

Edmonton sees increases: in jobs, labour force and unemployment rate

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Employment in Edmonton moved up with the region **gaining 2,700 new jobs in April 2016**.

Increased employment in logistics, professional services, public administration and finance more than made up for job losses in manufacturing and energy. While most of April's gains were part-time positions, the Edmonton region saw average weekly earnings move up resulting in a 4.7% gain over April 2015.

Overall, the **Edmonton Census Metropolitan Area (CMA)** has added approximately 30,000 positions over the past 12 months, which is slightly less than 35% of all net new jobs generated in Canada over that period.

Annual employment growth in Edmonton was 4.1% in April, which is more than four times the national average of 0.8%. Over the same period, Alberta's employment fell by 1.6%.

Even with April's solid job numbers, the Edmonton CMA's unemployment rate edged up from 6.9% to 7.0% between March 2016 and April 2016 as the region's labour force continued to expand at a pace five times the Canadian average. The unemployment rate for Calgary in April 2016 was 8.4%.

Labour Force Survey Results – Edmonton Census Metropolitan Area
Three-month moving average – seasonally adjusted

| | Apr 2015 | Mar 2016 | Apr 2016 | Mar 2016 to Apr 2016 | Apr 2015 to Apr 2016 | Mar 2016 to Apr 2016 | Apr 2015 to Apr 2016 |
|---------------------------------|----------|----------|----------|----------------------|----------------------|----------------------|----------------------|
| | (000) | (000) | (000) | (000) | (000) | % | % |
| Population (15 years and older) | 1094.2 | 1115.4 | 1117.0 | 1.6 | 22.8 | 0.1 | 2.1 |
| Labour force | 800.6 | 839.8 | 843.0 | 3.2 | 42.4 | 0.4 | 5.3 |
| Employment | 753.1 | 781.6 | 784.3 | 2.7 | 31.2 | 0.4 | 4.1 |
| Unemployment | 47.5 | 58.3 | 58.7 | 0.4 | 11.2 | 0.7 | 23.6 |
| Unemployment rate (%) | 5.9 | 6.9 | 7.0 | 0.1 | 1.1 | ... | ... |
| Participation rate (%) | 73.2 | 75.3 | 75.5 | 0.2 | 2.3 | ... | ... |
| Employment rate (%) | 68.8 | 70.1 | 70.2 | 0.1 | 1.4 | ... | ... |

Source: Statistics Canada

In sharp contrast to Edmonton, employment in **Alberta** fell in April 2016. The net job loss for the province was almost 21,000 positions. Job losses were fairly evenly spread among part-time and full-time positions. The primary sources of employment weakness in Alberta over the past 12 months were the energy, construction and manufacturing sectors. However, even with this large reduction in employment, Alberta's unemployment rate moved up only by 0.1%: from 7.1% to 7.2% between March 2016 and April 2016, as almost 19,000 people gave up looking for work and left the labour force.

Employment levels were essentially unchanged at the national level, with significant gains in full-time employment counterbalancing losses in part-time jobs for the month of April. Most of **Canada's** job gains were in retail and the hospitality sectors while manufacturing and the natural resources sectors saw significant losses. Canada's unemployment rate stayed unchanged at 7.1% between March and April 2016.

Significance

The recent job losses in the goods producing side of Edmonton's economy demonstrate that the region is not immune to the impact of decreased oil prices. However, the region's diverse economy has so far been able to absorb this negative shock and continue to expand. Moving into the second half of 2016, employment growth will weaken with the unemployment rate rising toward the 7.5% range. If oil prices continue to improve over the next seven months, Edmonton's unemployment levels will stabilize in late 2016.

The ongoing growth in the working-age population—up 2.1% from April 2015 to April 2016—and higher participation in the labour force highlight Edmonton's relatively good job prospects when compared to the rest of Alberta and Canada. Growth in the number of job seekers has been an important factor in moderating wage increases by addressing labour and skill shortages that began to emerge in Edmonton prior to the downturn in energy prices. With Edmonton's unemployment rate now at 7.0% and good job gains in Ontario and British Columbia, net migration into the region has begun to slow down, especially when compared to the volumes seen over the past several years.

The remarkably strong year-over-year growth in the average weekly earnings in Edmonton—up 4.7% in the past year—bodes well for the housing and retail segments of the Edmonton economy. Higher incomes along with growing employment and modest inflation will provide support to consumer confidence and spending over the remainder of 2016.

Limitations

Since employment trends, particularly in the full-time category, tend to lag behind developments in overall economic activity, they are a better indicator of past, rather than current, conditions in the economy. However, employment trends are useful predictors of future changes in incomes and consumer spending. Statistics Canada publishes a three-month moving average of all labour force values for the Edmonton region, an approach that sometimes results in the number of reported jobs lagging behind developments in the Edmonton region's economy.

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