

Help Wanted

Private sector job vacancies, Q4 2017

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Canada's private sector job vacancy rate continued its upward trek through the final quarter of 2017. The fourth quarter estimate is now 3.0 per cent, up sharply from the 2.4 per cent in the same period a year earlier and is now higher than its pre-recession peak of early 2008. In aggregate terms, this represents about 399,000 jobs left unfilled for at least four months because employers have not found suitable candidates.

Higher vacancy rates are a sign of a stronger or shifting economy where fewer idle workers or changing skill-set needs make it more difficult for employers to find and retain the right candidates.

The labour market in British Columbia, already the nation's tightest, once again showed the biggest movement with its vacancy rate jumping 0.3 points to 3.9 per cent. More modest increases were widespread, with 0.1 per cent gains seen in Quebec (3.4 per cent), Ontario (3.2 per cent). Similar changes were seen in New Brunswick, Manitoba and Alberta, where rates now range between 2.3 per cent and 2.7 per cent.

Vacancy rates were unchanged in Newfoundland & Labrador and Saskatchewan, and remain low by historical standards. Vacancy rates eased back a little in Prince Edward Island and Nova Scotia, each dropping 0.1 points to 1.6 and 2.0 per cent respectively.

Among broad industry groupings, rising vacancy rates in Q4 were higher in 8 of 14 sectors, rising the most in personal services, information, arts and recreation, retail and manufacturing. Vacancies also continued to put pressure on wages, with employers with vacancies expecting to push average organization-wide wage levels a half-point higher than those without.

Figure 1: Vacancy rates

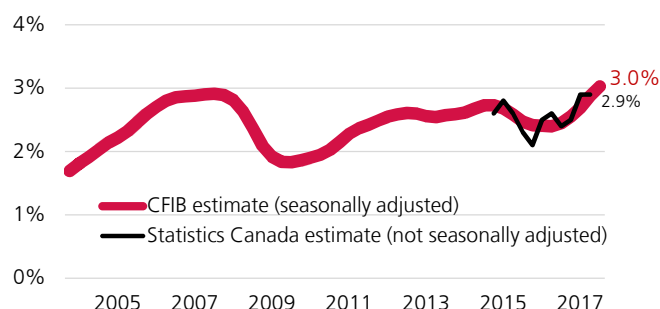


Figure 2: Vacancy rates by size of business

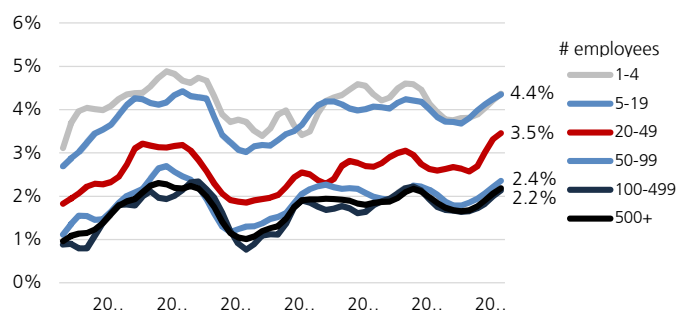


Table 1: Private sector job vacancies by province, Q4 2017

	Rate*	Change**	Number
Canada	3.0%	+0.1%	399,200
Newfoundland & Lab .	1.8%		2,800
Prince Edward Island	1.6%	-0.1%	700
Nova Scotia	2.0%	-0.1%	6,000
New Brunswick	2.7%	+0.1%	6,300
Quebec	3.4%	+0.1%	94,700
Ontario	3.2%	+0.1%	164,000
Manitoba	2.3%	+0.1%	9,900
Saskatchewan	2.3%		7,700
Alberta	2.4%	+0.1%	37,600
British Columbia	3.9%	+0.3%	69,500

* Vacancies as a percentage of filled and unfilled jobs

** Change in rate from the revised previous quarter

Figure 3: Average planned wage increases, Q4 2017

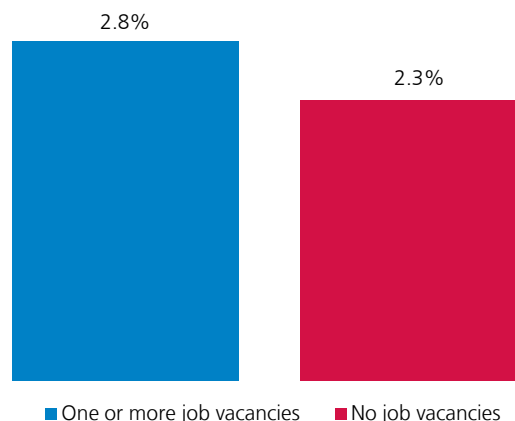


Figure 4: Vacancy rates by province

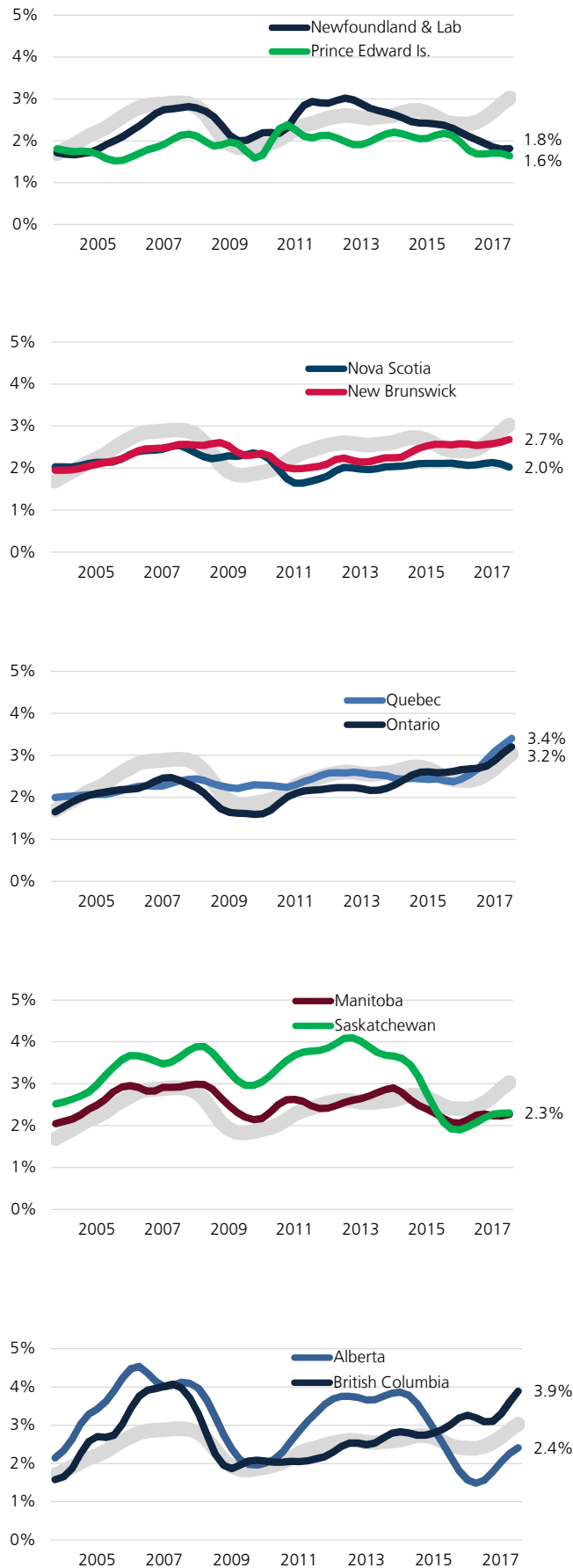
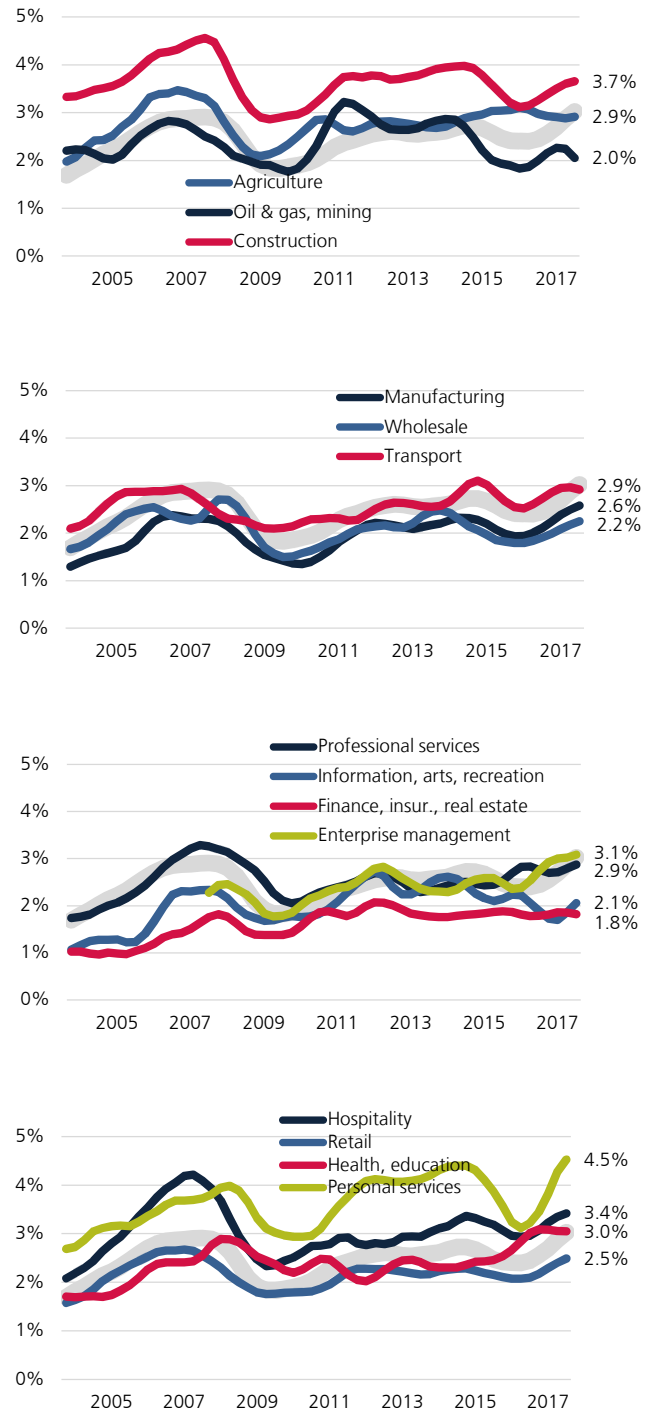


Figure 5: Vacancy rates by industry



Notes: methodology and data quality

The current results are based on 2,039 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 <http://www.statcan.gc.ca/daily-quotidien/180111/dq180111a-eng.htm>