Big City Blues

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.

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.