

Labour Market Review

August 2024

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Highlights

August 2024

Total Employment **August 2024** from July 2024 from August 2023
 Calgary Economic Region
 (Seasonally unadjusted 3-month-moving-average)
1,007,000 ▲7,700 ▲16,300

Unemployment Rates

	Seasonally adjusted	Seasonally unadjusted	August 2024	August 2023
Canada	6.6%	5.5%		
Alberta	7.7%	5.7%		
Calgary Census Metropolitan Area*	7.5%	5.9%		
Calgary Economic Region*	7.4%	6.0%		

*3-month-moving-average

Average Wage Rates

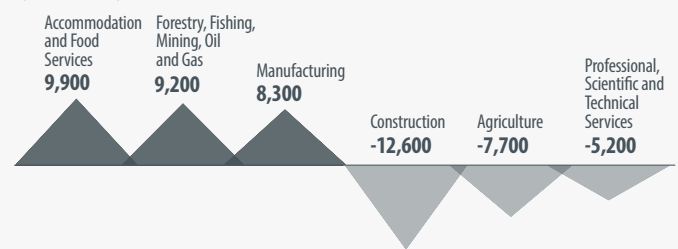
Calgary Census Metropolitan Area
 August 2024, year-over-year change
Hourly ▲7.8% **Weekly ▲7.6%**

Employment Insurance

Calgary Census Metropolitan Area
June 2024 **16,520**
 recipients

Most Job Gains and Job Losses by Industry

August 2024, year-over-year change



Calgary recorded a 7.4 per cent unemployment rate in August.

Calgary's three-month moving average unemployment rate¹ for August 2024 rose to 7.4 per cent, marking a substantial rise of 1.4 percentage points compared to the same period last year (August 2023). The labour force² in the Calgary Economic Region (CER) expanded by 3.2 per cent in August 2024 year-over-year (y-o-y), while employment saw a much slower growth rate of 1.6 per cent. The participation rate, a key indicator of the labour force, fell by 1.3 percentage point y-o-y to 71.5 per cent in August 2024.

Part-time hiring in the services is driving employment gains in Calgary, while full-time work has declined.

Part-time hiring in the retail, accommodation and food services industries is currently driving the modest job growth seen so far. The CER added 16,300 positions between August 2023 and August 2024, with full-time employment down 3,200 and part-time employment up 19,500 y-o-y. Part-time jobs represented all total jobs added in August 2024.

By industry, the job growth of the goods-producing sector stayed flat y-o-y, mainly due to the y-o-y drop in Construction (-12,600) and Agriculture (-7,700). The services-producing sector grew by 16,900 y-o-y, led by Arts, Entertainment and Recreation (+10,300) and Accommodation and Food Services (+9,900). This marks a two percent y-o-y job growth rate for the services industry for August 2024.

Calgary's job market has been especially tough on students and the youth.

The job market has been especially tough on Canadian youth, who are bearing the brunt of the challenges in the labour market. Calgary has been no exception. Participation rates among young people have been trending upward due to an influx of foreign workers and higher living costs, driving them to seek work for additional financial support. The unemployment rate among young people between the ages of 15 to 19 stood at 27.5 per cent³ halfway through 2024. This is significantly higher than the 20.5 per cent unemployment rate among this age group in 2023.

The story is similar for young people aged 20 to 24. The unemployment rate for this age group stood at 7.0 per cent in 2023. This has risen significantly, halfway through 2024. (12.0 per cent⁴).

There are several reasons why the job market has been especially hard on the youth. The post-pandemic period has seen significant growth in cheap foreign labour, particularly in the accommodation, food services, and retail industries. This has resulted in increased competition in industries that rely on part-time labour, where most young students seek work.

Secondly, Calgary's slowing economy has been a significant contributor. Labour supply has grown significantly. Unfortunately, production has not followed a similar trend as businesses struggle to expand due to more arduous macroeconomic conditions. With a production slowdown, hiring has also slowed down significantly. The slowdown in hiring makes the youth unemployment situation worse as businesses look to rely more heavily on older workers with experience.

The federal government is taking steps to address concerns surrounding the size and abuse of its temporary foreign worker programs.

With a significant spike in international migration, the federal government is taking measures to tighten the temporary foreign worker programs that allow businesses to bring in needed workers. In 2022, the federal government increased the number of workers businesses were allowed to bring in due to concerns about labour shortage.

However, the size of the program has increased significantly since then. A slowing economy's inability to absorb the influx of workers has shot up unemployment and joblessness. In addition, there are concerns surrounding the financial and psychological abuse of workers under this program. These concerns include employers potentially charging employees for Labour Market Impact Assessment (LMIA) costs, long work hours, and low wages.

As a result, the federal government is considering banning "high-risk sectors" from using the program to hire workers for low-wage work, providing more oversight to these industries and imposing stricter eligibility requirements for businesses to access these programs. These potential restrictions are not being put in place to shrink the programs; instead, these considerations are to provide stricter oversight in high-risk areas prone to abuse.

The Bank of Canada's recent interest rate cuts are not expected to immediately relieve Calgary's weakening labour market.

As inflationary pressure continues to ease, the Bank of Canada has begun shifting its focus from bringing inflation under control to avoiding the risk of undershooting its two per cent inflation target. The Bank of Canada cut its policy rate to 4.25 per cent in September, marking its third consecutive cut this year. This is unlikely to be the end of interest rate cuts as labour market weakness, economic stagnation and upcoming mortgage renewals is raising concern among members of the governing council of the Bank of Canada. Emerging weakness in U.S. labour markets is also raising the likelihood of more rate cuts on the horizon.

Despite the gradual relaxation of monetary policy, it will take some time for the effects of these rate cuts to start being seen throughout the economy. Canadian labour markets are expected to show weakness throughout the year as businesses and consumers take time to recover.

Real wage growth in Calgary has improved after slowing down significantly in 2023.

Statistics Canada's recently released Consumer Price Index (CPI) data showed inflation for Calgary Census Metropolitan Area (CMA) in July 2024 slowed month-over-month (m-o-m) to 2.9 per cent. At the national level, inflation saw a slight dip from 2.7 per cent in June 2024 to 2.5 per cent in July 2024. Elevated shelter costs have kept Calgary's inflation above the national average and one of the highest among major cities across Canada. The real average hourly wage for the Calgary CMA rose from \$21.2 in July 2023 to \$22.5 in July 2024, marking a 5.9 per cent y-o-y growth.

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.

³ June 2024 YTD.

⁴ June 2024 YTD.

Chart 1: CER Aggregate Labour Market Summary

Year-Over-Year Comparisons (000's)

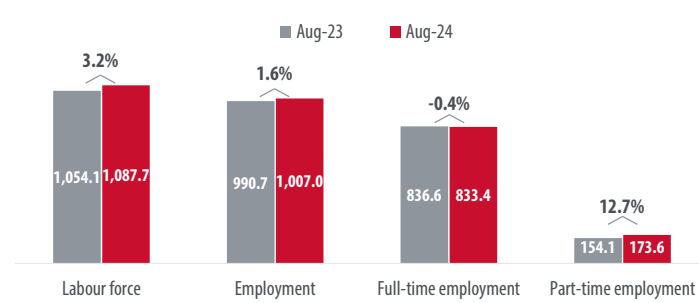


Chart 6: Calgary CMA wages have stayed flat over the past three months

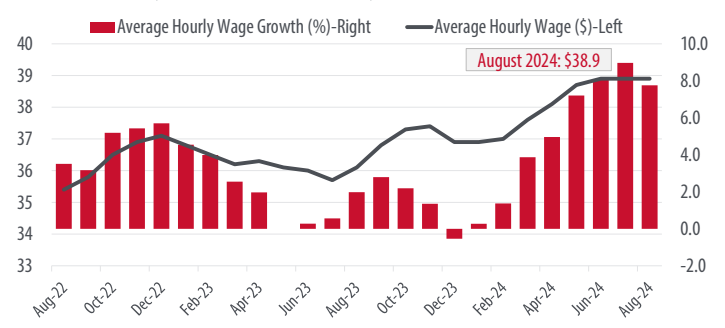


Chart 2: Calgary's unemployment rate stayed flat month-over-month

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

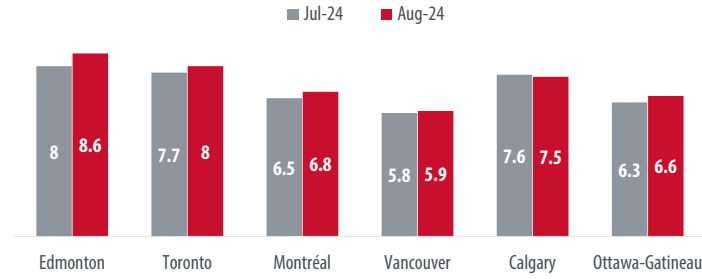


Chart 7: Calgary's wage growth is outpacing living cost growth

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

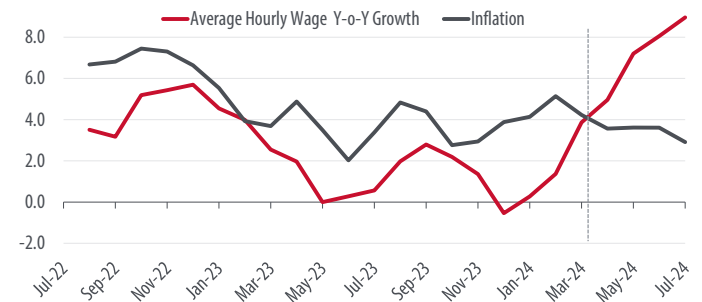


Chart 3: Growth in the CER's services sector has stayed fairly flat

CER Employment indexed to August 2023

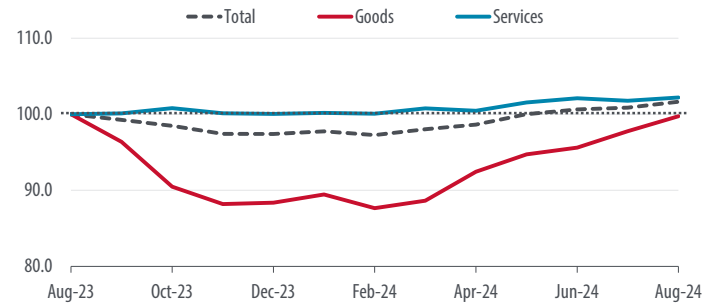


Chart 8: Employment among youth and older cohorts is up compared to last year

CER Employment by Age Cohort Indexed to August 2023

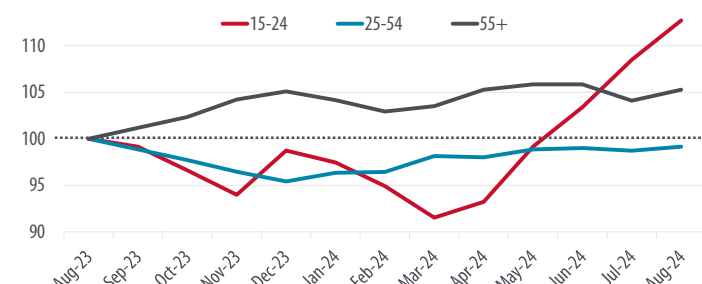


Chart 4: Employment in Construction and Agriculture is down compared to last year.

Year-Over-Year Changes In CER Employment By Industry August 2024 (000's)

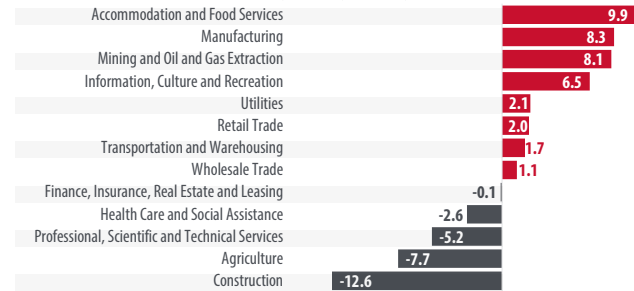


Chart 9: Job vacancies in the Calgary Economic Region (CER) fell for the seventh consecutive quarter

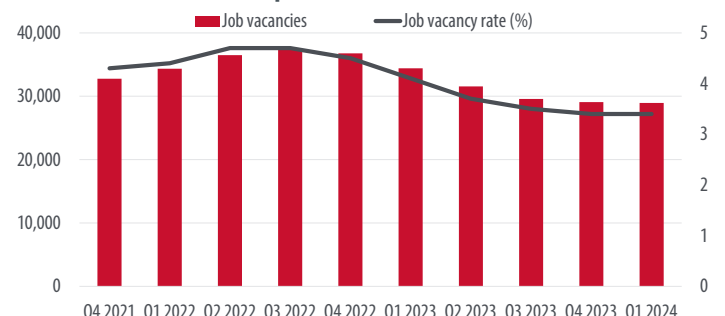


Chart 5: Average hourly wages in Calgary have stayed flat over the last three months

Average Hourly Wages By Census Metropolitan Area (CMA) Indexed To August 2023

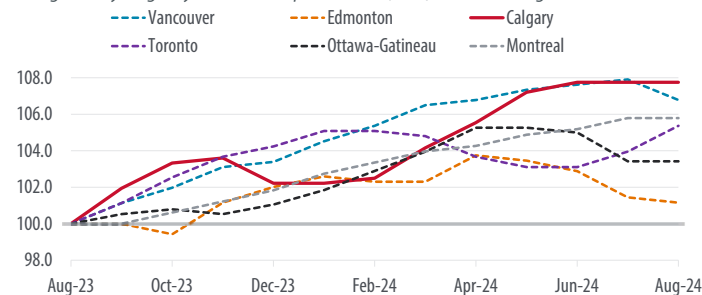


Chart 10: Underemployment across the province has seen an upward trend

Involuntary Part-Time Employment (000's)-Alberta



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

CALGARY ECONOMIC REGION	Description	Aug-24	Jul-24	Aug-23	Annual Change
	Working Age Population ('000)	1,522.3	1,515.6	1,448.1	74.2
Labour Force ('000)	1,087.7	1,077.8	1,054.1	33.6	
Labour Force Participation Rate (%)	71.5	71.1	72.8	(1.3)	
Employment ('000)	1,007.0	999.3	990.7	16.3	
Employment Rate (%)	66.1	65.9	68.4	(2.3)	
Unemployment ('000)	80.7	78.5	63.3	17.4	
Unemployment Rate (%)	7.4	7.3	6.0	1.4	

ALBERTA	Description	Aug-24	Jul-24	Aug-23	Annual Change
	Working Age Population ('000)	3,942.0	3,925.8	3,764.6	177.4
Labour Force ('000)	2,762.6	2,746.1	2,661.1	101.5	
Labour Force Participation Rate (%)	70.1	70.0	70.7	(0.6)	
Employment ('000)	2,560.4	2,553.5	2,501.3	59.1	
Employment Rate (%)	65.0	65.0	66.4	(1.4)	
Unemployment ('000)	202.2	192.7	159.8	42.4	
Unemployment Rate (%)	7.3	7.0	6.0	1.3	

Sources: Statistics Canada, Corporate Economics, September 6, 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)		
	Aug-24	Aug-23	Change (y/y)	Aug-24	Aug-23	Change (y/y)	Aug-24	Aug-23	Change (y/y)	Aug-24	Aug-23	Change (y/y)
Mining, Quarrying, and Oil and Gas Extraction	47.8	39.7	8.1	3,034.0	2,352.5	681.5	145.0	93.4	51.6	41.4	41.3	0.1
Utilities	8.3	5.9	2.4	2,207.7	2,045.8	161.9	18.3	12.1	6.3	37.1	41.2	(4.1)
Construction	74.2	79.7	(5.5)	1,610.6	1,562.4	48.2	119.5	124.5	(5.0)	41.6	41.9	(0.3)
Manufacturing	49.9	41.9	8.0	1,365.3	1,369.5	(4.2)	68.1	57.4	10.7	39.7	39.4	0.3
Wholesale Trade	29.6	23.9	5.7	1,561.6	1,496.3	65.3	46.2	35.8	10.5	40.0	38.5	1.6
Retail Trade	87.2	83.0	4.2	833.2	853.3	(20.1)	72.7	70.8	1.8	33.9	33.6	0.3
Transportation and Warehousing	53.4	55.2	(1.8)	1,503.0	1,358.6	144.4	80.3	75.0	5.3	37.4	37.5	(0.1)
Information and Cultural Industries	11.3	16.7	(5.4)	1,459.0	1,203.7	255.3	16.5	20.1	(3.6)	39.5	37.3	2.3
Finance and Insurance	29.7	36.4	(6.7)	1,956.3	1,782.4	173.9	58.1	64.9	(6.8)	38.3	38.0	0.3
Real Estate Rental and Leasing	15.4	12.2	3.2	1,763.9	1,326.8	437.1	27.2	16.2	11.0	36.0	38.2	(2.2)
Professional Scientific and Technical Services	98.3	97.7	0.6	1,946.0	1,786.0	160.0	191.3	174.5	16.8	39.2	39.1	0.2
Administrative and Support	25.7	28.6	(2.9)	1,189.1	1,040.7	148.4	30.6	29.8	0.8	38.5	38.3	0.2
Educational Services	50.8	44.8	6.0	1,365.0	1,381.8	(16.8)	69.3	61.9	7.4	35.7	36.7	(0.9)
Health Care and Social Assistance	102.7	101.6	1.1	1,316.0	1,124.7	191.3	135.2	114.3	20.9	35.1	33.6	1.5
Arts Entertainment and Recreation	26.6	17.3	9.3	656.0	778.3	(122.3)	17.4	13.5	4.0	30.0	30.1	(0.1)
Accommodation and Food Services	58.9	49.5	9.4	625.9	614.2	11.7	36.9	30.4	6.5	29.0	31.2	(2.2)
Other Services (except Public Admin)	22.3	26.0	(3.7)	961.9	1,242.6	(280.7)	21.5	32.3	(10.9)	35.1	37.8	(2.7)
Public Administration	27.4	31.5	(4.1)	1,717.9	1,652.2	65.7	47.1	52.0	(5.0)	36.1	38.4	(2.3)
All Industries	823.2	796.4	26.8	1,462.4	1,359.6	102.8	1,203.8	1,082.8	121.1	37.6	37.7	(0.1)

*** Excluding self-employed *Note: lack of data for Agriculture*
Sources: Statistics Canada, Corporate Economics, September 6, 2024

Next update: October 11, 2024

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