

BC Labour Market Hot Sheet

May 1, 2020

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Canada entered a recession in the first quarter of 2020 according to new report

Research / Economic Development

Canada has entered a recession in the first quarter of the year, with a February peak, according to the **CD Howe Institute's Business Cycle Council**.

The Council, which comprised of a group of Canada's "preeminent" economists, typically meets annually, but also when economic conditions indicate the possibility of entry to, or exit from, a recession.

And due to the COVID-19 pandemic, the Council met on April 16 to review the case for calling the beginning of a recession in the first quarter of 2020 and the dating of the business cycle peak.

According to the Institute, it defines a recession "as a pronounced, persistent, and pervasive decline in aggregate economic activity."

When looking at a recession, they look at three aspects: by how much did economic activity decline, how long did the decline last, and how broad was this decline across economic sectors.

They also looked at both GDP and employment as its main measures of economic activity.

Statistics Canada released its estimated GDP data on April 15 that showed a 9% drop in March GDP resulting in a quarterly drop of 2.6%, which the Council said is "the largest one quarter drop in GDP on record."

"The Council agreed the magnitude of the contraction makes it extremely unlikely that any future adjustments will overturn the conclusion of a major drop in economic activity in the first quarter," they said.

Looking at the labour force, data indicates a 1.5% drop in total employment in the first quarter, with a 5.3% drop in March alone.

This document is just a sample of this week's **BC Labour Market Report 'Hot Sheet'**. To view the complete report, with links to items such as job postings and events, please review this week's email.

Job Postings

To post a job here, please email: BCLMR@Outlook.com (When you write your cover letter, please mention you saw this advertisement in the BC Labour Market Report.)

Employment Counsellor
Options Community Services
Society
Surrey, British Columbia
Closes: Unknown

“Using the industry breakdown for January and February GDP data allowed the Council to determine what the index would have to be in March for entry into a recession,” said the Council. “With government-enforced shutdowns of non-essential industries, and with employment falling in every industry except natural resources, members agreed it is highly unlikely the diffusion index will be above 50 for Q1 of 2020, thereby indicating more contracting than expanding industries.”

With the preliminary data, the Council agreed that Canada entered a recession in the first quarter of the year.

And because the GDP and employment growth were positive or flat in January and February while turning negative in March, they declared February as the cycle peak.

(To Learn More Please Refer to This Week’s Report.)

New job postings show some improvement

Analysis / Data

The dramatic drop in new job postings across Canada because of the COVID-19 pandemic showed some improvement recently, according to online job board Indeed Canada.

As of April 24, the trend in new postings was down 58 per cent from 2019, which is up 11.4 percentage points from the decline of 70 per cent per cent the week prior.

“While part of the narrowing gap over the past week reflected the later date of Easter in 2019, the number of new postings still perked up to its highest level since late March,” says Brendon Bernard of Indeed.

For the week through April 24, total job postings were 49 per cent below that of the same week in 2019. But this follows a 48-per-cent year-over-year drop for the week of April 17, showing that postings started to plateau for the first time since mid-March.

Among sectors, beauty and wellness (down 69 per cent), food preparation and service (down 63 per cent), hospitality and tourism (down 59 per cent) and education and instruction (down 57 per cent) are being hit the hardest.

Community and social service (down 49 per cent), civil engineering (down 48 per cent), arts and entertainment (down 47 per cent) and banking and finance (down 46 per cent) recorded drops in job postings at par with the national level.

Software development (down 32 per cent), security and public safety (down 22 per cent), nursing (down 15 per cent) and personal care and home health (down 10 per cent) felt slightly less of the impact.

Similar to the Canada-wide numbers, total job postings flattened out compared to 2019 levels across most provinces last week, says Indeed. Alberta (down 54 per cent), British Columbia (down 51 per cent) and Quebec (down 50 per cent) saw job postings drop above the Canada-wide level. Ontario (down 49 per cent) tied the national drop rate while Saskatchewan (down 47 per cent), New Brunswick (down 46 per cent), Prince Edward Island (down 45 per cent), Manitoba (down 44 per cent), Newfoundland and Labrador (down 43 per cent) and Nova Scotia (down 42 per cent) had posing drop below the Canada level.

Quebec and Ontario have launched websites looking to better connect employers and potential job candidates amidst the pandemic.

Half of Canadians report worsening mental health, experts say woes just beginning

Workplace Mental Health / Survey

As many people enter a seventh week of self-isolation, a new poll confirms that the COVID-19 pandemic is unifying Canadians in their anxiety.

Half of respondents in the new Angus Reid Institute poll said their mental health has worsened, including 10 per cent who said it has worsened “a lot.”

Among the more than 1,900 respondents, people reported being “bored” and “depressed” almost as much as they said they were “grateful” and “optimistic.”

“Worried” and “anxious” were the top two answers, emotional states that experts don’t expect to dissipate any time soon.

“I think we’re going to have a lot more mental health issues as time goes on,”
Rima Styra, an associate professor of psychiatry at the **University of Toronto**, told **CTVNews.ca**.

“Right now we’re not seeing all of it because people are trying to deal with their specific needs right now. Housing, finding food... trying to deal with employment. But once all of this settles, people are going to sit back and start thinking about it.”

That’s when the current anxieties may intensify, said Styra, particularly among vulnerable groups such as the elderly and those with pre-existing mental health issues.

“Compile that with financial problems and it’s a very deep hole for people to get out of,” said Styra.

BC Labour Market Report

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