

# Research Economy Watch

22 May 2026

## Signs of hiring caution accumulating

- **April job ads ease**
- **Another sign of hiring caution**
- **Applications per ad edge higher in March**
- **Hints of softening in the labour market ahead**

	Apr-24	Apr-25	Feb-26	Mar-26	Apr-26
m/m % change	-3.1	0.3	0.9	0.8	0.8
m/m % change (s.a.)	-5.0	1.2	0.4	-0.8	-0.7
3m/3m	-8.2	0.9	3.7	3.2	2.9
Ann % change (m/m)	-29.1	-10.7	11.9	12.6	13.1
Ann % change (3m/3m)	-27.9	-13.6	11.2	11.9	12.5

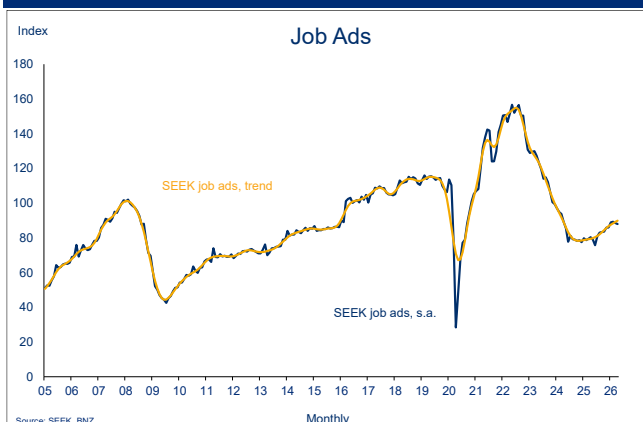
All data refer to the trend series except the m/m % change (s.a.)

There are accumulating signs of caution creeping back into the job market. In April, SEEK job ads eased 0.7% m/m in seasonally adjusted terms. Not a large change but it follows a similar sized dip in March.

The two consecutive monthly declines follow the beginning of the US-Iran conflict in the Middle East. It is looking like the associated cost shock and uncertainty have led some firms to put hiring plans on hold.

Job ads had been trending up and are 13.1% higher than a year earlier. The most recent monthly outcomes suggest the recent positive trend is at risk of faltering. For now though, job ads remain at a level consistent with modest employment growth.

### Another nudge lower



Business surveys have shown prior strength in firms' employment intentions evaporating over recent months consistent with subdued employment growth ahead.

Official labour market data for Q1 revealed modest employment growth of 0.2% q/q and the unemployment rate edging down to 5.3% from 5.4%. The latter seemed more a reflection of less labour force participation than a sign of market strength.

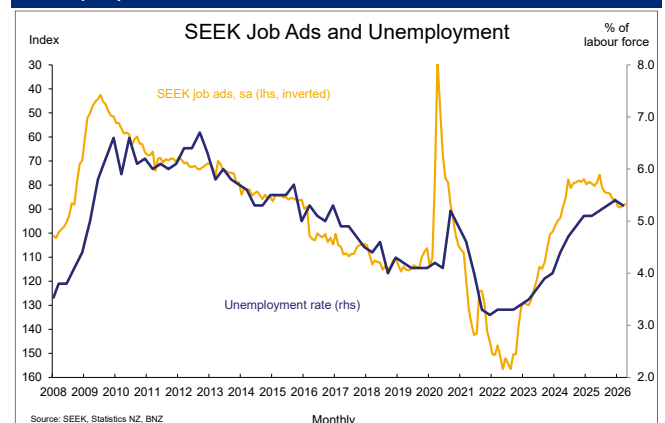
A range of indicators pointed to slack in the labour market in Q1, although a few had started to shuffle in the direction of less slack. For example, the recent Quarterly Survey of Business Opinion saw the percentage of firms reporting difficulty finding skilled labour and labour as a constraint on lifting production as still being below historical norms, but both moving in a less slack direction.

The mild easing in jobs ads over March and April raises the risk of renewed softening in the labour market. The SEEK applications per job ad index gives a hint this dynamic may have already started in March.

The applications per job ad index has been elevated for more than two years. But it had been descending from its peak in September 2025. In March, the index was 8.9% lower than 12 months earlier indicating some reduction in labour market slack. However, the index edged up 0.7% in March on a seasonally adjusted basis. Like the changes in March and April job ads, it is the change of direction that is notable rather than the magnitude of move at this point.

These changes fit with our forecast of upward pressure on the unemployment rate over coming quarters, as labour force growth is expected to outpace employment growth. Our forecasts show the unemployment rate pushing up to 5.7% over the coming 12 months.

### Unemployment rate at 5.3%



[doug\\_steel@bnz.co.nz](mailto:doug_steel@bnz.co.nz)

# Contact Details

## BNZ Research

**Stephen Toplis**  
Head of Research

**Doug Steel**  
Senior Economist

**Jason Wong**  
Senior Markets Strategist

**Stuart Ritson**  
Senior Interest Rate Strategist

**Mike Jones**  
BNZ Chief Economist

## Main Offices

### Wellington

Level 2, BNZ Place  
1 Whitmore St  
Private Bag 39806  
Wellington Mail Centre  
Lower Hutt 5045  
New Zealand  
Toll Free: 0800 283 269

### Auckland

80 Queen Street  
Private Bag 92208  
Auckland 1142  
New Zealand  
Toll Free: 0800 283 269

### Christchurch

111 Cashel Street  
Christchurch 8011  
New Zealand  
Toll Free: 0800 854 854

## SEEK

**Andy Maxey/ Laura Golden**  
SEEK  
comms@seek.co.nz  
+64 9884 1295

**Lara Daly**  
Adhesive PR – SEEK  
lara@adhesivepr.nz  
+64 27 597 3709

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The Covid-19 pandemic led to a high level of volatility in labour market data between April 2020 and March 2022. As a result, caution is recommended when interpreting trend estimates during this period as large month-to-month changes in variables generated multiple trend breaks.

The applications per ad index contains a series break at Jan 2016 when the calculation of this series changed from using gross variables (inclusive of all SEEK job listings) to net variables (removing duplicate job listings). This change has a negligible impact on recent data points, but caution is recommended when interpreting data immediately following the series break, and particularly in 2016 where growth rates have not been adjusted for the series break.