Part-time gains lift employment in December 2019

January 13, 2020

Employment in the Edmonton Census Metropolitan Area (CMA) rose by 3,100 positions between November and December 2019. This gain primarily reflects part-time employment growth, as full-time employment decreased. Gains were recorded in the trade, finance, insurance, real estate, rental and leasing (FIRE) and accommodation and food services sectors while the health care, public administration and agriculture sectors saw reductions.

Edmonton’s unemployment rate moved up to eight per cent in December 2019 from 7.7 per cent in November as labour force growth outpaced the region’s employment gains. The unemployment rate in the Calgary CMA rose to 7.1 per cent in December 2019 from 6.9 per cent in November as both employment and the region’s labour force declined month-over-month.

<table>
<thead>
<tr>
<th>Labour Force Survey Results—Edmonton CMA¹</th>
<th>Three-month moving average—seasonally adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (15 years and older)</td>
<td>1,169.4</td>
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<tr>
<td>Labour force</td>
<td>855.3</td>
</tr>
<tr>
<td>Employment</td>
<td>801.2</td>
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<tr>
<td>Unemployment</td>
<td>54.1</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>6.3</td>
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<tr>
<td>Participation rate (%)</td>
<td>73.1</td>
</tr>
<tr>
<td>Employment rate (%)</td>
<td>68.5</td>
</tr>
</tbody>
</table>

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 lost approximately 1,000 positions in December 2019 from November. Gains in the trade, FIRE and educational services sectors were outpaced by losses in the primary, logistics and manufacturing sectors. Alberta’s unemployment rate ticked down to seven per cent in December 2019 from 7.2 per cent in November².

Canada’s overall employment in December 2019 picked up 35,200 jobs compared to November. Employment gains were recorded in the accommodation and food services and construction sectors. Canada’s unemployment rate declined to 5.6 per cent in December 2019 from 5.9 per cent in November.

Significance
Edmonton’s labour market has been showing signs of stress, particularly in monthly estimates over the second half of 2019. Full-time employment has been declining year-over-year since September 2019, weakening growth in average weekly wages. Average weekly wages in December 2019 were 1.1 per cent lower year-over-year. Consumer-based inflation is expected to be in the 1.5 to two per cent range in December 2019, which means the average employed person will likely see any gains in their nominal income offset by higher prices.

For 2019 as a whole, employment growth in the Edmonton CMA inched ahead by 1.1 per cent year-over-year, with moderate gains in both full- and part-time employment. Average weekly wages for 2019 were almost two per cent higher year-over-year, largely reflective of strong wage growth between January and August 2019. The working age population saw annual growth of 2.2 per cent in 2019, while the labour force grew by two per cent year-over-year. Growth in the working-age population 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.

In 2020, employment in Edmonton is forecast to grow by about one per cent with gains expected in the primary, professional services and trade sectors. The unemployment rate is forecast to decline, though the rate is unlikely to move much lower than the seven to 7.5 per cent range. 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.

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 ticked up to seven per cent in December 2019 from 6.9 per cent in November.