2026 SASKATOON REGION

Labour Force Analysis

Growth Brings Balance to the Saskatoon Region Labour Market

After several years of exceptionally tight labour market conditions, the Saskatoon Region's labour market has begun a transition toward a more balanced environment through the first half of 2026. Strong population growth remained one of the defining characteristics of the regional economy, supporting one of Canada's fastest-growing labour forces and providing key supply of labour for employers.

While employment continued to reach record levels, job creation was unable to fully keep pace with the rapid expansion of the labour force, contributing to the highest unemployment rate observed since 2021. Despite this spike in unemployment, participation remained among the highest in Canada, employment continued to grow, wages increased faster than the national average, and several key industries continued adding workers.

These indicators suggest the Saskatoon Region is not experiencing broad labour market deterioration, but rather a shift from a constrained labour market towards a more stable landscape.

Key Takeaways from this Report:

A Growing Labour Force
The Region's working-age population grew by more than 3% over the past year, contributing to over 6,500 new labour force participants and maintaining a 70% participation rate.

Employers Are No Longer Keeping Pace
Employment grew by 1.6%, adding over 3,000 jobs. However, faster labour force growth pushed the unemployment rate to 6.1%, its highest level since 2021.

Employment Growth Has Become More Selective
Overall job growth is increasingly being driven by a smaller group of expanding industries, including construction, manufacturing, agriculture and health care.

Labour Demand Remains Healthy
Above-average wage growth suggests employers are beginning to compete for workers across all labour types, particularly skilled and experienced labour.

The Saskatoon Region Remains Competitive
Despite higher unemployment, the Region remains among Canada's leaders in labour force participation and employment.

Analysis

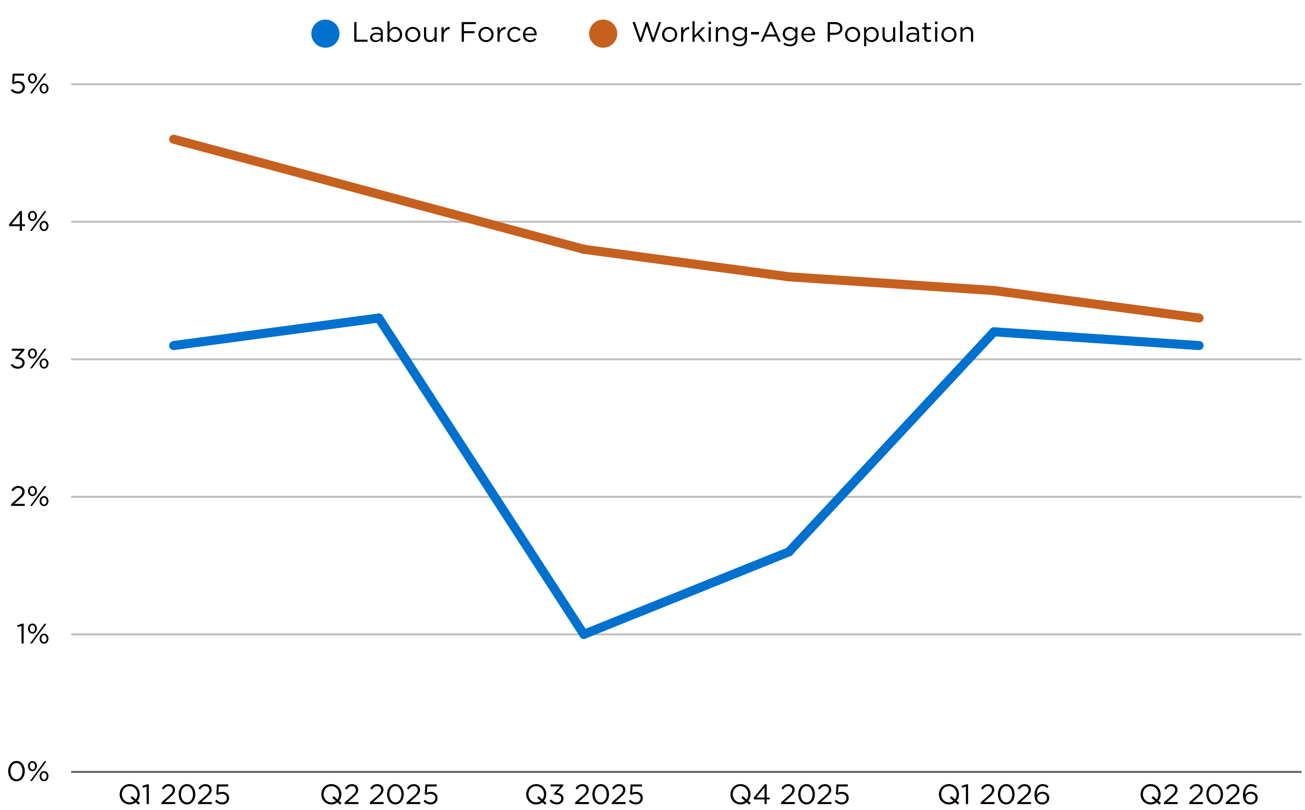
A Growing Labour Force

The Saskatoon Region continues to experience strong population growth. Over the past year, the working-age population increased by more than 3%. Despite a modest deceleration, population growth remains one of the Region's greatest competitive advantages. A growing potential labour pool provides employers with greater access to workers and supports economic expansion through increased spending, while also strengthening the Region's ability to attract new investment. Unlike many Canadian metropolitan areas (CMAs) facing slower demographic growth, the Region continues to add workers at a pace that supports long-term economic growth.

Population growth has also translated directly into labour force growth. The labour force rebounded a slight slowdown in growth in 2025, expanding by more than 6,500 people over the past year, while the participation rate remained near 70%, maintaining its rank as one of the highest among major Canadian CMAs and well above the national average. Despite a more competitive labour market than in recent years, the high participation rate suggests that residents have continued to enter and remain in the labour force rather than delay employment searches or leave the labour market altogether. This indicates a continued confidence in employment opportunities across the Region.

Labour Force and Working-Age Population Growth – Saskatoon CMA

Annual % Change



Source: Statistics Canada

Employers Are No Longer Keeping Pace

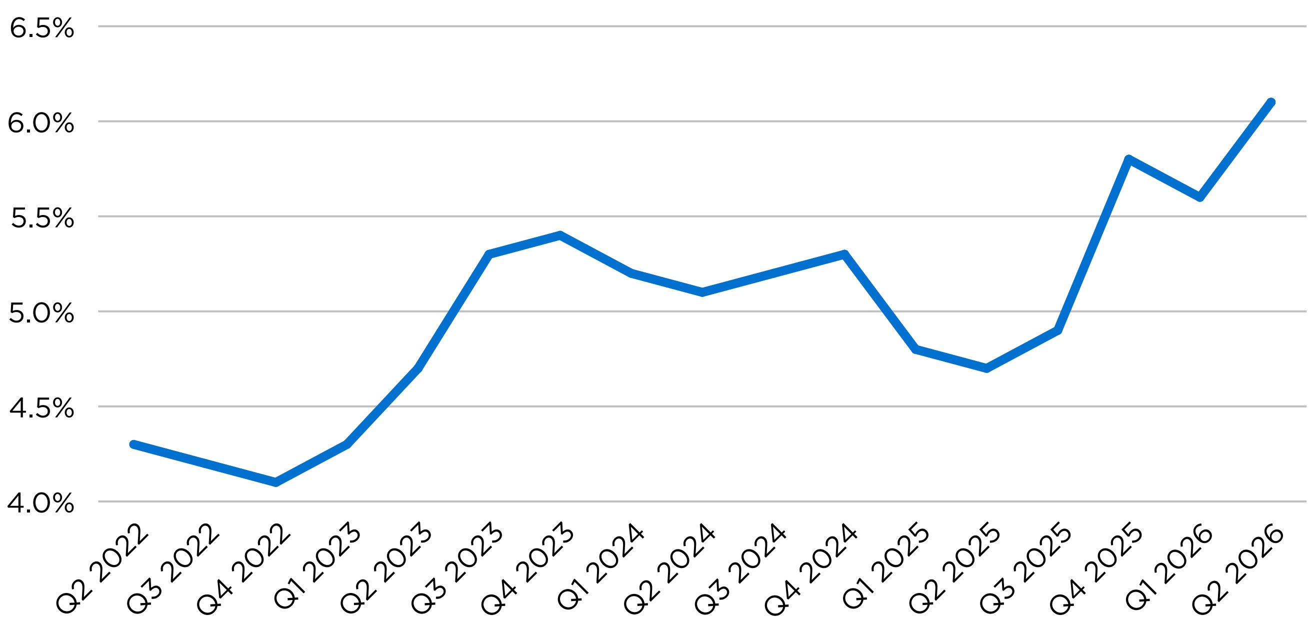
The most significant labour market shift over the past year has been the continued rise in unemployment. Rising unemployment is often viewed as an early indicator of a weakening economy. During periods of slow economic growth or recession, unemployment may increase as businesses reduce hiring, delay expansion, or layoff employees as a result of decreased spending in the economy.

However, when considered alongside changes in the labour force, employment, participation and population, the higher unemployment rate appears to be largely driven by the number of people looking for work growing faster than the pace of hiring.

Over the past year, employment continued to reach record levels, growing by 1.6% and adding over 3,000 jobs; however, this pace of hiring was insufficient to absorb the Region's rapidly expanding labour supply, which saw over 6,500 new participants. As a result, the unemployment rate increased to 6.1%. This shift marks a clear departure from the exceptionally tight conditions seen through much of 2022 to 2024, however it does not yet signal a struggling labour market.

The employment rate provides additional context to this trend. Although employment continued to increase in absolute terms, the proportion of the working-age population who was employed declined over the past year, resulting in a decreased employment rate (65.8%); further indicating that job creation, while still positive, may have begun to lag behind the pace of population growth.

Unemployment Rate – Saskatoon CMA



Source: Statistics Canada

Employment Growth Has Become More Selective

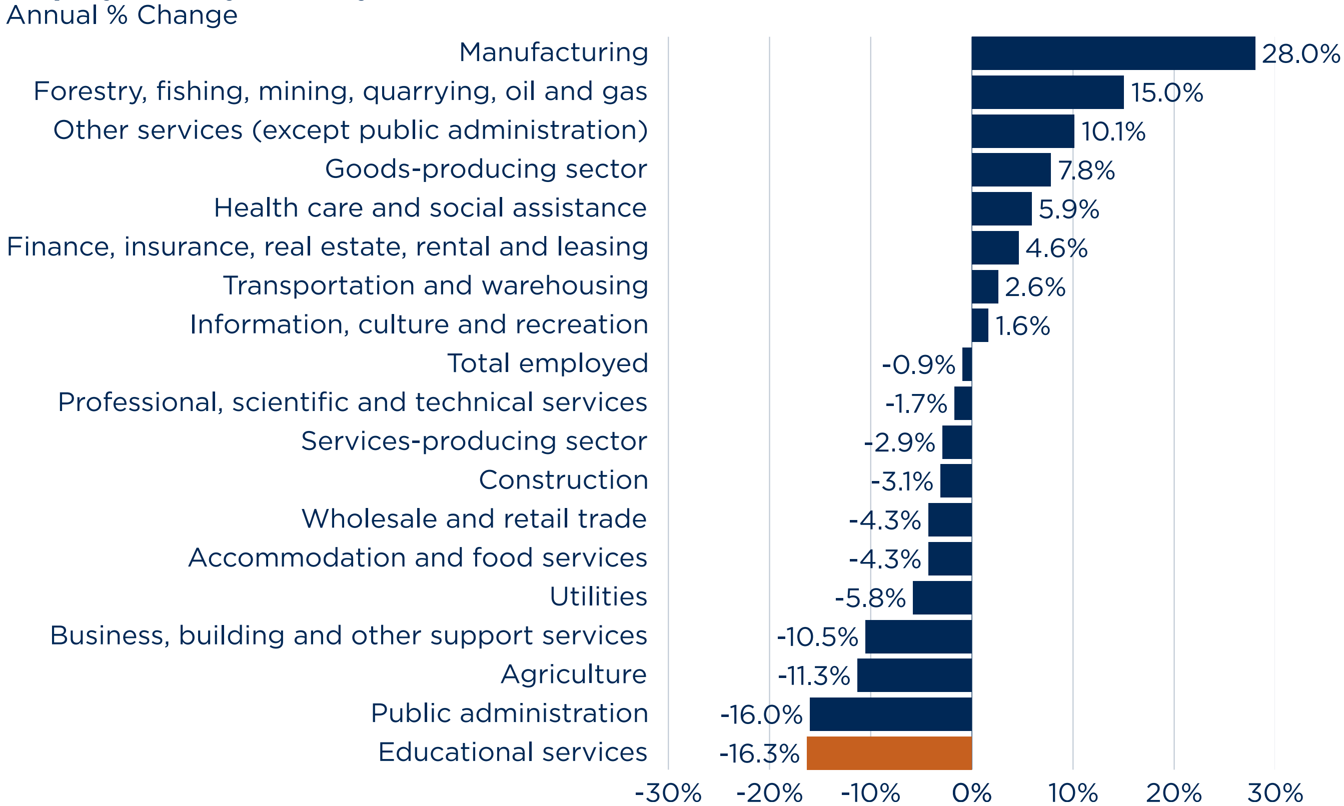
Although overall employment growth has moderated, industry-level data shows which industries have experienced the greatest expansions or contractions in employment. Employment growth during the past year was driven by continued expansion in industries including construction (+7.7%), manufacturing (+4.3%), health care and social assistance (+8.2%), accommodation and food services (+29.0%), agriculture (+16.4%), and utilities (+44.1%). Manufacturing employed over 15,200 people in June, the highest employment ever seen in the Region's manufacturing sector.

Gains in construction and manufacturing are particularly notable as they signify a close relationship with private investment, infrastructure development, and regional economic growth. Continued gains within these industries suggests that investment activity remains in the Region, and will support ongoing labour demand despite the current moderation. Similarly, continued employment growth within health care reflects ongoing population growth and increasing demand for essential services.

Not every sector shared in this growth. Several industries saw significant losses in employment, offsetting overall employment growth and contributing to the more moderated market. Most notably, educational services lost 6,000 jobs year-over-year. Public administration also saw a reduction, losing 2,400 jobs. While these reductions are substantial, they are not expected to continue, as these industries appear to be converging back to longer-term trend-lines following an immense spike in hiring through 2024 and 2025.

Overall, employment growth has become increasingly selective. Rather than broad hiring across nearly every industry, employment gains are now being driven by a smaller group of expanding sectors that continue to offset weaknesses elsewhere in the labour market.

Employment by Industry (Q2 2026)
Annual % Change



Source: Statistics Canada

Labour Demand Remains Healthy

Unlike employment, which measures current hiring activity, wages often provide an early indication of where employers are expecting, or seeing early signs of labour shortages. When there is limited available labour, particularly for higher- skilled positions, employers are often required to offer higher wages to attract and retain qualified employees.

Saskatchewan's average hourly wages increased by 4.0% over the past year, outpacing the national average of 3.6%. While Saskatchewan remained below several provinces in absolute wage levels, continued above-average wage growth suggests employers are actively competing for workers despite the more balanced labour market.

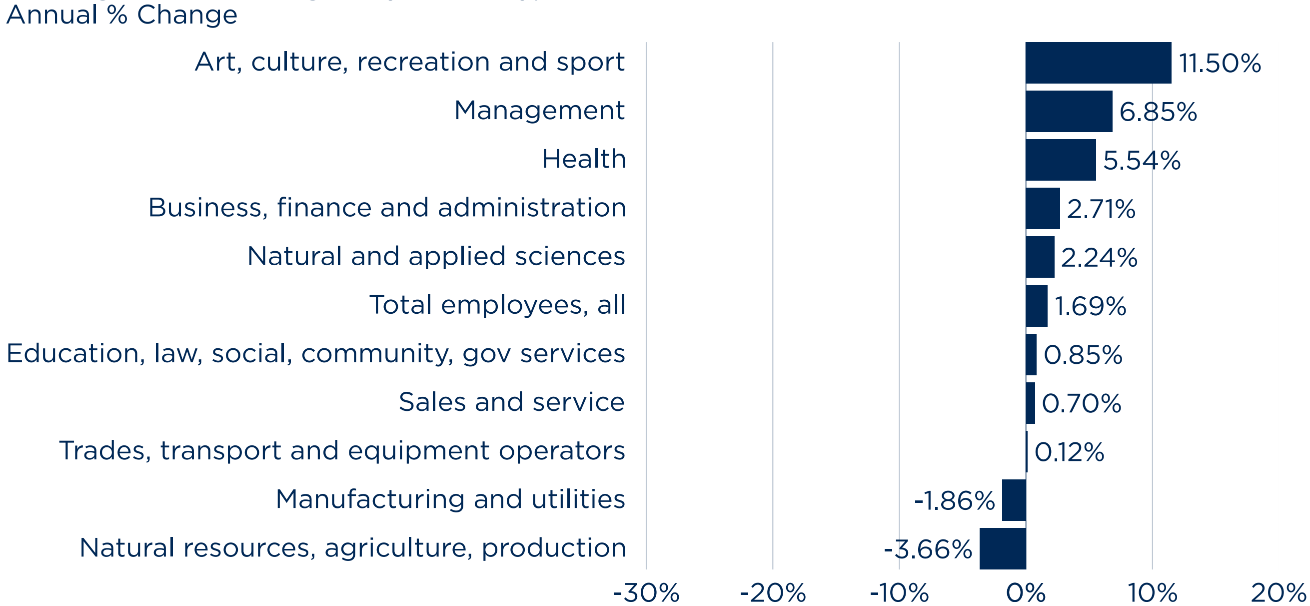
The strongest wage growth was concentrated within occupations experiencing ongoing labour demand. Natural resources, agriculture and related occupations recorded the largest annual increase (10.7%), followed by business, finance and administration (8.7%), arts, culture, recreation and sport (6.4%), and management occupations (5.9%). Sales and service occupations (5.1%) and health occupations (4.3%) also experienced notable wage growth. Several of these occupation types align closely with the industries which are driving employment growth across the Saskatoon Region.

Occupations in manufacturing and utilites saw a notable drop in wages across both Q1 (-3.2%) and Q2 (-1.3%). While this is a modest reduction, it marks a key shift in the manufacturing sector where wages were continuously increasing since Q2 2024. This transition indicates that the manufacturing sector may no longer be seeing the significant hiring challenges of previous quarters and is likely now seeing greater labour supply than employers can effectively utilize.

Wage trends by employment type and age group provide additional context to these pressures. Wage growth was strongest among full-time employees and those aged 25–54. While these trends are not unusual on their own, alongside stronger wage growth in several skilled occupations, they suggest employers may continue to face challenges accessing skilled and experienced labour even as the broader labour market becomes more balanced.

Average Annual Wages by Industry, SK (Q2 2026)

Annual % Change



Source: Statistics Canada

The Saskatoon Region Remains Competitive

Although labour market conditions have become more balanced, the Saskatoon Region continues to compare favourably among major Canadian CMAs.

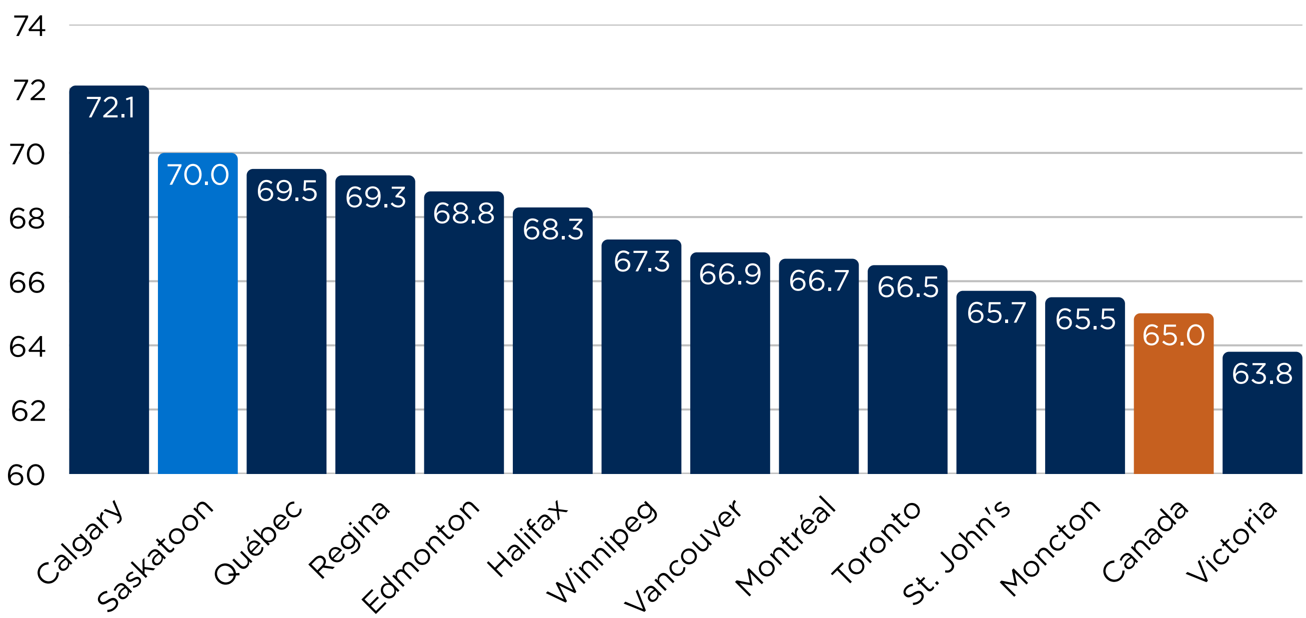
The Region remains among the national leaders across its labour market, with the second fastest growing working-age population, and the second highest labour force participation among a comparison of 13 major Canadian CMAs. These standings demonstrate that the Region continues to attract new population at a leading rate, while maintaining strong engagement in the labour market.

While still relatively low, the Region's unemployment rate has moved closer to the national average of 6.7%. Since Q2 2021, the Saskatoon Region has averaged an unemployment rate of 5.3%, the third lowest 5-year average among the comparison CMAs. However, this past year, the Region saw a higher unemployment rate than Halifax, Regina, and Winnipeg for much of the past year, a notable change from past years. This shift likely reflects the Region's rapidly expanding labour force and could contribute to future labour market challenges.

Despite its increased unemployment rate, the Saskatoon Region remained in its competitive position with the third highest employment rate among the comparison CMAs even after a modest reduction. This standing further demonstrates that despite a more normalized unemployment rate toward the national average, the proportion of the population who are currently employed remains among the highest in the country.

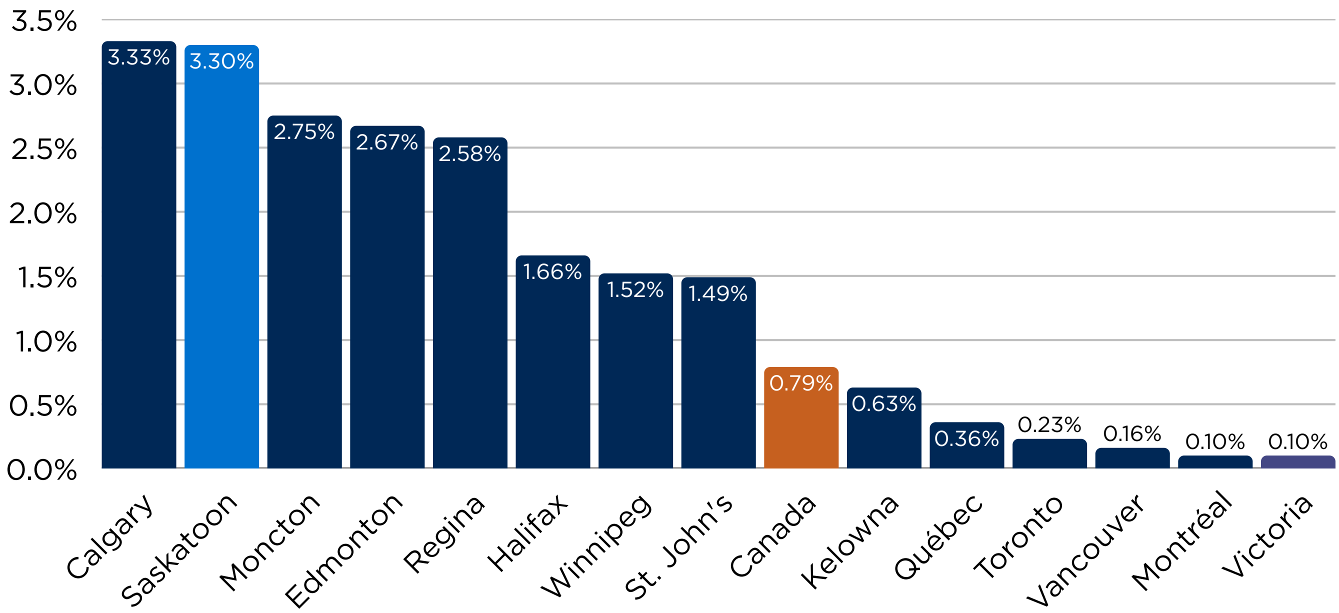
These comparisons suggest that the Region has not lost its competitive position; rather, it has transitioned from one of Canada's tightest labour markets, into a market with more balance between labour supply and employer demand, while maintaining strong growth across key labour market indicators. This evolution may help to strengthen the Region's long-term competitiveness by improving workforce availability while maintaining continued employment growth, encouraging long-term business investment, continued population growth and economic prosperity.

Participation Rate (%), Q2 2026



Source: Statistics Canada

Working Age Population (Q2 2026)
Annual % Change



Source: Statistics Canada

Conclusion

The Saskatoon Region's labour market has seen a transition from an extremely tight labour market to a more balanced climate supporting growth on both sides of the labour equation. Rapid population growth continued, adding to the Region's labour force, providing employers with an increasingly available workforce.

Employment continued to rise, but at a slightly slower rate. Wage growth remained above the national average, and several key industries including construction, manufacturing, agriculture and health care continued driving employment growth. The Region maintained one of the country's highest participation and employment rates, reinforcing the labour market's strength despite slowed hiring activity.

The most significant shift over the past year has been the changing relationship between labour supply and labour demand. The labour pool has increased to a point where employers have greater access to talent while workers face increased competition for employment opportunities. If this balance should continue, it may increase opportunities for future investment and business growth. Access to skilled labour remains a challenge combined with wage pressure particularly in high-skill industries.

The key question looking ahead is whether employment growth can keep pace with the Region's expanding labour force. If job creation strengthens enough to absorb more workers, the recent rise in unemployment would likely represent a period of labour market normalization. If hiring remains softer while labour force growth stays strong, unemployment could remain elevated for longer. For now, the Region's continued employment growth suggests the labour market is adjusting rather than weakening, and continues to support economic growth.

Glossary

Labour Force is the number of persons 15 years of age and over who, during the reference week, were employed or unemployed.

Employment is the number of persons who, during the reference week, worked for pay or profit (full-time or part-time), or had a job but were not at work due to own illness or disability, personal or family responsibilities, labour disputes, vacation, or other reasons. Includes persons who performed unpaid family work, such as farm or business, so long as economic contributions are being made.

Unemployment Rate is the number of persons who are not working, but are actively looking for, and available to work; expressed as a percentage of the labour force. Unemployment excludes individuals who are not seeking work, such as retirees, full-time students, stay-at-home caregivers, and discouraged workers.

Discouraged Workers are persons of legal employment age who are not actively seeking employment or who have not found employment after long-term unemployment, but who would prefer to be working.

Participation Rate is the number of labour force participants expressed as a percentage of the population 15 years of age and over.

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