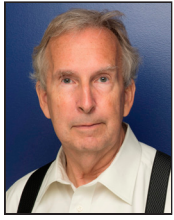


Economy at a Glance

Prepared by Alex Carrick, ConstructConnect® Chief Economist

Canada reached some labour market milestones in August



Alex Carrick

According to *Statistics Canada*, the Canadian total jobs count climbed by +90,000 in August to sit at just under 19 million. The year-over-year gain in employment has been only slightly under a million jobs (+958,000). Ontario (+419,000 jobs) and British Columbia (+201,000 jobs) have been the two provinces

with the best records in nominal jobs creation over the past 12 months.

The Canadian seasonally adjusted (SA) unemployment rate downshifted to 7.1% in August from 7.5% in July and was a marked improvement over August 2020's 10.2%. The not seasonally adjusted (NSA) unemployment rate, adjusted to the same calculation methodology as is adopted in the U.S., shrank to 5.8% from 6.2% in July and 9.0% in August a year ago. The R-3 U rate (i.e., its official title) was almost a match for the 5.3% NSA U rate rung up in the U.S. in August.

Some notable achievements were realized in Canada's labour market in the latest month. The 'total' jobs recovery ratio in Canada, versus February-to-April's huge drop last year, has now risen to 94.8%. But in 'services', and this is where breaking out the noisemakers is warranted, the jobs claw-back ratio has almost reached completion, 99.4%.

A full recovery (100.8%) in employment has been managed in the youngest worker cohort, those aged 15 to 24. The youth worker brigade saw many job casualties in the Spring of last year when measures to halt coronavirus infections shut down bars and restaurants and placed restrictions on the travel counted on to generate hotel and motel bookings.

Canadian construction employment in August moved ahead by +21,000 jobs. The year-over-year gain in construction payrolls has been +4.5%. The all-jobs increase in employment has been a little better, at +5.3%. And services employment has been another step up at +6.1% y/y.

'Accommodation and food services' employment within 'services' has been +10.1% y/y. Of course, this largely accounts for the strong jobs recovery rate among young workers.

Construction has performed better on the jobs front than manufacturing. The number of jobs with Canadian manufacturers in August was down by -5,000, leaving the y/y change at an unexciting +2.1%.

Returning to the provinces to wrap up, the lowest unemployment rate in the land in August was Manitoba's 5.7%. Quebec, at 5.8%, barely missed being in a tie for number one. In third spot was British Columbia, at 6.2%.

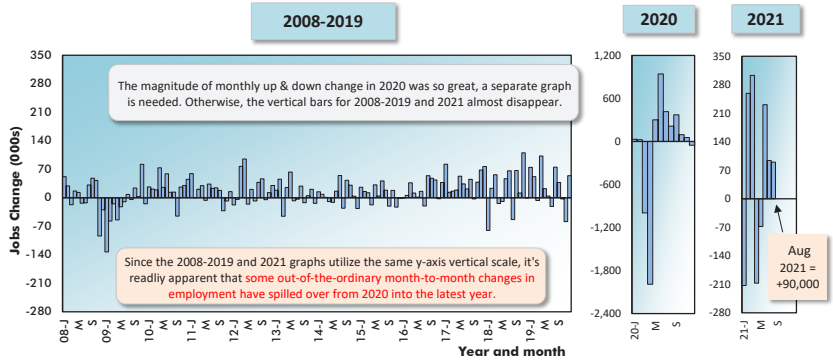
For more articles by Alex Carrick on the Canadian and U.S. economies, please visit: www.constructconnect.com/blog.

The last data points are for August, 2021.

Data source: Statistics Canada.

Chart and Table: ConstructConnect. — CanaData.

Graph 1: Canada: month-to-month total jobs count change



The 2020 data set featured some extraordinary month-to-month swings in employment (e.g., Apr 2020 = 2.0 million), requiring the vertical scale for its graph be much broader in range than for the graphs to either side of it.

Latest data point is for August, 2021.

Data sources: Household Survey, Statistics Canada/Chart: ConstructConnect. — CanaData.

Table 1: U.S. and Canadian Jobs Markets – August 2021

	U.S.	Canada
Change in Jobs Count Month over Month (M/M)		
Total Employment	+235,000	+90,000
Construction Employment	-3,000	+21,000
Number of Jobs Year over Year (Y/Y)		
Total Employment	+4.3%	+5.3%
Service Sector	+5.5%	+6.1%
Manufacturing	+2.9%	+2.1%
Construction	+2.7%	+4.5%
Leisure & Hospitality in U.S. / Accommodation & Food Services in Canada	+17.4	+10.1%
Pandemic		
Decline in Total Employment Feb 2020 to Apr 2020	-14.7%	-15.6%
Recovery in Total Employment Since Apr 2020 ('Claw-Back' Ratio)	76.2%	94.8%
% Level		
Unemployment Rate (SA)	5.2%	7.1%
Unemployment Rate (NSA)	5.3%	5.8%
Central Bank Interest Rate	Federal Reserve's Federal Funds Rate (range) 0.00% to 0.25%	Bank of Canada's Overnight Rate 0.25%

Canada experienced a slightly greater decline in total jobs count in the Spring of last year (-15.6% between Feb & April) than the U.S. (-14.7%) when lockdown measures were first adopted in both countries to combat the spread of COVID-19.

Since April 2020, however, Canada has managed to restore more (94.8%) of its big jobs drop than has the U.S. (76.2%).

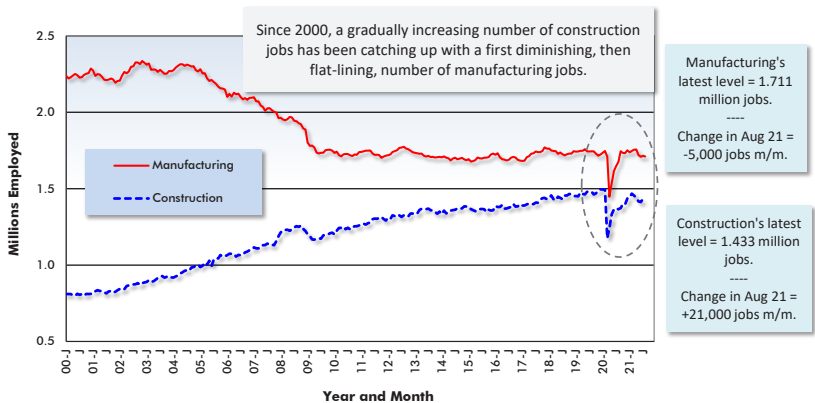
The not seasonally adjusted (NSA) unemployment rates in both countries are nearly the same, 5.3% for the U.S. and 5.8% for Canada (when Statistics Canada adopts the same strict calculation methodology as the BLS).

SA is seasonally adjusted / NSA is not seasonally adjusted. U.S. labour data is from a 'payroll survey' / Canadian labour data is from a 'household survey'. Cdn NSA unemployment rate known as 'R3' is adjusted to U.S. concepts (i.e., it adopts U.S. equivalent methodology).

Data sources: U.S. Bureau of Labor Statistics (BLS) & Statistics Canada.

Table: ConstructConnect. — CanaData.

Graph 2: Manufacturing vs Construction Employment in Canada



Both sectors managed nice jobs recoveries after last Spring's cratering, but they've struggled a bit lately. In 2000, the ratio of construction to manufacturing jobs in Canada was 0.36 to 1.00. Now, it's 0.84 to 1.00.

Table 2: Monitoring the Canadian Employment Recovery – August 2021

The Big Drop (revised data)	Change in Number of Jobs (Millions)	% Change		Jobs Recovery Since Apr 2020	Claw Back Ratio		
		Aug 2021 vs Feb 2020 (Feb 2020 was last month unaffected by COVID-19)	Aug 2021 vs Jul 2021 (Feb 2020 was last month (i.e., vs previous month) unaffected by COVID-19)				
April 2020 vs Feb 2020 (Feb 2020 was last month unaffected by COVID-19)							
Millions				Millions			
-2.989 (-15.6%)	Grand Total	-0.156	0.090	-0.8%	0.5%	2.833	94.8%
-2.319 (-15.3%)	Services	-0.013	0.093	-0.1%	0.6%	2.306	99.4%
-0.300 (-17.2%)	Manufacturing	-0.036	-0.005	-2.1%	-0.3%	0.264	87.9%
-0.319 (-21.3%)	Construction	-0.062	0.021	-4.1%	1.5%	0.257	80.7%
-1.949 (-12.5%)	Full-Time	-0.185	0.068	-1.2%	0.4%	1.765	90.5%
-1.040 (-29.1%)	Part-Time	0.028	0.022	0.8%	0.6%	1.068	102.7%
-2.766 (-18.1%)	Private	-0.336	0.060	-2.2%	0.4%	2.430	87.9%
-0.223 (-5.7%)	Public	0.179	0.030	4.6%	0.7%	0.402	180.4%
-0.582 (-20.2%)	Wholesale & Retail Trade	-0.040	0.017	-1.4%	0.6%	0.543	93.2%
-0.615 (-50.0%)	Accommodation & Food Services	-0.162	0.075	-13.2%	7.5%	0.453	73.7%
-0.873 (-34.2%)	Age Cohort 15 to 24	0.007	0.022	0.3%	0.9%	0.880	100.8%