

COLLECTIVE BARGAINING BULLETIN



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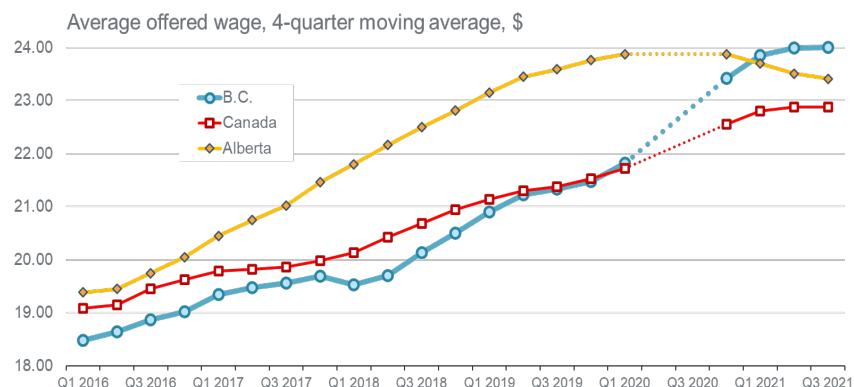
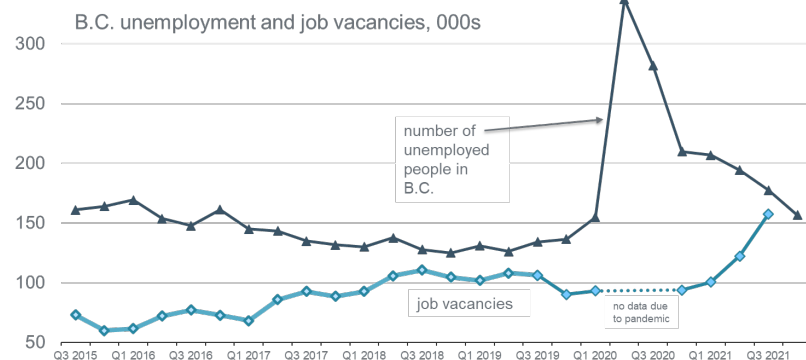
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WAGE PRESSURES RISING AMID A TIGHTER LABOUR MARKET

As the economy continues to recover from the pandemic shock hiring workers is becoming more difficult for many employers. And these challenges will only increase as the labour market “normalizes”.

The number of job openings has climbed sharply over the past year. Just prior to the pandemic there were an estimated 90,000 vacant jobs in B.C. In mid 2021 vacancies started to rise and by the third quarter had jumped to nearly 160,000. The sharp upturn reflects growth and new job creation in some sectors as well as business resumption and the need to fill furloughed positions on other industries.

At the same time the number of unemployed people in the province has fallen as more people return to work and the economy adjusts. By the end of the year, the unemployment rate had dropped to 5.3%, just slightly higher than at the start of the pandemic. This means that in December there were 160,000 people looking for work.



Source: Statistics Canada, Table 14-10-0325-01 and 14-10-0287-01.

The most recent job vacancy data are for Q3 of last year. At that time the number of unemployed exceeded vacancies. But as the figure suggests, by the end of the year there was probably just one unemployed person for every job opening. At the start of the pandemic the ratio of unemployed to job vacancies was 1.5 to 1 and back

in early 2016 it was more than 2.5 to one.

Tighter labour market conditions are also evident in upward wage pressure. In B.C. the average offered wage rate across all job vacancies is now above the Canadian benchmark and at \$24.00 is the highest of any province.