



Highlights

- Ontario non-farm payroll decreased in March; job vacancy rate remained low

Ontario payroll counts dropped in March

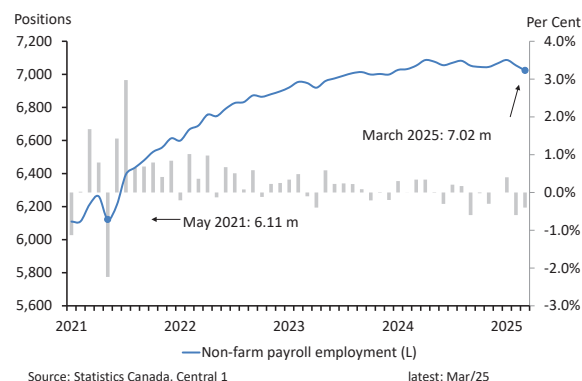
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Ontario employee headcount dropped in March following a notable decrease observed in the prior month. According to the latest Statistics Canada Survey of Employers, Payroll and Hours (SEPH), payroll counts decreased 29,955 positions (-0.4 per cent), and the total payroll count fell to 7.02 million in the province. Services sector payrolls lost 31,146 positions (-0.5 per cent) while the goods sector recorded a decrease of 2,563 positions (-0.2 per cent). Tariffs were in effect during this month, and trade and economic uncertainty likely crept into business and market sentiment.

Ontario's job-vacancy rate edged down to 2.7 per cent in March, representing 185,215 vacant positions. The job vacancy rate has seen a sustained downtrend since early 2024, falling towards pre-pandemic levels and remaining flat since the second half of 2024. Modest economic growth and economic uncertainty has maintained job-market slack. Surveys from both the Canadian Federation of Independent Business and the Bank of Canada point to persistence of a soft hiring environment going forward.

The Labour Force Survey (LFS) recorded a decrease in employment of 0.3 per cent (month-over-month (27,500 persons) and 0.2 per cent labour force contraction in March. It is important to note that while multiple job holders are counted once in the LFS, they appear as multiple entries in payroll records. That said, trends from both the SEPH and LFS align in the long run.

Ontario non-farm payrolls fell in March



Amongst the goods-producing industries, the construction sector reported a decrease of 2,490 positions or 0.6 per cent, representing almost entirely the decline in the goods-producing category. The manufacturing sector also had a 0.1 per cent (-538 positions) decline in employee headcount. Within the services sector, the finance and insurance sector led the overall decrease, with a decline of 7,221 fewer positions (-1.7 per cent), the first monthly decline since last September in this area. The educational services sector and accommodation and food services sector also reported decreases of 4,398 positions (-0.8 per cent) and 3,425 positions (-0.7 per cent) respectively. There was mostly negative change in the remaining sectors.

On the wage front, seasonally adjusted average weekly earnings in Ontario fell 0.7 per cent to \$1,327.20 in March. On a year-over-year basis, March's average earnings in Ontario were 4.5 per cent higher. Going forward, hiring momentum will continue to slow as businesses temper investment and expansion, and remain cautious due to economic uncertainty.

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