

ECONOMIC NEWS

Employment Continues to Grow in Quebec and Ontario

HIGHLIGHTS

- ▶ Quebec gained 54,200 jobs in August. The current level of employment is 95.7% of what it was in February, before the pandemic.
- ▶ The Quebec unemployment rate dropped from 9.5% in July to 8.7% in August.
- ▶ Ontario had 141,800 more workers in August than the month before. The current level of employment is 93.6% of February's.
- ▶ The Ontario unemployment rate dropped to 10.6% in August compared with 11.3% in July.

COMMENTS

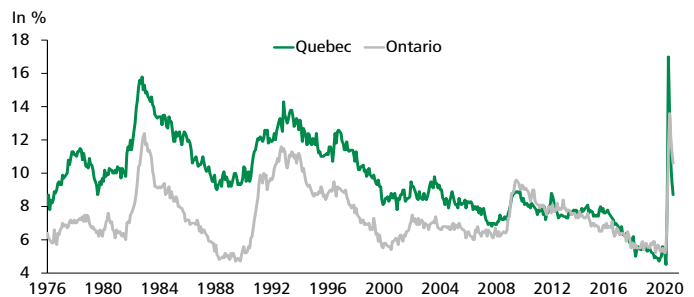
The recovery of the labour market in Quebec is in line with our expectations. After soaring in May and June, with monthly gains of more than 200,000 jobs, the pace slowed to close to 100,000 in July then about 50,000 in August. The gradual reopening of the economy starting in the spring kicked things off, with the pace of growth dropping off thereafter. These numbers are excellent because the recovery phase is well underway. However, 4.3% of jobs are still missing and the comeback will be slower in the months to come.

The unemployment rate dropped to 8.7% in August compared with its peak of 17.0% in April. February's pre-pandemic level of 4.5% appears very far, however. The unemployment rate will continue to decrease gradually, but more slowly, and should fall below the 8% mark by year-end.

In Ontario, particularly in Toronto, the reopening continued into summer, such that jobs continued to grow quickly in July and August. The recovery in the number of workers is now almost as far along as Quebec's. More specifically, metropolitan Toronto has regained 93.3% of its February pre-pandemic level, compared with Montreal's 96.0%.

GRAPH

The unemployment rate continues to go down after an all-time high in April



Sources: Statistics Canada and Desjardins, Economic Studies

IMPLICATIONS

The recovery of the labour market is progressing well in Quebec and Ontario, but the economy continues to suffer the after-effects of the shutdown. Some sectors are still sluggish due to social distancing measures, such that the recovery is not as advanced and will be difficult as long as the pandemic persists. Overall, employment's recovery is excellent under the circumstances. Neither the economy nor the labour market are protected from the consequences of a potential second wave of COVID-19 cases, however.

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