

SURVEY: Salary growth forecasted to outpace inflation for first time in four years

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TELUS Health's annual Salary Projection Survey shows fourth year of consecutive growth, with majority of organizations planning to implement financial wellbeing programs

VANCOUVER, BC, Sept. 26, 2024 /CNW/ - TELUS Health today released its 42nd annual **Salary Projection Survey**, forecasting a 3.45 per cent increase in average base salaries for non-unionized workers in Canada in 2025, outpacing inflation for the first time in four years. This forecast, excluding salary freezes, is driven by ongoing labour shortages. The projected increase significantly exceeds Canada's current inflation rate of 2.0 per cent, as reported by the Bank of Canada earlier this month.

"The persistent demand for skilled talent is driving robust salary growth into 2025, despite easing inflationary pressures on employers," said Guylaine Béliveau, National Practice Leader - Compensation Consulting, TELUS Health. "As inflation rates decline, employees stand to reclaim purchasing power lost in recent years. This shift could significantly boost individual financial wellbeing and overall workplace morale."

Key findings from the study, based on data from more than 355 Canadian organizations across various industries, include:

- Provincial salary projections for 2025 show regional variations:
 - British Columbia leads with a projected 3.60 per cent increase in highest average base salaries, followed by Alberta at 3.54 per cent and New Brunswick at 3.50 per cent.
 - Quebec saw strong salary growth of 3.85 per cent in 2024, but expects growth to slow to 3.41 per cent in 2025.

- Nova Scotia consistently shows the lowest projected increases among provinces with statistically significant data at 2.94 per cent for both 2024 and 2025.
- From an industry perspective, the highest projected increases for 2025 are expected in Construction (4.13 per cent), Real Estate (3.92 per cent) and Business Services (3.90 per cent). These same three industries also led salary growth in 2024. For 2025, the lowest salary increases are expected in Public Administration (2.75 per cent), taking the place of Information Technology, which held that position in 2024.
- With respect to salary structures in Canada, the forecasted increase for 2025 (2.72 per cent) is slightly lower than the actual increase implemented in 2024 (2.89 per cent).

The study also highlights that Canadian employers' priorities remain relatively consistent between 2024 and 2025. Employee engagement and building critical skills for leaders continue to be top priorities. Additionally, there's an increasing focus on upskilling, training and development programs and cultivating current and future leadership.

In response to ongoing challenges, 59 per cent of organizations have implemented or plan to implement programs to enhance financial wellbeing. These initiatives include healthcare spending accounts (24 per cent of organizations), financial literacy education (20 per cent) and group RRSPs (18 per cent).

As part of this year's TELUS Health Salary Projection Survey, researchers included questions about the adoption of artificial intelligence (AI) in Canadian organizations. The results reveal a significant trend: nearly three-quarters (74 per cent) of surveyed companies are either actively exploring or seriously considering AI solutions to boost operational efficiency in the upcoming year. This finding underscores the growing importance of AI in shaping workplace productivity and innovation across Canada's business landscape.

The need for a holistic approach to wellbeing

Recent data highlights the critical need for comprehensive workplace wellbeing strategies. Last year's **TELUS Financial Wellbeing** special report revealed ongoing challenges: 25 per cent of workers in Canada worry about their ability to retire and 30 per cent prioritize financial planning in benefits plans. Many employees believe employers should offer retirement savings options to improve financial control.

"In today's evolving job market, employees are seeking more than just competitive salaries," says Philip Mullen, Vice President, Employer Solutions Consulting, TELUS Health. "They're looking for employers who offer comprehensive support for their financial, physical and mental wellbeing. Organizations that partner with benefits administrators to create holistic packages - integrating retirement planning, investments and health services - are likely to see improved recruitment outcomes, higher retention rates and enhanced productivity."

About the TELUS Health Salary Projection Survey

The 42nd edition of the TELUS Health Salary Projection Survey, based on data gathered in July and August 2024, is a

trusted resource that offers comprehensive insights to HR and compensation leaders across Canada. This year's report covers actual salary budget increases in 2024, projections for 2025, and details on how respondents are navigating these challenges. Leaders have consistently relied on this survey for crucial insights into salary and human resources trends, helping in the strategic planning of their organization's approach towards total compensation. Employers across Canada from various industries and regions voluntarily participated.

Beyond national perspectives, the current report also includes industry breakdowns and region-by-region analyses across Canada. To consult the summary report and learn more about TELUS Health's Compensation Consulting practice, visit: **LINK**

About TELUS Health

TELUS Health is on a mission to become the most trusted wellbeing company in the world by enhancing the overall efficiency of healthcare and championing workplace wellbeing. By integrating advanced healthcare technology with comprehensive employee support services, TELUS Health provides a holistic approach to primary and preventive health and wellbeing for over 75 million people across 160 countries. Our innovative digital health platforms, including electronic medical records (EMRs) and virtual care solutions, empower healthcare professionals, individuals, employers and governments to deliver personalized care efficiently. Our employee wellbeing programs offer extensive support through Employee Assistance Programs (EAPs), mental health resources, financial counseling, and workplace wellness initiatives.

At TELUS Health, we are committed to revolutionizing healthcare to ensure people receive the support they need and employees thrive both personally and professionally. Together, let's make the future friendly. For more information, visit: www.telushealth.com.

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