

Labour Market Review

Patrick Walters, City Economist | Ivy Zhang, Senior Corporate Economist

August 9, 2013

Tight labour market challenges Calgary employers

Total employment declined in Canada in July 2013, after months of job growth:

- Total employment increased in Calgary (+1,800), Alberta (+16,600), but decreased in Canada (-39,400).
- In Canada, the job losses in the public sector (-74,000) were partially offset by gains in the private sector (+31,400). The job cuts were concentrated in youth aged 15-24 (-45,600) and women aged 25+ (-13,600).
- In Alberta, the unemployment rate dropped by 0.5 per cent to 4.5 per cent, as the result of the combination of increased employment (+16,600), labour force (+5,900) and decreased unemployment (-10,900).

According to the unadjusted 3-month-moving-average data, the following were the year-over-year changes in the CER in July 2013:

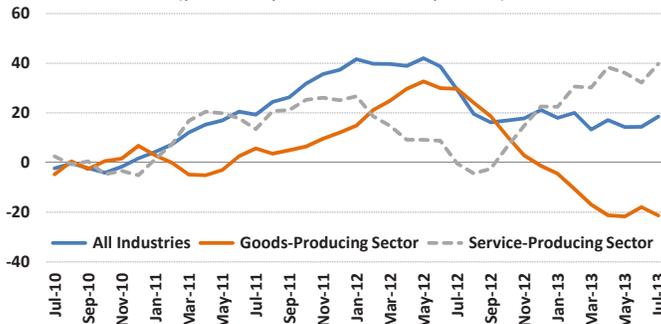
- Total employment increased by 18,500. Job creations were mainly in health care and social assistance (+19,400), professional, scientific and technical services (+14,400), and construction (+8,100) industries. Job losses were mostly in manufacturing (-15,500) and forecast, fishing, mining, oil and gas (-11,900) industries.
- The unemployment rate was 5.2 per cent, up from 4.7 per cent a year ago.

- The average hourly wage rate was \$28.79, increased by 4.9 per cent from \$27.44 in July 2012.
- There were 9,260 people in the Calgary Metropolitan Area (CMA) receiving regular employment insurance benefits in May, down slightly from 9,350 a year ago.

Tight labour market challenges Calgary employers - Calgary's labour market created a large number of jobs over the past three years. Only in recent months has the pace of job creation weakened as jobs created in the service-producing sector were partially offset by losses in the goods-producing sector (Chart 1). Even with the inflow of job seekers from other provinces, the unemployment rate in the CER declined steadily to a level that drove up the wage inflation rate (Chart 2). This is especially true in the service-producing sector, where the unemployment rate is close to zero in many industries, except in the business, building and other support service (8.3 per cent), accommodation and food service (4.9 per cent) and trade (2.3 per cent) industries. Employers have to offer higher wages if they need to hire people in a zero unemployment environment. Wage inflation on average in the CER has hovered above 6.0 per cent since this year. This is a challenge for the companies operating in a tight labour market.

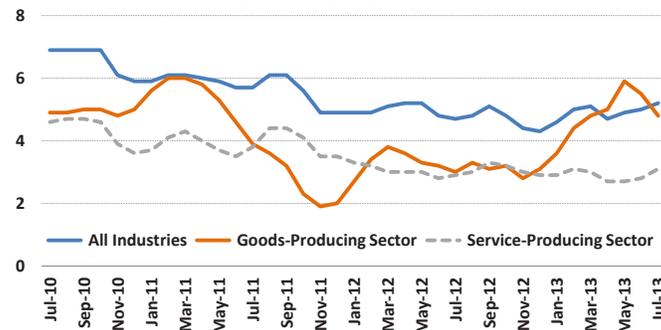
Next update: September 6, 2013

Chart 1. CER employment change
(year-over-year, thousands of persons)



Source: Statistics Canada, Corporate Economics, August 2013

Chart 2. CER unemployment rate
(year-over-year, per cent)



Source: Statistics Canada, Corporate Economics, August 2013

Labour Force Statistics

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

	Description	Jul-13	Jun-13	Jul-12	Annual Change
Calgary	Working Age Population ('000)	1,177.7	1,173.0	1,136.0	41.7
	Labour Force ('000)	870.5	867.8	846.6	23.9
	Labour Force Participation Rate (%)	74.2	74.1	74.7	(0.5)
	Employment ('000)	825.3	823.6	807.1	18.3
	Employment Rate (%)	70.1	70.2	71.1	(1.0)
	Unemployment ('000)	44.6	43.3	40.4	4.2
Edmonton	Working Age Population ('000)	1,062.8	1,058.8	1,024.3	38.5
	Labour Force ('000)	772.9	764.8	745.2	27.7
	Labour Force Participation Rate (%)	72.8	72.3	72.9	(0.1)
	Employment ('000)	736.0	729.0	714.0	22.1
	Employment Rate (%)	69.3	68.9	69.7	(0.4)
	Unemployment ('000)	37.0	35.5	31.2	5.8
Alberta	Working Age Population ('000)	3,167.2	3,156.7	3,065.2	102.0
	Labour Force ('000)	2,315.4	2,304.6	2,248.4	67.1
	Labour Force Participation Rate (%)	73.1	73.0	73.4	(0.3)
	Employment ('000)	2,201.3	2,195.2	2,144.8	56.5
	Employment Rate (%)	69.5	69.5	70.0	(0.5)
	Unemployment ('000)	111.6	109.4	101.0	10.6
	Unemployment Rate (%)	4.8	4.7	4.5	0.3

Source: Statistics Canada, seasonally adjusted by Corporate Economics, August 2013



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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.

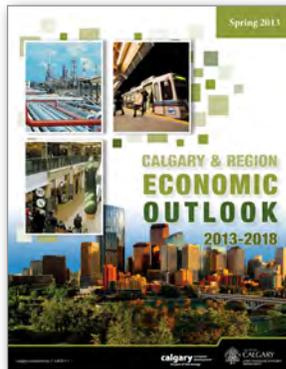
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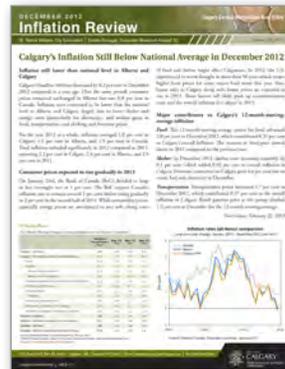
Many of our publications are available on the internet at www.calgary.ca/economy.

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

Corporate Research Analyst: Estella Scruggs

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Source: Statistics Canada and Corporate Economics