Employment growth continues in Edmonton

January 5, 2018

Employment in the Edmonton Census Metropolitan Area (CMA) rose by about 1,500 positions in December 2017. The gains were entirely in part-time employment in sectors such as construction, education and logistics. Employment gains in these sectors more than made up for losses in manufacturing and professional services.

While the working-age population continued to expand, December’s gain in employment combined with a slight reduction in the active labour force was large enough to bring Edmonton’s unemployment rate down from 7.8% in November 2017 to 7.5% in December 2017. The unemployment rate for the Calgary CMA was also down, falling from 7.8% in November 2017 to 7.5% in December 2017.

<table>
<thead>
<tr>
<th>Labour Force Survey Results–Edmonton CMA</th>
<th>December 2016</th>
<th>November 2017</th>
<th>December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (15 years and older)</td>
<td>1127.4</td>
<td>1144.4</td>
<td>1145.8</td>
</tr>
<tr>
<td>Labour force</td>
<td>807.6</td>
<td>837.5</td>
<td>836.1</td>
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<tr>
<td>Employment</td>
<td>747.3</td>
<td>772.1</td>
<td>773.6</td>
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<tr>
<td>Unemployment</td>
<td>60.3</td>
<td>65.4</td>
<td>62.5</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>7.5</td>
<td>7.8</td>
<td>7.5</td>
</tr>
<tr>
<td>Participation rate (%)</td>
<td>71.6</td>
<td>73.2</td>
<td>73</td>
</tr>
<tr>
<td>Employment rate (%)</td>
<td>66.3</td>
<td>67.5</td>
<td>67.5</td>
</tr>
</tbody>
</table>

Source: Statistics Canada

Employment in Alberta was also up in December 2017 with an increase of over 26,000 jobs. There are good increases in both full-time and part-time positions. The number of people seeking work in Alberta was also up in December. However the growth rate of Alberta’s labour
force was outpaced by the rate of job creation resulting in the unemployment rate falling from 7.3% in November 2017 to 6.9% in December 2017.

In December, Canada’s overall employment rose by a remarkably strong 79,000 positions. This gain was driven by an expansion in part-time positions. Job growth was concentrated in the education, logistics and natural resources sectors. The national unemployment rate was down from 5.9% in November 2017 to 5.7% in December 2017, the lowest rate since comparable data became available in 1976.

**Significance**

The Edmonton region’s job losses during 2016 in the goods-producing sector demonstrated that the region was not immune to the impact of decreased oil prices. Nonetheless, gains in the Edmonton region’s full-time employment since January 2017 suggest employers are now more confident about adding to their workforce.

As well, with the year’s employment growth concentrated in full-time positions, average weekly wages grew 2.7% year over year. Consequently, workers are seeing good gains in their income, which will help to boost consumer spending going forward.

In the first quarter of 2018 employment in Edmonton should see growth in the manufacturing, professional services and logistics sectors. However, the unemployment rate is unlikely to move much lower than the 7.5% seen in December as the local labour force continues to expand and individuals, discouraged by very difficult employment conditions in the second half of 2016, return to the active labour force.

Growth in the working-age population, up by 1.6% from December 2016 to December 2017, has been a key factor in addressing labour and skill shortages that began to emerge in Edmonton prior to the downturn in energy prices in 2014. However, with Edmonton’s unemployment rate 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 slow the growth in the working-age population over the remainder of 2017.

**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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