



## Highlights

- Both short-term and long-term small business confidence indices fell again in August
- B.C. employers add positions for 13th straight month
- Services sectors continue expansion
- Small business confidence slides in July

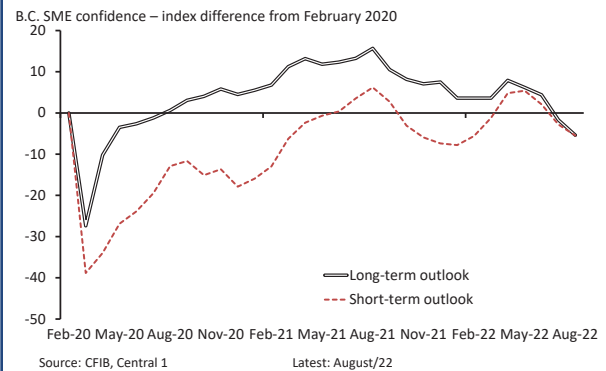
## SME confidence continues to slide in August

Ivy Ruan, Economic Analyst

August small and medium enterprise (SME) Business Barometer readings were released this week by the Canadian Federation of Independent Business and pointed to eroding confidence in B.C. Both the short-term (3 months) and long-term confidence (12 months) readings fell again, with the former down to 46.7 points (down 2.7 points m/m and 11.7 points y/y) and the latter at 50.8 points (down 3.7 points m/m and 21.1 points y/y). This marked the fourth consecutive months' decline for short-term index and the third consecutive decrease for long-term index, suggesting a continued deterioration of forward expectations for business performance. While some of this downtrend likely reflects the benefits of a comparatively strong growth performance over the past year in the province, factors such as slowing demand, a housing recession, high inflation and interest rates are contributing to the slide. Provincially, B.C. index was among the lowest in the country with a national reading of short-term 50 points (up 3 points m/m) and long-term 53.5 points (unchanged m/m).

Average capacity utilization edged down to 77 per cent in August, following July's 78 per cent and remaining stable. That said, more SMEs surveyed (21 per cent) reported plans to reduce full-time staffing plans, and fewer business owners considered themselves in a good state of business health (35 per cent). With inflationary pressures and rising wages, business growth will in part be constrained by labour shortages in the foreseeable future. Meanwhile, concerns over fuel and energy costs moderated given lower prices observed globally in August.

## Short and long-term SME both fell again in August



## Employment numbers up in June with wages back up. Vacancies rise

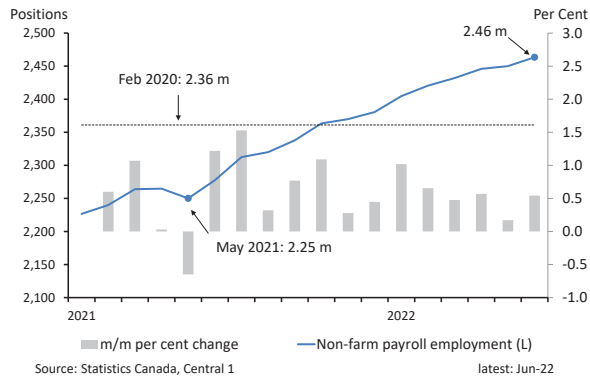
Alan Chow, Business Economist

B.C. employers added to payrolls for a 13th straight month in June according to the latest Survey of Employers, Payrolls and Hours (SEPH) data, which aligned with employment growth in the Labour Force Survey. Total payroll counts rose by 0.5 per cent or around 13,000 positions to reach a seasonally-adjusted 2.46 million positions. B.C.'s job vacancy rate also increased to 7.1 per cent, a level last seen in March and nearing the two-year high of 7.3 per cent seen in September 2021.

Job counts grew in all but three sectors: manufacturing, forestry, and public administration. Strong growth was seen in educational services (1.3 per cent or 2,300 positions), professional, scientific, and technical services (0.91 per cent or 1,600 positions), and administrative and support, waste management and remediation services (1.1 per cent or 1,200 positions). Even construction saw an increase of 0.9 per cent or about 1,600 positions, despite rising interest rates, which is continuing to slow down housing activity.

Overall, we continue to see strong growth in non-farm payroll through most of the sectors. Those most affected by the pandemic are still slow to recover, with arts, entertainment, and recreation and the accommodation and food services sectors still well below pre-pandemic levels, down 16.8 per cent and 8.4 per cent, respectively. Attracting workers in this area will likely continue to be difficult as many of these positions have traditionally been lower paying.

## B.C. non- farm payrolls rise again for 13<sup>th</sup> month in a row



Average weekly wages increased slightly this month, up 0.5 per cent. They are also up 4.5 per cent from a year ago. Not surprising with the increasing in employment numbers, the largest gains over the past year were seen in the professional, scientific, and technical services sector, which is up 14.6 per cent.

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