



### No recession, but grim market for job seekers

Canadian job seekers faced mounting challenges in August as the unemployment rate continued to climb even as overall employment nudged higher, signaling further softening in the labour market environment heading into the late stages of the year.

Net employment rose by an insignificant 22.1k persons (0.1 per cent) in August. This was a slight improvement after two flat months, but still points to a subdued trend. The entirety of August's gain was owed to part-time work (up 65.7k persons or 1.8 per cent) with a drop in full-time work (43.6k or 0.3 per cent). Total hours worked fell 0.1 per cent.

While not yet signaling recession, nor is one imminent, it may not seem like it for those on the sidelines searching for work or looking to change jobs. Canada's unemployment rate rose to 6.6 per cent during the month, which was the highest since March 2017, notwithstanding levels reached during the 2020/21 pandemic period. This compared to 5.3 per cent a year ago, with higher rates across age groups. Rising unemployment rates largely reflect working age population and labour force growth of 0.3 and 0.4 per cent over the course of the month. For the working age population, this represented a 96.4k person increase over the month and a 3.5 per cent year-over-year gain. The economy is unable to absorb this growth, contributing to a slip in the employment rate to 60.8 per cent.

Higher unemployment rates were observed across age cohorts, but younger individuals have found conditions particularly painful. For those aged 15-24, the unemployment rate jumped another 0.3 per cent to reach 14.5 per cent confirming a bust in the summer labour market. Prior to the pandemic this was about 12 per cent. Younger individuals have borne some of the greatest pain from competition from temporary residents in the labour market, which was a driver of announced changes to immigration by the federal government. Prime aged (25-54) also saw a higher unemployment rate to 5.4 per cent from 5.1 per cent in July and compared to 4.5 per cent last year. Wage growth remained uncomfortably high at 5.0 per cent.

Among industries, growth was consistent among aggregate goods and services industries at 0.1 per cent. In the former, a pickup in manufacturing (11k or 0.6 per cent) and construction (3.3k or 0.2 per cent) offset declines in primary resources and utilities. Among services, substantial drivers were finance/insurance/real estate (11.2k or 0.8 per cent), education (26.7k or 1.7 per cent), and healthcare/social assistance (25k or 0.9 per cent). Education can be wonky due to the timing of the start of the school year and when some staff return to work. Offsetting these gains were professional/scientific/technical services (-16.2 or 0.8 per cent), and private services. More broadly, the private sector did show growth in the latest month with employment up 0.3 per cent, while the number of public-sector and self-employed individuals declined.

At the provincial level, six of ten provinces recorded higher employment. This was led by the Atlantic provinces outside of Newfoundland and Labrador, including one per cent growth in Nova Scotia and PEI. Alberta employment rose 0.5 per cent and Manitoba rose 0.6 per cent but offset by slips in Ontario (-0.1 per cent) and B.C. (-0.2 per cent). B.C. employment has now declined for four consecutive months. Unemployment rates rose in most provinces outside the Atlantic. Alberta recorded an increase from 7.1 per cent to 7.7 per cent which was the highest since 2017 (aside from the pandemic), and while much lower at 5.8 per cent, B.C. was the highest since 2016. Ontario's 7.1 per cent rate was last seen in 2016.

The latest LFS numbers point to a sluggish economy, and while it is not a technical recession, it feels like one for many given the sharp increase in unemployment rate and intense competition for jobs. This sets the stage for further interest rate cuts by the Bank of Canada given rising excess supply in the economy. Federal

reductions in immigration will take time to curb labour supply expansion, and the headwind of high real interest rates continues to choke economic growth and household finances. We expect the Bank's policy rate to fall to 3.75 per cent by year-end and 2.75 per cent in the third quarter of 2025.

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Aug-2024 Canada Labour Force Survey (LFS) Summary								
Indicator	Latest	prior month	m/m person ch	m/m ch.	prior m/m ch	y/y ch.	prior y/y ch.	YTD ch.
	Persons, 000s		Per Cent					
Employed	20,535.7	20,513.6	22.1	0.1	0.0	1.6	1.7	1.8
Full-time	16,729.6	16,773.2	-43.6	-0.3	0.4	0.8	1.4	1.3
Part-time	3,806.1	3,740.4	65.7	1.8	-1.7	5.1	3.4	3.6
Labour Force	21,994.6	21,912.1	82.5	0.4	-0.1	2.8	2.7	2.8
Working age population	33,782.3	33,685.9	96.4	0.3	0.4	3.5	3.5	3.4
	Per Cent		Per Cent					
Unemployment Rate	6.6	6.4		0.2	0.0	1.1	0.9	0.9
Employment Rate	60.8	60.9		-0.1	-0.2	-1.2	-1.1	-1.0
Participation Rate	65.1	65.0		0.1	-0.3	-0.5	-0.6	-0.4
Average wage (\$)	35.2	35.0		0.5	0.2	5.0	5.2	5.1

Canada Employment by Industry				
Industry	Employed, 000s	Monthly change	Monthly % change	12- month % change
<b>Total</b>	<b>20,535.7</b>	<b>22.1</b>	<b>0.1</b>	<b>1.6</b>
<b>Goods</b>	<b>4,124.7</b>	<b>2.7</b>	<b>0.1</b>	<b>0.0</b>
Agriculture	240.5	1.5	0.6	-5.6
Primary resources	350.3	-6.5	-1.8	6.1
Utilities	145.4	-6.8	-4.5	-6.0
Construction	1,566.7	3.3	0.2	-0.2
Manufacturing	1,821.8	11.2	0.6	0.5
<b>Services</b>	<b>16,411.1</b>	<b>19.5</b>	<b>0.1</b>	<b>2.0</b>
Wholesale/Retail Trade	2,882.8	13.9	0.5	-3.9
Transportation/Warehousing	1,072.1	1.6	0.1	3.7
Finance/Insurance/RE	1,433.9	11.2	0.8	2.7
Professional/Scientific/Technical Service	1,933.6	-16.2	-0.8	2.5
Business Support	692.4	-8.1	-1.2	0.8
Education	1,557.7	26.7	1.7	5.1
Healthcare/Social Assistance	2,842.5	25.0	0.9	5.8
Information/Culture/Recreation	840.0	0.1	0.0	-0.4
Accommodation/Foodservices	1,138.9	-9.8	-0.9	0.5
Other Private Service	790.7	-18.6	-2.3	1.6
Public Administration	1,226.4	-6.4	-0.5	5.0
<b>Employment by Class</b>				
Private-Sector	13,426.4	38.2	0.3	1.0
Public-Sector	4,444.3	-8.6	-0.2	4.3
Self Employed	2,665.1	-7.4	-0.3	0.1

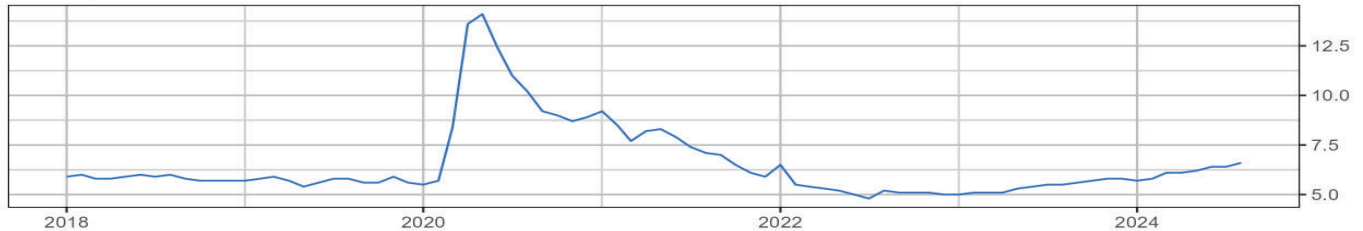
## Labour Market Summary by Province

Province	Employed, 000s	m/m % change	y/y % change	Unemployment Rate	Participation Rate
CAN	20,535.7	0.1	1.6	6.6	65.1
BC	2,839.0	-0.2	1.7	5.8	64.2
AB	2,537.4	0.5	2.0	7.7	69.4
SK	608.0	-0.4	3.3	5.4	67.3
MB	713.2	0.6	3.0	5.8	66.8
ON	8,068.8	-0.1	1.6	7.1	65.0
QC	4,520.2	0.3	0.3	5.7	64.2
NB	402.2	0.5	3.3	6.5	60.6
NS	513.1	1.0	4.2	6.7	61.5
PEI	92.6	1.0	2.9	8.2	66.5
NL	241.2	-1.0	1.5	10.4	58.3

## Canada Labour Market Conditions

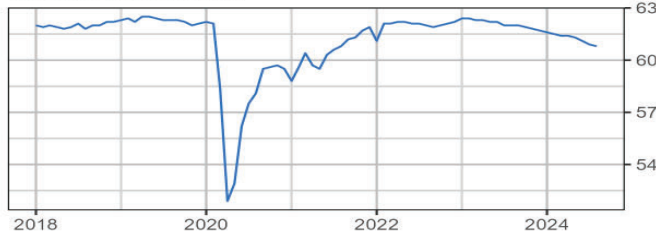
### Unemployment Rate (%)

Last data point: 2024-08-01



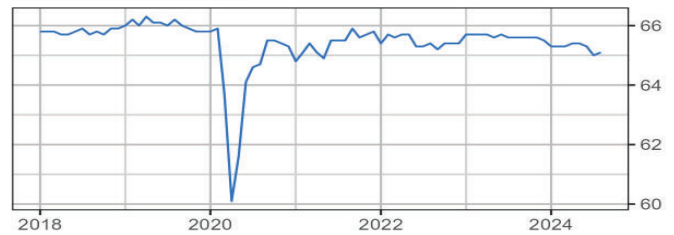
### Employment Rate

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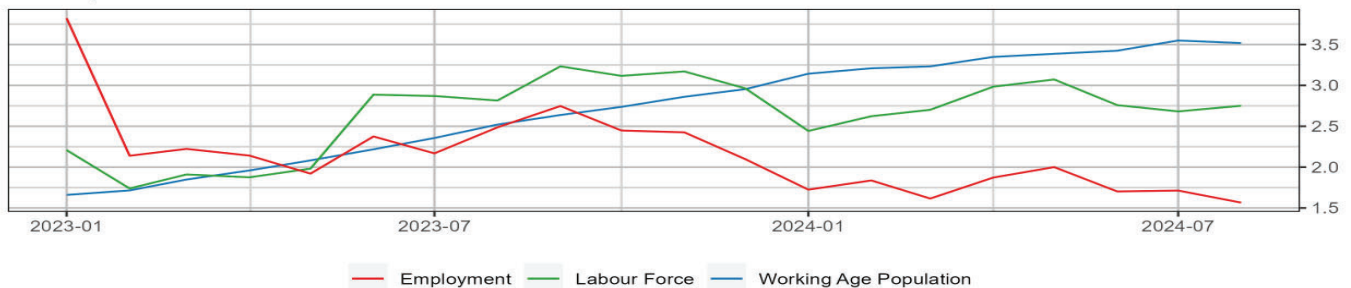
### Participation Rate

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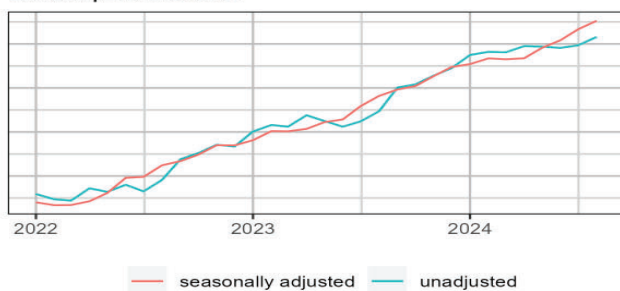
### Labour Indicators, 12-month % ch

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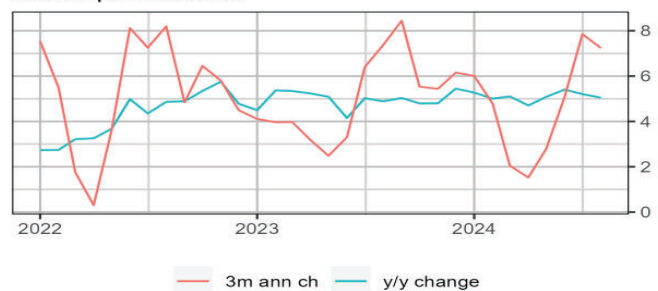
### Average hourly wage

Last data point: 2024-08-01



### Average hourly wage growth (%)

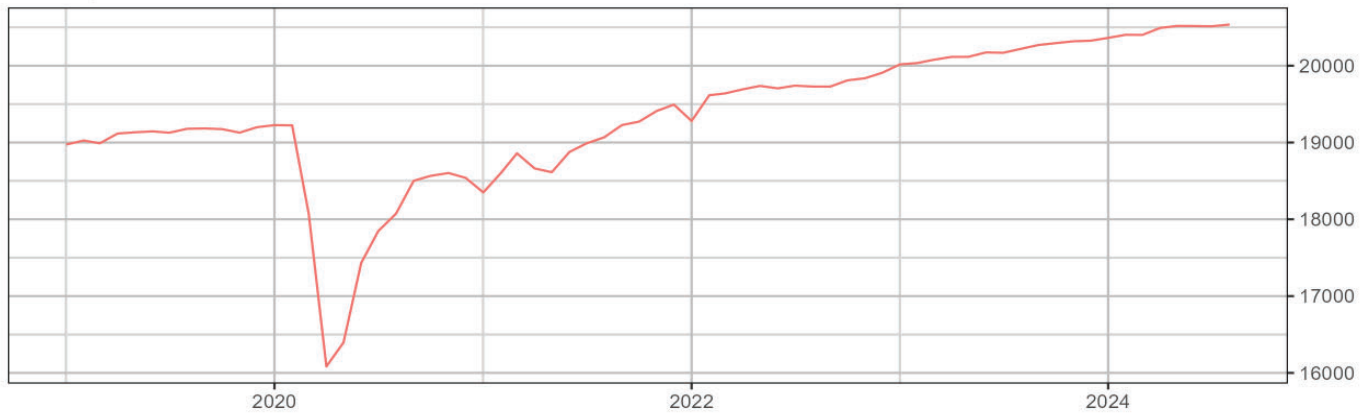
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# Canada LFS Employment

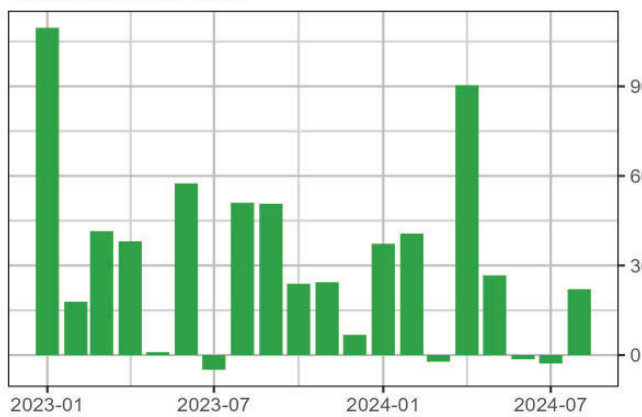
## Employment, 000s

Last data point: 2024-08-01



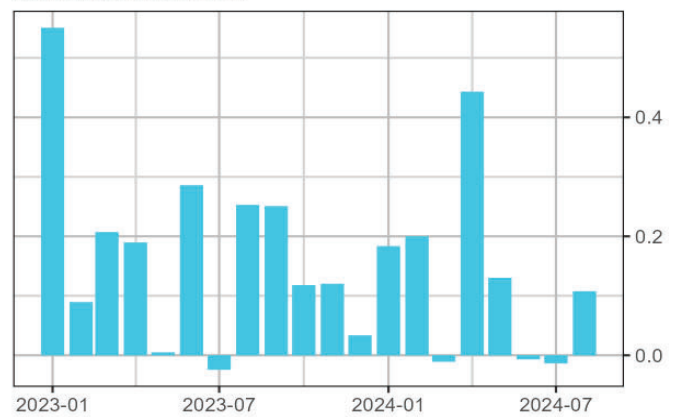
## Monthly ch 000s

Last data point: 2024-08-01



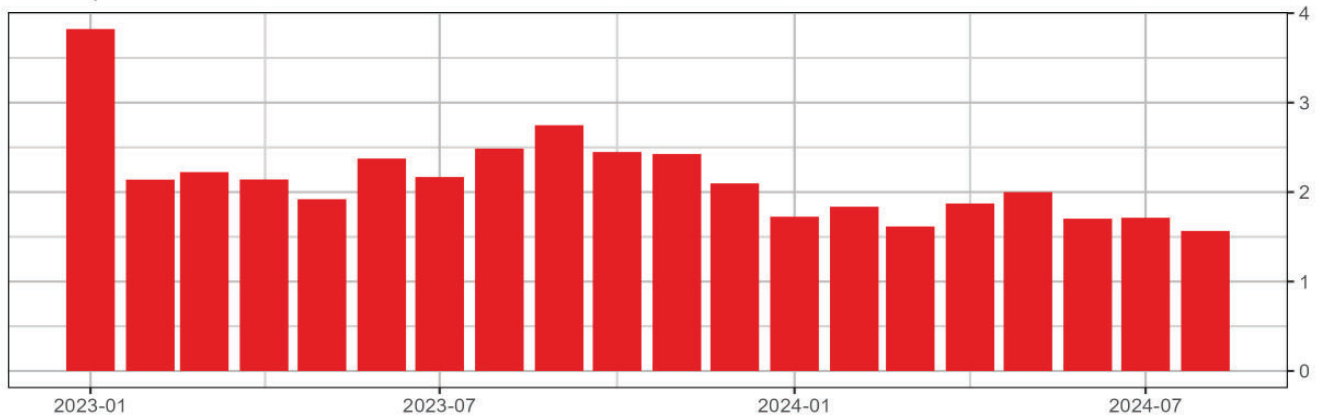
## Monthly ch (%)

Last data point: 2024-08-01



## 12- month ch (%)

Last data point: 2024-08-01

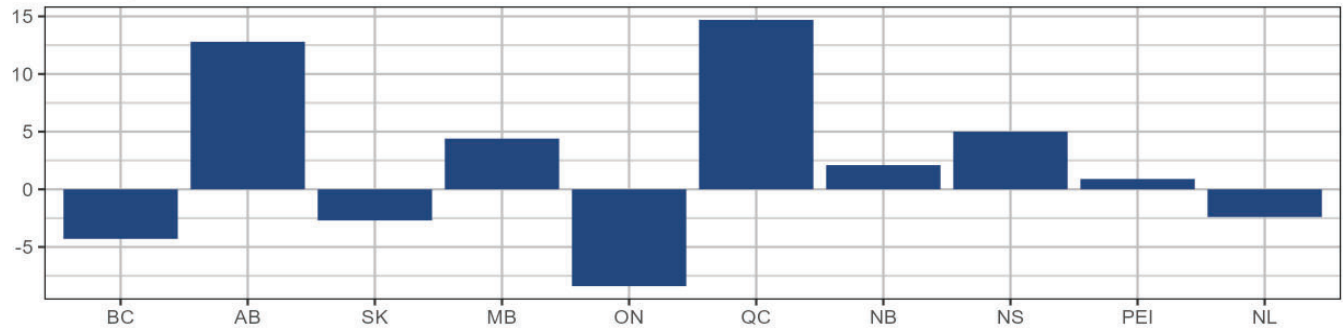


Statistics Canada, Central 1

# Provincial Labour Market Highlights

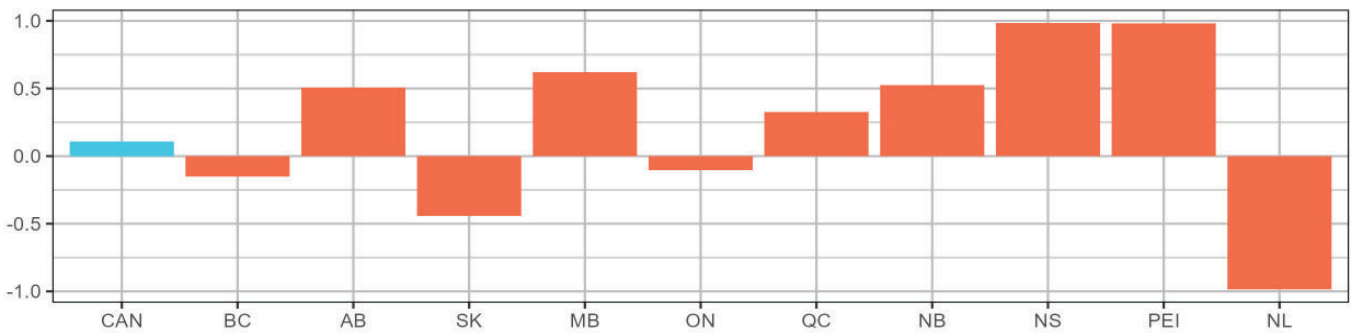
## Employment by Province, m/m ch (000s)

Last data point: 2024-08-01



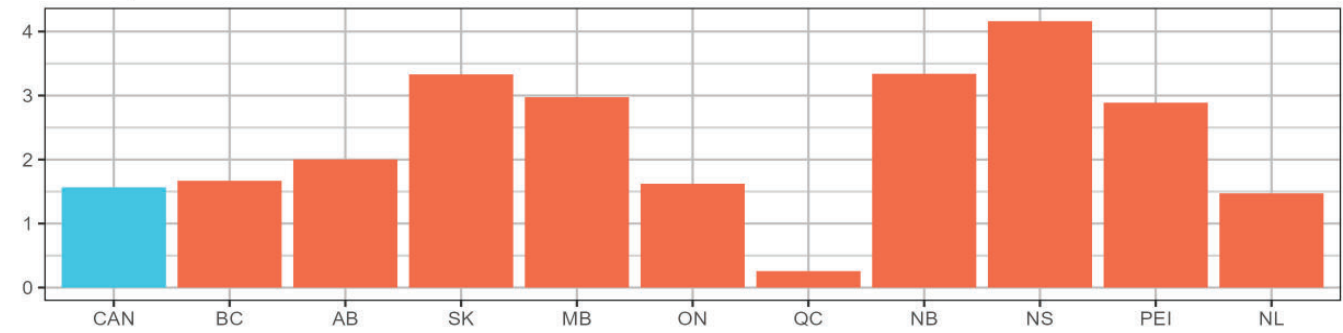
## Employment by Province, m/m % ch

Last data point: 2024-08-01



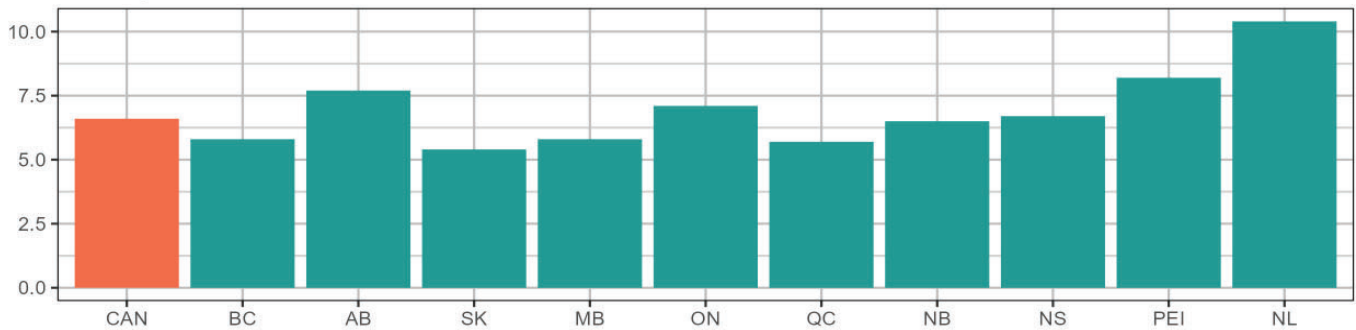
## Employment by Province, y/y % ch

Last data point: 2024-08-01



## Unemployment Rate by Province, %

Last data point: 2024-08-01



Statistics Canada, Central 1