Edmonton’s employment count moves higher in October

November 8, 2019

Employment in the Edmonton Census Metropolitan Area (CMA) was up by approximately 1,500 positions between September and October 2019. These gains were largely part-time positions, as full-time employment decreased by a nominal amount. Gains in education and logistics more than offset continuing reductions in the construction as well as weakness in business services and public administration.

Edmonton’s unemployment rate edged lower to 7.1 per cent in October 2019 from 7.3 per cent in September, as modest growth in the labour force was outpaced by the gain in employment. The Calgary CMA saw modest job losses which took their unemployment rate up to 7.2 per cent in October 2019 from 7.1 per cent in September.

Labour Force Survey Results–Edmonton CMA¹
Three-month moving average–seasonally adjusted

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<tbody>
<tr>
<td>Population (15 years and older)</td>
<td>1,165.5</td>
<td>1,189.8</td>
<td>1,192.4</td>
<td>2.6</td>
<td>26.9</td>
<td>0.2</td>
<td>2.3</td>
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<tr>
<td>Labour force</td>
<td>849.5</td>
<td>844.5</td>
<td>844.8</td>
<td>0.3</td>
<td>-4.7</td>
<td>0.0</td>
<td>-0.6</td>
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<tr>
<td>Employment</td>
<td>795.8</td>
<td>783.1</td>
<td>784.6</td>
<td>1.5</td>
<td>-11.2</td>
<td>0.2</td>
<td>-1.4</td>
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<tr>
<td>Unemployment</td>
<td>53.7</td>
<td>61.4</td>
<td>60.2</td>
<td>-1.2</td>
<td>6.5</td>
<td>-2.0</td>
<td>12.1</td>
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<tr>
<td>Unemployment rate (%)</td>
<td>6.3</td>
<td>7.3</td>
<td>7.1</td>
<td>-0.2</td>
<td>0.8</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Participation rate (%)</td>
<td>72.9</td>
<td>71.0</td>
<td>70.8</td>
<td>-0.2</td>
<td>-2.1</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Employment rate (%)</td>
<td>68.3</td>
<td>65.8</td>
<td>65.8</td>
<td>0.0</td>
<td>-2.5</td>
<td>…</td>
<td>…</td>
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Source: Statistics Canada, Table 14-10-0294-01

¹ Statistics Canada revised the Labour Force Survey seasonally-adjusted estimates for 2016 to 2018 using the latest seasonal factors.
Employment in Alberta was up by approximately 7,700 positions in October 2019, compared to September. Very good employment gains in wholesale and retail trade were partially balanced by losses in the education sector. Alberta’s unemployment rate rose from 6.6 per cent in October 2019 to 6.7 per cent in September\(^2\), largely as a result of growth in the number of people seeking employment.

Canada’s overall employment level was essentially unchanged from September to October 2019. Gains in public administration and financial services were balanced by losses in manufacturing and construction in October. Canada’s unemployment rate was unchanged at 5.5 per cent in October 2019.

Significance
Edmonton’s labour market continues to show signs of stress, as employment and the participation rate since the start of the year have been trending lower. With full-time employment falling again in October, average weekly wages slowed to an annual increase of only 0.7 per cent. With consumer-based inflation in the Edmonton region expected to be in the 1.5 to two per cent range over the remaining months of 2019, this means the average employed person will see any gains in their nominal income neutralized by higher prices. Consequently, consumer spending over the balance of the year could be compromised by difficult labour market conditions in Edmonton.

For the remainder of 2019, employment in Edmonton should see growth in the professional services and trade sectors. This will be supported by a slow but steady recovery of employment in manufacturing and educational services. However, the unemployment rate is unlikely to move much lower than its current level. Future employment gains are likely to be met by growth in the labour force as individuals discouraged by current unfavorable employment conditions begin to return to the labour force.

Growth in the working-age population, up year-over-year by 2.3 per cent in October 2019, will be a key factor in addressing labour and skill shortages that may emerge in Edmonton as the local economy begins to recover and the labour market improves in 2020.

Limitations
Employment trends, particularly in the full-time category, tend to lag behind developments in overall economic activity. Because of this, they are a better indicator of past, rather than current, conditions in the economy. However, employment trends are still 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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\(^2\) For direct comparability to the CMA unemployment rates, the three-month moving average for Alberta’s unemployment rate moved lower to 6.8 per cent in October 2019 from seven per cent in September.