Calgary Economic Region (CER)

JUNE 2023

Labour Market Review

David Espinosa Ribadeneira, *Student Economist* | **Estella Scruggs**, *Corporate Research Analyst*

July 7, 2023

Highlights:

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

June 2023
966,000

▲ 19,100 from May 2023
▲ 27,300 from June 2022

Unemployment Rates

	June 2023	June 2022
Canada *Seasonally adjusted*	5.4%	4.9%
Alberta *Seasonally adjusted*	5.7%	5.2%
Calgary Economic Region* *Seasonally unadjusted*	5.8%	5.4%
Calgary Census Metropolitan Area* *Seasonally adjusted*	6.3%	5.8%

3-month-moving-average

Most Job Gains
by Industry
June 2023, *year-over-year change*

Professional, Scientific and Technical Services	Manufacturing	Other Services
21,900	17,500	15,600

Most Job Losses
by Industry
June 2023, *year-over-year change*

Trade	Educational Services	Information, Culture and Recreation
19,400	12,000	10,400

Average Wage Rate
Calgary Census Metropolitan Area
June 2023, *year-over-year change*

Hourly ▲ 0.3%
Weekly ▲ 1.1%

Employment Insurance
Calgary Census Metropolitan Area

April 2023
12,050
recipients

The unemployment rate rises in June signaling continued job market strength

The Calgary Economic Region's (CER) three-month moving average unemployment rate increased from 5.4 per cent in June 2022 to 5.8 per cent in June 2023.[1] Alberta's (5.8 per cent) and Canada's (5.2 per cent) unemployment rate increased by 0.2 and 0.1 percentage points y-o-y, respectively. The CER's labour force grew by 3.3 per cent y-o-y in June 2023, while employment rose at a slower rate of 2.9 per cent, which led to the higher unemployment rate. The CER labour force participation rate fell by 0.4 percentage points y-o-y in June 2023 to 71.5 per cent.

Job quality also improves with full-time employment growth as part-time employment shrinks

Employment in the CER increased by 27,300 positions between June 2022 and June 2023, with full-time employment up by 42,900 and part-time employment down by 15,600 y-o-y. By industry, job gains were led by Professional, Scientific, and Technical Services (+21,900), Manufacturing (+17,500), and Other Services (+15,600) y-o-y in June 2023. In contrast, job declines by industry were mainly concentrated in the Wholesale and Retail Trade and Educational Services industries, decreasing by 19,400 and 12,000, respectively, y-o-y in June 2023.

A Snapshot of the Road to Recovery from the COVID-19 Pandemic

The energy and 'tech' sectors have propelled a new leading industry for Calgary's job market

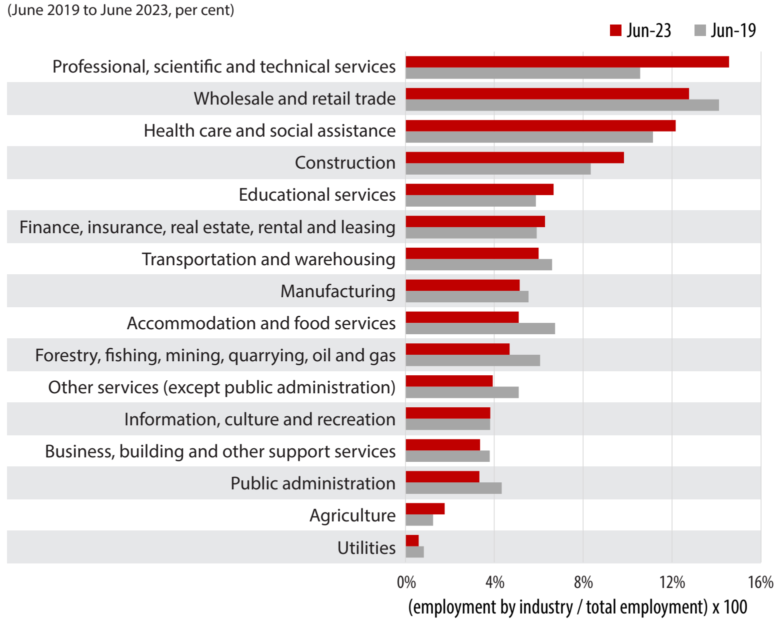
There is a post-COVID-19 shift in the dominant industries in Calgary's job market, using data from June 2019 to June 2023 (Chart 1). The Professional, Scientific and Technical Services industry's share of total employment grew the most (4.0 percentage points) to reach 14.6 per cent, ultimately becoming the major employer in the CER. Robust investments in the energy and 'tech' sectors propelled this growth.

The Wholesale and Retail Trade industry, previously the region's largest employer, has moved from first to second place, accounting for 12.8 per cent of the CER workforce in June 2023 - due to a 1.4 percentage point drop from June 2019. The strength in retail trade positions has yet to fully recover from social distancing rules and lockdown measures.

The Health Care and Social Assistance industry has retained the third spot and closed the gap to the second spot, increasing by a single percentage point to 12.2 per cent of CER jobs. More health care workers were recruited partly because the pandemic made shortages obvious.

One industry has lost the most ground in the post-COVID-19 job market. The Accommodation and Food Services industry's share of total employment declined the most (1.6 percentage points) to 5.1 per cent. This industry struggles with labour supply issues as many employers cannot find workers to fill vacancies.

Chart 1: CER Industry Structure Change
(June 2019 to June 2023, per cent)



The shift in the industry leading employment reflects significant changes in the services sector amidst stability in the goods sector job market

There were 904,000 employed people in Calgary in June 2019. There was a sharp fall, mostly part-time jobs, to 772,800 in June 2020. By June 2023, the CER had fully recovered all the COVID-19-related job losses and added 62,000 jobs to extend the number of CER jobs to 966,000 (a new record for the highest monthly employment in the region).

Over the four years, employment in the goods sector increased by 13,800 positions to 212,800, having reached its lowest point during this period (171,600) in January 2023. It is consistent with the observation that the demand for goods remained strong during the pandemic.

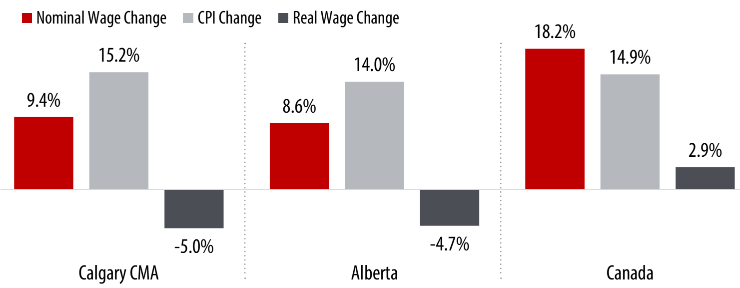
The services sector was initially hardest hit by COVID but has since recovered. Specifically, services sector jobs fell to as low as 587,900 positions (June 2020), much lower than 705,000 in June 2019 and even lower than 753,300 in June 2023.

Although real wage growth in Calgary is negative, the level of wages remains one of the highest in Canada

Persistently higher-than-usual inflation has been a recurrent issue for Canada and most of the world since shortly after the onset of the pandemic. On average, Canadian employers have increased wages faster over the last four years (May 2019 to May 2023). In contrast, Calgary and Alberta employers have not (Chart 2).

Chart 2: Nominal Wage Growth vs CPI Growth vs Real Wage Growth

(May 2019 to May 2023, per cent)



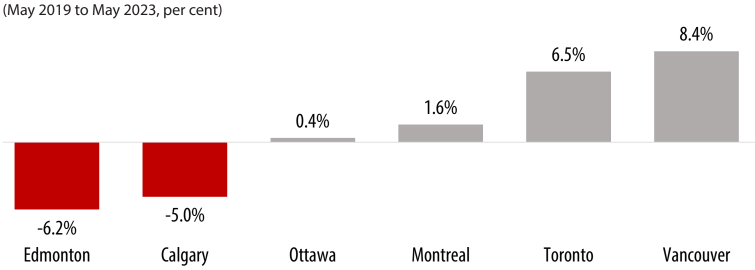
Specifically, Calgary's cumulative consumer price inflation increased by 15.2 per cent, which is higher than the 9.4 per cent cumulative increase in average hourly wages. Similarly, Alberta saw a 14.0 per cent increase in consumer price inflation, higher than the average hourly wage increase of 8.6 per cent. On the other hand, Canada experienced a 14.9 per cent increase in consumer price inflation, with a more elevated 18.2 per cent increase in average hourly wages.

As a result, over the last four years, real wages and the purchasing power of Calgarians (-5.0 per cent) and Albertans (-4.7 per cent) have declined. On average, real wages have increased for Canadians (+2.9 per cent).

Like Calgary, Edmonton also experienced a significant decline in real wages (-6.2 per cent). The bad news is that, over the same period, the other major Canadian cities experienced real wage growth, with a combined +4.2 per cent increase. The silver lining is that Calgary still boasts the highest average hourly wages relative to most other major Canadian cities – Ottawa-Gatineau is the exception (Chart 3).

Chart 3: Real Wage Growth for Major Canadian CMAs

(May 2019 to May 2023, per cent)



The regional, provincial, and national unemployment rates have dropped below pre-Covid values partly because of decreased labour force participation

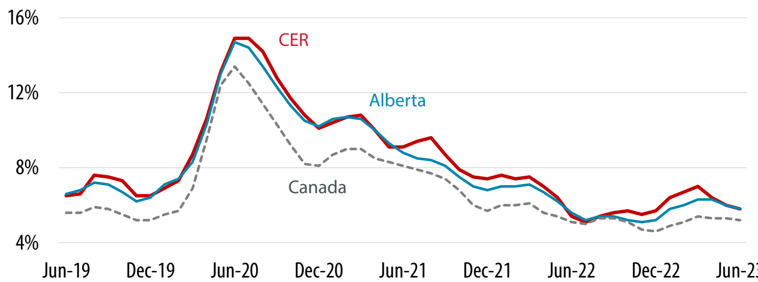
The CER, Alberta, and Canada reached their highest monthly unemployment rate over the past two decades in June 2020, at 14.9 per cent, 14.7 per cent, and 13.4 per cent, respectively. It means that the impact of the COVID-19 pandemic was very significant and even more debilitating than the impact of the 2008/09 financial crisis.

There is evidence of a resilient labour market in the CER, Alberta, and Canada. Four years on from June 2019, even after the drastic change in June 2020, the unemployment rate in the CER (5.8 per cent), Alberta (5.8 per cent), and Canada (5.2 per cent) were at or near the lowest levels in the last four years by June 2023 (Chart 4).

Despite an overall increase in the CER labour force by 58,700 people from June 2019 to June 2023, the labour force participation rate in the CER decreased because the region's working-age population increased even faster (126,000 people). Over this period, the CER labour force participation rate decreased by 2.3 percentage points to 71.5 per cent.

Chart 4: Unemployment Rate Comparison

(June 2019 to June 2023, per cent)

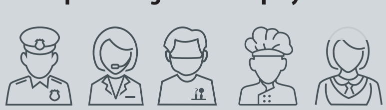


Significant post-pandemic improvement in the health of the job market with fewer layoffs and a shorter period for achieving job search success

Alberta set a record-high number of layoffs in April 2020 at 498,100. By June 2023, the number of job dismissals was 117,400 - a return to normal levels. The average number of weeks it takes job seekers to find jobs has also returned to more normal levels at 14.1 weeks in June 2023 after hitting a four-year high of 34.0 weeks in April 2022. There was an anomaly in April 2020, with a four-year low of 12.2 weeks. Two factors are responsible for the April 2020 low. First, there were fewer job seekers due to stay-at-home restrictions that limited job searches at the beginning of the pandemic. Second, the uncertainty brought by the pandemic likely pushed individuals to accept any job available rather than risk waiting for better opportunities.

Four-Year Employment Growth

Service-producing Sector Employment



+48,300 people *(June 2019 to June 2023)*

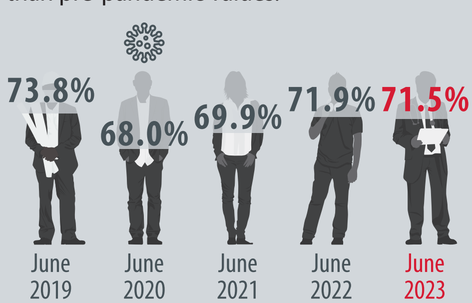
From June 2019 to June 2023, employment in the services sector in the CER increased by 48,300, clearly outpacing employment in the goods sector, which has only gained 13,800 positions over the same period.

Goods-producing Sector Employment

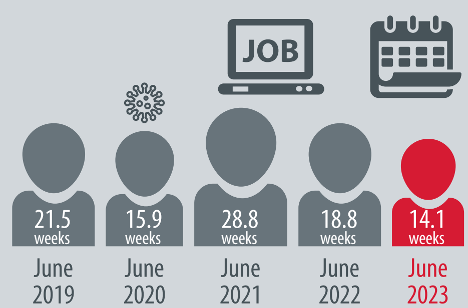
+13,800 people *(June 2019 to June 2023)*

Labour Force Participation Rate

There was a significant (5.8 percentage point) decline in the CER's labour force participation rate from June 2019 to June 2020 because of the pandemic. By June 2023, the proportion of Calgarians working or looking for work has improved to 71.5 per cent, but still lower than pre-pandemic values.



Alberta's Unemployment Duration



April 2020 set the four-year low for the average number of weeks it takes job seekers to find jobs in Alberta at 12.2 weeks before the four-year high of 34.0 weeks in April 2022. The June 2023 value of 14.1 weeks is close to the figure for the four-year low, reflecting job market strength.

Labour Market Review

David Espinosa Ribadeneira, *Student Economist* | **Estella Scruggs**, *Corporate Research Analyst*

July 7, 2023

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

CALGARY ECONOMIC REGION

Description	Jun-23	May-23	Jun-22	Annual Change
Working Age Population ('000)	1,434.9	1,428.6	1,380.3	54.6
Labour Force ('000)	1,025.3	1,007.0	992.4	32.9
Labour Force Participation Rate (%)	71.5	70.5	71.9	(0.4)
Employment ('000)	966.0	946.9	938.7	27.3
Employment Rate (%)	67.3	66.3	68.0	(0.7)
Unemployment ('000)	59.3	60.1	53.7	5.6
Unemployment Rate (%)	5.8	6.0	5.4	0.4

ALBERTA

Description	Jun-23	May-23	Jun-22	Annual Change
Working Age Population ('000)	3,732.5	3,717.5	3,601.3	131.2
Labour Force ('000)	2,616.7	2,595.9	2,536.0	80.7
Labour Force Participation Rate (%)	70.1	69.8	70.4	(0.3)
Employment ('000)	2,465.9	2,440.8	2,393.5	72.4
Employment Rate (%)	66.1	65.7	66.5	(0.4)
Unemployment ('000)	150.7	155.1	142.6	8.1
Unemployment Rate (%)	5.8	6.0	5.6	0.2

Sources: Statistics Canada, Corporate Economics, July 7, 2023

Table 2. Calgary CMA Wage by Industry

Industry	Total employees*** ('000 people)			Average weekly earning ($)			Total weekly wage bill ($million)			Total hours worked (hours)		
	Jun-23	Jun-22	Change (y/y)	Jun-23	Jun-22	Change (y/y)	Jun-23	Jun-22	Change (y/y)	Jun-23	Jun-22	Change (y/y)
Mining, quarrying, and oil and gas extraction	39.8	41.7	(1.9)	2,473.8	2,460.5	13.3	98.5	102.6	(4.1)	42.1	41.8	0.3
Utilities	5.6	9.1	(3.5)	2,006.4	1,953.1	53.3	11.2	17.8	(6.5)	39.4	39.7	(0.3)
Construction	71.1	65.4	5.7	1,531.5	1,453.2	78.3	108.9	95.0	13.9	42.1	41.3	0.8
Manufacturing	41.0	27.3	13.7	1,422.5	1,343.7	78.8	58.3	36.7	21.6	38.7	38.6	0.0
Wholesale Trade	22.0	26.4	(4.4)	1,398.8	1,525.2	(126.4)	30.8	40.3	(9.5)	40.8	39.2	1.6
Retail Trade	79.3	105.8	(26.5)	877.8	829.3	48.5	69.6	87.7	(18.1)	34.6	34.8	(0.3)
Transportation and Warehousing	51.9	48.1	3.8	1,346.3	1,276.8	69.5	69.9	61.4	8.5	36.1	39.5	(3.4)
Information and Cultural Industries	14.5	15.6	(1.1)	1,306.6	1,559.3	(252.7)	18.9	24.3	(5.4)	37.5	37.9	(0.4)
Finance and Insurance	32.6	28.3	4.3	1,627.2	2,087.6	(460.4)	53.0	59.1	(6.0)	38.1	40.7	(2.6)
Real Estate Rental and Leasing	17.7	13.2	4.5	1,301.6	1,745.4	(443.8)	23.0	23.0	(0.0)	39.4	39.9	(0.5)
Professional Scientific and Technical Services	101.4	81.8	19.6	1,726.5	1,729.4	(2.9)	175.1	141.5	33.6	38.7	37.9	0.8
Administrative and Support	26.7	16.9	9.8	1,047.2	1,163.1	(115.9)	28.0	19.7	8.3	37.5	38.0	(0.5)
Educational Services	52.1	67.3	(15.2)	1,410.6	1,216.7	193.9	73.5	81.9	(8.4)	36.4	33.2	3.2
Health Care and Social Assistance	94.6	81.7	12.9	1,089.0	1,124.6	(35.6)	103.0	91.9	11.1	34.4	34.4	(0.0)
Arts Entertainment and Recreation	17.0	25.3	(8.3)	828.1	665.3	162.8	14.1	16.8	(2.8)	31.7	28.1	3.7
Accommodation and Food Services	43.9	44.2	(0.3)	596.0	586.1	9.9	26.2	25.9	0.3	30.4	31.3	(0.9)
Other Services (except Public Admin)	25.8	17.2	8.6	1,233.4	930.6	302.8	31.8	16.0	15.8	36.2	35.9	0.2
Public Administration	30.9	40.0	(9.1)	1,635.7	1,762.2	(126.5)	50.5	70.5	(19.9)	38.3	37.1	1.2
All Industries	**773.3**	**757.0**	**16.3**	**1,355.5**	**1,340.3**	**15.2**	**1,048.2**	**1,014.6**	**33.6**	**37.7**	**37.3**	**0.3**

*** Excluding self-employed *Notes: 1) lack of data for Agriculture 2) Numbers might add up due to rounding.*
Sources: Statistics Canada, Corporate Economics, July 7, 2023

Next update: August 4, 2023

For media inquiry, please contact:
The Media Line at 403.828.2954 or media.relations@calgary.ca

For the technical questions, please contact:

Oyin Shyllon
Manager, Corporate Economics & Regulatory Affairs
oyinola.shyllon@calgary.ca

David Espinosa Ribadeneira
Student Economist
David.EspinosaRibaden@calgary.ca

Estella Scruggs
Corporate Research Analyst
estella.scruggs@calgary.ca

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

Only data from Statistics Canada was used for the illustrations contained in this publication (including Charts 1 through 4).

Footnote:
1 All statistics referenced are seasonally unadjusted unless stated otherwise.