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Calgary's Hot Economy – How to Avoid Getting Burned

Calgary – A new report from Canadian Policy Research Networks calls for boomtown Calgary to invest some of the riches it is earning today – to ensure continued economic prosperity in the future.

Calgary's rate of growth has shot past that of all other Canadian cities. As the service hub of Alberta's energy sector, the city is cashing in on the increase in world demand for oil and gas, the resulting expansion of the industry and soaring energy prices. The economic spinoffs are heady: a 25% increase in head offices moving to Calgary in the last five years, the highest retail growth in the country and the number of residential and non-residential building permits are growing as fast as or faster than any other city.

The flip side of Calgary's boom is not as pretty because prosperity isn't being enjoyed equally: poverty rates are now rapidly rising after years of decline, the child poverty rate has almost doubled since 2000 (43,000 children were living in poor homes in 2003) and the need for more affordable housing is on the rise as well. Along with increased poverty and unfettered development have come more health and environmental concerns.

The CPRN report, *World Economy Trends and Their Implications for the City of Calgary*, finds these problems will only increase as the global demand for oil continues. But, given the capriciousness of the world market for oil and gas, the report suggests that Calgary could be equally vulnerable in a downturn as well.

CPRN's report was written for the City of Calgary and imagineCALGARY as a contribution towards creating a strategic vision for the city. The recommendations include diversifying the economy to avoid being buffeted by the volatility of the world energy market and investing in a "livable city" to address the environmental and social problems resulting from the current unfettered sprawl.

To find out more, you can download the report by going to www.cprn.org/en/doc.cfm?doc=1601.

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