

Labour Market Notes

Employment improves in June

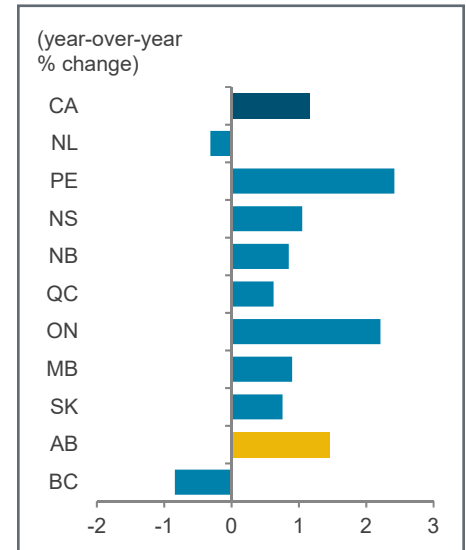
Alberta

- ◆ **Modest employment gains for the second month in a row.** Alberta added 2,000 jobs in June following a similar increase in May.
- ◆ **Rebound in the private sector.** The monthly gain was solely due to an increase in the private sector (+14,100), largely offset by a pullback in public sector (-8,100) and self-employment (-4,100).
- ◆ **Slowing momentum.** The pace of employment growth has slowed in 2018 after strong growth in the latter part of 2017. Alberta has added 7,800 jobs since December and 33,600 jobs over the last 12 months.
- ◆ **Goods sector supporting year-over-year job growth.** Over the last year, the employment gains have been concentrated in the goods sector (+32,300) while growth in the service sector has moderated (+1,300). The annual gains in the goods sector have been led by a strong rebound in construction (+16,500) and solid increases in natural resources (+13,300) and manufacturing (+7,300).
- ◆ **Rotation to full-time pauses in June.** All the job gains were in part-time positions (+2,800) while full-time employment edged lower (-900). Over the last 12 months, full-time employment has increased by 48,900, while part-time employment has declined (-15,300).
- ◆ **Unemployment rate bumps higher.** Despite the modest employment gain the unemployment rate ticked up from a 33-month low. It increased 0.3 percentage points to 6.5% in June as more people entered the labour force. The unemployment rate remains well below 7.5% reading from a year ago.
- ◆ **Participation rate edges up.** After falling to a 25 year low, the labour force participation rate increased 0.2 percentage points to 71.8%.
- ◆ **Earnings edge lower.** Average Weekly Earnings (AWE) ticked down 0.2% in March to \$1,153, but were up 2.4% compared to a year ago.

Canada

- ◆ **Solid monthly gain.** Nationally, employment increased in June (+31,800) as strong gains in Ontario (+34,900) and Saskatchewan (+8,300) were moderated by notable declines in BC (-8,000) and Quebec (-6,500). Over the last year, Canada has added 214,900 jobs for a year-over-year gain of 1.2 per cent down from 2.3% growth set in December 2017.
- ◆ **Unemployment ticks up.** After reaching a 43 year low in May, the Canadian unemployment rate edged up 0.2 percentage points to 6.0%.
- ◆ **Canadian earnings dip in April.** While Canadian AWE declined 0.3% in April to \$995, earnings were 2.5% higher than a year ago.

Employment Growth by Province, June 2018 vs. June 2017



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,328,200
month-over-month change	2,000
year-over-year % change	1.5%
Alberta Unemployment Rate (UR)	6.5%
Edmonton UR**	6.6%
Calgary UR**	7.7%
Participation Rate	71.8%
Average Weekly Earnings (AWE)	\$1,153.22
year-over-year % change	2.4%
Average Hourly Wage	\$30.31
year-over-year % change	2.9%
Job Vacancy Rate***	2.0%

Source: Statistics Canada

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

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

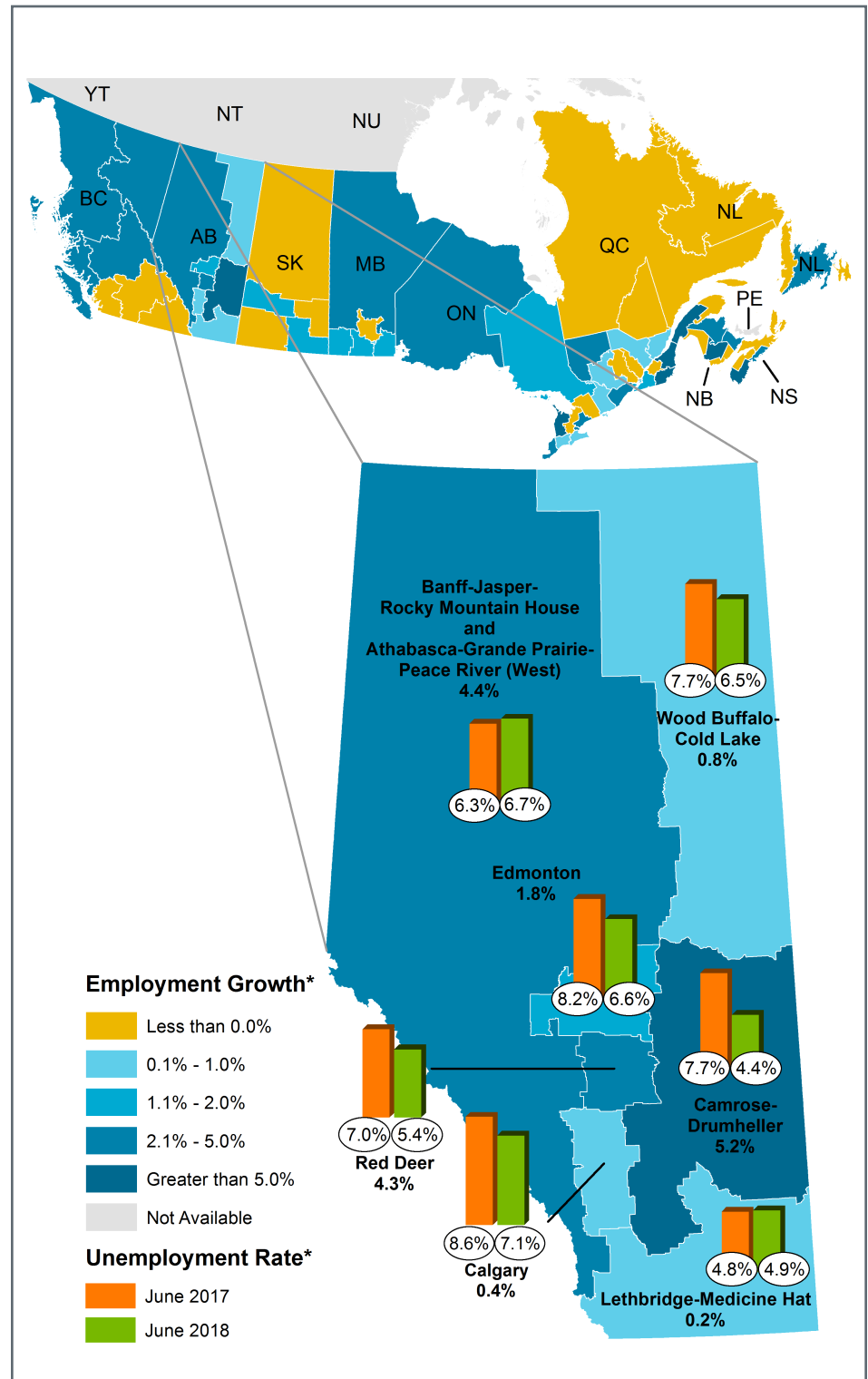
*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Regional labour market indicators

	2016	2017	2018 YTD
Alberta			
Population	1.3	0.9	1.1
Labour Force	0.6	0.7	0.0
Employment	-1.6	1.0	1.9
Unemployment Rate	8.1	7.8	6.7
Calgary			
Population	1.9	1.4	1.6
Labour Force	1.3	1.8	0.2
Employment	-1.7	2.7	2.0
Unemployment Rate	9.2	8.4	7.5
Edmonton			
Population	1.7	1.3	1.6
Labour Force	1.3	0.9	-0.7
Employment	-0.2	0.1	1.1
Unemployment Rate	7.4	8.1	6.8
West			
Population	0.0	-0.5	-0.4
Labour Force	-4.2	0.1	2.9
Employment	-5.3	0.5	4.3
Unemployment Rate	6.9	6.4	5.9
Lethbridge - Medicine Hat			
Population	0.0	-0.2	0.2
Labour Force	3.4	-4.4	-1.0
Employment	1.2	-3.3	-0.7
Unemployment Rate	6.9	5.7	6.0
Red Deer			
Population	1.2	0.5	0.5
Labour Force	-1.8	-0.1	0.6
Employment	-4.3	1.7	4.6
Unemployment Rate	8.6	6.9	5.2
Camrose - Drumheller			
Population	-0.3	-0.8	-0.7
Labour Force	-0.1	-0.6	-1.0
Employment	-3.4	-0.7	4.4
Unemployment Rate	7.8	8.0	4.2
Wood Buffalo - Cold Lake			
Population	0.9	-0.8	-1.9
Labour Force	-2.6	0.0	0.1
Employment	-4.0	1.8	2.8
Unemployment Rate	9.3	7.7	6.2

Employment growth by economic region

Percent change in year-over-year employment



Source: Statistics Canada

All number are percent growth, except unemployment rates

*Based on three month moving averages

Trends in temporary work

While the number of temporary workers (those working on contract, or in seasonal or casual positions) has fluctuated with economic cycles, its share to total paid employment has risen since 2009. This labour InSight looks at how temporary employment in Alberta has grown over the last ten years.

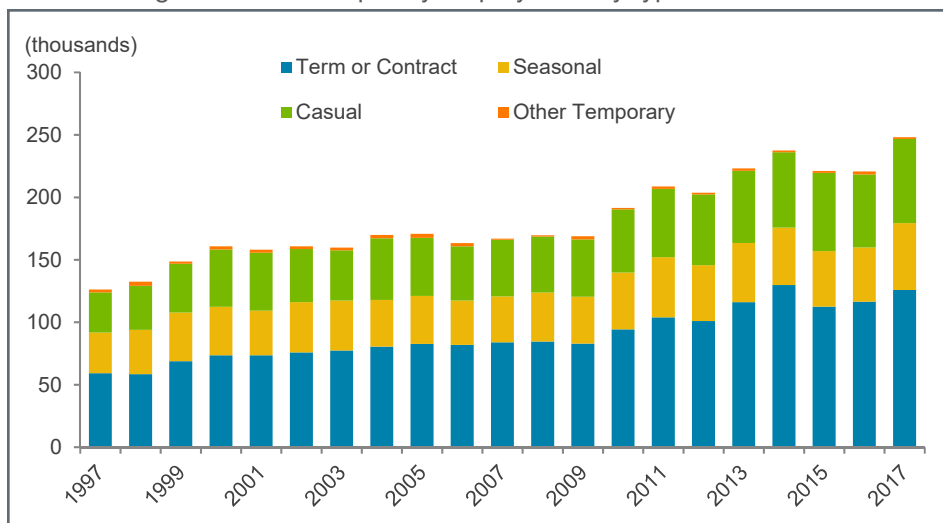
Temporary employment adjusted quickly

Compared to permanent work, temporary employment was quicker to adjust to changing economic conditions. The number of paid temporary workers in Alberta fell sharply (-16,400) in 2015, while permanent employment continued to grow (+51,800). The losses in temporary jobs were largely concentrated in the

energy and related industries as well as in wholesale and retail trade and other services. However, given the strong momentum heading into the downturn, other industries continued to hire permanent workers. In the early stages of the recovery, when the outlook was still uncertain, employers may have managed risk by hiring temporary over permanent workers. Contract positions rebounded immediately in 2016 and all other types of temporary positions also gained ground in 2017 (Chart 1).

Chart 1: Temporary employment quick to recover following recessions

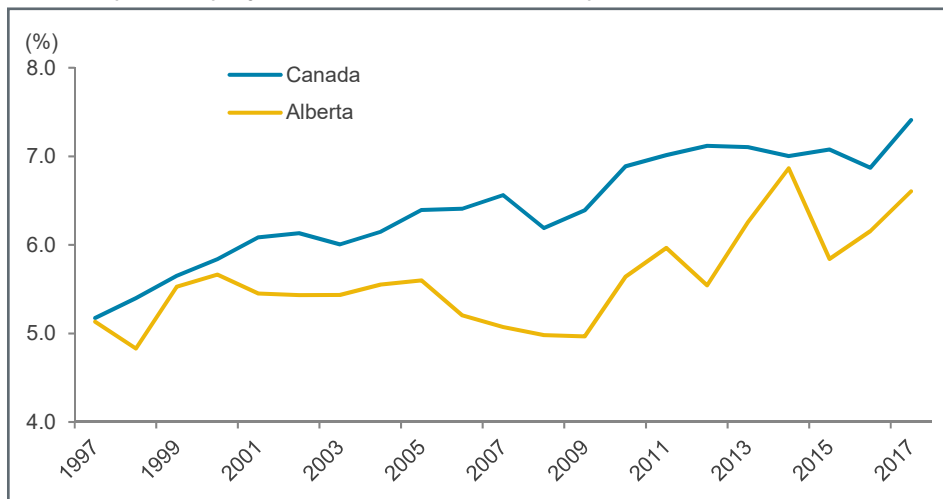
Annual change in Alberta temporary employment by type



Sources: Statistics Canada

Chart 2: Growing share of contract employment

Share of paid employment* in term and contract positions



Source: Statistics Canada, Treasury Board and Finance *excludes self-employment

Growth in contract jobs

In addition to cyclical changes, temporary employment has been rising over the last decade. In Alberta, the number of paid temporary workers grew by an average of 4.0% per year over the last decade to reach 248,100 in 2017. This was faster than the growth in permanent paid employment over the same period. As a result, the share of temporary to paid employment grew from less than 10% in 2008 to 13% in 2017. Contract jobs were the primary driver behind this, accounting for more than half of the gains in temporary employment. Moreover, this trend towards contract work has been occurring in Alberta since 2008 and across Canada since early 2000 (Chart 2).

Gains in casual and seasonal

Alberta's share of casual employment has also risen over the last decade, closely mirroring the national trend. The share of paid workers in seasonal employment has also risen over this period, mainly due to a jump following the 2009 and 2015-16 recessions. With the latest increase, the share of seasonal employment has returned to early 2000 levels and remains in line with the national level.

Contact

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Have a question or idea for Labour InSight? Send us an [email](#).