



January 31, 2011

## HIGHLIGHTS

- On Friday, Statistics Canada revised its Labour Force Survey data to reflect 2006 Census population information.
- The national economy lost 428K net jobs during the recession, lasting from October 2008 to July 2009. Since then, the economy has created 398K jobs, leaving the country 30K shy from its pre-recessionary levels.
- Regardless of what side of the recessionary line the national economy sits, job tallies alone do not provide an accurate assessment of labour market conditions.
- The revisions did not change the national unemployment rate. It remained at 7.6 per cent in December 2010.
- The new data suggest that British Columbia has recouped all of its job losses. This leaves the task outstanding to four provinces: NS, NB, ON and AB.
- The economy put forth an impressive performance of 298K net new jobs gained in 2010. NFLD (3.9 per cent) and MB (2.4 per cent) were the job growth leaders. By contrast, NS, NB, and PEI all saw employment contractions of 1.1 per cent in December, year-over-year.
- Job market conditions are expected to improve gradually in 2011. We expect 250K net new jobs nation-wide, with the Prairies doing much of the heavy lifting.

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## NATIONAL AND PROVINCIAL JOB MARKETS IN 2010

### *Assessing the Impacts of Statistics Canada's Data Revisions*

Last Friday, Statistics Canada re-calibrated its Labour Force Survey (LFS) to a new series of census population numbers. Using these revised data, the national economy is 30K shy of reaching its pre recessionary employment levels – a barrier that was thought to have been broken late in 2010. With our expectations of 15-20K net new jobs per month, we anticipate that the national economy will return to pre-recessionary levels within the next three months. Given this relatively short time frame, the LFS revisions do not change our view on national and regional labour market conditions. Overall, job markets put in an impressive performance in 2010. That being said, it will simply take time for the labour market to more broadly heal.

### Implications of Labour Force Survey Revisions

Statistics Canada's Labour Force Survey (LFS) was updated to reflect 2006 Census population estimates. Previously, the survey was calibrated to 2001 Census information. After incorporating the new information, total Canadian population was revised downward by 0.3%, or about half the size of the previous revision in 2005. With this adjustment, the levels of employment and unemployment have also been revised downward. In turn, labour market statistics are slightly changed from what was previously reported. We highlight the key differences next.

Much attention was paid to Canada's labour market performance during the 2008-09 recession and afterwards. According to previous estimates, the national economy was thought to have lost 417K jobs during the recession that lasted from October 2008 to July 2009. The new estimates suggest that the net job loss tally was actually slightly larger at 428K. The national economy appeared to have crossed an important milestone in August 2010 by once again returning to pre-recessionary job levels. But, the updated data suggest that this barrier has yet to be breached. In

NATIONAL AND PROVINCIAL EMPLOYMENT LEVELS - BEFORE AND AFTER LABOUR FORCE SURVEY REVISIONS (Thousands)						
	BEFORE REVISION			AFTER REVISION		
	Jobs Lost during Recession*	Jobs Gained after Recession**	Difference	Jobs Lost during Recession*	Jobs Gained after Recession**	Difference
<b>CANADA</b>	417.4	463.1	45.7	427.9	398.1	-29.8
N. & L.	6.4	14.4	8.0	6.6	12.3	5.7
P.E.I.	0.1	1.4	1.3	0.7	1.7	1.0
N.S.	7.8	-1.4	-9.2	8.1	-0.8	-8.9
N.B.	3.5	-2.3	-5.8	2.3	-5.3	-7.6
Québec	67.5	137.0	69.5	62.7	122.8	60.1
Ontario	209.6	206.1	-3.5	219.5	178.2	-41.3
Manitoba	0.0	12.3	12.3	1.0	11.7	10.7
Sask.	2.5	8.3	5.8	1.3	5.1	3.8
Alberta	59.4	31.8	-27.6	73.6	18.4	-55.2
B.C.	60.6	55.5	-5.1	52.0	53.9	1.9

Notes: \* Net jobs lost between October 2008 and July 2009.

\*\* Net jobs gained between July 2009 and December 2010.

Shaded regions are those have yet to recoup all of their pre-recessionary jobs lost.

fact, 30K net new jobs are required for the national economy to accomplish this feat. On a regional basis, the revisions indicate that six provinces have returned to or surpassed their former pre-recessionary levels. Based on these latest data estimates, British Columbia is now included on this list. The remaining four provinces (Nova Scotia, New Brunswick, Ontario and Alberta) must still work their way back to former levels. Both Ontario and Alberta are quite close to crossing this mark; Nova Scotia and New Brunswick less so, but the provinces have seen a few stumbles on the job front over the last few months.

In terms of the unemployment rate, the revisions did not impact the national measure heading into or exiting the recession. The jobless rate increased by 2.5 percentage points over the course of the recession to land at 8.6 per cent.

### Impressive Job Market Showing in 2010

The comparison to pre- and post-recessionary employment levels is relevant, but what side of this line the economy rests on does little to describe the job market performance in 2010 or underlying labour market conditions. Overall, the national economy put forth an impressive job showing in 2010, with the creation of 298K jobs, representing the strongest turnout since 2007. The national unemployment rate fell 0.9 percentage points in December 2010 (year-over-year) to land at 7.6 per cent.

At the provincial level, some areas put forth a stronger economic showing in 2010 than others. As such, regional variances became slightly more pronounced. But, the recent data revisions do not change the identities of the job creation leaders nor the followers. For example, Newfoundland and Labrador (3.9 per cent) and Manitoba (2.4 per cent) continued to see the highest year-over-year employment growth

REVISED UNEMPLOYMENT RATES (Per Cent)				
	Pre-Recession Trough*	Recessionary Peak**	December 2009	December 2010
<b>CANADA</b>	6.1	8.6	8.5	7.6
<b>N. &amp; L.</b>	13.5	16.7	15.3	14.0
<b>P.E.I.</b>	10.6	12.3	10.5	11.8
<b>N.S.</b>	7.3	9.2	9.2	10.4
<b>N.B.</b>	8.7	8.9	8.9	9.4
<b>Québec</b>	7.1	8.9	8.4	7.5
<b>Ontario</b>	6.5	9.3	9.3	8.1
<b>Manitoba</b>	4.2	5.3	5.8	5.2
<b>Sask.</b>	3.6	4.8	4.8	5.5
<b>Alberta</b>	3.5	7.2	6.7	5.5
<b>B.C.</b>	5.0	7.9	8.1	7.6

Notes: \* Unemployment rate, as of October 2008.  
\*\* Unemployment rate, as of July 2009.  
Source: Statistics Canada / Haver Analytics.

in 2010. In contrast, all three of the remaining Atlantic provinces (Nova Scotia, New Brunswick, Prince Edward Island) faced employment contractions of 1.1 per cent over this same period.

The relative ranking of provincial unemployment rates is unchanged. Newfoundland and Labrador (14.0 per cent) continues to possess the highest jobless rate in the country in December 2010. By contrast, Manitoba, at 5.2 per cent, has the lowest rate in the country.

### Looking Ahead

Our view on national and regional job market conditions has not changed in light of the national economy coming in at below its pre-recessionary levels. As we stressed in our report earlier this month (“[National and Provincial Job Markets in 2010: Behind the Scenes](#)”) job tallies alone do not provide an accurate assessment of labour market conditions. This is because the recent job creation has been concentrated to part-time, the public and self-employed sectors and lower-paying industries. As was saw towards the end of 2010, this labour market composition is slowly starting to improve. We expect additional improvements to be gradual over the course of 2011. At a pace of 15-20K net new jobs per month, the national economy is expected to return to its pre-recessionary levels by March. The four outstanding provinces (NB, NS, ON, AB) will likely complete this task in the first half of this year. Looking ahead, we continue to anticipate 250K net new jobs across the country, with the Prairies doing much of the heavy lifting.

REVISED EMPLOYMENT LEVELS (Thousands)			
	December 2009	December 2010	Difference
<b>CANADA</b>	16,847	17,145	298
<b>N. &amp; L.</b>	215	223	8
<b>P.E.I.</b>	71	70	-1
<b>N.S.</b>	453	448	-5
<b>N.B.</b>	358	354	-4
<b>Québec</b>	3,861	3,954	92
<b>Ontario</b>	6,513	6,660	147
<b>Manitoba</b>	606	621	14
<b>Sask.</b>	521	524	3
<b>Alberta</b>	2,021	2,032	11
<b>B.C.</b>	2,228	2,261	32

Note: Shaded regions saw year-over-year employment contraction.  
Source: Statistics Canada / Haver Analytics.



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