

Economic Profile Series: Calgary, Alberta

Spring 2020

This series looks at select communities across Canada and highlights key labour market statistics and the role that immigration has played, or could play, to help these communities flourish. It is important to note that predicting future labour market demand can be challenging as economies are always evolving. This profile uses current population and labour market trends to give a profile of how immigration might play a role in this community.

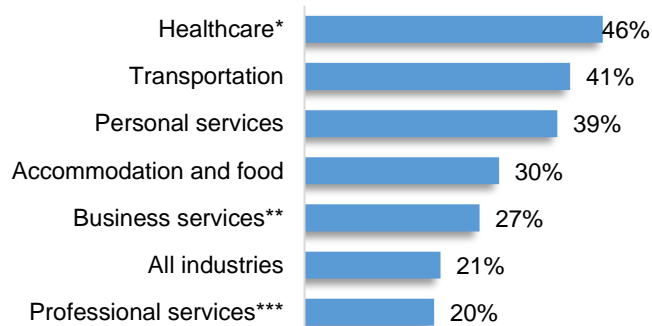
Ensuring Greater Calgary remains an economic engine in Western Canada: the role of immigration

Calgary: a fast-growing economy

Despite turbulence in Alberta's oil and gas industry, Calgary's economy has powered ahead in recent years¹. The urban centre added more than 150,000 net new jobs between 2011 and 2019, one of the fastest rates of employment growth in the country. Calgary has solidified its role as a regional services hub in western Canada with across the board growth in the professional, business and personal services sectors, as well as in healthcare, transportation and tourism (Figure 1).

Out of more than 150 urban centres across Canada, Calgary (population 1.5 million) ranks second for the share of workers employed in professional, scientific and technical services, and in the management of companies and enterprises². As an example of its dominance in professional services, Calgary has the largest share of engineers in its workforce of any urban centre in Canada. Much of this technical workforce supports the province's strategically important oil and gas industry.

Figure 1: Employment growth 2011 to 2019 for selected industries (Calgary census metropolitan area)



*Includes social assistance.

**Business, building and other support services.

***Professional, scientific and technical services.

Source: Statistics Canada, Table 14-10-0098-01.

Immigration: a critical part of Calgary's growth story

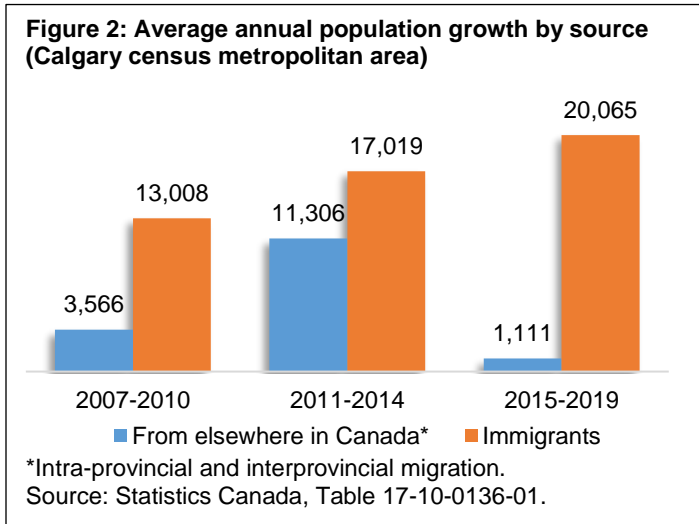
The attraction of talent from across Canada and around the world has been fundamental to the Calgary growth story. For decades, people have moved in from elsewhere in Canada to find jobs and opportunity.

¹ The Calgary Census metropolitan area includes the cities of Calgary, Airdrie and Chestermere, as well as several smaller municipalities.

² Based on Statistics Canada 2016 Census data.

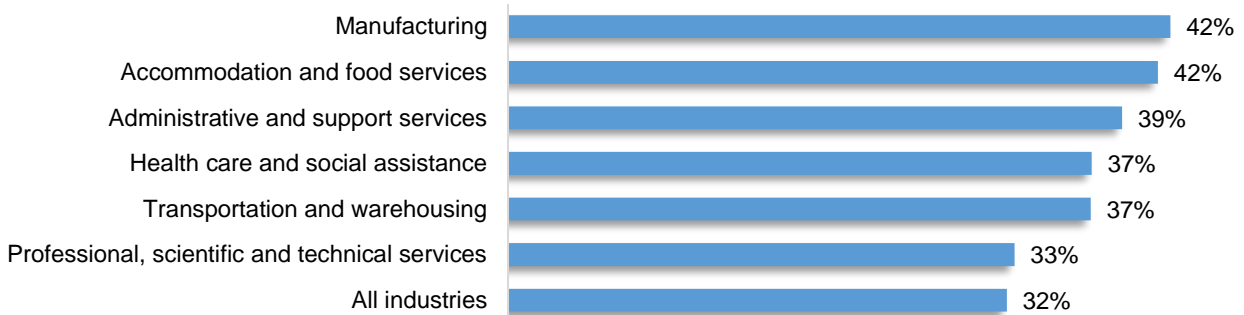
In recent years, immigrants have replaced individuals from elsewhere in Canada as the top source of new population. As shown in Figure 2, population growth from immigration has increased from around 13,000 per year in the late 2000s to more than 20,000 annually since 2015.

At the time of the 2016 Census, there were more than 400,000 immigrants living in Calgary; 280,000 of which were aged 15+ and active in the workforce, and 120,000 were under age 15, retired, or not working. New immigrants are, on average, considerably younger than the workforce overall.



Immigrants now account for one-third of the Calgary workforce and they are contributing across all sectors of the economy. More than 40% of workers in the manufacturing sector were not born in Canada (Figure 3).

Figure 3: Immigrant share of the workforce—selected industries (Calgary census metropolitan area)



Source: Statistics Canada, 2016 Census.

The tourism industry has a high concentration of immigrant workers, as they account for 42% of all people working in the accommodation and food services sector. The region's head office and professional services industries are also attracting immigrant workers. Thirty-nine percent of everyone working in administrative and support services, and 33% of those working in professional, scientific and technical services, were not born in Canada. As for the large pool of engineers mentioned above, nearly half (47%) are immigrants.

Immigrants are also helping to address specific shortages in the regional labour market. The workforce in the important food manufacturing sector is 64% foreign-born. More than 60% of everyone working in transit and ground passenger transportation are immigrants, as are 50% of those working in the accommodation services sector. The fast-growing nursing and residential care sector employs more than 7,000 immigrants, or nearly 6 out of every 10 workers in the sector.

Immigration: helping to ensure Calgary has the workforce it needs for the future

Despite Calgary's success attracting immigrants, the community is facing a similar demographic challenge as the rest of Canada. The share of the population over the age of 55 is expanding much faster than the

share under the age of 20. More than 181,100 people in the workforce are over the age of 55 and heading towards retirement (Table 1).

More than 1 out of every 5 working in professional, scientific and technical services are over the age of 55, including 6,800 engineers, engineering managers and engineering technologists. One in 4 working in the nursing and residential care sector is also over the age of 55.

Table 1: Changing labour market indicators (Calgary census metropolitan area)

	2011	2019	Change
Workforce (age 15+)	765,600	938,100	+23%
Employment (age 15+)	720,500	871,300	+21%
Workforce (age 55+)	117,200	181,100	+55%
Participation rate (age 55+)	46.1%	48.6%	
Unemployment rate (age 15+)	5.9%	7.1%	

Source: Statistics Canada, Table 14-10-0096-01.

The “55-plus” workforce has grown by 55% since 2011. Calgary also has the highest labour market participation rate among the population 55 and older of any urban centre in Canada (Figure 4). More than 49% of everyone over the age of 55 in the urban centre is either employed or looking for work. This likely means there is less potential to attract older people into the workforce as a way to ensure the labour market can meet future demand.

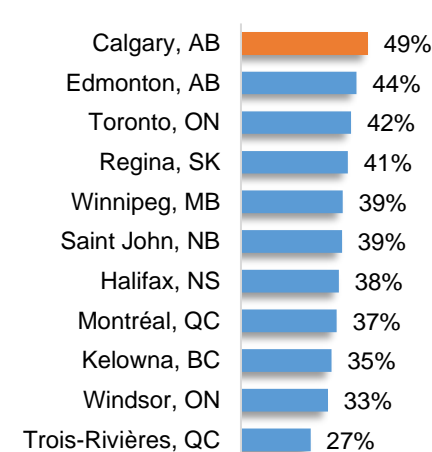
Greater Calgary’s aging entrepreneurs

One of the keys to Calgary’s economic success has been its entrepreneurs. There are 77,000 people who are self-employed in the urban centre, of which 30,000 have paid staff. But this group is aging faster than the general population. Across all industries, 25,000 of the self-employed are 55 and older (or 33%), as are more than 9,400 of those with paid staff. Calgary will need a new generation of entrepreneurs to replace those who retire and to help drive growth in important industries such as professional services, administrative services and tourism.

Critical to Calgary’s economic development vision: ensuring there is a talent pipeline to feed industry

The 10-year economic development strategy for Calgary released in 2018 establishes continued economic growth as a clear objective in the years ahead³. The community also aspires to be “the city of choice in Canada for the world’s best entrepreneurs”. Business and community leaders have realized that attracting talent will be key to achieving this vision. They have made 1 of the 4 objectives of the economic development strategy “to become Canada’s destination for talent”.

Figure 4: Labour market participation rate* for population 55+ in selected urban centres



*The population aged 55 and older that is either working or actively seeking employment.

Source: Statistics Canada, Table 14-10-0096-01.

³ <https://www.calgaryeconomicdevelopment.com/assets/Calgary-in-the-New-Economy/Calgary-in-the-New-Economy-Final.pdf>

How does Calgary ensure the workforce is growing fast enough to address the gap arising from those retiring and feed new growth opportunities? There are several ways:

- **Attract more students to the region**

Immigrants represent an above-average share of the student population in Calgary. Only Vancouver and Toronto have a higher share of immigrants in the secondary and post-secondary student population. In addition to those who have moved to Canada, international students are another important source for the workforce of the future. The community is attracting thousands of international students into its high schools, colleges and universities. The University of Calgary alone has 3,500 foreign students from more than 120 countries. Many of these students could graduate and find jobs in the community.

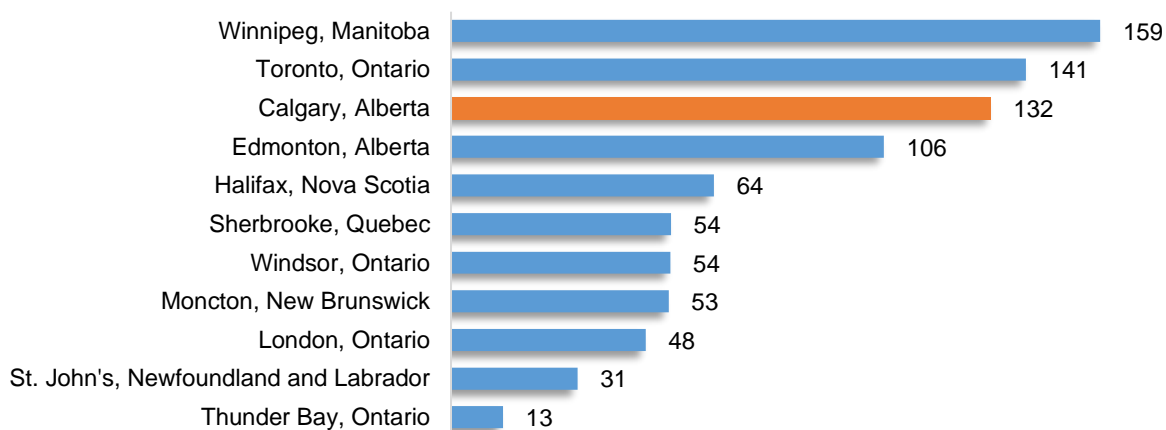
- **Encourage more people to join the workforce**

The tightening labour market creates employment opportunities for people who previously struggled to participate in the labour market, such as women re-entering the workforce or those with disabilities. Persons aged 55 and older who are not in the labour market could also be enticed back in by being offered flexible work and other benefits.

- **Attract people from outside the region**

There is no doubt the biggest opportunity involves the continued attraction of young people and families to Calgary, mostly from immigration. Since 2013, across Canada all net growth in the labour market has come from immigrants⁴. There is a direct correlation between immigrant attraction and workforce growth. The urban centres with the highest immigration rates have, by far, the fastest labour market growth. Calgary is a good example of this. It has one of the highest immigration rates in Canada and among the fastest-growing labour markets (Figure 5).

Figure 5: Average annual immigration rate between 2010 and 2018 for large urban centres across Canada (census metropolitan areas): number of immigrants per 10,000 population



Source : Statistics Canada, Table 17-10-0136-01.

Supporting Calgary's French-speaking community

Calgary has been selected as a [Welcoming Francophone Community](#) to help French-speaking and bilingual newcomers feel welcomed and integrated in Francophone minority communities outside Quebec. The

⁴ The number of people born in Canada exiting the workforce is greater than the number of people born in Canada joining each year.

Calgary census metropolitan area is home to more than 29,000 people with French as their first official language. In addition, there are over 100,000 who speak French living in the community. Outside of Quebec, among urban centres across Canada only Ottawa, Toronto and Vancouver have larger French-speaking populations⁵.

Francophones play an important role in the Calgary economy. Over 20,000 are active in the workforce including 2,400 in construction, 2,100 in education, 2,000 in professional services, 1,800 in health care and 1,500 in transportation.

Immigration is an important way to help ensure the minority community can continue to thrive. According to the 2016 Census, over 2,700 immigrants who settled in Calgary between 2011 and 2016 spoke French as their first official language. This means Calgary was among the top destinations in Canada outside Quebec for French-speaking immigrants (Figure 6).

Helping to grow local economy

Attracting more immigrants in the coming years will create new demand for local products and services. Every 1,000 new immigrant families with an average household income directly generate \$84 million worth of new household expenditures—much of this spending is in the local community⁶.

Statistics show that these 1,000 immigrant families would spend:

- \$14 million per year on housing costs, such as mortgage payments, electricity and property taxes
- \$11 million each year on transportation costs, such as vehicle purchases and maintenance, and
- nearly \$8 million on food expenditures at local grocery stores and restaurants.

These 1,000 new families would also generate over \$20 million worth of taxes per year for local, provincial and federal governments.

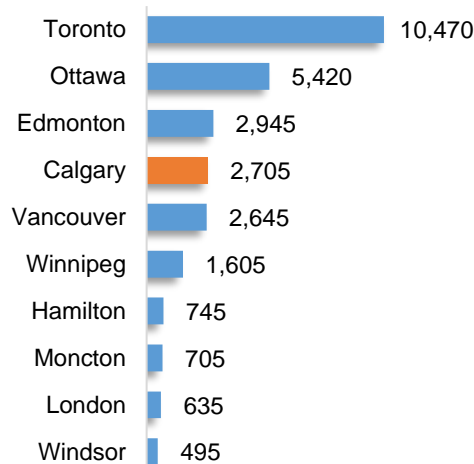
Other positive effects

Continuing to attract immigrants, including French-speaking or bilingual immigrants, to Calgary will help support a vibrant economic and social life in many other ways. Civic and business groups would have a growing pool from which to draw members. Youth sports clubs and leagues around the region would benefit from an increasing population of young residents.

Helping to sustain high quality public services

There is a direct relationship between economic growth and provincial and local government capacity to provide high quality public services and public infrastructure such as roads, schools and hospitals.

Figure 6: Top 10 destinations for French speaking immigrants between 2011 and 2016 (excluding Quebec)*



*Those with French as their first official language.
Source: Statistics Canada, 2016 Census.

⁵ All statistics in this section taken from Statistic Canada's 2016 Census.

⁶ Assumes the new household spending conforms to the current spending pattern in Alberta.

Continued growth in the economy and population could lead to a greater public investment in services and infrastructure.

Older residents play an important role in the community

Residents of all ages contribute to the well-being of their communities and their province by working, paying taxes and giving back through volunteer and charitable activities. As residents of Calgary retire and move into a new stage in life, it creates new economic opportunities in healthcare, personal services, and recreation industries.

But these industries should not be considered a replacement for Calgary's important head office and export-oriented industries such as oil and gas, professional services, manufacturing and tourism. In the years ahead, the community can and should benefit from the economic opportunities arising from more retirees as well as the opportunities arising from attracting and growing the younger workforce.

Greater Calgary in 2035

So, what will Greater Calgary look like in 2035? Will the region expand its role as a head office and professional services hub for western Canada? Will it continue to be a health sciences and education centre? Will the workforce be there to ensure the region can take advantage of new opportunities?

In the years ahead, Calgary is poised to strengthen its role as a regional economic hub for Canada. Immigration, including French-speaking or bilingual immigrants, may be key to ensuring the region lives up to its economic potential.

For more information on how immigration matters across Canada, visit canada.ca/immigration-matters.