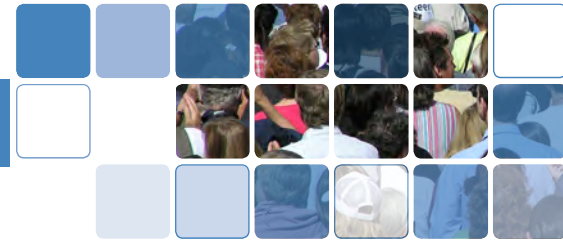


Labour Market Review

Patrick Walters, City Economist | Ivy Zhang, Corporate Economist

February 4, 2011



Constrained job creations in January

In January 2011, Statistics Canada applied a standard revision to its Labour Force Survey estimates following the release of final population estimates from Census 2006. As a result, the employment increase from July 2009 to December 2010 based on the new estimates was not as strong as previously estimated. With the new estimates, employment grew by 2.4% (+398,000) versus 2.8% (+463,000) with the old estimates. This difference is mostly due to less population growth among those aged 25 to 54 years in the revised estimates, the group with the highest employment rate. Seasonally adjusted data for December 2010 to January 2011 showed the following:

- Total employment was unchanged in the Calgary Economic Region (CER) (-200), but increased in Alberta (+21,600) and Canada (+69,200). The unemployment rate was 6.0 per cent in the CER, compared to 7.8 per cent in Canada, and 5.9 per cent in Alberta.
- In Canada, job gains were evenly spread over part-time employment (+38,000) and full-time positions (+31,100). Most new jobs were created in the services-producing industries (+49,000), including 33,700 in business, building and other support services industry.
- In Alberta, jobs were added in the services-producing sector (+22,400) and were lost in the goods-producing sector (-800).

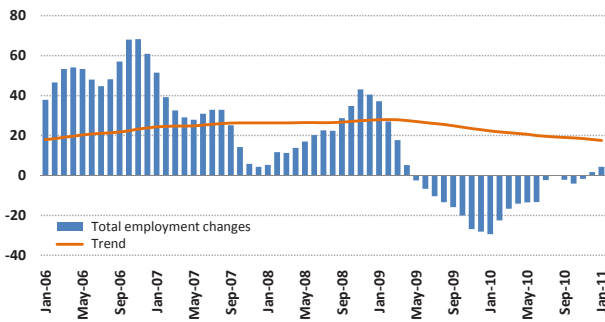
The job market in Calgary is at its early stage of recovery, and therefore lagged the recovery of the overall economy. Consequently, job growth in the CER in January 2011 year-over-year fell below the 5 year moving average of 20,000 positions. The current labour force participation rate of 73 per cent was much lower than the 5 year moving average of 76 per cent. It is therefore estimated that 33,000 workers in the CER dropped out of the labour force, discouraged by the expectations of not finding a job. The unemployment rate is therefore significantly understated.

According to the unadjusted 3-month-moving-average data, the following year-over-year changes were recorded in the CER in January 2011:

- Total employment increased by 4,300 in the CER, with gains in full-time positions (+6,300) partially offset by loss in part-time (-2,000).
- The unemployment rate declined to 5.9 per cent from 7.3 per cent January 2010. Average wage inflation was 0.3 per cent compared to 1.0 per cent a year ago.
- There were 11,810 Calgarians receiving regular employment insurance benefits in November 2010, down from 18,720 in November 2009.

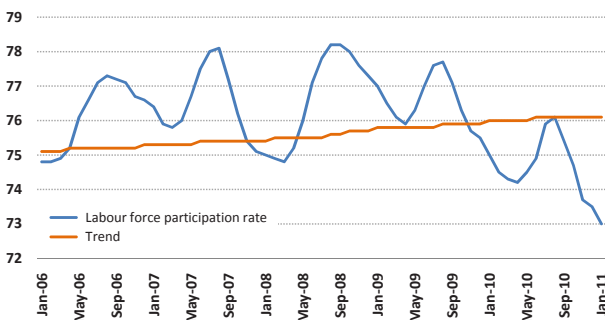
Next update: March 11, 2011

Chart 1. CER Employment Changes
(Year-over-year, thousands of persons)



Source: Statistics Canada, Corporate Economics, February 2011

Chart 2. CER Labour Force Participation Rate
(per cent of population aged 15+)



Source: Statistics Canada, Corporate Economics, February 2011

Labour Force Statistics

Economic Regions (Unadjusted 3-Month-Moving-Average)

	Description	Jan-11	Dec-10	Jan-10	Annual Change
Calgary	Working Age Population ('000)	1,098.8	1,097.1	1,078.4	20.4
	Labour Force ('000)	801.7	804.6	808.6	(6.9)
	Labour Force Participation Rate (%)	73.0	73.3	75.0	(2.0)
	Employment ('000)	754.2	757.0	749.9	4.3
	Employment Rate (%)	68.6	69.0	69.5	(0.9)
	Unemployment ('000)	47.6	47.6	58.7	(11.1)
	Unemployment Rate (%)	5.9	5.9	7.3	(1.4)
	Edmonton	Working Age Population ('000)	991.2	990.0	976.7
Labour Force ('000)		712.2	705.8	704.6	7.6
Labour Force Participation Rate (%)		71.9	71.3	72.1	(0.2)
Employment ('000)		671.8	668.0	657.3	14.5
Employment Rate (%)		67.8	67.5	67.3	0.5
Unemployment ('000)		40.4	37.8	47.3	(6.9)
Alberta	Working Age Population ('000)	2,979.8	2,976.3	2,936.8	43.0
	Labour Force ('000)	2,150.2	2,147.5	2,150.6	(0.4)
	Labour Force Participation Rate (%)	72.2	72.2	73.2	(1.0)
	Employment ('000)	2,029.6	2,029.8	2,004.8	24.8
	Employment Rate (%)	68.1	68.2	68.3	(0.2)
	Unemployment ('000)	120.6	117.7	145.8	(25.2)
Unemployment Rate (%)	5.6	5.5	6.8	(1.2)	

Statistics Canada: CANSIM, Table ID: 282-0054

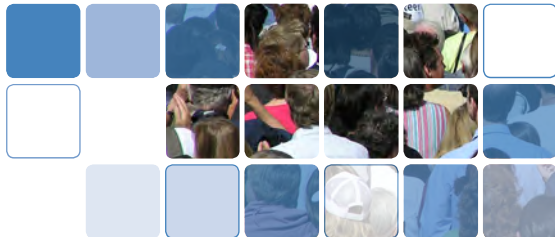
Source: Corporate Economics, Statistics Canada, February 2011



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Who We Are

Over the past ten years Corporate Economics has researched dozens of economic topics and developed reliable methods of forecasting and analysis. Monitoring economic trends allows us to develop unique insights on how external events are impacting the local economy and the Municipal Corporation. We provide services in four areas: forecasting, information provision, consulting and policy analysis.

For more information, please contact:

Patrick Walters
403.268.1335 or patrick.walters@calgary.ca

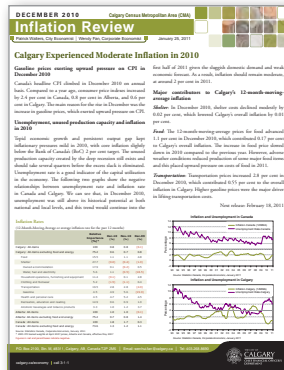
Ivy Zhang
403.268.2005 or ivy.zhang@calgary.ca

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

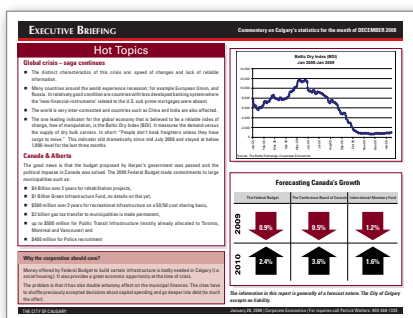
Monthly
Energy Markets and
the Economy



Monthly
Review of Economic Trends



Commentary
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Quarterly
Calgary's Quarterly Economic
Outlook



Corporate Research Analyst: Estella Scruggs

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Source: Statistics Canada

