



EDMONTON

indicators

Another strong month for jobs in Edmonton

October 12, 2011 - Statistics Canada's employment results for September saw a continuation of strong job gains for Edmonton. Participation in the labour force also grew, resulting in the unemployment rate for the Edmonton Census Metropolitan Area (CMA) holding steady at 5.3% (see Table 1 below), even as the number of individuals seeking employment grew by over 7,000 between August and September.

These recent job gains have pushed Edmonton's employment growth for the past twelve months to 7.5% compared to 4.8% for Alberta and 1.5% for Canada. Consequently, Edmonton continues to enjoy one of the lowest unemployment rates among the metropolitan areas reported on by Statistics Canada. Meanwhile a rapid increase in the workforce has counteracted the emergence of broadly based labour shortages. Ongoing gains in full-time employment in the Manufacturing, Retail and Wholesale Trade and Financial sectors offset declines in Education and Health Care sectors.

Alberta's unemployment rate also fell in July to 5.4%, influenced by a gain of over 8,000 jobs, all full-time. Part-time employment figures actually fell between August and September. Full-time employment generally encourages more spending by the newly employed and bodes well for continued strength in the provincial economy.

In contrast to Edmonton, where Manufacturing has been a leader in employment gains, the Service sector has been the main source of strength at the national level, where gains in Professional and Scientific Services, Education and Public Administration sectors offset a loss in Financial sector jobs. In the last quarter of 2011 and into 2012, the need to address budgetary deficits will constrain public sector employment gains, resulting in a slowdown in Canada's job growth.

Significance

Since mid-2009 Edmonton has experienced one of the strongest rebounds in employment of any North American jurisdiction. Most of the gains have been full-time jobs in sectors that are dependent on skilled trades and engineering. Hence, while the region-wide unemployment rate of 5.3% is not approaching the low levels of 2007 and 2008, there is the potential for labour shortages in several sectors.

So far, an increase in the percentage of the working-age population active in the job market, combined with renewed immigration, has helped prevent wide-spread labour shortages. Nonetheless, the prospect of an acceleration of wage and salary increases sparked by efforts of 'skill-short' sectors to draw new hires from other parts of the regional economy is a very real possibility if employment gains continue into 2012. Consequently it would be prudent to assume that labour costs could grow at higher rates than has been typical over the last 24 months.

Limitations

Employment growth, particularly in the full-time category, tends to lag behind growth in overall economic activity, so is a better indicator of past, rather than current, developments in the economy. However, employment growth is a useful predictor of future changes in incomes and consumer spending. Statistics Canada only publishes a three-month labour force moving average for CMAs, an approach that sometimes results in the number of reported jobs lagging behind developments in a CMA's economy.

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

	Aug - 2011	Sept - 2011	Aug to Sept 2011	Sept 2010 to Sept 2011	Aug to Sept 2011	Sept 2010 to Sept 2011
15 years and older	(000)	(000)	(000)	(000)	%	%
Population	965.8	967.4	1.6	15.8	0.2	1.7
Labour force	712.1	719.4	7.3	41.7	1.0	6.2
Employment	674.7	681.2	6.5	47.6	1.0	7.5
Unemployment	37.4	38.2	0.8	-5.9	2.1	-13.4
Participation rate (%)	73.7	74.4	0.4	3.2
Unemployment rate (%)	5.3	5.3	0.0	-1.2
Employment rate (%)	69.9	70.4	0.5	3.8

Source: Statistics Canada

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