

ECONOMIC NEWS

Employment Continues to Grow, but the Shortfall Is Still High

HIGHLIGHTS

- ▶ The establishment survey shows 4,800,000 net hires for June, after a gain of 2,699,000 in May and a loss of 20,787,000 in April.
- ▶ There were 356,000 new jobs in manufacturing and 158,000 in construction.
- ▶ There were 4,263,000 net hires in private sector services. The food services sector gained 1,483,400 jobs while retailers added 739,800 jobs. The health care and education sector gained 568,000 jobs, and professional services added 306,000 hires to payrolls. The public sector gained 33,000 jobs.
- ▶ The jobless rate fell from 13.3% to 11.1%. The household survey recorded the creation of 4,940,000 jobs. Another 1,705,000 people joined the labour force.

COMMENTS

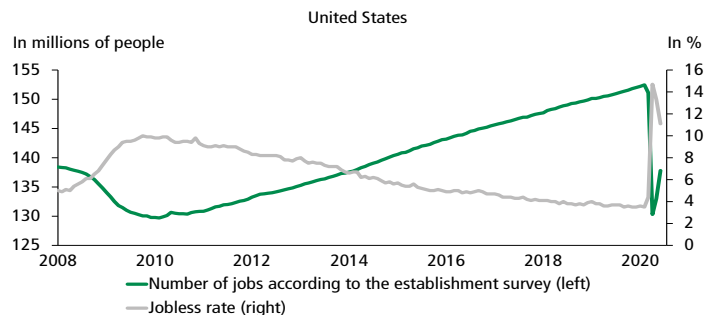
Once again, job creation posted a surprise increase, with June's result higher than expected. The astonishment is not as great as in May, however, when the job creation numbers released contrasted markedly with the expected layoffs.

Again, the main job market gains came from sectors where employment dropped the most in March and April. Food services comes to mind first, but also other sectors related to recreation, which gained 365,900 workers, and hotel accommodations, which gained 238,600. Health services alone regained 358,000 jobs, including 190,400 for dentists. There were 148,900 jobs gained in temp services and 67,600 in wholesaling.

The overall gains are clearly encouraging. However, the shortfall is still very high. Together, April and May accounted for 22,160,000 job losses. May and June's cumulative gains are "only" 7,499,000. There are still 757,000 jobs to be regained in manufacturing, 1,273,100 in retailing, 1,830,000 in professional services, 1,814,000 in health and education, 4,827,000 in

GRAPH

Even after two months of strong job creation, the situation is still far from normal



Sources: Bureau of Labor Statistics and Desjardins, Economic Studies

recreation, accommodation and food services, and 1,469,000 in public administration. It will take several quarters to recover these jobs. According to the household survey, while 10,565,000 jobs are considered to be temporary layoffs, there are still 2,883,000 where the job loss is considered permanent (up 588,000 since May).

IMPLICATIONS

The U.S. economy is slowly recovering from the problems caused by COVID-19, but we will have to be very patient before the situation returns to normal—especially given that the growth in COVID-19 cases in many states is likely to slow down the economy's recovery.

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