

# ECONOMIC NEWS

## Unemployment Rates Rose in Quebec and Ontario in August

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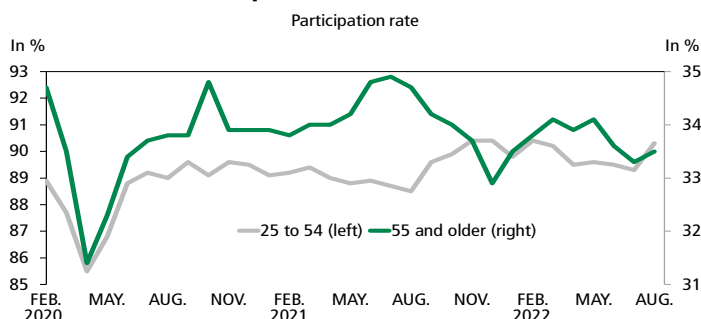
### HIGHLIGHTS

- ▶ Unemployment rose from 4.1% to 4.5% from July to August in Quebec, despite an increase of 27,200 jobs.
- ▶ Despite August's increase, Quebec is once again the province with the lowest unemployment rate in Canada.
- ▶ That seemingly paradoxical result is due to 49,700 additions to the labour force. More people were looking for work than in the previous months.
- ▶ Ontario's unemployment rate went from 5.3% to 5.7%, coupling fewer jobs (-19,200) with a higher labour force (+18,500).
- ▶ This is the third consecutive decline in jobs for Ontario.

### COMMENTS

August brought a change in labour market participation. The participation rate slowed among people aged 55 and older in both provinces (graphs 1 and 2). This group has been trending downward since spring 2021, and rates are now lower than

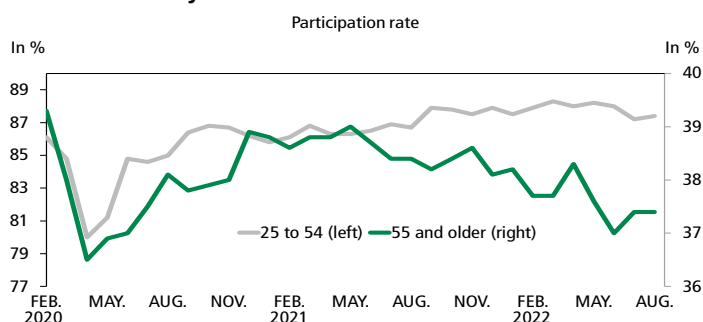
**GRAPH 1**  
The participation rate of 25- to 54-year-olds in Quebec is higher than it was before the pandemic



Sources: Statistics Canada and Desjardins, Economic Studies

**GRAPH 2**

Ontario's participation rate for 25- to 54-year-olds is higher than it was in February 2020



Sources: Statistics Canada and Desjardins, Economic Studies

they were before COVID-19. There are more 25- to 54-year-olds working in both Ontario and Quebec than there were in February 2020, and those rates rose again in August.

### IMPLICATIONS

It is not surprising to see the number of jobs fluctuating these days, as the economy slows down and falters. Jobs are not likely to increase while the economy of both provinces is slumping, like the rest of the planet. That said, greater participation by 25- to 54-year-olds will boost the labour pool but may also push unemployment rates up in the coming months.