

Edmonton's labour market recovery closes out 2021 on a positive note

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Seasonally adjusted employment in the Edmonton census metropolitan area (CMA) continued to see gains in December 2021, adding 5,700 positions from November. The region's labour force saw a slight contraction on a month-over-month basis in December which, combined with the monthly employment gain, added downward pressure on the unemployment rate. The regional seasonally adjusted unemployment rate came down a full percentage point in December from November to 6.6 per cent.

Edmonton CMA Employment and Unemployment Rate



Source: Statistics Canada, seasonally adjusted data series ending December 2021

Notes: Employment data are charted on the left vertical axis (LHS), whereas unemployment rates are charted on the right vertical axis (RHS).

Unadjusted labour force survey estimates suggest continued momentum in the region's recovery of full-time work in December 2021. For the second consecutive month, full-time employment in December was higher both year-over-year and compared to its corresponding month in 2019¹.

¹ Comparisons of monthly employment figures in 2021 against corresponding monthly figures in 2019 are useful to gauge progress of the region's employment recovery, as year-over-year comparisons alone may overstate the strength of any labour market improvements due to employment levels being significantly lower in most months of 2020.

The same applied to part-time work in December, though monthly part-time employment has consistently been higher both year-over-year and against its corresponding month in 2019 since March 2021.

Key Labour Force Survey Results—Edmonton CMA
Three-month moving average—seasonally adjusted

	Dec 2020	Nov 2021	Dec 2021	Month- over- month	Year- over- year	Month- over- month	Year- over- year
	(000)	(000)	(000)	(000)	(000)	%	%
Labour force	816.1	850.7	847.4	-3.3	31.3	-0.4	3.8
Employment	723.2	785.9	791.6	5.7	68.4	0.7	9.5
Unemployment	93.0	64.8	55.8	-9.0	-37.2	-13.9	-40.0
Unemployment rate (%)	11.4	7.6	6.6	-1.0	-4.8
Participation rate (%)	68.5	70.4	70.0	-0.4	1.5
Employment rate (%)	60.7	65.0	65.4	0.4	4.7		

Source: Statistics Canada, Table 14-10-0380-01

In 2021, regional employment averaged a level that surpassed its 2019 average. Relative to 2019, the region's labour force expanded by almost two per cent. The annual average unemployment rate was nine per cent for 2021, a marked improvement compared to 12 per cent in 2020, though higher than an average of 7.5 per cent in 2019. Part-time employment gains for many months in 2021 led the way for the region's labour market recovery. As mentioned above, full-time employment has been improving but only in the last two months of 2021 did monthly levels surpass its corresponding 2019 levels.

Across sectors, the strong performance in regional employment is reflective of gains in the services-producing sector, where most sectors recorded employment that surpassed 2019 annual averages. The business, building and other support services, accommodation and food services, and other services sectors were the only services-producing sectors where 2021 employment remained below 2019 levels. However, it is important to note that these sectors were among the hardest hit by the pandemic and gaps have narrowed significantly which should be interpreted as encouraging signals. The region's goods-producing sector saw weaker employment in 2021 relative to 2019, with the most pronounced reduction in the manufacturing sector. This could be due to factors related to the pandemic and public health restrictions though not enough information is available to identify which factors are playing the most significant role. As well, there have been reports of labour shortages and challenges acquiring necessary inputs for operations due to supply chain disruptions; these may also be contributing to employment being held back.

Significance

The December 2021 Labour Force Survey results for the Edmonton CMA were encouraging, with solid evidence of our regional labour market recovery. One clear signal came from the employment rate, which was 65.4 per cent in December. This was the highest rate since the pandemic set in and slightly higher than where it was in February 2020 (65.3 per cent). The employment rate is a measure of how available labour is being utilised so improvements in this indicator are of particular significance when tracking the region's labour market recovery.

In 2022, labour market conditions are expected to continue improving in the Edmonton CMA, though improvements are not expected to follow a straight line. There remains a great deal of uncertainty surrounding labour market expectations in 2022, particularly related to the Omicron variant, labour shortages persisting, and other pandemic-related factors like supply chain disruptions, which are likely impacting some sectors more so than others and may result in an even more gradual and protracted recovery for affected sectors. Nonetheless, the Edmonton CMA's labour market performance in 2021 exceeded expectations, putting the region on more solid footing for 2022.

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 behind developments in the Edmonton region's economy.

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