



Unemployment rate jumps even with robust hiring

Canada's labour market saw a robust increase in job creation in November of 50.5k people or 0.2 per cent but also reported a 0.3 percentage point increase in the unemployment rate to a 6.8 per cent, which was the highest since August 2021 and outside the pandemic period the highest since January 2017. The spike in the latter likely provides sufficient rationale for the Bank of Canada to accelerate pace of rate cuts to reach neutral with a 50- basis point reduction next week.

November's employment gain was the strongest single month increase since April 2024 (90.4k) and entirely owed to an increase in full-time work (54.2k) as part-time employment fell (3.6k). At the same time, hours worked in the economy fell 0.2 per cent from November, which is a bit puzzling but does point to some softness. By industry, there was little private- sector growth (6.3k) while public-sector employment surged 1.0 per cent (45k) lifted by education, but through the general economy. Industries seeing stronger monthly gains included hospitality (15.3k or 1.3 per cent), construction (18.4k or 1.0 per cent), and professional/scientific/technical services (17.4k or 0.9 per cent). In contrast, there was a big loss in manufacturing (-28.5k or 1.6 per cent) as well as resources.

Job growth was swamped by expansion in the labour force which surged 137.8k people (0.6 per cent), led by a combination of population growth and more people looking for work which pushed up the unemployment rate. Most of this labour force growth reflects newcomers as the share of unemployed that that lost their job prior to being unemployed remained lower than a year ago. Long-term unemployment has increased, while the youth unemployment rate rose 1.1 percentage points to 13.9 per cent. Wage growth decelerated to 4.1 per cent from 4.9 per cent in October, reflecting both composition effects and slowing growth.

Among provinces, relatively stronger growth was observed in Alberta (1.0 per cent), Manitoba (0.9 per cent), and Quebec (0.5 per cent). The unemployment rate is highest in Ontario (7.6 per cent) and Alberta (7.5 per cent), and Newfoundland & Labrador (10.8 per cent).

In summary, this was a soft but not terrible jobs report highlighted by the sharp increase in the jobless rate, lack of private- sector growth and effects of strong population but weak hiring trends. While there are good reasons for the Bank of Canada to maintain a steady path of cuts into 2025 (and a 25 bps cut next week), including the weak Canadian dollar and import inflation risks, some momentum in consumer spending, and pick up in the housing market, the Bank has shown a desire to return to neutral quickly with trade risks likely adding urgency. The sharp increase in unemployment rate likely provides sufficient rationale to cut 50 basis points on December 11.

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Nov-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	20,647.4	20,596.9	50.5	0.2	0.1	1.6	1.5	1.7
Full-time	16,921.4	16,867.2	54.2	0.3	0.2	1.6	1.4	1.4
Part-time	3,726.0	3,729.6	-3.6	-0.1	-0.3	1.8	1.7	3.1
Labour Force	22,163.7	22,025.9	137.8	0.6	0.1	2.8	2.3	2.7
Working age population	34,057.6	33,977.5	80.1	0.2	0.3	3.6	3.6	3.4
	Per Cent			Per Cent				
Unemployment Rate	6.8	6.5		0.3	0.0	1.0	0.8	0.9
Employment Rate	60.6	60.6		0.0	-0.1	-1.2	-1.3	-1.1
Participation Rate	65.1	64.8		0.3	-0.1	-0.5	-0.8	-0.5
Average wage (\$)	35.7	35.8		-0.2	0.5	4.1	4.9	4.9

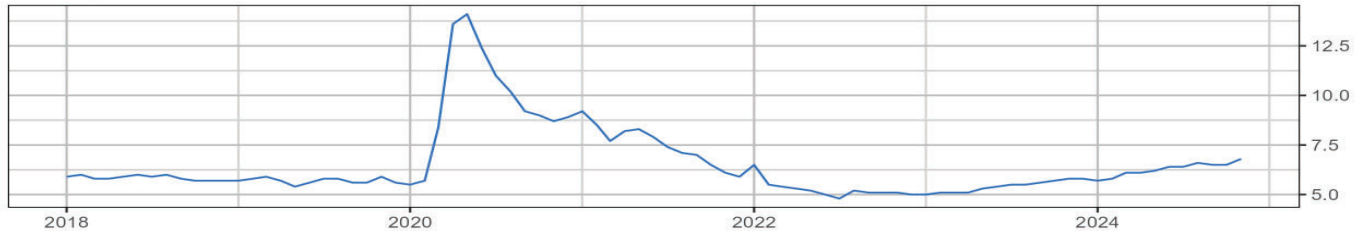
Canada Employment by Industry				
Industry	Employed, 000s	Monthly change	Monthly % change	12- month % change
Total	20,647.4	50.5	0.2	1.6
Goods	4,113.8	-20.8	-0.5	-1.1
Agriculture	227.7	-3.4	-1.5	-10.2
Primary resources	341.8	-6.3	-1.8	3.6
Utilities	146.6	-1.1	-0.7	-4.9
Construction	1,599.3	18.4	1.2	0.2
Manufacturing	1,798.4	-28.5	-1.6	-1.5
Services	16,533.7	71.5	0.4	2.3
Wholesale/Retail Trade	2,935.1	38.7	1.3	-0.4
Transportation/Warehousing	1,049.0	-18.5	-1.7	-1.3
Finance/Insurance/RE	1,432.1	9.9	0.7	5.5
Professional/Scientific/Technical Service	1,974.6	17.4	0.9	3.8
Business Support	714.5	-5.4	-0.8	3.4
Education	1,573.1	15.4	1.0	3.6
Healthcare/Social Assistance	2,841.0	8.6	0.3	4.8
Information/Culture/Recreation	851.7	-3.5	-0.4	-0.7
Accommodation/Foodservices	1,164.9	15.3	1.3	2.6
Other Private Service	781.8	-4.7	-0.6	-0.5
Public Administration	1,215.7	-2.0	-0.2	2.3
Employment by Class				
Private-Sector	13,514.4	6.3	0.0	1.3
Public-Sector	4,448.5	45.0	1.0	2.9
Self Employed	2,684.6	-0.7	0.0	1.1

Labour Market Summary by Province					
Province	Employed, 000s	m/m % change	y/y % change	Unemployment Rate	Participation Rate
CAN	20,647.4	0.2	1.6	6.8	65.1
BC	2,830.7	0.0	0.3	5.7	63.6
AB	2,567.3	1.0	2.8	7.5	69.3
SK	609.9	0.3	0.9	5.6	67.1
MB	723.6	0.9	3.1	5.8	67.2
ON	8,095.4	-0.1	1.8	7.6	65.0
QC	4,570.6	0.5	1.1	5.9	64.7
NB	400.4	-0.2	2.4	6.9	60.3
NS	514.6	0.1	2.2	6.1	61.0
PEI	94.8	2.9	3.9	8.0	67.5
NL	240.2	-0.8	1.7	10.8	58.1

Canada Labour Market Conditions

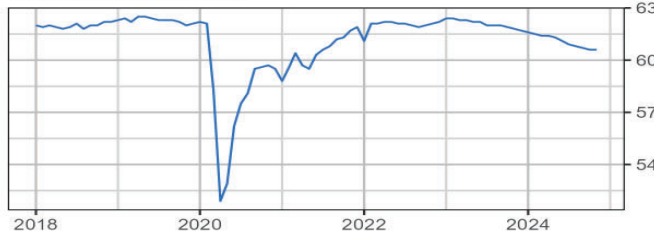
Unemployment Rate (%)

Last data point: 2024-11-01



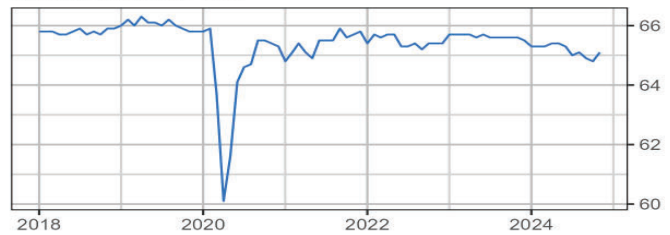
Employment Rate

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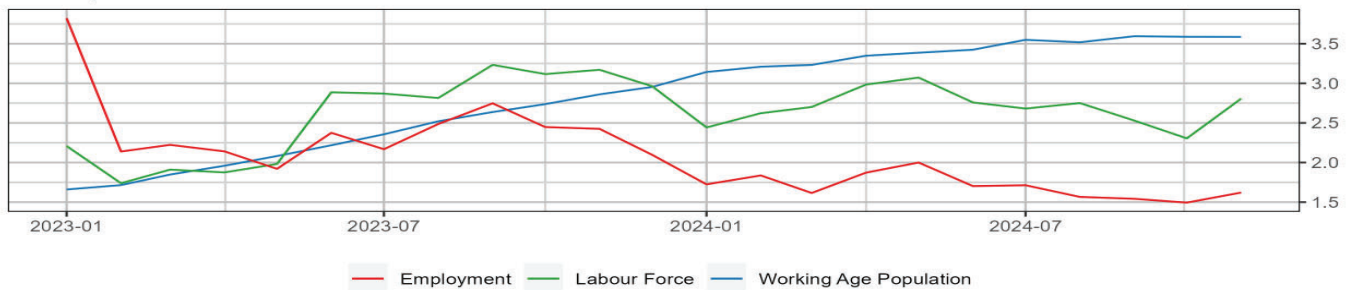
Participation Rate

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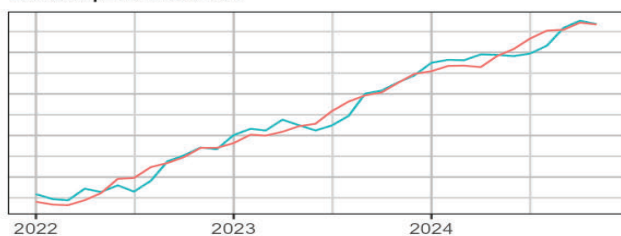
Labour Indicators, 12-month % ch

Last data point: 2024-11-01



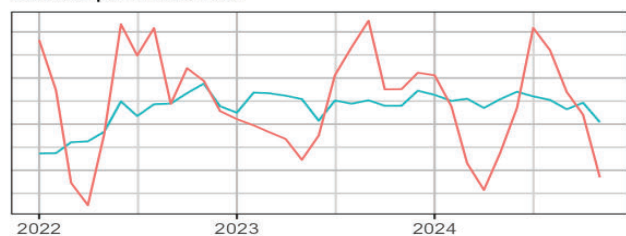
Average hourly wage

Last data point: 2024-11-01



Average hourly wage growth (%)

Last data point: 2024-11-01



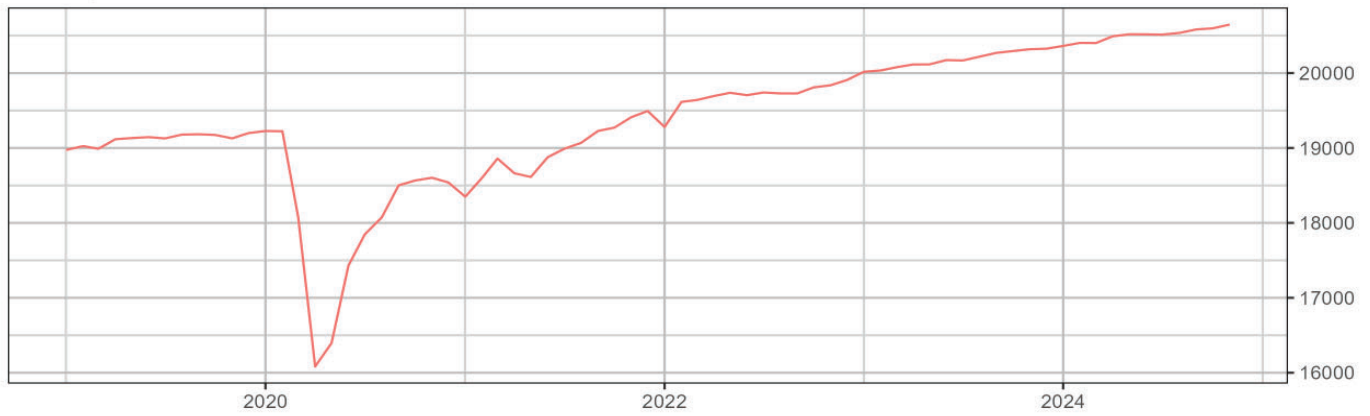
— seasonally adjusted — unadjusted

— 3m ann ch — y/y change

Canada LFS Employment

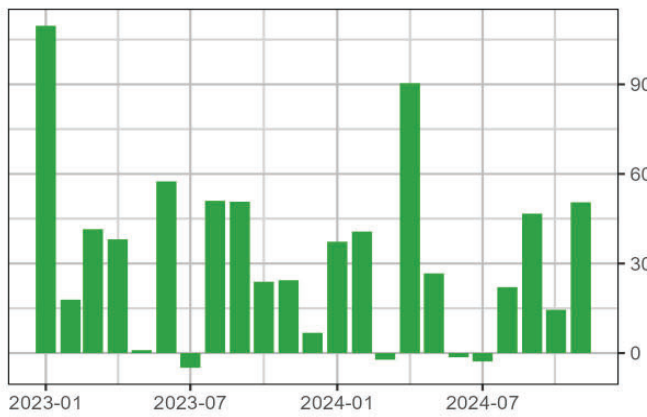
Employment, 000s

Last data point: 2024-11-01



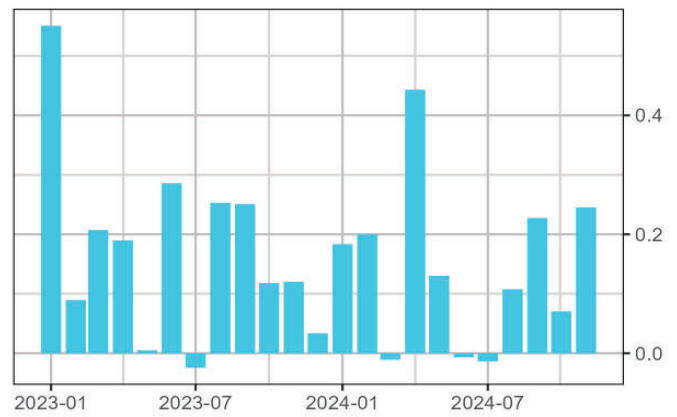
Monthly ch 000s

Last data point: 2024-11-01



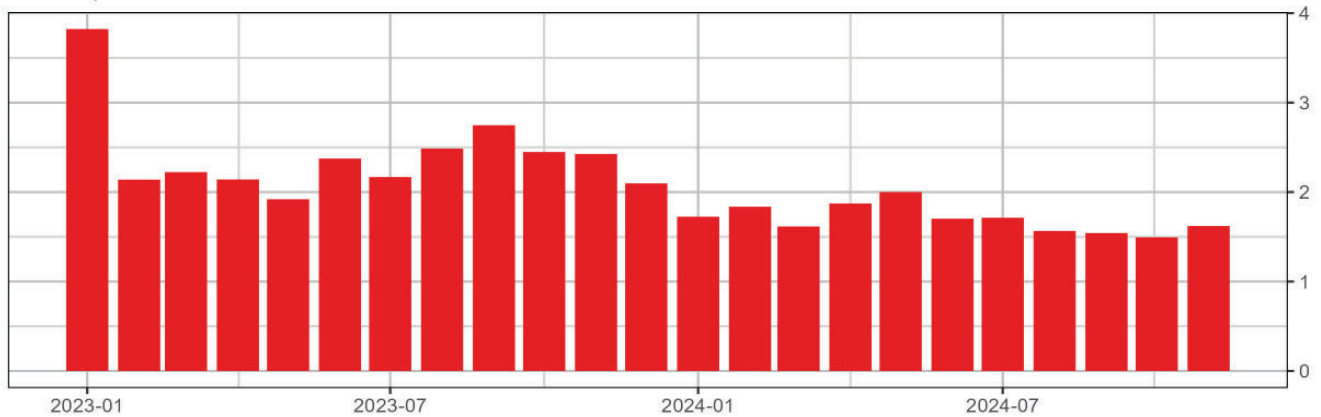
Monthly ch (%)

Last data point: 2024-11-01



12-month ch (%)

Last data point: 2024-11-01

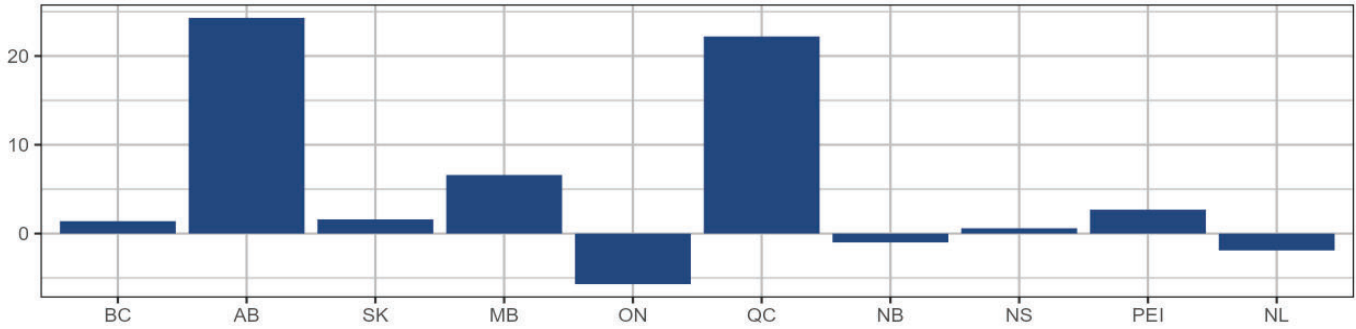


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Provincial Labour Market Highlights

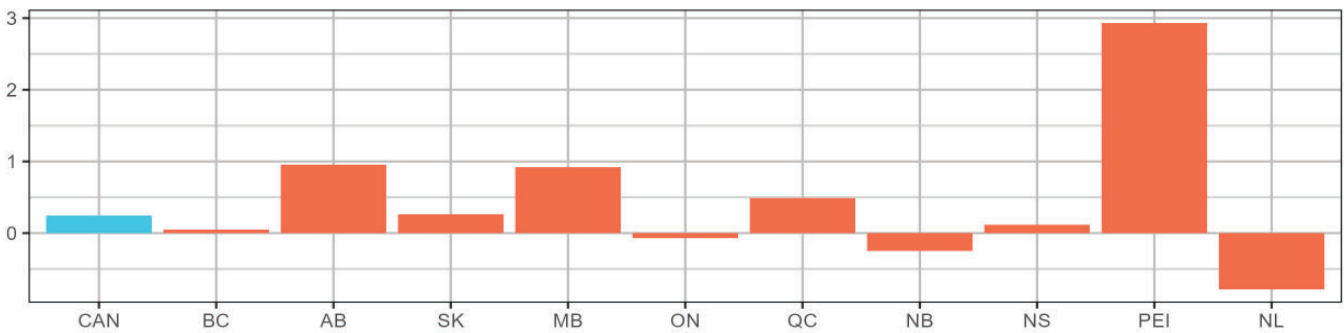
Employment by Province, m/m ch (000s)

Last data point: 2024-11-01



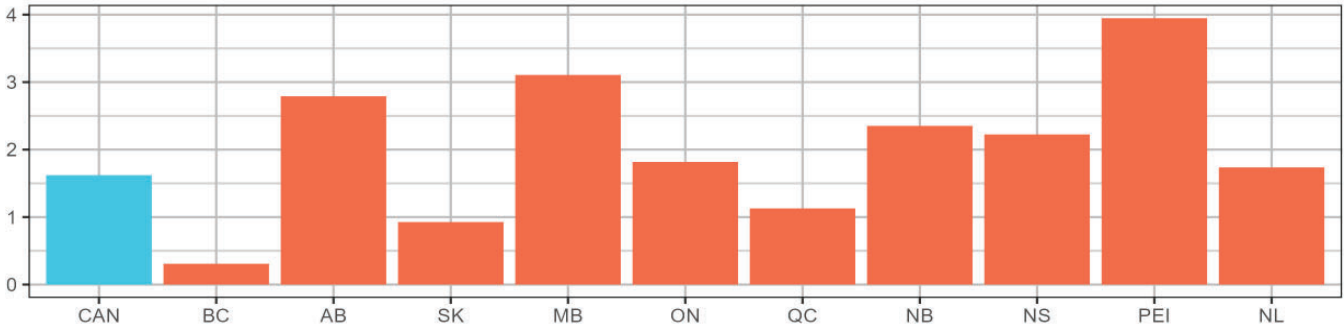
Employment by Province, m/m % ch

Last data point: 2024-11-01



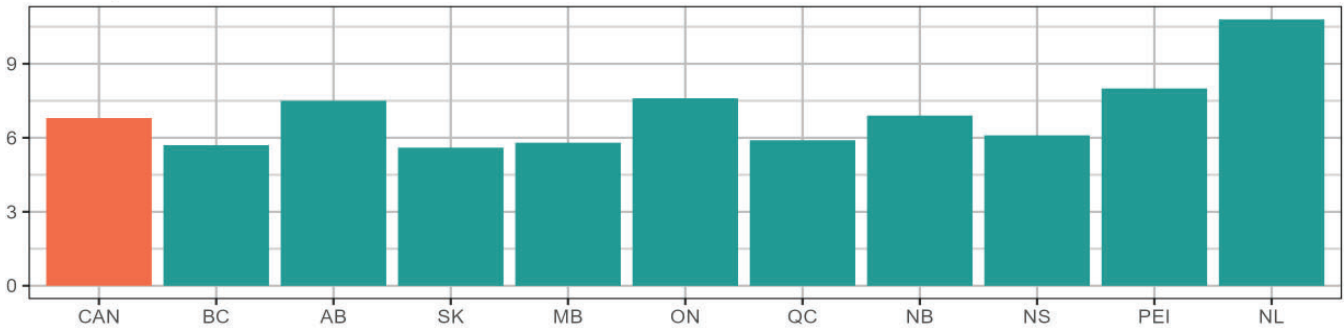
Employment by Province, y/y % ch

Last data point: 2024-11-01



Unemployment Rate by Province, %

Last data point: 2024-11-01



Statistics Canada, Central 1