



Actalent®

Labour Market & Economy Report

Quarter Three 2024

Canada's economy added 66,000 jobs in Q3 2024, falling behind the net 115,700 jobs added in the second quarter. September had stronger-than-anticipated jobs data, but overall trends still point to a weaker labour market: population growth continues to outpace employment growth, and the unemployment rate has increased every month in 2024 except January and September.

The unemployment rate increased from an average of 6.2% in Q2 to 6.5% in Q3 2024. The unemployment rate has grown by a full percentage point since Q3 2023.

Among the industries Actalent supports, Q3 2024 unemployment rates were as follows: healthcare (1.7%), utilities (1.9%), professional, scientific and technical services (3.3%), manufacturing (3.8%), and construction (6.2%).

Year-over-year inflation eased further in Q3, starting at 2.7% in June and ending at 1.6% in September. During the third quarter, inflation successfully met and fell below the Bank of Canada's (BoC) target of 2.0%, which gave the BoC confidence to make two more interest rate cuts. The BoC has now made three consecutive rate cuts in 2024 and expectations for another rate cut are high.

The year-over-year average hourly wage rate for all employees increased 5.0% from Q3 2023 to Q3 2024, 0.1% below the annual wage growth observed in Q2. In terms of "real" earnings (adjusted for inflation), wages continue to outpace inflation.



66K

Jobs Gained in Q3

Canada employment fell by 2,800 jobs in July, then grew by 22,100 jobs in August and 46,700 jobs in September. Thus, a net-positive 66,000 jobs were added in the third quarter of 2024, falling behind the net 115,700 jobs added in Q2.



65.0%

Q3 Labour Force Participation Rate

The labour force participation rate averaged 65.0% during Q3 2024, 0.4% below the Q2 average. This indicates that the share of the Canadian population either working or looking for work has slightly decreased.



6.5%

Unemployment Rate

The unemployment rate increased from an average of 6.2% in Q2 to 6.5% in Q3 2024. The unemployment rate has grown by a full percentage point since Q3 2023.



1.1M

Q3 Monthly Average Job-Leavers

An average of 1.1 million workers left their jobs each month during Q3 2024, slightly below the Q2 monthly average of 1.2 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 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 US concepts.

Quarter Three Market Trends

A closer look at
unemployment by industry
and labour category



Overall Unemployment Rate

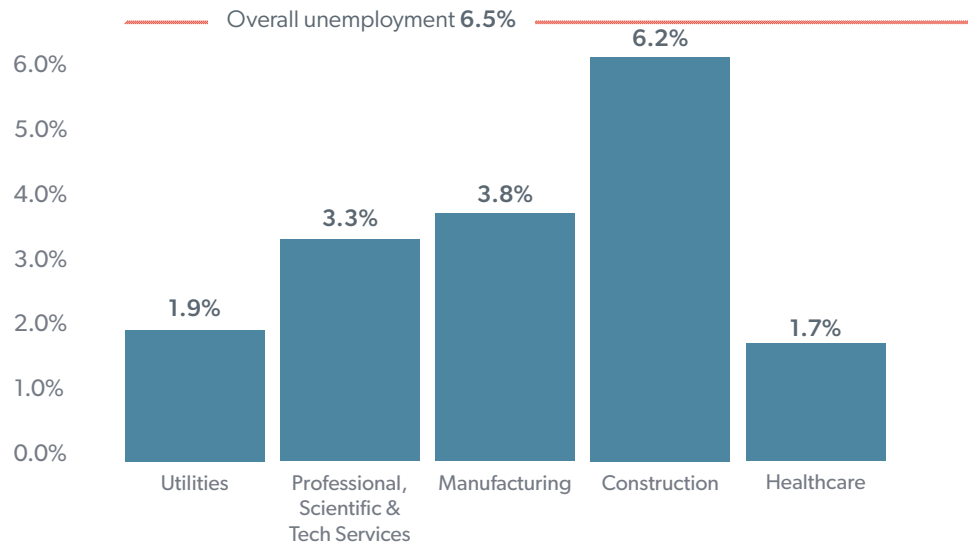


Unemployment Rate for Degreed
Workers (Bachelor's degree or
higher) in 2023

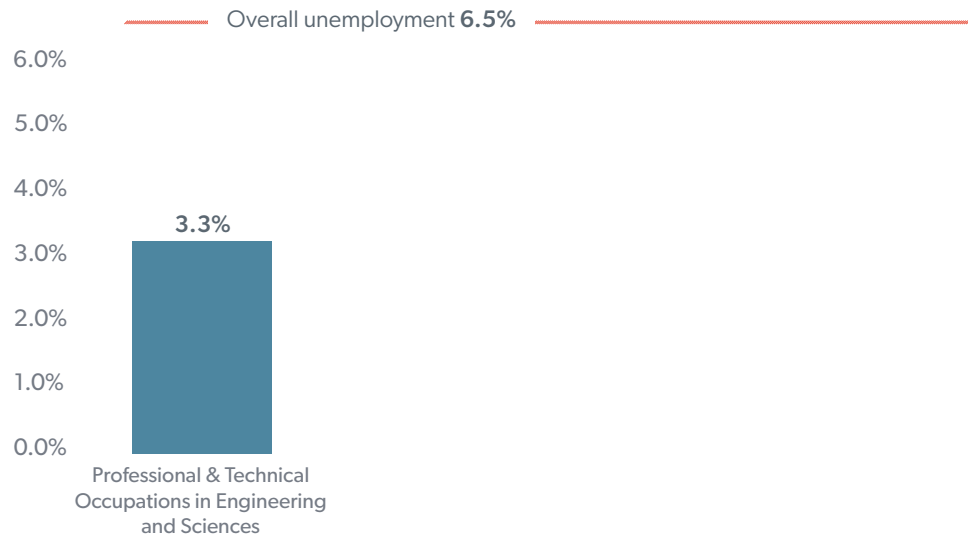


Ratio of unemployed workers
(Natural and Applied Sciences
and Related Occupations)
available per job opening
July to September 2024

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 Q3 2024, the Canadian economy added a net-positive 66,000 jobs, the labour force participation rate averaged 65.0% and the unemployment rate increased to a three-month average of 6.5%. Inflation met and fell below the Bank of Canada's (BoC) target of 2.0%, influencing the BoC's decision to make two more interest rate cuts. While September's jobs data was stronger than anticipated, overall trends still point to a weaker labour market: population growth continues to outpace employment growth, and the unemployment rate has increased every month in 2024 except January and September. Cooling inflation and the BoC's interest rate cuts will likely benefit Canadian companies over time.



UTILITIES

In its Energy Efficiency Employment in Canada report, ECO Canada states that the energy efficiency sector employed over 466,000 permanent workers in 2023, and the sector's permanent workforce has increased by 6.9% over the last five years. The report discusses hiring difficulties, with the top three reasons being competition, a small applicant pool and a lack of experience, training or technical skills. Almost a third (27%) of professional and business services employers said engineer and architect positions are difficult to fill. In response to rapidly growing energy demand, the Ontario government is launching its largest-ever competitive energy procurement. Power management company Eaton is expanding its Montréal innovation center to focus on R&D for the energy transition, creating 50 more highly specialized jobs.



CONSTRUCTION

The Q2 2024 RICS-CIQS Canada Construction Monitor (latest data available) revealed optimism in the construction sector, fueled by robust infrastructure construction activity (specifically energy and transportation projects) and expectations that interest rate cuts will ease credit conditions. The report highlighted ongoing challenges with skills and labour shortages, with around 50% of respondents struggling to find quantity surveyors and 40% having difficulty sourcing project managers. In August, non-residential building construction investment increased to a record-high of \$6.4 billion, and institutional construction investment reached a record high of \$1.8 billion. The construction industry will need to develop strategies to attract more workers in the coming years to ensure construction investments come to fruition.



HEALTHCARE

In the 12 months to September, employment gains in the health care and social assistance sector accounted for nearly half (46.7%) of total net employment growth in Canada. A recent study revealed that poor work conditions have exacerbated burnout and retention issues among Ontario healthcare workers. The study calls for "policies and legislation ensuring increased funding, hospital capacity, and reduced wait times while providing HCWs with fair and equitable wages, increased staffing, mental health supports, greater respect and acknowledgment, and strong protections from violence and other workplace hazards."



EoQ = End of Quarter
YoY = Year over Year

Industry Trends, continued

ENGINEERING AND SCIENTIFIC R&D SERVICES

Architecture & Engineering: Between Q2 2023 and Q2 2024 (latest data available), WSP Global increased its employment levels and grew its net revenues by 11.6% within its Canada segment. In the six months ending June 29, 2024, 96% of WSP’s net revenues were driven by its transportation and infrastructure; earth and environment; and property and buildings market sectors. British Columbia has awarded the Design Early Works Agreement of the Fraser River Tunnel Project to Cross Fraser Partnership, a team consisting of Pomerleau BC Inc., Bouygues Construction Canada Inc., Fomento de Construcciones y Contratas Canada Ltd. (FCC) and Arcadis Canada Inc.

Scientific R&D: According to JLL’s 2024 Life Sciences report, notable life sciences investments have been made across Toronto, Montreal, Vancouver and Southwestern Ontario. According to the report, Vancouver received the most venture capital funding in 2023, “and so far in 2024 has commanded 37% of all Canadian life science VC funding.” The construction of the Catalyst at 77 Wade life sciences building is expected to reach completion in Spring 2025 and intends to attract research firms impacted by Toronto’s shortage of wet lab spaces by bringing 155,000 square feet of commercial office and lab space to the city. Moderna’s new manufacturing facility in Quebec received a Drug Establishment Licence from Health Canada, enabling it to be fully operational by 2025.



AEROSPACE & DEFENCE

The AIAC and ISED’s State of Canada’s Aerospace Industry Report highlights that the Canadian aerospace industry contributed 218,000 jobs to the nation’s economy last year, adding 5,400 jobs and reaching 96% of pre-pandemic employment levels in 2023. Unifor introduced its new Aerospace Industry Policy, which includes recommendations for funding and creating enhanced training programs, increasing support for R&D, and taking other actions aimed at strengthening the aerospace industry and its workforce. GM Defense Canada was awarded a \$35.8 million contract by the Canadian Armed Forces for 90 light tactical vehicles in July. Kraken Robotics Inc. is increasing its inventory to meet the growing demand for its Miniature Synthetic Aperture Sonar systems, attributing this demand to the current geopolitical environment.

**EMPLOYMENT DATA
NOT AVAILABLE**

C&IP

Overall: Manufacturing indexes indicated soft business conditions throughout the third quarter, although September’s data showed slightly more positive results. Common themes among manufacturing firms cited by S&P Global were concerns about inflation and interest rates, geopolitical and global economic uncertainty, and sea freight delays that disrupted supply chains. Cisco is integrating its Cisco Certified Network Associate (CCNA) certification into the University of Ottawa’s Computer and Software Engineering curriculum to help better prepare engineering students with the skills they need for networking, AI and cybersecurity jobs. The federal government provided financial support across several provinces and territories throughout the third quarter to boost manufacturing activity and workforce training.

Automotive: Umicore has paused construction of its Ontario battery materials plant, which was initially expected to create hundreds of jobs, while it reviews its business amid the slowdown in “short- and medium-term EV growth projections affecting its activities.” Ford has pivoted from its plans to transform its Oakville, Ontario plant into an EV assembly hub and will instead use the plant to expand production of its Super Duty pickups. Ford’s decision is in response to high demand for Super Duty trucks and will add roughly 1,800 jobs, about 400 more jobs than the EV plans would have. GM has said that some Canadian employees will be impacted by a global reduction of over 1,000 salaried positions in the software and services units, although the exact number of affected Canadian workers is unknown.



EoQ = End of Quarter
YoY = Year over Year

Wages in Canada

How they've changed.

+1.6%



Consumer Price Index

Year-over-year inflation changed from 2.7% in June to 2.5% in July, 2.0% in August, then 1.6% in September. The Bank of Canada (BoC) lowered its key interest rate by 25 basis points in both July and September, marking three consecutive rate cuts in 2024. With inflation successfully reaching the central bank's 2.0% goal, expectations for another rate cut are high.

+5.0%



Wage Increases

Average hourly wages for all employees increased 5.0% year-over-year (Q3 2023 to Q3 2024). This was 0.1% below the annual wage growth observed in Q2 2024.



"Real" Earnings

In the third 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: [Canada's economy added 47,000 new jobs in September, unemployment rate ticked down](#)

Utilities: [2024 Energy Efficiency Employment in Canada Report](#); [Province Launches Largest Competitive Energy Procurement in Ontario History](#); [Eaton expands its Montreal Innovation Center...](#)

Construction: [RICS-CIQS Q2 2024 Canada Construction Monitor.indd](#); [Investment in building construction, August 2024](#); [Desjardins: Impact of construction labour shortage on Canada's housing supply](#)

Engineering & Scientific R&D Services

Architecture & Engineering: [WSP Global Q2 2024 Management's Discussion and Analysis](#); [Cross Fraser Partnership Enters DEWA for the FRTF](#)

Scientific R&D: [2024 Life Sciences Real Estate Perspective and Cluster Analysis](#); [Catalyst at 77 Wade Life Sciences Building Rises near Lansdowne Station](#); [Moderna's Canadian Manufacturing Facility Receives Drug Establishment License From Health Canada](#)

Healthcare: [Running on Empty: Ontario Hospital Workers' Mental Health and Well-Being Deteriorating Under Austerity-Driven System](#)

Aerospace and Defence: [State of Canada's Aerospace Industry Report](#); [Unifor's Aerospace Industry Policy](#); [GM Defense Canada Receives Contract Award...](#); [Kraken Robotics Receives \\$3 Million in Orders for Synthetic Aperture Sonar Systems](#)

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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C&IP

Overall: S&P Global Canada Manufacturing PMI – July, August, September: [Cisco and University of Ottawa Equip Engineering Students with Job-Ready IT and Cybersecurity Skills](#); [Six area industries get \\$7.7M from feds to support growth, expansion](#); [Federal government invests more than \\$3.1M in Manitoba mining, jobs and mfg.](#); [Federal government announces investments in Saskatchewan's mfg. industry](#)

Automotive: [Umicore battery plant to create hundreds of skilled positions](#); [Umicore halts construction of \\$2.7B EV battery materials plant in Ontario](#); [Umicore Half Year Results 2024](#); [Ford Pro Demand Drives F-Series Super Duty Production Expansion...](#); [Ford to build Super Duty pickups at Canada plant instead of EVs](#); [GM lays off Cdn. workers](#)

CPI:

[Bank of Canada: Consumer Price Index](#); [Bank of Canada reduces policy rate by 25 basis points to 4½%](#); [Bank of Canada reduces policy rate by 25 basis points to 4¼%](#); [Canada's inflation rate falls to 1.6% in September, raises odds of 50-basis-point rate cut](#)

JOB POSTING DATA FROM:

[Lightcast](#)



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