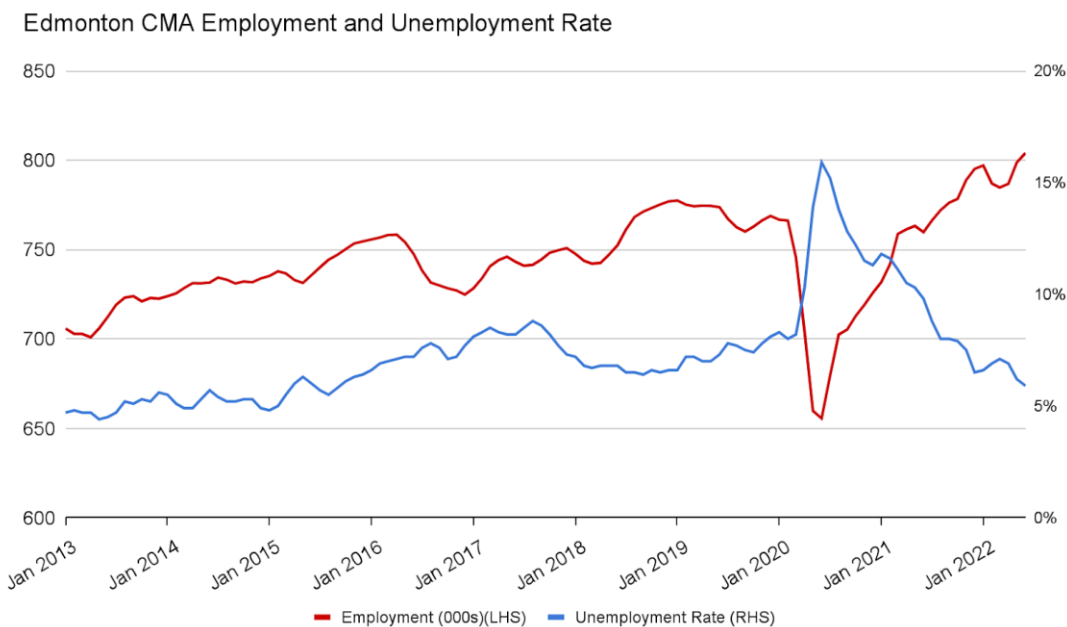


Economic Indicators

Regional unemployment rate drops below 6%

July 8, 2022

- According to Statistics Canada's Labour Force Survey (LFS), seasonally adjusted employment in the Edmonton census metropolitan area (CMA) increased by 5,300 individuals on a month-over-month basis in June 2022.
- The region's labour force expanded on a seasonally adjusted basis between May and June 2022, though on a smaller basis relative to employment.
- The region's unemployment rate moved lower from 6.2 per cent in May to 5.9 per cent in June, the lowest unemployment rate since September 2015.



Source: Statistics Canada Table 14-10-0380-01; seasonally adjusted data series ending June 2022

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

The regional labour market's performance has been relatively solid, with an additional 8,900 individuals added to payrolls on a seasonally adjusted basis from December 2021 to June 2022. On a year-to-date basis, unadjusted regional employment as of June 2022 was almost five per cent higher compared to the first half of 2021, and 2.5 per cent compared to the first half (H1) of

2019. Both full- and part-time employment in H1 2022 saw gains over both time period comparisons, though growth in part-time work was proportionally stronger relative to H1 2019.

Employment growth in the first half of 2022 (both year-over-year and compared to H1 2019) was almost entirely reflective of service sector gains, particularly in the health care and social assistance, professional services, and trade sectors. In contrast, the recovery in employment in some goods-producing sectors, appears to be challenged by labour shortages, which have become a major obstacle in the ability to attract and retain employees. The region's manufacturing sector has been performing quite well though, with employment as of June 2022 higher both year-over-year and compared to the first half of 2019.

In 2022, the regional labour market is expected to perform reasonably well at an aggregate level. However, there is growing concern that rising interest rates and high inflation will slow economic activity moving forward which could be a drag on the region's near to short-term labour market performance.

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 filled lagging behind developments in the Edmonton region's economy.

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