



## Highlights

- Payroll sizes continue to increase led by service producing industries in B.C.
- Both B.C. short- and long-term business confidence index fell in August

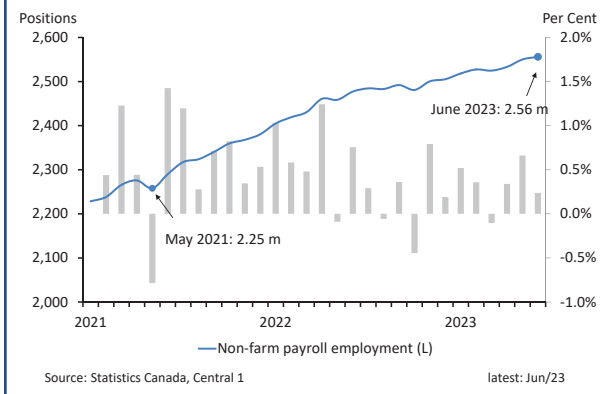
### B.C. payroll increases 0.2 per cent in June

Alan Chow, Business Economist

B.C. employers saw an increase to payrolls in June, which is the third consecutive month of increases after revisions. From the latest Survey of Employers, Payroll and Hours (SEPH), June reported a seasonally adjusted 0.2 per cent (6,060 positions) monthly increase, bringing the total job counts in B.C. to 2.56 million positions. On the other hand, the estimates from the Labour Force Survey (LFS) reported a marginal decrease in B.C. employment, with 2,600 fewer persons (0.1 per cent) employed during the same month. This slower growth is a positive for the Bank of Canada as it continues to fight inflation by tightening monetary policy. The seasonally adjusted job vacancy rate continues to fall in June and came in at 4.6 per cent, which represents 116,535 positions. This was the fourth consecutive month that the job vacancy rate declined, bringing it closer to vacancy rates seen before the pandemic.

Job increases in June were widespread, with service-producing industries showing a 0.3 per cent monthly growth, while goods-producing industries remained relatively stable. Construction (917 positions) and utilities (380 positions) led the way in the goods-producing sectors, but they were balanced by fewer positions in manufacturing (1,049 positions) and forestry (438 positions). The service-producing sectors were led by health care and social assistance (4,970 positions), professional, scientific and technical services (1,142 positions), and accommodations and food services (851 positions). Service-producing industries that saw fewer positions were the information and cultural industries (1,675 positions) as well as administrative and support, waste management and remediation services (310 positions).

### B.C. sees another increase in non-farm payrolls



On the wage front, seasonally adjusted average weekly earnings jumped 3.1 per cent to \$1,203.72 on a year-over-year basis, which is lower than last month's 4.0 per cent increase. Month-over-month, the average weekly earnings declined 0.3 per cent in June.

### B.C. small business confidence fell again in August

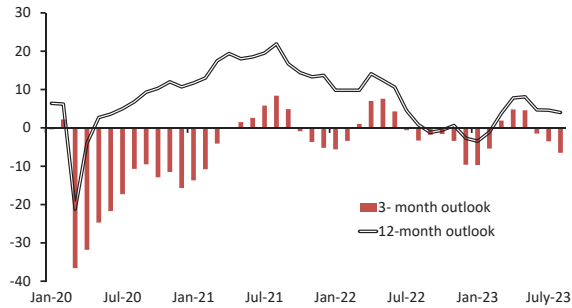
Ivy Ruan, Economic Analyst

The Business Barometer survey released this week by the Canadian Federation of Independent Business showed declining confidence amongst B.C. small- and medium-scale enterprises (SME). The long-term index fell to 54.0 points from the 54.6 points recorded in July, while the short-term three month index was down to 43.5 points from 46.5 points from the previous month, below the index's neutral benchmark of 50 points. B.C. continued to record the lowest short-term optimism reading amongst all provinces. Uncertain interest rate environment, persistent inflation and economic slowdown troubled many small business owners.

With regards to general business indicators, small businesses in B.C. reported their major cost constraints to be wage cost as well as tax/regulatory costs amongst other expenses. A shortage of skilled labour and insufficient domestic demand continued to top the lists of limitations on sales or production growth for B.C. small businesses. Meanwhile, 35 per cent of B.C. small businesses regard themselves to be in good business health, while 21 per cent report otherwise.

## Both the short- and long-term business confidence index fell in August

B.C. Small and medium sized business confidence – Deviation from 50



Source: CFIB, Central 1  
Latest: Aug/23

Moving gradually into the latter half of summer, 24 per cent of respondents reported plans to expand full-time staff. Yet 21 per cent of the business expected to see lower employment levels in the next three or four months.

On the national scale, long-term optimism edged up by 0.4 points in August while the short-term forecast dropped 1.2 points to 47.9. Despite short-term pessimism, a larger percentage of small businesses reported that they were in a “good” (35.9 per cent) or “satisfactory” (45.6 per cent) business situation in August compared to the previous month. Within business sectors, the hospitality sector showed the largest drop in long-term confidence index of 3.7 points to 59.0 points. The retail sector (47.1 points) continued to post the lowest business confidence in the next 12 months.

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