

# Labour Market Review

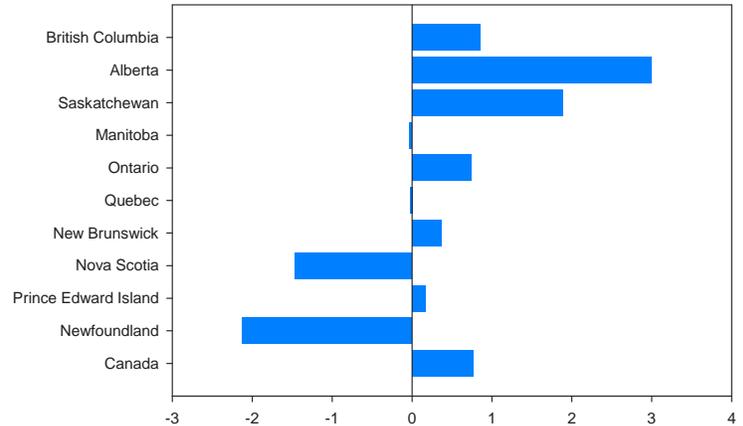
Jillian Kohut, Associate Economist | Estella Scruggs, Corporate Research Analyst

December 5, 2014

In November, employment in the Calgary Economic Region (CER) rose by 1,600 positions from October after three consecutive months of job losses. Employment was also up on an annual basis, rising by 14,200 from November 2013. This constitutes a growth rate of 1.7 per cent. The year-over-year increase was entirely due to gains in the services sector, which churned out 22,600 net jobs from the same time last year. Conversely, the goods producing industries acted as a drag on employment growth. Those industries have lost 8,500 jobs since November 2013. The construction and utilities industries were the primary laggards, with employment contracting by 7,300 and 5,200 positions, respectively. The mining and oil and gas extraction industry also registered a net employment loss, shedding 3,600 jobs. The manufacturing sector helped to offset some of these declines, contributing 6,700 new positions.

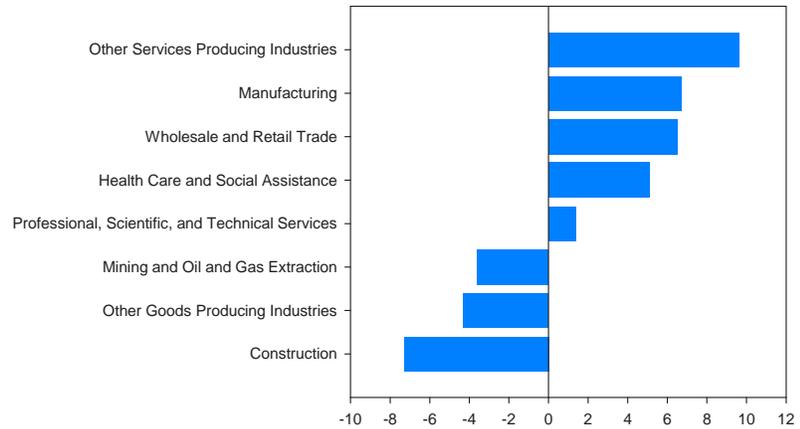
The working age population climbed to 1,237,600 persons in November, up by 43,200 from the same time last year. While population growth has been robust, there has been minimal pass-through into the labour market. The labour force grew by a comparatively small 10,600 persons. For every four new working age people in Calgary, only one entered the labour force. This is a fairly recent trend that has only been going on since September. Prior to that, the 12 month average pass-through into the labour force was 70 per cent.

**Chart 1: Employment by Province**  
(Year to date percent change)



Sources: Statistics Canada, Corporate Economics, December 2014

**Chart 2: Annual CER Change of Employment by Industry**  
(thousands of persons)



Sources: Statistics Canada, Corporate Economics, December 2014

## Calgary's Labour Market

### Unadjusted, three month moving average

*\*All variables are for the Calgary Economic Region unless otherwise specified*

Description	Level		Monthly Change			Annual Change	
	Nov-14	Nov-14	Oct-14	Sep-14	Aug-14	Level	%
Employment (000's)	860.6	1.6	-5.9	-2	-1.1	14.2	1.7
Working Age Population (000's)	1,237.6	2.3	2.8	3.5	4.4	43.2	3.6
Labour Force (000's)	896.4	-2.8	-7.7	-10	1.5	10.6	1.2
Alberta Employment (000's)	2,297.5	4.5	-6.1	-7.1	-2.6	56.5	2.5
Canada Employment (000's)	17,997.3	-45.7	-45.8	-68.4	32.2	171.5	1.0

Description	Levels				Average	
	Nov-14	Oct-14	Sep-14	Aug-14	YTD	2013
Unemployment Rate (%)	4.0	4.5	4.6	5.5	4.9	4.8
Participation Rate (%)	72.4	72.8	73.6	74.6	73.6	74.2
Average Hourly Wage Rate (\$)	29.7	29.6	29.3	29.2	29.1	28.9
Alberta Unemployment Rate (%)	4.1	4.6	4.9	5.1	4.7	4.6
Canada Unemployment Rate (%)	6.1	6.6	7.0	7.2	7.0	7.1

Sources: Statistics Canada, Corporate Economics, December 2014

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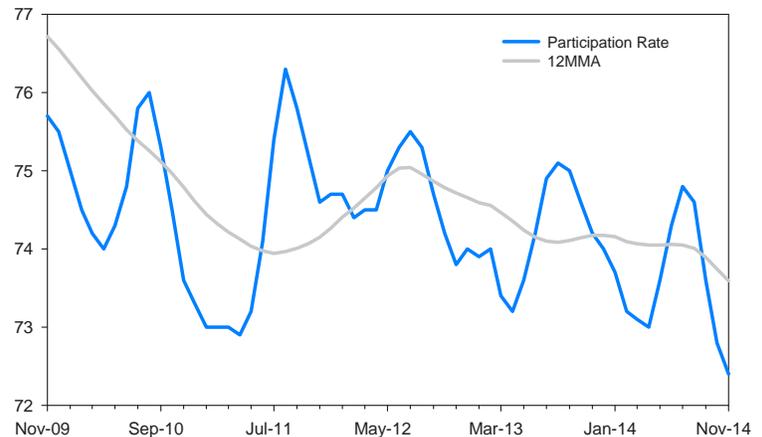
December 5, 2014

Calgary's unemployment rate fell by 0.5 percentage point in November to 4.0 per cent. This marked its lowest level since December 2008. However, the reason for the contraction wasn't entirely positive. The last time the unemployment rate was this low in Calgary, the participation rate sat at 74.5 per cent. As of November 2014, the participation rate stood 5.0 percentage points lower at just 69.5 per cent. Only about half of the participation rate change can be explained by the aging population and shifting demographics. Because the proportion of the working age population participating in the labour force has dropped so sharply, the resulting low unemployment rate conceals the fact that the job market has not returned to its pre-recession robustness.

Going forward it is likely that the unemployment rate will creep up as more workers join the labour force. While we do not expect any significant job losses in the coming year, recent energy market uncertainty suggests that the pace of hiring may decelerate. Even so, Calgary will continue to boast one of the most robust labour markets among major Canadian cities.

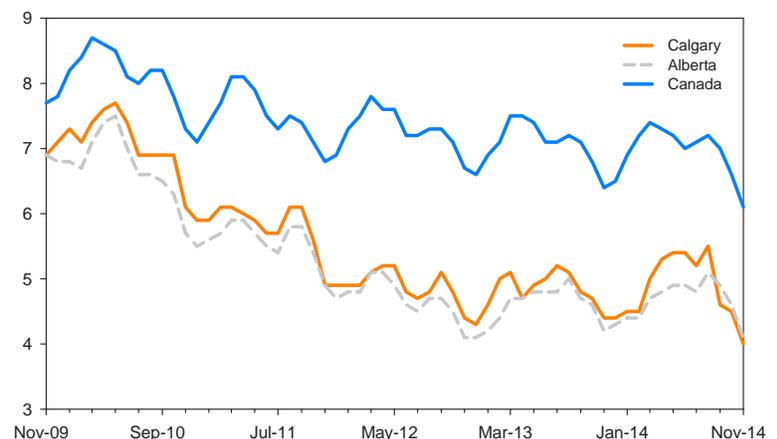
*Next update: January 9, 2015*

**Chart 3: CER Participation Rate**  
(November 2009 - November 2014, per cent)



Sources: Statistics Canada, Corporate Economics, December 2014

**Chart 4: Unemployment Rate**  
(November 2009 - November 2014, per cent)



Sources: Statistics Canada, Corporate Economics, December 2014

## 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.

### Corporate Research Analyst: Estella Scruggs

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