

August 2025 Canadian Employment Update

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



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Overview

60.4% 

Employment rate declined slightly

Employment declined by 66,000 (-0.3%) in August.

7.1% 

Unemployment rose

The unemployment rate rose 0.2 percentage points to 7.1%.

-1.3% 

Employment fell in professional, scientific and tech services

Employment decreased across several industries in August, led by professional, scientific and technical services (-26,000; -1.3%)

3.2% 

Average hourly wages increased

Average hourly wages among employees increased 3.2% (+\$1.12 to \$36.31) on a year-over-year basis in August.

-0.3% 

Employment decreased in Ontario

Employment in Ontario decreased by 26,000 (-0.3%) in August.



Overview

In the spotlight: One-third of multiple job holders in August did so to pay for essential needs

Multiple jobholding—working two or more jobs—is closely tracked as a measure of job quality, since it may signal that a primary job doesn't provide sufficient earnings. Still, many workers also take extra jobs for skill-building or personal interests.

In August 2025, 5.4% of Canadian workers held multiple jobs, nearly unchanged from both 2024 and pre-pandemic 2019 (5.5%). Among jobholders aged 15–69, about one-third cited covering essential needs (33.6%), another third wanted extra income (33.6%), and a smaller share (16.6%) said their main reason was passion for the work—slightly higher than in 2023 (14.5%).

In the spotlight: Nearly 1 in 10 workers would prefer to work more hours

Nearly 1 in 10 workers (8.8%) are underemployed, wanting and available to work more hours. This rate is much higher among part-time workers (23.0%) versus full-time workers (6.2%). Newfoundland and Labrador, Ontario, and Alberta show the highest underemployment rates.

Underemployed workers earn notably lower hourly wages than others, suggesting pay inadequacy drives the desire for more hours. Over half (55.7%) want extra hours to cover current expenses, while 17.9% aim to save for major purchases.

Conversely, 15.9% of workers want fewer hours - primarily for more leisure time (45.0%), family responsibilities (22.5%), or work stress (17.5%). Workers in accommodation/food services, finance/real estate, and healthcare most commonly cite stress as their reason for wanting reduced hours.



Contract Work Growth in Canada

Contract and gig work in Canada has surged 23% year-over-year, driven by businesses seeking specialized talent and workers pursuing flexibility. This shift impacts job security, benefits access, and income stability, requiring new policy frameworks to balance worker protection with labour market adaptability.

Current Situation

- Businesses increasingly hiring specialists for project-based work
- Remote work normalization enabling global talent access
- Skills-based economy prioritizing expertise over employment status
- Creative and tech sectors leading adoption
- Workers seeking greater autonomy and flexibility

Labour Market Impact

- Traditional full-time roles shifting to contract positions
- Reduced job security and benefits coverage for workers
- Increased competition among freelancers
- Skills gaps filled rapidly through specialized contractors
- Income volatility affecting financial planning
- Tax implications for both workers and businesses

Potential Solutions

- Implement universal portable benefits tied to workers, not jobs
- Create dedicated Employment Insurance stream for gig workers
- Establish tax-funded continuous learning accounts for all workers
- Mandate clear legal frameworks distinguishing contractors from employees
- Launch national financial wellness programs for irregular income
- Guarantee professional development tax credits for independent workers

Sources: [Stat Can](#) | [Canada.ca](#)