

Economic Indicators

Edmonton's job figures down in September

October 11, 2019

Employment in the **Edmonton** Census Metropolitan Area (CMA) was down by approximately 3,100 positions between August and September 2019. These losses were largely full-time positions, as part-time employment increased by a nominal amount. Gains in manufacturing and logistics were more than offset by continuing reductions in the educational services as well as weakness in business services and public administration.

Edmonton's unemployment rate edged lower to 7.3 per cent in September 2019 from 7.4 per cent in August, as the labour force in Edmonton fell significantly. The **Calgary CMA** saw modest job gains as well as a reduction in their labour force, taking their unemployment rate down to 7.1 per cent in September 2019 from 7.3 per cent in August.

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

	Sep 2018	Aug 2019	Sep 2019	Aug 2019 to Sep 2019	Sep 2018 to Sep 2019	Aug 2019 to Sep 2019	Sep 2018 to Sep 2019
	(000)	(000)	(000)	(000)	(000)	%	%
Population (15 years and older)	1,163.4	1,187.0	1,189.8	2.8	26.4	0.2	2.3
Labour force	845.3	849.2	844.5	-4.7	-0.8	-0.6	-0.1
Employment	792.3	786.2	783.1	-3.1	-9.2	-0.4	-1.2
Unemployment	52.9	63.0	61.4	-1.6	8.5	-2.5	16.1
Unemployment rate (%)	6.3	7.4	7.3	-0.1	1.0
Participation rate (%)	72.7	71.5	71.0	-0.5	-1.7
Employment rate (%)	68.1	66.2	65.8	-0.4	-2.3

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, with the addition of approximately 4,900 positions in September 2019 when compared to August. Good employment gains in health care and education were partially balanced by losses in the construction and wholesale and retail trade sectors. Alberta's unemployment rate fell from 7.2 per cent in August 2019 to 6.6 per cent in September² as result of modest job gains and a drop in the number of people seeking employment.

Canada's overall employment in September 2019 was up with a solid month-over-month increase of about 54,000 positions. Gains in health care and accommodation and food services were the key drivers of employment growth in September 2019. Canada's unemployment rate was lower at 5.5 per cent in September 2019 compared to 5.7 percent in August.

Significance

With a fall in the active labour force's participation rate, Edmonton's labour market is showing signs of stress. With full-time employment falling in September, average weekly wages slowed to an annual increase of 1.3 per cent. With consumer-based inflation expected to be in the 1.5 to two per cent range over the coming months in the Edmonton region, this means the average employed person will see any gains in their nominal income largely 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 September 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.

Contact

John Rose
Chief Economist
Financial and Corporate Services
780-496-6070

Felicia Mutheardy
Senior Economist
Financial and Corporate Services
780-496-6144

² For direct comparability to the CMA unemployment rates, the three-month moving average for Alberta's unemployment rate moved higher to seven per cent in September 2019 from 6.9 per cent in August.