



Labour market wilts in July after June bloom

After June's surprise bloom in job creation, Canada's labour market wilted in July and reverted to the stagnant employment trend seen for most of this year. Employment fell by 40.8k people m/m (-0.2 per cent) in July, to retrace about half of June's 83k increase due, in part due to one-off factors. Losses in full-time employment (-51k or -0.3 per cent) drove the entirety of the decline with some mild offset by part-time work. While total employment is still 1.7 per cent higher than a year ago, levels are only a touch higher (0.5 per cent) than in December, pointing to further deceleration going forward.

The unemployment rate remained elevated but was unchanged at 6.9 per cent due to deceleration in population growth and limited by a lower participation rate. The rate has remained surprisingly steady with the push-pull of economic uncertainty and federal policy related to migration on labour demand and supply, but it clearly remains a soft hiring environment with low job vacancies. Wage growth nudged higher to 3.3 per cent y/y but retained a modest trend.

On the employment front, a few key themes persisted. Youth (aged 15 to 24) hiring remained terrible. While representing about 14 per cent of the labour workforce, the cohort accounted for 80 per cent of July's employment decline (-33.7k) and saw a 1.2 per cent m/m decline. This was all full-time work. The unemployment rate rose from 14.2 per cent to 14.6 per cent, widening the gap with the broader population. The gap between youth unemployment rate and the broad population is the widest since May 2021 and has been on the rise over the past several years. The latest drop likely reflected losses in the recreation sector as the end of the Stanley Cup Playoffs (and near-championship run of the Oilers) gave back some prior gains. That said, a weaker economy has limited summer hiring, while excess hiring in some sectors and the rise of AI may be contributing to the lack of opportunities for younger people.

In contrast, prime-age employment held steady led by gains among men (11.8k or 0.1 per cent), while women saw employment decline. Men over the age of 55 fared better over the latest month.

Among industry segments there was a sharp drop off in goods-producing sectors but not a lot of signs that it was tariff-related. Goods-employment fell 29k or 0.7 per cent but owed to a sharp drop in construction work (-21.6k or -1.3 per cent) which may reflect the drop off in housing starts in some markets and project completion, while employment in agriculture fell 10.8k or -4.8 per cent. On the services front, the net loss of 11.9k (-0.1 per cent) was led by healthcare and social assistance (-16.5k or -0.6 per cent), and the noted drop in information/culture/recreation (-29.2k or -3.3 per cent). In contrast, growth was seen in transportation/warehousing (26.1k or 2.4 per cent) and education (22.4k or 1.4 per cent).

Provincially, employment losses were concentrated in B.C. (-16k or -0.5 per cent), with a modest increase in the unemployment rate to 5.9 per cent to 5.3 per cent, and Alberta (-30k or -0.6 per cent), where the unemployment rate jumped a point to 7.8 per cent. Saskatchewan and Manitoba recorded job growth alongside the Atlantic provinces while Ontario was steady.

On net, Canada's labour market weakened in July pointing to a more subdued economic performance during the summer, highlighted by a particularly challenging environment for young people. Limited investment and still subdued business confidence likely maintains this holding pattern given persistent U.S. trade uncertainty. For the Bank of Canada, a weaker jobs report will provide some argument to cut rates provided inflation also slows.

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Jul-2025	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	21,020.4	21,061.2	-40.8	-0.2	0.4	1.5	1.7	1.6
Full-time	17,155.9	17,206.9	-51.0	-0.3	0.1	1.0	1.7	1.5
Part-time	3,864.6	3,854.3	10.3	0.3	1.8	3.5	1.5	2.3
Labour Force	22,580.7	22,613.7	-33.0	-0.1	0.3	2.0	2.1	2.3
Working age population	34,614.8	34,577.2	37.6	0.1	0.1	2.1	2.3	2.7
	Per Cent			Per Cent				
Unemployment Rate	6.9	6.9		0.0	-0.1	0.5	0.5	0.7
Employment Rate	60.7	60.9		-0.2	0.1	-0.4	-0.4	-0.6
Participation Rate	65.2	65.4		-0.2	0.1	-0.1	-0.1	-0.2
Average wage (\$)	36.2	36.0		0.4	-0.4	3.3	3.2	3.5

Canada Employment by Industry				
Industry	Employed, 000s	Monthly change	Monthly % change	12- month % change
Total	21,020.4	-40.8	-0.2	1.5
Goods	4,165.6	-29.0	-0.7	-0.8
Agriculture	212.9	-10.8	-4.8	-10.8
Primary resources	335.8	-1.4	-0.4	-7.8
Utilities	158.8	-0.5	-0.3	3.9
Construction	1,619.2	-21.6	-1.3	1.6
Manufacturing	1,838.9	5.3	0.3	-0.5
Services	16,854.8	-11.9	-0.1	2.1
Wholesale/Retail Trade	3,016.0	-2.5	-0.1	4.3
Transportation/Warehousing	1,094.4	26.1	2.4	0.6
Finance/Insurance/RE	1,500.5	-6.0	-0.4	5.0
Professional/Scientific/Technical Service	2,027.0	3.3	0.2	2.3
Business Support	672.6	-19.2	-2.8	-4.7
Education	1,631.6	22.4	1.4	4.9
Healthcare/Social Assistance	2,880.9	-16.5	-0.6	1.9
Information/Culture/Recreation	843.9	-29.2	-3.3	0.6
Accommodation/Foodservices	1,167.9	6.4	0.6	1.9
Other Private Service	775.6	6.6	0.9	-4.8
Public Administration	1,244.4	-3.3	-0.3	0.5
Employment by Class				
Private-Sector	13,738.5	-39.0	-0.3	1.3
Public-Sector	4,555.7	4.0	0.1	1.4
Self Employed	2,726.2	-5.8	-0.2	2.3

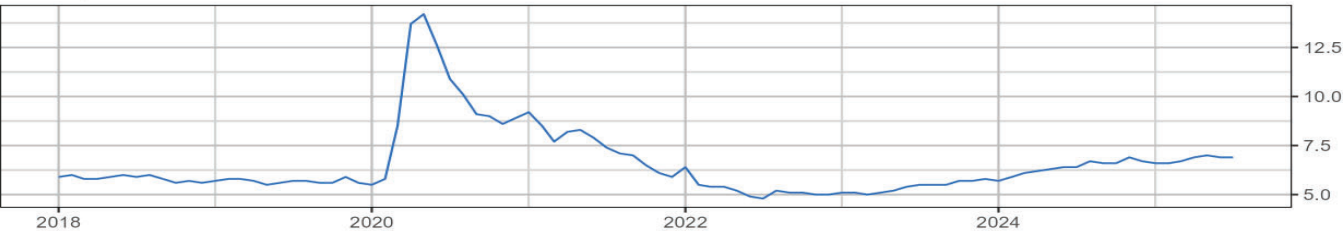
Labour Market Summary by Province

Province	Employed, 000s	m/m % change	y/y % change	Unemployment Rate	Participation Rate
CAN	21,020.4	-0.2	1.5	6.9	65.2
BC	2,952.6	-0.5	1.4	5.9	64.8
AB	2,577.3	-0.6	2.6	7.8	68.9
SK	623.4	0.6	2.6	5.0	67.9
MB	741.4	0.3	2.8	5.5	66.7
ON	8,217.0	0.0	0.6	7.9	65.0
QC	4,637.0	-0.3	2.3	5.5	64.6
NB	407.7	0.2	1.5	7.5	61.1
NS	525.4	0.3	2.0	7.0	61.8
PEI	92.7	1.0	1.5	8.8	65.8
NL	246.1	0.4	0.0	10.5	58.3

Canada Labour Market Conditions

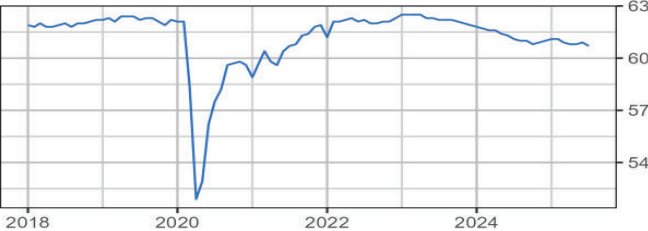
Unemployment Rate (%)

Last data point: 2025-07-01



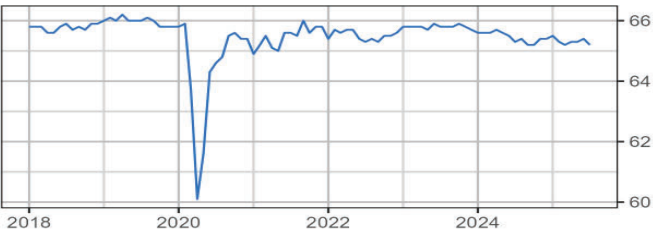
Employment Rate

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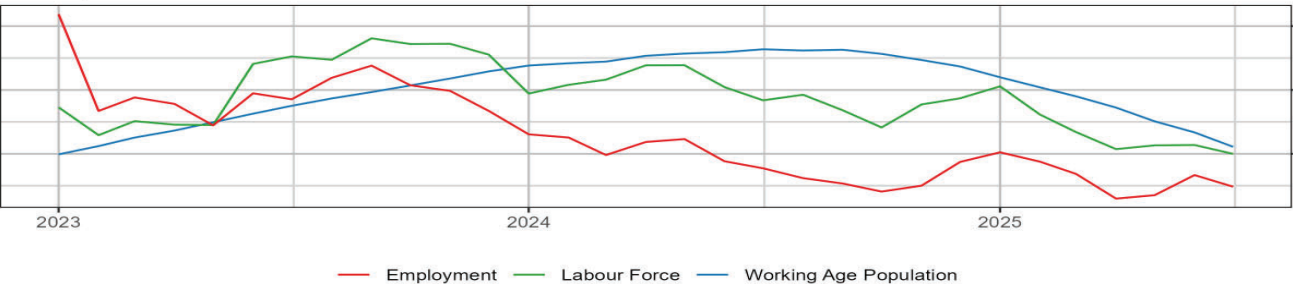
Participation Rate

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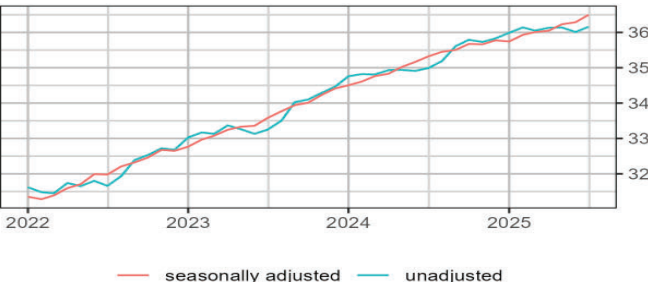
Labour Indicators, 12-month % ch

Last data point: 2025-07-01



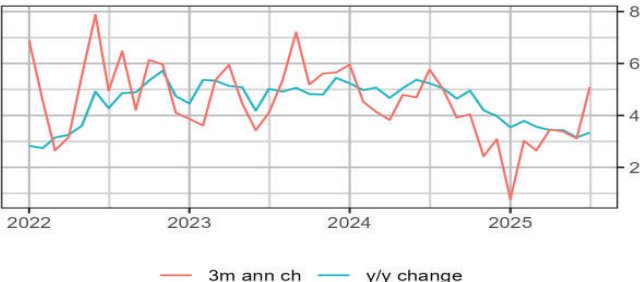
Average hourly wage

Last data point: 2025-07-01



Average hourly wage growth (%)

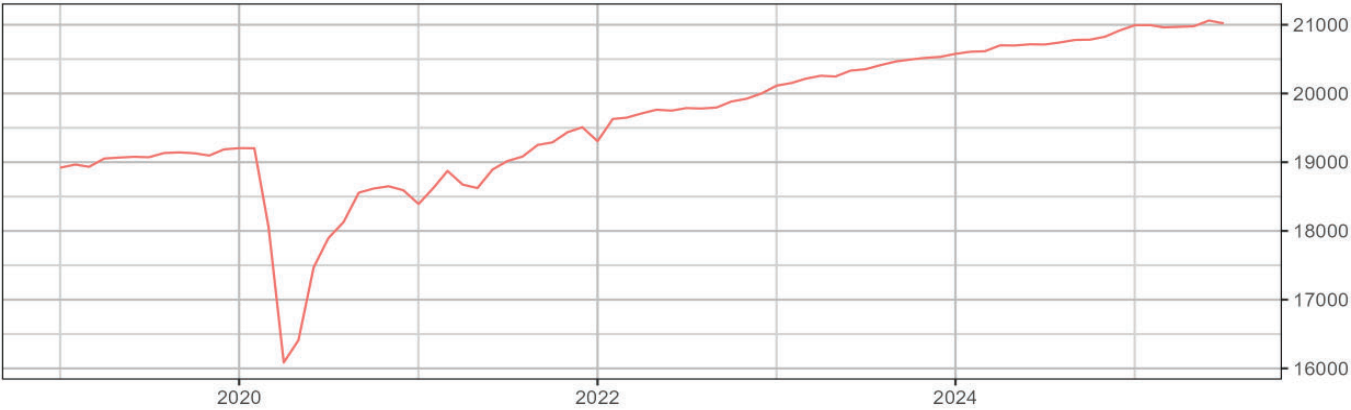
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Canada LFS Employment

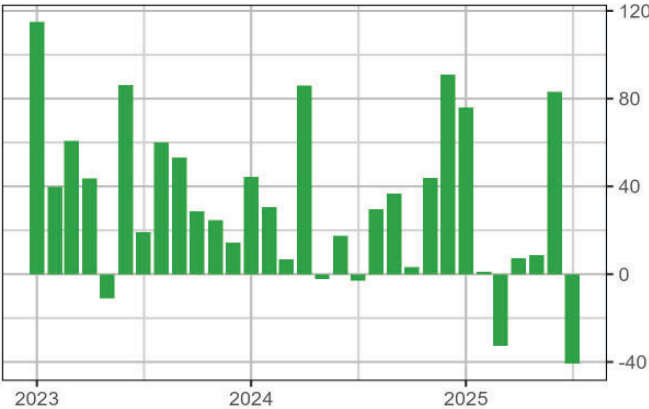
Employment, 000s

Last data point: 2025-07-01



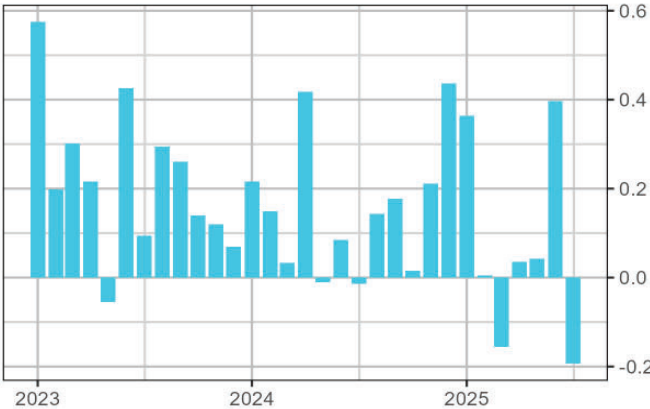
Monthly ch 000s

Last data point: 2025-07-01



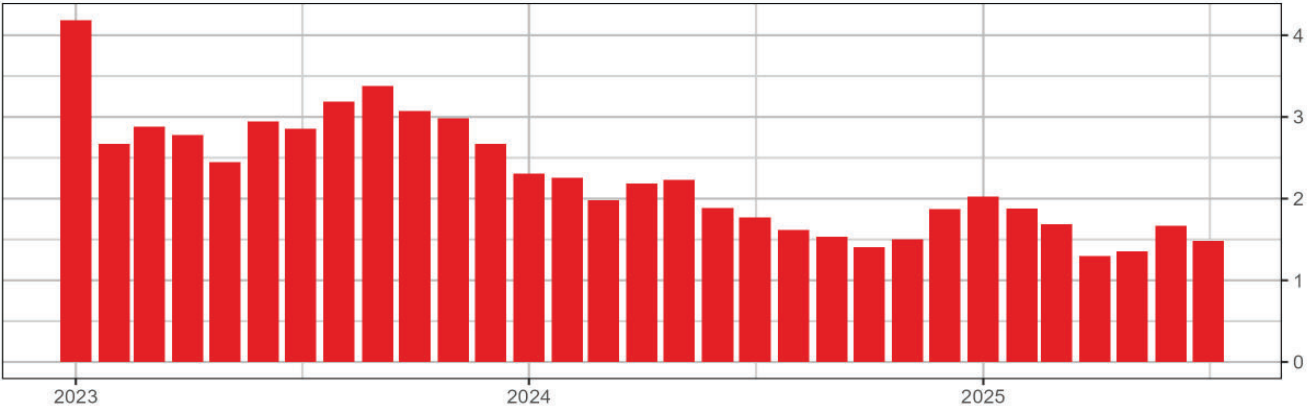
Monthly ch (%)

Last data point: 2025-07-01



12- month ch (%)

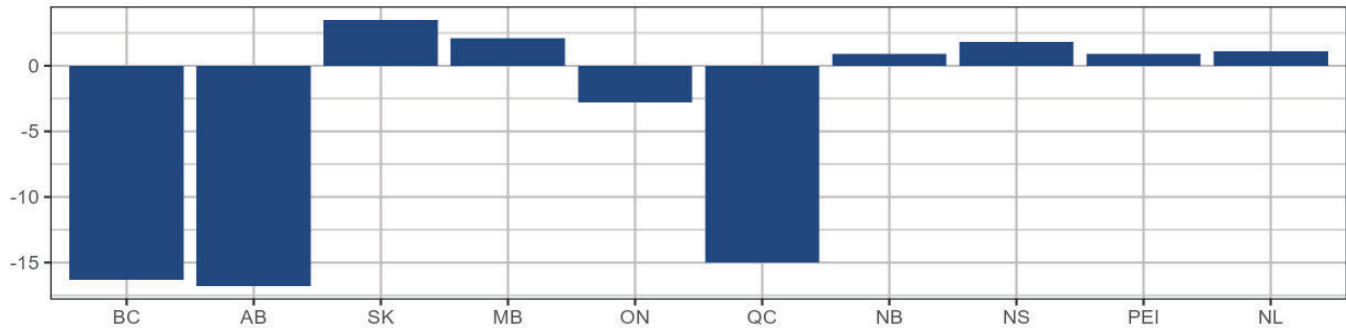
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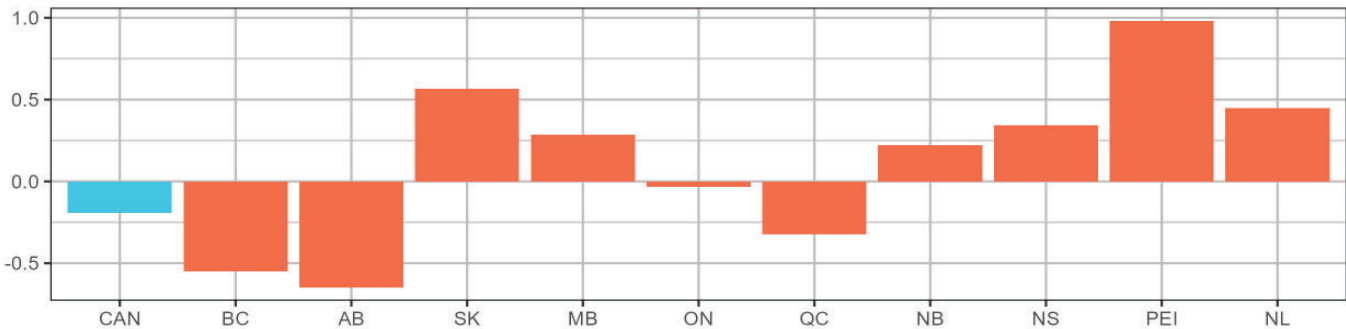
Statistics Canada, Central 1

Provincial Labour Market Highlights

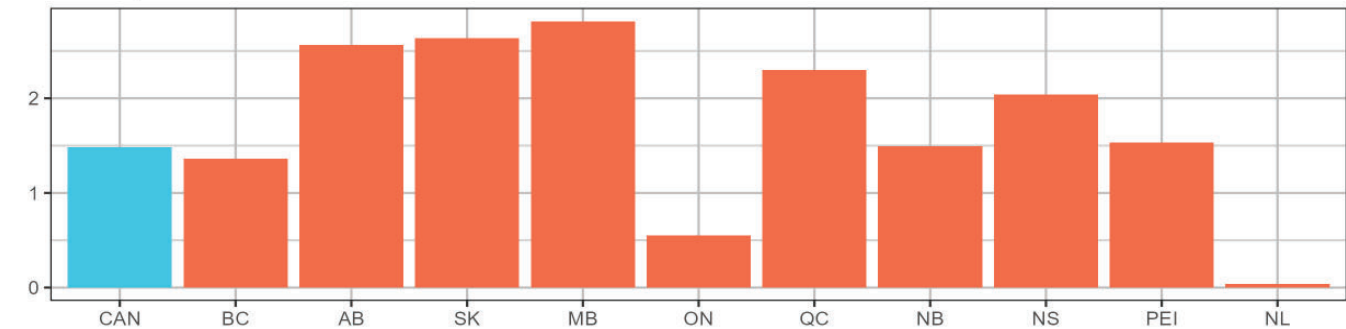
Employment by Province, m/m ch (000s)
Last data point: 2025-07-01



Employment by Province, m/m % ch
Last data point: 2025-07-01



Employment by Province, y/y % ch
Last data point: 2025-07-01



Unemployment Rate by Province, %
Last data point: 2025-07-01

