



Actalent®

Labour Market & Economy Report

Quarter One 2024

In terms of employment growth, Canada saw 75,800 jobs added in Q1 2024, a notable upturn from the Q4 2023 total of 55,100.

The average quarterly unemployment rate increased again for the fourth quarter in a row, rising steadily from 5.0% in Q1 2023 to 5.9% in Q1 2024.

Among the industries Actalent supports, Q1 2024 unemployment rates were as follows: utilities (1.1%), healthcare (1.8%), construction (5.3%), professional, scientific, and technical services (4.0%), and manufacturing (3.7%).

Year-over-year inflation cooled off significantly in Q1, starting at 3.4% and ending at 2.9%. The easing of inflation and “core” inflation (prices excluding food, energy and the effects of changes in indirect taxes) has analysts more confident that the Bank of Canada could cut interest rates as early as June.

The average hourly wage rate for all employees increased 5.1% from Q1 2023 to Q1 2024. This was close to the annual wage growth rate observed in Q4. Wage growth continued to outpace inflation, which is good news for workers. However, strong wage growth could make it difficult to curb inflation.



75.8K

Jobs Gained in Q1

Canada employment grew by 37K jobs in January and 41K jobs in February, then fell by 2.2K jobs in March. Thus, a net-positive 75.8K jobs were added in Q1 2024.



65.3%

Q1 Labour Force Participation Rate

The labour force participation rate averaged 65.3% during Q1 2024, 0.2% lower than the Q4 2023 average. This indicates that the share of the Canadian population either working or looking for work has slightly declined.



5.9%

Unemployment Rate

The unemployment rate increased from an average of 5.8% in Q4 2023 to 5.9% in Q1 2024. The unemployment rate has increased by a whole percentage point over the last twelve months.



1.2M

Q1 Monthly Average Job-Leavers

An average of 1.2M workers left their jobs each month during Q1 2024, unchanged from the Q4 2023 average.

A Note on Comparability

Why Canadian data should not be compared directly to United States data

Canada labour market data is collected and analysed by Statistics Canada. United States data is collected and analysed by the United States Bureau of Labor Statistics. Both agencies use different methods and concepts, so data should not be compared directly.

For example, the US unemployment rate averaged 3.5% in Q1 2023 (BLS), and the Canada unemployment rate averaged 5.0% (StatCan); however, a StatCan report states, “the Canadian unemployment rate adjusted to US concepts was unchanged at 4.0%.” This report provides Canadian statistics without adjustments to US concepts.

Quarter One Market Trends

A closer look at
unemployment by industry
and labour category



Overall unemployment rate

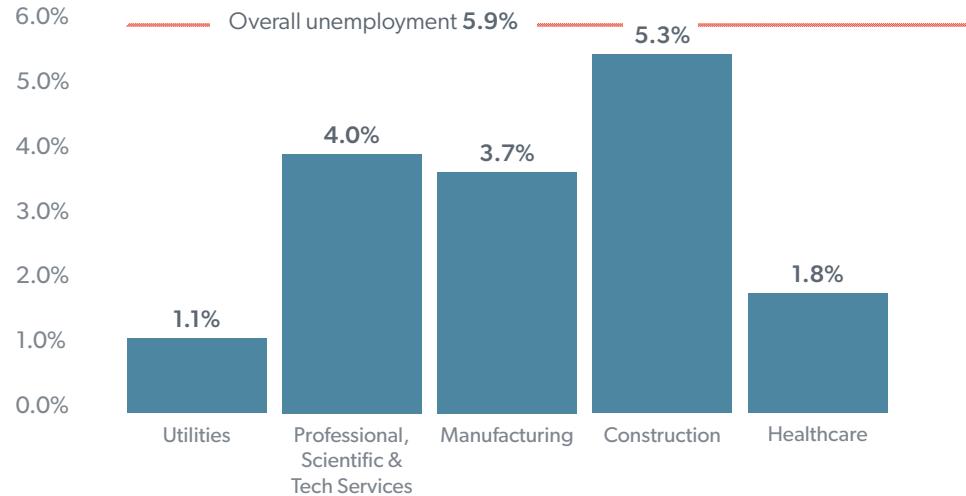


Unemployment Rate for Degreed
Workers (Bachelor's degree or
higher) in 2023

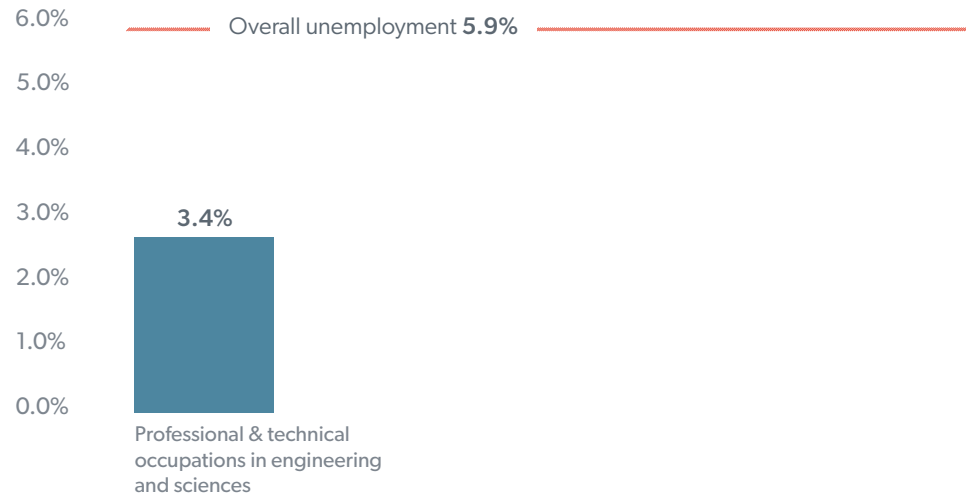


Ratio of unemployed workers
(Natural and Applied Sciences
and Related Occupations)
available per job opening
Jan 2024 – Mar 2024.

Unemployment rates by industry



Unemployment rates by labour category



Due to frequent data revisions and statistical noise on a month-to-month basis, Actalent employs a rolling 3-month average to best represent unemployment by labour category or industry.

Industry Trends

OVERALL ECONOMY

In Q1 2024, the Canadian economy added a net-positive 75.8K jobs, the labour force participation rate averaged 65.3%, and the unemployment rate increased slightly to a 3-month average of 5.9%. A StatCan report released in April revealed that real GDP per capita has declined in five of the past six quarters and is 7% below its long-term trend. StatCan highlighted that growth in 2023 was weighed down by higher interest rates, lower business investment, and declines in residential construction. Still, major investments in clean energy, infrastructure, and manufacturing facilities continue to boast the creation of thousands of jobs, suggesting increased demand for STEM workers in the future.

+75.8K
EoQ

+2%
YoY

UTILITIES

StatCan estimates public investments in the utilities sector will increase by 11.7% to \$30.6B in 2024, with investments going toward refurbishments, small modular reactor projects, network sustainability, grid hardening, and transmission projects. Xplore Inc. announced its progress on an ongoing broadband expansion project in Prince Edward Island, highlighting that more homes have been connected to fibre and fixed wireless internet than originally planned. The Canada Infrastructure Bank (CIB) is investing \$138.2M for three energy storage facilities to support clean energy. The CIB-funded project, which is subject to regulatory approval, will be completed by Nova Scotia Power in collaboration with Wskijinu'k Mtmo'taquow Agency Ltd. (WMA), marking the first Indigenous Equity Initiative from the CIB.

+600
EoQ

+2%
YoY

CONSTRUCTION

StatCan estimates that total capital expenditures on non-residential construction could increase by 3.6% to \$231.2B in 2024. Investments in clean energy (including the construction of energy-efficient buildings), new or expanded manufacturing facilities, and infrastructure continue to drive construction activity in Canada. Construction is underway for Air Products' \$1.6B net-zero hydrogen complex near Edmonton, Alberta, which is reportedly creating "2,500 construction and engineering jobs near-term, with more job creation to come in the hydrogen transportation industry long-term." Dow is expected to begin construction on its Fort Saskatchewan Path2Zero expansion project, a milestone \$11.5B carbon neutral project expected to create 6,000-7,000 jobs during peak construction.

+19.2K
EoQ

+1%
YoY

HEALTHCARE

The vacancy rate for the Healthcare and Social Assistance sector was 5.4% in January and 4.9% in February (latest data available), significantly lower than the 2022 peak of 6.5%, but still much higher than the pre-pandemic rate of 3.4%, indicating a still-elevated shortage of workers. The Canadian Institute for Health Information released a report on The State of the Health Workforce in Canada, which revealed an increase in supply for several healthcare skill sets, although there are concerns that the growing worker supply is not keeping pace with demand as the population ages and healthcare needs increase.

+34.7K
EoQ

+5%
YoY

EoQ = End of Quarter
YoY = Year over Year

Industry Trends, continued

ENGINEERING AND SCIENTIFIC R&D SERVICES

Architecture & Engineering: Architectural business was negatively impacted by a drop in demand from the residential sector in 2023 due to higher interest rates, but investments in energy-efficient buildings, infrastructure, and other construction projects are likely to positively influence demand for architectural services in 2024 and beyond. AECOM has been selected by the City of Ottawa as prime consultant for the planning, design, and construction of the OC Transpo Electric Bus Garage, which will house and charge 84 electric buses as part of the City's plans to convert its bus fleet from diesel to zero-emission by 2036. WSP has been selected as the design lead for the design and build of the Ontario Line Elevated Guideways and Stations (EGS) contract, one of several projects that will contribute to the new Ontario Line subway.

Scientific R&D: Pharmascience will expand its CDMO services with a new commercial business unit dedicated to R&D, formulation, and manufacturing of its injectable products. Moderna has completed construction of its mRNA manufacturing plant in Laval, Quebec, which is scheduled to begin production in 2025 and create highly skilled jobs, although the exact number of jobs is unclear. AstraZeneca will acquire Fusion Pharmaceuticals Inc., a clinical-stage oncology company that develops next-generation radioconjugates (RCs) as precision medicines. The acquisition will bring R&D, manufacturing, and supply chain capabilities to AstraZeneca's oncology portfolio and strengthen the company's presence in Canada.



AEROSPACE & DEFENCE

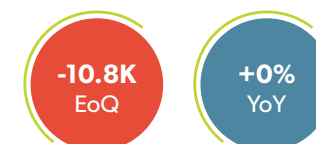
In February, the historic agreement on security cooperation between Canada and Ukraine was signed, which includes \$3.02B in financial and military support to Ukraine in 2024. To support growing demand for munitions, the DND has awarded about \$4.4M to IMT Defence and General Dynamics Ordnance and Tactical Systems-Canada Legardeur and Valleyfield to "undertake research to advance processes for the design and production of NATO standard 155 mm munitions." The DND/CAF Artificial Intelligence Strategy was launched in March and will allow the DND to harness AI technologies while providing guidance on responsible use of AI.

**EMPLOYMENT DATA
NOT AVAILABLE**

C&IP

Overall: Slowness in the manufacturing sector appeared to carry over from 2023 into the first couple months of 2024. Canadian manufacturing sales rose 0.2% in January then by 0.7% in February (latest data available). Still, StatCan estimates that capital expenditures on machinery and equipment could increase by 6.3% to \$122.7 billion in 2024. Plastics manufacturer and supplier EcoPoly is expanding its manufacturing capacity at its Orillia, Ont. facility through a \$32M investment, which will go toward new equipment and automation and create 85 new jobs. Tillsonburg Custom Foods is also expanding its production capacity at its Trenton and St. Marys, Ont. facilities through a \$35M investment, which will be used to add new equipment and create 78 new jobs.

Automotive: Ontario has reportedly attracted over \$28B in investments from auto manufacturers and suppliers over the last three years, which is expected to create over 12,000 jobs. New federal investments were announced in Q1 that will fund additional EV chargers in provinces including British Columbia, Nova Scotia, and Ontario in support of the switch to electric vehicles. Stellantis announced the "world's first and only electric muscle car" in March, the Dodge Charger. Stellantis has closed its Brampton plants for EV retooling, and the government of Ontario is investing \$751,607 to support the nearly 4,000 laid-off workers. The funding will go toward action centres dedicated to upskilling, career counseling, and networking opportunities to ensure that the impacted workers are ready for the transition to EVs.



EoQ = End of Quarter
YoY = Year over Year

Wages in Canada

How they've changed.

+2.9%



Consumer Price Index

Year-over-year inflation changed from 3.4% in December to 2.9% in January, 2.8% in February, and 2.9% in March. Volatile gasoline prices continued to be a major contributor to changes in the CPI. The moderation of "core" inflation (excluding food, energy, and the effects of changes in indirect taxes) has analysts more confident that the Bank of Canada could cut interest rates as early as June.

+5.1%



Wage Increases

Average hourly wages for all employees increased 5.1% year-over-year (Q1 2023 to Q1 2024). This was close to the annual wage growth observed in Q4 2023 (5.0%). Strong wage growth could make it difficult to curb inflation.



"Real" Earnings

Wage growth continued to outpace inflation in the first quarter of 2024, which is good news for workers. While many Canadians may still feel the impacts of inflation, their paychecks aren't taking a significant hit.

References

Read more about trends in Engineering & Sciences

For a labour market snapshot of a specific province or territory, visit [JobBank.gc.ca/trend-analysis](https://jobbank.gc.ca/trend-analysis)

INDUSTRY TRENDS:

Overall: [Canada's gross domestic product per capita: Perspectives on the return to trend](#)

Utilities: [Capital spending on non-residential construction and machinery and equipment, by province and territory; Xplore Surpasses Commitments...; CIB committing \\$138.2 million to Nova Scotia Energy Storage Project](#)

Construction: [Capital spending on non-residential construction and machinery and equipment, by province and territory; Construction underway on \\$1.6 billion Alberta net zero hydrogen complex; Canada Net-zero Hydrogen Energy Complex; Canada announces first major investment tax credit project to create good jobs; Fort Saskatchewan Path2Zero](#)

Engineering & Scientific R&D Services

Architecture & Engineering: [Architects in Canada - Market Size, Industry Analysis, Trends and Forecasts \(2024-2029\); AECOM selected by the City of Ottawa as prime consultant for OC Transpo Electric Bus Garage; WSP Secures Ontario Line Elevated Guideways and Stations Contract](#)

Scientific R&D: [Pharmascience Expands its CDMO Services With a New Commercial Business Unit; Moderna concludes construction at new mRNA vaccine facility in Canada; Fusion Pharmaceuticals To Be Acquired By AstraZeneca...](#)

Healthcare: [Job vacancies, payroll employees, and job vacancy rate by industry sector...; The state of the health workforce in Canada, 2022](#)

Aerospace & Defence: [Prime Minister visits Kyiv and announces additional support for Ukraine; Minister Blair announces investments in Canadian innovation and launches AI Strategy at Ottawa Conference on Security and Defence](#)

About Actalent

Actalent is a global leader in engineering and sciences services and talent solutions. We help visionary companies advance their engineering and science initiatives through access to specialized experts who drive scale, innovation and speed to market. With a network of almost 30,000 consultants and more than 4,500 clients across the U.S., Canada, Asia and Europe, Actalent serves many of the Fortune 500.

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C&IP: [Monthly Survey of Manufacturing, January 2024; Monthly Survey of Manufacturing, February 2024; Capital spending on non-residential construction and machinery and equipment, by province and territory; Ontario's EcoPoly Properties investing over \\$32 million in manufacturing; Ontario Welcomes \\$35 Million Manufacturing Investment](#)

Automotive: [Chapter 1, Section A: Building Ontario; B.C. – New public charging stations will make EVs more accessible; Federal Investment to Deliver 56 New EV Chargers across Halifax; Federal Investment for New EV Chargers Across Ontario; Dodge Delivers World's First and Only Electric Muscle Car...; Brampton Assembly Plant and Brampton Satellite Stamping Plant; Ontario Supports Auto Workers in Peel and Durham](#)

CPI:

[Bank of Canada: Consumer Price Index; Canada March CPI edges up; easing core inflation feeds June rate cut bets; Core Inflation – Bank of Canada](#)

WAGES:

[StatCan Wages by Industry, Monthly, Unadjusted for Seasonality](#)

JOB POSTING DATA FROM:

[Lightcast](#)



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