

Regional Labour Market Report Card

A monthly overview of regional labour market trends

2018Q3

Not a Small Town Bringdown

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Canadian employment rose by 65,800 in the third quarter (June-to-September), the second consecutive quarter of firming growth. The jobless rate has stabilized, sitting at 5.9% in September, just a tick above the cycle lows set earlier in the year. Regionally, B.C., Ontario and Alberta led job growth in the quarter, while 4 of 10 provinces saw modest declines. Here are some regional highlights:



- **British Columbia** had a huge quarter, with a record 54k new jobs. But, keep in mind that the Labour Force Survey had arguably been sending false negative signals prior to this, with each of Q1 and Q2 posting outright job declines. Those came back in a hurry in Q3, leaving year-over-year growth as of September at 1.7%, above the national average again. For an alternate perspective, the 'other' employment report (payrolls survey) has not budged, with B.C. job growth steadily running north of 3% y/y through July.

- **Alberta** is the job growth leader again, with employment up 2.4% y/y in September. In fact, that increase is the best since January 2015, when the economy was just tipping into recession. That said, the jobless rate is sticking around 7% (likely as people are drawn back into the labour force), while wage growth is still tame—there is no return to boom-time conditions yet in these parts.

- Central Canada has mellowed, with **Ontario** (+1.2% y/y) and **Quebec** (+0.4% y/y) seeing job growth soften from 2017/early-2018 run rates. This is consistent with growth in these provinces settling down toward potential, and an overall **convergence** in conditions across the country (recall that they were recently outsized positive performers).

- Job growth in **Atlantic Canada** is positive across the board from a year ago, which is encouraging. The region has seen labour force growth pick up sharply over the past two years, and there is at least some evidence that those workers are getting incorporated in the labour market—jobless rates are down from the start of 2017 in each province.

- **Ottawa** sits atop our **city ranking**, with the city benefiting from federal government hiring, population inflows and relative housing affordability—call us bullish (still) on this market.

- **Edmonton** has quietly moved back up the ranking with solid job growth and a near 3-year low on the jobless rate.

- **Guelph** rounds out the top three (partly spillover from the strength in Toronto), again highlighting the theme of converging conditions across Canada's major cities. Indeed five different provinces can now boast city representation within the top 10 spots on the city ranking.

- We always caution about reading too much into LFS results (and that this ranking swings quite a bit). But, it's interesting that the **biggest cities**—Toronto, Vancouver, Montreal and Calgary—have slipped in the past year, while **smaller cities** have climbed the leaderboard.

Provincial Labour Market Summary

	September 2018		Unemp. Rate		Emp. Rate	Part Rate	Median Wage
	Employment (000s : 3- mo. chg)	(y/y % chg)	(%)	(ppts : y/y)	(%)	(%)	(\$/hr)
Canada	65.8	1.2	5.9	-0.3	61.5	65.4	23.0
British Columbia	54.4	1.7	4.2	-0.7	62.2	64.9	23.3
Alberta	9.7	2.4	7.0	-0.8	67.1	72.2	26.4
Saskatchewan	-1.0	0.5	6.4	0.2	64.5	68.9	24.4
Manitoba	-2.1	0.6	5.8	0.2	63.1	67.0	20.8
Ontario	16.6	1.2	5.9	0.2	60.8	64.6	23.2
Quebec	-19.0	0.4	5.3	-0.7	60.6	64.1	21.9
New Brunswick	-1.2	0.4	7.9	0.0	56.5	61.3	19.3
Nova Scotia	3.8	1.8	7.8	-1.2	57.0	61.8	19.7
Prince Edward I.	0.2	4.4	8.7	-1.5	60.5	66.3	18.5
Nfld. & Labr.	4.3	2.5	13.6	-1.4	51.3	59.3	21.1

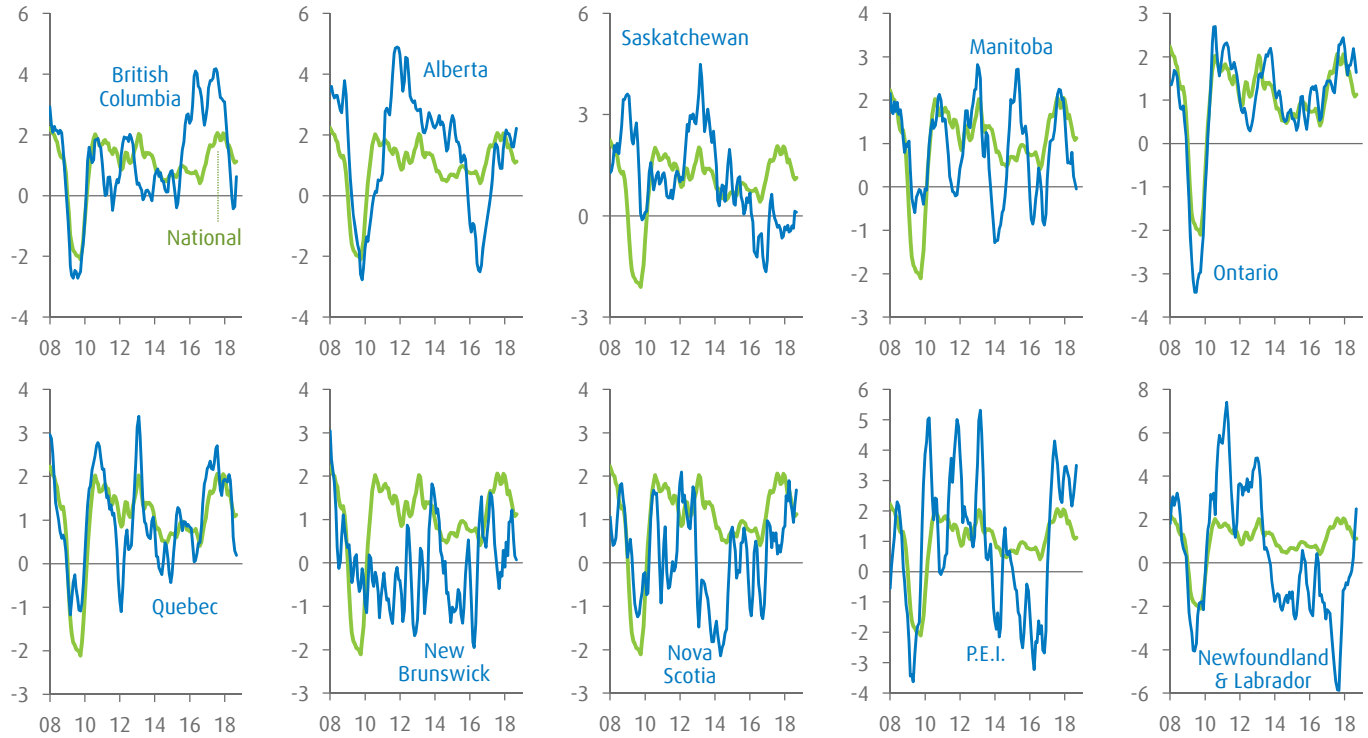
City Labour Market Performance Ranking

	Overall Rank ¹ Change		Pop.		Emp.		Unemp. Rate		Emp. Rate
	(y/y)	(y/y % chg)	(y/y % chg)	(y/y % chg)	(%)	(%)	(y/y chg)	(%)	
Weight			15%	30%	20%	20%	15%		
Ottawa, ON	1	↑ 20	2.3	3.3	4.5	-1.3	64.1		
Edmonton, AB	2	↑ 25	1.9	3.3	6.3	-1.9	68.0		
Guelph, ON	3	↑ 6	2.5	-3.1	3.6	-2.3	65.2		
Sherbrooke, QC	4	↑ 19	1.1	6.5	4.3	-0.7	61.0		
Kitchener, ON	5	↓ 2	1.9	3.0	5.1	0.3	68.0		
London, ON	6	↑ 18	1.8	6.3	5.2	-0.2	58.3		
Victoria, BC	7	↑ 3	1.4	2.1	3.9	-0.5	62.4		
Peterborough, ON	8	↑ 18	1.1	4.1	5.6	-1.2	61.5		
Halifax, NS	9	↑ 22	1.9	4.7	6.7	-0.6	63.9		
Abbotsford, BC	10	↑ 3	2.3	1.4	4.8	-0.7	61.7		
Trois-Rivieres, QC	11	↑ 11	0.4	4.5	4.6	-1.2	59.3		
Quebec City, QC	12	↑ 3	0.5	2.8	3.8	-0.1	65.7		
Oshawa, ON	13	↓ 6	2.0	4.4	5.6	0.8	65.2		
Saskatoon, SK	14	↑ 11	2.4	1.7	7.4	-0.5	64.7		
Vancouver, BC	15	↓ 9	1.5	0.4	4.5	0.1	63.4		
Toronto, ON	16	↓ 8	2.5	1.5	6.1	0.0	61.4		
Kelowna, BC	17	↓ 15	2.1	0.2	5.7	0.0	62.5		
Barrie, ON	18	↓ 13	2.0	-2.2	5.8	-0.2	67.0		
Montreal, QC	19	↓ 3	1.2	1.2	6.1	-0.3	62.9		
Winnipeg, MB	20	↓ 16	1.6	1.4	6.2	0.7	64.2		
Regina, SK	21	↓ 3	1.9	0.1	6.4	0.8	66.9		
Moncton, NB	22	↓ 2	1.6	2.2	6.2	0.6	61.5		
Kingston, ON	23	↓ 6	1.7	-0.1	5.5	0.1	60.6		
Thunder Bay, ON	24	↓ 5	0.1	2.5	5.3	0.2	61.4		
Calgary, AB	25	↓ 11	1.9	-0.7	8.2	-0.2	66.3		
Saint John, NB	26	↓ 15	0.6	-3.0	5.5	-0.2	60.0		
St. Catharines, ON	27	↑ 5	1.3	1.9	7.5	1.0	56.9		
Hamilton, ON	28	↓ 27	1.6	-5.1	5.2	1.0	61.1		
Brantford, ON	29	↓ 17	1.7	-4.6	5.8	0.4	58.3		
Sudbury, ON	30	↓ 1	0.3	-0.6	6.4	0.4	57.4		
St. John's, NL	31	↑ 2	0.5	3.6	9.6	1.0	59.7		
Windsor, ON	32	↓ 4	1.7	-2.2	7.3	1.6	55.4		
Saguenay, QC	33	↓ 3	-0.4	-4.8	6.3	-0.4	54.5		
City Average			1.5	1.1	5.8	-0.1	62.1		

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

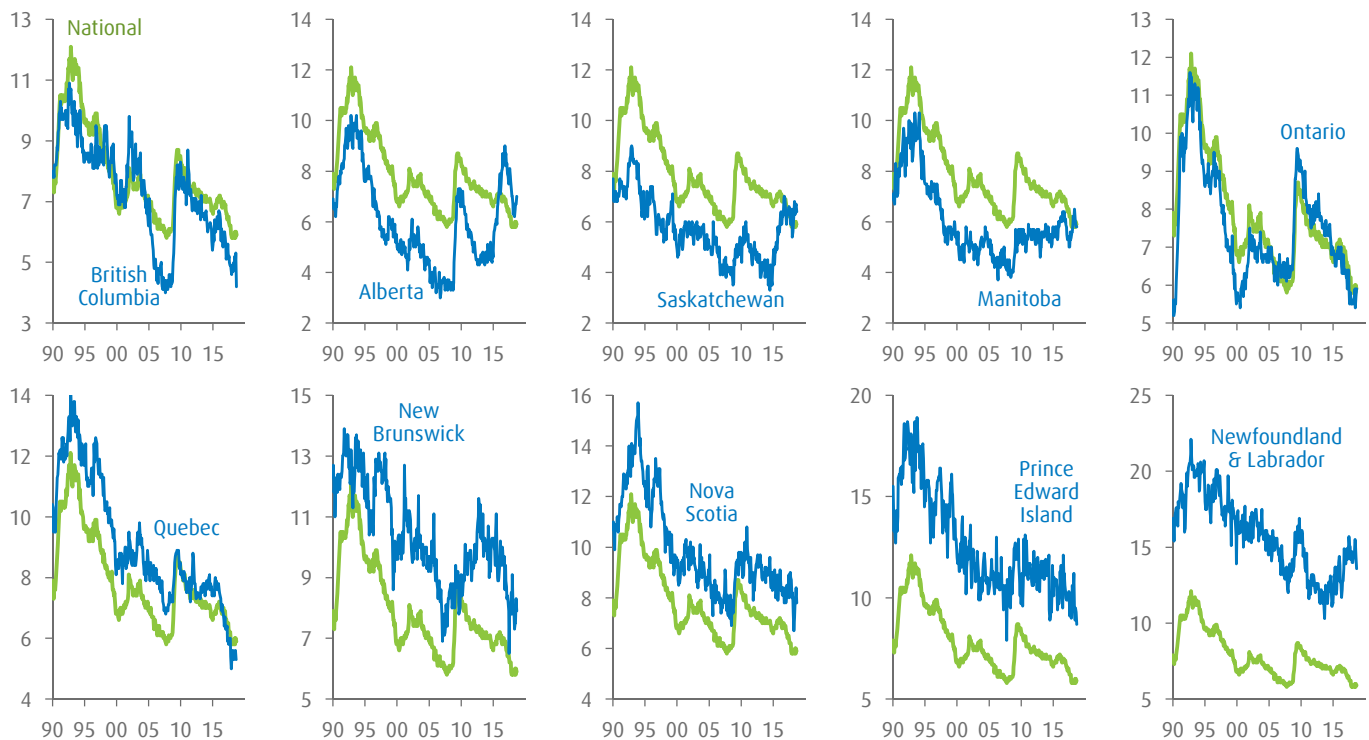
Employment Growth

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



Unemployment Rate

(percent)



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