

Labour Force Developments

February 10, 2006

January 2006

January Highlights

Employment in Alberta increased by 10,400 jobs in January, lowering the unemployment rate by 0.7 percentage points to an almost 25-year low of 3.5 per cent. Alberta continues to have the lowest unemployment rate among the provinces and is well below the national average of 6.6 per cent.

Alberta

The release of January's labour survey continues to show evidence of a tight labour market in Alberta. Strong energy prices continue to support employment gains in the mining, oil and gas industry, as employment increased by 4,700 in January. Combined with strong gains in the construction, trade, public administration and financial services sectors contributed to the overall gain of 10,400 jobs in January.

The tightening Alberta labour market continued in January with the unemployment rate falling to 3.5 per cent, nearly a twenty-five year low. Specific regions within the province, most notable being Athabasca (2.3 per cent), Camrose (2.4 per cent) and Fort McMurray (3.8 per cent), are experiencing extremely low unemployment rates.

Wage pressures continue to mount, with January's average hourly wage rate up 7.4 per cent from a year ago, more than twice the pace of the national average of 3.4 per cent.

ALBERTA JANUARY HIGHLIGHTS

Employment	
Monthly Net Jobs	+10,400
% Change	0.6%
Unemployment Rate (January 2006)	
Alberta	3.5%
Canada	6.6%

Canada

The Canadian economy gained 26,300 jobs in January, but the national unemployment rate increased by one percentage point to 6.6 per cent in January, as more people were searching for work. Most of the job gains were in the public sector, reflecting the support required for the federal election that was held on January 23rd. Employment in the manufacturing sector declined, losing 41,600 jobs across Canada, as the higher Canadian dollar and competition from overseas continues to take a toll on the sector.

United States

Labour force data released last week in the U.S. show a continuing trend of a tightening American labour market. In January, 193,000 jobs were added to the US economy. The unemployment rate fell to its lowest level in more than four years, to 4.7 per cent. A tightening labour market, not to the extent of Alberta's labour market, has resulted in wages increasing by more than 3.3 per cent.

TABLE 1. ALBERTA REGIONAL EMPLOYMENT

Regional Employment 3 Month Moving Avg.	Edmonton Region	Calgary Region	Wood Buffalo- Cold Lake	Athabasca- Grande Prairie	Red Deer	Camrose- Drumheller	Banff- Jasper- Rocky Mt. House	Lethbridge- Medicine Hat
Dec. 2005-Jan. 2006								
Change	-7,400	7,700	-100	0	-1,100	-1,500	300	-1,900
Growth Rate	-1.3%	1.2%	-0.2%	0%	-1.2%	-1.5%	0.6%	-1.4%
Jan. 2005- Jan. 2006								
Change	-16,100	30,700	2,300	11,000	4,700	2,300	300	-500
Growth Rate	-2.8%	4.8%	3.9%	9.3%	5.3%	2.3%	0.6%	-0.4%
Unemployment Rate	4.2%	4.4%	3.8%	2.3%	4.0%	2.4%	3.9%	3.9%

Source: Statistics Canada, Labour Force Survey