

# Labour Market InSight

## Underlying strength in Alberta's labour market

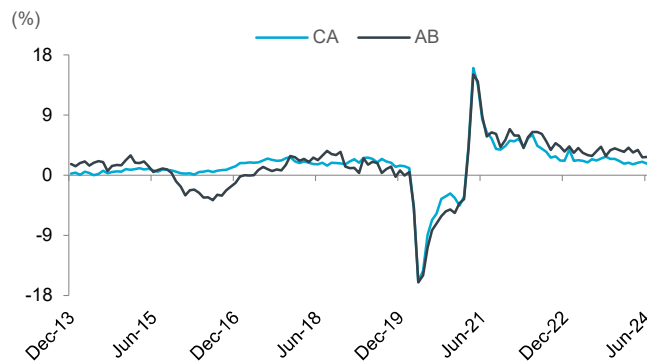
Alberta's labour market remains strong relative to other provinces, based on a broad range of indicators. This labour insight looks at how Alberta's labour market is faring compared to the rest of the country.

### Alberta a key driver of Canadian employment growth

Alberta continues to be a leader in employment growth. In 2023, Alberta's employment expanded at a robust pace of 3.6% (+85,000), higher than the Canadian average (+2.4%). Alberta's economy has also consistently accounted for a disproportionately large share of the employment growth since the start of the COVID-19 recovery (Chart 1). While job gains have moderated in the second quarter of 2024, Alberta has accounted for 20% of the employment gains in the country over the last twelve months – well above its 12% share of the population.

#### CHART 1: ALBERTA HAS LED EMPLOYMENT SINCE THE COVID RECOVERY

Year-over-year employment growth



Sources: Statistics Canada and Haver Analytics

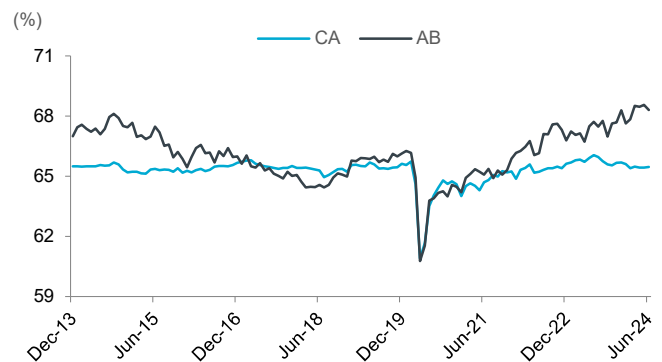
### Strong private sector

The quality of job growth in Alberta is also higher, with the province seeing stronger growth in both private sector and full-time employment. Alberta's private sector employment increased by 4.6% in 2023, surpassing the Canadian rate (+3.1%) for the third consecutive year and contributing to almost half of the private sector jobs created in the country in the year. With the outsized gains, the share of private sector jobs to total employment in Alberta was above the national level and the highest across all provinces (Chart 2). At the same time, Alberta's growth in full-time jobs (+4.3%) exceeded the Canadian rate (+2.6%) for the

second year in a row. This strength carried through in 2024, with Alberta accounting for 57% and 14% of the June national year-over-year gains in private sector and full-time employment.

#### CHART 2: GROWING SHARE IN ALBERTA'S PRIVATE SECTOR

Share of employment in the private sector



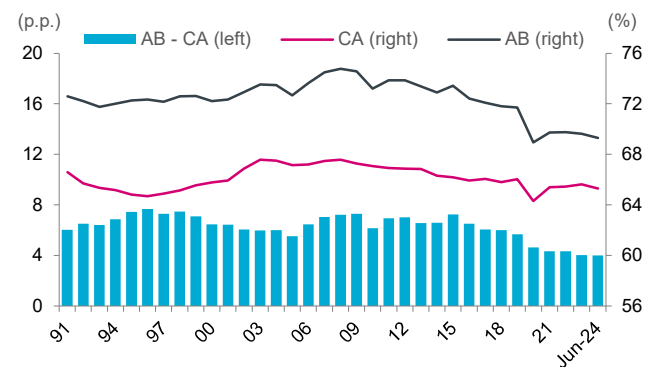
Sources: Statistics Canada and Haver Analytics

### Younger and more engaged population

Alberta's young and more engaged working age population is another significant advantage. Alberta's participation rate (part-rate) was 69.7% in 2023 – well above the national rate of 65.6% and the second-highest province (Saskatchewan at 67.3%) (Chart 3). This is despite the muted recovery in Alberta's part-rate post-pandemic. The relatively high part-rate is primarily due to Alberta's demographic profile.

#### CHART 3: MORE ENGAGED LABOUR FORCE

Labour force participation rate



Sources: Statistics Canada and Haver Analytics

Alberta has the highest share of prime-aged (25-54 years old) workers across all provinces. People in this age cohort are more attached to the labour force than youth or older individuals. This is even more true for prime-aged individuals over 30, who are more likely to have finished higher education and focused on establishing careers and families.

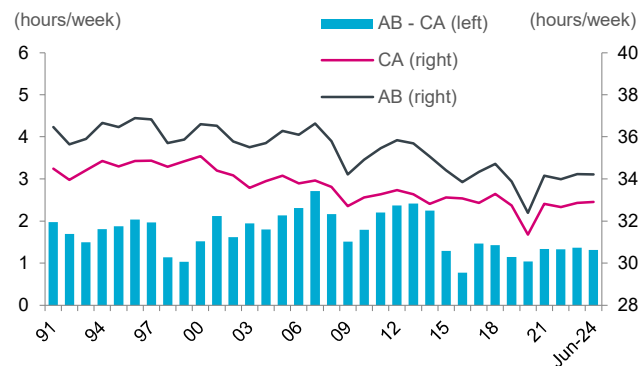
In addition to its younger population, Alberta's prime-aged males continue to participate at a rate notably higher than their Canadian peers. In contrast, participation rates of other age cohorts have converged or fallen below the Canadian level. The participation rate among prime-aged females in Alberta has remained below the Canadian average since 2006. After narrowing the gap in 2022, it has increased to the widest level on record. Engagement among young workers (aged 15-24) has also declined since 2009. The weakness has been more pronounced in Alberta, in particular among males (see [Alberta's participation rate remains subdued](#)), and the participation rate among young workers has converged to the national level.

### Albertans work longer and are more productive...

Alberta's economic structure also continues to be an advantage. The goods sector makes up 24% of employment in Alberta, which is well above the Canadian average and higher than all other provinces. Workers in the goods sector are more likely to be employed full-time and on average work more hours. In 2023, Albertans worked an average of 33.4 hours per week in their main job – 1.3 hours more than the Canadian average of 32.1 (Chart 4).

#### CHART 4: ALBERTANS WORK MORE HOURS

Actual hours worked per week



Sources: Statistics Canada and Haver Analytics

Employees in the goods sector, and in particular the energy extraction industry, are also highly productive. Nationally, employees in the goods sector produced \$71.1 of output per hour worked, 30% more than their peers in the services sector. The oil and gas extraction sector is the highest-producing industry (\$356 per hour). With Alberta's larger

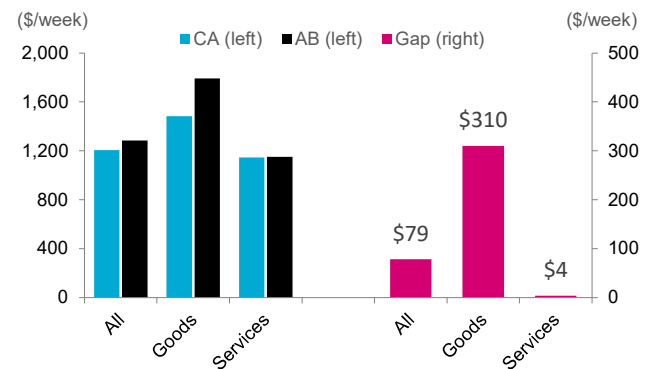
share of employment in the goods sector and the largest energy sector in Canada, Albertans produced \$77.1 per hour of work, well above all other provinces.

### ... leading to higher earnings

The strong productivity and longer hours resulted in higher earnings in Alberta. In 2023, average weekly earnings (AWE) were \$1,283 in Alberta compared to \$1,205 in Canada. Alberta's earnings premium was entirely due to the goods sector, where AWE in the province was \$1,792 or \$310 higher than in Canada (Chart 5). Alberta's higher goods sector earnings is due to the larger share of the employment in the high-paying energy extraction industries.

#### CHART 5: HIGH EARNINGS IN ALBERTA SUPPORTED BY GOODS SECTOR

Average weekly earnings, 2023



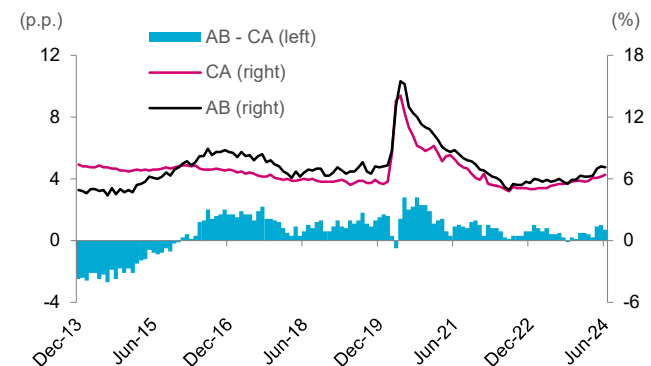
Sources: Statistics Canada and Haver Analytics

### Unemployment rate rising with strength

The strength in Alberta's labour market has been accompanied by a rapid expansion in Alberta's population and labour force. Alberta's population and labour force have consistently grown faster than the national rate and all other

#### CHART 6: UNEMPLOYMENT RATE GAP WIDENING

Seasonally adjusted unemployment rate



Sources: Statistics Canada and Haver Analytics

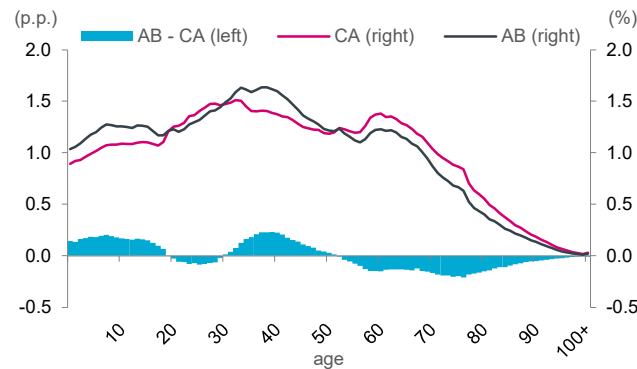
provinces over the past two years (Chart 6). Alberta's labour force increased by 3.7% in 2023 and 4.4% year-to-date as of June, compared with the national increase of 2.6% and 2.9%, respectively. The outsized population growth has put upward pressure on Alberta's unemployment rate, and the gap between Alberta's and Canada's unemployment rates has widened after converging in September 2023.

### Fewer opportunities for new entrants in Alberta

Alberta's composition of population growth has created additional difficulties for new entrants. Recent population growth has been largely driven by international and interprovincial immigrants, who tend to be in the prime-aged group (25-54 years old). Alberta has also seen a large share of its population just entering working age (15 years old) (Chart 7).

### CHART 7: LARGER PROPORTION OF UNDER 15 AND 30-50 YEAR OLDS IN ALBERTA

Percentage of the population by age, 2023

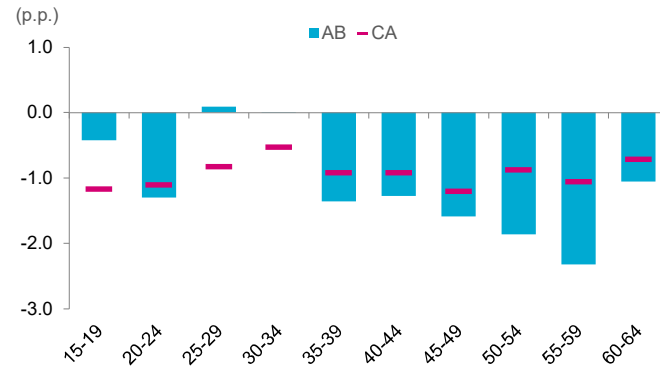


Sources: Statistics Canada and Haver Analytics

With an already large share of younger prime-aged and less experienced workers, Alberta's labour market is having difficulty absorbing these new entrants who often lack relevant work experience and tend to have more difficulty finding jobs. The unemployment rate for those aged 15-24 continues to be well above the national level. At the same time, the unemployment rate among the prime-aged population has moved above the national level. The impact has been most pronounced in the 25-29 and 30-34 age groups, where the share of those who are unemployed in Alberta has moved above or is approaching its ten-year average (Chart 8). Meanwhile, other provinces have not experienced the same magnitude of migration. They also have a smaller portion of young and inexperienced workers and are better positioned to absorb the new entrants. The result is the share of unemployed in all cohorts remained well below the 10-year average in 2023.

### CHART 8: NEW ENTRANTS HAVING MORE DIFFICULTY IN ALBERTA

The 2023 share of unemployed relative to the 10 year average, by age cohort



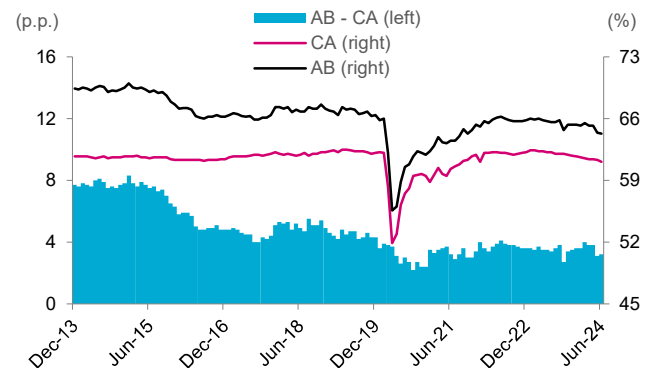
Sources: Statistics Canada and Haver Analytics

### Employment rate still the highest

While younger workers in Alberta are having a more difficult time finding employment, other age cohorts continue to excel. Employment rates among nearly all the cohorts over the age of 35 are well above the national rates. With the strength in middle-aged and mature workers, along with a favourable demographic profile, Alberta's employment rate continues to be the highest among the provinces. In 2023, 65.6% of Alberta's working-age population were employed, well above the Canadian rate of 62.1% (Chart 9).

### CHART 9: ALBERTA'S EMPLOYMENT RATE HOLDING WELL ABOVE THE NATIONAL LEVEL

Employment rate



Sources: Statistics Canada and Haver Analytics

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For other economic publications see [Alberta Economy and investment](#)