



Statistics Canada: This Is the Worst Jobs Report in History

Description

Canadians should brace themselves for the country's next jobs report. At least that's what Justin Trudeau suggested that they do.

"It's going to be a hard day for the country," Trudeau said in a news conference this week.

The Labour Force Survey, which is commissioned by Statistics Canada, isn't usually headline news. But with the coronavirus epidemic creating the greatest spike in unemployment claims ever, expect to hear a lot of grumbling about what's revealed.

According to *Politico*, "A consensus of forecasters is predicting March job losses to reach around 500,000 and for the unemployment rate to surge to 7.5%." For comparison, the unemployment rate was 5.6% in February, just before the pandemic gained steam. That rate was close to a 40-year low, as 37,600 full-time positions were added to the economy.

The U.S. can give us some indication on what will happen to Canada's numbers. Last week, U.S. data suggested that the economy shed 700,000 jobs. That was the first negative number in a decade. While the unemployment rate only hit 4.4%, that's because the reporting period ended on March 12, meaning it didn't capture the worst of the turmoil.

But enough with the pretense. Canada's job data was reported only minutes ago. Let's dive into the details.

Here is the data

Canada was already bracing for the worst jobs report in modern history. It turns out that the reality was *even worse* than the predictions.

On April 9, Statistics Canada revealed that the economy lost 1,011,000 jobs in March. As expected, that is worst recorded monthly change ever. But remember, economists were predicting job losses of around 500,000, meaning the unemployment rate would spike to 7.5%. In reality, the unemployment

rate hit 7.8%.

According to *CityNews*, “Job losses were felt across all provinces, with the largest in Ontario, Quebec, British Columbia, and Alberta. Ontario shed 403,000 jobs, Quebec lost 264,000, B.C. saw a drop of 132,000, and Alberta lost 117,000 compared to just one month earlier.”

Investing after the jobs report

In total, around three million Canadians have seen their jobs eliminated or reduced since the COVID-19 crisis began. While some investors are hoping for a quick rebound, Statistics Canada isn’t so sure.

“It is expected that the sudden employment decline observed in March will have a significant effect on the performance of the Canadian economy over the coming months,” the agency reported. Additional data regarding the volume of paid hours in recent weeks “may be an indication of future job losses,” the report concluded.

Statistics Canada isn’t the only source expecting a choppy road ahead. Dave McKay, the CEO of **Royal Bank of Canada**, also remains cautious.

“An abundance of caution is appropriate as we try to figure out how to get global control,” McKay said recently. Hopes for a v-shaped recovery, or even a u-shaped recovery, could be dashed, as more data is revealed. “I don’t think any of us really know yet which of those variations and hybrids of those scenarios will come into play,” he said.

If you stick to a long-term investing horizon, it’s almost always a good time to stash money away. But if you’re approaching retirement, or are already retired, you may want to consider how much risk you’re willing to take. Regardless of the path you choose, invest for *your* needs, and resist being influenced by the short-term gyrations of the market.

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Date

2025/08/18

Date Created

2020/04/09

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