

Labour Market Notes

Second wave weighs on job recovery

Alberta

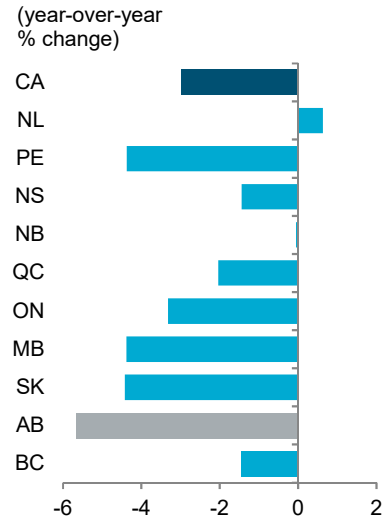
- **Employment retreats.** Employment declined 11,900 month-over-month (m/m) in December, the second month in a row, as new health measures were introduced in response to rising COVID-19 cases in the province.
- **Part-time employment takes a hit.** Part-time (-42,200 m/m) jobs declined sharply, while full-time (+30,300 m/m) positions increased.
- **Services sector continues to decline.** Employment in the services sector (-7,000) declined for the second consecutive month amid rising COVID-19 cases and new health measures. It was led by a large decrease in information, culture & recreation (-10,600) and accommodation & food services (-9,300). Meanwhile, hiring in business, building & other support services (+6,600), health care & social assistance (+4,200), and trade (+4,200) moderated the overall employment loss.
- **Goods sector pulls back.** Goods sector employment (-5,000) fell, driven by a large decline in construction (-10,500). These were partly offset by gains in natural resources industry (+2,900) and manufacturing (+2,700). With the monthly decline, goods sector employment remained 5.4% below February level.
- **Private sector takes a step back.** The private sector employment (-6,500) declined for the first time since April and stood at 7.0% below February level.
- **Unemployment rate steady.** Despite lower employment, the unemployment rate remained steady at 11.0%, as the labour force participation rate declined by 0.6 percentage point to 68.9%.
- **Employment remains below pre-COVID levels.** With the monthly decline, employment stood nearly 125,200 below the February level. Alberta has now recovered more than 65% (235,700) of the 360,900 jobs lost between February and April.
- **Labour underutilization remains high.** In December, there were 178,300 who were employed but missed more than half of their usual hours during the reference week. This was up 67,600 (+61% y/y) more than a year ago. The number of Albertans who wanted a job but did not look for one increased in December and were 27,700 (+56% y/y) above last year.
- **Wages edge lower.** The average hourly wage in Alberta inched down to \$32.84 (-0.3% m/m). Even so, average hourly wage was up 2.7% from February and 4.4% compared to a year ago.

Canada

- **Employment declines across Canada.** A total of 62,600 jobs were lost in December, the first decline since April. Employment fell in all provinces except British Columbia, led by Quebec, Ontario, and Alberta.
- **Unemployment rate ticks up.** The national unemployment rate inched up by 0.1 percentage point to 8.6% in December.
- **Wages remain elevated.** The national average hourly wage ticked up to \$29.78 (+0.3% m/m). The average wage remained 3.9% above February and 5.6% higher than last year.

EMPLOYMENT GROWTH BY PROVINCE

December 2020 vs. December 2019



Source: Statistics Canada, Haver Analytics

ALBERTA LABOUR MARKET INDICATORS

Indicator	Latest*
Employment	2,204,700
month-over-month change	-11,900
year-over-year % change	-5.7%
Alberta Unemployment Rate (UR)	11.0%
Edmonton UR**	11.1%
Calgary UR**	10.4%
Participation Rate	68.9%
Average Weekly Earnings (AWE)	\$1,187.77
year-over-year % change	-0.4%
Average Hourly Wage	\$32.84
year-over-year % change	4.4%

Source: Statistics Canada, Haver Analytics

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

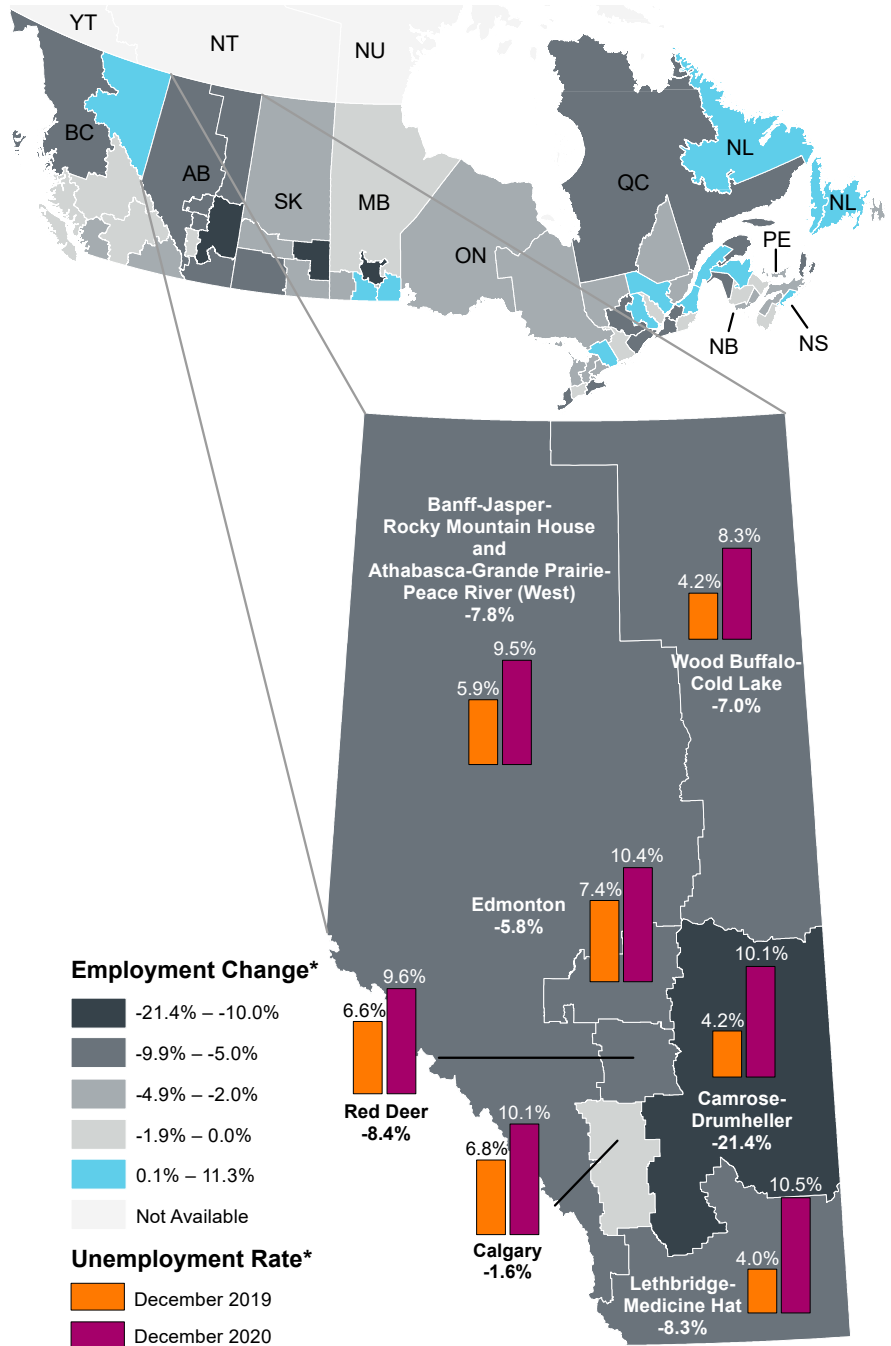
** This indicator is calculated as a three month moving average and is seasonally adjusted.

Regional labour market indicators

	2018	2019	2020
Alberta			
Population	1.2	1.6	1.4
Labour Force	0.5	0.9	-2.6
Employment	1.9	0.5	-7.2
Unemployment Rate	6.6	6.9	11.3
Calgary			
Population	1.8	2.3	2.2
Labour Force	0.0	2.5	-0.7
Employment	0.9	3.0	-5.5
Unemployment Rate	7.6	7.1	11.6
Edmonton			
Population	1.8	2.1	2.0
Labour Force	0.7	1.7	-3.6
Employment	2.6	0.7	-8.3
Unemployment Rate	6.4	7.3	11.8
West			
Population	-0.4	-0.4	-0.7
Labour Force	2.9	-1.2	-5.0
Employment	3.9	-1.1	-10.5
Unemployment Rate	5.6	5.5	11.0
Lethbridge - Medicine Hat			
Population	0.4	1.0	0.7
Labour Force	-0.6	0.1	-3.7
Employment	0.0	-0.8	-6.3
Unemployment Rate	5.1	6.0	8.5
Red Deer			
Population	0.6	0.9	0.6
Labour Force	3.1	-4.8	-2.6
Employment	4.8	-6.2	-7.4
Unemployment Rate	5.5	6.7	11.4
Camrose - Drumheller			
Population	-0.6	-0.3	-0.5
Labour Force	-0.2	-7.1	-0.7
Employment	2.8	-8.4	-5.1
Unemployment Rate	5.1	6.5	10.7
Wood Buffalo - Cold Lake			
Population	-2.1	-2.3	-2.5
Labour Force	-2.0	-0.9	-6.6
Employment	-0.2	-0.6	-10.3
Unemployment Rate	5.9	5.6	9.3

EMPLOYMENT GROWTH BY ECONOMIC REGION

Per cent change in year-over-year employment



*Based on three-month moving averages.

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

2020 Labour Market Year in Review: COVID-19, an unprecedented crisis

The dual shock of the COVID-19 pandemic and the collapse in oil prices in March and April dealt a severe blow to Alberta's labour market in 2020. With record job losses in the spring, employment declined 7.2%, the largest annual contraction in modern history. The unemployment rate (UR) also soared, averaging 11.3% in 2020. Pandemic-related disruptions also led to underutilized labour force in terms of reduced participation rate (part-rate) and hours worked.

Uneven job recovery

Employment rebounded strongly when the provincial economy opened up following the spring lockdowns. The gains were uneven across industries and occupations (Chart 1). While the service sector saw sharp declines, it recouped 69% of the jobs lost and supported a quicker rebound in part-time work. In contrast, the goods sector was not hit as hard but lagged behind the recovery due to weak business investment and subdued oil prices. Consequently, the private sector took the brunt of the job losses while public sector employment held up. In addition, rising cases and new public health measures stalled the recovery later in the year.

Unemployment rate surges

With the unprecedented decline in employment, the UR surged in 2020. The high UR was most evident among youth, who are mainly employed in industries directly impacted by public health measures, as well as mature workers (Chart 2). The increase in unemployment was tempered by a decline in the labour force part-rate, as many people who were laid off did not look for work. At the same time, slower migration into the province arising from travel restrictions and weak economic conditions weighed on growth in the

working-age population. With lower part-rate and slower population growth, Alberta's labour force fell for the first time in a decade (-2.6% y/y).

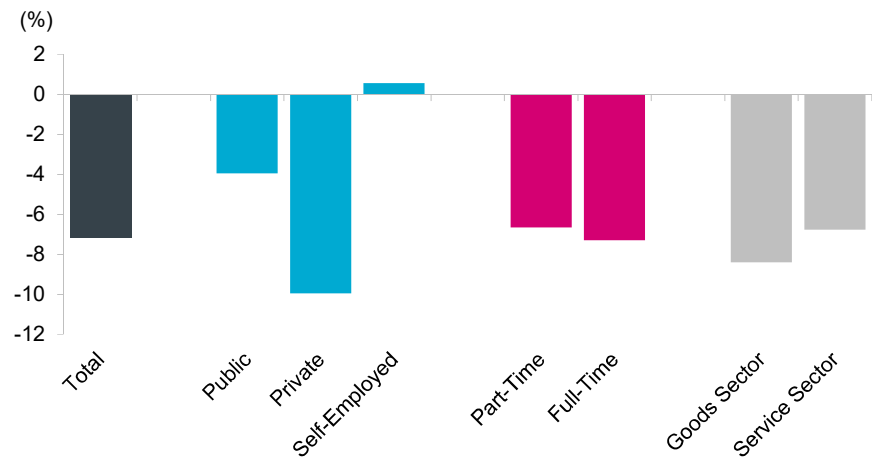
Underutilized labour force

The impact of the pandemic on the labour market goes beyond employment and the UR. The labour underutilization rate, a broader indicator of slack in the labour market, averaged

23% in 2020, significantly higher than 13% in 2019. This measure includes people who were unemployed and wanted a job but left the labour force, as well as those who were employed but working fewer hours. With a significant increase in unemployment and the number of employed people who were employed but working zero or less than half of their usual hours, total hours worked fell by 12% in 2020.

CHART 1: ALBERTA EMPLOYMENT DISRUPTED BY THE GLOBAL PANDEMIC

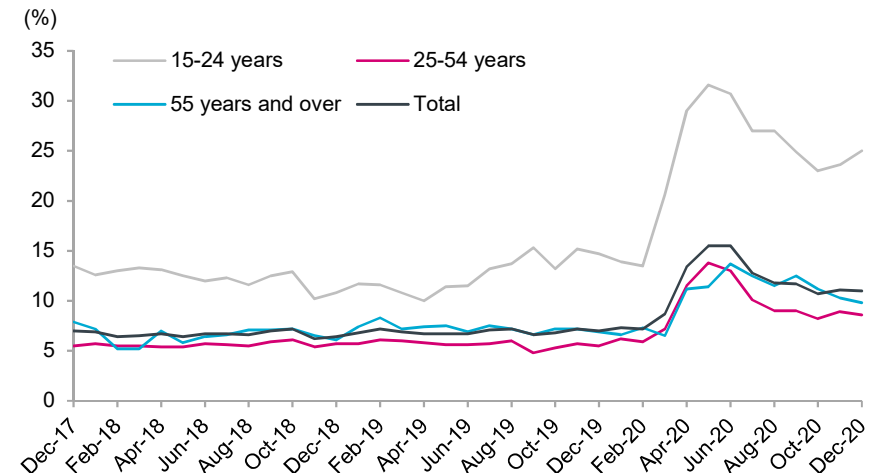
Annual growth in employment



Source: Statistics Canada, Haver Analytics

CHART 2: ELEVATED UNEMPLOYMENT RATE

Alberta unemployment rate by age cohort



Source: Statistics Canada, Haver Analytics

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