



# NEWS RELEASE

## Since 2014, Alberta unemployment rate increases while Texas rate drops

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**CALGARY**—While both Alberta and Texas were hit hard by the oil-price drop in 2014, the Texas unemployment rate has dropped while the Alberta rate has risen, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Some people in Alberta continue to blame the province’s comparatively high unemployment rate on the 2014 oil downturn, but Texas dealt with similar price drops and has done a much better job creating an environment where workers can prosper,” said Steve Lafleur, senior policy analyst at the Fraser Institute and co-author of *Lessons from the Lone Star State: Comparing the economic performance of Alberta and Texas*.

The study finds that Alberta’s annual unemployment rate was lower than the Texas rate every year from 2004 to 2014. But after the 2014 drop in oil prices, the situation reversed, with Texas enjoying a lower annual unemployment rate—in some years, a much lower rate—than Alberta. For example, Alberta’s unemployment rate peaked at 7.2 per cent in 2016 while the Texas rate stayed below 5 per cent from 2014 to 2018, the latest year of comparable data. (See unemployment rate table below for both jurisdictions since 2014.)

There are many reasons why unemployment has increased in Alberta and dropped in Texas. But it’s worth noting that the two jurisdictions have taken markedly different approaches to government policy.

- Alberta has run budget deficits fuelled by government spending while Texas has run surpluses every year but one since 2014.
- Alberta raised taxes (Alberta’s top provincial income tax rate is now 15 per cent, Texas does not have a state-level personal income tax) and increased regulation.

“Government policy has damaged Alberta’s investment climate, and workers in Alberta are paying the price,” said Ben Eisen, senior fellow in the Fraser Institute’s Fiscal and Provincial Prosperity Studies.

“While external factors have played a role in Alberta’s struggles, the superior performance of Texas over the last few years underscores the importance of pro-growth policies in Edmonton,” Lafleur said.

### Unemployment rates, 2014 to 2018

Jurisdiction	2014	2015	2016	2017	2018
ALBERTA	3.8%	5.2%	7.2%	6.8%	5.6%
TEXAS	4.6%	4.4%	4.6%	4.3%	3.8%

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