



## Highlights

- B.C. payroll counts were relatively unchanged in September
- International arrivals through B.C. rise again

## Dismal hiring trend continues as payroll count remains flat

Bryan Yu, Chief Economist

The tepid pace of B.C. hiring continued in September as payroll counts captured by the Survey of Employment, Payroll and Hours (SEPH) were virtually unchanged, slipping 0.3 per cent or about 800 positions on both a month-to-month and year-over-year basis. With ongoing trade and investment uncertainty, and weak pillars of the economy, including sectors like housing and forestry, employers have kept a lid on expanding their headcounts. B.C. payroll counts have held range-bound since late 2023. While counts fluctuate, national payrolls outperformed with a 0.5 per cent year-over-year increase, even as levels rolled back 0.3 per cent in the latest month.

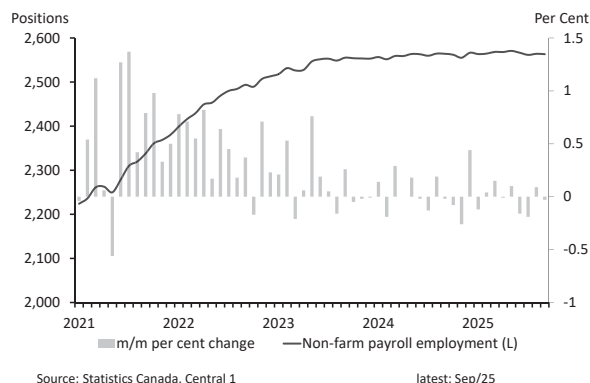
A scan of payroll counts for classified businesses pointed to a mixed but weak picture in the economy with goods-producing sectors deteriorating.

Manufacturing declined 1,150 positions or 0.8 per cent over the latest month, and by nearly 3,500 positions (2.4 per cent) over the past year. This looks to be trade induced, and possibly a result of forestry weakness. Direct logging and forestry were also down sharply. Mining and other resources were flat during the month, albeit a bright spot from a year ago with payrolls up 13 per cent (3,260 positions).

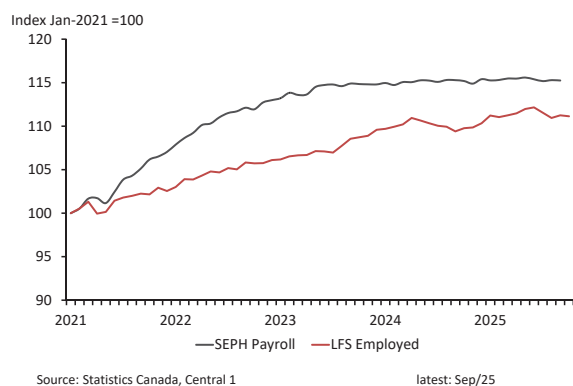
While the service sector was flat on aggregate, the boost came entirely from education (up 5,500 positions or 3.1 per cent) from August and could reflect some timing issues of schools but was down 1.7 per cent on a 12-month basis. Real estate and leasing declined more than 2 per cent on both a monthly and yearly basis, while finance and insurance payroll also declined over the past year.

Average weekly earnings rose 0.6 per cent over the month to \$1,310, but 12-month growth of 1.8 per cent

## Hiring freeze continues for B.C. employers



## Recent payroll growth underperforms LFS, but marks narrowing of gap



lagged the 3.1 per cent national increase, which likely reflects the drop off in goods-production and other higher wage sector employment. B.C.'s job vacancy rate at 3.1 per cent nudged higher and remained above its provincial peers but was near the lowest level since the mid-2010s.

SEPH estimates should be juxtaposed to the Labour Force Survey (LFS) estimates, which is more widely watched and timely but based on a household survey rather than administrative data (SEPH). There is a wide divergence in recent trends. 12-month LFS employment through August rose 1.7 per cent compared to the flat SEPH reading. These measures of employment tend to move in tandem over long periods, but trends diverged in 2021 onwards. LFS employment has risen 11 per cent compared to a 15 per cent increase in SEPH since 2021. The current underperformance of SEPH reflects some normalization of this gap after payrolls sharply outpaced employment in 2021-22. It is not entirely clear what has driven these patterns as recent LFS employment suggests

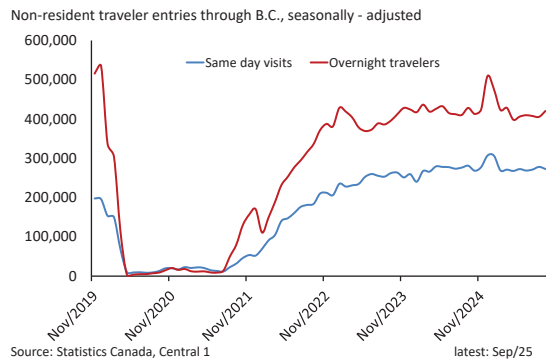
lower self-employment and rising paid employment which would be captured by SEPH. Fewer multiple-job holders and a recent rise in agriculture employment may also be limiting growth in SEPH counts.

While there is divergence in measures, and sectoral patterns differ, the key theme of a soft economy remains. Businesses are hesitant to hire, and there is little change in that trajectory in the current environment.

## Fewer Canadians return via B.C.

Alan Chow, Business Economist

### More overnight travelers offset by fewer same day travelers

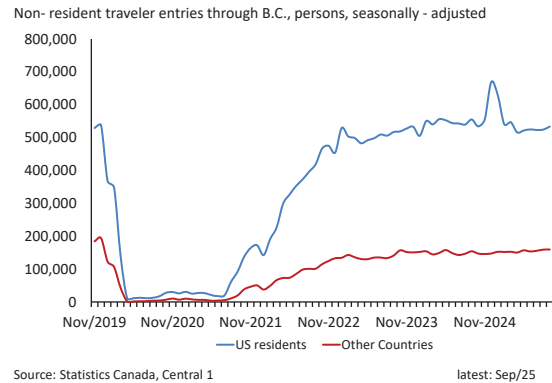


The number of non-resident visitors entering Canada through British Columbia on a seasonally-adjusted basis was up again in September. On a seasonally-adjusted basis, non-resident visitors increased by 1.4 per cent. This was the third consecutive monthly increase. Overnight visitors led the way with a 3.7 per cent increase. On the other hand, there was a 1.9 per cent monthly decline in same-day tourist visits. When compared to the monthly average for 2024, total non-residents visitors in September are still down 1.4 per cent, same-day visitors are down 0.6 per cent and overnight visitors are down 1.9 per cent.

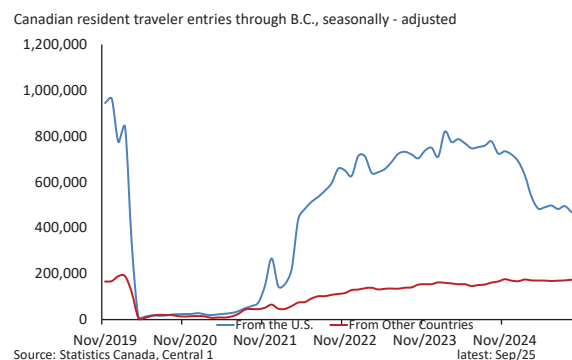
The number of U.S. residents entering Canada via B.C. was up in September, increasing by 1.8 per cent. This was the second monthly increase after revisions. Entry by residents from other countries also grew by 0.3 per cent. This was its third consecutive monthly increase. Compared to the averages seen in 2024, U.S. residents entering in September were at about 96.3 per cent while entry by residents of other countries were at about 106.9 per cent.

Canadian resident travel returning via B.C. declined by 3.5 per cent in September compared to the previous month. Based on levels, this is the lowest seasonally-adjusted month this year and the lowest since July 2022. The number of Canadian residents returning

### Slight rise in U.S. resident visitors



### Fall in Canadians returning via U.S. resumes



from the U.S. declined by 5.3 per cent and brought it to levels not seen since March 2022. The number of Canadians residents returning from countries other than the U.S. rose by 1.7 per cent. Compared to the monthly average for 2024, September numbers are down 29.1 per cent for Canadian residents returning from the U.S. and up 9.1 per cent for Canadian residents returning from other countries.

Unadjusted, the number of U.S. residents entering Canada via B.C. was 622,105 in September, down 3.3 percent from a year ago. The number of residents of other countries was 209,035, up 4.5 per cent from a year ago. The number of Canadian residents returning to Canada via B.C. from the U.S. was 507,351, down 37.7 per cent from a year ago. And the number of Canadian residents returning from other countries via B.C. was 134,583, up 6.1 per cent from a year ago.

Canadians are still firm on their desire to avoid U.S. travel and are instead either remaining within the borders or heading to other international destinations.

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