

Part-time job gains lift employment in February

March 9, 2020

Employment in the **Edmonton** Census Metropolitan Area (CMA) picked up 500 positions in February 2020 compared to January. The gain was mostly due to part-time employment growth as full-time employment continued to shed positions. Employment gains were recorded in the trade, information, culture and recreation, and professional services sectors while the health care, transportation and warehousing and business and building support services sectors saw losses.

Edmonton's unemployment rate declined to 7.8 per cent in February 2020 from 8.2 per cent in January. A combination of a month-over-month decline in the labour force and a modest increase in employment reduced the region's unemployment rate.

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

	Feb 2019	Jan 2020	Feb 2020	Jan 2020 to Feb 2020	Feb 2019 to Feb 2020	Jan 2020 to Feb 2020	Feb 2019 to Feb 2020
	(000)	(000)	(000)	(000)	(000)	%	%
Population (15 years and older)	1,173.3	1,199.0	1,200.9	1.9	27.6	0.2	2.4
Labour force	857.1	859.2	856.4	-2.8	-0.7	-0.3	-0.1
Employment	797.0	789.0	789.5	0.5	-7.5	0.1	-0.9
Unemployment	60.1	70.1	66.8	-3.3	6.7	-4.7	11.2
Unemployment rate (%)	7.0	8.2	7.8	-0.4	0.8
Participation rate (%)	73.1	71.7	71.3	-0.4	-1.8
Employment rate (%)	67.9	65.8	65.7	-0.1	-2.2

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.

The **Calgary CMA** unemployment rate increased to 7.4 per cent in February 2020 from 7.2 per cent in January as the month-over-month decline in employment more than outpaced a reduction in the region's labour force.

Employment in **Alberta** gained 11,400 positions from January to February 2020. Gains in the trade, information, culture and recreation and health care sectors outnumbered losses in the forestry, fishing, mining, oil and gas, educational services and construction sectors. Alberta's unemployment rate ticked down to 7.2 per cent in February from 7.3 per cent in January².

Canada's labour market continued to strengthen in February 2020 with an employment gain of 30,300 positions from January. The trade and information, culture and recreation sectors saw the strongest month-over-month employment gains. Canada's unemployment rate ticked up to 5.6 per cent in February as labour force growth outpaced employment gains.

Significance

Edmonton's labour market is showing some resilience through part-time employment growth. However, other indicators are pointing to challenging labour market conditions with full-time employment continuing to deteriorate and a downward trend in the region's participation rate. Average weekly wages were 1.1 per cent lower year-over-year in February 2020; wages have been lower year-over-year for the past four months which could have a dampening effect on consumer expenditures this year.

In 2020, employment in Edmonton is forecast to recover modestly, with growth expected to average about one per cent. The unemployment rate is forecast to gradually drift lower as 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. However, since the start of the year, additional downside risks have emerged in large part from the COVID-19 outbreak. Though it is unclear as to how the outbreak will impact Edmonton, there is the potential for it to tamp down already modest employment growth expectations for the Edmonton region in 2020.

Economics Made Simple: What is the labour participation rate?

The labour participation rate is the percentage share of the total labour force (i.e. the total number of persons aged 15 years and over who were employed or unemployed) relative to the working age population (i.e. the total population aged 15 years and over). The participation rate is used to gauge how active the working age population is in the labour market. This rate is typically used alongside the unemployment rate to better understand employment trends. For example, a decline in the unemployment rate at first glance might suggest improvements in labour market conditions; however, if the participation rate has declined as well, it may actually indicate the opposite.

Limitations

Employment trends 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 estimates 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 held at 7.2 per cent in February 2020.

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