



Canada labour market remains robust: Employment up for sixth straight month

The Canadian labour market posted another surprise boost in employment, although not as significant as the previous months. Defying all expectations, the Labour Force Survey employment increased 21.8k positions, higher than the consensus estimates of 10k increase expected. This marks the third straight months of higher-than-expected employment numbers, although this surprise was much lower than the previous two. It's also the sixth straight month of employment gains, highlighting that the job market remains strong and robust. In total, 347.8k positions have been added since August 2022. The participation rate remained at 65.7 per cent and as a result, the unemployment rate also was unchanged at 5.0 per cent, near the record low while hourly wages accelerated, increasing 5.4 per cent year over year, greater than what the Bank of Canada hoped for which is between 4-5 per cent.

Gains were strongest in the private sector, which grew by 39k while the public sector and self employed held steady. Total hours worked was also up 0.6 per cent in February and average hourly wages increased 5.4 per cent year-over-year.

Goods producing sectors led the way this time around for monthly changes. 17.5k positions were added there, which represented a 0.4 per cent increase, with natural resources (5.0k or 1.5 per cent), utilities (7.5k or 5.0 per cent), and manufacturing (6.8k or 0.4 per cent) all showing positive growth. Agriculture was essentially unchanged, but construction positions decreased 1.5k or 0.1 per cent. Construction positions still had the highest year over year growth since February 2022 with 70.5k of the 99.1k positions added in the goods producing sector.

In service producing sectors, health care and social assistance led the way with 15.3k or 0.6 per cent more positions. More people were also employed in public administration with 10.0k increase or 0.9 per cent. Accommodations and food services also eked out a gain of 3.1k positions or 0.3 per cent and leads the year over year growth of 10.0 per cent. Despite the recent high-profile news of job layoffs in the technology sector, professional, scientific and technical services only saw a 2.2k decline in positions or 0.1 per cent decrease. Bigger losses were seen in the finance and real estate sectors, down 8.0k positions or 0.6 per cent. One spotlight pointed out by Statistics Canada was the growth in employment for women. 58.9 per cent of women aged 15 and older were employed with 214k positions since August 2022. This represents 61 per cent of the growth that occurred during that time period. In total, 9.6 million were employed in February and represent 47.8 per cent of the workforce.

Provincially, four of them showed modest gains. They were Prince Edward Island (2.0 per cent), Newfoundland and Labrador (1.7 per cent), New Brunswick (1.3 per cent), and Manitoba (0.7 per cent). Others showed little change except for Nova Scotia, which saw a decline of 0.9 per cent. Ontario and British Columbia only increased by 0.2 per cent while Quebec declined 0.3 per cent. Unemployment rates declined most in Newfoundland and Labrador (-1.9 per cent to 9.9 per cent) and New Brunswick (-1.2 per cent to 6.3 per cent) while they climbed highest in British Columbia (+0.7 per cent to 5.1 per cent) and Nova Scotia (0.7 per cent to 5.7 per cent).

With the labour market still not seeing the effects of tightening monetary policy with hourly wages continue to grow significantly and employment numbers increasing, the likelihood is rising that the Bank will unpause its rate hold and resume increasing its policy rate later this year. That said, the key driver will still be inflation numbers.

Alan Chow

Business Economist
Central 1 Credit Union
alan.chow@central1.com

Canada Labour Force Survey Summary

	2022M09	2022M10	2022M11	2022M12	2023M01
Employed, m/m	11.8	68.3	26.7	69.2	150.0
Employed, m/m %	0.1	0.3	0.1	0.3	0.8
Employed, y/y %	2.6	2.8	2.2	2.1	3.9
Unemployment Rate, %	5.2	5.2	5.1	5.0	5.0
Participation Rate, %	65.2	65.4	65.3	65.4	65.7
Employment Rate, %	61.9	62.0	62.0	62.1	62.5
Hourly Wage, y/y %	4.9	5.3	5.8	4.8	4.5
Employed, 3m % ch	0.1	0.3	0.5	0.8	1.2

LFS Employed, m/m ch. by select NAICS industry, persons

Goods	-30.0	39.5	-15.2	23.2	25.4
Resources	-1.8	-3.4	-1.0	-1.3	1.3
Construction	-14.8	31.1	-8.4	26.6	15.8
Manufacturing	-14.0	9.3	0.1	-1.9	7.3
Services	41.8	28.8	41.9	46.0	124.7
Trade	-20.2	-40.0	-9.0	-17.8	58.7
FIREL	3.3	1.8	10.1	5.6	-3.0
PST	8.3	24.1	-5.8	19.4	-0.5
Accom. and Foodservices	1.2	21.9	4.9	6.3	12.4
Public Admin	-9.7	18.2	4.1	9.5	-3.8