

UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

January 2026



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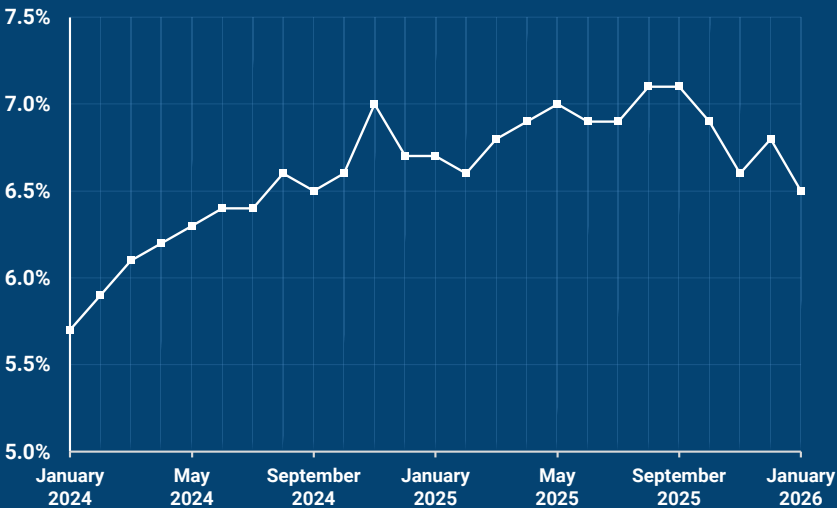
National Statistics

The labour market shed close to 25,000 jobs in January, as the tariff war continued to take its toll on the Canadian economy, with nearly 28,000 jobs lost in manufacturing alone. Despite the employment decline, the unemployment rate fell to 6.5% due to a substantial exodus of jobseekers from the labour market. Overall, the participation rate fell by 0.4 percentage points to 65.0%, marking the largest one month decline in labour force participation since the 2020-2021 peak years of the COVID-19 pandemic.

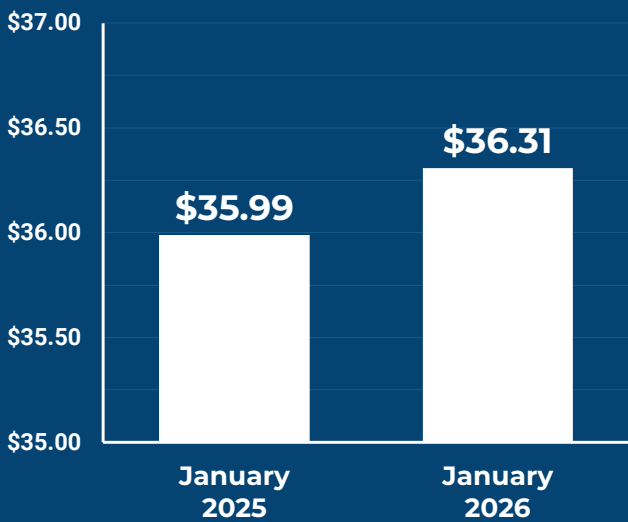
Average hourly wage growth was robust in January, with year-over-year wages increasing by 3.3%, although growth has slowed in recent months. Adjusted for inflation, real wages were just 0.5% higher compared to a year ago. Union coverage was 0.3 percentage points higher on an annual basis.

Statistic	January 2020–24 average	January 2025	December 2025	January 2026	Year-over-year (Y/Y) change	Monthly (M/M) change
Total employment (#) ¹	19,510,360	20,986,900	21,146,000	21,121,200	134,300 0.6%	-24,800 -0.1%
Unemployment rate (%) ²	6.3	6.7	6.8	6.5	-0.2	-0.3
Participation rate (%) ³	65.5	65.5	65.4	65.0	-0.5	-0.4
Union coverage (%) ⁴	30.8	31.0	30.7	31.3	0.3	0.6
Average hourly wage (\$) ⁵	\$31.82	\$35.99	\$37.06	\$37.17	3.3%	0.3%
Real average hourly wage (\$) ⁶	\$35.17	\$35.99	\$36.12	\$36.31	0.9%	0.5%

Unemployment Rate



Real Average Hourly Wage



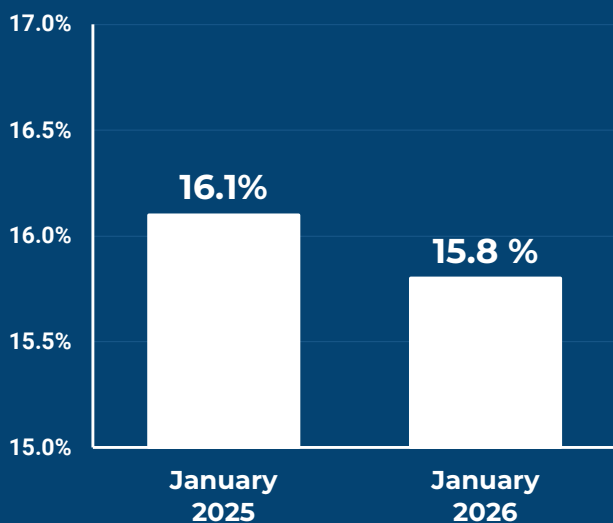
National Precarity Indicators

Some key markers of the prevalence of precarious work in Canada's labour market increased in January, although many figures are lower compared to January 2025. The underemployment rate increased by 0.5 percentage points to 15.8%, but is 0.3 percentage points lower on a year-over-year basis. Similarly, the number of youths who were not in employment, education or training (NEETs) climbed to 859,000 (+8.4%), but was down by more than 9% on an annual basis. Notably, however, there was a

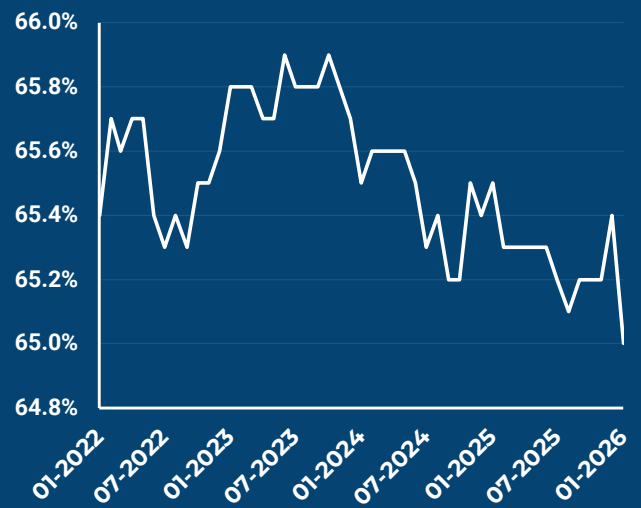
Indicator	Jan. 2025	Dec. 2025	Jan. 2026	Y/Y change	M/M change
Part-time rate (%) ⁷	18.9	18.8	18.7	-0.2	-0.1
Involuntary part-time (%) ⁸	41.1	41.7	41.9	0.8	0.2
Underutilization (R8) rate (%) ⁹	9.4	8.5	9.1	-0.3	0.6
Underemployment rate (%) ¹⁰	16.1	15.3	15.8	-0.3	0.5
Multiple job holders (%) ¹¹	5.7	5.8	5.4	-0.3	-0.4
Temporary job holders (%) ¹²	10.2	11.3	10.7	0.5	-0.6
Casual/other (%)	3.4	3.6	3.4	0.0	-0.2
Temporary/contract (%)	5.7	6.3	6.2	0.5	-0.1
Seasonal (%)	1.1	1.3	1.1	0.0	-0.2
Low wage incidence (%) ¹³	20.4	21.5	21.2	0.8	-0.3
Gender wage gap ¹⁴	\$5.07	\$4.52	\$4.73	-6.7%	4.6%
NEETs (x1,000) ¹⁵	946.9	792.6	859.1	-9.3%	8.4%

significantly higher proportion of temporary job holders last month compared to January 2025, with the proportion of temporary contract workers increasing by half a percentage point. One of the primary indicators suggesting a deterioration in labour market conditions was the participation rate, which fell to the lowest level since the peak of the COVID-19 pandemic (see chart below).

Underemployment Rate



Participation Rate



Regional Statistics

Job trends were varied across Canada, with most regions observing employment gains, including significant growth in Atlantic Canada (+7,000; +0.6%) and the Prairies (+27,400; +0.7%). Meanwhile, Quebec (+3,700; +0.1%) and British Columbia (+3,500; +0.1%) both posted marginal employment increases. Ontario was a clear outlier, however, with employment in the province falling by 66,500 jobs (-0.8%), with 29,000 losses in the manufacturing sector alone.

Despite substantial job losses, the unemployment rate in Ontario fell by a remarkable 0.6 percentage points as the participation rate plummeted by a full percentage point to 64.4%. With the participation rate generally holding steady or increasing in other regions, Ontario accounted for the bulk of labour force exits during the month of January, indicating that many jobseekers in the province have given up on the prospects of finding employment for now.

Average hourly wage growth was positive across all regions, with the exception of British Columbia where wages fell by 0.7% from December 2025, although wages continued to be 2.1% higher on an annualized basis.



Regional Statistics Continued

Atlantic

Statistic	Jan. 2025	Jan. 2026	Y/Y change	M/M change
Total employment (#)	1,266,200	1,277,100	10,900 0.9%	7,000 0.6%
Unemployment rate (%)	7.1	7.3	0.2	0.0
Participation rate (%)	60.6	60.7	0.1	0.3
Union coverage (%)	34.1	34.4	0.3	1.0
Average hourly wage (\$)	\$31.75	\$33.03	4.0%	0.2%
Real avg. hourly wage (\$)	\$31.75	\$32.27	1.6%	0.4%



Quebec

Statistic	Jan. 2025	Jan. 2026	Y/Y change	M/M change
Total employment (#)	4,635,800	4,669,700	33,900 0.7%	3,700 0.1%
Unemployment rate (%)	5.5	5.2	-0.3	-0.1
Participation rate (%)	65.1	64.8	-0.3	0.0
Union coverage (%)	40.2	41.1	0.9	0.2
Average hourly wage (\$)	\$34.63	\$36.28	4.8%	0.8%
Real avg. hourly wage (\$)	\$34.63	\$35.44	2.3%	1.0%



Ontario

Statistic	Jan. 2025	Jan. 2026	Y/Y change	M/M change
Total employment (#)	8,234,200	8,208,000	-26,200 -0.3%	-66,500 -0.8%
Unemployment rate (%)	7.6	7.3	-0.3	-0.6
Participation rate (%)	65.4	64.4	-1.0	-1.0
Union coverage (%)	27.0	26.9	-0.1	0.8
Average hourly wage (\$)	\$37.29	\$38.49	3.2%	0.4%
Real avg. hourly wage (\$)	\$37.29	\$37.60	0.8%	0.7%



Regional Statistics Continued

Prairies

Statistic	Jan. 2025	Jan. 2026	Y/Y change	M/M change
Total employment (#)	3,903,800	4,018,700	114,900 2.9%	27,400 0.7%
Unemployment rate (%)	6.4	6.2	-0.2	-0.3
Participation rate (%)	68.1	68.4	0.3	0.2
Union coverage (%)	27.5	28.3	0.8	0.7
Average hourly wage (\$)	\$35.20	\$36.05	2.4%	0.3%
Real avg. hourly wage (\$)	\$35.20	\$35.22	0.1%	0.5%



British Columbia

Statistic	Jan. 2025	Jan. 2026	Y/Y change	M/M change
Total employment (#)	2,946,900	2,947,600	700 0.0%	3,500 0.1%
Unemployment rate (%)	6.0	6.1	0.1	-0.2
Participation rate (%)	65.2	64.8	-0.4	-0.1
Union coverage (%)	30.8	30.4	-0.4	0.3
Average hourly wage (\$)	\$37.53	\$38.32	2.1%	-0.7%
Real avg. hourly wage (\$)	\$37.53	\$37.44	-0.2%	-0.5%



Average Hourly Wages by Industry

Nominal vs. Inflation-Adjusted Wage Growth

Industry	January 2025	January 2026	Y/Y change	Y/Y inflation-adjusted change
Agriculture	\$27.25	\$26.03	-4.5%	-7.1%
Forestry	\$36.03	\$37.52	4.1%	1.7%
Mining, oil and gas	\$53.06	\$54.95	3.6%	1.2%
Utilities	\$54.33	\$55.81	2.7%	0.4%
Construction	\$37.33	\$38.17	2.3%	-0.1%
Manufacturing: durables	\$35.89	\$37.23	3.7%	1.3%
Manufacturing: non-durables	\$33.51	\$34.23	2.1%	-0.2%
Wholesale Trade	\$35.96	\$38.02	5.7%	3.2%
Retail Trade	\$24.28	\$24.67	1.6%	-0.7%
Transportation and Warehousing	\$34.66	\$34.38	-0.8%	-3.2%
Finance and Insurance	\$45.15	\$48.61	7.7%	4.9%
Real Estate and Rental and Leasing	\$33.34	\$36.02	8.0%	5.2%
Professional, Scientific and Technical Services	\$47.92	\$49.66	3.6%	1.2%
Business, building and other support	\$27.96	\$29.86	6.8%	4.2%
Educational Services	\$40.95	\$42.71	4.3%	1.8%
Health Care and Social Assistance	\$34.36	\$35.18	2.4%	0.0%
Information, Culture and Recreation	\$34.26	\$34.61	1.0%	-1.3%
Accommodation and Food Services	\$20.98	\$21.16	0.9%	-1.5%
Other Services	\$31.50	\$32.86	4.3%	1.9%
Public Administration	\$45.28	\$47.63	5.2%	2.7%

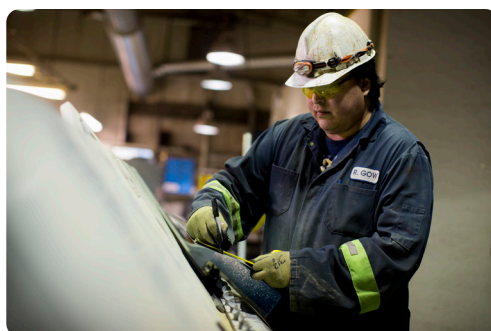
Year-over-year real wage growth remained negative in January for a number of key service sector industries including retail trade (-0.7%), transportation and warehousing (-3.2%), and accommodation and food services (-1.5%). Taken together, reduced wage pressures in these industries reflect an overall decline in job vacancies, which simultaneously suggests a slowdown in aggregate consumer demand.

Employment figures by industry showed significant losses in manufacturing (-27,500) and educational services (-24,200) partly offset by gains in health care and social assistance (+8,400) and information, culture and recreation (+17,100) amongst others. Since January 2025, tariffs imposed by the Trump administration have contributed to the loss of more than 50,000 manufacturing jobs in Canada.

Monthly Employment Gains and Losses by Industry and Sector

Employment Change by Industry/Sector, Dec. 2025 to Jan. 2026

GOODS-PRODUCING SECTOR	-3,800	
Agriculture		10,500
Forestry, fishing, mining, quarrying, oil and gas		0
Utilities		4,200
Construction		8,900
Manufacturing	-27,500	
SERVICES PRODUCING SECTOR	-21,000	
Wholesale and retail trade		3,200
Transportation and warehousing	-6,400	
Finance, insurance, real estate, rental and leasing		700
Professional, scientific and technical services	-11,200	
Business, building and other support services		14,000
Educational services	-24,200	
Health care and social assistance		8,400
Information, culture and recreation		17,100
Accommodation and food services	-7,500	
Other services (except public administration)	-5,100	
Public administration	-10,000	



NOTES

1. Total employment counts all working age individuals (15 years old and above) who are currently employed. Seasonally adjusted.
2. The unemployment rate expresses the percentage of working age people who are unemployed and actively seeking work. It does not include unemployed individuals who are not currently searching for jobs or who are permanently without work, and who are therefore considered to fall outside the labour market. Seasonally adjusted.
3. The participation rate expresses the percentage of all working age people who are participating in the labour market, including both employed and unemployed (actively job-seeking) individuals. Seasonally adjusted.
4. Union coverage includes workers who are union members as well as those who are non-unionized but covered by the terms of a collective agreement.
5. The average hourly wage is calculated using usual wages or salaries reported by employees for their main job.
6. The real average hourly wage adjusts wages to account for the impact of inflation and is reported in dollars from the corresponding month of the previous year. Since CPI data is unavailable for the current month prior to the release of the Labour Force Survey, the previous month's CPI level is used to estimate real wages for the current period.
7. The part-time rate measures the percentage of all employed workers who are working part-time hours.
8. The involuntary part-time rate measures the percentage of part-time workers who wanted full-time employment.
9. The underutilization rate, or R8, is used by Statistics Canada to measure underutilized labour. It adds to the unemployment rate those who are waiting for recall or replies, long-term future starts, discouraged workers (those who did not search because they believed no jobs were available) and a portion of involuntary part-time workers.
10. The underemployment rate measures the percentage of people who want work but cannot find suitable employment or who do not have adequate support systems in place that would allow them to engage in job-seeking. It therefore measures the true extent of labour underutilization in Canada. The underemployment rate adds to the unemployment rate all involuntary part-time workers and the marginally attached (i.e. those who wanted to work but who were not able to actively search for jobs due to extenuating circumstances).
11. The multiple job holder rate measures the percentage of employed workers who hold two or more jobs.
12. The temporary job holder rate measures the percentage of employed workers whose jobs are temporary in tenure.
13. Low wage incidence is expressed as the percentage of hourly wage earners earning less than two-thirds of the median hourly wage. This measure is a widely accepted standard for determining the low pay threshold.
14. The gender pay gap measures the average difference in income between men and women who earn hourly wages. A positive gap indicates that men earn, on average, more than women.
15. The NEET category measures the number of people aged 15 to 29 who are not in employment, education or training.





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