



April labour market comes in strong, wage growth slows

The Canadian labour market churned out a surprisingly robust performance in April as employment ratcheted higher to hold both the unemployment and employment rate steady.

April numbers were resoundingly solid. Total employment jumped by 90k persons or 0.4 per cent according to Statistics Canada's Labour Force Survey and blew past consensus forecast for a 18k. This was the largest single-month increase since January 2023. While part-time work led the increase and accounted for more than half the net increase (50k) with a 1.4 per cent gain, growth in full-time work also came in at a solid 0.2 per cent or 40k. This propelled total hours up by 0.8 per cent.

Labour market slack also held steady during the month with the economy absorbing the flow of newcomers. The employment rate (employment -to -population ratio) was unchanged at 61.4 per cent after declining since September 2023. The unemployment rate was also unchanged at 6.1 per cent, although this is still a two-year high and dwarfed levels observed south of the border. That said, sufficient slack continues to yield progress on wages. Hourly wages decelerated to a y/y growth of 4.7 per cent from 5.1 per cent, and flat month-to-month performance curbed the 3-month trend to about three per cent.

More detailed data points to higher growth across most sectors. Growth was recorded across the private-, public- and self-employed workforces close to the headline increase. Public-sector employment growth did lead the way with a 0.6 per cent monthly increase and a 4.9 per cent year-over-year surge. Private-sector growth rose 0.4 per cent for the month and was up 1.9 per cent year-over-year. Total employment rose 2.3 per cent year-over-year. Among industries, service sector growth dominated. Specifically, gains were led by professional/scientific/technical services (up 25.5k or 1.3 per cent m/m), hospitality (up 24.2k or 2.2 per cent), and healthcare and social assistance (up 17.4k or 0.6 per cent). Changes amongst most other sectors were statistically insignificant, albeit with a notable decline in construction. A drop in goods-employment and stronger growth in lower paid sectors like hospitality and healthcare may have contributed to deceleration of average wage growth.

Among Canada's largest provinces, B.C. led the way with a 23.4k gain or 0.8 per cent increase. The labour market has shown more momentum in the initial stages of 2024 than expected. The strongest growth among provinces came from New Brunswick at 2.0 per cent, while growth was close to the headline in Alberta, Saskatchewan, Quebec, and Ontario.

B.C.'s unemployment rate is currently lowest in the country at 5.0 per cent, which was notably lower than the 5.5 per cent recorded in March. Aside from Nova Scotia and PEI, all other provinces recorded higher unemployment rates relative to March. The highest rates are currently seen in Newfoundland and Labrador (9.1 per cent), Alberta (7.0 per cent) and New Brunswick (7.0 per cent).

The strong job gain in April was certainly a surprise and suggests the economy continues to have legs to absorb some of the increased capacity from booming population. This complicates the Bank of Canada's June rate decision and prospects of a rate cut. That said, with the unemployment rate still elevated, ongoing progress on wage growth, and easing inflation trends we continue to anticipate a rate cut in June. However, we can expect communication to be a bit more hawkish as the Bank downplays the pace of future cuts.

Bryan Yu

Chief Economist
Central 1 Credit Union
byu@central1.com

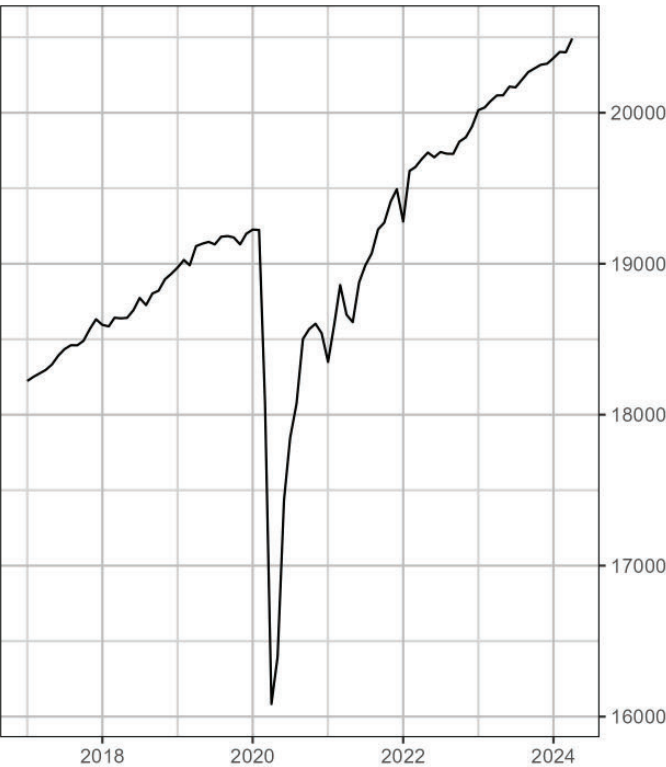
Canada Labour Force Survey Summary					
	2023M12	2024M01	2024M02	2024M03	2024M04
Employed, m/m	6.8	37.3	40.7	-2.2	90.4
Employed, m/m %	0.0	0.2	0.2	-0.0	0.4
Employed, y/y %	2.1	1.7	1.8	1.6	1.9
Unemployment Rate, %	5.8	5.7	5.8	6.1	6.1
Participation Rate, %	65.5	65.3	65.3	65.3	65.4
Employment Rate, %	61.7	61.6	61.5	61.4	61.4
Hourly Wage, y/y %	5.4	5.3	5.0	5.1	4.7
Employed, 3m % ch	0.3	0.3	0.4	0.4	0.6
LFS Employed, m/m ch. by select NAICS industry, persons					
Goods	-32.9	-23.0	-6.3	29.9	-10.4
Resources	2.2	-1.5	3.9	3.5	7.7
Construction	-15.1	-6.6	10.5	15.3	-11.1
Manufacturing	-11.8	-6.2	-13.9	9.3	3.4
Services	39.6	60.4	46.9	-32.0	100.7
Trade	-15.9	31.3	-16.8	-23.1	6.1
FIREL	5.7	28.1	3.2	11.0	-0.4
PST	36.2	-16.5	17.9	-19.9	25.5
Accom. and Foodservices	-0.9	-30.3	26.2	-26.6	24.2
Public Admin	7.3	15.9	8.8	-1.4	-0.1

Provincial Summary								
	Employment						Unemployment Rate	
	Employed	m/m ch. Persons		m/m % ch.		y/y % ch	Per Cent	
	2024M04	2024M03	2024M04	2024M03	2024M04	2024M04	2024M04	
British Columbia	2,871.2	6.6	23.4	0.2	0.8	3.3	5.5	5.0
Alberta	2,537.5	-3.2	10.6	-0.1	0.4	3.8	6.3	7.0
Saskatchewan	598.2	-6.0	1.1	-1.0	0.2	1.9	5.4	5.7
Manitoba	703.3	-4.3	2.9	-0.6	0.4	2.2	5.0	5.1
Ontario	7,995.5	26.1	25.0	0.3	0.3	1.1	6.7	6.8
Quebec	4,534.4	-18.0	19.2	-0.4	0.4	0.6	5.0	5.1
New Brunswick	398.7	-1.7	7.8	-0.4	2.0	4.0	7.8	7.0
Nova Scotia	515.5	-1.5	-0.9	-0.3	-0.2	4.0	6.2	6.1
Prince Edward Island	92.6	-0.1	0.7	-0.1	0.8	4.3	7.4	6.8
Newfoundland & Labrador	244.1	0.0	0.4	0.0	0.2	2.8	10.1	9.1

Canada Labour Market Indicators

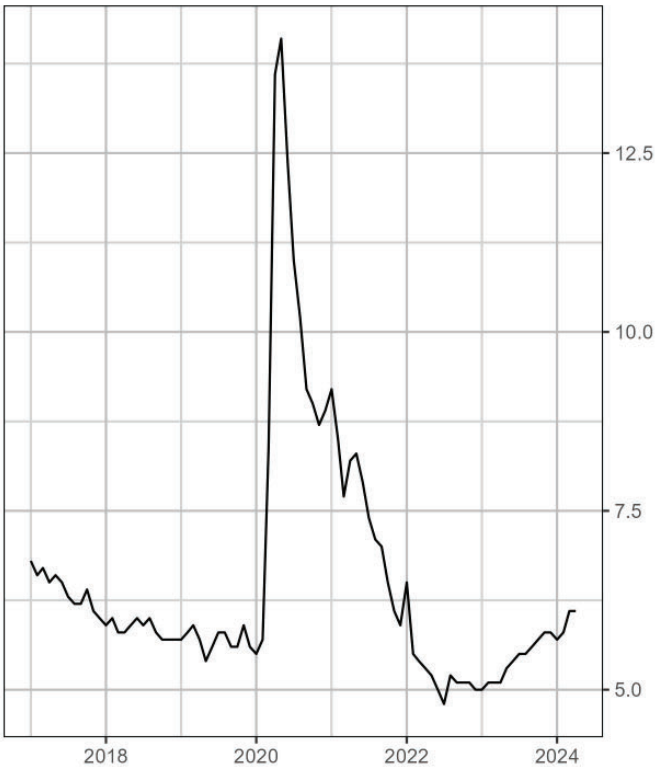
LFS Employment (000s)

Last data point: 2024-04-01



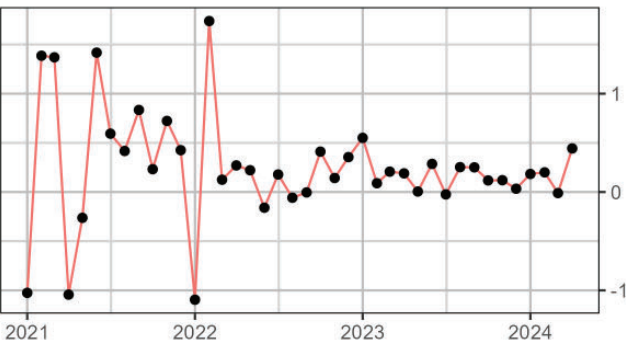
Unemployment rate (%)

Last data point: 2024-04-01



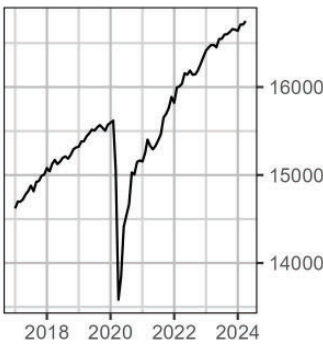
Monthly Employment change (%)

Last data point: 2024-04-01



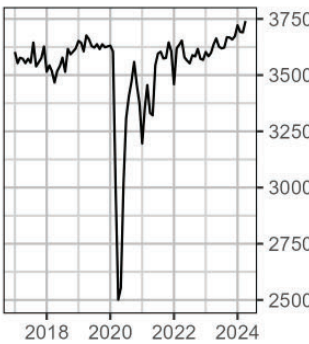
Full-time employment (000s)

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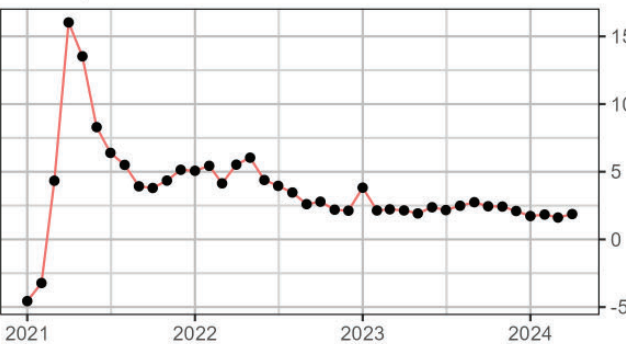
Part-time employment (000s)

Last data point: 2024-04-01



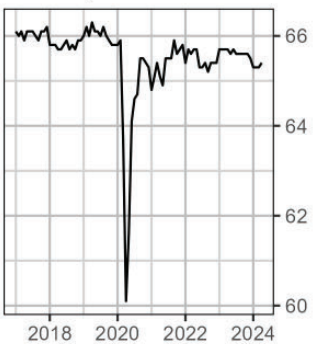
Year-over-Year Employment change (%)

Last data point: 2024-04-01



Participation rate (%)

Last data point: 2024-04-01



Employment rate (%)

Last data point: 2024-04-01

