

Labour Market Notes

Unemployment rate comes down on solid job gains

Alberta

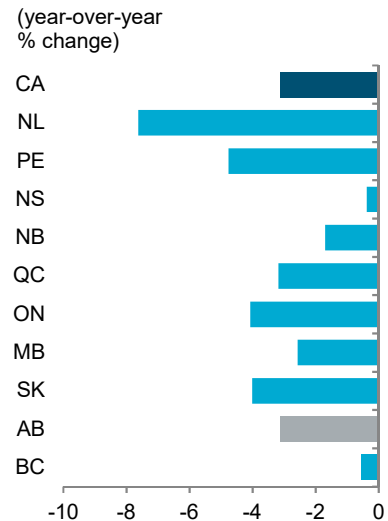
- **Employment recovery on track.** Building on solid gains in January, employment increased 16,800 month-over-month (m/m) in February, amid easing public health measures.
- **Strong gains in full-time.** The monthly gain was driven by full-time positions (+14,300) and supported by part-time positions (+2,600).
- **Services sector gains momentum.** Service sector employment increased substantially (+27,400) following a small gain in the previous month. Gains were concentrated in accommodation and food services (+19,200 m/m), which coincided with the easing of restrictions on restaurants earlier in the month. This was slightly tempered by declines in public administration (-3,600) and professional, scientific and technical services (-1,700). Overall, employment increased in 7 out of 11 services sectors.
- **Goods sector retreats.** After last month's solid gains, employment in goods-producing industries saw a widespread retreat, led by natural resources (-3,900) and manufacturing (-3,300). Only utilities posted a modest increase.
- **Unemployment rate falls.** With the strong monthly job gain, the unemployment rate declined 0.8 percentage points to 9.9%. This was the first time it has fallen below 10% since March 2020.
- **Employment remains below pre-COVID levels.** Employment stood 71,000 below the February 2020 level. Alberta has now recovered 79% (266,000) of the 337,000 jobs lost between February and April 2020.
- **Labour underutilization declines.** In February, the labour underutilization rate fell in the month to 17.9% but still up from 13.5% a year ago. There were 148,200 who were employed, but worked zero hours or missed more than half of their usual hours during the reference week. This was down in the month but up 50,100 (+51%) from a year ago. The number of Albertans who wanted a job but did not look for one dropped significantly in February and was 2,700 below last year.
- **Wages tick down.** With increase in employment in some low-paying industries, the average hourly wage in Alberta declined to \$32.96 (-0.7% m/m). The average hourly wage remained up 3.5% compared to a year ago.

Canada

- **National employment grows.** A total of 259,200 jobs were added in February, as restrictions eased in many provinces. Employment improved in 7 out of 10 provinces led by Quebec (+112,600) and Ontario (+100,300), while declining substantially in Newfoundland and Labrador.
- **Unemployment rate drops.** The national unemployment rate declined by 1.2 percentage points to 8.2% in February.
- **Wages decline.** The national average hourly wage decreased to \$29.97 (-0.9% m/m). The average wage remained 4.8% above last year.

EMPLOYMENT GROWTH BY PROVINCE

February 2021 vs. February 2020



Sources: Statistics Canada, Haver Analytics

ALBERTA LABOUR MARKET INDICATORS

Indicator	Latest*
Employment	2,198,200
month-over-month change	+16,800
year-over-year % change	-3.1%
Alberta Unemployment Rate (UR)	9.9%
Edmonton UR**	11.6%
Calgary UR**	10.6%
Participation Rate	69.1%
Average Weekly Earnings (AWE)	\$1,199.93
year-over-year % change	+2.4%
Average Hourly Wage	\$32.96
year-over-year % change	3.5%

Sources: Statistics Canada, Haver Analytics

* All data is from the February 2021 Labour Force Survey, except AWE which is from the December 2020 Survey of Employment, Payrolls and Hours.

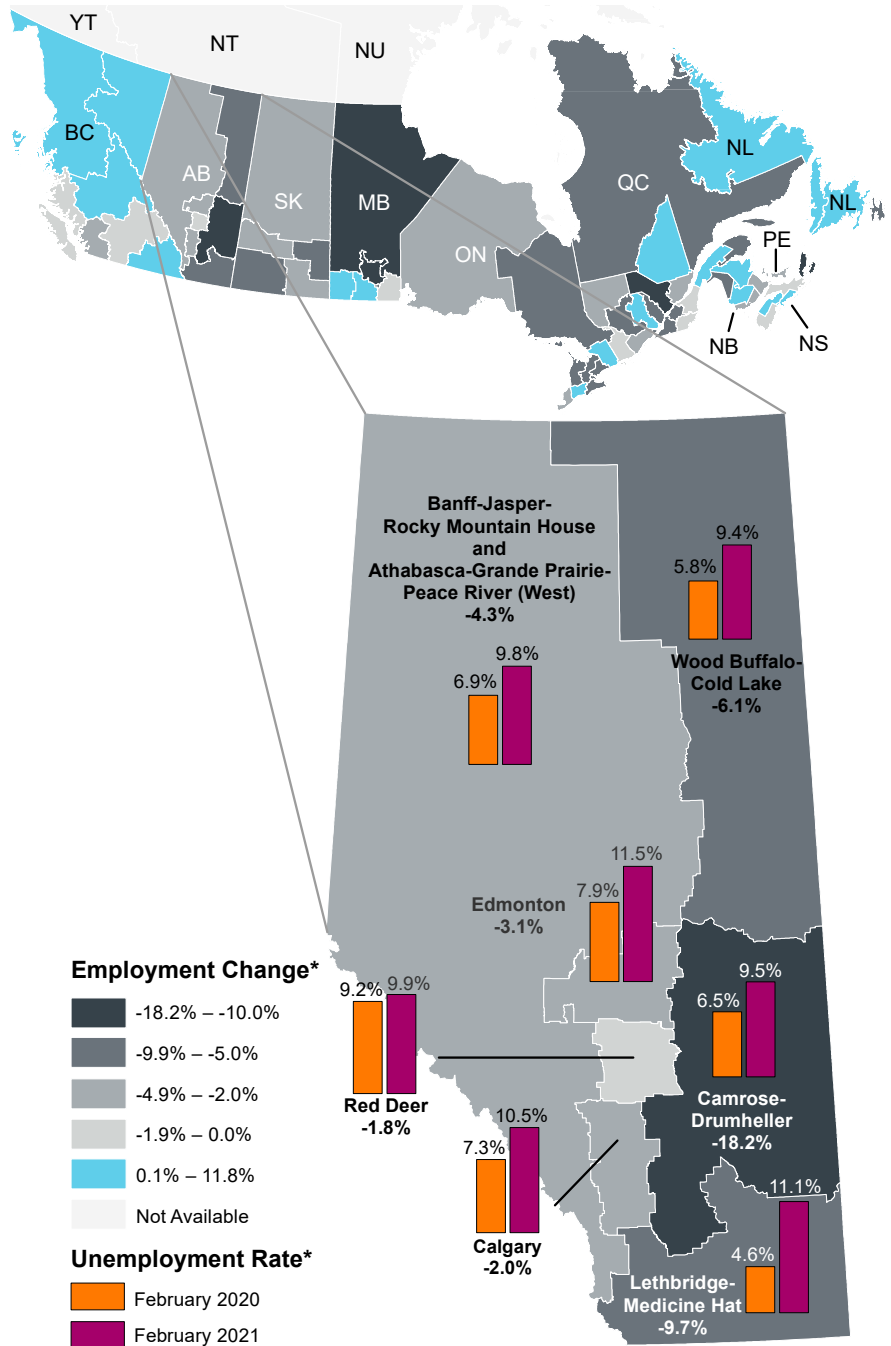
** This indicator is calculated as a three month moving average and is seasonally adjusted.

Regional labour market indicators

	2019	2020	2021 YTD
Alberta			
Population	1.6	1.5	1.2
Labour Force	1.0	-1.9	-0.4
Employment	0.7	-6.6	-4.1
Unemployment Rate	7.0	11.4	10.7
Calgary			
Population	2.0	1.8	1.5
Labour Force	2.4	-0.5	1.7
Employment	2.8	-5.3	-1.9
Unemployment Rate	7.2	11.7	10.4
Edmonton			
Population	2.0	1.9	1.6
Labour Force	1.7	-2.9	0.1
Employment	0.7	-7.7	-3.6
Unemployment Rate	7.4	12.0	11.5
West			
Population	0.6	0.4	0.2
Labour Force	-0.1	-3.4	-1.2
Employment	0.1	-9.2	-4.4
Unemployment Rate	5.5	11.1	9.9
Lethbridge - Medicine Hat			
Population	1.1	0.9	0.6
Labour Force	0.5	-2.8	-1.7
Employment	-0.3	-5.4	-8.6
Unemployment Rate	6.1	8.6	11.3
Red Deer			
Population	1.2	1.2	0.9
Labour Force	-4.6	-1.9	-2.4
Employment	-6.1	-6.7	-3.4
Unemployment Rate	7.0	11.6	9.5
Camrose - Drumheller			
Population	0.2	0.1	-0.2
Labour Force	-6.5	0.5	-16.0
Employment	-7.8	-4.0	-19.5
Unemployment Rate	6.6	10.7	9.8
Wood Buffalo - Cold Lake			
Population	0.4	0.0	-0.2
Labour Force	2.0	-3.7	-1.5
Employment	2.3	-7.6	-5.5
Unemployment Rate	5.7	9.5	9.4

EMPLOYMENT GROWTH BY ECONOMIC REGION

Per cent change in year-over-year employment



*Based on three-month moving averages.

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

Sectors leading the employment recovery

The COVID-19 pandemic resulted in significant changes in consumer behavior and the working environment. Some industries are near full recovery as they adapt to the pandemic. Overall, Alberta has recovered 266,000 (or 79%) of the employment lost between February and April 2020. This Labour Insight highlights the sectors currently leading the employment recovery.

Services sector adapting

With the easing of public health measures, the recovery in the services sector resumed in February. The recovery stalled in late 2020 when tighter health measures held back activity, particularly in high-contact and tourism-related industries such as accommodation and food services (Chart 1). While these industries continue to struggle, those that are better able to adjust to the pandemic saw swifter recoveries. In particular, industries where working remotely is more plausible fared better, such as finance, insurance & real estate. Shifts in consumer spending from services to goods, along with wider adoption of e-commerce by businesses, have also supported a strong recovery in trade and transportation & warehousing jobs. Overall, the service sector has recovered nearly 82% of jobs lost since February 2020.

Goods sector lagging

The recovery in the goods sector continues to lag behind services, recouping only 66% of the jobs lost during the pandemic. Even so, some industries have fared better than others. Despite the recent pullback, construction employment is now only 3.1% shy of its peak reached in March 2020. This sector benefitted from a strong recovery in residential construction and government fixed non-residential investment, which grew

2.2% and 3.8% last year, respectively. Natural resource employment also rebounded amid improving oil prices and energy activity.

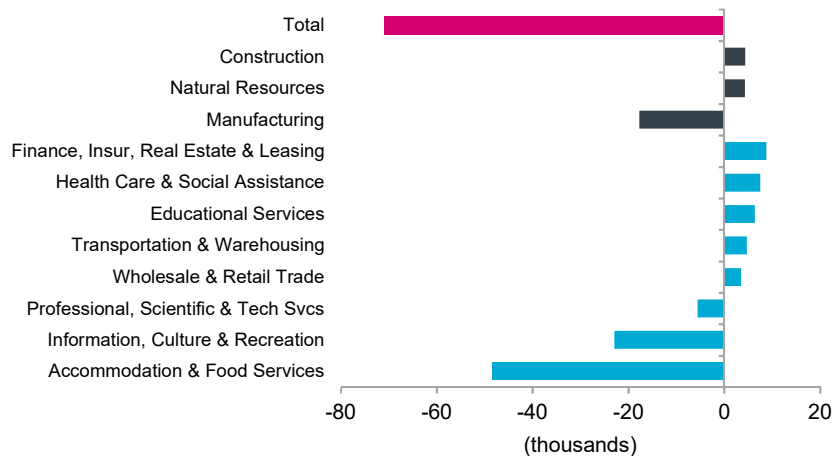
Part-time leads gains

Part-time jobs has rebounded more than 125,000 since April 2020 and has recouped 96% of the jobs lost during the pandemic, compared to just 68% in full-time work (Chart 2). However,

most of the gains were among those working part-time involuntarily, which grew 15% in the last 12 months. Many service industries have gained back the majority or all of part-time positions, in part reflecting a shift towards part-time work. In the goods sector, part-time jobs actually grew over the last 12 months, most notably construction (20%) and manufacturing (23%).

CHART 1: SOME SECTORS HAVE FULLY RECOVERED

Change in employment since February 2020, by industry (seasonally adjusted)



Sources: Statistics Canada, Haver Analytics

CHART 2: STRONG RECOVERY IN SERVICE SECTOR AND PART-TIME POSITIONS

Employment change relative to February 2020, seasonally adjusted



Sources: Statistics Canada, Haver Analytics

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