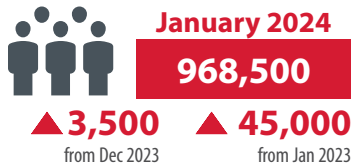


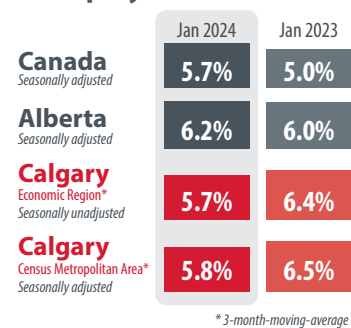
Highlights:

Total Employment

Calgary Economic Region
(Seasonally unadjusted 3-month-moving-average)

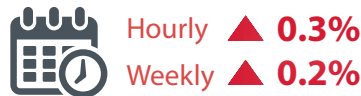


Unemployment Rates



Average Wage Rate

Calgary Census Metropolitan Area
Jan 2024, year-over-year change



The unemployment rate for the Calgary Economy Region (CER) fell at the start of 2024.

The Calgary Economic Region's (CER) three-month moving average unemployment rate¹ fell from 6.4 per cent in January 2023 to 5.7 per cent in January 2024. The CER's labour force grew² by 4.1 per cent in January 2024 year-over-year (y-o-y), while employment increased at a faster rate of 4.9 per cent, causing the unemployment rate to drop. Alberta's (6.2 per cent) and Canada's (5.7 per cent) seasonally-adjusted unemployment rates rose by 0.2 and 0.7 percentage points y-o-y, respectively. In January 2024, the CER labour force participation rate fell by 0.6 percentage points y-o-y to 69.5 per cent.

Calgary was the only major Canadian city to see a drop in unemployment rates.

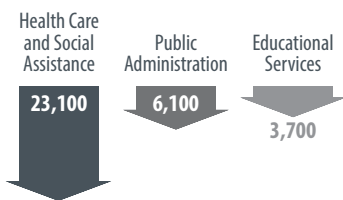
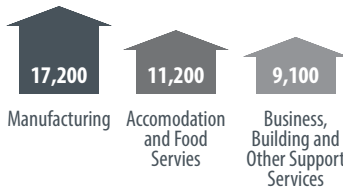
Chart 2 compares unemployment rates in January 2024 across major Canadian Census Metropolitan Areas (CMA). Calgary had the highest unemployment rate across major Canadian cities around this time last year. This trend has largely reversed to start this year. The Calgary CMA's unemployment rate for January 2024 stood at 5.7 per cent, ranking only higher than Ottawa-Gatineau (4.0 per cent) and Vancouver (5.6 per cent). Edmonton CMA currently has the highest unemployment rate (6.9 per cent) across major Canadian cities for the month of January 2024.

Manufacturing and Food Services are driving year-over-year (y-o-y) employment growth.

The CER added 45,000 positions between January 2023 and January 2024, with full-time employment up 20,100 and part-time employment up 24,900 y-o-y. By industry, the goods-producing sector gained 28,300 jobs y-o-y, led by Manufacturing (+17,200) and Construction (+8,900). The services-producing sector grew by 16,700 y-o-y, led by Accommodation and Food Services (+11,200) and Transportation and Warehousing (+8,400).

Job growth among the youth is showing some signs of recovery after a slow start last year.

After a fall in employment among young persons in the CER in the early part of last year, job growth among this group has shown some improvement. Employment



Employment Insurance

Calgary Census Metropolitan Area



among persons aged 15 to 24 years fell continuously between August 2022 and April 2023.

Job growth among this age cohort has improved since its slow start. The number of employed persons aged 15 to 24 rose from 89,000 in January 2023 to 115,000 in January 2024, representing an almost 29 per cent y-o-y increase.

Calgary still lags behind other cities in wage growth despite some improvement to start 2024.

Chart 6 shows the monthly changes in average hourly wages for the Calgary CMA. Calgary CMA recorded a 0.3 per cent year-over-year rise in average hourly wage growth for the month of January 2024. Wages rose from \$36.8 in January 2023 to \$36.9 in January 2024. Despite this growth, Calgary's wage growth is the slowest among major Canadian cities. Chart 5 provides a comparison of wage growth between Canada's major cities. Calgary's neighboring city, Edmonton (CMA), recorded a 7.6 per cent year-over-year average hourly wage growth. The Toronto CMA (6.6 per cent), Vancouver CMA (6.3 per cent), and Ottawa-Gatineau CMA (5.2 per cent) outpaced the Calgary CMA in average hourly wage y-o-y growth for January 2023.

Price growth is outpacing wage growth in the Calgary CMA.

Statistics Canada's recently released Consumer Price Index (CPI) data showed an uptick in inflation to the end of last year. For the Calgary CMA, inflation jumped from 2.9 per cent in November 2023 to 3.9 per cent in December 2023. Higher inflation rates across Canada in December 2023 were primarily due to a base effect of gasoline prices reducing drag on inflation.

This has resulted in a divergence in wage growth and price growth. Chart 7 shows inflation accelerated between October 2023 and December 2023, while average hourly wage growth dropped within the same period. This has also contributed to a fall in real (inflation-adjusted) wages. Real average hourly wage for the Calgary CMA declined from \$22.9 in December 2022 to \$21.9 in December 2023, marking a 4.3 per cent y-o-y decline.

Economic growth within Alberta has kept job vacancies above the pre-pandemic average.

With the removal of provincial health restrictions and the reopening of economies in 2022, demand-supply imbalances became more prominent across Canada that year. Job vacancy rates reached record highs in the second quarter of 2022, far above pre-pandemic averages (refer to Chart 9).

Since then, job vacancy rates across Canada have fallen as labour markets have cooled off from the Q2 2022 peak. However, the rate at which labour markets have cooled varies across cities within Canada. Particularly, cities within Alberta have fallen the least from their Q2 2022 peak. Chart 9 shows that job vacancy rates in Ottawa, Montreal, Vancouver, and Toronto have fallen significantly since Q2 2022. On the other hand, the job vacancy rate decline in Calgary and Edmonton has been relatively slower despite higher-than-usual net migration.

One plausible explanation for the relatively slower decline in job vacancy rates in Calgary and Edmonton is their commodity-driven economies. While solid population growth continues to improve labour supply, strong commodity prices have kept economic growth and labour demand robust in Alberta compared to the rest of Canada. Due to strong commodity prices, Alberta's economy has outperformed the rest of Canada since 2022. This, combined with net migration, is keeping demand strong. As a result, firms in Alberta continue to seek workers, keeping job openings elevated.

Hiring challenges persist across Alberta's construction and accommodation/food services industries.

The record-high population growth in Alberta has increased demand for home ownership and rentals. However, the current shortage of construction workers within the province makes resolving the housing supply gap a challenge. The current shortage of construction workers heightens the risk of a surge in building costs, wage pressure, and erosion of housing affordability. Chart 10 shows the number of job openings available for each unemployed person across industries at the provincial level. Chart 10 shows that Construction and Accommodation and Food Services stand out as the industries with more job openings than unemployed persons. On the other hand, industries such as Information and Culture and Educational Services have seen labour market conditions loosen with fewer job vacancies and a significant boost in labour force additions.

¹ All statistics referenced are seasonally unadjusted unless stated otherwise.

² All growth or changes referenced are year-over-year (y-o-y) unless stated otherwise.

Chart 1: CER Aggregate Labour Market Summary

Year-Over-Year Comparisons (000's)

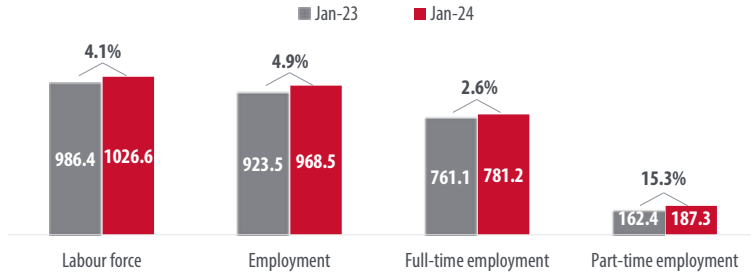


Chart 2: Calgary's unemployment rate has fallen in contrast to other major cities

Unemployment Rate Comparison Between Major CMA's in Canada (%)

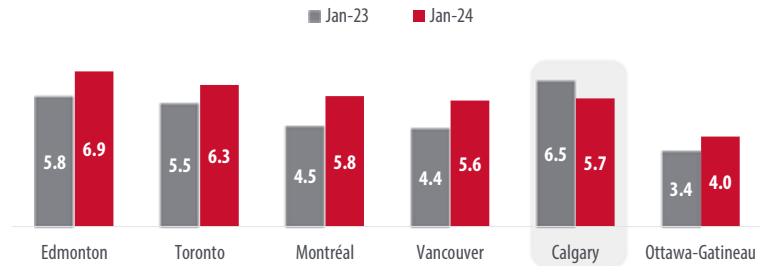


Chart 3: The CER's goods sector is up compared to the services sector

CER Employment Indexed to Jan 2023

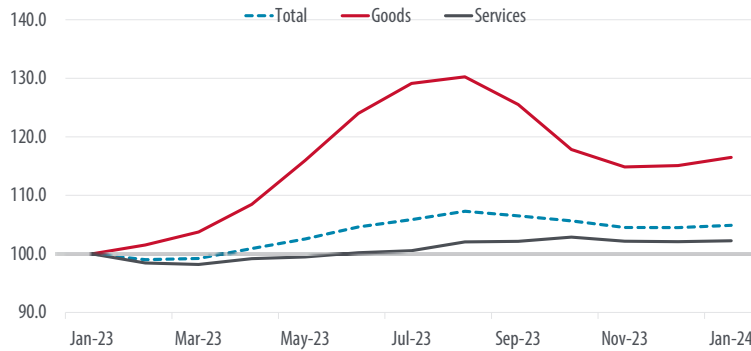


Chart 4: Manufacturing and construction are leading the way in job growth

Year-Over-Year Changes in CER Employment by Industry Jan 2024 (000's)

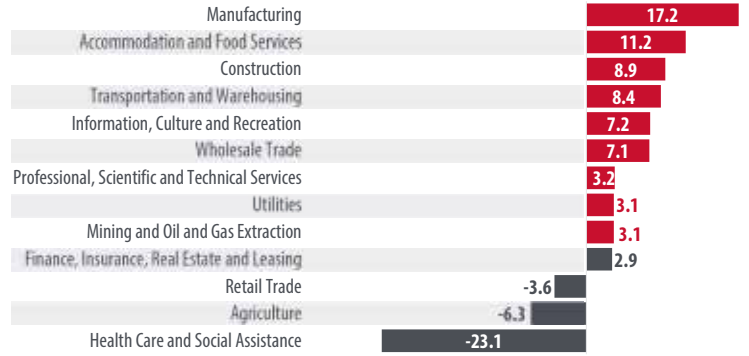


Chart 5: Calgary still lags behind other cities in wage growth despite some improvements

Average Hourly Wages by Census Metropolitan Area (CMA) Indexed to January 2023

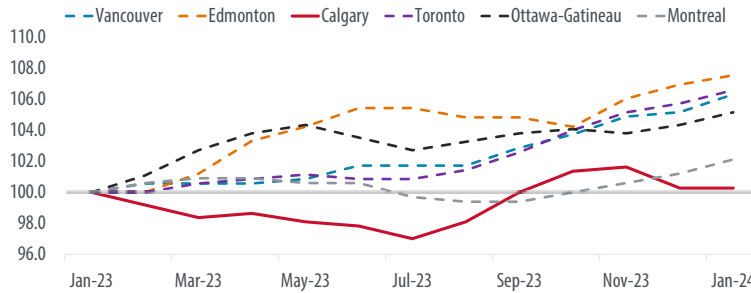


Chart 6: Calgary CMA wages are up to start this year

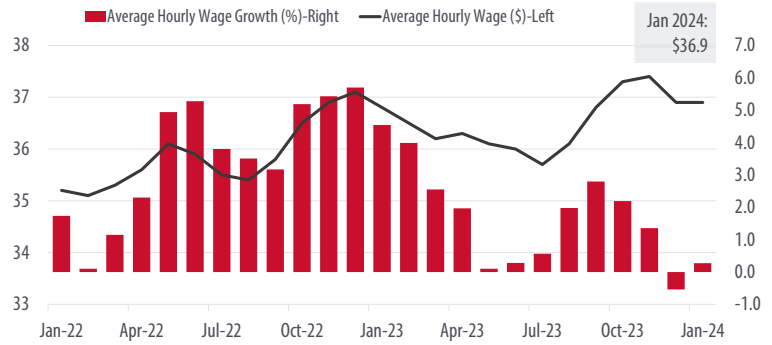


Chart 7: Calgary's cost of living growth is still outpacing wage growth

Inflation and Average Hourly Wage Y-o-Y Growth for the Calgary CMA (%)

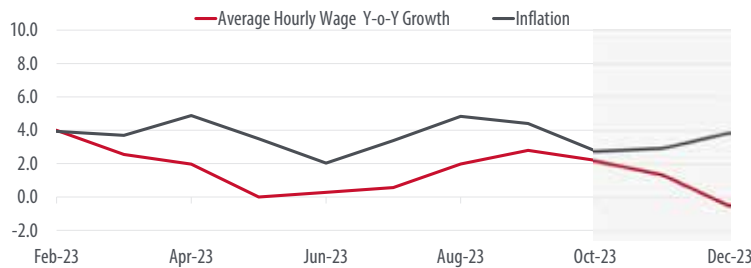


Chart 8: Youth employment is showing some signs of recovery after a slow start last year

CER Employment by Age Cohort Indexed to January 2023

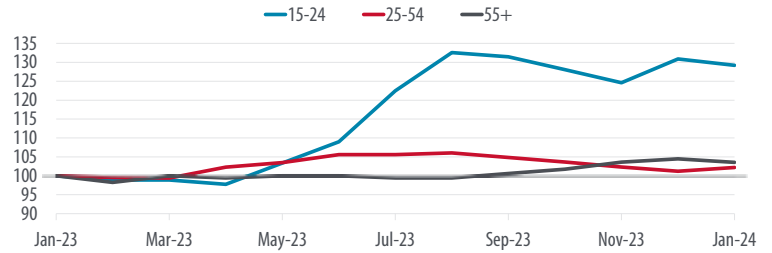


Chart 9: Job vacancy rates yet to return to pre-pandemic average

Seasonally Adjusted Job Vacancy Rates by Economic Region (%)

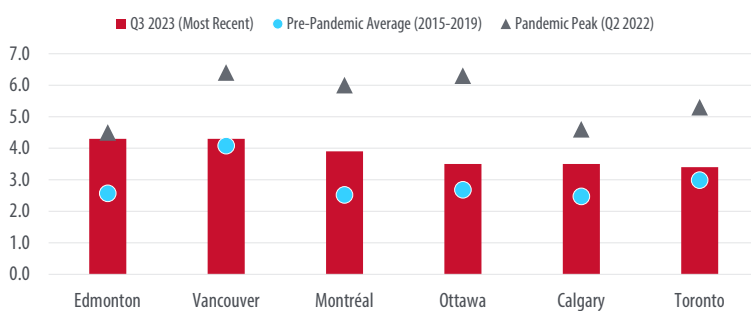


Chart 10: Hiring challenges still persist within the construction and accommodation/food services industries

Labour Market Tightness Ranking in Alberta by Industry Q3 2023 (Using the Job Vacancies-To-Unemployment Ratio)

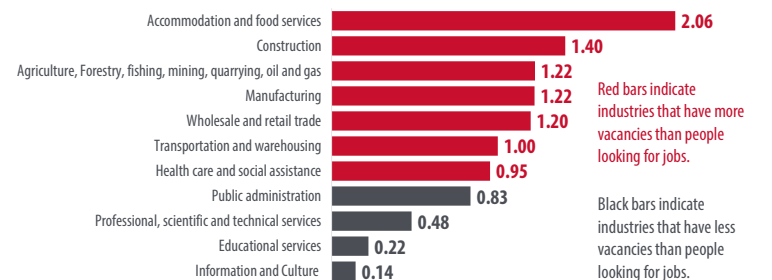


Table 1. Labour Force Statistics
(Seasonally unadjusted 3-month-moving-average)

CALGARY ECONOMIC REGION	Description	Jan-24	Dec-23	Jan-23	Annual Change
	Working Age Population ('000)	1,477.9	1,471.7	1,407.7	70.2
Labour Force ('000)	1,026.6	1,018.2	986.4	40.2	
Labour Force Participation Rate (%)	69.5	69.2	70.1	(0.6)	
Employment ('000)	968.5	965.0	923.5	45.0	
Employment Rate (%)	65.5	65.6	65.6	(0.1)	
Unemployment ('000)	58.1	53.2	62.9	(4.8)	
Unemployment Rate (%)	5.7	5.2	6.4	(0.7)	

ALBERTA	Description	Jan-24	Dec-23	Jan-23	Annual Change
	Working Age Population ('000)	3,836.1	3,821.3	3,667.3	168.8
Labour Force ('000)	2,642.1	2,632.4	2,537.1	105.0	
Labour Force Participation Rate (%)	68.9	68.9	69.2	(0.3)	
Employment ('000)	2,479.4	2,485.7	2,390.4	89.0	
Employment Rate (%)	64.6	65.0	65.2	(0.6)	
Unemployment ('000)	162.7	146.8	146.7	16.0	
Unemployment Rate (%)	6.2	5.6	5.8	0.4	

Sources: Statistics Canada, Corporate Economics, February 9, 2024

Table 2. Calgary CMA Wage by Industry

Industry	Total employees*** ('000 people)			Average weekly earning (\$)			Total weekly wage bill (\$million)			Total hours worked (hours)		
	Jan-24	Jan-23	Change (y/y)	Jan-24	Jan-23	Change (y/y)	Jan-24	Jan-23	Change (y/y)	Jan-24	Jan-23	Change (y/y)
Mining, Quarrying, and Oil and Gas Extraction	45.3	42.7	2.6	2,163.7	2,487.7	(324.0)	98.0	106.2	(8.2)	43.0	41.4	1.6
Utilities	9.9	7.5	2.4	2,176.2	2,344.3	(168.1)	21.5	17.6	4.0	39.3	40.1	(0.9)
Construction	55.1	56.8	(1.7)	1,700.4	1,561.9	138.5	93.7	88.7	5.0	40.9	40.0	0.8
Manufacturing	44.3	26.6	17.7	1,321.3	1,388.9	(67.6)	58.5	36.9	21.6	39.9	38.6	1.3
Wholesale Trade	26.8	28.6	(1.8)	1,798.0	1,623.3	174.7	48.2	46.4	1.8	42.1	39.3	2.8
Retail Trade	88.0	88.2	(0.2)	722.6	794.3	(71.7)	63.6	70.1	(6.5)	32.1	33.4	(1.3)
Transportation and Warehousing	58.6	53.5	5.1	1,359.8	1,372.9	(13.1)	79.7	73.5	6.2	38.9	40.4	(1.5)
Information and Cultural Industries	13.3	10.5	2.8	1,016.5	1,910.0	(893.5)	13.5	20.1	(6.5)	32.4	38.3	(5.9)
Finance and Insurance	35.1	30.9	4.2	2,014.6	1,667.4	347.2	70.7	51.5	19.2	38.9	38.2	0.7
Real Estate Rental and Leasing	10.4	16.6	(6.2)	1,450.1	1,256.0	194.1	15.1	20.8	(5.8)	38.7	39.7	(1.1)
Professional Scientific and Technical Services	101.0	78.2	22.8	1,993.9	1,868.0	125.9	201.4	146.1	55.3	38.9	38.4	0.5
Administrative and Support	27.7	19.0	8.7	983.6	975.9	7.7	27.2	18.5	8.7	36.3	35.6	0.7
Educational Services	57.2	58.5	(1.3)	1,229.1	1,362.3	(133.2)	70.3	79.7	(9.4)	33.0	34.8	(1.9)
Health Care and Social Assistance	89.5	108.0	(18.5)	1,134.1	1,176.3	(42.2)	101.5	127.0	(25.5)	34.5	34.7	(0.2)
Arts Entertainment and Recreation	21.5	15.5	6.0	672.7	717.5	(44.8)	14.5	11.1	3.3	25.3	32.0	(6.7)
Accommodation and Food Services	51.2	41.2	10.0	652.4	518.1	134.3	33.4	21.3	12.1	30.6	27.9	2.8
Other Services (except Public Admin)	29.1	25.2	3.9	1,024.5	1,046.0	(21.5)	29.8	26.4	3.5	37.4	36.8	0.6
Public Administration	24.9	30.1	(5.2)	1,843.8	1,769.3	74.5	45.9	53.3	(7.3)	36.9	38.3	(1.3)
All Industries	790.7	740.1	50.6	1,377.0	1,374.6	2.4	1,088.8	1,017.3	71.5	37.3	37.4	(0.0)

*** Excluding self-employed Note: lack of data for Agriculture
Sources: Statistics Canada, Corporate Economics, February 9, 2024

Next update: March 8, 2024

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