

# Help Wanted

## Private sector job vacancies, Q2 2019

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Private sector job vacancies in Canada have held on to their historic highs. The vacancy rate remained at 3.2 per cent in Q2, the same as levels recorded in the three previous quarters. CFIB's latest count represents roughly 429,000 private sector unfilled openings, about 1,000 more than in the first quarter of 2019 and 23,000 more than a year ago.

Although it looks like vacancy measures may have topped out, there are still some under-performing job markets in Canada which, if corrected could still theoretically push the national average rate higher. The vacancy rate in British Columbia is still on the rise at 3.9 per cent. Quebec's is the same, but reflects a slight settling from 4-plus per cent estimates late last year. Vacancy rates in Ontario (steady) and New Brunswick (still rising) occupy spots close to the national average, while all other provinces come in less than that.

Rates, though, are trending up in parts of the country—Manitoba (2.6 per cent), Prince Edward Island (2.2 per cent) and Newfoundland and Labrador (2.0 per cent). No change was seen in Nova Scotia (2.3 per cent), while continuing weakness in Alberta and Saskatchewan pushed their vacancy rates down a bit to 1.9 and 2.1 per cent respectively.

There are similarly wide variations by industry, but it is often to do with business size characteristics. Small businesses tend to have structurally higher vacancy issues compared to their larger counterparts.

Although geography and sector are factors, the drivers of vacancies are more significantly determined by future outlooks, growth intentions, business size and firm-specific job characteristics. There is also a strong influence on wages. Employers with at least one vacancy expect to push average organization-wide wage levels up by 2.3 per cent in Q2—versus a 1.5 per cent gain planned by businesses without any job openings.

Figure 1: Job vacancy rates

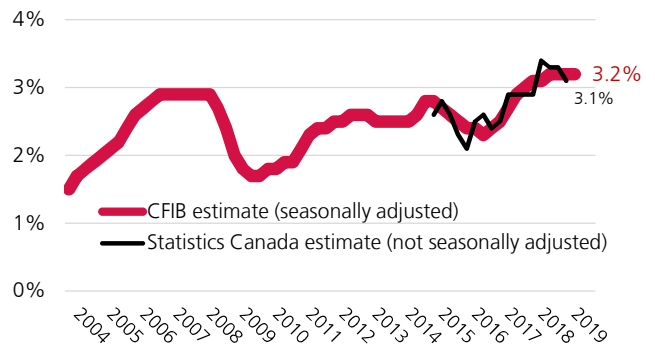


Figure 2: Vacancy rates by size of business

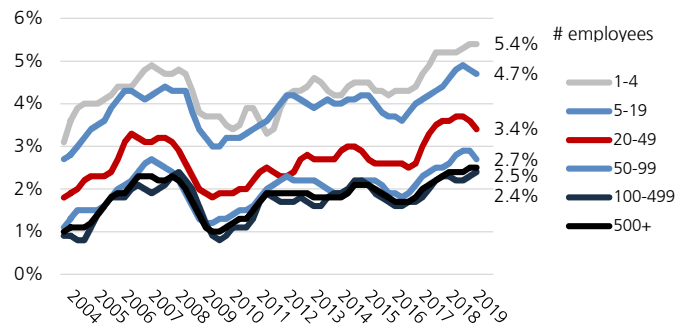


Figure 3: Average 12-month planned wage increases among businesses with and without job vacancies

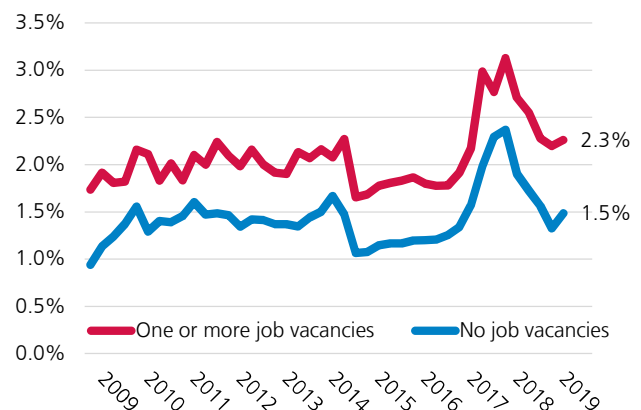


Table 1: Private sector job vacancies by province, Q2 2019

	Rate*	Change**	Number
Canada	3.2%		429,300
Newfoundland & Lab	2.0%	0.1%	3,000
Prince Edward Island	2.2%	0.2%	1,000
Nova Scotia	2.3%		7,100
New Brunswick	3.1%	0.1%	7,400
Quebec	3.9%		116,000
Ontario	3.2%	-0.1%	169,900
Manitoba	2.6%	0.1%	11,500
Saskatchewan	2.1%	-0.1%	7,400
Alberta	1.9%	-0.1%	31,300
British Columbia	3.9%	0.1%	74,700

\* Vacancies as a percentage of filled and unfilled jobs

\*\* Change in rate from the revised previous quarter

Figure 4: Vacancy rates by province

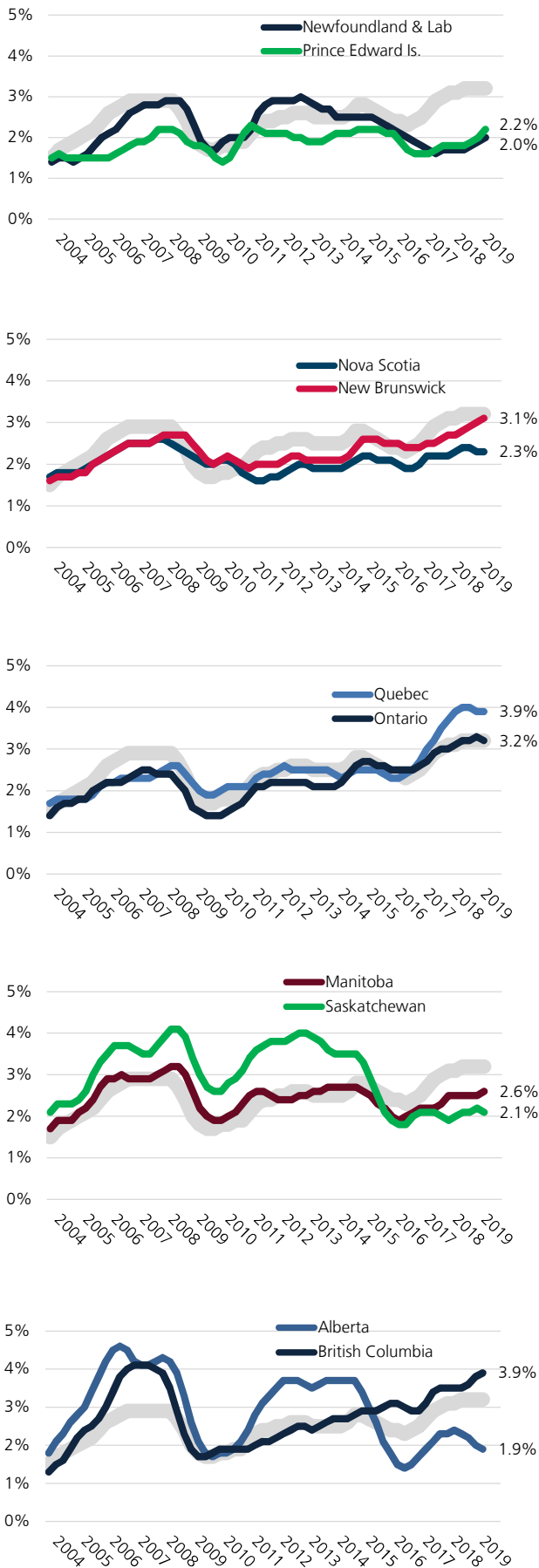
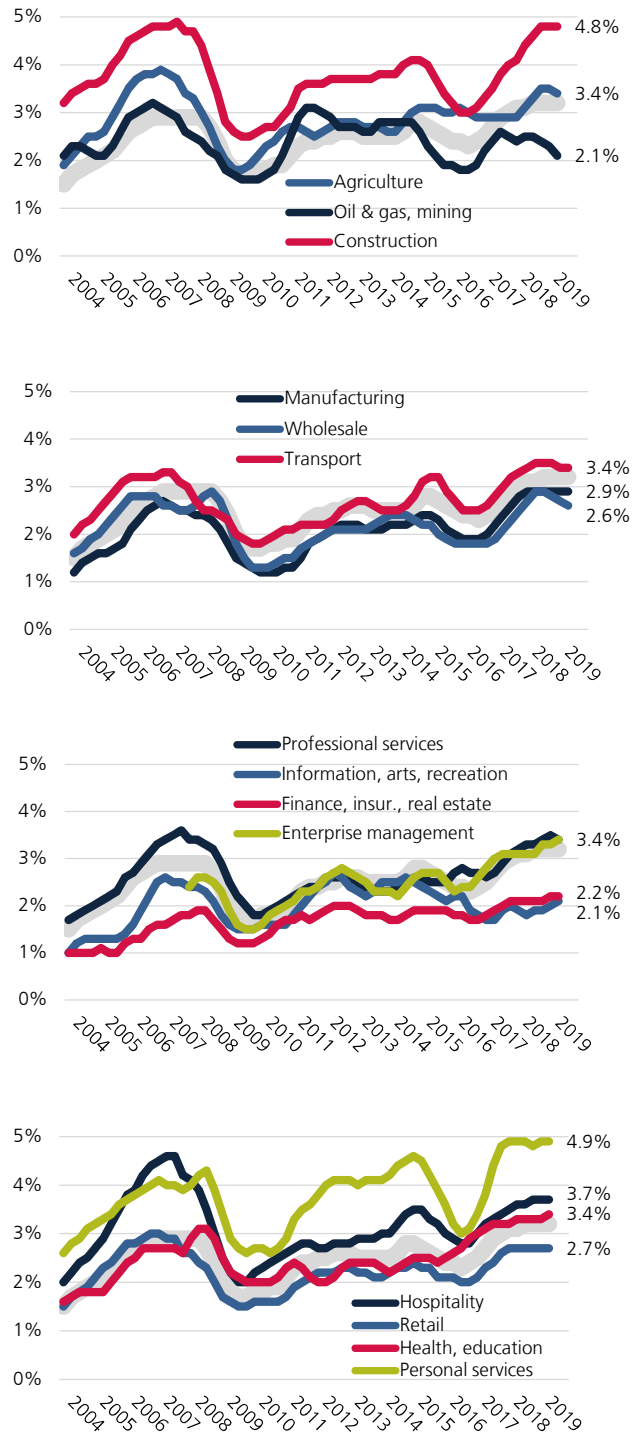
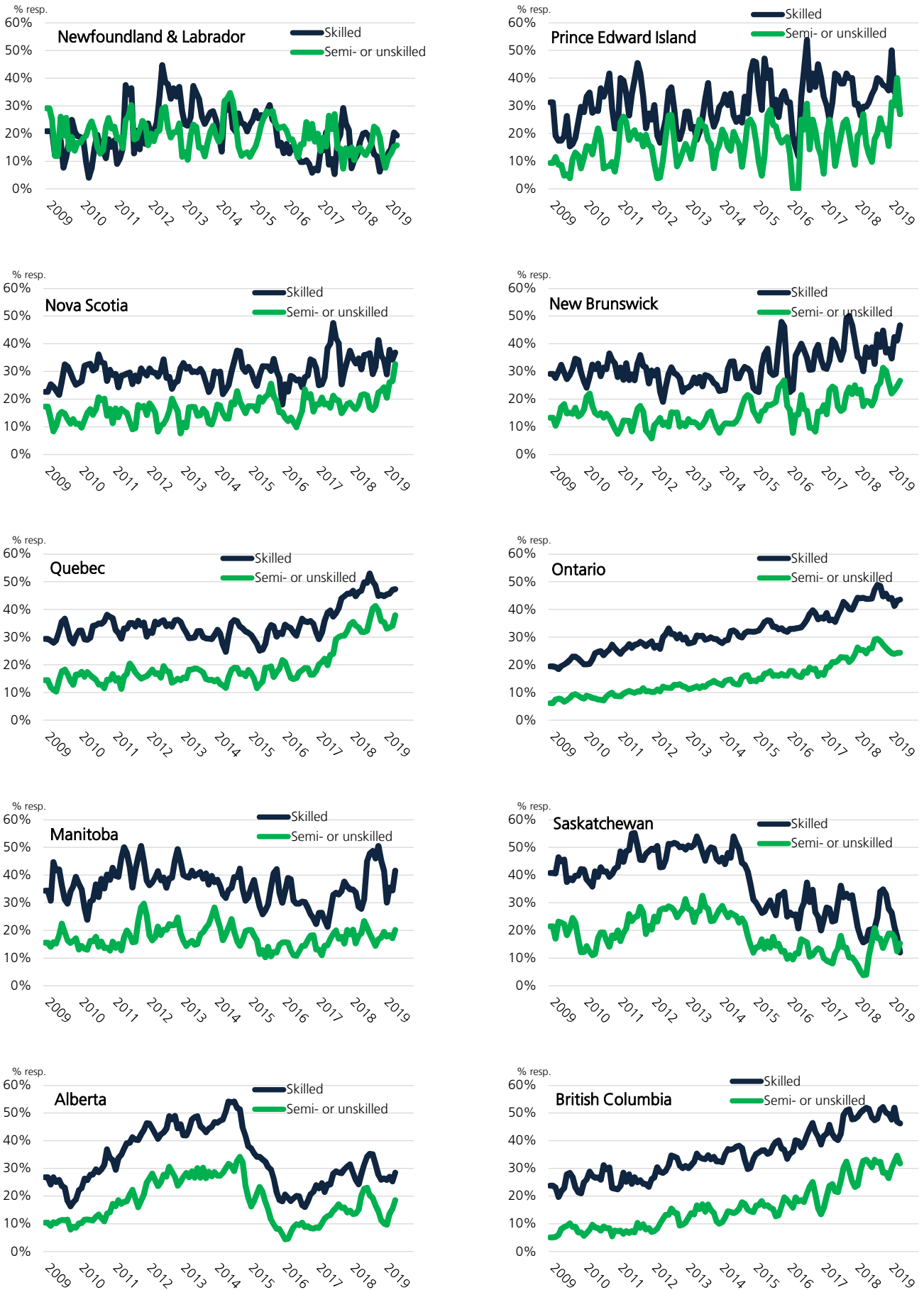


Figure 5: Vacancy rates by industry



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Figure 6: Labour shortage concerns by job skill level (3-mth moving averages)



**Notes: methodology and data quality**

The current results are based on 2,101 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 90<sup>th</sup> 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.

**Comparison with Statistics Canada's job vacancy estimates.**

Beginning in Q1 2015, Statistics Canada's new Job Vacancy and Wage Survey<sup>1</sup> (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.

<sup>1</sup> <https://www150.statcan.gc.ca/n1/daily-quotidien/190618/dq190618b-cansim-eng.htm>