

Help Wanted

Private sector job vacancies, Q4 2018

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The fourth quarter of 2018 saw a slight easing in Canada's private sector job vacancy rate. The latest estimates show that 3.1 per cent of jobs remained vacant in the final three months of the year, down 0.1 points from the revised 3.2 per cent estimate in the previous quarter. This is the first decline measured since Q2 2016.

CFIB's latest count represents roughly 409,000 private sector openings—about the same as in Q3, but nearly 41,000 more than we had seen a year earlier. Despite the easing of the rate, the trend pattern shows labour markets remain tight by historical standards.

The labour market in Quebec, by far, continues to be the tightest in the country with its vacancy rate holding steady at 3.9 per cent. Conditions in BC are almost as tight, with the vacancy rate there at a stable 3.5 per cent. Ontario also showed no change at the national average rate of 3.1 per cent.

Vacancy rates declined in four provinces, dropping in Manitoba to 2.4 per cent and in Alberta to 2.3 per cent. In the East, Nova Scotia's rate fell to 2.2 per cent while it dropped to the nation's coolest 1.5 per cent rate in Newfoundland & Labrador. There was no change registered in the remaining provinces of New Brunswick (2.7 per cent), Saskatchewan (1.9 per cent) and Prince Edward Island (1.8 per cent).

Among broad industry groupings, the picture showed some divergence, with vacancy rates advancing slightly in agriculture, construction and wholesale trade, while falling back in resources, manufacturing, professional services and personal services. There was no change in other sectors.

Vacancies also continued to put pressure on wages, but to a slightly lesser degree than in earlier quarters. Employers with at least one vacancy expect to push average organization-wide wage levels up by 2.3 per cent—versus an average 1.6 per cent gain planned by businesses without any job openings.

Figure 1: Job vacancy rates

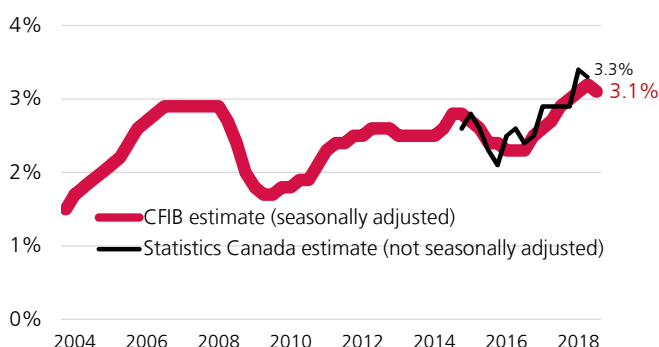


Figure 2: Vacancy rates by size of business

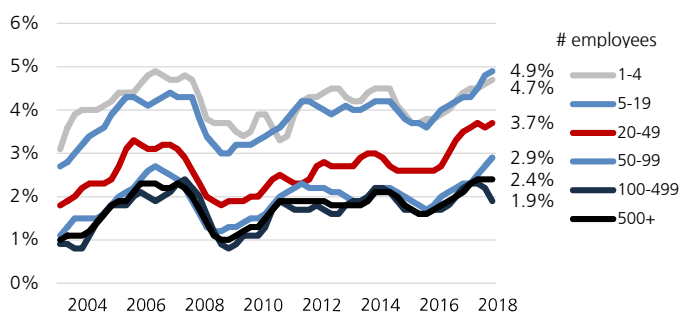


Figure 3: Average 12-month planned wage increases among businesses with and without job vacancies

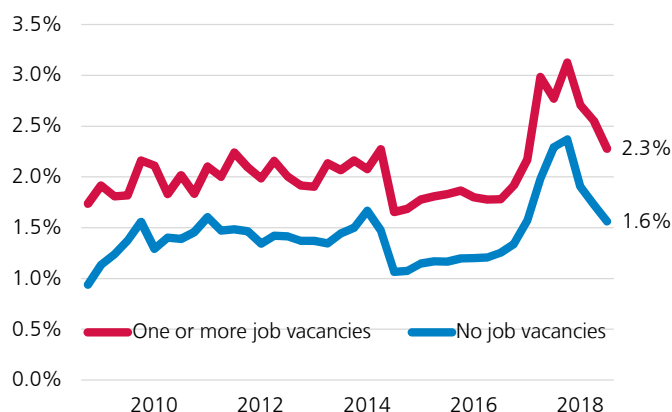


Table 1: Private sector job vacancies by province, Q4 2018

	Rate*	Change**	Number
Canada	3.1%	-0.1%	409,300
Newfoundland & Lab .	1.5%	-0.1%	2,200
Prince Edward Island	1.8%		800
Nova Scotia	2.2%	-0.1%	6,700
New Brunswick	2.7%		6,200
Quebec	3.9%		112,000
Ontario	3.1%		160,600
Manitoba	2.4%	-0.1%	10,500
Saskatchewan	1.9%		6,600
Alberta	2.3%	-0.1%	37,100
British Columbia	3.5%		66,600

* Vacancies as a percentage of filled and unfilled jobs

** Change in rate from the revised previous quarter

Figure 4: **Vacancy rates by province**

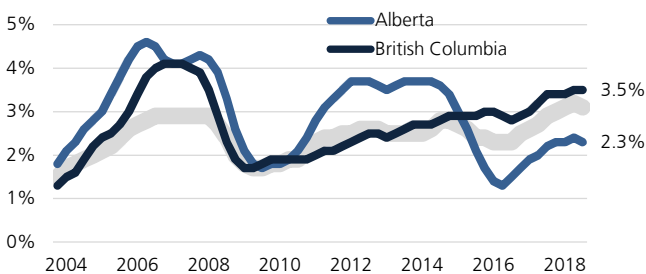
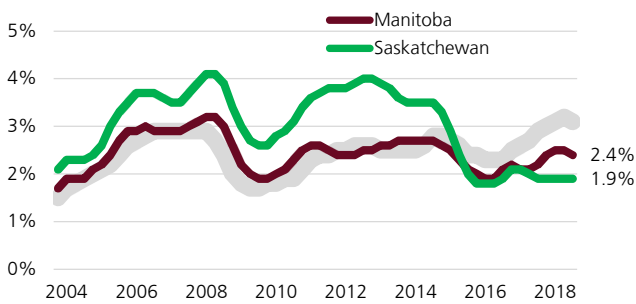
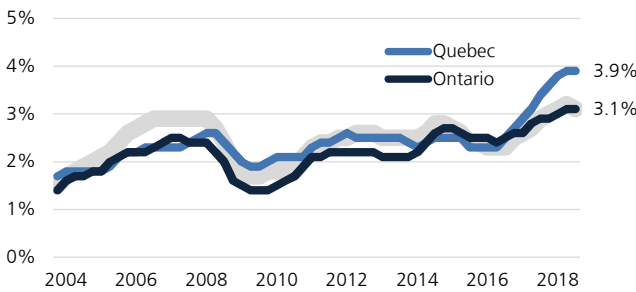
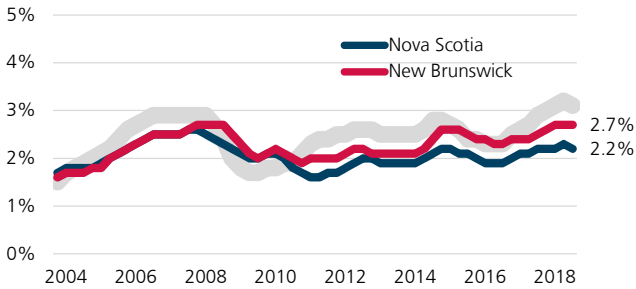
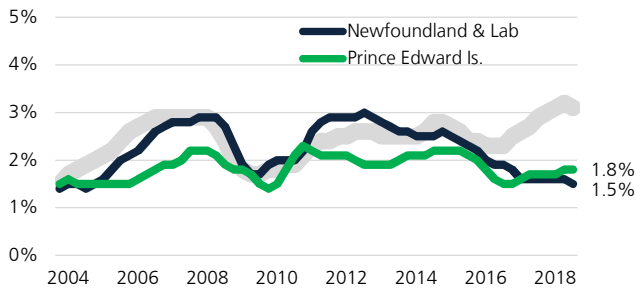
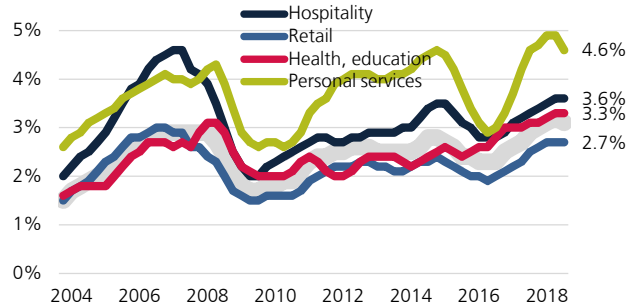
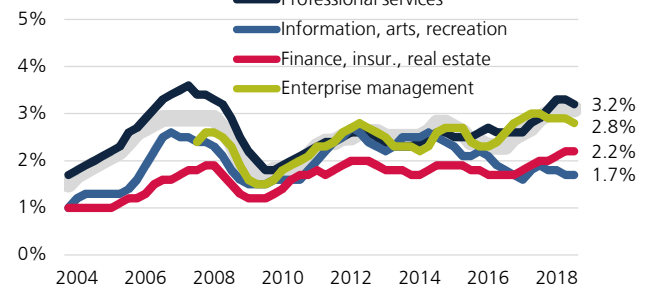
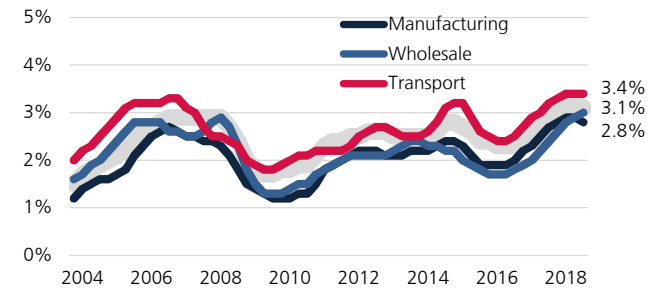
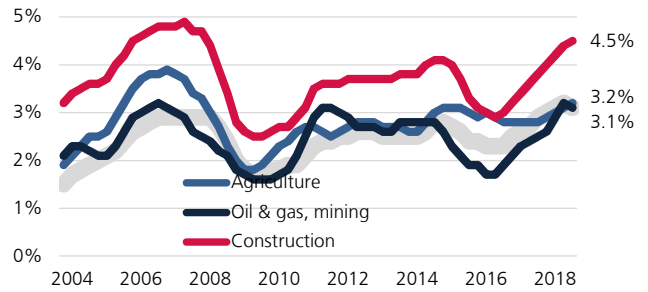


Figure 5: **Vacancy rates by industry**



Notes: methodology and data quality

The current results are based on 2,121 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/190109/dq190109a-eng.htm>