

The Alberta Wage Disadvantage:

***Evidence on Alberta's Continuing
Suppression of Wages and Salaries***

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Summary

Alberta once boasted the highest wages and the strongest labour market in Canada. This was a key component of what was once caused the 'Alberta Advantage'. Unfortunately, the economic tides have turned dramatically over the last decade. Once a promising place for workers to find jobs, earn decent wages, and support their families, Alberta has more recently demonstrated among the weakest labour markets in Canada. Unemployment is relatively high, wage growth has been far below other provinces, and yet the cost of living is among the highest in Canada.

Alberta is no longer the highest wage province in Canada: payroll data for hourly employees shows Alberta was passed by B.C. in 2023, and more recently by Quebec in 2024 (now ranking third). Average hourly wages in 2024 were under 2% higher than the Canada-wide average – whereas in 2013 they were 17% above the national average.

During 2024, when wages in most of Canada were finally recovering from the effects of post-pandemic disruption and inflation, average hourly wages in Alberta continued to lag behind inflation. Average hourly wages, adjusted for inflation, fell by another 0.8%. That's the fourth consecutive year, and ninth year in the last eleven, that average hourly real wages declined (with wages lagging behind inflation). In contrast, real wages in most of Canada were rebounding briskly in both 2023 and 2024.

Since 2019 (when the current UCP government came to power), real hourly wages have fallen by a cumulative total of 4.5%, by far the worst of any province. Including salaried workers, and adjusting for average working hours, real weekly earnings have also performed worse than any other province: falling 3.4% in inflation-adjusted terms since 2019. In fact, Alberta is the *only* province where average real weekly earnings were lower in 2024 than in 2019.

In sum, where wages are concerned, workers now face an 'Alberta Disadvantage.' Wages continue to go backward, and real living standards are in crisis. This is partly the result of economic challenges and disruptions beyond anyone's control – like the pandemic, fluctuations in global energy prices, and inflation (which gripped all industrial countries after 2021). Ironically, that inflation was worse in Alberta in 2024 than any other province last year – despite the weakest wage growth of any province.

However, much of Alberta's wage disadvantage is self-inflicted: the intended outcome of deliberate policies to suppress wages, and shift income to corporations and investors, away from workers. No single policy reveals that anti-wage bias than Alberta's shameful freeze in the provincial minimum wage: now tied for lowest in Canada, having been frozen through 6 years of rapid inflation. The resulting 17% decline in real earnings for the lowest-paid workers in the province is economically destructive and morally bankrupt.

The effects of this cruel minimum wage policy are amplified by other wage suppression measures – including:

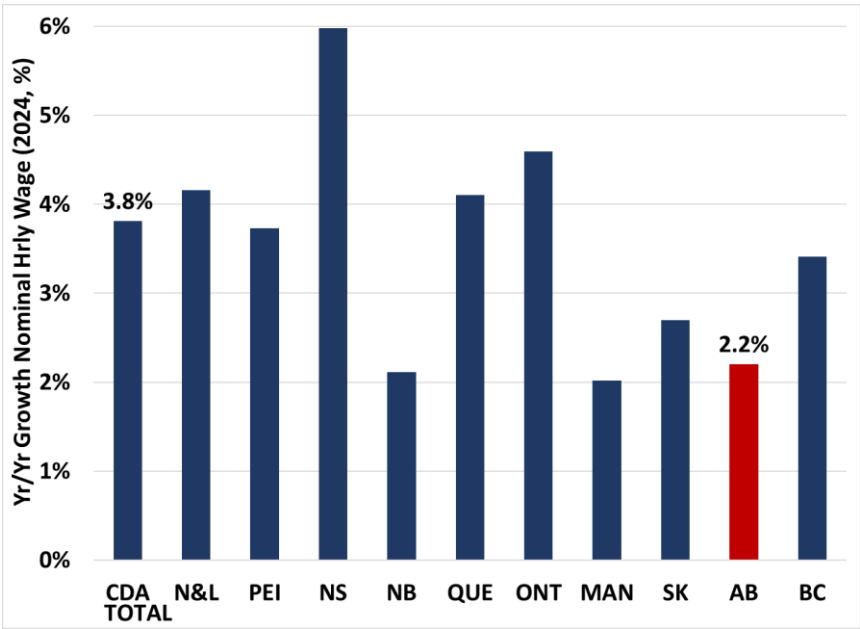
- the most restrictive limits on trade unions and collective bargaining of any province;
- uniquely austere provincial public sector wage settlements in 2020 and 2021 (which produced especially severe declines in real wages across health care, education, and public administration).

Alberta's longer-run underperformance in wages, employment, and other economic benchmarks was covered in detail in the 2024 report from the Alberta Federation of Labour, [*Alberta's Disappearing Advantage: The Crisis in Alberta Wages, and How to Fix It*](#). This report updates some of those measures to reflect 2024 developments. Unfortunately, the conclusions of that earlier report are ratified in this update: Alberta workers still confront the weakest wage growth, the biggest decline in real earnings, and the most aggressive wage-suppressing policies anywhere in Canada.

Wage Trends in 2024

In 2024, nominal wage growth in Alberta continued to lag well behind the rest of Canada. Over the first ten months of the year,¹ average hourly wages were 2.2% higher in Alberta than the similar period of 2023 (see Figure 1). That is barely half as fast as the Canadian average (3.8%), and third-slowest of all provinces (slightly ahead of only New Brunswick and Manitoba).

Figure 1. Growth in Average Hourly Wages



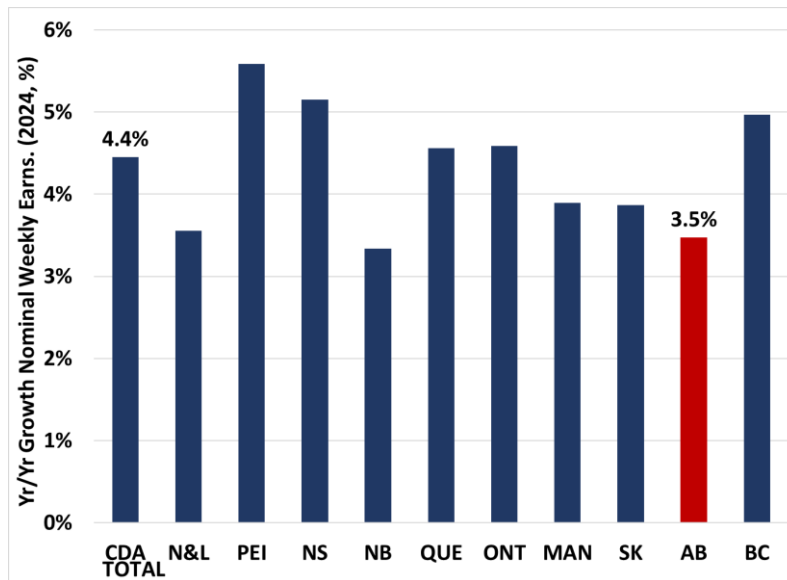
Source: Calculations from Statistics Canada Table 14-10-0205-01, Jan-Oct. yr/yr growth.

Wage growth has been slightly stronger measured by average weekly earnings for all workers (including both hourly and salaried staff). Weekly earnings are affected by hours of work, as well as by hourly or weekly compensation.

Average weekly earnings in Alberta grew 3.5% year-over-year in the first 10 months of 2024 (see Figure 2). That is significantly slower than the Canadian average (4.4%), and also the third slowest of any province (ahead only of Newfoundland & Labrador and New Brunswick).

¹ This report uses data on wages and salaries reported in Statistics Canada’s monthly payroll survey, the *Survey of Employment, Payrolls and Hours* (SEPH); most recent data at time of writing was for October 2024.

Figure 2. Growth in Average Weekly Earnings, 2024

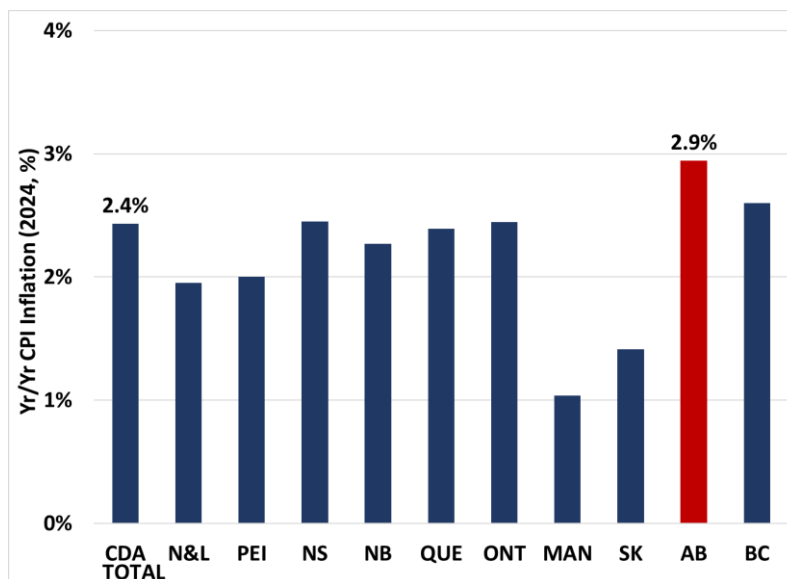


Source: Calculations from Statistics Canada Table 14-10-0203-01, Jan-Oct. yr/yr growth.

Alberta Inflation

Despite consistently slower wage growth than the rest of Canada, Alberta has not escaped the effects of inflation. In fact, during 2024 inflation was faster in Alberta than any other province. Average consumer prices in Alberta over the January-November period (most recent data available) rose 2.9% compared to the year-earlier period (see Figure 3). That was significantly faster than the 2.4% average year/year inflation in Canada as a whole (over the same period), and faster than any other province.

Figure 3. Consumer Price Inflation by Province, 2024



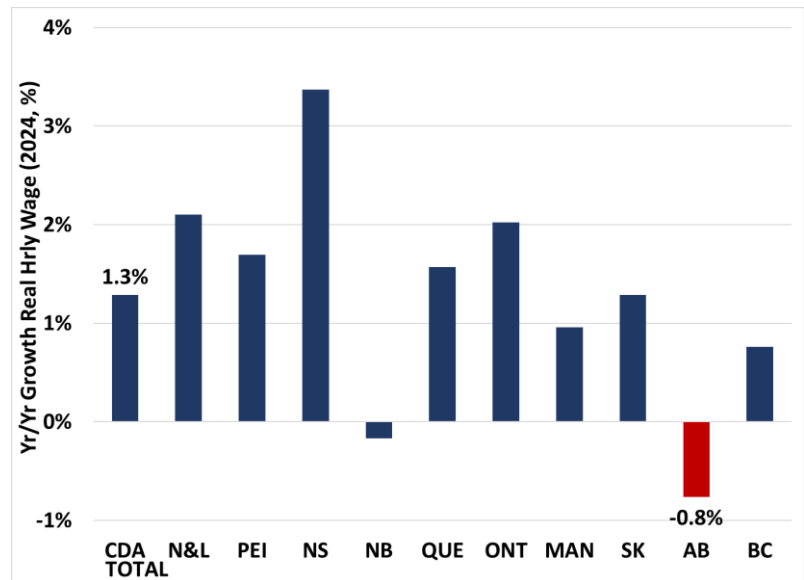
Source: Calculations from Statistics Canada Table 18-10-0004-01, Jan.-Nov. yr/yr growth.

It is painfully ironic that inflation was higher in Alberta than any other province, despite wages having grown more slowly than most other provinces. This further disproves the discredited assumption that inflation is caused by ‘greedy’ workers demanding unduly high wage gains. Canadian and international economic research confirms that the burst of inflation after the COVID pandemic was caused by other factors: including supply chain disruptions, the global energy price shock in 2024, rapid shifts in consumer demand (after COVID shutdowns), and record-high profit margins – as companies in key sectors (like energy, housing, and groceries) took advantage of the chaos to lift prices far above costs. More recently those factors have been largely corrected, and inflation has returned to normal rates (around 2%). But the fact that Albertans suffered from continued wage restraint throughout this inflationary period, did nothing to prevent or moderate that inflation. This is proof that suppressing wages to try to control inflation merely punishes the victims of inflation (workers), rather than addressing its root causes.

Real Wage Trends in 2024

The combination of very slow nominal wage increases, with the fastest inflation in the country, was bad news for the purchasing power of Alberta workers. After adjusting for the impact of higher prices, real wages in Alberta have continued to decline for hourly workers – in contrast to an encouraging recovery in real wages occurring in other provinces. Real hourly wages fell another 0.8% over the first ten months of 2024 (Figure 4), compounding declines in real wages experienced in previous years. Across Canada as a whole, real hourly wages grew 1.3% in the same period. New Brunswick was the only other province where real hourly wages fell in 2024 (and by a much smaller amount, 0.2%, than in Alberta).

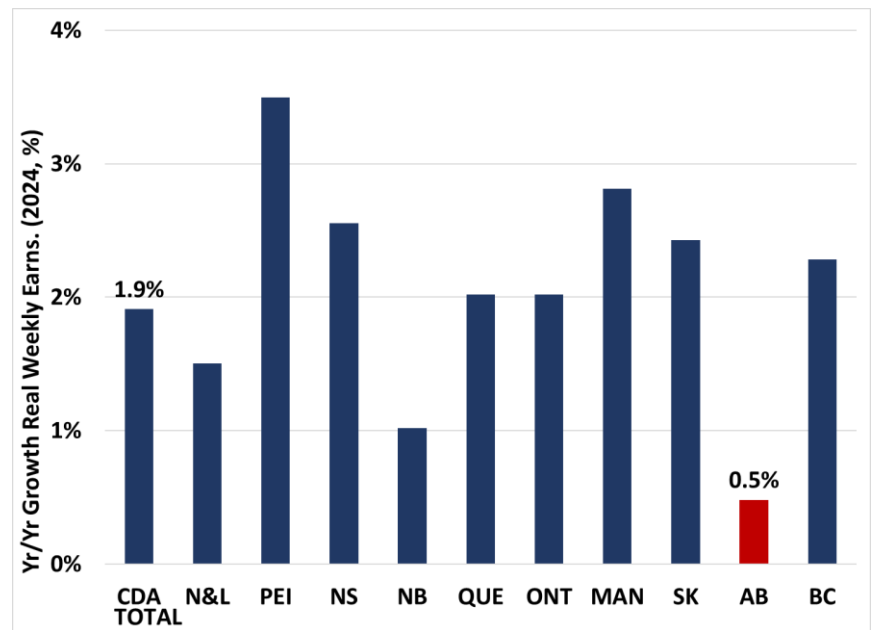
Figure 4. Real Hourly Wage Changes, 2024



Source: Calculations from Statistics Canada Tables 14-10-0205-01 and 18-10-0004-01, Jan.-Oct. average yr/yr change.

Average weekly earnings in Alberta grew somewhat stronger than average hourly earnings, and this at least allowed them to keep up with inflation and increase modestly in real terms. But by this measure, too, Alberta’s real wage performance (reflecting both weak wage gains and the province’s higher inflation) was the worst in the country. Real weekly earnings rose in Alberta by 0.5% over the first ten months of 2024 (see Figure 5). That is barely one-quarter as fast as real weekly earnings grew in Canada as a whole, and well below real earnings gains in any other province.

Figure 5. Real Weekly Earnings Changes, 2024



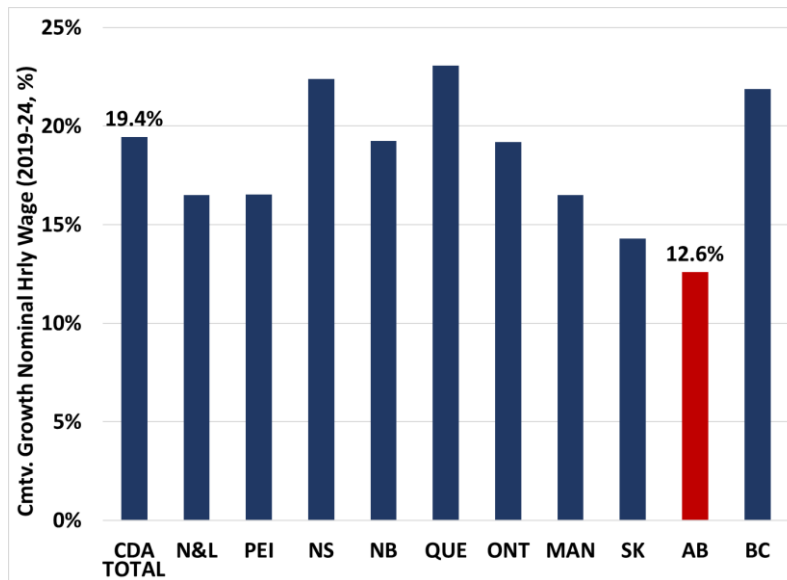
Source: Calculations from Statistics Canada Tables 14-10-0203-01 and 18-10-0004-01, Jan.-Oct. average yr/yr change.

Longer-Term Wage Trends

The weak performance of wages in Alberta during 2024 extends a long period of disappointing wage growth. Over the last five years (going back to 2019, when the UCP government was first elected), both nominal and real wages, by both hourly and weekly measures, have performed worse in Alberta than any other province. Real earnings have declined by a substantial amount, undermining the real living standards of working Albertans.

Cumulative growth in nominal hourly wages over the past five years in Alberta was just 12.6%, about 7 percentage points slower than for Canada as a whole (see Figure 6). Alberta’s hourly wage growth over this period was the weakest of any province.

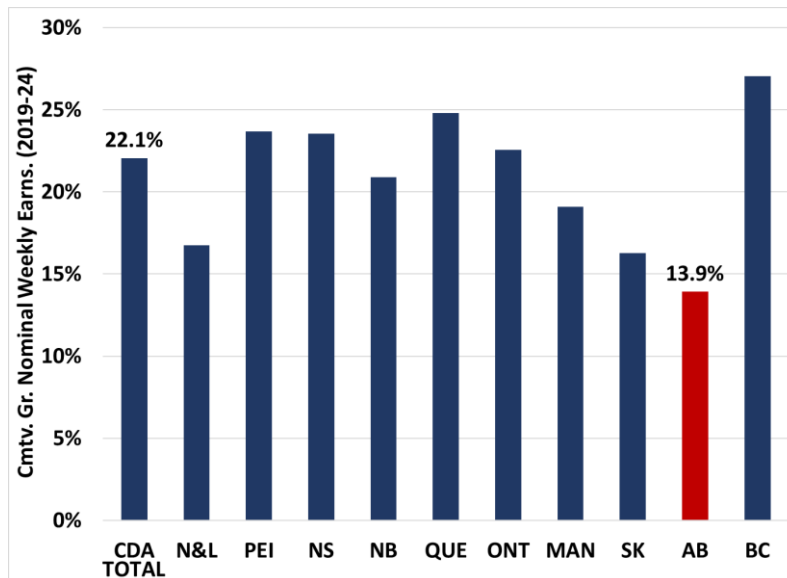
Figure 6. Nominal Hourly Wage Growth, 2019-2024



Source: Calculations from Statistics Canada Tables 14-10-0206-01 and 14-10-0205-01; 2024 based on Jan-Oct. average.

Measured on a weekly basis (to include salaried workers, and reflect weekly hours of work), earnings growth in Alberta similarly ranks dead last in the country. Cumulative growth in nominal weekly earnings over the last five years was 13.9% (Figure 7). This is over 8 percentage points slower than the Canada-wide average, and once again the slowest of any province.

Figure 7. Nominal Weekly Earnings Growth, 2019-2024

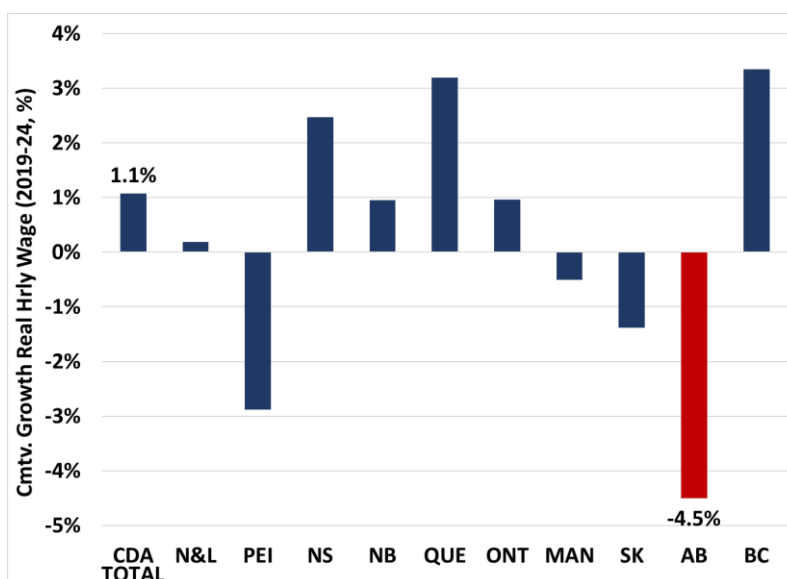


Source: Calculations from Statistics Canada Tables 14-10-0203-01 and 14-10-0204-01; 2024 based on Jan-Oct. average.

Combined with the fact that Alberta has experienced the same inflation (or worse) as the rest of Canada, this implies that real earnings for both hourly and salaried workers have declined substantially. Again, it's important to note that slow wage growth in Alberta did not protect the province from being gripped by the same inflation that the rest of Canada experienced. It only meant that the decline in real purchasing power experienced by Alberta workers was worse than in other provinces.

Real hourly wages in Alberta declined 4.5% over the last five years – falling almost 1% per year (see Figure 8). That is far worse than the experience in other provinces, and continues a trend of falling real wages in Alberta that dates back to 2013.² In the rest of Canada, however, real wages have grown on a net basis, increasing 1.1% on average for the country as a whole. Real wage growth was strongest, over 3%, in Quebec and B.C. – which not coincidentally now rank as Canada's wage leaders.

Figure 8. Real Hourly Wage Growth, 2019-2024

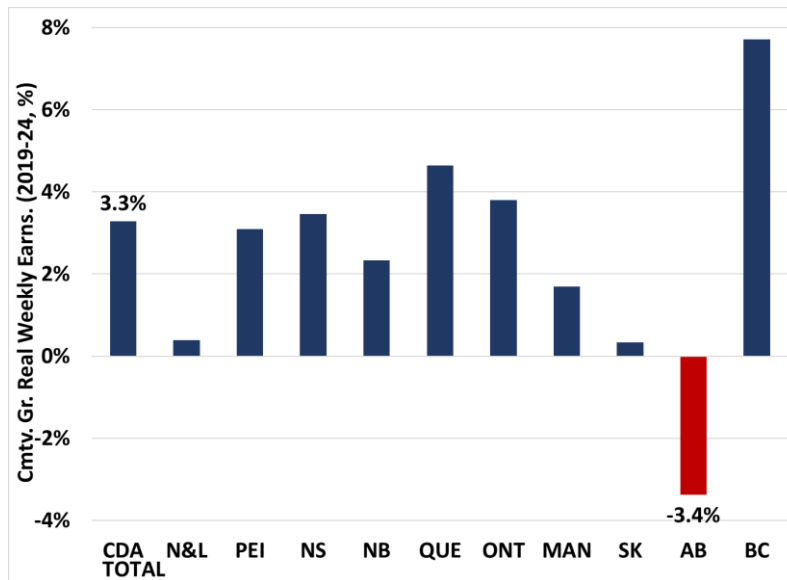


Source: Calculations from Statistics Canada Tables 14-10-0206-01, 14-10-0205-01, and 18-10-0004-01; 2024 based on Jan-Oct. average.

Measured on a weekly basis, real earnings have also eroded badly in Alberta over the past five years. In fact, *Alberta is the only province where real weekly earnings (are lower than they were in 2019)*. Real weekly earnings in Alberta are 3.4% lower than in 2019. That is the mirror image of the experience in Canada as a whole: average real weekly earnings in Canada are 3.3% higher than five years earlier (see Figure 9).

² Since peaking in 2013, average real hourly wages in Alberta have declined 10.5%.

Figure 9. Real Weekly Earnings Growth, 2019-2024

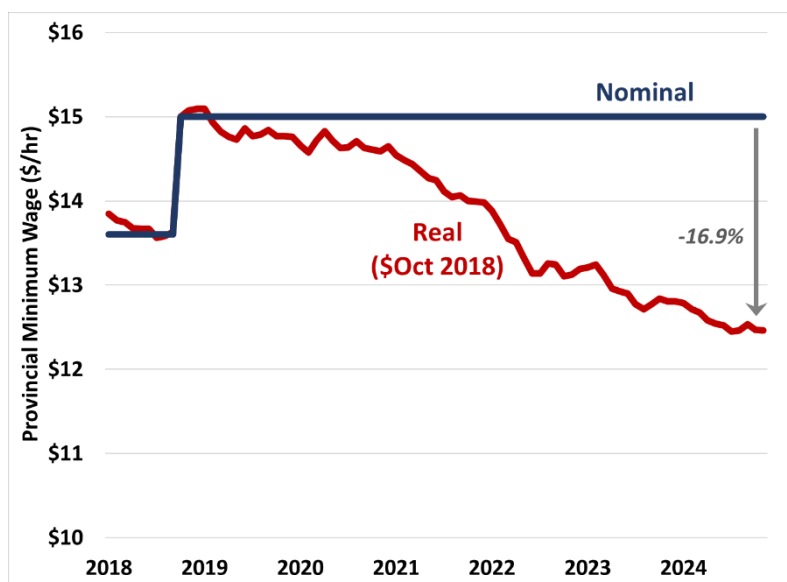


Source: Calculations from Statistics Canada Tables 14-10-0203-01, 14-10-0204-01, and 18-10-0004-01; 2024 based on Jan-Oct. average.

Continued Erosion in the Minimum Wage

The punishing decline in real earnings for Alberta workers is not an accident. It reflects deliberate choices: including aggressive wage suppression tactics by Alberta employers, and other policy measures implemented by the provincial government to suppress wages and fatten profit margins. No single indicator more demonstrates the hostility of the provincial government to healthy wage growth than the long freeze in the provincial minimum wage (Figure 10).

Figure 10. Nominal and Real Minimum Wage in Alberta, 2018-2024



Source: Calculations from Statistics Canada Table 18-10-0004-01 and ESDC Minimum Wage Database.

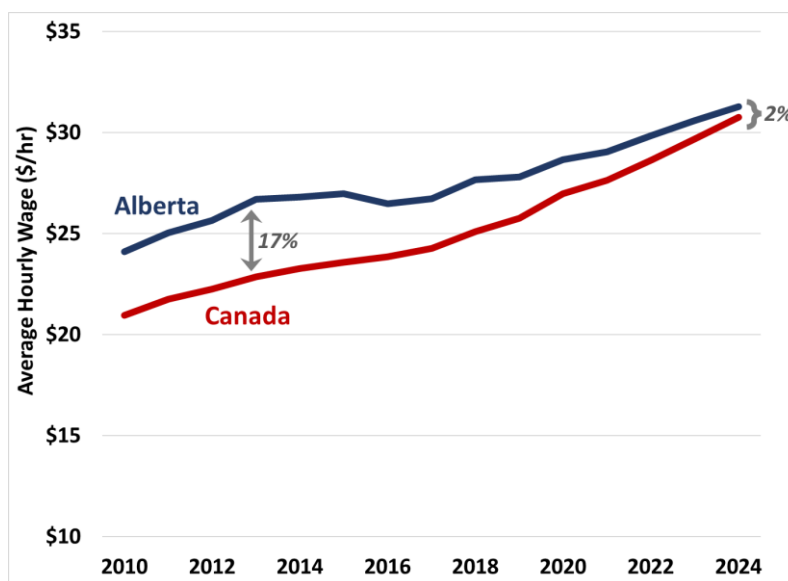
Alberta's general minimum wage has not been increased since October 2018, over six years ago. (For young workers, the minimum wage was *cut* by \$2 in 2019.) This long freeze has been catastrophic for low-wage workers, in light of the surge in consumer prices after the COVID pandemic. Since the last increase in the minimum wage, consumer prices in Alberta have increased by over 20%. Despite the rising cost of living, the minimum wage has not been adjusted once. The real purchasing power of the minimum wage has thus fallen by almost 17%. It declined by another 2.9% in 2024.

Alberta's minimum wage is now tied with Saskatchewan as the lowest in Canada; as recently as 2020, Alberta had the *highest* minimum wage in Canada. In addition to the extreme cut in the real minimum wage, the provincial government uses many other strategies to suppress wages, and help employers resist workers' demands to protect their real living standards. These include the tightest restrictions on union organizing and activity of any province in Canada, and painful austerity in wages for provincial public sector workers

Alberta's Lost Wage Advantage

Alberta once boasted the highest wages in Canada, and this was a key component of the once-heralded 'Alberta Advantage'. Unfortunately, thanks to years of deliberate wage suppression and sustained real wage decline, this is no longer the case. In fact, there is now hardly any difference between wages in Alberta and elsewhere in Canada – even though living expenses in Alberta are relatively high compared to other provinces. According to Statistics Canada's 'market basket measure', Calgary has the second-highest living costs of any major Canadian city, and Edmonton the fourth-highest.

Figure 11. Hourly Wages, Alberta and Canada, 2010-2024

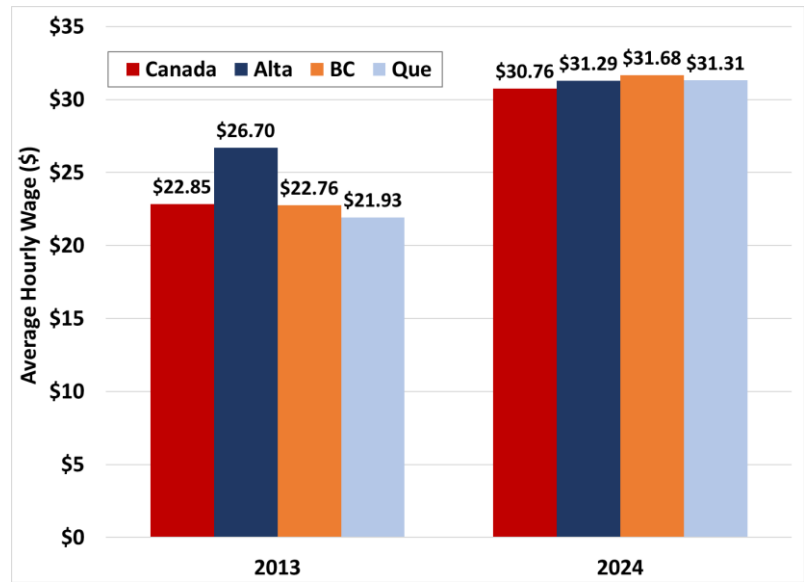


Source: Calculations from Statistics Canada, Tables 14-10-0206-01 and 14-10-0205-01; 2024 based on Jan-Oct. average.

In 2024, average hourly wages in Alberta were just 2% higher than the Canadian average (see Figure 11). Alberta’s previous wage advantage (which was as wide as 17% above the national average in 2013) has mostly disappeared.

After years of poor wage growth, by 2023 Alberta lost the title of highest-wage province to neighbouring B.C. The crown was retained by B.C. in 2024, where wage growth broadly matched overall national trends (unlike Alberta, which recorded sub-par wage gains for another year). Perhaps surprisingly, in 2024 Alberta was narrowly surpassed by another province: Quebec. In both Quebec and B.C., provincial policies have pro-actively supported strong wages and growing real incomes for workers: through stronger trade union activity, higher minimum wages, and fairer public sector wage policies. Alberta now ranks third among Canadian provinces in hourly wages (Figure 12), despite the highest GDP per worker of any province.

Figure 12. Selected Hourly Wages, 2013 and 2024



Source: Calculations from Statistics Canada, Tables 14-10-0206-01 and 14-10-0205-01; 2024 based on Jan-Oct. average.

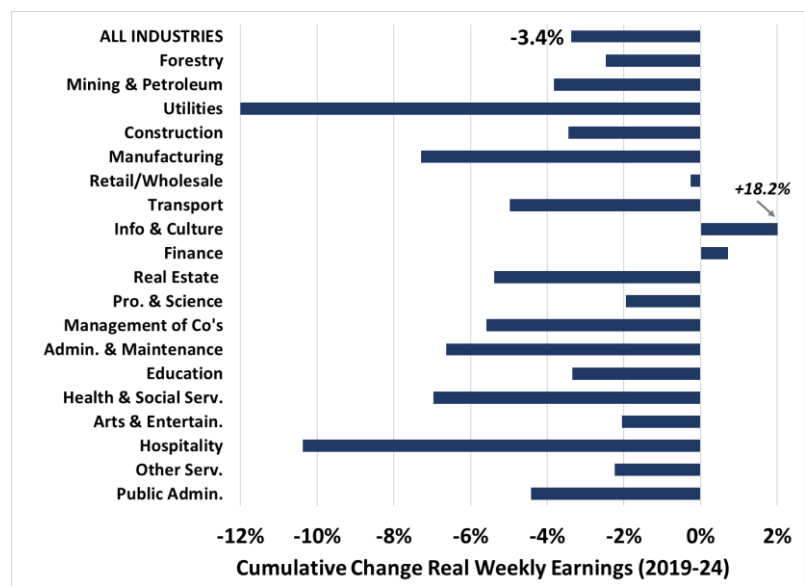
Shared Misery: Alberta’s Economy-Wide Wage Suppression

The decline in real earnings has been experienced across almost all of Alberta’s economy, not only in a few hard-hit sectors. Virtually every industry has experienced a decline in real earnings over the past five years, affecting both hourly and salaried staff. This reinforces the conclusion that the decline in real wages in Alberta reflects a deliberate strategy, and not is a ‘normal’ outcome of economic conditions.

Of 19 broad industry categories tracked by Statistics Canada, real weekly earnings declined in 17 of them from 2019 through 2024 (Figure 13). The worst real losses were experienced in utilities, hospitality (where the minimum wage freeze has been especially painful), manufacturing, and health care. Even the petroleum and mining sector, which earned record profits during this

period, experienced a decline in real earnings (-3.8%) slightly worse than the province-wide average (-3.4%). Only two sectors demonstrated an improvement in real weekly earnings since 2019: finance and the information and culture sector.³

Figure 13. Five-Year Change in Real Earnings by Industry, 2019-2024



Source: Calculations from Statistics Canada Tables 14-10-0203-01, 14-10-0204-01, and 18-10-0004-01; 2024 based on Jan-Oct. average.

³ The large apparent increase in real earnings in information and culture industries reflects a change in definition in recent data and should not be interpreted as a sign of genuine wage growth.

Conclusion

The universal nature of the decline in real incomes for Alberta workers further attests to the systemic and deliberate nature of wage-suppressing policies and practices. It doesn't matter whether an industry is booming (as petroleum has been) or struggling. It doesn't matter whether you are an hourly production worker or a salaried professional. The wage system in Alberta has been rigged to deliberately hold back wages, and transfer the resulting surplus to corporations and other employers. This is why living standards in Alberta are deteriorating.

The wage system must be repaired, and workers given the institutional and bargaining power to win back a fair share of the wealth they produce. The remedies to this problem are obvious:

- Increase the minimum wage immediately by 17% to offset past inflation, and then increase it every year in line with future inflation and productivity growth.
- Implement labour law reforms to allow workers to effectively form unions and bargain collectively.
- Negotiate free and fair collective agreements with workers across Alberta's broader public sector.

The deliberate efforts to suppress wage growth in Alberta over the past five years have resulted in a widespread decline in real living standards for millions of workers and their families. Wages have not kept up with inflation and Alberta's high cost of living. While workers elsewhere in Canada are now experiencing robust improvements in real wages, wages in Alberta continue to go backwards. Meanwhile, corporations and investors in Alberta have been uniquely profitable – enjoying the highest share of profits in total GDP of any province.

These unacceptable trends are not a natural or inevitable result of economic forces. They are the intended result of deliberate policy choices. Albertans need their government to make different choices – to acknowledge that rising wages are a good thing, a sign of success, not a problem to be suppressed. Alberta workers need a government that supports them in trying to win fair wages and protect their living standards, rather than holding them back.