

Calgary Economic Development

INDUSTRY REPORT: OTHER SERVICES

January 2008

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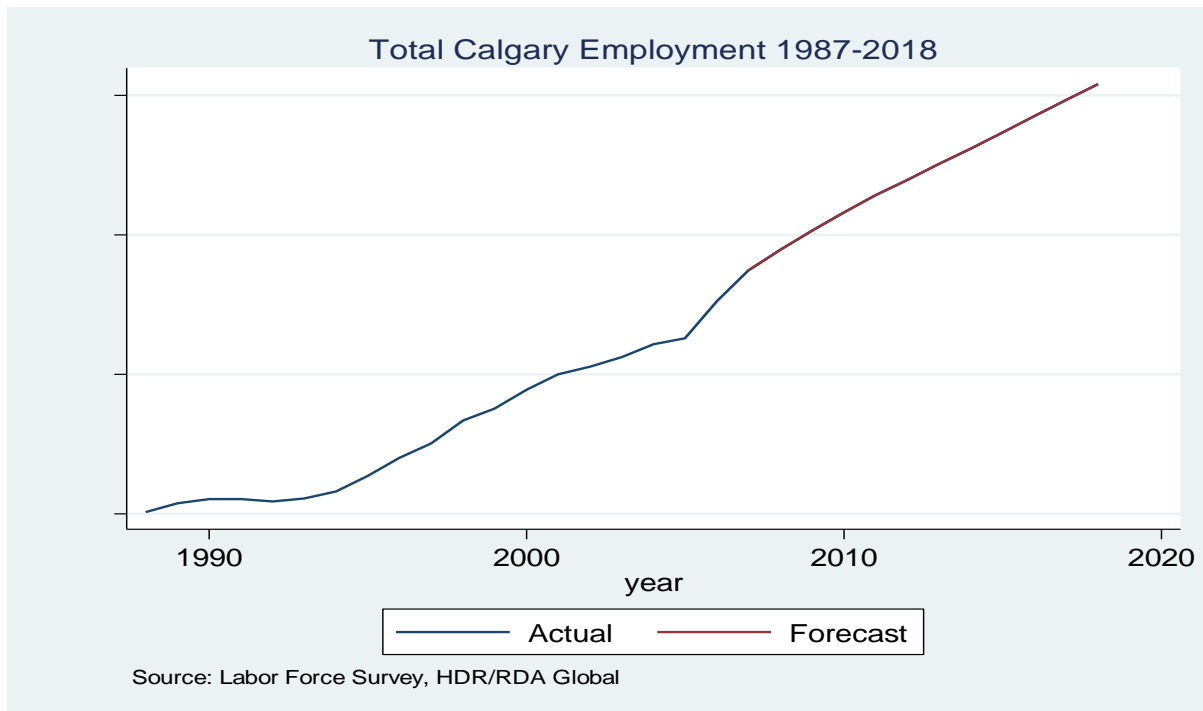
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CALGARY LABOR MARKET

Figure 1: Total Calgary Employment Forecast (All Industries)



The Calgary economy has seen tremendous growth in labour demand over the previous decade with employment growth reaching an all-time high of 8.1%¹ in 2006. The recent strong growth in the Calgary economy has been driven by a combination of economic factors spurring growth in specific sectors and generally throughout the Calgary economy. Energy prices are a significant driver with West Texas Intermediate oil price rising 17%² in 2006. Investment levels in major construction projects have risen significantly compared to historical levels. Housing starts have risen from 13,700³ starts in 2005 to 17,000 starts in 2006, an increase of 25%. Calgary GDP grew at 7.7% in 2006.

Recent increases in employment levels have been highest in sectors of the Calgary economy which are related to energy, in particular in the professional services sector. However, overall growth has been relatively balanced among industries with significant growth in most sectors of the economy.

As Figure 1 shows, labour demand in the Calgary Economic Region is expected to continue to grow at a healthy rate throughout the forecast, albeit at a lower, more sustainable level. The overall growth in employment in Calgary is expected to decline over the next several years settling at a more sustainable long-term employment growth rate of 2.4%, in line with historical average growth. However, this lower growth rate will continue to result in strong job creation. Over the previous ten years (1996-2006) Calgary employment increased adding 224,000 new

¹ Source: Labor Force Survey

² Source: US Energy Information Administration

³ Source for housing starts statistics and Metro GDP at basic prices was the Conference Board of Canada

jobs. Over the ten year forecast period (2007-2017) Calgary employment growth will result in the creation of an additional 244,000 new jobs. This growth in the Calgary economy will be driven by a number of factors including expectations that oil prices will remain at or near historically high levels. Energy prices are expected to be volatile in the near term, with possible spikes in prices, partially due to the declining value of the US dollar. However, for the long-term forecast, an average annual 1.7% growth rate in oil prices has been forecasted, which is consistent with conservative expectations of energy analysts⁴. Calgary GDP growth will moderate to a strong long term compound annual real growth rate of 3.8%.

Figure 2 Calgary Job Creation in Each Industry

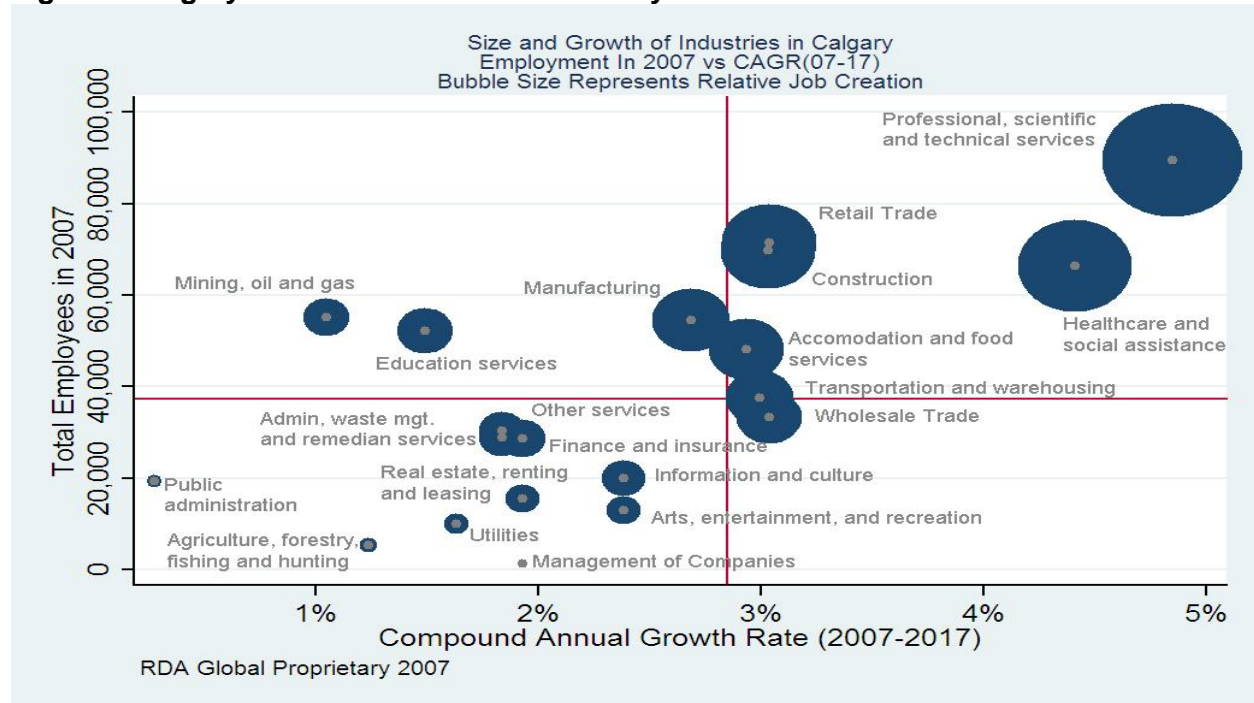


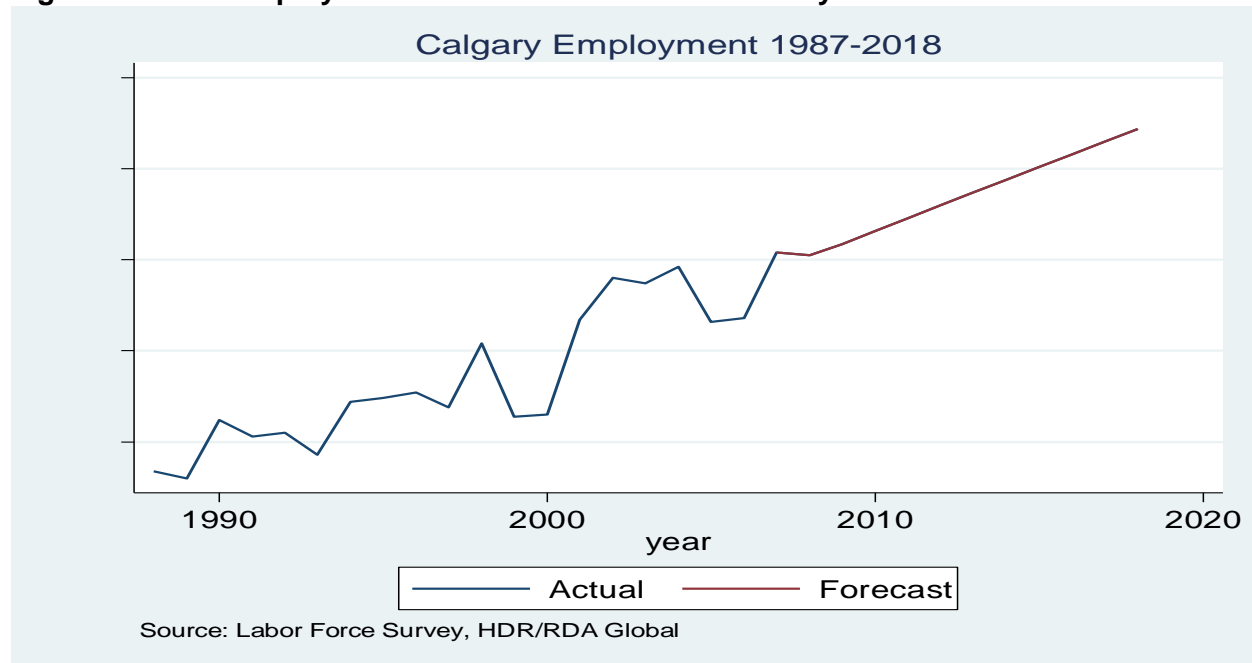
Figure 2 highlights the differences in job creation across industries in Calgary, with the larger circles representing industries with more job creations. Significant gains in employment will be somewhat distributed among economic sectors. However, there will be particularly strong expansion in the professional services sector, which is tied to continued demand for technical and engineering services in the energy sector. There will also be strong job growth in healthcare, driven by overall population growth and growth in the older segments of the population. Job expansion will also continue to be robust in retail, construction, accommodation & food services, transportation, manufacturing, and wholesale. Population growth is expected to drive up demand for education services. Most segments of the economy are expected to continue to see positive growth with employment growth rates in the 1% to 2.5% long-term growth range. However, total job creation in niche industries will be constrained by the relatively smaller size of these segments.

⁴ In development of this forecast, oil price forecasts of the Energy Information Administration and Sproule and Associates were consulted, however, final assumptions in the forecast model were based on a nominal annual growth rate of 1.7%.

OTHER SERVICES INDUSTRY

The Other Services industry is expected to expand at a compound annual growth rate of 1.8% over the next ten years. This will grow below the overall employment growth in Calgary of 2.9% over the same forecast period. Growth in the industry will result in an additional 6,100 jobs added to the industry over the forecast period.

Figure 3: Total Employment in the Other Services Industry 1987-2018



The Other Services industry ranks eleventh out of twenty in total employment. Historically, growth in this industry has underperformed the region and will continue to grow at a rate that is lower than the overall regional growth. In terms of jobs created, the industry ranked eleventh over the 1997-2007 period, creating about 8,500 jobs. The industry will move up to become the tenth largest contributor to job creation in the 2007-2017 forecast period, creating about 6,100 new jobs.

Table 1: Other Services Industry Compared with Other Industries

NAICS Industry	Total Employment				Compound Annual Growth			Jobs Added		
	1987	1997	2007	2017	1987-97	1997-07	2007-17	1987-97	1997-07	2007-17
11 Agriculture, forestry, fishing and hunting	10,357	8,230	5,262	5,951	-2.3%	-4.4%	1.2%	(2,127)	(2,968)	689
21 Mining and oil and gas extraction	34,043	32,970	55,092	61,154	-0.3%	5.3%	1.0%	(1,073)	22,122	6,062
22 Utilities	4,700	3,800	9,881	11,621	-2.1%	10.0%	1.6%	(900)	6,081	1,740
23 Construction	21,500	36,600	69,847	94,177	5.5%	6.7%	3.0%	15,100	33,247	24,331
31-33 Manufacturing	30,500	42,900	54,380	70,890	3.5%	2.4%	2.7%	12,400	11,480	16,510
41 Wholesale trade	21,375	22,041	33,228	44,815	0.3%	4.2%	3.0%	666	11,187	11,586
44-45 Retail trade	46,025	47,459	71,546	96,493	0.3%	4.2%	3.0%	1,434	24,087	24,948
48-49 Transportation and warehousing	21,300	30,400	37,452	50,295	3.6%	2.1%	3.0%	9,100	7,052	12,844
51 Information and cultural industries	11,317	16,489	19,961	25,271	3.8%	1.9%	2.4%	5,172	3,472	5,310
52 Finance and insurance	16,662	21,266	28,538	34,543	2.5%	3.0%	1.9%	4,603	7,272	6,006
53 Real estate and rental and leasing	9,038	11,534	15,479	18,736	2.5%	3.0%	1.9%	2,497	3,944	3,258
54 Professional, scientific and technical services	27,200	43,700	89,591	143,873	4.9%	7.4%	4.9%	16,500	45,891	54,282
55 Management of companies and enterprises	501	879	1,169	1,415	5.8%	2.9%	1.9%	378	289	246
56 Admin & support, waste mgmt & remediation svcs.	11,299	19,821	28,790	34,543	5.8%	3.8%	1.8%	8,522	8,969	5,753
61 Educational services	23,800	31,900	52,154	60,488	3.0%	5.0%	1.5%	8,100	20,254	8,334
62 Health care and social assistance	33,700	43,200	66,471	102,326	2.5%	4.4%	4.4%	9,500	23,271	35,855
71 Arts, entertainment and recreation	7,283	10,611	12,845	16,262	3.8%	1.9%	2.4%	3,328	2,234	3,417
72 Accommodation and food services	20,200	32,100	48,100	64,248	4.7%	4.1%	2.9%	11,900	16,000	16,148
81 Other services (except public administration)	17,800	21,900	30,408	36,484	2.1%	3.3%	1.8%	4,100	8,508	6,076
91 Public administration	21,200	22,900	19,176	19,712	0.8%	-1.8%	0.3%	1,700	(3,724)	536
Grand Total	389,800	500,700	749,368	993,298	2.5%	4.1%	2.9%	110,900	248,668	243,930

JOBS CREATED BY OCCUPATION – OTHER SERVICES INDUSTRY

Figure 4: Total Jobs by Occupation 2007 and 2017 – Other Services Industry

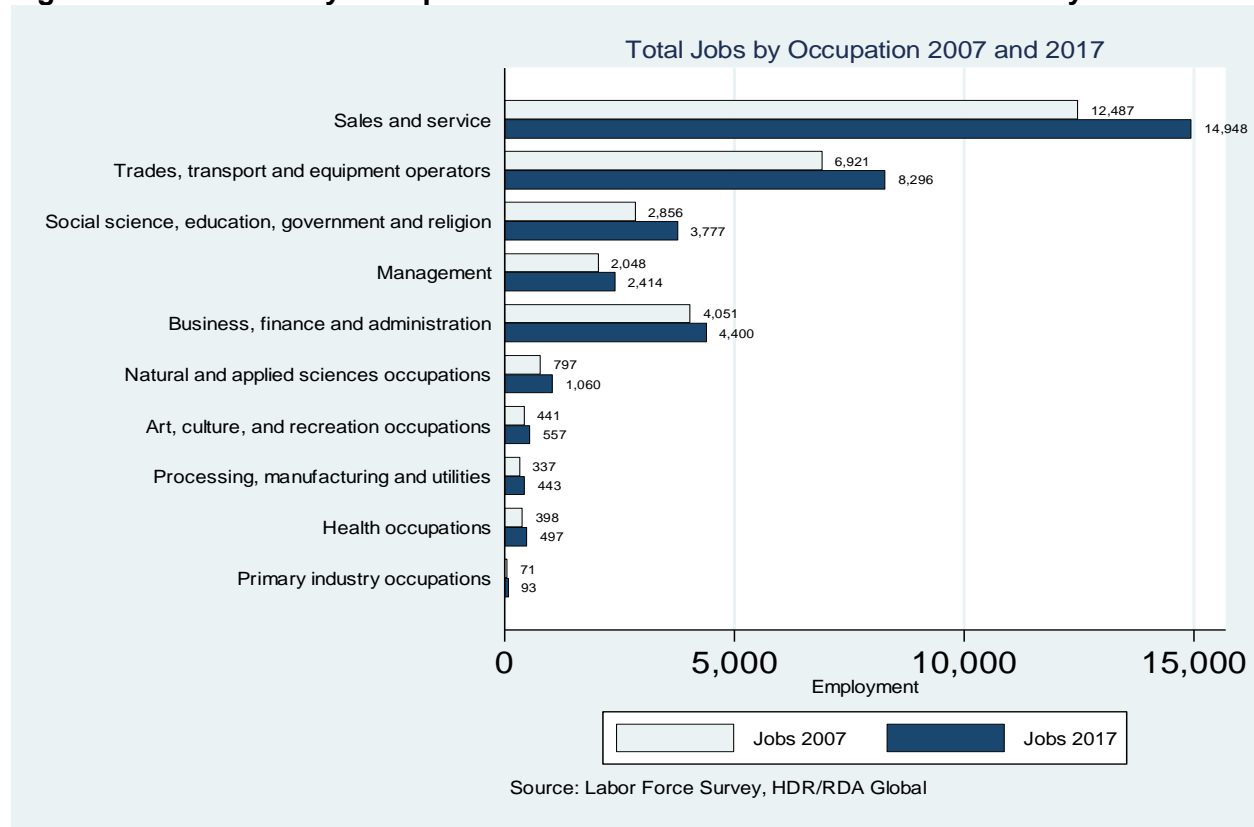
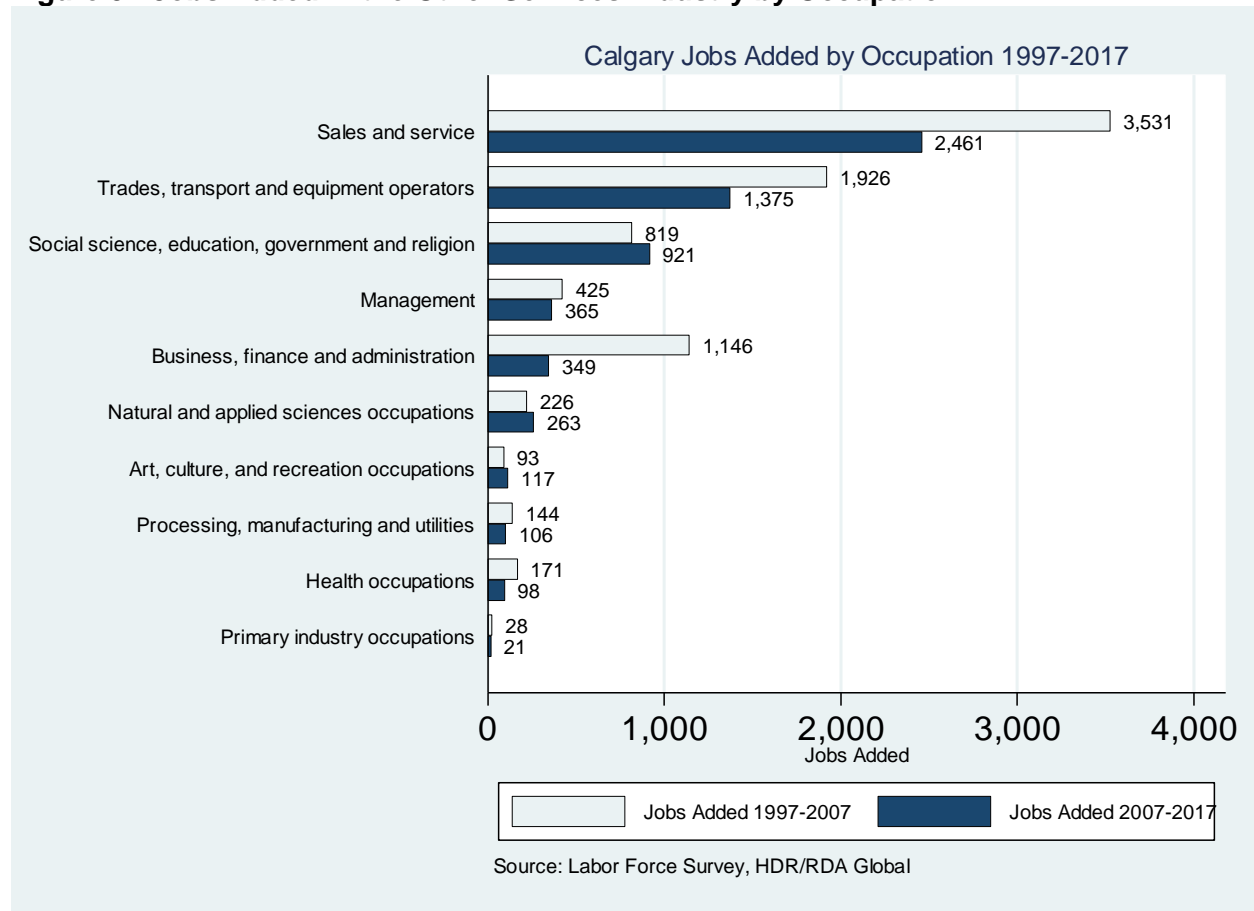


Table 2: 30-Year Occupational Growth for the Other Services Industry

Occupation (1 Digit NOC)	Total Employees				Compound Annual Growth		
	1987	1997	2007	2017	1987-97	1997-07	2007-17
A Management occupations	1,088	1,624	2,048	2,414	1.0%	3.4%	0.8%
B Business, finance and administration occupations	2,631	2,906	4,051	4,400	1.0%	3.4%	0.8%
C Natural and applied sciences and related occupations	420	571	797	1,060	3.1%	3.4%	2.9%
D Health occupations	173	227	398	497	2.8%	5.8%	2.2%
E Occupations in social science, education, government service and religion	1,427	2,037	2,856	3,777	3.6%	3.4%	2.8%
F Occupations in art, culture, recreation and sport	281	347	441	557	2.1%	2.4%	2.4%
G Sales and service occupations	7,402	8,956	12,487	14,948	1.9%	3.4%	1.8%
H Trades, transport and equipment operators and related occupations	4,191	4,996	6,921	8,296	1.8%	3.3%	1.8%
I Occupations unique to primary industry	20	43	71	93	8.2%	5.2%	2.7%
J Occupations unique to processing, manufacturing and utilities	168	194	337	443	1.4%	5.7%	2.8%
Grand Total	17,800	21,900	30,408	36,484	2.1%	3.3%	1.8%

There are 30,400 employees in the Other Services Industry today. Nearly 12,500 of these workers have sales and service occupations, representing the largest share of occupations. Demand for sales and service workers will rise to about 14,900 workers over the forecast period. The next largest occupational category is trades, transport and equipment operators and related occupations, which currently employ about 6,900 workers and will employ about 8,300 workers in 2017. Business, finance, and administration jobs is the third largest category with over 4,000 employees today growing to 4,400 workers in 2017.

Figure 5: Jobs Added in the Other Services Industry by Occupation



About 40% of all jobs created in this industry will be sales and service occupations, a total of about 2,460 new jobs by 2017. The industry will generate about 1,375 jobs for workers in trades, transport and equipment operators and related occupations and about 900 jobs for workers in social science, education, government and religion occupations.

Table 3: Ten-Year Forecast of Jobs by Major Occupational Group – Other Services Industry

Occupation (1 Digit NOC)	Annual Employment											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
A Management occupations	1,750	2,048	2,042	2,110	2,158	2,201	2,241	2,280	2,314	2,348	2,381	2,414
B Business, finance and administration occupations	3,535	4,051	3,994	4,048	4,106	4,157	4,212	4,259	4,299	4,335	4,368	4,400
C Natural and applied sciences and related occupations	743	797	808	845	863	880	911	945	971	998	1,029	1,060
D Health occupations	364	398	375	385	390	399	411	427	442	459	477	497
E Occupations in social science, education, government service and religion	2,569	2,856	2,891	2,998	3,093	3,184	3,277	3,375	3,473	3,572	3,673	3,777
F Occupations in art, culture, recreation and sport	375	441	408	434	436	455	467	486	502	520	538	557
G Sales and service occupations	11,056	12,487	12,441	12,593	12,905	13,210	13,503	13,775	14,071	14,366	14,659	14,948
H Trades, transport and equipment operators and related occupations	6,062	6,921	6,866	7,025	7,181	7,342	7,495	7,656	7,817	7,978	8,137	8,296
I Occupations unique to primary industry	64	71	70	74	77	79	81	84	86	88	90	93
J Occupations unique to processing, manufacturing and utilities	282	337	336	353	365	376	386	398	409	421	432	443
Grand Total	26,800	30,408	30,232	30,864	31,573	32,283	32,985	33,685	34,385	35,084	35,784	36,484

Table 4: Top 50 Occupations Adding Jobs From 2007-2017⁵

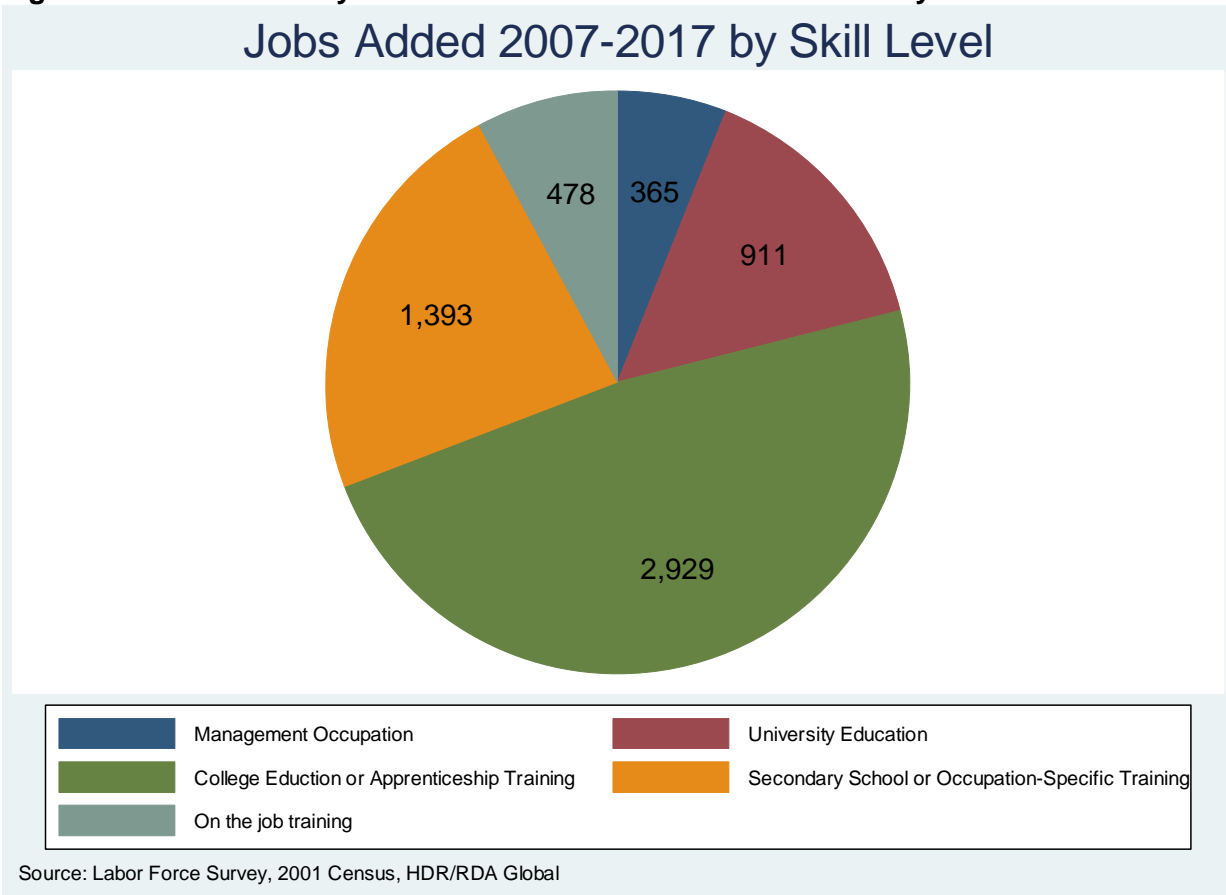
Rank	Occupation (4 Digit NOC)	Employees				Jobs Created
		1987	1997	2007	2017	2007-2017
1	G911 Hairstylists and barbers	2,373	2,875	3,911	4,790	879
2	G814 Babysitters, nannies and parents' helpers	1,795	2,192	3,001	3,626	624
3	E024 Ministers of religion	806	1,150	1,567	2,174	606
4	H421 Automotive service technicians, truck mechanics and mechanical repairers	1,329	1,601	2,260	2,725	465
5	H422 Motor vehicle body repairers	504	608	818	1,022	203
6	G922 Estheticians, electrologists and related occupations	526	637	873	1,057	184
7	C142 Electronic service technicians (household and business equipment)	273	375	519	700	181
8	H326 Welders and related machine operators	470	566	795	948	154
9	G933 Janitors, caretakers and building superintendents	323	382	538	656	118
10	A211 Retail trade managers	337	528	662	769	107
11	E216 Other religious occupations	144	205	280	386	106
12	H016 Contractors and supervisors, mechanic trades	335	343	531	633	102
13	G981 Dry cleaning and laundry occupations	374	453	628	726	98
14	A361 Other services managers	235	355	444	541	97
15	F024 Professional occupations in public relations and communications	224	276	349	442	92
16	D235 Other technical occupations in therapy and assessment	129	176	312	393	81
17	H412 Heavy-duty equipment mechanics	227	274	398	475	78
18	G923 Pet groomers and animal care workers	230	279	392	467	75
19	G932 Specialized cleaners	188	239	326	399	72
20	G983 Other elemental service occupations	214	260	373	438	65
21	B211 Secretaries (except legal and medical)	503	509	629	688	59
22	B511 General office clerks	332	366	570	629	59
23	H432 Electric appliance servicers and repairers	175	211	293	348	56
24	G211 Retail salespersons and sales clerks	220	262	391	437	45
25	E212 Community and social service workers	140	199	292	333	41
26	B311 Administrative officers	421	425	525	564	38
27	H535 Other repairers and servicers	130	157	220	258	38
28	B021 Specialists in human resources	139	213	320	358	38
29	J184 Photographic and film processors	74	82	146	183	38
30	G912 Funeral directors and embalmers	94	114	155	190	35
31	G982 Ironing, pressing and finishing occupations	102	124	169	202	33
32	H512 Tailors, dressmakers, furriers and milliners	108	130	184	215	32
33	H513 Shoe repairers and shoemakers	72	87	116	147	31
34	E217 Early childhood educators and assistants	66	99	160	191	31
35	J224 Furniture finishers and refinishers	40	47	82	113	30
36	C181 Computer and network operators and web technicians	59	77	110	140	30
37	G811 Visiting homemakers, housekeepers and related occupations	193	234	329	358	29
38	E036 Recreation, sports and fitness program supervisors and consultants	41	58	86	114	28
39	G111 Sales representatives, wholesale trade (non-technical)	89	118	203	230	27
40	H533 Automotive mechanical installers and servicers	81	98	138	165	27
41	A141 Facility operation and maintenance managers	69	104	133	160	27
42	G931 Light duty cleaners	70	85	125	151	26
43	B316 Conference and event planners	148	147	182	207	26
44	H433 Electrical mechanics	64	78	104	129	26
45	E034 Social policy researchers, consultants and program officers	43	62	91	117	26
46	B553 Customer service, information and related clerks	154	174	275	300	25
47	J161 Sewing machine operators	32	37	66	89	23
48	H511 Upholsterers	66	79	110	132	23
49	H714 Delivery and courier service drivers	157	179	205	228	23
50	G016 Other service supervisors	71	86	123	146	22
	Others	2,811	3,484	4,896	5,594	698
	Grand Total	17,800	21,900	30,408	36,484	6,076

⁵ Note that these job creations in Figure 6 capture only jobs created in the Other Services industry and do not represent total job creations for all of Calgary. Jobs with these occupations will also be created in other industries.

EMPLOYMENT GROWTH BY SKILL LEVEL – OTHER SERVICES INDUSTRY

From a skill level perspective, there will be about 350 new management occupations, 2,900 jobs requiring some college education or apprenticeship training, about 1,400 jobs which require secondary school or occupation-specific training, 900 that require university training and under 500 that require only on the job training

Figure 6: Jobs Added by Skill Level in the Other Services Industry



APPENDIX 1: INDUSTRY DEFINITION – OTHER SERVICES

This sector comprises establishments, not classified to any other sector, primarily engaged in repairing, or performing general or routine maintenance, on motor vehicles, machinery, equipment and other products to ensure that they work efficiently; providing personal care services, funeral services, laundry services and other services to individuals, such as pet care services and photo finishing services; organizing and promoting religious activities; supporting various causes through grant-making, advocating (promoting) various social and political causes, and promoting and defending the interests of their members. Private households are also included.