

Unexpectedly strong job gains surprised the market

Real gross domestic product stopped declining in June and July, indicating the recession ended in Canada in the second half of 2009. This was supported by the job gains in September, a strong performance unexpected by the market. The seasonally adjusted data in September, compared to a month ago showed the following:

- Total employment changed little (+400) in the Calgary Economic Region (CER) and increased by 3,000 in Alberta, and 30,600 in Canada.
- In Canada, the number of full-time jobs jumped (+91,600) while part-time jobs fell (-61,000). Unemployment rate unexpectedly fell by 0.3 per cent, the first time since the downturn, partially due to a decline in the labour force (-24,500).
- Total job gains in Alberta ranked the third in Canada with more full-time job gains (+14,700) than part-time losses (-11,700).

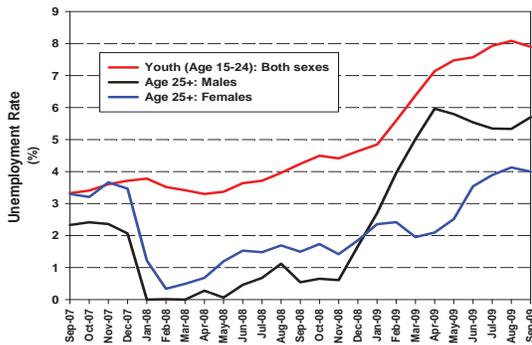
Affected by work experience and industries, unemployment rates are higher in the youth (age 15-24) and male (age 25+) cohorts. Compared to a year ago in September 2009 in the CER:

- Average unemployment rate increased to 6.9 per cent in September 2009 from 3.8 per cent a year ago, due to the combination of growth in the labour force and decline in total jobs. Today's unemployment rate was higher than those in the 2001 recession, but still lower than the numbers in late 1980s and early 1990s recessions.

- Compared by demographics, unemployment rates are higher in the youth (age 15-24) and male groups. Obviously reminded by skilled worker shortages not a long time ago, employers in this downturn cut costs by letting go inexperienced workers, most of them youth. Males at the age twenty-five and plus age cohort, who could easily find jobs whenever they wanted during the recent boom, have recently experienced more job losses than their women counter-part because more of them worked in the mining and construction industries. (see Chart1)
- Total employment dropped by 12,900 positions, with 21,800 cuts in full-time jobs and 8,900 gains in part-time jobs. Meanwhile, labour force continued to increase by 1.5 per cent, from 801,100 persons a year ago to 813,300 persons in this September. As a result, the total number of unemployed people (55,900) continued to climb to the highest level since 1987.
- In July, there were 21,240 Calgarians receiving regular employment insurance benefits, a 320 per cent increase over a year ago. Although the year-over-year growth in EI beneficiaries slowed down, the explanation is closer to more people exhausting their EI benefits than there being new jobs created in current market. (see Chart 2)
- Average wage inflation was 5.3 per cent, including 10.4 per cent increase in part-time jobs and 4.9 per cent increase in full-time jobs.

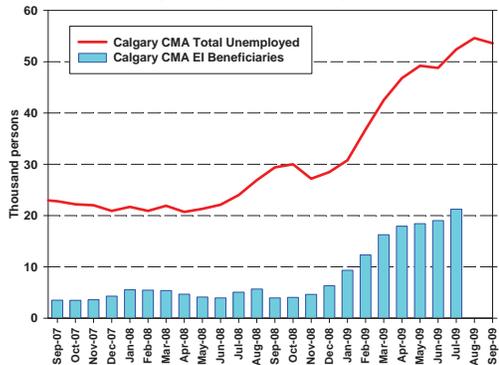
Next update: November 6, 2009

Chart1. Calgary (CER) Unemployment Rate by Demographics (Seasonally adjusted, 3 month moving average)



Source: Statistics Canada, Corporate Economics, October 2009

Chart 2. Calgary CMA Total Unemployed vs. EI Beneficiaries (Unadjusted by seasonalities, by thousands)



Source: Statistics Canada, Corporate Economics, October 2009

Labour Force Statistics

Economic Regions (Unadjusted 3-Month-Moving-Average)

Region	Description	Sep-09	Aug-09	Sep-08	Annual Change
Calgary	Working Age Population ('000)	1,054.9	1,052.4	1,024.4	30.4
	Labour Force ('000)	813.3	817.7	801.1	12.2
	Labour Force Participation Rate (%)	77.1	77.7	78.2	(1.1)
	Employment ('000)	757.4	760.6	770.3	(12.9)
	Employment Rate (%)	71.8	72.3	75.2	(3.4)
	Unemployment ('000)	55.9	57.1	30.8	25.1
Unemployment Rate (%)		6.9	7.0	3.8	3.1
Edmonton	Working Age Population ('000)	943.9	941.2	919.5	24.4
	Labour Force ('000)	692.8	699.3	669.4	23.4
	Labour Force Participation Rate (%)	73.4	74.3	72.8	0.6
	Employment ('000)	639.4	646.2	644.6	(5.2)
	Employment Rate (%)	67.8	68.6	70.1	(2.3)
	Unemployment ('000)	53.4	53.0	24.9	28.5
Unemployment Rate (%)		7.7	7.6	3.7	4.0
Alberta	Working Age Population ('000)	2,875.8	2,870.4	2,804.1	71.7
	Labour Force ('000)	2,151.1	2,164.3	2,111.5	39.6
	Labour Force Participation Rate (%)	74.8	75.4	75.3	(0.5)
	Employment ('000)	1,996.2	2,010.6	2,030.7	(34.5)
	Employment Rate (%)	69.4	70.1	72.4	(3.0)
	Unemployment ('000)	154.9	153.8	80.8	74.1
Unemployment Rate (%)		7.2	7.1	3.8	3.4

Statistics Canada: CANSIM, Table ID: 282-0054

Source: Corporate Economics, Statistics Canada, October 2009

Calgary's Monthly Market Review: September 2009

Who We Are

Over the past ten years Corporate Economics has researched dozens of economic topics and developed reliable methods of forecasting and analysis. Monitoring economic trends allows us to develop unique insights on how external events are impacting the local economy and the Municipal Corporation. We provide services in four areas: forecasting, information provision, consulting and policy analysis.

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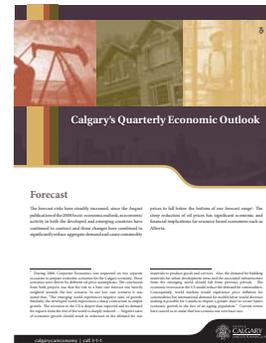
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Source: Statistics Canada

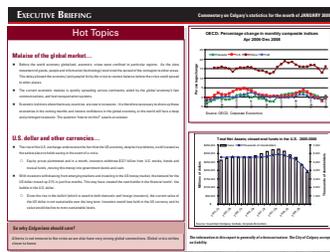
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