

Economic Indicators

Strong job growth in Edmonton

August 10, 2018

Employment in the **Edmonton** Census Metropolitan Area (CMA) rose by approximately 7,700 positions in July 2018 from June 2018. The gains were in full-time positions, as growth in construction, business services, and public administration offset job losses in the logistics, manufacturing and finance, insurance and real estate sectors.

Edmonton's unemployment rate edged lower from 6.6% in June to 6.5% in July as increases to the labour force were slightly lower than employment growth. The unemployment rate for the **Calgary CMA** was up from 7.7% in June 2018 to 7.9% in July.

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

| | July 2017 | June 2018 | July 2018 | June 2018 to July 2018 | July 2017 to July 2018 | June 2018 to July 2018 | July 2017 to July 2018 |
|------------------------------------|--------------|--------------|----------------------|---------------------------------|---------------------------------|---------------------------------|------------------------------|
| | (000) | (000) | (000) | (000) | (000) | % | % |
| Population (15 years and older) | 1138.2 | 1156.9 | 1159 | 2.1 | 20.8 | 0.2 | 1.8 |
| Labour force | 829.9 | 827.4 | 834.8 | 7.4 | 4.9 | 0.9 | 0.6 |
| Employment | 760 | 772.7 | 780.4 | 7.7 | 20.4 | 1.0 | 2.7 |
| Unemployment | 69.9 | 54.8 | 54.4 | -0.4 | -15.5 | -0.7 | -22.2 |
| Unemployment rate (%) | 8.4 | 6.6 | 6.5 | -0.1 | -1.9 | ... | ... |
| Participation rate (%) | 72.9 | 71.5 | 72 | 0.5 | -0.9 | ... | ... |
| Employment rate (%) | 66.8 | 66.8 | 67.3 | 0.5 | 0.5 | ... | ... |

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

¹ Statistics Canada released revised employment data in January 2018. Consequently the historical data in this table will vary from those reported in past months.

Employment in **Alberta** fell in July 2018 with a loss of about 3,600 jobs compared to June 2018. The losses were in full-time employment, which more than offset a rise in part-time positions. This resulted in Alberta's unemployment rate rising to 6.7% in July from 6.5% in June 2018.

Canada's overall employment in June saw an increase of 54,100 positions with gains largely in part-time employment. Job gains were in education and healthcare which offset job losses in manufacturing, construction and natural resources sectors. The July employment gains resulted in the unemployment rate edging lower from 6.0% in June to 5.8% in July 2018.

Significance

Job gains in the Edmonton region continue to demonstrate that the region is recovering from the downturn in 2016. With very good month-over-month increases in July 2018, the Edmonton region's full-time employment gains suggest employer confidence is on the rise as they add to their workforce and increase hours worked.

As well, with the past year's employment growth concentrated in full-time positions, average weekly wages grew 3.3% year-over-year in July 2018. Consequently, workers are seeing gains in their income even when inflation is factored in. This boost to real incomes will help to support consumer spending going forward.

In the second half of 2018, employment in Edmonton should see growth in the manufacturing, professional services and financial services sectors. However, the unemployment rate is unlikely to move much lower than the 6.5% seen in July as individuals discouraged by less favourable employment conditions in the first quarter of 2018 return to the active labour force.

Growth in the working-age population, up by 1.8% from July 2017 to July 2018, 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. However, with Edmonton's unemployment rate still well above the national average, net migration to the region has slowed down (especially when compared to the volumes seen from 2010 to 2014), which will hold back the growth in the working-age population over the remainder of 2018.

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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