

Regional Labour Market Report Card

A monthly overview of regional labour market trends

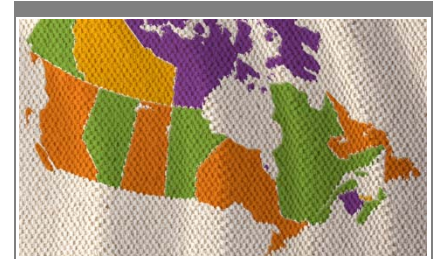
2018Q4

All's Well That Ends Well

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Canadian employment rose by a hefty 114,600 in the fourth quarter (September-to-December), the third consecutive quarter of firming growth. The jobless rate continues to fall, sitting at 5.6% in December, and matching the cycle low. Regionally, B.C., Ontario and Quebec led job growth in the quarter, while 8 of 10 provinces saw gains.

Here are some regional highlights:



- **British Columbia** had a huge finish to the year, with 19k new jobs building on a strong Q3. But, keep in mind that the Labour Force Survey had arguably been sending false negative signals through the first half of the year, with each of Q1 and Q2 posting outright job declines—not uncommon in this survey. Smoothing it out, employment is up a solid 1.8% from year-ago levels, which is roughly consistent with an economy churning out solid above-potential growth.

- Central Canada remains strong, with Ontario and Quebec both finishing the year on a high note. **Ontario's** 1.1% y/y job growth is solid, and the 5.4% jobless rate in December matches the cycle low. While goods-sector employment was flat in December from a year ago, services-sector jobs were up 1.4%—transportation & warehousing and business services are on fire. Retail and manufacturing—not so much.

- **Quebec's job growth has curiously faded** to flat from a year ago despite a solid Q4. Given firmness across most other economic indicators, this seems curious in the least. We often cross reference the LFS with the 'other' employment report (taken from payrolls), and that survey shows sturdy and near cycle-high 2.6% y/y growth as of October. Meantime, the jobless rate is holding at 5.5% (near cycle lows), while prime-age participation continues to surge. All told, we'd quickly look past soft headline job growth in the Quebec LFS—this is still a very strong job market.

- **Convergence remains a theme**, with Alberta and Atlantic Canada sturdy, though unspectacular. Note that no province is seeing job growth better than 1.9% y/y while, at the same time, no province is seeing job declines of worse than 1.4% y/y—that's a tight range.

- Our **city ranking** also highlights this theme, with a random scattering of cities from different regions dotting the top- and bottom-10. For example, Guelph, Saskatoon, Kelowna, Halifax and Edmonton all sit in the top 10—it wasn't long ago that the GTA and GVA owned the ranking. **Guelph's** top ranking, we believe, still reflects a strong Ontario service/tech sector and spillover from the GTA labour market.

- Building on that theme, **Ontario ex-Toronto** remains strong with Guelph, Kitchener, Peterborough, Oshawa and London in the top-10.

- 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

December 2018

	Employment (000s : 3- mo. chg)	(y/y % chg)	Unemp. Rate (ppts : y/y)	(%)	Emp. Rate (%)	Part Rate (%)	Median Wage (\$/hr)
Canada	114.6	0.9	5.6	-0.2	61.7	65.4	23.3
British Columbia	19.2	1.8	4.4	-0.2	62.5	65.4	23.7
Alberta	4.1	0.9	6.4	-0.6	67.0	71.6	27.1
Saskatchewan	8.1	1.9	5.6	-0.9	65.3	69.1	24.6
Manitoba	5.1	1.1	6.0	0.4	63.4	67.5	21.0
Ontario	40.3	1.1	5.4	-0.2	60.9	64.3	23.6
Quebec	38.6	0.0	5.5	0.5	61.0	64.6	22.2
New Brunswick	-3.2	-1.4	8.4	0.6	55.9	61.1	19.9
Nova Scotia	2.9	1.1	7.1	-0.9	57.2	61.6	20.1
Prince Edward I.	-0.9	0.9	9.6	-0.1	59.6	66.0	19.7
Nfld. & Labr.	0.6	1.2	11.7	-3.0	51.5	58.3	22.0

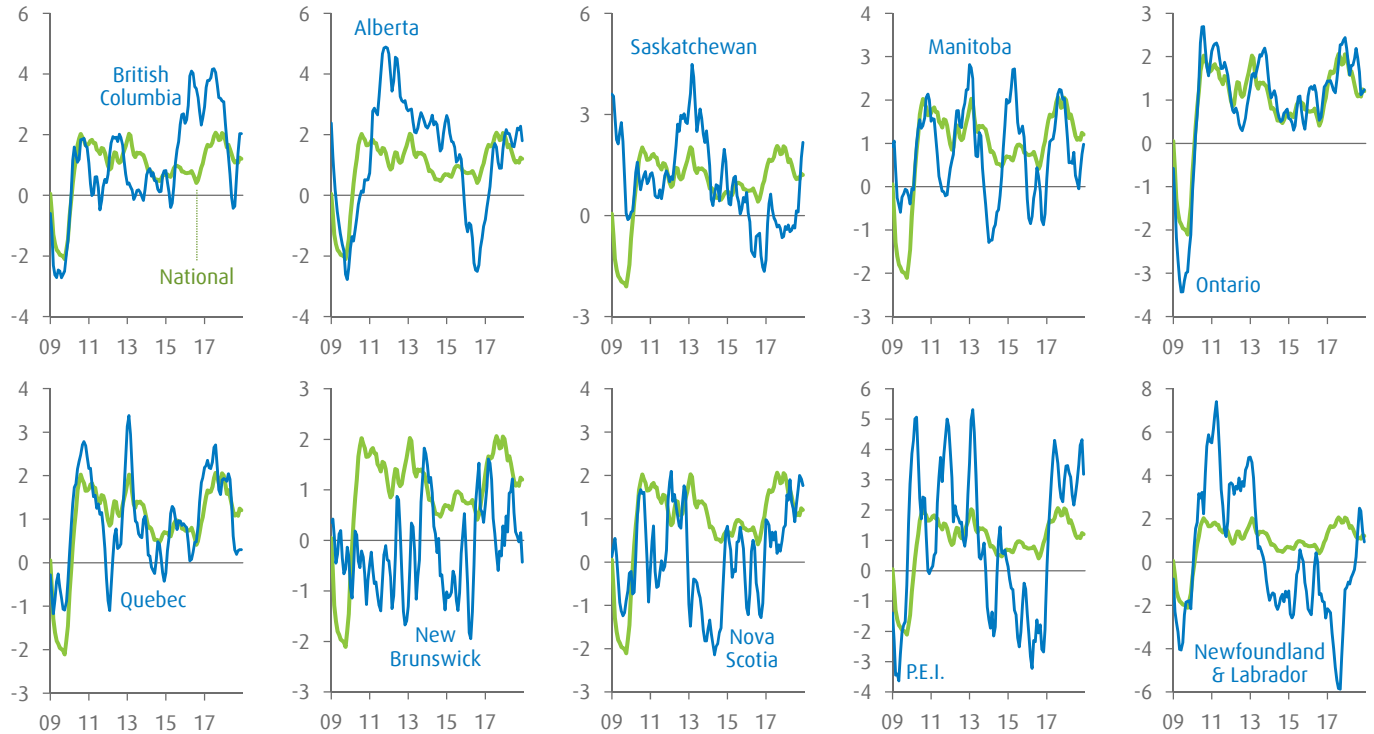
City Labour Market Performance Ranking

	Overall Rank ¹	Change	Pop. (y/y % chg)	Emp. (y/y % chg)	Unemp. Rate (%)	(y/y chg)	Emp. Rate (%)
Weight		(y/y)	15%	30%	20%	20%	15%
Guelph, ON	1	↑ 20	2.5	0.8	2.3	-3.9	67.2
Saskatoon, SK	2	↑ 20	2.3	5.4	5.6	-2.1	66.0
Kelowna, BC	3	↓ 1	2.0	0.4	3.3	-2.9	62.2
Kitchener, ON	4	↑ 12	2.0	4.8	5.1	-0.3	67.0
Halifax, NS	5	↑ 21	2.0	5.1	5.7	-1.3	64.1
Abbotsford, BC	6	↑ 11	2.4	4.3	4.5	-0.3	62.7
Peterborough, ON	7	↑ 13	1.2	7.8	5.2	0.4	63.6
Edmonton, AB	8	↑ 5	2.1	3.6	6.3	-0.9	68.5
Oshawa, ON	9	↑ 19	2.0	4.9	5.8	0.3	64.2
London, ON	10	↑ 13	1.9	3.2	5.0	-1.2	57.0
Vancouver, BC	11	↓ 6	1.7	2.1	4.4	0.3	64.9
Ottawa, ON	12	↑ 7	2.3	0.9	5.0	-0.6	63.1
Moncton, NB	13	↓ 9	1.6	1.9	5.2	-0.5	63.2
Barrie, ON	14	↓ 13	2.1	1.9	4.8	1.4	66.4
Victoria, BC	15	↓ 9	1.5	-0.1	3.6	0.1	60.8
Winnipeg, MB	16	↓ 5	1.5	2.2	5.8	0.2	64.3
Windsor, ON	17	↑ 7	1.7	1.9	5.4	-0.6	57.2
Toronto, ON	18	↓ 10	2.5	0.6	6.0	0.0	61.7
Hamilton, ON	19	↓ 16	1.5	-1.1	4.3	-0.3	62.5
Montreal, QC	20	↓ 2	1.4	1.4	5.9	-0.1	63.3
Thunder Bay, ON	21	↑ 8	0.0	2.3	5.2	-0.9	59.5
Quebec City, QC	22	↓ 8	0.6	-1.3	3.9	0.0	64.4
Calgary, AB	23	↓ 14	2.1	0.9	7.6	0.1	67.1
Sudbury, ON	24	↑ 7	0.3	2.5	6.3	-0.5	58.8
Saint John, NB	25	↑ 2	0.6	2.2	6.3	0.3	61.5
Regina, SK	26	↓ 19	1.8	-1.3	5.9	1.3	66.4
St. John's, NL	27	↑ 5	0.4	1.7	7.5	-1.1	60.3
St. Catharines, ON	28	↑ 5	1.4	1.7	6.9	0.2	56.3
Sherbrooke, QC	29	↓ 4	1.3	-2.4	5.5	-0.5	57.0
Kingston, ON	30	↓ 20	1.7	-3.6	5.9	0.4	59.4
Trois-Rivieres, QC	31	↓ 16	0.5	-1.1	5.3	1.0	55.6
Saguenay, QC	32	↓ 2	-0.4	-2.4	5.1	-0.9	53.9
Brantford, ON	33	↓ 21	1.6	-5.5	6.4	1.7	60.4
City Average			1.5	1.4	5.4	-0.3	62.1

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

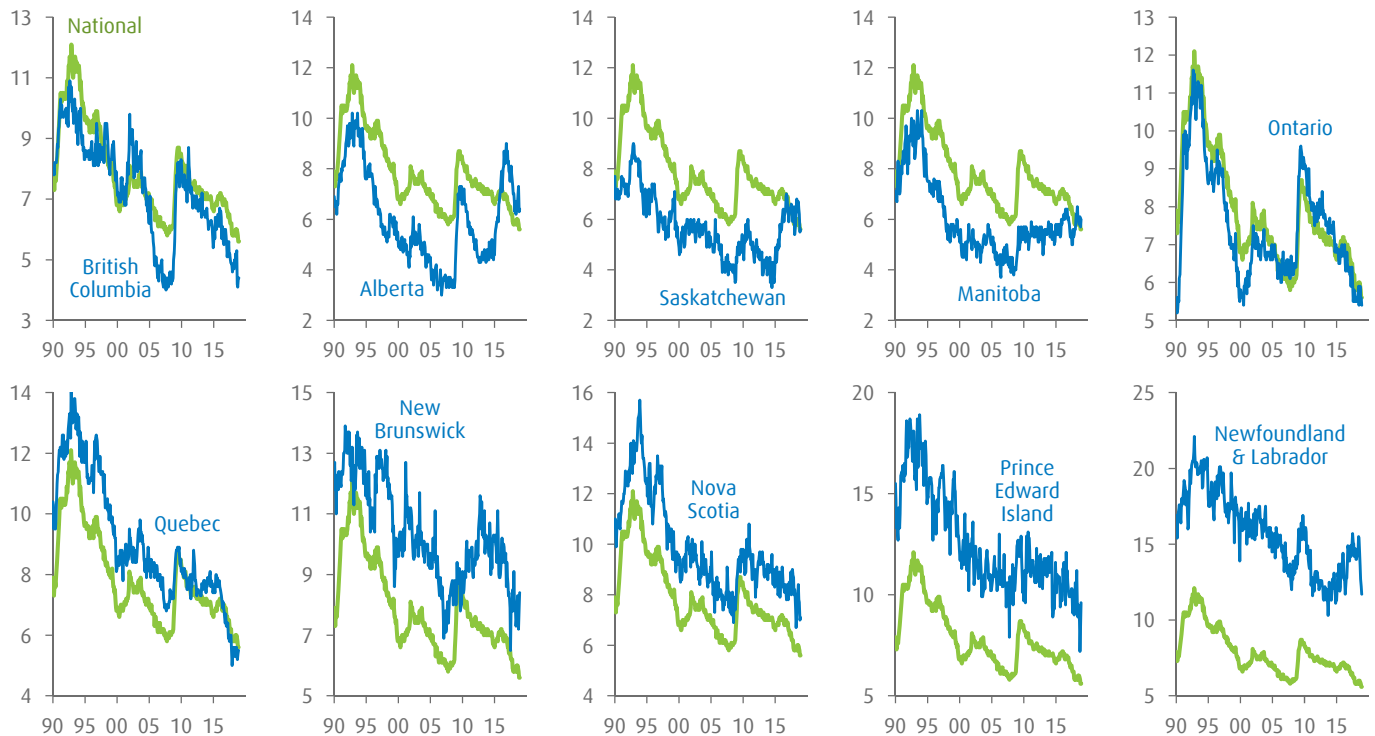
Employment Growth

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



Unemployment Rate

(percent)



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