SIGNATURE MONTHLY EDITION

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Canada-wide economic, human-capital and leadership intelligence

THE EVIDENCE → THE IMPLICATION → THE LEADERSHIP QUESTION → THE ACTION → WHAT TO WATCH

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Executive Brief

Canada lost 68,300 jobs in September. The unemployment rate rose to 6.5%, but the more important warning is that fewer people were working or looking for work. For business leaders, a softer labour market is a reason to revisit hiring plans, not assume that every difficult vacancy will now be easy to fill.

Employees also face a squeeze. Average hourly pay rose 2.3% over the year, while consumer prices rose 3.1%. Pay therefore bought about 0.7% less than a year earlier. Retention decisions need to consider that pressure alongside the skills an organization cannot afford to lose.

The practical choice is where to protect capability and where to delay a commitment. This edition examines the labour evidence, the demand behind it and the population changes shaping future supply. It connects those findings to recruitment, development and operating decisions rather than treating one national number as a workforce strategy.

September 2026 National Scorecard

Indicator	September 2026	Change and comparison
Employment	21,104,800	-68,300 monthly; +94,900 annually
Employment rate	60.6%	-0.2 points monthly; +0.0 points annually
Unemployment rate	6.5%	+0.1 points monthly; -0.6 points annually
Participation rate	64.8%	-0.2 points monthly; -0.4 points annually
Full-time employment	17,290,300	-35,400 monthly; +35,000 annually
Part-time employment	3,814,500	-32,900 monthly; +59,900 annually

Monthly means September versus August 2026; annually means September 2026 versus September 2025. Headline estimates are seasonally adjusted. Changes in rates are percentage points.

What the Evidence Says

Employment is losing momentum

September employment was 21.10 million. Both full-time and part-time work declined during the month. The country still had 94,900 more jobs than a year earlier, but employment growth was not strong enough to lift the employment rate. A business can therefore face more applicants without seeing a better match for the work it needs done.

Participation changes the reading

The participation rate fell to 64.8%, down 0.2 percentage point from August and 0.4 point from a year earlier. This is the share of the survey-covered population aged 15 and over that is working or looking for work. The figures do not tell us why people left. They do tell employers not to equate lower participation with a larger pool of active candidates.

The type of work matters

Full-time employment was 35,000 higher than a year earlier, while part-time employment was 59,900 higher. September's monthly losses affected both. These results do not show whether workers wanted fewer hours. They make it important to ask whether the roles being offered provide the hours, progression and income that prospective employees need.

Industries are moving in different directions

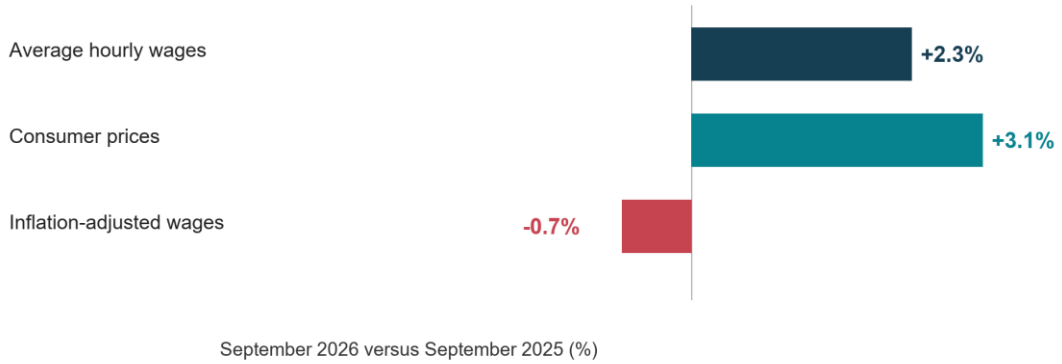
Educational services lost 35,300 jobs in September and retail trade lost 28,500. Health care and social assistance fell by 23,100 during the month but remained 93,000 above a year earlier. A single month is not a reliable basis for a sector-wide staffing response. Employers should compare the current movement with their own funded workload and the longer trend.

Employers are not all responding alike

Private-sector employee employment rose by 24,100 during September. Public-sector employment fell by 70,000 and self-employment fell by 22,500. The national decline was therefore not shared evenly across types of employer. Using that total to justify the same hiring restriction in every organization would overlook a material part of the evidence.

Pay increases are not keeping up with prices

Average hourly pay reached $37.64 in September. After allowing for the change in consumer prices, average pay was about 0.7% lower than a year earlier. This does not mean that every employee received the same increase or experienced the same cost pressures. It gives leaders a concrete reason to investigate financial strain, benefit needs and avoidable turnover before assuming that weaker hiring has removed retention risk.



Output growth does not guarantee more hiring

Gross domestic product, the economy's measure of output, rose 0.8% in the second quarter of 2026. Monthly industry output was then effectively flat in July. That sequence does not establish a lasting recovery or a new downturn. The useful operating question is whether orders, margins and funded work justify the next staffing commitment.

Trade gives a demand signal rather than a hiring forecast

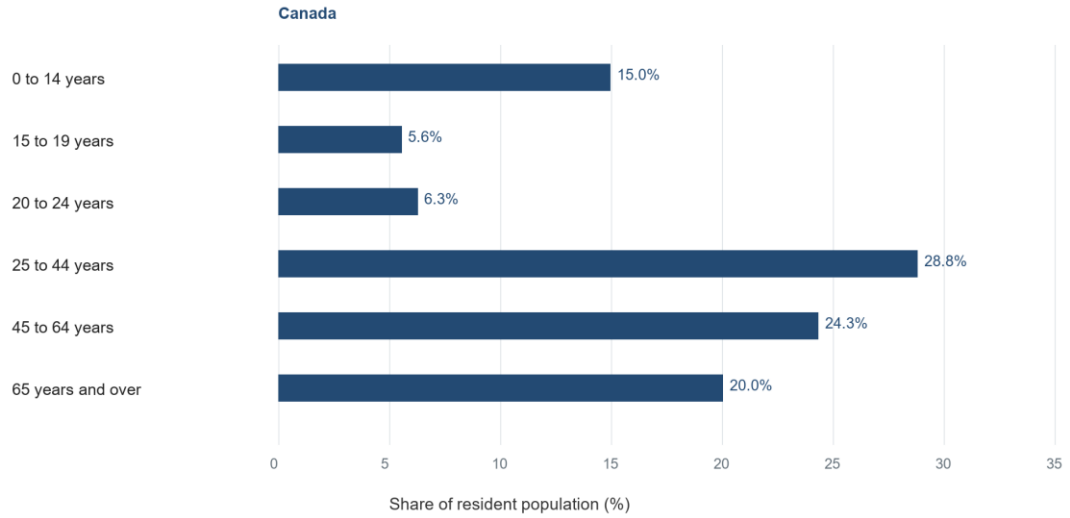
August merchandise exports reached $77.91 billion and imports were $73.71 billion, producing a goods surplus of about $4.20 billion. These are current-dollar trade values, not inflation-adjusted output. Export-facing firms should test how much of an improvement reflects their own markets, prices and customers before translating a national result into more permanent capacity.

Construction activity supports selective preparation

Building investment rose 1.2% in July to $23.60 billion. The six-month housing-start trend reached 250,411 annualized units in September. These measures point to activity that can support suppliers and project work, but starts are not completed homes. Recruitment should follow funded projects, delivery dates and required skills rather than the assumption that all construction demand is equally durable.

A growing population is not the same as a growing candidate pool

Canada's resident population was estimated at 41,798,407 on July 1, up 0.46% from a year earlier. People aged 65 and over represented 20.0% of residents. These figures frame future customer needs, public services and succession planning. They do not identify who is available, qualified or willing to take a particular job.



Population diversity requires better questions

The 2021 Census counted 8.36 million immigrants and 1.81 million people reporting Indigenous identity in private households. These populations overlap and are not a combined reserve of available workers. The leadership question is whether recruitment, qualification assessment and development routes give people a fair opportunity to demonstrate the capability the organization actually needs.

What the Bank of Canada Surveys Add

Business plans and hiring are diverging

The Bank of Canada's third-quarter Business Outlook Survey found improved sales prospects but soft hiring plans. Most firms expected stable staffing. Broad labour shortages remained limited, with difficulties concentrated in trades, technical roles and rural locations. This is national evidence, not a finding about every employer.

Household confidence has not become stronger spending

The Canadian Survey of Consumer Expectations reported better financial confidence but weaker spending plans. High prices and uncertainty still held consumers back. For customer-facing businesses, a more positive mood should not be treated as a confirmed increase in demand.

Read expectations alongside results

These surveys help explain why better sales expectations can coexist with cautious hiring and purchasing. They measure reported views and intentions, not subsequent sales or job creation. Most interviews preceded the late-August breakdown in Canada–United States trade talks. Leaders should test whether more recent customer and supplier evidence supports the earlier expectations.

Where Occupation and Youth Evidence Matters

The matched occupation screen identifies eight High and 20 Elevated groups. These are prompts to investigate hiring pressure, not 28 separate shortages. Some groups contain others and cannot be added together. September employment is compared with the same month a year earlier; the vacancy comparison covers the second quarters of 2026 and 2025. A falling vacancy count can sit alongside rising employment. That is why the screen needs recent recruitment evidence before an employer acts.

Young people's unemployment rate fell from 14.4% to 13.0% between September 2025 and September 2026, while their participation rate also declined. The annual share of people aged 15 to 29 not in employment, education or training (NEET) was 12% in 2025. This is a different age group and period from the monthly youth figures. Employers should examine entry routes and progression rather than treating the two measures as one story.

Average usual weekly hours in the main job were 35.6 in Canada, unchanged from September 2025. These are unadjusted usual hours, not actual hours worked in a particular week. Changes may reflect the mix of work and do not, by themselves, prove that people want more hours.

The Human Capital Signal

These editorial readings identify where to investigate and act. They combine evidence with different reference periods; they are not an official index or a count of labour shortages.

Dimension	Reading	Evidence and leadership meaning
Talent availability	Mixed	Check the match between active applicants and essential role requirements.
Workforce participation	Watch	Participation fell both monthly and annually.
Wage pressure	Purchasing power watch	Inflation-adjusted average wages fell 0.7% over the year.
Youth attachment	Watch	Lower youth unemployment did not bring stronger participation.
Skills pressure	Targeted	8 High and 20 Elevated matched groups; investigate rather than add them.
Employer conditions	Uneven	Industry and employer-category results differ.
Leadership urgency	Elevated	Test staffing commitments against demand and time needed to build capability.

What It Means for Human Capital

Attraction and recruitment. Use the wider candidate pool to improve the match, not simply demand more credentials. Review which requirements are essential on day one and which can be learned. Track qualified

applications, offer acceptance and time to become effective in the role. Those measures show whether hiring is becoming easier more directly than the national unemployment rate.

Workforce planning and talent development. Separate funded delivery, replacement hiring and uncertain growth. For each critical role, compare the cost of a vacancy with the time needed to develop an internal successor. Where work is secure but external supply remains difficult, a paid entry route or structured development plan may be more dependable than repeatedly searching for a fully formed candidate.

Leadership development and retention. Equip managers to explain changing priorities, identify transferable skills and keep workloads realistic. A lower real wage average does not dictate a uniform pay increase. It does justify checking whether financial pressure, unpredictable hours or limited progression are pushing valued employees to leave. Protecting capability requires both a business case and a credible employee experience.

What Leaders Should Consider Doing

Bring demand and workforce decisions into the same review. Finance, operations and human resources should agree which work is funded, which assumptions remain uncertain and what would trigger a change. For each major hire, identify the delivery consequence of waiting. For each proposed reduction, identify what would be difficult or expensive to rebuild. A hiring freeze should be a decision with a defined purpose, not a substitute for that review.

Choose one workforce constraint to test. It may be a specialized vacancy, an entry-level bottleneck or avoidable turnover. Name an accountable operating leader, establish the starting position and test a targeted response. Compare the result with service delays, quality, overtime or customer outcomes. This makes it possible to stop an ineffective intervention or extend one that actually improves delivery.

Treat technology investment as a work-design decision. Before assuming that a new tool will remove a vacancy, specify the tasks it can change, the human judgment still required and the training needed. Protect the supervised work through which newer employees learn. The opportunity is to improve useful capacity without creating an unseen dependency on a few experienced people.

What to Watch

Watch the relationship between jobs and participation. Rising employment with a stronger employment rate would improve the outlook. Another fall in jobs accompanied by weaker participation would deepen concern. A lower unemployment rate on its own would not settle the question. Check revisions before treating a movement as a sustained change.

Watch whether demand becomes work. Compare new output, trade and investment releases with orders, funded projects and hiring. The case for expansion strengthens when those measures point in the same direction. It weakens when better expectations fail to translate into activity or when a few sectors account for most of the gain.

Watch purchasing power and critical roles separately. Pay growth moving above inflation would ease one source of household pressure. Persistent recruitment delays or unwanted departures in essential roles could still require action. Revisit the workforce plan when those business-level measures change, not only when the next national headline arrives.

Explore the Evidence

The interactive report lets readers explore the labour, wage, occupation, economic and population evidence. Check the reference period shown on each figure; the report does not treat annual or Census results as current monthly observations.

Explore the interactive Power BI evidence dashboard

Keep the Next Workforce Decision in View

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Sources and Interpretation Notes

Reference periods and coverage. October edition; September labour evidence released October 9 2026. The StatCan values use the October 19–20 reconciled vintage. A StatCan service interruption prevented a new release-completeness check on October 22. Counts use the appropriate survey universe, not total resident population. Rounded totals and components may differ. Annual 2025 and Census 2021 observations retain their actual years.

Labour market. Statistics Canada tables 14-10-0287-01 for headline seasonally adjusted estimates; 14-10-0017-01 for unadjusted demographic comparisons; 14-10-0355-01 for industries; 14-10-0288-01 for class of worker; 14-10-0042-01 for usual main-job hours. National Labour Force Survey totals exclude the territories and have source coverage exclusions. Estimates are subject to sampling variability and revision; no untested claim of statistical significance is made.

Pay and prices. Average hourly wages use 14-10-0063-01 and all-items Consumer Price Index uses 18-10-0004-01, September 2026 and September 2025. Real wage growth divides the wage growth factor by the price growth factor, subtracts one and expresses the result as a percentage. Employee composition affects the averages; these are not individual pay changes.

Occupations and youth. Occupation matching pairs September unadjusted 14-10-0421-01 with second-quarter vacancies in 14-10-0444-01, using corresponding prior-year periods. Vacancy quality flags A to D are retained. Groups in the National Occupational Classification can overlap. Missing or suppressed values are not zeros. Annual youth not in employment, education or training uses 37-10-0196-01, ages 15 to 29, 2025; the 12% estimate has standard error 0.3 percentage point. Monthly youth figures cover ages 15 to 24 and are not interchangeable with the annual measure.

Economic activity. Monthly national gross domestic product uses 36-10-0434-01, July 2026. Quarterly expenditure output uses 36-10-0104-01, second quarter 2026, non-annualized quarter-to-quarter change. Saskatchewan annual output uses 36-10-0711-01, 2025, chained 2017 dollars; industries are not automatically additive. National monthly merchandise trade uses 12-10-0011-01, August 2026, balance-of-payments basis. Provincial annual merchandise trade uses 12-10-0173-01, 2025, customs basis. These trade definitions are not interchangeable.

Construction and population. Building investment uses 34-10-0293-01, July 2026, seasonally adjusted current dollars. Housing starts use 34-10-0158-01 and 34-10-0159-01, Canada Mortgage and Housing Corporation via StatCan, September 2026, all areas. Annualized start rates are not completions. Resident population uses

17-10-0009-01 and annual age estimates use 17-10-0005-01, July 1 2026. Census identity and immigration use 98-10-0264-01 and 98-10-0347-01, 2021 private-household populations; categories overlap.

Bank of Canada surveys. Both third-quarter 2026 reports were released October 19 and downloaded October 22. Business interviews ran August 6 to September 2; the consumer panel ran August 5 to 27. Most interviews preceded the late-August breakdown in Canada–United States trade talks. These are national survey findings, not Saskatchewan estimates, forecasts or observed outcomes. Complete report HTML and release data exports are retained locally.

Interpretation. Analysis, Human Capital Signal readings and recommendations are DCI judgments. Associations and survey intentions do not establish causes or guarantee business outcomes.

Statistics Canada table catalogue

Bank of Canada Business Outlook Survey third quarter 2026

Bank of Canada Canadian Survey of Consumer Expectations third quarter 2026