

Regional Labour Market Report Card

A monthly overview of regional labour market trends

2018Q1

Convergence

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Canadian employment fell by 40,300 in the first quarter (December-to-March), the first such decline since 2010. Keep in mind, however, that the labour market had been on a tear through the second half of 2017, with a 174k gain in Q4 the largest in roughly 15 years. The jobless rate was unchanged, sitting at 5.8% in March, while firming wage growth suggests that the broader Canadian labour market is tightening, consistent with an economy near full capacity. Regionally, 4 of 10 provinces saw job growth in Q1, and the big theme appears to be some convergence in conditions across the country, after a deep divide characterized much of the post-oil shock period. Here are some regional highlights:



- **Convergence** is occurring across the country from both directions—the strongest provinces are moderating, while the weakest are firming. For example, job growth in **British Columbia** slowed to 1.3% y/y in March from 3.6% y/y in the same month a year ago, while **Alberta** job growth picked up to 1.8% y/y from flat a year ago.
- Looking across all 10 provinces, six are now seeing job growth in the 1%-to-3% range, while three more are modestly positive (Newfoundland & Labrador is the lone negative). In a nutshell, this is consistent with our view that Canadian economic growth is gravitating back toward potential, with most regions participating in this trend.
- **Jobless rates are converging** as well. With Alberta's rate down a hefty 0.7 ppts since the end of 2017, the six provinces in Western and Central Canada (i.e., B.C. through Quebec) have jobless rates tucked neatly in the 4.7%-to-6.3% range (B.C. at the low end and Alberta at the high).
- When looking at **overall job market conditions**, we'd still give the nod to B.C. and Ontario (and to some extent, Quebec), but the divide is not nearly as wide in their favour as it was over the past two years—nor is it swinging back into Alberta's favour as it was for much of the decade through 2014.
- The top quartile of our **city ranking** highlights convergence as well, with Atlantic Canada, Ontario, Quebec, the Prairies and B.C. all representing. This is a noteworthy change from last year, which saw the top quartile filled with cities from B.C. and around the Toronto area—these areas are still showing relative strength.
- **Moncton** sits at the top of the pack, which will probably raise some eyebrows, but keep in mind these smaller cities can move a lot (i.e., last to first in the past year in this case). While the city has attracted some increased business investment, the level of employment sat near a six-year low at one point last year (hence the high growth rate).
- **Calgary** and **Edmonton** are quietly moving back up the ranking as those markets stabilize. Jobless rates are down a percentage point or more in the past year, and the combined level of employment has eclipsed the 2015 high.

Provincial Labour Market Summary

March 2018	Employment		Unemp. Rate		Emp. Rate (%)	Part Rate (%)	Median Wage (\$/hr)
	(000s : 3- mo. chg)	(y/y % chg)	(%)	(ppts : y/y)			
Canada	-40.3	1.6	5.8	-0.8	61.7	65.5	23.1
British Columbia	-12.4	1.3	4.7	-0.6	61.8	64.9	24.0
Alberta	4.7	1.8	6.3	-2.0	67.3	71.9	26.9
Saskatchewan	2.4	0.2	5.8	-0.3	64.7	68.7	24.7
Manitoba	-3.2	0.3	6.2	0.7	63.0	67.1	21.0
Ontario	-24.6	1.8	5.5	-0.8	60.9	64.4	23.1
Quebec	-4.3	2.0	5.6	-0.7	61.4	65.1	22.3
New Brunswick	-2.5	0.0	8.0	-0.3	56.5	61.4	20.0
Nova Scotia	0.8	1.2	7.4	-1.1	57.1	61.7	20.0
Prince Edward I.	0.4	3.0	10.3	0.3	60.3	67.1	20.1
Nfld. & Labr.	-1.6	-0.9	14.2	-0.7	50.3	58.6	22.7

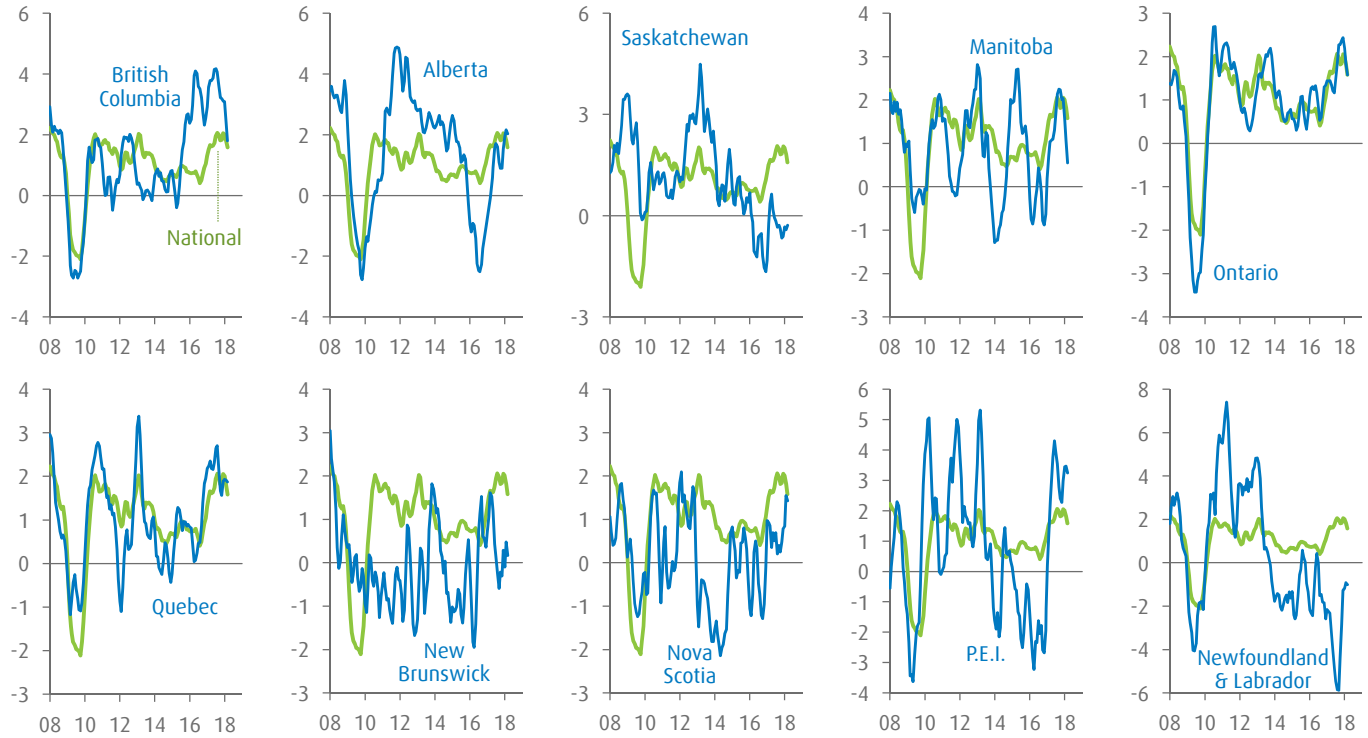
City Labour Market Performance Ranking

Overall Rank ¹	Change (y/y)	Weight	Pop.		Emp.		Unemp. Rate		Emp. Rate (%)
			(y/y % chg)	(y/y % chg)	(%)	(y/y chg)	(%)		
1	↑ 32	15%	1.3	9.9	5.7	-2.0	63.3		
2	↑ 7	30%	1.9	2.9	4.0	-2.3	62.9		
3	↑ 16	15%	1.8	3.3	4.5	-1.5	63.6		
4	↑ 3	30%	1.4	4.7	4.0	-0.7	64.9		
5	↓ 3	15%	2.3	4.5	5.2	-0.7	62.9		
6	↑ 10	30%	2.2	3.2	5.8	-1.3	62.4		
7	↓ 1	15%	0.6	2.3	3.6	-0.4	67.0		
8	↑ 13	30%	2.4	1.4	6.5	-1.1	64.3		
9	↑ 22	15%	1.7	0.6	6.7	-1.8	66.2		
10	↑ 4	30%	1.7	3.6	6.0	-0.5	64.0		
11	↓ 7	15%	2.0	0.7	4.9	-0.2	64.3		
12	↓ 1	30%	1.5	3.2	5.3	-0.4	62.4		
13	↓ 8	15%	1.8	-0.1	5.0	0.1	68.2		
14	↑ 13	30%	2.0	-1.6	4.9	-0.6	65.4		
15	↑ 7	15%	1.6	2.8	8.2	-1.0	68.3		
16	↓ 6	30%	1.0	3.2	6.1	-0.6	63.7		
17	↑ 1	15%	1.5	1.2	5.4	-0.6	60.7		
18	↑ 7	30%	0.0	4.3	5.1	-0.7	60.1		
19	↓ 4	15%	1.6	-1.5	5.1	-0.6	63.7		
20	↑ 8	30%	1.2	2.4	5.6	-0.9	57.5		
21	↓ 4	15%	1.6	2.3	5.2	-0.2	57.3		
22	↓ 19	30%	1.3	1.9	4.5	0.8	62.0		
23	↓ 3	15%	0.9	3.4	5.7	-0.2	59.6		
24	↓ 11	30%	1.7	0.7	6.3	0.0	63.1		
25	↓ 1	15%	0.8	-1.5	4.8	-0.6	57.9		
26	—	30%	-0.1	2.4	5.6	-0.8	56.5		
27	↓ 4	15%	1.6	-0.5	6.3	0.3	56.9		
28	↑ 2	30%	0.4	-2.9	5.4	-1.2	54.7		
29	—	15%	0.3	-1.2	6.8	-0.5	56.9		
30	↓ 18	30%	1.8	2.3	8.8	2.0	61.4		
31	↓ 30	15%	1.5	-2.2	6.7	1.9	62.3		
32	—	30%	1.0	-4.0	8.6	-0.2	58.2		
33	↓ 25	15%	0.4	-10.4	6.9	0.4	57.0		
City Average			1.4	1.3	5.7	-0.5	61.8		

¹ based on weighted average number of standard deviations away from 33-city average, across five categories

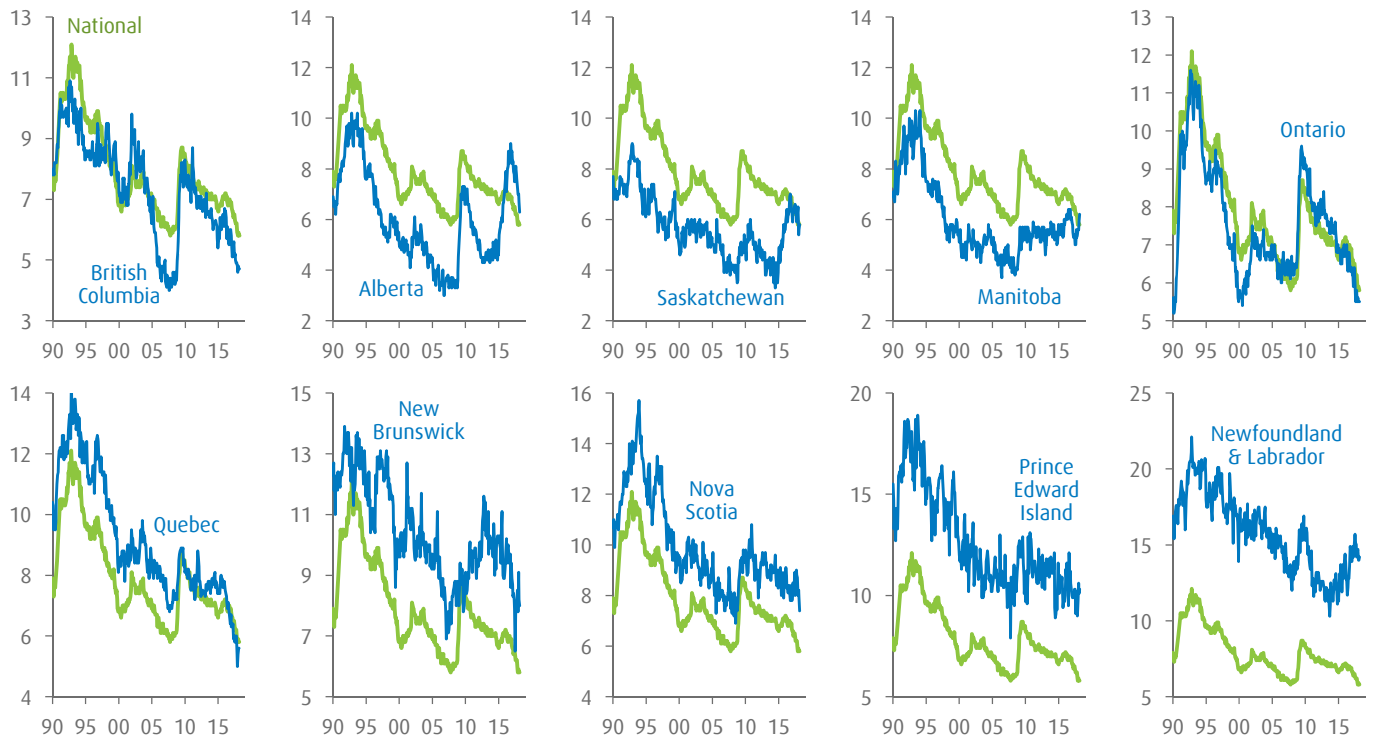
Employment Growth

(y/y % chng : 3-mnth m.a.)



Unemployment Rate

(percent)



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