

# Labour Market & Economy Report

## Quarter Four 2025

This report uses data that was published prior to Statistics Canada's release of *The 2025 Revisions of the Labour Force Survey (LFS)*, which updated population benchmarks, geographic boundaries and industry/occupation classifications, potentially affecting some related figures. Revised data will be incorporated in Actalent's next quarterly report.

Canadian employment rose by 128,400 jobs in Q4 2025, the largest quarterly increase of the year. The finance, insurance, real estate, rental and leasing sector posted the steepest decline, shedding 14,800 jobs, while health care and social assistance recorded the strongest growth with an increase of 59,100 jobs.

Despite these gains, the labour market continued to face headwinds in the fourth quarter, including ongoing uncertainty around international trade policies.



**128.4K**

### Jobs Gained in Q4

Employment in Canada grew by 66,600 in October, 53,600 in November and 8,200 in December. This resulted in a net gain of 128,400 jobs in the fourth quarter of 2025, following a net loss in the third quarter.



**65.3%**

### Q4 Labour Force Participation Rate

The labour force participation rate averaged 65.3% during Q4 2025, only slightly above the Q3 average of 65.2%.



**6.7%**

### Unemployment Rate

The unemployment rate fell from an average of 7.0% in Q3 to 6.7% in Q4.



**1.2M**

### Q4 Monthly Average Job-Leavers

An average of 1.2 million workers left their jobs each month during Q4 2025, slightly above the Q3 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 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 US concepts, was 5.1% in Canada in April.” This report provides Canadian statistics without adjustments to US concepts.

# Quarter Four Market Trends

A closer look at  
unemployment by industry  
and labour category



**6.7%**

Overall Unemployment Rate



**5.0%**

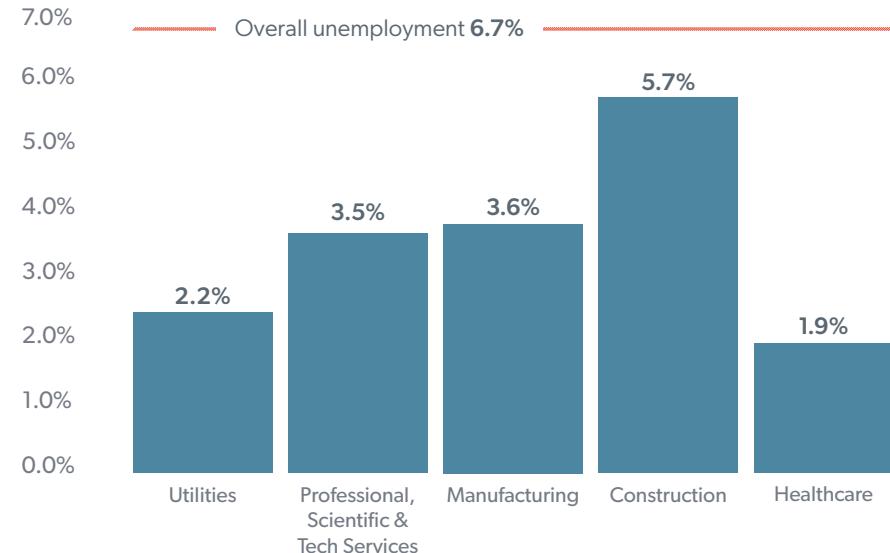
Unemployment Rate for Degreed  
Workers (Bachelor's degree or  
higher) in 2025



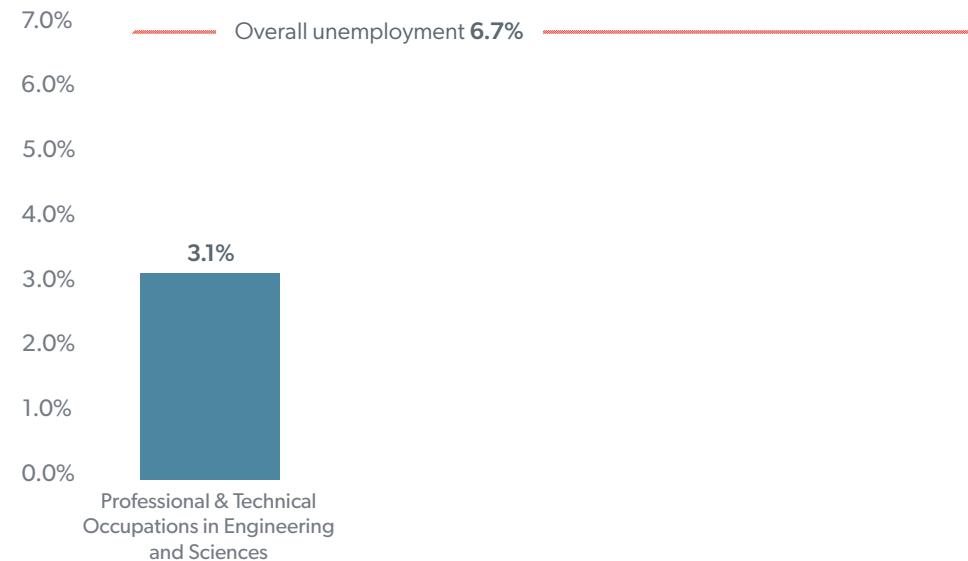
**0.74**

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

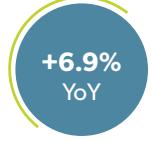
## OVERALL ECONOMY

This report uses data that was published prior to Statistics Canada's release of The 2025 Revisions of the Labour Force Survey (LFS), which updated population benchmarks, geographic boundaries and industry/occupation classifications, potentially affecting some related figures. Revised data will be incorporated in Actalent's next quarterly report. According to data released by January 19, 2025, Canadian employment increased by 128,400 jobs in Q4 2025. The labour force participation rate averaged 65.3% and the unemployment rate was 6.7%. Hiring trends were volatile and subdued throughout 2025. The "low-hire, low-fire" trend will likely continue in the first half of 2026 given ongoing uncertainties, though increased investment in sectors like construction and manufacturing may intensify competition for a limited worker supply.



## UTILITIES

The utilities industry saw strong job growth in 2025, adding 10,900 jobs (+6.9% YOY). In Q4, Hitachi Energy shared plans to develop its AI-powered HMAX offering, grow its workforce and invest \$30 million to modernize its Ontario operations. Construction began on Skyview 2, Canada's largest battery storage project, which will create up to 300 construction jobs with more operational roles to follow. Other major announcements included a \$100 million investment in distributed energy resources (DER) by AltCrest Energy, DevEngine and Spring Lane Capital; EllisDon and Cache Power's plan to build Canada's first commercial scale Compressed Air Energy Storage (CAES) facility in Alberta; and \$60 billion in federal investments for nuclear power, LNG, critical minerals and new trade corridors across Canada.



## CONSTRUCTION

By the end of 2025, construction employment was essentially flat (-0.1% year-over-year). BuildForce Canada reported a major net loss among workers aged 55 and older, suggesting that retirements contributed to the YOY decline. The Canadian Construction Association also noted that economic uncertainty and lower building-permit activity resulted in slower hiring. In 2026, projects related to infrastructure, housing, trade corridors and clean tech are expected to drive growth. Federal support from Budget 2025 and new agencies like the Major Projects Office and Build Canada Homes are anticipated to accelerate nation-building projects and housing delivery. The CCA forecasts stronger pipelines but warns that elevated costs, new procurement rules, tariff uncertainty and intensified competition for skilled workers will remain significant headwinds.



## HEALTHCARE

Overall Canadian job growth in 2025 was driven primarily by the healthcare and social assistance sector. The sector added 59,100 jobs in the fourth quarter alone and 84,900 over the full year, accounting for 38% of all new jobs created in Canada in 2025. In Q4, employers in the sector posted 80,202 jobs, according to Lightcast data. Not surprisingly, the most industry job postings were for registered nurses and registered psychiatric nurses, which totaled 11,705 in the fourth quarter. However, several other roles also saw rising demand. For example, postings for pharmacy technicians increased 12% quarter-over-quarter, totaling 397 postings from 79 employers.



**EoQ** = End of Quarter

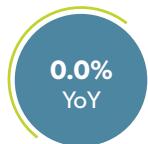
**YoY** = Year over Year

## Industry Trends, continued

### ENGINEERING AND SCIENTIFIC R&D SERVICES

**Architecture & Engineering:** Overall, newly-posted jobs in the architectural, engineering and related services industry fell 6% quarter-over-quarter (QOQ), but postings still increased for certain jobs such as civil engineers (1,460 new postings in Q4, up 16% QOQ), mechanical engineers (676 postings, up 11%), and drafters (662 postings, up 4%). Deep Sky announced plans to build a commercial carbon removal facility in Manitoba. Deep Sky Manitoba will be built in phases, with the first 30,000-tonne phase creating construction, operational and other indirect jobs. Stantec has been awarded the design of a long-term care facility in British Columbia and has been selected to serve as Owner's Engineer for Manitoba Hydro's HVDC Reliability Program. Infrastructure projects are anticipated to continue driving growth for AEC companies in 2026.

**Scientific R&D:** The pharmaceutical and medicine manufacturing industry and the physical, engineering and life sciences R&D industry had a combined 4,043 new job postings in Q4, down -10% quarter-over-quarter but up 15% year-over-year. Medical science liaisons, clinical research associates and project managers were among the top in-demand job titles during Q4. Budget 2025, passed in November, introduces several measures to strengthen scientific innovation, including a \$1-billion Venture and Growth Capital Initiative supporting important sectors such as life sciences, and enhancements to the Scientific Research and Experimental Development (SR&ED) tax incentive program.



### AEROSPACE & DEFENCE

Newly-posted jobs in the aerospace product and parts manufacturing industry increased 9% from Q3 to Q4. Methods analysts saw the largest increase in demand, with 82 new postings across seven companies, followed by project managers with 41 new postings from 10 companies. Canada's domestic defence supply chain will receive federal support in 2026 through the Defence Investment Agency, the Defence Industrial Strategy and other Budget 2025 programs. Key areas of focus include equipment modernization, emerging technologies and infrastructure, with growing investment in AI, cybersecurity, drones, space, subsea surveillance, advanced manufacturing and streamlined procurement. According to KPMG, labour shortages remain a key barrier to growth, and many A&D firms may pursue strategic partnerships to help close skills gaps.

**EMPLOYMENT DATA  
NOT AVAILABLE**

### C&IP

**Overall:** According to the 2026 Advanced Manufacturing Outlook, new pressures such as U.S. tariffs and a trade war added to existing challenges like inflation, labour shortages and evolving cybersecurity threats in 2025. While some firms paused hiring or restructured their organizations in response, others continued investing in capacity expansion and advanced technologies such as AI, automation, cybersecurity, IoT and data analytics. In Q4, companies including Promise Robotics and Schneider Electric opened new facilities in Canada, while others such as Polykar announced expansion plans. The Canadian Manufacturers & Exporters (CME) praised Budget 2025 incentives and the Buy Canadian Policy as measures that can create opportunities for Canadian manufacturers and strengthen the domestic supply chain.

**Automotive:** In Q4, Stellantis moved planned production from Brampton, Ontario to the U.S., creating job uncertainty for 3,000 workers at the Brampton facility. Still, Stellantis confirmed over 1,000 new hires for its upcoming third shift in Windsor, in addition to 240 transfers from Brampton. GM ended BrightDrop van production at CAMI due to slow demand and moved ahead with cutting a third shift in Oshawa. Expansion of the Ultium Cam battery plant was indefinitely paused, and a planned nickel sulfate supplier facility was cancelled. Truck maker Paccar laid off over 300 Quebec workers, reportedly ahead of tariffs. AutoForecast Solutions projects 1.95–2 million new-vehicle sales in 2026, though outcomes will heavily depend on the USMCA review, tariff decisions and anticipated federal EV-mandate changes.



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

# Wages in Canada

How they've changed.



+2.4%



+3.5%



## Consumer Price Index

Year-over-year inflation declined from 2.4% in September to 2.2% in October and November, before returning to 2.4% in December. December's increase was largely affected by the temporary GST/HST tax break that was effective December 14, 2024 through February 15, 2025, putting upward pressure on year-over-year changes for the previously-exempted goods and services.

The Bank of Canada lowered the policy rate by 25 basis points at its October meeting and maintained the rate at its December meeting. In December, the BoC pointed to an improving labour market and economy despite elevated uncertainty.

## Wage Increases

Average hourly earnings for all employees increased 3.5% year-over-year (Q4 2024 to Q4 2025). This was 0.2% above the annual wage growth recorded in Q3 2025. Average hourly wage rates for workers in professional and technical occupations in engineering and sciences increased 4.0% over the same period, outpacing the average for all employees.

## "Real" Earnings

In the fourth 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:** [The 2025 Revisions of the Labour Force Survey \(LFS\); Indeed's 2026 Canadian Jobs & Hiring Trends Report; Canada's labour market gradually improving...; ICBA: Weak National Job Numbers Last Year...](#)

**Utilities:** [Hitachi Energy and Blackstone Energy Transition Partners enter strategic partnership...; Hitachi Energy invests \\$30 million...; Canada's largest battery storage project breaks ground in Ontario; AlCrest Energy, DevEngine, and Spring Lane Capital Launch...; EllisDon partners with Cache power...; Second tranche of nation-building projects referred to the Major Projects Office](#)

**Construction:** [Contractions among eldest workers, females lower construction labour force...; Canadian Construction Association – Winter 2026; 2026 Canadian Government Market Outlook; 2025 Federal Budget Highlights – Impact on Construction](#)

**Healthcare:** [Table 14-10-0291-01 Labour force characteristics by industry, monthly, seasonally adjusted, last 5 months \(x 1,000\)](#)

### Engineering & Scientific R&D Services

**Architecture & Engineering:** [Deep Sky to build 500,000 tonne carbon removal facility...; Stantec selected to design Cottonwoods Long-Term Care Facility...; Stantec selected as Owner's Engineer for Manitoba Hydro's...; Canadian construction economic insights for 2026](#)

**Scientific R&D:** [Canada Strong Budget 2025; Federal Budget Delivers Breakthrough Wins for Canada's Life Sciences Sector](#)

**Aerospace and Defence:** [Protecting Canada's sovereignty and security; 2026 Canadian Government Market Outlook; Top Canadian Defence Stocks of 2026; Why Canada's Aerospace and Defence sector is ripe for M&A](#)

**C&IP:** [2026 Advanced Manufacturing Outlook Report; Top 2026 manufacturing trends to watch; Promise Robotics opens new AI-powered homebuilding facility...; Schneider Electric Canada Opens New Distribution Centre...; Polykar doubles capacity in the Edmonton region...; Budget 2025 delivers key gains for manufacturers facing tariff pressures...](#)

**Automotive:** [Federal government threatens legal action against Stellantis; Stellantis touts milestone of 1,000 new hires for Windsor Assembly Plant; General Motors ends production of BrightDrop electric vehicle; GM Ends Production of BrightDrop; GM Oshawa Layoffs; 2 major electric vehicle battery supply chain projects fall through...; U.S. truck maker Paccar lays off 300...; 2026 Outlook...; Feds will unveil proposed changes to EV sales mandate...](#)

**CPI:** [Bank of Canada: Consumer Price Index; Consumer Price Index, December 2025; Bank of Canada lowers policy rate to 2 1/4%; Bank of Canada maintains policy rate at 2 1/4%](#)

### 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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