



Labour Market Bulletin

Alberta

July 2017



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Alberta, including the regions of Calgary, Edmonton, Central Alberta and Mountain Parks, Southern Alberta, and Northern Alberta.

OVERVIEW

Employment in Alberta dipped to 2.28 million (-0.6%) in July. Compared to June 2017, full-time employment declined by over 12,000, while part-time employment decreased by 2,200. Monthly results were a setback, while year over year figures continue to show Alberta on the road to recovery. As their name might suggest, year over year changes compare a given month with the same month a year earlier, which often helps to clarify the bigger picture.

During the recession of 2015 and 2016, year over year job losses were at their worst in May and June of 2016 (-56,000). Those losses subsequently narrowed, with April 2017 marking the first positive year-over-year employment growth in 18 months. In July, year over year employment was up 34,500 (+1.5%). Year to date, employment in the province is up about 0.8% compared to 2016's annual average.

As employment in the province strengthens, unemployment is beginning to ease. Since reaching an all-time high in November 2016, unemployment has drifted downward. On the month, unemployment rose in July. However, on a year over year basis, unemployment is down by almost 19,000.

At 7.8%, Alberta's unemployment rate is 0.8 percentage points lower than in July 2016.

Alberta Monthly Labour Force Statistics

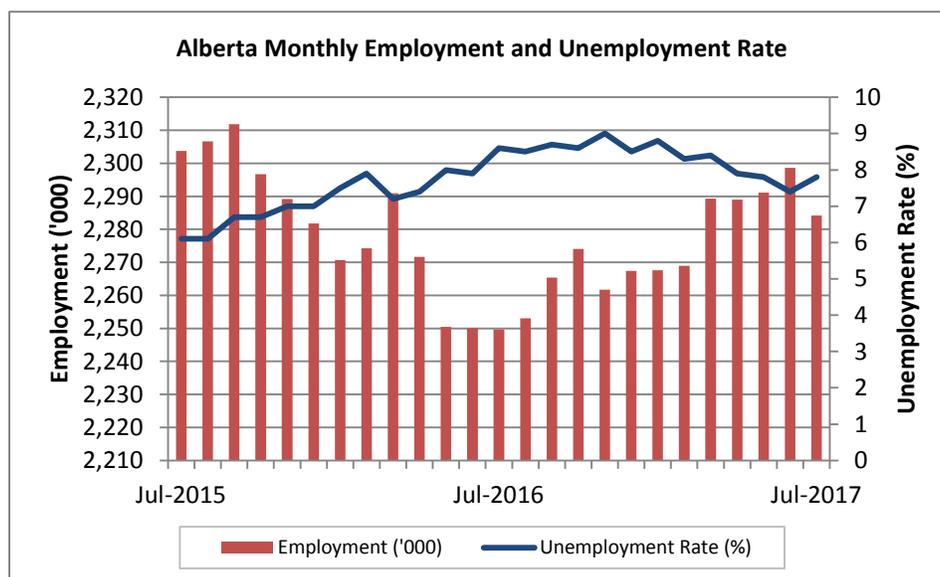
Seasonally Adjusted Monthly Data	July 2017	June 2017	July 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,431.2	3,428.5	3,402.8	2.7	0.1	28.4	0.8
Labour Force ('000)	2,477.2	2,482.6	2,461.6	-5.4	-0.2	15.6	0.6
Employment ('000)	2,284.2	2,298.6	2,249.7	-14.4	-0.6	34.5	1.5
Full-Time ('000)	1,860.0	1,872.2	1,817.1	-12.2	-0.7	42.9	2.4
Part-Time ('000)	424.2	426.4	432.6	-2.2	-0.5	-8.4	-1.9
Unemployment ('000)	193.1	184.0	211.9	9.1	4.9	-18.8	-8.9
Unemployment Rate (%)	7.8	7.4	8.6	0.4	-	-0.8	-
Participation Rate (%)	72.2	72.4	72.3	-0.2	-	-0.1	-
Employment Rate (%)	66.6	67.0	66.1	-0.4	-	0.5	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

In May 2017 (the most recent data available), average weekly earnings in the province were up 1.7% compared to May 2016. This was just the second increase after 22 months of year over year declines.¹ Over the same period, consumer insolvencies (bankruptcies and proposals) continued to rise, up 15% compared to May of last year.² Meanwhile, CMHC (Canadian Mortgage and Housing Corporation) reports that 1,829 mortgage loans were in arrears in Alberta as of the end of March, representing almost a quarter of the national total.³

Turning to category of worker, the number of private sector employees in Alberta was essentially unchanged in May compared to one year ago (+0.1%). Public sector employment increased 5.7% on an annual basis, with self-employment increasing by about half that.



Looking at major demographic groups on a year over year basis, the unemployment rate for men aged 25 and over decreased to 6.4% in July, as adult men accounted for most employment gains on the period. By contrast, the unemployment rate for women in this age group increased to 7.9%, as more adult women entered the labour market and unemployment increased. July marks the first time in 28 months that the unemployment rate for adult women surpassed that of adult men.

The unemployment rate for younger men (15 to 24 years) eased to 14.8%, as almost 7,000 young men opted out of the labour market. In comparison, the unemployment rate for women aged 15 to 24 stood at 9.3%, as roughly 3,000 young women entered the labour force.

Alberta Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2017 (%)	June 2017 (%)	July 2016 (%)	Monthly Variation	Yearly Variation
				(% points)	(% points)
Total	7.8	7.4	8.6	0.4	-0.8
25 years and over	7.1	6.5	7.6	0.6	-0.5
Men - 25 years and over	6.4	6.5	8.3	-0.1	-1.9
Women - 25 years and over	7.9	6.4	6.8	1.5	1.1
15 to 24 years	12.2	13.2	14.8	-1.0	-2.6
Men - 15 to 24 years	14.8	16.6	16.0	-1.8	-1.2
Women - 15 to 24 years	9.3	9.3	13.4	0.0	-4.1

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

EMPLOYMENT BY INDUSTRY

Compared to June 2017, employment in Alberta's goods-producing sector was unchanged in July (-0.0%). At the same time, employment in the province's services-producing sector contracted by 14,200 (-0.8%). Compared to July of last year, employment in the goods-producing sector is up by just over 16,000 – and up by more than 18,000 in the services-producing sector.

Alberta Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	July 2017	June 2017	July 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,284.2	2,298.6	2,249.7	-14.4	-0.6	34.5	1.5
Goods-producing sector	575.9	576.1	559.7	-0.2	0.0	16.2	2.9
Agriculture	53.3	54.9	52.0	-1.6	-2.9	1.3	2.5
Forestry, fishing, mining, quarrying, oil and gas	145.9	142.3	128.5	3.6	2.5	17.4	13.5
Utilities	22.8	22.7	19.1	0.1	0.4	3.7	19.4
Construction	233.8	235.6	247.7	-1.8	-0.8	-13.9	-5.6
Manufacturing	120.1	120.5	112.4	-0.4	-0.3	7.7	6.9
Services-producing sector	1,708.3	1,722.5	1,690.1	-14.2	-0.8	18.2	1.1
Trade	338.6	333.2	326.0	5.4	1.6	12.6	3.9
Transportation and warehousing	136.7	137.5	137.3	-0.8	-0.6	-0.6	-0.4
Finance, insurance, real estate and leasing	106.7	107.0	108.0	-0.3	-0.3	-1.3	-1.2
Professional, scientific and technical services	178.4	178.0	178.2	0.4	0.2	0.2	0.1
Business, building and other support services	86.5	79.7	79.9	6.8	8.5	6.6	8.3
Educational services	141.5	159.9	150.8	-18.4	-11.5	-9.3	-6.2
Health care and social assistance	278.6	284.9	269.3	-6.3	-2.2	9.3	3.5
Information, culture and recreation	73.2	76.0	77.3	-2.8	-3.7	-4.1	-5.3
Accommodation and food services	154.6	150.7	145.6	3.9	2.6	9.0	6.2
Other services	111.2	113.2	122.2	-2.0	-1.8	-11.0	-9.0
Public administration	102.3	102.4	95.3	-0.1	-0.1	7.0	7.3

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

Employment in Alberta's key resource extraction industry (forestry, fishing, mining, quarrying, and oil and gas) increased in July, up 2.5% on the month. At 145,900, employment is up 13.5% since July of last year. Employment in the sector is rebounding as conventional (non-oil sand) drilling has accelerated in the province. This comes as a barrel of West Texas Intermediate (WTI), the benchmark North American crude oil, is currently trading in the \$45 to \$50 U.S. range. This is down from the start of the year. In its August forecast, the U.S. Energy Information Administration projects an average WTI price of \$49 U.S. per barrel in 2017, rising to \$50 next year.

Turning to agriculture, a hot, dry summer has crop yields in southern Alberta running well below the 10-year average. Employment in the industry is up 2.5% compared to this time last year.⁴

About a dozen forestry-dependent communities across the province are waiting on resolution of the Canada – U.S. softwood lumber dispute. During normal times, forestry and wood product manufacturing is a \$6 billion industry in Alberta.

Manufacturing employment held reasonably steady on the month (-0.3%) in July, while up 6.9% on the year. Wood product manufacturing was one of several sub-industries showing annual employment declines. By contrast, notable job gains were seen in metal fabrication and in machinery manufacture, increases which are consistent with the uptick in oil patch activity noted above.

Activity in Alberta's construction industry continues to slow, with employment down roughly 5.5% compared to July 2016. While housing starts have increased year to date compared to the same period last year (+23%), the decline in major industrial projects has reduced the demand for construction labour in the province.⁵ Nonetheless, at a combined weighting of 31.4% between them, Calgary and Edmonton have contributed more to Canada's 2017 non-residential building construction price index than Toronto, Ontario (28.7%).⁶

In the services-producing sector, year over year employment gains were seen in retail and wholesale trade (+12,600), and accommodation and food services (+9,000). The gains in trade employment were entirely on the wholesale side, as retail employment declined in the period. Employment in business, building, and other support services spiked in the month of July, led by job gains in building services, a sub-industry that includes janitorial and landscaping services, among others.

While the public sector has been a key source of employment stability throughout Alberta's recession, employment gains across education, health care, and public administration are now slowing. On monthly basis, the combined employment of the three industries fell by almost 25,000, while year over year gains narrowed to about 7,000 (+1.4%).

REGIONAL ANALYSIS

Over the past year, employment in Alberta increased in four of seven economic regions. On a percentage basis, Calgary led the province in job growth at 4.2%. Camrose-Drumheller was second, followed by Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River, and finally Red Deer. Because of the absence of data in the aftermath of 2016's Fort McMurray wildfire, a yearly gain or loss cannot be calculated for Wood Buffalo-Cold Lake.

Alberta Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	July 2017 ('000)	July 2016 ('000)	Yearly Variation (%)	July 2017 (%)	July 2016 (%)	Yearly Variation (% points)
Alberta	2,310.9	2,272.0	1.7	7.8	8.3	-0.5
Economic Regions						
Lethbridge-Medicine Hat	145.8	150.7	-3.3	4.1	7.6	-3.5
Camrose-Drumheller	102.1	99.1	3.0	7.1	8.2	-1.1
Calgary	900.7	864.8	4.2	8.3	8.8	-0.5
Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River	185.7	180.8	2.7	5.8	7.8	-2.0
Red Deer	114.9	112.6	2.0	5.8	10.0	-4.2
Edmonton	777.4	782.6	-0.7	8.8	7.8	1.0
Wood Buffalo-Cold Lake	84.3	-	-	7.4	-	-

*As a result of the wildfire affecting northern Alberta, LFS data for the census agglomeration of Wood Buffalo, which includes Fort McMurray, were not collected from May to July 2016. Collection resumed in Wood Buffalo in August. Data for this area are reflected in the national and Alberta estimates published in August and September. Separate estimates for the economic region of Wood Buffalo-Cold Lake, which are published as three-month moving averages, are not available for June to September 2016.

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

In Lethbridge-Medicine Hat, employment fell by 3.3% compared to July 2016. At the same time, the unemployment rate also declined, as 11,000 people left the labour market. Construction activity should remain a relative bright spot in the region, as multiple contracts have been awarded for road, sewage, and other infrastructure upgrades. The City of Medicine Hat will see its Sears department store close in September, affecting 74 employees. Sears was one of the original tenants in Medicine Hat Mall.

Employment increased by 3.0% in Camrose-Drumheller compared to July 2016, as job gains were seen in wholesale and retail trade and in educational services. Facilities targeting the area's farming community are under development in Vermilion, as Lakeland College continues construction of its \$9.5 million Dairy Learning Centre and \$7.1 million Animal Health Clinic. Turning to human care, CBI Health Group, the largest provider of community healthcare services in Canada, has opened a health clinic in Lloydminster. The company plans to hire between 15 to 18 professionals, as services grow over the next couple of years.⁷

The Banff-Jasper-Rocky-Mountain House and Athabasca-Grande Prairie-Peace River area saw a further increase in resource extraction employment in July. The gains, failed to offset a steep decline in wholesale and retail trade, however. While parts of this large combined economic region are off limits to oil extraction, drilling is active to the northwest, where Alberta's share of the Montney shale formation is located. The Montney is being aggressively targeted by drillers as its geology is a good fit for the fracking (hydraulic fracturing) techniques that have proven so successful in the U.S. The tourism centres of Banff and Jasper are experiencing a boom in visitors, heightened by the free entry to National Parks granted in honour of Canada's 150th birthday.

The Red Deer area registered employment growth of 2.0% in July, as job gains in the goods-producing sector outweighed job losses among services-producing industries – and in wholesale and retail trade in particular. At 5.8%, the region's unemployment rate was well below the provincial average, and a far cry from the 9.9% seen in July 2016. While lower unemployment rates are a good thing, the decline in Red Deer's unemployment rate comes about as 3,000 people opted out of the labour market.

To the northeast, Wood Buffalo-Cold Lake's Fort McMurray continues its recovery from the wildfire of May, 2016. Across Wood Buffalo-Cold Lake region employment stood at 84,300 during July 2017. The area's unemployment rate was 7.4%. It should be noted that no comparable data from 2016 is available due to the lingering after-effects of the fire. The population of Fort McMurray currently sits at about 73,500 people, 5,000 fewer than in 2015. Teck Resources, a partner in Suncor's Fort Hills project, has announced plans to build a \$20.6 billion oil sands mine north of Fort McMurray. Teck estimates the project would create 7,000 construction jobs, and 2,500 operational jobs with production slated for 2026, pending approvals.

Total employment in Edmonton declined by 0.7% in July, as employment in the services-producing sector dropped by over 19,000 on the year. Losses were entirely due to a draw-down in full-time employment, as part-time jobs actually increased on the year. Meanwhile, the ranks of the unemployment increased by about 8,500, leaving the region's unemployment rate at 8.7%, the highest in the province. Looking ahead – possibly way ahead – DeepMind, a subsidiary of Google parent company Alphabet, based in the UK, is opening its first international artificial intelligence (AI) research centre – in Edmonton. The center will work closely with the University of Alberta.⁸

In Calgary, overall employment increased in July compared to the same period last year (+4.3%). Full-time employment increased by 33,000, with the region adding roughly 3,000 part-time jobs as well. At 82,000, unemployment remains elevated in the region. However, because of strong labour force growth and employment gains, Calgary's unemployment rate eased to 8.3%.

While employment in the goods-producing sector declined, (-22,000), strong job growth was seen across nearly the entire services-producing sector (+52,000), including increases of about 14,000 in both health care and social assistance and accommodation and food services. A notable increase was also seen in public administration (+11,000).

In July, the Government of Alberta committed up to \$1.53 billion over eight years towards the first phase of the Calgary Green Line public transit project. Construction is estimated to create more than 12,000 direct jobs and over 8,000 supporting jobs.⁹

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

Prepared by: Labour Market Information (LMI) Directorate, Service Canada, Alberta

For further information, please contact the LMI team at: NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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¹ Statistics Canada, CANSIM Table 281-0049 ; Payroll employment, earnings and hours, May 2017; Accessed August 8, 2017

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