



Highlights

- Employment in Ontario slid 0.8 per cent in January
- The unemployment rate in Ontario fell to 7.3 per cent in January

Steep decline in Ontario employment, but unemployment rate plunges

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Ontario's labour market started off on a weaker note in the new year as employment figures shrank in January. Employment declined by 0.8 per cent (-66.5k people) to reach 8.2 million, following four consecutive monthly increases. Declines were noted in both full-time and part-time work, down by 0.5 per cent (-34.3k persons) and 2.2 per cent (-32.3k persons), respectively. Although monthly data can swing widely, the ongoing trend shows continued weakness in Ontario's labour market. Ontario's economy has been plagued by elevated levies imposed by the US, which has also continued to suppress employment growth. On a year-over-year basis, employment growth came in at a meagre 0.3 per cent.

That said, the unemployment rate in the province declined by 0.6 percentage points to reach 7.3 per cent, owing mostly to fewer people looking for work. The labour force participation rate dropped to 64.4 per cent from 65.4 per cent in the prior month. Amongst age groups in the province, youth aged 15 to 24 noted the highest decrease in participation rate, falling from (61.6

per cent to 58.9 per cent). The working-age population remained unchanged from December, but grew by 0.9 per cent on a year-over-year basis.

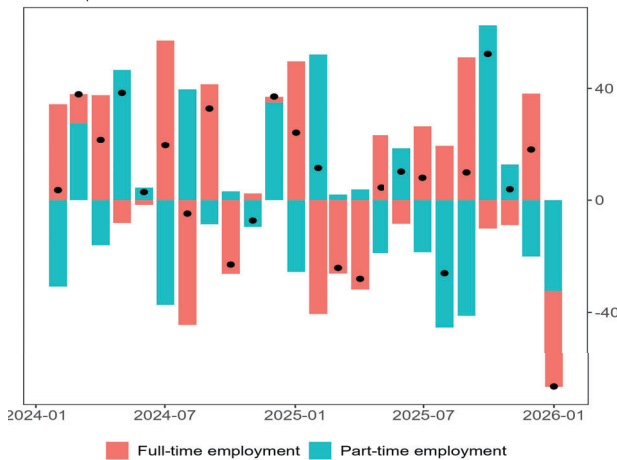
At the industry level, employment decreased in the goods sector by 1.3 per cent. This was due to lower employment in manufacturing, which noted the largest decline amongst the subcategories (-3.5 per cent or -29.3k persons). Employment in the sector, particularly auto and steel, has been significantly negatively affected by high tariffs imposed by the U.S. since 2025. Compared to a year ago, employment fell by 3.3 per cent. Employment growth in construction was flat, while other subcategories reported higher figures.

Employment in the services sector also declined by 0.7 per cent (-45.5k persons) during the month. Major declines were seen in professional, scientific and technical services (-1.8 per cent or -16.5k persons), information, culture and recreation (-2.7 per cent or -10.4k persons), and health care and social assistance (-1.0 per cent or -10.3k persons). On a 12-month basis, services-employment was only up by a minor 0.1 per cent, although significant gains were recorded in wholesale trade.

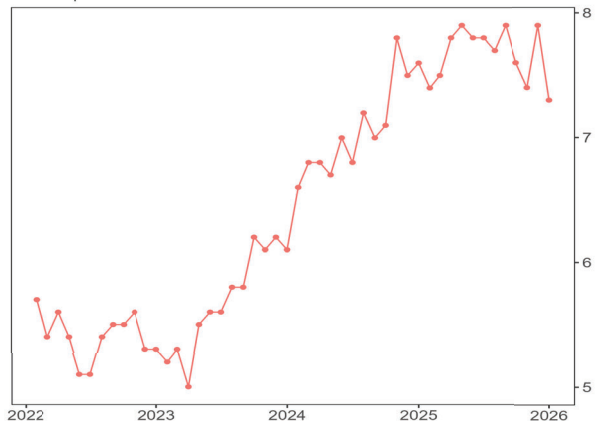
Regionally, employment fell in Windsor (-1.9 per cent), Brantford (-0.7 per cent), Peterborough (-1.0 per cent), London (-0.9 per cent) and Toronto (-0.1 per cent). Toronto's unemployment rate was 7.9 per cent, whilst also significantly high in Windsor (8.1 per cent), London (8.2 per cent), and Brantford (8.7 per cent).

Labour market indicators Ontario

Ontario employment, m/m person change
Last data point: 2024-01-01 to 2026-01-01



Ontario unemployment rate (%)
Last data point: 2022-01-01 to 2026-01-01



Statistics Canada, Central 1