

# Help Wanted

## Private sector job vacancies, Q1 2019

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Private sector job vacancies in Canada reached a new high in the first quarter of 2019. The vacancy rate hit 3.3 per cent in Q1, up from a revised 3.2 per cent in Q4 2018. The rate of growth, however, appears to be slowing. The current reading is only 0.2 per cent higher than Q1 2018, whereas the gain was 0.6 per cent in the one year after Q1 2017.

CFIB's latest count represents roughly 435,000 private sector unfilled openings, almost 13,000 more than in the final quarter of 2018--which in turn had been revised upward because of stronger-than-expected growth in payroll employment.

Although the national vacancy rate appears to be steady, there are wide variations by industry. Construction sector vacancies are substantially higher than average, reaching 4.9 per cent in Q1--equalling pre-financial crisis levels of 2007. Personal services sector businesses face almost the same vacancy rates at 4.7 per cent. Both sectors have a high proportion of micro businesses, which structurally tend to struggle more with vacancies. Most other sectors saw an increase in vacancy rates in Q1 with the exception of oil and gas (2.3 per cent), Manufacturing (3 per cent), Finance-insurance-real estate (2.1 per cent) and information-arts-culture (1.9 per cent)--which saw no change.

The tightening was seen in most parts of the country. Quebec's labour market remained the most difficult for recruiters, with a 4.1 per cent vacancy rate. BC's (3.6 per cent) and Ontario's (3.3 per cent) were also above or at the national average. Bucking the national trend, there was a slight drop-off in Nova Scotia (2.3 per cent) and Alberta (2.1 per cent). With the exception of Newfoundland & Labrador, vacancies appear to be a bigger problem for skilled positions rather than semi- or unskilled, but the differences are narrowing.

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 expected to push average organization-wide wage levels up by 2.2 per cent in Q1--versus an average 1.3 per cent gain planned by businesses without any job openings.

Table 1: Private sector job vacancies by province, Q1 2019

	Rate*	Change**	Number
Canada	3.3%	0.1%	434,500
Newfoundland & Lab	1.9%	0.1%	2,800
Prince Edward Island	1.8%	0.1%	900
Nova Scotia	2.3%	-0.1%	7,000
New Brunswick	2.8%		6,600
Quebec	4.1%	0.1%	120,800
Ontario	3.3%	0.1%	174,800
Manitoba	2.4%		10,400
Saskatchewan	2.3%	0.1%	8,000
Alberta	2.1%	-0.1%	33,800
British Columbia	3.6%	0.1%	69,400

\* Vacancies as a percentage of filled and unfilled jobs

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

Figure 1: Job vacancy rates

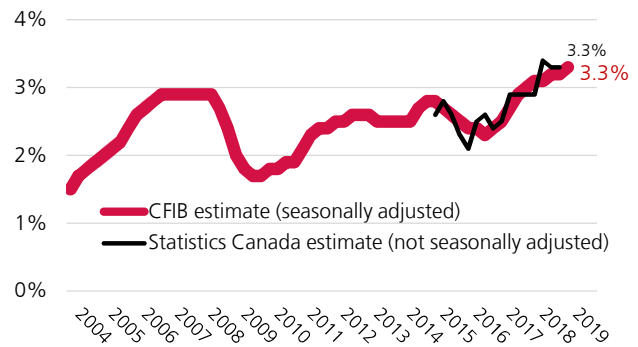


Figure 2: Vacancy rates by size of business

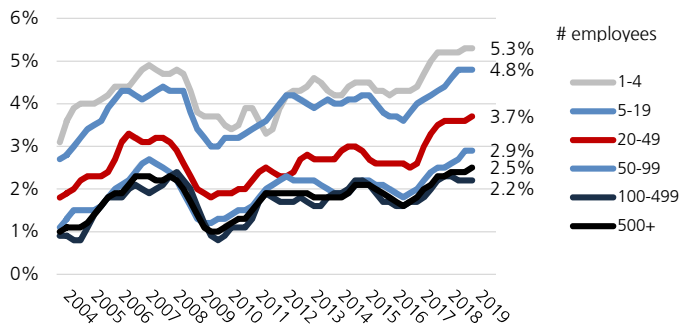


Figure 3: Average 12-month planned wage increases among businesses with and without job vacancies

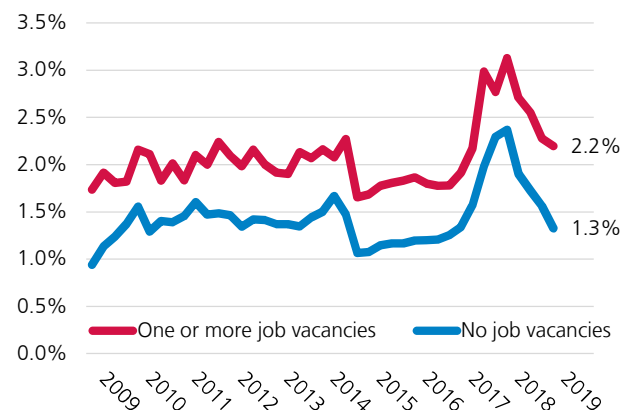


Figure 4: Vacancy rates by province

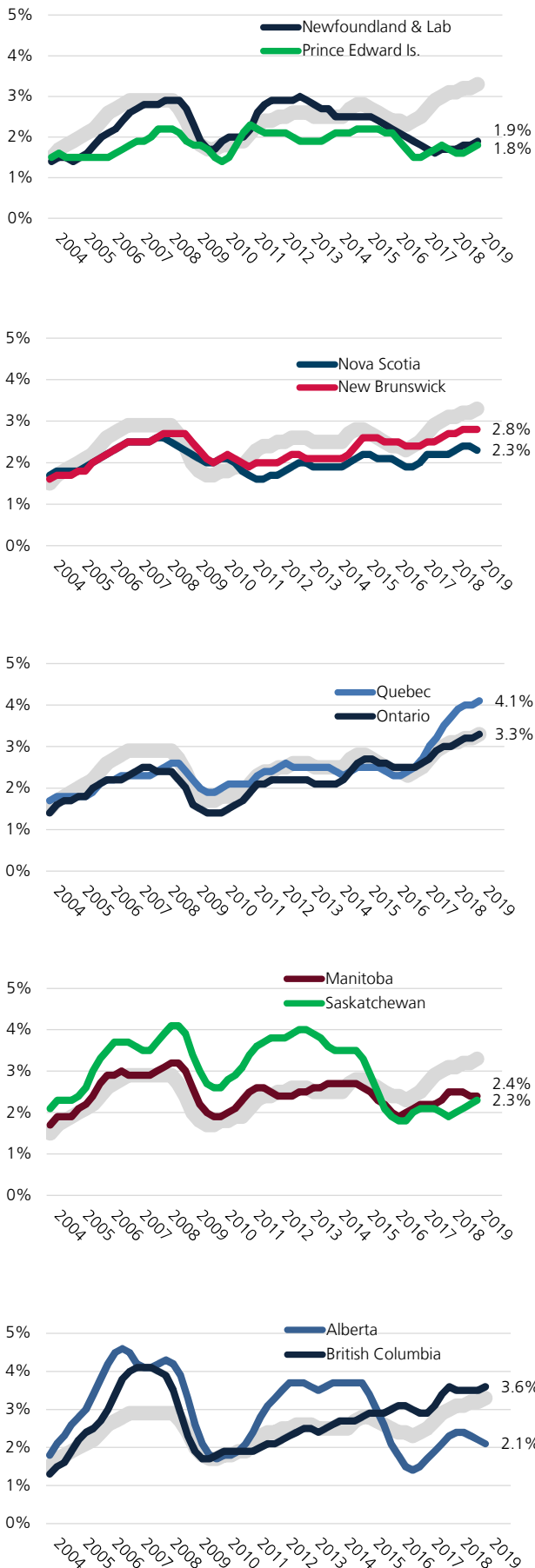


Figure 5: Vacancy rates by industry

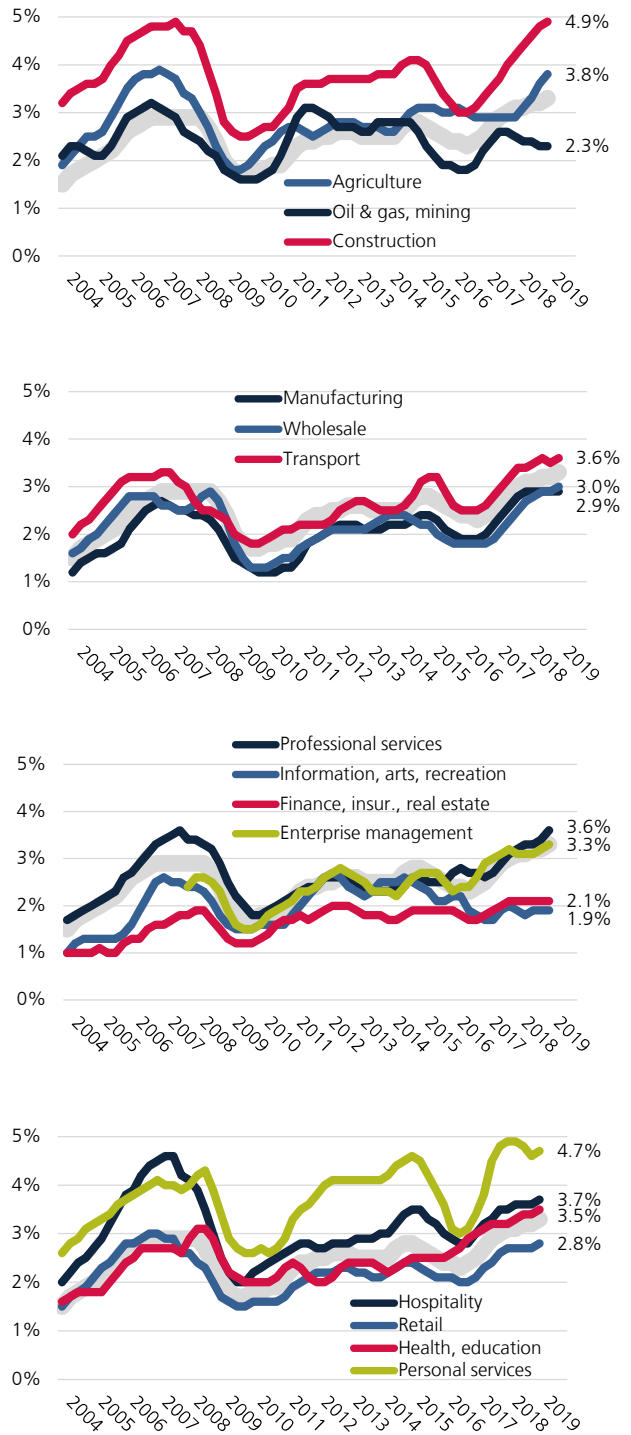
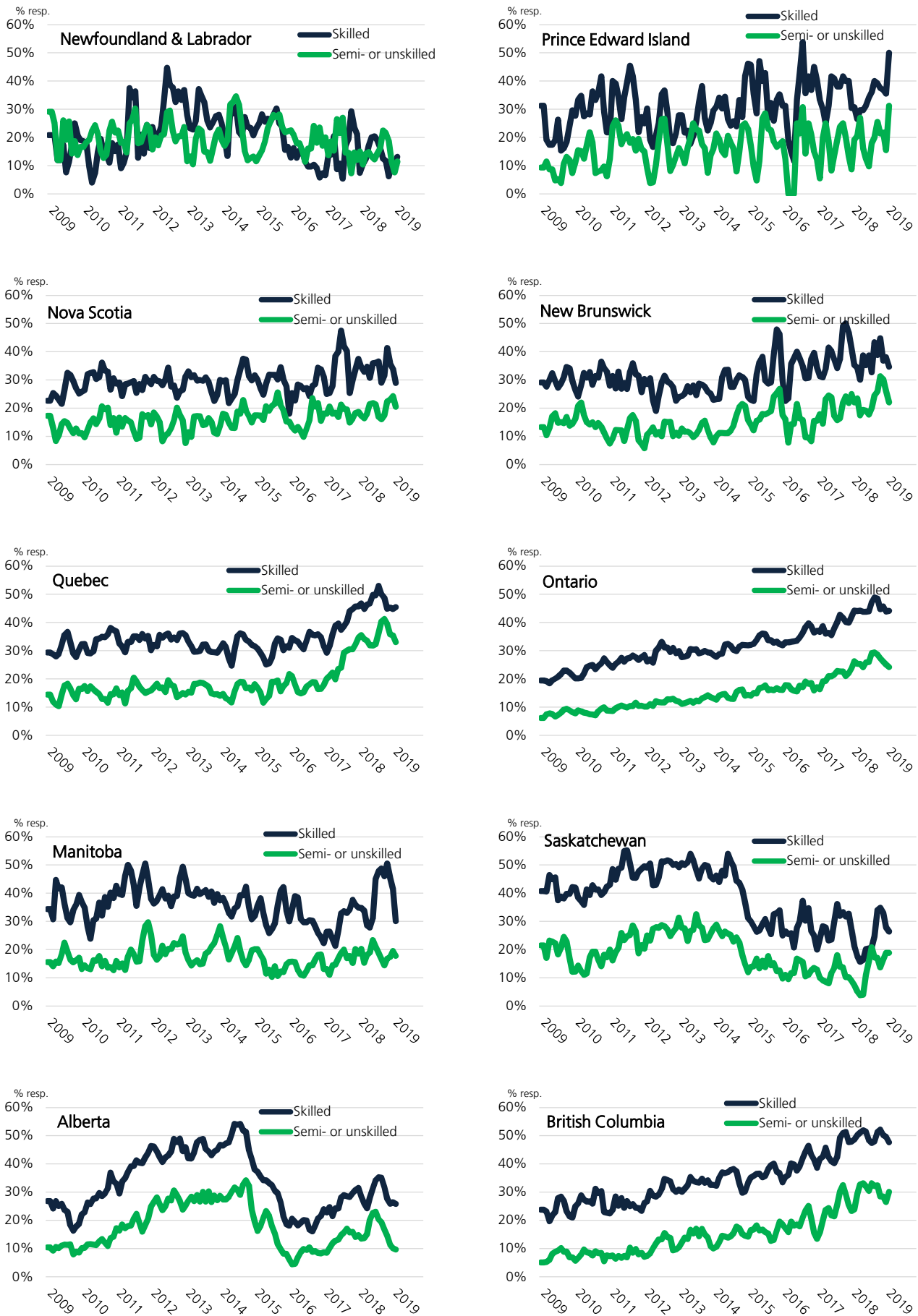


Figure 6: Labour shortage concerns by job skill level (3-mth moving averages)



**Notes: methodology and data quality**

The current results are based on 2,376 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/190325/dq190325a-eng.htm>