

Help Wanted

Private sector job vacancies, Q3 2019

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Private sector job vacancies in Canada have stabilized in the past year, but remain at historic highs. The vacancy rate held to 3.2 per cent in Q3, the fifth-consecutive quarter at that level. CFIB's latest count represents roughly 433,000 private sector unfilled openings, about 1,500 more than in Q2 2019 and 15,000 more than a year ago.

There was relatively little movement among regions in the latest readings, but vast differences among them persist—reflecting very different labour market conditions. Vacancy rates in the Prairies and in Newfoundland and Labrador—areas most affected by the resource sector crunch—each pushed a tenth of a point higher, though they all remain under the national average by up to a full percentage point. All other provinces saw no change in rates in the latest quarter.

The most acute labour vacancy issues continue to be in Quebec (4.0 per cent) and British Columbia (3.8 per cent). Ontario is right on the national average at 3.2 per cent while rates in the Maritimes range from 1.9 to 3.0 per cent.

There are similarly wide variations by industry, but sector-specific movements are showing up as well. Industries dominated by smaller-sized companies tend to have higher vacancy rates compared to big-business sectors. In addition, despite overall stability of the aggregate vacancy measure in the past year, we are noting gradually rising vacancy rates in the agriculture, information, and hospitality sectors, but declining rates in manufacturing, transportation, wholesale, retail.

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 Q3—versus a

Figure 1: Job vacancy rates

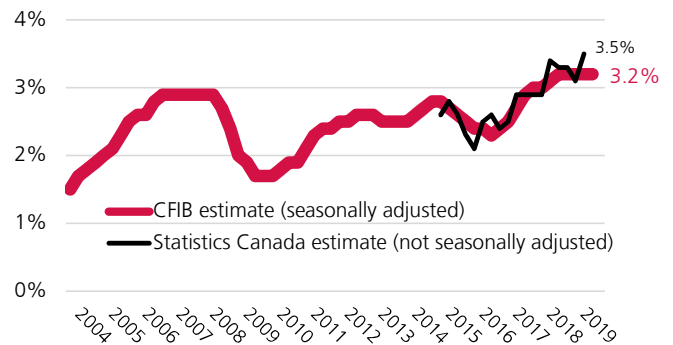


Figure 2: Vacancy rates by size of business

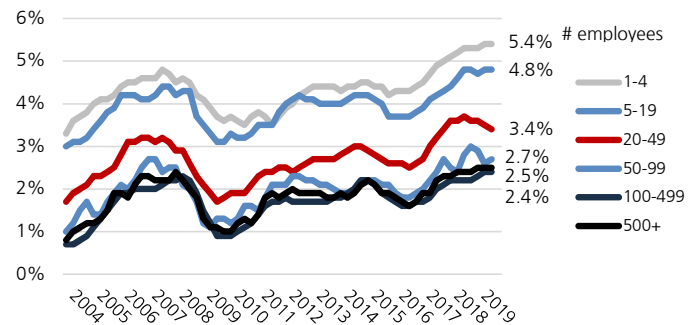


Figure 3: Average 12-month planned wage increases among businesses with and without job vacancies

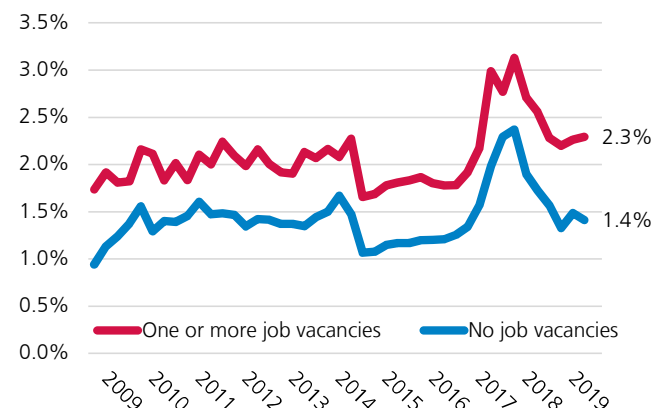


Table 1: Private sector job vacancies by province, Q3 2019

	Rate*	Change**	Number
Canada	3.2%		432,700
Newfoundland & Lab .	2.3%	0.2%	3,300
Prince Edward Island	1.9%		900
Nova Scotia	2.4%		7,500
New Brunswick	3.0%		7,200
Quebec	4.0%		119,800
Ontario	3.2%		168,000
Manitoba	2.6%	0.1%	11,400
Saskatchewan	2.3%	0.1%	7,900
Alberta	2.2%	0.1%	35,300
British Columbia	3.8%		71,400

* Vacancies as a percentage of filled and unfilled jobs

** Change in rate from the revised previous quarter

Figure 4: Vacancy rates by province

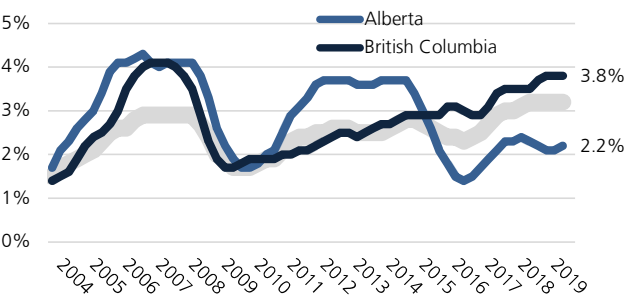
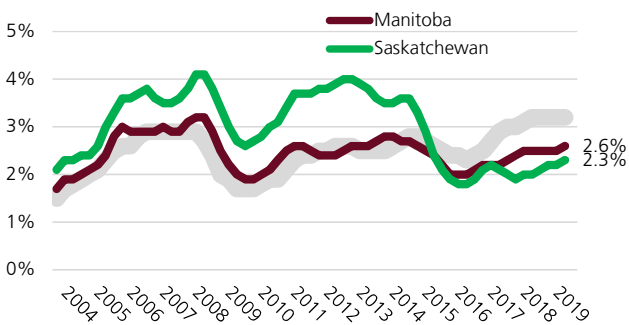
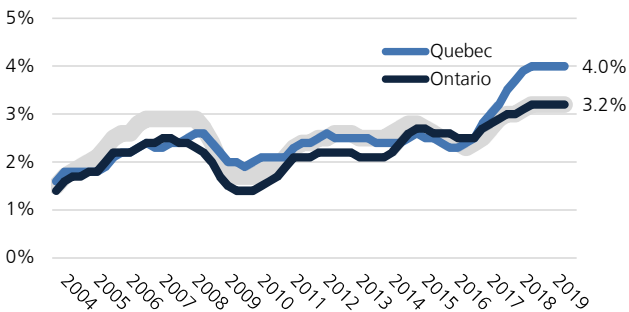
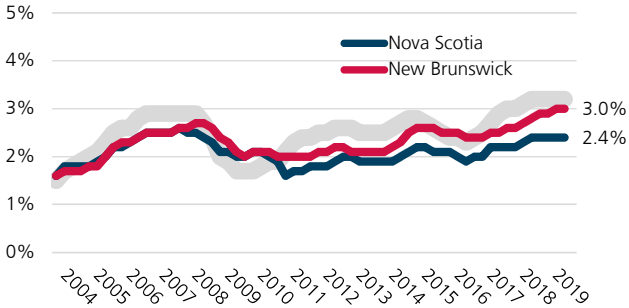
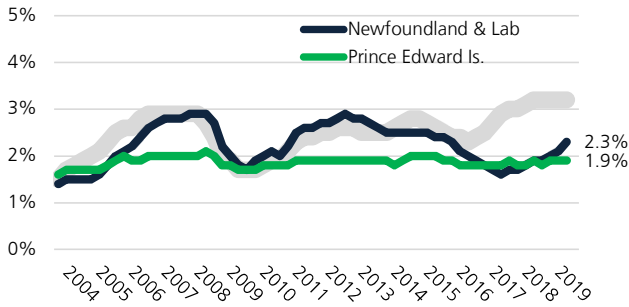
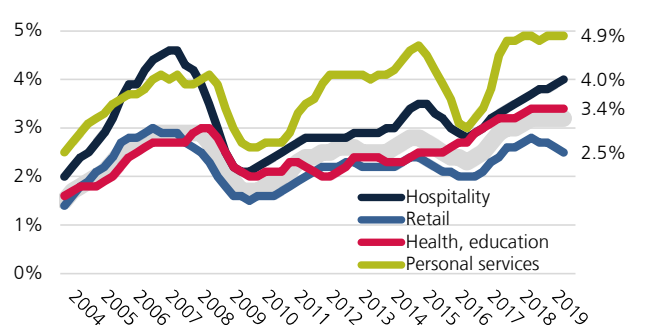
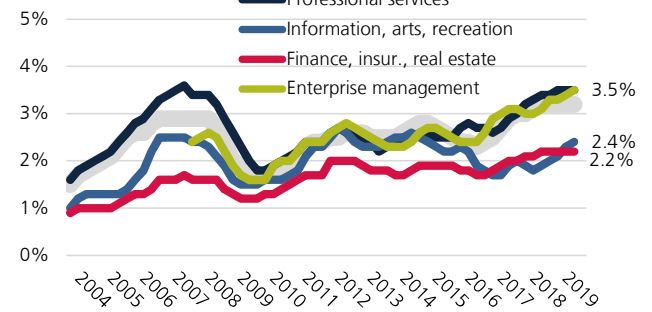
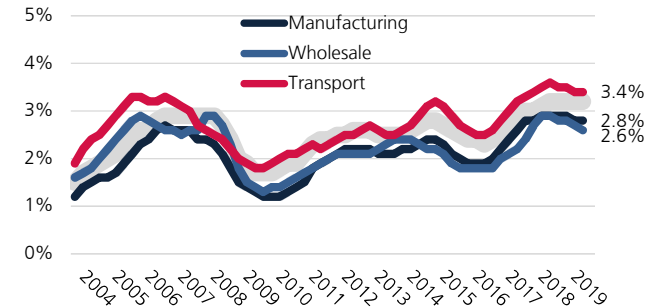
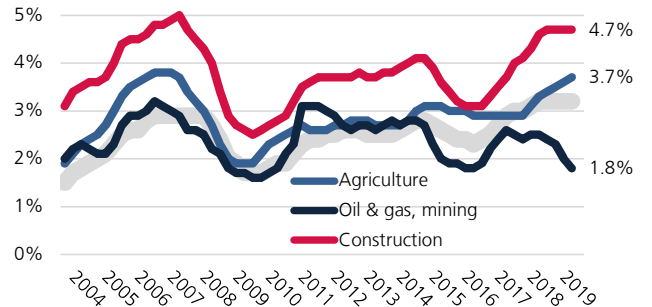
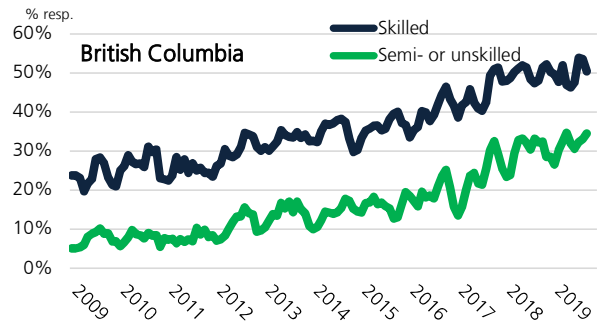
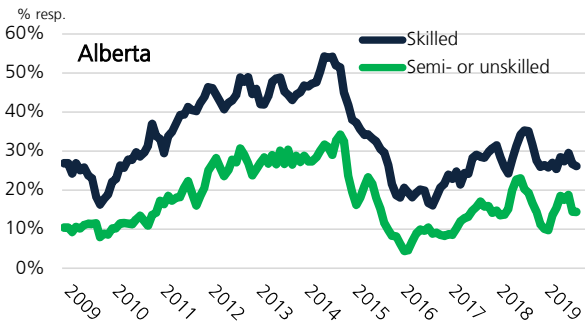
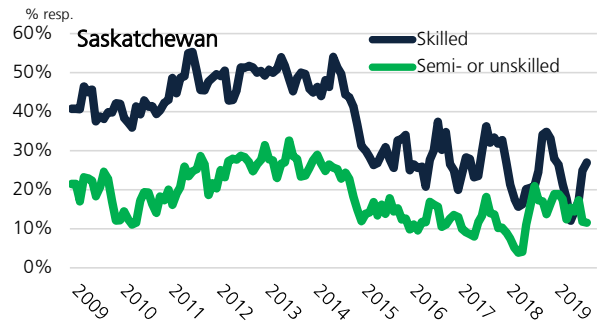
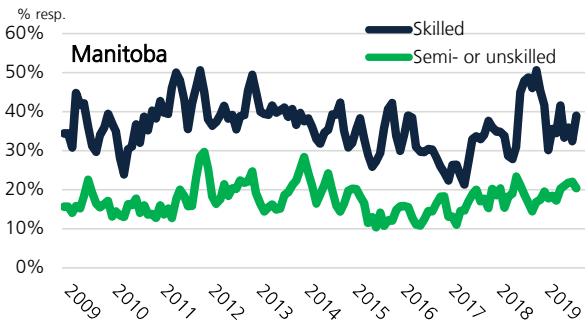
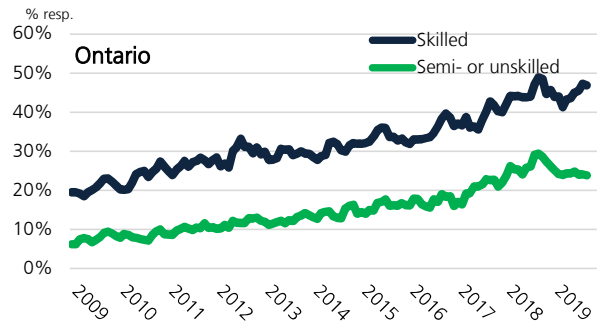
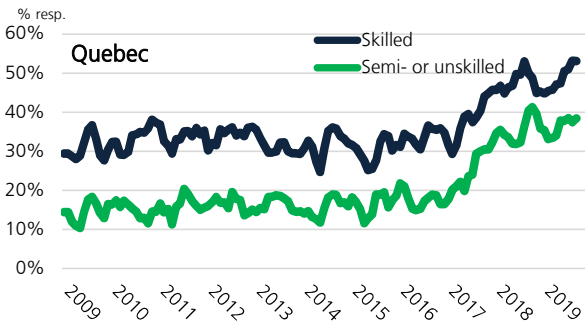
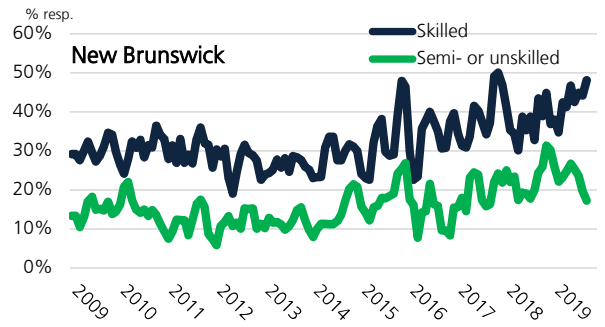
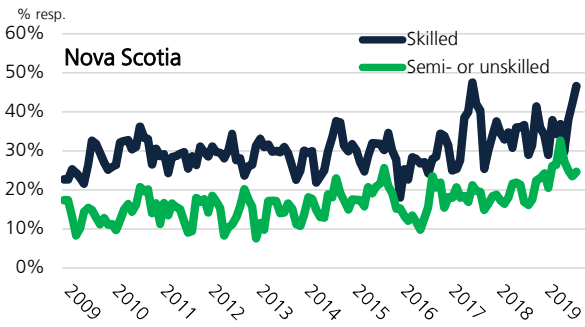
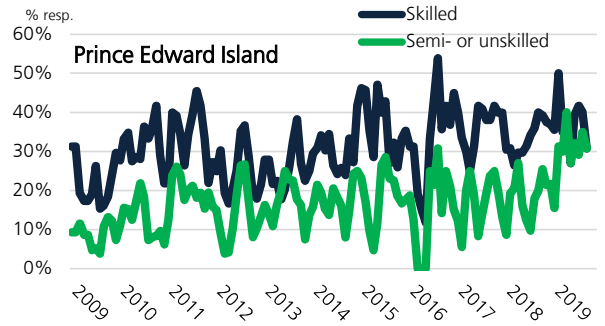
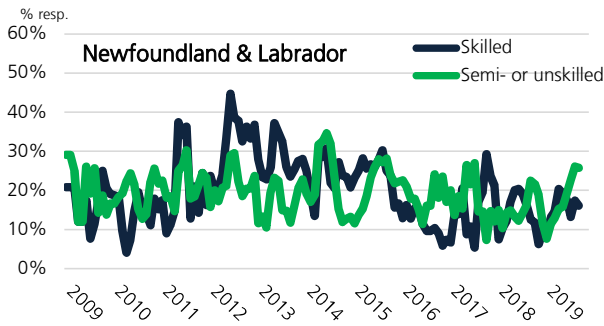


Figure 5: Vacancy rates by industry



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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 1,937 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.

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/190920/dq190920b-eng.htm>