

Labour Force Developments

January 11, 2008

December 2007

December Highlights

2007 ended with impressive job growth in Alberta, as the province added 20,900 new jobs, the strongest gain in 11 months. Alberta's unemployment rate fell 0.4 percentage points to 3.2% in December as the labour force grew by only 12,500 people. Employment growth for 2007 reached 4.7%, comparable to the 4.8% growth in 2006.

Alberta

The job gains were fairly balanced between full and part-time positions in December. In 2007, 89% of all jobs in Alberta were full time.

All of the December job gains occurred in the service sector, which added 25,600 new jobs, more than compensating for a decline in the goods sector. However, in 2007, jobs in the goods sector grew by an astounding 7.4% while services grew by 3.7%, for an annual job growth of 4.7%, more than double the national average (2.3%) and the highest in the country.

Average hourly wages grew 6.0% in 2007, averaging \$22.40 per hour. While wage growth moderated early in the year, growth picked up in the latter part, and growth reached 8.8% in December.

Canada

Employment declined in December (-18,700) following 7 consecutive months of growth, with Alberta as the only province to record significant job gains. Nationally, the goods sector lost 23,900 jobs, mostly due to poor performance in agriculture (-22,600) and manufacturing (-33,200), which was partially offset by gains in

ALBERTA DECEMBER HIGHLIGHTS

Employment	
Monthly Net Jobs	+ 20,900
% Change	1.1%
Unemployment Rate (December 2007)	
Alberta	3.2%
Canada	5.9%

natural resources (+20,800). Small gains in the service sector were mainly due to transportation and warehousing (+20,700). As the labour force also declined in December (-14,500), the employment rate remained at 5.9%.

Job growth in 2007 (2.3%) was the strongest since 2003. The labour market in the Western provinces led the country in 2007. Alberta had the strongest job market. British Columbia had the second highest employment growth (3.2%), Saskatchewan had the second lowest unemployment rate (4.0%), and Manitoba and Saskatchewan had the second highest participation rates (69%).

Despite December declines in employment, national average hourly wages were up 4.9% from a year ago, the fastest pace in 10 years. The strong wage gains suggest the Bank of Canada is unlikely to be too aggressive in cutting interest rates.

United States

The unemployment rate rose to 5.0% in December. Job losses continued in the construction and manufacturing sectors, but were offset by growth in service industries, for a small gain in employment (+18,000).

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
Nov 2007-Dec 2007								
Change	6,800	0	-200	-800	-200	-1,100	-300	-1,400
Growth Rate	1.1%	0%	-0.3%	-0.6%	-0.2%	-1.0%	-0.6%	-1.0%
Dec 2006 - Dec 2007								
Change	38,300	9,500	6,700	2,600	8,100	6,000	500	-3,100
Growth Rate	6.4%	1.3%	10.5%	2.0%	8.2%	5.7%	1.0%	-2.3%
Dec. Unemployment Rate	3.6%	3.0%	3.4%	4.5%	3.2%	2.4%	N/A	4.3%

Source: Statistics Canada, Labour Force Survey