

UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

May 2026



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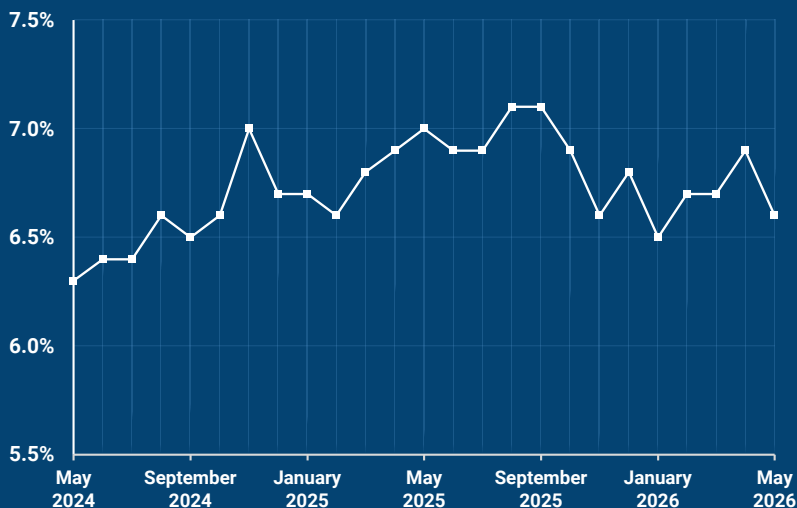
National Statistics

Canada's labour market beat analysts' expectations in May with a surprise increase of close to 88,000 jobs (+0.4%). The unemployment rate fell by 0.3 percentage points to 6.6% while the participation rate stayed level at 65.0%. On an annualized basis, there were close to 150,000 more jobs across the country compared to May 2025, although the participation rate recorded a 0.3 percentage point decline. And in spite of the May surge in employment, the overall figure remained 20,000 jobs below the peak level recorded last December.

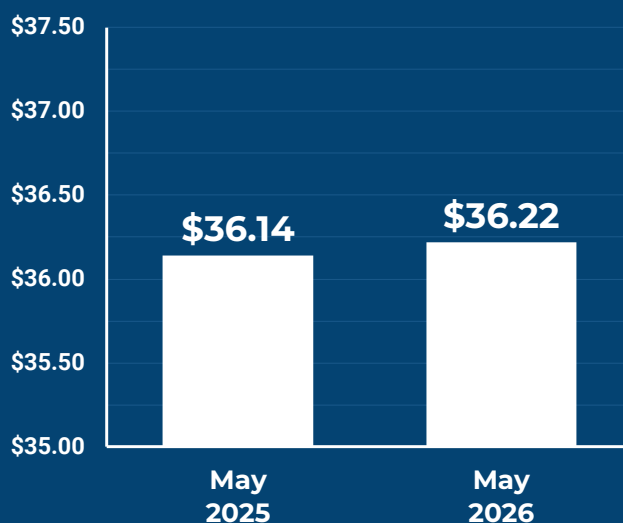
Average hourly wage levels recorded a sharp 1.4% monthly decline, amounting to a 3.0% year-over-year increase. Adjusted for inflation, wages were just 0.2% higher compared to May 2025. These figures partially reflect the influx of younger workers into lower-waged entry-level positions as the youth unemployment rate fell substantially (-0.9), which reduced the overall average wage level.

Statistic	May 2020–24 average	May 2025	April 2026	May 2026	Year-over-year (Y/Y) change	Monthly (M/M) change
Total employment (#) ¹	19,151,760	20,974,400	21,033,700	21,121,500	147,100 0.7%	87,800 0.4%
Unemployment rate (%) ²	7.8	7.0	6.9	6.6	-0.4	-0.3
Participation rate (%) ³	64.7	65.3	65.0	65.0	-0.3	0.0
Union coverage (%) ⁴	30.9	30.6	31.1	30.9	0.3	-0.2
Average hourly wage (\$) ⁵	\$32.27	\$36.14	\$37.77	\$37.24	3.0%	-1.4%
Real average hourly wage (\$) ⁶	\$35.54	\$36.14	\$36.87	\$36.22	0.2%	-1.8%

Unemployment Rate



Real Average Hourly Wage



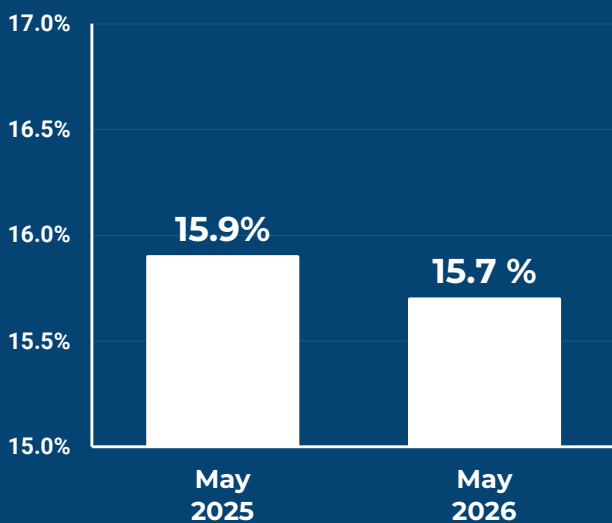
National Precarity Indicators

The precarity indicators for May reveal a sharp monthly decline in underutilization and underemployment (-0.4), which reflects the overall increase in jobseekers who were successfully employed last month. Notably, however, there were some key markers of precarity that increased, including the proportion of involuntary part-timers (+2.5) and temporary job holders (+1.3), owing to a higher percentage of temporary/contract workers and seasonal workers. While both indicators usually

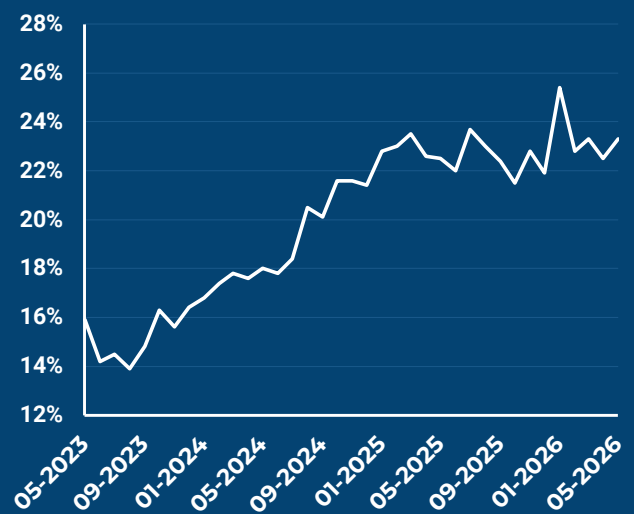
Indicator	May 2025	April 2026	May 2026	Y/Y change	M/M change
Part-time rate (%) ⁷	17.9	19.0	17.8	-0.1	-1.2
Involuntary part-time (%) ⁸	44.2	42.3	44.8	0.6	2.5
Underutilization (R8) rate (%) ⁹	9.1	9.4	9.0	-0.1	-0.4
Underemployment rate (%) ¹⁰	15.9	16.1	15.7	-0.2	-0.4
Multiple job holders (%) ¹¹	5.5	5.8	5.7	0.2	-0.1
Temporary job holders (%) ¹²	12.3	11.2	12.5	0.2	1.3
Casual/other (%)	3.5	3.6	3.5	0.0	-0.1
Temporary/contract (%)	6.4	6.1	6.4	0.0	0.3
Seasonal (%)	2.4	1.4	2.6	0.2	1.2
Low wage incidence (%) ¹³	20.8	20.6	19.4	-1.4	-1.2
Gender wage gap ¹⁴	\$4.44	\$4.87	\$4.64	4.5%	-4.7%
NEETs (x1,000) ¹⁵	1,043.2	826.0	982.9	-5.8%	19.0%

increase during the summer break, they were higher on a year-over-year basis as well, underscoring a relative decline in the quality of work over the past year. Notably, despite an overall decline in the number of unemployed jobseekers in May, there was an increase in the percentage of long-term unemployed (see chart below), indicating that structural skills mismatches remain pronounced.

Underemployment Rate



% of Long-Term Unemployed



Regional Statistics

Employment growth was a primary trend in the majority of Unifor's five regions, with the exception of Atlantic Canada where regional employment remained essentially level (-700; -0.1%), while the unemployment rate increased slightly to 7.6% – the highest level in Canada. Wage growth in the Atlantic region was robust at 3.5% year-over-year, although a recent spike in inflation due to higher energy prices resulted in lower annualized real wage growth at 0.6% compared to 2.1% in April.

Elsewhere, there was substantial employment growth in Ontario (+42,000; +0.5%) and British Columbia (+25,000; +0.9%), although the effect on the unemployment rate in B.C. was offset by a 0.5 percentage point increase in the participation rate to 64.9%. In contrast, Ontario recorded a major fall in the unemployment rate to 7.0% (-0.5). Ontario has gained more than 84,000 jobs over the past two months after lagging behind most regions in the first quarter of 2026.

Employment growth was also significant in Quebec (+13,000; +0.3%) and the Prairie region (+8,000; +0.2%). Notably, the unemployment rate in Quebec fell by 0.6 percentage points to 5.6%, which is a full percentage point lower than the national average (6.6%).



Regional Statistics Continued

Atlantic

Statistic	May 2025	May 2026	Y/Y change	M/M change
Total employment (#)	1,273,500	1,276,500	3,000 0.2%	-700 -0.1%
Unemployment rate (%)	7.2	7.6	0.4	0.1
Participation rate (%)	60.8	60.6	-0.2	0.0
Union coverage (%)	32.7	33.1	0.4	-1.1
Average hourly wage (\$)	\$31.59	\$32.69	3.5%	-1.3%
Real avg. hourly wage (\$)	\$31.59	\$31.79	0.6%	-1.7%



Quebec

Statistic	May 2025	May 2026	Y/Y change	M/M change
Total employment (#)	4,629,300	4,592,200	-37,100 -0.8%	13,200 0.3%
Unemployment rate (%)	5.8	5.6	-0.2	-0.6
Participation rate (%)	64.9	64.1	-0.8	-0.3
Union coverage (%)	40.3	40.0	-0.3	-0.2
Average hourly wage (\$)	\$34.77	\$36.40	4.7%	-0.9%
Real avg. hourly wage (\$)	\$34.77	\$35.40	1.8%	-1.3%



Ontario

Statistic	May 2025	May 2026	Y/Y change	M/M change
Total employment (#)	8,198,100	8,289,700	91,600 1.1%	41,800 0.5%
Unemployment rate (%)	7.9	7.0	-0.9	-0.5
Participation rate (%)	65.0	64.7	-0.3	-0.1
Union coverage (%)	26.3	26.7	0.4	-0.4
Average hourly wage (\$)	\$37.44	\$38.22	2.1%	-1.8%
Real avg. hourly wage (\$)	\$37.44	\$37.17	-0.7%	-2.2%



Regional Statistics Continued

Prairies

Statistic	May 2025	May 2026	Y/Y change	M/M change
Total employment (#)	3,914,800	4,033,900	119,100 3.0%	8,100 0.2%
Unemployment rate (%)	6.6	6.3	-0.3	-0.1
Participation rate (%)	67.9	68.3	0.4	-0.1
Union coverage (%)	27.2	27.6	0.4	-0.3
Average hourly wage (\$)	\$35.24	\$36.73	4.2%	-1.1%
Real avg. hourly wage (\$)	\$35.24	\$35.72	1.4%	-1.4%



British Columbia

Statistic	May 2025	May 2026	Y/Y change	M/M change
Total employment (#)	2,958,700	2,929,100	-29,600 -1.0%	25,200 0.9%
Unemployment rate (%)	6.5	6.8	0.3	0.0
Participation rate (%)	65.5	64.9	-0.6	0.5
Union coverage (%)	30.9	31.5	0.6	0.4
Average hourly wage (\$)	\$38.07	\$38.65	1.5%	-1.4%
Real avg. hourly wage (\$)	\$38.07	\$37.59	-1.3%	-1.7%



Average Hourly Wages by Industry

Nominal vs. Inflation-Adjusted Wage Growth

Industry	May 2025	May 2026	Y/Y change	Y/Y inflation-adjusted change
Agriculture	\$24.80	\$26.52	6.9%	3.8%
Forestry	\$32.93	\$37.49	13.8%	9.7%
Mining, oil and gas	\$54.03	\$56.08	3.8%	0.9%
Utilities	\$54.57	\$54.57	0.0%	-2.8%
Construction	\$37.98	\$38.19	0.6%	-2.3%
Manufacturing: durables	\$36.65	\$38.02	3.7%	0.9%
Manufacturing: non-durables	\$33.41	\$34.28	2.6%	-0.2%
Wholesale Trade	\$37.04	\$39.34	6.2%	3.2%
Retail Trade	\$24.18	\$25.42	5.1%	2.2%
Transportation and Warehousing	\$34.07	\$34.37	0.9%	-1.9%
Finance and Insurance	\$45.81	\$48.29	5.4%	2.5%
Real Estate and Rental and Leasing	\$35.92	\$37.95	5.7%	2.7%
Professional, Scientific and Technical Services	\$48.16	\$49.52	2.8%	0.0%
Business, building and other support	\$28.18	\$28.03	-0.5%	-3.4%
Educational Services	\$41.35	\$42.70	3.3%	0.4%
Health Care and Social Assistance	\$34.86	\$35.47	1.7%	-1.0%
Information, Culture and Recreation	\$34.29	\$34.81	1.5%	-1.3%
Accommodation and Food Services	\$20.83	\$21.53	3.4%	0.5%
Other Services	\$30.95	\$32.20	4.0%	1.2%
Public Administration	\$46.27	\$48.03	3.8%	1.0%

The breakdown of average hourly wage growth by industry reveals more evidence that year-over-year wages fell due to the concentration of jobs gains in lower-waged, entry-level positions in industries such as construction (0.6%), transportation and warehousing (0.9%), and information, culture and recreation (1.5%). Adjusted for inflation, real wage growth in these industries was negative on an annual basis.

Jobs growth was fairly evenly distributed across the goods-producing sector (+39,000) and the services-producing sector (+49,000), although wholesale and retail trade saw a sharp decline of 35,000 jobs. Manufacturing gained close to 15,000 jobs in May, but remains 44,000 jobs below its January 2025 mark, prior to the imposition of tariffs by the United States.

Monthly Employment Gains and Losses by Industry and Sector

Employment Change by Industry/Sector, April to May 2026

GOODS-PRODUCING SECTOR		38,700
Agriculture		1,300
Forestry, fishing, mining, quarrying, oil and gas	-1,800	
Utilities	-2,300	
Construction		26,800
Manufacturing		14,700
SERVICES PRODUCING SECTOR		49,100
Wholesale and retail trade	-35,000	
Transportation and warehousing		18,700
Finance, insurance, real estate, rental and leasing	-7,300	
Professional, scientific and technical services		10,000
Business, building and other support services		1,600
Educational services		7,300
Health care and social assistance		13,100
Information, culture and recreation		19,300
Accommodation and food services		17,000
Other services (except public administration)		12,500
Public administration	-8,200	



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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