

By Jack Lucas and Trevor Tombe

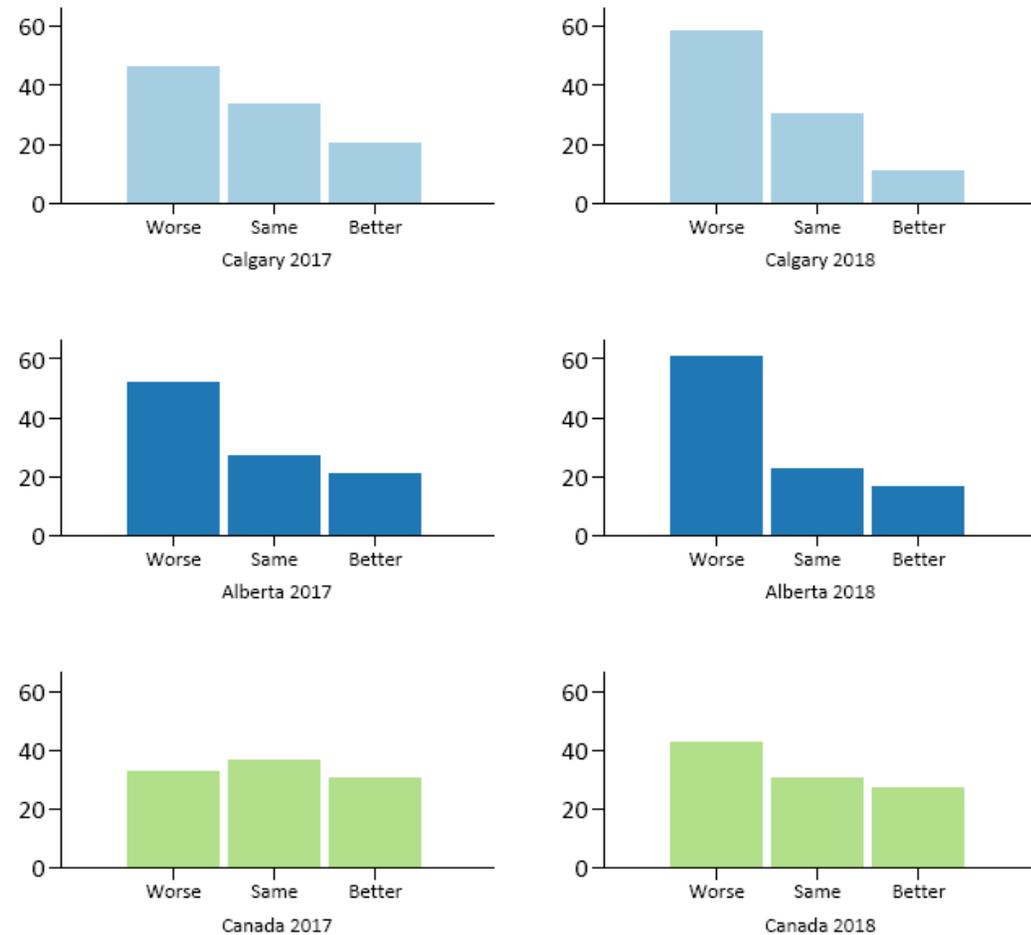
WHAT DO CALGARIANS THINK OF THEIR LOCAL, PROVINCIAL, AND NATIONAL ECONOMIES?

To answer this question, The School of Public Policy partnered with the Canadian Municipal Election Study (CMES) to ask Calgarians a series of questions about the economy. The survey was carried out by Forum Research between November 14 and December 13, 2018, and included 748 individuals who completed both the 2017 CMES survey and the 2018 Calgary Year in Review Survey. Each of the two surveys included an identical set of questions about the economy, providing a valuable look at how opinions about the local economy have changed in Calgary over time.¹

Calgarians are concerned about the direction of the economy. Fully two-thirds feel the local and provincial economies have gotten worse.

In the figure, we summarize 2017 and 2018 responses to questions about the local, provincial, and national economy: in each case, the bars represent the proportion of respondents who felt that each economy had gotten worse, stayed the same, or gotten better over the past year. In 2017, many Calgarians were already concerned about the direction of the economy, with about half of respondents indicating that the local and provincial economies had gotten worse in the past year. In 2018, however, these concerns grew: fully two-thirds of respondents in 2018 felt that the local and provincial economies had gotten worse in the past year. Moreover, this concern now extends to the national economy; nearly half of our respondents felt that the Canadian economy had also gotten worse in the past year.

In the past year, has the economy in the following places gotten better, gotten worse, or stayed about the same?



How well do these public sentiments match economic trends in the data?

According to most measures, Alberta's economy remains strong and its recovery well underway. The recession began in late 2014, and ended two years later. Though initially strong through 2017, the pace of economic recovery has slowed.

First, the positives. Income and employment in Alberta are both high, and growing. Average weekly earnings, which at \$1,155 exceed any other province by a wide margin, have recovered almost fully. Total economic activity per person (as measured by GDP) is larger in Alberta than any other province. As for jobs, a higher share of Alberta's population is employed than elsewhere and the labour market has recovered roughly two-thirds of its recessionary losses.

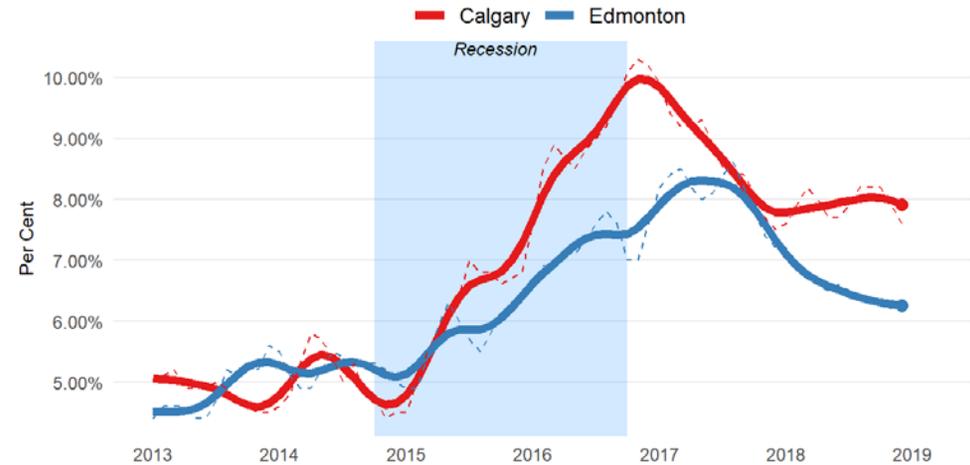
Calgary and Alberta's economic recovery continues, though the pace of growth has slowed through 2018. Employment for most workers is rising, and is approaching pre-recession levels, but young Calgary workers appear to be left behind.

But challenges remain, especially in Calgary. The pace of growth in 2018 was weak compared to 2017. Calgary's unemployment rate in December 2018, for example, was 7.6 per cent – unchanged from January. The recovery is also uneven. The employment rate of those in their prime working years of 25 to 54 have almost returned to pre-recession levels, but only half of Calgarians aged 15 to 24 years are employed today – a lower share than any point in at least the past thirty years, and far below the pre-recession rate of 60 per cent.

The negative sentiment expressed by many survey respondents could reflect ongoing uncertainty, disappointment at the slowing pace of recovery, concern for jobless family members (especially children), or many other factors. How these views change through 2019 will be important to watch.

Unemployment Rates in Calgary and Edmonton

Source: Own calculations from Statistics Canada data table 14-10-0294. Trend estimates are the solid lines, reported 3-month moving average estimates are the dashed lines.



Employment Rates, Aged 15 to 24 Years, Calgary and Edmonton

Source: Own calculations from Statistics Canada data table 14-10-0095. Trend estimates are the solid lines, reported 3-month moving average estimates are the dashed lines.

