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Every month, Statistics Canada publishes dozens of statistical data releases and analytical insights as part of its mission to help Canadians better understand their country. These statistics illuminate the trends affecting those living in Canada, and the interrelated dynamics of the Canadian economy. Trends or shocks in any economic sector reverberate to other sectors: between spending and production, between jobs and prices, across industries and geographies. These dynamics have been especially strong during the period of economic turbulence triggered by the COVID-19 pandemic, which has highlighted the value of timely, granular statistics for understanding Canadian society.

The [Canadian Economic Tracker](#), released on May 16, 2023, is a new data visualization tool combining selected monthly indicators of economic activity from Statistics Canada's Common Output Data Repository into a unified, customizable interface. The tracker currently includes six indicators: business openings and closures, employment and weekly earnings, job vacancies and vacancy rates, gross domestic product, the Consumer Price Index, and the Industrial Product Price Index. Each new data release for these series is automatically incorporated into the Canadian Economic Tracker, ensuring that the statistics remain timely and up to date.

The Canadian Economic Tracker brings together the work of numerous program areas within Statistics Canada, in terms of both the underlying data being displayed and the collaboration that led to its creation and design. The visualization interface facilitates comparisons across economic indicators and disaggregation by industry, product category and geographic area. This project reflects the principle that integrating information across fields of economic activity strengthens one's ability to understand the Canadian economy and its evolving dynamics.

This article is the first in a series that will uncover insights from the Canadian Economic Tracker. These articles will explore and interpret the trends affecting Canadians as economic activity continues to rebound from the pandemic.

Labour market imbalances persist, but vary across industries

Sizable imbalances between labour demand and supply have been a persistent feature of the recovery from the pandemic since economic activity began ramping up steadily in the second half of 2021. Despite the addition of 1.4 million payroll jobs from mid-2021 to the spring of 2022, job vacancies—before adjusting for seasonality—rose above the one-million mark from April to June 2022, as challenges around worker recruitment and retention remained widespread. While robust job gains in more recent months have been accompanied by a gradual easing in the number of unfilled positions, total vacancies remain well above pre-pandemic levels, as the ratio of unemployed workers to total vacancies—a key indicator of labour market tightness—remains near historic lows.¹

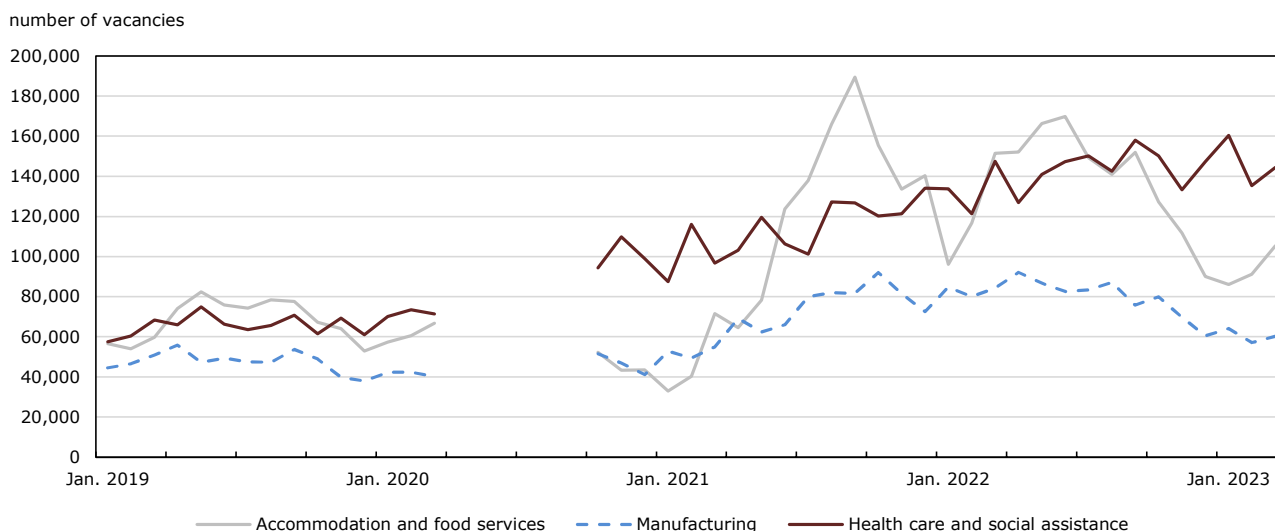
1. For additional background, see [The Daily — Payroll employment, earnings and hours, and job vacancies, March 2023 \(statcan.gc.ca\)](#) and [The Daily — Job vacancies, fourth quarter 2022 \(statcan.gc.ca\)](#).

Unmet labour demand eases in accommodation and food services and in manufacturing

Changes in total vacancies over the past year can obscure important differences at the industry level, where employers and workers continue to adjust to specific pressures. Easing vacancies in client-facing sectors, such as accommodation and food services, and in trade-intensive sectors, like manufacturing, contrast with the continued buildup of labour demand in public sector services, notably health care and social assistance. What follows is a brief overview of recent employment and output trends in these sectors.

Over the past year, fewer businesses in accommodation and food services and in manufacturing have reported challenges related to recruitment and retention, and hiring intentions in both sectors have begun to scale back (Chart 1).² After remaining in or near double digits for five consecutive quarters, the job vacancy rate in accommodation and food services fell to 7.8% in late 2022, still over three percentage points above its pre-pandemic level.³ Increases in offered wages from late 2021 to late 2022 in this sector (+5.4%) have lagged behind the economy-wide average (+8.5%). The total number of vacancies in accommodation and food services has declined sharply since mid-2022, falling to 90,000 by year end, and has remained near that mark in early 2023.⁴

Chart 1
Job vacancies, selected industries



Notes: Data on job vacancies are not available from April 2020 to September 2020. Data are not adjusted for seasonality.

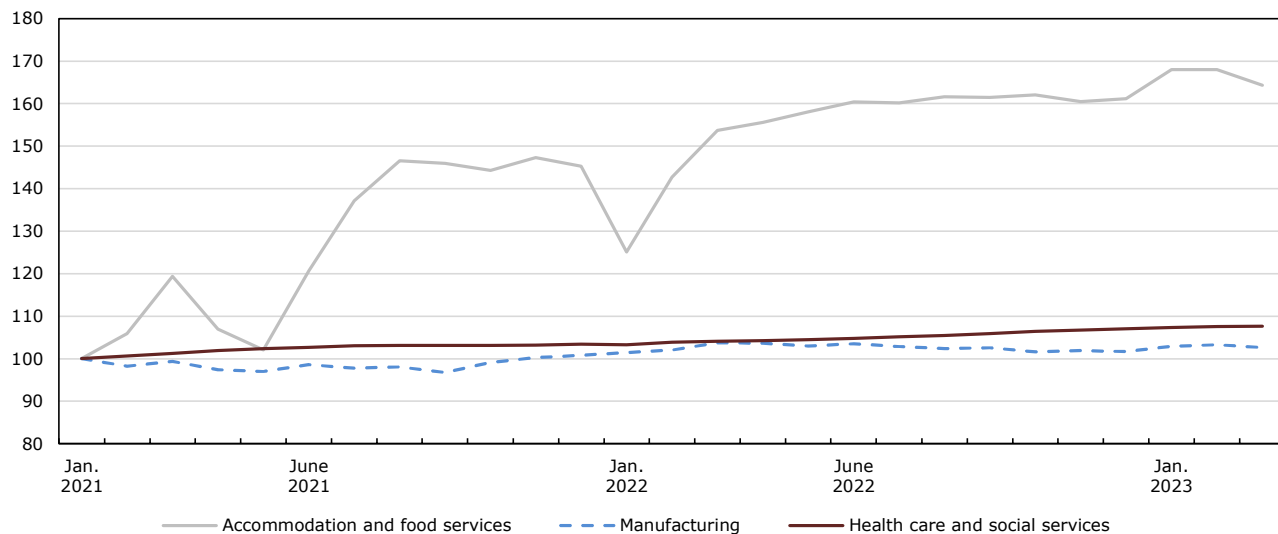
Source: Statistics Canada, Canadian Economic Tracker.

2. Data on near-term business expectations are available at [The Daily — Canadian Survey on Business Conditions, first quarter 2023 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/76-20-0102023001-eng.htm).
3. Adjusting for seasonality, the job vacancy rate in accommodation and food services was 8.5% during the fourth quarter of 2022.
4. At the time of writing, vacancy data are available for reference month March 2023.

Changes in employment and output in accommodation and food services have diverged in recent months. Payrolls have continued to trend higher, albeit at a more moderate pace, while output slowed during the second half of 2022, as higher prices weighed on discretionary spending (Chart 2).⁵ Business openings have held steady as borrowing and debt-servicing costs have risen.

Chart 2
Gross domestic product, selected industries

index (January 2021=100)



Source: Statistics Canada, Canadian Economic Tracker.

While labour-related challenges in manufacturing have also eased, elevated input and transportation costs remain key obstacles as supply chain disruptions continue to unwind.⁶ The job vacancy rate in manufacturing declined to 4.3% in late 2022, down about one percentage point from peak levels earlier in the year, but 1.7 percentage points above its pre-COVID-19 benchmark. After trending lower during the second half of 2022, vacancies in manufacturing totalled about 60,000 by year end and remained near that level in early 2023.

As with accommodation and food services, output has moderated as labour market conditions have improved. Manufacturing payrolls edged higher in late 2022 as hiring intentions scaled back, with moderate job gains offsetting weaker hiring during the summer months. At the same time, factory output has slowed, with real volumes decreasing in four of the last six months of 2022, as business openings moderated.

Little sign of vacancies easing in health care and social assistance

During the past year, there has been little change in the number of health care and social assistance organizations reporting labour-related obstacles. Over 4 in 10 organizations in health care and social assistance anticipate near-term challenges recruiting skilled workers, while one-third expect difficulties

5. Activity in accommodation and food services rallied in early 2023, supported by higher sales in full- and limited-service restaurants. Industry-level data on payroll employment, business dynamics and gross domestic product by industry are all available in the [Canadian Economic Tracker](#).

6. One-half of all manufacturers expect high transportation costs to be a challenge in the coming months, similar to levels reported in early 2022.

retaining their employees.⁷ Unlike in other sectors, vacancies in health care and social assistance have held steady at elevated levels as payrolls have risen.

Payrolls in health care and social assistance rose steadily during the last four months of 2022 and were 134,000 above their pre-COVID-19 benchmark (a net gain second only in magnitude to professional, scientific and technical services). The job vacancy rate in health care and social assistance, at 6%, remains twice its pre-pandemic level. The number of unfilled health care positions (+96,200) has continued to edge higher, led by increased demand for registered nurses and registered psychiatric nurses; licensed practical nurses; and nurse aides, orderlies and patient service associates. Since late 2021, increases in offered wages in health care and social assistance (+8.2%) have been in line with the economy-wide average. Total vacancies in health care and social assistance, before adjusting for seasonality, reached 160,000 in January 2023, before edging lower in February and March.

Vacancies and educational requirements

The tabulations above illustrate how the [Canadian Economic Tracker](#) can be used in combination with other data sources to develop sector-specific profiles. A concurrent analysis by Morissette (2023) yields new insights into current labour market imbalances by examining the extent to which the number of unfilled positions requiring a given education level compares with the number of unemployed individuals with such education. The author finds no evidence that unfilled positions requiring higher levels of education reflect a lack of highly educated job searchers. On the contrary, the number of highly educated unemployed individuals exceeds the number of these positions in nearly all economic regions. This finding suggests that a lack of concordance between the skills required in these positions and the skills possessed by job searchers plays an important role. The inverse is true for vacancies with low educational requirements, with unmet demand exceeding labour supply in most parts of the country.

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7. These figures are in line with those reported in accommodation and food services and in manufacturing.

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Morissette, R. 2023. [Unemployment and job vacancies by education, 2016 to 2022 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/36-28-0001/2023001/article/00005). Economic and Social Reports. Catalogue no. 36-28-0001, Volume 3, Issue 5. Ottawa: Statistics Canada.