The number of vacant positions is down

Since the beginning of 2011, Statistics Canada has added two questions on vacant positions to its Business Payrolls Survey. The questions are designed to establish whether any positions were vacant on the last business day of the month and, if so, how many.

While the data series is fairly limited, we can still start to draw some conclusions from it. Two caveats are in order, however. On one hand, the series published by Statistics Canada are, in fact, a moving average based on three months of results. This is not a bad thing, given how volatile employment statistics are. On the other, because the history is too short, the data cannot be seasonally adjusted. Under these circumstances, each observation must be compared, not with the previous month, but rather with the equivalent period a year earlier.

According to the results released by Statistics Canada, the number of vacant positions in February was 209,900, down 25,600 positions from the same time in 2012. This is, of course, not good news for unemployed people who are looking for work. The ratio of unemployed to vacant positions went from 5.9 jobless per vacant position in February 2012 to 6.5 in February 2013, up by 0.5 over one year.

Implications: As the graph below shows, the increases in the jobless to vacant position ratios seen in January and February contrast sharply with the reductions noted throughout 2012. Clearly, it is getting harder for an unemployed person to find a job within the pool of vacant positions.

This is an additional indication that the job market is deteriorating. Note that job creation has flagged in recent months, particularly in the private sector. The labour market’s fairly tepid progress is consistent with the more subdued economic growth, while the annual change in real GDP fell to just 1.1% at the end of 2012. Under these conditions, the Bank of Canada should take its time before raising its key interest rates and the status quo should persist until the fall of 2014.

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