

ECONOMIC NEWS

The Unemployment Rate Climbed to 8.1% in Quebec and 7.6% in Ontario, with Huge Job Losses in March

HIGHLIGHTS

- ▶ Two thirds of the million jobs lost in Canada in March were in Quebec and Ontario, which quite accurately reflects their demographic weight.
- ▶ Quebec lost 264,000 jobs in March, mainly in the service sector—the largest monthly decrease since the compilation of statistics on this.
- ▶ The Quebec unemployment rate jumped to 8.1% in March, after reaching an all-time low of 4.5% in February.
- ▶ Ontario, Canada's most populous province, lost 402,800 jobs in March, a first for a single month.
- ▶ Ontario's unemployment rate increased from 5.5% in February to 7.6% in March.
- ▶ According to the labour force survey (LFS), the number of unemployed workers in Quebec shot up by 158,000 in March. This number reflects mainly temporary layoffs, who are expected to go back to work within six months.
- ▶ People who lost their jobs permanently in March, and who were unable to look for work because of the isolation measures, are not included in the official count of unemployed workers.¹

COMMENTS

The isolation measures that were quickly adopted in Quebec and Ontario in March clearly shocked the labour market, but all the provinces suffered major job losses and a surge in their unemployment rate. The most affected sectors are those where working remotely is difficult and social contacts are more present, such as accommodation and food services, wholesale and retail trade, and culture and recreation. Moreover, the job losses have mainly impacted young people and women, who are well represented in these sectors, which are generally less well paid than others.

IMPLICATIONS

March's results only reflect part of COVID-19's effects on the labour market, since the LFS was carried out from March 15 to March 21, while all nonessential business were closed starting March 25 in Quebec and shortly after in Ontario. The April survey, which Statistics Canada will perform toward the middle of the month, will paint a more accurate picture of the current situation. April's numbers will therefore reflect a major deterioration in jobs and the unemployment rate. The unemployment rate could shoot up past 10% in Quebec and Ontario, a level that existed some 20 years ago. This situation will nevertheless be temporary, as businesses gradually reopen. We will also have to see whether the wage subsidy will incite many employers to rehire workers.

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¹ For more details, consult our two *Economic Viewpoint*: [Canada's Labour Market in a Temporary Tailspin](#), April 6, 2020, 3 p.; [What Will Happen to Quebec's Unemployment Rate in the Coming Months?](#), April 7, 2020, 3 p.