

## Wage inflation pressures in the CER

**The labour market in Canada lost jobs in July 2012, on a month-over-month basis, after two months of little change:**

- Total employment declined by 30,400 in Canada, but was little changed in Alberta (+5,800) and the Calgary Economic Region (CER) (-2,100).
- In Canada, job gains in full-time (+21,300) were more than offset by job losses in part-time (-51,600). The job losses were mainly in the trade (-30,000), professional, scientific and technical services (-21,600), manufacturing (-18,400), and public administration (-17,000) industries.
- In Alberta, job gains were mainly in full-time (+15,300) and in the construction industry (+15,300), while job losses were in part-time (-9,600) and services-producing sector (-7,800).

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

- Total employment increased by 29,400, mainly in the mining and oil and gas extraction (+22,100), accommodation (+8,800) and other services (+8,600) industries. The job losses were mostly in the health care and social assistance (-14,100) and trade (-11,300) industries.
- The unemployment rate was 4.7 per cent, compared to 5.7 per cent a year ago.

- The average hourly wage rate was \$27.44, a 4.4 per cent increase from \$26.28 last July.
- There were 6,720 people in the Calgary Metropolitan Area (CMA) receiving regular employment insurance benefits in May 2012, down by 34 per cent from 10,220 a year ago.

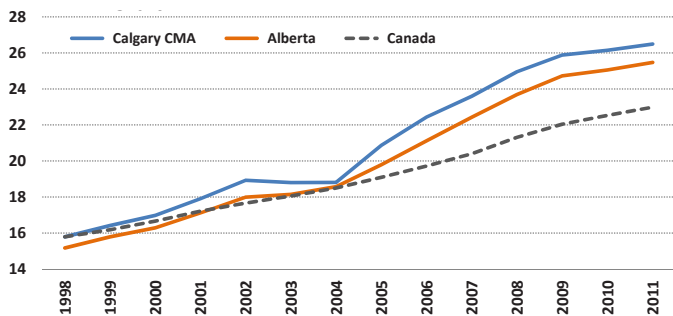
### Companies in Calgary face wage inflation pressures

Over the past thirteen years, workers in Calgary have enjoyed better pay than those in the rest of Canada (chart 1). In 2011, hourly wage rate in Calgary Census Metropolitan Area (CMA) averaged \$26.49 per hour, compared to \$25.47 per hour in Alberta and \$22.99 per hour in Canada. The most highly paid occupations in Alberta and Calgary were management occupations (\$38.34 per hour), and natural and applied sciences and related occupations (\$37.42 per hour) (chart 2). As the head-office hub of Canada's energy industries, Calgary is the home of a large number of senior managers as well as scientists, engineers, and technicians.

Higher wage rates in almost all industries attracted skilled workers to Calgary. In the meantime, increasing labour costs brought budget challenges to local governments and non-for profit organizations, as well as downward pressures on the profit margins of those companies in the labour-intensive, low-profit service industries.

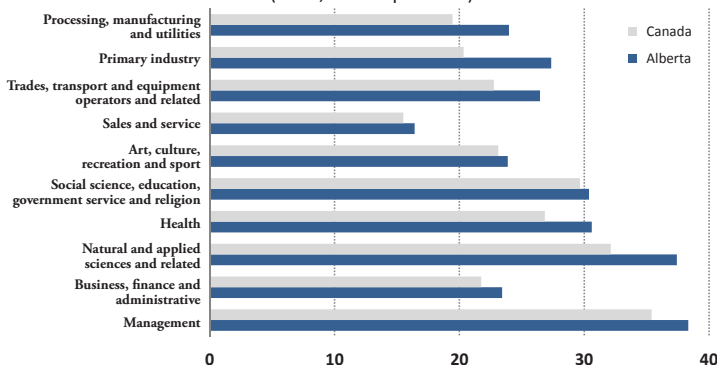
*Next update: September 7, 2012*

**Chart 1. Hourly average wage rate in all industries (1998 - 2011, dollars per hour)**



Source: Statistics Canada, Corporate Economics, August 2012

**Chart 2. Hourly average wage rate by occupation (2011, dollars per hour)**



Source: Statistics Canada, Corporate Economics, August 2012

### Labour Force Statistics

#### Economic Regions (Seasonally Adjusted 3-Month-Moving-Average)

	Description	Jul-12	Jun-12	Jul-11	Annual Change
Calgary	Working Age Population ('000)	1,136.0	1,132.8	1,110.2	25.8
	Labour Force ('000)	846.7	851.0	825.8	20.8
	Labour Force Participation Rate (%)	75.2	75.2	74.4	0.8
	Employment ('000)	807.2	809.3	778.2	29.0
	Employment Rate (%)	71.1	71.4	70.1	1.0
	Unemployment ('000)	40.3	40.9	47.3	(7.0)
	Unemployment Rate (%)	4.7	4.8	5.7	(1.0)
Edmonton	Working Age Population ('000)	1,024.3	1,021.3	1,000.0	24.3
	Labour Force ('000)	745.0	744.9	724.5	20.6
	Labour Force Participation Rate (%)	72.9	73.0	72.6	0.3
	Employment ('000)	713.9	712.3	686.3	27.6
	Employment Rate (%)	69.7	69.7	68.6	1.1
Alberta	Working Age Population ('000)	3,065.1	3,058.1	3,004.1	61.1
	Labour Force ('000)	2,250.2	2,251.3	2,206.0	44.2
	Labour Force Participation Rate (%)	73.4	73.6	73.4	0.0
	Employment ('000)	2,144.8	2,147.7	2,082.3	62.4
	Employment Rate (%)	70.1	70.2	69.5	0.6
Alberta	Unemployment ('000)	101.4	103.5	120.0	(18.6)
	Unemployment Rate (%)	4.5	4.6	5.4	(0.9)

Source: Statistics Canada, seasonally adjusted by Corporate Economics, August 2012

## 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 developed reliable methods of forecasting and analysis.

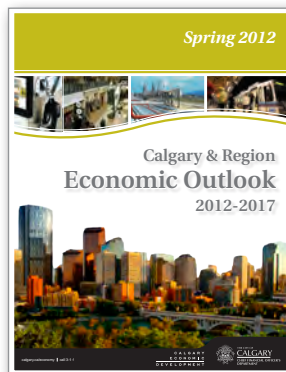
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Many of our publications are available on the internet at [www.calgary.ca/economy](http://www.calgary.ca/economy).

## Forecasting



- ▶ Calgary & Region Economic Outlook
- ▶ Energy Reports on Natural Gas and Crude Oil

## Information Provision



- ▶ Labour Market Review
- ▶ Inflation Review
- ▶ Current Economic Analysis
- ▶ Construction Inflation

## Policy Analysis



- ▶ A Case of Fiscal Imbalance: The Calgary Experience
- ▶ Diesel Fuel Price Pass-Through in Calgary
- ▶ Calgary Residential and Commercial Real Estate Markets

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Source: Statistics Canada and Corporate Economics