

Gain Sharing Formula Determination

Overview

The Gain Sharing formula (see below) imbedded across a subset of provincial public sector Collective Agreements (CAs) was determined on February 29, 2024. The result of the formula is outlined on page 2 of this document.

Gain Sharing Formula (Background)

Alberta's 20-year average (2000-2019) of Real Gross Domestic Product (GDP) is 2.7%. Provided that the "Average of all Private Forecasts for Alberta's Real GDP" for 2023 Calendar Year is at or above 2.7% as of February of 2024, then an additional 0.5% will be added to wages retroactively effective on the "Specific Dates" listed in each CA."

"Average of all Private Forecasts for Alberta's Real GDP" for 2023 Calendar Year would be a simple average of Alberta's Real GDP for 2023 across the following independent forecasting institutions:

- Conference Board of Canada
- Stokes Economics
- BMO Capital Markets
- CIBC World Markets
- Laurentian Bank
- National Bank
- RBC Royal Bank
- Scotiabank
- TD Bank

The most recent publicly available forecast for Alberta's Real GDP for 2023 would be sourced from each institution at the time the pay-out determination would be made in February 2024.

The provincial public sector employers that negotiated contracts containing the Gain Sharing formula include: Alberta Public Service, various Government Agencies, Boards and Commission (ABCs), Post-Secondary Institutions (PSI) and School Division (covering support workers).



Average of All Private Forecasts for Alberta’s Real Gross Domestic Product Growth in 2023

Institution	Real GDP Growth Forecast for 2023	Release/Published
Conference Board of Canada	2.20%	December 15, 2023 ¹
Stokes Economics	1.80%	January 2024 ²
BMO Capital Markets	1.80%	February 23, 2024 ³
CIBC Capital Markets	2.10%	February 13, 2024 ⁴
Laurentian Bank	2.20%	February 2, 2024 ⁵
National Bank	1.80%	February 2024 ⁶
RBC Royal Bank	2.20%	December 2023 ⁷
Scotiabank	2.30%	February 6, 2024 ⁸
TD Bank	2.20%	December 19, 2023 ⁹
Average of All Private Forecasts	2.07%	Calculated on February 29, 2024, at 11:59pm
Gain Sharing Trigger Condition	2.70%	
Result:	The Average of All Private Forecasts for Alberta’s Real GDP Growth for 2023 (as sourced from each forecaster listed in the above formula on February 29, 2024) is 2.07% . <i>This falls below the 2.70% Trigger Condition.</i> Therefore, the trigger conditions have <u>NOT</u> been met, and the additional 0.5% wage increase referenced in the formula above does <u>NOT</u> need to be implemented.	

¹ Conference Board of Canada – December 2023, [Balancing Resiliency and Challenges: Alberta’s Five-Year Outlook \(Page 4\)](#).

² Government of Alberta – February 2024, [Budget 2024: Fiscal Plan 2024-27 \(Page 51\)](#).

³ BMO Capital Markets Economic Research – [February 2024, Provincial Economic Outlook](#).

⁴ CIBC Capital Markets – February 2024, [Provincial economic outlook: An unequal slowing \(page 1\)](#).

⁵ Laurentian Bank – February 2024, [Provincial Outlook: Winter 2024 Edition \(Page 8\)](#).

⁶ National Bank of Canada – February 2024, [Monthly Economic Monition \(Page 13\)](#).

⁷ RBC Economics & Thought Leadership – December 2023, [Provincial Outlook](#).

⁸ Scotiabank Global Economics – February 2024, [Scotiabank Forecast Tables](#).

⁹ TD Canada – December 2023, [Provincial Economic Forecast](#).

