

ECONOMIC NEWS

Canada: The Labour Market's Recovery Continues

HIGHLIGHTS

- ▶ According to the Labour Force Survey, 418,500 jobs were created in July.
- ▶ These are in addition to the 289,600 new jobs recorded in May and the 952,900 posted in June. Since the economy started reopening, the labour market has regained 1,661,000 jobs, representing 55% of the jobs lost during the lockdown in March and April.
- ▶ The unemployment rate fell from 12.3% in June to 10.9% in July.
- ▶ The participation rate has continued to climb, increasing from 63.8% in June to 64.3% in July, as more Canadians have returned to the labour market.
- ▶ The total number of actual hours worked rose 5.3% in July, compared with 6.3% in May and 9.8% in June. This bodes well for economic growth.

COMMENTS

As anticipated, the gradual lifting of lockdown measures helped the labour market continue its recovery in July. That said, it still has quite a ways to go before returning to pre-pandemic levels. With lockdown easing measures continuing in several provinces in late July and August, we can expect to see strong job creation in August as well.

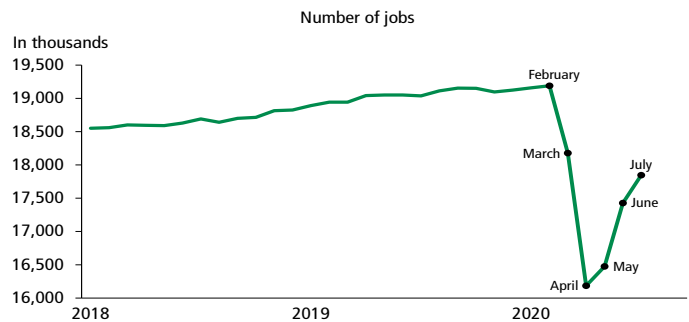
A few distortions also appear to be gradually diminishing. As you may recall, employment among low-paid workers plummeted 38.1% between February and April (compared with a 12.7% drop for other workers). However, low-paid workers saw much faster job growth in July (+8.3%) than other workers (+0.8%).

IMPLICATIONS

Generally speaking, it will take several months for the pandemic's after-effects on the labour market to disappear. Maintaining a

GRAPH 1

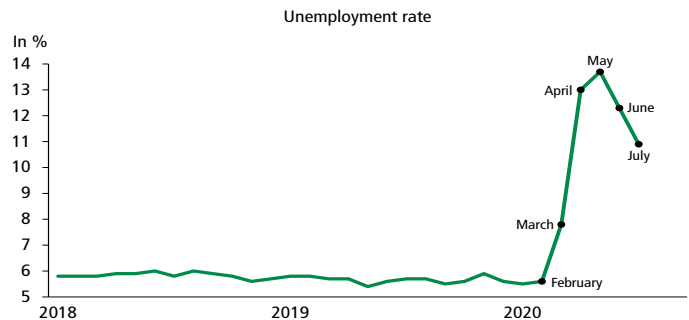
Employment continues to bounce back, but at a slower pace



Sources: Statistics Canada and Desjardins, Economic Studies

GRAPH 2

The unemployment rate remains high despite drops in June and July



Sources: Statistics Canada and Desjardins, Economic Studies

higher unemployment rate could hinder the recovery of other sectors.

Benoit P. Durocher, Senior Economist

François Dupuis, Vice-President and Chief Economist • Mathieu D'Anjou, Deputy Chief Economist
Hélène Bégin, Senior Economist • Benoit P. Durocher, Senior Economist • Francis Généreux, Senior Economist

Desjardins, Economic Studies: 514-281-2336 or 1 866-866-7000, ext. 5552336 • desjardins.economics@desjardins.com • desjardins.com/economics

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