What's the tech labour market *outlook in 2026?*

A Q&A with the CEO of TAP Network

In any given year, it's hard to predict what will happen in the tech labour market—from the most in-demand jobs and skills to salary and hiring trends and more.

And this fall, it might be harder still to gauge with any certainty what will happen over the next year because of the many unknowns—the ongoing threat of tariffs (especially with the renewal date for the United States-Mexico-Canada Agreement [USMCA] fast approaching on July 1, 2026), along with the ongoing disruption posed by AI, the US mid-term elections in November 2026 and more.

How will it all play out in the tech labour market in 2026?

For insights, we sat down with tech and HR leader, [Stephanie Hollingshead](), the CEO of TAP Network, a community of People and Culture professionals committed to driving growth and success in Canada's tech sector. To learn more about Stephanie and how you can become a member of her organization, head to [TAP Network]().

Stephanie Hollingshead

CEO of TAP Network, based in Vancouver, BC

Stephanie lives and works in Vancouver, the traditional and unceded territories of the Musqueam, Squamish and Tsleil-Waututh nations. As a business executive with international human resources experience within the technology and professional services industries, as well as board director experience in the not-for-profit sector, Stephanie is passionate about building community. Prior to her position with TAP Network, Stephanie was the VP of HR for Sierra Systems, a multi-national IT and management consultant firm. An avid volunteer, she currently supports The Eastside Cultural Centre as board chair. Stephanie holds a B. Comm from UBC and a Chartered Professional in Human Resources designation. In 2021 Stephanie was awarded the Women of the Year Award: Community Builder from BC Business.

Note about the data cited in this report:

Some of the data referenced below is from TAP Network's annual tech sector salary and total rewards survey. Conducted in partnership with Mercer, the survey focuses on the Canadian tech sector, reporting on local and national salaries, total compensation, detailed policy data, and more. The most recent results were published in September 2025. [Read more here.]()

1.

[Altis] What's the outlook for Canada's tech labour market in 2026? Any bright spots to note—either in hot geographies or jobs?

[Stephanie]

In 2025 many tech companies have tightened budgets in response to the ongoing economic uncertainty. That said, we expect the interest rate cuts announced this fall to have a positive impact on the sector in 2026.

In terms of bright spots on the job front, we're seeing obvious growth in AI, data science, machine learning and robotics. We're also seeing growth in fintech, life sciences and healthcare tech companies.

Looking ahead, according to our most recent Tech Sector Salary and Total Rewards Survey (September 2025), we expect to see growth in technology / engineering services and consulting, and continued strong growth in fintech, AI, data science, machine learning and robotics.

After a couple of strong years fueled by investment, growth in both AgTech and cleantech cooled this year, possibly due to the uncertainty investors felt when the federal government cancelled the carbon tax in April.

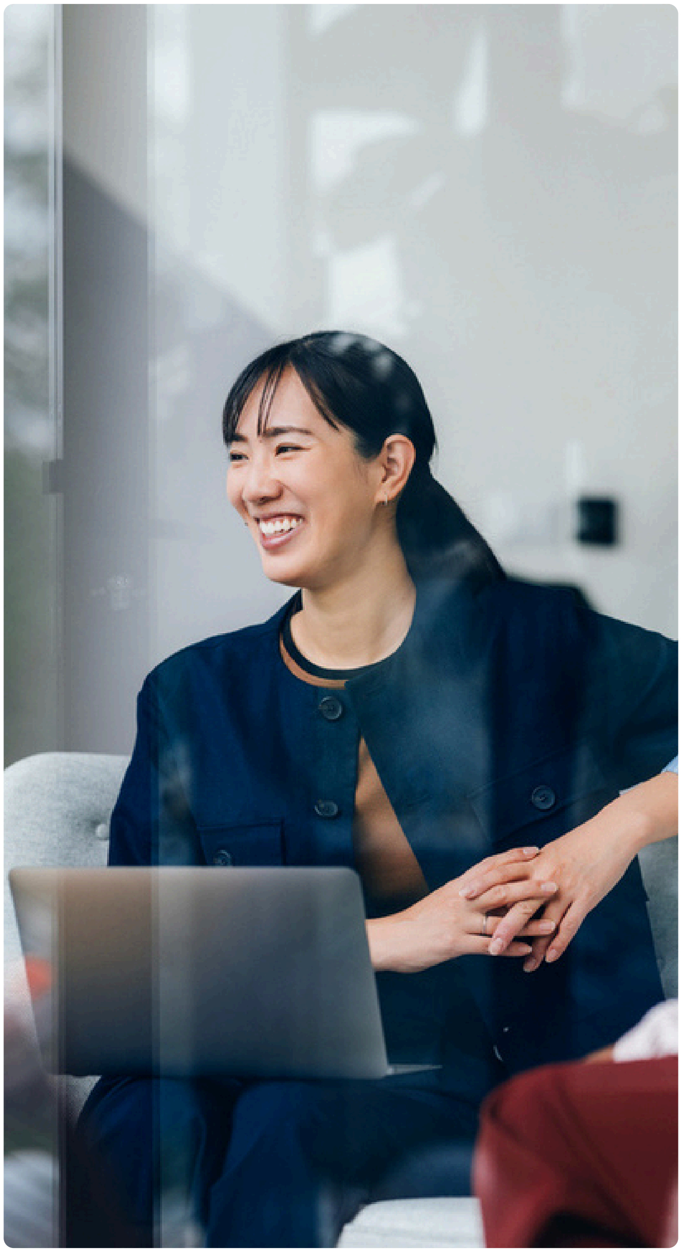
And when it comes to **hot geographies,** this year Calgary climbed three spots to reach #17 among North America's top 50 tech talent hubs in the annual ranking by CBRE. When compared to larger tech talent hubs like Toronto or Vancouver, and certainly big US cities like San Francisco and Seattle, while Calgary didn't add as many tech jobs in absolute numbers, it was ranked the fastest growing tech job market in North America, adding 24,500 tech jobs during this period to reach 64,600 workers (a growth rate of over 61% between 2021 and 2024).

How are they doing it? Well, the city is advertising in BC, marketing to companies and individuals there, encouraging them to move to Alberta to grow their tech company or career.

Invest Alberta opened a Vancouver office recently, and Innovate Calgary recently launched an Aerospace Innovation Hub to attract aerospace talent and investment to the province. It also helps that it's still one of North America's most affordable tech centres, offering an average annual wage in the tech sector of US$76,482 and lower living and business costs than other major cities.

I predict Calgary will continue to be a hot spot for tech jobs in 2026.

[See question 3 for more info on hot jobs.]



2.

[Altis] In August 2025, StatsCan reported a loss of 66,000 jobs and a slight increase in our unemployment rate to 7.1%, the highest it's been in almost a decade (outside of the pandemic). What do you think these numbers say for Canada's labour market, particularly in the tech sector?

[Stephanie]

Those numbers were less positive than some economists had predicted. For example, one Reuters poll ahead of the release forecasted a gain of 10,000 jobs and an unemployment rate of 7%. Instead, our country saw job losses both in the sectors most directly affected by tariffs (i.e., manufacturing and transportation) and in the broader professional, scientific and technical services category, which lost 26,100 jobs, including some in the tech sector.

Our youth unemployment rate also remains stubbornly high at 14.5%, which is very concerning for Canada as a whole and for our tech sector. After all, these entry-level workers feed our pipeline of tech leaders and innovators. Over the past year, we saw a significant decline in co-op and new grad positions in the tech market due to pauses in hiring, tighter budgets and possibly the increasing use of AI—although the data doesn't show a direct correlation yet. These factors and others led to a decline of 25% in junior-level tech roles from February 2020 to 2025, according to an August 2025 report by Indeed.

Another contributing factor in the shortage of entry-level jobs? Tech workers tend to be staying put right now (aka "job-hugging"), which is more common during periods of economic uncertainty. Canada's voluntary turnover rate is only 8% across the sector (falling from a peak of 13% three years ago).

However, it's not all bad news for Canada's tech labour market.

According to Indeed, job ads for 41% of the most common tech titles still exceed their pre-pandemic levels, especially for more senior-level roles and jobs related to AI. For example, the report found that job postings for AI architects and developers have more than doubled since early 2020, with similar demand for platform engineers and roles related to data centres.

Another bright light? Growth in the number of people employed in the professional applied science occupations (i.e., tech and mathematics roles, not including engineering) was so rapid from 2019 to 2022, it's still 35% above its 2019 level despite recent flattening, according to Statistics Canada's Labour Force Survey.

I also think it's a positive sign of our country's resilience to see that the drop in tech postings here (-19% from February 2020 to August 2025) has been much milder compared to other major economies, including the US (-34%), UK (-41%), France (-38%) and Germany (-29%).

> "According to Indeed, job ads for 41% of the most common tech titles still exceed their pre-pandemic levels, especially for more senior-level roles and jobs related to AI."

3.

[Altis] What will the most in-demand tech jobs be this year? Any surprises or new and noteworthy roles?

[Stephanie]

What I find interesting is that the hottest jobs are not all related to AI, nor are they all technical.

If salary growth is any indication of in-demand jobs, Product Marketing, Data Science and UX Research topped TAP Network's 2025 hot salaries list as the fields with the highest year-over-year salary increases. Intermediate-Level Product Marketing Manager was at the top with a 7.2% increase. Next highest was Entry-Level Data Scientist at 7.1% and User Experience (UX) Researcher was at 6.3%. Notably, Technical Customer Support Manager made the list of top ten salary increases for the second consecutive year. [See the increases for the top 10 jobs in the table at right.] The TAP Network survey also identified several technical, sales and management positions experiencing significant growth this year, including:

- National/Major Account Representative
- Firmware Engineer – Intermediate level
- Software Engineering/Development Director
- Purchasing Manager
- Data Architect
- Technical Customer Support Representative – Entry level
- UI/UX Designer – Senior/Lead level
- Marketing Communications – Senior/Lead level

"The hottest jobs are not all related to AI, nor are they all technical."

Salary Increases for the Top 10 Jobs - 2025

Common incumbent year-over-year median base salary increase % (2025)

Role	Increase
Product Marketing Manager - Intermediate	7.2 %
Data Scientist - Entry	7.1 %
User Experience (UX) Researcher	6.3 %
Recruiter - Intermediate	6.2 %
Technical Customer Support Manager	5.8 %
Creative Director	5.3 %
Technician B - Intermediate	5.2 %
2D/3D Concept Artist - Senior/Lead	5.0 %
Assembler B - Senior/Lead	5.0 %
Hardware/Electrical Engineer - Fully Competent	5.0 %

Source: TAP Network's annual salary and total rewards survey, September 2025

4.

[Altis] With inflation and interest rates both falling, could we see lower wage increases, too? Gallagher predicts the average salary increase in 2026, excluding freezes, to be 3.1% (down from 3.5% in 2025 and 3.8% in 2024).

[Stephanie]

Inflation has declined, but cost of living pressures remain for many Canadians, with shelter and food costs still rising rapidly. And while inflation plays a role in tech sector salaries, the ratio of supply to demand for talent has the largest impact on Canadian tech sector salaries, and in 2025, supply is outstripping demand.

The sector is hiring, but cautiously, and with more people competing for fewer roles, some companies are looking to get more "bang for their buck" when hiring. For example, one Canadian tech company we spoke with is hiring senior development talent over more junior workers simply because they can. Another company, a large multinational cybersecurity organization, has instituted a policy of no out-of-country hires because they're finding that enough senior talent is available within the countries in which they operate (which saves them the time and costs associated with immigration paperwork).

We saw these trends reflected in the 2025 salary data. The common incumbent median salary increase last year was 3.5%. For comparison, two years ago, the median increase was 7.5%, an indication of the intensely hot tech labour market that year.

In 2026, instead of the drop predicted by Gallagher, we're anticipating similar numbers to 2025, with tech companies budgeting 3.5% for salary increases.

"In 2026...we're anticipating similar numbers to 2025, with tech companies budgeting 3.5% for salary increases."

5.

[Altis] What are some other key compensation trends to consider in the tech labour market this year?

[Stephanie]

We're seeing employers in Canada's tech sector continuing to invest in the health and wellbeing of their employees. The table below summarizes some of the total rewards trends we saw in 2025, including flexibility, RRSP matching and more. As you'll see, working from home and flexible work hours continue to dominate the sector. Companies are also investing more in flexible health and wellness allowances, employee financial health support through programs like RRSP matching, family leave top-up benefits and organizing company-wide events.

Our survey also identified paid time off to volunteer, RRSP matching, and health and wellness allowances as the benefits most likely to increase in prevalence in 2026.

2025 Rank	Top 10 Prerequisites and Benefits	% Orgs Providing
1	Work from home options	97%
2	Company events (e.g., parties, retreats, BBQs)	95%
3	Flexible work hours	88%
4	Secure bike racks	74%
5	Complimentary fresh fruit and/or snacks	70%
6	On-site shower and locker facilities	66%
7	Family leave top-up benefits	61%
8	Health & wellness/flex allowance	60%
9	Alcoholic drinks after work – company paid	56%
10	RRSP matching	56%

Source: TAP Network's annual salary and total rewards survey, September 2025

6.

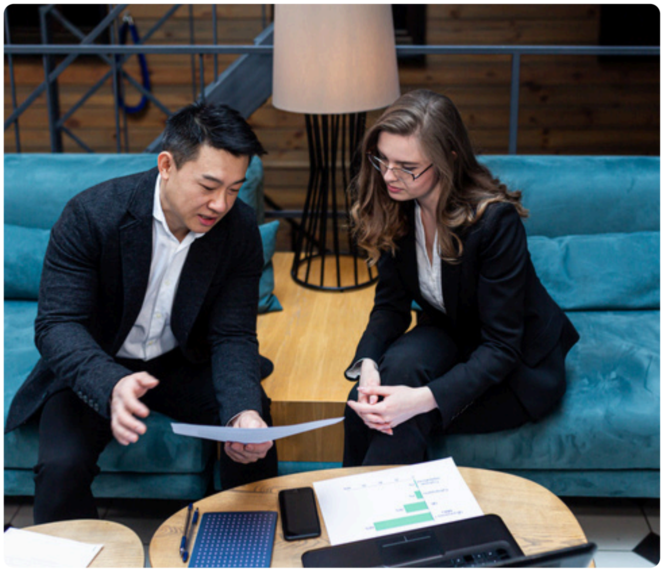
[Altis] Will pay transparency play a role in hiring tech talent this year?

[Stephanie]

Pay transparency legislation is prompting tech companies to review their pay equity policies and create clearer pay philosophies and more structured pay ranges, all of which I applaud.

With pay transparency legislation increasing across Canada, the tech sector is responding proactively. Almost half of the tech companies we surveyed are either going above and beyond current legislation by sharing pay ranges internally and externally in a standardized way or are exploring doing so. And in 2026, I expect more companies will begin posting salaries publicly, especially in jurisdictions like Ontario, where pay transparency legislation will mandate doing so as of January 1, 2026.

Transparency is increasing internally as well. So far, out of the companies we surveyed, 13% reported sharing pay range information internally for all jobs within the organization, up from 10% last year.



"Almost half of the tech companies we surveyed are...sharing pay ranges internally and externally in a standardized way or are exploring doing so."

7.

[Altis] AI is going to impact all kinds of roles across the labour market. What are some of the ways AI will impact Canada's tech sector? (e.g., job losses/gains, in-demand skills, in-demand roles etc.)

[Stephanie]

AI is changing how many of us work, regardless of sector.

In the tech sector, we're seeing AI play out in several ways. For example, as mentioned above [question 2], Indeed found that some of the most in-demand tech roles are those related directly to AI (e.g., machine learning engineers, AI developers and architects, data centre technicians, etc.), whereas we're seeing comparatively less demand for more traditional roles like web developers, particularly for early-career professionals.

This decline in entry-level jobs has been the subject of much discussion, especially given our high youth unemployment rate. While it's true that there's more of a decline in the entry-level jobs that are most exposed to automation—for example, junior software developers—so far, the data doesn't conclusively point to AI as the one direct cause because this trend began before ChatGPT was even launched (in late 2022). In fact, according to Indeed, roughly half of the net decline in Canadian tech postings between 2020 and August 2025 occurred before that date.

I think the slower hiring we've seen over the past three years has largely been caused by our market conditions. Perhaps we're now seeing the sector revert to a more natural state after the frenzied hiring boom we saw during the pandemic. It's hard to gauge how much of an impact GenAI has had on hiring, but I think it's tamping it down somewhat.

So, what are we hearing about AI from TAP Network members?

- Many tech companies are actively encouraging the use of AI on their teams both to build capabilities and look for efficiencies.
- Some tech companies are assessing the efficiencies they can get from AI before they develop their 2026 talent plans.
- Other companies are hiring more senior professionals instead of junior talent because they feel AI can do entry-level tasks when guided by senior staff.

AI is shifting the way teams work together, the way training is offered, the way we hire new team members and even the way we perform entire jobs. So, naturally, companies are now seeking adaptable people who are curious about AI and want to grow with it. They'll provide the training on technical skills, so their employees stay current; it's the non-technical skills like critical thinking, initiative, collaboration and communication that will be most in demand, so employers can build a culture of growth.

8.

[Altis] What about where we work. Will remote, hybrid, onsite work be a key factor in hiring tech talent this year?

[Stephanie]

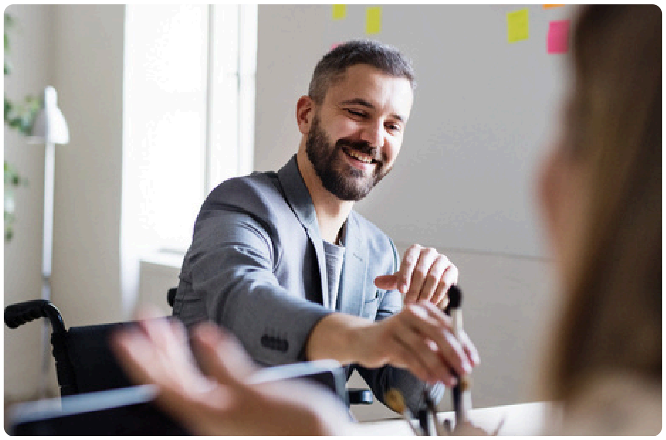
Definitely. These days, tech talent still wants the flexibility to work hybrid or remote, so companies that continue to offer that flexibility are experiencing a competitive advantage in recruiting top talent.

Return-to-office mandates have been in the news this year, with large multinationals such as Amazon and Dell, as well as some of Canada's big banks and telecom companies like Rogers, calling their workers back to the office. We've also seen many news articles about the end of the remote work model. However, our data doesn't support that. We've found that remote and hybrid work are alive and well in Canada's tech sector.

According to TAP Network's 2025 survey data, 71% of Canadian tech companies are hybrid, 26% are fully remote and only 2.6% are fully onsite.

Most companies I speak with are taking flexible approaches and asking, "What works for this team or role or individual?" It's not a one-size fits all model.

I don't see the fully onsite model being a big draw for tech talent in 2026.



9.

[Altis] Any insights into how shifts in the US labour market might affect Canada's tech sector this year?

[Stephanie]

Like other markets, including Canada's, the US job market has declined, adding only 22,000 jobs in August, a more serious slowdown than analysts expected. And in terms of the tech market specifically, from its peak in February 2020, the US saw a decline in tech job postings almost twice the rate of Canada's, dropping by 34% (vs. 19% in Canada), according to Indeed.

What does this mean for Canada? With ongoing uncertainty over tariffs, it's hard to predict how it will all play out in our tech labour market in 2026, especially with the renegotiation of the USMCA agreement looming next summer. However, I'm hearing that recent shifts in US immigration policy, along with the increased cost of new H-1B visas announced last month (rising from $5,000 to $100,000), could be a boon for Canada's tech sector, encouraging our tech talent to stay put and possibly even drawing foreign tech workers to Canada instead.

I'm also hearing that despite the higher salaries offered by US tech firms, the current climate could even discourage Canadian tech talent from working remotely for American firms—something that was very prevalent in 2021-2023—because doing so could entail travel to the US, which many Canadians are concerned about or unable to do at this time.

So, 'elbows up' could translate to choosing Canadian tech jobs too!

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Questions? We're here to help:

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