



## Canadian labour force data for February 2022: A remarkable reopening rebound

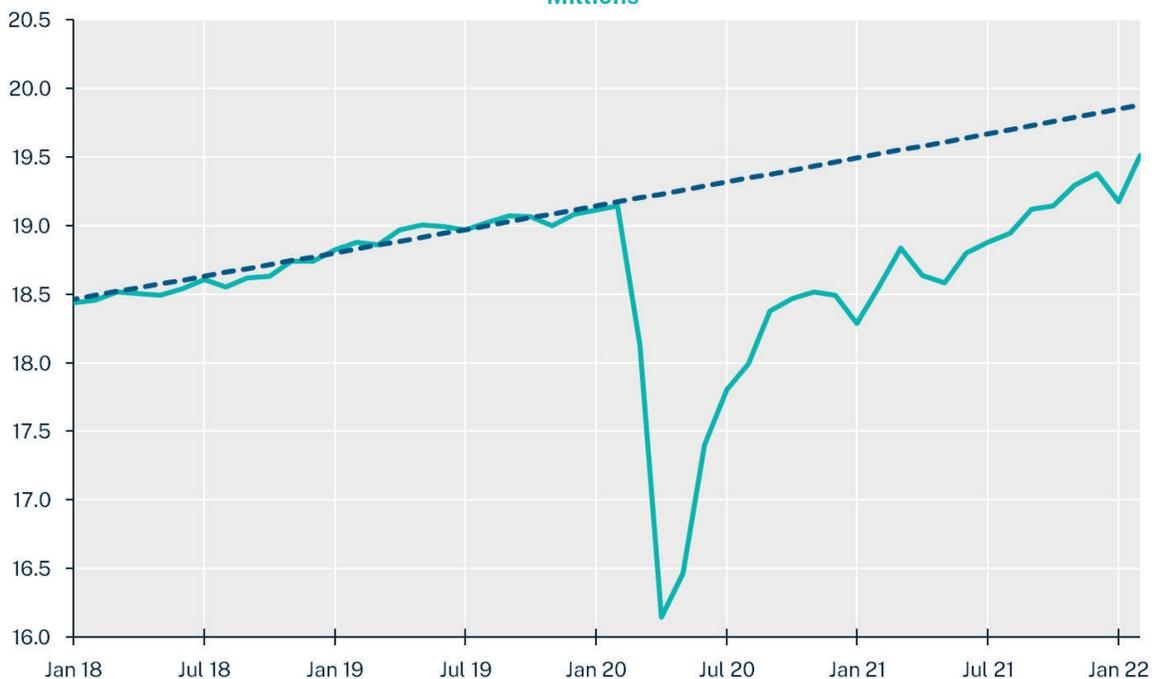


Stephen Tapp, Chief Economist

March 11, 2022

### Canadian employment

Millions



Source: Statistics Canada

***“The employment rebound of 337k in February blew away market expectations, more than offsetting the loss of 200k jobs in January. Canada’s labour market continues to tighten as the unemployment rate fell by a full percentage point to 5.5%. With strong labour demand and almost 900k job vacancies, expect this measure to push new lows over the course of 2022. Wage pressures are starting to build and still have more room to go to make up for elevated inflation. Today’s strong jobs report provides support for another 25 basis point interest rate hike by Bank of Canada in April.”***



## Key Takeaways

- After losing 200k jobs in January, **net employment** in Canada rebounded by 337k in February as public health restrictions eased and employee absences due to illness came down from record highs in January. Part-time positions led the way (+215k), while full-time jobs increased by a healthy 122k.
- Job gains in February were concentrated in **service sectors** (+293k, with **accommodation and food service** +114k representing bounce-back +13% growth, **culture and recreation** +73k or +10%, and **professional services** + 47k). **Goods** employment provided a smaller boost (+44k, led by **construction** +37k), but is up for three months in a row. **Public sector jobs** were responsible for the net gains (+347k), while self-employment jobs, which have fallen significantly during the pandemic, were off an additional 19k. Job gains by **gender** were shared almost equally (+190k for women, and 147k for men).
- **Total hours worked** across the economy was up an impressive 3.6% on the month, and now sits at 1.7% above its pre-pandemic level.
- The **participation rate** rose to 65.4% and is only slightly below its pre-pandemic level.
- The **unemployment rate** dropped a full percentage point to 5.5%. This brings it below the pre-pandemic trough of 5.7%. With still almost 900k unfilled job vacancies, employers are looking to hire, expect additional progress for this indicator over 2022.
- It's encouraging to see **long-term unemployment** (i.e., those unemployed for 27 weeks or more) continue to decline for the fourth month in a row (- 51k in February), driven by those unemployed for one year or more. That said, there are still 212k long-term unemployed, an 18% increase during the pandemic, and they account for a higher share of the unemployed than before the pandemic began.
- StatsCan's "**labour market underutilization rate**" fell significantly by 3.8 percentage points down to 12.1%, still a bit higher than in Feb 2020 (11.4%), but now back within the pre-pandemic range.



- **Labour market tightness** has continued to rise in recent months, and is now starting to exert upward pressure on wages as companies continue to struggle to fill job vacancies. Average hourly **wages** were up 3.1% year-on-year, and shorter-term measures have started to accelerate to “catch up” with the elevated rate of inflation (5.1%), a dynamic that is likely to continue.
- **The provincial employment** was up in eight of 10 provinces with significant rebounds in the most populous provinces of Ontario (+194k) and Quebec (82k) —places that suffered the largest losses in January.

## Summary tables

	Latest		Changes		
	Jan	Feb	Last month, level	Last month, %	Feb 2020, %
<b>Employment, Thousands</b>	19,176	19,513	337	1.8	1.9
Full Time	15,715	15,836	122	0.8	1.8
Part Time	3,462	3,677	215	6.2	2.4
Men	10,098	10,244	147	1.5	1.9
Women	9,078	9,269	190	2.1	2.0
<b>Hours Worked, Millions</b>	618	640	22	3.6	1.7
<b>Employment Rate, %</b>	60.8	61.8		1 ppt	-0.1 ppts
<b>Participation Rate, %</b>	65	65.4		0.4 ppts	-0.2 ppts
<b>Unemployment Rate, %</b>	6.5	5.5		-1 ppt	-0.2 ppts



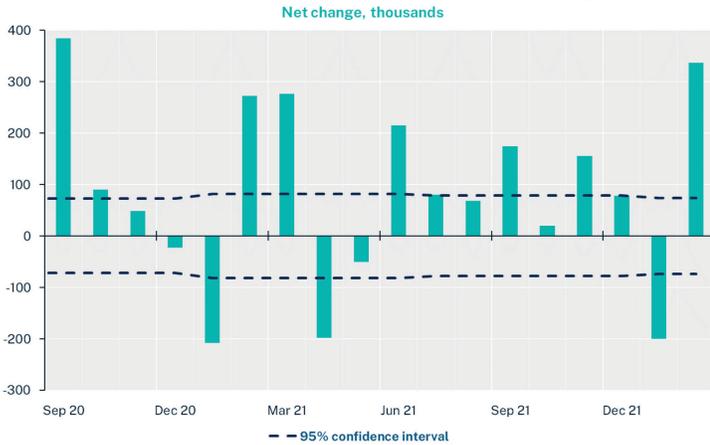
Employment by Industry	Monthly change, thousands	Change vs pre-COVID, thousands	Change vs pre-COVID, %
<b>Total</b>	<b>337</b>	<b>369</b>	<b>1.9</b>
<b>Goods</b>	<b>44</b>	<b>11</b>	<b>0.3</b>
<b>Services</b>	<b>293</b>	<b>358</b>	<b>2.4</b>
Accommodation & food services	114	-210	-17.2
Culture & recreation	73	31	4.0
Professional services	47	226	14.7
Retail & wholesale trade	38	90	3.1
Construction	37	34	2.3
Health	16	110	4.4
Finance & insurance	13	99	8.0
Education	9	95	6.8
Business services	4	-61	-8.0
Natural resources	4	18	5.7
Agriculture	3	-57	-19.1
Manufacturing	1	11	0.6
Utilities	-1	6	4.0
Transportation	-2	-9	-0.9
Other services	-2	-101	-12.5
Public admin	-18	88	8.9

Employment by Province	Monthly change, thousands	Change vs pre-COVID, thousands	Change vs pre-COVID, %
Ontario	194	193	2.6
Quebec	82	21	0.5
British Columbia	21	84	3.2
Newfoundland and Labrador	10	5	2.2
Alberta	8	42	1.8
Saskatchewan	7	8	1.4
Manitoba	6	7	1.1
Nova Scotia	4	10	2.1
Prince Edward Island	3	2	2.6
New Brunswick	1	-3	-0.8



## More labour force charts!

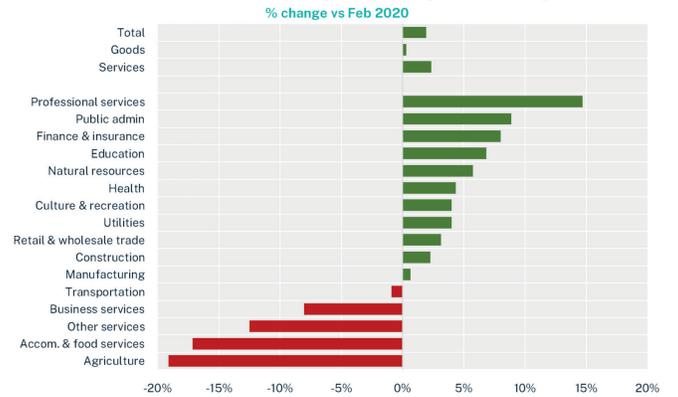
### Canadian monthly employment changes



Source: Statistics Canada

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### Canadian employment by industry



Source: Statistics Canada

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### Canadian provincial employment



Source: Statistics Canada

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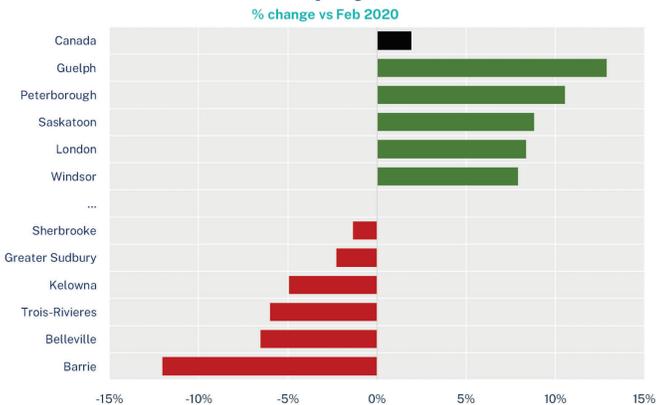
### Provincial labour market tightness



Source: Statistics Canada

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### Canadian CMA employment standouts



Source: Statistics Canada

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### Canadian employment by hourly wage

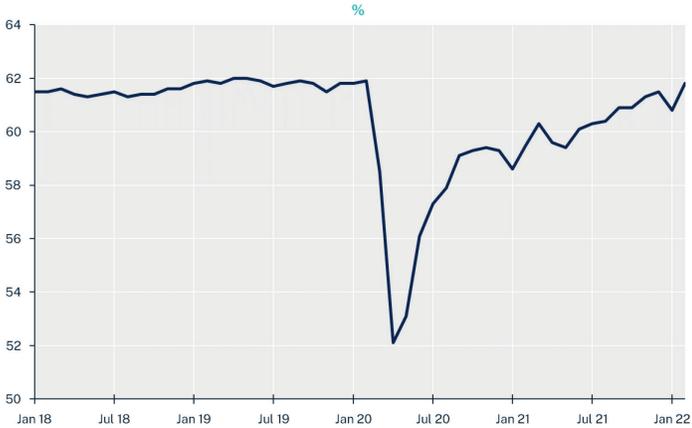


Source: Statistics Canada

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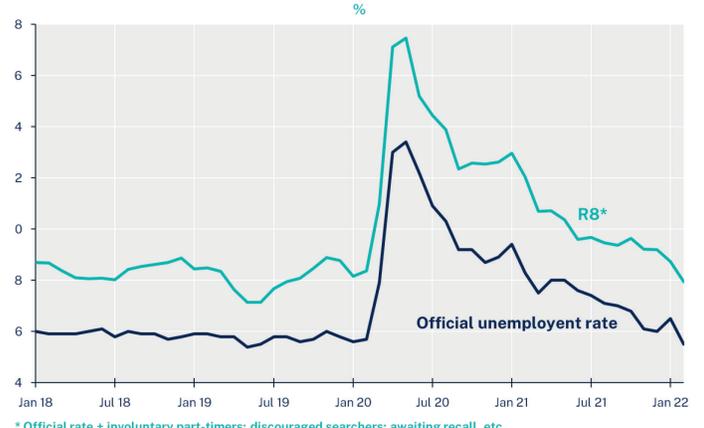
### Canadian employment rate



Source: Statistics Canada

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### Canadian unemployment rate

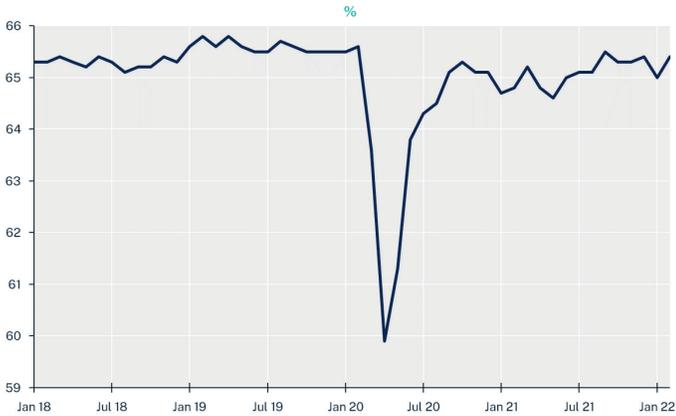


\* Official rate + involuntary part-timers; discouraged searchers; awaiting recall, etc.

Source: Statistics Canada

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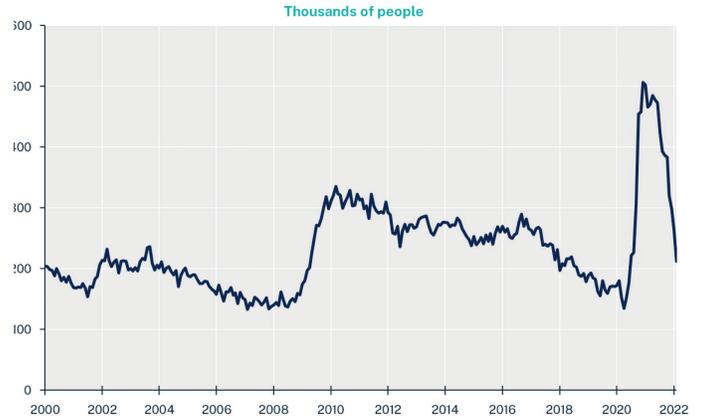
### Canadian participation rate



Source: Statistics Canada

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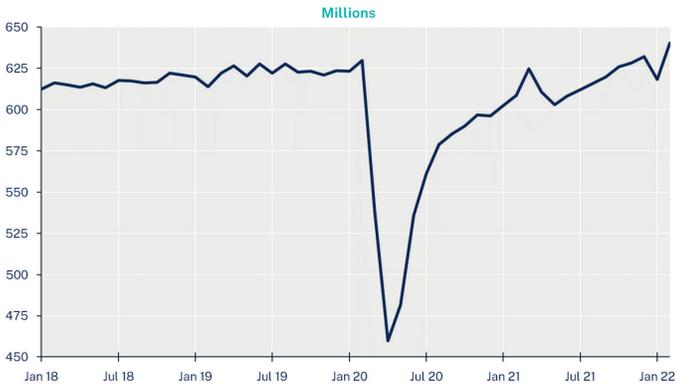
### Canadian long-term unemployment



Source: Statistics Canada

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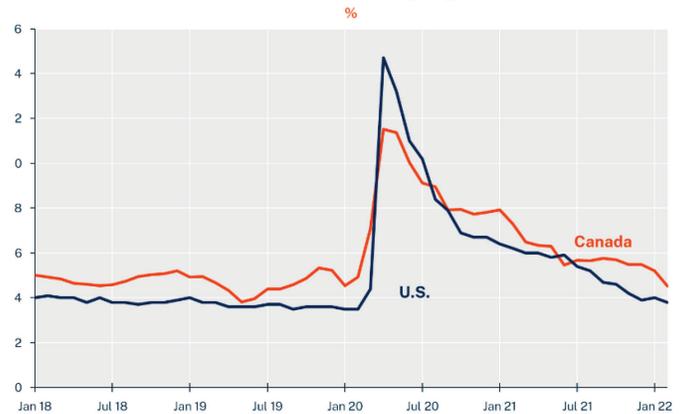
### Canadian hours worked



Source: Statistics Canada

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### U.S. and Canadian unemployment rates



Sources: Statistics Canada ("R3" using U.S. definition); Bureau of Labour Statistics

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