

# Cdn Jobs: Time to Give Some Thanks

Canadian employment rose by 30,600 in September, versus expectations of a modest 10,000 increase, and up from the 27,100 advance in the prior month. The details of the report were generally on the strong side, with only a small portion of the gain due to a rise in youth workers (+4.2k). Full-time employment powered ahead with a massive 91,600 advance (mostly youth here), and self-employment accounted for only a portion of the gain (+11.3k). Private sector payrolls were a bit disappointing at down 17k, with the public sector providing the offset. Meantime, the unemployment rate plunged 3 ticks to 8.4%, the biggest drop in four years, the lowest level since May, and 1.4 percentage points below U.S. levels. Hours worked rose 1.6% last month, and finished Q3 up at a 2.7% a.r. from Q2—productivity must have been quite weak, because we doubt GDP was nearly that strong in the quarter.

The growth leaders were manufacturing and construction, the very two sectors that had been hardest hit by the recession, and a classic recovery indicator. Finance and education were also strong. Transportation and tourism were on the soft side. Seven provinces reported job growth, with B.C. and Ontario leading—that's four monthly gains in a row for Ontario. Quebec, Manitoba and Nova Scotia were the only provinces in the red for the month. Notably, not a single province saw its jobless rate rise in the month, with especially steep declines in New Brunswick, and across western Canada.

(thousands)	(average change)					
	Sep	Aug	Jul	3-month	12-month	
<b>Total</b>	30.6	27.1	-44.5	4.4	-29.5	
(month/month % change)	0.2	0.2	-0.3	0.3 **	-2.1 ***	
<b>Full-Time</b>	91.6	-3.5	-29.1	19.7	-29.9	
<b>Part-Time</b>	-61.0	30.6	-15.4	-15.3	0.3	
<b>Goods Producing</b>	46.2	-6.8	-29.8	3.2	-29.4	
<b>Manufacturing</b>	26.1	-17.3	-6.5	0.8	-18.3	
<b>Construction</b>	24.6	12.1	-17.8	6.3	-7.8	
<b>Service Producing</b>	-15.6	33.9	-14.7	1.2	-0.1	
<b>Trade</b>	2.0	21.2	23.5	15.6	-0.5	
<b>Unemployment Rate (%)</b>	8.4	8.7	8.6	8.6 *	6.2 *	
<b>Avg. Hr. Wages (y/y % chng)</b>	2.5	3.3	3.4	3.5 *	4.6 *	

\* 3 and 12 months ago    \*\* 3-month % change, a.r.    \*\*\* year/year % change

**The Bottom Line:** This is the sound an economy makes when an economy recovers. Today's report also highlights the deep divide between the North American job markets, with Canada in a much friendlier place. Just to give a sense how abruptly Canada's labour market has turned: In the past six months, the economy has managed to lose next to no jobs—yet in the prior six months (ending in March), the economy had lost a cannonading 354,000 jobs.

Douglas Porter, 416-359-4887