

Employment in Edmonton lower for the second month

July 8, 2016

Employment in the Edmonton region decreased by 9,500 jobs in June 2016. Increased employment in financial services, business services and hospitality could not make up for job losses in manufacturing, construction and energy. June's losses were part-time positions with full time employment rising in the month. However, the Edmonton region saw average weekly earnings continue to move up, resulting in an annual growth rate of 2.1%.

Year to date, employment grew by 2.4% in Edmonton, which is four times the national average of 0.6%. Edmonton is also faring well compared with Alberta, which over the same period, saw employment drop by 2.2%.

Even with June's weaker job numbers, the Edmonton Census Metropolitan Area (CMA) unemployment rate was unchanged at 7.0% between May and June 2016 as the number of people seeking work in the region also fell. This compares with Calgary's unemployment rate of 8.3% in June.

Labour Force Survey Results – Edmonton Census Metropolitan Area
Three-month moving average – seasonally adjusted

| | June 2015 | May 2016 | June 2016 | May 2016 to June 2016 | June 2015 to June 2016 | May 2016 to June 2016 | June 2015 to June 2016 |
|---------------------------------|-----------|----------|-----------|-----------------------|------------------------|-----------------------|------------------------|
| | (000) | (000) | (000) | (000) | (000) | % | % |
| Population (15 years and older) | 1099.2 | 1118.7 | 1120.3 | 1.6 | 21.1 | 0.1 | 1.9 |
| Labour force | 801.3 | 839.9 | 830.4 | -9.5 | 29.1 | -1.1 | 3.6 |
| Employment | 754.1 | 781.4 | 771.9 | -9.5 | 17.8 | -1.2 | 2.4 |
| Unemployment | 47.2 | 58.5 | 58.4 | -0.1 | 11.2 | -0.2 | 23.7 |
| Unemployment rate (%) | 5.9 | 7.0 | 7.0 | 0 | 1.1 | ... | ... |
| Participation rate (%) | 72.9 | 75.1 | 74.1 | -1.0 | 1.2 | ... | ... |
| Employment rate (%) | 68.6 | 69.8 | 68.9 | -0.9 | 0.3 | ... | ... |

Source: Statistics Canada

As was the case for Edmonton, employment in **Alberta** fell in June 2016. The net job loss for the province was approximately 2,000 positions. However, unlike Edmonton, job losses were heavily biased toward full-time positions with a reduction of 7,000 positions, which was partially offset

by a gain of about 5,000 part time jobs. The primary sources of employment weakness in Alberta over the past 12 months were the energy, construction and manufacturing sectors. With this reduction in employment, Alberta's unemployment rate moved up by 0.1% from 7.8% to 7.9% between May and June 2016

Employment levels were essentially unchanged at the national level, with significant losses in full-time employment counterbalancing gains in part-time jobs for the month of June. Most of **Canada's** job gains were in retail and the hospitality sectors while manufacturing and the natural resources sectors saw significant losses. None the less, Canada's unemployment rate edged lower to 6.8% between May and June 2016 as the number of people seeking employment in Canada fell.

Significance

The recent job losses in the goods producing side of Edmonton's economy demonstrate that the region is not immune to the impact of decreased oil prices. However, the region's diverse economy has so far been able to absorb most of this negative shock and continue to expand. Moving into the second half of 2016, employment growth will continue to weaken with the unemployment rate rising toward the 7.5% range. If oil prices continue to improve over the next seven months, Edmonton's unemployment levels will stabilize in late 2016.

The ongoing growth in the working-age population—up 1.9% from June 2015 to June 2016— and higher participation in the labour force highlight Edmonton's relatively good job prospects when compared to the rest of Alberta and Canada. Growth in the number of job seekers has been an important factor in moderating wage increases by addressing labour and skill shortages that began to emerge prior to the downturn in energy prices. With Edmonton's unemployment rate now at 7.0% and good job gains in Ontario and British Columbia, net migration into the region has begun to slow down, especially when compared to the volumes seen over the past several years.

The solid year-over-year growth in the average weekly earnings in Edmonton—up 2.1% in the past year—bodes well for the housing and retail segments of the Edmonton economy. Higher incomes along with growing employment and modest inflation will provide support to consumer confidence and spending over the remainder of 2016.

Limitations

Since employment trends, particularly in the full-time category, tend to lag behind developments in overall economic activity; they are a better indicator of past, rather than current, conditions in the economy. However, employment trends are 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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