

Help Wanted

Private sector job vacancies, Q1 2018

Ted Mallett, VP & Chief Economist

Canada's private sector job vacancy rate sat unchanged in the first quarter of 2018, after having risen strongly through 2017. The latest estimate of 3.0 per cent is the same as the previous quarter, but still up measurably from the 2.6 per cent in the opening quarter of 2017. In aggregate, this represents about 407,000 jobs left unfilled for at least four months because employers have not found suitable candidates.

The vacancy rate picture is consistent with Statistics Canada own 2.9 per cent vacancy rate estimate (for the fourth quarter of last year), as well as with their labour force survey data which showed that Canada's unemployment rate held firm in the latest two quarters.

The labour market in British Columbia and Quebec remain the tightest in the country, with vacancy rates rising further to 3.8 and 3.7 per cent respectively. We also saw small gains in Ontario (3.2 per cent) and Manitoba (2.7 per cent). Vacancy rates were unchanged in New Brunswick (2.7 per cent) as well as in Alberta and Nova Scotia (both at 2.4 per cent). Weak labour market demand appeared to loosen off a bit further in Newfoundland & Labrador (1.6 per cent), Prince Edward Island (1.1 per cent) and Saskatchewan (2.1 per cent)—each province showing a slight decrease in vacancies.

Among broad industry groupings, the picture was also pretty balanced, with increasing vacancy rates in seven sectors offset by steady or decreasing rates in six. Vacancies also continued to put pressure on wages, with employers with at least one vacancy expecting to push average organization-wide wage levels up by 3.1 per cent—versus an average 2.4 per cent gain planned by businesses without any vacancies.

Figure 1: Vacancy rates

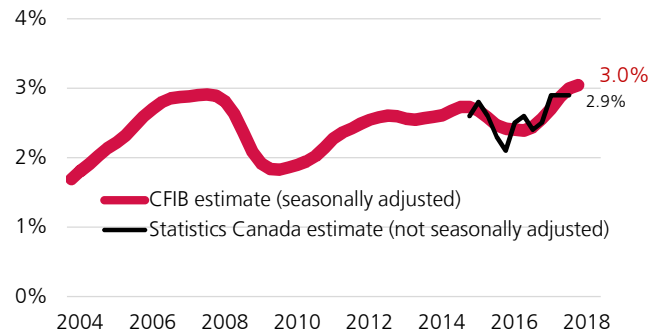


Figure 2: Vacancy rates by size of business

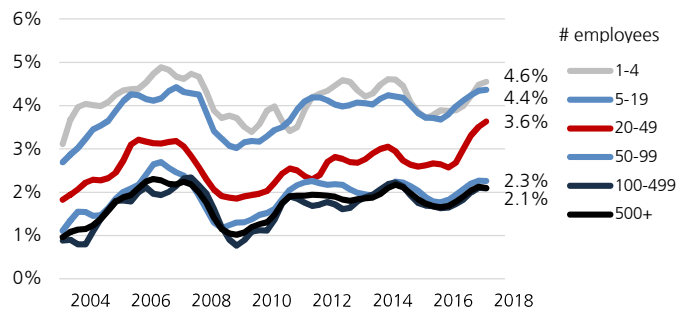


Table 1: Private sector job vacancies by province, Q1 2018

	Rate*	Change**	Number
Canada	3.0%		407,300
Newfoundland & Lab .	1.6%	-0.1%	2,400
Prince Edward Island	1.1%	-0.3%	500
Nova Scotia	2.4%		7,100
New Brunswick	2.7%		6,300
Quebec	3.7%	+0.2%	103,100
Ontario	3.2%	+0.1%	163,100
Manitoba	2.7%	+0.2%	11,500
Saskatchewan	2.1%	-0.1%	7,200
Alberta	2.4%		38,000
British Columbia	3.8%	+0.1%	68,100

* Vacancies as a percentage of filled and unfilled jobs

** Change in rate from the revised previous quarter

Figure 3: Average planned wage increases, Q1 2018

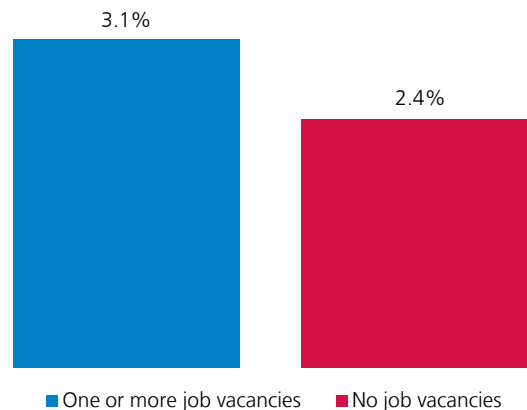


Figure 4: Vacancy rates by province

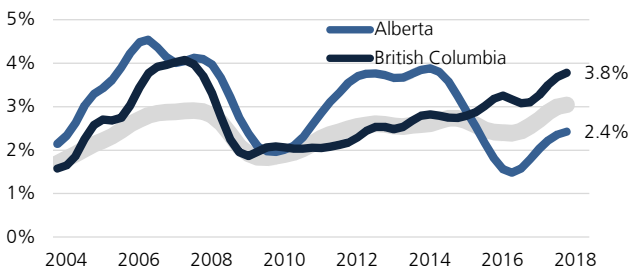
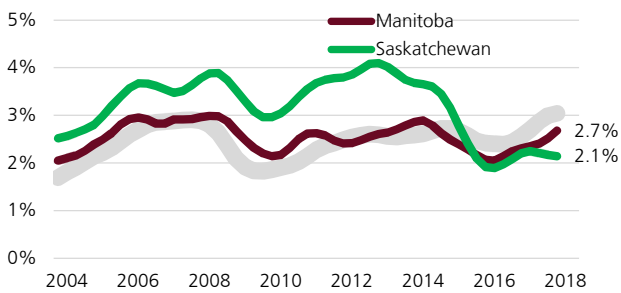
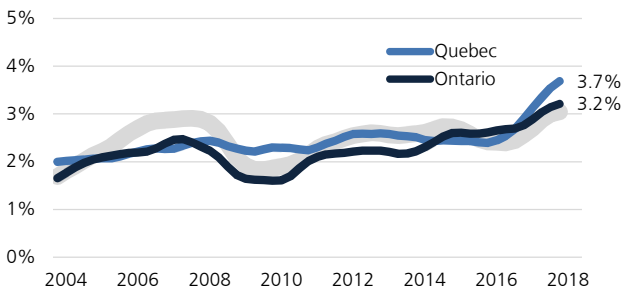
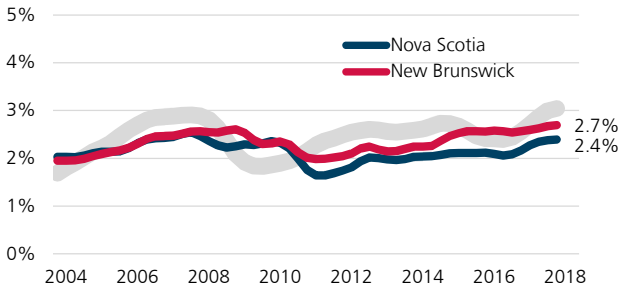
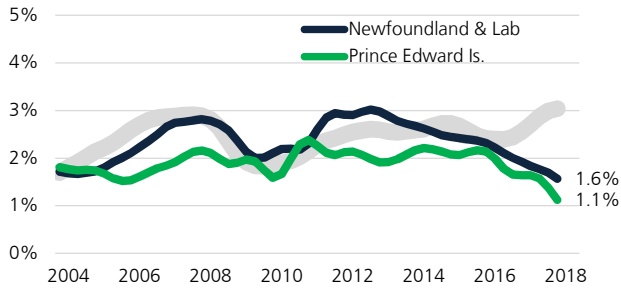
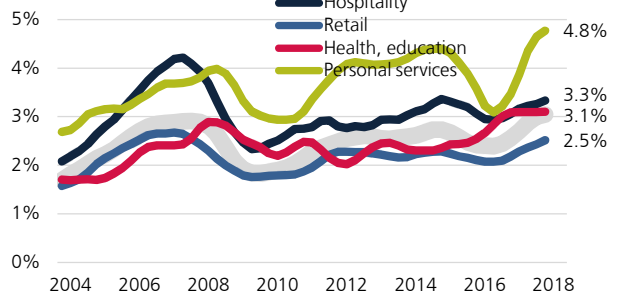
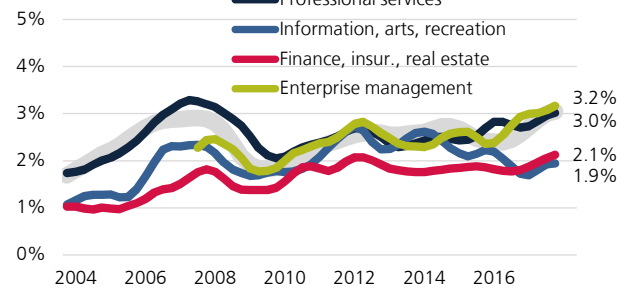
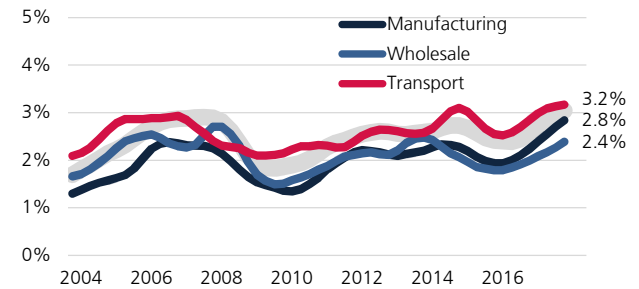
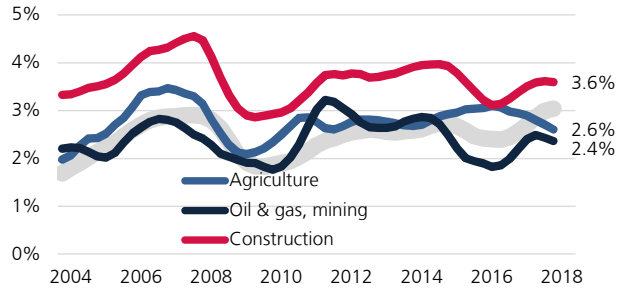


Figure 5: Vacancy rates by industry



Notes: methodology and data quality

The current results are based on 2,304 responses from the latest quarter. The series comes from CFIB's *Your Business Outlook Survey*, which is conducted monthly with a stratified random sampling of ID-validated business owner-operator members.

On the survey, respondents provide the total number of full-time and part-time people currently employed at their business. They are also asked "How many jobs in your firm currently have been vacant for at least 4 months because you have been unable to find suitable employees?" Non-responses are treated as zero vacancies. Vacancy rates are defined as total vacancies, divided by the sum of total employment and vacancies. Data outliers are identified using regression analysis, and then dealt with by capping those vacancies at the 90th percentile level in each business size class.

To account for small quarterly sample sizes, data for the 500+ employment size group are imputed by using the aggregate historical ratios relative to the other business size categories from 2004 to 2017. Aggregate employment and vacancies are then reweighted by province and by industry based on quarterly data from Statistics Canada's Survey of Employment, Payrolls and Hours (SEPH), subtracting out public sector employment based on custom tabulations from Statistics Canada's Labour Force Survey (LFS).

National quarterly data are seasonally adjusted and trended using x-12 methodology. To deal with occasional missing data points, provincial and industry sector data are further smoothed before seasonal adjustment, and then re-adjusted afterwards to ensure their totals add up to national figures.

Because of the use of centralized moving averages, new quarterly data may result in revisions of past estimates. For that reason, simple rule-of-thumb statistical margins of error usually reported on surveys do not apply.

Comparison with Statistics Canada's job vacancy estimates.

Beginning in Q1 2015, Statistics Canada's new Job Vacancy and Wage Survey¹ (JVWS) is producing vacancy rate estimates that are almost double the previous rates based on the Survey of Employment Payrolls and Hours (SEPH). The JVWS's initial data are now almost identical to CFIB's quarterly figures, largely because they now share closer survey methodologies. Most significantly, Statistics Canada is now surveying owners and business managers in branch locations who are responsible for hiring, rather than head office payroll departments. Key remaining differences are the larger sample size of the JVWS and the seasonally adjusted nature of the CFIB data.

¹ <https://www150.statcan.gc.ca/n1/daily-quotidien/180412/dq180412a-eng.htm>