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## Canadian employment up again in March

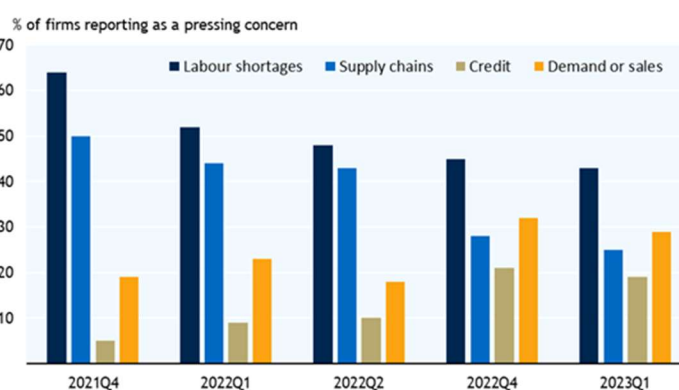
- The 35k gain in employment in March added to the 348k surge over the prior 6 months.
- The unemployment rate held at 5.0% for a fourth straight month - still just above the record low (since at least 1976) 4.9% rate last summer
- Details were mixed with almost half the job gains part-time (+16k). Construction and manufacturing employment fell with offset from higher transportation and finance jobs.
- But hours worked edged up another 0.4%, suggesting that the recent strong run of GDP data might also stretch into March
- Wage growth is still high but ticked down to 5.2% year-over-year (for permanent employees) from 5.4% in February
- **Bottom line:** Labour markets have gotten off to an exceptionally strong start in early 2023. Early cracks have been forming under the surface - even as hiring has remained very strong, job openings have been edging lower and the BoC's Q1 Business Outlook Survey showed the intensity of labour shortages easing. The labour market itself is a lagging economic indicator and headwinds from aggressive central bank interest rate hikes over the last year continue to build. The BoC is widely expected to hold the overnight rate at 4.5% at next week's policy decision and we expect it to stay there for the rest of this year.

### Canada employment summary

	Jan-23	Feb-23	Mar-23	Mar-23 change from pre-pandemic
	<i>m/m change (thousands)</i>			
Employment	150	22	35	865
Full-time	121	31	19	869
Part-time	29	-9	16	-3
Public	32	-8	3	427
Private	115	39	35	593
Self-employed	4	-9	-3	-154
	%			
Unemployment rate	5.0	5.0	5.0	-0.7
'R8' (SA by RBC)	6.9	6.9	0.0	-8.3
Participation rate	65.7	65.7	65.6	-0.3
Avg hrly wages (y/y %)	4.5	5.4	0.0	

Source: Statistics Canada, RBC Economics

### Canadian labour shortages still widespread as growth headwinds build



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