

2018 Salary Increase Projections

Canadian employers expect to hold the line on pay raises in 2018, while continuing to reward the best performers with significantly larger raises to retain these employees, and strengthen the commitment to paying for performance. So, while organizations are forecasting increases as noted below, the landscape of how and when they are giving increases varies considerably.

Projected Salary Increases for 2018

- Expected salary increases of 2.5% on average across Canada in 2018, which is slightly higher than actual increases in 2017.
- Approximately 6% of employers plan to implement a salary freeze (down from 10% projected in 2017).

Regional/Industry Differences

- Lowest salary increases are projected for Alberta at 1.9% (however that represents an increase from the 1.3% forecasted a year ago), and Prince Edward Island.
- Workers in Montreal, Saskatoon, Edmonton and Vancouver can expect increases slightly above the national average while those in Ottawa and the Halifax region can expect increases below the national average.
- Utilities, manufacturing and wholesale are expecting to provide higher than average salary increases (they may be catching up after lower than average increases over the past few years).
- Salary increases in finance and insurance are expected to stay strong and be higher than the average.
- Lower than average increases are expected in the mining and oil and gas extraction industries as well as the public sector, health care and leisure/hospitality sector.

Bonus Plans

- Annual performance bonuses are projected to remain steady or rise slightly in 2018 for most employee groups.

Global Trends

- Salary increase projections for the U.S. (3.0%), U.K. (2.0%), Australia (2.5%) and Canada (2.5%) continue to be less than those for India (9.0%), Brazil (8.3%) and China (6.0%).

Notes:

1. The above information has been secured from survey findings on 2018 salary increase projections conducted by Mercer, Morneau Shepell, Korn Ferry Hay Group, and Willis Towers Watson.
2. The numbers provided above are approximations only and are intended to provide you with a glimpse of what is happening in the marketplace today. They should be used as general guidelines only.

Please feel free to contact me with any questions or should you require assistance with your 2018 compensation planning.

