

Calgary needs to plan for aging work force

The labour markets across Canada weakened in January 2012, after the holiday seasons. The seasonally adjusted data for December 2011 to January 2012 showed the following:

- Total employment increased by 5,600 in the Calgary Economic Region (CER), 1,900 in Alberta and 2,300 in Canada.
- In Canada, the number of self-employed decreased (-37,000), while more people found jobs in the public (+19,600) or private (+19,700) sectors.
- In Alberta, job gains in full-time positions (+21,900) were mostly offset by losses in part-time (-19,900). The province's 4.9 per cent unemployment rate stayed the lowest, compared to the national average of 7.6 per cent.

Calgary employers need to plan for aging work force

Over the past twenty years, population in the CER has been increasing rapidly, but at the same time aging (chart 1). Today, smaller shares of working age population are in the youth (age 15-24) and core-age worker (25-54) cohorts, while larger shares are in the pre-retirement (age 55-64) and retirement (age 64-99) cohorts. In the next ten years, the speed of population aging in the CER is expected to accelerate. This combined with the region's low unemployment rate emphasises the need for local employers to plan more urgently for a potential labour shortage in the near future. Amid increasing activities in Alberta's energy and related

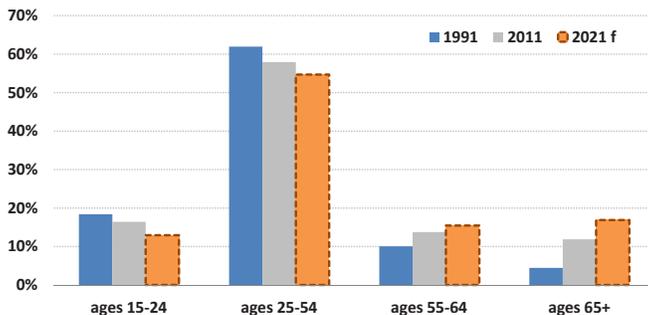
industries, both private and public sector employers in the CER are faced with the challenges of attracting and retaining skilled workers. In addition, increasing senior population (chart 2) puts more pressure on pension funds which could increase employers' pension contribution and thus their cost of doing businesses and delivering public services. As a result, using innovation and motivating employee to achieve higher productivity and efficiency have increasingly become keys to success.

According to the unadjusted 3-month-moving-average data, the following year-over-year changes were recorded in the CER in January 2012:

- Total employment increased by 41,600. The largest gains were in the mining and oil and gas extraction (+14,000), health care and social assistance (+13,300), and trade (+11,500) industries, while the major losses were in the finance, insurance, real estate and leasing (-6,300) and business, building and other support service (-6,200) industries.
- The unemployment rate declined to 4.9 per cent, from 5.9 per cent a year ago. The average wage inflation rate was 4.4 per cent, compared to 0.3 per cent last January.
- There were 6,930 people in the Calgary Metropolitan Area (CMA) receiving regular employment insurance benefits in November 2011, down from 11,890 in November 2010.

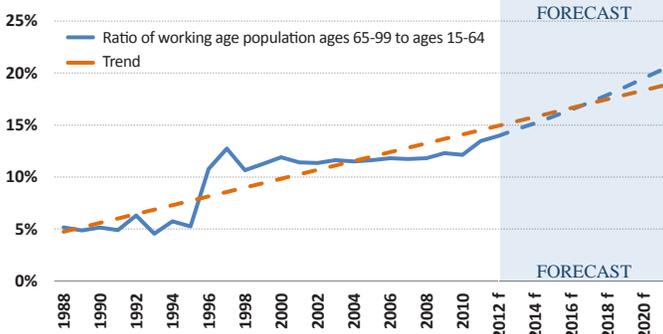
Next update: March 9, 2012

Chart 1. Components of working-age population in the CER
(Per cent share of total)



Source: Statistics Canada, Corporate Economics, February 2012

Chart 2. Increasing senior dependency in the CER
(1988 - 2021, per cent)



Source: Statistics Canada, Corporate Economics, February 2012

Labour Force Statistics

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

	Description	Jan-12	Dec-11	Jan-11	Annual Change
Calgary	Working Age Population ('000)	1,120.8	1,119.2	1,098.8	22.0
	Labour Force ('000)	836.7	835.5	801.7	35.0
	Labour Force Participation Rate (%)	74.7	74.7	73.0	1.7
	Employment ('000)	795.8	794.3	754.2	41.6
	Employment Rate (%)	71.0	71.0	68.6	2.4
	Unemployment ('000)	40.9	41.2	47.6	(6.7)
Edmonton	Working Age Population ('000)	1,009.2	1,007.8	991.2	18.0
	Labour Force ('000)	734.3	737.2	712.2	22.1
	Labour Force Participation Rate (%)	72.8	73.1	71.9	0.9
	Employment ('000)	699.8	703.0	671.8	28.0
	Employment Rate (%)	69.3	69.8	67.8	1.5
	Unemployment ('000)	34.5	34.2	40.4	(5.9)
Alberta	Working Age Population ('000)	3,029.1	3,025.5	2,979.8	49.3
	Labour Force ('000)	2,227.7	2,230.1	2,150.2	77.5
	Labour Force Participation Rate (%)	73.5	73.7	72.2	1.3
	Employment ('000)	2,121.6	2,125.6	2,029.6	92.0
	Employment Rate (%)	70.0	70.3	68.1	1.9
	Unemployment ('000)	106.1	104.5	120.6	(14.5)
Unemployment Rate (%)		4.8	4.7	5.6	(0.8)

Source: Statistics Canada (Table ID: 282-0054), Corporate Economics, February 2012

Labour Market Review

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February 3, 2012

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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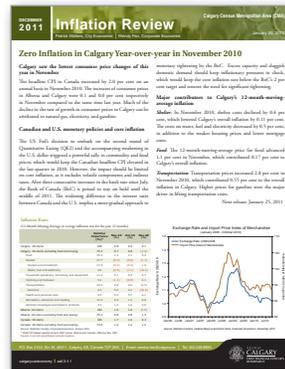
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- ▶ Labour Market Review
- ▶ Inflation Review
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- ▶ A Case of Fiscal Imbalance: The Calgary Experience
- ▶ Diesel Fuel Price Pass-Through in Calgary
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Corporate Research Analyst: Estella Scruggs

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Source: Statistics Canada and Corporate Economics