

# Labour Market Notes

## Labour market recovery on track

### Alberta

- **Labour market recovery continues.** Employment increased 23,400 month-over-month (m/m) in October, building on gains over the previous five months.
- **Strong gains in full-time and part-time.** The monthly gain was evenly distributed among full-time (+12,800) and part-time positions (+10,600).
- **Services sector continues to lead recovery.** A broad-based gain in the service sector (+15,300) accounted for most gains, led by health care and social assistance (+8,500) and continuing recovery in some of the hardest hit industries, such as wholesale and retail trade (+7,100) and transportation and warehousing (+7,200). However, job gains in most service-producing industries slowed from the strong rebound seen in the spring and early summer.
- **Goods sector moves higher.** The goods sector added jobs (+8,100) on the back of solid gains in manufacturing (+5,700) and forestry, fishing, mining, oil and gas (+4,000). However, goods sector employment is still lagging behind amid weak oil prices and subdued business investment.
- **Private sector improving.** Employment in the private sector accounted for nearly all of the job gains since April, but remained 7.2% below February level.
- **Unemployment rate declines.** The unemployment rate declined for the fourth month in a row, down 1.0 percentage points to 10.7%, as the labour force participation rate edged lower to 69.6%.
- **Employment remains below pre-COVID levels.** With the monthly gain, Alberta has recovered 258,400, or almost 72%, of the 360,900 jobs lost between February and April. Employment in majority of the industries still remains below February levels.
- **Many employed Albertans still missing work.** In October, there were 127,600 Albertans who were employed but did not work during the reference week. This was down from the high of 248,800 in April, but still 39,600 more than a year ago.
- **Wages fall.** The average hourly wage in Alberta declined for the sixth month in a row to \$32.4 (-1.1% m/m). Even with the recent pullback, the average wage was up 1.4% from February and 3.1% compared to a year ago.

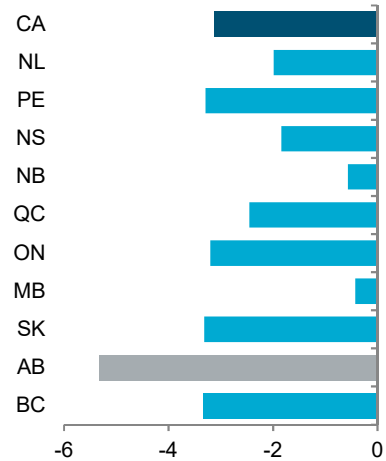
### Canada

- **Employment recovery across Canada slows.** A total of 83,600 jobs were added in October, following a gain of over 450,000 on average over the previous five months. Employment increased in seven of the ten provinces.
- **Unemployment edged lower.** The national unemployment rate decreased by 0.1 percentage point to 8.9% in October.
- **Wages remain elevated.** The national average hourly wage ticked up to \$29.75 (+0.1% m/m). The average wage was up 3.8% from February and 5.5% higher compared to a year ago.

### EMPLOYMENT GROWTH BY PROVINCE

October 2020 vs. October 2019

(year-over-year % change)



Source: Statistics Canada and Haver Analytics

### ALBERTA LABOUR MARKET INDICATORS

Indicator	Latest*
Employment	2,227,400
month-over-month change	23,400
year-over-year % change	-5.3%
Alberta Unemployment Rate (UR)	10.7%
Edmonton UR**	12.0%
Calgary UR**	11.3%
Participation Rate	69.6%
Average Weekly Earnings (AWE)	\$1,214.07
year-over-year % change	4.1%
Average Hourly Wage	\$32.43
year-over-year % change	3.1%

Source: Statistics Canada and Haver Analytics

\* All data is from the October 2020 Labour Force Survey, except AWE which is the August 2020 Survey of Employment, Payrolls and Hours.

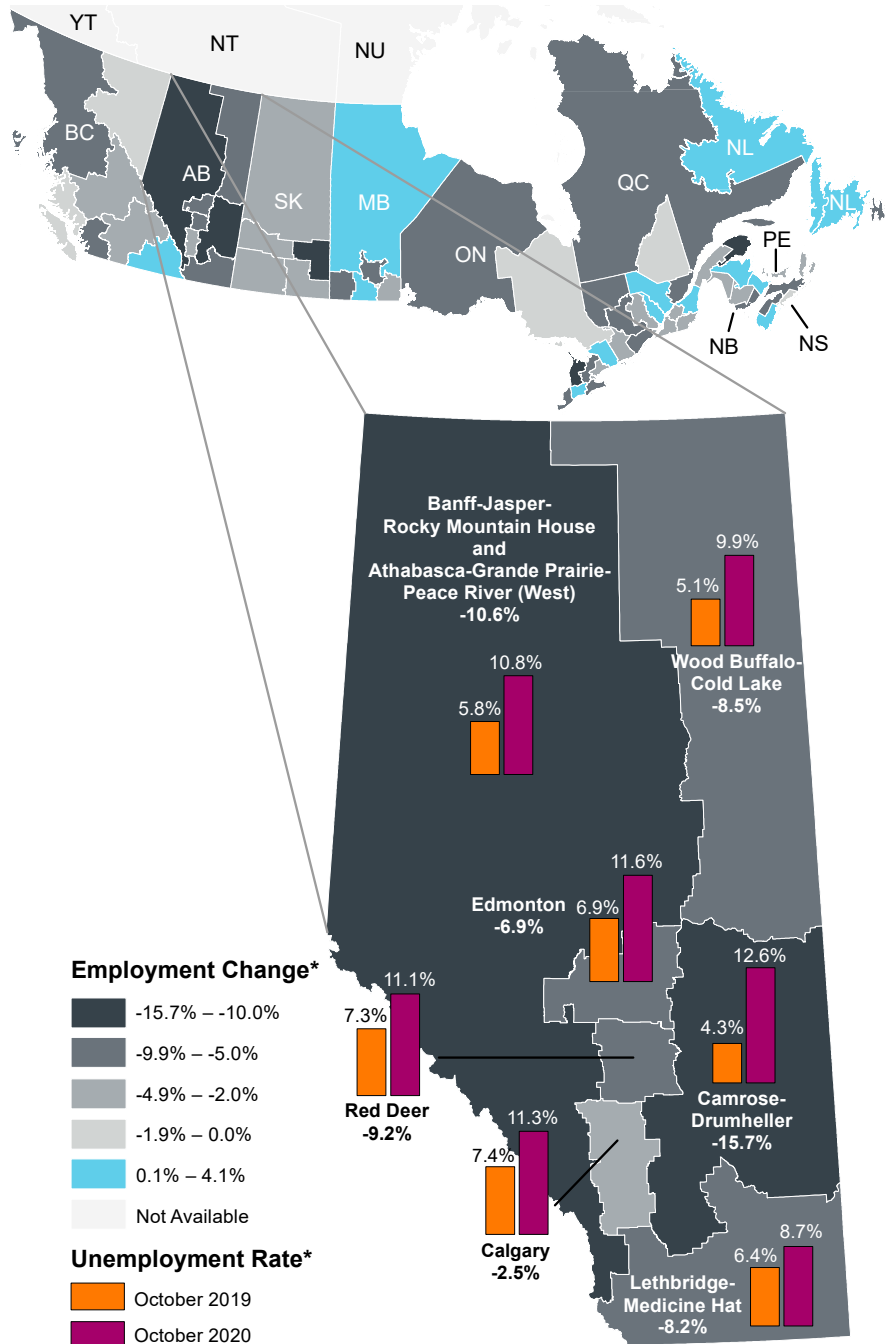
\*\* This indicator is calculated as a three month moving average and is seasonally adjusted.

# Regional labour market indicators

	2018	2019	2020 YTD
<b>Alberta</b>			
Population	1.2	1.6	1.6
Labour Force	0.5	0.9	-2.6
Employment	1.9	0.5	-7.0
Unemployment Rate	6.6	6.9	11.2
<b>Calgary</b>			
Population	1.8	2.3	2.3
Labour Force	0.0	2.5	-1.3
Employment	0.9	3.0	-5.9
Unemployment Rate	7.6	7.1	11.5
<b>Edmonton</b>			
Population	1.8	2.1	2.1
Labour Force	0.7	1.7	-3.4
Employment	2.6	0.7	-8.2
Unemployment Rate	6.4	7.3	11.8
<b>West</b>			
Population	-0.4	-0.4	-0.5
Labour Force	2.9	-1.2	-5.1
Employment	3.9	-1.1	-10.6
Unemployment Rate	5.6	5.5	11.0
<b>Lethbridge - Medicine Hat</b>			
Population	0.4	1.0	0.8
Labour Force	-0.6	0.1	-4.0
Employment	0.0	-0.8	-5.1
Unemployment Rate	5.1	6.0	7.5
<b>Red Deer</b>			
Population	0.6	0.9	0.7
Labour Force	3.1	-4.8	-2.6
Employment	4.8	-6.2	-7.6
Unemployment Rate	5.5	6.7	11.4
<b>Camrose - Drumheller</b>			
Population	-0.6	-0.3	-0.3
Labour Force	-0.2	-7.1	4.7
Employment	2.8	-8.4	1.3
Unemployment Rate	5.1	6.5	10.3
<b>Wood Buffalo - Cold Lake</b>			
Population	-2.1	-2.3	-2.4
Labour Force	-2.0	-0.9	-7.5
Employment	-0.2	-0.6	-10.7
Unemployment Rate	5.9	5.6	9.2

## EMPLOYMENT GROWTH BY ECONOMIC REGION

Per cent change in year-over-year employment



\*Based on three-month moving averages.

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

# Disproportionate recovery across regions and industries

Alberta's labour market continues to rebound, but the recovery pace has been uneven across regions and industries. While Calgary has surpassed February levels, other regions are lagging. This Labour Insight looks at the recovery across economic regions and industries.

## Services sector leads the way

Services sector employment has bounced back significantly since the provincial economy reopened. The services sector has recouped 76% of jobs lost between February and April. The rebound has been largely led by industries that were heavily impacted by public health measures, most notably retail and wholesale trade, health care and social assistance, and transportation and warehousing. Other industries impacted by travel restrictions and social distancing measures continue to struggle: accommodation and food services (-25% y/y) and other services (-8.4% y/y). Overall, services sector employment is 4.2% shy of the February level.

## Slow improvement in goods sector

The recovery in the goods sector is lagging. While goods employment has not been hit as hard as that of the services, weak investment is hampering the recovery. Goods sector employment has recouped only 49% of the peak-to-trough declines, with employment in forestry, fishing, mining, oil and gas, and manufacturing falling far below February levels (Chart 1). In contrast, construction employment has rebounded quickly and is 1.4% shy of pre-COVID level, supported by a strong gain in residential construction and public infrastructure spending. Overall, goods sector employment is 5.1% below its February level.

Contact [Younes Ahmadi](#) at 780.427.7543

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

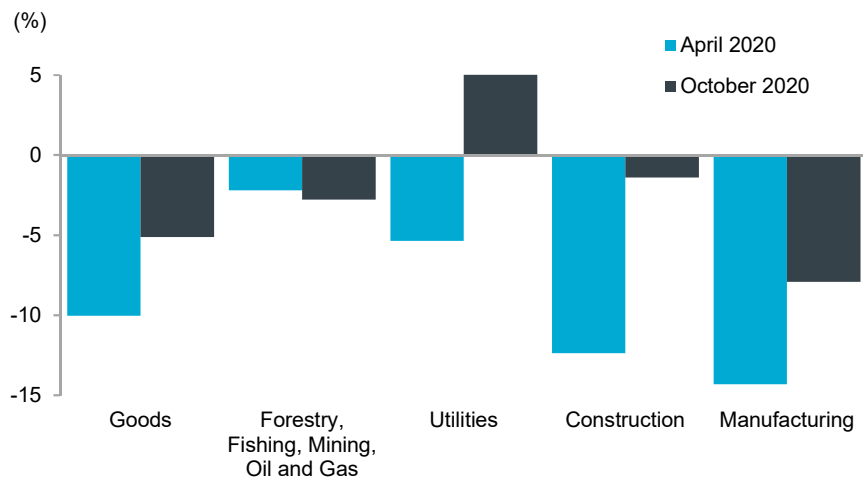
## Regional divergence

With the uneven improvement among industries, the employment recovery has been disproportionate across Alberta regions. Calgary has surpassed February levels, while other regions are lagging. Construction and wholesale and retail trade in Calgary have returned to February levels, while accommodation and food services has recouped 61% of pandemic-related

job losses. In contrast, Edmonton has recouped only 58% of jobs lost during the pandemic, whereas accommodation and food services (4%), manufacturing (19%), and other services (0%) have been particularly weak. The pace of recovery in other regions in Alberta is similar to that in Edmonton (Chart 2).

### CHART 1: WEAK RECOVERY IN GOODS SECTOR

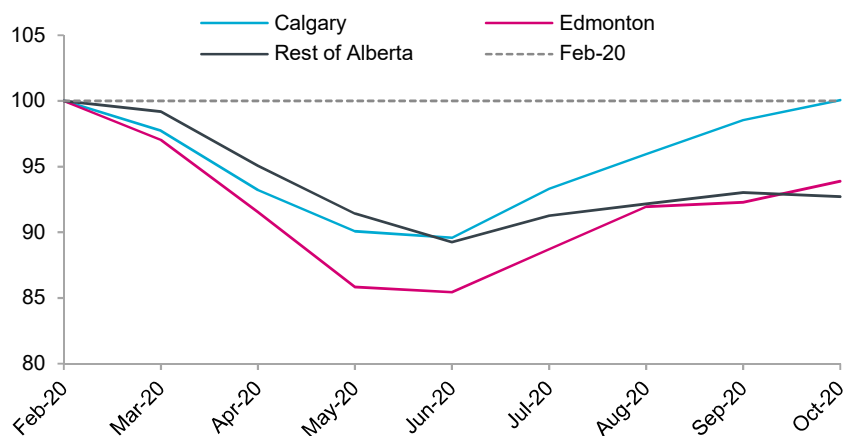
Goods employment relative to February 2020 levels by industry, seasonally adjusted (%)



Source: Statistics Canada and Haver Analytics

### CHART 2: CALGARY LEADS THE RECOVERY

Employment by economic regions indexed to February 2020, 3-month moving average (Feb-20=100)



Source: Statistics Canada and Haver Analytics