

Labour Market Review

May 2024

Paapa Essel Corporate Economist | Mark Angelo Uy Corporate Research Analyst | Estella Scruggs Sr. Corporate Research Analyst

June 7, 2024

Highlights

May 2024

Total Employment

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



May 2024 from Apr 2024 from May 2023
990,800 ▲13,500 ▲43,900

Unemployment Rates

Seasonally adjusted Seasonally unadjusted May 2024 May 2023

| | | |
|--------------------------------------|------|------|
| Canada | 6.2% | 5.3% |
| Alberta | 7.2% | 5.7% |
| Calgary Census Metropolitan Area* | 8.1% | 6.2% |
| Calgary Economic Region* | 8.0% | 6.0% |

* 3-month-moving-average

Average Wage Rates

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



Hourly ▲7.2% Weekly ▲7.1%

Employment Insurance

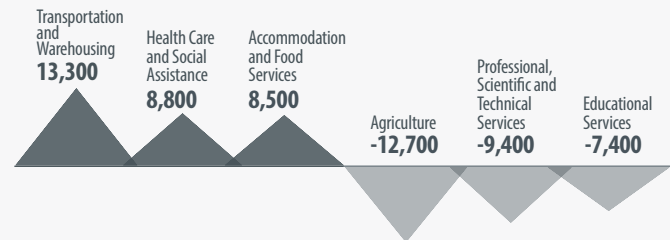
Calgary Census Metropolitan Area

March 2024 **16,680** recipients



Most Job Gains and Job Losses by Industry

May 2024, year-over-year change



The unemployment rate in the Calgary Economic Region (CER) remains high.

The Calgary Economic Region's (CER) three-month moving average unemployment rate¹ hit 8.0 per cent for May 2024, nearly two percentage points above last year (May 2023). The labour force² in the CER has shown remarkable resilience, demonstrating a stable growth of 7.0 per cent in May 2024 year-over-year (y-o-y), while employment increased at a much slower rate (4.6 per cent). The participation rate, which measures the percentage of working-age people in the labour force, rose by 0.7 percentage points y-o-y to 71.7 per cent in May 2024.

Calgary and Toronto have the highest unemployment rate across major Canadian cities.

Chart 2 compares unemployment rates in May 2024 across major Canadian Census Metropolitan Areas (CMA). Calgary and Vancouver saw the most significant unemployment rate increases, registering a 0.4 percentage increase. The Calgary CMA's unemployment for May 2024 stood at 8.1 per cent, ranking only lower than Toronto (7.9 per cent) and Edmonton (6.6 per cent). The Calgary CMA currently has the highest unemployment rate across major Canadian cities, as record-high population growth has driven the number of job seekers up.

The Calgary Economic Region has experienced an extraordinary surge in its population, marking its largest growth on record in 2023.

Statistics Canada released the official 2023 population estimate for the Calgary Economic Region (CER). The CER's population estimate as of July 1, 2023, is 1,797,580. The annual rate of population increase was about 97,470 people or 5.7 per cent in 2023, which is an acceleration from 2.9 per cent in 2022. This estimated addition of 97,470 residents to the CER's population would represent the most significant annual increase in population in its history, exceeding the population increase of 47,240 witnessed in 2022. Most of the growth is attributable to net migration of 89,900, as international migrants and newcomers from other parts of Canada flocked

to the CER. A significant contribution to the strong population growth witnessed has been ambitious federal government policy and immigration plans, as well as relative affordability levels compared with other big cities in the country. The acceleration in the number of people moving to the CER helped stabilize consumer demand, supporting the economy amid a more challenging macroeconomic climate.

Participation rates among women and older cohorts have declined in recent months.

Despite the population growth, the labour force participation rate—the proportion of the working-age population (15 to 64) that is employed or looking for a job—remain significantly below pre-pandemic levels. For context, the CER participation rate 2019 was 73 per cent, falling to 70.5 per cent in 2023 (below the 2020 level of 70.7 per cent). The same trend has been evident so far this year. Participation rates have not improved significantly, staying below 70 per cent for most of the year.

The slow recovery in participation rates can be traced to the declining labour force participation among older cohorts and women. Participation rates among persons aged 45-59 remain significantly below pre-pandemic levels. Shifts in retirement and the number of persons shifting to caring for their families and kids have been cited as plausible reasons for the slow recovery in labour force participation. On the other hand, youth participation rates have improved for various reasons, including solid wage growth in industries that typically employ part-time workers.

Despite solid job growth, there has been a noticeable shift in the type of jobs added, with a significant number of the new positions being in the part-time industries.

The CER added 43,900 positions between May 2023 and May 2024, with part-time employment up 32,000 y-o-y, representing 72 per cent of total jobs added. The gains in part-time employment come when increased labour force participation among younger age cohorts and the end of the winter season is helping offset some of the part-time job vacancies.

By industry, the goods-producing sector gained 12,700 jobs y-o-y, led by Manufacturing (+7,700) and Construction (+7,000). The services-producing sector grew by 31,200 y-o-y, led by Health Care and Social Assistance (+8,800). Accommodation and Food Services (+8,500), Transportation and Warehousing (+13,300). This marks a four percent y-o-y job growth rate for the services industry for May 2024.

Real wages edge up as inflationary pressure slows down in the Calgary CMA.

Statistics Canada's recently released Consumer Price Index (CPI) data showed a drop in inflation for the second consecutive month. For the Calgary CMA, inflation jumped from 4.2 per cent in April 2024 to 3.6 per cent in April 2024. At the national level, inflation fell from 2.9 per cent in March 2024 to 2.7 per cent in April 2024. The deceleration in electricity costs has been a significant driver in the slowdown in inflationary pressure across Calgary. However, elevated shelter costs have kept Calgary's inflation above the national average and the highest among major cities across Canada.

The slowdown in inflation has resulted in an improvement in real wages across Calgary. Chart 7 shows inflation accelerated between October 2023 and January 2024, while average hourly wage growth dropped within the same period, contributing to the fall in real wages. The real average hourly wage for the Calgary CMA rose from \$21.9 in April 2023 to \$22.2 in May 2024, marking a 1.3 per cent y-o-y growth and the first positive growth in real wages in over a year.

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)

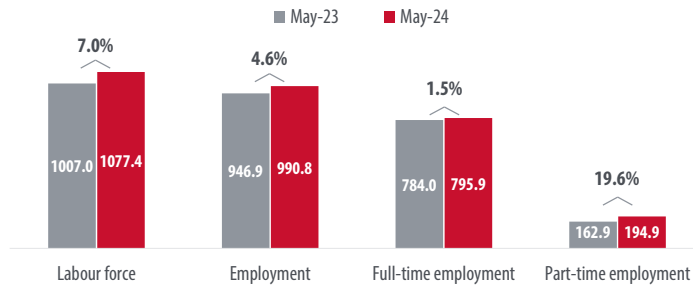


Chart 6: Calgary CMA Wages is seeing some improvements

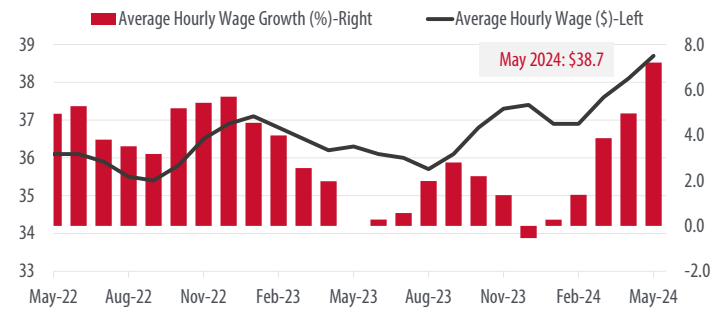


Chart 2: Calgary currently has the highest unemployment rate among major Canadian cities

Seasonally-Adjusted Unemployment Rate Comparison Between Major CMAs in Canada (%)

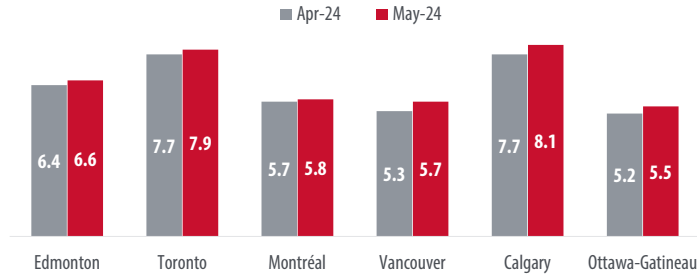


Chart 7: Calgary's wage growth has caught up with living cost growth

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

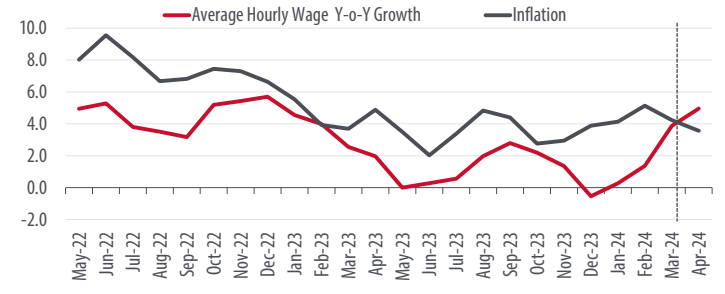


Chart 3: The CER's goods sector remains a stable source of growth

CER Employment indexed to May 2023

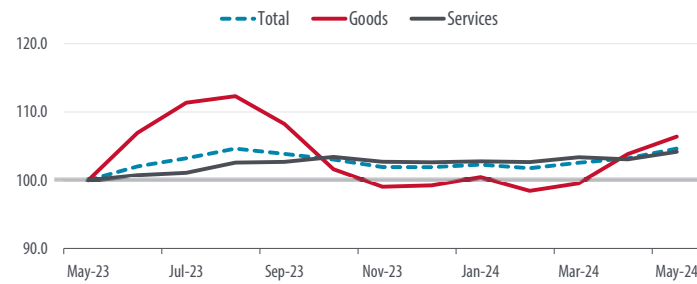


Chart 8: Youth employment is up compared to last year

CER Employment by Age Cohort Indexed to May 2023

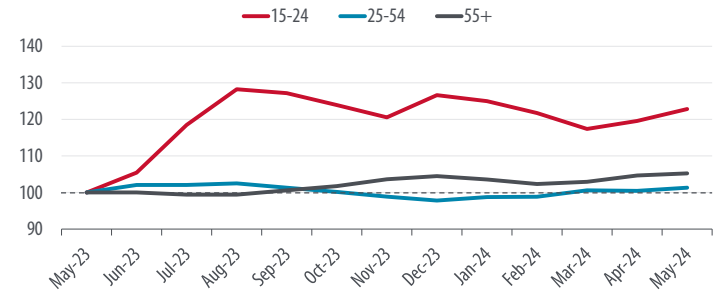


Chart 4: Employment in Health Care is seeing some improvement

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

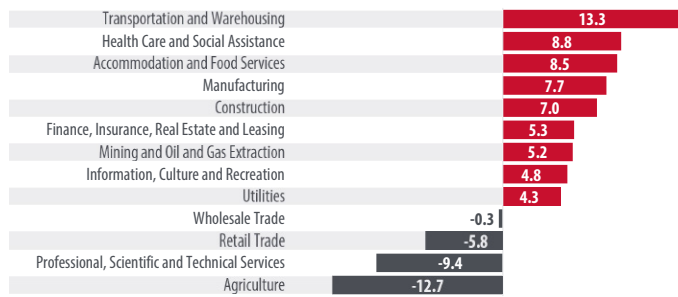


Chart 9: Indicators of "Hidden Unemployment" and Layoff Trends (000's)

CER Employment by Age Cohort Indexed to May 2023

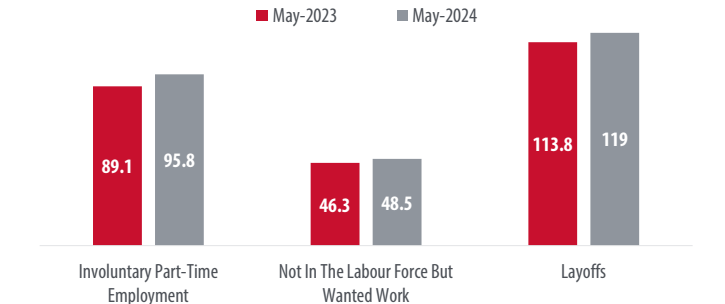


Chart 5: Wage growth in Calgary is starting to accelerate relative to other Canadian cities

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

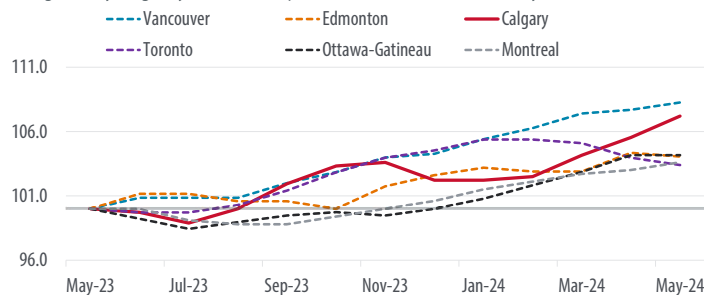


Chart 10: Participation in Calgary's labour market remains still below pre-pandemic levels

Calgary Economic Region - Labour Force Participation Rate (%)



Table 1. Labour Force Statistics

(Seasonally unadjusted 3-month-moving-average)

| CALGARY ECONOMIC REGION | Description | May-24 | Apr-24 | May-23 | Annual Change |
|-------------------------------------|-------------------------------|---------|---------|---------|---------------|
| | Working Age Population ('000) | 1,501.9 | 1,495.7 | 1,428.6 | 73.3 |
| Labour Force ('000) | 1,077.4 | 1,061.2 | 1,007.0 | 70.4 | |
| Labour Force Participation Rate (%) | 71.7 | 71.0 | 70.5 | 1.2 | |
| Employment ('000) | 990.8 | 977.3 | 946.9 | 43.9 | |
| Employment Rate (%) | 66.0 | 65.3 | 66.3 | (0.3) | |
| Unemployment ('000) | 86.6 | 83.9 | 60.1 | 26.5 | |
| Unemployment Rate (%) | 8.0 | 7.9 | 6.0 | 2.0 | |

| ALBERTA | Description | May-24 | Apr-24 | May-23 | Annual Change |
|-------------------------------------|-------------------------------|---------|---------|---------|---------------|
| | Working Age Population ('000) | 3,893.0 | 3,878.1 | 3,717.5 | 175.5 |
| Labour Force ('000) | 2,717.2 | 2,696.7 | 2,595.9 | 121.3 | |
| Labour Force Participation Rate (%) | 69.8 | 69.5 | 69.8 | 0.0 | |
| Employment ('000) | 2,524.3 | 2,510.0 | 2,440.8 | 83.5 | |
| Employment Rate (%) | 64.8 | 64.7 | 65.7 | (0.9) | |
| Unemployment ('000) | 192.8 | 186.7 | 155.1 | 37.7 | |
| Unemployment Rate (%) | 7.1 | 6.9 | 6.0 | 1.1 | |

Sources: Statistics Canada, Corporate Economics, June 7, 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) | | |
|--|----------------------------------|--------------|--------------|-----------------------------|----------------|--------------|------------------------------------|----------------|--------------|----------------------------|-------------|--------------|
| | May-24 | May-23 | Change (y/y) | May-24 | May-23 | Change (y/y) | May-24 | May-23 | Change (y/y) | May-24 | May-23 | Change (y/y) |
| Mining, Quarrying, and Oil and Gas Extraction | 44.6 | 41.2 | 3.4 | 2,614.3 | 2,505.5 | 108.8 | 116.6 | 103.2 | 13.4 | 42.6 | 41.7 | 0.9 |
| Utilities | 9.2 | 5.6 | 3.6 | 2,128.4 | 2,022.4 | 106.0 | 19.6 | 11.3 | 8.3 | 38.7 | 39.3 | (0.6) |
| Construction | 64.9 | 63.7 | 1.2 | 1,733.1 | 1,491.6 | 241.5 | 112.5 | 95.0 | 17.5 | 40.0 | 40.4 | (0.4) |
| Manufacturing | 48.3 | 38.0 | 10.3 | 1,399.0 | 1,450.4 | (51.4) | 67.6 | 55.1 | 12.5 | 39.9 | 38.9 | 1.0 |
| Wholesale Trade | 26.0 | 25.9 | 0.1 | 1,505.1 | 1,302.4 | 202.7 | 39.1 | 33.7 | 5.4 | 40.7 | 40.6 | 0.1 |
| Retail Trade | 79.3 | 79.0 | 0.3 | 686.7 | 841.8 | (155.1) | 54.5 | 66.5 | (12.0) | 31.5 | 34.4 | (2.9) |
| Transportation and Warehousing | 55.6 | 47.8 | 7.8 | 1,333.1 | 1,339.4 | (6.3) | 74.1 | 64.0 | 10.1 | 37.6 | 36.4 | 1.2 |
| Information and Cultural Industries | 12.5 | 12.3 | 0.2 | 1,232.5 | 1,323.7 | (91.2) | 15.4 | 16.3 | (0.9) | 34.9 | 37.9 | (3.0) |
| Finance and Insurance | 35.3 | 29.4 | 5.9 | 1,981.4 | 1,593.6 | 387.8 | 69.9 | 46.9 | 23.1 | 39.5 | 37.8 | 1.8 |
| Real Estate Rental and Leasing | 15.2 | 20.2 | (5.0) | 2,068.3 | 1,275.1 | 793.2 | 31.4 | 25.8 | 5.7 | 40.0 | 39.8 | 0.2 |
| Professional Scientific and Technical Services | 98.6 | 101.6 | (3.0) | 2,022.8 | 1,729.5 | 293.3 | 199.4 | 175.7 | 23.7 | 39.0 | 38.3 | 0.6 |
| Administrative and Support | 27.8 | 26.3 | 1.5 | 1,095.0 | 1,062.8 | 32.2 | 30.4 | 28.0 | 2.5 | 38.0 | 36.1 | 1.9 |
| Educational Services | 50.1 | 53.9 | (3.8) | 1,345.7 | 1,391.9 | (46.2) | 67.4 | 75.0 | (7.6) | 33.0 | 35.8 | (2.8) |
| Health Care and Social Assistance | 100.3 | 90.1 | 10.2 | 1,280.2 | 1,094.4 | 185.8 | 128.4 | 98.6 | 29.8 | 34.9 | 34.4 | 0.5 |
| Arts Entertainment and Recreation | 22.2 | 15.6 | 6.6 | 640.7 | 833.4 | (192.7) | 14.2 | 13.0 | 1.2 | 25.9 | 32.6 | (6.6) |
| Accommodation and Food Services | 50.5 | 43.6 | 6.9 | 592.4 | 604.9 | (12.5) | 29.9 | 26.4 | 3.5 | 28.1 | 30.1 | (2.0) |
| Other Services (except Public Admin) | 29.2 | 26.6 | 2.6 | 1,137.6 | 1,172.2 | (34.6) | 33.2 | 31.2 | 2.0 | 37.4 | 35.6 | 1.8 |
| Public Administration | 31.2 | 28.9 | 2.3 | 1,771.3 | 1,671.8 | 99.5 | 55.3 | 48.3 | 6.9 | 37.7 | 38.0 | (0.3) |
| All Industries | 803.1 | 753.8 | 49.3 | 1,445.0 | 1,348.9 | 96.1 | 1,160.5 | 1,016.8 | 143.7 | 37.3 | 37.4 | (0.0) |

*** Excluding self-employed Note: lack of data for Agriculture
Sources: Statistics Canada, Corporate Economics, June 7, 2024

Next update: July 5, 2024

For media inquiry, please contact:

The Media Line at **403.828.2954** or media.relations@calgary.ca

For the technical questions, please contact:

Stanley KongnetimanManager, Corporate Economics and Regulatory Affairs
stanley.kongnetiman@calgary.ca**Paapa Essel**Corporate Economist
paapa.essel@calgary.ca**Mark Angelo Uy**Corporate Research Analyst
markangelo.uy@calgary.ca**Estella Scruggs**Sr. Corporate Research Analyst
estella.scruggs@calgary.caMany of our publications are available on the internet at www.calgary.ca/economy.

The City of Calgary provides this information in good faith. However, the aforementioned organization makes no representation, warranty or condition, statutory express or implied, takes no responsibility for any errors and omissions which may contained herein and accepts no liability for any loss arising from any use or reliance on this report.