

Labour Market Notes

Alberta's labour market takes a step back

Alberta

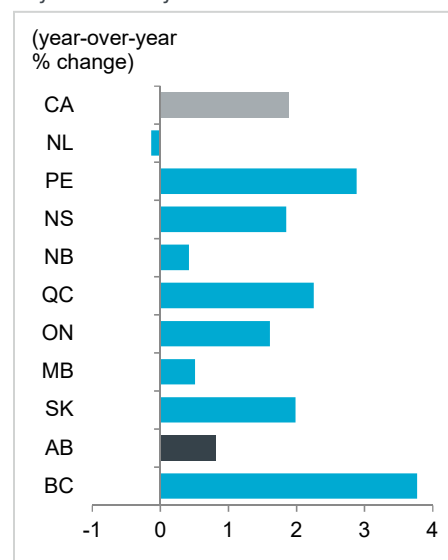
- **Employment pulls back.** After gaining ground in the second quarter, Alberta lost 14,300 jobs in July.
- **Private and public sector ease after recent gains.** Employment in both the private (-8,400) and public sector (-7,400) retreated after reaching highs in June. Meanwhile, self-employment edged up (+1,600).
- **Reversal in full-time employment.** Full-time positions fell by 30,200 in July following a gain of 36,900 in June. This was partly offset by an increase in part-time jobs (16,000) after a large decline in June.
- **Losses concentrated in two industries.** The monthly decline was concentrated in accommodation and food services (-11,000) and forestry, fishing, mining, quarrying, oil and gas (-7,200). Most other industries recorded minor gains or losses, with the exception of professional, scientific and technical services and construction. Both of these industries had decent gains as they continued to recover after a period of weakness.
- **Unemployment rate jumps.** With the monthly employment decline, the unemployment rate jumped 0.4 percentage points to 7.0%, a five-month high.
- **Recent weakness in natural resources.** After being resilient in late 2018 and into early 2019, employment in the forestry, fishing, mining, oil and gas industry has turned lower. It has declined three months in a row and has fallen back to June 2017 levels.
- **Modest year-over-year growth.** Compared to a year ago, employment was up 19,200, or 0.8%. Employment growth continued to be held back by weakness in self-employment (-64,000 y/y), which has declined significantly after peaking in July 2018. This weakness has mitigated strength in the private sector (+71,700 y/y) and steady growth in the public sector (+11,600 y/y).
- **Service sector continues to grow.** The service sector (+24,900 y/y) continued to lead the year-over-year employment growth, driven by gains in health and social services (+13,600 y/y).
- **Earnings surge.** Average Weekly Earnings (AWE) jumped \$38.74 in May to \$1,182.54, a new all-time high. With the extraordinary monthly gain, earnings were up 3.0% year-over-year.

Canada

- **Modest employment decline.** Canada lost 24,200 jobs in July as a solid gain in Quebec (+16,600) was offset by declines in nearly all other provinces. Despite the monthly pullback, Canada has added 353,000 jobs over the last 12 months, led by large gains in Ontario, BC, and Quebec.
- **Unemployment rate moves up.** Nationally, the unemployment rate increased 0.2 percentage points to 5.7%.
- **Canadian earnings continue to climb higher.** Canadian AWE increased by \$11.25 to \$1,031 in May with year-over-year growth of 3.4%.

Employment Growth by Province

July 2019 vs. July 2018



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,343,700
month-over-month change	-14,300.0
year-over-year % change	0.8%
Alberta Unemployment Rate (UR)	7.0%
Edmonton UR**	7.5%
Calgary UR**	6.9%
Participation Rate	71.4%
Average Weekly Earnings (AWE)	\$1,182.54
year-over-year % change	3.0%
Average Hourly Wage	\$31.26
year-over-year % change	3.3%
Job Vacancy Rate***	2.2%

Source: Statistics Canada

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

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

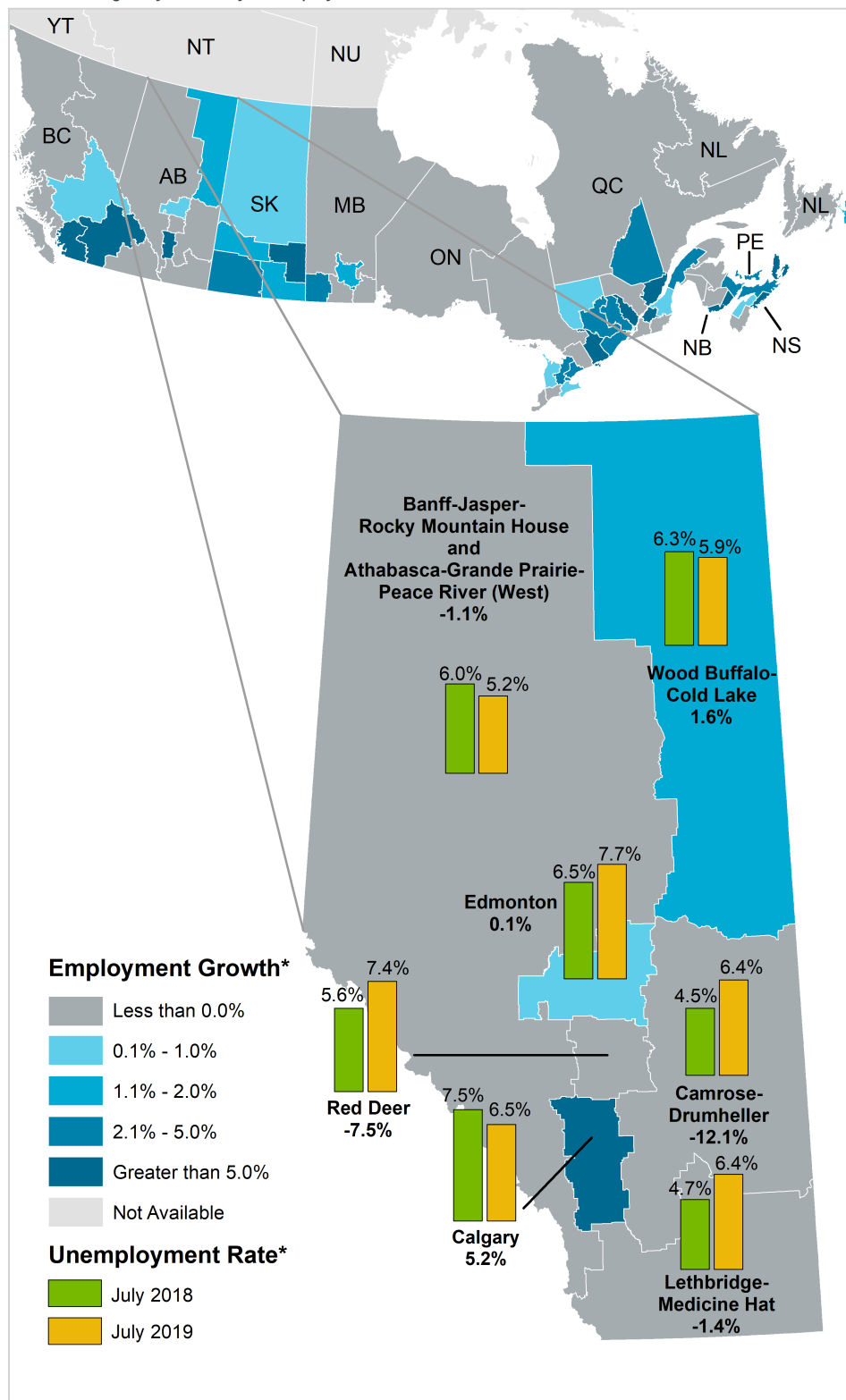
*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Regional labour market indicators

	2017	2018	2019 YTD
Alberta			
Population	0.9	1.2	1.5
Labour Force	0.7	0.5	1.0
Employment	1.0	1.9	0.9
Unemployment Rate	7.8	6.6	6.8
Calgary			
Population	1.4	1.8	2.2
Labour Force	1.8	0.0	1.7
Employment	2.7	0.9	2.2
Unemployment Rate	8.4	7.6	7.1
Edmonton			
Population	1.3	1.8	2.0
Labour Force	0.9	0.7	3.5
Employment	0.1	2.6	3.1
Unemployment Rate	8.1	6.4	7.0
West			
Population	-0.5	-0.4	-0.5
Labour Force	0.1	2.9	-1.5
Employment	0.5	3.9	-0.8
Unemployment Rate	6.4	5.6	5.2
Lethbridge - Medicine Hat			
Population	-0.2	0.4	0.8
Labour Force	-4.4	-0.6	-2.8
Employment	-3.3	0.0	-3.1
Unemployment Rate	5.7	5.1	6.1
Red Deer			
Population	0.5	0.6	0.8
Labour Force	-0.1	3.1	-2.3
Employment	1.7	4.8	-3.1
Unemployment Rate	6.9	5.5	6.1
Camrose - Drumheller			
Population	-0.8	-0.6	-0.3
Labour Force	-0.6	-0.2	-10.2
Employment	-0.7	2.8	-14.0
Unemployment Rate	8.0	5.1	8.3
Wood Buffalo - Cold Lake			
Population	-0.8	-2.1	-2.3
Labour Force	0.0	-2.0	-0.7
Employment	1.8	-0.2	-0.4
Unemployment Rate	7.7	5.9	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

Labour market has room to improve

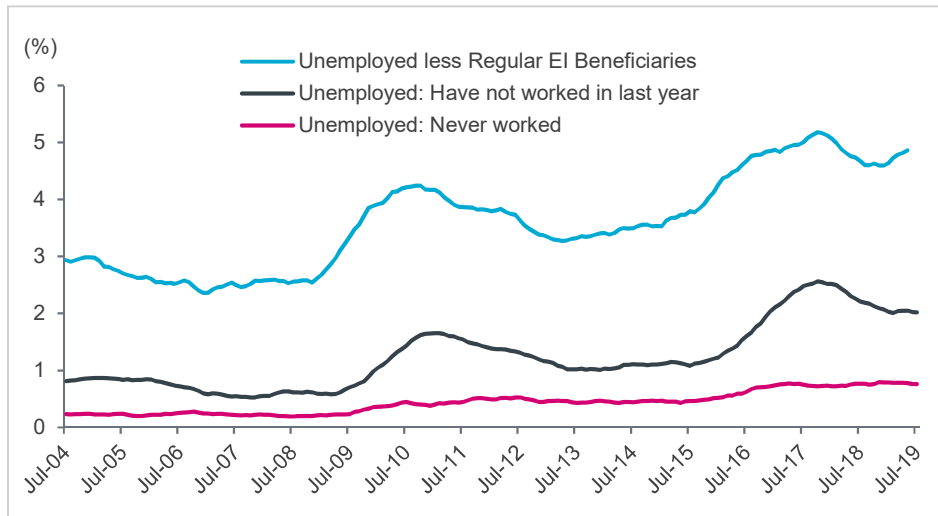
Alberta's labour market continues to have excess capacity. This is reflected through the elevated number of unemployed Albertans and those receiving employment insurance (EI). This Labour InSight examines recent trends in unemployment and EI regular beneficiaries in Alberta.

Many Albertans unemployed

Even though the number of unemployed in Alberta has declined significantly since peaking in November 2016, it remains elevated. After hitting a low in May 2018, the number of unemployed began to edged higher amid a slowdown in employment and activity late in 2018 and early 2019, as well as continued population growth. While the level has come down in recent months, there were 8,500 more unemployed Albertans in June 2019 than in May 2018, and significantly more than in 2014.

Chart 1: More unemployed not eligible for EI

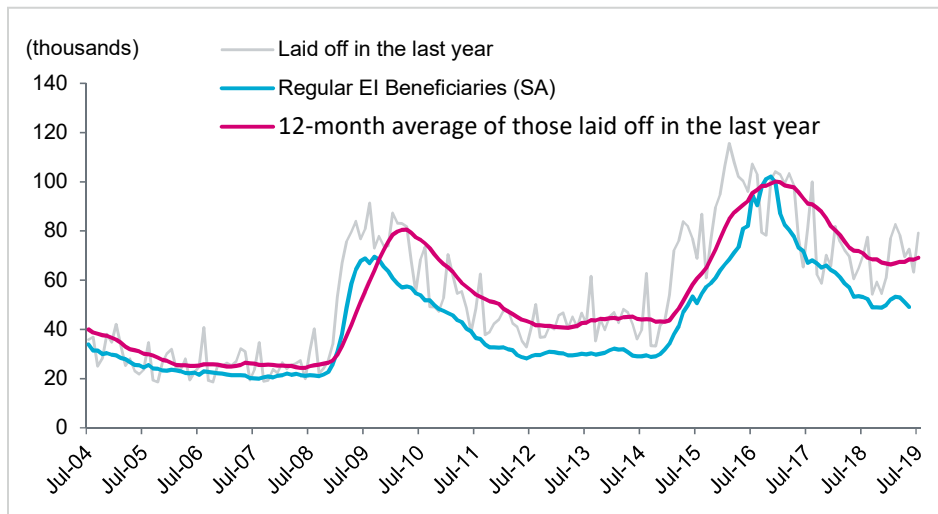
Proportion of the labour force 15-64 years old, 12-month average



Source: Statistics Canada

Chart 2: Layoff and EI beneficiaries remain above prerecession levels

Albertans receiving regular EI benefits and the number of Albertans laid off in the last year



Source: Statistics Canada

More not qualifying for EI

With unemployment remaining high, the number of unemployed Albertans not receiving EI continues to be elevated. This is a reflection of a growing number of unemployed who have never worked and a high number of long-term unemployed. Both of these groups do not qualify for EI benefits and have increased since 2014 (Chart 1). This reflects expansion in the labour forces and a growing proportion of these groups within the labour force.

EI beneficiaries and layoffs elevated

The number of unemployed Albertans receiving EI has also remains elevated as layoffs have continued at a pace above the historical rate (Chart 2). In May, 49,090 Albertans were receiving regular EI benefits. While this was 53,000 fewer than the peak in November 2016, it was 60% higher than during 2012-2014. This is partly because layoffs have continued. As of July, 63,300 Albertans were unemployed due to either permanent or temporary layoff during the previous 12 months, well above the historical average. Many who are laid off qualify for EI benefits, keeping EI beneficiaries elevated.

End of the EI extension program

The Federal EI extension program temporarily extended EI benefits to some of the long-term unemployed and reduced the number of unemployed not receiving EI. This program increased the maximum benefit period to 70 weeks and was applied to claims submitted between January 4, 2015, and July 8, 2017. With this program running its course, the number of unemployed not receiving EI has edged up in 2019.

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