

Highlights:

Total Employment

Calgary Economic Region

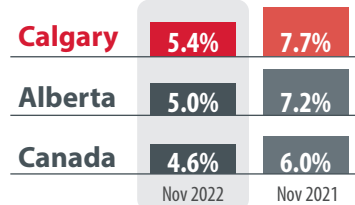


▼ **6,000** from Oct 2022

▲ **59,700** from Nov 2021

Unemployment Rates

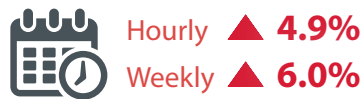
Calgary Economic Region



Average Wage Rate

Calgary Census Metropolitan Area

Nov 2022, year-over-year change



Faster year-over-year job growth in Calgary than in Alberta and Canada

The Calgary Economic Region (CER) added 40,100 persons to the labour force year-over-year (y-o-y) in November 2022, reducing the number of unemployed persons by 19,700. In addition, the CER added 59,700 jobs y-o-y in November 2022, marking a 7 per cent growth rate.

The CER three-month moving average unemployment rate declined from 7.7 per cent in November 2021 to 5.4 per cent in November 2022¹. Alberta's (5.0 per cent) and Canada's (4.6 per cent) unemployment rates declined by 2.2 and 1.4 percentage points, respectively. Participation rates also increased from 70.5 per cent in November 2021 to 71.4 per cent in November 2022.

So far, monetary policy has not slowed unusually high labour demand, particularly in low-wage industries

Unlike the U.S. central bank, which has a dual mandate of price stability and maximum sustainable employment, the Canadian central bank focuses only on price stability. Nevertheless, the governor of the Bank of Canada, Tiff Macklem, addressed both in a recent speech titled "restoring labour market balance and price stability."

Macklem addressed the current labour shortage conditions in the country. Macklem, in his speech, cited acute labour shortages as a significant contributor to persistent inflation due to upward pressure on wages. Macklem stressed the importance of tight monetary policy (interest rate increases) to curb labour demand and the upward wage pressure.

Through the Bank of Canada's monetary policy actions in 2022, Canada is undergoing the most aggressive phase of monetary policy tightening in recent history. So far, this has not done much to cool labour demand in Alberta, especially for lower-wage industries. Chart 1 shows the relationship between the job vacancy rate (indicating labour demand) and average hourly wages across

Most Job Gains by Industry

Nov 2022, year-over-year change



Most Job Losses by Industry

Nov 2022, year-over-year change



Employment Insurance

Calgary Census Metropolitan Area



CER industries. As 2022 draws to a close, lower-wage industries still have higher labour demand or job vacancy rates. Two industries – Accommodation and Food Services as well as Arts, Entertainment and Recreation – recorded the lowest average hourly wages for the second quarter of 2022. For Q2 2022, Accommodation and Food Services recorded a 10.5 per cent job vacancy rate, the highest among industries. Arts, Entertainment and Recreation recorded the third highest job vacancy rate (6.7 per cent) among industries.

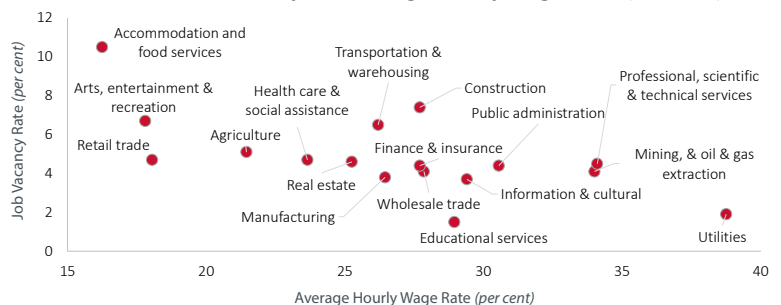
Investment in training and immigration policy should help address long-term job vacancy gaps

Monetary policy has proven unsuccessful in addressing labour shortages. What else can be done to address some of the labour shortages in Alberta? It is worthwhile exploring options that focus on increasing labour supply or reducing labour demand.

For labour supply, it appears unlikely that wages will grow sufficiently to outpace inflation and attract workers. It is a market-based tool for encouraging more labour supply. Chart 2 shows wage growth in several industries, particularly lower-wage ones, lagging inflation². Year-over-year wage growth has already been high in Arts, Entertainment and Recreation (8.0 per cent) and to a lesser extent, Accommodation and Food Services (1.1 per cent). This makes non-market tools like the government's immigration policy and government investment in training to address skills mismatches useful complements, but they require substantial time for implementation.

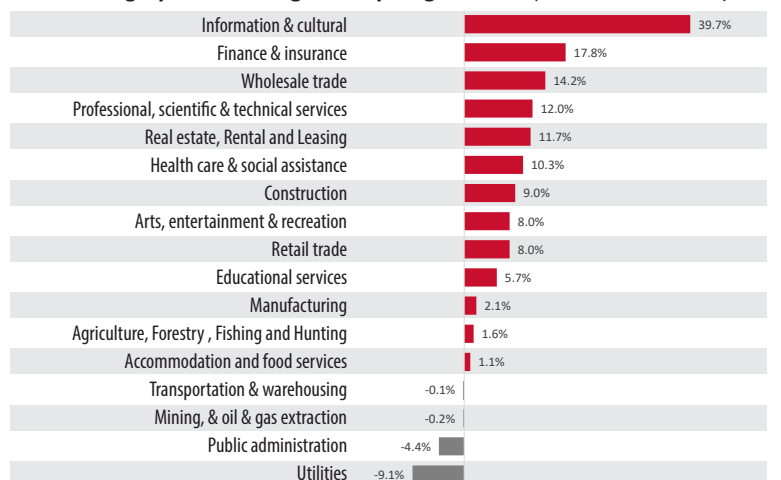
For labour demand, some market-based practices include short increases in hours worked for existing workers through overtime and increases in worker productivity through additional automation or outsourcing. It is expected that monetary policy will eventually motivate reduced labour demand as firms deal with rising business costs and households cut down on expenditure.

Chart 1: Alberta: Job Vacancy and Average Hourly Wage Rates (Q2 2022)



Sources: Statistics Canada, Corporate Economics.

Chart 2: Calgary CMA: Average Hourly Wage Growth (Oct 2021-Oct 2022)



Sources: Statistics Canada, Corporate Economics.

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

CALGARY ECONOMIC REGION	Description	Nov-22	Oct-22	Nov-21	Annual Change
	Working Age Population ('000)	1,399.6	1,395.5	1,360.9	38.7
Labour Force ('000)	999.6	1,007.8	959.5	40.1	
Labour Force Participation Rate (%)	71.4	72.2	70.5	0.9	
Employment ('000)	945.2	951.2	885.5	59.7	
Employment Rate (%)	67.5	68.2	65.1	2.4	
Unemployment ('000)	54.3	56.5	74.0	(19.7)	
Unemployment Rate (%)	5.4	5.6	7.7	(2.3)	

ALBERTA	Description	Nov-22	Oct-22	Nov-21	Annual Change
	Working Age Population ('000)	3,647.9	3,638.0	3,556.1	91.8
Labour Force ('000)	2,501.7	2,516.4	2,456.9	44.8	
Labour Force Participation Rate (%)	68.6	69.2	69.1	(0.5)	
Employment ('000)	2,375.5	2,384.8	2,280.4	95.1	
Employment Rate (%)	65.1	65.6	64.1	1.0	
Unemployment ('000)	126.2	131.7	176.4	(50.2)	
Unemployment Rate (%)	5.0	5.2	7.2	(2.2)	

Sources: Statistics Canada, Corporate Economics, December 2, 2022

Table 2. Calgary CMA Wage by Industry

Industry	Total employees*** ('000 people)			Average weekly earning (\$)			Total weekly wage bill (\$million)			Total hours worked (hours)		
	Nov-22	Nov-21	Change (y/y)	Nov-22	Nov-21	Change (y/y)	Nov-22	Nov-21	Change (y/y)	Nov-22	Nov-21	Change (y/y)
Mining, quarrying, and oil and gas extraction	43.9	47.7	(3.8)	2,330.9	2,241.0	89.9	102.3	106.9	(4.6)	42.3	40.8	1.5
Utilities	9.7	8.7	1.0	2,063.1	2,254.0	(190.9)	20.0	19.6	0.4	40.1	39.7	0.4
Construction	57.1	51.2	5.9	1,545.4	1,452.7	92.7	88.2	74.4	13.9	40.3	40.6	(0.2)
Manufacturing	32.0	38.4	(6.4)	1,258.8	1,296.8	(38.0)	40.3	49.8	(9.5)	39.6	38.3	1.3
Wholesale Trade	29.2	26.2	3.0	1,427.9	1,256.3	171.6	41.7	32.9	8.8	38.5	39.2	(0.8)
Retail Trade	101.0	88.0	13.0	801.0	729.4	71.6	80.9	64.2	16.7	33.7	33.3	0.3
Transportation and Warehousing	53.1	49.9	3.2	1,410.2	1,266.2	144.0	74.9	63.2	11.7	41.6	38.6	3.0
Information and Cultural Industries	13.6	10.9	2.7	1,784.8	1,055.2	729.6	24.3	11.5	12.8	38.8	35.9	2.9
Finance and Insurance	33.1	28.4	4.7	1,617.0	1,483.4	133.7	53.5	42.1	11.4	38.1	38.3	(0.2)
Real Estate Rental and Leasing	12.9	11.5	1.4	1,322.8	1,374.5	(51.7)	17.1	15.8	1.3	38.3	40.9	(2.6)
Professional Scientific and Technical Services	79.3	69.7	9.6	1,821.1	1,671.0	150.1	144.4	116.5	27.9	38.3	38.6	(0.4)
Administrative and Support	18.4	19.3	(0.9)	874.8	1,054.7	(179.9)	16.1	20.4	(4.3)	36.1	38.9	(2.8)
Educational Services	59.8	61.3	(1.5)	1,302.0	1,257.6	44.4	77.9	77.1	0.8	35.3	34.7	0.6
Health Care and Social Assistance	109.3	96.3	13.0	1,189.5	1,062.5	127.0	130.0	102.3	27.7	34.7	34.2	0.5
Arts Entertainment and Recreation	14.0	12.3	1.7	682.3	557.3	125.0	9.6	6.9	2.7	31.4	28.4	3.1
Accommodation and Food Services	44.1	37.9	6.2	495.6	479.1	16.5	21.9	18.2	3.7	27.8	27.4	0.4
Other Services (except Public Admin)	21.3	19.7	1.6	1,085.0	1,107.1	(22.1)	23.1	21.8	1.3	37.9	36.8	1.2
Public Administration	30.4	23.1	7.3	1,727.2	1,733.4	(6.2)	52.5	40.0	12.5	38.5	37.3	1.1
All Industries	765.0	700.8	64.2	1,336.3	1,261.0	75.3	1,022.3	883.7	138.6	37.5	37.2	0.4

*** Excluding self-employed Note: lack of data for Agriculture
Sources: Statistics Canada, Corporate Economics, December 2, 2022

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Footnotes:

- All statistics referenced are seasonally unadjusted unless stated otherwise.
- Inflation for the Calgary Census Metropolitan Area (CMA) was 7.4 per cent for October 2022.