

# Big City Blues

A Publication of BMO Capital Markets Economic Research • Douglas Porter, CFA, Chief Economist, BMO Financial Group

Canadian employment continued to rebound in Q3, rising by more than 1 million positions (June to September), and has now made back 76% of the pandemic losses. Regionally, all provinces remain below pre-COVID levels to varying degrees, and there has been a shake-up at the city level, as larger centres have taken the brunt of the losses.

## ECONOMIC RESEARCH

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## Provincial Labour Market Summary

September 2020

	Employment (000s : 3- mo. chng)	Unemp. Rate (ppts : y/y)	Emp. Rate (%)	Pre-COVID to: Trough (%)	Pre-COVID to: Latest (%)		
Canada	1,043	-3.6	9.0	3.5	59.1	-15.7	-3.7
BC	140	-4.2	8.4	3.6	58.4	-15.6	-3.7
AB	115	-6.1	11.7	5.1	61.5	-15.5	-5.4
SK	27	-3.1	6.8	1.5	63.2	-12.7	-2.8
MB	36	-0.3	7.0	2.2	62.3	-13.5	-1.8
ON	460	-3.8	9.5	4.2	58.6	-15.3	-4.2
QC	229	-2.4	7.4	2.5	59.9	-18.7	-2.6
NB	-0.3	-1.5	10.4	2.3	54.9	-13.7	-3.0
NS	23	-2.4	7.9	0.7	55.7	-16.0	-3.2
PEI	1.9	-4.4	10.1	1.5	57.2	-14.0	-6.3
NL	12	-3.8	14.8	3.4	49.2	-15.7	-3.1

Recall that, on a peak-to-trough basis, Canadian employment fell 15.7%, with **Quebec** hardest hit alongside stricter lockdowns. But, the rebound in that province has been swift, and employment is now down 'only' 2.6% from pre-COVID levels, one of the better results in Canada. Of course, that province is also bringing in restrictions again quicker than anyone else.

**Manitoba**, long the least cyclical province, is positioned with the shallowest employment hole, at -1.8%.

At the other end of the spectrum, **PEI**, **Alberta** and **Ontario** are still facing larger-than-average setbacks from pre-COVID levels. In Ontario, however, employment jumped sharply in September, setting a solid footing for Q4 should the economy avoid any major lockdowns.

At the city level, we won't dwell on the current rankings given major swings in the data (smaller cities can look wonky even in the most stable of times). But, the **larger urban centres have clearly slumped** more than the smaller cities--Toronto and Vancouver, now sit in the bottom quartile after driving growth pre-COVID.

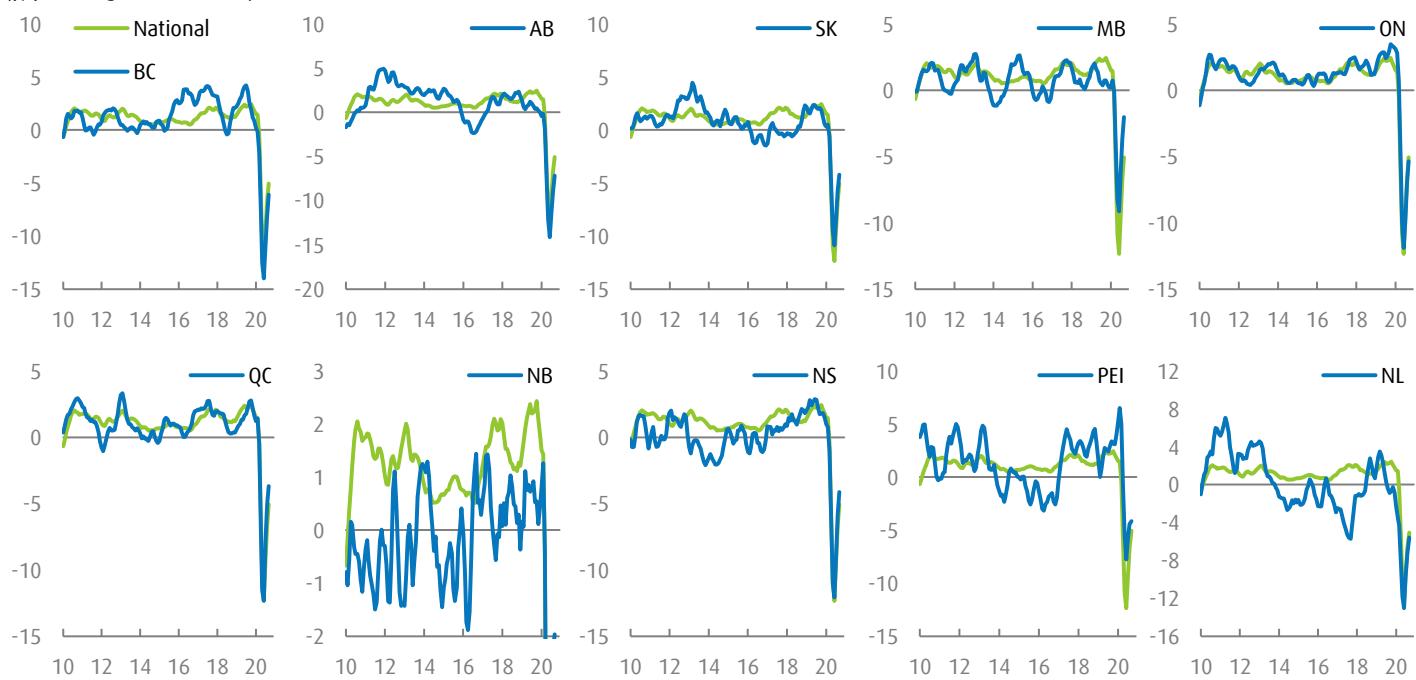
## City Labour Market Performance Ranking

	Overall Rank <sup>1</sup> (y/y chng)	Pop. (y/y % chng)	Emp. (y/y % chng)	Unemp. (%)	Rate (y/y % chng)	Weights:				
						15%	30%	20%	20%	15%
Trois-Rivieres, QC	<b>1</b>	↑	32	0.4	5.7	6.3	0.8	57.7		
Moncton, NB	<b>2</b>	↑	12	1.8	0.6	7.1	1.8	61.0		
Saguenay, QC	<b>3</b>	↑	24	-0.6	-0.3	5.4	-0.8	56.7		
Sherbrooke, QC	<b>4</b>	↑	25	1.3	-0.2	7.4	1.9	58.2		
Halifax, NS	<b>5</b>	↑	5	2.3	-2.2	8.4	2.6	61.7		
Quebec City, QC	<b>6</b>	↓	2	0.5	-4.6	5.0	1.9	63.4		
Regina, SK	<b>7</b>	↑	4	1.6	-4.6	7.4	1.8	62.9		
London, ON	<b>8</b>	↑	22	1.4	2.3	8.9	2.5	56.0		
Saskatoon, SK	<b>9</b>	↓	1	2.1	-2.6	9.2	3.4	62.2		
Abbotsford, BC	<b>10</b>	↓	3	2.8	-5.7	8.0	3.0	58.2		
Oshawa, ON	<b>11</b>	↑	13	1.6	0.0	9.6	4.3	60.9		
Guelph, ON	<b>12</b>	↑	4	2.1	-3.0	9.6	4.3	62.4		
Winnipeg, MB	<b>13</b>	↑	2	1.2	-2.1	9.4	4.1	61.4		
Barrie, ON	<b>14</b>	↓	1	1.7	-8.3	9.4	3.5	66.9		
Kelowna, BC	<b>15</b>	↓	12	2.3	-7.1	8.0	3.9	58.4		
St. John's, NL	<b>16</b>	↑	4	0.9	-4.1	9.8	2.5	58.6		
Ottawa, ON	<b>17</b>	↓	15	1.9	-7.3	8.7	4.3	61.7		
Victoria, BC	<b>18</b>	↓	12	1.9	-3.0	9.1	6.0	58.4		
Kingston, ON	<b>19</b>	↑	7	1.0	-4.0	9.1	3.1	56.1		
Brantford, ON	<b>20</b>	↓	19	1.1	-6.9	8.1	4.5	62.4		
Montreal, QC	<b>21</b>	↓	4	1.5	-2.7	10.7	5.1	60.3		
St. Catharines, ON	<b>22</b>	↑	1	0.9	-5.4	8.7	2.9	52.4		
Hamilton, ON	<b>23</b>	↓	5	1.0	-6.9	8.9	3.9	56.9		
Calgary, AB	<b>24</b>	↓	19	2.0	-5.6	12.6	5.5	63.5		
Thunder Bay, ON	<b>25</b>	↑	7	-0.5	-6.4	8.3	2.3	55.0		
Sudbury, ON	<b>26</b>	↓	4	-0.1	-6.6	8.5	2.8	55.8		
Saint John, NB	<b>27</b>	↑	4	0.9	-9.0	10.1	2.1	55.0		
Windsor, ON	<b>28</b>	↓	9	1.3	-8.3	9.8	3.5	51.5		
Edmonton, AB	<b>29</b>	↓	4	2.0	-8.0	12.6	5.3	59.4		
Toronto, ON	<b>30</b>	↓	21	2.0	-6.0	12.8	7.0	58.1		
Vancouver, BC	<b>31</b>	↓	19	2.0	-9.0	11.1	6.4	57.4		
Kitchener, ON	<b>32</b>	↓	11	1.6	-8.5	12.2	6.2	60.1		
Peterborough, ON	<b>33</b>	↓	5	0.9	-14.1	11.2	6.6	47.4		

<sup>1</sup> based on wtd. avg. number of std. deviations away from 33-city average, across five categories

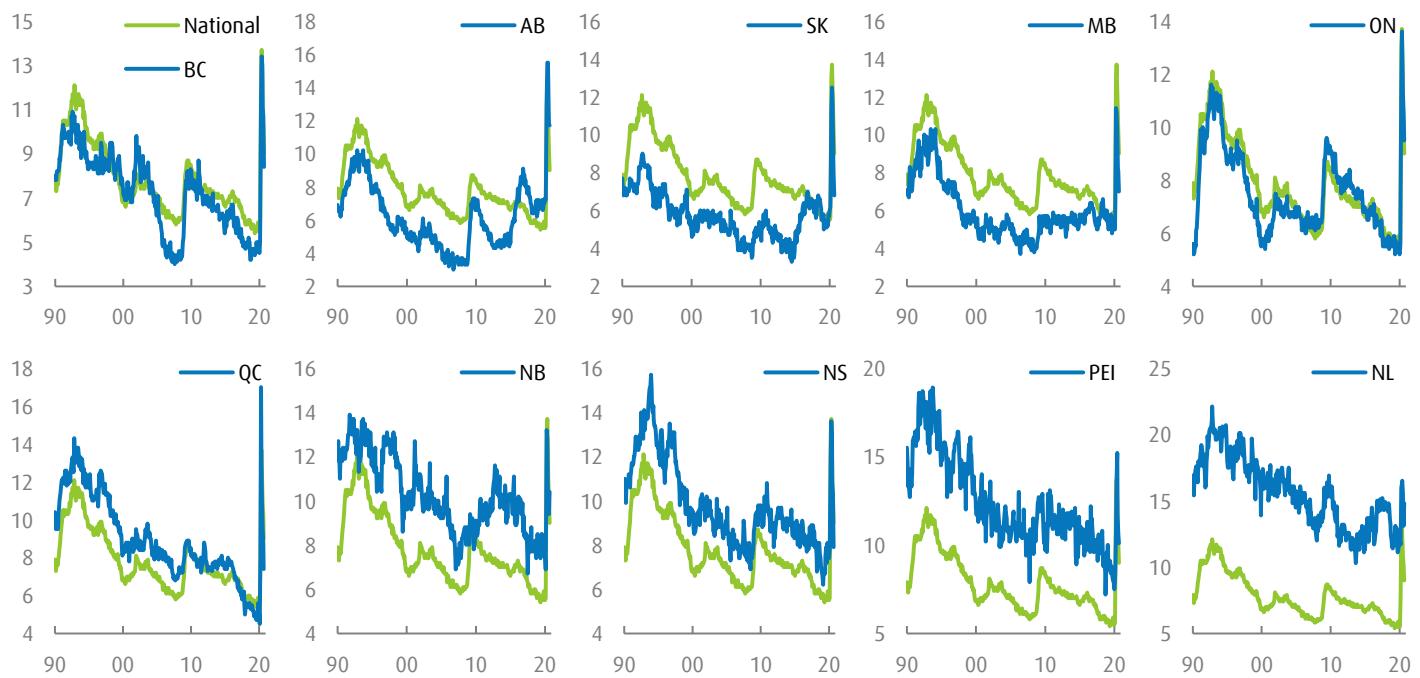
### Employment Growth

(y/y % chng : 3-mnth m.a.)



### Unemployment Rate

(percent)



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