



Labour market downshifts again in April

Following an upturn in March, Canada's labour market slipped again in April as economic uncertainty and trade risks again weighed on hiring. Employment declined by 17.7k or 0.1 per cent during the month, which more than reversed the prior month increase. Year-over-year, employment rose 0.3 per cent. While April's decline was negligible, it has been a tough start over the first four months, with net employment down by more than 112,000 people. Outside the pandemic collapse in 2020, this was the worst start since 2009. The unemployment rate rose 0.2 points to 6.9 per cent.

Labour market details were broadly weak, with a number of key themes beyond the headline. Employment declines were concentrated among full-time workers which plunged by 46.7k people (0.3 per cent) but offset by a rise in part-time work. Full-time employment has contributed to almost all the net employment decline this year. Among age groups, young workers (aged 15 to 24) fared worse with an employment decline of 10.8k during the month or 0.4 per cent. Levels were also down 1.4 per cent y/y. Prime aged males also saw employment slip in April.

Among industry sectors, stress persisted in tariff affected sectors including manufacturing where employment slipped 0.1 per cent m/m and 1.1 per cent y/y. Broadly, goods-producing sector employment contracted in April with steep declines in sectors like resources (-5.5 k or 1.6 per cent), utilities (-3.5k or 2.0 per cent) and construction (-15.7k or 1.0 per cent), with the latter likely owing to challenges in housing markets. Among services, there was a significant drop in transportation/warehousing of 10.5k or 1.0 per cent which could reflect some of the immediate impacts of higher fuel costs, while retail/wholesale employment fell 8.3k or 0.3 per cent. Information/culture/recreation fell sharply by 24.8k or 2.8 per cent, with professional services being flat. On the upside, there was stronger growth in hospitality (+13k or 1.1 per cent), education (6k or 0.4 per cent) and health services (17.5k or 0.6 per cent).

With the latest decline, the unemployment rate rose to the highest level since October to reach 6.9 per cent. This was still below the most recent peak of 7.1 per cent seen in September, but low population growth remains a factor holding back growth in the labour force and an even higher jobless rate. Long-term unemployment remains consistent with a year ago, but higher than pre-pandemic levels. Low population growth reduces break-even employment and could contribute to a tighter labour market than otherwise would be the case. Even as the unemployment rate has climbed, wage growth has increased. Average wages rose 0.1 per cent m/m and came in at 4.5 per cent y/y, which is not particularly constructive for the inflation backdrop amidst high oil prices. That said this is composition driven.

At the provincial level, six of ten provinces recorded lower employment in April. B.C. continued to deteriorate with a 4.3k (-0.1 per cent) employment decline, following a 19k drop in March. The province has experienced the sharpest y/y decline among provinces (-1.5 per cent) and the unemployment rate has climbed to 6.8 per cent. Quebec and Newfoundland & Labrador also performed poorly in April with employment in the former down 0.9 per cent m/m and 1.4 per cent y/y, while the latter fell 2.1 per cent m/m and 1.5 per cent y/y. In contrast, Ontario added jobs at a faster pace of 0.5 per cent but was subdued on a y/y basis at 0.7 per cent. Its unemployment rate of 7.5 per cent was amongst the highest in the country. Alberta showed no monthly gain but a nation-leading 3.5 per cent y/y increase, highlighting the province's economic strength, even as the unemployment rate sat at 7 per cent. Manitoba has the lowest unemployment rate at 5.0 per cent.

The key takeaway from April's numbers is that the economy is soft, and the handoff to the second quarter was weak with excess capacity seen in the rising unemployment rate. While inflation risk has increased with oil prices and the war in Iran, we expect the flagging labour market to keep the Bank of Canada on the sidelines this year.

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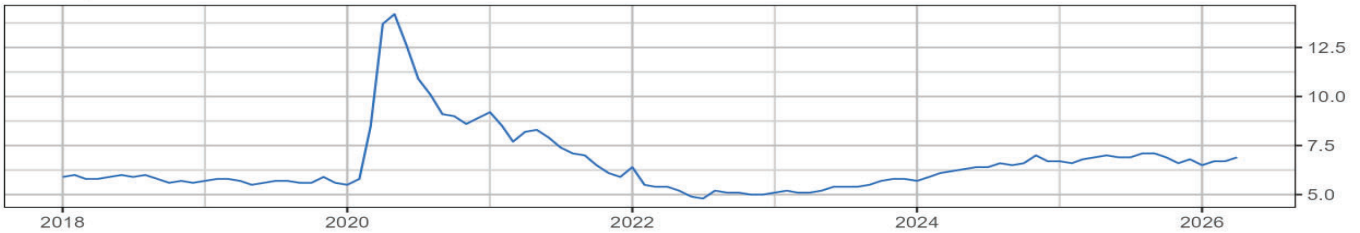
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Labour Market Summary by Province					
Province	Employed, 000s	m/m % change	y/y % change	Unemployment Rate	Participation Rate
CAN	21,033.7	-0.1	0.3	6.9	65.0
BC	2,903.9	-0.1	-1.5	6.8	64.4
AB	2,656.6	0.0	3.5	7.0	69.2
SK	619.9	-0.6	0.4	5.6	67.1
MB	749.3	-0.2	1.7	5.0	66.5
ON	8,247.9	0.5	0.7	7.5	64.8
QC	4,579.0	-0.9	-1.4	6.2	64.4
NB	408.6	-0.7	1.9	7.2	60.6
NS	528.7	0.1	2.4	6.3	61.3
PEI	95.5	-0.5	2.0	8.0	66.5
NL	244.4	-2.1	-1.5	10.0	57.3

Canada Labour Market Conditions

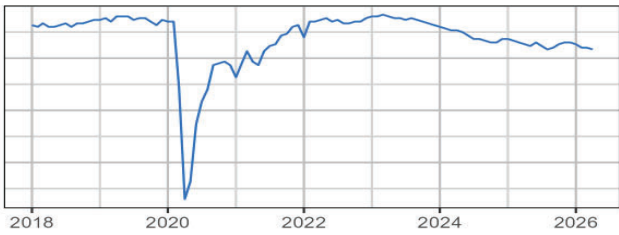
Unemployment Rate (%)

Last data point: 2026-04-01



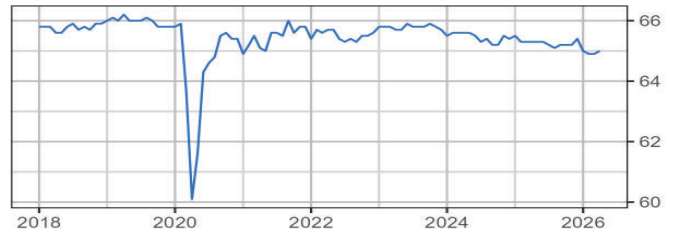
Employment Rate

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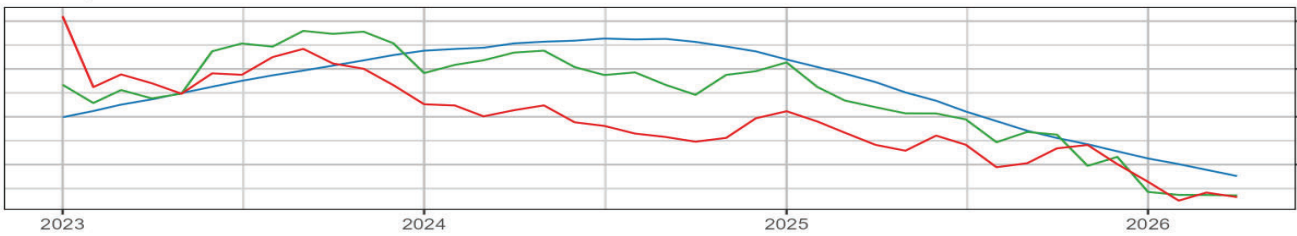
Participation Rate

Last data point: 2026-04-01



Labour Indicators, 12-month % ch

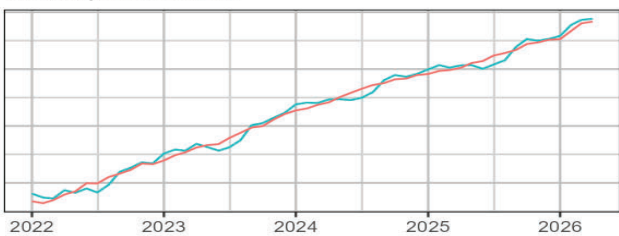
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— Employment — Labour Force — Working Age Population

Average hourly wage

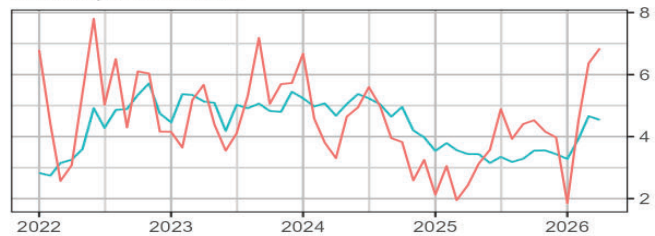
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— seasonally adjusted — unadjusted

Average hourly wage growth (%)

Last data point: 2026-04-01

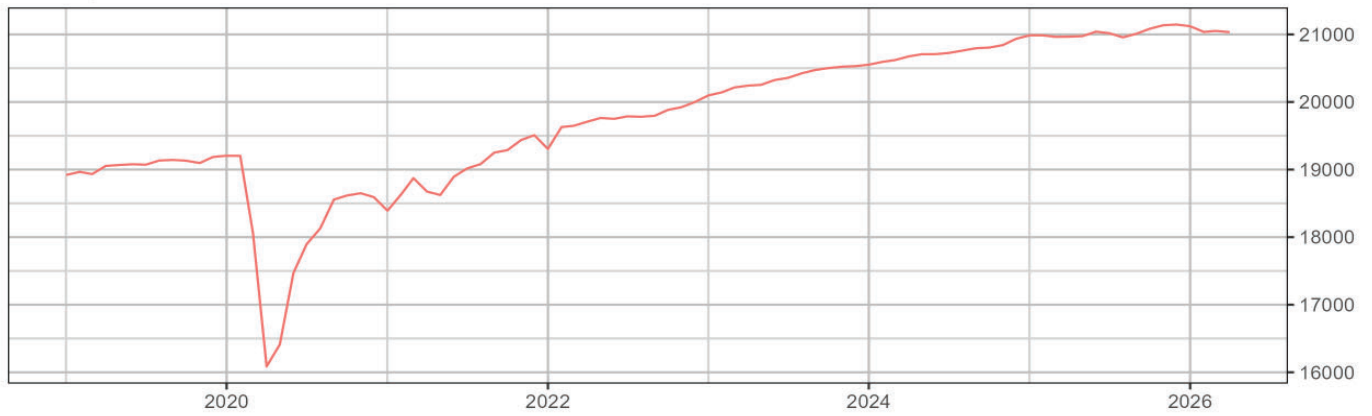


— 3m ann ch — y/y change

Canada LFS Employment

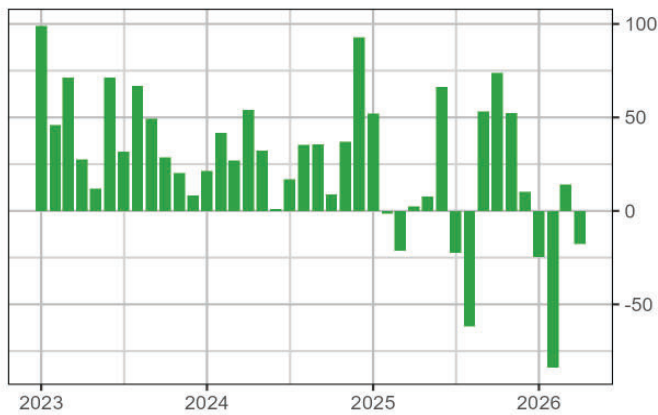
Employment, 000s

Last data point: 2026-04-01



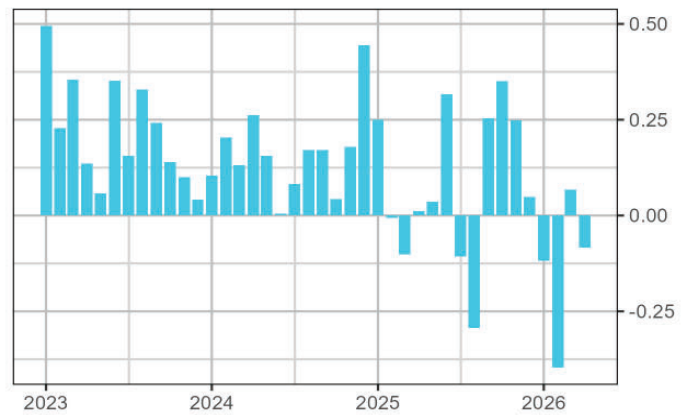
Monthly ch 000s

Last data point: 2026-04-01



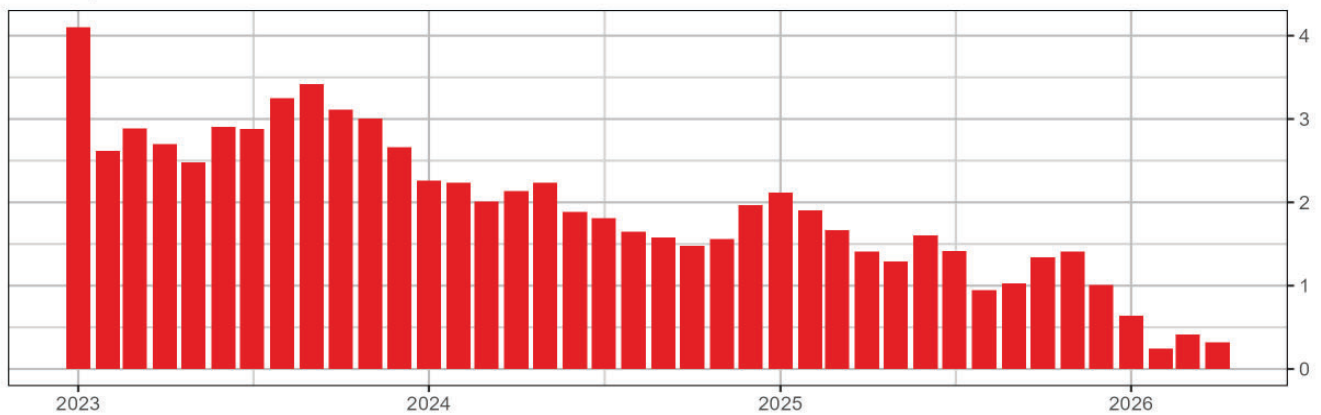
Monthly ch (%)

Last data point: 2026-04-01



12- month ch (%)

Last data point: 2026-04-01

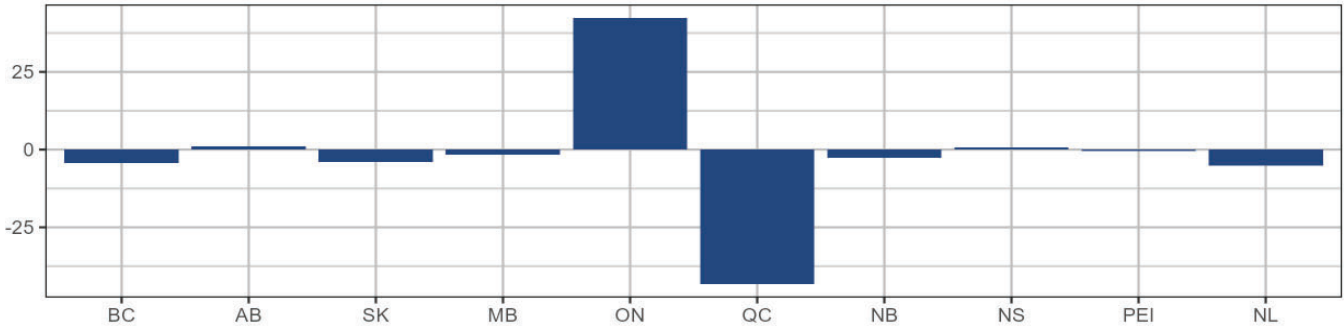


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Provincial Labour Market Highlights

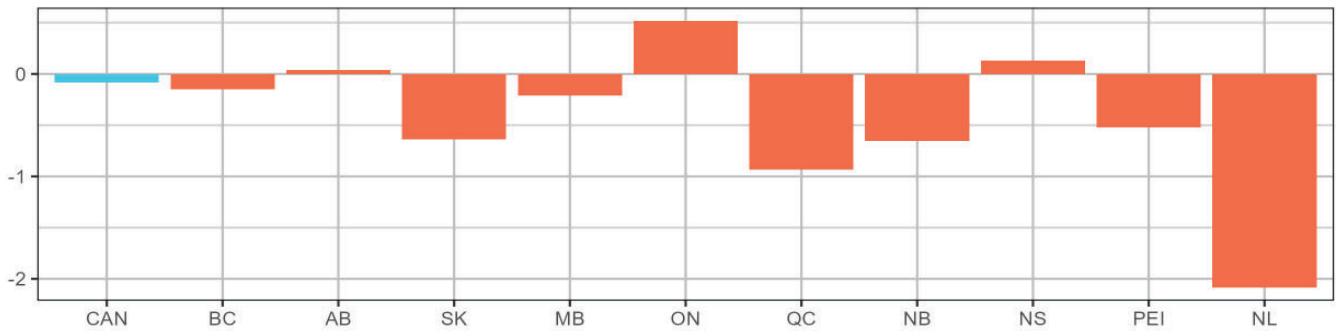
Employment by Province, m/m ch (000s)

Last data point: 2026-04-01



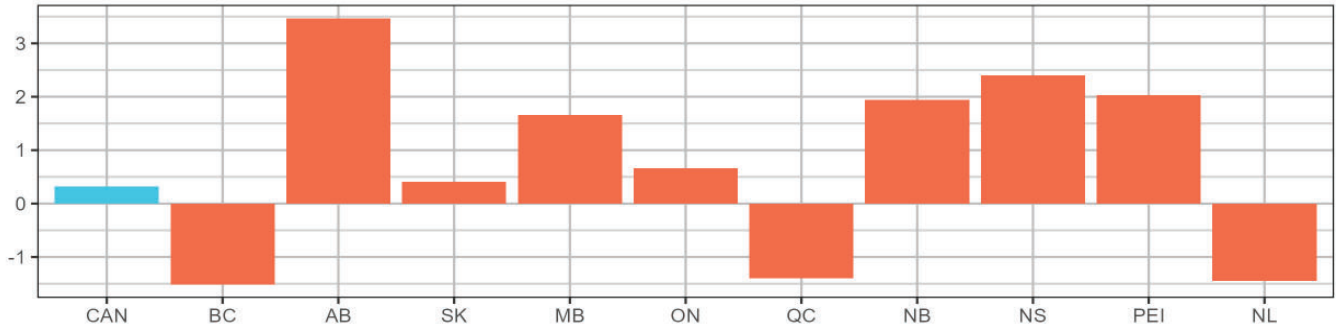
Employment by Province, m/m % ch

Last data point: 2026-04-01



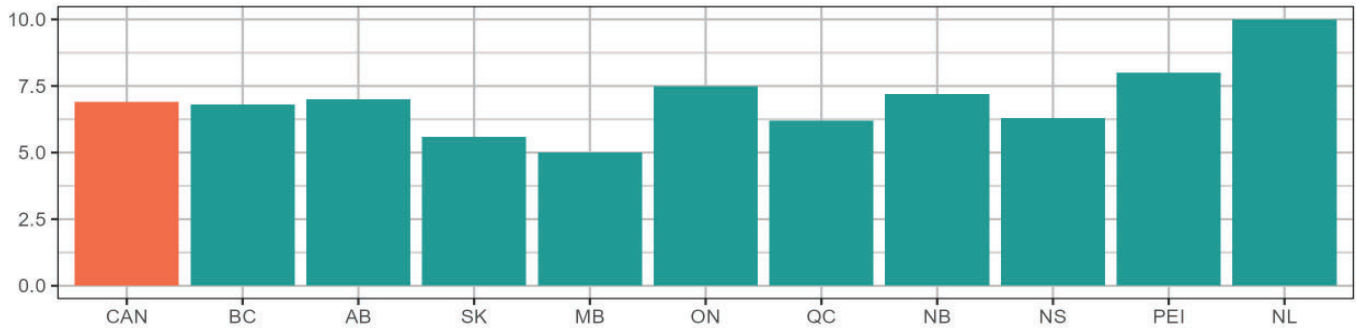
Employment by Province, y/y % ch

Last data point: 2026-04-01



Unemployment Rate by Province, %

Last data point: 2026-04-01



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