

# Labour Market Notes

## Employment gives back some of the gains

### Alberta

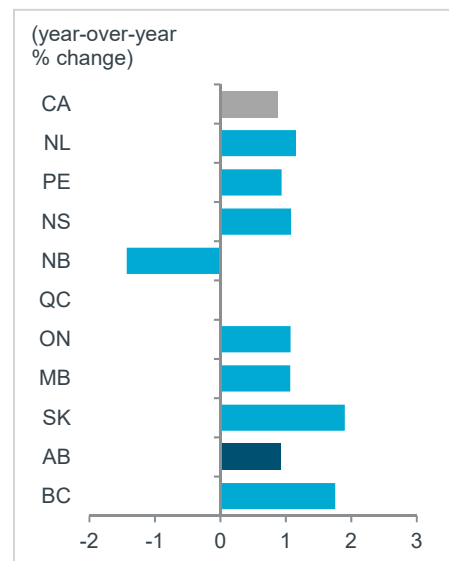
- **Employment reverses gains.** Employment retreated 16,900 in December after a surge in the previous month. Both full-time and private sector employment, which saw outsized gains in November, pulled back significantly. Full-time employment erased nearly all of November's gain (-36,200), overshadowing gains in part-time work (+19,300).
- **Private sector pulls back.** Private sector employment also retreated sharply (-15,700) after climbing to a three-year high in the previous month, while public sector employment also eased (-1,700). Conversely, self-employment advanced marginally (+500) after declining in three of the previous four months.
- **Service sector leads retreat.** Employment in both the service (-11,400) and goods (-5,500) sectors retreated on the heels of last month's solid gains, with 9 of the 16 industries reporting declines. Industries that recorded the most notable losses were construction (-8,600), finance, insurance and real estate (-5,100), and public administration (-5,700). Employment in the natural resource industries also fell (-1,600) after last month's modest gain. Conversely, manufacturing saw solid gains for the second month in a row (+6,100).
- **Unemployment rate inches higher.** Despite the sharp pullback in employment, the unemployment rate only ticked up 0.1 percentage point to 6.4% as the labour force participation rate fell back to the May 2018 level of 71.6%.
- **Year-over-year growth moderates.** With the monthly decline, employment growth slowed in December compared to the same period last year. Year-over-year growth moderated to 0.9% or 21,600 jobs in December falling from an average of 2.3% in the previous three months.
- **Earnings edge up.** Average weekly earnings (AWE) rose \$4.29 in October to \$1,144, rebounding from a loss in September.

### Canada

- **Canadian employment moves higher.** Canada added 9,300 jobs in December, led by gains in Ontario (+17,600) and, to a lesser extent, British Columbia (+4,400) and Quebec (+3,700). Over the last 12 months, Canada has added 163,300 jobs, for a year-over-year gain of 0.9%.
- **Unemployment rate remains unchanged.** Nationally, the unemployment rate held steady at 5.6% which is the lowest since November 1974.
- **Canadian earnings tick up.** Canadian AWE grew by \$5.68 to \$1,009 in October and are 2.5% higher than a year ago.

### Employment Growth by Province

December 2018 vs. December 2017



Source: Statistics Canada

### Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,342,000
month-over-month change	-16,900
year-over-year % change	0.9%
Alberta Unemployment Rate (UR)	6.4%
Edmonton UR**	6.3%
Calgary UR**	7.6%
Participation Rate	71.6%
Average Weekly Earnings (AWE)	\$1,143.82
year-over-year % change	0.2%
Average Hourly Wage	\$31.24
year-over-year % change	1.5%
Job Vacancy Rate***	2.0%

Source: Statistics Canada

\* All data is from the December 2018 Labour Force Survey, except AWE which is the October 2018 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for September 2018.

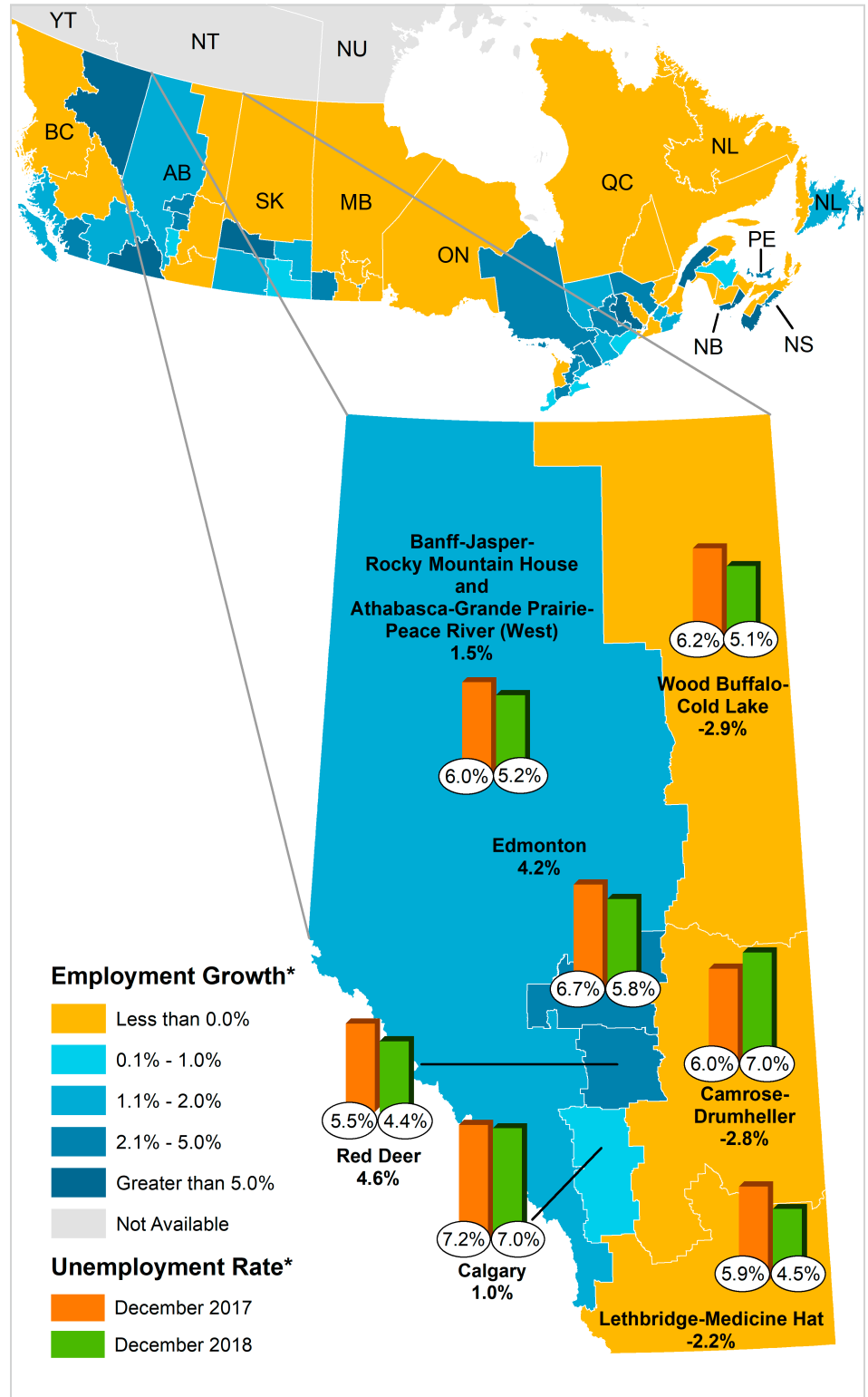
\*\* This indicator is calculated as a three-month moving average and is seasonally adjusted.

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

# Regional labour market indicators

	2016	2017	2018
<b>Alberta</b>			
Population	1.3	0.9	1.2
Labour Force	0.6	0.7	0.5
Employment	-1.6	1.0	1.9
Unemployment Rate	8.1	7.8	6.6
<b>Calgary</b>			
Population	1.9	1.4	1.8
Labour Force	1.3	1.8	0.0
Employment	-1.7	2.7	0.9
Unemployment Rate	9.2	8.4	7.6
<b>Edmonton</b>			
Population	1.7	1.3	1.8
Labour Force	1.3	0.9	0.7
Employment	-0.2	0.1	2.6
Unemployment Rate	7.4	8.1	6.4
<b>West</b>			
Population	0.0	-0.5	-0.4
Labour Force	-4.2	0.1	2.9
Employment	-5.3	0.5	3.9
Unemployment Rate	6.9	6.4	5.6
<b>Lethbridge - Medicine Hat</b>			
Population	0.0	-0.2	0.4
Labour Force	3.4	-4.4	-0.6
Employment	1.2	-3.3	0.0
Unemployment Rate	6.9	5.7	5.1
<b>Red Deer</b>			
Population	1.2	0.5	0.6
Labour Force	-1.8	-0.1	3.1
Employment	-4.3	1.7	4.8
Unemployment Rate	8.6	6.9	5.5
<b>Camrose - Drumheller</b>			
Population	-0.3	-0.8	-0.6
Labour Force	-0.1	-0.6	-0.2
Employment	-3.4	-0.7	2.8
Unemployment Rate	7.8	8.0	5.1
<b>Wood Buffalo - Cold Lake</b>			
Population	0.9	-0.8	-2.1
Labour Force	-2.6	0.0	-2.0
Employment	-4.0	1.8	-0.2
Unemployment Rate	9.3	7.7	5.9

**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

# 2018 Labour Market Year in Review

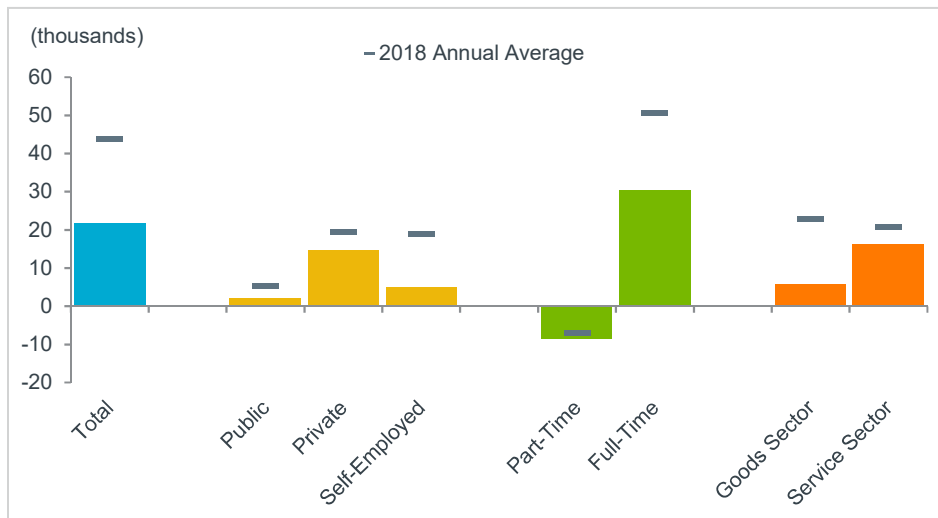
Building on last year's improvement, Alberta's labour market continued to make headway in 2018. Average annual employment rose by 43,800 or 1.9%, compared to 1.0% in 2017, and the unemployment rate improved. Employment was underpinned by a rotation to full-time and private sector gains. This Labour InSight looks at the trends in Alberta's labour market in 2018.

## Employment advances in second half of the year

Employment gained momentum in the second half of 2018. This was driven by renewed strength in the private sector (Chart 1), which lagged overall job growth early in the year. The private sector added 36,800 jobs between July and December. In contrast, self-employment pulled back 13,200 over the same period following large increases in the first half of the year (+18,100).

**Chart 1: Alberta employment advances in 2018**

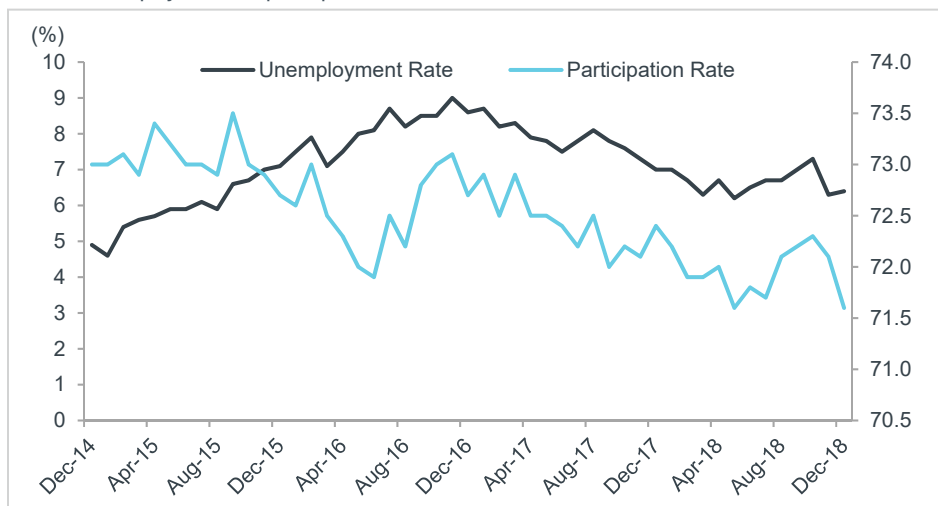
Year-over-year change in December 2018 employment levels



Source: Statistics Canada

**Chart 2: Unemployment rate eases with lower participation rate**

Alberta's unemployment and participation rates



Source: Statistics Canada

The average hourly wage also picked up to average \$30.76 in 2018, a 2.5% increase, expanding on the 1.4% gain in the previous year.

## Ongoing rotation to full-time jobs

Similar to 2017, the rotation from part-time to full-time positions continued. There were 50,800 full-time positions created, an average annual increase of 2.7%. This gain was tempered by a decline in part-time work (-7,000), which fell for the second year in a row and moderated overall job gains.

## Goods and service sectors expand

Employment gains were broad-based in 2018, with increases in 10 out of 16 industries. The goods-producing sector took an earlier lead with a solid increase in the first half. The service-producing industries took over in the second half. Overall, the goods sector added 23,000 positions, with the majority in natural resources and manufacturing industries. Services grew by 20,800 on the back of broad-based gains.

## Modest increase in the labour force

With the economic recovery further along in 2018, more Albertans joined the labour force. It expanded by 13,100 in 2018, with most of the gains occurring mid-year. However, the pace remained below population growth. The participation rate also rose during the same period before falling back to a 25-year low of 71.6% in December.

## Unemployment rate eases

After holding steady to start 2018, the unemployment rate moved up as growth in labour force outpaced gains in employment. It reversed course after reaching a 2018 high of 7.3% in October (Chart 2) as employment picked up and the labour force pulled back. It averaged 6.6% in 2018, down from 7.8% in 2017 and 8.5% in 2016.

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