



Actalent®

Labour Market & Economy Report

Quarter One 2025

Canada's economy added 44,500 jobs in Q1 2025, falling below the 138,100 jobs added in Q4 2024. The labour market slowed considerably throughout the first quarter due to increasing financial, economic and political uncertainty. Employment rose by 76,000 in January, increased by just 1,100 in February and then fell by 32,600 in March.

The unemployment rate slightly decreased from an average of 6.7% in Q4 2024 to 6.6% in Q1 2025.

Among the industries Actalent supports, Q1 2025 unemployment rates were as follows: healthcare (1.7%), utilities (1.4%), professional, scientific and technical services (4.1%), manufacturing (3.6%), and construction (5.8%).

Year-over-year inflation remained close to the Bank of Canada's (BoC) 2.0% target in Q1, ending at 2.3% in March. The BoC lowered its key interest rate by 25 basis points in both January and March. The BoC emphasized that it would continue to closely monitor inflation expectations due to the "more-than-usual" uncertainty caused by the rapidly evolving trade policy landscape.

The year-over-year average hourly wage rate for all employees increased by 3.6% from Q1 2024 to Q1 2025, 0.7% below the annual wage growth observed in Q4. In terms of "real" earnings (adjusted for inflation), wages continue to outpace inflation.



44.5K

Jobs Gained in Q1

Canada employment increased by 76,000 in January and 1,100 in February before declining by 32,600 in March. Thus, a net-positive 44,500 jobs were added in the first quarter of 2025, significantly below the 138,100 jobs added in Q4 2024.



65.3%

Q1 Labour Force Participation Rate

The labour force participation rate averaged 65.3% during Q1 2025, slightly above the Q4 2024 average.



6.6%

Unemployment Rate

The unemployment rate slightly declined from an average of 6.7% in Q4 2024 to 6.6% in Q1 2025. In the first quarter of 2025, 42.0% of the unemployed population had lost their jobs, an increase from 39.0% in Q4 2024, but a decrease compared to the same period last year.



1.2M

Q1 Monthly Average Job-Leavers

An average of 1.2 million workers left their jobs each month during Q1 2025, unchanged from the Q4 2024 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 U.S. unemployment rate was 3.9% in April 2024 (BLS), and the Canada unemployment rate was 6.1% (StatCan); however, a StatCan report states that, “the unemployment rate, adjusted to U.S. concepts, was 5.1% in Canada in April.” This report provides Canadian statistics without adjustments to U.S. concepts.

Quarter One Market Trends

A closer look at
unemployment by industry
and labour category



Overall Unemployment Rate

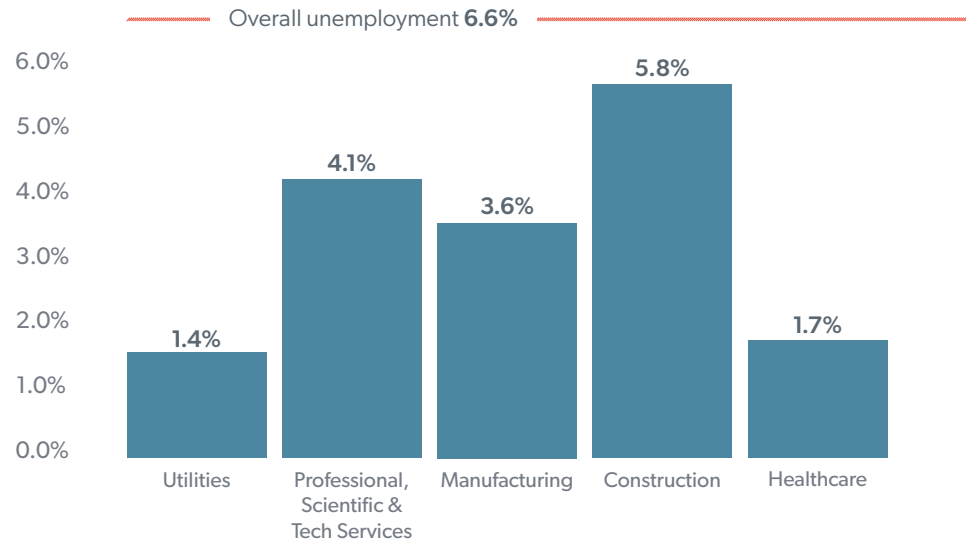


Unemployment Rate for Degreed
Workers (Bachelor's degree or
higher) in 2024

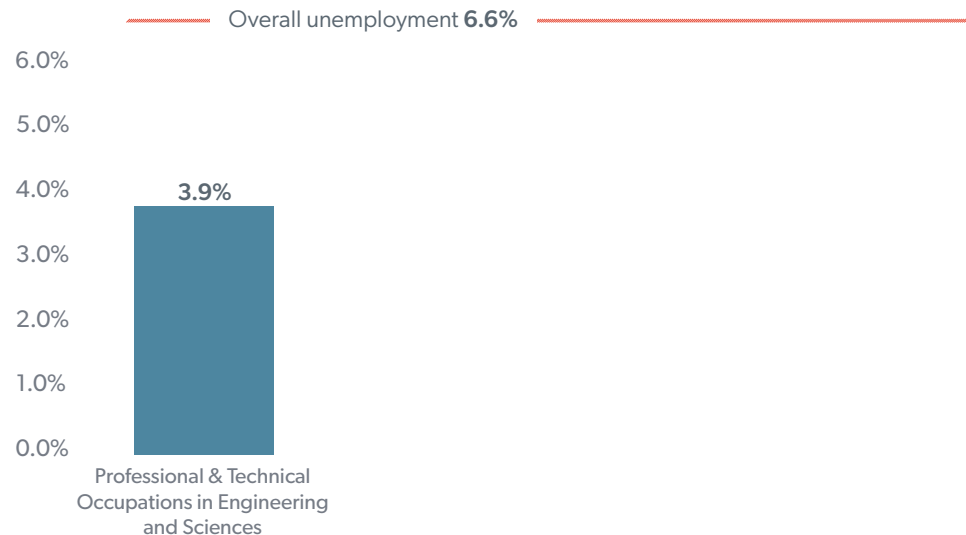


Ratio of Unemployed Workers
(Natural and Applied Sciences
and Related Occupations)
available per job opening
January to March 2025

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

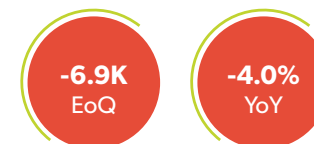
OVERALL ECONOMY

In Q1 2025, Canadian employment increased by 44,500 jobs, the labour force participation rate averaged 65.3% and the unemployment rate decreased slightly to a three-month average of 6.6%. The consumer price index remained close to the Bank of Canada's (BoC) 2.0% target throughout the first quarter, prompting the BoC to cut its policy rate by 25 basis points in both January and March. The labour market slowed considerably during the first quarter. According to the BoC's Business Outlook Survey, firms' investment intentions and hiring plans declined in the first quarter due to soft demand, tariff uncertainty and minimal capacity pressures.



UTILITIES

The Government of Canada announced up to \$200 million under the Strategic Innovation Fund (SIF) for the Cedar LNG Project, which is under construction and expected to begin operations in late 2028, creating 100 jobs with hiring starting in 2027. The Government of Canada announced \$49 million under the SIF to support HTEC's construction of a hydrogen liquefier facility, which will maintain up to 500 jobs in British Columbia. BC Hydro's Site C project advanced in the first quarter, bringing its third and fourth generating units online. As of February 2025, 1,604 workers were on the Site C project, although BC Hydro expects employment to trend downward as the project nears completion in 2025.



CONSTRUCTION

Year-over-year, investment in building construction increased by 5.7% in January and 8.9% in February. Investment in non-residential construction has increased for seven consecutive months as of February (latest data available), with strong gains in institutional and industrial spending. BuildForce Canada reported that construction workers aged 15 to 24 years "accounted for more than one-third of the total labour force increase over the past 12 months," and noted that this growth is important for the industry to meet infrastructure needs as the older workforce retires. The Cedar LNG project is currently under construction and is expected to create up to 500 jobs during peak construction in 2026, including opportunities for environmental and safety monitors, project managers and other construction roles.



HEALTHCARE

In the fourth quarter of 2024 (latest data available), 49.0% of the 79,700 job vacancies in health occupations were advertised for 90 days or more, which is much higher than the average for all occupations (32.6%, unadjusted for seasonality). 63.1% of the 4,300 vacancies for medical technologists and technicians were advertised for at least 90 days, indicating an even longer time to fill those positions. Despite this, job vacancies in health occupations decreased by 11.4% year-over-year, suggesting slight relief in the sector's labour demand.



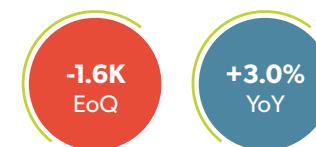
EoQ = End of Quarter
YoY = Year over Year

Industry Trends, continued

ENGINEERING AND SCIENTIFIC R&D SERVICES

Architecture & Engineering: Overall, job postings from the architectural, engineering and related services industry did not significantly increase or decrease during the first quarter; however, industry demand for drafting technologists and technicians increased by 13.0% to 479 postings, according to Lightcast. Arcadis, as part of the Plenary PCL Health consortium, will lead the design for the QEII Halifax Infirmary Expansion Project, the largest healthcare infrastructure project in Atlantic Canada to date. Canadian architecture and engineering services companies are monitoring the evolving trade policies, given their exposure to the U.S. market.

Scientific R&D: Increased tariff uncertainty has raised concerns among Canadian life sciences companies about potential supply chain disruptions and higher production costs, given the close integration between U.S. and Canadian pharmaceutical and medical technology industries. AstraZeneca will invest \$820 million in Ontario to advance its global hub and clinical pipeline, creating over 700 jobs. Entos Pharmaceuticals has received a combined \$198.5 million from the Government of Canada and the Government of Alberta to support the construction of an R&D centre and GMP biomanufacturing facility in Alberta. Delpharm has received \$60 million in federal funding to support the modernization of its injectable manufacturing facility in Quebec, which will preserve over 500 local jobs.



AEROSPACE & DEFENCE

Amid global tensions, Canada is re-evaluating its defence spending to strengthen its capabilities and reduce reliance on other countries. Canada's new Prime Minister has expressed intent to reach the NATO target of spending 2.0% of GDP on defence by 2030. Canada's military faces several challenges, including outdated fighter jets and frigates, and a labour shortage caused by recruitment and retention problems, according to *Bloomberg*. MDA Space signed a \$1.1 billion contract to provide over 50 MDA AURORA™ software-defined digital satellites for Globalstar's low Earth orbit (LEO) constellation. In March, the first sustainable aviation fuels (SAF) delivery took place at Airbus Canada's A220 site, and Airbus launched its CRYSTAL project to study non-CO2 aircraft emissions with other Canadian aerospace organizations.

EMPLOYMENT DATA
NOT AVAILABLE

C&IP

Overall: Manufacturing employment increased in January before declining in February and March. S&P Global reported worsening industry conditions throughout the first quarter. Rising uncertainty regarding the size and scope of U.S. tariffs on Canadian goods and services was linked to declines in new orders, output and purchasing activity, along with firms' reluctance to replace job-leavers. Still, the Government of Canada continued to invest in manufacturing, announcing \$8 million to upgrade a Teledyne MEMS semiconductor facility in Quebec, which will create 40 new jobs. \$3.2 million will support four agricultural manufacturing projects across Saskatchewan, supporting local jobs. Siemens will invest \$150 million to establish a Global AI Manufacturing Technologies R&D Center for Battery Production in Ontario, creating up to 90 jobs.

Automotive: Tariff uncertainty rattled automakers and suppliers in the first quarter due to the significant roles Mexico and Canada play in U.S. vehicle production. Industry and union leaders warn that tariffs could lead to higher consumer prices, reduce vehicle demand and production, and potentially cause layoffs in Canada. As a result of tariffs, Stellantis temporarily paused production at its Windsor Assembly, impacting approximately 4,500 workers. Nova Bus will supply 80 fully electric LFSe+ urban buses to the Regional Municipality of York, which will be manufactured in Saint-Eustache, Quebec. Electric vehicle (EV) rebates in Canada have been paused following the early exhaustion of funds from the Incentives for Zero-Emission Vehicles (iZEV) Program, raising concerns that a lack of federal EV incentives could slow EV demand.



EoQ = End of Quarter
YoY = Year over Year

Wages in Canada

How they've changed.

+2.3%



Consumer Price Index

Year-over-year inflation increased from 1.8% in December 2024 to 1.9% in January, 2.6% in February, and then decreased to 2.3% in March. The Bank of Canada (BoC) lowered its key interest rate by 25 basis points in both January and March. In both announcements, the BoC stated that the decision to reduce the policy rate was influenced by inflation being close to its 2.0% target. However, the Bank emphasized that it would continue to closely monitor inflation expectations due to the “more-than-usual” uncertainty caused by the rapidly evolving trade policy landscape.

+3.6%



Wage Increases

Average hourly wages for all employees increased 3.6% year-over-year (Q1 2024 to Q1 2025). This was 0.7% below the annual wage growth observed in Q4 2024. Wage growth continued to slow in the first quarter of 2025.



“Real” Earnings

In the first quarter of 2025, 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: [Canada down 33,000 jobs in March, biggest decrease in 3 years; Business Outlook Survey—First Quarter of 2025](#)

Utilities: [Government of Canada announces support for Cedar LNG; Cedar LNG jobs and Opportunities Fact Sheet; Investing in Canada's hydrogen potential; Site C advances with third generating unit online; Site C reaches new milestone with fourth generating unit online; Site C Employment by Month: February 2025](#)

Construction: [Investment in building construction, January 2025; Investment in building construction, February 2025; March LFS data shows industry labour market conditions...; Cedar LNG Jobs and Opportunities Fact Sheet](#)

Engineering & Scientific R&D Services

Architecture & Engineering: [Arcadis awarded lead design role for QEII Halifax Infirmary Expansion Project; RAIC Statement on U.S. Tariffs and Their Impact...; Tariff tensions threaten Canada's construction market](#)

Scientific R&D: [The evolving tariff threat: Impact on med-tech and life science industries; AstraZeneca plans C\\$820 million \(U.S.\\$570m\) investment in Canada...; \\$198.5 M GoC&GoA Partnership to Biomanufacture Next Gen Medicines; Delpharm gets \\$60M federal investment to modernize its manufacturing facility](#)

Healthcare: [Job vacancies, proportion of job vacancies and average offered hourly wage by occupation...; Job vacancies, fourth quarter 2024](#)

Aerospace and Defence: [Canada Rushes to Fund Its Neglected Military After Trump Threats; Carney promises Canadian defense spending boost if he wins election; MDA Space Signs \\$1.1b Contract With Globalstar...; Airbus Canada rolls out sustainable aviation fuel...; Airbus launches study on non-CO2 aircraft emissions...](#)

C&IP: [January, February, March; Feds invest \\$8M in Teledyne to advance semiconductor industry; Federal government invests in agricultural mfg. in Sask.; Siemens to establish global AI Manufacturing Technologies R&D Center](#)

Automotive: [Trump's automotive tariffs would impact nearly all OEMs; Latest U.S. auto tariffs may lead to higher prices and layoffs...; Stellantis to temporarily lay off 900 U.S. workers as tariffs bite; Supply of 80 LFSe+ Electrical Buses to the Regional Municipality of York; Important Update – iZEV Program Paused; Canada Stops Giving Out EV Rebates...](#)

CPI: [Bank of Canada: Consumer Price Index; Bank of Canada Policy Interest Rate data, schedule and publications](#)

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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