

Labour Market Review

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August 15, 2014

Key Highlight

Today's publication of the revised seasonally unadjusted 3 month moving average data from Statistics Canada's July 2014 Labour Force Survey for the Calgary Economic Region (CER) showed that:

- Employment increased by 10,800 people from June 2014. This is an upward revision. A 4,200 decrease in part-time positions was more than offset by a 15,000 increase in full-time positions.
- The unemployment rate declined to 5.2 per cent from 5.4 per cent last month.

Other Highlights from this month's review

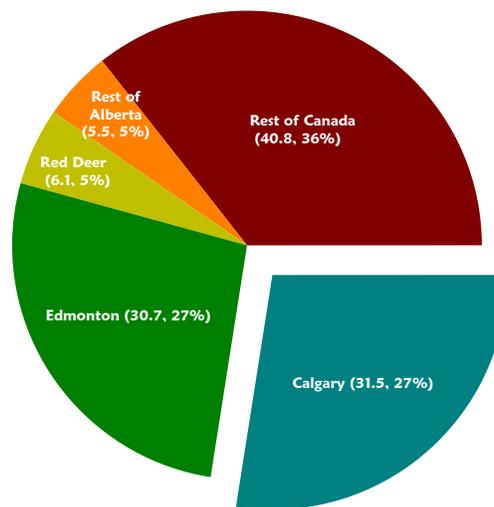
Over the last 12 months, the Alberta labour market has outperformed the rest of Canada in numerous ways relying in large part on the Calgary-Edmonton corridor:

Job seekers with high school education or lower have had better job search success in Alberta with markedly lower unemployment rates. The July 2014 CER unemployment rate was estimated at 5.2 per cent, down from 5.4 per cent in June 2014 but the same as the 5.2 per cent unemployment rate recorded in July 2013. In the last 12 months, the CER unemployment rate has consistently outperformed the Canadian unemployment rate which stood at 7.1 per cent in July 2013 and remained the same in July 2014. CER unemployment has however underperformed relative to the Alberta average unemployment rate, which increased to 4.8 per cent in July 2014 from 4.7 per cent in July 2013. Post-secondary educational attainment has been a more important driver of job search success in the rest of Canada than it has been in Alberta. The Alberta and Canadian unemployment rates line up closely for those with post secondary education but a divergence emerges for those with lower educational attainment (Chart 1). This has encouraged higher labour force participation rates in Alberta for those with high school education or lower – 64.8 per cent of those in the working age population with this level of educational attainment participate in the labour market. This compares with 53.7 per cent for the rest of Canada.

Job creation by firms and employers along the Calgary-Edmonton corridor is responsible for 60 per cent of Canada-wide job growth.

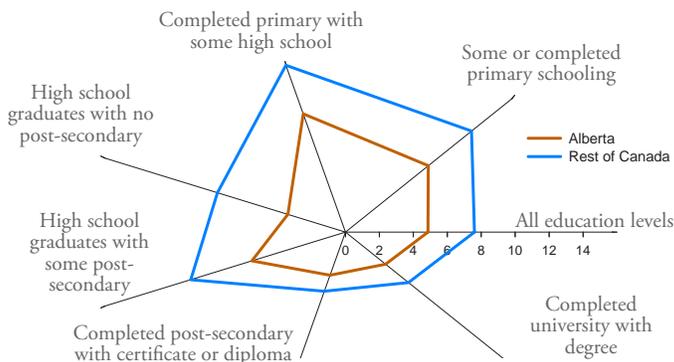
Total employment in the CER was estimated at 868,000 in July 2014 up from 857,200 in June 2014 and 836,500 in July 2013. This fast paced annual job growth (3.8 per cent) has been eclipsed by even faster annual growth of the working age population (4.0 per cent). The working age population was estimated at 1,224,600 in July 2014, up from 1,219,900 in June 2014 and 1,177,700 in July 2013. Consequently, the employment rate has fallen from 71.0 per cent in July 2013 to 70.9 per cent in July 2014. The only jurisdiction to compete with the 31,500 jobs added to the CER economy is the Edmonton Economic Region which added 30,700 jobs. These two regions along with the Red Deer Economic Region make up the Calgary-Edmonton corridor which added 68,300 jobs in the last 12 months. This represents 60 per cent of total Canadian job growth in the last 12 months (Chart 2). At the same time, the rest of Alberta gained 5,500 jobs, while Canada excluding Alberta added 40,800 jobs. Canadian job growth over the last year is thus concentrated in the Calgary-Edmonton corridor, with less than 9 per cent of the population, providing a signal to residents of other Canadian jurisdictions with a more challenging labour market to consider migrating to this part of Alberta.

Chart 2. Increase in employed persons over the last 12 months (thousands of persons, per cent)



Sources: Statistics Canada, Corporate Economics, August 2014

Chart 1. Unemployment Rates by Educational Attainment (CER July 2014, per cent)



Sources: Statistics Canada, Corporate Economics, August 2014

Higher rates of economically motivated inter-provincial immigration, a slower pace of population aging and lower levels of discouraged job searchers contribute to stronger Alberta labour force participation rates. The CER labour force was estimated at 915,400 in July 2014. This is an increase of 33,300 persons compared with the estimate of 882,100 in July 2013. There are regional differences in the relative size of the labour force in Canada. While 3 out of every 4 persons in the Calgary and Alberta working age population are in the job market, only 2 out of every

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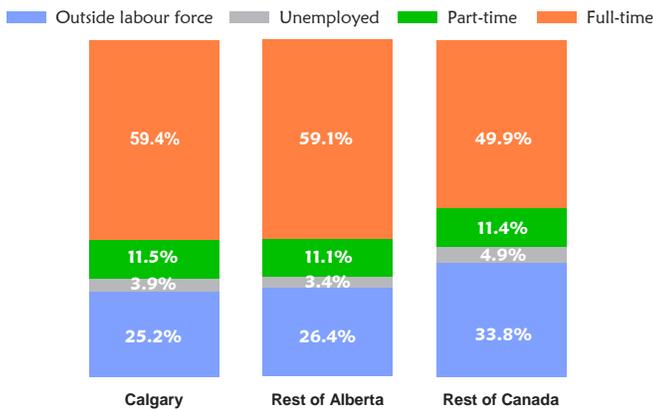
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3 persons in the rest of Canada are in the job market (Chart 3). The sustained growth of the CER labour force is consistent with: (a) elevated levels of positive net migration identified in the results of the 2014 municipal civic census released last month; (b) big cities like Calgary and Edmonton aging more slowly than the rest of Canada; and (c) a higher incidence of discouraged job seekers in the rest of Canada compared with Alberta. The CER has a higher share of the population in part-time positions compared with the rest of Alberta and Canada. This is a very recent phenomenon – 12 months ago only 10.6 per cent of the CER working age population were part-time employees. Part-time employment has grown 12.3 per cent from 125,300 in July 2013 to 140,700 in July 2014 accounting for most of the job growth in the CER. Full-time employment was estimated at 711,200 in July 2013 compared with 727,700 in July 2014 representing growth of 2.3 per cent.

Chart 3. Share of Working Age Population with various Labour Market Outcomes
(per cent)

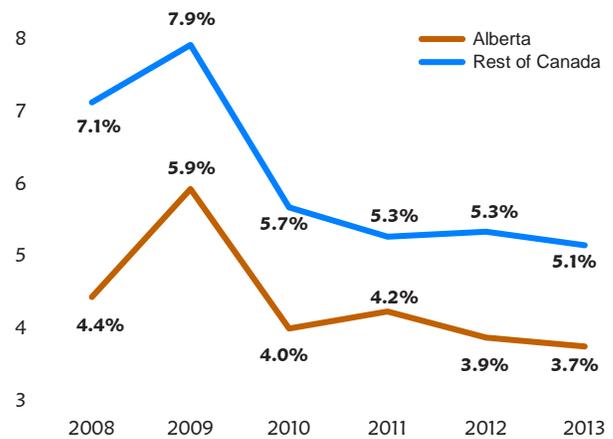


Sources: Statistics Canada, Corporate Economics, August 2014

Alberta firms have fewer temporary layoffs and have recently demonstrated a preference for part-time employment. The number of unemployed persons in the CER has increased from 45,600 in July 2013 to 47,500 in July 2014 because of rapid population growth. Temporary layoffs arising from slack in the local economy is playing less of a role in the size of the unemployed pool. Temporarily laid off workers as a share of the CER unemployed has fallen from 5.9 per cent during the recession in 2009 to 3.7 per cent in 2013. For the rest of Canada, this share declined from 7.9 per cent to 5.1 per cent (Chart 4). This suggests improved business confidence throughout Canada but more so in Alberta. Voluntary part-time employment is higher in Alberta than the rest of Canada. The July 2014 labour force survey indicates that 76.6 per cent of Alberta part-time employees are voluntary compared with 66.1 per cent for the rest of Canada. Alberta employers have responded to the availability and affordability of part-time hires over the last 12 months. The 12 month moving average weekly wage rate for full-time employees in Calgary CMA has increased 1.3 per cent from \$1,215.61 in July 2013 to \$1,231.93 in July

2014. In contrast, the 12 month moving average weekly wage rate for part-time employees fell by 2.5 per cent from \$363.45 in July 2013 to \$354.36 in July 2014. CER employers benefit from cheaper part-time labour costs.

Chart 4. Temporary Layoffs as a share of Total Unemployment
(per cent)



Sources: Statistics Canada, Corporate Economics, August 2014

Labour Force Statistics

(Seasonally unadjusted 3-month-moving-average)

	Description	Jul-14	Jun-14	Jul-13	Annual Change
Calgary	Working Age Population ('000)	1,224.6	1,219.9	1,177.7	46.9
	Labour Force ('000)	915.4	906.1	882.1	33.3
	Labour Force Participation Rate (%)	74.8	74.3	74.9	(0.1)
	Employment ('000)	868.0	857.2	836.5	31.5
	Employment Rate (%)	70.9	70.3	71.0	(0.1)
	Unemployment	47.5	49.0	45.6	1.9
Edmonton	Working Age Population ('000)	1,102.2	1,098.3	1,062.8	39.4
	Labour Force ('000)	822.9	815.4	785.9	37.0
	Labour Force Participation Rate (%)	74.7	74.2	73.9	0.8
	Employment ('000)	778.4	771.7	747.7	30.7
	Employment Rate (%)	70.6	70.3	70.4	0.2
	Unemployment	44.5	43.7	38.2	6.3
Calgary-Edmonton Corridor	Working Age Population ('000)	2,493.1	2,484.0	2,402.2	90.9
	Labour Force ('000)	1,866.2	1,847.6	1,793.2	73.0
	Labour Force Participation Rate (%)	74.9	74.4	74.6	0.2
	Employment ('000)	1,770.7	1,751.7	1,702.4	68.3
	Employment Rate (%)	71.0	70.5	70.9	0.2
	Unemployment ('000)	95.6	95.9	90.7	4.9
	Unemployment Rate (%)	5.1	5.2	5.1	0.1

Source: Statistics Canada, seasonally adjusted by Corporate Economics, August 2014

Next update: September 5, 2014