

Economic Spotlight

PARTICIPATION RATES ACROSS ALBERTA'S ECONOMIC REGIONS

In 2002, Alberta's participation rate reached a record of 73.0%, substantially above the Canadian average of 66.9%. Participation rates across the province ranged from 67.1% in Lethbridge-Medicine Hat to 79.6% in Fort McMurray.

	Participation Rate (%)		Average Annual Employment Growth (%) 1997-2002	Average Annual Population Growth (15+) 1997-2002	Unemployment Rate (%)	
	1997	2002			1997	2002
Wood Buffalo-Cold Lake	75.3	79.6	5.0	2.9	5.9	4.5
Banff-Jasper-Rocky Mtn. House	78.2	76.1	0.9	1.5	4.7	5.3
Calgary Region	72.9	75.7	4.3	3.7	5.9	5.7
Red Deer Region	72.9	73.7	3.4	2.9	4.9	5.3
Athabasca-Grande Prairie	72.3	71.6	0.7	1.8	4.2	5.8
Edmonton Region	71.7	71.2	2.6	2.0	6.7	5.1
Camrose-Drumheller	68.6	69.2	0.7	1.0	3.7	3.8
Lethbridge-Medicine Hat	68.2	67.1	1.6	1.9	6.6	5.2
<i>Alberta (3month moving avg.)</i>	<i>72.1</i>	<i>73.0</i>	<i>2.9</i>	<i>2.5</i>	<i>5.9</i>	<i>5.3</i>

*Data is not exact enough to provide information past the decimal point

BACKGROUND

Over the past five years, Alberta has enjoyed a strong labour market. Employment growth has averaged 2.9%, well above the Canadian average of 2.3%. The unemployment rate gradually decreased from 5.9% in 1997 to 4.6% in 2001. The unemployment rate edged up to 5.3% in 2002, however, because of a 0.7 percentage point rise in the participation rate from 72.3% in 2001 to a record 73.0% in 2002.

Alberta has the highest participation rate of all the provinces. Within Alberta, however, participation rates vary significantly across regions, with much of the variation due to local labour market conditions. Generally speaking, regions with strong employment growth and low unemployment rates tend to have the highest participation rates.

Wood Buffalo-Cold Lake had the highest participation rate in Alberta last year, the largest increase in participation rates over the past 5 years, and the strongest local labour market. Major oil sands developments have led to an average annual employment growth rate of 5% over the last five years, and a drop in the unemployment rate from 5.9% in 1997 to 4.5% in 2002.

Calgary, another major growth area, has also seen a sharp rise in participation rates over the last 5 years from 72.9% in 1997 to 75.7% in 2002. It has attracted more migrants than any other region. As a result, the region's 15+ population, the main source of labour force participants, has grown 3.7% a year over the last five years. It is the only region that has increased its overall share of the Alberta labour force, from 34% in 1997, to 37% in 2002. Annual employment growth has averaged 4.3%, second only to Ft. McMurray.

Participation rates have also risen in Red Deer, which enjoyed the third strongest employment growth (3.4% per year), and the second strongest source population growth (2.9% per year), supported by petro-chemical plants in Joffre and Prentiss. The recently opened Joffre plant is the largest ethylene production facility in the world.

The Banff-Jasper-Rocky Mountain House region is somewhat of an anomaly. While it had the second highest regional participation rate in 2002, its participation rate has actually fallen from 78.2% in 1997 to 76.1% in 2002. The region's high participation rate may owe less to strong economic activity than to development restrictions in the national parks that limit population growth, and thus the potential for increases in the non-working population. Average employment growth over the last five years has been only 0.9% per year, the second lowest in the province, and the unemployment rate rose from 4.7% in 1997 to 5.2% in 2002.

Participation rates in other areas of the province were below the provincial average in 2002, and in some cases, were below their 1997 levels. In the Edmonton region, for example, the participation rate was 71.2% in 2002, below the provincial average. The Edmonton region participation rate was also below its 1997 level of 71.7%. Although the unemployment rate fell sharply between 1997 and 2002, both employment and population growth were somewhat below the provincial average.

Except for the Banff-Jasper-Rocky Mountain House region, the weakest employment and population growth between 1997 and 2002 occurred in Alberta's agricultural regions. These regions also tended to have the lowest participation rates. The slowest employment growth between 1997 and 2002 was in the Camrose-Drumheller and Athabasca-Grande Prairie, which also had below average population growth and participation rates. The lowest participation rate in 2002 was in Lethbridge-Medicine Hat, which had below average employment and population growth between 1997 and 2002. It should be noted, however, that even though the Lethbridge-Medicine Hat region had the lowest participation rate in Alberta, it was still above the national average.