



Actalent®

Labour Market & Economy Report

Quarter Two 2024

Canada's economy added 115,700 jobs in Q2 2024, nearly matching the total number of jobs gained in the previous two quarters combined. Although job gains from the second quarter appear strong at first glance, many sources have stated that Canada's employment growth is not keeping pace with its population growth.

The average quarterly unemployment rate rose again from 5.9% to 6.2% in Q2, marking the fifth consecutive quarterly increase.

Among the industries Actalent supports, Q2 2024 unemployment rates were as follows: utilities (1.7%); healthcare (1.7%); construction (5.7%); professional, scientific, and technical services (3.5%); and manufacturing (3.8%).

Year-over-year inflation eased again in Q2, starting at 2.9% and ending at 2.7%. In June, the Bank of Canada lowered their key interest rate by 25 basis points to 4.75%, citing increased confidence that inflation was moving closer to their 2% target. This marked the first rate cut since March 2020.

The year-over-year average hourly wage rate for all employees increased 5.1% from Q2 2023 to Q2 2024, the same rate of wage growth observed in Q1. In terms of "real" earnings (adjusted for inflation), wages continue to outpace inflation.



115.7K

Jobs Gained in Q2

Canada employment grew by 90,400 jobs in April and 26,700 jobs in May, then fell by 1,400 jobs in June. Thus, a net-positive 115,700 jobs were added in Q2 2024, exceeding the net 75,800 jobs added in Q1.



65.4%

Q2 Labour Force Participation Rate

The labour force participation rate averaged 65.4% during Q2 2024, 0.1% higher than the Q1 average. This indicates that the share of the Canadian population either working or looking for work has slightly increased.



6.2%

Unemployment Rate

The unemployment rate increased from an average of 5.9% in Q1 to 6.2% in Q2 2024.



1.2M

Q2 Monthly Average Job-Leavers

An average of 1.2 million workers left their jobs each month during Q2 2024, unchanged from the Q1 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 (BLS) and the Canada unemployment rate was 6.1% (StatCan); however, a StatCan report states that, “the unemployment rate, adjusted to US concepts, was 5.1% in Canada in April.” This report provides Canadian statistics without adjustments to U.S. concepts.

Quarter Two Market Trends

A closer look at
unemployment by industry
and labour category



Overall unemployment rate

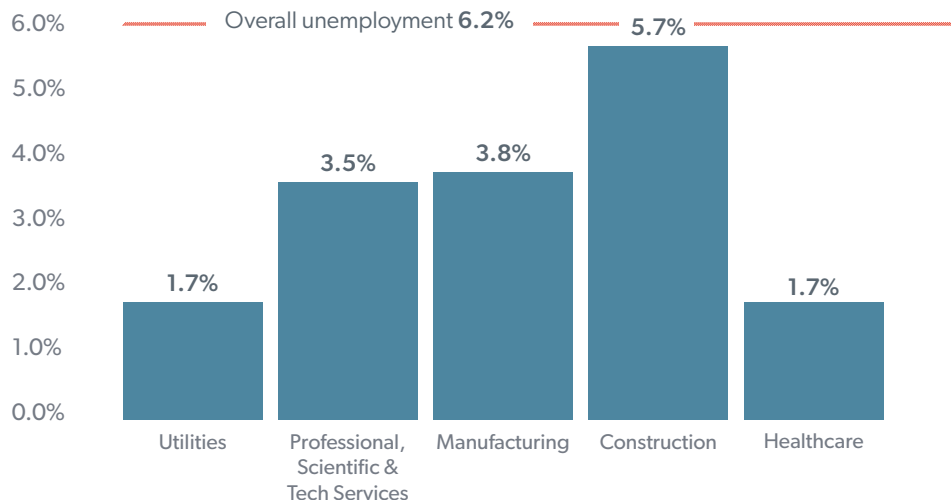


Unemployment Rate for Degreed
Workers (Bachelor's degree or
higher) in 2023

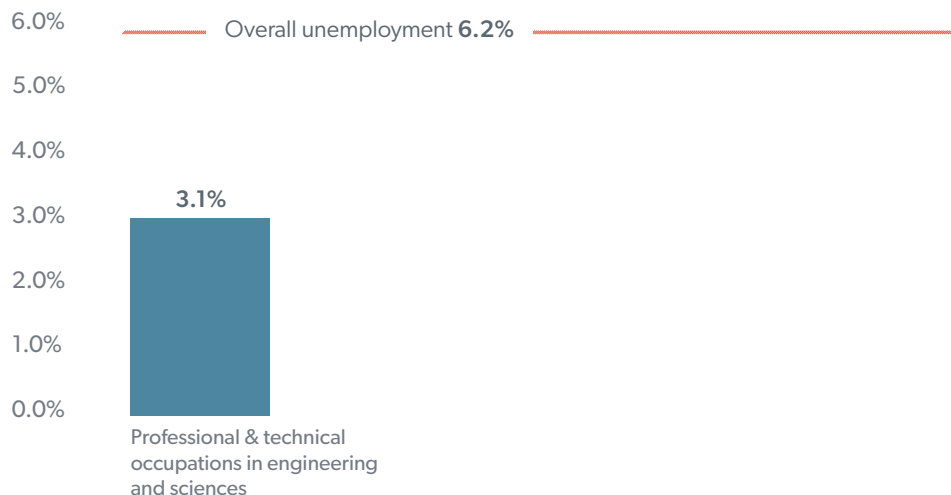


Ratio of unemployed workers
(Natural and Applied Sciences
and Related Occupations)
available per job opening
April to June 2024

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 Q2 2024, the Canadian economy added a net-positive 115,700 jobs, the labour force participation rate averaged 65.4%, and the unemployment rate increased to a three-month average of 6.2%. Indeed Hiring Lab has highlighted concerns about the slow pace at which employment is growing in the context of Canada's rapid population growth. Indeed cited, "layoffs have remained low, but the new hire rate in June was 28% slower than its pre-pandemic norm." Despite current signs of weakness and slow hiring in the labour market, significant investments are still being made across industries. The anticipated gradual interest rate cuts in the second half of 2024 could benefit companies whose business and hiring plans have been negatively impacted by high rates.



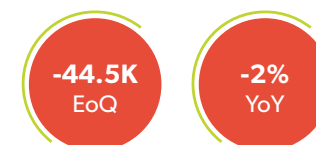
UTILITIES

The 2024 Federal Budget, presented in April, provided design and implementation details for the clean energy investment tax credit. Ontario Power Generation (OPG) is partnering with GE Vernova to refurbish its hydroelectric stations in the Niagara region. OPG's \$1 billion, 15-year project is anticipated to secure up to 1,700 MW of clean energy for an additional 30 years and create over 200 highly skilled and well-paid local jobs. Canadian Utilities has proposed a \$2B natural gas pipeline — the Yellowhead Mainline project — which is expected to create roughly 2,000 jobs during construction and, upon completion, expand capacity and enhance the efficiency of Alberta's natural gas network.



CONSTRUCTION

Construction employment declined in Q2, although the exact reason why is unclear. High interest rates and high material and labour costs were cited as major issues among construction firms, which could have contributed to the decline. At the same time, retirements and difficulty finding workers could also be contributors, given the amount of attention the sector has given to labour shortages. BuildForce Canada estimates that retrofitting Canada's residential, commercial and institutional buildings to eliminate carbon emissions would likely require consumer incentives, cost competitiveness and approximately 57,000 additional construction workers, intensifying worker shortages. Additionally, to meet Canada's housing supply targets, both the residential and non-residential construction sectors will need to significantly grow their workforces.



HEALTHCARE

Over the past 12 months, employment has increased by 156,300 jobs in the healthcare sector. With burnout and attrition exacerbating the critical shortage of healthcare workers, healthcare systems are increasingly utilizing the Temporary Foreign Worker Program to fill positions that can't be supported by local talent alone. Even as the federal government has begun requiring some employers to cut back on hiring temporary foreign workers, the healthcare and construction sectors have been given exemptions due to the severity of their labour shortages.



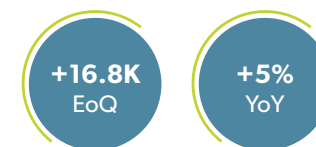
EoQ = End of Quarter
YoY = Year over Year

Industry Trends, continued

ENGINEERING AND SCIENTIFIC R&D SERVICES

Architecture & Engineering: Bill 157, which includes amendments to the Architects Act, was passed into law in March, establishing a limited license for practicing architecture and adding an offence to the use of the title “Licensed Technologist” for those who do not hold a limited license or certificate of practice. Architects DCA stated that Bill 157 will ensure more regulation, safer home design and increased access to the architecture profession. In April, Samsung Heavy Industries (SHI) and Black & Veatch received full notice to proceed with supporting the design and construction of Cedar LNG’s floating liquefaction facility in Kitimat, B.C., which will be the first FLNG with electric-driven equipment powered by renewable energy.

Scientific R&D: The Government of Canada announced over \$800 million in funding to 24 third-party science and research organizations across Canada (see references for the list of recipients). Through a collaboration between API and the University of Alberta, construction is set to begin on Canada’s largest critical medicine manufacturing facility, a project which will expand pharmaceutical production and create more than 350 jobs in Alberta. Pfizer announced a \$4.9 million investment into a McMaster University study focused on improving care for Canadians with multiple myeloma and reducing pressure on Canada’s healthcare systems.



AEROSPACE & DEFENCE

General Dynamics Land Systems and JV partner Marshall Canada were awarded \$2.58 billion to provide the Canadian Armed Forces with a new, modern fleet of light and heavy logistics vehicles as part of the Logistics Vehicle Modernization (LVM) project. SkyAlyne Canada LP received a 25-year contract, valued at \$11.2 billion, for the Future Aircrew Training (FAcT) Program, which aims to provide state-of-the-art aircrew training to the Royal Canadian Air Force and has the potential to create or maintain 3,400 jobs. In May, 1,300 union workers at an Airbus facility in Quebec ratified a new five-year contract including wage increases and other improvements, while other companies experienced strikes after an inability to reach an agreement prior to strike deadlines.

**EMPLOYMENT DATA
NOT AVAILABLE**

C&IP

Overall: Alithya’s 2024 Manufacturing Trends Survey revealed that manufacturers are “rapidly considering or adopting new technology” — notably automation, supply chain technology, AI and predictive analytics — “to meet supply chain, quality control, cybersecurity and sustainability goals.” IBM signed agreements with the Government of Quebec and the Government of Canada to invest approximately \$187 million into assembly, testing and packaging (ATP) capabilities at IBM’s Bromont, Quebec plant, which will strengthen Canada’s semiconductor industry. Siemens Canada is investing roughly \$14 million to modernize and expand its Drummondville plant to meet growing market demand for its electrical products. Siemens says the modernization “could result in an increase of up to 15% in jobs by 2027.”

Automotive: Volkswagen Group battery unit PowerCo SE is actively seeking suppliers for a variety of components for its St. Thomas, Ont. battery-cell manufacturing plant, which is anticipated to begin production in 2027. PowerCo SE is looking to establish a local supply chain close to the plant for supply chain security and carbon emissions reasons. Wayve, a developer of Embodied AI for self-driving, is establishing an office in Vancouver to take advantage of the local tech talent pool and expand its R&D operations. Honda announced plans to invest \$15 billion into an EV plant, a stand-alone EV battery plant, a CAM/pCAM processing plant and a separator plant in Ontario, which will strengthen its EV supply system and create at least 1,000 new jobs. Meanwhile, GM and Ford have both delayed EV-related production, likely due to slower consumer demand.



EoQ = End of Quarter
YoY = Year over Year

Wages in Canada

How they've changed.

+2.7%



Consumer Price Index

Year-over-year inflation changed from 2.9% in March to 2.7% in April, 2.9% in May, and 2.7% in June. Citing increased confidence that inflation was moving closer to their 2% target, the Bank of Canada lowered their key interest rate by 25 basis points to 4.75% on June 5, 2024, marking their first rate cut since March 2020.

+5.1%



Wage Increases

Average hourly wages for all employees increased 5.1% year-over-year (Q2 2023 to Q2 2024). This was the same as the annual wage growth observed in Q1 2024.



"Real" Earnings

In the second quarter of 2024, wage growth continued to outpace inflation, benefiting workers. Although many Canadians still feel the effects of inflation, the average paycheck has not been significantly negatively impacted.

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: [June Labour Force Survey: The Cracks Are Widening; Jobless rate rises to 6.4% in June. Here's how the Bank of Canada might react](#)

Utilities: [2024 Federal Budget analysis; Ontario Refurbishing Hydroelectric Stations in Niagara; OPG Embarks on Major Refurbishment of Niagara Falls Hydropower Stations; Atco Energy Systems Announces Its Largest Ever Energy Infrastructure Project...; Yellowhead Mainline Natural Gas Pipeline](#)

Construction: [The construction sector is not operating at full capacity—here are some data that could explain why; Eliminating carbon emissions in Canada's residential, commercial, and institutional buildings could place further pressures...; Increasing the supply of new housing units will require significant increases...](#)

Engineering & Scientific R&D Services

Architecture & Engineering: [DCA Architect's support Schedule 1 of Bill 157: Empowering architectural technologists in Ontario; Bill 157, Enhancing Access to Justice Act, 2024; Black & Veatch Receives Full Notice to Proceed for Canada's First FLNG Project](#)

Scientific R&D: [Government of Canada invests in cutting-edge research and the next generation of scientists; Strategic Science Fund: List of Recipients; API and the University of Alberta Break Ground in Edmonton...; Pfizer invests \\$4.9M in McMaster University study...](#)

Healthcare: [Why the health-care sector is hiring temporary foreign workers like never before](#)

Aerospace & Defence: [General Dynamics Land Systems awarded Canadian Logistics Vehicle Modernization contract; Minister Blair announces major investments in equipment and training...; Workers who build A220 at Airbus Canada ratify new contract; Bombardier Global Production Stops as Workers Strike](#)

C&IP: [2024 Manufacturing Industry Trends: Survey Report and Analysis; IBM, Government of Canada, Government of Quebec Sign Agreements to Strengthen Canada's Semiconductor Industry; \\$14M modernization and expansion of Drummondville plant](#)

Automotive: [VW battery unit PowerCo actively seeking suppliers to Ontario plant; Introducing Wayve's New Vancouver Office; Honda Plans to Establish Comprehensive Electric Vehicle Value Chain in Ontario, Canada; GM delays new EV motor output at plant in Canada; Ford delays start of EV production at Oakville plant until 2027](#)

CPI:

[Bank of Canada: Consumer Price Index; Bank of Canada cuts key interest rate to 4.75%](#)

WAGES:

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

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.

7301 Parkway Drive S., Hanover, MD 21076

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