



Over 200,000 Jobs Lost in January: Unemployment Over 9% Now

Description

Canada's unemployment rate rose to its highest on April 2020, where 23.1 million workers lost jobs during the month. The 14.7% rate was the highest and the largest over-the-month increase dating back to January 1948. Undeniably, the sharp increase was due to the effects of the COVID-19 pandemic and the [government efforts](#) to contain coronavirus.

The unemployment rate tapered off to 10.9% in August 2020 before going down further to 8.6% in December. However, the latest data from Statistics Canada showed that 213,000 people lost jobs in January 2021 compared to 53,000 in the preceding month. As a result, the unemployment rate jumped to 9.4%.

Hardest hit sectors

Most of the job losses in January were part-time positions. Notably, full-time jobs are increasing as well as the hours worked (+0.9%). Except for accommodation, food services, restaurants, recreation, and trade, there were 46,000 new jobs in other sectors.

The employment levels in health care and social assistance are back to pre-COVID levels. Also, the construction sector reported gains, especially in Alberta and Quebec. Core aged women (ages 25 to 54) had more job loss than core-aged men. Unemployment among youth between the ages of 15 and 19 are almost double than the job losses of Canadians aged 20 to 24.

While there were small upticks in full-time workers and goods-producing sectors, part-time work in service-industry jobs suffered steep declines. If Statistics Canada were to add people who wanted to work but didn't make efforts to find a job, the January 2021 unemployment rate would be 12%. Canada's labor market has been gaining every month since May 2020 until the streak broke in December.

Employment nears the pre-corona level

Canada's labour market has been gaining every month since May 2020 until the streak broke in December. Following the January 2021 jobs report, the country's employment level is short by 835,000, 4.5% of the February 2020 level before the first wave of the COVID-19 pandemic.

Statistics Canada said January's job numbers show the continuing challenge of balancing economic activity while protecting. Also, restrictions dealt harder blows to specific sectors and groups of workers.

Healthy income stream

Canadians looking for a solid investment that can deliver a [healthy income stream](#) can consider the **National Bank of Canada** ([TSX:NA](#)). The sixth-largest bank in Canada is most dominant in Quebec, a province that posted an employment gain in January 2021.

This \$24.41 billion bank is at the front and center of Quebec's economic recovery. It established the \$200 million National Bank SME Growth Fund in equal partnership with the provincial government. With the support of more than 245 private investors, the said fund aims to support the business goals and digital transformation of small and medium-sized enterprises (SMEs).

Businesses with assets of less than \$200 million or with less than \$100 in net worth can obtain financing from \$500,000 to \$15 million. SMEs with detailed business or project plans and have growth prospects could qualify. For would-be investors, National Bank pays a 3.9% dividend and should be a good investment for the long-term.

Difficult challenge

Businesses and families have been relying on the government's stimulus measures during the pandemic. However, unwinding the blanket programs is a challenge. About 1,899,000 are without jobs as per the January 2021 jobs report. The next support should help these Canadians find work.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:NA (National Bank of Canada)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date

2025/08/24

Date Created

2021/02/16

Author

cliew

default watermark

default watermark