



Actalent®

Labour Market & Economy Report

Quarter Four 2024

Canada's economy added 155,900 jobs in Q4 2024, exceeding the net 66,000 jobs added in the third quarter. Employment gains in November and December were both stronger than anticipated, but the rising unemployment rate, declining job vacancies and a low labour force participation rate suggest that the labour market has significant room for improvement.

The unemployment rate increased from an average of 6.5% in Q3 to 6.7% in Q4 2024. Almost half (45%) of the unemployed population in the fourth quarter were new entrants to the labour force, while 39% had lost their job and 16% had quit their job prior to being unemployed.

Among the industries Actalent supports, Q4 2024 unemployment rates were as follows: healthcare (1.7%), utilities (2.2%), professional, scientific and technical services (3.7%), manufacturing (4.0%), and construction (5.3%).

Year-over-year inflation remained close to the Bank of Canada's (BoC) 2.0% target in Q4, ending at 1.8% in December. The BoC lowered its key interest rate by 50 basis points in both October and December, marking five total rate cuts in 2024. High interest rates can have a lagging effect, but easing monetary policy may benefit economic and hiring activity in the long-term.

The year-over-year average hourly wage rate for all employees increased by 4.3% from Q4 2023 to Q4 2024, 0.7% below the annual wage growth observed in Q3. In terms of "real" earnings (adjusted for inflation), wages continue to outpace inflation.



155.9K

Jobs Gained in Q4

Canada employment increased by 14,500 jobs in October, 50.5K jobs in November and 90.9K jobs in December. Thus, a net-positive 155.9K jobs were added in the fourth quarter of 2024, exceeding the 66K jobs added in Q3.



65.0%

Q4 Labour Force Participation Rate

The labour force participation rate averaged 65.0% during Q4 2024, unchanged from the Q3 average. The participation rate in October (64.8%) was the lowest since December 1997, excluding COVID-19 years 2020 to 2021.



6.7%

Unemployment Rate

The unemployment rate increased from an average of 6.5% in Q3 to 6.7% in Q4 2024. During the fourth quarter, almost half (45%) of the unemployed population were new entrants to the labour force, while 39.0% had lost their job and 16% had quit their job prior to being unemployed.



1.2M

Q4 Monthly Average Job-Leavers

An average of 1.2 million workers left their jobs each month during Q4 2024, slightly above the Q3 monthly average of 1.1 million.

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 Four Market Trends

A closer look at
unemployment by industry
and labour category



Overall Unemployment Rate

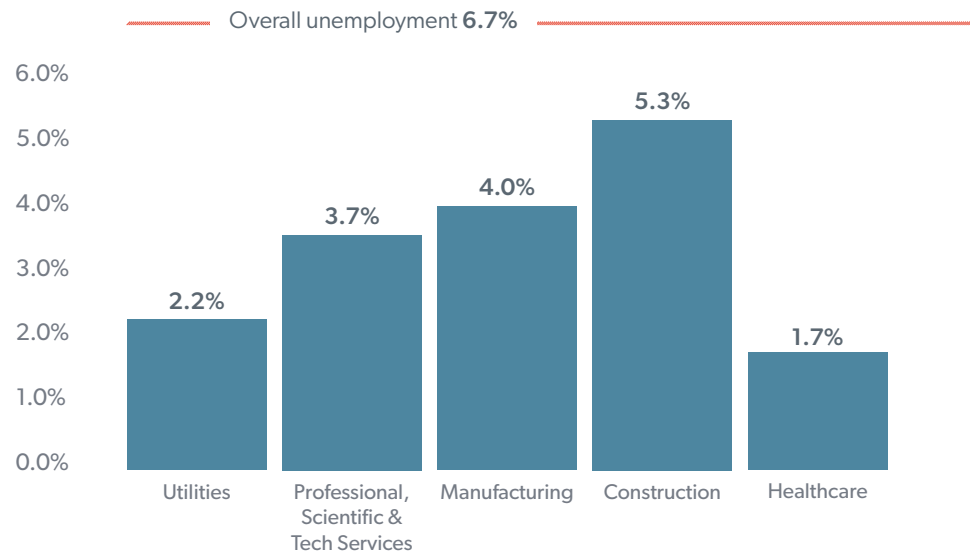


Unemployment Rate for Degreed
Workers (Bachelor's degree or
higher) in 2024

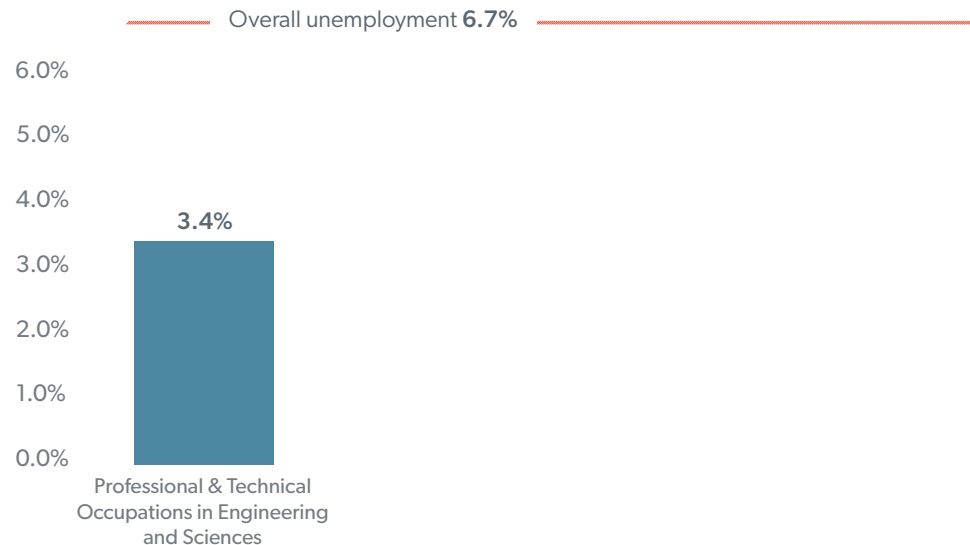


Ratio of Unemployed Workers
(Natural and Applied Sciences
and Related Occupations)
available per job opening
October to December 2024

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

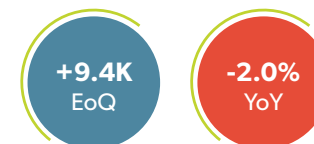
OVERALL ECONOMY

In Q4 2024, Canadian employment increased by 155,900 total jobs, the labour force participation rate averaged 65.0% and the unemployment rate increased to a three-month average of 6.7%. The consumer price index remained close to the Bank of Canada's (BoC) 2% target throughout the fourth quarter, leading the BoC to cut its policy rate by 50 basis points in October and December. Indicators point to a soft economy and labour market, although interest rate cuts may boost business conditions in 2025. According to the BoC, "binding labour shortages are not widespread" and "hiring plans remain modest." Certain sectors such as construction and healthcare still face critical talent shortages.



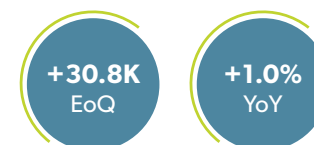
UTILITIES

New manufacturing facilities, data centres and electrification efforts are driving electricity demand across Canada. To effectively manage grid modernization, PwC recommends utilities digitalize their physical assets and upskill their workforces on the technologies and capabilities of digital utilities platforms. Ontario's Affordable Energy Act received Royal Assent in December, establishing an integrated energy plan aimed at lowering energy costs, supporting electrification, reducing emissions and facilitating energy efficiency. Ontario's investments will likely create and sustain utilities jobs. Suncor Energy, Cenovus Energy and Imperial Oil are all projecting higher oil production in 2025 amid resilient demand. Canadian Natural has acquired Chevron's Alberta assets and will integrate Chevron's employees in the field and at its Calgary head office.



CONSTRUCTION

Construction conditions are expected to improve in 2025 due to factors such as lower interest rates, stabilizing inflation and slight improvement in housing affordability. Significant investments have been made in infrastructure, power generation, transportation, manufacturing, housing and clean and renewable energy construction projects. Firms will likely continue to face obstacles such as labour shortages, project costs and upcoming changes to building codes and zoning regulations. On-Site states that over 30% of construction workers are nearing retirement, while the Royal Bank of Canada estimates an additional 500,000 workers may be needed to meet housing construction demands by 2030. The Dow facility in Alberta alone is expected to support 7,000-8,000 jobs during peak construction.



HEALTHCARE

Job vacancies in health occupations declined two quarters in a row in 2024, although the health care and social assistance sector still had the highest job vacancy rate compared to other sectors. The Canadian Medical Association (CMA) "is calling for the elimination of sick notes for short-term minor illnesses, which could prevent as many as 12.5 million unnecessary health-care interactions in a single year." The CMA's recommendation addresses the widespread practice of employers requiring sick notes, which the association believes exacerbates the strain on overburdened health systems, contributes to worker burnout and detracts from patient care.



EoQ = End of Quarter
YoY = Year over Year

Industry Trends, continued

ENGINEERING AND SCIENTIFIC R&D SERVICES

Architecture & Engineering: The investments listed in the construction segment will likely generate demand for architecture and engineering services. AECOM reported strong performance in the Americas in their most recent earnings report and has been selected to provide engineering, design and/or program management services for three projects across Canada that will support wastewater and rail infrastructure. Jacobs was selected to support a wastewater project through a joint venture with AECOM and a water supply project, both in Vancouver. In the fourth quarter, job postings from architecture and engineering firms increased for positions including civil, mechanical and electrical engineers as well as drafting technicians.

Scientific R&D: To strengthen the Canadian life sciences sector, the Royal Bank of Canada suggests several measures, including increasing public and private funding to enhance AI computing capacity; boosting R&D funding; improving resources, policies and funding for commercialization efforts; and appointing a federal champion to advocate for the sector. RBC warns that without adequate resources and economic support, Canada risks losing its “world-class, in-demand talent.” The federal government will invest \$17.5 million to support Giatec Scientific Inc.’s development of AI sensors for its concrete demonstration plant, creating an estimated 160 jobs. The federal government is also investing \$40 million to support Aramis Biotechnologies’ production of plant-based vaccines and therapies, creating at least 80 jobs.



AEROSPACE & DEFENCE

Despite the current manufacturing slowdown, PwC’s long-term outlook for Canada’s aerospace and defence (A&D) industry is very favourable, noting that the market should recover as global demand for aircraft returns. Canada’s defence budget was boosted by a new defence policy in 2024, and spending is anticipated to grow in 2025. GovWin emphasized that Canada’s 2025 federal election could impact future federal purchasing priorities. In November, the federal government awarded over \$4.3 million to five aerospace and aviation projects in Alberta, which will collectively support more than 360 jobs. CAE was awarded a \$1.7 billion contract to develop technology to provide pilot training to the Royal Canadian Air Force. Other contract awards announced last quarter included investments benefitting space exploration and the Canadian Navy.

**EMPLOYMENT DATA
NOT AVAILABLE**

C&IP

Overall: Manufacturing job gains in October and December were offset by a loss of 28,500 jobs in November. Manufacturing employment in Ontario fell by 20,400 in November, which may be related to ongoing weak global demand and layoffs at firms such as Blue Triton Brands and Aspire Food Group. The National Bank of Canada has called attention to Canada’s declining manufacturing sector – a result of “structural economic shifts, insufficient investment, inadequate policy support, and pressures...from global markets,” calling for reform to reverse the decline. Potential US tariffs on Canadian goods in 2025 have created uncertainty for manufacturers. The primary metal manufacturing and transportation equipment manufacturing industries have a particularly high proportion of employment dependent on US demand for Canadian exports.

Automotive: 2024 Canadian new-vehicle sales reached their highest annual total since 2019, potentially influenced by EV purchases ahead of expiring incentives. The 2025 automotive outlook is less clear due to uncertainty regarding changing federal EV incentives and US tariffs. Canada’s Incentives for Zero Emissions Vehicles program (iZEV) ran out of funds before its March 2025 deadline, and many analysts suspect a lack of federal incentives could slow EV demand in 2025. Ford has withdrawn from a joint-venture EV battery materials plant in Quebec, but construction will continue through EcoPro BM Co. and SK On Co.’s partnership. Lion Electric was granted creditor protection after an additional wave of layoffs. Hanon Systems will build a new EV component manufacturing plant, creating 300 jobs in Ontario.



EoQ = End of Quarter
YoY = Year over Year

Wages in Canada

How they've changed.

+1.8%



Consumer Price Index

Year-over-year inflation changed from 1.6% in September to 2.0% in October, 1.9% in November, then 1.8% in December. The Bank of Canada (BoC) lowered its key interest rate by 50 basis points in both October and December, marking five total rate cuts in 2024. The BoC expressed its commitment to keeping inflation close to its 2% target and indicated that they would evaluate the need for future rate reductions “one decision at a time.”

+4.3%



Wage Increases

Average hourly wages for all employees increased 4.3% year-over-year (Q4 2023 to Q4 2024). This was 0.7% below the annual wage growth observed in Q3 2024. Wage growth slowed considerably throughout the fourth quarter.



“Real” Earnings

In the fourth quarter of 2024, wage growth continued to outpace inflation, benefiting workers. Although many Canadians still feel the effects of inflation, consumer prices have not significantly eroded average year-over-year wage gains.

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: [Business Outlook Survey—Fourth Quarter of 2024](#)

Utilities: [Ontario Tackles Energy Demand by Introducing Affordable Energy Act](#); PwC: [Grid modernization: Paving the way to a net-zero future](#); [Key Takeaways from Ontario's Affordable Energy Act](#); [Canadian oil producers forecast higher production in 2025](#); [Canadian Natural Finalizes Acquisition of Chevron's Alberta Assets](#)

Construction: [Bumpy Road to Recovery for the Canadian Economy and Implications for Its Construction Industry](#); [2025 outlook: 5 key themes for Canadian construction](#); [Are We Ready for the Construction Tsunami?](#); [Top 10 Canadian construction trends to watch in 2025](#)

Engineering & Scientific R&D Services

Architecture & Engineering: [AECOM Fourth Quarter and Full Year Fiscal 2024 Results](#); [AECOM joint venture to provide engineering services for Metro Vancouver's...](#); [AECOM selected as design partner for the Capital Line South Light Rail...](#); [AECOM selected to provide program management services for the Queen Street...](#); [Jacobs Selected to Design Transformative Water...](#); [Jacobs Awarded Contract for Metro Vancouver...](#)

Scientific R&D: [Canada's Biotech Reboot: How to keep the vital life sciences sector strong](#); [Government of Canada invests in Giatec® Scientific Inc....](#); [Government of Canada announces investment in Québec-based Aramis Biotechnologies](#)

Healthcare: [Job vacancies, third quarter 2024](#); [Job vacancy rate by industry sector](#); [CMA calls for elimination of workplace sick notes to create more health care capacity](#)

Aerospace and Defence: [PwC Aerospace & Defence](#); [GovWin 2025 Canadian Government Market Outlook](#); [Federal government announces funding for Alta.'s aerospace industry](#); [CAE awarded contract from SkyAlyne to support...](#); [Baylin Technologies Announces Receipt of Additional \\$1 Million Award for NASA's...](#); [Ontario-based Patlon receives over \\$30M in contracts from Irving Shipbuilding...](#)

C&IP: [Labour Force Survey, November 2024, page 7](#); [Ontario, November 2024 – Job market snapshot](#); [National Bank of Canada Special Report](#); [Labour Force Survey, December 2024, page 8](#)

Automotive: [2024 Canadian new-vehicle sales up 8.2% to 1.86M...](#); [Canada Stops Giving Out EV Rebates as Program Runs Out of Money](#); [Ford backs away from \\$1.2B battery materials plant...](#); [Lion Electric granted creditor protection by Quebec court](#); [Hanon Systems spends \\$155 million to make more EV parts in Ontario](#)

CPI: [Bank of Canada: Consumer Price Index](#); [Bank of Canada reduces policy rate by 50 basis points to 3¾%](#); [Bank of Canada reduces policy rate by 50 basis points to 3¼%](#)

JOB POSTING DATA FROM

[Lightcast](#)

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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