



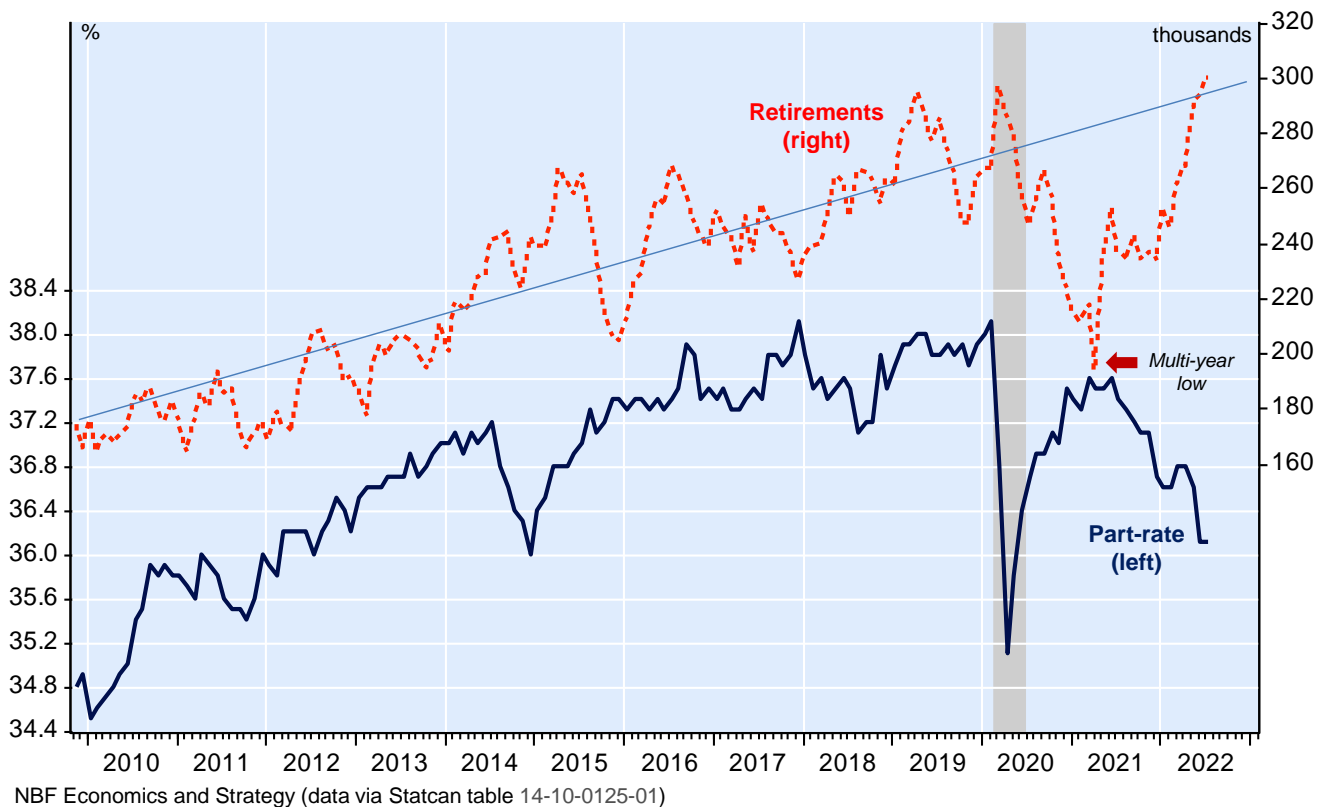
Canada Watch

By Stefane Marion

Instead of rising 15K as per consensus, Canadian employment fell 30.6K in July, marking a second consecutive decline for this indicator. This performance should be interpreted with caution, however. Seventy percent of recent job losses have been concentrated among workers aged 55 and over, a category that normally represents 21 percent of the workforce. Unforced retirements, not layoffs, seem to be the main cause of this reduction. In July, Statistics Canada reported that a record 300,000 Canadians had left their job due to retirement in the past year. As today's Hot Chart shows, this surge likely reflects a resorption of retirements accumulated in 2021 as a result of generous government wage subsidy programs and the ability to work at home that temporarily boosted the labor force participation rate of older workers. By April 2021, the annual retirements had fallen to a multiyear low of only 194,000. Most of the pent-up retirements created during the pandemic have probably now been absorbed. As the participation rate of older workers stabilizes, we don't expect retirements to continue to weigh on total employment as they have in recent months.

Canada: Unwinding of pent-up retirements impacts job creation

Labour force participation for people aged 55+ and # of people leaving their jobs due to retirement



Economics and Strategy

Montreal Office

514-879-2529

Stéfane Marion

Chief Economist and Strategist
stefane.marion@nbc.ca

Kyle Dahms

Economist
kyle.dahms@nbc.ca

Alexandra Ducharme

Economist
alexandra.ducharme@nbc.ca

Matthieu Arseneau

Deputy Chief Economist
matthieu.arseneau@nbc.ca

Daren King

Economist
daren.king@nbc.ca

Angelo Katsoras

Geopolitical Analyst
angelo.katsoras@nbc.ca

Jocelyn Paquet

Economist
jocelyn.paquet@nbc.ca

Toronto Office

416-869-8598

Warren Lovely

Chief Rates and Public Sector Strategist
warren.lovely@nbc.ca

Taylor Schleich

Rates Strategist
taylor.schleich@nbc.ca

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