

Full-time losses hold back employment growth in January

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Employment in the **Edmonton** Census Metropolitan Area (CMA) declined 1,800 positions between December 2019 and January 2020. Full-time employment losses more than offset a gain in part-time jobs. Employment gains were recorded in the finance, insurance, real estate, rental and leasing, and accommodation and food services sectors while the public administration and health care sectors saw losses.

Edmonton's unemployment rate ticked up to 8.2 per cent in January 2020 from 8.1 per cent in December 2019. Though the labour force saw a decline month-over-month in January 2020, the reduction in employment was greater, resulting in a higher unemployment rate. The **Calgary CMA** unemployment rate was 7.2 per cent in January 2020, up from 7.1 per cent in December 2019, as both Alberta cities experienced similar labour force and employment declines.

Labour Force Survey Results—Edmonton CMA¹
Three-month moving average—seasonally adjusted

	Jan 2019	Dec 2019	Jan 2020	Dec 2019 to Jan 2020	Jan 2019 to Jan 2020	Dec 2019 to Jan 2020	Jan 2019 to Jan 2020
	(000)	(000)	(000)	(000)	(000)	%	%
Population (15 years and older)	1,171.4	1,197.0	1,199.0	2.0	27.6	0.2	2.4
Labour force	854.3	860.1	859.2	-0.9	4.9	-0.1	0.6
Employment	799.5	790.8	789.0	-1.8	-10.5	-0.2	-1.3
Unemployment	54.8	69.4	70.1	0.7	15.3	1.0	27.9
Unemployment rate (%)	6.4	8.1	8.2	0.1	1.8
Participation rate (%)	72.9	71.9	71.7	-0.2	-1.2
Employment rate (%)	68.3	66.1	65.8	-0.3	-2.5

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

¹ Statistics Canada revised the Labour Force Survey seasonally-adjusted estimates for 2017 to 2019 using the latest seasonal factors.

Employment in **Alberta** shed 18,900 positions in January 2020 from December 2019. Losses in the construction, logistics and business, building and other support services sectors outnumbered gains in the forestry, fishing, mining, oil and gas (the primary sector), manufacturing, and accommodation and food services sectors. Alberta's unemployment rate rose to 7.3 per cent in January 2020 from seven per cent in December 2019².

Canada's labour market conditions improved further in January 2020 with a month-over-month gain of 34,500 positions. Solid gains were recorded in the construction and manufacturing sectors. Canada's unemployment rate lowered to 5.5 per cent in January 2020 from 5.6 per cent in December 2019.

Significance

Edmonton's labour market continues to show signs of stress with deteriorating employment conditions for full-time jobs, as well as a downward trend in the region's participation rate. Full-time employment declined by slightly over 12,000 positions year-over-year in January 2020, further weakening growth in average weekly wages. Average weekly wages in January 2020 were 1.6 per cent lower year-over-year. This could have a dampening effect on consumer expenditures, particularly since expectations for consumer inflation in January are within the 1.5 to two per cent range.

In 2020, employment in Edmonton is forecast to modestly recover with growth expected to average about one per cent. Employment growth in 2020 is expected in the primary, professional services and trade sectors. The unemployment rate is forecast to gradually drift lower. The slow drift will happen because labour force growth is expected to be close to gains in employment, as individuals discouraged by current unfavorable employment conditions begin to return to the labour force.

Economics Made Simple: How is the unemployment rate calculated?

Simply put, the unemployment rate is determined by dividing the number of unemployed persons (those that are actively seeking work) by the total labour force (the total number of people aged 15 years and over who were employed or unemployed). A rise in the unemployment rate does not necessarily mean that there are fewer jobs available – instead, it could mean that more people are competing for the jobs that are open or that the size of the labour force has changed.

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.

² For direct comparability to the CMA unemployment rates, the three-month moving average for Alberta's unemployment rate increased to 7.2 per cent in January 2020 from seven per cent in December 2019.

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