

## Edmonton's employment down as construction sector slows

March 8, 2019

Employment in the **Edmonton** Census Metropolitan Area (CMA) fell by about 2,500 positions in February 2019 from January. The loss was concentrated in full-time positions as part-time employment saw a modest gain. Job gains in the health care and education sectors were more than offset by losses in the construction, financial services, and professional services sectors.

Edmonton's unemployment rate moved up to seven per cent in February 2019 from 6.4 per cent in January as employment saw a reduction while the labour force continued to expand. The unemployment rate for the **Calgary CMA** also moved up to 7.6 per cent in February 2019 from 7.3 per cent in January as labour force growth outpaced employment gains.

**Labour Force Survey Results—Edmonton CMA<sup>1</sup>**  
**Three-month moving average—seasonally adjusted**

	Feb 2018	Jan 2019	<b>Feb 2019</b>	Jan 2019 to Feb 2019	Feb 2018 to Feb 2019	Jan 2019 to Feb 2019	Feb 2018 to Feb 2019
	(000)	(000)	<b>(000)</b>	(000)	(000)	%	%
Population (15 years and older)	1,149.1	1,171.4	<b>1,173.3</b>	1.9	24.2	0.2	2.1
Labour force	819.6	856.0	<b>858.3</b>	2.3	38.7	0.3	4.7
Employment	763.8	801.0	<b>798.5</b>	-2.5	34.7	-0.3	4.5
Unemployment	55.8	54.9	<b>59.8</b>	4.9	4.0	8.9	7.2
Unemployment rate (%)	6.8	6.4	<b>7.0</b>	0.6	0.2	...	...
Participation rate (%)	71.3	73.1	<b>73.2</b>	0.1	1.9	...	...
Employment rate (%)	66.5	68.4	<b>68.1</b>	-0.3	1.6	...	...

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

<sup>1</sup> Statistics Canada revised the Labour Force Survey seasonally-adjusted estimates for 2016 to 2018 using the latest seasonal factors.

Employment in **Alberta** was largely unchanged in February 2019 from the employment level recorded in January. Job losses were largest in the construction, financial services and information, culture and recreation sectors. Alberta's unemployment rate moved from 6.8 per cent in January 2019 to 7.3 per cent in February<sup>2</sup> as the number of individuals seeking employment in Alberta continued to rise.

**Canada's** overall employment in February 2019 rose with a month-over-month gain of 56,000 positions. Solid gains 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 January 2019 and February. The national unemployment rate remains low by historical standards.

### **Significance**

Slower activity in both residential and non-residential construction is now beginning to impact employment in the region. Unfortunately recent building permit data indicate the construction sector will remain sluggish over the coming months. Despite the month-over-month decline in February 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 respectable 2.2 per cent on a year-over-year basis in February 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 2019.

For the first half of 2019, employment in Edmonton should see renewed growth in the manufacturing, health care and education sectors. However, the unemployment rate is unlikely to move much lower than 6.5 per cent as individuals who were discouraged by less favourable employment conditions in early 2018 return to the active labour force. As well, with Edmonton's unemployment rate still slightly below the provincial average, migration into Edmonton from other parts of Alberta should increase, boosting the growth rate of the working age population and active labour force.

Growth in the working-age population, up by 1.9 per cent from February 2018 to February 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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<sup>2</sup> For direct comparability to the CMA unemployment rates, the three-month moving average for Alberta's unemployment rate rose to 6.8 per cent in February 2019 from 6.5 per cent in January.