

Labour Market Notes

Labour market takes a pause

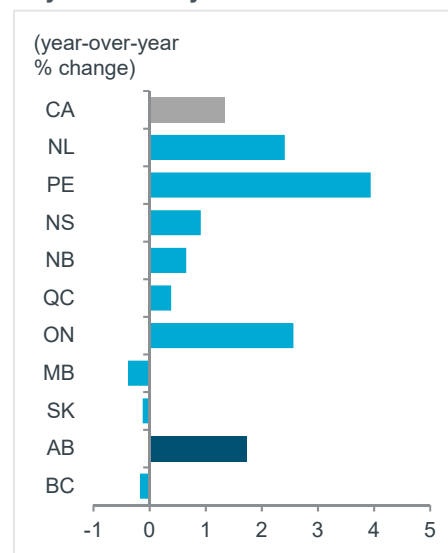
Alberta

- **Employment steps back.** After steady gains in the first half of the year, employment eased in July by 3,600.
- **Narrow-based decline.** The monthly decline was concentrated in a few industries. Goods sector employment fell as construction (-7,600) employment gave back all the 2018 gains. Employment in the services sector increased, despite a large decline in professional, scientific and technical services (-8,100).
- **Pullback in full-time employment.** Full-time employment declined (-21,700) in the month reversing the recent gains, while part-time employment increased (+18,100). Despite the monthly reversal, full-time positions have accounted for 73,800 of the 77,800 job gains since the June 2016 low.
- **Unemployment rate continues to fluctuate.** The unemployment rate ticked up for the second month to 6.7% after hitting a post-recession low of 6.2% in May. This occurred as the labour force expanded while employment eased. Despite the increase, the unemployment rate was 1.2 percentage points lower than a year ago.
- **Solid year-over-year job growth.** Even with the modest monthly decline, employment continued to grow at a healthy rate. It was up 39,600, or 1.7%, year-over-year. This was the fourth highest annual growth among the provinces and higher than the Canadian rate of 1.3%.
- **Balanced sector gains.** Over the last year, employment in both the goods-producing (+22,400) and service (+17,300) sectors have grown. The year-over-year gains in the goods sector have been broad-based while the service sector has been led by education (+17,400), reflecting the steep drop a year ago.
- **Self-employment takes the lead.** Since the beginning of the year, easing private sector employment has been offset by continued strength in self-employment. Over the last year, all the employment gains have been in self-employment (+40,800), while both the private and public sector employment has been flat.
- **Earnings slip.** Average weekly earnings (AWE) fell 0.2% in May to \$1,150. Compared to a year ago, they were up 3.4%.

Canada

- **Solid monthly gain.** After a decent increase in June, Canada added 54,100 jobs in July, all in part-time. Strong gains in Ontario (+60,600) and BC (+11,200) were offset by declines in Quebec (-8,400) and across the prairies. Canada has added 245,900 jobs over the last 12 months, for a year-over-year gain of 1.3%.
- **Unemployment rate ticks down.** The Canadian unemployment rate edged down 0.2 percentage points to 5.8%.
- **Canadian earnings increase.** Canadian AWE ticked 0.4% higher in May to \$998, 2.9% higher than a year ago.

Employment Growth by Province, July 2018 vs. July 2017



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,324,600
month-over-month change	-3,600
year-over-year % change	1.7%
Alberta Unemployment Rate (UR)	6.7%
Edmonton UR**	6.5%
Calgary UR**	7.9%
Participation Rate	71.7%
Average Weekly Earnings (AWE)	\$1,150.48
year-over-year % change	3.4%
Average Hourly Wage	\$30.26
year-over-year % change	1.7%
Job Vacancy Rate***	1.9%

Source: Statistics Canada

* All data is from the July 2018 Labour Force Survey, except AWE which is the May 2018 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for April 2017.

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

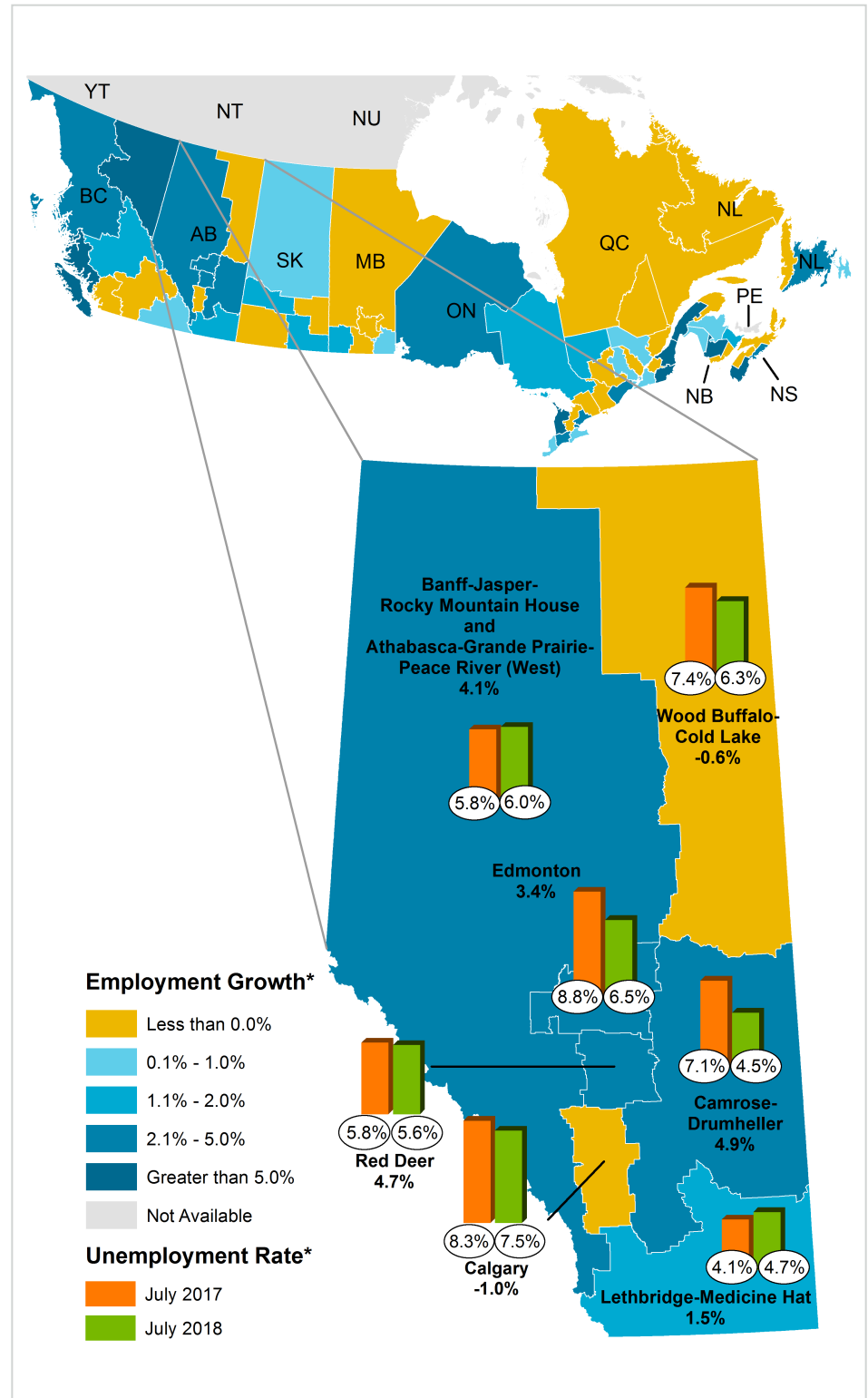
*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Regional labour market indicators

	2016	2017	2018 YTD
Alberta			
Population	1.3	0.9	1.1
Labour Force	0.6	0.7	0.1
Employment	-1.6	1.0	1.9
Unemployment Rate	8.1	7.8	6.7
Calgary			
Population	1.9	1.4	1.6
Labour Force	1.3	1.8	-0.1
Employment	-1.7	2.7	1.5
Unemployment Rate	9.2	8.4	7.5
Edmonton			
Population	1.7	1.3	1.6
Labour Force	1.3	0.9	-0.5
Employment	-0.2	0.1	1.4
Unemployment Rate	7.4	8.1	6.7
West			
Population	0.0	-0.5	-0.4
Labour Force	-4.2	0.1	3.1
Employment	-5.3	0.5	4.3
Unemployment Rate	6.9	6.4	5.9
Lethbridge - Medicine Hat			
Population	0.0	-0.2	0.2
Labour Force	3.4	-4.4	-0.6
Employment	1.2	-3.3	-0.4
Unemployment Rate	6.9	5.7	5.8
Red Deer			
Population	1.2	0.5	0.5
Labour Force	-1.8	-0.1	1.1
Employment	-4.3	1.7	4.6
Unemployment Rate	8.6	6.9	5.3
Camrose - Drumheller			
Population	-0.3	-0.8	-0.7
Labour Force	-0.1	-0.6	-0.5
Employment	-3.4	-0.7	4.5
Unemployment Rate	7.8	8.0	4.3
Wood Buffalo - Cold Lake			
Population	0.9	-0.8	-2.0
Labour Force	-2.6	0.0	-0.2
Employment	-4.0	1.8	2.3
Unemployment Rate	9.3	7.7	6.2

Employment growth by economic region

Percent change in year-over-year employment



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

*Based on three month moving averages

Strength in Manufacturing

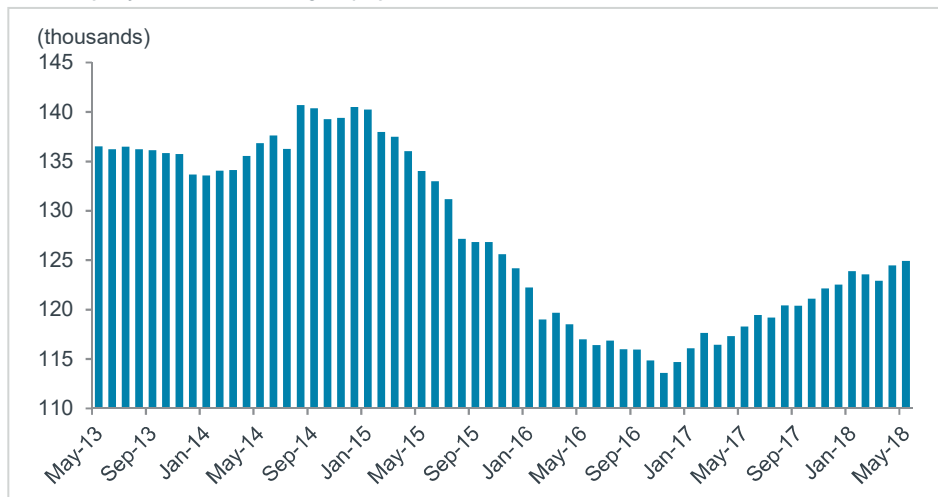
The manufacturing sector has been a source of strength in the ongoing recovery in the goods sector employment. This labour InSight looks at which sub-industries are driving the recovery in payroll employment in Alberta's manufacturing sector, as reported by Statistics Canada's Survey of Employment, Payrolls and Hours (SEPH).

Manufacturing driving the goods sector recovery

The manufacturing sector has led the recovery in the goods sector employment. Although goods sector employment remains well below the pre-recession level, it has grown by nearly 24,000 since the recession low in November 2016. Manufacturing has accounted for nearly half of the gains. The manufacturing sector has now recuperated about 40% of the 27,000

Chart 1: Rebound in manufacturing employment

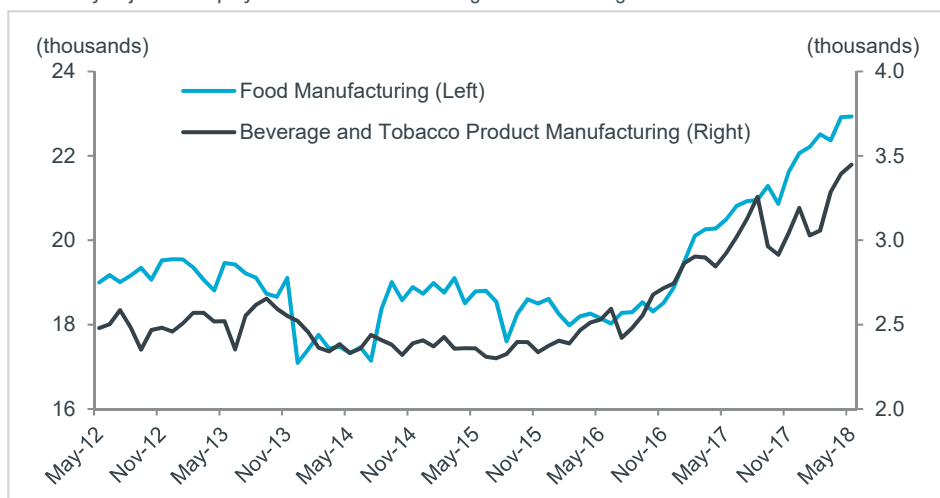
Seasonally adjusted manufacturing employment



Source: Statistics Canada

Chart 2: Employment in food and beverage manufacturing at a new high

Seasonally adjusted employment in food and beverage manufacturing



Source: Statistics Canada

payroll jobs lost during the downturn (Chart 1). This recovery has been driven by the non-durables sector, which has fully recovered. The durable sector, which was hit harder during the recession, has lagged.

Food and beverage a bright spot

After remaining resilient during the recession, payrolls in both the food and beverage manufacturing sectors expanded rapidly, leading the recovery in the non-durable sector. Food and beverage manufacturing employment has grown by 27% and 39% respectively since the November 2016 trough, and are at all-time highs (Chart 2). These two sectors have accounted for roughly half of the total manufacturing gains, despite representing only 20% of manufacturing employment.

Energy-related pick up

Employment in producers of machinery, primary metal and fabricated metal products have all rebounded along with the rising activity in the energy sector. These sectors have added over 5,000 jobs over the last 18 months. Despite the gains, payrolls in all three of these sectors remain well below pre-recession levels.

Other areas of strength

Gains in other industries have also contributed to the improvement in the manufacturing sector. Payrolls in non-metallic manufacturing, such as cement and concrete products, have expanded since the recession. Plastics and rubber manufacturers have added to payrolls and nearly fully recovered. While chemical manufacturing has been relatively flat since mid-2015, the basic chemicals subcategory has seen large gains.

Contact: [Robert Van Blyderveen](mailto:Robert.Van.Blyderveen@alberta.ca) 780.638.5628

Have a question or idea? Send us an [email](#)