

Labour Market Notes

Labour market moves forward

Alberta

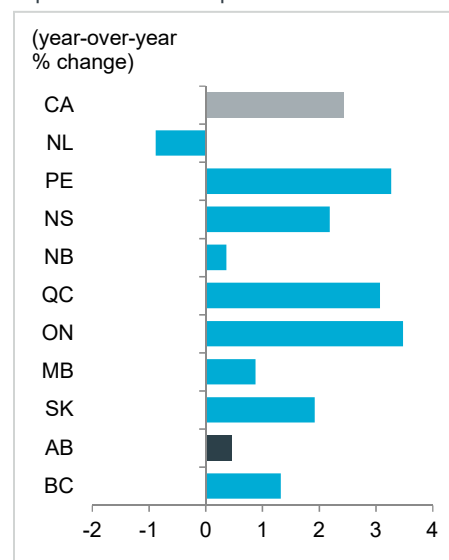
- **Alberta adds jobs.** Alberta added 4,900 jobs in September after holding steady in August.
- **Gains in the services sector.** The monthly gain was concentrated in services (+7,300), with increases in both full-time (+2,400) and part-time (+2,500) positions.
- **Private sector and self-employment hold steady.** Both self-employment (+500) and the private sector employment (+400) were virtually unchanged, while the public sector grew (+4,000).
- **Unemployment rate drops.** Alberta's unemployment rate fell from 7.2% to 6.6% as the participation rate plummeted 0.5 percentage points to 71%.
- **Labour force pulls back.** With the decline in the participation rate, the labour force contracted (-11,600) after expanding substantially in the first eight months of the year.
- **Services sector remains a source of strength.** Employment in services industries has increased in six of the last seven months, and added 7,300 jobs in September. The gains were concentrated in health care (+6,500) accommodation and food services (+6,100), education (+4,700) and other services (+3,900).
- **The goods sector continues to be weak.** Employment in the goods sector fell for the third month a row in September (-2,500). The weakness was mostly due to a reversal in construction (-5,600) while employment in all the other goods-producing industries was little changed.
- **Employment growth continues to be modest.** Compared to a year ago, employment was up 10,700, or 0.5%. Growth continues to be slow as weakness in the goods sector (-17,500 year-over-year or y/y) has mitigated much of the gains in the services sector (+28,100 y/y).
- **Growth in paid employment.** The year-over-year gains have been entirely in paid employment, with both the private sector (+23,300 y/y) and public sector (+18,500 y/y) adding jobs. Conversely, self-employment (-31,100 y/y) has pulled back significantly after peaking in July 2018.
- **Earnings pull back.** Average weekly earnings (AWE) fell \$8.29 in July to \$1,155. Compared to a year ago, earnings were up 0.5%.

Canada

- **Employment continues to expand.** Canada added 53,700 jobs in September, led by a significant gain in Ontario (+41,100). Over the past 12 months, Canada has added 455,900 jobs, with Ontario (+252,800 y/y) accounting for more than half, and Quebec (+130,500 y/y) and BC (+33,400 y/y) accounting for most of the remaining gains.
- **Unemployment rate holds steady.** Nationally, the unemployment rate dipped 0.2 percentage points to 5.5%.
- **Canadian earnings dip.** Canadian AWE increased by \$4.89 to \$1,027 in July, with year-over-year growth of 2.7%.

Employment Growth by Province

September 2019 vs. September 2018



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,349,200
month-over-month change	4,900.0
year-over-year % change	0.5%
Alberta Unemployment Rate (UR)	6.6%
Edmonton UR**	7.3%
Calgary UR**	7.1%
Participation Rate	71.0%
Average Weekly Earnings (AWE)	\$1,155.10
year-over-year % change	0.5%
Average Hourly Wage	\$31.37
year-over-year % change	1.8%
Job Vacancy Rate***	2.1%

Source: Statistics Canada

* All data is from the September 2019 Labour Force Survey, except AWE which is the July 2019 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for June 2019.

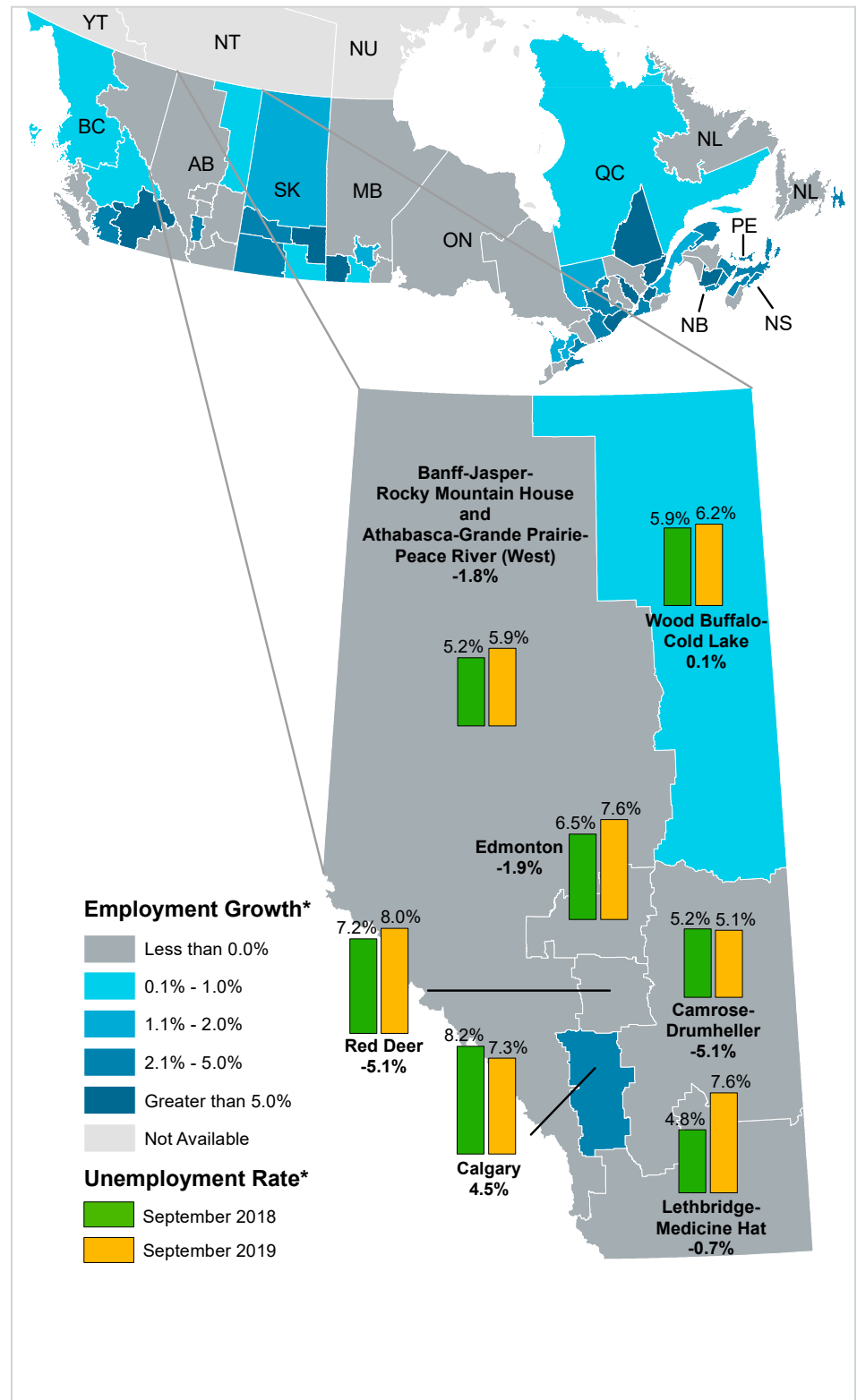
** This indicator is calculated as a three-month moving average and is seasonally adjusted.

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

Regional labour market indicators

	2017	2018	2019 YTD
Alberta			
Population	0.9	1.2	1.5
Labour Force	0.7	0.5	0.9
Employment	1.0	1.9	0.8
Unemployment Rate	7.8	6.6	6.9
Calgary			
Population	1.4	1.8	2.2
Labour Force	1.8	0.0	2.2
Employment	2.7	0.9	2.8
Unemployment Rate	8.4	7.6	7.1
Edmonton			
Population	1.3	1.8	2.0
Labour Force	0.9	0.7	2.6
Employment	0.1	2.6	2.1
Unemployment Rate	8.1	6.4	7.2
West			
Population	-0.5	-0.4	-0.4
Labour Force	0.1	2.9	-1.7
Employment	0.5	3.9	-1.1
Unemployment Rate	6.4	5.6	5.3
Lethbridge - Medicine Hat			
Population	-0.2	0.4	0.9
Labour Force	-4.4	-0.6	-1.6
Employment	-3.3	0.0	-2.4
Unemployment Rate	5.7	5.1	6.4
Red Deer			
Population	0.5	0.6	0.8
Labour Force	-0.1	3.1	-2.7
Employment	1.7	4.8	-3.6
Unemployment Rate	6.9	5.5	6.5
Camrose - Drumheller			
Population	-0.8	-0.6	-0.3
Labour Force	-0.6	-0.2	-9.3
Employment	-0.7	2.8	-12.3
Unemployment Rate	8.0	5.1	7.6
Wood Buffalo - Cold Lake			
Population	-0.8	-2.1	-2.3
Labour Force	0.0	-2.0	-0.4
Employment	1.8	-0.2	-0.3
Unemployment Rate	7.7	5.9	6.0

Employment growth by economic region Per cent change in year-over-year employment



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

*Based on three-month moving averages.

Participation rate continues to head lower

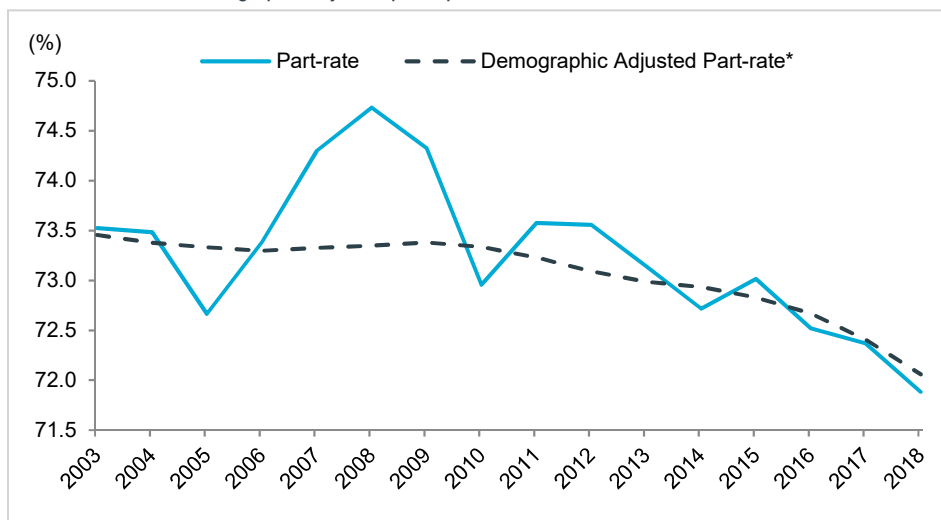
Alberta's labour force participation rate (part-rate) has been trending downward since 2008 and has fallen further this year. Although structural factors are behind some of the decline, changing economic conditions have also played a role. This Labour Insight examines some of the factors behind the declining part-rate.

Aging population weighing on part-rate

One of the primary factors behind the downward trend in Alberta's part-rate is an aging population. The share of the working-age population 65 years and older has climbed over the past ten years, from 12.2% in 2008 to 15.3% in 2018. These older individuals are less likely to participate in the labour market. The impact of aging can be seen by applying a 10 year average part-rate by age cohort to the demographic profile over time (Chart 1).

Chart 1: Participation rate has pulled back after being elevated

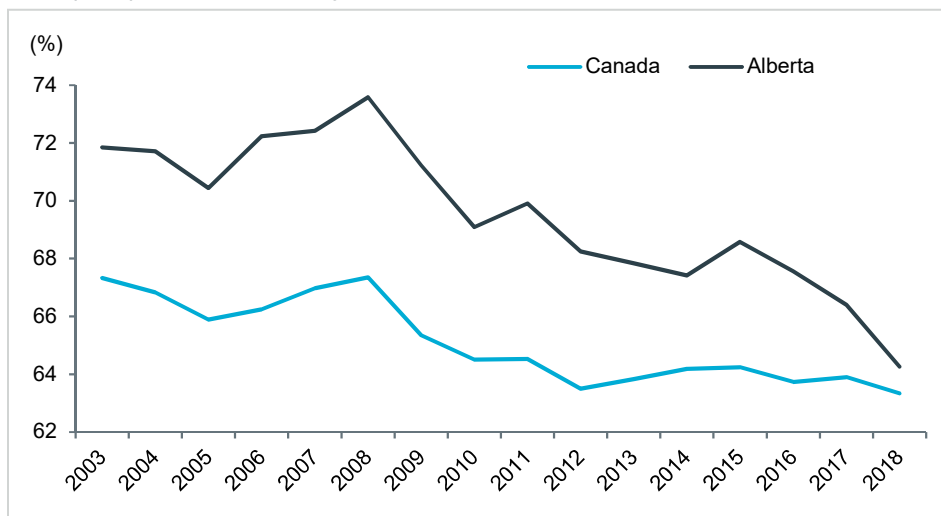
Alberta's actual and demographic adjusted participation rate



Source: Statistics Canada *Applying the 10 year average part-rate on annual LFS population by age group

Chart 2: Participation rate continues to fall among 15-24 year olds

Annual participation rate of 15 to 24 years olds



Source: Statistics Canada

Migration no longer lifting part-rate

Some of the recent decline in the part-rate reflects changing migration patterns. Leading up to the 2015-16 recession when the economy was posting strong growth, the impact of an aging population was partly mitigated by an influx of younger prime-aged workers (aged 25-45), which have some of the highest part-rates relative to other age groups. However, this reversed during the 2015-16 downturn as prime-aged workers left the province, putting downward pressure on the overall part-rate.

Fluctuates with economic conditions

Fluctuations in the part-rate are also tied to economic conditions. The quality of jobs available and wage growth play a role in whether or not individuals are willing to participate in the labour force. Alberta's part-rate reached a record high in late 2008 when the labour market was tight and wage growth was strong. Since then, the part-rate has been pulled lower by two recessions. With modest economic and wage growth, the part-rate has continued to ease in 2019.

Youth part-rate falling

The impact of the 2015-16 downturn on the part-rate appears to have disproportionately affected young workers (Chart 2). Between 2014 and 2018, the part-rate of young workers (aged 15 to 24) fell 3.1 percentage points while it grew in other age groups. Although some of this decline is due to the ongoing trend of younger people attending school and delaying entry into the labour force, the declines have been more severe in Alberta than across Canada.

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