



Canadian labour market holds steady with mild hiring, but slack persists

Canada's labour market was little changed in the October with employment nudging up by an insignificant 14.5k to reach 20.596 million people, while the unemployment rate held steady at 6.5 per cent. While the short-term growth trend has recently increased, slack persisted. Population growth continued to outpace the economy's ability to absorb newcomers, while a lack of opportunities has likely led some unemployed to pause their job search.

There were mixed patterns in October's shallow job growth numbers. On the bright side, there were more people employed full-time work than in September, with a growth of 0.2 per cent, which outpaced a 0.3 per cent decline in part-time work. This contributed to a 0.3 per cent increase in total hours worked. Moreover, there was a rotation of work towards younger cohorts with employment in the cohort aged 15 to 24 seeing an increase by 33k or 1.2 per cent. Prime-aged workers and those 55 and above both recorded losses during the month.

On an industry- basis, public-sector employment fell 0.4 per cent in October which was a third straight monthly decline, while the private-sector showed the opposite pattern with a 0.15 per cent increase. Since the summer, the public-sector share of employment has declined from its peak but at 21.4 per cent remains well above the 20 per cent ratio observed pre-pandemic. By sector, there were modest changes both up and down. On the net, good sectors drove employment growth with nearly half per cent increases in resources, construction and manufacturing. In contrast, services employment held steady. A significant upswing in business, building and other support services was a positive driver (up 28.7k or 4.2 per cent), alongside a 1.1 per cent increase in hospitality. In contrast, there were more significant declines in sectors like finance/insurance/real estate (-13k or 0.9 per cent), transportation and warehousing, and public administration.

Among provinces, stronger employment gains were seen in B.C. (0.3 per cent), Alberta (0.5 per cent), and New Brunswick (0.8 per cent), with declines across most other provinces, including a 0.1 per cent drop in Ontario.

While the economy added modest jobs during the month, slack persists. The unemployment rate came in at 6.5 per cent which was unchanged from September. However, the employment rate (employment-to-population) fell again, reaching 60.6 per cent and the lowest since June 2021. Among provinces, the unemployment rate was highest in PEI and Newfoundland and Labrador above 10 per cent, with the lowest in B.C., Manitoba and Quebec, below six per cent.

The economy has not grown enough to absorb the number of newcomers, and the labour force participation rate also declined to 64.8 per cent which was the lowest since January 2021, signaling declining engagement as firms are hesitant to hire. Wage growth remained sturdier than anticipated at 4.9 per cent, up from 4.6 per cent, due to a monthly acceleration. This could reflect ongoing contract re-adjustments to capture pandemic inflation. The soft labour market is expected to whittle this down, but it is taking longer than anticipated.

Today's report was largely neutral in our view given little movement among indicators and is unlikely to sway the Bank of Canada in its rate decision. The mix of positive job growth but persistent labour market slack will keep the Bank on its cutting path, however, wage growth remains relatively sticky. While wage growth is expected to ease, there is an upside risk given the federal government's target to severely reduce immigration and reverse the inflow of non- permanent residents. This will likely tighten the labour market in 2025/26. Adding to inflation risk is the return of a Trump administration which is likely to be inflationary.

We view the December meeting to yield a 25-basis point cut, but there is more data to come in advance of that decision.

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Oct-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	20,596.9	20,582.4	14.5	0.1	0.2	1.5	1.5	1.7
Full-time	16,867.2	16,841.6	25.6	0.2	0.7	1.4	1.4	1.4
Part-time	3,729.6	3,740.8	-11.2	-0.3	-1.7	1.7	2.0	3.3
Labour Force	22,025.9	22,010.5	15.4	0.1	0.1	2.3	2.5	2.7
Working age population	33,977.5	33,892.3	85.2	0.3	0.3	3.6	3.6	3.4
	Per Cent			Per Cent				
Unemployment Rate	6.5	6.5		0.0	-0.1	0.8	0.9	0.9
Employment Rate	60.6	60.7		-0.1	-0.1	-1.3	-1.3	-1.0
Participation Rate	64.8	64.9		-0.1	-0.2	-0.8	-0.7	-0.5
Average wage (\$)	35.8	35.6		0.5	1.2	4.9	4.6	5.0

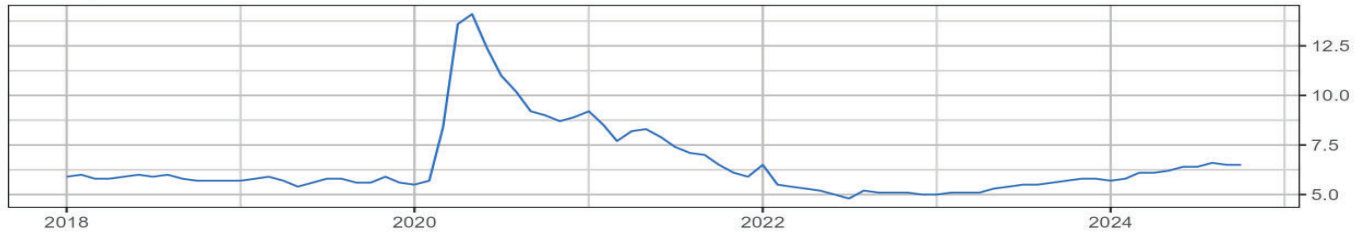
Canada Employment by Industry				
Industry	Employed, 000s	Monthly change	Monthly % change	12- month % change
Total	20,596.9	14.5	0.1	1.5
Goods	4,134.6	13.5	0.3	0.3
Agriculture	231.1	-4.7	-2.0	-10.3
Primary resources	348.1	1.5	0.4	4.9
Utilities	147.7	0.7	0.5	-2.9
Construction	1,580.9	6.3	0.4	0.2
Manufacturing	1,826.9	9.7	0.5	1.2
Services	16,462.2	0.9	0.0	1.8
Wholesale/Retail Trade	2,896.4	-8.3	-0.3	-2.6
Transportation/Warehousing	1,067.5	-9.3	-0.9	1.1
Finance/Insurance/RE	1,422.2	-13.0	-0.9	3.6
Professional/Scientific/Technical Service	1,957.2	3.0	0.2	3.0
Business Support	719.9	28.7	4.2	4.8
Education	1,557.7	11.6	0.8	2.5
Healthcare/Social Assistance	2,832.4	-0.9	0.0	5.0
Information/Culture/Recreation	855.2	-6.7	-0.8	0.2
Accommodation/Foodservices	1,149.6	12.2	1.1	1.0
Other Private Service	786.5	-7.6	-1.0	0.2
Public Administration	1,217.7	-8.7	-0.7	2.5
Employment by Class				
Private-Sector	13,508.1	20.5	0.2	1.6
Public-Sector	4,403.5	-17.2	-0.4	2.1
Self Employed	2,685.3	11.3	0.4	0.2

Labour Market Summary by Province					
Province	Employed, 000s	m/m % change	y/y % change	Unemployment Rate	Participation Rate
CAN	20,596.9	0.1	1.5	6.5	64.8
BC	2,829.3	0.3	0.6	5.8	63.7
AB	2,543.0	0.5	2.3	7.3	68.8
SK	608.3	-0.3	0.8	6.0	67.3
MB	717.0	-0.2	2.3	5.9	66.8
ON	8,101.1	-0.1	1.9	6.8	64.6
QC	4,548.4	0.1	0.6	5.7	64.4
NB	401.4	0.8	3.1	6.8	60.4
NS	514.0	-0.4	2.0	6.2	61.1
PEI	92.1	-1.2	0.2	10.0	67.2
NL	242.1	0.2	2.2	10.1	58.2

Canada Labour Market Conditions

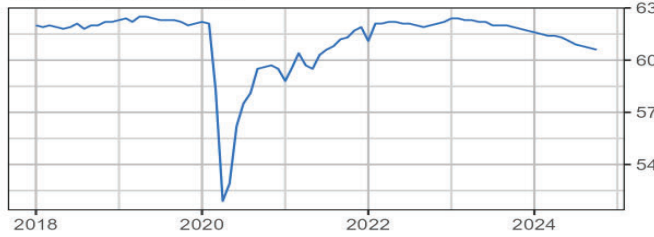
Unemployment Rate (%)

Last data point: 2024-10-01



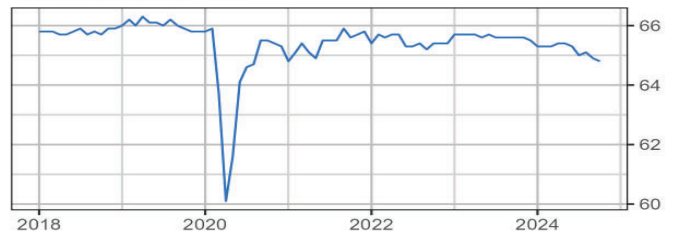
Employment Rate

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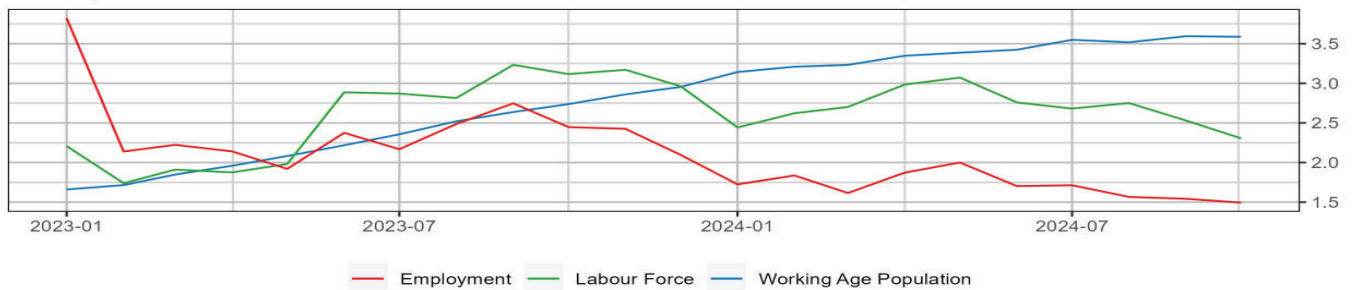
Participation Rate

Last data point: 2024-10-01



Labour Indicators, 12-month % ch

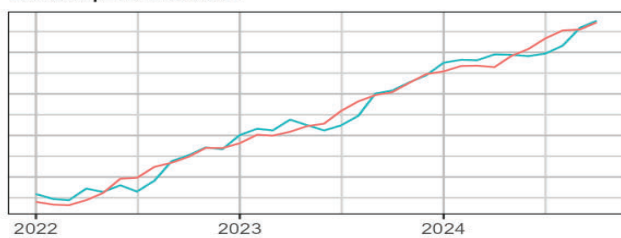
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— Employment — Labour Force — Working Age Population

Average hourly wage

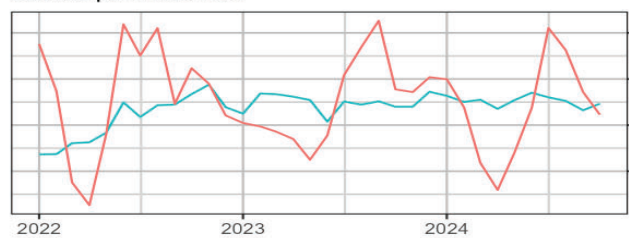
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— seasonally adjusted — unadjusted

Average hourly wage growth (%)

Last data point: 2024-10-01

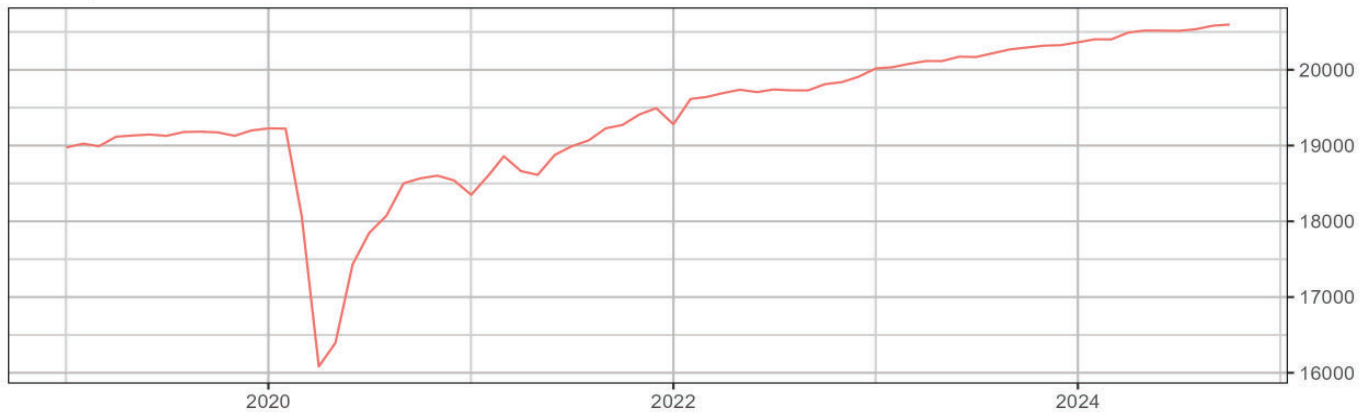


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Canada LFS Employment

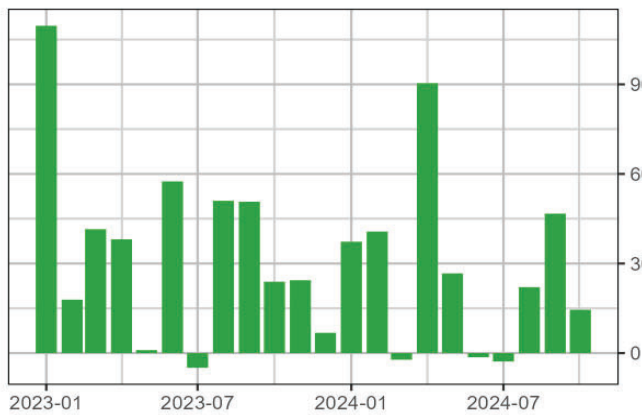
Employment, 000s

Last data point: 2024-10-01



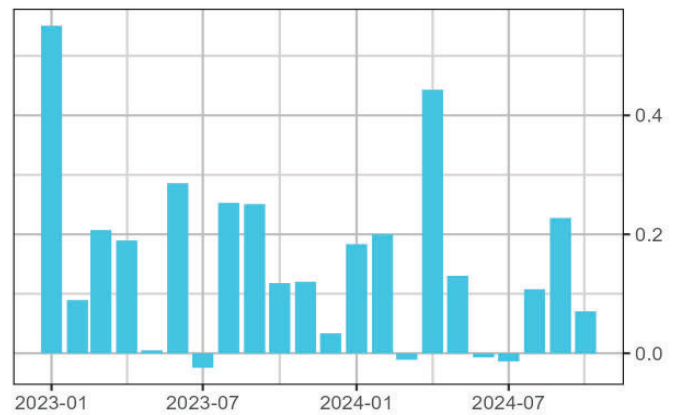
Monthly ch 000s

Last data point: 2024-10-01



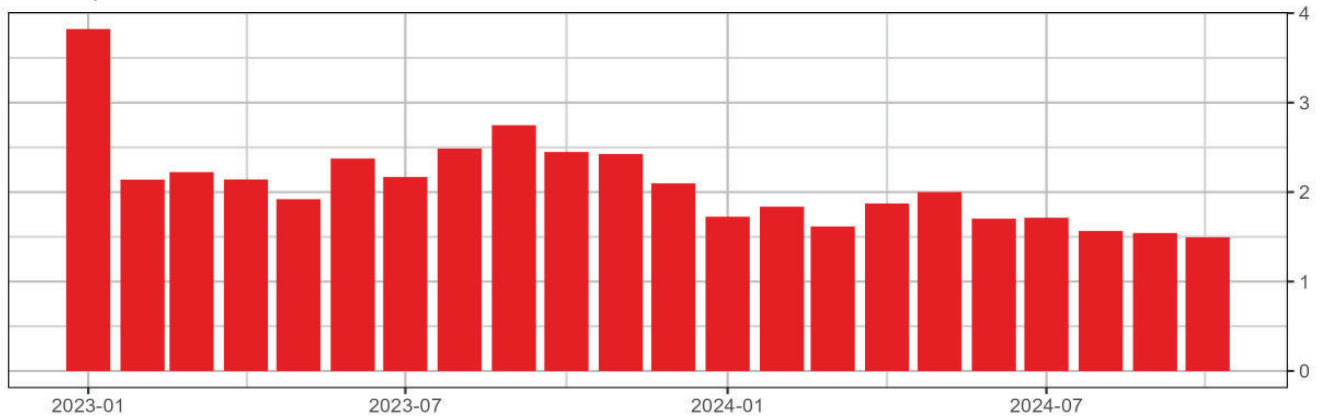
Monthly ch (%)

Last data point: 2024-10-01



12-month ch (%)

Last data point: 2024-10-01

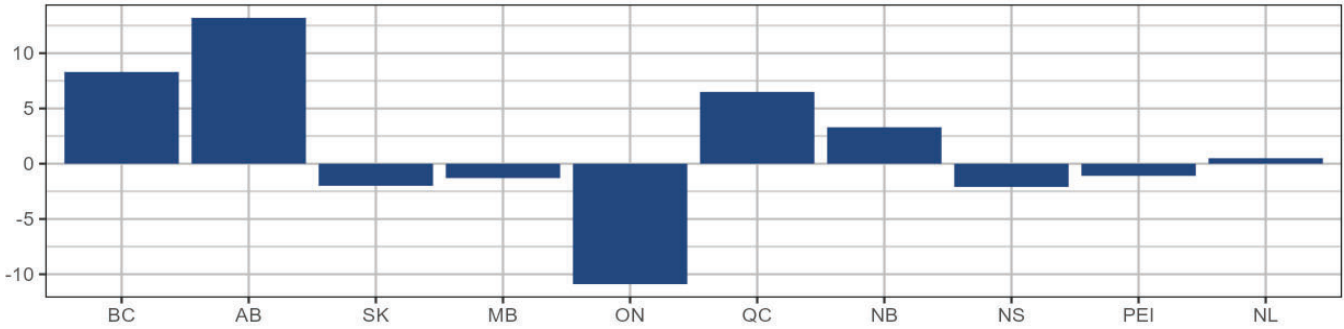


Statistics Canada, Central 1

Provincial Labour Market Highlights

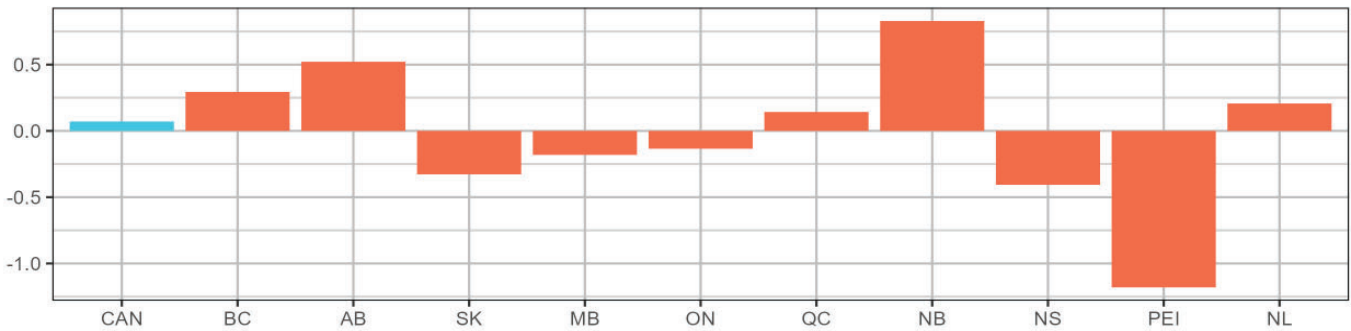
Employment by Province, m/m ch (000s)

Last data point: 2024-10-01



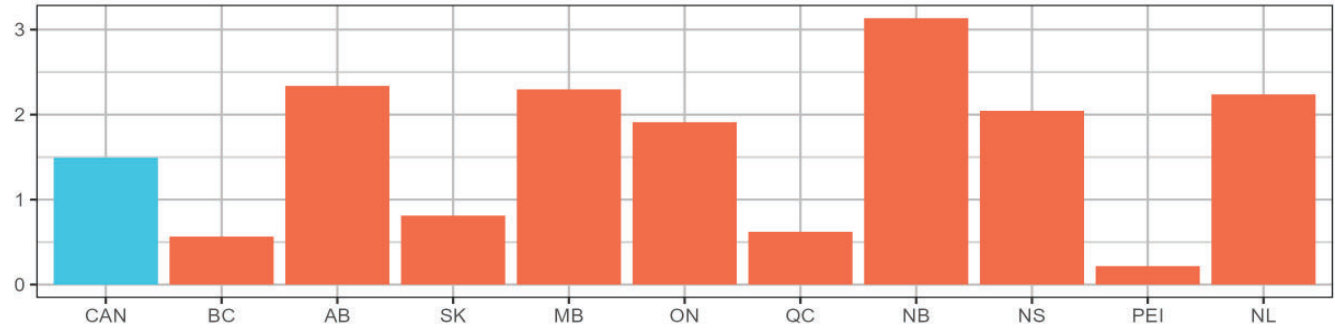
Employment by Province, m/m % ch

Last data point: 2024-10-01



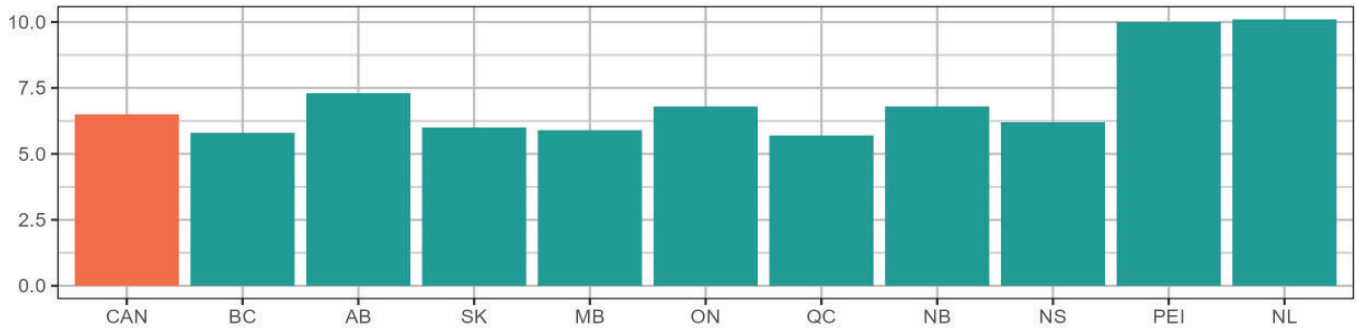
Employment by Province, y/y % ch

Last data point: 2024-10-01



Unemployment Rate by Province, %

Last data point: 2024-10-01



Statistics Canada, Central 1