

Labour Market Notes

Growing labour force pushes the unemployment rate higher

Alberta

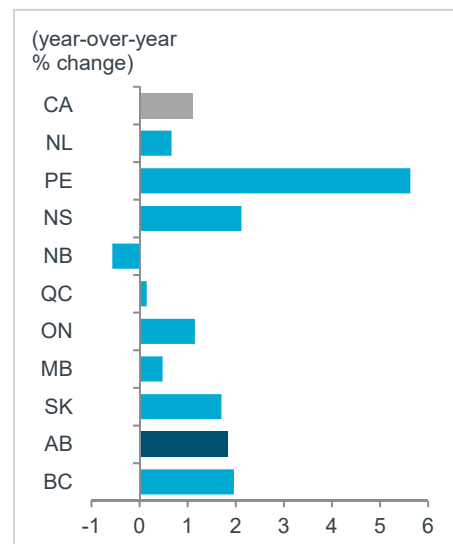
- **Employment dips.** Employment dipped in October for the second month in a row after a large increase in August. It was down 2,700 in October.
- **More full-time positions.** Full-time positions increased by 8,600 but were offset by a pullback in part-time (-11,300). Since the June 2016 low, full-time positions have accounted for all of the job gains. They have increased by 97,200 while part-time has eased (-8,800).
- **Unemployment rate moves higher.** The unemployment rate rose 0.3 percentage points to 7.3% as the labour force participation rate ticked up to a 10-month high. The unemployment rate has been trending up since May 2018 as more Albertans are entering the workforce and looking for work.
- **Private sector pulls back from a three-year high.** Employment in the private sector (-9,000) declined in October after two strong monthly gains. Conversely, self-employment (+7,500) increased after two consecutive months of significant declines. Employment in the public sector was slightly lower (-1,200).
- **Service sector hits a new high.** The service sector added 6,000 jobs in October, more than reversing the previous months decline to reach a new high.
- **Goods sector retreats.** Goods sector took a step back (-8,700) as employment in the manufacturing sector declined (-5,500) and employment in the natural resource industries (-1,800) slipped for the fourth month in a row.
- **Broad year-over-year growth.** Employment continues to track higher than a year ago, up 42,300 or 1.8%. Over the last year, employment gains have been broad-based with strong gains in the service sector (+35,300) and solid growth in the goods sector (+7,000), with growth in 11 of the 16 industries. The majority of job gains have been in full-time (+30,600) and led by growth in the private sector (+18,400) and self-employment (+15,500).
- **Earnings surge.** Average weekly earnings (AWE) jumped 1.4% in August to \$1,168. With the large monthly gain, earnings were up 3.0% year-over-year and just shy of the pre-recession peak.

Canada

- **Canadian employment holds steady.** Canada added a modest 11,200 jobs in October. Quebec was the only province recording a meaningful gain (+9,100) while employment was little changed in other provinces. Over the last 12 months, Canada has added 205,900 jobs, for a year-over-year gain of 1.1%.
- **Unemployment rate edges lower.** The Canadian unemployment rate ticked down 0.1 percentage points to 5.8%, matching the 43-year low.
- **Canadian earnings move higher.** Canadian AWE increased 0.6% to \$1,006 in August and are 3.0% higher than a year ago.

Employment Growth by Province

October 2018 vs. October 2017



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,335,200
month-over-month change	-2,700
year-over-year % change	1.8%
Alberta Unemployment Rate (UR)	7.3%
Edmonton UR**	6.3%
Calgary UR**	8.2%
Participation Rate	72.3%
Average Weekly Earnings (AWE)	\$1,168.41
year-over-year % change	3.0%
Average Hourly Wage	\$31.18
year-over-year % change	2.0%
Job Vacancy Rate***	2.1%

Source: Statistics Canada

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

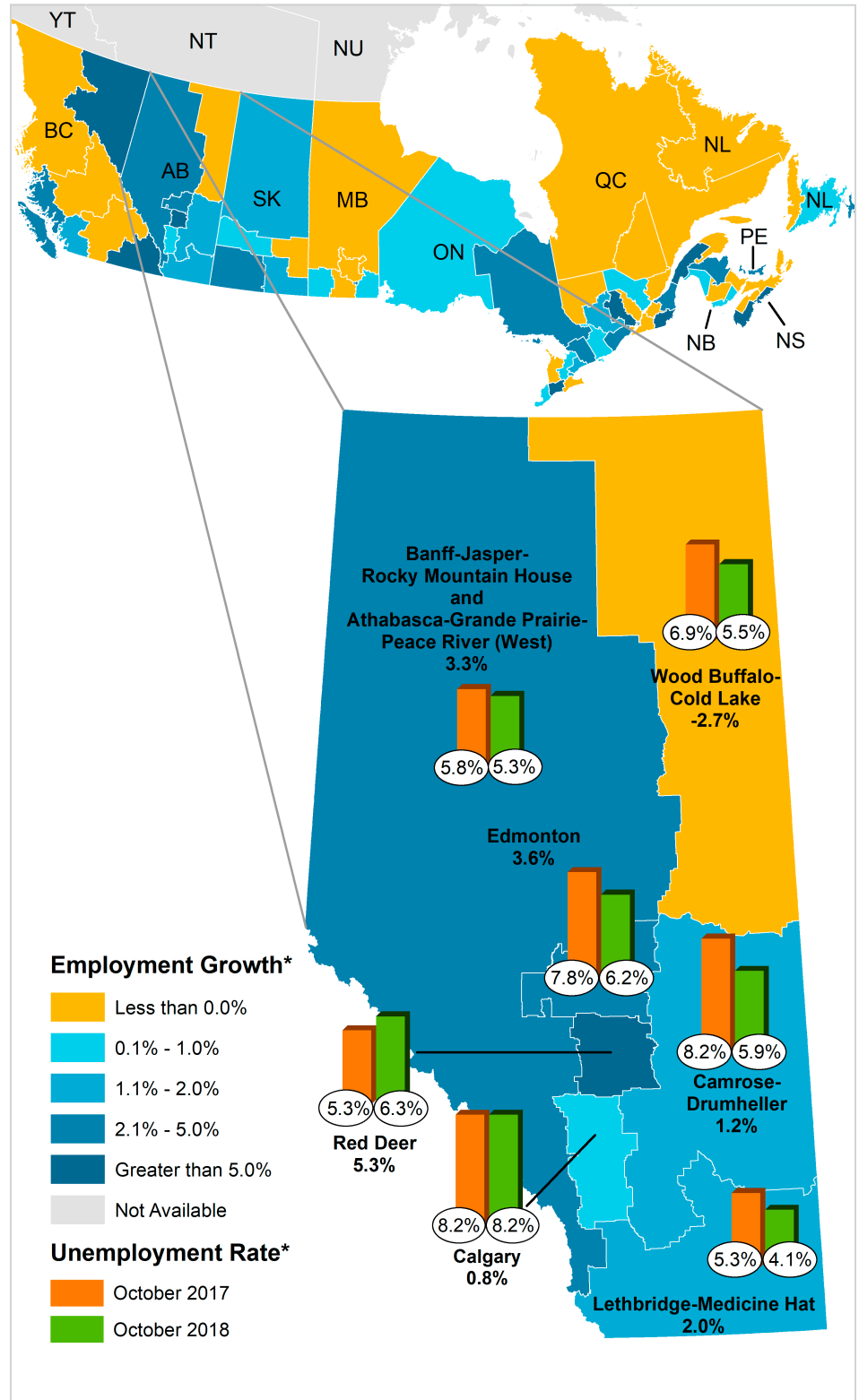
** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** 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	0.3
Employment	-1.6	1.0	1.9
Unemployment Rate	8.1	7.8	6.7
Calgary			
Population	1.9	1.4	1.7
Labour Force	1.3	1.8	-0.2
Employment	-1.7	2.7	1.0
Unemployment Rate	9.2	8.4	7.7
Edmonton			
Population	1.7	1.3	1.7
Labour Force	1.3	0.9	0.1
Employment	-0.2	0.1	2.2
Unemployment Rate	7.4	8.1	6.6
West			
Population	0.0	-0.5	-0.4
Labour Force	-4.2	0.1	3.2
Employment	-5.3	0.5	4.2
Unemployment Rate	6.9	6.4	5.8
Lethbridge - Medicine Hat			
Population	0.0	-0.2	0.3
Labour Force	3.4	-4.4	0.2
Employment	1.2	-3.3	0.4
Unemployment Rate	6.9	5.7	5.5
Red Deer			
Population	1.2	0.5	0.5
Labour Force	-1.8	-0.1	2.9
Employment	-4.3	1.7	4.9
Unemployment Rate	8.6	6.9	5.7
Camrose - Drumheller			
Population	-0.3	-0.8	-0.7
Labour Force	-0.1	-0.6	-0.4
Employment	-3.4	-0.7	4.0
Unemployment Rate	7.8	8.0	4.5
Wood Buffalo - Cold Lake			
Population	0.9	-0.8	-2.1
Labour Force	-2.6	0.0	-1.2
Employment	-4.0	1.8	1.0
Unemployment Rate	9.3	7.7	6.1

Employment growth by economic region
Percent change in year-over-year employment



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

*Based on three month moving averages

Calgary labour market softens

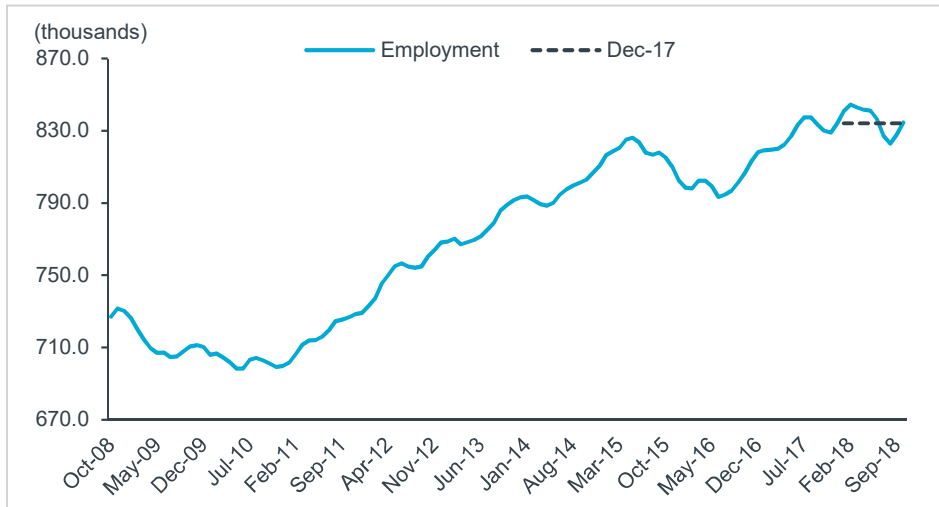
Calgary's labour market has stalled in 2018 after leading the employment recovery in 2017. With Calgary representing more than a third of Alberta's labour market, the recent softness has overshadowed gains in many other regions and weighed on the provincial numbers. This Labour InSight examines the current trends in Calgary's labour market.

Employment momentum slows after significant gains in 2017

Employment in the census metropolitan area (CMA) of Calgary has pulled back this year after leading the recovery in 2017. Following gains early this year, weakness through the summer pushed employment back to December 2017 levels (Chart 1). This is in contrast to 2017, when employment grew by 3.3%, well above the provincial rate of 1.0% and greater than all other

Chart 1: Calgary's employment holds on to 2017 gains

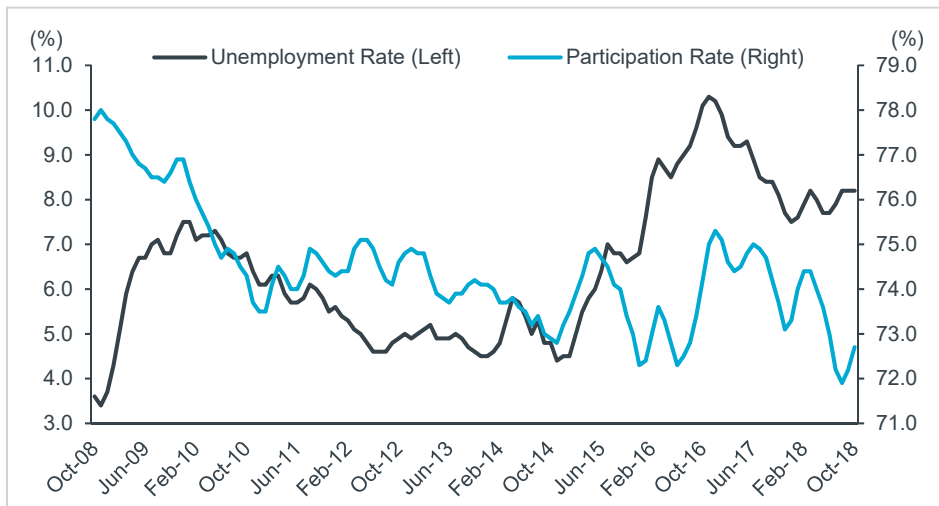
Calgary's seasonally adjusted employment (3-month moving average)



Source: Statistics Canada, Labour Force Survey

Chart 2: Unemployment remains elevated while participation rate near record low

Calgary's seasonally adjusted unemployment and participation rate (3-month moving average)



Source: Statistics Canada, Labour Force Survey

regions in the province. Momentum has slowed as employment in trade, accommodation and food, and finance, insurance and real estate have eased in 2018 after last year's strong gains. Construction employment has also faded recently.

Participation rate near lows

Calgarians tend to participate more in the labour force compared with other regions of the province. However, with slower employment growth, more Calgarians are choosing not to look for work. The participation rate hit a 16-year low in August and remains lower than a year ago.

Little change in the labour force

While the participation rate has declined, the labour force has been relatively flat in 2018 as the working age population has continued to grow. The growth in Calgary's working-age population (those over the age of 15) has accelerated in 2018, rising from 1.5% in 2017 to 2.0% in October. This is in line with the growth in Edmonton and higher than most CMAs across Canada.

Unemployment rate elevated

The number of unemployed has been on the rise in Calgary. This, combined with weak employment growth and a steady labour force, has put upward pressure on the unemployment rate. After entering the year at 7.5%, it moved up and has hovered around 8.2% (Chart 2). While significantly lower than the 10.3% peak reached in November 2016, the unemployment rate remains well above the 2009 peak of 7.5% and is the second highest among the 35 CMAs in Canada.

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