

## Part-time jobs plunge, full-time remains robust

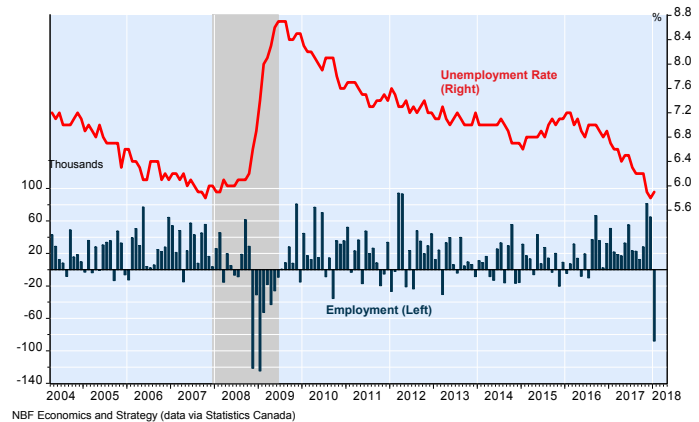
**Latest (monthly change): -88K (Actual); +10K (expected) Previous: +65K**

**FACTS:** Canadian employment slumped 88K in January according to the Labour Force Survey. This decline was accounted by a 137K plunge in part-time jobs as full-time employment was actually up 49K on the month. The drop in headcounts led to a one-tick increase in the unemployment rate to 5.9%, an increase that was partially offset by a three ticks decline in labour force participation (to 65.5%). Job losses in January were split between the private sector (-71K) and the public sector (-41K) while self-employment posted an increase (+24K). Goods sector employment was down 16K mostly due to construction (-15K) and resources (-6K). The services sector showed a 72K drop-off with weaknesses in finance (-18K), professional/scientific services (-17K) and educational services (-20K) among others more than offsetting small increases in information/culture (+4K) and other services (+1K). Total hours worked were down 0.6% in January following a 1.2% surge in the prior month. On a regional basis, employment was down in seven provinces with Ontario (-51K) and Quebec (-17K) being the worst performers.

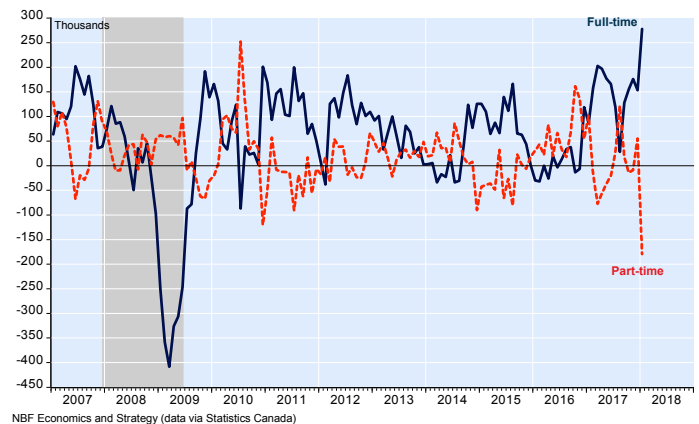
**OPINION:** The longest streak of consecutive monthly increases since 2000 (17 months) came to an end abruptly in January with the sharpest monthly drop since 2009. The details of the report, however, are not overly worrisome. Full-time employment posted another impressive performance. As a result, the Canadian labour market generated a massive 278K gain in full-time employment over the past five months (middle chart). The massive loss of part-time jobs in Ontario (59K of which 24K among youth) is coinciding with the 20% rise minimum wage that took effect this January. Time will tell if this is temporary weakness or a reflection of structural adjustments made by corporations. All in all, the labour market remains very tight as shown by a 6-month annualized jump of 4.8% in hourly earnings (bottom chart). Full-time job creation suggests that the economy remains on solid ground.

Matthieu Arseneau

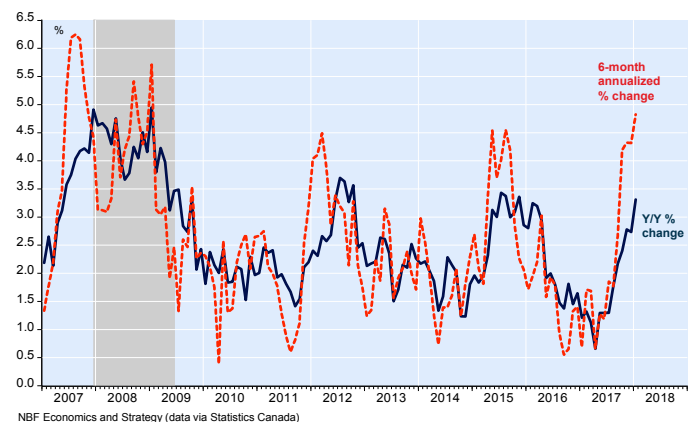
**Canada: Employment slump in January**  
Employment and unemployment rate



**Canada: Full-time jobs are booming over the past five months**  
Full-time and part-time jobs, 5-month variation



**Canada: Hourly earnings booming in the past 6 months**  
Average hourly earnings



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