The economic reality of COVID-19 came into sharper focus this morning with absolutely massive job losses seen across Canada in the month of March. The economy showed a devastating loss of more than 1 million jobs, and broader measures showed even more serious curtailments in employment. Indeed, there were 1.3 million more Canadians than in February who, while officially still employed in March, did not work any hours. There was also an increase of 800K workers who worked less than half their usual hours. These 2.1 million Canadians who saw their hours dramatically reduced could be seen as at risk of losing their job in the months to come. Overall, total hours worked were down 15% in March, with Quebec seeing the sharpest slowdown and Ontario matching the national average.

The unemployment rate rose 2.2%pts to 7.8%, but would have been worse if it were not for the huge pullback in labour force participation. With large swaths of the economy shutdown, many of those who lost their jobs apparently simply chose to wait to look for new employment until conditions improved, seeing the participation rate fall 3.3%pts to 58.5%, the lowest since 1997.

The greatest hits to employment were, as expected, seen in the private sector, particularly those in temporary jobs or casual employment. As also expected, accommodation and food services were the industries to be hit the hardest as a result of social distancing and forced shutdowns, but retail trade and education also saw material declines in employment.

We know that the April employment reading is likely to be even worse, since shutdowns only really began in earnest around the middle of March, and some employers might have tried to hold on to some employees in the early weeks of the forced closures. But this survey was conducted a week later than the US non-farm payroll report, so it might have captured more of the sudden-stop in activity, and on a relative basis might mean there's at least slightly less downside in the Canadian numbers left to show up than those south of the border. Either way, April's jobs reports are likely to plumb new lows in both Canada and the US, and reveal more of the economic devastation from COVID-19.