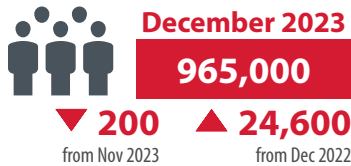


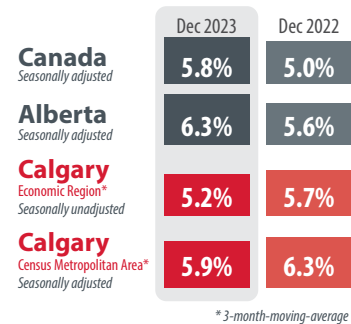
Highlights:

Total Employment

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

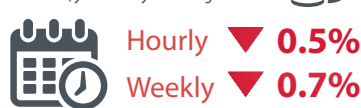


Unemployment Rates



Average Wage Rate

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



The Calgary Economic Region (CER) added significantly fewer jobs in 2023 compared to 2022.

The CER added 23,800 jobs in 2023, significantly less than the 63,800 jobs added in 2022. The slowdown in employment growth for 2023 was primarily due to the slowdown in the service-producing sector. After adding approximately 74,000 jobs in 2022, the service-producing sector added just 9,600 in 2023. Chart 1 shows the jobs added in 2023 were primarily full-time (22,500) and concentrated within the goods-producing sector (14,100). Employment growth for the CER in 2023 (2.5 per cent) lagged behind overall employment growth at the provincial level (3.6 per cent).

Calgary has the second-highest unemployment rate among major cities in Canada.

The CER unemployment rate for 2023 was 6.0 per cent, largely unchanged from 2022. Chart 2 compares unemployment rates in 2023 across major Canadian Census Metropolitan Areas (CMA). Calgary CMA had the second-highest unemployment rate (6.1 per cent) among major Canadian cities, behind Toronto (6.3 per cent). One significant driver of this trend was the Calgary's relatively high participation rates. Labour force participation in the Calgary CMA (71.1 per cent) has also been the highest across major cities in Canada, a sign that the CER has a more significant proportion of its active working population seeking employment, translating into higher unemployment rates as a result.

Retail Trade suffered the most significant job losses in 2023.

The services industry has slowed down considerably after adding 74,200 jobs in 2022 due to the reopening of the economy and the rise in demand. Employment in service-producing industries only rose by 9,600 in 2023. The slowdown in the service-producing sector can be traced to job losses in Retail Trade, as the falling supply of retail workers led to a decline in employment and elevated job vacancies within the retail trade industry.

On the other hand, after suffering declines in 2022, the goods-producing sector rebounded. The goods-producing sector grew by 14,100 in 2023, primarily due to job gains in Manufacturing (9,600) and Construction (5,000).

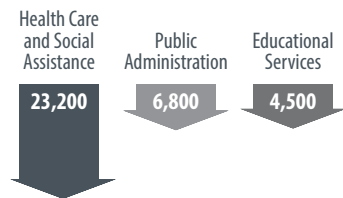
Most Job Gains by Industry

Dec 2023, year-over-year change



Most Job Losses by Industry

Dec 2023, year-over-year change



Employment Insurance

Calgary Census Metropolitan Area



Youth participation and employment rates are on the decline.

Chart 3 shows the 10-year trend in employment by age within the CER. The number of employed persons aged 15-24 (youth) in the CER fell in 2023 after two consecutive years of increase since the pandemic. Youth employment declined by approximately 2.5 per cent in 2023, reflecting lower labour force participation among the youth. Despite some improvements, youth employment is yet to return to pre-pandemic levels. In contrast, the number of employed persons within the 25-54 age group and 55+ age group grew by 2.9 and 4.1 per cent, respectively.

Real wages in the Calgary Metro Area fell in 2023 relative to 2022, as Calgary recorded the slowest nominal wage growth across Canadian cities¹.

Wages fell throughout the first half of 2023. However, this trend began to reverse in the year's second half. Overall, Calgary CMA average hourly wages rose from \$35.9 in 2022 to \$36.5 in 2023, marking a 1.8 per cent growth rate. Inflation in 2023 has fallen significantly compared to 2022, as the pullback in energy prices, monetary tightening actions by the Bank of Canada (BoC), supply chain improvements, and a slowdown in construction costs continue to slow down price increases.

Despite these improvements, inflation remains above the 2-3 per cent BoC target. Inflation is still outpacing nominal wage growth, and Calgary recorded the slowest wage growth among major cities in Canada in 2023. As a result, the inflation-adjusted average hourly wage² for the Calgary CMA declined from approximately \$22.4 in 2022 to approximately \$22.0 in 2023 y-o-y, marking a 2 per cent decline.

There are signs of labour market pressure easing across the province in 2023.

Aside from the slowdown in hiring and the rise in unemployment, there are additional signs that Calgary's labour market is starting to ease. Job vacancy rates-which measure the number of job openings as a ratio to total labour demand- within the CER have fallen to their lowest levels since the second quarter of 2021. The CER's seasonally adjusted job vacancy rate fell for the fifth consecutive quarter in Q3 2023 (3.5 per cent). The job vacancy rate for the CER fell by 0.5 percentage points m-o-m to 3.7 per cent in Q2 2023, marking the most significant m-o-m drop since the pandemic.

The fall in the job vacancy rate can largely be attributed to the fall in job vacancies as job openings are starting to get filled. After a record-high job vacancies in Q3 2022 (37,000), CER job vacancies stood at 29,500 in Q3 2023, marking a 7,500 drop.

The fall in job vacancies, combined with the slowdown in hiring and weak nominal wage growth, points towards the labour market pressure easing as demand slows down. The higher-than-anticipated population growth across Alberta in 2023 is expected to contribute to bringing down CER job vacancies in the near future.

Hiring challenges still exist in Construction and Retail Trade across the province.

Chart 9 shows the breakdown of job vacancies by industry. Accommodation and Food Services, Construction and Retail Trade account for over 40 per cent of job vacancies across Alberta. Despite the fall in overall job vacancies, the job vacancy count for these three industries has risen this year.

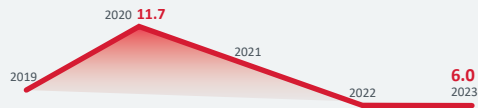
For example, the construction industry faces hiring challenges as builders struggle to find workers to keep up with housing and development demands. The combination of record-high interprovincial migration due to Alberta's relative affordability and the federal government's immigration program has raised rental demand, offsetting the slowdown in housing demand due to higher mortgage costs. The need to generate enough housing supply is expected to increase the demand for construction workers.

The City of Calgary's recently approved housing strategy highlights steps being considered to improve housing supply. The need to generate enough housing supply is expected to keep the demand for construction workers elevated and requires extra effort to attract construction workers. Early in 2023, the Alberta government announced it was amending the Alberta Advantage Immigration Program, focusing on nominating workers in high-demand sectors with close relatives already in the province. This is expected to ease hiring challenges existing within the Construction, Retail Trade and Accommodation and Food Services industries.

¹ Real wage calculations are based on January-November data, as the CPI numbers for December are yet to be released.

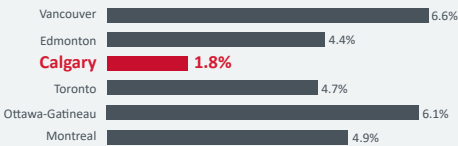
² Nominal average hourly wages are divided by monthly CPI and multiplied by 100 to adjust for inflation.

5-year Annual Unemployment Rate Trend (CER)



2023 Annual Hourly Wage Growth (CMA)

Calgary had the slowest wage growth among major cities in 2023



Involuntary part time employment (Alberta)



Not in the labour force but wanted to work (Alberta)

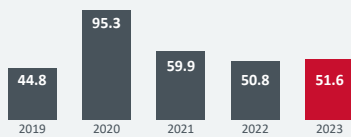


Chart 1: The CER added fewer jobs in 2023 compared to 2022
CER Annual Changes (000's) in Labour Force Indicators-2022 vs 2023

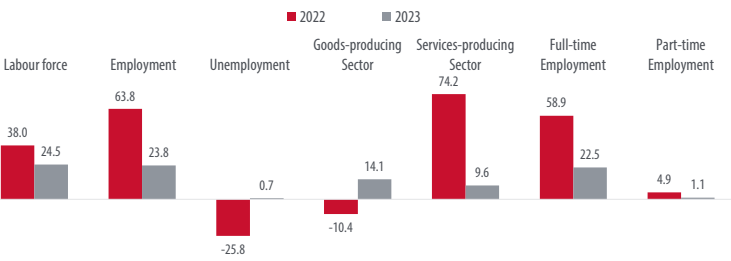


Chart 2: Calgary has the second-highest unemployment rate among major cities in Canada.

Unemployment Rate (per cent) Comparison between Major CMA's in Canada in 2023

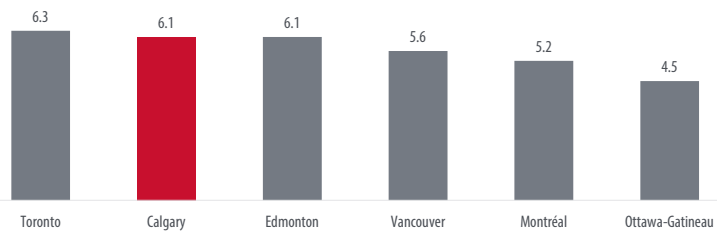


Chart 3: Calgary CMA has a higher labour force participation rate (per cent) compared to the rest of Canada

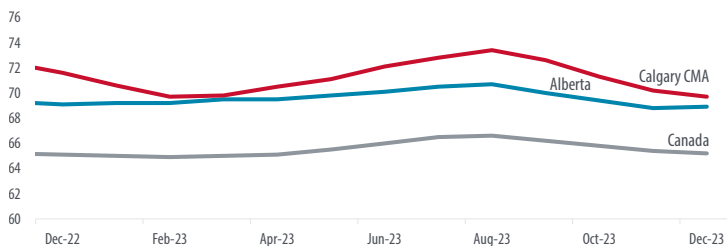


Chart 4: Retail Trade suffered the biggest job losses in 2023
Annual Changes in CER (000's) Employment by Industry (2023)

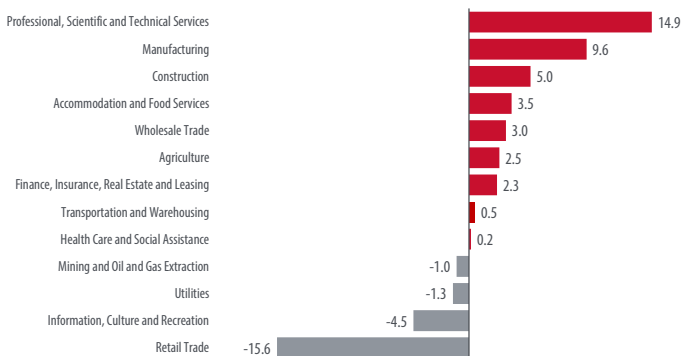


Chart 5: Employment among youth still remains low
CER Employment by Age Indexed to 2013

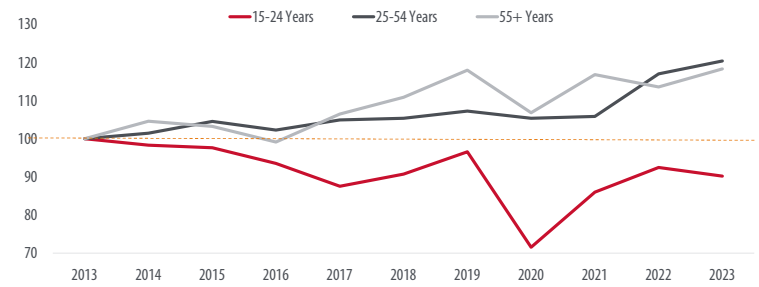


Chart 6: Calgary CMA wages grew in the end the second half of 2023
Average Hourly Wages and Year-over-year Growth

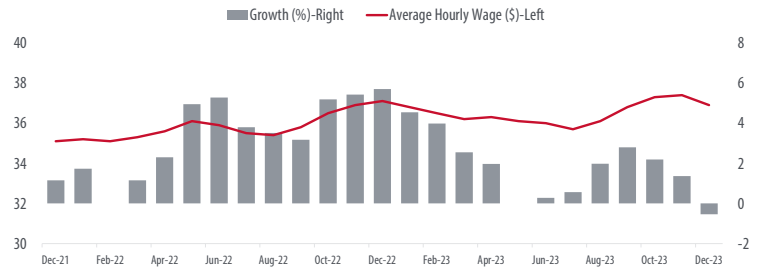


Chart 7: Real wages in the Calgary CMA have been on the decline since the pandemic

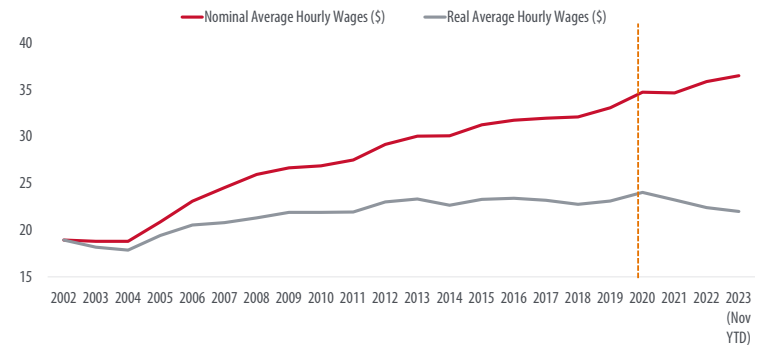


Chart 8: Job vacancies in Calgary fell through the first three quarters of 2023

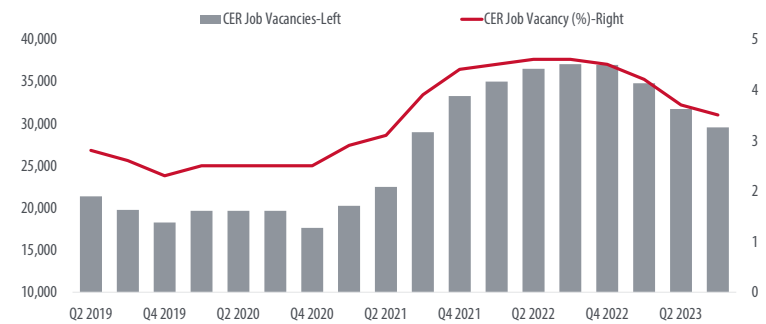


Chart 9: Hiring challenges still exist within the construction and retail trade industries
Alberta Job Vacancies by Industry Q3 2023

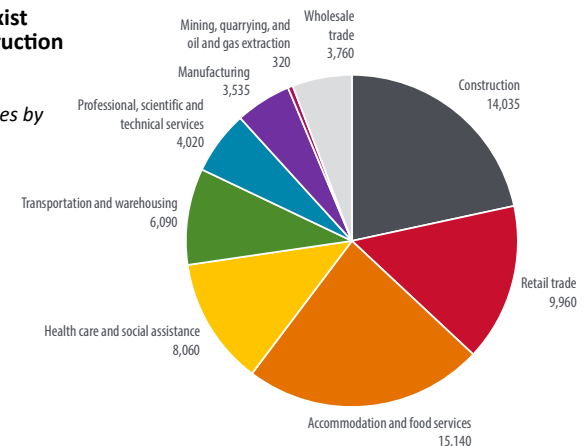


Table 1. Labour Force Statistics
(Seasonally unadjusted 3-month-moving-average)

CALGARY ECONOMIC REGION	Description	Dec-23	Nov-23	Dec-22	Annual Change
	Working Age Population ('000)	1,471.7	1,466.2	1,403.5	68.2
Labour Force ('000)	1,018.2	1,019.8	997.0	21.2	
Labour Force Participation Rate (%)	69.2	69.6	71.0	(1.8)	
Employment ('000)	965.0	965.2	940.4	24.6	
Employment Rate (%)	65.6	65.8	67.0	(1.4)	
Unemployment ('000)	53.2	54.6	56.6	(3.4)	
Unemployment Rate (%)	5.2	5.4	5.7	(0.5)	

ALBERTA	Description	Dec-23	Nov-23	Dec-22	Annual Change
	Working Age Population ('000)	3,821.3	3,808.2	3,657.4	163.9
Labour Force ('000)	2,632.4	2,620.4	2,527.8	104.6	
Labour Force Participation Rate (%)	68.9	68.8	69.1	(0.2)	
Employment ('000)	2,485.7	2,480.3	2,396.9	88.8	
Employment Rate (%)	65.0	65.1	65.5	(0.5)	
Unemployment ('000)	146.8	140.1	130.9	15.9	
Unemployment Rate (%)	5.6	5.3	5.2	0.4	

Sources: Statistics Canada, Corporate Economics, January 5, 2024

Table 2. Calgary CMA Wage by Industry

Industry	Total employees*** ('000 people)			Average weekly earning (\$)			Total weekly wage bill (\$million)			Total hours worked (hours)		
	Dec-23	Dec-22	Change (y/y)	Dec-23	Dec-22	Change (y/y)	Dec-23	Dec-22	Change (y/y)	Dec-23	Dec-22	Change (y/y)
Mining, Quarrying, and Oil and Gas Extraction	42.5	41.3	1.2	2,203.9	2,449.6	(245.7)	93.7	101.2	(7.5)	42.9	41.5	1.4
Utilities	9.5	7.8	1.7	2,144.5	2,411.1	(266.6)	20.4	18.8	1.6	39.1	38.7	0.4
Construction	57.3	58.0	(0.7)	1,663.6	1,583.8	79.8	95.3	91.9	3.5	41.2	40.2	1.0
Manufacturing	42.0	28.1	13.9	1,355.4	1,439.6	(84.2)	56.9	40.5	16.5	40.3	38.9	1.4
Wholesale Trade	28.1	27.8	0.3	1,805.5	1,693.2	112.3	50.7	47.1	3.7	41.7	39.1	2.6
Retail Trade	90.4	94.7	(4.3)	745.4	807.4	(62.0)	67.4	76.5	(9.1)	32.4	33.8	(1.4)
Transportation and Warehousing	58.2	56.1	2.1	1,380.0	1,419.9	(39.9)	80.3	79.7	0.7	38.9	41.2	(2.3)
Information and Cultural Industries	12.6	11.7	0.9	952.6	2,195.7	(1,243.1)	12.0	25.7	(13.7)	30.4	38.9	(8.5)
Finance and Insurance	32.6	34.5	(1.9)	2,157.6	1,670.1	487.5	70.3	57.6	12.7	38.8	37.9	0.9
Real Estate Rental and Leasing	10.4	15.0	(4.6)	1,434.2	1,346.9	87.3	14.9	20.2	(5.3)	40.2	38.8	1.4
Professional Scientific and Technical Services	100.3	81.3	19.0	1,973.7	1,875.3	98.4	198.0	152.5	45.5	39.5	38.0	1.4
Administrative and Support	27.7	19.0	8.7	950.3	930.5	19.8	26.3	17.7	8.6	35.9	35.9	(0.1)
Educational Services	57.6	59.2	(1.6)	1,253.7	1,355.5	(101.8)	72.2	80.2	(8.0)	34.0	35.7	(1.7)
Health Care and Social Assistance	90.8	110.1	(19.3)	1,147.6	1,219.8	(72.2)	104.2	134.3	(30.1)	34.4	35.3	(0.9)
Arts Entertainment and Recreation	20.7	13.7	7.0	721.3	749.4	(28.1)	14.9	10.3	4.7	25.5	33.2	(7.7)
Accommodation and Food Services	51.9	43.4	8.5	639.5	502.8	136.7	33.2	21.8	11.4	30.9	27.6	3.3
Other Services (except Public Admin)	27.8	23.1	4.7	994.4	1,027.2	(32.8)	27.6	23.7	3.9	36.4	37.5	(1.1)
Public Administration	24.1	30.1	(6.0)	1,895.7	1,744.1	151.6	45.7	52.5	(6.8)	37.2	38.0	(0.8)
All Industries	786.8	758.5	28.3	1,382.5	1,391.8	(9.3)	1,087.8	1,055.7	32.1	37.5	37.5	(0.0)

*** Excluding self-employed Note: lack of data for Agriculture
Sources: Statistics Canada, Corporate Economics, January 5, 2024

Next update: February 9, 2024

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