# Labour Market Notes

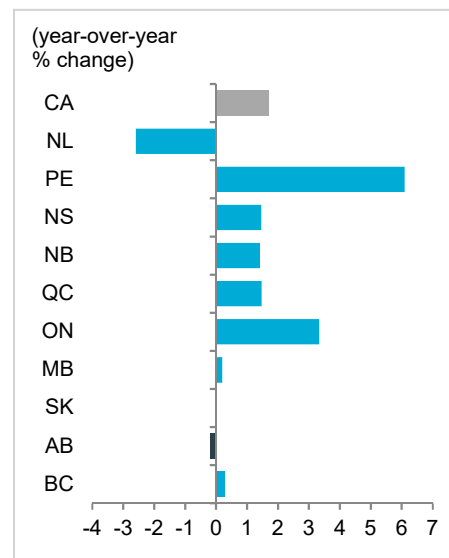## Labour market remains soft to end 2019

## Alberta

- **Employment virtually unchanged.** Employment was little changed in Alberta (-1,000) after a substantial pullback in the previous month.

- **Offsetting gains and losses.** Gains in the private sector (+5,000) and self-employment (+1,100) were offset by a decline in the public sector (-7,100), while growth in part-time employment (+22,600) was mitigated by losses in full-time positions (-23,600).

- **Weakness in the goods sector continues.** The goods sector shed 5,700 jobs in December after cutting 5,300 in November. The declines were led by manufacturing (-2,500) and natural resource (-2,300), which both trended lower in the second half of 2019.

- **Service sector rebounds.** The service sector (+4,800) gained back some of the losses from the previous month. The monthly gain was led by rebounds in trade (+7,400) and finance and insurance, and real estate (+2,700), and supported by education (+2,500), which reached a new high.

- **Employment growth stalls.** With the modest monthly decline, year-over-year (y/y) employment growth remained negative for the second consecutive month, down 4,200 (or 0.2%) from last December.

- **Strength in the private sector.** Employment in the private sector (+24,400 y/y) continued to be higher than a year ago. Meanwhile, despite the recent pullback, public sector employment (+2,300 y/y) remained higher from last year. These gains were offset by a sharp pullback in self-employment, which declined by 30,900 from a year ago.

- **Reversal in full-time jobs.** After leading employment growth in the first half of the year and over the previous two years, full-time employment pulled back and was lower than a year ago (-20,200 y/y).

- **Labour force declines with lower participation.** The labour force declined (-7,500) as continued growth in the working-age (15+) population (+3,600) was overwhelmed by a 0.3 percentage point decrease in the participation rate.

- **Unemployment rate falls.** The unemployment rate eased 0.2 percentage points to 7.0% as the labour force participation rate declined further.

- **Earnings growth accelerates.** Average weekly earnings (AWE) increased $10.71 in October to a record high of $1,185. Compared to a year ago, earnings were up 3.8%, the most robust growth in 20 months.

## Canada

- **Employment bounces back.** Employment in Canada rose 35,200 in December, regaining half of the November losses. Over the last twelve months, Canada has added 320,300 jobs led by significant gains in Ontario (+243,000 y/y) and solid gains in Quebec (+62,900 y/y).

- **Unemployment rate falls.** Nationally, the unemployment rate reversed most of the previous month's rise, falling 0.3 percentage points to 5.6%.

- **Canadian earnings continue to improve.** Canadian AWE increased by $2.48 to $1,042 in October, with year-over-year growth of 3.3%.

**Employment Growth by Province**
December 2019 vs. December 2018



Source: Statistics Canada

**Alberta Labour Market Indicators**

| Indicator | Latest* |
|---|---|
| Employment | 2,337,700 |
| month-over-month change | -1,000 |
| year-over-year % change | -0.2% |
| Alberta Unemployment Rate (UR) | 7.0% |
| Edmonton UR** | 8.0% |
| Calgary UR** | 7.1% |
| Participation Rate | 70.7% |
| Average Weekly Earnings (AWE) | $1,185.35 |
| year-over-year % change | 3.8% |
| Average Hourly Wage | $31.45 |
| year-over-year % change | 0.7% |
| Job Vacancy Rate*** | 2.6% |

Source: Statistics Canada
* All data is from the December 2019 Labour Force Survey, except AWE which is the October 2019 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate which is the third quarter 2019 Job Vacancy and Wage Survey.
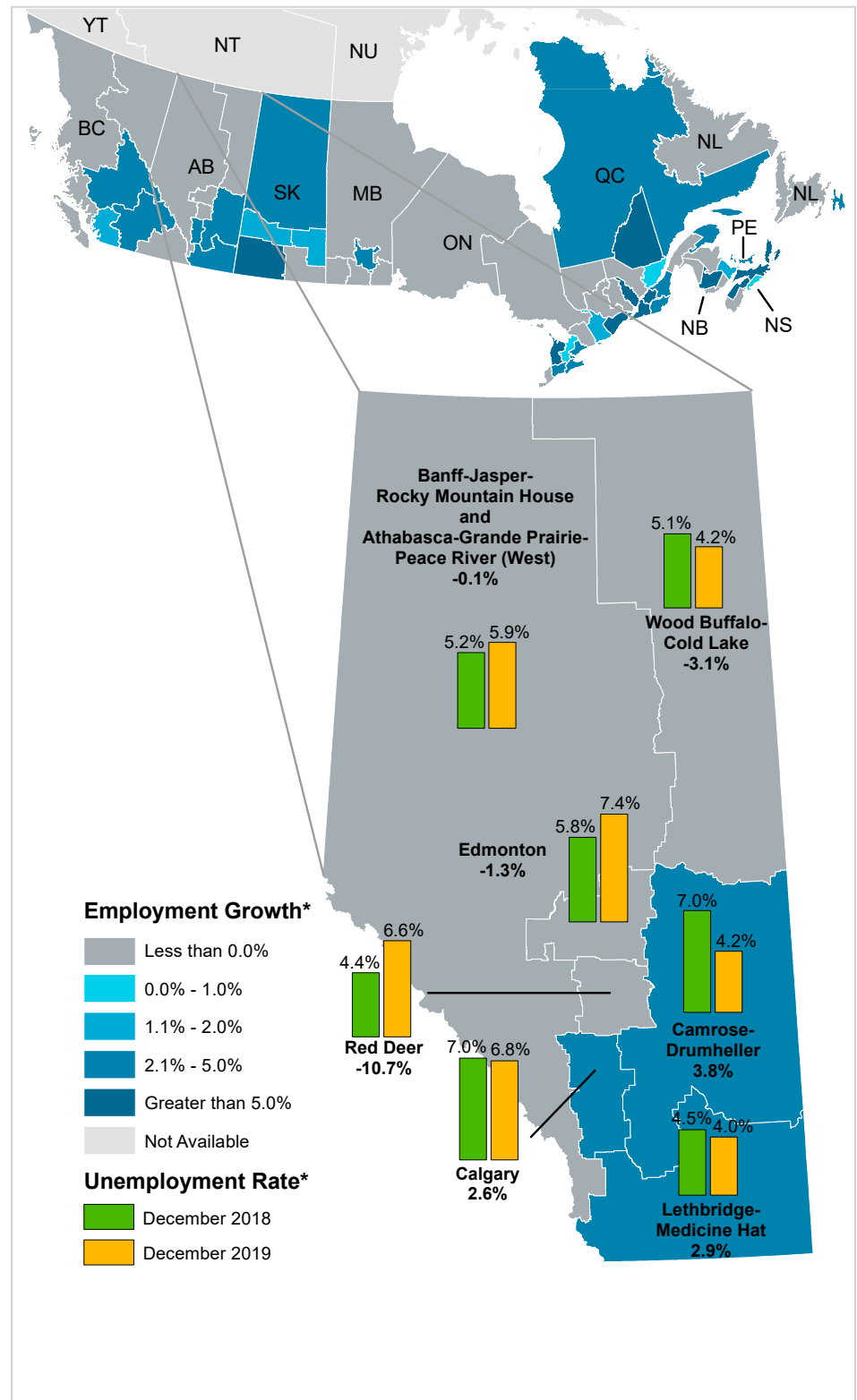** This indicator is calculated as a three month moving average and is seasonally adjusted.
*** This indicator is reported quarterly.

Alberta

# Regional labour market indicators

| | 2017 | 2018 | 2019 |
|---|---|---|---|
| **Alberta** | | | |
| Population | 0.9 | 1.2 | 1.6 |
| Labour Force | 0.7 | 0.5 | 0.9 |
| Employment | 1.0 | 1.9 | 0.5 |
| Unemployment Rate | 7.8 | 6.6 | 6.9 |
| **Calgary** | | | |
| Population | 1.4 | 1.8 | 2.3 |
| Labour Force | 1.8 | 0.0 | 2.5 |
| Employment | 2.7 | 0.9 | 3.0 |
| Unemployment Rate | 8.4 | 7.6 | 7.1 |
| **Edmonton** | | | |
| Population | 1.3 | 1.8 | 2.1 |
| Labour Force | 0.9 | 0.7 | 1.7 |
| Employment | 0.1 | 2.6 | 0.7 |
| Unemployment Rate | 8.1 | 6.4 | 7.3 |
| **West** | | | |
| Population | -0.5 | -0.4 | -0.4 |
| Labour Force | 0.1 | 2.9 | -1.2 |
| Employment | 0.5 | 3.9 | -1.1 |
| Unemployment Rate | 6.4 | 5.6 | 5.5 |
| **Lethbridge - Medicine Hat** | | | |
| Population | -0.2 | 0.4 | 1.0 |
| Labour Force | -4.4 | -0.6 | 0.1 |
| Employment | -3.3 | 0.0 | -0.8 |
| Unemployment Rate | 5.7 | 5.1 | 6.0 |
| **Red Deer** | | | |
| Population | 0.5 | 0.6 | 0.9 |
| Labour Force | -0.1 | 3.1 | -4.8 |
| Employment | 1.7 | 4.8 | -6.2 |
| Unemployment Rate | 6.9 | 5.5 | 6.7 |
| **Camrose - Drumheller** | | | |
| Population | -0.8 | -0.6 | -0.3 |
| Labour Force | -0.6 | -0.2 | -7.1 |
| Employment | -0.7 | 2.8 | -8.4 |
| Unemployment Rate | 8.0 | 5.1 | 6.5 |
| **Wood Buffalo - Cold Lake** | | | |
| Population | -0.8 | -2.1 | -2.3 |
| Labour Force | 0.0 | -2.0 | -0.9 |
| Employment | 1.8 | -0.2 | -0.6 |
| Unemployment Rate | 7.7 | 5.9 | 5.6 |

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

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



Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River (West)
-0.1%

5.2%  5.9%

Wood Buffalo-Cold Lake
-3.1%

5.1%  4.2%

Edmonton
-1.3%

5.8%  7.4%

Camrose-Drumheller
3.8%

7.0%  4.2%

Red Deer
-10.7%

4.4%  6.6%

Calgary
2.6%

7.0%  6.8%

Lethbridge-Medicine Hat
2.9%

4.5%  4.0%

**Employment Growth***

- Less than 0.0%
- 0.0% - 1.0%
- 1.1% - 2.0%
- 2.1% - 5.0%
- Greater than 5.0%
- Not Available

**Unemployment Rate***

- December 2018
- December 2019

*Based on three-month moving averages.

Alberta

# 2019 Labour Market Year in Review

Alberta's labour market failed to gain momentum in 2019 amid market access challenges and a slowing global economy. Employment growth slowed to 0.5%, down from 1.9% in 2018. With slower employment growth and continued labour force expansion, the unemployment rate remained stubbornly high, averaging 6.9% in 2019.

**Rotation to the private sector**

Building on the 2018 gains, private sector employment continued to expand in 2019. The private sector added 42,200 jobs in 2019 after increasing 19,600 in 2018 (Chart 1). While the gains were concentrated in the first half of the year, employment ended the year higher than it started and was only 1.4% below its pre-recession high reached in January 2015. However, private sector gains were partly offset by a pullback in self-employment, which declined by
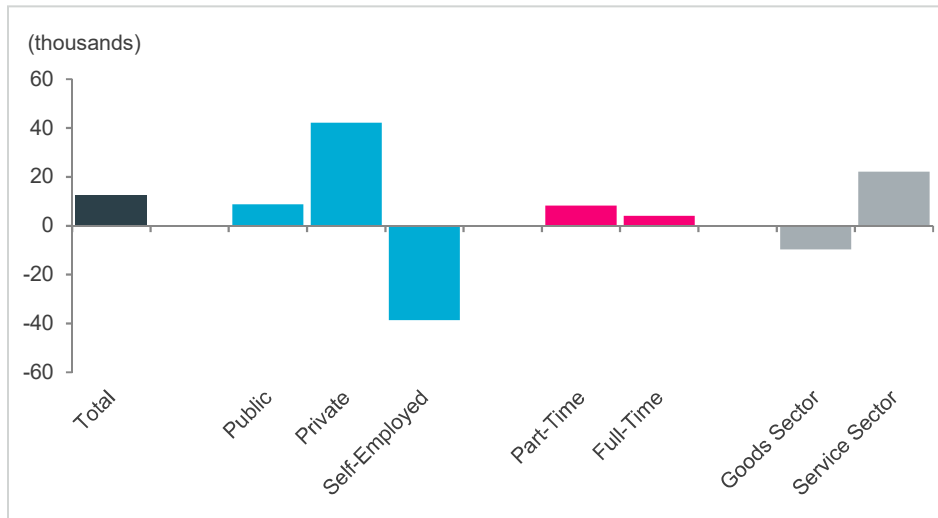
38,700 in 2019 and ended the year dramatically lower than the July 2018 peak.

**Service sector marches ahead**

Employment in the service sector continued to be a source of strength last year. It increased by 22,100 (1.3% y/y) in 2019 following similar gains in 2017 and 2018. However, growth was modest compared to the boom years when it grew more than 2% per year. Conversely, goods sector employment reversed much of the gains made in 2018, as market access challenges and subdued levels of investment weighed on employment in construction and mining, oil and gas sectors.

**Chart 1: Alberta employment continued to advances in 2019**
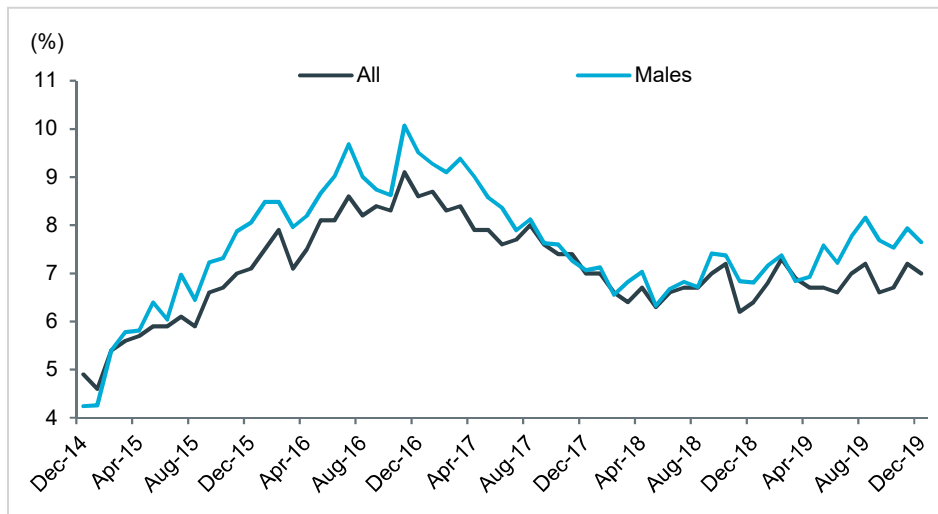Annual change in employment levels



Source: Statistics Canada

**Chart 2: Unemployment remains elevated as more males are unemployed**
Seasonally adjusted unemployment rate



Source: Statistics Canada

**Labour force continues to expand**

Growth in the labour force picked up but remained modest as the participation rate continued to decline. The labour force grew by 21,400 or 0.9% in the year, up from 0.5% in 2018. The acceleration was entirely due to a pickup in population growth, which increased to 1.6% in 2019 from 1.2% in 2018. This was moderated by a decline in the participation rate (part-rate). The part-rate fell 0.5 percentage points to 71.4 and 39 year low. The falling part-rate was driven by an ageing population and declining participation among male workers.

**Elevated unemployment rate**

With slowing growth in employment and continued growth in the labour force, the unemployment rate remained elevated and swung with changes in the part-rate. Despite the fluctuations throughout the year, the unemployment rate edged higher, averaging 6.9% in 2019. The increase in 2019 was concentrated in male workers and was most noticeable in the young (aged 15-24) and mature (55 years and older).

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Have a question? Send us an email

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