



# Labour Market & Economy Report

## Quarter Two 2025

Canada's economy added 99,300 jobs in Q2 2025, significantly higher than the 44,500 jobs added in Q1 2025. This growth was primarily driven by employment gains in June, when the economy added 83,100 jobs, while April and May employment gains were more subdued. The labour market continued to experience headwinds throughout the second quarter due to mounting uncertainty regarding international trade policies.

The unemployment rate increased from an average of 6.6% in Q1 2025 to 6.9% in Q2 2025.

Among the industries Actalent supports, Q2 2025 unemployment rates were as follows: healthcare (1.9%), utilities (2.0%), professional, scientific and technical services (3.3%), manufacturing (3.9%), and construction (6.7%).

Year-over-year inflation remained close to the Bank of Canada's (BoC) 2.0% target in Q2, ending at 1.9% in June. The Bank of Canada (BoC) maintained its key interest rate throughout the second quarter, citing ongoing uncertainty over U.S. tariffs, a Canadian economy that remains soft but not markedly weaker and unexpected firmness in recent inflation data.

The year-over-year average hourly wage rate for all employees increased by 3.3% from Q2 2024 to Q2 2025, 0.3% below the annual wage growth observed in Q1. In terms of "real" earnings (adjusted for inflation), wages continue to outpace inflation.

 **99.3K**

### Jobs Gained in Q2

Canada employment increased by 7,400 in April, 8,800 in May, and 83,100 in June. Thus, a net-positive 99,300 jobs were added in the second quarter of 2025, significantly higher than the 44,500 jobs added in Q1 2025.

 **65.3%**

### Q2 Labour Force Participation Rate

The labour force participation rate averaged 65.3% during Q2 2025, unchanged from the Q1 average.

 **6.9%**

### Unemployment Rate

The unemployment rate increased from an average of 6.6% in Q1 to 6.9% in Q2. The unemployment rate reached 7.0% in May, the highest rate since September 2016 (excluding 2020 and 2021, during the pandemic).

 **1.1M**

### Q2 Monthly Average Job-Leavers

An average of 1.1 million workers left their jobs each month during Q2 2025, slightly below the Q1 average.

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# 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 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 Two Market Trends

A closer look at  
unemployment by industry  
and labour category



Overall Unemployment Rate

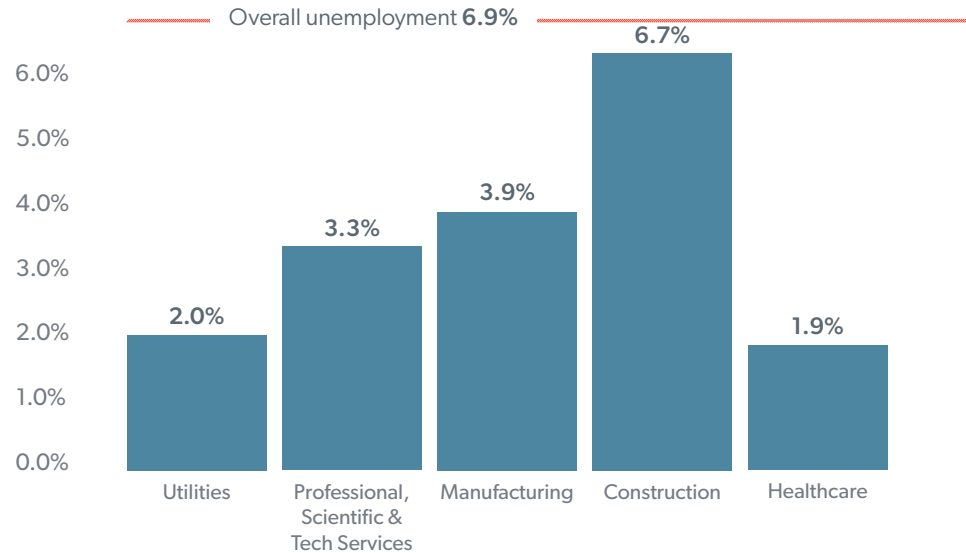


Unemployment Rate for Degreed  
Workers (Bachelor's degree or  
higher) in 2024

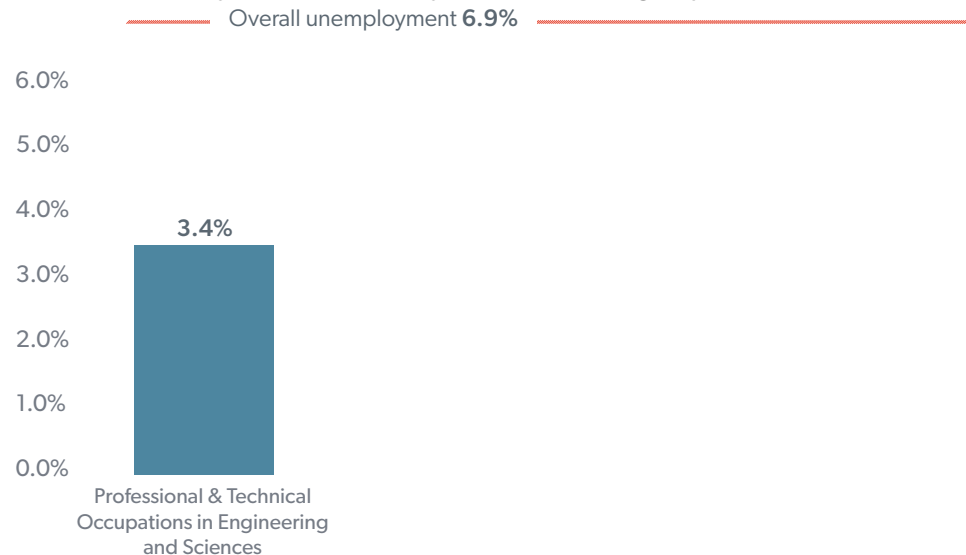


Ratio of Unemployed Workers  
(Natural and Applied Sciences  
and Related Occupations)  
available per job opening  
April to June 2025

## 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 Q2 2025, Canadian employment increased by 99,300 jobs, the labour force participation rate averaged 65.3% and the unemployment rate increased to a three-month average of 6.9%. Statistics Canada noted there had been “virtually no employment growth” between January and May, before a sharp increase of 83,000 jobs in June. Despite June’s gains, many economists fear the labour market’s resilience may be short-lived. Oxford Economics warns that uncertainty around international trade policies could “continue prompting firms to postpone or cancel investment plans, cut production, curb hiring and increasingly lay off workers.” Both Deloitte and Bloomberg project a modest economic decline for Canada in the second quarter. Still, many businesses added jobs and pursued expansion plans last quarter.

+99.3K  
EoQ

+2.0%  
YoY

## UTILITIES

As of June, utilities sector employment rose 7% year-over-year, the highest increase among all sectors. The Ontario government approved Ontario Power Generation’s (OPG) plan to begin construction on the first of four small modular reactors (SMRs) at the Darlington nuclear site. The OPG project is expected to create up to 18,000 jobs during construction and sustain about 3,700 skilled jobs annually for the next 65 years. Additionally, GE Vernova Hitachi Nuclear Energy (GVH) plans to establish an Engineering and Service Centre near the OPG Darlington site, creating new jobs for engineering, sciences, construction and other skilled trades workers. Hydrogen energy investments are growing, and Natural Resources Canada projects a robust hydrogen economy could create up to 135,000 Canadian jobs by 2050.

+7.1K  
EoQ

+7.0%  
YoY

## CONSTRUCTION

In Q2 2025, construction employment declined in April and May before rising by 7,600 jobs in June. BuildForce Canada forecasts that the construction sector will need to hire 380,500 workers by 2034, including 111,600 to support industry growth and the remainder to replace retiring workers. Like many industries, Canada’s construction sector is seeing a rise in retirements among small business owners, threatening the skilled workforce and succession planning, especially in rural areas where local firms are concentrated. According to the CFIB, 77% of small and medium-sized enterprises (SMEs) in the construction sector report recruitment challenges, significantly more than in any other industry. To meet the rising demand for construction talent, employers will need to strengthen their engagement, recruitment and retention strategies.

-1.6K  
EoQ

+4.0%  
YoY

## HEALTHCARE

In Q2 2025, the healthcare and social assistance sector accounted for 22% of total employment growth in Canada. A recent Leger survey found that while 98% of Canadian pharmacists report increased workloads, only 4% feel fully compensated for the changes. As pharmacists take on more responsibilities, employers may need to reassess compensation models to retain talent. Ontario has announced over \$14 billion to construct Canada’s largest teaching hospital in Mississauga, adding roughly 2,400 healthcare workers and 400 doctors to the community.

+19.2K  
EoQ

+3.0%  
YoY

**EoQ** = End of Quarter  
**YoY** = Year over Year

# Industry Trends, continued

## ENGINEERING AND SCIENTIFIC R&D SERVICES

**Architecture & Engineering:** Canada’s growing nuclear industry has become a major driver of job creation, employing approximately 89,000 workers as of 2024, according to the Canadian Nuclear Association. In its latest quarter, AtkinsRéalis Group Inc. reported a record-high nuclear backlog, with the nuclear segment’s revenue growing organically by 77% year-over-year to a new quarterly record. The Nuclear Waste Management Organization selected five firms to design and plan Canada’s deep geological nuclear waste repository in Ontario: WSP (architectural design and engineering), Kiewit (above-ground construction), Hatch (mine, nuclear systems and facilities design), Thyssen Mining (underground mine construction) and Kinectrics (nuclear management advising).

**Scientific R&D:** The Ontario government is investing \$6.5 million through its Life Sciences Innovation Fund to help 13 companies develop medical technologies and create jobs. The Pharmaceutical Sciences Group (PSG) and the Canadian Alliance for Skills and Training in Life Sciences (CASTL) will launch a biomanufacturing regulatory compliance course this fall, part of a new partnership to train talent in Canada’s life sciences sector. CDMO GL CHEMTEC has opened a new GMP Kilo lab to meet demand for clinical trial materials, and Eisai Limited has expanded its Mississauga headquarters, now with over 100 employees, to support talent growth and research investment.



## AEROSPACE & DEFENCE

Canada could face a shortage of 42,000 to 55,000 aviation workers by 2035, according to the Alberta Aviation and Aerospace Council, due to sector growth and an aging workforce. On June 9, Prime Minister Mark Carney announced that Canada will meet NATO’s defence spending target of 2% of GDP by the end of the current fiscal year, five months ahead of schedule. At the 2025 NATO Summit in The Hague, Canada and its allies agreed to raise the target to 5% of GDP by 2035, with 3.5% allocated to direct military spending and 1.5% to defence-related infrastructure and industrial investments. In support of these commitments, the federal government has pledged investments in better pay for Canadian Armed Forces, new and modernized military equipment and other critical defence and security initiatives.

EMPLOYMENT DATA  
NOT AVAILABLE

## C&IP

**Overall:** Manufacturers reported declines in new orders, output and employment throughout the second quarter, with S&P Global attributing the slowdown to “hesitancy and delayed decision making” amid tariff uncertainty. In April, manufacturing employment fell by 30,600 jobs, marking the steepest drop since the onset of COVID-19 in 2020. However, the industry added 10,500 jobs in June (the first increase since January), and several investments were still made during the quarter. Ferrero Group, Olymel and Hilton Foods Canada each announced expansion plans that will lead to job creation in Canada’s food and beverage industry. Innovation, Science and Economic Development Canada (ISED) announced the first round of FABRIC Challenge Projects, awarding \$13.4 million to 20 semiconductor initiatives involving 23 recipients.

**Automotive:** Ongoing tariff uncertainty and weakening electric vehicle (EV) demand continued to weigh on the automotive industry last quarter. GM, citing “the evolving trade environment,” announced plans to reduce operations at its Oshawa Assembly from a three-shift to a two-shift operation and cut pickup truck production, affecting about 700 workers. After a two-week pause to assess tariff impacts, Stellantis resumed production at its Windsor plant. Stellantis later postponed production of its 2026 Dodge Charger Daytona R/T at the Windsor plant to continue assessing tariff policies but confirmed that the decision would not affect jobs at the plant. Slower EV demand prompted Honda Canada to postpone a \$15 billion EV project in Ontario, and EcoPro BM to suspend construction on its \$1.2 billion battery materials plant in Quebec.



EoQ = End of Quarter  
YoY = Year over Year

# Wages in Canada

How they've changed.

+1.9%



## Consumer Price Index

Year-over-year inflation declined from 2.3% in March to 1.7% in April and May, before increasing slightly to 1.9% in June. The steep drop in April's CPI was primarily attributed to the removal of the consumer carbon price. At both its April and June meetings, the Bank of Canada (BoC) decided to maintain its key interest rate, citing ongoing uncertainty over U.S. tariffs, a Canadian economy that remains soft but not markedly weaker and unexpected firmness in recent inflation data.

+3.3%



## Wage Increases

Average hourly wages for all employees increased 3.3% year-over-year (Q2 2024 to Q2 2025). This was 0.3% below the annual wage growth recorded in Q1 2025. Average hourly wage rates for workers in professional and technical occupations in engineering and sciences increased 5.8% over the same period, outpacing the average for all employees.



## "Real" Earnings

In the second 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:** [April 2025; May 2025; June 2025; Defence spending will lift Canada's economy, but not out of a recession: report; Trade clarity to help Canada's economy rebound after modest recession: Deloitte; Canadian economy appears set for modest decline in Q2](#)

**Utilities:** [Labour force characteristics by industry, monthly...; Ontario Leads the G7 by Building First Small Modular Reactor; OPG Darlington New Nuclear Project; GE Vernova Hitachi invests \\$70M in Ont.; Ont. government announces hydrogen energy investment; Canada invests \\$466k in B.C.'s hydrogen and fuel cell sector](#)

**Construction:** [Canada's construction industry projected to need 380,500 workers by 2034: report; MNP's Succession Readiness Report shows potential of 'silver tsunami' due to retiring owners and tariff impacts; Mind the gap: Workforce challenges holding back Canada's small businesses](#)

**Healthcare:** [Labour force characteristics by industry, monthly...; Recognizing Pharmacists' Expanding Role in Canadian Healthcare; Ontario to spend \\$14B building Canada's largest teaching hospital](#)

### Engineering & Scientific R&D Services

**Architecture & Engineering:** [Jobs and the Economy; Nuclear deals power 52% profit surge at AtkinsRéalis, prompt brighter forecast; The NWMO chooses vendors to design and plan Canada's deep geological repository](#)

**Scientific R&D:** [Ont. government invests \\$6.5M in medical technologies manufacturing; PSG and CASTL Partner to Deliver Biomanufacturing Regulatory Compliance Program; GL CHEMTEC Announces Completion of a New GMP Facility; Eisai Limited Bolsters Canadian Operations with Major Mississauga Expansion](#)

**Aerospace & Defence:** ['Significant demand': Canada's aviation and aerospace industries may be short 55,000 workers by 2035; Canada's new government is rebuilding, rearming, and reinvesting in the Canadian Armed Forces; Defence expenditures and NATO's 5% commitment; Canada joins new NATO Defence Investment Pledge](#)

**C&IP:** [S&P Global Canada Manufacturing PMI – April; S&P Global Canada Manufacturing PMI – May; S&P Global Canada Manufacturing PMI – June; Labour force characteristics by industry...; Ferrero Group Invests \\$445 Million in Ontario Production Facility; New food processing plant will create 150 jobs in Brantford; Olymel to invest \\$142m in Trois-Rivières facility expansion; FABrC accelerates Canada's semiconductor industry](#)

**Automotive:** [GM Canada Statement: Oshawa Assembly returning to a two-shift operation; GM to start shift reductions at Ontario pickup plant in June; Stellantis restarts Canada plant, brings back hundred of laid-off U.S. workers amid tariff uncertainty; Stellantis delays 2026 Dodge Charger Daytona EV production amid tariff uncertainty; Honda postpones \\$15B of electric vehicle investments in Ontario; EcoPro to halt construction on \\$1.2B Quebec battery materials plant, citing tariffs, EV woes](#)

**CPI:** [Bank of Canada: Consumer Price Index; Consumer Price Index, April 2025; April – Bank of Canada holds policy rate at 2¾%; June – Bank of Canada holds policy rate at 2¾%](#)

### 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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