

Edmonton sees another month of job growth

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Employment in the Edmonton region moved up in February 2016 with the region **gaining 1,300 new jobs**. Employment opportunities in education, professional services and finance were more than enough to offset job losses in construction, retail and hospitality. While most of February's gains were part-time positions, the Edmonton region saw average weekly earnings move up by 4.5% between February 2015 and February 2016.

Overall, the **Edmonton Census Metropolitan Area (CMA)** has added approximately 25,000 positions over the past 12 months – slightly more than 20% of all net new jobs generated in Canada over that period. Annual employment growth in Edmonton in February was 3.3%, which is four times more than the national average of 0.7%. Over the same period, Alberta's employment fell by 0.9%.

Even with February's good job numbers, the Edmonton CMA's unemployment rate rose from 6.5% to 6.8% between January 2016 and February 2016 as the region's labour force continued to expand. The comparable rate for Calgary in February was 8.4%.

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

	Feb 2015	Jan 2016	Feb 2016	Jan 2016 to Feb 2016	Feb 2015 to Feb 2016	Jan 2016 to Feb 2016	Feb 2015 to Feb 2016
	(000)	(000)	(000)	(000)	(000)	%	%
Population (15 years and older)	1090.0	1112.5	1113.8	1.3	23.8	0.1	2.2
Labour force	792.8	830.9	835	4.1	42.2	0.5	5.3
Employment	753.3	776.8	778.1	1.3	24.8	0.2	3.3
Unemployment	39.5	54.1	57	2.9	17.5	5.4	44.3
Unemployment rate (%)	5.0	6.5	6.8	0.3	1.8
Participation rate (%)	72.7	74.7	75	0.3	2.3
Employment rate (%)	69.1	69.8	69.9	0.1	0.8

Source: Statistics Canada

As was the case in Edmonton, employment in **Alberta** rose in February 2016. The net job gain for the province was just under 1,400 new positions. A sharp increase in full-time employment overwhelmed a fall in part-time jobs. Nonetheless, employment in Alberta was down by more

than 21,000 positions between February 2015 and February 2016. The primary sources of job losses in Alberta over the past 12 months were the energy, construction and manufacturing sectors. Alberta's unemployment rate jumped from 7.4% to 7.9% between January 2016 and February 2016 as the number of individuals seeking employment in the province grew faster than the number of new jobs. This is the highest unemployment rate for Alberta in 20 years.

Employment levels were essentially unchanged at the national level, with significant gains in part-time employment counterbalancing losses in full-time jobs for the month of February. Most of **Canada's** job gains were in construction, business services and retail sectors. Canada's unemployment rate edged up from 7.2% in January 2016 to 7.3% in February 2016.

Significance

The recent job losses in construction, manufacturing and logistics demonstrate that the Edmonton's economy is not immune to the impact of decreased oil prices. However, the region's diverse economy has so far been able to absorb this negative shock and continue to expand. Moving into the second quarter of 2016, employment growth will weaken with the unemployment rate rising toward the 7.0% range. If oil prices improve over the next 12 months, Edmonton's unemployment levels will stabilize in late 2016.

The continuing growth in the working-age population—up 2.2% from February 2015 to February 2016—highlights Edmonton's relatively good job prospects compared to the rest of Alberta and Canada. 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 6.8% and good job gains in Ontario and British Columbia, net migration into the region has begun to slow down, especially when compared to the volumes seen over the past several years.

The remarkably strong year-over-year growth in the average weekly earnings in Edmonton – up 4.5% in the past year – bodes well for the housing and retail segments of the Edmonton economy. Higher incomes along with growing employment and modest inflation will provide a support to consumer confidence and spending over the next several months.

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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