



# Regional Economic Indicators

South Central Region



# SOUTH CENTRAL REGION

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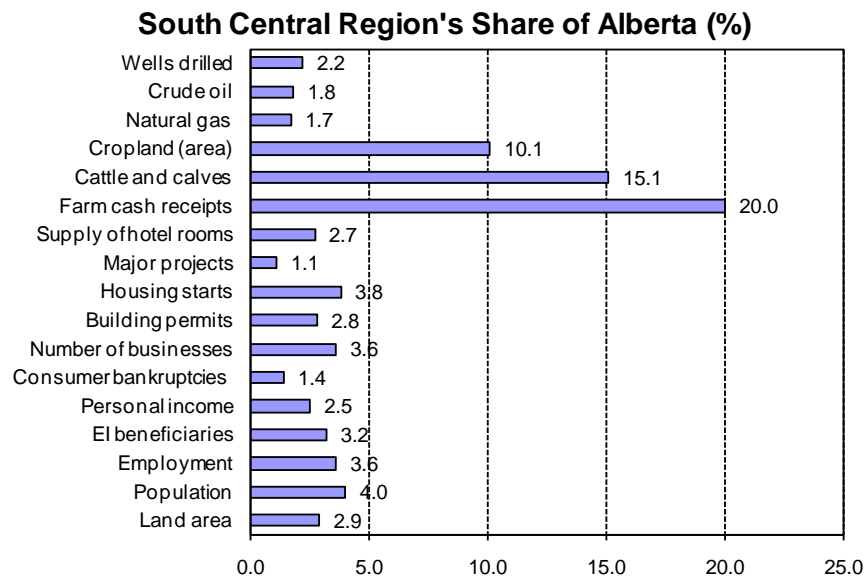
# The Region at a Glance

The South Central region covers an area of 18,605 square kilometers, larger in size than the state of Hawaii. The region accounts for 2.9% of Alberta's land mass and for 4.0% of Alberta's population. According to Statistics Canada's latest estimates, the region's population totaled 145,000 in 2010. According to the latest federal Census, the number of employees was 67,755 and the region's unemployment rate was 4.2%.

The region's largest industry on an employment basis is health care and social services, accounting for about 12% of total employment in Census year 2006, followed by agriculture and retail trade at 11% each. The region also has a sizeable manufacturing industry, concentrated in the food and beverage and transportation equipment sectors. The fastest growing industries between Census years 2001 and 2006 were the utilities (including wind energy) and oil and gas sectors, each of which grew its employment level by about 45%, followed by administrative support, waste management and remediation services which increased its employment by one-third. Employment in the transportation and warehousing sector fell by 3% in the South Central region between the two Census years.

According to personal income taxfiler data the average individual income in the region was \$27,400 per taxfiler in 2007, a 28% increase from 2003. Average income for couples was \$87,000 in 2007, a 33% rise from 2003.

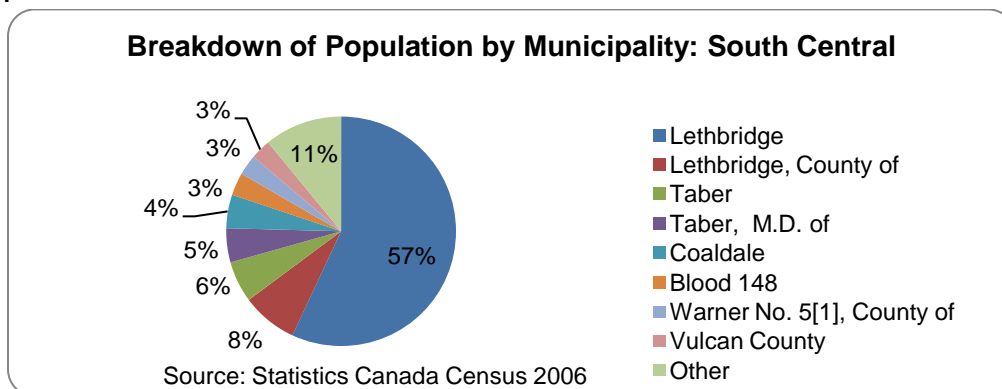
The South Central region is one of Alberta's top two agricultural regions. It accounts for 20% of the province's farm receipts and for 15% of the total number of cattle and calves. It is the province's largest producer of durum wheat, potatoes, corn and pulse crops, such as peas and beans, and is also a major producer of barley, wheat, hogs and poultry. The region is a large producer of wind energy and conventional crude oil.



Although very few current indicators are available on a regional basis, it is clear that the global economic crisis did impact this region: the number of Employment Insurance (EI) beneficiaries receiving regular benefits in the South Central region rose 154% between 2008 and 2009. However, the number declined by about 30% between December 2009 and September 2010.

# Major Municipalities

The largest municipality in the South Central Region, according to the 2006 Statistics Canada Census, was the City of Lethbridge with a population of 74,637<sup>1</sup>. The municipality in the South Central Region with the highest population growth between 2001 and 2006 was also the City of Lethbridge, which experienced an increase of 10.8% or 7,263 residents over that period. More recently, the municipal census of 2010 showed 86,659 residents in Lethbridge; a 10.1% increase from the 2006 municipal census number. High growth was also seen in Coaldale: the municipal census of 2009 showed 6,943 individuals in Coaldale, a 13.7% increase from the 2005 municipal census<sup>2</sup>.



| Economic Indicators: South Central Region |                    |                 |                 |                 |                 |                  |
|---|--------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Major Municipalities*                     | Status             | 2006 Population | 2001 Population | 5 Year % Change | 1996 Population | 10 Year % Change |
| Lethbridge                                | City               | 74,637          | 67,374          | 10.8%           | 64,938          | 14.9%            |
| Lethbridge, County                        | Municipal District | 10,302          | 9,935           | 3.7%            | 9,290           | 10.9%            |
| Taber                                     | Town               | 7,591           | 7,671           | -1.0%           | 7,214           | 5.2%             |
| Taber, M.D. of                            | Municipal District | 6,280           | 6,012           | 4.5%            | 5,971           | 5.2%             |
| Coaldale                                  | Town               | 6,177           | 6,008           | 2.8%            | 5,731           | 7.8%             |
| Blood 148                                 | Indian Reserve     | 4,177           | 3,852           | 8.4%            | 4,326           | -3.4%            |
| Warner, County                            | Municipal District | 3,776           | 3,798           | -0.6%           | 3,561           | 6.0%             |
| Vulcan County                             | Municipal District | 3,718           | 3,778           | -1.6%           | 3,829           | -2.9%            |
| Raymond                                   | Town               | 3,205           | 3,200           | 0.2%            | 3,056           | 4.9%             |
| Vulcan                                    | Town               | 1,940           | 1,762           | 10.1%           | 1,537           | 26.2%            |

Source: Statistics Canada, Census 1996, 2001, 2006

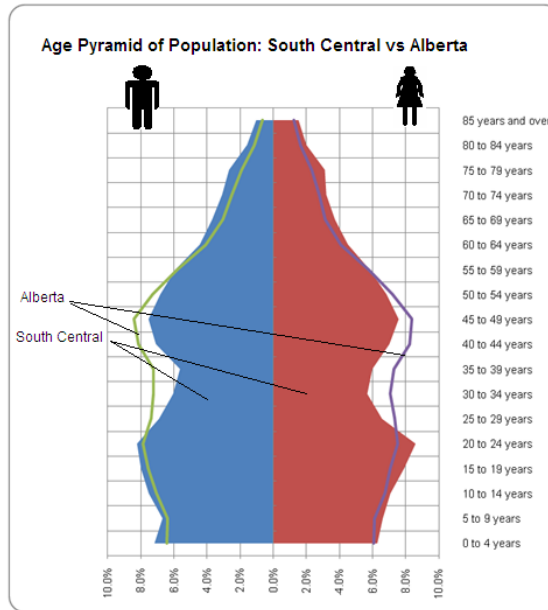
\* Top 10 cities, towns, villages and municipal districts in region, based on population in latest census year

<sup>1</sup> Note: the Census under-estimates the overall population totals for any region or municipality as some people are not counted. The reasons for this under-coverage can range from some households not receiving a census questionnaire to individuals not being included in the questionnaire completed for a household.

<sup>2</sup> Numerical differences between the federal and municipal censuses may be ascribed to slight variations in the definition of "usual residence," as well as how "shadow populations" are treated. While municipalities define the "shadow population" as "temporary residents of a municipality who are employed by an industrial or commercial establishment in the municipality for a minimum of 30 days" and include them in their official population numbers if they consist at least 10% of the municipality's population or a minimum of 1,000 individuals, the shadow population of transient workers is not accounted for in population counts conducted by Statistics Canada.

# Demographics

According to the most recent Statistics Canada Census, the population of the South Central Region was 131,008 in 2006 or 4.0% of Alberta's total population. This was a 6.8% increase from the Census estimate of 2001 and a 10.4% increase from the 1996 Census estimate. The Census indicates that, on average, the South Central region's population is somewhat younger than the provincial average. This may prove to be a challenge for the smaller cohort in the current prime working age group, as they are increasingly required to sustain the larger cohort of the retiring age group through higher productivity levels.



| Economic Indicators: South Central Region                 |         |         |         |
|---|---------|---------|---------|
|   | 2006    | 2001    | 1996    |
| <b>Census Population<sup>3</sup></b>                      | 131,008 | 122,717 | 118,677 |
| <b>% of Provincial Total</b>                              | 4.0%    | 4.1%    | 4.4%    |
| Population Components                                     | 2006    | 2001    | 1996    |
| Age Group: 0 - 14 (%)                                     | 20.3    | 22.0    | 23.7    |
| Age Group: 14 – 24 (%)                                    | 16.0    | 16.4    | N/A     |
| Age Group: 25 – 44 (%)                                    | 27.5    | 25.5    | N/A     |
| Age Group: 45 – 64 (%)                                    | 21.7    | 24.7    | N/A     |
| Age Group: 65+ (%)  | 13.7    | 13.3    | 12.8    |
| Dependency Ratio <sup>4</sup>                             | 51.6    | 54.6    | 57.4    |
| Old Age Dependency Ratio <sup>5</sup>                     | 20.8    | 20.6    | 20.2    |
| <b>Source: Statistics Canada, Census 1996, 2001, 2006</b> |         |         |         |

<sup>3</sup> See below paragraph about the under-coverage problems of Census population estimates

<sup>4</sup> Dependency Ratio: The percentage of the population below the age of 15 (Child) and over the age of 64 (Elderly) divided by the number of adults (15-64). This is the population of children and elderly that are dependent on the adult population for economic needs.

<sup>5</sup> Age Dependency Ratio: The percentage of the population over the age of 64 (Elderly) divided by the number of adults (15-64). This is the population that is dependent on the adult population for economic needs.

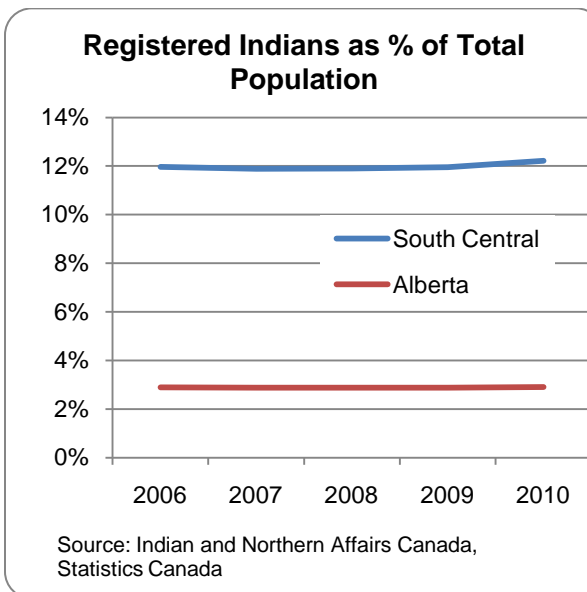
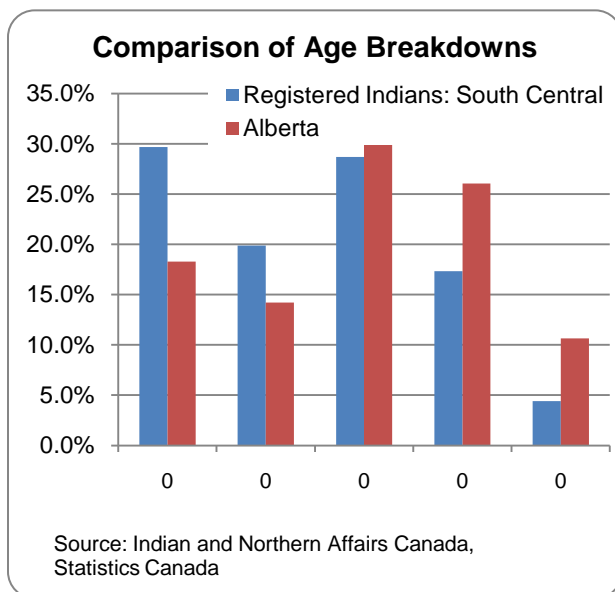
Although the Census provides the most detailed and accurate information at a single point in time on the demographic, social and economic conditions of the population, the Census under-estimates the overall population totals for any region as some people are not counted. The reasons for this under-coverage can range from some households not receiving a census questionnaire to individuals not being included in the questionnaire completed for a household. Therefore, the below presented post-censal estimates should be used as the official population estimates for the region.

| <b>Population Estimates – South Central Region</b>                     |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|
|  | <b>2010</b> | <b>2009</b> | <b>2008</b> | <b>2007</b> | <b>2006</b> |
| <b>Total Population</b> (Thousands)                                    | 145.0       | 143.9       | 141.9       | 139.2       | 135.5       |
| <b>Share of Provincial Total</b> (%)                                   | 3.9%        | 3.9%        | 3.9%        | 4.0%        | 4.0%        |
| <b>Source: Statistics Canada – estimates as of July 1 of each year</b> |             |             |             |             |             |

According to the post-censal estimates, the region's population increased by 9,500 or 7.0% between 2006 and 2010, compared with 8.8% growth at the provincial level. The region's share of Alberta's population was stable at 3.9% in 2010.

# Aboriginal Population

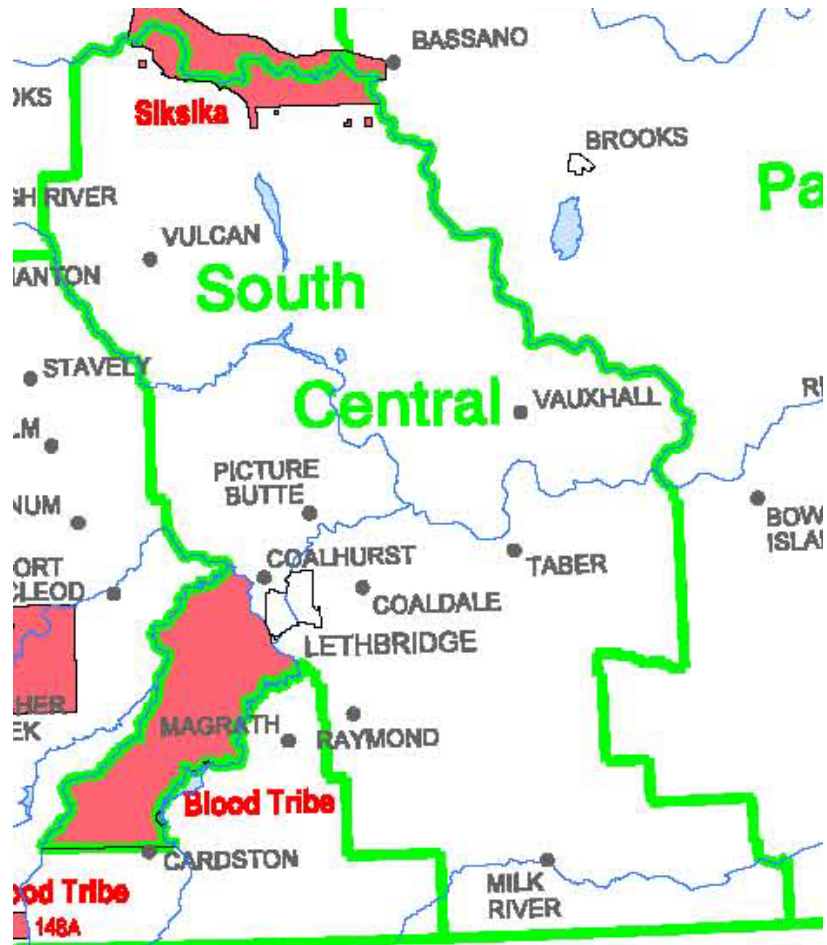
In 2010, bands in the South Central Region had a population of 17,715 Registered Indians, 66.4% of whom lived on reserve and crown land.<sup>6</sup> This represents an 11.7% increase in registered population over five years. Registered Indians comprised 12.2% of the South Central Region's total population in 2010, compared with 2.9% for the province as a whole. Registered Indians in the South Central Region are significantly younger than the average Albertan; 30% are under the age of 15 (versus 18% of the provincial population).



| Registered Indian Population, by Type of Residence and Group: South Central Region |                      |        |        |        |        |        |        |               |               |
|--|----------------------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| Group  | Residence Type       | 2010   | 2009   | 2008   | 2007   | 2006   | 2005   | 1-Year Change | 5-Year Change |
| Registered Indian  | Total                | 17,715 | 17,195 | 16,884 | 16,542 | 16,212 | 15,854 | 3.0%          | 11.7%         |
|  | Reserve & Crown Land | 11,760 | 11,508 | 11,389 | 11,197 | 11,068 | 10,933 | 2.2%          | 7.6%          |
|  | Off Reserve          | 5,955  | 5,687  | 5,495  | 5,345  | 5,144  | 4,921  | 4.7%          | 21.0%         |
| Blood Tribe  | Total                | 11,074 | 10,694 | 10,498 | 10,253 | 10,071 | 9,842  | 3.6%          | 12.5%         |
|  | Reserve & Crown Land | 7,900  | 7,729  | 7,674  | 7,558  | 7,503  | 7,446  | 2.2%          | 6.1%          |
|  | Off Reserve          | 3,174  | 2,965  | 2,824  | 2,695  | 2,568  | 2,396  | 7.0%          | 32.5%         |
| Siksika*   | Total                | 6,641  | 6,501  | 6,386  | 6,289  | 6,141  | 6,012  | 2.2%          | 10.5%         |
|  | Reserve & Crown Land | 3,860  | 3,779  | 3,715  | 3,639  | 3,565  | 3,487  | 2.1%          | 10.7%         |
|  | Off Reserve          | 2,781  | 2,722  | 2,671  | 2,650  | 2,576  | 2,525  | 2.2%          | 10.1%         |

Source: Indian and Northern Affairs Canada, Alberta Municipal Affairs, \* Territory extends into Calgary Region

<sup>6</sup> **Registered (Status) or Treaty Indians:** According to Statistics Canada Registered Indians (also referred to as "status Indians") refer to those persons registered under the *Indian Act* while Treaty Indian refer to people who are registered under the *Indian Act* and who belong to an Indian Band or First Nation that signed a treaty with the Crown. Registered/Treaty Indians may be classified as on or off reserve indicating their place of residence.





# Labour Force Characteristics

According to Statistics Canada's census data, the South Central Region's employment rate<sup>7</sup> for the working age population of 15 years and older was 66.2% in 2006 and the participation rate<sup>8</sup> was 69.0%. By comparison, Alberta's employment and participation rates were 70.8% and 73.4%, respectively in 2006

Between 2001 and 2006, the number of people employed in Alberta grew by 14.7% or by 239,800. Over the same period, employment in the South Central region grew by an estimated 7,300 or 12.1%. In 2006, the South Central Region made up 3.9% of Alberta's working age population (15+ years), and the region's increase in employment between 2001 and 2006 accounted for 3.0% of all new jobs created in Alberta over that period.

*Note: Statistics Canada cautions the reader that the regional labour force data may be subject to large year-to-year fluctuations, especially for the smaller regions, Because of these data problems, Census data for 2001 and 2006 were used for all indicators for the smaller regions such as the South Central Region and data for these indicators for the other years are not included.*

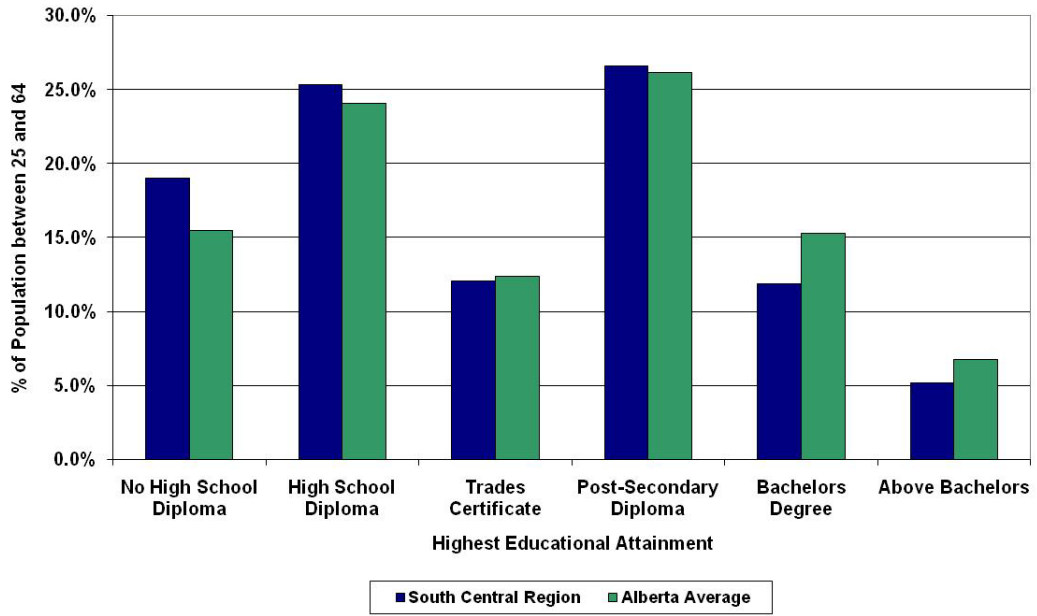
| <b>Economic Indicators: South Central Region</b>        |             |             |
|---|-------------|-------------|
| <b>Labour Force Characteristics</b>                     | <b>2006</b> | <b>2001</b> |
| Population: 15+ (Thousands)                             | 102.4       | 93.8        |
| Labour Force: 15+ (Thousands)                           | 70.7        | 63.7        |
| Employment: 15+ (Thousands)                             | 67.8        | 60.5        |
| Unemployment: 15+ (Thousands)                           | 2.9         | 3.2         |
| Participation Rate: 15+ (%)                             | 69.0        | 67.9        |
| Unemployment Rate: 15+ (%)                              | 4.2         | 5.0         |
| Employment Rate: 15+ (%)                                | 66.2        | 64.6        |
| <b>Source: Statistics Canada Census, 2001 and 2006.</b> |             |             |

According to the 2006 census, the level of educational attainment is lower for this region than for Alberta. For the working aged population of between 25 and 64 years, 43.6% had a post-secondary degree or diploma, compared with 48.1% for all of Alberta. The region also has a slightly lower share holding a trades certificate: 12.0% in the region vs. 12.4% in Alberta. 19.0% of the region's working age population did not finish high school, higher than the Alberta average of 15.4%.

<sup>7</sup> The employment rate measures the proportion of the adult population that is employed. Employment Rate = (Employed / Population 15+)\*100. High labour utilization traditionally accompanies strong economic activity.

<sup>8</sup> The participation rate measures the proportion of the adult population that is in the labour force. Participation Rate = (Labour Force / Population 15+)\*100. High labour participation is an effective indicator of the level of engagement among the working age population and traditionally accompanies strong economic activity.

## Highest Educational Attainment - South Central

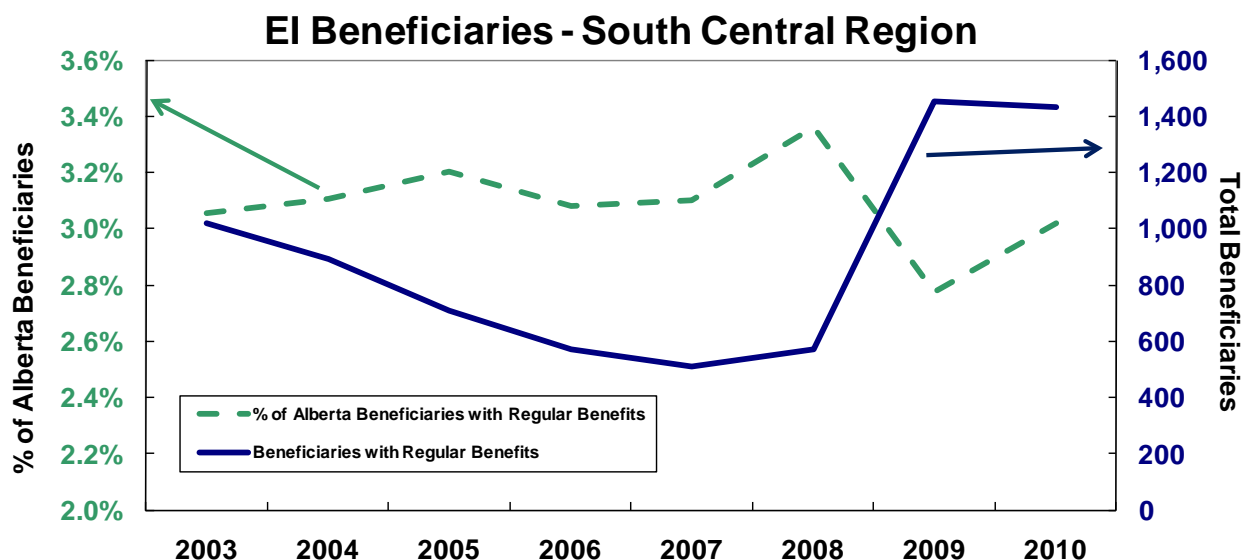


# Employment Insurance Beneficiaries

In 2010, 1,430 people received regular Employment Insurance (EI) benefits<sup>9</sup> in the South Central region, a 1% decrease from the 2009 total of 1,450<sup>10</sup>. Over the same period, the number of EI recipients fell by 9% in Alberta. As a result, the region's share of Alberta EI recipients rose to 3.0%. Between February 2010 and February 2011, the number of regular beneficiaries fell by an estimated 18% in the region.

The total number of income beneficiaries<sup>11</sup> with both regular and special benefits, such as for sickness or parental leave, fell by 3% between 2009 and 2010.

Note: although this measure provides a useful gauge of unemployment it is an imperfect measure, as it excludes self-employed workers and individuals who were unemployed for more than 12 months. At the Canadian level, the EI beneficiaries-to-unemployed ratio was fairly stable over time prior to the recession at between 40% and 45%. In Alberta, the ratio fell gradually during the economic boom years from more than 40% in 1996 to less than 25% in 2007 and the first nine months of 2008. The ratio climbed to more than 40% in 2009 and was 36% in 2010.



| EI Recipients: South Central                  |       |       |       |       |       |       |               |               |
|---|-------|-------|-------|-------|-------|-------|---------------|---------------|
|   | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 1-Year Change | 5-Year Change |
| Total Income Beneficiaries                    | 1,660 | 1,560 | 1,640 | 1,750 | 2,820 | 2,730 | -3%           | 64%           |
| # of EI Beneficiaries with Regular Benefits   | 710   | 570   | 510   | 570   | 1,450 | 1,430 | -1%           | 101%          |
| % of Alberta Beneficiaries with Reg. Benefits | 3.2%  | 3.1%  | 3.1%  | 3.4%  | 2.8%  | 3.0%  | 0.2%          | -0.2%         |

Source: Statistics Canada, Human Resource Development Canada

<sup>9</sup> The number of beneficiaries receiving regular benefits excludes claimants receiving training, job creation and self-employment benefits as well as other employment and support measures benefits.

<sup>10</sup> Canada's Economic Action Plan provides beneficiaries with five extra weeks of regular EI benefits in 2009 and 2010.

<sup>11</sup> The number of beneficiaries receiving total income benefits includes both the beneficiaries receiving regular benefits and those receiving special benefits, such as for training, job creation, sickness, parental.

# Employment by Industry

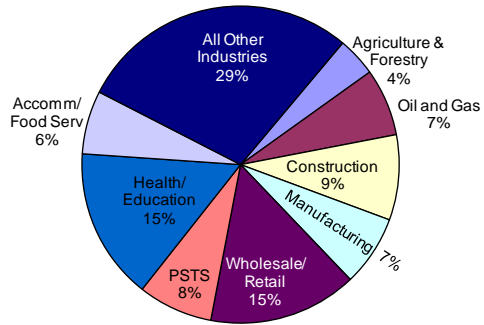
In 2006, according to Statistics Canada's census, the services-producing sector in the South Central Region accounted for about 70% of the total number employed. By comparison, the service sector accounted for 72% of Alberta's employment.

The Healthcare and Social Assistance industry had the largest number of individuals employed. This industry is dominated by nursing and residential care facilities and social assistance. The South Central Region accounted for 3.6% of total Alberta employment, but for 4.3% of Alberta employment in this industry. This industry is followed by the Retail Trade sector and Agriculture and Forestry sectors.

Between 2001 and 2006, Healthcare and Social Assistance industry had the largest employment gain (up 1,300). Large gains were also recorded in the Retail Trade sector (up 800), and in the Construction sector (up 600).

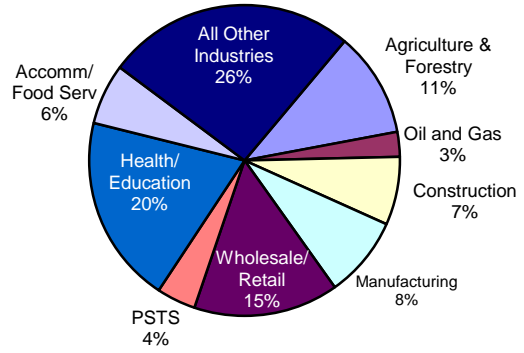
| <b>Economic Indicators: South Central River Region</b>  |             |             |
|---|-------------|-------------|
| <b>Employment by Industry</b>   | <b>2006</b> | <b>2001</b> |
| <b>All Industries (Thousands) - Total</b>   | <b>67.8</b> | <b>60.5</b> |
| <b>Goods-Producing Sector</b>   | <b>20.2</b> | <b>18.2</b> |
| Agriculture & Forestry  | 7.4         | 7.1         |
| Mining & Oil & Gas  | 1.7         | 1.2         |
| Utilities   | 0.5         | 0.3         |
| Construction  | 4.8         | 4.2         |
| Manufacturing   | 5.7         | 5.4         |
| <b>Services-Producing Sector</b>  | <b>47.6</b> | <b>42.3</b> |
| Wholesale Trade   | 2.5         | 2.4         |
| Retail Trade  | 7.7         | 6.9         |
| Transportation & Warehousing  | 3.2         | 3.3         |
| Finance, Insurance, Real Estate & Leasing   | 2.5         | 2.3         |
| Professional, Scientific & Technical Services   | 2.8         | 2.2         |
| Business, Building & Other Support Services   | 2.4         | 1.8         |
| Educational Services  | 5.4         | 5.1         |
| Health Care & Social Assistance   | 7.8         | 6.5         |
| Information, Culture & Recreation   | 2.0         | 1.8         |
| Accommodation & Food Services   | 4.3         | 4.1         |
| Other Services  | 3.5         | 3.1         |
| Public Administration   | 3.3         | 2.7         |
| <b>Source: Statistics Canada Census, 2001 and 2006.</b>   |             |             |
| <i>Statistics Canada cautions the reader that the regional labour force data may be subject to large year-to-year fluctuations, especially for the smaller regions. Hence Statistics Canada Census 2001 and 2006 data was used for all labour force indicators in the South Central Region\</i> |             |             |

**Employment Shares by Industry  
Alberta - Census 2006**



PSTS = professional, scientific and technical services

**Employment Shares by Industry  
South Central**

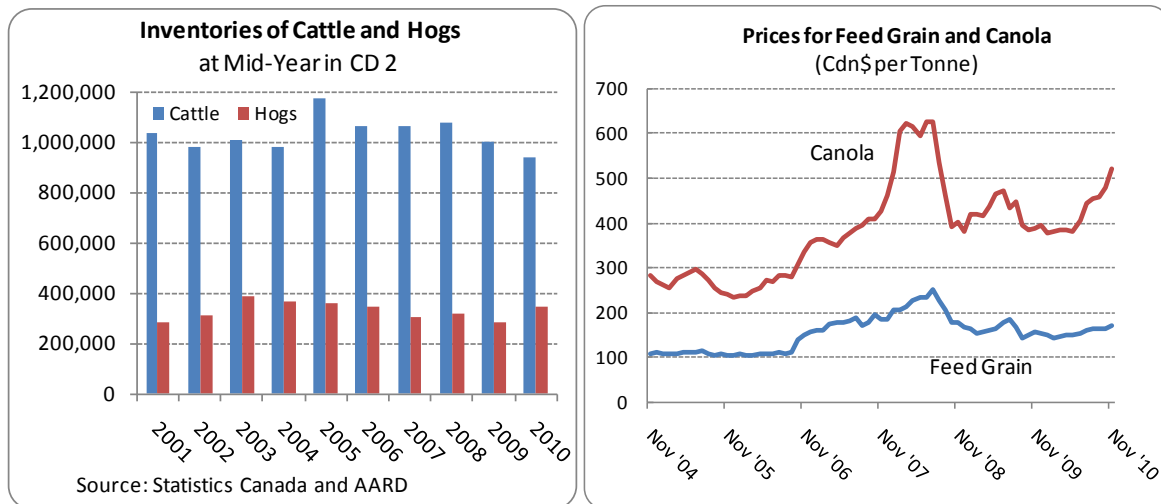


# Agriculture

The South Central region had total farm cash receipts of \$1.98 billion in Census year 2006, accounting for 20% of Alberta's farm receipts, the largest share of the 14 regions. In that year, there were just over 3,000 farms in the region with a total acreage of 4.2 million acres and average farm size was just over 1,400 acres.

The region accounted for 15.8% of the total value of on-farm livestock and poultry with a total market value of \$791 million in 2006. The total number of cattle and calves was just over 950,000, most of them were beef cattle. Its share of Alberta's number of cattle and calves was 15.1%, of hogs 18.5%, and of hens and chickens 15.5%. The region also processed about 20 million kilograms of broilers, roasters and cornish hens.

Cropland acreage totals about 2.4 million acres, 28% of which requires irrigation. It is the province's largest producer of durum wheat, accounting for 45% of Alberta's durum acreage, and is a major producer of barley and wheat. It is also one of the two largest provincial producers of specialty crops, such as potatoes, corn, sugar beets, chickpeas and beans.



Very few current agricultural indicators are available for these special geographies. However, livestock estimates are available for Census Division 2 (CD2), which encompasses most of the South Central region<sup>12</sup>. Between mid-year 2005 and the mid-year 2010, the number of cattle and calves in CD2 fell by about 20% and the number of hogs by 4%.

In crop year 2008-09 (year ending August 31, 2009), grain and oilseed deliveries at elevators in the South Central region totaled 1.9 million tonnes<sup>13</sup>, up 23% from 2007-08. Wheat accounted for 52% of the 1.9 million tonnes, followed by durum wheat (32%) and peas (9%).

The global economic crisis had a profound impact on crop prices. Prices for canola and feed grain had more than doubled between early 2006 and the summer of 2008, but fell sharply by about 40% through early 2009. However, crop prices have rebounded strongly since Spring 2010. The Canadian Wheat Board is currently projecting that prices for durum wheat will rise by 46% in crop year 2010-11, compared with the average for crop year 2009-10, while prices for spring wheat and malting barley are projected to increase by 36%.

<sup>12</sup> A map of Agricultural Census Divisions can be found in: <http://www.statcan.gc.ca/ca-ra2006/m/car-rar-eng.pdf>

<sup>13</sup> Deliveries at grain elevators are not representative of production as not all grain is shipped to local elevators

# Energy

Oil and gas production in the South Central region has fallen over the last five years, with gas production declining by 40.2% between 2004 and 2009, and oil production by 30.0% over the same period. Between 2008 and 2009, gas production declined by 14.9% while oil production fell by 9.4%.

South Central's share of overall Alberta gas production was 1.5% in 2009, making it the 10<sup>th</sup> largest producer out of 14 regions. Average annual gas prices dropped by 53.3% in 2009 to \$3.65 per gigajoule. So far in 2010, gas prices have averaged \$3.73, a slight increase from 2009, and low by historical standards.

The South Central region is the 8<sup>th</sup> largest conventional oil producing region in Alberta and the 9<sup>th</sup> largest overall oil producer (combining conventional and oil-sands). The region's share of Alberta's conventional oil production was 6.6% in 2009, but its share of total crude oil output was only 1.6%. Oil prices dropped by 38.0% to US\$61.80 per barrel in 2009. However, so far in 2010 oil prices have averaged \$78.96, an increase of 27.8%.

Over the last five years, the number of spudded wells<sup>14</sup> in the region has dropped 89.1%. Between 2008 and 2009, the spud count dropped by 72.9% to 93 wells, accounting for 1.3% of the Alberta total. Part of the decline can be attributed to a weak global economy and soft energy prices. However, in the first 10 months of 2010, the number of wells drilled in Alberta rose 44% from the same period of 2009, largely because of a more than doubling in the number of conventional oil wells. The Petroleum Services Association of Canada is forecasting an increase of 5% in 2011 over 2010 for Alberta drilling. These drilling estimates and forecasts should provide some optimism for oil producers in South Central.

| <b>Economic Indicators: South Central Region</b>  |             |             |             |                        |                         |
|---|-------------|-------------|-------------|------------------------|-------------------------|
| <b>Oil and Gas Statistics</b>                     |             |             |             |                        |                         |
|   | <b>2009</b> | <b>2008</b> | <b>2004</b> | <b>% Change 1 Year</b> | <b>% Change 5 Years</b> |
| Crude oil production (millions of cubic metres)   | 1.8         | 1.9         | 2.5         | -9.35%                 | -29.95%                 |
| Natural gas production (billions of cubic metres) | 2.1         | 2.5         | 3.6         | -14.94%                | -40.18%                 |
| Number of wells spudded                           | 93          | 343         | 856         | -72.89%                | -89.14%                 |
| <b>Source: Alberta Energy</b>                     |             |             |             |                        |                         |

The region's total gas potential represents 3.0% of Alberta's overall reserves, and oil potential is 4.7% of Alberta's conventional reserves.

<sup>14</sup> A spud is the very beginning of a drilling operation for a well

# Wage and Salary Survey

Alberta Employment and Immigration commissions a detailed wage and salary survey every two years. The survey provides information on wages and salaries for full-time and part-time employees in Alberta by occupation, geographic area and industry<sup>15</sup>. The latest survey was conducted in 2009 and for the first time wage and salary estimates have been prepared for Alberta's 14 economic regions.

In 2009, the average hourly wage was \$19.81 in the South Central region<sup>16</sup>, 18.6% less than the Alberta average of \$24.34 per hour.

The industry in the region with the largest number of reported employees was healthcare and social services, followed by retail trade, public administration and manufacturing. Of the below listed industries, the industry with the highest average wage was public administration at \$29.01. Although estimates for the oil and gas industry are not as reliable as for the industries in the table, wage and salary estimates suggest that it is the industry with the highest average wage. The accommodation and food services industry had the lowest average wage at \$10.78 per hour.

The average number of hours worked per week was 37.2 for the region and 37.3 for all of Alberta. The industry with the most average hours per employee was the agricultural sector at 46.7 hours.

Labour shortage issues are not confined to Alberta's urban core. The South Central region had a 3.3% vacancy rate<sup>17</sup> in 2009, compared with Alberta's 3.0%. Moreover, the region also reported more hiring difficulties<sup>18</sup> than Alberta (51% versus 41%). Labour shortages were particularly acute in agriculture, accommodation and food services, and construction.

| Alberta Wage and Salary Survey - 2009     |                      |                     |              |                     |                      |                     |              |                     |
|---|----------------------|---------------------|--------------|---------------------|----------------------|---------------------|--------------|---------------------|
| South Central Region                      |                      |                     |              |                     | Alberta              |                     |              |                     |
|   | Average Hours Worked | Average Hourly Wage | Vacancy Rate | Hiring Difficulties | Average Hours Worked | Average Hourly Wage | Vacancy Rate | Hiring Difficulties |
| <b>Total, All Industries</b>              | <b>37.2</b>          | <b>\$19.81</b>      | <b>3.3%</b>  | <b>51%</b>          | <b>37.3</b>          | <b>\$24.34</b>      | <b>3.0%</b>  | <b>41%</b>          |
| Agriculture                               | 46.7                 | \$21.24             | 9.2%         | 51%                 | 42.4                 | \$19.16             | 8.0%         | 65%                 |
| Construction                              | 42.3                 | \$21.89             | 5.0%         | 60%                 | 42.3                 | \$28.50             | 3.0%         | 61%                 |
| Manufacturing                             | 40.3                 | \$22.01             | 0.7%         | 53%                 | 40.1                 | \$24.70             | 1.4%         | 54%                 |
| Wholesale Trade                           | 40.7                 | \$23.37             | 2.5%         | 63%                 | 39.7                 | \$27.09             | 1.9%         | 40%                 |
| Retail Trade                              | 35.6                 | \$18.67             | 2.3%         | 42%                 | 33.7                 | \$17.31             | 2.3%         | 41%                 |
| Information, Culture & Recreation         | 27.4                 | \$13.94             | 0.8%         | 41%                 | 31.5                 | \$17.67             | 3.0%         | 42%                 |
| Finance, Insurance & Real Estate          | 35.7                 | \$21.93             | 1.3%         | 28%                 | 36.3                 | \$24.02             | 1.5%         | 33%                 |
| Scientific, Technical & Professional Svcs | 37.4                 | \$28.15             | 1.0%         | 56%                 | 39.2                 | \$34.56             | 1.5%         | 45%                 |
| Business, Building & Other Support Svcs   | 38.5                 | \$15.41             | 6.0%         | 44%                 | 39.4                 | \$16.86             | 4.3%         | 50%                 |
| Health Care & Social Services             | 37.0                 | \$22.64             | 5.0%         | 52%                 | 37.3                 | \$26.33             | 4.0%         | 51%                 |
| Accommodation & Food Services             | 32.7                 | \$10.78             | 4.6%         | 65%                 | 32.3                 | \$11.95             | 6.9%         | 65%                 |
| Public Administration                     | 37.1                 | \$29.01             | n/a          | n/a                 | 36.9                 | \$31.10             | 2.2%         | 8%                  |

Source: 2009 Alberta Wage and Salary Survey

<sup>15</sup> <http://alis.alberta.ca/wageinfo>

<sup>16</sup> The number of survey respondents for small regions may be too small to provide accurate overall wage estimates

<sup>17</sup> The percentage of total positions in this industry reported as unfilled for over four months

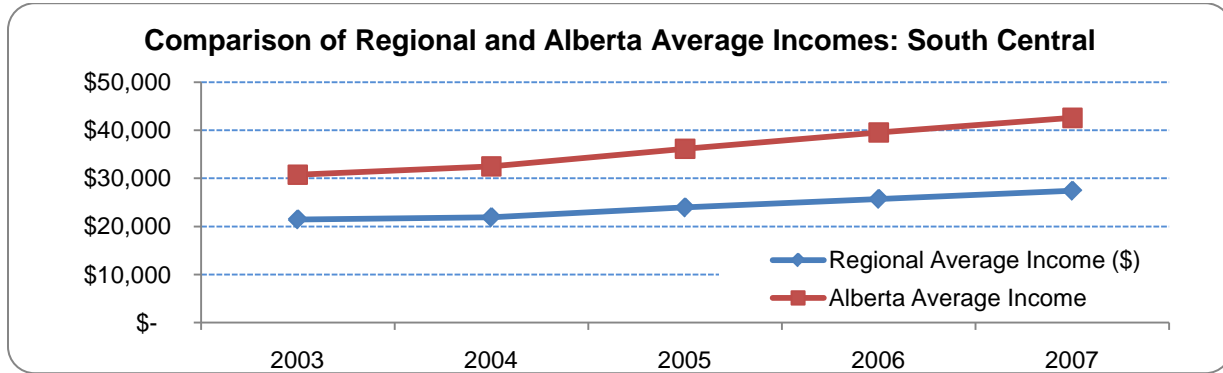
<sup>18</sup> Percent of employers with hiring difficulties



# Income, Taxfiler

In 2007, the average individual income in the South Central Region was \$27,405, a 6.6% increase from 2006, but 35.6% less than the provincial average of \$42,570 in 2007. In the same year, average couple income<sup>19</sup> in the South Central Region was \$87,005, a 9.8% increase from the year before, but 30.7% less than the provincial average of \$125,485 in 2007.

The percentage of taxfilers that reported an individual gross income over \$100,000 was 3%, while 26.9% of taxfilers identified as couples reported an income of over \$100,000.



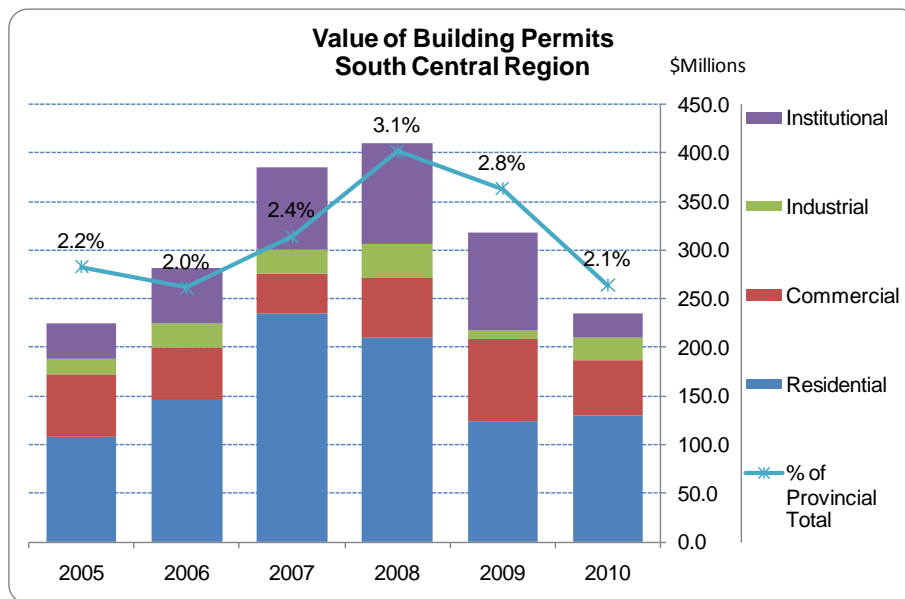
| Economic Indicators: South Central Region |                  |          |          |                  |           |          |
|---|------------------|----------|----------|------------------|-----------|----------|
|   | Single Taxfilers |          |          | Couple Taxfilers |           |          |
|   | 2007             | 2006     | 2003     | 2007             | 2006      | 2003     |
| <b>Average Income (\$)</b>                |                  |          |          |                  |           |          |
| <b>South Central</b>                      | \$27,405         | \$25,715 | \$21,470 | \$87,005         | \$79,255  | \$65,210 |
| <b>% Change 1 Year</b>                    | 6.6%             |          |          | 9.8%             |           |          |
| <b>% Change 4 Year</b>                    | 27.6%            |          |          | 33.4%            |           |          |
| <b>Alberta</b>                            | \$42,570         | \$39,560 | \$30,770 | \$125,485        | \$115,965 | \$87,775 |
| <b>% Change 1 Year</b>                    | 7.6%             |          |          | 8.2%             |           |          |
| <b>% Change 4 Year</b>                    | 38.3%            |          |          | 43.0%            |           |          |
| <b>Income Range</b>                       |                  |          |          |                  |           |          |
| <b>0 or Negative</b>                      | 23.2%            | 23.5%    | 23.3%    | 0.4%             | 0.3%      | 0.5%     |
| <b>\$1-\$20,000</b>                       | 30.9%            | 32.8%    | 36.1%    | 6.7%             | 7.9%      | 9.9%     |
| <b>\$20,000-\$40,000</b>                  | 20.5%            | 20.3%    | 21.7%    | 16.7%            | 18.8%     | 23.5%    |
| <b>\$40,000-\$60,000</b>                  | 12.8%            | 12.1%    | 10.7%    | 17.4%            | 19.1%     | 21.7%    |
| <b>\$60,000-\$80,000</b>                  | 6.6%             | 6.2%     | 5.0%     | 17.6%            | 17.9%     | 18.5%    |
| <b>\$80,000-\$100,000</b>                 | 3.0%             | 2.6%     | 1.7%     | 14.4%            | 13.3%     | 10.9%    |
| <b>Over \$100,000</b>                     | 3.0%             | 2.5%     | 1.5%     | 26.9%            | 22.6%     | 15.1%    |
| Source: Alberta Finance and Enterprise    |                  |          |          |                  |           |          |

<sup>19</sup> Couples are defined as married or common-law

# Investment

In 2010, the total building permit value for the South Central region stood at \$234.3 million, making up 2.1% of the provincial total. In 2010, the total building permit value for the South Central region decreased by 26% from 2009, but was 4.2% higher than the 2005 level. The decrease between 2009 and 2010 can be attributed to a very large drop in institutional permits of 76% to \$23.9 million and a 32% decrease in commercial permits to \$58 million. Over the same period, industrial permits jumped by 187%, while residential permits increased by 5% to \$129.5 million. Between 2005 and 2010, residential permits increased by 19%.

The total number of dwelling units for which building permits were taken out in the South Central region in 2010 was 950. This was an 11% increase from the previous year but was a 1% decline from 2005 levels. Over that five-year period, the number of multiple family dwelling units fell by 7% to 273 units in 2010. Over the same period, the number of single dwellings increased by 2% to 677 units.



In 2010, the number of urban housing starts<sup>20</sup> totaled 770 in the Lethbridge Census Agglomeration (CA), a decrease of 15% from 2009's 907 starts. This decrease was the result of declines of 10% and 27%, respectively, in the numbers of single-family and multi-family units between 2009 and 2010.

<sup>20</sup> Housing start information is gathered by Canada Mortgage and Housing Commission field offices; building permit estimates are gathered by Statistics Canada from municipalities. A building permit generally precedes the actual start.

## Economic Indicators: South Central Region

### Building Permits: Value (\$ Millions)

|                       | 2010  | 2009  | 2008  | 2007  | 2006  | 2005  | % Change 1 Year | % Change 5 Years |
|-----------------------|-------|-------|-------|-------|-------|-------|-----------------|------------------|
| Total                 | 234.3 | 318.3 | 410.3 | 384.4 | 282.0 | 224.8 | -26.4%          | 4.2%             |
| % of Provincial Total | 2.1%  | 2.8%  | 3.1%  | 2.4%  | 2.0%  | 2.2%  | -27.3%          | -6.7%            |
| Commercial            | 58.0  | 85.8  | 61.2  | 40.9  | 54.2  | 63.9  | -32.3%          | -9.2%            |
| Industrial            | 22.9  | 8.0   | 35.1  | 23.9  | 25.2  | 16.5  | 187.1%          | 38.6%            |
| Institutional         | 23.9  | 100.9 | 103.1 | 84.9  | 57.2  | 35.9  | -76.4%          | -33.5%           |
| Residential           | 129.5 | 123.7 | 210.9 | 235.5 | 145.5 | 108.5 | 4.7%            | 19.3%            |

### Building Permits: Number of Dwelling Units

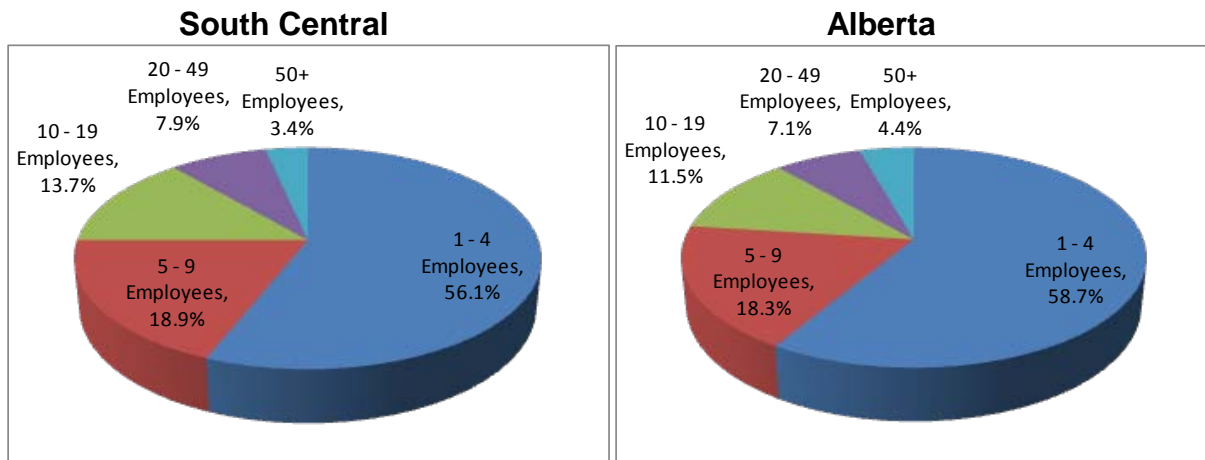
|                        | 2010 | 2009 | 2008 | 2007  | 2006  | 2005 |       |       |
|------------------------|------|------|------|-------|-------|------|-------|-------|
| Total                  | 950  | 853  | 1263 | 1,596 | 1,115 | 957  | 11.4% | -0.7% |
| % of Provincial Total  | 3.6% | 3.8% | 4.5% | 3.4%  | 2.2%  | 2.2% | -5.7% | 63.2% |
| Single Dwellings       | 677  | 660  | 913  | 1,258 | 951   | 663  | 2.6%  | 2.1%  |
| Multiple Use Dwellings | 273  | 193  | 350  | 338   | 164   | 294  | 41.5% | -7.1% |

Source: Statistics Canada, Compilation by Alberta Finance and Enterprise

# Establishments with Employees

In 2010, the South Central Region had 5,518 establishments with employees, making up 3.8% of all establishments with employees in Alberta. Of these establishments, 5,329 or 96.6% were small companies with between 1 and 49 employees. Micro-businesses with fewer than five employees have a 56.1% share of the region's total number of companies and large companies with 50 or more employees have a 3.4% share, compared to the 4.4% Alberta average.

## Number of Establishments by Employee Size in 2010: South Central Region and Alberta



Between 2005 and 2010, there was an increase of 4.1% (or 216 companies) in the total number of businesses in the South Central Region and a 4.4% rise (or 223 companies) in the number of small businesses. By comparison, at the provincial level, the total number of businesses increased by 2.3% and small companies experienced an increase of 3.4% over the same period.

In the South Central Region, 68% of companies with employees were involved in service industries in 2010. The total number of companies in service industries rose by 2.0% over the past five years, while the goods industry had an 8.8% increase over the same period.

Utilities and Construction is the largest industry in the region, making up 13.2% of establishments with employees in the South Central Region (the Construction sector accounts for 98% of all companies in this sector). By comparison, 13.8% of establishments with employees are engaged in the Utilities and Construction industry at the provincial level. Other large industries are Agriculture and Forestry, and Retail Trade.

Over the past five years, the Utilities and Construction industry also experienced the highest growth in the number of businesses, up 30.3% between 2005 and 2010. The Mining, Oil and Gas Extraction, Health Care and Social Assistance, and Education industries also had large increases of more than 10% in the number of establishments over the same period. Transportation and Warehousing registered the largest decline: down 8.4% between 2005 and 2010. Agriculture and Forestry registered a 7.5% drop

over the same period. Almost all companies in the Agriculture and Forestry industry are agricultural businesses.

| Numbers of Establishments by Industry<br>South Central Region        |              |              |              |                 |                                  |              |              |                 |
|--|--------------|--------------|--------------|-----------------|----------------------------------|--------------|--------------|-----------------|
| All Companies (1+ Employees)   |              |              |              |                 | Small Companies (1-49 Employees) |              |              |                 |
|  | 2005         | 2009         | 2010         | 5-Year % Change | 2005                             | 2009         | 2010         | 5-Year % Change |
| <b>Total, All Industries</b>   | <b>5,302</b> | <b>5,602</b> | <b>5,518</b> | <b>4.1%</b>     | <b>5,106</b>                     | <b>5,409</b> | <b>5,329</b> | <b>4.4%</b>     |
| <b>Total, Goods Industries</b>                                       | <b>1,617</b> | <b>1,775</b> | <b>1,760</b> | <b>8.8%</b>     | <b>1,564</b>                     | <b>1,733</b> | <b>1,711</b> | <b>9.4%</b>     |
| Agriculture & Forestry   | 763          | 719          | 706          | -7.5%           | 758                              | 718          | 703          | -7.3%           |
| Mining, Oil & Gas Extraction   | 104          | 133          | 124          | 19.2%           | 103                              | 132          | 123          | 19.4%           |
| Utilities & Construction   | 561          | 723          | 731          | 30.3%           | 547                              | 712          | 720          | 31.6%           |
| Manufacturing  | 189          | 200          | 199          | 5.3%            | 156                              | 171          | 165          | 5.8%            |
| <b>Total, Service Industries</b>                                     | <b>3,685</b> | <b>3,827</b> | <b>3,758</b> | <b>2.0%</b>     | <b>3,542</b>                     | <b>3,676</b> | <b>3,618</b> | <b>2.1%</b>     |
| Wholesale Trade  | 302          | 286          | 293          | -3.0%           | 296                              | 284          | 290          | -2.0%           |
| Retail Trade   | 627          | 640          | 647          | 3.2%            | 596                              | 608          | 617          | 3.5%            |
| Transportation & Warehousing   | 334          | 340          | 306          | -8.4%           | 325                              | 333          | 299          | -8.0%           |
| Information, Culture, Recreation & Arts                              | 124          | 126          | 124          | 0.0%            | 116                              | 114          | 113          | -2.6%           |
| Finance, Insurance, Real Estate & Leasing                            | 395          | 392          | 395          | 0.0%            | 385                              | 391          | 394          | 2.3%            |
| Professional, Scientific & Technical Services                        | 419          | 462          | 454          | 8.4%            | 416                              | 457          | 450          | 8.2%            |
| Administrative & Waste Management Services & Management of Companies | 260          | 294          | 279          | 7.3%            | 257                              | 286          | 272          | 5.8%            |
| Educational Services   | 51           | 51           | 57           | 11.8%           | 45                               | 44           | 50           | 11.1%           |
| Health Care & Social Assistance                                      | 402          | 444          | 445          | 10.7%           | 371                              | 415          | 417          | 12.4%           |
| Accommodation & Food Services  | 272          | 279          | 271          | -0.4%           | 247                              | 249          | 247          | 0.0%            |
| Other Services Excluding Private Household Services*                 | 466          | 481          | 455          | -2.4%           | 465                              | 473          | 447          | -3.9%           |
| Public Administration  | 33           | 32           | 32           | 3.1%            | 23                               | 22           | 22           | -4.3%           |

Source: Canadian Business Patterns, Statistics Canada

\* A new subsector, Private Households (hiring cooks, nannies, etc.) was created in 2006, thereby inflating the 2006 to 2010 estimates for the sector and the region as compared to previous years. Hence, to make the data comparable, the values shown for the "Other Services Excluding Private Household" industry has been adjusted and does not include the Private Households sector data.

# Inventory of Major Projects

As of March 31, 2011 there were 32 projects proposed, planned, under construction or recently completed in the South Central region. Of these projects, 18 are in either the Infrastructure or the Institutional category.

The total value for the projects in the South Central region was \$1.9 billion, as of March 31, 2011. Approximately one half of the projects' value is attributable to Power projects, and Biofuel facilities accounted for an additional 20%.

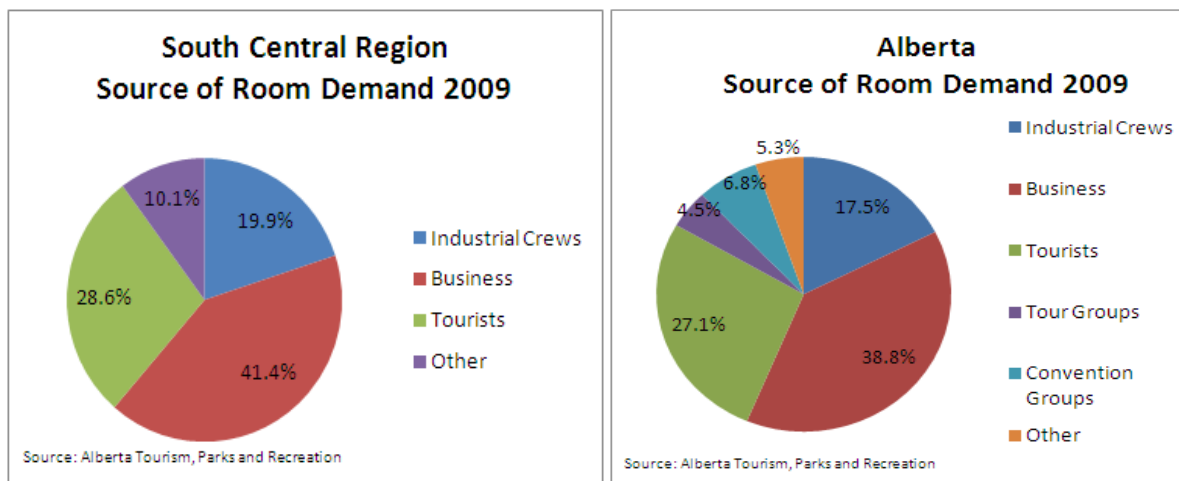
| <b>Economic Indicators: South Central Region</b>   |                           |             |                           |                  |
|--|---------------------------|-------------|---------------------------|------------------|
| <b>Major Construction Projects, as of March 31</b> |                           |             |                           |                  |
| <b>Industry Sector</b>                             | <b>Number of Projects</b> |             | <b>Value (\$millions)</b> |                  |
|  | <b>2011</b>               | <b>2010</b> | <b>2011</b>               | <b>2010</b>      |
| Agriculture & Related                              | 1                         | 0           | \$23.0                    | \$0.0            |
| Biofuels   | 3                         | 3           | \$385.0                   | \$388.0          |
| Commercial/Retail                                  | 1                         | 1           | \$5.2                     | \$5.2            |
| Infrastructure                                     | 8                         | 19          | \$115.5                   | \$227.8          |
| Institutional                                      | 10                        | 20          | \$225.0                   | \$599.5          |
| Other Industrial                                   | 1                         | 0           | \$8.0                     | \$0.0            |
| Pipelines  | 0                         | 5           | \$0.0                     | \$103.8          |
| Power  | 4                         | 6           | \$1,056.0                 | \$1,284.0        |
| Tourism/Recreation                                 | 4                         | 3           | \$80.3                    | \$65.3           |
| <b>Total</b>                                       | <b>32</b>                 | <b>57</b>   | <b>\$1,898.0</b>          | <b>\$2,673.6</b> |
| <b>% of Provincial Total</b>                       | <b>3.8%</b>               | <b>6.2%</b> | <b>1.0%</b>               | <b>1.2%</b>      |

Source: Alberta Finance and Enterprise, Inventory of Major Alberta Projects

*Note: 2010 and 2011 cannot be compared because some projects are carried over several years and there is only one cost available for the entire project.*

# Accommodation & Hospitality

In 2009 South Central Region had 25 accommodation properties with a total of 1,645 rooms, representing 2.6% of available rooms in Alberta. Business travelers made up 41.4% of room demand, followed by tourists at 28.6%. The average occupancy rate in the region was 59.6%, compared to the provincial average of 58.6%. The average room rate was \$86.62, which is 22.8% less than the provincial average of \$112.19.



| Economic Indicators: South Central Region     |          |          |
|---|----------|----------|
| Accommodation Statistics                      | 2008     | 2009     |
| <b>South Central</b>                          |          |          |
| Number of Properties                          | 25       | 25       |
| Supply of Rooms                               | 1,674    | 1,645    |
| Share of Alberta Rooms                        | 2.7%     | 2.6%     |
| Average Number of Rooms/Property              | 67.0     | 65.8     |
| Occupancy Rate                                | 61.0%    | 59.6%    |
| Average Room Rate                             | \$82.99  | \$86.62  |
| <b>Alberta</b>                                |          |          |
| Average Number of Rooms/Property              | 82.5     | 82.0     |
| Occupancy Rate                                | 68.2%    | 58.6%    |
| Average Room Rate                             | \$113.54 | \$112.19 |
| Source: Alberta Tourism, Parks and Recreation |          |          |

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- ♦ Alberta Oil Sands Industry Quarterly Update
- ♦ Facts on Alberta
- ♦ Highlights of the Alberta Economy
- ♦ Inventory of Major Alberta Projects
- ♦ Monthly Economic Review
- ♦ Place-to-Place Price Comparison Survey

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