

Labour Market Notes

COVID-19 disruptions lead to a second month of record job losses

Alberta

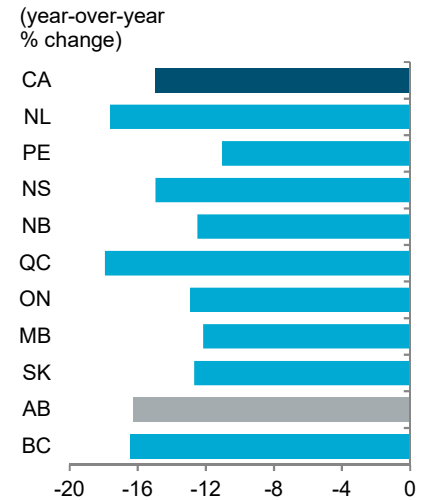
- **Record number of job losses.** The Alberta economy lost more than 243,000 jobs in April, more than double the decline in March and the largest monthly decline on record.
- **Unemployment rate surges.** Alberta's unemployment rate jumped 4.7 percentage points to 13.4 per cent, a record high. For the second month in a row, the increase was moderated by a decline in the participation rate as many unemployed people chose not to look for work.
- **Participation rate hits a new low.** The participation rate declined 4.2 percentage points to a record low of 63.7%.
- **Growing impact of COVID-19.** On a non-seasonally adjusted basis, 360,000 Albertans have lost their jobs over the past two months. Of those, 113,500 did not bother looking for work. If these people were considered unemployed, Alberta's unemployment rate would be closer to 18%.
- **Losses concentrated in the private sector.** The private sector accounted for nearly all of the job losses. It contracted by 237,900 jobs or 16.7%, falling back to levels last seen in late 2005. The reduction in the public sector (-3,500 or -0.8%), and self-employment (-2,400 or -0.7%) were minor in comparison.
- **All industries impacted.** While the losses continue to be led by wholesale and retail trade (-49,800) and accommodation and food services (-35,600) which have been directly affected by closures and restrictions, nearly all industries saw substantial declines.
- **Goods sector pullback.** After managing to grow in the previous month, the goods sector shed 69,800 jobs, with losses in construction (-33,200), manufacturing (-18,300) and forestry, mining, quarrying, oil and gas (-11,700).
- **Fewer full-time and part-time employees.** While the majority of job losses were in full-time positions (-182,500 or 9.8%), in percentage terms the cuts continue to be disproportionately on part-time (-61,300 or 17.1%). Over the past two months, 31% of part-time positions have been furloughed compared to 12% of full-time positions.
- **Earnings remain solid.** Average weekly earnings (AWE) fell \$5.25 in February to \$1,182. Despite the decline, earnings remain strong and up 3.6% year-over-year.

Canada

- **Historic employment losses across the country.** Employment in Canada fell by nearly 2 million in April after declining by more than 1 million in the previous month. Employment fell in all provinces, with large decline in Ontario (-689,200 or -9.6%), Quebec (-556,500 or -13.5%) and British Columbia (-264,100 or -11.0%).
- **Unemployment rate edges up.** The national unemployment rate increased by 5.2 percentage points to 13.0% in April. This was the largest one-month increase on record, and it was just shy of the record 13.1% hit in December 1982.
- **Canadian earnings pause.** After increasing in six of the last seven months, Canadian AWE eased \$2.73 to \$1,046 in February, with year-over-year growth of 3.7%.

EMPLOYMENT GROWTH BY PROVINCE

April 2020 vs. April 2019



Source: Statistics Canada

ALBERTA LABOUR MARKET INDICATORS

Indicator	Latest*
Employment	1,969,000
month-over-month change	-243,800
year-over-year % change	-16.2%
Alberta Unemployment Rate (UR)	13.4%
Edmonton UR**	10.0%
Calgary UR**	10.8%
Participation Rate	63.7%
Average Weekly Earnings (AWE)	\$1,182.04
year-over-year % change	3.6%
Average Hourly Wage	\$34.38
year-over-year % change	8.8%
Job Vacancy Rate***	2.6%

Source: Statistics Canada

* All data is from the April 2020 Labour Force Survey, except AWE which is the February 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.

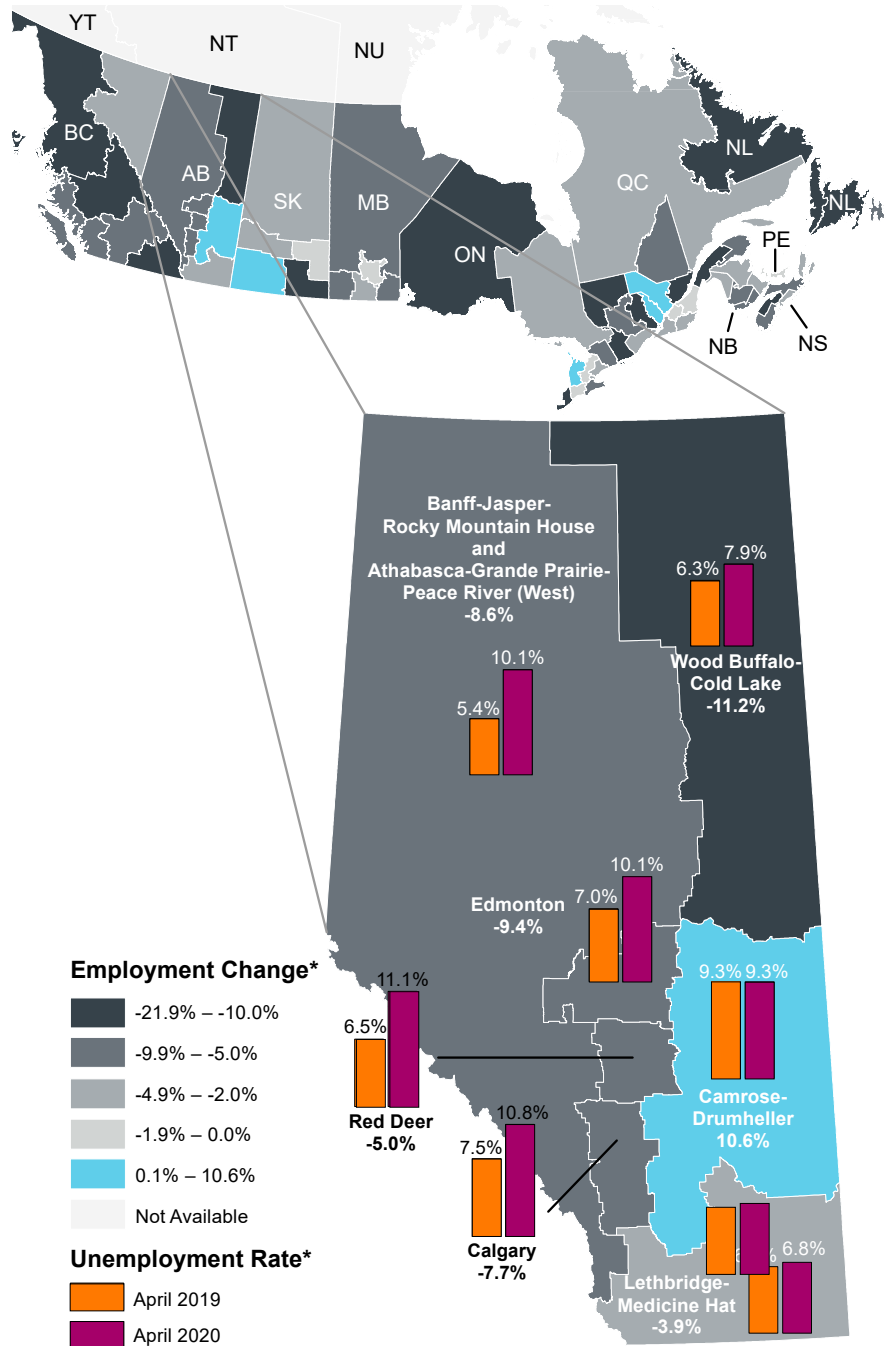
*** This indicator is reported quarterly.

Regional labour market indicators

	2017	2019	2020 YTD
Alberta			
Population	1.2	1.6	1.7
Labour Force	0.5	0.9	-1.2
Employment	1.9	0.5	-2.5
Unemployment Rate	6.6	6.9	8.1
Calgary			
Population	1.8	2.3	2.4
Labour Force	0.0	2.5	-0.9
Employment	0.9	3.0	-1.9
Unemployment Rate	7.6	7.1	8.4
Edmonton			
Population	1.8	2.1	2.2
Labour Force	0.7	1.7	-2.2
Employment	2.6	0.7	-3.9
Unemployment Rate	6.4	7.3	8.5
West			
Population	-0.4	-0.4	-0.4
Labour Force	2.9	-1.2	-1.5
Employment	3.9	-1.1	-4.2
Unemployment Rate	5.6	5.5	7.6
Lethbridge - Medicine Hat			
Population	0.4	1.0	1.0
Labour Force	-0.6	0.1	0.6
Employment	0.0	-0.8	1.3
Unemployment Rate	5.1	6.0	5.3
Red Deer			
Population	0.6	0.9	0.9
Labour Force	3.1	-4.8	-3.4
Employment	4.8	-6.2	-7.7
Unemployment Rate	5.5	6.7	9.3
Camrose - Drumheller			
Population	-0.6	-0.3	-0.2
Labour Force	-0.2	-7.1	10.2
Employment	2.8	-8.4	12.4
Unemployment Rate	5.1	6.5	7.1
Wood Buffalo - Cold Lake			
Population	-2.1	-2.3	-2.3
Labour Force	-2.0	-0.9	-6.3
Employment	-0.2	-0.6	-6.7
Unemployment Rate	5.9	5.6	6.3

EMPLOYMENT GROWTH BY ECONOMIC REGION

Per cent change in year-over-year employment



*Based on three-month moving averages.

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

COVID-19's impact beyond employment

The COVID-19 pandemic has resulted in significant disruptions to the Alberta economy. Employment has fallen 361,000, or 15.5%, over the last two months, far exceeding losses during previous recessions. The unemployment rate surged 6.2 percentage points to 13.4% in April. However, these two indicators do not capture the full impact of the pandemic. This month's Labour Insight looks at the broader impact of COVID-19 on the labour market, including a sharply higher labour under-utilization in the form of reduced hours and lower labour force participation.

Many laid-off left the labour force

Since February, a significant number of people have dropped out of the labour force and are not being counted as unemployed. Alberta's labour force declined by 223,100 (-9.0%) between February and April. The sharp decline came as the majority of permanently laid-off workers did not look for work and left the labour force (Chart 1). There was also a large increase in those who were not in the labour force and have never worked, corresponding with a gain in the number of young people aged 15-24 not working and not looking for work. If the people who lost their jobs and wanted to work, but left the labour force, were actually included as unemployed, Alberta's unemployment rate would be much higher at about 18%.

Employed missed more work

There was also an increase in the number of employed Albertans who missed work in March and April. During the reference week of April 12 to 18, 215,400 Albertan were employed but absent for the full week. This was an increase of 168,900 compared with February. There was also an increase

in the number of Albertans who missed more than half of their usual hours. During the week a total of 119,600 worked less than half their usual hours, 54,500 more than in February. In total, COVID-19 has resulted in 223,400 employed Albertans missing all or the majority of their work.

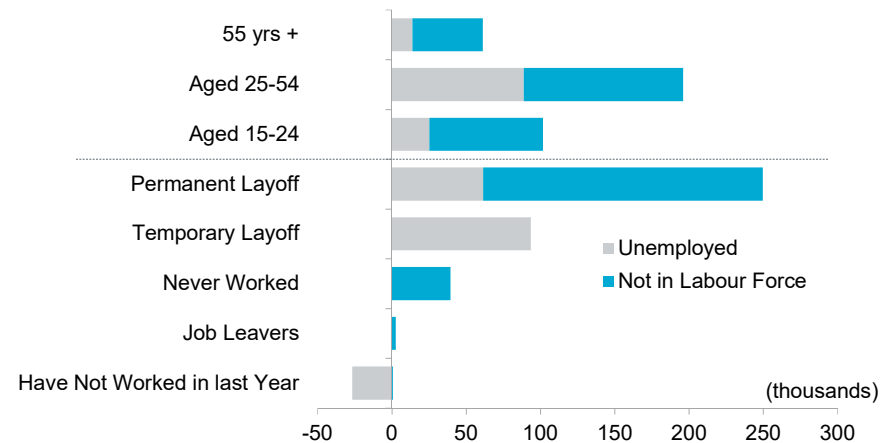
Fewer hours

Albertans as a whole are working and producing less. In April, roughly one-third of Alberta's potential labour

force did not work and wanted to work, or worked less than half their usual hours. This under-utilization has resulted in a large decline in total hours worked. This under-utilization has resulted in a large decline in total hours worked. Albertans worked an estimated 58.4 million hours in April, down 26% from the shorter month of February and down 22% from a year ago. Year-to-date, hours worked in Alberta are down 9.9%, larger than any year since the data set started in 1977 (Chart 2).

CHART 1: MANY WHO WERE LAID OFF LEFT THE LABOUR FORCE

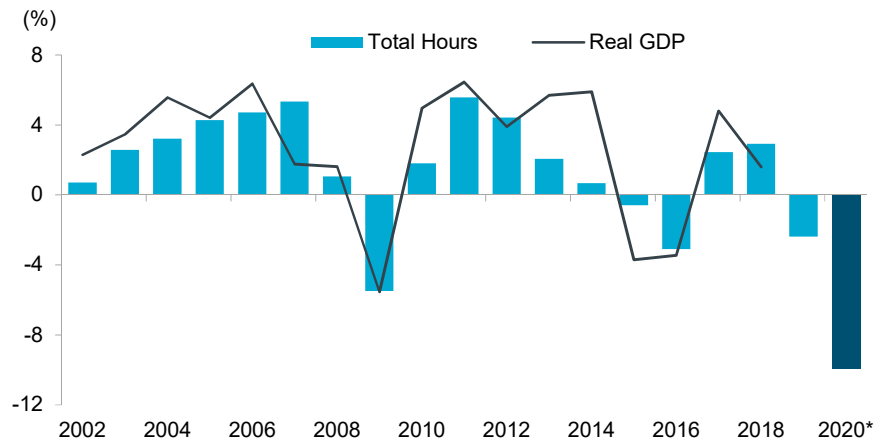
Two month change in the number of unemployed and not in the labour force, April 2002



Source: Statistics Canada

CHART 2: LARGE DROP IN HOURS WORKED THUS FAR IN 2020

Year-over-year percentage change



Source: Statistics Canada, * Year-to-date as of April

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