

**DEFINE
THE DECADE**

Opportunity & Prosperity

Alberta's progress to
defining the decade

2023 Scorecard



BUSINESS COUNCIL
OF ALBERTA

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Report Citation

Opportunity & Prosperity: Alberta's Progress to Defining the Decade. 2023 Scorecard. Business Council of Alberta. November 2023.

About the Business Council of Alberta

The Business Council of Alberta is a non-partisan, for-purpose organization dedicated to building a better Alberta within a more dynamic Canada. Composed of the chief executives and leading entrepreneurs of the province's largest enterprises, Council members are proud to represent the majority of Alberta's private sector investment, job creation, exports, and research and development. The Council is committed to working with leaders and stakeholders across Alberta and Canada in proposing bold and innovative public policy solutions and initiatives that will make life better for Albertans.

Land Acknowledgement

In the spirit of truth, reconciliation, and respect, we honour and acknowledge the lands upon which we live and work as guests, including the traditional territories of the First Nations in Treaties 6, 7, and 8 and the citizens of the Metis Nation of Alberta. We thank the First Peoples of this land, which we now call Alberta, for their generations of stewardship of the land, and we seek to walk together in the spirit of truth and reconciliation to build a shared future for all in Alberta.

This document reflects the views of the Business Council of Alberta based on our own research and on engagement with members and stakeholders. Alberta is a diverse place. In many cases, there are a range of views on an issue within the Council membership. This piece may not necessarily reflect the perspective of all BCA member companies, and should not be read as the position of any one member.

Introduction

In 2022, the Business Council of Alberta (BCA) launched its Define the Decade initiative—a 10-year Prosperity Vision for the province and an economic development strategy to get there.

As a part of this initiative, we made a commitment to track Alberta’s progress across six “Prosperity Pillars” using a variety of data and metrics. Why? We believe what gets measured gets done, and we want to build a better Alberta.

In the pages that follow, we review the areas in which the province is improving or worsening (using the most recently available data).

Overall, we find Alberta has shown broad-based improvement as it recovered from the pandemic and is left, in many ways, in a stronger position than it was before.

Of note, Alberta has shown progress in its ability to attract newcomers, promote economic growth, and support fiscal sustainability. As well, it has proven its effectiveness in attracting early-stage investment,

even in competition with other, larger provinces.

Albertans themselves see opportunity in their province. Recent survey results show that **a vast majority (90%) agree with the statement “I have the opportunity to live a good life in Alberta.”** In other words, the results we are seeing match the views and perceptions of Albertans.

However, the work is not done. There are still many areas where improvement is needed to ensure that all Albertans have opportunity—now and for generations to come.

Our results show internet access remains inequitable; improvement in measures of equity has been only modest; and progress on overall emissions is limited. As well, other areas—startup activity and research and development in particular—have improved modestly but fall short of what is needed to generate and sustain longer-term growth. As such, this scorecard gives us the chance to both celebrate our progress and also motivate us to work even harder on our path to shared prosperity.



A man wearing a blue t-shirt and a grey cap with a brown patch that says "CALD" is smiling and kissing a young girl on the cheek. The girl has her hair in a ponytail with a red clip and is wearing a black and white striped shirt. They are outdoors with mountains in the background.

90%

of Albertans agree with the statement “I have the opportunity to live a good life in Alberta.”

Janet Brown Opinion Research, September 2023

Alberta has made notable progress in many areas

Immigrant Attraction

Alberta is seen as a place of opportunity for new residents from across the country and globe.

Early Stage Investment

Alberta has made major strides in attracting venture capital, particularly as a percentage of the national total.

Net Debt-to-GDP Ratio

Alberta's debt load has become more manageable due to (at the time) record low interest rates and an increasing GDP.

But there is still work to do in others

Equity

Improvements to close the income gap across demographics have been modest—and perhaps not for the right reasons.

R&D Spending

While Alberta has performed better than other provinces, we're not much further ahead than 2014.

Emissions

Emissions rose slightly due to the return of more normal economic activity post-COVID; however, emissions intensity is steadily decreasing.

Furthering Opportunity & Prosperity

While we identify ways to improve each of the indicators in this report, here are four ideas to get started.

- 1 Advance the Prosperity Missions**
- 2 Adopt a Prosperity-Driven Approach to Immigration**
- 3 Develop an Alberta Workforce Strategy**
- 4 Incentivize Carbon Capture Investments**

Per Capita GDP

GDP per capita for Alberta

2020

\$72,521

2021

\$75,510

IMPROVED
Change: +4%

What this measures

Per capita GDP measures the province's economic output per person by dividing Alberta's annual GDP by its population.

Why this matters

It is a gauge of the prosperity of Albertans. By calculating GDP on a per person basis, we can see if the economy is growing richer, or just bigger.

Direction Alberta is trending

From 2020 to 2021, Alberta's per capita GDP increased 4%. This growth was broad-based, driven by four factors: an increase in the value of exports, a resurgence of consumer spending, an uptick in business investment, and modest growth in government spending on services and infrastructure. That said, some Albertans saw their incomes decline over this time, because governmental

income supports introduced in 2020 (e.g., CERB) were phased out in 2021.

What would help

Advance Alberta's Prosperity Missions to drive increased investment into the province, generating increased per capita GDP growth.

Equity

Income gap of racialized Albertans

2020

84%

2021

85%

IMPROVED
Change: +1%
pt

Income gap of Indigenous Albertans

2020

75%

2021

78%

IMPROVED
Change: +3%
pts

Income gap of women in Alberta

2020

69%

2021

72%

IMPROVED
Change: +3%
pts

What this measures

This indicator measures how unevenly income is distributed across Alberta's population on the basis of race or gender.

Why this matters

Income disparities shed light on the role of social and economic barriers for historically disadvantaged groups. Equality of opportunity is essential in building shared prosperity.

Direction Alberta is trending

From 2020 to 2021, the income gap across races and genders showed modest improvement. However, it was not necessarily the result of income growth. Two big changes occurred over this time: the labour market recovered (increasing incomes), and income supports from COVID were reduced or phased out (decreasing incomes). For instance, the

income gap among racialized individuals closed because the median income of non-racialized individuals declined (-2% versus no change among racialized individuals). Similarly, the Indigenous income gap decreased because incomes fell by less for Indigenous individuals than non-Indigenous individuals (-3% versus -6%). However, in the case of the gender income gap, improvement was due to a combination of rising median incomes for women (+1.4%) and declining median incomes for men (-2.9%).

What would help

Support the efforts of existing organizations and initiatives including the Alberta Indigenous Opportunities Corporation, End Poverty Edmonton, Vibrant Communities Calgary, and the Alberta Anti-Racism Advisory Council.

Immigrant Attraction

Flow of net immigration (total net, annual)

2020/2021

23,376

2021/2022

50,706

IMPROVED
Net Change: +27,330

Flow of net inter-provincial migration (total net, annual)

2020/2021

-9,458

2021/2022

21,660

IMPROVED
Net Change: +31,118

What this measures

Net immigration is the number of immigrants moving to Alberta minus the number leaving. Inter-provincial migration is a similar measure but for movement to/from other provinces.

Why this matters

The province will need to attract and retain individuals to fill labour gaps, foster innovation, and generate long-term economic growth. To attract those with the most valuable skills, Alberta must be a place people want to call home.

Direction Alberta is trending

Over the last couple of years, Alberta experienced a large increase in immigration. After a sharp decline in 2020, the federal government made changes to the Express Entry system (e.g., by prioritizing individuals already in

Canada) and increased targets for admission to make up for the shortfall. This resulted in a large influx of immigrants in 2021 and 2022.

Likewise, many individuals decided to relocate from elsewhere in Canada to Alberta, due to a combination of job opportunity and housing affordability. As well, two successful phases of the "Alberta is Calling" campaign helped to highlight all the province has to offer.

What would help

Ensure settlement services are adequately funded to respond to levels of immigration, and government programs and services more broadly can respond to the needs of a growing population.

Education

Percentage of population with some form of post-secondary education (annual)

2021

71%

2022

70%

WORSENERD
Change: -1% pt

What this measures

This indicator measures the percentage of Albertans (aged 25+) with some form of post-secondary education—whether that be college, university, or a trade school.

Why this matters

Jobs increasingly require education or training beyond high school. A highly educated population yields a workforce that is prepared and adaptable—one that will support Alberta’s competitive edge and innovative potential.

Direction Alberta is trending

From 2021 to 2022, there was a slight decrease in the percentage of Albertans with post-secondary education. This likely reflects a change in the population. With significant in-migration from other provinces and the world, it may be the case that a disproportionate number of

individuals who moved to Alberta had not received formal education beyond high school. Despite this modest decline, a large majority of the population has post-secondary education.

What would help

Focus funding increases on student capacity growth and equipment needs for in-demand occupations.



Long-Term Unemployment Rate

August 2022

0.3%

August 2023

0.3%

STABLE
Change: 0%

What this measures

The long-term unemployment rate is the percentage of individuals in the labour force who have been unemployed for a year or more.

Why this matters

Short periods of unemployment are not always bad. However, long periods are a serious concern. It is not only a hardship to the individual facing it but a broader societal challenge.

Direction Alberta is trending

The rate of long-term unemployment sits at the same level it did a year ago. However, this represents a steep decline versus its peak of 2.9% in April 2021. It also marks one of only two times Alberta has seen a rate that was lower than the national average in at least four years. Positive business

sentiment and consumer demand from population growth have supported a tighter labour market and lower unemployment in the province.

What would help

Create an Alberta Workforce Development Strategy to ensure coordinated delivery of education and skills training to support the re- and upskilling of Albertans, particularly those who face difficulty in finding work.



Indigenous Unemployment Gap

Indigenous unemployment rate (as a % of the non-Indigenous rate)

2021

154%

2022

151%

IMPROVED
Change: -3% pts

What this measures

This indicator measures the difference in unemployment experienced by Indigenous individuals versus non-Indigenous individuals, where 100% represents equality and greater than 100% represents inequality for Indigenous individuals.

Why this matters

Equity of opportunity is a necessary foundation for shared prosperity. Addressing barriers that Indigenous Peoples face in accessing employment is also an important step in reconciliation.

Direction Alberta is trending

From 2021 to 2022, the Indigenous unemployment gap closed slightly. There has, however, been a more marked improvement since before the pandemic when this number was 160%. This means

Indigenous individuals were 60% more likely to be unemployed and now they are 50% more likely—possibly the result of a tighter labour market. That said, the gap remains extremely high, and more is needed to support greater equity of opportunity.

What would help

Ensure adequate post-secondary education access for Indigenous Peoples in Alberta, and create a strategy to increase the ability of Indigenous communities to access the economic benefits from resource development projects.

Research & Development

Private R&D spending as a percentage of GDP (annual)

2020

0.56%

2021

0.66%

IMPROVED
Change: +19%

What this measures

This indicator measures the amount that businesses spend on the research and development of new initiatives as a share of the economy.

Why this matters

Research and development (R&D) plays a critical role in fostering innovation and technological advancement. New and improved products expand existing operations, inspire new businesses, and improve consumers' quality of life by increasing investment, job opportunity, and per capita GDP.

Direction Alberta is trending

From 2020 to 2021, Alberta saw an increase in R&D spending. In fact, it saw stronger growth than most other provinces. That said, R&D spending in Alberta is essentially the same as it was in 2014. On top of that, Canada as a whole is

a global underperformer in R&D. More work is needed to encourage R&D spending in order for Canada and Alberta to stay globally competitive.

What would help

Address innovation ecosystem challenges such as developing and attracting talent, de-risking investment, and creating an IP strategy to help businesses and researchers innovate and grow.

Early-Stage Investment

Venture capital investment \$ (annual)

2021

\$561 million

2022

\$729 million

IMPROVED
Change: +30%

Venture capital investment as a percentage of national (annual)

2021

3.8%

2022

7.3%

IMPROVED
Change: +92%

What this measures

These indicators measure the total amount of venture capital (VC) investment Alberta businesses attract, and the province's share of national VC investment.

Why this matters

VC supports younger companies in getting new ideas off the ground. Ensuring Alberta has a high level of VC investment will promote entrepreneurship and strengthen the broader innovation ecosystem.

Direction Alberta is trending

From 2021 to 2022, Alberta saw a 30% increase in VC investment. In total, the province attracted \$729 million in VC in 2022, across 85 deals. Furthermore, Alberta outpaced other provinces in VC growth. As a result, Alberta's share of

national VC investment increased from 3.8% of the national total to 7.3%. However, given that Alberta accounts for 16% of Canada's economic activity, there is still room to grow.

What would help

Create an Alberta Venture Capital Investment (AVCI) Fund that operates as a public-private co-investment model.

Startup Activity

Business startups as a % of total operating businesses (annual)

12 month period, ending May 2022

5.0%

12 month period, ending May 2023

5.1%

IMPROVED
Change: +1%*

*percentage calculated based on full data points, not rounded numbers

What this measures

This indicator measures the number of new businesses opening their doors, as a percentage of the total number of businesses in the province.

Why this matters

Entrepreneurship supports innovation, creates jobs, and is a leading indicator of future growth. It also encourages diversification of Alberta's economy into new or emerging sectors and industries.

Direction Alberta is trending

Startup activity in Alberta has been relatively constant over the last couple of years and in line with other provinces. In other words, business creation in the province is neither particularly high nor low. The Government of Alberta has taken steps to increase startups in the tech sector through its [Alberta Technology](#)

and Innovation Strategy (ATIS). However, it may be too soon to see any impact.

What would help

Ensure that Alberta businesses, regardless of size, face the lowest tax burden in Canada.



Internet Access

Proportion of Albertans who have internet access at home (annual)

2020

96%

2022

96%

STABLE
Change: 0% pts

What this measures

This indicator measures the percentage of individuals in Alberta (15 years of age and older) who have access to internet in their home.

Why this matters

Internet access is essential to fully participate in society whether that be applying for a job, studying for an exam, or working remotely. It connects Albertans to the rest of the province and the world.

Direction Alberta is trending

From 2020 to 2022, the percentage of individuals with internet access has not changed. Although a large majority of Albertans already have internet access, there is still work to be done to ensure that access is equitable. One area where improvement is needed is in rural areas

where internet access is 7% points lower than it is in Alberta's cities.

What would help

Expedite implementation of the Provincial Broadband Strategy to ensure rural, remote, and Indigenous communities rapidly gain broadband internet and mobile service.

Quality of Life & Belonging

Skilled & Prepared Workforce

Technology & Innovation

Physical & Digital Infrastructure

Environmental Sustainability

Fiscal Sustainability



Export Value

2020

\$199 billion

2021

\$206 billion

IMPROVED
Change: +4%

What this measures

This indicator measures the value of goods and services made in Alberta that are sold to customers in other countries and provinces.

Why this matters

Exports play a significant role in the health of Alberta's economy. They commonly account for over 60% of GDP. When the value of exports increases, more wealth flows into Alberta.

Direction Alberta is trending

From 2020 to 2021, Alberta experienced strong export growth. Driving the gains was oil and gas, whose value increased by 65% to \$94 billion. Though demand and prices tanked in 2020, the rebound in consumer demand, accompanied by a lack of drilling activity, pushed oil prices higher over the course of 2022. This

supported higher production and revenues for the province's biggest industry.

What would help

Work with the federal government and neighboring provinces to improve transportation linkages across Canada, as well as export terminal capacity on the west coast, to enhance market access.

Quality of Life & Belonging

Skilled & Prepared Workforce

Technology & Innovation

Physical & Digital Infrastructure

Environmental Sustainability

Fiscal Sustainability



Infrastructure Investment

Investment in transportation & communications infrastructure (annual)

2021

2022

\$4.3 billion

\$5.7 billion

IMPROVED
Change: +31%

What this measures

This indicator measures the dollars (public and private) invested in infrastructure related to both transportation and communication.

Why this matters

Infrastructure connects Albertans from urban and suburban cities to rural and remote communities. It can also support Alberta's ability to export its products, expanding the province's economic potential.

Direction Alberta is trending

From 2021 to 2022, Alberta experienced a significant increase in infrastructure investment. This was true for both transportation and communications infrastructure which saw a 34% and 18% increase, respectively. Though there are a variety of factors, [Alberta's Recovery Plan](#)

and [Investing in Canada Infrastructure Program \(ICIP\)](#) have both played a part in this improvement. For instance, under the ICIP, Alberta was allocated \$2.1 billion for public transit from 2018 to 2028.

What would help

Prioritize the development of an infrastructure corridor between Fort McMurray/Grande Prairie-Edmonton-Red Deer-Calgary-Lethbridge/Medicine Hat.



GHG Emissions

Net emissions (megatonnes) (annual)

2021

254,000

2022

256,000

WORSENERD
Change: +1%

What this measures

The indicator measures the climate-affecting greenhouse gases released into the atmosphere (and those removed) as the result of human activity in Alberta.

Why this matters

There is a global imperative to reduce carbon emissions to limit the long-term impacts of climate change. Alberta has a role to play through the use of policy, technology, and innovation.

Direction Alberta is trending

From 2020 to 2021, there was a small increase in emissions. This reflects a return to more normal economic activity following the reduction in emissions at the height of the COVID pandemic—a phenomenon that was seen worldwide. The good news is Alberta’s emissions

curve is starting to bend and emissions intensity continues to decline—2021 emissions were 8.9% below their 2015 peak—but there is much more work to be done.

What would help

Provide additional support and incentives to encourage investment in carbon capture and sequestration, clean energy, technologies and associated infrastructure.



Clean Tech

Environmental & clean technology products contribution to GDP (annual)

2021

\$6.2 billion

2022

\$7.4 billion

IMPROVED
Change: +19%

What this measures

This indicator is the economic value of environmental and clean technology products as measured by their contribution to Alberta's total GDP.

Why this matters

The growth of clean technology is a crucial part of Alberta's efforts to both reduce carbon emissions and drive business competitiveness. It's also an essential part of attracting new investment.

Direction Alberta is trending

From 2021 to 2022, the value of clean technology products surged by an impressive 19%, reaching \$7.4 billion. This is not only a new record value but also it is the biggest annual increase since 2012 when the data was first collected. That said, it remains small as a share of Alberta's economy, at just 2%.

What would help

Invest in pilot initiatives for new ideas in low-carbon energies, products, and technologies through increased funding for research, implementation, and scaling.



Parks & Protected Areas

Percentage of Alberta's land mass devoted to parks & protected areas (annual)

2021

15.6%

2022

15.4%

STABLE

Change: -0.2% pts

What this measures

This indicator measures the proportion of Alberta's land that is managed to ensure its lasting preservation, whether for the value of the ecosystem or for cultural significance.

Why this matters

Parks and protected areas such as World Heritage Sites attract millions of visitors each year. They also play a critical role in conserving biodiversity and purifying the water and air.

Direction Alberta is trending

From 2021 to 2022, there was a very modest decrease in the percentage of land devoted to parks and protected areas. However, this reflects a change in the methodology to a truer measure of what counts as Parks and Protected Areas rather than a physical decrease in

the land. That said, with around 15% of its land dedicated to parks and protected areas, Alberta is ahead of other provinces such as Saskatchewan with 10% and Ontario with 11%.

What would help

Work with other provinces through the National Biodiversity Strategy to protect 30% of Canada's land and water by 2030.



Debt Sustainability

Net debt-to-GDP ratio

Fiscal Year 2020/21

20%

Fiscal Year 2021/22

15%

IMPROVED
Change: -5% pts

What this measures

This indicator measures the total amount of debt owed by the provincial government compared to the value of the economy.

Why this matters

A manageable level of debt means the province can provide valuable public services at the prevailing tax rate, without any painful cuts in spending or increases in taxes.

Direction Alberta is trending

From Fiscal Year 2020/21 to Fiscal Year 2021/22, Alberta's net debt-to-GDP ratio decreased substantially. This is attributed to two key factors: a drop in the cost of financing debt, as interest rates were at record-low levels in 2021 and into 2022; and GDP increased, as the economy recovered from the pandemic. This puts

the ratio at 15%—well within the guardrails set by the province's fiscal rule of less than 30%.

What would help

Ensure spending discipline by keeping spending growth in line with population and price growth and allocate surplus revenues to debt repayment and savings for the future via the Heritage Savings Trust Fund, as detailed in Alberta's new fiscal framework in Budget 2023.



Revenue Stability

Revenue % change versus previous fiscal year

Fiscal Year 2021/22

58%

Fiscal Year 2022/23

11%

IMPROVED
Change: -47% pts

What this measures

This indicator measures the percentage change in the amount of money received by the provincial government in revenues (e.g., taxes, royalties) from one year to the next.

Why this matters

Revenue stability enables the provincial government to set appropriate expectations for future revenue and to allocate funds effectively. With greater predictability, the government can make better spending and investment decisions and plan longer term.

Direction Alberta is trending

Alberta saw greater revenue stability over the last couple of years. Two years ago, there was a huge swing in government revenue as it bounced back from the height of the pandemic. The primary driver

was non-renewable resource revenues which quadrupled in value. In the most recent fiscal years, however, revenue was much more stable. That said, because Alberta's revenue remains dependent on resource revenues that are highly unpredictable, long-term budgeting remains a challenge.

What would help

Convene a panel of experts and stakeholders to explore a new revenue model for Alberta that will create more stability and set a clear path to fiscal sustainability.



Tax Burden

Personal Income Tax (at most recent median income levels)

2020

5.6%

2021

5.5%

IMPROVED
Change: -2%

Corporate Tax Rate

2022

8%

2023

8%

STABLE
Change: 0%

What this measures

The tax burden is the proportion of income that is paid in taxes by individuals or businesses.

Why this matters

A low tax burden incentivizes innovation, investment, and work. To attract people and businesses, Alberta must offer high-quality public services at competitive tax rates.

Direction Alberta is trending

From 2020 to 2021, the percentage of income that the typical household pays in taxes decreased slightly. However, this was the result of a modest decrease in earnings rather than a change in the tax rate or tax brackets. Lower earners pay less in taxes because a larger percentage of income is exempt from taxation. Of note, tax changes have been made since

2021; however, we are awaiting more recent income data to determine how the tax burden has changed for the typical family.

From 2022 to 2023, corporate tax rates in Alberta did not change. However, the province already has the most competitive business tax rate in Canada, thanks to a 2020 decision to reduce rates as part of its Economic Recovery Plan.

What would help

Ensure tax rates continue to be competitive and tax brackets are adjusted for inflation.

Alberta

is just getting started.



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DEFINE
THE DECADE

Define the Decade is a vision for the future of Alberta and a pathway to achieve that vision.
To learn more about this project, please visit DefinetheDecade.com