



Labour Market Review

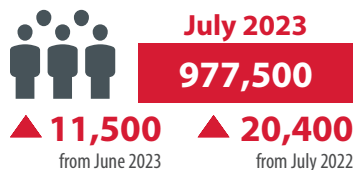
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August 4, 2023

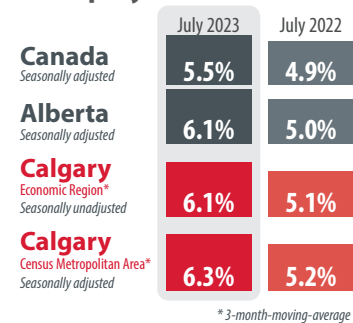
Highlights:

Total Employment

Calgary Economic Region
(Seasonally unadjusted 3-month-moving-average)



Unemployment Rates



Average Wage Rate

Calgary Census Metropolitan Area
July 2023, year-over-year change



Record-high migration drives labour force growth leading to an unfavourable increase in the unemployment rate.

Approximately 51,000 people moved to Alberta in the first quarter of 2023, the second-highest number the province has ever recorded. As a result, more people are looking for work driving up the unemployment rate.

The Calgary Economic Region's (CER) three-month moving average unemployment rate rose from 5.1 per cent in July 2022 to 6.1 per cent in July 2023.¹ The CER's labour force grew by 3.2 per cent year-over-year (y-o-y) in July 2023, while employment increased at a slower rate of 2.1 per cent, causing a higher unemployment rate. Alberta's (6.1 per cent) and Canada's (5.5 per cent) seasonally adjusted unemployment rates rose by 1.1 and 0.6 percentage points y-o-y. In July 2023, the CER labour force participation rate fell by 0.7 percentage points y-o-y to 72.2 per cent.

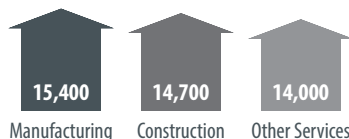
Rising interest rates contributes to a tough business environment driving Retail Trade jobs lower.

Despite the overall employment growth (+20,400 y-o-y), the services sector has slowed down (-11,000 y-o-y). The pullback in the services sector can be traced directly to the slowdown in the Retail Trade industry (-14,800 y-o-y). The Retail Trade industry reached unusually high levels (+110,600) in 2022, accounting for 20 per cent of total employment growth in 2022. The primary reason for this was the unprecedented pent-up demand coming out from the COVID-19 recession.

Since then, Retail Trade employment has dropped back to levels before the removal of COVID-19 restrictions. From the start of this year through to June 2023, Retail Trade industry jobs averaged 93,200, nearly 19 per cent lower than around the same time last year. A key factor in the job losses is that the Retail Trade industry has been affected by the successive interest rate hikes implemented by the Bank of Canada, which has shown early signs of slowing down business and consumer activity.

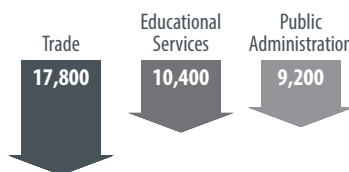
Most Job Gains by Industry

July 2023, year-over-year change



Most Job Losses by Industry

July 2023, year-over-year change



Employment Insurance

Calgary Census Metropolitan Area



For the goods sector, employment rose by 31,500 positions y-o-y, with significant improvements in Construction (+14,700) and Manufacturing (+15,400).

The local labour market eases slightly as job vacancies fall for the first time since Q4 2020.

On a seasonally adjusted basis, the number of job vacancies within the CER fell for the first time after rising for eight consecutive quarters. The number of job vacancies decreased by 1,485 (-4.2 per cent) in the first quarter, dropping to 35,470. The job vacancy rate, which measures the number of job openings relative to labour demand, fell by 0.2 percentage points to 4.3 per cent in the first quarter of 2023.

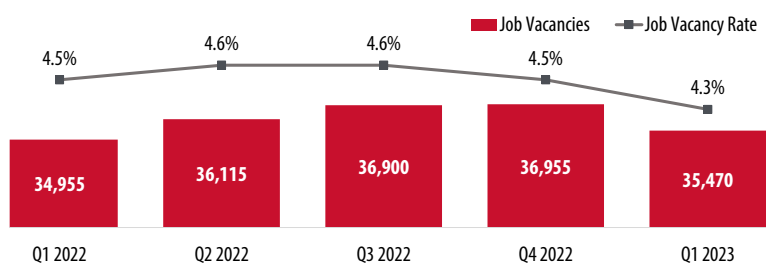
This marks an important sign of the CER labour market easing. In contrast, the rest of the province and Canada saw job vacancies begin to fall earlier (since the second quarter of 2022). A significant contributing factor to the fall in vacancies has been the uptick in employment and the corresponding fall in job openings in the Healthcare and Social Assistance as well as Public Administration industries.

Record-high labour supply growth in Agriculture and Real Estate has contributed to lower wages in both industries.

Average hourly wages in the Calgary Census Metropolitan Area (CMA) increased 0.6 per cent y-o-y to \$35.7 in July 2023. Canada outpaced the Calgary CMA in wage growth, recording a 5.0 per cent increase in average hourly wages y-o-y.

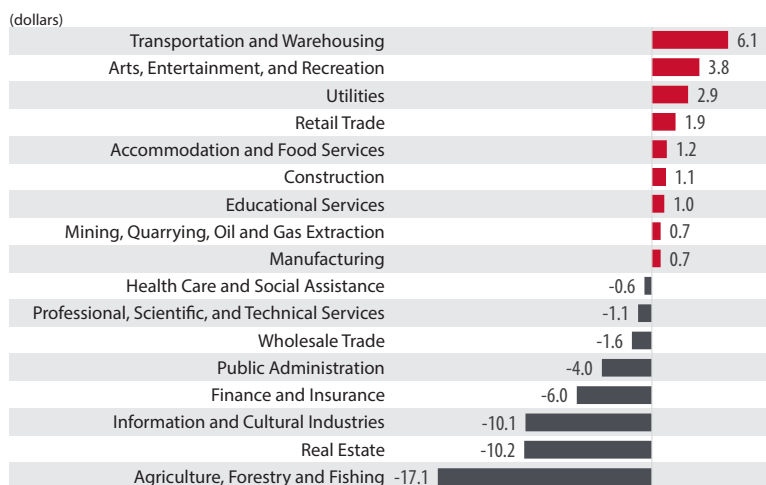
The Transportation and Warehousing (19.3 per cent y-o-y) and Arts, Entertainment, and Recreation (17.2 per cent y-o-y) industries recorded the most significant growth in wages, as labour supply (measured by the labour force count) fell in both industries. On the other hand, labour supply grew substantially in the Agriculture (52.5 per cent y-o-y) and Real Estate industries contributing to the fall in wages in both industries in July 2023 (refer to Chart 2).

Chart 1: CER: Job Vacancies and Job Vacancy Rate (Q1 2022 - Q1 2023)



Sources: Statistics Canada, Corporate Economics.

Chart 2: Calgary CMA: Year-over-year Average Hourly Wage Change (July 2023)



Sources: Statistics Canada, Corporate Economics.

Table 1. Labour Force Statistics
(Seasonally unadjusted 3-month-moving-average)

CALGARY ECONOMIC REGION	Description	Jul-23	Jun-23	Jul-22	Annual Change
	Working Age Population ('000)	1,441.4	1,434.9	1,383.6	57.8
Labour Force ('000)	1,040.8	1,025.3	1,008.2	32.6	
Labour Force Participation Rate (%)	72.2	71.5	72.9	(0.7)	
Employment ('000)	977.5	966.0	957.1	20.4	
Employment Rate (%)	67.8	67.3	69.2	(1.4)	
Unemployment ('000)	63.2	59.3	51.1	12.1	
Unemployment Rate (%)	6.1	5.8	5.1	1.0	

ALBERTA	Description	Jul-23	Jun-23	Jul-22	Annual Change
	Working Age Population ('000)	3,748.3	3,732.5	3,609.1	139.2
Labour Force ('000)	2,644.0	2,616.7	2,549.0	95.0	
Labour Force Participation Rate (%)	70.5	70.1	70.6	(0.1)	
Employment ('000)	2,491.1	2,465.9	2,416.5	74.6	
Employment Rate (%)	66.5	66.1	67.0	(0.5)	
Unemployment ('000)	152.9	150.7	132.5	20.4	
Unemployment Rate (%)	5.8	5.8	5.2	0.6	

Sources: Statistics Canada, Corporate Economics, August 4, 2023

Table 2. Calgary CMA Wage by Industry

Industry	Total employees*** ('000 people)			Average weekly earning (\$)			Total weekly wage bill (\$million)			Total hours worked (hours)		
	Jul-23	Jul-22	Change (y/y)	Jul-23	Jul-22	Change (y/y)	Jul-23	Jul-22	Change (y/y)	Jul-23	Jul-22	Change (y/y)
Mining, quarrying, and oil and gas extraction	38.4	35.9	2.5	2,410.2	2,443.3	(33.1)	92.6	87.7	4.8	41.9	42.1	(0.2)
Utilities	5.3	11.0	(5.7)	1,998.8	1,816.7	182.1	10.6	20.0	(9.4)	41.0	39.7	1.4
Construction	78.6	68.1	10.5	1,525.4	1,459.3	66.1	119.9	99.4	20.5	42.3	41.7	0.6
Manufacturing	41.6	29.9	11.7	1,379.2	1,353.0	26.2	57.4	40.5	16.9	38.9	38.9	(0.0)
Wholesale Trade	21.8	27.5	(5.7)	1,448.8	1,484.1	(35.3)	31.6	40.8	(9.2)	40.1	39.4	0.8
Retail Trade	81.5	104.8	(23.3)	874.5	834.7	39.8	71.3	87.5	(16.2)	34.4	35.5	(1.1)
Transportation and Warehousing	53.9	54.9	(1.0)	1,361.8	1,241.9	119.9	73.4	68.2	5.2	36.3	39.6	(3.2)
Information and Cultural Industries	16.5	17.0	(0.5)	1,232.5	1,643.5	(411.0)	20.3	27.9	(7.6)	37.2	38.0	(0.8)
Finance and Insurance	34.8	29.2	5.6	1,648.0	1,985.9	(337.9)	57.4	58.0	(0.6)	37.8	40.0	(2.2)
Real Estate Rental and Leasing	14.5	14.1	0.4	1,341.4	1,711.8	(370.4)	19.5	24.1	(4.7)	39.0	39.9	(0.9)
Professional Scientific and Technical Services	99.7	91.0	8.7	1,741.5	1,737.3	4.2	173.6	158.1	15.5	39.1	38.1	1.0
Administrative and Support	27.9	17.1	10.8	1,013.6	1,070.2	(56.6)	28.3	18.3	10.0	37.3	37.0	0.2
Educational Services	49.3	59.6	(10.3)	1,392.2	1,294.6	97.6	68.6	77.2	(8.5)	36.4	34.8	1.6
Health Care and Social Assistance	95.9	80.4	15.5	1,100.5	1,160.5	(60.0)	105.5	93.3	12.2	33.9	35.1	(1.2)
Arts Entertainment and Recreation	17.7	24.7	(7.0)	805.5	645.8	159.7	14.3	16.0	(1.7)	31.1	29.2	1.9
Accommodation and Food Services	45.7	44.4	1.3	599.9	594.2	5.7	27.4	26.4	1.0	30.5	32.1	(1.7)
Other Services (except Public Admin)	26.5	18.8	7.7	1,230.0	957.6	272.4	32.6	18.0	14.6	36.8	36.5	0.3
Public Administration	30.7	39.8	(9.1)	1,624.1	1,725.0	(100.9)	49.9	68.7	(18.8)	38.6	37.4	1.2
All Industries	785.9	770.9	15.0	1,346.4	1,341.0	5.4	1,058.1	1,033.8	24.4	37.7	37.8	(0.1)

*** Excluding self-employed Note: lack of data for Agriculture
Sources: Statistics Canada, Corporate Economics, August 4, 2023

Next update: September 8, 2023

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Footnote:
1 All statistics referenced are seasonally unadjusted unless stated otherwise.