Comparing Private Sector Job Creation in Canadian Provinces and US States, 2019-2024

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Ben Eisen and Nathaniel Li

LABOUR POLICY

Key Points

- Canadian politicians have frequently pointed to job creation in this country relative to other countries in recent years as evidence of the strength of Canada's economy and labour market. Previous studies, however, have shown that headline employment numbers provide an incomplete picture of recent labour market performance. Earlier Fraser Institute research found that private-sector employment growth has been comparatively weak, particularly given Canada's rapid population growth.
- This study builds on that analysis by adding an international comparison. Specifically, we compare net job creation in Canada's provinces to that in American states after adjusting for changes in the size of the working-age population.
- After making an appropriate adjustment for population changes, private sector job creation in the United States has substantially eclipsed that in Canada from 2019 to 2024. More specifically, while net job creation in the United States has been more than sufficient to keep pace with population changes, private sector job creation in Canada has been inadequate to keep up with the growth in the working-age population.
- If private sector job creation adjusted for the changes in the working-age population in Canada had kept pace with the United States since 2019, there would have been 554,000 more private-sector jobs in the country in 2024 than was in fact the case.
- A regional analysis shows that the Canadian provinces generally underperform comparable American states on this indicator.
- Canada's headline employment growth in recent years substantially overstates the strength of private-sector job creation once rapid population growth is taken into account.

Introduction

Canadian politicians have frequently pointed to job creation in recent years as evidence of the strength of the country's economy and labour market. For example, the federal government's 2024 Fall Economic Statement highlighted the creation of 330,000 jobs over the preceding year and described employment gains as "strong" (Department of Finance Canada, 2024).

However, previous research has shown that these headline employment numbers provide an incomplete picture of recent labour-market performance. For instance, Fraser Institute research has found that much of the employment growth following the COVID-19 pandemic occurred in the public sector, while private-sector employment growth was comparatively weak, particularly given Canada's rapid population growth (Eisen, Ryan, and Palacios, 2023).

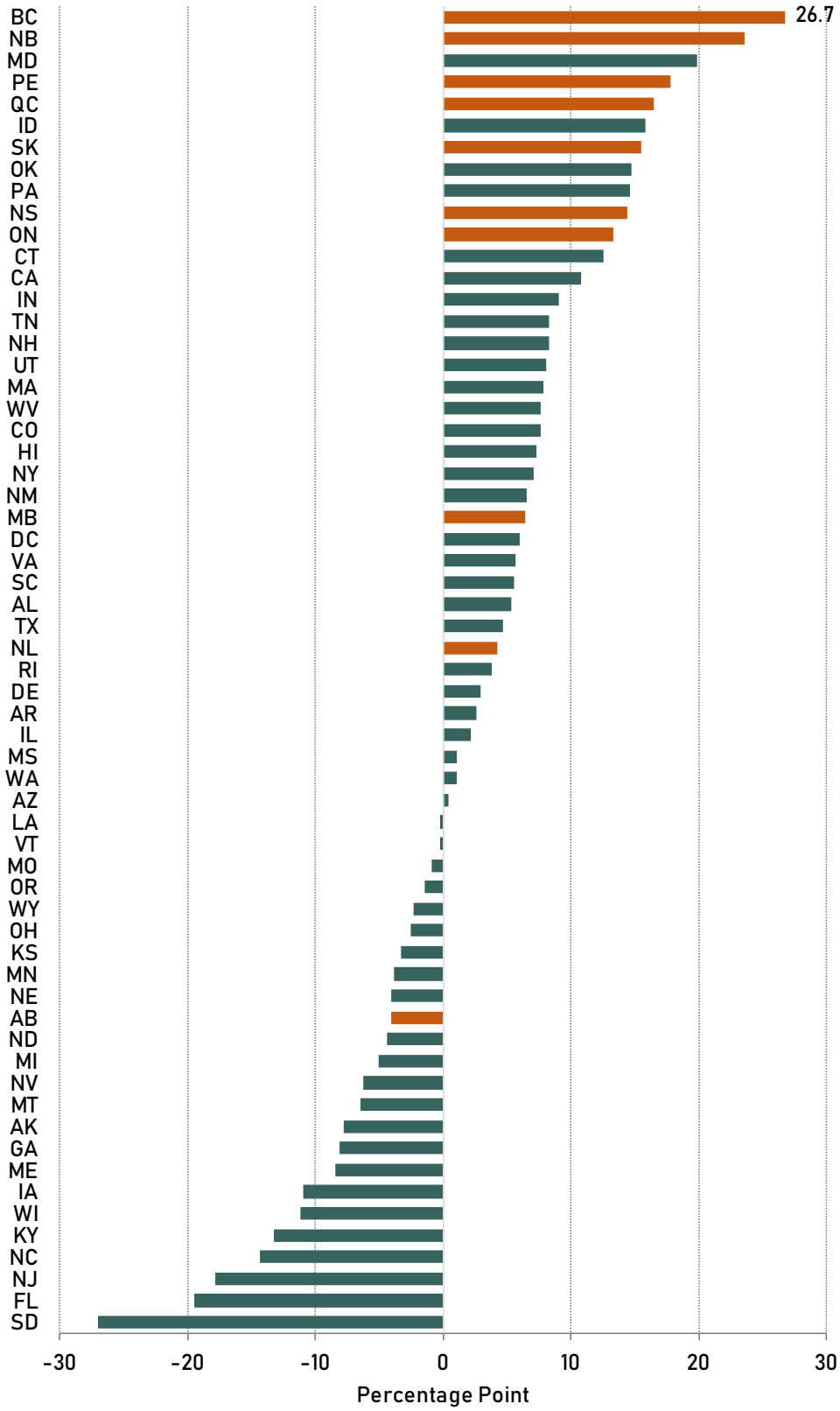
This study builds on that analysis by adding an international comparison. Such comparisons are particularly relevant because the federal government has itself recently compared Canada's job-creation performance with that of other countries. The 2024 Fall Economic Statement noted that employment had increased by 7.4 percent since 2019, which it described as the strongest increase in the G7 (Department of Finance Canada, 2024). However, there are reasons to be skeptical that these data are evidence of a strong labour market. Specifically, analysis has shown Canada's net job creation in recent years has largely been driven by the public sector and that job growth has often been inadequate to keep pace with growth in the working age population. This study builds on these analyses and adds an international dimension by examining total and private sector employment growth in Canada and the United States between 2019 and 2024, with particular attention to private-sector job creation among the working-age population. It then extends the analysis to the provincial and state level, including comparisons between Canadian provinces and economically and geographically similar US states.

Comparing private-sector employment growth in Canada and the United States

As noted above, the federal government has pointed to Canada's headline job creation statistics as evidence of a strong labour market. However, to fully assess the strength of the labour market it is important to account for the rapid growth in Canada's population in recent years. Further, it is important to analyze the effect of rapid growth in the government sector to better understand the health and dynamism of Canada's private sector labour market. This bulletin provides this analysis by comparing private sector employment growth in Canada and the United States on a population-adjusted basis.

We analyze the period from 2019 to 2024, paying particular attention to private-sector employment growth. Using 2019 as the starting point provides a pre-pandemic benchmark while ending the analysis in 2024 allows enough time for the extraordinary labour-market disruptions associated with the pandemic to recede. Also, 2024 is the final year of reliable annual comparable data for all US jurisdictions.

Figure 1: Percentage-Point Gap Between Public- and Private-Sector Employment Growth in Canada and the United States, 2019–2024



Note: A minor difference between the Canadian and US definitions of "employment" is that Canada tabulates employment data for those aged 15 and above, while the United States does so for those aged 16 and above.

Sources: Statistics Canada, 2026; U.S. Bureau of Labor Statistics, 2026; calculations by authors.

We begin by comparing Canadian and US job creation from 2019 to 2024, adjusting for population change. Specifically, we compare net job growth in Canada and the United States per 1,000 people of working age in the population. We focus specifically on the working-age population because it is a more precise denominator: children and most elderly people are not in the labour force.[1]

Canada's federal government has cited strong labour market performance in some recent months; however, over the longer period from 2019 to 2024, Canada's performance was much poorer than that of the United States. More specifically, the number of employed Canadians per 1,000 in the working-age population remained essentially unchanged over this five-year period, while in the United States, total employment per 1,000 workers rose by 7.6 jobs during this time.[2] This significantly undercuts the notion of much stronger job creation in Canada if we examine a longer period of time.

The Canadian picture becomes even less favourable when we consider the composition of this employment growth. Government-sector employment grew much more quickly relative to private-sector employment in Canada than in the United States during this period. Figure 1 illustrates this by showing the percentage-point gap between public- and private-sector job growth across the provinces and states.

Figure 1 shows that of the 12 jurisdictions where government-sector job creation outstripped private-sector job creation by the largest margin, seven were Canadian provinces. In all seven of these provinces, the difference between the two sectors was greater than 10 percentage points. The largest divergence by far was in British Columbia, where rapid government-sector employment growth and comparatively weak private-sector growth produced a difference of 26.7 percentage points.

In nearly half of the US states, private-sector job growth rose faster than government-sector job growth. The same was true in only one Canadian province: Alberta. Figure 1 illustrates the marked difference in the composition of employment growth between the two countries from 2019 to 2024. In Canada, government-sector job growth substantially outpaced private-sector job growth in most provinces, including three of the four largest—Ontario, Quebec, and British Columbia.

A clearer picture of the health of the private-sector labour market emerges in a comparison of net private-sector employment growth relative to changes in the working-age population. Net private sector job growth refers to job gains minus losses in the private sector, and is adjusted here for changes in the working-age population.

Private-sector employment is an important indicator of an economy's capacity to generate sustainable economic growth and rising living standards. Private businesses create goods and services that markets value. They generate revenues through voluntary exchange and face competitive pressures to

1 The definition of "working age population" varies slightly in Canada and the United States. We have included more detailed information under the relevant figures.

2 We drew the data for the national figures from the same sources as those listed in figure 2.

increase productivity, invest, innovate, and respond to consumer demand. These activities are central to the process through which economies generate higher incomes and living standards over time. This does not imply that public-sector employment is without economic value, nor that public services cannot support private-sector activity. Rather, it reflects the fact that the private sector is ultimately the primary source of the market-based production, investment, and productivity growth on which rising living standards depend. As the OECD has noted, productivity growth is an essential driver of living standards and improving business-sector productivity, investment, competition, and firm dynamism is crucial for Canada's future economic performance (OECD, 2026).

By this measure, the United States substantially outperformed Canada between 2019 and 2024. In the US there was a net increase of approximately 5.4 private-sector jobs per 1,000 people in the population of working age. In Canada, by contrast, private-sector job creation failed to keep pace with the growth in the working-age population. As a result, the number of private-sector jobs per 1,000 people of working age fell by approximately 15 over the period.

Although a change of several jobs per 1,000 working-age people may appear small, they are a meaningful change in the share of the working-age population employed in the private sector. For example, the decline of approximately 15 private-sector jobs per 1,000 working-age population in Canada between 2019 and 2024 represents a 1.5 percentage-point decline in the private-sector employment rate. Given that Canada's working-age population was approximately 27.2 million in 2024, this means that there were roughly 407,000 fewer private-sector **jobs** than would have been the case if Canada had simply maintained its 2019 private-sector employment rate.

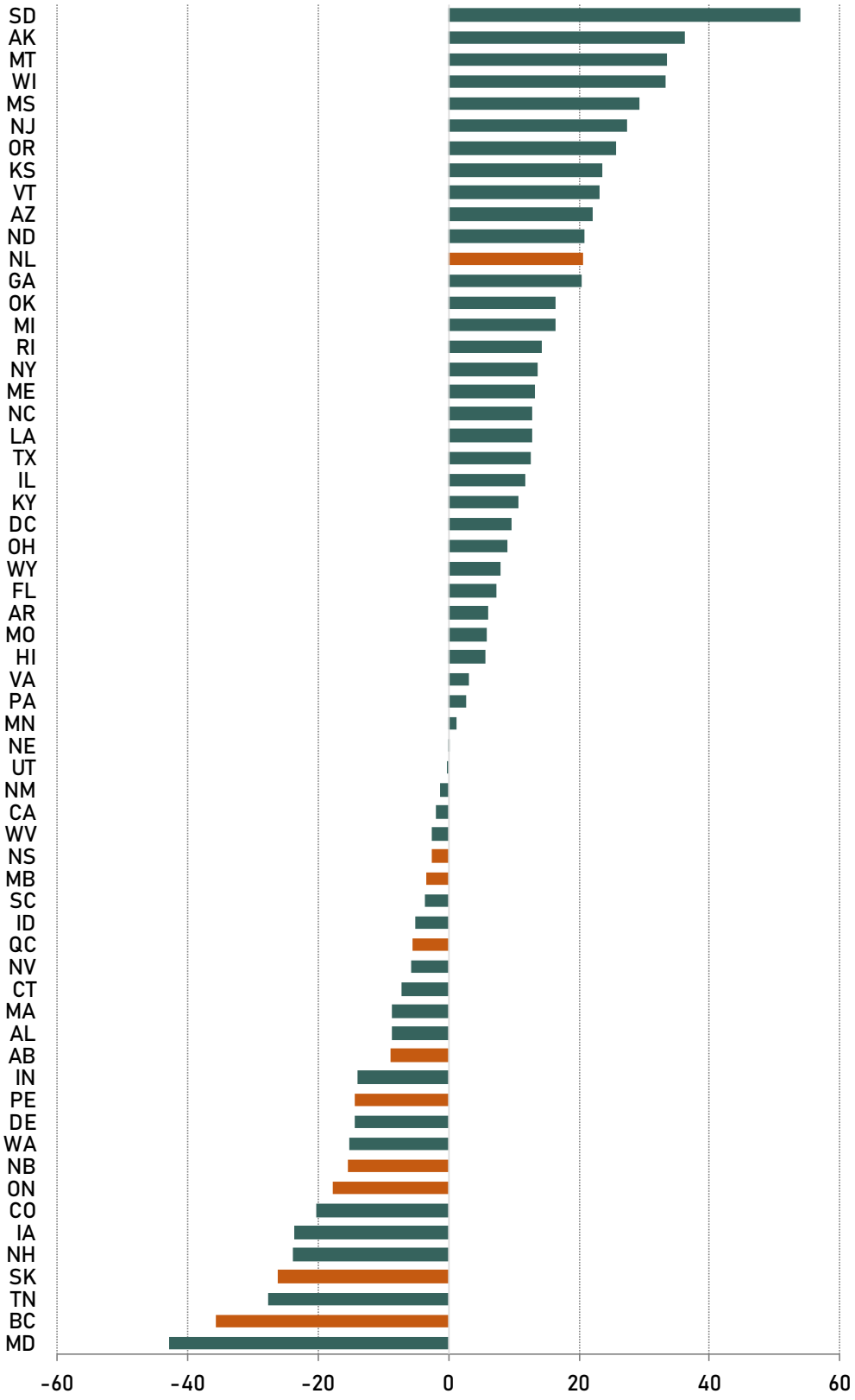
The comparison with the United States further illustrates the significance of the difference. While Canada's private-sector employment rate fell by approximately 15 jobs per 1,000 working-age population, in the US, private-sector employment rose by approximately 5.4 per 1,000. Had Canada matched the US's performance over the period, there would have been approximately 554,000 more private-sector jobs in Canada in 2024 than was actually the case. These numbers help illustrate why seemingly modest changes in private-sector employment can represent substantial differences in the economy's capacity to generate employment for a growing population.

Figure 2 presents this metric at the state and provincial level to illustrate the broad difference between private-sector labour-market performance in the two countries' jurisdictions.

Figure 2 shows that private-sector job creation in nine of Canada's 10 provinces was insufficient to keep pace with the growth of the working-age population. The only exception was in Newfoundland & Labrador. Of the 15 worst-performing jurisdictions on this measure, six were Canadian provinces, including the large provinces of Ontario, Alberta, and British Columbia.

The story in the United States is different. Only 18 of the 50 US states show negative private-sector job creation after adjusting for growth in the working-age population. This means that 32 states—a clear majority—generated sufficient growth in their private-sector employment to keep pace with the

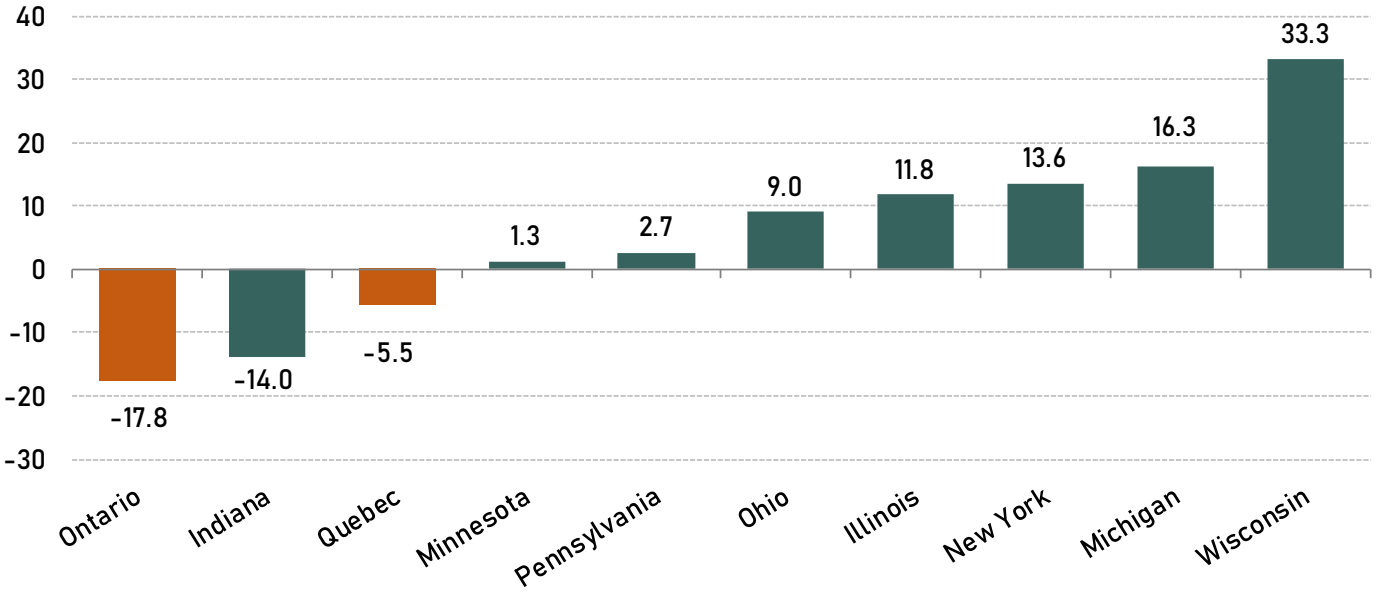
Figure 2: Change in Private-Sector Employment per 1,000 Working-Age People, 2019–2024



Note: Similar to the minor difference between the Canadian and U.S. definitions of "employment," the working population in Canada is defined as the population aged 15 to 64, while in the United States it is defined as the population aged 16 to 64.

Sources: Statistics Canada, 2025, 2026; U.S. Bureau of Labor Statistics, 2026; U.S. Census Bureau, 2026a, 2026b; calculations by authors.

Figure 3: Change in Private-Sector Employment per 1,000 Working-Age People in Ontario, Quebec, and the Great Lakes States, 2019–2024



Note: Similar to the minor difference between the Canadian and U.S. definitions of "employment," the working population in Canada is defined as the population aged 15 to 64, while in the United States it is defined as the population aged 16 to 64.

Sources: Statistics Canada, 2025, 2026; U.S. Bureau of Labor Statistics, 2026; U.S. Census Bureau, 2026a, 2026b; calculations by authors.

growth in their working-age populations. That compares with only one Canadian province.

Taken together, these results do not support the claims that job creation in Canada has substantially outperformed that in the United States in recent years. Over the longer 2019–2024 period, Canada underperformed the United States even on (population-adjusted) total employment growth. The contrast is much more dramatic when the analysis focuses on private-sector employment. At the provincial and state level, the same broad pattern is evident: nearly all Canadian provinces have failed to generate sufficient private-sector employment gains to keep pace with growth in their working-age populations. The next section examines this pattern in more detail by comparing several Canadian provinces and regions with relevant groups of peer US states.

Comparing private-sector employment growth in Canada to comparable US states

While national comparisons of the relative performance of the Canadian and US labour markets provide a useful overview, comparisons between smaller groups of economically and geographically similar jurisdictions provide further context. Provinces and states within the same broad economic regions often share important characteristics,

including geography, industrial structure, access to common markets, and exposure to similar economic trends. Comparing Canadian provinces with relevant US states therefore provides another way to assess the relative strength of their private-sector labour markets.

Ontario and Quebec compared to the Great Lakes states

We begin by comparing Ontario and Quebec with the eight US states that border the Great Lakes. Previous Fraser Institute research has used this group to assess Ontario's relative economic performance because these states are nearby competitors for investment and trade and share important economic characteristics with Ontario, including the presence of large manufacturing sectors (Eisen and Li, 2022).

Figure 3 shows the results. Of the 10 Great Lakes jurisdictions examined, in only three did private-sector job creation fail to keep pace with the working-age population; two of them were Ontario and Quebec. Among the eight US states, only Indiana recorded negative private-sector job creation after adjusting for changes in the size of the working-age population. Ontario performed the worst on this measure. In that province the number of private-sector jobs per 1,000 people of working age fell by approximately 18 over the 5-year period.

The comparison reinforces the broader national pattern. Ontario and Quebec's relatively weak private-sector labour-market performance is not simply a result of comparing Canada with faster-growing regions in the United States; both provinces also underperformed most nearby Great Lakes states, which have broadly similar economic characteristics.

Atlantic Canada compared to New England

We also compared the four Atlantic provinces with the six New England states. Previous Fraser Institute research has used New England as a peer group for Atlantic Canada because the two regions are close geographic neighbours and share a number of important characteristics. In particular, their economies have broadly similar industrial structures, while several of the Maritime provinces also resemble the northern New England states in the age of the population and urbanization (Whalen and Emes, 2022).

Figure 4 shows that the comparison between Atlantic Canada and New England have more mixed results than the Great Lakes comparison. Between 2019 and 2024, three of Canada's four Atlantic provinces had declines in private-sector employment relative to the growth in their working-age populations. New Brunswick recorded a decline of 15.5 private-sector jobs per 1,000 people of working age, while in Prince Edward Island that decline was 14.4 and in Nova Scotia it was 2.6. Newfoundland &Labrador was the exception; it recorded an increase of 20.6 private-sector jobs per 1,000 people in the working-age population.

Three of the six New England states also recorded declines on this measure. New Hampshire was the weakest-performing jurisdiction in the group. It saw a decline of 23.8 private-sector jobs per 1,000 people of working age, while in Massachusetts the decline was 8.7, and in Connecticut it was 7.2. By contrast, Maine gained 13.3 private-sector jobs per 1,000 people of working age, Rhode Island gained 14.3, and Vermont gained 23.1.

Figure 4: Change in Private-Sector Employment per 1,000 Working-Age People in Atlantic Canada and New England, 2019–2024



Note: Similar to the minor difference between the Canadian and U.S. definitions of "employment," the working population in Canada is defined as the population aged 15 to 64, while in the United States it is defined as the population aged 16 to 64.

Sources: Statistics Canada, 2025, 2026; U.S. Bureau of Labor Statistics, 2026; U.S. Census Bureau, 2026a, 2026b; calculations by authors.

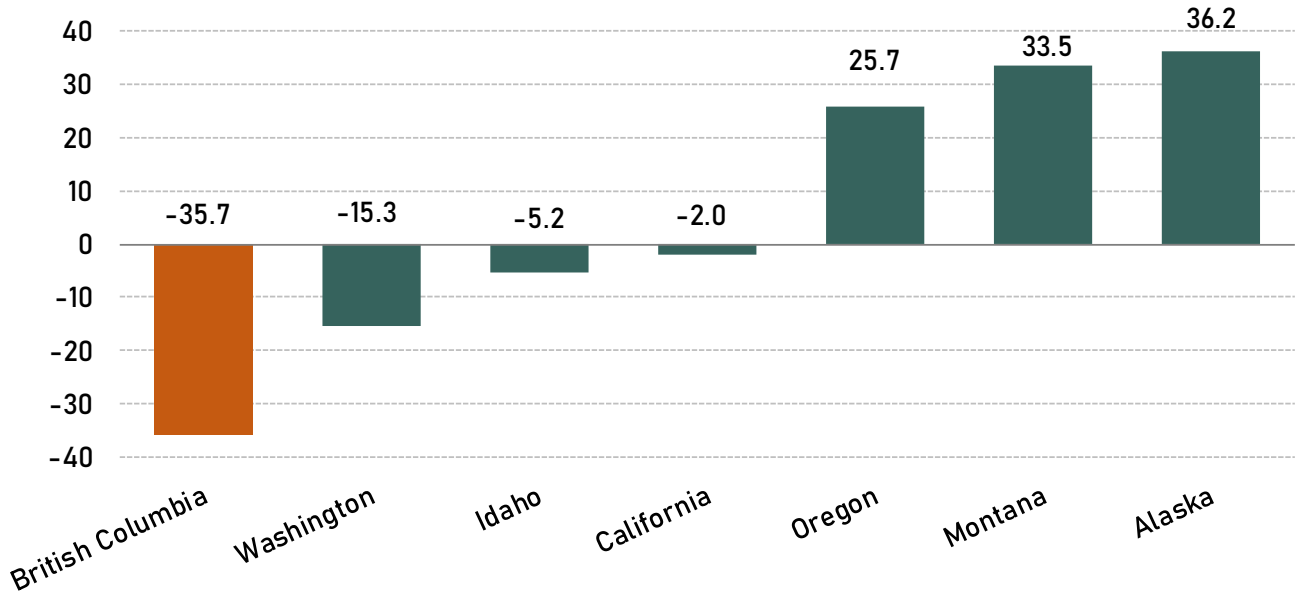
The Atlantic Canada–New England comparison therefore offers less clear-cut results than those for the Great Lakes region, partly because several New England states also performed poorly on this measure. Nonetheless, the results remain broadly consistent with the national pattern. Three of the four Atlantic provinces saw their population-adjusted private-sector job growth drop compared with three of the six New England states. Moreover, two of the three weakest-performing jurisdictions were Canadian provinces. Newfoundland & Labrador is the notable exception and ranked near the top of the regional peer group.

British Columbia compared to Western US states

We also compared British Columbia with six nearby western US states: Washington, Alaska, California, Oregon, Montana, and Idaho. Previous Fraser Institute research has used this group to assess British Columbia's relative economic performance as several of these nearby US states have sectoral similarities with the province and there are extensive supply-chain links among the group. Further, all compete with British Columbia for talent and capital investment (Eisen and Li, 2023).

Figure 5 shows a pattern that closely mirrors the broader national trend. Three of the six US peer

Figure 5: Change in Private-Sector Employment per 1,000 Working-Age People in British Columbia and Selected Western US States, 2019–2024



Note: Similar to the minor difference between the Canadian and U.S. definitions of "employment," the working population in Canada is defined as the population aged 15 to 64, while in the United States it is defined as the population aged 16 to 64.

Sources: Statistics Canada, 2025, 2026; U.S. Bureau of Labor Statistics, 2026; U.S. Census Bureau, 2026a, 2026b; calculations by authors.

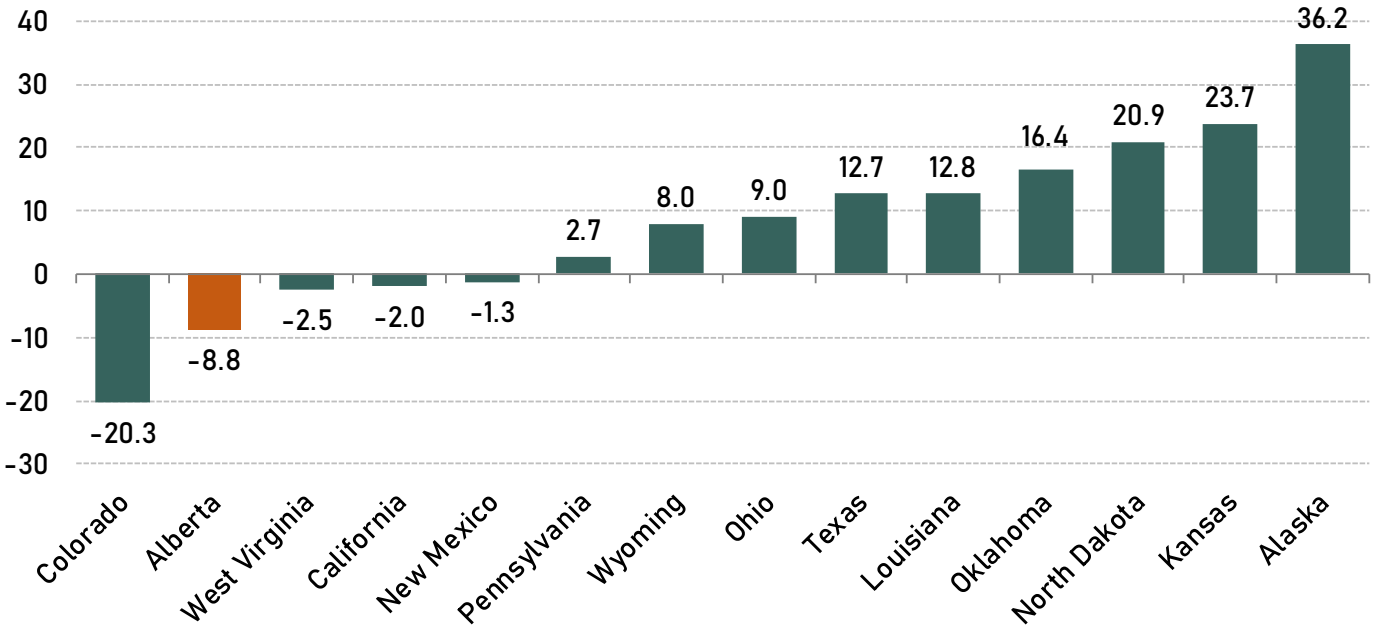
states—Washington, Idaho, and California—also experienced declines in the number of private-sector jobs per 1,000 working-age people between 2019 and 2024. However, in each case the decline was substantially smaller than in British Columbia. The number of private-sector jobs per 1,000 people in the working-age population fell by 35.7 in British Columbia, compared with 15.3 in Washington, 5.2 in Idaho, and 2.0 in California. The other three peer states all saw substantial increases on this measure: Oregon added 25.7 private-sector jobs per 1,000 working-age people, Montana added 33.5, and Alaska added 36.2.

British Columbia stands out as by far the weakest performer in its regional peer group. Although weak population-adjusted private-sector job creation was not unique to the province, the decline in British Columbia was more than twice as large as in the next-worst jurisdiction, Washington, and contrasted sharply with the substantial gains recorded in half of the US peer states.

Alberta compared to US energy-producing states

Alberta's geography provides a less useful basis upon which to select US peer jurisdictions than its economic structure. Alberta's economy is distinguished by the significance of its energy sector, and previous Fraser Institute research has therefore assessed the province's relative economic

Figure 6: Change in Private-Sector Employment per 1,000 Working-Age People in Alberta and Selected Energy-Producing US States, 2019–2024



Note: Similar to the minor difference between the Canadian and U.S. definitions of "employment," the working population in Canada is defined as the population aged 15 to 64, while in the United States it is defined as the population aged 16 to 64.

Sources: Statistics Canada, 2025, 2026; U.S. Bureau of Labor Statistics, 2026; U.S. Census Bureau, 2026a, 2026b; calculations by authors.

performance by comparing it with other North American jurisdictions with large energy sectors (Di Matteo, Clemens, and Emes, 2014). This approach remains useful and is a viable way to compare Alberta's private-sector labour-market performance with that of US states that share significant exposure to energy production.

Figure 6 shows that Alberta had the second weakest population-adjusted private-sector employment performance of the energy-producing jurisdictions examined. Between 2019 and 2024, the number of private-sector jobs per 1,000 people of working age in Alberta fell by 8.8. Colorado, the weakest performer, saw a decline of 20.3. Three other US states—West Virginia, California, and New Mexico—also recorded negative results, although in each case the decline was much smaller than in Alberta.

In most of the US energy-producing states we examined private-sector job creation after adjusting for the growth in the working-age population was positive. Nine of the 13 US states had positive private-sector job growth, including Texas, Louisiana, Oklahoma, North Dakota, Kansas, and Alaska.

The Alberta experience therefore closely follows the broader pattern identified in the national analysis. Although private-sector employment in Alberta grew substantially in absolute terms over the five-year period, that growth was insufficient

to keep pace with the province's rapidly expanding working-age population. Alberta consequently had the second weakest population-adjusted private-sector employment performance among all 14 energy-producing jurisdictions examined.

Summary of regional comparisons

The regional comparisons highlighted in this bulletin reinforce the broader national pattern. Ontario and Quebec both performed poorly relative to the Great Lakes states, with only Indiana sharing their negative population-adjusted private-sector job growth. British Columbia also ranked last in its western peer group—by a wide margin—even though several of the comparator states themselves recorded weak results. In Atlantic Canada, the pattern was less obvious as it reflected the generally weak performance in New England, but nonetheless, three of the four Atlantic provinces still recorded negative results and two of the three weakest-performing jurisdictions were Canadian provinces. Alberta similarly ranked the second last among the energy-producing jurisdictions examined while most of its US peers recorded positive private-sector job growth after adjusting for changes in the working-age population.

Therefore, the regional analysis provides a broadly consistent picture across different parts of the country. The weakness in population-adjusted private-sector job creation is not concentrated in one province or one type of provincial economy. It is evident in Canada's two largest provinces, in British Columbia, across most of Atlantic Canada, and in Alberta when compared with relevant US energy-producing states. Although the strength of the comparison varies from region to region, the overall pattern is clear: Canadian provinces have generally performed poorly relative to comparable US jurisdictions in generating enough private-sector employment growth to keep pace with the growth in their working-age populations.

Conclusion

Canadian politicians have frequently pointed to strong employment growth in recent years as evidence of this country's healthy labour market. However, as previous research has shown, headline employment numbers provide an incomplete picture of economic performance. This study compares Canadian and US employment growth by focusing specifically on private-sector job creation relative to growth in the working-age population.

From 2019 to 2024, Canada performed worse than the United States on a population-adjusted measure of total employment growth. More importantly, government-sector employment growth played a substantially larger role in Canada than in the US, while private-sector employment failed to keep pace with the growth in the working-age population. A number of provincial and regional comparisons reinforce this national picture: across most of the country, Canadian provinces performed poorly relative to their relevant US peer jurisdictions. These results suggest that the employment growth that Canada's politicians have touted in recent years substantially overstates the strength of private-sector job creation once rapid population growth is taken into account.

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Ben Eisen

Ben Eisen is a senior fellow in Fiscal and Provincial Prosperity Studies at the Fraser Institute. He holds a BA from the University of Toronto and an MPP from the University of Toronto's School of Public Policy and Governance.



Nathaniel Li

Nathaniel Li is a Senior Economist at the Fraser Institute. He holds a B.A. from the Fudan University in China and a Ph.D. in Food, Agricultural and Resource Economics from the University of Guelph.

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