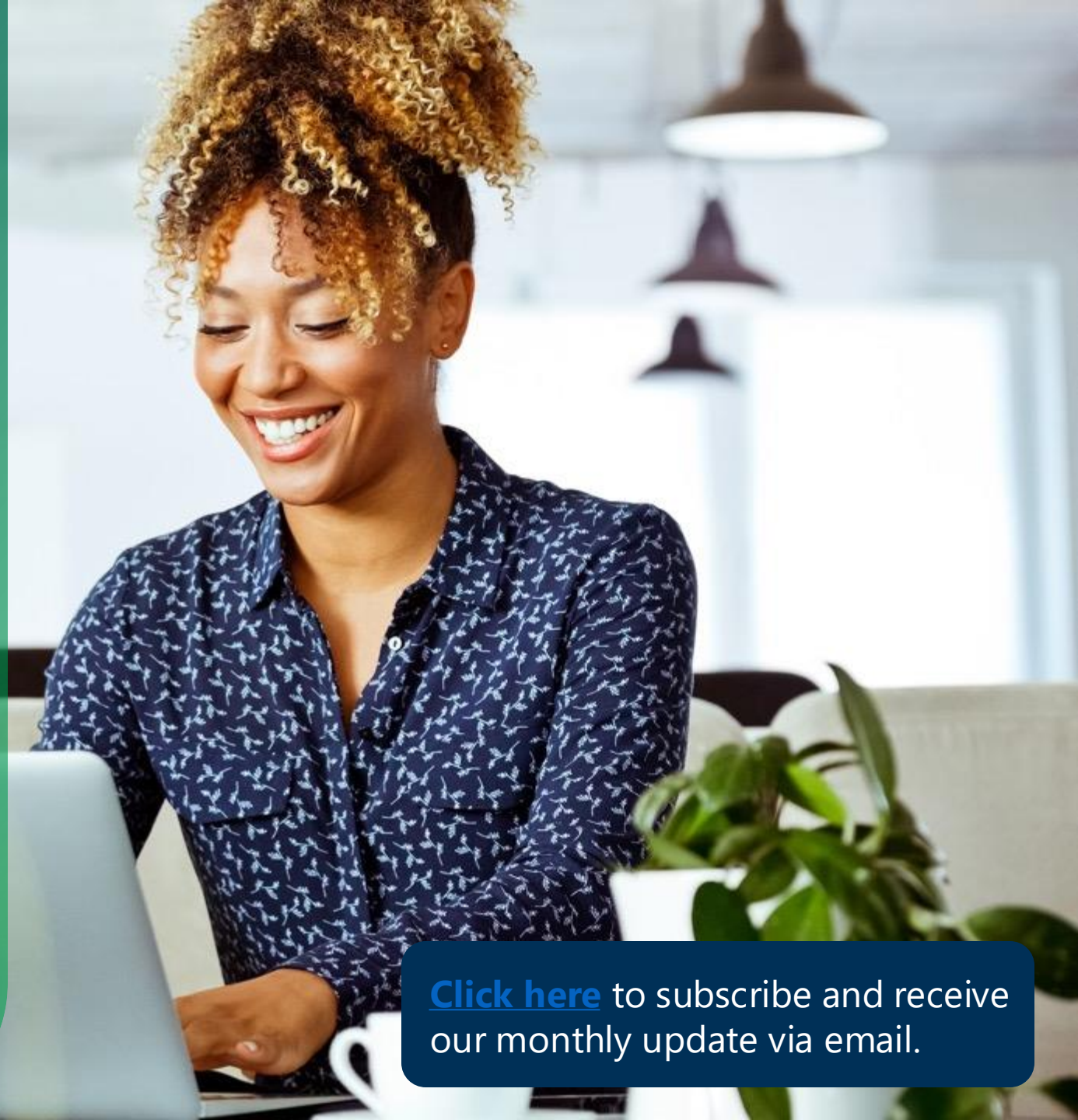




January 2025

# Employment Landscape Overview

Broadleaf's monthly overview  
of the employment landscape,  
staffing updates, and  
industry trends



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# Overview

**61.1%** 

## Employment rose

Employment increased by 76,000 (+0.4%) in January and the employment rate rose 0.1 percentage points to 61.1%.

**6.6%** 

## Unemployment declined

The unemployment rate declined 0.1 percentage points to 6.6%.

**1.1%** 

## Employment increases in were led by manufacturing, professional, scientific and technical services

Employment gains in January were led by manufacturing (+33,000; +1.8%) and professional, scientific and technical services (+22,000; +1.1%).

**3.5%** 

## Average hourly wages decreased

Average hourly wages were up 3.5% (+\$1.23 to \$35.99) on a year-over-year basis (not seasonally adjusted).

**0.5%** 

## Employment increased in Ontario

Employment rose in Ontario (+39,000; +0.5%).



# Overview

## Workers less likely to report planning to leave their job compared with 12 months earlier

- Fewer workers are planning to leave their jobs compared to 12 months ago, possibly due to cooling labor market conditions.
- The job changing rate in January 2025 (0.4%) was lower than in January 2024 (0.5%) and pre-pandemic averages (0.7%).
- 6.1% of permanent employees planned to leave their job in the next 12 months, down from 6.9% in January 2024.
- Health care workers showed a 1.7 percentage point decrease in intention to leave their jobs compared to the previous year.
- Sales and service occupation employees (9.0%) were most likely to plan leaving their jobs, correlating with the lowest average hourly wages (\$23.21).

## The manufacturing sector, which has dependencies on US demand for Canadian exports, accounts for 8.9% of total employment in Canada

- Manufacturing accounts for 8.9% of total employment in Canada, making it the fourth largest sector.
- 39.4% of manufacturing jobs (641,000) depend on US demand for Canadian exports.
- In January 2025:
  - 95.3% of manufacturing jobs were full-time and permanent
  - Union coverage rate was 21.8%, higher than the private sector average but down from 33.8% in 2002
  - Average hourly wage was \$34.80, slightly above the private sector average
- Automotive manufacturing is highly integrated with US supply chains, with 68.3% of jobs dependent on US demand.
- Food manufacturing is the largest manufacturing subsector, accounting for 16.4% of all manufacturing employment.

## Year-over-year growth in average hourly wages decelerates for third consecutive month

- The overall unemployment rate decline in January was driven by youth aged 15-24, falling 0.6 percentage points to 13.6%.
- Non-racialized, non-Indigenous youth unemployment rate: 10.8% (up from 9.4% in January 2024).
- Core-aged (25-54) unemployment rates remained steady at 5.6% for both men and women.
- For those 55 and older:
  - Women: unemployment rate fell 0.3 percentage points to 4.5%
  - Men: unemployment rate unchanged at 5.5%

[Labour Force Survey](#)



# Industry Trends – **Decline in Job-Seeking Activity Among Canadian Workers**

The Canadian labor market is experiencing a trend where fewer professionals are actively seeking new opportunities, despite maintaining confidence in their employability. This shift could present challenges for employers aiming to attract and recruit talent in 2025.

## Top reasons for seeking new jobs

- Higher salary (41%)
- Better perks and benefits (31%)
- More remote flexibility (27%)

## Factors deterring job applications

- Lack of salary range in job descriptions (42%)
- Vague job responsibilities (35%)
- Poor communication with hiring managers (33%)

## Worker confidence

- 94% are confident in their skills
- 73% have learned new skills in the past year



Despite the challenges, 71% of Canadian employers maintain a positive hiring outlook for 2025, indicating potential opportunities for job seekers in the coming months.

## What can employers do?

- Offer competitive benefits packages
- Enhance work flexibility
- Consider unique benefits like gym memberships
- Create opportunities for professional growth
- Invest in upskilling/reskilling programs
- Implement policies that support healthy work/life balance
- Recognize and reward employees
- Foster a positive work culture



# Industry Trends – **Slowdown in Wage Growth**

Wage growth in Canada is expected to cool in 2025 after a strong performance in 2024. Despite initial expectations of slowing wage growth due to rising unemployment, falling job vacancies, and easing inflation, wages continued to rise at a brisk pace throughout 2024.

## Key points:

- Hourly earnings grew around 4% year-over-year in the Labour Force Survey (LFS) and over 5% in the Survey of Employment Payrolls and Hours (SEPH) during Q3 2024.
- Real wages increased despite declining productivity, as the labour share of national income rebounded.
- By Q3 2024, the labour share reached levels rarely seen outside of recessionary periods, suggesting a potential slowdown in wage growth.

## Signs of easing wage growth are emerging:

- November 2024 LFS showed the slowest year-over-year pace in headline hourly pay since 2022.
- The Indeed Wage Tracker averaged 3.0% growth over the three months through October 2024, its slowest pace since late 2021.

## Factors influencing future wage trends:

- Public sector wage growth may strengthen as collective bargaining agreements reset.
- Immigration policy changes could impact wage distribution, potentially leading to higher wage pressure in lower-paying sectors if non-permanent resident numbers drop.

While overall wage growth may cool, different dynamics across occupations and sectors are possible, depending on economic conditions and labour market pressures in 2025.

