from February to August, by group



Source: Statistics Canada