

## Edmonton's job figures weaken in August

September 6, 2019

Employment in the **Edmonton** Census Metropolitan Area (CMA) was down by approximately 3,900 positions between July and August 2019. These were largely part-time positions as full-time employment also fell by a nominal amount. Gains in trade and manufacturing were more than offset by continuing reductions in the accommodation and food services, educational services, and energy sectors.

Edmonton's unemployment rate edged lower to 7.4 per cent in August 2019 from 7.5 per cent in July, as the labour force in Edmonton fell significantly. The **Calgary CMA** also saw job losses, taking their unemployment rate up to 7.3 per cent in August 2019 from 6.9 per cent in July.

**Labour Force Survey Results—Edmonton CMA<sup>1</sup>**  
**Three-month moving average—seasonally adjusted**

	Aug 2018	July 2019	Aug 2019	July 2019 to Aug 2019	Aug 2018 to Aug 2019	July 2019 to Aug 2019	Aug 2018 to Aug 2019
	(000)	(000)	(000)	(000)	(000)	%	%
Population (15 years and older)	1,161.2	1,184.4	<b>1,187.0</b>	2.6	25.8	0.2	2.2
Labour force	843.5	854.4	<b>849.2</b>	-5.2	5.7	-0.6	0.7
Employment	789.6	790.1	<b>786.2</b>	-3.9	-3.4	-0.5	-0.4
Unemployment	53.8	64.2	<b>63.0</b>	-1.2	9.2	-1.9	17.1
Unemployment rate (%)	6.4	7.5	<b>7.4</b>	-0.1	1.0	...	...
Participation rate (%)	72.6	72.1	<b>71.5</b>	-0.6	-1.1	...	...
Employment rate (%)	68.0	66.7	<b>66.2</b>	-0.5	-1.8	...	...

Source: Statistics Canada, Table 14-10-0294-01

<sup>1</sup> Statistics Canada revised the Labour Force Survey seasonally-adjusted estimates for 2016 to 2018 using the latest seasonal factors.

Employment in **Alberta** was essentially unchanged, with the addition of only 600 positions in August 2019 when compared to July. Good employment gains in information, culture and recreation as well as accommodation and food services were balanced by losses in the energy and other services sectors. Alberta's unemployment rate moved up from seven per cent in July 2019 to 7.2 per cent in August<sup>2</sup>.

**Canada's** overall employment in August 2019 was up with a strong month-over-month increase of about 81,000 positions. Gains in financial services, professional services and education were the key drivers of employment growth in August 2019. Canada's unemployment rate was unchanged at 5.7 per cent in August 2019.

### **Significance**

With a fall in the active labour force's participation rate, Edmonton's employment scene has begun to show signs of stress. On a more positive note, full-time employment is holding up well. Average weekly wages continued to rise, with a 2.8 per cent year-over-year gain in August 2019. With consumer-based inflation expected to be in the two per cent range in the coming months in the Edmonton region, this means the average employed person will continue to see gains in their real spending power, sustaining consumer spending over the balance of the year.

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 construction. However, the unemployment rate is unlikely to move much lower than its current level, as future employment gains are likely to be met by growth in the labour force as individuals discouraged by current difficult employment conditions begin to return to the labour force.

Growth in the working-age population, up year-over-year by 2.2 per cent in August 2019, will be a key factor in addressing labour and skill shortages that may emerge in Edmonton as the local economy continues to recover and the labour market tightens.

### **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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<sup>2</sup> For direct comparability to the CMA unemployment rates, the three-month moving average for Alberta's unemployment rate moved higher to 6.9 per cent in August 2019 from 6.8 per cent in July.