

Current Economic Indicators Labour Force Survey – February 2011

March 14, 2011

Statistics Canada's employment results for February, released March 11, show that Edmonton and Alberta enjoyed a relatively robust position compared to Canada as a whole.

The national Labour Force Survey (LFS) is used to estimate the number of people working or seeking work and the unemployment rate during the month.

The Edmonton Census Metropolitan Area (CMA) enjoyed a very solid gain in employment, adding **6,500** jobs in February. The area's unemployment rate remained unchanged at **5.8%** in February (see Table 1 below) because new entrants to the labour force counterbalanced good job gains. Both the addition of new jobs and a growing labour force are positive signs for continued economic expansion in the Edmonton area, indicating growing incomes and greater consumer confidence.

Alberta's unemployment rate fell from 5.9% in January to **5.7%**, on a respectable gain of 14,000 jobs for the month. This is one of the strongest monthly gains for Alberta since the recovery began in 2009.

The only negative factor in Alberta's numbers – and nationally - was the large gain in part-time positions. A shift to part-time employment – while resulting in a significant number of new positions - is not a positive development. Full-time positions offer higher incomes, better benefits and are typically longer lasting than part-time jobs. Consequently, a growing proportion of part-time employment could undermine consumer confidence and spending in spite of continuing job gains.

On the national front, a marked increase in part-time employment was offset by a fall in the number of individuals working full time. As a result, net job growth was a very slim 15,000 and Canada's unemployment rate remained unchanged at **7.8%**.

Significance

The unemployment rate, which is calculated from Labour Force Survey results, is one of the most widely-recognized indicators of economic wellbeing. A high unemployment rate is associated with lower incomes and a higher incidence of poverty. As well, the LFS provides vital information on the number of employed, on whether full-time or part-time employment is increasing and on participation of the population in the economy through employment or job-seeking.

Limitations

Employment growth, and particularly full-time employment, tends to lag behind growth in overall economic activity. Consequently, it is an indicator of *past* developments in the economy rather than what is *currently* taking place. However, it is a useful predictor of future changes in incomes and consumer spending.

The LFS is very reliable at the national and provincial level, but the figures for CMAs can be volatile from month to month. Statistics Canada only publishes a three-month moving average for Census Metropolitan Areas - an approach that smoothes out some of the sharp changes in the monthly data. However, this sometimes results in the employment information responding very slowly to rapid developments in a CMA's economy.

Table 1
Labour Force Survey Results – Edmonton Census Metropolitan Area
Three Month Moving Average

	Jan - 2011	Feb - 2011	Jan to Feb 2011	Feb 2010 to Feb 2011	Jan to Feb 2011	Feb 2010 to Feb 2011
15 years and older	(000)	(000)	(000)	(000)	%	%
Population	955.6	956.8	1.2	14.3	0.1	1.5
Labour force	690.8	697.4	6.6	20.3	1.0	3.0
Employment	650.4	656.9	6.5	26.8	1.0	4.3
Unemployment	40.4	40.5	0.1	-6.5	0.2	-13.8
Participation rate (%)	72.3	72.9	0.6	1.1
Unemployment rate (%)	5.8	5.8	0.0	-1.1
Employment rate (%)	68.1	68.7	0.6	1.8

Source: Statistics Canada

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