

# Help Wanted

## Private sector job vacancies, Q2 2020

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Canada's private sector job vacancy rate saw a steep drop in Q2 2020. The average rate fell to 2.5 per cent from the 3.3 per cent rates that had been steady through most of 2019 and into the early part of this year. COVID-19 and the economic shutdown caused a sharp 14 per cent drop in private sector jobs in the latest quarter and an even greater 39 per cent drop in vacancies as businesses struggled to rebalance their operations. Estimated vacancies totaled 270,100 in Q2, down from 439,500 in the previous quarter.

Results were similar within all provinces and industry groupings, with those with the highest vacancy rates in the past generally seeing the biggest declines. Vacancy rates in Quebec, Ontario and Nova Scotia recorded rate reductions of close to 1 per cent. Reductions were less in the Prairie Provinces, where labour markets were already in a weaker state. Rates remained highest in Quebec (3.3 per cent), British Columbia (2.8 per cent) and New Brunswick (2.7 per cent).

The largest declines by industry included transportation, personal services and wholesale trade. Sectors, though with larger shares of very small enterprises still tend to display higher vacancy rates than average.

It should be noted that these data aim to reflect long-term job vacancies that have persisted for at least four months with each workplace. They would not, therefore, directly address questions over short-term work-disincentive effects of the Canada Emergency Response Benefit (CERB).

The drivers of longer term vacancies are more significantly determined by future outlooks, growth intentions, business size and firm-specific job characteristics. Vacancies also continue to be a strong influence on wages. Employers with at least one vacancy expect to push average organization-wide wage levels up by 1.0 per cent in Q2—versus a 0.3 per cent gain planned by businesses

Figure 1: Job vacancy rates

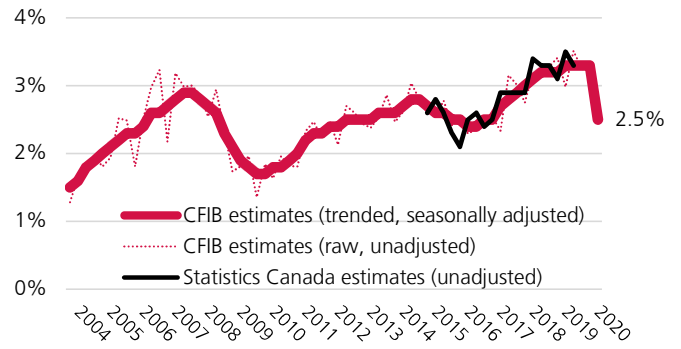


Figure 2: Vacancy rates by size of business

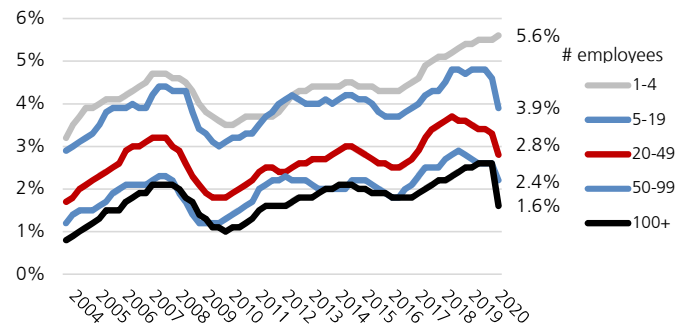


Figure 3: Average 12-month planned wage increases among businesses with and without job vacancies

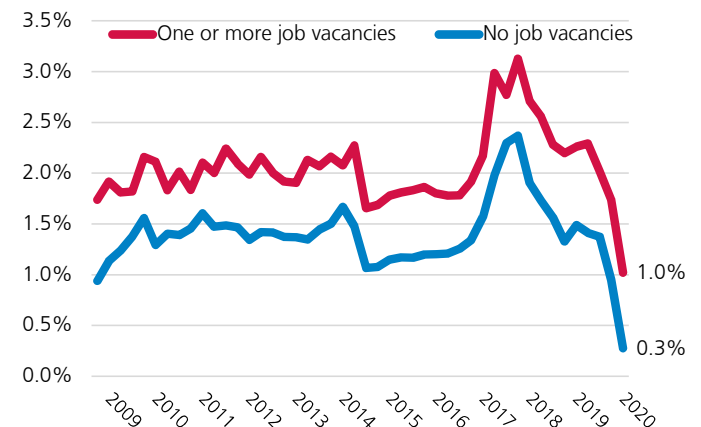


Table 1: Private sector job vacancies by province, Q2 2020

	Rate*	Change**	Number
Canada	2.5%	-0.8%	270,100
Newfoundland & Lab .	1.6%	-0.7%	1,900
Prince Edward Island	2.3%	-0.4%	900
Nova Scotia	2.0%	-0.9%	5,100
New Brunswick	2.7%	-0.7%	5,600
Quebec	3.3%	-1.0%	82,300
Ontario	2.2%	-1.0%	97,800
Manitoba	2.2%	-0.5%	8,500
Saskatchewan	1.7%	-0.5%	4,900
Alberta	1.7%	-0.4%	22,100
British Columbia	2.8%	-0.7%	41,000

\* Vacancies as a percentage of filled and unfilled jobs

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

Figure 4: Vacancy rates by province

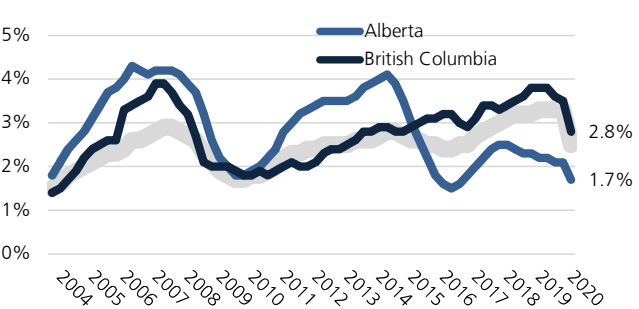
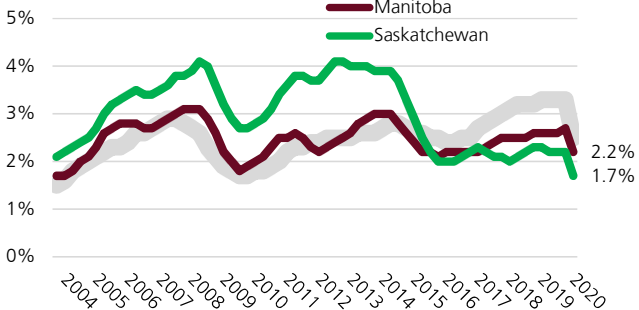
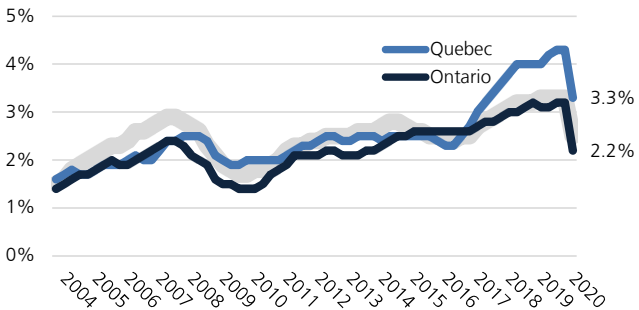
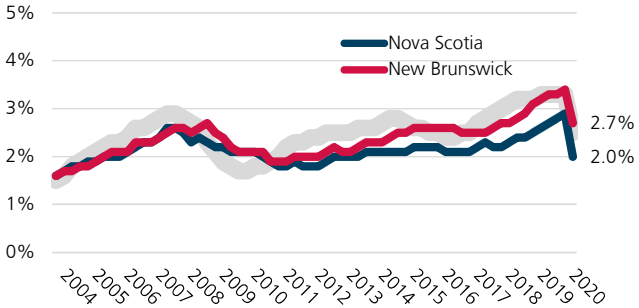
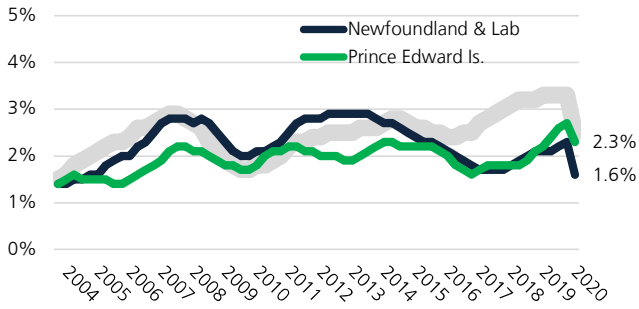
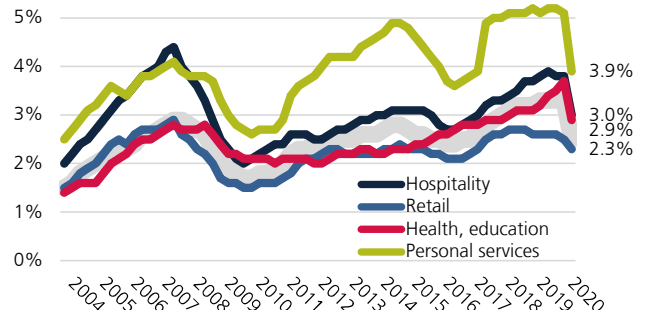
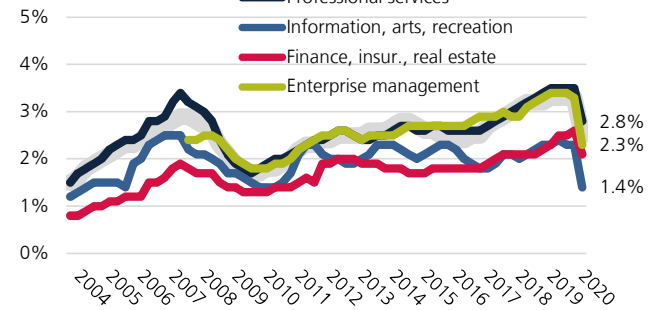
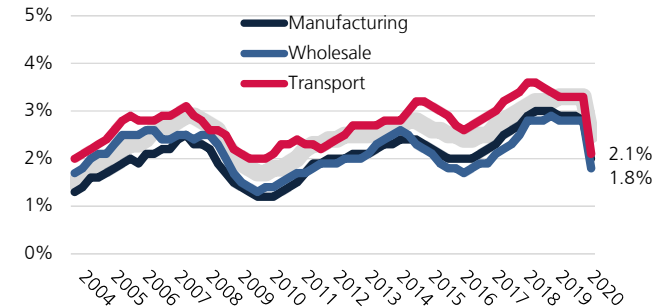
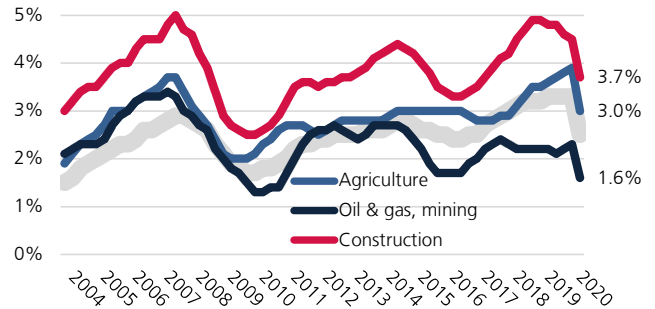
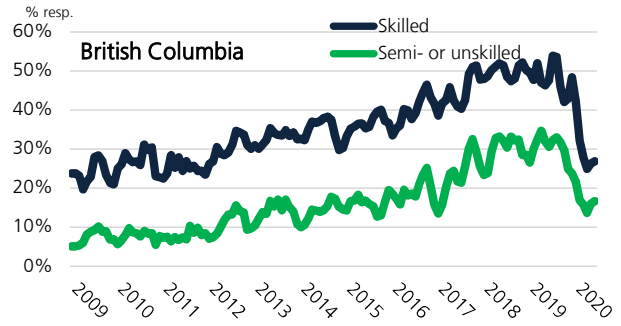
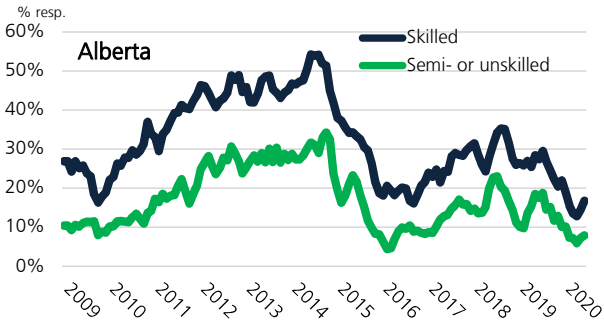
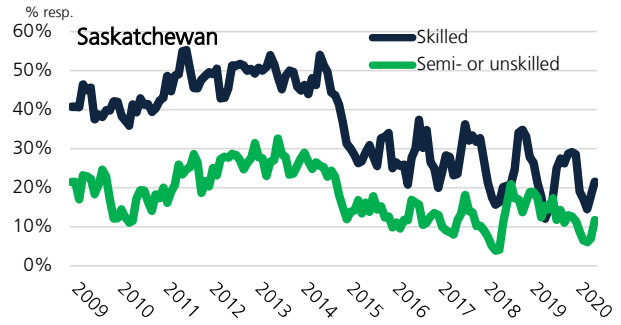
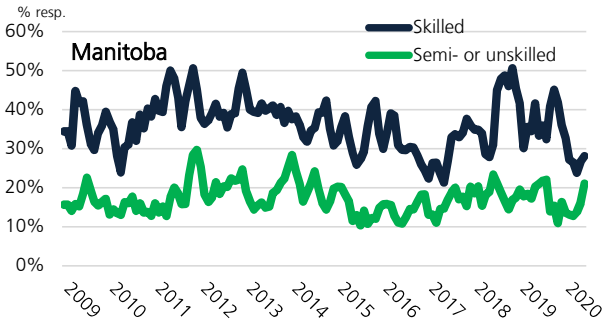
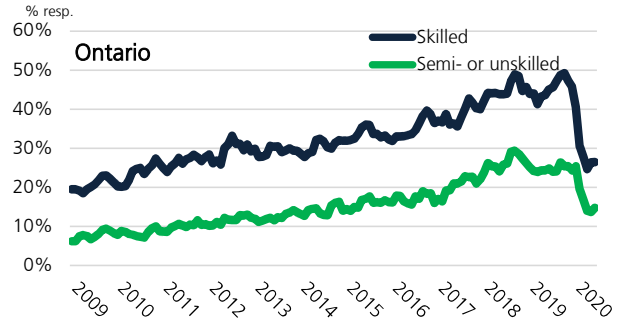
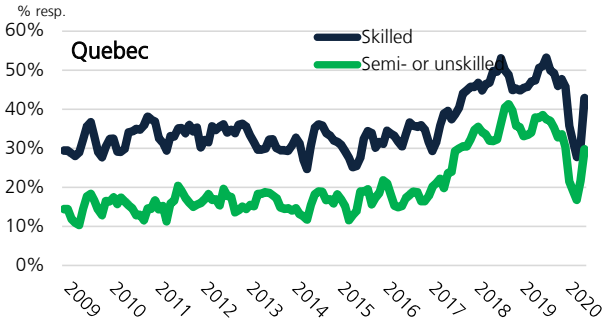
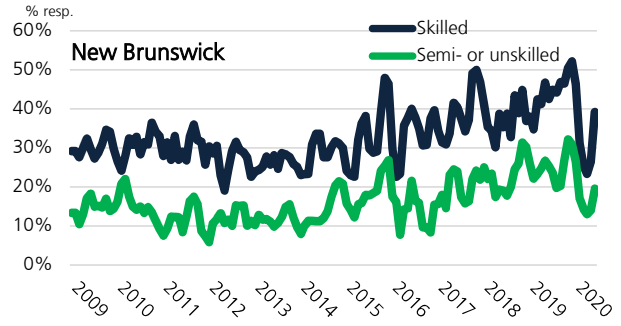
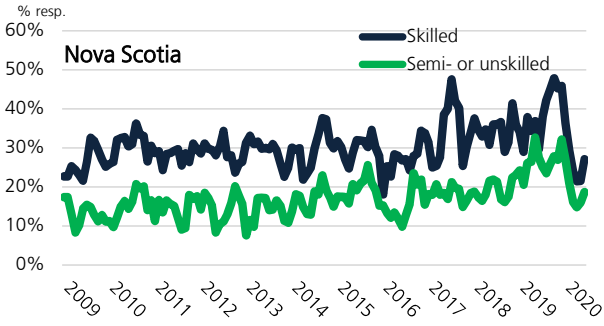
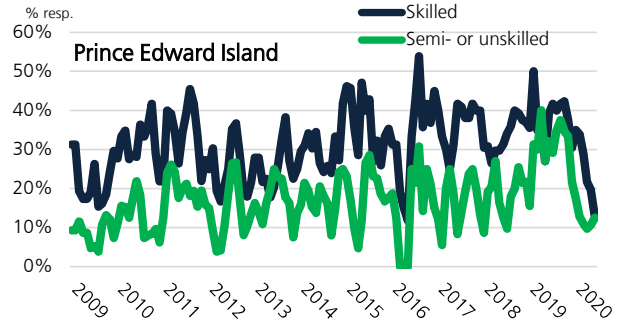
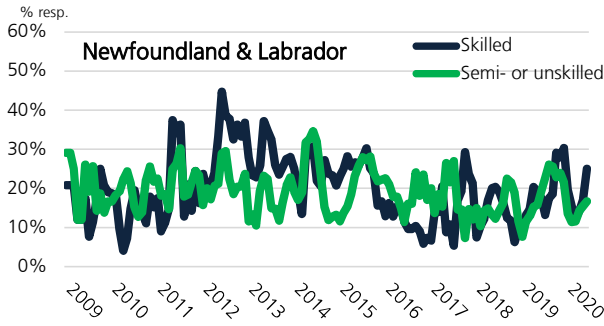


Figure 5: Vacancy rates by industry



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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 6,489 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.

Aggregate employment and vacancies are 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. The large survey response collected in Q2 2020, however, allowed us to present raw unsmoothed for that quarter, to more accurately reflect the employment shock from COVID.

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/191217/dq191217b-eng.htm>