



Canadian labour market holds onto October employment gains in November

Following October's hefty rebound, Canadian employment growth cooled down in November to align with market consensus but still held on to the prior month gains. Meanwhile the labour market tightened with another dip in the unemployment rate. While patterns were mixed, firm conditions likely lock in a 50-basis point hike from the Bank of Canada this month.

Total employment edged up by 10.1k persons (or 0.1 per cent). While statistically insignificant, this means the economy held on to the more than 108k increase observed in October. Moreover, the gain was driven entirely by a gain in full-time employment (+50.7k or 0.3 per cent), which more than offset declines in part-time work. This could signal employers and employees opting for more hours given the tight labour market and more inflationary pressures. All of November's increases came from private paid employment (up 0.2 per cent) and a pick up in self-employed persons (up 0.4 per cent). Total hours worked was little changed.

On an industry-basis, some of the notable increases were seen in information/culture/recreation (up 15.5k or 1.9 per cent), finance/insurance/real estate (up 21.4k or 1.6 per cent), and manufacturing (up 18.5k or 1.1 per cent). This was offset by larger losses in construction (24.7k or 1.6 per cent), wholesale/retail trade (-23.2k or 0.8 per cent) and professional/scientific/technical services (-15k or 0.8 per cent). There were few discernible patterns in this month's changes.

Provincially, there was substantial divergence in performance. The entirety of the gain was from Ontario (up 22.6k or 0.3 per cent) and Quebec (up 28.1k or 0.6 per cent). Declines were observed in nearly all other provinces including B.C. (-0.5 per cent), Alberta (-0.6 per cent) and Manitoba (-0.8 per cent).

Canada's unemployment rate slipped to 5.1 per cent from 5.2 per cent as the labour force, marking a tightening with both higher employment and drop in labour force participation. The lowest unemployment rates were seen in Quebec (3.8 per cent) and Saskatchewan (4.2 per cent), followed by B.C. and Manitoba at 4.4 per cent. On the other end of the spectrum was Newfoundland and Labrador at 10.7 per cent. Wage growth was unchanged from October on a year-over-year basis at a brisk 5.6 per cent, but still lagged headline inflation.

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