

## ECONOMIC NEWS

# Canada: Stronger Employment Growth than Forecast

### HIGHLIGHTS

- ▶ The labour market added 62,100 new hires in November, well above expectations.
- ▶ With the exception of the Prairies, all the other provinces saw an increase in employment during the month.
- ▶ The unemployment rate dropped from 8.9% to 8.5%.
- ▶ The number of unemployed workers decreased by 81,600 in November. Since June, this number has gone down by 884,000. Keep in mind that the number of unemployed had increased by 1,485,400 between March and May.

### COMMENTS

November's strong employment growth is surprising. With the intensification of the second wave of the pandemic, most forecasters were expecting more modest growth. The sectors hardest hit by the restrictive measures, such as accommodation and food services, and information, culture and recreation, experienced difficulties in November with respective drops of 23,800 and 25,600 jobs. Most of the other sectors nevertheless enjoyed another surge in employment, a sign that the Canadian economy is continuing to recover in many sectors.

That said, the survey was conducted the week of November 8 to 14, before the reintroduction of many restrictive measures in Manitoba and Ontario. We therefore expect that the second half of November was less favourable for the labour market.

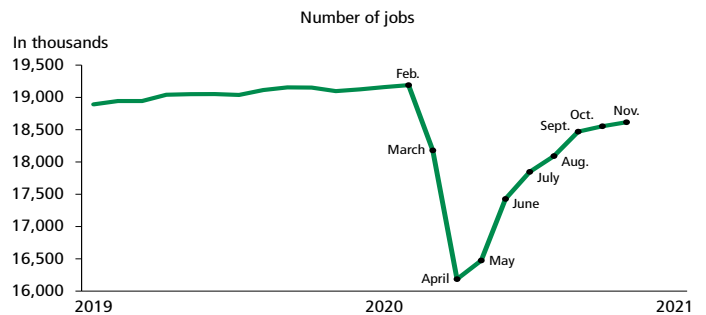
The survey also indicates that the total number of actual hours worked in the Canadian economy rose 1.2% in November. Although the second half of the month will likely not be as good, the feeling is that the performance for the month will remain positive, which bodes well for economic growth in November.

### IMPLICATIONS

Uncertainty remains high despite November's good results. The latest pandemic developments and the multiplication of

**GRAPH 1**

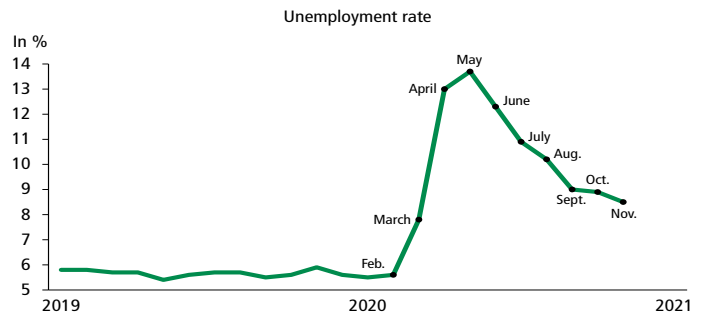
**Employment continued to recover in November**



Sources: Statistics Canada and Desjardins, Economic Studies

**GRAPH 2**

**The unemployment rate continued to drop in November**



Sources: Statistics Canada and Desjardins, Economic Studies

restrictive measures across the country mean that the coming months will be more difficult for the labour market.

**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](mailto:desjardins.economics@desjardins.com) • [desjardins.com/economics](https://desjardins.com/economics)

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