

Help Wanted

Private sector job vacancies, Q2 2018

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Canada's private sector job vacancy rate renewed its upward course in Q2 2018. The rate now sits at 3.1 per cent, a tenth of a point above the previous two quarters and a new high for the statistic CFIB has been recording since 2004. In total, this represents just shy of 400,000 jobs left unfilled for at least four months because employers have not found suitable candidates. The previous cyclical peak had been 2.9 per cent, set in late 2007 and early 2008—before the effects of the world financial crisis sent it down to only 1.8 per cent in 2010.

The vacancy rate picture is consistent with Statistics Canada own 2.9 per cent vacancy rate estimate (for the first quarter of this year), as well as with their labour force survey data which showed that Canada's unemployment rate is at generational lows.

The labour market in Quebec, by far, is the tightest in the country, with its vacancy rate rising another 0.2 points to 3.9 per cent. Conditions are also tight in British Columbia and Ontario (3.4 and 3.0 per cent respectively), but both of those provinces saw rates drop back a bit in the second quarter. Vacancy rates in Manitoba and Nova Scotia saw further increases to 2.6 and 2.5 respectively, while New Brunswick (2.7 per cent) and Alberta (2.4 per cent) held steady. Declines were seen in some of the provinces with weaker labour markets—Saskatchewan (1.7 per cent), Newfoundland and Labrador (1.5 per cent) and Prince Edward Island (1.2 per cent).

Among broad industry groupings, the picture showed some divergence, with vacancy rates advancing in transportation, wholesale and professional services, while falling back somewhat in hospitality and enterprise services. All other sectors held steady. 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 2.7 per cent—versus an average 1.9 per cent gain planned by businesses without any vacancies.

Table 1: **Private sector job vacancies by province, Q2 2018**

	Rate*	Change**	Number
Canada	3.1%	+0.1%	397,400
Newfoundland & Lab	1.5%	-0.1%	2,300
Prince Edward Island	1.2%	-0.1%	500
Nova Scotia	2.5%	+0.1%	7,500
New Brunswick	2.7%		6,200
Quebec	3.9%	+0.2%	109,600
Ontario	3.0%	-0.1%	154,600
Manitoba	2.6%	+0.1%	11,200
Saskatchewan	1.7%	-0.2%	5,800
Alberta	2.4%		37,500
British Columbia	3.4%	-0.2%	62,200

* Vacancies as a percentage of filled and unfilled jobs

** Change in rate from the revised previous quarter

Figure 1: **Vacancy rates**

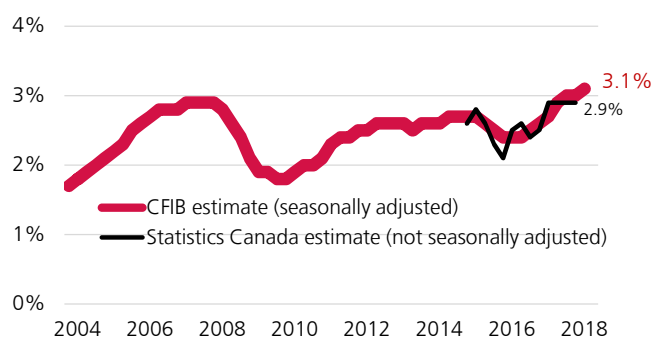


Figure 2: **Vacancy rates by size of business**

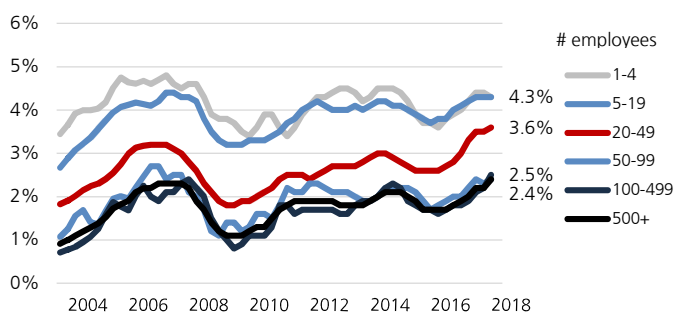


Figure 3: **Average 12-month planned wage increases among businesses with and without job vacancies**

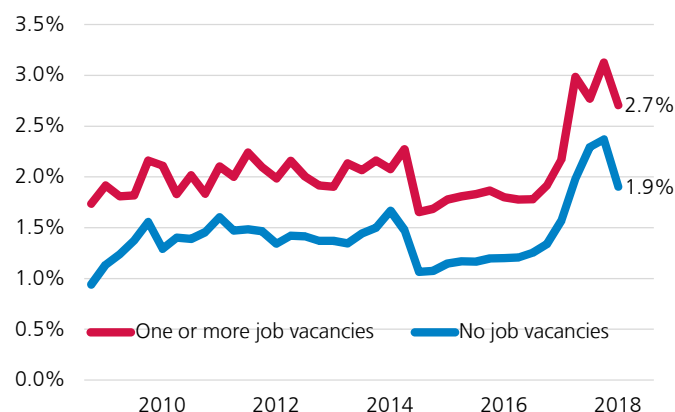


Figure 4: **Vacancy rates by province**

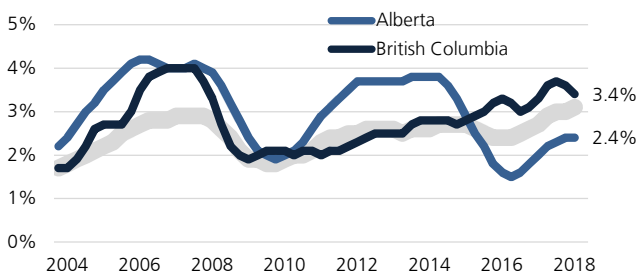
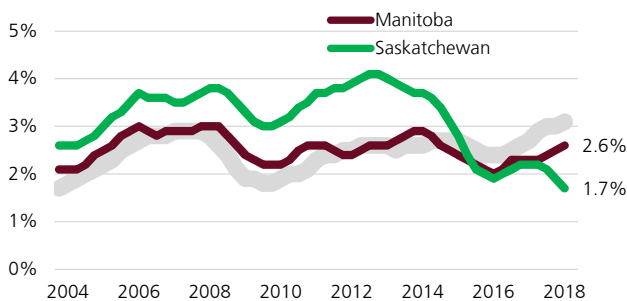
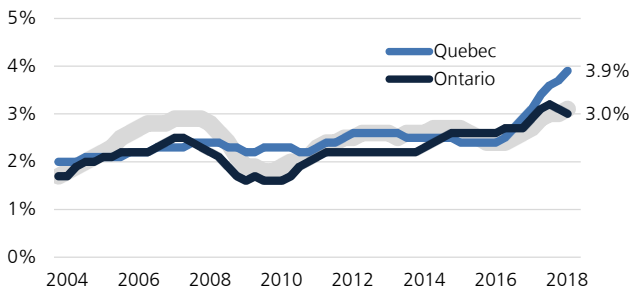
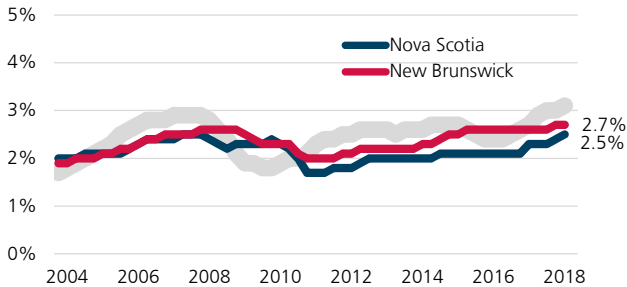
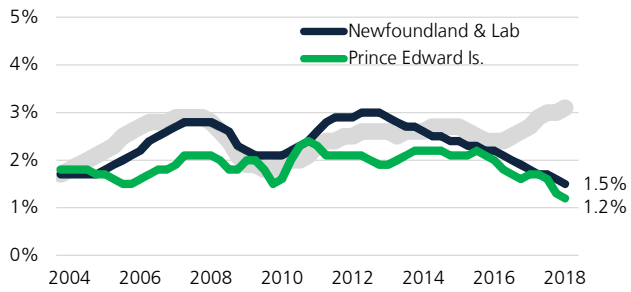
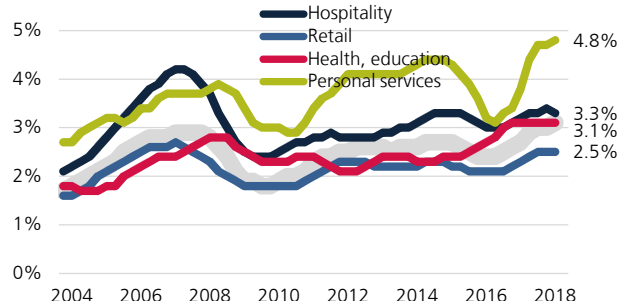
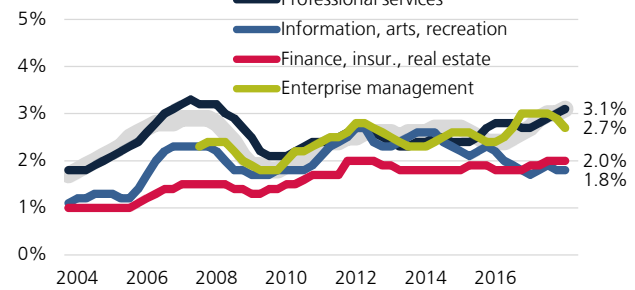
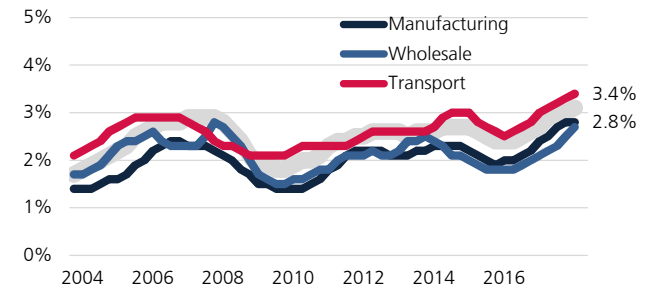
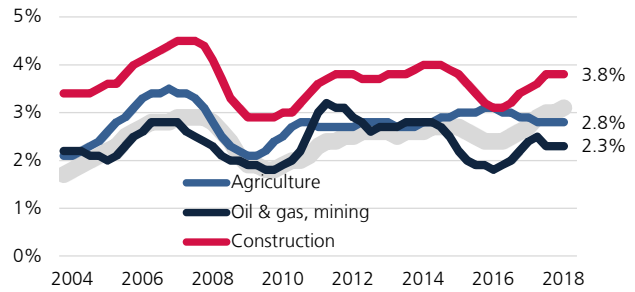


Figure 5: **Vacancy rates by industry**



Notes: methodology and data quality

The current results are based on 2,194 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-11 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/180712/dq180712a-eng.htm>