

Economic Indicators

Edmonton's employment numbers continue to slip

April 5, 2019

Employment in the **Edmonton** Census Metropolitan Area (CMA) fell by about 1,400 positions between February 2019 and March. March marks the third consecutive month of declining employment in the region. The loss was concentrated in part-time positions as full-time employment saw a modest gain. Limited job gains in financial and business services, as well as the education sector, were more than offset by losses in the manufacturing, logistics, and health care sectors.

Edmonton's unemployment rate moved up to 7.1 per cent in March 2019 from seven per cent in February as employment saw a reduction. The unemployment rate for the **Calgary CMA** also moved up to 7.7 per cent in March 2019 from 7.6 per cent in February as labour force growth outpaced fairly good employment gains.

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

	Mar 2018	Feb 2019	Mar 2019	Feb 2019 to Mar 2019	Mar 2018 to Mar 2019	Feb 2019 to Mar 2019	Mar 2018 to Mar 2019
	(000)	(000)	(000)	(000)	(000)	%	%
Population (15 years and older)	1,150.8	1,173.3	1,175.2	1.9	24.4	0.2	2.1
Labour force	817.2	858.3	857.7	-0.6	40.5	-0.1	5.0
Employment	762.7	798.5	797.1	-1.4	34.4	-0.2	4.5
Unemployment	54.5	59.8	60.7	0.9	6.2	1.5	11.4
Unemployment rate (%)	6.7	7.0	7.1	0.1	0.4
Participation rate (%)	71.0	73.2	73.0	-0.2	2.0
Employment rate (%)	66.3	68.1	67.8	-0.3	1.5

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 also down in March 2019 from the employment level recorded in February. Job losses were largest in the information, culture and recreation, and manufacturing sectors. Nonetheless, Alberta's unemployment rate moved down from 7.3 per cent in February 2019 to 6.9 per cent in March² as the number of individuals seeking employment in Alberta fell significantly.

Canada's overall employment in March 2019 edged lower with a month-over-month loss of about 7,200 positions. The largest losses were recorded in full-time positions while part-time employment was down marginally. Canada's unemployment rate held steady at 5.8 per cent between February 2019 and March. The national unemployment rate remains very low by historical standards.

Significance

Slower activity in manufacturing is now beginning to impact employment in the region. Unfortunately recent building permit numbers and housing market data indicate the construction sector will also remain sluggish over the coming months. Despite the month-over-month decline in March 2019, the level of full-time employment in the Edmonton region was still higher on a year-over-year basis. Growth in average weekly wages continues to build momentum, picking up to a very solid 2.8 per cent on a year-over-year basis in March 2019. With consumer-based inflation expected to slowly rise to the two per cent range in the coming months in the Edmonton region, this means the average employed person will see modest gains in their real spending power, which could sustain consumer spending in the first half of 2019.

For the first half of 2019, employment in Edmonton should see renewed growth in the professional services, health care and education sectors. However, the unemployment rate is unlikely to move much lower than seven per cent as individuals who were discouraged by less favourable employment conditions in early 2019 return to the active labour force.

Growth in the working-age population, up by 2.1 per cent from March 2018 to March 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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² For direct comparability to the CMA unemployment rates, the three-month moving average for Alberta's unemployment rate rose to seven per cent in March 2019 from 6.8 per cent in February.