Employment growth turns a corner in July

August 7, 2020

Employment in the Edmonton census metropolitan area (CMA) rose by 25,000 positions in July 2020 from the previous month, breaking a four-month streak of month-over-month losses. Excluding the finance, insurance, real estate and leasing (FIRE) and educational services sectors, non-seasonally adjusted employment in all other sectors was lower year-over-year in July 2020. Though employment remained lower in July 2020 by that same comparison for full- and part-time employment, the level of job loss eased considerably for part-time positions.

The seasonally adjusted unemployment rate in Edmonton came down in July 2020 to 15 per cent from 15.7 per cent in June. Edmonton’s labour force continued to post month-over-month gains in July, and those labour force gains were slightly outpaced by employment gains, bringing the unemployment rate down. The region’s labour force estimate includes those who are employed, as well as those who are unemployed but are actively looking for work.

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

<table>
<thead>
<tr>
<th></th>
<th>July 2019</th>
<th>June 2020</th>
<th>July 2020</th>
<th>June to July 2020 %</th>
<th>July 2019 to July 2020 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (15 years and older)</td>
<td>1,184.4 (000)</td>
<td>1,208.4 (000)</td>
<td>1,210.1 (000)</td>
<td>1.7 %</td>
<td>0.1 %</td>
</tr>
<tr>
<td>Labour force</td>
<td>853.4</td>
<td>791.7</td>
<td>814.6</td>
<td>22.9 %</td>
<td>2.9 %</td>
</tr>
<tr>
<td>Employment</td>
<td>789.3</td>
<td>667.4</td>
<td>692.4</td>
<td>25.0 %</td>
<td>3.8 %</td>
</tr>
<tr>
<td>Unemployment</td>
<td>64.1</td>
<td>124.3</td>
<td>122.2</td>
<td>-2.1 %</td>
<td>-1.7 %</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>7.5</td>
<td>15.7</td>
<td>15.0</td>
<td>-0.7</td>
<td>7.5 %</td>
</tr>
<tr>
<td>Participation rate (%)</td>
<td>72.1</td>
<td>65.5</td>
<td>67.3</td>
<td>1.8</td>
<td>-4.8</td>
</tr>
<tr>
<td>Employment rate (%)</td>
<td>66.6</td>
<td>55.2</td>
<td>57.2</td>
<td>2.0</td>
<td>-9.4</td>
</tr>
</tbody>
</table>

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

¹ Statistics Canada revised the Labour Force Survey seasonally-adjusted estimates for 2017 to 2019 using the latest seasonal factors.
The seasonally adjusted unemployment rate in the **Calgary CMA** ticked down to 15.5 per cent in July 2020 from 15.6 per cent in June. The labour force and employment in the Calgary region both grew in July compared to the previous month.

Seasonally adjusted employment in **Alberta** continued to rise in July 2020, increasing by 67,300 positions on a month-over-month basis. Both full- and part-time employment gained positions in July from June. Employment continued to recover across sectors with a majority recording employment gain. Alberta’s unemployment rate came down to 12.8 per cent in July from 15.5 per cent in June.

Employment in **Canada** added almost 419,000 positions month-over-month on a seasonally adjusted basis in July 2020 from June with the gains more concentrated in part-time positions. Employment growth in the accommodation and food services and the wholesale and retail trade sectors accounted for almost half of the net employment gains at the national level in July. It is worth noting that these two sectors were hit particularly hard when the pandemic began and containment measures were introduced. The national unemployment rate came down to 10.9 per cent in July from 12.3 per cent in June, driven largely by employment growth.

**Significance**

Though labour force data for the Edmonton region are three-month moving averages, reduced monthly employment losses in June combined with July’s gain of 25,000 positions suggest a recovery is underway. Given the severity of the pandemic’s negative impact on Edmonton’s labour market, the road to recovery is expected to be gradual and uneven. However, the turnaround in the region’s employment levels is welcome news, reinforced by the direction of provincial labour market indicators over the past two months.

**Limitations**

Employment trends tend to lag 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 estimates for the Edmonton region, which sometimes results in the number of reported jobs lagging 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 was 14.6 per cent in July 2020, down slightly from 14.8 per cent in June.