

# Labour Market Notes

## Private sector employment improves

### Alberta

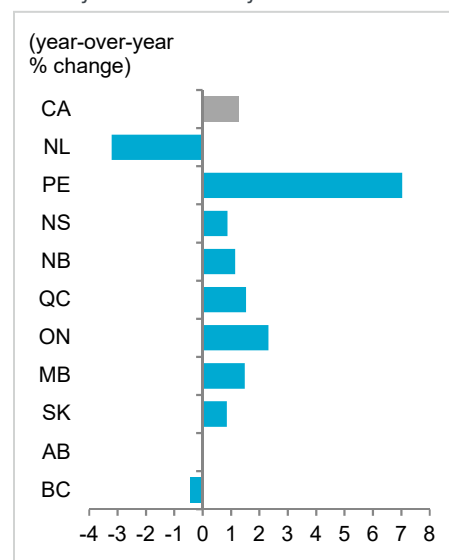
- **Alberta's labour market regains some lost ground.** Employment increased by 11,400 in February, after three consecutive monthly declines.
- **Private sector lifts employment.** The private sector led the gains, adding 19,200 jobs after a large drop in January (-34,200). This was moderated by a decline in self-employment (-3,000) and the public sector (-4,700).
- **Service sector bounces back.** Most of the gains were concentrated in the service sector, which added 17,300 jobs in February following a large pullback in January. The gains were broad-based, led by a strong rebound in wholesale and retail trade (+6,900) and other services (+7,300).
- **Weakness in the goods sector persists.** Employment in the goods sector (-5,900) continues to be under pressure with subdued levels of investment. In particular, employment in forestry, mining, oil and gas (-4,300) and construction (-3,600) continued to slide, falling to three and eight-year lows respectively. On the other hand, employment in manufacturing industries increased by 2,900 and has now reversed all the declines from the second half of 2019.
- **Gains in volatile part-time positions.** There were 8,100 part-time positions added in February, following a large two-month swing. Despite the volatility, part-time jobs continued to grow on a year-over-year (y/y) basis, up 7,500 from last February. Conversely, full-time employment levelled off and was up 3,300 in February after sliding to a two-year low in January.
- **Employment growth stalled.** With the monthly gain, employment was virtually unchanged from last February (-1,600 y/y or -0.1%) as the weakness in the goods sector (-25,100 y/y) offset the gains in the service sector (+23,500 y/y).
- **Unemployment rate ticks down.** Alberta's unemployment rate eased 0.1 percentage points to 7.2%. The improvement in the unemployment rate was moderated by a 0.2 percentage point increase in the participation rate after it fell to the lowest level since August 1980 in January.
- **Solid earnings growth.** Average weekly earnings (AWE) decreased \$4.01 in December to \$1,166. Even with the recent pullback, earnings continued to grow and were up 2.1% from last December 2018.

### Canada

- **Employment gains continue.** Employment in Canada rose 30,300 in February, the third monthly gain in a row. Over the last twelve months, Canada has added 245,300 jobs, with nearly all the gains in Ontario (+171,300 y/y) and Quebec (+66,100 y/y).
- **Unemployment rate edges up.** Nationally, the unemployment rate ticked up 0.1 percentage points to 5.6%.
- **Canadian earnings continue to improve.** Canadian AWE increased by \$1.62 to \$1,042 in December, with year-over-year growth of 3.4%.

### Employment Growth by Province

February 2020 vs. February 2019



Source: Statistics Canada

### Alberta Labour Market Indicators

Indicator	Latest*
<b>Employment</b>	2,329,900
month-over-month change	11,400
year-over-year % change	-0.1%
<b>Alberta Unemployment Rate (UR)</b>	7.2%
Edmonton UR**	7.8%
Calgary UR**	7.4%
<b>Participation Rate</b>	70.5%
<b>Average Weekly Earnings (AWE)</b>	\$1,165.99
year-over-year % change	2.1%
<b>Average Hourly Wage</b>	\$31.97
year-over-year % change	2.2%
<b>Job Vacancy Rate***</b>	2.6%

Source: Statistics Canada

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

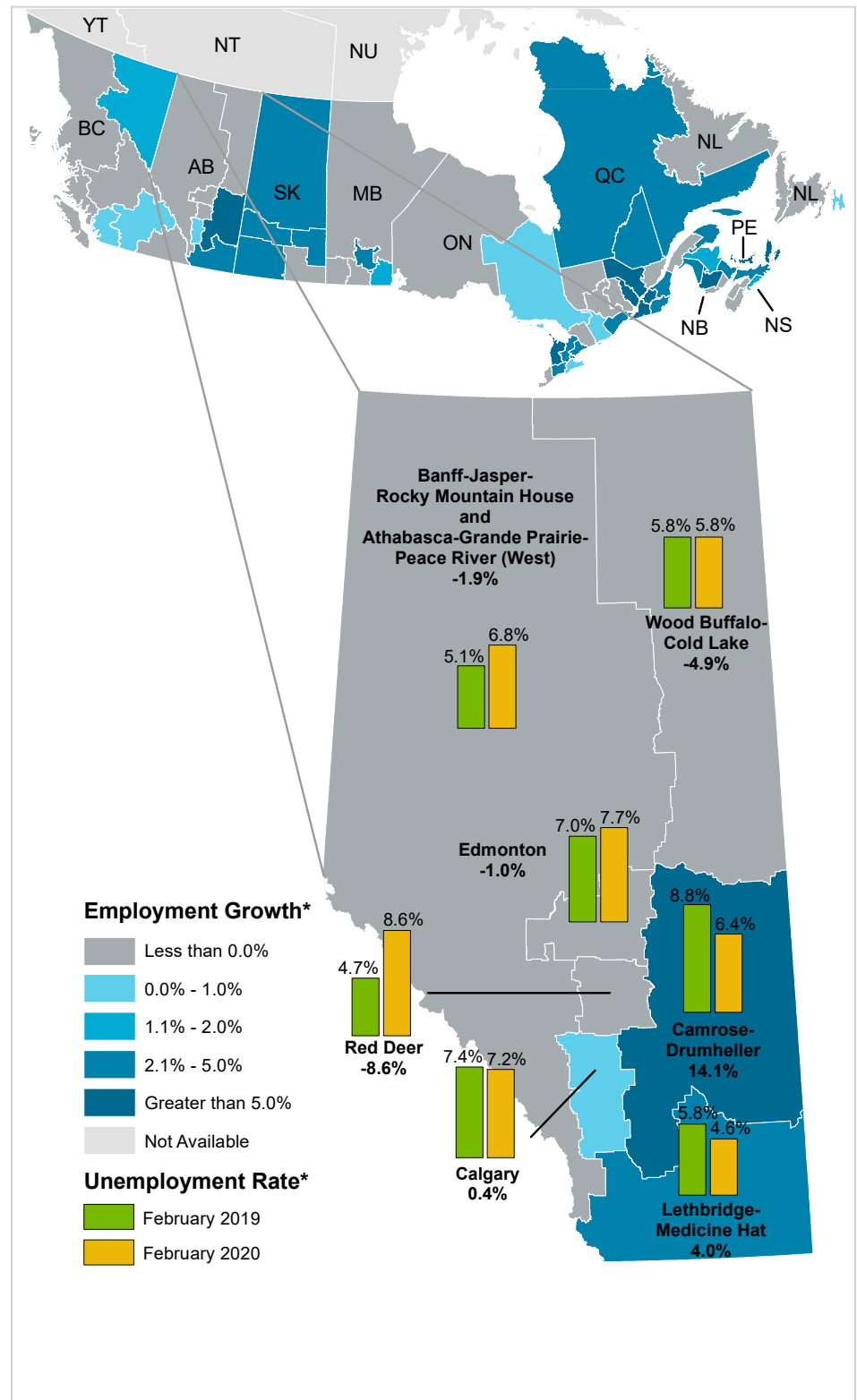
\*\* This indicator is calculated as a three month moving average and is seasonally adjusted.

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

# Regional labour market indicators

	2017	2019	2020 YTD
<b>Alberta</b>			
Population	1.2	1.6	1.7
Labour Force	0.5	0.9	0.3
Employment	1.9	0.5	-0.3
Unemployment Rate	6.6	6.9	7.1
<b>Calgary</b>			
Population	1.8	2.3	2.4
Labour Force	0.0	2.5	0.8
Employment	0.9	3.0	0.9
Unemployment Rate	7.6	7.1	7.1
<b>Edmonton</b>			
Population	1.8	2.1	2.2
Labour Force	0.7	1.7	0.0
Employment	2.6	0.7	-1.3
Unemployment Rate	6.4	7.3	7.8
<b>West</b>			
Population	-0.4	-0.4	-0.3
Labour Force	2.9	-1.2	-0.5
Employment	3.9	-1.1	-2.2
Unemployment Rate	5.6	5.5	6.7
<b>Lethbridge - Medicine Hat</b>			
Population	0.4	1.0	1.0
Labour Force	-0.6	0.1	2.5
Employment	0.0	-0.8	3.6
Unemployment Rate	5.1	6.0	4.6
<b>Red Deer</b>			
Population	0.6	0.9	0.9
Labour Force	3.1	-4.8	-6.5
Employment	4.8	-6.2	-9.8
Unemployment Rate	5.5	6.7	8.0
<b>Camrose - Drumheller</b>			
Population	-0.6	-0.3	-0.2
Labour Force	-0.2	-7.1	8.7
Employment	2.8	-8.4	11.7
Unemployment Rate	5.1	6.5	5.8
<b>Wood Buffalo - Cold Lake</b>			
Population	-2.1	-2.3	-2.2
Labour Force	-2.0	-0.9	-4.7
Employment	-0.2	-0.6	-4.5
Unemployment Rate	5.9	5.6	5.6

## Employment growth by economic region Per cent change in year-over-year employment



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

\*Based on three-month moving averages.

Contact: Robert Van Blyderveen at 780.638.5628  
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# Young men struggling with weakness in the goods sector

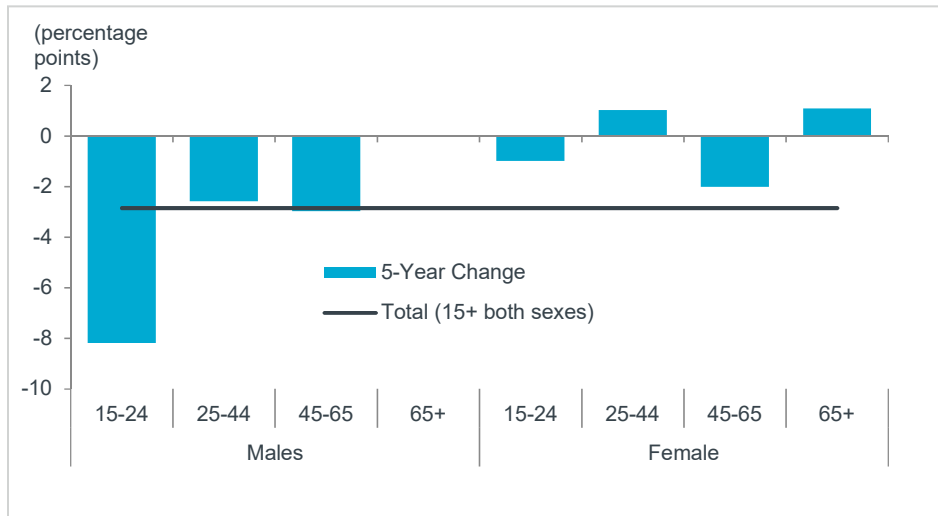
The prolonged recovery of Alberta's economy and ongoing market access issues are having a profound impact on the labour market, particularly on young males. This Labour InSight examines how the changes in Alberta's labour market has affected men between the ages of 15 and 24.

## Lagging recovery in the goods sector

While overall employment has fully recovered, its composition has changed significantly from what it was before the recession. Employment growth over the last five years has been driven solely by service-producing industries, while goods sector employment remains 66,900 lower than in 2014. The weakness in the goods sector has been widespread, with levels of employment in mining, oil and gas extraction, manufacturing, agriculture and construction all well below 2014 levels.

**Chart 1: Males and young males hit particularly hard by weakness in the goods sector**

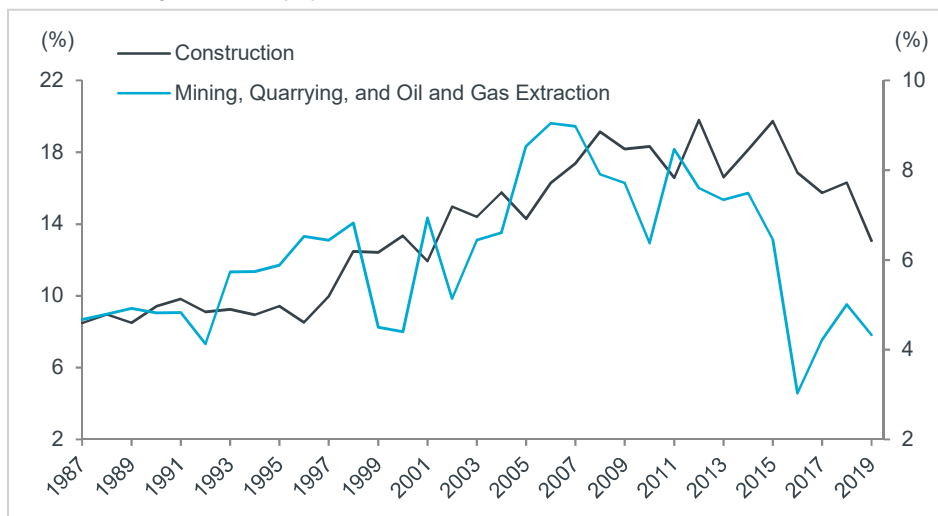
Five-year change in Alberta's annual employment rate (2014-2019), by age and sex



Source: Statistics Canada

**Chart 2: Fewer opportunities in mining, oil and gas and construction industries**

Share of males aged 15-24 employed in selected industries



Source: Statistics Canada

## Men impacted by the weakness

The weakness in the goods sector has disproportionately impacted males. Men accounted for nearly 80% of the employment in the goods sector in 2019, with the highest shares in construction (84%) and mining oil and gas (78%) industries. With subdued activity in these industries, the number of males employed in 2019 was unchanged from 2015, even though there were 71,500 more working-age men in the province. These changes have resulted in a significant decline in the employment rate of men, with young males hit particularly hard compared to other age groups (Chart 1).

## Fewer opportunities for young men

In the past, many young males took advantage of the growth and opportunities in goods-producing industries. Between 2000 and 2007, employment in mining and oil and gas extraction doubled, attracting many young men into the industry. Similarly, the growth and elevated levels of investment attracted numerous young males into the construction sector from 1996 into 2015. These two industries became a significant and growing source of jobs for young men (Chart 2). Combined, these two industries accounted for 26% of all positions held by men aged 15-24 in 2014. Now, these industries account for 17%.

With fewer opportunities, young males are participating less in the labour market. The participation rate among males 15-24 has dropped from 70.2% in 2014 to 64.8% in 2019. Even though many have dropped out of the labour force, many continue to struggle to find work. There were over 25,000 young men unemployed in 2019, for an average unemployment rate of 15%, the third-highest among provinces for this cohort.

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