

ECONOMIC NEWS

September Labour Market Figures: Quebec Stays Stable While Ontario Takes a Tumble

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HIGHLIGHTS

- ▶ Statistics Canada reports 31,500 fewer jobs in Ontario in September, marking the fourth monthly decline in a row.
- ▶ The unemployment rate is up only slightly, from 5.7% to 5.8%, aided by a declining labour force (-29,900).
- ▶ Things are less turbulent in Quebec. Employment was largely flat in September (+200), thanks to an almost equal trade-off between part-time (down) and full-time (up) employment.
- ▶ The unemployment rate inched down 0.1 percentage points to 4.4%, the third lowest rate in Canada last month.

COMMENTS

Quebec saw the biggest gains in professional, scientific and technical services (+10,100), and accommodation and food services (+9,700). These were offset by losses in transportation and warehousing (-12,200), and information, culture and recreation (-9,000). Ontario's biggest losses were in manufacturing (-19,100), and professional, scientific and technical services (-18,500).

TABLE

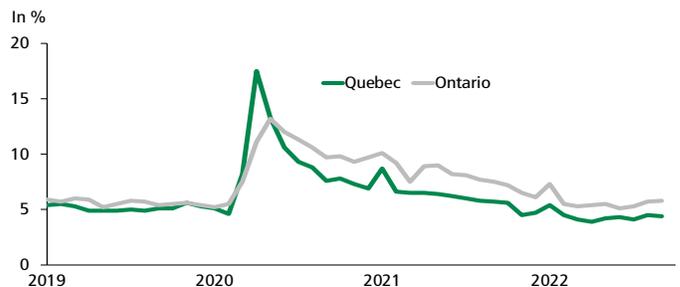
Monthly average of job creation/loss

	SEPTEMBER	LAST 3 MONTHS	LAST 6 MONTHS
Quebec	+200	+7,633	-4,250
Ontario	-31,500	-26,033	-14,433

Sources: Statistics Canada and Desjardins, Economic Studies

GRAPH

Quebec's unemployment rate remains well below Ontario's



Sources: Statistics Canada and Desjardins, Economic Studies

With September's data in, we now have results for the third quarter. Between July and September, Quebec added an average 7,633 jobs per month, whereas Ontario lost 26,033. Compared against the monthly average for the past 6 months, however, the pace of Ontario's job market has slowed significantly. The situation is improving in Quebec, but as the economic downturn intensifies, we'll see how long its strong labour market will last.

IMPLICATIONS

A slowing economy means a slowdown in hiring, particularly in Ontario. But it doesn't necessarily mean we'll see massive employment losses in the coming months. Even though the economy is expected to contract, the labour market remains tight and there's high demand for workers. That means employers may think twice before announcing layoffs. We'll have to wait and see.