**Diversification Updates**

**Employment vs. GDP Data**

The two indices of economic diversity from the initial report (a GDP distribution index and a total GDP growth volatility index) were re-computed using employment by industry. For comparability the employment industry categories are identical to those used in the GDP data.

The switch to employment data significantly changed several major cities’ diversity rankings in terms of both distribution and total growth volatility. The following table summarizes the changes for major Canadian cities:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table 1. City Diversity Rankings (Higher Rank = More Diverse)** | | | | | | |
|  | Distribution Index | | | Total Growth Volatility Index | | |
|  | GDP | Employment | Change | GDP | Employment | Change |
| Calgary | 13 | 1 | **12** | 11 | 8 | **3** |
| Edmonton | 1 | 2 | **-1** | 12 | 5 | **7** |
| Halifax | 6 | 9 | **-3** | 4 | 6 | **-2** |
| Hamilton | 8 | 7 | **1** | 8 | 12 | -**4** |
| Montreal | 4 | 8 | **-4** | 5 | 3 | **2** |
| Ottawa and Gatineau | 12 | 13 | **-1** | 7 | 9 | **-2** |
| Quebec City | 9 | 10 | **-1** | 1 | 10 | **-9** |
| Regina | 2 | 3 | **-1** | 10 | 7 | **3** |
| Saskatoon | 5 | 6 | **-1** | 13 | 11 | **2** |
| Toronto | 11 | 5 | **6** | 9 | 4 | **5** |
| Vancouver | 7 | 4 | **3** | 2 | 1 | **1** |
| Victoria | 10 | 12 | **-2** | 3 | 13 | **-10** |
| Winnipeg | 3 | 11 | **-8** | 6 | 2 | **4** |

For the distribution index, the most striking difference in rankings is Calgary’s jump from Canada’s least diverse economy to its most diverse. This can be attributed to the high productivity (dollars of output per unit of labour input) of the energy industry. In 2014, the Primary and Utilities sector made up 32% of Calgary’s estimated GDP, but only 9% of its employment.