

Labour Market Review

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A Tale of Two Growths

The October Labour Force Survey from Statistics Canada for the Calgary Economic Region (CER)¹ showed the follow:

- Total employment declined 10,700 from September to October, but increased by 14,900 year-over-year. Labour force dropped 13,100 from September, but increased by 35,500 from last October.
- As some discouraged workers stopped seeking jobs over the month, unemployment rate edged down slightly by 0.1 per cent to 6.7 per cent. However, it was still higher than the 4.7 per cent from the same time last year.
- Calgary's average weekly wage rate² was \$30 per hour, up \$0.43 from \$29.57 in October 2014. The wage inflation rate was 1.5 per cent, decelerating from 2.8 per cent the same time last year.

Labour markets across Canada in recent months grew at two different speeds. While Alberta job growth slowed in response to increasing payroll cuts in the Oil and Gas dependent Goods-Producing Sector, the rest of Canada is doing much better (see chart 1 and chart 2). The change of fortune was driven by the renewed growth in the U.S. economy, amid the sharp drop of crude oil prices. The rest of Canada, especially Ontario and Quebec are more diversified (79% of Canada employment in the tertiary industry vs. 70% in Alberta) and export most of their goods and services to the U.S. market. They have traditionally benefited from growth in the U.S. economy.

In Alberta, economic activities are more focused on Mining and Oil & Gas Extraction, and this is driven by energy exports to the US market (11% of Alberta employment in the primary industry vs. 4% in Canada). Recently, a sharp increase in supply and relatively weak growth in demand for oil have triggered a sharp reduction in oil prices. Furthermore, today's non-conventional energy sector in Alberta has to compete with shale gas and shale oil explorers in the U.S. All of these brought unprecedented challenges to energy companies in the province and caused them to make strategic cuts in their investment plans.

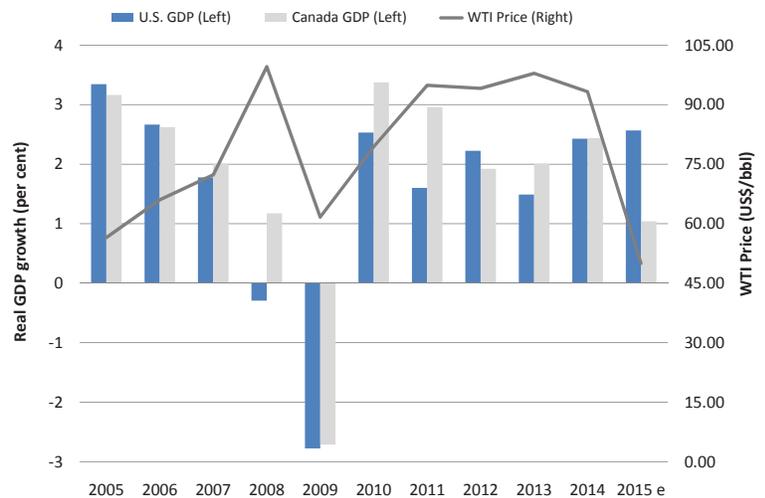
The good news is that employment in the CER has held up well. The accumulation of wealth during the boom times and the more diversified local economy should provide some type of cushion for current hard time.

¹ The data for the Calgary Economic Region is the seasonally unadjusted 3-month-moving-average.

² Wage rate data is for the Calgary Metropolitan Area (CMA)

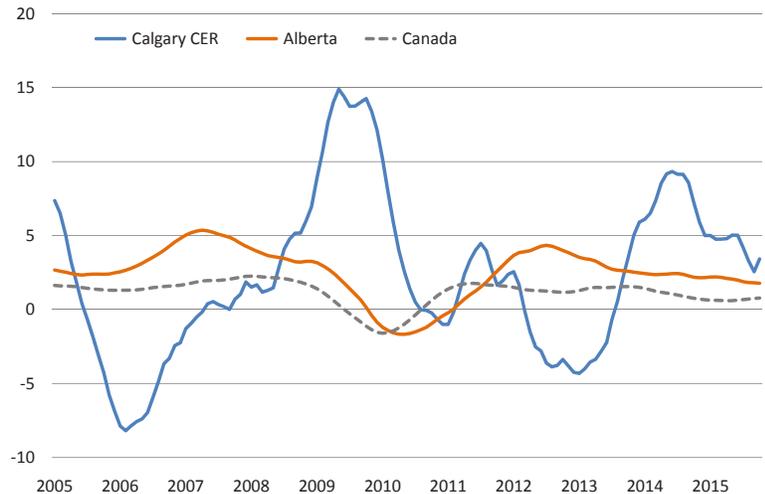
Next update: December 4, 2015

Chart 1: GDP growth and WTI price (2005 - 2015e)



Sources: Statistics Canada, Corporate Economics, October 2015

Chart 2: Total employment changes (Jan. 2005 - Oct. 2015, year-over-year % change, 12-month-moving-average)



Sources: Statistics Canada, Corporate Economics, October 2015

Labour Force Statistics

(Seasonally unadjusted 3-month-moving-average)

	Description	Oct-15	Sep-15	Oct-14	Annual Change
CALGARY ECONOMIC REGION	Working Age Population ('000)	1,274.0	1,271.8	1,240.5	33.5
	Labour Force ('000)	939.0	952.1	903.5	35.5
	Labour Force Participation Rate (%)	73.7	74.9	72.8	0.9
	Employment ('000)	876.0	886.7	861.1	14.9
	Employment Rate (%)	68.8	69.7	69.4	(0.6)
	Unemployment ('000)	62.9	65.4	42.3	20.6
	Unemployment Rate (%)	6.7	6.9	4.7	2.0

Sources: Statistics Canada, Corporate Economics, October 2015

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Who We Are

Corporate Economics provides services in four areas: forecasting, information provision, policy analysis and consulting. We also monitor the current economic trends which allows us to develop unique insights on how external events are impacting the local economy and the Municipal government. We are experienced at researching different economic topics and have developed reliable methods of forecasting and analysis.

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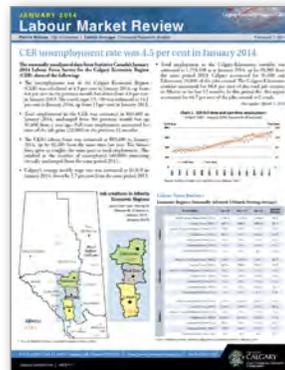
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- ▶ Calgary & Region Economic Outlook
- ▶ Energy Reports on Natural Gas and Crude Oil

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- ▶ Current Economic Analysis
- ▶ Housing Review
- ▶ Inflation Review
- ▶ Labour Market Review

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- ▶ A Case of Fiscal Imbalance: The Calgary Experience
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Sources: Statistics Canada, IMF World Economic Outlook Database, October 2015, GLJ Publications Ltd., Corporate Economics.

