

Impact of Business Cycles on Calgary's Employment in Different Sectors

Real GDP in Canada grew 0.3 per cent from January to February 2010, mainly on the strength of manufacturing. More jobs in April followed the stronger than expected economic recovery in Canada. According to the seasonally adjusted data, from March to April 2010:

- Total employment decreased by 3,300 in the Calgary Economic Region (CER), compared to increases of 10,000 in Alberta, and 108,700 in Canada.
- In Canada, most new jobs were added in the service-producing sector (+106,600), and were employees class positions (+106,700) in the private sector (+108,500). Ontario (+40,500) and Quebec (+35,000) led the country in job gains.
- In Alberta, job increases in the goods-producing sector (+4,600) were mainly in the Manufacturing industry (+2,500), and job gains in the service-producing sector (+5,500) were concentrated in the Professional, Scientific and Technical Services industry (+5,800).

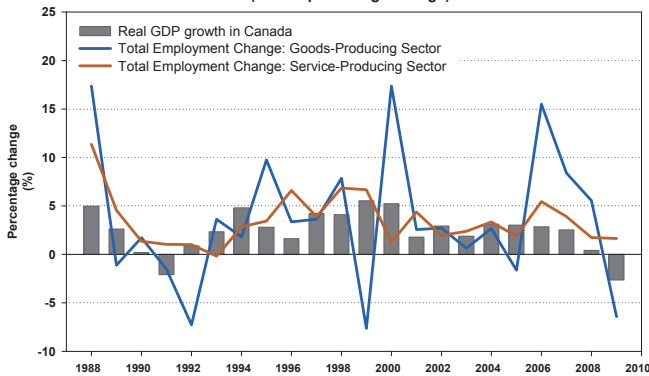
The recession in Canada affected the service sector less than the goods-producing sector in Calgary, especially in full-time jobs (See Charts 1 and

2). This is mainly due to the unique nature of the goods sector: people can delay goods purchases but the same cannot be said for services, and goods-producing firms have larger inventories to reduce than those in the service sector. However, when growth resumes employment in the goods-producing sector should increase quicker than the rest of the economy. According to the unadjusted 3-month-moving-average data, the following year-over-year changes were recorded in the CER in April 2010:

- Total employment dropped by 6,900 positions in the CER, all of them in part-time jobs. The unemployment rate was 7.6 per cent, compared to 6.4 per cent last year. Average wage inflation in the CMA was 1.7 per cent, compared to 2.4 per cent a year ago.
- Total employment in goods-producing sector increased by 6,600 positions, with 7,300 gains in full-time partly off-set by 700 losses in part-time. Total employment in the service-producing sector decreased by 13,500 positions, both in full-time (-7,400) and part-time (-6,100).
- There were 20,060 Calgarians receiving regular employment insurance benefits in February 2010, compared to 12,310 a year ago.

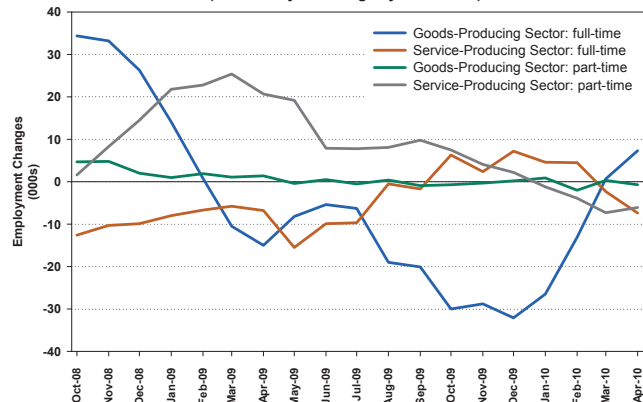
Next update: June 4, 2010

Chart 1. Business Cycles and Employment changes in Calgary (annual percentage change)



Source: Statistics Canada, Corporate Economics, May 2010

Chart 2. Calgary (CER) Employment Changes since Recession (Year-over-year change by thousands)



Source: Statistics Canada, Corporate Economics, May 2010

Labour Force Statistics

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

| Region | Description | Apr-10 | Mar-10 | Apr-09 | Annual Change |
|----------|-------------------------------------|---------|---------|---------|---------------|
| Calgary | Working Age Population ('000) | 1,069.5 | 1,067.5 | 1,040.9 | 28.6 |
| | Labour Force ('000) | 793.5 | 793.5 | 790.2 | 3.3 |
| | Labour Force Participation Rate (%) | 74.2 | 74.3 | 75.9 | (1.7) |
| | Employment ('000) | 733.1 | 735.1 | 740.1 | (7.0) |
| | Employment Rate (%) | 68.5 | 68.9 | 71.1 | (2.6) |
| | Unemployment ('000) | 60.4 | 58.3 | 50.2 | 10.2 |
| | Unemployment Rate (%) | 7.6 | 7.3 | 6.4 | 1.2 |
| Edmonton | Working Age Population ('000) | 954.4 | 953.0 | 932.4 | 22.0 |
| | Labour Force ('000) | 676.4 | 674.4 | 671.6 | 4.8 |
| | Labour Force Participation Rate (%) | 70.9 | 70.8 | 72.0 | (1.1) |
| | Employment ('000) | 623.9 | 625.0 | 632.8 | (8.9) |
| | Employment Rate (%) | 65.4 | 65.6 | 67.9 | (2.5) |
| | Unemployment ('000) | 52.5 | 49.4 | 38.8 | 13.7 |
| | Unemployment Rate (%) | 7.8 | 7.3 | 5.8 | 2.0 |
| Alberta | Working Age Population ('000) | 2,908.2 | 2,903.8 | 2,841.9 | 66.3 |
| | Labour Force ('000) | 2,110.5 | 2,105.0 | 2,099.9 | 10.6 |
| | Labour Force Participation Rate (%) | 72.6 | 72.5 | 73.9 | (1.3) |
| | Employment ('000) | 1,955.3 | 1,956.4 | 1,970.8 | (15.5) |
| | Employment Rate (%) | 67.2 | 67.4 | 69.3 | (2.1) |
| | Unemployment ('000) | 155.2 | 148.6 | 129.1 | 26.1 |
| | Unemployment Rate (%) | 7.4 | 7.1 | 6.1 | 1.3 |

Statistics Canada: CANSIM, Table ID: 282-0054

Source: Corporate Economics, Statistics Canada, May 2010

Calgary's Monthly Market Review: April 2010

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.

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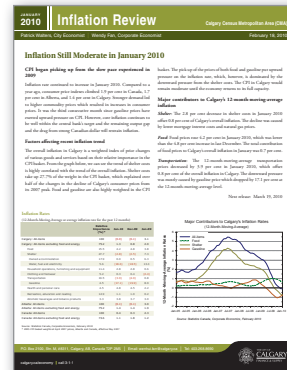
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Many of our publications are available on the internet at www.calgary.ca/economy.

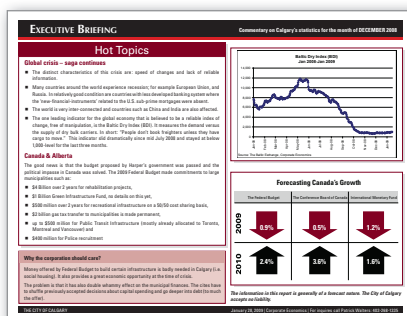
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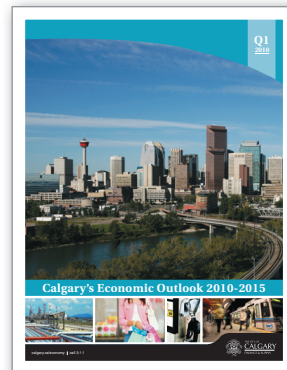
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Source: Statistics Canada