employmenthero

CANADA

The Annual Jobs Report 2026

Last updated 23 November 2026

FOREWORD



Ben Thompson

Co-Founder and CEO, Employment Hero

Welcome to the second Employment Hero Annual Jobs Report. Employment Hero works with more than 350,000 small and medium businesses and more than 2.5 million employees around the world. Few organizations see where work, pay and jobs are heading with that much depth. This report is where we share what we see.

It hasn't been an easy year for anyone running a business. AI keeps moving fast, and I believe it will create kinds of work we can't name yet. I think small business owners feel the uncertainty whether they follow the markets or not.

Work is changing shape and I firmly believe people remain at the centre of that change. This report uncovers what's happening inside small and medium businesses and for the people who work in them, and suggests what's driving it.

I'm an optimist. I believe the trials of now will pass, but I'm also a realist. So we need to look at today's numbers and face them head on, so we can make better decisions for our businesses and for the people we work alongside every day.

I hope this year's report serves as a set of questions, and that we answer them together. What can we see? What are our options? And what will we do in 2027 and beyond? I'm hopeful about the answers. I believe small businesses will set the pace on AI, because they move quickly and they know their people. We're focused on putting small businesses in the most

competitive position we can, so they have every opportunity to create as many jobs as possible for the global small business workforce.

EXPERT COMMENTARY



Chris Pinkerton

Managing Director, Employment Hero, Canada

Canada is at an important point in how we think about work and the future of our economy.

Rising costs, economic uncertainty and rapid advances in technology are challenging Canadian businesses to do more with less. At the same time, employees are reassessing what they value, while many are becoming more cautious about changing jobs. Both employers and employees are looking for greater confidence and opportunity.

Canada's small and medium-sized businesses are central to our economic future. Their ability to adapt, embrace technology and create better experiences for their people will be critical to building a more productive and resilient economy.

AI will change how work gets done, but the real opportunity is to give businesses and people more time to focus on what matters. Technology should make employment easier, not more complicated.

I'm optimistic about Canada's future. With the right investment in people, technology and better ways of working, we can build stronger businesses and better employment experiences for everyone.

Key findings

- One in four employees surveyed are still in a job they wanted to leave because changing feels too risky.[1]
- 56 per cent of those who saw their earnings increase in the last year say their raise fell behind the cost of living, and 77 per cent got 4 per cent or less.[2]
- Willingness to relocate for the right job fell from 44 per cent in 2025 to 36 per cent in 2026.[3]
- Monthly headcount growth among SMBs on the Employment Hero platform slipped from an average of 0.5 per cent (March to June) to negative 0.5 per cent (July to October 2026).[4][5]



Lisa Cowie
Global Insight Lead, Employment Hero

Employment Hero analyzed 13 months of platform data from small and medium businesses[5] covering employment and wages to create this report. This was paired with findings from a survey of 1,206 employed Canadians,[1] commissioned by Employment Hero and conducted by Angus Reid in October 2026. Where relevant we benchmark this data against US survey findings[9] and Statistics Canada figures to offer a wide view of what we're seeing.

Pay in Canada is still rising while hiring has cooled. Employment Hero data shows median year-on-year[6] wage growth on the platform reached 4.2 per cent in October 2026, up from 2.9 per cent a year earlier. Headcount tells a different story. Employment growth[4] slowed to 0.5 per cent year on year in October, down from a peak of 2.6 per cent in June. Employers are holding on to the people they have, but they are adding fewer.

Statistics Canada's national wage measure[7] slowed to 2.2 per cent in October, down from 4.7 per cent in March. Our figures cover small and medium businesses rather than the whole economy, so the two won't line up neatly. Together, they point to a market where pay is no longer doing the work it used to.

I suspect two things are at play. The first is job hugging, a term used to denote when people stay put in their current roles because they see moving as too risky. One in four employees

surveyed are still in a job they wanted to leave for that reason. The second is the size of the raises employees actually receive. Of those who got a raise,[2] 77 per cent received 4 per cent or less, and 56 per cent say it fell behind the cost of living. Nearly half of employees surveyed, 48 per cent, would need a raise of 15 per cent or more to switch jobs.

A lack of movement is indicative of confidence – or lack thereof – in the broader market. When employees feel the market is closing in, staying put starts to look like the safest option.

Work in Canada: what the data shows

Staying put is not the same as settled

One in four Canadian employees surveyed[1] are still in a job they wanted to leave because changing feels too risky. That is a quarter of the workforce quietly deciding that the problem they know is safer than the one they don't.

Most of them are not miserable. Only 8 per cent describe themselves as desperate to leave, and nearly half, 47 per cent, rate themselves 8 or higher on a 10-point scale for feeling settled in their jobs. Settled and stuck can sit side by side. So why stay? The reasons are mostly about uncertainty. Thirty-eight per cent say they aren't confident they could find something better. Another 33 per cent say the job market is too tough. Only 29 per cent say their work is fulfilling enough to keep them where they are.

Confidence is thin across the board. Just 55 per cent of employees surveyed feel sure they could land another job within three months if they had to, which helps explain why a move feels like such a leap.

Loyalty isn't perceived to have been paying off either. Of employees surveyed, 42 per cent think employees who stay with one employer end up worse off financially, and only 12 per cent think they come out ahead. For many, staying no longer feels like a reward for good service. It feels like settling for the status quo and hoping things even out.

Pay is central to it. Of those who received a raise, 56 per cent say it fell behind the cost of living, compared with 40 per cent of those in the US who saw their earnings increase, and most raises in Canada were modest. Of those who saw their earnings increase, 77 per cent[2] got 4 per cent or less. A raise that small may point in the right direction, but it rarely feels like progress, especially when taking things like cost of living or rising inflation into account. Changing jobs comes with a high estimate on what would make it worthwhile. Nearly half of employees surveyed, 48 per cent, would need a raise of 15 per cent or more to switch jobs. Staying has a quiet cost, and the bar for leaving keeps rising.

One in four employees surveyed say they have reduced their effort at work over the past year. Another 24 per cent say they have increased it, so effort has moved in both directions. The more revealing question is who has pulled back. Among employees surveyed who rate themselves 0 to 4 on a 10-point

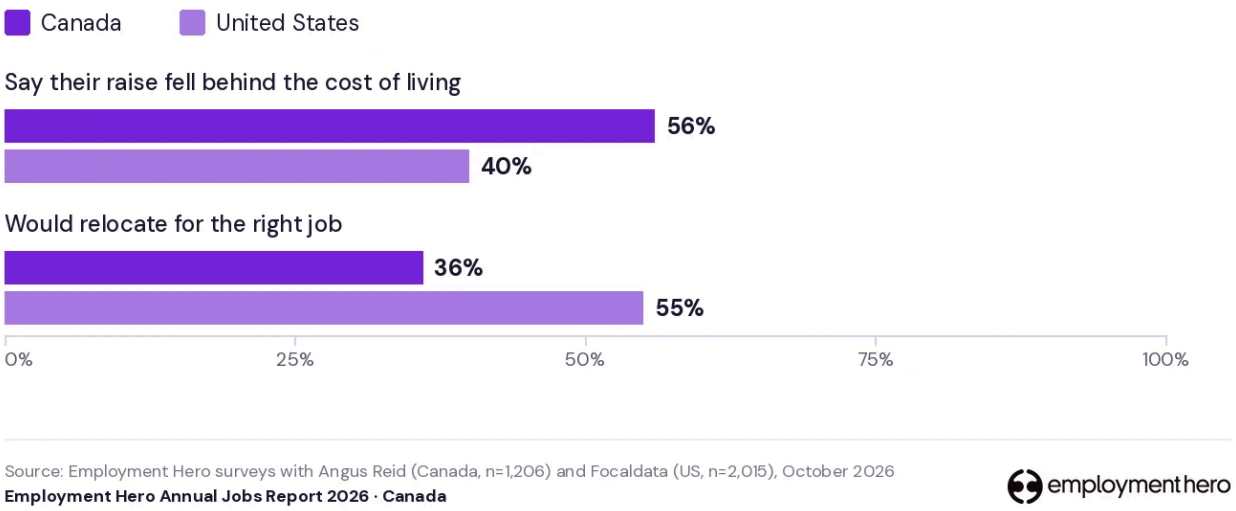
scale for feeling settled in their jobs, 42 per cent say they have reduced their effort. Among those who rate themselves 8 to 10, the figure is 20 per cent.

Interest in a career change has cooled too, from 39 per cent in 2025 to 29 per cent this year. Willingness to relocate for the right job has dropped from 44 per cent to 36 per cent,[3] compared to 55 per cent of Americans surveyed.[9] Both falls are statistically significant, so the shift is real, and the appetite to move is cooling along with the market.

1 in 4 Canadian employees surveyed are still in a job they wanted to leave because changing feels too risky.[1]

How Canadian employees compare with US employees on pay and mobility

Share of employees surveyed in Canada and the United States, October 2026. Pay figures are among those who saw their earnings increase in the last year.

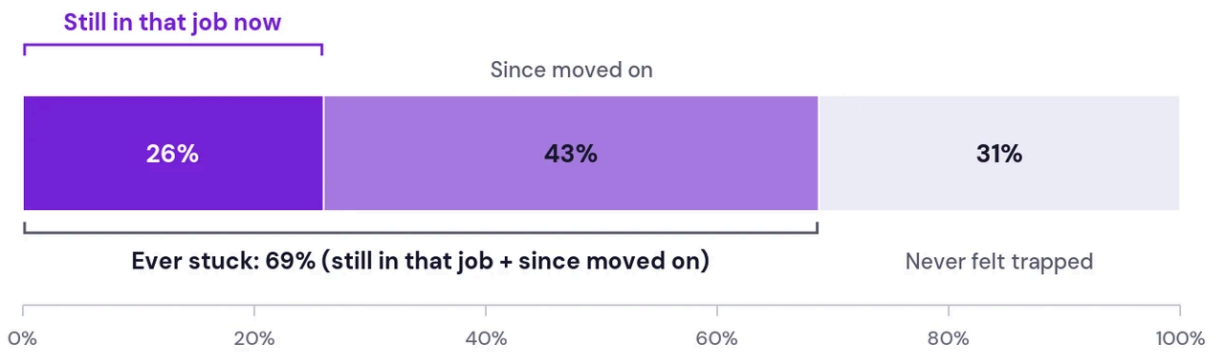


Source: Employment Hero surveys with Angus Reid (Canada, n=1,206) and Focaldata (US, n=2,015), October 2026
Employment Hero Annual Jobs Report 2026 · Canada

Note: Survey with Angus Reid, October 2026 (Canada n=1,206); US survey with Focaldata, October 2026 (n=2,015). Raise figures are among those who saw their earnings increase in the last year (notes 1, 2 and 9).

Share of employees who have ever felt stuck in role, and still feel stuck now (%)

Question: "Have you ever stayed in a job you wanted to leave because changing jobs felt too risky or difficult?"



Source: Employment Hero survey with Angus Reid, October 2026 (n=1,206)
Employment Hero Annual Jobs Report 2026 · Canada

Note: Survey with Angus Reid, October 2026, n=1,206. Survey question: "Have you ever stayed in a job you wanted to leave because changing jobs felt too risky or difficult?" Still in that job now 26.0% (n=313), since moved on 42.8% (n=516), never felt trapped 31.3% (n=377). Ever stuck = still in that job plus since moved on (68.7%). Figures rounded (note 1).

Does $100,000 still go far enough?

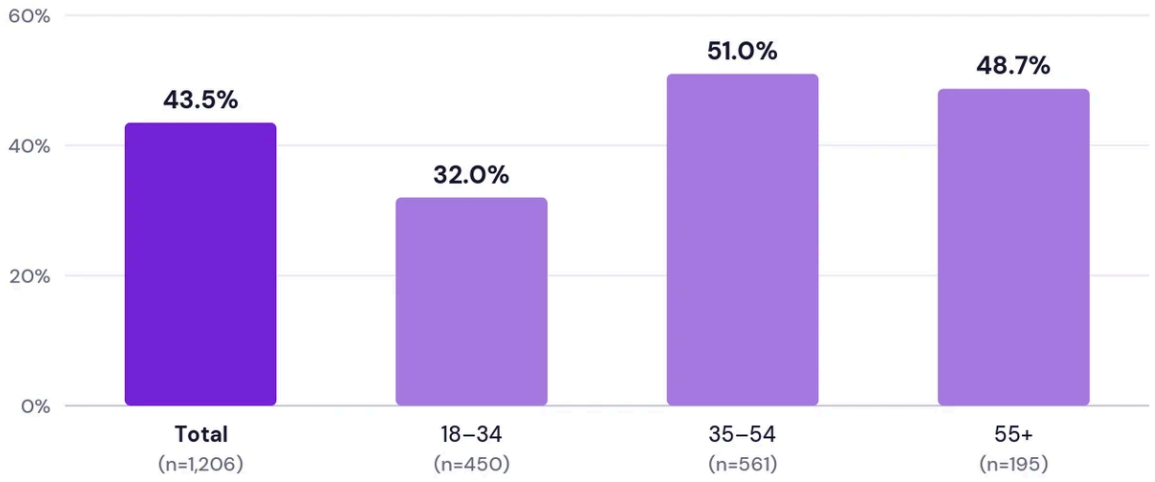
A six-figure salary used to mean financial stability. For many Canadians, it still means a comfortable life, though the meaning has shifted. Forty-four per cent of employees surveyed[1] say a $100,000 salary is just enough to get by or no longer enough. Another 44 per cent see it as a solid middle-class income, and only 11 per cent call it high. For a large share of employees, that number now feels like a beginning.

The strain shows up in ordinary places. Groceries are the most prevalent cost pressure, named by 65 per cent of employees surveyed, compared to 53 per cent of Americans surveyed.[9] Nearly half, 49 per cent, struggle to save money each month. Thirty-eight per cent say an unexpected $2,000 expense would be hard to cover, and 42 per cent struggle to afford retirement contributions. These are everyday pressures, and they sit behind every decision about whether to stay or go.

For employers, this explains a frustrating pattern. An employee can get a raise and still feel like they are standing still. Benefits and flexibility matter and can make a real difference, but they work best alongside fair pay. Employers face their own cost pressures, and a pay review is hard work. Still, regular, transparent conversations about pay, paired with a clear picture of where someone can go next, can make a salary feel like progress again.

Share of employees who agree that $100,000 is either not enough or just enough to get by

Question: "Which statement comes closest to how you feel about earning $100,000 a year in Canada today?" Share choosing "It no longer feels like enough to live comfortably" or "It feels like just enough to get by".



Source: Employment Hero survey with Angus Reid, October 2026 (n=1,206)
Employment Hero Annual Jobs Report 2026 · Canada

Note: Survey with Angus Reid, October 2026, n=1,206. Survey question: "Which statement comes closest to how you feel about earning $100,000 a year in Canada today?" The chart sums the bottom two responses: "It no longer feels like enough to live comfortably" and "It feels like just enough to get by". Total: 12.5% and 31.0%; 18–34: 8.4% and 23.6%; 35–54: 16.6% and 34.4%; 55+: 10.3% and 38.5% (note 1).

Employers are holding on, too

Employers are feeling the squeeze too. Across the small and medium businesses in our data, headcount grew by an average of 0.5 per cent a month[4] between March and June, then slipped to an average of negative 0.5 per cent a month in the July to October period. Casual hours have also softened, down 9.6 per cent, as a result of organizations pulling back and employees being able to find less meaningful work when they're not on a fixed term.

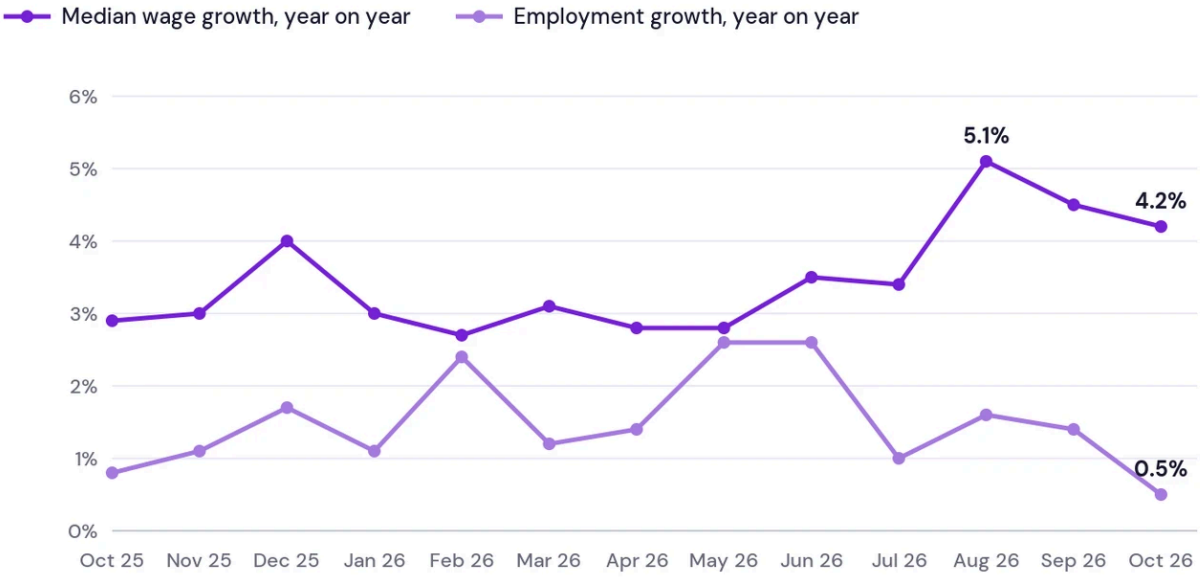
Pay has moved differently. Median pay growth[6] across these businesses reached about 4.2 per cent over the year to October, while Statistics Canada's national wage measure[7] slowed to 2.2 per cent in October, down from 4.7 per cent in March. Our figures cover small and medium businesses, and Statistics Canada covers the whole economy, so the two won't line up neatly. The pattern is still familiar. Pay rising while hiring and hours soften is what it looks like when employers hold on to the people they have, employees are less inclined to move or when job mobility sees a reduction.

Capacity matters too. Another Employment Hero commissioned survey with Focaldata in May 2026 shows that 56 per cent of Canadian small and medium business owners and leaders said they had

delayed or cancelled a hire in the past 12 months because of administrative capacity. Many of these owners still want to grow, but a good hiring process takes time they do not have.

Employment growth & wage growth, year-on-year change, October 2025 to October 2026

Employment Hero platform data, Canada: year-on-year change in average employees per retained organization (cohort-adjusted) and the median hourly rate.



Source: Employment Hero platform data, Canada, October 2025 to October 2026
Employment Hero Annual Jobs Report 2026 · Canada

Note: Employment Hero platform data, Canada, October 2025 to October 2026. Employment growth: year-over-year change in average employees per retained organization (cohort-adjusted). Wage growth: year-over-year change in the median hourly rate. Platform data covers Employment Hero customers only, so it is not directly comparable to Statistics Canada's measure (notes 4 and 6).

Better talent matches, greater trust

Before an employer has met a candidate, trust may already be working against them. Nearly four in ten Canadian employees[1] (39 per cent) suspect they have encountered a ghost job in the past two years, meaning a listing for a role that isn't really open. Among entry-level employees, the figure rises to 56 per cent. Only 28 per cent completely or mostly trust job sites to advertise genuine roles, and 26 per cent have high trust in the salary information they see.

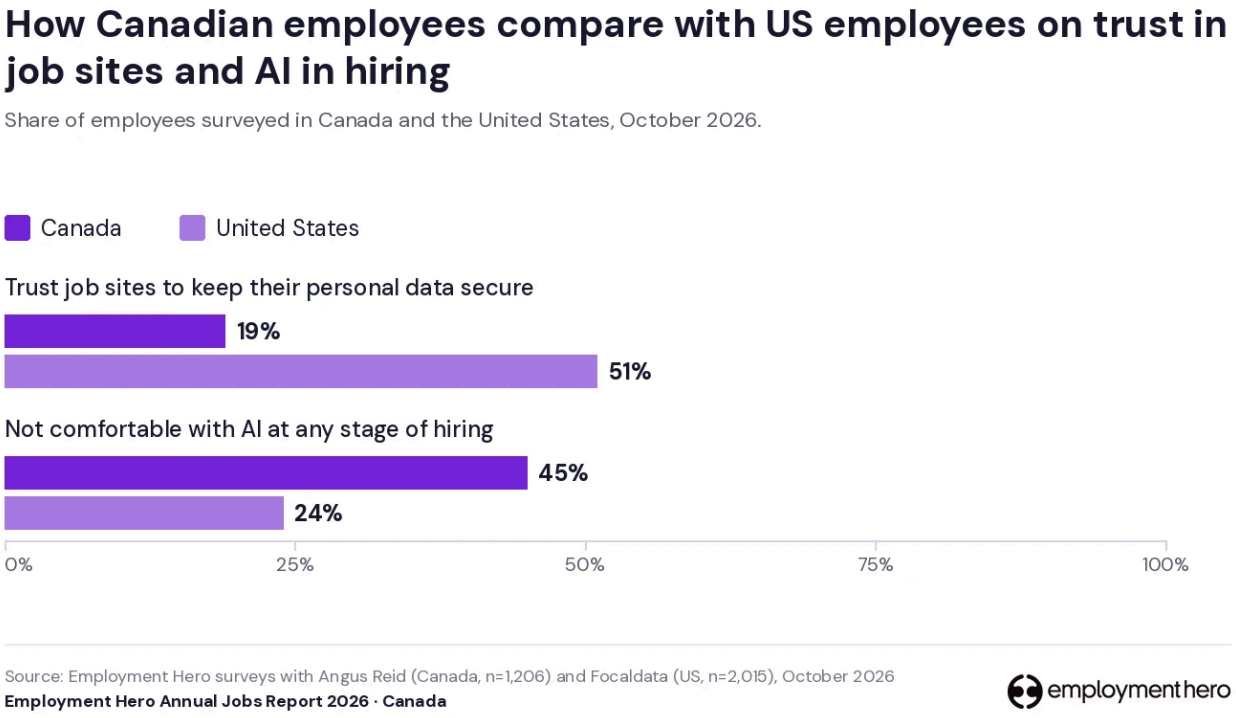
For a job seeker, every listing becomes a small test of whether the effort is worth it. If you can't trust the ad, applying feels like a gamble, and staying put starts to look like the sensible choice. Privacy adds to the hesitation. Only 19 per cent of Canadians surveyed trust (completely or mostly) job sites to keep their personal data secure, compared with 51 per cent of Americans.[9]

AI adds another complication. Canadians are selective about it. Matching résumés to relevant roles is the use they are most comfortable with, at 35 per cent, followed by automated résumé screening at 20 per cent. An AI chatbot for initial screening draws 10 per cent, and only 3 per cent are comfortable with AI analyzing tone or facial expressions. Overall, 45 per cent say they aren't comfortable with AI at any stage of hiring, compared with 24 per cent of Americans.[9]

Among those who are open to it, the reasons are practical. Faster hiring is the top one, cited by 45 per cent, followed by being matched with roles that suit their skills (43 per cent) and consistent assessment criteria (37 per cent). The uses that feel most opaque draw the least comfort.

Employers can start by building trust. That means real vacancies, accurate job descriptions, clear salary information and timely replies. It also means being open about how applicant data and AI tools are used, with a person still making the decisions.

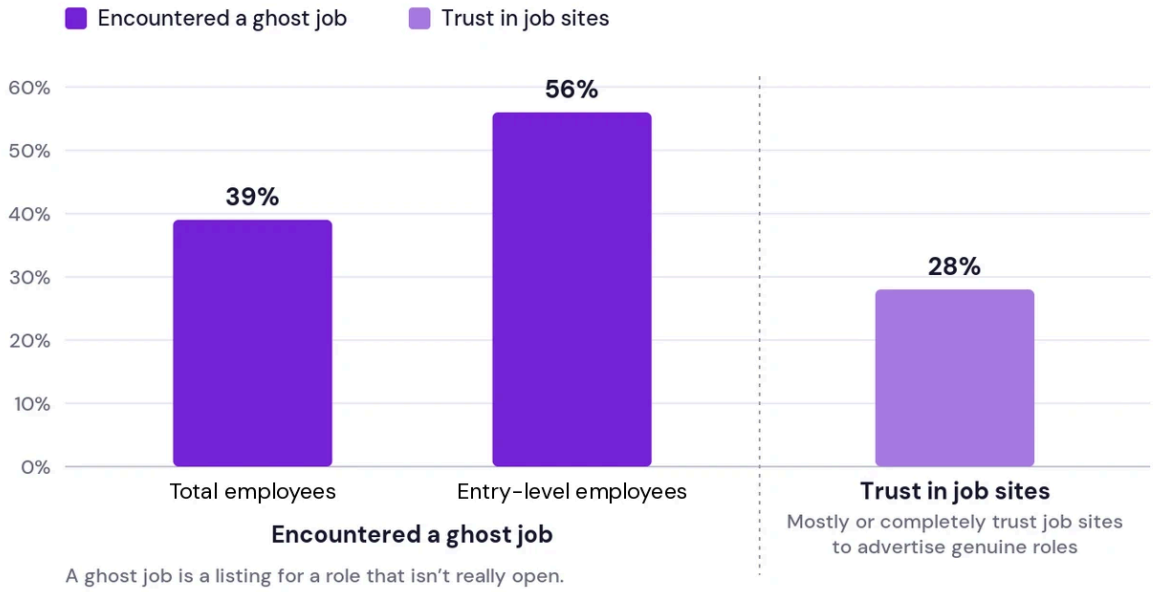
39% of Canadian employees surveyed suspect they have encountered a ghost job in the past two years.[1]



Note: Survey with Angus Reid, October 2026 (Canada n=1,206); US survey with Focaldata, October 2026 (n=2,015). Trust is the share who completely or mostly trust job sites to keep their personal data secure (notes 1 and 9).

Share of employees who have encountered a ghost job alongside trust level in job sites

Questions: "Do you suspect you have encountered a ghost job in the past two years?" and "Thinking about job search websites, how much do you trust them to advertise genuine roles and live vacancies?" (completely or mostly).



Source: Employment Hero survey with Angus Reid, October 2026 (n=1,206; entry-level n=146)
Employment Hero Annual Jobs Report 2026 · Canada

Note: Survey with Angus Reid, October 2026, n=1,206 (total), n=146 (entry-level). Survey question: "Do you suspect you have encountered a ghost job in the past two years?" 14% say they haven't seen job ads in the last two years, 22% are not sure and 25% say no. Survey question: "Thinking about job search websites, how much do you trust them to do each of the following?" [Advertise genuine roles and live vacancies; completely or mostly]. A ghost job is a listing for a role that isn't really open (note 1).

LOOK FORWARD

Canada Forecast

Canada's standoff could last a while. Headcount has softened,[4] pay is still rising,[6] and confidence remains thin. None of that is likely to shift quickly. Employers trying to attract people who already have jobs also face a hard task, because nearly half of employees[1] (48 per cent) would need a raise of 15 per cent or more before a move felt worth it.

Pay alone won't settle it. Fifty-four per cent of employees say time outside work defines success, compared with 18 per cent who say earning as much as possible does. Development is another gap: only 51 per cent say their employer provides good

training, and 30 per cent worry their skills are going out of date. Visible next steps and real investment in people's skills can give them a reason to stay that doesn't rest entirely on pay.

The hiring process may decide who moves first. Employees describe it as a barrier, and it is one employers can change this year without waiting for the wider market to turn. Clearer ads, honest salary information and faster replies are a good place to start.

Timing will largely decide the year. If hiring picks up and confidence rises with it, the freeze will thaw and pay should follow. If not, pay will keep lagging the cost of living for the people who stay put. Staying can be the right call when it is a free choice. Moving can be too, once the right opportunity comes along. Employers that build trust on both sides of the table, and shape their workplaces around what people value, will keep the people they need.

FOOTNOTES

Methodology, notes and definitions

First party data. Employment and wage figures come from Employment Hero platform data. Employment growth is the average change in employees per organization, measured across organizations present in both periods, from October 2025 to October 2026. Wage growth is the median hourly rate, compared like-for-like across the same organizations (cohort-adjusted), from October 2025 to October 2026. We report medians rather than means for wages. Figures are only reported where at least 30 organizations are included. These results describe employers on the Employment Hero platform, not the whole Canadian labour market.

Third party data. Unemployment figures are from Statistics Canada's Labour Force Survey, seasonally adjusted. Consumer Price Index figures are from Statistics Canada.

Survey data. The custom survey was commissioned by Employment Hero and conducted by Angus Reid, fielded from 16 to 22 October 2026. The sample is 1,206 employed adults aged 18 and over in Canada.[8] Quotas were applied to match the survey to the working population in Canada.

Income is personal, not household, and is collected in bands. Medians are interpolated within the band where they fall, assuming responses are spread evenly across it.

Differences between groups are tested with two-sided two-proportion z-tests, with significance at $p<0.05$.

Year-on-year comparisons use a survey fielded with employed adults. The 2025 data is weighted to the 2026 profile.

1. Survey. Angus Reid, commissioned by Employment Hero, conducted a custom survey of 1,206 employed adults aged 18 and over in Canada. Fieldwork ran from 16 to 22 October 2026. Quotas were applied to match the survey to the working population in Canada. Income is personal, not household, and is collected in bands. Survey figures describe what the people surveyed say. They do not describe all Canadian employees.
2. Those who saw their earnings increase. Employees surveyed who say they received a raise in the last year. Figures on whether a raise kept pace with the cost of living describe what these employees say.
3. Year-on-year comparisons. Year-on-year comparisons use a survey of employed adults fielded in 2025. The 2025 data is weighted to the 2026 profile. Differences are tested with two-sided two-proportion z-tests.
4. Employment growth. Source: Employment Hero platform data. The average change in employees per organization, measured across organizations present in both periods, from October 2025 to October 2026. The copy also calls this headcount growth. Monthly and quarterly figures are reported. Figures are only reported where at least 30 organizations are included. These results describe employers on the Employment Hero platform, not the whole Canadian labour market.
5. Small and medium businesses. SMBs and small and medium businesses refer to businesses on the Employment Hero platform. These results describe those businesses, not the whole Canadian labour market.
6. Median pay growth. Source: Employment Hero platform data. Cohort-adjusted. The change in median hourly pay for employees on the platform, from October 2025 to October 2026. The comparison uses the same organizations in both periods. Medians are reported rather than means. Figures are only reported where at least 30 organizations are included. These results describe employers on the Employment Hero platform, not the whole Canadian labour market.
7. Statistics Canada national wage measure. Official statistics from Statistics Canada: Labour Force Survey, October 2026, average hourly wages of employees, year over year.
8. Employees. In this report, “employees” means the people surveyed: adults in paid employment, working full-time or part-time for an employer. Business owners, self-employed people, solo operators and freelancers were screened out of the survey, so the views reported are those of employed people.
9. US comparisons. An October 2026 survey of 2,015 US workers, commissioned by Employment Hero and conducted by Focaldata between 13 and 20 October 2026, using the same screening criteria as the Canada survey. The same US survey is used for comparisons in the Australia and UK reports.