



## TD Economics

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### Data Release: Statistics Canada revises Canadian employment downward

- Today, Statistics Canada released revised labour market numbers based on the 2011 Census of Population (updated from the 2006 version used previously). The new census resulted in a downward revision to the estimated level for the Canadian population. Statistics Canada also revised down the employment gains in 2014, from 186K to 121K (most of the revisions were concentrated in among males aged 25 to 54). Despite the weaker employment gains, the unemployment rate increased only modestly, to 6.7% from 6.6% prior to the revisions. Revisions to the overall employment rate and participation rate were also modest.
- The downward revision to employment was primarily in the public sector, as a result of reduced employment in educational services, public administration, and professional, scientific and technical services. Finance, insurance, real estate and leasing was also revised lower. At the same time, more modest upward revisions were made to construction and accommodation and food services.
- Provincially, employment levels in December 2014 were revised downward by 1% or more in British Columbia (-2.7%), Manitoba (-1.6%), Prince Edward Island (-1.2%) and Ontario (-1.0%). The only upward revision greater than 1% was for Newfoundland and Labrador (+3.6%).

### Key Implications

- While the revisions to the employment numbers seem large, some of this was to be expected as Statistics Canada moved to using the more recent census as the basis for the Labour Force Survey. It has also introduced sampling and methodological changes, which undoubtedly contributed to the revisions. As such, this is in no way similar to the error-induced, surprise revisions that took place following the release of the July 2014 Labour Force Survey.
- What is clear from the data is that the Canadian labour market is not as strong as was previously believed. This fits with the analysis undertaken by the Bank of Canada and TD Economics in constructing composite labour market indicators that provide a more fulsome view of the Canadian labour market (see [One Indicator to Rule Them All: TD Labour Market Indicator Provides Balanced Snapshot of Job Conditions](#)).
- Going forward, we expect that the Canadian labour market will post more modest advances than have been observed recently. As oil prices have come down, the resulting drag on corporate profits and investment are ultimately expected to lead to softer employment gains, particularly in those parts of the country most closely tied to the oil and gas sector (see [Provincial Economic Forecast Update](#)).

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