

British Columbia first to break the employment tape [Nova Scotia close behind]

By Warren Lovely/Taylor Schleich

Who doesn't love a good race? Canadian economists are constantly comparing our pace of economic recovery to the U.S. And why not. The extent, quality and inclusivity of a labour market recovery could well tip the balance in terms of which central bank, the BoC or the Fed, lifts off on policy rates first. But there's another (friendly?) competition taking place across the Canadian federation. We're talking about a provincial employment recovery race, and with the arrival of March Labour Force Survey data, we have a winner. Officially, British Columbia was first through the tape, having now fully recovered all of the net jobs shed due to COVID-19.

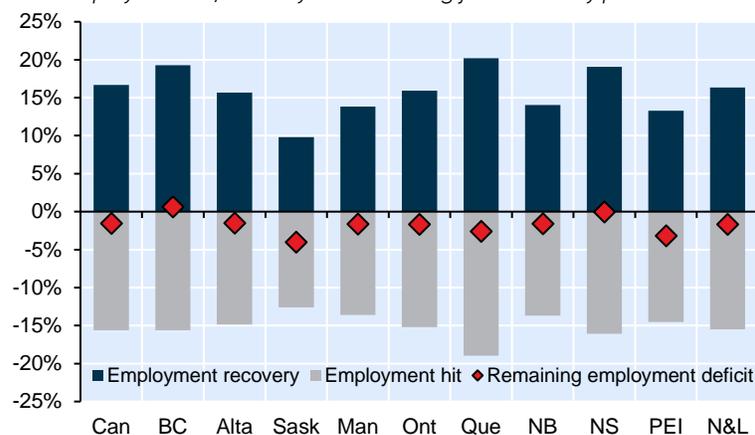
For the more statistically fixated: British Columbia seasonally adjusted employment was 2,661 thousand in March. That was up some 430 thousand or 19.3% vs. April 2020—the virus-related nadir for employment in most provinces (Chart 1). Looked at another way, B.C. employment is now 0.6% higher than February 2020, making it the first (and for the moment only) province to get all the way back to the pre-COVID cyclical peak (Chart 2). Honourable mention to Nova Scotia, where seasonally adjusted employment in March 2021 was 99.96% vs. the pre-COVID peak. For Nova Scotia, we're talking 200 jobs to go for a province of almost one million—so call this essentially fully recovered.

No province has managed a full recovery in employment or unemployment rates, meaning there's still work to be done and would-be workers to re-attach. Nor has private paid employment fully recouped virus-related damage... in B.C. or elsewhere. On private paid employment, Manitoba and Ontario appear closest to a full recovery. Public sector hiring has clearly picked up slack in British Columbia, where a double-digit surge vs. Feb-20 has contributing nicely to the province's overall employment recovery. While government workers are now more plentiful in B.C., it's not like the public sector accounts for an outsized share of employment here. At 20%, B.C.'s public sector share of employment remains lower than the clear majority of provinces (Chart 3).

Finally, and this should follow from the provincial narrative, Vancouver is winning the big-city employment race (vs. Toronto or Montreal). Taking a look at employment rates in these three hubs, Vancouver is closest to (although still below) pre-virus levels (Chart 4). So congrats BC (and Vancouver) on winning the jobs recovery race. But let's keep on running, as there's still slack to take up and people to put into new jobs.

Chart 1: Gauging employment recoveries

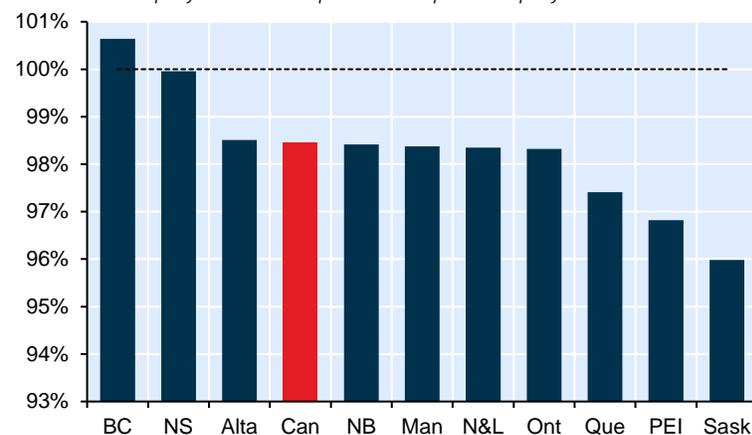
Peak employment hit, recovery and remaining jobs deficit by province



Source: NBF, StatCan

Chart 2: BC first across the finish line (Nova Scotia nearly there)

March 2021 employment versus pre-COVID peak employment



Source: NBF, StatCan

Chart 3: BC's public sector share growing... but still small

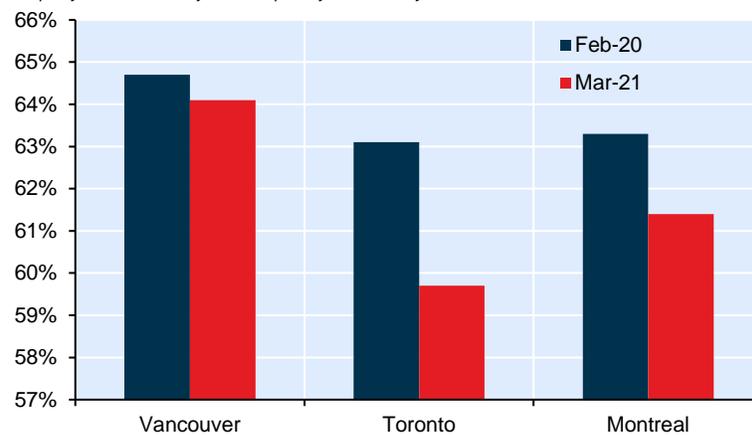
Public sector employment: Share of total (Mar-21) & growth since Feb-20



Source: NBF, StatCan

Chart 4: Vancouver winning the Big-3 municipal race

Employment rate by municipality: February 2020 vs. March 2021



Source: NBF, StatCan



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