

2019 LABOUR MARKET INFORMATION REPORT

Annual RLI review of
the state of the
economy and Métis
labour market
outlook for 2019.

Prepared by:

Table of Contents

Executive Summary	1
2. Introduction	3
3. Global Economic Outlook	3
3.1 Gross Domestic Product (GDP) and Global Labour Markets	4
3.2 Energy and Commodity Prices	6
4. Canada	9
4.1 Canadian GDP Growth and Labour Market	10
4.2 The Canadian Oil Industry	11
4.3 Canadian International Trade and Domestic Monetary Policy	13
5. Alberta	16
6. Alberta Métis	18
6.1 Regional Demographics	19
6.2 Coverage of RLI Points of Service	24
Access to RLI Points of Service	24
6.3 Employment Rate Gap	26
6.4 Occupational Skill Gaps	29
6.5 Labour Force Survey	30
6.6. Findings from the Aboriginal Peoples' Survey 2017	31
7. RLI Regions	35
South Region	35
Central Region	38
Northwest Region	40
Northeast Region	45
8. Works Cited & Data Sources	49

1.Executive Summary

This report is divided into two main sections. The first half provides an overview of relevant economic events that have taken place in 2018 at three geographic scales: globally, nationally (Canada) and regionally (Alberta). The global and national economic events and forecasts presented were selected because we anticipate that they will be or are now relevant for Alberta's economy, which in turn influences the labour market. The second half of the report is focused much more closely on Métis in Alberta. We examine in great detail the geographic distribution of Alberta's Métis population in the province as a whole, but also within RLI regions and within both Edmonton and Calgary. Additionally, we examine the Métis population coverage of RLI regional offices at four different service standards: 50 km, 100 km, and 200 km by road, and within the same Census subdivision. We analyze 2016 Census data through the lens of two key metrics that were part of the renewal of the Indigenous Skills and Employment Training Program (ISET): the employment rate gap, and the occupational skills gap.

Highlights from the global section that we anticipate could significantly affect Alberta's economy include:

- Global growth rates were favourable in 2017–2018 but are forecast to slow in 2019.
- GDP growth in Canada beat world averages at 3.0 percent, with the United States at 2.9 percent, China at 7.0 percent, and the UK at 1.3 percent.
- Global labour markets have returned to pre-Great Recession level unemployment rates.
- Volatility in oil prices has increased—West Texas Intermediate (WTI) prices experienced an overall increase in 2017 and then a drop and recovery in late 2018.
- Prices for agricultural and industrial products fell in 2018 due to a drop in demand and trade uncertainty but are forecast to rise slightly in 2019.
- Improving growth coupled with trade uncertainty has pushed inflation rates up in North America and the Eurozone, prompting monetary policy tightening by the U.S. Federal Reserve, Bank of Canada, and the European Central Bank.

Highlights from the national section that we anticipate could significantly affect Alberta's economy include:

- Canadian GDP growth was favourable in 2017 and 2018 but is forecast to slow in the coming year. Growth has been concentrated primarily in the West, Ontario, and Québec.
- Labour markets across the country tightened in 2018 as unemployment fell to historic lows, sparking a rise in wages.
- Western Canada Select (WCS) prices fell dramatically in 2018 due to a supply glut, pushing the WTI-WCS price differential to historic levels and prompting worry about a national emergency. Increased rail shipments and a government-mandated production cut seemed to buoy prices by late 2018.

- Despite trade uncertainty and the imposition of steel and aluminum tariffs, trade with the United States increased in 2018, driven by aircraft, energy, and metal product exports.
- The United States–Mexico–Canada Agreement (CUSMA) was drafted in late September, providing stability for export-oriented industries. CUSMA also allows some American access to the Canadian dairy market while also allowing Canada to keep the Chapter 19 dispute resolution mechanism.
- On the basis of increasing GDP growth and wages, the Bank of Canada increased its target rate to 1.75 percent. This has the potential to prove risky for real estate markets given the high levels of household debt in the country, but this is unlikely.

Highlights from the demographic and RLI regional analyses include:

- RLI regional offices are well-placed in terms of serving most Métis in Alberta.
- Generally, RLI coverage decreases further away from the central parts of the province, though the mobile services that RLI offers do compensate in areas without coverage.
- The 10 RLI offices achieve good coverage of the Alberta Métis population. Coverage is measured as the percentage of the Métis population that have access to an RLI office within a certain distance by road. We find that the 10 RLI offices achieve:
 - 95% coverage at the 200 km service standard
 - 80% coverage at the 100km service standard
 - 70% coverage at the 50 km service standard
 - 50% coverage within the same Census subdivision
- We examine Alberta Métis through the lens of two key metrics: the employment rate gap and the occupational skills gap. We find that:
 - Despite having relatively high employment rates, Métis in Alberta tend to experience higher employment rate gaps than Métis in all of Canada because the employment rate in the non-Indigenous population in Alberta is higher than in other parts of Canada. This is consistent over the period 2001–2016.
 - The Aboriginal population as a whole (including First Nations and Inuit) tend to experience a higher employment rate gap than Métis in Alberta and in Canada.
 - The employment rate gap for Métis in Alberta could be closed with 2,320 employment results, holding everything else constant, based on 2016 data.
 - The largest employment and occupational skill gaps exist in the Central region.
 - There are significant occupational skill level gaps in addition to the employment rate gap. Métis in Alberta are underrepresented in the highest skill level “A” by almost 10 percent, though this varies by region.
 - The occupational skill gaps are most pronounced in the Central region.
- We examine the latest employment and training data released in the 2017 Aboriginal peoples Survey (APS). We find that, for Métis in Alberta,
 - Increasing academic education and an increase in the supply of jobs would best help in terms of finding a job.
 - Methods used in a job search are predominantly referrals and the Internet.

- A shortage of employment opportunities is the most common reason for difficulty finding work.

2. Introduction

This report is divided into two main sections. The first half provides an overview of relevant economic events that have taken place in 2018 at three geographic scales: globally, nationally (Canada) and regionally (Alberta). The global and national economic events and forecasts presented were selected because we anticipate that they will be or are now relevant for Alberta's economy.

The second half of the report focuses much more closely on Métis in Alberta. We examine in great detail the geographic distribution of Alberta's Métis population in the province as a whole, but also within RLI regions and within both Edmonton and Calgary. Additionally, we examine the Métis population coverage of RLI regional offices at four different service standards: 50 km, 100 km, and 200 km by road and within the same Census subdivision. We analyze 2016 Census data through the lens of two key metrics that were part of the renewal of the Indigenous Skills and Employment Training Program (ISET): the employment rate gap and the occupational skills gap. Finally, we examine the latest data from the 2017 Aboriginal Peoples Survey related to job search and employment and training.

3. Global Economic Outlook

Highlights:

- Global growth rates were favourable in 2017–2018 but are forecast to slow in 2019.
- GDP growth in Canada beat world averages at 3.0 percent, with the United States at 2.9 percent, China at 7.0 percent and the UK at 1.3 percent.
- Global labour markets have returned to pre-Great Recession level unemployment rates, though unemployment in Alberta is still above its 10-year average due to recent volatility in energy markets.
- Oil prices have seen increased volatility, with West Texas Intermediate (WTI) prices experiencing an overall increase in 2017 and then a drop and recovery in late 2018.
- Prices for agricultural and industrial products fell in 2018 due to a drop in demand and trade uncertainties, but are forecast to rise slightly in 2019.
- Improving growth coupled with trade uncertainty has pushed inflation rates up in North America and the Eurozone, prompting monetary policy tightening by the U.S. Federal Reserve, Bank of Canada, and the European Central Bank.

3.1 Gross Domestic Product (GDP) and Global Labour Markets

Overall, global economic growth rates have been favourable in 2017–2018. Figure 1 illustrates that GDP growth for the Euro zone, the United States, China, Japan, and Canada has been recovering since a slight downturn in that ended in 2016. Forecasts for 2018 show that this trend is expected to continue for most advanced economies. Globally, GDP growth for 2018 is expected to hit 3.7 percent, a combination of 4.7 percent growth in emerging economies and 2.4 percent in advanced economies.¹ The OECD and the World Bank have similarly revised their 2018 GDP growth rates upwards by between 0.1 and 0.2 percentage points. One notable exception to the general upwards trend is Venezuela, which is suffering from a shrinking economy with -18.0 percent growth rates and 1.4 million percent inflation due to ongoing domestic instability. The situation in Venezuela could have ripple effects in energy markets.²

GDP growth in Canada beat the world average, rising to 3.0 percent in the summer of 2018 following a spike in global energy exports.³ The UK has one of the lowest forecast growth rates, at 1.3 percent, as a result of high inflation and stalling business investment. China continues to maintain historically high growth rates around 7.0 percent. The United States is enjoying growth of 2.9 percent, buoyed in part by tax cuts implemented by the federal government, but the U.S. Federal Reserve believes that long-term growth is likely to be lower, around 1.8 percent.⁴ This lower estimate is based on expectations of the negative effects of trade tensions instigated by the Trump administration, such as the imposition of tariffs on \$200 billion worth of Chinese goods.

Global labour markets have also, by and large, exhibited strength over the past several years. Most of the world's economies and world average unemployment rates had by 2017 fallen back to levels reached before the Great Recession. The United States and Canada, in particular, are enjoying unemployment rates slightly under forecast, at 3.7 percent⁵ and 5.6 percent⁶ (a 40-year low), respectively. One notable exception to this labour market trend is the Euro area, which continues to experience stubbornly high unemployment.

Figure 1 shows that GDP growth rates are forecast to moderate relative to the rates achieved in 2017 and 2018. In particular, China's projected growth rate continues to decrease, though it remains higher than global and developed nations' growth projections. Figure 2 shows that unemployment has largely returned to pre-2009 levels globally.

¹ IMF World Economic Outlook, October 2018.

<https://www.imf.org/en/Publications/WEO/Issues/2018/07/02/world-economic-outlook-update-july-2018>

² <https://www.ft.com/content/5815d0b8-2c7f-11e8-9b4b-bc4b9f08f381>

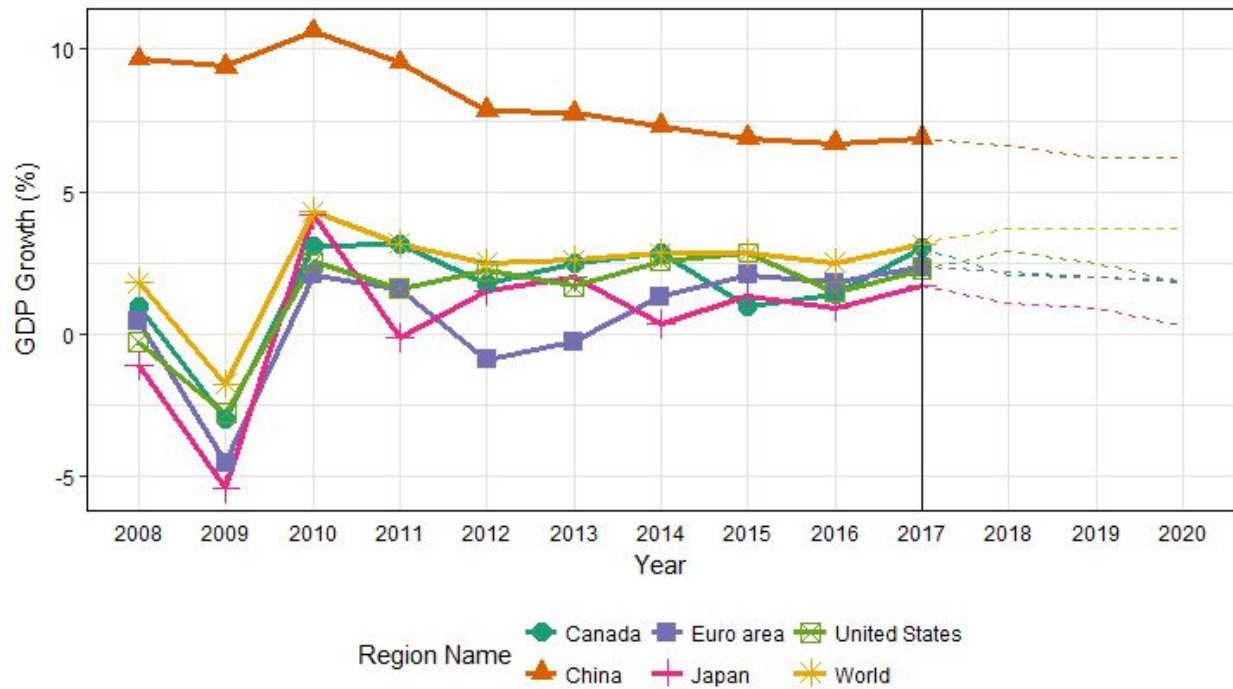
³ <https://globalnews.ca/news/4418317/canadas-gdp-q2-june-2018/>

⁴ <https://www.cbc.ca/news/business/federal-reserve-decision-1.4839442>

⁵ <https://data.bls.gov/timeseries/LNS14000000>

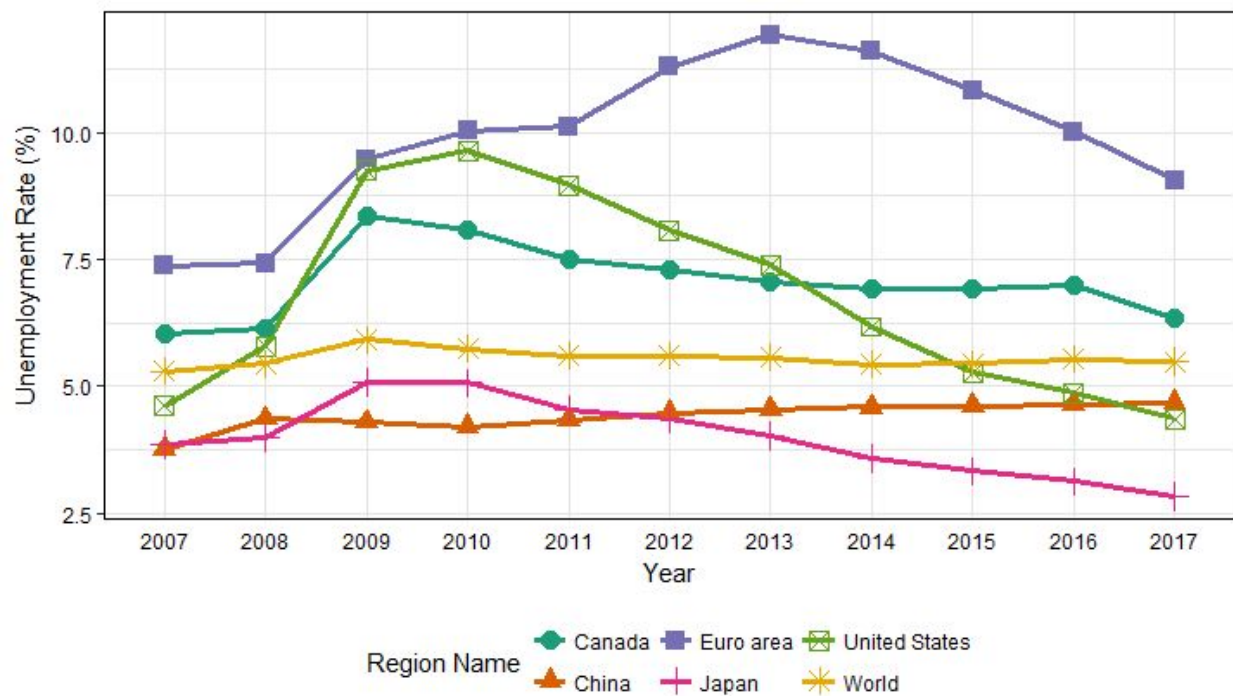
⁶ <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028703>

Figure 1: GDP Growth by Region.



Source: World Bank (2017 and earlier), IMF (Forecast Data)

Figure 2: Unemployment Rate by Region.



Source: World Bank.

3.2 Energy and Commodity Prices

Energy prices exhibited a high degree of volatility in 2017–2018 driven by a variety of geopolitical factors. The price of West Texas Intermediate (WTI) has risen about 30.0 percent since January 2017 and 7.0 percent since January 2018, though November 2018 brought sharp declines. Price increases in 2018 have been driven by both demand and supply shocks.

Spikes in global GDP growth in 2017 and 2018 continue to bolster demand for oil and other energy products, with global demand for an additional 1.5 million barrels of oil per day more than in 2017.⁷ On the supply side, production in Venezuela fell to about 1.2 million barrels per day, and the recent re-imposition of sanctions on Iran by the United States serves to further reduce supply and increase uncertainty and prices. These price increases were counterbalanced by production increases by OPEC and Russia in 2018, who promised to offset any drop in global oil supply by increasing their supply by 132,000 barrels per day (bpd) in September 2018.⁸ American shale oil and Russian oil output were, however, higher than expected and by mid-November 2018, WTI prices tumbled to 56 USD/bbl⁹ in response to fears of oversupply and increased uncertainty. Likewise, Western Canada Select (WCS) prices reached a high of 53 USD/bbl in early summer 2018 but retreated to just over 40 USD/bbl by the early fall and fell even further, to 14.68 USD/bbl, by mid-November.¹⁰

The WCS price is subject to country-specific pressures in addition to being affected by the issues outlined above. An increase in oil production from the Alberta oil fields and pipeline bottlenecks that make it difficult to get WCS' product to buyers led to a glut of Canadian oil on the market. The WCS-WTI price differential reached about 30 USD/bbl by September 2018, levels not seen since 2013 (See Figure 2). At the same time, natural gas prices have fallen from peaks in 2008 and 2014. Although natural gas prices have remained relatively steady around 3 USD/MCF¹¹ for the past year, prices became much more volatile in November 2018. This volatility is largely the result of inventories sitting well below their five-year averages.¹²

In response to the worsening WTI-WCS price differential, the government of Alberta capped oil production to reduce inventories. The price for WCS was surprisingly responsive to this policy change, increasing to 37.61 USD/bbl on December 7, 2018 in response to the expected cuts in January as well as to a global increase in oil prices after "OPEC-plus" announced larger than expected cuts to their production as well. The rise in the WCS price went beyond that of the

⁷ World Bank Commodity Market Outlook, November 2018.

<http://www.worldbank.org/en/research/commodity-markets>

⁸ <https://www.cnbc.com/2018/10/11/opek-hikes-oil-output-in-september-as-irans-production-falls.html>

⁹ A barrel of oil, or "bbl", is a unit of volume equal to 42 U.S. gallons.

¹⁰ <https://oilprice.com/oil-price-charts>

¹¹ MCF is a unit of volume equal to 1,000 cubic feet.

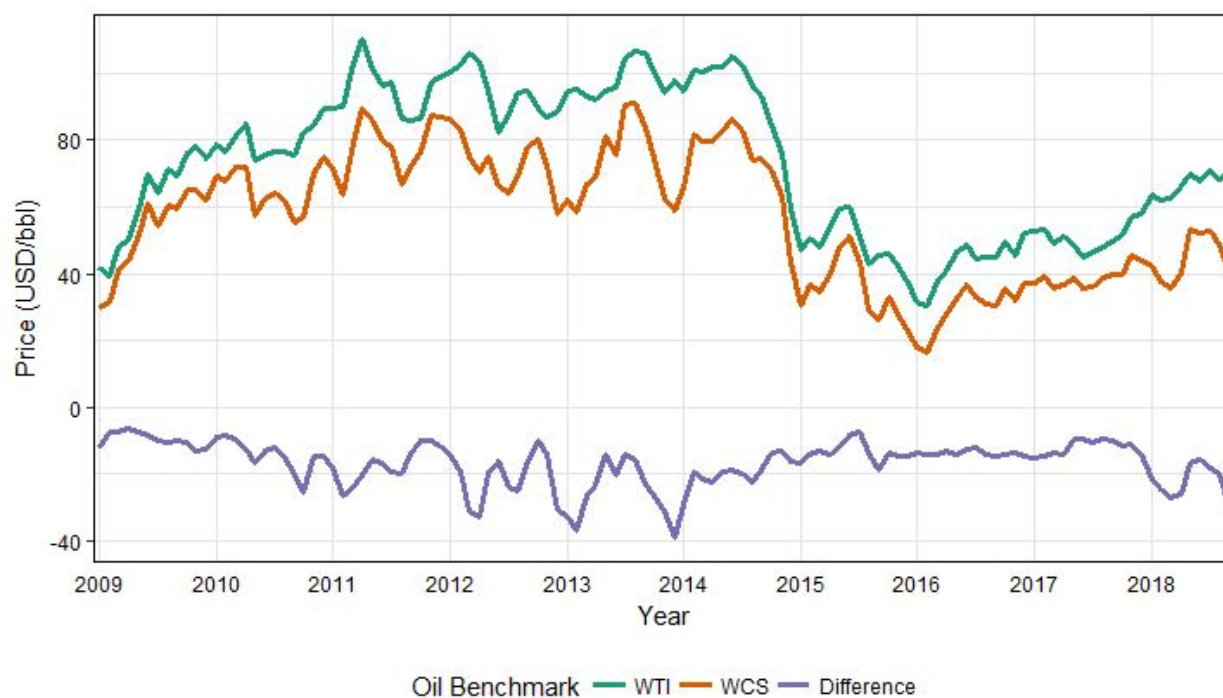
¹² <https://www.cnbc.com/2018/11/15/natural-gas-prices-plunge-14-percent-in-a-second-wild-day-of-trading.html>

world increase, narrowing the price differential between WCS and WTI to around 15 USD/bbl, slightly better than its historical average of 17.73 USD/bbl. Prices are expected to continue rising to 40.50 USD/bbl in 2019 and 41.75 USD/bbl in 2020.¹³

Prices for agricultural products such as wheat and barley fell in the last half of 2018 following a slight rise in 2017. Metal commodities such as aluminum, iron ore, and copper followed a similar trend. These commodity price drops are most likely due to decreased demand from China and exacerbated by the imposition of tariffs on metal imports to the United States.

Given the absence of policy or supply shocks, the outlook for oil, agricultural, and metal commodity prices are expected to stabilize into 2019, with an expected 1.0 percent gain in metal and agricultural product prices, a slight downward adjustment from the April 2018 World Bank forecast.¹⁴ Prices for agricultural products such as wheat and barley fell in the last half of 2018 following a slight rise in 2017. Metal commodities such as aluminum, iron ore, and copper have followed a similar trend. These commodity price drops are most likely due to decreased demand from China and exacerbated by the imposition of tariffs on metal imports to the United States.

Figure 3: Global Oil Benchmark Prices.



Source: Alberta Economic Dashboard

¹³ McCarthy, Shawn and Justin Giovannetti, 2 December 2018.

<https://www.theglobeandmail.com/business/article-canadas-crude-producers-see-shares-jump-on-alberta-production-cuts/>

¹⁴ World Bank Commodity Market Outlook, November 2018.

<http://www.worldbank.org/en/research/commodity-markets>

Figure 3 outlines recent global trends in oil prices, including the recent spike in the price differential between the West Texas intermediate (WTI) and the Western Canada Select (WCS) price benchmarks.

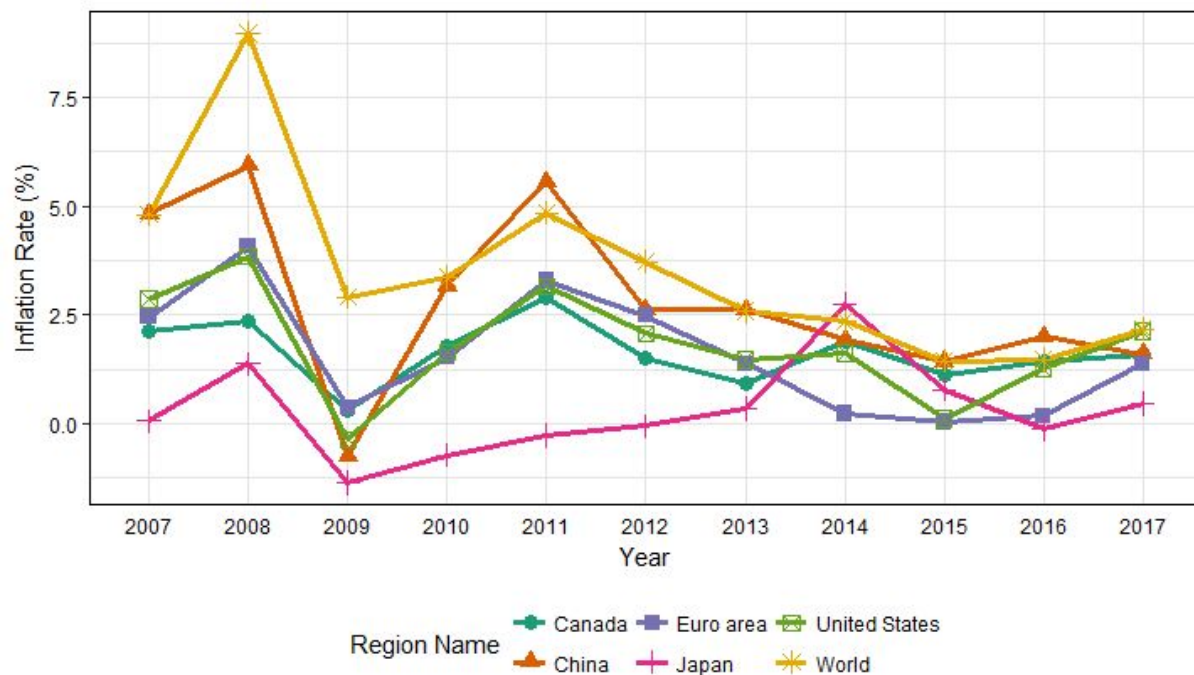
Taken together, the inflationary pressures resulting from rising oil prices and increased uncertainty in global trade combined with overall positive economic growth forecasts provide central banks with a rationale to increase interest rates. The U.S. Federal Reserve hiked the federal funds target rate six times in 2017 and 2018 to 2.25 percent, with an additional 25 basis point increase expected in December 2018. Central banks in other countries have also followed suit. The Bank of Canada has increased its target rate five times since January 2017, from 0.50 percent to 1.75 percent, though they've held the rate steady after their latest announcement. The European Central Bank, showing more caution, has opted to keep its target rate unchanged to focus on inflation targeting, but intends to reduce purchases under its Asset Purchase Program by €15 billion until the end of the program in December 2018.¹⁵

In contrast to many other countries, Japan has continued to pursue aggressive monetary policy in an effort to fight off deflation, keeping its target lending rate at -0.1 percent since 2016.

The actions of the U.S. Federal Reserve, Bank of Canada, and the European Central Bank mark a significant break from near-zero policy rates and extraordinary asset purchase practices (such as quantitative easing) in recent years. This break reflects increased confidence in global growth and the desire to prevent economies from overheating. Figure 4 shows that the United States appears to be close to its 2.0 percent inflation target while other parts of the world struggle to reach that target.

¹⁵ <https://www.ecb.europa.eu/press/pr/date/2018/html/ecb.mp180726.en.html>

Figure 4: Inflation Rate by Region.



Source: World Bank

4. Canada

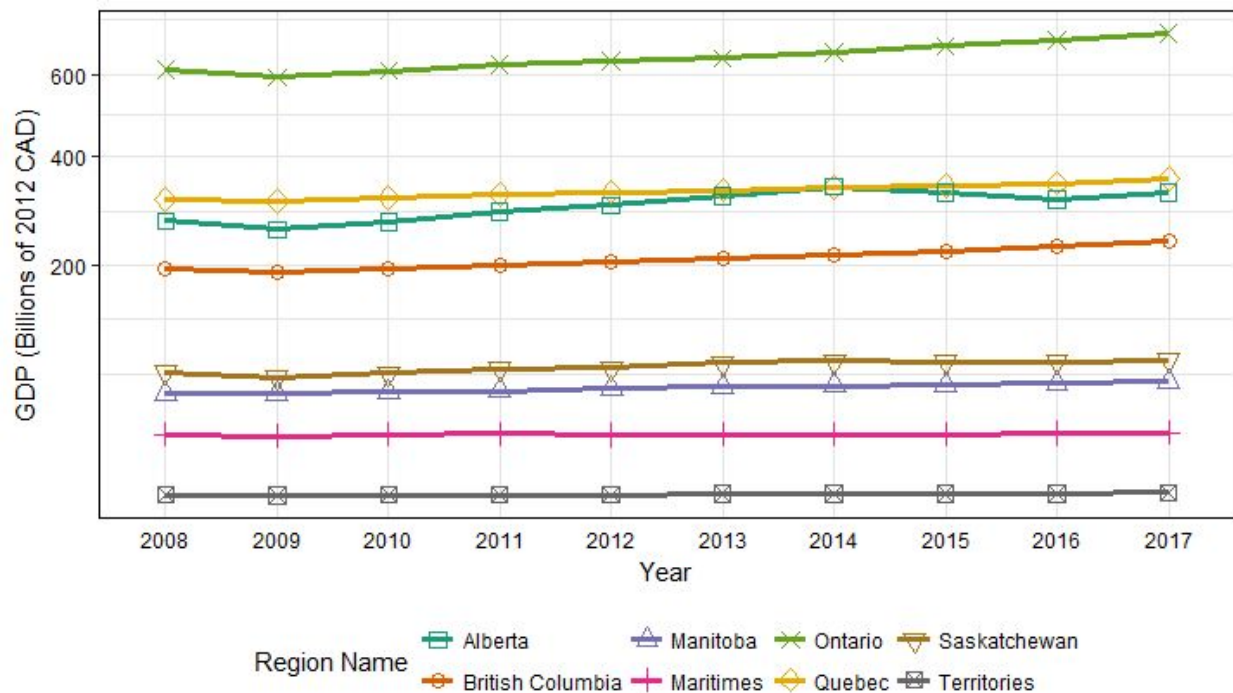
Highlights:

- Canadian GDP growth was favourable in 2017 and 2018 but is forecast to slow in the coming year. Growth has been concentrated primarily in the West, Ontario, and Québec.
- Labour markets across the country tightened in 2018 as unemployment fell to historic lows, sparking a rise in wages.
- WCS prices fell dramatically in 2018 due to a supply glut, pushing the WTI-WCS differential to historic levels and prompting worry about a national emergency. Increased rail shipments and a government-mandated production cut appeared to buoy prices by late 2018.
- Despite trade uncertainty and the imposition of steel and aluminum tariffs, trade with the United States increased in 2018, driven by aircraft, energy, and metal product exports.
- The United States–Mexico–Canada Agreement (CUSMA) was drafted in late September, providing stability for export-oriented industries. CUSMA also allows some American access to the Canadian dairy market while also allowing Canada to keep the Chapter 19 dispute resolution mechanism.
- In response to increasing GDP growth and wages, the Bank of Canada increased its target rate to 1.75 percent. This has the potential to prove risky for real estate markets given the high levels of household debt in the country, but this is unlikely.

4.1 Canadian GDP Growth and Labour Market

Canada was no exception to global trends, experiencing strong GDP growth—3.1 percent in 2017. GDP growth in Canada is projected to fall to just over 2.0 percent in 2018 in response to greater uncertainty in trade, a slowdown in the oil industry, and Alberta’s recently introduced oil production cap.¹⁶ Figure 5 illustrates that economic activity is mostly concentrated in Ontario, Québec, Alberta, and British Columbia, as has been true for some time. These same areas also enjoyed the highest GDP growth between 2016 and 2018, while GDP growth in the three territories and the Maritime provinces conformed to historical trends by remaining relatively flat. The Maritime provinces are forecast to grow by between 0 and 1 percent in 2018.¹⁷

Figure 5: Canadian GDP by Province.



Source: Alberta Economic Dashboard

Employment across the country has followed similar trends. The average unemployment rate fell to 5.6 percent (a 40 year low) in 2018. The Canadian economy added 219,000 jobs between November 2017 and November 2018, mostly reflecting gains in full-time work.¹⁸ November Labour Force Survey data also indicates that these job gains are concentrated mainly in the private sector and across all age categories. Approximately 7,500 or 3.5 percent of total job growth is due to expansion in the recently-legalized cannabis market, pushing up numbers in

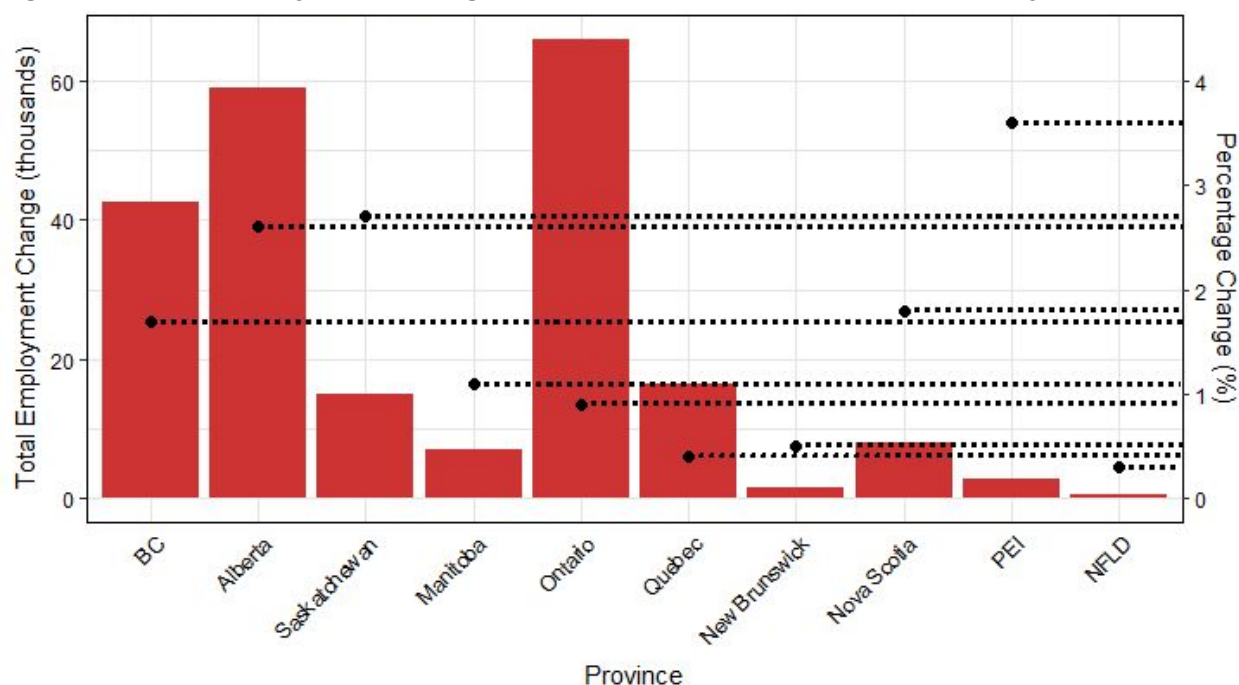
¹⁶<https://www.bdc.ca/en/blog/pages/2018-economic-outlook-global-growth-brings-good-news-canadian-entrepreneurs.aspx>

¹⁷ Ibid

¹⁸ <https://www150.statcan.gc.ca/n1/daily-quotidien/181207/dq181207a-eng.htm>

the agricultural, health, and retail sectors. Employment is up in professional and technical services and health care in Ontario and Québec, while British Columbia continues to enjoy a boom in the construction industry. As would be expected, most job creation took place in provinces that experienced the highest GDP growth: British Columbia, Québec, Alberta, and Ontario. Increasing tightness in the labour market translated to higher average wages across sectors. Statistics Canada reports that wages have been growing at about 2.3 percent annually since early 2017 and into the second quarter of 2018.¹⁹

Figure 6: Total Employment Change (November 2017 to November 2018) by Province.



Source: Statistics Canada

4.2 The Canadian Oil Industry

Oil prices are a significant component of the global economy and are especially important in Canada, where the energy industry (including renewable energy) accounts for approximately 11 percent of GDP.²⁰ Figure 3 outlined recent global trends in oil prices, including the recent spike in the price differential between the WTI and WCS price benchmarks.

On November 26, 2018, this differential reached \$47 CAD/bbl on the tails of a slump in WCS prices.²¹ This cost producers in the province \$80 million per day, according to the Alberta NDP.²²

¹⁹ <https://www.bankofcanada.ca/wp-content/uploads/2018/10/mpr-2018-10-24.pdf>

²⁰ <https://www.nrcan.gc.ca/energy/facts/energy-economy/20062>

²¹ <https://www.psac.ca/business/gmpfirstenergy/>

While some of this differential is due to the inferiority of Alberta tar sands oil, the rest of the gap can be explained by the rising inventories resulting from pipeline bottlenecks and an inability to construct to build new capacity. As a stop-gap measure, the Notley government announced in November a plan, together with the federal government, to purchase additional rail cars to transport up to 120,000 barrels per day of crude oil to market. A few weeks later, the Alberta government took the additional step of imposing mandatory production cuts for oil producers in the province. The aim is to reduce production by 8.7 percent or about 325,000 barrels per day for the first three months of 2019, dropping to 95,000 barrels per day, with the aim of increasing the price producers receive for their products by 4 USD/bbl.²³ The cuts will not affect all producers equally, and will only come into effect on daily production exceeding 10,000 barrels. Reactions were mixed, with some praising the move while others, in particular the CEOs of Suncor Energy, Imperial Oil, and Husky Energy, argue the policy unfairly targets larger companies and will have a negative impact on safety.²⁴

Lack of capacity leading to pipeline bottlenecks is one of the main drivers of the rising price differential. Given upcoming elections both federally and provincially in Alberta, energy policies and transport bottlenecks will likely become highly politicized in coming months. The most high-profile transport bottleneck is caused by the ongoing Trans-Mountain pipeline dispute. Other examples in recent years include the 2017 abandonment of the TransCanada Energy East project, the 2016 rejection by the Trudeau government of the Northern Gateway project to Kitimat, BC, and the Obama administration's decision to withhold approval for the Keystone XL pipeline in 2015. These bottlenecks have pushed the amount of oil moved by rail to unprecedented levels, as illustrated below. Figure 7 considers only oil exported from the country by rail, as numbers on inter-provincial oil movements are unavailable. The total amount of oil moved by rail is almost certainly significantly higher than illustrated.

The transportation bottlenecks are at least partially attributable to Harper-era policy changes to the National Energy Board approval process that were designed to facilitate the approval of energy projects by reducing the level of Indigenous consultation required for approval. The changes have resulted in several successful challenges to NEB approvals, further slowing the development of infrastructure designed to carry Alberta's bitumen to tidewater²⁵.

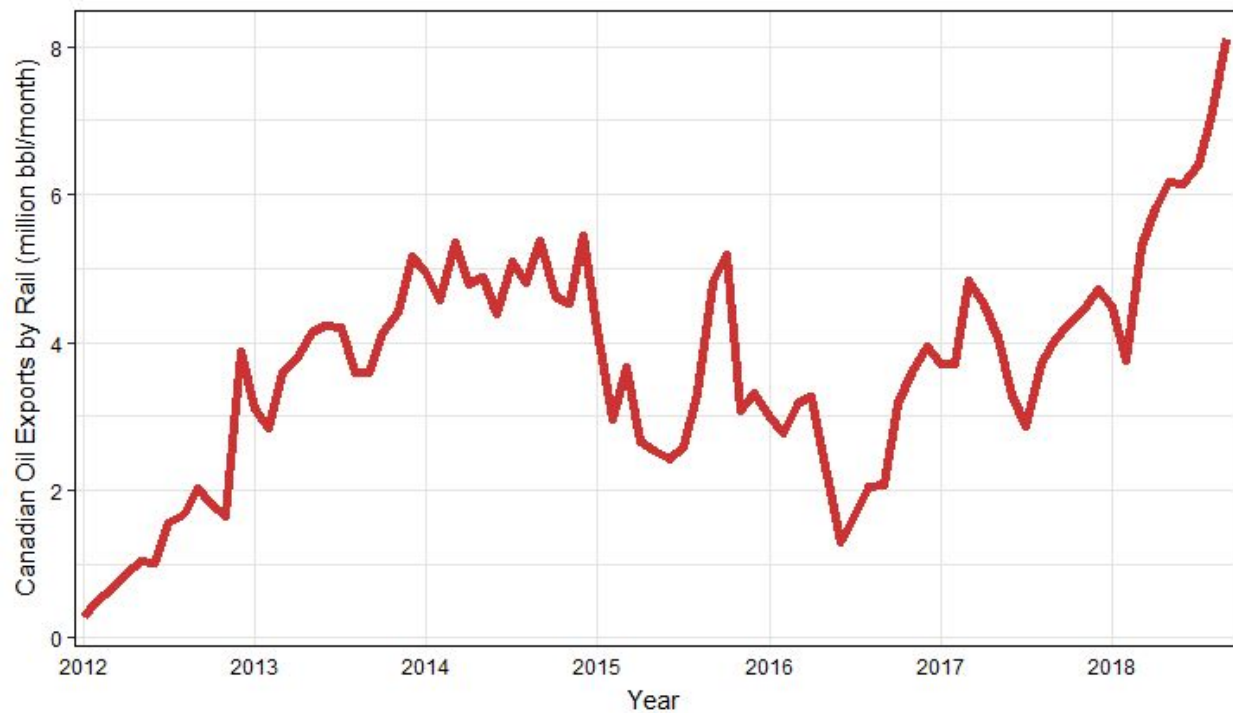
²²<https://www.theglobeandmail.com/opinion/editorials/article-globe-editorial-albertas-disastrous-oil-price-discount-blame-canada/>

²³ <https://www.cbc.ca/news/canada/edmonton/alberta-premier-oil-differential-announcement-1.4929610>

²⁴ <https://www.cbc.ca/news/business/notley-oilsands-oilpatch-1.4947223>

²⁵<https://www.cbc.ca/news/indigenous/indigenous-rights-consultation-environment-assessment-1.452735>

Figure 7: Monthly Canadian Oil Exports by Rail.



Source: National Energy Board

In spite of bitter protests opposing the Trans-Mountain project, the Trudeau government agreed in May to a \$4.5 billion purchase of the unbuilt pipeline from Kinder Morgan in an attempt to ensure completion of the project. That plan was stymied when the Federal Court of Appeal ruled in August that the Government of Canada did not do its due diligence with respect to the project's environmental review and overturned approval of the project.

4.3 Canadian International Trade and Domestic Monetary Policy

The value of the global Canadian merchandise trade deficit in September fell by \$135 million to \$416 million following a 0.4 percent fall in imports and a 0.2 percent fall in exports. Imports from the United States rose by 1.2 percent to \$33.1 billion, while exports rose by 0.4 percent to \$37.8 billion, leading to a trade surplus of \$4.8 billion in September, down from \$5.0 billion in August.²⁶ Exports of aircraft, aircraft parts, energy, and metal products were all up by more than 2 percent between August and September while exports of metal ores, electronic equipment, and consumer goods were down by more than 3 percent in the same time period.

In May 2018, the Trump administration, possibly in preparation for the upcoming NAFTA renegotiation, imposed tariffs of 25 percent and 10 percent, respectively, on Canadian steel and

²⁶<https://www150.statcan.gc.ca/n1/daily-quotidien/181102/dq181102b-eng.htm?indid=3612-2&indgeo=0>

aluminum. The United States is the world's biggest recipient of Canadian steel, purchasing 16.7 percent of Canadian steel exports in 2017.²⁷ The cost of these tariffs falls disproportionately on Ontario and Québec, the largest producers of finished steel and aluminum in the country. Metal products are also inputs in the production of many goods, which means tariffs could have serious spillover effects throughout the economy, raising the prices of consumer and commercial goods. Ontario is also home to a significant automotive manufacturing sector, which received billions in bailouts during the 2008 financial crisis and recession and is sensitive to changes in input prices. While the tariffs may have had the secondary objective of speeding along CUSMA negotiations, the fact that they still remain in effect in 2019 suggests their primary objective is to shore up support from American steel and aluminum producers.

In retaliation to U.S. tariffs, the Canadian government announced \$16.6 billion in counter-tariffs on American products and a \$2 billion aid package for affected workers and industries.²⁸ Though it was widely anticipated that a successful renegotiation of the NAFTA agreement would eliminate American tariffs on steel and aluminum, this has not proven to be the case.

Although steel and aluminum tariffs risk significantly raising prices in the United States and Canada, the newly negotiated Canada - United States - Mexico Agreement (CUSMA), drafted September 30, 2018, reduced uncertainty in international markets. Fears of devastating tariffs on car imports were assuaged when the agreement instead raised the standard for duty-free access. Under NAFTA, at least 62.5 percent of automobiles had to be manufactured in North America to qualify for duty-free access, and this was raised in the CUSMA to 75 percent. Additionally, under the CUSMA at least 40 percent of a vehicle must be manufactured in a facility where workers earn at least 16 USD/hr. Both of these targets will likely be easy for Canadian manufacturers to meet.²⁹

CUSMA also grants the United States access to up to 3.6 percent of the Canadian dairy market, a concession from the Canadian supply management system.³⁰ This will likely hit dairy farmers in Québec the hardest, and the Trudeau government has promised aid to ease the transition, and this increase is only marginally higher than what would have been granted under the Trans-Pacific Partnership Agreement (TPPA).

A bright spot for Canada in the new agreement is the retention of the Chapter 19 dispute resolution mechanism, which allows for an impartial panel to judge the validity of anti-dumping and countervailing duties disputes between the countries. This mechanism is often used in the ongoing softwood lumber dispute between British Columbia and the United States.

²⁷ <https://www.trade.gov/steel/countries/pdfs/exports-Canada.pdf>

²⁸ http://international.gc.ca/trade-commerce/controls-contrôles/steel_alum-acier_alum.aspx?lang=eng

²⁹ <https://apma.ca/CUSMA-could-increase-cost-of-vehicles-says-scotiabank-report/#>

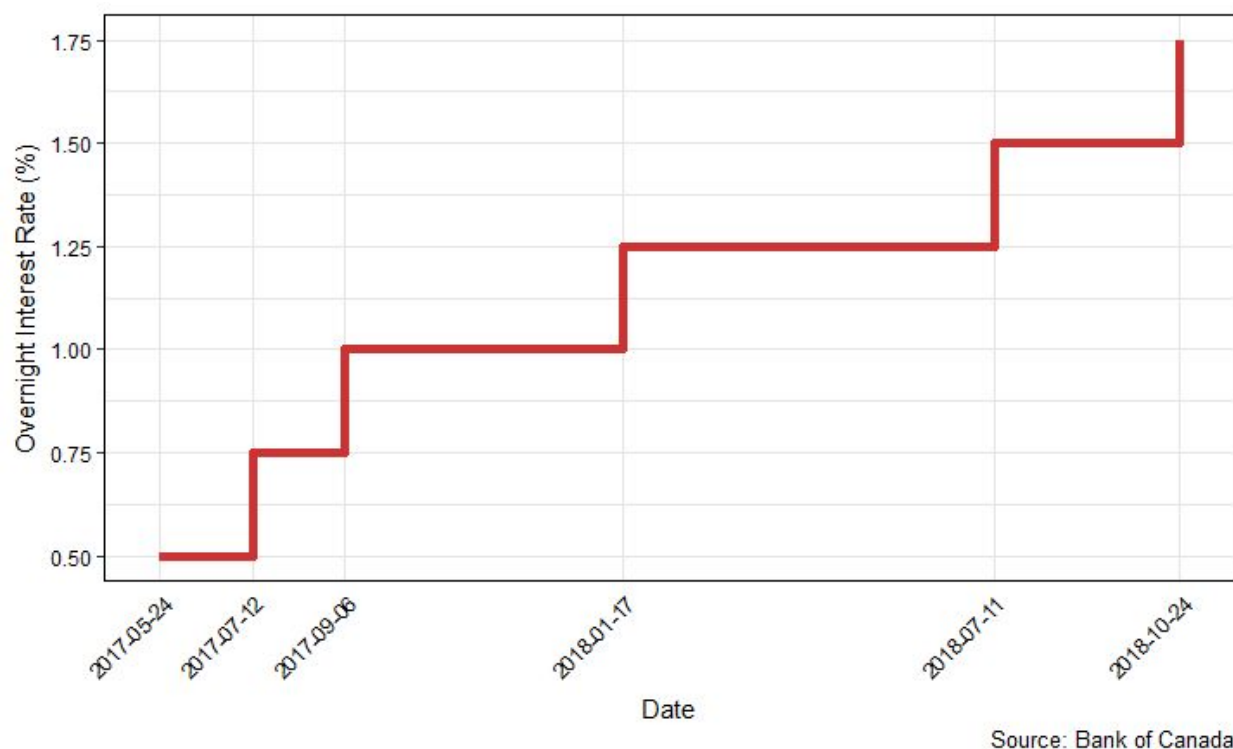
³⁰ <https://www.cbc.ca/news/politics/CUSMA-nafta-what-we-know-1.4845103>

The renegotiation of NAFTA into the CUSMA allows for some degree of certainty in trade and this was reflected as the Canadian dollar rose to its highest level since May 2018 shortly after the agreement was announced. Its ultimate economic impact is, however, still to be seen.

Despite these challenges, the Bank of Canada's predictions for the Canadian economy are optimistic. In accordance with its inflation targeting strategy, the Bank raised key overnight lending rates in 2018 three times to 1.75 percent, responding to increased business investment, strong exports, and strong forecast growth in the United States and the Euro zone.

Canada has some of the highest housing prices in the OECD. The Bank of Canada's rate increase affects the mortgage and housing market and the number of low-ratio mortgages issued to borrowers has fallen by about 40 percent since 2017.³¹ Increases in mortgage rates combined with provincial policies such as the BC foreign buyers tax could contribute to a levelling off of housing prices in expensive urban markets such as Vancouver and Toronto. Of course, rising overnight lending rates could also lead to increased defaults on existing loans, but given high levels of consumer confidence and promising trends in the labour market, the Bank of Canada considers this unlikely.³² Additionally, Canadian households are carrying significant debt loads: in 2017, Canadian households carried \$1.70 of debt for every \$1.00 of income compared to \$1.10 in 2000. This makes Canada particularly vulnerable to rising interest rates.

Figure 8: Bank of Canada Target Interest Rate.



³¹ <https://www.bankofcanada.ca/wp-content/uploads/2018/10/mpr-2018-10-24.pdf>

³² Ibid

5. Alberta

The state of the Alberta economy is unclear. The federal government has just announced a \$1.6 billion package to support oil workers losing their jobs due to the drop in oil prices and the low price of Western Canadian oil. However, the latest Labour Force Survey data shows that on net, the oil and gas industry is adding jobs. Some indicators in Figure 9 suggest waning consumer confidence, while others appear robust compared to their 10-year average. Alberta has had the highest GDP growth of any Canadian province in 2017, at 4.7 percent growth with a forecast of 2.5 percent for 2018 and 2019,³³ but provincial unemployment remains persistently high relative to the rest of Canada.

The same mixed signals are summarized in Figure 9 which presents 19 key indicators in Alberta, comparing current growth to the past 10 years. Where applicable, Alberta's current performance in each indicator is compared across provinces and ranked. In general, a dashboard like this is useful to gain a deeper understanding about strengths and weaknesses in Alberta's economy. Presently, this set of indicators is mixed, so no clear conclusions can be drawn about the state of Alberta's economy relative to the past 10 year.

Key indicators that are beating their 10-year average include (areas of strength):

- Merchandise exports (+28.3 percent, Alberta ranks 2nd among provinces)
- Manufacturing sales (+15.1 percent, Alberta ranks 4th among provinces)
- Grain delivery (+13.8 percent, Alberta ranks 4th among provinces)
- Employment insurance (-27.1 percent, Alberta ranks 1st among provinces)
- Employment (+2.6 percent, Alberta ranks 3rd among provinces)

It is notable that employment insurance rates in Alberta remain the lowest among all provinces in Canada and 27.1 percent lower than the 10-year average. This indicator was last updated in September 2018, so it's possible that employment insurance claims have risen significantly since then.

Key indicators that are roughly in-line with their 10-year average (uncertain areas) include:

- Wholesale trade (5.2 percent, Alberta ranks 7th among provinces)
- Unemployment rate (6.3 percent, Alberta ranks 6th among provinces)
- Retail trade (3.0 percent, Alberta ranks 6th among provinces)
- Population (1.5 percent, Alberta ranks 3rd among provinces)
- Natural gas prices (-14.2 percent)
- Livestock (6.9 percent, Alberta ranks 1st among province)
- Active drilling rigs (-6.3 percent)

³³ <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/provfcst-sep2018.pdf>

Figure 9: Key Economic Indicators, Alberta, 2018.

INDICATOR	PERIOD	CURRENT GROWTH COMPARED TO LAST 10 YRS	PROV. RANKING
<u>Wholesale Trade</u>	Sep 2018	-25.2% 5.2% 20.7% 52%	<u>7th</u>
<u>Unemployment Rate**</u>	Nov 2018	9.0% 6.3% 4.3% 47%	<u>6th</u>
<u>Retail Trade</u>	Sep 2018	-13.4% 3.0% 10.4% 39%	<u>6th</u>
<u>Population</u>	Q3 2018	1.1% 1.5% 2.8% 40%	<u>3rd</u>
<u>Natural Gas Price</u>	Sep 2018	-70.1% -14.2% 161.7% 51%	<u>N/A</u>
<u>Motor Vehicle Sales</u>	Oct 2018	-35.4% -3.3% 24.0% 34%	<u>5th</u>
<u>MLS Sales Value</u>	Oct 2018	-50.9% -10.4% 73.6% 25%	<u>8th</u>
<u>Merchandise Exports</u>	Oct 2018	-50.0% 28.3% 64.3% 92%	<u>2nd</u>
<u>Manufacturing Sales</u>	Sep 2018	-34.3% 15.1% 24.3% 91%	<u>4th</u>
<u>Livestock Price</u>	Oct 2018	-25.3% 6.9% 51.8% 54%	<u>1st</u>
<u>Housing Starts*</u>	Nov 2018	-73.6% -28.6% 192.8% 15%	<u>8th</u>
<u>Grain Price</u>	Oct 2018	-28.7% -2.0% 16.9% 22%	<u>6th</u>
<u>Grain Delivery</u>	Oct 2018	-53.5% 13.8% 112.3% 68%	<u>4th</u>
<u>Farm Cash Receipts</u>	Q3 2018	-15.8% -8.7% 29.7% 22%	<u>10th</u>
<u>Employment Insurance</u>	Sep 2018	229.8% -27.1% -38.6% 81%	<u>1st</u>
<u>Employment</u>	Nov 2018	-3.9% 2.6% 5.3% 77%	<u>3rd</u>
<u>Average Weekly Earnings</u>	Sep 2018	-4.3% -0.6% 7.4% 16%	<u>10th</u>
<u>Active Drilling Rigs</u>	Nov 2018	-66.0% -0.3% 224.0% 46%	<u>N/A</u>

Source: Alberta Economic Dashboard

Key indicators that are below their 10-year average (areas of weakness) include:

- Motor vehicle sales (-3.3 percent, Alberta ranks 5th among provinces)
- MLS sales (-10.4 percent, Alberta ranks 8th among provinces)
- Housing starts (-28.6 percent, Alberta ranks 8th among provinces)
- Grain price (-2.0 percent, Alberta ranks 6th among provinces)
- Farm cash receipts (-8.7 percent, Alberta ranks 10th among provinces)
- Average weekly earnings (-0.6 percent, Alberta ranks 10th among provinces)

Motor vehicles, Multiple Listing Service (MLS) sales (home sales), and housing starts are all down. Purchases of durable goods (cars, homes) are key sectors for measuring consumer

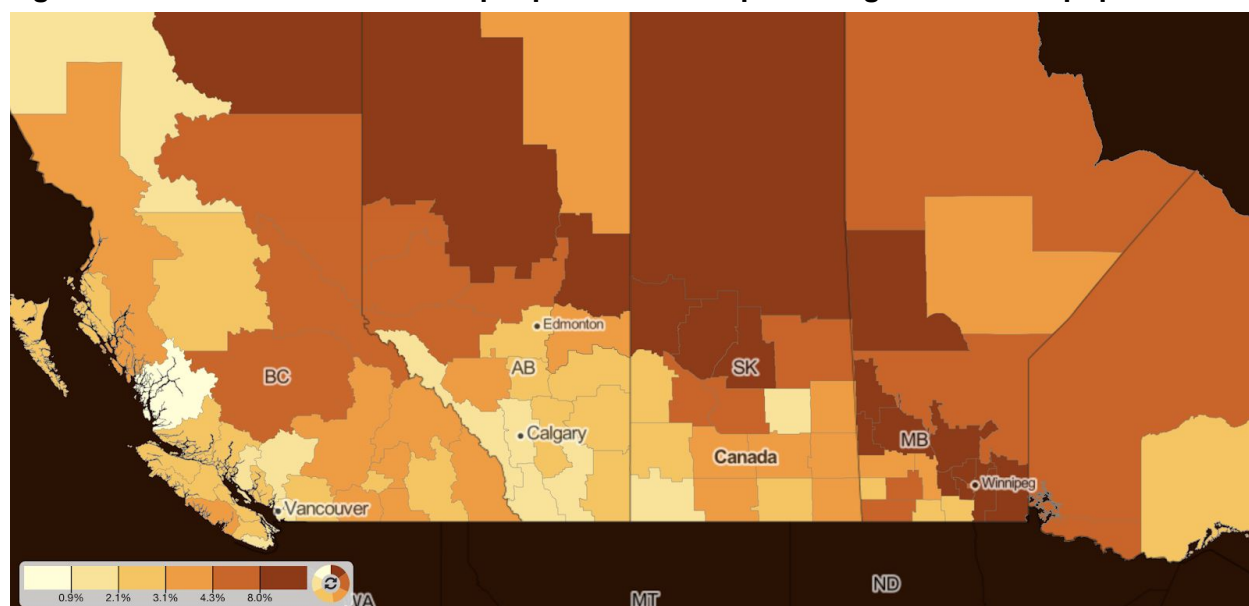
confidence, and their decline indicates falling consumer confidence. The latest motor vehicle sales data are from September and MLS data are from October, so we suspect further deterioration in consumer confidence spilling into retail trade.

6. Alberta Métis

This section employs data from three sources: the 2016 Census of the population, the Labour Force Survey (LFS), and the 2017 Aboriginal Peoples Survey (APS). The 2016 Census of the population offers the most detailed information about Alberta Métis and provides a high-quality baseline from which we can develop an understanding of Alberta Métis in the labour market. The LFS provides up-to-date labour market information, but because it uses a smaller sample size than the Census, its data are significantly less detailed. The 2017 APS provides some relevant insights related to Métis in Canada and Alberta in terms of their relationship to the labour market.

First, we consider the Census data and present a detailed description of the regional distribution of Alberta Métis aged 15 years and older across the province. Next, we present the coverage of RLI regional offices at three different service standards: 50 km, 100 km, and 200 km. This analysis reveals the large proportion of Alberta Métis that RLI offices are able to serve at different service standards. We then examine the employment rate and occupational skill level gaps, two key metrics in the new Indigenous Skills and Employment Training (ISET) program serving the Alberta Métis population. The gaps are then mapped to show areas in the province in which RLI should focus to improve labour market outcomes for Alberta Métis. In order to update our analysis, we provide estimates from the most recent LFS.

Figure 10: Concentration of Métis people: Métis as a percentage of the total population.

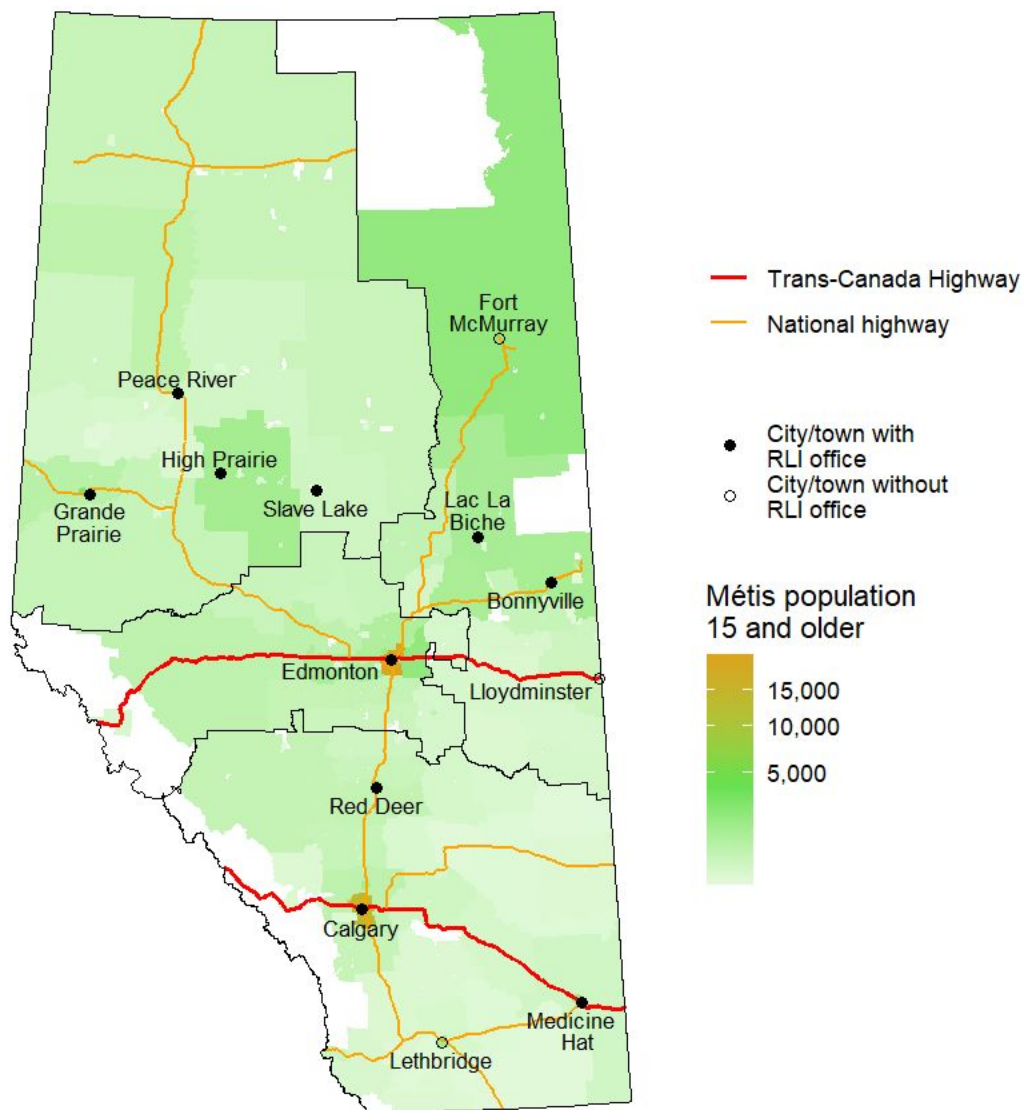


Census Mapper Calculations, Census of the Population, 2016, Statistics Canada

6.1 Regional Demographics

Métis in Alberta are concentrated in the major centres of Edmonton and Calgary. There are also concentrations of Métis in the north east, around High Prairie. Figure 11 shows the concentration of Métis in Alberta in terms of the number of Métis relative to the location of RLI offices and major highways and centres in Alberta. Edmonton has the highest number of Métis people in Alberta.

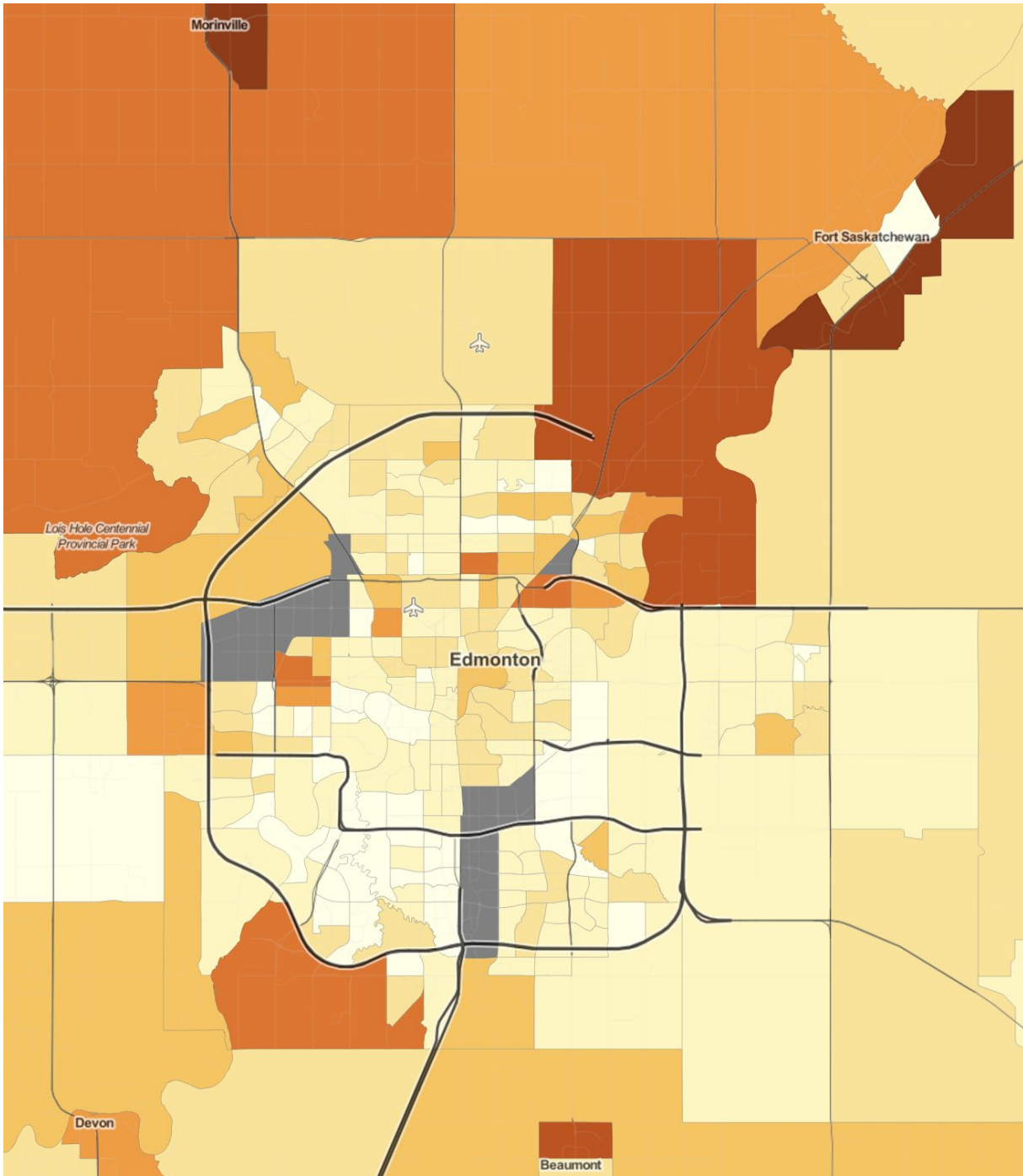
Figure 11: RLI regions showing RLI office locations and Métis population (15+) 2016.



Source: Big River Analytics Ltd. Calculations, Census of the Population, 2016 Statistics Canada

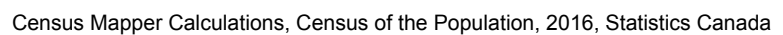
A closer look at Edmonton and the surrounding municipalities reveals concentrations of Métis people in the northeast, Morinville, and Beaumont. Figure 12 illustrates the number of Métis people in each Census subdivision (CSD) in Edmonton and the surrounding area.

Figure 12: Presence of Métis people by CSD in Edmonton and surrounding areas.



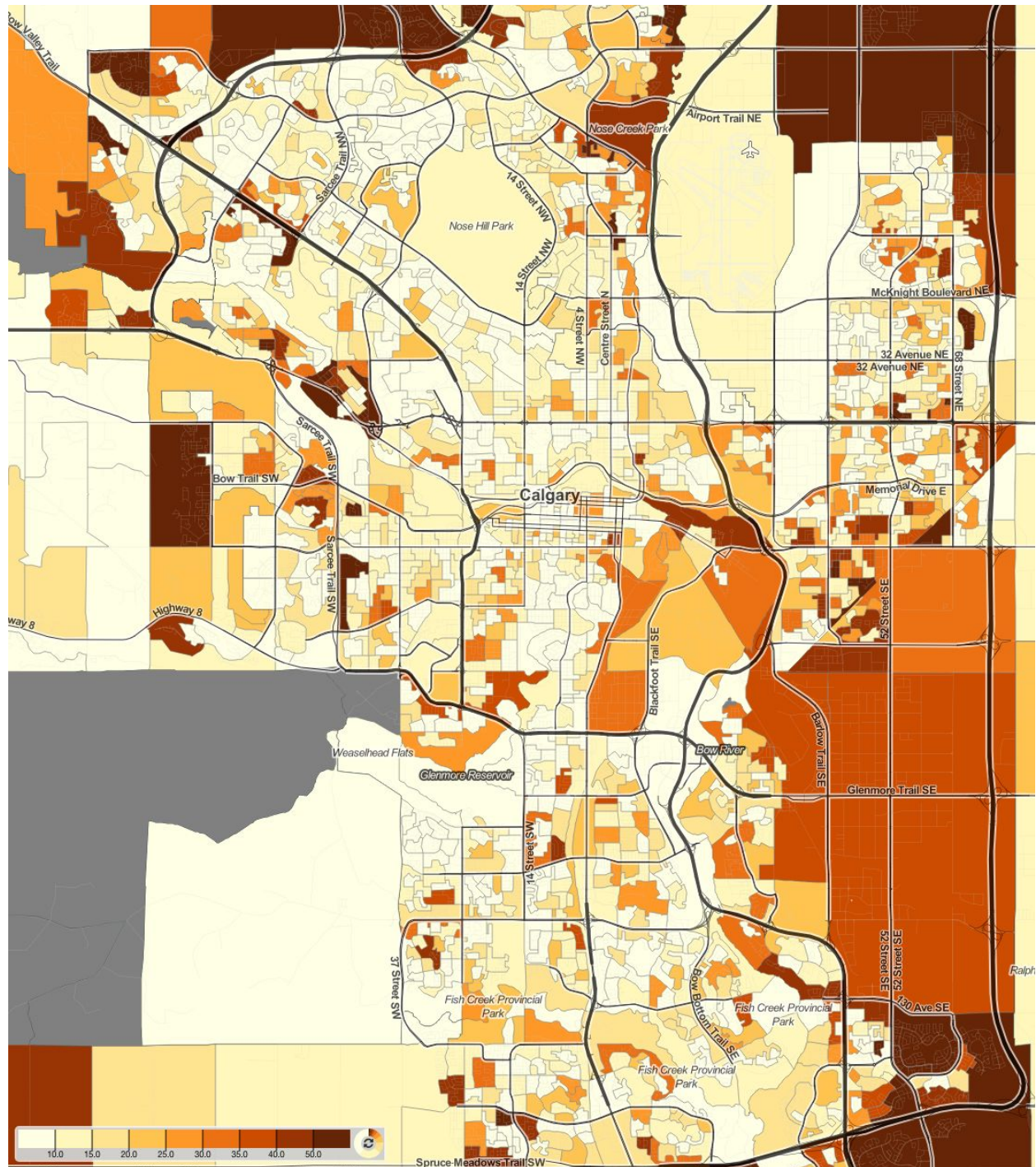
Census Mapper Calculations, Census of the Population, 2016, Statistics Canada

Figure 13: Concentration of Métis people in Edmonton, proportion of the total population.



A closer look at Calgary and the surrounding municipalities reveals that most Métis people live in the outlying areas of the city. Figure 14 shows the number of Métis people in each CSD in Calgary and the surrounding area.

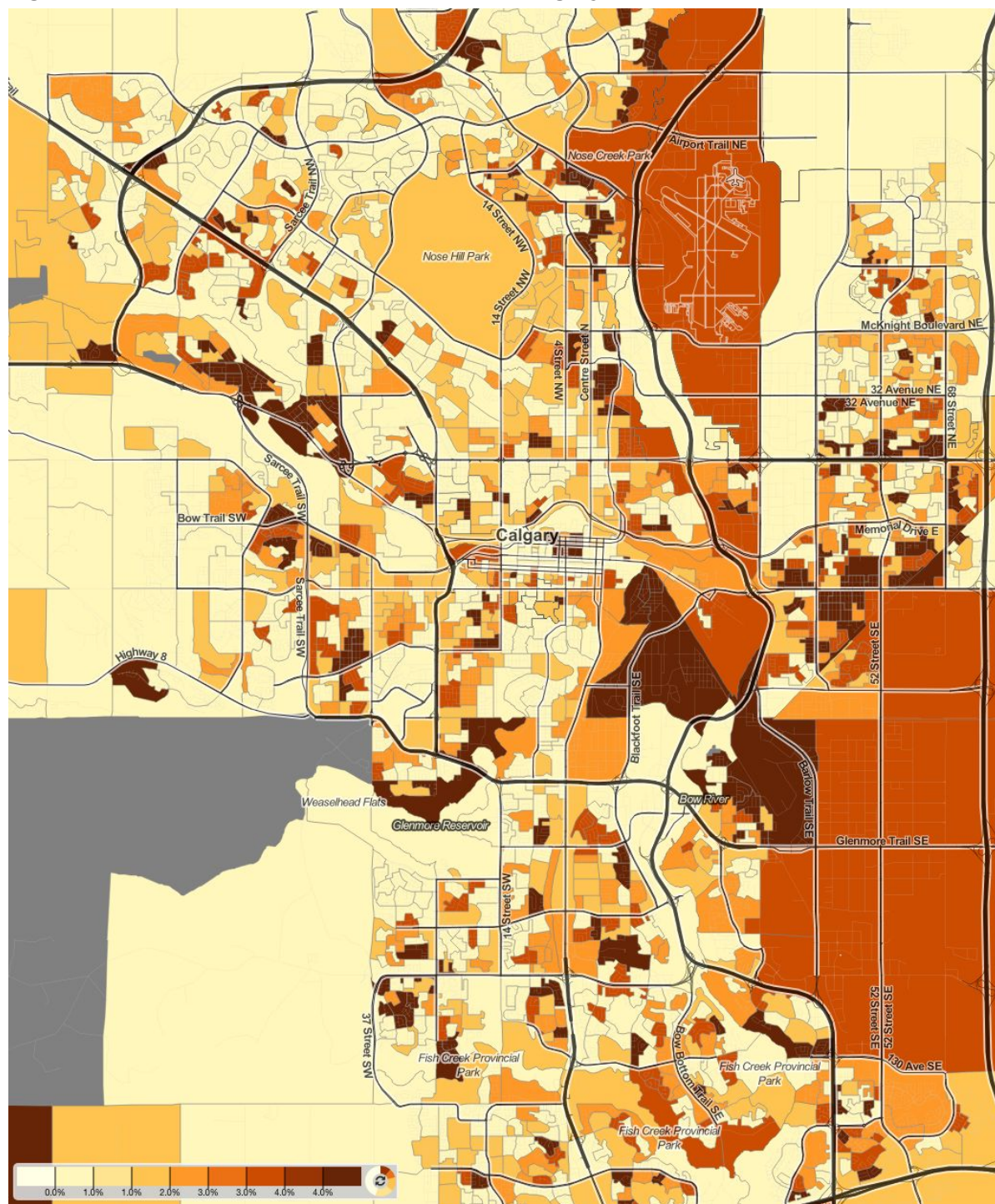
Figure 14: Presence of Métis people by CSD in Calgary and surrounding areas.



Census Mapper Calculations, Census of the Population, 2016, Statistics Canada

While Figure 14 shows the presence of Métis people living in Calgary and the surrounding area in terms of the number of Métis, Figure 15 shows the concentration of Métis relative to the total population in each CSD.

Figure 15: Concentration of Métis people in Calgary, proportion of the total population.



Census Mapper Calculations, Census of the Population, 2016, Statistics Canada

6.2 Coverage of RLI Points of Service

RLI has 10 regional offices offering employment and training services across Alberta. Based on the maps provided in the Regional Distribution section, RLI offices tend to be well-placed for serving Alberta's Métis population. In this section we examine the coverage of RLI offices, highlighting areas that would benefit from increased RLI presence.

Access to RLI Points of Service

Given the large distances between RLI points of service and the geographic distribution of Alberta's Métis population, we present estimates related to the number of Métis people in Alberta who may not have access to an RLI point of service. Access to an RLI point of service is defined in four ways:

1. Individuals live within the same CSD as the RLI point of service.
2. Individuals live within 50 km of the nearest RLI point of service by road.
3. Individuals live within 100 km of the nearest RLI point of service by road.
4. Individuals live within 200 km of the nearest RLI point of service by road.

Table 1 shows that over half of Alberta's Métis population live within the same CSD as one of the 10 regional RLI offices. Nearly 70 percent of Alberta's Métis population lives within 50 km by road of one of the 10 regional RLI offices. Almost 95 percent of Alberta's Métis population lives within 200 km of one of the 10 regional RLI offices.

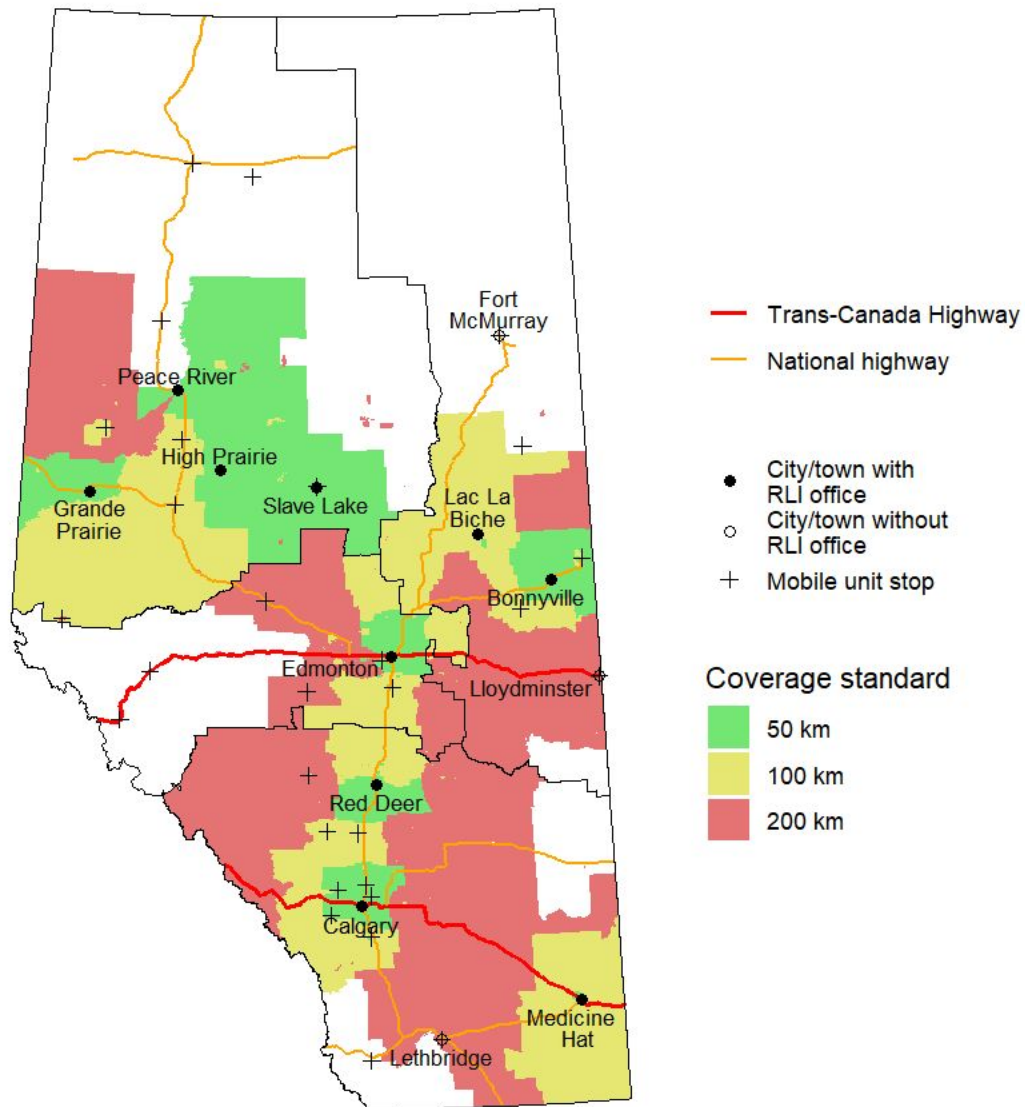
Table 1: Métis population aged 15 and older by access RLI locations under each service standard, 2016.

Access to RLI	CSD	50 km	100 km	200 km
With access	43,380	59,595	68,865	80,415
Without access	42,055	25,840	16,570	5,020
Percent with access	50.8	69.8	80.6	94.1

Source: Big River Analytics calculations based on 2016 Census of Population.

Figure 16 shows the location of RLI offices, major cities and towns, highways, and the coverage of RLI regional offices at three service standards: 50 km, 100 km, and 200 km. RLI offices are well placed given the regional distribution of Métis in Alberta, but there are gaps in Alberta's more extreme north, west, south, and southeast areas.

Figure 16: Coverage of RLI regional offices at three service standards.



Source: Big River Analytics Ltd. Calculations, Census of the Population, 2016 Statistics Canada

Table 2 presents the Métis population in Alberta by RLI region. The largest Métis population (35,865) resides in the Central region of the province, followed by the South region (30,530). The Northwest and Northeast have similar Métis populations at 9,580 and 9,545 respectively.

Table 2: Métis population 15 years of age and older in 2016 by RLI region.

Region	Population aged 15+	Proportion of total (15+)
South	30,530	36%
Central	35,865	42%
Northwest	9,580	11%
Northeast	9,545	11%
Total	85,520	100%

Source: Big River Analytics calculation based on 2016 Census of Population.

6.3 Employment Rate Gap

The Alberta Métis Education and Training Strategy (AMETS) is a product of discussions held under the Canada-Métis Nation of Alberta “Advancing Reconciliation” Framework Agreement and the strategic planning of the Rupertsland Institute Board of Governors. These two processes brought forward the strategy that will take the Rupertsland Institute (RLI) and Alberta Métis citizens into the next generation of programming in education, training and research. Foremost in the minds of those who participated in the development of AMETS, was the consideration of transformative change in the future labour market and in the provincial education system where gaps and challenges exist among the citizens of the Métis Nation and the Alberta labour force.

The pillars selected to support the AMETS include: a) Lifelong Learning; b) Enhanced Client Services; c) Research, Policy and Informed Practice; and, d) Partnerships and Shared Responsibility; are therefore contextual. They also fall within the framework of the 2017 Canada-Métis Nation Accord, the 2018 Canada-Métis Nation sub-Accord on labour market development and the national *Program Development Improvement Working Group*, which serves as a mitigating body for Canada’s administrative oversight and goals of program accountability. Finally, the AMETS pillars are a match with the strategic priorities of the RLI Board of Governors and the strategic business plan of the Métis Nation of Alberta (MNA).

The AMETS program is funded through Employment and Social Development’s (ESDC) new Indigenous Skills and Employment Training (ISET) program. The employment rate gap is a key metric in the ISET program. The program formally defines the employment rate gap as the difference between the non-Aboriginal and Aboriginal employment rates. Employment rates are calculated as the ratio of the employed population aged 15+ to the total population aged 15+. For example, the total Métis population aged 15+ is 85,520, and the population that is currently employed (according to the 2016 Census) is 52,985, so the employment rate is $52,985/85,520 = 62\%$.

For the purposes of analyzing improvements in labour market outcomes for the Aboriginal population, the employment rate is a superior metric to the participation rate or unemployment rates alone. Closing the gap between the Aboriginal and non-Aboriginal populations in terms of their labour force participation can be achieved by training and engaging Aboriginal workers even if they remain unemployed. Closing the unemployment rate gap can be achieved through discouraged workers³⁴ leaving the labour market without finding employment. Using the employment rate as the metric is an improvement because it cannot be improved by negative developments in the labour market. Closing the employment rate gap between the Aboriginal and non-Aboriginal populations is equivalent to closing both the labour force participation rate gap and the unemployment rate gap.

Table 3 presents the employment rate gap at the national and provincial (Alberta) level for the Aboriginal population as a whole and for the Métis population specifically. The rates are presented in terms of the percentage point difference between the respective Aboriginal population (Aboriginal or Métis) and the non-Aboriginal population. Table 3 shows that the Métis population in Alberta have consistently experienced higher employment rate gaps than the Métis population in Canada as a whole since 2001, though Métis employment rate gaps are smaller than those for the Aboriginal population, including First Nations and Inuit in Alberta and in all of Canada.

Table 3: Employment rate gaps (percentage points) for the Aboriginal identity population and Métis in Canada and Alberta, 2001 to 2016.

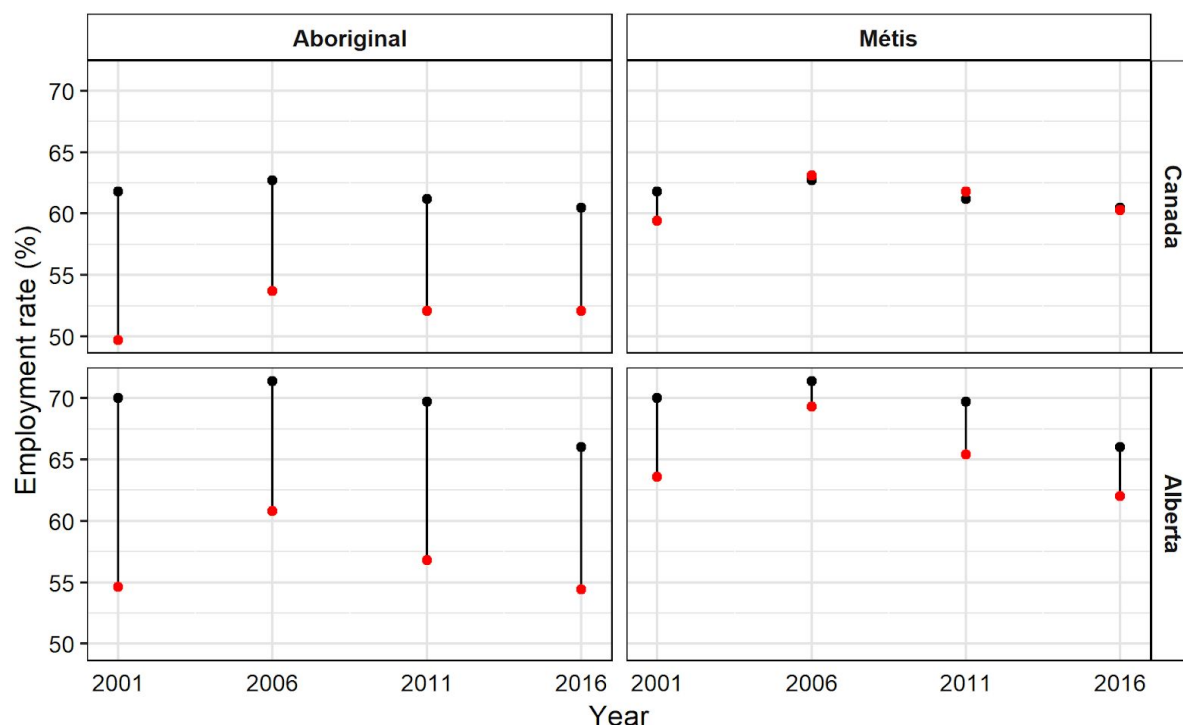
Aboriginal identity	2001	2006	2011	2016
<i>Canada</i>				
Aboriginal	12.1	9.0	9.1	8.4
Métis	2.4	-	-	0.2
<i>Alberta</i>				
Aboriginal	15.4	10.6	12.9	11.6
Métis	6.4	2.1	4.3	4.0

Sources: Census of Population (2001, 2006, 2016); National Household Survey (2011).

Figure 17 presents the information contained in Table 3, using line segments to show employment rate gaps. While the employment rate gap among Alberta Métis is persistently higher than for Métis in all of Canada, the gap is lower than that experienced by the Aboriginal population as a whole. The reduction in the employment rate gap in 2006 is explained by the extreme level of economic activity in Alberta at that time. The unemployment rate in 2006 was hovering between 3 and 4 percent, likely below the natural rate of unemployment.

³⁴ Discouraged workers are those workers that would choose to have a job if it were available to them, but they are not currently looking for a job. They are not included in the calculation of the unemployment rate.

Figure 17: Aboriginal (left panels; red), Métis (right panels; red) and non-Aboriginal (black) employment rates, Alberta and Canada, 2001 to 2016.



Sources: Census of Population (2001, 2006, 2016); National Household Survey (2011).

Table 3 and Figure 17 present the employment rate gap in terms of a difference in percentage points. Table 4 presents this information for each of the RLI regions. The smallest employment rate gap is present in the South region, at 1.3 percentage points and the largest is in the Northeast at 10.1 percentage points. Closing the employment rate gap in the South region could be accomplished with 410 Métis employment results,³⁵ holding all else constant. Closing the employment rate gap in the Northeast region could be accomplished with 959 employment results.

The largest gap in terms of the number of employment results is in the Central region, where 1,588 employment results are required to close the gap, holding all else constant. Examining the employment rate gap both in terms of rates (percentages) and levels (number of people) makes the overrepresentation of Alberta Métis in Edmonton clear. Despite a percentage point gap of less than half that of the Northeast region, in terms of the number of people that need jobs to close the gap, the Central region requires 50 percent more employment results than the Northeast region.

³⁵ Métis people, aged 15+, employed.

Table 4: Employment gap, percentage points and number employed, by RLI region, 2016.

Region	Employment gap (percentage points)	Employment gap (count)
South	1.3	410
Central	4.4	1,588
Northwest	9.1	872
Northeast	10.1	959

Source: Big River Analytics calculation based on custom tabulation from Census of Population 2016.

6.4 Occupational Skill Gaps

The employment rate gap alone is insufficient to measure ISET³⁶ program success, so ESDC includes a second set of metrics that are key to the new ISET program: occupational skill gaps. The rationale behind including the occupational skill gaps as key ISET program metrics is that higher-skilled professions are more resilient to labour market fluctuations and because matching individuals with positions that make use of their skills is more likely to provide meaningful employment. Occupations are classified by skill level according to the National Occupational Classification (NOC), which assigns each occupation to one of four skill levels (A, B, C, and D, where A is the highest skill level and D the lowest).

Occupational skills gaps are defined as the differences between the proportion of employed non-Aboriginal individuals in occupations at each skill level or higher and the corresponding proportion of employed Aboriginal individuals. Table 5 provides an approximation of the educational requirements associated with NOC-classified occupational skill levels.

Table 5: Educational levels associated with Occupational Skill levels.

Skill Level	Highest Level of Education Obtained
A	University certificate, diploma or degree at bachelor level or above
B	Apprenticeship or trades certificate or diploma College, CEGEP or other non-university degree or diploma University certificate or diploma below bachelor level
C	High school diploma or equivalent
D	No certificate, degree or diploma

The operationalization of ISET program objectives reveals four gaps that ISET program agreement holders can target: the employment gap and three skills gaps. For example, if 30 percent, 31 percent, and 27 percent of employed non-Aboriginal individuals are in occupations

³⁶ ISET is the federal program through which RLI is funded. RLI's program is called AMETS.

at skill levels A, B, and C, and 20 percent, 33 percent, and 31 percent of employed Aboriginal individuals are in occupations at the same skill levels, then there are gaps of 10 percentage points at skill level A, 8 percentage points at skill levels B and higher, and 4 percentage points at skill levels C and higher.

Table 6 provides an overview of the occupational skill gaps between the Métis population in Alberta and the non-Indigenous population in Alberta in each of the RLI regions and major centres within each region. The Central region requires the most skill upgrades while the fewest are required in the Northwest. A total of 4,244 skill upgrades are required in the Central region, 2,840 are required in the South region, and just over 1,000 are required in each of the Northwest and Northeast regions.

Table 6: Skill gaps (in percentage points number employed) for Métis in RLI regions in 2016.

Region	Skill gap (percent)			Skill gap (count)			Total
	A	B and higher	C and higher	A	B and higher	C and higher	
South	8.4	4.7	1.3	1,649	934	257	2,840
Central	9.2	7.2	2.8	2,029	1,599	616	4,244
Northwest	6.3	8.1	3.2	357	465	183	1,005
Northeast	8.6	7.4	3.0	476	412	166	1,054
Total	-	-	-	4,511	3,410	1,222	9,143

Source: Big River Analytics calculation based on custom tabulation from 2016 Census of Population.

It is important to note that the analysis in Table 6 is static: it does not consider labour market dynamics at all. The figures presented in Table 6 would close the occupational skill gaps that existed on Census day in 2016, the labour market has changed significantly since then, and it will change even more over the ten-year horizon of the ISET program.

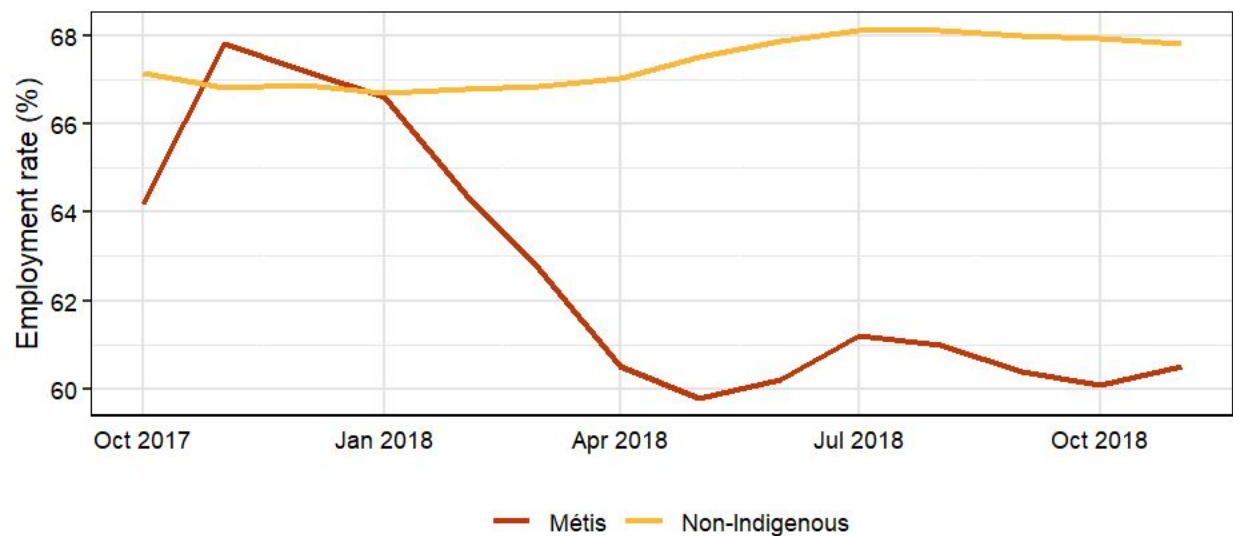
6.5 Labour Force Survey

The latest LFS data are from November 2018. These data show a full percentage point drop in the unemployment rate for Alberta as a whole compared to October 2018. The decrease in unemployment is the result both of people finding jobs (employment increased by 23,700) and 2,500 people leaving the labour force. There was an increase in full-time employment (36,500 jobs) and a decrease in part-time employment (12,800 jobs). November is the first month since May to show a trend reversal in terms of the unemployment rate in Alberta. Job losses in the oil and gas sector are not showing up in a meaningful way in the data, though Alberta continues to have the fifth highest unemployment rate among provinces.

For Alberta's Indigenous population living off-reserve (of which roughly 40 percent are First Nations and 60 percent are Métis) the labour market is not improving in the same way as it is for the rest of Alberta. Relative to October 2018, unemployment is down, but only by 100 new jobs,

while 1,500 people have left the labour force. Year-over-year unemployment is up (+0.6 percentage points), employment is down (-7.0 percentage points), and Indigenous Albertans are leaving the labour market (-7.3 percentage points).

Figure 18: Employment rate (3-month moving average; not adjusted for seasonality), Métis and non-Indigenous population aged 15 and older, Alberta, October 2017 to November 2018.



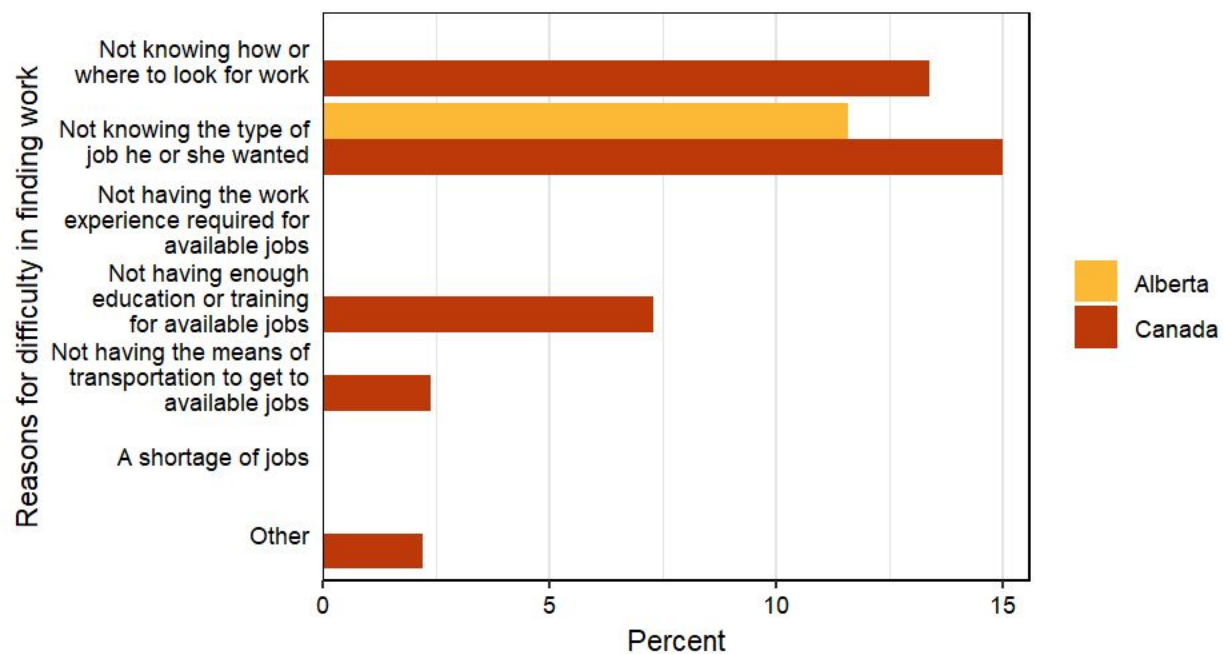
Source: Big River Analytics calculation based on custom tabulation from 2018 Labour Force Survey.

For Métis in Alberta, employment is up only slightly over October 2018 and the net gain comes in the form of part-time jobs (+500) and in spite of a decrease in full-time jobs (-300). Figure 18 shows the Métis unemployment rate since October 2017. When comparing data year-over-year, the labour market for Alberta Métis appears to be deteriorating. The employment rate is down (-7.3 percentage points), the participation rate is down (-5.9 percentage points) and the unemployment rate is up (+2.8 percentage points). The decrease in the employment rate between November 2017 and November 2018 is approximately twice as large as the number of successful employment results required to close the measured employment rate gap using 2016 Census data for the entire Métis population in Alberta (3,829).

6.6. Findings from the Aboriginal Peoples' Survey 2017

There are only three data releases relevant for RLI's programs and services from the 2017 Aboriginal Peoples Survey. Figure 19 presents "Reasons for Difficulty Finding Work" for the Métis population in Canada and in Alberta. Nearly all respondents in Alberta cited a shortage of available jobs as a reason for their difficulty finding work. The second most reported reason for difficulty finding work is not having the work experience required for available jobs (60 percent). Over half of respondents in Alberta cited not having enough education or training for available jobs, more than in the rest of Canada. Note that the estimates that are provided in Figure 19 are those for which the data were rich enough to produce an estimate for Alberta Métis. The APS has a much smaller sample than the Census, so it is a challenge to obtain estimates within Indigenous identity groups at the provincial level.

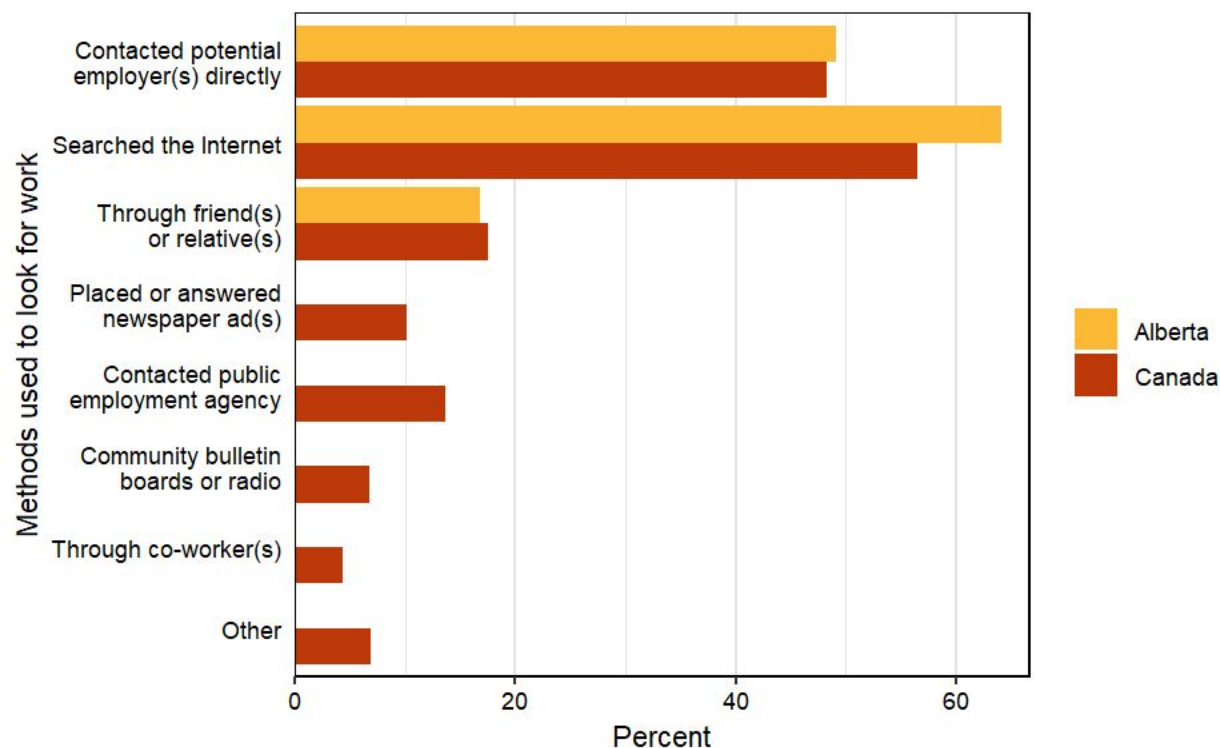
Figure 19: Reasons for difficulty finding work, Métis respondents in Alberta and Canada.



Source: Big River Analytics Ltd. Calculations, 2017 Aboriginal Peoples Survey, Statistics Canada

Figure 20 presents responses for Métis in Canada and in Alberta when asked about which methods they employ in their job search. Métis in Alberta overwhelmingly use the Internet for their job search, followed by connecting with potential employers directly, and networking through friends or relatives. Those three methods were the most common among Métis in the rest of Canada as well. Newspaper ads, employment agencies, community bulletin boards, and coworkers were also used in job searches.

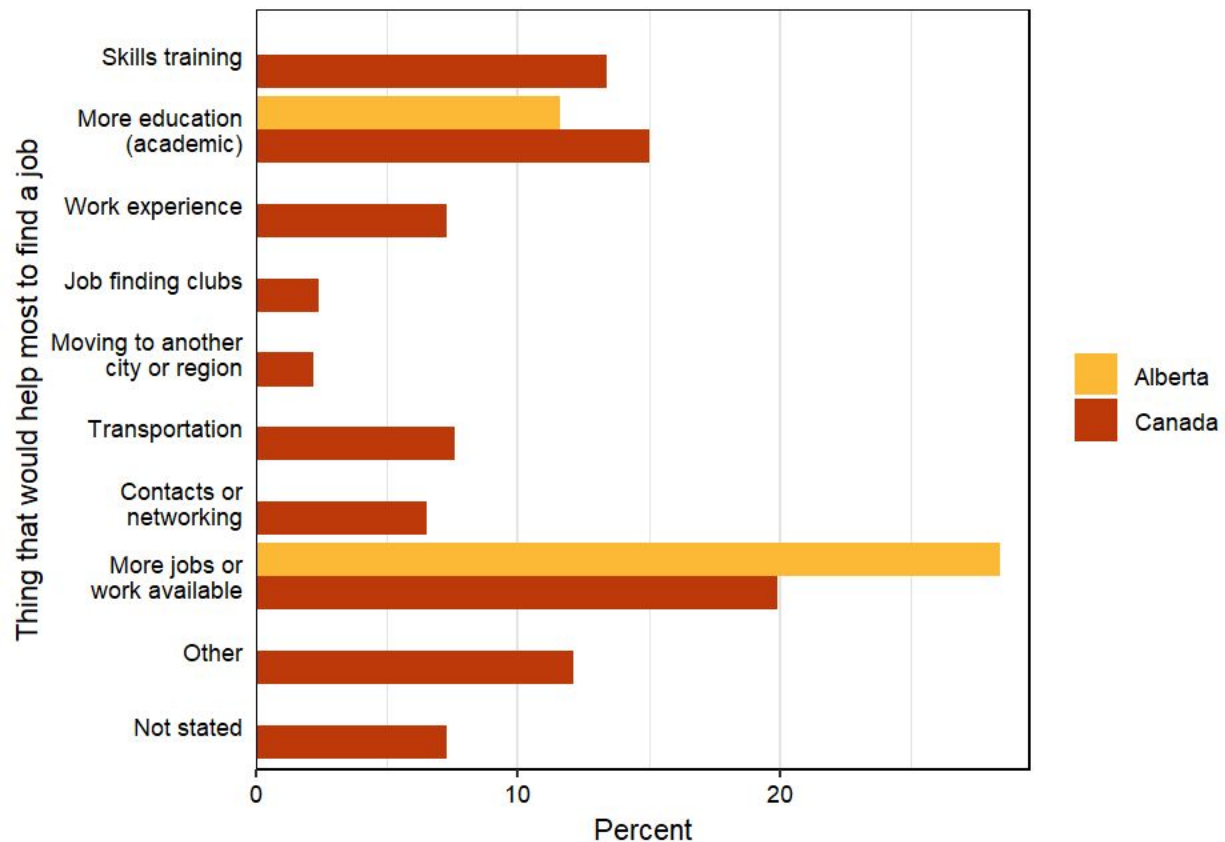
Figure 20: Methods used to look for work, Métis respondents in Alberta and Canada, 2017.



Source: Big River Analytics Ltd. Calculations, 2017 Aboriginal Peoples Survey, Statistics Canada

Figure 21 provides Métis respondents' answers when asked about what would most help them find employment. In Alberta and in Canada generally, two responses stand out: more education (academic) and an increase in the demand for labour (more jobs).

Figure 21: Things that would most help to find a job, Métis respondents in Alberta and Canada, 2017.



Source: Big River Analytics Ltd. Calculations, 2017 Aboriginal Peoples Survey, Statistics Canada

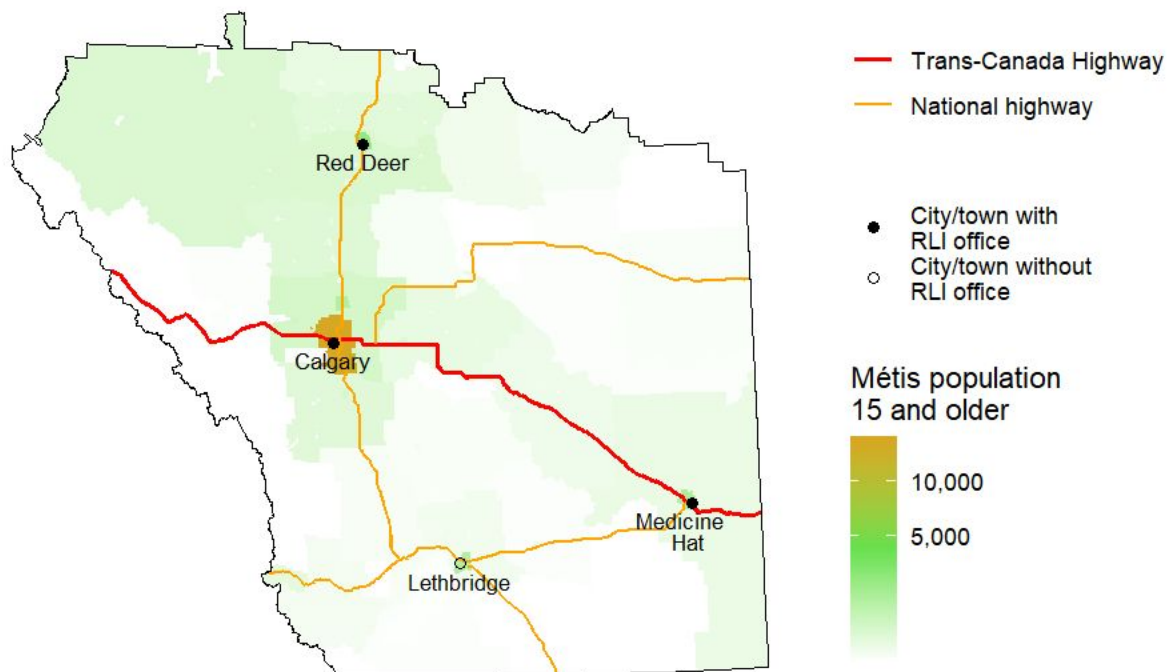
7. RLI Regions

This section provides a closer look within each RLI region. Using Census data, we first examine the geographic distribution of the Métis population in each region. We then estimate the employment rate and occupational skill gaps in communities in each region. Finally, we use the latest LFS data to provide an up-to-date analysis of labour market conditions in each region.

South Region

Figure 22 shows the geographic distribution of the Métis population in the South region. Most Métis live in Calgary, with outlying populations in Lethbridge, Medicine Hat, and Red Deer. The RLI offices in Red Deer, Medicine Hat, and Calgary are depicted with solid black dots.

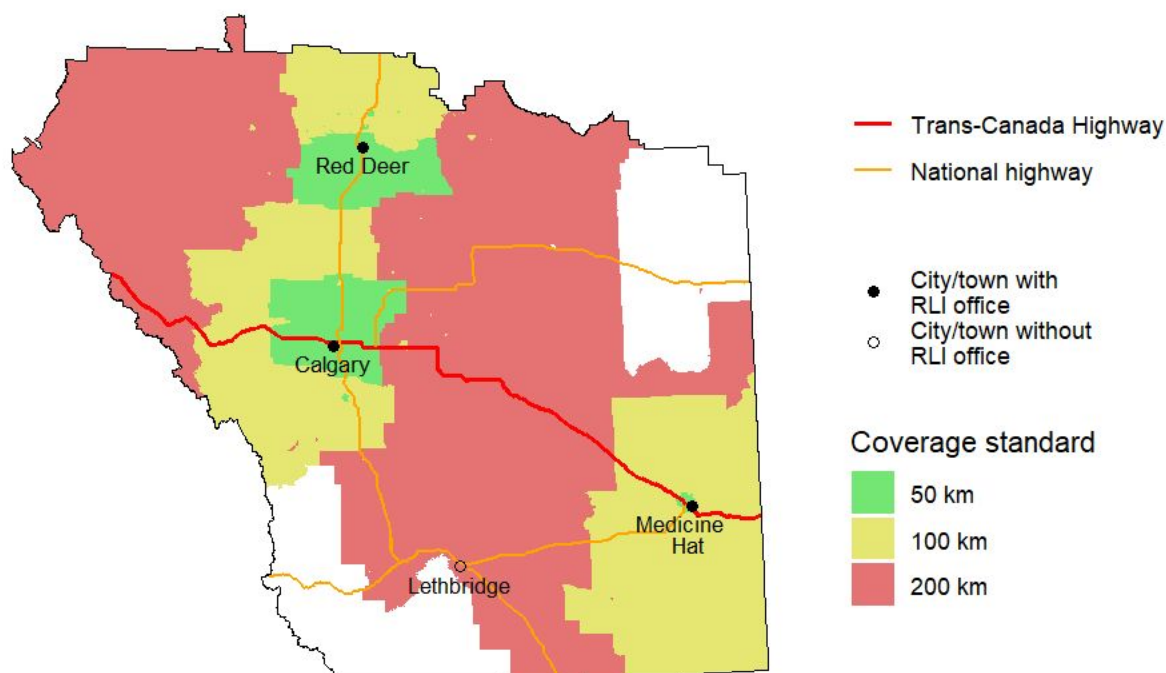
Figure 22: RLI south region showing RLI office locations and Métis population 15 years of age and older in Census subdivisions, 2016.



Source: Big River Analytics calculation based on custom tabulation from Census of Population 2016.

The three RLI offices offer good coverage for the Métis population in the South region. Métis clients in Lethbridge must travel to Medicine Hat or Calgary, but they are still within the 200 km by road service standard. The two areas without coverage, even at the 200 km by road standard, are the far southwest of the province and north of Medicine Hat. Figure 23 presents the coverage of the South region at three service standards: 50 km, 100 km, and 200 km by road.

Figure 23: Coverage of RLI regional offices in south region at three service standards.



Source: Big River Analytics calculation based on custom tabulation from Census of Population 2016.

Table 7 presents estimates of the coverage of RLI offices at all four service standards (adding “within the same CSD” to the three examined in Figure 23). Over 98 percent of Métis clients in the South region have access to an RLI office within 200 km by road. Even at the 100 km service standards, 86 percent of Métis clients have access to an RLI office.

Table 7: Métis population aged 15 and older by access to RLI locations under each service standard, RLI South region, 2016.

Access to RLI	CSD	50 km	100 km	200 km
With access	18,195	23,095	26,205	29,905
Without access	12,290	7,390	4,280	580
Percent with access	59.7	75.8	86.0	98.1

Source: Big River Analytics calculations based on 2016 Census of Population.

Table 8 presents the employment gap in percentage points and number employed for the Métis population aged 15 and older in cities in RLI's South region. Based on 2016 data, there was no employment gap in Calgary or Lethbridge—the employment rate was as high or higher in the Métis population in those cities as in the non-Indigenous population. The most recent labour force data do not suggest otherwise, though there are no estimates available for Calgary Métis specifically. Employment gaps are present in both Medicine Hat and Red Deer. While the percentage point gaps aren't insignificant (3.7 and 5.7 respectively), because the Métis populations in Medicine Hat and Red Deer are relatively small, narrowing and closing these gaps could require only 63 and 130 employment results respectively, holding all else constant.

Table 8: Employment gap, percentage points and number employed, and Métis population aged 15 and older, in cities in RLI south region, 2016.

City	Population 15 and older	Employment gap (percentage points)	Employment gap (count)
Calgary	17,095	-	-
Lethbridge	1,590	-	-
Medicine Hat	1,705	3.7	63
Red Deer	2,270	5.7	130

Source: Big River Analytics calculation based on custom tabulation from 2016 Census of Population.

Table 9 presents the occupational skill gaps in terms of percentage points and the number of employed people, illustrating the overrepresentation of Métis workers in the lowest occupational skill level (D). Occupational skill gaps can be closed by upskilling and by achieving enduring labour force attachment. Upskilling is an explicit component of the new ISET program and employed individuals can qualify for program funding to upskill to a higher skilled occupation.

There are occupational skill gaps in all four major cities in the South region. The highest measured skill gaps in terms of percentage points are in Medicine Hat, but the largest gaps in terms of the number of upskill interventions required is in Calgary. The figures in Table 8 and Table 9 illustrate that even in regions where there may not be an employment gap (for example, Calgary) there may still be significant work to be done in terms of employment and training. The skill gap (count) figures represent the number of workers presently in skill level D that must be upskilled into one of three categories: C or higher, B or higher, or A. In order to close the skills gap, a total of 2,067 skill upgrades are required, consisting of 1,230 to skill level A, 626 to skill level B or higher, and 211 to skill level C or higher.

Table 9: Skill gaps (in percentage points and number employed) for Métis in cities in RLI south region, 2016.

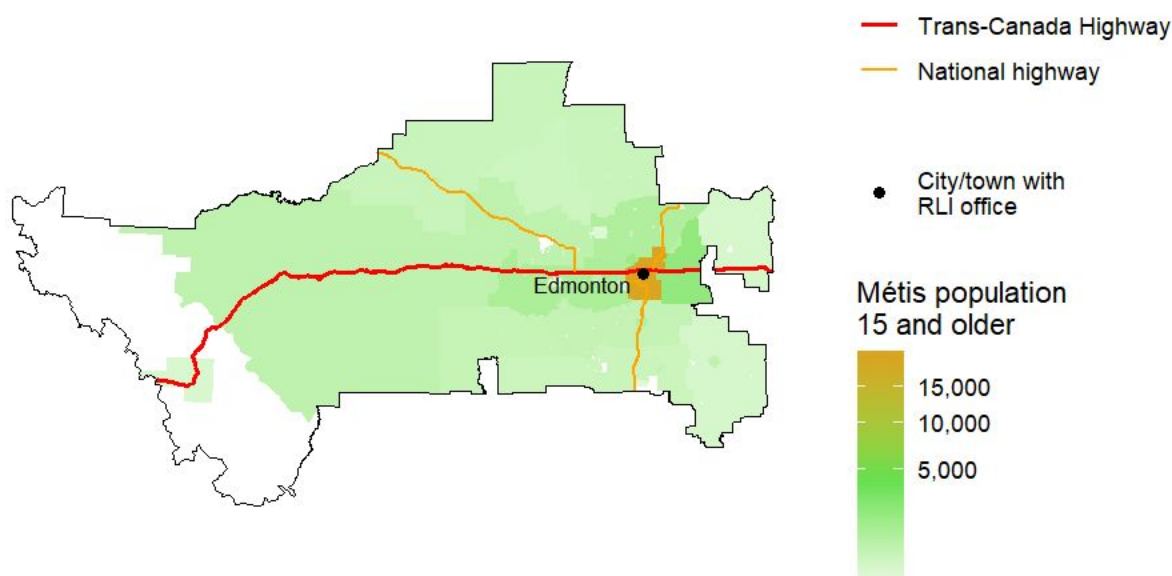
City	Skill gap (percent)			Skill gap (count)		
	A	B and higher	C and higher	A	B and higher	C and higher
Calgary	8.6	3.4	1.4	984	393	156
Lethbridge	7.9	6.3	-	81	65	-
Medicine Hat	10.9	7.8	3.5	105	75	34
Red Deer	4.5	6.9	1.5	60	93	21

Source: Big River Analytics calculation based on custom tabulation from 2016 Census of Population.

Central Region

Figure 24 shows the geographic distribution of the Métis population in the Central region. Edmonton has the highest number of Métis people in Alberta. The westernmost part of the Central region has the smallest Métis population.

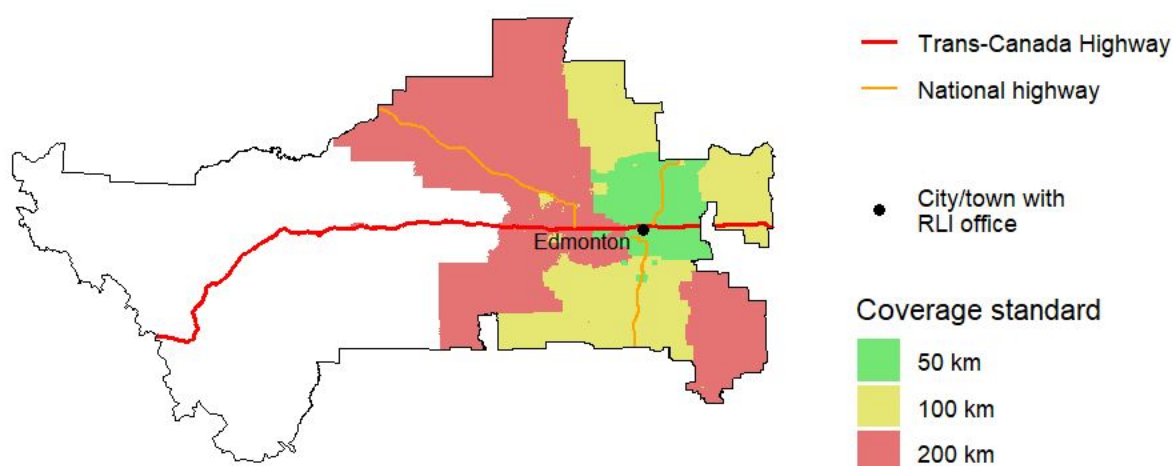
Figure 24: RLI central region showing RLI office locations and Métis population 15 years of age and older in Census subdivisions, 2016.



Source: Big River Analytics calculation based on custom tabulation from Census of Population 2016.

Figure 25 shows the coverage of the Edmonton RLI office in terms of three service standards: 50 km, 100 km, and 200 km by road. While the westernmost part of the Central region is not covered by the Edmonton office even at the 200 km service standard, it also serves the fewest Métis clients.

Figure 25: Coverage of RLI regional offices in central region at three service standards.



Source: Big River Analytics calculation based on custom tabulation from Census of Population 2016.

Table 10 presents estimates of the coverage of RLI offices at all four service standards (“within the same CSD” in addition to the three examined in Figure 25). Over 97 percent of Métis clients in the Central region have access to an RLI office within 200 km by road. Even at the 100 km service standards, 85 percent of Métis clients have access to an RLI office. Just under 80 percent have access to an RLI office at the 50 km service standard and over 55 percent have access within the same CSD.

Table 10: Métis population aged 15 and older by access to RLI locations under each service standard, RLI Central region, 2016.

Access to RLI	CSD	50 km	100 km	200 km
With access	19,820	28,250	30,520	34,820
Without access	16,050	7,620	5,350	1,050
Percent with access	55.3	78.8	85.1	97.1

Source: Big River Analytics calculations based on 2016 Census of Population.

Table 11 presents the employment gap in percentage points and number employed for the Métis population aged 15 and older in cities in RLI’s Central region. Based on 2016 data, a 4.4 percentage point employment gap in Edmonton. While the percentage point gap isn’t too large, because the Métis population in Edmonton is so big, closing the employment gap requires 1,314 employment results, holding all else constant.

Table 11: Employment gap, percentage points and number employed, and Métis population aged 15 and older, Edmonton, 2016.

Population 15 and older	29,970
Employment gap (percentage points)	4.4
Employment gap (count)	1,314

Source: Big River Analytics calculations based on 2016 Census of Population.

Table 12 presents the occupational skill gap in terms of percentage points and the number of employed people, illustrating the overrepresentation of Métis workers in the lowest occupational skill level (D). Occupational skill gaps can be closed by upskilling and by achieving enduring labour force attachment. Upskilling is an explicit component of the new ISET program and employed individuals can qualify for program funding to upskill to a higher skilled occupation.

The data are only rich enough to estimate the occupational skill gap for Edmonton. The skill gap (count) figures represent the number of workers in skill level D that must be upskilled into one of three categories: C or higher, B or higher, or A. In order to close the skills gap, a total of 3,160 skill upgrades are required: 1,610 to skill level A, 1,213 to skill level B or higher, and 337 to skill level C or higher.

Table 12: Skill gaps (in percentage points and number employed) for Métis in Edmonton, 2016.

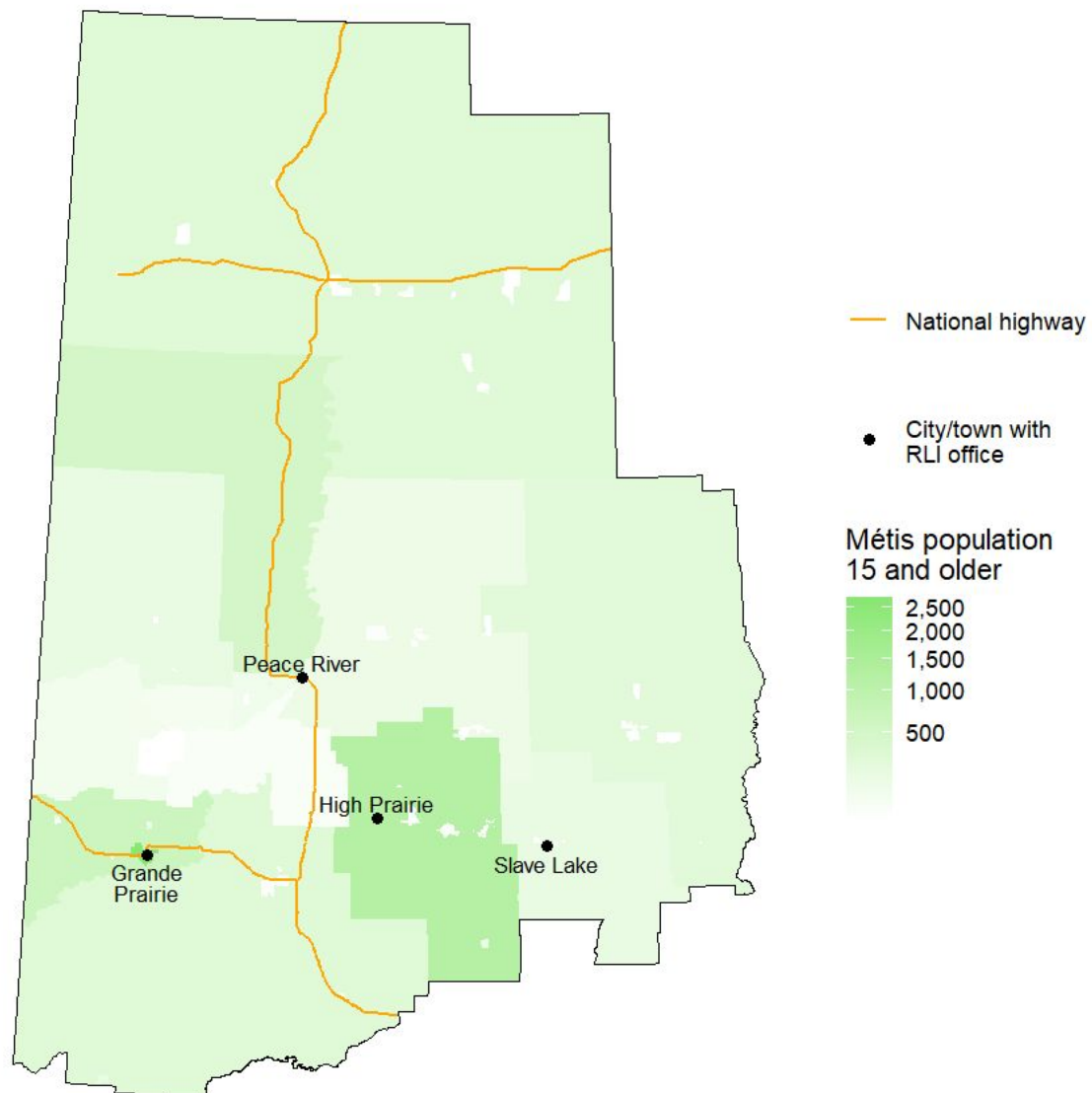
Skill level	Skill gap (percentage points)	Skill gap (count)
A	8.7	1,610
B and higher	6.5	1,213
C and higher	1.8	337

Source: Big River Analytics calculation based on custom tabulation from 2016 Census of Population.

Northwest Region

Figure 26 shows the geographic distribution of the Métis population in the Northwest region. Compared to the South and Central regions, the Métis population in the Northwest region is more dispersed. Most Métis in the Northwest region reside in and around High Prairie.

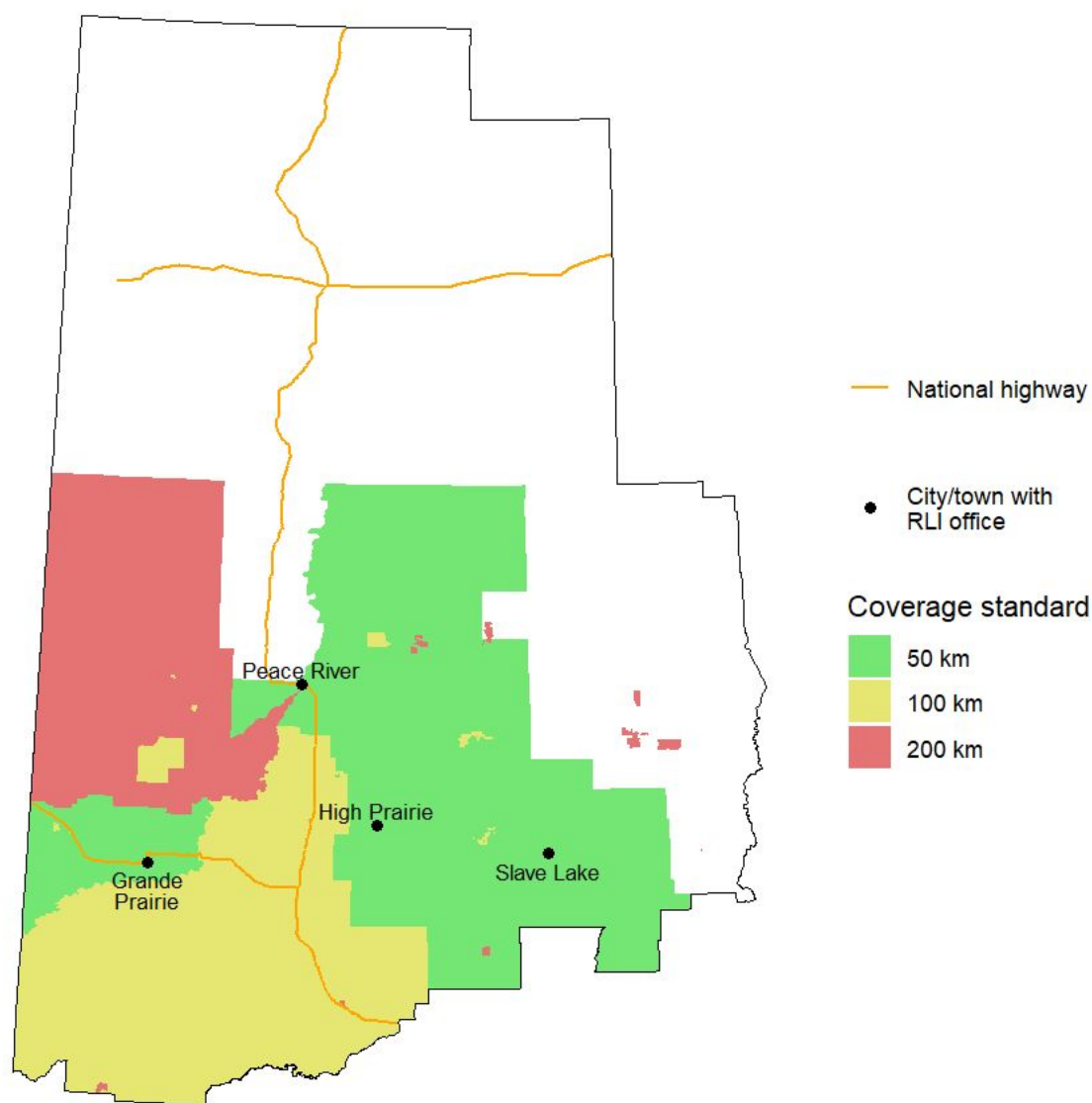
Figure 26: RLI northwest region showing RLI office locations and Métis population 15 years of age and older in Census subdivisions, 2016. Note, this includes Métis Settlements.



Source: Big River Analytics calculation based on custom tabulation from 2016 Census of Population.

The four RLI offices offer good coverage for the Métis population in the Northwest region. Figure 27 presents the coverage map of the Northwest region at three service standards: 50 km, 100 km, and 200 km by road.

Figure 27: Coverage of RLI regional offices in northwest region at three service standards.



Source: Big River Analytics calculation based on custom tabulation from 2016 Census of Population.

Table 13 presents estimates of the coverage of RLI offices at all four service standards (“within the same CSD” in addition to the three examined in Figure 27). Although there are four RLI locations,, service standards in the Northwest region are slightly lower than in the South and Central regions due to the dispersion of the Métis population in this region. Still, over 86 percent of Métis clients in the Northwest region have access to an RLI office within 200 km by road. Even at the 100 km service standards, 78.5 percent of Métis clients have access to an RLI

office. Just over 70 percent have access to an RLI office at the 50 km service standard and over 40 percent have access within the same CSD.

Table 13: Métis population aged 15 and older by access to RLI locations under each service standard, RLI northwest region, 2016.

Access to RLI	CSD	50 km	100 km	200 km
With access	3,900	6,720	7,505	8,280
Without access	5,655	2,835	2,050	1,275
Percent with access	40.8	70.3	78.5	86.7

Source: Big River Analytics calculations based on 2016 Census of Population.

Table 14 presents the employment gap in percentage points and number employed for the Métis population aged 15 and older in cities in RLI's Northwest region. Based on 2016 data, there is a 7.2 percentage point employment gap in Grande Prairie. Based on the size of this gap and the size of the Métis population aged 15 and older (2,595) in Grande Prairie, closing the employment gap requires 1,314 employment results, holding all else constant.

Table 14: Employment gap, percentage points and number employed, and Métis population aged 15 and older, Grande Prairie, 2016.

Population 15 and older	2,595
Employment gap (percentage points)	7.2
Employment gap (count)	187

Source: Big River Analytics calculation based on custom tabulation from 2016 Census of Population.

Table 15 presents the occupational skill gap in terms of percentage points and the number of employed people, illustrating the overrepresentation of Métis workers in the lowest occupational skill level (D). Occupational skill gaps can be closed by upskilling and achieving enduring labour force attachment. Upskilling is an explicit component of the new ISET program and employed individuals can qualify for program funding to upskill to a higher skilled occupation.

The data are only rich enough to estimate the occupational skill gap for Métis in Grande Prairie. The skill gap (count) figures represent the number of workers in skill level D that must be upskilled into one of three categories: C or higher, B or higher, or A. In order to close the skills gap, a total of 83 skill upgrades are required, 58 to skill level B or higher and 25 to skill level C or higher.

Table 15: Skill gaps (in percentage points and number employed) for Métis in Grande Prairie, 2016.

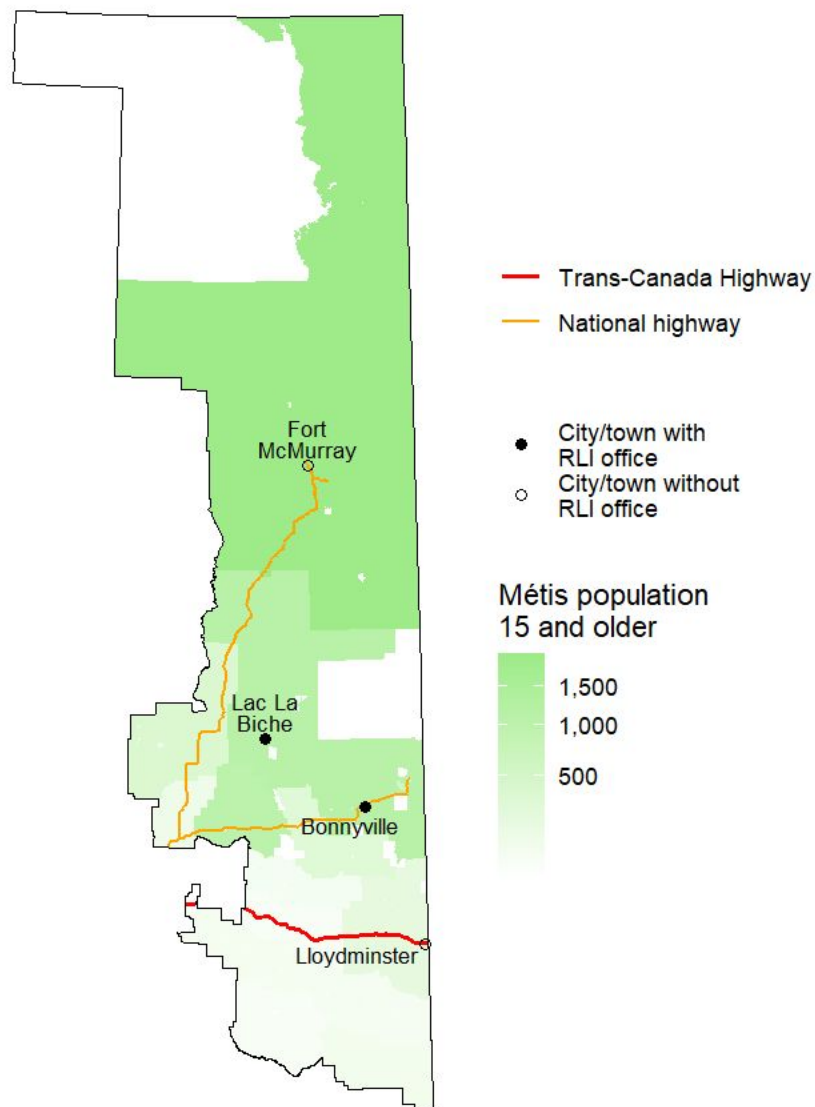
Skill level	Skill gap (percentage points)	Skill gap (count)
A	-	-
B and higher	3.5	58
C and higher	1.5	25

Source: Big River Analytics calculation based on custom tabulation from 2016 Census of Population.

Northeast Region

Figure 28 shows the geographic distribution of the Métis population in the Northeast region. Unlike the South and Central regions, the Métis population in the Northeast region is more dispersed. The highest number of Métis in the Northwest region reside in and around Fort McMurray, Lac La Biche, and Bonnyville.

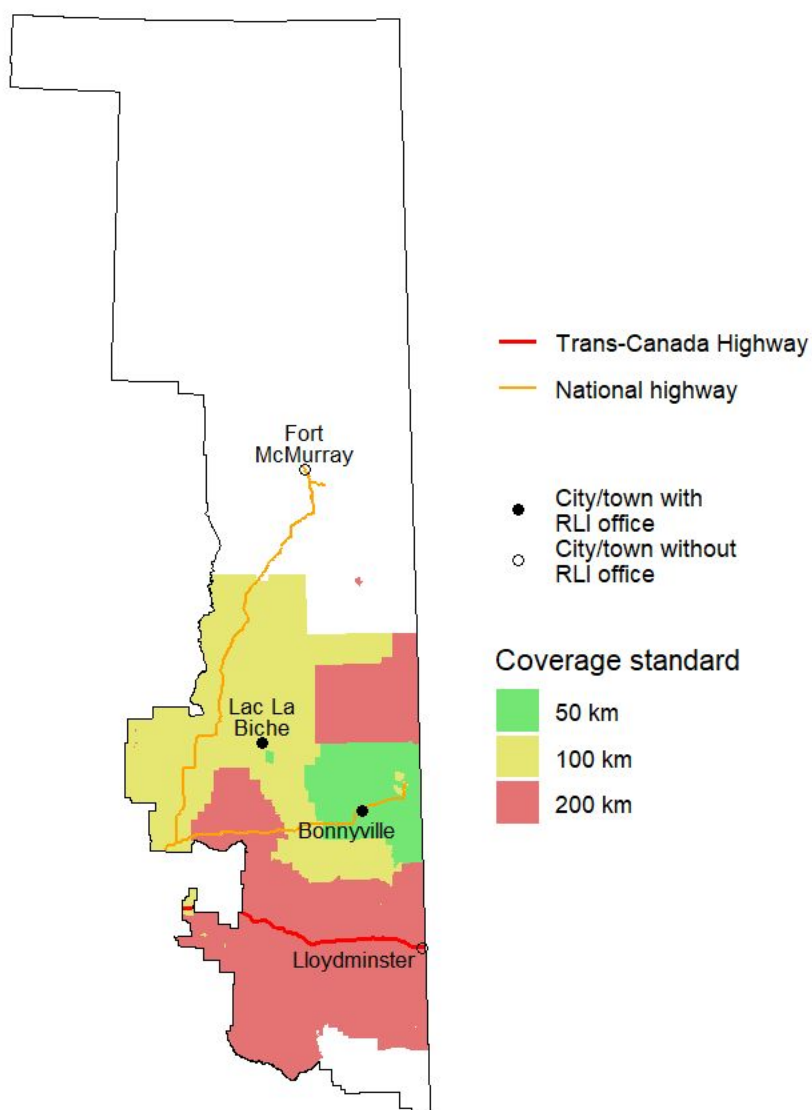
Figure 28: RLI Northeast region showing RLI office locations and Métis population 15 years of age and older in Census subdivisions, 2016.



Source: Big River Analytics calculation based on custom tabulation from 2016 Census of Population.

The four RLI offices offer good coverage for the Métis population in the Northwest region. Figure 29 presents the coverage map of the Northwest region at three service standards: 50 km, 100 km, and 200 km by road.

Figure 29: Coverage of RLI regional offices in Northeast region at three service standards.



Source: Big River Analytics calculation based on custom tabulation from 2016 Census of Population.

Table 16 presents estimates of the coverage of RLI offices at four service standards (“within the same CSD” in addition to the three examined in Figure 29). Overall, service standards in the

Northeast region are lower than the South and Central regions due to the sparser dispersion of the Métis population and the fact that Ft. McMurray has a significant Métis population. There is not RLI office within 200 km of Ft. McMurray by road. A total of 77.8 percent of Métis clients in the Northeast region have access to an RLI office within 200 km by road. At the 100 km service standard, 48.7 percent of Métis clients have access to an RLI office. Just over 16 percent have access to an RLI office at the 50 km service standard, and 15 percent have access within the same CSD. These coverage statistics are the lowest among RLI regions.

Table 16: Métis population aged 15 and older by access to RLI locations under each service standard, RLI northwest region, 2016.

Access to RLI	CSD	50 km	100 km	200 km
With access	1,465	1,530	4,635	7,410
Without access	8,060	7,995	4,890	2,115
Percent with access	15.4	16.1	48.7	77.8

Source: Big River Analytics calculations based on 2016 Census of Population.

Table 17 presents the employment gap in percentage points and in terms of the number of employed in the Métis population aged 15 and older in cities in RLI's Northeast region. Based on 2016 data, a 10.1 percentage point employment gap exists between the Métis and non-Indigenous population in Wood Buffalo (Ft. McMurray). While the percentage point gap is significant relative to other regions and communities, because the Métis population in Wood Buffalo is smaller than in major centres, closing the employment gaps could would require only 199 employment results, holding all else constant.

Table 17: Employment gap, percentage points and number employed, and Métis population aged 15 and older, in cities in RLI northeast region, 2016.

City	Population 15 and older	Employment gap (percentage points)	Employment gap (count)
Lloydminster	680	2.9	20
Wood Buffalo	1,980	10.1	199

Source: Big River Analytics calculations based on 2016 Census of Population.

Table 18 presents the occupational skill gaps in terms of percentage points and the number of employed people, illustrating the overrepresentation of Métis workers in the lowest occupational skill level (D). Occupational skill gaps can be closed by upskilling and by achieving enduring labour force attachment. Upskilling is an explicit component of the new ISET program and employed individuals can qualify for program funding to upskill to a higher skilled occupation.

The data are only rich enough to estimate the occupational skill gap for Métis in Lloydminster and Wood Buffalo. The Skill gap (count) figures represent the number of workers in skill level D that must be upskilled into one of three categories: C or higher, B or higher, or A. In order to

close the skills gap, a total of 160 skill upgrades are required: 18 to skill level C or higher, 50 to skill level B or higher, and 110 to skill level A.

Table 18: Skill gaps (in percentage points and number employed) for Métis in cities in RLI northeast region, 2016.

City	Skill gap (percent)			Skill gap (count)		
	A	B and higher	C and higher	A	B and higher	C and higher
Lloydminster	12.3	5.0	4.1	54	22	18
Wood Buffalo	4.4	2.2	-	56	28	-

Source: Big River Analytics calculation based on custom tabulation from 2016 Census of Population.

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