

# ECONOMIC NEWS

## Canada: The Labour Market Continues to Plunge

### HIGHLIGHTS

- ▶ April ended with 1,993,800 jobs lost, in addition to the 1,010,700 jobs lost in March.
- ▶ Employment is down by a total of 15.7% since February. After just two months, the decline is much larger than the decreases seen in previous recessions. Until now, the largest job market correction was recorded during the 1981–1982 recession, when employment retreated by a total of 5.4%.
- ▶ The unemployment rate went from 7.8% in March to 13.0% in April. It was just 5.6% in February.
- ▶ The participation rate fell to 59.8% in April, by far the lowest point since the Labour Force Survey began in 1976.

### COMMENTS

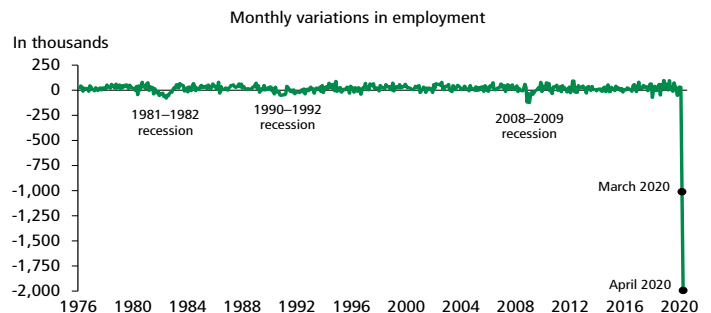
It was clear that the survey conducted in the week of March 15 to 21 had not captured the major job losses that occurred at the end of March. April's survey, which took place from April 12 to 18, recorded those losses, as well as the additional jobs lost in April.

The next survey will be carried out from May 11 to 15. With confinement measures gradually being rolled back over the last few days across the country, employment is likely to have started regaining ground. It should take much longer to regain the jobs than it did to lose them: it will take several months to make up all of the lost ground. Moreover, the crisis will have transformed the job market; some sectors could be permanently scarred, while others could do well.

### IMPLICATIONS

The number of hours worked fell 14.9% in April, a similar decline to March's. This suggests that April's drop in real GDP by industry will be close to March's, which Statistics Canada puts at about 9%.

**GRAPH 1**  
A historic labour market correction



Sources: Statistics Canada and Desjardins, Economic Studies

**GRAPH 2**  
The ratio of jobs to the Canadian population has never been this low



Sources: Statistics Canada and Desjardins, Economic Studies

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