

Employment in Edmonton Edges Lower

January 6, 2017

Employment in the **Edmonton** region fell in December as losses of full time jobs more than matched continuing gains in part-time positions. December's losses were concentrated in construction, manufacturing and business services sectors. Employment rose modestly in the month in the education, health care and energy sectors. The Edmonton region saw average weekly wages continue to move up, resulting in an annual growth rate of 2.7%.

While employment losses of approximately 3,000 were much smaller than those seen earlier in 2016, the Edmonton CMA's unemployment rate was up sharply - from 6.8% recorded in November 2016 to 7.4% in December 2016. This was in part the result of about 1,500 individuals entering the region's active labour force. The unemployment rate for Calgary in December 2016 was 10.2%.

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

	Dec 2015	Nov 2016	Dec 2016	Nov 2016 to Dec 2016	Dec 2015 to Dec 2016	Nov 2016 to Dec 2016	Nov 2015 to Dec 2016
	(000)	(000)	(000)	(000)	(000)	%	%
Population (15 years and older)	1111.3	1126.6	1127.4	0.8	16.1	0.1	1.4
Labour force	827.6	805.5	807.9	2.4	-19.7	0.3	-2.4
Employment	775.8	750.8	747.7	-3.1	-28.1	-0.4	-3.6
Unemployment	51.8	54.7	60.1	5.4	8.3	9.9	16.0
Unemployment rate (%)	6.3	6.8	7.4	0.6	1.1
Participation rate (%)	74.5	71.5	71.7	0.2	-2.8
Employment rate (%)	69.8	66.6	66.3	-0.3	-3.5

Source: Statistics Canada

In contrast to Edmonton, employment in **Alberta** rose in December 2016. The net job gain for the province was approximately 6,800 positions. These job gains were all in full-time positions with an increase of 18,500 full-time positions as compared to a loss of about 11,600 part-time jobs. The primary sources of employment growth in Alberta in December were health care and professional services.

This improvement in employment brought Alberta's unemployment down from 9.0% in November to 8.5% in December 2016.

Employment levels were up strongly at the national level with very good gains in full-time employment for the month of December. Most of Canada's job gains were in professional services and health care. Nonetheless,

Canada's unemployment rate was up between November 2016 and December 2016 rising from 6.8% to 6.9% as the number of people seeking employment in Canada rose.

Significance

The recent job losses in the goods producing side of Edmonton's economy demonstrates that the region is not immune to the impact of decreased oil prices. However, recent modest gains in employment in the energy sector and continuing growth in areas such as health care suggest that Edmonton's labour market may have absorbed the worst of job losses associated with the downturn in energy prices. Over the first half of 2017 employment in Edmonton will stabilize and begin to grow, particularly in areas such as manufacturing and professional services. However the unemployment rate will continue to rise moving above 7.5% as the number of job seekers increases.

The ongoing growth in the working-age population—up 1.6% from December 2015 to December 2016— and a modest improvement of the participation rate in the labour force highlight Edmonton's relatively good job prospects when compared to the rest of Alberta. 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 in Edmonton prior to the downturn in energy prices. With Edmonton's unemployment rate now at 6.9% and good job gains elsewhere in Canada, net migration into the region has slowed down, especially when compared to the volumes seen over the past several years.

The very solid year-over-year growth in average weekly wages in Edmonton—up 2.7% in the past year—bodes well for the housing and retail segments of the Edmonton economy. Higher incomes 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.

Contact

[John Rose](#)

Chief Economist

Financial and Corporate Services

[780-496-6070](tel:780-496-6070)